



Town of Nantucket
2017 Annual Town Meeting

The Voter's Guide to
Warrant Articles

INTRODUCTION

Greetings, Nantucket Voter! And welcome to the 2017 Annual Town Meeting.

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

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

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

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

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

-- In the fall, the warrant for 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 Board of Selectmen.

-- In December, the **Finance Committee** (a 9-member group appointed by the Board of Selectmen) begins its comprehensive review of all warrant articles. From December through 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.

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

-- 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 Board of Selectmen. This Guide does not address their Comments.

On to the Guide...

Sense of the Meeting Request

This year we have a Sense of the Meeting Request relating to a Commonwealth proposal regarding small mesh fishing gear. Sense of the Meeting Requests are not binding but are occasionally used as a way to determine Town Meeting's likely reaction to a particular issue.

Article 1 – Receipt of Reports

Article 1 is in the warrant for reference and follows the State law (Chapter 40, s. 49) that the Board of Selectmen provide an Annual Town Report, which contains the reports of specific (and other) agencies and departments of the Town. The Annual Town Report is typically published just before the Annual Town Meeting and covers the activities of the Town departments for the prior Fiscal Year. A copy of the Fiscal Year 2016 Annual Town Report is on the handout table. Fiscal Year 2016 is July 1, 2015 – June 30, 2016.

The Finance Committee's Motion is positive.

Article 2 – Appropriation: Unpaid Bills

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

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

Article 3 – Appropriation: Prior Year Articles

From time to time, previously approved capital projects have been completed with funding left over, or from a project that has not gone forward. In these cases, Town Meeting can 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 to take no action on the article as no prior year articles were identified as being currently available for re-appropriation.

Article 4 – Appropriation: Reserve Fund

The Town, under Massachusetts General Law, can make appropriations by a vote of Town Meeting to a Reserve Fund – available by law for “extraordinary or unforeseen expenditures” that may arise during the year. Money available in the Reserve Fund may be accessed only through a vote of the Finance Committee and any such appropriation cannot exceed 5% of the fiscal year tax levy (which for FY 2018 is \$3,727,684).

The Finance Committee’s Motion is to appropriate \$500,000 for the FY 2018 Reserve Fund.

Article 5 – 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 several Airport projects, two Wannacomet Water projects, one Sconset Water project and one Community Preservation funded project which have been completed and the full authorized amount was not needed.

Article 6 – Fiscal Year 2017 (July 1, 2016 – June 30, 2017) 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 2016 Annual Town Meeting.

Article 7 – Personnel Compensation Plans for Fiscal Year 2018 (July 1, 2017 – June 30, 2018)

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 2018 (July 1, 2017 – June 30, 2018)

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 2018 General Fund operating budget, which is balanced and lives within the projected revenues of the Town, is proposed to increase by 7.5% over FY 2017. 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 Board of Selectmen before the Finance Committee's consideration. Following Town Meeting approval, grant agreements are executed with each agency. The agreements contain reporting and other oversight provisions meant to ensure proper use of the funds. The tax rate is not expected to increase as a result of this article.

The Finance Committee's Motion is positive and the recommended total amount is approximately \$10,000 higher than the \$390,000 voted at the 2016 Annual Town Meeting.

Article 10 – Appropriation: General Fund Capital Expenditures

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

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

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

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

The Finance Committee’s Motion lists the proposed projects and funding sources. In summary, funding sources for the \$6,834,180 worth of capital projects would be as follows:

\$1,600,000	Proceeds from Sale of Real Estate
\$3,909,099	Free Cash
\$1,000,030	FY 18 Tax Levy and Other General Revenues
\$279,000	Ambulance Reserve Fund
<u>\$46,051</u>	<u>Remaining Funds from Prior Year Articles</u>

\$6,834,180

Article 11 – Appropriation: Enterprise Funds Operations

Enterprise Funds under law are intended to fund their own operations through user fees and other self-generated revenue. Occasionally, Enterprise Funds are subsidized by the General Fund when Enterprise Fund revenue does not entirely cover the Enterprise operations. The Town of Nantucket has six Enterprise Funds:

- Nantucket Memorial Airport
- Our Island Home*
- Sewer

Solid Waste*
Water, Siasconset
Water, Wannacomet

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

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

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

*Article 13 – Enterprise Funds: Fiscal Year 2017 (July 1, 2016 – June 30, 2017)
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: New Facility for Our Island Home

This is a request to appropriate \$30,000,000 by borrowing for the costs associated with construction of a new Our Island Home facility.

