



Town of Orleans
Finance Committee
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ORLEANS TOWN CLERK

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MEETING MINUTES

Wednesday, March 22, 2023 – 5:00 pm

This was a hybrid meeting of the Finance Committee held jointly with Select Board in the Nauset Room at Town Hall, with remote participation provided by Zoom technology. Real-time public access was provided by Orleans Channel 18 on the Town website and cable television.

A meeting of the Orleans Select Board was held on Wednesday, March 22, 2023 beginning at 4:30pm. Present were Select Board Chair Andrea Reed, Vice Chair Michael Herman, Clerk Mark Mathison and Select Board members Kevin Galligan and Meff Runyon. Interim Town Manager Charlie Sumner and Finance Director Cathy Doane were also present.

Guests: Orleans Elementary School (OES) Committee Chair Gail Briere, OES Principal Elaine Pender (participating remotely, Cape Tech Superintendent Bob Sanborn; Nauset Regional School District (NRSD) Superintendent Brooke Clenchy, NRSD School Committee Chair Chris Easeley, NRSD Finance Director Giovanna Venditti (participating remotely and NRSD Administrative Assistant Arlynn Consiglio (participating remotely). Peggy O’Sullivan from Media Operations provided technical support for this meeting.

(15:00) Call Finance Committee to Order:

The Finance Committee was called to order for the joint meeting at 5:00 pm by Finance Committee Chairman Nick Athanassiou. Also attending, and thus constituting a quorum were Committee Clerk Elaine Baird and Committee members Lynn Bruneau, Tim Counihan and Ed Mahoney (participating remotely). Constance Kremer joined the meeting remotely at 6:30 pm. Alissa Magnotta, Peter O’Meara and Chris Kanaga were absent.

(15:00) Joint meeting with the Select Board for the Orleans Elementary School, Cape Tech, and Nauset Regional School District FY24 Budget discussion

Orleans Elementary School

Ms. Briere discussed the School and District’s transitions to “stay on course and plan for the future”: Post-pandemic Social-Emotional Needs; COVID Relief Funding Continues; Maintaining Partnerships with Municipal Leaders and Safety Partners; Nauset High School Building Project; Nauset Middle School Principal Search; Director Of Student Services Search. Ms. Briere discussed the budget timeline, from enrollment in September through the release of State Chapter 70 numbers and budget review in February, and then to Town Meeting.

Enrollment has declined at OES, with 145 students enrolled in 2023 compared to 165 in 2022. A breakdown of the operating budget was provided:

• Personnel	\$3,641,237	(81.70%)
• Utilities	\$114,415	(2.57%)
• Transportation	\$238,306	(5.35%)
• Textbooks/Materials/Supplies	\$221,361	(4.96%)
• Special Education Tuition	\$169,182	(3.79%)

• Repair & Maintenance	\$70,300	(1.59%)
• Professional Development	\$2,000	(.04%)
• Total	\$4,456,801	

The total operating budget has increased by 2.84% compared to FY22. Mr. Athanassiou noted that Fin Comm representative have attended 2 other iterations of the budget presentation, and most questions have been answered. Ms. Bruneau asked Ms. Briere about the expected due date for the Accessibility and Asset Assessment study currently underway. Ms. Briere said that a draft is due in late April, with a final report in June.

Mr. Counihan asked about increased expenses and decreased enrollment, and why it was not proportional. Ms. Briere said that there were fixed costs associated with the building. She also noted that a reduction in students does not constitute a reduction in staff; although one staff position was eliminated this year due to decreased enrollment. Ms. Briere also noted contractual obligations in the personnel budget. There was further discussion about enrollment and state funding.

The Orleans Fin Comm questions re the OES FY24 Budget that had been forwarded to OES prior to Wednesday’s meeting are posted on the Fin Comm website w/ the replies from NRSD Finance Director Giovanna Veneditti.

(44:00) Cape Cod Tech

Mr. Sanborn thanked the Cape Tech School Committee’s Finance Committee and his staff who worked to put the budget together. There are 14 students from Orleans enrolled for this year, compared to 11 last year. Mr. Sanborn noted that Orleans accounts for 8% of enrollment; he discussed trends from FY19-FY24 noting the increase of 73 students over those 5 years. He cited the new school building, the cost of college education, and the job market/programs offered as reasons for the increase in students.

