



Town of Orleans

ORLEANS TOWN CLERK
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Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES Thursday, March 3 - 7:00 p.m.

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 7:00pm by Finance Committee Chairman Lynn Bruneau. Also present and thus constituting a quorum were Vice Chairman Nick Athanassiou and Committee members Elaine Baird, Chris Kanaga, Constance Kremer, Ed Mahoney and Peter O'Meara. Tim Counihan was absent.

Guests: Mia Baumgarten from Media Ops provided technical support for the meeting.

Public Comment: none this evening

Announcements - nomination papers are still available from the Town Clerk's office for nearly a dozen elected offices for the Town election scheduled for 5/17/22. Last day to obtain papers is 3/25/22; last day to submit papers is Tuesday, 3/29/22.

-Contact the Town Administrator's office if you'd like to submit a citizen's petition for a Warrant Article for May Town Meeting. The form and the petition procedure are posted on the Town website. Due date is 3/10/22 - with signatures.

-There are several studies underway in town with a number of surveys just out or due out soon seeking input from town residents. Please watch for these and provide your thoughtful feedback; share with others. The more feedback, the better for the future of our Town.

-Remember to calendar the Annual Town Meeting - Monday, 5/09/22. More info about the location and time and other details to follow.

Review/Approval of Finance Committee Meeting Minutes

-February 17, 2022

Motion by Ms. Baird to approve the February 17, 2022 meeting minutes, second by Mr. Kanaga. The vote was 7-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Athanassiou, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

-February 24, 2022 - draft not yet available

Update - Select Board meeting with BOWSC on Sewer Projects/Planning; Cost Considerations

-Select Board worked through the material from the week before with minor changes to the original pages, plus a new "Scenario #4" added to the Betterment discussion that w/ put 80% of the Total Cost for Downtown and MHP onto the Tax Rate and 20% onto the Betterment. This resulted in an almost equal avg Betterment for Downtown and MHP - \$10.3k vs \$11.3k. Then Mr. Mathison suggested a new Scenario #5 that w/be 50% of the Total Cost on the Tax Rate and 50% on the Betterment with results of that yet to be determined. At the end of lengthy discussion, the Select Board agreed to go forward w/ 4 Scenarios for next week's "public" meeting w/ material in Friday's Select Board meeting

packet - Current Board Policy but with \$1.5M/annually used annually from the Wastewater Stabilization Fund; then Scenarios 3 and 4 and 5 (#3 is all cost on the Tax Rate, no Betterments; #4 and #5 as above). Plus they w/ add a glossary of terms, an intro and a summary.

-Fin Comm alum Bob Renn spoke during Select Board Public Comment, suggesting deferring considerations related to Meetinghouse Pond (MHP) and expanding the definition of that "Phase 2" to a new "Phase 2B" that would include all of the other sections such as Pilgrim and Crystal and thus add more properties and thus more properties to share in the determination of the Betterment.

-Critically important, however that the Town approves the \$32M funding for MHP as currently defined to keep things moving for SRF funding - even if the Betterment isn't fully defined.

-Need also to agree on/define Betterment percentages as part of process for determining sewer unit costs and also for establishing sewer usage costs. Rates need to be established for turn on of system in September'22 - for "first flush".

-John Kelly did say that Betterment could subsequently be amended later if needed - by Town Meeting. Could start one way for Downtown and MHP and amend later for further build-out.

-BOWSC to discuss sewer rates at 3/16 BOWSC meeting; Town has hired help for this. This info needs to go into Sewer EF Budget as "fee" info. Needed for first year of operations (starting in September).

-During discussion, pretty clear that some Select Board members still unclear about Betterments and sewer units vs. sewer usage rates (based on water use) for quarterly sewer bills.

-Still nothing done about providing further/more total cost information per property - all the moving parts. Still have to dive into 200+ page Rules & Regs and Sewer User Guide.

The Select Board feels there needs to be transparency for the property owners regarding the betterments and costs involved.

