



TOWN OF NANTUCKET
Fiscal Year 2017 Budget Message

As of December 10, 2015

Endorsed/Revised by Board of Selectmen: December 9, 2015

I. Introduction

The Town's financial position was strong in Fiscal Year 2016. Going into Fiscal Year 2017, indications are that the Town's position will remain strong, due to the following:

- we increased reserves by establishing a Capital Projects Reserve Fund at the 2016 Annual Town Meeting, with an initial appropriation of \$1,000,000;
- the Town's bond rating was raised to Aa1 by Moody's Investor Services, in January of 2015. This bond rating is one level below the highest bond rating issued by Moody's that a municipality can achieve. The benefits of this rating include the opportunity to borrow at a lower interest rate;
- Free Cash for use in FY 2016 and 2017 was certified by the Department of Revenue on October 14, 2015 in the amount of \$5,405,506 (of this, \$2,300,000 was allocated at the November 9, 2015 special town meeting). Free Cash is used exclusively for non-recurring items;
- the Stabilization Fund remains strong with a current balance of \$4,834,733. A best management practice is to have reserves that are 10% of the budget. Using a budget number of approximately \$85,000,000, the Stabilization Fund balance is slightly over 5%; however, with the Free Cash (undesignated reserves) balance of nearly \$5,500,000, these amounts exceed the best management practice threshold (see attachment);
- short-term and long-term capital projects planning continued and was improved during FY 2016 and in preparation for FY 2017 the acquisition of software called "Plan-it" will help the Town better manage capital projects on an ongoing basis for budgeting purposes. The software will help the town produce a more uniform and consistent plan that is accessible to all departments;
- increased focus on Town infrastructure continues, with a Facilities Assessment Report finalized in June, 2015 (see attachment); as well as the acquisition of software to assist with tracking of maintenance, repairs, and capital planning needs;

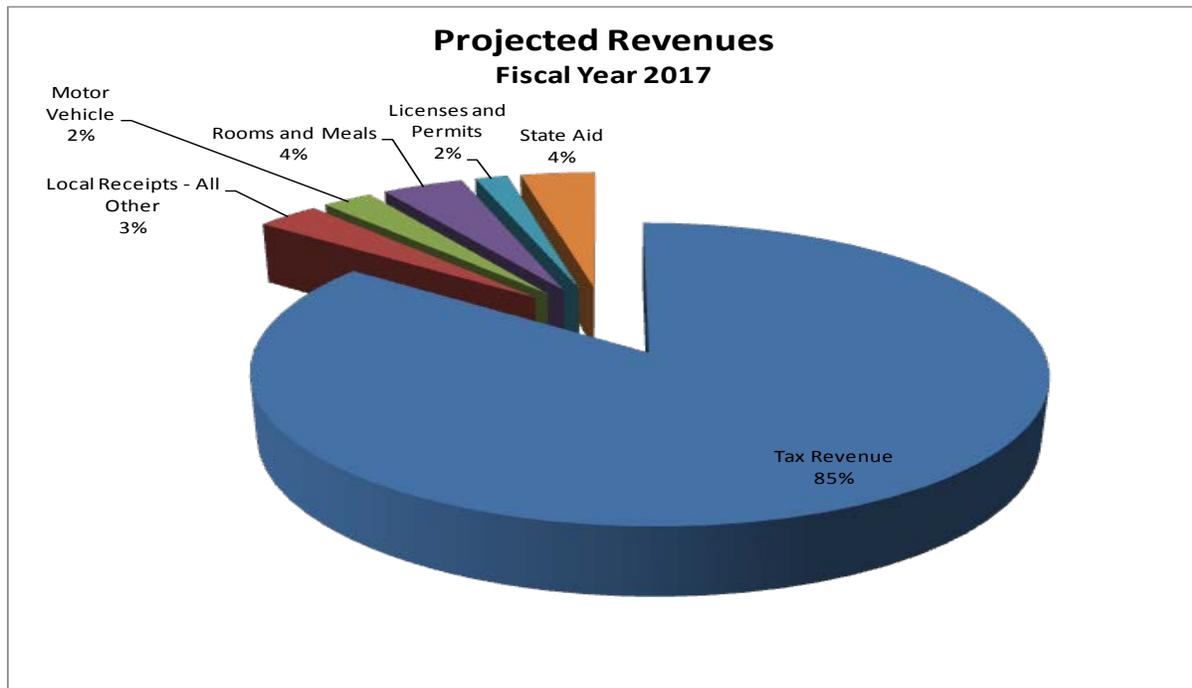
- economic conditions for the Island are healthy based on indicators including meals excise tax and room occupancy tax revenues coming in higher than projected; and, new growth which came in 9.86% higher, or \$102,335 over the amount certified in FY 2015; (revenue schedule attached)

- on November 19, 2015, the Town signed a Community Compact with the Commonwealth which will enable us to revise/rewrite and update our financial policies.

While local economic conditions are strong, we need to be cognizant of national economic indicators as well, including the monthly labor report, weekly report on first-time unemployment claims, consumer goods and materials report, and the monthly report on building permits issued by the Conference Board (see attachment). These seem to be steady for the moment; however, in light of how severe the most recent economic downturn was in 2008-11, we feel it is prudent to retain a level of financial flexibility between local revenues and the proposed budget and are not proposing to spend to the Town's allowable levy limit for FY 2017.

Each year, we are challenged to not only present a balanced budget but a plan of service for the community that must acknowledge that all requests and competing needs cannot be met to the degree desired by individual groups and departments. This is inherent in any budget process and is no different this year. Fixed costs are always increasing, especially those of employee benefits, service contracts and (generally) utility costs. Health insurance is particularly problematic, with state and federal requirements that leave municipalities with few options to address rising costs. Fortunately, the Town's levy capacity for FY 2017 will allow for funding fixed obligations and annual appropriations, as well as a level of additional expense increases to meet goals and priorities of the Board of Selectmen and Town Administration.

II. Overview of FY 2017 General Fund Budget



As noted above, local economic revenue indicators are good, with increases in all areas that reflect a strong local economy including: new growth, building permits, room occupancy tax, meals tax, ferry embarkation fee, motor vehicle excise tax (see attachments). Although it will not be factored in as a revenue source to fund the budget, beginning in FY 2017 we are anticipating the beginning of a multi-year payment plan for the “payback” of General Fund monies used to subsidize Airport operations from FY 2012 to FY 2015, totaling \$4,611,770.

Prior to FY 2017 we expect several local fee categories to increase or to be proposed for increase, including: Town Clerk fees, Event and Licensing fees, Health Department, HDC. These increases have not been included in the FY 2017 budget plan (see attached).

Expenses

The proposed FY 2017 General Fund budget will fund:

Fixed Obligations (each of these is explained in further detail in the attachments to this document)

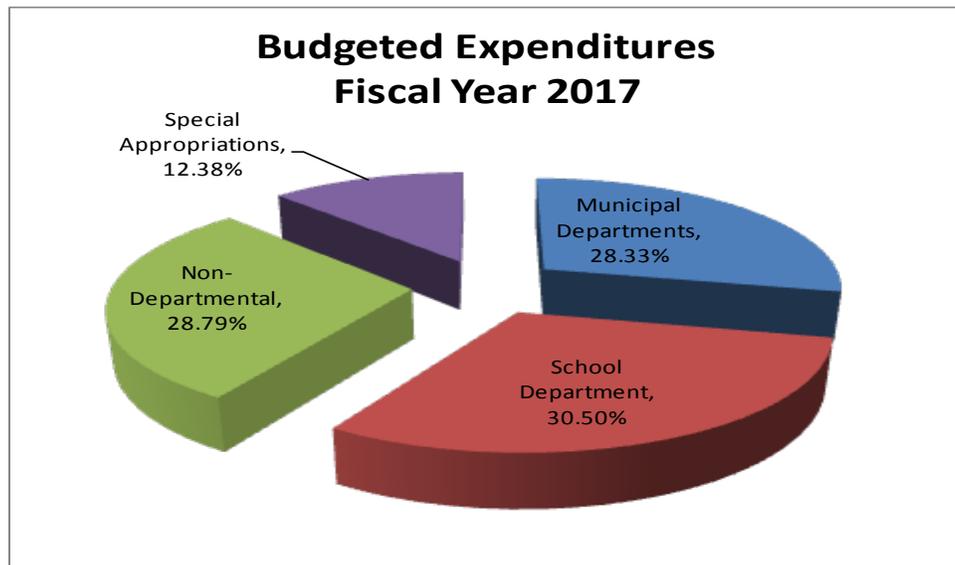
-- allocates the required funding for 10 union contracts; and, for non-union employees;

-- provides \$774,916 within the budget, allocated equally between the Town and School departments for capital improvements, pursuant to a requirement of the Town Code:

The Town shall spend on capital projects a minimum of 1% of total Town local receipts collected in the prior fiscal year plus 1% of the total real estate and personal property taxes collected in the prior fiscal

year. If local receipts fall below the 1% minimum, the Town may forego the funding requirement. Nantucket Town Code Chapter 11, § 11-12.1

- funds the projected increase of 9.5% in Town employee and retiree health insurance;
- funds the projected increase in the Barnstable County Retirement Association annual assessment of 4.5%.



Annual Appropriations

- provides \$500,000 to the Other Post-Employment Benefits (OPEB) Trust Fund, in accordance with the Town's OPEB policy. FY 2017 will be the 3rd consecutive year in which a deposit to this Trust Fund has been made. The current balance of the fund through FY 2016 is \$1,265,994 (see attached policy);
- provides \$500,000 to the Reserve Fund (see attachment);
- provides subsidies to two Enterprise Funds: Our Island Home (\$2,352,375) and Solid Waste (\$5,630,250) (see attachment).

Expense Increases

From a broad perspective, the proposed FY 2017 budget will begin or continue to address the following goals and priorities:

- Increased seasonal demands (summer employees and expanded programming)
- Facilities maintenance (buildings, parks, fields, beaches, energy efficiencies)
- Infrastructure maintenance/improvements (streets, sidewalks, streetlights)

- Water quality (monitoring; pond management; fertilizer regulations education and enforcement)
- Administrative management improvements (budget and long-term capital planning; information technology operational and project management improvements, personnel/payroll/human resources management improvements)
- Housing initiatives
- Substance abuse prevention efforts
- Public safety improvements (increase in level of emergency medical services)
- Community convenience and visitor experience initiatives (traffic mitigation strategies; recreational activities; increase in information availability)

Specifically, the above goals and priorities will be addressed with the following expense increases:

Personnel-Related

1. Natural Resources: Increase part-time administrator to full-time. This will enable additional, needed office coverage as well as additional time for activities such as establishing a tracking/monitoring system for Conservation Commission Orders of Condition and fertilizer licensing conditions.
2. Police/Marine: Full-time year-round beach maintenance position. Every since the stand-alone Beach Coordinator position was absorbed into other positions due to departmental consolidations we have not been able to effectively coordinate beach-related maintenance activities to definitively address the maintenance demands of several heavily used public beaches. This position will maintain Town-owned, life-guarded beaches including fencing, signage, ramps and general maintenance and cleanliness.
3. Fire: Two additional (new) firefighter/paramedic positions. We are proposing to move from our current Basic Life Support (BLS) emergency medical services model to the Advanced Life Support (ALS) model that most municipalities use. This will need to be a phased program so as to spread the costs over more than one year. A total of 4 additional positions are planned (these being the first 2), with at least ten current firefighters to be trained as paramedics over a two-year period.
4. Fire: Additional overtime. In order to fill two shifts with the staff needed to run a partial ALS service (initial phase), we anticipate the need for some amount of additional overtime at first because it will take time to train the firefighters for ALS. It is intended that ALS be provided on every shift within 2-3 years.
5. Fire: Paramedic training.

Training will be necessary to bring a number of the current firefighters to the paramedic level. There will be some ability to hold training here on the island but there is likely to be a need for off-island training and travel. Again, this is a process that will phased over time.

6. Visitor Services: Additional seasonal staff.

In order to provide a better visitor experience, we would like to add additional staff and/or staff hours at the Straight Wharf information kiosk.

7. Sewer Enterprise Fund: New Wastewater Superintendent position.

The scope of work contained within the DPW Director job description includes oversight of the wastewater treatment facilities and all matters relating to the sewer system. With the complexity of recent and upcoming projects and the need to develop a strong, viable capital program, as well as the need for dedicated project management it is clear that the DPW Director position cannot absorb these functions. We are recommending a senior level, non-union stand-alone position that would be funded from the Sewer Enterprise Fund and report to the Town Manager. A dedicated position to manage projects and “educate” the public about sewer projects has been discussed for several years. This position will oversee the rollout of the sewer capital plan outlined in the Comprehensive Wastewater Management Plan (CWMP) update. There is a 20-year capital program generated by the CWMP that will require close supervision during bidding, design and construction. Initiatives need to be implemented to remove remaining clay pipes in the core area as well as program the design of the repair and replacement of problematic areas. These areas have been maintained on a daily basis instead of investigating repairs and coordinating the construction for these repairs. The problematic areas have been identified; however, the design of the repairs will take more investigation and design work before the construction repair work can begin. Inflow and infiltration into the sewer system also needs to be pursued more diligently.

8. Town Administration: Energy Coordinator position.

This existing position was initially established with grant funding, then grant and Town funding. The grant(s) come to a close in FY 2017 and we propose to continue the position.

9. Town Administration: HDC Minute taker.

In FY 2012, due to budget cuts and the creation of the PLUS department, several administrative functions that support HDC were spread out over several positions. The Town’s dedicated Minutes Taker currently takes minutes for the HDC as well as several other boards and committees; however, with the increase in building permits to pre-2008 levels it is clear that dedicated minute taking services for HDC will improve the delivery of services for the Commission and the public.

10. Planning & Land Use Services (PLUS): Part-time housing specialist.

Current staff is unable to effectively manage housing initiatives on an on-going basis. We had a full-time position 3 years ago, it was determined after about one year that activity levels were insufficient to justify retaining the position and the individual was laid off. Today, the island housing situation has changed: there are multiple requests for 40B applications, zoning changes, the development of Town-owned land for housing. The Town needs a dedicated position to

manage these issues and help to meet the Town's obligations under state affordable housing requirements.

11. DPW: New Engineering Technician Position.

Initially, we were considering a Deputy DPW Director position; however, if the Wastewater Superintendent position is established, and one of the existing foremen positions is dedicated to fields and parks maintenance, with this additional position to gather, prepare and track the information needed for the engineering division of the DPW to be more functional, we believe this will bring the DPW into a more proactive and less reactive mode.

12. Human Resources: New part-time support position.

Over the summer of 2015, an operational review (see attached) of the Town's human resources function was performed. One of the findings was that for the number of employees the Town has, it does not have sufficient administrative support in place to handle all of the regulatory, statutory and reporting requirements. In a future year, this position will likely be requested to increase to full-time.

Expense-Related

1. Natural Resources: Water quality monitoring.

This 4-part expense will allow for:

-- funding annual water quality testing of identified areas for TMDL (Total Managed Daily Load) compliance as outlined in the Nantucket Harbor and Madaket Harbor MEP (Massachusetts Estuary Project) reports (Note: this expense was being funded from the Waterways Improvement Fund; however, that Fund is projected to be utilized more going forward for a maintenance plan for the Town Pier);

-- necessary equipment and instruments for water quality testing, again, in conjunction with the recommendations of the MEP reports;

-- water quality analysis for the twice-annual openings of Hummock Pond and Sesachacha Pond – this is an expense that wasn't specifically budgeted to this level in the past and as a result budget transfers have been needed;

-- in conjunction with the Nantucket Pond Management Coalition, funding would be provided to help implement initiatives of the Comprehensive Pond Management Plan, including the continuation of invasive species removal at various ponds; analysis of phosphorus data to be obtained through a state grant, currently underway; assistance with the purchase of a harvester for the removal of excessive vegetation at various ponds.

2. Police/Marine: Annual maintenance for Town Pier.

This expense will be funded from the Waterways Improvement Fund. It is expected that annual maintenance of the Town Pier will result in less capital costs over time.

3. Fire: ALS equipment.

The ALS program will require additional equipment for the ambulances. This amount can be funded from the Ambulance Reserve Fund.

4. Town Administration: Selectmen initiatives.

This funding would allow for the engagement of specialists or the acquisition of services, equipment or other expenses when needed by the Board to pursue a specific unanticipated initiative (examples in the past include the Fast Ferry Connector parking lot, fertilizer reduction initiatives and water quality testing).

5. Town Administration: Information Technology assessment recommendations. This is something of a place-holder. Town Administration initiated an IT operational assessment mid-fall of 2015. The assessment is on-going and we expect that there may be a recommendation(s) that would need to be funded in order to be implemented.

6. Town Administration: Video production coordinator. This would be to fund the “G” part of the PEG (Public, Education, Government) channel. We have found that without a dedicated resource to manage the taping of numerous public meetings – many of them after hours -- too many mistakes occur and the public is not able to view governmental meetings. This will provide consistency in management and operation of the equipment.

7. Town Administration: Fast ferry connector funding. Based on a Board workshop discussion on October 7, 2015, we propose to fund this approximately \$250,000/year service with \$25,000 from the General Fund and \$25,000 from the Cape & Islands License Plate Fund, for a total Town contribution for FY 2017 of \$50,000. It is our understanding that the remainder will be funded from other contributions (SSA, Hy-line, private businesses benefitting from the service, etc).

8. Town Administration. Increase in Health and Human Services annual appropriation. We are proposing a \$50,000 increase to this annual appropriation in recognition of the substance abuse and other issues that have arisen recently in the community. These funds would be recommended for specific allocation by the Contract Review Committee for the agency the CRC determines would use the funds most effectively.

Over the past 5-10 years, the Town’s assets have increased, our scope of responsibility has increased and we have taken on initiatives that are beneficial and responsive to needs or requests but do subsequently require additional resources. Our staffing and resources have not always kept up with these items, which include: additional infrastructure such as bike paths, roads, sidewalks, parks and fields; lifeguarding additional beaches; events and business license management and monitoring; code enforcement; renewable and other energy initiatives; public buildings; tasks for the NRTA (signs, benches, bike racks, trash pick-up, brush cutting, line painting); providing proper collection and disposal of sharps (used needles). The expense increase requests address several of these.

Other expense increase requests not specifically listed here will address inflationary cost increases, licensing and permit fees, personnel adjustments, operational issues or necessary equipment replacements. Some of these are “one-time” expenses, others are intended to recur annually. These are shown on the attached “Expense Increase Request Summary Sheet” and are not explained in detail in this narrative.

III. Future Year Considerations/Unknowns

Strategic Plan

During FY 2017, the Board should consider the development of a Strategic Plan with measurable goals and objectives. Without one, we are more reactive than proactive and cannot properly plan and use our resources effectively to focus on and accomplish formally agreed-upon goals. We suggest a workshop devoted to this in the spring, with a budget request if needed to be prepared for FY 2018.

Staffing Assessment

We recommend the Board consider a Town-wide staffing assessment – perhaps as part of a Strategic Plan or in addition. Are we staffed effectively? According to a Boston Globe report in March, 2015, Nantucket is one of the fastest growing town/counties in the country and with multiple large multi-unit construction projects in the works, Town resources need to grow to meet the anticipated demand. We have added and reduced staff the best we can with our own internal experience and understanding of Town operations. We know that initiatives and projects can become stalled due to workload of key staff. An outside consultant with extensive knowledge of municipal operations could help us determine if we are staffed correctly and/or using our resources in the most efficient manner possible.

Health Insurance

The “Cadillac Tax is a component of the Affordable Care Act, is federally mandated and is to be implemented January 1, 2018. In summary, employers will pay a 40% tax on all costs for health insurance plans in excess of \$27,500 for family and \$10,200 for individual plans. Based on Nantucket’s current workforce and related insurance portfolio, the Town would be required to pay in excess of \$600,000 beginning with FY 2018.

Sewer Improvements

While not an impact on the FY 2017 General Fund budget, there are two significant sewer projects being proposed at the 2016 Annual Town Meeting which would be partially funded through debt exclusion overrides. This will have an impact on the debt service appropriation for the FY 2018 budget.

Contract Expirations

During FY 2017, the following concession leases will expire (all expire 12/31/16): Jetties, Surfside and Children’s Beach. We are planning to put these out to bid in the spring of 2016. Conservative estimates will be used for the anticipated revenue from these concessions which in FY 2016 will total approximately \$200,000.

The contracts for cleaning of various Town buildings and for landscaping will expire in March of 2016; the Town’s contract for gasoline and diesel expires in June, 2016; the contract for vehicle maintenance services in August of 2016. Again, conservative numbers will be used for the anticipated costs of these contracts, if unknown before the budget is finalized.

School

The new intermediate school is scheduled to open in School Year 2017-18. As discussed in earlier presentations to the community, this will have implications for staffing. In particular, we anticipate additional staff such as a school nurse and one administrator. The most significant staffing need will be in custodial/maintenance staff, as we bring a 72,000 sq foot facility into our realm. Most other faculty will be transferred to the new facility from existing staff.

The renovation to the middle school is scheduled to be completed in time for school to begin in September of 2016. This will not require new staff, but will provide room for existing staff who now share spaces in the existing Middle School (CPS).

Revenue

Although in the near future, current revenue sources appear to be sufficient, other areas to potentially look toward in the future for generating new revenue include: PILOT possibilities (Payment-in-Lieu-of-Taxes for entities that do not pay property tax – if all of these were taxed in FY 2015, taxes due would have exceeded \$10,000,000); parking fees (paid parking for parking lots, downtown parking, beach parking); taxi transaction fee (requires meters); host community fee for Registered Medical Marijuana Dispensary (in process); expansion of room occupancy tax to seasonal vacation rentals (requires special legislation); increase of real estate transfer tax for housing initiatives or another dedicated purpose (requires special legislation); tax on medical marijuana sales (requires special legislation). Some of these have been pursued by the Town, others are being pursued and some have remained stalled or not pursued.

IV. Other Recommendations

Due to growing operational costs, an increasingly out-of-date facility, and multiple long-term infrastructure issues, at the recommendation of Town Administration and the Our Island Home Administrator, the Board of Selectmen convened an “Our Island Home Long-term Planning Work Group” in 2012. The Work Group met from October, 2012 – June 2013 to review financial and operational reports, data and other information of Our Island Home and also with the state’s only other (Taunton) municipally-operated nursing home and make recommendations to the Board regarding Our Island Home. In July, 2013 the Work Group presented its report to the Board ([insert link](#)). Our Island Home is operated as an Enterprise Fund (meant to fund its own operations); however, requires a significant annual subsidy from the Town’s General Fund. Because the Town wants to continue to ensure that the best, state-of-the art skilled nursing services are available to its elderly population, Town Administration is recommending a tax override for dedicated operating support for this service, as long as the Town remains the operator.

V. Conclusion

The FY 2017 General Fund budget, as proposed, is \$86,843,248, this represents an increase of \$4,821,600, or 5.88%, over the FY 2016 budget. The levy limit for FY 2017 is projected to be \$87,134,684, which will leave unused levy capacity in the amount of \$291,437.

The Town has been extremely fortunate to be able to fund several items, within its levy limit, including Our Island Home, the landfill mining program, health insurance, an annual amount of capital items. While the FY 2017 budget is balanced and addresses our fixed obligations, it also

puts forward some new initiatives that are intended to provide better or increased service to the public, as well as additional resources toward maintaining our infrastructure in a proactive manner, and address or continue to address goals and priorities of the Board of Selectmen and Town Administration. Our biggest challenges include housing, staffing, expanded programming (beaches, playing fields, trash, bike path maintenance) and keeping pace with the cost of living and faster-than-expected increases in costs ranging from health insurance to construction/maintenance costs – the same issues Nantucket families and businesses are encountering for their own budgets. Our community has grown in size and diversity, significantly over the last 20 years. We are facing some “big city” problems (substance abuse, public safety, housing shortage) now more than ever and it will take additional resources in the coming years to address these. Nantucket is a small town with big city problems!

Thanks to the Board of Selectmen, Capital Program Committee, Finance Committee, Town departments, and especially to the staff who spend many, many hours putting together the information necessary to develop the budget recommendations, including Finance Director Brian Turbitt, Assistant Finance Director Lynell Vollans and Assistant Town Manager Gregg Tivnan.

Prepared by:

Town Manager, pursuant to Article IV, Section 4.2(d)(3) of the Charter of the Town of Nantucket

Appendix

Nantucket Bond Rating (Moody's Report)

Stabilization Fund

State of the Economy (The Conference Board)

Nantucket Facility Assessment Report (LLB Architects)

New Growth and Key Local Revenues (FY11-FY15)

Enhanced Revenue Opportunities

 Payment-In-Lieu-Of-Taxes (PILOTS)

 Town Clerk Fees

 Public Health Fees

FY17 Expense Increase Requests

Human Resources Operational Assessment (EmCo Consulting/HR Alternatives)

Collectively-Bargained Cost-of-Living Adjustments

Other Post-Employment Benefits (OPEB)

Reserve Fund

General Fund Subsidy History

 Our Island Home

 Solid Waste Enterprise Fund

Sewer Projects Cost Impact to Taxpayers

Our Island Home Workgroup Report

Moody's Investor Service Nantucket Upgraded to Aa1

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's upgrades Nantucket, MA's GO to Aa1 from Aa2

Global Credit Research - 16 Jan 2015

Assigns Aa1 to \$3.4M GO ref. bonds

New York, January 16, 2015 --

Moody's Rating

Issue: General Obligation Refunding Bonds; Rating: Aa1; Sale Amount: \$3,375,000; Expected Sale Date: 1/22/2015; Rating Description: General Obligation

Opinion

Moody's Investors Service has upgraded to Aa1 from Aa2 the rating on the Town of Nantucket, MA's outstanding general obligation bonds, affecting \$83.4 million of outstanding debt. Concurrently, we have assigned a Aa1 to the town's \$3.4 million General Obligation Refunding Bonds. The bonds are secured by the town's general obligation limited tax pledge as debt service has not been excluded from the levy limitations of Proposition 2 ½. The bonds will be used to advance refund a portion of the town's bonds dated November 15, 2005 for an estimated net present value savings of \$329,000, or 9.5% of refunded principal with no extension of maturity.

SUMMARY RATING RATIONALE

The upgrade to Aa1 reflects the town's improved financial position, including a stabilizing trend of enterprise operations. The rating also incorporates the town's large tax base with very strong home values and above average wealth levels, as well as manageable debt burden and long-term liabilities.

STRENGTHS

- Sizeable tax base with strong home values
- Stable financial position with ample reserves

CHALLENGES

- Airport and nursing home enterprise operations
- Moderate liabilities for pension and OPEB
- Exposure to potential storm risk

WHAT COULD CHANGE THE RATING UP

- Large increase in the wealth levels (median family income and per capita income)
- Trend of self-sufficiency in all enterprise funds
- Additional increases in reserve levels

WHAT COULD CHANGE THE RATING DOWN

- Significant reduction in reserves
- Increased reliance on General Fund to support enterprise funds
- Deterioration of tax base
- Material increase in the debt burden

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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Stabilization Fund

[Type text]

STABILIZATION FUND

The Stabilization Fund is a special reserve account allowed by Massachusetts General Laws to allow savings to be set aside and available for emergency expenditures. In the case of an emergency expenditure a community with a Stabilization Fund balance may use the available fund balance rather than spiking its property tax rate. The tax rate may be therefore “stabilized”. Bond rating agencies rate municipalities more highly if they maintain a healthy reserve balance in this and other reserve accounts. The five year history of the stabilization fund is shown below.

Stabilization Balance

2011	2012	2013	2014	2015
\$ 3,666,898.28	\$ 3,767,769.17	\$ 3,740,987.79	\$ 4,776,308.32	\$ 4,834,732.97

State of the Economy

The Conference Board (www.conference-board.org)

Released: Friday, September 18, 2015

The Index increased 0.1 percent in August to 123.7.

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.1 percent in August to 123.7 (2010 = 100), following no change in July, and a 0.6 percent increase in June.

“The U.S. LEI suggests economic growth will remain moderate into the New Year, with little reason to expect growth to pick up substantially,” said Ataman Ozyildirim, Director of Business Cycles and Growth Research at The Conference Board. “Average working hours and new orders in manufacturing have been weak, pointing to more slow growth in the industrial sector. However, employment, personal income and manufacturing and trade sales have all been rising, helping to offset the weakness in industrial production in recent months.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.1 percent in August to 112.6 (2010 = 100), following a 0.4 percent increase in July, and a 0.1 percent increase in June.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased 0.2 percent in August to 118.5 (2010 = 100), following a 0.3 percent increase in July, and a 0.9 percent increase in June.

About The Conference Board Leading Economic Index® (LEI) for the U.S.

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

Nantucket Municipal Facilities Assessment

LLB Architects, June 2015

nantucket-ma.gov/DocumentCenter/Home/View/10819



LERNER LADDS BARTELS
161 Exchange St.
Pawtucket, RI 02860

401.421.7715
WWW.LLBARCH.COM

NANTUCKET FACILITIES ASSESSMENT

CLIENT

Town of Nantucket, MA
16 Broad St.
Nantucket, MA

CONSULTANTS

Consulting Engineering Services
811 Middle St.
Middletown, CT

A. M. Fogarty & Associates, Inc.
175 Derby St.
Hingham, MA

10 June 2015

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ARCHITECTS

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ARCHITECTS

10 June 2015

MS. HEIDI BAUER
Procurement and Project Manager

TOWN OF NANTUCKET
16 Broad Street
Nantucket, MA 02554

Re: Draft Report for the Town of
Nantucket Facilities Assessment

Dear Ms. Bauer,

We are proud to submit our report of the Facilities Assessment for the Town of Nantucket. All of our team members found the time spent at the buildings and working with Nantucket's staff to be quite enjoyable. The Town of Nantucket can be justifiably proud of the sense of pride and responsibility shown by Town staff and apparent in their approach to each of the buildings we visited.

We were warmly received by staff wherever we went and were provided with candid insight and full access to each of the buildings. We extend a heart-felt thanks to you, Larry Kester, and all of the Nantucket staff, business owners, and residents we met for providing an unmatched level of assistance and guidance throughout the effort.

Please do not hesitate to contact either of us if there are any questions regarding any aspect of the report.

Sincerely,

R. Drayton Fair, AIA, ALA, LEED AP
Principal

Gregory J. Smolley, AIA, AICP, REFP, LEED AP
Principal

INTRODUCTION

In April of 2015 the Town of Nantucket retained LLB Architects to conduct a town-wide facilities study. Our team included Consulting Engineering Services, who provided expertise with mechanical, electrical, plumbing, fire protection systems, and cost estimating consultants A. M. Fogarty.

Team members reviewed historical data and files for each property and then visited each of the 16 buildings that the study covers. This report is the culmination and written documentation of the study's methodology and findings. In the future use of this document and database, the assumptions and exclusions contained herein are as important as the recommendations and conclusions. This study's guidance is a composite of the available data, conclusions gained through visual observation, and knowledge of the construction market conditions at the time of writing. No destructive investigation or testing was conducted, thus concealed conditions and similar circumstances are necessarily part of subsequent investigations into individual buildings. There must also be recognition that design issues are beyond the scope of the study, and that there is volatility inherent in forecasting construction pricing.

This survey involves documentation of 16 buildings. The resulting analysis is a distillation of broad-range and detailed observations made by a team comprised of multiple professional disciplines. The primary objective of the study is to provide a database and methodology by which the Town of Nantucket may better plan for work at its facilities through a uniform rating system and independent cost projections. In most cases the data and forecasts developed through this study will form the basis for more intensive investigation of a particular facility prior to undertaking repairs or making alterations.

The team found the overall condition of the buildings we studied ranged from fair to essentially new. In addition to ADA / MAAB concerns, there are some identified code compliance, health, or life-safety issues that warrant attention or further study as the immediate next step. These issues range from missing roof shingles to water leaks and deteriorating walls. Similarly, there are deficiencies and needs common to all of the buildings. Those issues that were deemed to be of concern within the next three years were, to a fair extent, known to the Town staff already. From the point the Town is at now, this study should allow forecasting for the fiscal and physical needs of the facilities stock for the next twenty years. It is recommended that the buildings be revisited and the database and cost projections updated annually.

LLB Architects thanks Town Manager Elizabeth Gibson, Assistant Town Manager Gregg Tivnan, Procurement Manager Heidi Bauer, Facilities Manager Larry Kester, and all of staff of the Town of Nantucket for their expertise, time, and technical contributions to the content of this study.

EXECUTIVE SUMMARY

The costs of operating and maintaining facilities is one of the largest budget drivers for most municipalities. The Town of Nantucket owns a number of buildings that encompass a wide range of construction methods. As a step to better understand what may be needed to keep these buildings in a condition appropriate for a public investment, the Town retained LLB Architects to undertake a facilities assessment of 16 Town owned buildings. Individually, and as a team, we have formed our opinion of the condition of each building. Our analysis includes individual components of the building, systems that are fundamental to the operation of the building, and the building as a whole. This report is not intended to evaluate the building relative to its suitability for the use currently housed within, but is directly focused on the physical aspects of the building and the potential costs of renewing or replacing each system.

The overall condition of the buildings assessed ranges from poor to essentially new. Buildings grading poor include the Children's Beach Concession, 3 Chestnut Street, the Visitor's Center, and the PLUS Building. Most of the buildings rate overall as fair, though most have pending repairs or upgrades that may drive critical decisions in the next five years. The DPW Fleet Garage and the Public Safety building rated good. This is not to imply that expenditures are not or will not be needed, only that those potential costs are projected to be required some years from now.

Areas of concern common to numerous buildings include wet, moldy, or rotted wood frame walls, aging shingles, and water damage from previous or current water leaks and infiltration. Some of the areas of deterioration are significant enough to lead to a recommendation of further investigation prior to investment in repair, to better assure the repair is adequate to correct the issue, if that is possible at all. Examples of this include water infiltration and damp walls at Visitor Services, 3 Chestnut Street, and the Sheriff's Office. Similar concern was expressed for 34 and 37 Water Street - Marine Department and Finance Building, both of which are subject to periodic flooding and may not have been properly constructed to withstand that impact.

Another ongoing maintenance and cost of ownership involves the roofs of all of the buildings. Many of the Town's buildings we assessed were built in the 1960 - 1990's. Many have the original roof, or have been re-roofed years ago. This may lead to the need for a number of re-roof projects and it may be advantageous to group buildings with similar roof material types to

gain better pricing through volume. Buildings with near term (3 - 10 years) roof needs include the DPW Administrative office, Town Building, 3 Chestnut Street, Visitor Services, and Surfside Concession.

Perhaps the most costly elements are the building systems, including furnaces, boilers, heating systems, and air conditioning. The buildings do not have much similarity of systems and many are reaching the end of their expected life cycles. These systems are expensive to replace, but the need to address this at multiple buildings may allow the Town to standardize systems while moving to more energy efficient units as well. The Central Fire Station, Town Building, Finance and Marine Buildings, and the PLUS Building were all noted for building systems needs.

There are limitations to accessibility at some of the buildings, mostly due to the original design of the structure. Some of these matters are easily resolved, such as at the DPW Administrative office. Other situations will require an in-depth consideration of the situation to assure that investment is not made where no improvement could be expected, such as at the Central Fire Station and the PLUS Building.

Overall the Town buildings that comprise this study represent a cross section of construction types and ages. Typical for municipal buildings, the facilities have been modified over the years they have been in service. Also typical for municipal buildings, some of the modifications are more successful and conducive to Town business than others. The objective of a facilities assessment is to provide a baseline which can be utilized as one factor in the budgeting and scheduling of repairs. Through this information, a discussion of the viability or appropriateness of a specific building for a particular use may take a different direction, with the potential costs more completely understood.

