



Town of Nantucket Finance Committee

www.nantucket-ma.gov

Committee Members: Denice Kronau (Chair), Stephen Maury (Vice-chair), Joseph T. Grause Jr., Peter McEachern, Joanna Roche, Peter Schaeffer, Chris Glowacki, Jill Vieth, George Harrington

MINUTES

Tuesday, March 8, 2022

Called to order at 4:01 pm by Ms. Kronau

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Rick Sears, Deputy Director of Finance; Mariya Basheva, Financial Analyst; Terry Norton, Town Minutes Taker

Attending Members: Kronau, Maury, Grause, Roche, Schaeffer, Glowacki, Vieth, Harrington

Absent Members: McEachern

Early Departures:

Documents used: Draft minutes as listed; Warrant Articles for 2022 Annual Town Meeting.

Adoption of agenda.

Motion **Motion to Adopt.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Harrington, Roche, and Kronau-aye

I. ANNOUNCEMENTS

II. PUBLIC COMMENT

1. None

III. REVIEW AND DISCUSSION AND POTENTIAL ADOPTION OF MOTIONS WARRANT ARTICLES FOR 2022 ANNUAL TOWN MEETING (ATM)

1. Article 3 (Appropriation: Prior Year Articles)

Discussion **Turbitt** – There is 1 change to this, all Airport reappropriations are being pulled and will be presented at a future ATM. The only reappropriation we are asking is into the School-wide Building Improvements for \$34,245.00. The Airport articles are being pulled so they can be transferred into articles that don't exist yet and should have all flowed through Article 22.

Glowacki – Asked if there is a master list of unspent sums (yes). Asked if we should be aware of the total balance.

Turbitt – We present a list of all project funding to Capital Program Committee (CapCom).

Maury – Asked what happens to unspent funds.

Turbitt – Unspent funds in General Operating Fund go to Free Cash. Any Capital Project funded through Article 10 or other individual articles remain open until the article is completed; we try to appropriate articles to similar like projects.

Motion **Motion to Adopt.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Grause, Glowacki, Vieth, Roche, Harrington, and Kronau-aye

2. Article 6 (Fiscal Year 2022 General Fund Budget Transfers)

Discussion **Turbitt** – Asking for 3 General Fund transfers: from Medical Insurance to Fire Operating and Town Clerk Operating and from Public Works salaries to Parks and Recreation salaries.

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

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Harrington, Roche, and Kronau-aye

3. Article 8 (Appropriation: FY2023 General Fund Operating Budget)

Discussion **Turbitt** – The grand total is \$105.5m with one change: Nantucket Housing Office operating, asking for \$1.m from Free Cash to create a grant program for Town employees with unmet housing needs.

- Schaeffer** – Asked if this is to be used to reduce rentals only or will it be available for mortgage assistance.
- Turbitt** – Town employees could make an application to the Town to get help with rental assistance. On a broad basis, we haven't yet eliminated using it for mortgage assistance.
- Gibson** – We have a crisis with Town employees; there would be specific criteria as to how people could access this fund. We are trying to figure out how to retain employees and keep them on the Island; this is a pilot program.
- Roche** – This is a great idea. Asked if there is a list of employees being subsidized; and who would be eligible.
- Turbitt** – There are a couple of non-union people getting help.
- Gibson** – It hasn't yet been set who would be eligible for the grant.
- Turbitt** – If the grant were administered through the Town, it would be taxable and there would be collective bargaining issues. Through a 3rd party, we don't have that.
- Gibson** – It is a challenge for people who can't secure housing and/or are paying well above the standard for housing per their income. Criteria will have to be very specific.
- Grause** – Confirmed it would be a non-taxable transfer fund. Suggested looking at the rules and regulations used to qualify for affordable housing.
- Gibson** – The Tucker Holland, Housing Director is working on this.
- Turbitt** – We won't make any transfers until it's fully vetted and we know what the program will look like.
- Maury** – Asked the process for establishing guidelines and who has authority.
- Gibson** – Authority will be in the internal Town team. Town Counsel and Community Foundation will review these.
- Maury** – Asked if the \$1m is for a pilot program and will they come back for more money next year.
- Gibson** – We've been talking about it for some time. It became more urgent with the loss of police officers and other employees because they couldn't afford housing.
- Turbitt** – The goal is it will last more than 1 year, and we'll be able to replenish funds to continue it.
- Schaeffer** – Asked if the Town would be making a commitment to each applicant for support to be continual.
- Gibson** – We don't know the answer to that. At this time, it is a pilot program and assistance is not intended to be permanent. There might be a need for an on-going program like this. We don't want to create any on-going expectations.
- Roche** – This is a good example of the Town partnering with the Community Foundation. As criteria is developed, there could be a way to use the money and set a commitment for the assistance per income bracket.
- Vieth** – Asked if Community Foundation would be paid to administer this and about how many people would need it.
- Gibson** – The Town Housing Survey is still out, so we don't know how many people might use this.
- Turbitt** – If Community Foundation were to ask for an administering fee, we would discuss that to find what it will look like and would it be within our expectations.
- Kronau** – One thing is to reach out to Janis Carreiro at rental assist; they might have a model for qualifying. It would make sense to have checkpoints at which to review the success. The Town is already doing a tremendous effort at supporting affordable housing by investing about \$17.m this year alone.
- Schaeffer** – Asked if the grant program could be used for recruitment.
- Gibson** – That would depend upon the position such as high-level specialization positions we are having trouble filling. It hasn't been used as a recruiting tool.

