



***Town of Nantucket***  
***2019 Annual Town Meeting***

***The Voter's Guide to***  
***Warrant Articles***

## INTRODUCTION

*Greetings, Nantucket Voter!  
And welcome to the 2019 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 2019 Annual Town Meeting, three citizen articles are covered: Article 37 – because there is a significant appropriation request which is also a ballot question and because the Finance Committee Motion and Select Board Comment differ; Articles 68 and 69 – because there was required Sewer Commissioner action; and, Article 72 – because the subject of the article is part of a larger program that the Town is supporting. Otherwise, citizen sponsors are expected to represent their own articles and sponsors often make informational handouts available at the handout table in the lobby. The articles discussed in this guide have been written by Town Boards, Committees, Town staff and Town Counsel.

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

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

-- In the fall, the warrant for the Annual Town Meeting “opens” to citizen petitions - usually mid-October to mid-November. During this “open” period, citizens are encouraged to meet with Town Counsel 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 Advisory Committee, the Health and Human Services Contract Review

Committee, the Finance Committee, Capital Program Committee, the Enterprise Funds: Airport Commission, Nantucket and Sconset Water Commissions, Our Island Home, Sewer and Solid Waste, and finally the Select Board.

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

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

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

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

On to the Guide...

### *Sense of the Meeting Request*

Just prior to Article 1, you will see a “Sense of the Meeting Request Regarding Small Mesh Fishing Gear Closure”. Occasionally, a “Sense of the Meeting Request” is sought to gauge the reaction of Town Meeting to a particular issue, mostly in response to a legislative initiative. In this case, a Sense of the Meeting is requested due to pending legislation concerning changes to mobile-fishing-gear-equipment restrictions in Massachusetts waters. The Sense of the Meeting request asks Town Meeting voters if they would support a prohibition of this type of fishing gear entirely from Nantucket waters. This vote is not binding but could be used at legislative hearings on the proposed changes. An identical Sense of the Meeting Request was on the Warrant at the 2017 Annual Town Meeting. The proponents have asked for the request to be before the voters again so that it may remain within the state’s legislative session.

### *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 2018 Annual Town Report is on the handout table. Fiscal Year 2018 is July 1, 2017 – June 30, 2018.

**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, 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 fund two approved Airport capital projects, with funds left over from other projects which have been completed. The projects are listed in the Motion. This article is not expected to have an impact on the tax rate.**

*Article 4 – Revolving Accounts: Spending Limits for FY 2020 (July 1, 2019 – June 30, 2020)*

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 ATV (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 5 percent of the fiscal year tax levy (5% for FY 2020 is approximately \$4,000,000).

**The Finance Committee’s Motion is to appropriate \$500,000 for the FY 2020 Reserve Fund.**

*Article 6 – Fiscal Year 2019 (July 1, 2018 – June 30, 2019) 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 2018 Annual Town Meeting.**

*Article 7 – Personnel Compensation Plans for Fiscal Year 2020 (July 1, 2019 – June 30, 2020)*

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 2020 (July 1, 2019 – June 30, 2020)  
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. The FY 2020 General Fund operating budget, which is balanced and lives within the projected revenues of the Town, is proposed to increase by 8.6 percent over FY 2019. The tax rate is not expected to increase as a result of this budget.

**The Finance Committee’s Motion is positive.**

*Article 9 – Appropriation: Health and Human Services*

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

There is a specific process in place for agencies to seek an allocation of the available funding. A rigorous review process, managed by the Town’s Human Services Contract Review Committee, evaluates agencies’ goals and funding requests each year. The Committee’s annual recommendations are reviewed and endorsed by the Select Board before the Finance Committee’s consideration. Following Town Meeting approval, grant agreements are executed with each agency. The agreements contain reporting and other

oversight provisions meant to ensure proper use of the funds. The tax rate is not expected to increase as a result of this article.

