



Town of Orleans

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Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES
March 31, 2022 - 6:30pm

22 APR 8 9:52AM
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ORLEANS TOWN CLERK

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 just after 6:30pm by Finance Committee Chairman Lynn Bruneau. Also present and thus constituting a quorum were Committee Clerk Tim Counihan and Committee members Elaine Baird, Constance Kremer, Ed Mahoney and Peter O'Meara. Nick Athanassiou, Lou Ciavarra and Chris Kanaga were absent.

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

Public Comment: (see page 4)

Announcements: Town's new website - remember to get reconnected for announcements from all committees/boards as well as general announcements from Town. Also - the Town's IT/Media Ops Dept has scheduled a series of workshops to help community members learn more about the new website. "Drop in" workshops at the Library on most Fridays in April; also 5/13/22, 5/20/22 and 6/3/22 and 6/17/22.

-As part of the Library's "Lifetime Learning" program - a one-day-only program focused on OES that will feature Elaine Pender, the OES Principal and 4 OES teachers discussing how learning happens in today's classroom - the challenges and the joys. 1:30-3pm, Wednesday, April 6 with a Q&A session at the end.

-More info about the Wastewater project on the Town's website "Government" page w/ information about the Downtown project currently underway as well as plans for the next phase for the MHP area. Contact information for "Sewer Ombudsman" Reggie Donoghue is posted - phone and email.

-"A Community Conversation" has been scheduled for sharing information and providing input regarding the potential use of the Gov. Prence property. Next session 4/11/22 at 5:30pm - a Zoom webinar. Link on the Gov. Prence Committee website. Significant opportunity to provide input in planning the Town's future.

-Annual hydrant flushing starts 4/20/22 for about 3 weeks. Day-by-day schedule on the Water Dept website - naming what streets/neighborhoods will be impacted on what days.

-Annual Town Meeting - Monday May 9 at 5:30pm in the gymnasium. Childcare will be provided. The printed Warrant s/be available in mid-April. Save the date and time!

Review/Approval of Finance Committee Meeting Minute

-Meeting Minutes for March 17, 2022

Motion by Ms. Baird to approve the March 17, 2022 meeting minutes, second by Ms. Kremer. The vote was 5-0-1 with Mmes. Bruneau, Baird, Kremer and Messrs., Counihan and O'Meara all voting aye by roll-call. Mr. Mahoney abstained as he was absent from the March 17 meeting.

-Meeting minutes for March 24, 2022

Motion by Ms. Baird to approve the March 24, 2022 meeting minutes, second by Mr. Counihan. The vote was 6-0 with Mmes. Bruneau, Baird, Kremer and Messrs., Counihan, Mahoney and O'Meara all voting aye by roll-call.

-Meeting minutes for March 23, 2022 - no draft available yet

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

Continue Discussion -Fin Comm Letter for Town Meeting Warrant

-Ms. Bruneau has sent the most recent update of the draft Letter this morning with final suggestions. Primary changes are meant to incorporate key points from last week's discussion on "debt and taxes" - and importantly, to include need to prioritize spending and protect demographic from tax rate inflation.

Mr. Mahoney asked if there is a median value of homes in Orleans. Mr. Counihan stated that the median house assessment would be about \$850k, representing the actual assessed values of homes. Ms. Bruneau suggested that it might be easier for taxpayers to calculate costs if a figure of \$800k was used in the Letter (making the math simpler).

The Committee agreed with the risk of pushing residents out by raising property taxes. Mr. Mahoney repeated a concern that property taxes could double every ten years. He will draft a few sentences to be added to the Letter highlighting "debt and taxes" concerns.

Motion by Mr. O'Meara to approve the Fin Comm Letter for for the Warrant; second by Ms. Baird. The vote was 6-0 with Mmes. Bruneau, Baird, Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Ms. Bruneau will forward the final Letter to Town Hall early next week for inclusion in the Warrant.

Mr. O'Meara and Ms. Baird concurred on adding an agenda item to future Fin Comm meeting(s) for focusing Fin Comm discussions on topics of financial concern to the Town.

