



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 8, 2016

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

Called to order at 4:35 p.m.

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

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

Absent Members: Worth stepped out between 5:10 to 5:12 p.m.

Late Arrivals: None

Early Departures: Tiffany, 5:38 p.m.

Documents used: Warrant Article 10, Article 15, Zoning Articles 36, 52, 53,55, 56, Article 82, Article 96, & Article 99 for 2016 Annual Town Meeting.

I. ANNOUNCEMENTS

1. None

II. APPROVAL OF PRIOR MEETING MINUTES

1. None

III. PUBLIC COMMENT

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

James Cooper – In regards to the betterment fee, the cost for abandonment of an existing septic and hook up to sewer is such that people who have put in I/A systems have spent up to \$70,000. Wonders if there is a way to allow those people to get a four-or five-year waiver before they have to tie into the sewer.

Gibson – The avenue for a property owner to seek a waiver is through the Board of Health; there is no way to put it into the article.

Discussion about granting waivers from the Board of Health regulation requiring 6 months to hook up to Town sewer and getting language to the effect at Town Meeting.

Michael Glowacki – Asked what the rationale is for any amount of betterment.

Mulcahy – The answer is that it is a politically pragmatic solution. This article will be called at Town Meeting and different scenarios will be available for discussion.

Discussion about public feedback on this article and reconsidering the FinCom recommendation and put 100% on the tax base.

Gibson – The Board of Selectmen (BOS) should be given the opportunity to weigh in. It's too late to post a meeting for Thursday for reconsidering the motion; the warrant goes to the printer on Friday.

Could do a technical amendment for a change to 100% on the tax base.

Further discussion on whether or not to reconsider the FinCom vote.

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

1. Article 36 (Zoning bylaw Amendment: Commercial Mid-Island)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – The Planning Board concluded its hearing. Article 36 received a positive recommendation with a change to Section 1; reviewed the change.
Motion **Motion to Support the Planning Board recommendation.** (made and seconded)
Vote Carried unanimously
2. Article 52 (Zoning Bylaw Amendment: ‘Tiny House Unit’ District)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – The Planning Board gave this a motion not to adopt. The issue is mobility of the dwelling and that the tertiary dwelling allowance allows for everything here except the trailer capability and ability to hook into utilities or sewer.
Maury – Asked if there was discussion about districts where a tiny house would be allowed if the trailer were struck.
Vorce – There was discussion about limiting it to same districts as tertiary dwellings; it came down to the mobility and that trailered structures are not permitted. A structure less than 500 square feet can still be built in those districts and in such a way that it could be moved.
Motion **Motion to Support the Planning Board recommendation.** (made and seconded)
Vote Carried unanimously
3. Article 53 (Zoning Bylaw Amendment: ‘Tiny House Village’ District)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – The Planning Board motion was not to adopt.
Motion **Motion to Support the Planning Board recommendation.** (made and seconded)
Vote Carried unanimously
4. Article 55 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – The Planning Board gave this a positive motion with the caveat that to fully implement the article, there would have to be home rule petition and amendment to the bylaws, that would have to be accomplished at a Special Town Meeting.
Motion **Motion to Support the Planning Board recommendation.** (made and seconded)
Vote Carried unanimously
5. Article 56 (Zoning Bylaw Amendment: Secondary Lots – Qualified Family Member)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – The Planning Board gave this a motion not to adopt.
Motion **Motion to Support the Planning Board recommendation.** (made and seconded)
Vote Carried unanimously
6. Article 87 (Real Estate Acquisition: Airport Property)
Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Vorce** – Believes the FinCom voted on this. The Real Estate Advisory Committee (REAC) recommended moving forward with the inclusion of, “ shall be one-big-beach easement”.
Motion Motion to Reconsider Article 87. (made and seconded)
Vote Carried unanimously
Motion **Motion to Accept the recommended changes and add to the motion.** (made and seconded)
Vote Carried unanimously

7. Article 96 (Real Estate Disposition: Woodbine)

Sitting Kelly, Williams, Mulcahy, Tiffany, Maury, Spery, Grause, McEachern
Recused Mr. Worth stepped out.
Discussion **Vorce** – The REAC want to ensure the beach easement was maintained.
Motion **Motion to Adopt.** (made and seconded)
Vote Carried 8-0

8. Article 15 (Appropriation: School)

Sitting Kelly, Williams, Mulcahy, Tiffany, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Kelly** – The comment came from the school board explaining the reasons for this additional appropriation.
Gibson – Read back an addition to the comment suggested by the board.
Motion **Motion to Adopt the comment as amended.** (made and seconded)
Vote Carried unanimously

9. 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 **Kelly** – Read the drafted comment expressing FinCom concerns.
Motion **Motion to Adopt the comment.** (made and seconded)
Vote Carried unanimously

