



Town of Nantucket
2022 Annual Town Meeting

Nantucket High School
Mary P. Walker Auditorium
Monday, May 2, 2022 - 5:00 pm

The Voter's Guide to
Warrant Articles

INTRODUCTION

*Greetings, Nantucket Voter!
And welcome to the 2022 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, except in unusual circumstances. For the 2022 Annual Town Meeting, we have not addressed any citizen articles in this document. 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 [Nantucket Town Meeting Traditions and Procedures](#) 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 if they have ideas 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 Finance Committee, Capital Program Committee, the

Enterprise Funds: Airport Commission, Nantucket Board of Water Commission, Our Island Home, Sewer and Solid Waste, and finally the Select Board.

-- In September, the **Capital Program Committee** (CapCom) begins its review of all General Fund and Enterprise Fund capital project requests. (CapCom 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.) CapCom typically meets once a week through December. Every department submitting request(s) attends at least one meeting, and often several. All meetings are posted and open to the public.

-- In December, the **Finance Committee** (FinCom) begins its comprehensive review of all warrant articles (FinCom is a 9-member group appointed by the Select Board). From December through early-March the Committee meets 1-2 times a week. Department Heads, Committee Chairs, and citizen sponsors all speak before the FinCom to represent their article. All meetings are posted and open to the public; 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 follows the State law (Chapter 40, s. 49) that requires the Select Board to provide an Annual Town Report. The Report 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 2021 Annual Town Report is on the handout table. Fiscal Year 2021 is July 1, 2020 – June 30, 2021.

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 could not be paid for budgetary or other reasons in the fiscal year within which they were incurred.

The Finance Committee’s Motion is positive. The funding source is Free Cash (defined in the Glossary herein) for the General Fund bills, Current Year Budgets or Retained Earnings (see Glossary) for the Enterprise Fund bills.

Article 3 – Appropriation: Prior Year Articles

From time to time, previously approved capital projects are completed “under budget”. In such cases, Town Meeting can re-appropriate the remaining funds to other eligible projects. If the original funding was borrowed, leftover funds may only be re-appropriated for 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 a prior year unexpended article for School building improvements. Please refer to the item included in the warrant for Article 3.

This article is not expected to have an impact on the tax rate.

Article 4 – Revolving Accounts: Spending Limits for FY 2023 (July 1, 2022 – June 30, 2023)

A revolving account receives revenue generated by a particular activity which is used to pay for items related to that activity. These accounts operate outside of the General Fund. For example, the Town’s Beach Improvement Revolving Account receives revenue 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 All-Terrain Vehicle expenses.

Town Meeting sets 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 may not exceed five percent of the prior year's tax levy. Five percent of the prior year (FY 22 tax levy was \$95,470,203) would be \$4,773,510.

The Finance Committee's Motion is to appropriate \$500,000 for the FY 2023 Reserve Fund.

Article 6 – Fiscal Year 2022 (July 1, 2021 – June 30, 2022) 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 will “true up” department budgets using already appropriated funds. There is no impact on the taxpayer.

The Finance Committee's Motion is positive and utilizes funding already appropriated at the 2021 Annual Town Meeting.

Article 7 – Personnel Compensation Plans for Fiscal Year 2023 (July 1, 2022 – June 30, 2023)

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”) employees, 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 2023 (July 1, 2022 – June 30, 2023)

General Fund Operating Budget

Article 8 asks the Town Meeting to approve a General Fund operating budget for Town departments and agencies. The proposed expenditures are detailed in the Finance Committee’s Motion. Of note in the General Fund operating budget is additional funding for several positions including, Parks and Recreation Manager, Sustainability Manager, and Environmental Specialist (total of \$383,000). First-time funding for Island-wide playing field maintenance (\$200,000) is also included. These additional amounts are in support of Select Board Strategic Plan goals of Efficient Town Operations, Environmental Leadership and Quality of Life. The FY 2023 General Fund operating budget, which is balanced and is within the projected revenues of the Town, is proposed to increase by 7.42% over FY 2022.

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 because of this article.

For FY 2023, the allocation was level-funded at \$650,000. An additional \$175,000 from a Special Stabilization Fund for Substance Abuse Efforts is recommended for allocation. The additional funding is generated from the local share of the retail marijuana tax and Community Benefit Agreements with the marijuana dispensaries.

The Finance Committee’s Motion is positive.

