

**Manchester-by-the-Sea
Finance Committee
ANNUAL REPORT
2024**



**Please be sure to attend the
Annual Town Meeting on
Wednesday, April 24, 2024 6:30 PM
Manchester Memorial School
Gymnasium
PLEASE BRING THIS REPORT
WITH YOU!**

Definitions used in discussing money articles

Apportionment

A formula used to compute the amount each town owes to the Regional School District.

Article 4

The operating budgets for the town.

Article 5

Most, but not all, capital items.

Assessors' overlay

A fund in reserve for the Board of Assessors to cover abatements.

Assessment

The Town Board of Assessor's opinion of the value of your property.

Available funds

Fund balances plus amounts in other accounts that are not Enterprise funds.

Borrowing

Loans the town takes to pay for large capital items.

Capital budget

One-time expenses. Traditionally Manchester has included some maintenance, including road repair, new roofs, etc. as capital expenditures.

Chapter 70

The Chapter of the State law that governs the funding of schools. It is also the common name for the largest part of state funding to schools.

Cherry sheets

State aid to the town. So called because they were once printed on red paper.

Choice

Money that flows into the school district from the state when the system accepts students from outside the district.

Enterprise fund

An account separate from the town's general fund for the revenue and expenses of a particular function of the town.

Exclusion

An item that the Town Meeting and voters agree to fund outside the limits of Proposition 2 1/2 .

Fund balances

Also known as free cash, the amount of money left over in the general fund at the end of the year. Most of the fund balances come from unanticipated revenues.

General fund

The Town's checking account. The General Fund can be expended only for the items approved by Town Meeting.

Hold

The request to delay consideration of one part of a multi-part article. Any item that a Town Meeting member questions is marked as a hold and will be discussed after the unquestioned items have been voted.

Definitions are continued on the inside back cover

Tax Rate Estimated for the Fiscal Year Ending June 30, 2025

July 1, 2024 - June 30, 2025

		Recommended By FinCom
Estimated Tax Rate - Fiscal year 2025		
Article 4 Department Requests (Salaries and normal operating expenses)	16,818,112	
Article 5 Capital items requested by Departments	2,799,100	
Article 11 Regional School Operating and Debt	19,060,435	
Other Articles	3,367,795	
Town Meeting Total	42,045,442	
PLUS:		
State Assessments	185,616	
Assessors' Overlay	100,000	estimated
Tax Lien Purposes	5,000	
Gross Amount to be Raised	42,336,058	
LESS:		
State Aid	308,169	
Estimated Receipts - Local Revenues	3,363,700	
Enterprise Accounts - Water & Sewer	2,782,730	
Community Preservation Funds (CPA)	481,670	
Unreserved Fund Balance (Free Cash)	1,591,340	
Overlay Surplus	125,000	
Available Funds	613,847	
Subtotal of Deductions	9,266,456	
Net Amount to be Raised by Taxation	33,069,602	
Permitted Levy Limited	29,578,910	
Estimated new growth factor	200,000	
Previous Debt Exclusion	3,456,899	
Capital Exclusion	660,000	
Maximum Permitted Levy	33,895,809	
TOTAL ASSESSED VALUATION AS OF FY-2024	3,397,768,617	
FISCAL YEAR 2024 TAX RATE	9.35	PER THOUSAND
ESTIMATED FISCAL YEAR 2025 TAX RATE	9.73	PER THOUSAND *

*BASED ON FY-2024 PROPERTY VALUATIONS AND NET AMOUNT TO BE RAISED BY TAXATION

4.1% increase

2024 ANNUAL REPORT OF THE FINANCE COMMITTEE TO THE VOTERS OF THE TOWN

Last fall the Finance Committee began its review of the Town's fiscal year ("FY") 2025 operating and capital budgets which will be considered at the April 24, 2024 Annual Town Meeting. We thank Town employees, the Manchester Essex Regional School District ("MERSD"), volunteers, and Boards who prepared budgets, met with us to answer questions, and provided information about their budget goals and objectives. We appreciate the cooperation of the department heads in managing their budgets and operations and thank Town Accountant Andrea Mainville and Town Administrator Greg Federspiel for their ongoing efforts to assemble the budget, understand the needs of the Town, create a solid plan to address those needs and answer our many questions.

The Town's independent auditors reviewed the Town's financial data and policies and gave high marks to the management team for their financial controls. The Town continues to maintain its AAA bond rating. We consider factors used by the ratings agencies when creating our budget with a goal to maintain our AAA rating. The budget is designed to provide sufficient funds to maintain the accreditation of the police department and the library and to advance the upkeep, prudent care and effective management of the Town.

We met jointly with the Essex Finance Committee to discuss current, and future, funding strategies for the MERSD budget to adequately support the current educational programs. During 2023 the Town conducted a compensation study of department heads and asked department heads to benchmark their staffing and budget with similar communities. In 2023, the Town completed a Facilities Master Plan to enable better long-term planning for maintaining and improving our Town facilities. We reviewed historical information on Town reserves and funding for capital projects, as well as multiyear models of the Town's operating and capital budgets to understand the impact this year's budget will have on future budgets, debt levels, capital needs, and financial reserves.

The Town remains in solid financial shape. Our current reserves exceed our target of 8% of the total operating budget (including MERSD operations) and local receipts continue to exceed estimates. Since FY21 we have maintained annual tax increases under 2.5% and have been funding the capital budget through excess reserves and cash capital exclusions, rather than incurring additional debt. New debt and cash capital exclusions require a vote at Town Meeting and on the ballot. Under Proposition 2 ½, they do not increase the tax levy limit, but increase the tax rate for the duration of the debt service and, in the case of the cash capital exclusion, for one year.

The Town now has large capital projects to address, including: provide additional filtration systems at the water treatment plant and at the Lincoln Street well to remove PFAS from the water supply, which could cost \$20 million; and to upgrade the sewage treatment plant, including climate resiliency measures and recirculating water to avoid using the Town water supply, about \$4 million. Money for PFAS design, and the sewage treatment plant repairs are contained in this year's budget along with water main repairs on Pleasant Street. In addition to these three projects, the Town will evaluate whether moving the DPW to School Street is feasible and prudent, and how to best mitigate the effects of sea level rise which has increased the amount of flooding at the Police and Fire Stations. To start paying for some of these larger expenses, we recommend a debt exclusion of \$7.55 million in FY25. This new debt service is expected to represent a tax increase of about 2.5% in future years when the bonds are issued, although the majority may be paid with water and sewer enterprise funds (funded through water and sewer fees rather than a tax increase).

In 2023, we reviewed our reserve target, including comparisons with other towns and decided a target of 8% (instead of 10%) of the total operating budget would be more aligned

with our needs. In addition, after our comparison with other towns, we decided the stabilization fund should be about 25% of the total reserves. Since the stabilization fund is currently \$1,953,160 (41% of the 7/1/2023 total reserves), we recommend using \$500,000 from the stabilization fund towards the purchase of the Mason Building for a Senior Center and additional Town meeting space and offices.

Since our current FY24 budget is not on track to meet the appropriated legal expenses upon its completion on June 30, 2024, we recommend a supplemental budget appropriation of \$100,000 for FY24 for legal expenses incurred primarily due to costs associated with the Appeal by the Applicant of the SLV 40B project to the Housing Appeals Committee after the project was denied by the ZBA.

After careful review, we recommend the Town fund a trial Harbor Launch Service for mooring holders to access their boats with the mandate that the fees collected from the service must cover the expenses of the operation, including amortization of the capital expense for the purchase of the two launches. This service was previously provided by Manchester Mooring. This requires an initial capital investment of \$125,000 for the two launches, \$9,500 for FY24 operating budget partial season, and \$41,000 for FY25 operating budget part-time seasonal staff expenses. The Finance Committee has requested a quarterly financial review of this service during the next year.

The proposed FY25 budget includes the following new positions funded within the Proposition 2 ½ limits:

- Deputy Harbormaster for more coverage on the harbor and to create a succession plan for the future retirement of the Harbormaster.
- Communication Coordinator change to full-time to keep the Town residents informed.
- Land Use Clerk, consolidating several part-time positions for better coordination between the various land use Boards and the Building Inspector.
- Clerk of the Works in DPW, required for large projects and expected to cost \$300,000 less than using outside consultants.

Pressure on the budget remains to absorb contractual costs and expenses such as health insurance, energy, information technology and public safety. The negotiations for three union contracts, effective 7/1/2023, have been completed and are reflected in this budget. Negotiations for the fourth union contract, effective 7/1/2024, are progressing. We strive to deliver Town services more efficiently, including regionalization opportunities with our neighbors to share and reduce costs. Our benchmarking efforts with similar towns in eastern Massachusetts have been helpful in improving long-term financial plans and decisions that will benefit the Town.

The Town maintains a comprehensive capital improvement plan to address our aging infrastructure and has made substantial progress replacing or lining old water pipes, lining sewer pipes to decrease our inflow and infiltration of ground water to increase the available capacity of the sewer treatment plant, and continuing road maintenance based on our long-term plan. Over the past six years we have used cash capital exclusions, rather than debt exclusions, as a funding strategy to reduce debt interest and service costs and reserve debt capacity for large capital projects. This budget includes large key capital projects which will require new debt. The recommended capital projects are detailed later in this booklet.

MERSD works to maintain educational programs and operations while keeping the costs to the two towns at a sustainable level. Last year, Essex failed to approve an override to fund its apportionment, resulting in the School District decreasing their budget. Due to a shift in enrollment changes, Essex enrollments have remained steady, while Manchester enrollments have decreased, resulting in a larger annual percentage increase under the apportionment formula for Essex than Manchester. We met with the Essex Finance Committee to discuss their strategy

for funding the School District budget. They indicated they support the schools and feel their financial crunch is a short-term, rather than a long-term concern. In addition, MERSD has received preliminary approval to commence the process to renovate/replace the Essex Elementary School. Both Towns had hoped the bonding would occur in FY33, but the process is on a faster track. The first step in this building project requires a Feasibility Study. Manchester's share is \$660,000 which we recommend be funded through a Capital Exclusion. This will increase the FY25 tax rate by 2.2% for one year and bring both towns and the School District into conversations about investing in a new Essex Elementary School over the next few years.

FINANCIAL HIGHLIGHTS

- The FY25 estimated tax rate increase is 2.0%, plus a one-year capital exclusion of 2.2% for a total of 4.2%.
- FY25 operating budget change from the FY24 operating budgets:
 - o Town: +7.16%
 - o School: +2.99% (Manchester's assessment of the total increase is +1.84%)
- On July 1, 2023, the Town financial reserves (fund balance plus stabilization fund) were \$4,739,992, a decrease of \$757,428 from the prior year, due to our strategy to use a portion of our excess reserves for capital improvements. At the end of each fiscal year, receipts which exceed the projections and operating expenses which are less than the appropriated expenses are added to the fund balance where they remain until Town Meeting approves appropriating a portion for capital projects. Our financial reserves were 11.8% of the operating budget, exceeding our 8% target. In addition, the water and sewer enterprise funds had retained earnings of \$697,993, a decrease of \$191,988, for a total of \$5,437,985. Water and sewer retained earnings provide a buffer when actual fees collected fall short of the operating costs and the desired amount is reassessed each budget year.
- July 1, 2024, after approval of the FY25 budget, we expect financial reserves (fund balance and stabilization fund) will be approximately \$3,147,000, about 8% of the total operating budget. The water and sewer enterprise funds are expected to have retained earnings of \$697,993 and the fire apparatus fund has been expended on a ladder truck and paramedic equipped SUV for a total of \$3,844,993.
- Town debt service is projected to decrease by \$3,760 (0.42%). The FY25 budget proposes new debt (replacing expiring debt service) for large capital projects, excess reserves for smaller capital projects, along with taxation, and cash and a cash capital exclusion for the MERSD Feasibility Study as part of the ongoing capital funding strategy.
- Savings from moving to the State Regional 911 Center on March 1, 2023, and reinstating the call firefighter unit, allowed increased staffing in both the police and fire departments, better shift coverage, police lobby staffing 16 hours per day, support for the Harbor Master on the water, improved response to fire and medical emergencies, filled the gap for the loss of Reserve Officers, and reduced reliance on overtime.
- Pension expenses for Town employees and retirees will increase 7% over FY24, determined by the State based on payroll. It includes higher payments to fund the unfunded liability over the next 10 years, when we expect a decrease in the annual increase.
- Health insurance costs are expected to increase 5.2% over FY24.
- Capital budget recommended for FY25 totals \$10,349,100 including replacing all water meters, repairs to the sewage treatment plant, water infrastructure upgrades in preparation for addressing the need to treat for PFA's, new vehicles, DPW facility geothermal study, IT upgrades, library building assessment and walkway, public safety equipment and road resurfacing.
- Additional capital warrant articles total \$2,183,348 to fund the purchase of a condominium in the Mason's Building for a Senior Center and Town meeting rooms, a match

for a State Building Grant to expand the library, the Town portion of the MERSD Building Feasibility Study, the balance due on the MERSD Hyland Field project, and purchase of two launches for the Harbor Launch Service.

