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, Peter McEachern, Joanna Roche, Peter Schaeffer, Jill Vieth

MINUTES
Tuesday, February 9, 2023
ZOOM – 4:00 p.m.

Called to order at 4:00 pm. by Ms. Kronau.

Staff in attendance:	Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Susan Carmel, Assistant Director Finance; Mariya Basheva, Assistant Town Accountant
Attending Members:	Kronau, Bloomer, Maury, Schaeffer, Vieth, Roche, Grause, Glowacki
Absent Members:	McEachern
Documents used:	Draft minutes, as listed; Proposed ARTICLEs for Review and Consideration

I. APPROVAL OF AGENDA

Motion	**Motion to Approve.** (made by: Schaeffer) (seconded)
Roll-call Vote	Carried 8-0//Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

II. PUBLIC COMMENTS

Kronau called for public comments. (None)

III. APPROVAL OF MINUTES

Motion	**Motion to Approve Meeting Minutes from January 17, 2023.** (made by: Schaeffer) (seconded)
Roll-call Vote	Carried -0//Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

IV. REVIEW, DISCUSSION AND POTENTIAL ADOPTION OF MOTION FOR THE FOLLOWING TOWN MEETING WARRANT ARTICLES:

1. Article 30 **Select Board** **Appropriation: Other Post-Employment Benefits Trust Fund**

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- Article 30 discusses the contribution to the Other Post-Employment Benefits (OPEB) Trust Fund, which has been made annually since 2013.
- For this year, the Town Administration recommends a consistent contribution of $500,000.
- This amount is to be raised and appropriated from the tax levy and other general revenues of the town.
- The transfer of funds is planned for July, after the annual town meeting, contingent on the successful approval of the article.
- Question raised about the current unfunded liability of Nantucket's portion of the Barnstable plan.
- Clarification given that the inquiry relates to post-employment health insurance benefits, not directly tied to Barnstable.
- The town's unfunded liability with Barnstable County is reported to be $88 million.
- Barnstable County calculates the retirement system unfunded liability based on actuarial data from Siegel Associates.
- The town is the second largest participant in the Barnstable County Retirement System.

- The total unfunded liability is apportioned relatively by the percentage of each member group within the Brunswick County Regional Retirement System.
- The $88 million unfunded liability will be amortized to zero by the town by 2038, as per the plan adopted and approved for regional Retirement Systems by the Commonwealth.
- For the current year, the town is contributing half a million dollars towards this liability.
- Additionally, the town has created a trust fund to address other post-employment benefits (OPEB) related to health insurance, which is the town's sole responsibility.
- The unfunded liability for OPEB, specifically for health insurance, stands at $110 million, separate from the retirement unfunded liability of $88 million.
- There's an expressed comfort with the assumptions used for the unfunded health liability due to the town selecting its own advisor for the actuarial analysis, with specific reference to Article 30.

Motion: **Motion to Adopt.** (Made by: Schaeffer) (Seconded by: Roche)(00:06:06)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

2. Article 31 **Select Board** **Appropriation: Fiscal Year 2023 Senior Work-off Program**

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- The town has historically supported a program allowing seniors to work in administrative offices, performing tasks that are not considered normal union work.
- Participants in this program are compensated at minimum wage, and the earnings are applied against their property taxes.
- Historically, the program has been funded with $25,000 from the overlay surplus.
- The assessor has confirmed a $25,000 surplus, which is the necessary first step for funding the program.
- The town is seeking an affirmative vote to authorize the allocation of $25,000 to continue supporting this program for seniors.
- Some seniors prefer the flexibility offered by the program. They are limited to earning up to $1,000, as per the statute, which suits their needs or personal circumstances.
- Participation in the program provides personal satisfaction to some seniors. It's a preferred activity for those who wish to remain active without seeking more demanding employment.
- The program offers seniors an opportunity to continue interacting with people and stay informed about town activities, contributing to their social well-being.
- The primary financial benefit for participants is the application of their earnings, up to the cap, against their property tax bills. There are no additional financial benefits beyond the tax reduction.
- The program requires the physical issuance of a check to the participating seniors, which they either turn over to the town or is directly deposited back into the town's accounts. This process necessitates having an expense account to charge these transactions against.
- The allocation and movement of funds are necessary to manage the program's financial transactions properly. It allows the town to charge the cost of the program against a specific expense account.
- While the program could theoretically support up to 25 seniors maxing out at $1,000 each, actual participation does not typically reach this limit. Last year, about 9 or 10 seniors participated.

