



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, March 1, 2016

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

Called to order at 4:31 p.m.

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

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

Absent Members: None

Late Arrivals: None

Early Departures: None

Documents used: Citizen Warrant Articles for 2016 Annual Town Meeting.

I. ANNOUNCEMENTS

II. APPROVAL OF PRIOR MEETING MINUTES

1. February 4, 2016; February 9, 2016; February 11, 2016; February 16, 2016 – Held

III. PUBLIC COMMENT

1. Bruce Mandel, 10 Midland Avenue – In regards to financial aspects of Articles 90, 91, & 92, the Town has no bylaws dealing with renewable energy; he has submitted a draft bylaw that lists protections for the Town. Reviewed and discussed some of those protections, which he feels need to be in place prior to any agreement being entered into. Also, the State gives Nantucket a smaller allocation of net metering and his concern is giving that to a developer takes it away from a resident or small business; it should be corrected. Turbitt – Explained that many of Mr. Mandel’s concerns would be part of the RFP process. He doesn’t believe it has to be in the Warrant Articles. Discussion about whether bylaws addressing these issues are necessary or if they can be addressed in the motion of comments.
2. Michael Glowacki – In regards to the sewer articles, a major breakthrough is work of Town Administration and Finance Department resulting in the spreadsheet which will help people understand the cost of new sewers on individual property owners. However, his concern revolves around the existence of a vocal minority in the community which is controlling votes which he feels played out at the February 29 joint FinCom/BOS meeting.

IV. WARRANT ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)

1. Article 1(Receipt of Reports)

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

Recused None

Discussion None

Motion **Motion to Adopt to motion.** (made and seconded)

Vote Carried unanimously

2. Article 2 (Appropriation: Unpaid Bills)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion None
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

3. Article 3 (Appropriation: Prior Year Articles)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Mulcahy** – Asked if the prior year appropriation for Our Island Home would be used for repairs.
Gibson – Yes.
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

4. Article 6 (Fiscal Year 2016 General Fund Budget Transfers)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – Still being worked on.
Motion **No action at this time.**
Vote N/A

5. Article 8 (Appropriation: Fiscal Year 2017 General Fund Operating Budget)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion None
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

6. Article 10 (Appropriation: General Fund Capital Expenditures)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – This has to be held.
Motion **No action at this time.**
Vote N/A

7. Article 11 (Appropriation: Fiscal Year 2017 Enterprise Funds Operations)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion None
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

8. Article 12 (Appropriation: Enterprise Funds Capital Expenditures)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion None
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

9. Article 13 (Enterprise Funds: Fiscal Year 2016 Budget Transfers)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion None
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously

10. Article 14 (Appropriation: Airport Aviation and Administration Building Project)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Kelly** – This is for a settlement of a dispute negotiated down to \$400,000, which will come out of retained earnings and not hit the Airport operating budget.
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously
11. Article 15 (Appropriation: School)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – If this passes Town Meeting, it will go to a ballot vote.
Mulcahy – Explained his discomfort with this additional appropriation for the school in the face of the large appropriation voted last year for the new school.
Discussion about what brought about this additional appropriation and why it is necessary; the \$4.5 million is for contingencies.
Discussion about the process for releasing contingencies: that is the purview of the School Committee.
Motion **Motion to Adopt.** (made and seconded)
Vote Carried 8-1//Mulcahy opposed
12. Article 18 (Appropriation: Sewer project/Nantucket Harbor Shimmo; Plus Infill Parcels in Town Sewer District)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Gibson** – Do not yet have a motion fully reviewed for this article.
Motion **No action at this time.**
Vote N/A
13. Article 19 (Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Gibson** – There are properties still under review for inclusion/exclusion from this article.
Motion **No action at this time.**
Vote N/A
14. Article 22 (Appropriation: Ambulance Reserve Fund)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – Have included the expectation that there will be two new paramedics in January 2017. Have removed the second ambulance and reallocated those funds for this.
Worth – Asked if the Fire Chief has done a business plan on the upgrade to Advanced Life Support (ALS). Concerned that raising the rates 300% on non-Medicare/-Medicade users is usury.
Kelly – Suggested deferring this for receipt of the pro forma. Pointed out that the Fire Chief indicated Nantucket rates are significantly lower than the regional standard and that the rate he proposed was higher than what the BOS finally approved.
Worth – Suggested a private vendor might be willing to provide those services at that rate. If our current operation breaks even, asked why the rates need to be raised.
Gibson – ALS-trained paramedics command higher salaries and the overall program is more costly; the idea is to cover as much of it as possible through the ambulance rates.
Turbitt – Has a business plan showing the adjusted rates; he will provide those to the members.
Motion **No action at this time.**
Vote N/A

