

Town and County of Nantucket Select Board • County Commissioners

Dawn E. Hill Holdgate, Chair
Thomas M. Dixon
Matt Fee
Malcolm W. MacNab
Brooke Mohr



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 20, 2023 - 5:30 PM PSF COMMUNITY ROOM, 4 FAIRGROUNDS ROAD AND REMOTE PARTICIPATION VIA ZOOM WEBINAR NANTUCKET, MASSACHUSETTS

YOU TUBE LINK FOR VIEWING ONLY:
<https://youtube.com/live/o-3--Vx5vU4>

ZOOM WEBINAR REGISTRATION LINK TO VIRTUALLY ATTEND MEETING:
https://us06web.zoom.us/webinar/register/WN_TDz9XmvTQaa4Og4E7Mf70g

I. CALL TO ORDER

II. SELECT BOARD ACCEPTANCE OF AGENDA

III. ANNOUNCEMENTS

1. The Select Board Meeting is Being Audio/Video Recorded.
2. Town Offices will be Closed Monday, December 25, 2023 in Observance of Christmas and Monday, January 1, 2024 in Observance of New Year's Day.
3. No Select Board Meetings on Wednesday, December 27, 2023 and Wednesday, January 3, 2024.
4. Select Board to Hold Public Hearing on Proposed FY 2025 General Fund Budget on Wednesday, January 10, 2024 at 5:30 PM in Public Safety Facility Community Room at 4 Fairgrounds Road and by Remote Participation via Zoom Webinar.
5. Sewer Force Main Project Update.
6. Select Board Announcements/Comments.

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

V. PUBLIC COMMENT*

VI. NEW BUSINESS*

VII. APPROVAL OF MINUTES, WARRANTS AND PENDING CONTRACTS

1. Approval of Minutes of December 11, 2023 at 11:00 AM; December 13, 2023 at 5:30 PM.
2. Approval of Treasury Warrants for December 20, 2023.
3. Approval of Pending Contracts for December 20, 2023 - as Set Forth on the Spreadsheet Identified as Exhibit 1, Which Exhibit is Incorporated Herein by Reference.

VIII. CITIZEN/DEPARTMENTAL/COMMITTEE REQUESTS/REPORTS

1. Town Clerk: Request for Appointment to Board of Registrars of Voters.
2. Fire Chief: Review Proposed Ambulance Fee Increases; Request for Select Board to Schedule Public Hearing.

IX. PUBLIC HEARINGS

1. Public Hearing to Consider the Taking of the Fee or Lesser Interests, Together with any Public or Private Rights of Passage, of Parcels A and B, Morgan Square as Shown on Plan of Land Entitled "Plan to Acquire Land for General Municipal Purposes, Morgan Square, Nantucket, Massachusetts, Assessors Map 80 & 87, Prepared for Town of Nantucket," Dated October 26, 2022, Prepared by Site Design Engineering, LLC and Recorded at Nantucket County Registry of Deeds as Plan No. 2023-10, as Authorized by MGL Chapter 79 and Vote on Article 102 of 2021 Annual Town Meeting.
2. Public Hearing to Determine Tax Allocation by Classification (Chapter 369, Acts of 1982, as Amended); Percentage of Residential Exemption to be Granted for Fiscal Year 2024 (Continued from November 29, 2023; December 6, 2023).

X. TOWN MANAGER'S REPORT

1. Our Island Home: Presentation of Construction Manager at Risk Program; Project Update.
2. Continued Preliminary Review of Town-Sponsored Warrant Articles for 2024 Annual Town Meeting.

XI. SELECT BOARD'S REPORTS/COMMENT

1. Notice of Approval of Purchase and Sale Agreement for 31 Western Avenue (Former Star of the Sea Youth Hostel), Pursuant to Vote in Executive Session on December 7, 2023.
2. Strategic Plan Update.
3. Continued Discussion of FY 2025 General Fund Budget Recommendations (Continued from December 13, 2023).
4. Committee Reports.

XII. 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. 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 the United States Constitution and the Massachusetts Declaration of Rights.

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 an orderly and peaceable manner, without disruption to other speakers.

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 protected under the United States Constitution and the Massachusetts Declaration of Rights because it constitutes true threats, incitement to imminent lawless conduct, or engages in conduct that disrupts other speakers.

Each speaker may not exceed three (3) minutes during any Public Comment portion of the meeting.

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 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.

Unanticipated Business: 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: April 26, 2023

EXHIBIT 1
AGREEMENTS TO BE EXECUTED BY TOWN MANAGER
UNLESS RESOLUTION OF DISAPPROVAL BY SELECT BOARD
December 20, 2023

Type of Agreement/Description	Department	With	Amount	Other Information	Source of Funding	Term
Grant Agreement	Town Admin/Community Preservation Committee	Egan Maritime Institute	\$16,466	FY 2024 Community Preservation Act Funding	Article 34 2023 ATM	Length of project
Grant Agreement	Town Admin/Community Preservation Committee	Nantucket Island School of Design and the Arts	\$367,300	FY 2024 Community Preservation Act Funding	Article 34 2023 ATM	Length of project
Grant Agreement	Town Admin/Community Preservation Committee	St. Paul's Church	\$850,000	FY 2024 Community Preservation Act Funding	Article 34 2023 ATM	Length of project
Grant Agreement	Town Admin/Community Preservation Committee	Landmark House	\$58,000	FY 2024 Community Preservation Act Funding	Article 34 2023 ATM	Length of project
Grant Agreement	Town Admin/Community Preservation Committee	Nantucket Historical Association	\$609,713	FY 2024 Community Preservation Act Funding	Article 34 2023 ATM	Length of project
Agreement for Energy Conservation Measures	Energy Office	RISE Engineering	\$17,551 (not to exceed)	Agreement for installation of electric vehicle (EV) charging stations at Surfside Beach	Article 10 2023 ATM	Dec 20, 2023 - Dec 19, 2024
Agreement for Energy Conservation Measures	Energy Office	RISE Engineering	\$25,064 (not to exceed)	Agreement for installation of electric vehicle (EV) charging stations at Jetties Beach	Article 10 2023 ATM	Dec 20, 2023 - Dec 19, 2024
Agreement for Energy Conservation Measures	Energy Office	RISE Engineering	\$5,726 (not to exceed)	Agreement for installation of electric vehicle (EV) charging stations at Nobadeer Farm Road Playing Fields	Article 10 2023 ATM	Dec 20, 2023 - Dec 19, 2024

Professional Services Agreement	Natural Resources	Arcadis US, Inc.	\$532,500 - \$421,875 from Coastal Zone Management Grant and \$110,625 from Art. 10 ATM 2023	Coastal Zone Management Grant for design & construction of downtown neighborhood flood barrier to mitigate flooding to protect Easy Street between Steamboat Wharf & Straight Wharf	Article 10 2023 ATM	Dec 20, 2023 - June 30, 2025
Owner's Project Manager (OPM) Contract	Sewer	CHA Solutions	\$408,431	Owner's Project Manager Services for design & bidding for Sewer Replacement Project including feasibility study, design documents, construction documents, prequalification & bidding	Article 16 2021 ATM	Nov 1, 2023 - Oct 31, 2025
Construction Agreement	Sewer	Niezgoda & Murray Excavating, LLC	4,339,275.70	CMOM Phase 1 Sewer Replacement	Article 21 2023 ATM	Dec 20, 2023 - Dec 19, 2026
Professional Construction Contract	Town Administration	JJ Cardosi, Inc.	\$1,216,000	Repairs to Town Building at 16 Broad St, former Police Station (20 S. Water St.) & Town Administration Building (3 E. Chestnut St.) including painting, windows, waterproofing & caulking, roofing & flashing, electrical services	Article 10 2021 ATM	Dec 20, 2023 - Dec 19, 2024
Contract Amendment	Town Administration	Consensus Building Institute, Inc.	Add \$1,402.89 to amended contract amount of \$110,000 for new contract amount of \$111,402.89	Process support & facilitation of Short-Term Rental (STR) Work Group	Town Administration Budget	Aug 1, 2023 - Aug 16, 2023
Contract Amendment	Our Island Home	EF&A Associates	Add \$24,825 to amended contract amount of \$99,300 for new contract amount of \$124,125	Business office services, training & administrative support for Our Island Home	OIH Budget	July 1, 2023 - June 30, 2024



Agenda Item Summary

Agenda Item #	VIII. 1.
Date	Dec. 20, 2023

Staff

Nancy L. Holmes, Town Clerk

Subject

Appointment of new member: Board of Registrars

Executive Summary

Appointment of a new member is necessary to replace Gary Langley, who resigned and moved away in August.

Staff Recommendation

I recommend the appointment of Mr. James Sulzer, long time upstanding Nantucket resident, and a Democrat as needed to fill Mr. Langley's vacant seat

Background/Discussion

Please see attached

Impact: Environmental ☐ Fiscal ☐ Community ☐ Other ☒

Necessary to complete our vacant Board membership, as recommended by MGL

Board/Commission Recommendation

Individual resident appointment as recommended to SB by Town Clerk

Public Outreach

N/A

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

N/A

Attachments

Letter of recommendation from Town Clerk. Letter of interest from Mr. Sulzer





TOWN OF NANTUCKET

Nancy L. Holmes, CMC
Town and County Clerk

16 Broad Street, Nantucket, Massachusetts 02554-3590

December 11, 2023

Nantucket Select Board
Town of Nantucket
16 Broad Street
Nantucket, MA 02554

To the Members of the Select Board,

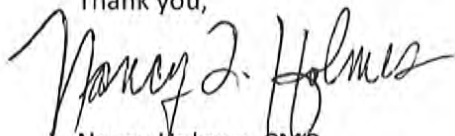
I would like to recommend Mr. James (Jim) Sulzer, a voter and resident of Nantucket, to be appointed as a new member of our four-person Board of Registrars for our town. I am proposing Mr. Sulzer to replace Registrar Gary Langley, who resigned his position in August, upon moving away from Nantucket.

Mr. Sulzer is a decades long registered Democrat, as was Mr. Langley. This is necessary for his replacement, as the Board of Registrars should ideally be composed of members from both major political parties. Mr. Sulzer has also been a voter and resident of Nantucket for over 40 years, and not only has the time to commit to a town volunteer position, but is also not currently a member of any other town boards or committees, which is a requirement to be a Registrar.

Jim is an upstanding member of this community, a well known and respected retired Nantucket Public School and Nantucket New School teacher. He has also served in various capacities on local town and charitable groups, as you will see from his attached letter of interest. Jim volunteers his musical talents at the Island Home, another important duty of our Registrars being the bringing of election ballots to our deserving OIH residents and helping them to cast their ballots.

I very much appreciate Jim's kind willingness to step forward in this capacity, as well as his definite appropriateness to be a Registrar. I hope the Select Board will approve his appointment as such.

Thank you,


Nancy Holmes, CMC

Nancy Holmes

From: JAMES SULZER <sulzer@comcast.net>
Sent: Wednesday, November 29, 2023 5:32 PM
To: Nancy Holmes
Cc: Laura Raimo
Subject: Sulzer expression of interest in Registrar position

Follow Up Flag: Follow up
Flag Status: Completed

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

James Sulzer
12 Back Street
Nantucket, MA 02554
508-332-0373

To: Nancy L Holmes, CMC
Town and County Clerk
Town of Nantucket
16 Broad Street
Nantucket, MA 02554

November 29, 2023

Dear Nancy,

Please accept this note as an expression of my interest in serving as a member of the Board of Registrars for Nantucket.

My wife Barbara Elder and I moved to Nantucket on January 1, 1982, and we have lived here year-round ever since, raising three children. For thirty years I was a teacher, first at Nantucket Elementary School and later at the Nantucket New School. I am now retired from teaching and am writing books.

Recently I served on the Short-Term Rental Workgroup, which met for almost a year and reached consensus on a series of proposals for regulating STRs on the island. I've also served on the Board of Trustees of the Second Congregational Meetinghouse Society and on the Nantucket Cultural Council. Presently I am serving on no Town committee.

It would be an honor to serve as a Registrar for the Town.

All best,

Jim Sulzer



Agenda Item Summary

Agenda Item #	VIII. 2.
Date	12/20/2023

Staff

Michael Cranson, Fire Chief

Subject

Ambulance Rate Increase

Executive Summary

To review and discuss for adoption the proposed new ambulance rates for the fire department. Last rate change was in April of 2022 with the intent to bring back to the Select Board at least every two years for review.

Staff Recommendation

Rates being proposed would match similar communities in our area that also have COMSTAR as their billing company.

	Current	Proposed
BLS Emergency	\$1553	\$1708.30
BLS Non-Emergency	\$1553	\$1708.30
ALS 1	\$2420	\$2662
ALS1 Non-Emergency	\$2420	\$2662
ALS2 Non-Emergency	\$3571	\$3928.10
Mileage	\$37.31	\$41.04
Ferry Service	\$3581	\$3939.10
Paramedic Intercept with USCG	\$5509.92	\$6060.92

Background/Discussion

Last ambulance billing rate increase was April of 2022



Impact: Environmental ☐ Fiscal ☐ Community ☐ Other ☐

N/A

Board/Commission Recommendation

N/A

Public Outreach

Public hearing notice will be advertised in newspaper

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

N/A

Attachments

N/A





Agenda Item Summary

Agenda Item #	IX. 1.
Date	12/20/2024

Staff

Erika Mooney, Operations Administrator & Andrew Vorce, Planning Advisor

Subject

Order of Taking by Eminent Domain, of fee or lesser interests of portions of Morgan Square

Executive Summary

Article 102 of the 2021 ATM authorized the taking of portions of Morgan Square, shown as Parcels A and B, Morgan Square, on a plan entitled "Plan to Acquire Land for General Municipal Purposes, Morgan Square, Nantucket, Massachusetts, Assessors Map 80 & 87, Prepared for Town of Nantucket," prepared by Site Design Engineering, LLC and recorded with Nantucket Registry of Deeds as Plan No. 2023-10 for general municipal purposes and public way purposes. The proposed area of the parcels to be taken is approximately 20,281 square feet.

Staff Recommendation

Recommend approving the taking by Eminent Domain. Town Counsel has reviewed, and drafted documentation.

Background/Discussion

This acquisition and a future subsequent disposition of a so called "paper street" in Surfside is part of the Yard Sale Program.

Impact: Environmental ☐ Fiscal ☒ Community ☒ Other ☐

To take the parcels for disposition pursuant to the Yard Sale Program and increase taxable land area.

Board/Commission Recommendation

N/A

Public Outreach

Approved at Annual Town Meeting. Notice of taking published in paper.

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

Conforms with the intent of the Yard Sale program

Attachments

Order of Taking

Plan No. 2023-10



COMMONWEALTH OF MASSACHUSETTS
TOWN OF NANTUCKET
SELECT BOARD

ORDER OF TAKING BY EMINENT DOMAIN OF
PORTIONS OF MORGAN SQUARE

The undersigned being the majority of the duly elected and serving members of the Select Board of the Town of Nantucket, a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts, having a principal place of business at Town and County Building, 16 Broad Street, Nantucket, Massachusetts (“Town”), acting by authority of Massachusetts General Laws Chapter 40, § 14 and Chapter 79, as amended, Article III, Section 3.3 of the Town Charter, St. 1996, c. 289, § 1, and the vote on Article 102 adopted by the Town at its 2021 Annual Town Meeting, a certified copy of which is attached hereto, and by virtue of every other power and authority hereto enabling us, having complied with all the preliminary requirements prescribed by law, having determined that the taking of the fee in those certain parcels of land shown as Parcel A and Parcel B, Morgan Square, described below (“Parcels”) is required for general municipal purposes and public way purposes, do hereby adopt and decree this Order of Taking on behalf of the Town and do hereby take from the supposed owners of the Parcels, those who hold easements and other rights to the Parcels, and all their successors, heirs and assigns, as their interests may appear, by the right of eminent domain, the fee in the Parcels, including but not limited to all rights of passage, if any, as follows:

The land shown on a plan of land entitled “Plan to Acquire Land for General Municipal Purposes, Morgan Square, Nantucket, Massachusetts, Assessors Map 80 & 87, Prepared for Town of Nantucket,” dated October 26, 2022, prepared by Site Design Engineering, LLC recorded with the Nantucket County Registry of Deeds as Plan No. 2023-10 and consisting of the following Parcels described on the Plan:

<u>Parcel</u>	<u>Address/Location</u>	<u>Area ±</u>
Parcel A	Morgan Square	16,414 ± s. f.
<u>Assessor ID</u>	<u>Supposed Owner(s)</u>	<u>Title Reference</u>
Map 87, Parcel 3.1	David M. Callahan	Book 667, Page 148

<u>Parcel</u>	<u>Address/Location</u>	<u>Area ±</u>
Parcel B	Morgan Square	3,867 ± s. f.
<u>Assessor ID</u>	<u>Supposed Owner(s)</u>	<u>Title Reference</u>
Map 80, Parcel 42	21 Folger Avenue LLC	Book 1825, Page 222

Any and all trees and vegetation on the Parcels are included in this Order of Taking. Any utility easements in the Parcels are to be excluded from this Order of Taking. The gravel driveway and the rights of the owner of 4 Morgan Square to use the gravel driveway for the purposes to pass and re-pass over said driveway to Brook Lane as shown on said Plan are hereby excluded from this Order of Taking.

The damages sustained by the supposed owner(s) listed above by reason of this taking of the Parcels are valued and awarded in a resolution of even date adopted by the Board of Selectmen in accordance with Massachusetts General Laws Chapter 79, as amended.

If any party named hereinabove as an owner of any Parcels taken hereby is not a true owner of said Parcels, then the award is made only to the true owner(s) of said Parcels.

SIGNATURE PAGE FOLLOWS

Adopted under seal this day , 2023.

TOWN OF NANTUCKET
BY ITS SELECT BOARD

Dawn E. Hill Holdgate

Brooke Mohr

Matthew G. Fee

Thomas M. Dixon

Malcolm W. MacNab

COMMONWEALTH OF MASSACHUSETTS

Nantucket, ss.

On this day of , 2023, before me, the undersigned notary public, personally appeared Dawn E. Hill Holdgate, Brooke Mohr, Matthew G. Fee, Thomas M. Dixon and Malcolm W. MacNab as members of the Select Board of the Town of Nantucket, proved to me through satisfactory evidence of identification, which was personal knowledge of the undersigned, to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily for its stated purpose as the free act and deed of the Select Board of the Town of Nantucket.

Notary Public
My commission expires:

DEPARTMENT OF MUNICIPAL FINANCE
Finance Director 508-228-7200 Ext 7031
Assessor 508-228-7200 Ext 7037
Tax Collector 508-228-7200 Ext 7070



TOWN OF NANTUCKET
(508) 228-7200
Town & County Building
37 Washington Street
Nantucket, MA 02554

TO: Select Board
FROM: Rob Ranney, Assessor
DATE: December 20, 2023
RE: Tax Rate Hearing Fiscal Year 2024

The proposed tax rates for the fiscal year 2024, subject to final certification by the Department of Revenue are listed below:

	FY 2023	FY 2024
Residential Rate	\$3.21	\$3.17
Open Space	3.05	3.01
Commercial, Industrial, Personal Property	5.46	5.37

These rates are based on a shift of 170% of the tax burden to the commercial, industrial and personal property classes and a residential exemption of 25% of the average residential value. For the fiscal year 2024 the average residential value is \$3,195,137.