To help make the data more easily assimilated into the planning and budgeting discussion, need and cost are projected to four priority groupings that span 20 years. A fifth priority category is intended for work that may need to be done in the case of a substantial renovation or a change of use.

All costs are based on present day construction costs as of June, 2015, with appropriate overhead costs added. To account for the effects of cost escalation and inflation, Priority #2 items include 3% annual cost escalation, compounded for five years. Priority #3 items include 3% annual cost escalation compounded

for 10 years, and Priority #4 includes the same 3% compounded for 20 years.

In no case was a building that is part of this assessment felt to be in need of evacuation, cessation of use, or emergency repair.

Priority #1 items are those that should be addressed within the next two years. In some cases there are items that should be addressed immediately. In no case with the buildings assessed was a building found to be unsafe. The projected cost for Priority #1 items is approximately \$1,900,000. The cost of investigation or design fees for work that is needed but undefined is not included in this allocation. Examples of this type of project include resolving the issue of freezing pipes at the Natural Resources building and investigating the extent of damage and potential solutions to the water infiltration at the Visitors Services and 3 Chestnut Street buildings.

Priority #2 items are those suggested to be addressed within three to five years. The projected cost for these items is approximately \$1,300,000.

Priority #3 items fall into the five to 10 year time frame. This is where many of the roofs and heating systems fall, thus the projected cost for this Priority is approximately \$5,000,000.

Priority #4 items are projected to be addressed from ten to twenty years from the date of the report. These items are projected to cost approximately \$7,200,000.

The scope of work needed for any item in the report will need to be defined prior to the work moving forward. Likewise, the material costs and escalation allowances should be revisited on a regular basis to assure the most accurate projections for the Town's planning purposes.

This section describes an overview of the work, scope, walk-through survey processes, document review processes, conditional analysis, and data content.

OVERVIEW

This survey includes documentation of 16 buildings. The resulting analysis is a distillation of broad-range and detailed observations made by a team comprised of multiple disciplines: architectural, civil, mechanical, electrical, plumbing, and fire protection. This study includes observations made by this team in the spring 2015. The primary objective of the study is to identify and observe systems, assemblies, or components of each building and note deficiencies by visual inspection. All observations made by the team are the result of existing document review, interviews, and walk-through surveys. Quantities and costs to remedy the deficiencies are applied to develop an order of magnitude estimate of deferred maintenance items. These estimates are then compared relative to each other, using a facility condition index, which can provide a level of severity of deficiencies per building, removing the size and significance from the comparison.

In efforts to streamline data collection and further analysis of the information, LLB Architects utilized a database to store and process the information, primarily structured by building element utilizing the Unifomat Building Element Classification.

The study database and this high-level report for use by the Facilities Department are both provided as final deliverables for the project. All collected data and observations within the database can be organized, filtered, and presented in numerous ways based upon the users' needs, providing the option for both broad analyses and detailed reporting. Furthermore, the database can be updated to rapidly recreate future studies.

OBSERVATION SCOPE

The following describes which elements were observed, how, and to what extent:

Site and Utilities: Topography for unusual or problematic access issues.

Structural Frame and Building Envelope: Visual identification of basic type of structure (steel/wood frame, etc.), substructure including foundation walls, slab-on-grade, basement enclosure, superstructure including floor and roof framing (where readily accessible), building envelope including facades, curtain wall system, glazing system, exterior sealants,

balconies, porches and other architectural features of importance or noted as deficient. Observations of the building's exterior are generally viewed from the ground and not by special conveying, unless alternative vantage points from balconies or adjacent buildings were available. A structural consultant was not retained to perform the study.

Roofing: Identification of the material of the exposed membrane/material including parapet. Observations were made to note any deficiencies in drainage, damage to the system, and leaks. Roofing was accessed directly wherever possible, with the exception of steep-sloped roofing. Where readily available, information related to the roof age or warranty was cross-referenced and verified during the walk-through survey. A roofing consultant was not retained to perform the study.

Interior Elements: Visual inspection of typical occupied spaces including lobbies, corridors, assembly spaces, restrooms, and special or unusual areas. Observations and deficiencies are noted for typical floor, wall, and ceiling finishes, fixtures, layout, and user comfort issues.

Plumbing: Identification of the sanitary, storm, and supply piping material, fixtures, domestic hot water, and other special fixtures such as emergency wash units. Deficiencies are noted for any distribution and fixtures which are damaged or beyond apparent useful life.

Heating, Venting, and Cooling: Generation and distribution system, observed for components and assemblies past useful life or damaged. Any equipment that is shutdown or not operational is observed as an opinion of its condition or deficiency. In many cases observations were extended to special equipment such as laser cutting machines.

Electrical: Identification and observation of the service provided, size, visual of the distribution system including panels, transformers, meters, emergency generation, and exit signs. In many cases observations were extended to special equipment.

Fire Protection: Identification and observation of fire protection systems including sprinklers, standpipes, fire alarms, panels, smoke detectors, and other equipment.

Additional scope considerations: Other observations were collected on matters of environmental impact, Accessibility, air and temperature quality. Although these observations and deficiencies were noted throughout the study, a thorough and detailed study

of these items was not within the scope of this project. Code and life safety consultants were not retained to perform the study.

WALK-THROUGH SURVEY PROCESSES

Walk-through surveys were conducted for every building selected for review in this project. The purpose of each walk-through survey was to visually observe the facility to gather information on architectural, civil, mechanical, electrical, plumbing, and fire protection components and systems. Deficiencies that were visible and readily accessible were noted and entered into the study database.

Each building was thoroughly photographed at interior and exterior locations, highlighting building envelope components, roofing, structural systems (where readily accessible), representative interiors, and any unique or unusual spaces. The photo documentation serves to record typical conditions, identification of materials, and deficiencies.

DOCUMENT REVIEW AND INTERVIEW PROCESSES

The purpose of including document review and interviews is to supplement the walk-through survey and to assist the team's understanding of the facility and any pre-existing deficiencies or ongoing maintenance efforts.

Collected documents included existing drawings, building historical data, systems inventories, and building department records from the city's zoning and tax's assessor's departments. These documents and data from other sources were organized, reviewed, and migrated into the study database as existing information. This information was referenced to augment and enhance the walk-through survey and is explicitly distinguished from the actual knowledge obtained by verification and observation.

Interviews were informally conducted during the walk-through surveys. Additionally, a point of contact was sometimes assigned to aid in a walk-through survey, during which an interview was conducted simultaneously.

PRIORITY RATINGS

A priority rating scale, rated 1 through 5 was defined by the town, and determines the level of necessity for a remedy to a deficiency. These ratings closely correlate to ASTM standards. Condition criteria ratings are indicated as follows:

1— *Critical / Immediate (1-2 Years): Requires immediate action to correct a cited safety hazard, stop accelerated deterioration, return a facility to operation, correct an environmental hazard*

2 — *Potentially Critical (2-5 Years): May become Critical within a year if not corrected expeditiously. Situations include Intermittent operations, rapid deterioration, potential life safety hazards, environmental non-compliance*

3 — *Necessary (5-10 Years): Requires appropriate attention to preclude predictable deterioration or potential downtime and the associated damage or higher costs if deferred further.*

4 — *Recommended (10-20): Includes items that represent a sensible improvement to existing conditions, improve overall usability and/or reduce long-term maintenance costs.*

5 — *Grandfathered (20+ Years): Includes items that do not conform to existing codes. No action is required at this time, but should substantial work be undertaken in contiguous areas, certain existing conditions may require correction.*

DEFERRED MAINTENANCE COST ESTIMATING

Based on the walk-through survey and other information gathered during the document review and interviews, remedies for deficiencies requiring repair, replacement were assigned a quantity, cost, and location to obtain order-of-magnitude estimates for deferred maintenance. Sources of cost information are obtained through the cost estimator and may reflect unit costs from the estimator's database or files, owner's historical experience costs, or other qualified sources that the consultant determines appropriate. Opinions of probable costs are limited to construction related costs; those types of costs that commonly are provided by contractors who perform the work. Wherever possible, a cost description details the work that is included in the cost, supplementing the remedy narrative.

Opinions of remedies and costs should only be construed as preliminary, order of magnitude budgets. Actual costs will most likely vary from the consultant's opinions on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, phasing of the work, quality of contractor, quality of project management exercised,

market conditions, and whether competitive pricing is solicited, etc.

ADDITIONAL STUDY COSTS

Some deficiencies suggested remedies that require further study/research or design, testing, exploratory probing, and exploration of various repair schemes, or a combination thereof, all of which are outside the scope of this guide. In these cases, the observation was flagged as an item to study, but not provided a cost to do so.

BUILDING SUMMARY DESCRIPTIONS

Civil: Utility entry points and identification of materials, general system-wide deficiencies, prominent localized deficiencies.

Structural: Findings related to the roof and floor structural frames, exterior and interior bearing walls, and foundation types are listed. General system wide or localized areas of concern observed are recommended to be further investigated by professional engineer to determine extent of deficiency.

Building Envelope: Identification of roofing, exterior wall systems and finishes, exterior windows, curtainwalls, and subgrade wall systems materials and general system wide or localized deficiencies.

Mechanical: Heating, ventilation and cooling system descriptions, sizes, types, materials, special or localized services, general system-wide deficiencies, prominent localized deficiencies.

Electrical: Service, panel and fixture and fire alarm descriptions, capacity, types, materials, special or localized services, general system-wide deficiencies, prominent localized deficiencies.

Plumbing: Service, distribution, and fixture descriptions, sizes, types, materials, special or localized services, general system-wide deficiencies, prominent localized deficiencies.

Fire Protection: System, distribution, and fixture descriptions, sizes, types, materials, special or localized services, general system-wide deficiencies, prominent localized deficiencies.

NOTES, SPECIAL CONSIDERATIONS, DEVIATIONS FROM THE GENERAL METHODS

1. Assessed values of buildings were taken from building property records and transcribed into the

study database. Assessed values should always be viewed in conjunction with lot information so that true values can be understood in context.

2. Building use was recorded as indicated by the building department record, and not by the International Building Code definitions of use.

RESOURCES

American National Standard Accessible and Usable Buildings and Facilities Standard & Commentary. Country Club Hills, IL: International Code Council, 2009.

ASTM International. *Standard Guide for Property Condition Studys: Baseline Property Condition Study Process*. West Conshohocken: ASTM, 2008.

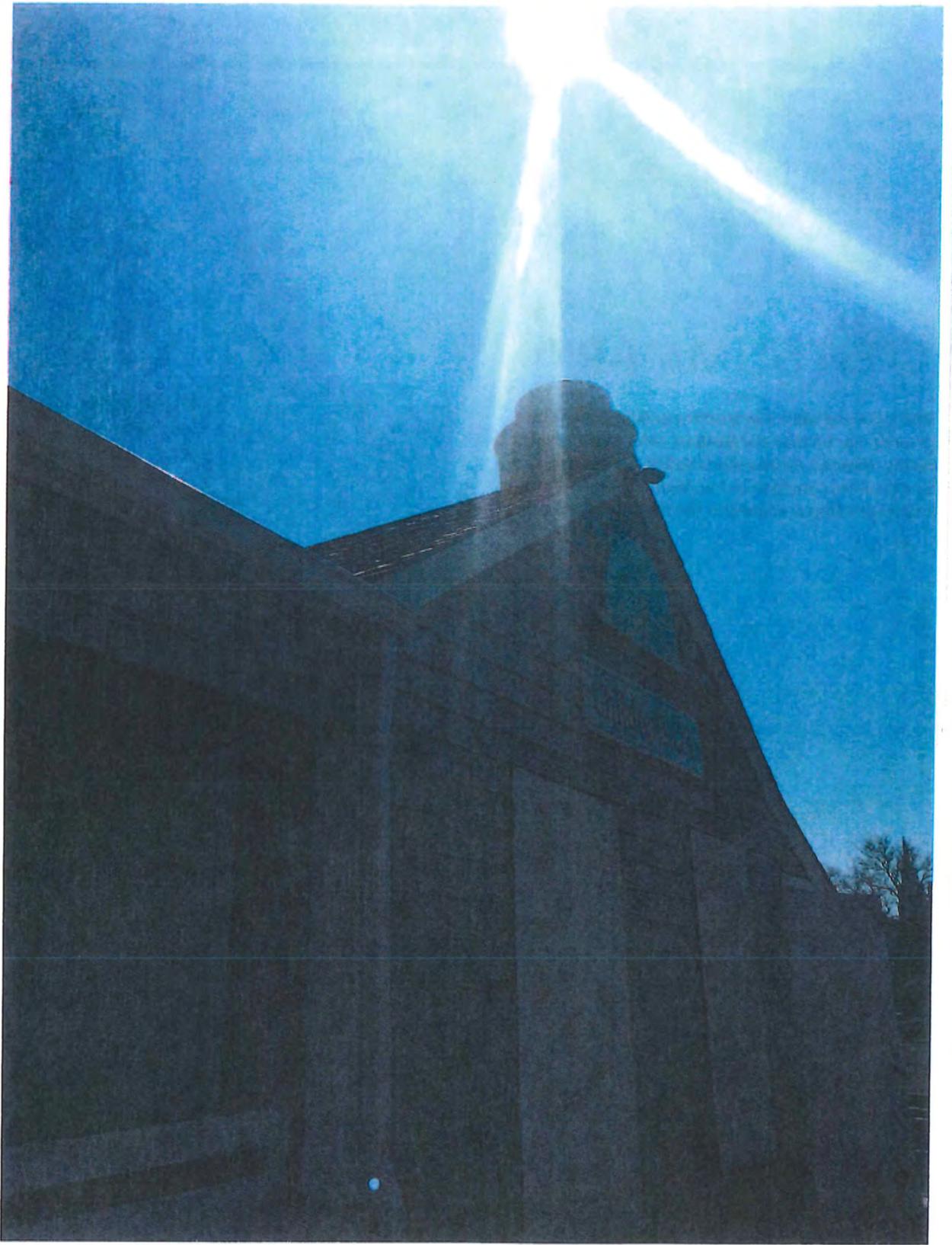
International Building Code. Country Club Hills, IL: International Code Council, 2012.

Johnson et al., *UniFormat: A Uniform Classification of Construction Systems and Assemblies*. Alexandria: The Construction Specifications Institute, 2010.

NFPA 101 Life Safety Code. Quincy, MA: National Fire Protection Association, 2003.

COST SUMMARY

The following table summarizes building needs by priority. For further clarification, refer to the project terms deferred maintenance deficiency, improvement, and facilities condition index. Methods and notes for cost estimating are found in the methods section.



2015 NANTUCKET FACILITIES ASSESSMENT

BUILDING	1	2	3	4	5
3 CHESTNUT ST.	\$54,317	\$0	\$58,132	\$0	\$0
CENTRAL FIRE STATION	\$285,650	\$333,796	\$1,807,343	\$343,071	\$0
CHILDREN'S BEACH CONCESSIONS	\$31,987	\$7,564	\$31,569	\$0	\$0
DPW ADMINISTRATION	\$310,736	\$31,426	\$20,270	\$0	\$0
DPW FLEET GARAGE	\$0	\$12,607	\$151,686	\$196,415	\$0
FINANCE BUILDING	\$1,813	\$4,841	\$405,735	\$31,426	\$0
JETTIES BEACH BATH HOUSE AND CONCESSIONS	\$14,500	\$53,118	\$80,134	\$35,983	\$0
MARINE DEPARTMENT	\$0	\$3,530	\$233,471	\$56,961	\$0
NATURAL RESOURCES	\$18,125	\$0	\$23,638	\$87,732	\$0
PLUS BUILDING	\$447,512	\$132,963	\$401,004	\$707,093	\$0
PUBLIC SAFETY FACILITY	\$0	\$0	\$3,897	\$1,079,626	\$0
SCONSET COMFORT STATION	\$1,015	\$0	\$16,564	\$6,522	\$0
SHERIFF'S OFFICE	\$263,444	\$363,715	\$366,775	\$822,283	\$0
SURFSIDE CONCESSIONS	\$2,886	\$7,615	\$30,199	\$66,781	\$0
TOWN BUILDING	\$394,045	\$313,767	\$1,192,206	\$3,725,346	\$0
VISITOR SERVICES	\$0	\$26,857	\$79,749	\$0	\$0
	\$1,826,030	\$1,291,799	\$4,902,373	\$7,159,239	\$0

PRIORITY RATINGS

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2— *Potentially Critical (2-5 Years): May become Critical within a year if not corrected expeditiously. Situations include Intermittent operations, rapid deterioration, potential life safety hazards, environmental non-compliance*

3— *Necessary (5-10 Years): Requires appropriate attention to preclude predictable deterioration or potential downtime and the associated damage or higher costs if deferred further.*

4— *Recommended (10-20): Includes items that represent a sensible improvement to existing conditions, improve overall usability and/or reduce long-term maintenance costs.*

5— *Grandfathered (20+ Years): Includes items that do not conform to existing codes. No action is required at this time, but should substantial work be undertaken in contiguous areas, certain existing conditions may require correction.*

ESCALATION

Compounded interest was factored in at 3% annually to reflect the cost to do work in the future priorities' timeframes:

Priority 1: No escalation

Priority 2: Interest compounded annually for 5 years

Priority 3: Interest compounded annually for 10 years

Priority 4: Interest compounded annually for 20 years





PARCEL	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 1,104
YEAR BUILT 1960	FOOTPRINT AREA, SF 1,104
REPLACEMENT COST \$533,500	BLDG. ASSESSED VALUE \$169,679

3 CHESTNUT ST.

3 East Chestnut St.
Nantucket, MA
Parcel

Houses the administrative offices of the Nantucket Regional Transportation Authority as well as the public health offices for the Town, the building has lobby space where visitors can get information about transportation options on the Island. The town offices are located in the rear of the building.

The building is a single story, wood framed structure with cedar shake siding and asphalt roof shingles. There is no basement.

STRUCTURE

Wood framed two story building. Generally sound but showing signs of rot in various locations, especially at base of walls where water and dampness appear to be constantly present.

EXTERIOR VERTICAL ENCLOSURE

Wood shakes on wood framed walls. Wood windows with storm windows. Wood doors.

ROOF AND RAINWATER MANAGEMENT

Asphalt shingles, wood gutters, plastic and metal rain leaders. There is an appreciable leak which is entering the interior of the building in the southeast corner. This has led someone to place a plastic tarp to protect the network server, battery backup unit, and alarm system electronics from water.

VERTICAL CIRCULATION AND CONVEYING

Single floor, steps from exterior to the building at both entrances.

INTERIORS AND FINISHES

Carpeted floors, painted walls and ceilings.

PLUMBING

Domestic Water Heater is a 15 gallon, electric unit manufactured by Ruud, nearing the end of its useful life

HVAC

Controls are local and should be upgraded/replaced with the furnace

ELECTRICAL

The emergency lighting consists of 2 head emergency lights. These units are nearing the end of their useful life expectancy

ELECTRICAL

Presently there is no fire alarm system in the building. We recommend providing a new fire alarm system.

ACCESSIBILITY

Neither entrance is ADA or MAAB compliant. Interior of the building is comprised of hallways and passages that are too narrow for wheelchair passage. No compliant restroom.

SITE

Pad mounted transformer, shared with Town Hall
Underground fuel tank, shared with Town Hall

COOLING

Cooling for this building is provided by window units. The window units have not been evaluated.

VENTILATION

The heating for this building is by a force hot air Ruud oil fired furnace. This age of this unit is unknown, replacement within the next 10 years is typical for this type of equipment.

PRIORITY 1		\$54,317
B1020	Roof Construction	\$4,060
B2010.10	Exterior Wall Veneer	\$34,800
B2020	Exterior Windows	\$9,425
B3020	Roof Appurtenances	\$6,032
PRIORITY 3		\$43,256
B3010	Roofing	\$5,438
D3020	Heating Systems	\$3,045
D3060	Ventilation	\$19,210
D5040	Lighting	\$4,463
D7050	Detection and Alarm	\$11,101

ITEMS REQUIRING FURTHER STUDY

B1010 Floor Construction: Moisture, mildew, mold, and/or moss issues evident

B2010 Exterior Walls: Moisture, mildew, mold, and/or moss issues evident

B3010.10 Steep Slope Roofing: Active or inactive water infiltration evident





CENTRAL FIRE STATION

131 Pleasant St.
Nantucket, MA
Parcel 55 27

Built in 1979, this facility is located on Pleasant Street and has served as the Town's main fire station since opening.

The building is a two floor, wood framed structure with brick and cedar shake siding, asphalt shingle roof, and wood windows.

The efficiency and effectiveness of this facility for its intended use has been studied by the Town over a number of years and thus most functional inadequacies are well documented.

PARCEL 55 27	CONSTRUCTION TYPE 5B
CURRENT USAGE Fire station with crew living	GROSS AREA, SF 8,884
YEAR BUILT 1979	FOOTPRINT AREA, SF 4,442
REPLACEMENT COST \$667,500	BLDG. ASSESSED VALUE \$2,878,900

STRUCTURE
Two story, wood framed, slab on grade. Generally in fair condition with evidence of termite infestation and general deterioration.

EXTERIOR VERTICAL ENCLOSURE
Brick faced to the eave line, cedar shakes about. Painted wood trim. Wood double hung windows, most without storm windows. Metal and wood entry doors.

ROOF AND RAINWATER MANAGEMENT
Asphalt shingles with no gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING
There is one stairway to connect the upper and lower floors. There is no elevator.

INTERIORS AND FINISHES
The walls are mostly wallboard, finished with various paint colors. Bathrooms appear to be wallboard as well. There are a number of floor finishes used throughout. These range from painted concrete to tile and carpet.

PLUMBING
Domestic water heater is a 50 gallon Therma Flow indirect fired fed from the boiler and is nearing the end of its useful life

ELECTRICAL
The original 300 amp, 120/240 volt 1 phase electrical service should be upgraded to meet modern technology needs throughout the building.
The lighting throughout consists of T8 and T12 fixtures. The existing emergency generator is an aged 30 kilowatt Superior diesel generator.
The existing fire alarm system is manufactured by FCI

and is a zoned fire alarm system.

ACCESSIBILITY

There is no elevator to the inspectors offices on the second floor, which could be considered to be a required item. Similarly, there is no designated handicapped parking space.

SITE

Above ground - 1,000 gallon fuel oil tank for boiler, 275 gallon for generator, 2,000 diesel for trucks, 4,000 gallon gasoline for cars

Below grade - 120 gallon propane for cooking

HEATING

The original Peerless oil fired boiler is rated 400 Mbh and (2) Taco hot water circulation pumps are beyond their useful life expectancy. In addition, the heating hot water distribution system, terminal components, ventilation and exhaust systems and controls should be replaced/upgraded.

COOLING

Limited cooling exists with window units. Air conditioning should be provided for certain areas of the building from a central source.

PRIORITY 1		\$285,650
D1010	Vertical Conveying Systems	\$181,250
Z1040	ADA/MAAB	\$104,400

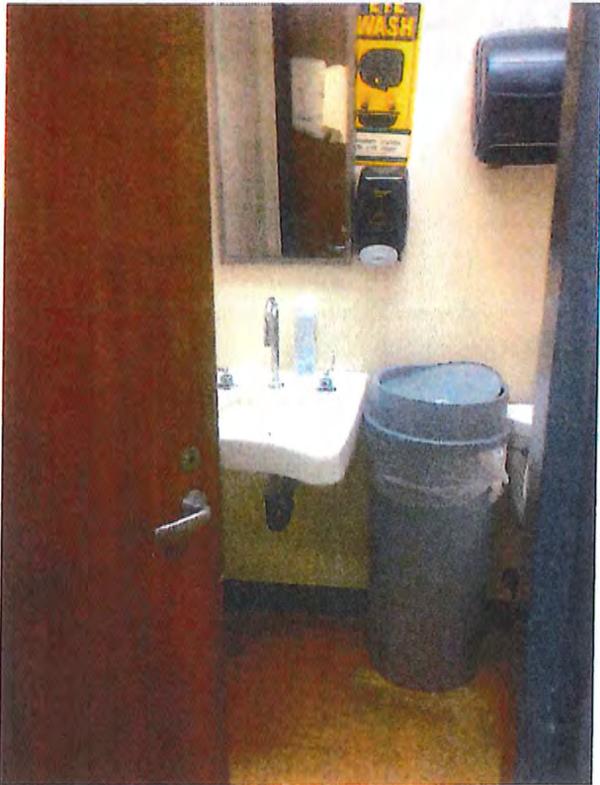
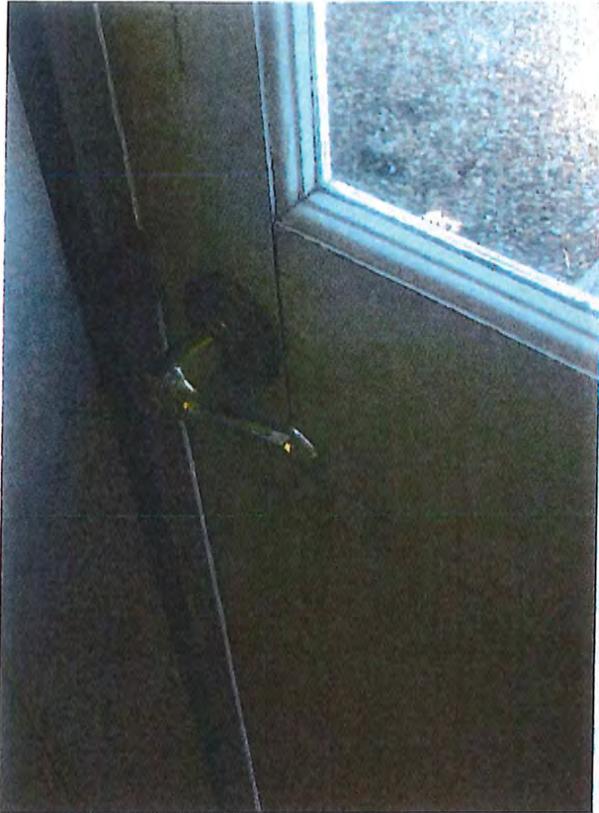
PRIORITY 2		\$287,935
B2010.10	Exterior Wall Veneer	\$29,000
B2020	Exterior Windows	\$8,700
B2050	Exterior Doors and Grilles	\$5,075
C1010	Interior Partitions	\$11,600
C1030	Interior Doors	\$3,263
C2010	Wall Finishes	\$31,900
C2030	Flooring	\$133,400
C2050	Ceiling Finishes	\$8,700
D7050	Detection and Alarm	\$56,298

PRIORITY 3		\$1,344,833
B2010.10	Exterior Wall Veneer	\$10,875
B2020	Exterior Windows	\$3,480
B2050	Exterior Doors and Grilles	\$65,250
B3010	Roofing	\$48,307
D3010	Facility Fuel Systems	\$14,500
D3020	Heating Systems	\$345,477

D3030	Cooling Systems	\$193,227
D3060	Ventilation	\$39,759
D3060	Ventilation	\$189,382
D5010	Facility Power Generation	\$253,750
D5020	Electrical Service and Distribution	\$102,779
D5040	Lighting	\$78,048
PRIORITY 4		\$189,950
B2010.10	Exterior Wall Veneer	\$141,013
B3010	Roofing	\$48,938

ITEMS REQUIRING FURTHER STUDY

B2010 Exterior Walls: System failure evident







PARCEL 42.4.2 9	CONSTRUCTION TYPE 5A
CURRENT USAGE Seasonal concession, resto	GROSS AREA, SF 720
YEAR BUILT 1970	FOOTPRINT AREA, SF 720
REPLACEMENT COST \$465,850	BLDG. ASSESSED VALUE \$246,100

CHILDREN'S BEACH CONCESSIONS

15 Harbor View Way
Nantucket, MA
Parcel 42.4.2 9

A seasonal use facility, the building contains a commercial kitchen, sales area, and two publicly accessible restrooms. The building is a single story, wood framed structure that rests on concrete block piers with unknown footings. The siding and roof are cedar shakes, with the obvious deterioration and missing shingles. The windows are wood framed single glazed, double hung units that are in generally good condition. Doors are wood with raised panels and are in generally good condition. Stairs, ramps, and porches are wood and are in generally good condition. Hand rails are wood and are in fair condition.

The building is located within an AE Zone and is subject to scouring from storm surge. The building is located below the FEMA designated flood elevation as well.

STRUCTURE

Wood frame on stacked and mortared concrete blocks. Wood framed floor and roof structures.

EXTERIOR VERTICAL ENCLOSURE

Cedar shake shingles in fair to good condition. Wood trim is painted and in fair condition. Windows are wood, single glazed, true divided lite in good condition.

ROOF AND RAINWATER MANAGEMENT

Roof is a combination of cedar shakes in fair condition and EPDM on the porch roof, which is in good condition.

Gutters are aluminum in good condition, leaders are aluminum, in good condition.

VERTICAL CIRCULATION AND CONVEYING

A single floor building with an attic. There is a wood ladder that provides access to the attic. This appears to be a shop-made ladder and does not carry any ASTM, OSHA, or similar labels or certifications.

The building is approximately two feet above grade and is accessed via stairs or ramps. All are constructed of wood and are fair to good condition.

INTERIORS AND FINISHES

The interior of the public space is painted Masonite or

other paneling, with the joints covered with batten strips. The walls are generally in good condition. The floor in this area is VCT and in good condition.

The kitchen area has ceramic tile floors, FRP wall coverings for most of the area, with stainless steel covering at the cooking area. The finishes in this area are generally in fair to good condition.

The storage area has no wall coverings, the floors are wood. This area is overall in fair condition.

The two public restrooms have painted walls and ceilings; the walls about the FRP wainscot are painted ship-lap wood siding, the ceilings are GWB. The floors are vinyl sheet with rubber base.

ACCESSIBILITY

The facility appears to be in compliance with applicable ADA and MAAB guidelines and regulations.

PRIORITY 1		\$31,987
B3010	Roofing	\$18,792
Z1040	ADA/MAAB	\$13,195
PRIORITY 2		\$6,525
B2010.10	Exterior Wall Veneer	\$3,625
B2020	Exterior Windows	\$2,900
PRIORITY 3		\$23,490
B3010	Roofing	\$23,490

ITEMS REQUIRING FURTHER STUDY

A1010 Standard Foundations: Load capacity issues evident

B1010.10 Floor Structural Frame: Girder(s)/beam(s) structural issues evident

A1010 Standard Foundations: Load capacity issues evident

A1010 Standard Foundations: Settlement evident

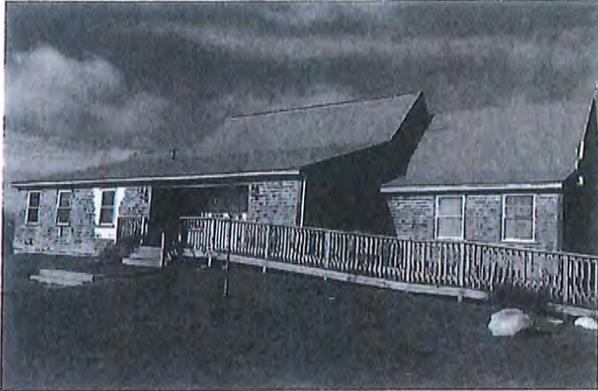
B1020 Roof Construction: Load capacity issues evident

B2010 Exterior Walls: Wind load issues evident

B1010 Floor Construction: Load capacity issues evident

B1080 Stairs: Egress stair appears non-compliant with current regulatory standards due to width, winders, riser height and /or tread depth..





PARCEL 39 14	CONSTRUCTION TYPE
CURRENT USAGE Administrative and meeting	GROSS AREA, SF 2,226
YEAR BUILT 1998	FOOTPRINT AREA, SF 2,226
REPLACEMENT COST \$1,002,000	BLDG. ASSESSED VALUE \$496,140

DPW ADMINISTRATION

188 Madaket Road
Nantucket, MA
Parcel 39 14

This building houses the majority of the administrative functions for the Department of Public Works.

Single floor with unfinished basement, wood framed. Cedar shake siding, asphalt roof.

STRUCTURE
Wood frame on poured concrete foundation. Recent construction remains sound and in overall good condition.

EXTERIOR VERTICAL ENCLOSURE
Cedar shakes with wood trim, all in good condition and aging nicely. Clad, insulated windows in good condition, some tears in screens.

ROOF AND RAINWATER MANAGEMENT
Asphalt shingles in good condition. No gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING
Staircase to unfinished basement is in good condition.

Exterior stairs in good condition.

INTERIORS AND FINISHES
Laminate wood floors, walls and ceilings are painted gypsum. All surface and finishes in generally very good condition.

ELECTRICAL
The electrical service consists of a 150 amp, 120/240 volt, 1 phase service. Romex wire is used throughout the building. LED and Fluorescents light fixtures for normal lighting. 2 head emergency lights are provided for emergency egress means. A 60 kilowatt propane fired emergency generator is shared between this building and the DPW Fleet building. A Simplex 4004 zoned fire alarm system serves this building

ACCESSIBILITY
No handicapped designated parking space was

observed. No designated route from the parking lot to the building was seen.

Ramp may exceed acceptable slope for ADA / MAAB conformance.

No ADA compliant restroom was found.

SITE

Underground electrical service to meter

HEATING

The heating system consists of an oil fired 126 mbh Weil McClain Boiler, with a 4 zone hydronic piping system, fed by copper piping, serving baseboard hot water fin tube radiation

VENTILATION

a local exhaust system is provided for the restroom



PRIORITY 1		\$310,736
B1080	Stairs	\$12,325
B3010	Roofing	\$2,175
Z1040	ADA/MAAB	\$296,236
PRIORITY 2		\$27,108
B2020	Exterior Windows	\$2,900
B3010	Roofing	\$24,208
PRIORITY 3		\$15,083
B2010.10	Exterior Wall Veneer	\$11
B2020	Exterior Windows	\$5,800
D5040	Lighting	\$9,272



ITEMS REQUIRING FURTHER STUDY

B3010.10 Steep Slope Roofing: Aging shingles, shakes, and/or tiles suggest new roof replacement





DPW FLEET GARAGE

188 Madaket Road
Nantucket, MA
Parcel

This is the primary facility for maintenance, service, and cleaning of DPW machinery and trucks. There is a break room and supervisor's office.

The building is a prefabricated metal sheathed building set on poured concrete knee-walls. A concrete floor with integral floor drains and multiple overhead doors facilitate access and operation.

PARCEL	CONSTRUCTION TYPE
CURRENT USAGE Equipment service, administ	GROSS AREA, SF 5,668
YEAR BUILT 2001	FOOTPRINT AREA, SF 5,668
REPLACEMENT COST \$1,125,000	BLDG. ASSESSED VALUE \$537,607

STRUCTURE

Prefabricated steel bents on poured concrete knee walls. Concrete floor slab with floor drains.

EXTERIOR VERTICAL ENCLOSURE

Uninsulated concrete knee walls to approximately three feet above grade. Steel sheet sheathing with insulating batts.

ROOF AND RAINWATER MANAGEMENT

Steel sheet roofing, no gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING

Primarily one floor. Wood stairs to mezzanine storage area. No elevator.

INTERIORS AND FINISHES

Generally good condition throughout.

PLUMBING

A 2" main with a 3/4" meter and copper piping service this building.

An electric water heater serves the restroom

Plumbing fixtures are vitreous china

FIRE PROTECTION

A 4" fire protection main service and double check valve at the service entrance exists.

Sprinklers are installed throughout the building for complete coverage.

