



Town of Orleans

Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES

February 17, 2022 - 6:30 p.m.

22 MAR 4 2022

ORLEANS TOWN CLERK

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This was a virtual meeting of the Orleans Finance Committee convened via remote participation using “Zoom” webinar technology with real-time public access provided by Orleans Channel 18 on the Town website and cable television.

The meeting was called to order at 6:30pm by Finance Committee Chairman Lynn Bruneau. Also present and thus constituting a quorum were Vice Chairman Nick Athanassiou and Clerk Tim Counihan as well as Committee members Elaine Baird, Chris Kanaga, Constance Kramer, Ed Mahoney and Peter O’Meara.

Guests: Select Board Chairman Meff Runyon, Vice Chairman Andrea Reed, Clerk Mark Mathison and Select Board members Kevin Galligan and Michael Herman. Also Town Administrator John Kelly and Finance Director Cathy Doane as well as representatives from the auditing firm Powers & Sullivan, Partner Mike Nelligan and Supervisor Kathryn Casey. Later in the meeting, the Orleans representatives from the NRSD School Committee joined the Finance Committee: Judy Schumacher, Josh Stewart and Griffin Ryder. Mia Baumgarten from Media Ops provided technical support for the meeting.

Public Comment: none this evening

Joint Meeting with the Select Board

Meet with Financial Auditors Powers & Sullivan re the FY21 Audit

Mr. Runyon called to order the meeting of the Select Board and introduced Finance Director Cathy Doane who then introduced Mike Nelligan and Kathryn Casey from Powers & Sullivan. Mr. Nelligan gave a brief overview of the Town’s financial performance over the past year (FY21), noting a number of highlights. Overall, results were in accordance with plan with the Town’s finances beginning to recover a bit from the pandemic. Mr. Nelligan noted that the Town received an “unqualified” opinion from the auditors with no issues identified. He complimented the Town’s finance team, the financial system utilized by the Town (MUNIS) and the Town’s use of the system as well as the financial “package” prepared by the Town for the auditors. He noted good segregation of duties, timely reporting and no need for audit adjustments. Account balances and ratios were all strong for rating agency consideration.

Mr. Counihan asked whether Powers & Sullivan did any performance “benchmarking” among their many municipal clients, any comparative analysis key metrics - eg, re management of resources. Mr. Nelligan said “no” - noting that town policies change all the time, thus “benchmarking” would be difficult.

Mr. Mahoney asked whether Mr. Nelligan’s firm had an audit partner rotation policy. Mr. Nelligan said “no”. He has been the engagement partner for Orleans for the 5 years that Powers & Sullivan has been the Town’s auditors.

Mr. Galligan noted that he represented the Select Board as the Parks Commission representative on the Town's Community Preservation Committee. He asked Mr. Nelligan about future bond offerings and bond authorization and whether, when a bond authorization is approved, does it become a contingent liability. Mr. Nelligan noted that such bonds w/be considered "contingent" in that they are not yet started - they are "authorized but unissued". He noted that such bonds also would impact the CPC's ability for other borrowings.

Mr. Mahoney asked when the audit firm would be doing their work "in person" again, rather than remotely - whether this year or next. Mr. Nelligan thought that likely they would be back in person this year or next; however, he noted the Town's effective use of his firm's "portal" for loading/providing the required financial/other information. He noted that he and 2 of his associates normally be and several associates w/be on-site for 4-5 days.

Mr. Runyon asked whether Powers & Sullivan does any IT audit work - and what are other towns doing re IT audit work. Mr. Nelligan said that his firm does not have that expertise. Mr. Kelly noted that the Town had worked w/ the County on an IT security audit with continued follow-up and training.

Ms. Bruneau asked a number of specific questions, referenced to specific pages in the Audit Report. These are noted in an attachment to these minutes, with Mr. Nelligan's responses. Several of these questions identified minor inconsistencies in the Audit Report. Mr. Nelligan will follow up.

Finance Director Cathy Doane thanked Mr. Nelligan and Ms. Casey for their participation in the meeting. Mr. Nelligan will contact Ms. Doane re the follow up to questions from the meeting.

