

BOARD OF SELECTMEN

Minutes of the Meeting of 10 December 2008. The meeting took place in the Court Room, Town and County Building, 16 Broad Street, Nantucket, MA 02554. Members of the Board present were Rick Atherton, Brian Chadwick, Michael Kopko, Allen Reinhard and Patricia Roggeveen. Chairman Kopko called the meeting to order at 6:01 PM.

Chairman Kopko noted the Siasconset Beach Preservation Fund has asked for a one week extension pertaining to an item on tonight's agenda, so they will be on the 17 December agenda instead of tonight. No objections to the extension were noted.

ANNOUNCEMENTS

None.

PUBLIC COMMENT

Richard Cooper asked two questions regarding Article 2 from the 8 December 2008 Special Town Meeting: is the estimated cost to tear down the old 'Sconset water tower \$100,000? And if the land that the current tower sits on is sold what happens to the proceeds? Ms. Gibson stated that while she was not sure of the exact cost of dismantling the existing tower and removing it there is a cost that is covered in the appropriation. She added that any proceeds from the sale of the land would be applied to the Sconset Water Enterprise Fund for paying down the 'Sconset water tower debt service.

APPROVAL OF MINUTES, WARRANTS, PENDING CONTRACTS

Approval of Minutes of 18 September 2008; 24 September 2008. Mr. Atherton questioned the 24 September minutes concerning a noise complaint by an abutter of the Summer House and asked whether any more letters of complaint were filed. Ms. Gibson confirmed nothing else has come up in this matter and that anything that does come in will be put into the Summer House's liquor license renewal file. The minutes of 18 September 2008 and 24 September 2008 were approved by the unanimous consent of the meeting.

Approval of Payroll Warrant for Week Ending 7 December 2008. The payroll warrant for the week ending 7 December 2008 was approved by the unanimous consent of the meeting.

Approval of Treasury Warrant and Pending Contracts for 10 December 2008. Ms. Gibson had an additional item for the Board to take up under pending contracts which was a vote to approve the final documents for a USDA loan for the Surfside Wastewater Treatment Facility in the amount of \$1,380,000 in order to close the loan documents. The treasury warrant and pending contracts for 10 December 2008 were approved by the unanimous consent of the meeting. The vote on the loan documents (attached) was read by Mr. Reinhard, who then made a motion to approve; Mr. Chadwick seconded. All in favor, so voted.

CITIZEN/DEPARTMENTAL REQUESTS

Request for Execution of Quit Claim Deed for Conveyance of Town Property Located at Kent Street (between 23 and 25). Mr. Reinhard so moved to approve the request for execution of quit claim deed for conveyance of Town property located between 23 and 25 Kent Street, Tom Nevers; Ms. Roggeveen seconded. All in favor, so voted. Ms. Gibson noted a purchase and sale agreement for this property was executed by the Board at its 3 December 2008 meeting.

Request for Execution of Purchase and Sale Agreement for "Yard Sale" Parcel at 14A Sparks Avenue. Mr. Reinhard so moved to approve the request for execution of the purchase and sale agreement of Town property located at 14A Sparks Avenue; Ms. Roggeveen seconded. All in favor, so voted.

Request for Execution of Quit Claim Deed for Conveyance of Town Property Located at 14A Sparks Avenue. Mr. Reinhard so moved to approve the request for execution of quit claim deed for conveyance of Town property located at 14A Sparks Avenue; Ms. Roggeveen seconded. All in favor, so voted. Ms. Gibson noted that this property measures 535 square feet and out of three bids, this was the highest at \$2,000.

Health and Human Services Contract Review Committee (CRC): Request Regarding Board of Selectmen Participation on Committee. Alice McQuade spoke as the committee's representative and said that the committee is interested in having communication and involvement on behalf of the Board for contract review deliberations. Ms. Roggeveen agreed to be the appointed Board representative and as such will read all copies of the materials and take part in deliberations after all presentations take place.

