



Town of Orleans

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Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES March 24, 2022 - 7:00pm

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 Committee Clerk Tim Counihan and Committee members Elaine Biard, Lou Ciavarra, Chris Kanaga, Constance Kremer, Ed Mahoney and Peter O'Meara. Nick Athanassiou was absent.

Guests: Also joining the discussion this evening was former Fin Comm member Brad Keith. 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 tomorrow, 3/25/22; last day to submit is next Tuesday, 3/29/22.

- Town's new website - remember to get reconnected for announcements from all committees/boards as well as general announcements from Town - which w/ include town-wide surveys and public service announcements, shellfish closings, etc.

-Also on the Town website - lots of information about the Wastewater project on the "Government" page - right hand column - with 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" Reggie Donoghue if you have any questions about the project.

-To learn more about what's going on at OES: Sign up for upcoming "Lifetime Learning" program at the Library that will feature Elaine Pender, the OES Principal and 4 OES teachers discussing how learning happens in today's classroom. It will be on 4/06/22 with a Q&A session at the end.

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

-Ms. Bruneau suggested shifting tonight's Fin Comm agenda as a courtesy to Fin Comm alum Brad Keith, to allow him to participate in the Committee's further discussion on debt and taxes as part of the Fin Comm Warrant Letter discussion.

Continued Discussion - Fin Comm Letter for Town Meeting Warrant, Including Further Discussion - Debt and Taxes - most recent draft sent on 3/21/22 w/ two versions (one w/ deleted/changed text and one "clean"). Input over the weekend from Fin Comm alum Roger Pearson and Mr. Athanassiou. Also the latter has "boxed" the debt chart for the next version.

-Select Board discussion from 3/23/22 - some Budget and CIP-related updates - eg, Library Trustees presentation regarding a new Library. Select Board voted to put a \$150K Library feasibility study into the FY24 CIP; maybe a \$1M design contract in the FY26 CIP and a \$20M construction project in the FY27 CIP. Board Pres. Steve Gass referenced a roofing study done in April 2021 - said w/ modest repairs, useful life could be extended 5-7 years - could have a new Library by then. They hope the

State will re-start funding in the interim, but can't wait. TBD whether site is right size; Library Friends group w/be very active in fund-raising. Noted Eastham Library project \$10M - Town 55%; grants 40%; Friends \$1M. Mr. Runyon referred to many unknown Town capital projects; how to organize and slot them into debt chart. Cathy Doane noted that projects identified in current CIP are in/will be in debt chart to be updated soon. John Kelly said might not need full \$150k for Library feasibility; however, Steve Gass said not to minimize complexity of effort needed.

-Re the Fin Comm Warrant Letter - need to fill in highlighted numbers on page 3 in the tax paragraph under debt chart to be sure we get those numbers as accurate as possible.

-Brad Keith questioned how much the tax rate will go up with all of the budget implications brought up at recent meetings. Mr. Counihan commented that the Orleans tax rate is relatively low - less than half of the average MA tax rate (across 351 towns).

-Mr. Kanaga commented that through his discussions around town, the tax rate isn't the issue. It's not a fair reflection of what the typical homeowner would have to spend. What are the dollars needed to support the Town projects/future projects - that's the issue. Could the sewer project cost hundreds of millions? Much of what is presented is in presented in ideal circumstances rather than "experience-based reality". The tax rate is not a fair/useful reference point.

-Mr. Mahoney stated that you can't look exclusively at the tax rate, you need to know the assessed value to which the tax rate is applied. Many urban areas have higher tax rates but low assessed (property) values. Some more affluent towns have tax rates that are different because property values are higher. Focusing just on tax rates might take one down the wrong path.

-Mr. O'Meara commented about assessed values and being cautionary. He noted that assessed values can go up, but they can also go down. He noted that the best measure is the aggregated debt against the town income (revenue) in the Operating Budget. He referred to a number of "sleeper issues" that may not be included in the CIP - drainage improvements, town landings, Rock Harbor improvements, dredging. He is concerned about the potential for/possibility of misinformation. Has the Town voted on erroneous information? There has been a lack of transparency around the betterments. The town voted on the sewer project, understanding then that the collection system would be funded by betterments. People likely are angry, not just upset. What happens when the economy turns? What if services would have to be cut? He senses that we are on that path at this time, fiscal restraints need to be implemented. The Town has shown no ability to prioritize. Better analytics are needed. Facts and consequences s/be articulated.

-Brad Keith noted the need for quality information - the need for multiple benchmarks and statistics to get a better picture of the Town's financial position. He suggested that the Finance Committee and the Select Board should ask for this to be presented to them.

-Mr. Counihan commented that there should have been a defined betterment plan for Phase 1 (Downtown). Finance Director Cathy Doane should share responsibility for not keeping everyone informed - accurately and timely. He also feels that the tax rate is generally low and stated that the town has taken a bare bones approach and hasn't invested in the community - e.g., the Council on Aging or the Library, and as a tax payer, he would like the town to invest in these areas.

