



Town of Orleans

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Finance Committee

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Memorandum

To: Sims McGrath, Chairman, Board of Selectmen

CC: John Kelly, Town Administrator
John Laurino, Chairman, Revenue Committee

Date: March 9, 2017

In keeping with the Town's efforts to identify additional cost savings and sources of revenue, such as the formation and on-going support for the Revenue Committee, the Finance Committee would like to encourage the Board of Selectmen to champion the use of an auction process when the Town is disposing of surplus vehicles and equipment.

We are aware of the "annual" Warrant Article (Article #31 in last year's Warrant) that provides "Authorization to Sell Surplus Equipment & Accept Gifts". The Article "authorize(s) the Town Administrator to dispose of surplus supplies and equipment under such terms and conditions as the Town Administrator deems advisable, provided all proceeds from any such disposition are returned to the General Fund, Water Surplus Fund or Reserve for Appropriation account where applicable and to accept any gift items that may be given to the Town on behalf of the citizens of Orleans."

However, we suggest that an auction process be given first consideration, where appropriate, for aged and obsolete vehicles and equipment to ensure the highest rate of return for the Town. A two hundred dollar trade-in for a relatively low-mileage (by street standards) police vehicle seems inconsequential if an auction could raise \$5,000 for the same vehicle, even with auctioneer costs.

We understand that the Town used the auction process successfully when disposing of used and obsolete Tri-Town facility equipment, and that other Cape towns are also using auctions for retired vehicles and equipment.

Again, the Finance Committee recommends that the Board of Selectmen champion the use of an auction process when the Town is disposing of surplus vehicles and equipment. With its extension as an "ad hoc" Committee, perhaps the Revenue Committee can determine the financial merits of using auctions by investigating the results in other Cape towns.

On behalf of the Finance Committee,

Lynn Bruneau / Finance Committee Chair