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% for 20 years, a property with the average assessed value of \$1,868,176 would have an increase in its annual tax bill of approximately \$191.75 for 20 years.

Borrowing funds requires a quorum of vote of two-thirds.

Article 15 – Appropriation: Real Property Acquisition

This article would authorize the Board of Selectmen to acquire property located at 44 and 48 Miacomet Road for general municipal purposes, housing and/or the purpose of a nursing home. The purchase price of the property is \$2,500,000.

The Finance Committee Motion is positive. The tax rate is not expected to increase as a result of this purchase. The funding source would be through borrowing with the debt service to be funded through the General Fund within existing revenue.

Article 16 – Bylaw Amendment: Board of Sewer Commissioners/Sewer District Map Changes

The article allows the listed parcels to be sewerred. These are the lots proposed for purchase in Article 15.

The Finance Committee’s Motion is positive.

Article 17 – Zoning Bylaw and Zoning Map Change: Sherburne Commons; 44-48 Miacomet Road

This Article phases out a single-parcel zoning district, Assisted Living Community (ALC), and replaces it with two designations, Commercial Neighborhood (CN) and Residential-40 (R-40). The uses allowed in the ALC district are also allowed in the CN district, which will encompass the elder housing facility portion of the site. The R-40 district will provide a buffer around the perimeter of the site that is currently protected open space. This rezoning does not further prohibit any uses that are currently allowed, and although the CN district allows a broader array of uses than ALC, the land lease between the Town and the operator restricts the use of the land to those uses that are complimentary to an elder housing facility.

The Planning Board’s and Finance Committee’s Motions are positive. The Planning Board’s Motion for this Article will change to “no action” in the event that Article 15 is not adopted.

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

The article seeks an appropriation for six parcels to be added to this sewer extension project which was approved at the 2016 Annual Town Meeting. Although these parcels

were not included in the original scope of the project, upon further review as design of this project has progressed, they logically belong within it.

The Finance Committee's Motion is positive. The appropriation will be funded from certified retained earnings in the Sewer Enterprise Fund.

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

The article allows the listed parcels to be sewerred by the appropriation in Article 18, to be included in the Town Sewer District.

The Finance Committee's Motion is positive.

Article 20 – Appropriation: Waterways Improvement Fund

The Town of Nantucket is entitled to establish a Waterways Improvement Fund, into which 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 2018, Article 20 would authorize the Town to spend money on the regular annual items.

The Finance Committee's Motion is positive to appropriate \$332,276 from the fund for FY 2018.

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 \$706,851 from the Fund for FY 2018 for expenses associated with the Town's ambulance service. Included in Article 10 is an appropriation from the Ambulance Reserve Fund for the purchase of a new ambulance in the amount of \$279,000.

Article 22 – Appropriation: County Assessment

The County Assessment is an amount "charged" by Nantucket County to its one (and only) Town for County services. The scope of these services is comparatively limited. The assessment covers a portion of expenses for the Registry of Deeds and for legal services,

professional services, and other expenses associated with County Administration items. This Article would not increase the tax rate.

The Finance Committee’s Motion is positive and appropriates \$170,201 for the FY 2018 County Assessment.

Article 23 – Appropriation: Finalizing Fiscal Year 2018 (July 1, 2017 – June 30, 2018) County Budget

Article 23 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 24 – Designation of Use of Bond Proceeds

This article if adopted would amend the prior authorization votes to include newly available options as a result of the recently passed Municipal Modernization Act. The Act allows towns to use any bond premiums received net of issuance costs in the following ways:

- 1) Apply the premiums to the project, thereby reducing the borrowing authorization.
- 2) Place the premiums in a separate fund and appropriate for a capital project.

The Finance Committee’s Motion is positive.

Article 25 – Appropriation: Ferry Embarkation Fee

The Town’s share of the 50-cents surcharge on ferry tickets typically amounts to \$150,000 - \$200,000 annually and requires annual appropriation by Town Meeting to be used. In previous years, the Town has appropriated these funds for seasonal law enforcement purposes through the Police Department budget and that is the purpose proposed for Fiscal Year 2018.

The Finance Committee’s Motion is to appropriate \$190,000 for seasonal law enforcement purposes for FY 2018.

Article 26 – Appropriation: Affordable Housing Trust Fund

Article 26 provides critical funding for the Affordable Housing Trust Fund (“AHTF”) to

further its mission: creating year-round workforce/affordable housing. This year's proposal for \$500,000 follows last year's funding request for \$1,000,000 that was approved at the 2016 Annual Town Meeting. 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 \$500,000 for the Affordable Housing Trust Fund, from Free Cash.

