

Town and County of Nantucket Select Board • County Commissioners

Jason Bridges, Chair
Matt Fee
Kristie L. Ferrantella
Dawn E. Hill Holdgate
Melissa Murphy



16 Broad Street
Nantucket, Massachusetts 02554

Telephone (508) 228-7255
Facsimile (508) 228-7272
www.nantucket-ma.gov

C. Elizabeth Gibson
Town & County Manager

AGENDA FOR THE MEETING OF THE SELECT BOARD DECEMBER 8, 2021 - 5:30 PM REMOTE PARTICIPATION VIA ZOOM WEBINAR NANTUCKET, MASSACHUSETTS ***AMENDED DECEMBER 6, 2021***

YOU TUBE LINK:

https://youtu.be/JYwJ2JDar_s

ZOOM WEBINAR REGISTRATION LINK TO VIRTUALLY ATTEND MEETING:

https://us06web.zoom.us/webinar/register/WN_wPfdqRULRFiNMAr13Fa1Tw

I. CALL TO ORDER

II. SELECT BOARD ACCEPTANCE OF AGENDA

III. ANNOUNCEMENTS

1. The Select Board Meeting is Being Audio/Video Recorded.
2. COVID Vaccine Clinic: 131 Pleasant Street Trailer, Sundays from 12:00 to 3:00 PM; Final 2nd Dose Clinic December 19. See <https://www.nantucket-ma.gov/2028/COVID-Vaccine> for Full Schedule.
3. County Commission: Applicant Introduction/Review of Applications for Appointment to Steamship Authority Board of Governors Nantucket Members Seat Scheduled for Wednesday, December 15, 2021 County Commission Meeting, Pursuant to Select Board Committee Appointment Policy.
4. Select Board/Planning Board: Joint Meeting for Applicant Introduction/Review of Applications for Appointment to Planning Board to Fill a Vacancy Scheduled for Wednesday, January 5, 2022, Pursuant to Select Board Committee Appointment Policy.
5. Select Board Announcements/Comments.

IV. FOLLOW-UP ON COMMENTS FROM PRIOR SELECT BOARD MEETINGS

V. PUBLIC COMMENT*

VI. COVID-19 UPDATE

1. Public Health Department Update.

VII. NEW BUSINESS*

VIII. APPROVAL OF MINUTES, WARRANTS AND PENDING CONTRACTS

1. Approval of Minutes of December 1, 2021 at 5:30 PM.
2. Approval of Treasury Warrants for December 8, 2021.

IX. CITIZEN/DEPARTMENTAL REQUESTS

1. Request for Approval of Application for Change of Manager of Annual All-Alcoholic Beverages Package Store License for Murray's Beverage Store, Inc. dba Murray's Beverage Store from Carl Murray, Manager to Bruce L. Murray, Manager, for Premises Located at 23 Main Street.
2. Request for Waiver of Sewer Connection Permit Fees and Sewer Capacity Fees for 22 Rental Apartments Located at 31 Fairgrounds Road for Housing Nantucket.

X. PUBLIC HEARINGS

1. Public Hearing to Consider the Revocation of Private Shellfish Aquaculture Licenses Held by Theodore Lambrecht of 10 Trotters Lane, Known as Licenses #12 and #12B, Head of the Harbor, Consisting of 4 Acres Each (Continued from September 8, 2021).

XI. TOWN MANAGER'S REPORT

1. 2021 Annual Employee Years of Service Recognition.
2. FY 2023 General Fund Budget Presentation.

XII. SELECT BOARD'S REPORTS/COMMENT

1. Continued Review/Potential Votes on Select Board-Sponsored 2022 Annual Town Meeting Warrant Articles.
2. Committee Reports.

XIII. ADJOURNMENT

****Identified on Agenda Protocol Sheet***

SELECT BOARD AGENDA PROTOCOL:

Roberts Rules: The Select Board follows Roberts Rules of Order to govern its meetings as per the Town Code Charter.

Public Comment: Public Comment is to bring matters of public interest to the attention of the Board. The Board welcomes concise statements on matters that are within the purview of the Select Board. At the Board's discretion, matters raised under Public Comment may be directed to Town Administration or may be placed on a future agenda, allowing all viewpoints to be represented before the Board takes action, if any. Except in emergencies, the Board will not normally take any other action on Public Comment in its sole discretion.

To facilitate that any individual who wishes to provide Public Comment has the opportunity and to ensure the ability of the Board to conduct its business in an orderly fashion, the following rules and procedures are adopted consistent with state and federal free speech laws:

- The agenda for regular Select Board meetings will include a Public Comment period at the beginning of the meeting unless there is more urgent business for the Board to take up first. This time is reserved for speakers to address the Board on matters that are not related to any other Agenda item. If a speaker wishes to address the Board on a matter that is related to another Agenda item, the Chair will accept public comment when that Agenda item is reached during the meeting.
- All speakers are encouraged to present their remarks in a respectful manner.
- All remarks will be addressed through the Chair of the meeting.
- The Chair of the meeting may not interrupt speakers who have been recognized to speak, except that the Chair reserves the right to terminate speech which is not constitutionally protected because it constitutes true threats, incitement to imminent lawless conduct, comments that were found by a court of law to be defamatory, and/or sexually explicit comments made to appeal to prurient interests. Verbal comments may also be curtailed if they exceed three (3) minutes and to the extent they exceed the scope of the Board's authority.

Disclaimer: Public Comment is not a time for debate or response to comments by the Board. Comments made during the Public Comment period do not reflect the views or positions of the Board. Because of constitutional free speech principles, the Board does not have authority to prevent all speech that may be upsetting and/or offensive made during the Public Comment period.

New Business: For topics not reasonably anticipated by the Chair 48 hours in advance of the meeting may be brought up for discussion in accordance with the Open Meeting Law.

Public Participation: The Board welcomes valuable input from the public at appropriate times during the meeting with recognition from the Chair at his/her sole discretion. For appropriate agenda items, the Chair will introduce the item and take public input. Individual Board Members may have questions on the clarity of the information presented. The Board will hear any staff input and then deliberate on a course of action.

Select Board Report and Comment: Individual Board Members may have matters to bring to the attention of the Board during a meeting. If the matter contemplates action by the Board, Board Members will consult with the Chair and/or Town Manager in advance and provide any needed information by the Thursday before the meeting and/or schedule the matter for a future Board meeting. Otherwise, except in emergencies, the Board will not normally take action on Select Board Comment.

Approved on February 17, 2021

SSA Governing Board - Nantucket Member
One Seat, three-year term

SSA Governing Board (appted by CC)

Robert F. Ranney

Nantucket Rep

12/31/2021

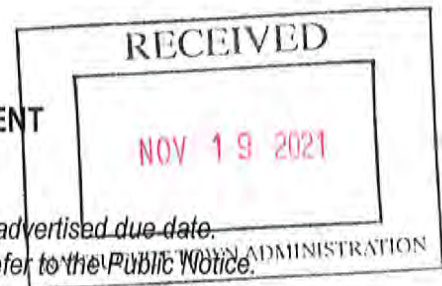
Applicants:

Robert F. Ranney - incumbent

Ruth S. Tonico - new applicant



TOWN OF NANTUCKET
COMMITTEE INTEREST FORM/INCUMBENT
For Re-Appointment by the Select Board



*Please return this form to the Town Administration offices by the advertised due date.
Please call for date of the Public Hearing for applications review or refer to the Public Notice.*

Name: Robert F Ranney **Home Phone:** 508-813-5657

Mailing Address: PO Box 851, Nantucket MA 02554 **Work Phone:** 508-228-7200 ext 7037

Email Address: rranney@nantucket-ma.gov **Date Submitted:** 11-19-2021

REQUESTING RE-APPOINTMENT TO: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

Reasons for Committee Interest

- What has been your level of attendance at committee/board/commission meetings?
- Why do you want to continue serving on the committee/board/commission?

I have attended 100% of the board meetings and numerous ancillary meetings and public hearings over the last nine years.

I hope to continue serving because there is still much work to be done. I feel that I can still make a difference and contribute in a positive way to the board while representing the interests of Nantucket as they relate to the SSA. There are many projects underway that I would like to help see to completion. I enjoy helping solve problems and being part of the solution.

Relevant Experience

- What have you brought to the committee/board/commission in terms of experience, skills, ideas, insight?
- How do you feel you have helped the committee/board/commission in its goal(s)/mission?

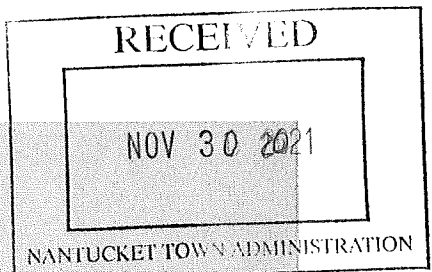
I have brought a strong commitment to my constituents and their interests as they relate to SSA matters, as well as a diplomatic approach to dealing with the other port community board members, and I bring ideas, understanding, and insight gleaned from traveling on ferries. I have helped the board shape policies that work toward making the SSA experience a more positive one for everyone. The work is never-ending and can go unnoticed at times, but through my diplomatic approach working in conjunction with the other board members who represent diverse communities, I feel I have helped not only represent the interests of Nantucket, but at the same time I feel I have helped the SSA as a whole, which in turn helps all of us.

Potential Conflicts of Interest

- Please list any committees appointed by the Select Board, local agencies or non-profit organizations of which you or a member of your immediate family are current members. I serve as a member of the Roads and Right of Ways Committee, I am a board member on the Chamber of Commerce, and I am the current Secretary of the Rotary Club of Nantucket.
- Are you or any member of your family employed by, or receive any financial consideration from, the Town of Nantucket? I am employed as the Assessor for the Town of Nantucket, and my sister is the Town Manager.



TOWN OF NANTUCKET
COMMITTEE INTEREST FORM/NEW APPLICANT
For Appointment by the Select Board



Please return this form to the Town Administration offices by the advertised due date.
Please call for date of the Public Hearing for applications review or refer to the Public Notice.

Name: Ruth S. Tonico Home Phone: 954 560-8668

Mailing Address: 11 Markete Way, Nantucket Ma 02554 Alternate Phone: _____

Email Address: rstonico@gmail.com Date Submitted: 11/30/2021

REQUESTING APPOINTMENT TO: Steamship Authority Governing Board

Reasons for Committee Interest

- Have you ever attended a meeting of the committee/board/commission? no
- Why are you interested in this committee/board/commission? yes
- Are you prepared to commit to the meeting schedule of the committee/board/commission? yes

Relevant Experience

- What experience, skills or insight would you bring to the committee/board/commission? I would/will bring fresh new insight, diversity and expertise in making on community based decisions.
- What would you hope to accomplish on the committee/board/commission?

I would hope to accomplish fresh new insight on ways to make more safety measures for the steamship with financial surety and growth in revenue.

Potential Conflicts of Interest

- Please list any committees appointed by the Select Board, local agencies or non-profit organizations of which you or a member of your immediate family are current members. I am in the Select board for Human Services
- Are you or any member of your family employed by, or receive any financial consideration from, the Town of Nantucket? No

PUBLIC NOTICE

Please be advised that the County Commission is accepting applications for the Nantucket Member of the Steamship Authority Governing Board. A meeting for applicants to review their applications will be held remotely via Zoom Webinar on Wednesday, December 15, 2021 at 5:30 PM; an appointment will be made at the same meeting. One (1) representative will be appointed for a 3-year term, said term to expire December 31, 2024. Interested individuals may obtain a "Committee Interest Form" from the Town's website at <http://www.nantucket-ma.gov/DocumentCenter/View/105>. Information on the responsibilities of the representative may be obtained at <http://www.nantucket-ma.gov/453/Steamship-Authority-Governing-Board>. Interested applicants should submit applications to Town Administration by December 10, 2021 at noon. Please see meeting posting for remote participation links. Information on viewing the meeting can be found at <https://www.nantucket-ma.gov/138/Boards-Commissions-Committees>.

Via Email

December 6, 2021

The Inquirer and Mirror
ATTN: Legal Ads
PO Box 1198
Nantucket, MA 02554

Please place the following legal notice in the **December 9 and 16, 2021** issues of the Inquirer & Mirror and charge the advertising fee to the Select Board account.

Please send proof when ready.

Thank you,
Erika Mooney

PUBLIC NOTICE

The Nantucket Planning Board and the Select Board are seeking letters of interest to fill a vacant seat on the Planning Board through the May 10, 2022 Annual Town Election. Please submit letters of interest to the Planning Board at 2 Fairgrounds Road, Nantucket, MA 02554, no later than 4:00 PM on Thursday, December 23, 2021. Such letters should include the reasons why the candidate is interested in, and qualified for, membership on the Planning Board. The appointment will be jointly made by the Planning Board and the Select Board at the January 5, 2022 Select Board meeting which will be held at 5:30 PM via Zoom Webinar. Please see meeting posting for remote participation and viewing links. For more information, candidates may contact the PLUS office at 508-325-7587.

PLANNING BOARD/SELECT BOARD



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission

☐ For Reconsideration

LOCAL LICENSING AUTHORITY REVIEW RECORD

00065-PK-0762

Nantucket

11/19/2021

ABCC License Number

City/Town

Date Filed with LLA

TRANSACTION TYPE (Please check all relevant transactions):

- | | | | |
|--|--|---|---|
| ☐ New License | ☐ Change Corporate Name | ☐ Pledge of Collateral (i.e. License/Stock) | ☐ Change Corporate Structure (i.e. Corp / LLC) |
| ☐ Transfer of License | ☐ Change of DBA | ☐ Change of Class (i.e. Annual / Seasonal) | ☐ Change of Hours |
| ☒ Change of Manager | ☐ Alteration of Licensed Premises | ☐ Change of License Type (i.e. club / restaurant) | ☐ Issuance/Transfer of Stock/New Stockholder |
| ☐ Change of Beneficial Interest | ☐ Change of Location | ☐ Change of Category (i.e. All Alcohol/Wine, Malt) | ☐ Management/Operating Agreement |

APPLICANT INFORMATION

Name of Licensee Murray's Beverage Store, Inc.

D/B/A Murray's Beverage Store

ADDRESS: 23 Main St

CITY/TOWN: Nantucket

STATE MA

ZIP CODE 02554

Manager Bruce L. Murray

Granted under Special Legislation? Yes ☐ No ☒

\$15 Package Store

Annual

All Alcoholic Beverages

Type
(i.e. restaurant, package store)

Class
(Annual or Seasonal)

Category
(i.e. Wines and Malts / All Alcohol)

If Yes, Chapter
of the Acts of (year)

LOCAL LICENSING AUTHORITY DECISION

Please indicate the decision of the
Local Licensing Authority: Approves this Application

Please indicate what days and hours
the licensee will sell alcohol:

If **Approving With Modifications**, please indicate below what changes the LLA is making:

Please indicate if the LLA is
downgrading the License
Category (approving only Wines
and Malts if applicant applied for All
Alcohol):

No

Changes to the Premises Description

Patio/Deck/Outdoor Area
Total Square Footage

Seating Capacity

Indoor Area
Total Square Footage

Number of Entrances

Number of Exits

Floor Number	Square Footage	Number of Rooms

Abutters Notified: Yes ☐ No ☒

Date of Abutter
Notification

Date of
Advertisement

Please add any
additional remarks or
conditions here:

☐ Check here if you are attaching additional documentation

Alcoholic Beverages Control Commission
Ralph Sacramone
Executive Director

The Local Licensing Authorities By:

12/01/2021

Date APPROVED by LLA



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

AMENDMENT-Change of Manager

☒ **Change of License Manager**

1. BUSINESS ENTITY INFORMATION

Entity Name

MURRAYS BEVERAGE STORE, INC.

Municipality

NANTUCKET

ABCC License Number

00065-pk-0762

2. APPLICATION CONTACT

The application contact is the person who should be contacted with any questions regarding this application.

Name

Bruce L Murray

Title

New Manager

Email

ackoyster@yahoo.com

Phone

508 325 2223

3A. MANAGER INFORMATION

The individual that has been appointed to manage and control of the licensed business and premises.

Proposed Manager Name Bruce L Murray

Date of Birth

SSN

Residential Address

Email

ackoyster@yahoo.com

Phone

508 325 2223

Please indicate how many hours per week
you intend to be on the licensed premises

30

Last-Approved License Manager

Carl Murray

3B. CITIZENSHIP/BACKGROUND INFORMATION

Are you a U.S. Citizen?*

☒ Yes ☐ No *Manager must be U.S. citizen

If yes, attach one of the following as proof of citizenship US Passport, Voter's Certificate, Birth Certificate or Naturalization Papers.
Have you ever been convicted of a state, federal, or military crime?

☐ Yes ☒ No

If yes, fill out the table below and attach an affidavit providing the details of any and all convictions. Attach additional pages, if necessary, utilizing the format below.

Date	Municipality	Charge	Disposition

3C. EMPLOYMENT INFORMATION

Please provide your employment history. Attach additional pages, if necessary, utilizing the format below.

Start Date	End Date	Position	Employer	Supervisor Name
1970	Currently	Store Clerk	Murrays Beverage Store, Inc.	Carl Murray

3D. PRIOR DISCIPLINARY ACTION

Have you held a beneficial or financial interest in, or been the manager of, a license to sell alcoholic beverages that was subject to disciplinary action? ☐ Yes ☒ No If yes, please fill out the table. Attach additional pages, if necessary,utilizing the format below.

Date of Action	Name of License	State	City	Reason for suspension, revocation or cancellation

I hereby swear under the pains and penalties of perjury that the information I have provided in this application is true and accurate:

Manager's Signature

Bruce L Murray

Date

11/08/2021

APPLICANT'S STATEMENT

I, Bruce L Murray the: ☐ sole proprietor; ☒ partner; ☐ corporate principal; ☐ LLC/LLP manager
Authorized Signatory
of Murrays Beverage Store, Inc.
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:

Bruce L Murray

Date:

11/08/2021

Title:

New Beverage Store Manager

ENTITY VOTE

The Board of Directors or LLC Managers of

MURRAYS BEVERAGE STORE, INC.

Entity Name

duly voted to apply to the Licensing Authority of

NANTUCKET

City/Town

and the

Commonwealth of Massachusetts Alcoholic Beverages Control Commission on

10/03/2021

Date of Meeting

For the following transactions (Check all that apply):

☒ Change of Manager☐ Other

"VOTED: To authorize

Bruce L Murray

Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

"VOTED: To appoint

Bruce L Murray

Name of Liquor License Manager

as its manager of record, and hereby grant him or her with full authority and control of the premises described in the license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise if it were a natural person residing in the Commonwealth of Massachusetts.”

A true copy attest,

For Corporations ONLY

A true copy attest,

Corporate Officer /LLC Manager Signature

~~Corporation Clerk's Signature~~

~~n Clerk's Signature~~

Treasurer

Carl F. Murray
(Print Name)

CARL F. MURRAY
(Print Name)

LICENSE #: 00065-PK-0762

LICENSE FEE: \$2,500.00

THE LICENSING BOARD *for the*
TOWN OF NANTUCKET, MASSACHUSETTS
HEREBY GRANTS AN
ANNUAL RETAIL PACKAGE STORE LICENSE
TO EXPOSE, KEEP FOR SALE, AND TO SELL
ALL ALCOHOLIC BEVERAGES

TO BE CONSUMED OFF THE PREMISES

BUSINESS: Murray's Beverage Store, Inc. **ON PREMISES DESCRIBED AS:**

DBA: Murray's Beverage Store First floor; Retail, Cellar and Storage.

PREMISES: 23 Main Street
Nantucket, MA 02554

MANAGER: Carl Murray

The hours during which alcoholic beverages may be sold: In accordance with MGL Chapter 138 and amendments thereto with the local provision that **patrons shall not be sold alcoholic beverages after 11:00PM**, including Sundays, or after 11:30PM on the day immediately before a legal holiday. **Sunday sales shall not begin until 10:00 AM**. Package stores shall not sell or deliver alcoholic beverages on Thanksgiving Day or Christmas Day. Package stores may not sell alcoholic beverages until 12:00 noon on Memorial Day. Any restrictions apply as are on file by the Local Licensing Authority. In accordance with Article 40 ATM 2001, Chapter 86.1 Board of Health Regulations Prohibit Smoking in Certain Places Within The Town of Nantucket.

This license is granted and accepted upon the express condition that the licensee shall, in all respects, conform to all the provisions of the Liquor Control Act, Chapter 138 of the Massachusetts General Laws, as amended and any rules or regulations made thereunder by the licensing authorities, including, but not limited to Chapter 250 of the Town of Nantucket Rules and Regulations Governing Alcoholic Beverages.

IN TESTIMONY WHEREOF, the undersigned have hereunto affixed his official signature on this 16th day of December 2020.



Dawn Hill Holdgate
Chair, Select Board

THIS LICENSE WILL EXPIRE DECEMBER 31, 2021

**Unless earlier suspended, cancelled, or revoked*

ELECTRONIC COPY VALID FOR DURATION OF MASSACHUSETTS STATE OF EMERGENCY IN RESPONSE TO COVID-19. ALL EMERGENCY ORDERS ISSUED BY THE COMMONWEALTH OF MASSACHUSETTS, ABCC AND TOWN OF NANTUCKET APPLY. ORIGINAL LICENSE WILL BE ISSUED UPON LIFTING OF EMERGENCY ORDERS.



Agenda Item Summary

Agenda Item #	IX. 2.
Date	12/8/2021

Staff

Tucker Holland, Housing Director

Subject

Request from Housing Nantucket for Sewer Connection and Capacity Fee Waivers for twenty-two rental apartments at 31 Fairgrounds Road where all units are income restricted and 25% or more are restricted at 80% AMI or less, making all units eligible for inclusion on Nantucket's Subsidized Housing Inventory ("SHI"). In fact, the 22 units are already on our SHI and contributing to our current period of Safe Harbor.

Executive Summary

In accordance with the Board's Sewer Waiver Policy, Housing Nantucket is requesting a waiver of all Sewer Fees in conjunction with the 22 rental units at 31 Fairgrounds Road which they are developing to serve Nantucket households in the 80% AMI – 150% AMI range.

Staff Recommendation

Approve the Sewer Connection and Capacity Fee Waivers, consistent with past practice.

Background/Discussion

This request received from Housing Nantucket on December 2nd, 2021 is in accordance with policy and past practice and will aid in the creation of year-round housing for twenty-two Nantucket year-round households specifically and contribute to the quality of life for the community overall. All twenty-two units are already listed on the Town's Subsidized Housing Inventory and per the Memorandum of Understanding and Grant and Loan Agreement between the Affordable Housing Trust and NHA Properties, Inc. d/b/a Housing Nantucket, all units are subject to income restriction (six at 80% AMI or less and 16 at no more than 200% AMI). Housing Nantucket has been aware for six months that it is important to the units remaining on the SHI list that the building permits are issued for all 22 units by December 17th, 2021. Housing Nantucket has represented to the Trust on multiple occasions that that date will be met. Presumably this request comes now in furtherance of meeting that commitment.

Impact: Environmental ☒ Fiscal ☐ Community ☒ Other ☐

Compliance with the Town's Sewer Policy. Support of year-round housing.

Board/Commission Recommendation

N/A

Public Outreach

N/A



Connection to Existing Applicable Plan (i.e., Strategic Plan, Master Plan, etc.)

Strategic Plan – Housing

Attachments

- 1) Housing Nantucket letter request (via e-mail)
- 2) Nantucket Subsidized Housing Inventory
- 3) MOA and Grant and Loan Agreements
- 4) Sewer Fee Waiver Policy (as updated on 12/3/2020)





75 Old South Road • P.O. Box 3149 • Nantucket, MA 02554 • Tel: 508.228.4422

Mr. Jason Bridges, Chair
Town of Nantucket Select Board
16 Broad Street
Nantucket, MA 02554

December 2, 2021

RE: Request to Waive Sewer Connection Fees for twenty-two SHI-eligible units at Wiggles Way

Dear Chairperson Bridges and Members of the Select Board:

Thank you for your ongoing efforts to address the affordable housing needs of Nantucket's year-round community. We are particularly grateful for your collaboration on the development of Housing Nantucket's Wiggles Way project, which will add 22 new units of affordable year-round rental units at 31 Fairgrounds Road.

This letter requests a waiver of the sewer connection and privilege fees for these twenty-two community housing units. In alignment with your Policy for Sewer Fee Waiver Requests, these units are bound by a permanent affordable housing deed restriction enforceable by the Town. All twenty-two units in this development are eligible for inclusion on the Town's Subsidized Housing Inventory ("SHI"). We will continue to work with the Town to obtain SHI inclusion for these units, including providing all required documentation in a timely manner.

The rental housing at Wiggles Way brings access to safe, price-accessible housing to Nantucket residents in need. We appreciate your ongoing support and commitment towards making a difference.

Thank you.

Sincerely,

Anne Kuszpa, Executive Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Nantucket

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
2055	Miacomet Village I	3 Manta Drive	Rental	10	Perp	Yes	DHCD
2056	Miacomet Village I	3 Manta Drive	Rental	12	Perp	Yes	DHCD
2057	Academy Hill School	Westminster St.	Rental	27	2033*	No	DHCD MassHousing MassHsg/HUD
2058	Landmark House	144 Orange St.	Rental	18	2020*	No	RHS
2059	Landmark House II	Orange St.	Rental	8	2041	No	FHLBB HUD
2060	Miacomet Village II	Norquarta Drive	Rental	19	05/01/2047	Yes	FHLBB RHS
2061	Nantucket Housing Authority	Benjamin Drive	Rental	5	Perp	No	HUD HUD HUD
4383	DDS Group Homes	Confidential	Rental	0	N/A	No	DDS
4588	DMH Group Homes	Confidential	Rental	5	N/A	No	DMH
7610	Norquarta Drive	Norquarta Drive	Rental	2	perp	No	DHCD
7611	Dartmouth Street	Dartmouth Street	Rental	2	perp	No	Town of Nantucket
7612	Norwood Street	Norwood Street	Rental	1	perp	No	Town of Nantucket

6/16/2021

Nantucket
Page 1 of 2

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Nantucket

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
7613	Irving Street	Irving Street	Rental	1	perp	No	<i>Town of Nantucket</i>
7614	Clarendon Street	Clarendon Street	Rental	1	perp	No	<i>Town of Nantucket</i>
9086	Abrem Query	2-4-6-8 Folger Ave	Ownership	7	Perp	YES	<i>FHLBB</i>
9087	Beach Plum Village	15-19 Rugged Road & 6-8 Scotts Way	Ownership	10	Perp	YES	<i>MassHousing</i>
10262	Ticcoma Way	Ticcoma Way	Rental	1	Perp	NO	<i>DHCD</i>
10263	Sachem's Path I and II	95 Surfside Road, Wapossett Circle & Nanina Drive	Ownership	10	Perp	YES	<i>DHCD</i> <i>MassHousing</i>
10295	7 Surfside Road	7 Surfside Road	Rental	4	Perp	NO	<i>DHCD</i>
10296	Meadows II	Davkim Lane	Rental	90	Perp	NO	<i>DHCD</i>
10297	Surfside Crossing	3, 5, 7 & 9 South Shore Rd	Ownership	15	Perp	YES	<i>MassHousing</i>
10590	Benjamin Drive - Habitat for Humanity	Benjamin Drive	Ownership	3	Perp	YES	<i>DHCD</i>
10591	31 Fairgrounds	31 Fairgrounds	Rental	22	Perp	NO	<i>DHCD</i>
Nantucket Totals				273	Census 2010 Year Round Housing Units		4,896
					Percent Subsidized		5.58%

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is dated this 12th day of February, 2021, between the Town of Nantucket Affordable Housing Trust Fund, a Massachusetts municipal housing trust created pursuant to G.L. c.44, §55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Deeds in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554(the "Trust") and NHA Properties, Inc., a Massachusetts nonprofit corporation, having its address at 75 Old South Road, Nantucket Massachusetts 02554("NHA").

