

## BOARD OF SELECTMEN

Minutes of the meeting of 23 February 2009 at 2:00 PM. The meeting took place in the Conference Room, 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 2:02 PM.

### BUDGET WORKSHOP

Solid Waste Enterprise Fund (SWEF). Town Manager C. Elizabeth Gibson reviewed a series of Town Administration recommendations for closing the \$1.9 million SWEF deficit, and noted that the Administration's first choice is to fund the SWEF deficit in the SWEF. She said recommendations include funding \$330,000 for an accelerated landfill mining program with Free Cash in FY 2010; increasing commercial charges by 20%; increasing miscellaneous tipping fees; and adding new revenue either by a property tax increase or a sticker fee program. Ms. Gibson noted that an ongoing revenue stream has not been identified to deal with the loss of revenue and increased expenses brought on by the wood waste ban implemented by the Department of Environmental Protection (DEP) in 2006. She went on to say that no ongoing revenue streams have been identified for mixed solid waste (MSW), materials recycling facility (MRF) operations or what is known as 1827 Waste (residential construction and demolition (C&D) and mixed bulky waste); in addition, a funding source for legacy capital costs has not been identified. Ms. Gibson said the SWEF revenue has been negatively impacted by the national recession as well as the diversion of waste materials going elsewhere, and said that funding the SWEF deficit from the General Fund is contributing to the structural deficit within the General Fund. Assistant Finance Director Irene Larivee reviewed the overall projected FY 2010 budget with the Board. A discussion followed regarding income and funding sources for the SWEF, including a possible override as well as new and/or modified fees. Mr. Atherton said he is not in favor of increased taxes or fees and that the SWEF deficit should be covered in the General Fund but went on to say that as the accelerated landfill mining is a new cost, he would be in favor of an override for that item only. Ms. Roggeveen said she is not willing to go to the General Fund budget to cover the SWEF deficit, which she feels would result in reduced staff and services; she went on to say that fees should be identified as revenue within the SWEF. Chairman Kopko reviewed the current economic climate – schools are charging fees to play sports and making drastic budget cuts, sewer rates are increasing, water rates are increasing, business is decreasing, the Town is already asking citizens to approve \$15.5 million to pay for the new police station – and said the Board has a recommendation in front of it from staff to raise funds in the SWEF by fees or a dedicated tax increase. The Board consensus is to wait until the 25 February meeting to vote on the FY 2010 SWEF budget. Proposed SWEF fees were discussed, including increasing commercial C&D fees and eliminating the Take-It-or-Leave-It facility. The current rate of mining of the landfill was discussed as well as the rate of an accelerated landfill mining program. Ms. Gibson noted that the \$330,000 for accelerated landfill mining in the budget now is a placeholder, and that it is now looking more like \$500,000.

Free Cash. Ms. Gibson said the current estimate of free cash for FY 2010 is approximately \$5 million and she noted that it has not been certified yet, and that free cash was not certified the prior year. She said Administration's recommendation is to use free cash for capital and reserves, in accordance with the free cash policy. Ms. Gibson said actual numbers will be available at the 25 February meeting.

General Fund. Ms. Gibson reviewed the updated forecast for revenues and expenses for the General Fund, including motor vehicle excise tax, septic revolving fund, Massachusetts Water Pollution Abatement Trust (MWPAT) February borrowing, and the school figures. Ms. Gibson reminded the Board that final numbers have to be endorsed at the 25 February meeting in order to get the budget to the Finance Committee for review.

The meeting was unanimously adjourned at 3:31 PM.

Approved the 16<sup>th</sup> day of September, 2009.