Update re Select Board meeting discussion/vote on Sewer Projects/Planning; Cost Considerations

- Select Board mtg 3/30/22 - Kevin Galligan recused himself from discussion/vote - Michael Herman read from notes: sewers best way to solve problem but also need to keep working on alt ideas; discussions have been thoughtful and productive; serious decision affecting all; need to decide now, recognizing future impact but things continue to change and factors could change impacting future decisions. He then made motion for 80/20 scenario - 80% of total Phase 1/Phase 2 cost on tax rate and 20% on betterments. Mr. Mathison seconded.

-Andrea Reed thought likely Town would end up more than 60% sewer eventually; likely need to continue to adjust; likely costs increase per prop going forward; she wants it to succeed though she would prefer all on tax rate - she thinks benefits and burdens should be shared by all. Mr. Runyon - search for fair/equity has been imprecise/subjective - based more on feelings than fact but he supports 80/20 - as fair as any. All scenarios lack simplicity. Mr. Mathison - ref to 4 yrs ago and what told voters then; have learned much since then about funding; costs double now for those connecting but overall less than anticipated for tax rate. Voted 4-0 at 6:10pm. Per the scenario info - average Downtown betterment w/be \$10.3k and avg MHP betterment w/be \$11.3k. Avg annual tax rate impact would be 21 cents (\$105 per \$500k home).

-(Ms. Bruneau noted that she didn't think this tax impact is in the Financial Plan forecast info because it hadn't been voted yet.)

-Mr. Mahoney asked what the standard deviation and the range from high to low of the betterment

amounts. Ms. Bruneau suggested that more meaningful (understandable) information (for the average taxpayer) had been provided previously with the scenario presentations - showing for each scenario, how many property owners would be paying how much of a betterment, on average. She will re-send this information.

-Note that Fin Comm will vote on sewer-related Articles at the 4/07/22 meeting when Nick Athanassiou and Chris Kanaga plan to be available, although Mr. Athanassiou can't vote or discuss MHP-related Articles. The meeting will begin at 5pm.

Continue Voting on Draft Town Meeting Warrant Articles; Update - Changes to FY23 Budget and Capital Budget and FY24-FY28 CIP

-Select Board Meeting on 3/30/22 – Kevin Galligan spoke re the Budget - won't know tax rate until after October Town Mtg (TM); could be some funding available to soften tax increase; John Kelly noted could make budget adjustments between now and Oct in EFs and Operating Budget. Cathy Doane noted override of \$637k needed to balance Budget now. John Kelly noted updated Financial Plan would be in Warrant with tax rate updated to reflect approval of everything included in the Warrant (key point).

-Select Board (SB) voted 5-0 to approve \$40,672,325 Operating Budget outlined in Cathy Doane email of 3/24 (included in Select Board packet); non-school Operating Expenses of \$29.1M and Schools \$11.6M. Mid-January numbers show \$28.9M for non-school and \$11.1M for schools.

-SB voted to approve revised Rock Harbor EF - same subsidy (39%; no fee increases; left in credit card \$16k but took out \$14k capital outlay for kiosks and also adjusted budget surplus - took out \$23.5k). This enables them to get to the same subsidy as last year, without adding new fees.

- At an earlier SB meeting, at least one of their EF votes was backwards - they voted for a 63% subsidy for the Transfer Station when it should have been a 37% subsidy. Ms. Bruneau sent an email to John Kelly, Mr. Runyon and Cathy Doane on 3/24/22 - but no reply from anyone. They did not re-vote specifically on any other EF budgets - they block voted the whole Warrant.

-Select Board started with a motion from Andrea Reed to "place" all of the Annual TM articles on the Warrant with 1 or 2 exceptions and they voted unanimously to do that. Then they voted in blocks of Articles to recommend most of them - skipping just a few (eg. Cannabis - wait for October).

