



# Town of Orleans

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## Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

MEETING MINUTES  
Thursday, June 23 - 7:00 pm

Asst-  
ORLEANS TOWN CLERK  
ECS  
17 JUL 15 10:00 AM

This was a virtual meeting of the Orleans Finance Committee convened via remote participating 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 as well as Committee members Elaine Baird, Ed Mahoney and Peter O’Meara. Committee Clerk Tim Counihan joined the meeting just after 8:00pm. Lou Ciavarra, Chris Kanaga and Constance Kremer were absent.

**Guests:** DPW Director Tom Daley and Natural Resources Manager Nate Sears. Mia Baumgarten from Media Operations provided technical support for the meeting.

**Public Comment:** None this evening

**Announcements** - If you need help navigating the Town’s new website - there’s a button at the top of the page that you can click for a brief tutorial. The IT/Media Ops department is hoping to schedule some in-person sessions at the COA over the summer to help people navigate the new website, how to sign up for alerts/notices, how to use the site on various devices, how to enroll in CivicReady (the emergency alert system) and EyeOnWater - and answer questions and catalogue feedback about website.

- Wastewater project info on the Town website on the “Government” page – with information about the Downtown project currently underway as well as plans for the next phase for the MHP area. If you have questions - whether about connecting for the Downtown area with “first flush” scheduled for Sept or the next phase/MHP - contact the “Sewer Ombudsman” Reggie Donoghue. Contact info posted - phone and email. Also new “Sewer System FAQ” bulletin is posted - 4 pages of Frequently Asked Questions about the project, betterment assessments and getting connected.

- Reminder - 2022 beach stickers and transfer station stickers - applications mailed some time ago; also available on-line; no sticker office this year - all by mail or on-line. Further info on the Town website. Updated info today - due to the back-log in processing applications, current stickers good through JULY 14 at FY22 prices - anything time-stamped or post-marked by July 14 will be OK at current rates. After that, rates go up to FY23 rates at the transfer station. Patience and understanding much appreciated.

- 4<sup>th</sup> of July weekend - fireworks are scheduled for Friday evening, July 1 - best viewing from Skaket Beach. Rain date will be Tuesday, July 5. The 4<sup>th</sup> of July parade will actually be on July 4<sup>th</sup> - starting at 10am with prime viewing along Main Street and around the corner onto Route 28 past the Middle School. Grand Marshall this year - recently retired Health Agent Bob Canning.

- Fall Town Meeting - mark your calendars - Monday, October 17 at the Middle School gymnasium. Early evening. Likely childcare will be provided.

- There are a number of opportunities available for participation in various Town Boards and Committees. A list of the opportunities/pending opportunities is available on the Town website - or by

contacting Molly Bates in the Town Administrator's office. Plenty of opportunity to get involved. And listening to some of the recent Select Board meetings, it sounds like there's a renewed commitment for change with some of the Committees.

**Meeting with DPW Director Tom Daley and Natural Resources Manager Nate Sears for Discussion re Beaches, Moorings, Rock Harbor and Transfer Station Enterprise Funds**

-In welcoming Mr. Daley and Mr. Sears to the meeting, Ms. Bruneau noted that Fin Comm receives the monthly Enterprise Fund (EF) Appropriations reports and Revenue Comparison reports and also monitors Mr. Daley's quarterly reports to the Select Board (the most recent just 2 weeks ago).

-Mr. Daley began by reviewing YTD expenses for each of the EF's, referring to the May month-end Appropriations reports. Beaches report shows \$708K available but that includes \$663k in Budget Surplus funds (prefer not to use that). Salaries show \$256K available, some of which will be spent in June. He said that they do projections at year-end to make sure they will land safely budget-wise.

-Moorings - \$3500 in Available Expenses; s/be OK. Rock Harbor - net \$5k Available; s/be OK.

-Transfer Station - S/be OK for Salaries through year-end. Expenses - \$43k Available unencumbered; however, Daley explained that he encumbers key Transfer Station expenses early in the fiscal year and based on recent projections, he expects getting back about \$75k of \$156k encumbered expenses.

