

**TOWN OF NAHANT
Advisory and Finance Committee**

Members

Robert Vanderslice, Co-Chair
John Fulghum, Co-Chair
Barbara Beatty
DeWitt Brown
Jeff Lewis
Dana Sheehan
Julie Tarmy
Judy Zahora

Nahant Advisory and Finance Committee Minutes, Thursday, April 8, 2021

Beatty, Brown, Fulghum, Lewis, Sheehan, Vanderslice, Zahora present, Town Administrator Barletta and Finance Advisor/Accountant Nieto present, Tarmy absent

Joined by Michelle Capano, Ken Carangelo, Mark Cullinan, Kathleen Marden, Diane Montieth, Jeff Musman, Emily Potts, Lynne Spencer, and others

Vanderslice called the meeting to order at 7:04 pm

Minutes from April 1, March 30, and March 25 were approved.

Vanderslice said that our main business was to vote on articles on which we had not yet voted: especially Article 21, Section E, CPC borrowing for deferred maintenance and preservation of the exteriors of the Public Library and Town Hall and repair of the archway to the Greenlawn Cemetery and on Article 6; 6, the Omnibus for Town charges beginning July 1, 2021; and 26, the Coast Guard Housing proposal.

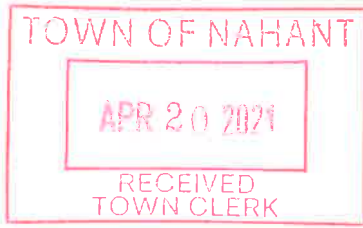
CPC Article 21, Section E, on borrowing \$500,000 for the Library, Town Hall, and archway projects. Zahora moved we Recommend, Beatty seconded.

Discussion. Sheehan asked why, since the CPC had some \$300,000 in reserves, was \$500,000 needed in borrowing, and could this amount be reduced? Fulghum explained that CPC reserves were in different buckets.

Musman, former Chair of the CPC, explained that there had to be 10% each set aside for Affordable Housing, Open Space, Historical Preservation, and General Reserves.

Nieto said that there was \$325,000 in Reserves and if the Articles passed there would be \$160,650, with a total of \$211,294 with claw backs. She explained that there had to be 10% in each bucket, by statute.

Musman explained how the proposed projects would fit into each specific reserve and that the General Reserve could be used for anything. He said that CPC was always balancing short-term and long-term



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needs of the Town, and said that the \$220, 938 surtax was matched by almost 70% from the state for \$175,243. He said that the only current debt service was on the 10-year bond for the Library. Musman said that Barletta thought that the three projects were important.

When Sheehan asked again about whether the borrowing could be reduced by drawing more from the General Reserve, Vanderslice that he thought the amounts seemed reasonable, and that we traditionally had given CPC some latitude and respected their judgment on how to manage these funds. Discussion continued about borrowing.

Fulghum said that he thought it would be good to layer in some financial policies to guide CPC decisions.

The motion to Recommend Article 21 was called, and passed, with all voting to Recommend except Sheehan, who voted not to recommend.

Article 21, Section U that the Town set aside from Fiscal Year 2020 CPC Fund revenues for later appropriation to be maintained in the CPC General Reserves. Zahora moved that we Recommend, Lewis seconded.

Discussion. Lewis, Barletta, Brown, Vanderslice, Sheehan, and Fulghum talked about CPC borrowing. CPC chair Spencer joined, and explained the CPC desire to always keep between \$100,000 to \$140,000 in reserve. The Library, Town Hall, and archway projects were worthwhile, she said, prudent investments, and that consolidating the bidding would save the Town money. Sheehan spoke about the need for flexibility for the future. Nieto had sent us spreadsheets on Town borrowing for the Budget Book and put up a chart of short and long-term debt service effects, including in context with CPC borrowing. Spencer explained how the surtax on the real estate tax worked with the state match. Barletta explained how real estate taxes were determined for CPC purposes by the assessed value of individual households minus \$100,000 times the tax rate times 3%. Vanderslice said that since the 3% was already "baked in," taxes did not go up for CPC expenses. Spencer mentioned again the value to the Town of the state match.

We voted unanimously to Recommend Article 21, Section U.

Article 20 on the Coast Guard Design and Development Committee proposal on authorizing the Board of Selectmen to sell the property on Castle Road and Goddard Drive, as specified in the Article, for which new wording about how the profits would be used had been added and wording was being proposed about cost of preparation of the site.



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Discussion focused on the need to set a cap on funds for site preparation.

