

ADVISORY COMMITTEE OF NONVOTING TAXPAYERS
Notes of meeting 10 A.M., SATURDAY, September 5, 2020 via Zoom

1. Attending members: Kathy Baird, Lou Bassano, Gary Beller, Bill Gardner, Don Green, Peter Halle, Peter Kahn and Bill Sherman; Brian Turbitt, (Director, Municipal Finance) and Denice Kronau (Chair, Finance Committee) were our guest speakers. Members absent: Howard Blitman, Sue Matloff, Mary Russell.
2. Chair Gary Beller opened the meeting at 10:04 a.m., declaring a quorum present and read the script for Zoom meetings provided by the town. Proposed agenda for today's meeting and minutes for the August 22, 2020 meeting were approved by roll call vote.
3. Gary introduced our guests and explained the role of our committee and our desire to be heard on town policy and financial matters. Denice Kronau explained the role of the Finance Committee as an advisory board to the Select Board and Town Finance Department, consisting of 9 members, serving 2 years each. Their main role, (taking 65% of their time and meeting 4 times per week during the budget cycle) is to review all warrant articles and make recommendations to the town (adopt, do not adopt or no comment) on those warrants. They also partner with the Capital Committee, providing oversight to major capital projects and also support the Nantucket County financial review. Denice then introduced Brian Turbitt, commending him for his integrity, talent and dedication to his role as the Director of Finance.
4. Brian began by stating that the close out of the FY20 fiscal year was looking good as the major sources of revenue prior to the end of the state fiscal year (June 30) came in as planned, despite the impact of COVID-19. The town transitioned to a remote work scenario during the shutdown and moved quickly to reduce costs in anticipation of COVID-19 impact on revenues such as excise, room and meals taxes and permits and fees for construction. With the postponement of the Annual Town Meeting, the entire town budget was re-worked under the anticipated loss of up to \$6M in revenue due to the pandemic. For example, revenue from rooms and meals tax was reduced by 60%, permit income was reduced as construction was shut down/delayed and a loss of \$880K in state aid was anticipated since state revenues were also impacted by the pandemic. Brian noted that more recently, the state has committed to level fund state aid from the prior fiscal year so that negative impact will not be realized and this will reduce the property tax

levy for the town this year. The state also delayed the due date for remittance of the rooms and meals tax until October and there may also be some up-side there as the summer season may turn out somewhat better than expected earlier in the spring. There were some staff cost reductions as well. Brian then explained the status of the various Enterprise Funds such as the Airport, Sewer, Waste Options and Our Island Home (OIH). These funds operate independently and receive no subsidies from the town. The Airport Fund received additional support from the FAA under the CARES Act. Brian explained the recent change to a more appropriate funding model for OIH which included passage of a permanent budget override of \$5M annually which removes it from the annual budget cycle. However, since the scheduling of the ATM and the ballot were reversed, the permanent override will need to be proposed and passed again next year.

5. Gary asked about the breakdown of the \$143M revenue (including the Enterprise Fund) shown on a FY2019 financial chart. Brian indicated there was \$80M in the tax levy from approximately 9,000 tax bills sent out, with about 2,500 to year round residents at a 25% discount (\$6.8M in savings to those taxpayers). Brian noted that 72% of the bills are sent to non-resident taxpayers and those payments account for 88% of the property tax receipts. The remainder of the revenue is \$52M in general fund receipts that include motor vehicles, excise, state funds and permit fees. The tax levy is calculated using the expected costs minus the expected general fund sources. Brian committed to sending ACNVT the information for the 2021 tax levy when it is available.
6. Gary then asked how non-voting taxpayers could provide input on town financial matters, especially since most of the activity takes place in the off-season when ACNVT members are not on-island. Denice explained that she had been a non-voting taxpayer for 18 years and was aware of many of our concerns and that the Finance Committee meetings were all open to the public so we were welcome to attend or perhaps set up a more formal means of connecting. In addition to reviewing the warrant articles, one of their main functions is also to review the town budget in detail.
7. Lou stated that ACNVT members wanted to be heard in tax matters and asked if there was any tax relief for residents who have been out of work due to the pandemic. Brian indicated there were no special rules in place on Nantucket but that some towns did set

aside 2-3% in reserve. Nantucket has approximately \$30M in reserves with the usual expectation to collect 97.5-99% of the taxes due by the end of June. Since 93-94% of taxes due had been paid this past fiscal year, the town was not overly concerned as the anticipated impact had been predicted to be much larger. Lou then asked if there was any state review of town budgets and Brian indicated there was not although independent audit and internal reviews do take place. The state does review and approve the tax levy for each town and Moody's AAA rating of Nantucket bonds is a good indicator of the financial health of the town.

