INTRODUCTION

This ***warrant*** will follow generally the same format to which you, residents and taxpayers, have become accustomed. Each ***article*** in the ***warrant*** is enumerated, as required by law. In addition, the ***motion*** which introduces the ***article*** to Town Meeting and cites its funding amount and source, if applicable, is included for your consideration. The ***article's speaker*** and/or ***proponent*** is listed and the recommendations of the Board of Selectmen, Finance Committee, and any other appropriate board or committee is noted on each ***article***. Finally, a brief ***explanation*** of the content of the article is provided.

Again this year, a detailed sub-line item budget is provided in an Appendix at the end of this booklet. Several other Appendices are provided as well. All of our efforts in the past few years have been geared towards the goal of providing a clear, concise ***warrant*** and enough information on each ***article*** so that you may be prepared on the subject matter as you arrive at the meeting.

William G. Hinchey
Town Manager

ANNUAL TOWN MEETING WARRANT – MAY 11, 2009
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Finance Committee Report

In August of 2008, the Finance Committee opened our Fiscal Year 2010 budget process by meeting jointly with the Selectmen, the School Committee, and the Town Administration. From the beginning of the process, it has been our goal to recommend a budget to the Town Meeting that would represent sound fiscal policies not only for FY 10, but also would continue the prudent spending practices the town has come to expect.

On May 11, 2009, Town Meeting Members will be asked to vote on the Chatham Town Budget in a year when fiscal constraints on our citizens are tighter than in any year we've experienced in a long time. The Finance Committee will endeavor to offer recommendations that provide the best possible town services at a reasonable cost.

This year, our Chatham Town Manager and Finance Director have made extraordinary efforts in response to the Selectmen's request to keep Chatham government costs within the limits imposed by Proposition 2 ½. The Finance Committee appreciates this work but voted 3 in favor and 4 opposed to supporting Article 6, in part because of some of the mechanisms used. These mechanisms include the following:

1. **Some "debt drop off" money will go back to the taxpayer this year.**

   The use of debt drop off, together with authorizations for capital and debt exclusions, has in past years been used to finance the Town's ongoing Capital Facilities program. This year "debt drop off" will in part be used for tax relief.

2. **Stabilization Fund balances will be drawn down this year.**

   One capital expenditure which might ordinarily have been funded with a capital exemption is the Warrant Article 11 proposal to purchase four trailers for the Transfer Station at a cost of $280,000. In order to hold down the tax rate, these trailers are being funded instead by a drawdown of the stabilization fund, and by the use of overlay surplus funds – which would otherwise be used to replenish the stabilization fund. The Finance Committee believes this expenditure to be a worthwhile capital investment. However, the funding source is controversial. The use of the Stabilization Fund for small capital expenditures is considered appropriate in order to avoid borrowing costs, but this particular expenditure is not small. Additionally, Warrant Article 12 calling for the transfer of $49,572 in Stabilization Funds to cover the purchase of a beach cleaning machine, a smaller capital item, was viewed favorably by Finance Committee, but, as with the trailers, the use of the Stabilization fund to finance it was controversial.

   In addition to these investments, it is proposed that $275,000 in Stabilization funds be used to cover certain Public Safety, School, and Library expenses. It is normal policy, and we believe good practice, to avoid the use of the Stabilization Fund for recurring expenses. But it is not always clear whether all or part of an expense item is truly "one time", and non-recurring. That is true of some of the proposed uses of Stabilization Fund balances in fiscal year 2010. An amount of $50,000 in our Public Safety departments is earmarked to cover overtime for injured personnel, a problem that could recur, but should not be expected.

An amount of $70,000 is designated to offset decreased investment income from the Library Endowment. One cannot know how long that shortfall will persist, but if the Stabilization Fund is thought of as a "Rainy Day" Fund, it truly has rained on investment portfolios.
It is also proposed that $35,000 be allocated to cover capital costs associated with the Lighthouse Beach Patrol.

Finally, $120,000 is proposed to cover a onetime unavailability of School "Circuit Breaker" funds related to Special Education expenses. It is expected that these funds will again be available in fiscal year 2011.

There was a lack of consensus within the Finance Committee concerning the use of Stabilization Funds for these purposes.

3. **Departmental reorganizations, staff reductions, and hiring freezes have contributed cost savings.**

   Town staff FTE (full time equivalent) reductions of approximately 5% and School personnel reductions of about 4% will occur as a result departmental reorganizations, and shifting responsibilities within departments. A number of vacant positions will also go unfilled for the upcoming fiscal year.

This year, governments at all levels are facing significant near and long-term revenue challenges. We see major efforts to levy increased taxes and fees on private citizens and businesses who at the same time are experiencing increases in insurance, reduced income and property values and the fear of unemployment.

In Chatham, we must come to grips with what has been a rapid recent five-year growth rate of expenses and personnel numbers that the Finance Committee believes is unsustainable in a national economy that is in a downward spiral. In the FY10 budget, significant expense growth for the School Department was absorbed by reductions in other Town departments. As it is unlikely that this can be repeated in FY11, the Finance Committee recommends early intensive review of options that can provide high value education with modest future cost increases.

The Town's overall financial situation is sound and can be summarized as follows:
Free Cash: $1,606,285. Free Cash consists of funds remaining from operations of the previous fiscal year available for appropriation. The FY10 capital budget as presented uses Free Cash to fund our 5 Year Capital Plan for items such as Town property and building maintenance, vehicle replacement, road resurfacing and dredging programs. The Finance Committee is concerned that the weak economic environment may cause FY 10 Free Cash generation to fall below the level needed to sustain an ongoing 5 year Capital Plan.

Stabilization Fund: $2,194,419. The Stabilization Fund is funded by authorized but unexpended funds like the Overlay Surplus Fund as well as direct appropriation. The Overlay Fund is used for tax abatements. Our Town policy is to maintain a balance of at least $1.5 million in the fund for emergency situations. It is a rainy day fund. Some members of the Finance Committee are concerned that the draw down of Stabilization in FY10 will diminish our ability to cushion budget pressures in FY11 and beyond.

Existing Debt: The town carries $52,874,235 in total debt, including principal and interest.

Debt authorized but not issued is $21,547,051. This includes the PD/Annex. The town meeting will vote on whether to authorize approximately $59,508,000 in debt for the Waste Water Treatment Facility and Sewer Extension and other environmental projects.

Debt Service in the FY 10 Operating Budget is $6,527,880. Debt service represents approximately18% of the Operating Budget.

As we did last year, the Finance Committee would caution that the current increasing level of cost of employee benefits could be a runaway train unless we address a change in the kind of health insurance products offered.

The Finance Committee recommends prudence at the bargaining table for future salary increases as well as benefits. We are a town with a close bond between the taxpayers and the town employees. We recommend that the Town stabilize salary and benefits rather than have to lay off employees.

The Finance Committee recommends that we take a careful look at regional resources for certain services such as emergency dispatch and inter-municipal cooperation in areas such as long term educational planning.

During our budget deliberations, the members of the Finance Committee gain a better understanding and appreciation for the work of each Town department. We value the contribution they make to make Chatham what it is.

Finally, the Committee wants to especially thank Chatham's Town Manager, William Hinchey, and Director of Finance, Jennifer Petit, and our Committee Secretary, Amanda Love Monahan, for their professionalism and their assistance.

Resolution: Resolved that the Town vote to adopt the following rules of procedure for the Annual Town Meeting of May 11, 2009.

A) The Moderator shall have the option of reading each Article in the Warrant verbatim or summarizing the subject matter therein in general terms, at his discretion.

B) Upon an Article having been disposed of by vote, the Moderator shall entertain a motion to reconsider said Article or to accept a Resolution pertaining to said Article only during the same session during which said vote was acted upon.

C) A motion to move the previous question shall require a two-thirds vote and may not be debated.

D) The Moderator shall not accept a motion to move the previous question by any person discussing the Article until after an intervening speaker has discussed the Article.

E) A non-voter may request the privilege of addressing the meeting on a motion made under any Article or Resolution offered, the request to be granted by the Moderator unless there is an objection by a voter. Upon objection, the Moderator shall poll the meeting by voice or count, at his discretion, and a majority vote in favor shall entitle said non-voter to address the meeting. However, the Moderator may grant the privilege of the floor to any non-resident Town Department Head without necessity of a vote.

F) The Moderator shall not entertain the question of the presence of a quorum at any point at which a motion to move the previous question has already been voted.

G) Speakers addressing the meeting shall be limited to five (5) minutes within which to present their remarks. The Moderator will not recognize anyone who has previously spoken on the Article until all persons wishing to address the meeting have had an opportunity to speak. The Moderator may exercise reasonable discretion in enforcement of this rule.

The foregoing rules are not intended to alter or change the traditional conduct of the Town Meetings in Chatham except as specifically stated above.

COMMONWEALTH OF MASSACHUSETTS

TOWN OF CHATHAM
ANNUAL TOWN MEETING WARRANT
MONDAY, MAY 11, 2009
6:00 P.M.

THE COMMONWEALTH OF MASSACHUSETTS

Barnstable, ss.

GREETINGS:

To any of the Constables of the Town of Chatham in the County of Barnstable.

IN THE NAME OF THE COMMONWEALTH OF MASSACHUSETTS, you are hereby directed to NOTIFY and WARN the INHABITANTS OF THE TOWN OF CHATHAM qualified to vote in elections and Town affairs, to meet in the gymnasium of the Chatham High School on Crowell Road in said Chatham on the 11th day of May at 6:00 o'clock in the evening, then and there to act on any business that may legally come before said meeting, and to meet again in the Community Center on Thursday, the 14th day of May, 2009 to elect the necessary Town Officers as contained in the Warrant.

Polls for the election of Officers will open at 7:00 a.m. and will close at 8:00 p.m.

BALLOT QUESTION

Article 14 – Debt Exclusion Wastewater Ballot Question

Shall the Town of Chatham be allowed to exempt from the limitations of Proposition 2 ½, so-called, the amounts required to pay for the bonds issued for the purpose of paying costs of (i) designing, remodeling, constructing, reconstructing, expanding and equipping the Wastewater Treatment Facility and (ii) designing and constructing various projects involving wastewater collection facilities, including facilities for surface water nutrient management, and for the payment of all other costs incidental and related thereto?

Article 1 – Annual Town Election

To bring in their votes on one ballot to elect the following Town Officers:

Moderator for a three (3) year term
Two Selectmen for three (3) year terms
One Housing Authority member for a five (5) year term
One Housing Authority member for a one (1) year term
One School Committee member for a three (3) year term

Motion: None

Article 2 – Accept Annual Reports

To hear the reports of various Town Officers and Committees and see what action the Town will take relative to the appointment of officers not chosen by ballot, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Ronald Bergstrom, Vice-Chairman, Board of Selectmen
I move that the Town Moderator and Board of Selectmen be authorized to appoint the necessary Town officers whose appointments are not otherwise provided for and that the Town hear and accept the reports of various Town officers and committees as they appear in the Town Report.

Speaker: William G. Litchfield, Moderator

Explanation: *The purpose of this Article is to enable a Town officer or committee member to address the Town Meeting, particularly if said officer or committee was not able or did not choose to submit a Town Report.*

Article 3 – Fix Salaries – Elected Officials

To fix the salaries of the elected Town officers for the fiscal year beginning July 1, 2009, or take any other action in relation thereto.

Officer	Appropriation FY09	Request FY10
Moderator	$ 600	$ 600
Selectmen – Each	2,000	2,000
Chairman – Extra	500	500

(Board of Selectmen)

Motion: By Sean Summers, Chairman, Board of Selectmen
I move that the Town vote to fix the salaries of the elected Town officers in accordance with the positions and amounts in this Article.

Speaker: William G. Hinchey, Town Manager

Explanation: *In accordance with Massachusetts General Law, Chapter 41, Section 108, salaries and compensation of elected officers must be fixed annually by vote of the Town at an Annual Town Meeting. This Article fixes, but does not appropriate these salaries. Actual appropriation of funds for these salaries occurs under Article 6 – Town Operating Budget.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 4 – Consolidated Revolving Funds

To see if the Town will vote pursuant to the authority granted under Massachusetts General Law Chapter 44, Section 53E1/2, to establish or reestablish the following Revolving Funds for the purpose of receiving revenues and making disbursements in connection with the following authorized Town activities, or take any other action in relation thereto.

A) Airport Revolving Fund

All monies received by the Airport Commission from the operation of the Chatham Municipal Airport shall be credited to this fund. The Airport Commission shall be authorized to expend from this fund, without further appropriation, to defray the expenses of the Chatham Municipal Airport operated by the Commission. No more than $85,000 shall be expended from this fund during fiscal year 2010.

B) Bassett House Revolving Fund

All monies received by the Town from the operation of the lease of the Bassett House shall be credited to this fund. The Town Manager shall be authorized to expend from this fund, without further appropriation, to defray the maintenance expenses of the House operated by the Chamber of Commerce. No more than $8,000 shall be expended from this fund during fiscal year 2010.

C) Inspectional Services Revolving Fund

10% of all monies received by the Town from the issuance of all inspection permits shall be credited to this fund. The Community Development Department, with the approval of the Town Manager, shall be authorized to expend from this fund, without further appropriation to defray the expenses of consulting services associated with the approval of inspectional permits. No more than $40,000 shall be expended from this fund during fiscal year 2010.

D) Recycling Revolving Fund

All monies received by the Department of Health and Environment from the sale of recycling bins, compost bins, rain barrels, kitchen scrap buckets, water saving devices, recycling bags/totes, and other items particular to recycling conservation, shall be credited to this fund. The Department of Health and Environment, with the approval of the Town Manager, shall be authorized to expend from this fund, without further appropriation, to defray the expense of purchasing additional recycling containers and items particular to recycling and conservation, including advertising the availability of such items. No more than $2,500 shall be expended from this fund during fiscal year 2010.

(Board of Selectmen)

Motion: By Ronald Bergstrom, Vice-Chairman, Board of Selectmen
I move that the Town authorize and approve the Airport Revolving Fund, Bassett House Revolving Fund, Inspectional Services Revolving Fund and the Recycling Revolving Fund for the purposes and in the amounts listed in Article 4 of the Warrant.

Speaker: Jennifer Petit, Finance Director

Explanation: *The purpose of these revolving funds is to segregate the revenues generated by each of these operations and to restrict the use of those revenues to the purpose for which they are collected. As required by State statute, the following is an accounting of these funds for the last eighteen months:*

	Balance	***Receipts***	***Expenditures***	***Balance***
Airport Revolving Fund				
FY08	*$ 372.39*	*$34,456.40*	*$28,767.32*	*$6,061.47*
FY09	*$6,061.47*	*$12,937.50*	*$11,871.33*	*$7,127.64*
				(Thru 12/31/08)
Bassett House Revolving Fund				
FY08	*$ 9,233.75*	*$3,000.00*	*$ 870.70*	*$11,363.05*
FY09	*$11,363.05*	*$1,750.00*	*$ 727.16*	*$12,385.89*
				(Thru 12/31/08)

Inspectional Services Revolving Fund

FY08	*$23,569.13*	*$47,119.92*	*$15,571.82*	*$55,117.23*
FY09	*$55,117.23*	*$19,961.01*	*$ 4,626.90*	*$70,451.34*

(Thru 12/31/08)

Recycling Revolving Fund

FY09	*0*	*$ 801.95*	*0*	*$ 801.95*

(Thru 12/31/08)

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 5 – Wood Waste Reclamation Facility Enterprise Fund

To see if the Town will vote to raise and appropriate and/or transfer from available funds, a sum of money to operate the Wood Waste Reclamation Facility Enterprise Fund, or take any other action in relation thereto.

Lease Revenue	$25,000
Operating Expenses	$25,000

(Board of Selectmen)

Motion: By Leonard Sussman, Clerk, Board of Selectmen
I move that the Town vote to appropriate $25,000 to operate the Wood Waste Reclamation Facility Enterprise Fund, and to meet said appropriation the Town raise $25,000 through lease revenue.

Speaker: Jennifer Petit, Finance Director

Explanation: *Town Meeting voted to adopt Chapter 44 Section 53F1/2 of the Massachusetts General Laws establishing an Enterprise Fund. An enterprise fund establishes a separate accounting and financial reporting system to support a specific business activity, in this case the Wood Waste Reclamation Facility. One of the requirements of an enterprise fund is that a budget has to be adopted at Town Meeting every year. The Wood Waste Facility is leased out with annual revenue at approximately $25,000 per year. The revenue will be used to support groundwater monitoring and other costs associated with the operation of the facility.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 6 – Town Operating Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds, such sums of money as it determines necessary for Town expenses and charges, including without limitation of the foregoing, debt and interest, wages, salaries and expenses for operation of the Town's departments and offices, all for the fiscal year beginning July 1, 2009 and ending June 30, 2010 inclusive, or take any other action in relation thereto.

(Board of Selectmen)

Budget Overview

Description	08 Actual	09 Approp	10 Dept Req	Proposed Budget FY10	%
Expenses					
Operating Budgets					
General Government	$1,835,116	$1,950,882	$1,904,706	$1,904,706	- 2.37%
Public Safety	5,304,333	4,909,894	4,918,707	4,918,707	0.18%
Community Development	752,976	805,110	752,600	752,600	-6.52%
Health & Environment	820,558	844,953	828,510	828,510	-1.95%
Public Works & Facilities	3,704,483	3,865,631	3,907,212	3,907,212	1.08%
Community & Social Services	915,701	952,408	941,265	941,265	-1.17%
Education	9,002,755	9,126,983	9,765,207	9,765,207	6.99%
Employee Benefits	3,014,185	3,492,885	3,624,041	3,624,041	3.75%
Undistributed Ins. & Reserve Fund	348,560	333,902	351,097	351,097	5.15%
Debt Service	5,094,473	5,374,619	5,363,490	5,363,490	-0.21%
Operating Budget Total	$30,793,139	$31,657,267	$32,356,835	$32,356,835	2.21%

Motion: By David R. Whitcomb, Board of Selectmen
I move that the Town vote to appropriate the sum of $32,356,835 to fund the Operating Budget for the Town for the fiscal year beginning July 1, 2009 for the purposes and amounts designated in the column titled "Proposed Budget FY 10" of Article 6 of the Warrant and to meet said appropriation, the Town raise $30,780,167 through the tax rate and transfer $220,000 from the Waterways Improvement Fund, $314,625 from the Community Preservation Fund, $922,380 from the Land Bank Fund, $25,000 from the Shellfish Revolving acct, $71,663 from Free Cash, $10,000 from Wetlands Protection Fund, $10,000 from Cemetery Perpetual Care Fund, and $3,000 from the Railroad Museum Fund.

Speaker: William G. Hinchey, Town Manager

Explanation: *(For a complete, detailed explanation of this operating budget you may refer to the Town Manager's FY10 Fiscal Summary shown as Appendix B.)*
Formulating the FY10 operating budget was a particularly difficult challenge. The Town of Chatham has developed very specific fiscal policies during the past decade which have enabled our community to keep our tax rate relatively low and yet still be able to provide quality municipal services and replace the Town's aging infrastructure. These fiscal policies enabled municipal service growth during good economic times, but also plan for bad states of the economy as well.

Without question, the economic downturn has hit our community as it has our national economy. Therefore, it was even more important this year than ever before to formulate a budget which effects our local taxpayers who can least afford it as minimally as possible, yet still provide the municipal services upon which they depend.

The Town Manager's FY10 Fiscal Summary shown as an appendix at the end of this warrant describes in greater detail not only the services which the operating budget provides, but also the painstaking process of planning and review that was undertaken this year in our effort to provide a frugal, yet responsible operating budget. When the budget was proposed to the Board of Selectmen in January, the result of drawing upon our conservative financial policies had reduced a projected $1.7M operating budget deficit to a $558,000 deficit which would be funded in the form of an override. However, the utilization of the Town's debt service reserve was drawn upon to entirely offset the fiscal impact of such an override, if passed. This fiscally conservative tact would have maintained the tax impact of the operating budget to within that allowed by the limits of Proposition 2 ½.

Nevertheless, the Board of Selectmen demanded that the operating budget be even further reduced. As a result, in conjunction with the School Committee, the operating budget was further offset or reduced by an additional amount in excess of $450,000. This budget adjustment now eliminates the need for an override vote and incorporates less than $100,000 of excess levy capacity from previous years in order to be balanced.

All of the fiscal elements in the Annual Town Meeting Warrant, not simply the operating budget, must be considered when calculating the fiscal impact on the tax levy and rate. Therefore, when you look at the summary operating budget shown above, it can readily be seen how the budget has been balanced. The general government's line items have collectively been reduced by the elimination of nine full-time equivalent positions and show reductions from previous year's funding levels. Only the employee benefit line item and the School Department line items show any significant increase. The net increase in the operating budget total is just slightly in excess of 2%. However, since the balance of the warrant enables the Town to continue to take advantage of declining debt expenditures, the impact of the total operating budget on the taxpayers of Chatham is less than 1%.

The impact of the passage of all of the fiscal elements in this warrant including the operating budget on the average taxpayer in Chatham with a home valued at $600,000 would be an additional $9.60/year, or 80 cents per month. This economy will be achieved with staff reductions which should not noticeably reduce municipal services to the citizens of Chatham.

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Disapprove 5-4-0

Article 7 – Cost of Living Adjustment (COLA)

To see if the Town will vote to raise and appropriate and/or transfer from available funds such sums of money as are necessary to implement salary and wage adjustments in the Town's Personnel Policies-Classification and Compensation Schedule and to provide funding for other salary compensation not a part of the Classification Schedule including Police and Fire Union employees, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Florence Seldin, Board of Selectmen
I move that the Town vote to raise and appropriate $200,000 to implement salary wage adjustments in the Town's Personnel Policies-Classification and Compensation Schedules, and other salary compensation not a part of the Classification Schedule, including Police and Fire Union Employees.

Speaker: Jennifer Petit, Finance Director

Explanation: *Cost of living wage adjustments for both union and non-union employees, except School Department employees, is funded in a warrant article separate from the operating budget. This is a long-standing practice of the Town in order to highlight pay raises for employees. School Department pay increases are contained within the School budget. Cost of living adjustments are given annually in accordance with the annual increase in the consumer price index. A 2% cost of living increase has been placed in this budget warrant article for non-union employees. Fire Department union employees have been funded for a 3% cost of living increase for the second year of a three year contract.*

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 7-0-0

Article 8 – Stabilization Fund – Budget Supplemental

To see if the Town will vote to transfer from available funds, a sum of money to fund Police and Fire Overtime, Library Operating Budget, the Chatham Public Schools Operating Budget and capital costs associated with the Lighthouse Beach patrol, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Florence Seldin, Board of Selectmen
I move that the Town vote to transfer the sum of $275,000 from the stabilization account in order to fund Police and Fire Overtime, Library Operating Budget, Chatham Public Schools Operating Budget and capital equipment for Lighthouse Beach.

Speaker: William G. Hinchey, Town Manager

Explanation: *During the past decade the Town has accumulated a balance of more than $2M in its stabilization fund. This fund is a reserve fund, or a rainy day fund, and is set aside in order to be available for emergency expenditures. In the case of an unforeseen expenditure a community with a Stabilization Fund balance may use the available fund balance rather than spiking its property tax rate. The tax rate may be therefore "stabilized". Bond rating agencies rate municipalities more highly if they maintain a healthy reserve balance in this and other reserve accounts. The Town has set an arbitrary goal of $1.5M for this account. This goal has been achieved, primarily by appropriating the overlay reserve balance each year. The overlay reserve, funds remaining after all tax abatements have been paid, will continue to be available to replenish and add to the Town's Stabilization Fund.*

In addition to the use of the Stabilization Fund balance for emergency expenditures, it may be used for small capital expenditures in order to avoid borrowing costs. A municipality needs to be extremely cautious about using a stabilization fund balance, or any reserve balance for a recurring expense, since such a practice would eventually deplete a reserve balance resulting in a non-funded recurring obligation or deficit.

FY10 was a particularly challenging year in which to balance the Town's budget. Review of certain departmental requests revealed that certain budgetary increases requested would be short term and not perpetually recurring. Increased expenditure in both the Police Department and Fire Department overtime accounts were due not simply to increased service demands, but due to injured on leave status of several officers or 111F payment obligations. These payments will continue into FY10, but will thereafter diminish. A similar situation has presented itself regarding funding for the Library. The Town funds a significant portion of the costs associated with Library services. However, the balance of the Library budget is funded by the interest generated from an endowment fund. Our national economic decline has reduced this endowment's fund balance and, as a result, the interest, if any, which will be generated and available to fund the Library's FY10 budget.

Both the increased need for funding in the Town's public safety overtime budgets and the Library budget could be addressed by increasing the Town's tax levy. In FY10 such an increase in the levy would need to be added to a proposed override. However, it is the Town's expectation that all of these budget requests will be non-recurring. Injured officers will either retire or return to duty and the economy will improve and interest once again will be generated and available to subsidize the Library budget. If the tax levy is increased and the budgetary obligations disappear, then the excess tax levy could be absorbed by routine future budget requests.

What is proposed for FY10 is an appropriation of approximately $120K for those various purposes from the Stabilization Fund. This appropriation will "stabilize" the budget until either the expenses are eliminated for the Police and Fire Departments or the revenue flow is re-established for the Library. Since the Town has a recurring revenue source for its Stabilization Fund, the inherent risk in this funding approach is minimized. If more than one budget cycle is required to reverse these budgetary needs, then the Reserve Fund has a sufficient balance not to be depleted dramatically; if the budgetary needs reverse themselves within the upcoming budget cycle, then the appropriated funds will not be used and will return to the Stabilization Fund.

In addition, upon further budgetary review, it has become apparent that the override implications of the School funding deficit may be reduced using the same concept described above. Circuit Breaker funds are received each year by the Schools and are used to supplement budget funding much like Chapter 70 funding. No balance remains available to help fund the FY10 operating budget. However, additional Circuit Breaker funds will be received in FY10 which will be able to be applied against the FY11 budget. Therefore, stabilization funds may be applied against the FY10 budget and won't be necessary in FY11. This will reduce the need of an override by $120,000. Finally, the first year capital costs associated with the Lighthouse Beach patrol have been added to this article.

Stabilization funds proposed to be used in this article are as follows:

1)	*Police Department*	*$ 10,000*
2)	*Fire Department -*	*$ 40,000*
3)	*Library -*	*$ 70,000*
4)	*School – Circuit Breaker*	*$120,000*
5)	*Lighthouse Beach Capital*	*$ 35,000*
	Total:	*$275,000*

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 9-0-0

Article 9 – Water Department Operating Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds, such sums of money as it determines necessary for expenses and charges, including without limitation of the foregoing, debt and interest, wages, salaries and expenses for operation of the Town Water Department for the fiscal year beginning July 1, 2009 and ending June 30, 2010 inclusive, or take any other action in relation thereto.

