



Town of Nantucket Finance Committee

February 11th, 2025 – Minutes

131 PLEASANT STREET, TRAILER ROOM B AND REMOTE PARTICIPATION VIA ZOOM

Staff:	Brian Turbitt, Finance Director, Steven Hunter, Financial Analyst, Libby Gibson, Town Manager, Rick Sears, Assistant Town Manager, Andrew Patnode, DPW Director, Mike Burns, Transportation Manager
Attending Members:	Denice Kronau, Chair, Peter Schaeffer, Joseph Wright, Jill Vieth, Stephen Maury, Jeremy Bloomer, Chris Glowacki, Rob Giacchetti, Joanna Roche
Absent Members:	

Approval of Agenda and Public Comment

- Denice Kronau calls the meeting to order and asks for approval of the agenda.
- A motion to approve the agenda is made by Peter, seconded by Jill. **Roll call vote: Peter Aye, Jill Aye, Chris Aye, Stephen Aye, Joe Aye, Denice Aye. Passes Unanimously.**
- Denice Kronau opens public comment, but no one raises their hand, so she closes it.
- Denice Kronau introduces the agenda item: discussion, deliberation, and potential motions on the warrant articles for the Annual Town Meeting 2025.

Article 26 Appropriation: Fiscal Year 2026 Community Preservation Fund

- Linda Williams presents on historic preservation, highlighting the \$2,724,000 spent on various projects.
- St. Paul's Church receives funding for an HVAC system, sprinkler system, and Bell tower.
- Housing Authority receives funding for historic preservation, with the state matching funds.
- Maria Mitchell Observatory receives funding for roof repairs and a landmark house.
- Various other projects, including the old mill, candle factory, and Nantucket Town Clerk's records, are discussed.

Article 26 - Questions and Clarifications on Historic Preservation

- Jill Vieth asks about the Remain property, and Linda Williams explains the condo ownership structure.
- Jeremy Bloomer inquires about the town's and state's funding contributions, and Linda Williams explains the allocation process.
- Linda Williams clarifies the minimum funding requirements for historic preservation, affordable housing, and open space.

Article 26 - Community Housing Funding

- Discussion on the Interfaith Council's budget and its reliance on various funding sources.
- The Affordable Housing Trust Fund allocation is to make a payment on the bond.

Article 26 - Open Space and Recreation Projects

- Linda Williams discusses the Nantucket Lighthouse School's rain garden project and its educational benefits.
- Nantucket Racket and Sports Association's project is mentioned, with funding stockpiled over years.
- Peter Schaeffer questions the town's funding of private entities, and Linda Williams explains the public access aspect.
- Brian Turbitt explains the town's 3% surcharge on tax bills, which funds the Community Preservation Committee (CPC).
- Motion to adopt Article 26 (Appropriation: Fiscal Year 2026 Community Preservation Fund) is made by Jill, seconded by Peter. **Roll call vote: Chris Aye, Jill Aye, Peter Aye, Jeremy Aye, Joe Aye, Rob Aye, Denice Aye. Passes Unanimously. Joanna Roche & Stephen Maury Recused.**
- Article 27 Community Preservation Committee: Fiscal Year 2025 Budget Transfers is tabled to the March 10th meeting for review.

Article 28 - Community Preservation Fund for Affordable Housing Trust Fund

- Brian Turbitt discusses the CPC's support for additional \$5 million bonding authority for affordable housing.
- The CPC's critical need for affordable housing is emphasized, with the state seeking local buy-in.
- Discussion on the town's borrowing capacity and the impact of additional bonds on the CPC's funding.
- The need for ongoing support for affordable housing projects is highlighted.

