



# 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

**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 reviewed 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** – Yes, 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 (According to the audio, no motion made) (made by:) (seconded by:)  
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’s 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