

## SELECT BOARD

Minutes of the Meeting of January 16, 2019. The meeting took place in the Public Safety Facility Community Room, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Board present were Jason Bridges, Matt Fee, Rita Higgins, Dawn Hill Holdgate, and James R. Kelly.

### I. CALL TO ORDER

Chair Bridges called the meeting to order at 6:02 PM.

### II. SELECT BOARD ACCEPTANCE OF AGENDA

### III. ANNOUNCEMENTS

1. Town Manager C. Elizabeth Gibson announced that the Select Board meeting is being video/audio recorded.

2. Ms. Gibson announced that the Town Offices will be closed Monday, January 21, 2019 in observance of Martin Luther King, Jr. Day.

### IV. PUBLIC COMMENT

Tobias Glidden commented that he has been working with Energy Coordinator Lauren Sinatra on his citizen warrant articles for the 2019 Annual Town Meeting and hopes the Board will allow a presentation on Green Communities soon.

### V. NEW BUSINESS

Chair Bridges noted that approval of minutes will be tabled from tonight's agenda.

### VI. APPROVAL OF MINUTES, WARRANTS AND PENDING CONTRACTS

1. Approval of Minutes of January 9, 2019 at 6:00 PM. This item has been tabled from tonight's agenda.

2. Approval of Payroll Warrants for Week of January 13, 2019. Mr. Kelly moved to approve payroll warrants for the week of January 13, 2019; Mr. Fee seconded. All in favor, so voted.

3. Approval of Treasury Warrants for January 16, 2019. Mr. Kelly moved to approve treasury warrants for January 16, 2019; Mr. Fee seconded. All in favor, so voted.

4. Approval of Pending Contracts for January 16, 2019 - as Set Forth on the Spreadsheet Identified as Exhibit 1, Which Exhibit is Incorporated Herein by Reference. Mr. Kelly moved to approve pending contracts for January 16, 2019; Mr. Fee seconded. All in favor, so voted.

### VII. TOWN MANAGER'S REPORT

1. Continued Review of Preliminary Draft 2019 Annual Town Meeting and Election Warrant, with Potential Action on Warrant Articles, Including but not Limited to: a. Warrant Article(s) Pertaining to New Short-term Rental Tax; b. Transportation Improvement Projects in Old South Road and Milestone Road Corridors.

Ms. Gibson reviewed updated information for the 2019 Annual Town Meeting (ATM); noting that she has met with Planning Director Andrew Vorce, Public Works Director Rob McNeil and Transportation Planner Mike Burns, as to a recommendation about transportation improvements in the Old South Road corridor as discussed by the Board last week. She reviewed a recommendation to the Board to seek appropriation through a debt exclusion for a roundabout at the Fairgrounds Road/Old South Road intersection, with other

improvements on Old South Road between Amelia Drive and the Rotary, on Fairgrounds Road from Old South Road to Newtown Road, and, on Newtown Road. Ms. Gibson also noted a recommendation for a warrant article to confirm local support of state-funded improvements to Milestone Rotary and Milestone Road. Ms. Hill Holdgate spoke in support of the two articles. Chair Bridges concurred and added the projects support elements of the Board's strategic plan. Mr. Fee said he supports the articles as well; however, he would like to see traffic modelling as he is concerned that this will not solve the central issue of traffic congestion downstream. Mr. Kelly spoke in support of the articles. Ms. Higgins said she supports the recommendation because it will improve safety for pedestrians and bicyclists. Ms. Gibson noted that traffic modelling has been discussed and there is a proposed expenditure in the FY 2020 capital plan for this. Mr. McNeil noted that on March 7, there will be a public information session on improvements to Amelia Drive. Mr. Kelly moved to approve the recommendation from Town Administration to add the two articles to the 2019 ATM warrant; Ms. Hill Holdgate seconded. All in favor, so voted.

