



Town of Orleans

Tel (508) 240-3700
Fax (508) 240-3388

Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES
Thursday, March 10 - 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 Clerk Tim Counihan as well as Committee members Elaine Baird, Chris Kanaga, Constance Kremer, Ed Mahoney and Peter O'Meara.

Guests: Select Board member and Finance Committee Liaison Kevin Galligan as well as Erin Orcutt, Business Administrator for Cape Tech Regional High School and one of the two Orleans reps for the Cape Tech School Committee, Jeffrey McMorro. 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 Tuesday, 5/17/22. Last day to obtain papers is Friday, 3/25/22; last day to submit is Tuesday, 3/29/22.

- New Town website - need to get reconnected for announcements from all committees/boards as well as general announcements from Town - which will include town-wide surveys and public service announcements, shellfish closings, etc.

- Information about the wastewater project is on the Town website on the "Government" page - information about the Downtown project currently underway as well as plans for the next phase for the MHP area. Also contact information for the "sewer ombudsman" who can help to address any questions about the project, getting connected, etc.

- Finally - remember to calendar the Annual Town Meeting - Monday May 9. More info about the location and time and other details to follow. Meanwhile - save the date!

Meet with Cape Tech High School Business Administrator Erin Orcutt and Orleans Representatives to the Cape Tech School Committee for a Review of the FY23 Cape Tech Budget and an Overall Update on Cape Tech Activities

-Welcome to Cape Tech Business Admin Erin Orcutt and Orleans rep to the Cape Tech School Committee Jeff McMorro.

-Increase of 27 students this year, total enrollment is 653 students. From Orleans, 1 students this school year, down from 13 last year. Barnstable and Yarmouth make up over 50% of the student population, the remainder from the Lower Cape.

-FY23 budget is up 1.99% to \$16127M. The funding sources are from assessments, state aid (Chapter 78, school aid and chapter 71, transportation reimbursement) and local revenue.

-Questions were asked about potential pressure on budget components such as costs for electricity and heating fuel, given current world events and economic impacts. Ms. Orcutt noted that she had been more optimistic a month ago and anticipates some impact on fuel/electricity as well as program supplies (due to supply chain issues). She noted that emergency funding is available through state COVID funding sources if needed. If she sees that budgets are being exceeded, she/they would freeze spending and develop a plan for proceeding. And organize emergency funding if needed.

-A question was asked about how Cape Tech compares in cost-per-student to other technical schools. Ms. Orcutt noted that Cape Tech is among the highest in cost-per-student because it's one of the smallest tech schools, noting that there is a clear benefit with a higher enrollment.

-Mr. O'Meara noted that he has heard other Cape schools advertising for student enrollment - does Cape Tech also advertise? Ms. Orcutt noted that the Cape is very competitive - but it also has a unique demographic. There was more collaboration 5 years ago (regarding students). Cape Tech does advertise. The new building is a draw. And the District-wide vote to support the building of the new school also brought a lot of attention to the school.

-Mr. Mahoney asked about enrollment trends and demographics. Is there a view regarding future enrollments? Ms. Orcutt noted that it's hard to predict future enrollments; now they're holding relatively steady.

-Mr. Athanasiou asked about the total capacity of the school. Ms. Orcutt noted that the building was designed for 650 but that they could go to 700. For initial enrollment, each prospective student (9th grader) must submit an application, however, since with more applicants, the "bar" is higher than it has been in the past. Criteria include attendance, discipline, academics and an interview. Mr. O'Meara noted the positive trend, recognizing the benefit of pursuing alternate career paths (based on academic degrees).

-Ms. Orcutt outlined a number of adult education programs (eg, electrician - with programs from "Tier 1" to "Master; medical assistant; cosmetology; contractor licensing; veterinary technician; and HVAC). Most of the programs last 12-18 months, with classes scheduled on weeknights between 5pm-10pm (thus making good use of the school facilities). There are approximately 70 adults enrolled in these programs at present. She noted that Cape Cod Tech offers a free HVAC training program for underemployed/unemployed residents of Cape Cod that will give them the ability to become HVAC apprentices when their training is complete.

-Mr. Galligan noted the increasing importance of electrification for home heating and thus the need for well-qualified technicians with the increased demand. He stated that Cape Cod Tech might qualify for state funding for renewable energy-related materials. Ms. Orcutt noted that the school is exploring programming related to electric cars (eg, maintenance) as the demand increases in that area as well.

-Ms. Orcutt noted that many programs require additional fees (cosmetology, CNA program) while the students are still in school. For those graduating, the school offers "toolships" and scholarships to help out with costs related to a student's field of study (eg, tools for auto mechanics). These "toolships" and scholarships are funded by donors, local organizations and alumni. The school is also organizing support for students who are still in school to help cover the cost of program-related expenses.

