



Town of Orleans
Finance Committee
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'23 SEP 11 8:50AM

Julie Hagi
ORLEANS TOWN CLERK

MEETING MINUTES

Thursday, August 31, 2023 – 6:15 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 8 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 Vice Chairman Chris Kanaga (participating remotely), Clerk Elaine Baird, and Committee members Lynn Bruneau, Peter O'Meara (participating remotely) and Tony Pearl. Constance Kremer joined the meeting at approximately 7:00 pm. Ed Mahoney was absent.

Guests: Town Manager Kim Newman and DPW Director Tom Daley. Peggy O'Sullivan from Media Operations provided technical support for this meeting.

(0:0:15) Public Comment/Announcements:

No public comment or announcements.

(0:1:00) Review / Approval of Finance Committee Meeting Minutes – 8/02/23, 8/10/23

- 8/02/23 – Ms. Baird moved to approve the minutes; Mr. Pearl seconded. The vote was 5-0-1 with Mmes. Baird and Bruneau and Messrs. Athanassiou, Kanaga and Pearl, all voting “aye” by roll-call. Mr. O'Meara chose to abstain as he was not present for the 8/2/23 meeting.
- 8/10/23 – Ms. Baird moved to approve the minutes; Mr. Pearl seconded. The vote was 5-0-1 with Mmes. Baird and Bruneau and Messrs. Athanassiou, Kanaga and Pearl all voting “aye” by roll-call. Mr. O'Meara chose to abstain as he was not present for the 8/10/23 meeting.

(0:2:30) Discuss draft Fall STM Warrant Articles with Town Manager Kim Newman

Mr. Pearl asked about the use of acronyms in the Warrant – such as DPW and OKH – and making them more easily understood by residents. Ms. Newman said that she would ensure the acronyms are spelled out so the public knows what is being discussed.

Fin Comm reviewed the draft STM Warrant Articles, and Ms. Newman noted that there are still updates being made. The Warrant is open until September 2, and will go to print by the 2nd week of September. Ms. Newman spoke to helping to streamline the Warrant and the Articles, to make for a more efficient process leading up to Town Meeting, with likely more work to be done on this in the future.

1. FY24 Budget Adjustments:

- a. Facilities Expenses/Cleaning Services – \$34k
- b. Transfer Station Enterprise Fund/Recycling & Hauling Expenses - \$56k
- c. Sewer Enterprise Fund/Capital Outlay Expenses - \$30k
- d. Town Manager Expenses - \$25k
- e. Old Kings Highway Historic District Assessment - \$36.00
- f. “Reserve for negotiations” - \$50k

Mr. Daley and Ms. Newman explained the reasons for these adjustments. Ms. Newman discussed that these types of requests could happen as end-of-year transfers, rather than at the start of a new fiscal year; however the Finance Director would prefer to address these adjustments this way.

Fin Comm suggested that the \$25k for "Town Manager Expenses" could be funded from Fin Comm's Reserve Fund, rather than asking for a budget adjustment this way, as the first Article in the Fall Town Meeting. The Transfer Station and Sewer Enterprise Fund adjustments are both transfers from within those Funds to enable spending for expenses (thus requiring Town Meeting approval but not additional funding).

The newest line item at the end - \$50k - is intended to be used for mid-year salary negotiations to support the hiring of new resources is/as needed, related to the "Succession Planning" in Article 11.

