



Town of Nantucket
2018 Annual Town Meeting

The Voter's Guide to
Warrant Articles

INTRODUCTION

Greetings, Nantucket Voter! And welcome to the 2018 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, Committees, Town staff and Town Counsel.

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 the Annual Town Meeting "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 Real Estate Assessment Committee, the Health and Human Services Contract Review Committee, the School Committee, the Enterprise Funds: Airport Commission, Nantucket and Sconset Water Commissions, Our Island Home, Sewer and Solid Waste, and finally the Select Board.

-- 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 Select Board, plus representatives from the Finance Committee, Nantucket Planning and Economic Development Commission and Select Board.) CapComm typically meets once a week through December. Every department submitting request(s) attends at least one meeting, and often several.

-- In December, the **Finance Committee** (a 9-member group appointed by the Select Board) begins its comprehensive review of all warrant articles. From December through early-March the Committee meets 1-2 times a week, generally at 4:00 PM. Department Heads, Committee Chairs, and citizen sponsors all speak before the FinCom to represent their article. All meetings are posted and open. Many are public hearings when citizens are encouraged to attend and ask questions.

-- During January and February, the **Planning Board** holds public hearings on both citizen and Board-sponsored Zoning Articles. All meetings are posted and open; many are public hearings where citizens are encouraged to learn and ask questions.

-- 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 Select Board. 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 Select Board 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 2017 Annual Town Report is on the handout table. Fiscal Year 2017 is July 1, 2016 – June 30, 2017.

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 – Additional Revolving Account (Bylaw Amendment)

This Article adds an additional revolving account to the Town Code for road opening fees. The fees collected would go into a designated revolving account for later use to repair roads impacted by road openings (see Article 4 for more on revolving accounts).

The Finance Committee’s Motion is positive.

Article 4 – Revolving Accounts: Spending Limits for FY 2019 (July 1, 2018- June 30, 2019)

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 driving permits. Those proceeds are then used for expenses such 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; this limit is based on a historical review of past years' spending. Each revolving account is listed in the Finance Committee's Motion.

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 percent of the fiscal year tax levy (which for FY 2019 is \$78,168,480).

The Finance Committee's Motion is to appropriate \$500,000 for the FY 2019 Reserve Fund.

Article 6 – Fiscal Year 2018 (July 1, 2017 – June 30, 2018) 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 2017 Annual Town Meeting.

Article 7 – Personnel Compensation Plans for Fiscal Year 2019 (July 1, 2018 – June 30, 2019)

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. Funding for the positions listed is contained within various departmental budgets.

The Finance Committee's Motion is positive.

*Article 8 – Appropriation: Fiscal Year 2019 (July 1, 2018 – June 30, 2019)
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 2019 General Fund operating budget, which is balanced and lives within the projected revenues of the Town, is proposed to increase by 0.9 percent over FY 2018. 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' goals and funding requests each year. The Committee's annual recommendations are reviewed and endorsed by the Select Board 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 \$50,000 higher than the \$400,000 voted at the 2017 Annual Town Meeting.

Article 10 – Appropriation: General Fund Capital Expenditures

Capital expenditures are "big-ticket" items meant to last for longer than at least five years. 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, the Select Board, the Capital Program Committee and the Finance Committee. Capital projects are generally funded by: 1) the General Fund and/or other available funds, 2) the re-appropriation of funds), 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 it requires a debt or capital exclusion).

Several items this year totaling \$1,545,720 are contingent upon a Capital Outlay Exclusion to be put before the voters at the Annual Town Election on April 10, 2018.

If the Capital Exclusion is approved by the voters at both the Town Meeting and the Town Election, the tax rate will increase by approximately \$87 for a property, with a residential exemption, valued at \$1,242,642 (average year round property value) for just one year.

The Finance Committee’s Motion lists the proposed projects and funding sources. In summary, funding sources for the \$7,471,552 worth of capital projects would be as follows:

\$1,545,720 FY 19 Tax Levy and Other General Revenues – *Contingent upon Capital Outlay Exclusion*

\$4,605,416	Free Cash
\$898,000	FY 19 Tax Levy and Other General Revenues
\$400,000	Affordable Housing Trust Fund
\$22,416	<u>Transfer from Bond Premium Reserve Account</u>

\$7,471,552

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. Enterprise Funds are subsidized by the

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

Nantucket Memorial Airport
Our Island Home*
Sewer
Solid Waste*
Water, Siasconset
Water, Wannacomet

* Has required a General Fund subsidy since inception

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. Most Enterprise Fund capital projects are funded by that fund's Retained Earnings, 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. Neither of the last two options is proposed.