Motion: **Motion to Adopt.** (00:09:30)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

3. Article 32 | **Select Board for Airport Commission** | **Appropriation for Special Purpose Stabilization Fund for Airport Employee Accrued Liabilities**

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- Established to cover employee accrued liabilities, specifically for sick leave and vacation leave that could be paid out upon retirement, termination, or leaving of employment.
- The airport has historically contributed to this fund to build up resources to cover these accrued liabilities.
- This year, the airport is asking to take no action on the article related to this fund, meaning no contribution will be made this year.
- The fund is currently at approximately $600,000 to $700,000.
- The funds can only be used to cover employee accrued liabilities. If there's a need for a large payout, the airport would request to withdraw money from this fund at a subsequent town meeting to replenish their budget for that specific payout during the year.

Motion: **Motion to Take No Action.** (00:11:04)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

4. Article 33 | **Select Board** | **Appropriation for Special Purpose Stabilization Fund for Town Employee Accrued Liabilities**

Discussion: **Brian Turbitt, Director of Finance, provided the following overview:**

- At the previous town meeting, the town contributed $1.5 million to the fund.
- The fund currently stands at $1.5 million, indicating that there has been no need to use any of the funds since the contribution.
- The town officials feel comfortable with the current amount in the fund, considering it reasonable and sufficient to carry forward without additional contributions at this time.

Motion: **Motion to Take No Action.** (00:13:38)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

5. Article 34 | **Select Board for the Community Preservation Committee** | **Appropriation: Fiscal Year 2024 Budget Community Preservation Committee**

Discussion: **Ken Beaugrand, Chair of the Community Preservation Committee, provided the following overview and responded to questions:**

- This is the first year the process has come through the Select Board, allowing for extra time to manage applications and allocations.
- Contrary to expectations, there were fewer applications than anticipated, enabling the grant of the full amount requested in each application.
- The lower number of applications allowed for significant additional contributions towards bonds. Specifically, a fourth and fifth allocation were made towards the fund for interest and principle of a $5 million bond authorized in 2019, and a third allocation was made to cover the first year's interest and principle of a $1 million bond authorized by the 2022 Nantucket Town Committee.
- Part of the allocations was aimed at covering the anticipated costs of acquiring land.
- Due to the need to cover administrative office costs, it was ensured that the funds for this category came from the Community Preservation Fund surcharge, interest, and state matching funds.
- The total amount available for distribution was reported as $4,211,756.
- Case law allows for funding requests from religious organizations as long as the purpose is not for religious activities. The focus is on the secular use or preservation of the building rather than supporting religious functions.