- Motion to adopt Article 28 (Appropriation: Community Preservation Fund for Affordable Housing Trust Fund) is made by Jill, seconded by Peter. **Roll call vote: Chris Aye, Jill Aye, Peter Aye, Jeremy Aye, Joe Aye, Rob Aye, Joanna Aye, Denice Aye. Passes Unanimously.**

Article 10 - Appropriation: General Fund Capital Fund Expenditures

- Brian Turbitt introduces Article 10, explaining that this matches the recommendation made by the Capital Committee and the FY26 budget presentations.
- The total General Fund capital being \$28,863,650, with \$1,889,000 to raise & appropriate, \$5,785,000 recommended through free cash, \$19,633,650 in borrowing and \$1,556,000 in capital exclusions.
- Motion to adopt Article 10 (Appropriation: General Fund Capital Fund Expenditures) is made by Peter, seconded by Jill. **Roll call vote: Chris Aye, Jill Aye, Peter Aye, Stephen Aye, Joanna Aye, Jeremy Aye, Joe Aye, Rob Aye, Denice Aye. Passes Unanimously.**

Article 11 - Town Employee Housing Design

- Rick Sears presents the town employee housing project on Waitt Drive, with a \$14 million budget.
- This project includes three single-family homes and three duplexes, the total project will include 15 units and up to 40 bedrooms, this funding is for developing two-thirds of the total property.
- Discussion on the project's timeline, with construction expected to finish in late 2027 or early 2028.
- The need for additional funding for the second phase of the project is discussed, with how it would be funded.
- Motion to adopt Article 11 (Appropriation: Town Employee Housing Design, Owner's Project Manager and Construction Costs) is made by Peter, seconded by Jill. **Roll call vote: Jill Aye, Chris Aye, Peter Aye, Joe Aye, Jeremy Aye, Stephen aye, Rob Aye, Joanna Aye, Denice Aye. Passes Unanimously.**

Article 12 - Public Works Facility Improvements - Design

- Drew Patnode discusses the new DPW facility at One Shad Bush Road, with a \$1.2 million funding request.
- The funding includes construction documents, bidding services, and additional permitting.

- The facility will have 65,000 square feet, with 30,000 square feet for vehicle and equipment storage.
- The project's cost estimate is \$67 million, with potential economic factors affecting the final cost.
- Motion to adopt Article 12 (Supplemental Appropriation: Public Works Facility Improvements - Design) is made by Peter, seconded by Jill. **Roll call vote: Jill Aye, Chris Aye, Peter Aye, Joanna Aye, Joe Aye, Jeremy Aye, Stephen aye, Rob Aye, Denice Aye. Passes Unanimously.**

Article 13 – New Our Island Home Overview

- Libby Gibson provides a historical overview of the Our Island Home project, including previous town meetings and decisions.
- The project's design and construction process, including the selection of a construction manager at risk, is discussed.
- The project's financial projections and the impact on the town's budget are highlighted.
- The importance of the project for the town's elderly population is emphasized.

New Our Island Home - Financial Considerations and Public Outreach

- Brian Turbitt presents a pro forma showing the financial impact of the Our Island Home project.
- The project's annual negative cash flow of \$14.5 million is discussed, with concerns about its financial sustainability.
- The need for ongoing public outreach and engagement is emphasized.
- The project's moral and ethical considerations are debated, with a focus on the town's commitment to supporting its elderly residents.

New Our Island Home - Tax Rate Impact and Project Overview

- Brian Turbitt explains the tax rate calculator, which calculates the tax impact for the average year-round residential property assessed at \$2,012,976 with a residential exemption.
- The projected tax impact for an individual's tax bill is an increase of \$271.07, equating to 22.2287 per 1000 on an individual's tax bill.
- Jeremy Bloomer argues that the tax increase is more significant, estimating a \$700 increase for the average residential value of \$3,196,000.

- Brian Turbitt emphasizes the importance of the tax rate impact calculator, which allows individuals to see the impact on their specific properties.

New Our Island Home - Discussion on Tax Increases and Override

- Jeremy Bloomer criticizes the misrepresentation of the tax increase, suggesting that many people will see a 15% increase.
- Brian Turbitt clarifies that the tax increase is due to the cost of debt service and the delta on a year-over-year basis for the override.
- Christopher Glowacki questions the financial impact of the affordable housing override compared to the island home project.

