

**Manchester-by-the-Sea
Finance Committee
ANNUAL REPORT
2025**



**Please be sure to attend the
Annual Town Meeting on
Monday, April 28, 2025 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, 2026

July 1, 2025 - June 30, 2026

		Recommended By FinCom
Estimated Tax Rate - Fiscal year 2026		
Article 4 Department Requests	\$17,767,173	
(Salaries and normal operating expenses)		
Article 5 Capital items requested by Departments	4,215,875	
Article 6 Regional School Operating and Debt	20,175,335	
Other Articles (3)	1,403,518	
Town Meeting Total	<u>\$43,561,901</u>	
PLUS:		
State Assessments	\$199,742	
Assessors' Overlay	100,000	estimated
Tax Lien Purposes	5,000	
Gross Amount to be Raised	<u>\$43,866,643</u>	
LESS:		
State Aid	\$309,300	
Estimated Receipts - Local Revenues	3,566,571	
Enterprise Accounts - Water & Sewer	2,654,825	
Community Preservation Funds (CPA)	897,100	
Unreserved Fund Balance (Free Cash)	1,556,000	
Overlay Surplus	125,000	
Available Funds	445,423	
Subtotal of Deductions	<u>\$9,554,219</u>	
Net Amount to be Raised by Taxation	<u>\$34,312,424</u>	
Permitted Levy Limited	\$30,563,297	
Estimated new growth factor	200,000	
Previous Debt Exclusion	3,324,608	
Capital Exclusion	660,000	
Maximum Permitted Levy	<u>\$34,747,905</u>	
TOTAL ASSESSED VALUATION AS OF FY-2025	3,622,773,643	
FISCAL YEAR 2025 TAX RATE	\$9.15	PER THOUSAND
ESTIMATED FISCAL YEAR 2026 TAX RATE	\$9.47	PER THOUSAND *

*BASED ON FY-2025 PROPERTY VALUATIONS AND NET AMOUNT TO BE RAISED BY TAXATION

3.5% increase

2025 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") 2026 operating and capital budgets which will be considered at the April 28, 2025, Annual Town Meeting. We thank Town employees, the Manchester Essex Regional School District ("MERSD") and Boards who prepared budgets, provided information about their budget goals and objectives and answered our questions. 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 efforts creating and revising the budget to create a solid plan to finance the services desired by the residents.

FY26 BUDGET CREATION EFFORTS UNDERTAKEN

- Met with the Town's independent auditors who reviewed the Town's financial data and policies and gave high marks to the management team for their financial controls.
- Considered factors used by ratings agencies to maintain our AAA bond rating
- Met multiple times with Essex Finance Committee and MERSD to discuss funding strategies to adequately support the current educational programs.
- Reviewed the Facilities Master Plan to create a 25-year plan to fund our infrastructure while maintaining reasonable tax increases.
- Reviewed the Town 2024 Operational Audit to determine appropriate department head salary increases and organizational structure.
- Met with department heads to understand the appropriate operational and capital budgets.

FINANCE COMMITTEE POLICIES

- Maintain Town Reserves (stabilization + fund balance) equal to 8% of the total operating budget (including MERSD operations), using excess reserves for capital projects.
- Current revenues cover current expenditures, no debt used to fund operating expenses.
- Revenue Projections are at the discretion of the Finance Director but shall not be less than 95% of actual revenue for most recent completed FY unless there is a documented reason.
- Include sufficient maintenance budgets so facilities and equipment remain functional.
- Minimize tax rate increases while maintaining current services and provide new or increased service demands when requested.
- Use one year cash capital exclusions for normal capital expenditures, reserving long term debt for large projects timed to take advantage of expiring debt (see Paragraph below for additional explanation).
- Limit debt service payments to no more than 10% of total expenditures.
- Fully fund our Other Post Employment Benefits (OPEB) unfunded liabilities for retirees within the next three years.
- Maintain a 25-year plan to finance improvements to our structures, infrastructure and climate sustainability needs without a significant adverse impact on the tax rate.

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. New debt and cash capital exclusions require a vote at Town

Meeting and on the ballot. Under Proposition 2 ½, they temporarily increase the tax levy limit and tax rate only for the duration of the debt service and, in the case of the cash capital exclusion, for one year.

This budget continues to make progress on large capital projects, including: designing and testing additional filtration systems at the water treatment plant and at the Lincoln Street well to remove PFAS from the water supply; continuing last year's project to upgrade the sewage treatment plant to recirculate processed water rather than use water from the Town water supply and to increase climate sustainability; and, design work for the potential relocation of the DPW to upper School Street.

The proposed budget includes the following staffing changes and promotions funded within the Proposition 2 ½ limits:

- Change the position of Assistant to the Town Accountant to Assistant Town Accountant, add an accounting/finance clerk, create a Finance Director/Town Accountant position from Town Accountant and change the position of the Assistant to the Treasurer/Collector to Assistant Treasurer/Collector to enable the formation of a Finance Department to relieve much of the financial burden from the Town Administrator which was recommended in the Operational Audit.
- Salary adjustments for various department heads to reflect additional responsibilities, the current market and to retain valuable employees.
- Increase the hours of the clerk in the Town Clerk's office from part-time to full-time to provide better coverage and comply with public records requests.
- Add a Deputy Fire Chief in the fourth quarter of the FY to provide more coverage, improve public safety prevention programs and provide business continuity.

We strive to deliver Town services more efficiently, including consideration of 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. In addition, using information from the Facilities Master Plan, we created a 25-year Financing Plan for replacing/rehabbing our structures, infrastructure and climate sustainability improvements, to avoid any significant adverse impact on the tax rate. 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. There are no large capital projects in the FY26 budget which will require new debt. The recommended capital projects are detailed later in this booklet.

FINANCIAL HIGHLIGHTS

- The FY26 estimated tax rate increase is 3.5%. This includes a one-year capital exclusion and a 1% increase in the tax rate (using unused levy capacity, which does not require a Prop. 2 ½ override) to fund the higher than normal MERSD operating budget.
- FY26 operating budget change from the FY25 operating budget:
 - o Town: +5.64%
 - o School: +7.92% (Manchester's assessment portion represents an increase of +7.29%)

- On July 1, 2024, the Town financial reserves (fund balance plus stabilization fund) were \$4,778,641, an increase of \$38,649 from the prior year, consistent with our strategy to use excess reserves for capital expenditures. At the end of each fiscal year, revenue which exceeds projections and operating expenses which are lower than budgeted are added to the fund balance where they remain until Town Meeting approves appropriating a portion for capital projects. Our financial reserves were 11.83% of the operating budget, exceeding our 8% target. In addition, the water and sewer enterprise funds had retained earnings of \$636,181, for a total of \$5,414,822. Water and sewer retained earnings provide a buffer when actual fees collected fall short of the operating costs and are taken into consideration when the Select Board sets the rates.
- On July 1, 2025, after approval of the FY26 budget, we expect financial reserves (fund balance and stabilization fund) will be approximately \$3,582,000, about 9.32% of the total operating budget. The water and sewer enterprise funds are expected to have retained earnings of \$746,000 and \$300,000 in the fire apparatus for a total of \$4,628,000.
- Town debt service is projected to decrease by \$132,594 (13.21%).
- Pension expenses for Town employees and retirees will increase 6.2%, determined by the State based on payroll. It includes higher payments to fund the unfunded liability over the next 10 years.
- Health insurance costs are expected to increase 16.4%.
- Capital budget recommended for FY26 totals \$4,215,875. This includes money for the Rotunda restoration since we did not receive an expected \$1,000,000 grant from the Coastal Zone Management Agency (CZM).
- The MERSD FY26 operating budget total assessment increase to the two towns is 7.92%. The town assessments are based on a combination of property values, population and enrollment, so Manchester's assessment will increase 7.29%, while Essex's assessment will increase 8.97%. Manchester's assessment is \$17,530,452, an increase of \$1,190,425.
- Manchester's MESRD debt service assessment is \$2,645,382, a decrease of \$75,525 (2.78%).
- Essex North Shore Agricultural and Technical School assessment is \$176,418, a decrease of \$66,957, covering enrollment for 8 Manchester students, down from 13 in FY25.

Please review the information and graphs presented later in this booklet for additional information on our town's operating budget and financial position.

OVERVIEW OF THE FY26 TOWN OPERATING BUDGET

The Finance Committee goals are to maintain the Town assets and infrastructure, prepare for future changes and events, including climate sustainability, 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 and developed as 25-year plan for financing future structures, infrastructure and climate resiliency needs.

PUBLIC SAFETY

- Police: no additional staff are included in this budget and prior staffing changes have allowed more control over the need for overtime.
- Fire: investments in apparatus and additional staffing have enabled Fire Chief McNeily to maintain 3 or 4-person shifts, reduce the use of overtime, reinstate the call

firefighter unit, improve the ability to respond to emergencies and provide mutual aid. This budget adds a deputy fire chief in the fourth quarter of the fiscal year to provide support for a more robust safety prevention program, additional in-house training, more coverage on weekends and business continuity.

- Harbor: the launch service was successfully implemented in 2024 and the fees generated cover the cost to provide this service. This budget includes capital items to replace two boats and money to conduct a shellfish study.

TOWN HALL STAFFING

A consultant recently completed an Operational Audit of the Town and determined it is a linear organization with too many people reporting to the Town Administrator and without sufficient business continuity for department heads. This budget creates a **Finance Department** with the Town Accountant becoming the Finance Director, adding a position to the Accounting Department and having the Treasurer and Assessor report to the Finance Director to better integrate all financial functions and relieve the Town Administrator of many budget concerns. This budget also solidifies a **Land Management Department**, which merges the budgets and support for the Planning Board, Zoning Board of Appeal, Conservation Commission and Historic District Commission into this department. The Operational Audit recommended some additional department mergers and shifting of responsibilities which will be considered in the future. The Operational Audit Report is available on the Town's website. This budget also includes increasing the Assistant Town Clerk from a part-time to a full-time position for increased availability to the residents and responding to the increasing number of public record requests.

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 FY26 budget we recommend an appropriation of \$330,000 and expect to "fully pre-fund" the obligation in FY28.

The Trust Fund was created to enable the Town to set aside money while an employee is working for the anticipated cost of non-pension post-retirement benefits, such as health and life insurance premiums. Before establishing the Trust, the Town paid for the post-retirement benefits for all retirees from annual Town revenue. The unfunded liability is the additional amount needed in the Trust Fund to pay these benefits for all retirees from the Trust Fund, rather than from annual Town revenue.

On the liability side, our net unfunded OPEB liability was \$2,053,234 on June 30, 2024, a decrease of \$1,225,886 from June 30, 2023.

On the asset side, the value of the OPEB Trust was \$4,561,142 on June 30, 2024, an increase of \$675,255 over June 30, 2023. 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 for future retirees 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 is in the annual Town financial statements, available online or at Town Hall.

CAPITAL PLAN AND SOURCES OF FUNDING

Manchester has been following a capital improvement plan to address past deficiencies and address the Town's current and future infrastructure needs. We maintain a detailed 5-year capital plan and this year created a 25-year financing plan for facilities and other infrastructure based on the recently completed Facilities Master Plan.

The FY26 proposed capital budget is \$4,215,875, which includes:

- \$1,100,000 for road resurfacing, drainage and sidewalks
- \$1,010,000 for DPW facility design, other building upgrades and Ocean Street options study
- \$340,000 for DPW vehicles
- \$30,000 for Computer/IT upgrades
- \$70,000 for library ADA restroom design
- \$800,000 for Rotunda restoration (plus additional funding by CPC)
- \$484,875 for Police & Fire equipment and vehicles, including \$300,000 for the fire apparatus fund
- \$131,000 for new harbor boats and a shellfish study
- \$200,000 for sewer system upgrades
- \$50,000 for schematic designs and construction drawings for the senior center

The FY26 capital budget and other capital warrant articles are funded through a combination of sources including:

- \$1,784,875 from taxation
- \$1,556,000 from reserves (fund balance and stabilization fund)
- \$200,000 from sewer enterprise funds
- \$15,000 from harbor funds
- \$660,000 cash capital exclusion

The Town applies for grants to fund various capital projects and public safety equipment to enhance our capital budget. The following grants are expected to supplement the capital budget, but given the current political climate, may not be guaranteed:

- \$960,000 Federal PFAS grant
- \$1,000,000 Seaport Economic Council grant for Rotunda renovation
- \$177,200 State Chapter 90 for road maintenance
- \$500,000 MA DOT small bridge grant for the Central St. culvert
- \$4,484,673 federal BRIC grant for the Central St. culvert
- \$1,493,627 federal NOAA grant for the Central St. Culvert
- \$600,000 federal Port Security (Homeland Security) grant for two harbor patrol boats
- \$456,000 Seaport Economic Council grant for Morss Pier Fisherman's facility
- \$100,000 Climate Smart Communities Initiative grant for Ocean St study
- \$250,000 MA DOT Shared Streets extend School St bike/pedestrian lane to Essex town line

The list of recommended capital projects is included in the Warrant Article. The

Finance Committee is a strong proponent of not deviating from the established five-year capital plan.

Support of the town's infrastructure is enhanced by Community Preservation Funds, partially matched by the State. We support the Community Preservation Committee's FY26 recommendation to spend \$897,100 on various projects including \$57,100 for Open Space/Recreation, \$225,000 for Community Housing, \$90,000 for Historic Preservation, \$500,000 for Historic Rotunda Restoration 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.

On July 1, 2024, our reserves (Fund Balance plus Stabilization) were \$4,778,641. Since our reserves currently exceed our target, we recommend using some of the reserves for capital projects in the FY26 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 \$636,181 for a total of \$5,414,822.