RECITALS

WHEREAS, Fairgrounds Common, LLC (the "Proposer" or the "Builder") presented a proposal to the Trust for the funding for the acquisition of the property located at 31 Fairgrounds Road, Nantucket (the "Property") and the construction of a twenty-two (22) unit affordable housing project thereon(the "Project") to be constructed by the Proposer. The Proposer has executed a Purchase and Sale Agreement dated March 20, 2020, as amended by Amendment to and Ratification of Purchase and Sale Agreement dated January 11, 2021, for the purchase of the Property and will assign its rights to the Purchase and Sale Agreement to NHA;

WHEREAS, NHA has agreed to purchase the Property pursuant to the Purchase and Sale Agreement and to enter into a Land Development Agreement with the Proposer for the construction of the Project;

WHEREAS, the Planning Board of the Town of Nantucket granted to the Proposer a Special Permit dated December 14, 2020, which is recorded with said Deeds in Book 1794, Page 248;

WHEREAS, the Proposer agrees to promptly apply to the Historic District Commission (the "HDC") for the approval of the plans and specifications of the Project;

WHEREAS, NHA has requested a grant from the Trust in the amount of Three Million Six Hundred Thousand Dollars (\$3,600,000.00) for the purchase price of the Property and a loan in the amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000.00) for the construction of the Project;

WHEREAS, the votes of Article 28 and Article 37 authorized the appropriation of funds for the Trust to develop affordable housing units in the Town, including the costs of acquiring the land and the construction of affordable housing units, subject to certain

restrictions;

WHEREAS, the Trust voted to award the grant to NHA for the amount of the purchase price of \$3,600,000.00 and to loan the sum of \$6,750,000.00 for the construction of the Project, subject to NHA's grant of an affordable housing restriction on the Property to be held by the Town of Nantucket, and subject to the Town and NHA entering into a mutually agreeable promissory note and mortgage on the Property.

NOW THEREFORE, in consideration of the foregoing and in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Purchase of the Property. Simultaneous with the execution of this MOU, NHA shall perform the buyer's obligations under the Purchase and Sale Agreement, which shall close on February 10, 2021, subject to the terms of the Purchase and Sale Agreement. Such performance shall include paying the purchase price, and taking title to the Property. NHA is obligated to undertake a title examination of the Property and to accept a quitclaim deed to the Property for good, clear, marketable title and free of encumbrances on the Property which will interfere with NHA's proposed use of the Property; and to deliver a Lender's Title Insurance Policy to the Trust in the insured amount of \$6,750,000.00 for the loan amount of the mortgage acceptable to the Trust.

2. Grant Funds. The Trust shall deliver the Grant Funds to NHA on the date of closing for its payment to the Seller of the Property. In consideration of the Trust granting the Grant Funds, NHA agrees that it shall grant to the Town of Nantucket an affordable housing restriction on the Property, which shall require the Property to be used for affordable housing purposes in perpetuity. This restriction shall be recorded on the Property and remain in effect until such time as the Regulatory Agreement and Declaration of Restrictions between NHA, the Town and the Department of Housing and Community Development (DHCD) on terms acceptable to the Town and DHCD is recorded with said Registry of Deeds. Six (6) of the units shall be rented to households whose annual income does not exceed eighty percent (80%) AMI as determined by the United States Department of Housing and Urban Development and sixteen (16) of the units shall be rented to households whose annual income does not exceed two hundred percent (200%) AMI. All the Units must be included in the Town's Subsidized Housing Inventory.

3. Loan Funds. The Trust shall make payments quarterly to NHA for the disbursements to the Builder in accordance with the Schedule of Draws attached to the Construction Agreement between NHA and the Builder as Exhibit C. NHA shall execute a Promissory Note to be held by the Trust in the amount of \$6,750,000.00. NHA agrees to make payments of principal and interest quarterly to the Trust at the rate of one-half percent (0.5%) per annum for a term of fifty (50) years or until paid sooner. NHA agrees that as security for the loan and the performance of its obligations, it shall grant to the Trust a Mortgage and Security Agreement on the Property.

4. Construction of Units. NHA shall enter into a Land Development Agreement with the Builder for the construction of the Project pursuant to the approved plans and specifications approved by the Historic District Commission, the Trust and NHA. The Builder shall use diligent efforts to obtain the necessary approvals from HDC. In the event that the Builder is unable to procure the approvals of the plans and specifications of the approved Project within eighteen (18) months of this Agreement then NHA, at the option of the Trust, shall deliver a deed to the Trust of the Property, and this Agreement shall be terminated, and the Trust shall forgive the Note in the amount of the initial draw to the Builder as shown on Exhibit C of the Land Development Agreement of no more than \$550,000.00 plus interest accrued as of that date.

4. LAU Application. In order for the units to qualify for the Town of Nantucket's Subsidized Housing Inventory (SHI) and be eligible for certification for the Town's Safe Harbor, NHA, the Town and the Builder will use their best efforts to jointly prepare the Local Action Unit application to be filed with DHCD this month and agrees to meet any additional requirements of DHCD for the twenty-two units to be included on the Town's SHI and to meet certification for the Town's Safe Harbor.. NHA agrees to prepare the necessary fair housing marketing plan and oversee the lottery for the tenant selection as required by DHCD.

5. Management of the Property. Upon completion of the construction of the Project and the commencement of the rental of the Units, NHA agrees to manage the Project including all maintenance and repairs to the Project. In addition NHA shall oversee any reporting requirements for DHCD pursuant to a mutually upon contract.

6. Notices. All notices required or permitted to be given hereunder shall be in writing and delivered by facsimile, by hand or mailed, postage prepaid, by registered or certified mail, or by overnight express delivery with receipt required, in the case of the Trust to:

The Town of Nantucket Affordable Housing Trust Fund
2 Fairgrounds Road
Nantucket, MA 02554

With a copy to: Tucker Holland
Municipal Housing Director
Town & County Building
16 Broad Street
Nantucket, MA 02554

And another copy to:

Vicki S. Marsh, Esq.
KP Law, P.C.
101 Arch Street

Boston, MA 02110

In the case of NHA:

NHA Properties, Inc.
75 Old South Road
P.O. Box 3149
Nantucket, MA 02584
Attn: Anne Kuszpa, Executive Director

With a copy to:

Steven L. Cohen, Esq.
Cohen & Cohen Law, P.C.
34 Main Street, 2nd Floor
P.O. Box 786
Nantucket, MA 02554

Or in the case of either party to such other address as shall be designated by written notice given to the other party. Any such notice shall be deemed given when so delivered by hand or, if so mailed, when received by the party to whom it is addressed, or if sent by facsimile, on the same business day as sent.

7. Miscellaneous. This Agreement contains the entire agreement between the parties and there are no other agreement or understandings between the parties regarding the subject matter of this Agreement. If any portion of this Agreement is declared to be illegal, unenforceable or void, then all parties to this Agreement shall be relieved of all obligations under that portion; provide, however, that the remainder of this Agreement shall be enforced to the fullest extent permitted by law. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions thereof. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The recitals to this Agreement are incorporated herein.

Signature Page to Follow

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day referenced above.

TOWN OF NANTUCKET
AFFORDABLE HOUSING TRUST
FUND
By its Board of Trustees

Brian Sullivan, Chair

NHA PROPERTIES, INC.



Peter T. Kaizer, President

Brooke S. Mohr, Vice-Chair



Paul Wolf, Jr., Treasurer

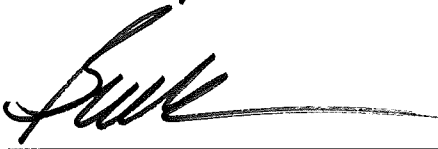
IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day referenced above.

TOWN OF NANTUCKET
AFFORDABLE HOUSING TRUST
FUND

By its Board of Trustees

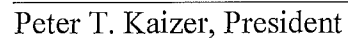


Brian Sullivan, Chair

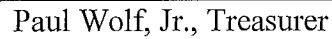


Brooke S. Mohr, Vice-Chair

NHA PROPERTIES, INC.



Peter T. Kaizer, President



Paul Wolf, Jr., Treasurer

TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND

GRANT AND LOAN AGREEMENT FOR

NHA Properties, Inc.

This GRANT AND LOAN AGREEMENT (the "Agreement") is made on this 12th day of February, 2021, by and between the Town of Nantucket Affordable Housing Trust Fund, a municipal affordable housing trust created pursuant to G.L. c. 44, §55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Deeds in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554 (the "Trust"), and NHA Properties, Inc., a Massachusetts nonprofit corporation having an address of 75 Old South Road, Nantucket, Massachusetts 02554 (the "Grantee").

WITNESSETH:

WHEREAS, Fairgrounds Common, LLC (the "Proposer" or the "Builder") presented a proposal to the Trust for the funding for the acquisition of the property located at 31 Fairgrounds Road, Nantucket (the "Property") and the construction of a 22-unit affordable housing project thereon (the "Project") to be constructed by the Proposer. The Proposer has executed a Purchase and Sale Agreement dated March 20, 2020 and amended by Amendment to and Ratification of Purchase and Sale Agreement dated January 11, 2021 for the purchase of the Property and will assign its rights under the Purchase and Sale Agreement to the Grantee and will construct the permitted Project on the Property in accordance with the approved plans. The total price for the acquisition of the Property and the construction of the Project built as currently designed and permitted, inclusive of everything, except for furnishings is \$10,350,000.00. The Proposer has received a Special Permit from the Nantucket Planning Board dated December 14, 2020, which is recorded with the Nantucket County Registry of Deeds in Book 1794, Page 248, for the development of the Project on the Property and will promptly apply for the approval of the plans with the Historic District Commission (the "HDC"). The Grantee is requesting a grant in the amount of \$3,600,000.00 (the "Grant Funds") for the purchase price to acquire the Property and its closing costs, and is requesting a loan in the amount of \$6,750,000.00 (the "Loan Funds") for the sole purpose of constructing the Project thereon, which will be subject to a perpetual affordable housing restriction held by the Town of Nantucket, which loan will be secured by a mortgage on the Property;

WHEREAS, the vote of Article 28 of the 2019 Annual Town Meeting authorized the appropriation of funds for the Trust to develop affordable housing units in the Town of Nantucket, including the costs of acquiring the land and the construction of affordable housing units, provided the units are available to households with incomes of not less than 30% of the area median income of the Town of Nantucket (the "AMI") or more than 200% AMI, as most recently determined by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, the vote of Article 37 of the 2019 Annual Town Meeting authorized the appropriation of funds for the Trust to acquire land for affordable housing purposes, including the construction of the affordable housing units, provided the affordable housing units are available to households with incomes of not less than 30% AMI nor more than 200% AMI, as most recently determined by HUD, provided said units qualify for the Town's Subsidized Housing Inventory;

WHEREAS, the Trust reviewed the Proposal and request for a grant and loan and voted to award the grant to the Grantee for the amount not to exceed \$3,600,000.00 to be used for the purpose of the Grantee purchasing the Property to construct the Project, and to loan the sum of \$6,750,000.00 for the sole purpose of the Builder constructing the Project on the Property, subject to an affordable housing restriction on the Property to be held by the Town of Nantucket, and subject to the Trust and the Grantee entering into mutually acceptable promissory note and mortgage.

WHEREAS, the Trust now wishes to enter into an agreement with the Grantee to set forth the terms of the grant and the loan;

NOW THEREFORE, the Trust and Grantee agree as follows:

1. Funding. As appropriated by Articles 28 and 37 of the 2019 Town Meeting and approved by the Select Board, the Trust at a meeting held on _____, 2021 voted to grant to Grantee funds totaling \$3,600,000.00 (the "Grant Funds") on the condition that Grantee shall use the Funds only for the acquisition costs of the Property and for the purposes of the Project; and to loan to Grantee the sum of \$6,750,000.00 (the "Loan Funds") on the condition that the Grantee shall use the Loan Funds for the construction of the Project as set forth more particularly in the Proposal and this Agreement and then ratified its vote at their meeting on _____, 2021.
2. Conditions.
 - a) The Grantee shall acquire the Property and construct the Project in accordance with the approved plans and specifications showing in detail the location, layout and size of the units, the landscaping and all other improvements to be constructed on the Property commencing the work on the Project within two (2) months from the date of the execution of this Agreement (the "Commencement Date") and completing the Project within one (1) year from the Commencement Date, unless extended by the Trust for good cause. The builder of the Project, 31 Fairgrounds Commons (the "Builder"), will be responsible for obtaining the approval of the plans and specifications by HDC and by the Trust. In the event that the Builder is unable to procure the approvals of the plans and specifications of the approved Project within eighteen (18) months of this Agreement, then, the Trust at its option, may terminate the Agreement pursuant to Section 12.
 - b) Excess or unused Grant or Loan Funds will be returned to the Trust if the Project has not begun or the Project has not been completed as provided for in Section 2(a).

- c) Upon purchase of the Property, Grantee shall construct the Project on the Property for affordable housing purposes. The Grantee, the Town of Nantucket and the Department of Housing and Community Development ("DHCD") shall enter into a Regulatory Agreement and Declaration of Restrictions on terms satisfactory to the Town, which shall require the Property to be used for affordable housing purposes in perpetuity, survive foreclosure of any mortgages and/or other liens encumbering the Property, and grant the Town the independent permanent right to enforce the terms thereof without regard to whether DHCD remains as a party thereto (the "Regulatory Agreement"). Six (6) of the units shall be rented to households whose annual income does not exceed eighty percent (80%) AMI as determined by HUD and sixteen (16) of the units shall be rented to households whose annual income does not exceed two hundred (200%) AMI. All the units must be included in the Town's Subsidized Housing Inventory (SHI). All mortgages and other liens on the Property shall be subordinate to the Regulatory Agreement.
 - d) The Grantee agrees that as security for the loan of the Loan Funds to the Grantee and as security for the performance of the Grantee's obligations hereunder and the Regulatory Agreement, it shall grant to the Trust a fifty (50) year mortgage on the Property (the "Mortgage"), and shall issue the Trust a Promissory Note, both in form acceptable to Town Counsel, which Note shall have an interest rate of one-half percent (0.5%) per annum, to be discharged at the end of said fifty (50)-year term, notwithstanding any repayment of the Loan Funds, to ensure compliance with the affordability requirements in the Regulatory Agreement. The loan secured by said Mortgage shall be come fully due and payable, with interest at the rate of one-half percent (0.5%) per annum upon the occurrence of the following conditions, among others: (i) the Project is not constructed or is not rented in compliance with the Regulatory Agreement, or (ii) the Project is not completed by the Completion Date.
 - e) Grantee shall seek the approval of, and work closely with, ^{Town of Nantucket's} ~~Real Estate Specialist~~ ^{Housing Director &} in the implementation of the Project.
3. Contact. Grantee shall identify in writing a contact person responsible for administration of the Project.
 4. Budget/Other Sources of Funding. Prior to the commencement of the Project, Grantee must submit a complete project budget to the Trust for its review and approval that accounts for (1) the expenditure of all funds awarded under this Agreement; and (2) the identity and amounts of all other sources of funding, if any, to complete the Project. If the Trust determines that the Loan Funds have been spent on goods and/or services not included in the Project budget, the Trust may withhold additional payments until detailed invoices are presented for review and approval by the Trust.
 5. Payments. The Trust shall not disburse any Loan Funds for the construction of the Project until the Grantee purchases the Property and its Deed and Mortgage to the Trust are recorded with the Nantucket County Registry of Deeds, and until the plans and specifications of the Project have been approved by the Grantee, the Trust and HDC. The Trust shall have the right to ask for detailed invoices to supplement the payment requests. Prior to any payment,

the Trust shall have the right to enter the Property to inspect the work. No payment shall be made until the Trust reasonably determines that the work has been done in a good and workmanlike manner and substantially in compliance with the approved plans and specifications. The Loan Funds shall be disbursed to the Grantee who shall pay the Builder based upon the work completed and approved by the Town of Nantucket Building Inspector, in accordance with the Schedule outlined in Exhibit C of the Land Development Agreement between the Grantee and the Builder. Notwithstanding anything herein to the contrary, if the actual total cost of the Project is more than the Loan Funds (the difference between the two amounts referred to hereinafter as the ("Excess")), the Trust shall have no obligation to pay the Excess. However, if the cost of the Project exceeds the Loan Funds due to changes in the Project construction and specifications as a result of the regulatory process necessary for the approval of the Project, the Grantee may make a request of such additional funds from the Trust.

6. Liability of the Trust. The Trust's liability hereunder shall be to make the payments specified in Section 1 of this Agreement, provided that the conditions set forth in Sections 2 and 5 are followed, and the Trust shall be under no further obligation or liability. Nothing in this Agreement shall be construed to render the Trust or any elected or appointed official or employee of the Trust, or their successors in office, personally liable for any obligation under this Agreement.
7. Indemnification. Grantee shall indemnify, defend, and hold the Trust and its officers, employees, servants and agents harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorneys' fees, arising out of or relating to Grantee's performance of the Project, the condition of the Property, or the negligence or misconduct of Grantee or Grantee's agents or employees.
8. Reports; Inspection. Grantee shall provide the Trust with progress reports at three(3)-month intervals beginning sixty (60) days from the date this Agreement is signed, for so long as the Loan Funds remain unexpended, and with final notification within thirty (30) days after the completion of the Project. The Trust shall have the right, upon reasonable request, to inspect the work of Grantee and the Proposer, including the right to enter the Property and the Trust reserves the right to review all final plans and the reasonableness of the scope of work items to be taken to accomplish the stated Project goals.
9. Public Records; Contract Documents. All documents relating to the Project, including, but not limited to, photographs, videos, etc., submitted to the Trust shall become the property of the Town and shall be available for use by the Trust and available by the public under the Massachusetts Public Records Law. The Contract Documents consist of this Agreement, the Proposal and all documents attached thereto, the Restriction, and plans approved by the Trust. The Contract Documents constitute the entire agreement between the parties concerning the Project.
10. Record Keeping. Grantee agrees to keep, for a period of six (6) years after the Project is completed, such records with respect to the utilization and the proceeds of this Agreement as

are kept in the normal course of business and such additional records as may be required by the Trust. Grantee further agrees to make these records available to the Trust upon request.

11. Assignment or Transfer of Property. Grantee shall not assign, subcontract or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Trust. In no event shall the Grantee sell, transfer, convey or otherwise dispose of the Property and/or the Units to anyone other than an eligible household for rent or encumber the Property or any part thereof other than a grant of a conservation restriction acceptable to the Trust on a portion of the Property, without the prior written consent of the Trust, which may be withheld in its sole and absolute discretion.
12. Termination. In the event Grantee fails to fulfill all obligations under the terms of this Agreement, as determined by the Trust, and such failure is not cured within forty-five (45) days after the Trust has given written notice to Grantee specifying such failure, the Trust shall have the right, in its sole discretion, to terminate this Agreement upon written notice to Grantee. Upon receipt of said termination notice, Grantee shall cease to incur additional expenses in connection with this Agreement. Upon termination, the Trust shall be free to pursue any available rights or remedies, including without limitation, recapture of Loan Funds as set forth in Section 13 below. Upon the expiration or earlier termination of this Agreement, all rights and obligations of the parties hereunder shall expire and be of no further force and effect, except that the provisions of Sections 2, 5, 6, 7, 10, 12, and 13 shall survive said expiration or earlier termination. In the event that the Builder is unable to obtain approvals of the plans and specifications for the Project to be constructed pursuant to the Special Permit as set forth in Section 2 (a), then the Grantee shall, at the Trust's option, deed the Property to the Trust.
13. Return of Funds. In the event Grantee fails to fulfill all obligations under the terms of this Agreement and this Agreement is terminated pursuant to Section 12, any Grant Funds or Loan Funds granted to Grantee under this Agreement and not yet expended shall be returned forthwith to the Trust without further expenditure thereof. If Grantee fails to fulfill its obligations under the terms of this Agreement as a result of negligent or intentional acts or omissions of Grantee or its agents, employees, contractors or invitees, Grantee shall be liable to repay to the Trust the entire amount of the Grant funds and Loan Funds provided under this Agreement, and the Trust may take such steps as are necessary, including legal action, to recover such funds. Any Grant Funds or Loan Funds so returned or recovered shall be placed in the Trust's account. In the event that the Trust takes legal action under this Agreement, Grantee shall pay any and all costs, including reasonable attorneys' fees, expended for the enforcement of this Agreement.
14. Compliance with Laws. Grantee shall comply with all Federal, State and local laws, rules, regulations and orders applicable to the Project, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required in connection with the Project. No local permit or license is waived by the award of this grant.

15. Notice. Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.
16. Severability. If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Grant Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
17. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and Grantee submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Grant Agreement.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement on the day and year first written above.

GRANTOR: TOWN OF NANTUCKET
AFFORDABLE HOUSING TRUST
FUND

By its Board of Trustees

GRANTEE: NHA PROPERTIES, INC.

Brian Sullivan, Chair

By: _____

Name: Peter T. Kaizer

Title: President

Brooke S. Mohr, Vice-Chair

By: _____

Name: Paul Wolf, Jr.

Title: Treasurer

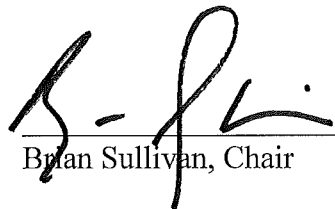
748618/v6NANT 19710/0009

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement on the day and year first written above.

GRANTOR: TOWN OF NANTUCKET
AFFORDABLE HOUSING TRUST
FUND

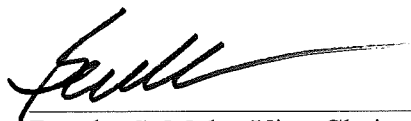
By its Board of Trustees

GRANTEE: NHA PROPERTIES, INC.



Brian Sullivan, Chair

By: _____
Name: Peter T. Kaizer
Title: President



Brooke S. Mohr, Vice-Chair

By: _____
Name: Paul Wolf, Jr.
Title: Treasurer

748618/v6NANT 19710/0009



TOWN & COUNTY OF NANTUCKET
SELECT BOARD
POLICY FOR SEWER FEE WAIVER REQUESTS
Adopted: 07/20/2016; Revised 10/24/2018, 12/03/2020

I. Policy.

The Select Board, acting as the Nantucket Sewer Commission pursuant to Chapter 396 of the Acts of 2008, and in accordance with Chapter 38, Article III, section 38-3B of the Code of the Town of Nantucket, has the authority to waive any town fee or charge, upon a determination that the public interest so requires.

The Select Board hereby determines that it is in the public interest to encourage the production of affordable housing, including workforce housing units for the Island's working population. Therefore, the Select Board will consider, on a case-by-case basis, waivers of one or both of the Town's fees relating to the connection of dwelling units that are located in an existing Sewer District as established under Chapter 396 of the Acts of 2008.

II. Sewer Connection and Sewer Capacity Fee Waivers.

The Select Board may, at its discretion, waive the sewer connection fee or the Sewer Capacity Fee upon the request of a property owner, developer, or public entity seeking to connect one or more dwelling units to the Town's sewer system if such unit or units are bound by a permanent affordable housing deed restriction in a form acceptable to the Town and enforceable by the Town, and provided that the dwelling unit or units are part of a project where a minimum of 25% of the units are eligible for inclusion on the Town's Subsidized Housing Inventory ("SHI") as maintained by DHCD or any successor agency and provided that the developer and/or unit owner shall cooperate fully with the Town in obtaining SHI status for the eligible unit or units by timely providing all required documentation and notifying the Town Manager when a building permit issues and when an occupancy permit issues.

In the case where less than all of the units in the project are income-restricted, the Select Board may waive up to 100% of both sewer fees where the unit is restricted at 80% AMI or less, up to 75% of both fees where the unit is restricted between 81% and 100% AMI, and up to 50% of both fees where the unit is restricted between 101% AMI and 150% AMI. In the case where all of the units in a project are income-restricted, 100% of both sewer fees may be waived as long as a minimum of 25% of the total number of units are SHI-eligible. In exercising its discretion, in applying the policy, the Select Board may consider the total value of Town subsidies for the project, including closing cost assistance, direct grants, land contribution by the Town, other fee waivers, and market rate sales in the project.

In the case of dwelling units that are subject to a permanent affordable housing covenant meeting the requirements of Chapter 301 of the Acts of 2002, and Chapter 100 of the Code of Nantucket, the Select Board may, in its discretion, waive all or a portion of the sewer connection fee.

Commerce reviewed the Rock Solid grant, noting they have expended all but \$3,000 from the past \$150,000 grant and will have \$50,000 in matching funds from ReMain Nantucket for this new grant round. Ms. Macumber answered questions from Mr. Fee and Sarah Ellis. Fire Chief Steve Murphy noted that the grant the Fire Department is receiving is a very competitive grant process. Ms. Murphy moved to approve the pending contracts; Ms. Ferrantella seconded. So voted by roll call vote: Chair Bridges – Yes; Mr. Fee – Yes; Ms. Ferrantella – Yes; Ms. Murphy – Yes.

IX. CONSENT ITEMS

1. Gift Acceptance: Fire Department; Planning and Land Use Services. Ms. Mooney reviewed the gifts. Ms. Ferrantella moved to accept the gifts for their stated purposes and to send letters of thanks to the donors; Ms. Murphy seconded. So voted by roll call vote: Chair Bridges – Yes; Mr. Fee – Yes; Ms. Ferrantella – Yes; Ms. Murphy – Yes.

X. CITIZEN/DEPARTMENTAL REQUESTS

1. Nantucket Preservation Trust: Request for Approval of Historic Preservation Restrictions to be Held by Nantucket Preservation Trust for: a) Nantucket Island School of Design and the Arts (NISDA), 23-25 Wauwinet Road. Nantucket Preservation Trust (NPT) executive director Mary Bergman reviewed the request. Ms. Murphy moved to approve the Historic Preservation Restriction (HPR) for 23-25 Wauwinet Road and to find it in the public interest; Mr. Fee seconded. So voted by roll call vote: Chair Bridges – Yes; Mr. Fee – Yes; Ms. Ferrantella – Yes; Ms. Murphy – Yes.

b) 79 Orange LLC, 79 Orange Street. Mr. Fee recused himself from this matter. Ms. Bergman reviewed the request. Ms. Murphy moved to approve the HPR for 79 Orange Street and to find it in the public interest; Ms. Ferrantella seconded. So voted by roll call vote: Chair Bridges – Yes; Ms. Ferrantella – Yes; Ms. Murphy – Yes.

2. Nantucket Land Council: Request for Re-execution of January 8, 2020 Select Board Approval and Execution of Conservation Restriction to be Held by Nantucket Land Council, Inc. for Portion of 16 Medouie Creek Road. Nantucket Land Council executive director Emily Molden reviewed the request, noting the Conservation Restriction (CR) was previously approved by the Board at its January 8, 2020 meeting, but with COVID, the final document was not completed, and the signatures are now stale, necessitating the need for a re-approval. Mr. Fee moved to re-execute the CR for 16 Medouie Creek Road and to find it in the public interest; Ms. Murphy seconded. So voted by roll call vote: Chair Bridges – Yes; Mr. Fee – Yes; Ms. Ferrantella – Yes; Ms. Murphy – Yes.

