



Town of Nantucket
2016 Annual Town Meeting

The Voter's Guide to
Warrant Articles

INTRODUCTION

Greetings, Nantucket Voter! And welcome to the 2016 Annual Town Meeting.

Warrant articles are written to conform to the language of various Laws and Codes and are crafted to accomplish intended administrative and legal purposes. The language is necessarily technical and does not always allow the articles to be easily understood. This Guide provides an easy-to-understand overview of the warrant articles; it explains the objective(s) of an article and how the article would realize those objectives.

The Guide takes no position on any article. It is meant for informational purposes only and is not legally binding. There will likely be Technical Amendments to Motions that arise after the warrant goes to print. Those amendments are not covered in this Guide. They will be addressed as one of the first orders of business at the beginning of Town Meeting.

Also not covered are citizen-sponsored articles. Citizen sponsors are expected to represent their own articles and sponsors often make informational handouts available at the handout table in the lobby. The articles discussed in this guide have been written by Town Boards and Committees.

Voters vote on the MOTION to an article. See the Town Moderator's *Traditions and Procedures for Annual Town Meeting* booklet (available at the handout table) for details on voting, amendments and other procedures.

In case you wondered...How are motions and recommendations developed for Town Meeting warrant articles?

-- In the fall, the warrant for annual town meetings "opens" to citizen petitions - usually mid-October to mid-November. During this "open" period, citizens are encouraged to meet with Town Counsel about a potential article. Multiple sessions are scheduled to help citizens craft their language to accomplish their intended purpose. Nantucket is one of the Commonwealth's few towns to offer its citizens this service.

-- Several other groups expend considerable effort reviewing and preparing financial and other articles for Town Meeting: the Planning Board, the Community Preservation Committee, the Health and Human Services Contract Review Committee, the School Committee, the Airport Commission, the Nantucket and Sconset Water Commissions and the Board of Selectmen.

-- In December, the Finance Committee (a 9-member group appointed by the Board of Selectmen) begins its comprehensive review of all warrant articles. From December through mid-March the Committee meets 2-3 times weekly starting at 4:00 pm. Meetings are open to the public and you are encouraged to attend.

-- In October, the Capital Program Committee (CapComm) begins its review of all General Fund and Enterprise Fund capital project requests. (CapComm is a 7-member group comprised of at-large citizens appointed by the Board of Selectmen, plus representatives from the Finance Committee, Nantucket Planning and Economic Development Commission and Board of Selectmen.) CapComm typically meets once a week through December. Every department submitting request(s) attends at least one meeting, and often several.

-- Except for zoning articles, each article on the warrant has a Finance Committee Motion. Zoning articles have Planning Board Motions. There also may be Comments to various articles by the Planning Board, Finance Committee or Board of Selectmen. This Guide does not address their Comments.

On to the Guide...

Article 1 – Receipt of Reports

Article 1 is in the warrant for reference and follows the state law (Chapter 40, s. 49) that the Board of Selectmen provide an Annual Town Report, which contains the reports of specific (and other) agencies and departments of the Town. The Annual Town Report is typically published just before the Annual Town Meeting and covers the activities of the Town departments for the prior Fiscal Year. A copy of the Fiscal Year 2015 Annual Town Report is on the handout table. Fiscal Year 2015 is July 1, 2014 – June 30, 2015.

The Finance Committee’s Motion is positive.

Article 2 – Appropriation: Unpaid Bills

With few exceptions, Massachusetts municipalities are not legally allowed to pay bills from prior fiscal years in the current fiscal year without the approval of Town Meeting. “Unpaid bills” are generally bills which arrived after the close of a fiscal year, were inadvertently not paid or received, or were not able to be paid in the fiscal year within which they were incurred for budgetary or other reasons.

The Finance Committee’s Motion is positive. The funding source is Free Cash (defined in the Glossary herein) for the General Fund bills, Retained Earnings (see Glossary) for the Enterprise Fund bills and Administrative Expenses for the Community Preservation Committee bills.

Article 3 – Appropriation: Prior Year Articles

From time to time, previously approved capital projects have been completed with funding left over, or from a project that has not gone forward. In these cases, Town Meeting can reappropriate any remaining funds to other eligible projects. If the original funding was borrowed, left-over funds may only be re-appropriated for specific projects that are similar to the type of project for which the original borrowing was incurred. If the original funding was not borrowed, the funding may be re-appropriated to any other project or funding source (for example, Free Cash or Stabilization Fund).

The Finance Committee’s Motion is to re-appropriate funds as follows:

- **Funds from two prior-year completed projects for Our Island Home be re-appropriated to a current system and equipment improvement project at Our Island Home.**

Article 4 – Revolving Accounts/Annual Authorization

A revolving account is one into which funds generated by a particular activity may be placed and used to pay for items related to that activity outside of the General Fund. For

example, the Town's Beach Improvement Revolving Account receives proceeds from the sale of beach stickers for driving on the beach. Those proceeds are then used for such expenses as: printing and purchasing beach stickers and maps, beach signage and fencing, police beach patrols, and ATV (All Terrain Vehicle) expenses.

Town Meeting votes to set an annual Spending Limit on each revolving account. That limit (in the aggregate for all revolving accounts) cannot exceed 10% of the fiscal year tax levy. For the coming year (FY 2017) that limit is \$6,963,637. The total recommended spending limit is \$6,159,022.

The Finance Committee's Motion is positive and sets forth the Spending Limit for each account for the coming Fiscal Year.

