

## 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 2021. 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

For the past few years, the Committee has invited the “owners” of key components of the Town budget to Finance Committee meetings for open discussions regarding the cost drivers and challenges for their Departments or budgets. In mid-March of 2020, we shifted from in-person meetings to “virtual” webinar meetings due to COVID-19 restrictions and we continued that approach through all of 2021. The meetings help us (and our listeners) to better understand Departmental operations, resource requirements and capital project planning for the budget year in the context of longer term needs. The 2021 meetings included:

January 7 - Orleans Elementary School (OES) School Committee and School Principal

January 21 - Nauset Regional School District (NRSD) School Committee

February 4 - Town Administrator John Kelly, Finance Director Cathy Doane and DPW Director Tom Daley

February 11 - Charter Review Committee Representatives

February 18 - Orleans Fire Chief Geof Deering and Deputy Chief Tim Gula

March 4 - Cape Tech High School Superintendent Bob Sanborn

March 18 - Community Preservation Committee Chairman Walter North

April 8 - MIS Manager Peter Van Dyck

April 29 - Board of Water & Sewer Commissioners (BOWSC), AECOM and Tighe & Bond Representatives

May 6 - Town Administrator John Kelly and Finance Director Cathy Doane

August 12 - BOWSC, AECOM and Tighe & Bond Representatives

September 9 - Town Assessor Brad Hinote

September 16 - OES School Committee Representatives; Fire Chief Geof Deering and Building & Facilities Manager Ron Collins

October 7 - Town Administrator John Kelly and Finance Director Cathy Doane; DPW Director Tom Daley and Natural Resources Manager Nate Sears

November 18 - BOWSC, AECOM and Tighe & Bond Representatives

Finance Committee meetings are open to the public and broadcast live on Channel 18 with meeting videos posted on the Town's website. Minutes of Finance Committee meetings and the Committee's Annual and Fiscal Year reports are available on the Committee website.

The Finance Committee participates actively in the Town's annual budget assessment process. Committee liaisons to each Town department also keep track of major initiatives throughout the year. With the pandemic continuing, we have checked in frequently with our liaison departments and have provided updates on their activities during our Finance Committee meetings (eg, election-related information from the Town Clerk's Office; flu clinic and COVID clinic information from the Health Department; and water bill and tax bill information from the Water Department and the Tax Collector's office, respectively). This year, the findings and recommendations from our departmental budget reviews were posted on the Finance Committee website - available for all to review. We will continue to look for more and better ways to communicate with the residents of Orleans.

The Committee also discusses financial topics and concerns at Select Board meetings as warranted throughout the year. At Town Meeting in May, Finance Committee members presented their views on various Warrant articles, both "pro" and "con" as appropriate.

The Finance Committee receives a number of monthly reports from the Finance Director's office and follows up with questions if/as needed for the Finance Director and/or department managers. We look forward to the on-line financial reporting as proposed in the Finance Director's goals for FY22. In Fin Comm's proposed changes to the Town Charter, we have suggested quarterly Fin Comm meetings with the Town Administrator and the Finance Director.

#### Economic Vitality and Long-Term Capital Planning

Last year the Finance Committee emphasized the need for updating the Town's Comprehensive Plan, with an immediate focus on Economic Vitality, which would help to identify long-term priorities and business development and job opportunities. Town Meeting in May approved \$60k in funding for a Downtown Economic Study to "study existing conditions in Orleans, evaluate market trends and recommend an overall economic strategy for the Town." A consulting firm has been hired to work with the Planning Board on this effort and the first of what will likely be many community outreach sessions took place in mid-December. This is expected to be a 6-month project.

In this year's Warrant, we also noted that the Town needs a longer-range, more consistent and more inclusive planning process that incorporates all components of the Town's infrastructure. Such a plan would conform to the Town-wide Economic Vitality Plan. Both plans might consider the timing and funding for a new Fire Station, a Community Center, and the development of the Gov. Prence Properties, as well as any number of other facilities and infrastructure components. May Town Meeting approved \$35k in funding for a Community Center Feasibility Study, October Town Meeting approved \$75k in funding to help develop recommendations regarding the use of the Gov. Prence properties and \$100k to redirect the Fire Station Feasibility Study to focus on a new building at perhaps a new location. All of these studies have separate task forces, "charges" and due dates.