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

The most common type of post-employment benefits is a pension. "Other Post-Employment Benefits" (or "OPEB") include health insurance and dental, vision, prescription or other healthcare benefits provided to eligible retirees, and, possibly, their beneficiaries; and certain types of life insurance. The Town 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 27 is intended to anticipate these future costs by setting aside money in a trust fund for meeting future OPEB obligations.

Funding the trust fund each year is a prudent financial practice and serves to improve the Town's credit rating. This will be the fifth year the Town seeks 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 2018 tax levy.

Article 28 – Establishment of and Appropriation for Stabilization Fund for Airport

The Stabilization Fund will accrue monies for the payments of accrued liabilities for compensated absences, for example, vacation and sick days, due airport employees upon termination of employment with the Town. The tax rate is not expected to increase as a result of this Article.

The Finance Committee's Motion is positive. It establishes a Stabilization Fund for the Airport and appropriates \$200,000 from the Airport Fuel Revolving Fund for the Stabilization Fund.

Articles 29 - 35 – Collective Bargaining Agreements

Massachusetts General Law requires that funding for the first year of a collective bargaining agreement be approved by Town Meeting. These articles were included on the warrant in anticipation of agreements being ready for Town Meeting; however, the Town and the unions listed in the articles have not reached agreement for new contracts.

The Finance Committee's Motion for each of these Articles is to take no action.

Article 36 – Surplus Equipment Disposition: Airport Fuel Truck

The Town Code requires that the disposition of surplus equipment of a certain value be approved by Town Meeting. This Airport fuel truck is no longer needed and if approved, will be put out to bid.

The Finance Committee's Motion is positive.

Article 37 – Community Preservation Committee: FY 2018 Appropriation

While this article is citizen-sponsored, the Committee is a municipal group that makes annual decisions as to expenditures for allowed purposes for these funds. Community Preservation funds are received through a 3% surcharge on the tax bills of Nantucket property owners, as well as a state funded "match." The funds gathered may be spent only on projects in the statutory categories of: Open Space Conservation/Recreation, Historic Preservation, and Community Housing. The transfers are fund balances turned back from the unspent remainder of projects approved in prior fiscal years so that it is available for future appropriations.

The appropriation will have no impact on the tax rate.

The Finance Committee's Motion is positive, with one modification relating to the Academy Hill Apartments grant from the Committee recommendation. This modification is shown in the Motion.

Articles 38 through 75 - Zoning Articles

Articles 17, 38 through 46, 48 through 56, 65, 68 and 72 through 75 are zoning articles sponsored by the Planning Board. Except for Article 41, all motions are positive by the Planning Board and supported by the Finance Committee.

The Planning Board report provides an overall explanation of these articles is contained herein along with a Glossary of Terms related to zoning articles.

Articles 38 - 40 – Zoning Map Changes: Rezoning of Downtown Wharfs and Harbor Overlay District Expansion

Replaces ambiguous Residential Commercial (RC) zoned areas with clear and appropriate use designations that match the existing character of the area. Historic and residentially used Still Dock and Old North Wharf are paired with the Residential Old Historic (ROH) district in Article 38 while commercially used Straight and Old South Wharves are joined with the Commercial Downtown (CDT) district in Article 39. It is important to note that both districts allow mixed uses, but prioritize residential or commercial uses as proposed. Article 40 extends the limits of the Harbor Overlay District (HOD) to properties subject to a state law governing filled tidelands (Massachusetts General Laws, Chapter 91). The three articles are designed to preserve and protect the existing qualities of this important downtown area by aligning the local regulations with the current built character and use pattern.

Planning Board and Finance Committee Motions are positive.

Article 41 - Zoning Map Change: 19 North Water Street

No action is recommended on this single parcel at this time.

Planning Board and Finance Committee Motions are to take no action.

Articles 42 - 44 and 46 – Zoning Map Changes: Residential Commercial (RC) Zoning District Phase-out; RC to Commercial Mid Island (CMI) or Commercial Neighborhood (CN)

Consistent with the 2009 Master Plan, these four articles replace remaining RC commercially zoned areas with Commercial Mid Island or Commercial Neighborhood zones. The CMI proposals are extensions of the existing zoning district. The CN district of Article 44 provides a transition between the higher intensity CMI area and neighboring residential properties. Article 46 rezones a portion of the single-parcel Nantucket Inn site.