On July 1, 2025, with approval of the FY26 budget, we expect reserves (Fund Balance and Stabilization) will be \$3,582,000, \$746,000 in water and sewer enterprise funds retained earnings and \$300,000 in the fire apparatus fund for a total of \$4,628,000.

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, including a joint meeting with the Essex Finance Committee and several meetings with the School Committee finance sub-committee, to provide input on the budget.

MERSD is challenged in balancing the needs of both Towns while trying to maintain the existing educational programs in an environment of declining enrollments. Manchester's contributions to the MERSD and ENS Agricultural & Technical School represent 46% of the Town's total operating budget. MERSD is seeking an increase of 7.29% (\$1,190,425) to the Town of Manchester, for a FY26 operating assessment of \$17,529,953 (\$26,969 per student). The total MERSD operating budget for FY26 is \$33,582,198, an increase of 7.78% (requires a 7.92% total assessment increase as state aid does not keep pace) over FY25, and financial reserves total about \$2.9 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 \$2,645,382 toward its debt service (principal and interest), a decrease of \$75,525 (2.78%) from FY25. The FY26 debt service on the middle high school is \$996,099 and \$1,649,283 for the Memorial Elemen-

tary 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 were approved by the State for School Building Funds in 2023 to commence the process. If the project proceeds debt payments are likely to commence in FY28 or FY29, but the full impact could be delayed if short-term Bond Anticipation Notes (BAN's) are used instead of long-term debt for a period.

To better serve our entire student population, the Town also pays education costs for 8 students enrolled in the ENS Agricultural & Technical School with FY26 cost of \$176,418 (\$22,052 per student). We wholeheartedly support this educational option.

LOOKING AHEAD TO FY27

We are optimistic the Town can continue to provide a high level of services 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 federal and state grants, health insurance, state and federal regulations, grant availability, natural disasters, unexpected infrastructure failures and climate sustainability needs.

Cell Signaling Technology (“CST”) is in the process of building a corporate campus, in phases, 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 and we anticipate using this additional revenue on capital projects.

The long-term repair and upgrading of our old infrastructure, treating the water for PFAS, and climate sustainability are key priorities. With information provided in the Facilities Master Plan we created a 25-year financing plan to prioritize the repair, upgrade and replacement of our outdated Town buildings and other large projects to replace expiring debt and cash exclusions with long-term debt. This plan demonstrates it may be feasible to meet our needs with debt exclusion increases that do not exceed 2% in any fiscal year. 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 which will evolve to reflect increasing construction costs and unforeseen needs as they arise.

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

FINANCE COMMITTEE MEMBERS

Sarah Mellish, Chair	2025
Andy Oldeman, Vice Chair	2025
Dean Nahatis	2027
Tom Parkins	2026
Garlan Morse	2026
Mory Creighton	2027
Peter Twining	2027

5 YEAR CAPITAL SUMMARY

CAPITAL PLAN		FY 26	FY27	FY28	FY29	FY30	Five Yr Total
Highway							
Road resurfacing		\$ 700,000	\$ 600,000	\$ 450,000	\$ 450,000	\$ 500,000	\$ 2,700,000
Drainage/Sidewalks Improvements		\$ 400,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 610,000	\$ 1,760,000
Vehicles/Fleet Replacement		\$ 340,000	\$ 120,000	\$ 140,000	\$ 60,000	-	\$ 680,000
Facilities		\$ 860,000	BOND	-	-	-	\$ 860,000
General Building Upgrades		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Tappen Street Project		-	BOND	-	-	-	-
DIPS Phase 2		-	-	Grant	-	-	\$ -
Ocean Street		\$ 100,000	-	-	Grant	-	\$ 100,000
Town Hall & Senior Center							
Town Hall/Computer updates		\$ 30,000	\$ 20,000	\$ 30,000	\$ 10,000	-	\$ 90,000
Senior Center Design		\$ 50,000	-	-	-	-	\$ 50,000
TOTAL		\$ 80,000	\$ 20,000	\$ 30,000	\$ 10,000	-	\$ 140,000
Assessor							
Catalis/Patriot Cama Software Upgrade		\$ -	\$ 28,000	-	-	-	\$ 28,000
TOTAL		\$ -	\$ 28,000	-	-	-	\$ 28,000
Accounting/Finance							
Municipal Financial Software Replacement		\$ -	\$ 150,000	-	-	-	\$ 150,000
TOTAL		\$ -	\$ 150,000	-	-	-	\$ 150,000
Library							
ADA compliant restroom addition		\$ 70,000	\$ 330,000	-	-	-	\$ 400,000
Roofing/Chimneys/Exterior walls		-	\$ 75,000	\$ 750,000	-	-	\$ 825,000
Interior Upgrades		-	-	-	\$ 760,000	200,000	\$ 960,000
Basement and systems repairs/updates		-	-	-	-	100,000	\$ 100,000
TOTAL		\$ 70,000	\$ 405,000	\$ 750,000	\$ 760,000	\$ 300,000	\$ 2,285,000
Parks and Recreation							
Facilities (plus grants)		\$ 800,000	\$ 700,000	-	-	-	\$ 1,500,000
Athletic Fields		-	-	-	Grant	-	\$ -
TOTAL		\$ 800,000	\$ 700,000	-	-	-	\$ 1,500,000
Public Safety							
Fire/Police Stations		-	-	\$ 100,000	\$ 400,000	-	\$ 500,000
Police/fire Vehicles		\$ 73,750	\$ 77,392	\$ 81,262	\$ 85,400	\$ 106,500	\$ 424,304
Fire engine fund		\$ 300,000	\$ 330,000	\$ 300,000	\$ 300,000	\$ 400,000	\$ 1,630,000
Police Equip		\$ 12,600	\$ 12,600	-	-	-	\$ 25,200
Police Firearm Replacement		\$ 37,350	-	-	-	-	\$ 37,350
Fire Equip		\$ 61,175	\$ 54,000	-	-	-	\$ 115,175
TOTAL		\$ 484,875	\$ 473,992	\$ 481,262	\$ 785,400	\$ 506,500	\$ 2,732,029

5 YEAR CAPITAL SUMMARY CONTINUED

CAPITAL PLAN		FY 26	FY27	FY28	FY29	FY30	Five Yr Total
Council on Aging							
	Vehicle Replacement	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
	TOTAL	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
Harbor							
	Dredging	\$ -	BOND	\$ -	\$ -	\$ -	BOND
	Shellfish Study	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
	Reed Park Pier Improvements	Grant	\$ -	\$ -	\$ -	\$ -	\$ -
	Morss Pier	Grant	\$ -	\$ -	\$ -	\$ -	\$ -
	Boat replacement x2	\$ 116,000	\$ -	\$ -	\$ -	\$ -	\$ 116,000
	Engine Replacement	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
	TOTAL	\$ 131,000	\$ 12,000	\$ -	\$ -	\$ -	\$ 143,000
Water Department							
	Plant Improvements/PFAS Upgrades	\$ -	BOND	\$ 300,000	\$ 300,000	\$ 300,000	\$ 900,000
	Water Main Improvements	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,250,000	\$ 5,250,000
	Moses Hill Tank Rehab	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
	TOTAL	\$ -	\$ 1,000,000	\$ 1,800,000	\$ 1,800,000	\$ 2,050,000	\$ 6,650,000
Sewer Department							
	Treatment Plant/Equip Upgrades	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
	TOTAL	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
GRAND TOTAL		\$ 4,215,875	\$ 4,008,992	\$ 4,151,262	\$ 4,395,400	\$ 4,216,500	\$ 20,988,029

CAPITAL PLAN		FY26	FY27	FY28	FY29	FY30	Five Yr Total
REVENUES		FY26	FY27	FY28	FY29	FY30	Total
General Fund (taxes)		\$ 1,784,875	\$ 1,934,875	\$ 2,084,875	\$ 2,200,000	\$ 2,300,000	\$ 10,304,625
Fund Balance		\$ 1,556,000	\$ 352,117	\$ 591,387	\$ 285,400	\$ 356,500	\$ 3,141,404
Stabilization Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Funds		\$ -	\$ 500,000	\$ 465,000	\$ 900,000	\$ 550,000	\$ 2,415,000
Sewer Funds		\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
Harbor Funds		\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Other		\$ 15,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 215,000
Bonds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Exclusion		\$ 660,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 3,300,000
Subtotal before grants		\$ 4,215,875	\$ 3,858,992	\$ 4,001,262	\$ 4,245,400	\$ 4,066,500	\$ 20,388,029
Chapter 90		\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 600,000
Grand Total		\$ 4,215,875	\$ 4,008,992	\$ 4,151,262	\$ 4,395,400	\$ 4,216,500	\$ 20,988,029

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/construction grant denied.

Assumes need to do building repairs without grant funded building project (if grant comes through then reassign repair dollars to Bennett Street

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

Essex Elementary School Bond may be needed by FY29 - timing not know yet. High School Debt and retiree obligations go away by 2034

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

25 YEAR FACILITY CAPITAL SUMMARY

Facility Financing and current debt projections V4revised

PROJECT	AMOUNT In Millions	TERM in Years	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water/Sewer Upgrades	7.5	15	\$ 315,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000
Dredging	2.5	10	-	-	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500
PFAS	19	15	\$ 168,000	\$ 672,000	\$ 672,000	\$ 1,008,000	\$ 1,176,000	\$ 1,176,000	\$ 1,596,000	\$ 1,596,000
Tappan Street Utilities & paving	4	15	-	\$ 168,000	\$ 252,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000
Bennett Street Utilities & Paving	4	15	-	-	-	-	-	-	-	\$ 336,000
DPW Garage	21	30	-	\$ 90,000	\$ 720,000	\$ 1,020,000	\$ 1,200,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Essex Elementary	27	30	-	-	\$ 120,000	\$ 300,000	\$ 600,000	\$ 1,440,000	\$ 1,620,000	\$ 1,620,000
Public Safety Bldg. & Town Hall Rehab	30	30	-	-	-	-	-	-	-	-
Resiliency Projects, Seawalls, Culverts	30	30	-	-	-	-	-	-	-	-
Sewer Treatment Plant relocated	70	30	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE			\$ 483,000	\$ 1,560,000	\$ 2,681,500	\$ 3,581,500	\$ 4,229,500	\$ 5,129,500	\$ 5,729,500	\$ 6,065,500
REVENUE										
Water capital fee			\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)
Sewer fund capital contribution			-	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)
CST tax revenue Phase I in FY28, Phase II in 2034			-	-	-	\$ (461,250)	\$ (472,781)	\$ (484,601)	\$ (496,716)	\$ (509,134)
Retired debt payments reallocated - Town			-	\$ (30,000)	\$ (40,000)	\$ (50,000)	\$ (50,000)	\$ (160,000)	\$ (280,000)	\$ (280,000)
Retired debt payments reallocated - School			-	-	\$ (145,000)	\$ (216,000)	\$ (286,000)	\$ (420,000)	\$ (485,000)	\$ (548,000)
Retiree Liabilities fully funded & reallocated			-	-	\$ (150,000)	\$ (630,000)	\$ (630,000)	\$ (663,000)	\$ (630,000)	\$ (630,000)
Tax Revenue needed			-	\$ 460,000	\$ 896,500	\$ 1,224,250	\$ 1,790,719	\$ 2,401,899	\$ 2,837,784	\$ 3,098,366
Cumulative new tax revenue raised			-	-	\$ 460,000	\$ 896,500	\$ 1,224,250	\$ 1,790,719	\$ 2,401,899	\$ 2,837,784
Added Tax Revenue Needed (If negative, apply this amount to Cap Excl Projects)			-	-	\$ 436,500	\$ 327,750	\$ 566,469	\$ 611,180	\$ 435,885	\$ 260,582

Projected Tax Increase for Capital Bonds

	0.00%	1.53%	1.39%	0.99%	1.64%	1.70%	1.16%	0.69%
								9.10%

New Cash from bonds in millions

Water \$3.75	\$ 5.75	\$ 13.25	\$ 16.00	\$ 13.00	\$ 10.00	\$ 15.00	\$ 8.00	\$ 4.00
PFAS \$2.0		Essex Elem \$2.0	Essex Elem \$3.0	Essex Elem \$5.0	Essex Elem \$14.0	Essex Elem \$3.0		
		PFAS \$6.0	PFAS \$0.0	PFAS \$4.0	PFAS \$2.0	PFAS \$5.0		
		DPW \$1.5	DPW \$10.5	DPW \$5.0	DPW \$3.0	DPW \$1.0		
		Tappan \$2.0	Tappan \$1.0	Tappan \$5.0				
			Dredging \$2.5					

Assume 3-4% bond interest rates --15 year bond: annual payment of \$84,000/yr per million
-- 30 year bond: annual payment of \$60,000/yr per million
Requires a 2.5% +/- tax hike in FY27 through FY31 on top of operating tax increases in the 2 to 2.5% range
Use capital exclusions to capture the remainder funds and apply toward larger "pipe" projects and resiliency projects (\$30 million over 20 years)
Assumes no grant or other external funds/low interest loans; if these materialize then the bonded amounts and thus tax increases can be lower.

Bennett \$4.0



MANCHESTER-BY-THE-SEA

SELECT BOARD • TOWN HALL

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SELECT BOARD REPORT ON FUTURE OBLIGATIONS FOR 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 Select Board submits 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 2035 at which time the Town will no longer have an unfunded pension liability.