Article 10 – Appropriation: General Fund Capital Expenditures

Capital expenditures are “big-ticket” items meant to last five years or longer. 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 or earlier. 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 \$1,016,000 are contingent upon a Capital Outlay Exclusion to be put before the voters at the Annual Town Election on May 10, 2022. Please note that one capital exclusion item is included in Article 22 (replacement vehicle: \$40,000) and one item in Article 10 (Mechanic’s Truck: \$120,000) has been withdrawn.

One item in Article 10’s Motion is contingent upon a Debt Exclusion. This is a \$9,000,000 appropriation to fund water main extensions to areas west of Nantucket Memorial Airport. Due to Aqueous Film Forming Foam release within a specific site around the Nantucket Memorial Airport (NMA) and resulting groundwater contamination, the Town proposes to expand public water service to 75 homes (up to 150 homes if subdivided under current zoning) west of NMA. While evidence of contamination is not widespread in the area, there is an opportunity to leverage and extend the water main work being undertaken by NMA along the airport perimeter. In August 2021 the Town applied for a Department of Environmental Protection State Revolving Fund loan of \$7.8M. The application requires Town funding be in place by June 30, 2022 to cover the loan.

The Finance Committee’s Motion is positive for the listed proposed projects and funding sources. If the debt exclusion is approved by the voters at Town Meeting and Town Election, the tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$21.22 for twenty years

If the capital exclusion (vehicles and equipment) is approved by the voters at Town Meeting and Town Election, the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$37.67 for just one year.

In summary, funding sources for the \$36,150,150 of capital projects would be as follows:

\$3,311,000	FY 23 Tax Levy and Other General Revenues (<i>Contingent upon Capital Outlay Exclusion</i>)
\$7,041,900	Free Cash
\$24,500,000	Borrowing
\$772,305	Article Re-appropriation
<u>\$524,945</u>	Transfer from Ambulance Reserve Fund
\$36,150,150	Total

Borrowing funds requires a quantum vote of two-thirds.

Article 11 – Appropriation: Design of New Our Island Home Facility

This is a request to appropriate \$8,500,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, for the design, site planning and project management for a new Our Island Home (OIH). The new OIH would be located on Town-owned land at the Sherburne Commons campus at 40 Sherburne Commons Way. Built in 1980, the current facility is outdated, inefficient and does not meet current best practices for patient care, or current Department of Public Health regulations for nursing support and mechanical systems.

As the current facility is inadequate – if Nantucket is to continue having an on-Island nursing facility – it needs to be replaced. The Select Board and the Finance Committee have voted unanimously to support this Article and the OIH project.

A new Our Island Home will benefit all Islanders by:

- Allowing for flexibility and more space, providing improved quality of life: privacy, dignity, independence and meaningful activity for residents
- Continuing the operation of a local Skilled Nursing Facility, saving Nantucketer’s the time, inconvenience and expense of off-Island travel
- Creating a more home-like facility that can focus on person-centric care
- Replacing a failing building with a code compliant facility that will meet the standards of care of Skilled Nursing Facilities for years to come.
- Allowing the existing site at 9 E. Creek Road to be repurposed for a new Senior Center

The funding authorization represents approximately 17% of the estimated construction cost for the facility. Construction costs are currently estimated to be \$50,000,000 and would require

approval at a future Town Meeting and Election. These are high numbers, but unfortunately reflect the dramatic increase in on-Island construction costs.

The Finance Committee’s Motion is positive. An affirmative vote at Town Meeting and Town Election will mean that the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$20.04 for twenty years.

Borrowing funds requires a quantum vote of two-thirds.

Article 12 – Appropriation: Replacement Harbormaster Building

This is a request to appropriate \$2,000,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, to undertake the construction of new public restrooms, shower facilities and Harbormaster Office at their current location at 34 Washington Street. The existing building does not comply with current State building or accessibility codes. The new building design fully incorporates mandated handicap accessibility requirements as well as coastal resiliency features. These coastal resiliency features are designed so that the building will survive flooding or forecasted sea-level rise for at least the next 50 years.