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

Sitting Kelly, Williams, Mulcahy, Worth, Maury, Spery, Grause, McEachern
Recused None
Discussion **Kelly** – Reviewed the discussion from March 7.
Holland – With the help of Town Counsel, crafted language for ending the program without going back to the legislature.
Williams – There seems to be considerable restrictions to prevent frivolous spending. Considering the time and effort put into the article, he's in favor of it.
Vorce – The Housing Production Plan (HPP) is scheduled to be approved by the State Legislature before the vote on this article. The HPP has been approved by the BOS and Planning Board. Reviewed efforts since 1986 to get resources for affordable housing. The \$2 million value is between the median house price and the average on Nantucket.
Worth – It takes a long time to get through the state legislature and some natural foes might be the real estate industry. Asked if proponents might be back next year for an additional \$1 million.
Vorce – If the \$1 million provided under Section 10 were advanced, would have to make a call closer to next year. If that is approved, it's under the jurisdiction of the BOS. The BOS asked for an article that would look at this whole issue.
Mulcahy – This committee has an opportunity to send a message on how constituents feel; affordable housing is a big problem. Feels it is dicey at best that this article will make it through the legislature. The money in Article 10 is that we as a community can move forward to develop ideas, plans, and buy land for affordable housing so that this island won't be at the mercy of 40B developments.
Maury – Agrees with Dr. Mulcahy. He supports the \$1 million under Article 10. His concern about Article 82: haven't defined goals, the tax might not generate sufficient funds for several years, and talking about generate a lot of money in perpetuity. He'd like to see something in this article about what happens when the Town achieves its set of objectives then this tax goes away. A semi-governmental entity is going to get a lot of money, which he feels will at some point make it difficult for people at the lowest rung to purchase non-subsidized housing.
Kelly – Asked if when the HPP is adopted would it become the standard by which success of the Affordable Housing Trust Fund (AHTF) is measured.

Vorce – There is now a mechanism to reduce the money collected and that can be done locally; if we want to raise the threshold, that also can be done by a local vote; there can be a local vote to end it as well.

Kelly – He has received feedback about the 75% housing/25% Town capital split.

Vorce – The Town has also received similar feedback on that; perhaps we should focus solely on housing and not include the capital. The article has been provided with two options: 100% housing and the split.

Spery – Supports Article 82 and the \$1 million from Article 10 as well. Anything to reach safe harbor.

Grause – Asked why the \$2 million sale value was picked.

Vorce – This was an extra amount needed to generate funds to rectify the problem and it is believed it affects a smaller group with more of an ability to pay. We have a more severe housing problem and its different than in other communities. Our property tax rates are lower than any other in the state.

McEachern – The CPC tax is deductible; asked that whether or not this tax would be deductible be looked into. Asked if the legislature could construe this request as an attempt to get out of 40B housing and use it against us.

Vorce – The state wants to see towns reach their 10% goal; that is the Town's goal. There are also safe harbors along the way. Noted other towns that have protected themselves proactively. In 2010, there was a state-wide ballot to repeal 40B; that lost by a significant margin.

McEachern – Asked if there is a sense that if ATM approves Article 10, could that hurt us in getting Article 82 through the legislature.

Vorce – He doesn't feel that is a risk. The issue here is to establish a reliable revenue stream to be used to put resources towards fixing the housing problem. Article 10 is a stop-gap measure.

Maury – Asked if the State would look more or less favorably on a version with a threshold lower than the \$2 million.

Vorce – The point is that it is viewed as a luxury tax for a limited group of people in a community that has a severe problem. Lowering the threshold brings it more into the orbit of other communities and could get more people to oppose it.

Maury – Suggested putting a time limit in Section 8 of this Article 82 with ATM to reauthorize it at that time.

Holland – Suggested a 10-year horizon with 5-year renewals.

Consensus supports Mr. Holland's suggestion.

Vorce – He will talk to Town Counsel about change the wording to put on a 10-year duration from time of adoption with a 2/3 ATM vote to renew every 5 years.

Kelly – The next item is the 75Housing/25 split or 100% housing.

Motion **Motion to Adopt amended with striking the 75/25 language and change to 100% housing and change to add 10-year after date of adoption with 5-year increments deferring to Town Counsel for the proper language.** (made and seconded)

Vote Carried unanimously

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

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

Recused None

Discussion See Article 82 discussion.

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

Vote Carried unanimously

V. NEXT MEETING DATE/ADJOURNMENT

Discussion about uses for the Ferry Seasonal Embarkation Fee.

Date: Wednesday, March 30, 2016; 1:00 p.m.; 4 Fairgrounds Road Community Room

Topics: Review of Technical Amendments

Adjourned 5:58 p.m.

Submitted by:

Terry L. Norton