- The MERSD FY25 operating budget total assessment increase to the two towns is 2.94%. The town assessments are partially based on enrollments. Since enrollments have declined in Manchester but not in Essex, Manchester's assessment will increase 1.84%, while Essex's assessment will increase 4.82%. Manchester's assessment is \$16,339,528, an increase of \$295,194.
- Manchester's assessment for the MESRD debt service is \$2,720,907, a decrease of \$66,533 (2.4%) from FY24.
- Essex North Shore Agricultural and Technical School assessment is \$243,385, a decrease of \$1,696, which covers enrollment for 13 Manchester students.

Please look at the information and graphs presented later in this booklet, which show various aspects of our town's operating budget and financial position.

OVERVIEW OF THE FY25 TOWN OPERATING BUDGET

The FY25 budget is built on the following principles meant to maintain the financial strength of the Town:

- Current revenues cover current expenditures, and no debt is used to fund operating expenses.
- Cash capital exclusions are used for normal capital items to reserve new debt for large projects.
- Maintain adequate General Fund reserves.
- Include contingency funds and realistic revenue projections to avoid a budget shortfall.
- Provide maintenance budgets so capital facilities and equipment remain functional.
- Maintain the current quality of services, addressing new or increased service demands through enhanced efficiencies, when possible.

The Town continues to realize savings in this budget with new technology, prior capital programs, a consolidated facilities department under the Department of Public Works and utilizing appropriate regional solutions. DPW employees provide strong in-house engineering expertise and guidance in managing capital projects and the Town actively seeks out State and Federal grants to help offset costs and implement new programs.

The Finance Committee goals are to maintain the Town assets and infrastructure, prepare for future changes and events, including climate resiliency, and provide sustainable services for Town residents. We invest significant time reviewing long-term financial planning and multiyear models for both operating and capital planning. Five primary guidelines are the basis for shaping the recommendations for this proposed budget and future budgets. These include:

- Minimize tax rate increases while maintaining current services.
- Maintain Reserves at 8% of total operating budget, using excess reserves for capital projects.
- Limit debt service payments to no more than 10% of total expenditures.
- Fully fund our unfunded retiree liabilities (OPEB) within the next 10 years.
- Reserve debt capacity for large capital projects.

PUBLIC SAFETY

Dispatch Services transferred to the State Regional 911 Center on March 1, 2023.

Police Department increased staffing included in the FY24 budget has allowed better shift coverage with a decrease in overtime, coverage of the police lobby from 8:00 am to midnight and enforcement on the water to assist the Harbor Master. This budget includes the cost to join

the Northeastern Massachusetts Law Enforcement Council (NEMLEC) which will provide us with access to specialized units, equipment, training programs and more collaboration with area law enforcement agencies, including sharing officers when peak staffing is required such as July 4th. Chief Fitzgerald continues to review technology available to enhance parking enforcement.

Fire Department investments in apparatus and additional staffing over the past few years has enabled Fire Chief McNeilly to maintain 3 or 4 person shifts, reduce the use of overtime, improve the ability to respond to emergencies and provide mutual aid. He has successfully reinstated a call firefighter unit, provides a robust monthly report which includes staffing, overtime and concurrent calls and is working with other towns and our other public safety departments to ensure a more robust and coordinated response to emergencies.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND PENSION LIABILITIES

The Town continues its progress in reducing the unfunded liabilities for health insurance obligations to current and future retirees, commonly called OPEB (Other Post-Employment Benefits), by making voluntary annual contributions into a Trust. In the FY25 budget we recommend an appropriation of \$300,000 and expect to “fully pre-fund” the obligation in less than 10 years.

On the liability side, our net unfunded OPEB liability was \$3,279,119 on June 30, 2023, a decrease of \$35,078 from June 30, 2022.

On the asset side, the value of the OPEB Trust was \$3,885,887 on June 30, 2023, an increase of \$210,335 over June 30, 2022. The actuarial analysis assumes a rate of return on invested funds of 7.5%, while the Trust assets invested in the State Pension Reserves Investment Trust (PRIT), a large professionally managed fund, have grown at a significantly higher rate. Higher investment returns offset future contributions.

The Town also has unfunded pension liabilities and follows the State mandated program with the expectation the unfunded pension liabilities will be fully funded by 2035. Additional information on the Town’s pension and OPEB liabilities is in the Select Board’s report contained in this booklet and the Town’s OPEB actuarial report in the annual Town financial statements, which are available online, or at Town Hall.

CAPITAL PLAN AND SOURCES OF FUNDING

Several years ago, Manchester adopted a more aggressive capital improvement plan to address past deficiencies and better address the Town’s current and future infrastructure needs. We maintain a 5-year capital plan with projections for ten years and continue our steady progress with significant improvement in water and sewer system infrastructure and an ongoing program of road reconstruction and resurfacing, but the FY25 budget addresses a need to commence some of our larger capital projects.

The FY25 proposed capital budget and other capital warrant articles recommend spending \$12,532,448, which is substantially higher than our previous budgets. The budget includes:

- \$4,000,000 for sewer treatment plant repairs
- \$4,300,000 for water infrastructure upgrades, water department truck, and smart meters
- \$1,280,000 for DPW roads, facilities, equipment, and Town IT
- \$1,000,000 for Masonic Building for a Senior Center
- \$609,600 for Public Safety equipment & vehicles, including a new ambulance
- \$200,000 for library building projects
- \$234,500 for future harbor dredging & the Harbor Launch Service
- \$908,348 for MERSD fields & building feasibility study

The FY25 capital budget and other capital warrant articles funding through a combination of sources including:

- \$2,140,000 from taxation
- \$1,472,948 from reserves (fund balance and stabilization fund)
- \$400,000 from water & sewer enterprise funds
- \$109,500 from harbor funds
- \$200,000 reappropriation of prior appropriations
- \$660,000 cash capital exclusion
- \$7,550,000 new debt bonds
- Additional funding not reflected in the capital budget
 - o \$960,000 Federal PFA grant
 - o \$150,000 State Chapter 90 road maintenance
 - o \$3,500,000 State MassWorks grant to upgrade and connect water and sewer from Mill Street to the LCD.

The Town applies for grants to fund various capital projects and public safety equipment to enhance our capital budget. The list of recommended capital projects is included later in this booklet. The Finance Committee is a strong proponent of not deviating from the established five-year capital plan. A facilities Master Plan was completed in 2023 to enable the Town to prioritize larger projects, determine the best use of the available land and estimate the associated capital costs and available funding mechanisms.

Support of the town's infrastructure is also enhanced by Community Preservation Funds, partially matched by the State. We support the Community Preservation Committee's FY25 recommendation to spend \$481,670 on various projects including \$140,270 for Open Space/ Recreation, \$200,000 for Community Housing, \$116,400 for Historic Preservation and \$25,000 for Administration. Details are provided in the Warrant Article.

FUND BALANCES, OTHER RESERVES, AND DEBT

If actual expenses are lower than budgeted and/or revenues are higher than projected for a fiscal year, the excess is credited to the Town's Fund Balance (much like net income in a commercial context), essentially the Town's savings account. The Department of Revenue annually certifies the available Fund Balance.

The Finance Committee believes it is prudent to maintain adequate financial reserves (Fund Balance plus Stabilization) for unforeseen events and to use excess reserves for capital expenditures. A graph showing historical levels of reserves appears later in this booklet. In 2023, the Finance Committee set a new target for financial reserves to equal 8% of the Town total operating budget (including the MERSD budget), with about 25% (2% of the Town total operating budget) in the Stabilization Fund. The Stabilization Fund had a balance of \$1,953,160 on 7/1/2023, which is about 5% of the total operating budget. Therefore, we recommend \$500,000 in the Stabilization Fund be used towards the purchase of the Mason Building.

On July 1, 2023, our reserves (Fund Balance plus Stabilization) were \$4,739,992. Since our reserves currently exceed our target, we recommend using some of the reserves for capital projects in the FY25 budget, in lieu of raising the funds through a higher tax rate or a larger cash capital exclusion. We also have water and sewer enterprise funds retained earnings of \$697,993 for a total of \$5,437,985.

On July 1, 2024, with approval of the FY25 budget, we expect reserves (Fund Balance and Stabilization) will be \$3,147,000 plus \$697,993 in water and sewer enterprise funds retained earnings for a total of \$3,844,993.

MANCHESTER ESSEX REGIONAL SCHOOL DISTRICT BUDGET

The Manchester Essex Regional School District and the School Committee (“MERSD”) are responsible for the school budget. The Finance Committee worked with MERSD and the Town of Essex to provide input on the budget before making our recommendation at the Annual Town Meeting to approve the budget. The Finance Committee also met jointly with the Essex Finance Committee and met in a larger meeting with the School Committee, Essex Board of Selectman and Finance Committee and the Manchester Select Board to better understand the position of each Town in its support for the school system.

MERSD is challenged in balancing the needs of both Towns. Essex wants an overall 2.5% assessment increase, whereas Manchester desires an efficient budget which will maintain current educational programs, normally a 3.5% budget increase. This difference is compounded by the impact of enrollments on the apportionment formula such that level enrollments in Essex and declining enrollments in Manchester result in a larger percentage increase for Essex than for Manchester. Manchester’s contributions to the MERSD and ENS Agricultural & Technical School represent 49% of the Town’s total operating budget. MERSD is seeking an increase of 1.84% (\$295,193) to the Town of Manchester, for a FY25 operating assessment of \$16,339,528 (\$24,870 per student). The total MERSD operating budget for FY25 is \$30,130,522, an increase of 2.99% over FY24, and financial reserves total about \$3.5 million. We view the MERSD budget as an important challenge for the two Towns, their voters, and the School District to work on collaboratively in the coming years.

In addition to the MERSD operating budget, we will pay \$2,720,907 toward its debt service (principal and interest), a decrease of \$66,533 (2.4%) from FY24. The FY25 debt service on the Middle-High School is \$1,029,976 and \$1,690,931 for the Memorial Elementary School. The debt service declines each year with the Middle High School scheduled to be paid off in 2033 and the Memorial Elementary School in 2049. We expressed our desire to the MERSD to time the commencement of the debt payments for a new or renovated Essex Elementary School in 2034 when the Middle High School debt is paid off, but they nevertheless applied to the State for School Building Funds in 2023 and were approved to commence the process. If the project proceeds debt payments are likely to commence in FY28 or FY29. The Finance Committee recommends proceeding with the feasibility study but has concerns whether another school is necessary given the significant drop in enrollment and the existing capacity of the Middle High School and Memorial Elementary School. In addition, MERSD needs to consider the operational cost savings of merging the two elementary schools and whether it would help address the challenge the Town of Essex is having in affording the existing School District Operating Budget.

To better serve our entire student population, the Town also pays education costs for 13 students enrolled in the ENS Agricultural & Technical School with FY25 cost of \$243,385 (\$18,722 per student). We wholeheartedly support this educational option.

