

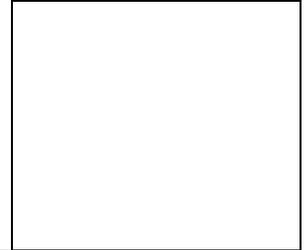


## MEETING POSTING

### TOWN OF NANTUCKET

Pursuant to MGL Chapter 30A, § 18-25

All meeting **notices and agenda** must be filed and time stamped with the Town Clerk's Office and posted at least 48 hours prior to the meeting (excluding Saturdays, Sundays and Holidays)



**Committee/Board/s** | Finance Committee

**Day, Date, and Time** | Monday, March 7, 2016 at 4:00pm

**Location / Address** | 4 Fairgrounds Road, PSF Community Room

**Signature of Chair or Authorized Person** | Lynell Vollans

**WARNING: IF THERE IS NO QUORUM OF MEMBERS PRESENT, OR IF MEETING POSTING IS NOT IN COMPLIANCE WITH THE OML STATUTE, NO MEETING MAY BE HELD!**

### AGENDA

Please list below the topics the chair reasonably anticipates will be discussed at the meeting

1. Call to Order
2. Announcements
  - a. The Finance Committee Meeting is Being Video/Audio Recorded
3. Approval of Minutes of February 4, 2016, February 9, 2016, February 11, 2016, February 16, 2016 and February 18, 2016 Meetings
4. Public Comment
5. Discussion/Action on Motions to 2016 Annual Town Meeting Warrant Articles Including but not Limited to: Articles 6, 10, 18,19, 22, 28, 33, 36-38, 49, 50, 52, 53,55-57, 59-60, 65, 67-68, 70, 82, 87, and 96
6. Date of Next Meeting – Tuesday, March 8, 2016, 10 Surfside Road, NHS Cafeteria, 4:30pm
7. Adjournment



# Town of Nantucket Finance Committee

[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

**Committee Members:** James Kelly (Chair), Clifford Williams (Vice-chair), Matthew T. Mulcahy, John Tiffany, David Worth, Stephen Maury, Craig Spery, Joseph T. Grause Jr., Peter McEachern

## MINUTES

**Thursday, February 4, 2016**

4 Fairgrounds Road, Community Room – 4:00 p.m.

Called to order at 4:01 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Lynell Vollans, Assistant Director of Finance; Mike Cozort, Superintendent of Schools; Diane O'Neil, Director of Facilities; Martin Anguelov, Assistant Finance Director; Jeremiah Splaine, Director ELL Program; Terry Norton, Town Minutes Taker

Attending Members: Kelly, Williams, Mulcahy, Tiffany, Worth, Spery, Grause, McEachern

Absent Members: Maury

Late Arrivals: None

Early Departures: None

Public: Matt Fee, Selectman

Documents used: Minutes for the January 12, 2016, January 14, 2016, January 16, 2016, January 19, 2016 and January 21, 2016 Meetings; Nantucket School Committee FY2017 Education Appropriation System-wide Technology budget; Nantucket Public Schools (NPS) Budget Development FY2017; Nantucket School Committee FY2017 Education Appropriation Community School Budget; Financing Plan – Tax-Supported Debt Model

### I. PUBLIC COMMENTS – any member of the public may address committee at this time

1. None

### II. APPROVAL OF PRIOR MEETING MINUTES

1. January 12, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Worth) Carried unanimously
2. January 14, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Worth) Carried unanimously
3. January 19, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Worth) Carried unanimously
4. January 21, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Worth) Carried unanimously

### III. REVIEW OF FISCAL YEAR 2017 SCHOOL BUDGET

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Spery, Grause, MacEachern

Discussion **Cozort** – Reviewed PowerPoint® presentation covering the budget: enrollment history and demographics, projected budget increase \$1 million, per-pupil expenditure, 2016-2017 projected Chapter 70 (foundation aid), Federal grants (entitlement grants), IDEA (special education grant). **McEachern** – 17% of the students received Title III about \$142 per English Language Learners (ELL) student; the City of Malden ELL students represented only 7% at \$185 per student. It is a concern that though our percentage of ELL students is higher than other communities; the money we receive is lower  
**Splaine** – Malden is a gateway community and has a supplemental grant for ports of entry. We receive the allotment every year and are not privy to calculations.  
**Cozort** – Stated he has pushed back on that because Nantucket has become a gateway community even if it is not a large city. It has to do with the size of the overall community; we are a town and there is a threshold they look at for gateway cities.

**McEachern** – Looking at our expenditures per pupil, our population has grown but expenditures have stayed flat since 2009-2010; proficiencies have gone down and wonders if enough is being invested.

**Cozort** – Biggest opportunity in budget is in replacing the retirement of veteran staff and broadening programs. Probably will see a jump related to the activation of the new building. Have been able to expand and add staffing and programs while meeting needs of a diverse population.

**Kelly** – Cost differential between new and retiring staff; asked about the schools experience of new hires and housing.

**Cozort** – Have several people who help find housing for new hires. Have lost staff due to the inability to find year-round housing; however lost more people because Nantucket is not a fit. Continued presentation: breakout of expenses by payroll, school, and department, community school appropriation history, Special Education-residential tuitions, budget development parameters, priorities for 2017-2018. Reviewed the 5-year capital plan. Update on the new school construction project: official groundbreaking Feb 17 1p.m. though ground prep work has begun. Update on renovation work at Cyrus Peirce Middle School.

**Grause** – Confirmed that on the summary spreadsheet \$636,000 costs built into labor contracts; the balance of that \$1 million is initiatives and positions.

**Spery** – Asked if it is routine to apply for the grants in the case of repairs.

**Cozort** – Tried that and the State wouldn't do the site visit. Thinks dilapidated buildings were a higher priority; ours are in pretty good shape. We can't apply after the fact and get money for the new building; we can and should apply for future buildings.

**O'Neil** – There are some applications for individual repairs such as for a roof.

**Worth** – On the overall budget there are pie charts and breakdown for individual groups; the numbers don't seem to tie together; asked why that is so.

**Anguelov** – The pie charts are for this school year (2016-2017) not FY2017 (school year 2017-2018).

**Cozort** – Stated he is trying to spread out some of the increases resulting from the new school to ameliorate some of those expenses.

**McEachern** – Those who play sports have a high grade point average; 65% of the student population plays sports.

**Cozort** – He thinks that is a high number in athletics and that they are an amazing group of people to maintain their grades and manage their time.

**McEachern** – Asked about pay-to-play expenses borne by parents.

**Cozort** – There is a sliding scale that starts at \$175 and goes down. Funding is available to students who cannot afford pay-to-play fees.

**McEachern** – Asked who contracts the rate per student per passage.

**Cozort** – Steamship Authority and Hyline give NPS a great rate.

**Kelly** – Asked Mr. Cozort his main concerns and vision for NPS.

**Cozort** – He wants to ensure all students are served as well as those students NPS is mandated to serve.

#### IV. REVIEW OF DEBT MODELING

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Spery, Grause, MacEachern

Discussion **Kelly** – We had asked Mr. Turbitt to provide a debt modeling for payment of long-term capital projects. This is an orientation. Conversations will take place in the future.

**Turbitt** – The tax rate impact came in late so he hasn't looked at it but will be available at future discussions. Reviewed the packet make up. Only short-term borrowing out at this time is for the school. This model includes on Nantucket Harbor/Shimmo/plus parcels; building a second model to include Madaket/Somerset; a third will include all four. Rounded out borrowings for the new school and fire station; looking at borrowing 75% total cost immediately and

permanently borrowing it so that it will sit on the tax rate; explained how doing it that way will bring down the amount borrowed.

**Kelly** – This is one innovative idea that Town has not pursued in the past; the Town has paid for issuance costs.

**Turbitt** – We always sell bonds at a premium to pay for issuance costs.

**Grause** – Asked if the premium rate is generated at 3.5% of the market rate.

**Turbitt** – We use it to pay issuance cost; we amortize what's left over annually against the amount of the debt exclusion. Under this model, we would disapply it to reduce the amount borrowed. Can model it both ways; the larger premium is more beneficial over the long term. In 2022 we will meet a high point of \$13.9 million then the debt goes down; looking for ways to smooth things out and bring that down. This is all General Fund borrowing and excludes the levy and Enterprise Funds.