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 Funds: Fiscal Year 2018 (July 1, 2017 – June 30, 2018) 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: Prior Year Articles

From time to time, previously approved capital projects have been completed “under budget” with funding left over; or with unspent funds for a project that has not gone forward. In such cases, Town Meeting can re-appropriate remaining funds to other eligible projects. If the original funding was borrowed, leftover 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 for the funding of a capital project, approved at the 2017 Annual Town Meeting, to be re-appropriated for a different purpose (but same location). The item is listed in the Motion.

Article 15 – Appropriation: Old South Road Area Transportation Improvements

This is a request to appropriate \$14,000,000 by borrowing, contingent upon a Debt Exclusion at the April 10, 2018 Annual Election, for the costs associated with various road improvements in the Old South Road area to improve traffic flow. These improvements include: design and construction of a roundabout at the Old South Road/Fairgrounds Road intersection, expansion of the Milestone Rotary, and installation of turning lanes at various locations along Old South Road.

The Finance Committee’s Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4.5 percent for 20 years, the annual tax bill for an average year-round property valued at \$1,242,642 (with the residential exemption) will increase by approximately \$56.50 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 16 – Appropriation: Public Works Facility Improvements - Design

This is a request to appropriate \$2,300,000 by borrowing, contingent upon a Debt Exclusion at the April 10, 2018 Annual Election, for the costs associated with improvements to the DPW Facility on Madaket Road. These improvements will enhance DPW service delivery throughout Nantucket, from emergency snow removal to equipment maintenance.

The Finance Committee’s Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of

4.5 percent for 20 years, the annual tax bill for an average year-round property valued at \$1,242,642 (with the residential exemption) will increase by approximately \$8.60 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 17 – Appropriation: Renovation of Marine Department Building

This is a request to appropriate \$3,450,000 by borrowing, contingent upon a Debt Exclusion at the April 10, 2018 Annual Election, for the costs associated with improvements to the Marine Department Building at 34 Washington Street, including public restroom renovations and infrastructure upgrades for flood zone compliance. The Town has been approved for a \$1,000,000 grant from the Commonwealth of Massachusetts for this project, and the article also authorizes the grant to be accepted and used to reduce the amount to be borrowed.

The Finance Committee’s Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4.5 percent for 20 years, the annual tax bill for an average year-round property valued at \$1,242,642 (with the residential exemption) will increase by approximately \$9.16 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 18 – Appropriation: Storm Water System Improvements

This is a request to appropriate \$3,500,000 by borrowing, contingent upon a Debt Exclusion at the April 10, 2018 Annual Election, for the costs associated with various storm water system improvements, island-wide. With an improved storm water system, illegal and other connections to the sewer system can be reduced and eliminated.

The Finance Committee’s Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4.5 percent for 20 years, the annual tax bill for an average year-round property valued at \$1,242,642 (with the residential exemption) will increase by approximately \$9.74 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 19 – Appropriation: Sparks Avenue Sidewalk Improvements

This is a request to appropriate \$1,084,493 by borrowing, contingent upon a Debt Exclusion at the April 10, 2018 Annual Election, for the costs associated with improving the sidewalk on Sparks Avenue from approximately the High School to Hooper Farm Road. This will benefit the numerous pedestrians, including children walking and biking to and from school, who use this sidewalk on a daily basis.

The Finance Committee’s Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4.5 percent for 20 years, the annual tax bill for an average year-round property valued at \$1,242,642 (with the residential exemption) will increase by approximately \$2.97 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 20 – Appropriation: Waterways Improvement Fund

The Town of Nantucket is entitled to establish a Waterways Improvement Fund, into which it 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 2019, Article 20 would authorize the Town to spend money on the regular annual items.

The Finance Committee’s Motion is positive to appropriate \$329,000 from the fund for FY 2019.

Article 21 – 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 full-time firefighter/EMT positions and/or paramedic positions, and the periodic replacement of ambulances.

The Finance Committee’s Motion is positive and appropriates \$606,210 from the Fund for FY 2019 for expenses associated with the Town’s ambulance service.