**The Finance Committee’s Motion is positive.**

*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. 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 \$1,282,534 are contingent upon a Capital Outlay Exclusion to be put before the voters at the Annual Town Election on April 9, 2019.

**The Finance Committee’s Motion is positive for the listed proposed projects and funding sources. If the Capital Exclusion is approved by the voters at both the Town Meeting and the Town Election, the tax rate will increase by approximately \$73 for a property with a residential exemption valued at \$1,336,811 (average year-round property value) for just one year. In summary, funding sources for the \$13,367,521 worth of capital projects would be as follows:**

<b>\$1,032,534</b>	<b>FY 20 Tax Levy and Other General Revenues</b> <i>(Contingent upon Capital Outlay Exclusion)</i>
<b>\$5,080,244</b>	<b>Free Cash</b>
<b>\$974,256</b>	<b>FY 19 Tax Levy and Other General Revenues</b>
<b>\$6,280,487</b>	<b>Borrowing</b>

**\$13,367,521**

*Article 11 – Appropriation: Old South Road/Fairgrounds Road Intersection Area and Newtown Road Transportation Improvements*

This is a request to appropriate \$5,200,000 by borrowing, contingent upon a Debt Exclusion at the April 9, 2019 Annual Election, for the costs associated with bicycle, pedestrian, transit, and traffic calming improvements along a portion of Old South Road (between Milestone Road and Amelia Drive), Fairgrounds Road (between Old South Road and Newtown Road), and all of Newtown Road (between Fairgrounds Road and Hooper Farm Road). These improvements include:

- design and construction of a roundabout at the Old South Road/Fairgrounds Road intersection to reduce delays and greenhouse gas emissions;
- installation of bus pull-offs and a landscaped median to accommodate left turn traffic movements, safer pedestrian crossings, and encourage slower speeds along a portion of Old South Road;
- installation of an additional multi-use path on a portion of the south side of Old South Road for better connectivity;
- and reconstruction of Newtown Road to include a multi-use path and traffic calming elements, such as speed cushions (speed humps that accommodate emergency vehicles).

**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 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately \$21.60 for 20 years.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 12 – Milestone Rotary and Milestone Road Improvements – Local Support*

This is a request to petition the Massachusetts Department of Transportation to reconstruct the James Warren Coffin Memorial Rotary (also known as the Milestone Rotary) and to widen Milestone Road between the Rotary and Bunker Road in a manner that provides two 11-foot wide travel lanes and two one-foot wide roadside shoulders. These improvements would reduce vehicle queuing, delays, and greenhouse gas emissions at the Rotary. The improvements would also better accommodate freight vehicles to and from the island’s industrial-zoned properties.

**The Finance Committee's Motion is positive. There is no appropriation associated with this Article.**

*Article 13 – Appropriation: Town Pier*

This is a request to appropriate funds to replace the wooden floating dock and rehabilitate the timber fixed Town Pier at 34 Washington Street. The Town Pier has been severely damaged over the last several years by winter storms and the wooden floating dock has suffered extensive damage that requires frequent repairs to stay in serviceable condition.

The damaged floating dock is being replaced with a concrete floating dock (same overall size and location). The concrete floating dock, with an expected service life of 40-50 years, is designed for the weather and coastal conditions expected in the next 100 years.

The timber-fixed Town pier is being repaired to address the elements in poor condition and to harden the structure to better withstand storm events. The Town has performed a comprehensive analysis of storm conditions and sea-level rise, developed the construction plans, and obtained permitting for the necessary work which includes dredging for a portion of the site.

Last summer, the project was put out to bid, with bids coming in higher than available funds, for a phased, multi-year project. Subsequently, following a detailed engineering review, the design and construction specifications were modified to accommodate the needs of both the fixed pier and floating dock. The project was advertised with the new design and construction specifications in late February 2019, and bids were due March 20 and are undergoing evaluation before Town Meeting. The funds requested for appropriation will be based on the bids received.