Planning Board and Finance Committee Motions are positive.

Article 45 – Zoning Map Change: Hospital property rezoning Residential 1(R-1) to Commercial Neighborhood (CN)

These three properties, used for employee housing by the hospital, will be changed from a residential to a commercial zoning district. Both the Hospital and the Town agreed to this change as part of a land exchange. This zoning change is necessary for the Hospital to continue to maintain the housing as apartment buildings after certain road intersection improvements are implemented.

Planning Board and Finance Committee Motions are positive.

Article 47

Article 47 is a citizen article and is not explained here, as noted in the Introduction to this Guide. Please see the Planning Board Report at the end of this Guide for information regarding the Planning Board motion for this article.

Articles 48 - 56 – Zoning Map Changes: Residential Commercial 2 (RC-2) Zoning District Phase-out; RC-2 to Residential 5 (R-5), Residential 10 (R-10), Residential 40 (R-40), Commercial Mid Island (CMI), Commercial Neighborhood (CN), Commercial Trade Entrepreneurship and Craft (C-TEC) or Commercial Industrial (CI) districts

Consistent with the 2009 Master Plan, these nine articles replace remaining RC-2 zoned areas with residential or commercial district designations. The replacement districts most closely match the development pattern of each area. The Articles maintain or lower existing density. The Planning Board appreciates the cooperation of the Pine Crest Drive residents in developing a responsible rezoning plan for their neighborhood in Article 54.

Planning Board and Finance Committee Motions are positive.

Articles 57 – 64

Articles 57 - 64 are citizen articles and are not explained here, as noted in the Introduction to this Guide. Please see the Planning Board Report at the end of this Guide for information regarding the Planning Board motion for these articles.

Article 65 – Zoning Map Change: Miscellaneous Split Lot Corrections

Lots which are within two or more zoning districts are known as “split” lots and this article removes this confusing designation and places them entirely in one district.

Planning Board and Finance Committee Motions are positive.

Articles 66 – 67

Articles 66 and 67 are citizen articles and are not explained here, as noted in the Introduction to this Guide. Please see the Planning Board Report at the end of this Guide for information regarding the Planning Board motion for these articles.

Article 68 – Zoning Bylaw Amendment for RC and CI Districts

Two simple dimension changes are proposed; one increases the minimum frontage in the RC zoning district from the current 40 feet to the statewide minimum of 50 feet and the other reduces the side yard setback in the Commercial Industrial zoning district to zero to allow for a common masonry wall. The current 10-foot setback is functionally inefficient for the limited industrially zoned areas.

Planning Board and Finance Committee Motions are positive.

Articles 69 – 71

Articles 69 - 71 are citizen articles and are not explained here, as noted in the Introduction to this Guide. Please see the Planning Board Report at the end of this Guide for information regarding the Planning Board motion for these articles.

Article 72 – Zoning Bylaw Amendment: Rear Lot Subdivision

This article introduces a less impactful development option that will not increase what would otherwise be allowed, but will remove the requirement to create unnecessary roadways. In order to qualify, a property owner must demonstrate the ability to create a conforming subdivision meeting all minimum requirements with no waivers. In lieu of the subdivision process, a special permit, ensuring public notice and appropriate conditions, can be considered.

Planning Board and Finance Committee Motions are positive.

Articles 73 - 75 – Zoning Bylaw Amendments: Moorlands Management District, Secondary (Covenant) Lots, and Technical Amendments

These articles are housekeeping in nature. Article 73 removes obsolete and duplicative language from the Moorlands Management bylaw. Article 74 clarifies the designation of dwelling units located on a property where a covenant lot is created. Article 74 does not alter the density or make changes to the covenant program as currently allowed. Article 75 introduces new definitions to terms used in the bylaw that are not currently defined, clarifies matters that have been subject to conflicting interpretations over time, and updates language to match legislative changes.

Planning Board and Finance Committee Motions are positive.

Article 76 – Bylaw Amendment: District Improvement Financing

This article will allow for the creation of a particular district to finance certain types of municipal infrastructure improvements deemed necessary as a result of increased development. After the article was included in the warrant, the Board of Selectmen and Finance Committee agreed that a number of questions need to be answered prior to consideration by Town Meeting.

The Finance Committee Motion is to take no action on the Article.

Article 77

Article 77 is a citizen article and is not explained here, as noted in the Introduction to this Guide.

