Town of Nantucket
Capital Program Committee
September 21, 2023, Minutes

Staff:	Libby Gibson, Town Manager, Susan Carmel, Assistant Finance Director, David Gray, Sewer Director
Attending Members:	Stephen Welch - *Chair*, Peter (PJ) Kaizer – *Vice Chair*, Christy Kickham – *Secretary,* Howard Matz, Brooke Mohr – Select Board Representative, Jill Vieth, Finance Committee Representative
Absent Members:	Barry Rector, NP&EDC Representative
Documents Used:	

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

I. APPROVAL OF AGENDA	
Discussion: Welch requested to delay the Report Workgroup update until the following meeting.	
Motion:	**Motion to Approve, as submitted. (made by: Mohr)**
Roll-Call Vote:	Carried 4:0//Welch, Mohr, Matz, Kaizer (Aye)

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

III. SPECIAL TOWN MEETING APPROPRIATION REQUESTS	
Discussion:	**Libby Gibson, Town Manager** • Noted that Article 10, related to appropriation for Nobadeer playing fields, did not need re-review. • Clarified that Article 10 was not approved at the 2023 Annual Town Meeting. • Explained that the required election approved the project as a debt exclusion. • Read a note for the record about the project being funded through a Proposition 2½ debt exclusion override. • Highlighted that debt exclusions require two affirmative votes: a Town Meeting vote and a ballot vote at an election. • Informed that Article 15 was not adopted at the 2023 Annual Town Meeting but was approved at the 2023 Annual Town Election (Question 4). • Emphasized that a Town Meeting vote is still required for the project to be funded. • Stated that the Select Board agreed to continue seeking the required Town Meeting vote during the warrant setting for the Special Town Meeting. • Estimated the required amount for the project to be approximately \$3.8 or \$3.6 million (with a note to verify the exact amount). **Welch** • Confirmed that there are no material changes to the article. • Described the process as a redo. • Expressed no concerns with the article. • Compared the process to how the Historic District Commission (HDC) handles previously approved items. • Clarified that items previously approved by the committee are typically approved again, often as a consent item. **Gibson** • Identified Article 11 as a supplemental appropriation for upgrades to the South Valley sewer pump station. • Mentioned having approximately \$700,000 for this upgrade. • Stated that the upgrades were necessary prior to the Richmond project.

- Indicated that additional upgrades are required due to more units needing to go through the pump station.

David Gray, Sewer Director

- Described ongoing negotiations between the town's consultants and Richmond's consultants.
- Estimated the total project cost to be approximately $2 million.
- Attributed the increase in cost to escalation since the project started.
- Mentioned working with Town Council to determine a set number for Richmond's contribution.
- Indicated the plan to request the full amount and reappropriate any funds received from Richmond if not needed.
- Recalled the original discussed and agreed-upon amount to be around $300,000.
- Mentioned a clause in the agreement allowing the town to seek additional funding from Richmond if project costs escalated.
- Noted that the current situation is a result of invoking this clause due to increased costs.

Gibson

- Identified Article 12 as a supplemental appropriation for the construction of town employee housing on Waitt Drive.
- Reminded the committee that $8.5 million has already been appropriated for this project.
- Mentioned John Lemieux, the OPM for the project, being present.
- Described the project initially as seasonal dormitory-style housing on Waitt Drive.
- Explained that the new housing would allow the repurposing of existing seasonal housing for lifeguards and eliminate the need for renting additional housing.
- Discussed the potential for the housing to be used year-round, with priority for lifeguards and other seasonal staff in the summer.
- Suggested using the housing for transitional employees in the off-season, including remote employees who visit the island occasionally.
- Proposed having year-round apartments for building caretakers.
- Referred to this article as a placeholder.
- Informed that the bids are due soon, with an RFP process because it's modular.
- Expected to have pricing information by early next week.
- Expressed hope that the additional appropriation might not be needed but included the article as a backup plan due to recent experiences with higher-than-expected bids and pricing.
- Identified Article 13 as a supplemental appropriation for the construction of airport housing.
- Noted that Noah Karberg, Nantucket Memorial Airport Manager, would address this article.
- Explained that the reasoning for this appropriation is similar to that of other projects, acting as a fail-safe.

Noah Karberg, Nantucket Memorial Airport Manager

- Started the project with a 2022 Annual Town Meeting (ATM) borrowing of about $1.1 million for design and OPM costs.
- Used approximately $100,000 of the authorization through reappropriation of unused funds from different projects, avoiding additional borrowing.
- Allocated $3.9 million for construction in the 2023 ATM for the modular project.
- Estimated the need to increase total authorization to around $5 million as a fail-safe.
- Noted the additional cost of extending the town sewer to the project site, as the current GIS mapping is inaccurate.
- Mentioned the recent bid opening, extended to accommodate potential bidders.
- Received one bid but has not yet evaluated the price proposal.
- Planned to evaluate the bid with the project team to determine if a supplemental request is needed and its amount.
- Committed to providing the most up-to-date information to the Capital Committee once the bid evaluation is complete.

