



Town of Nantucket Finance Committee

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Committee Members: David Worth(Chair), Stephen Maury(Vice-chair), Clifford Williams, Matthew T. Mulcahy, John Tiffany, Joseph T. Grause Jr., Peter McEachern, Henry Sanford

MINUTES

Thursday, August 4, 2016

4 Fairgrounds Road, Training Room – 4:00 p.m.

Called to order at 4:02 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Julia Lindner, Financial Analyst; Terry Norton, Town Minutes Taker

Attending Members: Worth, Williams, Tiffany, Grause, Sanford

Absent Members: Maury, Mulcahy, McEachern

Late Arrivals: None

Early Departures: None

Documents used: Copy July 14 & 27, 2016 minutes; Citizen Warrant Articles; Local Receipts and Local Indicators spreadsheet; STM Timeline

I. PUBLIC COMMENTS – Any member of the public may address committee at this time

1. None

II. APPROVAL OF PRIOR MEETING MINUTES

1. July 14, 2016: **Motion to Approve.** (made by: Grause) (seconded by: Williams) Carried unanimously
2. July 27, 2016: Held

III. REVIEW OF LOCAL AND NATIONAL ECONOMIC INDICATORS

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – About 18% of Town revenue comes from a non-tax base. Prudence dictates looking toward conditions that might indicate a drop in that income.

Turbitt – He and Ms Lindner have discussed what types of local receipts and national indicators would provide indication of an impending recession. Reviewed the data amassed on the non-tax revenue and national indicators.

Lindner – Looked at internal data, external data, and what’s available and timely and accurate. The rise or fall of real estate sales is a big indicator; many local receipts are sensitive to the economy. Sewer and water were not looked at as they aren’t the most pertinent. Reviewed the national economic indicators she used and explained how they are helpful. The Dashboard is a document that is a work in process; she would like to present it quarterly for use by Town Administration and the FinCom.

Grause – Asked what the triggers are for the red and green lights on the indicators.

Lindner – The way receipts are set now, if they don’t maintain 5% growth that should be watched.

Further discussion about indicators and how they are read.

Turbitt – As we move through this process, it is important to use all indicators, on- and off-island. Noted that there will be lag between what happens off Island and what happens on Island.

Sanford – Asked if there is information from banks on mortgages.

Lindner – That is hard to get; banks don’t share that readily.

Turbitt – If two quarters don't meet expectations, the Town should start looking at a plan about what to do should the drop continue. The last major downturn affected Massachusetts two years before the Island felt it. The goal is to ascertain what will happen if a trend continues.

IV. REVIEW OF SPECIAL TOWN MEETING (STM) TIMELINE

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – The public hearing is scheduled for September 13; we will probably have an internal discussion prior to that. The Board of Selectmen (BOS) will review the articles on August 17.
Gibson – Date of election for ballot questions is not yet included in the STM timeline, but that won't impact FinCom. A FinCom meeting is scheduled for August 18 at which the articles can be discussed.

Tiffany – He is concerned about receiving warrant article information to close to the next FinCom meeting and not having time to review it.

Gibson – There are ten Town STM warrant articles: two article about Madaket sewers; a lease for Academy Hill; extinguishing a right-of-way; discussion to amend the Nantucket Harbor Watershed District; Airport FAA runway; Miacoment golf has two articles; Nantucket Island Land Bank article; supplemental appropriation for trailer for Nantucket Fire Department. The Planning Board needs to schedule a public hearing on zoning citizen warrant articles.

V. PRELIMINARY REVIEW OF CITIZEN WARRANT ARTICLES FOR STM

A. Our Island Home (OIH) Workgroup/Deferral (sponsor Frances Karttunen)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – This is for the creation of an OIH workgroup. OIH isn't on the STM.

Gibson – Reviewed what items still need to be completed before requesting appropriations for the construction of the new facility. The plan is to be on track for Annual Town Meeting (ATM). This is a citizen initiative.

Tiffany – FinCom should see comparative data of what other “people” around the Commonwealth are doing and their construction costs.

Worth – That is appropriate to address to Administration; they have the resources to put that together. Asked what information on this article this board wants to see.

Gibson – There no longer is an OIH Workgroup; staff is working on this internally. We've been meeting with the public and groups.

Sanford – He would want to know how this workgroup would communicate their findings to the Town.

Grause – He wants to know the purpose of the workgroup and what issues it wants to explore and if they think to uncover information that the Town does not have.

Williams – Asked how the \$1 million appropriated for the plans has been used.

Gibson – The \$1 million is being used for the financial report, which is necessary to get plans.