New Our Island Home - Arguments for the Project

- Dawn Hill Holdgate argues that the Our Island Home project is essential for taking care of the local population and that the \$5 million override indicates community support.
- Dawn highlights the high cost and the need for government subsidies to sustain it.
- Dawn emphasizes the emotional and social impact of Our Island Home, using personal anecdotes to illustrate its importance.
- Christopher Glowacki and Denice Kronau discuss the financial and social implications of the project, emphasizing the need for community support.

New Our Island Home - Financial and Operational Considerations

- Joanna Roche questions the timeline and costs associated with closing the island home if the project is not approved.
- Peter Holden explains the process of closing the facility, which would take a few years and involve significant costs.
- Libby Gibson discusses the Department of Public Health's role in the closure process and the potential costs involved.
- Joanna Roche raises concerns about the town's capability to manage and execute the project, including the need for an owner's project manager and cost control measures.

New Our Island Home - Project Management and Cost Control

- Jon Lemieux explains the project's current status, including the bid process and the guaranteed maximum price proposal.
- Jon emphasizes the importance of cost control measures, including contingencies and allowances, and the potential return of unspent funds to the town.

- Jon highlights the benefits of having Consigli as the contractor, who has collaborated with the town for many months.
- Jon discusses the potential impact of tariffs on construction costs and the need to monitor these factors closely.

New Our Island Home - Financial Transparency and Community Impact

- Joseph Wright stresses the importance of financial transparency, arguing that the true cost is \$14.5 million per year.
- Jeremy Bloomer suggests including avoided closure costs and the value of the existing facility in the project's financial analysis.
- Rick Sears clarifies the financial impact of the project, emphasizing the need for a detailed analysis of closure costs.
- Denice Kronau and Peter Holden discuss the potential timeline for closing the island home and the need for a cohesive presentation of the project's financial implications.

New Our Island Home - Community Support and Alternatives

- Christopher Glowacki argues that the community is committed to supporting the island home project and that alternative funding sources should be considered.
- Peter Schaeffer highlights the potential impact on the 59 employees of the Our Island Home and the need for alternative funding sources.
- Dawn Hill Holdgate emphasizes the broader community impact of Our Island Home, including the value of the property and the potential for repurposing the existing facility.
- Joanna Roche suggests assigning values to all aspects of the project, including closure costs and the value of the existing facility, to provide a comprehensive financial analysis.

New Our Island Home - Final Discussion and Motion

- Jeremy Bloomer suggests that the town present a more detailed analysis of the project's financial implications when it goes to town meeting.
- Motion to adopt Article 13 (Appropriation: Our Island Home) is made by Chris, seconded by Peter. **Roll call vote: Chris Aye, Jill Nay, Peter Aye, Stephen Aye, Joanna Aye, Jeremy Aye, Joe Nay, Rob Aye, Denice Nay. Motion to adopt passes 6-3.**

Article 14 Supplemental Appropriation: Tom Nevers Road Bike Path

- Mike Burns gives an overview of the project, explaining that the project received some bids and noted they came in higher, so he is suggesting increasing the request from \$6.8 Million to \$8 Million.

- Denice Kronau asks if the \$8 Million figure had gone through review with the Capital Committee, Mike Burns clarifies it hasn't and explains they only had recently reviewed estimates for the project.
- Denice Kronau suggests that this change should be reviewed with the Capital Committee and come back to the Finance Committee later for review of Article 14.

Committee Reports and Adjournment

- Joanna Roche reports that the Contract Review Committee has completed their report, and it should be submitted to the Finance Department for distribution to the Finance Committee.
- Motion to Adjourn made by Jill, seconded by Peter. **Roll call vote: Peter Aye, Jill Aye, Chris Aye, Jeremy Aye, Rob Aye, Joe Aye, Stephen Aye, Joanna Aye, Denice Aye. Passes Unanimously.**