



Town of Nantucket Finance Committee

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Committee Members: David Worth(Chair), Stephen Maury(Vice-chair), Clifford Williams, Joseph T. Grause Jr., Peter McEachern, Henry Sanford, Joanna Roche, Christopher Glowacki, Jean Grimmer

MINUTES

Thursday, January 10, 2017

Nantucket High School, Large Group Instruction Room – 4:00 p.m.

Called to order at 4:04 p.m.

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

Attending Members: Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Absent Members: Grause, Sanford, Roche

Late Arrivals: None

Early Departures: None

Documents used: Affordable Housing Trust Fund Draft Budget; 2017 Annual Town Meeting Citizen Warrant Articles

I. PUBLIC COMMENTS

None

II. REVIEW AND DISCUSS BUDGET FOR THE AFFORDABLE HOUSING TRUST FUND

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – The Affordable Housing Trust Fund (AHTF) was originally part of the General Fund; the Board of Selectmen (BOS) are setting it up separately and that warrant article will be before the committee at a later meeting. They are asking for \$500,000. He has asked for Isaiah Stover and Tucker Holland to address this committee; they are not in attendance.

McEachern – The Nantucket Yacht Club (NYC) gave them a house and is paying for the move onto a foundation with infrastructure. Asked if this is AHTF's first house.

Gibson – They are involved in houses across from the schools.

Williams – Asked if the BOS will be providing their recommendation.

Worth – For him, it is not only a sin to overspend a budget but to also under spend. We froze \$1M for AHTF last year and have committed \$350,000 so far; they will get \$400,000 from Community Preservation Committee (CPC); they have sale proceeds; and they are asking for \$500,000. The \$500,000 is cash the Town could use for something else.

Glowacki – Asked if AHTF has a mission statement or goals; he'd like to know how the money is being used.

Maury – Part of what AHTF has done is fund the creation of the Housing Production Plan, which is a blueprint on how to move forward to Safe Harbor. He's disappointed in their lack of effort to move forward.

Gibson – There is a mission statement in their enabling legislation. AHTF asked for \$1M this year; our thinking was is that they have \$1M that hasn't been spent and they are getting money from CPC; if we give them \$500,000, that is close to their requested million. The BOS would also like to see progress. ReMain funded a housing specialist, which ended 2016. Town is funding a part-time position for 2017; Mr. Holland's contract has been extended. Those will not be reflected here though there is discussion to make it an AHTF position and not Town.

McEachern – Asked if the BOS is driving the approval of monies for affordable housing.

Gibson – Some members of the BOS are concerned they haven’t seen a lot in the way of completed action with the current funding. They are reluctant approve a large amount until they do.

McEachern – Stated it took three BOS meetings to approve the NYC’s donation of the house; the approval process for AHTF is difficult to navigate.

Worth – Asked if this is the appropriate time to tell AHTF to put together a good plan before more money is put into it. Reiterated that this is a committed obligation of \$500,000 of the Town’s money.

Turbitt – This is coming from free cash. It is “dead” money once it goes into AHTF.

Maury – AHTF will get two units out of the donated building; they need \$350,000 to make the units livable; that is a lot of money. He feels this isn’t the type of investment the Town should look for.

Action Held for Thursday, January 12, 2017 meeting.

Vote N/A

**III. DEVELOP AND ADOPT MOTIONS FOR 2017 ANNUAL TOWN MEETING (ATM)
CITIZEN WARRANT ARTICLES**

G Non-Binding Ballots Catherine F. Stover

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – Asked if this question will or will not be on the warrant if it doesn’t require ATM vote to go on the ballot.

Catherine Stover, Sponsor – It will not go on the warrant for ATM if the BOS denies putting it on the ballot.

Maury – The article says it is an Annual Election article.

Action No action necessary.

Vote N/A

H Convey: 131/135 Pleasant Street, F.H. Catherine F. Stover

I Convey: 2-8 Ticcoma Way Catherine F. Stover

J Transfer: 9 East Creek Catherine F. Stover

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Maury** – At the last meeting, we asked for a ruling from Town Counsel on how to release the properties if ATM votes be set them aside for a funeral home and that use doesn’t come to fruition. Asked if that question has been posed.

Catherine Stover, Sponsor – Use of a property has to have a two-third vote from ATM; in order to use the property for anything else, it has to go to ATM.

Maury – Thinks if a use is allowed according to code, it doesn’t have to go to ATM. The two-third vote is to change the zoning for a different use. The wording of each article is, “To transfer land described below from current use to BOS to be held for the purpose of conveyance for a public purpose including without limitation funeral home purposes by a non-profit entity pursuant to Chapter... MGL..., any such disposition to be on such terms and conditions as the BOS deem appropriate.” To him that says the land wouldn’t be tied up for the sole purpose of a funeral home; it is being held for a public purpose.