The original project estimate was \$3,000,000 in 2018. However, with COVID-19 impacting construction permitting and bidding, the project was not bid out until early 2021 and only two bids were received. These bids were \$4,800,000 and \$5,900,000, well exceeding the available funds. With COVID-19 restrictions easing, we expect a more competitive bid environment, and anticipate \$2,00,000 of supplemental funding will be sufficient to complete construction. Also included in the funding for this project is a State Grant for \$1,000,000 which will offset the overall cost to the Town.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$4.73 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 13 – Appropriation: Pleasant Street and Sidewalk Repaving/Reconstruction

This is a request to appropriate \$2,000,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election for the purpose of road repaving and sidewalk reconstruction of Pleasant Street from Silver Street to Main Street. (The Town continues to prioritize in-town sidewalk improvements and will be improving nearby areas in the future.) Sidewalk

reconstruction will improve pedestrian safety and the road repaving will improve traffic flow and resolve current pavement degradation issues.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$4.73 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 14 – Appropriation: LORAN Barracks Repairs

This is a request to appropriate \$4,500,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, for the renovation of Town seasonal employee housing located at the former Coast Guard LORAN Station in Siasconset. The two dormitory buildings located at Low Beach Road were originally constructed in the 1950’s and expanded in 1963. The Town has used these buildings since 1985. A recent engineering analysis of the buildings has determined that the underground sewer piping has failed and that there are significant amounts of asbestos and lead paint which should be removed. Also, the concrete block exterior of one building has developed cracks and is failing. This project would complete exterior and interior repairs, mitigate hazardous materials and remove the current in-ground septic system, connecting the facility to the municipal sewer system.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$10.62 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 15 – Appropriation: School Department – Athletic Facilities

This is a request to appropriate \$5,600,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, to improve and upgrade the athletic facilities of the Nantucket Public Schools Campus in support of its Campus Wide Master Plan goals of improving and upgrading these facilities for students, staff and the community. This funding would be utilized to build a new natural grass baseball field, five (5) post-tension concrete tennis courts, fencing, lighting, parking and security on the Backus Lane side of the campus

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$13.21 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 16 – Appropriation: Design of Central Municipal Facility

This is a request to appropriate \$6,000,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, design a central municipal facility to be located on the municipal campus at 2 Fairgrounds Road. A more energy-efficient, space-appropriate, and user-friendly centralized municipal facility has been in consideration since the purchase of the Fairgrounds property in 2004. Due to the aging infrastructure of several Town facilities and the inefficiencies of having multiple buildings to manage and maintain, as well as the lack of space needed to properly address the service needs of the growing Nantucket community, the Select Board’s adopted Strategic Plan identifies newer and more energy-efficient public buildings as an operational goal of the “Efficient Town Operations” focus area. This project also addresses the Town’s commitment as a Green Community. The appropriation will fund the costs of an Owner’s Project Manager (OPM) as required by State law as well as professional services for design, permitting, engineering, and other related professional services, and any other incidental costs. The funding authorization represents approximately 12% of the estimated construction cost for the facility, and OPM fees. Construction costs are currently estimated to be \$50,000,000 and would require approval at a future Town Meeting and Election.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$14.15 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 17 – Appropriation: Construction of Town Employee Housing

This is a request to appropriate \$8,500,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, for the construction of Town seasonal and potentially year-round employee housing on Town-owned property along the newly built Waitt Drive. This project is in furtherance of the Select Board’s Strategic Plan Housing goal to meet Town employee housing needs.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$20.04 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 18 – Appropriation: PFAS Groundwater Soil Investigation

This is a request to appropriate \$2,000,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, for the Town’s ongoing voluntary PFAS assessment efforts that began in 2020. PFAS is a class of man-made chemicals which are used in firefighting foam and numerous everyday products, including nonstick cookware, grease-proof food packaging, personal care products, stain and water-resistant clothing, carpets, and furniture. For decades, these carbon-fluoride compounds were widely used for their water and oil repellent qualities and are resistant to breakdown. Some PFAS has been found to accumulate in the human body and the food chain. The presence of PFAS in the environment (groundwater, surface water, soil, air, and food) is still poorly understood due to very limited testing.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$4.73 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 19 – Real Estate Acquisition/Appropriation: 10-12 Washington Street

This is a request to appropriate \$4,750,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, to acquire the property located at 10-12 Washington Street. The property currently serves as the NRTA transit center (“Greenhound”). ReMain purchased the building and lot in 2008 with the goal of demonstrating to the Town the value of a downtown transit hub and with the hope of expanding seasonal bus service to year-round service. This is an important property in realizing the Town’s expanded transportation goals and ReMain has been instrumental in supporting and developing our downtown transit center for the past 14 years. In addition to the role that this property will play in meeting our transportation goals, the property is also of strategic importance in the development of the area around the transit center and the redevelopment of the adjacent Harbor Place.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$11.21 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 20 – Appropriation: Affordable Housing

This is a request to appropriate \$10,000,000 by borrowing, contingent upon a Debt Exclusion at the May 10, 2022 Annual Election, for the creation and preservation of both rental and homeownership opportunities for year-round community housing. This project is in support of the Select Board’s Strategic Planning Housing goal of increased ownership and rental

opportunities for year-round residents and in furtherance of our Safe Harbor maintenance as related to so-called “40B developments”.