It is important to understand that the average residential value for purposes of determining the residential exemption includes vacant land and is not truly representative of what the average homeowner pays. A review of all properties eligible for the residential exemption shows the following:

	<u>FY 2023</u>	<u>FY 2024</u>
Residential Exemption	\$668,999	\$798,784
Average Res Value	\$2,675,994	\$3,195,137
Average Res Tax Bill (No Residential Exemption)	\$8,574	\$10,138
Average Commercial Value	\$2,506,451	\$2,742,475
Average Com Tax Bill	\$13,685	\$14,736
Average Year-Round Value	\$1,688,790	\$2,012,976
Average Year-Round Tax Bill (with Residential Exemption)	\$3,273	\$3,852.

2024 Tax Rates				Avg Res	Avg w/Res	Avg Com	Res	w/ResEx	Avg Com	Avg Res	w/ResEx	Avg Com
% ResEx	CIP Shift	Res Rate	Com Rate				Change	Change	Change	vs 2023	vs 2023	vs 2023
25%ResEx												
\$798,784	1.70	3.17	5.37	\$10,138	\$3,852	\$14,674				\$1,548	\$579	\$982
27.5%ResEx												
\$878,663	1.70	3.19	5.37	\$10,193	\$3,619	\$14,674	\$55	-\$233	\$0	\$1,603	\$346	\$982
30%ResEx												
\$958,541	1.70	3.21	5.37	\$10,249	\$3,382	\$14,674	\$56	-\$237	\$0	\$1,659	\$109	\$982

Class	Value	Levy	Shift	New Levy
		Percentage		Percentage
Residential	34,942,014,777	93.5973%		89.1210%
Open Space	2,790,100	0.0075%		0.0071%
Subtotal	34,944,804,877	93.6048%		89.1282%
Commercial	1,763,411,270	4.7236%	1.70	8.0300%
Industrial	78,037,963	0.2090%	1.70	0.3554%
Personal	546,025,794	1.4626%	1.70	2.4864%
CIP Total	2,387,475,027	6.3952%		10.8718%
Total	37,332,279,904	100.00%		100.00%

UNDERSTANDING YOUR CHOICES: CHAPTER 149 OR 149 A

Our Island Home Project

Nantucket Select Board Meeting

via Zoom – 5:30 PM – December 20, 2023

Construction Manager at Risk

“During the 1970’s, a new type of firm evolved. Most were GC’s looking to provide services, work as part of teams, and eliminate adversarial environments on projects. In doing this they raised construction to a higher level of project delivery and added value to the end product”

Project Delivery Systems for Construction published by AGC 2004

Design-Bid-Build

“It is important to note that the constructor’s obligation is to satisfy the minimum requirements of the drawing and specifications. In the bidding process, the Owner asks for the lowest possible price to perform only those things that are absolutely required by the drawings and specifications and not more.”

Project Delivery Systems for Construction published by AGC 2004

In other words.....

With CM at Risk – you are **hiring** a professional service firm which builds buildings (in accordance with MGL Chapter 149A)

With DBB – you are **purchasing** a building in accordance with detailed plans and specifications (in accordance with MGL Chapter 149A)

For reference

DBB: Police Station, Fire Station, Intermediate School

CM@R: None

DBB or CMR?

Design-Bid-Build

- Lower cost
- Competitively bid
- Lump sum payment
- Owners more familiar with this method
- Less paperwork
- Appropriate for “simpler” projects
- Quality contractors but smaller pool
- No design-phase services
- No GMP contingency
 - All COs to Owner
- Owner has little to no say on staff or subcontractors

CM @ Risk

- Qualifications-based selection w/ fee proposal
 - Interview the team that will build project
- Negotiated price (except for fee percentage)
- Design Phase services
 - Planning; constructability reviews; estimating
- Open-book accounting
- Owner included in sub selection and descoping
- Early release packages can be done
 - Drive schedule / Strategic procurement
- GMP Contingency / Holds / Allowances
- Larger pool of potential firms
- Price premium ... 4 to 6% over D-B-B initially
- Post construction services

Additional Considerations

Island:

1. General - Prefabrication, panelization, or modular construction. Work with the design during design to incorporate these details from the beginning
2. CMR - MEP/FP trades can be potentially brought on early to purchase long lead items

Healthcare

1. Healthcare construction is unique; CMR process helps ensure builder has that experience (e.g., interviews)
2. Experience with coordination of unique medical, kitchen and lift equipment is a must
3. Constructability expertise not just on construction but also coordination for access for equipment which will need operation maintenance, replacement and adjustment
4. Experience with MA DPH regulations and participation in final inspection review are also very important
5. Understanding unique healthcare construction phasing to minimize day to day disruption for Sherburne Common
6. Strong construction procedures focusing on indoor air quality and minimizing water intrusion during construction, minimizing future problems.
7. Healthcare interior finishes require high level of oversight during insulation to maintain compliance with infection prevention requirements

DBB or CMR?

Design-Bid-Build (DBB)

Filed Sub Bids
+ Everything else
Lump Sum Bid Price

CM at Risk

Preconstruction fee
+ General conditions cost
+ Insurance and bond cost
+ Fee (i.e., profit on all work)
+ Trade bidders
+ Non-trade bidders
+ Allowances and Holds
+ CM Contingency
Guaranteed Maximum Price

DBB or CMR?

- ▶ Bottom Line: Some projects are sufficiently “simple” that the initial cost savings with DBB outweigh the value-added services provided through CMR.
- ▶ IG Report on CMR: Owner’s view CM at Risk most appropriate for large, complex projects involving phasing, challenging logistics, on occupied campus and aggressive schedules; DBB as most appropriate for relatively basic new construction on open, clean sites, not time dependent.

With post-COVID inflation, we are seeing more CM participation due to cost concerns; the builder participates in the confirmatory estimate process instead of OPM’s third-party estimator

CMR Application Process

- Submit application to Inspector General to utilize CMR as a delivery method
- Post approval, there is a two-phase selection process that has to be undertaken
 1. Request for Qualifications (RFQ)
 2. Request for Proposals (RFP) – also has two parts
 - Price (bid their fee as a percentage, general conditions based on duration, contingency percentage, preconstruction fee)
 - Non-price (technical approach to the project)
 - Interviews

Preliminary Outline #7 for 2024 Annual Town Meeting Warrant

For 12/20/23 SB review

As of 12/19/23

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 2024 General Fund Budget Transfers
7. Personnel Compensation Plans for FY 2025 (*add per diem dispatcher*)
8. Appropriation: FY 2025 General Fund Operating Budget
9. Appropriation: Health & Human Services
10. Appropriation: General Fund Capital Expenditures
11. Appropriation: FY 2025 Enterprise Funds Operations
12. Appropriation: Enterprise Funds Capital Expenditures
13. FY 2024 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 2025 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 2023 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 (includes Zoning and other)

General Bylaws

- Anything for E-bikes, E-scooters? 3 draft articles submitted – under legal/enforcement review
- Rental car bylaw changes? Amendment put forward by Town Counsel; need SB direction
- STR – ?

HOME RULE PETITIONS

Resubmittal of Pending HRP's from prior ATMs

- Community Housing Bank (Article 76/2022 ATM; Article 79/2019 ATM; Article 70/2018 ATM; Article 88/2017 ATM; Article 82/2016 ATM) Will need to be re-voted with some language changes TBD
- Sewer Act Amendment (Article 84/2023 ATM; Article 77/2022 ATM) Will need to re-vote

- Gov't Study Committee Recommendations (*Article 85/2023 ATM; Article 78/2022 ATM*) Will need to re-vote
- Fertilizer Ban (*Article 86/2023 ATM*) May need to re-vote
- Real Estate Conveyances x 2 (1 – *Article 87/2023 ATM, Article 94/2022 ATM: 50 Altar Rock Rd to NCF*; 2 – *Article 88/2023 ATM, Article 95/2022 ATM: Portion of Ames Ave*) Will need to re-vote

NEW:

- Amend County Charter to change “Board of Selectmen” to “Select Board”
- Coastal Resiliency Districts - ? **Waiting on draft from Town Counsel; also reviewing the parameters of betterments**
- Conveyance of paper road (W Chester St ext and Grove Ln) to Land Bank
- Year-round housing deed restriction program? (not sure if this is also bylaw) **draft article submitted; under review by AHT?**
- **NEW: Conveyances from Town to Land Bank (see below)**

MGL ACCEPTANCES

- Accept MGL c. 44, s. 54(b)(1) – Relating to the standards of investments of Trust Funds

REAL ESTATE RELATED

- 31 Western Ave – **Stand alone warrant article; debt exclusion**
- Conveyance of paper road (W Chester St ext, Grove Ln) to Land Bank
- Appropriation for acq of transfer station
- Appropriation for acq of composter
- Grant easement to NGrid for EV charging stations at Surfside Beach parking lot
- **NEW: Real Estate transactions (acquisitions and conveyances) with Land Bank and/or Sconset Trust:**
 - o Unnamed way between 2 – 6 Low Beach
 - o Unnamed way east side of Ocean Ave
- **Authorization to acq parcels on Bartlett Road for sewer pump station (in connection with Somerset Sewer Ext)**
- **Acquisitions/Conveyance auths of paper streets: Miacomet Park, School St/Surfside**

OTHER

- Increase borrowing auth for Housing
- Coastal erosion structure approval in connection with SBPF/Town project at Baxter Rd?
- **Increase salary for Select Board members? (discussed by Board 10/25/23)**

BALLOT QUESTIONS

- possible debt exclusion(s) and/or capital exclusion(s) for capital projects; real estate

CITIZEN ARTICLES

Submittal deadline Mon, November 13

ARTICLE R1-Real Estate Acquisition; Unnamed Way in Siasconset

To see if the Town will vote to authorize the Select Board to acquire by purchase, gift or eminent domain together with any public and private rights of passage for public ways, open space and/or municipal purposes in all or any portions of an un-named and unconstructed way between the eastern sideline of Low Beach Road to the Atlantic Ocean between two Land Bank owned lots at 2 and 6 Low Beach Road.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R2A-Real Estate Acquisition; Linden and Hawthorne Avenues in Siasconset

To see if the Town will vote to authorize the Select Board to acquire by purchase, gift or eminent domain for general municipal, public ways, or open space purposes and for purpose of conveyance the fee title or lesser interests in all or any portions of an un-named and unconstructed way between the eastern sideline of Ocean Avenue to the Atlantic Ocean.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

(ARTICLE R2B-Real Estate Conveyance; Linden and Hawthorne Avenues in Siasconset

To see if the Town will vote to authorize the Select Board to convey , sell, exchange or otherwise dispose of Hawthorne Avenue provided that (1) such disposal results in so-called One Big Beach Easements for the benefit of the public and that (2) an area within Hawthorne and Linden Avenues adjacent to the Atlantic Ocean, to be determined by the Select Board, is retained in fee interest, or granted to the Nantucket Islands Land Bank or the Sconset Trust and (3) such terms and conditions as the Select Board deem appropriate, which may include the reservation of restrictions and easements.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R3A-Real Estate Acquisition; Unnamed Way: Grove Lane to Westchester Road

To see if the Town will vote to authorize the Select Board to acquire by purchase, gift or eminent domain the fee title or lesser interests together with any private rights of passage for public ways, and/or municipal purposes in all or any portions of an un-named and unconstructed way between the northern sideline of Grove Lane to the southern sideline of Westchester Road.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R3B-Real Estate Conveyance; Unnamed Way; Grove Lane to Westchester Road

To see if the Town will vote to authorize the Select Board to sell, convey or otherwise dispose of the fee title or lesser interests to the Nantucket Islands Land Bank for all purposes pursuant to their enabling legislation and/or the Nantucket Conservation Fund, Inc. in all or any portions of an un-named and unconstructed way between the northern sideline of Grove Lane to the southern sideline of Westchester Road, subject to such terms and conditions as the Select Board deem appropriate, which may include the reservation of restrictions and easements

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R4-Real Estate Conveyance: Town of Nantucket to Nantucket Islands Land Bank and/or Sconset Trust, Inc. – Miscellaneous Parcels in Siasconset and Grove Lane

To see if the Town will vote to authorize the Select Board to sell, convey or otherwise dispose of the fee title or lesser interests to the Nantucket Islands Land Bank for all purposes pursuant to their enabling legislation and/or the Sconset Trust, Inc. such disposition to be on any terms and conditions the Select Board deem appropriate, which may include the reservation of any easements and restrictions in regard to the following properties:

MAP	LOT	NUMBER	STREET
74	71	(portions of former railroad bed)	Low Beach Road
Unnamed Way		(Low Beach Road to the Atlantic Ocean; between 2 and 6 Low Beach Road)	Low Beach Road
Hawthorne Avenue		(Ocean Avenue to the Atlantic Ocean)	Siasconset
41	342	35	Grove Lane

All as shown on a map filed with the Office of the Town Clerk. Or to take any other action related thereto.

(Select Board)

ARTICLE HR1 (Home Rule Petition: Real Estate Conveyances from Town of Nantucket to Nantucket Islands Land Bank)

To see if the Town will vote to authorize the Select Board to petition the General Court consistent with the requirements of Article 97 of the Amendments to the Massachusetts Constitution to

enact special legislation to authorize the transfer and conveyance of all or portions of certain parcels of land in the Town of Nantucket owned by The Inhabitants of the Town of Nantucket held for open space, conservation or recreational purposes, as described in more detail below and as shown on a map filed with the Office of the Town Clerk, to the Select Board for purposes of conveyance and further to authorize the Select Board to convey the property described below on any terms and conditions the Select Board deem appropriate for all purposes pursuant to its enabling legislation, which may include the reservation of any easements and restrictions in regard to the property, provided, however, that the General Court may with the approval of the Select Board, make constructive changes in language as may be necessary or advisable towards perfecting the intent of this legislation in order to secure passage:

AN ACT AUTHORIZING THE TOWN OF NANTUCKET TO CONVEY CERTAIN LAND SITUATED IN THE TOWN OF NANTUCKET HELD FOR OPEN SPACE, RECREATIONAL OR CONSERVATION PURPOSES TO THE NANTUCKET ISLANDS LAND BANK FOR THE PURPOSES PURSUANT TO ITS LEGISLATION AND/OR THE SCONSET TRUST

Be it enacted by the Senate and the House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. Pursuant to Article 97 of the Amendments to the Constitution of the Commonwealth of Massachusetts and notwithstanding the provisions of any general or special law to the contrary, the Town of Nantucket may transfer, sell, convey or otherwise dispose of all or portions of certain parcels of land situated in the Town of Nantucket to the Nantucket Islands Land Bank for the purposes pursuant to its enabling legislation, and described as follows: • Tax Assessor's Map 74, Parcel 71 (portion of); • Un-named way off Low Beach Road (between 2 and 6 Low Beach Road), Siasconset; • Hawthorne Avenue (between Ocean Avenue and the Atlantic Ocean); • Tax Assessor's Map 41, Parcel 342, 35 Grove Lane;

Any such disposition shall be on such terms and conditions as the Select Board deem appropriate, which may include the reservation of restrictions and easements, and the conveyance or dedication of a parcel or parcels of Town-owned land for purposes pursuant to Article 97, all as shown on a map filed with the Office of the Town Clerk.

Section 2. This act shall take effect upon its passage. Or to take any other action related thereto.

(Select Board)

ARTICLE R5-Real Estate Acquisition; 75A , 75B and 77 Bartlett Road

To see if the Town will vote to authorize the Select Board to acquire by purchase, gift or eminent domain for the purpose of construction of a municipal sewer pumping station, municipal housing and drainage, sidewalk, utility, public transportation and any other related public purposes, all or any portion of property located at 75A, 75B and 77 Bartlett Road, Assessor Map 66, Lots 427.1, 427.2 and 428.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R6A-Real Estate Acquisition; Paper Streets: Miacomet Park

To see if the Town will vote to authorize the Select Board to acquire by purchase, gift or eminent domain together with any public and private rights of passage for public ways, open space and/or municipal purposes and for conveyance purposes in all or any portions of unconstructed ways within an area of land known as Miacomet Park including but not limited to Central, Ocean, Miacomet and Surfside Avenues, and Cottage, Dartmouth, Harvard, Hemlock, Highland, Lincoln, Mineral, Spring, Spruce, Summer and Walnut Streets shown on Plan 53 T on file at the Nantucket Registry of Deeds titled "Plan of Land Taking in Nantucket, MA dated October 5, 1998.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

ARTICLE R6B-Real Estate Conveyance; Paper Streets: Miacomet Park

To see if the Town will vote to authorize the Select Board to sell, convey or otherwise dispose of the fee title or lesser interests to the Nantucket Islands Land Bank for all purposes pursuant to their enabling legislation all or any portions of unconstructed ways within an area of land known as Miacomet Park including but not limited to Central, Ocean, Miacomet and Surfside Avenues, and Cottage, Dartmouth, Harvard, Hemlock, Highland, Lincoln, Mineral, Spring, Spruce, Summer and Walnut Streets shown on Plan 53 T on file at the Nantucket Registry of Deeds titled "Plan of Land Taking in Nantucket, MA dated October 5, 1998, subject to such terms and conditions as the Select Board deem appropriate, which may include the reservation of restrictions and easements.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)

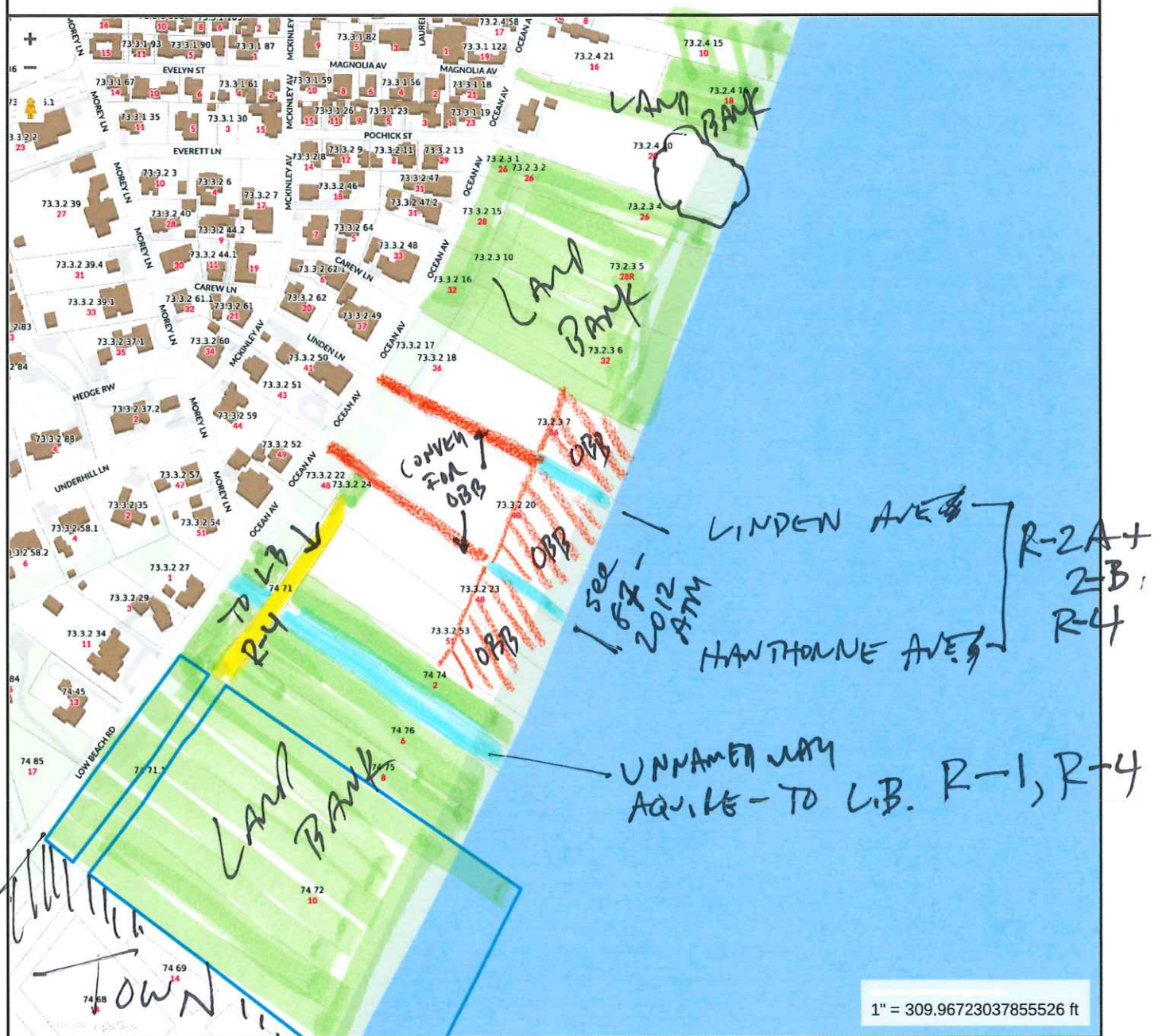
ARTICLE R7-Real Estate Conveyance; School Street, Surfside

To see if the Town will vote to authorize the Select Board to convey , sell, exchange or otherwise dispose of a portion of the fee interest in School Street provided that (1) such disposal results in a so-called One Big Beach Easement for the benefit of the public, that (2) the Select Board will retain rights for the public to access Surfside Beach from Western Avenue to the Atlantic Ocean and that (3) an easement allowing pedestrian and emergency access be received from the owner(s) of 26 Western Avenue over an existing path that traverses their property and (4)) subject to such terms and conditions as the Select Board deem appropriate, which may include the reservation of restrictions and other easements.