Stover – You need Town meeting approval to dispose of Town property.

Williams – Asked if Ms Stover intends to call each of these individually at ATM to determine which might be the preferred site.

Worth – Because they are separate, we vote to adopt, not to adopt, or take no action. The non-binding ballot question comes two weeks after the meeting and won’t reflect which property was approved.

Grimmer – Asked if this requires FinCom approval to go on the ballot.

Worth – These three articles are not going on the ballot. Thought there is no financial cost associated with the transfer, there is an opportunity cost associated with each parcel and what the

Town decides to do with each parcel. We asked Ms Stover to be prepared to talk about that at the last meeting and she did not have information on opportunity costs at that time. Thinks these are getting ahead of themselves; we don't know what will happen to the 9 East Creek; the Town doesn't have a plan for the 131/135 Pleasant Street; 2-8 Ticcoma Way might be slated for the housing plan. The funeral home is not a business to be set up and run; he feels this for-shortens the options of the Town for the three lots.

Maury – ATM is the appropriate venue in which to ask voters what they want to do with land. The FinCom's job is to point out the pitfalls to the voters.

Worth – As a committee with fiduciary responsibility for Town finances, we need to speak as a group. He feels the voters will look to FinCom to have considered secondary and tertiary implications.

Maury – The BOS and Planning Board are two groups entrusted with the powers of disposing of land; they should have some comment about how this land is used. The wording of the article is limiting in that it does not allow for the out-right sale of the properties. This gives the BOS permission to dispose of these properties to any non-profit without coming back to Town Meeting. There is a cost to that but the article doesn't tie the Town's land to use as a funeral home. In the absence of a business plan for a funeral home, he doesn't expect the BOS to permit that use.

Worth – Asked if this should be held over for further discussion.

Maury – He wants to hear from Town Counsel's opinion on the effects of the passage of these articles; how much it restricts the Town's options for each parcel.

Glowacki – If it is not plausible to make a positive recommendation, we are talking about Take No Action or a negative recommendation. Whichever we decide, there should be comment.

Stover – Stated that there is a business plan for the funeral home and the 501C3 is on file; we can't raise a substantial money if there is no place to put it.

Grimmer – Asked if a feasibility study has been done on the potential of raising the required funds.

Stover – She thinks people are willing to donate. Some summer people have committed to donate. She hasn't done a feasibility study.

Action Held for Thursday, January 12, 2017 meeting.
Vote N/A

K CPC - 2018 Appropriations Kenneth Beaugrand

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – there is the issue of funding work that is the responsibility of the Academy Hill managing company. Asked if there is a prohibition on public money being used by private entities.

Gibson – Under the requirements for use of CPC money, no there is not.

Maury – Mr. Beaugrand spoke to the Academy Hill work as being a capital expense as opposed to maintenance. The Town owns the building and leased it. The money generated by the property is less than the debt payments generated from fixing up the property. There is a financial benefit to the for-profit management company that is running this building; he doesn't think it is appropriate to subsidize their operation. He has sought financial from the operators. The BOS is considering extending the lease.

Gibson – Reviewed the history leading to the current state of affairs and extending the lease. The management company's plan requires them to report to the State more than the Town.

McEachern – Asked that since the Town owns the building, does it manage that the money is being spent to specifically replace the non-functioning windows.

Gibson – This will be the first time that there would be a need for Town monitoring. CPC has a very strict outlines and protocols and procedures on reports to ensure how the money is used.

Worth – Mr. Beaugrand said that they have applied to Massachusetts Housing for additional funds for the window repair; their original request to CPC was for \$450,000; they were approved an allocation of \$250,600.

Maury – The building is getting older and the debt is going up. It might be necessary to force Massachusetts Housing's hand to reduce the debt so that it can become a working operation again.

Worth – Asked if FinCom can do a line-item veto on this specific project.

Gibson – She believes FinCom can pull this out but FinCom doesn't have the authority to reallocate that money. She will double check on that.

Action **Motion to Approve the CPC budget as submitted striking the \$250,600 for the window repair at Academy Hill.** (made by: Maury) (seconded by: Williams)

Vote Carried unanimously

W Home Rule (Charter Change) FinCom Michael A. Glowacki

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – Asked the sense of what the committee would like to do.

Maury – Stated he was surprised at the number of Towns that had the Town Moderator as the FinCom appointing body. However, he doesn't think that is the way to go; if politics are coming into play, it is better that it be five people on camera than within the mind of one person.