-Ms. Bruneau noted that there are a number of expense lines that may run short but Mr. Daley confirmed that he is able to transfer money within expenses or within salary lines, within each individual EF, with Finance Department approval. These adjustments don't need Fin Comm approval.

-Mr. Daley noted that the original budget for the Sewer EF was \$630k with \$521K available. This first year, no one knew for sure what the timing would be for the start of Sewer operations. Any unspent funding will stay within the Sewer EF; it will not be moved to the Town's General Fund. Any other EF "left-overs" stay within the individual EF accounts.

-Beach revenue through May is \$305k ahead of last year; however, as of 2 weeks ago, still \$590k short of Budget. Don't want to impact General Fund/Free Cash. Could "net" against unused expenses or Budget Surplus (for EF's, that w/be used instead of Free Cash). This year, the Sticker Office hasn't been open due to the loss of experienced staff. Currently, about 900 unopened envelopes w/ unprocessed checks. Two new staff members hired 10 days ago; they are catching up with back-log.

-Moorings revenue - OK; Rock Harbor - \$40k behind budget; however, Mr. Sears deposited \$25k 2 days ago and expects to deposit a similar check before 7/15. Rock Harbor payments - first half is due 4/15 and second half due 6/15. Experience shows these fees trickle in.

-Ms. Bruneau noted that FY22 is "Year 1" of EF experience - and that the budget information readily available doesn't include revenue cycle or expense cycle "wisdom". Mr. Sears and Mr. Daley both confirmed "learning year" for the EF's. Mr. Sears also noted that some years, likely there will be a bankable "surplus" and other years, maybe not.

-Mr. Daley noted that he has more concern re the Transfer Station revenue - with \$160k needed by year-end to make budget. Much of the Budget Surplus has been used to buy new trailers - just \$7800 left in that account. They have put a freeze on all further expenses. However, with the new staff now in the Sticker Office, the back-log is disappearing. If they are able to continue to process \$30k/week in sticker "sales", then Transfer Station revenue s/be OK.

-Group discussion re on-line sticker sales and the challenges facing those less comfortable w/ technology. Mr. Daley noted that on-line processing is most efficient; however, the Town's demographic is understood as well. Likely there needs to be a "default" for on-line applications.

-Mr. Sears noted that for the Sticker Office - seasonal employees have a 19 week limit that may not line up perfectly with the sticker "season". Part-time employees are limited to 19.5 hours/week. These constraints make staffing the Sticker Office challenging.

-Mr. Mahoney asked if all of the revenue short-falls being discussed are due to the lag in sticker processing. Mr. Daley said that he w/ have an answer in mid-July. Important not to overestimate revenue. He noted that once they begin FY24 budget discussions, they will look at this more closely.

-Mr. Athanassiou asked if there were other technology solutions vs. stickers - eg, license plate recognition (LPR). Mr. Daley noted that LPR w/ still require customer applications - but said that Harwich and Truro are using it - and that Orleans plans to use LPR for Nauset Beach. Maybe next year for the Transfer Station. But LPR w/be complicated for parking at town landings.

-Ms. Bruneau asked if there are any revenue budget considerations for the FY23 budgets - should those numbers be reconsidered for Fall/Special Town Meeting. Mr. Daley said they will look at the FY23 budgets once the FY22 numbers are finalized.

-Mr. Athanassiou asked about the status of Pay as You Throw (PAYT) thinking for the Transfer Station. Mr. Daley said that there has been little recent interest from the Select Board or the Board of Health (either of which would have to lead the effort). He noted the need for "political will" to make something happen. Ms. Bruneau noted that Meff Runyon had brought up the topic at a recent Select Board meeting. She will follow up with Select Board Chair Andrea Reed to see if the topic will be on the agenda for the Select Board this summer.

-Ms. Bruneau noted that Fin Comm had talked about the possibility of broadening the "definition" of the Moorings EF so that it wasn't so narrowly focused on just the admin for the individual moorings. Mr. Athanassiou suggested including more of what is being done re waterway safety, given the allocation of other department expenses to the Moorings EF. Mr. Sears agreed with the idea, noting that for Year 1, the Moorings definition started out with a narrow focus. Going forward, perhaps it c/be expanded to include other revenue sources such as those for parking at town landings. Mr. Mahoney noted what seemed to be a disproportionate share of allocated costs to the Moorings EF.

