



Town of Nantucket Finance Committee

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Committee Members: Denice Kronau (Chair), Stephen Maury (Vice-chair), Joseph T. Grause Jr., Peter McEachern, Joanna Roche, Peter Schaeffer, Chris Glowacki, Jill Vieth, George Harrington

MINUTES

Thursday, February 10, 2022

Called to order at 4:00 pm by Ms. Kronau

Staff in attendance: Brian Turbitt, Director of Finance; Rich Sears, Deputy Director of Finance Mariya Basheva, Financial Analyst; Terry Norton, Town Minutes Taker

Attending Members: Kronau, Maury, Grause, Roche, Schaeffer, Glowacki, Vieth

Absent Members: McEachern, Harrington

Late Arrivals: Roche, 4:15 pm

Early Departures: Roche, 5:00 pm

Documents used: Draft minutes as listed; General Fund, Sewer, and County FY2023 Budgets; Warrant Articles for 2022 Annual Town Meeting.

Adoption of agenda.

Motion **Motion to Adopt.** (made by: Maury) (seconded)

Roll-call Vote Carried 6-0//Schaeffer, Grause, Vieth, Glowacki, Maury, and Kronau-aye

I. ANNOUNCEMENTS

II. PUBLIC COMMENT

1. None

III. APPROVAL OF PRIOR MEETING MINUTES

1. February 1, 2022

Motion **Motion to Reconsider the motion to approve.** (made by: Schaeffer) (seconded)

Roll-call Vote Carried 6-0//Schaeffer, Grause, Vieth, Glowacki, Maury, and Kronau-aye

Motion **Motion to Approve as amended.** (made by: Vieth) (seconded)

Roll-call Vote Carried 6-0//Schaeffer, Grause, Vieth, Glowacki, Maury, and Kronau-aye

2. February 3, 2022

Motion **Motion to Approve as amended.** (made by: Maury) (seconded)

Roll-call Vote Carried 6-0//Schaeffer, Grause, Vieth, Glowacki, Maury, and Kronau-aye

IV. REVIEW AND DISCUSSION OF FY2023 BUDGETS

1. General Fund

Speakers Libby Gibson, Town Manager
Ken Beaugrand, Real Estate Specialist
Tucker Holland, Municipal Housing Director
Gregg Tivnan, Assistant Town Manager for Strategic Projects
Karen McGonigle, IT Manager
Jeff Carlson, Director Natural Resources
Leslie Snell, Deputy Director of Planning
Nancy Holmes, Town Clerk
Roberto Santamaria, Health Director

Discussion **Gibson** – Reviewed personnel within the Town Administration.

Town Admin

Goals: Strategic planning priorities and implementation, continue develop plans to address barriers to recruitment and retention, develop Coastal Resiliency Plan (CRP), adopt municipal facility

strategies for centralized and efficient government operations, work to maintain Town operations and communication with regard to COVID, and accelerate sustainability efforts for the community.

FY2022 initiatives & accomplishments: Strategic Plan, CRP, hired Diversity, Equity, and Inclusion (DEI) Director Kimal McCarthy, Procurement effort for year-round employee housing.

Presented a department overview of significant changes year-to-year and key issues. Housing, cost of living, and the “great retirement” exodus from the work place are all impacting hiring and retention. Municipal space is a growing issue and looking at possibly renting office space.

FY2023 Priorities: Strategic Plan, DEI Strategic Plan, CRP recommendations, hire a Sustainability Officer and Chief Environmental Health Officer, and housing and cost-of-living solutions. Reviewed the significant changes year to year and key issues.

FY2023 Town Admin Department Exceptions:

Capital Projects: \$6m for 2 Fairgrounds municipal office design, \$250,000 for town-wide document management system, \$8.5m seasonal and year-round employee housing design, \$500,000 for new senior center feasibility and design, \$2m for PFAS groundwater soil investigation, \$50,000 for a new vehicle-Parks and Rec Manager, \$500,000 for Senior employee housing feasibility study, \$500,000 for coastal resiliency planning, \$1.5m for Baxter Road relocation planning, and \$500,000 for Island-wide Underground wiring feasibility study.

Operational Expenses: \$150,000 for Baxter Road relocation planning management, \$50,000 for professional services increase, \$200,000 for Nantucket Regional Transit Authority commuter shuttle, \$40,000 for historic sidewalk preservation & repair study, \$30,000 for Nantucket Community Television (NCTV) additional support services, \$30,000 for Delta playing fields lease, \$1.5m for office space lease, and \$500,000 for Select Board Strategic planning initiatives.

Tivnan – Phase 2 of the E-documents is with the Sewer Department.

Schaeffer – Asked if the Town was involved in the purchase of 32 lots for \$230,000 per lot at the Richmond Group property.

