



# Town of Orleans

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## Finance Committee

19 School Road Orleans Massachusetts 02653

'23 JUL 21 3:25PM

*Julie Huggi*  
ORLEANS TOWN CLERK

### MEETING MINUTES

Thursday, July 13, 2023 – 7:00 pm

This was a hybrid meeting of the Orleans Finance Committee, convened 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.

The meeting was called to order at 6:15 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, Ed Mahoney and Tony Pearl. Constance Kremer joined the meeting remotely at 7:30 pm. Chris Kanaga and Peter O'Meara were absent.

**Guests:** Town Manager Kim Newman, Select Board Chairman Michael Herman and Select Board Liaison Meff Runyon. Peggy O'Sullivan from Media Operations provided technical support for this meeting.

#### **(0:15) Public Comment:**

There were no public comments.

#### **(01:00) Announcements:**

Ms. Bruneau noted that property taxes are due August 1. Copies of bills may be obtained at the Tax Collector's office or online. Payments can be made by mail, on-line, in person at the Tax Collector's office or dropped off at the Town Hall Drop Box.

#### **(3:00) Welcome / Introduction of new FinComm member Tony Pearl**

Mr. Athanassiou welcomed and introduced Tony Pearl, who was recently appointed to the Finance Committee. Mr. Pearl replaces former member Alisa Magnotta who recently resigned. (Editor's note: Mr. Pearl actually replaces Mr. Counihan, with Mr. Pearl's term ending 6/30/26.) Mr. Athanassiou, Ms. Baird and Ms. Bruneau met with Mr. Pearl this past Tuesday for an "on-boarding" session.

#### **(4:00) Welcome / Introduction of new Town Manager Kim Newman**

Mr. Athanassiou welcomed and introduced Kim Newman, Town Manager. Ms. Newman comes to Orleans from Mendon, MA and started July 1. Fin Comm members introduced themselves to Ms. Newman and shared their backgrounds and Fin Comm experience, and reasons for serving on Fin Comm. Members expressed views on the role of Fin Comm in the future, in the context of the Town Charter, and how they hope to build a good working relationship with Ms. Newman in her new role.

Ms. Newman noted that her background is in Finance. She started her career as a Budget Analyst in a community in Florida, included in her 20+ years in municipal government. She expressed her interest in working closely with Fin Comm.

#### **(27:00) Review/Approval of Any Special FY23 Year-End Budget Amendments and/or Reserve Fund Transfer Requests to Address Short-Falls in Various Department Accounts**

Ms. Bruneau reviewed the Special FY23 Year-End Budget Amendments forward to Fin Comm the day before (the same information shared with the Select Board). She highlighted a number of specific year-end budget adjustments, including the \$12,753.25 for Legal expenses, noting that the Legal

budget had already been increased from an initial \$160k to \$190k. The additional \$12.5k puts the year-end total at \$202k. Ms. Baird and others are interested in understanding more detail, even at a summary level, of legal expenses (eg, property-related, union contracts, litigation, etc.). There was further discussion re the approval process for budget overruns and the year-end budget amendment process. It was agreed that more detail, more timely would be very helpful for the year-end process. Mr. Mahoney will draft a memo to the Finance Director and the Town Manager for Fin Comm approval regarding this year's process and suggestions for further transparency.

A chart of the requested amendments is below.

1.

Account Number	Dept.	Account Name	Increase	Decrease	
01692002-546300	Memorial Day/Veterans	OTHER GROUNDSKEEPING	\$ 454.23		A
01690001-511300	Old Kings Highway	OLD KING'S HWY - NON UNION CLERICAL	\$ 41.55		B
01131001-511300	Finance Committee	FIN COMM NON-UNION CLERICAL	\$ 106.40		C
01195002-539700	Town Meetings	TOWN MEETING	\$ 6,993.63		D
01241002-530100	Building Dept	PLUMBING INSPECTOR	\$ 9,330.00		E
01241002-530200	Building Dept	WIRING INSPECTOR	\$ 7,780.00		F
01220001-514800	Fire Dept	FIREFIGHTER OVERTIME	\$ 8,619.35		G
01220002-530700	Fire Dept	TRAINING		\$ 6,620.97	
01220002-521100	Fire Dept	ELECTRICITY		\$ 1,998.38	
01176002-534400	Board of Appeals	ADVERTISING	\$ 166.13		H
01176002-534200	Board of Appeals	BOARD OF APPEALS POSTAGE	\$ 47.50		H
01176001-511300	Board of Appeals	NON UNION CLERICAL		\$ 213.63	
01122006-531200	Town Legal	LEGAL	\$ 12,753.25		I
01913003-519100	Unemployment Compensation	UNEMPLOYMENT COMPENSATION	\$ 13,406.86		J
01914001-519400		GROUP INSURANCE		\$ 50,865.92	K
<b>Totals</b>			<b>\$ 59,698.90</b>	<b>\$ 59,698.90</b>	