Article 22 – Appropriation: Ferry Embarkation Fee

The Town's share of the 50-cents surcharge on ferry tickets has been approximately \$200,000 annually. Each year Town Meeting must appropriate the funds. Since initiation of this fee, the Town has appropriated these funds for seasonal law enforcement through the Police Department budget and that is the plan proposed for Fiscal Year 2019. Currently, there is a positive fund balance in the account which is why the proposed appropriation exceeds the \$200,000 annual receipt.

The Finance Committee's Motion is to appropriate \$270,364 for seasonal law enforcement purposes for FY 2019.

Article 23 – Appropriation: County Assessment

The County Assessment is an amount that Nantucket County charges its one (and only) Town for the County's rather limited services to the Town. 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 2019 County Assessment.

Article 24 – Appropriation: Finalizing Fiscal Year 2019 (July 1, 2018 – June 30, 2019) County Budget

Article 24 is included in the warrant in the unlikely event that the Finance Committee, acting as the County Review Committee, votes a denial of all or part of the proposed County budget. (This 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 un-borrowed. 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 one Airport project which is not going forward and for which the full authorized amount therefore is not currently needed.

Article 26 – 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 currently funds the current costs for OPEB as part of the operating budget, but actuarial studies suggest that these costs will rise significantly in future years. The appropriation under Article 26 is intended to anticipate these future costs by setting aside money in a trust fund for meeting future OPEB obligations.

Funding this trust fund annually is a prudent financial practice that improves the Town’s credit rating. This will be the sixth year that the Town has opted to make this appropriation. 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 2019 tax levy.

Article 27 – Appropriation: Affordable Housing Trust Fund

Article 27 provides funding for the Affordable Housing Trust Fund (“AHTF”) to further its mission: creating year-round workforce/affordable housing. This year’s proposal for \$300,000 follows last year’s appropriation of \$500,000. Concurrent with efforts for the Housing Bank Home Rule Petition at the legislative level, continued funding is necessary to further current programs, such as: 1) down payment closing cost assistance for low- and moderate-income Nantucketers; 2) acquisition of land for low- and moderate-income ownership and rental opportunities; 3) financial support for development of projects such as 6 Fairgrounds Road; 4) funding of appropriate house moves; and 5) rental buy-downs of proposed and existing units to affordable levels for the year-round workforce. This appropriation allows the AHTF to take advantage of opportunities when they arise. The tax rate is not expected to increase as a result of this appropriation.

The Finance Committee’s Motion is to appropriate \$300,000 for the Affordable Housing Trust Fund, from Free Cash.

Article 28 – Appropriation for Special Purpose Stabilization Fund for Airport Employee Accrued Liabilities

This Stabilization Fund was authorized at the 2017 Annual Town Meeting, with an initial appropriation of \$200,000. It is intended to be used to cover accrued liabilities for compensated absences (e.g., accrued unused vacation and sick days)

due to Airport employees upon termination of Town employment. This year, the proposed appropriation is \$300,000. The tax rate is not expected to increase as a result of this Article.

The Finance Committee's Motion is positive. It appropriates \$300,000 from the Airport Fuel Revolving Fund for the Stabilization Fund.

Article 29 – Establishment of Special Purpose Stabilization Fund for Town Employee Accrued Liabilities

This Stabilization Fund is the same type of fund, for the same purpose, as described in Article 28, for Town employees whose salaries are contained within the General Fund (excluding the School Department). This Article establishes the Fund but requests no appropriation.

The Finance Committee's Motion is positive.

Article 30 – Appropriation for Special Stabilization Fund for Substance Abuse Prevention Efforts

At the November 6, 2017 Special Town Meeting, voters approved a local-option marijuana sales tax (3 percent). This Article proposes that 50 percent of the revenue collected from the tax be deposited into a special fund for substance-abuse programs (as described in the Article). The tax rate is not expected to increase as a result of this Article.

The Finance Committee's Motion is positive.

Article 31 – Renewal of Board of Health Septic System Betterment Loan Program

This Article seeks to borrow \$2,000,000 from the Commonwealth/State. The funds borrowed will then be loaned to property owners – through an established program with the Board of Health – to repair, replace and/or upgrade their septic systems. All costs associated with the loan program will be borne by the property owners.

The Finance Committee's Motion is positive.

Article 32 – Establishment of and Appropriation for Special Education Reserve Fund

This proposed fund, and appropriation, will be used by the School Department to pay for unanticipated or unbudgeted costs for necessary special education, out-of-

district tuition and/or associated transportation costs. The School Department must, by law, meet such unanticipated costs as overall student enrollment increases.