Article 5 – Appropriation: Reserve Fund

The Town, under Massachusetts General Law, can make appropriations by a vote of Town Meeting to a Reserve Fund – available by law for “extraordinary or unforeseen expenditures” that may arise during the year. Money available in the Reserve Fund may be accessed only through a vote of the Finance Committee and any such appropriation cannot exceed 5% of the fiscal year tax levy (which for FY 2017 is \$3,481,819).

The Finance Committee's Motion is to appropriate \$500,000 for the FY 2017 Reserve Fund.

Article 6 – Fiscal Year 2016 General Fund Budget Transfers

Transfers of funds between different departments and within a specific department's budget, including between the “salary” and “other expense” categories, requires a vote of Town Meeting. Toward the end of a fiscal year, such transfers afford the Town flexibility to adjust (or “true up”) the budget to fund remaining departmental needs as the Fiscal Year draws to a close. This Article is meant to “true up” department budgets using already appropriated funds. There is no impact on the taxpayer.

The Finance Committee's Motion is positive and utilizes existing funding already appropriated at the 2015 Annual Town Meeting.

Article 7 – Personnel Compensation Plans for Fiscal Year 2017

This Article seeks approval of the compensation schedules for positions outside of collective bargaining units, or without employment contracts or otherwise not covered by the Town's personnel policies. The Article primarily lays out employee compensation schedules for *per diem* (“by the day”), seasonal and temporary employees, as well as

elected officials. The schedule has changed somewhat from FY 2016 to FY 2017, and the changes are shown by highlighted text and strike-out formatting. Funding for the positions listed is contained within various departmental budgets.

The Finance Committee's Motion is positive.

Article 8 – Appropriation: Fiscal Year 2017 General Fund Operating Budget

Article 8 asks the Town Meeting to approve a General Fund operating budget for various Town departments and agencies. The proposed expenditures are detailed in the Finance Committee's Motion. The FY 2017 General Fund operating budget, which is balanced and lives within the projected revenues of the Town, is proposed to increase by 6.3% over FY 2016. The tax rate is not expected to increase as a result of this budget.

The Finance Committee's Motion is positive.

Article 9 – Appropriation: Health and Human Services

Each year, the Town of Nantucket executes grant agreements with non-profit agencies to provide various health and human services to island residents. The Town has accorded importance to this appropriation and provided it for over 20 years. This appropriation provides needed services without expansion of Town departments and personnel in fields that are not considered municipal services.

There is a specific process in place for agencies to seek an allocation of the available funding. A rigorous review process, managed by the Town's Human Services Contract Review Committee, evaluates agencies' requests for an allocation of funding each year. The Committee's annual recommendations are reviewed and endorsed by the Board of Selectmen before the Finance Committee's consideration. Following Town Meeting approval, grant agreements are executed with each agency. The agreements contain reporting and other oversight provisions meant to ensure proper use of the funds. The tax rate is not expected to increase as a result of this article.

The Finance Committee's Motion is positive and the recommended total amount is approximately \$20,000 higher than the \$350,000 voted at the 2015 Annual Town Meeting.

Article 10 – Appropriation: General Fund Capital Expenditures

Capital expenditures are "big-ticket" items meant to last. The Town Code (Chapter 11, section 12.2 A and B) defines them as:

“A. A capital expenditure is a non-recurring expenditure for land, buildings and/or building improvements having a useful life equaling or exceeding 10 years, or an expenditure for municipal infrastructure and equipment having a useful life equaling or exceeding five years.”

“B. Furthermore, capital expenditures must have aggregate direct and indirect costs, even if expended in multiple fiscal years, equaling or exceeding a dollar amount to be hereafter set forth by the Capital Program Committee. Any change in the dollar amount must have a two-thirds majority vote by the Committee. Furthermore, \$50,000 is to be established as the initial amount until otherwise set forth in accordance with this article.”

The Town’s annual capital project review process begins in August. Proposed projects are reviewed by: Town Administration, Board of Selectmen, Capital Program Committee and Finance Committee. Capital projects are generally funded by: 1) the General Fund, 2) the reappropriation of funds (see Article 3 comment), 3) Free Cash or 4) Borrowing. Borrowing requires a two-thirds vote of Town Meeting (and subsequent approval by the voters at an election, if a debt or capital exclusion). The tax rate is not expected to increase as a result of these General Fund capital projects.

The Finance Committee’s Motion lists the proposed projects and funding sources. In summary, funding sources for \$10,627,000 worth of capital projects would be as follows:

\$3,215,000	To be Borrowed
\$3,000,000	Proceeds from Sale of Real Estate
\$2,760,246	Free Cash
\$774,916	FY 17 Tax Levy and Other General Revenues
\$379,324	Overlay Surplus
\$270,000	Ambulance Reserve Fund
\$150,000	Waterways Improvement Fund
<u>\$77,514</u>	<u>Remaining Funds from Prior Year Articles</u>

\$10,627,000

Because there are funds to be borrowed, the quantum of vote required is two-thirds.

Article 11 – Appropriation: Enterprise Funds Operations

Enterprise Funds under law are intended to fund their own operations through user fees and other self-generated revenue. Occasionally, Enterprise Funds are subsidized by the

General Fund when Enterprise Fund revenue does not entirely cover the Enterprise operations. The Town of Nantucket has 6 Enterprise Funds:

Nantucket Memorial Airport**

Our Island Home*

Sewer

Solid Waste*

Water, Siasconset

Water, Wannacommet

* Requires a General Fund subsidy and has since inception

** Required a General Fund subsidy in FY 2012, FY 2013 and FY 2014 but did not require a subsidy in FY 2015 and FY 2016 and is not expected to require one in FY 2017

The Finance Committee's Motion is positive and lists the proposed General Fund subsidy(s) for each Fund where applicable.