-Voted on CIP after highlighting changes included in the 3/25 version - 44 Main Street; Library; but also changes to ambulance costs NOT in 3/25 version. Voted to approve 5-0; still many problems/errors in detail CIP descriptions in Warrant. Part of the discussion - Mr. Runyon noted that 5 years in CIP not enough for capital planning - how to extend that? John Kelly said Charter requires 5 years; wastewater planning provides for 20 yrs. If other projects were identified, they could be added to debt schedule - a 15-yr plan though can be hard to ID/price/time projects - and for some, it's hard to wait (some want it now). Mr. Runyon noted it would be helpful to put dollars in for big ones. Mr. Galligan noted it w/be helpful to identify/discuss many projects that are inevitable, including climate change-related. CIP was approved 5-0.

-Fee changes approved - Aquaculture Grant from zero to \$10; Rec Dept/Adult Programs from 15 to 30; Water Dept - 3 diff sized water meters - 270 to 330; 300 to 373; 400 to 486. All approved.

-Voted to place general override question on Town Election Ballot - \$627,023 "to fund Nauset Regional School Assessment". As noted above, Ms. Doane had said earlier that this amount needed to balance the budget. Nothing said about impact of this on tax rate.

-Then voted to place each of 4 debt exclusion questions on Town Election Ballot - all have matching Warrant Articles. Each goes on tax rate until that debt is paid off. MHP \$32M; MHP water quality improvements (drainage) - \$500k; IT Modernization - \$1M; OES windows/roof - \$1.65M. Actual dollars don't go onto ballot - asking Town to "exempt from provisions of Proposition 2 ½ the amounts required to pay for the bond issued in order to fund...."

-After that - they voted to place and then to recommend Articles as noted above.

-Fin Comm voting: On 3/27/22, Ms. Bruneau sent an updated list of questions to John Kelly and Cathy Doane - copied to Mr. Athanassiou and to Moderator David Lyttle. No reply from Town Hall.

Questions re 25 Articles (6 are only “no Summary”). Also have received no info for 9 Special Town Mtg Articles. However, Fin Comm could vote on at least 20 others, plus 12 Charter changes and 2 petitions - and maybe some without Summaries. All roll-call votes.

Note: Article numbers referenced correspond to Article numbers in the Warrant Index dated 4/1/22. The Article titles are those as noted in the Warrant Index.

Motion by Ms. Baird to recommend the Article 6 - “Continuation of Municipal Rental Revolving Account”, second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 16 - “Fund Housing Assistance Corporation - 107 Main Street”, second by Ms. Kremer. The vote was 1-5-0 with Ms. Kremer voting aye and Mmes. Bruneau and Baird and Messrs. Counihan, Mahoney and O’Meara all voting nay by roll-call.

Motion by Ms. Baird to recommend Article 23 - “Fund Information Technology Modernization Plan”, second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 34 - “Fund 3 Mobile Data Terminals for the Ambulances”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Public Comment

Mr. Kenneth Heritage joined the meeting. He stated that he follows a lot of what goes around in town. He would like to bring up that the CIP budget, in his mind, is disingenuous. It is misleading to the population of Orleans who will end up paying for these projects through property taxes. During the summary of changes to the CIP noted in the Select Board meeting, an earlier estimate of \$5M for a new fire station had been eliminated; however no new number was provided. It could be as much as \$25M for the new station and there’s nothing shown on the CIP regarding same. Regarding the library, there was a \$25k feasibility study, but the cost for a new building could be as much as \$20M. He noted that there is a demand from some citizens for a community center which also could cost \$20M. What about the wastewater expansion? He believes there should be a footnote on the CIP page identifying all of these potential projects and their potential costs. Mr. Heritage mentioned speaking to someone recently at the transfer station and that person said that Orleans will soon be unaffordable for them.

Motion by Ms. Baird to recommend Article 40 - “Fund Human Service Agencies”, second by Ms. Kremer. The vote was 6--0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 41 - “Fund July 4 Celebration Activities”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 42 - “Fund Cultural Council Grants”, second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 43 - “Fund Habitat Conservation Plan (HCP) - Permit Implementation Costs”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 44 - “Fund Elected Officials Salaries (FY23)”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 45 - “Fund Unanticipated Employee Retirement Buyouts”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 46 - “Fund Electronic Voting at Town Meeting”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

The Committee agreed to delay voting on Articles 47 and 48, “Fund Police Union Contract FY23” and “Fund Fire Union Contract FY23”, respectively, until Town Meeting, pending any action on contract negotiations.