**Tiffany** – Asked if the 10-year capital plan is behind this.

**Turbitt** – This includes only what is expected to be borrowed out of that capital plan.

**Worth** – The wastewater is included.

**Turbitt** – Nantucket Wastewater Treatment Plan is included.

**Kelly** – Will put this on another agenda for further discussion.

## V. DISCUSSION OF SEWER PROJECTS

Sitting Williams, Mulcahy, Tiffany, Worth, Sperry, Grause, MacEachern  
Kelly

Discussion **Turbitt** – The Public Outreach Group met and determined, with recommendation from Town Counsel, that calculating the betterment costs by land value is not allowable. Explained the uniform allocation method. The other is gross area method, which is rarely used. The uniform allocation method is the best way to go. He will be giving a presentation to the Sewer Planning Workgroup (SPW) with a recommendation on how to calculate the betterments.

**Worth** – He thought Town Counsel had vetted the property value methodology and said it was okay; that's why the SPW spent as much time as they did on it. Asked about the change in Town Counsel's recommendation.

**Turbitt** – The gross area value creates the same extremely large betterments as the property value. His recommendation now is not to use property value.

**Worth** – Stated he wants to be on the record that he's very disappointed in Town Counsel's advice because it took a lot of time and a lot of other people's time.

**Tiffany** – Asked if there are other alternatives.

**Turbitt** – No, there are only the two under Statute 83.15: the uniform allocation method or the gross area method.

**Sperry** – Asked if SPW had discussed the uniform allocation method.

**Turbitt** – That had been presented but the SPW chose to go a different direction. In the end the uniform allocation method will be easier for people to understand.

**Worth** – The SPW focused on cost of the betterment and the allocation. The other part is affordability of the connection, privilege fee, pipe lines, and decommissioning of septic systems. He has seen a similar situation in another town that forced people to sell their homes. He thinks this will be a significant issue.

**Grause** – If a homeowner is on a fixed income and can't pay those costs, asked what happens.

**Turbitt** – There is a lien on the house with a betterment; asking for a deferral of betterment for people who meet Chapter 41A.

**Worth** – Asked about not being able to pay the cash portion of the hook up. We are trying to get people off septic.

**Turbitt** – It would just affect the number of people not hooked to the system.

**Fee** – The initial numbers will help bring costs down for some areas. Too many legal issues would have arisen using the property value.

**Worth** – The cost of the connection and decommissioning a septic system is a large secondary cost people will have to absorb; in some cases those costs will equal the betterment itself. He doesn't know where people on fixed incomes will come up with that cash.

**Fee** – He believes the numbers will go down and there is still the split. Explained the logic behind acting on Nantucket Harbor/Shimmo now and putting off Madaket/Somerset.

**Worth** – Asked if it is the intent of the BOS to make known the split for Nantucket Harbor/Shimmo is the same for Madaket/Somerset.

**Fee** – Town Counsel explained there has to be some reasonable thought to the split; the split might be different for the two areas.

**Grause** – The email that was circulated stated that Town Counsel said there was no good way to offer rebates or offsets to homeowners who have recently invested in upgraded septic systems.

**Turbitt** – There is nothing under the statute that allows that; we could submit a homerule petition but the likelihood of success is low.

**Fee** – He heard we could create a policy which states that a system under 5 years could be considered “half a unit.”

**McEachern** – Asked if the betterment charge would be incurred when sewer goes past the house even though they might not hook up.

**Turbitt** – The betterment is assessed as soon as possible after the project is closed out.

**McEachern** – Asked if the Town might incur litigation by a person who can't afford to hook up which could come close to \$6,000 to \$7,000.

**Buzanoski** – Explained that the individual has several opportunities for payment. A person can request a variance from the Board of Health (BOH) for connection. The project has to be finished and accepted by the Town before any betterment assessments are made.

**McEachern** – Asked if it might not be a litigious “slippery slope” to define septic upgrade and who would make that determination

**Buzanoski** – The BOH. They have the Administrative Consent Order program which becomes a savings account for hook up to sewer. BOH requires 6 months for connection to sewer for areas with direct impact on resource areas and 2 years outside that. Nantucket Harbor/Shimmo is within the harbor watershed; the plus parcels are questionable.

**Williams** – Thought capacity was calculated in thirds, asked if more connections would dilute the cost.

**Buzanoski** – She looked into that; it was based upon 2,300 new connections. As of today there have been 1,500 connections. The connection fee is \$2,000 but it's \$500 when connecting within the 6-month hook up time.

**Grause** – Asked how much smoothing will have to go into the uniform allocation method.

**Turbitt** – It will substantially drop; Andrew Vorce, Director of Planning, is reviewing the estimated number of connections. At 60/40 under uniform allocation method it will be about \$65,000 for the Nantucket Harbor/Shimmo area.

## VI. NEXT MEETING DATE/ADJOURNMENT

Date: Monday, February 8, 2014; 4:00 p.m.; 4 Fairgrounds Road, Community Room

Topics: Public Hearing for Warrant Articles for 2016 ATM; discussion on warrant articles.

Adjourned 5:43 p.m.

Submitted by:

Terry L. Norton



## Town of Nantucket Finance Committee

[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

**Committee Members:** James Kelly (Chair), Clifford Williams (Vice-chair), Matthew T. Mulcahy, John Tiffany, David Worth, Stephen Maury, Craig Spery, Joseph T. Grause Jr.; Peter McEachern

### MINUTES

**Tuesday February 9, 2016**

10 Surfside Road, NHS Cafeteria – 4:45 p.m.

Called to order at 4:45 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Lynell Vollans, Assistant Director of Finance; Lauren Sinatra, Energy Coordinator; Rachel Chretien, Director Our Island Home; Terry Norton, Town Minutes Taker

Attending Members: Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Absent Members: Williams, Worth

Late Arrivals: Maury, 4:51 p.m.

Early Departures: Spery, 5:58 p.m.

Public: Dorothy Hertz, Contract Review Committee (CRC) Chair; David Zieff

Documents used: Warrant Articles 90, 91, 92 & 104; Warrant Article 96; Report and Recommendations: FY2017 Human Services Grant Agreements; Nantucket Financing Plan FY2016-2025

#### **I. PUBLIC COMMENTS – Any member of the public may address committee at this time**

1. None

#### **II. REVIEW OF ENERGY ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)**

1. Article 90 (Lease of Town Land for Renewable Energy Projects)

2. Article 91 (PILOT Agreements for Renewable Energy Facilities)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Sinatra** – Articles 90-92 have to do with a photovoltaic (PV) generating facility at either the airport or the Wastewater Treatment Plant (WTP). Article 90 does not related to the Airport because of Article 18 passed last year. Article 91 is standard in terms of the financing models seen in power purchase agreements with private developers.

**Kelly** – Asked about the addition of the WTP as a site.

**Sinatra** – The WTP at Surfside is a logical site because it is one of the top two energy users in the Town. There is a five-acre parcel that could accommodate up to 1 megawatt of solar; WTP management and their consultant agree the open parcel poses no conflict to future plans or needs. It would be developed in conjunction with the Airport generating facility.

**Grause** – Asked if proximity to the ocean would affect the generating facility.

**Sinatra** – The developers say ground mounted arrays are easily cleaned and maintained.

**Kelly** – Asked if the need to move the sewer beds came into the conversation.

**Sinatra** – No.

**Tiffany** – Asked who would be the manager of the contractor.

**Sinatra** – The manager would be hired by the developer; the Town would not be in charge of maintaining the facility.

**Kelly** – Asked about the relationship between the developer and the Town.

**Sinatra** – In other towns, that would be the Department of Public Works (DPW), Town Administration, or the Energy Manager. It is too premature in the process to develop that relationship. Explained that for every megawatt hour produced, the Town could sell a credit or

certificate to National Grid or NStar. Nantucket is at an advantage as we have our own net metering cap and so we are right for solar because investment packets have been extended for three years. With the newest federal incentive and the net metering.

**Tiffany** – Hiring someone to manage this will cost the Town money. That is an aspect that should be remembered when making a proposal.