Article 78 – Revolving Accounts Bylaw

This Article establishes Town Revolving Accounts by bylaw as required by the Municipal Modernization Act. Expenditure limits must still be established annually, before July 1. Prior to the Municipal Modernization Act, revolving funds were required to be authorized annually at Town Meeting. The Act now eliminates the required Annual Town Meeting authorization of Revolving Accounts.

The Finance Committee’s Motion is positive.

Article 79 - Revolving Accounts: Spending Limits for FY 2018 (July 1, 2017-June 30, 2018)

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 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. The total recommended spending limit for Fiscal Year 2018 is \$5,150,496.

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

Article 80 - Local Option Tax on Sale of Recreational Marijuana

The Municipal Modernization Act allows for cities and towns upon acceptance of MGL 64N, section 3 to collect a local sales tax of 2% upon the sale or transfer of marijuana or marijuana products by a retailer operating within the Town. This would be a new revenue source for the Town if and when an eligible retail operation(s) opens here.

The Finance Committee's Motion is positive.

Article 81 - Licenses and Permits of Delinquent Taxpayers – Bylaw Amendment

The current bylaw permits a delinquent taxpayer listing to be issued only for those taxpayers whose delinquency is greater than 12 months. The amendment allows the collector to furnish the delinquent taxpayer listing to permit awarding authorities when the delinquencies are less than 12 months.

The Finance Committee's Motion is positive.

Article 82 - Acceptance of Massachusetts General Law: Authority to Set Local Speed Limits

The Municipal Modernization Act inserts a new local acceptance section allowing the Town, in “the interest of public safety” to “establish a speed limit of 25 miles per hour on any roadway inside a thickly settled or business district in the city or town on any way that is not a state highway.” The current lowest allowable statutory speed limit is 30 mph.

The Finance Committee's Motion is positive.

Article 83 - Acceptance of Massachusetts General Law: Amendments to OPEB Trust Fund

Under the previous language, the Other Post Employment Benefits (OPEB) Trust Fund was treated as a special revenue fund, and could be used for any lawful purpose. The Act now brings the Trust language into compliance with both the Governmental Accounting Standards Board (GASB), and the Internal Revenue Service (IRS). Accepting this Act specifically limits the use of the Trust to pay for OPEB.

The Finance Committee's Motion is positive.

Articles 84 - 86

Articles 84 - 86 are citizen articles and are not explained here, as noted in the Introduction to this Guide.

Articles 87 - 89 Home Rule Petitions

A few words about Home Rule Petitions:

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

Article 87 – Home Rule Petition: Merger of Nantucket Water Commission and Siasconset Water Commission

The passage of Article 87 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 proposed by and supported by both the Siasconset and Nantucket Water Commissions. The Commissions' joint support recognizes the fact that for the past 10 years the Siasconset Water Commission has contracted with the Wannacomet Water Company, through the Nantucket Water Commission, to provide all of the administrative and operational support to the Siasconset Water Department. This article neither increases nor decreases the authority of the expanded Nantucket Water Commission.

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

The Finance Committee's Motion is positive.

Article 88 – Home Rule Petition: Community Housing Bank Real Estate Transfer Fee

Article 88 is a Home Rule Petition for a real-estate transfer fee to support the creation of workforce/affordable housing for Islanders. This is the same Home Rule Petition that passed with near unanimous support at the 2016 Annual Town Meeting. The transfer fee is equal to ½ percent (0.5%) on transaction amounts above \$2 million and is paid by the seller (for example: when a property sells for \$2.5 million, the seller would pay: \$500,000 x 0.5% = \$2,500). The Housing Bank bill shares many of the same exemptions provided for in the existing Land Bank Act. This new approach for funding workforce/affordable housing utilizes an existing agency, the Affordable Housing Trust Fund, to administer the funds. All expenditures over \$100,000 by the AHTF require approval by the Board of Selectmen – for check and balance purposes. The measure also includes an automatic “sunset” provision, so the fee can terminate when the Island reaches the statutory requirement that 10% of year-round residences be affordable (Nantucket is presently at 2½%).

The Finance Committee’s Motion is positive.

Article 89 – Home Rule Petition and Article 90 – Affordable Housing Covenants

The purpose of these companion articles is to change the existing regulations to allow families to deed their homes that are subject to affordable covenants to family members whose income may exceed established limits. A related zoning article amendment was approved last year (Warrant Article 55, 2016 ATM) which noted in the Planning Board motion that amendments to the existing legislation and local bylaw would be required if passed.

The Finance Committee’s Motions are positive.