ELECTRICAL

A 150 amp, 120/240 volt, 1 phase electrical service feeds the building

The lighting system is T5 fluorescents throughout

The emergency generator is shared with the DPW admin building

The fire alarm system is manufactured by EST and is a

zoned system

ACCESSIBILITY

Appears to be generally in compliance with ADA / MAAB guidelines and regulations. Some concern for turning clearance between toilet and hot water heater. Sink in lavatory should have trap and water feeds insulated.

SITE

An underground propane tank (unknown size) services the emergency generator

HEATING

Modine propane unit heaters serve the garage

VENTILATION

Paddle fans are located at the ceiling of the garage
Exhaust fans with louvers are mounted on the sidewall in garage



PRIORITY 2 **\$10,875**

A4010 Standard Slabs-on-Grade \$10,875

PRIORITY 3 **\$112,869**

D3020 Heating Systems \$3,263

D3020 Heating Systems \$40,600

D3060 Ventilation \$41,093

D5040 Lighting \$27,914

PRIORITY 4 **\$108,750**

B2010.10 Exterior Wall Veneer \$13,050

B2020 Exterior Windows \$52,200

B2050 Exterior Doors and Grilles \$43,500



ITEMS REQUIRING FURTHER STUDY

B2010 Exterior Walls: Thermal resistance issues evident





PARCEL 42.3.2 84	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 4,967
YEAR BUILT 1977	FOOTPRINT AREA, SF 2,500
REPLACEMENT COST \$2,235,000	BLDG. ASSESSED VALUE \$1,135,200

FINANCE BUILDING

37 Washington St.
Nantucket, MA
Parcel 42.3.2 84

Housing the finance and assessor's offices, this building is adjacent to a public parking lot and across from the building housing Marine Services.

This two story, wood framed residential style building has Cedar shake siding, asphalt shingle roof. There is no basement and the building is subject to periodic flooding.

STRUCTURE

Wood frame, two story, on concrete slab and foundation walls. Stick framed roof with collar ties.

EXTERIOR VERTICAL ENCLOSURE

Cedar shakes, asphalt roof shingles. Wood double hung windows. Metal entry doors.

ROOF AND RAINWATER MANAGEMENT

Asphalt shingles. Wood gutters with undersized PVC leaders.

VERTICAL CIRCULATION AND CONVEYING

One stair case between the floors. Carpeted, good condition. A pull-down stair provides access to the attic.

There is a LULA elevator to provide ADA compliant, limited accessibility to the second floor.

INTERIORS AND FINISHES

The ground level is subject to periodic flooding and when inspections were done there was no floor covering on the this level. The walls on this level are painted GWB and generally in good condition. The ceilings are painted GWB or plaster and in good condition.

The second floor has carpeted floors, with the materials in good condition. Walls and ceilings are painted GWB or plaster and generally in good condition.

PLUMBING

The domestic water main is 3/4" copper piping
Domestic water heater is a 6 gallon RUUD electric unit
Plumbing fixtures are vitreous china, tank type water closets

ELECTRICAL

The electrical service is a 400 amp, 120/240 volt 1 phase service

The lighting consists of surface mounted fluorescent light fixtures

Emergency lighting is provided by 2 head emergency units

The fire alarm system is manufactured by Fire Lites and is a zoned system with ADA strobes

ITEMS REQUIRING FURTHER STUDY

A4010 Standard Slabs-on-Grade: Active or inactive water infiltration evident

B2010 Exterior Walls: Moisture, mildew, mold, and/or moss issues evident

ACCESSIBILITY

The facility appears to be generally in conformance with applicable ADA and MAAB guidelines and regulations.

SITE

Electrical underground service to the meter

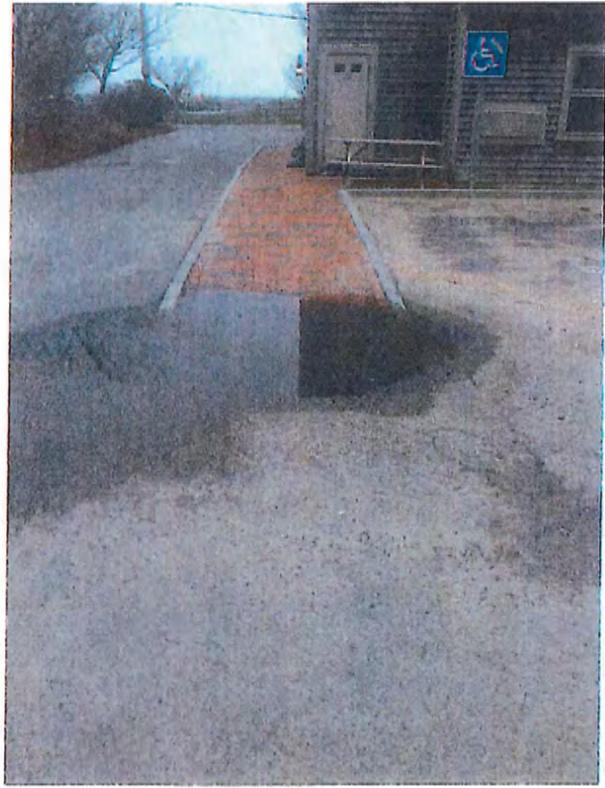
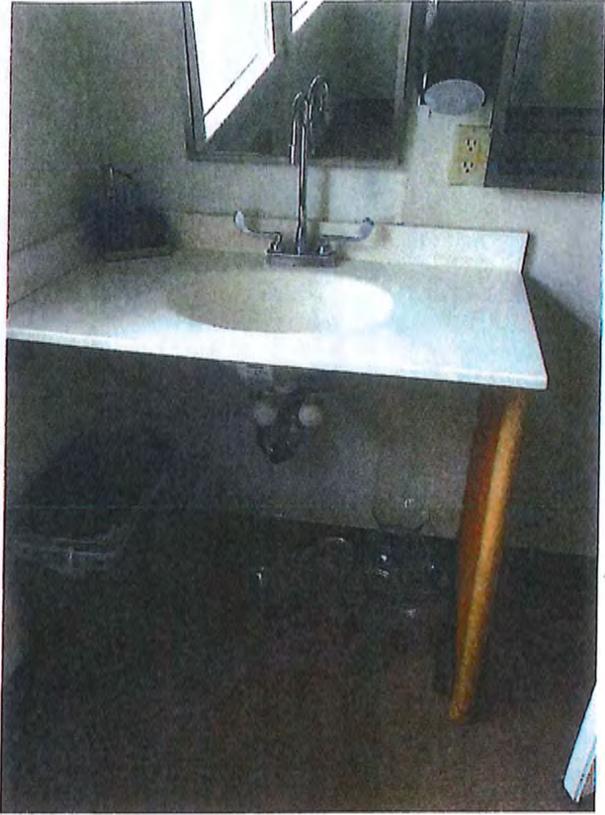
HEATING

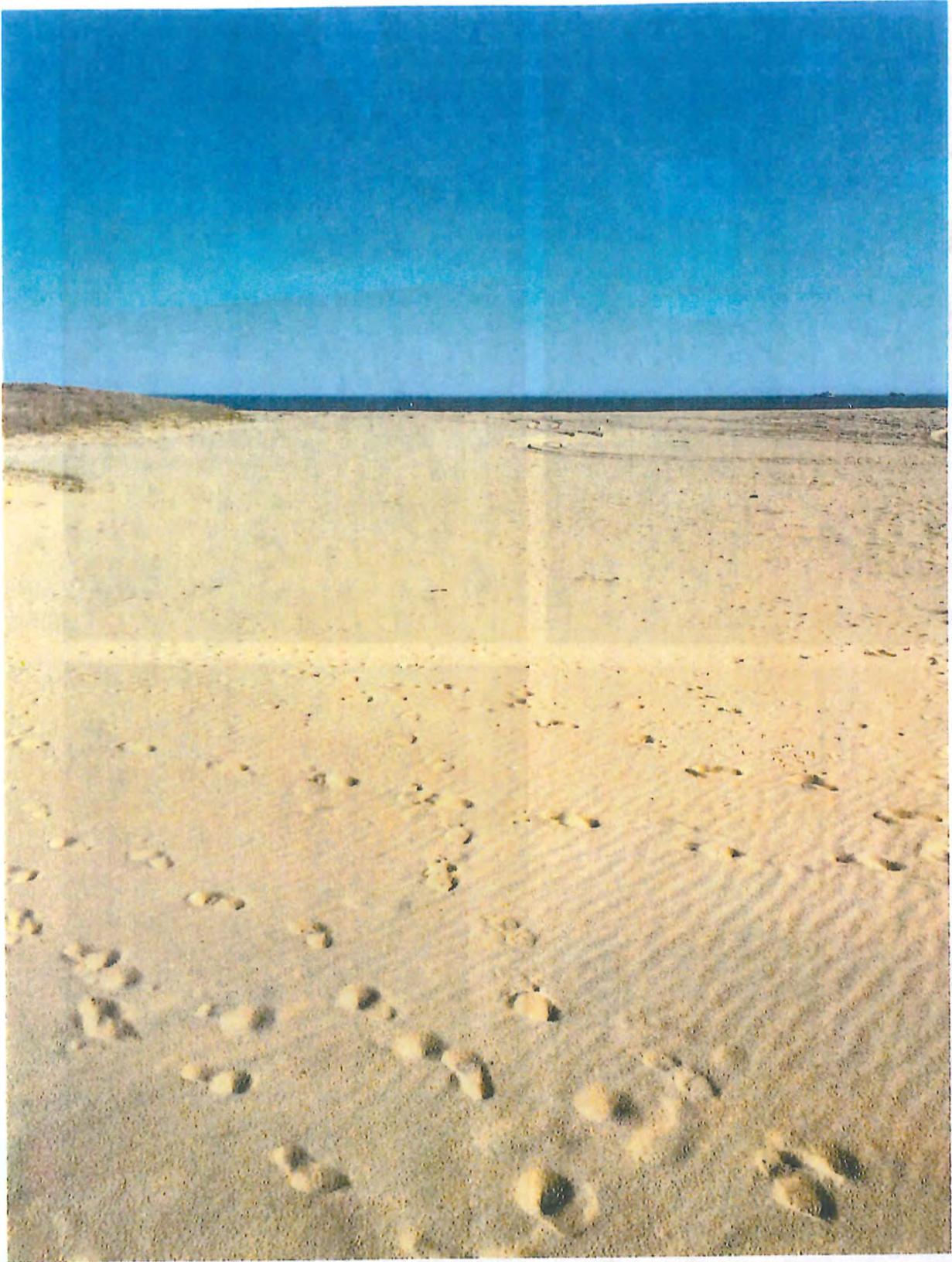
The building is heated by electric heat pumps on exterior walls. These units are manufactured by Carrier

COOLING

The building is cooled by electric heat pumps on exterior walls. These units are manufactured by Carrier

PRIORITY 1		\$1,813
C1010	Interior Partitions	\$0
Z1040	ADA/MAAB	\$1,813
PRIORITY 2		\$4,176
B3020	Roof Appurtenances	\$4,176
PRIORITY 3		\$301,905
B2010.10	Exterior Wall Veneer	\$8,773
B2020	Exterior Windows	\$4,350
B2080	Exterior Wall Appurtenances	\$5,800
C1030	Interior Doors	\$3,045
C2010	Wall Finishes	\$23,925
C2030	Flooring	\$18,125
C2050	Ceiling Finishes	\$5,438
D1010	Vertical Conveying Systems	\$36,250
D3020	Heating Systems	\$3,263
D3060	Ventilation	\$13,536
D3060	Ventilation	\$156,600
D5040	Lighting	\$22,802
PRIORITY 4		\$17,400
B3010	Roofing	\$17,400







PARCEL 29 1	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 1,832
YEAR BUILT 1980	FOOTPRINT AREA, SF 0
REPLACEMENT COST \$1,190,800	BLDG. ASSESSED VALUE \$646,952

JETTIES BEACH BATH HOUSE AND CONCESSIONS

4 Bathing Beach Rd.
Nantucket, MA
Parcel 29 1

This is a seasonal use complex providing a concession stand with seating, two worker's apartments, and an office within the larger building and changing areas and restrooms in the smaller structure.

The two buildings are linked by a wood deck. Both buildings are wood framed with cedar shake siding and asphalt roofs.

The concession stand is two floors, with the two bedrooms and office on the second floor. The bath house is a single floor building.

STRUCTURE

Both structures are wood framed.

The Concession building is two floors with multiple levels of wood decks. The decks and building are raised above surrounding grade, supported on concrete block piers.

The Bath House is a single floor structure raised above the surrounding grade on piers.

EXTERIOR VERTICAL ENCLOSURE

Both buildings are clad with cedar shakes with painted wood trim. Both buildings have wood framed windows.

ROOF AND RAINWATER MANAGEMENT

Both buildings have asphalt shingles, with no gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING

There are ramps and stairs leading to the various levels. The second floor of the Concession building contains two bedrooms and an office. There is no elevator.

INTERIORS AND FINISHES

The majority of the areas are in good condition. They exhibit wear consistent with a public seasonal building. The interiors are a mix of materials ranging from bare framing and sheathing to painted GWB, with FRP in the kitchen and food prep areas.

PLUMBING

Bath House:
Domestic water main & piping is 3/4" copper
The domestic water heater is a RUUD 40 gallon electric unit
Plumbing fixtures are vitreous china with flush valves
Concessions Building:
Domestic water main and piping is copper and PEX tubing
The domestic water heater is a RUUD 50 gallon propane fired unit
Plumbing fixtures are vitreous china with flush valves

ELECTRICAL

Bath House:
The electrical services panelboard was inaccessible
Light fixtures are fluorescent enclosed fixtures
Emergency lighting is provided by 2 head emergency lighting units
The fire alarm systems is served by FCI panel in the concessions building, with heat detectors and ADA strobes
Concessions:
The electric service is rated 200 amp, 120/240 volt
Light fixtures are incandescent and fluorescent
Emergency lighting is provided by 2 head emergency lighting units
The fire alarm system is a FCI zoned system, with heat detectors and non-ADA strobes
Fire alarm coverage for the apartment included AC/DC combination smoke/CO detectors

ACCESSIBILITY

Both structures appear to be substantially in compliance with applicable ADA and MAAB regulations and guidelines.

SITE

Electrical services are fed underground
The concession building has (3) above ground propane tanks

HEATING

No heating systems

COOLING

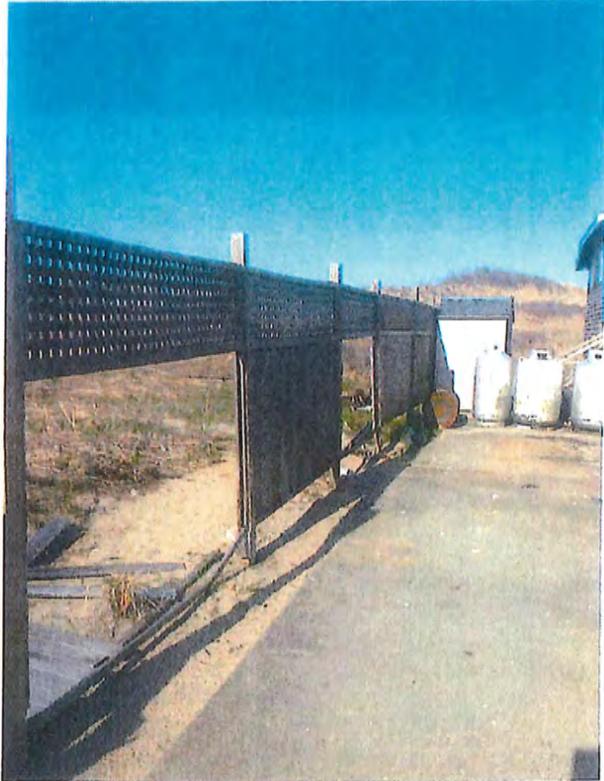
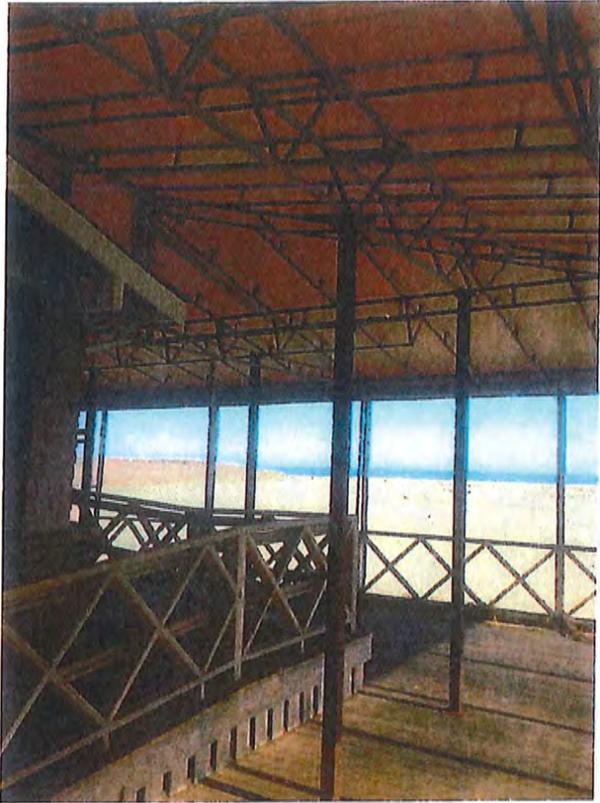
Concessions building is partially served by window cooling units

VENTILATION

Bath House:
Local exhaust systems serve the restrooms
Concessions:

The kitchen is served by a hood and exhaust system with an Ansul fire protection system & fan

PRIORITY 1		\$14,500
B2010	Exterior Walls	\$12,325
B3010	Roofing	\$2,175
PRIORITY 2		\$45,820
B1010	Floor Construction	\$2,320
B1020	Roof Construction	\$36,250
C1010	Interior Partitions	\$7,250
PRIORITY 3		\$59,627
B2010.10	Exterior Wall Veneer	\$6,525
C1010	Interior Partitions	\$13,050
C2030	Flooring	\$5,800
D5040	Lighting	\$34,252
PRIORITY 4		\$19,923
B3010	Roofing	\$19,923





ACCESSIBILITY

The facility appears to be substantially in compliance with applicable ADA and MAAB guidelines and regulations.

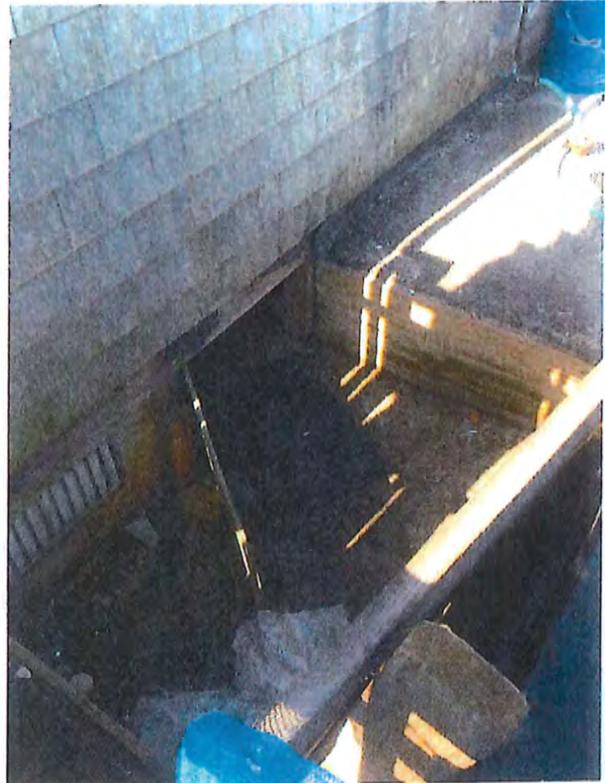
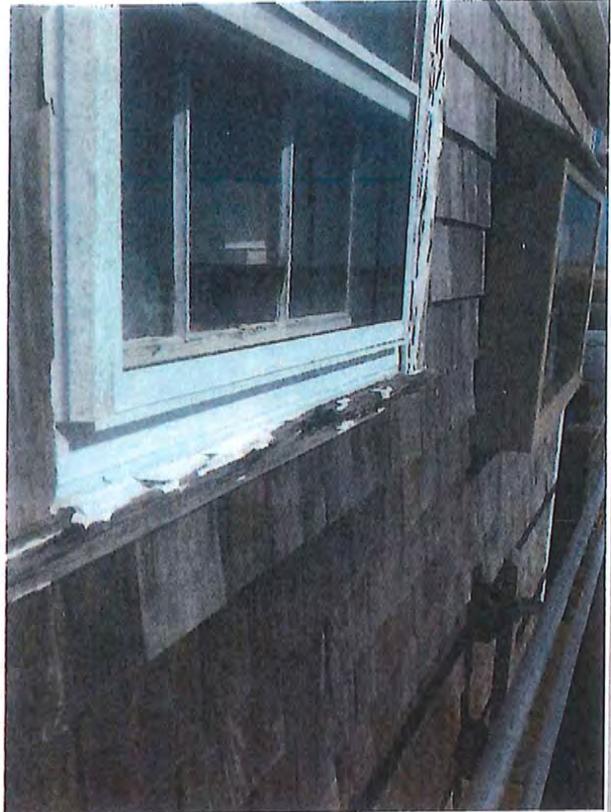
SITE

The electrical service is underground to the meter
An above ground propane tank exists and feeds the furnace

COOLING

The building is cooled by window A/C units

PRIORITY 1		\$18,125
Z1040	ADA/MAAB	\$18,125
PRIORITY 3		\$17,589
B2010.10	Exterior Wall Veneer	\$4,713
B2020	Exterior Windows	\$4,060
B3020	Roof Appurtenances	\$725
D7050	Detection and Alarm	\$8,091
PRIORITY 4		\$48,575
B3010	Roofing	\$8,700
C1010	Interior Partitions	\$1,885
C2010	Wall Finishes	\$5,583
C2010	Wall Finishes	\$1,523
C2030	Flooring	\$16,675
C2050	Ceiling Finishes	\$14,210





PARCEL 42.2.3 2	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 2,426
YEAR BUILT 1988	FOOTPRINT AREA, SF 1,213
REPLACEMENT COST \$1,273,600	BLDG. ASSESSED VALUE \$554,274

MARINE DEPARTMENT

34 Washington St.
Nantucket, MA
Parcel 42.2.3 2

Housing the marine services department and publicly accessible restrooms, this building is across from the building housing finance and the assessor's offices and to a public parking lot.

The building is a two story wood framed, residential style building with cedar shake siding and an asphalt shingle roof. There is no basement and this building is subject to periodic flooding.

STRUCTURE

A two story, wood framed building on a concrete foundation. There is an attic space as well, accessed via a pull-down staircase.

EXTERIOR VERTICAL ENCLOSURE

Cedar shakes with wood trim, some painted, some left natural to weather. Wood double hung windows with storm sashes. metal raised panel doors.

ROOF AND RAINWATER MANAGEMENT

Asphalt three tab shingles with no rain gutters or leaders.

VERTICAL CIRCULATION AND CONVEYING

A wood staircase internal to the building. No elevator.

PLUMBING

The water meter is located under the ramp/access door
Copper distribution piping
We assume the domestic water heater is electric, as we could not locate unit
Plumbing fixtures are vitreous china, tank type water closets

ELECTRICAL

The electrical service is rated 200 amp, 240/120 volt
Light fixtures are surface mounted fluorescent fixtures
Emergency lighting is provided by 2 head emergency units
The fire alarm system is manufactured by Fire Lites MS4 fire alarm panel (serves restrooms only)
The electric service also serves the adjacent dock lights

ACCESSIBILITY

The facility appears to be substantially in compliance with applicable ADA and MAAB guidelines and regulations.

SITE

The electrical is fed underground to the meter
Above ground propane tank serves the heating system

HEATING

Heating is provided by wall mounted Rinnai direct vent propane furnaces
The second floor heater/furnace is not functional

COOLING

Window units provide cooling for the building

VENTILATION

The restroom exhaust is provided by an attic mounted exhaust fan

PRIORITY 2 \$3,045

B2020 Exterior Windows \$3,045

PRIORITY 3 \$173,724

B1020 Roof Construction \$3,480

B1080 Stairs \$12,325

B2010.10 Exterior Wall Veneer \$3,625

B2020 Exterior Windows \$7,613

C1010 Interior Partitions \$4,785

C1030 Interior Doors \$3,263

C2010 Wall Finishes \$3,698

C2010 Wall Finishes \$13,159

C2030 Flooring \$66,700

C2050 Ceiling Finishes \$2,719

D3020 Heating Systems \$36,975

D3020 Heating Systems \$4,046

D5040 Lighting \$11,338

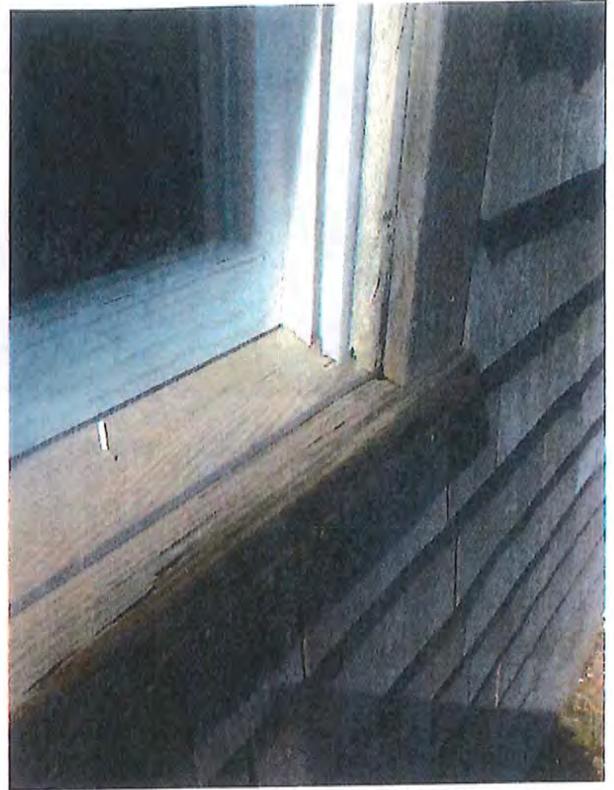
PRIORITY 4 \$31,538

B2080 Exterior Wall Appurtenances \$5,438

B3010 Roofing \$26,100

ITEMS REQUIRING FURTHER STUDY

B2010 Exterior Walls: Moisture, mildew, mold, and/or moss issues evident





PARCEL 29 1	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 720
YEAR BUILT 1950	FOOTPRINT AREA, SF 720
REPLACEMENT COST \$378,000	BLDG. ASSESSED VALUE \$194,180

NATURAL RESOURCES

2 Bathing Beach Rd.
Nantucket, MA
Parcel 29 1

This facility houses the administrative offices for the Natural Resources department and provides not only office space but is also the point of contact between the Department and the public. The building is adjacent to the public tennis courts and a large parking lot.

This is a single story wood framed building with a crawl space underneath and an attic, which is accessed via a pull down stair. The building has cedar shake siding and asphalt roof shingles.

STRUCTURE

A wood framed, single story structure with a crawl space below and an attic. Foundation is poured concrete.

EXTERIOR VERTICAL ENCLOSURE

Cedar shakes with painted trim boards. Wood, single glazed double hung windows with storm windows. Metal entry doors.

ROOF AND RAINWATER MANAGEMENT

Asphalt strip shingles with aluminum gutters and PVC leaders.

VERTICAL CIRCULATION AND CONVEYING

The operational areas of the building are on one floor. The attic is accessed via a pull-down staircase.

INTERIORS AND FINISHES

Generally in good condition. A combination of floor finishes including VCT and ceramic tile. Walls and ceilings are painted GWB.

PLUMBING

The domestic water heater is a Ruud 2.5 gallon electric unit

HVAC

A propane fired forced hot air furnace, manufactured by Johnson Controls, exists in the attic and serves the heating for the building with fiberboard ductwork

ELECTRICAL

The electrical service is rated 100 amp, 120/240 volt. Light fixtures are fluorescent surface mounted fixtures. Emergency lighting is provided by 2 head emergency lighting units.

ACCESSIBILITY

The facility appears to be substantially in compliance with applicable ADA and MAAB guidelines and regulations.

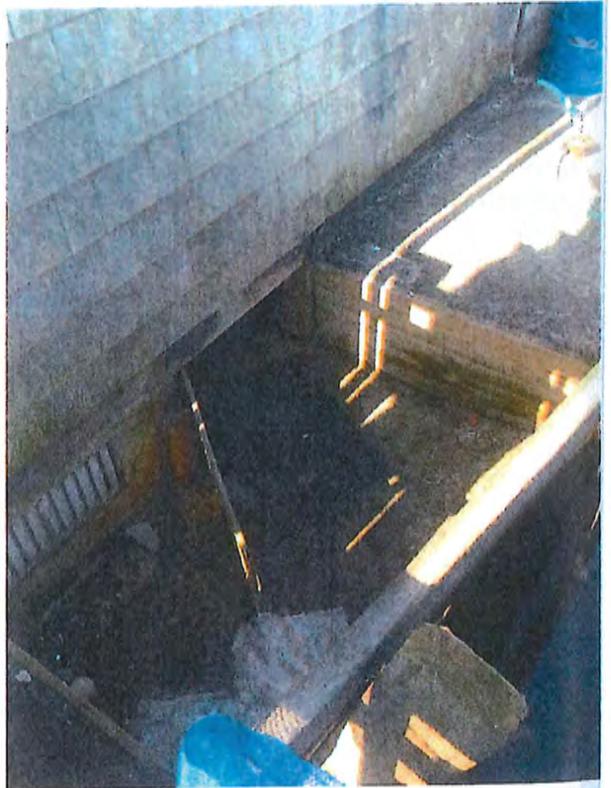
SITE

The electrical service is underground to the meter
An above ground propane tank exists and feeds the furnace

COOLING

The building is cooled by window A/C units

PRIORITY 1		\$18,125
Z1040	ADA/MAAB	\$18,125
PRIORITY 3		\$17,589
B2010.10	Exterior Wall Veneer	\$4,713
B2020	Exterior Windows	\$4,060
B3020	Roof Appurtenances	\$725
D7050	Detection and Alarm	\$8,091
PRIORITY 4		\$48,575
B3010	Roofing	\$8,700
C1010	Interior Partitions	\$1,885
C2010	Wall Finishes	\$5,583
C2010	Wall Finishes	\$1,523
C2030	Flooring	\$16,675
C2050	Ceiling Finishes	\$14,210





PLUS BUILDING

2 Fairgrounds Rd.
Nantucket, MA
Parcel 67 40

This facility houses the Planning and Land Use departments for the Town. It is the contact point between the public and the Town for many activities, including permitting of buildings and applications for public commission hearings. There are garage bays to the rear for storage of various pieces of machinery and trucks. There is also break and meeting rooms, workshops, supervisor's offices, and a large mezzanine area used for storage.

The building is a prefabricated metal sheathed building set on a poured concrete floor. The north facade is clad with cedar shakes, the east and south facades have multiple overhead doors to facilitate access and operations.

PARCEL 67 40	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 13,390
YEAR BUILT 1969	FOOTPRINT AREA, SF 13,390
REPLACEMENT COST \$8,703,500	BLDG. ASSESSED VALUE \$845,300

STRUCTURE

The facility is a prefabricated metal building on a concrete slab. The structure appears to be in good condition throughout.

EXTERIOR VERTICAL ENCLOSURE

The north facade is the main public entrance point. This facade is finished with wood shakes, painted wood trim and a wood overhang. The shakes are in good condition, the trim appears to be sound, but the paint is flaking and bare wood is exposed in places.

The three other facades are metal sheathing. These are in fair to good condition, with some rot obvious throughout.

Windows throughout are a combination of wood and metal framed units, some double hung, some awning. All are in poor to fair condition.

Doors are a mix of wood and metal. Several that were tried were found to be non-operational. Most are in fair to good condition.

There are several large overhead doors for vehicle and material ingress/egress. These doors all appear to be in fair to good condition.

ROOF AND RAINWATER MANAGEMENT

The roof is metal sheathing. Areas of rot and deterioration are apparent. Some areas have been repaired previously.

There are no rain gutters or leaders.

VERTICAL CIRCULATION AND CONVEYING

The building has a metal mezzanine which is accessed via an integral steel staircase. This is in good condition.

There is no elevator.

INTERIORS AND FINISHES

The building has a number of different interior finishes.

In general the storage and workshop areas do not have finished walls, with the insulation blankets providing the only finish. The workshop areas are generally raw concrete and unpainted concrete block. These are in fair condition. The records storage area is unfinished and is in good condition.

The office and meeting rooms are a combination of wood paneling and painted GWB. These areas all feel dated and are generally in fair condition. The floors in these areas are a combination of carpets and tiles and all are generally in fair condition.

PLUMBING

Domestic copper water piping, fed from well
The domestic water heater was inaccessible and is assumed to be electric
Plumbing fixtures are vitreous china
Users of the building mentioned there has been plumbing/drainage issues

ELECTRICAL

800 amp main, 208/120 volt, 3 phase
fluorescent, recessed and chain hung
2 head emergency lights
80 kw diesel Onan generator, enclosure corroding, signs of oil leak at tank
No fire alarm exists

ACCESSIBILITY

The building in general, and the public entry in particular, is not ADA / MAAB compliant. There is not a compliant route from the designated parking spaces to the front door. The door hardware is not compliant. There is not a compliant accessible restroom. There is not a compliant transaction desk or counter.

SITE

Underground electrical service fed by the pad mounted transformer

HEATING

The existing heating system for the building is electric
The workshop area is cold during the winter, as it is

serviced by 2 small electric heaters, we recommend adding 4 additional units
We further recommend replacing the electric heat with a hot water boiler system

COOLING

DX condensing units on grade provide cooling to the air handling units which serve the office areas

VENTILATION

Ventilation is provided to the office space with local air handling units mounted above the ceiling
The restroom has a local exhaust system

PRIORITY 1 \$447,512

D3020	Heating Systems	\$16,240
D5010	Facility Power Generation	\$362,500
D7050	Detection and Alarm	\$57,398
Z1040	ADA/MAAB	\$11,374

PRIORITY 2 \$114,695

B1020	Roof Construction	\$90,625
B2010.10	Exterior Wall Veneer	\$3,335
B2050	Exterior Doors and Grilles	\$6,960
C1030	Interior Doors	\$13,775

PRIORITY 3 \$298,385

B2020	Exterior Windows	\$66,700
B2050	Exterior Doors and Grilles	\$65,250
C2030	Flooring	\$30,450
D2010	Domestic Water Distribution	\$62,916
D3020	Heating Systems	\$3,045
D3030	Cooling Systems	\$11,963
D5040	Lighting	\$58,062

PRIORITY 4 \$391,500

D3020	Heating Systems	\$391,500
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ITEMS REQUIRING FURTHER STUDY

B2010.40 Fabricated Exterior Wall Assemblies: System failure evident

B1020 Roof Construction: Thermal resistance issues evident

B2010 Exterior Walls: Thermal resistance issues evident



PARCEL 67 752	CONSTRUCTION TYPE 2C
CURRENT USAGE	GROSS AREA, SF 35,000
YEAR BUILT 2010	FOOTPRINT AREA, SF 17,500
REPLACEMENT COST \$22,500,000	BLDG. ASSESSED VALUE \$16,951,900

PUBLIC SAFETY FACILITY

4 Fairgrounds Rd.
Nantucket, MA
Parcel 67 752

Home of the Nantucket Police Department, this recently constructed two story building presents the Town's image to many members of the public who come here for official business and town meetings.

This is a steel framed building with masonry infill walls with brick and masonry exterior finishes. There is a wood trussed roof with asphalt roof shingles.

Significant environmentally sensitive building systems are present, including ground source heat pumps and grey water recycling.

