

Capital Program Committee

FY 2016 Recommendations and 10 Year Plan (as of 12/18/14)

Executive Summary

For 2016, we are recommending \$70.425 million in General Fund capital items be approved.

Capital for a new Elementary School (\$47 million), a new Fire Station (\$15 million), and Design for a new Our Island Home (\$1 million) totaling \$63 million will be borrowed. The remaining capital items totaling \$7.425 million are suggested to be funded from: Proceeds from Real Estate Sales (\$4,000,000), Prior year Capital Article Appropriations (\$380,000), Free Cash (\$1,795,000), Hummock Pond Road Bike Path Gift Fund (\$120,000), Capital from Operating Budget (\$780,000), and the Waterways Fund (\$350,000). All of the 2016 capital items recommended for approval are detailed on the attached spreadsheets.

For the 9 years beyond 2016, the largest anticipated General Fund capital items total \$63.35 MM:

\$15 MM-Construction of a new Our Island Home

\$7 MM-Demolition and Construction, or Renovation of 20 South Water St

\$3.6 MM-Construction of a replacement 2 Fairgrounds Road Town building

\$3.25 MM-new High School Stadium and Fields

\$6.5 MM-Phase 2 Stormwater Improvements

\$3.0 MM-Design and construction of a replacement DPW garage

\$25 MM-General Fund portion for Madaket/Fishers Landing/Somerset Collection system

Additionally, the Sewer Enterprise Fund may impact General Fund capital for seven other CWMP-studied sewer projects, but because there are other solutions besides sewerage under consideration, no capital projections are included in the General Fund 10 year capital plan.

The worst case projected impact on taxpayers, starting in 2019, for the debt service for capital borrowing for the Fire Station is \$5.39/thousand (residential) and \$9.52/thousand (commercial), and for the new School is \$16.52/thousand (residential) and \$29.90/thousand (commercial).

We thank Town Administration, Finance Department, and all the Department Heads for their hard work and timely submissions. This Capital Program is truly a team effort.

Respectfully,

Phil Stambaugh-chair, Tobias Glidden, Richard Hussey, Nat Lowell, Peter McEachern, Peter Morrison, and John Tiffany

Internal Memorandum

To: Nantucket Capital Program Committee
From: Peter A. Morrison, Cap Com Member
Subject: 2016 New Fire Station
Date: December 12, 2014

The existing Fire Station is functionally obsolete and therefore must be replaced. The facility is unsuited to meet the Fire Department's present and anticipated future workload, driven by the Town's growing year-round and seasonal population. That workload, compounded by contemporary expectations for high-quality fire and emergency services, requires a larger and functionally modernized facility.¹

Specifically, the existing station cannot house all the Department's equipment and staff as legally required. NFD lacks necessary training space for meeting today's mandatory requirements for a community fire department. Its functional obsolescence stems from the following long-term changes since the facility first opened in 1979:

- NFD's present **workload** has increased markedly over 35 years and will likely expand in the future.
- NFD's **mission** has broadened substantially since 1979 to include implementing the wide array of fire prevention and detection measures that have been mandated since 1979.
- NFD now deploys more **specialized and technologically advanced equipment** than before. Over time, the sheer number of apparatuses to be housed at the ready has risen over time, paralleling taxpayers' rising expectations for high quality fire and emergency services.
- Deploying this new equipment necessitates additional **mandatory training**, so that Nantucket's fire department can realize the benefits of these new life-saving apparatuses and technologies coming into service across the nation.

CapCom concurs with the New Fire Station Work Group's unanimous conclusion and recommendation: The most expedient and cost-effective replacement would be a new and adequately staffed fire and emergency services facility constructed at 4 Fairgrounds Road. The new facility should be based on a carefully considered update of the original design that was contemplated in 2008, scaled to support continued strong emergency response capabilities Island-wide for the foreseeable (20- to 25-year) future. This new facility will cost approximately \$14 million, depending on when design and construction are initiated.