-Mr. Mathison suggested again that some of Wastewater Stabilization Fund money be used to help those staying on septic systems when they need to replace those systems w/ next generation after Title 5 septic systems.

Update - Long-Term Planning/Capital Planning and Debt Discussions - long-term capital planning follow-up. How to keep tabs on all/various planning efforts/studies going on with more Town surveys pending?

-Follow up regarding debt questions at the CIP Public Hearing. Peter O'Meara asked about debt metrics. Cathy Doane said that the town was well below its maximum as determined by the state using "equalized value" - but follow-up email from Fin Comm alum Brad Keith who works for Harvard Endowment. He pulled data from the MA Division of Local Services with other comparisons for FY20. The info he looked at showed that Orleans debt svc has tripled in the past 3 yrs from \$2.4M in 2016 to \$7.3M in 2020. Out of 351 towns in MA, Orleans now ranks 2nd in percentage of budget spent on debt (20%) and first in debt service per capita (\$1,153). Brad has offered to join a Fin Comm meeting for a further discussion of these results and the debt topic. As he pointed out in an email, not all households and businesses in Orleans have the wherewithal to withstand double-digit changes in their tax bills going forward with more debt pending.

Review Draft Warrant Index for Annual Town Meeting - new Warrant Index is color-coded and re-ordered to some extent to group things, eg - Water Department. Color coding is primarily based on funding sources. Changes are in red ink. One known change - second page - funding for senior work-off program will be added to Town Admin budget - OK'd by Town Counsel to do that. They will be looking for more things to move to Budget or Consent Calendar but latter is limited to "non-controversial" Warrant Articles. Mr. Runyon suggested maybe moving Application of Bond Premiums and Bond Surplus to Consent Calendar - TBD. Twelve Charter Review Articles but could be more in Fall - TBD whether these stay for now or wait for Fall. Could be more/other/new Articles. No Warrant Articles to look at yet - nothing to vote on.

Continue Discussion - Fin Comm Letter for Town Meeting Warrant -Maybe long-term planning/capital planning and debt? Now that the Budget and CIP Public Hearings are behind us and most of the in-person Budget Reviews, perhaps can focus on this.

Continue Discussion re FY23 Budget and FY24-28 CIP and FY23 Capital Budget

-**Last night's FY23 Budget Review Public Hearing** - much of John Kelly's presentation was same as 2/2/22 presentation to Select Board though some new/updated info/numbers toward the end - have asked for a copy of material for sharing. Not clear whether NRSD numbers have changed yet; John Kelly was still referring to an anticipated 5.8% increase in the NRSD budget, though we had heard a 3.5% number from Judy Schumacher at the Fin Comm 2/17/22 meeting. The updated "Budget Changes Proposed" page in the Select Board mtg packet showed a budget deficit of \$228.5k but last night JK said the number is now \$258.4k. TBD what the extra \$30k is from - several of the line items still don't have numbers (eg, Assistant Facilities Manager, 2nd Mechanic) - and as discussed during the Public Hearing Q&A, there are still many "wish list" items missing from the 5-year look-ahead worksheets including an Assistant Town Planner and an Assistant Rec Director. John Kelly said that he will provide a summary of a prioritized list of the "wish list" items for next week's Select Board meeting - which means in the packet by EOD tomorrow. He also said the budget needs to be final by the end of March for the Warrant going to press a week later.

-Question regarding when Pay As You Through? It was noted that we will be reconsidering - Board of Health and Select Board effort.

-Other info from last night's Public Hearing/Q&A as well as the responses to EF Q's sent to Cathy Doane - EF budgets will be adjusted. Parking project expenses will likely be included in Rock Harbor Boat Basin EF - but no revenue projections. TBD whether Select Board will include \$10k recruiting fee for new Town Administrator as suggested.

- **Library and Planning Board Budget Reviews** - write ups were sent the other day.