TOWN MANAGER'S REPORT

Ms. Gibson stated that due to on-going discussions with landfill operator Waste Options, a FY 2010 solid waste enterprise fund budget is not yet ready for presentation to the Board. She noted that the Board's solid waste work group is meeting on a regular basis with the landfill operator, special counsel, and the specialized solid waste consultant engaged by the Board.

With regard to the Sewer Enterprise Fund, Ms. Gibson explained that a sewer rate study is underway which is tasked to come up with four different sewer rate models. There is going to be a gap in the FY 2010 budget as well because of the Surfside plant upgrade and expansion coming online later this year. The gap can be filled with a rate increase but Ms. Gibson would like the Board to hear what the various alternatives are for the rate increase first. Chairman Kopko discussed how complicated the sewer rate issue is and that he anticipates having the approved Nantucket Sewer Act in hand after the first of the year, which would come into effect 1 July 2009. He would like to set up a committee to work on the Sewer Act issues, which can then come back to the Board with a recommendation. Mr. Atherton feels the costs are the costs; the Board should review them when they are ready as they know the money needs to be raised one way or the other. He also discussed privilege fees and the timing and how to collect these. Mr. Atherton would like to find out how the Town is doing on sewer connections and how it compares historically. He expressed concern over fewer connections than what was anticipated which would have significant impact on the sewer fund. Ms. Roggeveen said she feels there is a systemic issue with regard to infrastructure. Mr. Chadwick said he hopes the Board will try hard to leave things as public as possible. He believes work groups are not the way to go, especially on this broad an issue. The rate payers need to be able to see the process instead of just the end result and a vote, so there is clarity throughout the whole process. Ms. Gibson said that the sewer connection information is in hand; and, that once the upgraded sewer plant is online and the total cost of the project is known, a portion of the cost will be divided up between the number of people who connected from the date the privilege fee was established on 24 April 2005. Ms. Gibson went on to inform the Board the other discussion they may need to have when they talk about the Sewer

Enterprise Fund budget for FY 2010 is that the Town has funding approved to borrow for the design of the established needs areas, but the Board hasn't had any contracts put before them yet because the funding scheme for the needs area hasn't been fully decided yet. An amount is needed up front to be borrowed and then the debt would be paid back from betterments over time.

On a side note Treasurer Deborah Weiner explained that the tax bills will go out soon so the Town does not need to do a tax anticipation note as had previously been expected, which is good news.

Ms. Gibson will plan to make both the Solid Waste and Sewer Enterprise Fund FY 2010 budget presentations at the 14 January Board meeting.

Ms. Gibson thanked the voters, the Board, and the Finance Committee for passage of the articles at the 8 December Special Town Meeting. She added that while Articles 6, 7, and 8 bought time for FY 2009 to help plan more deliberately for FY 2010, focus will now be on tough choices and options for FY 2010.

SELECTMEN'S REPORTS/COMMENT

Action Regarding Lease with Nantucket Hunting Association. It was noted that the lease has a clause that allows for termination by the Town on 6 December 2008 and the tenant, Nantucket Hunting Association (NHA) did not commence construction within the allotted time frame specified in the lease. Chairman Kopko stated he believes that the Board at this point is willing to consider further discussions toward a new lease. He reviewed a "standstill" agreement that has been drafted allowing that the Town is not exercising its right to terminate at this time but that the Town understands the NHA will prepare a proposal to modify the lease and anticipates that the proposal will be made within 120 days. If such proposal is made the Town will consider it but the Town is not waiving its right to terminate the lease and will continue to have the option to terminate. Chairman Kopko thanked Mr. Chadwick for proposing this way as a "middle ground". A discussion ensued among the Board members on their individual concerns regarding the "standstill" agreement. Mr. Reinhard said he hopes the current lease is terminated and that the NHA starts over with a "blank piece of paper". Chairman Kopko assured Mr. Reinhard that in his discussions with the NHA they are quite aware that every aspect of the agreement is open to negotiation and discussion. Ms. Roggeveen encouraged the NHA to develop a better business plan. Mr. Chadwick said he would like to see the NHA get their facility operational in order to have a level of control and safety that does not now exist. Mr. Atherton said his main concern is that hunters will need to be recruited from off-island in order to make the club viable and he would like to find a way to focus it more to island hunters and the police department for training. Alison Zieff, attorney for the NHA, and Steven Holdgate, president of the NHA, spoke to the Board trying to address their concerns. Members of the public, including two attorneys representing the abutting Wigwam Homeowners Association, spoke in favor of the immediate termination of the lease, as well as other individuals speaking in favor of continuing the lease. Mr. Atherton moved to sign the "standstill" agreement for 120 days with the Nantucket Hunting Association concerning the ground lease with the Town of Nantucket; Mr. Chadwick seconded. So voted. Mr. Reinhard was opposed. Mr. Chadwick and Mr. Reinhard were selected as Board representatives to work with the NHA during the 120 days.