**Because of this timing, the Finance Committee did not have a Motion for this Article at the time the Warrant was sent to the printer; however, a Technical Amendment will be put forward at the Town Meeting, with a Motion for appropriation.**

*Article 14 – Appropriation: Landfill Closure Costs*

This is a request to appropriate \$14,000,000 by borrowing, contingent upon a Debt Exclusion at the April 9, 2019 Annual Election for capping and closure costs for both lined and unlined landfill cells. Since 2009, under a permit from the Massachusetts Department of Environmental Protection (MADEP), the Town of Nantucket has mined some of its original unlined landfill as a means to reduce the size of its footprint before required capping and closure. The Town's mining permit expires on June 30, 2019.

Based on the Town's current Administrative Consent Order from MADEP, the Town shall, within 90 days of having terminated landfill mining operations submit a capping plan for unlined cells 1A, 1B, 1C and lined landfill cells 2A and 2B as these cells are full.

Capping of these spaces will ensure that the environment is protected from the stored waste in the cells.

To be clear, our landfill operation is not closing. The \$2,200,000 newly constructed lined landfill cell 3A became operational in January 2019 and has a forecasted life expectancy of approximately 10 years. DPW and our partners at Waste Options Nantucket (WON) are working together to improve our Solid Waste and Recycling operations to divert non-recyclable, non-compostable (NRNC) waste from our industrial composter. The NRNC waste must be stored in Cell 3A. Any reduction of NRNC waste will extend the life of our newest landfill cell beyond 10 years. Construction of new lined landfill space is extremely expensive on Nantucket, making programs to reduce, reuse, recycle, and divert non-compostable waste off-island is cost-effective.

**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 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately \$57.88 for 20 years.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 15 – Supplemental Appropriation: Public Safety Facility Auxiliary Building*

This is a request to appropriate \$3,000,000 by borrowing, contingent upon a Debt Exclusion at the April 9, 2019 Annual Election, for the costs associated with the construction of an auxiliary building at 4 Fairgrounds Road. This building was originally included in the design of the new Police and Fire Department buildings, but due to increased project costs for those buildings, the funding for this building was not realized. The auxiliary building will be a modular building and will be utilized by both the Police and Fire Departments. The Police will utilize the space for the storage of found and recovered property. Both the Police and Fire Department will utilize the building for the storage of emergency equipment and to perform light vehicle and equipment maintenance.

**The Finance Committee's Motion is positive. The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately \$12.53 for 20 years.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 16 – Appropriation: In-Town (Orange Street) Bike Path*

This is a request to appropriate \$2,508,000 by borrowing, contingent upon a Debt Exclusion at the April 9, 2019 Annual Election, for the costs associated with reconstructing Orange Street between Spruce Street and the James Warren Coffin Memorial Rotary (also known as the Milestone Rotary) to provide a bike lane on both sides of the roadway. This improvement would provide a dedicated bicycle connection between the Milestone Road and Old South Road multi-use paths and the Goose Pond multi-use path at the end of Washington Street Extension.

**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 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately \$10.50 for 20 years.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 17 – Appropriation: Surfside Area Roads Reconstruction*

This is a request to appropriate \$6,294,022 by borrowing, contingent upon a Debt Exclusion at the April 9, 2019 Annual Election, to reconstruct Lover’s Lane from Old South Road to the Boulevard, Okorwaw Avenue from Lover’s Lane to Monohansett Avenue, and Monohansett Avenue from Okorwaw Avenue to the Nantucket Airport. The project includes adding multi-use paths along each roadway that will provide two inter-connected loops from Surfside to Old South Road. The project will improve traffic circulation in the Surfside area by providing a 22-foot roadway and 10-foot multi-use path separated by a grass strip, introducing safety improvements, and improving long-standing drainage issues along the corridor.