¹ Source: *New Fire Station Work Group's Summary of Recommendations and Findings*, November 14, 2014. Accessible at: <http://www.nantucket-ma.gov/DocumentCenter/View/7535>

Town of Nantucket, Massachusetts
 General Obligation Bonds Dated June 15, 2018
\$15,000,000 Fire Station
 Interest Estimated at 5.50%
 (Preliminary, Subject to Change)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	-	-
06/30/2019	205,000.00	5.500%	825,000.00	1,030,000.00
06/30/2020	220,000.00	5.500%	813,725.00	1,033,725.00
06/30/2021	230,000.00	5.500%	801,625.00	1,031,625.00
06/30/2022	245,000.00	5.500%	788,975.00	1,033,975.00
06/30/2023	255,000.00	5.500%	775,500.00	1,030,500.00
06/30/2024	270,000.00	5.500%	761,475.00	1,031,475.00
06/30/2025	970,000.00	5.500%	746,625.00	1,716,625.00
06/30/2026	970,000.00	5.500%	693,275.00	1,663,275.00
06/30/2027	970,000.00	5.500%	639,925.00	1,609,925.00
06/30/2028	970,000.00	5.500%	586,575.00	1,556,575.00
06/30/2029	970,000.00	5.500%	533,225.00	1,503,225.00
06/30/2030	970,000.00	5.500%	479,875.00	1,449,875.00
06/30/2031	970,000.00	5.500%	426,525.00	1,396,525.00
06/30/2032	970,000.00	5.500%	373,175.00	1,343,175.00
06/30/2033	970,000.00	5.500%	319,825.00	1,289,825.00
06/30/2034	970,000.00	5.500%	266,475.00	1,236,475.00
06/30/2035	970,000.00	5.500%	213,125.00	1,183,125.00
06/30/2036	970,000.00	5.500%	159,775.00	1,129,775.00
06/30/2037	970,000.00	5.500%	106,425.00	1,076,425.00
06/30/2038	965,000.00	5.500%	53,075.00	1,018,075.00
Total	\$15,000,000.00	-	\$10,364,200.00	\$25,364,200.00

*Bonds are structured on a level debt service basis through FY2024 and on an equal principal basis thereafter.

FirstSouthwest
Public Finance

Tax Rate Impact (Assumes No Growth in Assessed Value)

Residential Tax Rate Impact per \$100,000 of AV	Open Space Tax Rate Impact Per \$100,000 of AV	Commercial/Industrial/Personal Property Tax Rate Impact per \$100,000 of AV
5.39	5.15	9.52
5.41	5.17	9.56
5.40	5.16	9.54
5.41	5.17	9.56
5.39	5.15	9.53
5.39	5.16	9.53
8.98	8.58	15.87
8.70	8.31	15.37
8.42	8.05	14.88
8.14	7.78	14.39
7.86	7.51	13.90
7.58	7.25	13.40
7.30	6.98	12.91
7.03	6.71	12.42
6.75	6.45	11.92
6.47	6.18	11.43
6.19	5.91	10.94
5.91	5.65	10.44
5.63	5.38	9.95
5.32	5.09	9.41

Internal Memorandum

To: Nantucket Capital Program Committee

From: Peter A. McEachern, Cap Com Member

Subject: 2016 Nantucket Public School New Elementary School (Grades 3 – 5) & Cyrus Pierce Middle School Addition

As requested, please find the following important and pertinent information regarding the submitted request by Nantucket Public Schools Superintendent, Mr. Michael Cozort to design and construct both the “New” Elementary School Building (Grades 3 – 5) plus an addition to our existing Cyrus Pierce Middle School. Please find the below bullets as information leading up to this projects financial conclusion:

- The Nantucket Public Schools have a system-wide space issue/occupancy. Over the past five years, the enrollment has climbed from 1,233 students to 1,557, an increase of 325 students or 26%.
- The present elementary school was originally designed for 450 students and was enlarged in 1990 to accommodate 538 students and now serves over 700. The number of students in this school and the wide grade range makes it very difficult to provide our students with the quality education they deserve.
- The school’s original design did not create facilities to meet current standards for our students with special needs, nor our English Language Learners.
- A simple way to look at our growth is to see that the present kindergarten class has 123 students and first grade has 129. Last year’s graduating class was 99 students and this year’s class has 102, so it is easy to see that what is coming in is significantly larger than what is going out.
- A demographic study, crafted by Cropper GIS, predicts that our student enrollment will continue to climb over the next five years before it begins to level off.
- We intend to build a new intermediate school (serving Grades 3-5) of 71,000 square feet.
- We will also add a 9,000 square foot addition to the middle school; six classrooms to accommodate the numbers that will be coming into that school.
- Our existing elementary school will be able to provide space for universal pre-school when that is mandated by the Commonwealth of Massachusetts.
- The Community School, once housed in the middle school and since moved to the old Teen Center, will move into space in the existing elementary school, along with the Early Childhood Center that they supervise.
- The Superintendent and his support staff will be moving out of the high school this summer and this will provide three classrooms for the high school use. Temporarily we will either rent space or acquire a modular unit for said offices. However, once the new school is built, these offices will be placed in the existing elementary school.