Motion by Ms. Baird to recommend Article 49 - “Fund Classification & Compensation Study for Part-time and Seasonal Plans”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

Mr. Mahoney asked if the universal pre-school program is or should be “means based” (based on a family’s ability to pay). He is not in favor of universal pre-k for families with the ability to pay for such programs. Mr. O’Meara spoke about the benefits of pre-K programs for all children, noting, from his professional experience, that with universal pre-K programs, there is often a marked decline in the need for “special needs” programs at all levels, after providing children with a strong start. The initial investment for all children will help the children in the long run.

Motion by Ms. Baird to recommend Article 53 - “Fund Universal Pre-School Support Program”; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call.

The Finance Committee agreed that the following Articles proposed by the Charter Review Committee (CRC) have “No Financial Significance” and would be so designated in the Warrant:

- Article 54 - Charter Amendment A - Town Meeting Warrants
- Article 55 - Charter Amendment B - Preamble
- Article 56 - Charter Amendment C - Appointed Multi-Member Bodies, General Provision
- Article 57 - Charter Amendment D - Town Meeting, Procedures
- Article 58 - Charter Amendment E - Select Board, Powers in Intergovernmental Relations
- Article 59 - Charter Amendment F - Select Board, Other Town Multi-Member Bodies
- Article 60 - Charter Amendment G - Planning & Environment, Official Town Plan
- Article 61 - Charter Amendment H - Select Board, Powers of Appointment
- Article 62 - Charter Amendment I - Town Meeting, Procedures
- Article 64 - Charter Amendment K - Citizen Participation, Election and Recall
- Article 65 - Charter Amendment L - Town Administrator

The Committee discussed the proposed changes to Town Meeting Quorum requirements, with the quorum requirement dropping from 200 registered voters to 100, and then dropping immediately to zero once the Moderator had called Town Meeting to order. The financial concern: arguably, with a zero quorum, a very small number of voters remaining at Town Meeting could amend Warrant Articles “from the floor” and thus make substantial changes that could have a financial impact on the Town.

Motion by Ms. Baird to recommend Article 63 - "Adopt Proposed Charter Amendment J - Town Meeting, Quorum"; second by Ms. Kremer. The vote was 0-6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting nay by roll-call.

Motion by Ms. Baird to recommend Article 66 - "Amend General Bylaw Ch. 40 - Personnel Bylaw /Classification/Comp Plans"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 67 - "Amend General Bylaw Ch. 158 - Water"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 68 - "Authorize Changes in Fee Schedule"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 69 - "Accept MGL Ch. 59 Section 5 Clause 22F"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 70 - "Accept MGL Ch. 59 Section 5 Clause 22H"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 71 - "Grant Town Administrator Authority to Enter into 5-Year Contract for Revaluation Services"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

Motion by Ms. Baird to recommend Article 72 - "Amend Zoning Bylaw CH. 164-19 Floodplain District"; second by Ms. Kremer. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O'Meara all voting aye by roll-call.

The Committee determined that Article 73 - "Amend Zoning Bylaw Ch. 164-13 Schedule of Use Regulations - Commercial" has "No Financial Significance" and will so designate on the Warrant for the Fin Comm "vote".

Motion by Ms. Baird to recommend Article 74 - "Petition: Tree Preservation Resolution"; second by Ms. Kremer. The vote was 3-2-1 with Mmes. Baird and Kremer and Mr. Counihan voting aye; Ms. Bruneau and Mr. Mahoney voting nay; and Mr. O'Meara abstaining - all by roll-call.

Ms. Bruneau noted that the Select Board plans to invite the Petitioner for Article 75 - "Petition: Evaluation of Mill Pond for Sewering" to their next meeting on 4/6/22 to better understand the objectives of the Petition. Also - Ms. Bruneau will invite Town Administrator John Kelly to next week's Fin Comm meeting (4/7/22 - beginning at 5pm) to answer any questions that Fin Comm may have regarding any articles not yet voted on.