STRUCTURE

Steel frame, masonry infill, trussed roof system.
Concrete floor slabs on metal pan system.

EXTERIOR VERTICAL ENCLOSURE

Brick, block, stone, and cast stone cladding. Metal windows and doors.

ROOF AND RAINWATER MANAGEMENT

Architectural grade asphalt shingles. Metal rain gutters and leaders.

VERTICAL CIRCULATION AND CONVEYING

One publicly accessible stair off of the entry lobby. One limited access stair within the police department area.

ADA / MAAB compliant elevator within the main lobby.

INTERIORS AND FINISHES

Various floor surfaces, ranging from laminate wood to carpet, including ceramic and stone tiles.

Walls are generally painted.

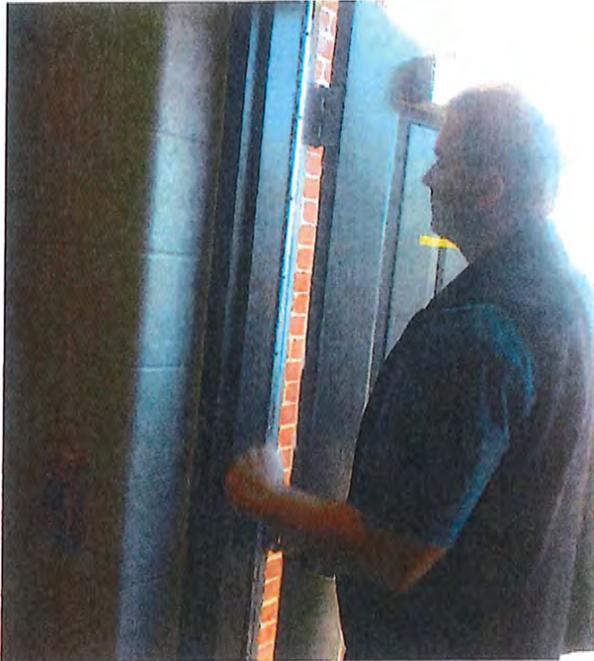
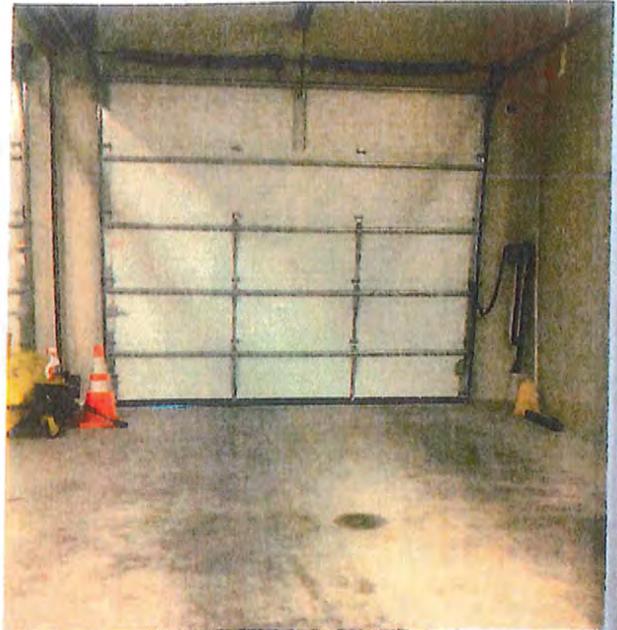
Ceilings are generally acoustical tiles.

ACCESSIBILITY

Appears to be fully compliant with ADA and MAAB regulations and guidelines.

PRIORITY 3		\$2,900
B3020	Roof Appurtenances	\$2,900
PRIORITY 4		\$597,763
B2010.10	Exterior Wall Veneer	\$92,800

B2020	Exterior Windows	\$8,700
B3010	Roofing	\$190,313
C1010	Interior Partitions	\$23,200
C2010	Wall Finishes	\$63,800
C2030	Flooring	\$55,825
C2050	Ceiling Finishes	\$126,875
D1010	Vertical Conveying Systems	\$36,250





PARCEL 73.1.3 77	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 332
YEAR BUILT 1981	FOOTPRINT AREA, SF 332
REPLACEMENT COST \$149,400	BLDG. ASSESSED VALUE \$63,100

SCONSET COMFORT STATION

1 Folgers Ct.
Nantucket, MA
Parcel 73.1.3 77

This is a small building nestled into its neighborhood, providing changing spaces and restrooms on a seasonal basis.

It's a single story, wood framed building with cedar shake siding and roof.

STRUCTURE

Wood framed, slab on grade, single story.

EXTERIOR VERTICAL ENCLOSURE

Cedar shakes with unpainted wood trim. Wood framed windows.

ROOF AND RAINWATER MANAGEMENT

Asphalt shingles, no gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING

Single story, no stairs, ramps, or elevator.

INTERIORS AND FINISHES

Ceramic tile floors and wainscot. Painted wallboard above the wainscot line. All in good condition.

PLUMBING

The domestic water heater is electric, which is located in the inaccessible attic

ELECTRICAL

The electrical service is rated 100 amp, 120/240 volt
Light fixtures are surface mounted fluorescent
Emergency lighting is provided by 2 head emergency units

The fire alarm system is manufactured by FCI and is NOT operational

ACCESSIBILITY

The facility appears to be in conformance with applicable ADA and MAAB regulations and guidelines.

SITE

The electrical service is fed from underground

VENTILATION

Exhaust system are local for the restrooms

PRIORITY 1		\$1,015
Z1040	ADA/MAAB	\$1,015
PRIORITY 3		\$12,325
B2010.10	Exterior Wall Veneer	\$1,450
D7050	Detection and Alarm	\$10,875
PRIORITY 4		\$3,611
B3010	Roofing	\$3,611

ITEMS REQUIRING FURTHER STUDY

B1020 Roof Construction: Moisture, mildew, mold, and/or moss issues evident

B2010 Exterior Walls: System failure evident

B3010.10 Steep Slope Roofing: Aging shingles, shakes, and/or tiles suggest new roof replacement





PARCEL 42.4.2 29	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 5,153
YEAR BUILT 1929	FOOTPRINT AREA, SF 2,575
REPLACEMENT COST \$3,864,750	BLDG. ASSESSED VALUE \$2,314,485

SHERIFF'S OFFICE

20 South Water St.
Nantucket, MA
Parcel 42.4.2 29

This building, along with Town Hall, form an integral part of the downtown fabric. Much older than Town Hall, this building is now under-utilized since the police department moved to 4 Fair Grounds Road.

This is a two story masonry building with asphalt roof shingles, wood windows and doors.

Though some historical elements have been lost, many remain, and the building retains its historical character.

STRUCTURE

Appears to be generally sound and sturdy. Roof leaks both prior, and apparently, ongoing, raise concern for roof and some floor structure.

EXTERIOR VERTICAL ENCLOSURE

Brick work appears to be sound and structurally stable. No excessive efflorescence was apparent. Stone sills and watertable appear to be sound and stable.

Windows are wood and mostly single glazed. They appear to be sound double hung units though operability of each unit is undetermined.

Entry and overhead doors are in fair to good condition overall. Operability of all of the overhead doors is doubtful, though none appear to have been permanently disabled.

ROOF AND RAINWATER MANAGEMENT

The building was re-roofed in 2013 after being subject to leakage for a number of years. The dormer siding was not replaced at the time the roofing was done, so the integrity of the step and counter flashings can not be positively confirmed.

VERTICAL CIRCULATION AND CONVEYING

There are several staircases within the building, both from grade into the lower level and from the first level to the second. The stairways are in good condition.

There is no elevator and the second floor is therefore not accessible under the ADA/MAAB guidelines.

INTERIORS AND FINISHES

The first floor is generally in good condition. The current detention cells and dispatch area are in active use and

are serviceable. The remaining portions of the first floor are sporadically used and serviceable but grimy.

The second floor is not currently in use. The plaster in many areas has suffered considerable damage from water infiltration incurred before the roof was replaced. These areas are damaged through to the base coat of plaster and will require skillful repair.

The entire building interior would benefit from new floor finishes, wall and ceiling painting, and general cleaning.

PLUMBING

The domestic water main is copper and is fed by the meter, which is located in an outdoor pit
The domestic water heater is an indirect fired unit fed by the boiler
Plumbing fixtures are vitreous china w/flush valves

HVAC

The HVAC system is served by attic mounted air handling units.
Users of the building noted heating, cooling and plumbing issues

ELECTRICAL

The electrical service is rated 200 amp, 120/208 volt 3 phase
The light fixtures are primarily recessed fluorescent
Emergency lighting is provided by 2 head emergency units
A 15 kw Onan, propane fired (no gas/propane connection exists) emergency generator
The fire alarm system is a Fire Lite zoned system with ADA strobes
Circuit breakers trip frequently

ACCESSIBILITY

The ground floor is not completely accessible. The dispatch area is accessed via two steps, with no provision for a non-ambulatory person to access this area.

There is no elevator and thus the second floor is not accessible.

SITE

The building covers almost the entire site. The sidewalks and apron are in generally good condition.

Plants and grass are appropriate for the building type and location and appear to be healthy and well cared

for.

SITE

Underground electrical service fed by shared pad mounted transformer
Underground fuel oil tank, shared with Town Hall

HEATING

The building is heated by an oil fired Peerless boiler rated 279 mbh with Tekmar controls
The boiler feeds fin tube radiation with copper piping and multiple zone valves

COOLING

Carrier condensing units serve attic mounted air handling units
There are several Mitsubishi and Sanyo ductless units which serve separate rooms

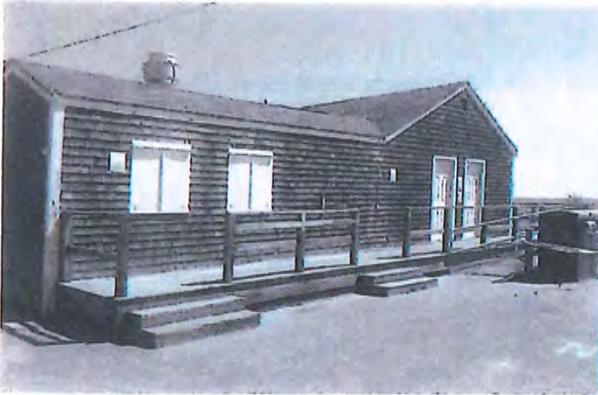
PRIORITY 1		\$263,444
B1010	Floor Construction	\$348
B2010.10	Exterior Wall Veneer	\$3,480
C1010	Interior Partitions	\$0
C2010	Wall Finishes	\$43,500
D5020	Electrical Service and Distribution	\$105,447
D5040	Lighting	\$77,712
D7050	Detection and Alarm	\$32,958
PRIORITY 2		\$313,744
B2010.10	Exterior Wall Veneer	\$2,719
B3020	Roof Appurtenances	\$11,600
C1030	Interior Doors	\$9,425
C2030	Flooring	\$36,250
D1010	Vertical Conveying Systems	\$181,250
D5010	Facility Power Generation	\$72,500
PRIORITY 3		\$272,915
D3030	Cooling Systems	\$93,590
D3060	Ventilation	\$179,324
PRIORITY 4		\$455,278
B3010	Roofing	\$28,003
D2010	Domestic Water Distribution	\$67,247
D3020	Heating Systems	\$360,028

B2020 Exterior Windows: Thermal resistance issues evident

B1080.50 Stair Railings: Height lower than 42", is ladder type and/or baluster spacing exceeds 4"







PARCEL	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 830
YEAR BUILT 1981	FOOTPRINT AREA, SF 830
REPLACEMENT COST \$373,500	BLDG. ASSESSED VALUE \$138,000

SURFSIDE CONCESSIONS

4 Western Ave.
Nantucket, MA
Parcel

A seasonal use facility containing a concession, restrooms, and changing rooms. The building is situated at one edge of a large public parking lot.

A single story wood framed structure. No basement or attic. Cedar shake siding with asphalt shingle roof.

STRUCTURE
Wood framed, single story building with wood ramps, stairs, and decks. The roofs are wood trusses in some places, stick framed in others.

EXTERIOR VERTICAL ENCLOSURE
Cedar shakes with painted wood trim. The shakes and trim are in fair to good condition. The entry doors are metal and are in fair to good condition.

ROOF AND RAINWATER MANAGEMENT
Asphalt strip shingles with no gutters or rain leaders.

VERTICAL CIRCULATION AND CONVEYING
There are wood ramps and stairs which are in generally good condition. There is no elevator.

INTERIORS AND FINISHES
The restroom/changing areas are painted panels with wood flooring in the changing areas and ceramic tile in the restroom areas.

The kitchen has FRP panels on the walls with ceramic tile floors.

PLUMBING
The domestic water main is serviced by an onsite well
The water distribution piping is copper
The domestic water heater was inaccessible at time of survey
The plumbing fixtures are vitreous china, with waterless urinals

ELECTRICAL
There are 2 electrical services that enter building, both panels were inaccessible at the time of our survey
Light fixtures are surface mounted fluorescent
Emergency lighting is provided by 2 head emergency units

ACCESSIBILITY

The building appears to be generally in compliance with applicable ADA and MAAB regulations and guidelines.

The designated ADA parking spaces might be better located closer to the beach access path.

SITE

The electric service is fed underground
An above grade propane tank services the building

HEATING

No heating system exists

VENTILATION

Kitchen exhaust system/hood with Ansul fire protection system

PRIORITY 1		\$2,886
Z1040	ADA/MAAB	\$2,886
PRIORITY 2		\$6,569
B3020	Roof Appurtenances	\$5,568
C1090	Interior Specialties	\$1,001
PRIORITY 3		\$22,471
B2010.10	Exterior Wall Veneer	\$9,063
B3010	Roofing	\$9,026
C1030	Interior Doors	\$870
D5040	Lighting	\$3,513
PRIORITY 4		\$36,975
B1080	Stairs	\$36,975

ITEMS REQUIRING FURTHER STUDY

A1010 Standard Foundations: Load capacity issues evident

B1010 Floor Construction: Vibration issues evident

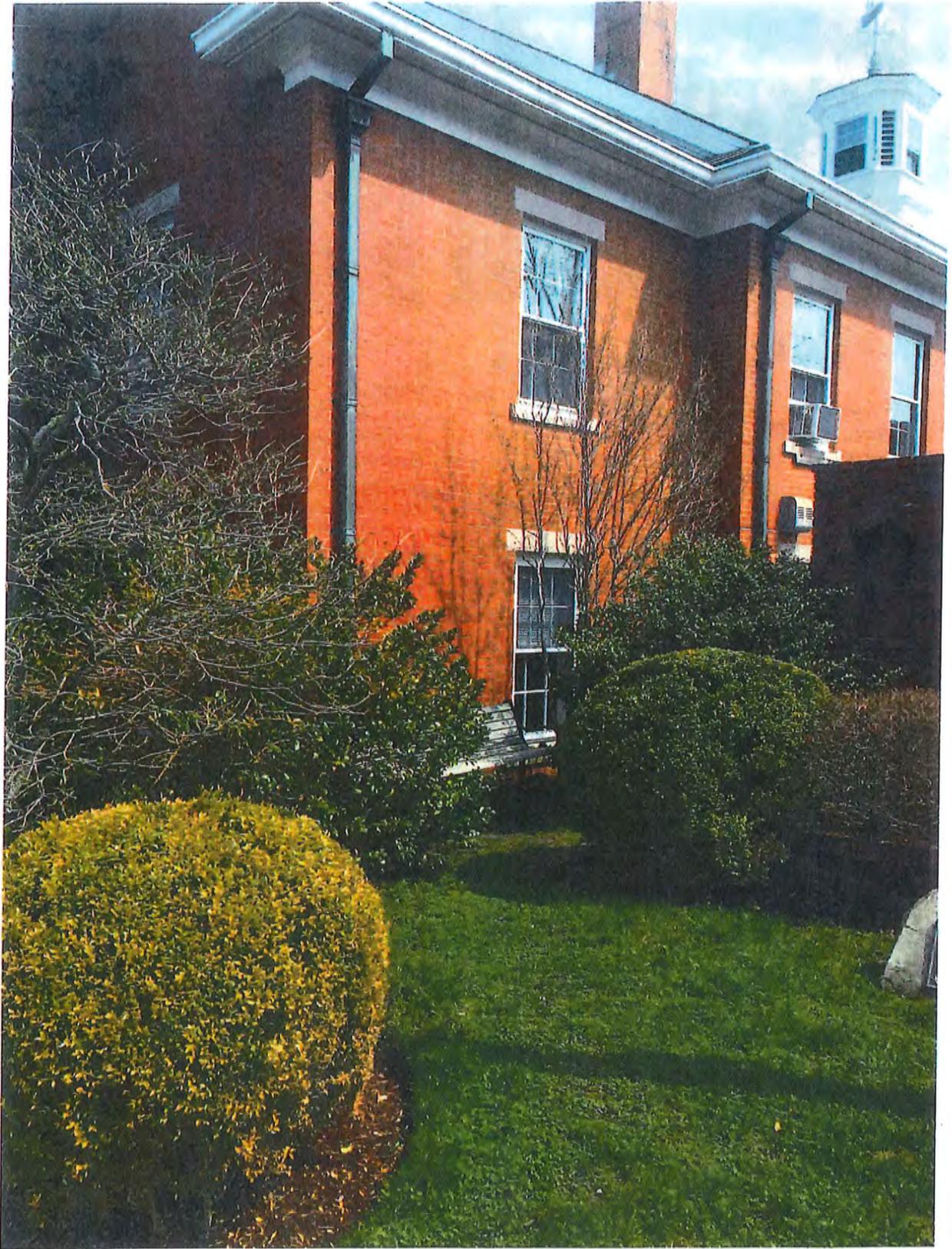
B2010 Exterior Walls: Moisture, mildew, mold, and/or moss issues evident

B2020 Exterior Windows: Moisture, mildew, mold, and/or moss issues evident

B3010.10 Steep Slope Roofing: Aging shingles, shakes, and/or tiles suggest new roof replacement

B1080.50 Stair Railings: Height lower than 42", is ladder type and/or baluster spacing exceed 4"







PARCEL 42.4.2 30	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 13,364
YEAR BUILT 1964	FOOTPRINT AREA, SF 6,000
REPLACEMENT COST \$10,023,750	BLDG. ASSESSED VALUE \$6,501,600

TOWN BUILDING

16 Broad St.
Nantucket, MA
Parcel 42.4.2 30

The central administrative building for the Town, this facility also houses the County Court and the State Registry of Motor Vehicle offices.

A wood framed two story structure, the building is brick clad with asbestos-cement roof shingles.

STRUCTURE

The building appears to be structurally sound, with the acknowledgement of a crack in the foundation and exterior brick facing on the south façade. This crack appears to be from differential settlement and was not apparent from within the building.

EXTERIOR VERTICAL ENCLOSURE

The brick cladding appears to be in overall good condition. There is some efflorescence, especially on the eastern façade, but this does not appear to be excessive.

Windows are wood, single glazed, most with storm windows. About half of the windows show some degree of rot in the sill, in some cases the rot is quite extensive.

ROOF AND RAINWATER MANAGEMENT

The roof is asbestos-cement shingles and is in generally good condition. Some broken and missing shingles were noted, but this is not excessive. Flashings appear to be in good condition.

The gutters are wood and are in fair condition. Evidence of previous repairs can be seen and these repairs were done in sections, not through replacement of full runs.

The rain leaders are in fair condition, with some appearing to be undersized for the amount of water they convey.

VERTICAL CIRCULATION AND CONVEYING

Stair ways to the second floor are located at the west and east ends of the building; there are short stair runs from the north and east sidewalks to the first floor.

The stairs are in good condition and appear to be uniform in riser and tread dimensions. Some storage items were found in various location on landings and these should be removed to create a clear path.

There is an elevator to provide access to the second floor. This machine appears to meet applicable codes and regulations and is licensed by the Commonwealth.

INTERIORS AND FINISHES

The building overall is in good condition. The plaster contains asbestos but remains unbroken throughout the building.

The paint finishes are older and dull.

Carpets and flooring is good in some places, fair in others. There are some areas with asbestos containing tiles, generally under carpet, but not in all places where these tiles are located.

PLUMBING

The building is served by a 1" domestic water main with copper piping

The water heater is an Electric RUUD 60 gallon unit
The plumbing fixtures are vitreous china with flush valves

FIRE PROTECTION

A 4" fire protection water main serves the building
Wet pipe system coverage is provided for most of the building, while a dry pipe systems services the attic.

ELECTRICAL

The electrical service is rated 200 Amp, Westinghouse panel, 120/208 volt, 3 phase, system is outdated and tired.

A pad mounted transformer feeds this building and other adjacent buildings

Light fixtures are primarily T8 surface mounted fixtures, yellowed lens

Emergency lighting consists of remote heads with batteries in attic

The fire alarm is manufactured by FCI and is a zoned system with ADA horn/strobes and non-ADA pull stations

ACCESSIBILITY

The building appears to meet ADA and MAAB regulations and guidelines. The accessible route to the west door would benefit from some attention to the placement of the brick surface to provide a smoother, more uniform surface.

HEATING

The heating is provided by an oil fired Weil McLain, Carlin burner, rated for 400mbh with a Tekmar controller

The heating circulator pumps are Bell & Gossett inline pumps, which distributes heating hot water thru black steel and copper piping

Terminal units consist of cabinet unit heaters and baseboard radiation

Barber Colman T-stats w/zone valves for controls.

There are many heating complaints from the occupants

VENTILATION

Exhaust Systems are mounted in the attic. At the time of our investigations, we noted that these systems are not used because they are noisy

PRIORITY 1		\$394,045
C1030	Interior Doors	\$40,600
D3010	Facility Fuel Systems	\$43,500
D3060	Ventilation	\$232,534
D5010	Facility Power Generation	\$19,378
D5040	Lighting	\$58,033
PRIORITY 2		\$270,658
B2020	Exterior Windows	\$24,882
C2030	Flooring	\$64,525
D3020	Heating Systems	\$181,251
PRIORITY 3		\$887,113
B2010.10	Exterior Wall Veneer	\$36,250
B2050	Exterior Doors and Grilles	\$6,525
C2010	Wall Finishes	\$21,750
D2010	Domestic Water Distribution	\$7,250
D3020	Heating Systems	\$21,750
D3020	Heating Systems	\$290,667
D3060	Ventilation	\$239,250
D5020	Electrical Service and Distribution	\$29,067
D5040	Lighting	\$137,817
D7050	Detection and Alarm	\$96,788
PRIORITY 4		\$2,062,634
B3010	Roofing	\$1,740,000
D2010	Domestic Water Distribution	\$196,678
D4010	Fire Suppression	\$125,956

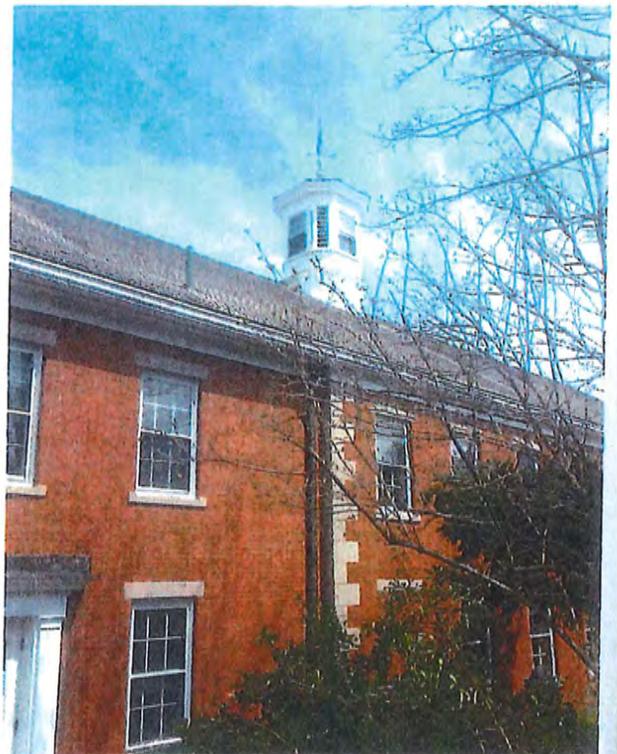
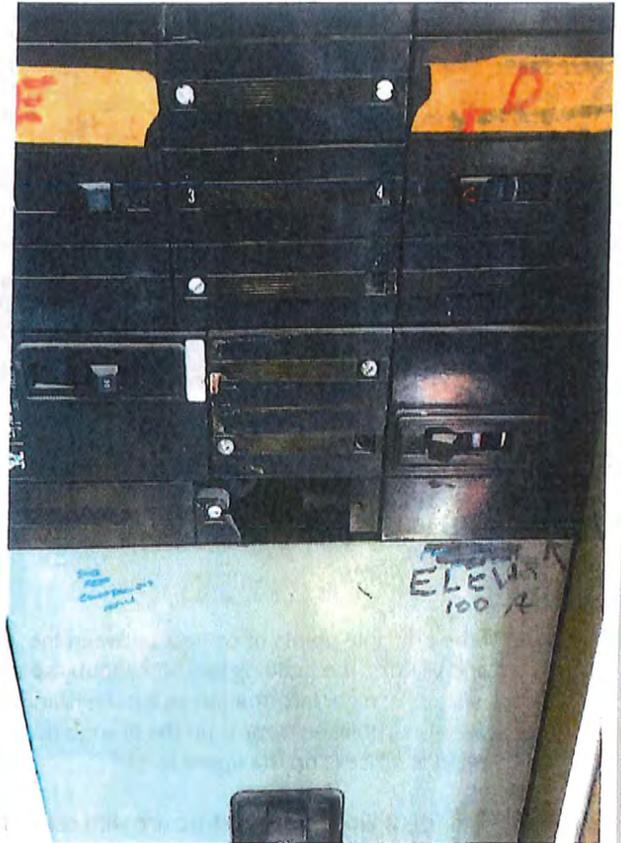
ITEMS REQUIRING FURTHER STUDY

A1010 Standard Foundations: Settlement evident

B3010.10 Steep Slope Roofing: Aging shingles, shakes, and/or tiles suggest new roof replacement

B1080 Stairs: All or portion of stair shaft in not in a rated assembly







PARCEL	CONSTRUCTION TYPE
CURRENT USAGE	GROSS AREA, SF 1,550
YEAR BUILT 1950	FOOTPRINT AREA, SF 1,050
REPLACEMENT COST \$697,550	BLDG. ASSESSED VALUE \$255,335

VISITOR SERVICES

25 Federal St.
Nantucket, MA
Parcel

One of the principle points of contact between the Town and visitors, the building has office/lobby space where visitors can get information about the Island. There are also public restrooms on the ground floor. The director's office is on the upper level.

The building is a wood framed structure with cedar shake siding and asphalt shingle roof.

STRUCTURE

Two story wood framed building on concrete slab. Generally sound but with noticeable areas of rot at the base of some of the walls where water and dampness are constant.

EXTERIOR VERTICAL ENCLOSURE

Wood shakes with painted trim - fair condition throughout. Wood windows with storm windows. Wood doors at all entry points.

ROOF AND RAINWATER MANAGEMENT

Three tab asphalt shingles in fair condition. Wood gutters in fair condition. Under-sized PVC rain leaders in some places, metal leaders in other locations.

VERTICAL CIRCULATION AND CONVEYING

One interior staircase to Director's office on upper level. No elevator.

INTERIORS AND FINISHES

Vinyl composite tile in main areas of visitor center. Ceramic tile in public lavatories. Carpet in Director's office. All in good condition.

Walls are painted throughout and in good condition. Lavatories have ceramic tile wainscot and are in good condition.

Ceilings are acoustical tile on the lower level, gypsum in the Director's office and lavatories. All are in good condition.

PLUMBING

The water main is a 3/4" copper main
The domestic water heater is manufactured by State is a 40 gallon electric unit
The plumbing fixtures are vitreous china w/ flush valves

and/or tiles suggest new roof replacement

ELECTRICAL

The electrical service is rated 225 amp, 120/240 volt, 1 phase
Light fixtures are incandescent and fluorescent
Lamps for the exterior sign burn out frequently(replace fixture)

ACCESSIBILITY

The access points to both ground floor doors may not conform to limitations on pitch and cross slope and should be checked.

A compliant restroom for staff use was not found.

SITE

The electrical service is fed underground from a shared pad mounted transformer in the courtyard

HEATING

The existing heating system is electric baseboard radiation

COOLING

Cooling is provided by the thru wall/window units

VENTILATION

The restroom exhaust fan is located in the attic

PRIORITY 2 \$23,167

B2010.10	Exterior Wall Veneer	\$11,310
B3020	Roof Appurtenances	\$6,310
D5040	Lighting	\$5,546

PRIORITY 3 \$59,341

B2010.10	Exterior Wall Veneer	\$2,030
D3020	Heating Systems	\$3,371
D3020	Heating Systems	\$34,800
D5040	Lighting	\$7,069
D7050	Detection and Alarm	\$12,071

ITEMS REQUIRING FURTHER STUDY

A4010 Standard Slabs-on-Grade: Moisture, mildew, mold, and/or moss issues evident

B2010 Exterior Walls: Moisture, mildew, mold, and/or moss issues evident

B2010 Exterior Walls: Air infiltration issues evident

B3010.10 Steep Slope Roofing: Aging shingles, shakes,



PROJECT TERMINOLOGY

The section defines terminology that may apply to items in this report or to projects which may result from this report. This is intended to reflect and complement relevant terminology from the ASTM Standard E 2188, 2008, "Standard Guide for Property Condition Studies: Baseline Property Condition Study Process," ASTM International, West Conshohocken, PA, 2008, DOI: 10.1520/E2188-08, www.astm.org. This section does not constitute an exhaustive list.

DEFINITIONS

accessibility, n.— the ability to use, enter, or reach as related to the The Americans With Disabilities Act.

assessed value, n.— value of all building assets on the same parcel as taken from the city building department record.

study, n.— the process of performing an analysis of the condition of a single or group of facilities, primarily to identify, observe, and estimate costs for buildings elements which may have deficiencies. by a group of qualified of trained industry professionals and skilled trade-technicians.

study database, n.— the large set of structured study, facilities, and cost data stored in a single location

asset preservation, n.— the act of preserving existing building or property resources to avoid further deterioration.

association, n.— the institution's description of the building's primary use.

baseline, n.— the minimum level of observations, due diligence, inquiry/research, documentation review, and preparation of opinions of probable costs to remedy material physical deficiencies for conducting a building study as described in this guide.

building codes, n.— rules and regulations adopted by the governmental authority having jurisdiction over the commercial real estate, which govern the design, construction, alteration, and repair of such commercial real estate. In some jurisdictions, trade or industry standards may have been incorporated into, and made a part of, such building codes by the governmental authority. Building codes are interpreted to include structural, HVAC, plumbing, electrical, life-safety, fire, health, and vertical transportation codes.

building department records, n.— records maintained by or in possession of the local government authority with

jurisdiction over the construction, alteration, use, or demolition of improvements on the subject property, and that are readily available for use by the consultant within the time frame required for production of the study report and are practically reviewable by exercising appropriate inquiry.

building envelope, n.— the enclosure of the building that protects the building's interior from outside elements, namely the exterior walls, roof, windows, and curtain walls.

building systems, n.— interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as, pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc.

component, n.— a fully functional portion of a building system, piece of equipment, or building element.

conformance, n.— compliance with certain regulatory requirements related to Life Safety Code or RI State Building Code.

construction type, n.— description of the type of construction as researched from the building department record.

correction, n.— See *suggested remedy*.

deferred maintenance, n.— physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding de minimis conditions that generally do not present a material physical deficiency to the subject property.

deferred maintenance deficiencies, n.— the total dollar amount of existing major maintenance repairs and replacements, identified by a comprehensive facilities condition audit of buildings, grounds, fixed equipment, and infrastructure needs. It does not include projected maintenance and replacements or other types of work, such as program improvements or new construction; these items are viewed, as separate capital needs.

de minimis condition, n.— a description of deficiencies that are not material to the condition of the property or do not require significant costs to correct, but nevertheless may be noted in the study report, in the opinion of the field observer or study report reviewer.

design specification, n.— written essential qualitative and quantitative characteristics that set criteria (such

as performance requirements, dimensions, weight, reliability, ruggedness) to be satisfied in designing a component, device, product, or system.

easily visible, adj.— describes items, components, and systems that are conspicuous, patent, and which may be observed visually during the walk-through survey without: intrusion, relocation or removal of materials, exploratory probing, use of special protective clothing, or use of any equipment (hand tools, meters of any kind, telescope instruments, stools, ladders, lighting devices, etc.).

element, n.— in the Uniformat Classification, any component, assembly, or system OR construction entity part which, in itself or in combination with other such parts, fulfils a predominating function of the construction entity.¹

expected useful life (EUL), n.— the average amount of time in years that an item, component or system is estimated to function when installed new and assuming routine maintenance is practiced.

facility condition index (FCI), n.— a comparative indicator of the relative condition of facilities and is expressed as a ratio of the cost of remedying maintenance deficiencies to the current replacement value. The FCI provides the facilities professional a method of measurement to determine the relative condition index of a single building, group of buildings, or the total facility (physical plant). This calculation also provides the facility professional a corresponding rule of thumb for the annual reinvestment rate (funding percentage) to prevent further accumulation of deferred maintenance deficiencies.

field observer, n.— the individual that conducts the walk-through survey.

findings, n.— the knowledge gathered by the act of observation by an individual rather than an entity. Findings, as used in this guide, is to be distinguished from knowledge provided by others, or information contained on documents obtained during the course of conducting a building study.

¹ International Organization for Standardization. ISO 12006-2:2001. Building construction -- Organization of information about construction works -- Part 2: Framework for classification of information. Geneva, Switzerland: ISO, 2001.

guide, n.— a series of options and instructions that do not recommend a specific course of action.

immediate costs, n.— opinions of probable costs that require immediate action as a result of any of the following: (1) material existing or potential unsafe conditions, (2) material building or fire code violations, or (3) conditions that if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year or will result most probably in a significant escalation of its remedial cost.

improvement, n.— an enhancement or upgrade to components, assemblies, or system. A clear distinction is made between repair and replacement activities that maintain the facility in its intended design condition, versus actions that improve or reposition the facility.

institutional mission, n.— a preestablished objective or purpose which may direct the desired remedy to a deficiency

interest, n.— See *institutional mission*.

interior overview, n.— The general state of interior with consideration to fit out, finishes, and user comfort.

interviews, n.— discussions with those knowledgeable about the subject property.

observation, n.— the visual survey of items, systems, conditions, or components that are readily accessible and easily visible during a walk-through survey of the subject property.

observe, v.— to conduct an observation pursuant to this guide within the context of easily visible and readily accessible.

obvious, adj.— plain, evident, and readily accessible; a condition easily visible or fact not likely to be ignored or overlooked by a field observer when conducting a walk-through survey or that which is practically reviewable and would be understood easily by a person conducting the building study.

owner, n.— the entity holding the title to the commercial real estate that is the subject of the building study.

owner's option, n.— condition of an observed issue not required to be addressed under another institutional mission or interest but which may be of value to invest in. Examples may include modernization or energy saving initiatives.

performance, n.— to the function, operation, or execution of the material or element.

performance specification, n.— written information that describes the functional performance criteria required for a particular equipment, material, or product.

physical deficiency, n.— conspicuous defects or significant deferred maintenance of a subject property's material systems, components, or equipment as observed as a result of the field observer's walk-through survey. Included within this definition are material life-safety/building code violations and material systems, components, or equipment that are approaching, have reached, or have exceeded their typical EUL or whose RUL should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, exposure to the elements, lack of proper or routine maintenance, etc. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not constitute a material physical deficiency of the subject property.