The Essex Regional Retirement Board's unfunded liability on market value of assets was estimated by an actuarial study to be \$443,656,681 as of January 1, 2024, based on current assets of approximately \$698 million and total liabilities of \$1.1 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 12/31/2023, Manchester's net pension liability is 3.437% with a net liability of \$15.2 million. Annually we contribute a portion of this liability. For FY25 we contributed \$1,744,942 for both current and future liabilities. This number is expected to grow 6.5% through FY2031 and 4% per year thereafter through FY2034.

Essex Regional Retirement System (as of 1/1/2024 actuarial valuation)

Total Assets	= \$698 million
Present day Value of Liabilities	= \$1.142 billion
Unfunded Liabilities	= \$444 million
Manchester Share 3.437%	= \$15.2 million
Annual Town Payment (FY25)	= \$1,744,942 (increasing annually through 2034)
-To be fully funded by 2035	

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 6/30/24), completed by Sherman Actuarial Services, concluded that our total Actuarial Accrued Liability for both active employees and retirees comes to \$6.614 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 2025 Town Meeting, we will have approximately \$5.4 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 2029. The annual appropriation to the OPEB Trust is projected to follow the funding schedule provided by Sherman Actuarial Services so that the town will be fully funded by 2029.

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 6/30/24	\$ 6.614 million
Current Assets (assumes April 2025 appropriation)	\$ 5.4 million

On schedule to be fully funded by FY2028



MANCHESTER ESSEX REGIONAL SCHOOL DISTRICT

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Michelle Cresta
DIRECTOR OF FINANCE &
OPERATIONS

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

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, 2024, contain the following estimates.

Pensions

The unfunded portion of the pension liability through the Essex Regional Retirement System attributable to MERSD is estimated to be \$6,807,423.

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 Retirement System (MTRS). 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 \$709,529. ERRS has begun to require its members, including MERSD and the Towns of Essex and Manchester, 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 61.13% funded, up from 52% in 2014.

The estimate referenced above for MERSD's portion of ERRS' unfunded pension liability is based on applying 1.53% of ERRS' \$443 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 \$21,824,452 as of June 30, 2024.

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 \$1,115,837 in the most recently concluded fiscal year. This cost has grown by 12% 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 26% more retirees (193) than active employees (154) 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.

In addition to last fiscal year's "pay-as-you-go" expense, MERSD also contributed \$605,327 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. 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 FY17, 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 and the large majority of regional retirement systems, including ERRS. By sending OPEB trust funds to PRIM, MERSD can 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, 2024, MERSD has an asset balance of \$5,895,658 in 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 solid path to 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 a portion of the cost of 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 9% 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 **Monday, the 28th day of April**, two thousand and twenty-five 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 Select Board

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 \$176,418 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, 2025, and appropriate the same.

Per petition of the Select Board
The Finance Committee recommends approval
The Select Board recommends approval

**DEPARTMENTAL REQUESTS AND
FINANCE COMMITTEE RECOMMENDATIONS**

Item No.		Appropriations FY - 2025	Requests FY - 2026	Recommendations FY - 2026	Funding Sources
GENERAL GOVERNMENT					
35.68%					
<u>SELECTMEN'S DEPARTMENT</u>					
1	Salaries	351,199	361,735	361,735	TAXATION
2	Expenses	59,500	63,900	63,900	TAXATION
3	Audit	48,000	48,000	48,000	TAXATION
<u>INFORMATION TECHNOLOGY</u>					
4	Expenses	179,900	190,880	190,880	TAXATION
<u>FINANCE COMMITTEE</u>					
5	Salaries	3,914	5,000	5,000	TAXATION
6	Expenses	300	300	300	TAXATION
7	Reserve Fund	150,000	150,000	150,000	TAXATION 125,000 OVERLAY SUR. 25,000
<u>ELECTION & REGISTRATION</u>					
8	Salaries	10,570	4,550	4,550	TAXATION
9	Expenses	26,225	23,700	23,700	TAXATION
<u>FINANCE/ACCOUNTING</u>					
10	Salaries	181,390	268,735	268,735	TAXATION
11	Expenses	7,000	7,000	7,000	TAXATION
<u>ASSESSORS</u>					
12	Salaries	163,355	170,461	170,461	TAXATION
13	Expenses	64,234	62,816	62,816	TAXATION
<u>TREASURER/COLLECTOR</u>					
14	Salaries	172,692	199,300	199,300	TAXATION
15	Expenses	32,875	37,575	37,575	TAXATION
<u>TOWN CLERK</u>					
16	Salaries	122,894	149,976	149,976	TAXATION
17	Expenses	10,250	9,575	9,575	TAXATION
<u>LEGAL/PROF. SERVICES</u>					
18	Expenses	150,000	185,000	185,000	TAXATION
<u>APPEALS BOARD</u>					
19	Salaries	5,000	-	-	TAXATION <i>Merged into</i>
20	Expenses	12,000	-	-	TAXATION <i>Land Use</i>
<u>PLANNING DEPARTMENT</u>					
21	Salaries	127,406	-	-	TAXATION <i>Merged into</i>
22	Expenses	26,600	-	-	TAXATION <i>Land Use</i>
<u>LAND USE MANAGEMENT</u>					
23	Salaries	-	229,204	229,204	TAXATION 224,204 WETLANDS FD. 5,000
24	Expenses	-	41,700	41,700	TAXATION
25	Chebacco Woods	-	1,250	1,250	TAXATION
<u>TOWN HALL & COMMON</u>					
26	Expenses	51,900	57,000	57,000	TAXATION

PENSIONS

27	Contributory	1,744,942	1,853,084	1,853,084	TAXATION	1,683,150
					SEWER RATES	96,784
					WATER RATES	73,150

INSURANCE

28	Group Health Insurance	1,548,985	1,803,019	1,803,019	TAXATION	1,626,635
					SEWER RATES	106,640
					WATER RATES	69,744
29	Workers' Compensation	105,000	105,000	105,000	TAXATION	83,500
					SEWER RATES	10,500
					WATER RATES	11,000
30	Fire/Auto/Liability	155,000	175,000	175,000	TAXATION	150,500
					SEWER RATES	12,500
					WATER RATES	12,000
31	Unemployment Compensation	7,000	5,000	5,000	TAXATION	
32	FICA-Medicare	123,785	131,324	131,324	TAXATION	122,396
					SEWER RATES	4,953
					WATER RATES	3,975
Total General Government		5,641,916	6,340,084	6,340,084	TAXATION	5,808,838
					WETLANDS FD.	5,000
					OVERLAY SUR.	125,000
					SEWER RATES	231,377
					WATER RATES	169,869
						<u>6,340,084</u>

**PUBLIC SAFETY
26.12%****POLICE**

33	Salaries	1,977,081	2,028,248	2,028,248	TAXATION	
34	Expenses	114,050	120,100	120,100	TAXATION	

PARKING CLERK/RESIDENT PARKING

35	Salaries	6,745	6,947	6,947	TAXATION	
36	Expenses	26,050	31,150	31,150	TAXATION	

FIRE

37	Salaries	1,667,475	1,764,380	1,764,380	TAXATION	
38	Expenses	200,950	198,950	198,950	TAXATION	

HARBOR MASTER

39	Salaries	271,747	286,659	286,659	MOORING FEES	
40	Expenses	27,600	26,350	26,350	MOORING FEES	313,009
41	Launch Services	-	62,414	62,414	LAUNCH FEES	62,414

BUILDING DEPARTMENT

42	Building Inspector	50,593	26,313	26,313	TAXATION	
43	Gas/Plumbing Inspector	14,939	15,537	15,537	TAXATION	
44	Sealer of Weights & Measures	3,000	4,000	4,000	TAXATION	
45	Electrical Inspector	14,939	15,537	15,537	TAXATION	
46	Inspector's Expenses	7,000	9,500	9,500	TAXATION	
47	Permit Software	19,068	20,022	20,022	TAXATION	

EMERGENCY MANAGEMENT

48	Expenses	1,500	7,500	7,500	TAXATION	
49	Emergency Notification	6,000	-	-	TAXATION	

ANIMAL CONTROL

50	Expenses	16,315	16,315	16,315	TAXATION	
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Total Public Safety		4,425,052	4,639,922	4,639,922	TAXATION	4,264,499
					MOORING FEES	313,009
					LAUNCH FEES	62,414
						<u>4,639,922</u>

PUBLIC WORKS
14.66%

DEPARTMENT OF PUBLIC WORKS

51	Salaries	1,073,711	1,180,513	1,180,513	TAXATION	1,072,347
					SEWER RATES	54,083
					WATER RATES	54,083

52	Expenses	369,100	364,900	364,900	TAXATION	
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FACILITIES

53	Salaries	45,055	46,994	46,994	TAXATION	
54	Expenses	130,100	132,500	132,500	TAXATION	

SNOW REMOVAL

55	Salaries	32,000	32,000	32,000	TAXATION	
56	Expenses	113,000	113,000	113,000	TAXATION	

STREET LIGHTING

57	Street Lighting	55,000	55,000	55,000	TAXATION	
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SANITATION/COMPOSTING/RECYCLING

58	Expenses	53,500	75,000	75,000	TAXATION	
59	Rubbish Collection/					
	Recycling	370,000	365,000	365,000	TAXATION	
60	Disposal	239,000	240,000	240,000	TAXATION	

Total Dept. of Public Works	2,480,466	2,604,907	2,604,907		TAXATION	2,496,741
					SEWER RATES	54,083
					WATER RATES	54,083
						2,604,907

OTHER ENVIRONMENTAL
0.00%

HISTORIC DISTRICT COMMISSION

61	Salaries	5,125	-	-	TAXATION	<i>Merged into</i>
62	Expenses	950	-	-	TAXATION	<i>Land Use</i>

CONSERVATION COMMISSION

63	Salaries	15,112	-	-	TAXATION	<i>Merged into</i>
					WETLANDS FD.	<i>Land Use</i>

64	Expenses	45,900	-	-	TAXATION	
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65	Chebacco Woods	1,250	-	-	TAXATION	
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Total Other Environmental	68,337	-	-		TAXATION	-
					WETLANDS FD.	-
						-

HUMAN SERVICES
2.63%

HEALTH

66	Salaries	176,251	182,247	182,247	TAXATION	
67	Expenses	29,250	28,500	28,500	TAXATION	

VETERANS' SERVICES

68	Expenses	17,250	17,250	17,250	TAXATION	
69	Veterans' Benefits	5,000	5,000	5,000	TAXATION	

COUNCIL ON AGING

70	Salaries	195,626	212,018	212,018	TAXATION	
71	Expenses	23,150	23,150	23,150	TAXATION	

Total Human Services	446,527	468,165	468,165		TAXATION	468,165
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		LIBRARY 3.21%				
<u>LIBRARY</u>						
72	Salaries	387,637	395,399	395,399	TAXATION	
73	Expenses	166,100	175,200	175,200	TAXATION	
Total Culture and Informational Services		553,737	570,599	570,599	TAXATION	570,599
		RECREATION 2.7%				
<u>PARKS & RECREATION</u>						
74	Salaries	164,841	174,739	174,739	TAXATION	124,739
					PROGRAM FEES	50,000
75	Expenses	8,200	8,200	8,200	TAXATION	
<u>SINGING BEACH OPERATIONS</u>						
76	Salaries	113,916	117,333	117,333	TAXATION	
77	Expenses	24,280	24,480	24,480	TAXATION	
<u>LIFEGUARDS</u>						
78	Salaries	90,623	96,060	96,060	TAXATION	
79	Expenses	3,500	3,500	3,500	TAXATION	
<u>TUCK'S POINT</u>						
80	Salaries	11,172	11,507	11,507	TAXATION	
81	Expenses	20,350	20,350	20,350	TAXATION	
<u>OTHER RECREATION</u>						
82	Memorial Day	3,000	3,000	3,000	TAXATION	
83	Fourth of July	10,000	21,072	21,072	TAXATION	
Total Recreation		449,882	480,241	480,241	TAXATION	430,241
					PROGRAM FEES	50,000
						480,241
		DEBT SERVICE 4.9%				
<u>DEBT SERVICE</u>						
	Principal on Bonds	755,219	649,182	649,182		
	Interest on Bonds	217,001	190,546	190,546		
	TEMPORARY LOANS/INTEREST	30,000	30,000	30,000		
	WPAT Administration Fees	1,507	1,405	1,405		
84	Total Debt Service	1,003,727	871,133	871,133	TAXATION	717,842
					SEWER RATES	153,291
						871,133
		ENTERPRISE FUNDS 10.1%				
<u>SEWER FUND</u>						
85	Salaries	330,443	341,616	341,616	SEWER RATES	
86	Expenses	340,400	340,400	340,400	SEWER RATES	
<u>WATER FUND</u>						
87	Salaries	266,460	274,171	274,171	WATER RATES	
88	Distribution Expenses	138,500	138,500	138,500	WATER RATES	
89	Treatment Expenses	672,665	697,435	697,435	WATER RATES	
Total Enterprise Funds		1,748,468	1,792,122	1,792,122	SEWER RATES	682,016
					WATER RATES	1,110,106
						1,792,122
TOTAL ARTICLE 4		16,818,112	17,767,173	17,767,173		