15. Article 25 (Rescind Unused Borrowing Authority)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – Reviewed the reasons for the remaining authorizations. Stated that unused portions cannot be used for anything other than what is appropriated and how that is reconciled.
Motion **Motion to Adopt.** (made and seconded)
Vote Carried unanimously
16. Article 28 (Appropriation: Collective Bargaining Agreement/Laborer’s Union)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Turbitt** – Not yet ready.
Motion **No action at this time.**
Vote N/A
17. Article 33 (Zoning Bylaw Amendment/Home Rule Petition: Coastal Erosion Liability Waiver)
18. Article 34 (Zoning Map Change: RC (Residential Commercial) to CMI (Commercial Mid-Island) -Bayberry Court, Cherry Street, Chin’s Way, Dave Street, Freedom Square, Hooper Farm Road, Orange Street, Pleasant Street, Sanford Road, Sparks Avenue and West Creek Road)
19. Article 35 (Zoning Map Change: RC-2 (Residential Commercial-2) to CMI (Commercial Mid-Island) - Hanabea Lane, Nobadeer Farm Road, Old South Road and Wampanoag Way)
20. Article 36 (Zoning bylaw Amendment: Commercial Mid-Island)
21. Article 37 (Zoning Map Change: RC-2 to CTEC and R-5 – Bartlett Road and Marble Way)
22. Article 38 (Zoning Map Change: RC-2 and CTEC to R-10 or R-20 – Marble Way)
23. Article 39 (Zoning Map Change: RC-2 to CN and R-5 – Fairgrounds Road, Vincent Circle and Ticcoma Way)
24. Article 40 (Zoning Map Change: R-1 to ROH – Various Locations)
25. Article 41 (Zoning Map Change: R-20 to VR - Quidnet)
26. Article 42 (Zoning Map Change: Village Residential/Swimming Pool)
27. Article 43 (Zoning Map Change: R-20 to R-40 or LUG-1 – Crooked Lane, Grove Lane and Madaket Road)
28. Article 44 (Zoning Map Change: SR-20 to SR-5/Clifton Street, Comeau Lane and Sconset Avenue)
29. Article 45 (Zoning Map Change: CDT, ROH, R-1, R-20 and LUG-2 to R-40 - Town Open Space)
30. Article 46 (Zoning Map Change: R-20, VR, LUG-1, and LUG-2 to LUG-3 – Country Open Space)
31. Article 47 (Zoning Map Change: VTEC to VR, VTEC to LUG-3, and LUG-3 to VTEC – Hummock Pond Road)
32. Article 48 (Zoning Map Change: LUG-2 to R-40 – Evergreen Way, Daffodil Lane and Airport Road)
33. Article 49 (Zoning Map Change: LUG-2 to LUG-1; 8 Masaquet Avenue)
34. Article 50 (Zoning Map Change: LUG-2 to LUG-1 Surfside South – Boulevarde, Okorwaw Avenue and Lover’s Lane)
35. Article 51 (Zoning Bylaw Amendment: Tertiary Dwelling)
36. Article 52 (Zoning Bylaw Amendment: ‘Tiny House Unit’ District)
37. Article 53 (Zoning Bylaw Amendment: ‘Tiny House Village’ District)
38. Article 54 (Zoning Bylaw Amendment: Secondary Lots)
39. Article 55 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)
40. Article 56 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)
41. Article 57 (Zoning Bylaw Amendment: Major Commercial Development)
42. Article 58 (Zoning Bylaw Amendment: Adult Use)
43. Article 59 (Zoning Bylaw Amendment: Abandoned Vehicles)
44. Article 60 (Zoning Bylaw Amendment: Miscellaneous Technical Changes)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Gibson** – The public hearing for the zoning articles will be on March 3 and March 7.
Motion **No action at this time.**
Vote N/A

45. Article 67 (Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes)

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

Recused None

Discussion **Vorce** – The property owner did not get the requisite points to be included into the sewer district. This received a negative recommendation.

Motion **Motion to Not Adopt.** (made and seconded)

Vote Carried unanimously

46. Article 68 (Bylaw Amendment: Board of Sewer Commissioners/Town Sewer District Map Changes)

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

Recused None

Discussion **Gibson** – This received a positive recommendation.

Motion **Motion to Adopt.** (made and seconded)

Vote Carried unanimously

47. Article 82 (Home Rule Petition: Community Housing and Sewer Funding)

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

Recused None

Discussion **Kelly** – The FinCom motion is still under development.

