



**Town of Nantucket
Capital Program Committee**
www.nantucket-ma.gov

Members: Stephen Welch (Chair), Pete Kaizer (vice chair), Richard Hussey (Secretary), Christy Kickham, Peter McEachern, Jason Bridges, Nat Lowell

MINUTES

Thursday, January 10, 2019

Wannacomet Water Company, Conference Room – 10:30 am

Called to order at 10:35 a.m. and announcements made.

Staff: Brian Turbitt, Director Finance; Rebecca Woodley-Oliver, Assistant Procurement Officer; Alexandria Penta, Financial Analyst; Terry Norton, Town Minutes Taker

Attending Members: Welch, Kaizer, Hussey, Kickham, Lowell

Absent Members: McEachern, Bridges

Late arrival: None

Documents used: CapCom Summary of FY20 Requests as of 01.01.2019

Agenda adopted by unanimous consent.

I. PUBLIC COMMENTS

- 1. None

II. APPROVE MINUTES

- 1. None

III. DISCUSSION AND RECONCILIATION OF CAPITAL PROGRAM COMMITTEE RECOMMENDATIONS

IV. DISCUSSION ON FUNDING SOURCES FOR CAPITAL RECOMMENDATIONS

Discussion **Welch** – We need to be able to fund or propose a funding mechanism. We have information on all except Public Safety Facility (PSF) auxiliary building set up for repairs and harbor master layup yard had a question if it could be incorporated in the PSF Auxiliary Building. Reviewed the setup of the spreadsheet; focus will be on the variances.

Capping the cells

Turbitt – The bid came in just under \$12M but I’m recommending going with the \$14M on request from the Department of Public Works (DPW) director. We wouldn’t permanently borrow any more than was used on the project.

Facility Access Road & Parking Lot Maintenance

Welch – This variance relates to the funding source. Asked to hold for a moment.

Turbitt – Floor Drain & Collection Tank could be reappropriated from unspent landfill mining money, but not for the total amount of \$100,000.

Welch – There are two projects, Repair Electrical Systems and Overhead Doors, that just meet our CapCom requirements of \$50,000.

Turbitt – We are transferring money from prior capital; he recommends leaving as capital projects.

Welch – Unlined Landfill Mining is moot at this point since we’re going with a cap. The change is \$800,000 less.

Facilities: Annuals

Welch – There is a capacity issue in terms of deliverables and ability to complete requests. Asked if there is funding available.

Turbitt – The full implementation of prior funding hasn't yet been exhausted; that's why it's recommended at this level. If re recommend millions of dollars in borrowing, that would be a lot of debt to carry on an annual basis. He attempted to balance all requests with a realistic funding plan.

Hussey – Town Administration RORI scores; there are three below 50%; asked if that's a concern.

Welch – He has a personal concern with funding anything below the average-weighted RORI. He doesn't know if at this stage we can dissect and address this.

Turbitt – The Americans with Disabilities Act (ADA) accessible upgrade was recommended for funding at \$50,000 because we received two grants, which will allow DPW to continue on the ADA upgrade around Town.

Welch – The Annual Facilities Equipment Replacements and Lighting Updates, asked if there is grant funding or what information there is on those.

Turbitt – Lighting Update is being handled by the Town Energy Coordinator; updates will be recommended from that office. Equipment Replacement was funded last year; we have 5-years of funding and there is a need to fund it at some level over a period of time.

Welch – Deferring maintenance ends up costing more; we recommend funding these to keep on top of maintenance. Getting on top of maintenance plans is important.

Lowell – Asked about the ADA upgrade, are the two sources of money is separate.

Turbitt – They're separate. Explained the grant requirements. It's detrimental to fund at a smaller amount rather than moving forward.

Welch – We are looking for a systematic approach to construction and transparency regarding the cost. That helps project out what next year will be. Asked if there are concerns about eliminating the variance by matching our recommendations to Town Administration and Finance.

Kaizer – The Town rated 22% for the ADA upgrade, which is legally required, and it is the 2nd-lowest dollar request. The Town's three lowest ratings are the lowest dollar amounts. Asked if the two lowest could go into the Operations Budget.