**Kelly** – Asked if Ms Sinatra’s position is funded in any part by a third party.

**Gibson** – The position was funded in part by a grant and in part by Cape and Island license plate fund. The position will be funded within the FY2017 Budget.

**McEachern** – Asked if these projects are similar in size to the solar array at Hyannis Airport.

**Sinatra** – We are evaluating two different sizes for the Airport based upon economic models: one is a two megawatts community solar model which is our net metering cap; the other would be up to 650 kilowatts.

**Kelly** – If the Town would incur any additional costs in permitting.

**Turbitt** – The costs would be borne by the developer.

**Kelly** – Asked Ms Sinatra to keep the FinCom informed as to the Town’s progress through the development stage.

**Sinatra** – She, Noah Karberg of the airport, and George Aronson, the technical advisor, had a conference call on February 5 to discuss where they stand and where they want to go in terms of mitigation and what are the most expensive out-of-pocket expenses.

**Sperry** – The first paragraph of the memo states the PV installations can be taxed as personal property but then there is talk about a PILOT agreement. Asked if they are taxable why a PILOT agreement is necessary to get revenue from them.

**Turbitt** – We would get taxable revenue as personal property. There is a specific tax code relative to solar farms and arrays. Turning it into a PILOT smoothes it out and gives the Town 20 years of a level payment.

**Sinatra** – We were quoted \$15,000 per megawatt a year.

**Kelly** – Asked if there are other financial benefits to the Town.

**Sinatra** – A discount on electricity, net metering credits, and use of a renewable form of energy.

**Kelly** – Asked if there is a pro forma on this.

**Sinatra** – There is a long-term lease in her first proposal, which is now obsolete, the lease was proposed at \$20,000 per megawatt per year.

**Kelly** – Asked Mr. Turbitt to put together a pro-forma with an assumption on the dollar amount.

**Sinatra** – That is why Mr. Aronson was hired but until we can’t complete that until we know what the fee incentive will be.

**Kelly** – FinCom needs to stand before ATM and explain that this is a benefit to the Town from a financial and energy standpoint. It takes 5 acres out of “service”. The first step for FinCom is to get the financial impact and define line items.

**Grause** – In his opinion, any use for the land is better than it sitting empty next to the sewer plant.

### 3. Article 92 (Net Metering Credit Purchase Agreements)

Sitting Kelly, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Sinatra** – The Net Metering is a way for the Town to secure a discount on electricity rates; this article would authorize any PV project other than the Airport to enter into a net metering agreement with the developer.

4. Article 104 (Municipal Aggregation)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Tiffany** – Asked how we know that consolidated buying will yield a lower rate for the Town.  
**Sinatra** – It wouldn't so much be the consolidated buying as Nantucket's low profile given the specific scenario. Most electricity uses occur in the summer which is the cheapest, safest, non-volatile time to purchase electricity and can subsidize the winter.  
**McEachern** – Asked if there are other choices for procuring electricity.  
**Sinatra** – There are only a fraction of the number of suppliers registered to do business on island; however, since issuing an RFP for an aggregation consultant, five additional companies have registered to do business on Nantucket. In this case, the Town would be procuring from a dependable company with a good track record for supplying electricity.  
**Mulcahy** – Asked if any of these articles would reduce the potential need for a third power cable.  
**Sinatra** – Solar would need an energy storage component to meet peak usage. Aggregation would be useful in being a dependable income stream for energy coordinator or manager to help promote these issues going forward.  
**Grause** – Asked what is required to start up aggregation.  
**Sinatra** – Homeowners on National Grid would have to opt out. She doesn't believe there is a sign up threshold required to secure that rate.  
**Tiffany** – Asked who would administer this program.  
**Sinatra** – In most towns, it is the Energy Coordinator; also an aggregation can fund an Energy Manager. At this point there is no risk going forward; we only enter into agreement if a favorable bid comes forward.  
**Kelly** – Asked her to talk about her outreach role.  
**Sinatra** – Explained her outreach efforts with contractors.

**III. REVIEW OF HEALTH AND HUMAN SERVICES FUNDING ALLOCATIONS**

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Hertz** – Reviewed the programs managed by A Safe Place.  
**Tiffany** – Asked if A Safe Place is coping well with the 71% increase in domestic abuse calls.  
**Hertz** – Yes, explained what A Safe Place staff is doing to meet the need. Noted they did have a \$12,000 deficit last year but now they are working with bigger grants. ASAP is now working with the Boys and Girls Club on 16 different programs; they are asking for more funding to meet those programs. Explained those programs and symposiums ASAP is sponsoring in regards to drug usage, which is increasing on the island.  
**Maury** – Stated ASAP receives a grant which funds most of their staff. However, they still have a long list of programs they want to fund. They were advised to rewrite the grant application and increase the request; they were able to do that.  
**Hertz** – That grant will run out in one year so they have to reach out for other funding in the event they cannot get that grant again. The drug issue is very serious and has to be addressed.  
**Kelly** – Pointed out that there is an overlap of organizations providing services to drug and alcohol users; asked Ms Hertz what her sense of communication, dialogue, and support among the different groups.  
**Hertz** – ASAP works with the school district and Boys and Girls Club and the Hospital Behavioral Task Force. Stated that there is no relationship between ASAP and Behavioral Health. We would like to see all the organizations work together on getting funds.  
**Kelly** – Asked if the CRC has thought of linking some of the performance measures they look at to collaboration.  
**Hertz** – They do on some; part of it is the way money is awarded. It is important for the CRC to know an organization is looking at those resources and reaching out. A number of them are working harder at collaboration. Elderly Services of Cape Cod services include: Meals on Wheels,

Home Checks, Salt Marsh Center lunches, and shoveling out the elderly. For the services they provide, they don't ask for a lot of money; this year they asked for more money. Health Imperatives used to be Family Planning, it costs \$132,000 to run the Nantucket office and they ask for \$24,000 for the services they provide; they have hired a nurse. Noted that 12% of the people they see are men; their services are free. They have taken over HIV and HB testing; they manage the WIC Program; they operate an evening clinic, which is booked 3 months in advance. They have seen a 29% increase in the health of their clients in the first 6 months of FY2016. The Hospital is offering Health Imperatives office space and examining room within the new hospital. Family and Children Services, we have spent a lot of time going over their original request; over the past few years we have seen a drastic change in their finances. Last year they came to the Town asking for additional funds, which CRC couldn't justify. They have shown that they are becoming more fiscally stable; however some concerns remain: they have no long-term plan in place for a building; they have no lease and will be losing their building; their allocation of money toward finding a new rental space is a great concern. CRC made an offer of allocating funds part of which would go toward hiring a business manager and the other part would go toward funding the uninsured clients only. CRC wants to see if they can come up with a long-term plan for new building space.

**Maury** – They do not have a line item for office space; they aren't putting any funding aside for renting. Their current site is being redeveloped and they will need a new location.

**Grause** – Asked how much of the \$100,000 CRC is allocating is their total budget

**Maury** – Less than one quarter. They have missed their fund-raising goals; they've cut services; their way of getting closer to their break-even point is by cutting services, not increasing revenue.

**Hertz** – They don't have an on-call psychiatrist. She doesn't know if that is a requirement for their licensing. Pointed out that they no longer have the contract with the school to work with the children and gave up the contract to work in the ER, which is being franchised to an off-island agency.

**Maury** – They have gotten smaller; they are asking for more and doing less. When CRC asked how they spent the money, the quarterly bills they provided to the Town didn't make sense and the numbers didn't add up.

**Hertz** – The CRC recommendation was to offer up to \$75,000 to hire a business manager and the additional funding would go to individual care; they turned that down. Financially, they look good on paper at this time; but they are not improving in regards to issues. The board unanimously voted to put \$50,000 toward individual, mental, and substance abuse care for the uninsured and \$50,000 for a management audit.

**Kelly** – Asked about the offer to pay for a business manager and the cost.

**Hertz** – CRC would have allocated up to \$132,000 to give them that; Family and Children Services attitude was that they knew what they were doing and didn't need that.

**Maury** – With the management audit, when they come back CRC can look at the professional recommendations and if any progress has been made toward implementing those suggestions. If they are not, it might be time for the Town or care community to create a new solution. CRC has not yet set the scope of the management audit but did set the scope of a business manager; it might be easily adapted to the audit. The audit would have to be done in the last portion of this fiscal year.