**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 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately \$26.11 for 20 years.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 18 – Appropriation: Acquisition of Property at 1-3 Miller Lane*

Just before the end of January, at the time the Select Board needed to adopt the 2019 Annual Town Meeting warrant, the Town was approached by a representative of the Nantucket Inn ownership to explore whether the Town was interested in acquiring the property at a stated cost. Because of the unique nature of the opportunity and its potential

to accommodate several municipal and other needs, the Select Board voted to include this warrant article and an associated ballot question on the April 9, 2019 Annual Election warrant. They served as placeholders if agreements and due diligence could follow expediently.

Naturally, such an opportunity requires proceeding in a prudent manner, with the necessary and appropriate due diligence and third-party expertise so that the Town, the community, and the voters can properly evaluate and discuss the proposal. The Town was prepared at the time to undertake sufficient due diligence in advance of Town Meeting, so voters could have an informed discussion regarding this opportunity. A grant was secured from Massachusetts Housing Partnership to prepare a financial analysis of the potential housing component for discussion with the Finance Committee. Regrettably, the seller missed key deadlines for the Town to expend necessary funds and continue its evaluation of the property in a timely manner (e.g., engineering and environmental inspections, appraisal, architectural planning, risk assessment, etc.). Since the seller missed these important deadlines, the Town could not complete the necessary review and so the Finance Committee gave a Take No Action motion, with concurrence of the Select Board.

*Article 19 – Appropriation: Enterprise Funds Operations*

Enterprise Funds under law 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 six Enterprise Funds:

- Nantucket Memorial Airport
- Our Island Home\*
- Sewer
- Solid Waste\*
- Water, Siasconset
- Water, Wannacommet

\* 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 20 – Appropriation: Enterprise Funds Capital Expenditures*

Proposed Enterprise Fund capital projects follow the same review process as General Fund capital projects. Most Enterprise Fund capital projects are funded by that fund’s Retained Earnings, or, more typically, through a borrowing (requiring a two-thirds vote of Town Meeting). Any such debt is repaid over time from the Enterprise Fund’s

operating budget. If the debt service for a particular project is beyond what the Enterprise Fund can reasonably generate, the Town will seek approval of the voters for a debt exclusion at an election. In certain circumstances, the Town may use Free Cash to fund the capital expense. Neither a debt exclusion or a Free Cash disbursement is proposed.

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

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

*Article 21 – Enterprise Funds: Fiscal Year 2019 (July 1, 2018 – June 30, 2019) 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 22 – 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 2020, Article 22 would authorize the Town to spend money on the regular annual items.

**The Finance Committee's Motion is positive to appropriate \$357,000 from the fund for FY 2020.**

*Article 23 – 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 \$719,630 from the Fund for FY 2020.**

*Article 24 – Appropriation: Ferry Embarkation Fee*

The Town’s annual 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 2020 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 \$225,000 for seasonal law enforcement purposes for FY 2020.**

*Article 25 – 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 \$170,201 for the FY 2020 County Assessment.**

*Article 26 – Appropriation: Finalizing Fiscal Year 2020 (July 1, 2019 – June 30, 2020) County Budget*

Article 26 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 \$170,201 was approved by the County Review Committee as presented.**

*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 this trust fund annually is a prudent financial practice that improves the Town's credit rating. This will be the sixth year that the Town has opted to make this appropriation. The tax rate is not expected to increase as a result of this Article.

