



# 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

**Monday, March 7, 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; Andrew Vorce, PLUS Director; Leslie Snell, PLUS Deputy Director; Paul Rhude, Fire Chief; Steve Tuzik, Human Resources Director; Terry Norton, Town Minutes Taker; Tucker Holland, Affordable Housing Consultant; Ann Kuszpa, Director Housing Nantucket

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

Absent Members: None

Late Arrivals: Mulcahy, 4:18 p.m.

Early Departures: None

Documents used: February 4, 9, 11, 16, & 18, 2016 minutes; Warrant Articles for 2016 Annual Town Meeting; Warrant article worksheet.

### I. ANNOUNCEMENTS

### II. APPROVAL OF PRIOR MEETING MINUTES

1. February 4, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Maury) Carried 6-0//Kelly & Worth Recused
2. February 9, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Maury) Carried 6-0//Kelly & Worth Recused
3. February 11, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Maury) Carried 6-0//Kelly & Worth Recused
4. February 16, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Maury) Carried 6-0//Kelly & Worth Recused
5. February 18, 2016: **Motion to Approve.** (made by: Tiffany) (seconded by: Maury) Carried 6-0//Kelly & Worth Recused

### III. PUBLIC COMMENT

1. None

### IV. DISCUSSION AND MOTIONS ON WARRANT ARTICLES FOR 2016 ANNUAL TOWN MEETING (ATM)

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

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

Recused None

Discussion Discussion about the reasons for the transfers.

**Spery** – Asked if there was any movement as to offering HMOs.

**Turbitt** – Reviewed the status of HMOs; hopefully those will be offered soon.

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

Vote Carried unanimously

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

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

Recused None

Discussion **Kelly** – We had asked for an appropriation of \$1 million to be transferred to Affordable Housing Trust.

**Turbitt** – It was voted by the Board of Selectmen (BOS) to add that appropriation to the article; the \$1 million will come from free cash.

Consensus is not to vote on this until after the discussion of Article 82, which addresses the Affordable Housing Trust Fund.

Motion **No action at this time.**

Vote N/A

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

Sitting Williams (acting chair), Tiffany, Worth, Maury, Spery, Grause, McEachern

Recused Kelly

Discussion **Turbitt** – A motion was made for the 25/75 split but FinCom still needs to make a motion for Article 18 because it has the uniform allocation method, and is contingent upon a debt exclusion vote. Right now he has very good planning data but there are restrictions that must be reviewed. Doesn't expect the budget to change.

**Grause** – Asked if the BOS has voted on the definition for “single sewer unit.”

**Turbitt** – A 4-bedroom dwelling equals a single sewer unit.

**Spery** – There was a discussion about property owners deferring payments; asked if that is factored in.

**Turbitt** – Deferrals don't change the sewer equivalent number. If there is a cost overrun, the betterment can bear it as long as it doesn't exceed the preliminary assessment.

Discussion on how a betterment fee is assessed against a property whether or not the property is developed to its fullest potential at the time of assessment.

**Turbitt** – The motion is to authorize \$41 million in spending and to allocate 25% as betterment and 75% as tax rate using the uniform allocation method and the debt exclusion contingent on a successful ballot vote.

Motion **Motion to Adopt.** (made by: Grause) (seconded by: Spery)

Vote Carried 7-0

4. Article 19 (Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes)

Sitting Williams (acting chair), Tiffany, Worth, Maury, Spery, Grause, McEachern

Recused Kelly

Discussion **Gibson** - After some review, there are seven deletions from the Nantucket Harbor-Shimmo district and three modifications but nothing has been added.

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

Vote Carried unanimously

5. Article 22 (Appropriation: Ambulance Reserve Fund)

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

Recused None

Discussion **Turbitt** – Reviewed changes made based upon the BOS vote. We don't start to break even until 2020 due to the additional cost of upgrading the ambulances and purchase of a new ambulance. The motion language has not changed.

**Rhude** – Nationally 70% of calls result in advanced-life support (ALS); locally 70% of our calls qualify as ALS, which we do not currently provide.

**Worth** – Asked if a basic-life support (BLS) type call would be billed under BLS or under ALS.

**Rhude** – If the treatment provided is BLS-level care, the patient would be billed for a BLS call. The billing is the result of the treatment provided. Noted Nantucket is the last community in Massachusetts that does not provide ALS; that is now the national standard.

**Worth** – Finds the increase in charges for services to be a significant burden and feels Nantucket has functioned well with just BLS paramedics. We don't have greater the distances and transfer time as the main land.

Discussion about the benefits of being able to provide ALS treatment before reaching the hospital.

**Maury** – Asked about the revenue projections. For 2017, you have \$666,000 projected revenue for BLS and only \$150,000 for ALS.