Public Hearing on the FY24-FY28 Capital Improvements Plan and the FY23 Capital Budget

Ms. Bruneau read the Public Hearing announcement and called the Public Hearing to order at 7:23pm. She then turned the meeting over to Town Administrator John Kelly who provided a brief presentation, outlining the projects proposed for the next 5 years with project budgets and funding sources. He also outlined the FY23 Capital Budget, naming the projects, budgets and funding.

Mr. Athanassiou presented a single "slide" on behalf of the Finance Committee that asked "How do we transparently quantify/plan/discuss other 'known' projects" with a brief list of examples, including further wastewater phases, DPW projects (Nauset Beach retreat, town landings, dredging), and a number of building replacements/expansions (Fire Station, Community Center, Library, OES, Senior Center, affordable housing).

Mr. Counihan questioned the investments not being made around town - i.e. Library, Council on Aging, Recreation - how are we making the trade-offs so these locations in town where the community spends time, that these areas are as well served as other areas, such as the police department, fire department, DPW facility.

Mr. Mahoney noted that the Town's Comprehensive Plan is obsolete. How do we set priorities when the Comprehensive Plan is out-dated?

Mr. Kelly stated that the Comprehensive Plan should be updated by the Planning Board and it most likely needs to be updated. Ms. Reed stated, as a former chair of the Planning Board, part of the issue with not updating the Plan is due to the sewer project (waiting for its completion). She stated that there are projects on the Plan, like a community center, but the community hasn't asked about this. There were projects that needed more immediate attention so that was the focus for a long time.

Mr. Kanaga asked if there is a scale or guidance that would help residents understand the impact of a

\$42M budget and of large-scale projects on their property taxes – what the potential costs are, suggesting more transparency for knowing these costs.

Mr. Kelly responded that there are descriptions for each of the proposed CIP projects, but perhaps there could be a simpler way for people to understand what goes into this, so they can understand the financial impact of upcoming projects. He also noted that the Annual Town Meeting Warrant includes a chart that can help taxpayers to understand the relationship between tax rate increases and the tax impact on an average size property (\$500k). He also noted that one of the goals is “level funding” - not to overload any one year with too much spending.

Mr. Counihan commented on CPC project funding and the high school project - both as “side channels” to capital. How do residents see the whole picture - particularly of the biggest projects.

Ms. Bruneau noted meeting with the Water Department and going over the CIP and Capital Budget. There is an error in the Water Department Capital Budget line for the WTP Membrane Replacement Rack - the number s/be \$69,900 not \$69,000. Mr. Kelly will correct the error.

Ms. Bruneau also noted a Water Department request for a dump truck listed for \$69K in the detail but on the schedule, it’s listed for \$100K. Wondering why the addition of the snow plow goes into the Water Department’s funding and not into DPW’s budget? Mr. Kelly stated that the numbers shown on the CIP come from the department heads, and Mr. Kelly also stated that all of the town’s 4 wheel drive vehicles need to have a plow.

Ms. Bruneau also noted the TBD for the fire station - when will there be a number for that project? Mr. Kelly stated that it would most likely go to the voters in October.

Ms. Bruneau asked about equipment for the Fire Department listed in the Vehicle & Equipment detail. The backup sheets provided by the Fire Department ask for funding for boots and helmets and firefighter gloves - but none of that equipment is included in the Equipment schedule. Mr. Kelly said that if Chief Deering needs things to be included, they will be. However, he seemed to be unfamiliar with the detailed equipment requests. Mr. Kelly also noted that Fire Department laptop requests should be included with funding for each new ambulance, as part of the equipment for that ambulance.

Ms. Bruneau asks if there will be a mid-year financial report provided by the Finance Director, especially if there may be a need for a substantial general override when two weeks ago the headlines were all about lower taxes. What is the best way to get the voters ready for Town Meeting?