Article 12 – Appropriation: Enterprise Funds Capital Expenditures

Proposed Enterprise Fund capital projects follow the same review process as General Fund capital projects. Such capital projects may be funded by the Retained Earnings of the Enterprise Fund, or, more typically, through a borrowing (requiring a two-thirds vote of Town Meeting). Any such debt is repaid over time from the Enterprise Fund's operating budget. If the debt service for a particular project is beyond what the Enterprise Fund can reasonably generate, the Town will seek approval of the voters for a debt exclusion at an election. In certain circumstances, the Town may use Free Cash to fund the capital expense.

The tax rate is not expected to increase as a result of these projects.

The Finance Committee's Motion is positive and lists the proposed projects and funding sources.

Article 13 – Enterprise Fund Budget Transfers

This article is similar to Article 6 (General Fund Budget Transfers). It authorizes transfers of funds between salaries and expenses, or additional funding from another source, and requires a vote of Town Meeting.

The Finance Committee's Motion is positive.

Article 14 – Appropriation: Airport Aviation and Administration Building Project

This is a request to appropriate up to \$400,000 from Airport Certified Retained Earnings to cover expenses associated with the closeout of the airport building project. It settles a claim made by the bonding company to recover some project costs. These include the settlement amount (\$360,000), associated legal fees, mediator fees, Owner’s Project Manager fees, engineering and architectural fees.

The Finance Committee’s Motion is positive.

Article 15 – Appropriation: School

This is a supplemental appropriation for the School project – in the event that it is needed. Due to rapidly increasing construction costs, the actual bids came in over the projected cost of construction, which the school will be able to cover with the remainder of the original appropriation. Doing so, however, will leave insufficient funds for commissioning, furniture, fixtures, IT equipment, moving, and contingency for the project, hence an additional \$4,259,319 is requested to complete the project. Should some or all of this amount not be needed, it will not have to be borrowed. The amount will be offset with \$470,000 in other previously approval capital appropriations.

The Finance Committee Motion is positive. The tax rate is expected to increase in the event of the supplemental funding being necessary. Assuming a conservative borrowing rate of 5.5% for 20 years, a property with assessed value of \$1,000,000 would have an increase in its annual tax bill of approximately \$28.62 for 20 years.

Article 16 – Acceptance of Massachusetts General Law: Sewer Betterment Assessments

Acceptance of the referenced statute (enacted earlier this year by the state legislature) would allow the Town to authorize the collection of interest on unpaid betterment assessments and apportion assessments over a period of up to 30 years (previously the limit was 20 years).

The Finance Committee’s Motion is positive.

Article 17 – Acceptance of Massachusetts General Law: Sewer Betterment Deferral

Acceptance of this General Law will permit low-income elderly homeowners who are eligible for an exemption under another General Law (c. 59, s. 5, clause 41), to defer payment of a betterment assessment.

The Finance Committee’s Motion is positive.

Article 18 – Appropriation: Sewer Project/Nantucket Harbor Shimmo; Plus In-fill Parcels in Town Sewer District

The article seeks an appropriation for the first of at least two of the sewer projects recommended in the Town’s Comprehensive Wastewater Management Plan. A two-thirds majority Town Meeting vote is required. In addition, a ballot vote is required because the appropriation will require a debt exclusion. The ballot vote is scheduled for the April 12, 2016, annual town election.

The Finance Committee’s Motion is positive and if approved, would appropriate \$41,000,000 for the project, which would be financed through a zero-percent loan from the State and funded with a combination of betterments and taxes: 25% from betterments from those property owners who will have a sewer line available to them and 75% from all taxpayers. The annual estimated tax increase would be as follows:

This is the 75 percent apportionment of the overall project cost

<i>Needs Area</i>	<i>Estimated Annual Cost Impact – Average Assessment of</i>	<i>Estimated Annual Cost Impact – Average Assessment Year Round residential</i>
	<i>\$1,784,378</i>	<i>\$1,144,544</i>
Nantucket Harbor Shimmo	\$66.55	\$42.69
“Plus”	\$31.32	\$20.09

Article 19 – Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes

The article allows the listed parcels, which are also shown on the accompanying map, to be sewered by the appropriation in Article 18, to be included in the Town Sewer District.

The Finance Committee’s Motion is positive.

Article 20 – Appropriation: Waterways Improvement Fund

The Town of Nantucket is entitled to establish a Waterways Improvement Fund, into which we may deposit income derived from mooring permit sales, rental of Town Pier slips, and the Town's share of boat excise taxes. Appropriations from the fund must be for waterways-related purposes and require a vote of Town Meeting. Annually, applicable projects and some personnel costs are budgeted from the Waterways Fund. For FY 2017, Article 20 would authorize the Town to spend money on the regular annual items.

The Finance Committee's Motion is positive to appropriate \$362,335 from the fund for FY 2017 (the Waterways Improvement Fund is also a funding source for one item in the Motion to Article 10).

Article 21 – Authorization: Airport Aviation Fuel Revolving Fund for Fiscal Year 2017

As noted for Article 4, Massachusetts General Law permits the establishment of Revolving Funds for the purchases of goods and services and the deposit of revenues outside of a normal operating budget. By special legislation, the Town of Nantucket is permitted to create a revolving fund for the purchase and sale of aviation fuel. That fund affords the Airport Commission flexibility in the face of volatile fuel prices. Town Meeting can establish a spending limit on the aviation fuel revolving fund. That limit, when added to the Town's other revolving funds, shall not exceed 10% of the tax levy. Any revenue received in the revolving fund in excess of the established spending limit can, with Town Meeting authorization, be turned over to the Airport Enterprise Fund for its operating budget.