Ms. Gibson noted that she along with Assistant Town Manager Gregg Tivnan and Town Counsel Attorney John Giorgio attended a Cape Cod Manager's meeting last week where members of the state Department of Revenue (DOR) reviewed the recently enacted short-term rental tax legislation and they indicated that there is currently no definitive determination as to Nantucket's inclusion in the Cape & Islands Water Protection Fund other than a general understanding that if the Department of Environmental Protection (DEP) certifies that Nantucket meets the criteria for inclusion, then Nantucket is eligible for inclusion. Mr. Giorgio stated that the exact mechanism by which Nantucket would be included remains unclear. Chair Bridges noted that Senator Julian Cyr contacted him about this and agreed there is no final determination right now. Finance Director Brian Turbitt reviewed a chart with various assumption scenarios for the projected revenue with differing short-term rental tax percentages; noting that reducing the tax to 3% would likely bring in less revenue than is currently received for the room occupancy tax. He reminded the Board that these numbers are only estimates. Ms. Hill Holdgate stated that she supports a 4% tax. Mr. Kelly concurred. Ms. Higgins expressed her opinion that short-term rentals are a business, like bed and breakfast establishments or hotels which currently have a 6% local tax. She noted her understanding that most towns on the Cape are going proceeding with the 6% tax, not lowering it. Chair Bridges said he supports a 6% local tax. Attorney Giorgio answered questions from the Board regarding the allocation of the tax to fund housing or/and transportation projects. Ms. Hill Holdgate said she feels the community is in favor of a reduction from 6%. Attorney Giorgio explained that bringing an article to town meeting to reduce the tax from 6% to 4% has a risk because it could be amended during the meeting. Lengthy discussion followed among the Board members. Mr. Fee said he does not feel comfortable supporting 6% until he knows how it will be allocated. Ms. Higgins said that she believes short-term rentals are costing the Town in terms of infrastructure and services, but the Town is not capturing revenue for that cost. Ms. Hill Holdgate said she believes if the tax is too high it will be detrimental to the island's economy. Mr. Kelly said he does not agree that renters have a bigger impact on the island than residents do. Mr. Kelly moved to put forward a 2019 ATM warrant article to adopt 4% for the room occupancy/short-term rental tax; Mr. Fee seconded for discussion. Ms. Higgins commented that property owners are renting their properties as a business. After some discussion, Mr. Kelly retracted his motion.

Several members of the public commented and asked questions about the timeframe of implementation. Brian Sullivan, Chair of the Affordable Housing Trust (AHT), property owner, and real estate broker, stated that he supports the 6%, stating that renters are a greater demand on the island than residents. AHT Vice Chair Brooke Mohr said that she also favors a 6% tax. Mr. Turbitt noted that the actual implications of reducing taxes are an unknown and depending on the percentage, there is a potential that DOR could require the Town to reduce its budget if revenue projections are such that anticipated revenue is lower than

with the current 6% room occupancy tax. Several residents present including Ken Beaugrand, Lauren Sinatra, Curtis Barnes, Penny Dey spoke against the short-term rental tax being 6%. After a further discussion, Mr. Kelly moved to put forward a 2019 ATM warrant article to adopt 4% for the room occupancy/short-term rental tax; Ms. Hill Holdgate seconded. Some discussion followed as to allocation of the revenue from the tax proceeds. So voted, 3-2. Chair Bridges and Ms. Higgins opposed. Attorney Giorgio noted that if a percentage other than 6% is approved at town meeting, that percentage cannot be changed by town meeting for the next 12 months.

Ms. Hill Holdgate left the meeting at 7:21 PM and returned at 7:22 PM.

Ms. Gibson continued reviewing the outstanding warrant articles previously discussed by the Board. The Board discussed an article for a noise bylaw amendment to prohibit external noise between 8 pm and 7 am, rather than the current 10pm and 7am. Some discussion followed as to the specific wording and the Board agreed to revisit this next week. Mr. Turbitt spoke on a proposed article for the Airport. Ms. Gibson the proposed capital project articles with debt exclusions; noting the Select Board will have a joint meeting with the Capital Program Committee and Finance Committee next week regarding the Capital Program Committee's report on FY 2020 proposed projects. Mr. Turbitt spoke on an article to fund \$5,000,000 for affordable housing for the Affordable Housing Trust. Ms. Hill Holdgate expressed support. Ms. Higgins concurred. Community Preservation Committee (CPC) Chair Ken Beaugrand spoke in favor of the proposal in which the \$5m would be borrowed and paid back with CPC funds. Mr. Fee moved to approve an article for this purpose; Mr. Kelly seconded. All in favor, so voted. The Board discussed the order of the warrant articles and how to improve citizen attendance at town meetings.