-Mr. Mahoney noted the looking at the tax rate and assessed values together provides a truer picture.

-Ms. Baird agreed with Mr. Counihan - that the tax rate is low, and that the town hasn't taken care of the infrastructure. Now, all of a sudden, these items that haven't been taken care of are in our laps and the town needs to solve all of it now. This has been the history of the town and it's the responsibility of Fin Comm and the Select Board to untangle this. Things need to be prioritized - what needs to be fixed. These items need to be put into a CIP with a 5 to 10 year look-ahead to plan for these expenses.

-Ms. Kremer mentioned that John Janell (Conservation Dept) said that the grants that the County has given out have dried up. More of this will be mentioned in an upcoming liaison report.

-Mr. Kanga noted that it's hard to hire and keep municipal employees due to lack of competitive compensation. Often employees transfer out of the town. Retaining personnel is also a priority for the town - perhaps even higher than infrastructure needs.

-Mr. Mahoney commented on Orleans demographics - noting that the Town includes a lot of fixed income and low-to-middle income households. We must ensure that these residents can continue to live here. How can we protect them from escalating tax rates likely needed to pay for hundreds of millions of dollars in capital improvements? How do we balance these needs?

-Mr. Mahoney suggested that Mr. Galligan, the Select Board Liaison to the Finance Committee, should hear tonight's Fin Comm discussion. Ms. Bruneau will send a note, suggesting that Mr. Galligan view the meeting video.

-Mr. O'Meara commented, endorsing Mr. Mahoney's overarching concerns about affordability.

-Ms. Baird asked if she could give her liaison report on the Council on Aging because of its importance to the town's seniors. COA meeting on 03/23/22 – the state formula grants haven't arrived yet for FY22. No response from the state as to why. Without this grant, Town Hall doesn't want the COA to spend funds they do not have. Judi Wilson thanked the Family Pantry for volunteering to give out bags of groceries to the most vulnerable senior population. It's been 9 weeks since the flood (sprinkler system failure), and there is no sense of when the facility will be fully operational again. Meanwhile, power and internet are unreliable.

Following the discussion, Ms. Bruneau noted that she would update the draft Fin Comm Warrant Letter w/ ideas/suggestions articulated in tonight's meeting and forward the updated Letter for review at next week's meeting.

Review/Approval of Finance Committee Meeting Minutes

Approval of the minutes from March 2, 2022:

Motion by Mr. Counihan to approve the March 2, 2022 meeting minutes from the joint Select Board/FinComm meeting (the public hearing on the FY23 Budget), second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Approval of meeting minutes from March 10, 2022:

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

March 17, 2022 meeting minutes not yet available

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

-Important: Reply received from Town Counsel Mike Ford to earlier query regarding Fin Comm participation in sewer project discussions. No issues regarding Phase 1 (Downtown Collection system); however, similar to circumstances for Select Board members, any Fin Comm member owning or leasing property w/in MHP area would need to recuse herself/himself from MHP sewer project discussions and voting due to small population included in that area.

-No further Select Board discussion on betterment/tax rate; they will vote at their 3/30/22 meeting. BOWSC voted on sewer usage rates - \$8/kg of water through pipes plus \$50/quarter. Anticipating return of septage haulers to Orleans facility; Yarmouth is overloaded. AECOM contacted 12 of 22

haulers; all/most receptive to returning to Orleans if same pricing as Yarmouth; w/be more convenient for some/many.

Continue Review of Draft Town Meeting Warrant and Warrant Articles Including Any Changes to FY23 Budget and Capital Budget and FY24-FY28 CIP; Begin Voting on Draft Warrant Articles

-FY23 Budget changes/"scorecard" approved by Select Board last night; some changes to CIP (Library; 44 Main Street) w/ update to come next week; 4 of 5 EF budgets approved with subsidies same as last year though some changes in fees; no apparent need to change EF Policy; still no debt to be covered by EF's

-No Select Board action related to Warrant Articles last night but John Kelly OK'd Fin Comm voting on draft Articles even if not yet formally "placed" on Warrant by Select Board

-Fin Comm agreed on an overall approach to reviewing and recommending draft Warrant Articles, beginning with those most familiar, those with complete text and funding information, skip those without Summary text. Defer voting on any with missing information.

-Note: for continuity, the Articles referenced below have been numbered with the numbers assigned in the following week's version of the draft Warrant. Where helpful, prior page numbers have been noted. Also for simplicity, the titles of the draft Warrant Articles are taken from the Warrant Index.