(Water and Sewer Commissioners)

Budget Overview

Description	08Actual	09Approp	10 Dept Req	Proposed Water Budget FY 10
WATER FUND				
Water Costs				
Operating				
Salaries	149,478	194,891	187,885	187,885
Expenses	961,553	1,000,592	1,080,800	1,080,800
Sub-total Operating	1,111,031	1,195,483	1,268,685	1,268,685
Debt				
Principal	819,644	854,701	800,552	800,552
Interest – Long-term	298,925	268,886	263,840	263,840
Interest – Short-term	30,000	150,000	100,000	100,000
Subtotal Debt	1,148,569	1,273,587	1,164,392	1,164,392
Total Water Direct Costs	2,259,600	2,469,070	2,433,077	2,433,077
Overhead – Indirect Costs	139,806	210,799	210,468	210,468
Overhead – GF Loan Repayment	64,150	0	0	0
Overhead – Rate payback for Bett	157,101	144,906	138,751	138,751
Subtotal Overhead	361,057	355,705	349,219	349,219
Water Operating Budget	2,620,657	2,824,775	2,782,296	2,782,296

Motion: By Ronald Bergstrom, Vice-Chairman, Board of Selectmen
I move that the Town vote to appropriate $2,433,077 for direct costs, and further that an additional $349,219 be transferred to the General Fund to be applied to overhead and indirect costs associated with the Water Department Operating Budget of the Town for the fiscal year beginning July 1, 2009, for the purposes and in the amounts designated in the column titled "Proposed Water Budget FY 10" of Article 9 of the Warrant and to meet said appropriation, the Town raise $2,382,296, through water receipts and raise $400,000 through the tax rate.

Speaker: William G. Redfield, Director, Water & Sewer Department

Explanation: *The FY10 Water Department budget is directed towards continuing to improve the quality of water provided; customer relations; and providing a high level of reliability to the water supplies and distribution system to ensure the Town has safe drinking water and the required flows for fire fighting.*

The Water Department is planning to continue to improve on its services by performing the following projects:

- *Dissemination of information on the Department's water quality and services by preparing and mailing the "Chatham Water Department 2009 Water Quality Report" and the "Chatham Water News" to all water customers;*
- *Perform a valve exercising program with the spring water system disinfection and flushing program;*
- *Maintain all public fire hydrants and perform fire flow tests;*
- *Optimizing the corrosion control system to ensure the water system continues to meet lead and copper regulations;*
- *Cleaning, painting, and keeping organized all well pumping stations;*
- *Update water main and service records;*
- *Maintain and replace water meters; and*
- *Optimize the accuracy of all existing and new accounts on the Town's centralized computer system.*

All the above will be performed by funding the Water Department's budget line items based on FY 2008 actual expenses for operating the water system.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 6-1-0

Article 10 – Five Year Capital Authorization

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, a sum or sums of money, to be expended for capital projects, equipment and expenses, or take any other action in relation thereto.

(Board of Selectmen)

Capital Budget Overview

Description	FY 09 Actual	FY 10 Request	FY 10 Proposed
CAPITAL PROGRAM & BUDGET SUMMARY			
	CAPITAL BUDGET		**CAPITAL BUDGET**
General Government	253,000	151,000	140,000
Public Safety	190,500	85,800	52,000
Community Development	10,000	125,000	0
Health & Environment	288,000	226,000	184,000
Public Works (without Water)	428,000	1,220,000	682,000
Equipment	353,000	852,500	376,000
Schools	239,468	246,444	246,444
Total Town Funded Capital Budget	1,761,968	2,907,244	1,680,444

Motion: By Leonard Sussman, Clerk, Board of Selectmen
I move that the Town vote to appropriate $1,680,444 for the purpose of funding the FY10 Capital Budget in the column titled "FY10 Proposed" of Article 10 of the Warrant and to meet said appropriation, transfer $1,534,622 from free cash, $48,000 from Waterways Improvement Funds, $5,000 from cemetery lot sales, $30,000 from the Land Bank Receipts Reserved Appropriations Account, $10,000 from article 7 of the May, 2004 Annual Town Meeting, $33,246 from Article 8 of the May, 2007 Annual Town Meeting, $5,723 from Article 6 of the May, 2005 Annual Town Meeting and $13,853 from Article 2 of the November, 1999 Special Town Meeting.

Speaker: Jennifer Petit, Finance Director

Explanation: *(Appendix F provides a full capital budget detail)*
The Town's five year capital budget is funded either from free cash, other available reserves or project balance turnbacks. Free cash is generated by revenue from non-property tax sources received in excess of estimates and from budget turnbacks. As expected and due to our economic decline, the amount of free cash available to fund this plan is less than in previous years. This budget consists primarily of annual maintenance accounts such as for buildings and roads, vehicle replacement and small projects. Fiscal policy has been established to enable this budget or program to be used as the Town's first hedge against economic decline. This hedge allows the Town to not immediately be forced to cut operating budgets and services. Certain maintenance balances cannot be fully replenished in this program or projects or vehicle replacement can be delayed. This hedge, or flexibility, can allow time to pass for the economy to recover and revenues to increase.

In FY10 most projects were delayed to an out year in the five year capital plan. Some vehicle purchases were delayed. However, one major maintenance project for the Transfer Station was included in the plan. Routinely, a project of this magnitude would be funded by a capital exemption. Instead, it was funded by free cash in order to eliminate a property tax impact.

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 8-1-0

Article 11 – Stabilization Fund – Solid Waste Transfer Station Trailers

To see if the Town will vote to transfer from available funds, a sum of money to fund four (4) open top trailers for the transportation of Municipal Solid Waste, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By David R. Whitcomb, Board of Selectmen
I move that the Town vote to appropriate and transfer the sum of $280,000 for the purpose of purchasing (4) open top trailers for the transportation of Municipal Solid Waste, and to meet said appropriation, transfer $130,000 from the 2007 allowance for abatement account and transfer $150,000 from the stabilization account.

Speaker: Jeff Colby, Highway and Transfer Station Superintendent

Explanation: *For the past several years, the Town has paid for the costs of its capital facility replacement plan by the increased funding available as amortization costs from previous capital projects decline. The result has been that new projects are funded without increasing the tax rate. A secondary benefit has been that funding is available each year for small projects or purchases as capital exemptions are passed by Town Meeting. The level of payment for annual debt costs remains stable.*

In FY10, the use of this "debt drop off" by a capital exemption has been forgone.

The project scheduled for a capital exemption for FY10 is the purchase of four replacement trailers for solid waste transportation at the Town's Transfer Station. The costs to replace these trailers in the past has been borne by the contractor in our annual hauling contract. Purchase of the trailers by the Town reduces pass through interest payments and has allowed the Town to reduce its FY10 Transfer Station budget. The four trailers that are used to transport the Town's solid waste to SEMASS are approaching ten years old and are in desperate need of replacement.

Two funding sources will be used for this $280,000 purchase. A total of $130K in Overlay Surplus funds which is normally used annually to replenish the Town's Stabilization Fund, will be applied for this purpose. The balance of the purchase price will be paid for by the Stabilization Fund balance.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-1-0

Article 12 – Stabilization Fund – Beach Cleaner

To see if the Town will vote to transfer from available funds a sum of money for paying the cost of purchasing a beach cleaning machine, or take any other action in relation thereto.

(Park and Recreation Commission)

Motion: By Gary Anderson, Chairman, Park and Recreation Commission
I move that the Town vote to transfer the sum of $49,572 from the stabilization account in order to fund the purchase of a beach cleaning machine.

Speaker: Gary Anderson, Chairman, Park and Recreation Commission

Explanation: *The Park and Recreation consider our beaches the most important asset of a summer resort community. We have received increased complaints with regard to the deteriorating state of our south side beaches from year round and summer residents. The condition of our beaches is the subject of criticism each year at the Summer Town Meeting. The current practice of beach cleaning involves the use of a "York Rake" which will only remove large mounds of seaweed, but is incapable of removing smaller debris and trash. The Park and Recreation Commission held a demonstration of the beach raking system used by most Nantucket Sound communities this past November. We invited the Board of Selectmen and the Finance Committee to observe and all attendees agreed that the results delivered would greatly enhance the enjoyment of the beaches by our residents and visitors. Providing a cleaner beach experience at Hardings, Ridgevale and Cockle Cove Beaches would provide a quick payback to the Town in increased beach revenues and at the same time help decrease congestion at Lighthouse Beach. Our neighboring communities have found that their beach rakes have had a 15 to 20 year life cycle before replacement. We feel this purchase is an overdue and wise investment for our Town.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 5-2-1

Article 13 – Water Department Capital Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money for the construction of a new Chemical Feed Building for the South Chatham Wells, and for all costs incidental and related thereto, and to authorize the Treasurer, with the approval of the Board of Selectmen, to borrow an additional sum of money pursuant to Chapter 44, Sections 7 and 8 of the Massachusetts General Laws or any other enabling authority, or take any other action in relation thereto.

(Water and Sewer Commissioners)

Motion: By Florence Seldin, Board of Selectmen
I move that the Town vote to appropriate and transfer the sum of $515,000 from Water Surplus for the purpose of construction of a new Chemical Feed Building for the South Chatham Wells, and for all costs incidental and related thereto, and to meet the additional costs that the Treasurer, with the approval of the Board of Selectmen, be authorized to borrow an additional sum of $500,000 pursuant to Chapter 44, Sections 7 and 8 of the Massachusetts General Laws, or any other enabling authority and to issue bonds or notes of the Town therefore; and further, that the Board of Selectmen is authorized to apply for and accept any grants that may be available from any sources on account of this project.

Speaker: William G. Redfield, Director, Water & Sewer Department

Explanation: *The existing chemical feed and electrical control building for the South Chatham Wells was originally constructed in the 1950's and has gone through extensive changes over its lifetime that make it inefficient. The chemical feed equipment is over 20 years old and is antiquated. The replacement of this building and its equipment will make it more efficient and dependable and will ensure the highest quality of water will be pumped into the water distribution system.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 14 – Wastewater - Capital

To see if the Town will vote to appropriate a sum of money to pay costs of (i) designing, remodeling, constructing, reconstructing, expanding and equipping the Wastewater Treatment Facility and (ii) designing and constructing various projects involving wastewater collection facilities, including facilities for surface water nutrient management, and for the payment of all other costs incidental and related thereto; to determine whether this amount shall be raised by borrowing or otherwise, provided that if any such amount is authorized to be borrowed, no sums shall be borrowed or expended for this purpose unless and until the Town shall have voted to exclude the amounts needed to repay any such borrowing from the limitations of Chapter 59, Section 21C of the General Laws (also known as Proposition 2 ½), or to take any other action relative thereto.

(Board of Selectmen)

Motion: By Sean Summers, Chairman, Board of Selectmen
That the sum of $59,508,000 be and hereby is appropriated to pay costs of (i) designing, remodeling, constructing, reconstructing, expanding and equipping the Wastewater Treatment facility and (ii) designing and constructing various projects involving wastewater collection facilities, including facilities for surface water nutrient management, and for the payment of all other costs incidental and related thereto; that to meet this appropriation, the Treasurer, with the approval of the Selectmen, is authorized to borrow said amount under and pursuant to Chapter 44 Section 7(1) of the General Laws, or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefore; provided, however, that no sums shall be borrowed or expended for this purpose unless and until the Town shall have voted to exclude the amounts needed to repay any borrowing authorized by this vote from the limitations of Chapter 59, Section 21C of the General Laws (also known as Proposition 2 ½); further, that the Town Manager and the Selectmen are further authorized to apply for and accept grants or contributions that may be available toward the cost of said project from the Federal government, the Commonwealth of Massachusetts or otherwise.

Speaker: Dr. Robert Duncanson, Director, Dept. of Health & Environment

Explanation: *The Comprehensive Wastewater Management Plan (CWMP) has been completed and the Town is moving into the implementation phase. The completion of the CWMP, coupled with the town's previous work on developing preliminary designs for expansion of both the wastewater treatment facility and town-wide collection system, presents the town the opportunity to take advantage of the American Recovery and Reinvestment Act (Federal Stimulus) funding. By accelerating the local appropriation, and implementation schedule, the town will be positioned to realize significant cost savings from the Federal Stimulus Program. Appendix G is a PowerPoint presentation made to the Board of Selectmen that provides detail on the proposed accelerated implementation plan and fiscal impact of the Federal Stimulus.*

The funds sought in this article provide for preparation of the detailed design plans, supporting documents, and permitting of the Phase 1 upgrade/expansion of the Wastewater Treatment Facility and the preparation of a project manual, including bid documents. Phase 1 will expand the treatment facilities capacity to that necessary to allow sewering of that portion of the town needed to meet the Nitrogen Total Maximum Daily Loads developed by MA DEP and approved by EPA. Following DEP approval of the design plans, the Phase 1 facility expansion/upgrade will be bid and constructed in accordance with the approved design.

Further, funds sought in this article will allow for the designing, permitting and constructing of extensions to the wastewater collection system, including 7 pump stations, along a significant portion of Route 28 and Barn Hill Road. Construction of these extensions now will provide the "backbone" for future extensions into residential neighborhoods north and south of Route 28. The majority of these neighborhoods are in watersheds to coastal embayments that have wastewater nitrogen removal targets of 100%. These extensions will coincide with the expansion of capacity at the wastewater treatment facility. This accelerated construction schedule will allow the Town to coordinate the proposed extensions with Mass. Highway's proposed reconstruction of Route 28 and town plans to reconstruct a portion of Barn Hill Road.

Funds are also provided for the services of an Owners Project Manager (OPM) to represent the town's interests during designing, permitting, bidding and constructing the new Wastewater Treatment Facilities.

Funds in this Article will also allow the Town to evaluate the ability of the treatment facility and the treated wastewater recharge beds to accommodate wastewater flow from Harwich as part of a potential inter-municipal agreement (IMA) and to provide legal services for the drafting of the IMA if determined to be feasible.

Funds are also provided for the evaluation and cleaning of the existing force mains that carry wastewater flow from the Stage Harbor Road Pump Station to the wastewater treatment plant off Sam Ryder Road. These force mains were constructed in the early 1970's and were last inspected and cleaned in the early 1980's. As part of the inspection process the mains will be evaluated for damage, sediment build-up and leaks, and repairs will be made as necessary. It is important that this evaluation/cleaning/repair be undertaken as the town moves forward with expansion of the wastewater collection system.

This article also provides supplemental funding for the Lovers Lake and Stillwater Pond Nutrient Inactivation Project. Prior funding approved by Town Meeting may be insufficient to undertake the Inactivation in both ponds concurrently as determined by the May 2008 Annual Town Meeting.

The following spreadsheet provides a breakdown of the funds being appropriated through this bond issue:

FY10 Wastewater Bond (Stimulus)

					Existing Funding	Total
1	Lovers Lake & Stillwater Pond Remediation Supplemental		$70,000	FY10 Bond	$180,000	$250,000
2	Force Mains Evaluation/Cleaning		$125,000	FY10 Bond		
3	Collection System Initial Implementation A*		$5,524,000	FY10 Bond		
4	Harwich Flow Evaluation/IMA		$113,000	FY10 Bond		
5	WWTF Final Design Supplemental		$700,000	FY10 Bond	$835,642	$1,535,642
6	WWTF OPM (Design through Construction)		$1,000,000	FY10 Bond		
		Subtotal	**$7,532,000**			
7	WWTF Construction & Construction/Inspection Services		$37,000,000	FY10 Bond		
8	Collection System Initial Implementation B**		$14,976,000	FY10 Bond		
		Total	**$59,508,000**	FY10 Bond		
9	WWTF Wind Turbine		$2,000,000	Future		

* A includes: George Ryder Rd infrastructure and Force Main connection, PD/THA sewer connection, Animal Control/Shellfish building sewer connection, Route 28 (Barnhill Rd. to George Ryder Rd.), CTE-4 (portion of Cedar St.), and CTE-1 (Route 28 [Crowell Rd. to Union Cemetery] and Heritage Lane)

** B includes: Route 28 (Union Cemetery to Barnhill Rd./George Ryder Rd. to Beacon Hill), Barnhill Rd., Meadow View Rd., Vineyard Ave., Summerhill, Marcus Ln., Plum Daffy Ln.

The fiscal impact of this article to the average taxpayer is detailed in Appendix G.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0

Article 15 - Affordable Housing Trust Fund

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund the Affordable Housing Trust Fund, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By Corinne Johnson, Community Preservation Committee
I move that the Town vote to appropriate the sum of $100,000 from FY 2010 Community Preservation Fund Revenues in order to fund the Affordable Housing Trust Fund.

Speaker: Corinne Johnson, Community Preservation Committee

Explanation: *The Affordable Housing Trust Fund (AHTF) was created by Town Meeting in 2006. The AHTF is a vehicle for the Town to receive funding from the Community Preservation Act, the Inclusionary Zoning Bylaw or other sources, to develop affordable housing in Chatham. The fund is administered by the Board of Selectmen and two other appointed trustees. Placing funds in the AHTF enables the Town to respond to opportunities in the housing market in a time-sensitive and efficient manner, not having to wait for a future Town Meeting for approval. "Guidelines for the Disbursement of Funds in the AHTF" have been approved by the Board of Selectmen, the Community Preservation Committee and the Affordable Housing Committee.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Disapprove 6-2-0

Article 16 - Preservation of the Joseph Nickerson Papers

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund an archivist and equipment in order to organize, catalog and preserve historical papers in relation to Chatham Sea Captains and Chatham history, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By John Kaar, Chairman, Community Preservation Committee
I move that the Town vote to appropriate the sum of $50,000 from FY 2010 Community Preservation Fund Revenues to fund an archivist and equipment in order to organize, catalog and preserve historical papers in relation to Chatham Sea Captains and Chatham history.

Speaker: John Kaar, Chairman, Community Preservation Committee

Explanation: *This seeks funding for an archivist and equipment to organize and catalog an extensive array of papers and materials having to do with Chatham sea captains.*

These papers were collected by the late Joseph A. Nickerson and the late A. Louise Wentworth Nickerson over their lifetimes. They were presented as a gift to the Chatham Historical Society by Mr. Nickerson, on the condition that the Society arrange for work to organize and preserve the papers so that they are accessible to historians and for the benefit of the public and the Town of Chatham. The Town of Chatham Historical Commission has unanimously endorsed this application.

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 5-1-2

Article 17 - Eldredge Public Library Staircase Renovation

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to reconstruct and preserve the bluestone staircase of the Main Street entrance to the Eldredge Public Library, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By Robert Oliver, Community Preservation Committee
I move that the Town vote to appropriate the sum of $34,000 from FY 2010 Community Preservation Fund revenues to reconstruct and preserve the bluestone staircase of the Main Street entrance to the Eldredge Public Library.

Speaker: Robert Oliver, Community Preservation Committee

Explanation: *This article seeks funds for the reconstruction and preservation of the bluestone staircase that leads to the front doors of the Main Street entrance to the Eldredge Public Library. The stairs are currently in disrepair in that the stairs are uneven, chipped and worn with mortar that has failed. The stone risers and steps will be removed, turned over, refinished and put back into place with new mortar. To comply with the current building codes, new iron handrails will also be installed. The Eldredge Public Library is on the National Register of Historic Places. The Town of Chatham Historical Commission unanimously endorsed this application.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 18 - Community Preservation Fund Reserve

To see if the Town will vote to reserve for later appropriation a sum of money it determines necessary for open space, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By Victor Di Cristina, Community Preservation Committee
I move that the Town vote to reserve $190,000 from FY 2010 Community Preservation Revenues for Open Space.

Speaker: Victor Di Cristina, Community Preservation Committee

Explanation: *The Community Preservation Act requires 10% of estimated revenues be appropriated or set aside (reserved for later appropriation) for the each of the following three categories: Open Space, Historic Resources, and Community Housing. The $190,000 is to meet the 10% requirement for Open Space for FY 2010, as well as to make up not funding Open Space in FY 2009 when a warrant article was withdrawn at Town Meeting.*

Community Preservation Committee Recommendation: Approve 5-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 19 - Administrative Costs

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary for the purpose of funding administrative costs associated with the Community Preservation Act, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By Robert Denn, Community Preservation Committee
I move that the Town vote to appropriate the sum of $15,000 from FY 2010 Community Preservation Fund Revenues for the purpose of funding administrative costs associated with the Community Preservation Act.

Speaker: Robert Denn, Community Preservation Committee

Explanation: *The Community Preservation Act allows Town Meeting to appropriate up to 5% of estimated revenues for the Community Preservation Committee to carry out its statutory duties. This year $15,000 is being requested for clerical expenses, appraisals, consulting and legal services.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 20 - Community Preservation Budgeted Reserve

To see if the Town will vote to reserve for later appropriation a sum of money it determines necessary for budgeted reserve, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By John Kaar, Chairman, Community Preservation Committee
I move that the Town vote to reserve $150,000 from FY 2010 Community Preservation Revenues for future appropriation.

Speaker: John Kaar, Chairman, Community Preservation Committee

Explanation: *The Community Preservation Act allows Town Meeting to reserve excess budgeted revenues for future appropriations. By reserving excess future revenues it enables the Town to have the funds available for appropriation immediately after the Town Meeting vote instead of delaying the use of these funds until they are actually collected and closed at year end into the fund balance.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0

Article 21 – Marconi RCA Wireless Receiving Station Lease Authorization Operations Building

To see if the Town will vote to authorize the Board of Selectmen to lease, on such terms as the Board of Selectmen deem appropriate, the building known as the Operations Building located at the Marconi RCA Wireless Receiving Station located at 847 Orleans Road (Route 28) in North Chatham, Assessors Maps 10J and 11J Parcel 11J-7, to the Chatham Marconi Maritime Center, the prospective lessee designated under the agreement of December 20, 2006, or take any other action relative thereto.

(Board of Selectmen)

Motion: By Ronald Bergstrom, Vice-Chairman, Board of Selectmen
I move that the Town vote to authorize the Board of Selectmen to lease, on such terms as the Board of Selectmen deem appropriate, the building known as the Operations Building located at the Marconi RCA Wireless Receiving Station located a 847 Orleans Road (Route 28) in North Chatham, Assessors Maps 10J and 11J Parcel 11J-7, to the Chatham Marconi Maritime Center, the prospective lessee designated under the agreement of December 20, 2006.

Speaker: Ted Keon, Director, Coastal Resources

Explanation: *This warrant article authorizes the next step in the process of leasing of the Operations Building at the RCA Marconi site. In May 2006, the Town received proposals from non-profit organizations interested in restoring and using the four vacant buildings at the site. In late December 2006, the Board of Selectmen voted to "tentatively designate" the Chatham Marconi Maritime Center (CMMC) as the end user of the Operations Building. The Chatham Housing Authority and the Cape Cod Commercial Hook Fishermen's Association (CCCHFA), Inc received the same designation for the two single-family homes and the Hotel respectively. The tentative designation gave each of the prospective lessees the opportunity to raise funds over an agreed upon time period to convert the buildings for their*

needs. After designation, the Housing Authority and later the CCCHFA informed the Town that they were no longer interested in proceeding; however, the CMMC has reiterated their continued interest in leasing the Operations Building. The CMMC has reported to the Board of Selectmen on a semi-annual basis as to its fund raising efforts. They expect to be ready to proceed early in 2010.

In 2007, the Town of Chatham petitioned the Legislature for permission to lease property at this site for a term greater than ten years. Chapter 48 of the Acts of 2007 was signed into law on June 7, 2007 allowing long-term leases at the Marconi site. Based on this approval by the Legislature, the Town and CMMC are in the process of negotiating a long-term lease for the use of the property. The town-drafted model lease that was part of the original bid package for the disposition of the buildings is being utilized for these negotiations. The lessee and the lessor are currently negotiating the final provisions of the lease and it is expected that these negotiations will be finished later this spring.

A favorable vote on this article will authorize the Board of Selectmen to negotiate the final details of the lease which will allow the CMMC to restore the Operations Building and create a museum and educational center which will explain and promote the birthplace of wireless communications, right here in Chatham.

Board of Selectmen Recommendation: Approve 4-0-0
Finance Committee Recommendation: Approve 7-0-1

Article 22 - Public Ceremonies Committee

To see if the Town will vote to amend Chapter 10, Boards, Committees, and Commissions of the General Bylaws as follows:

1) By adding at the end of Section 10-1-B the following:
   "This subparagraph shall not apply to the appointed members of the Public Ceremonies Committee."
2) By adding a new section 10-2-A-17 "Public Ceremonies Committee."

or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Leonard Sussman, Clerk, Board of Selectmen
I move that the Town vote to amend Chapter 10, Boards, Committees and Commissions of the General Bylaws as follows: 1) By adding at the end of Section 10-1-B the following: "This subparagraph shall not apply to the appointed members of the Public Ceremonies Committee." 2) By adding a new section 10-2-A-17 "Public Ceremonies Committee."

Speaker: Robert Franz, Public Ceremonies Committee

Explanation: *The passage of this amendment will allow non-residents to serve on the Public Ceremonies Committee.*

Board of Selectmen Recommendation: Approve 4-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 23 – Kendrick Village – Drainage Easement

To see if the Town will vote to authorize the Board of Selectmen to release, remise, abandon, and/or convey to Eastward Homes Business Trust, for the sum of $1.00, the drainage easement now running under the land of Lot 9 Kendrick Village, such easement being recorded at the Barnstable Registry of Deeds in Book 2276, Page 037, and any others as may exist, including that shown on a plan recorded at the Barnstable Registry of Deeds in Plan Book 300, Page 30, and that the Selectmen be further authorized to acquire by gift, purchase or eminent domain a new easement for drainage purposes on Lot 9 Kendrick Village as shown on the accompanying sketch and to authorize the Board of Selectmen to do all things necessary to carry out the provisions of this article, or take any other action in relation thereto.