The Finance Committee’s Motion is positive. The tax rate impact of an affirmative vote at Annual Town Meeting and Annual Town Election will mean the annual tax bill for a year-round property valued at \$1,358,369 and which qualifies for a residential exemption will increase by approximately \$23.58 for 20 years.

Borrowing funds requires a quantum vote of two-thirds.

Article 21 – Appropriation: Enterprise Funds Operations

Under Massachusetts General Law, Enterprise Funds are intended to fund their operations through user fees and other self-generated revenue. Enterprise Funds are subsidized by the General Fund when Enterprise Fund revenue does not cover the Enterprise operations. The Town of Nantucket has five Enterprise Funds:

Nantucket Memorial Airport

Our Island Home*

Sewer

Solid Waste*

Water Department

**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 22 – 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. There is one Enterprise Fund capital request that is contingent upon a Capital Outlay Exclusion (Solid Waste - \$40,000 for replacement vehicle). This item is included in the items of Ballot Question 11 (see the information for Article 10 above, for tax rate increase information).

The tax rate is not expected to increase as a result of these projects, with the exception of the Solid Waste vehicle replacement item noted above.

The Finance Committee’s Motion is positive, and Article 22 lists the proposed projects and funding sources.

*Article 23 – Enterprise Funds: Fiscal Year 2022 (July 1, 2021 – June 30, 2022)
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. It requires a vote of Town Meeting.

The Finance Committee’s Motion is positive.

Article 24 – 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 2023, Article 24 would authorize the Town to spend money on the regular annual items.

The Finance Committee’s Motion is positive to appropriate \$367,000 from the fund for FY 2023.

Article 25 – 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 to appropriate \$742,992 from the Fund for FY 2023.

Article 26 – Appropriation: Ferry Embarkation Fee

The Town’s share of the 50-cent ferry ticket surcharge has been approximately \$200,000 annually. Since initiation of this fee, the Town has used the funds for seasonal law enforcement through the Police Department budget. Each year Town Meeting must appropriate the funds. The Fiscal Year 2023 appropriation will be used again for seasonal law enforcement and is in-line with the projected receipts.

The Finance Committee’s Motion is positive to appropriate \$275,000 for seasonal law enforcement purposes for FY 2023.

Article 27 – 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 will not increase the tax rate.

The Finance Committee's Motion is positive to appropriate \$174,707 for the FY 2023 County Assessment.

Article 28 – Appropriation: Finalizing Fiscal Year 2023 (July 1, 2022 – June 30, 2023) County Budget

Article 28 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 a denial to be overturned by Town Meeting.

The Finance Committee's Motion is to take no action, since the County budget of \$174,707 was approved by the County Review Committee as presented.

Article 29 – Rescind Unused Borrowing Authority

Cities, towns, and districts may rescind or reduce borrowing authorizations to the extent that no liabilities have been incurred and/or where projects have been completed under budget. Numerous borrowings are proposed to be rescinded for Airport projects that are either completed or not proceeding.

The Finance Committee's Motion is to approve the proposed rescissions as listed in the Motion.

Article 30 – Appropriation: Other Post-Employment Benefits Trust Fund

The most common type of post-employment benefit is a pension. Other Post-Employment Benefits (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 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 eighth 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 positive to appropriate \$500,000 from the FY 2023 tax levy and \$500,000 from Certified Free Cash

Article 31 – Appropriation for FY 2023 Senior Work-off Program

The senior work-off program allows eligible senior citizens to work in various Town departments. The maximum each senior is allowed to work is 100 hours in a calendar year. The money earned by the seniors is applied to their real estate tax bill. This program has been valuable to both the Town and the seniors. The program has allowed eligible seniors to gain credits toward their tax bills through work, while allowing the Town to benefit from their experience and expertise. This year, funds are needed to support the program. The tax rate is not expected to increase as a result of this Article.

The Finance Committee’s Motion is positive to transfer \$25,000 from the Overlay Surplus Account.