Motion by Mr. Counihan to recommend Article 1- Report of the Select Board, Town Officers & Special Committees; second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 2 - Accept Transportation Bond Bill Funds; second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 3 - Holding State Harmless for Work; second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 4 - Authorization to Sell Surplus Equipment & Accept Gifts; second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 7- Adopt MGL Ch 71 Sec 16B - Assessment Forumula for NRSD; second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird, Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 15 - Fund CPA Program Budget FY23 (\$1,393, 108); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Discussion regarding Article 16 - Fund Housing Assistance Corporation (HAC) - 107 Main Street (\$1M bond to be funded by CPC). Vote deferred. Ms. Bruneau will follow up with questions for CPC Chairman Walter North and/or AHTB Chairman Alan McClennen. Confirm other project funding sources; if ARPA funding comes through, what happens to \$1M CPC bond? What w/ happen if Town votes against this Article? W/ HAC have to seek other funding elsewhere? What happens to Town "interest" in project if it fails overall? Confirm that property comes back to Town. What about a bond?

Discussion regarding Article 25 - Acquire Cedar Pond Parcels by Eminent Domain Taking. Vote deferred. Ms. Bruneau will follow up w/ questions for John Kelly. What is purpose of acquisition? Why no funding for Cons Comm O&M of purchased property? Why do we need this?

Motion by Mr. Counihan to recommend Article 26 - Fund WTP Membrane Replacement - Rack 3 Construction (\$69,900); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 27 - Fund WTP Residuals Handling Implementation (\$250k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 28 - Fund WTP HVAC/Blower Room Construction (\$250k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 29 - Fund Replacement of Water Dept Vehicles & Equipment (\$100k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 30 - Transfer Water Service Connection Funds (\$30k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 31 - Fund Water Quality Drainage Improvements Stabilization Fund ((\$196,796); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 32 - Town Pavement Management Program Stabilization Fund (\$393,616); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 33 - Fund Buildings & Facilities Stabilization Fund (\$350k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 38 - Fund OPEB Trust Fund (\$450k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 39 - Fund Affordable Housing Trust Fund (\$275k); second by Ms. Baird. The vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Motion by Mr. Counihan to recommend Article 40 - Fund Orleans Chamber of Commerce (\$33k); second by Ms. Baird. After a preliminary vote, Committee discussion confirmed that the local Chamber of Commerce is an apolitical organization that supports tourism and the Orleans business community. The final vote was 8-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by roll-call.

Ms. Bruneau noted that she will follow up w/Town Hall regarding incomplete Warrant Articles as well as those where Fin Comm has specific questions. Fin Comm has voted on 17 Warrant Articles with almost 70 more remaining.

Continue Discussion re Fin Comm Budget Review Reports - deferred

General Updates Including Select Board/Other Meetings

- Select Board meeting on 3/23 - joint meeting w/ Fin Comm for discussion of OES and NRSD budgets
- Updated FY23 Budget "scorecard" as noted above; updated CIP as noted above; no discussion re Emergency Medical Services policy (though noted in agenda)
- Approved 4 of 5 EF budgets as noted above (Rock Harbor pending); did not review overall fee sche

Finance Committee Liaison Reports

- COA – Meeting on 3/23/22 – see notes above
- Planning Board - "Streetsense" Econ Development read-out 3/22; the report will be re-structured before the public out-reach meeting in a few weeks.

Review Schedule and Items for Future Agendas

- Wednes, 3/30/22 - Select Board vote on betterment/tax rate allocation
- Thurs 3/31/22; 4/07/22 - Fin Comm continue to vote on Warrant Articles; Warrant to press 4/09/22
- Thursdays in April - Fin Comm meetings weekly if/as needed - continue to vote; prep for TM; maybe invite AHC/AHTB to an April meeting
- Thurs, 5/05/22 - final prep for Town Meeting
- Mon, 5/09/22 - Fin Comm mtg prior to TM for any final votes; TM at NRMS
- Thurs, 5/19/22 - port-mortem meeting; last meeting in May

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

The meeting was adjourned at 9:06pm

Respectfully submitted,

Stacy Faber, Recording Secretary

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

1. March 24, 2022 Finance Committee meeting agenda
2. Draft minutes for the 3/2/22 Finance Committee meeting
3. Draft minutes for the 3/10/22 Finance Committee meeting
4. Updated Draft Finance Committee Letter for the Annual Town Meeting Warrant
5. Updated FY23 Budget "Scorecard", FY24-FY28 CIP from 3/23/22 Select Board meeting packet (Select Board website)
6. Select Board Meeting Packet from the 3/23/22 Select Board mtg (Select Board website)
7. Town Counsel Mike Ford email re Fin Comm participation in Sewer Project discussions and voting
8. Updated Draft Warrant Index (dated 3/18/22)
9. Draft Warrant Articles (dated 3/18/22)

The minutes for the March 24, 2022 Finance Committee meeting were reviewed and approved at the March 31 Fin Comm meeting. **Motion to approve by Ms. Baird; second by Mr. Counihan. The**

vote was 6-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Tim Counihan Clerk Finance Committee
Timothy R. Connel 4/5/22