XI. PUBLIC HEARINGS

1. Public Hearing to Consider the Revocation of Private Shellfish Aquaculture Licenses Held by Theodore Lambrecht of 10 Trotters Lane, Known as Licenses #12 and #12B, Head of the Harbor, Consisting of 4 Acres Each. Chair Bridges opened the public hearing. Natural Resources Director Jeff Carlson noted this is the 3rd meeting in 2021 with Mr. Lambrecht about his licenses. He reviewed the situation, noting he has been working with Mr. Lambrecht for three years to get his licenses into compliance and noted that the Harbor and Shellfish Advisory Board (HSAB) has recommended revocation of the licenses due to continued non-compliance. Mr. Carlson added that there was a shellfish handling issue in July which resulted in confiscation of oysters on Mr. Lambrecht's boat as he did not have an off-site culling permit. He said that the most recent inspection of Mr. Lambrecht's licensed area continues to indicate substantial non-functional gear underwater and said he supports revocation due to insufficient progress. Mr. Lambrecht said that he has been working to get the gear up off the harbor floor and he has marked the license corners

and put new seed out; he said he has been working “the entire time”. Mr. Fee said he is having trouble squaring up the packet material with Mr. Lambrecht’s testimony. Mr. Carlson said that Mr. Lambrecht has been putting work in, but the gear has sat for so long that it is a substantial effort to get it back into working order which is very time consuming. He reiterated that due to non-compliance of the policy and the licenses, the effort made is not sufficient to achieve compliance. Mr. Fee asked what is compliance. Mr. Carlson explained that compliance is functional equipment not grown into the bottom of the harbor, that gear and license conditions are actively being worked on and proper shellfish handling. Mr. Fee asked if Mr. Lambrecht is working too slowly. Mr. Carlson said this matter has been going on for 18 months without compliance. Ms. Murphy stated that the Select Board agreed that substantial progress was to be made and the gear removed by now. She said that Mr. Lambrecht made that commitment to the Board and it is still not done. Ms. Murphy stated that she feels the Board is not seeing enough progress since May and she is not leaning towards allowing the gear to stay. Ms. Ferrantella said that in July, the Board asked Mr. Lambrecht if 60 days was enough time and they were told it was, but the work hasn’t happened and there are others who are ready and willing to work the licenses. Chair Bridges agreed with Ms. Murphy and Ms. Ferrantella, noting he was ready to vote to revoke at the July meeting. Regarding the shellfish handling issue, Mr. Lambrecht said that he didn’t realize his state permit didn’t allow him to cull oysters off-site, but he has since corrected that. He added that he has “good seed” in gear in the water and he is continuing to pull gear off the bottom which takes time. He added that he can’t do anything more than he is doing now. Mr. Carlson said he understands, that the revocation process was not started lightly and that it has been almost five years since there has been production from these licenses, adding that while progress has been made, it is not sufficient. Mr. Fee said he is struggling with this matter as he feels effort has been made. He asked if partnerships are allowed to work sites. Mr. Carlson answered affirmatively, adding that the Select Board can subdivide license areas as they see fit. He added that anyone who holds a license on a site has to be licensed through the state but there is nothing in the regulations that prohibits partners or employees. Ms. Murphy noted that the July minutes state that a full harvest will be ready for 2022. Mr. Carlson reiterated there is seed in some gear but there is still a substantial amount of gear on the bottom and the licenses are not in compliance. Mr. Lambrecht stated that his gear is in good working order, it just needs to come up and out. Mr. Fee asked what would happen if the licenses were revoked, if the gear with new seed would have to come up as well. Mr. Carlson answered affirmatively but added that permitting is available to transfer it to someone else. Mr. Lambrecht stated that he is doing everything possible to have his licenses in full compliance and that by next spring, he should be fully operational. He noted that if someone else takes over there is no way they would be set up for the 2022 season. He stated his licenses are functioning and he is moving forward. Ms. Murphy said she shares the frustration, but the equipment is still not removed and that was the most important part of this that was supposed to happen by now. She said the Board has been lenient with Mr. Lambrecht but that she feels it is disrespectful to the community that this hasn’t been prioritized and she doesn’t have a sense of confidence that this will happen. She said Mr. Lambrecht is stating it will happen on *his* time. Mr. Lambrecht countered by saying that he didn’t say all the gear would be removed as that takes time and he can only go so fast. Sarah Ellis asked how many years the license was held before it fell into non-compliance. Mr. Carlson said he thinks it has been 7-8 years so five of 8 years it has been in non-compliance. HSAB member Peter Brace gave some history on the licenses and asked how much gear has been pulled up and how much is left. Mr. Lambrecht responded about 30% of the gear has been pulled up and cleaned. Mr. Brace said that the HSAB letter recommending revocation wasn’t written lightly and HSAB understands Mr. Lambrecht has had hardships but progress has never been made. Ms. Ferrantella asked if the Board revokes the licenses, will all the gear need to be removed. Mr. Carlson answered affirmatively. Mr. Fee asked what percentage of the licensed sites is Mr. Lambrecht using. Mr. Lambrecht said he plans to use all of it. Ms. Murphy thanked Mr. Brace for providing some history on this matter. She said if the Board extends the time for Mr. Lambrecht, hard deadlines have

to be in place. She asked with 30% of the gear up, what is the reasonable expectation to have 100% of the gear removed. Mr. Lambrecht stated 90 days. Ms. Murphy suggested to continue the public hearing for 90 days, and if 100% of the gear is not pulled up, a revocation will be made. Ms. Murphy made that her motion, to continue the public hearing to December 8, 2021; Mr. Fee seconded. Mr. Carlson said he is afraid this is going to perpetuate, especially with fall weather approaching. He said he doesn't have good faith that the licenses will be in compliance by December 8. He said that Mr. Lambrecht's gear has been on the bottom so long that it has become an artificial reef and is sustaining other creatures. Some discussion followed on a timeline if the licenses are revoked, to get another fisherman permitted and set up. Mr. Carlson suggested compliance for the motion should include all gear on the bottom is to be up within 90 days, any gear set in the water will need to be inspected by the Shellfish Warden and there shall be no handling issues, and if handling issues do occur, it shall result in automatic revocation. Ms. Murphy agreed to make that part of her motion; Mr. Fee agreed. On the motion, so voted by roll call vote: Chair Bridges – Yes; Mr. Fee – Yes; Ms. Ferrantella – No; Ms. Murphy – Yes.

XII. TOWN MANAGER'S REPORT

1. FY 2021 Fourth Quarter/End of Year Budget Reports: Airport Enterprise Fund (Tabled from August 18, 2021). Assistant Airport Manager Noah Karberg reviewed the materials in the Board's agenda packet, noting that total revenue is up 3% over FY 2020 as a result of a decrease to the Fuel Revolver Cap and an increase in fuel sales. He stated expenses were down 31% as a result of payroll expenses due to reimbursements from the CARES Act.

XIII. SELECT BOARD'S REPORTS/COMMENT

1. Preliminary Discussion Regarding Potential Select Board-sponsored Articles for May 2, 2022 Annual Town Meeting. Chair Bridges asked if Board members have any Board-sponsored article proposals for the 2022 Annual Town Meeting (ATM) warrant. Mr. Fee asked how to move forward on "leveling the playing field" for housing for workers and year-round residents. He asked how that would be analyzed, what part of the government would examine that with the Board or for the Board and questioned if that were a Planning function. Mr. Fee noted the Board had a joint meeting with the Planning Board earlier this summer during which a lot impacts identified through the course of Article 90 of the 2021 ATM were discussed, but it became so polarized the issues weren't thoroughly examined or discussed. Mr. Fee said we need to find a way to rein in the housing crisis, and not just focus on short-term rentals; he added that he is worried a Planning Board recommendation will be a way to make short-term rentals legal. He said he feels the focus should be wider. He noted housing this summer in general, for Town employees and employees of island businesses was in jeopardy and there were not enough service workers this summer, and he's not sure next year will be any better. Mr. Fee said he doesn't think "throwing money" at the issue is a solution and changes to regulations and/or policies might be needed and questioned how that gets done. Chair Bridges noted at the joint meeting there was discussion as to redefining short-term rentals and he would like to see a group work on this together instead of possibly having 3-4 citizen warrant articles saying the same thing and being confusing. He questioned if a work group could be convened made up of Select Board and Planning Board members, staff, ACK Now and Affordable Housing Trust to get work done in three months. Mr. Fee questioned who the group would be, who would convene them, what the mission would be. He added he would like to work with the Planning Board too, but he doesn't want to exclude other options. Mr. Fee said he worries that this will be too last-minute and not sufficiently reviewed. Ms. Ferrantella noted that the Nantucket Planning and Economic Development Commission (NP&EDC) cancelled its last meeting, so the matter hasn't been discussed with that group, and there has been no progress from the Planning Board about forming a work group. Brooke Mohr said she has a "grave concern" that the "unfettered" short-term rental industry will have life-changing impacts. She noted that short-term rentals have always been around,

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JEFF CARLSON, NATURAL RESOURCES DIRECTOR
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCARLSON@NANTUCKET-MA.GOV
508-228-7230



December 1, 2021

To: Select Board

From: Jeff Carlson, Natural Resources Director

Re: Theodore Lambrecht – Revocation Request for a Private Aquaculture Lease

Please find an update since the September 8, 2021 public hearing and summary of events related to the private aquaculture leases held by Theodore Lambrecht. The initial grounds for revocation are documented in the attached letters from previous hearings. This is a process that was originally initiated in June of 2020 and included significant review from the Harbor and Shellfish Advisory Board who voted to support the revocation of these licenses. This recommendation came after granting Mr. Lambrecht from September 15, 2020 until April 15, 2021 to work toward compliance including a goal of getting a vessel seaworthy to work on his leases. This was a period of 212 days to which progress was not significantly met.

The Select Board first heard this matter on May 12, 2021. Since that time Mr. Lambrecht has had shellfish confiscated twice as directed by the Massachusetts Division of Marine Fisheries for improper handling of shellfish. The first confiscation was on July 16, 2021 and was discussed at the September 8 public hearing of this revocation request. The motion made by the Board at that time was as follows “to continue the public hearing for 90 days to December 8, 2021 and to include that all gear on the bottom is to be up within 90 days and there shall be no handling issues and if handling issues do occur it shall result in automatic revocation.” On November 10, 2021 the Shellfish Warden found five of bags of oysters being improperly stored within Polpis Harbor. The formal report and photos are attached, but the result was confiscation of five bags of oysters. The Natural Resources Department believes that this meets the requirement for revocation as it was an additional handling issue since the September 8, 2021 hearing. This mishandling of shellfish is of critical concern as consumption of contaminated shellfish or shellfish not properly stored and fostering potential bacterial growth and cause significant illness in people and can cause significant harm to the aquaculture business on Nantucket in general.

Summary Timeline:

2015 – Last documented use of the lease by the Natural Resources Department

April 21, 2020 – Certified Letter to Mr. Lambrecht documenting potential grounds for revocation primarily citing lack of use and failure to meet minimum levels of production as no reports had been filed documenting use since 2015 and physical inspection of the leases showed gear in poor repair with significant growth from lack of use.

June 30, 2020 – First Issuance of Potential Revocation Letter and scheduling a discussion with the Harbor and Shellfish Advisory Board (HSAB)

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JEFF CARLSON, NATURAL RESOURCES DIRECTOR
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCARLSON@NANTUCKET-MA.GOV
508-228-7230



September 15, 2020 – HSAB discusses the potential revocation with Mr. Lambrecht and NRD staff, setting clear goals and objectives to try and get the leases back into compliance

April 15, 2021 – deadline set by SHAB to have made significant progress to be back in compliance

April 20, 2021 – HSAB votes unanimously to support the revocation of the licenses and start the public hearing process with the Select Board.

May 12, 2021 – First public hearing with Select Board extension granted until July 7, 2021

July 7, 2021 – Second Hearing with Select Board extension granted until September 8, 2021

July 16, 2021 – First confiscation of shellfish as required by the Division of Marine Fisheries for improper handling and storage.

September 8, 2021 – Third public hearing with the Select Board extension granted until December 8, 2021

November 10, 2021 – Second confiscation of shellfish as required by the Division of Marine Fisheries for improper handling and storage.

This is a process that was initiated 596 days prior to the December 8, 2021 hearing. HSAB granted Mr. Lambrecht permission to be working on the lease since September 15, 2020 which is 449 days to this hearing date. Given the fact that this process was started from inactivity from 2016 until 2021 Mr. Lambrecht has had significant time to work the lease to attempt to meet the minimum levels of production required by the lease agreement and by the Town of Nantucket Shellfish Regulations. The years of inactivity and the difficulty in trying to get a site back to compliance are of great concern to the Natural Resources Department. Of equal or greater concern is that since work has been occurring on the leases that there have been two required confiscations of shellfish. These two issues when coupled together requires the Natural Resources Department to request revocation of these Private Aquaculture Leases. Should these leases be revoked the Natural Resources Department would request that a clear timeframe be set to remove all gear from the site and should that timeframe not be met that NRD is authorized to hire a third party to remove the gear from the leases and that cost be paid by Mr. Lambrecht.

The Natural Resources Department thanks you for all of your time spent on this matter.

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JC JOHNSEN, SHELLFISH CONSTABLE
131 PLEASANT STREET
NANTUCKET, MA 02554

JCJOHNSEN@NANTUCKET-MA.GOV
508-228-7230



11/10/2021

To: Jeff Carlson, Natural Resources Director
From: JC Johnsen, Shellfish Constable

RE: Ted Lambrecht – Improper Handling of Shellfish

On November 10, 2021 at 7:30am I arrived at Polpis Harbor to find five of Ted Lambrecht's bags of oysters in the water and two of the bags were open. I removed the bags of oysters from the water and contacted Chrissy Petitpas and Gabe Lundgren of the Division of Marine fisheries to see if Mr. Lambrecht could store shellfish in Polpis Harbor. Mr. Lundgren informed me that Mr. Lambrecht was only allowed to transport his oysters from the head of the harbor to 4 Trotters Lane which is his residence. On July 16, 2020 when Mr. Lambrecht had his oysters confiscated from out of his boat in Polpis Harbor he was informed that he was not allowed to store shellfish anywhere other than his lease site in the head of the harbor. Mr. Lambrecht called me at around 10:30am on November 10, 2021 asking me if I had confiscated his oysters I explained to him that he wasn't allowed to store any oysters anywhere other than his oyster lease or 4 Trotters Lane. Mr. Lambrecht said he had stored a lot of bags there the night before and I asked how many bags he left. Mr. Lambrecht informed me that he had left six bags I said there was only five bags there and if there is a bag missing that is a problem because if someone eats his oysters they could possibly get very sick. Mr. Lambrecht said he would look around to see if he could find anymore bags. Mr. Lambrecht asked who he could contact about this. I told Mr. Lambrecht that Chrissy Petitpas from the Division of Marine Fisheries is the best person to contact. Mrs. Petitpas contacted me soon after talking to Mr. Lambrecht and explained by no means is Mr. Lambrecht allowed to store shellfish anywhere other than his lease site and is only allowed to transport oysters to 4 Trotters Lane to cull thru and bring back to his oyster site. Mrs. Petitpas explained this to Mr. Lambrecht when he applied for his off-site culling permit. Mrs. Petitpas said that Mr. Lambrecht told her he was only bringing dead shell to his house to put in his driveway and from the pictures of the bags I sent her it looked like live oysters and not dead shell and she also had explained that to Mr. Lambrecht. The oysters and bags were brought to the dump and destroyed.

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JC JOHNSEN, SHELLFISH CONSTABLE
131 PLEASANT STREET
NANTUCKET, MA 02554

JCJOHNSEN@NANTUCKET-MA.GOV
508-228-7230



Bags of Improperly Stored Oysters Confiscated from Polpis Harbor
11-10-2021

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JEFF CARLSON, NATURAL RESOURCES DIRECTOR
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCARLSON@NANTUCKET-MA.GOV
508-228-7230



August 24, 2021

Theodore Lambrecht
PO Box 3319
Nantucket, MA 02584

Dear Mr. Lambrecht:

Following the Select Board meetings of May 12, 2021 and July 7, 2021 when your continued non-compliance with Town regulations and requirements associated with the private aquaculture licenses held by you was considered, the Natural Resources Department has again reviewed the status of compliance and makes the findings as described below.

In reviewing your private shellfish aquaculture licenses (license number 12, issued on January 22, 2015 and license 12b issued May 1, 2015) issued by the Town of Nantucket and pursuant to the Town of Nantucket Shellfish Regulations adopted on March 4, 2015 and amended April 20, 2016 the Natural Resources Department (NRD) has found a number of requirements with which you are not in compliance, necessitating the need to pursue revocation of the licenses as follows:

In accordance with Section 5, Additional Conditions, paragraph (g) of your license:

"This license may be terminated by the town upon its reasonable determination that:

- (i) *The Licensee has failed to make substantial use of the License Granted hereby constituting an abandonment of the license; or*
- (ii) *The Licensee has failed to cure a breach of any of the terms and conditions of this License promptly after written notice thereof."*

After evaluating the information that you provided in writing on June 10, 2020 the Natural Resources Department finds that you have not made substantial use of the license as required; therefore, the license requires revocation pursuant to the regulations and terms described below.

Section 5.16 - Minimum Levels Production

There shall be minimum level of shellfish production required in order to retain an aquaculture license. This shall be: a minimum inventory maintained of 10,000 shellfish per acre. These standards are subject for review by the Select Board or its designee and may be amended.

There is no documentation on file demonstrating your compliance with this condition and based upon physical inspection of the license areas over the past three consecutive seasons the Natural Resources Department, again, finds that you are not in compliance with this regulation.

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JEFF CARLSON, NATURAL RESOURCES DIRECTOR
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCARLSON@NANTUCKET-MA.GOV
508-228-7230



Section 5.17 - Failure to Meet Production Levels

Failure of the licensee/s to meet the specified production level for any three (3) consecutive years may result in the forfeit of the aquaculture license and licensed area, as stated in MGL Chapter 130; Section 65.

Again, there is no documentation on file demonstrating compliance with this condition and based upon physical inspection of the license areas over the past three consecutive seasons the Natural Resources Department finds that you are not in compliance with this regulation.

Matters of non-compliance relating to the Private Shellfish Aquaculture License:

Section 5, Additional Conditions, paragraph (b). *"The Licensee shall submit to the Department reports of its activities including the total number of bushels of each type of shellfish planted, produced or marketed in or from the Licensed Area along with an estimate of the total number of bushels of each type of shellfish planted or growing thereon along with such information as the Department shall request. The reports shall be filed in writing and shall be submitted quarterly within 30 days after the end of each calendar quarter. The filing of such reports shall constitute the Licensee's representation and warranty that the information contained therein is true and correct."*

The Natural Resources Department has not received any reports from you since 2015. The failure to provide these reports further demonstrates that the license is being substantially used as required.

Section 6, Insurance. *"The Licensee, its contractors, agents, representatives, shall maintain sufficient public liability insurance, with coverage for bodily injury, wrongful death, and property damage in amounts reasonable satisfactory to the Town but not less than \$1,000,000 per occurrence and \$3,000,000 cumulative. The licensee shall provide such other insurance coverage as the Town may reasonably require in connection herewith. The Licensee shall provide the Town with a certificate of such public liability insurance annually. The Licensee's contractors, agents and representatives shall supply bonding certificates for any construction or rehabilitation contemplated hereby showing compliance with foregoing provisions and/or the provisions of all construction contracts associated with this project."*

You have not provided current proof of insurance since 2015. This time period is the entire length of the license.

Section 8, Conduct, paragraph (c). *"Licensee shall observe and obey directives from the Marine Superintendent and or other authorized representatives of the Town with respect to all applicable laws, statutes, ordinances, regulations and permitting of the License."*

You are not in compliance with the license or the guidelines noted in the license (attached) by failing to meet the above listed requirements.

This letter is intended to serve as formal written notice that you are not in compliance with the terms of the license and regulations, and that you have failed to substantially make use of the license as granted

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JEFF CARLSON, NATURAL RESOURCES DIRECTOR
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCARLSON@NANTUCKET-MA.GOV
508-228-7230



by the license. The Natural Resources Department will be seeking revocation of these licenses at the September 8, 2021 meeting of the Select Board. If you wish to forfeit the licenses prior to that time, please do so in writing and the need for public meetings will not be necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Carlson", is written over the word "Sincerely,".

Jeff Carlson
Natural Resources Director

GUIDELINES FOR LEASE OF BOTTOM LAND FOR AQUACULTURE

Purpose: The purpose of the lease is to provide the lease holder with the exclusive rights to plant, grow, dig and harvest shellfish by the appropriate means within the leased area subject to the conditions herein and further subject to all applicable federal, state, and municipal laws, regulations, and ordinances.

1. The term of the lease (initial) is to be for three (3) years (or as mandated by the State), and will be renewable upon review of the Marine & Coastal Resources Department.
2. The site of lease is to be chosen from areas qualified by the State and Marine & Coastal Resources Dept. for commercial aquaculture.
3. The size of each lease site shall be a minimum of two (2) acres and a maximum of ten (10) acres based on the lease holder's demonstrated needs. Lease holders will be allowed to lease only one site the first year. Additional sites in succeeding years will be allotted upon review of the Marine & Coastal Resources Department.
4. The applicant for the lease shall submit a written shellfish production plan along with the lease application including: acreage requested, shellfish cultivation method, type of equipment deployed on lease, amount of seed purchased for cultivation for year 1, and a grow-out density plan.
5. Applicant should also include a list of qualifications for shellfish cultivation for the Marine Department to review to determine if the applicant can provide the best "use" of the requested aquaculture lease. Selections will be awarded to the most qualified applicant.
6. The lease holder agrees to actively work the lease site. If, at any time, it is determined that the lease holder is not actively working the site, the lease may be revoked and the lease holder will promptly remove all equipment and vacate the site.
7. It will be the responsibility of the lease holder to maintain the lease site in a neat and environmentally responsible manner. In addition, it will be the responsibility of the lease holder to plainly mark the area in accordance with any other stipulations set forth by the Marine & Coastal Resources Department.
8. The lease holder will make the site available to the Town, or its designee, for the purpose of determining activity at the site and its impact on the surrounding areas.

9. The lease holder will provide the Marine & Coastal Resources Department with quarterly reports of its activities including the number of bushels of each type of shellfish planted, produced, and marketed along with an estimate of the remaining number of shellfish still growing at the site and shall include accounts of predators (species, quantity, size). These reports shall be filed within 30 days of the end of each quarter, beginning on January 1.

10. The lease is not transferable.

11. The lease holder will be required to meet the same residency requirements as those required for a commercial shellfish license, not limited to maintaining a domicile and providing visual certification and verification of all seed to be grown on the site. Verification will also be made by the State Division of Marine Fisheries.

12. The lease holder will provide the town with certificates of insurance against environmental damage and general liability in the amount of One Million (\$1,000,000) dollars.

13. The lease holder will pay to the Town an annual fee per acre (or part thereof) due and payable upon the date of the commencement of the lease and on each anniversary thereof. The fee shall be as set by the Board of Selectmen, but will not exceed the maximum allowed by the State. This fee will be adjusted on an annual basis to reflect changes in the statute. All fees and monies from this lease will accrue to the Town's Shellfish Propagation Fund. In addition, the lease holder will be required to provide the Town, as an amendment to the original lease, agreed to in writing, shellfish seed or services for the purposes of augmenting the Town's propagation programs.

14. All stipulations of this lease will be subject to review and amendment by the Board of Selectmen at the time of renewal.

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JC JOHNSEN, SHELLFISH CONSTABLE
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCJOHNSEN@NANTUCKET-MA.GOV
508-228-7230



7-16-2021

On July 16, 2021 at approximately 11:00am Jeff Carlson and I went to NT5 Wauwinet the head of the Harbor to do compliance checks on the oyster leases. Jeff and I checked Matt Herr and saw that one of Simon Edwardes boats were working on his lease so, after checking Matt Herr we proceeded over towards Simons boat and noticed that it was Chuck Connors. As we were checking Mr. Connors he had explained to us that Ted Lambrecht had pulled three cages up of his wintering site and was pressure washing them to the point of almost catching his boat on fire. Mr. Connors also explained that he had multiple bags of oysters on his boat that had been there for three days baking in the sun and asked if we would go check them out. After finishing up with Mr. Connors, Jeff and I headed to Polpis Harbor to see if Ted Lambrecht's boat was on his mooring. As we entered Polpis Harbor we saw Ted's boat and pulled up alongside his vessel and immediately saw six bags of oysters stacked in the back of his boat it was 77 degrees and 80% humidity out with little wind and no shading or ice on the oyster bags. I contacted Christian Petipas at the Division of Marine Fisheries who oversees the oyster program and explained the situation and asked if Mr. Lambrecht had an offsite culling permit which she indicated that he did not. Ms. Petipas added Gabe Lundgren to the call who also works with her in the oyster program. I asked Ms. Petipas how she would like me to proceed with this situation and Ms. Petipas asked me to confiscate the oysters, destroy them and provide documentation that the oysters had been destroyed. She then clarified to first verify that this is the proper procedure with the Massachusetts Environmental Police. I contacted Sgt. Dave Wright and explained the situation to him and he asked me to contact Lt. Gus. I told Mr. Wright that I had left Lt. Gus a message but hadn't heard back from him and Mr. Wright said he might be off today so contact the Environmental Police radio room and see if they can put you in contact with someone from the Cape. I contacted the radio room and they put me in contact with Mr. Patrick Grady I explained the situation to Mr. Grady and explained what Ms. Petipas had requested. Mr. Grady contacted his boss and they both confirmed to confiscate the oysters and to destroy them. Jeff and I removed 9 bags of oysters with approximately 150 oysters per bag and brought them to the landfill and destroyed them.

On June 30, 2020 the Natural Resources Department sent Mr. Lambrecht a certified letter regarding the status of his leases. The Town of Nantucket informed him that due to not meeting the required minimum levels of production and failure to meet those required production levels that the Town would be pursuing revocation of his leases with the Town. We had documented greater than three years of inactivity and to date Mr. Lambrecht has never picked up the required logbook to meet the Commonwealth's

TOWN OF NANTUCKET NATURAL RESOURCES DEPARTMENT

JC JOHNSEN, SHELLFISH CONSTABLE
2 BATHING BEACH ROAD
NANTUCKET, MA 02554

JCJOHNSEN@NANTUCKET-MA.GOV
508-228-7230



reporting requirements. Over the next few months the local Harbor and Shellfish Advisory Board issued a deadline to Mr. Lambrecht to get back into compliance, which was not met, leading to the Board's recommendation to the local Select Board to revoke his leases. The Select Board has since had two hearings one granting Mr. Lambrecht 45 days to get back into compliance which was not met and has scheduled a public hearing for the revocation of the leases 60 days from that deadline. That sixty days is currently running. Copies of these letters and these meetings are available as public record and we can provide them directly if you wish to review them. We have significant concerns on Mr. Lambrecht's ability to properly operate these leases given the inactivity and improper handling of these oysters.



9 Oyster Bags as found on the vessel
in Polpis Harbor (NT 4.0)
7/16/2021 11:36 AM



Close up of oyster bags as found on the vessel in Polpis Harbor (NT 4.0); clearly containing oysters
7/16/2021 11:36 AM



9 oyster bags as confiscated by
Shellfish Constable JC Johnsen
in Polpis Harbor (NT 4.0)
7/16/2021 2:55 PM



Contents of 9 oyster bags
(approx. 150 oysters per bag)
7/16/2021 3:54 PM



Destroyed contents of 9 oyster bags
7/16/2021 3:57 PM



Destroyed contents of 9 oyster bags
7/16/2021 3:57 PM



Final disposal of oyster bags
7/16/2021 4:01 PM

May 6, 2021

Dawn Hill-Holdgate

Jason Bridges

Matt Fee

Kristie L. Ferrantella

Melissa Murphy

Ms. Hill-Holdgate,

At our April 20, 2021 meeting, the Harbor & Shellfish Advisory Board (HSAB) voted unanimously to recommend that the Select Board revoke private shellfish aquaculture licenses 12 and 12b held by Theodore Lambrecht of Nantucket, MA. With the advice and expertise of the Natural Resources Department (NRD), the HSAB is recommending that the Select Board revoke these licenses held by Mr. Lambrecht because he failed to make substantial use of his licenses. Although the HSAB defers to Natural Resources Director Jeff Carlson for the definitive explanation for revoking Mr. Lambrecht's licenses, we cite non-compliance with Section 5g of his licenses including Section 5.16 – Minimum Levels of Production, Section 5.17 – Failure to Meet Production Levels and Chapter 130; Section 65 of the Code of the Town of Nantucket as the basis of our recommendation.

Please understand that the HSAB did not render this recommendation lightly and with any undue measure of haste. Quite the opposite. Realizing, through Mr. Lambrecht's explanation, that he has endured hardships over the course of holding his licenses including major surgery requiring a period of rehabilitation and the well-known challenges associated with the loss of and search for island housing, the HSAB endeavored to work with Mr. Lambrecht to get him back into compliance with his license.

From Sept. 15, 2020 through April 15, 2021, our board monitored Mr. Lambrecht's progress in restoring his oyster boat to operational seaworthiness to ensure he could get out on the harbor ASAP to remove his oyster cages from the bottom, which had been submerged for several years, in preparation for his upcoming season in 2021. Mr. Lambrecht attended our meetings regularly to provide the HSAB with updates on his progress and we offered guidance on possible expediency solutions.