**Rhude** – The projected revenue is the difference between ALS and BLS calls; the total revenue is about \$800,000. \$450,000 is projected new revenue.

Discussion about how bad debts are handled and that the fire department has very few non-collected bills.

**Spery** – Asked if the revenue projections are based upon what the BOS approved.

**Rhude** – Yes. A BLS charge is \$450; ALS charge is \$1,950; and ALS-2 is \$3,010. Explained how he calculated the new rates. ALS for Medicare is \$350; for private insurance it would be \$1,950 and insurance would pay all but the deductible.

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

Vote Carried 8-1//Worth opposed

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

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

Recused None

Discussion **Grause** – The educational amount seems like a large amount of money.

**Turbitt** – That relates to having an advanced degree. This contract is consistent with all other union contracts.

**Spery** – Two managers were removed from the union and the new Visitor's Services Director won't be union. It seems that this should be consistent with those and be out of the union.

**Tuzik** – This agreement has been in full effect since July 1, 2015 and runs through June 30, 2018; no changes can be implemented at this time. Changes are being made as applicable when the opportunity arises.

**Turbitt** – If there were a vacancy or the contract were up for renewal, there would be internal discussion as to whether or not that is an opportunity to change.

Discussion about the existence of brackets and tiers on union positions for Town employees.

**McEachern** – Asked the reason for not showing vacations, holiday, training, and sick leave.

**Turbitt** – Explained that it is hard to project any of those; there are limits to the carry over. This has a positive vote from the BOS.

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

Vote Carried unanimously

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

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

Recused None

Discussion **Vorce** – Explained that the public hearing for zoning articles was held and the Planning Board closed 8 of the remaining zoning articles and five are expected to be closed at the March 7 meeting.

The Planning Board motion is to take no action with a comment to defer to the BOS for a work group to look at this in detail. Reviewed technical flaws with the definition of an area subject to erosion.

Motion **Motion to Support the Planning Board recommendation.** (made by: Worth) (seconded by: Grause)

Vote Carried unanimously

8. Article 36 (Zoning bylaw Amendment: Commercial Mid-Island)

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

Recused None

Discussion Vorce – Not completed yet.

Motion **No action at this time.**

Vote N/A

9. Article 37 (Zoning Map Change: RC-2 to CTEC and R-5 – Bartlett Road and Marble Way)

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

Recused None

Discussion **Vorce** – The Planning Board gave this a positive motion.

Motion **Motion to Support the Planning Board recommendation.** (made by: Maury) (seconded by: Williams)

Vote Carried unanimously

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

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

Recused None

Discussion **Vorce** – The Planning Board gave this a recommendation to take no action.

Motion **Motion to Support the Planning Board recommendation.** (made by: Worth) (seconded by: Maury)

Vote Carried unanimously

11. Article 49 (Zoning Map Change: LUG-2 to LUG-1; 8 Masaquet Avenue)

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

Recused None

Discussion **Vorce** – The Planning Board gave this a positive recommendation.

Motion **Motion to Support the PB recommendation.** (made by: McEachern) (seconded by: Grause)

Vote Carried unanimously

12. Article 50 (Zoning Map Change: LUG-2 to LUG-1 Surfside South – Boulevarde, Okorwaw Avenue and Lover's Lane)

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

Recused None

Discussion **Vorce** – The Planning Board gave this a positive recommendation with a minor technical change in the motion. The ½-acre lots would get an increase in ground cover but remain pre-existing non-conforming.

Motion **Motion to Support the Planning Board recommendation.** (made by: Spery) (seconded by: Mulcahy)

Vote Carried unanimously

13. Article 52 (Zoning Bylaw Amendment: 'Tiny House Unit' District)

14. Article 53 (Zoning Bylaw Amendment: 'Tiny House Village' District)

15. Article 55 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)

16. Article 56 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)

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

Recused None

Discussion None

Motion **No action at this time on Articles 52, 53, 55, & 56.**

Vote N/A

17. Article 57 (Zoning Bylaw Amendment: Major Commercial Development)

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

Recused None

Discussion **Vorce** – This is a clean-up article with a positive recommendation

Motion **Motion to Support the Planning Board recommendation.** (made by: Tiffany) (seconded by: Williams)

Vote Carried unanimously

18. Article 59 (Zoning Bylaw Amendment: Abandoned Vehicles)

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

Recused None

Discussion **Vorce** – Slight change in language are necessary to be consistent with existing bylaws; this received a positive motion. A property may have only one unregistered vehicle on it at a time.

**Snell** – Explained a work group addressed “problem properties”; there were different enforcement standards for the police and Zoning Enforcement Officer. This will standardize the enforcement of the regulation for both entities. Abandoned vehicles can be considered an attractive nuisance, an eyesore, and become a home for rodents.