EXPENSES BUDGET SUMMARY**GENERAL GOVERNMENT**

35.7%	5,641,916	6,340,084	6,340,084	TAXATION	5,808,838
				WETLANDS FD.	5,000
				OVERLAY SUR.	125,000
				SEWER RATES	231,377
				WATER RATES	169,869
					<u>6,340,084</u>
PUBLIC SAFETY					
26.1%	4,425,052	4,639,922	4,639,922	TAXATION	4,264,499
				MOORING FEES	313,009
				LAUNCH FEES	62,414
					<u>4,639,922</u>
DEPARTMENT OF PUBLIC WORKS					
14.7%	2,480,466	2,604,907	2,604,907	TAXATION	2,496,741
				SEWER RATES	54,083
				WATER RATES	54,083
					<u>2,604,907</u>
OTHER ENVIRONMENTAL					
0.0%	68,337	-	-	TAXATION	-
				WETLANDS FD.	-
					<u>-</u>
HUMAN SERVICES					
2.6%	446,527	468,165	468,165	TAXATION	<u>468,165</u>
LIBRARY					
3.2%	553,737	570,599	570,599	TAXATION	<u>570,599</u>
PARKS & RECREATION					
2.7%	449,882	480,241	480,241	TAXATION	430,241
				PROGRAM FEES	50,000
					<u>480,241</u>
DEBT SERVICE					
4.9%	1,003,727	871,133	871,133	TAXATION	717,842
				SEWER RATES	<u>153,291</u>
					<u>871,133</u>
ENTERPRISE FUNDS					
10.1%	1,748,468	1,792,122	1,792,122	SEWER RATES	682,016
				WATER RATES	1,110,106
					<u>1,792,122</u>
TOTALS	100%	<u>16,818,112</u>	<u>17,767,173</u>	<u>17,767,173</u>	<u>17,767,173</u>

FUNDING SOURCES SUMMARY

TAXATION	14,756,925
OVERLAY SURPLUS	125,000
MOORING FEES	313,009
LAUNCH FEES	62,414
PROGRAM FEES	50,000
WETLANDS FD	5,000
SEWER RATES	1,120,767
WATER RATES	1,334,058
TOTAL	<u>17,767,173</u>

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	\$ 300,000	\$ 700,000	Fund Bal.
2. DPW	Drainage/Sidewalk			
	Improvements	\$ 400,000	\$ 400,000	Taxation
3. DPW	DPW Facility	\$1,750,000	\$ 860,000	Taxation & Cap. Excl.
4. DPW	General Building Upgrades	\$ 50,000	\$ 50,000	Taxation
5. DPW	Ocean Street Options Study	\$ 0	\$ 100,000	Fund Balance
6. DPW	Front End Loader	\$ 300,000	\$ 250,000	Taxation
7. DPW	Vehicle Replacement	\$ 90,000	\$ 90,000	Fund Balance
8. Town Hall	Computer/IT upgrades	\$ 30,000	\$ 30,000	Taxation
9. Library	Painting/Window & Door repairs	\$ 200,000	\$ 0	
10. Library	ADA Restroom Design work	\$ 70,000	\$ 70,000	Taxation
11. Park & Rec	Tuck's Point Rotunda Restoration	\$ 0	\$ 800,000	Taxation & Fund Bal
12. Park & Rec	Singing Beach Bathhouse Plumbing	\$ 50,000	\$ 0	
13. COA	Senior Center	\$ 200,000	\$ 50,000	Fund Balance
14. Public Safety	Mobile Radio Upgrades	\$ 7,175	\$ 7,175	Taxation
15. Public Safety	Cardiac Monitors & Defibrillators Replace.	\$ 54,000	\$ 54,000	Taxation
16. Public Safety	Fire Engine Fund	\$ 300,000	\$ 300,000	Taxation
17. Public Safety	Police Tasers	\$ 12,600	\$ 12,600	Taxation
18. Public Safety	Police Vehicle replacement	\$ 73,750	\$ 73,750	Taxation
19. Public Safety	Police Firearms replacement	\$ 37,350	\$ 37,350	Taxation
20. Harbor	Shellfish Study	\$ 15,000	\$ 15,000	Fund Balance
21. Harbor	Boat replacements (plus grants)	\$ 116,000	\$ 116,000	Fund Balance & Waterway Funds
22. Harbor	Boat storage structure	\$ 50,000	\$ 0	
23. Sewer	System Upgrades	\$ 200,000	\$ 200,000	Sewer Enterprise
TOTAL		\$4,305,875	\$4,215,875	

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 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-five; 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 7: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws, "Section 10.2 Floodplain" by deleting the existing language and replacing it in its entirety with new language, shown in underlined text below; or take any other action relative thereto.

Delete Existing Section 10.2 Floodplain

~~10.2 Flood Plain~~

~~10.2.1 Flood Plain District:~~

~~The purposes of the Flood Plain District are to:-~~

- ~~(a) Ensure public safety through reducing the threats to life and personal injury;~~
- ~~(b) Eliminate new hazards to emergency response officials;~~
- ~~(c) Prevent the occurrence of public emergencies resulting from loss of water quality, contamination, and pollution due to flooding;~~
- ~~(d) Avoid the loss of utility services which, if damaged by flooding, would disrupt or shut down the utility network and impact regions of the community beyond the site of flooding;~~
- ~~(e) Eliminate costs associated with the response and cleanup of flooding conditions;~~
- ~~(f) Reduce damage to public and private property resulting from flooding waters.~~

~~10.2.2 Flood Plain District Boundaries and Base Flood Elevation and Floodway Data~~

~~10.2.2.1 The Flood Plain District is herein established as an overlay district. Any use otherwise permitted in the underlying district is permitted as a matter of right in the Flood Plain District, provided the use meets the following additional requirements and those of the Massachusetts State Building Code dealing with construction in flood plains and coastal high hazard areas as applicable. The Flood Plain District includes all special flood hazard areas within the Town of Manchester-by-the-Sea designated as Zone A, AE, AH, AO, or VE on the Essex County Flood Insurance Rate Map (FIRM) issued by the Federal Emergency Management Agency (FEMA) for the administration of the National Flood Insurance Program. The map panels of the Essex County FIRM that are wholly or partially within the Town of Manchester-by-the-Sea are panel numbers 25009C0429F dated July 3, 2012; and panel~~

numbers 25009C0431G, 25009C0432G, 25009C0433G, 25009C0434G, 25009C0441G, 25009C0442G, 25009C0451G, 25009C0453G, 25009C0454G, and 25009C0475G, dated July 16, 2014. The exact boundaries of the District shall be defined by the 100-year base flood elevations shown on the FIRM and further defined by the Essex County Flood Insurance Study (FIS) report dated July 16, 2013, as those documents were updated by FEMA Letter of Map Revision (LOMR) dated March 12, 2017, for panels 25009C0453G and 25009C0454G, effective as of July 25, 2017. The FIRM, FIS booklet, and LOMR are incorporated herein by reference and are on file with the Town Clerk, Planning Board, and Director of Public Works. [Amended 2012, 2014, 2017]

10.2.2.2 Base Flood Elevation and Floodway Data (a) Base Flood Elevation Data is required for subdivision proposals or other developments greater than 50 lots or 5 acres, which ever is the lesser, within unnumbered A zones. (b) In Zones A and AE, along watercourses that have not had a regulatory floodway designated, the best available Federal, State, local, or other floodway data shall be used to prohibit encroachments in floodways which would result in any increase in flood levels within the community during the occurrence of the base flood discharge. [Added 2012]

10.2.3 Notification of Watercourse Alteration

In a riverine situation, the following must be notified of any alteration or relocation of a watercourse:-

- (a) Adjacent communities
- (b) NFIP State Coordinator Massachusetts Office of Water Resources 251 Causeway Street Suite 600-700 Boston, MA 02114-2104
- (c) [deleted 2002]
- (d) NFIP Program Specialist Federal Emergency Management Agency, Region I 99 High Street, 6th Floor Boston, MA 02110 [Revised 2012]

10.2.4 Use Regulations

10.2.4.1

Within any Zone where the base flood elevation is not provided on the FIRM, the applicant shall obtain any existing base flood elevation data and it shall be reviewed by the Building Inspector for its reasonable utilization toward meeting the elevation or flood proofing requirements, as appropriate, of the State Building Code.-

10.2.4.2

Located within the Flood Plain District are areas designated as coastal high hazard areas (Zone VE). Since these areas are extremely hazardous due to high velocity waters from tidal surges and hurricane wash, all new construction shall be located landward of the reach of Spring High Tide. Spring High Tide shall be located as that elevation shown on the Army Corps of Engineers High Tide Chart (Tidal Flood Profiles New England Coastline, See ACOE, New England Division, Prepared by Hydraulics and Water Quality Section, Waltham, MA). All references to elevations should be to NGVD (National Geodetic Vertical Datum). Wave run-up as defined by the elevation of the one year flood surge

(Stillwater) as noted under section 404, shall be incorporated in to those elevations within V zones. [Revised 2012]

10.2.4.3

All development in the Flood Plain District, including structural and non-structural activities, whether permitted by right or by special permit, shall be in compliance with Chapter 131, Section 40 of the Massachusetts General Laws, and with the following:-

- (a) Sections of the Massachusetts State Building Code (780 CMR) which address floodplain and coastal high hazard areas; [Revised 2012]
- (b) Wetlands Protection Regulation, Department of Environmental Protection (DEP) (currently 310 CMR 10.00);
- (c) Inland Wetlands Restriction, DEP (currently 310 CMR 13.00); [Revised 2012]
- (d) Coastal Wetlands Restriction, DEP (currently 310 CMR 12.00); [Revised 2012]
- (e) Minimum requirements for the Subsurface Disposal of Sanitary Sewage, DEP (currently 310 CMR 15, Title 5); Any variances from the provisions and requirements of the above referenced State regulations shall be granted only in accordance with the required variance procedures of these State regulations.

10.2.4.4-

Other Use Regulations-

- (a) Within Zone AO on the FIRM, adequate drainage paths are required around structures on slopes to guide flood waters around and away from proposed structures. [Revised 2014]
- (b) Man-made alteration of sand dunes within Zone VE, which would increase potential flood damage, is prohibited. [Revised 2012]
- (c) All development and/or uses within the Flood Plain District shall comply with all applicable local laws and regulations.

ADD New Section 10.2 Floodplain

1. Purpose

The purpose of the Floodplain Overlay District is to:

- 1) Ensure public safety through reducing the threats to life and personal injury
- 2) Eliminate new hazards to emergency response officials
- 3) Prevent the occurrence of public emergencies resulting from water quality, contamination, and pollution due to flooding
- 4) Avoid the loss of utility services which if damaged by flooding would disrupt or shut down the utility network and impact regions of the community beyond the site of flooding
- 5) Eliminate costs associated with the response and cleanup of flooding conditions
- 6) Reduce damage to public and private property resulting from flooding waters

2. Use of FEMA maps and supporting studies

The Floodplain District is herein established as an overlay district. The District includes all special flood hazard areas within Manchester-by-the-Sea designated as Zone A, AE, AO, and VE on the Essex County Flood Insurance Rate Map (FIRM) dated July 8, 2025 issued by the Federal Emergency Management Agency (FEMA) for the administration of the National Flood Insurance Program. The exact boundaries of the District shall be defined by the 1%-chance base flood elevations shown on the FIRM and further defined by the Essex County Flood Insurance Study (FIS) report dated July 8, 2025. The FIRM and FIS report are incorporated herein by reference and are on file with the Town Clerk, Planning Board, Building Office.

3. Designation of community Floodplain Administrator

The Town of Manchester-by-the-Sea hereby designates the Town Administrator or designee to be the official floodplain administrator for the Town.

4. Permits are required for all proposed development in the Floodplain Overlay District. The Town of Manchester-by-the-Sea requires a permit for all proposed construction or other development in the floodplain overlay district, including new construction or changes to existing buildings, placement of manufactured homes, placement of agricultural facilities.

ties, fences, sheds, storage facilities or drilling, mining, paving and any other development that might increase flooding or adversely impact flood risks to other properties.

5. Assure that all necessary permits are obtained

The town's permit review process includes the requirement that the proponent obtain all local, state and federal permits that will be necessary in order to carry out the proposed development in the floodplain overlay district. The proponent must acquire all necessary permits and must demonstrate that all necessary permits have been acquired.

6. Floodway encroachment

In Zones A, A1-30, and AE, along watercourses that have not had a regulatory floodway designated, the best available Federal, State, local, or other floodway data shall be used to prohibit encroachments in floodways which would result in any increase in flood levels within the community during the occurrence of the base flood discharge.

In Zones A1-30 and AE, along watercourses that have a regulatory floodway designated on the Town's FIRM or Flood Boundary & Floodway Map (choose map which delineates floodways for your community) encroachments are prohibited, including fill, new construction, substantial improvements, and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge.

7. Unnumbered A Zones

In A Zones, in the absence of FEMA BFE data and floodway data, the building department will obtain, review and reasonably utilize base flood elevation and floodway data available from a Federal, State, or other source as criteria for requiring new construction, substantial improvements, or other development in Zone A and as the basis for elevating residential structures to or above base flood level, for floodproofing or elevating nonresidential structures to or above base flood level, and for prohibiting encroachments in floodways.

8. AO and AH zones drainage requirements

Within Zones AO and AH on the FIRM, adequate drainage paths must be provided around structures on slopes, to guide floodwaters around and away from proposed structures.

9. Subdivision proposals

All subdivision proposals and development proposals in the floodplain overlay district shall be reviewed to assure that:

- (a) Such proposals minimize flood damage.
- (b) Public utilities and facilities are located & constructed so as to minimize flood damage.
- (c) Adequate drainage is provided.

10. Base flood elevation data for subdivision proposals

When proposing subdivisions or other developments greater than 5 lots or 5 acres (whichever is less), the proponent must provide technical data to determine base flood elevations for each developable parcel shown on the design plans.