**The Finance Committee's Motion is positive to appropriate \$500,000 from the FY 2020 tax levy.**

*Article 28 – Appropriation: Affordable Housing Trust Fund*

Article 28 provides funding for the Affordable Housing Trust Fund (AHTF) to further its mission: creating year-round workforce/affordable housing. This year's proposal for \$5,000,000 follows last year's appropriation of \$300,000. Concurrent with efforts for the Housing Bank Home Rule Petition at the legislative level, continued funding is necessary to further current and planned programs and address the year-round housing crisis on the Island, which include: 1) closing cost assistance for low- and moderate-income Nantucketers; 2) down payment assistance for low- and moderate-income Islanders; 3) acquisition of land for low- and moderate-income ownership and rental opportunities; 4) financial support for development of community-supported projects such as 6 Fairgrounds Road which materially address both need and our Subsidized Housing Inventory requirement (the SHI list – 10% requirement imposed by the state); 5) funding of appropriate house moves and renovations which count toward our SHI list; and 6) rental buy-downs of proposed and existing units to affordable levels for the year-round workforce. This appropriation allows the AHTF, with Select Board oversight, to take advantage of opportunities when they arise. The funding is generated through bonding done with Community Preservation Act dollars. The Community Preservation Committee (CPC) voted to support this bonding and allow the community to have its CPC housing dollars go much further. The recommended appropriation is a substantial increase over prior years and the Select Board, the CPC, the Trust and the Finance Committee were all in agreement that given housing is a priority issue for the Island, and that meaningful resources should be dedicated to it. Given the CPC's willingness to bond these funds, the tax rate is not expected to increase as a result of this appropriation.

**The Finance Committee's Motion is to appropriate \$5,000,000 for the Affordable Housing Trust Fund, through borrowing, with repayment to come from the Community Preservation Act revenue.**

**Borrowing funds requires a quantum vote of two-thirds.**

*Article 29 – 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 Town employment. This year, the proposed appropriation is \$100,000. The tax rate is not expected to increase as a result of this Article.

**The Finance Committee’s Motion is positive to appropriate \$100,000 from the Airport Fuel Revolving Fund for the Stabilization Fund.**

*Article 30 – Bylaw Amendment/Finances*

This proposed Article would amend the Town’s Finances Bylaw to expand the authorized use of Airport Aviation Fuel funds to include maintenance of the Fuel Farm.

**The Finance Committee’s Motion is positive.**

*Article 31 – Fiscal Year 2020 Senior Work-Off Program*

The senior work-off program allows eligible seniors 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.

**The Finance Committee’s Motion is positive.**

*Articles 32-33 – Community Preservation Committee: FY 2020 Appropriations; Fiscal Year 2020 Budget Transfers*

These two 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 3-percent surcharge on Nantucket property owners’ tax bills plus a state funded “match.” The funds received may be spent only on projects in the statutory categories of: Open Space Conservation/Recreation, Historic Preservation, and Community Housing. The appropriation recommendations (Article 32) are for new and/or continuing projects for FY 2020. The transfers (Article 33) return unspent fund balances from earlier projects.

The appropriation will have no impact on the tax rate.

**The Finance Committee’s Motion is positive.**

*Articles 34 – 36*

These are citizen’s articles and are not explained here, as noted in the Introduction to this Guide. The Finance Committee has Comments to these Articles.

*Article 37 – Appropriation: Acquisition of Existing Properties for Affordable Housing Purposes)*

While Article 37 is a citizen-sponsored article, it is worth explaining in the Voter’s Guide because there are unusual aspects to it. When the Select Board adopted the 2019 Annual Town Meeting and Election Warrant on January 30, 2019, it voted to include a debt exclusion for this appropriation at the April 9 Annual Election, which is unusual for a citizen article. After many meetings and discussions about the Article, which the sponsors had originally proposed at \$30 million, the Finance Committee voted to adopt a Motion to appropriate \$10,000,000. The Select Board included a Comment that it supports an appropriation of \$20,000,000. The citizen article sponsor had indicated, prior to the Finance Committee Motion and Select Board Comment finalization, that he would seek and/or support an appropriation of \$20,000,000. The article as stated by the proponent is intended to create 24 or 25 units of year-round housing, scattered around the Island, through a combination of acquisition and building – all of which would count on our Subsidized Housing Inventory (SHI) list – the state-mandated 10% requirement. The article contemplates that if both the article and ballot question received favorable votes, the funds would be administered by the Affordable Housing Trust Fund with oversight from the Select Board.