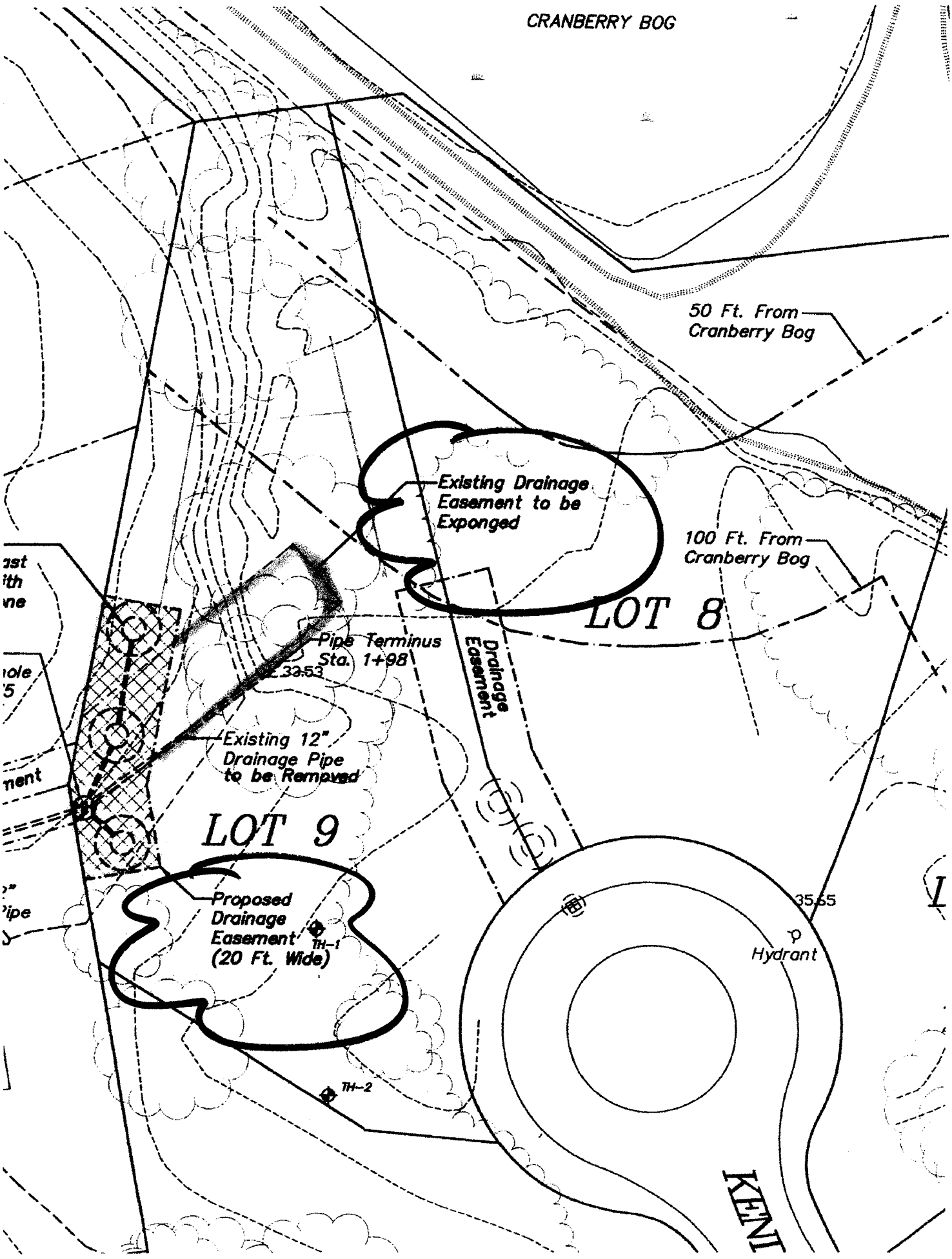
(Board of Selectmen)

Motion: By David R. Whitcomb, Board of Selectmen
I move that the Town vote to authorize the Board of Selectmen to release, remise, abandon, and/or convey to Eastward Homes Business Trust, for the sum of $1.00, the drainage easement now running under the land of Lot 9 Kendrick Village, such easement being recorded at the Barnstable Registry of Deeds in book 2276, Page 037, any others as may exist, including that shown on a plan recorded at the Barnstable Registry of Deeds in Plan Book 300, Page 30, and that the Selectmen be further authorized to acquire by gift, purchase or eminent domain a new easement for drainage purposes on Lot 9 Kendrick Village as shown on the accompanying sketch and to authorize the Board of Selectmen to do all things necessary to carry out the provisions of this article.

Speaker: Robert Duncanson, Ph.D., Director of Health & Environment

Explanation: *A drainage easement currently runs from Heritage Lane, over two abutting lots and terminates on Lot 9 in Kendrick Village. The easement currently runs into the center of the lot as shown on the attached plan. Eastward Homes has had the drainage engineered and will be installing drainage structures, at no cost to the Town, along the property lines to properly dispose of the road run off. Currently the road run off is of an outfall pipe variety and dumps out onto the property towards the cranberry bog without the benefit of proper filtration and leaching. Relocation of the easement will improve the lot.*

Board of Selectmen Recommendation: Approve 4-0-0
Finance Committee Recommendation: Approve 8-0-0


CRANBERRY BOG
50 Ft. From Cranberry Bog
Existing Drainage Easement to be Exponged
100 Ft. From Cranberry Bog
LOT 8
Pipe Terminus Sta. 1+98
Drainage Easement
Existing 12" Drainage Pipe to be Removed
LOT 9
Proposed Drainage Easement (20 Ft. Wide)
TH-1
TH-2
35.65
Hydrant

Article 24 – Road Takings – Ell Street and Sky Way

To see if the Town will vote to accept Ell Street and Sky Way as Town ways laid out by the Board of Selectmen according to plans and descriptions now on file in the Town Clerk's office, and to authorize the Board of Selectmen to take, by eminent domain, all necessary interests in real estate as shown on said plans, with no land damages to be paid by the Town and to appropriate $220,000 for the purpose of bringing the streets up to established Town standards, and to meet said appropriation, the Treasurer with the approval of the Board of Selectmen, be authorized to borrow said sum under and pursuant to Chapter 44, Section 7 of the Massachusetts General Laws. One hundred percent (100%) of the costs of construction and related expenditures authorized hereby, and the costs of amortization of any debt instruments issued pursuant to this article, will be defrayed through betterment assessments made by the Board of Selectmen in accordance with Chapters 80 and 83 of the Massachusetts General Laws and Chapter 240 of the Town of Chatham General Bylaws, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Sean Summers, Chairman, Board of Selectmen
I move that the Town vote to accept Ell Street and Sky Way as Town ways as laid out by the Board of Selectmen according to plans and descriptions now on file in the Town Clerk's office and authorize the Board of Selectmen to take, by eminent domain, all necessary interest in real estate as shown on said plans, with no land damages to be paid by the Town, and to appropriate and borrow, pursuant to Chapter 44, Section 7 of the Massachusetts General Laws, the sum of $220,000 for the purpose of bringing the streets up to established Town standards, and that one hundred percent (100%) of the costs of construction and related expenditures authorized hereby, and the costs of amortization of any debt instruments issued pursuant to this article, will be defrayed by betterment assessments made by the Board of Selectmen in accordance with Chapters 80 and 83 of the Massachusetts General Laws and Chapter 240 of the Town of Chatham General Bylaws.

Speaker: Jeff Colby, Highway and Transfer Station Superintendent

Explanation: *The Board of Selectmen has accepted a petition from the abutters of Ell Street and Sky Way to have their roads laid out as public ways. The Selectmen have done so with the provision that all of the costs necessary to construct and lay out the ways be borne by the abutters. This article would accept these roads as Town ways and appropriate the money necessary for lay out and construction. The funds utilized to accomplish this work would be repaid to the Town via the assessment of betterments to each property owner which may be paid over time (up to 20 years) pursuant to and as authorized by Chapters 80 and 83 of the Massachusetts General Bylaws and Chapter 240 of the Town of Chatham General Bylaws.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 25 - Affordable Housing Gift of Land

To see if the Town will vote to donate a portion of land off of Depot Road in Chatham, Massachusetts identified by Assessors Map 14E-52, consisting of approximately 28,700 square feet, more or less, as shown in Plan Book 213 Page 13 and more fully described in a deed recorded with the Barnstable County Registry of Deeds in Book 1371 Page 712 owned by the Town of Chatham, to a non-profit agency, to be selected through a competitive public bidding process for the purpose of developing affordable housing, or take any other action in relation thereto.

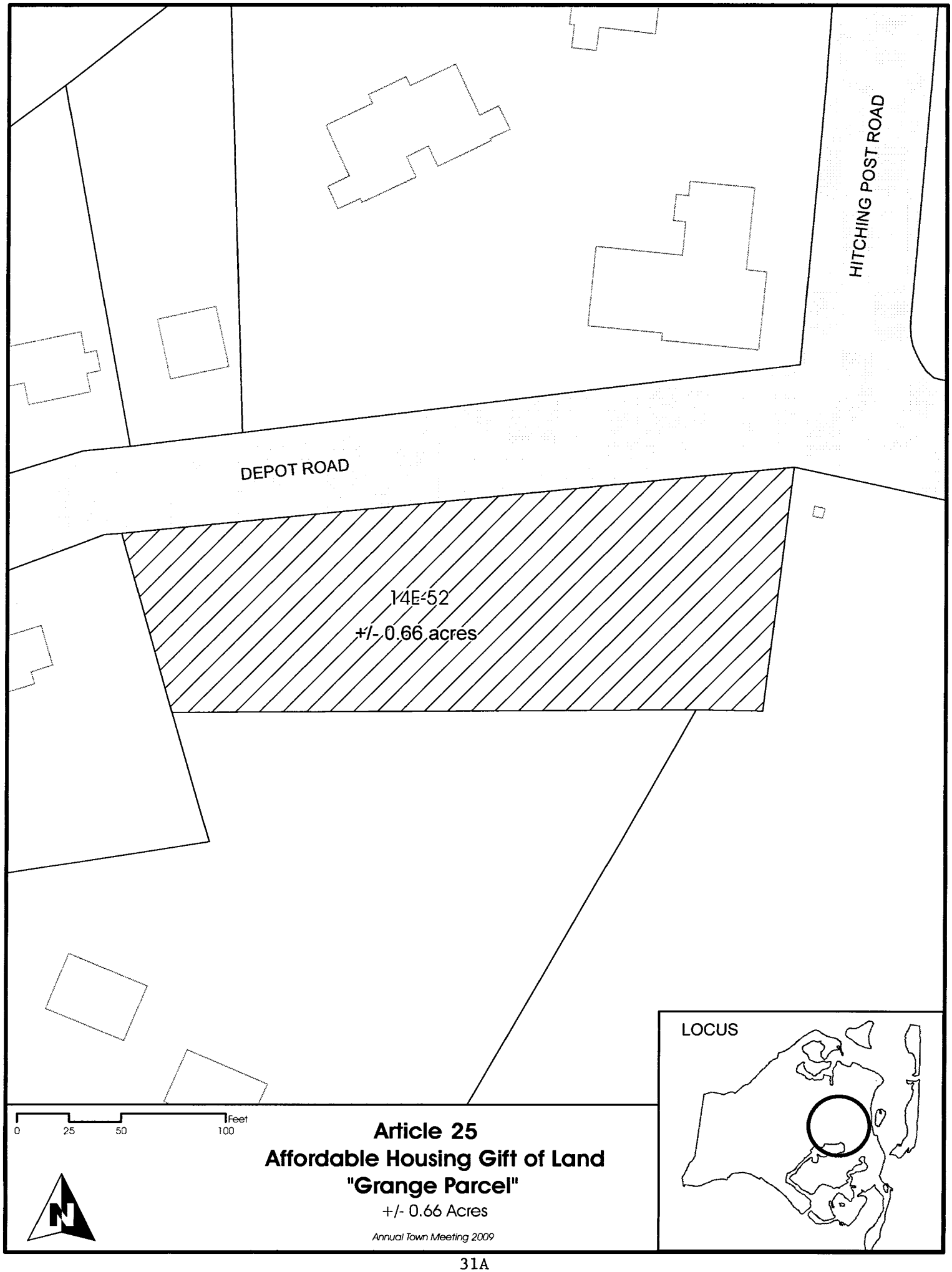
(Board of Selectmen)

Motion: By Bill Bystrom, Chairman, Affordable Housing Committee
I move that the Town vote to gift to a non-profit agency the parcel of land described in the Warrant for the purpose of building affordable housing.

Speaker: Bill Bystrom, Chairman, Affordable Housing Committee

Explanation: *This article proposes to gift a parcel of land known as the "Grange Parcel", which was acquired by the Town in 1967, to a non-profit agency for the purposes of building affordable housing. The parcel, approximately 0.67 acres in area fronting on Depot Road, would be gifted to a non-profit development agency selected through a competitive bidding process. The primary criteria for selecting the most advantageous proposal from a non-profit entity responding to the Request for Proposals (RFP) will include the following: construction of affordable housing for households making less than 80% of the area median income, an affordability restriction in perpetuity, a design layout respecting the site's natural features and meeting all applicable requirements for sewage waste disposal. The selected non-profit agency will be responsible for all phases of design, permitting ("friendly" 40B) and construction. The continued creation of housing units is integral towards attaining the Comprehensive Plan's goal of having 10% of the Town's year round housing stock affordable by 2015.*

Board of Selectmen Recommendation: Approve 3-2-0
Finance Committee Recommendation: Disapprove 6-3-0



Article 25
Affordable Housing Gift of Land
"Grange Parcel"
+/- 0.66 Acres

Annual Town Meeting 2009

Article 26 – Elipham(l)et's Lane

To see if the Town will vote to correct a misspelling by changing *Eliphamet's* Lane to *Eliphalet's* Lane.

Explanation: In 1805 the east side of Mill Pond was owned by Richard Howes, Joseph Dexter, and Eliphalet Hamilton, and the landing at the foot of the present lane was known as Hamilton's Landing, after Daniel Hamilton who first appears in Town records in 1702 (he was a Selectman in 1707, before the Town incorporated). Several of his descendants were named Eliphalet, after two of the sons of the Bible's King David – (Eliphalet means "God's Deliverance"). An Eliphalet Hamilton served in the Militia in 1754, and an Eliphalet Hamilton saw action in 1778 during the Revolutionary War. The lane is probably named after Eliphalet Hamilton (1794-1858), although there is no record of this street naming. In Seaside Cemetery there is a large tombstone bearing his name. The misspelling *Eliphamet's* occurred in the 1930's, one of several misspelled street sign names, presumably by the same sign maker. An 80 year old error should not replace over three hundred years of history and service to the Town of Chatham by the Eliphalet Hamiltons.

(by petition)

Board of Selectmen Recommendation: No Recommendation
Finance Committee Recommendation: No Recommendation

Article 27 - Rescind Annex/Police Department Funding

To see if the Town will vote to rescind the authorization and appropriations made under Article 11 of the Annual Town Meeting of May 14, 2007, and Articles 15 and 16 of the Annual Town Meeting of May 12, 2008 (except for such obligations already incurred that must be paid, if any), and rescind the final design acceptance made under Article 14 of the Annual Town Meeting of May 12, 2008, for the construction of a new Annex/Police Department facility; and further, vote to direct the Board of Selectmen and Town Manager to suspend the expenditure of any appropriations made under the foregoing Articles for the purposes set forth therein until such time and date as a subsequent Town Meeting shall vote to authorize approval of such expenditures.

Explanation: Prior Town Meetings have authorized spending in excess of $16 million for replacement facilities on town-owned land on George Ryder Road. For many this project seems to be a very expensive solution to a low-priority need. In light of the changed economic situation and the financial crisis gripping the world, nation, state and Town, the sponsors of this Article believe all prior authorizations should be cancelled, except as necessary to pay for costs already incurred, and that work and expenditure of funds on this project should be halted until action of a future Town Meeting.

(by petition)

Board of Selectmen Recommendation: Disapprove 4-1-0
Finance Committee Recommendation: Disapprove 9-0-0

Article 28 - Zoning / Affordable Secondary Dwelling Units Incidental to Single Family Dwellings

~~Strikethrough~~ indicates language proposed for deletion
Underline indicates language proposed for inclusion
Italicized Words are defined in either the existing Bylaw or in the following proposed amendments

To see if the Town will vote to amend, **Section VII – Special Regulations, Subsection 1-1: Affordable Apartment Incidental to a Single Family Dwelling**, as follows:

~~1~~2-.1. Affordable ~~Apartment~~ Secondary Dwelling Units Incidental to Single Family Dwellings

A. Purpose and Intent:

The purpose and intent of this section is to provide opportunities for Chatham homeowners to create ~~some~~*affordable* year round rental housing to help meet ~~the needs of~~ Chatham's affordable housing needs~~residents and workers~~. This ~~section~~Bylaw sets forth the requirements, standards and conditions for *Affordable ~~Apartments~~ Secondary Dwelling Units Incidental to Single Family Dwellings*. ~~The standards are intended to be consistent with those recommended by the Cape Cod Commission for use by Towns.~~ It is also intended that "*affordable*" units required and approved under this Bylaw remain affordable.

B. Definitions:

"AFFIRMATIVE FAIR HOUSING MARKETING PLAN (AFHMP)" means a plan meeting the minimum standards set forth by the Department of Housing and Community Development (DHCD) to create fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations in the selection of tenants.

"AFFORDABLE~~,~~ RENTAL UNIT" used in reference to *dwelling units* means intended for rental ~~or sale~~ to low or moderate *income-eligible* ~~people~~ households and in conformance with the requirements of this Bylaw ~~in~~with regard to ~~*price*~~*rent* and income level of tenant (s).

"AFFORDABLE ~~APARTMENT~~SECONDARY DWELLING UNITS INCIDENTAL TO SINGLE FAMILY DWELLINGS" means a *dwelling unit* subordinate to a *one-family dwelling* approved on the condition that the requirements of this Bylaw are met for *affordable ~~price~~*rent and *income-eligible* tenants.

"AFFORDABLE ~~PRICE~~ RENT" ~~used in reference to a *dwelling unit*,~~ means *housing costs ~~a monthly rent or mortgage payment~~* which does not exceed 30% of the gross monthly income of a household whose income is 70% of the area median income for Barnstable County as reported by the United States Department of *Housing and Urban Development (HUD)* as adjusted for bedrooms.

"AREA MEDIAN INCOME (AMI)" means the estimated median income, adjusted for family size, by county or metropolitan area. The *AMI* is adjusted annually by *HUD.*

"CHATHAM HOUSING AUTHORITY" means the local Housing Authority organized pursuant to Massachusetts General Laws, Chapter 121B, Section 3.

"DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD)" means the Massachusetts agency that oversees State funded programs and other funding incentives to promote affordable housing.

"HOUSING COSTS, RENTAL UNIT" means including rent and utilities.

"HOUSING AND URBAN DEVELOPMENT (HUD)" means the Federal agency responsible for addressing the nation's housing needs, enforcing of fair housing laws and helping local communities meet development needs.

"INCOME-ELIGIBLE" means that the household income of a person or family does not exceed 80% of the median income, adjusted for household size, for Barnstable County as reported by the United States Department of *Housing and Urban Development (HUD).*

"KITCHEN" means an area used, or designated to be used, for the preparation of food (780 CMR 52.00 - MA Building Code).

"LOCAL ACTION UNITS (LAU)" means *affordable* units built pursuant to a local action such as a zoning provision, a condition of a variance or special permit issued by the planning board or zoning board of appeals, a contract provision (e.g., reuse of municipal or school building as housing), or an agreement between the town and a non-profit organization to build or rehabilitate municipal buildings into housing. This component of the *LIP* gives communities the opportunity to include housing units on the state's *Subsidized Housing Inventory* that were built without a Comprehensive Permit but which meet *LIP* criteria.

"LOCAL INITIATIVE PROGRAM (LIP)" means a State program under which communities may use local resources and technical assistance from *DHCD* to develop affordable housing pursuant to 760 CMR 56.00.

"LOCAL PROGRAM ADMINISTRATOR (LPA)" means the entity responsible for oversight of *affordable* units. This could be the *Chatham Housing Authority*, a local official, the director of an area housing non-profit organization, or another appropriate person meeting *DHCD* approval.

"SUBSIDIZED HOUSING INVENTORY (SHI)" means *DHCD's* official list of units, by municipality, that counts toward a community's 10% goal.

"USE RESTRICTION" means an executed restriction in a form acceptable to the Special Permit Granting Authority (SPGA), recorded with the Barnstable County Registry of Deeds.

"ZONING ENFORCEMENT OFFICER" means the Building Commissioner or his/her designee charged with the authority to enforce the provisions of the Chatham Protective (Zoning) Bylaw.

C. General Requirements:

No more than ~~10~~24 Special Permits acted upon in the order received shall be granted for *Affordable ~~Apartments~~Secondary Dwelling Units Incidental to Single Family Dwellings* in any ~~12~~4-month period.

Affordable ~~Apartments~~Secondary Dwelling Units Incidental to Single Family Dwellings are allowed by Special Permit approved by the Zoning Board of Appeals in all districts except Municipal Conservancy (M/C) and Industrial (I) as set forth in this ~~section~~Bylaw and the procedures and criteria found in Section VIII. C. – Special Permit Procedures.

The Zoning Board of Appeals shall solicit comments on the proposal from other Town regulatory agencies which have jurisdiction in the particular case, and prior to acting upon the application, the Zoning Board shall consider any comments received from such agencies.

2D. ~~Conditions~~ Standards:

All *Affordable ~~Apartments~~Secondary Dwelling Units Incidental to Single Family Dwellings* shall be subject to the following ~~conditions~~standards:

1. No *Affordable ~~Apartments~~Secondary Dwelling Units Incidental to Single Family Dwellings* shall be approved in addition to a *Guest House* on a single family *lot* nor shall a *Guest House* be granted after an *affordable* secondary dwelling unit incidental to a single family dwelling is granted.

2. Either the proposed ~~apartment~~secondary dwelling unit or the principal dwelling may be ~~proposed to be~~ rented as *affordable*, provided the property owner occupies the unit which is not designated as *affordable.* A change in the designation of which unit is *affordable* shall require an amendment to the Special Permit. For the purposes of this Bylaw, the "owner" shall mean one who holds legal or beneficial title.

3. The owner of the property must dwell in either the ~~apartment~~ secondary dwelling unit or in the principal dwelling unit and shall not rent both the ~~apartment~~ *affordable* secondary dwelling unit incidental to a single family dwelling and the principal dwelling unit at the same time, except as follows:~~,~~

a. An owner of a property containing an *affordable* secondary dwelling unit incidental to a single family dwelling who is absent for a period of less than two (2) years may rent the owner's unit as well as the secondary dwelling unit during the temporary absence provided: written notice thereof shall be made to the *Zoning Enforcement Officer* or designee on a form prescribed by him/her and that the owner shall be a resident of the property for at least two years prior to and between such temporary absences.

b. For a period of not more than thirty (30) days in a calendar year.

4. The owner of the property must meet and adhere to the requirements for an *affordable* rental dwelling unit as set forth below in theis Bylaw under Paragraph E. - Conditions for Affordable Rental Dwelling Units.

5. ~~Application may be made for a Special Permit under this section provided the property where the apartment is to be located has a minimum of 20,000 square feet of buildable upland area.~~

   Affordable ~~Apartments~~Secondary Dwelling Units Incidental to Single Family Dwellings shall meet all applicable State and Local requirements for the establishment of *dwelling units*, including the Board of Health regulations limiting the number of bedrooms, Building Code, Wetlands Protection Regulations, Zoning and other approvals as necessary.

6. Unless specifically waived by the Zoning Board of Appeals, two parking spaces shall be provided for the *affordable ~~apartment~~* secondary dwelling unit incidental to a single family dwelling in addition to the two parking spaces required for the single family dwelling.

7. The Special Permit shall lapse in the event that the *affordable* ~~apartment~~secondary dwelling unit incidental to a single family dwelling is not used for a period of two years. Upon application by the owner, the Zoning Board of Appeals may reinstate the Special Permit after a public hearing. If the reinstatement is not requested or is denied by the Zoning Board, the *Zoning Enforcement Officer* ~~may~~shall order that the *kitchen* be removed from the *affordable* ~~apartment~~secondary dwelling unit incidental to a single family dwelling unless the *apartment* was legal as a matter of right.

8. The *Zoning Enforcement Officer* has the authority to order the *kitchen* to be removed from the *affordable* ~~apartment~~secondary dwelling unit incidental to a single family dwelling upon finding a violation of the conditions of the Special Permit issued under this ~~section~~Bylaw and in the event that the owner does not correct the violation in a timely manner, after being given proper notice.

9. The maximum gross floor area of *Affordable Secondary Dwelling Units Incidental to Single Family Dwellings* shall not exceed 1,000 square feet. The *affordable* ~~*apartment*~~ secondary dwelling unit incidental to a single family dwelling may be part of the principal dwelling or in a separate building accessory to the single family dwelling.

10. ~~The site shall provide for privacy, noise reduction, and an outdoor recreation area for the tenants of the apartment.~~ No *Affordable Secondary Dwelling Units Incidental to Single Family Dwellings* shall be separated by ownership from the principal *dwelling unit* or principal *structure*. Any lot containing such a *dwelling unit* shall be subject to a recorded restriction that shall restrict the lot owner's ability to separately convey interest in the *affordable* secondary dwelling unit incidental to a single family dwelling.

~~**Review Criteria:**~~

~~In addition to the review criteria for Special Permits set forth in this Bylaw, the following criteria shall be used in the review of all Special Permits for *Affordable Apartments Incidental to a Single Family Dwelling:*~~

~~* Adequacy and suitability of the site for the addition of the apartment, whether or not new construction is proposed, with consideration of the size and shape of the site, access to the site, location of existing and proposed buildings, topography of the site and surrounding area, and existing vegetation.~~

~~* Impact of the proposal upon the abutters and the neighborhood, including such considerations as the size of the unit proposed, location of the unit on the site, proximity of the unit to the abutters, layout of parking provided, and location of the outdoor use area for the unit.~~

E. Conditions for Affordable Rental Dwelling Units:

Affordable ~~R~~rental ~~D~~dwelling units ~~required to be affordable or~~ approved under this Bylaw ~~with the condition that they are affordable~~ shall be subject to the following requirements:~~of this section.~~

*1. Any dwelling unit required or approved under this Bylaw as *affordable* shall meet the definition of *affordable* ~~*price*~~*rent* as set forth is this Bylaw. Certification by the ~~*Chatham Housing Authority*~~*LPA* that the ~~*price*~~rent is an "*affordable* ~~*price*~~*rent*" shall be provided to the *Zoning Enforcement Officer*.

*2. Any dwelling approved under this Bylaw as an *affordable rental unit* shall be rented subject to a minimum 12-month lease.

*3. For any *dwelling unit* required or approved as an *affordable* rental under this Bylaw, certification by the ~~*Chatham Housing Authority*~~*LPA* that the tenants occupying the affordable unit are *income eligible* and the rent charged them is *affordable* per the definitions in this Bylaw must be submitted to the *Zoning Enforcement Officer* at the time of the signing of the lease and on an annual basis thereafter. Such certification is also required upon any change in tenants or rent charged. Dates of occupancy shall be stated in the certification.

*4. ~~Owners of *affordable* units created under this Bylaw shall be encouraged to rent units to Chatham residents, workers, or people with ties to the community.~~ The selection of a tenant shall be in accordance with *DHCD's Affirmative Fair Housing Marketing Plan (AFHMP)* guidelines. Additionally, creation of all units shall be in compliance with *DHCD* Regulations at 760 CMR 56.00 *et seq* and applicable guidelines regarding the *SHI*, use restrictions and the *LIP*.

5. *Affordable* dwelling units shall be subject to *affordable* housing *use restrictions* that are executed by the homeowner, the Municipality, and *DHCD* and filed by the *LPA* in the Registry of Deeds/Land Court Registry District subject to the following provisions regarding the early termination of such restrictions:

   a. Tenant Notice

      In all cases, the owner must provide an existing tenant at least 60 days prior written notice that his or her lease will not be renewed.

   b. *Use Restrictions* that are revocable by the owner upon transfer of the property to a bona fide purchaser at an arms length.

      If the *Use Restriction* is not renewed by the new owner, the municipality must notify *DHCD*. The unit will no longer be deemed a *Local Action Unit* and will be removed from the *Subsidized Housing Inventory* unless the new owner obtains municipal approval to rent the *affordable* dwelling unit and enters into an affordable housing restriction in the form approved by *DHCD*.

   c. Restrictions that allow the owner to voluntarily terminate the restriction and cancel a Special Permit at the end of a tenant's lease term.

      Voluntary termination may occur only after the owner has rented an *affordable* dwelling unit to *income-eligible* tenant(s) for a minimum of two (2) years except as provided for in Section G below. The municipality must notify *DHCD* that the restriction has been voluntarily terminated, and the unit will no longer be deemed a *Local Action Unit* and will be removed from the *Subsidized Housing Inventory*. Such, voluntary termination shall also nullify the Special Permit and subject the owner to the enforcement provisions of Section VII. 2. D. 7. & 8. regarding the removal of the second kitchen.

d. Removal of *Use Restriction*

In the event that an owner of such dwelling unit decides not to continue with the program, then the Affordable Housing Restriction recorded as a *use restriction* shall be discharged by recording an appropriate document executed by the *LPA*.