Unfortunately, Mr. Lambrecht did not move as quickly as the HSAB and the NRD had hoped he would, coming into this spring when the Town's other oyster licensees would be restarting operations on their leases. As a result, at the HSAB's March 2, 2021 meeting, we set a deadline of April 15 by which time Mr. Lambrecht had to show significant headway in removing his cages from the bottom of the harbor. From our minutes of March 2, "The HSAB voted 6-1, Mr. Szydlowski voting no, to give Mr. Lambrecht until April 15 to be actively engaged in removing his oyster cages from the bottom of the harbor, showing real progress and with the NRD to determine if sufficient progress is made to halt the revocation of Mr. Lambrecht's license." Mr. Szydlowski voted against this motion because he felt the HSAB should apply a shorter deadline to Mr. Lambrecht's situation.

As we're well past that deadline with no signs of any progress by Mr. Lambrecht, we ask that the Select Board revoke Mr. Lambrecht's private shellfish aquacultures licenses so that his aquaculture gear can be removed from the harbor and the lease site made available to the next applicant on the NRD's oyster lease waiting list.

Thank you for your time and patience in considering our recommendation regarding revocation of Mr. Lambrecht's licenses.

Sincerely,

The Harbor & Shellfish Advisory Board

Andrew G. Lowell, Chairman

David F. Fronzuto, Vice Chairman

Peter B. Brace, Secretary

Virginia Andrews

Thomas C. Szydlowski

Daniel R. Pronk

David E. Bossi

Service Awards 2021

Last Name	First Name	Location Description	Job Class Description	Service Date	YOS
ALVAREZ	MICHAEL	IT	IS ADMINISTRATOR	04/04/2016	5
BEAMISH	JEFFREY	AIRPORT	MAINTENANCE	10/24/2016	5
CIARMATARO	ANN	POLICE	OFFICE ADMIN	05/02/2016	5
FLYNN	CATHERINE	HHS	PUBLIC HEALTH INSPECTOR	09/26/2016	5
PERALES	CARLOS	OIH	COOK	12/19/2016	5
PEREZ	WENDY	POLICE	DISPATCHER	04/19/2016	5
RANNEY	ROBERT	FINANCE	ASSESSOR	08/08/2016	5
REID	EVADNE	OIH	CERTIFIED NURSE'S AIDE	03/07/2016	5
REYNOLDS	CHRISTOPHER	POLICE	DISPATCHER	04/19/2016	5
RULLO	FLORENCIA	TOWN ADMIN	PUBLIC OUTREACH COORDINATOR	11/21/2016	5
WEDDERBURN	SARI	OIH	CERTIFIED NURSE'S AIDE	08/15/2016	5
BARBER	BEAU	FIRE	FIREFIGHTER WITH EMT	01/24/2011	10
JOHNSEN	JONATHAN	NATURAL RESOURCES	ENFORCEMENT OFFICER	5/16/2011	10
KARBERG	NOAH	AIRPORT	ASSISTANT AIRPORT MANAGER	01/18/2011	10
KING	EDWARD	OIH	OIH PLANT SUPERVISOR	12/26/2011	10
MAXWELL	KATHLEEN	OIH	MEDICAL RECORDS COORDINATOR	03/07/2011	10
MUNROE	MICHELLE	OIH	ASSISTANT ADMINISTRATOR	04/25/2011	10
NORRIS	JESSICA	POLICE	DISPATCHER	05/16/2011	10
PERRY	SHANE	FIRE	FIREFIGHTER WITH EMT	02/08/2011	10
RODRIGUEZ	LYNDY	OIH	CERTIFIED NURSE'S AIDE	04/15/2011	10
SMITH	MEGAN	POLICE	DISPATCHER	04/25/2011	10
TOWNSEND	JOSEPH	FIRE	FIRE PREVENTION OFFICER	10/03/2011	10
BEAMISH	CHRISTOPHER	FIRE	FIREFIGHTER WITH EMT	07/24/2006	15
CARLSON	JEFFREY	NATURAL RESOURCES	NATURAL RESOURCES DIRECTOR	5/8/2006	15
DICKINSON	ROBERT	FINANCE	ASSISTANT TOWN ACCOUNTANT	02/06/2006	15
FLAHERTY	KERRI	OIH	CERTIFIED NURSE'S AIDE	06/26/2006	15
GARY	ARDIS	POLICE	IT ADMINISTRATOR	09/25/2006	15
HOLLIS JR	ROBERT	POLICE	POLICE OFFICER	08/21/2006	15
MITCHELL	SEAN	FIRE	DEPUTY FIRE CHIEF	07/24/2006	15
ROBERTS	KYLE	WATER	UTILITYMAN	01/09/2006	15
ALLEN	JOHN	FIRE	FIREFIGHTER WITH EMT	10/31/2001	20
BARRETT	ANNE	HHS	PUBLIC HEALTH COORDINATOR	05/21/2001	20
LENNY	LIBURD	AIRPORT	MAINTENANCE	02/27/2001	20
MEDINA	ANN	HHS	OFFICE MANAGER	01/02/2001	20
HANLON	FRANCIS	FIRE	CAPTAIN WITH EMT	09/16/1996	25
MURPHY	PATRICIA MARY	FINANCE	TAX COLLECTOR	01/11/1996	25
BARRETT	SHEILA	OIH	HOUSEKEEPING	06/08/1991	30
GALE	SUZANNE	POLICE	POLICE OFFICER	09/19/1991	30
MUHR	JOHN	POLICE	POLICE OFFICER	10/15/1991	30



Town Administration Fiscal Year 2023 General Fund Budget Recommendations

*As of December 8, 2021
Select Board Meeting*

Select Board & Administration Goals and Priorities for FY2023

- Balanced budget – within projected revenue
- Strategic Plan
 - Transportation
 - Housing
 - Environmental Leadership
 - Efficient Town Operations
 - Quality of Life
- Capital and operational investment in infrastructure/facilities
- PFAS
- Sustainability

Strategic Plan Implementation Addressed with Budget Recommendations

- Strategic Plan
 - Environmental Leadership
 - Sustainability
 - Coastal Resiliency/Hazard Mitigation
 - Housing
 - Transitional housing for department-head level town employees
 - Transportation
 - Continued evaluation of demand management parking (Paid parking)
 - Parking enforcement
 - Commuter shuttle
 - Quality of Life
 - Diversity Equity Inclusion (DEI) office
 - Park & Rec Division (Public Works)
 - Efficient Town Operations
 - Ongoing development of a Facilities Master Plan
 - Continued Investment in Technology
 - Investment in Infrastructure Maintenance
 - Code Enforcement

Priority Initiatives and Opportunities

- Our Island Home Operations and Facility Review
- Town-wide PFAS Assessment
- Coastal Resilience Plan
- Hazard Mitigation Plan
- COVID-19 response and follow-up
- Diversity Equity and Inclusion (DEI) Initiatives
- Municipal Facilities Master Plan
- Parks Master Plan Resiliency Review
- Sustainability Office and Projects (solar projects)
- Capital Planning & Project Management

Efforts to Enhance Recruitment and Retention of Town Employees

- Review staffing when key positions become vacant
- Succession planning in development
- Cross-train staff where appropriate
- Increase training and educational opportunities
- Classification and compensation study to be undertaken in FY2022
- Review and refine remote working options
- Review potential options for Town employee housing

FY2023 General Fund Budget Overview

- Revenue – Total Projected Revenue of \$121,679,660
Net of Property Tax Abatements
- Expenses – Total Projected Expenses of \$121,486,604
- Projected FY2023 Unused Levy Capacity \$193,056

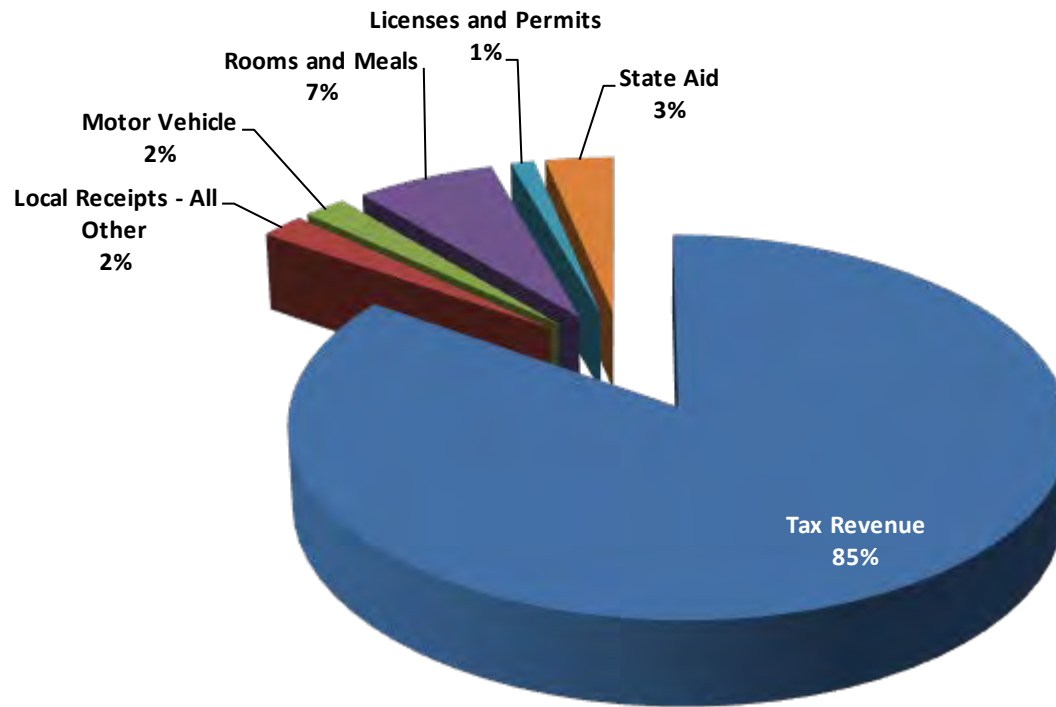
FY2023 General Fund Budget Summary Comparison

REVENUES	FY22	FY23	\$ Change	% Change
Property Tax	93,059,841	102,310,030	9,250,189	9.9%
Local Receipts (All other)	2,381,060	2,590,300	209,240	8.8%
Motor Vehicle Excise	2,250,000	2,500,000	250,000	11.1%
Rooms and Meals Tax	7,380,000	8,082,000	702,000	9.5%
Licenses and Permits	891,350	1,350,000	458,650	51.5%
State Aid (1)	3,880,200	3,961,774	81,574	2.1%
Free Cash	4,575,000	692,500	(3,882,500)	(84.9%)
Other Available Funds	-	-	-	na
TOTAL REVENUES	114,417,451	121,486,604	7,069,153	6.2%
EXPENDITURES				
Municipal Departments	30,480,319	32,086,263	1,605,944	5.3%
School Department	33,376,987	34,976,987	1,600,000	4.8%
Non-Departmental	33,391,355	36,855,185	3,463,830	10.4%
Special Appropriations	17,168,790	17,568,168	399,378	2.3%
TOTAL EXPENDITURES	114,417,451	121,486,604	7,069,153	6.2%

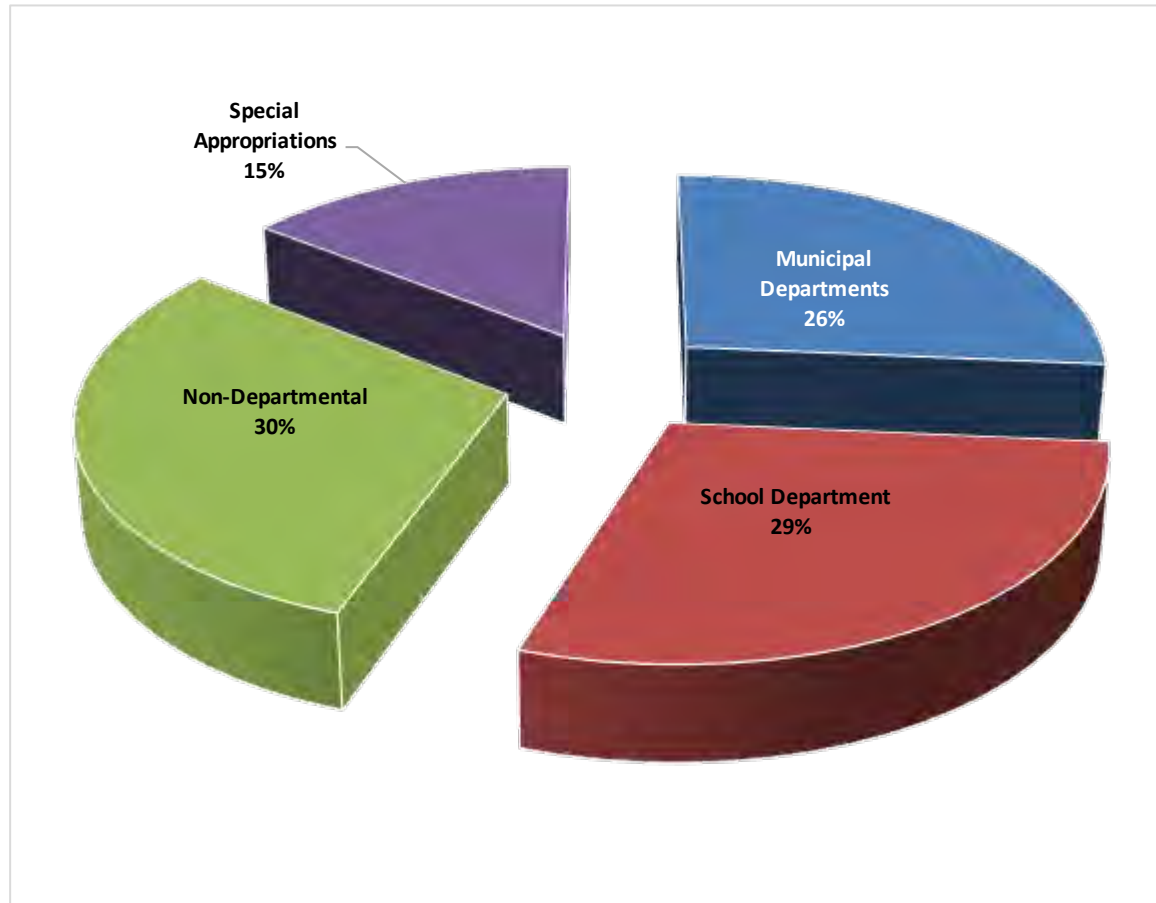
- See Appendix A for detailed breakdown.

(1) FY 2023 state aid represents level funding from FY 2022 approved figure.

FY2023 General Fund Projected Revenue



FY2023 General Fund Projected Expenses



FY2023 General Fund Budget

Expense Categories

Category	FY2023 Current Projection	Notes
Town Operational Expenses	\$8,672,035	
Town Operational EIRs ⁽¹⁾	\$1,306,900	<i>Included in Town expenses</i>
Town Salaries	\$23,237,196	<i>Contracts in negotiations; c/b allowance</i>
Town Personnel EIRs	\$1,575,962	<i>Included in Town salaries</i>
School Operational Expenses	\$5,788,527	
School Operational EIRs	\$187,622	<i>Included in School expenses</i>
School Salaries	\$28,638,460	<i>Contracts in negotiations; collective bargaining allowance</i>
School Personnel EIRs	\$1,362,378	<i>Included in School salaries</i>

(1) EIR = Expense Increase Request.

FY2023 General Fund Budget

Fixed Costs

Category	FY2023 Current Projection	% Change over FY2022 Budget
Health Insurance		
Active	\$11,857,399	7% increase
Retiree	\$3,952,466	7% increase
General Insurance	\$3,556,680	17% increase
Debt Service	\$11,189,470	<i>per established schedule</i>
Retirement	\$6,299,169	8.5% increase
Enterprise Fund Subsidies*	\$11,790,570	2.5% Increase

* See Appendix A for detailed breakdown.

FY2023 General Fund – Special Appropriations

Category	FY2023 Current Projection	% Change over FY2022 Budget
Health & Human Services	\$750,000	15.4% increase
County Assessment	\$178,816	2.5% increase
Reserve Fund	\$500,000	No change
Unpaid Bills	\$20,000	31% decrease
Other Post Employment Benefits (OPEB)	\$500,000	No change
Affordable Housing Trust Fund	1,625,000	No change
Overlay & Other Deficits	\$0	\$0
Cherry Sheet Charges	\$1,132,802	11.8% increase
Community School	\$550,000	10% increase
Min Cap Funding Req.	\$1,070,980	n/a - 1% of prior year revenue
TOTAL EXPENSES	\$121,486,604	

FY2023 Town Expense Increase Requests

(included in recommended budget, excluding school)

- \$5,810,597 Submitted Requests
 - One-time \$692,500
 - On-going \$5,118,097
- \$3,630,654 Recommended
 - One-time \$692,500
 - On-going \$2,938,154
- To be funded through available tax levy, budget adjustments, alternate funding sources, free cash, potential revenue increases

FY2023 Recommended Town Personnel Expense Increase Requests

<u>Department</u>	<u>Description of Expense Request</u>	<u>One- Time or Ongoing</u>	<u>Approved EIRs (1)</u>
Personnel Expense Increase Requests (EIRs)			
DPW	Addition of 1 Mechanic	Ongoing	99,019
DPW	Addition of 1 Position for Park and Rec Division	Ongoing	91,906
DPW	Addition of 1 Position for Trees	Ongoing	91,906
DPW	Town Engineer	Ongoing	144,695
Finance	Procurement Administrator	Ongoing	114,696
Finance	Additon of 1 Accounting Clerk - Treasury	Ongoing	98,540
Fire	Part time Administrative Specialist transfer to full-time	Ongoing	29,785
Fire	Addition of 2 Firefighter/Paramedic	Ongoing	190,800
Fire	Overtime increase	Ongoing	50,000
Health	Chief Environmental Health Officer	Ongoing	153,000
HR	Assistant HR Director	Ongoing	133,000
HR	Various position reclassifications	Ongoing	55,000
IT	Information Technology Security Systems Administrator	Ongoing	122,920
Marine	Addition of 5 Seasonal Lifeguards	Ongoing	58,500
NRD	Conservation Agent	Ongoing	122,920
NRD/Health	Public Outreach Specialist	Ongoing	98,541
NRD	Sustainability Manager	Ongoing	138,000
Police	Business License Inspector	Ongoing	98,541
Police	Addition of 2 Police Officers (Airport)	Ongoing	191,678
Police	Parking Enforcement Coordinator	Ongoing	122,920
PLUS	Overtime increase	Ongoing	10,000
PLUS	Land Use Specialist/Zoning Administrator	Ongoing	107,387
Department Personnel EIR			\$ 2,323,754

FY2023 Recommended Town Operating Expense Increase Requests

Operating Expense Increase Requests (EIRs)

Fire	Rope Rescue Equipment	One-Time	25,000
Fire	Safety and protective gear, alternate to Structural firefighting gear	One-Time	23,000
IT	Multi-factor authentication implementation services	One-Time	22,500
IT	Migrate Exchange mail server to Office 365 cloud environment	One-Time	22,000
PLUS	Historic District Commission - historic architectural surveys update	One-Time	25,000
PLUS	Update of the 2009 Master Plan	One-Time	100,000
PLUS	Replacement vehicle for PLUS	One-Time	30,000
Town Admin	Baxter Rd Relocation Management	One-Time	150,000
Town Admin	Professional services increase	One-Time	50,000
Town Admin	Commuter shuttle	One-Time	200,000
Town Admin	Historic sidewalk preservation & repair study	One-Time	40,000
Town Clerk	Replacement of furniture	One-Time	5,000
C & T	4th of July Fireworks increase for new contract FY23-25	Ongoing	12,550
DPW	Field Maintenance - Park and Rec	Ongoing	200,000
HR	TASC FSA accounts monthly fee	Ongoing	6,000
IT	Cloud-to-Cloud backup for cloud-based Exchange email and Office	Ongoing	8,800
IT	Multi-factor authentication licensing and hardware tokens	Ongoing	17,000
IT	Cybersecurity services	Ongoing	50,000
IT	Upgrade Exchange mail server to Office 365 cloud environment and	Ongoing	37,500
IT	TeamDynamix project portfolio management software annual	Ongoing	30,000
IT	Comcast Internet service for three WiFi hotspots	Ongoing	11,000
IT	Zoom video conferencing and webinar service	Ongoing	5,700
IT	5% increase for existing Professional Services	Ongoing	20,850
Town Admin	Delta playing fields lease	Ongoing	30,000
Town Admin	Office space lease	Ongoing	100,000
Town Admin	Select Board Strategic planning initiatives	Ongoing	50,000
Town Clerk	Sound & microphones for Annual Town Meetings	Ongoing	9,000
Town Clerk	E-voting service for Annual Town Meetings	Ongoing	26,000
Total Operating Expense Increase Requests			\$ 1,306,900
Total Town Personnel & Operational Expense Increase Requests			\$ 3,630,654

FY2023 Town Expense Increase Requests

Funding Source Detail

Funding Source	Amount
Tax Levy & Other General Revenues	\$2,784,254
Free Cash	\$692,500
Capital Exclusion	\$0
Special Revenue Funds	\$153,900
Borrowing	\$0
Total - All Funding Sources	\$3,630,654

Preliminary Free Cash Recommendation (Subject to Change)

General Fund Certified Free Cash*	\$16,258,544
Fund Town Expense Increase Requests (one-time)	692,500
Fund School Expense Increase Requests (one-time)	200,000
Fund Town and School Capital Requests	TBD
Unpaid Bills	20,000
Stabilization Fund	TBD
Capital Stabilization Fund	TBD
Other Post Employment Stabilization Fund	TBD
OPEB Trust Fund Contribution	TBD
Unallocated Free Cash	\$

*Free Cash for use in FY2022 and FY2023 is pending certification by the Department of Revenue as of December 1, 2021. Full certification is expected in late December 2021 or early January 2022. This amount is expected to exceed budget projections due to a better operating result than FY2021 Pursuant to Town policy and best management practices, Free Cash is used for non-recurring items such as capital projects or items or other one-time expenses.

FY2023 Outstanding Items and Current Unknowns

- State Aid Impact
- Harbor Place Project
- Citizen Warrant Articles Potential Cost Impact
- PFAS Costs
- Ongoing impact of COVID-19
- Short-term Rentals
- Supply chain & labor issues
- Implementation of Coastal Resilience Plan and budget implication
- Solid Waste
- Free cash
- Collective bargaining negotiations
- Retirement assessment

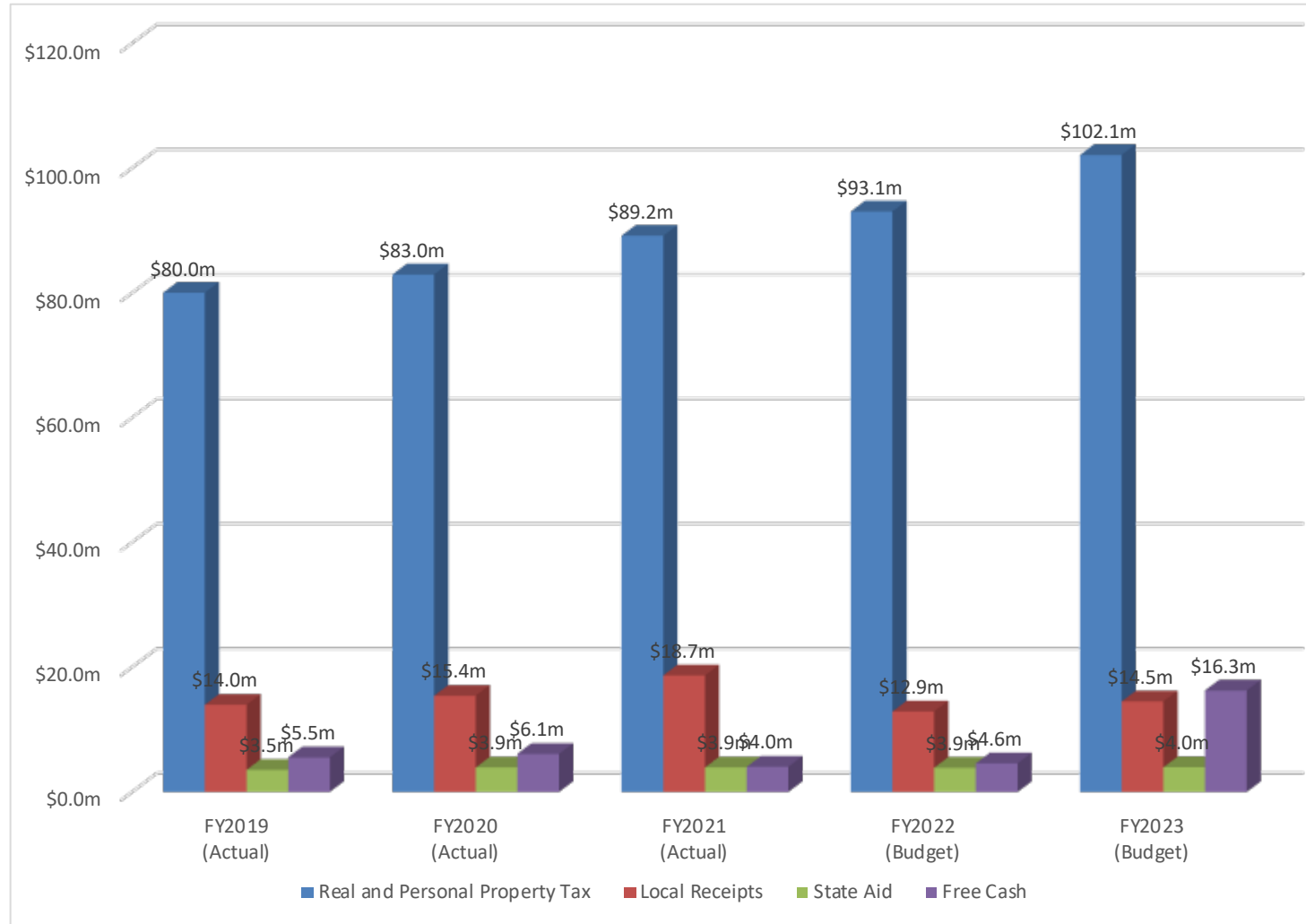
Future Potential Costs

- Integration and implementation of plans
 - Strategic Plan
 - Coastal Resilience
 - Master Plan
 - Parks Master Plan
 - Capital Improvement Plan
- Employee recruitment and retention, including housing
- Cyber security measures
- Update of 5-year General Fund Forecast
- Solid Waste
 - Current Contract Expires in 2025
- NRTA
 - Year-Round Service Modifications
- PFAS