2. Pay Bills of Prior Years - TBD; detail available and Fin Comm votes at Town Meeting
3. Fund 8 New Firefighter Positions - \$231k w/be needed to fund gear and training for 8 new firefighters/paramedics; \$945k w/be needed for 3 years of salaries/benefits if the Town doesn't get the SAFER grant. The override w/be for 3 years - even if we don't get the SAFER grant. If we do get the grant, the \$945k would have to be "protected" from use for other projects as "Free Cash" through careful accounting. Ms. Newman noted that perhaps it might have been simpler to set aside \$1M of Free Cash for the 8 Firefighters - but the Town chose to structure a general override.
4. Fire Dept Aerial Ladder Truck Replacement \$500K - price has gone up from the original estimate; new truck will cost \$2.1M but once the contract is signed, the price is fixed. Two to three year lead time in actually getting the new truck. Trade in value of current truck TBD but value will decrease in those 2-3 years pending arrival of the new truck.
5. Repairs to Water Dept Well #4 - \$15k. Funded from Water Surplus Account (no new money). Damage to Water Plant/facilities due to lightning strike mostly covered by insurance; however, pump replacement is an additional cost.
6. Fund Economic & Environmental Initiatives - \$200k for a variety of "green" initiatives that could include up to 4 Level 2 EV charging stations, some hydration stations, some solar waste receptacles, etc. with "what" and "where" to be determined by Select Board. EV charging stations c/be \$120k for 4 of them. Idea is to fund an account for spending and then seek grant funding to offset costs. Grant cycles often don't "match" town funding cycles. Also TBD - policies and rates needed to have effective revenue stream from charging stations.
7. Funding for Sustainability & Energy Manager - \$25k for part-time/shared Energy resource to be shared w/ other towns though "who" and "how" not yet determined. Could be "Green Communities" funding for this - but TBD. Ms. Newman to talk further to Cape Light Compact about funding, structure, etc. Fin Com discussed Town's goals to be green, energy efficient community re. Articles 6-8.
8. Solar Project at Town Watershed - \$25k for conceptual design services - Mr. Daley discussed this proposed project, noting that it would improve energy efficiency at the Water Treatment Plant.

9. Facility Improvements at Water Plant \$75k for conceptual design/bid services - funded from Water Surplus Account; however, there c/be grant money available per Mr. Daley.
10. CPC Funds for Pickleball Courts at Town's Bay Ridge Facility - \$25k for planning
 - a. Fin Comm discussed whether there were other uses being considered for this location. Ms. Newman cited the popularity around the sport and interest in the project. This article will fund a study to determine the cost of the Pickleball court design and installation. It was noted that the CPC has voted to approve the use of CPC funding for this purpose, pending Town Meeting approval.
11. Succession and Reorg Planning \$80k
 - a. Ms. Newman explained the funding would include support from Labor Counsel and job reclassification study work as well as looking at next spring's contract negotiations and planning for staffing changes. This will help put the town in a better position when hiring in the future. Ms. Newman also discussed regionalization and keeping Mr. Charlie Sumner on board to assist (eg, with reviewing/updating Bylaws and Policies) for a while longer. Fin Comm suggested increasing the funding amount to \$150k and expressed support for Ms. Newman's vision and ideas.
12. Fund HR Position (amount TBD - probably ~\$150k)
 - a. Ms. Newman discussed the need for this position - for a professional HR staff to support HR needs in Town for recruiting, staff development, etc.
13. Fund Rec Dept Staffing & Operating Expenses - \$75k
 - a. Ms. Newman discussed the Rec Dept staffing and noted that the proposed amount may increase. She has begun to interview Rec Dept. Manager candidates. Currently the Department budget includes a full-time manager and a part-time role for Rec Dept. programming support. The goal w/be 2 full-time positions plus part-time admin support. More support is needed for Rec Dept. operations - not just the \$50k in the revolving fund.
14. Consulting for Comprehensive Plan Update - \$120k for consulting support
15. Fund Indigenous Peoples Event \$15k
 - a. Ms. Bruneau was opposed to the article as written, and Mr. Athanassiou did not feel the funding was adequate for an undefined purpose. Ms. Newman noted that this is linked to a Select Board goal, and that the intent is to put money aside to do something that has yet to be decided. Mr. Kanaga did not feel that this belonged on the Special Town Meeting Warrant.
16. Establish Special Ed Stabilization Fund
 - a. Ms. Newman discussed creating and utilizing this fund to pay for the needs of Special Education students who attend OES. Special Ed fund are budgeted but may be inadequate if additional Special Ed students are enrolled in OES mid-year (after

the budget is established). State funding is less than 100%, and out of sync with spending.