The FY24 Budget has increased by 3.86% up to \$16,750,000. Mr. Sanborn discussed revenues, noting that \$12,491,079 comes from Assessments from the 12 towns; \$3,593,921 from State Aid, and \$665,000 from Local Revenue. Capital Debt, which is in year 5 of its schedules, is \$5,907,075.

The FY24 Capital Debt Assessment for Orleans is \$124,547; the Operating Assessment is \$280,487 for a total FY24 Assessment of \$405,034 for the 14 students (up from \$325.6k last year for just 11 students).

Mr. Sanborn discussed Cape Tech’s Other Post-Employment Benefits (OPEB) commitment, noting that the District has established a funding plan and is currently ahead of the funding schedule. The FY24 contribution is \$275,000.

Mr. Athanassiou asked how much more enrollment could climb, without needing to expand the new building. Mr. Sanborn said that there are 160 students on the waitlist, with only 70-80 open spots. With that, Mr. Sanborn said they could still grow a little more and be comfortable in the building. There are currently 660 students at Cape Tech - the building is already too small (built for 650 students). They have 400+ applications for next year with just 175 openings. The program “shops” can each handle only so many students.

Mr. Sanborn noted the intent of Cape Tech to purchase a farm in the next 3-4 years which would expand programming into Vet Tech/Animal Science, partnering with the Town of Harwich. There was discussion about alumni, and the number of graduates who stay on Cape Cod after they graduate. Mr. Mathison commented very positively about the importance of providing a “trades”-oriented education for young people who want to stay on the Cape. Mr. Sanborn also discussed nighttime adult-education classes. There was further discussion about the new school building and current programming.

Mr. Runyon commented on the quality of Cape Tech’s financial reporting and the detail in the FY24 budget material. He asked if it were possible to compare Cape Tech’s metrics with other technical schools. Mr. Sanborn noted that such comparisons were challenging because of the relatively small size of Cape Tech compared to some of the larger Tech schools in the Boston area.

The Orleans Finance Committee questions re the FY24 Cape Tech budget that had been forwarded to Mr. Sanborn ahead of Wednesday’s meeting are posted on the Fin Comm website. Most of these were answered during Mr. Sanborn’s presentation and/or the follow-up discussion.

(1:11:00) Nauset Regional School District

Mr. Easley discussed current staffing and support issues at Nauset, and the impacts of the pandemic on students and daily operations. He cited the mental and behavioral health issues of students, and the staff turnover of 70+ employees during recent year. Mr. Easley noted the cost increases that will be presented due to inflation and the challenge of continuing to provide the same services to students.

\$1 million in Excess and Deficiency (E&D) funds has been utilized to offset the assessment costs to the District towns. Student enrollment at the high school is down, and students opting to “CHOICE” out the District or to attend Charter schools has increased, and students opting to “CHOICE” into the District has decreased.

Superintendent Clenchy used the NRSD presentation document for discussion NRSD enrollment and FY24 expenses. She reviewed the focus and needs of students, citing mental and behavioral assistance needed, and additional training for staff to support students. Ms. Clenchy discussed transportation, and the problem with finding drivers for buses. She addressed technology and the development of a strategic budget plan for investing in technology at all levels in the District.

The 2023-2024 Net Operating Budget Increases:

● FY24 Proposed Budget	\$36,256,625	
● Less Revenue		(\$8,492,631)
● Total Operating Budget	\$27,763,994	
● Net increase		7.69%
● Debt (NRHS project)	\$4,561,694	
● Capital Plan	\$587,622	
● Total Assessment	\$32,913,310	

Ms. Clenchy discussed Key Budget Cost Drivers - Budget Increases:

● Transportation - In District Regular Day/Late	\$169,500
● School Choice and Charter Tuition	\$459,458
● Special Education Transportation	\$55,476