11. Recreational vehicles

In A, AE, AO, and VE Zones, all recreational vehicles to be placed on a site must be elevated and anchored in accordance with the zone's regulations for foundation and elevation requirements or be on the site for less than 180 consecutive days or be fully licensed and highway ready.

12. Protection of dunes

Alteration of sand dunes is prohibited when the alteration would increase potential flood damage.

13. Watercourse alterations or relocations in riverine areas

In a riverine situation, the Inspector of Buildings shall notify the following of any alteration or relocation of a watercourse:

- Adjacent Communities, especially upstream and downstream
- Bordering States, if affected
- NFIP State Coordinator
Massachusetts Department of Conservation and Recreation
- NFIP Program Specialist
Federal Emergency Management Agency, Region I

14. Requirement to submit new technical data

If the Town acquires data that changes the base flood elevation in the FEMA mapped Special Flood Hazard Areas, the Town will, within 6 months, notify FEMA of these changes by submitting the technical or scientific data that supports the change(s.) Notification shall be submitted to:

- NFIP State Coordinator
Massachusetts Department of Conservation and Recreation
- NFIP Program Specialist
Federal Emergency Management Agency, Region I

15. Variances to building code floodplain standards

- The Town will request from the State Building Code Appeals Board a written and/or audible copy of the portion of the hearing related to the variance and will maintain this record in the community's files.
- The Town shall also issue a letter to the property owner regarding potential impacts to the annual premiums for the flood insurance policy covering that property, in writing over the signature of a community official that (i) the issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and (ii) such construction below the base flood level increases risks to life and property.
- Such notification shall be maintained with the record of all variance actions for the referenced development in the floodplain overlay district.

16. Variances to local Zoning Bylaws related to community compliance with the National Flood Insurance Program (NFIP)

A variance from these floodplain bylaws must meet the requirements set out by State law, and may only be granted if: 1) Good and sufficient cause and exceptional non-financial hardship exist; 2) the variance will not result in additional threats to public safety, extraordinary public expense, or fraud or victimization of the public; and 3) the variance is the minimum action necessary to afford relief.

17. Abrogation and greater restriction section

The floodplain management regulations found in this Floodplain Overlay District section shall take precedence over any less restrictive conflicting local laws, ordinances or codes.

18. Disclaimer of liability

The degree of flood protection required by this bylaw is considered reasonable but does not imply total flood protection.

19. Severability section

If any section, provision or portion of this bylaw is deemed to be unconstitutional or invalid by a court, the remainder of the ordinance shall be effective.

20. Local Enforcement

Enforcement of this bylaw shall be in accordance with Section 12.2 of the Manchester-by-the-Sea Zoning By-Law

21 Definitions

The following definitions shall apply to this Section 10.2 Floodplain By-Law:

DEVELOPMENT means any man-made change to improved or unimproved real estate, including but not limited to building or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials. [US Code of Federal Regulations, Title 44, Part 59]

FLOODWAY. The channel of the river, creek or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. [Base Code, Chapter 2, Section 202]

FUNCTIONALLY DEPENDENT USE means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities. [US Code of Federal Regulations, Title 44, Part 59] Also [Referenced Standard ASCE 24-14]

HIGHEST ADJACENT GRADE means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure. [US Code of Federal Regulations, Title 44, Part 59]

HISTORIC STRUCTURE means any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(c) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(1) By an approved state program as determined by the Secretary of the Interior or

(2) Directly by the Secretary of the Interior in states without approved programs.

[US Code of Federal Regulations, Title 44, Part 59]

NEW CONSTRUCTION. Structures for which the start of construction commenced on or after the effective date of the first floodplain management code, regulation, ordinance, or standard adopted by the authority having jurisdiction, including any subsequent improvements to such structures. *New construction includes work determined to be substantial improvement.* [Referenced Standard ASCE 24-14]

RECREATIONAL VEHICLE means a vehicle which is:

- (a) Built on a single chassis;
 - (b) 400 square feet or less when measured at the largest horizontal projection;
 - (c) Designed to be self-propelled or permanently towable by a light duty truck; and
 - (d) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.
- [US Code of Federal Regulations, Title 44, Part 59]

REGULATORY FLOODWAY - see FLOODWAY.

SPECIAL FLOOD HAZARD AREA. The land area subject to flood hazards and shown on a Flood Insurance Rate Map or other flood hazard map as Zone A, AE, AO, and VE [Base Code, Chapter 2, Section 202]

START OF CONSTRUCTION. The date of issuance for new construction and substantial improvements to existing structures, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement is within 180 days after the date of issuance. The actual start of construction means the first placement of permanent construction of a building (including a manufactured home) on a site, such as the pouring of a slab or footings, installation of pilings or construction of columns. Permanent construction does not include land preparation (such as clearing, excavation, grading or filling), the installation of streets or walkways, excavation for a basement, footings, piers or foundations, the erection of temporary forms or the installation of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main building. For a substantial improvement, the actual “start of construction” means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building. [Base Code, Chapter 2, Section 202]

STRUCTURE means, for floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. [US Code of Federal Regulations, Title 44, Part 59]

SUBSTANTIAL REPAIR OF A FOUNDATION. When work to repair or replace a foundation results in the repair or replacement of a portion of the foundation with a perimeter along the base of the foundation that equals or exceeds 50% of the perimeter of the base of the foundation measured in linear feet, or repair or replacement of 50% of the piles, columns or piers of a pile, column or pier supported foundation, the building official shall determine it to be substantial repair of a foundation. Applications determined by the building official to constitute substantial repair of a foundation shall require all existing portions of the entire building or structure to meet the requirements of 780 CMR. [As amended by MA in 9th Edition BC]

VARIANCE means a grant of relief by a community from the terms of a flood plain management regulation. [US Code of Federal Regulations, Title 44, Part 59]

VIOLATION means the failure of a structure or other development to be fully compliant with the community’s flood plain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in §60.3 is presumed to be in violation until such time as that documentation is provided. [US Code of Federal Regulations, Title 44, Part 59]

Per petition of the Planning Board
The Finance Committee takes no position
The Select Board recommends approval

ARTICLE 8 To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws relative to the Regulation of Accessory Dwelling Units by making the changes set forth below with the text to be deleted shown in strikethrough, new wording shown with underlining, and to authorize the Town Clerk to undertake any necessary renumbering; or take any other action relative thereto:

Amendments to Section 2.0 Definitions:

Delete:

~~**Accessory Dwelling Unit** A dwelling unit accessory to the principal unit as governed by Section 9.1~~

Insert

Standard Accessory Dwelling Unit: A self-contained housing unit, inclusive of sleeping, cooking and sanitary facilities on the same Lot as a Principal Dwelling, subject to otherwise applicable dimensional and parking requirements, that: (a) maintains a separate entrance, either directly from the outside or through an entry hall or corridor shared with the Principal Dwelling sufficient to meet the requirements of the Building Code for safe egress; (b) is not larger in Gross Floor Area than ½ the Gross Floor Area of the Principal Dwelling or 900 square feet, whichever is smaller.

Short-term rental: Shall be the use of a dwelling as defined by G.L. c. 64G, §1

Amendments to 4.2 Table of Allowed Uses

Delete: E.6. and E.7 and Note 12 and Note 13

Use	A	B	C	D1	D2	E	G	LCD
6. Accessory Dwelling Unit (12)	ZBA	ZBA	ZBA	N	N	ZBA	ZBA	N
7. As part of an existing Garage, stable, or other existing structure, family living quarters for an employee of the owner/occupant (13)	ZBA	ZBA	ZBA	ZBA	ZBA	ZBA	ZBA	N

~~**Note 12:** See Section 9.1 for requirements~~

~~**Note 13:** As part of an existing garage, stable or other existing structure approved by special permit of the Zoning Board of Appeals, family living quarters for and to be occupied only by an employee of the owner occupant of the dwelling while such garage, stable or other existing structure, approved by the Zoning Board of Appeals, is an accessory use. Said employee must be employed on the premises.~~

Insert new E.6

Use	A	B	C	D1	D2	E	G	LCD
<u>6. Standard Accessory Dwelling Unit (12)</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>N</u>

Note (12) Standard Accessory Dwelling Unit shall be subject to Section 9.1

Amendment to Section 9.1 Special Housing Provisions

Delete the entire existing Section 9.1

9.1—Special Housing Provisions

9.1.1 Purpose:

This By-Law permits the construction of accessory dwelling units in Single Residence Districts A, B, C, and E in order to meet the following objectives:

- (a) To facilitate the availability of suitable private housing for moderate and lower income, elderly and younger citizens of the Town while preserving the existing character of single family districts.
- (b) To make it financially possible for existing homeowners to stay in their homes.
- (c) To provide security.
- (d) To provide regulations that are enforceable and bring illegal conversions under control.
- (e) To insure that all accessory dwelling units that are created will comply with the building codes and health, safety and fire regulations.
- (f) To allow the best use of older homes by encouraging the preservation of these homes.

9.1.2 Accessory Dwelling Units in Single Residence Districts A, B, C, and E:

9.1.2.1 An owner or owners of a single family dwelling in Single Residence Districts A, B, C, and E may apply to the Board of Appeals for a Special Permit for the construction of one accessory dwelling unit in such single family dwelling.

9.1.2.2 After notice and public hearing the Board of Appeals may grant such a permit provided that:

- (a) Except in Single Residence District E, the lot size shall be two (2) times the minimum lot size as determined by the zoning regulations.
- (b) The single family dwelling shall have existed on the lot as of March 1, 1984.[Amended 1987]
- (c) Off-street parking for at least four (4) vehicles shall be provided in a manner consistent with the character of a single family dwelling.
- (d) Either the accessory dwelling unit or the main dwelling shall be occupied by the owner of the property except for temporary absences of up to one year.
- (e) The construction and occupancy of the accessory dwelling unit will not be detrimental to the neighborhood or injurious to persons or property.
- (f) The accessory dwelling unit is accessory to the principal residence. The floor area of the accessory dwelling unit will not exceed 35% of the floor area of the principal dwelling and the accessory dwelling unit combined.
- (g) No exterior changes shall be made which alter the single family character of the dwelling. Any additions made shall not increase the floor area or volume by more than 10% and shall meet all applicable setback requirements.
- (h) Adequate provisions shall be made for the disposal of sewage, waste and drainage caused by the occupancy of such dwelling unit.

- (i) ~~There is no other accessory dwelling unit in the dwelling.~~
- 9.1.2.3 ~~The Applicant for the special permit shall submit plans showing at a minimum the following items:~~
 - (a) ~~Lot size and location of parking.~~
 - (b) ~~Floor plan showing size and location of accessory dwelling unit with all means of egress, natural and mechanical ventilation, and location of all items required by the building code.~~
 - (c) ~~Elevations of building if exterior changes occur.~~
 - (d) ~~Additional information requested by the Board of Appeals.~~
- 9.1.2.4 ~~The accessory dwelling unit shall not be occupied until a Building Permit and a Certificate of Occupancy are issued by the Building Inspector. [Added 1984; Amended 1987]~~

Insert a new Section 9.1 Accessory Dwelling Unit

9.1.1 Purpose:

This Section regulates the construction of accessory dwelling units in Districts A, B, C, D1, D2, E and G, where applicable, to meet the following objectives:

- (a) To facilitate the availability of suitable private housing for moderate and lower income, elderly and younger citizens of the Town while preserving the character of existing districts.
- (b) To ensure that all accessory dwelling units that are created will comply with the building codes and health, safety and fire regulations.

9.1.2 Standard Accessory Dwelling Units shall comply with the following requirements

9.1.2.1 Submittal and Design Requirements

1. Architectural floor plans shall be submitted for new units
2. Exterior elevations shall be submitted for any application requiring an addition to any building for habitable space, or a new structure.
3. An engineered site plan shall be submitted for any applications requiring an addition to any buildings for habitable space or an accessory structure proposed for a Standard Accessory Dwelling Unit.
4. All Standard Accessory Dwelling Units shall comply with all applicable requirements of this Zoning By-Law including the Manchester-by-the-Sea Floodplain District and Ground and Surface Water Resource Overlay Protection Districts.
5. If located in the Manchester Historic District the Historic District Commission must approve any changes to the exterior of the building.
6. Only one public water and sewer service shall serve a lot on which a Standard Accessory Dwelling Unit is located.
7. All additions to Standard Accessory Dwelling Units shall comply with lot coverage requirements, primary building setbacks and dimensional requirements of Section 5.4 of these zoning by-laws.
8. All additions or structures containing a Standard Accessory Dwelling Units shall be constructed on a permanent foundation and they may not be temporary structures such as camping trailers, recreational vehicles, mobile homes, or other temporary structures.
9. Standard Accessory Dwelling Units shall utilize existing driveway entrances for access.

9.1.2.2 Use Requirements for Standard Accessory Dwelling Units:

1. Short-term rentals as defined in G.L. c. 64G, §1 shall not be permitted in any Standard Accessory Dwelling Unit.
2. Standard Accessory Dwelling Units shall not be leased for a period of less than six months.
3. One off-street parking space is required for Standard Accessory Dwelling Units, beyond one half mile from the Manchester Commuter Rail Station.
4. Only one Standard Accessory Dwelling unit shall be permitted on a lot.
5. Standard Accessory Dwelling Units shall not be separated from the title of the primary unit.

Per petition of the Planning Board
The Finance Committee takes no position
The Select Board recommends approval

ARTICLE 9: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws to define and regulate Large Accessory Dwelling Units by inserting the underlined provisions indicated below and to authorize the Town Clerk to undertake any necessary renumbering; or take any action relative thereto.