- An instance was cited involving Saint Paul's Church, where funding was requested for roof flashing and structural maintenance. This was deemed appropriate because it pertained to the building's structural integrity, not its religious use.
- There is a significant amount of open space reserves due to difficulties in finding suitable projects. A mandatory allocation of 10% to the open space category was mentioned, emphasizing the challenge of project submissions.
- The definition of recreation has been expanded to include a broader range of projects, such as the tennis courts project at Hinsdale. This flexibility allows for a wider interpretation of eligible projects under the recreation category.
- The discussion highlighted a situation where there were no applications for open space funds, necessitating the statutory allocation to the open space category.
- There was uncertainty about the exact balance of the reserve accounts, but it was noted that the majority of funds are held in the reserve for a bond account, with a significant deposit made during the last town meeting. A general account with approximately a million dollars is maintained for emergency needs or to meet obligations under the act.
- The $5 million bond was indeed authorized at the 2022 meeting, confirming previous actions taken by the town.
- Despite the authorization, the town is responsible for covering the interest and carrying costs of these bonds annually for up to 15 years.
- Each year, the town makes payments towards the carrying costs of these bonds as part of its financial obligations.
- This year, the town has opted to make a double payment on the bonds. This proactive financial strategy is aimed at reducing the overall obligation period from 15 years to potentially 12.5 or 13 years, thereby alleviating the long-term financial burden more quickly.
- The town received over a million dollars from the state in the past year due to its allocation to the CPA. This is a notable increase from the previous year's $650,000 and similar amounts the year before that.
- The amount of money received from the state is a function of the amount the town allocates to the CPA fund. The trend indicates that the town has been receiving a significant return on its investment, benefiting the community.
- The decrease in the percentage of funds received from the state in recent years can be attributed to more communities participating in the CPA. This increased participation means the funds are distributed among a larger pool, reducing the percentage share for each community, including Nantucket.
- The entry of major cities like Boston into the CPA program has significantly affected the amount of money available for distribution.
- Despite the decreased percentage, the town still benefits from a substantial contribution from the state.

Brian Turbitt, Director of Finance

Regarding the CPA funds and state contributions over recent years provided a detailed overview of the trends and policy changes affecting these funds:

State Contributions Overview:

- FY 2021: Received $745,000 from the state for the CPA fund distribution.
- FY 2022: Received just under $1.2 million, marking a significant increase.
- FY 2023 (to date): Received $1,110,000, continuing the trend of substantial state contributions.
- Supplemental Distribution: It was noted that the FY 2022 figure of $1,197,000 included an initial distribution followed by a supplemental distribution, which was based on additional receipts into the fund.
- The sustained or increasing levels of funding, despite more communities participating in the CPA, are attributed to a policy change by Governor Baker's administration. A fee was added on property transfers through the registry, which increased the pool of money available for CPA

distributions. This policy aimed to prevent the dilution of funds as the number of participating communities increased.

- Since the implementation of the property transfer fee, there has been an upward trend in the amount of money received from the state for CPA purposes. This adjustment has helped ensure that communities continue to receive significant contributions, offsetting potential dilution effects.

Beaugrand

Addressed concerns and clarifications regarding the use of $800,000 from undesignated reserves, juxtaposed with the town's ability to make an extra payment on outstanding bonds:

- The utilization of $800,000 from undesignated reserves was likened to dipping into a savings account, raising questions about the town's financial strategy.
- Highlighted that to fund various initiatives, pulling from the undesignated reserves is a significant source. This strategy involves allocating money from these reserves to cover expenses in the three main categories (possibly referring to community preservation areas like open space, historic preservation, and affordable housing).
- Explained that this approach makes sense from an investment standpoint, as these reserves represent a pool of money available for essential payments and projects.
- Despite these allocations, the town maintains a policy of keeping over a million dollars in undesignated reserves untouched as a financial safety net.
- The decision to use $800,000 was made with confidence that a substantial amount, specifically $1.1 million, would remain in the reserves post-allocation, ensuring financial stability.

Bloomer

- The town plans to spend approximately $4.2 million annually on community preservation efforts.
- It's anticipated that the state of Massachusetts will contribute about $1.25 million each year towards these efforts.