● Special Education Tuitions	\$230,173
● Retirement	\$75,757
● Medicare	\$36,000
● Unemployment	\$12,000
● Employer's Share of Health Insurance Staff	\$82,794
● Employer's Share of Health Insurance Retirees	\$123,836
● Building Contents/Liability/Auto Insurance	\$18,748

Mr. Runyon asked the difference between the "Region" and Central Office. Ms. Clenchy said the "Region" costs are for the region only - transportation, school Choice and Charter tuition, some Special Ed salaries and transportation and benefits across the Region. Central Office is the Superintendent's team, and the Finance team, and those in the administration building. Mr. Galligan thanked Ms. Clenchy, and others in the room, for their dedication to the students of the District. Discussing future challenges, Mr. Galligan said that it needs to be an open discussion and partnership.

Mr. Galligan asked about OPEB funding; Ms. Clenchy said it was proposed to be funded at \$450,000. He asked about energy cost increases, citing that the supply side is fixed through next July so there is probably some breathing room in that line item. Ms. Clenchy noted that the Modular Buildings are soon-to-be brought online and will have their own (new) energy costs. Mr. Galligan thanked Ms. Clenchy for her work to support the mental and behavioral needs of students. Ms. Reed said that this is an area in need of critical clinician support and the Select Board plans to address it in its "safer communities" project.

Mr. Mathison asked more about the partnership with Gosnold, saying that there should be more free services or services offered to students through their family insurance. Mr. Easley cited the lack of providers on Cape Cod, as well.

Ms. Doane asked about energy costs and the new Solar Panels at the Middle School; Ms. Clenchy said the costs have not been offset from that yet. Ms. Doane asked about ESSER funds - funds that provided relief during the pandemic - and noted that they were used to fund two positions that are now being paid for out of the operating budget. Ms. Doane asked Ms. Clenchy to clarify who is opting-in and opting-out of School Choice at Nauset. Ms. Clenchy said there is a shift in revenue, because the District is paying more to send students out of the District than there are students coming in.

Mr. Sumner discussed having a 3-year average to look at enrollment, instead of a 1-year look. He also said that the Orleans Middle School is in need of an updated school alarm system that will need to be funded. He also noted that a \$212k override related to the NRSD budget will likely be needed at Town Meeting and the May election.

Mr. Mathison, discussing School Choice, said that he hoped the trend in School Choice students will reverse after the new school is complete.

Mr. Galligan suggested that the District contact Cape Light Compact if/when they begin the project on repairing the boiler at the Middle School for advice and review of the plans. There are likely rebate opportunities related to this project.

The Orleans Finance Committee questions re the FY24 NRSD budget components were submitted to NRSD leadership on 3/20/23. Those questions and the answers provided by NRSD Finance Director Giovanna Veneditti are available on the Fin Comm webpage.

Adjourn

Motion to adjourn the Finance Committee meeting by Ms. Bruneau and seconded by Mr. Couniha. The vote was 6-0-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Athanassiou, Counihan and Mahoney all voting “aye” by roll call. The Finance Committee meeting was adjourned at 6:52 pm.

Respectfully submitted,

Courtney Butler, Secretary

The documents listed below are all in the Finance Committee Drop Box except as noted:

1. March 22, 2023 Finance Committee meeting agenda
2. FY24 NRSD Operating Budget Presentation
3. FY24 OES Budget Materials
4. FY24 Cape Tech Operating Budget Presentation
5. FY24 Cape Tech Budget
6. FY24 NRSD Budget Materials (for NRMS, NRHS, Region Only, Central Office and Operating Budget)
7. Finance Committee Q&A re FY24 Budgets for Orleans Elementary, Cape Cod Tech, and Nauset Regional School (Fin Comm website)

The minutes for the March 22, 2023 Finance Committee meeting were reviewed and approved at the March 30, 2023 meeting. **Motion to approve by Mr. Counihan; second by Ms. Baird. The vote was 7-0 with Mmes. Baird and Bruneau and Messrs. Athanissou, Counihan, Kanaga, Mahoney and O’Meara all voting “aye” by roll-call.** Mmes. Kremer and Magnotta had not yet joined the meeting.