- Described the total property as a five-acre parcel.
- Permitted an area of approximately one acre for the project.
- Completed the environmental permitting.
- Planned originally to have a dormitory on the north side and a townhouse on the south side of the permitted area.
- Removed the townhouse from the plans due to price escalation.
- Maintained the dormitory in its original planned position, with slight adjustments.

Kickham

- Requested to see both the previous year's plan and the new plan for comparison.
- Suggested comparing the differences between the two plans.
- Asked for a thorough description of the need for supplemental funds.

Welch

- Expressed concerns as a Citizen Review Committee about two main aspects: the development plan overview and the high per bedroom cost.
- Highlighted the high cost relative to other affordable housing initiatives or town employee housing projects.
- Estimated the total cost at approximately $6.1 million, with soft costs around $1 million and construction costs rounding up to $5 million.
- Discussed the airport's restrictions on housing various personnel and the potential future need to lease housing to other town personnel.
- Suggested considering a performance contract for construction rather than a design contract, possibly leasing the housing back from the town.
- Acknowledged that these concerns are valid and should be broadcasted, but not necessarily overwhelming.
- Mentioned the presence of new committee members who should understand these prior concerns and future considerations.
- Supported moving forward with the project due to inflationary pressures on construction costs and interest rates, emphasizing the urgency of completing the project sooner rather than later.

Karberg

- Acknowledged the comments and perspectives shared by the committee.
- Clarified that the land is FAA-obligated, with a portion bought using federal funds, which imposes restrictions on its use.
- Mentioned that these restrictions have been discussed with town government, especially concerning other needs that have arisen.
- Explained that the land is primarily for airport use and mutual aid partners such as police and fire departments, making it self-limiting.
- Addressed the project delivery method, stating it was decided in consultation with the commission to align with their wishes.
- Emphasized the importance of the project to the team and appreciated the support expressed in the inflationary environment.
- Committed to taking all comments to heart and being prepared for the next meeting, delivering all requested information beforehand.

Welch

- Asked about the involvement of FAA funding in the land purchase and sought to understand the restrictions imposed.
- Suggested exploring a long-term strategy for a potential buyback offer from the federal government for some airport land.
- Noted that this idea is beyond the current discussion but could be relevant for future planning.
- Mentioned the intense pressure for land on the island, particularly for town uses such as employee housing.
- Referenced the limited availability of land, with the land bank and conservation foundations acquiring much of it.
- Highlighted the potential benefits of freeing up airport land for other uses, especially given its location on a state-maintained highway.

	Chair Welch left the meeting at 1:24pm.

IV. FY25 CAPITAL REQUESTS AND OUT-YEAR DISCUSSION: INFORMATION TECHNOLOGY & NANTUCKET WATER COMPANY	
Discussion:	**Mike Alvarez, provided a brief overview of each of the requests as outlined below:** **Replace Town Computers** • Outlined the capital request for replacing Town computers at a cost of $73,000. • Noted that this amount includes a 5% increase due to rising costs. • Explained that the request covers annual maintenance and replacement of machines as needed. • Attributed the cost increase to the general rise in prices and the shift towards using more laptops since COVID-19. • Mentioned that laptops tend to be more expensive than desktop computers. • Summarized that the request ensures the town's computer systems remain up-to-date and functional. • Approximately 33% of the inventory is updated annually. • Confirmed that the town has since caught up and is now back to replacing about one-third of the inventory each year. **Maintain Network Infrastructure** • Identified the request as routine maintenance of the network, including switches and routers. • Focused on external sites such as DPW, the airport, and the sewer. • Mentioned the inclusion of internal switches at various buildings. • Described this as a routine, annual capital request. • Noted that the cost of this request has not increased significantly. • Estimated the lifespan of most switches to be about four years. • Suggested possibly adding an annual escalation to account for future price increases. • Mentioned planning to include more in the request for the next fiscal year, particularly due to potential office changes and moves anticipated for the 2026 fiscal year. **Server Virtualization and Maintenance** • Described this as an every-other-year request. • Mentioned having a little over $50,000 remaining from the last appropriation. • Expected to begin replacing some core components of the original setup at the beginning of fiscal year 2025. • Anticipated having around $120,000 available at that time. • Recalled the original figures being a little over $200,000. • Planned to get some components in place over the course of fiscal year 2025. • Foreseen a special request for fiscal year 2026 to cover the remaining costs and any additional support and services. • Explained that the initial setup was designed for these $75,000 chunks, potentially increasing in the future. • Compared this approach to the computer replacement cycle, aiming to replace about a third of the operations every two years. **GIS Digital Imaging Updates** • Identified that GIS updates are requested approximately every five years. • Highlighted the primary cost being tied to the imaging service, including flyovers and image updates. • Noted the necessity of coordinating with assessors and planning departments to ensure all changes are accounted for. • Emphasized the importance of updating for erosion and other changes, ensuring the most up-to-date imaging every few years. **Mark Willett, Nantucket Water Company Director, provided a brief overview of each of the requests as outlined below:** **New Pump Station and Well:**