LOOKING AHEAD TO FY26

The Finance Committee will soon begin working on the FY26 budget, which begins on July 1, 2025. We are optimistic the Town can continue to provide a high level of services and repair and improvement to the Town’s infrastructure within the limits of Proposition 2 ½ and without incurring debt for routine capital requests. However, this planning includes some factors beyond the Town’s control, such as health insurance, state and federal regulations, natural disasters, unexpected infrastructure failures and climate sustainability needs. We are confident the financial structure, systems, and proposed budgets for the Town are in good shape. Determining the right level of staffing is a challenge and as needs develop the choices for additional hires, outsourcing, or regionalization efforts must be considered and will continue to look for ways to reduce costs while addressing Town service and infrastructure needs.

Cell Signaling Technology (“CST”) filed an application with the Planning Board for approval to build a corporate campus in the Limited Commercial District at the Old Quarry on upper School Street. This project could bring substantial additional tax revenue to the Town starting in FY26 or FY27 without impacting MERSD enrollments. The Finance Committee will review the CST financial impact report and will consider any demand this project might place on Town services and infrastructure and the anticipated increase in Town tax revenues.

The long-term repair and upgrading of our aging infrastructure, treating the water for PFA’s, and climate sustainability remain key priorities in developing the multi-year capital plan. A Facilities Report was completed in 2023 providing information to enable the Town to prioritize the repair, upgrades and replacement of our outdated Town buildings and create a long-term plan for large projects to replace expiring debt and cash exclusions with long-term debt, which we recommend beginning in FY25. The Town’s capital needs are significant and require discipline, use of State and Federal grants and additional tax revenue from new commercial development, such as Cell Signaling Technology, to avoid burdening the Town with future debt and rising taxes. We hope that the Town will continue to support this strategic capital and infrastructure plan.

The Finance Committee meets regularly, and we welcome your ideas, suggestions, and recommendations.

FINANCE COMMITTEE MEMBERS

Sarah Mellish, <i>Chair</i>	2025
Andy Oldeman, <i>Vice Chair</i>	2025
Dean Nahatis	2024
Tom Parkins	2026
Michael Pratt	2026
Mory Creighton	2024
Peter Twining	2024

FIVE YEAR CAPITAL PLAN SUMMARY

CAPITAL PLAN	FY 25	FY 26	FY 27	FY 28	FY 29
Highway					
Roads & Guardrails	\$ 700,000	\$ 700,000	\$ 450,000	\$ 450,000	\$ 450,000
Vehicles/Fleet Replacement	\$ 150,000	\$ 120,000	\$ 420,000	\$ 140,000	\$ 60,000
Facilities	\$ 250,000	\$ 300,000	\$ 21,450,000	\$ -	\$ 50,000
Storm damage repairs	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Storm drains/Sidewalks	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
General Building Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
TOTAL	\$ 1,400,000	\$ 1,445,000	\$ 22,645,000	\$ 915,000	\$ 835,000
Land Use Management					
Planning/Zoning Studies	\$ -	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000
TOTAL	\$ -	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000
Town Hall					
Town Hall/Computer updates	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 20,000
Equipment & Other	\$ -	\$ -	\$ -	\$ 20,000	\$ -
TOTAL	\$ 30,000	\$ 30,000	\$ 20,000	\$ 40,000	\$ 20,000
Accounting/Finance					
Municipal Financial Software Replacement	\$ -	\$ -	\$ 150,000	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ 150,000	\$ -	\$ -
Library					
Library Walkway Repair/Replace	\$ 6,500	\$ -	\$ -	\$ -	\$ -
Library Building Assessment	\$ 43,500	\$ -	\$ -	\$ -	\$ -
Building Upgrades/Expansion	\$ 150,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Parks and Recreation					
Facilities	\$ -	\$ 50,000	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ 50,000	\$ -	\$ -	\$ -

FIVE YEAR CAPITAL PLAN SUMMARY

Public Safety										
Fire/Police Stations	\$	-	\$	-	\$	-	\$	100,000	\$	1,000,000
Police/fire Vehicles	\$	543,000	\$	76,400	\$	80,215	\$	84,250	\$	88,500
Fire engine fund	\$	-	\$	-	\$	300,000	\$	300,000	\$	300,000
Police Equip	\$	12,600	\$	12,600	\$	12,600	\$	-	\$	-
Fire Equip	\$	54,000	\$	54,000	\$	54,000	\$	-	\$	-
TOTAL	\$	609,600	\$	143,000	\$	446,815	\$	484,250	\$	1,388,500
Schools										
Essex Elementary Feasibility Study	\$	660,000	\$	-	\$	-	\$	-	\$	-
Turf fields	\$	248,348	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	908,348	\$	-	\$	-	\$	-	\$	-
Council on Aging										
Senior Center building purchase	\$	1,000,000	\$	-	\$	-	\$	-	\$	-
Vehicle Replacement	\$	-	\$	-	\$	-	\$	-	\$	30,000
TOTAL	\$	1,000,000	\$	-	\$	-	\$	-	\$	30,000
Harbor										
Dredging	\$	100,000	\$	-	\$	3,500,000	\$	-	\$	-
Harbor Equip	\$	9,500	\$	-	\$	-	\$	-	\$	-
Launch Service	\$	125,000	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	234,500	\$	-	\$	3,500,000	\$	-	\$	-
Water Department										
Pipes	\$	1,900,000	\$	1,750,000	\$	2,000,000	\$	2,000,000	\$	1,000,000
Treatment Plant/Equip Upgrades	\$	950,000	\$	-	\$	23,000,000	\$	50,000	\$	300,000
Truck Replacement	\$	50,000	\$	-	\$	-	\$	-	\$	-
Water Meter Replacement	\$	1,400,000	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	4,300,000	\$	1,750,000	\$	25,000,000	\$	2,050,000	\$	1,300,000
Sewer Department										
Treatment Plant/Equip Upgrades	\$	4,000,000	\$	200,000	\$	200,000	\$	200,000	\$	200,000
TOTAL	\$	4,000,000	\$	200,000	\$	200,000	\$	200,000	\$	200,000
GRAND TOTAL	\$	12,682,448	\$	3,628,000	\$	51,981,815	\$	3,699,250	\$	3,793,500

FIVE YEAR CAPITAL PLAN SUMMARY

REVENUES	FY25	FY26	FY27	FY28	FY29
General Fund (taxes)	\$ 2,140,000	\$ 2,500,000	\$ 2,700,000	\$ 2,800,000	\$ 2,900,000
Fund Balance	\$ 972,948	\$ 578,000	\$ 781,815	\$ 349,250	\$ 293,500
Stabilization Fund	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Water Funds	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 250,000
Sewer Funds	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Harbor Funds	\$ 109,500	\$ -	\$ -	\$ -	\$ -
Other	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 7,550,000	\$ -	\$ 47,950,000	\$ -	\$ -
Capital Exclusion	\$ 660,000	\$ -	\$ -	\$ -	\$ -
Subtotal before grants	\$ 12,532,448	\$ 3,478,000	\$ 51,831,815	\$ 3,549,250	\$ 3,643,500
Chapter 90	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Grand Total	\$ 12,682,448	\$ 3,628,000	\$ 51,981,815	\$ 3,699,250	\$ 3,793,500

NOTES:

PFAS related expenses may be partially covered by grants and litigation settlement funds

Assumes construction of a new DPW garage off Upper School Street

Library expansion is not currently being budgeted given the large unknowns at this time. Request for state planning funds have been submitted.

New bonds projected for FY25 (sewer and PFAS) and then a \$48 million bond in FY27 for DPW garage and PFAS. CST new tax revenue

Essex Elementary School Bond may be needed by FY29 - timing not known yet. High School Debt and retiree obligations go away by 2033

Future of public safety facilities could require another large Town bond in the early 2030's depending on decisions made

Rotunda work assumed to be covered by grant funds



MANCHESTER-BY-THE-SEA

BOARD OF SELECTMEN • TOWN HALL
Manchester-by-the-Sea, Massachusetts 01944-1399
Telephone (978) 526-2000 FAX (978) 526-2001

BOARD OF SELECTMEN REPORT ON FUTURE OBLIGATIONS RETIREMENT AND HEALTH CARE BENEFITS – AN UPDATE OF OUR FUTURE LIABILITIES

Pursuant to the provisions of Article IX, Section 3 as amended of the Town's General By-laws, the Board of Selectmen submit the following report concerning the Town's future obligations for pensions and retiree health insurance.

Introduction

Pensions and retiree health insurance are benefits that are offered to all Town employees who work more than 20 hours a week per the requirements of Massachusetts General Laws. Like the vast majority of municipalities, Manchester had historically paid for these benefits in a "pay as you go" fashion – that is, we were paying only the bill that was due that year, not the bill we were incurring for future years in the form of promised retiree benefits. While this approach was fine when benefits were less expensive and the number of retirees was relatively modest, the cost trends, life expectancy trends and the desire for truer cost accounting have placed a new emphasis on putting money aside now in order to pay for future pay-outs. Such an approach has the added advantage of the power of compounding interest earnings, putting the money we set aside to work to ease the financial burden of the future benefits.

Town Pensions

The Town of Manchester is a member of the Essex Regional Retirement System. All employees contribute their own funds to the system but, in the past, not enough funds were collected to fully fund the future payments promised by the retirement board. While this has been corrected for new employees, all municipalities are contributing funds to make up for the under collection in the past. It is anticipated that the retirement system will be fully funded by 2036 at which time the Town will no longer have an unfunded pension liability.

The Essex Regional Retirement Board's unfunded liability was estimated by an actuarial study to be \$347,248,109 as of January 1, 2022, based on current assets of approximately \$635 million and total liabilities of \$1 billion. This is the present day value of obligations expected to be incurred over the next 30 years. According to the System's annual financial report as of 12/31/2022, Manchester's net pension liability is 3.517% with a net liability of \$16.3 million. Annually we contribute a portion of this liability. For FY24 we contributed \$1,628,887 for both current and future liabilities. This number is expected to grow 6.5% through FY2029 and 4% per year thereafter.

Essex Regional Retirement System (as of 1/1/2022 actuarial valuation)

Total Assets	= \$635 million
Present day Value of Liabilities	= \$1.052 billion
Unfunded Liabilities	= \$347 million
Manchester Share 3.517%	= \$16.3 million

Annual Town Payment (FY25) = \$1,744,942 (increasing annually through 2036)
-To be fully funded by 2036

Town OPEB (other post employment benefits – retiree health insurance)

The Town provides health insurance to all retirees eligible for a pension. Voters approved this benefit decades ago and, by state law, we must now continue to do so. Because the Town has been in operations for hundreds of years, our pool of retirees, while growing slightly, is relatively stable. Thus, our “pay as you go” amount started out already at 70% of the required Annual Required Contribution, or ARC. We are now at 100% + when we combine our annual pay as you go amount with the amount we add to the trust. Our most recent actuarial study (as of 6/30/23), completed by Sherman Actuarial Services, concluded that our total Actuarial Accrued Liability for both active employees and retirees comes to \$7.165 million. This is the present day value of the cost of retiree health insurance for the next 30 years.

In addition to the pay as you go funding, the Town has established and is funding annually an OPEB Trust Account. The contribution schedule we are following is contained in supplemental information to the Sherman Actuarial Study. Assuming voters approve the next payment installment to the OPEB Trust account at the April 2024 Town Meeting, we will have approximately \$4.4 million in the trust account which, when combined with our pay as you go amount is putting us ahead of the 30-year plan to be fully pre-funded for our OPEB obligations by the year 2032. The annual appropriation to the OPEB Trust is slated to grow in the 3% range.

In addition to funding the Trust, the Town continues to work on controlling the cost of our health insurance obligations. We have successfully implemented plans that have higher co-pays and deductibles. We require all eligible retirees to enroll in Medicare. We continue to pursue wellness strategies to keep cost increases down. We work with our unions to negotiate fair premium cost sharing. As of 7/1/2017, new employees pay 35% of the premium and veteran employees pay 25-30% with all employees paying under 30% phasing from 25% to 30% over the next few years.

Legislative changes also may help to lower our liabilities. Beacon Hill may pursue changes in retiree eligibility rules that will reduce our future obligations for new hires. We will monitor these developments and urge our legislative delegation to push for more needed reforms to the laws that govern how we provide benefits to our retirees to ensure that we can afford to provide a fair and cost effective package.