-The project cost for the new building came in below the original budget. They've signed a contract for a \$4.2M dollar development of their athletic fields. They are starting construction of bleachers, a concession stand and bathrooms and resurfacing the existing track. The building project hasn't been

closed out yet by the MSBA. The solar portion will be completed soon. The school is Silver LEED certified (a measure of “green” efficiency).

-Mr. McMorrow, one of the 2 Orleans reps to the Cape Tech School Committee commented briefly, noting the hard work done by Ms. Orcutt and the School Committee’s Finance Committee to manage the budget while still allowing for a high quality education and the development of well-qualified graduates in a great number of programs.

-At the end of the session, Ms. Orcutt invited the members of the Finance Committee to come to the school for a tour. All are interested and Ms. Bruneau will follow up to help get it organized.

Review/Approval of Finance Committee Meeting Minutes
Minutes from February 24, 2022

Motion by Mr. Counihan to approve the February 24, 2022 meeting minutes, second by Ms. Baird. The vote was 7-0-1 with Mmes. Bruneau and Baird and Messrs. Athanassiou, Counihan, Kanaga, Mahoney and O’Meara all voting aye by roll-call. Ms. Kremer abstained as she was absent from the February 24 meeting.

Minutes for 3/2/22 and 3/3/22 - no draft yet for the 3/2/22 meeting; draft received just this morning for the 3/3/22 meeting - not yet edited.

Review/Act on FY22 Fin Comm Priorities/Action Items w/ Voting as Appropriate

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

-Mr. Galligan left the meeting during this discussion as he lives within the Meetinghouse Pond project area and thus recused himself from the conversation.

-Bottom line at last night’s Select Board meeting - no decision. Lengthy discussion with much audience participation - in person and a few remote (including Mr. Athanassiou).

-Tim Harrison/AECOM showed the chart that compares all 4 scenarios being considered. Cathy Doane talked to a number of the scenario pages.

-John Kelly said last night was a preliminary hearing. Betterment could be paid as a lump sum, or over 30 years on tax bill. Sewer usage would be on quarterly water bill; based on water usage.

-Many audience questions/comments, some inaudible. Many had not found/seen packet material. Some apparent confusion about betterment vs. sewer usage charges. Also about hotel/motel tax - the amount, when it was allocated for wastewater stabilization fund, how much is coming in, as well as questions about project cost jump from \$47M to \$59M - when and why.

-John Kelly clarified that betterment would be tied to property, not owner/person and would stay with property if property were to be sold. Also interest rate on betterment loans - draft bylaw says up to 2% above interest rate the town is paying (which should be zero).

-Project is on time/on budget - “first flush” will be (approximately) September 1, 2022.

-John Kelly reassured all that betterment bylaw could be amended for next phases if/as needed. Likely betterment would be higher for future phases as other sectors are less densely populated, with fewer to share the cost.

-Interesting - occasional ties to affordable housing - though not totally clear why - unless simply another cost that goes with the property - even for condos in town.

-Some discussion regarding the concept of “betterment” - downtown vs. MHP/elsewhere. Value of “betterment”? Though overall improvement of water quality is goal.

-Mr. Athanassiou noted that subsequent phases will be using Downtown project pipes to get to WWTF. Wondered about overall fairness.

-Someone in MHP area - one of the 481 - made a point about having the town vote/decide on what he/they were going to pay.

-Dave Currier - former Selectman/ owner of Bowling Alley and Laundromat and soon to be marijuana shop on Lots Hollow - very concerned about potential betterment impact on his property - \$675k when

others just \$10k (though nothing said about water through his laundromat or in his restaurant vs condos). He implied that Town Cove people won't be paying anything (this isn't true - those on Rt. 6A will be paying betterments.)

-Alan McClennen commented on betterment for Rock Harbor Village - "unless they are exempted" - interesting point but unclear what rules apply. TBD for Gov. Prence and CC5 and 107 Main Street.

-Larry Diaz asked if you could treat people differently with betterment - customize betterment to circumstances. Answer is no. Cathy Doane reviewed concept of sewer units per MA GL and then Orleans strategy.

-Other Cape towns - Chatham costs all on tax base. Barnstable - \$17k betterment for all and then added to that (unclear). Most towns shy away from betterments due to complexity of applying.

-Question about what needs to be done by when? Need \$32M MHP approval at May TM to move forward; big risk if not approved. Someone noted he w/be reluctant to vote for \$32M if he had to pay betterment.

-Public Hearing closed at 9:10pm. Cathy Doane opinion: no fully fair equitable way to do betterment; her opinion - 100% on tax rate.