Beaugrand

- Clarified the town's approach to determining the annual budget for community preservation work, emphasizing flexibility and responsiveness to available resources.
- There is no predetermined commitment to spend a specific amount (e.g., $4.2 million) on community preservation annually. Instead, the expenditure is based on the funds available each year.
- The process begins with assessing the total funds received from the state and what is available in reserves. This initial assessment forms the basis for making recommendations on the appropriate amount to allocate.
- The funding sources include state contributions, interest earned on existing funds, and any designated reserves set aside for community preservation. The availability and amount from these sources can vary each year.
- The final amount allocated for community preservation efforts depends on the combined total from these sources, without a guarantee of reaching a specific target such as $4 million.
- The Affordable Housing Trust formally requests allocations from the Community Preservation Committee (CPC).
- This year, discussions with Tucker revealed the Trust was not fully prepared to make a formal request.
- Consequently, the Affordable Housing Trust Fund applies for funding on behalf of other organizations it supports, facilitating the distribution of funds to entities involved in affordable housing projects.

Maury

- Post-town meeting cycle, expressed an interest in revisiting the efficacy of the current mechanism for serving the community's varied needs.
- Observation that while the town receives back a million dollars, 15% of that goes towards administrative overhead.

- Concerns about the mandatory allocation of funds to certain uses without corresponding applications, leading to unused funds.
- Significant amounts are allocated to specific projects (e.g., $850,000 to a church, $150,000 to a well-funded private non-profit) amidst the town's own pressing needs.
- Questioning whether this approach is the most effective, considering the economic impact on taxpayers.
- Suggestion that a uniform tax raise could potentially offer a better way to manage and utilize funds according to town priorities, implying a critique of the current Community Preservation Act (CPA) surcharge model.

Bloomer

- Of the $4.2 million deployed this year, approximately half is allocated to major expenses like the Episcopal Church's steeple or bond interest payments.
- Administration of the remaining $2 million incurs costs of around $180,000, which represents about 9-10% of that portion of the budget.
- There's a belief that the costs associated with bond interest and related financial activities could be managed more efficiently.
- Given the low number of applications received for funding, there's a suggestion that a marketing plan could help increase awareness and applications, thereby optimizing the use of available funds.
- The discussion questions the rationale behind spending $180,000 on administration, especially if it results in a limited number of projects being funded each year.

Beaugrand

- This year saw a significant departure from the norm, with the number of applications and the requested amounts not meeting historical patterns. Typically, the volume of applications is 4 to 9 times greater than the available funding for allocation.
- Over the past 15-16 years, there has consistently been a much higher demand for grants, with applications vastly exceeding the available funds.
- The decrease in applications this year was unexpected. Stakeholders believed they would receive double or triple the usual number of applications. When inquiring with potential applicants, it was found that time constraints and the complexity of the application process deterred submissions. Applicants mentioned that time got away from them, and they struggled to gather the substantial amount of information required for a complete application.

Glowacki

- Debated on whether the funds are currently being allocated in the most effective manner, especially when substantial amounts aren't directed towards urgent needs like affordable housing.
- Initially, a significant portion of these funds came from the state, which felt like "found money" and was used for projects that were desirable but not essential.
- Over the years, the proportion of funding from the state has decreased, and now a larger share comes directly from local taxpayers. This shift raises questions about the justification for spending on "nice-to-haves" versus "need-to-haves," particularly during times when budgeting for essential services is challenging.
- Suggested to prioritize a significant portion of the funds towards affordable housing, adjusting other allocations accordingly to ensure a more cohesive and justified use of the funds.
- Proposed that after the town meeting would be an appropriate time to have a detailed conversation about these strategic funding decisions, indicating a need for a broader reassessment of priorities and allocation strategies.

Turbitt

- Summarized breakdown of the discussion regarding bond management and strategic financial planning.
- The $350,000 payment discussed is not solely for interest but covers both principal and interest of the bond.