All as shown on a map filed with the Office of the Town Clerk.

Or to take any other action related thereto.

(Select Board)



Property Information

Property ID 74 72
Location 10 LOW BEACH RD
Owner NANTUCKET ISLANDS LAND BANK

R-1
R-2A, R-2B
R-4
+R-1



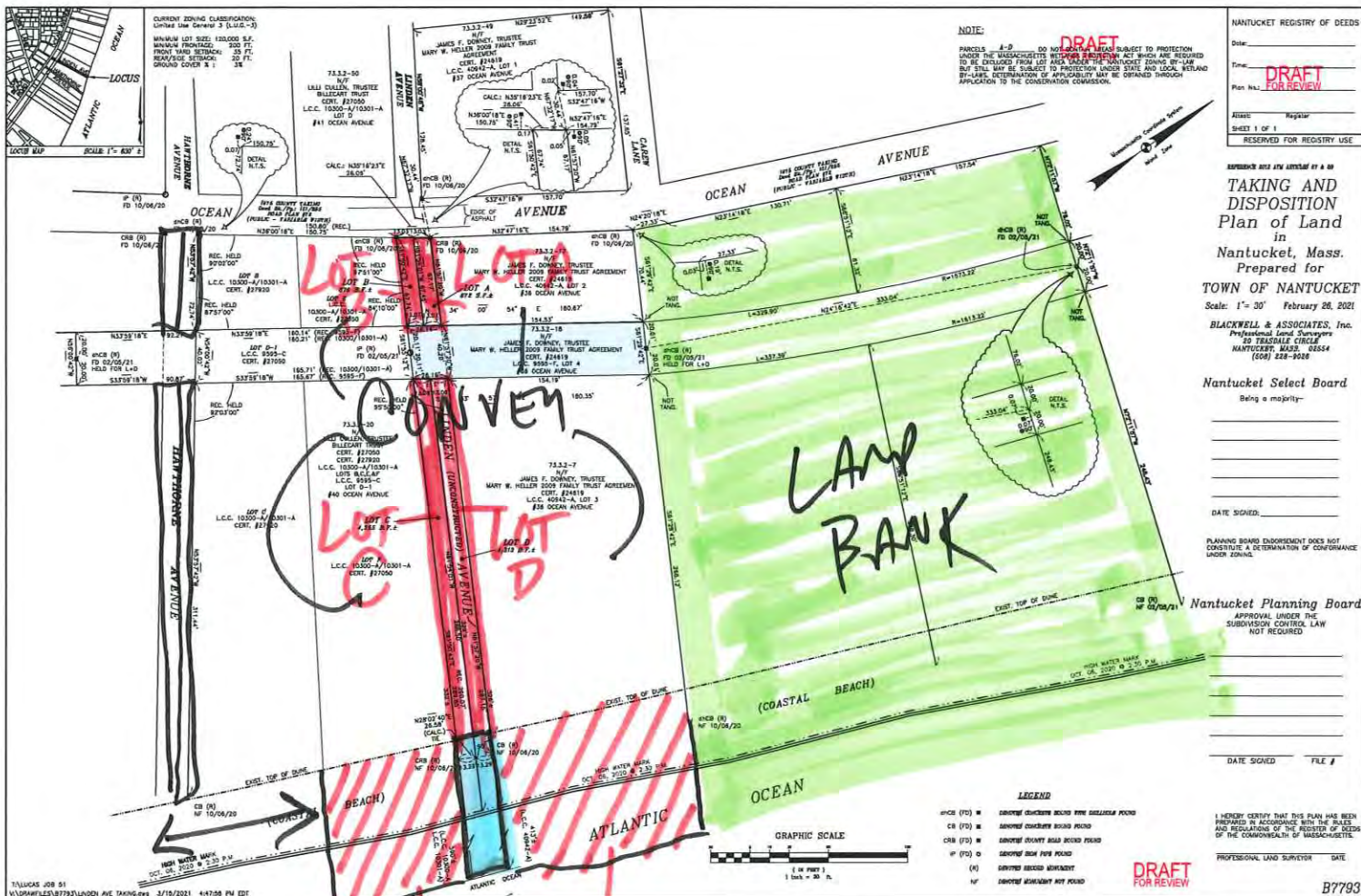
**MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT**

Town and County of Nantucket, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 10/03/2023
Data updated Jan. 2021

Print map scale is approximate.
Critical layout or measurement
activities should not be done using
this resource.

CLOSE GAP IN
BEACH - OBB
EASEMENTS

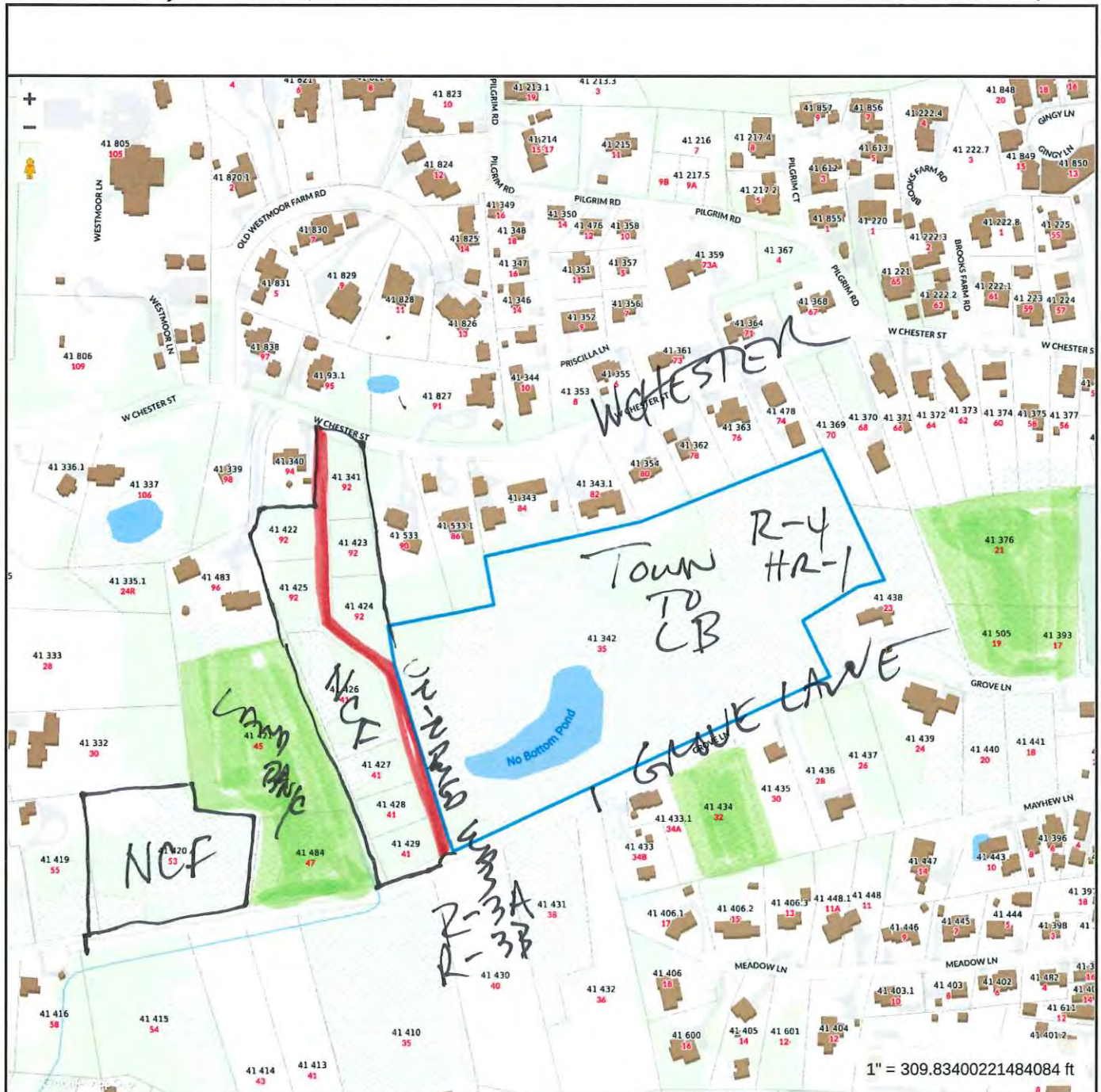


R-2A, R-2B
R-4
HR-1

DETAIL

ORB ELEMENT

NOTE: ARTICLE 87 2012 AUTHORIZES ACQUISITION
HR PETITION - 2018 AUTHORIZES CANCELLATION
TO LB.



Property Information

Property ID 41 342
Location 35 GROVE LN
Owner NANTUCKET TOWN OF

R-3A, 3B
R-4
HR-1

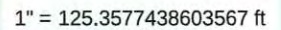


**MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT**

Town and County of Nantucket, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 10/03/2023
Data updated Jan. 2021

Print map scale is approximate.
Critical layout or measurement
activities should not be done using
this resource.



Property ID 66-277
Location 1 HATCH CL
Owner PERRON MARK F &

R-5

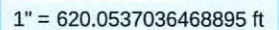


Town and County of Nantucket, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 10/03/2023
Data updated Jan. 2021

Print map scale is approximate.
Critical layout or measurement
activities should not be done using
this resource.

8.



R-6A
R-6B



MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT

Town and County of Nantucket, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 10/03/2023
Data updated Jan. 2021

Print map scale is approximate.
Critical layout or measurement
activities should not be done using
this resource.

NANTUCKET REGISTRY OF DEEDS
 OCT. 6, 1998
 11:13 AM
 53-7
 Sandra J. Chadwick



APPROVAL UNDER THE
 SUBDIVISION CONTROL
 LAW NOT REQUIRED
 NANTUCKET PLANNING
 BOARD

 DATE: FILE NO. 6297

PLAN OF LAND
 TAKING IN
 NANTUCKET, MA.
 SCALE 1"=100'
 OCTOBER 5, 1998
 JOHN V. INVERGLO, INC.
 OLD SOUTH ROAD
 NANTUCKET, MA.

PREPARED FOR:
 NANTUCKET ISLAND LAND BANK

1536-1543 MAP 66 PARCELS 34-101, 102-216, 217-229, 230-247, 248-254, 255-262, 263-270
 1552-1565 MAP 61 PARCELS 38-104, 105-108, 109-112, 113-116



Property Information

Property ID 87 77
Location 26 WESTERN AV
Owner MCHUGH JAMES J & CATHERINE S

ARTICLE R-7



MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT

Town and County of Nantucket, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 10/03/2023
Data updated Jan. 2021

Print map scale is approximate.
Critical layout or measurement
activities should not be done using
this resource.

Town of Nantucket, MA

Strategic Planning Refresh

October 24, 2023

The Town of Nantucket, Massachusetts, held a Strategic Planning Refresh session on October 24, 2022. The session was planned and facilitated by Raftelis.

Introductions & Expectations

The session began with the Select Board and staff introducing themselves and then sharing their expectations for the session:

- Complete the agenda and come together with realistic expectations for moving forward.
- Reengage on the strategic plan and retool/redirect some elements to make sure we have a path forward.
- Get as much clarity on the goals as possible. The more clarity we can get, the better as we work to execute.
- Keep the plan shored up and breathe new life into some parts.
- Be more proactive and less reactive, find a way to deal with bifurcated government, and find a way to prioritize Town employee housing.
- Achieve alignment on priorities and capacity.
- Focus on closing the conversation on items we don't move forward with.
- Really focus and prioritize, since we can't do everything. Identify what we can really do, be practical, and move forward.
- Reprioritize and check off what we've accomplished. Bring in newer members of the Select Board and walk out with a collective sense of ownership.

Strategic Planning Refresh

The Town Manager provided an update on the accomplishments in each of the five strategic planning focus areas. Subsequently, the Town Manager and Assistant Town Managers presented three projects to highlight the complexity of seemingly simple goals. These projects included housing and property management for Town employees, the Surfside area roads projects, and the search for a new police chief. Each of these projects highlighted the Town's ability and capacity to address both planned for and unforeseen challenges and demonstrated the need for realistic implementation expectations when adding new items to the strategic plan.

After discussing the complexity conundrum, participants worked to review and refresh each of the areas of strategic focus, aspirational statements, and goals in the strategic plan. The updated content is shared in the following sections, and the original and updated versions of the framework are contained in Appendix A.

Sustainability Statement

The Town of Nantucket is committed to sustainability, emphasizing historic preservation, equity and inclusion, natural resources, hazard mitigation, solid waste management, energy, public health, and education. In our municipal operations, we are dedicated to incorporating practices that ensure a balanced and resilient approach to meet the needs of current residents and visitors without compromising our ability to care for future generations.

Housing

Aspirational Statement: Nantucket is a diverse community with a broad spectrum of economic circumstances and has housing stock that meets the range of needs. Year-round housing is achievable for those who work on the Island, especially municipal employees. The various tiers of affordable and attainable housing make year-round living comfortable, stable, and inclusive. Our seasonal workforce is able to find safe and secure housing. Homes on Nantucket are well-constructed, energy efficient, and integrated into the character of the Island.

Goals:

- Prioritize the housing needs of Town and school employees, including unit development, maintenance, and management.
- Evaluate the potential for a coordinated housing effort for public employees across municipal operations.
- Explore incentives to encourage year-round rentals.
- Achieve and maintain Safe Harbor status under Chapter 40B to maintain local control over affordable and attainable housing initiatives.
- Through a variety of approaches, promote affordable and attainable home ownership opportunities for the year-round community, which will meet housing needs at all income levels and lessen the burdens of government.

Transportation

Aspirational Statement: Nantucket has no traffic lights. Year-round transportation includes accessible, affordable, and reliable multi-modal options, that respect the historical setting of our community and limits reliance on single occupancy vehicles and private transportation. The Town has improved safety and mobility, incorporating more sustainable emerging technologies without accommodating a car centric culture. Pedestrians and bicyclists feel safe as they traverse along paths and walkways as they navigate the transportation network. Our community embraced the use of technology to improve parking turnover in our vibrant Old Historic District and made year-round access a pleasant experience.

Goals:

- Create a complete network of sidewalks/MUPs that would allow people living in the mid-Island and in the downtown core to access a full range of services without the need for a car.
- Shift the commuter mode of choice from driving alone and promote the use of other modes of transportation and their safe interaction with one another.
- Continue to evaluate downtown parking management system based on demand management principles that achieves (or is measured by) 85% occupancy of public parking spaces.

Environmental Leadership

Aspirational Statement: Nantucket residents and visitors share responsibility for the long-term sustainability of our beautiful island, and address the challenges of climate change, sea level rise, and increasing energy demands. We recognize our stewardship of the land, air, and water and work to ensure our community is resilient and self-sufficient. Other communities look to Nantucket to learn how to care for the natural environment.

Goals:

- Provide data-driven recommendations on island-wide solid waste management guided by principles of sustainability, with flexibility to adapt to emerging technologies.
- Implement the island-wide, long-term water quality management plan, which addresses ponds, harbors, stormwater, and wastewater with specific ways/methods to measure improvement.
- Incorporate the recommendations of the Coastal Resiliency Plan in conjunction with other capital planning.

Efficient and Effective Town Operations

Aspirational Statement: The Town of Nantucket reflects the community value of fiscal responsibility in its operations. Governance is collaborative; and representation on Boards, Committees, and Commissions is reflective of the diversity of our community and engages the next generation of Nantucket leaders. Town employees provide vital municipal services that are valued by residents and visitors and are engaged members of our community. Town facilities and offices incorporate modern technology and are efficient in design, energy use and location. The Town is committed to planning for a resilient and sustainable community and maintaining and improving municipal infrastructure and assets.

Goals:

- Support the experience of the municipal workforce, including a central municipal facility, a DPW facility, and employee housing.
- Continue to evaluate total compensation to support recruitment and retention efforts.
- Continue to make strategic investments in municipal facilities, in alignment with the Facilities Master Plan.
- Continue to invest in technology and cybersecurity.
- Increase diversity of municipal Board, Commission, and Committee members and streamline on-boarding and orientation processes.

Healthy and Vibrant Community

Aspirational Statement: Nantucket is a vibrant and inclusive community committed to the health and well-being of our residents and visitors, where the process of policy making seeks to balance the diverse needs of the entire community. The

local economy provides job opportunities and the Old Historic District is vibrant year-round. The economic vitality of the Island is bolstered by seasonal residents and visitors. Everyone enjoys public access to our beaches, waterways and conservation land. The Island has maintained its strong rural identity and well-preserved historic character.

Goals:

- Develop a comprehensive plan to address and ensure equity throughout Town policies and procedures.
- Evaluate partnership opportunities that promote healthy, active living and provide facilities, programs, and support for vulnerable populations.
- Assess the Town's Human Service Systems.
- Fund and conduct a community needs assessment and build a collaborative model with the private sector to meet identified needs.

