

DISCUSSED at CHARTER REVIEW COMMITTEE MEETING 11/2/20

CHAPTER 2 SECTION 5-1

Response to request by Gail Meyers Lavin for missing amendment in online Charter to exempt Enterprise Funds related to Special Town Meeting articles of October 31, 2020 to establish them.

On Oct 30, 2020, at 5:30 PM, John Kelly <jkelly@town.orleans.ma.us> wrote:

Gail,

This is the article that was approved at the STM on Oct. 29, 2018.

John

ARTICLE 10. ALLOW ENTERPRISE FUNDS TO BE CONSIDERED OUTSIDE THE OPERATING BUDGET

To see if the Town will adopt the following proposed order of amendment to the Orleans Home Rule Charter:

Chapter 2, Section 5. Articles having fiscal implications Section 2-5-1.

Bold = new language

2-5-1. **Except for operating expenses associated with any Enterprise Fund established pursuant to M.G.L. c. 44, § 53F ½**, all proposed operating expenditures shall be included in a single, omnibus-type article in the Town Meeting Warrant. In addition, all regular proposed capital improvements expenditures shall also be included in an omnibus-type article in the Annual Town Meeting Warrant devoted to capital expenditures; or take any other action relative thereto. (Finance Committee)

(2/3 Vote Required)

PROPOSED MOTION

I move that this article be accepted and adopted as printed in the warrant. The amendment shall take effect on May 22, 2019.

SUMMARY

Chapter 2, Section 5 of the Orleans Home Rule Charter requires that “all proposed operating expenditures shall be included in a single, omnibus-type article in the Town Meeting Warrant”. This article would amend the Charter to enable the Town Meeting Warrant to include, as separate items, operating expenses associated with any Enterprise Fund, should such funds be established pursuant to M.G.L. c. 44, sec. 53F 1/2. This change would also provide for Town Meeting review and approval of such Funds.

This is a procedural change only, it provides the Town with more budgeting information, fiscal flexibility and focused attention on the expenses and income associated with Town activities such as the Beaches, Transfer Station and Rock Harbor.

The Orleans Home Rule Charter currently requires that assets like the Transfer Station, Nauset Beach, Skaket Beach and Rock Harbor must be operated within the general operating budget. This article would take the first step to amend the Orleans Home Rule Charter so that these assets could subsequently be treated as Enterprise Funds.

All expenses associated with the Enterprise Fund as well as the income to cover these expenses are projected for the fiscal year. If fees associated with the Enterprise Fund are insufficient the Town can provide funding from the general operating budget to offset any shortfall.

Following approval at Town Meeting, the Home Rule Charter amendment must be submitted to and approved by the Massachusetts Attorney General and then approved by the voters at the annual Town election in May 2019. Thereafter, the Town of Orleans could, with the approval of specific articles at subsequent Town Meetings, create Enterprise Funds.

BOS:	4 – YES	1 – NO	0 – ABSTAIN
FC:	6 – YES	0 – NO	0 – ABSTAIN

John F. Kelly
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