Barletta said that he thought that \$300,000 would be sufficient, barring finding unforeseen problems beneath the buildings. Fulghum said that this would be added to the motion. Zahora worried that adding this would cause concern for voters. Barletta suggested that estimating revenues from the sales after paying off the debt would allay concerns. Vanderslice said that the Town likely would be left with about \$1.4 million in revenue. Sheehan said that he was uncomfortable making estimates at this point. Zahora suggested that the wording be left somewhat vague, since we don't know the specifics, in part because revenues would come in with sales over time.

Zahora moved and Lewis seconded that we Recommend Article 20, given Barletta's estimate. We voted unanimously to do so.

Article 6, the Omnibus for raising and appropriating from Town funds to defray Town charges for the fiscal year beginning July 1, 2021.

Discussion. Fulghum reminded us that the Library appeal for additional funding for a children's librarian was an issue. Beatty said that she wanted this amount to be increased since it was so small and that Hawkes had made a good case for it. Zahora said that other departments needed extra funding, too, that we didn't have the revenue, and that this wasn't a good year for an increase. Fulghum said that we should keep the figure where it was so that collaboration with the school could be worked out. Others agreed, saying that changing the amount would open us to changes for other departments. Brown, Barletta, and others said that they understood that having a children's librarian was important. Fulghum suggested that we weave this concern into our introductory letter. Zahora and others raised the issue of benefits to full-time employees, which Nieto said could run to \$21,000, or 40%. Fulghum said that department heads needed to know about the cost of benefits.

Zahora moved and Brown seconded that we Recommend Article 6. We voted to Recommend, with Beatty abstaining.

We decided to leave our recommendation of No Recommendation for Article 26 on requiring citizens to remove snow from their sidewalks, because of a prior tie vote.

Article 32, on reducing the rate of interest on Senior Deferred Property Tax from 4% to 2.5%.



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Discussion. Town assessor Sheila Hambleton had emailed us before the meeting saying that 4% was higher than many other towns and that she thought bringing it down to 2.5% was reasonable. She noted that only 2 or 3 properties in town used this deferral mechanism. A lien goes on the property and eventually the back taxes get paid, plus 4% interest. Barletta said that he thought that once we lowered the rate to 2.5% we would never raise it again, and that as town we were limited by property taxes as our source of revenue such that not paying had an impact.

Lewis moved and Brown seconded that we vote Not Recommend on the Article for raising the tax to the higher rate. We voted unanimously Not Recommend.

Article 39, the first of 2 articles on Lowlands Drainage.

Discussion. Barletta said that he thought the proposed \$100,000 would be enough for now, and that although the citizens who had raised Article 40, now transmogrified into Article 39, were not fully on board with the amount yet, he thought that we would get there. Vanderslice asked what the concerns were. Barletta explained the need for an outfall for storm water, dredging, and the complication of an outfall pipe. He said that if \$100,000 weren't enough for all of this, a portion could be used to get more information.

Brown moved and Lewis seconded that we vote to Recommend Article 39, which we did, unanimously.

Article 40, the Citizens Petition on Lowlands Drainage. Beatty moved and Lewis seconded that we vote No Recommendation, which we did, unanimously, with the understanding that Article 40 would be withdrawn.

Article 43, Continue Committees

Barletta said that the name of committee on Coast Guard housing would be changed to the Coast Guard Design and Development Committee and explained that the MVP stood for Municipal Vulnerability Preparedness Committee.

Sheehan moved and Brown seconded that we vote to Recommend Article 43, with edits by Barletta, which we did, unanimously.



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CPC Article 21, Section V and Article 22 on borrowing of \$1,500,000 a portion of costs for and authorization of acquisition by Eminent Domain of sections of East Point.

Discussion. Sheehan asked if a price estimate on the value had been done. Vanderslice said that we were not qualified to put a value on it.

Beatty said that we had agreed to defer these Articles until our next meeting. Fulghum said that it was OK to ask questions on the Articles now.

Fulghum said that he thought that the because the FinCom had not gotten information directly from Northeastern that he had reached out to Geoffrey Trussell from Northeastern, as a citizen, asking if anyone at Northeastern would talk with our Committee directly, and had emailed with them. Trussell had consulted with Northeastern lawyers, who said yes. Fulghum said that he was suggesting that we give them a list of questions, but asked whether it was too late to do this. Fulghum said that we needed to operate "in the middle" between the Selectmen and Northeastern.

Fulghum said he'd like his emails with Northeastern included in the minutes, as they are here.