Point of Contact (POC), n.— owner, owner's agent, or user-identified person or persons knowledgeable about the physical characteristics, maintenance, and repair of the subject property.

practically reviewable, adj.— describes information that is provided by the source in a manner and form that, upon review, yields information relevant to the subject property without the need for significant analysis, measurements, or calculations. Records or information that feasibly cannot be retrieved by reference to the location of the subject property are not generally considered practically reviewable.

property, n.— the site improvements, which are inclusive of both site work and buildings.

recorded use, n.— use as noted on the building department record.

readily accessible, adj.— describes areas of the subject property that are promptly made available for observation by the field observer at the time of the walk-through survey and do not require the removal or relocation of materials or personal property, such as furniture, floor, wall, or ceiling coverings; and that are safely accessible in the opinion of the field observer.

readily available, adj.— describes information or records that are easily and promptly provided to the consultant upon making a request in compliance with an appropriate inquiry and without the need for the consultant to research archive files.

remaining useful life (RUL), n.— a subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of the number of remaining years that an item, component, or system is estimated to be able to function in accordance with its intended purpose before warranting replacement. Such period of time is affected by the initial quality of an item, component, or system, the quality of the initial installation, the quality and amount of preventive maintenance exercised, climatic conditions, extent of use, etc.

renovation, n.— a restoration of a component, assembly, or system to maintainable standards, as if to make new again.

repair, n.— a localized remedy to an existing component, assembly, or system that does not require replacement, effectively refurbishing the element to maintainable standards.

replacement, n.— a complete exchange of an existing component, assembly, or system with its new equivalent.

replacement value, n.— an insurance value representing the total amount of expenditure in current dollars required to replace the facility to its optimal condition (excluding auxiliary facilities) meeting the current acceptable standards of construction and comply with regulatory requirements.

reported information, n.— information communicated to the observer from a user, usually during an interview.

representative observations, n.— observations of a reasonable number of samples of repetitive systems, components, areas, etc., which are conducted by the field observer during the walk-through survey. The concept of representative observations extends to all conditions, areas, equipment, components, systems, buildings, etc., to the extent that they are similar and representative of one another. The extent of representative observations conducted by the field observers should be identified in the study report. A user may increase the extent of representative observations conducted to enhance the due diligence

conducted under the building study or as required in the Annex.

reviewer, n.— the individual that both exercises responsible control over the field observer and who reviews prior to delivery to the user.

routine maintenance, n.— a repair that does not require specialized equipment, professional services, or contractors, but rather can be corrected within the budget and skill set of typical property maintenance staff.

short-term costs, n.— opinions of probable costs to remedy physical deficiencies, such as deferred maintenance, that may not warrant immediate attention, but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventive maintenance. Such opinions of probable costs may include costs for testing, exploratory probing, and further analysis should this be deemed warranted by the consultant. The performance of such additional services are beyond this guide. Generally, the time frame for such repairs is within one to two years.

site visit, n.— the visit to the subject property during which observations are made pursuant to the walk-through survey section of this guide.

standard, n.— as used by ASTM, a document that has been developed and established within the consensus principles of the Society and that meets the approval of the ASTM procedures and regulations.

structural frame, n.— the components or building system that supports the building's nonvariable forces or weights (dead loads) and variable forces or weights (live loads).

suggested remedy, n.— an opinion as to a course of action to remedy or repair a physical deficiency. Such an opinion may also be to conduct further research or testing for the purposes of discovery to gain a better understanding of the cause or extent of a physical deficiency (whether observed or highly probable) and the appropriate remedial or reparatory response. A suggested remedy may be preliminary and does not preclude alternate methods or schemes that may be more appropriate to remedy the physical deficiency or that may be more commensurate with the user's requirements.

survey, n.— observations made by the field observer during a walk-through survey to obtain information concerning the subject property's readily accessible and easily visible components or systems.

system, n.— a combination of interacting or interdependent components assembled to carry out one or more functions.

user, n.— the party that retains the consultant for the preparation of a baseline building study of the subject property in accordance with this guide. A user may include, without limitation, a purchaser, potential tenant, owner, existing or potential mortgagee, lender, or property manager of the subject property.

universal accessibility or universal design, n.— the broad set of ideas meant to produce buildings, products, and environments that are inherently accessible to all people including people with disabilities.

walk-through survey, n.— conducted during the field observer's site visit of the facility, consisting of nonintrusive visual observations, survey of readily accessible, easily visible components and systems. Concealed physical deficiencies are excluded. It is the intent that such a survey should not be considered technically exhaustive. It excludes the operation of equipment by the field observer and is to be conducted without the aid of special protective clothing, exploratory probing, removal or relocation of materials, testing, or the use of equipment, such as ladders (except as required for roof access), stools, scaffolding, metering/testing equipment, or devices of any kind, etc. It is literally the field observer's visual observations while walking through the facility.

ABBREVIATIONS AND ACRONYMS

A/C — Air Conditioning.

Acc. — Accessible.

ACT — Acoustical Ceiling Tile.

ADA — The Americans With Disabilities Act.

Addl. — Additional.

Adj. — Adjacent.

A/E — Architect/Engineer.

A.F.F. — Above Finish Floor.

Alum. — Aluminum.

Alt. — Alternate.

Anod. — Anodized.

Arch. — Architectural.

A.p. — Access Panel.

Apt. — Apartment.

Approx. — Approximate.

ASTM — ASTM International.

Auto. — Automatic.

Aux. — Auxiliary.

BAS — Building Automation System

Bd. — Board.

Bdrm — Bedroom.

Bitum. — Bituminous.

Bldg. — Building.

Blkg. — Blocking.

Blw. — Below.

Bsmt — Basement.

Bot. — Bottom.

Btwn — Between.

Cab. — Cabinet.

Clg. — Ceiling.

CMU — Concrete Masonry Unit.

Col. — Column.

Comp. — Compress(ed), (ion). (ible).

Conc. — Concrete.

Const. — Construction.

Coord. — Coordinate.

CPT — Carpet.

C.T. — Ceramic Tile.

Dbl. — Double.

Demo — demo(lish), (lition).

Det. — Detail.

Dia. — Diameter.

Diag. — Diagonal.

Dim. — Dimension.

Dtl. — Detail.

DWG — Drawing.

Ea. — Each.

EIFS — Exterior Insulation and Finish System.

El. — Elevation.

Elec. — Electric(al).

Elev. — Elevator.

Emer. — Emergency.

EPDM — Ethylene Propylene Diene Monomer.

Eq. — Equal.

Equip. — Equipment.

Ex'g. — Existing.

Ext. — Exterior.

F.C.U. — Fan Coil Unit.

FEC — Fire Extinguisher Cabinet.

FEMA — Federal Emergency Management Agency.

FF&E — Furniture, Fixture, and Equipment.

Fin. — Finish.

Fixt. — Fixture.

Fl. — Floor.

Fluor. — Fluorescent.

FM — Factory Mutual.
F.P. — Fire Protection.
Ft. — Feet.
Furn. — Furniture.

Galv. — Galvanized.
Gl — Glass.
Glz. — Glazing.
GSF — Gross Square Feet
GWB — Gypsum Board.

HM — Hollow Metal.
Hdwr. — Hardware.
Hor. — Horizontal.
Hr — Hour.
Ht. — Height.
HVAC — Heating, Ventilating and Air Conditioning.

In. — Inches.
Incl. — Include(d),(ing).
Info. — Information.
Insul. — Insulation.
Int. — Interior.

Kit. — Kitchen.

Lab. — Laboratory.
Lav. — Lavatory.
Lb — Pound(s).
L.E.D. — Light Emitting Diode.
Lib. — Library.
Loc. — Location.
Lvr — Louver.

Mas. — Masonry.
Mat. — Material.
Max. — Maximum.
Mech. — Mechanical.
Med. — Medium.
Memb. — Membrane.
Min. — Minimum.
Misc. — Miscellaneous.
M.O. — Masonry Opening.
Mtl. — Metal.

N.A. — Not Applicable.
Nat. — Natural.
NFPA — National Fire Protection Association.
Nom. — Nominal.
N.t.s. — Not to scale.

O.C. — On Center.
Opng. — Opening.
Opp. — Opposite.

Orig. — Original.
Ovhd — Overhead.
Oz. — Ounce.

Pnt. — Paint.
Ptd. — Painted.
Ptn — Partition.
Plywd — Plywood.

R.D. — Roof Drain.
Ref. — Refer.
Req'd. — Require(d).
Res. — Resilient.
Rev. — Revision.
Rm — Room.
R.o. — Rough Opening.

Sched. — Schedule.
Sect. — Section.
SF — Square Feet.
Sim. — Similar.
Spec. — Spec (-ified) (-ification).
Sq. — Square.
S.S. — Stainless Steel.
STC — Sound Transmission Class.
Std. — Standard.
Stor. — Storage.
Stl. — Steel.
Struct. — Structural.
Susp. — Suspend(ed).
Sys. — System.

Tel. — Telephone.
Temp. — Temporary.
Thk. — Thick(ness).
Thr. — Threshold.
T.O. — Top Of.
Typ. — Typical.

Vert. — Vertical.

W/ — With.
W.C. — Water Closet.
Wd — Wood.
Win. — Window.

Z.C.C. — Zinc Coated Copper.





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ARCHITECTS

New Growth and Key Local Revenues

New Growth and Key Local Revenues (5 year history)

	2011	2012	2013	2014	2015	2016
NewGrowth	\$ 333,058.24	\$ 518,585.21	\$ 859,043.46	\$ 679,338.67	\$ 1,037,749.96	\$ 1,140,085.00
Building Permits	\$ 569,847.00	\$ 581,042.50	\$ 753,794.62	\$ 899,830.30	\$ 1,013,626.35	
Wiring Inspections	\$ 60,504.00	\$ 59,907.33	\$ 64,194.88	\$ 78,414.18	\$ 114,437.12	
Plumbing Inspections	\$ 90,450.00	\$ 91,576.00	\$ 91,406.04	\$ 104,276.40	\$ 111,214.20	
Room Occupancy Tax	\$ 1,875,446.93	\$ 2,037,132.79	\$ 2,346,122.03	\$ 2,582,944.15	\$ 3,041,496.32	
Meals Tax	\$ 621,253.65	\$ 674,040.67	\$ 783,557.47	\$ 860,797.51	\$ 908,283.49	
Excise Tax	\$ 2,004,607.89	\$ 1,909,532.70	\$ 1,850,102.88	\$ 2,444,482.87	\$ 2,512,104.17	

Enhanced Revenue Opportunities

- **Payment In Lieu Of Taxes (PILOTS)**
- **Town Clerk Fee Revisions**
- **Public Health Fee Revisions**



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Print Page

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Cash-strapped municipalities eye nonprofit groups

Heritage Museums & Gardens is worth \$27 million yet doesn't pay a dime in property taxes to its host town of Sandwich. Neither does Cape Cod Hospital pay Barnstable, nor does the 300 Committee pay Falmouth.

Heritage Museums & Gardens is worth \$27 million yet doesn't pay a dime in property taxes to its host town of Sandwich. Neither does Cape Cod Hospital pay Barnstable, nor does the 300 Committee pay Falmouth.

That's because the institutions, like hundreds of others on the Cape and Islands, are nonprofit and aren't required to pay tax on their property. Millions of potential tax dollars are lost to local cities and towns each year on the nearly \$145 billion in untaxable land here, even though in many cases the organizations benefit from town services such as police, fire and road maintenance.

One way to soften the tax loss is through payments in lieu of taxes, known as PILOTs, in which nonprofits agree to give the town some cash in light of the services they receive. A major challenge, however, is that these payments are 100 percent voluntary. Few towns on the Cape have successfully negotiated such agreements, and when they do, they're for pennies on the dollar of what a full tax bill would be.

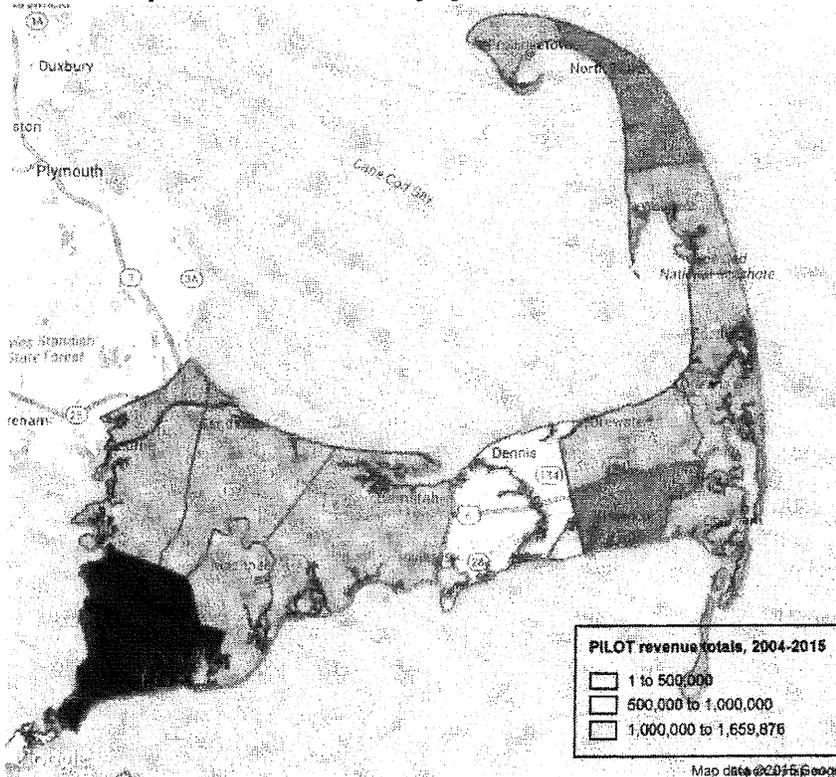
As one Barnstable official put it: "Since it's voluntary, you've got no muscle, so it's unlikely it's going to happen."

In the last 10 years, payments from nonprofit organizations on the Cape and Islands have brought nearly \$6 million to local governments, with a yearly average of about \$21,000 per town, according to Department of Revenue data. But PILOT discussions could be picking up, given local governments' increasing reliance on property taxes to pay basic services and the ambitious expansion plans of some of the Cape's biggest nonprofit organizations.



PHOTO: MERRILY CASSIDY/CAPE COD TIMES FILE

This property at 50 Marchant Ave. in Hyannisport was donated by Sen. Edward Kennedy's widow, Victoria Reggie Kennedy, to the Edward M. Kennedy Institute for the United States Senate. Barnstable lost \$60,400 in annual property tax revenue in 2012 when the \$5.4 million compound became tax-exempt.

Interactive Map: Click on a town for PILOT program revenue totals:**Discussions intensify**

At Heritage, for example, the property's \$12.2 million assessed value is expected to increase with the opening of a new and controversial aerial adventure park. Heritage's annual tax bill, if it were not exempt, would have been \$181,114 this year.

"We've talked to Heritage a few times," said Edward Childs, Sandwich's director of assessing. "They feel they provide so much back to the town in tourism.

"I feel any nonprofit should examine what services they use and they should pay something for that," he said.

Spokeswoman Andrea Early argued that Heritage provides plenty to Sandwich, including 86 jobs with a payroll of \$451,000, nearly \$23,000 in free admission and program services to students, teachers and low-income residents, \$9,000 for police and fire details and inspection fees, and \$35,000 to local vendors last year.

"The total economic impact, which includes money spent by visitors of hotels, restaurants, shops and other services, totaled \$7.2 million," Early wrote in an email.

Geoff Beckwith, executive director of the Massachusetts Municipal Association, said expanded discussion of PILOTs isn't surprising given the way community budgets have increasingly been squeezed. Tax exemptions have a big impact on a town's financial resources, he said, and cities and towns are increasingly turning to property taxes to fund their budgets.

"Local aid is down; federal aid is down," Beckwith said. "If there is a property that's not taxable because it happens to be owned by a nonprofit, then that erodes the ability of communities to fund their services and programs."

The fact the agreements are voluntary adds to the challenge communities face when they try to strike a mutually beneficial bargain, he said. It can also create a great deal of inequity.

"Some communities may be able to negotiate with a hospital, while another community isn't," Beckwith said.

That inequality is a major reason why the Massachusetts Nonprofit Network, a statewide advocacy group, is against PILOTs. David Shapiro, chairman of the network's board of directors, said they're a bad policy decision that inevitably is applied unevenly.

"It's kind of random, because it's voluntary," he said. "It's probably very political and having to do with what kind of construction projects are coming up. It's a soft pressure."

PILOT successes varied

The meager yearly sums currently flowing into local coffers are predominantly state-mandated payments on federal housing authority projects.

Of the 23 towns on the Cape and Islands, Falmouth has had the most success negotiating PILOT agreements with its nonprofit organizations. Even still, it has only three agreements: with Falmouth Hospital, the Marine Biological Laboratory and Cape Cod Apartments. Together, the PILOTs generated about \$200,000 in revenue in 2015.

Trisha Favuli, the town's assessor, said the agreements all predate her tenure but there's been no discussion that she's aware of concerning expanding the town's use of PILOTs. The biggest of the three agreements is with MBL, which paid about \$145,000 in 2015, the final year of its 10-year pact with the town. Favuli said the town will start discussions soon over extending the agreement.

The town's 10-year PILOT agreement with Falmouth Hospital illustrates the inequality discussed by Beckwith and Shapiro. This year, it paid \$47,547.41 against a tax bill that would have been \$524,000 based on its current land value. But Cape Cod Hospital in Hyannis pays nothing to Barnstable, despite owning \$50.3 million in property representing a potential annual property tax bill of \$422,780 at the full rate. Both properties are owned by Cape Cod Healthcare.

In a statement to the Times, spokeswoman Robin Lord said Falmouth approached the hospital in 2007 about a PILOT agreement. The town believed two properties on its grounds, an assisted living facility and a skilled nursing and long-term care facility, could be subject to at least some property tax payments.

Instead of fighting those taxes, the hospital and town agreed to the PILOT, which covers all of the hospital's property in town, Lord wrote. There's no similar arrangement with Barnstable, she added, because it does not own or operate any long-term care or assisted living facilities and its remaining facilities are tax-exempt.

But it also hasn't been asked, and likely won't. Barnstable officials established a committee in 2004 to study PILOTs that could cover some of its 1,800 tax-exempt properties. In 2007, the panel reported the establishment and implementation of a PILOT program wasn't viable after a study of its costs versus the potential benefits.

The committee recommended the town continue to look at certain large nonprofit organizations each year "for maintenance of their tax-exempt status." It also noted new nonprofit construction would present an opportunity to negotiate a voluntary PILOT agreement.

Yarmouth has yet to successfully negotiate a PILOT. Last fall, town officials briefly discussed establishing a \$600,000 PILOT with the Dennis-Yarmouth Regional School District, to replace revenue lost by hosting the regional high school and administrative building.

"The school committee made it pretty clear they weren't interested," said Assistant Town Administrator Peter Johnson-Staub. "Also, the selectmen were not unified in their support."

The door isn't completely closed, the assistant town administrator said. "There's a chance it will be revisited."

More coming in Sandwich?

In Sandwich, a PILOT agreement was made with Spaulding Rehabilitation Hospital when its doors opened. The payment, currently at about \$28,000, goes up yearly based on the town's tax rate.

Sandwich also receives a voluntary payment from the Nye Family of America Association, Childs said. The historical organization, whose mission is to maintain a homestead and grange hall and provide tours and opportunity for genealogical research, has made yearly payments of about \$500 historically and last year boosted it to \$1,000. It's worth about \$1.7 million and owns about \$700,000 in land, according to its tax returns and town records.

Riverview School, a nonprofit private school that specializes in educating special needs students, may be a good candidate to approach in the future, Sandwich officials say, with its \$32 million in net assets.

Childs said the school doesn't pay any property taxes on its main campus, which would generate an annual bill of \$281,000. It pays \$18,000 in property taxes on three other sites that are not being used for school purposes.

"Riverview is a fantastic school and it does wonderful work," said Sandwich Finance Committee member James Lehane. "But they have a vulnerable population. I suspect the police and fire respond there fairly regularly. They use town resources."

In an email to the Times, Riverview officials noted their \$12.6 million in annual salaries and benefits to its 200 employees, 90 percent of whom live on the Cape, along with spending by students and parents as its contributions to the community. The school also offers free use of its facilities to many local sports teams and organizations.

Lehane plans to urge his committee to propose the pursuit of PILOTs to the selectmen, at least with larger nonprofit organizations like Riverview and Heritage.

"My intention is not to look at the big guys and see if we can put a stick in their eye," Lehane said. "It is to talk to them about helping out with the town's financial situation."

Land donations mean losses

Sometimes taxable properties, whether open space or developed tracts, are sold or donated to nonprofit groups and taken off the tax rolls.

Barnstable lost \$60,400 in annual property tax revenue in 2012 when the \$5.4 million Kennedy compound in Hyannisport was donated by the family to the Edward M. Kennedy Institute for the United States Senate.

Kennedy Institute spokesman Daniel Reilly said the Kennedy compound offers educational opportunities to the public as part of its nonprofit status.

"The property in Hyannis Port (sic) is currently undergoing some structural and historic preservation work," Reilly wrote in an email. "However, the property has already been used by local students for educational programs and there have been public tours."

Reilly said the Kennedy compound will ultimately support and enhance the Institute's mission "of educating the public on the U.S. government and inspiring the next generation of citizens and leaders."

Boston leads state efforts

Several communities across the state have studied PILOT options in their towns with mixed results. Boston put its plan in place in its 2012 fiscal year. The program is limited to nonprofits with properties valued at more than \$15 million; officials agreed those institutions should contribute some amount for services like police and fire protection as well as public works.

Adam Langley, senior research analyst for the Cambridge-based Lincoln Institute of Land Policy, said the program is 100 percent voluntary, with a five-year phase-in. Nonprofit groups that participate pay 25 percent of what they would pay in taxes, but half of that can be in the form of community services.

"They try to structure it in a way that the nonprofit is benefiting and the community is benefiting," Langley said.

Since it is voluntary, not all nonprofit institutions are making full payments, he said. Only 19 of the 49 nonprofit groups in the program made their full payments in the 2014 fiscal year, according to city data. Fifteen skipped the payment altogether.

"There's nothing binding them to make it for a number of years," Langley said.

In 2013, Andover adopted a PILOT policy modeled after Boston's following a comprehensive local study. The town is home to Phillips Academy, a prestigious boarding school, and Merrimack College, which is based in North Andover but has property that crosses the town line.

Town Manager Reginald Stapczynski said the town has received voluntary payments from Phillips for many years, but the town formalized its policy to expand the possibility of other agreements, especially with Merrimack.

"They certainly contribute to what a great town Andover is, but they have a need for our public services," he said. "The discussion is all about how we work with each other and establish a financial relationship between the town and school."

Long-term solutions sought

Maine officials are discussing a possible plan right now, Langley said, "but all signs suggest it's probably not going to be adopted."

The Maine proposal would require organizations with property worth over \$500,000 to pay 50 percent of their taxes on their assessed value over that threshold. The measure is being pushed by the state's Gov. Paul LePage, who has put it in the state budget plan.

In 2013, bills were filed in the Massachusetts House and Senate that would allow towns to adopt a policy requiring payments in lieu of taxes from its nonprofit organizations. Communities could then decide how to structure the agreements and whether there would be exemptions. Those bills, however, languished in committee and died at the end of the legislative session.

Beckwith said the Massachusetts Municipal Association believes the only long-term solution would be for state legislators to enact such a statute, and the agency is currently working on building support for it.

Langley believes Boston's approach, with its 25 percent charge for high-value properties that combines cash payments and community service, is probably the most effective.

He said the nonprofits and communities must view themselves as partners.

"Unfortunately, PILOT negotiations can become contentious with both sides digging in their heels," Langley said. "Communities that are successful don't have a contentious approach. They try to structure it in a way that the community is benefiting and the nonprofit is benefiting as well."

Without a statewide solution, however, negotiating PILOTs will remain a local decision. In Sandwich, Childs predicts the PILOT discussion with Heritage is sure to intensify when the zip line is in operation despite the nonprofit's long list of other benefits it provides to the town.

"My board will say 'Is that part of their educational mission? If so, Disneyland is a nonprofit.'"

— Follow Christine Legere on Twitter: @christilegereCCT. Follow Sean F. Driscoll on Twitter: @seanfdriscoll.

What is a PILOT? A PILOT, or payment in lieu of taxes, is an agreement for a nonprofit organization to pay a portion of the property taxes that would have been due without its tax-exempt status. The agreements are voluntary and usually represent a small portion of the tax bill. How common are they? On Cape Cod and the Islands, not very. Falmouth has three PILOT agreements and gets more money from them than any other town; over 12 years, 23 local towns have received about \$5.8 million, according to state records. How much land is tax-free? In 2015, about \$145 billion of land across the state was tax exempt, or nearly 14 percent of Massachusetts' total land value. On the Cape and Islands, nearly \$12 billion in land was tax exempt, or more than 9 percent of the total value.

<http://www.capecodtimes.com/article/20150412/NEWS/150419839>

Print Page

.....
Daily Monies Collected -- Office of the Town Clerk

Check	Cash	Amount	Item	Total
		\$10 #15	Vital Records/Certifications	
		\$.25	Standard Copies	
		\$40 #50	DBA	
		\$20 #25	DBA (amendment)	
		\$10 #10 / \$15	Dog License	
		\$10 #20	Kennel License, 4 dogs or less	
		\$25 #50	Kennel License, 10 dogs or less	
		\$50 #100	Kennel License, more than 10	
		\$10	Fuel Storage	
		\$50	Fuel Storage	
		\$100	Fuel Storage	
		\$250	Fuel Storage	
		\$500	Fuel Storage	
		\$150	Town Code	
		\$50	Wetlands/Zoning Bylaw	
		\$25	Zoning & Code Updates	
		\$10	Zoning Map	
		\$300	Taxi License (Annual)	
		\$50	Livery License (Transfer)	
		\$150	Limousine License (Annual)	
		\$200	Charter License (Annual)	
		\$300	Tour License (Annual)	
		\$30 #50	Marriage License	
		\$25 #50	Domestic Partnership Filing (any kind)	
		\$25	NCV	
		\$50	NCV	
		\$100	NCV	
		\$150	NCV	
		\$200	NCV	
		\$300	NCV	
		\$500	NCV	
	*	\$30 New ^{per MGL} \$10 renewal	Raffle Permits	
		\$10	Street List	
		\$20 #35 / hr	Genealogical Research	
		\$25 #50	Junk Dealer	
		\$100	Pool Table License	
		\$50 #100	Pole Relocation	
		\$30	Extract	
		\$25 #50	Vital Record Amendment (Filing of)	
			Total:	

NEW TOTAL:

RUNNING TOTAL:

Here are the changes we made
 If you think it's ok, we'll program them into our register
 * We found out at a recent conference that raffle permit renewals only pay \$10⁸⁶

Town	Beach	Inn Holder's	Lodging house/dormitory	Tobacco	Pool	Rec Camps	Body Art Practitioner	Body Art Establishment	Pool Plan Review	General Reinspection Fee	Variance	Building permit Review	Late Fee	Dumpster
Nantucket	\$50	\$100	\$100	\$50	\$150	\$100	\$100	\$100	NA	NA	NA	NA	NA	NA
Northborough	NA	\$50 (Motel)	\$50 (Motel)	\$100	\$125	\$50	\$150	\$175	\$200	\$50	No Charge	\$20	\$25/wk	NA
Tisbury	NA	\$100 ≤ 4 bedrooms \$200 ≥ 5 bedrooms	\$100 ≤ 4 bedrooms \$200 ≥ 5 bedrooms	\$500	NA	NA	\$100	\$300	NA	NA	NA	NA	NA	\$25
Edgartown	NA	\$75 ≤ 5 Bedrooms \$200 ≥ 6 Bedrooms	\$75 ≤ 5 Bedrooms \$200 ≥ 6 Bedrooms	\$100	\$200 (public/semi) \$50 Residential	NA	\$100	\$100	\$200 (application)	NA	NA	NA	NA	NA
Andover	\$120	\$150	\$150	\$140	\$150 + \$100 / reinspection	\$225	\$300	\$400	\$150	NA	\$100	NA	NA	\$100
Hudson	NA	NA	NA	\$75	\$100	\$75	\$100	\$100	NA	\$50	NA	NA	Double	NA
Reading	NA	\$8/room (\$160 max)	\$8/room (\$160 max)	\$200	\$75 (outdoor) \$150 (indoor)	\$10	\$100	\$200 + \$500 Initial Application fee (one time)	NA	\$25	N	NA	\$50/day	\$50
Westford	\$190	\$100	\$100	\$125	\$125	\$150	\$300	\$500 + \$500 Initial Application fee (one Time)	\$100	\$80	NA	NA	NA	NA
Provincetown	NA	\$55	\$55	\$200	\$205	\$55	\$100	\$155	NA	\$25	\$200 (T5 Only)	NA	NA	NA
Suggested Fee	\$100	\$100	\$100	\$150	\$150	\$100	\$150	\$150	\$200 public/semi-public \$50 Private	\$25	\$20	\$20	20	NA

Town	Disposal Works Installer	Septic Hauler	Well Installation w/o permit	Well Permit	0-499 gal leach capacity	500-999 gal leach capacity	≥1,000 gal leach capacity	Ejector Pump	Violation reinspection	Septic installed w/o permit	Septic tank relocation	Perc test - first 3 hours	Perc test >3 hrs	Plan Review	I/A Permit	Component Replacement/Repair/Abandonment
Nantucket	\$50	\$25	4x Permit Fee	\$100	\$300	\$400	\$500	\$100	equal to original fee	4x original fee	\$100	\$150	\$50/hour	NA	NA	NA
Northborough	\$150 (Septic Installer)	\$125	NA	\$100	\$250 (Residential) \$400+ .20/gpd (Commercial)	NA	NA	NA	\$50	NA	NA	\$250 - Residential \$300 + \$.20/gpd - Commercial	\$100	\$175 w/ 1 revision revision \$300 w/ 1 rev (Commercial) \$300 2nd rev (Commercial)	\$300 (Res) \$550+ .20/gpd (Comm)	\$150
Tisbury	\$200	\$200	NA	\$35	\$200	\$200	\$200	NA	NA	NA	\$100	NA	NA	\$100	NA	\$100
Edgartown	\$150	\$75 / Vehicle	NA	\$75	\$200 + \$50 for each inspection	\$200 + \$50	\$200 + \$50	NA	\$50	NA	\$75	NA	NA	\$50	\$200 + \$50	\$75
Andover	\$80	\$125	NA	\$90	\$140	\$140	\$140	\$140	\$100	NA	\$140	\$140 (per hole)	\$140 (per hole)	\$140	\$140	\$140
Hudson	\$100	\$100	NA	NA	\$150	\$150	\$150	NA	NA	NA	\$100	\$125	\$125	\$100 (revision) Construction	\$150 (New Construction)	\$100
Reading	\$50	\$150	NA	\$100	\$50	\$50	\$50	NA	NA	NA	NA	NA	NA	NA	NA	\$50
Westford	\$100 + \$50 (exam)	\$75	NA	\$75	\$250	\$250	\$250	NA	NA	NA	NA	\$65 / perc	NA	\$25	\$100	\$200
Provincetown	\$225	\$275	NA	NA	\$300	\$300	\$300	NA	\$25	NA	\$250	\$150	NA	NA	\$300	\$250
Suggested Fee	\$100	\$100	4x Permit Fee	\$100	\$300	\$400	\$500	\$100	Equal to original fee	4x original fee	\$100	\$150	\$50/hr	\$100 / Revision	\$150	\$100
												2 holes max		\$150 w/ new construction	(I/A Fee)	

	Farmer's Market - Non-Restaurant	Farmer's - Restaurant	Farmer's - Site	Food Service Establishment	Mobile Food Service	Operating w/o a permit	Res Kitchen	Retail Food	Scallop Shanty	Temp Food	Catering	Supermarket	Plan Review	Daycare
Nantucket	\$75	\$35	\$25	\$150	\$150	4x permit fee	\$100	\$150 \$125 (0-5k ft ²) \$150 (5k-15k ft ²) \$250 (>15k ft ²)	\$50	\$20	\$150	NA	NA	NA
Northborough	NA	NA	NA	\$250	NA	NA	NA	\$250 (1st license) \$100 each additional	NA	\$20 (in Town) \$35 (Out of Town)	\$250 (1st license) \$100 each additional	NA	NA	NA
Tisbury	\$50	\$50	NA	\$200	\$100	NA	\$100	\$200	NA	\$10 / day	NA	NA	NA	NA
Edgartown	NA	NA	NA	\$150 (≤ 50 seats) \$250 (51-199 seats) \$350 (≥200 seats)	\$200	NA	NA	\$200	NA	\$100 (≤ 50 seats) \$150 (51-100 seats) \$200 (>100 seats)	NA	NA	NA	NA
Andover	NA	NA	NA	\$150 (1-100 seats) \$175 (101-200 seats) \$225 (>200 seats) \$100 (Take-out only)	\$100	NA	\$125	\$125	NA	\$50	\$150	\$350	\$150	NA
Hudson	NA	NA	NA	\$210 (≤ 50 seats) \$225 (51-199 seats) \$300 (≥200 seats) \$400 (≥300 seats)	\$75	NA	\$75	\$75 (0-5k ft ²) \$100 (5k-10k ft ²) \$125 (>10k ft ²)	NA	\$25 (Low Risk) \$75 (All else)	\$100	\$125 (0-5k ft ²) \$175 (5k-10k ft ²) \$250 (>10k ft ²)	\$150	NA
Reading	\$0	\$0	\$0	\$100 (≤ 50 seats) \$150 (51-100 seats) \$200 (>100 seats)	\$75	NA	\$50	\$100 (0-9k ft ²) \$150 (9k-30k ft ²) \$350 (>30k ft ²)	NA	\$25	\$100	NA	\$150	NA
Westford	\$65 w/o PHF \$80 w/ PHF	NA	NA	\$110 w/o PHF \$150 w/ PHF	\$110	NA	\$130	\$110 w/o PHF \$150 w/ PHF	NA	\$30 w/o PHF \$50 w/ PHF	\$100	NA	\$215	NA
Provincetown	NA	NA	NA	\$400	\$100	NA	\$100 w/ PHF \$50 w/o PHF	\$50	NA	No Fee	\$100	NA	NA	NA
Suggested Fee	\$75	\$35	\$25	\$150 (≤ 50 seats) \$250 (51-199 seats) \$350 (≥200 seats)	\$150	4X Permit Fee	\$100	\$125 (0-5K ft ²) \$150 (5k-15k ft ²) \$300 (>15k ft ²)	\$50	\$30 w/o PHF \$50 w/ PHF	\$150	\$300	\$150	NA

FY17 Expense Increase Requests

[Type text]