**The tax rate is expected to increase if the project is approved. Assuming a conservative borrowing rate of 4 percent for 20 years, the annual tax bill for a property with a residential exemption valued at \$1,336,811 (average year-round property value) will increase by approximately:**

- **\$41.39 for 20 years – appropriation of \$10,000,000**
- **\$82.62 for 20 years – appropriation of \$20,000,000**

**Borrowing funds requires a quantum vote of two-thirds.**

*Articles 38 – 63 – Zoning Articles*

These are a combination of Planning Board and citizen-sponsored zoning articles. All have Planning Board Motions and Finance Committee Comments. Article 53 also has a Select Board Comment.

**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 years 2005 and 2019 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 the voters at Town Meeting 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, 3.65% of the island is in a high-density zoning district and 86.92% is in a low-density zoning district. Progress has been achieved, but more work needs to be done. The articles presented to you by the Planning Board in the 2019 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: Committees*

The Advisory Committee of Nonvoting Taxpayers requested this bylaw amendment to change the quorum requirement of the committee, due to difficulty in achieving a quorum on a regular basis.

**The Finance Committee’s Motion is positive.**

*Article 65 – Bylaw Amendment: Council for Human Services*

The Council for Human Services requested this bylaw amendment to reduce the size of the Council due to difficulty in achieving a quorum on a regular basis.

**The Finance Committee’s Motion is positive.**

*Article 66 – Bylaw Amendment: Noise*

This amendment to the Noise Bylaw modifies the definition of certain types of noise and when it is allowed. Specifically, it:

- adds to the list of prohibited noise, the noise of vehicle or motorboat repairs and testing, if plainly audible at a distance of 50 feet;
- adds to the list of prohibited noise, domestic power tools between 10:00 pm and 7:00 am (7:30 am June 15<sup>th</sup> to September 15<sup>th</sup>);
- redefines construction noise for specificity

**The Finance Committee’s Motion is positive.**

*Article 67 – Bylaw Amendment: Underground Fuel Storage Tanks*

In the past two years, Nantucket has had two separate oil spills from private home heating oil tanks. One resulted in oil entering the harbor through the storm water system and the other endangered wetlands. There have been numerous such incidents through the years both small and large from home heating oil tanks. The typical residential oil tank holds almost 300 gallons and by law the clean-up responsibility belongs to the property owner. The proposed bylaw amendment will help prevent costly, harmful spills and is modeled

after successful bylaws on the Cape. The bylaw requires that, over time older single-wall oil tanks will be replaced with double-wall tanks with 110% containment capacity. Oil tanks in place now would not need to be replaced until the property is transferred or (as is currently the case) when the tank becomes unsafe due to corrosion or damage. The Fire Department would inspect for compliance upon a real estate transfer at the same time as it inspects for smoke detector compliance.

**The Finance Committee’s Motion is positive.**

*Article 68 – Sewer District Map Changes*

Nantucket has two sewer districts: the Town Sewer District and the Siasconset Sewer District. Proposals to add (or remove) parcels to a Sewer District undergo internal administrative review by the Health Director, Sewer Director, and Director of Planning. The review scores each parcel using specific criteria for determining if a property qualifies for inclusion, and makes a recommendation 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 68 is a Town sponsored article. Even though Articles 69 and 70 are citizen sponsored, they went through the same review. The Select Board acting as Sewer Commissioners voted as follows:

- Article 68 – endorsed (parcels met the required criteria)
- Article 69 – endorsed (parcels met the required criteria)
- Article 70 – endorsed (parcels met the required criteria)

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

*Article 71*

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

*Article 72 – Bylaw Amendment: Stretch Energy Code*

This citizen-sponsored article merits comment because its adoption has an impact on a particular designation for the Town. Town Meeting adoption of the so-called “Stretch Code” is one of the criteria a municipality needs to become designated as a “Green Community” in Massachusetts. This is a state program that allows the Town to be eligible for certain types of grant opportunities for energy-related projects that would not be available otherwise. At its March 6, 2019 meeting, the Select Board agreed to pursue

this designation once all of the criteria are in place. Over 200 towns in Massachusetts have been designated Green Communities.