Glowacki – As he understands the argument, there is more of a chance of conflict of interest with the five people as opposed to just one. He thinks this will be called at town meeting; it will require people to look beyond the historic role of the Town Moderator.

Action **Motion Not to Adopt.** (made by: Maury) (seconded by: Grimmer)

Vote Carried 5-1//Glowacki opposed

Y Bylaw Amend: Affordable Lot/Units Linda S. Holland

Z Bylaw Amend: Residential Housing Size Linda S. Holland

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – We wanted to hear from Ms Holland. She was invited twice and did not respond. He will invite her again. The Planning Board will review these.

Action No action at this time.

Vote N/A

AA Reaffirm: Separate Fire & Police Chiefs Jeffrey M. Allen

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Maury** – This doesn't require an action; it just states that the departments will be separate.

Worth – This was on ATM three years ago and FinCom's position was not to adopt. It was not called. His personal view is that it ties the Town's hands in regards to combing the groups for improvement the financial or operational performance. If in the future there is an effort to combine the departments, passage of this will create a great deal of resistance.

Maury – He doesn't see that this has any affect.

Williams – He would like to see more examples of conflicts. That's why he asked about the law which details the purviews of fire and police.

Action **Motion Not to Adopt.** (made by: Glowacki) (seconded by: Williams)

Vote Carried unanimously

BB Adopt MGL 48, Sec.42-Fire Departments Jeffrey M. Allen

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Maury** – He didn’t see anything so assumes nothing was forwarded on the conflicts that Mr. Allen feels makes these articles necessary.

Grimmer – Asked if it has been established whether or not the police chief is an employee at will.

Gibson – The Town Charter makes the Town manager the Police Chief and Fire Chief reporting authority.

Maury – That is the reason the charter would have to be changed.

Williams – Wouldn’t the vote have to be for a charter change.

Maury – That’s not what Mr. Allen is asking; it seems he disagrees with the premise that is needed. He can’t support this if the change isn’t made.

Discussion on the motion:

Williams – It seems this gives the fire chief more ability to manage his own budget.

Maury – It gives him authority over the pile of money once he gets it. He is answerable to the BOS only in the sense that they want to fire him and then he still has twelve months.

Glowacki – No one can work outside the bureaucracy though that is the natural inclination. There is a reason for managerial structure.

Worth – He doesn’t feel the case was made to support such a radical change. Reading the information available from other communities, a lot of them are trying to back out of the Strong Chief organization due to the concept it is a life-time employment.

Action **Motion Not to Adopt.** (made by: Maury) (seconded by: McEachern)

Vote Carried unanimously

CC Acquire: Nancy Ann Lane Patricia Roggeveen

DD Convey: Portion Nancy Ann Lane Patricia Roggeveen

EE Acquire: Portions Mayflower/Daffodil Patricia Roggeveen

FF Convey: Portions Mayflower/Daffodil Patricia Roggeveen

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Patty Roggeveen**, Sponsor – Asked when these articles might be voted on.

Worth – This Committee is waiting for the Planning Board recommendations on any zoning articles. All Real Estate articles are waiting on the Real Estate Committee recommendations. Suggested any points Ms Roggeveen wants to make should be made to the Real Estate Committee. Our motions will be formed off those recommendations.

IV. OTHER BUSINESS

1. Build-out Analysis

Sitting Worth, Maury, Williams, McEachern, Glowacki, Grimmer

Discussion **Worth** – At the last meeting, we talked about asking the BOS to get the Planning Board to analyze how much more development there will be and the fiscal, infrastructure, and quality of life impacts from that additional development.

Williams – Asked if there is an analysis in conjunction with the update to the Master Plan.

Maury – No. A build-out analysis was done in 1997; another was done in conjunction with sewerage parts of the island. None has been done since approval of tertiary dwellings, apartment buildings, 40-foot high buildings in the commercial mid-island, and the commercial neighborhood district. A lot of things have changed the maximum potential build out on any properties. He believes the net impact is overwhelmingly toward the increase in density; he thinks it is time for a new study. We also need to have a sense of how many people live on Island today and project what it might be in the future. That would facilitate discussions about how big the schools and wastewater treatment have to be. He will present that at the next meeting.

2. Committee Reports:
 - a. Contract Review Committee – Maury
 - b. Capital Program Committee – McEachern
 - c. Our Island Home Workgroup - Williams

V. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, January 12, 2017; 4:30 p.m.; 4 Fairgrounds Road, Training Room

Topics: Discuss and Review 2017 Annual Town Meeting Appropriation Warrant Articles; Discuss Potential Request to BOS to Effect a New Population Study; Discuss & Review AHTF FY2018 Budget.

Adjourned at 5:50 p.m.

Submitted by:
Terry L. Norton