8. Peter Halle noted that the tax rate on Nantucket was the lowest of any places he has lived and asked how ACNVT could weigh in during the warrant review. Denice noted that anyone could attend the public warrant review meetings (currently on Zoom) which typically run from mid-December (first pass) with 3-4 meetings per week in January and sponsors invited to speak to their warrants. Peter also noted that ACNVT has requested to continue the use of Zoom meetings and offered our support in continuing them for all of the public town meetings even after it is safe to meet in person. Brian also noted that ACNVT members should feel free to call or email him anytime with any questions or concerns we may have.
9. Don asked if the town had furloughed any staff during the pandemic and Brian noted that they had not. Town employees are all part of a union and that the savings in staff costs were largely in not filling open positions and reductions in healthcare premiums for all employees.
10. Peter Kahn asked if the Enterprise Funds were all self-sufficient. Brian indicated that the Airport Fund normally makes a profit that stays with them and carries them through negative revenue times like these and that they use their profits to pay down loans for large capital projects. Brian indicated that although he had no opinion on whether or not the town should operate OIH, he did feel it was his responsibility to ensure it was funded correctly, thus the funding model change he explained earlier. He indicated that the town tended to 'vote its values', resulting in the vote to keep it under town operation and that Rachel Day would be able to provide us more information at our next meeting. Denice requested to be kept informed of ACNVT future meetings so she could attend and Kathy committed to adding her to the list of invitees.

11. Gary thanked our speakers for sharing their morning with us, providing so much information and inviting us to participate in their future work.
12. Gary spoke to the next topic on the agenda regarding Noise Abatement, highlighting the current ordinance and members shared their concerns for the long hours where construction and landscaping noise were permitted (8AM-10PM during even during the summer season). There was a discussion regarding how/if the town was able to measure decibel levels to support enforcement and suggesting that perhaps the ordinance could be expanded to require 'quiet' air conditioners and pool pumps be installed in new or replacement situations. Gary noted that in some neighborhoods on the mainland, outdoor construction was not permitted during the high season. Don noted that perhaps noise issues with neighbors could be best dealt with by talking to them ahead of time (for an event or party). Bill Sherman moved that ACNVT write a letter to the Select Board with our concerns and suggestions and that an ad hoc committee be formed on this topic on which interested ACNVT members would sit, Peter Kahn seconded and the motion passed via roll call vote.
13. Gary noted that our next meeting in three weeks, on September 26 features our confirmed speaker Rachel Day (Assistant Town Manager, Diversity and Inclusion Initiative Lead and Our Island Home). Gary encouraged members to submit questions to him for Rachel ahead of time, if at all possible. It was further agreed that a discussion on extending invitations to future speakers and our winter meeting schedule will also take place at that meeting.
14. Topics for future meetings remained as follows:
 - Update on Harbor Place and related transportation issues
 - Update on paid in-town parking, demand management parking
 - Status of Town alternative energy and energy efficiency initiatives and National Grid response regarding delaying or foregoing third seabed power cable from the mainland (with Lauren Sinatra), also Nantucket PowerChoice
 - Continuing updates on recommendations of TGSC for charter, other Town government changes
 - Reporting of CRAC findings, recommendations
 - ACK NOW – potential Short term rental limitations

- Research construction ordinances by town or other neighborhood associations to deal with excessive noise

15. There was a motion, seconded and approved by roll call to adjourn the meeting. The meeting was adjourned at 11:34a.m.

Respectfully submitted,

Kathy Baird, Secretary

The following is the url for the recording of this meeting.

<https://www.youtube.com/watch?v=106TZjcF-10>