The Finance Committee's Motion is positive. It appropriates \$250,000 from the FY 2019 School Budget to the fund.

Articles 33-34 – Community Preservation Committee: Fiscal Year 2019 Budget Transfers; FY 2019 Appropriations

These two articles are citizen-sponsored. The Community Preservation Committee (CPC) is a municipal group that makes annual expenditure recommendations for allowed purposes for these funds. Community Preservation funds are received through a 3-percent surcharge on Nantucket property owners' tax bills plus a state funded "match." The funds received may be spent only on projects in the statutory categories of: Open Space Conservation/Recreation, Historic Preservation, and Community Housing. The transfers turn over unspent fund balances from projects approved in prior fiscal years for future use. The appropriation recommendations are for new and/or continuing projects for FY 2019.

The appropriation will have no impact on the tax rate.

The Finance Committee's Motion is positive.

Article 35

Article 35 is a citizen's article and is not explained here, as noted in the Introduction to this Guide. The Finance Committee has a Comment to this Article.

Articles 36-52 – Zoning Articles

These are a combination of Planning Board and citizen-sponsored zoning articles. All have Planning Board Motions and Finance Committee Comments.

The Planning Board Report (at the end of the Warrant) provides an overall explanation of these articles along with a Glossary of Terms related to zoning articles.

Articles 53-57 – Sewer District Map Changes

These citizen articles merit explanation because of their type (Sewer District Map Changes). Nantucket has two sewer districts: the Town Sewer District and the Siasconset Sewer District. Proposals to add (or remove) parcels to a Sewer District undergo internal administrative review by the Health Director, Sewer Director, and

Director of Planning. Internal administrative review pertains to specific criteria established for determining whether a property should be included in a district and leads to a recommendation as to whether or not to do so, to the Select Board, acting as the Board of Sewer Commissioners. Pursuant to the Nantucket Sewer Act, if the Board votes affirmatively to add the parcels, a majority vote of Town Meeting is necessary for final approval. If the Board votes not to add the parcels, a two-thirds vote of Town Meeting is required to add the parcels. Regarding these five articles, the Board voted as follows, commenting on each Article in the Warrant:

Article 53 – not to endorse (parcels did not meet the required criteria)

Article 54 – endorsed (parcels did meet the criteria)

Article 55 – endorsed (parcels did meet the criteria)

Article 56 – endorsed (parcels did meet the criteria)

Article 57 – endorsed (parcels did meet the criteria)

The Finance Committee Motions support the votes taken by the Select Board.

Articles 58-64

These are citizen-sponsored articles and are not explained here, as noted in the Introduction to this Guide.

Article 65 – Bylaw Amendment/Personnel

This proposed Article would amend the Town’s Personnel Bylaw to include the employees of departments now excluded from the bylaw’s provisions (with the exception of the School Department). Since the Article was published, however, certain legal issues have arisen, and so the recommendation is that the Article not yet go forward.

The Finance Committee’s Motion is not to adopt the Article.

Article 66 – Establishment of a Parking Benefit District

This article authorizes the Select Board to designate one or more particular geographic districts within which to collect and use parking revenues in accordance with the purposes identified in MGL Chapter 40 Section 22A, and further to authorize the Select Board to designate an entity to manage said district.

The Finance Committee’s Motion is positive.

Article 67

This is a citizen-sponsored article and not explained here, as noted in the Introduction to this Guide.

Articles 68-75 – Home Rule Petitions

So...what's a Home Rule Petition?

Massachusetts cities and towns are subject to the General Laws of the Commonwealth. Sometimes though, a city or town requires special legislation (via a "Home Rule Petition") to address a unique need or issue – perhaps an exemption (or an addition) to the law. Any such request for special legislation must first be approved by Town Meeting and then enacted by the State legislature. Thousands of Home Rule Petitions are submitted annually by Massachusetts cities and towns and years may pass before they are enacted. Some of the Home Rule Petitions below have been approved repeatedly by Town Meeting, seeking the Legislature's eventual enactment. Articles 68 – 75 are this necessary act of renewal, to keep our hopes alive.