Next Steps

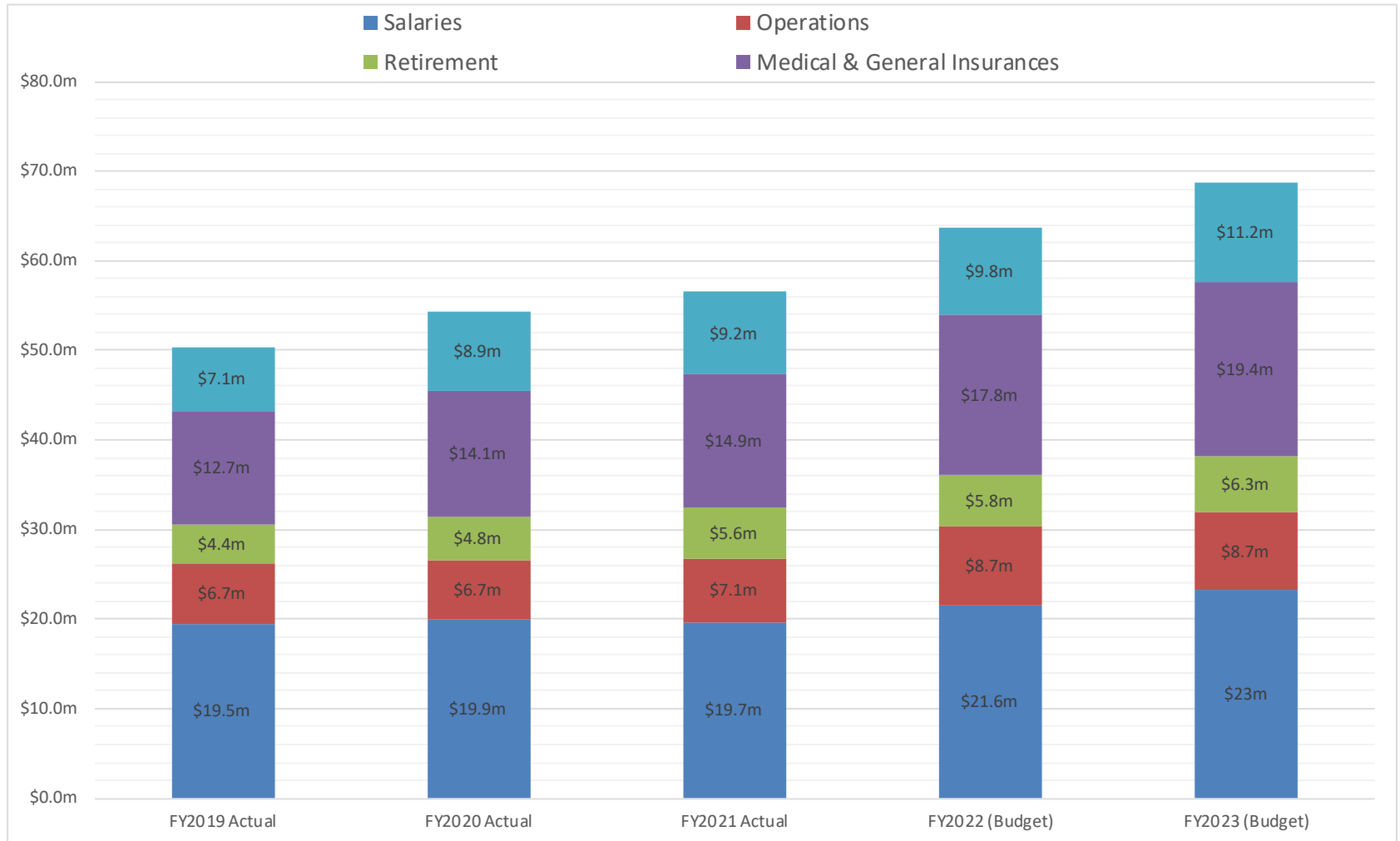
- December 8: Town Administration FY2023 Budget presentation to Select Board
- January 4: Town Administration FY2023 Budget presentation to School Committee
- January 5: Select Board public hearing; endorsement of recommended FY2023 General Fund Budget
- Mid-January – mid-March: Finance Committee review of General Fund & Enterprise Fund budgets; other financial appropriations
- Monday, May 2: Annual Town Meeting (2022)

General Fund Revenue Breakdown FY2019 - FY2023



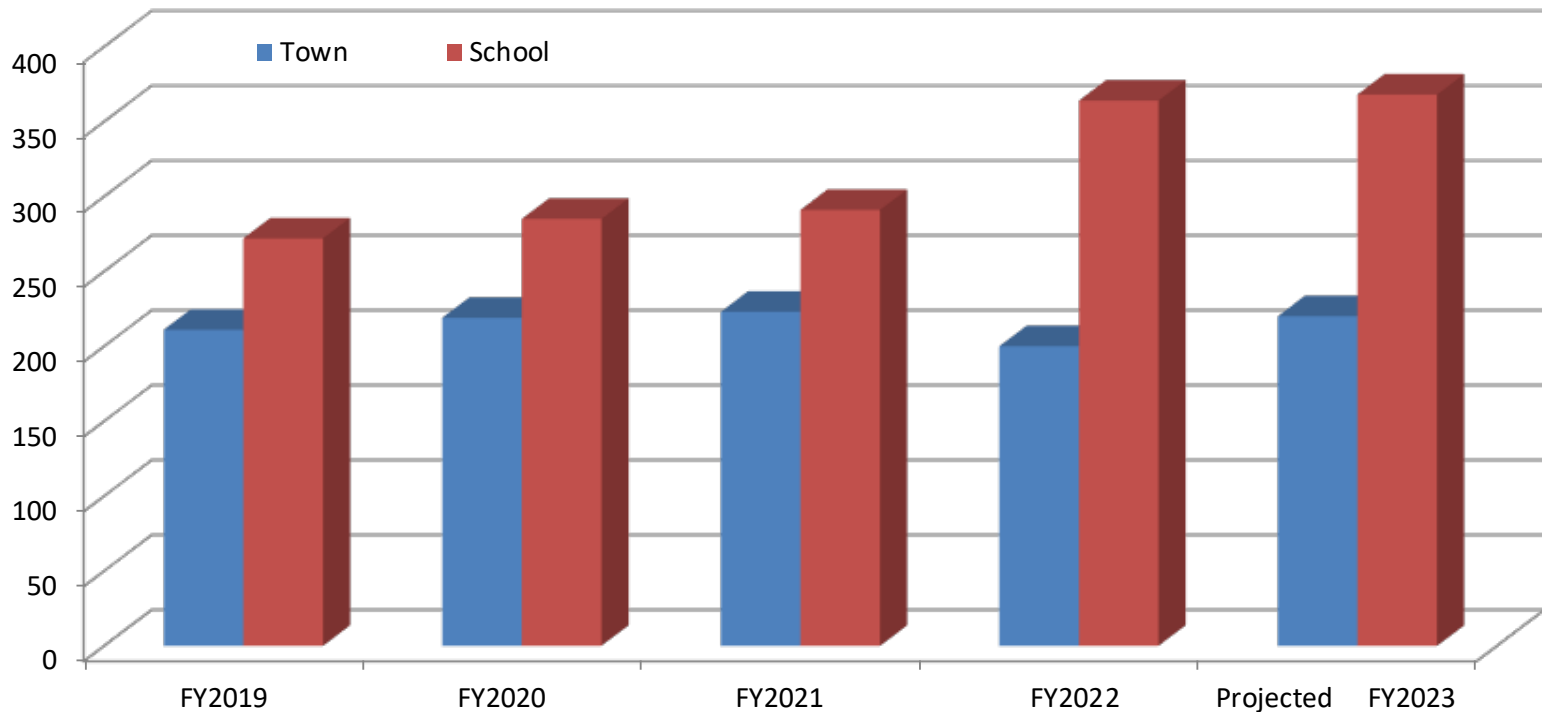
Town Expense Breakdown

FY2019 - FY2023



General Fund Personnel History

FY2019 - FY2023



* Full Time Equivalent Calculation = 33-40 Hrs 1.0; 20-32 Hrs 0.50; Seasonal = 0.25

**For comparative purposes, Town Personnel History does not include Our Island Home

*** Education Personnel History includes Community School Employees

FY2023 General Fund Budget Breakdown – Revenues

	Budget FY2022	Budget FY2023	\$ Change	% Change
<u>Tax Revenue Limitations</u>				
Levy Limit from Prior Year	\$ 81,091,677	\$ 89,231,193	\$ 8,139,516	10.0%
Add: 2 1/2 % increase	2,027,292	2,230,780	203,488	10.0%
Add: Prop 2.5% operating override	-	-	-	na
Add: new growth <i>estimate</i>	700,000	850,000	150,000	21.4%
Add: operating override	5,000,000	-	(5,000,000)	(100.0%)
Levy Limit for Current Year	88,818,969	92,311,973	\$ 3,493,004	3.9%
Add: Debt Exclusion	8,831,295	10,391,113	1,559,818	
Maximum Allowable Levy for Current Year	\$ 97,650,264	\$ 102,703,086	\$ 5,052,822	5.2 %
OVERLAY	(400,000)	(400,000)	-	-
Net available:	\$ 93,059,841	\$ 102,110,030	\$ 9,050,189	9.7 %
State Aid	\$ 3,880,200	\$ 3,961,774	\$ 81,574	2.1 %
Local Receipts:				
Motor Vehicle Excise	2,250,000	2,500,000	250,000	11.1%
Rooms and Meals Tax	7,380,000	8,082,000	702,000	9.5%
Licenses and Permits	891,350	1,350,000	458,650	51.5%
Local Receipts - All Other	2,381,060	2,590,300	209,240	8.8%
Total Local Receipts	12,902,410	14,522,300	1,619,890	12.6 %
Total Revenue	\$ 109,842,451	\$ 120,594,104	\$ 10,751,653	9.8 %
Other Sources				
Other Sources	-	-	-	na
Free Cash Used	4,575,000	892,500	(3,682,500)	(80.5%)
Excess Overlay	-			
Total Revenue and Other Sources	\$ 114,417,451	\$ 121,486,604	\$ 7,069,153	6.2 %
Total Expenses and Other Uses	\$ 114,417,451	\$ 121,486,604	\$ 7,069,153	6.2 %

FY2023 General Fund Budget Breakdown – Expenses

	Budget FY2022	Budget FY2023	\$ Change	% Change
General Fund Operating Budget Items:				
Salaries - Town (includes allowance for collective bargaining)	\$ 21,608,162	\$ 21,661,234	\$ 53,072	0.2%
<i>Town Expense increase Requests- Salaries</i>	-	\$ 1,575,962	1,575,962	na
Salaries - School (includes allowance for collective bargaining)	27,276,082	\$ 27,276,082	-	-
<i>School Expense increase Requests- Salaries</i>	-	\$ 1,362,378	1,362,378	na
Transfers to community school	500,000	\$ 550,000	50,000	10.0%
Subtotal Salaries	\$ 49,384,244	\$ 52,425,656	\$ 3,041,412	6.2 %
Operating Expenses, Town:	8,699,443	\$ 7,365,135	(1,334,308)	(15.3%)
<i>+Town Expense Increase Requests-Operating</i>	-	\$ 1,306,900	1,306,900	na
Operating Override - 2011 Mosquito Control	172,714	\$ 177,032	4,318	2.5%
Operating Expenses, School	5,600,905	\$ 5,600,905	-	-
<i>+School Expense Increase Requests-Operating</i>	-	\$ 187,622	187,622	na
Subtotal Expense	\$ 14,473,062	\$ 14,637,594	\$ 164,532	1.1 %
Group Medical Insurance- Active Employees	11,089,196	\$ 11,857,399	768,203	6.9%
Group Medical Insurance- Retired Employees	3,696,399	\$ 3,952,466	256,067	6.9%
General Insurance (all other insurance)	3,041,462	\$ 3,556,680	515,218	16.9%
Subtotal Insurance	\$ 17,827,057	\$ 19,366,545	\$ 1,539,488	8.6 %
Debt Service	\$ 9,758,430	\$ 11,189,470	\$ 1,431,040	14.7%
Retirement	\$ 5,805,868	\$ 6,299,169	\$ 493,301	8.5%
Total General Fund Operating Budget Items	\$ 97,248,661	\$ 103,918,436	\$ 6,669,775	6.9 %
Other Articles				
Unpaid Bills	28,838	\$ 20,000	(8,838)	(30.6%)
Reserve Fund	500,000	\$ 500,000	-	-
Health and Human Services	650,000	\$ 750,000	100,000	15.4%
Special Purpose Stabilization for Substance Abuse	95,000	\$ -	(95,000)	(100.0%)
County Assessment	174,455	\$ 178,816	4,361	2.5%
Other Post Employment Benefits (OPEB / GASB45)	500,000	\$ 500,000	-	-
Affordable Housing Trust Fund	1,625,000	\$ 1,625,000	-	-
Capital				na
General Fund budgeted from revenue (Town Bylaw 11-12.1)			-	na
Town Capital (Non-Recurring)	1,079,700	\$ 1,070,980	(8,720)	(0.8%)
Enterprise Fund Transfers				na
Transfer to Enterprise Fund (Our Island Home - Beginning FY2011)	5,000,000	\$ 5,125,000	125,000	2.5%
Add: Additional Subsidy from Free Cash (Our Island Home)			-	na
Transfer to Enterprise Fund (SWEF Operating Overrides 1999/2006)	3,745,466	\$ 3,839,103	93,637	2.5%
Add: Additional General Fund Subsidy to SWEF 2012-Forward	2,757,529	\$ 2,826,467	68,938	2.5%
Total Other Article Appropriations	\$ 16,155,988	\$ 16,435,366	\$ 279,378	1.7 %
Other Statutory Expenditures				
Overlay and other deficits	-	\$ -	-	na
Cherry Sheet Offsets and Charges	1,012,802	\$ 1,132,802	120,000	11.8%
Total Appropriations and Other Statutory Expenditures	\$ 114,417,451	\$ 121,486,604	\$ 7,069,152	6.2 %

Historical Information

Our Island Home

	FY2017	FY2018	FY2019	FY2020 (2)	FY2021 (3)
General Fund Subsidy	\$ 2,762,535	\$ 1,511,446	\$ 1,511,446	\$ 2,687,245	\$ 3,500,000
Certified Retained Earnings	\$ 5,321,795	\$ 2,687,275	\$ 1,619,047	\$ 2,046,379	
CPE Payment	\$ 1,324,207	\$ 1,515,353	\$ 1,448,300	\$ -	\$ 2,822,647

Stabilization and Trust Funds

	Stabalization Balance				
	2017	2018	2019	2020	2021
General Stabilization	\$5,053,411	\$5,059,485.00	\$5,411,964.00	\$5,541,745.00	\$5,770,018.01
Capital Stabilization	\$1,250,000	\$1,250,000.00	\$1,250,000.00	\$1,250,000.00	\$1,302,038.15

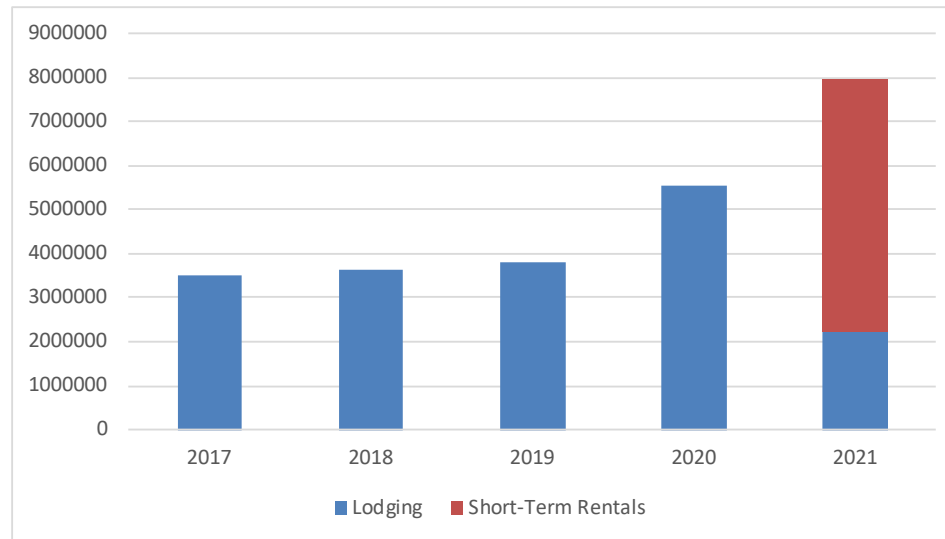
Certified Free Cash

	2017	2018	2019	2020	2021
Certified Free Cash	\$6,215,883	\$9,593,671	\$10,334,761	\$9,655,001	

Historical Information

Local Option Rooms Tax 5 Year History

	2017	2018	2019	2020	2021
Lodging	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52	\$ 2,213,648.00
Short-Term Rentals	\$ -	\$ -	\$ -	\$ -	\$ 5,766,637.00
Total	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52	\$ 7,980,285.00





Town of Nantucket
Fiscal Year 2023 Budget Message
(July 1, 2022 – June 30, 2023)
Presented to Select Board: December 8, 2021
Prepared as of: December 5, 2021
Updated:



***“We cannot direct the wind, but we can adjust the sails”
(Dolly Parton - among others)***

TABLE OF CONTENTS

I.	Introduction.....	page 3
II.	Overview of FY 2023 General Fund Budget.....	page 9
	A. Projected FY 2023 General Fund Revenues	
	B. Projected FY 2023 General Fund Expenses	
III.	FY 2023 Town Administration General Fund Budget Recommendations.....	page 11
IV.	Current and Future Year Considerations.....	page 17
V.	Conclusion.....	page 22

APPENDICES

- A. Enterprise Funds Subsidies and Retained Earnings
 - a. Our Island Home
 - b. Solid Waste
- B. FY 2022 Cherry Sheet and FY 2022 NRTA Letter
- C. Strategic Plan Summary (Adopted October 24, 2018, updated September 11, 2019 and pending November 2020)
- D. Moody's Credit Rating Opinion
- E. Unused Levy Capacity and Free Cash
- F. Stabilization and Reserve Funds
- G. Town of Nantucket Financial Reserves Policy
- H. Capital Improvement Plan
- I. New Growth and Local Receipts History
- J. Other Postemployment Benefits (OPEB) Trust Fund
- K. Price Waterhouse Cooper article, June 2021
- L. Articles
 - a. Nantucket Real Estate Market Insights by Fisher Real Estate
 - b. State of the Economy
- M. FY 2023 General Fund Revenue Breakdown
- N. General Fund Debt Service Schedule
- O. FY 2023 General Fund Expenditure Breakdown
- P. FY 2023 Expense Increase Requests
- Q. List of Collective Bargaining Agreements

I. Introduction

Challenges. Continuity. Caution. These three “C’s” continued to be the basis of our budget recommendations for FY 2022. COVID, staffing shortages, PFAS and more are all challenging the Town in different ways going into FY 2023. Each in their own way has created continuity-of-service issues for the Town and, more generally, created economic uncertainty across the globe. Our approach to the FY 2022 budget reflected a cautious optimism as we worked our way through backlogs of projects and service requests. While financial indicators remain mostly positive, we acknowledge the fragility of markets, supply chains and consumer confidence in our everyday planning

The three “C’s” referenced above remain valid for the development of our FY 2023 budget. We are cautious going into FY 2023, we may have continuing challenges with COVID, the on-going situation with PFAS (see below under Section IV) and we are working hard to maintain continuity in government operations within the Town’s projected revenue. We are also managing the continuing challenges with supply chains and scarcity of labor resources. The local and national economic outlook seems strong, but this is not a given despite the Island’s real estate market and associated activities (building permits, sewer permits) at record high levels. The Registry of Deeds collected the largest amount of receipts of Excise Tax ever in October 2020. As of this writing, the total Deeds Excise Tax received for FY 2022 so far is \$600,000 below the same period (July through November) last year. Room occupancy tax revenue for the first quarter of FY 2022 is in line with budget projections, however, we have not yet had what we could call a “normal” year of that revenue since its inception in 2019. These reasons are why we are retaining the three “C’s” in our budget message for FY 2023.

Challenges.

Our Island Home (OIH)

As we have been mentioning in recent annual budget messages, the Town’s municipally-operated nursing home (the only municipally-operated skilled nursing facility in Massachusetts), does not generate enough revenue to fully fund its operations. There are a variety of reasons for this including the relatively small number of beds (licensed for 45), collective bargaining agreements, regulatory requirements, condition – as nursing homes go, it is an institutional model facility and as it ages it requires more and more maintenance and repairs. Federal and State reimbursements do not cover the daily cost of care for a resident – reimbursement rates vary depending on what level of care they are receiving (*see chart below this paragraph*). COVID exacerbated Our Island Home’s challenges with new and expanded regulations to protect the vulnerable populations in nursing facilities, which come at a high cost. This includes regular testing of staff and Residents, additional screening procedures, heightened infection control procedures and more extensive use of personal protective equipment and other medical supplies. The State Executive Office of Health and Human Services conducts regular COVID audits of nursing facilities in addition to the annual survey conducted by the Department of Public Health on facility compliance with regulations and Life Safety codes.

At the June 15, 2021 Annual Town Election, following an affirmative vote at the 2021 Annual Town Meeting on June 5, 2021, voters approved an operating override to cover the revenue shortfall at Our Island Home. Currently, for FY 2023, the OIH subsidy from the General Fund is

\$5,125,000. The approval of a permanent increase in dedicated revenue for the OIH operation will help stabilize funding for the facility, with Retained Earnings being uncertain and the annual Certified Public Expenditure (CPE) from the State not a guaranteed source. The CPE was developed from State legislation effective August 31, 2009 for nursing home facilities that are municipally owned and use public expenditures for providing Medicaid (also known as Mass Health) services to residents to offset the cost of those expenditures for each calendar year.

Efforts are underway to request funding at the 2022 Annual Town Meeting for design of a new Our Island Home facility at the Sherburne Commons site that resembles a more modern small house (home-like) model of care and moves away from the current institutional model. Related, the Town will also seek funding for a feasibility study of the current East Creek Road site to evaluate renovation vs building a new Senior Center there. There are no plans to dispose of the current Our Island Home property on East Creek Road.

Our Island Home Reimbursement Information:

Primary Pay Source	Current Census (as of 11/29/2021)	Average Payment Rate Per Resident Per Day	Cost Per Resident Per Day (based on 2020 Cost Report)	Difference in Payment vs. Cost per day	Current loss per day based on Resident census
Medicaid/MassHealth	23	\$ 212.51	\$ 542.61	\$ (330.10)	\$ (7592.30)
Medicaid Pending	1	\$145.13	\$542.61	\$(397.48)	\$(397.48)
Medicare A	0	\$ 0.00	\$ 542.61	\$ 0.00	\$ 0.00
Private	9	\$ 560.00	\$ 542.61	\$ 17.39	\$ 156.51

*Medicare payments are now on a new Patient Driven Payment Model (PDPM) that is compiled of five main payment adjustment factors. The PDPM Medicare Reimbursement rate is therefore an estimate as actual daily rate varies throughout the potential 100-day eligibility period.

Solid Waste

The Waste Services Agreement (WSA) with our landfill operator, Waste Options, expires in 2025. For about two years, we have been working internally on various scenarios, options and cost projections for consideration as to moving forward when the contract expires. We issued a “Request for Expressions of Interest” (RFEI) in early 2021 to inform the Town’s process for deciding how to manage its solid waste after the WSA expires and to ascertain the level of interest from vendors in providing services for all or part of the Town ‘s solid waste operation. Since then, we have been undertaking analysis of the following questions:

1. What goals, programs and/or incentives should the Town adopt to reduce the amount of waste requiring management? To maximize the benefits of waste re-use and recycling programs?
2. Should waste composting operations continue after 2025? What are the feasible alternatives for managing all or part of the solid waste stream (pyrolysis, combustion, shipping off the island) and how do they compare to the existing and projected composting operation?
3. If the Town continues with the composting operation, should the Town buy/own the Composter? Should the Town own/operate or lease the Transfer Station?

4. Are there multiple capable private vendors willing to compete for the opportunity to operate one or more components of the Town's solid waste management facilities? What is the best approach to procure long-term business arrangements favorable to the Town?
5. How might the solid waste operation at Madaket Road be affected by sea level rise and climate change impact projections? What measures might be required to account for coastal resilience?

We are planning quarterly workshops with the Select Board to share and review information we have gathered and to seek policy input on these and related questions.

Enterprise Funds are intended to fund themselves through user fees; however, in the Town of Nantucket, in addition to Our Island Home, the Solid Waste Enterprise Fund (SWEF) does not fund itself entirely through user fees. It is supplemented by two prior year permanent overrides and due to rising costs, current and expected upcoming regulatory requirements, emerging issues (such as PFAS), the need to implement programs designed to reduce our waste volume, increased staffing needed to adequately operate the Take-or-Leave-it (TIOLI) facility and a growing clear need for improved Town oversight of solid waste management – we will most likely be recommending an additional override to fund this operation in FY 2024.

Coastal Resiliency

At the forefront of the Select Board's Strategic Plan is Sustainability. Within the Sustainability Focus Area, are goals relating to Coastal Resiliency. The Town has a portfolio of projects within the Hazard Mitigation Plan and Coastal Resilience Plan that seek to protect the Island from climate change impacts. The scope and cost of these plans are likely to present serious challenges to the Island's taxpayers. While some financial grants are likely, they will not significantly offset the costs to protect Nantucket from the impacts of climate change and sea-level rise. As of the preparation of this Budget Message, the Coastal Resilience Plan is being reviewed by the Select Board. Subsequent actions will include determining the optimal phasing, funding and implementation of the various projects.

Strategic Plan Initiatives

Due to COVID-related issues and staffing difficulties, the Select Board did not hold a specific retreat in 2021 to update its Strategic Plan, rather, it undertook a comprehensive review of the status of implementation of the Plan in October 2021. The current plan (Summary found in Appendix C) contains several initiatives that continue to require funding. The challenge is not only to fund new initiatives while maintaining adequate funding for existing operations, but to have sufficient staffing in place to oversee and implement the goals and initiatives contained in the Plan. One of the major challenges with recruiting and retaining qualified staff is housing. We have an internal staff work group focused on ways to improve recruitment and retention as well as how, where and when to provide a certain amount of housing for town employees. We are seeking capital funding in FY 2023 for town employee housing and will most likely need to seek additional funds in subsequent years. This will be an on-going challenge. We are considering the potential for remote work conditions for certain positions.

Continuity and Financial Strengths.

- The Town's bond rating was maintained at the Aaa level by Moody's Investor Services

in October of 2021 (Appendix D) with a Stable Outlook. The Town continues to have a rating of Aa+ from S&P Global. The Aaa rating is Moody's highest rating for a municipality and Nantucket is one of 15 (out of 351) cities and towns in Massachusetts to achieve this rating. A benefit of these high ratings includes the opportunity to borrow at lower interest rates.

- Free Cash for use in FY 2022 and FY 2023 is pending certification by the state Department of Revenue as of December 1, 2021. Full certification is expected in late December 2021 or early January 2022. This amount is expected to exceed budget projections due to a better operating result than FY 2021. Pursuant to Town policy and best management practices, Free Cash is used for non-recurring items such as capital projects or items or other one-time expenses. See Appendix E for a five-year history of certified Free Cash.
- The Stabilization Fund remains strong with a current balance of \$5,770,018.01 (Appendix F). A best management practice is to have reserves that are 10% of the budget. Using an approximate budget of \$121,000,000, the Stabilization Fund balance is approximately 4.76% of the budget. When we account for the pending Certified Free Cash (undesignated reserves), we expect the reserve amount to exceed the best management practice guideline as per the Town of Nantucket Financial Reserves Policy (Appendix G).
- The Town maintains a balance of \$1,302,038.15 in the Capital Projects Reserve Fund. The current balance represents 1.13% of expenditures. A best management practice is to have reserves that are 10% of the budget.
- Short-term and long-term capital project planning continues. In the fall of 2017, the Capital Program Committee, working with Town Administration began to develop a more robust review process, involving a standardized ranking system that allows for a consistent approach to prioritizing capital projects in a systematic manner, and provides additional transparency as well accommodates anomalies or unusual circumstances. Software was developed for the Town to more efficiently review and process capital requests for all stakeholders involved in the capital planning process. The process continues for FY 2023 capital planning. The Capital Improvement Plan (CIP) is updated annually (Appendix H).
- Increased focus on Town infrastructure continues to be a Select Board priority. Work to compile a comprehensive list of all town-owned facilities, along with condition assessments, current maintenance needs, and a maintenance schedule continues. The FY 2023 Capital Project and General Fund recommendations will continue the focus on infrastructure maintenance and improvement.
- Local receipts, including meals excise tax and room occupancy tax revenues remain stable after a strong growth period in the aftermath of the Financial Crisis of 2007-2008. New growth may be showing signs of slowing. In FY 2022, new growth was certified at \$1,112,224 - a \$347,685 decrease from FY 2021 (31% reduction). The decrease is attributed to a slowdown in construction activity due to the COVID pandemic. In January of 2019, the state enacted new legislation that expanded the hotel/motel room occupancy tax to cover certain short-term rentals. Link: <https://www.nantucket-ma.gov/1327/Short-Term-Rentals>. Collections for the first quarter of FY 2022 remain

strong. The Select Board has discussed reserving some amount for specific purposes, include affordable housing, human services, infrastructure improvements/maintenance. It would be prudent to have a better picture of how much additional revenue we may be realizing from this expanded tax before commitments for its use are made. Room occupancy tax revenue for the period of June 2021 through September 2021 was as anticipated.