OPEB Assets and Liabilities

Total OPEB Liability estimated as of 6/30/23	\$ 7.165 million
Current Assets (assumes April 2024 appropriation)	\$ 4.4 million

On schedule to be fully funded by 2032



MANCHESTER ESSEX REGIONAL SCHOOL DISTRICT

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crestam@mersd.org

Michelle Cresta

DIRECTOR OF FINANCE &
OPERATIONS

April 2, 2024

To the Residents of Manchester-by-the-Sea and Essex:

This letter provides an annual update on the status of “Unfunded Liabilities” for the Manchester Essex Regional District (MERSD), specifically employee pensions (excluding teacher pensions, which are funded by the Commonwealth) and retiree health insurance, which is also known as Other Post-Employment Benefits (OPEB).

What Are Unfunded Liabilities?

Pensions and retiree health insurance are benefits that are offered as a requirement of Massachusetts General Law to employees of MERSD. Because these benefits are legally mandated, government entities must include in their financial statements an estimate of the value of future obligations (i.e., liabilities) related to these programs.

In the past, most school districts and towns in the State paid the cost of these benefits as they came due each year. This approach is often referred to as “pay-as-you-go,” and does not include any pre-funding of future obligations. This lack of pre-funding is the origin for the term “unfunded” liabilities. Pre-funding is considered important by many because actuarial estimates indicate that the cost of these obligations could potentially grow faster over time than taxpayer funded budgets can absorb.

There are two common approaches to reducing unfunded liabilities. First, pension and OPEB cost growth must be contained to ensure that benefits are appropriate and affordable for taxpayers. Second, government employers must begin to move from the “pay as you go” approach towards a strategy that pre-funds future year obligations, and invests those funds to ensure that larger obligations due in future years can be afforded without undue pressure on the annual operating budget.

In recent years, MERSD has increased its pre-funding of pension and retiree health insurance obligations, and has also restructured its health insurance plans considerably, putting the district on a clear path to full funding over time.

How Big Are MERSD’s Unfunded Liabilities?

Estimates of these liabilities are updated each year and published in MERSD’s financial statements which are audited by an outside accounting firm. The financial statements for the most recently concluded fiscal year ended June 30, 2023, contain the following estimates.

Pensions

The unfunded portion of the pension liability attributable to MERSD is estimated to be \$6,935,222.

Most pension programs require contributions from employees and employers. The large majority of MERSD employees are teachers and other licensed personnel (e.g. principals and district administrators), who participate in the Commonwealth

of Massachusetts' Teachers Contributory Retirement System (MTCRS). For these employees, the Commonwealth pays 100% of the employer share of pension expense, and employees also contribute directly by way of an 11% payroll deduction. As a result, MERSD has no expense, nor any liability, for pension costs related to licensed employees, including teachers and administrators.

A smaller number of employees, who are not licensed by the Commonwealth (e.g. facilities staff, and administrative, school building and teaching assistants), participate in the regional pension program, known as Essex Regional Retirement System (ERRS). In the current fiscal year, MERSD's employer-share obligation for ERRS annual contributions totaled \$728,883. ERRS has begun to require its members, including MERSD and the Towns of Manchester and Essex, to pre-fund future pension liabilities and the program is on track to achieve full-funding by 2035, in accordance with Massachusetts General Law. Doing so requires MERSD to increase its annual pension contribution by 6.5% each year through 2029, and by 4.0% thereafter. ERRS has adjusted this funding schedule on several occasions with a general trend of increasing the number of initial years with required higher percentage contribution growth, in order to achieve the full funding target. As of the most recent ERRS actuarial valuation, the pension program's liabilities were 67% funded, up from 52% in 2014.

The estimate referenced above for MERSD's portion of ERRS' unfunded pension liability is based on applying

1.50% of ERRS' \$347 million unfunded liability to MERSD. This percentage represents MERSD's percentage of total ERRS payroll. ERRS applies this percentage to the total annual required contributions from its members to arrive at MERSD's employer share obligation for the year.

Because pensions, by law, are guaranteed contracts, benefit levels cannot be changed. Although MERSD does not establish benefit levels, we do have the ability to manage pension costs by carefully controlling staffing levels for pension eligible positions. For example, outsourcing custodial services at the new middle high school when it first opened and at the elementary schools in subsequent years has helped to lower MERSD's percentage of ERRS payroll and, as a result, MERSD's percent of ERRS' pension obligations. MERSD has also outsourced all food service and transportation positions, which further mitigates its future pension liability.

OPEB (Retiree Health Insurance)

MERSD's unfunded liability for OPEB is \$23,396,040 as of June 30, 2023.

By law, MERSD must provide health insurance to all employees who retire with eligibility for pension. The district contributes 70-80% (based on retirement date) of the cost of insurance premiums throughout the duration of retirement, with retirees paying the remaining 20-30%. MERSD's annual obligation for insurance payments on behalf of retirees was \$977,679 in the most recently concluded fiscal year. This cost has grown at an average annual rate of 7.0% over the past five years, reflecting both industry trends of growth in health care costs, and an increasing number of retirees that MERSD is obligated to cover by law. MERSD now covers nearly

20% more retirees (182) than active employees (150) with health insurance coverage.

Overall growth of retiree health care has slowed, due to introduction of less costly plans and increasing contribution rates from covered retirees. In FY09, retirees contributed just

15% of the cost of health plans annually. By contrast, retirees currently contribute 20-30% of the annual cost. All new hires now required to contribute 30% of the annual cost. The average retiree contribution percentage is expected to continue to rise in the coming years, which will help to decrease the rate of budgetary growth for MERSD.

Last fiscal year's "pay-as-you-go" expense, MERSD also contributed \$578,666 towards pre-funding future year obligations, in attempt to reduce its unfunded OPEB liability. This additional contribution is funded from savings generated by a negotiated agreement with the Manchester Essex Teachers Association (META) to change benefit levels. The result of this agreement was a \$1.6 million reduction in the annual gap between pay-as-you-go costs and full pre-funding of annual OPEB contributions. This gap reduction has improved in recent years, from 66% of the actuarially determined annual contribution needed to achieve full funding in fiscal year 2017 to an annual average of 84% over the past five years.

Additionally, the agreement migrated all employees to an insurance program with lower monthly premiums (which are split between MERSD and employees, based on contribution percentages referenced above) in exchange for introduction of deductibles and/or higher co-pays. The negotiated agreement stipulates that in return, all savings from these changes will be placed into an OPEB trust fund for the sole purpose of paying future OPEB costs.

OPEB trust funds can be invested in accordance with restrictions in Massachusetts General Law to earn higher rates of return, thereby reducing future required contributions from MERSD, staff and taxpayers. In FY-17, MERSD established a relationship with the Pension Reserve Investment Management Board (PRIM) to invest the district's OPEB trust funds in the same diversified portfolio used for the State's pension system, MCTRS, and the large majority of regional retirement systems as well, including ERRS. By sending OPEB trust funds to PRIM, MERSD is able to outsource investment risk to specialized professionals with significant experience in long-term investing. By earning a return on its OPEB trust fund investment, MERSD can further reduce the contribution it needs to make from budget funds each year.

As of June 30, 2023, MERSD has contributed a total of \$3,966,612 to its OPEB trust, and based on estimates, MERSD is on track to contribute \$4.6 million to its OPEB trust fund in 10 years, setting the district on a path to fully fund its OPEB obligation.

Other initiatives that MERSD has undertaken over time also help to mitigate the cost of OPEB including:

- All retirees who are eligible for Medicare are now required to enroll, so MERSD will no longer be their primary insurer. MERSD pays for supplemental insurance for these retirees, but implementing this change reduces MERSD's cost based on the differential in current rates between the district and Medicare supplemental plans.
- MERSD's most recent contract with META included a move to higher deductible plans, with corresponding savings in the cost to MERSD and employees of monthly premiums. A portion of these savings have been set aside for an employer funded Health Reimbursement Account (HRA). MERSD has seen a significant improvement in claims/utilization from these plans, which helps to control costs and limit rate increases in subsequent years. Today, nearly 10% of retirees (those who have not yet aged into Medicare), and all active employees participate in the HRA plan, which costs nearly 20% less, or nearly \$9K annually per retiree, than

the legacy pre-Medicare retiree healthcare plan.

- A policy that began on July 1, 2013 prohibited retirees from adding insurance coverage after retirement, which will make changes in enrollment levels more predictable.

For more information about MERSD's unfunded liabilities, please visit www.mersd.org, and follow the Quick Link, "Budget." This site contains presentations regarding MERSD's plans to address these liabilities, and copies of audited financial statements and actuarial reports.

Sincerely,

Michelle Cresta
Director of Finance & Operations

COMMONWEALTH OF MASSACHUSETTS
TOWN OF MANCHESTER-BY-THE-SEA



ANNUAL TOWN MEETING WARRANT

Essex, ss.

To any of the Constables of the Town of Manchester-by-the-Sea:

Greetings:

In the name of the Commonwealth of Massachusetts you are hereby required to notify and warn the inhabitants of the Town of Manchester-by-the-Sea qualified to vote in elections, to meet for the **Annual Town Meeting** at the Memorial Elementary School on Lincoln Street, in Manchester-by-the-Sea, on **Wednesday, the 24th day of April**, two thousand and twenty-four AD, at six thirty o'clock in the evening.

ARTICLE 1. To see if the Town will vote to receive and place on file the reports of the Town boards and committees appearing in the Annual Report; or take any other action relative thereto.

Per petition of the Select Board

The Finance Committee takes no position.

The Select Board recommends approval

ARTICLE 2. To see if the Town will vote to fix the 12-month fiscal year salary and compensation of all elective officers of the Town as provided in Section 108 of MGL Chapter 41, as amended, as follows; or take any other action relative thereto.

Moderator	\$0.00
Chairman, Selectmen	\$0.00
Other four Selectmen	\$0.00

Per petition of the Board of Selectmen

The Finance Committee takes no position.

The Select Board recommends approval

ARTICLE 3. To see if the Town will vote to raise and appropriate or transfer from available funds \$243,385 as the Town's share of the Essex North Shore Agricultural and Technical School District; or take any other action relative thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 4. To see what sums of money the Town will raise by taxation or otherwise to pay Town debts and charges for the ensuing 12 months, effective July 1, 2024, and appropriate the same.

DEPARTMENTAL REQUESTS AND FINANCE COMMITTEE RECOMMENDATIONS

Item No.		Appropriations FY - 2024	Requests FY - 2025	Recommendations FY - 2025	Funding Sources	
GENERAL GOVERNMENT						
33.5%						
<u>SELECTMEN'S DEPARTMENT</u>						
1	Salaries	326,434	351,199	351,199	TAXATION	
2	Expenses	65,500	59,500	59,500	TAXATION	
3	Audit	40,500	48,000	48,000	TAXATION	
<u>INFORMATION TECHNOLOGY</u>						
4	Expenses	171,500	179,900	179,900	TAXATION	
<u>FINANCE COMMITTEE</u>						
5	Salaries	3,800	3,914	3,914	TAXATION	
6	Expenses	300	300	300	TAXATIO	
7	Reserve Fund	190,000	150,000	150,000	TAXATION	25,000
					OVERLAY SUR.	125,000
<u>ELECTION & REGISTRATION</u>						
8	Salaries	5,150	10,570	10,570	TAXATION	
9	Expenses	22,550	26,225	26,225	TAXATION	
<u>ACCOUNTING</u>						
10	Salaries	173,356	181,390	181,390	TAXATION	
11	Expenses	4,700	7,000	7,000	TAXATION	
<u>ASSESSORS</u>						
12	Salaries	132,511	163,355	163,355	TAXATION	
13	Expenses	62,750	64,234	64,234	TAXATIO	
<u>TREASURER/COLLECTOR</u>						
14	Salaries	167,953	172,692	172,692	TAXATION	
15	Expenses	32,225	32,875	32,875	TAXATION	
<u>TOWN CLERK</u>						
16	Salaries	109,841	122,894	122,894	TAXATION	
17	Expenses	7,545	10,250	10,250	TAXATION	
<u>LEGAL/PROF. SERVICES</u>						
18	Expenses	110,000	150,000	150,000	TAXATION	
<u>APPEALS BOARD</u>						
19	Salaries	8,528	5,000	5,000	TAXATION	
20	Expenses	12,000	12,000	12,000	TAXATION	
<u>PLANNING DEPARTMENT</u>						
21	Salaries	103,682	127,406	127,406	TAXATION	
22	Expenses	6,600	26,600	26,600	TAXATION	
<u>TOWN HALL & COMMON</u>						
23	Expenses	39,400	51,900	51,900	TAXATION	
<u>PENSIONS</u>						
24	Contributory	1,628,887	1,744,942	1,744,942	TAXATION	1,585,678
					SEWER RATES	90,707
					WATER RATES	68,557
<u>INSURANCE</u>						
25	Group Health Insurance	1,471,720	1,548,985	1,548,985	TAXATION	1,388,636
					SEWER RATES	96,945
					WATER RATES	63,404
26	Workers' Compensation	100,000	105,000	105,000	TAXATION	83,500
					SEWER RATES	10,500
					WATER RATES	11,000
27	Fire/Auto/Liability	135,000	155,000	155,000	TAXATION	130,500
					SEWER RATES	12,500
					WATER RATES	12,000