-Ms. Bruneau asked whether each of the EF's should have "asset management plans" like that established for the Water Department (a pseudo-EF). Mr. Daley noted that the Water Dept. is a utility with extensive infrastructure - but agreed that perhaps the Sewer EF should have an AMP - and that the Sewer Operations Manager (Veolia) is working on it already. Perhaps establishing good capital plans for each of the EF's. Mr. Mahoney noted that for Beaches, the Budget Surplus number by FY23 will be \$1.3M with very little information readily available re what that money is for. It w/be good to show the Town/taxpayers the intended use for that fund - else why is it being saved? Transparency re the Budget Surplus accounts w/be helpful.

-Ms. Bruneau asked for an update on parking programs for the Beaches and Rock Harbor. Mr. Daley said that the new parking lot at Nauset will be done soon. LPR and kiosks are under contract. LPR s/be installed sometime in July with maybe a "soft start"; kiosks in late summer/September. Next year the upper parking lot will be used as the new beach entrance. Ms. Bruneau asked about payment options at the beach. Mr. Daley said the kiosks will accept credit cards and various other payment technologies but likely also cash.

-Rock Harbor - no funding yet for a full solution; more discussion likely this fall/winter. Technology still TBD. Town Cove/Goose Hummock, other Town landings - all still TBD.

-Ms. Bruneau asked whether the Town s/ extend special Beach access privileges to the Wampanoag/other Native Americans as other Cape towns have done. Mr. Sears noted that access to the water is understood to be a Native American right - thus legislation or policy isn't needed.

-Ms. Bruneau asked how Fin Comm c/ help. Mr. Sears noted that Fin Comm suggestions/inputs are very helpful. Mr. Daley expressed his appreciation to the Finance Committee - for partnering with DPW, working with them, challenging them and supporting them - the best Finance Committee he's ever worked with!

-Ms. Bruneau thanks Mr. Daley and Mr. Sears for their help with an excellent meeting.

### **Review and Approval of Any Special Year-End Budget Amendments and/or Reserve Fund Transfer Requests to Address Short-Falls in Various Department Accounts**

-Two Budget Amendments, information forwarded last week; approved by Select Board last week. Remember that this is part of the fiscal year-end process where the State allows for tidying up the books by moving money between/among accounts, between/among departments.

-Second set on first page to cover Insurance short-fall uses unspent money in Finance Dept account - Professional & Technical Services - funded by a \$14k Reserve Fund Transfer last summer that was to

cover a so-called “account temp”. Individual stayed just 2 weeks; never replaced. At last fall’s Town Meeting, separate article to fund an additional resource instead - so this money was never used and thus is available to help clear year-end needs.

**Motion by Mr. Counihan to approve the Special Year-End Request for an Amendment to Budgets to cover Media Salary - C&T Clerical (\$97.65), Memorial/Veterans Expenses (\$263.90), Insurance Expense - Workers Comp (\$3531.00) and Insurance Expense - MIIA Pool (\$8,835.92) for a total of \$12,728.47. Second by Ms. Baird. The vote was 6-0 with Mmes. Bruneau and Baird and Messrs. Athanassiou, Counihan, Mahoney and O’Meara all voting aye by roll-call.**

During the discussion re the second Budget Amendment, Ms. Bruneau noted that when the Select Board reviewed and approved the Amendment, Kevin Galligan suggested that perhaps the cost of the additional Chemicals should or could be billed to the Sewer Project, because that is what had triggered the additional spending. Mr. Mahoney asked about the timing of and responsibility for resolving this suggestion. Ms. Bruneau will follow up with Mr. Galligan.

**Motion by Ms. Baird to approve the Special Year-End Request for an Amendment to the Budget to cover Water Department Chemical expenses (\$9,085.96) with funds from other Water Department accounts. Second by Mr. Athanassiou. The vote was 6-0 with Mmes. Bruneau and Baird and Messrs. Athanassiou, Counihan, Mahoney and O’Meara all voting aye by roll-call.**

**Vote to Confirm Appointment of Fin Comm “ex officio” Member to the Wastewater Management Advisory Committee** - this was discussed and voted on at the Fin Comm meeting 2 weeks ago; however, as Alan McClennen pointed out in an email the next day, the vote wasn’t on our agenda - so we should re-vote the appointment to make it official.