The Finance Committee's Motion is positive and establishes an Airport Aviation Fuel Revolving Fund for FY 2017 of \$4,000,000 (a decrease of \$1,300,000 from FY 2016).

Article 22 – Appropriation: Ambulance Reserve Fund

Receipts from the Town's ambulance service are deposited into this fund, and expenditures made from this fund support the ambulance service. That support includes supplies, equipment and personnel costs for up to six (6) full-time firefighter/EMT positions and/or paramedic positions, and the periodic replacement of ambulances.

The Finance Committee's Motion is positive and appropriates \$605,040 from the Fund for FY 2017 for expenses associated with the Town's ambulance service.

Article 23 – Appropriation: County Assessment

The County Assessment is an amount "charged" by Nantucket County to its one (and only) town for County services. The scope of these services is comparatively limited. The

assessment covers a portion of expenses for the Registry of Deeds and for legal services, professional services, and other expenses associated with County Administration items. This Article would not increase the tax rate.

The Finance Committee's Motion is positive and appropriates \$170,201 for the FY 2017 County Assessment.

Article 24 – Appropriation/Finalizing FY 2017 County Budget

Article 24 is included in the warrant in the unlikely event that the Finance Committee acting as the County Review Committee were to vote a denial of all or part of the proposed County budget. (That has never happened since the enactment of the County Charter.) With this article, the County Commissioners could seek such denial to be overturned by Town Meeting.

The Finance Committee's Motion is to take no action, since the County budget of \$170,201 was approved by the County Review Committee as presented.

Article 25 – Rescind Unused Borrowing Authority

From time to time, unused borrowing authority is cancelled (rescinded) if a project is not going to proceed or has been completed, leaving all or a portion of the authorized amount unborrowed. Good fiscal practice dictates rescinding unused amounts, thereby keeping borrowing authority current.

The Finance Committee's Motion is to rescind the unused borrowing authority for two Airport projects and three Sewer projects which have been completed and the full authorized amount was not needed.

Article 26 – Appropriation/Ferry Embarkation Fee

The Town's share of the 50-cents surcharge on ferry tickets typically amounts to \$150,000 - \$200,000 annually and requires annual appropriation by Town Meeting to be used. In previous years, the Town has appropriated these funds for seasonal law enforcement purposes through the Police Department budget.

The Finance Committee's Motion is to appropriate \$190,000 for seasonal law enforcement purposes for FY 2017.

Article 27 – Appropriation/Other Post-Employment Benefits Trust Fund

The most common type of post-employment benefits is a pension. “Other Post-Employment Benefits” (or “OPEB”) include health insurance and dental, vision, prescription or other healthcare benefits provided to eligible retirees, and, possibly, their beneficiaries; and certain types of life insurance. The Town is required to fund the current costs for OPEB benefits as part of the operating budget, but actuarial studies suggest that these costs will rise significantly in future years. The appropriation under Article 27 is intended to anticipate these future costs by setting aside money in a trust fund for meeting future OPEB obligations.

Funding the trust fund each year is a prudent financial practice and will serve to improve the Town’s credit rating. This will be the fourth year the Town seeks to make this appropriation (having appropriated \$250,000 in 2013, \$500,000 in 2014, and \$500,000 last year). The tax rate is not expected to increase as a result of this Article.

The Finance Committee’s Motion is to appropriate \$500,000 from the FY 2017 tax levy.

Article 28 – Collective Bargaining Agreement

Massachusetts General Law requires that funding for the first year of a collective bargaining agreement be approved by Town Meeting. The Town and the union listed in the article have reached agreement for a new contract. The tax rate will not increase as a result of this Article.

The Finance Committee’s Motion is to appropriate \$190,346 to fund the cost items of the contract.

Articles 29 – 30 – Community Preservation Committee: FY 2017 Budget Transfers; FY 2017 Appropriation

While these articles are citizen-sponsored, the purposes described are Town functions. Community Preservation funds are received through a 3% surcharge on the tax bills of Nantucket property owners, as well as a state funded “match.” The funds gathered may be spent only on projects in the statutory categories of: Open Space and Recreation, Historic Preservation, and Affordable Housing. The transfers are fund balances turned back from the unspent remainder of projects approved in prior fiscal years so that it is available for future appropriations.

The Community Preservation Committee's recommendations for FY 2017 budget transfers are contained in Article 29 and FY 2017 expenditures in Article 30. Appropriations totaling \$2,560,000 will have no impact on the tax rate.

The Finance Committee's Motions are positive for both Articles.

Articles 31 – 32 are citizen articles and not explained here, as noted in the Introduction to this Guide.

Articles 33 – 60 are zoning articles. A Planning Board report meant to cover explanation of these articles is contained within the Town Meeting warrant along with a Glossary of Terms related to zoning articles.

Article 61 – Bylaw Amendment: Obsolete Building Related Bylaws

This article seeks to delete or update bylaw sections that are obsolete in terms of practice; are non-compliant with state regulations; or are in conflict with the Town Charter.

The Finance Committee's Motion is positive.

Article 62 – Bylaw Amendment: Solid Waste Disposal

A bylaw amendment pertaining to a "ban" on helium balloons was adopted at the 2015 Annual Town Meeting. When the Attorney General's office notified the Town of its approval of the bylaw amendment, there was a recommendation to modify the amendment for clarity purposes. This article follows the recommendation of the Attorney General's office.

The Finance Committee's Motion is positive.