28	Unemployment Compensation	7,000	7,000	7,000	TAXATION	
29	FICA-Medicare	118,796	123,785	123,785	TAXATION	115,130
					SEWER RATES	4,791
					WATER RATES	3,864
Total General Government		<u>5,258,228</u>	<u>5,641,916</u>	<u>5,641,916</u>	TAXATION	5,142,648
					OVERLAY SUR.	125,000
					SEWER RATES	215,443
					WATER RATES	<u>158,825</u>
						<u>5,641,916</u>

**PUBLIC SAFETY
26.3%**

POLICE

30	Salaries	1,932,565	1,977,081	1,977,081	TAXATION	
31	Expenses	101,350	114,050	114,050	TAXATION	

PARKING CLERK/RESIDENT PARKING

32	Salaries	6,549	6,745	6,745	TAXATION	
33	Expenses	27,000	26,050	26,050	TAXATION	

FIRE

34	Salaries	1,502,525	1,667,475	1,667,475	TAXATION	
35	Expenses	173,550	200,950	200,950	TAXATION	

HARBOR MASTER

36	Salaries	191,017	271,747	271,747	MOORING FEES	
37	Expenses	26,610	27,600	27,600	MOORING FEES	299,347

BUILDING DEPARTMENT

38	Building Inspector	49,119	50,593	50,593	TAXATION	
39	Gas/Plumbing Inspector	14,504	14,939	14,939	TAXATION	
40	Sealer of Weights & Measures	3,000	3,000	3,000	TAXATION	
41	Electrical Inspector	14,504	14,939	14,939	TAXATION	
42	Inspector's Expenses	5,600	7,000	7,000	TAXATION	
43	Permit Software	18,160	19,068	19,068	TAXATION	

EMERGENCY MANAGEMENT

44	Expenses	750	1,500	1,500	TAXATION	
45	Emergency Notification	5,500	6,000	6,000	TAXATION	

ANIMAL CONTROL

46	Expenses	16,315	16,315	16,315	TAXATION	
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Total Public Safety		<u>4,088,618</u>	<u>4,425,052</u>	<u>4,425,052</u>	TAXATION	4,125,705
					MOORING FEES	<u>299,347</u>
						<u>4,425,052</u>

**PUBLIC WORKS
14.7%**

DEPARTMENT OF PUBLIC WORKS

47	Salaries	919,659	1,073,711	1,073,711	TAXATION	968,695
					SEWER RATES	52,508
					WATER RATES	52,508

48	Expenses	349,400	369,100	369,100	TAXATION	
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FACILITIES

49	Salaries	42,968	45,055	45,055	TAXATION	
50	Expenses	108,100	130,100	130,100	TAXATION	

SNOW REMOVAL

51	Salaries	32,000	32,000	32,000	TAXATION	
52	Expenses	128,000	113,000	113,000	TAXATION	
53	Street Lighting	60,000	55,000	55,000	TAXATION	

SANITATION/COMPOSTING/RECYCLING

54	Salaries	5,000	-	-	TAXATION	
55	Expenses	43,500	53,500	53,500	TAXATION	
56	Rubbish Collection /Recycling	370,000	370,000	370,000	TAXATION	
57	Disposal	235,000	239,000	239,000	TAXATION	
Total Dept. of Public Works		<u>2,293,627</u>	<u>2,480,466</u>	<u>2,480,466</u>	TAXATION	2,375,450
						SEWER RATES 52,508
						WATER RATES 52,508
						<u>2,480,466</u>

OTHER ENVIRONMENTAL**0.4%****HISTORIC DISTRICT COMMISSION**

58	Salaries	5,125	5,125	5,125	TAXATION	
59	Expenses	950	950	950	TAXATION	

CONSERVATION COMMISSION

60	Salaries	69,531	15,112	15,112	TAXATION	10,112
					WETLANDS FD.	5,000
61	Expenses	2,900	45,900	45,900	TAXATION	
62	Chebacco Woods	1,250	1,250	1,250	TAXATION	
Total Other Environmental		<u>79,756</u>	<u>68,337</u>	<u>68,337</u>	TAXATION	63,337
						WETLANDS FD. 5,000
						<u>68,337</u>

HUMAN SERVICES**2.7%****HEALTH**

63	Salaries	166,303	176,251	176,251	TAXATION	
64	Expenses	30,250	29,250	29,250	TAXATION	

VETERANS' SERVICES

65	Expenses	17,250	17,250	17,250	TAXATION	
66	Veterans' Benefits	5,000	5,000	5,000	TAXATION	

COUNCIL ON AGING

67	Salaries	186,148	195,626	195,626	TAXATION	
68	Expenses	20,480	23,150	23,150	TAXATION	
Total Human Services		<u>425,431</u>	<u>446,527</u>	<u>446,527</u>	TAXATION	<u>446,527</u>

LIBRARY**3.3%****LIBRARY**

69	Salaries	377,518	387,637	387,637	TAXATION	
70	Expenses	160,012	166,100	166,100	TAXATION	
Total Culture and Informational Services		<u>537,530</u>	<u>553,737</u>	<u>553,737</u>	TAXATION	<u>553,737</u>

RECREATION**2.7%****PARKS & RECREATION**

71	Salaries	156,704	164,841	164,841	TAXATION	114,841
					PROGRAM FEES	50,000
72	Expenses	8,200	8,200	8,200	TAXATION	

SINGING BEACH OPERATIONS

73	Salaries	105,634	113,916	113,916	TAXATION	
74	Expenses	19,300	24,280	24,280	TAXATION	

LIFEGUARDS

75	Salaries	86,308	90,623	90,623	TAXATION
76	Expenses	3,500	3,500	3,500	TAXATION

TUCK'S POINT

77	Salaries	10,640	11,172	11,172	TAXATION
78	Expenses	20,100	20,350	20,350	TAXATION

OTHER RECREATION

79	Memorial Day	4,000	3,000	3,000	TAXATION
80	Fourth of July	10,000	10,000	10,000	TAXATION

Total Recreation	424,386	449,882	449,882	TAXATION	399,882
				PROGRAM FEES	50,000
					449,882

**DEBT SERVICE
6.0%****DEBT SERVICE**

Principal on Bonds	651,270	755,219	755,219
Interest on Bonds	242,201	217,001	217,001
TEMPORARY LOANS/INTEREST	-	30,000	30,000
WPAT Administration Fees	1,607	1,507	1,507

81	Total Debt Service	895,078	1,003,727	1,003,727	TAXATION	848,749
					SEWER RATES	154,978
						1,003,727

**ENTERPRISE FUNDS
10.4%****SEWER FUND**

82	Salaries	317,763	330,443	330,443	SEWER RATES
83	Expenses	337,800	340,400	340,400	SEWER RATES

WATER FUND

84	Salaries	255,006	266,460	266,460	WATER RATES
85	Distribution Expenses	135,500	138,500	138,500	WATER RATES
86	Treatment Expenses	646,150	672,665	672,665	WATER RATES

Total Enterprise Funds	1,692,219	1,748,468	1,748,468	WATER RATES	670,843
				WATER RATES	1,077,625
					1,748,468

TOTAL ARTICLE 4	15,694,873	16,818,112	16,818,112
-----------------	------------	------------	------------

EXPENSES BUDGET SUMMARY**GENERAL GOVERNMENT**

33.5%	5,258,228	5,641,916	5,641,916	TAXATION	5,142,648
				OVERLAY SUR.	125,000
				SEWER RATES	215,443
				WATER RATES	158,825
					5,641,916

PUBLIC SAFETY

26.3%	4,088,618	4,425,052	4,425,052	TAXATION	4,125,705
				MOORING FEES	299,347
					4,425,052

DEPARTMENT OF PUBLIC WORKS

14.7%	2,293,627	2,480,466	2,480,466	TAXATION	2,375,450
				SEWER RATES	52,508
				WATER RATES	52,508
					2,480,466

OTHER ENVIRONMENTAL

0.4%	79,756	68,337	68,337	TAXATION	63,337
				WETLANDS FD.	5,000
					68,337

HUMAN SERVICES						
2.7%	425,431	446,527	446,527	TAXATION	446,527	
LIBRARY						
3.3%	537,530	553,737	553,737	TAXATION	553,737	
PARKS & RECREATION						
2.7%	424,386	449,882	449,882	TAXATION	399,882	
				PROGRAM FEES	50,000	
					449,882	
DEBT SERVICE						
6.0%	895,078	1,003,727	1,003,727	TAXATION	848,749	
				SEWER RATES	154,978	
					1,003,727	
ENTERPRISE FUNDS						
10.4%	1,692,219	1,748,468	1,748,468	SEWER RATES	670,843	
				WATER RATES	1,077,625	
					1,748,468	
TOTALS	100%	15,694,873	16,818,112	16,818,112	16,818,112	

FUNDING SOURCES SUMMARY

TAXATION	13,956,035
OVERLAY SURPLUS	125,000
MOORING FEES	299,347
PROGRAM FEES	50,000
WETLANDS FD	5,000
SEWER RATES	1,093,772
WATER RATES	1,288,958
TOTAL	16,818,112

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 5. To see if the Town will vote to raise and appropriate the sums of money called for under the following items, or any other sums, for the purposes indicated, and to determine whether the money shall be provided by taxation, by appropriation from available funds in the Treasury, or by borrowing; or take any other action relative thereto:

Dept.	Item	Requested	Recommended	Funding Source
1. DPW	Road resurfacing	\$550,000	\$550,000	Taxation
2. DPW	DPW Facility Siting:			
	geotechnical analysis	\$250,000	\$250,000	Taxation & Fund Bal.
3. DPW	Drainage/Sidewalk			
	Improvements	\$250,000	\$250,000	Taxation
4. DPW	Storm Damage Repair	\$ 50,000	\$ 0	
5. DPW	General Building Upgrades	\$ 50,000	\$ 50,000	Fund Balance
6. DPW	Backhoe replacement	\$ 150,00	\$ 150,000	Fund Balance
7. Town Hall	Upgrades inc. IT & telephone	\$ 30,000	\$ 30,000	Fund Balance
8. Land Mgmt	Planning and Zoning Studies	\$ 20,000	\$ 0	(in operating budget)