F. Special Permit Review Criteria

In addition to meeting the requirements, standards and conditions for Special Permits set forth in this Bylaw, the criteria found in Section VIII. C. 4. shall be used in the review of all Special Permits for *Affordable Secondary Dwelling Units Incidental to Single Family Dwellings.*

G. Conditions of Approval:

The Zoning Board may impose conditions upon the approval of a Special Permit for an *affordable* ~~*apartment*~~secondary dwelling unit incidental to a single family dwelling in keeping with the review criteria referenced in Section F. above~~, and such conditions may include a limit on the number of people who can occupy the affordable unit~~.

In the event that a change, extension, and/or alteration of a nonconforming use or structure that increases the nonconforming nature of the single family dwelling or creates a new nonconformity is sought, the Zoning Board may consider requiring the two (2) year minimum *use restriction* be increased up to an eight (8) year maximum. Any such conditions shall be transferable to a subsequent owner pursuant to Section VII. E. – Conditions for Affordable Rental Dwelling Units.

H. Achievement of the 10% Goal

At such time that the Town of Chatham achieves the goal of having ten percent (10%) of the Town's year round housing stock considered *affordable* under Chapter 40B as indicated on the *Subsidized Housing Inventory (SHI)* the Zoning Board Appeals may deny projects submitted under this Bylaw based upon the presumption that the local need for *affordable* housing has been satisfied.

2.~~12~~. Affordable Dwelling Units, Mandatory Provision

And amend **Section II – Definitions, Subsection B.,** of the Bylaw accordingly to be consistent with the Definitions indicated in **Section VII, Special Regulations, Subsection 2.1, Affordable Secondary Dwelling Units Incidental to a Single Family Dwelling, Paragraph B. Definitions** above, including the corresponding renumbering.

Or take any other action in relation thereto. (Planning Board)

Motion: By Mark Zibrat, Chairman, Planning Board
I move that the Town vote to amend its Zoning Bylaw as printed in the Warrant.

Speaker: Mark Zibrat, Chairman, Planning Board

Explanation: *The above article proposes to make amendments to the existing Section VII, 1-1, Affordable Apartment Incidental to Single Family Dwelling of the Zoning Bylaw to provide opportunities to create affordable secondary dwelling units incidental to single-family dwellings that count on the State's Housing Inventory, which can also be credited towards meeting the Town's goal of 10% of the year round housing units being affordable to those making up to 80% of median income. The proposed article has been modified from the all-inclusive proposal last year, focusing only on affordable residential accessory secondary dwelling units.*

The proposed article includes the following primary changes:

- *Changes to definitions and program references for consistency with current Department of Housing and Community Development (State) requirements, to meet the primary goal of this initiative by providing a mechanism for accessory secondary dwelling units created by homeowners under zoning to count towards the Town's goal of 10% of the year-round housing stock being affordable.*
- *Removal of the 20,000 square foot minimum buildable upland area requirement provides opportunities for a greater number of Chatham property owners to pursue this provision, while maintaining the Special Permit review.*
- *Further clarification of affordability and program requirements, enforcement procedures and the creation of affordable secondary dwelling units in non-conforming structures.*
- *Introduction of the concept of a "revocable" use restriction, intended to address concerns/perceptions of land owners that creating such a unit would limit future options.*

Please Note: *A detailed "markup" version indicating language to be deleted and inserted line by line with corresponding marginal note commentary is also available for review at the Office of the Town Clerk, 549 Main Street, the Community Development Department at the Annex, 261 George Ryder Road and on the Town's website (www.Chatham-MA.gov) under the "Zoning Bylaw Rewrite".*

The intent of these changes is to promote the development of affordable housing that counts towards the 10% goal, dispersed throughout the Town's residential zoning districts through participation of homeowners in a manner that balances incentives for participation with the protection of community character.

Planning Board Recommendation: Approve 5-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Disapprove 5-0-4

Article 29 - Zoning / Affordable Apartments Incidental to a Commercial Use

~~Strikethrough~~ indicates language proposed for deletion
Underline indicates language proposed for inclusion
Italicized Words are defined in either the existing Bylaw or in the following proposed amendments

To see if the Town will vote to amend its Protective (Zoning) Bylaw, **Section II., Definitions, Subsection B.,** by adding the following:

"AFFIRMATIVE FAIR HOUSING MARKETING PLAN (AFHMP)" means a plan meeting the minimum standards set forth by the Department of Housing and Community Development (DHCD) to create fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations in the selection of tenants.

"AFFORDABLE APARTMENT INCIDENTAL TO A COMMERCIAL USE" means a *dwelling unit* located on a commercially zoned *lot* intended for rental to low or moderate *income eligible* households on a year round basis in conformance with the applicable affordability requirements of **Section VII. 4.1. B. – Conditions for Affordable Rental Dwelling Units** including requiring a five (5) year use restriction that is not voluntarily revocable.

"AFFORDABLE RENT" means *housing costs* which do not exceed 30% of the gross monthly income of a household whose income is 70% of the area median income for Barnstable County as reported by the United States Department of Housing and Urban Development (HUD) as adjusted for bedrooms.

"AFFORDABLE, RENTAL UNIT" used in reference to *dwelling units* means intended for rental to low or moderate *income-eligible* households and in conformance with the requirements of this Bylaw with regard to *rent* and income level of tenant (s).

"APARTMENT, MARKET RATE" means a rental dwelling unit used for occupancy on the basis of rental for greater than two weeks per year and not subject to any restrictions on income-eligible tenants.

"AREA MEDIAN INCOME (AMI)" means the estimated median income, adjusted for family size, by county or metropolitan area. The *AMI* is adjusted annually by *HUD.*

"CHATHAM HOUSING AUTHORITY" means the local Housing Authority organized pursuant to Massachusetts General Laws, Chapter 121B, Section 3.

"DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD)" means the Massachusetts agency that oversees State funded programs and other funding incentives to promote affordable housing.

"HOUSING AND URBAN DEVELOPMENT (HUD)" means the Federal agency responsible for addressing the nation's housing needs, enforcing of fair housing laws and helping local communities meet development needs.

"HOUSING COSTS, RENTAL UNIT" means including rent and utilities.

"INCOME-ELIGIBLE" means that the household income of a person or family does not exceed 80% of the median income, adjusted for household size, for Barnstable County as reported by the United States Department of Housing and Urban Development (HUD).

"LOCAL ACTION UNITS (LAU)" means *affordable* units built pursuant to a local action such as a zoning provision, a condition of a variance or special permit issued by the planning board or zoning board of appeals, a contract provision (e.g., reuse of municipal or school building as housing), or an agreement between the town and a non-profit organization to build or rehabilitate municipal buildings into housing. This component of the *LIP* gives communities the opportunity to include housing units on the state's *Subsidized Housing Inventory* that were built without a Comprehensive Permit but which meet *LIP* criteria.

"LOCAL INITIATIVE PROGRAM (LIP)" means a State program under which communities may use local resources and technical assistance from *DHCD* to develop affordable housing pursuant to 760 CMR 56.00.

"LOCAL PROGRAM ADMINISTRATOR (LPA)" means the entity responsible for oversight of *affordable* units. This could be the *Chatham Housing Authority*, a local official, the director of an area housing non-profit organization, or another appropriate person meeting *DHCD* approval.

"SUBSIDIZED HOUSING INVENTORY (SHI)" means *DHCD's* official list of units, by municipality, that counts toward a community's 10% goal.

"USE RESTRICTION" means an executed restriction in a form acceptable to the Special Permit Granting Authority (SPGA), recorded with the Barnstable County Registry of Deeds.

"ZONING ENFORCEMENT OFFICER" means the Building Commissioner or his/her designee charged with the authority to enforce the provisions of the Chatham Protective (Zoning) Bylaw.

Including the renumbering of **Subsection B.** accordingly, to account for adding the above new definitions.

And, amend, **Section VII – Special Regulations, Subsection 4. Apartment, Incidental to a Commercial and Industrial Use**, as follows:

4. Apartment, Incidental to a Commercial Use and Industrial Use

Permitted in the Industrial I Districts and allowed by special permit in the General Business (GB) Districts as follows:

a. The ~~use~~ structure shall comply with the dimensional requirements stipulated in Appendix II for the commercial ~~use~~ zoning district provided:

1. The area of any lot shall provide not less than ten thousand (10,000) square feet of buildable upland for each *apartment*.

2. In the GB District there shall be no more than four (4) *apartments* in one building.

3. There shall be living quarters o~~f~~n not more than two (2) stories above finish grade and none below such level.

4. In the Industrial District, there shall be no more than one two-bedroom *apartment* per lot incidental to the commercial or industrial use.

b. The residential use of the property shall be compatible with the nature and scale of the permitted commercial/industrial uses on the lot.

4.1. Affordable Apartment Incidental to a Commercial Use

Allowed by a Special Permit granted by the Zoning Board of Appeals (ZBA) in the General Business (GB) Districts as follows:

A. The structure shall comply with the dimensional requirements stipulated in Appendix II for the commercial zoning district provided:

1. The area of any lot shall provide not less than five thousand (5,000) square feet of buildable upland for each *Affordable Apartment Incidental to a Commercial Use* apartment in the GB1, GB2 and GB3 Districts.

2. In the GB District there shall be no more than a total of six (6) a*partments* in one building, with a maximum of four (4) market rate *apartments.*

3. There shall be living quarters on not more than two (2) stories above finish grade and none below such level and living quarters shall only be allowed on the second floor in the GB1 District.

4. Notwithstanding the requirement for an *Apartment Incidental to a Commercial Use* to maintain a minimum of 51% of the total floor area of the building(s) above finish grade for commercial purposes, the following minimum percentages will be allowed for *Affordable Apartment Incidental to a Commercial Use*:

   a. At least one-third (1/3) of the total floor area of the building(s) above finish grade is utilized for commercial purposes in the GB2 and GB3 Districts, with no more than one-third (1/3) of the first level being devoted to residential use.

B. Conditions for Affordable Rental Dwelling Units

Affordable rental dwelling units approved under this Bylaw shall be subject to the following requirements:

1. Any dwelling unit required or approved under this Bylaw as *affordable* shall meet the definition of *affordable rent* as set forth is this Bylaw. Certification by the *LPA* that the rent is an *affordable rent* shall be provided to the *Zoning Enforcement Officer.*

2. Any dwelling approved under this Bylaw as an *affordable* rental unit shall be rented subject to a minimum 12-month lease. In all cases, the owner must provide an existing tenant at least 60 days prior written notice that his or her lease will not be renewed.

3. For any dwelling unit required or approved as an *affordable* rental under this Bylaw, certification by the *LPA* that the tenants occupying the affordable unit are *income eligible* and the rent charged them is *affordable* per the definitions in this Bylaw must be submitted to the *Zoning Enforcement Officer* at the time of the signing of the lease and on an annual basis thereafter. Such certification is also required upon any change in tenants or rent charged. Dates of occupancy shall be stated in the certification.

4. The selection of a tenant shall be in accordance with DHCD's Affirmative Fair Housing Marketing Plan (AFHMP) guidelines. Additionally, creation of all units shall be in compliance with DHCD Regulations at 760 CMR 56.00 *et seq* and applicable guidelines regarding the SHI, use restrictions and the LIP.

5. *Affordable* dwelling units shall be subject to *affordable* housing use restrictions that are executed by the homeowner, the Municipality, and *DHCD* and filed by the *LPA* in the Registry of Deeds/Land Court Registry District.

C. Special Permits may be granted when it has been found that the uses involved will not be detrimental to the established or future character of the area and the Town, and when it has been found that the uses involved will be in harmony with the general purpose and intent of the Bylaw. The Special Permit Granting Authority shall make written findings certifying compliance with the specific requirements governing individual special uses and addressing at a minimum each of the following considerations, if applicable:

1. Adequacy of the site in terms of size for the proposed uses;

2. Suitability of the site for the proposed uses;

3. Impact on traffic flow and safety of the inhabitants on foot, bike and/or motor vehicle;

4. Impact on area visual character, including views and vistas and the protection of the commercial character of the business façade;

5. Adequacy of method of sewage disposal, source of water and drainage relating to the commercial/industrial use and the residential use;

6. Adequacy of utilities and other public services;

7. Noise and litter;

8. Compatibility of the proposed use with surrounding land uses;

9. Impact on the natural environment including slopes, vegetation, wetlands, groundwater and water bodies.

10. Adequate safe parking for inhabitants.

D. Conditions of Approval - The Zoning Board may impose conditions upon the approval of a Special Permit in keeping with the above review criteria.

Any such conditions shall be transferable to a subsequent owner pursuant to Section VII. 4.1. B. – Conditions for Affordable Rental Dwelling Units.

And Amend, **Appendix I, Schedule of Use Regulations** by adding **"Affordable Apartment Incidental To A Commercial Use"** to the schedule so as to read:

Affordable Apartment Incidental To A Commercial Use

R-60	R40 R40A	R-30	R-20	R-20A	SB	GB	I	M/C	M
X	*X*	*X*	*X*	*X*	*X*	***SP***	*X*	*X*	*X*

Or take any other action in relation thereto.

(Planning Board)

Motion: By Mark Zibrat, Chairman, Planning Board
I move that the Town vote to amend its Zoning Bylaw as printed in the Warrant.

Speaker: Mark Zibrat, Chairman, Planning Board

Explanation: *The above article proposes to make amendments to the existing Section VII, 4, Apartment, Incidental to a Commercial and Industrial Use of the Zoning Bylaw to provide opportunities to create affordable accessory apartments incidental to commercial uses that count on the State's Housing Inventory towards meeting the Town's goal of 10% of the year round housing units being affordable to those making up to 80% of median income. The proposed article has been modified*

from the all-inclusive proposal last year, focusing only on Affordable Apartments incidental to a Commercial Use.

The proposed article includes the following primary changes:

- *Reduced buildable upland requirement of 5,000 square feet for Affordable Apartments Incidental to a Commercial Use.*
- *Ability to create additional units in a building in exchange for a five year affordability restriction.*
- *New "use mix" in the GB2 and GB3 Districts allowing a maximum of 33% residential area on the first level with a maximum of 66% residential in the entire building, versus the existing minimum requirement of 51% of the first level being devoted to solely commercial activity. The 51% requirement would remain for the GB1 (Downtown) District.*
- *Creation of specific review criteria for apartments located within a GB Commercial district.*

Please Note: *A detailed "markup" version indicating language to be deleted and inserted line by line with corresponding marginal note commentary is also available for review at the Office of the Town Clerk, 549 Main Street, the Community Development Department at the Annex, 261 George Ryder Road and on the Town's website (www.Chatham-MA.gov) under the "Zoning Bylaw Rewrite".*

The intent of these changes is to promote the development of affordable housing in the GB districts through participation of private property owners and developers, in a manner that balances incentives for participation with the protection of community character.

Planning Board Recommendation: Approve 5-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Disapprove 5-1-3

Article 30 - Zoning / Affordable Apartments Incidental to an Industrial Use

~~Strikethrough~~ indicates language proposed for deletion
Underline indicates language proposed for inclusion
Italicized Words are defined in either the existing Bylaw or in the following proposed amendments

To see if the Town will vote to amend its Protective (Zoning) Bylaw, **Section II., Definitions, Subsection B.,** by adding the following:

"AFFIRMATIVE FAIR HOUSING MARKETING PLAN (AFHMP)" means a plan meeting the minimum standards set forth by the Department of Housing and Community Development (DHCD) to create fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations in the selection of tenants.

"AFFORDABLE APARTMENT INCIDENTAL TO AN INDUSTRIAL USE" means a *dwelling unit* located on an industrial *lot* intended for rental to low or moderate *income eligible* households on a year round basis in conformance with the applicable affordability requirements of **Section VII. 4.2. B. – Conditions for Affordable Rental Dwelling Units** including requiring a five (5) year use restriction that is not voluntarily revocable.

"AFFORDABLE RENT" means *housing costs* which do not exceed 30% of the gross monthly income of a household whose income is 70% of the area median income for Barnstable County as reported by the United States Department of Housing and Urban Development (HUD) as adjusted for bedrooms.

"AFFORDABLE, RENTAL UNIT" used in reference to *dwelling units* means intended for rental to low or moderate *income-eligible* households and in conformance with the requirements of this Bylaw with regard to rent and income level of tenant (s).

"APARTMENT, MARKET RATE" means a rental dwelling unit used for occupancy on the basis of rental for greater than two weeks per year and not subject to any restrictions on income-eligible tenants.

"AREA MEDIAN INCOME (AMI)" means the estimated median income, adjusted for family size, by county or metropolitan area. The *AMI* is adjusted annually by *HUD.*

"CHATHAM HOUSING AUTHORITY" means the local Housing Authority organized pursuant to Massachusetts General Laws, Chapter 121B, Section 3.

"DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD)" means the Massachusetts agency that oversees State funded programs and other funding incentives to promote affordable housing.

"HOUSING AND URBAN DEVELOPMENT (HUD)" means the Federal agency responsible for addressing the nation's housing needs, enforcing of fair housing laws and helping local communities meet development needs.

"HOUSING COSTS, RENTAL UNIT" means including rent and utilities.

"INCOME-ELIGIBLE" means that the household income of a person or family does not exceed 80% of the median income, adjusted for household size, for Barnstable County as reported by the United States Department of Housing and Urban Development (HUD).

"LOCAL ACTION UNITS (LAU)" means *Affordable* units built pursuant to a local action such as a zoning provision, a condition of a variance or special permit issued by the planning board or zoning board of appeals, a contract provision (e.g., reuse of municipal or school building as housing), or an agreement between the town and a non-profit organization to build or rehabilitate municipal buildings into housing. This component of the *LIP* gives communities the opportunity to include housing units on the state's *Subsidized Housing Inventory* that were built without a Comprehensive Permit but which meet *LIP* criteria.

"LOCAL INITIATIVE PROGRAM (LIP)" means a State program under which communities may use local resources and technical assistance from *DHCD* to develop affordable housing pursuant to 760 CMR 56.00.

"LOCAL PROGRAM ADMINISTRATOR (LPA)" means the entity responsible for oversight of *affordable* units. This could be the Chatham Housing Authority, a local official, the director of an area housing non-profit organization, or another appropriate person meeting *DHCD* approval.

"SUBSIDIZED HOUSING INVENTORY (SHI)" means *DHCD's* official list of units, by municipality, that counts toward a community's 10% goal.

"USE RESTRICTION" means an executed restriction in a form acceptable to the Special Permit Granting Authority (SPGA), recorded with the Barnstable County Registry of Deeds.

"ZONING ENFORCEMENT OFFICER" means the Building Commissioner or his/her designee charged with the authority to enforce the provisions of the Chatham Protective (Zoning) Bylaw.

Including the renumbering of **Subsection B.** accordingly, to account for adding the above new definitions.

And, amend, **Section VII – Special Regulations, Subsection 4. Affordable Apartment, Incidental to a Commercial Use and Industrial Use**, by adding the following new sub section:

4.2. Affordable Apartment, Incidental to an Industrial Use

Allowed by a Special Permit in the Industrial I Districts granted by the Zoning Board of Appeals (ZBA) as follows:

A. The structure shall comply with the dimensional requirements stipulated in Appendix II for the industrial use provided:

1. The area of any lot shall provide not less than five thousand (5,000) square feet of *buildable upland* for each *Affordable Apartment, Incidental to an Industrial Use.*

2. There shall be living quarters on not more than two (2) stories above finish grade and none below such level.

3. In the Industrial District, there shall be no more than one (1) two-bedroom *apartment* per lot incidental to the commercial or industrial use; except for an *Affordable Apartment, Incidental to an Industrial Use,* there shall be no more than two (2) *apartments* per lot with the *affordable* units limited to one (1) bedroom.

B. Conditions for Affordable Rental Dwelling Units

Affordable rental dwelling units approved under this Bylaw shall be subject to the following requirements:

1. Any dwelling unit required or approved under this Bylaw as *affordable* shall meet the definition of *affordable rent* as set forth is this Bylaw. Certification by the *LPA* that the rent is an *affordable rent* shall be provided to the *Zoning Enforcement Officer.*

2. Any dwelling approved under this Bylaw as an *affordable* rental unit shall be rented subject to a minimum 12-month lease. In all cases, the owner must provide an existing tenant at least 60 days prior written notice that his or her lease will not be renewed.

3. For any dwelling unit required or approved as an *affordable* rental under this Bylaw, certification by the *LPA* that the tenants occupying the affordable unit are *income eligible* and the rent charged them is *affordable* per the definitions in this Bylaw must be submitted to the *Zoning Enforcement Officer* at the time of the signing of the lease and on an annual basis thereafter. Such certification is also required upon any change in tenants or rent charged. Dates of occupancy shall be stated in the certification.

4. The selection of a tenant shall be in accordance with DHCD's Affirmative Fair Housing Marketing Plan (AFHMP) guidelines. Additionally, creation of all units shall be in compliance with DHCD Regulations at 760 CMR 56.00 *et seq* and applicable guidelines regarding the SHI, use restrictions and the LIP.

5. *Affordable* dwelling units shall be subject to *affordable* housing use restrictions that are executed by the homeowner, the Municipality, and *DHCD* and filed by the *LPA* in the Registry of Deeds/Land Court Registry District.

C. Review Criteria - The residential use of the property shall be compatible with the nature and scale of the permitted industrial uses on the lot. Special Permits may be granted when it has been found that the uses involved will not be detrimental to the established or future character of the area and the Town, and when it has been found that the uses involved will be in harmony with the general purpose and intent of the Bylaw. The Special Permit Granting Authority shall make written findings certifying compliance with the specific requirements governing individual special uses and addressing at a minimum each of the following considerations, if applicable:

1. Adequacy of the site in terms of size for the proposed uses;

2. Suitability of the site for the proposed uses;

3. Impact on traffic flow and safety of the inhabitants on foot, bike and/or motor vehicle;

4. Impact on area visual character including views and vistas.

5. Adequacy of method of sewage disposal, source of water and drainage relating to the commercial/industrial use and the residential use;

6. Adequacy of utilities and other public services;

7. Noise and litter;

8. Compatibility of the proposed use with surrounding land uses;

9. Impact on the natural environment including slopes, vegetation, wetlands, groundwater and water bodies;

10. Adequate safe parking for inhabitants.

D. Conditions of Approval - The Zoning Board may impose conditions upon the approval of a Special Permit in keeping with the above review criteria.

Any such conditions shall be transferable to a subsequent owner pursuant to Section VII. 4.2. B. – Conditions for Affordable Rental Dwelling Units.

And Amend, **Appendix I, Schedule of Use Regulations** by adding **"Affordable Apartment Incidental To An Industrial Use"** to the schedule so as to read:

Affordable Apartment Incidental To An Industrial Use

R-60	R40 R40A	R-30	R-20	R-20A	SB	GB	I	M/C	M
X	*X*	*X*	*X*	*X*	*X*	*X*	***SP***	*X*	*X*

Or take any other action in relation thereto.

(Planning Board)

Motion: By Mark Zibrat, Chairman, Planning Board
I move that the Town vote to amend its Zoning Bylaw as printed in the Warrant.

Speaker: Mark Zibrat, Chairman, Planning Board

Explanation: *The above article proposes to make additional amendments to Section VII, 4, Apartment, Incidental to a Commercial and Industrial Use of the Zoning Bylaw by adding a new section to create Affordable Apartments Incidental to Industrial Uses that count on the State's Housing Inventory towards meeting the Town's goal of 10% of the year round housing units being affordable to those making up to 80% of median income. The proposed article has been modified from the all-*

inclusive proposal last year, focusing only on affordable apartments incidental to an industrial use.

The proposed article includes the following primary changes:

- *Reduction of buildable lot area required (from 10,000 sq. ft. to 5,000 sq. ft.) when an affordable apartment is provided.*
- *Creation of specific review criteria for affordable apartments located within the Industrial (I) district.*
- *Ability to create one additional (1 bedroom) affordable apartment, beyond the one (2 bedroom) apartment currently allowed in District I, for a maximum of two apartments.*

Please Note: *A detailed "markup" version indicating language to be deleted and inserted line by line with corresponding marginal note commentary is also available for review at the Office of the Town Clerk, 549 Main Street, the Community Development Department at the Annex, 261 George Ryder Road and on the Town's website (www.Chatham-MA.gov) under the "Zoning Bylaw Rewrite".*

The intent of these changes is to promote the development of affordable housing in the industrial districts through participation of private property owners and developers, in a manner that balances incentives for participation with the protection of community character.

Planning Board Recommendation: Approve 5-0-0
Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Disapprove 7-0-2

Article 31 – Charter Revisions

To see if the Town will vote to adopt the following Amendments to the Town of Chatham Charter as printed in this Warrant and identified as proposed changes or proposed language and to delete from the Charter those sections of the Charter identified as existing language in this Warrant, or take any other action in relation thereto.

(Board of Selectmen)

(Note: ~~Strike outs~~ indicate the language to be removed. Shading indicates new language.)

Part IX
Section 9-1 Continuation of Existing Laws

All town bylaws, resolutions, rules, regulations, orders, special acts, and votes of the town meeting which are in force, ~~at the time this charter is adopted,~~ not inconsistent with the provisions of this charter, shall continue in full force until amended or repealed. ~~Where~~

~~provisions of this charter conflict with provisions of town bylaws, rules, regulations, orders, general laws, special acts and acceptances of general laws, the charter provisions shall govern. All provisions of town bylaws, rules, regulations, orders and special acts not superseded by this charter shall remain in force.~~

Part IX
~~Section 9-2 Existing Officials and Employees~~

~~Any person holding a town office or employment under the town shall retain such office or employment and shall continue to perform the duties of the office until provisions shall have been made in accordance with this charter for the performance of the said duties by another person or agency. No person in the permanent full-time service or employment of the town shall forfeit pay grade or time in service. Each person shall be retained in a capacity as similar to the person's former capacity as is practical.~~

Part IX
~~Section 9-3 Continuation of Government~~

~~All town officers, boards, commissions or agencies shall continue to perform their duties until reappointed, or reelected, or until successors to their respective positions are fully appointed or elected or until their duties have been transferred and assumed by another town office, board, commission or agency.~~

Part IX
Section 9-~~4~~2 Transfer of Records and Property

All records, property and equipment whatsoever of any office, board, commission, committee or agency or part thereof, the powers and duties of which are assigned in whole or in part to another town office, board, commission or agency.

Part IX
~~Section 9-5 Time of Taking Effect~~

~~This charter shall become fully effective upon ratification by the voters except as otherwise provided in this section:~~

~~(a) As soon as practical following the election at which the charter is adopted the board of selectmen shall appoint a town manager.~~
~~(b) Within eight weeks after the adoption of this charter, the moderator shall appoint a committee of five members to review town bylaws. Within two years of such appointment the committee shall report back to the town meeting with recommendations to bring bylaws in conformity with the provisions of the charter.~~
~~(c) The incumbents serving as members of the cemetery commission, park commission, planning board, recreation commission and the board of health shall continue to serve for the balance of the terms for which they were elected. Upon the expiration of the terms of office of members of the cemetery commission, park commission, planning~~

board, recreation commission and the board of health the succeeding officers shall be appointed by the board of selectmen until such other form of organization is provided for in accordance with Section 5-1.

