Town of Nantucket
Capital Program Committee
September 14, 2023 Minutes

Members: Stephen Welch, (Chair) Peter Kaizer, (Vice Chair), Howard Matz, Jill Vieth, Brooke Mohr, Christy Kickham, Barry Rector

Staff:	Susan Carmel, Assistant Finance Director
Attending Members:	Stephen Welch - *Chair*, Peter (PJ) Kaizer – *Vice Chair*, Christy Kickham – *Secretary,* Howard Matz, Brooke Mohr – Select Board Representative, Barry Rector, NP&EDC Representative, Jill Vieth, Finance Committee Representative
Absent Members:	-
Documents Used:	Departmental Capital Request Spreadsheet

Chair Welch called to order at 1:00 p.m. and made the audio/visual announcements.

I. APPROVAL OF AGENDA	
Motion:	**Motion to Approve, as submitted. (made by: Rector)**
Roll-Call Vote:	Carried 6:0//Welch, Mohr, Matz, Rector, Kaizer, Vieth (Aye)

II. PUBLIC COMMENT
Welch called for public comment. (None)

III. FY25 CAPITAL REQUESTS AND OUT-YEAR DISCUSSION: POLICE AND FIRE DEPARTMENTS

Discussion:

Deputy Police Chief, Charles Gibson, provided a brief overview of each of the requests as outlined below:

Public Safety Auxiliary Building

- Public Safety Auxiliary Building: Initially proposed as an additional structure during the 2009-2010 construction of the police station, this combined police and fire facility was dropped due to budget cuts.
- Integration into Fire Station Project: Later attempted to be included in the fire station project but abandoned again when the bids exceeded budget.
- Reintroduction of the Project: The necessity for the building has been underscored by Fire Chief Cranston, highlighting the needs for equipment storage and vehicle maintenance. The project has been reintroduced to address these issues.
- Cost Considerations: Delay in execution has led to rising costs. A current professional cost estimate and previous bids have been incorporated into the town's capital project management software.
- Project History: The building has been a pending project for over a decade, reflecting ongoing community and administrative commitment to its completion.

Public Safety Technology Upgrades

- Technology Upgrades Necessitated by Security Concerns: Triggered by a significant hacking incident within the school department in late 2022, a thorough review of the town's computer systems, including those used by the fire department, was conducted.
- Implementation of Enhanced Security Measures: Upgrades included the installation of new security software demanding two-factor authentication, where users receive a login code on their phone or another device to ensure secure access.
- Compatibility Issues with Existing Hardware: The current computers, running Windows 10 or older operating systems, proved incompatible with the new security enhancements, necessitating the purchase of new machines capable of supporting these upgrades.
- Urgency and Scope of Upgrades: The requirement to replace computers is urgent to comply with updated security protocols, leading to a significant one-time expenditure. This is due to the need to replace multiple machines simultaneously to meet the new security standards.

- Fire Chief's Experience and Support: The Fire Chief has personally experienced issues with the older, slower computers and supports the comprehensive upgrade to more capable machines.
- Budget Impact: The cost is substantial because all computers need to be upgraded at once to handle the new security software effectively, highlighting the urgency and scale of this investment.

Replacement of Duty Firearms

- Out Years of Duty Firearms Project: The town is currently engaged in a project concerning the upgrading of duty firearms.
- Potential No-Cost Upgrade: There's an opportunity for a no-cost upgrade, as the vendor is interested in a trade arrangement, which may provide financial relief.
- Adjustment to Fiscal Planning: Initially earmarked for FY 2030 with a budget of $83,500, this expense could be deferred to FY 2034. This deferral could improve the appearance of the town's long-term financial projections.

Public Safety Building Maintenance

- Public Safety Maintenance (Painting): The town conducts maintenance painting of public safety buildings on a 10-year cycle.
- Previous Painting Coordination: During the construction of the fire station, contractors were also utilized to paint the police station building, capitalizing on the availability and timing of skilled labor.
- Upcoming Painting Needs: By FY 2029, the entire structure, likely including both the fire and police stations, will require repainting as part of routine maintenance to keep the facilities in good condition.