9. Library	Walkway repairs	\$ 6,500	\$ 6,500	Reappropriate
10. Library	Building Assessment	\$ 43,500	\$ 43,500	Reappropriate
11. Public Safety	Fire Engine Replacement Fund	\$250,000	\$ 0	
12. Public Safety	Ambulance 2 replacement	\$470,000	\$470,000	Taxation
13. Public Safety	Police Tasers	\$ 12,600	\$ 12,600	Fund Balance
14. Public Safety	Police Admin Vehicle Replacement	\$ 73,000	\$ 73,000	Fund Balance
15. Public Safety	Cardiac Monitors & Defibrillators	\$ 54,000	\$ 54,000	Fund Balance
16. Public Safety	Fire Station repairs/upgrades	\$ 30,000	\$ 0	(in operating Budget)
17. Harbor	Dredging Engineering/Permitting	\$100,000	\$100,000	Waterway Fund
18. Harbor	No Wake Buoys	\$ 9,500	\$ 9,500	Waterway Fund
19. Water	Plant Upgrades/PFAS Design	\$2,000,000	\$150,000	Water Enterprise*
20. Water	Pipe replacement/improvements	\$2,000,000	\$ 0	(Bond)*
21. Water	Meter Replacement ("smart" meters)	\$1,500,000	\$ 0	(Bond)*
22. Water	Water Truck replacement	\$ 50,000	\$ 50,000	Water Enterprise
23. Sewer	Plant Upgrades/Equipment Replacement	\$4,100,000	\$ 550,000	Taxation & Sewer Enterprise*
TOTAL		\$12,049,100	\$2,799,100	

*** See Article 8 for additional bonded capital appropriation**

Per petition of the Select Board

**The Finance Committee recommends approval
The Select Board recommends approval**

ARTICLE 6: To see if the Town will vote to authorize the Select Board to: acquire, by purchase, gift and/or eminent domain and for senior center, community center and/or general municipal purposes, all or a portion of the Mason's parcel of land with the building and other improvements located at 10 Church Street, containing 26,045 square feet, more or less, and described in a deed recorded with the Essex South District Registry of Deeds in Book 5102, Page 358, which portion may consist of a condominium unit created pursuant to the provisions of G.L. c. 183A, establish a condominium under the provisions of G.L. c. 183A, §20, record a master deed, and convey any interests therein, if applicable, and participate in the organization of unit owners and pay the Town's proportionate share of the common expenses of said condominium, all on such terms and conditions as the Select Board deems appropriate, and to enter into any and all agreements and take any and all actions as may be necessary and/or appropriate to accomplish the foregoing, and, further, to raise and appropriate, transfer from available funds, and/or borrow the sum of \$1,000,000.00 for the purpose of acquiring the foregoing property and costs incidental or related thereto, and to or take any other action related thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 7: To see if the Town will vote to raise and appropriate or transfer from available funds sums of money to operate a Town sponsored Launch Service in Manchester Harbor including:

- a. Transferring from available funds \$9,500 for FY24 launch operating expenses and,
- b. Transferring from available funds \$125,000 for the purchase of two launch boats and,
- c. Appropriating \$41,000 for FY25 launch operating expenses.

The Launch Service is to be fully funded by user fees. Or take any other action related thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 8: To see if the Town will vote to appropriate \$7,550,000 to pay costs of capital improvements to the Town's water and wastewater systems as follows: i) \$4,100,000 to pay costs of capital improvements to the Town's water system, including the payment of all costs incidental and related thereto, and ii) \$3,450,000 to pay costs of capital improvements to the Town's wastewater system, including the payment of all costs incidental and related thereto, and to meet this appropriation, the Treasurer, with the approval of the Selectmen, is authorized to borrow said amounts under and pursuant to Chapter 44 Sections 7 and 8 of the General Laws, or pursuant to any other enabling authority, to issue bonds or notes of the Town therefore; and further that the incurrence of such indebtedness shall be submitted to the voters as a ballot question at a Town election in accordance with the provisions of Chapter 270 of the Acts of 1991 and Article II, Section 18 of the Town's General By-law. No amount shall be borrowed or expended hereunder unless and until voters approve excluding the amounts required to repay any borrowing pursuant to the vote from the limitation on total property taxes contained in Chapter 59, Section 21C of the General Laws (also known as Proposition 2 ½.) Any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 9: To see is the Town will vote to apply for, accept and expend Massachusetts Public Library Construction Program (MPLCP) grant funds if approved, and reappropriate \$150,000 of the \$200,000 previously

appropriated for Library Restroom renovations as part of the FY24 capital appropriation under Article 5 of the April 2023 Town Meeting, as the Town's match of the MPLCP grant if approved, to be expended by the Town for planning and design activities related to possible library renovations and expansion or take any other action related thereto.

Per petition of the Board of Selectmen

The Finance Committee recommends approval

The Select Board will make its recommendation at the ATM

ARTICLE 10: To see if the Town will vote in accordance with the provisions of Chapter 77 of the Acts of 2023 to create a Special Opioid Settlement Stabilization Fund and dedicate 100% of the opioid litigation settlement funds received by the Town to such fund pursuant to G.L. c. 40, §5B, such funds henceforth to be placed in this special stabilization fund to be expended without further appropriation for all of the purposes allowed by law, including those outlined in applicable opioid litigation settlement documents; and further, to transfer from the Town's Free Cash account the sum of \$8,892 into this special stabilization fund which was previously received and rolled into the Town's Free Cash account, or take any other action related thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 11: To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the Town's assessment from the District for the Gross Operating and Maintenance Budget of the Manchester-Essex Regional School District including debt service - said sum to be calculated solely in accordance with the "Agreement Between the Towns of Essex and Manchester-by-the-Sea, Massachusetts with Respect to the Formation of a Regional School District", as most recently amended, by invoking and approving the provision found in paragraph four of MGL c. 71, § 16B allowing District members "to reallocate the sum of their required local contributions to the District in accordance with the regional agreement", for the fiscal year beginning July first, two thousand twenty-four; or take any other action relative thereto.

Per petition of the Manchester-Essex Regional School Committee

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 12: To see if the Town will vote to raise and appropriate or transfer from available funds \$660,000, or some other sum, which represents its apportioned share of the Essex Elementary School feasibility study, authorized by the Manchester Essex Regional School District (MERSD), for the purpose of paying costs of the Essex Memorial Elementary School feasibility study, for the school currently located at 12 Story St, Essex, MA 01929, and further described in two separate deeds recorded in a) Book 4203 on Page 399, and b) in Book 4216 on Page 501 and shown

together on a plot plan in Plan Book 86, Plan 88 in the Essex South Registry of Deeds and depicted on Map 129, Lot 5 of the Town of Essex Assessors’ maps, and for which the District may be eligible for a school construction grant from the Massachusetts School Building Authority (“MSBA”), said amount to be expended at the direction of MERSD Essex Elementary School Building Committee. The MSBA’s grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any Study costs the District incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the District and its member municipalities. Any grant that the District may receive from the MSBA for the Study shall be as set forth in the Feasibility Study Agreement that may be executed between the District and the MSBA. Said appropriation shall be contingent upon the approval by voters of a Capital Exclusion ballot question in accordance with G. L. c.59 sec. 21c, or take any other action related thereto.

Per petition of the Manchester-Essex Regional School Committee
The Finance Committee recommends approval
The Select Board recommends approval

ARTICLE 13: To see if the Town will vote to appropriate or transfer from available funds \$248,348 for the purpose of funding the Town’s final share of the cost to refurbish the turf fields, or take any other action related thereto.

Per petition of the Manchester-Essex Regional School Committee
The Finance Committee recommends approval
The Select Board recommends approval

ARTICLE 14: To see if the Town will vote to hear and act on the report of the Community Preservation Committee on the Fiscal Year 2024 Community Preservation budget and to appropriate from the Community Preservation Fund estimated annual revenues a sum of money to meet the administrative expenses and all other necessary and proper expenses of the Community Preservation Committee for Fiscal Year 2024; and further to reserve for future appropriation a sum of money from the Community Preservation Fund estimated annual revenues for open space, including land for recreational space, historic resources, and community housing purposes, as well as a sum of money to be placed in the 2024 Budgeted Reserve for general Community Preservation Act purposes; and further to appropriate from the Community Preservation Fund a sum or sums of money for Community Preservation projects or purposes as recommended by the Community Preservation Committee as follows; or take any other action relative thereto.

1. Community Preservation Committee Expenses (studies, etc.)	(administrative)	\$ 25,000 *
2. Winthrop Field Drainage Project	(open space & recreation)	\$ 10,000
3. Masconomo Park ADA Accessibility Study	(open space & recreation)	\$ 10,000
4. Powder House Hill Parking and Access Easement	(open space & recreation)	\$ 20,000
5. Resurface Basketball Court at Sweeney Park	(open space & recreation)	\$ 28,500
6. Double Lifeguard Chair for Singing Beach	(open space & recreation)	\$ 4,500
7. Mobility Mat for Singing Beach	(open space & recreation)	\$ 7,270
8. Research Unknown Land Parcels, Western Woods	(open space & recreation)	\$ 25,000
9. Causeway Brook Restoration @ Memorial School	(open space & recreation)	\$ 35,000

10. Manchester Affordable Housing Trust Project Funding	(community housing)	\$ 200,000
11. Restoration of Town Cemeteries	(historic preservation)	\$ 25,000
12. Church Steeple Restoration (First Parish Church)	(historic preservation)	\$ 60,000
13. UV Window Protection for Historic Assets (MHM)	(historic preservation)	\$ 7,000
14. Portico Restoration at Hooper Trask House (MHM)	(historic preservation)	\$ 24,400
	TOTAL	\$ 481,670

(*Administrative amount limited to a maximum of 5% of total annual revenue)

Per petition of the Select Board and the
Community Preservation Comm.

The Finance Committee recommends approval
The Select Board recommends approval

ARTICLE 15: To see if the Town will vote to authorize the Select Board to acquire an access and parking easement on property owned by the Manchester Housing Authority, located at Newport Park shown as Parcel 1 on Assessor's Map 42 for the purpose of public access to Powder House Hill conservation lands, and, in consideration for the new easement, authorize the Select Board to release an existing easement the Town has on the Housing Authority property, or take any other action related thereto.

Per petition of the Select Board

ARTICLE 16: To see if the Town will vote to transfer from available funds \$100,000 to supplement the FY24 Legal Expenses account in order to cover additional expenses incurred for various legal services, or take any other action related thereto.

Per the petition of the Select Board

The Finance Committee recommends approval
The Select Board recommends approval

ARTICLE 17: To see if the Town will vote to raise and appropriate or transfer from available funds \$300,000 to be deposited into the Town's Other Post Employment Benefits Trust Fund, subject to said appropriation being expended from the Trust Fund only for the purposes authorized by section 20 of Chapter 32B of the General Laws of the Commonwealth of Massachusetts; or take any other action relative thereto.

Per petition of the Board of Selectmen

The Finance Committee recommends approval
The Select Board recommends approval

ARTICLE 18: To see if the Town will vote, pursuant to the provisions of MGL c.44, §53E½ to set the following Fiscal Year 2025 spending limitations on expenditures from the revolving fund(s) set forth in the Town's Revolving Fund By-law, Article IV, Section 11 of the General By-laws:

1. Program or Purpose: Costs Associated with Town of Manchester-by-the-Sea Recreation Programs; FY2025 spending limit: \$400,000.
2. Program or Purpose: Costs Associated with Town of Manchester Board of Health Emergency Dispensing

Sites and Clinics Programs; FY25 spending limit:
\$50,000

Or take any other action relative thereto.

Per petition of the Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 19: To see if the Town will vote to amend Section 4, Subsections 5 and 6 of Article I General Provisions (Enforcement: Tobacco Products Regulations and Tobacco Use Regulations) of the Town's General By-laws, as follows, by deleting text shown below as stricken through, or take any action relative thereto. Fines and enforcement are covered by other bylaws and state statutes/regulations.

~~5. Tobacco Products Regulations~~

~~Fine allowed: ————— \$100 for the first violation;
\$200 for the second violation;
\$300 for the third and subsequent violations.~~

~~Enforcement agents: Designated employees of the Police Department
and the Board of Health Agent. [Added 1997]~~

~~6. Tobacco Use Regulations~~

~~Fine allowed: ————— \$50.00 for the first violation;
\$100.00 for the second violation;
\$125.00 for the third violation.~~

~~Enforcement agents: Employees of the Police Department designated
by the Police Chief and employees of the School
Department as designated by the School Superintendent. [Added 1998]~~

Per petition of the Select Board and the Board of Health

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 20: To see if the Town will vote to amend Article X, Section 23 of the General By-law by adding the underlined language after the second sentence: No person shall erect or maintain a non-accessory sign within the Town of Manchester, except as may be permitted by Section 32 of Chapter 93 of the General Laws or the Zoning By-laws of the Town. A non-accessory sign shall mean any sign other than a sign that advertises or indicates the person occupying the premises on which the sign is erected or maintained, or the business transacted thereon, or advertises the property itself or any part thereof as for sale or rent, and which contains no other matter. The provisions of this section shall not apply to non-accessory signs located on Town-owned property, subject to the approval by the Select Board, nor to non-accessory signs on Town-owned property used for educational purposes, subject to approval by the Manchester Essex Regional School Committee.