(d) The incumbents serving as members of the finance committee shall continue to serve for the balance of the terms for which they were appointed. Upon the expiration of the terms of office, or should any vacancies occur sooner, the moderator shall appoint members of the finance committee in accordance with Section 3-4.

(e) The incumbent in the office of highway surveyor shall continue to serve for the balance of the term for which the highway surveyor was elected. Upon the expiration of the term of office of the highway surveyor, or if a vacancy shall occur sooner, the highway surveyor shall be appointed by the town manager until some other form of organization is provided for in accordance with Section 5-1.

(f) The incumbent in the office of tree warden shall continue to serve for the balance of the term for which the tree warden was elected. Upon the expiration of the term of office of the tree warden, or if a vacancy shall occur sooner, the tree warden shall be appointed by the town manager until such other form of organization is provided for in accordance with Section 5-1.

(g) The elected constables shall continue to serve for the balance of the term for which they were elected. Upon the expiration of the term of office of any constable, or if a vacancy shall occur sooner, the constables shall be appointed by the board of selectmen.

(h) Incumbent members of the Water and Sewer Commission will continue as an advisory committee to the board of selectmen and town manager.

(i) Within twenty-four months after the adoption of this charter the town manager shall prepare a comprehensive plan of organization in the form of an administrative order in accordance with Section 5-1(a) of this charter. The town manager shall also indicate any changes in the number, responsibilities, and powers and duties of any board, commission or committee that may be restructured by the board of selectmen in accordance with Section 5-1(b). Notwithstanding Section 5-1(a) of this charter, administrative orders proposed by the town manager shall become effective on the sixtieth day following the day on which notice of the proposed administrative order is filed with the board of selectmen unless the board of selectmen shall, within such period, by majority of the board of selectmen vote to reject such administrative order or has sooner voted to affirm such administrative order with or without amendments.

This section is intended to provide the board of selectmen sufficient time to review and amend the initial administrative order proposed by the town manager; thereafter any administrative orders proposed shall become effective in the manner provided in Section 5-1(a). Until such time as another form of organization is provided in accordance with the procedures set forth in this section, or as made available under Section 5-1(a) of this charter, the organization of town government shall include but not be limited to, the following departments:

(1) a department of administration and finance;
(2) a department of community development;
(3) a department of coastal resources;
(4) a department of public works;

~~(5) a department of health and environment;~~
~~(6) a department of parks and recreation;~~
~~(7) a fire department; and~~
(8) ~~a police department.~~

~~The town manager may organize such departments incorporating functions, services and agencies into such departments as deemed appropriate. The town manager may appoint department heads or act as the department head.~~

Part I
Section 1-6 Consistency with Town Bylaws

Where provisions of this charter conflict with provisions of town bylaws, rules, regulations, orders, general laws, special acts and acceptances of general laws, the charter provisions shall govern. All provisions of town bylaws, rules, regulations, orders and special acts not superseded by this charter shall remain in force.

Part I
Section 1-~~6~~7 Intergovernmental Relations

The town, through the board of selectmen, may enter into agreements with any other unit of government to perform jointly or in cooperation, by contract or otherwise, any of its powers or functions.

Part V
Section 5-1 (a) Method of Organization – Town Departments

The organization of town government into operating departments for the provision of services and the administration of government shall be the responsibility of the town manager. Subject only to the express prohibitions in the laws of the commonwealth or the provisions of this charter, the town manager may by administrative order reorganize, consolidate, create, merge, divide or abolish any town department or office, in whole or in part, establish such new town departments or offices as he deems necessary or advisable, and prescribe the functions and the administrative procedures to be followed by all such departments or offices.

At a minimum, the town manager shall provide for the following governmental functions:

- Administration and finance;
- Law enforcement;
- Fire protection and rescue service;
- Operation and maintenance of the town's roads, parks, buildings and other facilities;
- Management and Protection of coastal resources;
- Town planning and enforcement of zoning and building codes;
- Enforcement of health and environmental regulations;
- Operation of the water and sewer systems.

Administrative orders made by the town manager shall become effective on the thirtieth (30) day following the day on which notice of the proposed administrative order is filed with the board of selectmen and the office of the town clerk unless the board of selectmen shall, within such period, by majority vote of the board of selectmen, vote to reject such administrative order or has earlier voted to affirm it.

Explanation: Part IX is composed of provisions dealing with the transition from Chatham's pre-charter government. Since all of these provisions have long since been accomplished, most of Part IX is excess baggage and can be deleted. A few sections of Part IX are necessary for assuring that pre-charter town policies are preserved in the new Part IX. Other sections which are more than simply transitional in nature have been moved to other Parts where they fit better.

The original charter detailed a list of departments, subject to later reorganization. In this proposal the list would be replaced by a list of government functions and it would be moved to Part V-1a.

Part VIII
Section 8-2 Periodic Charter Review

At least once in every ~~seven~~ five years a special committee shall be appointed by the board of selectmen for the purpose of reviewing the provisions of the charter and to make a report concerning any proposed amendments or revisions which such committee deems necessary.

Explanation: Part VIII section 8-2 specifies a periodic charter review at least once every seven years. Before the last charter revision, this had been every five years. This proposal changes it back to the way it was.

Part VI
Section 6-1 Budget Process

At the onset of the annual budget process, the town manager shall meet with the board of selectmen, the school committee and the finance committee to discuss the upcoming operating and capital budgets.

Within a time fixed by bylaw prior to the annual town meeting, the town manager shall submit to the board of selectmen and finance committee a proposed operating and capital budget for all town departments, including the operating and capital budgets as adopted by the school committee for the ensuing fiscal year with an accompanying budget message and supporting documents.

The budget adopted by the school committee shall be submitted to the town manager in sufficient time to enable the town manager to consider the effect of the school committee's requested appropriation on the town total budget which is required to be submitted under this section.

The budget message submitted by the town manager shall explain the budget in fiscal terms and in terms of work programs. It shall outline the proposed fiscal policies of the town for the ensuing fiscal year; describe the important features of the proposed budget and indicate any major variations from the current budget, fiscal policies, expenditures and revenues together with reasons for such change. The proposed budget shall provide a complete fiscal plan of all town funds and activities and shall be in the form the board of selectmen deems desirable.

~~Within a time fixed by bylaw the board of selectmen shall review the operating and capital budget improvements program and make changes as deemed appropriate prior to transmitting the budget and capital improvement program to the finance committee.~~

~~The budget as adopted by the school committee shall be submitted to the town manager in sufficient time to enable the town manager to consider the effect of the school department's requested appropriation on the town total budget which is required to be submitted under this section.~~

Upon receipt of the Town Manager's proposed operating budget, the Board of Selectmen shall announce the date on which they intend to act on the budget, but in no case earlier than 30 days after receipt.

Part VI
Section 6-2 Capital Improvements Program

The town manager shall submit a five-year capital improvement program to the board of selectmen and the finance committee at the date fixed by bylaw for the submission of the proposed operating budget unless some other time is provided by bylaw. The capital improvement program shall contain information ~~concerning~~ regarding the cost of such program including a schedule of the existing principal and interest owed by the town. Year one of the five year capital improvements program shall be submitted with~~in~~ the operating budget for the ensuing fiscal year.

Upon receipt of the Town Manager's proposed capital improvement budget, the Board of Selectmen shall announce the date on which they intend to act on the budget, but in no case earlier than 30 days after receipt.

Part VI
Section 6-3 Finance Committee Action

The finance committee shall, upon receipt of the operating and capital budgets from the ~~board of selectmen,~~ town manager, consider in public meetings the detailed expenditures for each town department and agency. The finance committee may request the town manager to provide necessary information from any town agency. The town manager shall promptly meet requests of the finance committee.

~~The finance committee shall file a report of its recommendations for action prior to the date on which the town meeting is to act on the proposed budget. The report of the finance committee shall include the fiscal and tax implications of the proposed budget and a statement outlining support or opposition to the proposed budget or sections of the proposed budget. The report of~~

~~the finance committee shall be prepared in sufficient time to be incorporated in the annual town meeting warrant. The budget to be acted upon by the town manager shall be the budget approved by the board of selectmen with the accompanying recommendations of the finance committee.~~

The finance committee shall make budget recommendations and report those recommendations to the board of selectmen in sufficient time for the board of selectmen to consider those recommendations prior to the board of selectmen voting on the operating and capital budgets.

Part VI
Section 6-4 Board of Selectmen Action

Within a time fixed by bylaw the board of selectmen shall review the operating and capital budget improvements program, make changes as deemed appropriate and place their approved budget on the annual town meeting warrant. The board of selectmen shall transmit their approved budget to the finance committee.

Part VI
Section 6-5 Town Meeting Action

The finance committee shall vote their recommendations for action on the budget as received from the board of selectmen. Additionally, the finance committee shall file a report of its recommendations for action prior to the date on which the town meeting is to act on the budget. The report of the finance committee shall include the fiscal and tax implications of the budget and a statement outlining support or opposition to the budget or section of the budget. The report of the finance committee shall be prepared in sufficient time to be incorporated in the annual town meeting warrant. The budget to be acted upon by the town meeting shall be the budget approved by the board of selectmen with the accompanying recommendations of the finance committee.

Part VI
Section 6-~~4~~6 Approval of Warrants for Payment

Warrants for payments of town funds prepared by the town accountant shall be submitted to the town manager for approval. The approval of any such warrant by the town manager shall be sufficient authority to authorize payment by the town treasurer.

Explanation: Part VI of the charter deals with the annual budget process. The new proposal requires the Town Manager to begin the annual budget process by meeting with School Committee, Selectmen, and Finance Committee, to plan the upcoming budget. It also mandates that the Town Manager's budget proposal to the Board of Selectmen be given simultaneously to the Finance Committee. It requires that the Board of Selectmen then allow at least 30 days during which the Finance Committee can analyze the budget and make a report to the Board of Selectmen, after which, as before, the Board of Selectmen decides what budget proposal is put on the Town Meeting warrant, and, as before, the Finance Committee makes a budget recommendation to the Town Meeting.

Part I
Section 1.8 Ethical Standards

Elected and appointed officers, officials and employees of the Town of Chatham are expected to demonstrate, in their general conduct and in the performance of their duties and responsibilities, the highest ethical standards. Elected and appointed officers, officials and employees of the Town of Chatham are expected to recognize that they hold their offices or positions for the benefit of the public and that while acting in their official capacity they are expected to faithfully discharge the duties of their offices in the public interest, regardless of personal considerations. Elected and appointed officers, officials and employees of the Town of Chatham shall not use their official positions to secure or to grant special consideration, treatment, advantage, privilege or exemption to themselves or to any other person beyond that which is available to every person.

Explanation: This section is being proposed as an expression of citizens' aspirations for our town government.

Part III
Section 3-2 (b) Powers and Duties

The executive authority of the town shall be vested in the board of selectmen who shall serve as the chief policy making agency of the town. The board of selectmen shall continue to have and to exercise all the powers and duties vested in boards of selectmen by the laws of the commonwealth, and such additional powers and duties authorized by the charter, by bylaw or by vote of the town, except those powers and duties granted to the town manager under this charter.

The board of selectmen shall have the powers and duties of a water and sewer commission, unless they choose to delegate those powers and duties to another town agency. The board of selectmen shall cause the laws and orders for the government of the town to be enforced and shall cause a record of all its official acts to be kept. To administer and implement its policies and aid the board in its official duties, the board of selectmen shall appoint a town manager as provided in Part IV of this charter.

Section 3-2 (c) Appointment Powers

The board of selectmen shall appoint a town manager, town counsel, registrars of voters, and election officials. The board of selectmen shall further appoint members of boards, commissions or committees for which no other appointment provision is made in this Charter.

Explanation: The present charter mandates that the Water and Sewer Commission be the Board of Selectmen. This proposal would allow the Board of Selectmen the flexibility of either continuing as commissioners or appointing a Water and Sewer Commission if they so choose.

Part II
Section 2-8 Town Meeting Action

The exercise of the legislative power by a vote of Town Meeting shall be presumed to be binding, and shall be implemented by a designated town agency or department in conformance with the law or such vote.

Explanation: Not all votes of the Town Meeting can be implemented. The added language gives Town Meeting votes as much authority as is practicable.

Part V
Section 5-1b Method of Organization – Town Boards, Commissions or Committees

Unless otherwise provided by this charter, the establishment and organization of boards, commissions or committees shall be the responsibility of the board of selectmen. Subject only to the express prohibitions of the laws of the commonwealth or the provisions of this charter, the board of selectmen may by vote prescribe the term of office, reorganize, consolidate, create, merge, divide or abolish any town board, commission or committee, in whole or in part, establish such new board, commission or committee as deemed necessary or advisable, and prescribe the functions, purpose and responsibilities of such boards, commissions or committees. Nothing in this section shall prohibit the town meeting from authorizing the appointment of ~~any ad hoc study or research committee.~~ one or more committees. Votes of Town Meeting which authorize the formation of such committees shall state the charge, composition and town agency to be the appointing authority, if other than the Board of Selectmen. The tenure of any such committee shall continue pursuant to its charge and until abolition by or change by a subsequent town meeting.

Explanation: This Section has been expanded in order to clarify how Town Meeting shall form and dissolve Town Meeting committees.

Part V
Section 5-3 Personnel System

Subject to the approval of the board of selectmen, the town manager shall adopt rules and regulations establishing a personnel system. The adoption of rules and regulations shall be subject to a public hearing. The personnel system shall make use of modern concepts of personnel management and ~~may~~ shall include, ~~but not be limited to,~~ at least the following elements:

-a method of administration;
-personnel policies indicating the rights, obligations and benefits of employees;
-a classification plan;
-a compensation plan;
-a method of recruiting and selecting employees based on merit;
-a centralized record keeping system;
-disciplinary and grievance procedures;
-a written performance evaluation system for all full-time year-round employees;
-a professional development, ~~evaluation~~ and training program;
and other elements that are deemed necessary.

All town agencies and positions shall be subject to the rules and regulations adopted under this section excluding employees of the school department and employees covered by collective bargaining agreement. The personnel rules and regulations shall not apply to the position of town manager.

~~The board of selectmen shall appoint a personnel committee which shall serve in an advisory capacity to the town manager. One member of the personnel committee shall be a town employee who is subject to the Personnel Rules and Regulations. Said member shall not be a department head and shall be recommended to the board of selectmen by vote of those employees subject to the Personnel Rules and Regulations.~~

Explanation: *Existing language in Part V, Section 3 allows for discretion in carrying out the elements of a personnel system. This would mandate that these elements be carried out, including an additional specification for written performance evaluations for all full-time employees.*

Also proposed is the deletion of reference to a personnel advisory committee.

Motion: By Deborah Aikman, Chairman, Charter Review Committee
I move that the Town vote to accept the proposed Amendments to the Charter as printed in this Warrant.

Speaker: Deborah Aikman, Chairman, Charter Review Committee

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 9-0-0

Article 32 – Regional School District Planning Committee

To see if the Town will vote to create a special unpaid committee to be known as a regional school district planning committee, to consist of three members, including one member of the school committee, to be appointed by the Moderator in accordance with the provisions of Section 14 of Chapter 71 of the General Laws, as amended, or take any other action in relation thereto.

(School Committee)

Motion: By Jeffrey Dykens, Chairman, School Committee
I move that the Town vote to create a special unpaid committee to be known as a regional school district planning committee, to consist of three members, including one member of the school committee, to be appointed by the Moderator in accordance with the provisions of Section 14 of Chapter 71 of the General Laws, as amended.

Speaker: Jeffrey Dykens, Chairman, School Committee

Explanation: *In order for Chatham and Harwich to move forward towards the possible formation of a regional school system both towns must form a regional school district planning committee according to Massachusetts Public Law, Chapter 71, Sections 14-16.*

The duties of the Committee are to study the fiscal and educational feasibility of establishing a Regional School District, develop a Long Range Plan and submit a report of its findings and recommendations to the Selectmen of the respective towns.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-1-0

Article 33 – Fish Pier Easement

To see if the Town will vote to authorize the Board of Selectmen to acquire by purchase an easement from Robert S. and Barbara W. Carroll, 448 Shore Road, as follows:

EASEMENT

We ROBERT S. CARROLL and BARBARA W. CARROLL, husband and wife as Tenants by the Entirety, of 448 Shore Road, Chatham, Barnstable County, Massachusetts, in consideration of the non exclusive right in common with others, as appurtenant to our property landward of the easements and assent granted herein, to tie a "dinghy" or skiff, less than 12' in length, to the existing and/or future wooden and/or concrete floats located seaward of the grantors property in Aunt Lydia's Cove and in consideration of $75,000.00 paid by the TOWN OF CHATHAM, a municipal corporation in the County of Barnstable, Massachusetts, with a mailing address of 549 Main Street, Chatham, MA 02633, grant to the INHABITANTS OF said TOWN OF CHATHAM and its assigns forever,

with Quitclaim covenants, EASEMENTS to:

1. use, maintain, repair and reconstruct the existing bulkhead, concrete pier and all necessary appurtenances as shown on Pier Easement Plan, sheet 3 of 5 attached hereto;

2. construct, maintain and use the proposed platform and stairs to the beach to provide access for fishing, fouling and navigation as provided by the Colonial Ordinance of 1641-7 and the proposed gangway to future floats within the waters of the Commonwealth all or portions of which will be located within the Pier Easement as shown on Pier Easement Plan, sheet 3 of 5 attached hereto; and

3. dredge tidelands subject to appropriate permits within the area shown as dredging easement on Dredging Easement Plan, sheet 4 of 5 attached hereto.

The grantors further assent to the existing wooden pier and floats and proposed gangway and wooden and concrete floats to be constructed in Aunt Lydia's Cove, the limits of which are shown on Assent Plan, sheet 5 of 5 attached hereto.

And for the consideration aforesaid, we accept said sum in full payment of said easements and for our successors and assigns do hereby release the said Town of Chatham and all other persons from all damages that have arisen or may hereinafter arise by reason of said construction, reconstruction, repair and maintenance on or upon our land.

For title, see Barnstable County Registry of Deeds, Deed Book 16,004, Page 43.

Said easement is more fully described on plans prepared by Eldredge Surveying and Engineering, LLC dated January 29, 2009, on file with the Town Clerk and to authorize the Board of Selectmen to do all things necessary to carry out the provisions of this article.

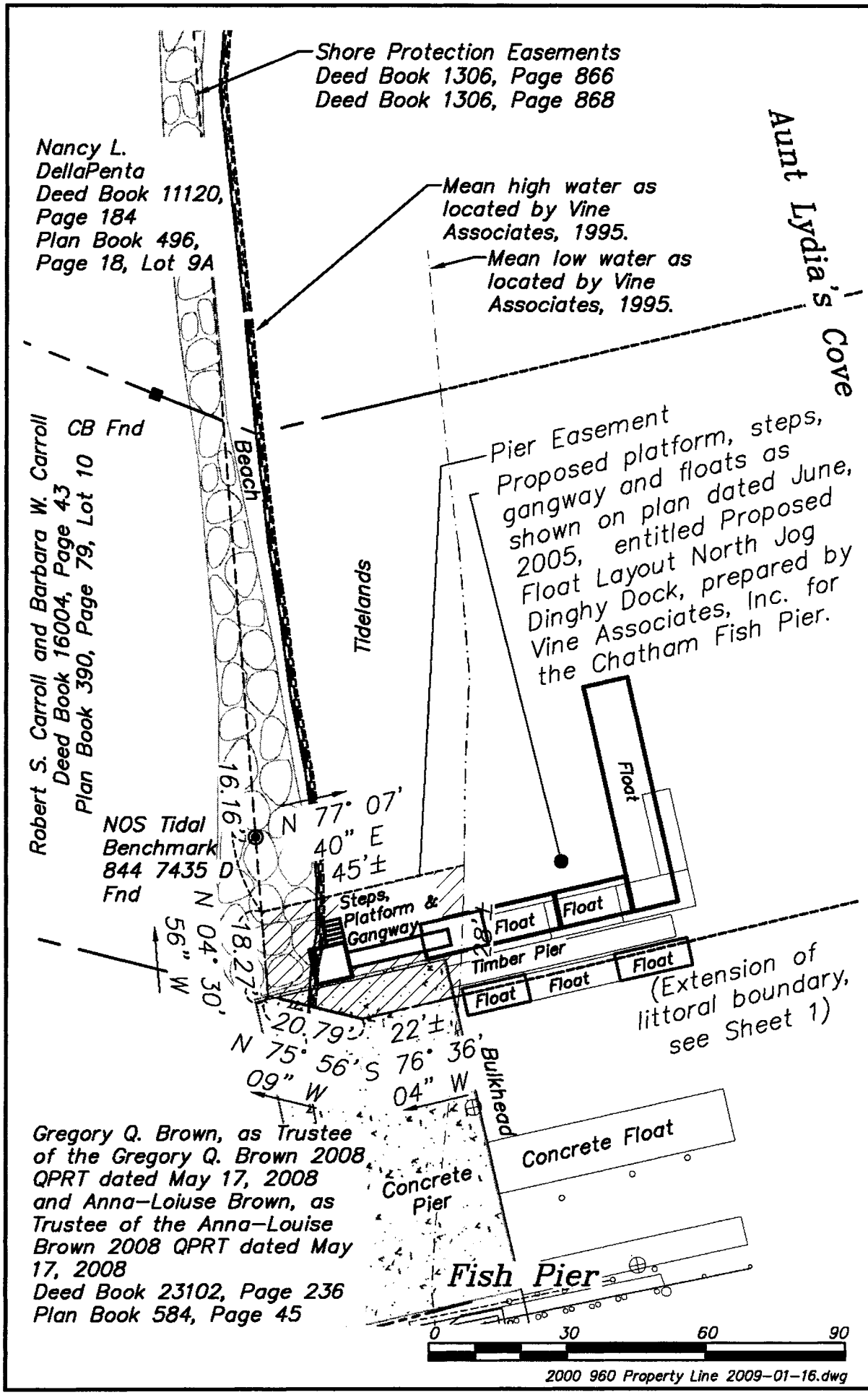
(Board of Selectmen)

Motion: By Sean Summers, Chairman, Board of Selectmen
I move that the Town vote to authorize the Board of Selectmen to acquire an easement as set forth in this article.

Speaker: Ted Keon, Coastal Resources Director

Explanation: *For several years, the Town has been working on developing enhancements to the existing pier and float system at the northern end of the Fish Pier property to provide for improved dinghy tie-up and temporary berthing for the commercial fishing fleet. This is a project which has been strongly supported by the Aunt Lydia's Cove Committee and Waterways Advisory Committee. Funding is provided by a $300,000 Commonwealth of Massachusetts Seaport Bond grant which was awarded to the Town during the fall of FY 09. Funding for the Town's cost-sharing portion of the project was appropriated at last year's annual Town Meeting. Based on negotiations between the Town and the owners of an abutting property, funds were included in the Seaport grant for the development and purchase of an easement to enable project construction. This easement serves two primary purposes. First it will resolve issues regarding encroachment of portions of existing Fish Pier structures onto the abutting private property. Secondly, it will enable the construction, use, and maintenance of the proposed project improvements while also allowing for improved shore access and potential future dredging in specific areas immediately adjacent to the facility.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0



Pier Easement Plan

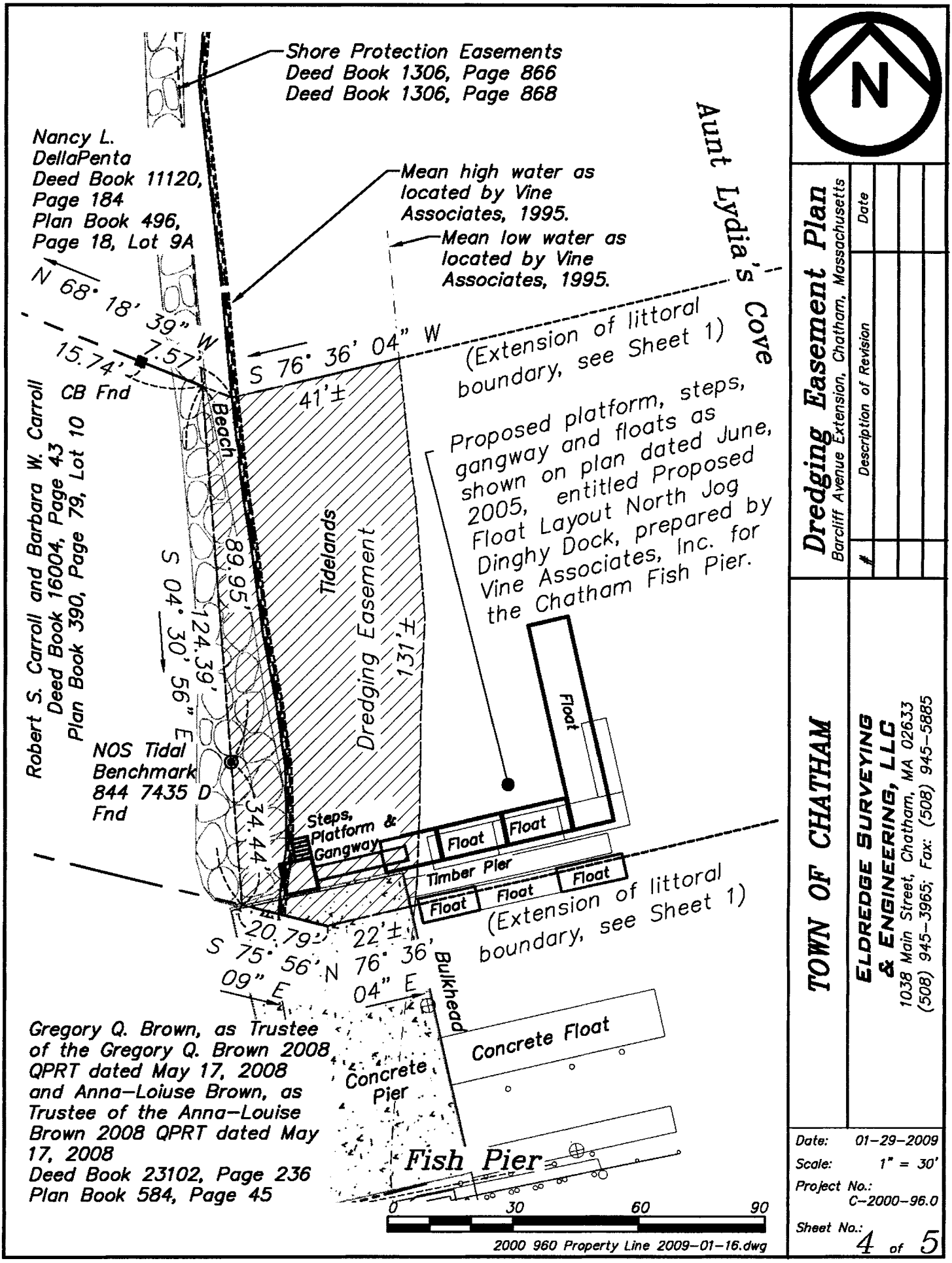
Barcliff Avenue Extension, Chatham, Massachusetts

#	Description of Revision	Date

TOWN OF CHATHAM

ELDREDGE SURVEYING & ENGINEERING, LLC
1038 Main Street, Chatham, MA 02633
(508) 945-3965; Fax: (508) 945-5885