-Brief discussion about a potential funding mechanism for helping those with failed septic systems; however, no current viable high tech alternative. Brewster has abandoned 5 year project; would have required \$2k/yr monitoring cost per property. Technology is not there yet. County money may be available for failed septic and connecting to sewers (low cost loans). Mr. Mathison noted that no cost info has been provided yet on sewer O&M vs. septic.

-BOWSC to work on sewer usage rates at their meeting on 3/16/22.

Mr. Mahoney asked if any members of the Finance Committee would need to recuse themselves from voting on the subject, like Ms. Reed and Mr. Galligan had to do during the Select Board meeting. Mr. Kanaga suggested that this is a question for town counsel, especially considering that different areas of town will pay different rates. Ms. Bruneau will follow up with John Kelly and Mike Ford.

When Mr. Counihan and Mr. Kanaga met with Town Assessor Brad Hinote, they discussed the potential for an increase in property values when properties are connected to the sewer. Property values depend on a number of factors, including density and location. Sewer connections will add another factor to be considered.

Mr. O'Meara questioned the issue of the recusal by Mr. Galligan and Ms. Reed over this issue. He also questioned the water quality issue for some/subsequent phases, noting that no swimming area or beach area has ever been closed because of this. All members of the Finance Committee feel that the lack of communication from the town has been frustrating.

Update - Long-Term Planning/Capital Planning and Debt Discussions

-Updated "Streetsense" report is on Town website - among other things, updated to not have recommendation for new resource the first thing. Will be discussed with Planning Board on 3/22/22, with public engagement at a subsequent meeting.

-Planning Board this past Tuesday - George Merservey walked through CCCommission approach to Local Comprehensive Planning Lite. He seems to be leaning toward that strategy. Planning Board interested too. He will check with other towns who have used approach regarding use of approach; also will talk with Commission regarding how much is mandated (use of models, certification process). Mr. Runyon was at the Planning Board meeting and talked about importance of connecting planning and capital planning and funding/financing. Finance Committee should follow up with George Merservey on this. Planning is a key component of draft Fin Comm letter to the Warrant for May TM.

Review Draft Warrant Index for Annual Town Meeting

-Reviewed briefly at last night's Select Board meeting. Select Board packet for next week should include draft Warrant Articles so Select Board next week can begin to place Articles on Warrant and

they/we can begin to vote to recommend Articles - particularly the same old/easy ones. Defer Library roof project (\$350k) to October - no bids yet and John Kelly is uncomfortable with guessing at number in today's uncertain economy/climate. Mr. Galligan said Library Board wants to meet with Select Board to talk about something significant. TBD - 44 Main Street if CPC doesn't support \$2M bond. Other things off the Index - Animal Control (leash law) and Short-term rental bylaw (October). Ms. Bruneau has suggested moving electronic voting money to Town Clerk Budget instead of separate Warrant Article (TBD).

Continue Discussion regarding Fin Comm Letter for Town Meeting Warrant

-Draft was distributed on 3/09/22. Focus of letter is on capital planning and debt per recent Fin Comm discussions - and debt especially as triggered by Peter O'Meara question at recent Budget Public Hearing and the fall-out from that.

-Email exchange with Fin Comm Alum Brad Keith on debt topic. He pointed to other state website information - source of different metrics. Ms. Bruneau found an error in a DOR number for Orleans (they will correct the information). Also dug deeper into the Town's "Debt Book" (hard copy from Scott Walker on 2/14) - it includes a wealth of information about the Town and how things work. More information on Town economy and also some helpful metrics about per capita income, etc. Have traded emails with Scott Walker re some errors in Debt Book text; will help get Debt Book text updated before next year.

-Brad Keith will try to join us for our 3/24/22 meeting for a further debt discussion. Re the draft letter - do we have enough of the right stuff in the first 4 pages? Likely need to freshen the Conclusion. And decide whether/how we want to say if/how we support the CIP - or not. The letter is due by April 6 or 7 to go into Warrant/go to press on April 8 or April 9.

-Mr. Athanassiou suggested incorporating a projection on possible expenditures as well as a projection on funds needed.

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

-Nothing new at the Select Board meeting last night - no new "Budget Changes" summary. No summary yet of 5-year look ahead worksheets as originally promised by John Kelly. No updated Financial Plan. Joint meeting with Fin Comm and Select Board and NRSB School Committee scheduled for 3/23/22 at 5:30pm to review NRSB budget - sent info yesterday. Unclear if this includes OES or not. We have our own meeting with OES on 3/22/22.

-Fin Comm Budget Reviews - so far only Library and Planning Board write-ups have been shared. More pending. Still TBD re standard reporting format and process for clearing with Dept managers prior to posting on-line. Looking at Warrant Index - do we need to schedule anyone else to come to Fin Comm before we vote on Budget or CIP or specific Warrant Articles? TBD whether we should we book John Kelly and Cathy Doane.