Motion **No action at this time.**

Vote N/A

48. Article 89 (Real Estate Acquisition: 42 Nobadeer Avenue)

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

Recused None

Discussion **Vorce** – This received a positive recommendation with a change that there is no appropriation. Read the motion. There is already authority to convey this property; this article clears the title.

Motion **Motion to Adopt the motion as read.** (made and seconded)

Vote Carried unanimously

49. Article 97 (Real Estate Acquisition: Poplar Street)

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

Recused None

Discussion **Vorce** – This received a negative recommendation; the motion is not to adopt.

Motion **Motion to Not Adopt.** (made and seconded)

Vote Carried unanimously

50. Article 98 (Real Estate Disposition: Poplar Street)

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

Recused None

Discussion **Vorce** – This received a negative recommendation; the motion is not to adopt.

Motion **Motion to Not Adopt.** (made and seconded)

Vote Carried unanimously

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

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

Recused None

Discussion **Vorce** – This duplicates a previous authority; there is only one parcel to be focused on.

Mulcahy – Asked what is the funding source for this.

Vorce – Assessed at about \$400,000. Because a non-profit and facility would be built on this, Town Counsel felt it would be better to have money set aside in the budget.

Gibson – The amount for damages is not easy to determine and there is no funding source identified. Suggested getting an appraisal before seeking a funding source.

Worth – He would like to see a business plan and source of financing before approving this.

Kelly – Asked if a group is overseeing this rather than it being in the hands of one private individual.

Worth – He does not feel it is appropriate for the Town to do invest time and energy in a not-for-profit business.

Tiffany – He agrees with Mr. Worth. Asked why a not-for-profit entity isn't identified in this article. He would not support this article.

Discussion on the motion.

Mulcahy – This has been going on for several years and FinCom has been very transparent about what is needed before the FinCom can approve the article.

Vorce – There was a 2014 article to acquire and convey for open space or the cemetery but not a non-profit business.

Motion **Motion Not to Adopt.** (made and seconded)

Vote Carried unanimously

52. Article 100 (Real Estate Acquisition: Wanoma Way)

53. Article 101 (Real Estate Disposition: Wanoma Way)

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

Recused None

Discussion **Vorce** – Forwarded a positive motion to FinCom for these two articles. Reviewed the intent of the articles.

Motion **Motion to Adopt Articles 100 and 101.** (made and seconded)

Vote Carried unanimously

54. Article 102 (Real Estate Acquisition: Saccacha Avenue)

55. Article 103 (Real Estate Disposition: Saccacha Avenue)

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

Recused None

Discussion **Vorce** – The Real Estate Advisory Committee (REAC) made a positive recommendation on these articles.

Worth – Asked who sets the price.

Vorce – Explained that the BOS sets the price and reviewed the bidding process. The REAC is putting together guidelines for the BOS for setting prices.

Motion **Motion to Adopt Articles 102 and 103.** (made and seconded)

Vote Carried unanimously

56. Article 105 (Appropriation: Capital Projects Stabilization Fund)

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

Recused None

Discussion **Turbitt** – Summarized the Capital Projects Stabilization Fund; the source is free cash. It requires ATM authorization for use.

Discussion about the purpose for this fund.

Motion **Motion to Adopt.** (made and seconded)

Vote Carried unanimously

57. Article 106 (Appropriation: Stabilization Fund)

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

Recused None

Discussion **Mulcahy** – This is well within the guidelines set by the BOS.

Tiffany – Noted that the policy is very restrictive and should be looked at.

Motion **Motion to Take No Action.** (made and seconded)

Vote Carried unanimously

58. Article 107 (Appropriation: Free Cash)

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

Recused None

Discussion None

Motion **Motion to Take No Action.** (made and seconded)

Vote Carried unanimously

V. NEXT MEETING DATE/ADJOURNMENT

Discussion about what work that is left for the FinCom to complete.

Article 87 (Real Estate Acquisition: Airport Property): **Vorce** – This article has been acted upon: motion to adopt. The REAC recommended the article but wanted the beach easement preserved. Asked if the FinCom wants to add that to the motion.

Article 82 (Home Rule Petition: Community Housing and Sewer Funding)

Tiffany – Asked about the status of Article 82 motion. Explained he doesn't understand how this Fund would work.

Kelly – Technical revisions are being done. Suggested a break out of the bullet points: funding, uses, etc. for review at the Monday March 7 meeting.

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

Discussion about proposed and existing outreach opportunities with media outlets and the public.

Consensus is to cancel the Thursday meeting.

Date: Thursday, March 4, 2016; Cancelled

Adjourned 6:15 p.m.

Submitted by:

Terry L. Norton