Parting Thoughts

Session participants were each asked to share their reflections on the day's discussion, as captured below:

- Dawn – Thank you for your participation. This gets a little more clear every time, and I think it's very valuable. This is a useful filter for new things as they come in, to see where things fit. Hopefully, we can get some things crossed off the list.
- Malcolm – This was a productive meeting, and I like this more than our more formal meetings. Maybe do something like this every other month, and really dive into a particular topic.
- Tom – This was really good. I like what we have up there and some of it is doable. In the survey, there's a comment that "everyone's mad at each other all the time." The community tends to rally and be supportive – I hope that not everyone is mad all the time. There's a lot of good that Town employees, non-profits, etc. do for the community, and I wish that there were more opportunities to elevate and highlight some of that good work. We're so far ahead of where other communities are on some of these priorities.
- Brooke – It's always daunting to look at the big picture this way, to understand all the things that need to be done. It's really helpful to do this and hone in on what we do in a more definitive way. I try to advocate for and communicate my appreciation for all the folks who work for the Town, and I know that there are thousands of little things that get done very successfully every day.
- Matt – There are a lot of good things. We're all so close to it that we see the weaknesses and the opportunities. But to the outside, we look pretty good! We've wanted to do this and it's been great to have the plan and have the folks who are helping us with it over the long term.
- Rick – This meeting is indispensable for the administration – having the opportunity to hear the depth and nuance of some of the topics is great. We couldn't execute as well without hearing those things.
- Gregg – This isn't as overwhelming as I feared. I'm grateful that we have this understanding and look forward to the update.
- Janet – This has been one of the most effective strategic planning efforts that I've ever seen. It's woven its way into the operations of the department heads, and I admire the loyalty to the process. We need to celebrate achievements more in public spaces, and collaborations. Hearing Select Board voices adds credence.
- Libby – This was a helpful session, and I feel like it went by in five minutes. I like the clarity and I appreciate the way the Board has listened and provided feedback.

Appendix:

Previous and Updated Framework

Existing and Updated Frameworks

The following sections highlight the changes to the sustainability statement, the aspirational statements, and the goals for each of the five areas of strategic focus. Text changes to the aspirational statements have been bolded.

Sustainability Statement

Existing Sustainability Statement	Updated Sustainability Statement
Sustainability is how the Town of Nantucket, with a focus on historic preservation, equity and inclusion, 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.	The Town of Nantucket is committed to sustainability, emphasizing historic preservation, equity and inclusion, natural resources, hazard mitigation, solid waste management, energy, public health, and education. In our municipal operations, we are dedicated to incorporating practices that ensure a balanced and resilient approach to meet the needs of current residents and visitors without compromising our ability to care for future generations.

Housing

Existing Aspirational Statement	Updated Aspirational Statement
Nantucket is a diverse community with a broad spectrum of economic circumstances and has housing stock that meets the range of needs. Year-round housing is achievable for everyone who works on the Island, and the various tiers of affordable housing make year-round living comfortable, stable, and inclusive. Our seasonal workforce is able to find safe and secure housing. Homes on Nantucket are well-constructed and integrated into the character of the Island.	Nantucket is a diverse community with a broad spectrum of economic circumstances and has housing stock that meets the range of needs. Year-round housing is achievable for those who work on the Island, especially municipal employees . The various tiers of affordable and attainable housing make year-round living comfortable, stable, and inclusive. Our seasonal workforce is able to find safe and secure housing. Homes on Nantucket are well-constructed, energy efficient , and integrated into the character of the Island.

Existing Goals:

- Achieve Safe Harbor status continually until the 10% requirement is met, per the goals set for Nantucket by the Commonwealth through Chapter 40B, and in so doing, maintain local control over affordable and attainable housing initiatives.
- Finalize a plan to address housing needs specifically for Town employees – year-round and seasonal.

- Determine in greater detail the need for housing at all affordability levels – 30% Area Median Income (AMI) to 40% AMI – for the community.
- Through a variety of approaches, promote affordable and attainable home ownership opportunities for the year-round community, which will meet housing needs at all income levels and lessen the burdens of government.

Updated Goals:

- Prioritize the housing needs of Town and school employees, including unit development, maintenance, and management.
- Evaluate the potential for a coordinated housing effort for public employees across municipal operations.
- Explore incentives to encourage year-round rentals.
- Achieve and maintain Safe Harbor status under Chapter 40B to maintain local control over affordable and attainable housing initiatives.
- Through a variety of approaches, promote affordable and attainable home ownership opportunities for the year-round community, which will meet housing needs at all income levels and lessen the burdens of government.

Transportation

Existing Aspirational Statement	Updated Aspirational Statement
Nantucket has no traffic lights. Year-round transportation includes accessible, affordable, and reliable multi-modal options, that respect the historical setting of our community and limits reliance on single occupancy vehicles and private transportation. The Town has improved safety and mobility without accommodating a car centric culture. Pedestrians and bicyclists feel safe as they traverse along paths and walkways that abut our local roads. Our community embraced the use of technology to improve parking turnover in our vibrant Old Historic District and made year-round access a pleasant experience.	Nantucket has no traffic lights. Year-round transportation includes accessible, affordable, and reliable multi-modal options, that respect the historical setting of our community and limits reliance on single occupancy vehicles and private transportation. The Town has improved safety and mobility, incorporating more sustainable emerging technologies without accommodating a car centric culture. Pedestrians and bicyclists feel safe as they traverse along paths and walkways as they navigate the transportation network. Our community embraced the use of technology to improve parking turnover in our vibrant Old Historic District and made year-round access a pleasant experience.

Existing Goals:

- Launch a downtown parking management system based on demand management principles that achieves (or is measured by) 85% occupancy of public parking spaces.
- Complete at least one key sidewalk route connection from Mid-Island (Six Fairgrounds Housing Project) to the ferries , with improved standards for accessibility.
- Shift the commuter mode of choice from driving alone to using other modes of transportation.

Updated Goals:

- Create a complete network of sidewalks/MUPs that would allow people living in the mid-Island and in the downtown core to access a full range of services without the need for a car.
- Shift the commuter mode of choice from driving alone and promote the use of other modes of transportation and their safe interaction with one another.
- Continue to evaluate downtown parking management system based on demand management principles that achieves (or is measured by) 85% occupancy of public parking spaces.

Environmental Leadership

Existing Aspirational Statement	Updated Aspirational Statement
Nantucket residents and visitors share responsibility for the long-term sustainability of our beautiful island. We recognize our stewardship of the land, air, and water and work to ensure our community is resilient and self-sufficient. Other communities look to Nantucket to learn how to care for the natural environment.	Nantucket residents and visitors share responsibility for the long-term sustainability of our beautiful island, and address the challenges of climate change, sea level rise, and increasing energy demands. We recognize our stewardship of the land, air, and water and work to ensure our community is resilient and self-sufficient. Other communities look to Nantucket to learn how to care for the natural environment.

Existing Goals:

- Provide data-driven recommendations on island-wide solid waste management guided by principles of sustainability.
- Finalize an island-wide, long-term water quality management plan that addresses ponds, harbors, stormwater, and wastewater with specific ways/methods to measure improvement.

Updated Goals:

- Provide data-driven recommendations on island-wide solid waste management guided by principles of sustainability, with flexibility to adapt to emerging technologies.
- Implement the island-wide, long-term water quality management plan, which addresses ponds, harbors, stormwater, and wastewater with specific ways/methods to measure improvement.
- Incorporate the recommendations of the Coastal Resiliency Plan in conjunction with other capital planning.

Efficient and Effective Town Government

Existing Aspirational Statement	Updated Aspirational Statement
The Town of Nantucket reflects the community value of fiscal responsibility in its operations. Governance is collaborative; and representation on Boards, Committees, and Commissions is reflective of the diversity of our community. Town facilities and offices incorporate modern technology and are efficient in design, energy use, and location. The Town is committed to planning for a resilient and sustainable community and maintaining and improving municipal infrastructure and assets. Town employees provide vital municipal services that are valued by residents and visitors and are engaged members of our community.	The Town of Nantucket reflects the community value of fiscal responsibility in its operations. Governance is collaborative; and representation on Boards, Committees, and Commissions is reflective of the diversity of our community and engages the next generation of Nantucket leaders. Town employees provide vital municipal services that are valued by residents and visitors and are engaged members of our community. Town facilities and offices incorporate modern technology and are efficient in design, energy use and location. The Town is committed to planning for a resilient and sustainable community and maintaining and improving municipal infrastructure and assets.

Existing Goals:

- Develop a Facilities Master Plan.
- Invest in technology.

Updated Goals:

- Support the experience of the municipal workforce, including a central municipal facility, a DPW facility, and employee housing.
- Continue to evaluate total compensation to support recruitment and retention efforts.
- Continue to make strategic investments in municipal facilities, in alignment with the Facilities Master Plan.
- Continue to invest in technology and cybersecurity.
- Increase diversity of municipal Board, Commission, and Committee members and streamline on-boarding and orientation processes.

Healthy and Vibrant Community

Existing Aspirational Statement	Updated Aspirational Statement
Nantucket is a vibrant and inclusive community committed to the health and well-being of our residents and visitors. The local economy provides middle-class job opportunities, and the Old Historic District is vibrant year-round. The economic vitality of the Island is bolstered by seasonal residents and visitors. Everyone enjoys public access to our beaches, waterways, and conservation land. The Island has maintained its strong rural identity and well-preserved historic character.	Nantucket is a vibrant and inclusive community committed to the health and well-being of our residents and visitors, where the process of policy making seeks to balance the diverse needs of the entire community. The local economy provides job opportunities and the Old Historic District is vibrant year-round. The economic vitality of the Island is bolstered by seasonal residents and visitors. Everyone enjoys public access to our beaches, waterways and conservation land. The Island has maintained its strong rural identity and well-preserved historic character.

Existing Goals:

- Develop a comprehensive plan to address and ensure equity throughout Town policies and procedures.
- Evaluate partnership opportunities that promote healthy, active living and provide facilities, programs, and support for vulnerable populations.

Updated Goals:

- Develop a comprehensive plan to address and ensure equity throughout Town policies and procedures.
- Evaluate partnership opportunities that promote healthy, active living and provide facilities, programs, and support for vulnerable populations.
- Assess the Town's Human Service Systems.
- Fund and conduct a community needs assessment and build a collaborative model with the private sector to meet identified needs.

TOWN OF NANTUCKET

Strategic Plan



The Nantucket Strategic Plan is guided by principles of Sustainability.

The Town of Nantucket is committed to sustainability, emphasizing historic preservation, equity and inclusion, natural resources, hazard mitigation, solid waste management, energy, public health, and education. In our municipal operations, we are dedicated to incorporating practices that ensure a balanced and resilient approach to meet the needs of current residents and visitors without compromising our ability to care for future generations.





Housing

ASPIRATIONAL STATEMENT

Nantucket is a diverse community with a broad spectrum of economic circumstances and has housing stock that meets the range of needs. Year-round housing is achievable for those who work on the Island, especially municipal employees. The various tiers of affordable and attainable housing make year-round living comfortable, stable, and inclusive. Our seasonal workforce is able to find safe and secure housing. Homes on Nantucket are well-constructed, energy efficient, and integrated into the character of the Island.

GOALS

- Prioritize the housing needs of Town and school employees, including unit development, maintenance, and management.
- Evaluate the potential for a coordinated housing effort for public employees across municipal operations.
- Explore incentives to encourage year-round rentals.
- Achieve and maintain Safe Harbor status under Chapter 40B to maintain local control over affordable and attainable housing initiatives.
- Through a variety of approaches, promote affordable and attainable home ownership opportunities for the year-round community, which will meet housing needs at all income levels and lessen the burdens of government.



Transportation

Nantucket has no traffic lights. Year-round transportation includes accessible, affordable, and reliable multi-modal options, that respect the historical setting of our community and limits reliance on single occupancy vehicles and private transportation. The Town has improved safety and mobility, incorporating more sustainable emerging technologies without accommodating a car centric culture. Pedestrians and bicyclists feel safe as they traverse along paths and walkways as they navigate the transportation network. Our community embraced the use of technology to improve parking turnover in our vibrant Old Historic District and made year-round access a pleasant experience.

- Create a complete network of sidewalks/ MUPs that would allow people living in the mid-Island and in the downtown core to access a full range of services without the need for a car.
- Shift the commuter mode of choice from driving alone and promote the use of other modes of transportation and their safe interaction with one another.
- Continue to evaluate downtown parking management system based on demand management principles that achieves (or is measured by) 85% occupancy of public parking spaces.



Environmental Leadership

ASPIRATIONAL STATEMENT

Nantucket residents and visitors share responsibility for the long-term sustainability of our beautiful island, and address the challenges of climate change, sea level rise, and increasing energy demands. We recognize our stewardship of the land, air, and water and work to ensure our community is resilient and self-sufficient. Other communities look to Nantucket to learn how to care for the natural environment.

GOALS

- Provide data-driven recommendations on island-wide solid waste management guided by principles of sustainability, with flexibility to adapt to emerging technologies.
- Implement the island-wide, long-term water quality management plan, which addresses ponds, harbors, stormwater, and wastewater with specific ways/methods to measure improvement.
- Incorporate the recommendations of the Coastal Resiliency Plan in conjunction with other capital planning.



Efficient and Effective Town Operations

Nantucket residents and visitors share responsibility for the long-term sustainability of our beautiful island, and address the challenges of climate change, sea level rise, and increasing energy demands. We recognize our stewardship of the land, air, and water and work to ensure our community is resilient and self-sufficient. Other communities look to Nantucket to learn how to care for the natural environment.

- Support the experience of the municipal workforce, including a central municipal facility, a DPW facility, and employee housing.
- Continue to evaluate total compensation to support recruitment and retention efforts.
- Continue to make strategic investments in municipal facilities, in alignment with the Facilities Master Plan.
- Continue to invest in technology and cybersecurity.
- Increase diversity of municipal Board, Commission, and Committee members and streamline on-boarding and orientation processes.



Healthy and Vibrant Community

Nantucket is a vibrant and inclusive community committed to the health and well-being of our residents and visitors, where the process of policy making seeks to balance the diverse needs of the entire community. The local economy provides job opportunities and the Old Historic District is vibrant year-round. The economic vitality of the Island is bolstered by seasonal residents and visitors. Everyone enjoys public access to our beaches, waterways and conservation land. The Island has maintained its strong rural identity and well-preserved historic character.

- Develop a comprehensive plan to address and ensure equity throughout Town policies and procedures.
- Evaluate partnership opportunities that promote healthy, active living and provide facilities, programs, and support for vulnerable populations.
- Assess the Town's Human Service Systems.
- Fund and conduct a community needs assessment and build a collaborative model with the private sector to meet identified needs.



Town Administration Fiscal Year 2025 General Fund Budget Recommendations

*As of December 13, 2023
Select Board Meeting*

Select Board and Administration Goals and Priorities for FY 2025

- Balanced budget – within projected revenue
- Strategic Plan
 - Housing, Housing, Housing
 - Environmental Leadership
 - Efficient Town Operations
 - Transportation
 - Healthy and Vibrant Community
- Capital and operational investment in infrastructure/facilities
 - Facilities Maintenance Plan
 - Central Fleet Management Plan
 - 10-year Capital Improvement Plan
- Sustainability
 - Stormwater
 - Coastal Resiliency
 - Water Quality
- Staffing
 - Employee retention, employee housing options

Strategic Plan Implementation Addressed with Budget Recommendations

Strategic Plan

- Housing
 - Increase opportunities to house Town employees and Islanders
- Environmental Leadership
 - Sustainability
 - Coastal Resiliency/Hazard Mitigation
 - Stormwater
 - PFAS
 - Solid Waste
- Efficient Town Operations
 - Support efficient operations through centralized and up-to-date facilities
 - Continued investment in technology, especially cyber security
 - Continue to ensure Town staff total compensation is competitive; employee retention strategies
 - Investment in infrastructure maintenance
 - Central Fleet management
- Transportation
 - Continued evaluation of demand management parking (paid parking)
 - Parking enforcement
 - “E-bike” regulations
- Healthy and Vibrant Community
 - Promote equity across Town operations
 - Community Human Services needs assessment
 - Town Human Services operational assessment

Additional Priorities

- New Our Island Home project planning
- Parks Master Plan activities
- Baxter Road alternative access project
- DPW facility relocation
- Surfside Area Water Main Extension and Transportation Improvements
- Capital planning and project management
- Public Safety: staffing, training, equipment maintenance, call firefighter program
- Somerset Sewer extension
- Management of Town-controlled housing (owned and rented)

Efforts to Enhance Recruitment and Retention of Town Employees

- Increase training and professional development opportunities; cross-train staff where appropriate
- Succession planning
- Continue to evaluate employee benefits and compensation
- Review potential options for Town employee housing
- Review and refine remote working options

FY 2025 General Fund Budget Overview

- Revenue – Total Projected Revenue of \$152,389,045
Net of Property Tax Abatements
- Expenses – Total Projected Expenses of \$152,252,602
- Unused Levy Capacity - Projected \$136,443

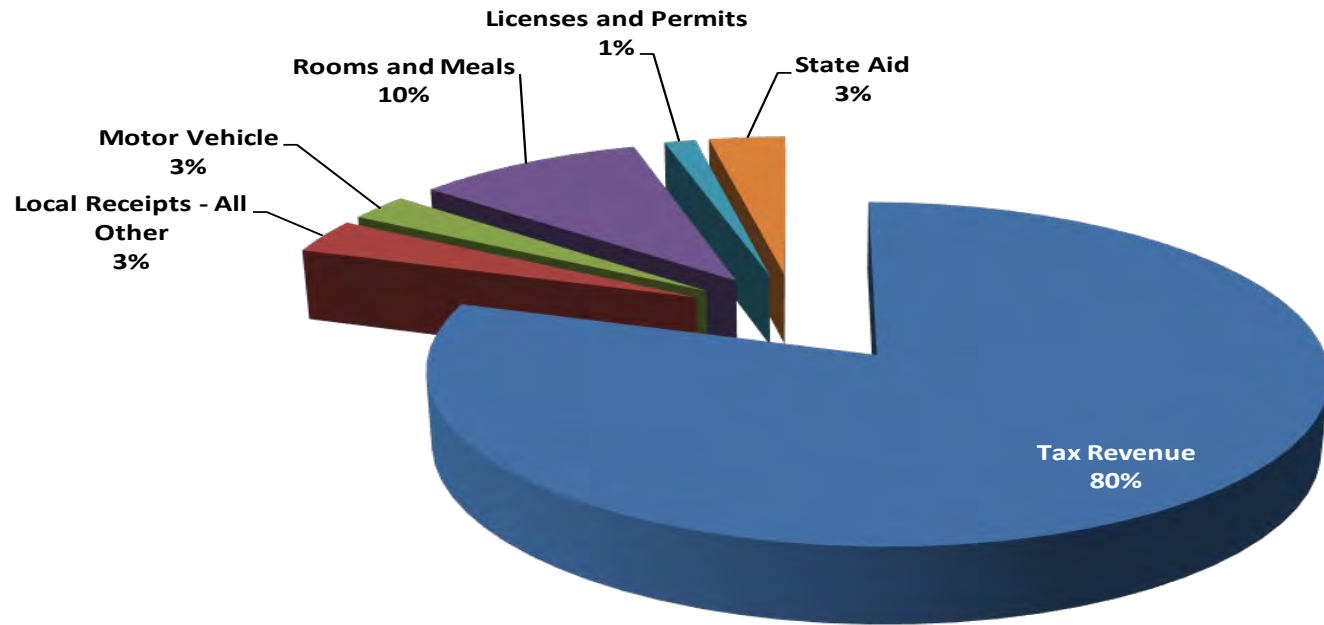
FY 2025 General Fund Budget Summary Comparison