General Updates Including Recent Select Board/Other Meetings

-Select Board Meeting on 3/9/22 - started with Town Counsel Mike Ford - update on litigation regarding B'Well Holdings. Still in play; layers of appeals. Decision pending before new judge.

-Reviewed draft "Short-term Rental General Bylaw" - some suggested edits/minor changes. Agreed there are too many questions to discuss; not enough time before TM; hold for October TM. Also no staff yet within Health Dept to do inspections which not yet required but could be invoked.

-4th of July parade participant rules - triggered by last summer situation. Will review firearms limitation with Chief MacDonald. Goal - clear, non-arbitrary, non-discriminatory.

-New Town website - Sarah Eaton did a walk-through; going forward will work with Boards/Committees to customize; focus first on time-sensitive info. Holding workshops at Library + COA to help public. "Town Highlights". Need to sign up again for notices. Fin Comm discovered that some of our meeting agendas and minutes got lost in cut-over.

-Parking - after discussion, agreed for now to go with last year's general approach with adjustments. Not enough time to solve the rest before TM. Risk of rules at all 29 landings that will chase

cars/trailers into adjacent neighborhoods. Nate Sears suggested separating Rock Harbor approach from others. John Kelly suggested landings could be added to Beaches EF's with Rock Harbor parking as part of Rock Harbor EF.

-Sewer system costs considerations / Public Hearing - as above

-Draft Warrant Index - as above.

-Future Agendas - 3/23 - joint mtg w/ Fin Comm at Select Board with NRSD/OES on FY23 Budgets

Finance Committee Liaison Reports

-BOWSC - 3/16/22 - need to address sewer user fees - based on water usage; will be billed quarterly with water bill.

-AHC/ AHTB - AHTB next Tuesday. Ms. Bruneau talked briefly to Mr. Meservey today and saw mock-up drawings / renderings for Underground Mall - owner booked for meeting w/ Site Plan Review Committee. Saw views of different exteriors as well as floor plans. Very interesting. Goal would be \$1500-\$2k/mo rent.

-CPC - as noted above re Budget; they to Fin Comm next week 3/17/22.

-CRC - TBD whether proposed Charter changes will go to TM in May or wait; they will continue with review of Charter; will re-look at other suggested Charter section 8 changes - continue to refer to that whole section as "Fin Comm" when it's actually the Budget + CIP, etc. not just Fin Comm

-Gov. Prence - survey pending; sounds like heavily tipped toward housing; however - interesting informal chat w/ Meservey - he likes idea of mid-income bungalows vs/ trailer park look; mid-income vs. official definition of "affordable".

-Comm Center - another survey pending.

Review Schedule and Items for Future Agendas

-Fri, 3/11/22 - expect first draft Warrant Articles w/ Select Board meeting pkt

-Wednes, 3/16/22 - likely Select Board will begin to "place" draft Articles on Warrant

-Thurs, 3/17/22 - CPC to Fin Comm; Fin Comm c/ begin to vote on draft Warrant Articles if available

-Wednes, 3/23/22 - NRSD/OES budgets - joint Fin Comm and Select Board at Select Bd at 5:30pm

-Thurs, 3/24/22 - maybe Brad Keith to Fin Comm for more debt discussion

-Thurs, 3/31/22 and all Thursday in April - weekly Fin Comm mtgs; maybe start at 6 or 6:30pm?

-Wednes, 4/06/22- theoretically, last Warrant Article votes to Town Hall

-Thurs, 4/07/22- last Fin Comm mtg before Warrant to press (on Fri, 4/8 or Sat, 4/9)

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

The meeting was adjourned at 9:24pm.

Respectfully submitted,
Stacy Faber, Recording Secretary

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

1. March 10, 2022 Finance Committee meeting agenda
2. Cape Tech Regional High School FY23 Budget Presentation and Budget
3. Draft minutes for the February 24, 2022 Finance Committee meeting
4. Sewer Project/Planning Cost Consideration material from the Select Board meeting packet from the 3/9/22 Select Board meeting (Select Board website)
5. "Streetsense" Economic Development Plan for Orleans (3/9/22) (Planning Dept website)
6. Updated draft Warrant Index from 3/9/22 Select Board meeting (Select Board website)
7. Draft Finance Committee Letter for Town Meeting Warrant
8. Select Board Meeting Packet for 3/9/22 Select Board meeting (Select Board website)

The minutes for the March 10, 2022 Finance Committee meeting were reviewed and approved at the March 24, 2022 meeting. **Motion to approve by Mr. Counihan; second by Ms. Baird. The vote was 8-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.**

Tim Counihan Clerk Finance Committee

Timothy R Counihan 3/31/22