



Town of Nantucket Finance Committee

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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 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 2nd 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 Conservation Commission. 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