- The Community Preservation Committee (CPC) sets aside funds specifically for bonds issued for approved projects within the scope of allowable borrowing. This proactive management ensures funds are available to pay off the bond anticipation notes (BANs) when they mature.
- When a BAN matures, the reserved funds are used to pay it off, preventing the need for permanent borrowing at a later date. If the entirety of a $5 million bond has been issued in BANs, the strategy is to pay down these BANs and only permanently borrow what remains necessary.
- The approach to issuing debt is carefully structured in consultation with financial advisors. This strategy balances the borrowing needs with the CPC's ability to fund these obligations, ensuring financial prudence.
- The structure was designed to offer the CPC flexibility in financial management. Given the fewer applications this year, the CPC opted to make an additional payment towards these bonds, aiming to reduce the amount and duration of permanent borrowing.
- The financial strategies and decisions are made based on thorough planning and advisement, suggesting that the current method of managing bonds and payments is both sensible and effective given the community's needs and financial capabilities.

Kronau

- Discussed concerns regarding the selection of funded projects and considerations for future adaptations.
- The issue raised is not about the mechanics of paying down bonds but about whether the projects that received funding were the most deserving. The examples cited include St. Paul's Church, Hospital Thrift Store, Egan Maritime, among others.
- There's concern that these projects were funded primarily because they were the only ones that submitted applications in time, rather than based on a strategic assessment of community needs.
- While there is respect for the Community Preservation Committee's (CPC) work and decisions, there's also a recognition that the process might benefit from reevaluation, especially if the current pattern continues.
- The discussion suggests that there might be a need to adapt the funding process to ensure that resources are allocated where they are most needed, rather than just to projects that manage to submit timely applications.
- The conversation hints at exploring potential changes to how projects are evaluated and funded, aiming to better align resource distribution with the most pressing community needs.

Libby Gibson, Town Manager

- Proposed next steps regarding the evaluation and potential improvement of the Community Preservation Committee (CPC) processes.
- Suggested that one or two members meet with the CPC after the town meeting to discuss current concerns.
- The meeting aims to have an interactive discussion about how the CPC manages its processes and to explore thoughts on potential improvements.
- Given that the CPC has been in place for a significant time, it is considered prudent to reevaluate how funds are being allocated.
- Review Focus Areas:
  Examine how funds are spent and the primary areas of expenditure.
  Identify which groups or projects most frequently apply for funding.
  Reassess the CPC's outreach plan to ensure it effectively engages potential applicants and addresses community needs.

Bloomer volunteered to be one of the members to meet with the CPC.

Motion: **Motion to Adopt.** (made by: Grause) (00:44:10)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

6. Article 71 Select Board Bylaw Amendment: Finances/Rename; Establish Revolving Account

Discussion: **Brian Turbitt, Director of Finance, provided the following overview:**

- This request is for a change related to housing associated with municipal services.
- A modification is proposed for what has traditionally been known as the sewer housing located near the sewer treatment plant.
- The suggestion is to change the designation from solely "sewer housing" to "sewer and Public Works housing."

Libby Gibson, Town Manager

- The housing was originally built alongside the sewer treatment plant over 20 years ago, at a time when there wasn't a distinct Sewer Department.
- Although it has been referred to as Public Works housing, it has functionally been used primarily for sewer housing.
- There is a need to officially clarify that the housing serves both the Sewer and Public Works departments.
- It's proposed to create a separate revolving fund for the rental payments received from concessions. This fund will be dedicated to financing the maintenance and upkeep of these facilities.

Turbitt

- A new fund is being established to manage the revenue from concessions, which has historically been directed to the general fund.
- Discussions are ongoing to consider how much of the concession revenue to allocate to the new fund. The initial suggestion is to allocate 50% of the total revenue received, allowing for a smoother transition over one or two years instead of transferring it all at once.
- The revenue from this fund will cover maintenance and upkeep for specific locations, including Surfside, The Sandbar, and Children's Beach.
- The Public Works housing accommodates about 8 to 10 people.
- The housing consists of a mix of single apartments and more family-sized units.