At the September 8 Public Hearing on FY23 budget priorities, the Finance Committee urged the Select Board and Town Administration to focus on long-term planning - on a twenty-year horizon perhaps and not just the 5-year plan built into the annual Capital Improvements Planning process. A long-term plan would consider the timing and cost of longer-term needs of critical facilities such as the Council on Aging (out of space and located in a flood zone); Orleans Elementary School (an aging building that we continue to repair piece-by-piece) and Snow Library (out of space, with limited state funding; an aging building that we continue to repair piece-by-piece) as well as infrastructure components and the potential impact of climate change on our beloved beaches as well as low-lying roads and Town landings. At that same meeting, we also noted the need for succession planning, with many key Town employees eligible for retirement in the next few years. Such planning should also address the need for additional or different resources as needs change.

Two positive outcomes from the September 8 meeting. First, the FY23 budget materials distributed to all department managers in late October included a 5-year "Future Growth Potential" worksheet for documenting departmental projections over the next 5 years which could include program and service-level changes and resource requirements as well as succession planning. The information provided will be used to prioritize funding requests. Second, the chairs and vice-chairs of the Select Board and the Finance Committee met more recently to determine how best to continue the long-term planning discussion. After the FY24-28 CIP is presented in mid-January with the FY23 budget, the discussion will continue, mapping all known/potential projects on a timeline with funding options identified for each project. It will be important to tie together all of the capital planning/development studies and planning initiatives currently underway/anticipated.

#### Community Development and Affordable Living

In 2020, the Finance Committee met with NRSD Building Project and School Committee representatives and others to learn as much as possible about the Nauset Regional High School ("NRHS") Building Project. On December 10, 2020, the NRSD School Committee voted to hold a special District-wide election in March 2021 for the NRHS Building Project. On January 21, the Finance Committee met with NRSD School Committee representatives for a discussion on the budget development process and an update on the NRSD Building Project. At our February 11 meeting, the Finance Committee voted 4-3-1 to support the Building Project and 5-3 in favor of the related debt exclusion ballot issue. There is a special section on the Fin Comm website that includes Fin Comm-related background information on the Building Project (eg, Q&A session materials, meeting minutes, etc.).

On January 7, the Finance Committee met with the OES School Committee and others for a discussion on the OES budget development process. The topic of "Universal Pre-K" was covered briefly in January - but then more thoroughly at an OES School Committee meeting in mid-July with Jacqui Beebe, the Eastham Town Administrator outlining the steps taken by Eastham to initiate and formalize their "Universal Pre-K"

program. Fin Comm continued to provide support for the proposed Orleans “Pre-K” program all the way through until its adoption at the Orleans Special Town Meeting in October, and approval at the ballot on November 2 (see the special section on the Fin Comm website). This program is just one step in a broader focus on affordable living for the Town of Orleans.

### Policies and Procedures

At the Special Town Meeting in October 2020, Enterprise Funds were established to more easily track the revenues and expenses associated with beach operations, the transfer station, the Rock Harbor boat basin, mooring operations and sewer operations. The Finance Committee reviewed the budgets for these Enterprise Funds as they were being developed and provided input regarding the clarity of the information that was eventually presented in the May Town Meeting Warrant. Fin Comm also reviewed the draft Enterprise Fund policy approved by the Select Board, and encouraged the inclusion of the brief Enterprise Fund “tutorial” in the Town Meeting Warrant.

This past summer, the Committee developed and adopted a “Code of Conduct” which establishes standards with which Fin Comm conducts its business in order to achieve and maintain a high level of public confidence, trust and respect for its professionalism. The document is posted on the Fin Comm website and has been shared with the Select Board, Town Administration and other Town Boards and Committees. We encourage the adoption of a similar “Code of Conduct” that would govern all “Town Hall” relationships.

In early December, the Finance Committee met with the Charter Review Committee to review a number of Fin Comm-proposed changes to the Town Charter, most of which were specific to Fin Comm roles and responsibilities. A few general comments included streamlining the document wherever possible and moving detailed procedures to Town Policies to make the Charter easier to maintain going forward. The Finance Committee suggestions for Charter changes do not envision any change in Fin Comm’s role.

### Going Forward

As outlined above, 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 and customer focus. This includes helping to ensure easier access to information that is timely, relevant and understandable for all Orleans citizens. This commitment will continue to guide the Committee's activities to meet its Charter-mandated obligations.

Respectfully submitted,  
Marilyn M. Bruneau, Chairman