



Town of Nantucket Finance Committee

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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, June 2, 2020

*This meeting was held via remote participation using ZOOM and YouTube,
Pursuant to Governor Baker's March 12, 2020 Order Regarding Open Meeting Law*

FinCom called to order at 2:07 p.m. by Mr. Maury

Staff in attendance:	Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Alexandria Penta, Financial Analyst
Attending Members:	Kronau, Maury, Grause, Roche, Schaeffer, Glowacki, Harrington
Absent Members:	McEachern, Vieth
Late Arrivals:	Harrington, 2:11 p.m.; Kronau, 2:18 p.m.
Early Departure:	Roche, 2:29 p.m.; Glowacki, 3:14 p.m.
Speakers:	Sarah Alger, Sarah F. Alger P.C., Town Moderator
Town Counsel:	John Giorgio, K&P Law P.C.
Documents used:	Revised Town Warrant for 2020 Annual Town Meeting (ATM); draft minutes as listed below

I. ANNOUNCEMENTS AND APPROVAL OF AGENDA

Action	Motion to Approve. (made by: Schaeffer) (seconded)
Vote	Carried unanimously

II. PUBLIC COMMENT

1. None

III. DISCUSSION/APPROVAL OF MINUTES

1. December 3, 2019
2. December 8, 2019
3. December 7, 2019
4. January 21, 2020
5. January 30, 2020
6. February 2, 2020
7. February 4, 2020
8. February 10, 2020
9. February 13, 2020
10. February 18, 2020
11. March 2, 2020
12. April 14, 2020
13. May 12, 2020
14. May 21, 2020

Action	Motion to Approve as amended. (made by: Roche) (seconded)
Roll-call Vote	Carried unanimously//Roche, Schaeffer, Glowacki, Grause, Harrington, and Maury-aye

IV. DELIBERATION AND RULING ON AMENDED ARTICLES

Gibson – Working out how to present the previous motions against the new motions. The Select Board agreed that no articles associated with ballot questions will be taken up at ATM. A new warrant, which was pared down to 28 articles, is being printed and a letter will go to the voters explaining the changed motions.

Discussion – About how to handle articles that are being passed over: call all uncalled articles; motion to pass over all the non-essential called articles; discussion and vote on essential articles called.

Ms. Alger will do the traditional reading of the articles; those that are not called will be voted on as a group. She will then take a motion to pass over all the non-essential called articles. That would leave only called essential articles to be discussed individually. The pass over vote is a simple majority.

Gibson – There has been a lot of discussion about the ballot questions, which are time sensitive; the Select Board decided it is all or none and decided on none at this time. Hopefully, they can be taken up in the Fall.

1. Article 4 (Revolving Accounts: Spending Limits for FY2021)

Discussion Gibson – We are waiting for the Airport Revolving Account funds.

Turbitt – Reduction in spending authorization limit for the Fuel Revolver Fund to \$2m

2. Article 6 (Fiscal Year 2020 General Fund Budget Transfers)

Discussion Gibson – Trying to wait as late as possible on this for any last-minute end-of-year transfers.

Turbitt – He recommends holding for the revised motion to the June 23 ATM.

3. Article 8 (Appropriation: FY2021 General Fund Operating Budget)

4. Article 15 (Appropriation: Fiscal Year 2021 Enterprise Funds Operations)

Discussion Turbitt – These two can be done conjunction with each other. We can't use levy capacity for Our Island Home (OIH); one alternate solution is to use free cash. In the past, we've withheld \$3.1m, which is normally transferred to OIH through the normal levy capacity; the \$3.1m levy capacity falls within Proposition 2½ and would be used fund the majority of the shortfall that we would be funding with free cash. This would unlock the majority of free cash that would be used in Article 8 to balance the budget for a funding source along with retained earnings to close the gap rather than the override, which will not go to the ballot.

Articles 8 & 15 final motions can be made after June 3 Select Board meeting. This solves the problem of using 60% of the free cash. If the Select Board accepts his recommendations, FinCom will have to adopt the motions in advance of ATM.

Gibson – The overriding concern is that if any ballot questions pass, some would necessitate extensive discussion at Town Meeting when we are trying to keep the meeting short. A second concern, is the consideration to alleviate as much financial burden on the tax payer as possible. If the override passes the ballot, it can go to the next Town Meeting.

Giorgio – You could carry the discussion to another Town Meeting.

Alger – There is the possibility that this article would not be called. Asked about doing a technical amendment.