AMEND Section 2.0 Definitions:

Insert:

Large Accessory Dwelling Unit: Shall mean a self-contained housing unit, inclusive of sleeping, cooking and sanitary facilities on the same Lot as a Principal Dwelling, subject to otherwise applicable dimensional and parking requirements, that: (a) maintains a separate entrance, either directly from the outside or through an entry hall or corridor shared with the Principal Dwelling sufficient to meet the requirements of the Building Code for safe egress; (b) a unit larger than a Standard Accessory Dwelling Unit but is not larger in Gross Floor Area than ½ the Gross Floor Area of the Principal Dwelling or 1200 square feet, whichever is smaller.

AMEND Section 4.2 Table of Allowed Uses

Insert: New E.7 and footnote 13

Use	A	B	C	D1	D2	E	G	LCD
<u>7. Large Accessory Dwelling Unit (13)</u>	<u>ZBA</u>	<u>ZBA</u>	<u>ZBA</u>	<u>N</u>	<u>N</u>	<u>ZBA</u>	<u>N</u>	<u>N</u>

Note (13): Large Accessory Dwelling Unit shall be Subject to Section 9.1.3

AMEND Section 9.1:

INSERT:

9.1.3 All Large Accessory Dwelling Units shall comply with the following requirements.

9.1.3.1 Submittal and Design Requirements

1. Architectural floor plans shall be submitted for new units.
2. Exterior elevations shall be submitted for any application requiring an addition to any building for habitable space, or a new structure.
3. An engineered site plan shall be submitted for any applications requiring an addition to any buildings for habitable space or an accessory structure proposed for a Large Accessory Dwelling Unit.
4. All Large Accessory Dwelling Units shall comply with all applicable

requirements of this Zoning By-Law including the Manchester-by-the-Sea Floodplain District and Ground and Surface Water Resource Overlay Protection Districts.

5. If located in the Manchester Historic District the Historic District Commission must approve any changes to the exterior of the building.
6. Only one public water and sewer service shall serve a lot, on which a Large Accessory Dwelling Unit is located.
7. All additions to Large Accessory Dwelling Units shall comply with lot coverage requirements, primary building setbacks and dimensional requirements of Section 5.4 of these zoning by-laws.
8. All additions or structures containing a Large Accessory Dwelling Units shall be constructed on a permanent foundation and they may not be temporary structures such as camping trailers, recreational vehicles, mobile homes, or other temporary structures.
9. Large Accessory Dwelling Units shall utilize existing driveway entrances for access.
10. If a Large Accessory Dwelling Units is proposed to be in an accessory structure constructed after April 28, 2025, the structure must comply with primary building setback requirements.
11. Parking for a property proposed for a Large Accessory Dwelling Unit shall comply with Section 6.1 Off-Street Parking.

9.1.3.2 Use Requirements – Large Accessory Dwelling Units

1. Only one Large Accessory Dwelling Unit shall be permitted on a lot.
2. Large Accessory Dwelling Units are only permitted on a lot containing a single-family dwelling.
3. Large Accessory Dwelling Unit are not permitted on a lot on which another Accessory Dwelling Unit already exists.
4. The unit may be within an existing residential structure, attached to, or in a detached accessory structure.
5. Short-term rentals, as defined in G.L. c. 64G, §1, shall not be permitted in any Large Accessory Dwelling Unit.
6. Large Accessory Dwelling Units shall not be leased for a period of less than six months.
7. Large Accessory Dwelling Units shall remain accessory and not be separated from the ownership of the Primary Dwelling.

Per petition of the Planning Board

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 10: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Law relative to the Regulation of Short-Term Rentals by making the changes set forth below or take any other action relative thereto.

AMEND Section 2.0 Definitions:

Insert:

Short-term rental: Shall be the use of a dwelling as defined by G.L. c. 64G, §1

Amendment to 4.2 Table of Allowed Uses:

Insert in E. Accessory Uses:

Use	A	B	C	D1	D2	E	G	LCD
<u>13. Short Term Rentals in Accessory Dwelling Units</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>

Per petition of the Planning Board
The Finance Committee takes no position
The Select Board recommends approval

ARTICLE 11: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws to provide for associate members of the Planning Board as follows; or take any other action relative thereto.

ADD TO: Section 12.4.1 Establishment

The Planning Board shall have two associate members who shall be appointed jointly by the Select Board and the Planning Board. The associate members shall initially be appointed for a one-year and a two-year term. Thereafter each associate member's term shall run for a period of two years. The Chairman of the Planning Board may designate an associate member to sit for the purposes of acting on a Special Permit application before the Board in the case of absence, inability to act, or conflict of interest on the part of any regular member of the Board and/or in the event of a vacancy.

Per petition of the Planning Board
The Finance Committee takes no position
The Select Board recommends approval

ARTICLE 12: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws Section 12.6 relative to Site Plan Review by making the changes set forth below with text to be deleted in strikethrough and new language shown underlined; or take any other action relative thereto.

DELETE Existing Section 12.6.2 Applicability.

~~Each SPGA may conduct site plan review while in the process of conducting the Special Permit review. If a project is a "by right" development, then the Planning Board shall be the entity responsible for conducting the site plan review on that specific project. 1. Any new development, expansion, or change of use other than a single-family or two-family residence which would, under the parking schedule "Off-Street Parking Regulations" of Section 6.1, require five (5) or more parking spaces, regardless of the number of parking spaces preexisting on the premises.~~

ADD Insert New Section 12.6.2 Applicability
Site Plan Review is required for:

1. New construction of a structure to be used for any commercial use;
2. An addition to an existing structure occupied by any commercial use resulting in a floor area of over 400 square feet in the total or a disturbance in lot coverage of over 1,500 square feet;
3. Any new development, expansion, or change of use requiring five or more new parking spaces;
4. A change in use of an existing residential structure to a commercial use or a

- commercial building to a residential use containing three or more units;
5. Construction of any drive-through facility;
6. New multifamily building construction or renovation into three or more units;
7. Any alteration of land greater than 43,560 square feet except for one and two family residential, agricultural, horticultural, floriculture, or viticulture uses.
8. Where otherwise required by this Zoning By-Law.

Exemptions

1. For an addition of less than 1,000 square feet to an existing building, the Planning Board may waive any or all of these requirements.
2. Site Plan Review shall be held concurrently with those uses that require a Special Permit from the Planning Board.

Per petition of the Planning Board

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 13: To see if the Town will vote to amend the Town of Manchester-by-the-Sea Zoning By-Laws by **DELETING** the following Section entitled “Introduction”; or take any action relative thereto.

INTRODUCTION

The Town of Manchester-by-the-Sea voted to amend the Zoning By-Law at the Annual Town Meeting held on May 1, 2 and 3, 1978, adopting a complete Zoning By-Law revision and new codification and organization. The Massachusetts Attorney General approved, with deletions in subsection 7.1.2 and section 7.2, this amended and recodified Zoning By-Law on August 18, 1978. The Zoning By-Law has subsequently been revised often by vote of Town Meeting.

Any editorial, typographical and transcription errors do not invalidate the Zoning By-Law. If errors are found, please report them to the Board of Selectmen’s office.

GENERAL REQUIREMENTS

Chapter 40A of the Massachusetts General Laws as amended by Chapter 808 of the Acts of 1975, “The Zoning Act”, sets forth certain requirements relating to zoning matters. For the convenience of those using the Zoning By-Law of the Town of Manchester-by-the-Sea, a few of these requirements are set forth below. However, nothing herein is intended to alter or vary the requirements of Chapter 40A, “The Zoning Act”, provisions of which shall control in all instances.

1. — A zoning change may be initiated by or submitted to the Board of Selectmen by a Selectman, the Zoning Board of Appeals, individuals owning land to be affected, ten registered voters, the Planning Board or a regional planning agency.
2. — All zoning changes require approval of the Town Meeting by a two-thirds vote.
3. — No proposed zoning by-law or change unfavorably voted upon shall be considered by the Town Meeting within two years unless there is a favorable Planning Board recommendation.
4. — No appeal, application or petition which has been unfavorably acted upon by the Zoning Board of Appeals can be reconsidered within two years without consent of the Planning Board.
5. — Rights acquired under a variance shall lapse if they are not exercised within one year.

6. ~~Decision on an appeal or variance must be made within 100 days of the date of filing. Failure to make a decision within 100 days shall be deemed to be a grant of the appeal or variance.~~
7. ~~Decision on a special permit must be made within 90 days of the public hearing thereon. Failure to make a decision within 90 days shall be deemed to be a grant of the special permit.~~
8. ~~A special permit shall lapse within two years (or such shorter period as is deemed appropriate by the Zoning Board of Appeals or the special permit granting authority) if substantial use thereof has not commenced within such period except for good cause or if construction has not begun except for good cause.~~
9. ~~The Zoning Board of Appeals consists of five members. By reason of Chapter 40A, all decisions must receive four votes.~~
10. ~~The Board of Selectmen consists of five members. By reason of Chapter 40A, all decisions as special permit granting authority require a vote of at least four members.~~

INFORMATION RELATING TO LAWS AND REGULATIONS GOVERNING LAND USE

~~Land use in the Town of Manchester-by-the-Sea is subject to regulation under various Town By-Laws and statutes of the Commonwealth. Included among these are the Zoning By-Law of the Town of Manchester-by-the-Sea adopted pursuant to Chapter 40A of the General Laws as amended by Chapter 808 of the Acts of 1975, "The Zoning Act" of the Commonwealth of Massachusetts, and the following:~~

~~BY-LAWS OF THE TOWN OF MANCHESTER-BY-THE-SEA as amended and set forth as Board of Selectmen's Rules and Regulations. Included are the Earth Removal By-Law (Article XII), the Historic District By-Law (Article XVI), the General Wetlands By-Law (Article XVII), and By-Laws regulating swimming pools, signs and advertising devices, snow guards, road openings, and billboards (Article X).~~

~~TOWN OF MANCHESTER-BY-THE-SEA SUBDIVISION RULES AND REGULATIONS set forth the Planning Board's procedures and standards to be followed in the subdivision of land and the construction of ways pursuant to "The Subdivision Control Law," Chapter 41 of the General Laws.~~

~~STATE BUILDING CODE sets forth the regulations, administered by the Building Inspector, relative to the construction, reconstruction, alteration, repair, demolition, removal, inspection, issuance and revocation of permits or licenses, installation of equipment, classification and definition of buildings and structures and use or occupancy thereof.~~

~~STATE ENVIRONMENTAL CODE - Title 5 as amended sets forth the minimum standards for the protection of public health and the environment when circumstances require the use of individual systems for the disposal of sanitary sewage in areas where municipal sewage systems are not available.~~

~~"MINIMUM REQUIREMENTS FOR THE DISPOSAL OF SANITARY SEWAGE IN UNSEWERED AREAS" sets forth the Board of Health's local rules and regulations pertaining to the construction or installation of on-lot sewage disposal systems in areas not connected to the municipal sewers.~~

~~HISTORIC DISTRICTS sets forth the boundary description of the Historic District and the regulations administered by the Historic Districts Commission pertaining to the preservation and protection of buildings, places and districts of historic significance in such zones through the development and maintenance of appropriate settings. Maps of the District are available in Town Hall.~~

~~STATE WETLANDS PROTECTION ACT is administered by the Manchester Conservation Commission and provides for public review of proposed projects which~~

involve construction or other alterations of land in or near wetlands or land deemed subject to periodic flooding.

Per petition of the Planning Board

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 14: To see if the Town will vote to amend the Town's General Bylaw, Article VIII Water and Sewer Commissioners, Section 4 Water Use Restrictions, by adding the following new definition of "Non-essential Outdoor Water Use" to Section 4.C; or take any other action relative thereto.

Nonessential Outdoor Water Use means a use that is not required:

- (a) for health or safety reasons, including public facilities used for cooling such as splash pads and swimming pools, and for washing of boats, engines, or marine equipment to prevent negative saltwater impacts or the transfer of invasive aquatic species;
- (b) by permit, license, statute or regulation;
- (c) for the production of food, including vegetable gardens, and fiber;
- (d) for the maintenance of livestock;
- (e) to meet the core functions (those functions essential to the commercial operations) of a business, including but not limited to:
 - 1. plant nurseries as necessary to maintain stock;
 - 2. golf courses as necessary to maintain greens and tees, and limited fairway watering per 310 CMR 36.07(2)(c)2.a. through c.;
 - 3. venues used for weddings or similar special events that limit watering to hand-held hose or drip irrigation as necessary to maintain gardens, flowers and ornamental plants;
 - 4. professional washing of exterior building surfaces, parking lots, driveways and/or sidewalks as necessary to apply surface treatments such as paint, preservatives, stucco, pavement, or cement in the course of construction, reconstruction or renovation work;
- (f) for irrigation of public parks before 9:00 A.M. and after 5:00 P.M.;
- (g) for irrigation of public and private recreation fields, including those operated by schools, colleges, universities and athletic associations, before 9:00 A.M. and after 5:00 P.M.;
- (h) for irrigation of publicly-funded shade trees and trees in the public right-of-way; or
- (i) to establish a new lawn as necessary to stabilize soil in response to new construction or following the repair or replacement of a Title 5 system.