Mr. O’Meara asked about the Town’s debt load - who will be updating the debt policy and the debt information and when? And is there a “best practice” with regard to debt load? Cathy Doane said that there is no defined “best practice” - ratings are based on “equalized value” and that Orleans is well below its maximum debt limit. She will follow up with further information.

Before the meeting was adjourned, Ms. Bruneau noted that Cape Tech Superintendent Bob Sanborn would be coming to the March 10, 2022 Fin Comm meeting for a discussion re the FY23 Cape Tech budget. Select Board members are invited to attend/participate in that meeting if interested.

Motion by Mr. Counihan to adjourn the public hearing, second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kramer and Messrs. Athanassiou, Counihan, Kanaga, Mahoney and O’Meara all voting aye by roll-call. The Public Hearing was adjourned at 8:30pm.

Motion by Ms. Reed to adjourn the Select Board meeting with the Finance Committee, second by Mr. Herman. The vote was 5-9 with Ms. Reed, and Messrs. Galligan, Herman, Mathison and Runyon all voting aye by roll-call. The Select Board meeting was adjourned at 8:34pm.

Meet with Orleans/Other Representatives of the NRSD School Committee to Discuss School Choice Cost/Other Considerations

Ms. Bruneau welcomed the Orleans representatives from the NRSD School Committee - Judy Schumacher, Josh Stewart and Griffin Ryder. Ms. Bruneau noted that in January 2021, Fin Comm had met with the NRSD School Committee for a discussion on the budget development and approval process and the primary cost drivers, and an update on the NRSD high school building project, which was approved at a District-wide vote at the end of March and then later last Spring at the ballot in all 4 District towns.

She also noted that at Town Meeting last May, the topic of School Choice came up again - including the cost considerations - which is why Fin Comm had asked for a follow-up discussion.

Ms. Schumacher noted that for school year 2021-22, the number of school choice students is 212. There are 55 students in the District who decided to "choice out" of the District. The enrollment at NRMS is 538, 56 of those students are choice students. These students are accepted on a space available basis; there are no new teachers/classes added to accommodate these students, so the "cost" of the students is basically zero, and the district will bring in approximately \$280K from these students (\$5k/student - the amount set by the state).

At NRHS, the total enrollment is 854, 156 of those are choice students. Previous analysis of the costs has indicated that this could number of students could require an additional 6.5 full time teachers, approx. \$650K; however, the choice students bring in \$780K for the District. Choice students are accepted in either the 6th grade or 9th grade. The program is evaluated each year and the parameters are decided in April (how many students, which grades, which entry levels) as mandated by the State. Choice enrollment is expected to go down by approximately 26 students next year, based on current enrollment and trends.

Mr. Mahoney asked if the District had reviewed its budget for other cost categories that would decrease if the school choice headcount were reduced. As an example, he asked if NRSD provides transportation for the school choice students. He asked why transportation cost, including fuel and maintenance, was not included in the cost benefit analysis. Ms. Schumacher replied that NRSD did provide transportation; however, she noted that the bus/driver isn't being utilized for the regular school schedule and further that choice students are generally picked up at a single location, or they may "hitch rides" with regularly scheduled NRSD buses.

Mr. Stewart noted that there are likely a number of other costs for the choice students, including iPads, but there is nothing of financial significance.

Mr. Mahoney noted that the school choice students represent the second largest "constituency" within the District after Brewster (with the new enrollment numbers published last October).

Ms. Schumacher noted that the District is looking at the alignment of curriculum through grades 6-12 - looking at things like graduation requirements, state standards, and the District's own Strategic Plan. Class sizes and teacher loads will also be considered.

Mr. Mahoney commented about the tuition paid by Truro and Provincetown students but Ms. Schumacher confirmed that transportation is separate - provided by Truro and P'Town - not part of the tuition equation. Mr. Stewart noted that a number of factors will likely be considered during the next contract negotiation w/ Truro and P'Town.

Mr. Counihan noted that he has modified his views a bit, particularly with regard to who pays for the new school. At present, it will not be choice students or tuition students from Truro and P'Town. His view now is to fill the school - but with an understanding of marginal costs.