Turbitt – After the Select Board meeting, there will have to be a FinCom meeting to adopt the recommended revised motions. That would preclude the need for a technical amendment.

Giorgio – If these are not called, it is the technical amendments that will be voted. If they are called, you have to vote on them because they are essential articles. A technical amendment is a substitute motion different from what was printed in the warrant.

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

Discussion Turbitt – We have stricken all capital exclusion from the revised motion. Also struck the majority of free cash except that related to I/T or technology and efficiency. Kept the school \$150,000 for technology, \$100,000 I/T network infrastructure, \$75,000 for server virtualization, \$62,800 for replacement of Town printers and computer, and \$250,000 for town-wide document management solution. The recommended change is funding of \$2,113,800; source funds are: \$637,000 free cash, \$346,000 transferred from Article 10 of 2015 ATM, \$100,000 from ambulance reserve, and \$1,030,000 borrowing authorization within the levy limit.

6. Article 16 (Appropriation: Enterprise Funds Capital Expenditures)

Discussion **Turbitt** – This has a substantial addition associated with the cost of the new force main from Sea Street Pump Station. We made the final cut for the Intended Use Plan for SRS funding; typically, the funding source needs to be identified and approved by June 30th; Given the timing and trying to add a \$32m article to the warrant in time for an April ATM, the Department of Environmental Protection (DEP) had agreed to an extension to Fall. In the event we don't have a Fall meeting, we have to ask for this now or be removed from the Intended Use Plan and reapply in October.

Grause – Let's go for this.

Turbitt – Reviewed other minor changes to Sewer project funding.

7. Article 17 (Enterprise Funds: Fiscal Year 2020 Budget Transfers)

Discussion **Turbitt** – This has the same discussion points as Article 6.

Gibson – That's it for articles with revised motions; all the rest would be 'Take No Action.' The Select Board will review all this again at the June 3rd meeting. Two Town Meeting Forums have been scheduled: June 9th at 5 p.m. and June 18th at 5 p.m.

Glowacki – Suggested noting in the letter that we don't need a quorum, so people don't feel pressure to show up.

Kronau – Asked if FinCom is required to have a quorum at ATM.

Gibson – Yes, in the event you have to vote on something.

Kronau – Asked if that could be done that morning with the caveat members don't have to stay.

Glowacki – It would be nice for FinCom to set the example of not going.

Gibson – Could keep it to five members rather than all nine. It's rare that FinCom has to vote during ATM.

Harrington – He plans on attending.

Turbitt – You will vote on Articles 8 and 15 on June 4th and Articles 6 and 17 on June 23rd.

Motion **Motion to Approve the revised motions for Articles 4, 10, & 16 as sent to the Committee.**
(made by: Harrington) (seconded)

Roll-call Vote Carried unanimously//Glowacki, Schaeffer, Maury, Harrington, Grause, and Kronau-aye

V. DELIBERATION AND VOTE ON THE APPROPRIATION FROM THE RESERVE FUND FOR THE GRANT TO NANTUCKET COTTAGE HOSPITAL (NCH)

Discussion **Kronau** – The Select Board has asked us to reconsider our early vote supporting the appropriation for the Hospital; rescinding the early \$361,800 for \$100,000.

Discussion on the motion.

Schaeffer – Doesn't understand why Nantucket is paying for a Mass Gen study. A big donation was made. He has no problem with increasing testing.

Kronau – This is for PCR testing only for people on Island. Funding is not needed for the serology testing. The \$100,000 doubles the previous commitment to the PCR testing.

Gibson – The anonymous donor provided funding for half with the idea the balance would come from private donations.

Maury – The \$100,000 does not pay for voluntary testing; it allows anyone who wants to be tested to be tested.

Motion **Motion to Reconsider the previous appropriation.** (made by: Maury) (seconded)

Roll-call Vote Carried 4-1//Glowacki-recused; Schaeffer-nay; Grause, Harrington, Maury, and Kronau-aye

Motion Motion to Appropriate \$100,000 for PCR testing. (made by: Maury) (seconded)

Roll-call Vote Carried 4-1//Glowacki-recused; Schaeffer-nay; Grause, Harrington, Maury, and Kronau-aye

VI. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, June 4, 2020 at 12:00 p.m.

VII. COMMITTEE REPORTS & OTHER BUSINESS

1. None

Motion to Adjourn FinCom at 3:20 p.m. (made by: Maury) (seconded)

Vote Carried unanimously

Submitted by:

Terry L. Norton