



Town of Nantucket Finance Committee

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Committee Members: Denice Kronau (Chair), Joseph T. Grause Jr. (Vice-chair), Jeremy Bloomer
Chris Glowacki, Steve Maury, Joanna Roche, Peter Schaeffer, Jill Vieth

~~ MINUTES ~~

Tuesday, November 15, 2022

This meeting was held via remote participation using ZOOM and YouTube.

Called to order at 4:00 p.m. and announcements made by Ms. Kronau

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Mariya Basheva, Financial Analyst
Attending Members: Kronau, Maury, Bloomer, Glowacki, Roche, Schaeffer, Vieth
Absent Members: Grause
Late Arrivals: Vieth, 4:03 pm; Roche, 4:05 pm
Early Departures: Maury & Glowacki, 4:13 pm
Documents used: Draft FinCom minutes September 13, 2022; Annual Town Meeting (ATM) 2023 schedule

Adoption of Agenda

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

Roll-call Vote Carried 6-0//Schaeffer, Vieth, Glowacki, Maury, Bloomer, and Kronau-aye

I. PUBLIC COMMENT

1. None

II. APPROVAL OF MEETING MINUTES

1. September 13, 2022

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

Roll-call Vote Carried 7-0//Schaeffer, Vieth, Glowacki, Bloomer, Maury, Roche, and Kronau

III. REVIEW ANNUAL TOWN MEETING TIMELINE AND FINCOM CALENDAR

Kronau – Our 1st public hearing is December 15th for citizen warrant articles. 26 Citizen articles are being verified by Town Counsel and will go to Town Administration after that. We will have a joint meeting with the Select Board during their December 7th meeting. Town meeting starts at 8:30 am May 6th. Most meetings will be in the trailer at 131 Pleasant Street with the public hearings at the Community Room at the Public Safety meeting. The meetings will be hybrid.

Basheva – There are several dates that no meeting space was available so the meetings will be via ZOOM: January 17, 2023, and February 21, 2023 and one meeting in March.

Gibson – It might be helpful to add the location to the schedule and note that it's hybrid.

Kronau – She will invite Citizen Warrant Article sponsors to attend on specific dates.

IV. DISCUSSION AND REVIEW ON MAKING RECOMMENDATIONS FOR ATM WARRANT ARTICLES

Kronau – There will be a few repetitive articles; with those articles, we can discuss the difference from last year and so not spend an excessive amount of time on those articles.

V. INPUT FROM FINCOM MEMBER FOR SHORT-TERM RENTAL (STR) WORKING GROUP

Schaeffer – The Working Group has been having meetings and discussions, which are going slow. There is pressure to have town-sponsored article ready for Town Meeting. ACKNow has reneged on their original promise that they would support whatever the group decided, and they plan to present their own article at ATM. He's interested in people's opinions.

Kronau – The idea is that Mr. Schaeffer can present the range of opinions of FinCom members.

Roche – She thinks there should be some sort of control on STRs. She was hoping the Working Group would start focusing on the issues and where the disagreements lie. She attended a few meetings, and there seemed to be a lot of territorialism and posturing; she had hoped to get to the point of actual opinions and build a consensus. The control of this should be centered around preventing losses and zoning options. She's also curious about fractional ownership. Asked if this group could coalesce and be effective.

Schaeffer – ACKNow has filed 3 lawsuits against people who rent their Nantucket houses. The impact of that would be across the State. Fractional ownership is essentially a duplex; he thinks they will be insulated. He thinks it will be very hard for the Working Group to have a conclusion in time for ATM.

Vieth – She wonders what the problem is we are trying to solve and what data supports displacement of year-rounders from homes and purchasing. Knowing that would influence her. Also asked what the ground cover of the Island compared to the increase in conservation land. She thinks conservation land has gone up over the last 10 years; she feels that drives up the market as well. She also questions placing a deed restriction some properties from being rentals; she wonders how that would hold up. She wonders also about the cost to the Town to regulate STRs.

Schaeffer – A lot of this information is to be forthcoming. The Granicus study never bothered to check with real estate agents thinking all our rentals are done online. ACKNow said this would help affordable housing; he's waiting to hear how this would do that. Thinks much of the objections come from "not in my backyard." There's a lot of bad information out there. Deed restrictions are a different problem that would need to be addressed.

Bloomer – His take on this is that we first need to define the problem; once you do that you can get the data to support it. Lastly what is FinCom's role to be effective. What he constantly hears is topics and anecdotes that distract from the root cause or issue. Asked what we can do that could be effective.

Schaeffer – FinCom's role is to offer opinions. No one is waiting for a document. The problem and data was brought up some time ago. One issue is the congestion on the roads and the other issue is the impact on the Nantucket Fire Department. We can't restrict cars, and he got shut down regarding requesting every pool have an attachment that the NFD can plug into. He asked if things could be grandfathered and he was told that would be very hard to get passed.

Vieth – As she recalls, the reason we are discussing this is because ACKNow claimed STRs were displacing year-round residents and causing density, traffic, and noise problems. That can't be ignored. If what they claim isn't verifiable, you have to reassess why "we're here" and get the data.

Kronau – FinCom is discussing it because we will see the warrant articles regarding this. With that, we're here to learn what each other thinks; then during review of the articles, we can look for status and input regarding our recommendations. We act as the County Commissioner Finance Committee; we offer an opinion on every warrant article; she participates on the Town Audit Committee; and lastly, we can write letters to the Select Board on subjects which we feel are of financial interest and should be addressed.

Roche – We have talked about STR outside of ACKNow; it's come up in Affordable Housing discussions. It's also come up around resource depletion. It's hard to look at this in one "tunnel."

Kronau – She still thinks of them as seasonal rentals over STRs. She thinks we need to find a sensible way to regulate in a way that supports quality of life. Also, there's a component of people who bought a house knowing they could do that and now can't so a person can't support their lifestyle. A lot of multi-generational residents rent their houses in the summer, so they have money to cover their expenses. She thinks this topic will stay with us for several iterations; we are an Island, and you can't drive away from it. Some problems trying to be solved aren't connected in a capital market; if we stop seasonal rentals tomorrow, those houses won't necessarily become year-round rentals.

Schaeffer – If we were to come up with a licensing process, the difference in value between a rentable house and non-rentable house is 25%; that select pool of rentable houses becomes a real problem.

Bloomer – We are all trying to define a problem with no data; all we have are myths. An anecdotal impact from a taxi driver, people here for weddings are renting affordable housing rentals; they know because they are picking them up. That's the sort of data we don't have.

Roche – Asked why grandparenting is off the table.

Schaeffer – No one agreed with him. We have no solid statement of where we want to go. For him, grandparenting would give us a starting point.

VI. COMMITTEE REPORTS

1. Capital Program Committee: Vieth
2. Contract Review Committee: Roche
Discussion about Host Community Benefits (impact fee) from the Island marijuana dispensaries and the possible impact on substance abuse addiction treatment.
3. Our Island Home/Senior Center Committee: Schaeffer

VII. NEXT MEETING

Date: Wednesday, December 7, 2022; @ 6:00 p.m.: Joint Meeting with Select Board
Thursday, December 15, 2022; @ 4:00 p.m.: Citizen Warrant Article Public Hearing

VIII. OTHER BUSINESS

None

IX. ADJOURNMENT

Motion **Motion to Adjourn at 5:03 pm.** (made by: Schaeffer) (seconded)
Roll-call Vote Carried 5-0//Schaeffer, Vieth, Bloomer, Roche, and Kronau-aye

Submitted by:

Terry L. Norton