

## FINANCE COMMITTEE

On behalf of the Orleans Finance Committee, I am pleased to present the Committee's annual report on its activities during calendar year 2019. The Finance Committee, comprised of nine members appointed by the Town Moderator, per the Town Charter, is charged with independently examining and analyzing the financial affairs of the Town, including proposed budgets, Capital Improvement Plans, and other issues having a financial impact on the Town and its taxpayers, and to inform the citizens of the Town of its findings and recommendations.

### Communication, Collaboration and Transparency

Last year the Committee invited the “owners” of key components of the Town budget to Finance Committee meetings for open discussions of the cost drivers and challenges for their Departments or budgets. We have continued that program in 2019 with very positive responses from many of you:

- January 31 - Police Chief Scott MacDonald and members of his department
- February 7 - Nauset Regional School District (“NRSD”) Superintendent Tom Conrad; Finance Director Giovanna Venditti
- July 11 - Snow Library Director Tavi Prugno with members of the Library Board of Trustees and members of the Facilities Advisory Committee
- August 8 - Todd Bunzick and Sue Brown from the Water Department, with several members from the Board of Water & Sewer Commissioners
- November 7 - NRSD Building Project and School Committee representatives; Superintendent Tom Conrad; Finance Director Giovanna Venditti
- November 14 - Council on Aging (“COA”) Director Judi Wilson with members of the COA Board of Trustees and the Friends of the COA Board
- December 12 - Department of Public Works (“DPW”) Director Tom Daley with Natural Resources Manager Nate Sears regarding Town Landings and Beaches
- December 19 - Building & Facilities Manager Ron Collins regarding the Town’s Buildings & Facilities

Finance Committee meetings are open to the public, broadcast live on Channel 18 and available on the Committee’s website. Minutes of Finance Committee meetings and the Committee’s Annual and Fiscal Year reports are also available on the website.

The Finance Committee participates actively in the Town’s annual budget assessment process. The Committee also addresses financial topics and concerns at Board of Selectmen meetings as warranted throughout the year. In April, we participated in the Orleans Citizens’ Forum-sponsored panel discussion addressing key topics for the May Town Meeting. At Town Meeting in May, Finance Committee members presented their views, both “pro” and “con,” on various Warrant articles. Several of our “split votes” were triggered by a perceived lack of transparency - not enough information, not soon enough, for informed decision-making (e.g., on the proposed purchase of the Herrick property and the proposed purchase of Sipson Island).

In November, the Committee met with NRSB Building Project and School Committee representatives and others. The Project Team estimated the total development cost for the Project to be approximately \$95 million, net of the Commonwealth's contribution. The Orleans share of the estimated Project costs is based on student enrollment and is forecast at nearly 20% of the total, or about \$19 million. The Committee is seeking additional information from the School Committee and the Project Team, and will present its findings prior to Town Meeting in May.

#### Other Budget, Capital Improvement Plan and Debt Considerations

The Town's debt obligations currently include payments for capital investments such as the new Police Station, the new DPW facility, and the on-going wastewater project. Other potential capital investments include the new high school as noted above, plus a new or renovated Fire Station, a new or renovated Library, improvements to several Town landings, long-delayed dredging of critical Town waterways, expansion of COA facilities, the Nauset Beach retreat plan, and storm drain repairs. None of these are "surprises" - but they all have potential impact on the Town's debt, and thus on the tax rate. However, there is also the potential for grant money to help fund at least a few of these projects (e.g., the landings, the Library and dredging).

As consideration is given to these upcoming capital projects, the Town must consider the impact of the projects on Town finances. The burden that can be placed on taxpayers is not unlimited. The affordability of new commitments must be balanced with the ability of taxpayers to support such commitments.

#### Revenue Sources and Strategies

The Finance Committee encourages the Town to reduce its reliance on property taxes and endorses the Town's efforts to identify alternative revenue sources. During the budget review process, Committee members focus on the Town's efforts to identify and pursue grant opportunities - at the department level and at the management level.

We will also continue our focus on analyzing Town financial practices and the roles, responsibilities, and operations of Town Departments and Committees as they impact Town spending, forwarding recommendations that emerge from these analyses to the Board of Selectmen, the Town Administrator, the Town Finance Director, and others as appropriate. We will continue to look for more and better ways to communicate with the citizens of Orleans.

As noted previously, the Finance Committee remains committed to supporting long-term planning to meet future challenges and near-term actions to address immediate priorities and improve Town government services. This commitment will continue to guide the Committee's activities to meet its Charter-mandated obligations.

Respectfully submitted,  
Marilyn M. Bruneau, Chairman