Town of Nantucket

Finance Committee

February 1st, 2025 – Minutes

REMOTE PARTICIPATION VIA ZOOM

Staff:	Libby Gibson, Town Manager, Rick Sears, Assistant Town Manager, Brian Turbitt, Finance Director, Susan Carmel, Assistant Finance Director, Steven Hunter, Financial Analyst, Kristie Ferrantella, Housing Director, Amanda Perry, HR Director, Michael Alvarez, Chief Technology Officer, Jeff Carlson, NRD Director, Leslie Snell, PLUS Director, Nancy Holmes, Town Clerk, Shantaw Bloise, Culture and Tourism Director, Roque Miramontes, Health Director, Drew Patnode, DPW Director, Michael Cranson, Fire Chief, Jody Kasper, Police Chief, Charles Gibson, Deputy Police Chief, Mark Willet, Water Department Director, David Gray, Sewer Director, Noah Karberg, Airport Manager,
Attending Members:	Denice Kronau, Chair, Peter Schaeffer, Joseph Wright, Jill Vieth, Jeremy Bloomer, Stephen Maury, Joanna Roche, Rob Giacchetti
Absent Members:	Chris Glowacki

Approval of Agenda and Overview of Town Fiscal Year 2026 Budget

- Denice Kronau calls the meeting to order and requests approval of the agenda.
- A motion to approve the agenda is made by Joanna, seconded by Peter. **Roll call vote: Joe Aye, Peter Aye, Rob Aye, Joanna Aye, Stephen Aye, Denice Aye. Passes Unanimously.**
- Libby Gibson provides an overview of the budget development process, including the issuance of budget instructions, preliminary projected expenses and revenues, and departmental budget reviews.
- The budget objectives include keeping the recommended operating budget within projected revenue, addressing priorities in the Select Board strategic plan, focusing on infrastructure maintenance and improvements, and managing town-controlled housing.
- Libby discusses the challenges of managing town housing units and the hiring of a rental property manager and deputy housing director.

FY2026 Budget Development Criteria and Revenue Considerations

- Libby explains the criteria for expense increase requests, including legal mandates, support for the Select Board strategic plan, and improvements in departmental operations.

- The Town has received a significant number of expense increase requests, but only a portion can be funded due to budget constraints.
- The revenue increase from the room occupancy tax is allowing the town to address areas that require additional resources.
- The Town is cautious about the use of this revenue due to potential economic impacts and changes in short-term rental regulations.

Overview of State Aid, Waste Services Agreement, Employee Retention, and Cybersecurity

- State aid is a concern due to the town's limited receipt of it in Nantucket.
- The Town is preparing for the expiration of the waste services agreement, which involves managing solid waste on Nantucket.
- The Town has invested significant time in preparing for the expiration of the waste services agreement, including an RFP process.
- Employee retention and housing, as well as community workforce housing, are ongoing select board goals with associated costs.
- The Town has a dedicated IT position for cybersecurity, and the cost could be enormous if the town system is compromised.

Workforce Plan Adjustments and Town Administration Budget

- Brian Turbitt explains the adjustments made to the workforce plan to account for high vacancy rates, including removing 25 positions from the budget.
- The town has hired a rental property manager for the housing office and is in the process of hiring a deputy housing director.
- The office is also looking at using AI for the development of meeting minutes and addressing committee coordination and compliance with the Open Meeting Law.
- The town administration budget includes departments of communications and real estate, with a focus on maintaining units on the subsidized housing inventory list.

Housing Office Budget Presentation

- Kristie Ferrantella outlines the goals and initiatives of the housing office, including creating affordable and attainable housing for the community and municipal workforce.
- The housing office has secured a seasonal communities designation and issued RFPs for the development of affordable housing.
- The office is managing about 40 units of housing for town employees and has one capital request for town employee housing.

Finance Department Budget Presentation

- Brian Turbitt discusses the goals of the finance department, including generating reliable financial statements and developing the capital planning software.
- The department is facing challenges due to environmental impacts and the recent announcement of pausing federal grants.
- The department is integrating capital requests and the town manager's budget message into Open Gov for fiscal year 2026.
- The department is also planning to update the capital program software to standardize reports and include tax rate impacts.

Human Resources Budget Presentation

- Amanda Perry outlines the goals of the human resources department, including advancing professional development opportunities and keeping up with collective bargaining.
- The department has developed local partnerships to bring students into municipal buildings and has held a professional development week.
- The department is planning for collective bargaining in fiscal year 26 and is centralizing internship funding for future employment opportunities.
- The department is also conducting a compensation and classification study to keep on top of market data and job descriptions.

Information Technology Department Budget Presentation

- Michael Alvarez discusses the goals of the IT department, including meeting regulatory mandates and implementing key projects.
- The department is planning a virtual server upgrade, plus scanning project, and Microsoft 365 license upgrade.
- The department is also looking to implement a new town phone system and potentially a new GIS specialist.
- The department is emphasizing the importance of cybersecurity training and is performing penetration testing to stay in compliance with insurance requirements.