**Hertz** – Martha's Vineyard Community Service works with the Public School District to provide services to severely handicapped children. Thirteen island families receive services which include: transportation off island, testing, advocacy with school and doctors, on-going training programs for school staff and community. Kathi Hackett, Family Support Services Coordinator, also works with Autism Speaks, Community School, other schools, and additional services; she pushed Tim Madden for funding for medical transportation which will bring an additional \$32,000 coming to the island.

**Tiffany** – Asked if the Town is the sole support to her office.

**Hertz** – She receives state and federal funding as well. The Legal Services allocation would pay for their plane tickets to the island for the year. The Rental Assistance Program asked for \$38,000; CRC could only award \$25,000; they receive Community Preservation Committee funds and \$38,000 would over fund them.

**Maury** – Last year they had unexpended funds that were dedicated to rental checks. Last year they were allocated \$25,000, so they are being allocated the same this year.

**Hertz** – The Interfaith Council oversees the Rental Assistance and Emergency Food Pantry. The Emergency Food Pantry requested \$40,000; CRC is allocating \$35,000. The same reasoning applies; their grant money is coming through and they have money in the bank. Nantucket Cottage Hospital Social Services has requested \$65,380, which CRC granted. MY Nantucket is the Nantucket version of Big Brothers/Big Sisters for mentoring youth; they have 300 kids in the program; 19.9% of the school population is served by them. The \$20,000 would support a new office staff position.

**Grause** – Asked the difference between the \$369,340 and \$427,055.

**Hertz** – CRC was allocated \$400,000 toward Human Services but wanted to make sure the recommendations were actually needed.

**Maury** – There were programs that didn't make the filing deadline.

**Kelly** – Won't be voting on this until after the public hearing.

#### IV. REVIEW OF DEBT MODELING

Sitting Kelly, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Turbitt** – The model shows all of the debt and the impact on tax rate; amortization schedules are included. The model sets the baseline at FY2016 does comparisons in aggregate dollars for the two values used for analysis: average single-family home regardless of residential status of \$1.74 million evaluation and then average single-family home that has residential status of \$1.44 million evaluation. It shows residential tax impact, open-space tax impact, and commercial tax impact; didn't value the impact on any business, only looked at residential homes. The high point is about \$13.9 million in debt in one year in FY2022 when the impact of every project is felt; that translates to a differential of \$603 increase above the baseline of \$594 on a \$1.7 million residence and about \$366 increase on the year-round valuation of \$1.4 million. He made no effort to smooth because there will be changes. This model includes Nantucket Harbor/Shimmo, the Plus parcels, and all capital projects. He is building a secondary model that will include Madaket/Warren's Landing should we go forward this year with a Special Town Meeting. For the upcoming discussion on sewer, he is finalizing a stand-alone 30-year impact for Nantucket Harbor/Shimmo, the Plus parcels, and all capital projects.

**Kelly** – He would like to have cost numbers that include all the sewer projects available for discussion at ATM.

**Turbitt** – He will put that together but it would be in 'today dollars'.

**Tiffany** – This could cause negative reaction if it is dropped on voters at Town meeting. He wants this to be part of the outreach.

#### V. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, February 11, 2016; 4:00 p.m.; 4 Fairgrounds Road, Training Room

Topics: Public Hearing and Review of Motions.

Adjourned 6:25 p.m.

Submitted by:

Terry L. Norton



## Town of Nantucket Finance Committee

[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

**Committee Members:** James Kelly (Chair), Clifford Williams (Vice-chair), Matthew T. Mulcahy, John Tiffany, David Worth, Stephen Maury, Craig Spery, Joseph T. Grause Jr.; Peter McEachern

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### MINUTES

**Thursday, February 11, 2016**

4 Fairgrounds Road, Community Room – 4:00 p.m.

Called to order at 4:00 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Lynell Vollans, Assistant Director of Finance; Tom Rafter, Airport Manager; Kara Buzanoski, DPW Director; Andrew Vorce, Planning Director; William Pittman, Chief of Police; Bob Gardner, Manager Wannacomet Water Company; Eric Savetsky, Nantucket Islands Land Bank Director; Terry Norton, Town Minutes Taker

Attending Members: Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Absent Members: Williams, Worth

Late Arrivals: Mulcahy, 4:06 pm.

Early Departures: None

Town Counsel: John Giorgio, Kopelman & Paige, LP

Documents used: January 25, 26, & 28 and February 1, 2016 minutes; Warrant Articles for 2016 Annual Town Meeting.

#### **I. PUBLIC COMMENTS – Any member of the public may address committee at this time**

1. None

#### **II. APPROVAL OF PRIOR MEETING MINUTES**

1. January 25, 2016: **Motion to Approve.** (made by: McEachern) (seconded by: Grause) Carried unanimously
2. January 26, 2016: **Motion to Approve.** (made by: McEachern) (seconded by: Grause) Carried unanimously
3. January 28, 2016: **Motion to Approve.** (made by: McEachern) (seconded by: Grause) Carried unanimously
4. February 1, 2016: **Motion to Approve.** (made by: McEachern) (seconded by: Grause) Carried unanimously

### III. PUBLIC HEARING FOR WARRANT ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)

#### 1. Article 18 (Appropriation: Sewer project/Nantucket Harbor Shimmo; Plus Infill Parcels in Town Sewer District)

Sitting Mulcahy, Tiffany, Maury (acting chair), Spery, Grause, McEachern

Recused Kelly

Discussion **Giorgio** – Explained the two methods that can be used to assess the betterment: the first is uniform unit method, sewer unit based on number of bedrooms and is the accepted method of assessing betterment; the second is frontage and area or a combination. The Sewer Planning Workgroup talked about using land value; technically you can't use that, however you can use area. The finance director ran the numbers for both property value and area and they are similar. Noted that the betterment cannot be assessed at more than the value of the property. The Department of Revenue (DOR) has confirmed that, when using uniform unit method, you have to assess a parcel based upon both existing and potential units. ATM determines the percentage of the assessment and the method of assessment; it is up to the Sewer Commission to develop the policy about what constitutes a sewer unit. Explained how to determine commercial property under the uniform unit method. The Board of Selectmen (BOS) recommended the 60/40 split for Nantucket Harbor-Shimmo; for 342 existing and potential units, that cost is roughly \$17 million with a sewer unit cost of \$50,000. For Plus parcels, the cost is \$8.4 million for 278 existing and potential units with a sewer unit cost of \$30,000.

**Maury** – Asked how the total of 342 units was calculated.

**Giorgio** – The 212 existing units is every dwelling on a lot that currently exists including secondary dwelling. 130 potential includes properties that can put a 2<sup>nd</sup> dwelling on or large lot that can be subdivided.

**Tiffany** – Asked how a tertiary would be assessed.

**Giorgio** – Look at the number of bedrooms in the tertiary unit.

**Grause** – Asked who would determine what comprises a sewer unit.

**Giorgio** – That is the Sewer Commissioners.

**Spery** – Asked if several years down the road and a subdivision is constructed in, are they then assessed the betterment.

**Giorgio** – If a property can be subdivided in the future, those potential number of sewer units is calculated into the betterment. DOR says a privilege fee cannot be assessed after a betterment has been assessed on the same parcel for the same project. There is a provision that says the Board of Sewer Commissioners may defer the payment of that betterment for undeveloped land until they are ready to connect or a set period of years has expired as determined by the Sewer Commissioners. During that deferral, the owner has to pay 4% of what would have been due on the betterments. That is a requirement of state law.

**Tiffany** – Clarified that when talking about potential, the assumption is a 4-bedroom house.

**Giorgio** – Yes; potential would be calculated based on current zoning. Another point, the law does not allow deferral of the betterment; the BOH has a mandatory sewer connection regulation stating that when the sewer goes past the property, the structures must be connected to the sewer.