Gibson

- The town provides more seasonal housing compared to year-round housing for its employees.
- Sewer and Public Works employees have dedicated year-round housing.
- The Lauren Barracks facility on Low Beach Road offers limited year-round housing.
- The town owns a house at 38 Westchester Street, currently licensed to the fire chief.
- In addition to owned properties, the town is renting several units around the island to accommodate specific needs, such as for:
  Travel nurses and some union employees are housed in these rental units.
- These rentals are primarily used for year-round employees.
- As part of managing the $1 million rental housing offset fund, a comprehensive housing inventory has been developed.
- The inventory can be shared without disclosing the names of individuals to ensure privacy.
- Offered to distribute this complete inventory to interested parties, facilitating transparency and better understanding of the housing resources linked to this fund.

Motion: **Motion to Adopt.** (00:49:36)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

7. Article 89 Select Board Home Rule Petition: Issuance of Pension Bonds and Notes

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- The petition is aimed at allowing the town to issue pension obligation bonds and notes to manage its unfunded pension liability.

- The proposal was initially brought forward two years ago by Hilltop Securities, suggesting potential long-term savings of $35 to $40 million from issuing these bonds.
- Due to current interest rates, actively pursuing this option is not deemed feasible at this moment. However, legislative permission is necessary to keep this option available for future consideration.
- Communities in Massachusetts are not automatically authorized to issue pension obligation bonds; they must seek a home rule petition for permission.
- The town would need approval from the town meeting to issue the debt.
- They would need to present their case to the Administration and Finance within the Commonwealth.
- An independent actuarial analysis of the unfunded liability is required.
- The proposal before the town is to reauthorize the Select Board to submit the home rule petition to the general court for consideration.
- The town requires specific legislative authority to issue pension obligation bonds, which is why a home rule petition is necessary.
- The pension obligation bond would specifically address the unfunded pension liability.
- The goal is to reduce the current annual pension liability payments of approximately $8 million to a lower amount.
- Any savings realized from this reduction would potentially be redirected to accelerate funding for the Other Post-Employment Benefits (OPEB) health insurance liability.

Kronau

- The petition was approved at the town meeting in 2021.
- Due to the lack of action by the legislature on the approved petition, there is a need to resubmit it.

Motion: **Motion to Accept.** (00:53:40)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

8. Article 92 **Select Board** **Long-term Lease Authorization: Solid Waste Facility**

Discussion: **Libby Gibson, Town Manager, provided the following overview and responded to questions:**

- The town is seeking authorization to enter into a long-term lease with a contractor for solid waste operations due to the current contract expiring in 2025.
- Before issuing a Request for Proposal (RFP), there are several unresolved aspects and considerations, including technology advancements, Department of Environmental Protection (DEP) regulations, disposal site uncertainties, costs, and types of materials accepted.
- The aim is to issue an RFP in early 2024 to secure a contract well before the current one expires in 2025.
- It’s acknowledged that the current operator, due to their investments and expertise, might be a logical choice for continuing the operations but exploring other bids is also on the table.
- The possibility of dividing the contract into separate components for operations like the transfer station, Materials Recovery Facility (MURF), and composting is being considered. This strategy might optimize operations but requires further analysis.
- A solid waste consultant and a long-term solid waste work group are actively engaged in evaluating the best approaches for the future of landfill operations.
- Despite the complexity and potential for unforeseen challenges, there's confidence in the current trajectory towards securing the necessary authorization and eventual contract agreement.
- There are several capital items planned, specifically for maintenance and repair projects.

Motion: **Motion to Adopt.** (00:59:00)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

9. Article 104 Select Board Appropriation: Stabilization Fund

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- It was recommended to the Town Manager that no additional funds be allocated this year to a specific capital fund.
- Last year, $1,250,000 was added to this fund, bringing its total to nearly $6 million.
- The recommendation for this year is to take no action, meaning no further funds will be added to this capital fund at this time.