Mr. Athanassiou encourage the idea of a curriculum analysis to see how this all fits with a quality education and outcome. Ms. Schumacher reminded everyone that because we are such a remote community, we don't have the advantages of living near a metropolitan area, i.e. not a large business community to support, or colleges or support, we still have a highly ranked school system. The quality of the education is important. We owe it to the students to help prepare them for what's next.

Select Board member and liaison for NRSD and OES Mark Mathison noted that he's been a part of the District for 48 years, even prior to school choice. There used to be an analysis of the impact of choice. Looking at the classes offered, the administration could determine which classes to cut or continue - which ones depended on choice tuition. He also noted that when a student chooses out of the District, to go to a school like Sturgis, the cost Orleans pays for that student is \$27K. If NRSD is not able to offer diverse classes, then it will ultimately cost the town more money with students migrating to other districts, as the town has to pay these costs to the districts for the students going there.

He also noted that the state requires school bus seats for all students in the District, whether all students use the buses or not. That is why we sometimes see "half-empty" school buses - and also why there can be space for choice students to ride. Despite this state requirement, the state does not fully reimburse transportation costs.

Mr. Stewart noted that state law governs the structure and cost of the school choice program. It is regularly reviewed by the state and state auditors. The NRSD goal is what is best for the students.

Town resident Brian Sosner joined the meeting for Public Comment related to school choice. He stated that the NRSD gross budget is \$35M; there are 1366 enrolled students; thus the approx. budget cost per student is \$25,620. Thus the subsidy for school choice is approx. \$4M. He also commented that there is a lot of money in the construction budget for temporary structures during the high school construction, and suggested looking at scaling that back to help save on those costs

Ms. Bruneau thanked the NRSD school committee representatives for their participation in tonight's Finance Committee meeting - particularly for spending an hour with the Committee, starting after 8:30pm. She also thanked the Select Board representatives who had also stayed for the discussion - Mark Mathison, Kevin Galligan and Michael Herman.

Note: In the interest of time, further Fin Comm discussion/review was postponed just after 9:30pm. Ms. Bruneau sent notes related to the rest of the 2/17/22 Fin Comm meeting agenda to Fin Comm members on Friday, 2/18/22 to provide a timely update. Those notes are appended to these meeting minutes.

Continue Discussion - FY23 Budget and FY24-28 CIP - notes attached

Review/Act on FY22 Fin Comm Priorities/Action Items, Including Any Voting - notes attached

Finance Committee Liaison Reports - notes attached

Review Schedule and Items for Future Agendas

- Wednes, 2/23/22 - BOWSC at Select Board re sewer cost considerations, etc.
- Thurs, 2/24/22 - Fin Comm including Reserve Fund Transfer (OKH)
- Mon, 2/28/22 - OCF on Climate Change at 4pm; Zoom
- Wednes, 3/2/22 - joint mtg at Select Board - Public Hearing on FY23 Budget

-March and April - Fin Comm scheduled every Thursday; Cape Tech on 3/10; others TBD; may be able to continue Zoom meetings until July 15 per informal discussion w/ Town Clerk on TuesdayN

Adjourn: Motion by Mr. Counihan makes a motion to adjourn, second by Mr. Mahoney. The vote was 8-0 with Mmes. Bruneau, Baird and Kramer and Messrs. Athanassiou, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

The meeting was adjourned at 9:39pm

Respectfully Submitted,

Stacy Faber, Recording Secretary

All documents listed below are in the Fin Comm Drop Box except as noted:

1. February 17, 2022 Finance Committee agenda
2. FY21 year-end Audit Report from Powers & Sullivan
3. Public Hearing Announcement for 2/17/22 Public Hearing on FY24-FY28 CIP and FY23 Capital Budget
4. Finance Committee CIP "slide" - "How do we transparently quantify/plan/discuss other 'known' projects?"
5. Lynn Bruneau Questions re the 6/30/21 Audit Report from Powers & Sullivan w/ replies from Audit Partner Mike Nelligan (Drop Box and attached to meeting minutes)
6. Meeting notes for 2/17/22 Fin Comm meeting distributed to Fin Comm on 2/18/22 to provide a timely update re info not covered during the meeting due to time constraints (Drop Box and attached to meeting minutes)