- No athletic fields will be eliminated nor added through this project.
- The new intermediate school will be located in the parking lot of the existing elementary school.
- Alternative parking is part of the plan and we will, in fact, add over 70 additional spaces and some will be closer to the middle/high school which should help for event parking at that facility.
- Traffic flow has been reviewed and addressed, with a design which should take some of the pressure off of Surfside Road.

Financial Conclusion

I understand that our committee was presented \$30 million for the project but this was not a number submitted by our Superintendent. We were presented a working budget number of \$40 million on November 19, 2014 which was based on the newly selected site plan. To date SMRT Architects have been finalizing the buildings square footage plan to conform to both building codes and educational layouts. Then this design plan will be issued to our cost estimator for more specific pricing. Today, the Architects cost estimate is within the range of \$42 to 47 Million. Our current budget price estimates are based on an accelerated general contractor self-funded project with initial bridge funding to accelerate the detailed design element of the project. This is important as it saves the project timeline an entire year. If we were not able to get bridge funding then our project costs would escalate/increase \$1.5 million. The Town of Nantucket should explore to see if any "Free Cash" or short term monies can be used over the short term prior to ATM's vote. The School Building Committee is also looking into Private borrowing of said monies in order to save tax payers \$1,500,000.00 and time.

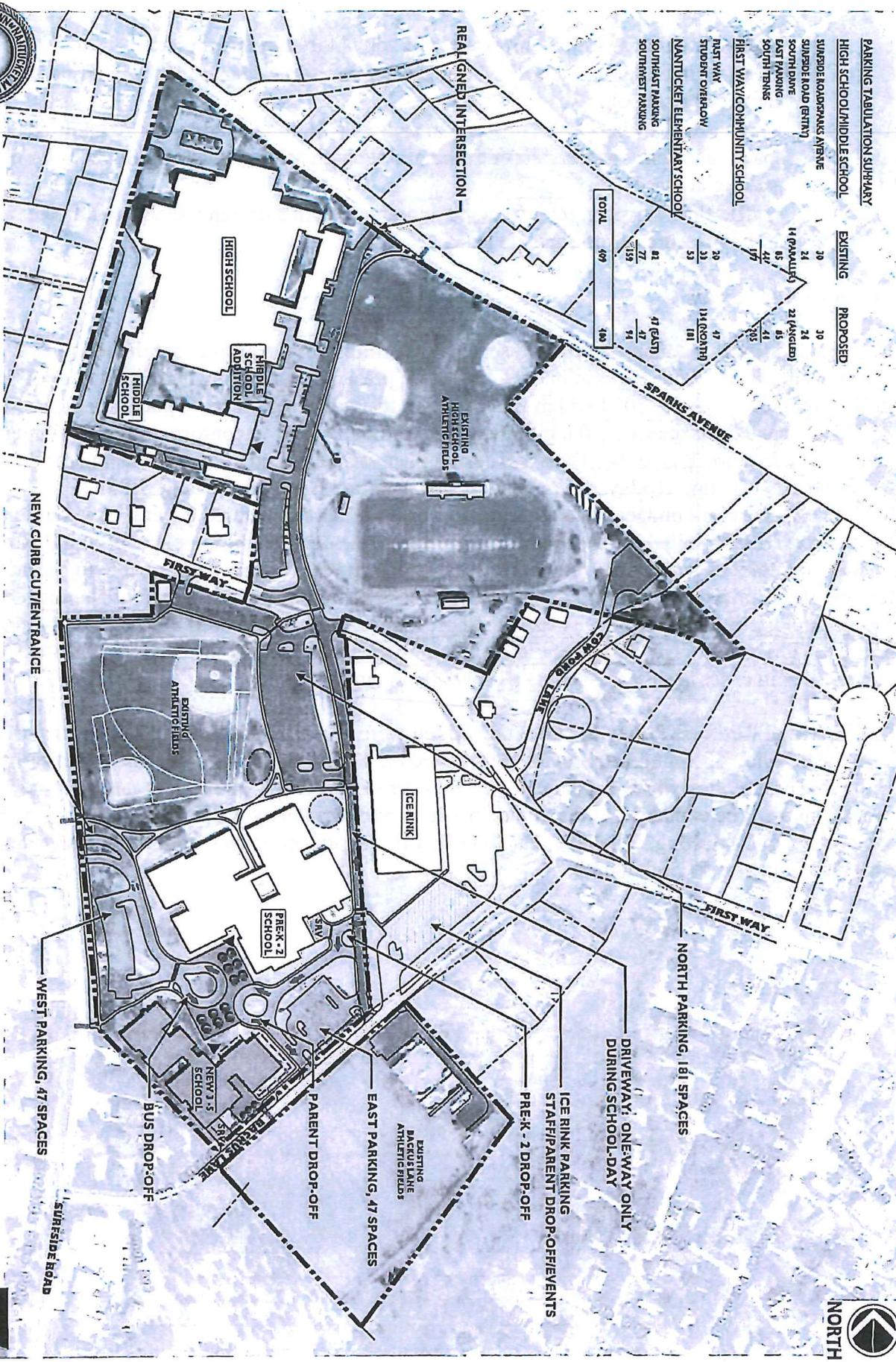
The Financial Reserves Policy of Nantucket which were adopted on 09/14/2011 states that the Free Cash Policy of Nantucket, previously adopted on August 3, 2005 states there are exceptions to the free cash policy which can be made only under extraordinary circumstances. Any such exceptions shall be explained to the voters in a statement written by the BOS at either the ATM or Special Town Meeting. I believe that were first fixing our occupancy policy and also trying to save the tax payers \$1,500,000.00.