Per petition of the Select Board

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 15: To see if the Town will vote to hear and act on the report of the Community Preservation Committee on the Fiscal Year 2026 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 2026; 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 2026 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. Singing Beach Bathhouse Upgrades		
	(Undesignated Fund Balance)	\$ 50,000
3. Lifeguard Chair	(Undesignated Fund Balance)	\$ 4,500
4. Mobility Mat for Singing Beach		
	(Undesignated Fund Balance)	\$ 2,600
5. Manchester Affordable Housing Trust Project Funding		
	(community housing)	\$ 200,000
6. Housing Production Plan Update		
	(Undesignated Fund Balance)	\$ 25,000
7. Cemetery Restoration	(Undesignated Fund Balance)	\$ 35,000
8. Restoration and Preservation of Historic Police Photos		
	(Undesignated Fund Balance)	\$ 5,000
9. Manchester Public Library Windows restoration		
	(Undesignated Fund Balance)	\$ 50,000
10. Rotunda Restoration	(Historic Preservation)	\$ 500,000
TOTAL		\$ 897,100

(*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 16: To see if the Town will vote to raise and appropriate or transfer from available funds \$330,000 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 Select Board

The Finance Committee recommends approval

The Select Board recommends approval

ARTICLE 17: To see if the Town will vote to accept General Laws Chapter 59, Section 5, Clause 22I, the Hero Act for Veterans, which authorizes an annual increase in the amount of the exemption granted under General Laws Chapter 59, Section 5, Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for the previous year as determined by the Commissioner of Revenue, to be effective for the applicable exemptions granted for any fiscal year beginning on or before July 1, 2025; or take any other action related thereto.

Per petition of the Select Board

**The Finance Committee will make their
recommendation at the ATM**

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 2026 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; FY26 spending limit: \$450,000.
2. Program or Purpose: Costs Associated with Town of Manchester Board of Health Emergency Dispensing Sites and Clinics Programs; FY26 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 repeal the Manchester-by-the-Sea's Board of Health's November 1, 2024 'Zero-Nicotine Generation' ban restricting the sale of tobacco products to individuals born on or after January 1, 2004. The ban is scheduled to take effect on April 1, 2025.

Per Citizen petition

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 20: An Act authorizing the town of Manchester-by-the-Sea to adopt a bylaw restricting the use of Second Generation Anticoagulant Rodenticides (SGARs).

SECTION 1. Notwithstanding Chapter 132B of the General Laws or any other general or special law to the contrary, the Town of Manchester-by-the-Sea may, by bylaw, prohibit or restrict the application of seconded generation anticoagulant rodenticides within the Town of Manchester-by-the-Sea, including the application of such pesticides by licensed commercial applicators as defined in 333 C.M.R. 10.00.

Per Citizen petition

The Finance Committee takes no position

The Select Board recommends approval

ARTICLE 21: Petition to request revision of the language of Manchester by the Sea's by-law, section **45D.-Enforcement and Penalties**. First offense changed to \$500 and doubling on each infraction going forward. After 5 infractions a cease and desist order until resolved.

In addition, section **45A-Definitions** – Construction shall mean those activities requiring a building permit, and shall also include any site preparation earthy removal, grading, assembly, erection, substantial repair, alteration or similar action, including demolition, for or of private streets, structures, utilities or similar non-public property. Construction noise shall be that noise generated by manual or mechanical activities associated with construction.

Section B. Exemptions

Noise associated with Emergency Work or Emergency Vehicles is exempt from the provisions of this Bylaw. Emergency Work shall mean any work performed in an effort to protect, provide or restore public safety, or work by private or public utilities when restoring utility service. Emergency Vehicles shall mean any vehicle operated in an effort to protect, provide or restore public safety including, but not limited to, ambulances, police vehicles and fire vehicles.

Per Citizen petition

The Finance Committee takes no position

**The Select Board recommends not approving
(state law limits fines to a maximum of \$300 per incident)**

ARTICLE 22: 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 their recommendation at the ATM

The Select Board will make their 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 27th day of March, 2025.

SELECT BOARD

Ann Harrison, Chair
Catherine Bilotta

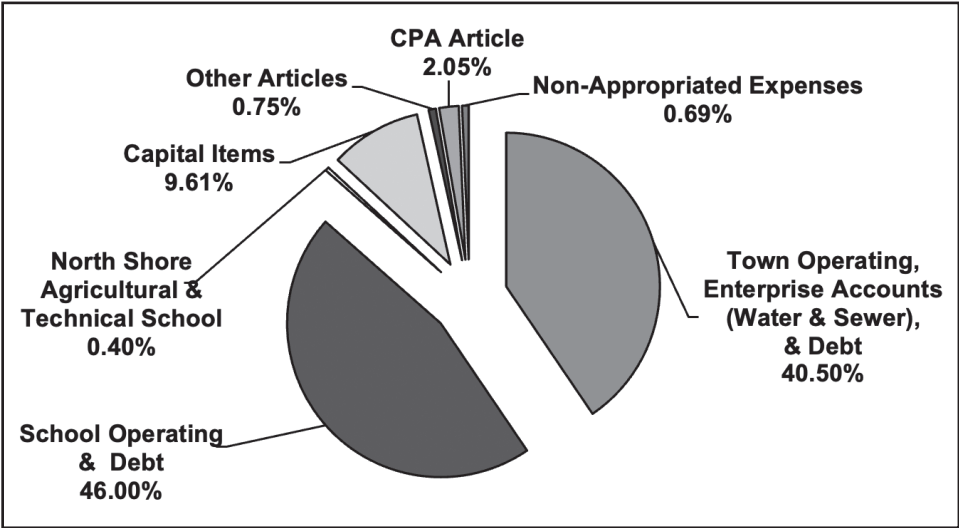
John Round, Vice Chair
Brian Sollosy

Jeffrey Delaney

FY-2026 BUDGET

TOWN OPERATING, ENTERPRISE (WATER & SEWER), & DEBT	\$17,767,173
SCHOOL OPERATING & DEBT	20,175,335
NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL	176,418
CAPITAL ITEMS	4,215,875
OTHER ARTICLES	330,000
CPA ARTICLE	897,100
NON-APPROPRIATED EXPENSES	304,742
TOTAL FY-2026 BUDGET	<u><u>\$43,866,643</u></u>

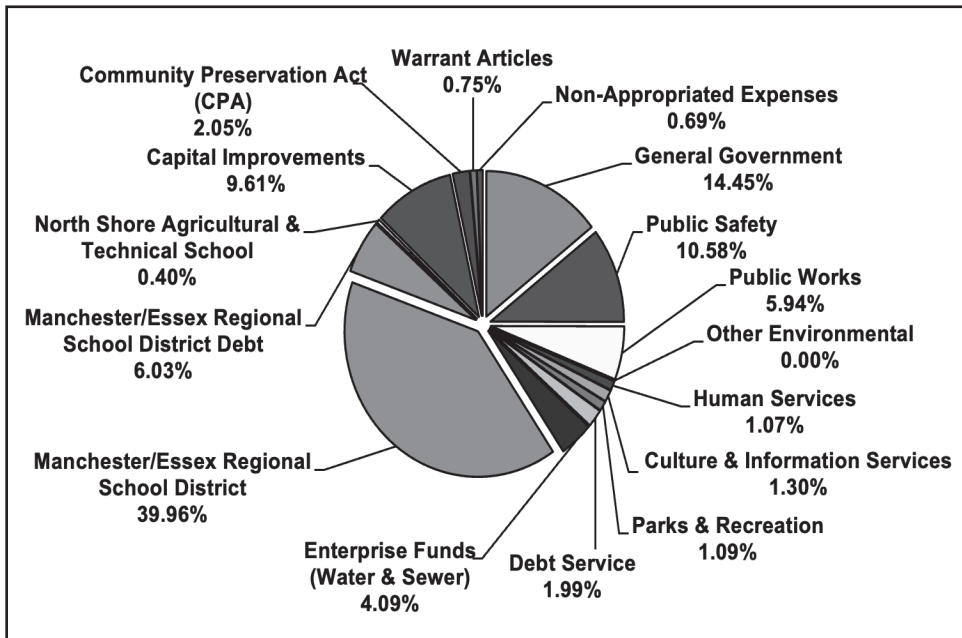
Chart 1
Budgeted Expenses



EXPENDITURES

GENERAL GOVERNMENT	\$6,340,084
PUBLIC SAFETY	4,639,922
PUBLIC WORKS	2,604,907
OTHER ENVIRONMENTAL	-
HUMAN SERVICES	468,165
CULTURE & INFORMATION SERVICES	570,599
PARKS & RECREATION	480,241
DEBT SERVICE	871,133
ENTERPRISE FUNDS (WATER & SEWER)	1,792,122
MANCHESTER/ESSEX REGIONAL SCHOOL DISTRICT	17,529,953
MANCHESTER/ESSEX REGIONAL SCHOOL DISTRICT DEBT	2,645,382
NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL	176,418
CAPITAL IMPROVEMENTS	4,215,875
COMMUNITY PRESERVATION ACT (CPA)	897,100
WARRANT ARTICLES	330,000
NON-APPROPRIATED EXPENSES	304,742
TOTAL EXPENSES	<u>\$43,866,643</u>

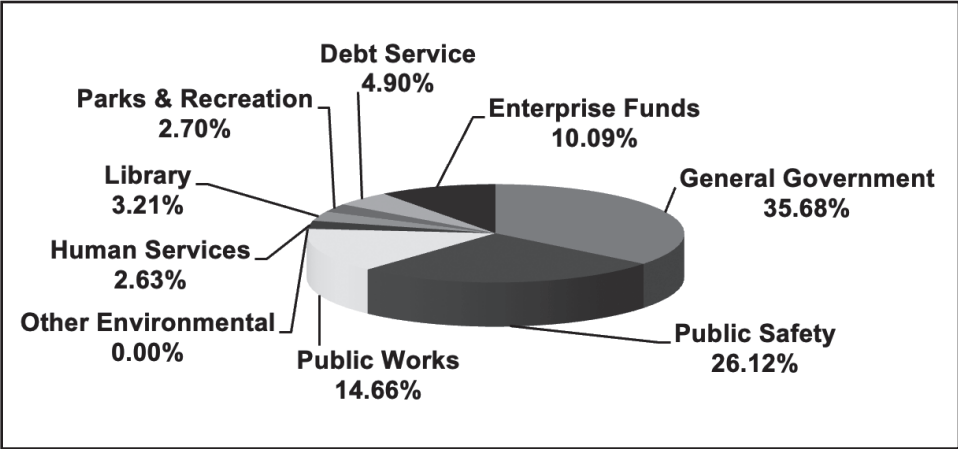
Chart 2
Expenditures



TOWN DEPARTMENT EXPENSES

GENERAL GOVERNMENT	\$6,340,084
PUBLIC SAFETY	4,639,922
PUBLIC WORKS	2,604,907
OTHER ENVIRONMENTAL	-
HUMAN SERVICES	468,165
LIBRARY	570,599
PARKS & RECREATION	480,241
DEBT SERVICE	871,133
ENTERPRISE FUNDS	1,792,122
TOTAL ARTICLE 4	<u><u>\$17,767,173</u></u>

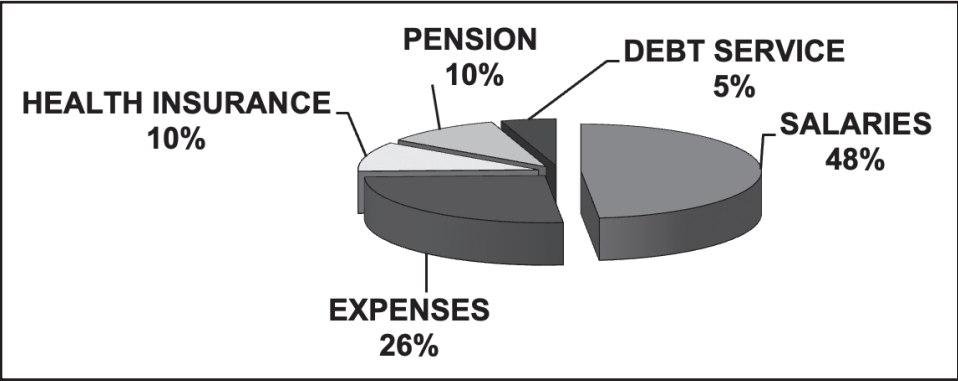
Chart 3
Town Department Expenses



SUMMARY ARTICLE 4

SALARIES	\$8,597,179
EXPENSES	4,642,758
HEALTH INSURANCE	1,803,019
PENSION	1,853,084
DEBT SERVICE	871,133
TOTAL ARTICLE 4	<u>\$17,767,173</u>

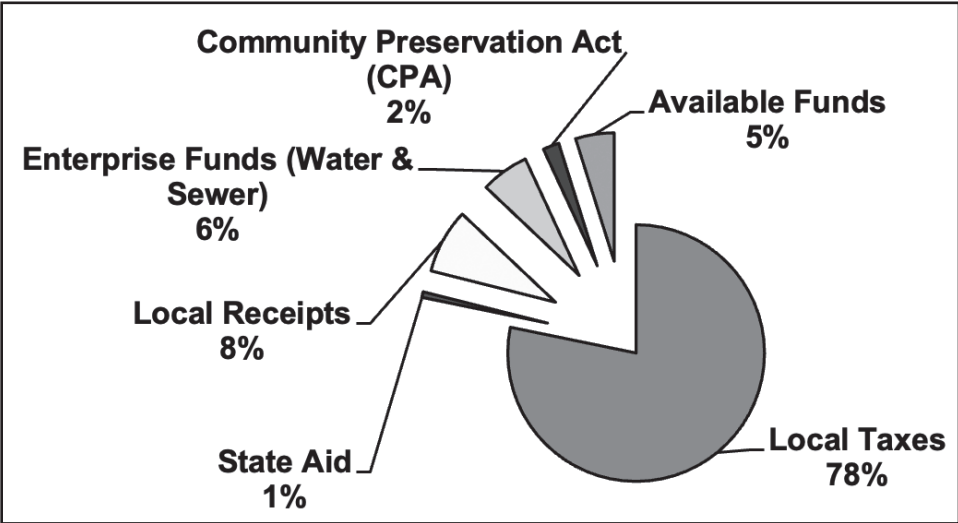
Chart 4
Summary Town Expenses



REVENUES

LOCAL TAXES	\$34,312,424
STATE AID	309,300
LOCAL RECEIPTS	3,566,571
ENTERPRISE FUNDS (WATER & SEWER)	2,654,825
COMMUNITY PRESERVATION ACT (CPA)	897,100
AVAILABLE FUNDS	2,126,423
	<hr/>
	<u>\$43,866,643</u>