Motion: **Motion to Take No Action.** (00:59:43)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

10. Article 105 Select Board Appropriation: Free Cash

Discussion: **Brian Turbitt, Director of Finance, provided the following overview and responded to questions:**

- There is no current need envisioned for allocating free cash through this particular article. The expectation is that any necessary allocations can be managed through various transfers or direct allocations outlined in the warrant, thus recommending no action on this article.
- Historically, this article has served as a contingency for unforeseen financial needs that couldn't be addressed through other means. However, given the current financial management strategy and the significant backlog with the Department of Revenue (DOR), it's assessed that no additional action is needed at this time.
- Despite the backlog with the DOR, there's an expectation of having a sizable amount of free cash available, similar to the previous year.
- Any potential allocations of free cash are anticipated to be considered through other specific articles related to transfers for fiscal year 2023, general fund appropriations, capital projects, or enterprise funds (e.g., solid waste), rather than through this general article.

Roche

- Proposed to delay voting on the discussed article.
- The delay is suggested due to a potential pending request that might fall within the scope of this article.

Turbitt

- Given that the request falls under Article 9's purview, Article 105 may not be necessary.
- The motion for Article 9 has not yet been drafted because the Capital Review Committee (CRC) has not completed its work.
- If additional funding from free cash becomes necessary to accommodate this new request, it could be integrated within Article 9 due to the motion's current undrafted status.

Motion: **Motion to Take No Action.** (01:02:40)

Roll-Call Vote: Carried 8-0 // Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

V. DATE OF NEXT MEETING

Next meeting: Thursday, February 13, 2023; 4:00 pm.

VI. COMMITTEE REPORTS

Maury reported on the Wind Advisory Committee meeting.

- Revealed that the project is in its early stages.
- South Coast Wind has begun to identify possible impacts of their projects on Nantucket, though detailed analyses or solutions have not been meaningfully conducted yet.
- South Coast Wind acknowledged that there could be a negative economic impact on Nantucket, particularly affecting the heritage tourism industry.
- In response to the potential impacts, South Coast Wind has proposed conducting a survey of the town's historic buildings to assess potential effects more thoroughly.

Roche
- Concerns were raised about the turbines potentially industrializing the area, which could deter visitors who come for Nantucket's natural beauty and historic charm.
- A study was mentioned that suggests 85% of visitors would continue to come to Nantucket despite the turbines, but 15% would reduce their visits to just once over 30 years, opting to see the turbines as a one-time tourist activity.
- The loss to Nantucket, particularly affecting the cultural district and downtown area, was quantified in the study as an $825 million impact over 30 years.

Maury
- There's an acknowledgment that if the wind turbines significantly impact Nantucket's tourism economy, there should be considerations for impact payments.
- A desire was expressed to review the study claiming a potential economic impact to better understand its findings and assumptions.
- Visual representations were shared at the information session, showing what the turbines would look like from Nantucket's South Shore, 23 miles away.
- Expressed skepticism that the visibility of the turbines at such a distance would deter visitors from coming to Nantucket, suggesting that the perceived negative impact might not be as substantial as projected.

Roche
- The project in question is just one of eight planned wind farms, with a total of 1,600 wind turbines planned over a period of 30 years of construction.
- Comparatively, while the Empire State Building stands at 1,250 feet tall, the wind turbines planned are significant in size as well, reaching heights of 1,066 feet.

Maury
- Clarified details about the size and progression of the wind turbine development near Nantucket.
- The first turbines to be constructed, which will be closest to Nantucket, are planned to be 600 feet tall.
- As technology advances and if it becomes feasible without restarting the permitting process, there's consideration for future turbines to reach up to 1,066 feet, the previously mentioned maximum height.
- The height measurements are based on the structure above water, not including any part of the turbine that's underwater or at the seabed level.

VII. OTHER BUSINESS

Committee Members had no further comments.

VIII. ADJOURNMENT

Motion	**Motion to Adjourn at 5:12 pm.**
Roll-call Vote	Vieth, Bloomer, Schaeffer, Maury, Roche, Glowacki, Grause and Kronau-aye

Submitted by:
Elaina Cano