



**TOWN OF NAHANT**  
**Advisory and Finance Committee**

**Members**

Robert Vanderslice, Chair  
Julie Tarmy, Secretary  
Barbara Beatty  
DeWitt Brown  
Dana Sheehan  
Deborah Warren  
Judy Zahora

Meeting Minutes, Wednesday December 29, 2021

Members Present: Tarmy, Beatty, Zahora, Vanderslice, Sheehan, Brown, Warren

Others Present: A. Barletta, J. Lewis, A. Nieto, K. Marden

Meeting called to order at : 7:03 p.m.

Approval of minutes:

**Motion made by Beatty to approve minutes of September 14, 2021, seconded by Zahora. Tarmy, Beatty, Zahora, Warren, Brown Ayes, Sheehan abstain.**

**Motion made by Tarmy to approve minutes of December 14, 2021, seconded by Zahora. Unanimous Ayes.**

Report given by Jeff Lewis, who has set in progress an analysis of all Nahant town fees in comparison to several other municipalities. Task is monumental. He has thus far concentrated on Water/Sewer Debt shift. He put an outline together, which he forwarded to A. Barletta. Welcomed questions.

Enterprise fund is funded from two sources: Operating expenses paid by W/S fees; Debt owed paid by R.E. taxes. The first is based on W/S usage, the second by assessed value of property.

Looking to answer three specific questions:

- What's wrong with the current system?
- What would be the advantage of shifting allocation method?
- Can Town mgmt. just shift method or does it require vote at Town Meeting?

Current method of W/S usage is based on all **indoor** water usage. It assumes the same usage for water and sewer, as there is currently no way to measure individual property sewer usage.

**DS:** Can we get a second meter? Would this measure sewer?

**AB:** You can get a second meter to measure your outdoor water usage which would not include any sewer charges. Sewer charges are only applied on indoor meter. Good idea to get one for outdoor watering.

**Lewis:** This begs the questions to shift debt. If I use 100 gallons of water, it is assumed it is going into the sewer.

**AB:** Part of struggle of shifting water rates is that upgraded water meters still only measure water usage. We have sewer meters at the pump stations, but it would be hard to capture this accurately.

**Lewis:** The point of bringing this up is that there is work to be done in W/S measuring. The good news – debt shift started in 1980s – Government said, 'why don't you do this?' Benefit of shifting to property



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tax is property owner – this expense can be deducted on tax return. Benefit to the town is this gets received through property taxes, mostly through mortgage payments.

Current total assessed value of taxable property in town is \$968 million. About \$78 – 80 million is tax-exempt property, so they never got picked up in doing the debt shift. This is approximately \$50K that should be charged to tax-exempt properties. This \$50K should be charged to these tax-exempt properties through their utility bills.

**DS:** How would they be charged?

**AB:** Capital fee to utility bill based on assessed value.

**Lewis:** DCR – property assessed for over \$9 million, not included in original assessment.

**DS:** Do they pay?

**RV/DB:** No, you do.

**Lewis:** \$40 million of assessed value are DCR, Northeastern, Nahant Preservation Trust. Property owners have been paying the bill for these entities. They will be charged using same method.

**DS:** What percent – I you add in all the W/S cost and debt service – is paid for our W/S fees?

**AB:** As far as big borrowing, none of the owner W/S bills pay for that. It pays for clean water to your home, sewer treatment, some DPW salaries.

**DS:** If W/S enterprise ran only on rate payers, what would be the total cost of operating and debt service?

**Lewis:** \$2.8 million last year.

**DS:** What did we collect?

**Lewis:** \$1.9 collected

Discussion on pros and cons of shifting from assessed value to allocation. Neither is perfect. Debt shift is decided by BOS when the tax rate is set.

**RV:** At this point, we are not advocating for anything. This is purely for discussion.

**DS:** High water user should pay more.

**Lewis:** We don't have different rates for different categories (private homes, businesses, etc.)

**DS:** We have flat rates for R.E. Taxes, W/S should be the same.

**AB:** We could have a tiered structure – theoretically. Thinking about how you use the system. We are all one system – family households used more water than a two-person household. Different rate would have a larger impact on a family if done by usage AND higher rate. Regressive.

**DS:** Already regressive.

**Lewis:** I need to leave the meeting due to other responsibility.

**BB:** Your willingness to look at this is extremely useful.



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**AB:** Jeff accomplished finding a way to take the next step to capture the entities in town using the system but not paying their share. Further conversation to be had.

**JZ:** This synopsis is very useful.

**RV:** Do you have a sense of how this can be accomplished?

**AB:** It would be decided by BOS. Counsel would be sure to have a look.

**DS:** Can the current software support another line item on W/S bill for infrastructure?

**AB:** Don't know how that would be printed on the bill. Currently none of the charges go through infrastructure.

Further discussion on capital fees – taxpayers pay through R.E. Taxes, non-taxpayers would pay through W/S utility bills. DCR currently pays a PILOT. Aimed at bringing in revenue. Not 'aimed' at any one entity. Goal is to get this into this year's budget (FY 2023). Will run by Counsel. No motion needed at this time. FINCOM willing to meeting with BOS for further discussion in an advisory role. A. Barletta will have something written up.

**RV:** On to other business. (shared screen) Did an analysis on actuals for last five years and budget for next year – mostly done by A. Nieto. Broke them into categories: salaries, expenses, benefits, capital – across town rather than by department. Thought we would see shifts, but that did not happen. No major trends seen when done as a graph. Very little change as a percentage.

**JZ:** Shows that it is well budgeted.

**DW:** Great exercise.

**BB:** Interesting that benefits are so flat.

**JZ:** Did a draft of Citizen Petition assistance information. (shared screen)

Comments and suggestions will be sent to Judy – not deliberated on. Judy will bring next draft to next meeting. We will need to vote on it, and it can then be uploaded to the FinCom page on the Town Website. AB shared the website for all to see.

For rules of action on the town meeting floor – how much time and how often one can speak, also Citizens Petition – we will need to consult with Moderator and MGL. RV will send an email to Moderator.

**JT:** Quick question on committee business, do we need to officially vote in RV as committee chair?



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**Motion by Zahora to select R. Vanderslice as Committee Chairperson, seconded by Beatty. Vanderslice abstained; Sheehan – no; Brown, Beatty, Zahora, Warren, Tarmy Ayes. Motion passes 5/1/1.**

**RV:** Goals for next meeting on 1/12/2022:

- Finalize guidelines for Citizen Petition
- Discuss what to include in the document for Citizen Petition recommendations
- Time limits and time spent on floor of Town Meeting
- Work on the process of how we will go through warrant book

**AB:** You as a committee can decide if you want to record these public meetings.

**JT:** I would appreciate recording them in case I miss something in my notes.

Vote to be taken at next meeting (or when these minutes are accepted) to include any materials that were shared at the meeting, such as the analysis done by RV. Discussed creating drop box for sharing documents only.

**Motion to adjourn by Beatty, seconded by Brown. Unanimous Ayes.**  
**Meeting adjourned at 8:46 p.m.**