REVENUES	FY 2024	FY 2025	\$ Change	% Change
Property Tax	118,349,584	121,014,187	2,664,604	2.25%
Local Receipts (All other)	2,905,300	5,048,365	2,143,065	73.76%
Motor Vehicle Excise	3,100,000	3,900,000	800,000	25.81%
Rooms and Meals Tax	13,000,000	14,500,000	1,500,000	11.54%
Licenses and Permits	1,350,000	1,975,000	625,000	46.30%
State Aid (1)	4,385,979	4,822,149	436,170	9.94%
Free Cash	1,571,663	817,900	(753,763)	-47.96%
Other Available Funds	175,000	175,000	-	0.00%
TOTAL REVENUES	144,837,526	152,252,601	7,415,076	5.12%
EXPENDITURES				
Municipal Departments	36,498,320	39,842,154	3,343,834	9.16%
School Department	37,126,987	40,778,395	3,651,408	9.83%
Non-Departmental	41,683,792	42,153,085	469,293	1.13%
Special Appropriations	29,528,427	29,478,968	(49,459)	-0.17%
TOTAL EXPENDITURES	144,837,526	152,252,602	7,415,075	5.12%

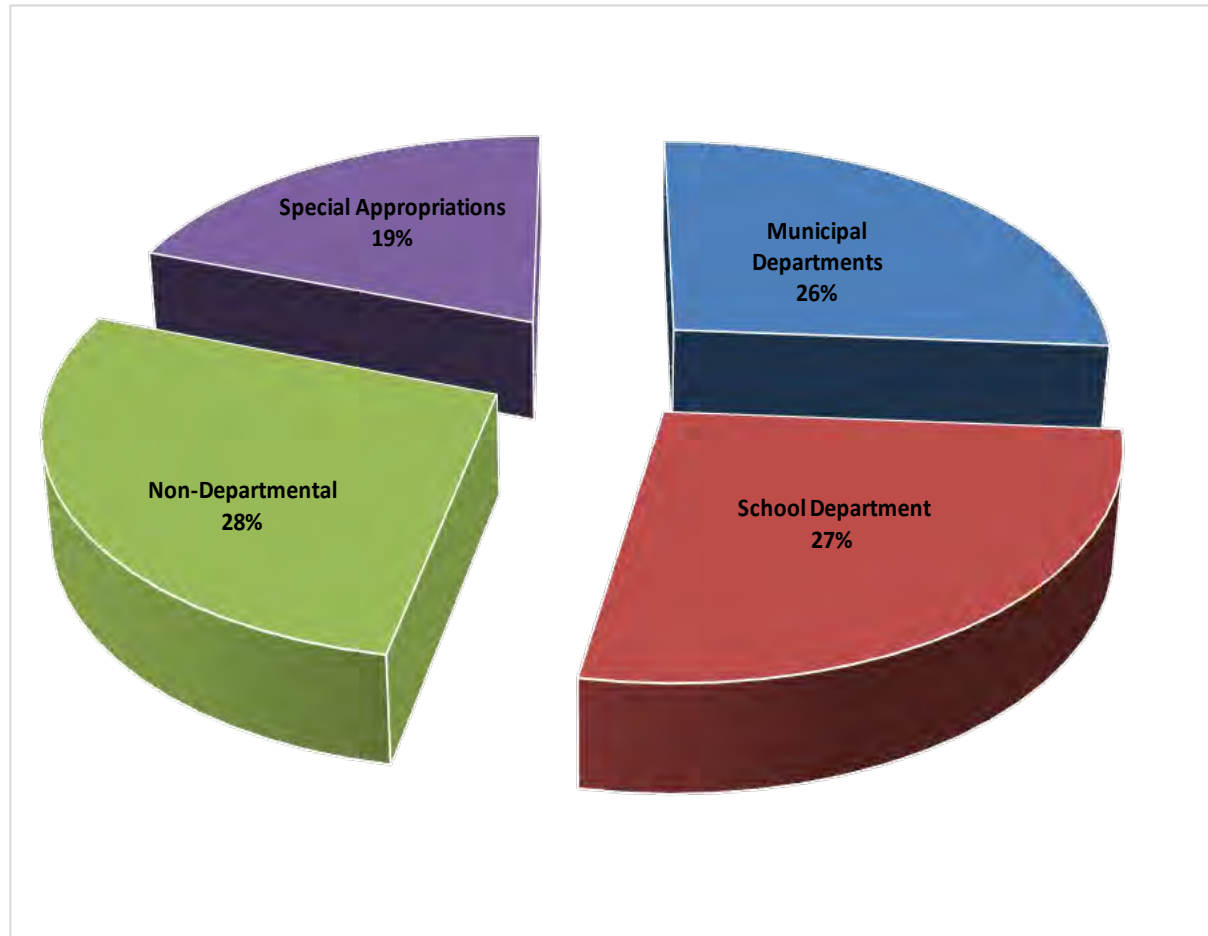
- See Appendix A for detailed breakdown

(1) FY 2025 State Aid represents level funding from FY 2024 approved figure

FY 2025 General Fund Projected Revenue



FY 2025 General Fund Projected Expenses



FY 2025 General Fund Budget

Expense Categories

Category	FY 2025 Town Manager Recommendation	Notes
Town Operational Expenses	\$10,968,247	
Town Operational EIRs ⁽¹⁾	\$1,079,266	<i>Included in Town expenses</i>
Town Salaries	\$28,687,913	<i>Final contract in negotiation; c/b allowance</i>
Town Personnel EIRs	\$931,929	<i>Included in Town salaries</i>
School Operational Expenses	\$6,832,525	
School Operational EIRs	\$400,000	<i>Included in School expenses</i>
School Salaries	\$33,345,870	<i>Contract in negotiation; c/b allowance</i>

(1) EIR = Expense Increase Request

FY 2025 General Fund Budget

Fixed Costs

Category	FY 2025 Town Manager Recommendation	% Change over FY 2024 Budget Recommendation
Health Insurance		
Active	\$13,476,483	10% increase
Retiree	\$4,492,161	10% increase
General Insurance	\$4,693,275	14.7% increase
Debt Service	\$12,447,065	<i>per established schedule</i>
Retirement	\$7,044,101	8.5% increase
Enterprise Fund Subsidies*	\$23,405,718	2.5% Increase

* See Appendix A for detailed breakdown

FY 2025 General Fund – Special Appropriations

Category	FY 2025 Town Manager Recommendation	% Change over FY 2024 Budget Recommendation
Mosquito Control	\$185,994	2.5% increase
Health and Human Services	\$825,000	No change
County Assessment	\$183,552	2.5% increase
Reserve Fund	\$500,000	No change
Unpaid Bills	\$0	100% decrease
Other Post-Employment Benefits (OPEB)	\$500,000	No change
Affordable Housing Trust Fund	\$1,013,044	No change
Overlay and Other Deficits	\$0	No change
Cherry Sheet Charges	\$1,461,707	No change
Community School	\$600,000	No change
Min Cap Funding Req	\$1,589,947	n/a - 1% of prior year revenue
TOTAL EXPENSES	\$152,252,602	

FY 2025 Town Expense Increase Requests

(included in recommended budget, excluding School)

- \$2,799,995 Submitted Requests
 - One-time \$579,900
 - On-going \$2,220,095
- \$2,341,195 Recommended
 - One-time \$417,900
 - On-going \$1,923,295
- To be funded through available tax levy, free cash, potential revenue increases

FY 2025 Recommended Town Personnel Expense Increase Requests

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs *
Personnel Expense Increase Requests (EIRs)			
HR	Position reclassifications	One-time	50,000
Fire	4 additional firefighters	Ongoing	449,027
Fire	Overtime increase	Ongoing	100,000
IT	Deputy IT Director	Ongoing	158,511
PLUS	Administrative Specialist	Ongoing	94,025
Public Works	Laborer	Ongoing	98,374
Public Works	Senior Equipment Operator	Ongoing	101,723
Public Works	Maintenance Technician	Ongoing	105,134
Public Works	Central Fleet Maintenance Technician	Ongoing	105,134
<i>Town Admin/Real Estate</i>			
Office	Paralegal*	Ongoing	-
Town Admin	Town Committee Coordinator*	Ongoing	-
Total Personnel Expense Increase Requests			\$ 1,261,929

* Not included in recommendations, currently under discussion

FY 2025 Recommended Town Operating Expense Increase Requests

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs
One-Time Operating Expense Increase Requests (EIRs)			
Communications	Community Survey	One-time	24,000
HHS/NR	Education and Compliance Specialist - Consultant	One-time	50,000
Town Admin	EV Replacement Vehicle	One-time	45,000
Town Admin	Grant Application Support	One-time	100,000
Town Admin	Project Management Software & Support	One-time	175,000
Town Clerk	Increase to Election Workers	One-time	12,400
Town Clerk	Increase to Postage	One-time	4,500
Town Clerk	Increase for Presidential Election (poll pads, ballot box, etc)	One-time	7,000
Communications	GLOBO Translation/Interpretation Services	Ongoing	20,000
Total One-Time Operating Expense Increase Requests			\$ 417,900

FY 2025 Recommended Town Operating Expense Increase Requests

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs
Ongoing Operating Expense Increase Requests (EIRs)			
DEI	Guest Speaker Series	Ongoing	4,000
DEI	Professional Development	Ongoing	4,000
DEI	Community Outreach	Ongoing	3,000
Fire	Increase Training	Ongoing	20,000
Fire	Increase Safety Uniforms	Ongoing	12,000
Fire	Increase Safety Protective Clothing	Ongoing	20,000
Fire	Increase Books/subscriptions	Ongoing	6,000
HHS	VNA, needle disposal, and weights and measures costs	Ongoing	10,000
HR	NeoGov services	Ongoing	22,678
HR	Interim market adjustment review	Ongoing	10,000
IT	Software licensing, hardware support and technology services	Ongoing	34,388
Public Buildings	Increase Electricity	Ongoing	50,000
Public Buildings	Increase Propane	Ongoing	20,000
Public Buildings	Increase Water	Ongoing	8,000
Public Buildings	Increase Repair & Maintenance: Building	Ongoing	10,000
Public Buildings	Increase Professional Services on-call engineering services contract	Ongoing	100,000
Public Buildings	Increase Custodial	Ongoing	50,000
Public Buildings	Increase Telephone	Ongoing	20,000
Public Works	Increase Rentals/Leases	Ongoing	7,000
Public Works	Increase Property: Trees	Ongoing	40,000
Public Works	Increase Other: Licenses	Ongoing	19,300
Public Works	Increase Safety: Uniforms	Ongoing	6,000
Public Works	Increase Safety: Protective Clothing	Ongoing	5,000
Public Works	Increase Road Materials	Ongoing	85,000
Street Lighting	Increase Electricity	Ongoing	35,000
Town Admin	Increase to Strategic Plan funding	Ongoing	50,000
Town Admin	Equipment	Ongoing	10,000
Total Ongoing Operating Expense Increase Requests			\$ 661,366
Total Town Operating Expense Increase Requests			\$ 1,079,266
Total Town Personnel & Operating Expense Increase Requests			\$ 2,341,195

FY 2025 Town Expense Increase Requests

Funding Source Detail

Funding Source	Amount
Tax Levy & Other General Revenues	\$1,923,295
Free Cash	\$417,900
Capital Exclusion	\$0
Special Revenue Funds	\$0
Borrowing	\$0
Total - All Funding Sources	\$2,341,195

Preliminary Free Cash Recommendation (Subject to Change)

General Fund Certified Free Cash*	\$22,066,661
Fund Town Expense Increase Requests (one-time)	\$417,900
Supplemental Funding STM – Town Housing	\$3,200,000
Fund School Expense Increase Requests (one-time)	\$400,000
Fund Town and School Capital Requests	\$12,577,942
Unpaid Bills	\$0
Stabilization Fund	\$1,000,000
Capital Stabilization Fund	\$1,000,000
Other Post Employment Stabilization Fund	\$750,000
OPEB Trust Fund Contribution	\$500,000
Unallocated Free Cash	\$2,220,819

* Pursuant to Town policy and best management practices, Free Cash is used for non-recurring items such as capital projects or other one-time expenses

FY 2025 Outstanding Items and Current Unknowns

- State Aid Impact
- Citizen Warrant Articles Potential Cost Impact
- Short-term Rentals
- Supply Chain and Labor Issues
- Implementation of Coastal Resilience Plan and Budget Implication
- Solid Waste Transition
- Retirement Assessment
- ~~Harbor Place Project~~

Future Potential Costs

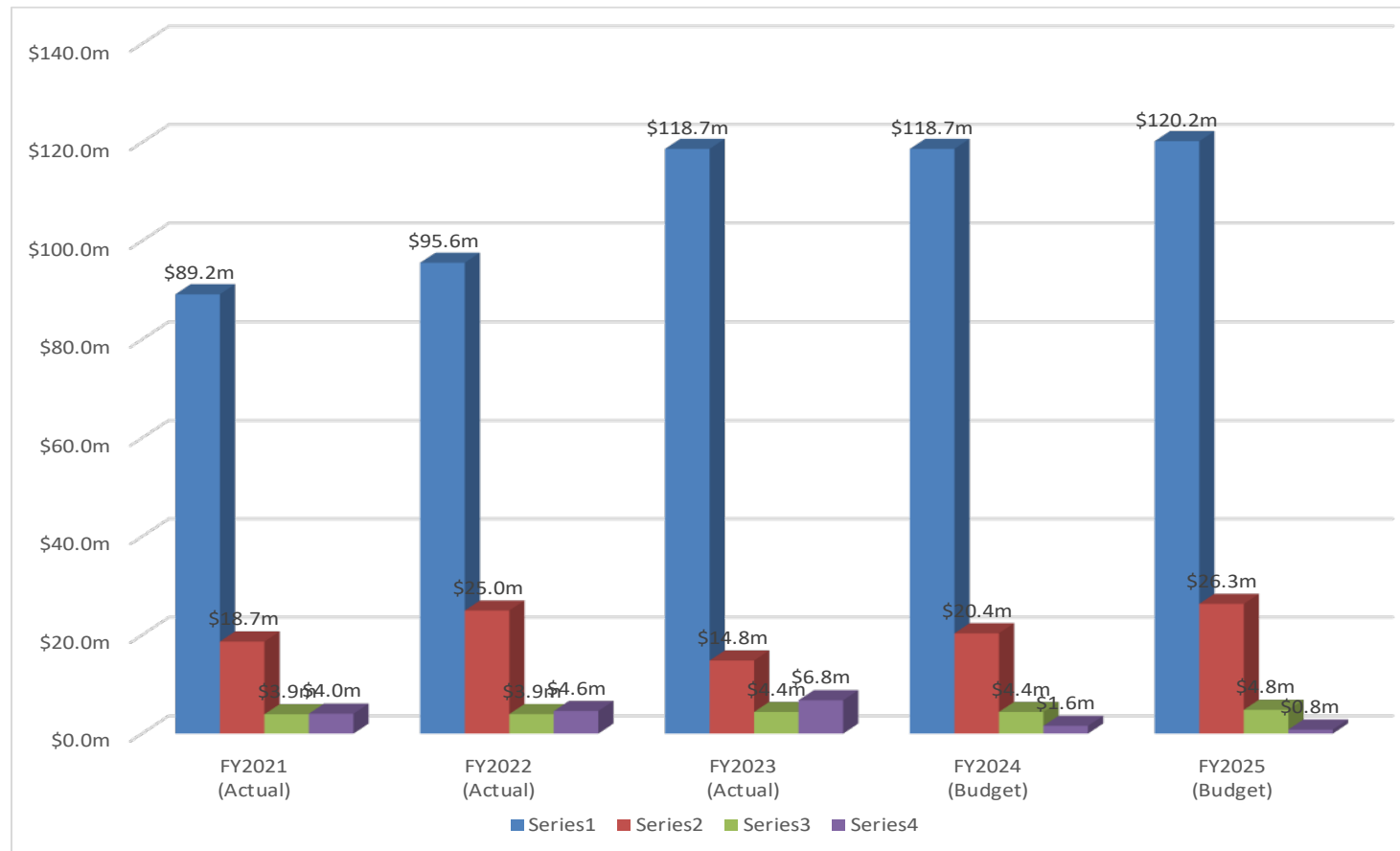
- Integration and implementation of plans, including:
 - Strategic Plan
 - Coastal Resilience Plan
 - Master Plan
 - Parks Master Plan
 - Capital Improvement Plan
 - Hazard Mitigation Plan
 - Harbors Plan
 - Open Space and Recreation Plan
- Employee recruitment/retention, evolving workforce and housing
- Affordable housing
- Cybersecurity measures
- Update of 5-year General Fund Forecast
- Solid Waste
 - Current contract expires in 2025
- NRTA
 - Service modifications/free service
- PFAS
- Baxter Road alternative access
- Operational costs of expanded/new facilities

Next Steps

- January 9: Town Administration FY 2025 Budget presentation to School Committee
- January 10: Select Board public hearing; endorsement of recommended FY 2025 General Fund Budget
- Mid-January – mid-March: Finance Committee review of General Fund and Enterprise Fund budgets; other financial appropriations
- Tuesday, May 7: Annual Town Meeting (2024)
- Tuesday, May 21: Annual Town Election (2024)

