



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 ~~

Tuesday, February 1, 2022

This meeting was held via remote participation using ZOOM and YouTube.

Called to order at 4:02 p.m. and announcements made by Ms. Kronau

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

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

Absent Members: McEachern

Documents used: Departmental FY2023 Operating Budgets

Adoption of agenda

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

Roll-call Vote Carried 8-0//Schaeffer, Grause, Vieth, Harrington, Glowacki, Maury, Roche, and Kronau-aye

I. PUBLIC COMMENT

1. None

II. REVIEW AND DISCUSSION OF FY2023 GENERAL FUND, ENTERPRISE FUNDS, AND SPECIAL REVENUE FUNDS OPERATING BUDGETS

1. Nantucket Police Department/Harbor Master/Office of Emergency Management

Dept. Head Chief William Pittman

Deputy Chief Charles Gibson

Discussion **Turbitt** – We left off Saturday, January 29th after Chief Pittman’s presentation.

(4:07) **Glowacki** – Asked if the 2 officer positions are incremental to the 2 open positions. Also, is that what you can hire or what you have the budget for.

Pittman – That would bring us up to 43 police officers; the 2 positions would allow staffing at the Airport which has become the victim of the short staff. We could always you more people but finding them is the problem.

Glowacki – Regarding the 5 requested lifeguards, asked if there is data on rescues outside the patrolled core areas.

Pittman – He doesn’t have the number in front of him; he’ll get it to the Commissioners. Taking the combination of lifeguarded beaches and adding them up, the number of rescues is greater than the outside areas. In the unguarded areas, rescues are made based upon phone calls.

Glowacki – Asked what constrains the hiring of lifeguards to 5.

Pittman – We are considering opening a post in one currently unguarded area; the 5 would be to fill that.

Glowacki – Regarding another detective, asked what the impact or loss is when there aren’t sufficient detectives.

Pittman – They are incremental in solving crimes.

Roche – Regarding the business license inspector, asked if this is a promotion for the coordinator.

Pittman – We’ve had a series of reorganizations in the Business License Division. There never was a coordinator; we are asking for a license inspector.

Roche – Regarding the renovation of the Harbor Master building, asked if the supplemental funding is additional or was voted in last year.

Pittman – This is additional; the bids were way over what was appropriated.

Gibson – If it passes Town Meeting and the ballot, we can put it back out to bid in late August, get started with the demolition in fall, and move construction through 2023. We were in front of Coastal Resiliency; the building is in VE-11, which is a FEMA velocity zone. We were able to use an innovative foundation that allows floodwater to pass through without impact on stability of the building.

Roche – Asked the additional expense beyond the original vote.

Gibson – The bids came in at \$6m. The original appropriation was for \$3m.

Pittman – Saturday’s winter storm was an example of why the building has to be replace; floodwaters went through the building and severely compromised the floor structure; we are doubtful we can open the toilets and showers.

The Town Pier is not as bad as people think; about 20’ of decking was dislodged at the end of the pier and numerous planks knocked loose. We expect it to be put back together before the Season and expect repairs to cost to be no more than \$50,000.

2. Nantucket Fire Department

Dept. Head Fire Chief Stephen Murphy

Discussion **Murphy** – Reviewed departmental goals: professional development, development of (4:20) specialized rescue services, and continued development of a comprehensive wildfire protection plan.

FY2023 Initiatives include: Advanced Life Support, develop and rebuild the department’s call members, and professional development.

FY2023 Priorities include: continue to grow the department’s Advanced Life Support (ALS) ambulance services and train and certify new paramedics; continue to provide the opportunity for members to participate in professional development programs; and develop a program with the Labor Union to address the health and wellbeing of our members.

Overview of numbers and significant changes year to year – increase in calls for service, fire response calls for service, and emergency medical services.

FY2023 Exceptions

Personnel – Part-time administrative specialist to full time, additional 2 firefighters/paramedics, and increase overtime.

Capital – replace Self-contained Breathing Apparatus (SCBA), Advanced Life Saving Equipment, replace Ambulance 3, Technical Rescue Equipment, Active Shooter Response protective equipment, Firefighting foam-disposal and replacement (PFAS free), replace Utility Truck, and Utility Terrain Vehicle (UTV). Withdrew the request for replacement of portable radios.

Operational – Rope Rescue Equipment and Safety and protective gear, alternate to structural firefighting gear.