The minutes for the February 17, 2022 Finance Committee meeting were reviewed, edited and approved at the March 3, 2022 meeting. Motion to approve by Ms. Baird, second by Mr. Kanaga. The vote was 7-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Athanassiou, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Marilyn M. Bruneau
FIN COMM CHRMN
3/3/22

Lynn Bruneau Questions re the 6/30/21 External Audit Report from Powers & Sullivan
Asked of Audit Partner Mike Nelligan during the 2/17/22 Joint Meeting
Of the Finance Committee and the Select Board

Page numbers refer to pages in the Audit Report

Pg 6 - 1st ref to audit now considers Affordable Housing Trust Fund as a “major fund for presentation purposes” - but not previously. Triggered by dollars? On pg 9 noted an increase of \$708k from last year-end to \$1.1M as of 6/30/21 w/ \$500k from CPC and \$275k from the General Fund. What is the dollar amt trigger? Could this appear and disappear, depending on the year-end balance? Other references and inclusions re the AHTF on other pages including a new column of info on pg 16 and refs on pgs 24, 37 and 42.

Mr. Nelligan - AHTF added as a “major fund” this year; although there is a “general formula” for which funds to include, this one doesn’t really “qualify”; however, any such fund can always be included, and leave it in place.

Pg 8 - Under “General Revenues” - “Meals Tax” is now a separate line item - is that a new rule? Or a dollar threshold? Also new separate line on pg 15 under “Changes in Net Position”.

Mr. Nelligan - not required, but helpful to separate it from Hotel/Motel tax.

Pg 10 - at the top in “Budgetary Highlights” - last sentence says “The Town has carried over \$1.1M in appropriations to 2022.” That makes sense. But in last year’s report, the FY20 report, the sentence said to 2020. And in the FY19 report, the sentence said to 2019. So what is meant? What is right?

Mr. Nelligan - the FY21 report is correct; the FY19 and FY20 reports were incorrect.

Pg 10 - the “Debt Administration” paragraph - the second paragraph is new. Is this describing a new strategy? Or is this a new audit reporting requirement?

Mr. Nelligan - the paragraph was added by the Town to clarify its debt administration strategy.

Pg 31 - last line on the page re deposits. Last year the paragraph noted an amount that was uncollateralized. This year there’s not reference even though there’s about \$150k that’s apparently uncollateralized (doing the math). Is that because given the totals, the amount is immaterial?

Mr. Nelligan - they will check but likely the math is correct and there is no need to list any amount as “uncollateralized”.

Pg 35 - top half of the page re “Receivables” - new line this year re Loans. Is this a new risk? What kind of “loans” would this be? Are there appropriate internal controls over these “loans”? Also - overall for Receivables - a 25% gain, year to year, from \$4M to \$5M - is that a concern to the Auditors?

Mr. Nelligan deferred to Finance Director Cathy Doane who noted that these were housing-related loans that were forgivable after a period of time.

Pg 37 - at the top, re “Interfund Receivables, Payables and Transfers” - new line re Capital Projects Fund”. Did we not do this previously - transfer money from the Capital Projects Fund to the General Fund? Are there controls over this w/ appropriate review and approvals? Also - footnote 5 - what are “Expendable Trust Funds”? Who signs off on these transfers - with oversight from whom?

Mr. Nelligan - standard practice. “Expendable Trust Funds” are those that can spend funds.

Pg 38 - top of the page. Last year’s report showed that the BAN with a due date of 2/7/2020 was fully retired/redeemed before year-end of 6/30/20 with a dollar amount of \$14.4M and change. Yet it

pops up again during FY21 with a dollar amount of \$18M in a new column as “renewed/issued” and with a balance of that \$18M as of 6/30/21. How can that be if the due date is 2/7/2020?

Mr. Nelligan - the date should be 2021, not 2020 (error subsequently corrected).