Article 32 – Marijuana Cultivation Host Community Payments - Special Purpose Stabilization Fund for Substance Abuse Efforts

This Fund was established to support substance-abuse prevention and mental health programs. Fifty percent of the revenue collected annually from the local-option marijuana tax is deposited into this Fund. This article will add revenue to the fund by allowing 100% of any marijuana cultivation host community payments to be deposited into the Fund. The tax rate is not expected to increase as a result of this Article.

The Finance Committee’s Motion is positive.

Article 33 – 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 cover accrued liabilities for compensated absences (e.g., accrued unused vacation and sick days) owed to Airport employees upon termination of Airport employment. This year, there is no proposed appropriation; however, that was not known until after the warrant was published.

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

Article 34 – Appropriation for Special Purpose Stabilization Fund for Town Employee Accrued Liabilities

This Stabilization Fund was authorized at the 2018 Annual Town Meeting, without an initial appropriation. As with Article 33, it is intended to cover accrued liabilities for compensated absences (e.g., accrued unused vacation and sick days) owed to Town employees upon

termination of Town employment. The proposed appropriation is \$1,500,000. The tax rate is not expected to increase as a result of this Article.

The Finance Committee’s Motion is to appropriate \$1,500,000 from Certified Free Cash in the Treasury of the Town for the Stabilization Fund.

Articles 35-37 – Community Preservation Committee: FY 2023 Appropriations; Fiscal Year 2023 Budget Transfers; Affordable Housing Trust Fund

These three articles are citizen-sponsored on behalf of the Community Preservation Committee (CPC). The CPC is a municipal group that recommends annual expenditures for allowed purposes. Community Preservation funds are received through a three 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, as well as administrative expenses of the CPC. The appropriation recommendations (Article 35) are for new and/or continuing projects for FY 2023. The transfers (Article 36) return unspent fund balances from earlier projects. The appropriation for the Affordable Housing Trust Fund (Article 37) authorizes \$5,000,000 to be borrowed and spent by the Trust for the acquisition and/or development of property for affordable housing purposes. It is intended that debt service from the borrowing will be paid back with Community Preservation funds.

The appropriation will have no impact on the tax rate.

The Finance Committee’s Motion is to authorize the appropriation of \$5,000,000 to be borrowed and paid back with Community Preservation funds.

Article 38

This is a citizen-sponsored article and not explained here, as noted in the Introduction to this Guide. The Finance Committee has Comments to several of these Articles, as does the Select Board. It should be noted that while each of these citizen articles seeks an appropriation, there is no funding source identified and none of these are contained within the Town’s proposed FY 2023 spending plan.

Article 39 – Bylaw: Short-term Rental Regulations

Article 39 is a Select Board-sponsored article that would establish a short-term rental registration program and authorize the adoption of regulations (by the Board of Health, with the approval of the Select Board) to address nuisance conditions caused by short-term rentals. The proposed bylaw also sets forth enforcement provisions.

The Finance Committee’s Motion is positive, with an accompanying Comment.

Articles 40 - 41 – Short-term Rental Revolving Accounts

Articles 40 and 41 are companion articles to Article 39. Article 40 amends the Town Code to add a revolving fund, into which revenue from short-term rental registrations would be deposited. Pursuant to state law, revolving funds must have spending limits. Article 41 sets an initial spending limit for the short-term rental revolving fund of \$200,000. This revenue would be used to administer the short-term rental registration program.

The Finance Committee’s Motion is positive for both Articles.

Articles 42 - 63 – 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. In addition, a zoning district comparison between the years 2005 and 2021 indicates how the percentage of the land area of the island within each district has changed over time. The Land Use Implementation Schedule contained within the Master Plan provides clear direction to the Board; and, Town Meeting voters have consistently supported map change articles that further implementation. In 2005, when the Board first began the research necessary to draft the Master Plan, 8.65% of the island was in a high density (minimum lots size of 5,000 square feet or less) zoning district and 81.75% was in a low density (minimum lot sizes of 40,000 square feet or more) zoning district. Today, 3.39% of the island is in a high-density zoning district and 86.9% is in a low-density zoning district. Progress has been achieved in many areas, but more work needs to be done to advance Master Plan goals related to phasing out certain zoning districts, matching the zoning district to the character of the area, and aligning the zoning district with the Town and Country Overlay Districts. The articles presented to you by the Planning Board in the 2022 Annual Town Meeting Warrant continue the work necessary to accomplish the land-use related goals of the Master Plan that were previously approved by Town Meeting.

Article 64 – Bylaw Amendment: Dogs

This article was requested by the Land Bank in connection with its recently established dog park. It allows dogs to be off-leash without violating the so-called leash law.