Article 63 – Bylaw Amendment: Conveyance of Town Property

The article seeks to rescind a bylaw that requires Town Meeting approval to acquire real estate outside of the downtown core district or to move Town offices from the downtown core district to any site outside of that district without a vote of Town Meeting. Capital purchases proposed by the Town will still need Town Meeting approval such as we see this year in Article 10.

The Finance Committee's Motion is positive.

Articles 64 – 65 are citizen-sponsored articles and not included in this Guide.

Article 66 – Bylaw Amendment: Board of Sewer Commissioners/Town Sewer District Map Changes

There are two sewer districts on Nantucket: the Town Sewer District and the Siasconset Sewer District. The Town seeks the proposed sewer district map changes to include property parcels that should be included in – or removed from – the Town Sewer District. The objective is to provide appropriate wastewater service to parcels within a larger Water Protection District or Watershed Protection Overlay District. Such parcels may have inadvertently been left out of these water/watershed districts at the time they were established. Proposals are reviewed by an internal administrative review group comprised of the DPW Director, Director of Planning, and the Health Director. The group reviews the proposals in accordance with criteria established for determining if a property should be included in a district. Section One of this article proposes the addition of six lots to the Town Sewer District. These parcels have direct access to sewer infrastructure and are surrounded by other lots within the district. Section Two of this article removes 26 lots from the Town Sewer District. These lots are either preserved as open space, with no need for sewer, or situated outside an area where sewer infrastructure is available.

The Board of Selectmen (acting in its capacity as Sewer Commissioners) voted to endorse inclusion/removal of the parcels listed in the Motions into the Town Sewer District. A majority vote at Town Meeting is required.

The Finance Committee's Motion is positive.

Articles 67 – 68 are citizen-sponsored Sewer District articles and are not included in this Guide.

Note, however, that the internal administrative review group (described in Article 66) evaluated the requests in these two articles. Article 67 fell short of the required number of criteria points to be recommended for inclusion into the Sewer District. The requests in Article 68 met the criteria and are recommended by the administrative review group for inclusion into the Sewer District.

Articles 69 – 72 are citizen-sponsored articles and not included in this Guide.

Article 73 – Acceptance of Massachusetts General Law: Abandoned Motor Vehicles – Non-Criminal Proceedings

This article will allow the Town to use a simplified, non-criminal process when it is necessary to tow an abandoned vehicle from public property such as the municipal parking lots or the public roadways. Under the existing system, the Police Department must utilize a lengthy criminal process involving multiple appearances in the District Court, which often delays the process of getting the vehicle removed.

The Finance Committee’s Motion is positive.

The next several articles are Home Rule Petitions. A few words about Home Rule Petitions:

Massachusetts cities and towns are subject to the General Laws of the Commonwealth. From time to time, a city or town requires special legislation (via a “Home Rule Petition”) to address a need or issue unique to that municipality. This may be either an exemption to the law or an addition to it. Such a request for special legislation must be approved by Town Meeting and enacted by the state legislature. Thousands of Home Rule Petitions are submitted annually from cities and towns across the state, and years may pass before they are enacted. Some of the Home Rule Petitions below have been approved repeatedly by Town Meeting, in the hope that the Legislature eventually will enact them. If not enacted by the State Legislature, any Home Rule petition must be renewed for the year following if it is to remain in consideration by the State.

Article 74 – Home Rule Petition: Charter Amendment Regarding Publication of Town Meeting Warrants

The article seeks to amend the Town Charter by removing a requirement that Town Meeting warrants be published in the local newspaper. Rather, a notice would be published to notify the public that the warrant has been adopted. The warrant would be posted to the Town website and distributed to various locations around the town (Town offices, library).

The Finance Committee’s Motion is positive.

Article 75 – Home Rule Petition: Merger of Nantucket Water Commission and Siasconset Water Commission

The passage of Article 75 will create a single water enterprise fund on Nantucket by merging the Siasconset Water Commission into the Nantucket Water Commission and expanding the membership of the Nantucket Water Commission from three to five elected members. The Siasconset Water Department will be dissolved and the Wannacommet Water Company will remain as the operating enterprise fund. This article was proposed by and

supported by both the Siasconset and Nantucket Water Commissions. The Commissions' joint support recognizes the fact that for the past 10 years the Siasconset Water Commission has contracted with the Wannacomet Water Company, through the Nantucket Water Commission, to provide all of the administrative and operational support to the Siasconset Water Department. This article neither increases nor decreases the authority of the expanded Nantucket Water Commission.

The Finance Committee's Motion is positive.

Article 76 – Home Rule Petition: Airport Fuel Revolving Fund

Because of the volume of fuel sales and purchases in that Fund, the Town has bumped up against the legal requirement with its other revolving funds, which altogether may not exceed 10% of the tax levy. The Town is seeking an exemption from the “10% rule” mentioned in Article 4, for this one revolving fund.

The Finance Committee's Motion is positive.

Article 77 – Home Rule Petition: Community Preservation Committee

This Article restores compliance with state law on the part of the Town's Community Preservation Committee (CPC). The State Community Preservation Act prescribes the membership of local Community Preservation Committees (which are responsible for making recommendations on the allocation of the Community Preservation funds – see Articles 29 and 30). The Act requires one member to be from the local historical commission. When the Town's CPC was initially appointed in 2003, though, the Nantucket Historical Commission (an advisory group appointed by the Board of Selectmen) had not been established; however, the Historic District Commission (an elected commission) did exist. The Town decided that an HDC representative would “fit the bill” and the local CPC bylaw was written to include an HDC representative on the CPC. Technically this is not what State law allows. Accordingly, the Article would restore compliance with State law by allowing for the local bylaw to include an HDC representative on the CPC.