4/10/2021 iCloud Mail <https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847> 1/6 Hello Mike, We discussed the idea of talking with representatives of Northeastern at last night's Nahant FinCom open meeting. There was enough agreement among the 8 members (7 were present) for us to decide to at least think of and review a series of possible questions at our next meeting. Due to the public notice requirements the earliest that we can hold that meeting is next Tuesday, April 13th. We will plan to review the questions at that open meeting then forward them on to you. So, the earliest you would see them is Tuesday night. We have also posted a meeting on Wednesday, April 14th (at 700 pm), where we would invite NE to discuss the questions. I know this timeline is compressed for all of us, but we are doing our best due to the need for the committee to complete our votes, compile our "recommendation statements", and put together the ~ 150 page Town Meeting Book, by the end of next week. I plan to be in touch with the questions on Tuesday night and hope we can pull something together for Wednesday night. Enjoy your weekend, John
On April 8, 2021 at 346 PM, John Fulghum wrote: Hello Mike, Thanks for the e-mail. We didn't have the chance to talk about inviting NE to a meeting at our Tuesday night meeting (4/6/21), but we are meeting tonight and I plan to ask the rest of the committee about the idea. If it is to happen, it would most likely be next Tuesday night, giving us time to post the meeting agenda properly. I pledge to get back to you tomorrow morning. Also, thanks for including the two documents. I read the mailer and a friend forwarded me Ralph's recent letter to the BOS, just last night. I guess it had been posted on a Nahant Facebook page earlier, but I'm not a facebook user, so hadn't seen it before he forwarded Re: Possibility of Discussion With Nahant Advisory and Finance Committee ? April 9, 2021 at 1217 PM From John

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Fulghum To "Ferrari, Michael" Cc "Trussell, Geoffrey", "Glover, Michael" NU BOS letter 4.5.21.pdf 3.01 MB, NU Open-Letter 21.03.18.pdf 5.08 MB 4/10/2021 iCloud Mail [https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847 2/6](https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847%202/6) it along. Thanks again, John On April 8, 2021 at 240 PM, "Ferrari, Michael" wrote: Hi John, Just wanted to circle back with you about whether the committee is interested in hearing from Northeastern as it considers a recommendation on the eminent domain article. The university does have several concerns with the article it is prepared to discuss. Particularly relevant for the Committee are the substantial financial costs the Town may incur from having to indemnify Northeastern for damages under the chapter 80A eminent domain process. Also, as we noted in a recent informational mailing (attached), the Town is poised to grossly undervalue the property, which would put taxpayers at risk for having to compensate the university if additional private donations cannot be secured. I also would like to share a letter with you that Northeastern's General Counsel, Ralph Martin, sent to the Board of Selectmen earlier this week in case you haven't seen it yet. Thanks again for your outreach – happy to discuss further with you. -Mike Ferrari From: John Fulghum Date: Tuesday, April 6, 2021 at 1204 PM To: "Ferrari, Michael" Cc: "Trussell, Geoffrey", "Glover, Michael" Subject: Re: Possibility of Discussion With Nahant Advisory and Finance Committee ? Hi Mike, I will be in touch. As for the Advisory and Finance Committee (FinCom) process - the 8 member committee reviews the Articles on the Town Warrant and votes to: "Recommend", "Not Recommend", or "Make No Recommendation", each Article and also adds a "Supporting 4/10/2021 iCloud Mail [https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847 3/6](https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847%203/6) Statement" to the recommendation that is printed in the Town Meeting Warrant Book that is sent to every voter before the May 15th meeting. Thanks, John On April 5, 2021 at 437 PM, "Ferrari, Michael" wrote: Hi John, Thanks again for following up - per your separate email to Mike and me, we'd be happy to connect with you after you discuss the invitation with the full committee tomorrow. Ideally, we're hoping to get a better understanding of how a potential appearance by a Northeastern representative at a future meeting might proceed. Your suggestion of sending along possible questions / topics for discussion would certainly be helpful. I also want to make sure I understood your process. FinCom will take a vote / make a recommendation to the Town on the proposed eminent domain article, is that right? Thank you again and we'll await an update after Tuesday's meeting. -Mike Ferrari Michael A. Ferrari Assistant Vice President for External Affairs Northeastern University 857-413-7242 (mobile) From: John Fulghum Date: Monday, April 5, 2021 at 1255 PM To: "Trussell, Geoffrey", "Glover, Michael", "Ferrari, Michael" Subject: Re: Possibility of Discussion With Nahant Advisory and Finance Committee ? Hello Geoff, 4/10/2021 iCloud Mail [https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847 4/6](https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F6847%204/6) Thanks for sending this along. I apologize for the long delay in getting back to you. I wasn't very good about checking this e-mail account leading into or over the Easter weekend. I hope you had a nice time with your family. I will bring up the idea of the Nahant FinCom meeting with the two Michaels at tomorrow night's FinCom meeting (4/6/21). Our next meeting, after Tuesday, will be this coming Thursday and we are scheduled to meet