- The Town has maintained its commitment to funding the OPEB Trust Fund (Other Post-Employment Benefits) with annual contributions of \$500,000 since 2015, therefore lowering its net liability. The current balance of the OPEB Trust Fund is \$4,248,650 (Appendix J).
- The Town continues to make its annual required contribution to the Barnstable County Retirement System. When compared to the rest of the Commonwealth's municipalities, Nantucket remains in the top half in terms of retirement funding levels.
- The COVID-19 pandemic has slowed the utilization of healthcare across the country and Nantucket. While we are currently seeing lower rates of utilization in FY 2022, it is expected to increase in FY 2023 as some care needs deferred during the pandemic return. The Town continues to work with its health insurance consultant and continues to monitor the utilization and to explore ways to mitigate the risk and reduce the overall cost of the insurance. (See Appendix K, Price Waterhouse Cooper (PWC) article June 2021).
- For the seventh consecutive year, the Town was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Town's Fiscal Year 2020 Comprehensive Annual Finance Report (CAFR), <https://nantucket-ma.gov/ArchiveCenter/ViewFile/Item/400>. Our Fiscal Year 2021 CAFR is in the process of being submitted to GFOA.

Caution.

We are closely monitoring economic trends and continue to be cautious with our revenue and expense projections. Last year we cautioned predominantly on revenue projections, however in this year's Message we must caution on the expense side as well.

Local and national economic conditions are difficult to predict with COVID-19 and its variants determining the state of the economy. The unemployment rate has not quite returned to pre-pandemic levels (4.5% vs. 3.5% today*); however, that statistic doesn't seem to explain the current labor shortage on the Island. Perhaps a better indicator rests in the number of employed workers in the U.S. which is still ~4 million* below pre-pandemic levels. Local tourism and housing prices continue to "boom", the well-publicized supply chain crisis and labor shortages continue and increased demand for municipal services have all combined to create a challenging year for both public and private enterprises. *Bureau of Labor Statistics

Notwithstanding the above, Deloitte's recently published "*United States Economic Forecast 3rd Quarter 2021*" remains bullish on the U.S economy and highlights the following: "...economic fundamentals remain strong. Household and business balance sheets are still in good shape, and consumers are sitting on piles of savings. GDP is now above the pre-pandemic level..." "The strong growth in productivity is a positive sign. And continued government action in the form of

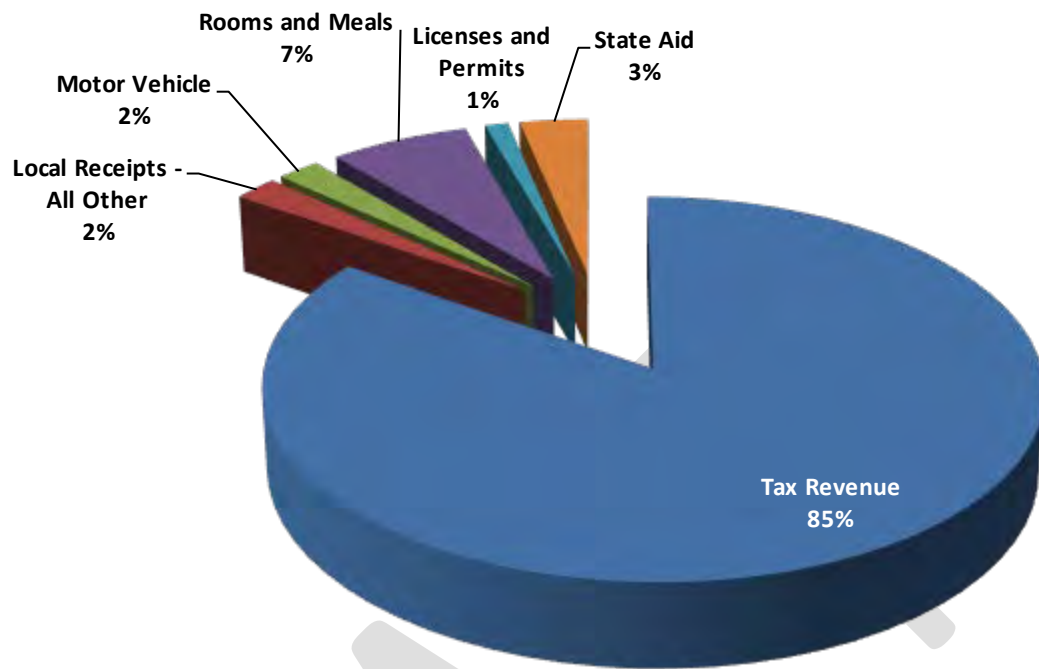
the bipartisan infrastructure agreement should support the economy in the short term and foster even greater productivity growth in the long run.”

Last year’s Budget Message flagged the balancing act the Town faced managing the increasing demands of a growing island community while remaining within the levy limit. As we head into FY 2023, the Town’s ability to fund expanding demand for programs, provide ever more services and maintain quality of life will be stretched. The FY 2022 challenge remains, but the FY 2023 challenge will certainly be exacerbated by rising input costs and the difficulty of attracting, retaining and housing employees. Remaining within the levy limit for FY 2023 will require some difficult choices to be made.

Each year, we must present a balanced budget which represents a plan of service for the community. Not all requests and needs can be met to the degree desired by individual groups and departments. We continue to be impacted by the effects of the current growth period on the Island, which is straining Town resources. Fixed costs are always increasing, especially employee benefits, service contracts, supplies and equipment, insurance and utilities. The Town’s levy capacity for FY 2023 allows for some increases to existing Town and School operations after allocations to Our Island Home, Solid Waste Enterprise Fund and Nantucket Regional Transit Authority (NRTA). <https://www.nantucket-ma.gov/1574/PFAS>).

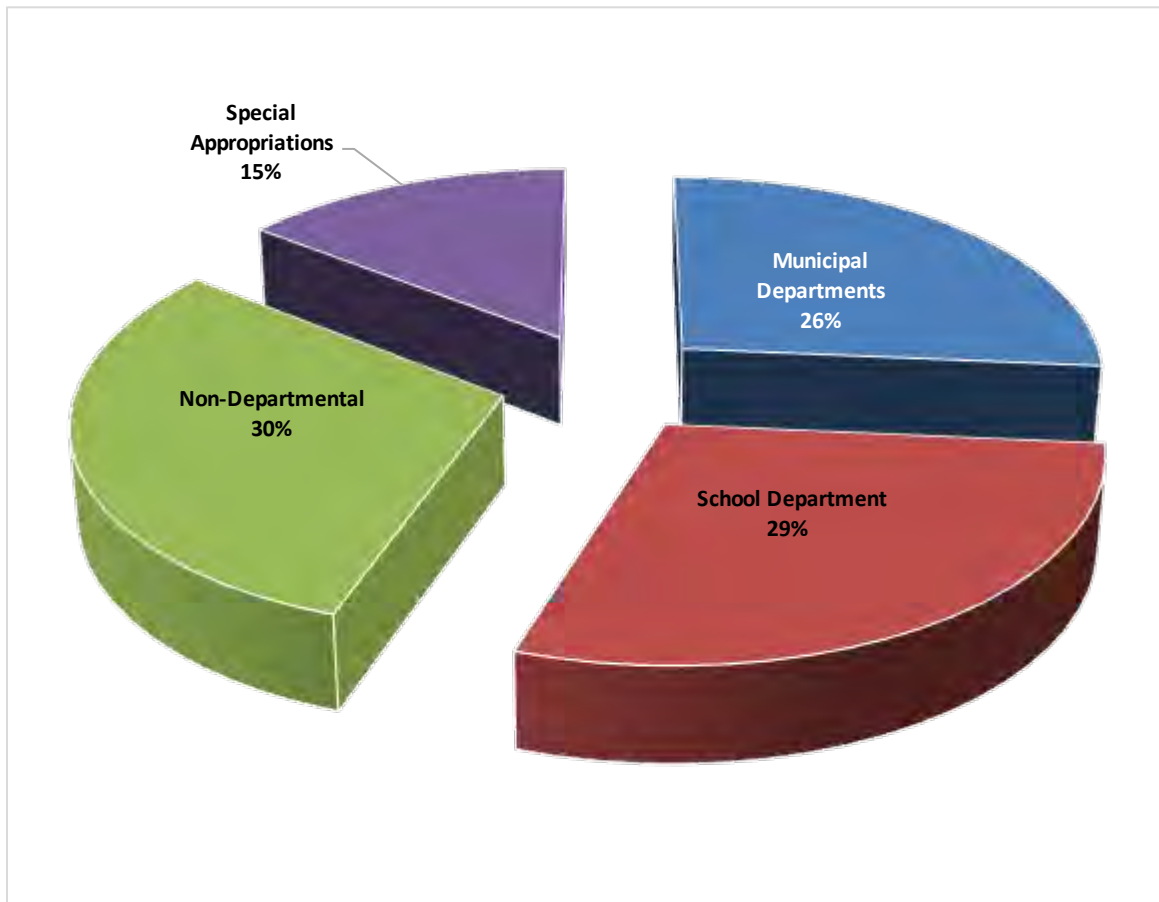
II. Overview of FY 2023 General Fund Budget Projection

A. Projected FY 2023 General Fund Revenue



Refer to Appendix M for a detailed breakdown of the FY 2023 proposed General Fund revenue as compared to the FY 2022 approved budget.

B. Projected FY 2023 General Fund Expenses



The proposed FY 2023 General Fund budget will fund:

- Projected Town and School salaries and fixed/current operational expenses – with some additional positions and programs.
- Fixed costs allocated between several expense categories including:
 - Health Insurance for active and retired employees is projected to rise at a rate of ~10% for FY 2023. While the Town did realize cost savings because of plan design changes in FY 2019, and while utilization rates are lower in the last quarter of FY 2021 and into FY 2022, we do expect them to rise near the end of FY 2022 and into the beginning of FY 2023. The continued rise of medical rates inflation has had an impact on the FY 2023 health insurance budget. The pandemic has made budgeting for health insurance much more difficult than in previous years, as people were not able to physically go to their doctors for routine medical care for much of the year in 2020 and 2021.
 - General Insurance is projected to increase 18.5% from FY 2022 actuals, based on current trends. The increase is resulting from the large losses that carriers have faced across the nation due to severe natural disasters over the past few years.

- Debt service is established by the current repayment schedule. Debt service will increase in FY 2023 as a result of the Town issuing debt for the Nobadeer Field House, sidewalk and storm water system improvements as well as the Neighborhood First affordable housing program. The Town will see an upward trend over the next 2-3 years in debt service, as new borrowings are undertaken for prior approved projects. (Appendix N)
- The Barnstable County retirement assessment is assumed to increase 8.5% in FY 2023.
- General Fund subsidies to the following Enterprise Funds are projected for FY 2023:
 - Our Island Home - \$5,125,000
 - Solid Waste - \$6,665,570 for landfill operations.
- Minimum capital funding requirement of \$1,070,980, allocated equally between the Town and School departments for capital improvements, pursuant to a requirement of the Town Code:

The Town shall spend on capital projects a minimum of 1% of total Town local receipts collected in the prior fiscal year plus 1% of the total real estate and personal property taxes collected in the prior fiscal year. If local receipts fall below the 1% minimum, the Town may forego the funding requirement. Nantucket Town Code Chapter 11, § 11-12.1

- Other Annual Appropriations for the following:
 - \$500,000 to the Other Post-Employment Benefits (OPEB) Trust Fund, in accordance with the Town's OPEB policy. FY 2023 will be the 7th year in which a contribution to this Trust Fund is made. The current balance of the fund through the first quarter of FY 2022 is \$4,248,650 (Appendix J);
 - \$500,000 to the Reserve Fund (see Appendix F);
 - State Cherry Sheet charges, the County Assessment and unpaid bills from prior fiscal years;
 - Annual Health and Human Services appropriation is funded at \$750,000 for FY 2023. This appropriation has been increased from \$650,000, with additional funding coming from the Special Purpose Stabilization Fund for Substance Abuse.

Refer to Appendix O for a detailed breakdown of the FY 2023 proposed General Fund expenses as compared to the FY 2022 approved budget.

III. Town Administration Expense Increase Recommendations

Background

Over the past 6-7 years, Nantucket has experienced significant growth and the Town's scope of responsibility has increased. We have taken on and/or funded new initiatives in response to needs, requests and mandates, yet staffing and service levels have not all kept up with the Island's growth, particularly in areas such as: infrastructure and public building maintenance, project management, code enforcement and community and town employee housing efforts. In addition, global, national and regional issues of coastal resiliency, solid waste management and energy use are becoming more and more critical in terms of climate change, sea level rise

and sustainability of natural resources. The Select Board’s Strategic Plan is intended to help focus Select Board initiatives and budgetary allocations toward the goals contained within the Plan. Information as to the specifics of the current Strategic Plan may be found on the Town website at <https://nantucket-ma.gov/1530/Strategic-Planning>. Many other mandated and goal-oriented plans and studies have been developed in the past several years which are taken into consideration during budget development, these include:

- 2018 Staffing Study
- Hazard Mitigation Plan
- Coastal Resiliency Plan
- Green Community Requirements
- Town-wide PFAS Assessment
- Parks Master Plan
- Capital Improvement Plan
- Facilities Master Plan

FY 2023 Expense Increase Requests

Departmental expense increase requests (EIR) for FY 2023 are shown in Appendix P, separated into categories of:

- Personnel Requests
- Expense Requests – One-time
- Expense Requests – On-going

Using a point system, with “Legal Mandate” being automatically supported, the requests were individually ranked and prioritized in accordance with the following criteria:

<u>Ranking Criteria</u>	<u>Scale</u>	<u>Description</u>
Legal Mandate	Y/N	Required by State/Fed or Local Bylaw (Y = Automatically Fund; Score of 9.0)
Staffing Study	0-2	Is it within the Staffing Study? If yes, 1 or 2 score would be determined by priority level (2 for higher priority)
Strategic Plan	0-2	Is it within the Strategic Plan? If yes, 1 or 2 score would be determined by priority level (2 for higher priority)
Staffing Study & Strategic Plan	0-1	Is it in <i>both</i> Staffing Study and Strategic Plan then 1 additional point to weight it higher
Department Operations & Efficiency	0-1	Funding necessary to support provide a department with necessary support for existing <i>or</i> new program
Approved New Programming	0-1	Funding necessary to support a new initiative
Necessary for Existing Programming	0-1	Funding necessary to support or expand ongoing initiatives
Continuation of Operations	0-1	Funding necessary to support unexpected increases or items already operationalized (e.g. software licenses)

Since it will not be possible to fund most of the requests without either additional revenue or reductions elsewhere, we have:

- focused our recommendations on the Select Board's Strategic Plan, and the other studies and plans referenced above; as well as critical Town operational issues;
- recommended use of funds from other sources (such as fund the one-time expenses from Free Cash and/or borrowing);
- reallocated existing resources;
- not recommended funding and/or will take a different approach; or, funded a reduced request.

We have prioritized the EIRs using the system noted above, and recommendations follow:

DRAFT

Department	Description of Expense Request	One-Time or Ongoing	Approved EIRs (1)
Personnel Expense Increase Requests (EIRs)			
DPW	Addition of 1 Mechanic	Ongoing	99,019
DPW	Addition of 1 Position for Park and Rec Division	Ongoing	91,906
DPW	Addition of 1 Position for Trees	Ongoing	91,906
DPW	Town Engineer	Ongoing	144,695
Finance	Procurement Administrator	Ongoing	114,696
Finance	Addition of 1 Accounting Clerk - Treasury	Ongoing	98,540
Fire	Part time Administrative Specialist transfer to full-time	Ongoing	29,785
Fire	Addition of 2 Firefighter/Paramedic	Ongoing	190,800
Fire	Overtime increase	Ongoing	50,000
Health	Chief Environmental Health Officer	Ongoing	153,000
HR	Assistant HR Director	Ongoing	133,000
HR	Various position reclassifications	Ongoing	55,000
IT	Information Technology Security Systems Administrator	Ongoing	122,920
Marine	Addition of 5 Seasonal Lifeguards	Ongoing	58,500
NRD	Conservation Agent	Ongoing	122,920
NRD/Health	Public Outreach Specialist	Ongoing	98,541
NRD	Sustainability Manager	Ongoing	138,000
Police	Business License Inspector	Ongoing	98,541
Police	Addition of 2 Police Officers (Airport)	Ongoing	191,678
Police	Parking Enforcement Coordinator	Ongoing	122,920
PLUS	Overtime increase	Ongoing	10,000
PLUS	Land Use Specialist/Zoning Administrator	Ongoing	107,387
Department Personnel EIR			\$ 2,323,754
Operating Expense Increase Requests (EIRs)			
Fire	Rope Rescue Equipment	One-Time	25,000
Fire	Safety and protective gear, alternate to Structural firefighting gear	One-Time	23,000
IT	Multi-factor authentication implementation services	One-Time	22,500
IT	Migrate Exchange mail server to Office 365 cloud environment	One-Time	22,000
PLUS	Historic District Commission - historic architectural surveys update	One-Time	25,000
PLUS	Update of the 2009 Master Plan	One-Time	100,000
PLUS	Replacement vehicle for PLUS	One-Time	30,000
Town Admin	Baxter Rd Relocation Management	One-Time	150,000
Town Admin	Professional services increase	One-Time	50,000
Town Admin	Commuter shuttle	One-Time	200,000
Town Admin	Historic sidewalk preservation & repair study	One-Time	40,000
Town Clerk	Replacement of furniture	One-Time	5,000
C & T	4th of July Fireworks increase for new contract FY23-25	Ongoing	12,550
DPW	Field Maintenance - Park and Rec	Ongoing	200,000
HR	TASC FSA accounts monthly fee	Ongoing	6,000
IT	Cloud-to-Cloud backup for cloud-based Exchange email and Office	Ongoing	8,800
IT	Multi-factor authentication licensing and hardware tokens	Ongoing	17,000
IT	Cybersecurity services	Ongoing	50,000
IT	Upgrade Exchange mail server to Office 365 cloud environment and	Ongoing	37,500
IT	TeamDynamix project portfolio management software annual	Ongoing	30,000
IT	Comcast Internet service for three WiFi hotspots	Ongoing	11,000
IT	Zoom video conferencing and webinar service	Ongoing	5,700
IT	5% increase for existing Professional Services	Ongoing	20,850
Town Admin	Delta playing fields lease	Ongoing	30,000
Town Admin	Office space lease	Ongoing	100,000
Town Admin	Select Board Strategic planning initiatives	Ongoing	50,000
Town Clerk	Sound & microphones for Annual Town Meetings	Ongoing	9,000
Town Clerk	E-voting service for Annual Town Meetings	Ongoing	26,000
Total Operating Expense Increase Requests			\$ 1,306,900
Total Town Personnel & Operational Expense Increase Requests			\$ 3,630,654

FY 2023 Personnel Expense Increases

1. Department of Public Works

Town Engineer (New position)

This position has been discussed for several years and with the increase in local development, there is a growing impact to municipal infrastructure, including roadways, bicycle paths and sidewalks, and storm water drainage. This position will provide engineering services and consultation for operations, contracts, projects and strategic planning. The position will also serve to organize and coordinate Town efforts around storm water studies, planning and execution. Many project plans are complex and have dependencies with other projects and this position will provide professional engineering support and oversight, ensuring better coordination and on-time, on-budget project completion. While residing in DPW, this resource will consider and review cross-departmental impacts to ensure appropriate coordination.

Parks and Recreation staff (New position)

The Town's maintenance division is not staffed to effectively manage the inventory of Town recreational assets and growth in demand for use of the Town's playing fields requires increased maintenance to keep the fields safe and available for use and continue to provide social and health benefits. The Parks and Recreation Master Plan identifies at least 14 properties that require maintenance. The Plan also notes 1.) due to heavy and often excessive use during all seasons of the year and all types of weather, turf conditions are stressed at many locations, 2.) poor playing conditions can demoralize users and increase the risk of injury, and 3.) Town maintenance operations staff is hampered by their small numbers and lack of materials and equipment and face an uphill battle to maintain best conditions possible. A sample of activities this team undertakes includes: cutting, aerating and cycling fields, lining fields and ensuring that irrigation systems are functioning properly, replacement of split-rail fences, signage and maintenance of associated facilities, such as restrooms; monitoring use of these facilities and properties. This new year-round position is expected to help with the delivery of improved conditions at key Town recreational assets.

Tree Maintenance staff (New position)

Proper maintenance of island-wide, Town-owned trees helps ensure public safety and tree protection. Scheduled inspection and assessment is key to protecting trees, in particular the Island's large inventory of historic Elm trees. This position will allow the Town to more proactively protect its trees and will help increase the bandwidth to ensure effective public outreach, interdepartmental coordination and safe maintenance of trees across the Island. The new position will bring to 2 the number of staff dedicated to trees, which is the minimum number required to safely execute effective tree maintenance.

Mechanic (Replacement)

DPW is currently responsible for central fleet maintenance of all Town vehicles, except emergency response vehicles. There are currently limited resources for maintenance. Inadequate maintenance increases costs and decreases Town staff productivity and has led to several vehicles not passing inspection this year. Outside

options for repair and maintenance are often not viable as service wait times are often months-long. This position will help extend the service life, reliability and safety of vehicles across Town departments.

2. *Police Department*

Business License Inspector (New position)

Through the Police Department, the Town issues, processes and renews a wide range of licenses and permits, including but not limited to liquor, entertainment, common victualler, animals, mobile food units. The growth in the population and business footprint on the island has made enforcement more difficult, but also more important. Active enforcement is the best way to ensure compliance and protect quality of life on Nantucket. Staffing the Inspector role is an integral part of an effective Business Licensing program.

Parking Enforcement Coordinator (New position)

This position has been discussed in the past as a requirement to effectively implement a Parking Management Program. Operationalizing this Select Board goal requires a dedicated resource to focus on public outreach, maintaining records, traffic assistance, enforcement of parking regulations and providing recommendations to improve the program (e.g. permits, signage, outreach issues). This position will support year-round, consistent enforcement of parking regulations and will help operationalize paid parking if implemented.

Seasonal Lifeguards (5) (Additional positions)

As the summer population of the Island increases, there is greater use of the beaches and more swimmers in the water. More swimmers in the water leads to more distress calls and this past summer the Department received a significant number of distress calls from Ladies Beach. This request would provide funding for a team of lifeguards specifically dedicated to Ladies which has not previously been a guarded beach. These positions would be funded from the Beach Revolving Fund.

Police Officers for Nantucket Memorial Airport (2) (Additional positions)

Historically, the Nantucket Police Department (NPD) has relied on a seasonal/part-time/reserve workforce to provide armed law enforcement support for Nantucket Memorial Airport. Due in part to changes brought about by the Police Reform Act, NPD is no longer able to utilize seasonal, part-time or reserve police officers for the Airport's (TSA) requirements. The Airport is required to screen passengers on flights bound for airports such as Boston, Washington DC, etc. which requires three fully certified police officers to fill the daily shifts at the airport. These positions are funded by Nantucket Memorial Airport. If positions are not filled, it will result in elimination of TSA-screened flights to the island.

3. *Information Technology (IT) Department*

Information Technology Security Systems Administrator (New position)

To ensure a safe, protected, reliable and continuously operating IT environment, it is imperative that systems and applications are kept up to date with security patches and updates,

network activity is monitored, and cybersecurity awareness training is conducted. The increase in cyber criminals (hackers, terrorist organizations and foreign governments) specifically targeting the public sector and municipalities, requires continuous improvement to the Town's defenses. The IT System and Security Administrator position will be responsible for IT security and safety, ensuring that the Town computer systems are up to date and protected from cyber threats. This position will also lead the cybersecurity awareness training program. This request will fund a position dedicated to the health and security of the Town government's digital resources.

4. *Human Resources Department*

Assistant Human Resources Director (New position)

The Human Resources Department (HR) supports Talent Acquisition, Labor Relations, Benefits and Leave Management, Regulatory Compliance and much more. As the Town experiences population and economic growth, the Town staff also grows in number to meet the increasing demand. In a 2015 review of the HR Department conducted by EmCo Consulting, it was recommended that HR staff to a ratio of 1:400. At the time, HR estimated it supported roughly 1,200 employees and retirees combined. Current estimates of the number of employees, retirees and job applicants supported by HR approaches 1600 and the department is not staffed to accommodate that larger number. This position request would allow HR to maintain the recommended ratio. It will also provide essential support to the HR Director in critical areas such as collective bargaining, policy updates, benefit enrollment and employee and retiree relations. Personnel issues have become increasingly complex with the Massachusetts Equal Pay Act, Occupational Safety and Health Administration (OSHA) rules, mediation and arbitration decisions and other recent and/or emerging issues, not to mention mental health, well-being and security of employees. We need more than 3 employees to oversee the 1600 or so individuals that comprise the largest employer workforce of the Island.

5. *Finance Department*

Procurement Administrator (New position)

The number of contracts the Town administers is growing along with activity on the Island. Over the past 2 years an average of ~170 contracts per year were procured, executed, paid and tracked. Annualizing the activity of the first 4 months of FY 2022, this year's projected total will exceed 250 contracts. This position will manage the contract lifecycle, including issuance, amendments and in some instances procurement. The Administrator will also arrange and monitor selected Town purchases.

Administrative Assistant-Treasury (Replacement)

The Treasurer's Office is responsible for cash management, debt management, payroll and more. If approved, this request would return the Office's staffing to its pre-Covid level. The Administrative Assistant role is primarily responsible for accepting, processing and reconciling all payments and disbursements for the Town, and acts as interface to the accounting department. Over the past 3 fiscal years the average number of cash receipts processed by the Office is roughly 8,600 per year. This year (FY 2022) it is on pace to process more than 10,000 cash receipts.

6. *Natural Resources Department*

Sustainability Manager (New position)

Beginning with its 2019 Strategic Plan the Select Board identified Sustainability as a key initiative and indicated a necessity to operationalize activities around it. This position will establish the Office of Sustainability as a division within the Natural Resources Department. Initial activities of this Office include organizing and advancing the work of a proposed Core Sustainability Workgroup, development of divisional goals, development of a formal Sustainability program and public outreach for Sustainability initiatives.

Conservation Agent (New position)

As with the above position, beginning with its 2019 Strategic Plan the Select Board identified Sustainability as a key initiative and indicated a necessity to operationalize activities around it. To facilitate the development of the Sustainability office the Natural Resources Department has proposed, with Town Administration support, to re-organize into three divisions. This position will supervise the regulatory division in the Natural Resources Department and will be primarily responsible for the day-to-day operations of the Conservation Commission, including permit application review, field inspections, and compliance checks. The position will also be responsible for updating Wetland Protection regulations and facilitating inter-departmental coordination on conservation-related issues.

Public Outreach Specialist (New position)

This position is a joint request of Natural Resources and Health and Human Services departments. These departments play a central role in the development of several key Select Board priorities (e.g. Water Quality Plan, Harbor Plan Update, Fertilizer Program, Hazard Mitigation Plan and Coastal Resilience Plan). Public support of these plans is critical, and this position will establish the communication and feedback channels to deliver successful plans and projects. Key early deliverables include the creation and maintenance of a dedicated online presence, creation of printed informational materials and improved public engagement. The position will work through the Town's Public Outreach Manager, within the Town Manager's office.

7. *Health Department*

Chief Environmental Health Officer (New Position)

With the discovery and quantification of PFAS, fluoropolymers and other emerging contaminants in and around the Island, this request seeks to create and fund a position dedicated to the environmental health of the Island. This toxicology specialist will oversee PFAS quantification, plan remediation responses, liaise with vendors, as well as manage projects and community outreach. Should the state Department of Environmental Protection issue regulatory standards for PFAS levels, it will be necessary for the Town to be able to respond to the public and others where PFAS exceedances are detected.

8. *Fire Department*

Firefighters (2) (Additional positions)

As the population and density of the Island increase, the demand for Fire Department services also increases. This request would increase staffing on 2 of 4 shifts, balancing all shifts at seven members when fully staffed. This will increase the personnel available to respond to emergency calls and increase the service level the department provides the Island. The growing need is exacerbated by the increasing difficulty of the department to have off-duty firefighters return (or call back) to fill station coverage or times when the department is responding to simultaneous multiple calls. The position level would be a minimum of Emergency Medical Technician or possibly Paramedic.

