



# Town of Orleans

## Finance Committee

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ORLEANS TOWN CLERK

*Jennifer Flynn*  
'23 APR 10 11:17AM

### MEETING MINUTES

Thursday, March 16, 2023 – 6:15 pm

This was a hybrid meeting of the Orleans Finance Committee, convened in the Nauset Room at Town Hall, with remote participation also provided by Zoom technology. Real-time public access was provided by Orleans Channel 18 on the Town website and cable television.

The meeting was called to order at 6:15 pm by Finance Committee Chairman Nick Athanassiou. Also attending, and thus constituting a quorum were Committee Vice Chairman Chris Kanaga, Committee Clerk Elaine Baird and Committee members Lynn Bruneau, Alissa Magnotta, Tim Counihan, Ed Mahoney, and Peter O'Meara (participating remotely). Constance Kremer was absent.

**Guests:** Planning Director George Meservey and Affordable Housing Coordinator Marsha Allgeier; Affordable Housing Committee (AHC) Chair Nancy Renn, Affordable Housing Trust Board (AHTB) Chair Alan McClennen and AHTB member Tom Jurkowski. Peggy O'Sullivan from Media Operations provided technical support for this meeting.

#### **(0:01) Public Comment:**

There were no public comments.

#### **(00:45) Announcements:**

Mr. Athanassiou noted that the Town Administrator Search Committee has narrowed down a pool of 32 applicants to 9; strong and interesting pool; interviews off-site will be concluded by April 1 when a recommendation for 3-4 finalists will be in the hands of the Select Board.

#### **(1:30) Review / Approval of Finance Committee Meeting Minutes – 3/09/23**

- **3/09/23 – Mr. Counihan moved to approve the minutes as drafted; Ms. Baird seconded. The vote was 6-0-2 with Mmes. Baird and Bruneau and Messrs. Athanassiou, Counihan, Kanaga and O'Meara all voting "aye" by roll-call. Ms. Magnotta and Mr. Mahoney abstained as they were absent from the 3//9/23 meeting.**

#### **(2:27) Meet with Planning Director, George Meservey, re: housing-related Warrant Articles**

Mr. Meservey and Ms. Allgeier were joined by Alan McClennen and Nancy Renn. Mr. Meservey reviewed each of the housing-related Warrant Articles (as numbered on the 3/15/23 draft Index):

- 15 - Fund CPA Program Budget FY24 (including \$500k funding for AFTB)
- 23 - Fund Gov. Prence Building Demolition and Site Restoration (\$2M);
- 34 - Fund Affordable Housing Trust Fund (\$275k);
  - An additional related, but not yet listed article to add \$225k more to the Affordable Housing Trust Fund to bring the annual total to \$500k;
- 56 - Rental Registration Bylaw (indirectly related to housing);
- 59 - Gov. Prence - Authorization to Convey Property for Housing;
- 64 - Special Legislation for the AHTF (Affordable Housing Trust Fund) to Increase Target from 100 to 200% AMI;

- 68 - Amend Zoning Bylaws - Minimum Lot Size in Business Districts;
- 69 - Amend Zoning Bylaws - Accessory Dwellings on Panhandle Lots;

There was discussion about the enactment and enforcement of Zoning Bylaws; Mr. Kanaga said that he would like to see the Bylaws be constructed and enforced so as to not hinder the Town from moving forward.

Ms. Bruneau asked about the current “value” of the Average Median Income (AMI), which is key to understanding affordable housing funding. For Orleans (and Barnstable County), 100% AMI for a 2-person household is \$87k; for a 3-person household, just under \$98k (per information subsequently forwarded by Marsha Allgeier). AFTB funding guidelines currently limit AFTB funding to 80% AMI opportunities. However, CPC funds can be used up to 100% AMI.

Mr. Meservey noted that, even at 80%, buying a home is unattainable on this income level, given the cost of real estate in Orleans and nearby town, and the lack of lower-priced real estate. Renting is also difficult for the same reasons (high cost, limited availability). Article 64 would petition the Legislature to increase the AMI from 100% to 200% AMI, giving the AFTB more flexibility in funding options.