Pg 39 - top of the page - in the chart - the columns - the numbers in the column labeled “Outstanding as of June 30, 2020” in the first 3 lines don’t match the numbers in last year’s Audit Report.

Interestingly, in the aggregate - in total - they’re OK. But the three individual lines don’t match last year’s report. Instead of what is shown in the current report - last year the 3 lines were \$80k, \$25k and \$3.36M.

Mr. Nelligan will follow up (errors subsequently corrected).

Pg 46 - at the top of the page - the expected “Real Rate of Return” for Timberland is shown as 345% which seems unlikely.

Mr. Nelligan will follow up (error subsequently corrected - s/be 3.45%).

Continued Notes from Thursday, 2/17/22 Finance Committee Meeting

Note: these are notes that would have been covered briefly at the 2/17/22 Finance Committee meeting if time had allowed before that meeting was adjourned shortly after 9:30pm. The notes were distributed to all Finance Committee members and referenced at the next meeting (2/24/22) and then appended to the minutes of the 2/17/22 meeting. The sub-heading numbers refer to the agenda item numbers on the 2/17/22 meeting agenda.

6. Continue Discussion re FY23 Budget and FY24-28 CIP

- How are Budget Review meetings going? Which have been completed?
- Earlier - MIS on 2/10
- Mon, 2/14 - Library; Treasurer/Tax Collector
- Tues, 2/15 - Planning Dept; Town Clerk; Water Dept
- Wednes, 2/16 - Fire Dept
- Fri, 2/18 - DPW (various) - maybe not on 2/18?
- Tues, 2/22 - Police Dept
- Also done - Health Dept (Elaine/POM)
- Later - Cape Tech to Fin Comm on 3/10; TA/Fin Dir - TBD; NRSD/OES - early March; Rec Dept/RAC - early March; COA - after 2/23; Cons Comm - after 2/25; when Assessor? - (Tim/Chris)
- Others coming to Fin Comm - CPC in March; Shellfish/Waterways; AHC/AHTB in April

7. Review/Act on FY22 Fin Comm Priorities/Action Items, Including Any Voting

-Anything else that we s/be acting on right now? I've received a request for a Reserve Fund Transfer from Greta Avery on behalf of the OKH Committee - for \$600 to cover advertising expenses. Received yesterday - not on our agenda tonight to vote on this. Have asked why some of their other funds can't be used to help cover part of this even though it's a small amount. And have added it to the draft agenda for next week's meeting.

8. General Updates Including Recent Select Board Meetings

- Select Board 2/16 - mtg - 2 public hearings on perm alts to outdoor premises for small patios for serving alcohol - COVID lessons learned; BOS only responsible for voting on liquor license; others weigh in on space, etc. so multi-step process. Likely will see more of these as COVID-specific permissions end.
- Citizens' petition for Warrant re no Pilgrim Water in Bay - not a Warrant Article but ballot question; was OK'd
- Budget Reviews - DPW and EF's - quick review of these and then the Big Issue
- 192 - Town Office Bldg/Annex - JK noted looking at maybe setting up 2 mtg rooms upstairs and using downstairs for records storage; met w/ Peter Van Dyck, Ron Collins and JKelly
- 294 - Tree Warden - salary savings due to retirement; Andrea suggested developing "planting plan" for Town; budget now includes planting a few more trees; JK asked Tom Daley to pursue use of Americorps resources again to support outdoor work in town
- 295 - Shellfish/Harbormaster - budget includes \$18k for shellfish propagation; risk if shellfishing to popular - overburden resources, landings, parking esp w/ non-residents; rely on Ron Collins budget for most landing maintenance
- 421 - Highway - primary discussion here about need for 2nd mechanic; \$59k salary estimate is unloaded (w/o benefits); Tom Daley noted c/be some savings in other Repair/Maint budgets if hired 2nd mechanic but not full funding

