



FINANCE COMMITTEE MINUTES

ORLEANS TOWN CLERK

K. Kelly, Asst
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Meeting of the Town of Orleans Finance Committee

October 10, 2013 at 7:00 PM in the Nauset Room of Town Hall

Meeting called to order by the Chair, Gwen H. Kelly at 7:00PM.

Present: Gwen H. Kelly, Vice Chair Dale Fuller, Ralph Cuomo, Joshua Larson, Mark Carron, Bill Weil, Paul Rooker,. Absent: Recording Secretary Peter O'Meara , John Laurino

Gwen H. Kelly opened the meeting with a comment that the FinCom Meeting Packet folder in the Dropbox Document library contains the agenda for today's meeting, the minutes of the September 26 meeting, the BOS Budget Policy for FY15, the 2013 Departmental Turn backs summary prepared by Mr. Fuller and Mr. Carron, 3 wastewater management related documents taken up by the BOS on October 10, and a signed copy of a letter from the Eastham BOS to Mr. Andrew Gottlieb of the Cape Cod Water Protection Collaborative. This latter document advises Mr. Gottlieb that at a joint meeting of the towns of Orleans and Eastham, the Eastham BOS voted to take the first step toward reclassification of Rock Harbor as a boat basin. Gwen H. Kelly commented that the documents had been set up differently than before, and that although some of these documents appear elsewhere in the Document library, at the risk of redundancy they were grouped into a single folder to facilitate referencing them at the meeting, and further that this shall be the practice going forward.

Following a brief review of the minutes of September 26, a motion for acceptance was made by Josh Larson and seconded by Ralph Cuomo. Minutes were approved 7-0-0 (Video 4.17)

Gwen H. Kelly raised a question as to whether Roberts Rules of Order permits those who did not attend a meeting to vote on acceptance of the minutes at a subsequent meeting. She said that she will look into this question further. She then initiated a discussion of the Administrative items on the agenda.

With respect to the BOS FY15 Budget Policy document, she asked members to keep a copy in their FY15 budget folders, and commented that this step in the budget process occurs every year at about this time.

Designation of a liaison to the Planning Board was then briefly discussed. Since Mr. Larson and Mr. Carron are both liaisons to the Planning Department, Gwen H. Kelly suggested that it would make sense

Approved 7-0-2

R. Cuomo

10/24/13.

for them to be liaisons to the Planning Board as well. Both Mr. Larson and Mr. Carron indicated agreement to serve in this capacity, and since there was general agreement, no vote was taken .

Next were discussed the scheduling of meetings in support of work plan tasks.

Mr Fuller reported that he had previously met with Deputy Fire Chief Tony Pike regarding a review of the Beach EMT program, at which time it was agreed that he would come in after the season for a debriefing session (e.g. what worked, how should the program be shaped if it is extended). Mr. Fuller will pose a set of questions to him which he will also place in the Dropbox, and Deputy Pike will come to the next meeting to address these and other questions the FinCom members may pose. He also commented that he assured Deputy Pike that he would be on the agenda at 7:00PM.

Gwen H. Kelly then reported on her communication with Dr. Hoffman. His schedule would not permit him to meet with the Committee at this or the next FinCom meeting. She therefore contacted BOS Chair Sims McGrath advising him of Dr. Hoffman's willingness to meet, and Mr. McGrath in turn sent a note to John Kelly. She further noted that it would make sense for them to meet with FinCom together at a future date to be established.

Next on the list was the subject of meeting with the school committees. Mr. Larson indicated that he would contact them both and try to arrange a joint meeting with FinCom, rather than separate meetings. Mr. Larson also said that they were just getting their minds around budget issues, and Gwen H. Kelly commented that last year they had their first meeting with FinCom in November. She therefore suggested asking them to meet on November 14, but if that is not convenient for them, some other date can be worked out. She indicated that there is a reasonable amount of flexibility in November, and that we can meet with them on another day of the week, perhaps during the daytime, if that is preferable. As a side note, she also mentioned that it would be good to have email addresses for all members of both school committees, and that she would send Mr. Larson what she has from last year as a starting point.