**The Finance Committee’s Motion is positive.**

*Articles 73 – 76*

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

*Articles 77 – 80 – Home Rule Petitions*

*So...what’s a Home Rule Petition?*

*Massachusetts cities and towns are subject to the General Laws of the Commonwealth. Sometimes though, a city or town requires special legislation (via a “Home Rule Petition”) to address a unique need or issue – perhaps an exemption (or an addition) to the law. Any such request for special legislation must first be approved by Town Meeting and then enacted by the State legislature. Thousands of Home Rule Petitions are submitted annually by Massachusetts cities and towns and years may pass before they are enacted. Some of the Home Rule Petitions below have been approved repeatedly by Town Meeting, seeking the Legislature’s eventual enactment. Articles 77 - 80 are this necessary act of renewal, to keep our hopes alive.*

*Article 77 – Home Rule Petition: Town Charter – Select Board Amendment*

This home rule petition to change the name of the Board of Selectmen to “Select Board” in all official town documents, including the Charter and the Town Code, was initially approved at the 2018 Annual Town Meeting. It appears again in the warrant, in the event that the Legislature does not act on it before the end of 2019.

**The Finance Committee’s Motion is positive.**

*Article 78 – Home Rule Petition: Merger of Nantucket Water Commission and Siasconset Water Commission*

The passage of Article 78 will create a single water enterprise fund on Nantucket by merging the Siasconset Water Commission into the Nantucket Water Commission and expanding the membership of the Nantucket Water Commission from three to five elected members. The Siasconset Water Department will be dissolved and the Wannacomet Water Company will remain as the operating enterprise fund. This article was jointly proposed and supported by both the Siasconset and Nantucket Water Commissions. The Commissions’ joint support acknowledges the two Commissions’ *de facto* unification during the past 10 years. The Siasconset Water Commission contracts with the Wannacomet Water Company, through the Nantucket Water Commission, to

provide the administrative and operational support. This article neither increases nor decreases the authority of the expanded Nantucket Water Commission.

This home rule petition was approved by the 2016, 2017 and 2018 Annual Town Meetings and is in the warrant again, in the event that the Legislature does not act on it before the end of 2019.

**The Finance Committee's Motion is positive.**

*Article 79 – Home Rule Petition: Community Housing Bank Real Estate Transfer Fee*

Article 79 reaffirms support for a Home Rule Petition to establish a real-estate transfer fee to support the creation of workforce/affordable housing for Islanders. This home rule petition was approved at the 2016, 2017 and 2018 Annual Town Meetings and is currently pending at the State House. The Housing Bank would establish a transfer fee equal to ½ percent (0.5 percent) on amounts above \$2 million to be paid by the seller. (Example: were a property sold for \$2.5 million, the seller would pay: \$500,000 x 0.5 percent = \$2,500) The Housing Bank bill shares many of the same exemptions the existing Land Bank Act provides. This novel approach for funding workforce/affordable housing utilizes existing agencies and the Affordable Housing Trust Fund (AHTF) to administer the funds and the Land Bank to collect the fee, as now done, from buyers. All expenditures over \$100,000 by the AHTF require approval by the Select Board – for check and balance purposes. The measure also includes an automatic “sunset” provision, so the fee terminates if and when the Island reaches its community housing goals, including the statutory requirement that 10 percent of year-round residences be affordable and, on the state’s Subsidized Housing Inventory (SHI) listing. Presently, Nantucket is at just 2½ percent of this requirement.