Turbitt – If they go into Operations Budget, he'll still be using free cash. The ADA grant is to work through the transition plan and build on future years for a more solid approach.

Welch – There's a lot of work to be done around the community to help people out and that's a relative small amount of money.

Kickham – Asked upon which recommendations the funding sources are based and how that affects the funding source.

Turbitt – Those are based the pot of money he knows he has. The TM recommend allocating \$5M from free cash; we have \$994,000 to spend from the 1%; anything else we'd use borrowing, capital exclusion, or debt exclusion. More likely will be debt exclusion for the large infra-structure projects. He's trying to get the rolling stock to be a capital exclusion; so that it's a one-time raise.

Welch – We aren't in a place to systematically to provide our own funding source recommendation; it is part of our charge. We'll eliminate the variance by matching the Town recommendation.

Motion
Vote

Motion to Accept that amount in the hopper. (made by: Hussey) (seconded)

Carried unanimously

Jetties Beach Facilities Upgrade

Welch – This received a high RORI from the Town and a lower than average by CapCom. The Town recommends it not be funded at this point; it'll be an outyear project.

Turbitt – We have money for the review and analysis for what needs to be done; however, we are halfway through Jan and it won't open until late April or May with work not beginning until next Fall. He recommended it be placed in an outyear.

Lowell – He sees this situation as the same Children's Beach bathroom upgrade.

Kickham – Asked if there is something in the DPW for future maintenance of the facility.

Turbitt – That would come out of the Annuals.

Welch – His concern is capacity. If this isn't funded this fiscal year, that allows DPW to get set up with the new staff and the implementation. Our RORI was on this 43%, which was quite a bit lower.

Motion **Motion to Follow funding source recommendation, is not to recommend.** (made by: Hussey) (seconded)

Vote Carried unanimously

Kaizer – There will be questions at ATM why these are being pushed out; we need to be able to explain that.

Turbitt – He doesn't want to have to keep going back for more money; the effort is not to be reactionary when there is a need for more money.

Welch – We don't want to end up without money to meet the actual needs of the tenants. This is actually a placeholder.

Parking Improvements: 2 Fairgrounds Road & Town Pier

Welch – The town has no recommendation on the funding source while we recommended full funding; however, our RORI is 43%. Town Administration suggests the Marijuana excise tax will go toward repair of the Town Pier. Asked if 2 Fairgrounds Road was being tied in with the Waitt Drive improvement.

Turbitt – The Town hasn't finished the plans for Waitt Drive and doesn't know what's happening there. Town Administration decided this is critical and will be done on borrowing.

Kaizer – Clarified that this will exclude the Town Pier as well.

Lowell – The Town Pier Parking is being redesigned.

Welch – This becomes another placeholder; and they might need to ask for more money.

Motion **Motion to Accept the Town recommendation and move to an out year.** (made by: Hussey) (seconded)

Vote Carried unanimously

Road Improvements & Maintenance

Welch – There was a request for \$3.5 with a significant variance. We are waiting on a report that updates inventory of maintenance requirements.

Turbitt – The \$1M recommended funding is typical of past allocations and would supplement what we get from Chapter 90.

Motion **Motion to track the funding source for \$1M; that's phased and recurring and will be an out year.** (made by: Hussey) (seconded)

Vote Carried unanimously

Multi-Use Path & Cobblestone Repair

Lowell – Keeping the Multi-use Paths and Cobblestone repair separate is a good idea for information purposes.

Welch – The recommendation is funding \$250 from free cash.

Motion **Motion to accept funding recommendations for Multi-use Paths and Cobblestone Repair.** (made by: Lowell) (seconded)

Vote Carried unanimously

Wauwinet Road Shared Use Path

Turbitt – The recommendation is for \$354,000, which is our required match.

Welch – We will revisit this in FY2021.

Turbitt – In FY2021 he will use same mechanism.

Motion **Motion to Approve funding recommendation as a borrowing.** (made by: Lowell) (seconded)

Vote Carried unanimously

Transportation – Decommission Fire Cisterns.