The Finance Committee's Motion is positive.

Article 78 – Home Rule Petition: Increasing Residential Property Exemption

Article 78 will give the Board of Selectmen the *option* of increasing the residential exemption from its current maximum of 20% of the average residential value to 30%. Passage of this article does not automatically increase the exemption, as the amount must be voted annually at the Tax Classification Public Hearing. Were the Selectmen to exercise

that option, the effect on the year-round homeowner could be a slight reduction in property tax.

The Finance Committee's Motion is positive.

Article 79 – Home Rule Petition: Conveyance of Property from County to Town
Conveyances of County land and changes of custodianship of open-space land require legislative approval. Here, approval is sought to convey ownership and control of the remaining County land to the Town pursuant to long-standing policy – which relates to state discussions about County dissolution and County land potentially going under state ownership. The parcels contained in the Motion would be conveyed from the County to the Town for general municipal and public-access purposes.

The Finance Committee's Motion is positive.

Article 80 – Home Rule Petition: Real Estate Conveyances to Nantucket Islands Land Bank and Madaket Conservation Land Trust

As with Article 79, change of the custodianship of open-space land requires legislative approval. Approval is being sought to convey the ownership and control of nine protected open space properties to the Land Bank and one (1) protected parcel to the MCLT. The properties can be joined with other Land Bank or MCLT properties for better management and maintenance.

The Finance Committee's Motion is positive.

Article 81 – Home Rule Petition: Real Estate Conveyances from Nantucket Islands Land Bank to Town of Nantucket

The parcels listed in the article are owned by the Land Bank, are adjacent to the School building project and are needed for the School building project. The intent is to transfer these parcels to the Town for School use and at a later time, offset the Land Bank's loss of land with Town parcels that would be transferred to the Land Bank.

The Finance Committee's Motion is positive.

Article 82 – Home Rule Petition: Community Housing and Sewer Funding

Article 82 is a Home Rule Petition for a real-estate transfer fee to support the creation of workforce/affordable housing. This is a new form of similar efforts dating back to the late '80s. While this type of funding stream has routinely had broad if not universal support locally, prior Home Rule Petitions ultimately did not pass at the State Legislature level.

Similar to the 2006, 2007 and 2008 articles which Town Meeting approved, the fee is 1% on amounts above \$2 million and is paid by the seller (example: when a property sells for \$2.5 million, the seller would pay: \$500,000 x 1% = \$5,000). This article shares many of the same exemptions provided for in the existing Land Bank Act. This new approach for funding the creation of workforce/affordable housing utilizes an existing agency, the Affordable Housing Trust Fund, to administer the revenue with all expenditures over \$100,000 requiring approval by the Board of Selectmen. The Island must reach its state 10% affordability requirement for year-round residences if it wishes to shield itself from unfriendly 40B projects. Nantucket is presently at 2½% of that 10% requirement.

The Finance Committee's Motion is positive. It dedicates 100% of revenue generated to the housing effort and incorporates an automatic "sunset" to the program after 10 years. It affords the ability to reduce or eliminate the fee by a vote of Town Meeting, or to extend the program in five-year increments if the 10% requirement has not yet been attained.

Article 83 – Home Rule Petition: Retired Police Officers to Serve as Special Police Officers

This article, similar to many others adopted in other Massachusetts municipalities, will allow the Town to utilize retired police officers who are appointed as Special Police Officers by the Chief of Police to perform limited police services such as directing traffic or other private police details. Currently, officers who are retired cannot perform these limited police details unless they are considered regular full-time officers. Furthermore, this Home Rule Petition would allow officers whose retirement was based upon the mandatory age 65 retirement to be eligible to perform details until the age of 70.

The Finance Committee's Motion is positive.

Article 84 – Home Rule Petition: Land Bank Act Amendment

This article seeks to ease the affordable housing shortage by amending the Land Bank Act to create a new exemption from the Land Bank transfer fee for buyers purchasing property subject to an Affordable Housing Restriction. If the property being purchased is subject to one of these restrictions with at least a five (5) year term remaining, and the purchaser makes it their actual domicile within two (2) years of purchase, no Land Bank fee will be due. This exemption is similar to the existing Land Bank "first-time home buyer" exemption

but allows someone who has previously owned property and is now purchasing a property restricted as affordable to get relief from the Land Bank transfer fee that would otherwise be due.

The Finance Committee's Motion is positive.

Articles 85 and 86 are citizen-sponsored articles and not included in this Guide.

The next several articles are Real Estate-related. A few words about real-estate articles:

The articles are permissive, which means that the Board of Selectmen is authorized to take action but is not required to do so. Approval of any of the articles (including any of the citizen articles) does not mean that the action will happen. Approval merely means that the Board may take action.

Article 87 – Real Estate Acquisition: Airport Property

The purpose of this article is to correct prior actions, to validate the ownership of the subject land by the Town, and to authorize disposition of the subject land to the Airport Commission. This land has historically been considered as “airport property” and the use of the property will remain unchanged.

The Finance Committee's Motion is positive.

Article 88 – Real Estate Acquisition/Conveyance of Parcels: Tom Nevers Head

This article corrects an incomplete process and allows for finalization of the transfer of important conservation land to the Town and disposition to the Land Bank.

The Finance Committee's Motion is positive.

Article 89 – Real Estate Acquisition: 42 Nobadeer Avenue

The purpose of this article is to clear title to a parcel of land abandoned by its owner over fifty years ago and not generating taxes. A separate article voted last year allows for its sale to abutters.

