



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, July 11, 2019

4 Fairgrounds Road, Training Room – 11:00 a.m.

Called to order at 11:10 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, McEachern, Lowell

Absent Members: Bridges

Early departure: Lowell, 11:28 a.m.

Documents used: Copy of minutes for July 6 & July 13, 2019; Sample RORI; Green sheet.

Agenda adopted by unanimous consent.

I. PUBLIC COMMENTS

None

II. APPROVE MINUTES

1. July 6 and July 13, 2019: No action taken.

III. DISCUSSION OF RORI USE AND GUIDELINES

Discussion **Welch** – Cited examples of reports that support the Town Strategic Plan.

Woodley-Oliver – We reference the Select Board Strategic Plan; she doesn't think there are departmental strategic plans.

Welch – There is a disconnect with the Select Board Strategic Plan, which can change in three years when we are planning 10 years out. We are focusing on strategic plans approved by public bodies and the Select Board and voted on at Town Meeting. To the extent a department's funding fits into the plan, it should be ranked at a higher priority.

Lowell – Strategic plan has become a buzz term for departmental plans when it doesn't have the significance of the Select Board Strategic Plan.

Welch – We often get hung up on the term, scheduled replacements when talking about computers, wheeled stock, anything that can be determined as having a useful life and which its replacement can be planned and budgeted for in out years. One role CapCom haven't gotten into is looking into other areas of financial policies and procedures and budgeting for the 10-year plan as it impacts the Town's debt and Proposition 2½.

Kaizer – Asked if the Town Pier was scheduled for replacement; he thought it was repaired/replaced due to storm damage. As an item for scheduled replacement, he thinks its ranking should be less as opposed to the ranking for equipment; we know it will have to be replaced at some point in the future and should get partial credit as a scheduled replacement.

Welch – It was a topic of discussion for many years but was made necessary due to storm damage; we are trying to redirect that into planning for future repair/replacement. In terms of schedule replacement, he wouldn't differentiate between something that needs to be done and an undocumented scheduled replacement. Feels there is a need to incentivize department heads to do long-range planning; otherwise we are supporting the process of "putting out fires" without planning.

Kickham – We know the Nantucket Fire Department will replace ambulances and they have that on a schedule; the Department of Public Works (DPW), on the other hand, replaces equipment on an as-needed basis. We need to come up with a definition for “Scheduled Replacement.”

Welch – That is a part of what we need. The DPW uses Scheduled Replacement for fleet management in a different way than the Fire Department; we need to identify that the definition is for use in the Capital Improvement Program (CIP). By using yes-or-no, we’ve taken the valuation matrix away from nullifying the validity of other projects. By reviewing once a year, can we add components such as how it fits into our debt plan. The RORI will become instrumental in our operations. People need to understand, believe in the integrity of, and have confidence in our process. This is part of the plan to make the process transparent and getting information out there.

Turbitt – Maybe next year, Schedule Replacement could be a criterion to expanded to account for request three years out (as opposed to 10 years) in advance and account for it in the rankings.

Welch – He has two things to say: one, that is a discussion to have; two, that part will be educational to the department heads to keep it simple and meet our definition. We need to be careful how we address it.

Hussey – It would be helpful for him to be walked through the mindset on assigning percentages.

Welch – Used the Town Pier supplemental funding as an example to explain how he assigned percentages to the categories and subcategories.

Kickham – To him the Town Pier isn’t part of the Island’s heritage but part of the infrastructure like boat ramps. In a broad sense, one could consider everything on the Island to be part of the Island’s heritage; feels this subcategory should also have a definition.

Discussion about what constitutes Heritage-Tradition-Culture-Legacy and it is a personal choice.

McEachern – Once you look into a project, to him, it’s all about operations when he is doing the rankings.

Welch – One area that will go on the RORI is extrapolation of the cost into a rank: cost of operations and alternatives. Yearly review of the RORI should be done in March or April. The Town needs to plan out 10 years, so we can plan for debt obligations.

Discussion about subcategory Scheduled Replacement.

Welch – Using the CIP Request Form database, Mr. Turbitt should be able to project the Town’s debt out 10 years and provide the CapCom with a report to ascertain if the Town will need a reserve up to 5 years in advance. For the record, we can be constructively critical without being critical; this is an articulating plan with the element of constructive criticism. There are methods to accomplish a reserve; that is a discussion for another time. Just because something is scheduled for replacement after 10 years doesn’t mean it must be done at that time; if it’s on the 10-year plan, as we approach the scheduled replacement time, we can ask if that is still necessary or can be pushed out further.

Discussion about continuing the discussion for the next meeting.

Welch – Asked that introduction on on-line RORI be added to the agenda.

IV. GREEN SHEET/COMMITTEE REPORTS GREEN SHEET/COMMITTEE REPORTS

Discussion None at this time.

V. OTHER BUSINESS

1. Date of Next Meeting: July 18, 2019, 10:00 a.m. location to be determined.

Adjourned at 12:06 p.m.

Submitted by:

Terry L. Norton