The Finance Committee’s Motion is positive.

Article 65 – Bylaw Amendment: Committee/s Agricultural Commission

This article corrects text that was incorrectly adopted when the Agricultural Commission was initially established.

The Finance Committee’s Motion is positive.

Article 66 – Nantucket Historical Commission Membership

The Select Board sponsored this article at the request of the Nantucket Historical Commission. It modifies the membership of the Commission by eliminating alternate positions and increasing the membership from 5 to 7 members.

The Finance Committee’s Motion is positive.

Article 67 – Bylaw Amendment: Streets and Sidewalks

This article makes a very minor correction to the title of Article II of the streets and sidewalks bylaw, for clarity purposes.

The Finance Committee’s Motion is positive.

Article 68 – Cemetery Regulations

Typically, bylaws are adopted by Town Meeting; regulations are adopted by regulatory boards. Pursuant to Massachusetts General Law however, cemetery regulations require the approval of Town Meeting. It was recently discovered when the Cemetery Commission requested amendments to its regulations, that they had not been adopted by Town Meeting.

The Finance Committee’s Motion is positive.

Articles 69 - 72 Citizen Articles

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

Articles 73 – 75 Bylaw Amendments: 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, Director of Planning, and the Town Real Estate Specialist. The review scores each parcel using specific criteria for determining if a property qualifies for inclusion, and recommendations are made 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.

Article 73 is a Town-sponsored article. Articles 74 - 75 are citizen-sponsored and went through the same review. The Select Board acting as Sewer Commissioners voted as follows:

Article 73 – endorsed (parcels met the required criteria)

Article 74 -- did not endorse (parcels did not meet the required criteria – would need a 2/3 vote to amend the Sewer District)

Article 75 – endorsed (parcel met the required criteria)

In all cases, if Town Meeting approves the requested parcels for inclusion in the sewer district, the owner(s) of the property must comply with any and all conditions of the Town prior to any sewer construction or installation. These include (but are not limited to) payment for engineering, construction, condition assessment and capacity analysis of the current and potential upgrade of the force main and/or sewer line to which the property would be connected.

The Finance Committee Motions support the votes taken by the Select Board acting as the Sewer Commissioners.

Upcoming Home Rule Petition Articles

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.

Article 76 -- Home Rule Petition: Community Housing Bank Real Estate Transfer Fee

Article 76 reaffirms support for a Home Rule Petition (HRP) 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, 2017, 2018, and 2019 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) of the purchase price of any real property interest on amounts above \$2 million to be paid by the seller of such real property interest. (Example: were a property sold for \$2.5 million, the seller would pay: \$500,000 x 0.5 percent = \$2,500) This exemption may be adjusted annually by a vote of two-thirds of voters at an annual or special town meeting. 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 Town to collect the fee, 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 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 6 percent of this requirement. The fee may be extended by a vote of Town Meeting. There are two changes to the HRP in this year’s version: 1) it increases the upper income limit the funds can serve (now 240% of the Nantucket annual median income– up from 175%), and 2) it includes a provision that should one of the state-wide enabling pieces of legislation for a transfer fee be enacted, that a majority vote

of this Article by this Town Meeting shall be deemed that Nantucket is adopting the legislation for a transfer fee to support affordable housing provided the provisions in this Article are consistent with the legislation as adopted.

The Finance Committee's Motion is positive.

Article 77 -- Home Rule Petition: Amendment to Nantucket Sewer Act

This home rule petition would authorize the Select Board acting as Sewer Commissioners to adopt regulations that would allow it to waive certain sewer connection fees for year-round residents who meet particular criteria.

The Finance Committee's Motion is positive.

Article 78 -- Home Rule Petition: Town Charter Amendments

Per the Town Code, the Select Board is supposed to appoint a Government Study Committee every five years. The most recent Committee completed its report in 2021. The report was reviewed with the Select Board and it voted to put forward a home rule petition at the 2022 Annual Town Meeting to implement several of the Committee's recommendations. The recommendations are enumerated in the Article. The Committee's report may be found on the Town website [Final Report \(nantucket-ma.gov\)](https://www.nantucket-ma.gov/Files/2022%20Final%20Report.pdf).

The Finance Committee's Motion is positive.