The Finance Committee's Motion is positive.

Article 90 – Lease of Town Land for Renewable Energy Projects

Town Meeting authorization is required for the Board of Selectmen to execute a lease and agreement with a selected private developer for a solar photovoltaic (PV) installation on

parcels of land located at the Surfside Wastewater Treatment Facility. At the 2011 Annual Town Meeting, Article 96: “Long-term Lease Authorization: Surfside WWTF” was passed, but did not include the parcels on the site which are currently being investigated for development.



The Finance Committee’s Motion is positive.

Article 91 – PILOT Agreements for Renewable Energy Facilities

A selected developer of a municipal solar photovoltaic (PV) installation will be required to pay property taxes for leased land and assets which are installed on Town-owned sites, such as at the Nantucket Memorial Airport and the Surfside Wastewater Treatment Facility. Solar arrays are taxed as personal property, so the owner of the array is subject to taxation even though the array is located on property owned by the Town or a tax-exempt organization. The Massachusetts Department of Revenue allows Towns to enter into Payment in Lieu of Taxes (PILOT) agreements, which enable the Town and the solar developer to establish a negotiated PILOT agreement consistent with the Town Assessor’s valuation for the term of the agreement. This PILOT would provide the Town with a known annual taxable income stream and would reduce tax uncertainty for the developer. The warrant article is needed to authorize the Board of Selectmen, in consultation with the Town’s Assessor and any other enabling authority, to negotiate and enter into this agreement.

The Finance Committee’s Motion is positive.

Article 92 – Net Metering Credit Purchase Agreements

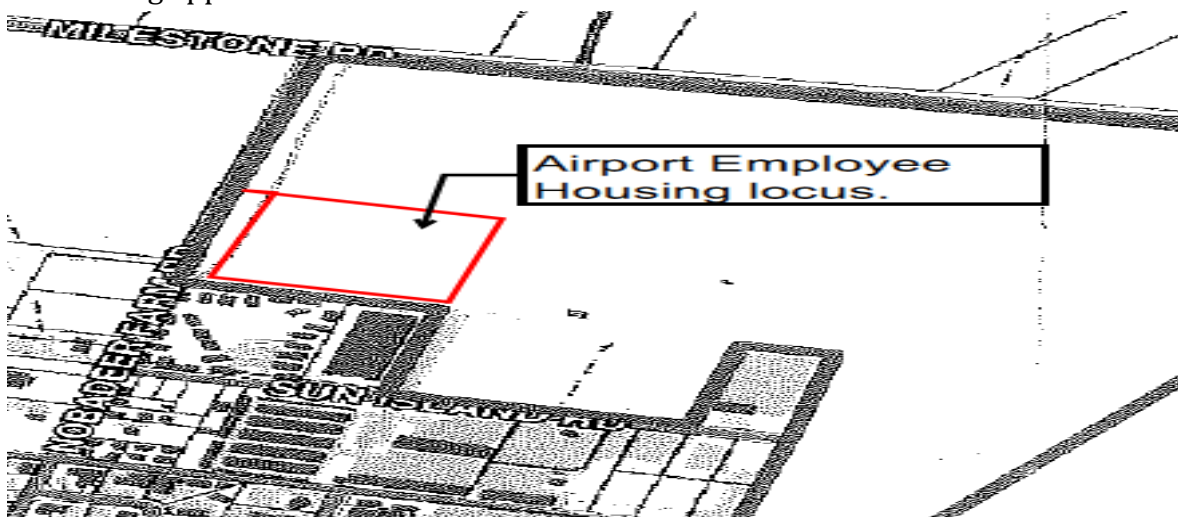
The Massachusetts Green Communities Act of 2008 created a net metering mechanism that enables municipalities to acquire discounted electricity credits from renewable energy

projects that can be used to offset their own electricity costs. The purpose of this article is to authorize the Board of Selectmen to enter into an agreement to acquire these metered electricity credits from a potential solar photovoltaic energy generating facility. These credits would be used to offset the electric loads of municipal accounts. Town Meeting approval is necessary because the length of the agreement extends beyond the standard three-year contracting period allowed under Massachusetts law.

The Finance Committee’s Motion is positive.

Article 93 – Long-term Lease Authorization: Airport Delta Property

The Airport Commission is exploring building employee housing units on a portion of the land known as the Delta Property. This plan includes the possibility of leasing the land to a management company to manage the units on the Airport’s behalf. M.G.L. Chapter 90, §51F allows any airport commission to lease up to twenty years, but any longer term requires Town Meeting approval.



The Finance Committee’s Motion is positive.

Article 94 – Long-term Lease Authorization: 10 Sun Island Road

The Nantucket Airport Commission seeks to increase revenues as part of its effort to make the Airport as self-sustaining as possible. It is planning on leasing approximately five (5) acres located on Sun Island Road to commercial entities. If the Airport Commission can offer a long-term lease, the potential tenants can secure financing more easily for improvements to the land. M.G.L. Chapter 90, §51 F allows any airport commission to lease up to twenty years, but any longer term requires Town Meeting approval.

The Finance Committee’s Motion is positive.

Articles 95 – 103 are citizen-sponsored articles and not included in this Guide.

Article 104 – Municipal Aggregation

The Town is exploring the feasibility of creating a Municipal Electricity Aggregation. Within an Aggregation, the Town strategically purchases the electricity supply on behalf of its citizens. Aggregation is allowed by Massachusetts law and is gaining popularity as a “bulk purchase” model to achieve: cost savings, price stability, greener power, reputable and transparent supply contracts, and increased supply competition. National Grid would continue to be responsible for delivering that purchased electricity supply to the island, maintaining the poles and wires, providing customer service, and restoring power when there is a service interruption.