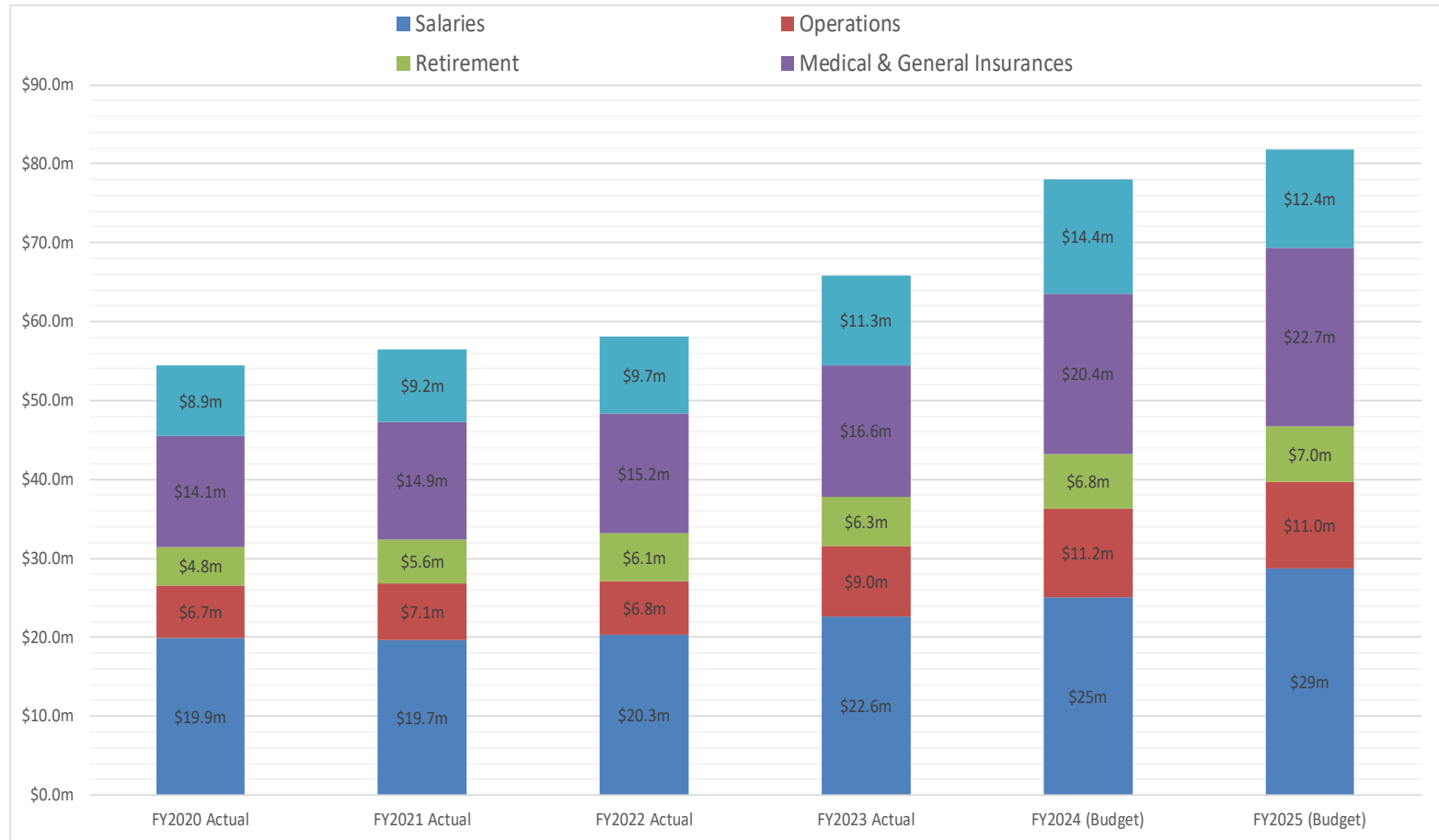
General Fund Revenue Breakdown

FY 2021 – FY 2025



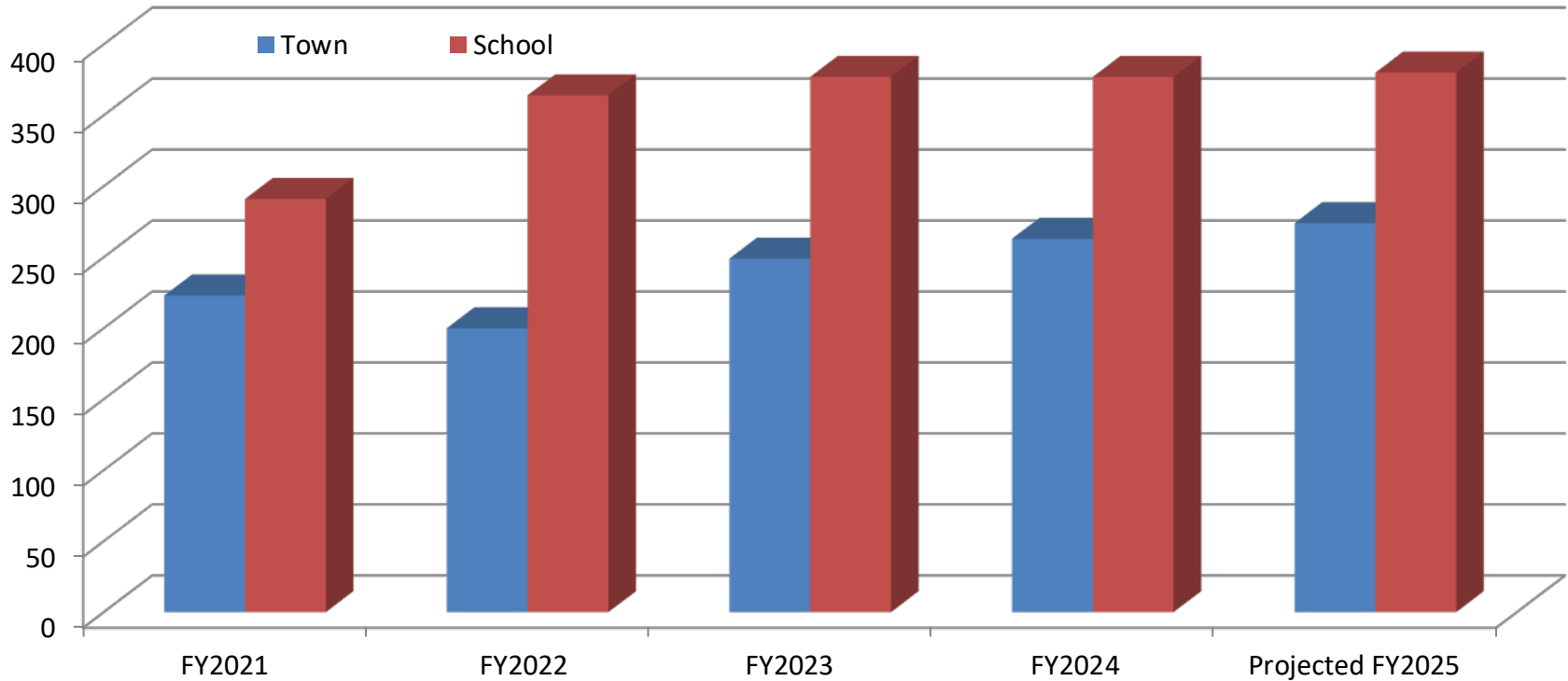
Town Expense Breakdown

FY 2021 – FY 2025



General Fund Personnel History

FY 2021 – FY 2025



* 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

FY 2025 General Fund Budget Breakdown – Revenues

	Budget FY 2024	Budget FY 2025	\$ Change	% Change
<u>Tax Revenue Limitations</u>				
Levy Limit from Prior Year	\$ 92,860,276	\$ 107,431,783	\$ 14,571,507	15.7%
Add: 2 1/2 % increase	2,321,507	2,685,795	364,288	15.7%
Add: Prop 2.5% operating override	-	-	-	na
Add: new growth <i>estimate</i>	1,250,000	1,250,000	-	-
Add: operating override	10,250,000	-	(10,250,000)	(100.0%)
Levy Limit for Current Year	106,681,783	111,367,577	\$ 4,685,795	4.4%
Add: Debt Exclusion	11,432,308	9,983,054	(1,449,254)	
Add: Capital Exclusion	970,000		(970,000)	
Maximum Allowable Levy for Current Year	\$ 119,084,091	\$ 121,350,631	\$ 2,266,541	1.9%
OVERLAY	(400,000)	(200,000)	200,000	(50.0%)
Net Available:	\$ 118,684,091	\$ 121,150,631	\$ 2,466,541	2.1%
State Aid	\$ 4,385,979	\$ 4,822,149	\$ 436,170	9.9%
Local Receipts:				
Motor Vehicle Excise	3,100,000	3,900,000	800,000	25.8%
Rooms and Meals Tax	13,000,000	14,500,000	1,500,000	11.5%
Licenses and Permits	1,350,000	1,975,000	625,000	46.3%
Local Receipts - All Other	2,905,300	5,048,365	2,143,065	73.8%
Total Local Receipts	20,355,300	25,423,365	5,068,065	24.9%
Total Revenue	\$ 143,425,370	\$ 151,396,145	\$ 7,970,776	5.6%
Other Sources	175,000	175,000	-	-
Free Cash Used	1,571,663	817,900	(753,763)	(48.0%)
Excess Overlay	-	-		
Total Revenue and Other Sources	\$ 145,172,033	\$ 152,389,045	\$ 7,217,013	5.0%
Total Expenses and Other Uses	\$ 144,837,526	\$ 152,252,602	\$ 7,415,075	5.1%
	334,507	136,443		

FY 2025 General Fund Budget Breakdown – Expenses

	Budget FY 2024	Budget FY 2025	\$ Change	% Change
General Fund Operating Budget Items:				
Salaries - Town (includes allowance for collective bargaining)	\$ 24,310,515	\$ 27,715,984	\$ 3,405,469	14.0%
<i>Town Expense increase Requests- Salaries</i>	\$ 769,238	\$ 971,929	202,691	26.3%
Salaries - School (includes allowance for collective bargaining)	\$ 28,638,460	\$ 33,345,870	4,707,410	16.4%
<i>School Expense increase Requests- Salaries</i>	\$ 1,658,142	\$ -	(1,658,142)	(100.0%)
Transfers to community school	\$ 600,000	\$ 600,000	-	-
Subtotal Salaries	\$ 55,976,355	\$ 62,633,783	\$ 6,657,428	11.9%
Operating Expenses, Town:	\$ 8,000,714	\$ 9,868,981	1,868,267	23.4%
<i>+Town Expense Increase Requests-Operating</i>	\$ 3,236,395	\$ 1,099,266	(2,137,129)	(66.0%)
Operating Override - 2011 Mosquito Control	\$ 181,458	\$ 185,994	4,536	2.5%
Operating Expenses, School	\$ 5,588,527	\$ 6,432,525	843,998	15.1%
<i>+School Expense Increase Requests-Operating</i>	\$ 641,858	\$ 400,000	(241,858)	(37.7%)
Subtotal Expense	\$ 17,648,952	\$ 17,986,766	\$ 337,814	1.9%
Group Medical Insurance- Active Employees	\$ 12,251,348	\$ 13,476,483	1,225,135	10.0%
Group Medical Insurance- Retired Employees	\$ 4,083,783	\$ 4,492,161	408,378	10.0%
General Insurance (all other insurance)	\$ 4,091,932	\$ 4,693,275	601,343	14.7%
Subtotal Insurance	\$ 20,427,063	\$ 22,661,919	\$ 2,234,856	10.9%
Debt Service	\$ 14,422,131	\$ 12,447,065	\$ (1,975,066)	(13.7%)
Retirement	\$ 6,834,598	\$ 7,044,101	\$ 209,503	3.1%
Total General Fund Operating Budget Items	\$ 115,309,099	\$ 122,773,634	\$ 7,464,535	6.5%
Other Articles				
Unpaid Bills	\$ 12,163	\$ -	(12,163)	(100.0%)
Special Purpose Stabilization Fund for Town Employee Accrued Liabilities	\$ -	\$ -	-	na
Reserve Fund	\$ 500,000	\$ 500,000	-	-
Health and Human Services	\$ 650,000	\$ 650,000	-	-
Special Purpose Stabilization for Substance Abuse	\$ 175,000	\$ 175,000	-	-
County Assessment	\$ 179,075	\$ 183,552	4,477	2.5%
Other Post Employment Benefits (OPEB / GASB45)	\$ 500,000	\$ 500,000	-	-
Capital Project Stabilization Fund	\$ -	\$ -	-	na
Stabilization fund	\$ -	\$ -	-	na
Affordable Housing Trust Fund	\$ 1,013,044	\$ 1,013,044	0	0.0%
Capital			-	na
General Fund budgeted from revenue (Town Bylaw 11-12.1)			-	na
Town Capital (Non-Recurring)	\$ 1,200,592	\$ 1,589,947	389,355	32.4%
Enterprise Fund Transfers				
Transfer to Enterprise Fund (Our Island Home - Beginning FY2011)	\$ 5,253,125	\$ 5,384,453	131,328	2.5%
Add: Additional Subsidy from Free Cash (Our Island Home)			-	na
Transfer to Enterprise Fund (SWEF Operating Overrides 1999/2006)	\$ 3,935,081	\$ 4,033,458	98,377	2.5%
Add: Additional General Fund Subsidy to SWEF 2012-Forward	\$ 2,897,129	\$ 2,969,557	72,428	2.5%
Add: SWEF override	\$ 5,000,000	\$ 3,843,750	(1,156,250)	(23.1%)
Transfer to Enterprise Fund (Stormwater)	\$ 500,000	\$ 512,000	12,000	2.4%
Transfer to Affordable Housing Trust Fund	\$ 6,500,000	\$ 6,662,500	162,500	2.5%
Total Other Article Appropriations	\$ 28,315,208	\$ 28,017,261	\$ (297,947)	(1.1%)
Other Statutory Expenditures				
Overlay and other deficits	-	\$ -	-	na
Cherry Sheet Offsets and Charges	1,213,219	\$ 1,461,707	248,488	20.5%
Total Appropriations and Other Statutory Expenditures	\$ 144,837,526	\$ 152,252,602	\$ 7,415,075	5.1%

Historical Information

Stabilization and Trust Funds

	2019	2020	2021	2022	2023
General Stabilization	5,411,964	5,541,745	5,770,018	5,761,339	7,664,198
Capital Stabilization	1,250,000	1,250,000	1,302,038	1,299,800	2,676,448
OPEB Trust Fund	3,130,312	3,681,241	4,248,650	4,885,113	6,438,196

Certified Free Cash

	2019	2020	2021	2022	2023
Certified Free Cash	\$10,334,761	\$9,655,001	\$19,281,934	\$20,533,360	\$22,066,661

Historical Information

Our Island Home						
Our Island Home	FY 2020 (2)	FY 2021 (3)	FY 2022 (4)	FY 2023 (5)	FY 2024 (5)	FY 2025 (5)
General Fund Subsidy	2,687,245	3,500,000	5,000,000	5,125,000	5,253,125	5,384,453
Certified Retained Earnings	1,619,047	2,046,379	6,188,036	5,882,535	9,511,246	
CPE Payment	-	2,822,647	-	1,523,766		

Solid Waste Enterprise						
Solid Waste Enterprise Fund	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 (6)	FY 2025 (6)
Landfill Operations	6,189,664	6,343,105	6,502,995	8,046,306	10,582,210	10,846,765
Landfill Mining	-	-	-			
End of year Budget Transfer			500,000			
Reserve Transfer			500,000			
Section 33B Transfer			800,188			
Certified Retained Earnings	1,453,694	932,731	722,202	843,565	1,092,449	

(2) In FY2020 the Town didn't receive CPE payment

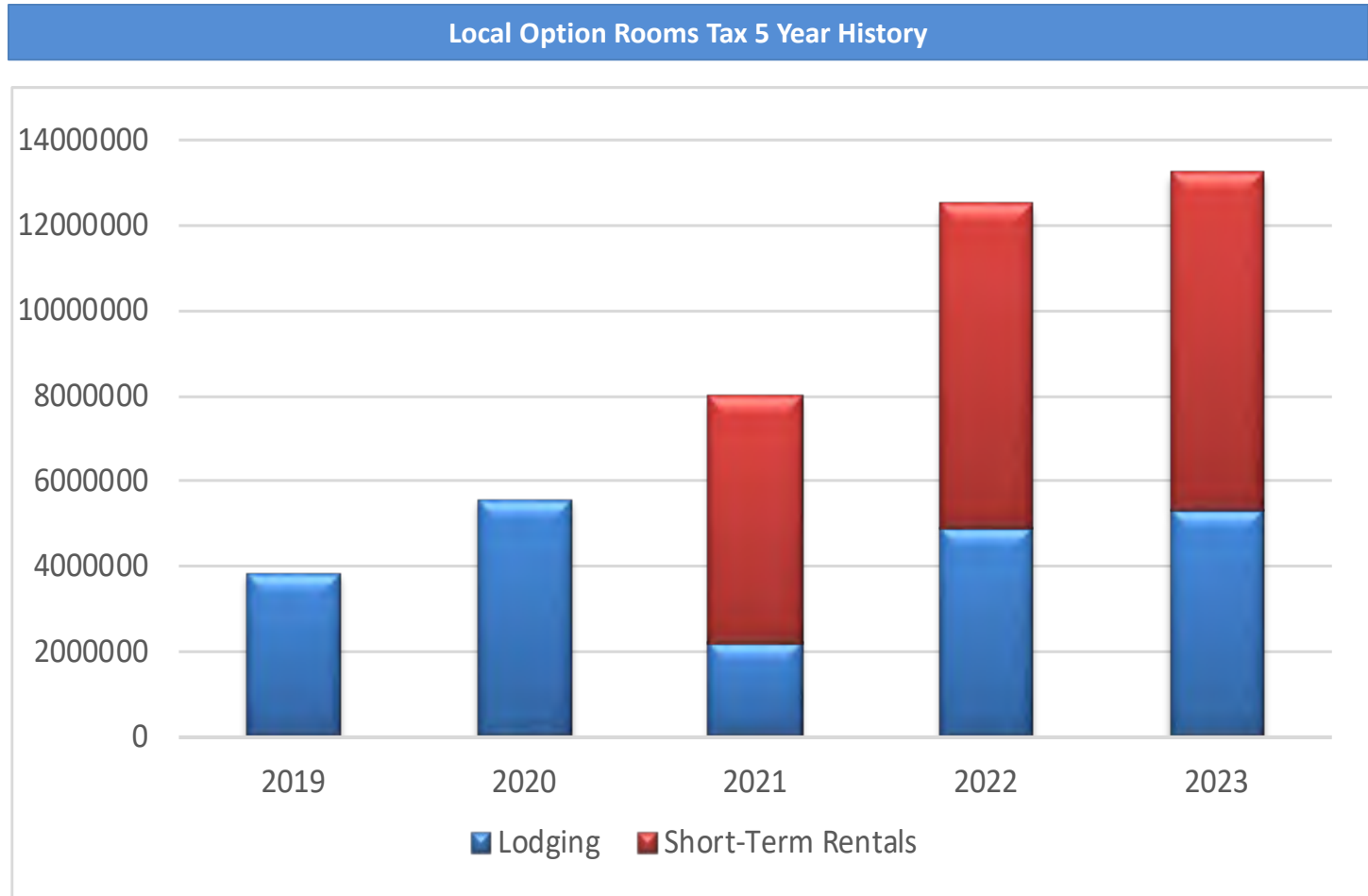
(3) Two years of CPE were received in FY2021

(4) In FY2022 the Town didn't receive CPE payment

(5) Voter Approved Override

(6) Includes Voter Approved Override

Historical Information



Fiscal Year 2025

Town Manager's Budget Message

(July 1, 2024 – June 30, 2025)

Town of Nantucket, Massachusetts
16 Broad Street
Nantucket, MA 02554
<https://www.nantucket-ma.gov/>



Photo credit: Maureen DiLuca

TABLE OF CONTENTS

I.	Transmittal Letter.....	3
II.	Introduction.....	5
III.	Overview of FY 2025 General Fund Budget.....	14
	A. Projected FY 2025 General Fund Revenues	
	B. Projected FY 2025 General Fund Expenses	
IV.	FY 2025 Town Administration General Fund Budget Recommendations.....	16
V.	Current and Future Year Considerations.....	19
VI.	Conclusion.....	22

APPENDICES

- A. Enterprise Funds Subsidies and Retained Earnings
 - a. Our Island Home
 - b. Solid Waste
- B. FY 2024 Cherry Sheet
- C. Strategic Plan Summary (Adopted October 24, 2018, updated September 11, 2019, and pending October 2023)
- 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 Post-Employment Benefits (OPEB) Trust Fund
- K. Price Waterhouse Cooper Article/Medical Cost Trends 2024
- L. Articles
 - a. Nantucket Real Estate Market Insights by Fisher Real Estate
 - b. State of the Economy
- M. FY 2025 General Fund Revenue Breakdown
- N. General Fund Debt Service Schedule
- O. FY 2025 General Fund Expenditure Breakdown
- P. FY 2025 Approved Expense Increase Requests
- Q. List of Collective Bargaining Agreements
- R. FY 2025 Expense Increase Requests
- S. Coastal Resiliency Completed Projects



TOWN OF NANTUCKET
Office of Town Manager
16 Broad Street
Nantucket, Massachusetts 02554
508-228-7200

C. Elizabeth Gibson, Town Manager

December 13, 2023

Chair Holdgate and Members of the Select Board:

Enclosed please find the Town Manager's Proposed General Fund Budget for Fiscal Year 2025 (July 1, 2024 - June 30, 2025) in accordance with the requirements of the Town Charter (Article IV, section 4.2(3)). The proposed budget would increase by 6.5% over the FY 2024 budget.