Articles 91 and 92 – Utility Easements for 30 Surfside Road

These articles authorize the Board of Selectmen to grant easements for communication and electricity service at the new elementary school.

The Finance Committee’s Motions are positive.

Articles 93 – 111 – Real Estate Acquisitions/Conveyances

A few words about real estate articles:

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

articles) does not mean that the action will happen. Approval merely means that the Board may take action.

Article 93 – Real Estate Acquisition: Various Easements and Misc. Parcels

Authorizes the Board of Selectmen to acquire a sewer easement on Allen’s Lane; eliminate residual railroad rights crossing the current Fire Station property; and acquire two shore-front parcels, one in Madaket and one in Surfside, as part of the “One Big Beach” program.

The Finance Committee’s Motion is positive.

Article 94 – Real Estate Conveyance: Various “Paper” Streets and Misc. Parcels

Authorizes the Town to dispose of a small portion of paper streets (which were incorrectly identified in a prior article) and a parcel of land located in Surfside.

The Finance Committee’s Motion is positive.

Articles 95 – 111

Articles 95 - 111 are citizen articles and are not explained here, as noted in the Introduction to this Guide.

Article 112 – Appropriation: Stabilization Fund

The Stabilization Fund (aka the “Rainy Day Fund”) is what municipalities typically rely on to fund extraordinary items (e.g., large legal settlements) so as to “stabilize” the budget in an emergency, or to fund significant future capital projects. Currently, Town policy requires that the balance in the Stabilization Fund must equal at least 5% of revenue (which the Town now achieves). The Town is not seeking an appropriation into or from the Fund for FY 2018. This article is an annual recurring motion whether or not an appropriation is sought, which is why it is on this year’s warrant.

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

Article 113 – Appropriation: Free Cash

The Town’s certified Free Cash for use in FY 2017 and FY 2018 is \$6,642,219. The Article proposes to use approximately \$6,639,599 (see Articles 8, 10, 12, 13) to fund items in both fiscal years. Because the earlier articles will, should they pass, provide authority for the use of free cash, there is no need for an additional appropriation in this article.

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

Glossary of Terms

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

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

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

Community Preservation Act: A State law that provides for a 3% surcharge (which is partially matched by the Commonwealth) on property tax bills to fund projects in the areas 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 2017 Annual Town Meeting are for the Fiscal Year 2018, which starts on July 1, 2017, and ends June 30, 2018.

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

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

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

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

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

Retained Earnings: The Free Cash for an Enterprise Fund.

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

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

PLANNING BOARD REPORT

Chapter 40A, section 5 of the Massachusetts General Laws authorizes the Planning Board (hereafter the Board) to issue an advisory report to Town Meeting. Although a motion for Articles 17 and 38 through 75 is printed in the Warrant, this report provides additional information to help voters understand the basis for each motion. In an effort to provide better information about the planning process, the Board has added a report and glossary to the Warrant since 2011. The Board is guided by the approved Master Plan, unanimously accepted by Town Meeting in April of 2009¹. Overall, the Board's motions are consistent with the goals and policies of the Master Plan, they advance and implement the goals and they represent a balanced approach to guiding the community's future physical development.

There are a total of 39 zoning articles, 25 sponsored by the Planning Board and 14 submitted by citizen petition. Articles 38 through 65 are Zoning Map changes, 66 through 75 are Zoning Bylaw amendments, and 17 contains both. All of the Planning Board sponsored Articles except for 41 have positive motions supported by the Finance Committee.

The Planning Board-sponsored zoning map changes (1) match the existing character of the area with the designated zoning districts or (2) address specific issues in their respective areas, including several articles which allow for increased density where appropriate. Articles 17, 38 through 40, 42 through 46, 48 through 56, and 65 are recommended by the Board. The Board considered compliance with the Master Plan, including, but not limited to, such policies as:

- Advancing Master Plan actions identified in the "Zoning District Implementation Schedule"²
- Matching zoning districts with the character of the surrounding area³
- Phasing out certain zoning districts⁴
- Fostering the creation of area plans and removing commercial zoning from exclusively residential areas⁵
- Encouraging small neighborhood centers with mixed-use development⁶
- Addressing issues in 7 of 18 identified Planning Areas⁷

In an effort to meet the implementation schedule of the Land Use section of the Master Plan, many of the map change articles are focused on the phase out of the RC and RC-2 zoning districts.