Municipal aggregation would be an optional electricity-supply alternative for the customer and participation would not be required. Under a Municipal Aggregation, individual residents and businesses would retain the right to opt-out of the program with no penalty and to choose any other supplier or stay with the default utility (National Grid). The Town will bear no cost in forming a Municipal Aggregation. The Town has selected Peregrine Energy Group to assist with the plan development, regulatory approval, electricity supply procurement, and public education and outreach efforts at no cost to the Town. Implementing a municipal electricity aggregation is a highly regulated process that is overseen by the Massachusetts Department of Public Utilities (DPU) and can stretch out to as much as a year. Town Meeting approval is required to initiate the Aggregation process. Once that occurs, an Aggregation plan will be developed for local and State approval, to offer all customers a choice between staying with their default utility or participating in the new “bulk purchase” municipal aggregation.

The Finance Committee’s Motion is positive.

Article 105 – Appropriation: Capital Projects Stabilization Fund

The Capital Projects Stabilization Fund was established at the 2015 Annual Town Meeting, and funded with an appropriation of \$1,000,000 from Free Cash. The fund was created and money appropriated to it in conjunction with the update of the long-term capital plan. As the fund continues to grow, it will be available to help the Town manage the amount of debt it takes on.

The Finance Committee’s Motion is to transfer \$250,000 from Free Cash into the Capital Projects Stabilization Fund.

Article 106 – Appropriation: Stabilization Fund

The Stabilization Fund (aka the “Rainy Day Fund”) is what municipalities typically rely on to fund extraordinary items (e.g., large legal settlements) so as to “stabilize” the budget in an emergency, or to fund significant future capital projects. Currently, Town policy requires that the balance in the Stabilization Fund must equal at least 5% of revenue (which the Town now achieves). The Town is not seeking an appropriation into or from the Fund for FY 2017.

The Finance Committee’s Motion is to take no action.

Article 107 – Appropriation: Free Cash

The Town’s certified Free Cash for use in FY 2016 and FY 2017 is \$5,405,506. The Article proposes to use approximately \$3,105,506 (see Articles 2, 8, 10, 105) to fund items in both fiscal years. The remaining balance of \$2,300,000 was appropriated at the November 9, 2015 Special Town Meeting to the Fire Station and Brant Point Shellfish Propagation Facility building projects.

The Finance Committee’s Motion is to take no action.

Glossary of Terms

Appropriation: Approval by Town Meeting to spend money for specific purposes defined by a warrant article.

Betterment: A betterment or special assessment “is a special property tax that is permitted where real property within a limited and determinable area receives a special benefit or advantage, other than the general advantage to the community, from the construction of a public improvement.” *Definition from: “Massachusetts Department of Revenue Division of Local Services, Betterments and Special Assessments”.*

Budget: The Town’s annual plan of financial operations that includes an estimate of proposed revenues and budgeted expenditures.

Community Preservation Act: A State law that provides for a 3% surcharge (which is partially matched by the Commonwealth) on tax bills to fund projects in the areas of affordable housing, open space and recreation, and historic preservation.

Debt Exclusion: A vote from both a two-thirds quantum at a town meeting, and a simple majority vote at a town election, which approves the exclusion of debt service payments for a particular project from the levy limit. A debt exclusion allows the Town to increase its total property tax levy above the limit set by Proposition 2½. The amount of the annual debt service payment is added to the levy limit for the life of the debt only.

Debt Service: Payment of interest and principal to those who loan the Town money (technically, the holders of the Town’s bonds and notes).

Enterprise Funds: An organizational structure that helps a community to direct the costs for certain services to those who use those services – in other words, the user pays. Sometimes, a particular service cannot support itself and requires a subsidy from the General Fund. Nantucket has six enterprise funds (Airport, Our Island Home, Solid Waste, Sewer, Wannacommet Water, Siasconset Water), two of which require a General Fund subsidy (Our Island Home, Solid Waste).

Fiscal Year: A 12-month period running from July 1 – June 30, commonly used in municipal government as the time period within which budget funds will be spent. Most of the monies appropriated at the 2016 Annual Town Meeting are for the Fiscal Year 2017, which starts on July 1, 2016, and ends June 30, 2017.

Free Cash: A dollar value, which must be certified by the State, and represents revenues that exceeded expectations and expenses that were below projections. Town Meeting approval is required to spend Free Cash. In Nantucket, Free Cash is generally used for one-time items such as capital projects, but not to balance the budget.

General Fund: The major Town fund created with Town receipts and tax revenues from which most Town expenses are spent. The General Fund contains several categories defined in the budget, such as personnel costs.

Levy: The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

Override: A majority vote by Town Meeting and an election to permanently increase the levy limit.

Proposition 2½: A law approved by Massachusetts voters in 1980. It sets a limit of 2½% on the year to year increase of real and personal property taxes that a community may levy on its taxpayers.

Retained Earnings: The Free Cash for an Enterprise Fund.

Stabilization Fund: A “rainy day” fund that is a special reserve account created primarily to provide for capital improvements and unforeseen circumstances. It requires a two-thirds vote of Town Meeting to disburse money from this fund and appropriate it for expenditure. Appropriation into the Fund may not exceed 10% of the prior year’s tax levy. The current balance in Nantucket’s Stabilization Fund exceeds the threshold recommended by the state.

Warrant: A list of the articles to be acted upon by Town Meeting. The language of an article frequently conforms to the style of the code into which it will be placed if passed, such as zoning.