The proposed FY 2025 General Fund operating budget of \$122,733,634 represents an increase of \$7,464,535, of which the Town operating budget is proposed to increase \$2,994,111, Nantucket Public Schools \$2,851,408 and all other operating items including debt service, insurance, and retirement of \$1,619,019. Increasing the School budget will continue the strong commitment and investment in public education and address emerging issues and regulatory requirements.

Overall, General Fund revenue is projected to be \$152,389,045 and total General Fund expenses \$152,252,602. This leaves unused levy capacity at \$136,543. Unused levy capacity is the real and personal property taxes that the town does not raise in the tax rate in a given fiscal year. The unused projection for FY 25 leaves very little margin for flexibility.

Each year, Free Cash is certified as of June 30 for appropriation as of July 1. The June 30, 2023 certification is \$22,066,661. Free Cash, in accordance with the Town's financial policy as adopted by the Select Board, is to be used for one-time operating expenses, capital, or to add funds to the stabilization accounts.

Like all Massachusetts municipalities, Nantucket is dependent on Property Taxes as a source of funding for Town operations, with 80.0% of its revenues coming from this source. Other sources include Rooms and Meals Tax (10%) State Aid (3.0%), Other Local Revenues (such as licenses and permits) (7.0%).

The financial health of a municipality is partly reflected in its credit rating for borrowing funds. Since 2018, Nantucket has earned a Aaa credit rating, the highest possible, by Moody's Investors Service. The proposed budget maintains the sound fiscal practices that earned this rating.

Major expense categories of the budget include debt service for voter-approved projects, pension, health insurance and compensation. Health insurance is expected to increase by 10% over FY 2024, while the Town will see a decrease in debt service of approximately \$2,000,000 due to debt

retirement.

With the increase in value of the stock market and the Town's continued commitment to funding long-term liabilities, the funded status of Nantucket's portion of the Barnstable County Retirement System and Other Post-Employment Benefits (OPEB) Trust fund has improved.

Town of Nantucket status within Barnstable County Retirement System

As of the January 1, 2022 Actuarial Valuation, the Town of Nantucket has a Net Pension Liability of \$56,934,193. This represents 10.35% of the total pension liability of the Barnstable County Regional Retirement System. The pension system is still on track to be fully funded by 2038.

Town of Nantucket Other Post-Employment Benefits (OPEB) Liability

As of the June 30, 2023 Actuarial Valuation, Nantucket has a net OPEB liability of \$125,584,139. Nantucket continues to appropriate money annually to the OPEB Trust Fund in accordance with the policy adopted by the Select Board. Once the pension system is fully funded, the annual pension appropriation will be directed into the OPEB Trust Fund.

Total Budget Plan

The total General Fund budget includes funding for all Town programs and services apart from those Enterprise Fund operations supported all or in part by user fees, including Nantucket Memorial Airport, Sewer Department, Solid Waste, Our Island Home and the Nantucket Water Department.

Town Government Budget

As part of the budget process, the Town has identified the following priorities that help shape the formation of the FY 2025 Town Government budget:

- Securing Town employee and community workforce housing
- Ensuring competitive wage and benefits for employees
- Providing an increased level of funding for essential services such as public works, facilities, and coastal resiliency
- Enhancing government services by increasing staff to meet the needs of the community both seasonally and year-round

Conclusion

The FY 2025 General Fund budget continues Nantucket's proud tradition of being financially sound while providing funds for important programs and services. I would like to thank the Department Heads and their staff members who worked with us throughout this budget process.

Sincerely,

C. Elizabeth Gibson
Town Manager

II. Introduction

The FY 25 budget has been constructed with caution, realism, recognition of impending challenges, and an eye toward ensuring continuity of municipal services. Our major initiatives, and their funding, link back to the Select Board Strategic Plan. The initiatives and resources included in this budget form a significant part of our service commitment to the residents of Nantucket.

Creating affordable, attainable, safe, and stable housing for both residents and Town employees remains the Select Board's overarching mission and Town Administration's main focus. The housing crisis continues to impact the Town's ability to deliver services. We have numerous Town employees without stable housing, and it continues to be a serious impediment to recruitment. Stable housing is generally positively correlated with a stable workforce, and we have a lot of work to do on both.

The Town remains greatly impacted by workforce challenges with numerous vacancies in Town Departments and a high "quit-rate" of staff. We continue to struggle to attract talent and our vacancy rate of 15% remains stubbornly high. We are hopeful newly negotiated union contracts and a Classification and Compensation Study for the non-union employees will help improve recruitment and retention. We continue to request your patience as the Town adjusts to this challenging environment.

Equally significant are the global economic challenges which dictate a cautious approach to budget development. A hawkish Federal Reserve Bank is committed to reducing inflation. Its fight to manage the delicate balance of containing inflation without tipping the economy into recession continues. While stock markets have emerged from bear market territory, a soft landing for the economy is not a certainty. However, what is certain is that inflation has eroded discretionary income which could impact future Town tax receipts. Therefore, we remain realistic and cautious that declining discretionary income due to recession and inflation could lead to reduced economic activity on the island in the coming year. Locally we see mixed indicators, where despite higher interest rates, the Island's real estate market and associated activities (building permits, sewer permits) remain robust. Registry of Deeds receipts are on par with the prior year. Room occupancy tax revenue for the first quarter of FY 2024 has exceeded the amount collected last year, however, we are not confident that is a reliable indicator of future revenues. We remain cautious about becoming reliant on the room occupancy tax as a predictable source of revenue.

Finally, we strive to commit our attention and resources to projects prioritized by the Select Board. Work on new ideas, initiatives, concepts or citizen requests occurs only when resources become available. While the tasks we have ahead of us are substantial, we know that we are stronger as a group. We all must accept that others may have differing points of view, but it is only *together* that we will be able to accomplish all that is in this budget.

Below we highlight some of the major challenges facing the Town in the upcoming budget period.

Challenges

Strategic Plan Initiatives

The Select Board held its annual Strategic Plan review and refresh retreat on October 24, 2023. During this retreat, Town Administration presented an update of accomplishments in each of the five strategic planning Focus Areas, as well as highlighting three projects to demonstrate the complexities and challenges of completing Strategic Plan initiatives. These projects included housing and property management for Town employees, the Surfside area roads project, and the search for a new police chief. Each of these projects highlighted the Town's ability and capacity to address both planned for and unforeseen challenges and demonstrated the need for realistic implementation expectations when adding new items to the Strategic Plan.

The most significant hurdle remains stable, affordable housing to recruit and retain staffing levels needed to accomplish strategic and operational goals. Unstable housing leads to employee turnover which reduces productivity and increases costs. The Board acknowledges the impact this staffing crisis has on Town operations and supports the Town's efforts to purchase and create housing opportunities for Town employees but understands the limitations of these efforts. Adequate and affordable housing remains fundamental to ongoing operation of the Town, with \$67 million appropriated since FY19 to help accomplish these initiatives. Additionally, in 2023 voters approved \$6.5 million annually to fund critical year-round housing initiatives.

At its October 2023 retreat, the Board thoughtfully reviewed each of the five Focus Areas in the Strategic Plan, and their corresponding aspirational statements and decided to replace "Quality of Life" with "Healthy and Vibrant Community" to better identify the intent of the Focus Area and broaden the scope to achieve this goal for Nantucket's residents, businesses, and visitors. The five Focus Areas are Housing, Transportation, Environmental Leadership, Efficient and Effective Town Operations, and Healthy and Vibrant Community. The updated plan (Summary found in Appendix C) contains several initiatives that continue to require funding. The updated plan is also available on the Town website.

Major Projects

Nantucket has many large, complex municipal projects that are currently either in progress, in development, or planned for the next few years. These projects vary widely from transportation upgrades to new facilities to complex and costly resiliency enhancements. Execution of major projects on Nantucket continues to be a challenge due to lack of personnel to manage multiple projects, remote location, public procurement, escalating costs, and competing priorities. Through the Town's robust capital improvement plan (CIP) process, the Finance Department and the Capital Program Committee have a well-defined roadmap of major projects to be completed over the next decade.

However, the Town faces financial and execution "collisions" relative to project funding and management:

- A financial collision where large sums of money will be required to be borrowed to construct, maintain, and improve island-wide assets, and

- An execution collision where many large and complex projects simultaneously compete for limited non-financial resources, such as staff capacity, scarce building materials, permitting and currently unknown, but emerging critical capital projects such as coastal resiliency and PFAS.

These two collisions create risks with the financing, execution, and implementation of the CIP over the next 10 years. The current CIP projects a funding requirement of more than \$800,000,000 over the next 10 years, with more than two dozen major capital projects in the CIP over the next decade.

The financial collision results from previously authorized projects, projects in the forward-looking CIP, and an increasing number of debt exclusions. The Town has approximately \$64,000,000 in approved authorizations for projects in addition to the \$800,000,000 of additional projects in the CIP. These prior and proposed authorizations could put the Town's Aaa rating at risk, leading to higher borrowing costs if projects are not initiated and completed in a timely manner. A sample of the more than two dozen major capital projects in the plan over the next decade, include:

- Our Island Home (new facility)
- Town Employee Housing (to be constructed on Town property)
- Central Municipal Building (new facility)
- New DPW Campus at a new site (plus, potential repurposing costs for existing site)
- Baxter Road Alternative Access (most likely this cost will be offset by betterment assessments; however, the funds to construct will need an initial appropriation)
- Somerset Sewer Extension
- New Middle School
- Coastal Resiliency projects

The execution collision is a result of the Town's limited ability to execute and deliver the CIP. The Town is resource-constrained and has a backlog of funded projects. Constraints include:

- Budgeting and staffing of a Program Management Office to properly sequence competing projects
- Staff resources to deliver important project components such as project scope, timeline and milestones, technical and quality specifications
- Management oversight
- Competing priorities and ongoing supply chain challenges
- Unknown permitting timelines
- Local objection to a given project slowing its execution
- Unexpected, time-consuming emergent issues requiring some project re-prioritization

The scope and complexity of managing major projects is of substantial concern. Successful execution requires strong discipline and difficult choices and trade-offs will need to be made.

Our Island Home (OIH)

In recent years we have noted the financial challenges of operating the Town's municipally operated nursing home (the only municipally operated skilled nursing facility in Massachusetts).

While the financial challenges and staffing shortages persist, OIH has been able to maintain its staffing levels through expensive engagement with travel nursing agencies. The regulatory environment for skilled nursing facilities remains as challenging as ever and we have outsourced a very competent management team that is engaged in the day-to-day operation of the facility. As noted in previous budget messages, OIH does not generate enough revenue to fully fund its operations, however it has increased revenue significantly through efficient operations in FY23 and into FY24. Historically, there are a variety of reasons for revenue challenges, including the relatively small number of beds (licensed for 45), collective bargaining agreements, regulatory requirements, and maintenance and repair of an aging facility. Most significantly, Federal and State reimbursements do not cover the daily cost of care for a resident. Currently, for FY 2024, the budgeted OIH subsidy from the General Fund is \$5,125,000.

On a positive note, FY23 brought an increase in revenue to OIH of \$1,000,000 and the positive trajectory remains in place into FY24. Much of this is due to the recovery in the daily census. The average daily census has improved from 31 in FY22 to 40 in FY24. We are cautiously optimistic about the census moving into FY 25. There has also been a significant increase in the Medicaid rate for OIH due to some relief from the State as well as improvements in clinical documentation resulting in higher reimbursement. Another significant improvement was a 40% increase in the private pay census for FY23. We are optimistic the trend will continue.

The work on developing the new OIH facility at Sherburne Commons is progressing with the Owner's Project Manager and architect/design firm in place using funds approved at the 2022 Annual Town Meeting. The Town has developed a work group comprised of community and provider members to work with the project team on the new facility.

Solid Waste

The Waste Services Agreement (WSA) with our landfill operator, Waste Options, expires on November 30, 2025. For several years, we have been working internally on various scenarios, options, and cost projections for consideration as the contract expires. We are also developing a Request for Proposals (RFP) to solicit a contract operator to provide solid waste management services at the Madaket Road site after the WSA terminates. The work continues with one Select Board representative and one Finance Committee representative providing valuable policy input and guidance.

Last year we outlined some of the areas of investigation with respect to the solid waste operation. We continue to grapple with many of the following questions and have come to realize that many are significantly impacted by changing, or potentially changing, technological innovations or regulatory change. An issue we thought we may have decided upon a year ago, may very well be an open issue today because of the dynamics of technology and policy.

1. What goals, programs and/or incentives should be adopted with respect to waste reduction, including recycling?

The Town of Nantucket needs to establish a mechanism to separate food waste/organics from non-compostable and non-recyclable mixed solid waste (MSW). We should consider removing paper from the composting waste stream and baling it separately for recycling. Feasible ways to accomplish this without being overly burdensome to commercial

haulers might involve including paper with mixed recyclables; alternatively, there might be a colored bag program for food waste/organics, and possibly Non-Recyclable Non-Compostable (NRNC) wastes. In this scenario, the recyclables would remain in the clear bags to easily identify the recycling type. The Town's Solid Waste Team is currently reviewing options and evaluating the best way to achieve better waste sorting and handling in conjunction with planned changes to the WSA.

2. Should Composting Facility operations continue after 2025? Are there alternatives?

The Composting Facility is effective for processing food waste and organics to eliminate pathogens and reduce volume without creating odors. Alternatives can be less effective and more costly. The Town's Solid Waste Team and consultant are working to evaluate alternative technologies capable of handling this type of waste.

3. If the Town continues with the composting operation, should the Town buy/own the Composter? Should the Town own/operate/lease the Transfer Station?

This has been addressed through discussions with the Town Manager's Long-Term Solid Waste Planning Work Group and Select Board. Owning these assets is a critical aspect to the development of the RFP for a new WSA and operation of the solid waste facility. Moreover, the existing WSA provides an economic way to purchase the Composter either for continued operation or to be re-purposed, and the Transfer Station is an extremely versatile asset that can be economically purchased but could not be readily or economically replaced.

4. What waste disposal alternatives are feasible and realistic, including pyrolysis, shipping off-island, incineration?

Each has their challenges. Conventional incineration is not permitted in Massachusetts under a general MassDEP moratorium in place since the 1990s and is not being considered. The Town already faces challenges transferring construction and demolition (C&D) waste to the mainland, due to both limitations on available commercial ferry capacity and the huge shortfall of disposal capacity in southeastern New England. Massachusetts sends train loads of MSW and C&D waste to landfills as far away as Ohio, South Carolina, and Alabama. Shipping more waste off-island would make Nantucket more vulnerable to the risks and cost increases of long-haul of waste outside the region already being experienced. On the other hand, emerging technologies that utilize new approaches to pyrolysis and gasification might be attractive for at least some waste stream components. The Town is reviewing opportunities for local development of modular facilities of appropriate scale that utilize these technologies.

5. Should the solid waste operation remain at Madaket Road, given sea level rise and climate change impact projections? What would it take to relocate it?

The landfill cells and the waste within the landfill cannot be relocated. The landfill is a critical asset to the Town and should be utilized and further developed to its fullest potential while the Town evaluates other long-term waste handling and disposal options. This allows the Town the time needed to research new technologies that could possibly

enhance or lengthen the useful life of the landfill. Current off-island disposal costs are tracked and evaluated in conjunction with long-term solid waste planning efforts and documentation can be provided to interested parties.

6. Is there one vendor; or more than one who could realistically operate one or more components to the Town's solid waste facility?

The Town of Nantucket's Solid Waste Team have been in contact with five potential contractors, in addition to the Town's current Operator, Waste Options. All contractors have expressed potential interest in submitting proposals in response to the upcoming RFP.

We continue regular workshops with the Select Board to share and review information we have gathered and to seek policy input.

Sustainability and Coastal Resiliency

Another priority of the Select Board which has significant budgetary implications is Sustainability. Sustainability is focusing on environmental, economic and social issues, and looking for ways of meeting the needs of the present without compromising the ability of future generations to meet their own needs. Overall, the Town's sustainability efforts will help local climate change efforts and respond to impacts such as sea level rise, flooding, erosion, extreme temperatures and extreme weather events. Responses to some of these issues have taken shape within the Sustainability Focus Area, of the Select Board Strategic Plan through Coastal Resiliency. In 2025 the Town intends to hold a second two-day conference for staff, Select Board and members of the public to workshop priorities of the Coastal Resilience Plan. Significant financial hurdles are on the horizon.

The scope and cost of these plans will present serious challenges to the Island's taxpayers. The Coastal Resilience Plan has been integrated into the Town's 10-year Capital Improvement Plan as of FY23 to provide a more robust forecast of future financial requirements upon the Town. The critical projects identified between now and 2035 may cost the Town as much as \$500,000,000. 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. In FY24, the Natural Resources Department through its Sustainability Program was awarded a \$421,875 Coastal Zone Management (CZM) state grant to begin investigations of a Downtown Neighborhood Flood Barrier for the Easy Street and Broad Street areas. It is hoped that this is a gateway to larger grants to offset costs.

Continuity and Financial Strengths

- The Town's bond rating was maintained at the Aaa level by Moody's Investor Services in June of 2023 (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 14 (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 2024 and FY 2025 was certified by the state Department of Revenue on November 3, 2023 at \$22,066,661. Pursuant to Town policy and best management practices, Free Cash is used for non-recurring items such as capital projects or other one-time expenses. See Appendix E for a five-year history of certified Free Cash and the Town's budget policy.
- The Stabilization Fund remains strong with a balance of \$7,664,198 at the end of FY 2023 (Appendix F). Best management practice is to hold reserves that are 10% of the budget. Using an approximate budget of \$120,000,000, the Stabilization Fund balance is approximately 5% of the budget. Combined with the 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) and continue to commit \$1,000,000 annually to it.
- The Town maintained a balance of \$2,676,448 in its Capital Projects Stabilization Fund at the end of FY 2023. The current balance represents 1.8% of General Fund expenditures. Best management practice is to hold capital projects reserves which meet or exceed 3% of the budget. The town continues to work towards this as is demonstrated by the nearly 100% increase over last year's reserves of .94% and an annual appropriation commitment of \$1,000,000.
- 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 2025 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 in the first quarter of FY 2024.
- For FY 2024, new growth is estimated to be \$1,750,000, representing an increase of \$350,000 from FY 2023 (25% increase). This increase continues to be attributed to the increase in building on the island.
- In January of 2019, the state enacted 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 2024 remain strong. The Select Board has discussed reserving some amount for specific purposes, including affordable housing, human services, infrastructure improvements and maintenance. It would be prudent to have a better picture of how much additional revenue we may be consistently realizing from this expanded tax before commitments for its use are made. Room occupancy tax revenue for the period of June 2023 through September 2023 was higher than the same period a year ago.

- The Town has maintained its commitment to funding the OPEB Trust Fund (Other Post-Employment Benefits) with annual contributions of \$500,000 since 2015, thereby lowering its net liability. The balance of the OPEB Trust Fund at the end of FY 2023 was \$6,438,196 (Appendix J). We continue to fund an annual appropriation of \$500,000.
- 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, Barnstable County remains in the top half in terms of retirement funding levels.
- The Town continues to work with its health insurance consultant, monitoring utilization and exploring ways to mitigate the risk and reduce the overall cost of insurance. (See Appendix K, Price Waterhouse Cooper (PWC) article June 2021).