**Motion by Ms. Bruneau to approve the Special Year-End Request for Amendments to the Budget per the information provided by the Finance Director on July 12, 2023 for a total of \$59,698.90; second by Mr. Counihan. The vote was 7-0-0 with Mmes. Baird, Bruneau and Kremer, and Messrs. Athanassiou, Counihan, Mahoney, and Pearl all voting “aye” by roll-call.**

**(42:30) Review / Approval of Finance Committee Meeting Minutes – 6/22/23**

- 6/22/23 – Motion by Ms. Baird to approve the minutes as drafted; Mr. Counihan seconded. The vote was 6-0-1 with Mmes. Baird, Bruneau and Kremer, and Messrs. Athanassiou, Counihan and Mahoney all voting “aye” by roll-call. Mr. Pearl abstained as he had not yet joined the Finance Committee at that time.

**(44:00) Updates**

Recent Select Board meeting discussions/decisions (6/28, 7/12, others)

7/12/23: Mr. Athanassiou noted a number of the Board/Committee appointments that took place and commended the new process that the Town has for making such appointments. Ms. Bruneau asked Mr. Runyon a question about reappointments, wondering whether residents have an opportunity to apply for open seats on Boards/Committees when a term ends, or if those open seats are “automatically” filled w/ Board/Committee members whose terms have just expired. He noted that next year the process will change and people who are seeking reappointment will also be interviewed along with people who have not served before. This would broaden the experience and additions of new people on committees. A term limit will also be enforced, with most Boards/Committees limited to two 3-

years terms and regulatory Boards/Committees to three 3-year terms (due to the learning curve). There was further discussion.

Also at the 7/12/23 Select Board meeting: The “Nauset Beach Outermost Music Festival” has been approved by the Select Board and is scheduled for Saturday, October 7 (rain dated 10/8). This year’s festival will be sited in the new upper parking lot with attendance limited to 600-1000 people, down from the two previous festivals with 4k-6k in attendance (thus limiting the need for off-site parking and additional volunteers and vendors for crowd control, etc.).

During Select Board Liaison reports, Kevin Galligan note that there had been a pre-construction meeting for the Meetinghouse Pond sewer project with CC Construction. This will be a 2-year project with road sequence information and public outreach plans to follow.

6/28/23 Select Board meeting: Ms. Bruneau noted that the Fall Town Meeting/Election dates were chosen and that a collective bargaining agreement was signed with the Police Department. A draft Home Rule Petition that deals with pesticides was approved with public outreach to follow. A speaker during Public Comment had suggested delaying this effort, pending further research and public feedback. The revised Multi-Member Policy was approved. Also - a strategy for the renovation of the Nauset Beach gazebo was discussed, with Charlie Sumner’s suggestion that this be turned into a community volunteer effort and the CPC funding used for permitting and preliminary design. Mr. Sumner noted his prior experience with similar successful community projects in Brewster.

Postponement of OES Asset/Accessibility Report Meeting from 6/15 to 8/2/23

Mr. Athanassiou noted that Fin Comm will be invited to a joint meeting with the Select Board and the OES School Committee on Wednesday, August 2, 2023 at 5 PM to review the OES Asset/Accessibility Report with the consultants. The report will likely be a first step in determining the need for rehabilitation of the school or construction of a new building.

FY23 actual vs budget Enterprise Fund updates

Ms. Bruneau reviewed the email from Finance Director Cathy Doane on July 6 that discussed Beach and Transfer Station revenues which are down from last year and below the FY23 Budget. For FY23, Beach receipts were short by \$375,000 and the Transfer Station was short by \$45,000. However, both Enterprise Funds have enough money in their “budgeted surplus” accounts to cover the shortfalls.

Mr. Mahoney expressed concern with using the Enterprise Fund “budgeted surplus” accounts to cover operating expenses. He referred to DLS (Division of Local Services) guidelines re EF “accounting”. There was further discussion about the EF “accounting” and business strategies. Fin Comm hopes to plan a work session with the Town Manager and Finance Director to confirm the understanding and discuss concerns about the goal of operating the EFs as viable “businesses”. Ms. Bruneau will schedule a Fin Comm “huddle” of a few Fin Comm members to update the group’s viewpoint based on the most recent financial and budget information for sharing with all of Fin Comm before meeting with the Town Manager and the Finance Director.

Ms. Bruneau provided further updates on EF shortfalls and overages. Ms. Kremer suggested that the Town should find other sources of revenue, beyond the Beaches, in a time when sticker sales are down. She suggested cannabis, rooms’ tax, and other possible sources.

Liaison Reports as appropriate

Ms. Bruneau noted that Ms. Newman, the new Town Manager, is meeting all Departments, Boards and Committees (the draft 30-60-90 day schedule is in the 6/28/23 Select Board meeting packet).

Ms. Bruneau reviewed a recent Planning Board meeting that included the Affordable Housing Committee and the Affordable Housing Trust Board for a discussion re housing goals and initiatives. A follow-up session would identify perceived “road-blocks” to housing/development caused by zoning and/or the permitting process.