Mr. Meservey and his colleagues discussed other potential housing programs such as buy-downs and mortgage assistance.

**(53:00) Discuss OES, Nauset Regional School District and Cape Tech Budgets for FY24 in preparation for the 3/22/23 Select Board / FinComm Joint Meeting**

Ms. Bruneau discussed the presentation material and line-item budgets from previous budget meetings with the schools. The draft NRSD budget currently shows a 7.4% increase in the Orleans share of the operating budget, plus an \$896k in the Orleans share of debt service for an overall increase in the Orleans allocation of 23.1% (an increase of \$1.3M. The Cape Tech allocation to Orleans has also increased due to the increase in the number of Orleans students at Cape Tech (4 more for FY24); however, the total dollars are less dramatic (up a total of \$79k or 24.7%). The draft OES budget shows a total increase of \$172k, or 3.1%. Ms. Bruneau said that there is another meeting on the OES budget on Monday, March 20, at 3:30.

Ms. Baird asked for further clarification on the budgets, to reflect the amount Orleans is paying to educate its students. The updated Financial Plan, included in this week’s Select Board meeting packet, includes these draft school budget numbers. There was further discussion and Fin Comm were invited to send questions to Mr. Athanassiou and Ms. Bruneau for compiling this weekend, ahead of the joint meeting on March 22<sup>nd</sup> with the Select Board and school representatives.

**(1:08:00) Continue Discussion on FinComm Town Meeting “FY24 Annual Letter”**

Ms. Bruneau noted that she met with Messrs. Athanassiou, Mahoney and Counihan to work on the “Finance/Financial Planning/Investment Planning” section of the letter. She plans to work on the draft over the weekend, leveraging other Fin Comm material for other sections, with a plan to provide a draft ahead of the March 23<sup>rd</sup> Fin Comm meeting.

**(1:09:15) Review / Continue Discussion of FinComm FY24 Budget Reviews / Discussion on Observation/Conclusions from the 3/15/23 Joint Public Hearing on the FY24 Budget**

Mr. Athanassiou said that reviews for the Library, Assessing, and Health Departments were shared earlier this week. These have been touched on briefly in prior discussions/meetings.

Ms. Bruneau and Ms. Baird met with John Jannell, Conservation Agent, to review the Conservation Department budget and plans. A budget review write-up will follow. She suggested that Fin Comm consider posting the budget review write-ups on the Fin Comm website - something that was done 2 years ago, but not last year.

**(1:11:00) May 2023 TM “Warrant Watch”: Discussion of Warrant Articles proposed and / or expected based on Current Draft Warrant Index**

Mr. Athanassiou noted that most of the articles have been placed by the Select Board, but few votes have been taken to date. Ms. Bruneau said the Select Board did vote on the 3 Zoning Bylaw Articles and a revised CWMP Article Freshwater/Saltwater Adaptive Management Article (where funding for the proposed alum treatment of Crystal Lake and Pilgrim Lake was removed from the Article, as was funding for water quality data analysis and reporting - thus reducing the Article from \$223k to \$96.7k).

Mr. Athanassiou said that he understood that Mr. Sumner would have the draft Warrant near-completion after this weekend.

**(1:24:00) Updates**

**Update of Select Board Meeting discussions / decisions**

Ms. Bruneau discussed the joint Select Board and Fin Comm public hearing on FY24 budget, and noted that there was no citizen participation.