Zoning Bylaw amendments proposed by the Planning Board in Articles 68 through 75 received positive recommendations and are primarily intended to modernize, address practical and technical issues, and to bring the Zoning Bylaw into conformance with recent statutory changes.

¹ Warrant Article 26 of the 2009 Annual Town Meeting

² 2009 Nantucket Master Plan, Figure 39, page 90 (Articles 43, 44, 45, 46, 52, 54, 55, 57, 59 and 60)

³ 2009 Nantucket Master Plan, Goal 2.1, Policy 2.1.3, page 90 (Articles 44, 45, 46, 47, 48, 52, 59 and 60)

⁴ 2009 Nantucket Master Plan, Goal 2.1, Policy 2.1.1a, page 90 (Articles 43, 44, 45, 46, 48, 52, 59 and 60)

⁵ 2009 Nantucket Master Plan, Goal 2.2 Policy 2.2.1 and 2.2.3, page 91 (Articles 44, 45, 48, 59 and 60)

⁶ 2009 Nantucket Master Plan, Goal 2.2 Policy 2.2.2, page 91 (Articles 44, 48, 50, 52, 57, 58 and 70)

⁷ 2009 Nantucket Master Plan, Figure 17, page 48 (Articles 43, 44, 45, 46, 47, 48, 53, 54, 59, and 70)

The 15 citizen petition articles include 8 Zoning Map changes and 6 Zoning Bylaw amendments. The Board found that 5 (Articles 57, 60, 61, 62, 63) of the map changes were consistent with the Master Plan and provided a transitional area between existing districts, giving them positive recommendations. Articles 47, 59, and 64 were not recommended. The Board found that there were outstanding matters related to the parcel identified in Article 47 that should be resolved before extending the CN district across Old South Road at this busy intersection. The low density setting around the group of parcels identified, concerns about increased density in close proximity to the sewer treatment plant, and continuing to match the agricultural character of the area all contributed to the Board's negative recommendation for Article 59. The single lot district proposed in Article 64 could not be supported since it would constitute an illegal spot zone.

The Planning Board recommended 4 of the 6 citizen sponsored Zoning Bylaw amendments. Article 58, a companion to the Zoning Map change in Article 57, unifies a parcel at 3 South Shore Road, now split between two districts, by placing a portion currently located in the Country Overlay District in the Town Overlay District. Articles 69 and 70 are sponsored by residents in Madaket in an effort to address area concerns related to development. Article 69 sets higher dimensional standards and a minimum lot size for residential swimming pools in the Village Residential (VR) district. Article 70 extends the Village Height Overlay District (VHOD) to include the entire Madaket Area Plan boundary, and it more closely aligns with height limits imposed by the Historic District Commission (HDC). Article 71 prohibits private aircraft operations on private property, with exceptions for the hospital and emergencies.

Two citizen-sponsored Zoning Bylaw amendment articles were not recommended: 66 (Affordable Lot and Affordable Unit Requirement) and 67 (Residential Housing Size). The Articles are not fully developed and were submitted by the citizen proponent as concepts. In order for these Articles to pass, actual Bylaw changes would need to be developed, and therefore, these Articles cannot be advanced in their current format at this time.

Article 66 needs to be reviewed within the context of other affordable housing initiatives and in comparison to other bylaws approved in the Commonwealth. The Board found some merit in this concept and voted to refer the matter to the Affordable Housing Trust Fund for discussion. The Board found that restrictions proposed in Article 67 were unnecessary based on current zoning limitations matched with local HDC review. Information subsequently provided by the Tax Assessor confirmed that average housing sizes in the identified zoning districts (ranging from between 1,531 square feet in VR to 2,281 square feet in LUG-2) are well below the maximum size allowance proposed in the Article. The concept for this Article was taken from a Martha's Vineyard regulation and inspired by a recent movie entitled "One Big Home". The Board found that the building trends on Nantucket are not equivalent to those on Martha's Vineyard and that existing regulations, logistical constraints, and construction and other costs are all factors that discourage the proliferation of this type of housing.

The Planning Board recognizes the hard work of its staff, the active participation by citizens, and appreciates the thoughtful review of these articles by Town Meeting voters. If you have questions or concerns about the zoning articles, we encourage you to seek answers in advance of Town Meeting from individual Board members or contact PLUS staff at 508-325-7587.

Zoning Article Glossary

The Planning Board has provided this glossary to serve as a summarized reference for selected terms in Articles 17 and 38 through 75. The entire Zoning Bylaw (Chapter 139 of the Code of the Town of Nantucket) and maps (under Town Meetings and Elections) can be further researched at www.nantucket-ma.gov.