Date: 01-29-2009
Scale: 1" = 30'
Project No.: C-2000-96.0
Sheet No.: 3 of 5



Dredging Easement Plan

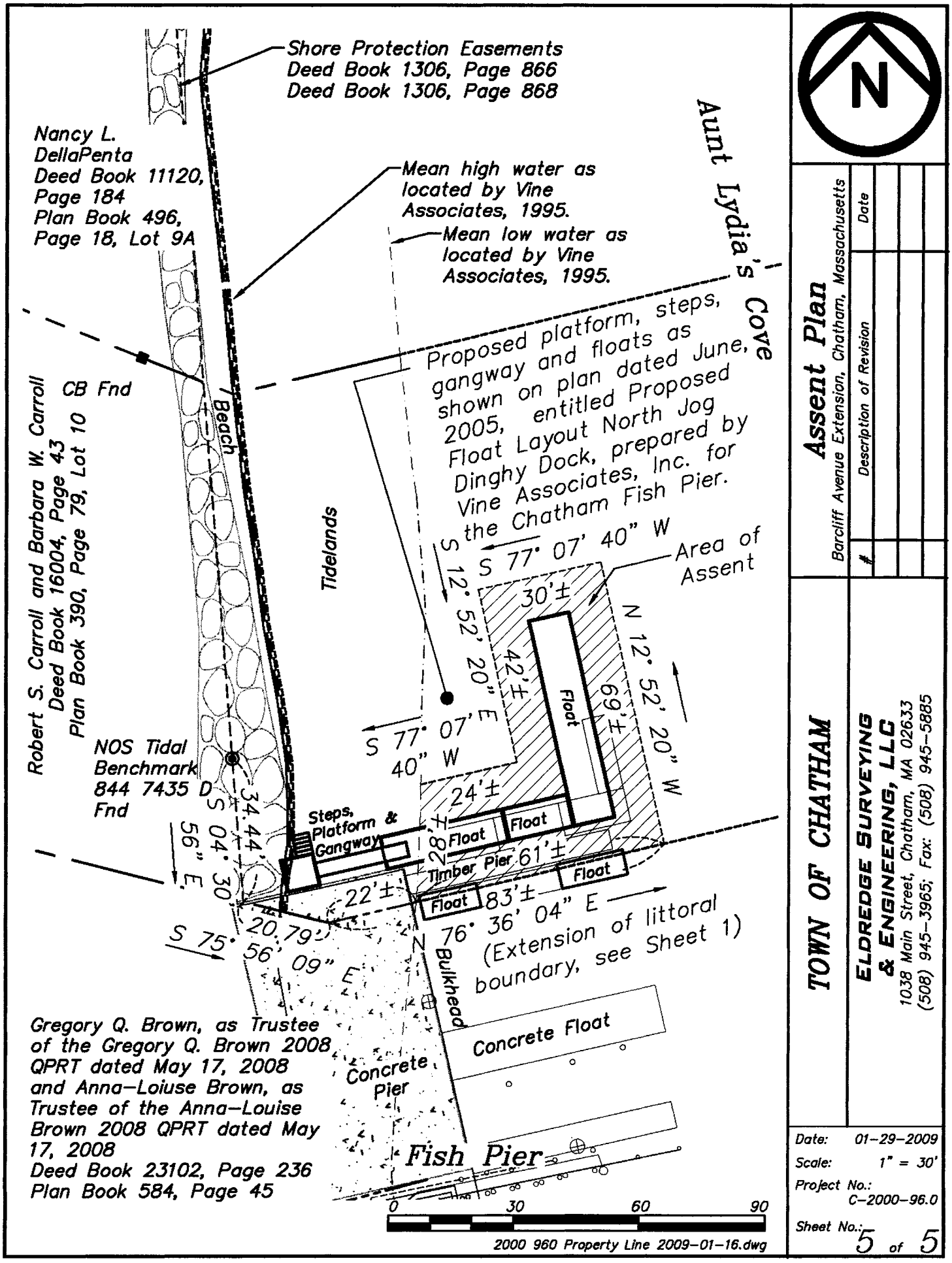
Barcliff Avenue Extension, Chatham, Massachusetts

#	Description of Revision	Date

TOWN OF CHATHAM

ELDREDGE SURVEYING & ENGINEERING, LLC
1038 Main Street, Chatham, MA 02633
(508) 945-3965; Fax: (508) 945-5885

Date: 01-29-2009
Scale: 1" = 30'
Project No.: C-2000-96.0
Sheet No.: 4 of 5



Assent Plan

Barcliff Avenue Extension, Chatham, Massachusetts

#	Description of Revision	Date

TOWN OF CHATHAM

ELDREDGE SURVEYING & ENGINEERING, LLC
1038 Main Street, Chatham, MA 02633
(508) 945-3965; Fax: (508) 945-5885

Date: 01-29-2009
Scale: 1" = 30'
Project No.: C-2000-96.0
Sheet No.: 5 of 5

And you are directed to serve this Warrant by posting attested copies thereof at the several Post Offices in said Town, fourteen days at least, before the time of holding said meeting. Hereof fail not and make due return of the Warrant, with your doings thereon, to the Town Clerk, at the time and place of meeting as aforesaid.

Given under our hands this _____ day of _____ in the year of our Lord, Two Thousand and Nine.

_____
Sean Summers, Chairman

_____
Ronald J. Bergstrom, Vice-Chairman

_____
Leonard M. Sussman, Clerk

_____
David R. Whitcomb

_____
Florence Seldin
Chatham Board of Selectmen

A True Copy, Attest

_____
Julie Smith, Town Clerk

Barnstable, ss.

Pursuant to the written WARRANT, I have notified and warned the inhabitants of the Town of Chatham by posting attested copies of the same in each of the Post Offices of said Town at least fourteen days before May 11, 2009 on _____ 2009.

_____ _____
Constable Date

APPENDIX A

BUDGET OVERVIEW

TOWN OF CHATHAM, MASSACHUSETTS
BUDGET OVERVIEW
FISCAL 2010

REVENUES

Sources	General Fund	%	Water Fund	%	Total	% of overall
Property Taxes (net of overlay)	$24,048,839	26.50%	$ 400,000	16.44%	$24,448,839	26.23%
Local Receipts	5,408,200	5.96%			5,408,200	5.80%
Water Revenues	349,219	0.38%	2,033,077	83.56%	2,382,296	2.56%
Free Cash	1,606,285	1.77%			1,606,285	1.72%
State Aid (net of assessments & offsets)	1,196,732	1.32%			1,196,732	1.28%
Other Available Funds	1,616,004	1.78%			1,616,004	1.73%
Community Preservation/Land Bank Funds	540,000	0.59%			540,000	0.58%
Bond Authorization	56,000,000	61.70%	-	0.00%	56,000,000	60.09%
Total Revenues	**$90,765,279**	**100.00%**	**$2,433,077**	**100.00%**	**$93,198,356**	**100.00%**

EXPENDITURES

Uses	General Fund	%	Water Fund	%	Total	% of overall
Operating Budget:						
General Government	$ 1,904,706	2.10%			$ 1,904,706	2.04%
Public Safety	4,918,707	5.42%			4,918,707	5.28%
Community Development	752,600	0.83%			752,600	0.81%
Coastal Resources	-	0.00%			-	0.00%
Health & Environment	828,510	0.91%			828,510	0.89%
Water Operations			1,268,685	52.14%	1,268,685	1.36%
Public Works & Facilities	3,907,212	4.30%			3,907,212	4.19%
Community & Social Services	941,265	1.04%			941,265	1.01%
Education	9,765,207	10.76%			9,765,207	10.48%
Employee Benefits	3,624,041	3.99%			3,624,041	3.89%
Undistributed Insurance & Reserve Fund	351,097	0.39%			351,097	0.38%
Debt Service	5,363,490	5.91%	1,164,392	47.86%	6,527,882	7.00%
Total Operating Budget	32,356,835		2,433,077	100.00%	34,789,912	
Capital Budget (non-Bonding)	1,668,444	1.84%			1,668,444	1.79%
Capital (Bond Authorizations)	56,000,000	61.70%		0.00%	56,000,000	60.09%
					-	
Routine Town Meeting Articles	200,000	0.22%			200,000	0.21%
Community Preservation/Land Bank Projects	540,000	0.59%			540,000	0.58%
Total Expenditures	**$90,765,279**	**100.00%**	**$2,433,077**	**100.00%**	**$93,198,356**	**100.00%**

-

APPENDIX B

TOWN MANAGER'S FY10 FISCAL SUMMARY

Town Manager's
FY10 Fiscal Summary
(July 1, 2009 – June 30, 2010)

Executive Summary

The challenge of balancing the FY10 operating budget took no one by surprise. The inevitable School Choice shortfall has long been anticipated. In last year's fiscal summary the shortfall was cited for FY10 and early comprehensive fiscal planning was suggested. Such planning did occur in meetings during the past summer with the Board of Selectmen, School Committee and Finance Committee participating. The magnitude of the fiscal challenge was quantified and directions to mitigate that challenge were given.

The estimated shortfall for FY10 was nearly $1.7M. Based upon an agreed upon apportionment of anticipated new property tax revenues allowed by Proposition 2 ½ the shortfall attributed to the Schools was $650,000 and the Town $1,050,000. Ironically, our national economy dramatically worsened after the Town's summer fiscal planning meetings. Despite the fact that this widespread economic decline heightened the need to minimize the municipal tax burden, it coincidentally brought with it lowered gas prices. This helped minimize the estimated budget shortfall. By utilizing existing fiscally conservative policies and generally budgeting more tightly the Town's general government was able to formulate a FY10 budget which eliminated entirely its expected shortfall. The Schools reduced their estimated FY10 budget shortfall to $558,873. Due to the reduction from the Commonwealth of 10% of Chapter 70 school aid, the operational override required to offset the shortfall in FY10 is a total of $630,000. If this override is presented to Town Meeting and approved, it would have the effect of increasing the Town's tax rate by 10 cents. The resulting annual impact on the average Chatham taxpayer would be $60.

For the past several years the Town's payments on its debt for capital projects has declined. This "debt drop off" has been appropriated and used to fund small capital projects and to replenish the Town's stabilization fund. This budget plan proposes not to appropriate that debt reduction in FY10 and thereby allow the corresponding tax savings to be used to offset the cost of the School shortfall override. The debt reduction available for this purpose in FY10 is $670,000. As a result, even if an override of the magnitude suggested passes, then the impact on the tax levy will be entirely offset. The tax levy for FY10 will stay within the allowable 2 ½% growth limits.

This report details not only the budgets being offered to the Town for its consideration, but the process by which the budgets were balanced. Every effort was made to minimize service reductions in the formulation of the FY10 budget; the budget reductions made are clearly enumerated in this report.

Description	08 Actual	09 Approp	10 Dept Req	Proposed Budget FY10	%
Expenses					
Operating Budgets					
General Government	$ 1,835,116	$ 1,950,882	$ 1,945,314	$ 1,945,314	-0.29%
Public Safety	5,304,333	4,909,894	4,871,683	4,871,683	-0.78%
Community Development	752,976	805,110	752,600	752,600	-6.52%
Health & Environment	820,558	844,953	828,510	828,510	-1.95%
Public Works & Facilities	3,704,483	3,865,631	3,907,242	3,907,242	1.08%
Community & Social Services	915,701	952,408	941,265	941,265	-1.17%
Education	9,002,755	9,126,983	10,087,144	10,087,144	10.52%
Employee Benefits	3,014,185	3,492,885	3,709,041	3,709,041	6.19%
Undistributed Ins. & Reserve Fund	348,560	333,902	351,097	351,097	5.15%
Debt Service	5,094,473	5,118,384	5,363,490	5,363,490	4.79%
Operating Budget Total	$ 30,793,139	$ 31,401,032	$32,757,356	$32,757,356	2.31%

Introduction

The Town of Chatham had advanced notice of its fiscal challenge in FY10. The following is an excerpt from last year's Town Manager's Fiscal Summary:

"The Town has relied upon its School Choice receipts to subsidize its school budget in a manner which is not sustainable. The inevitability will become apparent not in FY09, but certainly in FY10. Candid discussions and co-operative fiscal planning must occur in the immediate future amongst the Board of Selectmen, School Committee and Finance Committee in order to successfully address this challenge."

The meetings recommended above were held during this past summer. The magnitude of the FY10 fiscal challenge was quantified and possible mitigation efforts were identified. Administrators from both the Town and Schools set to work to prepare their respective budgets for FY10.

The Town has recently been commended for its on-going efforts to plan its future needs in a manner which is both thorough and fiscally innovative and sound. The following is a second excerpt from last year's Town Manager's Fiscal Summary:

"When Standard & Poor's recently awarded the Town of Chatham an improved bond rating, their independent fiscal analysis pointed to sound financial planning and strong management practices as the key elements in their decision to do so. For more than a decade our community has been able to limit the tax impact on its citizens within the restraints of Proposition 2 ½. What an independent bond rating agency, neighboring communities, and anyone else observing objectively, may have found remarkable about this community's achievement is that while maintaining a low property tax rate Chatham has improved municipal services and made significant progress towards replacing its aging municipal infrastructure.

As we planned our FY09 budgets, the Town continued to enhance its fiscal planning. Conservative fiscal policies incorporated into our planning for some time now are being increasingly relied upon due to the recent economic downturn. Pre-payment of debt and stockpiling of reserves will enable our community to continue to provide excellent municipal service levels and to continue to replace and expand our capital facilities. In addition, the Town of Chatham continues to move forward in an attempt to resolve its single greatest environmental challenge by expanding its sewer system. It is doing so in a fiscally conservative manner considering foremost the taxpayers who can least afford any additional tax burden."

The Town of Chatham could take this much deserved pat on the back and rest on its laurels as it faces the significant fiscal challenges of FY10. Instead, it has chosen to set an example for municipal organizations by formulating an operating budget which continues to provide exemplary municipal services while keeping in the forefront of its planning those taxpayers least able to afford an increased fiscal burden. The community has done so by adhering to and strengthening of its conservative fiscal policies (Attachment #1).

One such policy allows growth in municipal services in accordance with indentified need and Board of Selectmen's goals in positive economic times. New revenue sources allow new expenditures, which are added only while coincidentally buffering reserves. The correlary of this fiscal policy must also be implemented when economic times suffer. The reserve buffer allows this transition to be measured and smooth.

The FY10 budget herein proposed represents the implementation of this fiscal policy: it shrinks costs as revenues shrink in a measured fashion with minimal loss in municipal services and an affordable increase in the tax burden.

Background

Proposition 2 ½, so called, was passed by the Commonwealth in 1979 and was implemented in 1980. This law limits the growth of a municipal tax levy to a 2 ½% growth above its previous levy limit without specific authorizations known as overrides. Overrides can be for capital projects or for operational expenses. This strict 2 ½% levy growth can be annually subsidized by new taxable property growth. This law has assured reasonable property tax growth in the Commonwealth. However, since external economic growth factors oft times make it challenging for municipalities to keep its budgetary growth to within the 2 ½% limit, municipalities have expanded non-property tax revenue sources in order to balance the budget. The statute has also demanded innovation by communities in order to properly fund demanded services.

A common misunderstanding about Proposition 2 ½ is that as home values grow so does tax revenue. So in prosperous economic times more tax funds are available. With the exception of "new growth" as described above, that is categorically untrue. A municipal tax levy is defined by the following formula: Levy = Value x Rate. A tax levy can not increase outside the restraints of Proposition 2 ½. Therefore, as values grow tax rates correspondingly decrease. Therefore, no new tax levy or tax windfall results. Tax levy is strictly controlled by Town Meeting and/or electoral votes.

The result in Chatham, which has experienced significant value increases in the past decade, is a reduced tax rate. The tax rate has become the lowest on the Cape and one of the lowest in the Commonwealth. Since the Town of Chatham has strictly and intentionally monitored its municipal expenditures, then the Town's tax rate relative to those of other communities has been more dramatically reduced. As our economy continues to lag, the Town's tax rate may increase as values decline, but will do so relative to neighboring communities. As long as spending or levy is controlled, then our tax rate should continue to rank amongst the lowest in the State.

Each year the Town determines how much additional revenue is available within the limits of Proposition 2 ½ in order to balance its operating costs. In FY10, the following new tax levy was available:

2 ½ Allowable	$520K
New Growth	250K
Total	$770K

Since the passage of Proposition 2 ½ and the 1993 Education Reform Act schools have lost their fiscal autonomy. Therefore, a method of apportioning an appropriate share of available revenues for the schools needs to be determined. A mechanism for this apportionment, or a school formula, was devised by the State. This formula assured that a minimum amount of funds were available to fund school budget increases. This formula became unworkable for the Town of Chatham two fiscal cycles ago and a comparable and equitable formula has since been developed specific to Chatham. Maintenance of a spending formula, in a manner determined to be fair to local schools, is a cornerstone of municipal finance. With a formula a fair share of municipal growth revenue is apportioned to the School Department and other Town departments. A copy of Chatham's local formula is addended to this report as Attachment #2.

Based upon the Town/School distribution formula, the following funds were determined to be available to balance the FY10 budgets respectively.

Town = $468,369
School = $301,631

Annually the Town of Chatham roughly estimates anticipated budget growth versus available funds to determine the magnitude of its fiscal planning challenge. This year it was anticipated that the School deficit would be magnified by a known $270K deficit in School Choice revenues.

School Choice funds are non-property tax funds which are available for the schools to balance their budget. Since Chatham schools have such an outstanding reputation, the number of students choosing to attend Chatham schools from neighboring communities has increased. School Choice fees are fixed by the Commonwealth for non-special needs students at $5,000/yr. Despite increased School Choice revenues, increased School spending has finally in FY10 outstripped the Town's School Choice reserves. This was anticipated. The amount of the School Choice deficit in FY10 is $270,000.

At meetings held this summer the Town was able to quantify the anticipated FY10 deficit for both the Town and the Schools. These deficits are shown below:

Town		School	
Salaries, Steps	$ 400K	School Choice deficit	$270K
5 year Staffing	-	Salaries	205K
Health Insurance	250K	Health Insurance	225K
Pension	125K	Pension	15K
Utilities, Gas	200K	Supplies	40K
Transfer Station	300K	Other	150K
PD/O.T.	50K		$905K
Fire/O.T.	100K	Available	$270K
Union Salaries	100K	Deficit	$635K
	$1,525K		
Available	480K		
Deficit	$1,045K		

During the summer fiscal planning meetings not only were these anticipated deficits quantified, but possible mitigation efforts were identified. Interestingly, as the national economic situation worsened at the end of the summer and fall, oil prices coincidentally began to decline. Lower fuel prices relieved some of the deficit pressure, but increased the Town's need to curtail tax spending for the average homeowner now struggling in a recession.

Municipal Budget Categories

Prior to any budget review it must be understood that an annual municipal operating budget consists of many categories and in some cases warrant articles. All budget components must, combined, fall within the restraints of Proposition 2 ½ or be exempted from it. In Chatham, each budget category has a determined funding source and a corresponding fiscal policy. Budget categories are enumerated and briefly explained below.

- Annual Operating Budgets (general and water)
  These budgets are the two chief operating budgets for the Town in the upcoming fiscal year. The General Government operating budget is funded by the tax rate and includes all Town departments, including the Schools. The Water Department operating budget is funded by water revenue.
- Cost of Living Increases
  A separate warrant article funds cost of living increases for all municipal employees, unions and non-union, except School employees who are funded within the School Department's operating budget. These costs are funded by property tax revenue.
- Five Year Capital Plans
  Both a General Government and Water Department capital plan are funded each year. The capital budgets are funded by free cash and water revenue reserves each year contingent upon availability of funds.
- Capital Facility Budget
  Large capital purchases are funded by exempt borrowing authorizations. Capital borrowing costs, to date, though exempted from the limits of Proposition 2 ½ have been funded by "debt drop off" thus have not increased the property tax rate.
- Surtax Expenditures
  Each year funds are allocated from either or both the Land Bank surtax or the Community Preservation surtax for specific, designated purposes. Expenditures from these sources do not effect the tax rate.
- Stabilization Fund
  A reserve or stabilization fund has been generated by the Town in order to address emergency expenditures or to act as a bank for small capital purchases in order to avoid borrowing costs. This fund should not be used for recurring expenses and has overlay reserve funds as its funding source.

Three budget categories or programs have not been integrated into the FY10 budget planning due to the weakened state of our local economy. They are as follows:

- Five Year Staff Plan
  This plan is used to identify staffing deficiencies in order to adequately address future needs and Board of Selectmen's goals. This planning component facilitates funding challenges.
- Mid-Range Capital Plan
  This plan identifies and prioritizes smaller, less essential capital projects, which if funded would increase the tax levy.
- Conceptually Planned, Unreserved
  This plan identifies large projects the need for which has been minimally vetted. Funding source would more than likely be the tax rate. The plan may be used as an overall fiscal context for future needs and tax impact planning. This plan is addended to this report as Attachment #3.

FY10 Saving Initiatives

During the fiscal planning meetings this summer, a number of areas were identified which could lead to budget savings. These cost mitigation efforts were undertaken in order to help address the predicted $1.7M budget deficit. Some of these concepts proved cost effective and will be implemented; others were explored and rejected. One major reduction in the project's budget deficit was due not to the Town's initiative but due to the market reduction of oil prices.

- School/Town Operational Cooperative
  The areas of Information Technology, Building Maintenance, and Finance were explored with minimal opportunities for cost savings found.

- Reorganization
  This concept may have proven most effective in achieving budgetary savings without reducing services than any other explored. A full administrative order which details these savings is hereby submitted included as an addendum to this report as Attachment #4. Savings and reorganization effects multiple Town departments.

- Transfer Station Costs Shifted to Tax Rate
  This concept was rejected since it was determined that it would result in an increase in volume at the existing Transfer Station. However, during the review it was determined that existing private haulers had no objection and, in fact, support an increased commercial recycling effort. Proposed maintenance improvements at the Transfer Station will expedite this in the future.

- Parking Revenue
  The discussion of downtown parking revenue has started but needs to be publicly vetted at much greater length. The renovation of the most significant downtown lot has been delayed due to lack of matching State funds. However, sticker parking on Bridge Street will commence this season. It is anticipated that additional parking revenue should significantly offset the reduced costs of the Lighthouse Beach operational staffing. Additional funds should be available for appropriation in FY11.

- Golf Lease
  An expectation of greater revenue from the recently re-bid contract for the management of the Town's golf course did not materialize. The Board of Selectmen expressed interest in raising golf fees in the future if non-tax revenue continues to be a need.

- General Fees
  Both Board of Health and building inspection fees have been modified to create additional revenue. Mooring fees, perhaps the last remaining fee of significant revenue generating capacity which has not been adjusted to the market, have not been raised and are being held in reserve as a future revenue source for increased dredging costs.

- Hiring Freeze/Early Retirement
  The hiring freeze was an extraordinarily effective practice. It will continue into FY10. Whenever a position became vacant an analysis was made about the position's need and alternatives were explored regarding alternative service provisions of the components of the job description. The added benefit to the freeze was the opportunity to decrease FTE's without the necessity of layoffs. Service reduction was thereby minimized. Exploration of early retirement opportunities was largely unfruitful due primarily to the lack of a State/County incentive and declining interest/investment rates which made lump sum buyouts unattractive.

General Operating Budget

The budget reductions described thus far in this report have been unusual inasmuch as this level of communication, public input, need identification and mitigation measures are not normally part of the budgeting process. However, FY10 fiscal challenges certainly warranted this effort. The effort has been innovative and has proven fruitful, with the result being the elimination of more than half of the Town's anticipated general government deficit. The Town of Chatham has made a determined effort to address the challenges of a volatile economy while preserving both municipal services and their affordability to the taxpayer.

Board of Selectmen Goals

The next step in compiling an affordable, service driven municipal operating budget is to complete the requisite annual scrutiny of operating expenses. A municipal operating budget is required to adequately fund certain essential services such as for schools, fire, police and highway maintenance. However, in Chatham, the goals of the Board of Selectmen are used to drive the emphasis on these and other service needs. The annual Board of Selectmen goals are used to provide the requisite prioritization of services in light of the shrinking municipal dollar.

The goals of the Board of Selectmen which are used to drive this budgeting process are addended to this report for your consideration as Attachment #5.

Budget Cuts

The next step of the process after the broad initiatives of the summer and the goal-setting of the Board of Selectmen is the more mundane search for efficiencies and budget cuts. The magnitude of the FY10 fiscal challenge demanded even more due diligence. This year the budget balancing challenge was placed squarely on the back of department managers and line staff. The response was extraordinary and innovative. In any municipal operational environment no matter how thorough a review is conducted by a financial oversight group or by elected officials, no one can pinpoint and suggest efficiencies better than those individuals who are charged with providing those services. The effort, or buy-in, this year by staff to bring in a budget that maximized service and minimized cost was extraordinary. Staff members dedicate entire careers to provide service to the community. They also uniquely appreciate as taxpayers themselves the need to do so affordably. They understand that if budget cuts are not done with a full understanding of their impacts, staff will be the one's from whom services will be demanded, but for which they cannot provide.

The following non-staff budget cuts have been made in the FY10 operating budget.

- Transfer Station costs minimized by purchasing trailers, saving money in transportation contract
- Transfer station tipping fee increases delayed to FY11
- Health insurance savings due to deletion of one of two indemnity programs and hiring freeze
- Utilities, Transfer Station hauling fees due to lower gas prices
- Shellfish propagation fee offset larger percentage of budget
- North Beach elimination of patrols
- Chamber of Commerce reduction due to loss of Executive Director

Inevitably, however the Town's goal of eliminating all of its $1M deficit was not going to happen if reductions in staff did not occur. The hiring freeze preserved vacancies so that re-assignment of duties could be maximized and layoffs of existing staff minimized. In all slightly in excess of eight FTE positions have been reduced from the general government workforce in the FY10 operating budget. The positions deleted were as shown below:

- Water and Sewer Department, 1 FTE Administrative Assistant
- North Beach, .5 FTE Patrol
- Landing Officer, .25 FTE (plus reduction in grade of supervisor)
- Community Development, .75 FTE Secretary (two positions) and .5 FTE Inspector
- Town Manager, .1 FTE Administrative Assistant
- Council on Aging, .75 FTE Outreach Coordinator
- Finance, 1 FTE Assistant Treasurer
- Police Department, 1 FTE Sergeant
- Highway, .25 FTE Seasonal Laborer
- Fire Department, 1 Firefighter
- Health and Environment, 1 FTE Lab/Assistant Conservation Agent

In FY10 the reduction in full time employees as shown above effectively reduces from 140 the number of full time employees on the general government payroll by 5%. However, the necessity of doing so in the FY10 budget has been accomplished with minimal loss of service capacity by reassignment of duties. This staff reduction is in keeping with the overall fiscal policy of the Town which allows staff growth as the economy and revenue grow, yet demands staff reductions as the economy and revenue shrink. The chart below illustrates the extent of staff growth in the past decade as our economy and service demands increased. This past growth enables staff reductions such as those recommended in this budget to only minimally impact service provision.