Article 68 – Home Rule Petition: Merger of Nantucket Water Commission and Siasconset Water Commission

The passage of Article 68 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 Wannacomet Water Company will remain as the operating enterprise fund. This article was jointly proposed by and supported by both the Siasconset and Nantucket Water Commissions. The Commissions' joint support acknowledges the two Commissions' *de facto* unification during the past 10 years. The Siasconset Water Commission contracts with the Wannacomet Water Company, through the Nantucket Water Commission, to provide it administrative and operational support. This article neither increases nor decreases the authority of the expanded Nantucket Water Commission.

This home rule petition was approved by the 2016 and 2017 Annual Town Meetings and is in the warrant again, in the event that the Legislature does not act on it before the end of 2018.

The Finance Committee's Motion is positive.

Article 69 – Home Rule Petition: Rescind Nantucket Mosquito Control Project Act

The Nantucket Mosquito Control Project Act was enacted in 2014 by the Legislature. It was preceded by a home rule petition to allow Nantucket to be its own Mosquito Control District which would utilize statutory provisions otherwise not allowed (e.g., entering onto private property without owners' permission, for mosquito control testing and treatment purposes). Another hidden requirement, however, was conceding local control over the Town's funds for mosquito control to the State, along with authority to make appointments to a local Mosquito Control Commission. To address this loss of local control Article 69 would allow the Town to revert to its own devices for mosquito control funding and spending. Any resulting loss of access to private property would not be problematic. Upon the Article's approval and the State's approval of this Article's home rule petition, we foresee further success in the Town's ongoing efforts to control mosquitos.

The Finance Committee's Motion is positive.

Article 70 – Home Rule Petition: Community Housing Bank Real Estate Transfer Fee

Article 70 reaffirms support for a Home Rule Petition to establish a real-estate transfer fee to support the creation of workforce/affordable housing for Islanders. This home rule petition was approved at the 2016 and 2017 Annual Town Meetings and is currently pending at the State House. The Housing Bank would establish a transfer fee equal to ½ percent (0.5 percent) on amounts above \$2 million to be paid by the seller (for example: were a property sold for \$2.5 million, the seller would pay: \$500,000 x 0.5 percent = \$2,500). The Housing Bank bill shares many of the same exemptions the existing Land Bank Act provides. This novel approach for funding workforce/affordable housing utilizes existing agencies and the Affordable Housing Trust Fund (AHTF) to administer the funds and the Land Bank to collect the fee, as now done, from buyers. All expenditures over \$100,000 by the AHTF require approval by the Select Board – for check and balance purposes. The measure also includes an automatic “sunset” provision, so the fee terminates if and when the Island reaches its community housing goals, including meeting the statutory requirement that 10 percent of year-round residences be affordable and on the state's Subsidized Housing Inventory listing. Presently, Nantucket is at just 2½ percent of this requirement.

The Finance Committee's Motion is positive.

Article 71 – Home Rule Petition: Amending Special Act Authorizing Affordable Housing Covenants

This article would enable island families to assist the next generation of Islanders seeking to remain on Nantucket as homeowners. This same Home Rule Petition (approved at the 2017 Annual Town Meeting) authorizes a modification to the Housing Covenant program offered by the Nantucket Housing Authority (and administered by Housing Nantucket). It would allow a Covenant lot/home to be transferred to a qualified family member who may not meet the usual income / asset limitations. Were the Covenant property instead transferred outside the family, the property would be subject to the usual income and asset limitations of the Covenant program.

The Finance Committee's Motion is positive.

Upcoming Real Estate Articles

A few words about real estate articles:

These are permissive articles. That means the Select Board is authorized (but not required) to take action on each of them. Approval of any articles (including citizen articles) does assure action. Approval means only that the Board may take action.

Articles 72 and 78 – Home Rule Petition and Real Estate Conveyance: Nantucket Islands Land Bank, Nantucket Conservation Foundation, Sconset Trust

These are companion articles. The home rule petition (Article 72) would allow the Town to convey conservation/open space land to the entities noted above. Town land designated for open space, recreation or conservation purposes requires state approval for conveyance. The entities to which the various parcels identified in the Article would be transferred are better positioned to hold and manage these parcels. Article 78 authorizes the Select Board to convey these properties. A Town Meeting vote is required to convey Town-owned real estate.

The Finance Committee's Motions are positive.

Articles 73 and 79 – Home Rule Petition and Real Estate Conveyance: Land from County to Town

These are companion articles. The home rule petition is required in order to convey County land to the Town; the Article is needed because a Town Meeting vote is required to convey Town-owned real estate. The Town has had a longstanding practice of transferring County-owned land to the Town to maintain local control of

these public resources in the event that County government is phased out and absorbed by the State. These parcels were overlooked in past efforts because they were incorrectly listed.