Mr. Carron next asked for an update on the search for a new Recording Secretary, and Gwen H. Kelly indicated that it is ongoing.

Next on the agenda were the FY14 issues.

Mr. Fuller reported on the budget turn backs analysis that he prepared with Mr. Carron. This year, the analysis includes a line for reserve fund transfers. He further noted that it is a very good tool for use in budgeting. Mr. Rooker commented that the turn backs total is close to \$300K less than last year. Mr. Fuller also r noted that the analysis does not include revenues, but how much each department is contributing to the Town. Gwen H. Kelly indicated that she is interested in patterns, and not only the bottom line numbers. Mr. Rooker noted that the analysis includes a lot of numbers, and that a summary sheet would be helpful, and Mr. Cuomo agreed. This was followed by a discussion of the pros and cons of 'Executive Summary' vs. data more suitable for in-depth analysis.

Mr. Larson was next on the agenda with a very crisp, coherent 'Budget Template' presentation. He explained that the Town must follow the Uniform Massachusetts Accounting System, and that it has no discretion with respect to how its 'official books' are kept. As a result, tools are lacking to be able to make a good analysis: cash and non-cash expenses are not distinguished from each other, and depreciation is combined with other operating expenses, as they would be for a commercial enterprise, where depreciation expense yields a tax advantage. He then presented the proposed format, where cash operating expenses are segregated from non - operating expenses, and where final line items are provided for the inclusion of departmental turn backs and certified free cash, the net result of which highlights a department's surplus or deficit. Mr. Carron then asked whether the sum of the 'net balance' line for all departments would equal the Town budget, and Mr. Larson replied in the affirmative. In his presentation, Mr. Larson used the template for the transfer station as an illustration, and he indicated that there are remaining decisions to be made as, for example, whether depreciation for equipment purchased for a single department belongs on that department's budget vs including it in a pool of capital items for the Town as a whole. Mr. Rooker commented that there is a question of what should be 'expected' of each department in terms of profit or loss. Gwen H. Kelly noted that the use of this template would be a valuable policy-making tool for the BOS. Mr. Rooker added that the proposed format would enable us, for example to know how to price the transfer station because we would know what the relevant costs are, and Mr. Weil further commented that the proposed format provides a true picture of each department. As a next step, the template will be reviewed with Town Administrator John Kelly and Director of Finance David Withrow. and Mr. Fuller agreed to contact them for this purpose. Gwen H. Kelly asked Mr. McClennen, BOS liaison, if he would also like to be involved, and he indicated that he would. He also noted that he recently asked Mr. Kelly to list all capital improvements together, to facilitate their review.

Gwen H. Kelly then summarized, along with Mr. Fuller, the town building and facilities maintenance projects that were reviewed at the October 2 BOS meeting by Building and Facilities Manager Ron Collins. The planned rebuilding of the Skaket Snack will not be able to proceed as planned because the Cape Cod Tech students lack the skills to be able to deal with the pagoda design. In addition, needed plumbing and electrical work were not considered when the original estimate of \$75K was developed, and it now appears that an additional \$100K would be needed to complete the project as designed. The town is on track for the demolition of the Gavigan properties (which require asbestos abatement) and the Hubler cottages (which require lead paint abatement). The principal area of concern in the Habeeb & Associates Capital Asset Assessment document is the replacement of windows, which Mr. Weil noted must have 120mph impact-resistant glass. In his recommendation, Mr. Collins was able to trim an initial estimate of \$500K to \$300K. Mr. Cuomo commented that the Habeeb report included recommendations that go well beyond window replacement, and Mr. Carron added that needed maintenance has been put off long enough, and he asked whether there should be a second article in the warrant to address additional maintenance. He also stressed the need to obtain 'solid' bids. A final item included by Mr. Collins in his report was the pavilion at Nauset Beach, which also needs work. Gwen H. Kelly commented that it is good that there is now a skilled individual on board to address the coordination of town maintenance.

