

**TOWN OF ORLEANS
FY 21 SELECT BOARD BUDGET WORK SESSIONS
SUGGESTIONS FOR CONSIDERATION**

SOURCE	SUGGESTION	PRO'S	CON'S	FINANCIAL VALUE	ONE-TIME	RECURRING	DATE ACCEPTED	PRIORITY
K. Galligan								
	1. Potential property sale of portion of 54 Hopkins Ln: consider, if not deed restricted, sale of a portion of 54 Hopkins Lane owned by the Town of Orleans to the Orleans Housing Authority for expansion of housing;		Per G. Meservey: 54 Hopkins Lane would be a difficult option to pursue. It was designated as open space and transferred to the control of the Conservation Commission. A change of the use of Conservation land requires approval of the Conservation Commission, Selectboard, Town Meeting and the MA Legislature.					
	2. Potential property sale of 18 Bay Ridge Lane (39-0-23, approx. 3 acres) (and adjacent 39-0-22, approx. 2.85 acres).		Per G. Meservey: The rear lot behind the Highway Garage is mostly wetland, so it's really just the 3 acre front piece that would have value					
	3. Advance renewable energy generation at the DPW, future wastewater treatment plant and other locations to reduce the municipal electric cost the Town pays each year - quantify the value of each site and establish as aggressive a timeframe as possible to implement in the long-term;							
	4. Quantify the costs-benefits of more efficient arrangements to perform vehicle service and maintenance as possible as compared to the current practices across departments, including: option of DPW performing nearly all the work OR outsourcing under contract all the work.							
	5. Cannabis revenue from assumed single (1) retail shop. Assumes voter approval of bylaw at Fall 2020 Special TM.	conservative revenue of approx. \$500K/year estimated in FY23.		\$500K/year estimated in FY23.		X		
A. Shaw Reed								
	1. I would like to explore enterprise fund accounting for our top 3 departments requiring subsidies at this time; Nauset Beach, the Transfer Station and Moorings. I would like to have a dedicated work session for the SB on enterprise funds and pick up where the Revenue Committee left off years ago.							
R. Renn								
	The "Top Ten List" is headed by the OES at \$5.4 million and our NRSD Assessment at \$4.8 million - that's 23% of the total Expenses of the Town.							
	In view of the significance of these two expense elements on the Town budget, I suggest that, since you've already invited representatives from NRSD and the OES to the 7/22 FSWS, some diligent information-gathering is necessary. As FinCom liaison to both the NRSD and the OES I've met with both groups and gathered a considerable amount of information (attachments referenced below are available but not attached here):							
	A few words about the information:							
	Sheet #1 was distributed by Supt. Conrad during his briefing to the FinCom in February 2019 (we never had a similar briefing this year because of the pandemic; I presume an update could be requested from Giovanna Venditti, NRSD Finance Director). It is noteworthy that the school-age children in Orleans has peaked and is declining.							
	Sheet #2 was provided by the OES principal during our FY21 budget review this past February. It confirms that the OES enrollment peaked in 2017-18 and has been declining since that time.							
	Sheet #3 is the Official 10/1/19 NRSD Enrollment. It was provided by Supt. Conrad and Giovanna Venditti during our FY21 budget review this past February. The data on page 2 indicates the general decline from 2013 to 2019 in both the total High School enrollment (1,024 to 921) and the In-District enrollment (706 to 616).							
	Sheet #4 displays the NRSD Per Pupil Expenditures from FY12 thru FY17. It was distributed by Supt. Conrad during his briefing to the FinCom in February 2019 (we never had a similar briefing this year because of the pandemic; I presume an update could be requested from Giovanna Venditti, NRSD Finance Director). Please note:							
	The Cost/Student for Brewster, Eastham, Orleans and Wellfleet relate to the Elementary Schools in each of the four Towns in the District.							
	The "Nauset" Cost/Student relates to the Middle School and High School which serve all four Towns.							
	As noted above, earlier this year I participated in the annual review of the OES and NRSD budgets. From the information provided during these budget reviews I'd like to share a few facts and pose several questions:							
	OES Adopted Budget							
	FY18 = \$4,824,372							
	FY19 = \$5,017,177							