Deputy Police Chief Gibson – General Comments

- Technology Budgeting Approach: Typically, the town does not allocate specific numbers for technology in the out years' budget because technology needs are managed on an "as-needed" basis.
- Operational Budget Inclusion: Routine technology replacements, such as updating two or three devices at a time, are integrated into the operating budget rather than treated as capital expenses.
- Exceptional Circumstances for Current Upgrades: The current comprehensive technology upgrade, prompted by the need to implement two-factor security, is an atypical expense that arose unexpectedly. This requirement was not previously planned due to the complexities and user inconvenience associated with such upgrades.
- Delayed Implementation and Technological Limitations: The urgency of this security upgrade was underestimated, leading to a delayed response. The existing technology was found inadequate for these new security measures, necessitating significant and immediate upgrades.

Welch provided the following explanations:

- IT Capital Requests at Town Meeting: Information Technology (IT) capital requests presented at town meetings are typically not detailed by individual line items. Instead, they are categorized broadly under IT-related expenses in the annual warrant.
- Case-by-Case Considerations: An example provided involves vehicle purchases—whether to buy two vehicles in one fiscal year instead of one each year over two years. This flexibility shows some interpretive leeway in how capital requests are handled.
- Oversight and Decision-Making: Despite the broader categorization, it is crucial for town officials, particularly those involved in capital request reviews, to maintain vigilance and ensure that expenditures are justified and necessary, adhering to both the spirit and guidelines of capital budgeting.

Matz

- During the review of the RORI (Ranking of Relative Importance) data, a discrepancy was observed between two figures. The explanation mentioned $3.1 million for 2022, but the detailed breakdown showed $4.1 million.
- The question raised concerns whether the increased amount in the breakdown, specifically the $4.1 million, reflects an adjustment or projection for the year 2025, potentially accounting for an additional $1 million.

Deputy Police Chief Gibson

- Highlighted challenges related to escalating costs in municipal projects, using the Harbor Master building as a case study. This project has faced repeated issues with bids coming in higher than the funds allocated, requiring reinitiation from scratch.
- The process of public procurement and securing town meeting appropriations is described as problematic. The nature of this process involves constantly adjusting to changing cost estimates, which can lag behind real-time requirements due to the time taken from approval to construction.
- The finance committee requires precise figures to proceed, yet the dynamic nature of construction costs means that these figures can become outdated quickly, typically within a year and a half, making them unreliable for actual construction needs.
- The figure of $4.1 million is clarified as an "educated guesstimate," incorporating expected cost escalations. This estimate was provided by the estimating company, Bucknell Writer
- There is a recognition that any changes or updates to the architectural plans could influence bid amounts, likely increasing them. Redesigning would necessitate a new contract with an architectural firm, incurring additional costs.
- If presented with a specific budget (e.g., $3 million), the plan would be to construct a building that complies with Historic District Commission (HDC) requirements, focusing on foundational needs first and considering potential upgrades later.
- The urgency to provide shelter for certain vehicles is driving the decision to proceed with the 2018 plans. This approach is seen as the most feasible given current resources and requirements, emphasizing practicality in execution over ideal upgrades.
- The proposed facility will be heated, featuring radiant floor heating designed to maintain an ambient temperature of about 55 degrees Fahrenheit during the winter.
- The police will utilize the facility for storing three vehicles and various equipment such as light towers and generators, which are currently scattered across different locations on the island.
- The new facility aims to centralize maintenance operations and storage, providing a singular location for access and upkeep of essential equipment.
- The fire department has faced issues with equipment degradation, with generators rusting and deteriorating in the open due to exposure to the salt air prevalent in Nantucket.

Fire Chief Cranson

- Despite having a state-of-the-art facility, several vehicles are stored outdoors year-round, highlighting a shortfall in available indoor storage space.
- There is a clear need for more space to both perform maintenance on and store vehicles.

Welch

- Acknowledgment that initiating the project earlier would have been financially advantageous, as costs have risen over time.
- The new facility, which combines both maintenance and storage capabilities, represents an improvement over previous plans that focused mainly on storage.
- Inquiry about the feasibility of integrating sustainable energy solutions, specifically geothermal energy, into the facility's design. The discussion includes exploring potential green energy grants to offset high utility costs.

Deputy Police Chief Gibson

- Current Use of Geothermal Energy: The public safety facility is already utilizing geothermal heating, indicating familiarity with this technology.
- Cost Challenges with Geothermal: Despite its environmental benefits, the significant upfront cost of geothermal systems is highlighted as a barrier. Comparatively, installing a propane boiler is much cheaper, with a typical geothermal system costing five times more than a propane boiler.
- The new facility currently plans for radiant floor heating powered by a propane boiler, which could be replaced by a geothermal system if budget permits.
- The discussion about funding reflects the need for initial appropriations to explore alternative, potentially more expensive options like geothermal heating.