**McEachern** – Asked if a potentially residential property is owned by the town, is that property assessed.

**Giorgio** – Generally speaking, Town owned property is dealt with by the percentage is recouped through taxation.

2. Article 33 (Zoning Bylaw Amendment/Home Rule Petition: Coastal Erosion Liability Waiver

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Lee Saperstein** –He is concerned that the Town be aware of potential legal issues that could arise from uncompensated takings if it is deemed to reduce the value of the property.  
**Giorgio** – If someone were to object to signing the release document, they would have to argue that it constitutes a regulatory taking and deprives the owner of beneficial use of the property.  
**Maury** – It says within 200 feet of shorefront property so does that include a property that is shore-front land. It sounds like it includes property abutting shore-front property.

3. Article 38 (Zoning Map Change: RC-2 and CTEC to R-10 or R-20 – Marble Way)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Sam Parsons**, 1 Marble Way – Filed the request to change the zoning. She came to answer any questions.

No questions for Ms Parsons

4. Article 99 (Real Estate Acquisition: 40 & 42R Sparks Avenue, 42 & 44 Sparks Avenue)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Lee Saperstein**, Cemetery Commissioner – They voted to support this article provided there is an amendment on line 6 following “funeral home purposes” “...and for municipal cemetery purposes.” These are deemed to be Town land but ownership and title is uncertain. If the two lots are not needed for the funeral home, they don’t have to come back to ATM to use the property as part of the cemetery. If a funeral home is to go in this area, extra paperwork is needed from the Planning Board and well as permit from ConCom. They don’t know if there are any burials in either of these lots; they do know there are burials in 44.

Public hearing closed at 4:57 p.m.

#### IV. DISCUSSION OF LAND BANK ACT AMENDMENT

Article 84 (Home Rule Petition: Land Bank Act Amendment)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Savetsky** – This article is in response to the rising concern over affordable housing. The Land Bank currently has an exemption from paying its fee for first-time homebuyers; however, if someone who is not a first-time homebuyer were to purchase and affordable home or covenant home, he would have to pay the Land Bank fee. This article would make those buyers exempt from the Land Bank fee.

**Kelly** – Asked if other communities with Land Banks have had this come up. He is looking at the likelihood of approval.

**Savetsky** – He doesn’t know if Martha’s Vineyard has this amendment or act; this is modeled after our first-time homebuyer exemption and was adopted by the Land Bank Council.

**Grause** – Asked how significant a loss of funds this would represent.

**Savetsky** – It will be a minimal impact on the overall income stream.

## V. REVIEW OF 2016 ANNUAL TOWN MEETING ARTICLES

1. Article 88 (Real Estate Acquisition/Conveyance of Parcels: Tom Nevers Head)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Vorce** – This motion should read in support of the Real Estate Commission recommendation, not the Planning Board recommendation.  
**Kelly** – Asked Ms Vollans to check the minutes in regard to the motion.
2. Article 95 (Real Estate Acquisition: Woodbine Street)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Vorce** – This motion should read in support of the Real Estate Commission recommendation, not the Planning Board recommendation.  
**Kelly** – Asked Ms Vollans to check the minutes in regard to the motion.
3. Article 96 (Real Estate Disposition: Woodbine)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Vorce** – This motion should read in support of the Real Estate Commission recommendation, not the Planning Board recommendation.  
**Kelly** – Asked Ms Vollans to check the minutes in regard to the motion.

## VI. NEXT MEETING DATE/ADJOURNMENT

Date: Tuesday, February 16, 2016; 4:30 p.m.; 10 Surfside Road, NHS Cafeteria  
Topics: Motions on Warrant Articles  
Discussion about a possible joint meeting of FinCom and BOS to discuss sewer options, tentative date for Feb. 29.

Adjourned 5:10 p.m.

Submitted by:  
Terry L. Norton



# Town of Nantucket Finance Committee

[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

**Committee Members:** James Kelly (Chair), Clifford Williams (Vice-chair), Matthew T. Mulcahy, John Tiffany, David Worth, Stephen Maury, Craig Spery, Joseph T. Grause Jr.; Peter McEachern

## MINUTES

**Tuesday, February 16, 2016**

10 Surfside Road, NHS Cafeteria – 4:30 p.m.

Called to order at 4:30 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Lynell Vollans, Assistant Director of Finance; Andrew Vorce, Director of Planning; Leslie Snell, Deputy Director of Planning

Attending Members: Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Absent Members: Williams, Worth

Late Arrivals: McEachern, 4:41 p.m.

Early Departures: None

Documents used: February 4, 2016 minutes; Warrant Articles for 2016 Annual Town Meeting and suggested motions.

### I. ANNOUNCEMENTS

1. Board of Selectmen held a workshop on 2/10/2016 that addressed water quality and sewer. Another will be held in March.

### II. APPROVAL OF PRIOR MEETING MINUTES

1. February 4, 2016: Held

### III. PUBLIC COMMENT

1. None

### IV. COMMITTEE REPORTS

1. None

### V. REVIEW AND ACTION ON WARRANT ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)

1. Article 2 (Appropriation: Unpaid Bills)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause

Recused None

Discussion None

Motion No action at this time.

Vote N/A

2. Article 3 (Appropriation: Prior Year Articles)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause

Recused None

Discussion **Gibson** – Still in progress

Motion No action at this time.

Vote N/A

3. Article 4 (Revolving Accounts: Annual Authorization)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion None  
Motion **Motion to Adopt.** (made by: Tiffany) (seconded by: Spery)  
Vote Carried unanimously
4. Article 5 (Appropriation: Reserve Fund)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion **Mulcahy** – Asked how much is left in the FY2016 Reserve Fund.  
**Turbitt** – All of it.  
Motion **Motion to Adopt.** (made by: Tiffany) (seconded by: Spery)  
Vote Carried unanimously
5. Article 6 (Fiscal Year 2016 General Fund Budget Transfers)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion **Gibson** – This is in the works.  
Motion No action at this time.  
Vote N/A
6. Article 7 (Personnel compensation Plans for Fiscal Year 2017)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Maury)  
Vote Carried unanimously
7. Article 8 (Appropriation: Fiscal Year 2017 General Fund Operating Budget)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion **Gibson** – This is in the works.  
Motion No action at this time.  
Vote N/A
8. Article 9 (Appropriation: Health and Human Services)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: Mulcahy) (seconded by: Tiffany)  
Vote Carried unanimously
9. Article 11 (Appropriation: Fiscal Year 2017 Enterprise Funds Operations)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Turbitt** – This needs to be held back; it has changed based on the revised Airport budget. The Airport will present to this board at the 2/18 meeting.  
Motion No action at this time.  
Vote N/A
10. Article 12 (Appropriation: Enterprise Funds Capital Expenditures)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Gibson** – Still working on this.  
Motion No action at this time.  
Vote N/A

11. Article 13 (Enterprise Funds: Fiscal Year 2016 Budget Transfers)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Gibson** – Still working on this.  
 Motion No action at this time.  
 Vote N/A
12. Article 14 (Appropriation: Airport Aviation and Administration Building Project)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Gibson** – Need to confirm the funding source.  
**Mulcahy** – Noted that the number is not as high as previously submitted.  
 Motion No action at this time.  
 Vote N/A
13. Article 15 (Appropriation: School)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Gibson** – The draft motion is under review by Bond Counsel and Town Counsel. The intention is to off-set a portion of the \$4.2 million with prior year appropriations.  
 Motion No action at this time.  
 Vote N/A
14. Article 16 (Acceptance of Massachusetts General Law: Sewer Betterment Assessments)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Mulcahy) (seconded by: Tiffany)  
 Vote Carried unanimously
15. Article 17 (Acceptance of Massachusetts General Law: Sewer Betterment Deferral)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Turbitt** – This is the same as the Property Tax Deferral but for sewer. A property owner would be required to meet eligibility guidelines under Clause 41A. Currently no one on island is in the Property Tax Deferral under 41A.  
 Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Mulcahy)  
 Vote Carried unanimously
16. Article 18 (Appropriation: Sewer project/Nantucket Harbor Shimmo; Plus Infill Parcels in Town Sewer District)  
 Sitting Mulcahy (acting chair), Tiffany, Maury, Spery, Grause, McEachern  
 Recused Kelly  
 Discussion **Gibson** – Posted Monday February 29<sup>th</sup> for a joint meeting with the selectmen to discuss further.  
 Motion No action at this time.  
 Vote N/A
17. Article 19 (Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes)  
 Sitting Mulcahy (acting chair), Tiffany, Maury, Spery, Grause, McEachern  
 Recused Kelly  
 Discussion **Mulcahy** – Asked Mr. Vorce if he has met with the Board of Health and the Director of Public Works about this article.  
**Vorce** – Yew, motion in progress  
 Motion No action at this time.  
 Vote N/A