Natural Resources Department Budget Presentation

- Jeff Carlson outlines the goals of the natural resources department, including implementing plans and policies and focusing on public outreach and collaboration.
- The department is requesting an increase in holiday pay for employees who work on holidays and has added significant equipment in the last couple of years.

- The department is working on several capital projects, including the downtown neighborhood flood barrier design, pond dredging, and the climate action plan.
- The department is also starting to see issues with the dock at Brant Point and is planning to adapt it to be safe and compliant with coastal resiliency plans.

Planning & Land Use Budget Presentation

- Leslie Snell gives a quick overview of the PLUS budget, going over the current year accomplishments and mentions an upcoming Master Plan event for the public.
- Denice Kronau inquires about the training for inspectors and how they keep up to date with new systems.
- Leslie explains that monthly meetings are held that they attend and are members of regional associations that keep up with the training and changes.

Town Clerk Budget Presentation

- Nancy Holmes outlines the goals of the Town Clerk’s department, including archiving of documents online and adjusting to changes of the voter registry program.
- The Expense Increase Requests for the department include purchasing cooling devices for Town Meeting and increasing the Town Meeting budget.

Culture & Tourism Budget Presentation

- Shantaw Bloise explains the goals for the C&T department are tied to the Select Board’s strategic plan and notes some accomplishments such as being certified as a passport acceptance facility, receiving grant funding for building repairs, and digitizing historic walking tour maps.
- Outlines the 5-year outlook noting some changes to the passport application process by the state and the redesignation as a cultural district.

Health & Human Services Department Budget Presentation

- Roque Miramontes discusses the goals of the Health & Human Services department, including supporting initiatives and addressing issues on the horizon.
- The department is requesting funding for a short-term rental compliance coordinator to manage registrations and ensure compliance with town regulations.
- The department is facing challenges from global health risks and environmental contaminants, which could impact the island's public health.
- The department is also working on shared services agreements with Martha's Vineyard and the state to address public health risks.

DPW Budget Presentation and Reductions

- Drew Patnode presents the DPW budget, highlighting the department's six divisions: Administration, Operations, Facilities, Parks and Recreation, Central Fleet, and Solid Waste.
- Drew explains the overall budget decrease of $300,000 for FY 26, achieved by identifying and eliminating redundancies.
- Specific examples of redundancies include reallocating repair and maintenance funds from the central fleet budget to the central fleet budget itself.
- Drew discusses the addition of a new equipment line item to institute a regular replacement schedule for equipment like plows and mowers.

DPW EIRs and Capital Requests

- Drew outlines various EIRs, including training costs for staff to obtain CDLs and hoisting licenses, and purchasing a new vehicle for the IT department.
- Drew details capital requests for central fleet, including two new vehicles for the assessor's office and a Ford E-Transit Van for the facilities team.
- He discusses the need to replace a front-end loader and a 10-wheel dump truck.
- For facilities, Drew supplemental design funding for the new DPW facility project and construction funding of $80 million.
- Drew highlights capital requests for Parks and Recreation, including natural grass maintenance equipment and attachments for the Toro outcross utility vehicle.
- Transportation-related capital requests include sidewalk improvements, road improvements, and multi-use path maintenance.
- Drew discusses two standalone transportation projects: the Tom Nevers bike path extension and the final design phase of the Pleasant Street and Williams Lane Complete Streets project.

Fire Department Budget and Staffing

- Michael Cranson, Fire Chief, discusses the fire department's mission and the need for increased paramedics.
- He explains the increase in call volume and the need for additional firefighters to cover all calls efficiently.

- Michael Cranson outlines the five-year outlook, including new requirements from the Massachusetts Office of Emergency Medical Services (OEMS) and the need for preventative vehicle maintenance.
- He mentions the need to replace a fire prevention vehicle and install suspended heating units in the apparatus bay.

Fire Department Training and Equipment

- Michael Cranson discusses the training program for firefighters to operate boats and the need for boat operations training.
- He confirms the purchase of a new ladder truck and two new fire engines, with a lead time of a few years for their construction.
- Michael Cranson explains the department's equipment setup, including two ALS ambulances and two BLS ambulances.
- He outlines the process for training firefighters to become paramedics and the incentives provided for completing paramedic training.

Police Department Budget Presentation and Challenges

- Jody Kasper discusses the department's mission and the challenges of retention and succession planning.
- She highlights the success of the community service officer (CSO) program in recruiting new officers.
- Jody Kasper mentions the acquisition of a multi-mission platform vessel and the Mobile Search and Rescue Tool (Aqua Eye).
- She outlines the ongoing accreditation process and the need for staffing stability.

Police Department Training and Compliance

- Jody Kasper discusses the department's compliance with the Peace Officer Standards and Training Commission (POST) and the need for ongoing training.
- She mentions the transition to digital training records and the implementation of body-worn cameras.
- Jody Kasper highlights the importance of maintaining up-to-date policies and practices.
- She discusses the challenges of providing housing for officers and the need for long-term solutions.
- Jody Kasper emphasizes the importance of succession planning for administrative and first-line supervisory positions.