- The Historical District Commission (HDC) imposes specific aesthetic requirements on buildings, influencing construction costs. For instance, the preference for shingled finishes over cheaper steel constructions affects the budget significantly.

Fire Chief Cranson

- If the trucks are guaranteed covered storage, it's anticipated that this would positively affect their life expectancy. This would allow the fire department to delay the replacement of trucks, leading to potential cost savings and more efficient use of resources.

Deputy Police Chief Gibson

- The life expectancy of the vehicles in the emergency fleet is not determined by their age but by their hours of use and maintenance history. This indicates a more practical approach to vehicle management based on actual usage rather than time-based metrics.

Vieth

- Suggested to reconsider how the replacement schedule is described, as the current terminology may imply a time-based approach rather than reflecting the actual usage and condition of the vehicles.
- Stated that the recurring costs of maintaining the building are a point of frustration, particularly as the necessity of these expenses is questioned.
- There is explicit dissatisfaction expressed regarding the Historical District Commission (HDC) regulations.

Kickham

- There's a strong emphasis on the lack of adequate indoor storage for the supplemental equipment used by the fire and police stations. Despite having ample area, the current facilities do not meet the storage needs.
- Concerns were voiced about the continuous increase in costs over the last few years.
- Strongly advocates for the construction of an indoor facility, emphasizing the urgent need to protect valuable equipment and improve operational efficiency.
- Argued that while the initial costs might be high, the investment in the facility will provide substantial benefits over the long term, potentially extending 20 years or more, depending on the durability and maintenance of the building.

Welch

- Requested a more detailed and structured breakdown of the costs associated with the proposed facility.
- The breakdown should include major phases and components of the project, specifically:
    - Costs related to preparing the site for construction, including any necessary environmental assessments, landscaping, or foundational work.
    - Expenses tied to the architectural and engineering design of the building itself.
    - A detailed estimate of costs for each significant structural component involved in the building's construction.
    - Costs for the interior setup, including heating, electrical work, and any specialized equipment that needs to be installed.

Deputy Police Chief Gibson

- The proposed structure incorporates significant use of masonry, specifically concrete masonry unit (CMU) blocks, which add to the complexity and potentially the cost of the construction.
- The use of CMU blocks for the side walls is a major element of the design, differing substantially from simpler steel-paneled walls.
- These are added to the masonry walls, enhancing insulation but also increasing material and labor costs.
- The building uses a steel frame, but this is primarily for supporting the roof rather than forming the entire structure.
- In contrast, a typical steel building would consist entirely of a steel frame clad in steel panels.
- Emphasizes that the cost analysis should consider the square footage of the proposed masonry building versus a simpler steel building.

- Emphasizes that when discussing shingle costs, it's important to recognize that these costs are part of a larger category that includes additional architectural details such as corner boards, window trim, and other elements that contribute to the overall aesthetics and functionality of the building.

Fire Chief Cranson provided a brief overview of each of the requests as outlined below:

Ladder Truck Replacement
- The fire department's 2005 ladder truck has been frequently out of service, impacting its reliability.
- The truck's unique features require parts and technicians from Germany, causing long downtimes.
- The truck's basket, essential for operations, has been unusable since the official's arrival.
- Due to its unreliability and the lack of local support options, the replacement of the truck has been moved up from FY 2026 to FY 2025 to ensure continuous emergency service availability.
- Plans are in place to acquire a new truck through a competitive bidding process, ensuring the best price for the required specifications.
- Emphasis will be placed on choosing a manufacturer known for reliable and timely service, aiming to avoid the maintenance and service challenges experienced with the current truck.
- The fire department conducts comprehensive annual maintenance on their fire trucks. This includes routine preventive maintenance like oil changes.
- Each year, they perform specific tests on the ladders and pumps of all trucks to ensure they meet safety and operational standards.
- A complete inspection and maintenance based on NFPA 1911 standards are carried out annually to ensure all trucks are functioning properly and are in compliance with required guidelines.
- The responsibility for determining how to finance the new fire truck, such as through municipal leasing or paying outright, primarily falls on the finance department.

Matz
- Questioned the basis for financial approvals, whether to focus on outright purchase costs or to evaluate the feasibility of leasing as well.