Schaeffer – Asked why the health insurance costs are so low.

Turbitt – Health Insurance is in a separate general fund budget item. The payroll taxes are allocated to each department.

Schaeffer – Asked if the numbers are net with disposal of old.

Murphy – The old equipment would be put out to bid with surplus going back into the fund.

Schaeffer – Asked if all the new big houses are putting the department in an awkward position.

Murphy – A lot of these houses are commercial sized and made of light-weight composite materials. How we access them, run hoses, and how aggressive we are impact our operation. We are talking to the Nantucket Builders Association about installing home sprinklers.

Kronau – Asked how the actuals are looking.

Murphy – Personnel is fine; operations is on edge because of repairs to the ladder truck.

Grause – There was a lot of debate about moving the fire station and talk about remote locations; asked how operating at the new location and response times are working out.

Murphy – He hasn't seen any large change. His people are good about not using Newtown Road. Our response times aren't negatively impacted. How we staff and respond is our best use of manpower and equipment.

Grause – Asked about any big capital requests coming up.

Murphy – Replacing the ladder truck is coming up in a couple of years.

3. Nantucket Water Company (NWC)

Dept. Head Mark Willett, Manager NWC

Discussion **Turbitt** – Noted this is the first year with the consolidated budget.

(4:43)

Willett – Goals for FY2023: complete Airport water main project, continue planning of water main west of the Airport; and continue groundwater investigation and model.

FY2023 Initiatives: incorporate solar power and continue cooperation with other departments while planning large projects.

FY2023 priorities: keep all employees safe, maintain water quality through sampling and improve the water distribution system.

Exceptions: our only capital project will come out of retained earnings: water service to Delta and Nobadeer Playing Fields. Operating - salary increase \$15,000; increase in electricity & propane, building maintenance and repair, operations, water sampling will increase because due to rise in PFAS testing, field work-water, building and equipment and add new equipment.

Vieth – Asked for an explanation on how the hook up to the water main will occur west of the Airport and are homeowners paying for all the tie in and are people required to hook up.

Willett – Right now, the Airport is covering the cost of the current water main project and the material is at a reduced cost for anyone who chooses to do so now. When we run a water main down a road, it is not mandatory to tie in.

Vieth – Asked if water quality testing is increasing in connection with real estate sales.

Willett – He's getting a lot calls about private wells and what the sample results mean. More and more people are picking up the idea of what is and is not in their ground water. We don't do private well sampling. We discovered PFAS through the Massachusetts Department of Environmental Protection (DEP) Unregulated Contaminant Rule; we continue to search for emergent contaminants.

Grause – The projected revenue for FY2023 is about \$800,000 increase, asked if that is water sales or rate change.

Willett – We haven't changed our rates; the increase in water sales and connection fee. Also, there's a fee attached to the Fire Service Connection; the number of those have increased.

Grause – Two staff members are retiring; asked what the concerns are about recruitment.

Willett – It's not hard to fine people, it's hard to find housing and keep people. The people who will move into those spots have been here 16 years. We encourage home-grown applicants. We're looking at using retained earnings to purchase a home or build a home on the property. We currently have employee housing.

4. Nantucket Memorial Airport Enterprise Fund

Dept. Head Tom Rafter, Airport Manager

Dan Drake, Airport Commission

Discussion

(5:00)

Rafter – FY2023 Goals: complete construction of Taxiway E, decommission Runway 12-30; continue PFAS work; and complete design for employee housing/crew quarters. Other goals include: complete terminal optimization study, Taxiway G relocation, gate 8/Hangar 8 paving, expand non-aeronautical revenue generation, develop available hangar sites, and complete non-standard geometry study.

FY2023 Initiatives & Accomplishments: continue Taxiway E construction, complete security project, and begin fuel farm rehabilitation. Other initiatives include: implement new rates and

charges, institute new airline lease agreements, continue non-aeronautical development on Bunker Road, and complete HVAC controls project.

FY2023 Priorities: Safety & security, quality service, financial sustainability, public health and environmental mitigation, and improved air service.

FY2023 Department Overview: significant increase in activity with less staff, continued staffing availability challenges, and continued increased costs with PFAS program requirements. Key issues include: accommodating growth in both commercial and general aviation traffic, continued ferry competition, rates and charges – cost recover, funding the National System – FAA Funding/State Funding/CARES Act Funding, and fuel capacity and supply chain issues.