- 424 - Street Lights - JK noted that the vendor who has been doing the work is going out of business; County is contracting w/ a new vendor to start July 1; TD noted new lights downtown and C'mas lights
- 630 - Recreation - TD noted that 5-year plan request is to shift Rec Dir to 40-hrs and add Asst Dir at \$65k (unloaded); JK noted they plan to meet again to discuss revolving fund; unclear whether pgms increase or not
- 649 - Windmill - TD w/ like to add back hrs/cost for docent - haven't had for 2 yrs - \$5300.
- 653 - Facilities - budget includes utilities and maintenance for new and old DPW facilities plus Eldredge Field; this budget has TD, Ron, Seth Pearson salaries. 28.75% incr in op exp w/ big jumps in rep/maint pub prop and maint contracts. V. expensive O&M on new bldg. This is where recommendation is for asst for Ron Collins - \$79k unloaded. Total DPW salary add w/be \$205K plus \$5k for Windmill docent.
- 654 - Parks - some salary savings due to retirement; v. little said
- 423 - Snow Removal - JK said need to level fund this so can deficit spend this acct if need to

- Beaches EF - Nate - not increasing fees; looked at expenses in detail; over time will re-look at staffing as operations change w/ access changing (kiosks, etc.); year 1 EF success. CD noted \$263k more net than pre-EF (unclear what considered). Discussion of over-sand agreement w/ Chatham - renegotiate in April; will try to cap revenue to Chatham. Andrea brought up potential imbalance in fees vs. labor; Nate noted continue to look at resource utilization.
- Moorings EF - LB missed discussion - proposed rate increase for "recreational" fee from \$120 to \$155. New revenue w/be \$186k vs. \$153.5k in last year's Warrant Article.
- Rock Harbor Boat Basin EF - LB missed discussion - c/be adding kiosks for parking; c/be \$500k+ annual parking revenue though unclear if that c/ start in time for FY23. Some of EF calculations look odd - why is Tree Warden time allocated to this? Proposed increases in all fees. Revenue w/ go up just \$20K from prior year estimate.
- Sewer EF - LB missed discussion - completely re-done. Qs about EF calculations.
- Trans Sta EF - LB missed discussion - \$35K incr in oper expenses. Proposed increases for most fees but proposed revenue up only \$85k from prior year.

- NRSD and OES - projected assessment increases - LB missed discussion but likely it focused on anticipated increased in NRSD budget due to shift in student population w/ 27 student gain in Orleans resulting in unanticipated \$620K operating assessment adjustment to budget plus additional capital project assessment adjustment of \$11.4k. OES goes the other way - \$44k down for the budget and \$24k down for health insurance. But interesting question - the enrollment numbers were published/available early October. Why wasn't the Nauset impact anticipated? Maybe not calculated to exact dollar - but at least anticipated? Why such a surprise? And why not built into the budget delivered in January?
- In last night's discussion, JK suggested having both OES and NRSD school committees come into meet w/ the Select Board. Seemed to imply that they had done this routinely - but I don't recall recently. Mathison noted that recently, Orleans has had a stable or declining student population w/ other towns picking up the slack. Now it's our turn.

- Budget changes to date summary - single page that shows changes to both revenue and expenses to date. This gets updated regularly until TM. Start w/ the beginning excess levy capacity (\$249K) and add any "new revenue" or "positive" budget changes. So far - added about \$165K. But then - bottom half of page is new expenses. The big bad news here is the NRSD reallocation w/ the 2 pieces totaling \$630k. So subtracting the new expenses from the new revenue number - we're now in a net negative position of \$227k - before we even start to address new "wish list" items like a second mechanic or a shadow for Ron Collins or an asst Rec Dir - or any number of other good ideas. This is the current deficit. This is what would have to be funded by a "general override" - unless there are other budget cuts/shifts in priorities.