Articles 79 – 84 Citizen Articles

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

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 act on each of them. Approval of any articles (including citizen articles) does not ensure action. Approval means only that the Board may act. The citizen real estate articles, while not explained in this Guide, were reviewed by the Town's Real Estate Specialist as well as the Town's Real Estate Assessment Committee and those recommendations and/or comments are reflected in the Finance Committee Motions and/or Comments to those articles.

Articles 85 - 86 Real Estate Acquisition (Ways at Eel Point) and Real Estate Conveyance (Ways at Eel Point)

These are companion articles which allow the Town to acquire portions of identified properties at Eel Point for public access, beach management, open space and/or conveyance; and, also to convey all or portions of these properties for coastal access purposes.

The Finance Committee's Motions are positive.

Articles 87 - 88 Real Estate Acquisition (Paper Streets/Red Barn and Sheep Pond Roads Area) and Real Estate Conveyance (Paper Streets/Red Barn and Sheep Pond Roads Area)

These are companion articles which allow the Town to acquire by purchase, gift or eminent domain all of or portions of identified paper streets in the Red Barn Road and Sheep Pond Road areas for public access, open space and/or conveyance; and, also to convey all or portions of these paper streets. The acquisition of these paper streets is part of the plan to provide permanent alternate access for the property owners in the Sheep Pond Road area due to the road erosion.

The Finance Committee's Motions are positive.

Articles 89 - 90 Real Estate Acquisition (Parcel of Land off Surfside Road) and Real Estate Conveyance (Parcel of Land of Surfside Road)

These are companion articles which allow the Town to acquire by purchase, gift or eminent domain all of or portions of the identified property for public access, general municipal purposes and/or conveyance; and, also to convey all or portions of this property through the established "Yard Sale" Program.

The Finance Committee's Motions are positive.

Articles 91 - 92 Real Estate Acquisition (31 Easy Street) and Real Estate Conveyance (31 Easy Street)

These are companion articles which allow the Town to acquire by purchase, gift or eminent domain the referenced property for public way, sidewalk, drainage, flood control and other general municipal purposes and the purpose of conveyance with an appropriation of \$3,000,000 by a borrowing, with \$2,000,000 to be paid by other sources to reduce the amount to be borrowed. Portions of the property may then be conveyed to the Land Bank and Steamship Authority for all purposes pursuant to their respective enabling legislation.

The Finance Committee's Motions are positive.

Articles 93 - 94 Real Estate Conveyance (50 Altar Rock Road) and Home Rule Petition for Real Estate Conveyance (50 Altar Rock Road to Nantucket Conservation Foundation)

The 50 Altar Rock Road property (where the Altar Rock monument is located) is owned by the Town for park purposes. Through a variety of discussions with the Nantucket Conservation Foundation (NCF), the Town proposes to convey the property to NCF. In order to dispose of the property, the care, custody, management and control of the property must be transferred from the Select Board held for park purposes to the Select Board held for purposes of conveyance. In addition, since the Town acquired the property for park purposes, the Town must comply with Article 97 of the Amendments of the Massachusetts Constitution by filing the Home Rule Petition with the State Legislature authorizing the transfers of the property and the conveyance of the property to NCF for open space, recreational and conservation purposes. Furthermore, since the Town received the property as a gift for park purposes, the Town may need to file a *cy pres petition* in order to be able to convey the property. A Town Meeting Vote is required to transfer the property, convey it to NCF and to file a Home Rule Petition and a *cy pres petition*. These are companion articles which enable the Town to comply with the required procedures to convey the property to NCF.

The Finance Committee's Motions are positive.

Article 95 – Home Rule Petition: Real Estate Conveyance/Portion of Ames Avenue

The Town is the owner of certain parcels of land shown as Lots 35-38 inclusive on Land Court Plan No. 2408-M, which are under the care, custody, management and control of the Conservation Commission for conservation purposes. In order to convey this land held for conservation purposes, the Town must comply with Article 97 of the Amendments of the Massachusetts Constitution and thereby file a Home Rule Petition with the State Legislature for its approval of the transfer of the land and the conveyance of portions of the land for roadway and for other purposes. A portion of this land lies within the roadway of Ames Avenue and a portion is to be conveyed to an abutter of Ames Avenue in exchange for a lot of approximate equal size and value. The passage of this Home Rule Petition will also enable the Town to use a portion of these lots for the alteration of Ames Avenue. A Town Meeting Vote is required to transfer the property, convey it to an abutter of Ames Avenue, and to file the Home Rule Petition.

The Finance Committee's Motion is positive.