FY 17 Expense Increase Requests				
Dept	Request	One-Time or Ongoing Expense	Requested Amount	Recommended for Funding
Personnel EIRs *				
Town Clerk	Temporary part time staff during elections	One-Time	\$ 5,400	
Town Clerk	Increase Assistant Town Clerks hours from 35-40	Ongoing	\$ 9,784	\$ 9,784
Natural Resources	Increase part time administrator to full time	Ongoing	\$ 28,500	\$ 28,500
Human Resources	Addition of one Part time staff member	Ongoing	\$ 58,000	\$ 34,000
Information Technology	New employee - MUNIS support (S-B)	Ongoing	\$ 77,760	
Information Technology	New employee - Enterprise support (S-B)	Ongoing	\$ 77,760	
Police/Marine	Beach Maintenance Position	Ongoing	\$ 55,598	\$ 55,598
Police/Marine	Beach Maintenance Position	Ongoing	\$ 55,598	
Police	Administrative Assistant from Part time to full time	Ongoing	\$ 33,175	
Police/Marine	Upgrade Beach Coordinator to Asst. Harbormaster	Ongoing	\$ 9,813	\$ 9,813
Police	Reclass Administrative Assistant position from	Ongoing	\$ 6,324	\$ 6,324
Fire	Paramedic Firefighter	Ongoing	\$ 52,995	\$ 52,995
Fire	Paramedic Firefighter	Ongoing	\$ 52,995	\$ 52,995
Fire	Paramedic Firefighter	Ongoing	\$ 52,995	
Fire	Paramedic Firefighter	Ongoing	\$ 52,995	
Fire	Overtime increase - due to ALS	Ongoing	\$ 76,000	\$ 38,000
PLUS	Administrative Specialist	Ongoing	\$ 54,563	
DPW	Additional Admin Assistant	OUT	\$ -	
DPW	Assistant Town Engineer	OUT	\$ -	
Visitor Services	Additional seasonal staff at Straight Wharf kiosk	Ongoing	\$ 4,536	\$ 4,536
DPW - Wastewater Ent.	Wastewater Superintendent	Ongoing	\$ 125,000	\$ 125,000
Town Administration	Energy Coordinator	Ongoing	\$ 55,000	\$ 55,000
Town Admin/PLUS	HDC Minute Taker - Part time	Ongoing	\$ 15,000	\$ 15,000
PLUS	Housing Administrator - Part Time	Ongoing	\$ 39,700	\$ 39,700
DPW	Engineering Tech	Ongoing	\$ 55,000	\$ 55,000
DPW	Reclassification of Admin position	Ongoing	\$ 10,000	\$ 10,000
Town Administration	Increase seasonal staff wages	Ongoing	\$ 30,000	\$ 30,000
Total Personnel EIRs			\$ 1,094,491	\$ 622,245
* Insurance Costs budgeted separately				

FY 17 Expense Increase Requests				
Dept	Request	One-Time or Ongoing Expense	Requested Amount	Recommended for Funding
Operating Expense EIRs				
Town Clerk	Increase Travel Budget	One-Time	\$ 3,000	\$ 3,000
Natural Resources	Annual water quality testing - TMDL Compliance	Ongoing	\$ 48,900	\$ 48,900
Natural Resources	Harbor / estuaries water quality monitoring instruments and monitoring	Ongoing	\$ 35,612	\$ 35,612
Natural Resources	Water quality analysis - opening of Hummock and Sesachacha Ponds	Ongoing	\$ 10,000	\$ 10,000
Human Resources	Centralize recruitment advertising	Ongoing	\$ 11,000	\$ 11,000
Human Resources	Town-wide training	Ongoing	\$ 24,000	
Human Resources	Centralize drug screening	Ongoing	\$ 7,000	\$ 7,000
Human Resources	HR consulting	One-Time	\$ 10,000	
Information Technology	MS Office 365 - 170 licenses	Ongoing	\$ 30,000	\$ 30,000
Information Technology	MUNIS Human Resource module implementation(training)	One-Time	\$ 15,000	\$ 15,000
Information Technology	Increase in costs for software licenses	Ongoing	\$ 15,000	\$ 15,000
Information Technology	Replace GIS Plotter and Scanner	One-Time	\$ 20,000	\$ 20,000
Information Technology	Centralized Hardware management	Ongoing	\$ 40,000	\$ 40,000
Police	Advertising	Ongoing	\$ 3,000	\$ 3,000
Police	Beach ATV Equipment	Ongoing	\$ 27,635	\$ 27,635
Police	Server/PC Replacement	Ongoing	\$ 40,000	\$ 40,000
Police	Postage	Ongoing	\$ 3,000	\$ 3,000
Police	Towing	Ongoing	\$ 3,000	\$ 3,000
Police/Marine	Yearly maintenance for Town Pier	Ongoing	\$ 75,000	\$ 75,000
Fire	SCBA Air Pack replacement	Ongoing	\$ 25,088	\$ 25,088
Fire	Training for 10 paramedics ALS	One-Time	\$ 250,000	\$ 125,000
Fire	ALS Equipment in ambulance	One-Time	\$ 50,000	\$ 50,000
Fire	ALS Equipment in ambulance	One-Time	\$ 50,000	
Fire	New server and 7 PC's	One-Time	\$ 22,000	\$ 22,000
PLUS	Advertising	Ongoing	\$ 20,000	\$ 20,000
PLUS	Commuting costs for two inspectors	Ongoing	\$ 7,000	\$ 7,000
PLUS	2 Vehicles	One-Time	\$ 49,000	\$ 49,000
Treasurer	Bank Fees	Ongoing	\$ 15,000	\$ 15,000
Collector	Tax Bill processing	Ongoing	\$ 10,000	\$ 10,000
Finance	Annual Audit	Ongoing	\$ 10,000	\$ 10,000
DPW	Cellphone service	OUT	\$ -	
DPW	Vehicle maintenance increase	Ongoing	\$ 20,000	\$ 20,000
Visitor Services	Replacement of Straight Wharf kiosk	One-Time	\$ -	
Visitor Services	Replace sound equipment at Children's Beach	One-Time	\$ 3,100	\$ 3,100
Town Administration	BOS Initiatives	Ongoing	\$ 25,000	\$ 25,000

FY 17 Expense Increase Requests				
Dept	Request	One-Time or Ongoing Expense	Requested Amount	Recommended for Funding
Town Administration	To fund recommendations of the IT Operational	Ongoing	\$ 130,000	\$ 130,000
Town Administration	Pond Initiatives	One-Time	\$ 25,000	\$ 25,000
Town Administration	Video Production Coordinator	Ongoing	\$ 25,000	\$ 25,000
Town Administration	Two storage sheds - Nobadeer Farm and Delta	OUT	\$ -	\$ -
Town Administration	Town-wide assessment of staffing	One-Time	\$ 100,000	
Town	Public Building Maintenance Needs	Ongoing	\$ 30,000	\$ 30,000
Visitor Services	Employee Restroom Renovation	OUT	\$ -	
Visitor Services	Children's Beach kiosk	OUT	\$ -	
Health Department	Sharps program	Ongoing	\$ 5,000	\$ 5,000
Town Administration	Fast Ferry Connector	Ongoing	\$ 50,000	\$ 50,000
Total Operating			\$ 1,342,335	\$ 1,033,335
TOTAL GENERAL FUND EIR			\$ 2,436,826	\$ 1,655,580

Study of Human Resources
For
The Town of Nantucket
Report of Findings and
Recommendations

July 2015

<http://www.nantucket-ma.gov/161/Human-Resources>

**Study of Human Resources
for
The Town of Nantucket
Report of Findings and Recommendations**

Submitted by:

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July 2, 2015

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INTRODUCTION AND SCOPE

The Town of Nantucket's Human Resources Director retired in May of 2015. Prior to filling that position, the Town took the opportunity to review HR services, policies and procedures for compliance, best practices, and appropriate department staffing models. To that extent, the Town requested quotes from qualified firms to perform an assessment of the HR function. Bill Hoch from *EmCo Consulting, LLC* and Jane Callahan from *HR Alternatives*, submitted a joint proposal and were selected to:

1. Conduct in-person interviews with department heads and staff as necessary to assess current HR related policies and practices.
2. Conduct a review of Human Resources functions including: Hiring, Compensation & Benefits, Documentation & Record Keeping, Training & Performance Development, Employee & Labor Relations, Safety & Workers Compensation, and Separation.
3. Review current compliance with state and federal laws that impact Town personnel policies and practices.
3. Review the current structure of the Human Resources Department and recommend changes as appropriate.
4. Develop an outline of recommended training for the HR Staff, Department Managers, and staff as necessary.

METHODOLOGY

Department Heads and key staff members were interviewed for the purpose of identifying: (1) current policies and practices which are appropriate and should be retained and (2) opportunities for new, or revised, initiatives based on best practice that will ensure compliance with state and federal employment laws. The following individuals were interviewed

Town Manager
Assistant Town Manager
Assistant Director of Human Resources
Payroll Administrator
Director of Municipal Finance
Deputy Director of Planning
Wannacomet Water Co. General Manager
Wannacomet Water Co. Business Manager
Airport Finance Assistant
Schools - Assistant to the Finance Director

Director of Planning
Director of Human Services
School - Executive Assistant
Our Island Home Administrator
Director of Public Works
Airport Manager
Chief of Police
Fire Chief

Unless indicated otherwise in the report, the use of the term "department" will be intended to include all of these work groups.

Working through a discussion guide (see Exhibit D) outlining human resources functions and the life cycle of an employee, interviews identified current practices and the extent to which they are centralized in the Town Human Resource department or decentralized in particular departments. The extent to which current practices are in compliance with state and federal employment laws was also assessed.

In addition to these interviews, the team reviewed record keeping practices, spot checked files for regulatory compliance, viewed current HR and Payroll information systems, and reviewed policies, the Town Charter, and collective bargaining agreements. Once information was gathered, the project team analyzed the information and presents findings and recommendations in this report.

OVERVIEW OF NANTUCKET HUMAN RESOURCES

Legal Structure For Personnel

The Town of Nantucket is governed by a Board of Selectmen. By the terms of the Town Charter (last amended in 2007), authority for town administration has been delegated to a Town Manager. The Town Manager has full control over Town Administration. Pursuant to the Charter, all Town departments are part of "Town Administration" except for the airport, the schools, and the water department.

Within Town Administration, the Town Manager has been given the authority to appoint department heads (subject to disapproval by the Selectmen). In addition, all town employees in Town Administration come under the authority of the Town Manager. Subject to the Town Manager's approval, day to day management of employees is delegated to Department Heads. The Charter indicates that Department Heads, once receiving authorization from the Town Manager, are given appointing authority for their department personnel and authority to remove, suspend, or otherwise discipline their personnel subject to approval of the Town Manager.

Under this structure, the Town Manager is ultimately responsible for all town employees other than those hired by the schools, the airport, and the water department. Currently, the airport, schools, and water department perform much of their own HR work. To varying degrees, these departments either purchase or utilize some town HR services, for example payroll management and benefits enrollment. By agreement, these departments could receive greater HR services from the Town.

To the extent that Department Heads in Town Administration require approval from the Town Manager for employment decisions, the Town Manager has the authority to require centralization of HR functions. A centralized Human Resources function will help ensure consistent practices across all Town Administration Departments, efficient use of limited resources, and implementation of best practices Town-wide.

The Town Personnel Policies, adopted by the Selectmen in 2013, identify the Human Resources Director as the Town's Personnel Officer with full authority to administer personnel policies and rules and regulations. The Town Personnel Policies state that the Human Resources Director "shall be responsible for the efficient administration of the personnel system, including, but not limited to:

- (a) developing and recommending personnel policies rules and regulations;
- (b) administration of the classification and compensation plans;
- (c) enforcement of provisions of personnel policies, rules and regulations;
- (d) assisting all with disciplinary issues in a uniform, fair, and efficient manner;
- (e) monitoring the effectiveness of personnel practices and policies, and
- (f) such other powers, duties and responsibilities as provided by these policies or assigned by the Town Manager."

In addition, the Personnel Policies identify Human Resources as the centralized repository of all personnel records, stating that:

the Human Resources Director shall be responsible for establishing and maintaining a centralized personnel record keeping system. The personnel record keeping system shall contain such records as may be required by law and as necessary for effective personnel management. All employees and appointing authorities shall comply with and assist in furnishing records, reports and information as may be requested by the Human Resources Director or Town Manager.

Current Human Resources Department

While, by its nature, this report focuses on opportunities for the implementation of best practices it is important to recognize the existing strengths of the Human Resources function. With the retirement of the Director, the Human Resources functions are currently being performed solely by Assistant Human Resources Director, Amanda Johnson. All those interviewed praised the work of Ms. Johnson and indicated that she's demonstrated her ability to be a terrific resource for them. They have a high level of respect for her. She is widely viewed as:

- approachable and willing to assist with any personnel matter;
- responsive and can be relied upon to provide information in a timely manner;
- effective and is managing the hiring, Family Medical Leave and health and welfare benefits processes; and
- credible and is restoring confidence in the Human Resources function.

Given the ever-changing employment laws and regulations, the complexity of the municipality's departmental structures, and the Human Resources services required by 1,013 active employees and more than 200 retirees; the current staffing model with a Director and an Assistant Director, is extremely taxed. It is, in part, due to this capacity overload that many Human Resources activities are being managed by individual departments in a decentralized manner, thus creating the risk of inconsistent practices and violation of employment laws.

EXECUTIVE SUMMARY

Historically, the Town of Nantucket functioned with a Board of Selectmen and relatively independent departments. With the creation of a Town Manager form of government, the Town began to move towards more centralized control and authority of Town operations. The Town Personnel Policies provide for centralized control of personnel operations in a Human Resources Director who reports to the Town Manager. While the structure for centralized control of personnel was created, it does not appear to have been fully implemented in practice. With the retirement of the Human Resources Director, the Town of Nantucket has the opportunity to finalize its centralization of personnel operations in Human Resources.

Recently, Human Resources has taken important steps towards offering greater services to departments. These efforts have produced good results and have been well received by Department heads. Human Resources has also tried to centralize record keeping with mixed results. However, Human Resources is understaffed and under resourced to operate in the manner anticipated by the Charter and the Personnel Policies adopted by the Selectmen.

As a result, our primary recommendation is that Human Resources be allocated 1-2 additional staff positions to allow (1) greater coordination of centralized services and record keeping and (2) better organization and dissemination of information. In addition, the Town should identify an HRIS solution to address its significant data tracking problems. Whether the current Munis system can serve this function or a new system is required is an open question that should be quickly resolved. With better control of information, Human Resources can begin creating standardized policies and procedures to help Department heads manage their workforce in a consistent manner across the Town.

Fortunately, the Town has no glaring personnel problems or system failures that pose significant risks. Most department heads have good relations with their workforce and management seems to be functioning well. This is in part due to the long tenure enjoyed by most Department heads and the significant knowledge they have about their operations. As these individuals retire, however, new Department heads will need ways of accessing historical information so that they can provide consistent support to their staff. By creating a more centralized Human Resource function, the Town will take significant steps towards ensuring compliant programs and will gain greater benefit from institutional memory.

DECENTRALIZED HUMAN RESOURCES OPERATIONS

- Given the specialized operations and compliance requirements of the schools, the airport and the nursing home, we agree that the primary responsibility for some HR initiatives should remain decentralized in these departments with guidance from Town Human Resources. Other departments should centralize the bulk of HR functions in Human Resources. This is depicted in *Exhibit A*.

To the extent that HR functions remain decentralized in certain departments, those departments should mirror Town policies and practices as much as is practical and audits should be conducted from time to time to ensure decentralized practices are compliant with state and federal law.

Airport - Airport personnel currently do their own advertising, interviewing and extend job offers. They also complete all new hire paperwork and send it to payroll. They do not send it to Human Resources. They keep a copy of all employee paperwork. The head of Airport Security does criminal background checks on all employees. The head of Airport Security conducts annual safety training. They independently track paid time off and carryover without notification to Human Resources or payroll. They complete the First Report of Injury/Illness and submit to Human Resources for workers compensation claims management. They receive and retain doctor notes for absences of 3 days or more and notify Human Resources when FMLA is applicable and FMLA paperwork is needed.

Schools – School personnel process most Human Resources activity including: annual pay adjustments by notifying payroll directly of union contract agreements. Personnel action forms are used only for non-payroll and non-benefit status changes. They independently track paid time off and do not provide payroll with accrual policies. There are no PTO balances printed on their paystubs. They track their own use of Family Medical Leave due to the way in which it is awarded in the union contract (they do not use a rolling 12-month calendar). Criminal background checks are run before an offer of employment with finger printing when there will be an offer made. They complete the First Report of Injury/Illness and submit to Human Resources for workers compensation claims processing. Cook & Company deals directly with school personnel regarding active workers compensation

claims. Union contracts are negotiated with limited assistance from Town Administration. Benefit premiums adjust annually on July 1 and are deducted from employee paychecks over 10 months for all School employees. It is unclear whether or not payroll is adjusting the employee deductions to account for this.

Human Services – Human Services Department (inclusive of Council on Aging, Senior Services and the Nursing Home personnel) processes most Human Resources activity including: interviewing, selection and new hire orientation; employee counseling and termination. They independently track paid time off and work with the Treasurer monthly to reconcile balances. They are using an automated time recording system now (a separate module of the same system is being used by the Police Department). This system (by Time Visual Communications) has been tested for data transfer to the payroll system by the Police Department and the Finance Department with success. They manage all FMLA leaves and documentation. The workers compensation claims process is shared with the Human Resources department. They handle all disciplinary actions and would welcome HR participation. They manage required licensing.

Water Department – This is a small department that currently operates independently with regard to Human Resources activity. The manager will retire in approximately one year. There is a desire to centralize HR practices in the Town Human Resources Department. They currently manage the hiring and on-boarding process. The certification and licensing process is decentralized here. They manage all training and employee development independently. They manually track the accrual and use of paid time off and do not refer to the balances printed on paystubs. They maintain employee files and prefer that these be all centralized with Human Resources.

Police – The Police Department (also responsible for Emergency Management and Marine Services personnel) processes hiring of its seasonal employees independently and prefers to keep this decentralized with procedural guidance from Human Resources. The department handles performance improvement, discipline and separation and would benefit from uniform guidelines. They have implemented time tracking software mentioned above and hope to have it fully integrated with Munis by July 1. They manage required training. The Chief manages sick leave and FMLA with the assistance of Human Resources and would benefit from procedural guidance and forms.

Fire – The Fire Department also processes many Human Resources activities independently. They would be comfortable centralizing some of these processes in an adequately staffed Human Resources department. They currently interview, select, test for agility and provide offer letters. They provide the new hire package and conduct the orientation. They have a separate six month probationary process with department specific expectations. They communicate directly with Cook & Co. to manage worker compensation claims. They manage the sick and FML process. FMLA is not being run concurrently with sick time in this department. They maintain duplicate personnel files. They are researching a software system (Fenix Fire Scheduling Systems). Time is currently reported by the Captains and sent to central dispatch. A weekly log is used to manually prepare a payroll transmittal. They manage their own grievance process with assistance from Human Resources after the initial warning but have, at times, had difficulty getting timely assistance.

All other Town Departments interviewed (Finance, DPW and PLUS) rely upon Human Resources for most of their core HR functions.

Finance performs some Human Resources tasks in addition to payroll.

OBSERVATIONS and RECOMMENDATIONS

Hiring Process and On Boarding.

Summary The Town needs to create a streamlined and consistent set of practices for hiring and on-boarding new employees. Currently, these functions are performed by different departments using different practices. Inconsistent practices increase the risk that certain legal requirements and best practices (for example I-9 forms, background checks, and interviewing protocols) are not met. While individual Department Heads will still have the final say on which candidate is chosen, subject to Town Manager approval, HR can standardize this process. Finally, having HR on-board all new hires will provide new employees with a consistent experience, will reinforce HR's role as a department where employees can go for assistance and information, and will help bridge the gap that often exists between employees in remote departments and Town Hall.

Findings

- The Town lacks a consistent set of policies and practices for recruiting and hiring employees. Currently, HR offers assistance to many departments with advertising, receiving resumes, and setting up interviews. However, some departments perform these functions themselves. As a result, Recruiting, Interviewing & Selection processes are decentralized to various extents.
- There is a job requisition process with related forms in place. Department heads complained that this process is time consuming and requires too many forms. For example, some department heads stated that the process currently begins with a "hiring freeze exemption" form and then a requisition form. As there is no current hiring freeze, this form represents an unnecessary step in the approval process.
- There is no established format for employment reference checks and, as a result, they are not performed consistently.
- Other than an extensive background check for police candidates, most departments are not performing background checks to verify work history and education. Criminal background checks are currently not being performed on most new hires. While schools, airport, Our Island Home, and police conduct criminal background checks on their new hires, there is no uniform process for conducting criminal background checks throughout the town. Therefore, it is recommended that Human Resources be given sole authority for conducting Massachusetts criminal offender records information checks (CORI) for all new hires other than for police officers, employees of the schools, and airport employees requiring a SIDA badge. The Town should develop a uniform CORI policy and procedures that applies to all departments (including schools, airport, and police). During the week of June 15, the Assistant HR Director obtained a username and authorization for iCORI. This, along with proper training and creation of a CORI policy, will allow HR to conduct CORI checks.
- While the Town requires pre-hire medical evaluations, the medical evaluations are conducted by the new employee's physician. Currently, the forms submitted by a new hire contain a signature line for a physician but do not require that the physician identify his or her name and medical practice so there is no way to verify the authenticity of the report.

- The Town does not have a consistent practice of requiring pre-hire drug testing for all employees.

- The Assistant HR Director has developed a New Hire Package. While the package is thorough, the onboarding process is not centralized in Human Resources and therefore cannot ensure consistency, compliance and data privacy.

- New hire tax forms and I-9 forms are often sent directly from the hiring department to Payroll. Most information currently moves from Payroll to Human Resources, not from Human Resources to Payroll. In addition, I-9 forms are not uniformly completed by one department. As a result, different employees complete these forms and have different practices. This subjects the Town to unacceptable risk that forms may be improperly completed or the requirements of the Immigration Reform and Control Act may not be met.

Recommendations

1. The following activity be centralized in the Town Human Resources Department (*with shared participation as outlined in *Exhibit A*):

- Job requisition process
- Job advertisement and Job posting
- Receipt of application and/or resumes
- Initial screening of resumes*
- Scheduling of initial interviews*
- Employment references and Education verification*
- Criminal background checks
- Pre-employment medical review and drug screening
- Draft and send job offer letters*
- Onboarding paperwork (including I-9 forms) and creation of personnel file
- Welcome orientation session*
- New hire data entry into Munis (with addition of the HR module)
- EEO tracking

2. Streamline the requisition form process to remove unnecessary steps, like the hiring freeze exemption, and incorporate only necessary approvals.

3. Develop a Standard Operating Procedure (SOP) outlining the Recruitment, Interviewing and Selection process. Include a list of positions subject to specific pre-employment screenings, post-employment random drug screenings, licenses, and certifications.

4. Apply the New Hire Package to all Town Departments tailoring it as necessary and centralize this process in Human Resources. Human Resources should obtain and retain employee documentation and provide information to Payroll as necessary.

5. Develop and provide manager training on interviewing and selection.

6. Create forms to be used for pre-hire medical reviews to ensure the physician is aware of the employee's job description and physical requirements of that job. Ensure forms require the physician to certify that the employee is fit to perform the essential requirements of the job; to identify any reasonable accommodations required to perform the job; and to provide the physician's name, practice name, and contact information in addition to a signature.

7. Purchase the HR module of Munis (or a comparable product) in order to improve efficiency of HR processing and to improve accuracy and compliance.

8. Once I-9 forms are relocated to HR, the Town should identify resources to perform an I-9 audit to ensure the accuracy and completeness of I-9 forms for all current employees.

Record Keeping & Documentation

Summary HR understands the need for consistent practices in creating records and record keeping. While HR has developed organization systems for new employee records, the decentralized creation and storage of employee records has led to inconsistent and inaccurate reporting. Many records are housed in individual departments with no guarantee that all necessary records are held and maintained securely. All record keeping and new hire record creation should be centralized in HR and resources should be allocated to ensure records are kept in locked cabinets.

Findings

- Personnel files, Paid Time Off tracking, I-9 Forms, employee medical notes and other employee personal identifying information are housed in different Town departments, sometimes in duplicate. This practice places the Town at risk for breach of data and violation of data security laws. Where documentation related to performance improvement that may lead to disciplinary action is kept outside of the Human Resources department, the Town may be unknowingly exposed to violation of MA Personnel Records law which require that employees be notified when potentially negative information is added to their personnel records.
- I-9 forms are being housed in Payroll and are kept in locked cabinets. Payroll, however, has no need for these forms.
- There has been minimal action taken in preparation of the 2015 reporting requirements of the Affordable Care Act.
- HR has hosted a well-regarded open enrollment fair for benefits. Not all employees attend the fair, however, and this results in employees missing deadlines for changes to benefit plans and limits the documentation of employee selections for the new plan year.
- New employee files in the Human Resources department appear to be complete and confidential information is appropriately filed separately. HR has developed a good standard format for new employee files which should be continued and duplicated for all employees. Employee files for current employees are often missing key information because departments are maintaining historical information. There is, however, a need for additional lockable space. Currently, confidential information may be temporarily stored in unlocked cabinets or on available surfaces which are accessible when the Assistant HR Director is out of her office.
- The tracking of Family Medical Leave is not established utilizing a rolling 12-month calendar. Human Resources is not always notified of absences greater than 3 days or if physician verification has been obtained.
- Terminated employees are coded as "inactive" in the Munis system.

- EEO data is no longer being collected on new hires. This lack of data will hamper the Town's ability to file a federal EEO-4 form in 2015 as required by law.

- Information relating to personnel issues is often not tracked or maintained in such a way that institutional knowledge is kept. As a result, problems can be resolved in one situation but the solution will not be properly disseminated and tracked so that similar problems are addressed in a similar manner in the future.

Recommendations

1. In accordance with the authority provided to the Personnel Officer (HR Director) by the Town Charter and outlined in Chapters 1.3-1 and 1.3-5 of the Personnel Policy Manual, it is recommended that all employee files and personnel records be housed in the Town Human Resources Department other than airport, schools, and water unless they choose to house their records with Human Resources. Skeleton files with non-sensitive information can be housed with the departments to the extent required for immediate access or on-site audits. No confidential, personal identifying employee information should be housed outside of the Human Resources department. Examples of appropriate content for skeletal files include:

- Training and certification records
- Employee contact information
- Random drug testing schedules (not test results)

Content that should be housed in the Human Resources department, in locked cabinets, includes:

- Employment application and resume
- Reference check and background screening results
- Drug screening results
- New Hire paperwork (w-4, I-9, personal contact information, etc.)
- Benefit enrollment forms
- Medical notes
- Workers Compensation documents
- Leave and FMLA documents
- Performance related documents
- Personnel action forms
- Separation documents
- Benefit Continuation documents

2. By law, I-9 forms should not be reviewed by individuals who have no need to review them. Because of this, all I-9 forms should be completed by HR during new hire orientation and stored in HR.

3. EEO data should be collected on all new hires using a specific form that can be completed as part of new-hire orientation.

4. It is important that action be taken now in order to meet ACA filing requirements. Monthly tracking should take place throughout the calendar year 2015. It is recommended that the "personnel crosswalk" feature of the Munis HR module be used to capture hours worked and eligibility and 1095-C and 1094-C reporting of coverage, covered individuals and safe harbor eligibility. In the interim, manual tracking should take place now. The following was provided to Human Resources: Final Reporting Instructions, Form 1095-C and 1095-C Codes Guide, 1094-C

We suggest identifying those who worked (or were paid for) 1560 hours or more in the calendar year 2014. Those are the employees you should be tracking monthly as of January 1, 2015. Develop a monthly spreadsheet listing each of these employees and answering the following questions for each month in the calendar year 2015 by filling in the appropriate code for #1 and #3 [See 1095-C codes document]:

1. Were they offered coverage?
2. What is the Employee share of lowest cost monthly premium for Individual plan?
3. What is the applicable section of the Safe Harbor?

Obtain a list of dependents from BC/BS and list them individually indicating coverage by month as well.

Create a mail-merge form in Word that mirrors the 1095-C and have this spreadsheet populate that form.

We also suggest a Measurement/Look Back period of June 1 - May 31; An Administrative period of June 1 - June 31; and a Stabilization period of July 1 - June 30 in line with your plan year. It is our belief that the ease of administrative burden should outweigh the cost of providing 12 months of coverage during the stabilization period. This, however, should be assessed and compared to a 6-month measurement period.

The initial measurement period for new hires will be from the DOH - 364th day; then they fall into the common measurement period along with everyone else.

Develop a written policy statement identifying the measurement period and notifications of eligibility/ineligibility.

Begin tracking the hours of variable-paid and seasonal employees working in 2015 to identify those who average 30 hours or more/week or 130 hours or more/mo. and should therefore be included in the next stabilization period.

5. Develop and require the return of an Annual Benefits Election Form in order to verify offering and selection within the open enrollment period. Develop and include a Waiver of Coverage Reason section to capture evidence of Safe Harbor qualification determination.

6. The vault in the Human Resources department should be cleared out and used for employee records. Actively employed employee files should be separated from terminated employee files. Terminated files should be purged with only required documentation stored in accordance with record keeping requirements (**Exhibit B**). Scan and retain electronically files of terminated more than seven years old.

7. Terminated employees should be coded properly within the Munis system. Retaining them as "inactive" will negatively impact any rehire policies and/or audits of employee counts for ACA, FMLA or other state and federal laws.

8. A FML tracking system should be established to capture concurrent leaves on a rolling 12-month calendar. This should be centralized within the Town Human Resources department. Department managers need to notify HR immediately when an employee has been out of work for illness for more than three days.

9. When personnel policies or practices are adopted or altered, the information should be disseminated to department heads. In addition, HR should maintain a data base where

problems and solutions are tracked so that institutional knowledge is maintained. Where changes are significant enough to warrant policy updates, written policies and practices should be updated annually to capture relevant changes.

10. Information related to leaves of absence, illness, unemployment, and worker's compensation injuries should be tracked so that the Town can review trends and identify problem areas to be addressed.

Personnel Policies

Summary The Town has a good personnel policy manual but needs to create a system for ensuring it is updated. The current manual requires minor updates to ensure compliance with state and federal law and some additional policies should be considered. Most importantly, the Town should standardize most policies across all departments so that programs can be easily and consistently managed.

Findings

- The Personnel Policy Manual was last updated in 2013 and the Assistant Director of Human Resources maintains a running list of items to be included in the next update. The following items are currently on this list:

- Compensable travel time for non-exempt employees
- Working a second job while on FMLA
- Overtime payment charges when an employee works for two departments

- Understandably, management of some departments develop policies independently. Some have attempted to mirror Town policies to the extent possible. Specific departments may have a need for their own policies; however there are a few policies that should be consistent to ensure compliance with state and federal laws. The following policies should be created or updated to reflect current state or federal requirements (See ***Exhibit C***):

- Sick Time, vacation time, and personal time
- Family Medical Leave
- Overtime payments for Non-exempt employees
- MA Parental Leave
- CORI Policy
- Domestic Violence Leave
- EEO/Harassment
- Drug testing
- Small Necessities Leave
- Data privacy
- Nursing Mothers

- The Airport Administrative Personnel Manual states the following with regard to non-exempt overtime payment: "**Non-Exempt employees** are paid at one and one-half times their regular hourly rate for the hour worked in excess of forty (40) in any workweek if authorized by their supervisor or by the Airport Manager." The airport is, in fact, legally bound to pay for the hours worked even if they were not authorized. They may discipline for not getting authorization, but they must pay the overtime.

- Some policies in the Town Personnel Policy Manual place responsibility with the Town Manager that is more often seen placed with the Human Resources Director. Examples:

- 2.1-4 Job vacancy notice form
- 2.1-5 Selection of physician or institution for pre-employment medical exams
- 2.2-3 Release form
- 2.3-6 Resignation notifications
- 3.1-6 Merit Increase procedures
- 3.2-1 Performance Appraisal System development
- 4.10-3 Step Two of Grievance Procedure

- Longevity Pay (5.12 of the Personnel Policy Manual) provides Town Manager discretion in adding the longevity award to base in the 5th, 10th, 15th or 20th year of service.

- The "Anti-Discrimination Policy" dated February 2013 is appropriate but needs to be updated to add gender identity and expression as a protected category. The policy includes the Towns' Sexual Harassment Policy and should be renamed to reflect that.

- The "Contagious Temporary Illness Policy" dated December 1, 2009 reads "Supervisors are encouraged to remind employees that the Town provides paid sick leave to cover absences due to contagious temporary illnesses. If the requirements of Family Medical Leave Act are met this leave may also be available to cover longer term absences."

- The Assistant Director of Human Resources utilizes the law firm of Kopelman & Paige, MA Municipal Personnel Administrators group (MMPA) and the Society of Human Resources Management (SHRM) to access information on employment laws and best practice.

Recommendations

1. Review, and revise as necessary, all existing employee handbooks to ensure compliance with state and federal law. To the extent allowed by governing bodies and contracts, they should be consistent across Town Departments.

2. Even though the Longevity Pay practice is being phased out (does not apply to those hired after July 1, 2013), the Town should be consistent in how it determines when (if at all) to add the payment to base pay.

3. As the Anti-Discrimination Policy includes the Towns' Sexual Harassment Policy it should be renamed to reflect that i.e. "Anti-Harassment and Anti-Discrimination Policy". The policy should be updated to include gender identity and expression.

4. The "Contagious Temporary Illness Policy" should be rewritten to clearly communicate that *available paid sick time* may be applied to this absence; and that *limited job protection may be available* through the FMLA.

5. The following policies should be incorporated into the Town Personnel Policy Manual (*with a copy retained on the Town website):

- Anti-Harassment/Discrimination
- Contagious Temporary Illness Policy
- Employee Computer Use Policy
- Office Closure Leave Guidelines*
- Town Office Closure During Emergencies*

-
- Social Media Policy
 - Domestic Violence Leave
 - Drug testing
 - Small Necessities Leave
 - Data privacy
 - Nursing Mothers.

Human Resources Information Systems

Summary The Town does not currently utilize an HRIS. Employee records are maintained in hard copy and/or electronic files housed on a personal desktop computer in Human Resources. Munis by Tyler Technologies is the financial, payroll and human resources software solution currently in place. It is a software system exclusively for the public sector and tailored to government and school systems. Its features are not fully utilized and, as a result, some human resources practices suffer from inefficiency and inaccuracy. The HR module of Munis has not been purchased; and the Time Entry feature of the Payroll module is not being utilized. Some consideration was given to the use of a stand-alone, multi-faceted payroll system vs. utilizing the HR and Payroll modules of the Munis system. This analysis should be completed and a decision made to either fully utilize the Munis system or make the conversion to a stand-alone payroll company system. We believe this to be essential to efficiency and accuracy of employee records and transactions. In either scenario, responsibility for maintaining employee records and paid time off usage and balances should be housed with Human Resources.

Findings

There is consistent indication that paid time off (PTO) balances are not accurate. Almost all departments indicated that they track their own accrual, usage and balances of PTO independently of the Munis system and ignore the balances printed on paystubs. The nursing home, the Police Department and the Airport have all researched and invested in time tracking software independently and without knowledge of what is being utilized or considered by other town departments. These additional software programs are distinct from, and do not interface with the Munis system.

- The Payroll module of Munis has a Time Entry feature, in which managers could enter employee timecards with an automatic feed to Payroll. This would eliminate the manual transmittal process and reduce the potential for error. Managers would have to log in to Munis to enter time worked and appropriate access roles would have to be established for them. There is no additional cost to utilize the existing Time Entry feature.

- The HR module of Munis allows for “workflows” to automate the Personnel Action process with an automatic payroll interface. This would eliminate the manual Personnel Action Form. Step increases would be processed online eliminating the excel spreadsheet tracking process currently used in Human Resources. The HR module also contains “Personnel Crosswalk” which is in development with a rollout date of September 2015. Personnel Crosswalk will facilitate the completion of forms 1095-C in compliance with 2015 ACA reporting requirements. The HR module also streamlines the employee benefits and required training processes. There is a cost to add the HR module. It is estimated to be approximately \$11,500 for the initial setup and license plus \$2000 annually. (An actual quote from Tyler Technologies would be required.) Given regulatory requirements of the Town and the number of employees, we believe there is a need to invest in a tracking and reporting system.