17. Fund Special Ed Stabilization Fund \$52k - Ms. Newman said that the new lower number may be a rolling average of the past few years of OES expense budget year-end “remainders”.
18. Transfer FY23 Opioid Settlement Payments - \$41.35k
 - a. Fin Comm noted that this Article will be accepting money, with Article 19 then moving the funds into an expense account for allocation by the Board of Health.
19. Fund Opioid Settlement Program Expenses - \$41.35k
20. Repurpose Bond Authorizations - information pending from Finance Director Cathy Doane
21. Rescind Old Debt Authorizations - detail provided by Finance Director Cathy Doane
22. No Fees for Service Dogs
 - a. Fin Comm and Ms. Newman discussed whether Articles such as this were appropriate for Special Town Meeting.
23. Pesticide Bylaw
 - a. Fin Comm and Ms. Newman discussed whether this was appropriate for Special Town Meeting. Mr. Kanaga and others felt this was not appropriate, and that further conversations are needed. Among other things, Fin Comm was concerned about the section - who would be responsible for enforcing the “rules” to be established in the Bylaw - and how.
24. Naming of Route 28/39 Roundabout
 - a. Mr. Daley discussed this Article, noting that there is a Town-owned parcel by the roundabout where a sign could be placed - on the near left “corner”, approaching the roundabout from Orleans, heading toward Chatham.
25. Phase III Sewer Project Design Expansion
 - a. Mr. Daley confirmed that in both Articles 25 and 26, additional funding is not needed to support the proposed project/planning expansions.
26. MHP Sewer Project Design Expansion.
27. Rock Harbor Fuel Tanks
 - a. This Article corrects wording from May 2023 Town Meeting Warrant Article 20.
28. Fee Schedule Changes – Sewer Department fees. Ms. Bruneau suggested changing the first line to “Fine for Non-Connection” and then clarifying that the Sewer Service Area Expansion Application fee change from \$1500 to \$250 was specifically for single-family homes.
29. No Article 29 in this version of the Draft Warrant

30. Opt-In Specialized Energy Code - Ms. Bruneau suggested correcting the title to refer to the Opt-in Specialized Energy Code, noting that the Town had adopted the Stretch Energy Code in 2018. Also, the Summary should say that this new code also applies to all new commercial and municipal buildings.
31. Free Cash Transfer to General Stabilization Fund - \$348,161 - Ms. Bruneau noted that Fin Comm has previously questioned the need to achieve the full 14% target minimum balance in the Town's general stabilization fund when the Town policy is 12-14%, noting further that it seems highly unlikely that the Town's credit rating would slip from AAA if the funding were 12% or 13%. Ms. Newman noted that there were perhaps other ways to "save" Free Cash.

(2:40:00) Vote on STM Warrant Articles as appropriate; discuss any further Finance Committee preparation that may be needed leading to voting on remaining articles

At the end of the detailed Warrant Article discussion, Ms. Kremer suggested postponing any voting on the Warrant Articles until the next Fin Comm meeting, given the length of tonight's meeting, the depth of the discussion and the need for additional information for a number of the Warrant Articles. It was agreed to postpone voting until the Fin Comm September 7 meeting, with further follow-up prior to that meeting.

Updates

Recent Select Board meeting discussions/decisions (8/23, others)

There were no further updates.

Liaison Reports as appropriate

Liaison Reports were postponed for a subsequent meeting.

(2:45:00) Review Schedule and Items for Future Agendas

- Thursday, September 7: Fin Comm meeting: Michael Hermann on SB Goals; vote on Warrant Articles before Warrant goes to press
- Wednesday, September 13: Joint Public Hearing with Select Board on FY25 Budget Priorities; Finance Director's report on FY23 financial results
- Thursday, September 21: Energy and Climate Action Committee re: "opt-in specialized energy code" with feedback on our 7/20/23 meeting.

Adjourn

Motion to adjourn by Mr. Pearl; Ms. Baird seconded. The vote was 7-0-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Athanassiou, Kanaga, O'Meara 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. August 31, 2023 Finance Committee meeting agenda
2. Draft August 2, 2023 and August 10, 2023 Fin Comm Meeting Minutes
3. Select Board meeting packets for the 8/23/23 Select Board meeting (Select Board website)
4. Draft Warrant Articles (Draft No. 9 - 8/28/23)
5. Draft Warrant Article Index 8/29/23 (Fin Comm draft)

The minutes for the 8/31/23 Finance Committee meeting were reviewed and approved at the September 7, 2023 meeting. **Motion to approve by Mr. Mahoney, second by Ms. Kremer. The vote was 6-0-1 with Mmes. Baird, Bruneau and Kremer and Messrs. Athanassiou, Kanaga and O'Meara all voting "aye" by roll-call. Mr. Mahoney chose to abstain as he was absent from the 8/31/23 meeting.**