FY2023 Exceptions Capital Items: Nobadeer Farm Road housing development-design and OPM, maintenance equipment/vehicle purchase, TSA flooring replacement, IT and Equipment upgrades, paint and beads and rubber/markings removal, south apron noise berm construction, A220 gate hardstands, Gate8/Hangar 8 paving, permitting for Airport Layout Plan (ALP) update projects and Runway 6-24 reconstruction – AIP, commuter apron reconstruction – AIP, terminal improvements – AIP, Airport rescue and firefighting truck – AIP, direct digital control system for terminal geothermal (supplemental funding), and Airport Master Plan – AIP.

FY2023 Proposed Budget. It looks like a huge anomaly in payroll but a \$2.1m Airport Cares Act grant is not shown. Professional services expense is increasing. Reviewed actuals: retained earnings look good and haven't done a debt service in a number of years. Trying to position ourselves to receive as much Federal money as possible for terminal improvement. No major changes in staffing; no new positions but hoping to back fill.

Harrington – On some of the upgrades, especially the south apron berm, asked the timeframe to start work.

Rafter – We have to go through a permitting process so start of construction is probably a couple of years out.

Maury – The presentation was very clear. We're not seeing any major revenue changes. Asked to highlight the one major opportunity and one major threat.

Rafter – The major opportunity is we are a high-end leisure market. One of the biggest threats is the law-enforcement challenge if we can't get police out here.

Maury – Asked if flights can't be accommodated unless a police officer is present.

Rafter – We are required by TSA to have a police officer present during screening activities. We are trying to get a waiver for off-site response; we could only get that till about May 1. The Airlines have serious concerns about that.

Grause – Asked for an update on what the Airport owes the Town regarding money loaned to balance their books several years ago.

Rafter – Our annual payment is \$235,000 with about \$4m outstanding. He recommends the Airport try to knock that down by advancing payments; we are currently in a position to do that.

Turbitt – It is in that vicinity. The payment of \$235,000 yearly can be offset if the Town uses material from any Airport work; we have taken advantage of that arrangement.

Vieth – Asked for an explanation on the accounting of Airport payments for the water hook up.

Rafter – We have a contract with Robert B. Our. We are paying for those wells that tested above a certain amount. Our PFAS costs are about \$6m with the watermain being about \$3m of that. We will be updating on our PFAS program at the Feb 8 Commission meeting.

Schaeffer – Asked how many people commute by plane.

Rafter – He thinks right now it's just UPS and Marine Home; those are charter aircraft. We also have a lot of medical personnel who come in once a month by charter.

Kronau – The fuel expense went up 40% and is expected to continue to rise in the coming year; asked what the Fuel Revolver is expected to be.

Rafter – The increase will be connected to price; looking to increase the revolver cap to \$6m. Between the Operating and Revolve Funds we have a \$9m in fuel; some will go towards the Fuel Farm and we'll need to fund the change-over.

Vieth – Asked if every non-aeronautical commercial space available is leased out.

Rafter – We still have some non-aeronautical land available.

Kronau – Of Capital projects, asked if all the projects were approved and prioritized by the Capital Program Committee (CapCom).

Rafter – He believes so; the majority of our capital projects receive 95% Federal and State funding. During COVID, 100% of Taxiway Echo was funded.

5. Sewer Enterprise Fund

Dept. Head David Gray, Sewer Manager

Discussion **Turbitt** – Sewer will be rescheduled for a future meeting.

Kronau – Asked what happens if we find out later that some of the capital projects were not recommended by CapCom.

Gibson – CapCom recommends, they don't approve.

Vieth – To her knowledge, CapCom is not recommending the Airport housing project.

III. COMMITTEE REPORTS

None

IV. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, February 3, 2022; 4:00 p.m.

School Budget, Articles 38, 80, and 81.

February 8th, we will review 7 articles with legal issues.

February 14th & 15th, we have the Planning Board and Real Estate.

V. OTHER BUSINESS

None

VI. ADJOURNMENT

Motion **Motion to Adjourn at 5:27 pm.** (made by: Roche) (seconded)

Roll-call Vote Carried 8-0//Schaeffer, Grause, Roche, Vieth, Glowacki, Harrington, Maury, and Kronau-aye

Submitted by:

Terry L. Norton