The next item of discussion was wastewater management. Gwen H. Kelly strongly urged all FinCom members to view the BOS October 9 wastewater working meeting, where this issue was discussed at length. Mr. Fuller reported that the Tri-Town decommissioning must be completed by May 31, 2015, when the Inter-municipal Agreement (IMA) expires. It is estimated that the demolition will take 6 months to complete, and he added that the cost (estimated two years ago at of \$1 - 1.4 million) should be borne by the three towns. As a result, there are two issues that FinCom needs to be cognizant of:

(a) what is the current estimate of cost and how will the cost be allocated among the three towns. If it comes down in FY15 as expected, it needs to be included in the budget.

(b) what to do with the septage. This is an issue for another time, but there are policy and regulatory implications involved.

A report is expected to be completed by October 16, and the BOS will take it up at a subsequent meeting. Mr. Rooker questioned whether there is any dispute with respect to cost sharing among the three towns. Mr. Carron also commented that the basis for cost-sharing might be the respective value of the facility to each of them. Gwen H. Kelly added that, however the cost-sharing is decided by the respective boards, approval will still be required at their respective town meetings.

Further discussion of wastewater management then turned to the hiring of a person with skills to be able to scope out the work that needs to be done. Gwen H. Kelly reported that the BOS had voted to approve the hiring of such a person, and that a request for further approval from FinCom was forthcoming. Mr. Carron made a motion stating that FinCom would be willing to entertain such a request, and his motion was seconded by Mr. Fuller, and subsequently approved. Mr. McClennen agreed to act as 'messenger' to take this expression of FinCom support back to the BOS.

Gwen H. Kelly decided to pass over the next item on the agenda, 'Budget Recommendations for communication to the BOS'. She then initiated discussion of the final item on the "issues list": the Planning Board's request for input from FinCom on questions concerning the Town's changing demographics.. She commented that we need to round up all the information we have on this subject to get a sense of what we have to deal with, following which a risk assessment should be performed . She asked FinCom members to come back with suggestions to be relayed to the Planning Board. Mr. Larson indicated that we need to have a sense for what the Town citizens want from the Town, and what we can do to bring that about. Mr. Larson suggested that robust Internet capability be available in every house. Gwen H. Kelly indicated this discussion will be continued at the next FinCom meeting.

Next on the agenda were status updates. First, with respect to the Fire Department, Gwen H. Kelly reported that two new firefighters have been requested, but that the union will not accept their going on day shift, and will want them to go into rotation. Mr. Carron asked whether this restriction was part of the new agreement. Gwen H. Kelly next reported on an Orleans Police Department Strategic Planning Session attended by Mr. Weil, Mr. Carron and her. All those who attended concurred that it went very well, and that Scott McDonald is bringing a fresh, new look to the department, and that he is doing the 'right things'.

Gwen H. Kelly reported that she had a discussion with Peter Van Dyke regarding the GIS software. Mr. Carron suggested that there is need for discussion of what is available in the free market. Gwen H. Kelly agreed.

The final item on the agenda was Liaison reports. Mr. Rooker would have been prepared to deliver a report on the Renewable Energy Commission, but the commission had not been able to meet. Instead, Mr. Rooker posed a series of multiple-choice energy-related questions from a recent article in the Wall Street Journal to those present.

Gwen H. Kelly reminded FinCom members that the next meeting is scheduled for October 24, when we are to meet with Deputy Fire Chief Tony Pike. She asked Mr. Cuomo if there was anything further that was discussed at the September 20 BOS meeting. He mentioned the discussion of a request for a waiver of Town policy to permit the use of inorganic fertilizers at Eldredge Field in the outfield as well as the sodded areas of the infield, and that the BOS decided that there be no policy change.

There being no further business a motion to adjourn was made by Mr. Rooker and seconded by Mr. Fuller . 8-0-0 Meeting adjourned at 9:10

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'R. Cuomo', written in a cursive style.

Ralph A. Cuomo