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Reported on a new well drilled at North Pasture, which passed a five-day and seven-day pump test with excellent water quality.
Submitted the report to Mass DEP and awaiting approval.
Planned to build a 20x20 pump station building around the well, similar to existing structures in Sconset and near Lovers Lane.
Located the new station off Polpis Road, near existing employee housing and the Girl Scout camp.
Ensured financial readiness for construction once DEP approves.
Consulted three contractors for pricing, including a 75% "Nantucket factor" to account for local conditions.
Explored options to place some controls in the existing tank building, potentially reducing the new structure's size.

Fire Hydrant Modernization Program:

Proposed a hydrant modernization program costing about $500,000.
Planned to flow test, get gallons-per-minute readings, and color-code approximately 700 hydrants to meet National Fire Protection Association standards.
Scheduled sandblasting and repainting of hydrants, coordinated with fire department needs.
Addressed the unique "Nantucket thread" hydrants from the 1970s, planning to replace or retrofit these.

Distribution System Improvements:

Outlined plans for future water main replacements and extensions, influenced by PFAS sampling and potential impacts.
Highlighted collaboration with DPW for projects in areas like Somerset and Old South Road.
Anticipated ongoing changes in distribution system priorities based on emerging needs and regulatory requirements.

Water Tank Re-coating:

Scheduled water tank re-coating far in advance, projecting around $1 million per tank.
Included three tanks: Washington Pond, North Pasture, and Sconset.
Estimated the typical lifespan of the coating to be 10-15 years, dependent on environmental factors and initial application quality.

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Vieth

Scheduled a Finance Committee meeting today, which is unusual for this time of year, prompted by the special town meeting.
Planned to review and gather public comments on all articles in the warrant.
Uncertain about the expected turnout for public comments.
Mentioned that the Planning Board recently had their meeting for short-term rental articles with low public turnout.
Noted that the Planning Board meeting was held on Zoom and focused on zoning aspects.
Confirmed that the Finance Committee meeting will accommodate both in-person and online public comments.

Mohr

Announced that both she and Howard are now on the long-term Solid Waste Planning team with Libby.
Mentioned regular meetings to discuss the next iteration of the landfill.
Confirmed the group has been meeting for a little over a year.
Focused on two main areas: the acquisition of assets at the end of the Waste Options contract and the RFP for the new operator contract for the landfill operation starting December 1, 2025.
Expected to present funding for the acquisition of assets at the Spring Town meeting, with negotiations currently ongoing.

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	• Clarified that specific assets under negotiation include the composter, which is contracted at a price, and the transfer station (CND building). • Planned to have the RFP in hand well before the current contract expires in 2025. • Stated that the team is on a good trajectory and aims to avoid last-minute issues. **Susan Carmel, Assistant Finance Director** **Airport FY25 Capital Presentation:** • Scheduled the airport to present their FY25 capital requests on Thursday, the 28th. **Nobadeer Field Timeline:** • Provided an update on the timeline for Nobadeer Field. • Detailed the planning, design, and permitting phases to take place between December 2023 and April 2024. • Planned to hire the OPM (Owner's Project Manager) during this period. • Set the procurement process to start in April-May 2024. • Scheduled construction to begin around August-September 2024. • Estimated project completion by spring 2026.

VI. GOOD OF THE ORDER	
Discussion**:**	**Mohr** • Announced an upcoming presentation from town administration and the finance department. • Focused on the capital projects, particularly in FY27. • Encouraged members to tune in for the presentation. • Noted that the presentation will review when debt is taken on and what has been approved but not yet borrowed. • Described the presentation as a comprehensive review of capital project execution and the challenges faced in executing funded projects.

VII. DATE OF NEXT MEETING
Regular Meeting: September 28, 2023, at 1:59 pm

VIII. ADJOURNMENT	
Motion:	**Motion to adjourn at 1:31pm.**
Roll-Call Vote:	Carried 7:0//Welch, Mohr, Kaizer, Kickham, Matz, Rector, Vieth (Aye)

Submitted by: Elaina Cano