**Motion by Mr. Athanassiou makes a motion to appoint Ms. Bruneau as the Finance Committee’s “ex-officio” member to the Wastewater Management Advisory Committee, second by Ms. Baird. The vote was 6-0 with Mmes. Bruneau and Baird and Messrs. Athanassiou, Counihan, Mahoney and O’Meara all voting aye by roll-call.**

**Continue Discussion - Fin Comm Focus/Priorities and Topics of Interest -Fall/Special Town Meeting, Including Potential Warrant Articles**

-Initial preview of Warrant Index at last week’s Select Board mtg. John Kelly introduced the topic by noting that the list includes things left off in May (eg, Police/Fire Union Contracts - not yet ready then - TBD whether ready in October); also referred to potential grant opportunities as sources of funding for projects. So far, 19 topics including FY23 budget adjustments; more proposed Charter changes; revised number/strategy for WTP residuals handling implementation. JK noted that he hoped to have a draft Warrant in early August. Many other potential topics not noted here - nothing about Community Center or Affordable Housing. Gov. Prence is just about funding demolition and site restoration. JK noted that Cathy Doane would have some small ones not yet included in list. Also maybe a short-term rental by-law perhaps re licensing those properties. Maybe return of Blue Economy funding. Kevin Galligan asked how to get tax relief - eg, through grants, he also noted maybe using Town share of County ARPA money for some of capital projects (\$600k) to show benefit to taxpayers.

**Fin Comm/Other Liaison Assignments and Liaison Role**

-At the Select Board meeting on 6/15/22, Andrea Reed talked about Select Board liaison assignments and roles. Talked about maybe having Chairs submit 2-3 lines each month as input to Select Board. Subsequently discovered that Kevin Galligan will be retiring from his role as Fin Comm liaison, to be replaced by Meff Runyon.

-Ms. Bruneau sent January version of Fin Comm liaison assignments earlier this week - plus Fin Comm Liaison Guidelines - based to some extent on Select Board liaison role. No need to solve it tonight - but think about strategy for these Fin Comm Liaison assignments - which ones are important to keep

track of year-round or “right now” - eg, Planning Board, Affordable Housing, Fire/Rescue Station Feasibility Study Committee, Gov. Prence - maybe other short-term studies/ad hoc committees.

### **Continue Discussion re Tim Counihan’s Draft 15-year Capital Plan**

- Ms. Bruneau sent Mr. Counihan’s updated draft plan earlier this week.
- Mr. Counihan outlined his approach to the development of the draft plan, noting the intent to show how proposed projects are laid in over time - and noting too that the result is likely bigger than the Town’s appetite for spending. However, it gives us a chance to look at potential programs, to consider project timing and sizing. He also noted “what if analysis” to look at what possible project alignments might be, referring to a discussion w/ a neighbor who is part of the Community Center Committee who has had some informal discussions about potential synergies between/among plans for the Library, the Community Center and the Council on Aging. If synergies could be identified, then project dollars c/be adjusted accordingly. The capital plan provides a way for Fin Comm to weigh in - and to advise the Town/residents re capital spending.
- Mr. Mahoney asked if interest rates were included in the draft plan. Mr. Counihan confirmed that for now, he had not included interest (as noted in his footnotes) - and further confirmed the need to understand the Town’s financing strategy - knowing that there are likely different ways for loading in debt (one of the questions for Finance Director Cathy Doane or Treasurer Scott Walker). Mr. Mahoney suggested making/building in conservative assumptions.
- It was also noted that the “model” includes a “base load” of smaller projects - with a \$5M cut-off for projects (nothing smaller is listed separately). The “base load” is meant to aggregate the smaller projects, such as town landings. Ms. Bruneau noted that for town landings, there c/be “peaks and valleys” - with “peaks” occasionally for bigger projects like Rock Harbor. Mr. Athanassiou noted the importance of tracking the smaller - perhaps foot-noting them.
- Mr. Athanassiou also commented on why Fin Comm is doing this - because Fin Comm wants to understand what we (and the Town) s/be concerned about. Such a tool is primarily for Fin Comm use.
- Mr. Counihan noted that the spreadsheet does show the debt burden growing over time - to as much as 32% of the Town budget. Mr. Mahoney suggested adding other metrics such as those previously suggested by Fin Comm alum Brad Keith such as debt service as a % of the budget or per capita. Mr. Counihan noted that the former is included, but that other metrics c/be added. Ms. Bruneau noted that there c/be other metric ideas in the Town “Debt Book”.
- Mr. O’Meara suggested footnoting the tax rate and average home costs - and showing the impact of the tax rate on tax payers. The aggregating debt gets to be very concerning.
- Mr. Counihan noted that much of the Town’s big project funding is through overrides - which goes directly to the tax rate.
- Other additions - as previously discussed, an O&M factor for certain projects. And a 3.25% interest rate as suggested by Mr. Mahoney for today’s market.
- Ms. Bruneau will re-distribute the current spreadsheet to all. Any other suggestions or questions can go directly to Mr. Counihan. The discussion will continue at the next Fin Comm meeting (7/14).