- It would appear to be logical to stay with Munis as there is a benefit to having all data in one location and all parties viewing the same information. In addition, there has already been an investment made in the Munis software. There are, however, some significant considerations to review concerning Munis. An informal survey of other municipalities using Munis consistently indicated the following:

- There is a definite benefit to have one system for all information,
- It is an adequate system if it is setup properly and you know how to use it,
- The “help desk” is inconsistent,
- The system is not “user friendly”,
- There should be one or two in-house “experts” who are very well trained on the system and serve as a resource for users,
- It is crucial that all departments provide input prior to establishing setup parameters, and
- Once Tables and parameters are established, it is not easy to change them.

Recommendations

1. The alternative to investing further in Munis is to move HR Information Systems, Payroll, and Time Entry out of Munis and convert to a reputable multi-faceted payroll system. A conversion would require identification of system requirements based on parameters needed, demonstrations from providers, requests for proposals, implementation planning and conversion time. This process typically takes up to six months. We recommend that any payroll company conversion begin in the fall with a January 1 implementation date rather than a mid-year date. It is recommended that demonstrations and quotes be obtained from payroll companies if only for comparison to the cost and functionality of Munis.

2. In consideration of the time required and complication of converting to a payroll company, it is recommended that the Town use Munis for HR and payroll processes through the calendar year 2016, but utilize the Time Entry feature within the Payroll module for managers to enter time worked. Should a conversion to a payroll company be desired, analysis, and preparation for, a conversion may be thoroughly undertaken during this time with a conversion date of January 1, 2017.

3. If it is not cost prohibitive, it is also recommended that the HR module of Munis be purchased and that the “personnel crosswalk” component be used to track required information and to complete Form 1095-C in accordance with 2015 ACA requirements. It is imperative that action be taken on this now to be completed on time. Appropriate interim steps should be taken as soon as possible for manual tracking and reporting on form 1095-C.

4. Ensure that paid time off accrual tables are updated and accurate. It is recommended that all PTO accrual tables in Munis be reviewed and updated to reflect current contract and policy parameters. This is a critical fix and may be a significant undertaking. We recommend seeking assistance from Munis, or an outside resource, whichever is most cost effective. We have identified Pamela Wood as an independent resource who currently supports the City of Brockton. Pamela formerly worked for Munis and reported that she’s done some work for the Town of Nantucket in the past.

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Portland, ME 04103
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Phone: (727) 754-2171
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5. Department Managers should have access to the Time Entry feature within the Payroll module. Human Resources, the Town Manager and Assistant Town Manager should have appropriate access as necessary to carry out their responsibilities. In accordance with the authority provided to the Personnel Officer (HR Director) by the Town Charter and outlined in Chapter 1.2-1 of the Personnel Policy Manual, Human Resources should have full access to, and full responsibility for, the Compensation and PTO accrual tables in Munis. Human Resources should be responsible for ensuring accuracy of awards, use, and balance tracking. Human Resources should enter and manage tables, reconcile actual balance to balances on paystubs, respond to employee inquiries, etc.

Recommendations

1. Centralize HR activity that may put the Town at legal risk. Our recommendations of activity for which Human Resources should have primary responsibility are depicted in **Exhibit A**. Given the semi-independent nature of some departments, we've also indicated those tasks which may be appropriately decentralized or, if desired, where responsibility can be shared.

2. A regular review of records maintained, and required postings, at each department should be conducted to verify and ensure compliance with record keeping and employee notification laws. The following source was provided to the Human Resources department for cost effective all-in-one employment law posters:

<http://www.allinoneposters.com/Massachusetts-Federal-Combo-English.html>

Training and Performance Development

Summary Employees would benefit from computer skills training. Supervisors would also benefit from specific supervisory training. Required training should be tracked with reminders sent from Human Resources or the department tracking representative. When offered, training should be made available to all departments for maximum attendance.

Findings

- Required ethics training is not up to date. It is tracked manually and by individual anniversary dates rather than a set annual date.
- Training has been provided on workplace violence and harassment. A pre-retirement planning workshop was provided in 2013 and is again planned for September of 2015.
- The current EAP Company was praised and referenced as a good source of training.
- Most managers interviewed believed that HR should offer more skills training and manager training to assist employee development.

- Most departments track and manage industry required training for their employees but these trainings are not tracked by HR.

Recommendations

1. Establish a month during which all employees are required to complete annual Ethics training.

2. Use the annual benefits Open Enrollment sessions to distribute annual notices and policies (Sexual Harassment, Ethics Information, Personal Contact Update Sheet, Annual Benefits Election Form, Summary Plan Descriptions, Creditable Coverage and other required notices).

3. The HR module of the Munis system should be used to track and notify employees/managers of training requirements.

4. Training is recommended on the following topics:

- Ethics training/compliance/HIPAA/data security
- Harassment and behavioral boundaries at work
- Retirement Planning for employees nearing retirement
- Software Training
 - MS Word, Excel, Outlook
 - Munis
- Supervisory training
 - Interviewing (staying out of legal hot water)
 - Panel interview strategy
 - Managing sick leave and leaves of absence
 - Giving & receiving feedback
 - Handling disciplinary situations
 - Performance improvement
 - Workers Compensation processes
 - Definition of light duty tailored to department

Compensation and Benefits

Summary

For most employees, compensation is established by contract and step increase programs with no concerns or irregularities noted. The benefits enrollment process appears to be well established. Paid time off balances appear to be the only concern with regard to benefit plan administration. Either Munis, or a stand-alone system, to accurately track and report the use of such time is an immediate need.

Findings

- Sick time contributed to and taken from the Union Sick Banks appear to be tracked independently, if at all, and therefore balances are not accurately reflected in the Munis system. It is not clear that unions know the amount of sick time they manage in their “bank” and have no way of knowing how much time they can distribute.

- PTO accrual tables in Munis are not updated to reflect current contracts and policies. There is little confidence in accruals calculated in Munis. Some departments are investigating the purchase of a time and attendance systems but there is no concerted effort to do this for the entire Town.

- The Munis system is date driven and there is no confidence in the accuracy of dates used for step increases. Consequently, the Assistant Human Resources Director maintains an excel spreadsheet to facilitate this process. She also has view only access to the system and is therefore not able to enter pay adjustments. Individual PAF forms are created in Human Resources and sent to Payroll for manual entry into the system. There is no double check of the accuracy of pay adjustments made.

- There appears to be little dual control over wage and PTO adjustments between the Human Resources and Payroll departments.

- It was indicated that some classification changes remain to be made after the FLSA review in 2012.

- Pursuant to G. L. ch. 32B, sec. 26, the Town is conducting a benefits enrollment audit. This must be done every two years to ensure all beneficiaries are properly eligible for benefits.

Recommendations

1. All union sick bank balances should be reviewed for accuracy and adjusted accordingly. The process of contributing to, and withdrawing from, the bank should be thoroughly reviewed and adjusted as necessary to ensure appropriate management of it. Individual contributions and grants of sick time should be reflected in employee accruals.

2. As indicated in the "Systems" section. It is critical that the wage and PTO tables within the Munis system be reviewed and updated as necessary.

3. Human Resources should be given full administrative rights to the Payroll module of the Munis system and responsibility for making wage adjustments and ensuring the accuracy of paid time off.

4. A process of dual control should be established between the Human Resources and Payroll departments to ensure appropriate and accurate compensation and paid time off balances.

5. There should be a review of all expected changes resulting from the 2012 FLSA study to ensure their implementation.

6. HR should centralize benefits enrollment for new hires and should track beneficiary eligibility so that the town is clear when dependent beneficiaries are no longer eligible. In addition, employees should be required to verify their beneficiaries every year during open enrollment. Annual tracking like this will ease the burden of the benefits enrollment audit which is required every two years.

Safety and Workers Compensation

- There do not appear to be any major concerns with regard to safety. The Workers Compensation reporting process appears to run smoothly across departments. Cook & Company is utilized for active claims management. Department managers are well versed on processing First Reports of Injury/Illness and indicate satisfaction with the role that Human Resources assumes in the process.
- A spot check of injury reports demonstrates that training may be required to help employees and supervisors provide detailed and accurate reports of injury. Vague reports with little detail increase the risk of fraud.

Employee and Labor Relations

Summary

There appear to be relatively few unresolved labor relations issues. Human Resources participates in the union contract negotiation process with department heads to varying degrees and provides support throughout the grievance process. The Town would benefit from Human Resources playing a larger role in labor relations. A strategic partner to facilitate the negotiation of contracts and successful resolution of grievances will lead to more effective management of the workforce and less reliance on outside counsel

Findings

- After contract negotiations are completed, the Assistant Human Resource Director redlines the existing contracts with changes negotiated and sends it to the appropriate negotiating committee and to legal counsel for review and subsequent delivery to the union for ratification and to the Board of Selectmen for signature. The union ratification process often delays final contract distribution.
- It was expressed that, at times, contract changes via grievance settlements in one department do not get disseminated to other departments employing members of that same union.
- The Assistant Director of Human Resources currently maintains a running list of items for future contract negotiation and expressed interest in assuming a greater role in negotiation preparation for contract renewals in 2017.
- Human Resources assumes administrative responsibilities in the grievance process. Initial grievances are presented to the Assistant Town Manager and forwarded to Human Resources where they are scanned, logged, distributed to involved parties and tracked for response deadlines. Assistant Town Manager has primary responsibility for managing the grievance process. Grievance documents are kept on the Assistant Human Resources Directors' computer with no hard copy.
- Most department managers notify the Assistant Town Manager and the Human Resources Director in advance of employee discipline. Simple decisions that can be backed up by agreements are communicated via email. Other determinations are made by the Director of Human Resources, often with the support of legal counsel. If a decision is grieved, it is sent to the Assistant Town Manager where it is usually upheld. Subsequent steps send the grievance to the Board of Selectmen and to an Arbitrator. The Assistant Town Manager and

the Director of Human Resources attend arbitration hearings. It was indicated by several department managers that Town Counsel is heavily relied upon for drafting initial decision letters, which often delays response time. Many department managers indicated that they often go directly to Town Counsel rather than Human Resources in order to expedite the process.

- Human Resources participates in non-union employee performance counseling with departments to varying degrees. The School department, Airport and Our Island Home have structured discipline processes in place and conduct them independently of Human Resources.

- Many departments have managers and staff in the same union. This often makes employee performance and discipline difficult to manage because of the reluctance of a manager to discipline a fellow union member.

Recommendations

1. Human Resources should establish a protocol for communicating contract changes and utilize the Cabinet meetings, and additional methods, to disseminate this information.

2. Contract negotiation planning should be initiated by Human Resources in June 2016 and conducted in collaboration with department managers. Role responsibilities during each contract pre-negotiation planning and during negotiations should be clearly outlined and communicated.

3. The Human Resources staff should be supplemented with strong labor relations experience and more responsibility for contract negotiation and grievance processes centralized in the Town HR department.

4. When grievances are settled in a department that could affect employees in another department in the same union, the settlement should be communicated to all affected departments. Where possible, grievance settlements should be limited in scope and effect to the department involved.

5. To the extent possible, the Town should strategically move to encourage formation of a manager's union in departments where there is only one union or have certain key manager positions made non-union. To the extent this has been done for some positions, it provides a good model for other departments.

6. Human Resources should offer access to employee mediation to resolve conflicts. A mediation program might be successful in encouraging employees, particularly employees in the same union, to talk through conflict and develop mutually agreeable resolutions.

Separation of Employment

Findings

- There is very little turnover throughout the Town departments. Most separations are due to retirement, however, there is little manpower forecasting in preparation of retirements.

- Legal counsel is appropriately utilized to draft separation (and employment) agreements.

- Human Resources administers the COBRA process. Unemployment Tax Management Corporation manages unemployment claims. These processes appear to be appropriately placed.

- Some retirees were surprised to have their life insurance policy cancelled due to non-payment, which raises the question of how conversion rights are communicated by the carriers.

Recommendations

1. A separation package (like the new hire package) should be developed to include:
 - o Release form (indicating last day worked, termination date, reason, monies owed to and from the employee, checklist of items to be returned)
 - o COBRA paperwork
 - o Exit Form (for systems access removal)
 - o Unemployment filing instructions
 - o Benefits conversion information

2. The separation process should be centralized in the Town Human Resources department. In the event that the airport, schools, or water departments retain this responsibility, it is strongly suggested that they utilize the same separation package and ensure that all documentation remains consistent with the Human Resources.

3. Exit interviews should be conducted by HR prior to an employee's last day of employment.

Storage and Office Space

Findings and Recommendations

- Office space is noted as a limitation. There should be ample, lockable, storage space for Human Resources records. In addition, HR staff require enclosed office space conducive to private conversations.

- As recommended in the Records and Documentation section of this report, the vault in the Human Resources department should be cleared out and used for employee records.

- Office space for Human Resources staff should accommodate four with at least one enclosed office. The Human Resources department should be located in a municipal building that can accommodate this.

STAFFING OF THE HUMAN RESOURCES DEPARTMENT

While HR is widely appreciated and Department heads have seen a dramatic increase in HR's responsiveness and professionalism, it is acknowledged that HR is not pro-actively serving department managers and employees to the desired extent. The reasons for this are multiple, but include the current level of staffing, and the breadth of experience, in the department.

As candidates are considered for the open Director of Human Resources position, the following should be sought:

- Ability to coach managers through employee relations issues
- Ability to manage the grievance processes more independently of legal counsel
- Ability to coach managers through contract negotiation preparation and the negotiation process
- Ability to develop regular and ample communication strategies
- Ability to assume a leadership role in Cabinet Meetings and with the Board of Selectmen
- Ability to pro-actively bring best practices and compliance strategies to department managers and the Town Manager
- Ability to develop regular and ample training and development strategies based on the mission and goals of each department
- Ability to provide manpower forecasting and succession planning for near and long-term retirements
- Ability to groom the Assistant Human Resources Director for advanced roles and responsibilities

It is widely acknowledged that the Assistant Human Resources Director is very talented, driven, and well respected. She is credited with strong communication skills, approachability and being timely with responses. Everyone interviewed indicated increased faith in the Human Resources department's ability to "get things done" with her in place and since the recent transition of the HR Director. There was confidence expressed in her abilities along with the desire to see greater depth of experience. Specific areas for growth in knowledge and experience include: Labor/Management Relations, Employee Performance Counseling, and Best Practices in Training & Development. These are the same areas in which she expressed interest in developing. With time and exposure, she is fully capable of developing these areas of expertise. Given her level of interest and the extent to which she is respected throughout town departments, we suggest that a time-lined professional development plan be created to provide her with opportunity for continued growth and advancement. She has strong computer skills and should be provided the opportunity to automate HR processes, be trained on the Munis system and given authority to manage the compensation and paid time off features of that system.

The Human Resources department currently provides services to 1,013 active employees (including seasonal employees) and benefit services to approximately 200 retirees.

Given the scope of services currently provided, the number of Town employees serviced, and the recommended centralization of many Human Resources initiatives, consideration was given to appropriately staffing the Human Resources Department. While in the private sector a ratio of 1 human resources employee to 100 employees is commonly cited, it is clear that municipalities tend to staff more conservatively.

The following table identifies staffing ratios for Nantucket and other municipalities. This

CITY	# OF PEOPLE SERVED	# OF STAFF ASSIGNED	RATIO OF STAFF TO PEOPLE SERVED	STAFF COMPOSITION
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information should be used for surface comparison only due to variation in staffing models and the use of outside resources, legal counsel, etc.

Table data below comes from a 2014 study conducted by The Edward J Collins, Jr. Center for Public Management at UMass and consultant interviews. The Collins study was performed as part of an HR audit for the City of Holyoke. The staffing level for the City of Holyoke in the table is the recommended level from the Collins report. The city is still taking steps to implement this level of staffing.

CITY	# OF PEOPLE SERVED	# OF STAFF ASSIGNED	RATIO OF STAFF TO PEOPLE SERVED	STAFF COMPOSITION
Nantucket	1200	2	1:600	HR Director Assistant Director
Concord	793	4	1:200	HR Director Assistant Director HR Assistant Clerical
Weston	814	2	1:407	HR Director Benefits Specialist
Wellesley	992	5	1:200	HR Director Senior HR Specialist HR Generalist HR Assistant Clerical
Gardner	600 (does not include retirees)	2	1:300	HR Director Admin Coordinator
Barnstable	2350 (includes 350 seasonal)	8	1:293	Director Asst. Director HR Coordinator Admin. Asst. Benefits Admin Benefits Asst. 2 Clerical Support

Westwood	800	2.5	1:320	Information not obtained
North Attleboro	900	3.5	1:257	HR Director Administrative Secretary Benefits Clerk (25%) Part-time Clerk
Taunton	2000	3	1:667	HR Director Office Manager Benefits Clerk
Brockton	670	4	1:167	HR Director (2) Insurance Clerks (1) Assistant
Franklin	1100	3.5	1:314	Information not obtained
Holyoke	1,675	4**	1:418	Personnel Administrator (1) Benefits Coordinator (1) HR Generalist (1) Records Clerk
Westfield	3,375	6.5	1:519	Director Assistant Director
Northampton	1,950	4	1:487	HR Director Benefits Specialist Employment Specialist HR Assistant
Chicopee	3,000	4	1:750	Director Benefits Coordinator (2) Administrative Assistant
West Springfield	1,250	3	1:416	HR Director Asst. HR Administrator HR Assistant (share in benefits)

Suggested Staffing Based on Proposed Responsibilities

Human Resources lacks sufficient experience in areas of labor relations and employee relations. There is significant reliance upon Town Counsel which is costly and time consuming. Whether in the Director position or in a newly created position, Human Resources should be staffed with an individual with labor relations and employee relations experience to help Department heads proactively manage their employees and address discipline and performance where appropriate.

In addition, based upon the need to centralize record keeping and increase Human Resources' role in hiring and managing employees, Human Resources requires additional administrative help for filing paperwork and managing information (both digital and paper). Centralizing records will fail to benefit the Town if HR has insufficient resources to manage the increase in data.

Based on our findings, we recommend that the Human Resources department be staffed as follows:

- 1 Full-time HR Director*
- 1 Full-time Assistant Director*
- 1 Full-time HR Coordinator (could be a Labor Relations Specialist)*
- 1 Part-time Administrative Assistant*

The following **training** is recommended for the Human Resources staff:

- Affordable Care Act compliance strategy
- Massachusetts legal update
- Munis System applications

It is recommended that **Standard Operating Procedures (SOPs)** be outlined and forms developed for the following to ensure consistency of process along with clear role responsibility:

- Recruiting, interviewing and selection process guidelines
 - Position requisition form, offer letter
- Onboarding package content and Orientation process
- Performance feedback and Performance Improvement Plans, process and forms
- Exit package and Exit Interview process
- Data protection and destruction of records guidelines
- Work related illness/injury reporting process and forms
- Absence and Leave reporting guidelines and forms (medical certs and dr. notes on website)
- Tracking process and forms for FMLA
- EEO tracking process and forms
- Background screening process and forms

EXHIBIT A

Primary Responsibility =



Shared or Secondary Responsibility =



	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
Job requisition process	Primary Responsibility					Form should be revised
Job advertisement and Job posting	Primary Responsibility					
Receipt of application/resumes and Schedule initial interviews	Shared or Secondary Responsibility		Primary Responsibility	Primary Responsibility	Primary Responsibility	
Initial screening of resumes or candidates	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Primary Responsibility	Primary Responsibility	Primary Responsibility	
Employment Reference checks and Education/License/Certification verification	Primary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	
Criminal background checks	Primary Responsibility					
Pre-employment drug screening and/or physicals	Primary Responsibility					
Job offer letters	Primary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Format provided by HR
New Hire Orientation (in concert with a department representative as desired)	Primary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	Shared or Secondary Responsibility	
Collection of new hire paperwork and creation & retention of personnel file	Primary Responsibility					
New Hire entry into Munis (payroll interface or New Hire PAF to payroll)	Primary Responsibility					

	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
EEO Tracking and Reporting	Dark Green	White	White	White	White	
Random Drug Testing	Dark Green	Light Green	Light Green	Light Green	Light Green	
Required Training - Common to All Town Employees	Dark Green	White	White	White	White	
Required Training - Department Specific	Light Green	Dark Green	Dark Green	Dark Green	Dark Green	
Required Licenses	Light Green	Dark Green	Dark Green	Dark Green	Dark Green	
Absences not leading to FMLA	Light Green	Light Green	Dark Green	Dark Green	Dark Green	
FMLA and extended Leaves	Dark Green	White	White	Dark Green	White	Review policy for rolling calendar and concurrent leaves.
Workers Compensation	Dark Green	Light Green	Light Green	Light Green	Light Green	

	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
Grievance Process - Tracking deadlines - Drafting responses - Hearings						HR should play a large role than currently does
Tracking and communication of Union Contract Changes						
Contract negotiation preparation						
Contract negotiations						
Annual Open Enrollment Process						
Separation Process - Exit Interviews - COBRA, benefits conversion - Unemployment						
Employee Performance Counseling (non-union employees)						HR should play a large role after initial warnings

Exhibit B

Description of Record	Length of Time Required to Retain Record
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Recordkeeping Requirements

Under Massachusetts law, the Town is required to follow the Municipal Records Retention Schedule established by the Secretary of State. The most recent version is from 2011 and can be found at: [http://www.sec.state.ma.us/arc/arcpdf/MA Municipal Records Retention Manual.pdf](http://www.sec.state.ma.us/arc/arcpdf/MA_Municipal_Records_Retention_Manual.pdf). Human Resources should familiarize itself and comply with the Personnel records retention requirements found on pages 27-29 of the Schedule.

Because these retention requirements may differ from those applied to private businesses under federal and state law, the Town should not rely upon rules for private employers.

An excerpt from the Municipal Records Retention Schedule that relates to HR is attached.

Payroll, Registers	Retain until completion of satisfactory audit, provided information is recorded in quarterly report. See Personnel, Payroll, Quarterly Reports (23.21).
Personnel, (a) Employment Applications (Hired)	Retain 20 years after termination of employment.
Personnel, (b) Employment Applications (Unhired)	Retain 1 year following filling of position or cancellation of vacancy, whichever is later.
Personnel, (c) Earning Records	Permanent.
Personnel, (d) Personnel Files Other than Earning Records	Retain 20 years after termination of employment.
Personnel, Accident Report Forms	Retain 3 years.
Personnel, Accident Reports (a) Personal Injury	Retain 7 years.
Personnel, Accident Reports (b) Property Damage	Retain 3 years.
Personnel, Appointment Certificates	Retain 20 years after termination (personnel file 23.50).
Personnel, Attendance Report	Retain for 20 years after termination
Personnel, Authorized Leave Report	Retain 3 years.
Personnel, Civil Service Approvals	Retain 20 years after termination
Personnel, Civil Service Forms	Retain 20 years.
Personnel, Court Witness Travel Expense	Retain until completion of satisfactory audit.
Personnel, Daily Assignment Sheets	Retain 3 years.
Personnel, Drill Reports	Retain 3 years.
Personnel, Earning Reports	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer, otherwise retain 60 years.
Personnel, Equipment Loan Report (for Long Term Use)	Retain until return of equipment.
Personnel, Tax Exemption Certificates	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Tax Withholding Statements	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Time Sheets	Retain 3 years following completion of satisfactory audit.
Personnel, Training Report for Individual Employees	Retain 1 year if copy is filed in personnel file; otherwise retain 7 years after termination of employee.

Description of Record	Length of Time Required to Retain Record
Personnel, Vacation Report	Retain 3 years.
Personnel, Weekly Personnel Report	Retain 5 years.
Physician's Accident Report	Retain 7 years.
Payroll Sheets (Departmental)	Retain until administrative use ceases. Permission from Supervisor not required for
Personnel, Tax Exemption Certificates	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Group Insurance Reports (Blue Cross etc.)	Retain 3 years.
Personnel, Individual Training Report	Retain 7 years after termination of personnel.
Personnel, Leave Reports (Authorized)	Retain 3 years.
Personnel, Overtime Reports	Retain 3 years.
Personnel, Payroll Deduction Reports	Retain until administrative use ceases if record copy is kept centrally e.g., by Treasurer, otherwise retain until completion of satisfactory audit.
Personnel, Payroll, Quarterly Reports	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer. Otherwise, retain 60 years.
Personnel, Payroll, Weekly, Bi-weekly or Monthly Payroll	Retain until completion of satisfactory audit provided recorded elsewhere in a summary record. See Payroll, Quarterly Reports.
Personnel, Performance Bonds	Retain 7 years.
Personnel, Personnel Files	Retain 20 years after termination.
Personnel, Sick Leave Reports	Retain 3 years.

Exhibit C

Laws That Apply To the Town of Nantucket

by: Bill Hoch, EmCo Consulting, LLC

(* indicates a poster requirement)

- Immigration Reform & Control Act (IRCA) (I-9 requirement)
- Fair Labor Standards Act (FLSA)* / Mass wage and hour laws*
- Workers' Compensation Insurance or self-insurance program*
- Unemployment Insurance*
- Massachusetts Retirement Plan
- Occupational Safety & Health Act (OSHA)*
- Fair Credit Reporting Act
- Uniformed Services Employment & Reemployment Rights Act (USERRA)*
- Jury System Improvement Act
- Employee Polygraph Protection Act*
- Equal Pay Act*
- Massachusetts Data Privacy Law (G.L. ch. 93H and 93I)
- Massachusetts Freedom From Sexual Harassment (G.L. ch. 214, sec. 1C)
- Massachusetts Equal Right Act (G.L. ch. 93, sec. 102)
- Massachusetts Civil Rights Act (G.L. ch.12, secs. 11H & 11I)
- Massachusetts Smoke Free Workplace Law (G.L. ch. 270, sec. 22)*
- Massachusetts Sick Leave Law (as of 7/1/15) if accepted by Town*
- Massachusetts Conflict of Interest Law (G.L. ch. 268A)
- Massachusetts Public Records Law
- Massachusetts Open Meeting Law
- Massachusetts Small Necessities Leave Act (G.L. 149, sec. 52D)
- Massachusetts Domestic Violence Leave
- Massachusetts Personnel Records Law (G.L. ch. 149, sec. 52C)
- Immigration and Nationality Act (non-discrimination based upon citizenship or national origin).
- Fair Employment Practices Act (G.L. ch. 151B) which prohibits discrimination*
- Massachusetts Parental Leave Act (G.L. ch. 149, sec 105D)*
- Title VII of the Civil Rights Act of 1964* plus Civil Rights Act of 1991*
- Americans with Disabilities Act (ADA)*
- Drug-Free Workplace Act
- Genetic Information Nondiscrimination Act (GINA)*
- Pregnancy Discrimination Act*
- Age Discrimination in Employment Act (ADEA)*
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Family & Medical Leave Act (FMLA)*
- EEO-4 (every two years) if have federal contracts worth more than \$50,000
- ACA reporting and minimum coverage requirements
- "An Act Relative To Municipal Health Insurance" (Chapter 69 of the Acts of 2011)
- Whistleblower Protections (G.L. 149, sec. 185)

Exhibit D

Interview Discussion Guide

Department Managers and key staff were interviewed for the purpose of identifying current policies and practices which are appropriate and should be retained and opportunities for new, or revised, initiatives based on best practice or to ensure compliance with state and federal employment laws. The following discussion guide was used to facilitate the interviews:

INTERVIEW DISCUSSION GUIDE

Legal compliance

Describe the practices in place to comply with labor and employment regulations and laws.
Describe how you keep up to date with federal and state employment laws.
How often are personnel policies and related documents reviewed and by what means?
To what extent do managers carry out HR policies and procedures appropriately? Describe the extent to which HR is involved.
Describe any procedures in place for employee complaints (union and non-union).
Describe current complaints and outstanding litigation.
List employment counsel utilized

Scope of HR responsibilities:

Describe HRs interaction with unions, negotiation techniques/process
Describe HRs interaction with government agencies
Describe HRs policy-making authority
Describe HRs involvement in establishing operating budgets
Describe HRs decision-making authority; the authority of other department heads; how much autonomy is there? Centralized or decentralized?
Describe HRs interaction with payroll and benefits providers (payroll company, health & welfare carriers, brokers, etc.)

Recruiting, Interviewing and Selection:

Describe current staffing (FT, PT, Temp, 1099)
Describe the history of turnover
Describe the job requisition and approval process
Are there job descriptions: format and current?
How are candidates sourced? Is there an internal job posting process?
Describe the interview process
Describe the selection process
Describe any pre-employment testing
Describe the post-offer screening process
Describe the use of any confidentiality, non-compete or other agreements
Describe the onboarding process
List the onboarding documentation
Describe any trial or "probationary" period
Describe current Affirmative Action initiatives

Compensation & Benefits:

Are there established job and wage classifications (i.e.; "FT Regular, exempt and pay grade 9")?
What is the pay frequency? How is hourly time tracked?
How is base pay determined? Describe means of ensuring competitiveness
Describe the wage review and adjustment process
Describe any variable compensation plans
Describe the benefits offered, employee contribution and eligibility requirements
Describe the benefits plan year
Describe paid time off accrual policies
Describe the open enrollment process
How are required annual notifications provided to employees?
List our payroll company and all benefits providers and brokers (self insured)
Self-insured: Describe your cost containment strategy
Describe how you ensure compliance with plan sponsor reporting requirements

Time & Attendance; Leaves of Absence:

Describe the tracking method(s) used and any technology in place
Describe all leaves available and the eligibility requirements

Training & Development:

Describe the current needs assessment process
What are the current needs? Are there critical skill shortages?
What training is provided for managers, supervisors, and employees?
Describe any licenses and certifications required and your tracking method.
Is there a succession planning process? Are there any current succession concerns?

Safety & Workers Compensation:

Describe any safety programs in place
Describe OSHA reporting in place
Describe your workers compensation experience (modification rate)
Describe any safety concerns
Describe any statutory/compliance requirements unique to the municipality

Communication and documentation:

What policies, handbooks and procedural guides exist?
Is there a sufficient anti- discrimination and harassment policy in place? Is it distributed annually?
Are there current organization charts?
Describe the types of HR related files maintained
Describe the regular HR related reports created; internal and external
Describe the communication practices within and across municipal departments
Describe where required postings are located

Employee & Labor Relations:

Describe current performance feedback and goal setting processes

Describe your unemployment experience

How many involuntary separations have there been in the past two years?

Describe any legal action from current or former employees

Describe methods used to solicit employee feedback, level of satisfaction

Describe any coordinated employee engagement activities/events

Describe the working relationship with bargaining units

List all bargaining units and contract renewal dates

Describe any current employee relations concerns

Describe the separation process and documentation used

Collective Bargaining Cost of Living Adjustments (Current Contracts)

Town of Nantucket Collectively-Bargained COLA's* (FY14-FY18)

UNION	Current Contract Term	FY14 COLA	FY15 COLA	FY16 COLA	FY17 COLA	FY18 COLA
TOWN CONTRACTS:						
1199 SEIU United Healthcare Workers East (OIH)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
LiUNA (Town)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
LiUNA (Deputy)	July 1, 2015 - June 30, 2018		0.0%	2.0%	2.0%	1.0%
Police 330 (Patrol)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
Police 330A (Superior)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
IAFF (Fire)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
AFSCME (DPW)	July 1, 2014 - June 30, 2017		<i>merge to one wage scale no COLA</i>		1.0%	
ENTERPRISE CONTRACTS:						
LiUNA (Airport)	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
LiUNA (Water)	July 1, 2015 - June 30, 2016		merit	merit	merit	
SCHOOL CONTRACTS:						
TA	July 1, 2014 - June 30, 2017		3.0%	3.0%	3.0%	
NTA	July 1, 2014 - June 30, 2017		2.0%	2.0%	2.0%	
NTA: ESP	July 1, 2013 - June 30, 2016	3.0%	2.75%	2.75%		
NTA: Facility Employees	July 1, 2015- Jun 30, 2018			4.25%	3.0%	3.0%

* COLA = Cost of Living Adjustment

Our Island Home Workgroup Report

June 2013

www.nantucket-ma.gov/441/Our-Island-Home-Work-Group

Board of Selectmen
Broad Street
Nantucket, MA 02554

July 15, 2013

Dear Board Members:

Our Island Home Work Group is pleased to present its final report to the Board of Selectmen. This report is the culmination of the Work Group's, analysis, benchmarking, discussion and deliberations and represents the unanimous conclusions and recommendations of its members.

Since the Work Group's final meeting the Nantucket Cottage Hospital has advanced a proposal to locate a new hospital at Wannacomet Water Company property. In the course of our meetings and deliberations we discussed the option of tying Our Island Home and the hospital closer together but this option never seriously advanced due to land constraints at the hospital's current location.

Non-the-less, our care conclusions and recommended future course for Our Island Home remain. If availability is no longer a constraint the Work Group would strongly recommend that discussions with Nantucket Cottage Hospital be enjoined.

On behalf of the entire Work Group we have appreciated the opportunity to serve the Town in this important undertaking.

Respectively submitted,

Our Island Home Work Group
David Worth, Chairperson

Our Island Home Work Group

**Future Options and Recommendations for Our
Island Home
and
Senior Citizen Related Services**

June, 2013

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Executive Summary

Mission, Introduction, Methodology & History

In September, 2012, the Board of Selectmen established the Our Island Home (OIH) Work Group (WG) to report back to them with the following:

1. Future options and recommendations regarding OIH and associated town-operated senior citizen-related services, including Senior Day care.
2. A timeline for the development of a report outline and final report for the Board of Selectmen, including what if any resources the work group may propose be acquired for completion of its work i.e., market studies, detailed financial analysis.
3. Review reports, data, documents and other information that are on hand, including 2007 architectural plans and presentation to the Board of Selectmen.
4. Review, discuss and make recommendations pertaining to Riverwood/Servant's (to be delivered) status report to the Board of Selectmen as to the Senior Day Care program.
5. Discuss pros, cons, costs and revenues of current delivery systems of the local organizations that provide senior citizen-related services.
6. Review and discuss the Town's lease with Sherburne Commons, in terms of long-term planning

Since that charge was given there have been several intervening events that have particular bearing on OIH including the potential sale of Sherburne Commons by Cornerstone nee Riverwood/Servant to Northbridge Companies and the plans for the construction of a new, expanded hospital.

In the course of our review the WG has concluded that the need for skilled nursing care on Nantucket is going to remain and that demand for skilled nursing care, given demographic trends, is likely to grow over the next 20+ years.

Major Conclusions of the Work Group

- *The status quo is not a viable long (or even short term) strategy for OIH.*
- *The nature of skilled nursing care, how it is paid for, and the federal and state reimbursement structure for skilled nursing is changing.*
- *No real viable options exist on island to the skilled nursing care currently provided through OIH. The WG notes a growing national trend toward keeping those potentially requiring this level of care in the community as long as possible. While other forms of care exist on island, none rise to the level of care provided by OIH.*

- *A significant burden will be placed on families if skilled nursing care is not available on-island.* Individuals requiring skilled nursing care generally chose care within 35 miles of where they or their families currently live. For most families this provides a reasonable number of options. But, as we all know, Nantucket's geographical location would necessitate local residents who require skilled nursing care and can't get it on-island to procure the care off island. While transportation alternatives have greatly improved it would place an undue burden on island residents and their families.
- *The current operating model at OIH is not sustainable over the long term without continuing or increased taxpayer subsidy.* The current trajectory of increasing operating costs, declining federal and state reimbursements and an intended shift of state and federal reimbursement agencies from institutional care to community based care make projecting future options difficult and complex. This problem is not unique to Nantucket although the potential solutions may be more limited due to the island's geographical location.
- *Reimbursement rates from Mass Health, which makes up 68% of yearly OIH revenue, are declining and currently are below the cost of providing the services.* The Center for Medicare and Medicaid Services (CMS), the federal entity that is responsible for these programs, projects growth in skilled nursing facility (SNF) reimbursements to grow at 50% of the cost of providing the services at OIH.
- *The operating costs at OIH will continue to rise annually as employee costs, which make up 80% of total operating costs, continue to rise at around 5% per year.*
- *OIH is in need of major refurbishment or a new facility within the next few years.* Recent citations from the MA Department of Public Health point to the need for investment in deferred maintenance and other improvements to the existing structure or risk sanctions in the form of fines or the freezing of admission of new residents. Repair costs have not been estimated but are very likely to exceed \$5MM.
- *The state's Certified Public Expenditure program (CPE), a reimbursement program currently available to municipally owned skilled nursing facilities in MA, is a program that is likely to disappear in the coming years.* Without CPE, the operating deficits at OIH are significant and widening requiring larger yearly Town subsidies.
- *Alternative care models such as community-based care are arising nationwide to combat the increasing costs of skilled nursing facilities and the fiscal demand it is placing on Medicaid and Medicare.* Nantucket does not have a well formed and coordinated community based care.