18. Article 20 (Appropriation: Waterways Improvement Fund)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Spery)  
Vote Carried unanimously

19. Article 21 (Authorization: Airport Aviation Fuel Revolving Fund for Fiscal Year 2017)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** made by: Mulcahy) (seconded by: Maury)  
Vote Carried unanimously

20. Article 22 (Appropriation: Ambulance Reserve Fund)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Turbitt** – Still working on the final number.  
**Gibson** – Town Counsel said there might be an issue with the number of firefighters noted in the article versus what we would like to have in the motion.  
Motion No action at this time.  
Vote N/A

21. Article 23 (Appropriation: County Assessment)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: McEachern) (seconded by: Mulcahy)  
Vote Carried unanimously

22. Article 24 (Appropriation: Finalizing Fiscal Year 2017 County Budget)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Spery)  
Vote Carried unanimously

23. Article 25 (Rescind Unused Borrowing Authority)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **Turbitt** – The information will be ready for the next meeting.  
Motion No action at this time.  
Vote N/A

24. Article 26 (Appropriation: Ferry Embarkation Fee)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** S/T (made by: Spery) (seconded by: Tiffany)  
Vote Carried unanimously

25. Article 27 (Appropriation: Other Post-Employment Benefits Trust Fund)  
Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion **McEachern** – Asked what the account balance is.  
**Turbitt** – It is \$1.265 million as of this year; after the transfer, it will be about \$1.8 million.  
Motion  
Vote Carried

26. Article 28 (Appropriation: Collective Bargaining Agreement/Laborer's Union)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Gibson** – Labor Counsel will provide a motion.

**Kelly** – Asked about the regular cost analysis.

**Turbitt** – This is for a union of one.

Motion No action at this time.

Vote N/A

27. Article 33 (Zoning Bylaw Amendment/Home Rule Petition: Coastal Erosion Liability Waiver)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Vorce** – The Planning Board has not yet had a public hearing on this. There are technical issues that need to be addressed. The hearing is March 3. Noted it is up to the FinCom to decide and vote on the portion that is a home rule petition. The Planning Board wants to see FinCom's action on that.

**Kelly** – Wants see the Planning Board action on the bylaw amendment.

**Mulcahy** – Asked about the technical issues; at the public hearing, Town Counsel did not indicate there were any issues.

**Vorce** – First, new language is not highlighted in the article. Second, it is being inserted into the wrong section of the bylaw.

Motion No action at this time.

Vote N/A

28. Article 61 (Bylaw Amendment: Obsolete Building Related Bylaws)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion None

Motion **Motion To Adopt.** (made by: Mulcahy) (seconded by: Spery)

Vote Carried unanimously

29. Article 62 (Bylaw Amendment: Solid Waste Disposal)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion None

Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Grause)

Vote Carried unanimously

30. Article 63 (Bylaw Amendment: Town Property, Conveyance of)

Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Gibson** – Explained that the article would repeal a bylaw pertaining to a requirement for Town Meeting approval of the leasing or purchasing of land for Town offices outside the downtown area.

Motion **Motion To Adopt.** (made by: Maury) (seconded by: Tiffany)

Vote Carried unanimously

31. Article 64 (Bylaw Amendment: Personal Watercraft/Flyboarding)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Kelly** – The sponsor wants to be able to operate his business in the harbor. Noted that the Police Chief recommendation was that this article not be supported.  
**Gibson** – The sponsor can operate his business but only in certain areas with restrictions.  
**Maury** – Said he heard outside this meeting that there has been an inquiry for another use of jet skis, which are prohibited in the Inner Harbor. Approving this article could set the precedent for other types of uses involving jet skis.  
 Discussion about the impacts of the use of jet skis in the harbor.  
 Motion **Motion Not To Adopt.** (made by: Maury) (seconded by: Tiffany)  
 Vote Carried unanimously
32. Article 66 (Bylaw Amendment: Board of Sewer Commissioners/Town Sewer District Map Changes)  
 Sitting Kelly, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – Reviewed the article, which corrects mistakes.  
 Motion **Motion To Adopt.** (made by: Maury) (seconded by: Spery)  
 Vote Carried unanimously
33. Article 33 (Zoning Bylaw Amendment/Home Rule Petition: Coastal Erosion Liability Waiver)  
 Further discussion **Mulcahy** – Asked to go back to this article. Asked Mr. Vorce to provide a list of the technical issues that he mentioned earlier. He would like that information before FinCom votes on this.  
**Vorce** – The hearing is scheduled for March 3; if the Planning Board doesn't recommend this article, that does not reflect on the FinCom's decision regarding the home rule petition portion.  
**Kelly** – It would be unlikely for FinCom to recommend a zoning article that is not supported by the Planning Board.  
**Maury** – Last year the FinCom voted contrary to the Planning Board in regards to that version of this article. Noted that version might have been flawed.  
**Vorce** – It was flawed. There would have to be additional language that cuts off the distance from the ocean or else properties that run very deep from the ocean would be included. He questions whether or not this belongs under zoning or if it would be better as a licensing agreement. There has been discussion about working that out over the next year.  
**Snell** – Noted that there are different types of coastal properties, some have erosion issues and in town some properties have coastal flooding issues.  
**Kelly** – Asked for a sense of the board as to whether or not take action before the Planning Board weighs in.  
**Maury** – Last year it was properties within 300 feet of the shore, this year it is 200 feet of the shore and within 200 feet of any property that is on the shore. This article is more inclusive and he's not sure he could support it. The way it's written, it affects any property that is within 200 feet of what could be a large property abutting the shore.  
**Mulcahy** – He would like to hear what the Planning Board has to say; at the same time, he doesn't believe this article is ready to go forward.  
**McEachern** – He would like to have the Planning Board consideration before taking action.

## VI. SEWER PROJECT UPDATE AND DISCUSSION

- Sitting Mulcahy (acting chair), Tiffany, Maury, Spery, Grause, McEachern  
 Recused Kelly  
 Discussion **Mulcahy** – This will be taken up on the 29<sup>th</sup> with the Board of Selectmen (BOS).  
**Kelly** – We'll have more numbers this Thursday.  
**Turbitt** – No, those numbers will be clarified by the discussion on the 29<sup>th</sup>; it comes down to the split and the definition of a sewer unit. We now understand that DEP will authorize the 0% loans to go to 30 years.  
**Spery** – Asked if it has been clarified that a sewer unit is four bedrooms.

**Turbitt** – Ultimately the policy of definition of a sewer unit is up to the BOS acting as the Sewer Commission. The recommendation from Town Counsel is four bedrooms. That has to be set before he can provide the final impact model. Presently he is going with 60/40 and a sewer unit as a 4-bedroom house.

**Grause** – Though bigger homes get a bigger allocation and smaller homes a smaller allocation, asked if it is still fairly flat assessment.

Further discussion about how the assessments will be determined under various circumstances.

**Maury** – Asked if it is true that after the assessment and payment of the betterment fee, the privilege fee can't be charged.

**Turbitt** – Stated he believes Department of Revenue frowns on privilege fees after the property owner has paid the betterment.

**Maury** – We are setting precedent for other parts of the island.

**Mulcahy** – Asked if Madaket/Warren's Landing/Somerset sewer would still qualify for 0% even after being pushed back a year.

**Turbitt** – August is the deadline to reapply for Madaket/Warren's Landing/Somerset. Once they apply, they are put on an Intended-Use Program. If Madaket/Warren's Landing/Somerset is approved at a fall Special Town Meeting, we would know that. If we don't take action by Town Meeting, we have to reapply.

**McEachern** – Asked if Mr. Turbitt foresees anything between the split and loan which would change the 3% an owner is paying on the betterment.