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Tuesday and Thursday of next week. To make any meeting productive, I would think it might be helpful to focus the conversation by sending you some questions before any meeting, so it could be decided ahead of time if you would be comfortable with such a conversation. The topics/questions would likely center on the financial issues/risks related to the present difficulty in bringing the two sides together (the Town and Northeastern) outside of the current path that is seemingly biased toward litigation. Also, I apologize in advance of proposing this general idea so late in the timeline of our preparations for our Annual Town Meeting, John On April 1, 2021 at 443 PM, "Trussell, Geoffrey" wrote: Hi John, Thanks for your patience! I am connecting you with Mike Glover and Mike Ferrari who would be happy to chat with you about how we can enhance the conversation. Please do not hesitate to let me know if there is anything else you need from me. Cheers, 4/10/2021 iCloud Mail

<https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F68475/6> Geoff Dr. Geoffrey C. Trussell Vice President, Nahant Campus Operations Director, Coastal Sustainability Institute/Marine Science Center Chair, Department of Marine and Environmental Sciences Northeastern University 430 Nahant Road Nahant, MA 01908 he, him, his From: John Fulghum Date: Monday, March 29, 2021 at 459 PM To: Trussell, Geoffrey Subject: Possibility of Discussion With Nahant Advisory and Finance Committee ? Hello Geoff, I hope that you are well and enjoying these early days of spring. I'm writing this e-mail as a member of the Town of Nahant's Advisory and Finance Committee (FinCom, cochairman), and as a independent citizen, to inquire if either you or someone from Northeastern might be willing to meet with the FinCom to discuss some aspects of the current situation with respect to the proposed CSI. The FinCom recently met with one of the members of the Board of Selectmen and one of the Town's attorneys where we discussed the current state of communication between the Town and Northeastern, and I feel that there seems to be room for improvement in that regard. 4/10/2021 iCloud Mail <https://www.icloud.com/message/current/en-us/index.html?2x=true#view?guid=message%3ASent+Messages%2F68476/6> If you/Northeaster are so willing, the FinCom could possibly invite you (or someone else from Northeastern) to one of our remote Zoom meetings, in the near future, to discuss with just the FinCom, matters that relate to "financial impact" of the evolution of the relationship between the Town and Northeastern that might occur in the context of the proposed CSI. As a reminder, the FinCom is an independent body that answers to the full spectrum of Nahant's citizens, not the Board of Selectmen, and we are tasked with providing a complete and objective perspective on the matters that are put in front of the voters at our Annual Town Meeting in May. Thank you for your time and for any additional assistance that you might be able to provide. Sincerely, John John Fulghum Nahant Citizen and Co-Chairman - Nahant Advisory and Finance Committee jrfulghum@mac.com cell #: 781-718-4081

Zahora said that it might appear that we were going around the Selectmen.



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Fulghum said he thought that because he sensed that the Selectmen seemed to be dismissive in their reading of letters from Northeastern and that we had not gotten enough information from the Selectmen, discussion with Northeastern needed to be had.

Vanderslice said that we would need to review any questions collected by us.

Fulghum quoted from his emails to and from the Northeastern lawyers, which included questions about possible costs and financial risks to the town from indemnification of Northeastern and other matters.

Sheehan suggested that we send Fulghum questions.

Vanderslice said that we needed to see and agree to every question in advance before we asked them, that doing it privately violated the Open Meeting Law, and that he would consult with Town Council.

Discussion ensued about gathering questions and possible meeting dates, about which Carangelo commented.

Selectman Cullinan spoke up and said that the Town Council would be making the Article more specific, sending us a map, and that there would be no risk to the town because if the cost decided by the court through 80A exceeded the town cap, the town would abandon the process.

Fulghum asked about how the financial dynamics might be changed and if it might change the PILOT (payment in lieu of taxes).

Zahora asked what our expected outcome from meeting was.

Fulghum, Sheehan, Zahora, Vanderslice, and Cullinan continued to discuss pros and cons of talking with Northeastern.

Vanderslice said that it was inappropriate because we were not a conduit to the Selectmen and did not represent the town.

Cullinan said that he believes in negotiation, that the Selectmen had tried but Northeastern would not come to the table, and that the Selectmen needed leverage to get Northeastern to meet.

Sheehan said that he thought that Fulghum's email and meeting with Northeastern was an opening that could help.

It was left that we were to email questions to Fulghum, for discussion at our next meeting.

No public comment.

Zahora moved that the meeting be adjourned, Brown seconded. The meeting ended at 9:35pm.