- *Fragmentation of services for seniors on Nantucket needs to be eliminated and better coordinated.* While many individual support services exist they are not coordinated in a way that optimizes senior care outcomes for all. As reimbursement methods change and the care model shifts to more community based care, increasing the coordination among and optimizing all senior services will rise in importance.
- *Locally, there is increasing competition to OIH for residents and their revenue. This competition is coming from Nantucket Cottage Hospital and Sherburne Common.*

Recommendations

- *Develop community based care that provides skilled nursing services delivered in a home setting.* Repurpose/reorient OIH to provide community based care in addition to institutional care. This can be accomplished by adding a community based care arm to OIH and reorienting staff to this new mission. Commission and or convene a group to develop a plan to “operationalize” community based care. To the extent that community based care (v. institutionalized care) is the direction skilled nursing is heading, the Town does not (currently) have the infrastructure in place to meet or be proactive in making the switch, a transition that will have to come sooner or later.
- *Establish, or serve as a catalyst, for the formation of an entity that would formally coordinate senior services among the many entities now providing some, but not all of these services on island.* A combination of the Town and/or a non-profit should begin the task of bringing these services together and expanding services to the senior population via privately supported concepts such as “The Village Model” which got its start in Boston and has spread nationwide.
- *Begin planning for a new OIH to be located at Sherburne Commons, re-envisioned, smaller, that utilizes the non-medical infrastructure services such as food preparation, laundry, and facilities maintenance currently provided at Sherburne Commons.* Plan construction so that it can be expanded if demand for institutionalized skilled nursing expands the facility can expand. Open immediate discussions with the operator of Sherburne Commons about the co-location of a new OIH at that location. The economics a potentially compelling. Using the last available financial information from Sherburne Commons, the combined entities – Sherburne Commons and OIH – together spent \$1,635,000 on dining and \$490,000 on housekeeping/laundry, services that could possibly be delivered in a more financially efficient manner.
- *Sell the land where the OIH currently exists to the Land Bank at fair market value.* Use the land sale proceeds to pay for or offset the costs of a new facility and to fund startup costs for community based care delivery.

While the WG has proposed recommendation, none of these solutions can advance without a community dialogue; this is, after all, a community decision on how to spend our resources and care for our seniors.

Internal Environment

Community understanding of the current internal environment at OIH is an important step in making informed decisions about its future. Who the residents are, where they come from, the Town's prior and on-going financial support, and the physical condition of the facility all bear on future decisions that the Town must make regarding OIH.

Resident Demographics

Prior year demographic patterns, patient origin, and revenue mix point to a facility that exists primarily for the benefit of island residents or individuals with next of kin who are island residents. Historically, OIH has served the needs of the island's senior population with very few, if any, residents coming to OIH without some family tie or close friendship with an island resident.

Average census is 42 for OIH's 45 bed facility. For the past two years OIH has maintained a 94% occupancy rate. There were 59 separate residents for all or part of the year which amounts to a 40% turnover in residents on average.

Financial

OIH has been operating with a subsidy from the Town's general fund for at least the past 17 years. Except for the intermittent reimbursement from the State and its Certified Public Expenditure (CPE) program that manages to cover a considerable amount of the operating deficit, OIH operates at a deficit that has ranged from a low of \$560K in 1996 to a high of \$3.9MM in 2009; deficits that the Work Group has concluded will continue into the future. This operating deficit has two major drivers: increasing personnel costs and declining Medicaid and Medicare reimbursement rates directed toward institutional care.

The two year average of payee mix Figure 1: Revenue by Payee Source

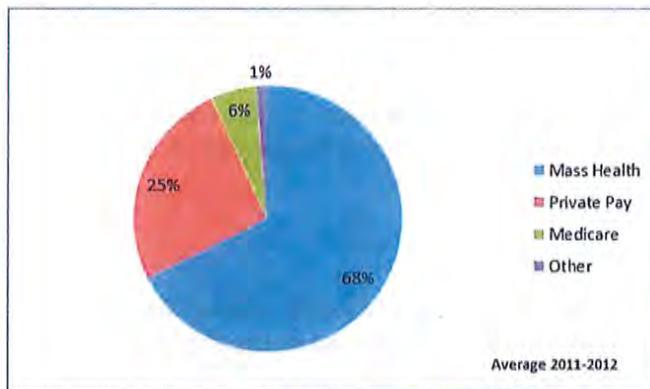
shows Mass Health- Medicaid (68%) as the predominant source of payer revenue. Private Pay (25.5%) and Medicare (5.74%) are the other two primary sources of revenue.

As reported in the Larson Allen 27th Annual Licensed Nursing Facility Cost Comparison¹ study the average payee mix in the Northeast consists of 61.5% Medicaid, 22.3% Private Pay and 13.2% Medicare. The payee mix at OIH is increasingly toward Medicaid at the expense of private pays. This places OIH at a somewhat greater dependency on Medicaid reimbursement than the Northeast as a whole, and significantly below Northeast averages for Medicare reimbursement.

Increasing personnel costs are driven by pay rates and benefit costs negotiated as part of the collective bargaining agreements for the staff at OIH. The 3 year growth trend in personnel costs (wages and fringe benefits, but excluding pension costs) shows year over year (Y/Y) growth around 5%. The Study Group projects that this trend will continue in perpetuity.

OIH Organizational Structure and Implications

One of the most often heard positive comments about the Island Home is about how caring the staff is toward the residents and the family and friends of the residents. This level of caring brings comfort to the families, friends and to the community that care is being provided in a humane fashion and with the knowledge that the residents are living in a safe place.

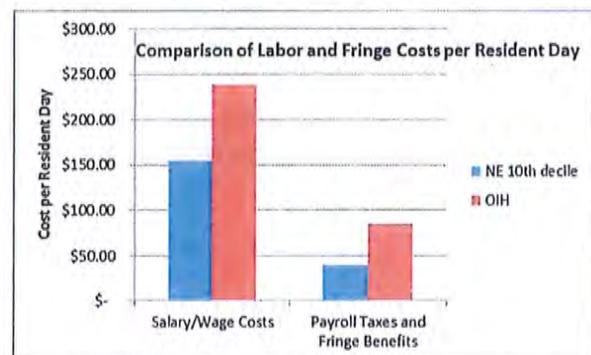


Against this backdrop is the inexorable rise in staffing costs. Personnel costs at nursing facilities are a very significant part of the cost structure. In the Larson Allen Benchmarking Study² approximately 75% of a nursing facility's operating costs relate to labor costs. At Our Island Home labor costs make up

approximately 80% of operating costs (2012 actual – 80.5%; 2013 budget – 79.9%; 2014 budget – 80.6%). By this measure OIH labor costs, as a percent of operating costs, are higher but not appreciably higher than other facilities.

Figure 2: Comparison of Labor and Fringe Costs

The larger discrepancy between national and regional trends comes from overall absolute labor costs. On a per bed basis OIH labor costs track considerably higher than benchmark facilities in the Northeast. The top decile (highest costs) for salary/wage costs on a per resident day basis



¹ 27th Annual Licensed Nursing Facility Cost Comparison Larson Allen, LLP, 2010

² ibid

(number of beds X 365 days) according to the Larson Allen study³ is \$154.12/resident day versus \$238.57/resident day and for payroll taxes and fringe benefits (other non-wage costs) is \$39.21/resident day versus \$84.22/resident day at OIH.

When benchmarked against the Taunton, MA municipally owned 101 bed skilled nursing facility, which operates at a breakeven when its CPE reimbursement is included, that facility runs a payroll per resident day \$128.86⁴.

Fringe benefits for OIH staff run, on average, 28% of labor costs. This compares with 21% of labor costs reported in the Larson Allen study. This represents a 33% differential between OIH and Larson Allen’s clients who reported data.

Figure 3: Comparative Analysis of Labor Costs

	Comparative Analysis of Labor Costs							
	RN	LPN	Aides	Maint	Housekeeping	Laundry	Dietary	
OIH	\$ 42.62	\$ 31.06	\$ 24.08	\$ 26.98	\$ 22.59	\$ 23.72	\$ 20.39	
Taunton	\$ 32.86	\$ 23.69	\$ 13.85	\$ 20.52		\$ 13.09	\$ 18.79	
Northeast	\$ 35.40	\$ 29.24	\$ 15.11	\$ 20.47	\$ 11.86	\$ 11.93	\$ 13.52	
v Taunton	30%	31%	74%	31%		81%	9%	
v Northeast	20%	6%	59%	32%	90%	99%	51%	
2009 Base	\$ 33.36	\$ 27.55	\$ 14.24	\$ 19.29	\$ 11.18	\$ 11.24	\$ 12.74	

The Work Group concluded that this discrepancy with labor costs is driven by the collective bargaining agreement that the Town has with the Service Employees International Union (SEIU) coupled with the “Nantucket Factor”. The agreement with the SEIU is less favorable than the SEIU’s agreement with Nantucket Cottage Hospital covering many of the same class of employee. Sherburne Commons, which also employs many of the same classification of employee, operates without any union.

The labor agreement with the SEIU contains a “so-called” successor clause which, short of the Town totally closing the OIH for at least two years, binds any successor to the same collective bargaining terms currently in place under the existing contract. This means that, for example, if the Town chose to hire a health care management company to run OIH the health care management company would be bound by the same terms as the current contract unless the Town was totally out of the skilled nursing business for two years. If, for example, the Town were to transfer operating responsibility to Sherburne Commons and its management team, Sherburne Commons would be bound by the same contract terms.

This has led the OIH Work group to conclude that there will be a great deal of difficulty in bending the labor cost curve downward or leveling it off. In fact we project annual 4-5% labor

³ Ibid

⁴ Does not include benefit costs

cost increases for the foreseeable future. When 80% of your operating costs are increasing at 5% per annum and your revenue base is flat to slightly declining this business model becomes increasingly unsustainable without increasingly generous taxpayer support.

OIH Operating Efficiency

The Work Group was not specifically charged with looking at the operating efficiency of OIH but in the course of our benchmarking with the municipality owned Taunton, MA skilled nursing facility and through the review of benchmarking reports such as the Larson Allen, LLP report⁵ the Work Group has concluded that OIH is being run in a professional and efficient manner. We believe, as does the current OIH management, there are additional improvements that can be made to operations that will further manage costs but with 80% of operating costs directly related to labor costs, the improvements, while meaningful, will have relatively little impact on the financial sustainability of OIH.

Facility

OIH was constructed in 1980 rendering it over 33 years old. It's a 20,850 square foot, 45 bed facility with a nearly 35 year old design and layout; indicative of the prevailing nursing care philosophy at the time of a "mini" hospital. This philosophy resulted in its institutional-like appearances and attitudes, and regimented daily routine where residents are bored and depressed, increasingly dependent on their caregivers and where no one wants to go.

LarsonAllen reports⁶ the average age of nursing facilities in 2009 (including those that have undergone significant renovations) in the Northeast is 16.1 years old. Nationwide, the average age of facilities is 12.6 years old.

The OIH has an outdated kitchen, long gloomy corridors, shared rooms and shared baths, not enough area for activities, limited working areas for therapies, poor energy efficiency, out of date nurses stations and call system, no lobby or reception area and an overall 'institutional' appearance.

In a recent (January, 2013) audit by the Department of Public Health, OIH was cited for physical conditions and deficiencies to the facility. While the quality of care remains high the physical facility has become problematic. Remedying these deficiencies will necessitate that the Town embark on a course of action related to the facility to either improve the existing facility or construct a new facility.

Today, the prevailing nursing home philosophy has changed from *Quality of Care* to *Quality of Life* without sacrificing quality of care. This means modern nursing facilities offer a broader

⁵ Ibid

⁶ 27th Annual Licensed Nursing Facility Cost Comparison Larson Allen, LLP. 2010

range of services that range from inpatient and outpatient rehabilitation, specialized dementia programs, adult day health, assisted living and hospice and end-of-life care. In short, expanded choices of when, where and what to eat, wider control over daily activities and a wider choice of meaningful activities.

External Factors Affecting the Sustainability of OIH

The group assessed external factors which would impact the ability of the Town to maintain and continue to operate OIH. The initial list included:

- Community demographics; demand projections
- Medicaid reimbursement rates
- Affordability of long term care services in meeting the needs of Nantucket seniors
- Competition

Community Demographics

The OIH Work Group has been mindful that population demographics are changing and to suggest that our only option to the aging OIH is to replicate the facility in size and in either the same or a different location is to look “in the rear view mirror” to determine where we should be going in the future. In other words, that would be the opposite view of what should be considered for the future of OIH.

In conjunction with the desire to be forward looking with our planning options, the Work Group invited Peter Morrison, retired island resident and professional demographer to address the committee about future demographic trends and their likely bearing on our now and future aging population. Mr. Morrison’s slide deck⁷ is attached as an appendix but his analysis is summarized here.

Mr. Morrison spoke of the Demographic Context in which to frame the discussion around the:

- Knowable future, which consists of
 - Baby boomers, most of whom will age in place
 - Older residents with longer life expectancy
 - Traditional family caregivers a thing of the past
- Less certain
 - Elderly increasingly will live alone
 - Prospect of more alternative living arrangements (e.g., elderly cohabitation)

More Nantucket household members are 65+⁸. In 2000, 19% of the population as reported in the census was 65+. By 2010, 21% of the population was 65+, a 10.5% increase. The same trend is true for those over 75. Nationally, the trend is similar.

⁷ Demographic Forces Shaping Demand for Elderly services on Nantucket December 7, 2012

⁸ Sources: 2000 SF1 P23, P24, P25; 2010 SF1 P26

Elderly service demand is shaped by several things: the relative mix of younger (65-74) and older (75+); household disposal income and net worth; and cost pressures that shift demand away from hospitals and nursing homes to less costly forms of assisted living all creating a competition for (scarcer) resources.

Mr. Morrison’s concluding comments regarding the island’s strategic choices in the face of this coming demographic wave suggest that with the extensive ‘intergenerational’ connectivity on Nantucket there is a need to strike a balance between numbers served and services offered. This is balanced against ability to pay, which will vary widely, suggesting a course of action that creates an ‘a la carte’ choice of services to prolong independent living for others.

Medicaid and Medicare Reimbursement Trends

There are three major revenue sources for OIH: Medicaid (MassHealth), Medicare and Private Pay. Medicaid (MassHealth) and Medicare make up 75% of OIH revenues on average in any given year therefore any downward trends in reimbursement rates from these two programs will have a significant impact on the long term sustainability of OIH.

The current expected future trend in Medicaid reimbursement is toward redirecting these payments away from institutional settings like OIH and toward Home and Community Based Services (HCBS) which can be provided at a lower cost. As the following data from the Centers for Medicare and Medicaid Services (CMS) shows the national trend toward the redirection of expenditures is stark and will have a significant disruptive effect on OIH in future years.

Figure 4: Long Term Medicaid Care Expenditures by Type

	2000		2011		2012		% Change 2000-2012	Annual Rate of Growth
	\$	%	\$	%	\$	%		
Nursing Facilities	\$ 39.6	57%	\$ 51.9	43%	\$ 50.5	43%	28%	2.3%
ICFs/MR	\$ 10.4	15%	\$ 13.3	11%	\$ 12.6	11%	21%	1.8%
Home & Community Based Services	\$ 12.5	18%	\$ 36.2	30%	\$ 38.8	33%	210%	17.5%
Personal Care & Home Health	\$ 7.0	10%	\$ 19.3	16%	\$ 16.3	14%	133%	11.1%
Total	\$ 69.5		\$ 120.6		\$ 118.2		70%	5.8%

Source: CMS Medicaid Statement of Expenditures (CMS-64) 2000, CMS Medicaid Program Budget report (CMS-37) August 2010 & 2011, Annual Estimate 2012. Figures in \$ Billion

The WG believes that these trends⁹ in Medicaid expenditure constraints will seriously disrupt the OIH operating model. Overall, there are four trends to watch:

1. Reduction in the number of Medicaid beneficiaries using nursing home facilities
2. Slower/contraction in state payments
3. An increasing gap between the cost of providing care and the reimbursement rates from the state.
4. Capitated, Long Term Care Programs which will work to constrain the overall reimbursement for a patient between Medicaid and Medicare. This is an issue for OIH as the Medicare margins help subsidize Medicaid reimbursement shortfalls making the competition with the Nantucket Cottage Hospital for the higher margin Medicare patient a rising issue.

"Historically, there has always been a major disconnect between what Medicaid pays for nursing home services and the cost of providing those services. That gap is rapidly expanding leaving nursing homes with significant Medicaid volume little choice but to further constrain costs to survive. The challenge is not whether costs can be cut, but whether doing so will allow skilled nursing care providers to deliver the quality care and quality of life consumers expect and regulators demand.¹⁰"

At the same time, reimbursement rates from MassHealth and Medicare are on a downward sloping curve. Nationwide, the average shortfall in Medicaid nursing home reimbursement for 2011 is projected to be \$19.55 per Medicaid patient day¹¹. The actual shortfall in 2011 will likely be somewhat higher, since actual cost increases historically have outpaced projected inflationary increases for nursing homes.

For every dollar of allowable cost incurred in providing long term care for a Medicaid patient in 2011, the Medicaid program reimbursed approximately 90 cents on average. Unprecedented state budget deficits and the expiration of federal stimulus funds on July 1, 2011 contributed to the second lowest percentage of cost coverage in the ten years that this annual report has been compiled¹²

Medicare cross-subsidization of Medicaid continues to serve an important function in sustaining nursing home care. Reimbursements from these two government programs combined have resulted in a break-even margin for 2009 nationwide; however, we project a very different scenario for nursing care in 2012. With planned Medicare rate reductions in 2012 and a projected negative Medicaid margin topping 14%, the margin percentage for these two

⁹ 2011 Report on the Shortfalls of Medicaid Funding in Nursing Home Care prepared for the American Health Care Association by Eljay, LLC

¹⁰ *ibid*

¹¹ A Report on Shortfalls in Medicaid Funding for Nursing Home Care ELJAY, LLC FOR THE AMERICAN HEALTH CARE ASSOCIATION December 2011

¹² 2011 Report on the Shortfalls of Medicaid Funding in Nursing Home Care prepared for the American Health Care Association by Eljay, LLC

government programs combined will only reach a negative 2.7%. The combined shortfall of both Medicare and Medicaid is projected to exceed \$2 billion, marking an end to the current reliance on Medicare cross-subsidization of Medicaid shortfalls and the beginning of greater uncertainty.

Competition for OIH Residents

There is emerging competition for OIH residents, specifically from the Nantucket Cottage Hospital and its plan to continue to offer “Medicare” or “swing” beds. NCH provided “Medicare” beds before OIH had received its Medicare certification and it intends to continue its practice. This competition cuts into the Medicare revenue generated by our OIH further eroding the cross-subsidization that Medicaid receives from Medicare and leaving the OIH caring for residents who have the lowest reimbursement rates.

The other source of competition may come from Sherburne Commons and the plans of its proposed buyer, Northbridge Communities. Northbridge intends to open and market its dementia unit which has the potential to attract private pay residents who now are residents or who may be residents in the future of OIH. While the WG has no official position on these two possibilities, both have the potential to impact the sustainability of OIH.

The Town, in the course of negotiating with Northbridge has secured their agreement to offer “shared services” – food, laundry, and facilities – non-medical services – on a contract basis, subject to arriving at mutually agreeable commercial terms if OIH were to relocate its facility to Sherburne Commons. Further, Northbridge has pledged to provide space and host a “social model” Adult Community Day Care at its facilities, whether or not OIH were to relocate.

Summary and Conclusions, Next Steps

The WG believes the need for long term care services on Nantucket will increase and change over time following the demographics of our time. Demographic trends and the increasing desirability of Nantucket as a retirement destination make this a high probability outcome. At the same time there is an increasing mismatch between present and projected future needs of elderly Nantucketers and the Town’s finite financial capacity to meet those needs. Basically, mature Nantucketers will advance in age, expanding the population of concern, and family members with the will to care for them may find they have no practical means of doing so.

The options for resolving this mismatch, though, are inherently controversial. At the heart of the issue is a public choice: At what stage of the aging process might the Town serve a compelling “public purpose” by dedicating resources to the wellbeing of its elderly residents?

That choice represents a statement of collective community values, within a context of present-day fiscal limits.

	Facility	Employees	Skilled Nursing Facility Alternatives	Financial Realities	Demand
Current Situation	Substantial investment (>\$5MM) over next few years to meet audit findings and deferred maintenance	Union and labor contract locks in ever increasing (5%+/- per year) employee costs.	No other on-island facilities. Geographic isolation foreshortens skilled nursing facility options.	CPE reimbursement going away. Medicaid reimbursement rates declining. Operating costs increasing. Taxpayer subsidies increasing. Competition for higher reimbursement care.	Competition for residents. Demographics suggest increased demand as population ages. New operating models (community based) may siphon off residents.
Reposition OIH			Scale back services Curtail Costs Shift care responsibility to other providers	May not achieve desired financial impact Perceived as a service reduction?	
Sell OIH	Retain land Cost share in new/refurbished facility?	Potential loss of jobs	Facility still operates under private ownership	May not end the financial subsidy required Political fallout	
Hybrid – private or non-profit operator	Retain ownership of facility Operated by private or non-profit	Union and labor contracts renegotiated with new ownership Market based compensation		Operations reformed under direction of new operator Will likely require a fixed subsidy from the Town	
Maintain current operating model	New facility (\$15MM+/-) constructed to meet resident and community needs.	Town options for contracting with or selling operations to private operators limited by terms of contract.	Utilize facilities on Cape.	Execute radical operating shift in conjunction with a new facility. Reduce resident capacity. Increase investment in community based care.	Demand difficult to predict but push for community based care may (will) impact residents/revenue

The Facility

It's clear that OIH will need a substantial investment (>\$5M) in its physical plant over the next few years to meet the audit findings identified by the Department of Public Health in its January, 2013 audit of the facility. This could take the form of general refurbishment of the facility or the construction of a new facility (\$15MM +/-). This capital investment decision faces the voters in the next few years.

Employees

The current union and labor contracts binds the Town to ever increasing personnel costs in the face of declining reimbursement rates. This severely limits the Town's options either in contracting with other entities to operate OIH or (re)organizing the work force to meet the fiscal realities of today's reimbursement landscape.

The revenue and cost trends for OIH (and skilled nursing facilities in general) point to an ever widening divergence between the two necessitating ever increasing subsidies from the Town in order to remain in operation.

Lack of Skilled Nursing Facility Alternatives

OIH has served several generations of islanders. Our geographic isolation foreshortens our nursing home care options. As we all know, if OIH didn't exist the only options would be off-island.

Financial Realities

The State's CPE reimbursement program to municipally owned nursing facilities (for which Nantucket received \$1,873,000 in FY 2012) and for which reimbursement is variable and sporadic, is likely to go away in the next 3-5 years. While this reimbursement doesn't totally eradicate the operating loss it goes a long way toward reducing the Town's general fund subsidy.

There is a growing need for subsidized/affordable home and community based services to provide support to enable the frail elderly to remain in the community.

Case management and referral services will become increasingly important to address prioritizing long term care service delivery due to Office for Aging budget cutbacks and growing need for services.

Demand

Long term demographic trends suggest that demand for skilled nursing facilities will increase as the population increases. But as a counterbalance to this potential demand government reimbursement may drive demand into alternative forms of care with elders "aging in place"

and remaining in the community longer, either of necessity or practicality, and alter the demand for skilled nursing facilities.

Alternatives

The "Village" concept originated as a grassroots effort in Boston's Beacon Hill in 2001 when a group of neighbors came together to develop services that would enable older adults to remain in their home and community. The resulting "village" notion has since been replicated around the country, with over 100 active or developing communities.

AARP reports that 90% of older adults want to remain in their home as they grow older. With the geographic dispersal of families and with older adults wishing to keep from burdening their families, growing older at home has become more of a challenge. "People end up moving because they can't change the light bulbs or (they) get isolated when they get home from the hospital and can't coordinate everything," Judy Willett, director of Beacon Hill Village commented. "Villages" present a solution by connecting members with the services and resources they need to live a comfortable, safe and healthy life at home.

Many "villages" are a neighbor-helping-neighbor system in that they rely on volunteers to provide services at no additional cost to the members. When volunteers are not able to provide services, "villages" refer members to vetted and often discounted vendors.

The "village" allow people to live how they want to live – in the comfort of their own home surrounded by their neighbors, friends and community.

Acknowledgements

The OIH Work Study Group would like to acknowledge the support and efforts of Ms. Pam Meriam and Ms. Rachel Chretien for providing insight and data for this work group. A special thank you goes to Mr. Peter Morrison for sharing his demographic knowledge and insights and to Mr. John Brennan, Administrator of the Taunton, MA municipal skilled nursing facility for an early February morning journey to Nantucket to share his knowledge and benchmarking data.

Work Group Members

Joe Aguiar	Jim Kelly
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Chuck Gifford	Bruce Miller
Bruce Glass	Mickey Rowland
Phil Hubbard	David Worth, Chairperson

Additional Documents

- 1. Stabilization Fund**
- 2. Health Insurance Impact**
- 3. Other Post-Employment Benefits (OPEB)**
- 4. Reserve Fund**
- 5. General Fund Subsidy History**
 - Our Island Home**
 - Solid Waste Enterprise Fund**
- 6. Sewer Projects Cost Impact to Taxpayers**

C) Other Post employment benefits: are those benefits that an employee is eligible to receive at the start of retirement. Other post-employment benefits that a retiree may be eligible for are typically, health insurance premiums, life insurance premiums, or deferred compensations. They do not include pension benefits. The balance at the end of the previous five years is shown below.

OPEB Trust Fund				
2011	2012	2013	2014	2015
\$ -	\$ -	\$ 250,110.98	\$ 248,522.07	\$ 765,994.34

D) Reserve Fund: A fund to provide for extraordinary or unforeseen expenditures, a town may at an annual or special town meeting appropriate or transfer a sum or sums not exceeding in the aggregate five per cent of the levy of the fiscal year preceding the fiscal year for which the fund, to be known as the reserve fund, is established. No direct drafts against this fund shall be made, but transfers from the fund may from time to time be voted by the finance committee of the town. The ATM appropriation history of the last five years is shown below.

ATM Reserve Fund Appropriations				
2012	2013	2014	2015	2016
\$ 668,000.00	\$ 867,000.00	\$ 725,000.00	\$ 500,000.00	\$ 500,000.00

E) Our Island Home and Solid Waste General Fund Subsidies: The schedule shows the General fund subsidies for the prior five years, as well as the proposed subsidy for FY 2017

	General Fund Subsidy					Proposed
	2012	2013	2014	2015	2016	2017
Our Island Home	\$ 2,765,920.00	\$ 2,261,560.00	\$ 2,295,000.00	\$ 2,267,598.00	\$ 2,295,000.00	\$ 2,352,375.00
Landfill Operations	\$ 4,337,995.00	\$ 4,516,502.00	\$ 4,612,963.00	\$ 4,699,787.00	\$ 4,810,000.00	\$ 4,930,250.00
Landfill Mining	\$ -	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00

F) Unused Levy Capacity: Excess levy capacity is a potential municipal reserve that arises out of the operation of Proposition 2 1/2. It is the difference between the maximum property tax revenue a community is permitted to raise under Proposition 2 1/2 rules (levy limit) and the tax revenue actually raised (levy). If a city or town creates excess levy capacity, it can in subsequent years build the reserve by again taxing less than the levy limit or tap into this taxing capacity to finance municipal spending without restriction.

Unused Levy Capacity

2010	2011	2012	2013	2014	2015	2016
\$ 60,518.00	\$ 73,938.00	\$ 2,559,985.00	\$ 2,077,549.00	\$ 2,725,185.00	\$ 3,462,350.00	\$ 2,793,322.00

Free Cash: Free cash is a revenue source that results from the calculation, as of July 1, of a community’s remaining, unrestricted funds from operations of the previous fiscal year, based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line-items for the year just ending, plus unexpended free cash from the previous year. Free cash is offset by property tax receivables and certain deficits; as a result, it can be a negative number. Free cash plays a role in sustaining a strong credit rating, and the DOR encourages the adoption of policies on its use. Under sound financial policies, a community would strive to generate free cash in an amount equal to 3 percent to 5 percent of its annual budget. As a non-recurring revenue source, a prudent use of free cash would be to fund one-time expenditures, a capital purpose, or to replenish other reserves, according to the DOR. Free cash is not available for use until a balance sheet for the prior year is submitted by the accountant, auditor or comptroller and free cash is certified by the Department of Revenue. The use of free cash requires an appropriation approved by the city council on recommendation of the mayor, or the town council or town meeting, but only after it is certified by the DOR. Free cash is “a necessary component of sound local fiscal management” and “one indicator of fiscal health” that can positively affect bond ratings and reduce borrowing costs, according to the Division of Local Services.

Free Cash

2011	2012	2013	2014	2015
\$ 3,630,103.00	\$ 6,602,336.00	\$ 5,671,200.00	\$ 5,201,357.00	\$ 5,405,506.00

G) Health Insurance: The town is projecting the need for a 9.5% increase in the rates for FY 2017 when compared against FY 2016. This is in addition the rate increase in FY 2016 of 14.9%, the rate increase in 2015 was approximately 10%. The town continues to explore options for cost savings, through the offering of a lower cost HMO plan, continuing education to migrate employees from the high cost Master Medical plan, to the PPO, or HMO plans. Collective bargaining efforts have not yielded substantial savings. Beginning in CY 2018 the impacts of the Affordable Care Act will become more apparent with the implementation of the "Cadillac Tax." One of the most significant, and controversial, provisions of the Affordable Care Act is the new excise tax on high-cost health plans proposed to both slow the rate of growth of health costs and finance the expansion of health coverage. The provision is often called the "Cadillac" tax because it targets so-called Cadillac health plans that provide workers the most generous level of health benefits. These high-end health plans' premiums are paid for mostly by employers. They also have low, if any, deductibles and little cost sharing for employees. The accompanying slides detail the 5 year actual general fund cost for health insurance, as well as the projected impact of the "Cadillac Tax", included in this projection is the impact of this tax as if it was in effect for FY 2017.

A) Health Insurance Active and Retiree expenditures:

Health Insurance Expenditures							Budget	Proposed
	2011	2012	<i>2013</i>	2014	2015	2016	2017	
Active	\$ 4,373,411.68	\$ 4,506,853.13	\$ 5,375,693.20	\$ 6,193,357.48	\$ 6,948,600.00	\$ 8,413,832.00	\$ 9,255,215.00	
Retirees	\$ 1,536,604.11	\$ 1,583,488.94	\$ 1,888,757.07	\$ 2,176,044.52	\$ 2,441,400.00	\$ 2,344,168.00	\$ 2,578,585.00	

B) Cadillac Tax estimated impact:

Cadillac Tax Impact (estimated)				
	2018	2019	2020	2021
Individual	\$ 236,964.40	\$ 545,565.20	\$ 774,801.80	\$ 948,161.97
Family	\$ 374,049.90	\$ 1,006,605.00	\$ 1,833,821.00	\$ 2,459,402.79
	<u>\$ 611,014.30</u>	<u>\$ 1,552,170.20</u>	<u>\$ 2,608,622.80</u>	<u>\$ 3,407,564.76</u>

H) Sewer Projects Betterment and Tax Rate projections:

	Madaket/Warrens Landing	Somerset	Monomoy	PLUS Parcels	Totals	
Estimated Cost of Project	47,186,000.00	14,760,000.00	23,426,000.00	10,116,000.00	95,488,000.00	
Estimated number of connections	551.00	254.00	212.00	190.00	1,207.00	
Estimated Number of Potential Connections	60.00	68.00	52.00	44.00	224.00	
Allocate Betterment % equally	y					
Allocate tax rate % equally	y					
Allocation % to Betterment	60%					
Allocation % to Tax Rate	40%					
Total Betterment	28,311,600.00	8,856,000.00	14,055,600.00	6,069,600.00	57,292,800.00	
Total to Tax Rate	18,874,400.00	5,904,000.00	9,370,400.00	4,046,400.00	38,195,200.00	
Total to Sewer Rate						
Estimated Betterment Cost (Applied Equally)	51,382.21	34,866.14	66,300.00	31,945.26		
Estimated Annual Betterment Impact	\$2,778.35	\$1,885.29	\$3,584.99	\$1,277.81		
Total Betterment Cost (average using land value)	52,841.72	38,842.11	76,806.56	37,935.00		
Estimated Annual Betterment Impact	\$2,857.27	\$2,100.28	\$4,153.10	\$2,051.23		
State Revolving Fund Eligible	y	y	y	y		
Interest Rate						
Interest on Non SRF Eligible portion	3.50%	3.50%	3.50%	3.50%		
Amortization of debt # of years						
Betterment Years	20.00	20.00	20.00	20.00		
Tax Impact per \$100,000 of Value						
Residential	5.55	2.06	2.76	1.19	11.56	
Open Space	5.31	1.97	2.64	1.14	11.05	
Commercial	9.82	3.64	4.88	2.11	20.45	
Industrial	9.82	3.64	4.88	2.11	20.45	
Personal	9.82	3.64	4.88	2.11	20.45	
Tax Bill Impact						
Average Residential Value						
	\$1,684,585	93.57	34.68	46.45	20.06	194.76
Average Residential Value - Year Round						
	\$1,092,299	60.67	22.49	30.12	13.01	126.29

I) Our Island Home Certified Retained Earnings and Projected:

Certified Retained Earnings				
2011	2012	2013	2014	2015
253,610	3,411,372	2,054,350	1,747,556	1,649,432

Projected Retained Earnings				
2016	2017	2018	2019	2020
1,566,960.00	1,488,612.00	1,414,182.00	1,343,472.00	1,276,299.00

J) Projected Tax Rate Impact of Proposition 2 ½ Override for the Our Island Home:

Tax Rate Information

Override Purpose		TYPE	Amount	Proj. Tax Rates	Proj. Inc. Tax Rates	Estimated Tax Increase	
						Avg Res Value	Avg Yr Rd Value
1.)	5 Million Dollar Operational Override	Levy Override	\$5,000,000	3.60	\$0.2411	\$1,812,625	\$1,171,288
2.)	\$2,648,000 Operational Override (difference between 5 million and existing OIH subsidy)	Levy Override	\$2,648,000	3.49	\$0.1276	\$437.05	\$282.41
						\$231.35	\$149.50
			\$7,648,000	0.00			

Assumptions are based on the most recent tax information available (FY 16).
 FY 2016 Residential Tax Rate is projected to be \$3.36 per thousand.