### **Follow-up Discussion - Gov. Prence, Economic Development Plan, Affordable Housing, Library Strategic Plan, etc.**

- Gov. Prence meeting on 6/13/22 - Mr. Athanassiou noted that the Committee hoped to have a recommendation ready for the Fall/Special Town Meeting in mid-October. The 6/13 meeting included a focus on demolition costs - which continue to rise. A related question - should the Town pay for demolition and site restoration? Or simply provide the site to a developer “as is” and avoid the demolition costs? Meanwhile, the Town w/ continue to pay insurance costs and have the liability risk.
- Planning Board meeting from 6/14/22 - addressed Fin Comm letter to Meservey, et al dated 5/5/22; also noted that Select Board had endorsed the Econ Development Plan - the 11 short-term goals and the 2 longer term goals. They talked about a number of Fin Comm’s specific suggestions - and noted that several were done or in the works. Meservey noted he would send a note back to FinCom. On 7/13, Select Board will work on “charge” for the Econ Development Council. Meanwhile, they will work to get Plan more widely circulated. Deb Oakes reminded them that Chamber isn’t all of Town

business community.

-Affordable Housing Trust Board - Should we invite AHTB/AHC to Fin Comm this summer to understand any plans for Warrant Articles? Also to understand spending since Day One of AHTB funding? Pennrose/CC5 Operations center update - project has received funding from other neighboring towns (\$600k total); applying for State funding. Separately - could also consider asking Scott Walker to demo the bonding tool that he demo'd for the CPC earlier this Spring.

-Select Board Chair Andrea Reed has announced monthly meetings with Board/Committee Chairs - first Friday of every month starting July 1. Fin Comm had asked Andrea for an informal "huddle" with her - with the Fin Comm officers - shortly after she was elected as Select Board Chair. We were asking about her key objectives as Select Board Chair - particularly anything with a financial component or impact. On June 8, we sent the color-coded 5-year look-ahead document with all of the Department anticipated "extras" over the next 5 years - with a focus on FY23 - looking to confirm what was in the FY23 and what isn't yet included. She asked for a few more weeks - to coordinate with John Kelly. Will follow up on these and any other Fin Comm-related topics - including Mr. Counihan's list of capital planning/planning tool questions.

### **General Updates Including Recent Select Board/Other Meetings**

-Select Board Meeting from 6/15/22 - discussion on Select Board Policy re terms (2 vs. 3) and then on draft Policy on Board/Committee Service Assumptions Agreement. Mathison wasn't at mtg so nothing finalized. Draft term limit Policy had suggest changing from just 2 terms to "2 or 3" at Select Board discretion. Feedback apparently very diverse; many pros/cons about need to develop leadership/change leadership. AR seems to support annual change but others refer to steep learning curve for some Boards/Committees. New ideas good; institutional knowledge important; associate members - provides learning opportunity.