Welch – Asked the rationale.

Turbitt – We have a \$200,000 levy limit; given circumstances we're facing with potential Enterprise Fund issues, these can be absorbed through a budget transfer and covered on an as-needed basis.

Kickham – Asked what “it” means in terms of waiting until “it” happens. If we don’t fund it and “it” happens, how would it be funded. He doesn’t want the funding to be delayed and thus the work.

Turbitt – If “it” happens, we’d typically fund it through the Operations Budget to take care of it immediately; if there’s time, we can go to Finance Committee (FinCom) under unexpected/unanticipated expense; we get closer to the end of the fiscal year, we can use a 33B transfer, which is a transfer between budgets with permission from FinCom and the Select Board.

Welch – There are two approaches being discussed: proactive and reactive. This is a potential hazard; he suggests it be funded but doesn’t know the funding source.

Turbitt – Asked what CapCom wants to fund as long as it is under \$100,000; he’ll find a way.

Welch – Suggested swapping with the \$75,000 from FY2021; that leaves money in the account in case something comes up.

Lowell – He doesn’t think a survey is being done since the maps are good. He thinks DPW can handle a problem if it happens; as far as a full plan to locate all existing cisterns is a major project.

Kickham – He wants something in place to show that the Town is addressing a potential cistern collapse.

Lowell – He’s good with funding \$50,000.

Discussion about possible ways to fund this.

Motion
Vote

Motion to Recommend Funding at \$50,000 for FY2021. (made by: Kickham) (seconded)

Carried unanimously

Harbor Master Industry Road Layup Yard

Welch – His concern with putting this off is that it’s a step toward getting staff to efficiently utilize space during the winter and do services before the Spring.

Turbitt – You would still be looking at two years before they are proactively doing what needs to be done. In FY2021, there’s almost \$400,000 for the modular building. This \$495,000 doesn’t get the building. He asked the DPW director if this could all be one project next year. The response to that was apathetic. The funding would be a recommendation to borrow.

Welch – With respect to RORI, we received this request last year and it was pulled. He has his RORI for this; eight of the categories came in at 100%. This is productivity, efficiency, and planning. He personally supports this.

Lowell – Asked if this is considered a placeholder.

Turbitt – He considers this phased funding, not a placeholder. The DPW deputy director has a good handle on where he’s going with this.

Welch – We’re putting of improvements in efficiency and effectiveness. This would be for site development, so they are ready for the building; it sets them up for completion.

Kickham – Asked how actively this will be used off season.

Turbitt – He suspects it will be heavily used; it’s beneficial for preparing for the upcoming season. His recommendation is based upon not loading up the Town with debt; phased funding pushes the impact down the road. If necessary, he’ll recommend borrowing that wouldn’t happen for a couple of years.

Hussey – Asked if the Town is moving off the zero recommendation.

Motion
Vote

Motion to Fund as a form of borrowing. (made by: Lowell) (seconded)

Carried unanimously

Administration: E-permitting

Turbitt – There is variance because we found money and implemented the first phase.

Motion
Vote

Motion to Track the Town Funding recommendation. (made by: Kaizer) (seconded)

Carried unanimously

Fleet Management – DPW and Sewer

Welch – There are several DPW vehicles and Sewer is requesting a loader, a 1-ton truck, and new excavation equipment. We’ll start with the sewer vehicles. We had asked for prioritization of the vehicles from the directors of the DPW and sewer. The DPW vehicles were voted into the

hopper subject to a review of the prioritization. The Sewer vehicles were not voted into the hopper subject to a review of the prioritization.

Lowell – He would like to get them to share, particularly the loader.

Hussey – Looking at the Town is pretty clear in their assessment of the need; he thinks it could be pushed to an out year.

Lowell – DPW uses their loader a lot while Sewer’s works on the lot. They aren’t cheap, so he’d prefer them being able to share.