**Gibson** – Enforcement would be complaint driven and based on several complaints.

**Maury** – Expressed his concerns in regards to this article.

**Williams** – Asked if vehicles housed in temporary structures would fall under this bylaw.

**Snell** – Not if the temporary barn is for that purpose. Stated that vehicle repair shops are covered by their permits.

Motion **Motion to Support the Planning Board recommendation.** (made by: Grause) (seconded by: Williams)

Vote Carried 8-1//Maury opposed

19. Article 60 (Zoning Bylaw Amendment: Miscellaneous Technical Changes)

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

Recused None

Discussion **Snell** – The Planning Board closed this; proposed changes to the height of structures did not move forward; so height remains the same.

**Maury** – Asked what affect the proposed heights will have on buildings in the CMI district.

**Snell** – In CMI only, structures could be up to 40 feet with the exception of Madaket, which has a maximum height of 25 feet. Will need a technical amendment to strike Number 3.

**Worth** – The height limitations went from 28 to 30 feet in the flood plain heights.

**Snell** – Those structures could go up to 40 feet. The Planning Board decided to accommodate height limitations in local zoning.

Motion **Motion to Support the Planning Board recommendation.** (made by: Maury) (seconded by: McEachern)

Vote Carried unanimously

20. Article 65 (Bylaw Amendment: Town of Nantucket Right to Farm)

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

Recused None

Discussion **Gibson** – The only question for the motion is about the definition of Agri-tourism.

Discussion about the definition of Agri-tourism being too broad and allowing for abuse of the intent of this article.

Motion **Motion to Adopt the motion as written with the striking out of the term “Agri-tourism” under the definition.** (made by: Maury) (seconded by: Tiffany)

Vote Carried unanimously

21. Article 70 (Bylaw Amendment: Nuisance Animals)

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

Recused None

Discussion **Gibson** – This board previously adopted the concept but the motion itself was not written until now.

Discussion about whether or not “disturbing the peace” is defined.

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

Vote Carried unanimously

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

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

Recused None

Discussion **Maury** – We had suggested a sunset provision. Asked if that has been added and who crafted this article.

**Holland** – This article has origins in an attempt from 2008 and a group that arrived at this current version. A sunset provision might be appropriate but there wasn’t a definitive consensus among the group that put this article together.

**Maury** – Without goals and objectives; we don’t know the problems we want to solve; if we get to 25% Affordable housing and there is still a stream of revenue, we are competing with other housing. Suggested the affordable housing program could drive up housing costs.

**Linda Williams**, Affordable Housing Trust Fund (AHTF) Chair – She doesn’t agree this will drive up housing costs. The AHTF put the \$2 million threshold so that it exempts most of the mid-island, year-round population. Does not agree with a sunset date; this can be voted out if the goals and objections are met. This needs to get going now with the \$100,000 threshold as voted by the BOS as it will take time to get it through the State legislature.

**Kelly** – Asked if there is a projection on the trajectory to meet the 10%.

**Vorce** – there are projects in the pipeline that might lead to reaching the 10%. Numbers currently working off are good to 2020. Right now, if Richmond Development moves forward, that will bring to 7%; that gap can be filled with other projects that are being discussed; safe harbor can be reached within one or two years.

**Worth** – Pointed out that a limited liability corporation could be set up to divided and sell a property to keep it under the \$2 million threshold.

**Holland** –The Nantucket Islands Land Bank has provided recommendations on how to certify transactions and assistance in projecting the revenue range.

**Maury** – The 25% is intended to go back into the capital fund but presently looks to be going into the general fund; that could be viewed as a tax. Asked if there is a way to segregate the 25% to get to its intended purpose.

**Vorce** – The Capital Stabilization Fund was identified by Town Counsel as the place for this; it would take a vote of Town Meeting to use the money. There is language that requires this to go back to legislation for any adjustment; that could be reworded to include being adjusted to zero for closure of the program.

Consensus of the board would like to see that language.

**Maury** – Asked if there was a projection on the number of properties AHTF could purchase on \$1 million.

**L. Williams** – No; looking at options presently. Currently they don’t have any funding.

Motion **No action at this time.**

Vote N/A

23. Article 87 (Real Estate Acquisition: Airport Property)

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

Recused None

Discussion None

Motion **No action at this time.**

Vote N/A

**V. NEXT MEETING DATE/ADJOURNMENT**

Date: Tuesday, March 8, 2015; 4:30 p.m.; 10 Surfside Road, NHS Cafeteria

Topics: Motions for Article 10, Zoning Articles 36, 52, 53,55, 56, Article 82, & Article 87

Adjourned 6:14 p.m.

Submitted by:

Terry L. Norton