The Finance Committee's Motions are positive.

Articles 74 and 80 – Home Rule Petition and Real Estate Conveyance: 264 Polpis Road

These are companion articles. The home rule petition is required in order to convey Town-owned land held for cemetery purposes; the Article is needed because a Town Meeting vote is required to convey Town-owned real estate. The Select Board comment to Article 80 explains the purpose of the proposed transaction.

The Finance Committee's Motion is positive.

Articles 75 and 77 – Home Rule Petition and Real Estate Acquisition/Transfer: Portions of 1 Milestone Road, 10 Surfside Road, 10 Sun Island Road

These are companion articles. The home rule petition is necessary to convey Town-owned land held for water supply and protection purposes; the Article is necessary for Town Meeting approval to convey Town-owned real estate. Together, these Articles will allow a small portion of 1 Milestone Road (property under the jurisdiction of the Nantucket Water Commission) unused for water supply or protection purposes to be used for roadway purposes (eventual reconfiguration of Milestone Rotary). Similarly, the portions of 10 Surfside Road (property under the jurisdiction of the School Department) that is unused for school purposes would be used for roadway purposes (eventual Four Corners Intersection reconfiguration). Furthermore, a portion of 10 Sun Island Road (under Airport Commission jurisdiction) but not used specifically for Airport purposes, would be used for roadway purposes, specifically an eventual reconfiguration of the intersection at Milestone Road and Nobadeer Farm Road.

The Finance Committee's Motions are positive.

Article 76 – Real Estate Conveyance: Moorlands Management District

This Article authorizes the Select Board to convey Town-owned properties in the Moorlands Management District to the Land Bank. A Town Meeting vote is required to convey Town-owned real estate. The parcels identified in the Article would be conveyed to the Land Bank which has extensive land holdings in this

environmentally-sensitive area and has been proven a competent steward of similar properties.

The Finance Committee's Motion is positive.

Articles 81 and 82 – Real Estate Acquisition and Conveyance: Portions of Lincoln Avenue

Article 81 allowing the Town to acquire a portion of Lincoln Avenue, requires a Town Meeting vote to acquire land by eminent domain. Article 82 authorizes the Select Board to convey a portion of the property to be acquired. A Town Meeting vote is required to convey Town-owned real estate. The intent is to acquire the property identified in Article 81 by eminent domain so as to clear the title; and, then to convey it once acquired through the established "Yard Sale" program. The property is of no value to the Town and little value to anyone but an abutter.

The Finance Committee's Motions are positive.

Articles 83 – 88

Articles 83 - 88 are citizen articles and are not explained here, as noted in the Introduction to this Guide.

Article 89 – 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). The Stabilization Fund is intended to "stabilize" the budget when emergencies arise, or to fund significant future capital projects that should not be postponed. Currently, Town policy requires that the balance in the Stabilization Fund equal at least 5 percent of revenue (which the Town now achieves). The Town is not seeking an appropriation into or from the Fund for FY 2019. This article recurs annually whether or not an appropriation will be sought.

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

Article 90 – Appropriation: Free Cash

The Town's certified Free Cash for use in FY 2018 and FY 2019 is \$6,215,883. The Town proposes to use approximately \$5,531,316 (see Articles 8, 10, 27) to fund items in both fiscal years. Because the earlier articles if passed authorize the use of free cash, no additional appropriation of free cash should be needed.

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 in the current fiscal year. Budget expenses for operations include payroll, utility costs, supplies, annual maintenance and repairs, etc. The annual capital budget is for big ticket items expected to last for more than five years.

Capital Exclusion: A Capital Exclusion allows the Town to increase its total property tax levy above the limit set by Proposition 2½. The amount of the exclusion is added to the levy limit for one year only. A Capital Exclusion requires both a two-thirds quantum at a Town Meeting and a simple majority at a Town Election.

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

Debt Exclusion: 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. A Debt Exclusion requires both a two-thirds quantum at a Town Meeting and a simple majority at a Town Election.

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, Wannacomet 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 2018 Annual Town Meeting are for the Fiscal Year 2019, which starts on July 1, 2018, and ends June 30, 2019.

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 percent 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 percent 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.

Prepared by Town Administration, March 2018