B. Surfside West, LUG-2 to LUG-1 (sponsor Leona Trip)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – This is a zoning article; we will accept the Planning Board recommendation.

C. 85 Sankaty Road/Sewer (sponsor Arthur Reade)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – Our question would be is whether or not it meets the criteria.

D. Hawthorne Lane – Overlay/Sewer (sponsor Terry Sanford)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – Rezoning article; FinCom would probably accept the recommendation of the Planning Board.

Tiffany – On articles like this, he wants to know why it is being requested. He would like that answered ahead of time.

Worth – That is a discussion for the Planning Board; he will reach out to them.

E. 40 Sparks Avenue/Funeral Home Lease (sponsor Catherine Stover)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – This is asking to barrow, transfer, or acquire \$400,000 for lease of land for a funeral home.

Sanford – He wants to know if this amount has been negotiated.

Gibson – This money would be to fund the acquisition costs of the land; this land doesn't have clear title.

Sanford – He wants to know what is wrong with the title and see a breakdown of the costs for acquisition as well as the cost for the funeral home itself. He also wants to know what this money is being used for, who will own the funeral home, how it will operate, where the rest of the funds are coming from, and how long is it going to take.

Tiffany – He wants to see a business plan before the authorization to spend the money is approved.

F. Postpone Madaket Sewer/Workgroup (sponsor William Grieder)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – This article would delay decision on sewer to Madaket/Warrens Landing until ATM and establish a workgroup.

Grause – He would like know what they feel has not been addressed and what new information the workgroup thinks is out there that might change plans to sewer Madaket.

Tiffany – If there is no new information out there; he sees no need for the workgroup.

Williams – He wants to see the mission statement for the workgroup and what they plan to achieve.

Sanford – He wants to know if the Town has the ability to appropriate that money and how delaying it would affect the Town's debt.

Worth – He would request that Town Administration provide what he thinks FinCom needs to review this; he will provide Ms Gibson with a list.

G. 4 Daffodil Lane, LUG-2 to R-40 (sponsor Gina LeBrecht)

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – This is another zoning article.

VI. DISCUSSION OF FINANCE COMMITTEE BUDGET REVIEW PROCESS

Sitting Worth, Williams, Tiffany, Grause, Sanford

Discussion **Worth** – Wants to discuss how the Board wants this year's budget and article review process to move forward. One thing FinCom should talk about is how early and how involved we want to be in looking at ATM warrant articles. The question becomes if the board should be putting an emphasis on a different level and engage earlier and/or drill deeper.

Williams – He would like to vote on articles earlier in order to devote more time to deliberating on the more involved and controversial articles. He is frustrated by going through the whole process and the night before Town Meeting is receiving information on an article.

Worth – If we don't have information by a cut-off date, that's it. He doesn't want to be dealing with more than minor technical changes the week before ATM. Too often important information comes in at the last minute.

Tiffany – Sometimes there have been information seen by the BOS and other people that eventually gets to us; we need to see all preliminary data we can for big-ticket budget items.

Grause – At the beginning of the process, we should discuss which items are contentious and need extra deliberation and which are perfunctory. Real Estate and zoning are articles this board doesn't really have input on.

Sanford – It is important for other arms of the Town to provide FinCom with their long-term priorities.

Worth – There is a desire to know more sooner so that decisions are better. A lot of stuff in the budget that is fixed; the question is how much time do we really have to spend on those items.

Gibson – Administration spends a lot of time putting together budget packets for FinCom; suggested having just one packet the FinCom reviews. We tend to have big departments come in and do their budgets with them. One thing to look at is the expense increase requests for departments that don't have their own operating budgets. As far as warrant articles and capital items, we try to get those early but sometimes stuff happens beyond our control. We have been lecturing the department heads about not omitting something that is already in the plans; we are coming up on the time departments should provide their capital plans to be reviewed by the BOS in September and Capital Program Committee in October to December.

Discussion about the Lined Landfill Cell construction costs, which FinCom will be reviewing and the information FinCom will want to see.

Gibson – In the past, she talked with Mr. Worth about budget instructions; if he wants to do that again, she will schedule a time to meet.

Tiffany – When looking at budgets, he would like to see what has changed and exceptions.

Worth – Where budgets become of interest to the public is the introduction of new programs, hiring additional personnel especially for positions that haven't been approved, and if program money is being changed

VII. NEXT MEETING DATE/ADJOURNMENT

Date/Place: Thursday, August 18, 2016; 4:00 p.m.; TBA

Adjourned 5:24 p.m.

Submitted by:

Terry L. Norton