Holland – That was a private deal we weren’t involved in and he can’t confirm the pricing. We have had conversations in the past about purchasing some of their property.

Beaugrand – There are some restrictions based upon permission; they are required to have a specified number of affordable houses.

Schaeffer – Asked about the rebuilding the Senior Center.

Gibson – The Feasibility Study would look at renovating the Our Island Home (OIH) for that use or build a new center at that site. It will not remain in its current location.

Grause – The design cost for OIH and 2 Fairground office space, asked if the multi-million-dollar costs for design work seems to have exploded.

Turbitt – The ask for \$6m 2 Fairgrounds and \$8.5m for OIH is not strictly design, we also need to engage an owner project manager (OPM) through the constructive phase as well. It’s roughly about 12% depending on size and ultimate goal.

Kronau – She added up \$15m for design and OPM. Her questions are about the outlook for capital in the outyears.

Turbitt – There are a number of large-scale projects coming down the road.

Gibson – Municipal construction is very expensive because of code requirements and procurement costs that are not found in normal construction. The trailer is there until the “bitter end.” We might try to keep it where it is, but we have a plan to move to the Landfill for TIOLI. We need meeting space for in-person meetings; that trailer will be outfitted for that purpose for the short term.

Housing Department

Holland – Reviewed the department’s mission.

Department Goals: Continue certification under Chapter 48B, determine the demand/supply at the full range of workforce income levels, and develop strategy to increase homeownership opportunities for middle-income workers.

FY2022 Initiatives & Accomplishments: broke ground on 31 Fairground Road, Richmond Wildflower Acceleration is underway, ownership opportunities 8 White Street, on track to close on 12&12R Bartlett Road, and tax credits have been awarded and closing by May or 6 Fairgrounds Road.

FY2023 Priorities – rental property at 135 & 137 Orange Street, 14 rental apartments at Vesper Lane, 12 rental apartments at 12 & 12R Bartlett Road, and Establishment of the Community Land Trust.

Reviewed the Housing Department budget details – \$188777 total payroll and \$463,777 total operating

FY2023 Exceptions: Capital has one project \$1.6m for Affordable Housing; there are 3 funding articles associated with this.

Finance

Kronau – Asked to keep it to FY2023 priorities and exceptions.

Turbitt – Reviewed Goals: continue to generate reliable financial statements, develop and roll-out the on-line budgeting platform, and continue development of design changes to the capital planning software to facilitate user friendliness.

FY2023 Priorities: achieve unqualified audit and attain Annual Comprehensive Financial Report designation, ensure all Department of Revenue schedules are complete and submitted in a timely manner, issue and process and collect Town-related invoices, develop a strategic plan for all departments to include succession planning, develop and deploy effective procurement and contract monitoring system, and build a forecast and funding strategy for CRP and other large capital projects.

FY2023 Finance & Operations Department Exceptions: Positions – asking \$114, 696 for a Procurement Administrator and \$98,540 for a Treasury Accounting Clerk. The procurement Administrator would focus on contract management. We had this position prior to COVID; this person would be responsible for posting all cash receipts and ensure the money is deposited. The Town collects about \$140m a year which comes through our office; that means about 9,000 individual cash receipts that need to be processed.

Roche – About the funding of some capital projects and CRP, she suggested we have a filtering process on how we rank these projects through urgency and cost. Asked how he sees that filtering process and funding solutions.

Turbitt – Every project put forward to CapCom goes through an internal ranking process tying it to a management or strategic plans. He's looking at \$900m costs associated with coastal resiliency resulting in over \$1b in projects. He doesn't know how we would fund all those CRP projects. We're looking at the projects and deciding which we have to do immediately, and which can wait for down the road. We can't fund those projects on our own and may need to come to the recommendation we need a grant writer who focuses on doing that.

Roche – Thinks he touched upon including a grant writer in the personnel plan; as grants come available for Coastal Resiliency, it would be better for us to be first in line. If you can get a part-time grant writer into this budget, it would be beneficial.

Human Resources

Gibson – Department goals are: efficiently administer Human Resources (HR) Town Policies and programs, work on recruitment and retention, and align personnel management and contract negotiations.

FY2023 priorities: hope to be able to implement the Compensation and Classification Study recommendations, apply the DEI Strategic Pan, and update policy to uphold compliance with State and Federal law.

FY2023 exceptions: \$133,000 for an Assistant Human Resources Director. We have a report that lays out the capacity of employees per staff; we don't have enough HR staff, especially now with complicated mental health issues, physical health issues, and work issues. A lot of national events impact our work force.

IT & GIS

McGonigle – Reviewed department goals: provide reliable and secure access to information and technology services, improve cybersecurity to protect Town assets from cyber threats, utilize technology to support integration of town processes and efficiencies such as E-permitting, MUNIS, GIS, and records management, and maintain and improve network infrastructure.