- Jody Kasper discusses the department's efforts to maintain a fully staffed department and the impact of housing and family considerations on retention.
- She outlines the department's focus on training and development to support long-term success.

Review of Appropriation Articles for Annual Town Meeting 2025

- Brian Turbitt provides an overview of the appropriation articles, including unpaid bills, revolving funds, reserve funds, and general fund operating budget.
- He mentions the need to review and approve various budget transfers and compensation plans.
- Brian highlights the importance of setting spending limits for fiscal year 2026 and allocating funds for unexpected and emergency issues.
- He outlines the process for approving capital expenditures and the need to address any unused borrowing capacity from prior years.

Water Department Budget Presentation and PFAS Regulations

- Mark Willett explains the budget is largely unchanged from the previous year, with a focus on construction market forecasts and PFAS investigations.
- Mark Willett mentions the discovery of PFAS in well 15 and the need for an emergency treatment system, emphasizing the urgency of having a backup well for summer demand.
- Discussion on the impact of PFAS on the budget, both operationally and capital-wise, and the need for new source approval for a new well.
- Joseph Wright inquires about legal recourse for PFAS contamination, and Mark mentions being part of class action suits against chemical companies.
- Mark Willett highlights the staffing situation, noting the talent and efficiency of his team, and mentions potential future hiring needs.

Sewer Department and Storm Water Management Budget Presentation

- David Gray discusses the ongoing efforts to protect public health by treating and disposing of sewer waste, and the addition of storm water management to their strategic plan.
- David mentions working closely with other departments and organizations to coordinate projects and develop new stormwater regulations.
- Discussion on the challenges of storm water management, including the need for coastal resiliency measures and the impact of PFAS on operations.

- David highlights the completion of the membrane replacement project and the expected reduction in electricity costs, as well as ongoing PFAS testing and future regulatory changes.

Airport Operations and Safety

- Noah Karberg outlines the airport's mission of providing safe air service, economic sustainability, and environmental responsibility.
- Noah discusses the goals for the year, including completing employee housing phase one, continuing PFAS investigation, and designing terminal renovations.
- Discussion on the importance of safety, the role of the FAA as the chief regulator, and the need for long-term funding options due to regulatory uncertainty.
- Noah highlights the airport's ecological stewardship, debt avoidance through grant opportunities, and transition planning from PFAS-containing foam to fluorine-free foam.

Airport Staffing and Capital Projects

- Noah Karberg emphasizes the critical need for staff housing to retain and recruit key positions, noting the impact of housing issues on staff retention.
- Discussion on the importance of succession planning and the use of grant opportunities to fund projects without long-term debt.
- Noah outlines the capital projects for the year, including PFAS investigation, pink beads removal, and new firefighting equipment.
- Discussion on the need for new hard stands, a GSC storage facility, and a noise barrier for the south apron expansion, with a focus on long-term durability and community input.

Airport Fuel Sales and Future Plans

- Jeremy Bloomer inquires about the airport's fuel sales and the potential impact of limited parking spaces on future revenue.
- Noah Karberg explains the limitations on fuel sales due to steamship capacity and the airport's ability to manage fuel sales through operational data.
- Discussion on the potential for electric vertical takeoff and landing (eVTOL) aircraft and the need for infrastructure to support their charging needs.

Our Island Home Budget Review

- Peter Holden outlines the mission of providing healthcare services to help residents live their lives to the fullest potential.

- Emphasis on utilizing community resources, collaborating with healthcare partners, and providing individualized, innovative, and culturally competent care.
- Mention of creating a work environment that fosters growth, education, cultural competence, and teamwork.

Our Island Home Regulatory Compliance and Staffing

- Discussion on decreasing penalties associated with CMS and Medicaid audits by implementing additional oversight.
- Peter Holden highlights the success in achieving above state averages in annual Department of Public Health surveys.
- Mention of the annual Life Safety Survey and clinical survey with minimal deficiencies.
- Increase in rehabilitation therapy services from five to six days a week.

Our Island Home Operational Costs and Revenue Challenges

- Peter Holden outlines the increase in utility, electricity, food supplies, and nursing supplies costs due to inflation.
- Discussion on the employee housing cost increase to retain current permanent staff and travel agencies.
- Denice Kronau and Joe Wright discuss the revenue challenges and the need for increased private pay rates and documentation systems.
- Libby Gibson emphasizes that the revenue will never cover the operations of the facility, and the gap has existed since day one.

Our Island Home Future Planning and Adjournment

- Denice Kronau asks about the next steps if the new facility is not approved at the 2025 Annual Town Meeting.
- Libby Gibson suggests policy direction from the Select Board and potential capital improvements for the current facility.
- Discussion on the condition of the current facility and the need for compliance with newer nursing facility regulations.
- Denice Kronau thanks Peter Holden and Michelle for their comprehensive presentation and asks for a motion to adjourn the meeting.
- Motion to Adjourn made by Peter, seconded by Jeremy. **Roll call vote: Peter Aye, Stephen Aye, Joe Aye, Joanna aye, Rob Aye, Jeremy Aye, Denice Aye. Passes Unanimously.**