Administrative Assistant (change from part-time to full-time)

This role is responsible for scheduling and managing more than 1400 inspections in addition to routine administrative duties. Compounding the overstressed situation will be an expected new events approval and review protocol. The workload cannot be adequately completed in a 20-hour week and converting it to full-time will alleviate stress, provide better customer service and generally increase productivity in the department.

9. *Planning & Land Use Services*

Land Use Specialist/Zoning Administrator (Replacement)

The Land Use Specialist position will reinstate dedicated staff support to the Zoning Board of Appeals and will provide additional support to the Historic District Commission (HDC). Most recently, Land Use Specialists who support the HDC consistently work significant overtime due to growing application volume. The Deputy Director of Planning has temporarily assumed the responsibilities of the Zoning Administrator, but that is not sustainable over time. Filling this position would better distribute the HDC responsibilities and allow for more capacity in the department for enforcement.

FY 2023 Operational Expense Increases (One-Time) The items listed below are considered one-time and as such, may be funded through Free Cash.

1. *Fire Department*

Rope rescue equipment - \$25,000

Safety and protective gear, alternate to structural firefighting gear - \$23,000

2. *Planning & Land Use Services (PLUS)*

Professional services in connection with update of 2009 Master Plan - \$100,000

Replacement of vehicle - \$30,000

Professional services in connection with update of historic architectural surveys for HDC - \$25,000

3. *Town Administration*

Professional administrative support services increase - \$50,000

Commuter shuttle - \$200,000

Baxter Road relocation management - \$150,000

Historic sidewalk preservation & repair study - \$40,000

4. *Information Technology*

Multi-factor authentication implementation services - \$22,500

Migrate Exchange mail server to Office 365 cloud environment - \$22,000

5. *Town Clerk*

Replacement of furniture - \$5,000

FY 2023 Operational Expense Increases (On-going)

1. *Information Technology*

Cloud-to-Cloud backup for cloud-based Exchange email and Office 365 - \$8,800

Multi-factor authentication licensing and hardware tokens - \$17,000

Cybersecurity services - \$50,000

Upgrade Exchange mail server to Office 365 cloud environment and Azure AD to Premium P1 – \$37,500

Team Dynamix project portfolio management software annual maintenance increase - \$30,000

Comcast internet service for three Wi-Fi hotspots - \$11,000

Zoom video conferencing and webinar service - \$5,700

Professional services increase of 5% - \$20,850

2. *Town Administration*

Delta playing fields annual lease payment with Airport - \$30,000

Office space lease - \$100,000

Select Board strategic planning initiatives - \$50,000

3. *DPW/Parks and Recreation*

Field maintenance bid - \$200,000

4. *Town Clerk*

Sound & microphones for Annual Town Meetings - \$9,000

E-voting service for Annual Town Meetings – \$26,000

5. *Human Resources*

TASC flexible spending account monthly fees - \$6,000

6. *Culture & Tourism*

4th of July Fireworks increase - \$12,550

IV. *Current and Future Year Considerations*

Sustainability

In October 2018 the Select Board adopted “Sustainability” as a guiding principle of the Town’s Strategic Plan:

Sustainability is how the Town of Nantucket, with a focus on historic preservation,

natural resources, hazard mitigation, solid waste management, energy, public health, and education, institutionalizes practices in municipal operations that support a balance of the economic, environmental, and social health of our Island, which meet the needs of current residents and visitors without compromising the ability of future generations to meet evolving needs.

We are recommending a Sustainability Manager position for FY 2023 to begin the development of a Sustainability Division within the Town and to develop a plan to operationalize a Sustainability “lens” for applicable Town projects and programs.

Coastal Resiliency/Infrastructure/Planning

Global warming, climate change and sea level rise have been more and more frequently appearing in the news media as growing issues for municipalities. In FY 2019, we completed an update to the Town’s Hazard Mitigation Plan, which can be found here <https://www.nantucket-ma.gov/1373/Hazard-Mitigation-Plan>. The plan recommends over 50 projects for implementation over the next five years. The Select Board established a Coastal Resiliency Advisory Committee to make recommendations about a variety of coastal resiliency issues, including a Coastal Resiliency Plan. (<https://www.nantucket-ma.gov/1391/Coastal-Resiliency-Advisory-Committee>). In mid FY 2022 Coastal Resiliency Plan was issued through the efforts of the Coastal Resilience Advisory Committee with its consultant, Arcadis.

Parks Master Plan

A Parks Master Plan was finalized in winter of 2020 and projects were integrated into the Capital Improvement Plan. Subsequently, updated FEMA sea level rise projections were issued, indicating that certain areas, such as Tom Nevers Park where significant infrastructure was recommended, should be reconsidered. Overlapping projects, including the School Department Campus Improvement Plan and the Public Works facility potential relocation to the Delta Fields area, have caused portions of the Parks Master Plan to be reconsidered. That process is on-going in FY 2022 and into FY 2023 and may result in modifications to certain projects in the Plan in these areas.

All of these are likely to include recommendations for capital or other expenditures to address ways in which the Town can be responsive to the impacts of environmental change on Town infrastructure. We need to pay attention to this because expenditures and/or impacts are imminent. Other impacts could include the loss of taxable real estate and a reduction in the Town’s bond rating.

Collective Bargaining

Contracts were settled with some units in FY 2021 for three years and bargaining is ongoing with other units in for contracts that expired June 30, 2020. Negotiations for contracts expiring in FY 2023 will commence in FY 2023 when we will again begin work with the Select Board and other voting agencies (Airport Commission, Nantucket Water Commission, School Committee) to develop our approaches to upcoming collective bargaining and to review financial projections, employee benefit costs and universal union contract language issues. Appendix Q shows the list of collective bargaining contracts. The contracts can be found at <https://nantucket->

Police Reform

The Police Department is actively working to implement the measures contained in the Police Reform Act enacted early in 2021. There will be costs associated with measures such as additional and/or new certification and training requirements, body cameras and associated equipment and staff to manage this program. Some of the measures have not yet been fully defined through the necessary regulations; however, we are working to plan for these expenses.

Harbor Place

Discussions with the Harbor Place owners' group continued into FY 2022 after a COVID delay. Depending on how the project develops, there may be an impact on Town resources in connection with future infrastructure maintenance and capital costs. At the 2020 Annual Town Meeting, an appropriation of \$150,000 was approved for the engagement of a consultant to assist the Town with developing concepts for transportation-related improvements. That effort remained underway in FY 2022 and at the time this Message is being prepared, it was not clear if any recommendations will be brought to the 2022 Annual Town Meeting.

Per and Polyfluoroalkyl Substances (PFAS)

Per-and polyfluoroalkyl substances, also known as PFAS, are a group of manmade chemicals that have been manufactured and used in a variety of industries since the 1950s. They are referred to as 'forever chemicals' – they are persistent in our bodies, mobile in the environment and many will not naturally degrade. PFAS chemicals are most often commercially used to create grease, water and stain resistant barriers for materials, including Teflon, grease-resistant take-out containers, and upholstery and carpet treatments; these chemicals are also found in firefighting foam.

Concerns have been raised regarding human health and ecological risks associated with certain PFAS chemicals. The Town of Nantucket is following the guidance and testing requirements of Massachusetts Department of Environmental Protection (MassDEP) as it pertains to PFAS. More information is available at <https://www.mass.gov/info-details/per-and-polyfluoroalkyl-substances-pfas>

Like other municipal governments, the Town is working to understand the sources and receptors of PFAS in the environment. In FY 2021, the Town engaged the services of CDM Smith, Inc, subject-matter experts based out of Boston, to assist the Town with an initial PFAS assessment and public engagement plan and again in FY 2022 to assist with developing a proposed sampling plan and data collection strategy in concert with MassDEP. Additionally, in FY 2022 MassDEP and UMass teamed up for a voluntary state-wide private well sampling program, of which approximately 30 Nantucket households were selected out of over 100 applications. The results of this testing program will help inform future efforts by the Town and private well-owners. With the assistance of consultants and subject-matter experts, this issue is currently being examined across all Town departments, including Public Works, Water Company, Sewer Dept., Airport, Public Health, and Natural Resources. Initial work includes a qualitative, town-wide risk assessment, and recommendations for data collection and/or future action based on the available data. The Town's response to PFAS can be found at <https://nantucket-ma.gov/1574/PFAS>

This project is expected to span several years and there are likely budgetary impacts in both the General Fund and Enterprise Funds. As more information is collected and assembled, the scope and cost of PFAS containment, source reduction and cleanup will be better understood. It is unclear whether outside funding will be available to help offset what could be a substantial financial impact to cities and towns.

Diversity Equity and Inclusion (DEI) Initiatives

In February 2021, the Town hired its first Director of the Diversity, Equity and Inclusion Office (DEI). In fulfilling the Select Board's pledge and commitment to DEI throughout the town, the DEI office was established as a part of Town Administration and is located in the Town Building, which allows for hands-on collaboration with Human Resources and for professional support for/from town leadership. The DEI Office has already commenced numerous initiatives and participated in many community conversations. Since establishing the Office, the DEI's webpage has been redesigned to include a mission statement (available in English and Spanish), the Select Board has approved a \$94,000 contract to partner with Tangible Development LLC to create a DEI Strategic Plan and Nantucket joined the Massachusetts DEI Coalition. The Office has issued a statement of solidarity in support of the Asian American Pacific Islanders community, presented at ten or more local organizations on the significance of DEI, written articles on Juneteenth and Indigenous Peoples' Day highlighting the Island's connections to both, hosted a book discussion with department heads on *Micromessaging* and launched the "Meet NEET" initiative featured in the monthly Town Manager e-newsletter. It is clear the Select Board, town leadership, and the community are taking steps to ensure that diversity, equity, and inclusion are valued and evidenced throughout town operations.

<https://www.nantucket-ma.gov/DocumentCenter/View/36850/Select-Board-Statement-to-the-Nantucket-Community---June-24-2020-PDF>

Health and Human Services Funding

We proposed to allocate \$750,000 to local health and human service agencies in the community for FY 2023. This funding allocation represents a \$100,000 increase in funding over FY 2022 and continues to be among the highest of all towns in Massachusetts and was in response to an increase in funding requests from agencies. The extra funding of \$100,000 in FY 2023 is recommended to come from the Special Purpose Stabilization Fund for Substance Abuse paid to the Town by the Island's marijuana dispensaries and/or marijuana retail establishments. Each year, agencies apply for funding and applications are reviewed by the Human Services Contract Review Committee which makes recommendations regarding appropriations to the Finance Committee and Select Board.

New/Expanded Revenue Possibilities

Other areas to potentially look toward in the future for generating new revenue to cover needs and priorities include (several of these are part of a 2009 Ad Hoc Fiscal Committee Report - <https://www.nantucket-ma.gov/170/Ad-Hoc-Fiscal-Committee>):

- PILOT possibilities (Payment-in-Lieu-of-Taxes for entities that do not pay property tax, such as certain tax-exempt organizations such as hospitals, posts and churches – if all of these were taxed in FY 2022, taxes due would have exceeded \$ 16,650,000;

- parking fees (increase parking fines; implement paid parking downtown – use funds for transportation-related improvements)
- taxi transaction fee (requires meters);
- increase Town permit fees other than those already at statutory maximum allowance (over the road permits, road closing, etc.);
- increase to the ferry embarkation fee (requires substantial political work and coordination with the other ports);
- increase of real estate transfer tax for housing initiatives or another dedicated purpose (requires special legislation which was approved at 2016, 2017, 2018, 2019 and 2020 ATMs - efforts continue to further the legislation);
- new local option surcharge on tax bills of up to 3% (similar to how the Community Preservation Act surcharge is applied) called the Municipal Water Infrastructure Investment Fund (“WIIF”) – we had begun to examine how this could be used for Nantucket in late 2019; however discussions stalled due to COVID and we are not planning to recommend pursuing this until we are able to devote more resources to determining and evaluating how this could benefit Nantucket, as well as an evaluation of the Cape & Islands Water Protection Fund which derives revenue from the recent expansion of the room occupancy tax to short-term rentals.

Some of the above noted items are being developed and others are noted only for informational purposes. In addition to potential ways to generate additional revenue, we are continuously reviewing actions that would allow us to address a slow-down in economic activity. These include:

- review all municipal services for reduction or elimination – in other words, an “Austerity Budget”
- reduction-in-force of personnel
- enforce a hiring “freeze” or “chill”
- eliminate unexpended expense increases, including vacant positions
- reduce the NRTA year-round service (would have a delayed impact because of how/when NRTA is funded through the state)
- defer capital projects.

V. Conclusion

The proposed FY 2023 General Fund budget can be funded within available revenue, while supporting some new initiatives and positions and providing continuity of services. The list of challenges is long and includes funding the growing priorities and increasing demands for services from the community; retaining, attracting and housing qualified employees; and, maintaining infrastructure while making it more resilient. Solid waste management, the on-going response to COVID and growing PFAS issues will all require significant focus in FY 2023. It will take additional resources in the coming year(s) to address these, as we have noted in this Message and in prior Messages.

Thanks to the Select Board, Town departments, Finance Committee, Capital Program Committee, and especially to the staff who spend many, many hours putting together the information necessary to develop these budget recommendations, especially Assistant Town Manager for Strategic Projects Gregg Tivnan, Director of Municipal Finance Brian E. Turbitt, Assistant Finance Director Rick Sears and Financial Analyst Mariya Basheva.

Prepared by:

Town Manager, pursuant to Article IV, Section 4.2(d)(3) of the Charter of the Town of Nantucket

DRAFT

Preliminary Outline #5 for 2022 Annual Town Meeting Warrant

For 12/08/21 SB review

As of 12/02/21

NOTE: Numbering & Order is NOT FINAL

Annual Articles

1. Receipt of Reports
2. Appropriation: Unpaid Bills
3. Appropriation: Prior Year Articles
4. Revolving Accounts: Annual Authorization
5. Appropriation: Reserve Fund
6. FY 2022 General Fund Budget Transfers
7. Personnel Compensation Plans for FY 2023
8. Appropriation: FY 2023 General Fund Operating Budget
9. Appropriation: Health & Human Services
10. Appropriation: General Fund Capital Expenditures
11. Appropriation: FY 2023 Enterprise Funds Operations
12. Appropriation: Enterprise Funds Capital Expenditures
13. FY 2022 Enterprise Funds Budget Transfers
14. Appropriation: Waterways Improvement Fund
15. Appropriation: Ferry Embarkation Fee
16. Appropriation: Ambulance Reserve Fund
17. Appropriation: County Assessment
18. Appropriation: Finalizing FY 2023 County Budget
19. Rescind Unused Borrowing Authority (*if needed*)
20. Appropriation: OPEB Trust Fund
21. Appropriation: Free Cash
22. Appropriation: Stabilization Fund

Other Select Board Sponsored Articles

NOTE: most of these were reviewed/discussed by SB and/or Town Administration since the 2021 ATM

ZONING* BYLAW & GENERAL BYLAW AMENDMENTS

** Board discussion occurred in January 2018 regarding a request/directive that all zoning articles must be accompanied by a narrative explanation as to why the item is being put forward, along with any operational or financial impacts*

Zoning Bylaws

See attached from Planning

General Bylaws

- Paid parking (see vote on Article 66 of 2020 ATM – attached); Town Admin to work on plan for implementation and resources needed; then, determination by SB as to whether or not to take to future ATM (not 2022)

- Minor change to title of Article II of Chapter 127 (from “Obstructions on Sidewalks” to “Obstructions on Sidewalks, Streets, Bicycles Paths or Ways”)
- Amendment to Chapter 55 (Animals – Leash Law) of the Town Code, to allow for an exemption for established “dog parks”
- Government Study Committee “clean up” items
- Reconcile bylaw numbering references to membership of Agricultural Commission
- Short-term rental regulations? **Will get report from Planning Dir on 12/1; Further discussion on 12/8?**
- Amend vote at 2005 ATM to change membership of Nantucket Historical Commission from 5 to 7 members; and, eliminate alternate members

HOME RULE PETITIONS

Resubmittal of Pending HRP's from prior ATMs (these have not been acted upon by the Legislature as of now; some have been through more than one ATM)

- Community Housing Bank (Article 79/2019 ATM)
- Real estate transactions with Land Bank: Mill Hill Park, Nobadeer Playing Fields (Article 92/2021 ATM)
- Airport Capital (Article 94/2021 ATM)
- Charter Change for Audit Comm (Article 93/2021 ATM)
- Issuance of Pension Bonds (Article 95/2021 ATM)

New

- potential transfer(s) in connection with Sheep Pond Road relocation
- sewer connection fee waiver/reductions based on residential exemption/other specified status (discussed at 11/3/21 SB meeting with agreement that Town Counsel prepare this)

MGL ACCEPTANCES

- Municipal Water Infrastructure Investment Fund (needs research, and would also require a ballot vote) – put on hold
- Possible Special Stabilization Fund establishment for allocation of marijuana dispensary fee revenue (need to review with Town Counsel & Finance Director)
- Community Impact Fee on Short-term Rentals (Town Counsel info attached) Need additional data, on hold til type of data/revenue projections determined, not for 2022 ATM
- Tax Work-off Abatement Program – potential adoption of additional local acceptance statute(s) for senior citizens and veterans (need to review)

REAL ESTATE RELATED

- TBD in connection with HRP's with Land Bank (see above)
- Authorization for grant(s) of utility easement(s) for Airport at Bunker Rd location(s)
- Authorization for grant of utility easement for Shadbush Rd (Marine Maintenance building)
- Long-term lease authorization for shooting range
- Conservation Restriction for property for shooting range
- Potential purchases – pending SB final review:
\$4,750,000*

BALLOT QUESTIONS

- possible debt exclusion(s) and/or capital exclusion(s) for capital projects; real estate*
- charter change re: mailing of town meeting warrant (Article 96/2021 ATM)

CITIZEN ARTICLES

See attached list and link to articles (31). All have been certified by the Town Clerk.

DRAFT

Citizen Warrant Article Submissions
for 2022 Annual Town Meeting

<u>Article</u>	<u>Sponsor</u>	<u>Article Name</u>
A	James Jackson	Zoning Map Change - R-20 to CTEC and/or CN - Old South Rd
B	Jack McGrady	Rescind Article 77 of 2018 ATM
C	Jack McGrady	14 Days Between ATM and ATE
D	Bruce Mandel	Bylaw Amendment - Single-Use Plastics - Alcoholic Beverages Container
E	Bruce Mandel	Bylaw Amendment - Single-Use Plastics - Tobacco Filters
F	Joseph Minella	Home Rule Petition - Prohibiting Fertilizer
G	David Buckley	Sewer District Map Change - 15 Milestone Crossing
H	Jeffrey Booms	Home Rule Petition - Solar
I	Theresa Williams	Ombudsman Establishment - Complaints
J	Clifford Williams	Appropriation - Shedder for Solid Waste
K	Julie Bunting	Zoning Map Change - R-20 to CTEC and/or CN - Old South Rd
L	Dorothy Stover	Bylaw Amendment - Gender Equality on Beaches
M	Campbell Sutton	Amend Town Wharf and Waterways Prohibited Activities
N	Hillary Rayport	Home Rule Petition - Amend the NP&EDC
O	Anne Dewez	Zoning Bylaw Amendment - Pools, Hot Tubs, Spas - Definitions
P	Anne Dewez	Disallow Hot Tubs, Spas in Historic Districts

Citizen Warrant Article Submissions
for 2022 Annual Town Meeting

Q	Linda Williams	Zoning Map Change - R-20 to R-10L - Nobadeer Way
R	Linda Williams	Zoning Bylaw Change - Definitions and Word Usage - Apartments
S	Linda Williams	Zoning Bylaw Amendment - Swimming Pool - Residential - Square Footage
T	Linda Williams	Zoning Bylaw Amendment - Swimming Pool - Residential
U	Linda Williams	Zoning Bylaw Amendment - Storage Container by Special Permit in CMI
V	Linda Williams	Real Estate Acquisition - Proprietors Rd - Off Tripp Dr/South Shore Rd
W	Linda Williams	Real Estate Conveyance - Proprietors Rd - Off Tripp Dr/South Shore Rd
X	Linda Williams	Real Estate Acquisition - Two Ways - Nobadeer Way
Y	Linda Williams	Real Estate Conveyance - Two Ways - Nobadeer Way
Z	Ken Beaugrand	Appropriation - FY23 Community Preservation Committee
AA	Ken Beaugrand	Appropriation - Community Preservation Committee for Affordable Housing Trust
BB	Ken Beaugrand	FY 22 Community Preservation Committee Budget Transfers
CC	Clifford Williams	Sewer District Map Change - 44 Skyline Dr
DD	Clifford Williams	Zoning Map Change - LUG-2 to R-5 or CN - 44 Skyline Dr
EE	Tobias Glidden	Zoning Bylaw Amendment - Protecting Rights to Short-Term Rentals

Link to view Citizen Warrant Articles:

<https://www.nantucket-ma.gov/DocumentCenter/View/40819/2022-Annual-Town-Meeting-Citizen-Warrant-Articles-PDF>

ARTICLE 66

(Town Meeting Vote Required to Implement On-street Paid Parking)

To see if the town will vote to require a vote of town meeting prior to the implementation by the Town of Nantucket of paid on-street parking.

(Christopher Glowacki, et al)

FINANCE COMMITTEE MOTION: Moved that the Select Board be requested to seek the prior approval of Town Meeting before implementing paid on-street parking.

SELECT BOARD COMMENT: The Board does not support the Finance Committee Motion. One of the Board's Strategic Plan Goals is: "Launch a downtown parking management system based on demand management principles that achieves (or is measured by) 85% occupancy of public parking spaces". Paid parking is a tool that could be critical to the success of this Goal - which is meant to increase parking turnover so that people are more easily able to find parking in Town and make year-round access to the downtown a pleasant experience; and, to limit reliance on single-occupancy vehicles. The Board believes flexibility is needed to be able to implement paid parking, if needed.

approved at 2020 ATM

[HISTORY: Adopted by the 1863 Town Meeting of the Town of Nantucket, approved 9-7-1863. Amendments noted where applicable.]

§ 46-1 Seal and subscription.

[Amended 6-25-2020 ATM by Art. 70, approved 10-27-2020]

All conveyances under seal which may hereafter be executed on behalf of the Town, or otherwise, shall be sealed with the Town's Common Seal and subscribed by a majority of the Select Board for the time being.

§ 46-2 Short-term leases by Select Board.

[Added 11-13-1990 STM by Art. 58, approved 3-19-1991; amended 6-25-2020 ATM by Art. 70, approved 10-27-2020]

The Select Board may enter into short-term leases of Town-owned property (not to exceed five years), including vacant or improved land or portions thereof, on terms and conditions it deems reasonable, without the further necessity of Town Meeting approval.^[1]

[1] *Editor's Note: All procurement procedures will be governed under the stipulations of the Uniform Procurement Act, which is Chapter 30B of the Massachusetts General Laws.*

§ 46-3 Short-term leases by Park and Recreation Commission.

[Added 11-13-1990 STM by Art. 58, approved 3-19-1991]

The Park and Recreation Commission may enter into short-term leases, not to exceed five years, of property under its jurisdiction, control and management, including vacant or improved land, or portions thereof, on terms and conditions they deem reasonable, without the further necessity of Town Meeting approval.^[1]

[1] *Editor's Note: All procurement procedures will be governed under the stipulations of the Uniform Procurement Act, which is Chapter 30B of the Massachusetts General Laws.*

§ 46-4 Acquisition of land for Town offices.

[Added 4-14-1997 ATM by Art. 77, approved 8-5-1997]

All acquisitions by the Town of Nantucket, whether by purchase or by lease, of vacant or improved land outside the downtown core district, the acquisition of which is for the construction and/or renovation for use as Town offices, shall require a vote of the Town Meeting; no offices presently within the downtown core district shall be relocated to any site outside the downtown core district without a vote of the Town Meeting.

§ 46-5 Limitation on transfer or use of real property interests owned by Town.

[Added 10-10-2018 STM II by Art. 3, approved 5-8-2019]

- A. Purpose: In view of the release and spill of approximately 3,000,000 gallons of wastewater, more or less, from a sewer line during the winter of 2018, the purpose of this bylaw is to reduce the risk of future such releases and spills and to protect the Nantucket environment and the health, safety and welfare of Town residents.
- B. Town Meeting approval of real property transfers for nongovernmental sewer use: In addition to any other requirement applicable by law with respect to state or local permits or approvals, including in addition to (and not in place of) the provisions of Chapter 396 of the Acts of 2008, and notwithstanding Chapter 46 of the Town of Nantucket Town Code or any provision of the Town of Nantucket Town Code to the contrary, no act by the Town of Nantucket to transfer, convey, or allow the use of real property owned by or under the jurisdiction or control of the Town of Nantucket, or interests therein or license thereto, however described, including grants of rights to use or occupy whether by conveyance, lease, easement, grant, transfer or license of any real property owned by or under the jurisdiction or control of the Town of Nantucket by deed, easement, grant, order, law or otherwise, including but not limited to Town street and ways, land owned by the Town, easement areas over which the Town holds an easement for sewer or other purposes, shall be authorized or approved by any Town board, commission, committee or official (the foregoing hereafter referred to as a "real property transfer"), to any private or nongovernmental person or entity for the purpose of operating or maintaining any wastewater sewer system drain, main or pumping station, whether gravity or force sewer mains, unless such real

Libby Gibson

From: John Giorgio <JGiorgio@k-plaw.com>
Sent: Monday, May 24, 2021 9:57 AM
To: Libby Gibson
Cc: Erika Mooney, Brian Turbitt
Subject: FW: Community Impact Fee
Attachments: KP-#657762-
v1-_This_is_the_correct_version_Local_Options_Rooms_Excise_Tax_-_Form_of_Town_Meeting_Votes.DOCX; KP-#655135-v3-MMA_eupdate_regulation_of_short_term_rentals_-_key_provisions.pdf

Dear Libby;

You have asked me to prepare a summary of the options the Town has in imposing a community impact fee on short-term rentals. I am attaching an EUpdate and a paper that I prepared which, among other things, summarizes the community impact fee options and provides the forms of the necessary town meeting votes.

Here are the highlights:

1. The Short-Term Rental Legislation provides for a process for cities and towns to assess two separate community impact fees on short-term rentals.
2. Town Meeting must vote by a majority vote to adopt the specific sections of the law and set forth in the vote the amount of the fee, which cannot exceed 3%.
3. These options are only available to towns that have already adopted the local option rooms excise tax, which, of course, Nantucket has.
4. The community impact fees are separate and apart from both the local options rooms tax and the Cape Cod and Islands Water Protection Fund rooms tax of 2.75%.
5. Nantucket has not, however, opted in to the CCIWPF, so the 2.75% additional tax is not being collected in Nantucket at this time.
6. Unlike the rooms excise tax, however, the community impact fees may only be assessed to short-term rentals and not the other classes of businesses such as hotels that are subject to the rooms tax.
7. The first community impact fee only applies to professionally-managed units, which under the law (G.L. c.64G,§1) includes "1 of 2 or more short-term rental units that are located in the same city or town, operated by the same operator and are not located within a single-family, two-family or three-family dwelling that includes the operator's primary residence."
8. The second fee applies to owner-occupied units, which includes "a short-term rental unit that is located within a two-family or three-family dwelling that includes the operator's primary residence."
9. Town Meeting must adopt the two fees in separate votes.
10. The Town cannot adopt the fee on owner-occupied units unless it first votes to adopt the fee on professionally-managed units.
11. If adopted, the Department of Revenue collects the fee(s) along with the local option rooms tax and then remits the revenue to the Town quarterly.
12. The Town is required to spend a minimum of 35% of any community impact fee revenue on affordable housing or infrastructure.

13. From a municipal finance perspective, a minimum of 35% of the revenue from either fee is not unrestricted General Fund revenue. The revenue must be held in a receipts reserved for appropriation account and must be appropriated for either affordable housing or infrastructure projects.
14. The Town may dedicate without further appropriation all or a portion of either fee (but not less than 25%) to a general or special purpose stabilization fund. Moneys in the stabilization fund may be appropriated by Town Meeting for an allowable purpose by a two-thirds vote of Town Meeting.