FY2023 Priorities: cyber security, exchange email upgrade and migration to cloud, upgrade the wireless network as the current one ages out, assess and improve upon connection of departments via fiber and/or wireless, and continued upgrade and monitoring of business-critical applications. Local municipal governments have become a high target for cybercrime; we've increased our cybersecurity training.

FY2023 Exceptions: under positions, asking \$122,920 for an IT Security Systems Administrator to focus on monitoring, mitigation, and litigation in the event of an actual attack.

Under Capital, asking recurring \$50,000 for maintenance of network infrastructure, \$75,000 for server virtualization and maintenance, \$62,000 for replacement of Town computers, \$170,000 for GIS digital imaging updates, and \$200,000 to replace the public wireless network.

Under Operational Expenses, asking \$22,500 for the multi-factor authentication implementation services, \$22,000 to migrate Exchange mail server to Office 365 cloud environment, \$17,000 multi-factor authentication licensing and hardware tokens, \$50,000 for cybersecurity services, \$37,500 to upgrade Exchange mail server to Office 365 cloud environment and Azure AD to Premium P1, \$30,000 for TeamDynamix project portfolio management software annual maintenance increase, \$11,000 for the Comcast internet service for three WiFi hotspots, and \$20,850 for a 5% increase for existing Professional Services.

Grause – Asked what happens to obsolete/used equipment.

McGonigle – We use computer and laptops until they depreciate to Zero; the hard drive is removed and destroyed. Wireless equipment ages out to be obsolete and then replaced.

Natural Resources

Carlson – Two critical departmental goals are one, looking into formalization of the sustainability program and coordinate the inter-departmental sustainability initiatives, and two, develop programmatic grant writing to best identify grants and other alternative funding for Natural Resources projects.

FY2023 Priorities: re-organize the department to include a sustainability function, continue collecting and evaluating environmental and habitat data, and develop future programs and initiatives.

FY2023 Exceptions: looking to reorganize the department so asking for 3 positions - \$122,920 for a Conservation Agent, \$138,000 for a Sustainability Manager, and \$49,271 for Public Outreach specialist. We've asked for the specialist several times; they would focus on education and licensing.

Kronau – She thinks the outreach position is essential; from the discussion on fertilizer to understand environmental topics, the more education the better.

Carlson – It has been helpful to move into the same building with Health; we coordinate and talk a lot.

PLUS

Snell – Reviewed goals: continue to improve efficiency in processing, inspecting, and issuing permits, continue professional development of staff and promote inter-divisional knowledge, and achieve additional operational efficiencies.

FY2023 Priorities: continue to update 2009 Master Plan, fill the Transportation Program Manager and/or Transportation Planner position, and update Historic District Commission (HDC) historic surveys.

FY2023 Exceptions: under personnel requesting \$10,000 increase for overtime and \$107,387 for a Land Use Specialist/Zoning Administrator. The Specialist position was funded; the money was moved around, now asking for it again; most of the funding is in our budget now.

Under operational expenses: asking \$25,000 to update the HDC historic architectural surveys, \$100,000 to update the 2009 Master Plan, and \$30,000 for the replacement of a 2007 PLUS vehicle. We have gotten some grants for the survey update. Work on the Master Plan was delayed due to COVID and delayed census information.

Kronau – Asked where in the budget are the legal fees for suits against the Town.

Turbitt – That is in the General Legal Fund.

Grause – Asked if the K&P Law fees are spread across the departments or centralized budget and what do we pay them.

Turbitt – The vast majority is in the centralized account, which is about \$500,000; the Town budget handles everything. Enterprise Funds have their own legal lines.

Town Clerk

Holmes – Reviewed goals: continue to provide public access to Laserfiche public archive and reduce the amount of paper storage in the Off-site storage unit. The State has made new rules regarding document retention schedules.

FY2023 Priorities: prepare an official and standardized training for election workers and arrange in-person and/or virtual training sessions for workers and track attendance.

FY2023 Exceptions: under operational expensed, asking \$9,000 for sound and microphone equipment for ATM and \$26,000 for an E-voting service for ATM. The Senate hasn't passed the Vote Act so doesn't know what will happen with expenses for vote-by-mail and absentee ballots.

Culture & Tourism

Gibson – There is only one expense increase and that is \$12,550 for the fireworks contract.

Turbitt – The contract has gone up to about \$65,000 for about 20-30 minutes and includes the barge.

Health & Human Services

Santamaria – Departmental goals are to provide a comprehensive approach to Island-wide environmental health responses such as PFAS and robust inspection and permitting programs and provide community health programs which respond to social issues such as infectious diseases and mental health issues.

FY2023 Priorities are to continue to monitor infectious diseases on Nantucket and promulgate environmental protection regulations. We are looking to secure State grants that cover infectious epidemiology and food auditing to standardize inspections. We need to update our regulations regarding fertilizer, PFAS, and water quality.