Welch
- Explained the purchasing approach through collaboration among department heads, finance, and the town manager, considering all ongoing projects and financial implications.
- Suggested a follow-up inquiry to clarify and justify the chosen method of acquisition, ensuring transparency and understanding of the decision-making process.
- Discussed how funding requests are categorized and the implications of choosing between leasing and outright purchase, incorporating municipal finance law into these considerations.

Kaizer
- Examined the quotes showing a $1.56 million estimate versus a requested $1.75 million, inquiring about the $190,000 difference.
- Questioned whether the additional funds are meant as an escalation buffer for future cost increases, or if they will cover extra outfitting and equipment not included in the initial quote.

Fire Chief Cranson
- Clarified that the additional $190,000 serves as a buffer to accommodate potential cost increases between the current time and the potential approval and order of the truck.
- Confirmed that maintenance and inspections are typically managed by regional service providers who hold the necessary certifications.

Welch
- Requested a meeting to review the items involved in a funding request exceeding three million dollars, emphasizing the importance of an onsite walkthrough.
- Highlighted the value of the Capital Program Committee members seeing the items to be replaced firsthand to facilitate informed discussions on the merits of the requests.

	Engine 2 Replacement • Described Engine Two, one of two identical 2006 fire engines with military backgrounds, featuring capabilities that allow operation of hoses while the truck is moving, crucial for wildfire responses. • Emphasized the importance of these trucks due to their ability to navigate tight spaces not accessible to larger apparatus, enhancing their utility in diverse situations. • Addressed the aging issues of these trucks, noting their 17-year service span, and expressed the need for replacement to maintain operational readiness. • Proposed a strategy to stagger the replacement of the identical trucks to avoid simultaneous future replacements, planning to replace the one in poorer condition first. **Fire Chief Cranson continued with the following requests:** **Fire Prevention Vehicle Replacement** • Identified the fire prevention vehicle as an F-2090, which refers to the license plate of one of the fire department's vehicles used for fire prevention duties. • Outlined the daily usage of two fire prevention vehicles by fire prevention officers for conducting various inspections and responding to emergencies. • Specified that the vehicle in question is an eight-year-old Ford Expedition, noting its extensive wear and tear due to constant use and outdoor storage, which accelerates the need for replacement. • Planned for the replacement of this vehicle in FY25. **Ambulance 4 Replacement** • Explained the operational setup of the ambulance service, which includes maintaining three ambulances in active service and one as a reserve for use during repairs or high-demand periods, like summer. • Described the usage hierarchy for ambulances: starting as first-run vehicles for a couple of years, then transitioning to second and third runs, and finally moving to reserve status after about eight years, as part of a structured replacement cycle. • Highlighted the urgency of maintaining a reliable ambulance fleet, emphasizing the impossibility of borrowing from other services when an ambulance is out of service. • Noted that the ambulance currently discussed is seven years old, approaching the end of its preferred eight-year service life. Given the lead time of over a year to acquire a new ambulance, replacement planning is critical to ensure it occurs before the vehicle exceeds its effective operational lifespan. **NEW: Administration Car – EMS/Training Deputy Chief** • Secured funding and approval for a new deputy chief of training and EMS position within the department, highlighting this role as either the second or third highest in department hierarchy. • Stressed the need for a reliable vehicle for this new deputy chief, who will be on call 24/7 and expected to respond to emergencies even when off duty. • Pointed out the current lack of an appropriate vehicle for this position, underscoring the urgency to procure one to ensure readiness and effective response capabilities. **Susan Carmel, Assistant Finance Director** • Clarified that the supplemental funding request for $50,000 in FY25 is for equipping Engine One, which was previously approved for purchase in the fiscal year 2024. • Confirmed that this supplemental funding was planned as part of the initial appropriation for Engine One, and it is intended to fully equip the engine for service. • Reassured that this funding request was not an oversight or error in planning but a scheduled part of the engine's procurement and outfitting process. **Fire Chief Cranson** • Noted that the Sconset Renovation project, initially planned for FY25, was postponed to the following year, making the cost estimates outdated. • Acknowledged that the original cost projections were rough, based on an estimate of $1,000 per square foot, which may no longer be accurate.

