

## 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 2022. 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. These meetings help us (and our listeners) to better understand Departmental operations, resource requirements and capital project planning in the context of longer-term needs.

As noted below, Fin Comm also participated in a number of joint meetings with the Select Board for presentations/discussions on topics of common interest.

January 6 - Conservation Agent John Jannell and Representatives of the Conservation Commission and the Open Space Committee

February 17 - Nauset Regional School District (NRSD) School Committee (school choice cost costs/other considerations)

March 4 - Cape Tech High School Business Administrator Erin Orcutt

March 17 - Community Preservation Committee Chairman Walter North, et al

March 23 (joint at Select Board) - OES and NRSD School Committees re FY23 Budgets

April 14 - Town Administrator John Kelly and Finance Director Cathy Doane

April 21, May 19, August 25 - New Fire/Rescue Feasibility Study Committee Chairman Tom Finan

April 28, October 6 - Fin Comm panelist in Pre-Town Meeting Orleans Citizens' Forums

June 9 - Board of Water & Sewer Commissioners (BOWSC), AECOM and Tighe & Bond Representatives

June 23 - DPW Director Tom Daley and Natural Resources Manager Nate Sears

September 1 - Town Administrator John Kelly, DPW Director Tom Daley and Building & Facilities Manager Ron Collins

October 6 - Fire Chief Geof Deering and Deputy Fire Chief Tim Gula

October 12, November 16 (joint at Select Board) - “Finance 101” and “Finance 102”

October 13 - Police Chief Scott MacDonald

November 9 - (joint at Select Board) - “Planning Priorities”

December 14 - (joint at Select Board) - NRSD School Committee (Building Project vote)

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. This year we also added brief bios for each of our Committee members so that you would know who we are and better understand the diverse backgrounds, interests and skills that each of us adds to the team.

The Finance Committee participates actively in the Town's annual budget assessment process. Committee liaisons to each Town department and key Boards/Committees also keep track of major initiatives throughout the year. During 2022, Fin Comm also drafted and formally approved memoranda sent on behalf of the Committee in support of and/or urging action on several important issues. All of these documents are posted on the Fin Comm website:

January 8 - To Meff Runyon, Select Board Chair, with copies to members of the Select Board and to Town Administrator John Kelly, asking the Select Board to take the lead in providing an update for residents and businesses in Town who are or will be or may be impacted by the Downtown Sewer Project and/or the Meetinghouse Pond project, particularly with regard to anticipated property owner capital and operating costs, and how connection and other costs might be paid over time.

May 5 - To George Meservey, Director of Planning and Community Development with copies to the members of the Planning Board, the Select Board and Town Administrator John Kelly with a list of recommendations for "next steps" after the recent presentation of the Economic Development Plan by the project consultants. The memo echoed the Fin Comm letter in the May 2022 Town Meeting Warrant in which we strongly recommended "confirming and clarifying the roles and responsibilities for coordinating and leading the overall planning effort to support unified town-wide planning and manage likely-overlapping or even competing priorities, and maximize the value of the time and energy spent by various consultants, Town employees and countless Committee and Board members."

November 17 - To Andrea Reed, Select Board Chair, with copies to members of the Select Board, Town Administrator John Kelly and Finance Director Cathy Doane, with a number of financial and business considerations related to the Town's Enterprise Funds, focused on greater financial transparency and a more business-like approach to the management of these Funds.

December 1 - email to Town Treasurer/Tax Collector Scott Walker in response to his request for input from the Finance Committee for a new Debt Policy that he was drafting to be reviewed and approved by the Select Board. At the December 7 Select Board meeting, Mr. Walker acknowledged the support that he had received from Fin Comm and noted that some suggestions would likely be passed on to the not-yet-convened Long-Term Planning Committee for their consideration.

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

The Finance Committee had been receiving a number of monthly reports from the Finance Director's office, following up with questions if/as needed for the Finance Director and/or department managers. However, a new on-line financial system (which Fin Comm has been advocating for several years) was introduced at the October 12 Select Board meeting. Given the complexity of this new system, it would likely be helpful to provide "tutorials" to enable taxpayers and others to maximize the value of the shift from paper-based reporting to on-line reporting with greater transparency.