Caution

In the same way we cautioned about revenues and expenses in last year's budget, we are closely monitoring economic trends and continuing our cautious approach to both revenue and expense projections. Revenue projections are clouded by the possibility of a recession and expense projections are meaningfully impacted by stubbornly high inflation. Additionally, rising wage demands are impacting the financial positions of public companies and municipalities alike.

Just as central banks have a balancing act between subduing inflation and tipping the global economy into recession, so too, the Town faces a delicate balance of managing the increasing demands of a growing island community while remaining within the levy limit. As we head into FY 2025, the Town's ability to fund expanding demand for programs, provide ever more services, maintain quality of life, and maintain facilities and infrastructure will be stretched. Addressing the expanding demand requires a stable workforce and we must acknowledge the difficulty of attracting, retaining, and housing employees.

In summary, the FY 2025 budget is particularly challenging due to its many "unknowns". What impact will inflation have on existing project plans? Will we still have sufficient funding for our capital plans? How quickly can we bring more housing online? Will we come together as a community, or will we succumb to incivility? One of the few things we can say with certainty is that difficult choices will need 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 growth 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 2025 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).

As a result of economic risks and increasing demand we continuously review actions that would allow us to address a slow-down in economic activity. These include:

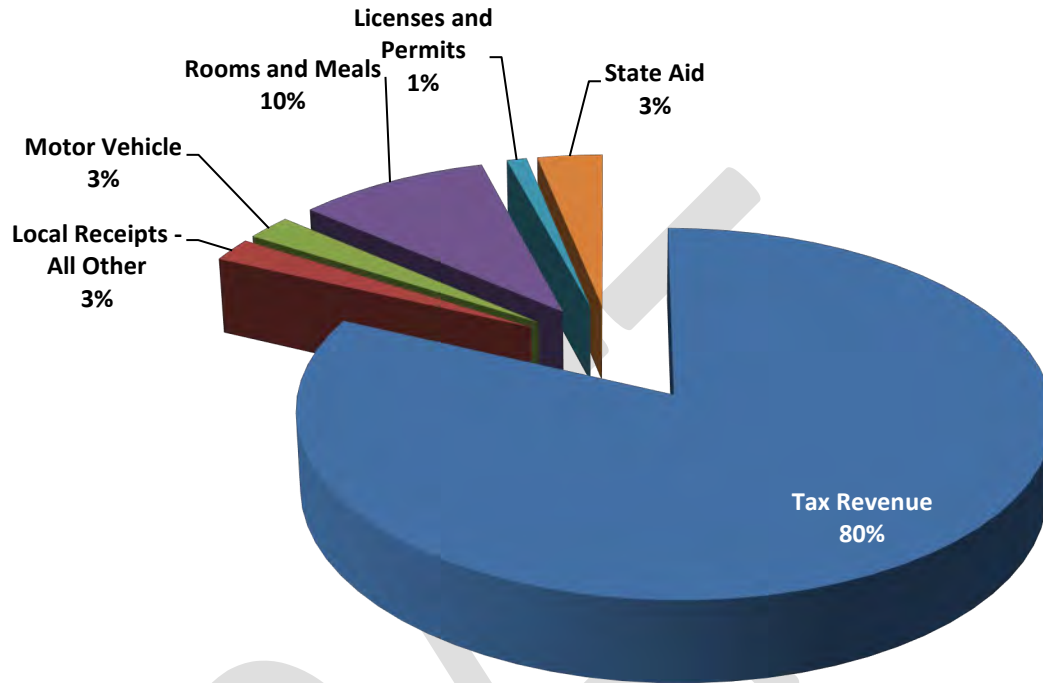
- review all municipal services for reduction or elimination – in other words, an “Austerity Budget”
- review options for reduction-in-force
- enforce a hiring “freeze” or “chill”
- eliminate unexpended budget increases, including vacant positions
- reduce the NRTA year-round service (would have a delayed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

Civility

Unproductive, mean-spirited civil discourse has become mainstream nationally and has also found its way to our island. It has caused distraction, created delays, divided our community and without question comes at a cost. A Harvard Business Review study found that when treated in an uncivil manner, nearly 80% of employees lost work time worrying about the situation, and their job commitment declined. Nearly 50% of workers stated they intentionally reduced their work effort and their time spent at work. Our challenges around housing, staffing, and the escalating cost of living are large enough on their own, we do not need unhelpful, uncaring and often personal attacks permeating how we engage as a community of islanders. We all must do better.

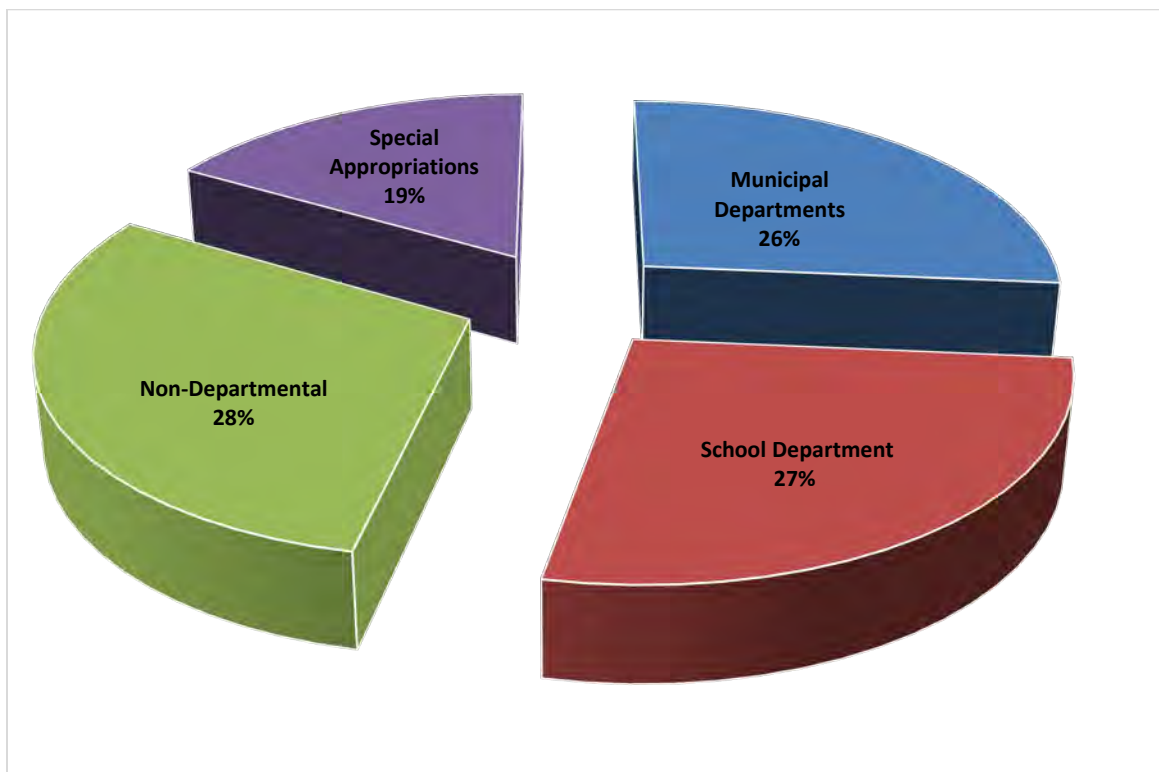
III. Overview of FY 2025 General Fund Budget Projection

A. Projected FY 2025 General Fund Revenue



Refer to Appendix M for a detailed breakdown of the FY 2025 proposed General Fund revenue as compared to the FY 2024 approved budget.

B. Projected FY 2025 General Fund Expenses



The proposed FY 2025 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 2025. While the Town did realize cost savings because of plan design changes in FY 2019, and while utilization rates have been lower in the past few quarters, we do expect rates to rise near the end of FY 2024 and into the beginning of FY 2025. The continued rise of medical rates inflation is expected to have an impact on the FY 2025 health insurance budget.
 - General Insurance is projected to increase 14.7% from FY 2024, 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 and will decrease in FY 2025 due to the retirement of previously-issued bonds. However, the Town will see an upward trend over the next 2-3 years, as new borrowings are undertaken for approved projects not yet started. (Appendix N)
 - The Barnstable County retirement assessment is assumed to increase 8.5% in FY 2025.

- General Fund subsidies to the following Enterprise Funds and Affordable Housing Trust Fund are projected for FY 2025:

- Solid Waste operations - \$10,846,765
- Affordable Housing Trust - \$6,662,500
- Our Island Home - \$5,384,453
- Stormwater - \$512,000

- Minimum capital funding requirement of \$1,589,947, 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 2025 will be the 9th consecutive year in which a contribution to this Trust Fund is made. The balance of the fund at the end of FY 2023 is \$6,438,196 (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 \$825,000 for FY 2024. The funding is split between a \$650,000 contribution from the General Fund and \$175,000 from the Special Purpose Stabilization Fund for Substance Abuse.

Refer to Appendix O for a detailed breakdown of the FY 2025 proposed General Fund expenses as compared to the FY 2024 approved budget.

IV. Town Administration Expense Increase Recommendations

Background

Over the past decade, 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
 Diversity Equity and Inclusion Assessment

FY 2025 Expense Increase Requests

Departmental expense increase requests (EIR) for FY 2025 are shown in Appendix P, separated into categories of:

Personnel Requests
 Expense Requests – One-time
 Expense Requests – Ongoing

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 and 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 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)

To fund these, 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
- 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:

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs *
Personnel Expense Increase Requests (EIRs)			
HR	Position reclassifications	One-time	50,000
Fire	4 additional firefighters	Ongoing	449,027
Fire	Overtime increase	Ongoing	100,000
IT	Deputy IT Director	Ongoing	158,511
PLUS	Administrative Specialist	Ongoing	94,025
Public Works	Laborer	Ongoing	98,374
Public Works	Senior Equipment Operator	Ongoing	101,723
Public Works	Maintenance Technician	Ongoing	105,134
Public Works	Central Fleet Maintenance Technician	Ongoing	105,134
Town Admin/Real Estate Office	Paralegal*	Ongoing	-
Town Admin	Town Committee Coordinator*	Ongoing	-
Total Personnel Expense Increase Requests			\$ 1,261,929

* Not included in recommendations, currently under discussion

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs
One-Time Operating Expense Increase Requests (EIRs)			
Communications	Community Survey	One-time	24,000
HHS/NR	Education and Compliance Specialist - Consultant	One-time	50,000
Town Admin	EV Replacement Vehicle	One-time	45,000
Town Admin	Grant Application Support	One-time	100,000
Town Admin	Project Management Software & Support	One-time	175,000
Town Clerk	Increase to Election Workers	One-time	12,400
Town Clerk	Increase to Postage	One-time	4,500
Town Clerk	Increase for Presidential Election (poll pads, ballot box, etc)	One-time	7,000
Communications	GLOBO Translation/Interpretation Services	Ongoing	20,000
Total One-Time Operating Expense Increase Requests			\$ 417,900

Department	Description of Expense Request	One-time or Ongoing	Approved EIRs
Ongoing Operating Expense Increase Requests (EIRs)			
DEI	Guest Speaker Series	Ongoing	4,000
DEI	Professional Development	Ongoing	4,000
DEI	Community Outreach	Ongoing	3,000
Fire	Increase Training	Ongoing	20,000
Fire	Increase Safety Uniforms	Ongoing	12,000
Fire	Increase Safety Protective Clothing	Ongoing	20,000
Fire	Increase Books/subscriptions	Ongoing	6,000
HHS	VNA, needle disposal, and weights and measures costs	Ongoing	10,000
HR	NeoGov services	Ongoing	22,678
HR	Interim market adjustment review	Ongoing	10,000
IT	Software licensing, hardware support and technology services	Ongoing	34,388
Public Buildings	Increase Electricity	Ongoing	50,000
Public Buildings	Increase Propane	Ongoing	20,000
Public Buildings	Increase Water	Ongoing	8,000
Public Buildings	Increase Repair & Maintenance: Building	Ongoing	10,000
Public Buildings	Increase Professional Services on-call engineering services contract	Ongoing	100,000
Public Buildings	Increase Custodial	Ongoing	50,000
Public Buildings	Increase Telephone	Ongoing	20,000
Public Works	Increase Rentals/Leases	Ongoing	7,000
Public Works	Increase Property: Trees	Ongoing	40,000
Public Works	Increase Other: Licenses	Ongoing	19,300
Public Works	Increase Safety: Uniforms	Ongoing	6,000
Public Works	Increase Safety: Protective Clothing	Ongoing	5,000
Public Works	Increase Road Materials	Ongoing	85,000
Street Lighting	Increase Electricity	Ongoing	35,000
Town Admin	Increase to Strategic Plan funding	Ongoing	50,000
Town Admin	Equipment	Ongoing	10,000
Total Ongoing Operating Expense Increase Requests			\$ 661,366

Total Town Operating Expense Increase Requests			\$ 1,079,266
Total Town Personnel & Operating Expense Increase Requests			\$ 2,341,195

V. Current and Future Year Considerations

Sustainability

In October 2023 the Select Board updated its definition of “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.

The Town has many complex and critical sustainability projects in its near and long-term future which are necessary to maintain its fragile ecology, historic character, and world class resort reputation. In FY22, the Town created a Sustainability Program within the Natural Resources Department and hired a Sustainability Program Manager in FY23 to ensure integration of this sustainability principle on town wide operations. The Manager oversees various sustainability efforts such as the Town’s Coastal Resiliency Plan, Green Communities Plan, and Hazard Mitigation Plan. The Manager also convenes an interdepartmental Sustainability Workgroup consisting of the Assistant Town Manager for Special Projects, Coastal Resilience Coordinator, Director of Natural Resources, Director of Public Works, Energy Coordinator, Environmental Contaminant Specialist, Manager of Strategic Projects, Preservation Planner, Stormwater Manager, Solid Waste Coordinator, Transportation Planner, Town Manager and Water Quality Biologist, with ad hoc representation from various island agencies such as the Nantucket Land Bank, Nantucket Land and Water Council, and Nantucket Municipal Airport.

Coastal Resiliency/Infrastructure/Planning

Global warming, climate change and sea level rise are frequently identified in the news media and through scientific research 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 (CRP). (<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. In 2022, Select Board members, Town staff and members of the public participated in a two-day Design Thinking Workshop to increase familiarity with the CRP and associated issues and to build consensus among staff and boards around the CRP and ways to move forward. The group of ~35 attendees first defined opportunities within the CRP and then on the second day established success metrics for each opportunity. The Coastal Resilience Advisory Committee used this as a metric to move forward priority one projects in the CRP and as it currently stands, 20 of the 40 projects are progressing with 9 of these underway and 5 already completed within 2 years of the CRP being finalized (Appendix S). As with all major projects on the island, advancement or completion of these complex resiliency projects are subject to competing priorities, funding, and personnel resources to be successfully managed.

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, have been reassessed to include renovation of existing infrastructure rather than a complete reconstruction of the area.

The passage of Article 10 at the November 7, 2023 Special Town Meeting will fund the first big project of the Parks Master Plan: expansion and improvements of the Nobadeer Athletic Complex. Delays and potential changes to the School Department's Campus Improvement plan have caused portions of the Master Plan around the Delta fields to be reimagined. This process and planning will continue to evolve in FY 2024 and FY 2025 as we continue to evaluate the Island's recreation and athletic needs.

In FY 2025 the reconstruction of the Jetties Tennis Courts along with the addition and renovations of playgrounds in various locations are planned if funding is approved at the 2024 Annual Town Meeting.

Collective Bargaining

In FY 2024, the Town completed negotiations with most of its unions for contracts through June 30, 2026. Negotiation for contracts expiring in FY 2026 will commence in FY 2025 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://www.nantucket-ma.gov/2384/Labor-Agreements>

Per and Polyfluoroalkyl Substances (PFAS)

Communities around the Commonwealth are becoming more aware of the need to acknowledge and address 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. Because concerns have been raised regarding human health and ecological risks associated with certain PFAS chemicals, the Town has voluntarily engaged in multiple contracts with CDM Smith, Inc, an environmental engineering and construction firm located in Boston, MA, encumbering over \$1,400,000 since July 2020 to assist the Town in various efforts regarding its long-term PFAS assessment and analysis. PFAS-related projects range from a multi-phase island-wide PFAS assessment of municipal properties to a complex Wastewater Treatment Facility Aeration Tank Foam and Landfill Leachate Baseline Study. A \$8,300,000 public water main expansion project west of Nantucket Memorial Airport begun in November 2023 is being funded by the Massachusetts Department of Environmental Protection (MassDEP) State Revolving Fund as part of the Town's extensive PFAS efforts. Additionally, the Town hired a full time Environmental Contaminant Specialist in the Department of Public Health in FY 2022 to assist with long-term strategies regarding PFAS and other public health contaminants.

Because these efforts are voluntary, to ensure transparency and proper protocols the Town is following MassDEP guidance and testing requirements of as it pertains to PFAS. More information is available at <https://www.mass.gov/info-details/per-and-polyfluoroalkyl-substances-pfas>. The Town's PFAS-related efforts are 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. The Town's response to PFAS can be found at <https://nantucket-ma.gov/1574/PFAS>

Diversity Equity and Inclusion (DEI) Initiatives

It was another productive year for the Diversity, Equity, and Inclusion (DEI) Office. Though there are many milestones to acknowledge, our primary accomplishment was the completion of our consultation with Tangible Development, LLC. Our work with Tangible Development created the town's first ever DEI Commitment Statement, formed the DEI Committee for Town employees, and produced a DEI Strategic Plan (completed in April 2023). Nantucket's DEI Strategic Plan has four focus areas: Communications (internal and external), Employee Training and Professional Development, Celebration and Appreciation and Harness Local and Diverse Talent. The outlook for implementation is approximately three years. Thanks to the consultation and with town leadership's support, Nantucket is preparing to launch the DEI Trainings Project in 2024, which will include a variety of presentations, trainings, and workshops to provide town employees with continued education and professional development opportunities related to DEI. The DEI Office continues to work within the community in a variety of ways such as supporting the Nantucket Civic League as a friend and advisor. It is also important to note that the DEI Office's work with the Massachusetts DEI Coalition continues. The Town of Nantucket remains steadfast in its support for the principles and purpose of diversity, equity, and inclusion.

Health and Human Services Funding

We propose to allocate \$825,000 to local health and human service agencies in the community for FY 2025. This funding allocation is the same as FY 2024 and continues to be among the highest of all towns in Massachusetts. The funding consists of a \$650,000 commitment from the Town's General Fund along with \$175,000 recommended to come from the Special Purpose

Stabilization Fund for Substance Abuse paid to the Town by the through the local option Cannabis tax. Each year, the Human Services Contract Review Committee reviews agency funding applications and recommends distributions levels to the Finance Committee and Select Board.

VI. Conclusion

The proposed FY 2025 General Fund budget can be funded within available revenue, while supporting new and on-going initiatives and positions and providing continuity of services. The list of challenges is long and includes funding the increasing demands for services from the community; retaining, attracting, and housing qualified employees; and, maintaining infrastructure while making it more resilient. Solid waste management, stormwater, PFAS and Town employee housing issues will all require significant focus in FY 2025. 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 Town Manager, Rick Sears, Assistant Finance Director, Susan Carmel and Assistant Town Accountant, Mariya Basheva.

Prepared by:

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