	• Outlined plans to spend the next year collaborating with the Town Administration and the town's architect to evaluate the most feasible option for the 'Sconset station—whether to renovate the existing location or seek a new site. • Committed to returning to the committee next year with a more precise and updated cost estimate and a well-defined plan for the project. • Discussed the current use of the Sconset fire station, noting that historically it housed engines and served a local volunteer or call group that could respond directly from 'Sconset. • Explained the shift in operations with the absence of a local response group in Sconset, resulting in the relocation of trucks to the central station. Now, emergency responders come to the central station to pick up necessary apparatus before heading to emergencies. • Expressed a future vision for the 'Sconset station, aiming to eventually station a few firefighters there, especially during the busy summer months, along with an engine and an ambulance. • Emphasized the importance of pushing the renovation project forward to support this vision but committed to gathering more detailed and accurate information before presenting a finalized plan to the committee. • Mentioned that although a fire engine has been replaced, the engine is still kept in Madaket. This decision is similar to the situation previously described for Sconset. • Noted the absence of local responders in Madaket, which means there are no call groups to operate the engine from that location. • Explained that the engine remains stationed in Madaket primarily to avoid leaving it exposed to the elements outside. **Rector** • Acknowledged the challenges faced by the team in managing with limited equipment, expressing admiration for their resourcefulness. • Emphasized the importance of prioritizing support for this critical service, urging serious consideration and focus when addressing their needs in future planning and resource allocation. **Carmel** • Clarified potential implications of changing evaluation parameters, noting that adjustments would affect all historical project data. • Decided with Brian to preserve historical project evaluations as they are and apply changes only to new projects moving forward to avoid altering past records. • Acknowledged that implementing these changes will require more effort and extend the timeline, with no exact estimated time of arrival (ETA) available yet for completion. **Welch** • Expressed a desire to be kept in the loop on updates related to Plumb's work, emphasizing its importance to the committee's planning and decision-making processes. • Requested involvement in discussions concerning the programmatic aspects of the database where evaluations are recorded, stressing the need to understand how changes affect stored data. • Outlined a technical understanding that new inputs should not alter existing records if database fields are designed to be mutually exclusive, which should prevent past data from being influenced by new entries. • Proposed an offline discussion with Brian to clarify these points and establish a concrete timeline for when Ranking of Relative Importance (RORI) evaluations can be expected.

IV. REPORT WORKGROUP	
Discussion:	**Welch** • Described the previous year's approach to creating the report, which involved splitting the task among three members focusing on substance, style, and timeline. • Noted the strategy of involving three members was intended to distribute responsibilities and ensure a smooth succession for future report preparations. • Explained the operational details where members assigned to handle the substance would track and annotate inputs related to grants on their worksheets. • Encouraged planning for the upcoming report's preparation, suggesting that volunteers from last year might choose successors to maintain continuity and institutional knowledge. • Recommended that if only two people are involved this year, at least one should be a returning member to preserve the integrity and continuity of information.

V. GREEN SHEET / COMMITTEE REPORTS	
Discussion:	**Kickham** • Outlined the current focus of the Coastal Resiliency Committee, which is shifting from merely setting aside money into a fund to identifying specific projects that can be actively implemented. • Emphasized the importance of considering coastal resiliency implications in all project reviews. This consideration is critical as the committee prepares to report back on their findings and actions. • Stressed the value that the finance and capital committees bring to the table, highlighting the eagerness of the Coastal Resiliency Committee to understand the financial and strategic aspects of the projects under consideration. • Acknowledged the eventual need for substantial funding for these projects, indicating that while the concept of such funding is daunting, there's a recognized need to detail and plan beyond just having a fund for coastal resiliency. **Vieth** • Reported on the initial meeting of the Finance Committee, where Brian presented an overview of the general fund, focusing on major points. • Scheduled the next meeting for the following week, during which discussions will include topics from the Short-Term Rental Workgroup. Confirmed that there is at least one capital project on the agenda for the forthcoming special town meeting.

VI. GOOD OF THE ORDER	
Discussion:	**Welch** • Highlighted the shift in the financial environment due to rising interest rates, contrasting with the previously favorable low rates. • Addressed the increasing burden of capital requests facing the community, occurring simultaneously with historically high interest rates. • Warned of the potential for the Finance Committee's recommendations to diverge from those of the Town Administration in the near future. • Expressed the need for heightened awareness and caution in financial planning and decision-making given the current economic climate, indicating a likely shift from the usual alignment with the Town Administration's recommendations.

VII. DATE OF NEXT MEETING
Regular Meeting: September 21, 2023, at 1:00pm

VIII. ADJOURNMENT	
Motion:	**Motion to adjourn at 2:31pm. (made by: Rector)**
Roll-Call Vote:	Carried 7:0//Welch, Mohr, Kaizer, Kickham, Matz, Rector, Vieth (Aye)

Submitted by: Elaina Cano