- CDoane suggested a few preliminary ideas - EF subsidies (w/have to raise fees); stabilization funds (Bldgs & Facilities; Vehicles). Also mentioned unknown marijuana tax - but no projections/no start date/premature.
- Mathison suggested possibly reconsidering how some of Hotel/Motel tax is allocated. Now all of it goes to Sewers/wastewater. Meff - parking w/ help too (eg, \$500k at Rock Harbor). KG ref'd \$630k - somewhere? He also noted that the re-set in school population c/ likely impact allocation of NRSD building project debt. Meff said maybe add humans to some town parking lots instead of kiosks.
- Mathison also noted - Gov. Prence consultant noted that if property is used substantially for municipal buildings, then municipal facility w/ no tax revenue plus burden of O&M. If primarily housing, w/be revenue source.
- JK noted he and CD will be looking at revenue/other options. Caution - DOR looks closely at proposed revenue sources in budgets - need to ensure you can collect the proposed fees. Ref to NRSD as a "game changer" for the Budget. Note: next week BOWSC is at the Select Board for sewer cost discussion; the 2 weeks out on 3/2 is the Public Hearing on the Budget hosted by the Select Board. Unclear if there will be any new news before then.
- Pesticides/herbicides - OK'd
- Proposed Shellfish Grant regs and waiting list fee - OK'd
- New rates for ambulance billing - OK'd
- Discussion/vote to support county program re eligibility criteria for definition of "failed" septic system - c/ open door for low interest loans for new sewer connections - agreed to send letter of support to County re this program
- Revised RAC charge - deferred; RAC hasn't yet reviewed
- Annual Fee Schedule changes - few; deferred pending further Budget discussion options
- EPA response letter re Pilgrim water in the Bay - included to show that Town is engaged in the discussion
- Town Admin report - Together We Can letter of support - need for year-round place to go during construction - considering small Gov. Prence property building along the road; maybe also Chamber of Commerce; TBD re appropriateness; maybe too far from NRMS. Other brief updates. Re staff updates - briefly noted having to pay higher end of scale; Water Dept having trouble filling open positions; known challenges in OPD and OFD.
- Liaison reports - Ch 18 cut out at 9:30pm - not watched.
- Future meetings - not watched but 2/23 will be joint mtg w/ BOWSC re sewer cost considerations - very important meeting.

9. Finance Committee Liaison Reports

- NRSD/OES - OES voted Monday to participate in Fire Department Feasibility Study; both OES and NRSD continue to work on budgets
- Library/COA - update on COA? (now furnace problems in addition to flood clean-up)
- BOWSC - meeting today; s/be more info available Friday for Select Board mtg next wk on costs
- AHTB - mtg Tues this wk
- CPC - voted Friday to support \$1M bond for 107 Main St instead of cash and voted \$500k for AHTB; application for Old Fire House still TBD; voted last wk to approve all of smaller projects
- CRC - on Monday - David Lyttle spoke re quorum; agreed to go ahead w/ quorum of 100 going to zero. David Lyttle clarified process for continuing to second night. Voted to change any references from "newspapers" to "news outlets" after lengthy discussion which c/ have been shortened if one of them had looked up definition of "news outlets" on the internet during the meeting. They will adjust their material for presentation to the Select Board on 3/2 (same night as Public Hearing on FY23 Budget).
- OPD/OFD - nothing separate from Budget discussions
- Gov. Prence - next wk
- Planning Board - next wk

-Others - other than Budget meetings?

10. Review Schedule and Items for Future Agendas

- Wednes, 2/23 - BOWSC at Select Board re sewer cost considerations, etc.
- Thurs, 2/24 - Fin Comm including Reserve Fund Transfer (OKH)
- Mon, 2/28 - OCF on Climate Change at 4pm
- Wed, 3/2 - joint mtg at Select Board - Public Hearing on FY23 Budget
- March and April - Fin Comm scheduled every Thursday; Cape Tech on 3/10; others TBD; may be able to continue Zoom meetings until July 15 per informal discussion w/ Town Clerk on Tues (note - this has been confirmed)
- Thurs, March 10 - Warrant closes
- Wednes, April 6 - Warrant Article recommendations due
- Sat, April 9 - Warrant to Printer
- Mon, 5/9 - Town Meeting - Middle School Auditorium

11. Adjourn

Lynn Bruneau / 2/17/22