-**Library** is required to review their strategic plan every 5 years. Library use has changed - visits are down, decrease in the number of residents who have library cards. The parking lot has been redesigned as part of the sewer project; there will be an increase in parking spaces (6 regular and 2 handicapped) Currently, there is no funding available from the MA state library board for library construction; there are 33 other libraries ahead of Orleans once funding is available.

-**Planning Dept** - Comprehensive Plan needs to be updated; this takes up a lot of time and there hasn't been time to do long range planning. The town needs to hire an assistant town planner so that person can start the process of long range planning and be part of a succession plan.

General Updates Including Recent Select Board/Other Meetings

-**Select Board meeting 3/02/22** - after Sewer Betterment/cost discussion and Budget Public Hearing - met w/ 44 Main Street/Old Fire House Task Force and voted to approve renovation plans/authorize project to go out to bid. CPC will likely be discussing this at Monday's meeting with rep from state-wide Community Preservation organization and then likely voting on this application for funding at 3/10/22 meeting.

-**Met with CRC** - reviewed 12 proposed Charter changes. Most discussion on proposed change to quorum requirements. No Select Board commitment yet - whether to include any/all of these in Warrant for May Town Meeting or wait for Fall; however, CRC Chairman Jon Fuller cautioned that likely there will be more by Fall.

-**Reviewed draft Warrant Index** as noted above.

-**Future agendas** - Parking; PAYT; Blue Economy - but funding for study first

Finance Committee Liaison Reports

-**NRSD/OES** - Continuing to work on budgets; new HS principal TBD. Likely will be meeting w/ Select Board in March for budget discussion.

-**BOWSC** - sewer project update meetings today - Underground Mall developer may be interested in extending sewer access. That area is not included in current CWMP

-**AHC** - met Tues - likely they will come to Fin Comm in April with AHTB

- CPC - they to Fin Comm on 3/17/22
- CRC - as above, they to Select Board last night; next will continue work on other Charter sections
- OPD/OFD - nothing new beyond Budget discussions
- Gov. Prence - notes from AHC meeting; survey pending
- Comm Ctr Feas - have hired a consultant "Abacus"; may be another survey pending

Review Schedule and Items for Future Agendas

- Wednes, 3/9/22 - Select Board to continue discussion re sewer costs/betterment; also update re Budget; maybe also parking
- Thurs, 3/10/22 - Cape Tech Business Administrator Erin Orcutt to Fin Comm re Cape Tech FY23 Budget; Suptd Bob Sanborn at Harwich at same time/conflict
- Thurs, 3/17/22 - CPC Chairman/Others to Fin Comm re CPC Articles for Town Warrant
- March and April - Fin Comm meetings every Thursday; may be able to meet at 6pm or 6:30pm
- Wednes, 4/06/22 - last Warrant Article votes due, though maybe after Fin Comm mtg April 7
- Fri or Sat, April 8 or April 9 - Warrant to Printer
- Mon, 5/09/22 - Town Meeting
- Tues, 5/17/22 - Town Election

Adjourn: Motion by Mr. Mahoney to adjourn, second by Ms. Kremer. The vote was 7-0 with Mmes. Bruneau, Baird and Kramer and Messrs. Athanassiou, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Meeting adjourned at 8:31pm

Respectfully submitted,

Stacy Faber, Recording Secretary

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

1. March 3, 2022 Finance Committee agenda
2. Draft minutes for the February 17, 2022 Finance Committee meeting
3. Meeting packet for the March 2, 2022 Select Board meeting (Select Board website)
4. Department of Revenue / Division of Local Services Municipal Debt data for FY2020 (MA DOR website)
5. Draft Warrant Index for May Town Meeting (included with 3/2/22 Select Board meeting pkt)
6. John Kelly presentation from FY23 Budget Public Hearing
7. FY23 Budget Review draft write-ups for Snow Library and Planning Department

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

Tim Counihan, Clerk Finance Committee
 Timothy R. Couch 3/20/22