Articles 96 – 97 Real Estate Acquisition (Tom Nevers Coastal Access/Dorset Road) and Real Estate Conveyance (Tom Nevers Coastal Access/Dorset Road)

These are companion articles which allow the Town to acquire by purchase, gift or eminent domain all of or portions of the identified properties for the purposes of public access, beach

management, open space and/or conveyance and, also to convey all or portions of these properties to the Land Bank for all purposes of its enabling legislation.

The Finance Committee's Motions are positive.

Articles 98 – 99 Real Estate Acquisition (West Chester Street) and Real Estate Conveyance (West Chester Street and Weweeder Avenue)

These are companion articles which allow the Town to acquire by purchase, gift or eminent domain all of or portions of the identified portions of West Chester Street (unconstructed) for the purposes of public access, open space protection and/or conveyance and, also to convey all or portions of the unconstructed portion of West Chester Street, and the identified portion of Weweeder Avenue to the Land Bank for all purposes pursuant to its enabling legislation and/or the Nantucket Conservation Foundation, or any abutter thereto for similar purposes.

The Finance Committee's Motions are positive.

Article 100 – Real Estate Disposition: Utility Easement/Shadbush Road

The Town is in the process of constructing a storage/maintenance facility for the Marine Department at Town-owned property off of Shadbush Road. In order for the electric connections to be made, National Grid requires an easement from the Town to install and maintain the connection. Town Meeting approval is required for the conveyance of easements.

The Finance Committee's Motion is positive.

Article 101 – Long-term Lease Authorization/Shooting Range Facility

After many years of discussion, lawsuits and regulatory review, earlier this year, the Town issued a Request for Proposals (RFP) for the long-term lease of a portion of 1 Shadbush Road for construction and operation of a shooting range facility. The proposal(s) are expected to be evaluated prior to Town Meeting (they were not received and/or evaluated as of the publication of the Voter's Guide). Because the lease will exceed a period of 5 years, Town Meeting authorization for the Select Board to enter into a long-term lease is necessary. The ground lease shall be for a minimum term of fifty years on approximately nine acres of the property and is subject to the receipt by the lessee of a Conservation and Management Permit from the MA Division of Fisheries and Wildlife Natural Heritage and Endangered Species Program and subject to a permanent conservation restriction on approximately eighteen acres of the property. Town Meeting approval is necessary to authorize the Select Board to enter into a long-term lease and to grant a permanent conservation restriction on a portion of the property.

The Finance Committee's Motion is positive.

Articles 102 – 105

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

Article 106 – Appropriation: Stabilization Fund

The Town maintains several stabilization funds. The “main” Stabilization Fund (aka the “Rainy Day Fund”) is what municipalities typically rely on to fund extraordinary items (e.g., large legal settlements). This Stabilization Fund is intended to “stabilize” the budget when emergencies arise, or to fund unanticipated significant future capital projects that should not be postponed. The Town also has a Capital Projects Stabilization Fund, for similar reasons – which are specific only to capital projects. Currently, Town policy requires that the balance in the Stabilization Fund equal to at least five percent of revenue (which the Town now achieves). The Town has proposed to appropriate \$1,500,000 from Free Cash to be deposited into the Stabilization Fund; with an additional \$1,250,000 from Free Cash to be deposited into the Capital Projects Stabilization Fund. There is no impact on the tax rate.

The Finance Committee’s Motion is positive.

Article 107 – Appropriation: Free Cash

The Town’s certified Free Cash for use in FY 2022 and FY 2023 is \$19,281,934. The Town proposes to use approximately \$8,054,459 (see Articles 2, 8 and 10) 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 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 Outlay Exclusion: A Capital Outlay 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 Outlay 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 three 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. A Debt Exclusion requires both a two-thirds quantum at a Town Meeting and a simple majority at a Town Election. *NOTE: Surprisingly, Debt Exclusion Ballot questions do not contain amounts. The wording of these Questions is strictly regulated by the state and towns are not allowed to include the amounts. Nor are Towns allowed to have any explanatory information at the Election as it could be construed as influencing the voters. If a voter wants to know the amount of the debt exclusion, he/she may ask the Town Clerk for additional information. The Town Clerk is permitted to provide the minutes or final vote of Town Meeting on the article on which the Debt Exclusion was contingent, which would contain the amount.*

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 five enterprise funds (Airport, Our Island Home, Solid Waste, Sewer, 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 2022 Annual Town Meeting are for the Fiscal Year 2023, which starts on July 1, 2022, and ends June 30, 2023.

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 two and a half 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 ten 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, April 2022