FY2023 Exceptions: under personnel asking \$153,000 for a Chief Environmental Health Officer, a position formally filled by Artel Crowley, and \$49,271 for a Public Outreach Specialist as described by Mr. Carlson. Under capital items, asking \$100,000 to replace a 2007 inspector vehicle and purchase a new inspector vehicle.

2. Sewer Speakers Discussion

David Gray, Sewer Director

Gray – We have 4 departmental goals: meet State mandated discharge limits; continue with Capacity, Management, Operations, and Maintenance CMOM repairs, replacement, and lining projects; continue implementation of the Comprehensive Wastewater Management Plan (CWMP); and successfully complete the sewer projects – surfside, Sea Street Force Main, and South Shore gravity sewer. We will be taking the lead on the Children's Beach storm water CMOM assessment to know what's in the ground and what needs to be done.

Reviewed the FY2022 Initiatives.

FY2023 Priorities: 3rd Force Main from the Sea Street pump station, Baxter Road utility relocation planning, continue planning for PFAS/PFOA issues, continue planning and design with the Sewer Master Plan, and perform the coast-line survey in from of the Surfside Treatment Facility and start planning for related coastal erosion. In one year, we lost 25' to 30' of frontage.

FY2023 Exceptions: Capital items include \$1m for Surfside membrane upgrades, \$2m for the CMOM, \$50,000 for water-tight sewer manholes, \$500,000 for design of a new garage

maintenance facility, \$2.5m for PFAS removal and treatment, and \$100,000 for replacement of the main generator radiator at the Surfside facility. Under operations asking for \$15,000 for repair and maintenance of the waste-water equipment, \$45,000 for waste-water chemicals, and \$15,000 for repair and maintenance of sewer equipment. Chemicals is our biggest ask because can be very difficult to get; citric acid was unavailable except for food.

Vieth – Noticed that non-health insurance went up; asked why.

Turbitt – It is due to changes in buildings and increased risk; we’re facing that across the Town.

Grause – He noticed the staff getting multiple operator licenses; asked if he has issues with recruitment and training and about the capacity in the two sewer plants.

Gray – Trying to recruit can be tough, especially for someone with experience. Luckily, all our recent hires are local. He has one of the fully staffed departments, but benefits are a big perk in keeping people. Regarding capacity, Surfside is removing a lot of I&I daily, which gives us greater capacity; in ‘Sconset we saw a bump during the peak of COVID but now are back to our normal winter numbers. The biggest issue with capacity is material for repairs and chemicals.

Glowacki – Asked about the situation regarding erosion control.

Gray – We lost 20 to 30 feet in the last year based upon a survey from Jan 2021 and this year. In his 14 years there, he hasn’t seen that. The rip that used to be off the end of South Shore Road is now in front of us. We are working with Vince on Coastal Resiliency and reached out to the DEP director; it’s about 140’ from the beach to the closet bed. It’s all due to the increase in southeast winter storms.

Kronau – She’s impressed by the number of new certificates his staff are getting.

3. County Discussion

Turbitt – Review the FY2023 Nantucket County budget.

Revenue sources are Town Assessment, deeds excise revenue, recording fees, corrections deeds excise, Registry of Deeds Excise Fund balance, and County Fund balance. The total projected revenue is \$1.2m. The County Funding Requirement is by law, the County must provide a certain amount of non-deeds excise revenue to the Registry, which increases by 2.5% per year, and the FY2023 County funding requirement from Registry starts at \$354,706.

FY2023 projected expenses: County Administration is asking for \$258,984, which is for mostly legal and professional service; the Registry of Deeds is asking for \$523,679 for 3 full-time employees, administrative expenses, and Deed Excise/special projects; and asking for \$250,000 for the Public Safety Facility debt service. The total expenses are about \$1,1m.

Compared the FY2022 budget to the FY2023 budget.

Kronau – When we approve this, we have to open and close as a county meeting.

V. REVIEW & DISCUSSION WARRANT ARTICLES FOR 2022 ANNUAL TOWN MEETING (ATM) POTENTIAL ADOPTION OF MOTIONS

Moved to another meeting.

VI. COMMITTEE REPORTS

- 1. Capital Program Committee: Vieth

VII. NEXT MEETING DATE/ADJOURNMENT

Date: Monday, February 14, 2022; 4:00 p.m.: real estate articles

VIII. OTHER BUSINESS

- 1. None

- 2. Adjournment:

Motion **Motion to Adjourn at 5:15 pm.** (made by: Maury) (seconded)

Roll-call Vote Carried 6-0//Schaeffer, Grause, Maury, Vieth, Glowacki, and Kronau-aye

Submitted by:

Terry L. Norton