**Turbitt** – The original statute requires 5% automatic with no variation. The acceptance of the statute, which FinCom has recommended to be adopted, would allow the Town to charge no more than 2% above borrowing cost. Whether or not we charge interest is up to the BOS. He did calculate 3.5% to cover the borrowing costs.

## **VII. NEXT MEETING DATE/ADJOURNMENT**

Date: Thursday, February 18, 2016; 4:00 p.m.; 4 Fairgrounds Road, Training Room

Topics: Discussion and review of the Airport Enterprise Fund Budget for FY2017; review and actions on Warrant Articles for 2016 ATM

Adjourned 5:43 p.m.

Submitted by:

Terry L. Norton



## Town of Nantucket Finance Committee

[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

**Committee Members:** James Kelly (Chair), Clifford Williams (Vice-chair), Matthew T. Mulcahy, John Tiffany, David Worth, Stephen Maury, Craig Spery, Joseph T. Grause Jr.; Peter McEachern

### MINUTES

**Thursday February 18, 2016**

4 Fairgrounds Road, Community Room – 4:00 p.m.

Called to order at 4:00 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Lynell Vollans, Assistant Director of Finance; Tom Rafter, Airport Manager; Andrew Vorce, Planning Director; Bob Gardner, Manager Wannacomet Water Company; Tobias Glidden, Board of Selectmen (BOS); Ann Kuszpa, Housing Nantucket; Tucker Holland, Town Housing Consultant; Terry Norton, Town Minutes Taker

Attending Members: Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Absent Members: Worth

Late Arrivals: None

Early Departures: None

Documents used: Airport Enterprise Fund FY2017 proposed budget; Warrant Articles for 2016 Annual Town Meeting.

### I. ANNOUNCEMENTS

### II. PUBLIC COMMENT

1. **Mark Dawson**, 17 Milestone Crossing – Sponsored Article 67; he's on a 20-year-old septic system and has asked for consideration to tap into sewer which abuts his property. He got 5 of the 9 points required in the sewer-district-criteria checklist so he is here to ask for a reconsideration to get on sewer before his system fails. He is in the Harbor Overlay District. **Kelly** – Explained FinCom's role in the process and how the commission relies on a checklist. **Vorce** – Detailed the points Mr. Dawson did and did not receive. **Gibson** – Explained that his neighborhood is not included the Comprehensive Wastewater Management Needs areas and do not necessarily need to be sewerred and that septic systems are acceptable. **Vorce** – Stated that with the vote of the BOS, as Sewer Commissioners, Article 67 would need a 2/3 majority to pass.

### III. COMMITTEE REPORTS

1. None

### IV. REVIEW AIRPORT ENTERPRISE FUND FY2017 BUDGET

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern

Recused None

Discussion **Rafter** – This revised budget is approved by the Airport Commission. Noted there is an increased reliance on retained earnings. Currently in fuel revolve is \$2.3 million for this year and over \$1 million from prior years. Looking to transfer over \$1 million into the operating budget. **Tiffany** – On that point, in the past the transfer has been modest; suddenly there is this jump up to over \$1 million. Asked for clarification as to why that is happening. **Rafter** – A lot of revenue is going into the fuel fund. He and Mr. Turbitt have worked to reduce the cap on the Fuel Revolver Fund to \$4 million. Reviewed the expenses summary page. **Tiffany** – Noted Repair and Maintenance is going up \$68,000; asked Mr. Rafter to explain that.

**Rafter** – That is due to a bid for repairs to the gas, oil, and geo-thermal system. He anticipates these repairs will result in a reduction of about \$15,000 in Utilities.

**Tiffany** – Asked why Other has gone up.

**Rafter** – That has to do with repayment to the Town and the addition of a Contingency Fund.

**Grause** – There is a \$5 million Fuel Revolver Fund and fuel sales that show up at \$1.9 million. Asked if that means the Airport buys \$5 million in fuel but only sells \$1.9 million.

**Turbitt** – The first \$4 million in fuel sales goes into the Fuel Revolver Fund; every dollar over that goes into Operations. Last year they collected \$7.2 million on fuel sales.

**Rafter** – Reviewed revenue. Explained a rent abatement for two tenants who had to be relocated; that will go through this year and next. Reviewed increased air service revenue.

Extensive discussion about the Fuel Sales revenue.

**Tiffany** – Asked to see a copy of the Fuel Revolver Fund budget with history. It represents a large part of the Airport budget and is a significant part of the success or failure of the Airport.

**Rafter** – Explained the effect Island Air's bankruptcy is having on the revenue and that Island Air was supposed to have put the Passenger Facility Charge into a trust fund, which was not done, and is Airport property. A new airline is working to replace Island Air. Reviewed improvements he would like to see for the future of the Airport.

**Williams** – Asked what efforts are made to attract year-round carriers.

**Rafter** – Explained the incentive plans offered for year-round service. At the last hearing, there was discussion about in-kind services; there is a website that assigns a value to the material in question. Once the FinCom picks a range, Mr. Turbitt will work it into the budget.

## V. WARRANT ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)

1. Article 73 (Acceptance of Massachusetts General Law: Abandoned Motor Vehicles- Non-Criminal Proceedings)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Gibson** – This allows the Town to tow abandoned cars. Presently, we try to get in touch with the owner to move the vehicle.

Motion **Motion To Adopt.** (made by: McEachern) (seconded by: Tiffany)

Vote Carried unanimously

2. Article 74 (Home Rule Petition: Charter Amendment Regarding Publication of Town Meeting Warrants)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Kelly** – Eliminates the need to publish the warrant in the newspaper.

Motion **Motion To Adopt.** (made by: Williams) (seconded by: Grause)

Vote Carried unanimously

3. Article 75 (Home Rule Petition: Merger of Nantucket Water Commission and Siasconset Water Commission)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion None

Motion **Motion To Adopt.** (made by: Williams) (seconded by: Tiffany)

Vote Carried unanimously

4. Article 76 (Home Rule Petition: Airport Fuel Revolving Fund)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Turbitt** – Reapplication for an on-going article.

Motion **Motion To Adopt.** (made by: Mulcahy) (seconded by: Williams)

Vote Carried unanimously

6. Article 77 (Home Rule Petition: Community Preservation Committee)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Kelly** – This is also a reapplication for an on-going article.  
 Discussion about where this Article and Article 76 are in the legislative process.  
 Motion **Motion To Adopt.** (made by: Grause) (seconded by: Tiffany)  
 Vote Carried unanimously
7. Article 78 (Home Rule Petition: Increasing Residential Property Exemption)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Grause** – Asked about the purpose of this article. He’s concerned about the fairness for all property owners.  
**Glidden** – Currently there is a burden on residents and businesses.  
 Motion **Motion To Recommend the motion.** (made by: Maury) (seconded by: Spery)  
 Vote Carried 7-1//Grause opposed.
8. Article 79 (Home Rule Petition: Conveyance of Properties from County to Town)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – These properties would be conveyed to the Town so the County does not own property.  
 Motion **Motion To Adopt.** (made by: Williams) (seconded by: Spery)  
 Vote Carried unanimously
9. Article 80 (Home Rule Petition: Real Estate Conveyances to Nantucket Islands Land Bank and Madaket Conservation Land Trust (MCLT))  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – This is part of an exchange of land moving property to Land Bank management.  
 Motion **Motion To Adopt.** (made by: McEachern) (seconded by: Williams)  
 Vote Carried unanimously
10. Article 81 (Home Rule Petition: Real Estate Conveyances from Nantucket Islands Land Bank to Town of Nantucket)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – This allows the Land Bank to transfer land to the Town. This property is near the new school.  
 Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Williams)  
 Vote Carried unanimously
11. Article 82 (Home Rule Petition: Community Housing and Sewer Funding)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Kelly** – This would impose a fee on real estate transactions that would go to affordable housing.  
**Holland** – Housing is a critical issue for year-round and seasonal workers; he’s spoken to Representative Madden on this article; he supports the article. The agency that would be authorized to spend the money is the Affordable Housing Trust Fund (AHTF). The purpose of AHTF is to provide affordable housing for the benefit of year-round low and moderate income households. The number one priority today, is to acquire land for the purpose of developing housing options.  
**Grause** – Asked if a revenue model has been generated.  
**Holland** – Yes, the Land Bank has been helpful in putting this together and did an analysis and deduced that last year, this program would have generated \$2.5 million.