With the transition to a new Town Manager early in calendar 2023, we are hoping that we will be able to schedule regular meetings with the new Town Manager and the Finance Director, to help ensure more effective and efficient communications.

### Economic Vitality and Long-Term Capital Planning

For the past few years, in its letters printed in the Annual Town Meeting Warrant, the Finance Committee has strongly advocated for updating the Town's Comprehensive Plan, with an immediate focus on Economic Vitality. As noted above, in this year's letter and in memo to Town Planner George Meservey, we continue to recommend a town-wide long-term planning effort to help coordinate and manage potentially competing priorities for scarce Town resources. An Economic Vitality study was completed this past spring, but it is on hold pending the hiring of an Assistant Town Planner to lead the way forward. The "charge" for a new long-term capital planning committee (which Fin Comm has been recommending for several years) was approved by the Select Board at their December 14 meeting. Perhaps, once this committee is established, progress can be made in mapping the future of our Town - documenting and prioritizing our current needs and wants. These include, but may not be limited to, projects such as a new Fire/Rescue Station, a Community Center, expansion of the Library and the Council on Aging, development of affordable housing on the Gov. Prence Properties, continued expansion of the Town's new sewer system and water quality strategies and the eventual need for renovation or replacement of the Orleans Elementary School.

### Boards, Committees and Special Studies

Fin Comm representatives monitored the activities of several key Boards and Committees as well as a number of special studies initiated during 2022 - including the New Fire/Rescue Station Feasibility Study, the Community Center Feasibility Study, the Gov. Prence Properties Study, and the more recent Recreation Department Organization Study, participating actively in surveys and on-line as well as in-person forums. Fin Comm was represented at all monthly meetings of the Board of Water & Sewer Commissioners, the weekly sewer project update meetings and in an "ex officio" capacity at the Wastewater Management Advisory Committee meetings. Other Board/Committee meetings that were frequently monitored included the Affordable Housing Trust Committee, the Affordable Housing Trust Board, the Charter Review Committee, the Community Preservation Committee, the Council on Aging, the Friends of Snow Library, the NRSB Building Project Committee, the Orleans Elementary School Committee, the Planning Board and the Recreation Advisory Committee.

Where appropriate, Fin Comm members have spoken directly with Board/Committee chairs regarding issues of common concern.

### Policies and Procedures

As noted above, the Finance Committee sent a letter on November 17 to Select Board Chair Andrea Reed with copies to members of the Select Board, Town Administrator John Kelly and Finance Director Cathy Doane, outlining a number of financial and business concerns and recommendations regarding the Town's Enterprise Funds, focused on greater financial transparency and a more business-like approach to the management of these Funds. A key recommendation is to have debt service for each Enterprise Fund included in its budget and the budget calculation as presented in the Town Warrant. MA General Law and the Town's external auditors suggest that a "best practice" is to include all Enterprise Fund related costs within the budget for that Enterprise Fund.

Also as noted above, in early December, Fin Comm provided suggestions to Town Treasurer/Tax Collector Scott Walked in response to his request for input from the Committee for a new Debt Policy that he was drafting for approval by the Select Board. At the December 7 Select Board meeting, Mr. Walker acknowledged the support that he had received from Fin Comm and noted that some suggestions would likely be passed on to the not-yet-convened Long-Term Planning Committee for their consideration.

Last year, 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. Such suggestions for Charter changes did not envision any change in Fin Comm's role. In October, the Special Town Meeting voted to approve two practical changes for the Finance Committee. One was to add two associate members to the team, to smooth the learning curve for new members. The other was to change the start date for new Fin Comm members from July 1 to July 16 of the fiscal year to provide time for the Committee to complete fiscal year-end/book-close-related voting before welcoming new Committee members.

### 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,  
Nicholas Athanassiou, Chairman