**The Finance Committee's Motion is positive.**

*Article 80 – Home Rule Petition: Amending Special Act Authorizing Affordable Housing Covenants*

This article would enable island families to assist the next generation of Islanders seeking to remain on Nantucket as homeowners. This same Home Rule Petition (approved at the 2017 and 2018 Annual Town Meetings) authorizes a modification to the Housing Covenant program offered by the Nantucket Housing Authority (and administered by Housing Nantucket). It would allow a Covenant lot/home to be transferred to a qualified family member who may not meet the usual income / asset limitations. Were the Covenant property instead transferred outside the family, the property would be subject to the usual income and asset limitations of the Covenant program.

**The Finance Committee’s Motion is positive.**

*Upcoming Real Estate Articles*

*A few words about real estate articles:*

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

*Article 81 – Conveyance of Easement on Waitt Drive*

In order to install and connect electrical distribution utilities to a property, the electric utility requires that an easement be granted to it. The Town Charter requires that certain real estate transactions, including the grant of easements over Town property, requires the approval of Town Meeting. In order to provide the necessary electrical connections for future housing planned for the Waitt Drive area, this approval is needed.

**The Finance Committee’s Motion is positive.**

*Article 82 – Real Estate Acquisition and Conveyance: Naushop Sewer Lines and Easements*

Pursuant to an engineering analysis performed by the Town’s engineers in response to the need for the Richmond housing development off Old South Road to connect to the Town’s sewer system, a question arose as to whether or not the Naushop sewer lines had ever been transferred to the Town. Research results were somewhat unclear and while Town Meeting approval is not necessary for the Town to acquire private sewer lines, there was an issue as to the crossing of private property for the purposes of sewerage the Richmond and other area housing units. Town Counsel advised that a Town Meeting vote authorizing the Select Board to acquire any necessary real estate or other interests in order to clearly allow for necessary sewer connections, would be appropriate.

**The Finance Committee’s Motion is positive.**

*Articles 83 – 85*

Articles 83 - 85 are citizen articles and are not explained here, as noted in the Introduction to this Guide.

*Article 86 – Appropriation: Stabilization Fund*

The Stabilization Fund (aka the “Rainy Day Fund”) is what municipalities typically rely on to fund extraordinary items (e.g., large legal settlements). The Stabilization Fund is intended to “stabilize” the budget when emergencies arise, or to fund unanticipated

significant future capital projects that should not be postponed. Currently, Town policy requires that the balance in the Stabilization Fund equal at least 5 percent of revenue (which the Town now achieves). The Town is not seeking an appropriation into or from the Fund for FY 2020. This article recurs annually whether or not an appropriation will be sought.

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

*Article 87 – Appropriation: Free Cash*

The Town's certified Free Cash for use in FY 2019 and FY 2020 is \$9,595,671. The Town proposes to use approximately \$6,075,244 (see Articles 8, 10, 35) to fund items in both fiscal years. Because the earlier articles if passed authorize the use of free cash, no additional appropriation of free cash should be needed.

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

## Glossary of Terms

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

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

**Budget:** The Town’s annual plan of financial operations that includes an estimate of proposed revenues and budgeted expenditures in the current fiscal year. Budget expenses for operations include payroll, utility costs, supplies, annual maintenance and repairs, etc. The annual capital budget is for big ticket items expected to last for more than five years.

**Capital 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 3 percent surcharge (which is partially matched by the Commonwealth) on property tax bills to fund local projects in the categories of affordable housing, open space and recreation, and historic preservation.

**Debt Exclusion:** A Debt Exclusion allows the Town to increase its total property tax levy above the limit set by Proposition 2½. The amount of the annual debt service payment is added to the levy limit for the life of the debt. 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 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 2019 Annual Town Meeting are for the Fiscal Year 2020, which starts on July 1, 2019, and ends June 30, 2020.

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

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

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

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

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

**Retained Earnings:** The Free Cash for an Enterprise Fund.

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

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

*Prepared by Town Administration, March 2019*