Turbitt – We’ve programmed them as capital exclusion. There’s been significant issues with trash compactor truck; it gets heavy use. He programed them all into the capital exclusion except for the passenger vehicle, which rated substantially low. This goes back to the conversation that he’s looked at this program as capital exclusion, which last year was for rolling stock. We face a backlog of equipment and infrastructure and could be just delaying the cost. His recommendation is to eliminate one of the director vehicles.

Kickham – This would be the first time we have a service response truck and we’ve gotten by for years without one.

Lowell – Nantucket is really small; when you break down, you call service. This truck is a heavy truck like you’d see on the side of the highway. On Island, you tow trucks with a loader, not a tow truck. He wants more information on what this vehicle really is; but do everything else on their list. He doesn’t want to purchase a truck used only twice a year.

Turbitt – We’re also talking about time efficiency.

Welch – The service truck should move to an outyear.

Kaizer – He would also eliminate the second sweeper; he doesn’t see the need at this time and it’s the priciest request. Also, eliminate the excavation equipment, which is also pricey. Doing that cuts the request in half.

Welch – Eliminate the one loader, the service truck, DPW passenger vehicle, and sweeper.

Motion

Motion to put the loader, one DPW director vehicle, trash compactor truck and vehicle lifts in the hopper. (made by: Kaizer) (seconded)

Vote

Carried unanimously

Sewer: one-ton truck, loader, and excavation equipment

Welch – The excavation equipment is something for yard, shop, and work around the community; he’s looking at a backhoe. Town recently recommended the Sewer Department provide in-house services for things like manhole replacement.

Turbitt – These would be funded through the Enterprise Fund retained earnings.

Lowell – Our rankings are much higher than the Town’s or Finance. He wonders about the 1-ton truck, if it’s a dump truck or pick up.

Welch – Part of our process was glazed through; some of this stuff was reviewed *ad nauseum* and now it’s three months later; that lack of efficiency is frustrating.

Kickham – Suggested holding off this loader since we’re funding DPW’s; the excavation equipment rated in very low.

Woodley- Oliver – According to Mr. Gray, the existing excavation equipment isn’t the greatest

Turbitt – He doesn’t have the equipment to respond to an emergency; he has to call for it and wait for people who can help to get here. He wants to be able to respond in a timely manner. That’s why the excavator is number 1 on his list.

Kaizer – He would prefer to go with Mr. Gray’s priorities, which is the loader over the 1-ton truck.

Hussey – Agrees with Mr. Kaizer.

Motion

Motion to approve loader and excavation equip funding as recommended through retained earnings and the 1-ton truck moved to an out year. (made by: Kickham) (seconded)

Vote

Carried unanimously

Facility Access Road

Welch – Money hasn’t been found for this. There is a potential to reappropriate.

Turbitt – Will meet next week to finalize unused mining money. Asked this be held for that discussion. It will be an article reappropriation.

Motion **Motion to put in the hopper as an article reappropriation at the maximum amount available.** (made by: Hussy) (seconded)

Vote Carried unanimously

Welch – Asked for a final motion to accept all recommendations.

Motion **Motion to Approve all recommendations as currently outlined to this date.** (made by: Kickham) (seconded)

Vote Carried unanimously

V. LIAISON/COMMITTEE REPORTS & MEMBER COMMENTS

1. Committee Reports

- a. Welch – As a representative of CapCom, he attended the Vulnerability Prevention Seminar for Town to establish a plan to leverage State and Federal funding by identifying hazards and risks and come up with a consensus model to prioritize those hazards and risks. A theme of our report this year is capacity of financially and staffing resources to deliver a product in a timely way. This falls under the Coastal Resiliency Plan and will have a dramatic impact on spending in the future. The funding source needs will be identified and should be included in our report.

b. Member Comments

- a. Welch – After January, we should get together to do a recap and continue working on best practices. Town might be making changes in capital management. The joint meeting with the Select Board is January 23 at 6:00 p.m.

VI. DISCUSSION OF FUTURE MEETINGS AND DATE OF NEXT MEETING

Date: Friday, January 18, 2019 at 10:30 a.m. in Wannacomet Water Company Conference Room

Adjourned at 12:21 p.m.

Submitted by:

Terry L. Norton