Department	2000	2004	2009
Town Manager	4	3	3
Human Resources	-	3	3
Accounting	2	2	4
Assessors	4	4	4
Treasurer/Collector	6	5	4
Information Systems	1	2	2
Town Clerk	2	2	2
Permits	-	1	1
Municipal Buildings	3	4	5
Police Department	29	27	28
Fire Department	20	24	28
Shellfish	1	2	2
Harbormaster	2	4	4
Coastal Resources	1	1	1
Highways	8.25	8.5	8.5
Solid Waste	4.75	6.75	5.5
Water and Sewer	4	4	4
Community Development	11	7	11
Health	-	3	3
Lab	1	4	5
Council on Aging	3	3	2
Parks and Recreation	9	8	10
	116	128.25	140

The growth of 24 FTE positions during a ten year period seems significant. However, upon close examination it becomes apparent that the bulk of the new positions were added in order to address certain service demands. For example,

- 8 positions were added in the Fire Department to expand shift coverage and reduce response times.
- 7 positions were added in the Community Development (plus Health and Environment) Departments to address increased inspection needs, wastewater planning and project management.
- 3 positions were added in IT to begin to televise meetings and expand computer capability.

- 2 new janitorial positions were added due to restroom construction and building expansion.
- 2 new positions were added in Parks and Recreation to expand programs in the new Community Center and to address older youth counseling needs.
- 2 positions were added to the Harbormaster Department, paid for by mooring fees, to improve the Town's Mooring Management Program.

The FY10 staffing reduction will continue the Town's policy of shifting resources towards areas of need and gaining efficiencies in existing departments.

New Budget Initiatives

Due to fiscal restraints there is only one new budget initiative being offered in FY10. The bulk of the explanation for this initiative for Lighthouse Beach public safety staffing may be found later in this report since a separate warrant article is being proposed for that purpose. However, during the discussion of the waterside safety effort on Lighthouse Beach and due to the lessons learned from recent water related rescues, funds have been placed in the Harbormaster's budget in FY10 sufficient to add a second person seasonally in the patrol boats for either side of Town. This cost has been minimized by utilization of Fire Department personnel with the dual purpose of cross training of emergency response staff.

Water Department Operating Budget

The Town has a separate Water Department operating budget which is funded by revenue generated from water receipts. The Water operations are sub-contracted to a private contractor (as is the Sewer operations) which is supervised by the Town's Water and Sewer Director. Currently, three administrative staff positions are funded by the Town shared between both departments. In FY10 one of these administrative positions has been deleted from the budget. In addition, the supervision of the Department has been transferred to the Town's DPW. The operations contract for FY10 has increased, however, the total for FY10 has been increased only slightly due to this reorganization. The FY10 Water Department budget, therefore, will be balanced without the need for a water rate increase.

Cost of Living Adjustment

Cost of living wage adjustments for both union and non-union employees, except School Department employees, is funded in a warrant article separate from the operating budget. This is a long-standing practice of the Town in order to highlight pay raises for employees. School Department pay increases are contained within the School budget. Cost of living adjustments are given annually in accordance with the annual increase in the consumer price index. A 2% cost of living increase has been placed in this budget warrant article for non-union employees. Fire

Department union employees have been funded for a 3% cost of living increase for the second year of a three year contract, plus a market adjustment increase of 2% on July 1, 2009 and 2% in January, 2010. This market adjustment has been awarded based upon a salary survey of Cape fire department's wage scales and in an effort to maintain a local salary at the market average for Cape departments.

Stabilization Funding

During the past decade the Town has accumulated a balance of more than $2M in its stabilization fund. This fund is a reserve fund, or a rainy day fund, and is set aside in order to be available for emergency expenditures. In the case of an unforeseen expenditure a community with a Stabilization Fund balance may use the available fund balance rather than spiking its property tax rate. The tax rate may be therefore "stabilized". Bond rating agencies rate municipalities more highly if they maintain a healthy reserve balance in this and other reserve accounts. The Town has set an arbitrary goal of $2M for this account. This goal has been achieved, primarily by appropriating the overlay reserve balance each year. The overlay reserve, funds remaining after all tax abatements have been paid, will continue to be available to replenish and add to the Town's Stabilization Fund.

In addition to the use of the Stabilization Fund balance for emergency expenditures, it may be used for small capital expenditures in order to avoid borrowing costs. A municipality needs to be extremely cautious about using a stabilization fund balance, or any reserve balance for a recurring expense, since such a practice would eventually deplete a reserve balance resulting in a non-funded recurring obligation or deficit.

FY10 was a particularly challenging year in which to balance the Town's budget. Review of certain departmental requests revealed that certain budgetary increases requested would be short term and not perpetually recurring. Increased expenditure in both the Police Department and Fire Department overtime accounts were due not simply to increased service demands, but due to injured on leave status of several officers or 111F payment obligations. These payments will continue into FY10, but will thereafter diminish. A similar situation has presented itself regarding funding for the Library. The Town funds a significant portion of the costs associated with Library services. However, the balance of the Library budget is funded by the interest generated from an endowment fund. Our national economic decline has reduced this endowment's fund balance and, as a result, the interest, if any, which will be generated and available to fund the Library's FY10 budget.

Both the increased need for funding in the Town's public safety overtime budgets and the Library budget could be addressed by increasing the Town's tax levy. In FY10 such an increase in the levy would need to be added to a proposed override. However, it is the Town's expectation that all of these budget requests will be non-recurring. Injured officers will either retire or return to duty and the economy will improve and interest once again will be generated and available to subsidize the Library budget. If the tax levy is increased and the budgetary obligations disappear, then the excess tax levy could be absorbed by routine future budget requests.

What is proposed for FY10 is an appropriation of approximately $100K for those various purposes from the Stabilization Fund. This appropriation will "stabilize" the budget until either the expenses are eliminated for the Police and Fire Departments or the revenue flow is re-established for the Library. Since the Town has a recurring revenue source for its Stabilization Fund, this inherent risk in this funding approach is minimized. If more than one budget cycle is required to reverse these budgetary needs, then the Stabilization Fund has a sufficient balance not to be depleted dramatically; if the budgetary needs reverse themselves within the upcoming budget cycle, then the appropriated funds will not be used and will return to the Stabilization Fund.

Lighthouse Beach Staffing

Considerable discussion has taken place during the fall regarding an adequate staffing plan to assure the public's safety at the Lighthouse Beach. A plan has been developed and approved by the Parks and Recreation Commission and the Board of Selectmen and is being presented in a separate warrant article. These costs will be recurring and will eventually be incorporated into the Town's operating budget. This year, however, this new program will be highlighted in a warrant article for ease of discussion at Town Meeting.

The funding for the plan will be in two parts: an operating expense and a capital expense. The operating expense for FY10 has been incorporated into the Town's budget planning and will fall within the funding limits of the Town's formula allocation of available funds within the limits of Proposition 2 ½. The Board of Selectmen has recently authorized sticker parking along Bridge Street. In future years this additional revenue is estimated to largely offset the annual increased costs of this program. Most of the capital component costs of the program are start up costs. Insufficient funding is available for these costs in the Town's free cash funded five year capital plan. The program capital costs will therefore be funded with the Stabilization Fund balance. Replacement capital costs in future years for this program will be incorporated into the standard five year capital plan.

Override Implications of Operating Budget

Since the original fiscal planning discussions this past summer, it was apparent that for the first time in more than a decade the Town may be faced with a request for an operational override in order to balance its operating budget. Based upon an accepted formula distribution of anticipated additional funds available within the limits of Proposition 2 ½, it was determined that the Town budget deficit was projected at $1,045,000 and the School budget deficit was projected at $655,000. The subtotal of $270,000 of the School deficit was due entirely to a known shortfall in School Choice funds.

The Town was able to offset its entire deficit in a manner described in this report. The Schools were able to partially reduce its formula share of the deficit to $558,873. If this remaining deficit is funded through an operational override, its passage will increase the tax rate by $.10. The annual impact on the average homeowner, with a home valued at $600,000, will be $60 if the override is sought and passed.

Five Year Capital Plan

The Town's five year capital budget is funded either from free cash, other available reserves or project balance turnbacks. Free cash is generated by revenue from non-property tax sources received in excess of estimates and from budget turnbacks. As expected and due to our economic decline, the amount of free cash available to fund this plan is less than in previous years. This budget consists primarily of annual maintenance accounts such as for buildings and roads, vehicle replacement and small projects. Fiscal policy has been established to enable this budget or program to be used as the Town's first hedge against economic decline. This hedge allows the Town to not immediately be forced to cut operating budgets and services. Certain maintenance balances cannot be fully replenished in this program or projects or vehicle replacement can be delayed. This hedge, or flexibility, can allow time to pass for the economy to recover and revenues to increase.

In FY10 most projects were delayed to an out year in the five year capital plan. Some vehicle purchases were delayed. However, one major maintenance project for the Transfer Station was included in the plan. Routinely, a project of this magnitude would be funded by a capital exemption. Instead, it was funded by free cash in order to eliminate a property tax impact.

Water Department Five Year Capital Plan

The Water Department has a separate capital budget. This budget is funded not from free cash, but from revenue from water charges. The Town has been aggressive in this capital plan in order to systematically replace and expand its water infrastructure. This year the Town proposed to replace the chemical feed component of its South Chatham wells. The project cost of $1,000,000 will be funded 50% from water surplus and 50% through borrowing. The amortization costs of this borrowing will be paid by revenue reserves anticipated for this purpose. No water rate increase will be necessary.

Stabilization – Transfer Station Trailers

For the past several years, the Town has paid for the costs of its capital facility replacement plan by the increased funding available as amortization costs from previous capital projects decline. The result has been that new projects are funded without increasing the tax rate. A secondary benefit has been that funding is available each year for small projects or purchases as capital exemptions are passed by Town Meeting. The level of payment for annual debt costs remains stable.

In FY10, the use of this "debt drop off" by a capital exemption has been forgone.

The project scheduled for a capital exemption for FY10 is the purchase of four replacement trailers for solid waste transportation at the Town's Transfer Station. The costs to replace these trailers in the past has been borne by the contractor in our annual hauling contract. Purchase of the trailers by the Town reduces pass through interest payments and has allowed the Town to reduce its FY10 Transfer Station budget.

Two funding sources will be used for this $280,000 purchase. A total of $130K in Overlay Surplus funds which is normally used annually to replenish the Town's Stabilization Fund, will be applied for this purpose. The balance of the purchase price will be paid for by the Stabilization Fund balance.

"Debt Drop Off"

The fiscal policy of using "debt drop off" to fund the Town's Capital Facility Plan has been very effective. Its result has been the replacement of the Town's aging infrastructure without increasing our tax rate. This fiscal policy has been in place long enough to complete all but the payment of the costs for the replacement of the Fire Station and the partial payment of our replacement wastewater treatment plant.

Each year the funding level for debt payment remained stable by raising funds through a capital exemption. You will have noted in the paragraphs above that the two scheduled items for a capital exemption in FY10, the first year of the Transfer Station maintenance plan and the purchase of Transfer Station trailers, were funded by other sources. The result will be a reduction in the levy of more than $670,000. This has been done in order to offset the increase in the levy by a nearly comparable amount of the School override. The result will therefore be, in FY10, an operational override of $630,000 which will not have the effect of increasing the Town's tax rate.

Although, this is good news for the taxpayer in FY10, it will have an impact in future years. From this point forward, all capital projects will become "pay as you go". If and when the Town replaces its Fire Station, then the entire cost of the project will impact the tax rate. The Town will no longer be able to offset capital project costs by its "debt drop off", since this funding source will be used on a recurring basis to fund the FY10 deficit in the School budget.

This "debt drop off" allocation and the new "pay as you go" fiscal policy will be felt immediately, since the first capital expenditure for the wastewater upgrade is being prepared for consideration at the upcoming Annual Town Meeting.

Summary

This has been an arduous process to prepare a budget for FY10 which provided adequate services at a minimal cost. In many respects the paragraphs above illustrate that the costs of the proposed override can be entirely mitigated, but at the expense of future savings on important capital projects. In essence the Town will call in the chits of its good fiscal planning for the past decade to pay for this override.

I am confident that in future years new fiscal policies can be put in place that will further contain costs. However, the service reduction costs will be more dramatic. This year, owing to a hiring freeze and the resultant opportunities for reorganization of existing staff, the Town's costs were contained. It has become apparent during this process, however, that additional or future cost containment would result in the layoffs of positions that are currently filled. The Town should maintain its hiring freeze indefinitely in order to preserve that same latitude in the future.

The fiscal challenge which we are facing will not end in FY10. Even if the local and national economy improves more quickly than has been predicted, we need to continue and re-emphasize our fiscal planning. Can both the Town and the School commit to living within the limits of the distribution formula of the allowable increases of Proposition 2 ½? Should we diligently pursue other non-property tax revenue such as an expanded Hotel/Motel tax and meals tax? We benefited this year by having our elected officials meet jointly to discuss fiscal issues both broad and specific early in the fiscal year. We should do so again in the future.

APPENDIX C

TOWN OPERATING BUDGET DETAIL

EXPENSES				
				Proposed
Description	**08 Actual**	**09 Approp**	**10 Dept. Req**	**Budget FY10**
General Government				
Legislative				
Moderator/Town Meeting				
Salaries	600	600	600	600
Expenses	20	50	50	50
Total	620	650	650	650
Finance Committee				
Salaries	2,170	2,000	2,000	2,000
Expenses	241	600	600	600
Total	2,410	2,600	2,600	2,600
Executive				
Board of Selectmen				
Salaries	10,750	10,500	10,500	10,500
Expenses	2,812	1,000	1,000	1,000
Total	13,562	11,500	11,500	11,500
Town Manager				
Salaries	265,073	274,017	272,684	272,684
Expenses	130,117	119,250	157,706	157,706
Total	395,190	393,267	430,390	430,390
Staff				
Human Resources/Personnel Services				
Salaries	65,334	172,798	177,136	177,136
Expenses	14,635	18,945	14,835	14,835
Total	79,969	191,743	191,971	191,971
Legal Services				
Expenses	58,119	95,000	95,000	95,000
Total	58,119	95,000	95,000	95,000
Audit Services				
Expenses	23,000	23,000	25,000	25,000
Total	23,000	23,000	25,000	25,000
Town Accountant				
Salaries	231,148	241,278	205,487	205,487
Expenses	3,979	4,850	4,850	4,850
Total	235,127	246,128	210,337	210,337
Assessors				
Salaries	185,926	194,675	199,661	199,661
Expenses	53,466	57,000	52,000	52,000
Total	239,392	251,675	251,661	251,661
Treasurer/Collector				
Salaries	198,308	212,225	164,450	164,450
Expenses	15,360	22,400	21,550	21,550
Total	213,668	234,625	186,000	186,000
Information Systems				
Salaries	243,707	158,904	161,281	161,281
Expenses	109,010	109,200	106,700	106,700
Total	352,717	268,104	267,981	267,981

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
Town Clerk				
Salaries	112,689	116,336	117,662	117,662
Expenses	12,758	14,065	13,565	13,565
Total	125,447	130,401	131,227	131,227
Elections				
Salaries	1,250	1,275	1,275	1,275
Expenses	21,304	20,700	20,050	20,050
Total	22,554	21,975	21,325	21,325
Summer Residents Advisory Comm				
Expenses	2,904	2,800	2,800	2,800
Total	2,904	2,800	2,800	2,800
Parking Clerk				
Salaries	3,500	3,500	3,500	3,500
Expenses	975	3,000	3,000	3,000
Total	4,475	6,500	6,500	6,500
Permit Office				
Salaries	61,168	65,814	65,864	65,864
Expenses	4,794	5,100	3,900	3,900
Total	65,962	70,914	69,764	69,764
General Government Totals				
Salaries	1,381,622	1,453,922	1,382,100	1,382,100
Expenses	453,494	496,960	522,606	522,606
Subtotal General Gov't	1,835,116	1,950,882	1,904,706	1,904,706
Public Safety				
Police				
Salaries	2,076,389	1,822,653	1,850,781	1,850,781
Expenses	126,476	127,162	109,729	109,729
Total	2,202,865	1,949,815	1,960,510	1,960,510
Emergency Management				
Salaries	0	2,500	2,500	2,500
Expenses	3,381	9,075	6,600	6,600
Total	3,381	11,575	9,100	9,100
Animal Control				
Salaries	50,849	49,984	51,584	51,584
Expenses	2,376	2,700	1,900	1,900
Total	53,225	52,684	53,484	53,484
North Beach				
Salaries	36,483	57,660	0	0
Expenses	9,364	5,100	0	0
Total	45,847	62,760	0	0
Fire				
Salaries	2,339,703	2,154,313	2,223,659	2,223,659
Expenses	197,979	192,065	158,315	158,315
Total	2,537,682	2,346,378	2,381,974	2,381,974

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
Cape & Islands EMS				
Expenses	5,253	5,255	5,385	5,385
Total	5,253	5,255	5,385	5,385
Oil Pollution Control				
Expenses	300	1,030	1,030	1,030
Total	300	1,030	1,030	1,030
Harbormaster/Pier/Harbor Patrol				
Salaries	326,206	359,859	415,122	415,122
Expenses	115,555	110,538	82,102	82,102
Total	441,761	470,397	450,200	450,200
Town Floats				
Expenses	13,219	8,000	8,000	8,000
Total	13,219	8,000	8,000	8,000
Mitchell River Bridge				
Expenses	800	2,000	2,000	2,000
Total	800	2,000	2,000	2,000
Public Safety Totals				
Salaries	4,829,630	4,446,969	4,543,646	4,543,646
Expenses	474,703	462,925	375,061	375,061
Subtotal Public Safety	5,304,333	4,909,894	4,918,707	4,918,707
Community Development				
Community Development				
Salaries	632,497	684,235	652,125	652,125
Expenses	56,479	56,875	54,975	54,975
Total	688,976	741,110	707,100	707,100
Ec Development (CC Chamber)				
Expenses	64,000	64,000	45,500	45,500
Total	64,000	64,000	45,500	45,500
Community Development				
Salaries	632,497	684,235	652,125	652,125
Expenses	120,479	120,875	100,475	100,475
Subtotal Community Devel'mt	752,976	805,110	752,600	752,600
Health & Environment				
Water Quality Laboratory				
Salaries	139,609	130,134	129,757	129,757
Expenses	76,566	77,300	70,100	70,100
Total	216,175	207,434	199,857	199,857
Health Department				
Salaries	171,140	178,252	176,952	176,952
Expenses	15,600	15,600	15,400	15,400
Total	186,740	193,852	192,352	192,352
Conservation Department				
Salaries	122,781	131,289	151,178	151,178
Expenses	6,300	6,300	10,300	10,300
Total	129,081	137,589	161,478	161,478

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
Pleasant Bay Management Plan				
Expenses	33,650	33,980	33,133	33,133
Total	33,650	33,980	33,133	33,133
Green Head Fly Control				
Expenses	1,550	1,550	1,550	1,550
Total	1,550	1,550	1,550	1,550
Coastal Resources				
Salaries	94,930	100,381	69,333	69,333
Expenses	4,984	5,350	5,540	5,540
Total	99,914	105,731	74,873	74,873
Shellfish Constable				
Salaries	143,197	149,387	150,187	150,187
Expenses	7,526	10,240	9,890	9,890
Total	150,723	159,627	160,077	160,077
Leases & Herring Run				
Expenses	750	1,490	1,490	1,490
Total	750	1,490	1,490	1,490
South Coastal				
Salaries	487	1,000	1,000	1,000
Expenses	0	500	500	500
Total	487	1,500	1,500	1,500
Shellfish Advisory Committee				
Salaries	54	800	800	800
Expenses	0	200	200	200
Total	54	1,000	1,000	1,000
Waterways Committee				
Salaries	649	200	200	200
Expenses	785	1,000	1,000	1,000
Total	1,434	1,200	1,200	1,200
Health & Environment				
Salaries	672,847	691,443	679,407	679,407
Expenses	147,711	153,510	149,103	149,103
Subtotal Hlth & Env/Cstal Res.	820,558	844,953	828,510	828,510
Public Works & Facilities				
Park & Recreation				
Salaries	839,341	858,098	864,645	864,645
Expenses	198,000	225,578	141,973	141,973
Total	1,037,341	1,083,676	1,006,618	1,006,618
Highway				
Salaries	415,713	490,397	371,234	371,234
Expenses	98,169	86,930	62,350	62,350
Total	513,882	577,327	433,584	433,584
Snow & Ice				
Salaries	26,694	16,000	16,000	16,000
Expenses	98,518	55,000	55,000	55,000
Total	125,212	71,000	71,000	71,000

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
Street Lights				
Expenses	42,873	43,000	43,000	43,000
Total	42,873	43,000	43,000	43,000
Transfer Station				
Salaries	317,913	323,623	350,525	350,525
Expenses	168,661	194,500	198,900	198,900
Expenses - Hauling & Disposal	289,773	345,000	320,000	320,000
Total	776,347	863,123	869,425	869,425
Central Fuel Depot				
Expenses	172,900	178,000	206,000	206,000
Total	172,900	178,000	206,000	206,000
Buildings				
Salaries	268,428	291,697	350,279	350,279
Expenses	114,745	109,635	282,578	282,578
Total	383,173	401,332	632,857	632,857
Sewer				
Salaries	77,279	39,362	45,901	45,901
Expenses (w/o Debt)	505,457	527,267	520,570	520,570
Total	582,736	566,629	566,471	566,471
Informational Only:				
Sewer Debt (Principal)	73,391	86,742	45,828	45,828
Sewer Debt (Interest)	8,442	8,442	6,739	6,739
Sewer Debt (Short term interest)		0		
Sewer Debt Total	81,833	95,184	52,567	52,567
Total Sewer Costs	664,569	661,813	619,038	619,038
Cemetery				
Salaries	17,459	20,294	17,057	17,057
Expenses	52,560	61,250	61,200	61,200
Total	70,019	81,544	78,257	78,257
Public Works & Facilities				
Salaries	1,962,827	2,039,471	2,015,641	2,015,641
Expenses	1,741,656	1,826,160	1,891,571	1,891,571
Subtotal Public Works	3,704,483	3,865,631	3,907,212	3,907,212
Community & Social Services				
Council on Aging				
Salaries	204,782	242,811	221,686	221,686
Expenses	32,881	32,900	15,150	15,150
Total	237,663	275,711	236,836	236,836
Veterans' Services District				
Expenses	60,840	46,679	53,454	53,454
Total	60,840	46,679	53,454	53,454
Contractual Services				
Expenses				
VNA of Cape Cod	28,000	28,000	22,500	22,500
Monomoy Community Services	111,000	111,000	111,000	111,000
Nauset Workshop/Capeabilities	6,425	6,425	6,425	6,425
C.C. Child Development	5,000	5,500	5,500	5,500
Independence House	4,200	4,200	4,200	4,200

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
South Coast Legal Services	5,100	5,100	5,000	5,000
Sight Loss Services	900	900	900	900
Big Brothers/Big Sisters	2,000	6,000	6,000	6,000
Lower Cape Outreach	8,500	8,500	8,500	8,500
Eldredge Public Library, Inc.	375,000	385,000	396,000	396,000
So. Chatham Public Library, Inc.	5,100	5,100	5,100	5,100
Homeless Prevention Council	4,588	5,300	5,900	5,900
Aids Council (CARES)	2,000	2,000	2,000	2,000
Elder Services of Cape Cod	8,050	8,243	8,200	8,200
Consumer Assistance	250	250	250	250
Chatham Athletic Booster Club	2,500	2,500	2,500	2,500
Operation in from the Streets	2,000	2,000	2,000	2,000
Tooth Tutoring	2,000	2,000	2,000	2,000
Gosnold	3,500	8,000	8,000	8,000
Cultural Council	0	4,000	4,000	4,000
Child Care Network Voucher Scholarship			5,000	5,000
Subtotal: Contract Services	576,113	600,018	610,975	610,975
Public Ceremonies Committee				
Maritime Festival		10,000	10,000	10,000
Public Ceremonies Committee	27,196	15,000	15,000	15,000
Total	27,196	25,000	25,000	25,000
Other Public Events				
Chatham Band	7,250	7,500	7,500	7,500
Chatham A's Baseball	4,500	4,500	4,500	4,500
Total	11,750	12,000	12,000	12,000
Railroad Museum				
Expenses	2,139	3,000	3,000	3,000
Total	2,139	3,000	3,000	3,000
Community & Social Services				
Salaries	204,782	242,811	221,686	221,686
Expenses	710,919	709,597	719,579	719,579
Subtotal Comm. & Social Services	915,701	952,408	941,265	941,265
Education				
Chatham Public Schools				
Salaries & Expenses	8,849,907	8,929,983	9,581,207	9,581,207
Subtotal Chatham Schools	8,849,907	8,929,983	9,581,207	9,581,207
CC Tech. Regional High School				
Expenses	152,848	197,000	184,000	184,000
Total	152,848	197,000	184,000	184,000
Education				
Salaries	8,849,907	8,929,983	9,581,207	9,581,207
Expenses	152,848	197,000	184,000	184,000
Total Education	9,002,755	9,126,983	9,765,207	9,765,207

Description	08 Actual	09 Approp	10 Dept. Req	Proposed Budget FY10
Employee Benefits				
Workers Compensation Insurance	51,235	55,000	57,750	57,750
Medicare/Social Security	131,528	94,500	105,000	105,000
Unemployment Insurance	10,656	13,000	13,000	13,000
Public Safety Inj. Ins.	13,468	26,190	26,976	26,976
	0			
Barn's County Retirement	1,148,337	1,266,636	1,320,000	1,320,000
Group Health Insurance	1,658,961	2,037,559	2,101,315	2,101,315
Total Employee Benefits	3,014,185	3,492,885	3,624,041	3,624,041
Undistributed Costs				
Insurance				
Watercraft	18,533	18,533	19,460	19,460
Fleet Motor Vehicle	75,330	55,000	57,750	57,750
Moorings	1,688	1,688	1,772	1,772
Flood	8,681	8,681	9,115	9,115
Public Officials' Liability	19,392	10,000	10,500	10,500
General Liability & Bldg. Ins.	109,936	125,000	137,500	137,500
Uninsured Damages	15,000	15,000	15,000	15,000
Total Insurance	248,560	233,902	251,097	251,097
Reserve Fund (05 Distributed)	100,000	100,000	100,000	100,000
Total Undistributed Costs	348,560	333,902	351,097	351,097
Debt Service (non-water)				
Principal	3,518,166	2,939,410	3,749,869	3,749,869
Interest - Long-term	1,073,141	955,025	1,413,621	1,413,621
Interest - Short-term & Bond Costs	503,166	1,480,184	200,000	200,000
Total Debt Service Costs	5,094,473	5,374,619	5,363,490	5,363,490