Per Citizen petition

The Finance Committee takes no position

The Select Board will make its recommendation at the ATM.

ARTICLE 21: To see what sum of money the Town will vote to appropriate or transfer from available funds for the purpose of reducing the tax rate; or take any other action relative thereto.

Per petition of the Board of Selectmen
The Finance Committee will make its recommendation at the ATM
The Select Board will make its recommendation at the ATM

And you are directed to serve this warrant by posting attested copies thereof, one at the Town Hall Building, one at the Police Station, one at the Fire House, one at the Memorial School, and one at the Post Office, twenty-one (21) days, at least, before the time of holding said meeting.

Hereof fail not to make due return of this warrant, with your doings thereon, to the Town Clerk three (3) days before the day of this meeting.

Given under our hands at Manchester-by-the-Sea, aforesaid, this 1stg day of April, 2024.

SELECT BOARD

Ann Harrison, Chair	John Round, Vice Chair	
Catherine Bilotta	Brian Sollosy	Rebecca Jaques

To the Town Clerk:

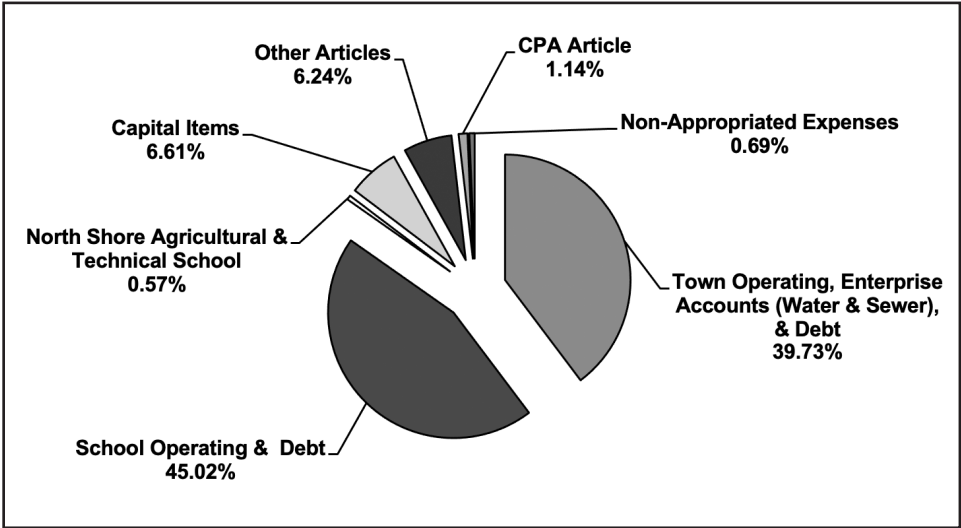
I have served the foregoing Warrant by posting attested copies thereof as directed by the By-Law of the Town and the Commonwealth.

_____	_____	_____
Constable	Date of Posting	Received by Town Clerk

FY-2025 BUDGET

TOWN OPERATING, ENTERPRISE (WATER & SEWER), & DEBT	\$16,818,112
SCHOOL OPERATING & DEBT	19,060,435
NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL	243,385
CAPITAL ITEMS	2,799,100
OTHER ARTICLES	2,642,740
CPA ARTICLE	481,670
NON-APPROPRIATED EXPENSES	290,616
TOTAL FY-2025 BUDGET	<u><u>\$42,336,058</u></u>

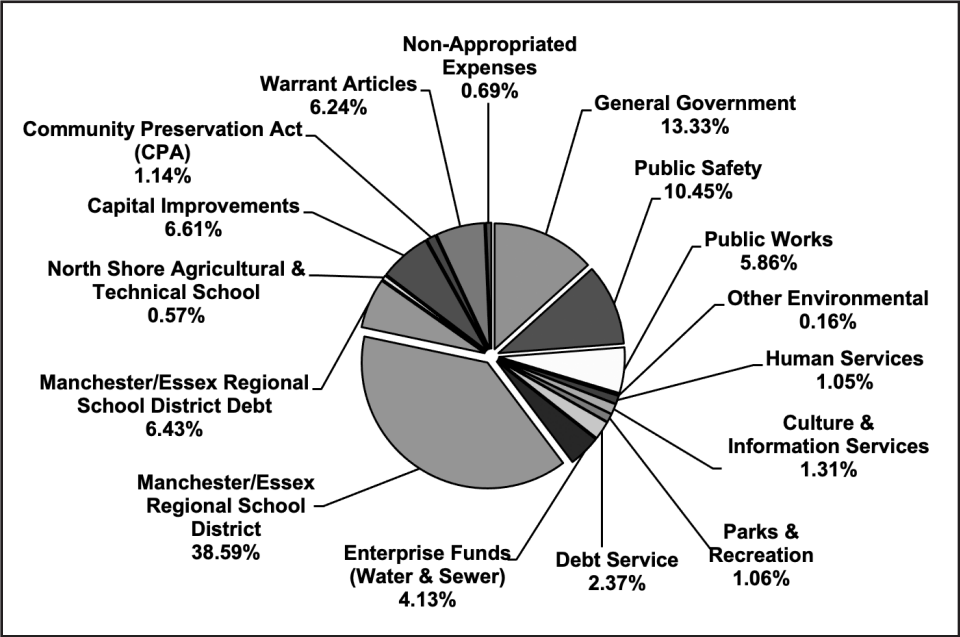
Chart 1
Budgeted Expenses



EXPENDITURES

GENERAL GOVERNMENT	\$5,641,916
PUBLIC SAFETY	4,425,052
PUBLIC WORKS	2,480,466
OTHER ENVIRONMENTAL	68,337
HUMAN SERVICES	446,527
CULTURE & INFORMATION SERVICES	553,737
PARKS & RECREATION	449,882
DEBT SERVICE	1,003,727
ENTERPRISE FUNDS (WATER & SEWER)	1,748,468
MANCHESTER/ESSEX REGIONAL SCHOOL DISTRICT	16,339,528
MANCHESTER/ESSEX REGIONAL SCHOOL DISTRICT DEBT	2,720,907
NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL	243,385
CAPITAL IMPROVEMENTS	2,799,100
COMMUNITY PRESERVATION ACT (CPA)	481,670
WARRANT ARTICLES	2,642,740
NON-APPROPRIATED EXPENSES	290,616
TOTAL EXPENSES	<u><u>\$42,336,058</u></u>

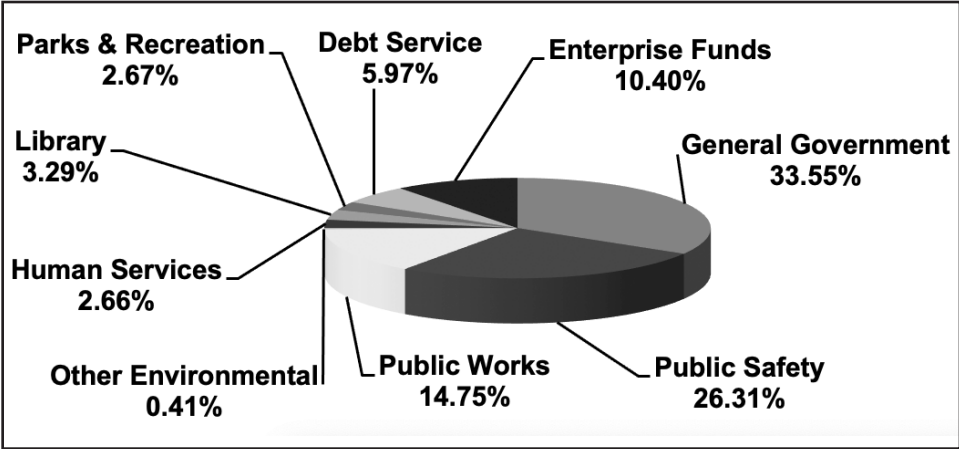
Chart 2
Expenditures



TOWN DEPARTMENT EXPENSES

GENERAL GOVERNMENT	\$5,641,916
PUBLIC SAFETY	4,425,052
PUBLIC WORKS	2,480,466
OTHER ENVIRONMENTAL	68,337
HUMAN SERVICES	446,527
LIBRARY	553,737
PARKS & RECREATION	449,882
DEBT SERVICE	1,003,727
ENTERPRISE FUNDS	1,748,468
TOTAL ARTICLE 4	<u><u>\$16,818,112</u></u>

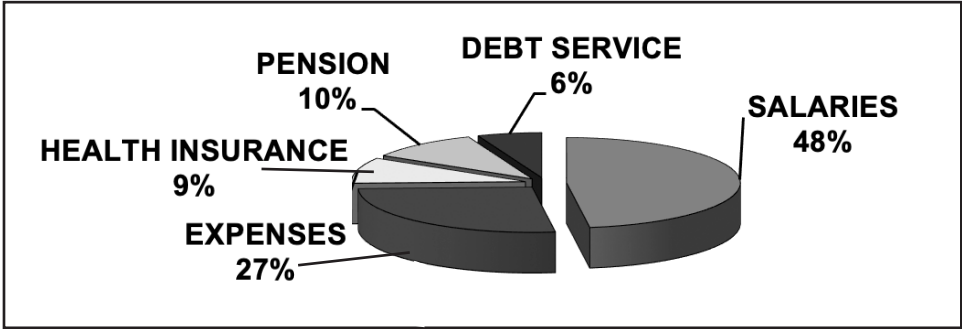
Chart 3
Town Department Expenses



SUMMARY ARTICLE 4

SALARIES	\$8,049,911
EXPENSES	4,470,547
HEALTH INSURANCE	1,548,985
PENSION	1,744,942
DEBT SERVICE	1,003,727
TOTAL ARTICLE 4	<u>\$16,818,112</u>

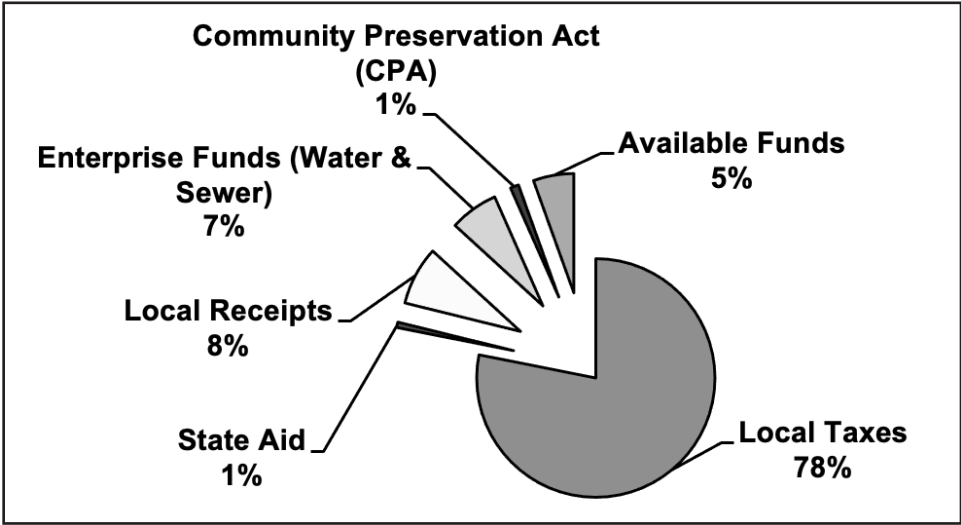
Chart 4
Summary Town Expenses



REVENUES

LOCAL TAXES	\$33,069,602
STATE AID	308,169
LOCAL RECEIPTS	3,363,700
ENTERPRISE FUNDS (WATER & SEWER)	2,782,730
COMMUNITY PRESERVATION ACT (CPA)	481,670
AVAILABLE FUNDS	2,330,187
	<hr/>
	<u>\$42,336,058</u>