Chart 5
Revenue FY-2026

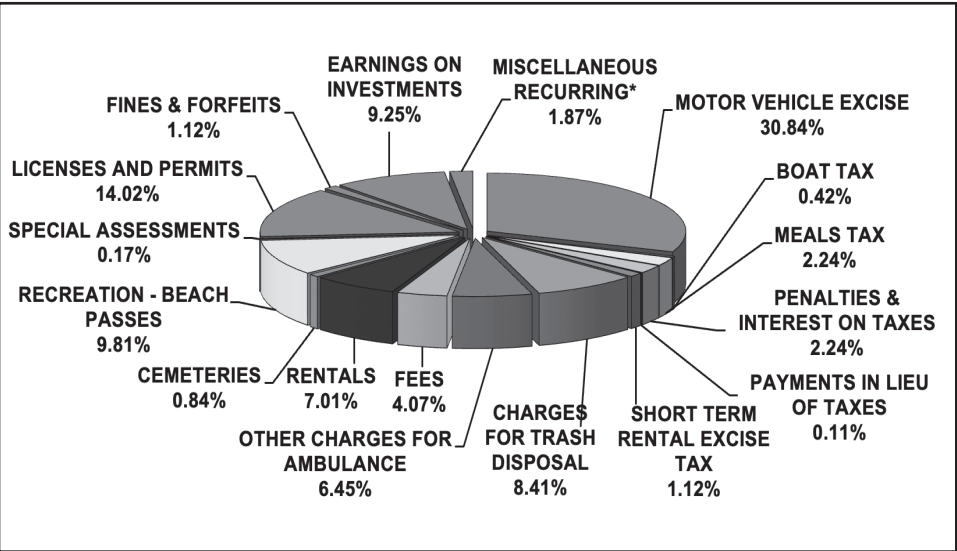


ESTIMATED LOCAL RECEIPTS

MOTOR VEHICLE EXCISE	\$1,100,000
BOAT TAX	15,000
MEALS TAX	80,000
PENALTIES & INTEREST ON TAXES	80,000
PAYMENTS IN LIEU OF TAXES	4,000
SHORT TERM RENTAL EXCISE TAX	40,000
CHARGES FOR TRASH DISPOSAL	300,000
OTHER CHARGES FOR AMBULANCE	230,000
FEES	145,000
RENTALS	250,000
CEMETERIES	30,000
RECREATION - BEACH PASSES	350,000
SPECIAL ASSESSMENTS	6,000
LICENSES AND PERMITS	500,000
FINES & FORFEITS	40,000
EARNINGS ON INVESTMENTS	330,000
MISCELLANEOUS RECURRING*	66,571
TOTAL ESTIMATED LOCAL RECEIPTS	\$3,566,571

*(Affordable Housing Trust and school resource officer reimb)

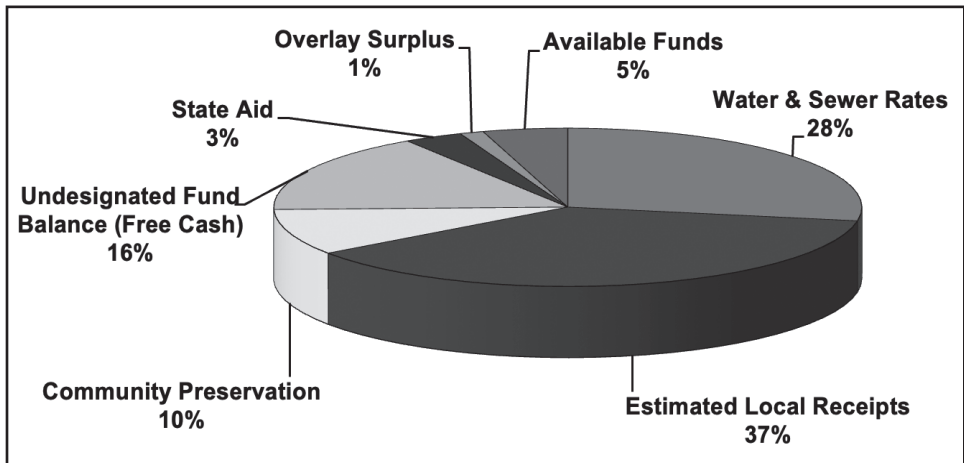
Chart 6
Estimated Receipts



NON-PROPERTY TAX REVENUE

WATER & SEWER RATES	\$2,654,825
ESTIMATED LOCAL RECEIPTS	3,566,571
COMMUNITY PRESERVATION	897,100
UNDESIGNATED FUND BALANCE (FREE CASH)	1,556,000
STATE AID	309,300
OVERLAY SURPLUS	125,000
AVAILABLE FUNDS	445,423
	<u>\$9,554,219</u>

Chart 7
Non-Property Tax Revenue



NON-PROPERTY TAX REVENUE	\$9,554,219
PROPERTY TAX REVENUE	34,312,424
	<u>\$43,866,643</u>

Chart 8
Property Taxes vs. Non-Property Tax Revenue

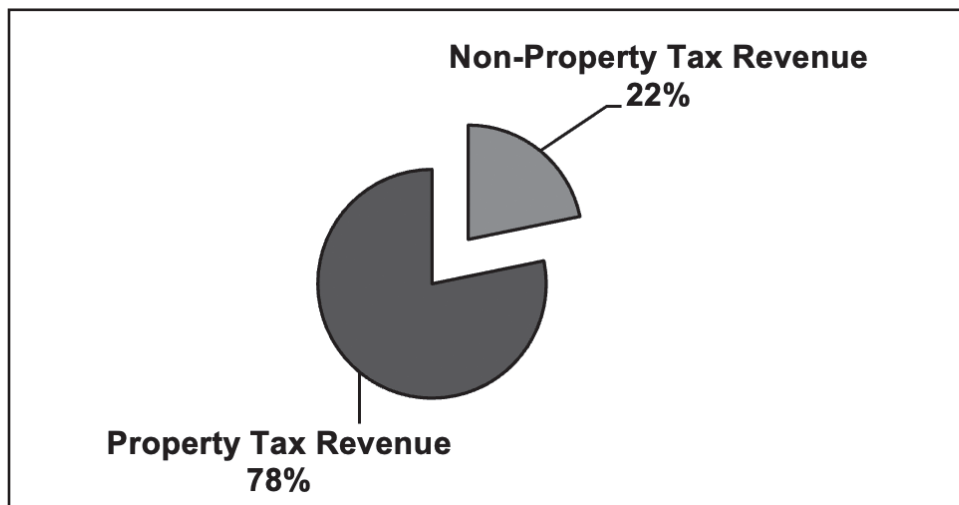


Chart 9
Reserves as a Percentage of Total Operating Budget

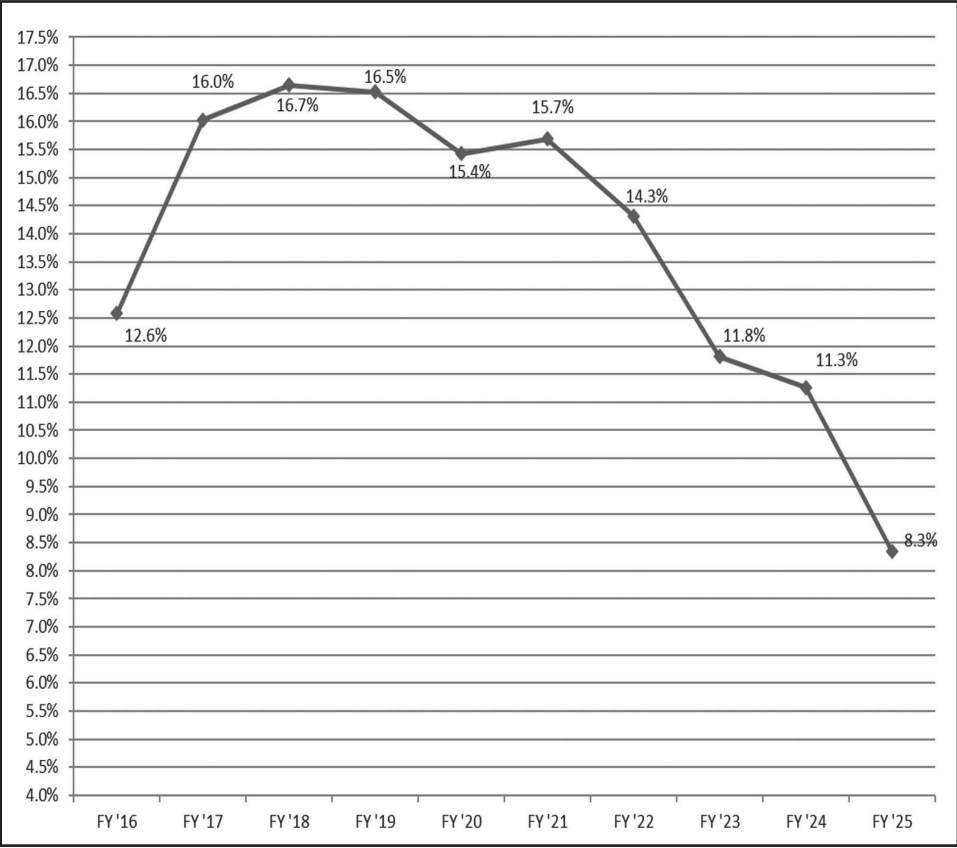
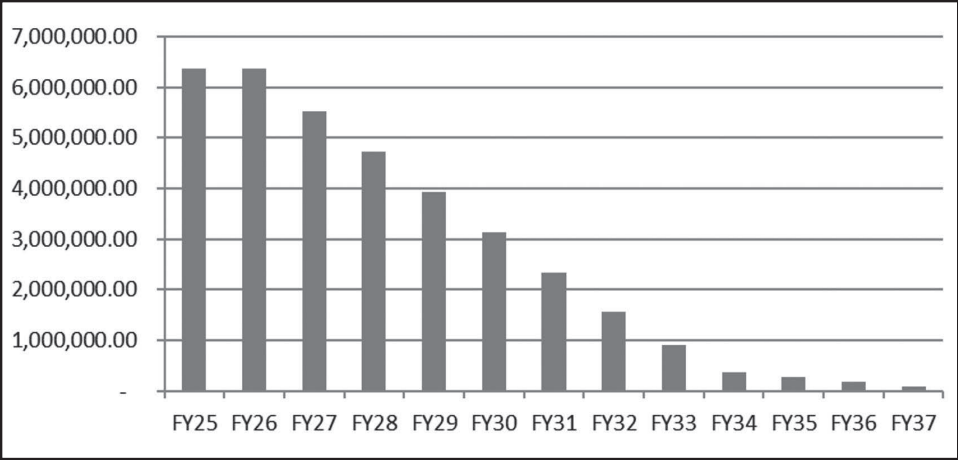
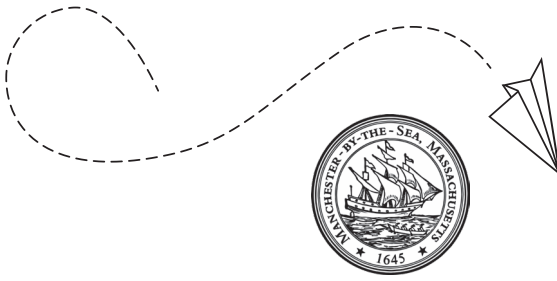


Chart 10
Current MBTS Debt – Total Amount Outstanding





Stay Informed

A Guide to MBTS Communications



MBTS Alerts

A subscription list used to notify residents about time sensitive issues such as: weather emergencies, water main breaks, beach closures, power outages, public health emergencies and more. This alert is also posted to the home page of the website and shared on social media.



The Tide Weekly Newsletter

The Tide is a one-page, weekly news update from the Town sent each Friday via email/text to subscribers. Each issue feature the most current news and important dates of the week. Subscribing to The Tide is a great way to stay informed!



Reverse 911

In critical emergencies, the Town uses a reverse phone call system called **Smart911**. Residents are *not* automatically enrolled so make sure you are subscribed to receive these calls.



Website

The Town website **manchester.ma.us** features current and archived information for each department and committee.



Social Media

Follow daily updates on the Town's social media platforms: Facebook ([@townofMBTSofficial](https://www.facebook.com/townofMBTSofficial)), Instagram ([@townofMBTS](https://www.instagram.com/townofMBTS)), X ([@townofMBTS](https://twitter.com/townofMBTS)), YouTube ([@manchester-by-the-sea](https://www.youtube.com/manchester-by-the-sea))



Click QR Code

Or Visit:

manchester.ma.us/761/Stay-Informed to learn more!

NOTES

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>

NOTES

NOTES

Local Postal Customer



MERSD
information
booklet available
through this QR Code.

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.

