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October 21, 2016

Libby Gibson
Town Manager
Town of Nantucket
16 Broad Street
Nantucket, MA 02554

Re: Information for BOS Meeting

Dear Libby,

Please find attached an updated chart that summarizes the various alternatives we have discussed thus far. The intent is to provide you information that can help in your discussions with the Board of Selectman.

The attached chart highlights the financial outcome of different scenarios, ranging from development of 40 skilled nursing beds in either a traditional/institutional building or small house model, to the development of 30 skilled nursing beds and 10 assisted living units.

If you have any questions, please do not hesitate to reach out to either Jude or myself.

Regards,

A handwritten signature in black ink, appearing to read 'Toby Shea', is written in a cursive style.

Toby Shea

cc: Jude Rabig, Rabig Consulting

**Our Island Home
Scenario Analysis**

Financial

Scenario:	Current State	Traditional - New Site	Small House - New Site	Small House - New Site
Number of SNF Beds	45	40	30	40
Number of AL Units	-	-	10	-
Project costs (Uses)	-	18,461	23,864	23,864
Cash Flow:				
Stabilized year of 2020:				
Operating revenues	\$ 4,373	\$ 3,894	\$ 3,327	\$ 3,894
Operating expenses	(8,827)	(6,723)	(5,178)	(5,820)
Loss from Operations	(4,454)	(2,829)	(1,851)	(1,959)
Debt service	-	(795)	(1,203)	(1,203)
Routine capital	(150)	(40)	(40)	(40)
Net Cash Flow	(4,604)	(3,664)	(3,094)	(3,202)

Demographics

Please note that the extensive demographic information which was presented in our initial report generated the recommended 30/10 mix of SNF and AL. This model was aimed at meeting projected service needs and included the calculation that Sherburne Commons and the hospital were meeting or had the capacity to meet some of the long term care needs.