-Officially approved RAC revised "charge". Unclear how this got lost/not done.

-Approved budget amendments (as above)

-Fertilizers/herbicides - Michael Herman is proposing that the Select Board consider a Nantucket-like Article for Fall Town Meeting; ref to State subsidizing W/Q efforts but doing nothing about fertilizers/herbicides. TBD re enforcement and who w/ have oversight in Town (not Cons Comm due to jurisdiction limitations per John Kelly and lack of staff); much to do re education of public, vendors, landscapers. Maybe could be inserts with water bills. John Kelly - can't ban them due to restraint of trade; ICC; etc. Waiting for now - checking with Nantucket and Harwich.

-Initial preview of Warrant Index - noted above.

-Suggested process for identifying properties for potential purchase by town - either abutting existing town properties - or in good locations for town purposes.

-Liaisons- Andrea Reed talked about liaison assignments and role.

-Select Board 6/22 - Exec Session only - Police/Fire union negotiations plus "property on 6A" (not named).

### **Finance Committee Liaison Reports**

-Library (new Strat Plan) - Perhaps have Tavi/Trustees come in to discuss strategic plan

-AHTB (Tues, 6/21)- Should there be a second housing trust focused on attainable housing

-Charter Review - Monday, 6/27 at 5:30pm in Nauset Room/hybrid

-Fire & Rescue Feasibility Study - Meeting w/ Select Board and Fin Comm postponed pending further discussion w/ OES School Committee

### **Review Schedule and Items for Future Agendas**

-Thursday, 7/14/22 - annual reorganization of Fin Comm; second round of fiscal year-end budget amendments

-Thursday, 7/28/22 - Tom Finan/Fire/Rescue Station Feasibility Study Comm

-Thursday, 8/11/22 and 8/25/22 - Begin voting on Warrant Articles in late August; August "guests" TBD, based on Warrant Article priorities

-Friday, 9/2/22- Warrant closes

-Wednesday, 9/7/22 - joint Fin Comm/Select Board mtg for Public Hearing on FY24 Budget Policy; also Warrant Article recommendations due  
-Thursday, 9/8/22 - Fin Comm meeting; final Fin Comm voting on Warrant Articles before press time  
-Friday, 9/9/22 - Warrant goes to printer  
-Thursday, 9/22/22 - Fin Comm meeting; also 10/6 and 10/13; Sept and Oct mtgs may depend on Warrant Article priorities/need to know  
-Monday, 10/17/22 -- Fall/Special Town Meeting

**Adjourn: Motion by Mr. Mahoney, second by Ms. Athanassiou. The vote was 6-0 with Mmes. Bruneau and Baird and Messrs. Athanassiou, Counihan, Mahoney and O'Meara all voting aye by roll-call.**

The meeting was adjourned 9:21pm.

Respectfully submitted,

Stacy Faber, Recording Secretary

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

1. June 23, 2022 Finance Committee meeting agenda
2. May 2022 Month-End Enterprise Fund Appropriations Reports
3. May 2022 Month-End Enterprise Fund Revenue Comparison Reports
4. FY23 Enterprise Fund Budgets
5. DPW Director Tom Daley June 2022 Quarterly Report to the Select Board 6/8/22 (Select Board meeting packet for 6/8/22 - Select Board website)
6. Two Special Year-End Requests for Amendments to Budgets Approved by Select Board on 6/15/22
7. Draft Warrant Index for Fall/Special Town Meeting (Select Board meeting packet from 6/15/22 - Select Board website)
8. Finance Committee Liaison Assignments (January 2022)
9. Finance Committee Liaison Guidelines
10. Updated Tim Counihan Draft 15-year Capital Plan
11. Snow Library Strategic Plan May 2022
12. Select Board Meeting Packet for the meeting of 6/15/22 (Select Board website)

The minutes for the June 23, 2022 Finance Committee meeting were reviewed and approved at the July 14, 2022 meeting. **Motion to approve with minor edits as noted, by Mr. Counihan; second by Ms. Bruneau. The vote was 6-0-1 with all Fin Comm members voting by roll-call. Ms. Kremer abstained as she was absent from the June 23 meeting.**