NEW 3-5 ELEMENTARY SCHOOL
NANTUCKET PUBLIC SCHOOLS
 NANTUCKET, MASSACHUSETTS

SITE DEVELOPMENT PLAN

ARCHITECTURE | ENGINEERING | PLANNING | INTERIORS | ENERGY | smrllinc.com



PARKING TABULATION SUMMARY

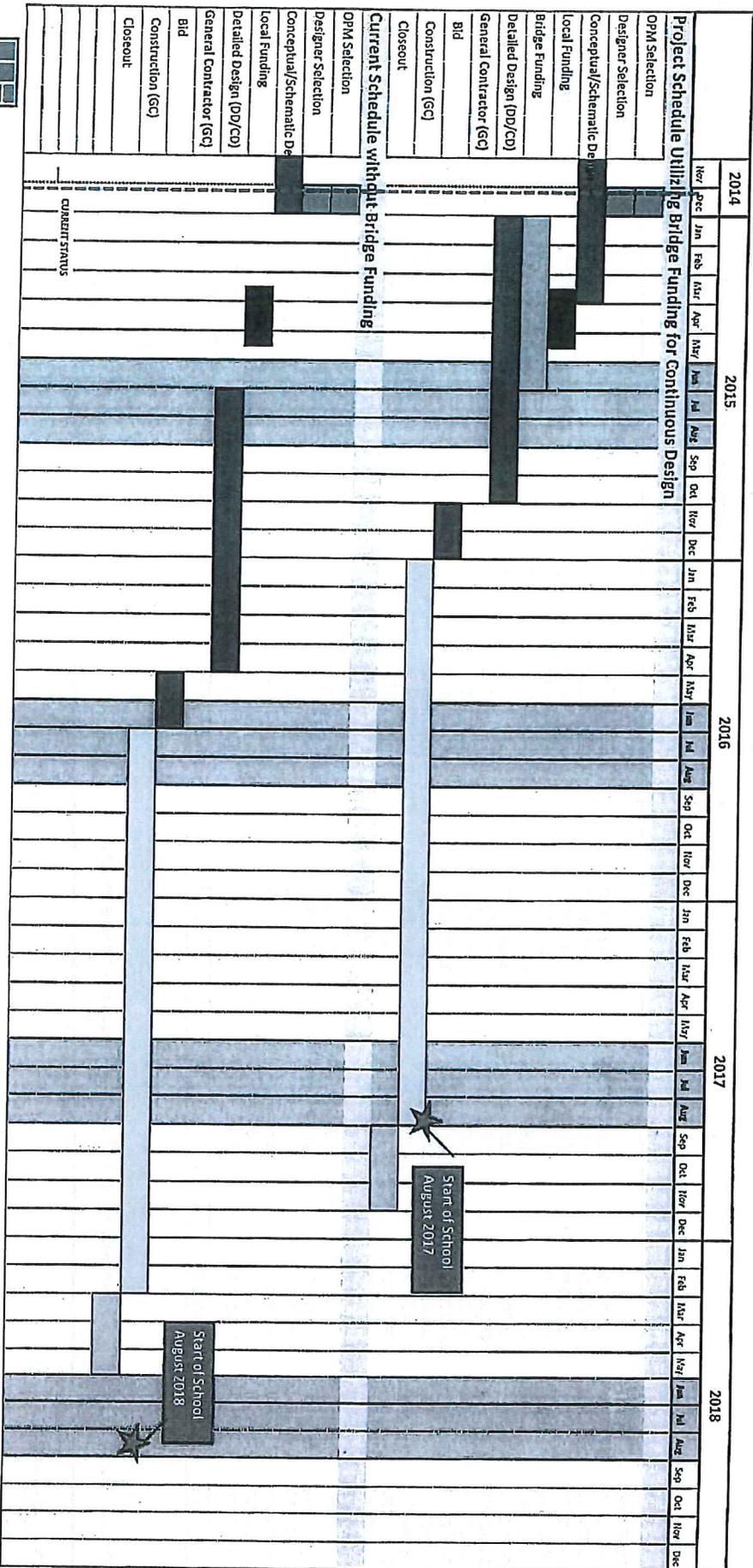
	EXISTING	PROPOSED
HIGH SCHOOL/MIDDLE SCHOOL	30	30
SUNNYSIDE PARKING	24	24
SOUTH WEST PARKING	14 (REMOVED)	22 (ADDED)
EAST PARKING	85	85
SOUTH PARKING	47	41
SOUTH WEST PARKING	117	185
FIRST WAY COMMUNITY SCHOOL	20	47
FIRST WAY STUDENT OVERFLOW	31	134 (GARTH)
NANTUCKET ELEMENTARY SCHOOL	53	181
SOUTHEAST PARKING	81	47 (EAST)
SOUTHWEST PARKING	77	41
	159	94
TOTAL	409	480