Ms. Bruneau also reviewed the Wastewater Management Advisory Committee meeting, and noted that they will provide a quarterly update at the Select Board meeting next week (7/19/23). There was further discussion about sewer hookups and on-going property owner concerns. Ms. Bruneau noted that there is quite a bit of user information on the Town website, and the AECOM consultants are available for further questions.

On behalf of Fin Comm, Mr. Athanassiou thanked Mr. Counihan for his time served on the Committee. Tonight is Mr. Counihan’s last Fin Comm meeting. He will be joining the Board of Water & Sewer Commissioners as an Associate Member and the newly formed Long Term Capital Planning Committee.

#### **(1:30:00) Review Schedule and Items for Future Agendas**

- Thursday, July 20 (6:15pm) – Fin Comm Meeting – Annual Reorganization
- Wednesday, August 2 (5PM) – Joint meeting with Select Board and OES School Committee to review Asset/Accessibility Report with the consultant
- Future Fin Comm meetings: Thursdays August 10, 24, and 31 at 6:15 pm

#### **(1:33:30) Future Agenda Considerations**

Ms. Bruneau wondered who decides on Fire Station “next steps”. Mr. Runyon said the Town is waiting for the OES accessibility/asset study. The future of the Fire Station is linked with the decision on the Elementary School. The OES School Committee has to decide on next steps. Mr. Athanassiou suggested that it would be unfair to have the OES Committee go down a path, get to a Warrant article that will fail if there is no broader involvement in the recommended decision.

Ms. Bruneau noted that the athletic field use study got derailed and then re-activated. The athletic fields would be a factor if the OES asset/accessibility study comes out with a recommendation that we need a new school.

Mr. Runyon expressed an opinion, noting that he didn’t think that the Town has any hope of getting anything granted to it from the Nauset Regional School District (NSRD) unless there is a quid-pro-quo granted by Orleans such as sewerage. Getting the other towns to agree (eg, on a region-wide strategy) is very hard.

Mr. Athanassiou said that Mr. Runyon is most likely right; however, what is happening is that events are taking over for all towns. Enrollments are going down in all of the towns and they are all having problems with school buildings. And the Middle School is having problems. The only thing that is standing is the new HS and some of us didn’t want that to happen (ie, building the new building). Re-thinking the whole district set up is something long overdue.

Ms. Bruneau agreed, noting that leadership is needed for strategic thinking/action.

Mr. Athanassiou agreed, noting that we can’t expect the regional school committee to make these decisions in isolation.

Ms. Kremer was grateful to have these comments voiced by Fin Comm colleagues.

1:35:52 - Mr. Mahoney said that we need to address Enterprise Fund issues now before the budget season starts. We need to work with the Town Manager and Finance Director to consider

changes: consider “sun-setting” the Moorings and Rock Harbor EFs (as previously recommended by Fin Comm); add all the indirect and direct costs on a rational basis; include debt service; assign accountability to the management of the EFs.

Ms. Bruneau agreed and suggested a “huddle” with the Town Manager, the Finance Director and the DPW Director to agree on EF next steps

1:38:23 - Ms. Baird suggested that we are talking about changing our whole strategic approach for Fin Comm because of what Mr. Athanassiou is saying - to “not let events drive the bus.” The fact that what we need - whether Fire Station or new elementary school - we need to be on top, looking down, more broadly, more strategically. . With the change in management in Town Hall, we need to be thinking how we do things re EFs, Schools, Fire Dept., Library and COA. Mr. Counihan noted that from his perspective, the High School project went down a path with no town input.

Mr. Runyon noted that the MSBA - the state funding authority for the schools - would have a big voice in determining what we have to do with the elementary school.

### **Adjourn**

**Motion to adjourn by Mr. Counihan; second by Mr. Mahoney. The vote was 7-0-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Athanassiou, Counihan, Mahoney and Pearl all voting “aye” by roll-call.**

The meeting adjourned at 8:45 pm.

Respectfully submitted,

Courtney Butler, Secretary

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

1. July 13, 2023 Finance Committee meeting agenda
2. Special Year-End Request for Amendments to the Budget from Finance Director Cathy Doane (7/12/23)
3. Draft June 22, 2023 Fin Comm Meeting Minutes
4. Select Board meeting packets for the 6/28/23 and 7/12/23 Select Board meetings (Select Board website)
5. Cathy Doane email from 7/6/23 re FY23 year-end results for Beaches and Transfer Station Enterprise Funds
6. June 2023 Month-End Comparison of Enterprise Fund Estimated Receipts (monthly report)

**The minutes for the 7/13/23 Finance Committee meeting were reviewed and approved at the 7/20/23 meeting with a minor edit suggested by Mr. Mahoney. Motion to approve by Ms. Baird, second by Mr. Kanaga. The vote was 6-0 with all Fin Comm members present voting “aye”.**