Schaeffer – It’s well established that housing is an issue. His concern is this \$1m request is coming to us mere hours before a final motion and this is the first time we are hearing about this.

Glowacki – This is a frustrating topic. We spent so much time crawling through the details of smaller requests than we have with this; he’s on the fence about adopting this without details.

Kronau – The option would be a technical amendment at the end of April before ATM. Asked if a framework would be available by then.

Schaeffer – This is a dynamic problem requiring a dynamic solution. It’s important to get this money available ASAP.

Kronau – Her observation is that, on April 28th, we’d have more information upon which to base our vote.

Vieth – She’d like to see the information from the survey before voting; \$1m is a lot of money.

Roche – Agrees with Mr. Schaeffer; this is a crisis with people who have no place to live. The Town has a number of unfilled positions, which we have voted to allow the Town to fill so it is able to do its job.

Turbitt – We could remove the \$1m today and come back with a technical amendment. In 6 weeks, we would have the results of the surveys and have had time to look at the qualification parameters to be used.

Kronau – The consensus is 50-50 without her; asked that this go for a technical amendment. Asked if someone from FinCom could help.

Gibson – The survey is supposed to be back on Monday and we’ll need time to review it. We’d appreciate help.

Kronau – Mr. Grause and Mr. Schaeffer volunteer.

Motion **Motion to Adopt as amended without the \$1m grant.** (made by: Grause) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Harrington, Roche, and Kronau-aye

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

Discussion **Turbitt** – All Capital Projects are consistent with the CapCom report except for SRF (State Revolving Fund) funding for Engineering and Construction of the Watermain west of the Airport. It’s currently in Article 10 with authorization to access the State Authorization Fund and is written as a debt exclusion, which requires successful Town meeting vote and ballot question.

Gibson – We applied for the SRF funding some months ago, but we must have funding in place by September 30th. We haven’t put a debt exclusion on the ballot but can add one. We will go to Select Board next week to revise the election warrant to add a debt exclusion for the funding; if they agree, the election warrant will be amended. If they don’t, we consider this for FY2023. We’re asking if FinCom is comfortable with waiting for the outcome from the Select Board. Our recommendation is that we need the debt exclusion to fund this; that decision is solely up to the Select Board. If FinCom doesn’t want to adopt, we would review that with the Select Board and they would have to come up with a positive motion. The SRF is a low or interest free loan to municipalities.

Grause – Asked if the \$9m would be put in place to get the SRF or is it in addition to the SRF.

Turbitt – The \$9m authorization is the commitment from SRF; it authorizes us to borrow up to \$9m and use the SRF. We need it in place to continue with the SRF application.

Gibson – Another issue is a feasibility analysis on what it would take to extend water to this area; that’s taking longer than expected. If that analysis indicates the need for a pump station, we cannot continue with this at this time. If the analysis shows we can extend with existing in-ground infrastructure, it’s a potential go.

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

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Roche, Harrington, and Kronau-aye

5. Article 21 (Appropriation: Fiscal Year 2023 Enterprise Funds Operations)

Discussion **Turbitt** – This is a request for a total of \$50.7m to operate the Enterprise funds. We list the recommended funding sources. We are making an additional commitment out of the FY2023 Tax Levy for Solid Waste; his recommendation is an additional override for that.

FinCom Minutes for March 8, 2022, adopted Apr. 26

Kronau – Asked how Our Island Home has retained earnings.

Turbitt – Their retained earnings are certified from the CPE they receive annually.

Motion **Motion to Adopt.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Roche, Harrington, and Kronau-aye

6. Article 23 (Appropriation: Fiscal Year 2022 Budget Transfers)

Discussion **Turbitt** – All these transfers relate to the Airport and from retained earnings to be used to extinguish any bans associated with the projects; this precludes having to borrow money. Sewer had some overages that are being funded out of retained earnings. Airport Retained Earnings totaled \$7.3m effective July 1, 2021.

Motion **Motion to Adopt.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Glowacki, Grause, Vieth, Harrington, Roche, and Kronau-aye

7. Article 29 (Rescind Unused Borrowing Authority)

Discussion **Turbitt** – The projects have been completed and so can be rescinded the borrowing authority from the books.

Grause – Asked if this benefits our bond rating or is it administrative clean up.

Turbitt – It's clean up; it will change how much we can borrow. Doing this ensures there are no bonds in financing. The total is over \$4.5m.

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

Roll-call Vote Carried 8-0//Roche, Harrington, Vieth, Glowacki, Grause, Schaeffer, Maury, and Kronau-aye

IV. REOPEN ARTICLE 15

1. Article 15 (Appropriation: School Department – Athletic Facilities)

Discussion **Turbitt** – We were notified by the School that they wish to reduce the borrowing to \$5.6m from \$16.4m.

Vieth – Asked how much they have been authorized for the tennis courts.

Turbitt – Around \$1.2m. That will be added to this should this past ATM.

Motion **Motion to Adopt.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Grause, Glowacki, Harrington, Roche, and Kronau-aye

V. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, March 10, 2022; 4:00 p.m. – Joint with Select Board and Planning Board

VI. OTHER BUSINESS

1. Approval of the Amended February 24, 2022 minutes

Motion **Motion to Approve as amended.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 7-0//Maury, Schaeffer, Grause, Glowacki, Harrington, Roche, and Kronau-aye

2. Adjournment:

Motion **Motion to Adjourn at 5:03 pm.** (made by: Roche) (seconded)

Roll-call Vote Carried 8-0//Maury, Schaeffer, Vieth, Glowacki, Grause, Harrington, Roche, and Kronau-aye

Submitted by:

Terry L. Norton