Nantucket Public Schools

3-5 Elementary School (400 students) & Middle School Addition

GC Self Funded w/ Bridge Funding & w/o Bridge Funding - Project Schedule Preliminary Development
December 2, 2014



Town of Nantucket, Massachusetts
General Obligation Bonds Dated June 15, 2018
\$47,000,000 School
Interest Estimated at 5.50%
(Preliminary, Subject to Change)

Debt Service Schedule

Tax Rate Impact (Assumes No Growth in Assessed Value)

Residential Tax Rate Impact per \$100,000 of AV	Open Space Tax Rate Impact Per \$100,000 of AV	Commercial/ Industrial/Personal Property Tax Rate Impact per \$100,000 of AV
16.92	16.17	29.90
16.92	16.17	29.90
16.90	16.15	29.87
16.90	16.16	29.88
16.92	16.17	29.90
16.90	16.15	29.87
28.14	26.89	49.73
27.26	26.05	48.18
26.39	25.22	46.63
25.51	24.38	45.09
24.64	23.55	43.54
23.76	22.71	42.00
22.89	21.87	40.45
22.01	21.04	38.91
21.14	20.20	37.36
20.24	19.34	35.77
19.37	18.51	34.23
18.49	17.67	32.68
17.62	16.84	31.14
16.75	16.00	29.60

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	-	-
06/30/2019	650,000.00	5.500%	2,585,000.00	3,235,000.00
06/30/2020	685,000.00	5.500%	2,549,250.00	3,234,250.00
06/30/2021	720,000.00	5.500%	2,511,575.00	3,231,575.00
06/30/2022	760,000.00	5.500%	2,471,975.00	3,231,975.00
06/30/2023	805,000.00	5.500%	2,430,175.00	3,235,175.00
06/30/2024	845,000.00	5.500%	2,385,900.00	3,230,900.00
06/30/2025	3,040,000.00	5.500%	2,339,425.00	5,379,425.00
06/30/2026	3,040,000.00	5.500%	2,172,225.00	5,212,225.00
06/30/2027	3,040,000.00	5.500%	2,005,025.00	5,045,025.00
06/30/2028	3,040,000.00	5.500%	1,837,825.00	4,877,825.00
06/30/2029	3,040,000.00	5.500%	1,670,625.00	4,710,625.00
06/30/2030	3,040,000.00	5.500%	1,503,425.00	4,543,425.00
06/30/2031	3,040,000.00	5.500%	1,336,225.00	4,376,225.00
06/30/2032	3,040,000.00	5.500%	1,169,025.00	4,209,025.00
06/30/2033	3,040,000.00	5.500%	1,001,825.00	4,041,825.00
06/30/2034	3,035,000.00	5.500%	834,625.00	3,869,625.00
06/30/2035	3,035,000.00	5.500%	667,700.00	3,702,700.00
06/30/2036	3,035,000.00	5.500%	500,775.00	3,535,775.00
06/30/2037	3,035,000.00	5.500%	333,850.00	3,368,850.00
06/30/2038	3,035,000.00	5.500%	166,925.00	3,201,925.00
Total	\$47,000,000.00	-	\$32,473,375.00	\$79,473,375.00

*Bonds are structured on a level debt service basis through FY2024 and on an equal principal basis thereafter.

FirstSouthwest
Public Finance