TOWN OF ORLEANS
 FY 21 SELECT BOARD BUDGET WORK SESSIONS
 SUGGESTIONS FOR CONSIDERATION

SOURCE	SUGGESTION	PRO'S	CON'S	FINANCIAL VALUE	ONE-TIME	RECURRING	DATE ACCEPTED	PRIORITY
	FY20 = \$5,217,622							
	FY21 = \$5,426,172							
	No. of Students							
	FY 18 = 223							
	FY 19 = 218							
	FY 20 = 199							
	FY 21 = TBD							
	Cost Per Student							
	FY 18 = \$21,634							
	FY 19 = \$23,015							
	FY 20 = \$26,219							
	FY 21 = ??? (Could be \$27,267/student if the enrollment = 199??)							
	% Change - Year-to-year							
	FY 19 = 6.4%							
	FY 20 = 13.9%							
	FY 21 = ???							
	Questions:							
	1. The operating costs are increasing as the OES population is declining:							
	1. What is the expected number of students in FY21 so the FY21 cost per student can be calculated?							
	2. What steps can/will be taken to reduce operating and benefits costs at OES which represent 99% of the Adopted FY21 Budget?							
	2. What are the most recent (FY18 thru FY20) Costs/Student in the other three Towns in the District?							
	3. What are the comparable Costs Per Student in nearby Towns, e.g., Chatham, Harwich, Dennis? (A table comparable to the "Municipal Fee Comparisons" table should be prepared)							
	Comment: We, the Town of Orleans, do control the OES Budget via the Orleans School Committee - we can effect change here if that is our intent.							
	NRSD Adopted Budget Assessments for Orleans (Middle + HS Students)							
	FY18 = \$4,434,045							
	FY19 = \$4,463,081							
	FY20 = \$4,678,077							
	FY21 = \$4,818,616							
	No. of Orleans Students							
	FY 18 = N/A							
	FY 19 = 211							
	FY 20 = 217							
	FY 21 = TBD Official Enrollments (Sheet #3 above)							
	Cost Per Student							
	FY 18 = N/A							
	FY 19 = \$21,981							
	FY 20 = \$21,549							
	FY 21 = ??? (Could be \$22,206/student)							
	Note: The overall NRSD FY20 Cost Per Student is \$20,518; it has steadily increased from \$16,540 in FY12.							
	Questions:							
	1. What are the comparable Costs/Student at other nearby high schools, e.g., Cape Cod Tech, Monomoy, Dennis-Yarmouth?							
	2. What steps can/will be taken by the NRSD to reduce operating and benefits costs which represent 98% of the Adopted Budget?							
	School Choice							