Discussion Regarding Status of Town License(s)/Approvals for Siasconset Beach Preservation Fund Use of Town Property. Continued to 17 December 2008.

Discussion Regarding Citizen Advisory Committee for Public Safety Facility Report

Recommendations. Ms. Gibson reviewed the committee's recent written report to the Board. Chairman Kopko noted that the Board's general consensus from the 3 December Board meeting was to pursue the option that had been laid out by the committee to proceed with at least the police portion of the project and phase in the fire portion at a later time. Ms. Gibson stated that while the Administration's position is that the most cost effective way to address the needs of police and fire as well as to improve efficiencies is a joint facility, moving forward with at least the police portion is a step in the right direction. She explained that the project is already designed to be phased, if need be, with the police as phase one and fire as phase two. With regard to funding, Ms. Gibson said construction of the police portion only is estimated to cost between \$15-17 million. An approved plan is in place to use a portion of the county deeds excise funds of \$3.3 million that would reduce the \$15-17 million cost. The hope is to continue to seek additional corrections deeds excise funding which would further lower the cost to the taxpayer. Prequalification bidding is already underway for the project. Town Administration will have an appropriation article drafted for the 2009 Annual Town Meeting as well as a ballot question at the annual town election to seek approval for funding. The Fire portion, if done at a later time, was previously estimated to cost around \$10 million (in 2008 dollars); this cost would be offset by the sale of the existing fire station property. There was a consensus from the Board to go forward with the police station phase, to support it, and speak favorably in public about it. Ms. Roggeveen would like to see the campaign piece started immediately.

Discussion Regarding FY 2010 General Fund Budget. Ms. Gibson presented some potential new revenue ideas. Ms. Gibson asked that the Board, in a budget workshop, let her know which ideas it is interested in pursuing. Mr. Chadwick suggested the Town sell four one-acre town owned properties which are located in the middle of a residential neighborhood in Surfside. He suggested the Town sell the lots which would give the Town immediate revenue and get the parcels back on the tax rolls. Mr. Chadwick also discussed a half-acre lot on Low Beach Road in 'Sconset which the Town owns and could sell, putting the proceeds toward the debt service of the 'Sconset Water Tower. In return he suggests the Town get the land on which the current water tower sits, which could be then used for affordable housing. Assistant Finance Director Irene Larivee discussed how in the past week the state starting announcing local aid cuts for FY 2010, ranging from 5-10%. Understanding that cuts will be made, Ms. Larivee has reduced the Town's state aid projection for FY 2010 by 10%. The current projected deficit for the FY 2010 General Fund is around \$3.9 million. Items to be known in about the next month are retirement costs and the Solid Waste FY 2010 budget. If these numbers come in over their current forecast, that could also expand the amount of deficit. A revenue workshop was scheduled for Wednesday, 17 December 2008 at 11:30 AM.

Committee Reports. Each selectman provided an update on those committee/commissions and workgroups on which he/she participates. In addition, former selectman Whitey Willauer provided updates on those committees on which he continues to represent the Board of Selectmen.

The meeting was unanimously adjourned at 8:52 PM.

Approved the 7th day of January, 2009.