Continue Discussion on Budget Review Reports w/ Focus on Findings and Recommendations

-Likely can delay further/final discussion on Budget Reviews until after Fin Comm voting on Warrant Articles and Warrant goes to press

General Updates Including Recent Select Board/Other Meetings

-Select Board Meeting 3/30/22 - officially changed location of TM to gymnasium

- Michael Herman will be Select Board liaison to Fire Station Feasibility Comm
- Voted to approve seasonal outdoor entertainment license application process; some discussion about fair and equal treatment of all applicants, especially those operating commercial establishments in residential zones (eg BNI - but also discussed/asked what about ballpark and concerts at Nauset Beach)
- Liaison reports – Kevin Galligan gave update on infrastructure funding - \$754K for Rt 39/Rt 28 roundabout; c/be much more infrastructure funding coming, even into FY27/FY28
- Still 5 opportunities in tax work-off program
- Future agendas - Andrea Reed suggested they check status of Select Board FY22 goals; maybe s/ also check status of John Kelly and Cathy Doane and chief goals - running out of time; Mr. Runyon noted the unattractive Eversource substation (overgrown trees have been taken down) - TBD what and when

Finance Committee Liaison Reports

- Planning Board - “Streetsense” report to be revised for public discussion on 4/12
- Broadband moving along; numbers quoted for ballpark cost of how much this would cost downtown
- Gov. Prence - 4/11 - next “Community Conversation”, focused on design ideas
- Fire Dept - Feasibility Study Comm coming to Fin Comm on 4/21 and 5/19 for updates (to Select Board the day before)

Review Schedule and Items for Future Agendas

- Thurs, 4/07/22 - continue voting on Warrant Articles; last votes before Warrant to press
- Thursdays in April - continue voting if needed; also prep for TM; should we invite AHC/AHTB to an April or May meeting? Fire Feas Comm to Fin Comm on 4/21
- 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 gymnasium
- Thurs, 5/19/22 - TM post-mortem meeting; last meeting in May; Fire Feas Comm to Fin Comm

Adjourn: Motion by Mr. Mahoney to adjourn, second by Ms. Baird. The vote was 6-0 with Mmes. Bruneau, Baird and Kremer and Messrs. Counihan, Mahoney and O’Meara all voting aye by roll-call. The meeting was adjourned at 9:38pm

Respectfully submitted,
Stacy Faber, Recording Secretary

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

1. March 31, 2022 Finance Committee meeting agenda
2. Draft minutes for the 3/17/22 Finance Committee meeting
3. Draft minutes for the 3/24/22 Finance Committee meeting
4. Updated Draft Finance Committee Letter for the Annual Town Meeting Warrant
5. Select Board meeting packet from 3/30/22 Select Board mtg (Select Board website)
6. Sewer Betterment Scenarios from Select Board meeting packet
7. Updated FY23 Budget summary, CIP and fee schedule from Select Board mtg packet
8. Updated Rock Harbor Enterprise Fund data from Select Board mtg packet
9. General override and debt exclusion Ballot info from Select Board mtg packet
10. Draft Warrant Index (dated 3/25/22)
11. Draft Warrant Articles (dated 3/25/22)
12. Fin Comm Budget Reviews - Conservation Department and Town Clerk

The minutes of the March 31, 2022 Finance Committee meeting were reviewed and approved at the April 7, 2022 meeting. **Motion by Ms. Baird; second by Ms. Kremer. The vote was 5-0-1 with Mmes. Baird, Bruneau and Kremer and Messrs. Mahoney and O’Meara all voting aye by roll-call.** Mr. Ciavarra abstained as he was absent from the 3/31/22 meeting. Messrs. Athanassiou and Kanaga had already logged off from the 4/7/22 meeting by the time the Committee voted to approve the minutes.

Marshall M. Bruneau
FIN COMM CHAIRMAN
4/8/22