**TOWN OF ORLEANS
FY 21 SELECT BOARD BUDGET WORK SESSIONS
SUGGESTIONS FOR CONSIDERATION**

SOURCE	SUGGESTION	PRO'S	CON'S	FINANCIAL VALUE	ONE-TIME	RECURRING	DATE ACCEPTED	PRIORITY
	1. OES - FY 19 spent was \$3.05M over the State Required Minimum Net School Spending Figure. Find out where other communities rank? Can we continue to afford this with declining enrollment. Look at class size, school choice, early retirement initiatives, reduced staff through attrition, etc.							
	2. NRSD - FY 19 spent was \$2.56 M. Same questions as 1. above.							
	3. Fire Department - Engage Chief to help with the following:							
	a. Review organizational study - identify operational efficiencies that can be immediately implemented							
	b. Reduce overtime costs - FY 19 \$628K; FY 20 \$616K; FY 21 budget \$656K - Organization study states that current staffing relying on overtime is not cost effective and unsustainable - In FY 19, 7 of the 22 firefighters nearly doubled their salaries by working overtime.							
	c. Collaborative procurement of EMS supplies with other Cape Communities to achieve cost savings							
	4. Beaches, OSV, Mooring, Transfer Station - implement as Enterprise Funds and charge fees to ensure they are self-supporting. This includes charging resident parking fees.							
	5. OSV Chatham Agreement - review with Nate in detail - we are operating in deficit							
	6. COA - review operations and cost of doing business with Judi for potential savings (i.e., reduce hours of operation, review fee structure, etc.)							
	7. Library - review operations and cost of doing business with Tavi for potential savings (i.e., reduce hours of operation, review fee structure, etc.)							
	8. Parks - review opportunities for outsourcing and reducing services							
	9. Recreation - consider making self supporting through fees (remove from operating budget and run 100% through revolving fund)							
	10. Revenue enhancement - we need to increase local receipts. Conduct Work Sessions solely focused on reviewing fee increases for approval of Town Meeting in October.							
Lynn Bruneau								
	Ideas/considerations noted below are in somewhat random order - though loosely organized by "topic" and numbered to make it easier for subsequent discussion:							
	1. AAA Rating - "Elephant in the room" question/topic about the Town's AAA rating vs. an AA+ rating and whether it mattered during "today's" low interest rates. The question should be asked and addressed in a public forum - at least for the benefit of the taxpayers/residents. Why does it matter and "who cares", given today's interest rates? How important is it, to whom? What would be the reaction of the municipal bond market? Would our bonds be of less interest to buyers if we had an AA+ rating instead of AAA? How long might it take to get back to a AAA rating from an AA+ rating - given the current economic environment? If Orleans isn't going to be issuing a lot of new, "big" bonds for a while/several years, how much does this matter?							
	2. Beaches - Can we get the summer 2019 beach numbers (eg, various sticker and toll-gates sales numbers) to run through the Revenue Committee "model" for comparison with the work done previously? Also - need to confirm the number of generally-available parking places at Skaket and Nauset, knowing that there is some dependence on tides, etc.							
	3. Fees - With regard to fees, it would be helpful to know for the 10 pages of municipal fee-comparison charts (showing the Orleans fees vs. neighboring towns) - how many of each "fee" or "permit" we're talking about. "Worrying" about some of the categories that might have just a few permits/fees per year is likely a waste of time. Which provide the greatest revenue potential?							
	4. Revenue Committee - The Revenue Committee presentation to the Board of Selectmen on 6/21/17 was very focused on grants and the potential for grant-related revenue. What came in second or third? What else was studied in any detail? Is that research still useful?							
	5. Budget Considerations							

**TOWN OF ORLEANS
FY 21 SELECT BOARD BUDGET WORK SESSIONS
SUGGESTIONS FOR CONSIDERATION**

SOURCE	SUGGESTION	PRO'S	CON'S	FINANCIAL VALUE	ONE-TIME	RECURRING	DATE ACCEPTED	PRIORITY
	a. The "Top 10 Budgets" list in the 7/8/20 Select Board Work Session packet does not mention any of the Capital Projects that "fell off" the Warrant list before the June Town Meeting. Where do any/all of those fall in the overall re-prioritization of Capital Projects? And who gets to decide? Based on what criteria? What timeline?							
	b. With regard to the Stabilization Funds referenced in the "box" at the bottom of the "Top 10 Budgets" list - there is no transparency regarding these Stabilization Funds - no information shared regarding current/carried over balances in any of these Stabilization Funds. It would be particularly helpful to understand balances in Pavement and Drainage Funds. I would also like to see "cash flow" for Pavement and/or any other Stabilization Funds that also receive funding from outside sources (eg, Chapter 90 funds).							
	c. Council on Aging - it's likely that the COA won't be resuming the Day Center Programs at least until January and it will also be a while before they can resume in-person group programs of any kind. Meanwhile, they need/want to replace in-person programs with different programming. They are addressing the need for more food delivery programs but need more/different resources to make that happen - different economics. Who is driving the change in budgeting for all of this?							
	d. Library - similarly - for now, how the Library delivers services is very different from before the pandemic. Shouldn't they be re-budgeting in "segments" for the next 3 months and 6 months, etc. - different from "business as usual"? With different resource requirements?							
	e. School Budgets - what is the true impact of COVID-19 on school budgets? On salaries? On transportation, food, buildings & facilities? What is the cost of on-line education vs. in-person education? Who is paying for cost of computers (for remote learning) for teachers? For students? What about the cost of internet services for any/all? What about other educational materials? Are more/different teachers needed - or fewer? Are certain roles not needed at all (eg, school nurse)? What about Special Needs students? How is that "need" addressed remotely? At what cost, to whom? Special Needs students have a big impact on OES budget and NRSD budget. It would be helpful to understand what happened with the March-through-June operating expenses for OES as well as NRSD and Cape Tech. And what the go-forward plan is, once it is determined.							
	f. Budgets - all Department budgets should be re-budgeted w/ pandemic service impacts identified (ie, change in service for COA, Rec Dept and Library, but less so for FD, OPD, Buildings & Facilities and Transfer Station). Define assumptions appropriate to each department - eg, number of months "shut" vs. "business as usual". Identify impact on personnel and other operating expenses (eg, less for transportation, but more for PPE). Clearly identify services set aside and determine which are no longer needed, or maybe less frequently, or maybe done more efficiently - and clearly ID any cost savings. Provide template to standardize responses. Solicit ideas for alternate work for resources who aren't fully busy (what else c/ they be doing). Solicit ideas for further operational efficiencies (eg, more automation of paperwork). Stage FY21 planning in "what if" phases - eg, July through September "like now", maybe "near normal" October through December, maybe "normal" January through June. But also consider alternative of half-like-now and half-more-normal.							
	g. Also with regard to Budgets - what about training for most budgets? Can that be delayed for many/most? Certification training required for some - but likely most training will be on-line in near-term. What impact on individual budgets? Overall?							
	h. Also need to clarify impact on Revolving Accounts. If there's limited or no income for some of these, what happens if there isn't enough income to pay expenses as intended?							