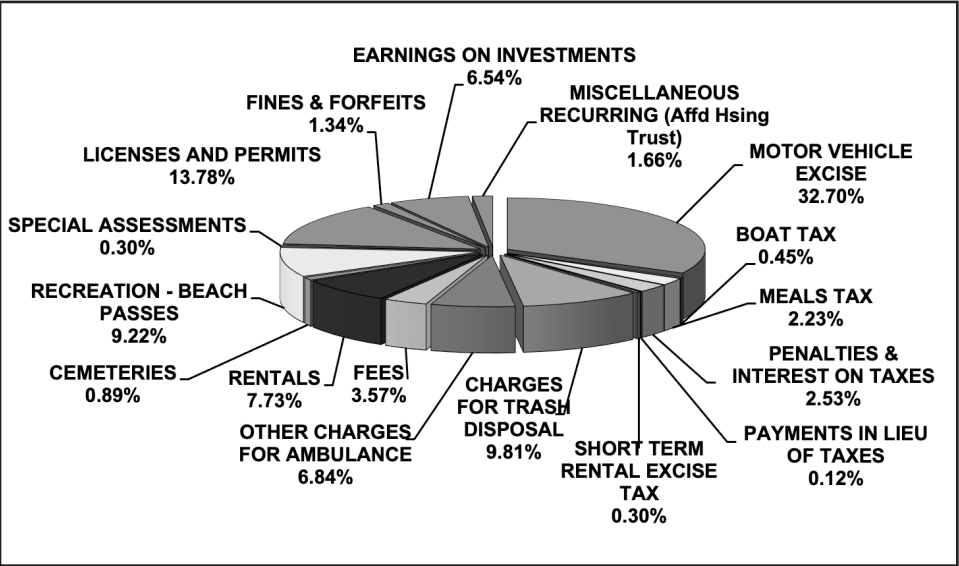
Chart 5
Revenue FY-2022



ESTIMATED LOCAL RECEIPTS

MOTOR VEHICLE EXCISE	\$1,100,000
BOAT TAX	15,000
MEALS TAX	75,000
PENALTIES & INTEREST ON TAXES	85,000
PAYMENTS IN LIEU OF TAXES	4,000
SHORT TERM RENTAL EXCISE TAX	10,000
CHARGES FOR TRASH DISPOSAL	330,000
OTHER CHARGES FOR AMBULANCE	230,200
FEES	120,000
RENTALS	260,000
CEMETERIES	30,000
RECREATION - BEACH PASSES	310,000
SPECIAL ASSESSMENTS	10,000
LICENSES AND PERMITS	463,500
FINES & FORFEITS	45,000
EARNINGS ON INVESTMENTS	220,000
MISCELLANEOUS RECURRING (AFFD HSING TRUST)	56,000
TOTAL ESTIMATED LOCAL RECEIPTS	<u><u>\$3,363,700</u></u>

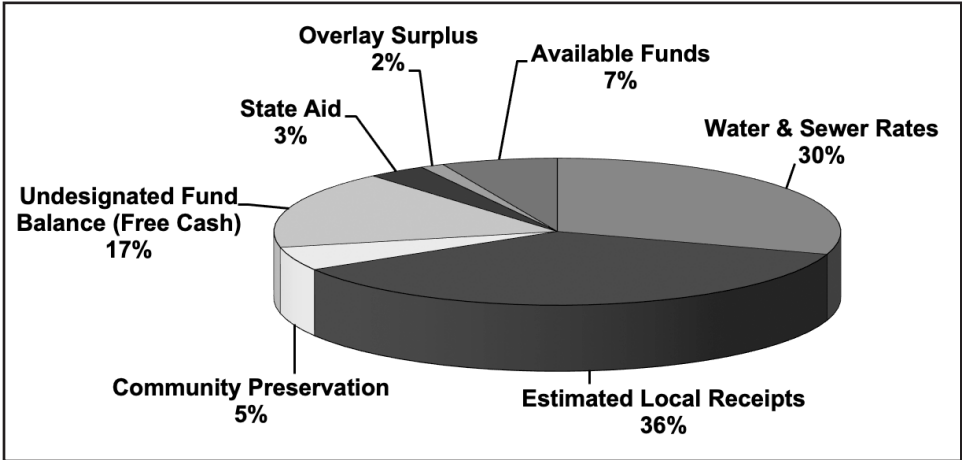
Chart 6
Estimated Receipts



NON-PROPERTY TAX REVENUE

WATER & SEWER RATES	\$2,782,730
ESTIMATED LOCAL RECEIPTS	3,363,700
COMMUNITY PRESERVATION	481,670
UNDESIGNATED FUND BALANCE (FREE CASH)	1,591,340
STATE AID	308,169
OVERLAY SURPLUS	125,000
AVAILABLE FUNDS	613,847
	<u>\$9,266,456</u>

Chart 7
Non-Property Tax Revenue



NON-PROPERTY TAX REVENUE	\$9,266,456
PROPERTY TAX REVENUE	33,069,602
	<u>\$42,336,058</u>

Chart 8
Property Taxes vs. Non-Property Tax Revenue

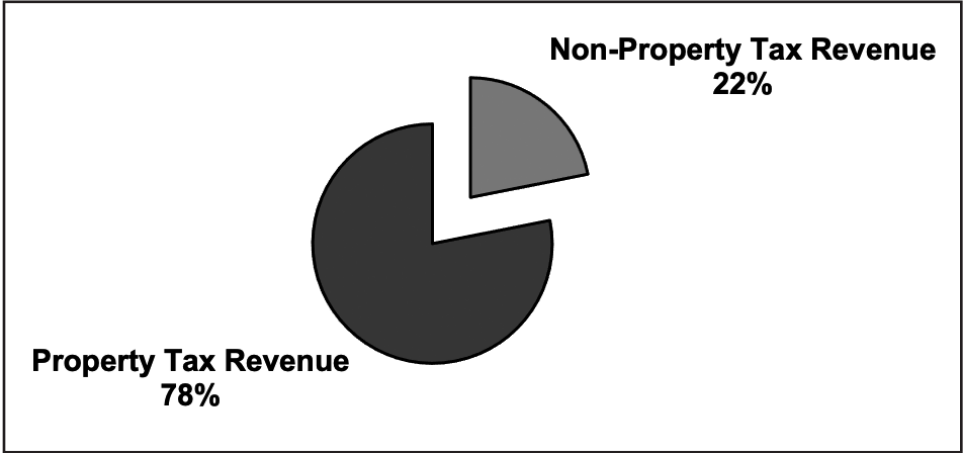


Chart 9
Reserves as a Percentage of Total Operating Budget

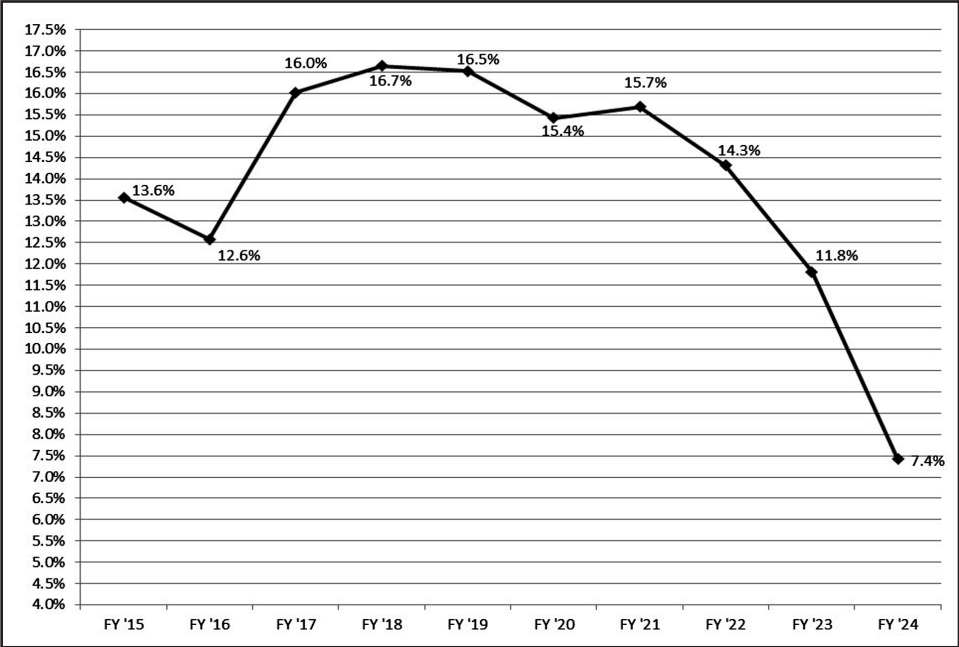
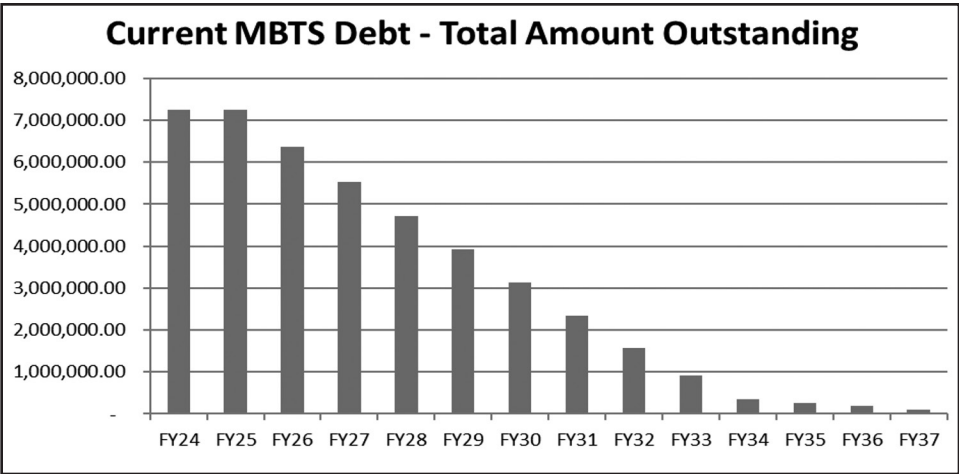


Chart 10
Current MBTS Debt – Total Amount Outstanding



Levy

The amount that the town raises by property tax, computed by multiplying the total taxable assessment of the town by the tax rate.

Local Revenues

Funds the town receives for fees, permits, excise tax, etc.

New Growth

An amount equal to the property tax that new construction, additions and renovations will generate.

Offset

An amount of a grant or aid package whose use is restricted to a particular item, e.g library, road maintenance, etc.

Operating budget

The routine expenditures of the Town plus the school assessment.

Other revenue

Town income from fees, excise taxes, fines, stickers, permits etc.

Overlay Surplus

Unexpended funds from the Assessor's overlay.

Override

A mechanism that allows the voters of the Town to reset the levy limit imposed by Proposition 2 1/2.

Proposition 2 1/2

Is the name associated with a state law that restricts the increase in the levy to 2 1/2% per year plus new growth.

Reserve fund

A sum of money available to meet unforeseen expenses.

School budget

The amount of the whole school budget apportioned to the town. The Town Meeting cannot change the school budget.

School choice

State legislation which allows students from one school district to attend school in another district.

Sewer fund

Money from the sewer rates that offsets costs associated with the sewer system.

Stabilization fund

Money put aside by the Town for major unexpected events.

Taxation

Town revenue raised through the property tax. All other forms of revenue are referred to as "other revenue" or "local revenue".

Water fund

Money from the water rates that offsets costs associated with the water system.

More Information is available at <https://www.manchester.ma.us>

Your Vote Counts! Voting Electronically

- Each eligible voter will be given a ResponseCard keypad when checking in.
- For each motion push the button with the number that corresponds with the vote you wish to cast - **1/A is Yes; 2/B is No; 3/C is Abstain**. Pressing 3 will clear the previous choice as well as counting as an abstention.
- If you push the wrong button, that's ok, the last button you push before voting is closed is the vote that will register. Voting is open for 15 seconds for each article.
- Please return the keypad when you leave.