- The following items were reviewed related to the joint budget hearing:
  - FinComm asked for clarifications on the debt plan for the new NRHS and also asked for clarification on when the Town would start paying for Downtown and MHP sewer projects. Cathy Doane clarified the bonding timing and the bonding cycle (January-February). It was noted that the Budgeting Policy, with a fixed 3.5% increase across the board ignores the fact that the same metrics shouldn't be applied across all departments/functions; further, budgets should be linked to a long term plans for the town. The Town has instituted a long-term capital planning committee (though not yet formed) to look at 20-year forecasts that we need to tie our operating budgets and to the Town's Comprehensive Plan (dating from 2006) that is being revised.
  - Mr. Athanassiou said that succession planning is becoming a critical issue and the Town needs a better HR function and a plan that recognizes the difficulties faced by the town in recruiting and nurturing promising employees for senior positions as they become available.
  - There was discussion related to the number of departments who have restricted and unrestricted trust funds that they can draw on but there is no clear policy on (a) who has ultimate authority to use these funds, and (b) what should be paid by these funds and what by the town's operating budget. Fin Comm recommended sun-setting the Moorings and Rock Harbor Enterprise funds on their 3<sup>rd</sup> anniversary (6//30/24). Moorings EFdoes not match the scope of harbor/waterways management overhead and Rock Harbor will never have enough revenues to cover large operating expenses.
  - Fin Comm urged reconsideration of a PAYT program at the Transfer Station.

- Other items discussed at the meeting:
  - The Barley Neck Inn outside music legal saga is over with compromise AND a transfer of operational control to a different group
  - The draft rental bylaw article will be placed in May Warrant but it is yet to be determined whether it stays there for May Town Meeting.
  - CHO Request to amend lease and increase footprint with a boathouse for the Coast Guard Rescue boat marching towards warrant; more research will be done on this matter.
  - The Fire/Emergency Department will be applying for an 8 person, 3-year Federal Grant and get \$100,000 to cover summer overtime.
  - The suggested Transfer Station fee changes will be covered in the Transfer Station EF budget Warrant Article; maybe some COA fee changes to come in the Fee Adjustment Warrant Article.
  - The Recreation Department reorganization was approved as presented by Interim Town Administrator Charlie Sumner. The Rec Dept will move away from DPW and as an interim solution, collaborates and shares new resource person with COA. COA Director Judi Wilson to lead some transition/planning efforts.
  - Interim Town Administrator's contract has been extended another 90 days starting April 1, 2023.

(1:56:00) Liaison Reports as appropriate

Ms. Bruneau discussed the BOWSC, and the Sewer Letter that went out from the Board of Health, which discusses connection times for property owners. There is a 1-year timeline, and the letter includes step-by-step instructions for connecting. Mr. Counihan said that the letter was unfriendly and had too many steps. Mr. Kanaga said that it was definitely a legal notice; there was further discussion.

(2:00:00) Review Schedule and Items for Future Agendas

- March 22 (Wed): Joint meeting w/ the Select Board to review all school budgets (OES, Cape Tech and the Nauset District including High School, Middle School, Region Only and Central Office)
- March 23: Fin Comm meeting
- March 30: Fin Comm meeting with C. Sumner and C. Doane

Adjourn

**Motion to adjourn by Mr. Counihan and seconded by Mr. Kanaga. The vote was 8-0-0 with Mmes. Baird, Bruneau and Magnotta and Messrs. Athanassiou, Counihan, Kanaga, Mahoney and O'Meara all voting "aye" by roll call. The meeting adjourned at 8:20pm.**

Respectfully submitted,

Courtney Butler, Secretary

The documents listed below are all in the Finance Committee Drop Box except as noted:

1. March 16, 2023 Finance Committee meeting agenda
2. Draft March 9, 2023 FinComm Meeting Minutes
3. Fin Comm Budget Review Write-ups for Assessing, Snow Library and the Health Department

4. Draft Warrant Index for the May 2023 Town Meeting (from 3/15/23 Select Board mtg)
5. Table of AMI Income Limits (housing)
6. Select Board meeting packet for the 3/15/23 Select Board meeting (Select Board website)
7. Sample Board of Health Letter to Downtown Property Owner Advising re Requirement to Connect to the Town's Sewer System

The minutes for the March 16, 2023 Finance Committee meeting were reviewed and approved at the March 23, 2023 meeting. **Motion to approve by Mr. Counihan; second by Ms. Baird. The vote was 6-0 with Mmes. Baird and Bruneau and Messrs. Counihan, Kanaga, Mahoney and O'Meara all voting "aye" by roll-call.**