The intensity regulations for zoning districts identified in the Zoning Map changes are referenced below.

Yard Setback					
District Defined in § 139-3	Minimum Lot Size (square feet)	Front (feet)	Side/Rear (feet)**	Frontage (feet)*	Ground Cover Ratio
VR	20,000	20	10	100	10%
LUG-1	40,000	35	10	100	7%
LUG-2	80,000	35	15	150	4%
LUG-3	120,000	35	20	200	3%
CDT	3,750	None	Side: none Rear: 5	35	75%
CMI	5,000	0	0	50	50%
RC	5,000	None	5	40	50%
RC-2	5,000	10	5	40	50%
CN	7,500	10	Side: 5 Rear: 10	50	40%
CTEC	10,000	10	Side: 5 Rear: 10	50	40%
CI	15,000	20	10	75	50%
ROH	5,000	None	5	50	50%
R-1	5,000	10	5	50	30%
R-5	5,000	10	Side: 10 minimum on one side; 5 thereafter Rear: 5	50	40%
R-10	10,000	20	10	75	25%
R-20	20,000	30	10	75	12.5%
R-40	40,000	30	10	75	10%

Area Plan - the Nantucket Planning and Economic Development Commission (NP&EDC) has developed a participatory process to foster and facilitate the implementation of the land use and other relevant sections of the 2009 Master Plan. The areas are designated, mapped, and volunteer advisory members are appointed. The topics that each group evaluates are the nine elements of an MGL Chapter 41 section 81D master plan. A final plan is accepted by the NP&EDC. Final plans have been completed for Brant Point, Madaket, Mid Island, Naushop Crossing, Siasconset, Surfside and Tom Nevers. *(Source: Goal 2.2, Policy 2.2.1, Nantucket Master Plan)*

Country Overlay District (COD) - a zoning overlay district encompassing those areas not included in the Town Overlay District. The purpose of the COD is to preserve areas characterized by traditional and historic rural land use patterns and to discourage the spread of dispersed development patterns that promote automobile dependency. *(Source: Chapter 139 of the Code of the Town of Nantucket, section 12F)*

Exclusionary Zoning - zoning that has the effect of keeping out of a community or neighborhood certain groups, or additional population. Techniques such as large-lot zoning, which increase housing costs, have been challenged for their exclusionary effects. *(Source: A Planner's Dictionary (2004). Published by the American Planning Association)*

Overlay District - establishes alternative zoning requirements to address area specific needs, to promote specific development projects, or to meet specific community goals. *(Source: American Planning Association <https://www.planning.org/divisions/planningandlaw/propertytopics.htm#Overlay>)*

Special Permit - requires a super-majority (4 out of 5 members in favor) vote of the special permit granting authority. Special permits may impose conditions, safeguards, and limitations intended to ensure that the use or structure is in harmony with the general purpose and intent of the Zoning Bylaw. *(Source: Chapter 139 of the Code of the Town of Nantucket, section 30)*

Spot Zoning - the Massachusetts Supreme Judicial Court found that spot zoning occurs where one lot or a small area has been singled out for treatment less onerous than that imposed upon nearby, indistinguishable properties. The Court of Appeals has found that spot zoning arises "where a zoning change is designed solely for the economic benefit of the owner of the property receiving special treatment and is not in accordance with a well considered plan for the public welfare." *(Source: Massachusetts Municipal Association)*

"In assessing spot zoning challenges, it is quite proper to consider the effect of the zoning change on the municipality as a whole. The court now favors a balancing test to assess a spot zoning challenge. This is especially important where the growth of the municipality has been addressed by a plan." Challenges

alleging spot zoning have a heavy burden of proof, as great weight is given to validity arising from the Town Meeting process. The total area being rezoned is only important where it is not an extension of a district by the inclusion of border lots. Generally, newly established zoning areas greater than two acres are not considered to be a spot zone. *(Source: Bobrowski, Mark "Handbook of Massachusetts Land Use and Planning Law" pages 91 through 95)*

Town Overlay District (TOD) - a zoning overlay district encompassing those areas not included in the Country Overlay District. The purpose of the TOD is to encourage development within an area where infrastructure already exists or can be extended without undue expense, to create opportunities to produce affordable housing for year-round residents through in-fill development and to create development patterns that are conducive to service by alternatives to the automobile, such as transit, bicycle, and pedestrian systems. *(Source: Chapter 139 of the Code of the Town of Nantucket, section 12E)*