**Vorce** – In the process of creating a housing production plan. In the event this is approved, there is a 90-day period to ensure Housing Trust has a budget approved; by then we should have a plan outlining priorities.

**Tiffany** – His concern is whether or not the Town is going to get involved in building houses.

**Vorce** – Reviewed projects of Housing Nantucket. Those types of resources allow the Housing Trust to act quickly. There are about 55 housing trusts across the state that have been studied.

Explained the staffing anticipated to support the Housing Trust.

**Spery** – Cited a letter to the editor expressing concerns about who would make decisions and how this would be implemented. Asked if Mr. Holland feels this article addresses those concerns.

**Holland** – Yes; the 7-member board would make decisions. He has worked with Mr. Turbitt to clarify and address any unintended consequences this article might have. Noted the trust plans to utilize the Land Bank in regards to the collection of fees; expects there to be very little cost to implement accepting and dispersing the funds.

**Mulcahy** – Asked if there is money in Article 10 for affordable housing.

**Vorce** – Not to his knowledge.

**Mulcahy** – Asked what has been passed previously that is different.

**Vorce** – The trust was established in 2009 by vote of Town Meeting. In 2014, the composition of the trust was changed. The AHTF will meet soon and it is expected they will request funds under Article 10.

**Kelly** – The full title of the article is “Affordable Housing and Sewer Funding.” Asked someone to speak to that split.

**Holland** – There are a few areas in the article that need to be changed; the title is one of them, to change it to “...and Capital Improvements Funding.” The split in the article is 75% toward housing purpose and 25% toward capital improvements viewed as ancillary to developing housing in different locations of the Island.

**Glidden** – One idea is that capital improvements is a piece to help get it passed; there was concern there would be opposition to a straight-up housing article.

**Holland** – Understands that there is a perception that this might be a way to avoid Proposition 2½. That question was put to Representative Tim Madden; in his opinion, it will not be an issue.

**Tiffany** – Up to now, the projects have been looked at individually and the details scrutinized. This would allocate a substantial amount of money each year with no details on how it will be spent; he is very concerned about that.

**Kelly** – In the absence of a strategic plan, it is hard for FinCom to know how to recommend expenditures. He hopes there will be a strategic plan developed for housing.

**Vorce** – This would be a commitment by the community to put resources toward housing. We have a 40B issue; we have to create units and get to a safe harbor. Until we can fund that, we don't have a course.

**Kelly** – If the goal is to get to a safe harbor, this would be a way to get there. He thinks the community would embrace that.

**Kuszpa** – Supports the article; it meets a lot of the goals. We need a reliable and secure source of funding to address housing issues. Pointed out that having accessible funds allows her organization to react quickly when an opportunity arises.

**Glidden** – Right now Housing Nantucket receives a portion of its money through the Community Preservation Committee (CPC). The CPC doesn't have a plan for addressing housing; however, they are required to give money to that end. He believes this is an improvement over the current funding process for affordable housing.

**Tiffany** – The key for him is the decision making mechanism and implementation. Right now it is the BOS and Planning Board; he feels better with that over “a commission of some sort.”

**Holland** – The Housing Production Plan would be the AHTF's guide. The members will be appointed to that board based upon their expertise. In the AHTF documentation, “Any expenditure by the Trust to any one party in a cumulative amount exceeding \$100,000 or

donations to any charitable organization by the Trust shall also be approved by the Board of Selectmen prior to finalizing the transaction.”

**Glidden** – Noted that part of the AHTF includes members of the Planning Board.

**Kelly** – It seems that AHTF is not in anyone’s recent memory; suggested getting word out about the AHTF.

**Rafter** – Noted that the Chamber of Commerce is putting together a forum to explain this article.

**Mulcahy** – Asked if this year any funds are being appropriated for the AHTF and if so how much.

**Kelly** – There is a meeting scheduled for the AHTF to talk about additional funding to take before the BOS.

**Mulcahy** – He sees this article as a way for FinCom to weigh in on affordable housing. He believes there will be a plan in place with checks and balances. However, this is a few years away from implementation.

**Vorce** – There has been internal discussion within AHTF and staff about appropriating possibly \$1 million from the Real Estate Sales Account, which has a balance of about \$2.4 million. There are limitations as to how that money would be used such as purchase of land.

**Gibson** – Had talked about appropriating through the motion to Article 10.

**Mulcahy** – This committee should think of ways to start helping now as this home rule is possibly years away.

**Kelly** – If the Town wants to use the AHTF as a vehicle before the home rule is passed, they will need funding before proceeds from these transactions.

**McEachern** – He supports this article. This is an opportunity for FinCom to get behind AHTF; this article needs more promotion. He supports this article.

**Grause** – Supports the article. The section dealing with exemptions to paying the tax applies to transactions of \$2 million or more. However, we are asking the people to pay the freight don’t live here by “attacking” higher-value homes. He would feel better if houses between \$0 and \$2 million paid 50% of the fee.

**Williams** – He was thinking in the other direction. It’s counterproductive by forcing people to pay a 2% tax they can’t afford in the first place. Don’t attack the very people trying to keep property in the family.

**Mulcahy** – Asked if it is within the scope of FinCom to use the motion to change the \$2 million to \$1 million in the home rule petition.

**Kelly** – We can ask Town Counsel how much flexibility FinCom has on changing the cap. Discussion about individual committee members comfort with this article.

**Vorce** – At the next meeting, he will provide a revised motion that addresses the technical issues of the article.

Motion No action at this time.

Vote N/A

12. Article 83 (Home Rule Petition: Retired Police Officers to Serve as Special Police Officers)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Sperry, Grause, McEachern

Recused None

Discussion **Gibson** – Reviewed the article

**Maury** – Asked about the pay scale.

**Gibson** – Same as any special officer.

Motion **Motion to Adopt.** (made by: Maury) (seconded by: Tiffany)

Vote Carried unanimously

13. Article 84 (Home Rule Petition: Land Bank Act Amendment)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Tiffany) (seconded by: Grause)  
 Vote Carried unanimously
14. Article 87 (Real Estate Acquisition: Airport Property)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – Corrects a taking that was approved but had technical issues.  
 Motion **Motion To Adopt.** (made by: Grause) (seconded by: Spery)  
 Vote Carried unanimously
15. Article 89 (Real Estate Acquisition: 42 Nobadeer Avenue)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Vorce** – The Real Estate Committee has reviewed this and recommended positive action.  
**Kelly** – He would like to wait to review Real Estate Committee minutes  
 Motion No action at this time.  
 Vote N/A
16. Article 90 (Lease of Town Land for Renewable Energy Projects)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Spery) (seconded by: Grause)  
 Vote Carried unanimously
17. Article 91 (PILOT Agreements for Renewable Energy Facilities)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Spery) (seconded by: Maury)  
 Vote Carried unanimously
18. Article 92 (Net Metering Credit Purchase Agreements)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Maury) (seconded by: Williams)  
 Vote Carried unanimously
19. Article 104 (Municipal Aggregation)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion None  
 Motion **Motion To Adopt.** (made by: Mulcahy) (seconded by: Spery)  
 Vote Carried unanimously
20. Article 93 (Long-term Lease Authorization: Airport Delta Property)  
 Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
 Recused None  
 Discussion **Rafter** – This concerns property at Milestone Road employee housing  
 Motion **Motion To Adopt.** (made by: Spery) (seconded by: Grause)  
 Vote Carried unanimously

21. Article 94 (Long-term Lease Authorization: 10 Sun Island Road)  
Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern  
Recused None  
Discussion None  
Motion **Motion To Adopt.** (made by: Grause) (seconded by: Maury)  
Vote Carried unanimously

**VI. SEWER PROJECT UPDATE AND DISCUSSION**

None at this time.

**VII. NEXT MEETING DATE/ADJOURNMENT**

Date: Monday February 29, 2016; 4:00 p.m.; 4 Fairgrounds Road, Community Room  
Topics: Joint BOS/FinCom discussion Sewer district betterment allocation and sewer units and split

Adjourned 6:00 p.m.

Submitted by:  
Terry L. Norton

PROPOSED