Clearly, however, not all short-term rentals will even be subject to the host community fee. For example, if an individual operates only one short-term rental on the Island which is not his or her primary residence, that Operator will not be required to pay a community impact fee even if the Operator rents the unit through a real estate agent or a hosting platform because the fee only applies to the rental of 1 of 2 or more units operated by the same Operator. Furthermore, If an Operator occupies one unit of a duplex and it is his or primary residence, the second unit is subject to the fee if it is rented out as a short-term rental. If an Operator rents a room in his or her single-family primary residence, that room rental is not subject to the fee because it is not a two-family dwelling.

According to the Department of Revenue website, the following major municipalities have adopted one or more of the community impact fees: Amherst, Arlington, Boston, Cambridge, Plymouth, and Swampscott. I think it will be difficult to estimate the revenue that the Town will receive from short-term rental community impact fee(s) unless the Town requires registration requirements by either bylaw or regulations that would enable the Town to break out the number and type of short-term rental units operating in the Town. For example, according to the DOR website, Plymouth has collected approximately \$50,000 in community impact fees so far in FY 2021.

John

John W. Giorgio, Esq.
KP | LAW
101 Arch Street, 12th Floor
Boston, MA 02110
O: (617) 556 0007
D: (617) 654 1705
F: (617) 654 1735
C: (617) 785 0725
jgiorgio@k-plaw.com
www.k-plaw.com

This message and the documents attached to it, if any, are intended only for the use of the addressee and may contain information that is PRIVILEGED and CONFIDENTIAL and/or may contain ATTORNEY WORK PRODUCT. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please delete all electronic copies of this message and attachments thereto, if any, and destroy any hard copies you may have created and notify me immediately.

This email was scanned by Bitdefender

Short-Term Rental Law - Key Provisions

January 2019

On December 28, 2018, Governor Baker signed into law Chapter 337 of the Acts of 2018, "An Act Regulating and Insuring Short-Term Rentals" ("Act"), which Act, among other things, replaced sections 1-6 of G.L. c.64G with 11 new sections. These are the key provisions of the new law:

- **Applicability.** The term "short-term rental" as defined in G.L. c.64G, §1 means renting rooms, apartments, houses, or other units, to be occupied for a period of no more than 31 consecutive calendar days, and excluding hotels, motels, lodging houses and bed and breakfast establishments (four or more rooms to rent, with breakfast). Not included in the definition of a "short-term rental" is a "bed and breakfast home", defined as "a private, owner occupied house with up to three rooms to let, with breakfast included."
- **State Registration.** Operators of short-term rentals are required to register with the Department of Revenue and, pursuant to G.L. c.62C, §67, obtain a certificate of registration. The Executive Office of Housing and Economic Development will maintain a registry listing all registered certificate holders in the lodging industry, including short-term rentals, with short term rental locations identified only by street name and municipality.
- **State Excise Tax.** The existing room occupancy excise tax statute, G.L. c. 64G, §3, was amended to include short-term rentals. The state room excise tax remains at 5.7%, provided that no tax may be imposed if the rent is less than \$15 per day. Note that operators renting out their property for a period of 14 days or less in one calendar year are exempt from this tax.
- **Local Option Excise Tax.** The local option room occupancy excise tax, G.L. c.64G, §3A, has also been amended to apply to short-term rentals. This local option allows a municipality, by vote of its legislative body, to adopt and establish a local tax of up to 6% of the total amount of the rent per stay, up to 6.5% in Boston, subject to the same exclusions as the state excise tax. ***Importantly, municipalities that previously accepted G.L. c.64G, §3A need take no further action to apply the local option room occupancy excise to short-term rentals. If a municipality seeks to change the existing local option tax rate, however, local legislative action will be required.***
- **New Local Options.** Municipalities that have adopted the local option room occupancy tax may also consider adoption of two new local options. A municipality that accepts G.L. c.64G, §3D(a) by a majority vote of its legislative body may impose a community impact fee on short-term rental operators of up to

THE LEADER IN PUBLIC SECTOR LAW

617.556.0007 | 1.800.548.3522 | www.k-plaw.com | ©2019 KP Law, P.C.

3% of the total amount of each stay. The fee applies only to operators that own at least two rental units in the municipality, which units are detached from the operator's primary residence (unless that residence is in a structure containing four or more units). By separate vote, a municipality may also adopt G.L. c.64G, §3D(b), to make that fee applicable to units located within a two or three-family dwelling that includes the operator's primary dwelling.

NOTE: The municipality must dedicate at least 35% of the revenue from these two new local option fees to affordable housing or local infrastructure projects.

- ***Cape and Islands.*** In Barnstable, Dukes, and Nantucket Counties, the law imposes an additional room excise tax of 2.75% to generate revenue for a Cape and Islands Water Protection Trust Fund for water pollution abatement projects. This surcharge is automatically applicable in Barnstable County and applicable in Dukes and Nantucket Counties in the manner set forth in the statute. Should towns wish to withdraw from the Fund, a mechanism is available.
- ***Local Ordinances and Bylaws.*** General Laws c.64G, § 14 authorizes municipalities to enact ordinances and bylaws to regulate operators of short-term rentals and to impose civil penalties for violations. Types of regulation described include: establishment of a local licensing or registration requirement, the "number of local licenses or permits issued", and "the number of days" in a calendar year a person may make short-term rentals available for rent; zoning; mandated health and safety inspections; and establishment of fees for necessary local administration of the short-term rental program.

Consistent with the Home Rule Amendment to the Massachusetts Constitution, municipalities may enact local ordinances or bylaws containing provisions not enumerated in the Act provided that they are "not inconsistent" with the provisions of the Act. In addition, boards of health retain jurisdiction to enact health and safety regulations with respect to short-term rentals.

Cities and towns are also authorized to publish a "public registry" of all short-term rental accommodations offered for rent by registered operators within their limits, and may determine "what relevant information shall be listed, including where the accommodation is located."

- ***Effective Dates.*** The taxation portions of the Act will be applicable to short-term rentals commencing on or after July 1, 2019, but **will not** apply to contracts executed before January 1, 2019 for short-term rentals executed before January 1, 2019. The Department of Revenue is interpreting the July 1 effective date as excluding all rentals that begin June 30, 2019 or earlier, for the entire length of that rental.

Please contact Attorneys Joel Bard (jbard@k-plaw.com) or John Giorgio (jgiorgio@k-plaw.com) at 617.556.0007 with any questions concerning the Act.

Disclaimer: This information is provided as a service by KP Law, P.C. This information is general in nature and does not, and is not intended to, constitute legal advice. Neither the provision nor receipt of this information creates an attorney-client relationship with KP Law, P.C. Whether to take any action based upon the information contained herein should be determined only after consultation with legal counsel.

THE LEADER IN PUBLIC SECTOR LAW

617.556.0007 | 1.800.548.3522 | www.k-plaw.com | ©2019 KP Law, P.C.

Libby Gibson

From: Leslie Snell
Sent: Thursday, September 30, 2021 12:28 PM
To: Libby Gibson
Cc: Andrew Vorce
Subject: DRAFT Article concepts from Planning Board/PLUS
Attachments: DRAFT Article Concepts for 2022 ATM 093021.docx

Libby –

Attached is a DRAFT list of article concepts. The intention is not to move forward with all of these, but to provide a list of needed amendments for the Board to prioritize and choose from.

Leslie

Leslie Woodson Snell, AICP, LEED AP BD+C
Deputy Director of Planning

Nantucket Planning & Economic Development Commission
Planning & Land Use Services (PLUS) Department
2 Fairgrounds Road
Nantucket, MA 02554

Telephone: 508-325-5385



This email was scanned by Bitdefender

DRAFT Planning Board/PLUS Article Concepts for 2022 ATM (09/30/21)

RC-2 Phase Out Articles

- Remaining Nobadeer Farm Road parcels
- West side of Arrowhead Drive to CTEC
- East side of Surfside Road to CN (near Windy Way and Miacomet Avenue)
- Perry Lane/Bartlett Road to CTEC (one parcel)
- Nobska Way to R-5
- Bartlett and Raceway to CTEC or R-10
- Mioxes Way and Bartlett Road LUG-2 and RC-2 to R-5 or R-10

RC Phase Out Articles

- Galley Beach to CN
- Harbor Place/Commercial Wharf – to ROH and CDT
- End of Washington Street (Sayle (3)) to CN
- 77 Washington Street to ROH
- 34 and 36 Washington Street (TON) to R-40 or ROH
- Harbor Terrace/Spruce Street/Marine Home Center ?

R-1 Phase Out Articles

- SR-1 ? Dependent on Area Plan
- Vesper Lane/Cato Lane/Woodland Hills Subdivision – R-5L

Technical Amendment to the Zoning Map

- Richmond R-5/CN correction for parking areas in Sandpiper II (check to see if needed for Sandpiper I)
- Other split lot clean up

Zoning Bylaw Amendments

- Technical Amendments – all in a single article TBD
 - Correct language about 2nd driveways to include garage apartments and tertiary dwellings
 - Change definition of tent to allow for extension by special permit
 - Add a definition and specific allowance for food truck – currently treated as take-out
- Special permit allowance for regularity factor
- Short term rentals
- Cannabis articles from CAC?
- Additional covenant units allowed on a lot
- Open Space Bylaw

Real Estate

- Paper Street Acquisition/Disposition
 - Red Barn Road and Sheep Pond Road area
 - Surfside yard sale in vicinity of Curve Street (Plan 2012-60)
 - Tom Nevers Road network (additions to prior ATM votes)
 - Eel Point Road
 - Hawthorne (Sconset)
 - Westchester Street (public road? Land Bank)
- Home Rule Petition
 - Ames and New Hampshire Avenue (real estate disposition already voted)

LOCAL SHORT TERM RENTAL DATA
AND
BYLAW AMENDMENT OPTIONS

NOVEMBER 30, 2021

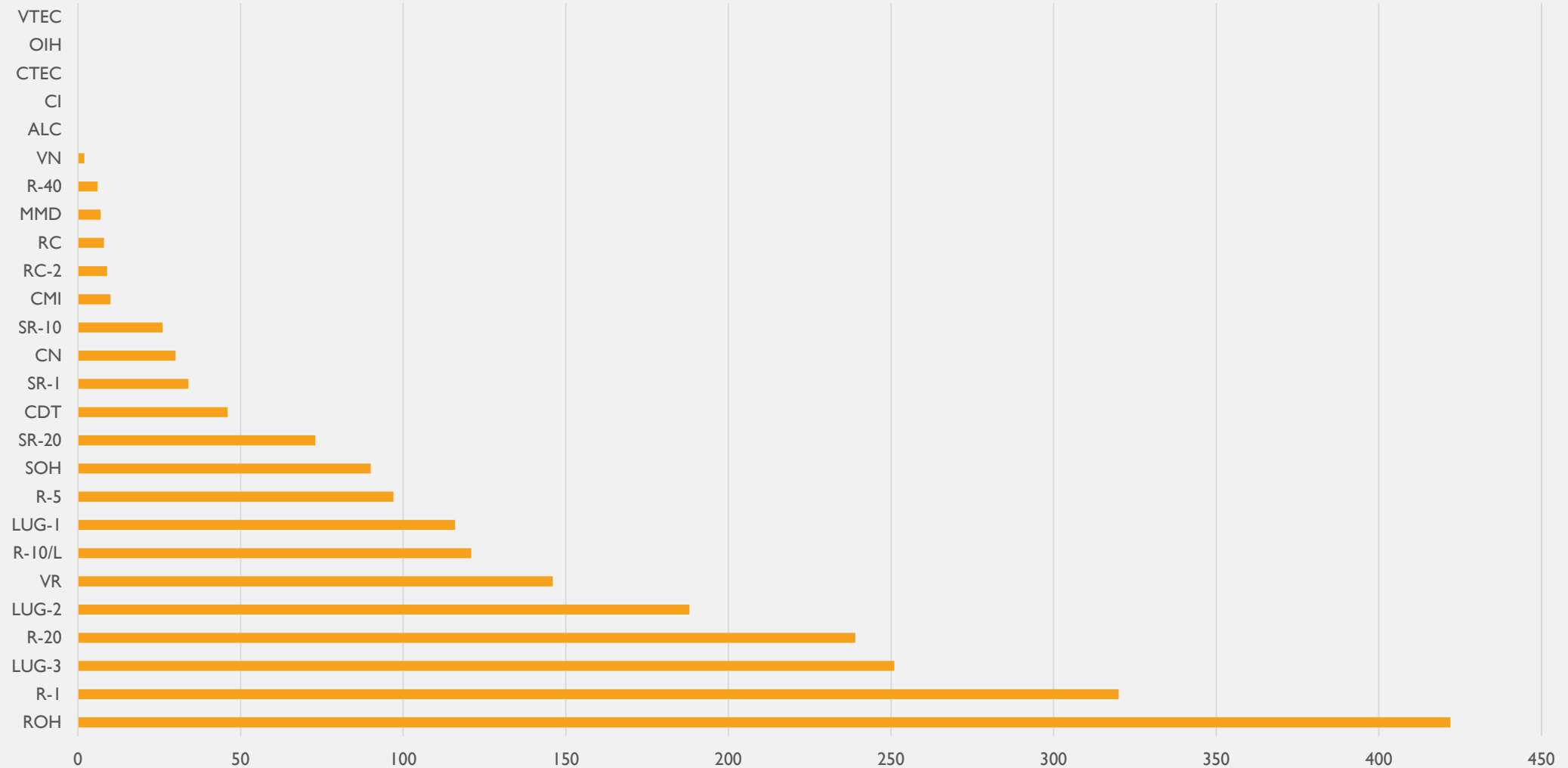
LOCAL SHORT TERM RENTAL HISTORY

- 1980 RC-2 was added to the Zoning Bylaw to specifically prohibit hotels.
- 1980's – approximately 500 lots per year were created.
- 1999 ATM Article 79: Short Term Rental Impact Fee (defeated).
- 2002 ATM Article 36: Seasonal Vacation Rental Fee (defeated).
- 2009 ATM Article 65: Expansion of Room Occupancy Tax (defeated).
- 2010 ATM Article 66: Expansion of Room Occupancy Tax (defeated).

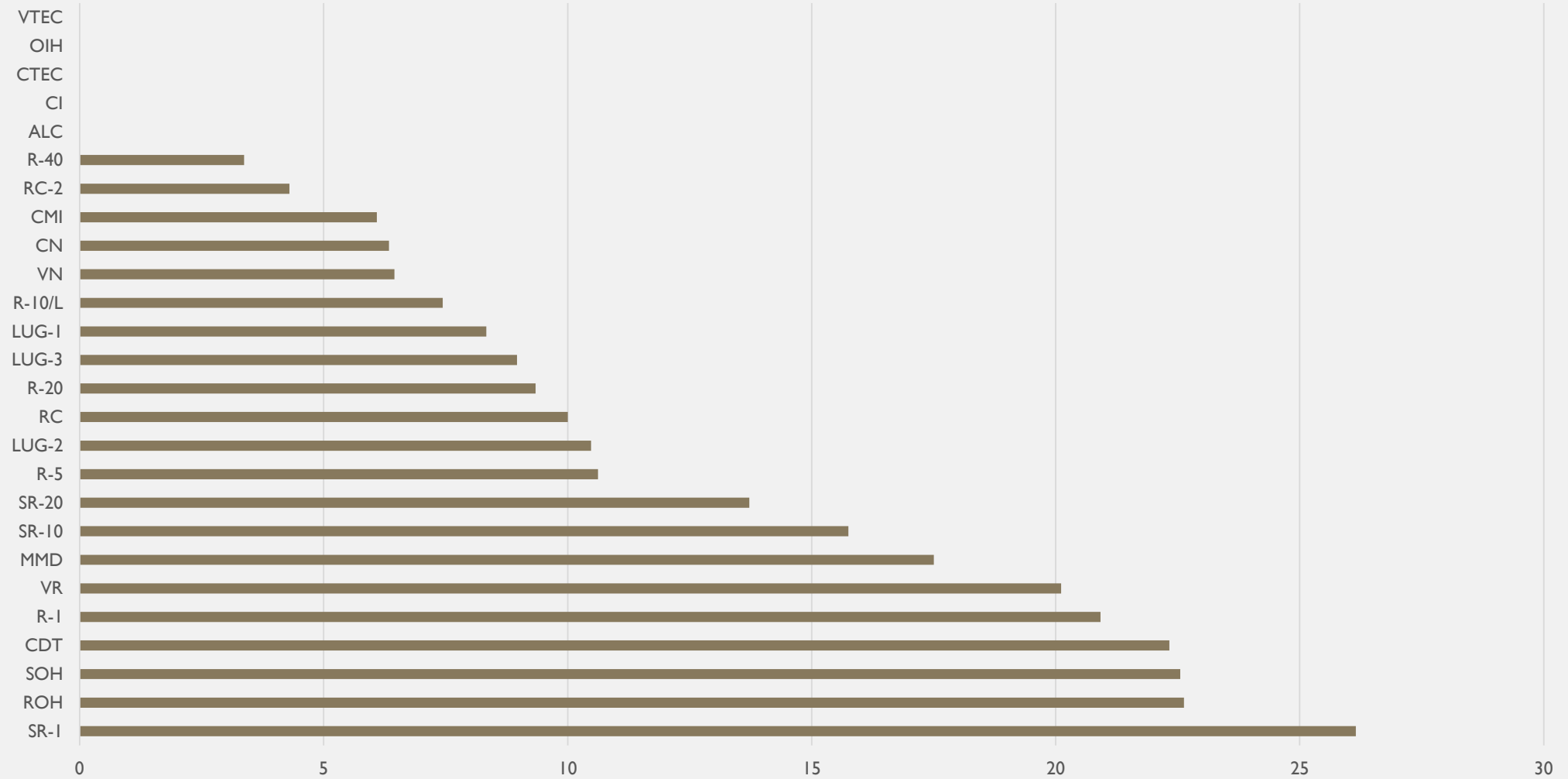
SHORT TERM RENTAL LOCATIONS



TOTAL SHORT TERM RENTALS BY ZONING DISTRICT



PERCENTAGE OF TOTAL BUILDINGS USED FOR SHORT TERM RENTALS IN EACH ZONING DISTRICT



NOISE COMPLAINTS/VIOLATIONS

- 2,241 registered short term rentals on Nantucket
- Data from Nantucket Police Department reviewed by PLUS staff:
May 1, 2020 through October 1, 2020.
 - 557 calls related to noise complaints.
 - 66 addresses registered as short term rentals (11.8% of all violations).
 - 10 addresses with more than one violation (15% of short term rental address violations).
 - 97.1% of short term rentals were not the subject of a noise violation.

LOCAL REGULATION OPTIONS (CHAPTER 337 OF THE ACTS OF 2018, SECTION 14)

- Existence of or location of operators:
 - Regulating the class of operator.
 - Number of days a person may operate in a calendar year.
-
- Licensing or registration different from the State process.
- No outstanding enforcement actions.
- Inspections.
- Penalties for violations.
- Reasonable fee.

BYLAW AMENDMENT WORKING CONCEPT #1

Allow a maximum of one rental lease per lot to be used as a short term rental at any time (example: rent entire property or one dwelling unit). This concept would not prevent year round occupancy of any unit on the property at the same time as a short term rental.

BYLAW AMENDMENT WORKING CONCEPT #2

Prohibit short term rentals
in apartments and in
workforce rental housing
units.

BYLAW AMENDMENT WORKING CONCEPT #3

Allow a maximum number of short term rentals (10?) to be in common ownership before the use is re-classified to a hotel.

BYLAW AMENDMENT WORKING CONCEPT #4

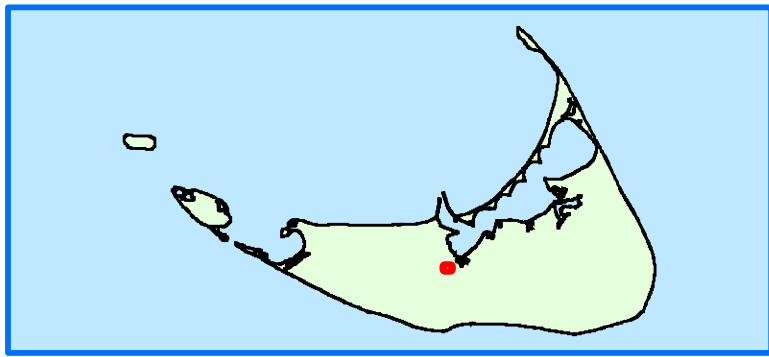
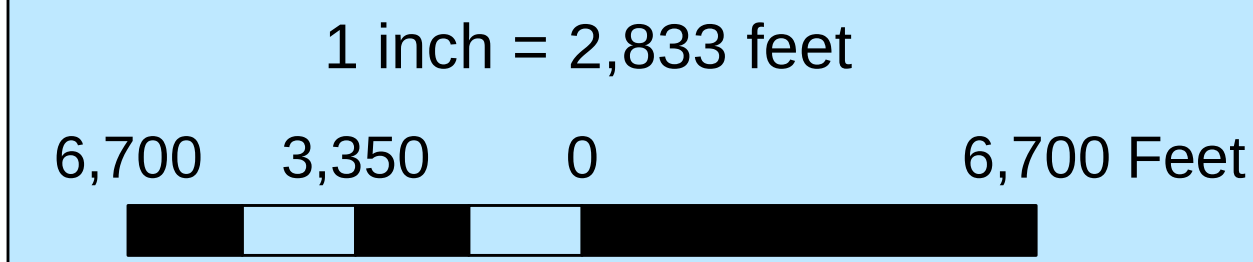
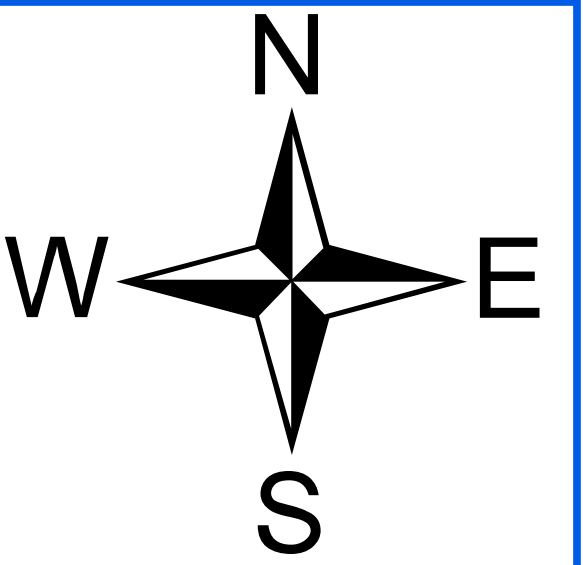
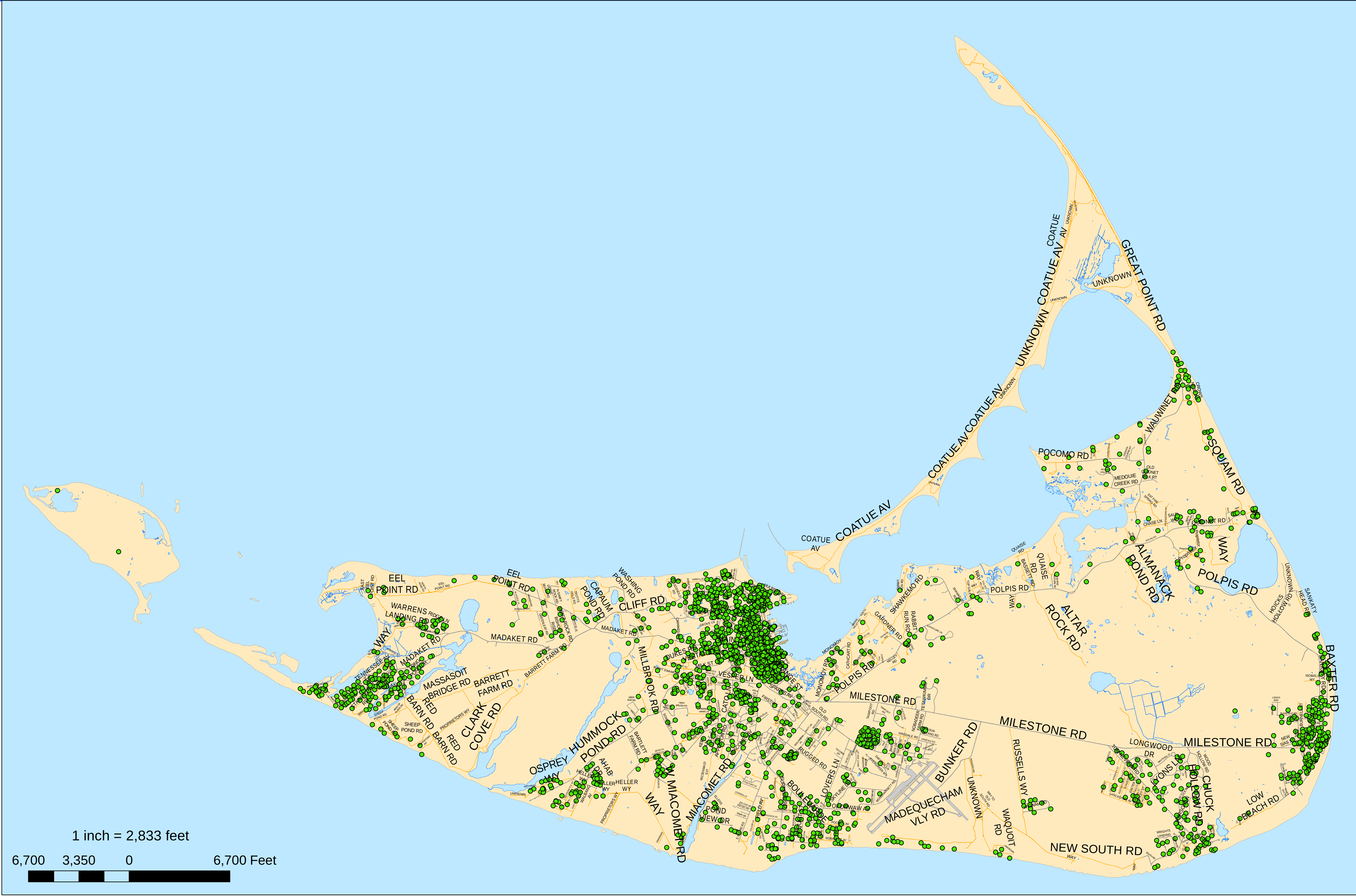
Define short term rental
and allow boarders in
owner occupied dwelling
units.

BYLAW AMENDMENT WORKING CONCEPT #5

Limit the maximum
number of days (120-180?)
available for short term
rental use per calendar
year.

BYLAW AMENDMENT WORKING CONCEPT #6

Develop a registration or licensing process in the General Bylaw for short term rentals. Identify a department to manage the process, including any required inspections or enforcement (similar to a liquor license). Establish a fee.



The data on this mapsheet represents the efforts of the Town of Nantucket and other cooperating organizations to record and compile pertinent geographical and related information utilizing the capabilities of the Nantucket Geographic Information System (GIS). The GIS staff maintains an ongoing program to record and correct errors in these data that are brought to its attention. The Town of Nantucket makes no claims as to the absolute validity or reliability of these data or their fitness for any particular use.

9/28/2021

Town of Nantucket - GIS Mapsheet

Nantucket governmental agencies will not necessarily approve applications based solely on GIS data. Applicants for permits and licenses must inquire of the relevant agency for applicable requirements.

The presence of information of this mapsheet does not necessarily imply public right-of-way or the right of public access.

The planimetric data on this mapsheet is based primarily upon interpretation of April, 2003 aerial photography. It was compiled to meet the ASPRS Standard for Class 1 Map Accuracy for 1"=100' scale maps.

The parcel boundaries are based primarily upon the Tax Assessor's data through December, 2014.

Legend

ShortTermRental_2021_08_pt

Please send identification of any errors and corresponding corrections to:
GIS Coordinator
Town of Nantucket
2 Fairgrounds Rd
Nantucket, MA 02554



Short Term
Rental Properties