**TOWN OF ORLEANS
FY 21 SELECT BOARD BUDGET WORK SESSIONS
SUGGESTIONS FOR CONSIDERATION**

SOURCE	SUGGESTION	PRO'S	CON'S	FINANCIAL VALUE	ONE-TIME	RECURRING	DATE ACCEPTED	PRIORITY
	i. Budget cuts vs. service levels - "philosophy": the Town can't keep relying on taxpayers to pay its way out of financial trouble. Whatever is done needs to be (and perceived to be) fair, especially with regard to any real or proposed service cuts. Need to focus on what is really needed. Likely those services include the Fire Department, Police Department, Water Department, beaches (tourist-based economy), schools and affordable housing. The latter two in particular to help the Town attract and keep young families.							
	6. Personnel / Staffing / Unions							
	a. Re Personnel/Unions. The "Top 10 Budgets" list includes a margin note regarding the Fire Department staffing study that was completed this past February (2020). There was another Town staffing study completed last fall, with findings that noted a number of "managers" judged to be at staff levels one or two grades below the recommended level. When that study was presented, John Kelly noted then that nothing would be done to address the findings/recommendations until this fall. So - what is going to be done to address that study now - given the current situation/economic environment? It would not be a good idea to continue to delay fixing past problems.							
	b. Separately with regard to Personnel/Unions - based on a brief discussion with John Kelly and from reading the MA government website, there are union limitations with regard to changes in hours, roles, number of days worked per week, etc. However, what leverage is there/can there be, given the economic situation? What trade-offs might there be or flexibility? A town-wide hiring freeze would likely not be helpful, but re-deploying some resources could be (eg, having clerical staff help count mail-in ballots). Once other resources ideas are identified (as noted below), take those ideas to unions. Better to re-deploy people vs. lay-offs/furloughs or to avoid hiring freezes?							
	c. Need more collaborative thinking too. Do we need all the full-time people that we have in all Departments in Town Hall and elsewhere in/around Town? Town Administrator's office? Finance Director's office? Tax Collector's office? Is there more opportunity for sharing roles/resources - especially w/ more automation?							
	d. Likely need another mechanic but haven't been able to justify role. Which departments are still doing their own vehicle maintenance or having it done on Main Street? Do we need all the vehicles that we have or are planning to replace? Can we lengthen the replacement cycle for vehicle replacement for at least some vehicles (though likely not fire trucks or ambulances)? Could we lease any/many vehicles instead (as school buses are leased)?							
	7. Financial Reporting/Financial Management							
	a. For the next Select Board Fiscal Stability Work Session on 7/23/20, financial reports should be provided for 6/30/20 year-end that include month-end (and thus year-end) revenue and operating expense information, even if this is not final year-end, "book-close" information. The reports should include enough detail for an informed discussion on budget-to-actual results for key revenue and expense categories, including local receipts.							
	b. Going forward, in the interest of transparency, the Finance Director should be providing a financial report to the Select Board and the Finance Committee at least quarterly, with the format and content to be agreed upon. Similarly, monthly financial reports should be provided to the Finance Committee, with the format and content to be agreed upon (likely leveraging existing reports).							