Mr. Kelly left the meeting at 7:44 PM and returned at 7:46 PM.

## 2. FY 2020 Enterprise Fund Budget Reviews: Sewer; Solid Waste; Our Island Home; Wannacomet Water and Siasconset Water; Airport.

Sewer Director David Gray noted that Sewer has a few proposed expense increases including safety training, and personal safety and protective equipment.

On the Solid Waste Enterprise Fund, Mr. McNeil expects a projected revenue drop. He reviewed expenses; noting that the department is focusing on examining the waste stream and ways to reduce it. Mr. McNeil answered questions from the Board.

Our Island Home (OIH) Administrator Brett Lennerton noted staffing issues and recruitment is constant and answered questions from the Board. Mr. Turbitt noted that DOR has concerns about OIH funding for next fiscal year, as does he.

Wannacomet Water Company Manager Mark Willett reviewed expenditures, noting that about 150 old water meters need to be replaced. He mentioned there has also been an increase in professional services. Mr. Willett also reviewed the Siasconset Water Enterprise Fund projections for FY 2020. Mr. Willett answered questions from the Board.

Nantucket Memorial Airport Manager Tom Rafter noted that revenues are up and expenditures slightly down in comparison to the previous fiscal year. Mr. Rafter answered questions from the Board.

3. Review Valet Parking Options for 2019. Ms. Gibson noted that since this agenda item was put on the agenda, a possibility has arisen that National Grid's Candle Street lot may be available this summer for valet parking. She noted that there are discussions about this between Town Administration and National Grid. The Board reviewed some of the other possible options laid out in the Board's packet.

## VIII. SELECT BOARD'S REPORTS/COMMENT

### 1. Committee Reports.

Ms. Higgins gave an update on yesterday's AHT meeting where the Trust's strategic planning effort was finalized, and a plan is expected to be approved at the Trust's next meeting. Ms. Higgins gave an update on the Marijuana RFQ Review Committee meetings and next steps for this group. Ms. Gibson answered questions from Mr. Kelly regarding the site control for both applicants. Attorney Giorgio noted that one of the applicants has been requested to provide further evidence of their site control and answered questions from the Board.

Mr. Fee spoke on a recent Boston Globe article pertaining to a luxury home sales tax under consideration in Boston. He reviewed a recent trip he took to Colorado and his observations about traffic control measures there, including the use of a gondola in Telluride which has dramatically decreased vehicle trips.

Chair Bridges noted that on January 31, 2019, the Dreamland Theatre is hosting a "Nantucket 2030" vision session for the Board members and the public.

Chair Bridges also spoke on website accessibility and noted that Nantucket's website is in full compliance.

## XII. ADJOURNMENT

The meeting was unanimously adjourned at 8:33 PM.

Approved the 30<sup>th</sup> day of January, 2019.

**SELECT BOARD**  
**JANUARY 16, 2019 – 6:00 PM**  
**PUBLIC SAFETY FACILITY COMMUNITY ROOM**  
**4 FAIRGROUNDS ROAD**  
**NANTUCKET, MASSACHUSETTS**

List of documents used at the meeting:

- VI. 4. Pending contracts for 1/16/2019
- VII. 1. Updated outline #6 for 2019 ATM; draft 2019 ATM/ATE warrant; short-term rental tax warrant article; updated Milestone & Old South Roads improvement projects
- VII. 2. FY 2020 enterprise fund budget reports for: Sewer; Solid Waste; Our Island Home; Wannacomet Water Company; Siasconset Water; Airport