APPENDIX D

DEBT DETAIL

Town of Chatham										
Master Debt Amortization Schedule										
Outstanding Principal & Interest										
Payout By Fiscal Year - As of 7/01/2009										
				Water Fund	Water Fund	Water Fund				Cumulative
Fiscal	General Fund	General Fund	General Fund	Principal	Interest	Total	Total	Total	Grand	% of Total
Year	Principal	Interest	Total	(w/o Betterments)	(w/o Betterments)	(w/o Betterments)	Principal	Interest	Total	Debt Service
2010	3,749,868.64	1,413,620.82	5,163,489.46	800,551.40	263,839.47	1,064,390.87	4,550,420.04	1,677,460.29	6,227,880.33	11.78%
2011	3,648,833.58	1,269,471.94	4,918,305.52	780,673.80	233,463.07	1,014,136.87	4,429,507.38	1,502,935.01	5,932,442.39	23.00%
2012	3,257,268.84	1,125,905.87	4,383,174.71	752,796.20	202,497.88	955,294.08	4,010,065.04	1,328,403.75	5,338,468.79	33.10%
2013	3,224,108.05	995,220.20	4,219,328.25	659,220.68	174,334.80	833,555.48	3,883,328.73	1,169,555.00	5,052,883.73	42.65%
2014	3,206,789.69	865,696.64	4,072,486.33	601,539.04	149,015.86	750,554.90	3,808,328.73	1,014,712.50	4,823,041.23	51.77%
2015	2,866,651.01	742,068.48	3,608,719.49	511,677.72	126,246.52	637,924.24	3,378,328.73	868,315.00	4,246,643.73	59.80%
2016	2,771,651.01	618,363.09	3,390,014.10	396,677.72	107,509.41	504,187.13	3,168,328.73	725,872.50	3,894,201.23	67.17%
2017	2,771,651.01	486,998.95	3,258,649.96	396,677.72	90,613.55	487,291.27	3,168,328.73	577,612.50	3,745,941.23	74.25%
2018	2,483,328.73	366,506.25	2,849,834.98	270,000.00	76,305.00	346,305.00	2,753,328.73	442,811.25	3,196,139.98	80.30%
2019	1,923,328.73	266,055.00	2,189,383.73	270,000.00	64,647.50	334,647.50	2,193,328.73	330,702.50	2,524,031.23	85.07%
2020	1,278,328.73	194,687.50	1,473,016.23	215,000.00	54,305.00	269,305.00	1,493,328.73	248,992.50	1,742,321.23	88.37%
2021	918,549.72	151,287.50	1,069,837.22	210,000.00	45,598.75	255,598.75	1,128,549.72	196,886.25	1,325,435.97	90.87%
2022	627,500.00	120,687.50	748,187.50	210,000.00	37,011.25	247,011.25	837,500.00	157,698.75	995,198.75	92.76%
2023	627,500.00	95,687.50	723,187.50	185,000.00	29,017.50	214,017.50	812,500.00	124,705.00	937,205.00	94.53%
2024	627,500.00	70,687.50	698,187.50	185,000.00	21,617.50	206,617.50	812,500.00	92,305.00	904,805.00	96.24%
2025	582,500.00	46,587.50	629,087.50	185,000.00	14,217.50	199,217.50	767,500.00	60,805.00	828,305.00	97.81%
2026	472,500.00	25,587.50	498,087.50	185,000.00	6,740.00	191,740.00	657,500.00	32,327.50	689,827.50	99.11%
2027	350,000.00	8,837.50	358,837.50	25,000.00	2,437.50	27,437.50	375,000.00	11,275.00	386,275.00	99.84%
2028	20,000.00	1,062.50	21,062.50	25,000.00	1,381.25	26,381.25	45,000.00	2,443.75	47,443.75	99.93%
2029	15,000.00	318.75	15,318.75	20,000.00	425.00	20,425.00	35,000.00	743.75	35,743.75	100.00%
	$ 35,422,857.74	$ 8,865,338.49	$ 44,288,196.23	$ 6,884,814.28	$ 1,701,224.31	$ 8,586,038.59	$ 42,307,672.02	$ 10,566,562.80	$ 52,874,234.82	

APPENDIX E

WATER DEPARTMENT OPERATING BUDGET DETAIL

	A	B	C	D	E	F	G
1						Proposed	
2						Water Budget	
3	Art #	Description	08 Actual	09 Approp	10 Dept Req	FY 10	Notes
4	7						
5		**WATER FUND**					
6							
7							
8		**Water Costs**					
9		Operating					
10		Salaries	149,478	194,891	187,885	187,885	
11		Expenses	961,553	1,000,592	1,080,800	1,080,800	
12		**Sub-total Operating**	1,111,031	1,195,483	1,268,685	1,268,685	
13							
14		**Debt**					
15		Principal	819,644	854,701	800,552	800,552	
16		Interest - Long-term	298,925	268,886	263,840	263,840	
17		Interest - Short-term	30,000	150,000	100,000	100,000	
18		**Subtotal Debt**	1,148,569	1,273,587	1,164,392	1,164,392	
19							
20		**Total Water Direct Costs**	2,259,600	2,469,070	2,433,077	2,433,077	
21							
22		**Overhead - Indirect Costs**	139,806	210,799	210,468	210,468	
23		**Overhead - GF Loan Repayment**	64,150	0	0	0	
24		**Overhead - Rate payback for Bett**	157,101	144,906	138,751	138,751	
25		**Overhead - Deficit payback**					
26		**Subtotal Overhead**	361,057	355,705	349,219	349,219	
27							
28		**Water Operating Budget**	2,620,657	2,824,775	2,782,296	2,782,296	
29							
30		**Water Capital - Cash Basis**					
31		Various Projects - See Capital	0	0	0	0	
32		**Total Water Costs (no bonds)**	2,620,657	2,824,775	2,782,296	2,782,296	
33		**Water Capital - Bonding Basis**					
34		Various Projects - See Capital	0	0	0	0	
35		**Total Water Costs (with bonds)**	2,620,657	2,824,775	2,782,296	2,782,296	
36							
37		**Water Revenue**					
38							
39		**Rate Charges**	2,760,289	2,419,227	2,382,296	2,382,296	
40		**Water Surplus**	0	0	0	0	
41		**Water Bonds**	0	0	0	0	
42							
43		**Variance:**					
44		**Revenues over(under) Costs**	139,632	-405,548	-400,000	-400,000	
45		**Town Subsidy-Fire Protection**	-400,000	-400,000	-400,000	-400,000	
46		**Town Subsidy-Debt Prepay**					
47		**Town Subsidy-Additional**	0		0	0	
48		**Transfer from Gen.Fund**	400,000	400,000	400,000	400,000	
49							
50		**Surplus (Shortfall)**	539,632	-5,548	0	0	
51							

APPENDIX F

FIVE YEAR CAPITAL DETAIL

CAPITAL BUDGET DETAIL

	A	B	C	D	E	F	G	H	I	J
1	**Dept**	**Description**	**Dept**	**FY 09**	**FY 10**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
2	**Priority #**			**Actual**	**Request**	**Proposed**	**Program**	**Program**	**Program**	**Program**
3										
4		**CAPITAL PROGRAM & BUDGET**								
5				**CAPITAL**		**CAPITAL**				
6		**CAPITAL PROGRAM & BUDGET SUMMARY:**		**BUDGET**		**BUDGET**				
7		General Government		253,000	151,500	140,000	150,000	140,000	150,000	140,000
8		Public Safety		190,500	85,800	52,000	182,500	68,000	120,000	26,000
9		Community Development		10,000	125,000	0	0	0	0	0
10		Health & Environment		288,000	226,000	184,000	246,000	271,000	269,000	311,000
11		Public Works (without Water)		428,000	1,220,000	682,000	1,152,000	1,093,000	723,000	608,000
12		Equipment		353,000	852,500	376,000	912,000	390,000	349,000	218,000
13		Schools		239,468	246,444	246,444	256,302	246,285	262,735	0
14		**Total Town Funded Capital Budget (Column F)**		1,761,968	2,907,244	1,680,444	2,898,802	2,208,285	1,873,735	1,303,000
15										
16		**Funding Sources:**								
17		Free Cash		1,539,189	1,534,622	1,534,622				
18		Waterways Improvement Funds		51,000	48,000	48,000				
19		Cemetery Sale of Lots		5,000	5,000	5,000				
20		Article 6 2007 Town Meeting		25,000						
21		Prior Articles		86,779	62,822	62,822				
22		Land Bank		55,000	30,000	30,000				
23										
24		**Total Funding Sources**		1,761,968	1,680,444	1,680,444				
25										
26		**General Government**								
27	Annual #1	Land Management, Assessment & GIS	IT	50,000	50,000	50,000	50,000	50,000	50,000	50,000
28	Annual #2	MIS Training, Website	IT	30,000	25,000	25,000	30,000	30,000	30,000	30,000
29	Annual #3	Hardware replacement & upgrade	IT	10,000	10,000	10,000	10,000	10,000	10,000	10,000
30	10-01	Ch 18 Equipment			6,500	5,000				
31	10-2	Consulting & Engineering	TM	50,000	50,000	50,000	50,000	50,000	50,000	50,000
32	10-1	Business Machines	FIN/TM		10,000		10,000		10,000	
33	09-01	PD/Annex Relocation Expense	TM	100,000						
34	09-01	New Voting Machines	TC	13,000						
35		**Total General Government**		253,000	151,500	140,000	150,000	140,000	150,000	140,000
36										
37		**Public Safety**								
38		**Police Department**								
39	10	Replace Computers	PD		1,800		25,000		15,000	
40	09-01	Photo ID Camera System	PD	6,000						
41	10	Accident Reconstruction Equipment	PD		4,000	4,000				

	A	B	C	D	E	F	G	H	I	J
1	**Dept**	**Description**	**Dept**	**FY 09**	**FY 10**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
2	**Priority #**			**Actual**	**Request**	**Proposed**	**Program**	**Program**	**Program**	**Program**
42	11	Replacement of Portable Radios	PD				35,000			
43	10	Tactical Equipment	PD	2,800						
44	11	Animal Control Shelter Trailer	PD				3,000			
45	11	Speed Control Display Trailer	PD				5,000			
46	13	Command Post Trailer	PD						55,000	
47		**Subtotal Police**		8,800	5,800	4,000	68,000	0	70,000	0
48		**Fire/Rescue Department**								
49	08-02	Upgrade Heart Monitors;Replace	FD							
50	08-05	Hose Replacement	FD							
51	11-02	Upgrade Self Contained Breathing Apparatus	FD				20,000		20,000	
52	09-03	Radio Equipment	FD	5,000						
53	09-01	Protective Clothing	FD	30,000						
54	12-3	800 MHZ portable Radios	FD					20,000		
55	10-03;11-03	Computer Software/Hardware	FD	0	20,000		20,000			
56		**Subtotal Fire/Rescue**		35,000	20,000	0	40,000	20,000	20,000	0
57		**Emergency Management**								
58	9-01;11-01;13-0	Emergency Management Brochures	CD				4,000		4,000	
59		**Subtotal Other Pub Safety**		0	0	0	4,000	0	4,000	0
60		**Harbormaster/Wharfinger**								
61	09-1	Fish Pier North Jog Dinghy Float 25% Grant Match	HBR	75,000						
62	al 09-6;10-2;11-7	Mooring Management	HBR	8,000	8,000	8,000	8,000	8,000	8,000	8,000
63		*$8,000 per year proposed from Waterways Impr Fund*	HBR							
64	09-3	Barn Hill Piling Replacement	HBR	20,500						
65	09-4	North Jog Finger Pier Fender Boards	HBR	3,000						
66	al09-8;10-5;11-5	Mitchell River Drawbridge Repairs & Maintenance	HBR	0	10,000	10,000	10,000	10,000		
67	09-5;10-6;11-3;1	Town Landing Maintenance	HBR	8,000	8,000	8,000	8,000	8,000	8,000	8,000
68		*$8,000 per year proposed from Waterways Impr Fund*	HBR							
69	09-2;10-4;11-2;1	Aids to Navigation	HBR	10,000	10,000	10,000	5,000	5,000	5,000	5,000
70		*$10,000 per year proposed from Waterways Impr Fund*								
71	09-7	Barge Rental	HBR				22,500			
72	09-9	Float Replacement Old Mill Boatyard	HBR	25,000						
73	10-9	Wind Generator	HBR		12,000		12,000	12,000		
74	0-7;11-4;12-4;13	Boat Maintenance & Equipment	HBR				5,000	5,000	5,000	5,000
75	10-1	Fish Pier Parking lot			12,000	12,000				
76		**Subtotal Harbor/Pier**		149,500	60,000	48,000	70,500	48,000	26,000	26,000
77		**Total Public Safety**		193,300	85,800	52,000	182,500	68,000	120,000	26,000
78										
79		**Community Development**								
80			CD	0						
81	10-01	GIS Flyover	CD		125,000	0				

	A	B	C	D	E	F	G	H	I	J
1	**Dept**	**Description**	**Dept**	**FY 09**	**FY 10**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
2	**Priority #**			**Actual**	**Request**	**Proposed**	**Program**	**Program**	**Program**	**Program**
82	10-01	Software/Equipment- Plotter/Printer	CD	10,000						
83		**Subtotal Community Development**		10,000	125,000	0	0	0	0	0
84										
85		**Total Community Development**		10,000	125,000	0	0	0	0	0
86										
87		**Stormwater Management**								
88	Annual #1	Drainage/Stormwater Management	STW	20,000	20,000	20,000	20,000	20,000	20,000	20,000
89	09-01	08-01 Lovers Lake/Stillwater Pond Restoration	STW	100,000						
90	10-02	Sylvan Gardens Restoration/Management	H&E	55,000	30,000	30,000	15,000			
91	10-03	Trail Guide - Conservation Lands	H&E		12,000		12,000	2,000		2,000
92	10-01	Conservation Lands Management/Forest Mgmt Plan	H & E	20,000	20,000		20,000	20,000	20,000	20,000
93		**Subtotal Stormwater**		195,000	82,000	50,000	67,000	42,000	40,000	42,000
94		**Coastal Resources**								
95	Annual #1	Dredging Program	CR	75,000	75,000	75,000	75,000	200,000	200,000	200,000
96	Annual #2	Aerial Shoreline Condition Photo Survey	CR	8,000	9,000	9,000	9,000	9,000	9,000	9,000
97	Annual #3	Town Landing Infrastructure Improvements	CR	10,000	20,000	10,000	20,000	20,000	20,000	20,000
98		*$10,000 from waterways improvement*								
99	11-01	Town Landing Comprehensive Survey	CR		0		75,000			
100	12-1	Nantucket Sound Shoreline Assessment Study	CR		40,000	40,000				0
101	14-1	Chatham Harbor Public Access	CR		0		0	0	0	40,000
102	10-01	Bassing Harbor Dredging Permits	CR							
103		**Subtotal Coastal Resources**		93,000	144,000	134,000	179,000	229,000	229,000	269,000
104		**Total Health & Environment**		288,000	226,000	184,000	246,000	271,000	269,000	311,000
105										
106		**Public Works (without Water)**								
107		**Parks & Recreation & Cemetery**								
108	09-03	Community Center Program Consultant	P&R	25,000						
109	12 03	Skateboard Park Ramps	P&R	0		0		40,000		
110	09-02	Repaint Depot Road Tennis Courts	P&R	10,000					0	0
111	10-2	Handicap Access Path	P&R		10,000	0	10,000			
112	10-4	Outdoor Basketball Court	P&R		35,000	0	35,000			
113	11-3	Concession Stand - Volunteer Park	P&R				6,000			
114	12-2	Resurface Skate Park	P&R					15,000		
115	13-2	Sandblast & Repaint Vets Field Bleachers	P&R						50,000	
116	13-3	New Walkways at Vets Field	P&R						65,000	
117	12 04	Picnic Pavillion -Volunteer Park	P&R					30,000		
118		**Subtotal - Park & Recreation**		35,000	45,000	0	51,000	85,000	115,000	0
119		**Highway Department**								
120	Annual #1	Road Resurfacing	HWY	160,000	220,000	160,000	230,000	230,000	230,000	230,000
121	Annual #2	Emergency Road Repair	HWY	10,000	10,000	10,000	10,000	10,000	10,000	10,000
122	Annual #3	Catch Basins	HWY	40,000	60,000	40,000	60,000	65,000	65,000	65,000
123	Annual #4	Road Maintenance	HWY	12,000	28,000	12,000	28,000	30,000	30,000	30,000
124	Annual #6	Street Signs	HWY	5,000	6,000	5,000	7,000	7,000	7,000	7,000

CAPITAL BUDGET DETAIL

	A	B	C	D	E	F	G	H	I	J
1	**Dept**	**Description**	**Dept**	**FY 09**	**FY 10**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
2	**Priority #**			**Actual**	**Request**	**Proposed**	**Program**	**Program**	**Program**	**Program**
125	Annual #7	Bike Trail Maintenance	HWY		25,000	0	25,000	25,000	25,000	25,000
126	10-05	Sidewalk Construction	HWY		50,000					
127		**Subtotal Highway**		227,000	399,000	227,000	360,000	367,000	367,000	367,000
128		**Landfill (Transfer Station)**								
129	10-01	Building Maintenance	HWY		600,000	300,000				
130	11-01	Recycling - Phase 1	HWY	0			500,000			
131	12-01	Recycling - Phase 2	HWY					400,000		
132		**Subtotal Landfill**		0	600,000	300,000	500,000	400,000	0	0
133		**Building & Grounds**								
134	Annual	ADA Compliance	BG	5,000	5,000		5,000	5,000	5,000	5,000
135	Annual #1	Property Management/Building Maintenance	TM	150,000	150,000	150,000	200,000	200,000	200,000	200,000
136		**Subtotal Building & Grounds**		155,000	155,000	150,000	205,000	205,000	205,000	205,000
137										
138		**Cemetery Department**								
139	07-2	Clean & Repair Head Stones	CEM	1,000	1,000		1,000	1,000	1,000	1,000
140	07-3	Start Replacing Old Water Lines	CEM	10,000	10,000	5,000	10,000	10,000	10,000	10,000
141		**Subtotal Cemetery**		11,000	11,000	5,000	11,000	11,000	11,000	11,000
142										
143		**Airport Commission**								
144	Annual #1	Continuing Modernization	TM/AIR	0	10,000	0	25,000	25,000	25,000	25,000
145		**Subtotal Airport**		0	10,000	0	25,000	25,000	25,000	25,000
146		**Total Public Works**		428,000	1,220,000	682,000	1,152,000	1,093,000	723,000	608,000
147										
148		**Equipment - All Departments**								
149										
150	Annual #1	Annual Cruisers (2) Replacement	PD/TM	58,000	58,000	29,000	93,000	87,000	58,000	
151	10;13	Replace Unmarked Police Detective Vehicle	PD/TM	0	27,000		0		28,000	
152	10;13	Replace Vehicle - Pick-up Truck	PD/TM	0	31,000	31,000	0		28,000	
153	10-3	Replace ATV	PD/TM	0	4,500		0	0	0	0
154	10-4	Replace Animal Control Vehicle	PD/TM	0	25,000		25,000			
155	11-01	Replace Chief's Cruiser	PD/TM	0			28,000			
156	11-01	Replace Fire Engine/Pumper - Purchase	FD/TM				525,000			
157	10-01;12-01	Replace Ambulance/Rescue	FD/TM	0	163,000	163,000		160,000		
158	09-02	Replace Staff Vehicle	FD/TM	30,000						
159	10-02	Purchase & Equip One Ladder Truck	FD/TM							
160	12-02	Service Chief Vehicle	FD/TM					35,000		
161	Annual	Inspections Vehicle	CD/TM	5,000	10,000	5,000	5,000	10,000	5,000	10,000
162	11-1;12-1;13-5	Engine Replacement - Harbormaster	HBR/TM	0	8,000	8,000	14,000	8,000	28,000	0
163		Lighthouse Beach Monitoring/Patrol - Equipment	HBR/TM				0			
164	10-1	Vehicle Replacement - Harbormaster	HBR/TM				0			
165	10-01	Shellfish Truck Replacement	CR/TM		28,000					

CAPITAL BUDGET DETAIL

	A	B	C	D	E	F	G	H	I	J
1	**Dept**	**Description**	**Dept**	**FY 09**	**FY 10**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
2	**Priority #**			**Actual**	**Request**	**Proposed**	**Program**	**Program**	**Program**	**Program**
166	13-1	Shellfish Outboard Engine Replacement	CR/TM						8,000	
167	10-06	Front End Loader	HWY/TM		140,000	140,000	0		0	
168	09-9	Pickup Truck w/Plow	HWY/TM	35,000	0		0	0	0	0
169	09-6	Replace Street Sweeper	HWY/TM	185,000				0		
170	14-01	Container Roll Off Truck	LDF/TM	0						130,000
171	12-02	Small DumpRecycling Truck	LDF/TM	0				55,000		
172	13-01	Front End Loader	LDF/TM						150,000	
173	10-01	Solid Waste Trailers	LDF/TM		280,000					
174	10-01	New Beach Cleaning Machine	P&R/TM		52,000		52,000			
175	11-1	Replace Park & Rec Dump Truck (/ Pickup Truck)	P&R/TM				44,000			0
176	13-1	Replace Park & Rec 1 Ton Dump Truck 2003	P&R/TM						44,000	
177	11-2	Community Center Emergency Generator	P&R/TM				100,000			
178	10-02	Replace Large Mowing machine	P&R/TM		26,000		26,000			
179	09-1	Replace P & R Dump Truck with plow	P&R/TM	40,000	0		0	0	0	0
180	12-1	New Van for driving participants to programs/events	P&R/TM					35,000		
181	14-01	Replace Park & Rec 1 Ton Dump Truck 2004	P&R/TM							50,000
182	14-02	Replace Existing Utility Trailer	P&R/TM							10,000
183	140-03	Grounds Debris Removal Equipment	P&R/TM							18,000
184		**Total Equipment**		353,000	852,500	376,000	912,000	390,000	349,000	218,000
185										
186		**Subtotal Capital (General Fund)**		1,525,300	2,660,800	1,434,000	2,642,500	1,962,000	1,611,000	1,303,000
187										
188										
189		**Schools**								
190										
191		School Security	SCH	9,392			8,768	9,118	9,118	
192		Utility Services	SCH	4,000			5,750	5,750	5,750	
193		Grounds	SCH	10,500			17,100	1,100	12,550	
194		Buildings	SCH	45,898			46,648	46,648	45,148	
195		Equipment	SCH	87,762			89,886	89,419	87,919	
196		Technology	SCH	81,916	246,444	246,444	88,150	94,250	102,250	
197										
198		**Subtotal Schools**		**239,468**	246,444	246,444	256,302	246,285	262,735	0
199										
200										
201										
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APPENDIX G

WASTEWATER

TOWN OF CHATHAM

Options for Wastewater Infrastructure Implementation and

Fiscal Year 2010 Bonding

Presentation to the

Chatham Board of Selectmen

March 2009

Preamble

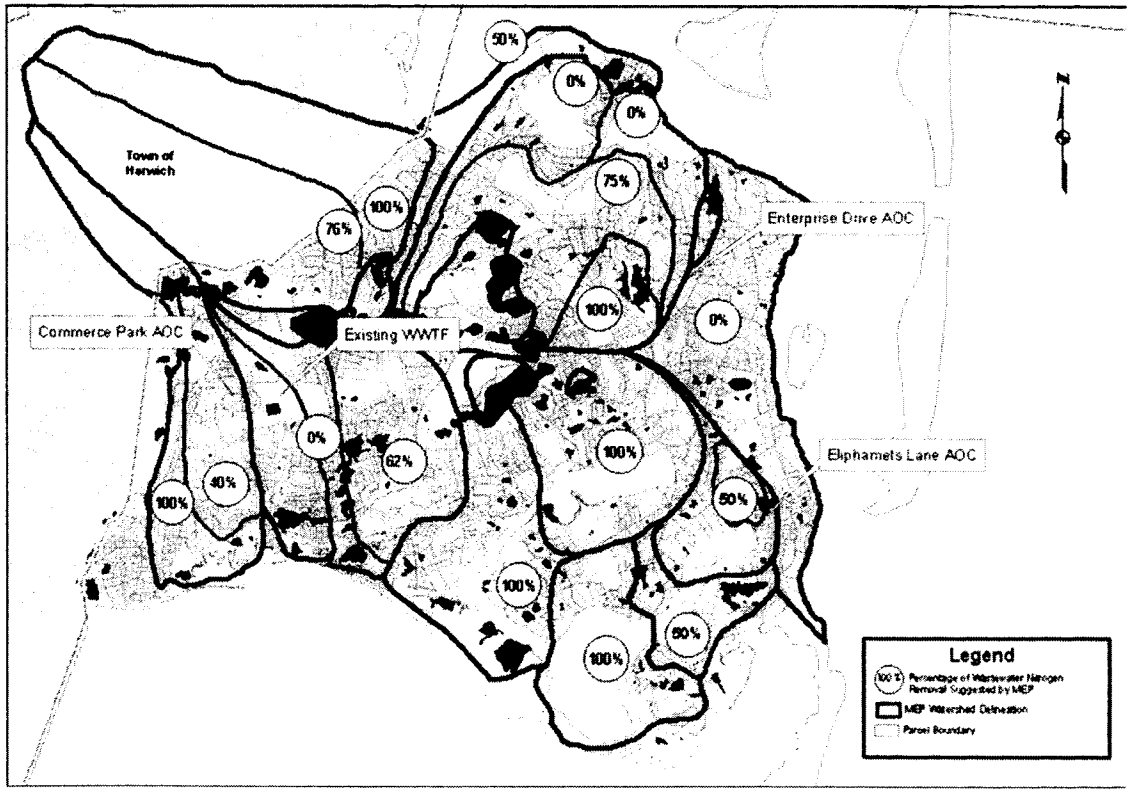
(This Preamble is added to the presentation to place the following slides in context for those that did not see the original presentation to the Board of Selectmen. This presentation is available in color on the town's website at: http://www.chatham-ma.gov/public_documents/ChathamMa_CWMPlan/BOS3-16-09_1.pdf; the actual presentation to the Board of Selectmen can be viewed on Channel 18 or through the town's website by going to Archived Videos.)

The Comprehensive Wastewater Management Plan (CWMP) has been completed and the Town is moving into the implementation phase. The completion of the CWMP, coupled with the town's previous work on developing preliminary designs for expansion of both the wastewater treatment facility and town-wide collection system, presents the town the opportunity to take advantage of the American Recovery and Reinvestment Act (Federal Stimulus) funding. By accelerating the local appropriation, and implementation schedule, the town will be positioned to realize significant cost savings from the Federal Stimulus Program.

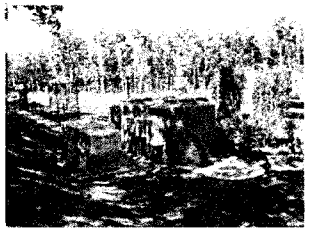
Presentation Outline

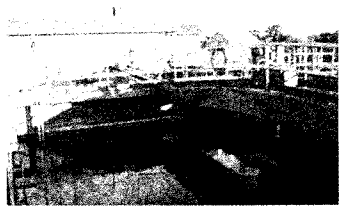
- Overview of the Recommended Plan
- Funding Opportunities
- Options for FY 2010 Bonding to Maximize Stimulus Funds
- Options for Initial Implementation
- Potential Changes to the Tax Rate
- Questions and Discussion

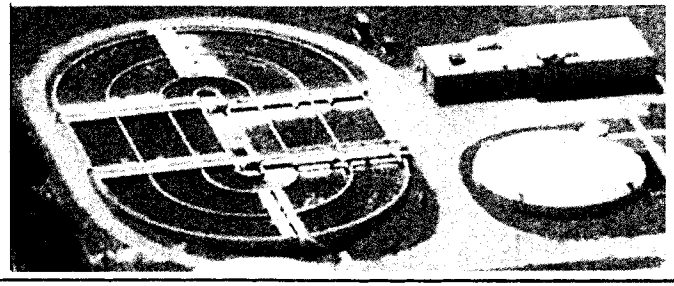
Wastewater Need



Alternatives Evaluation Summary:

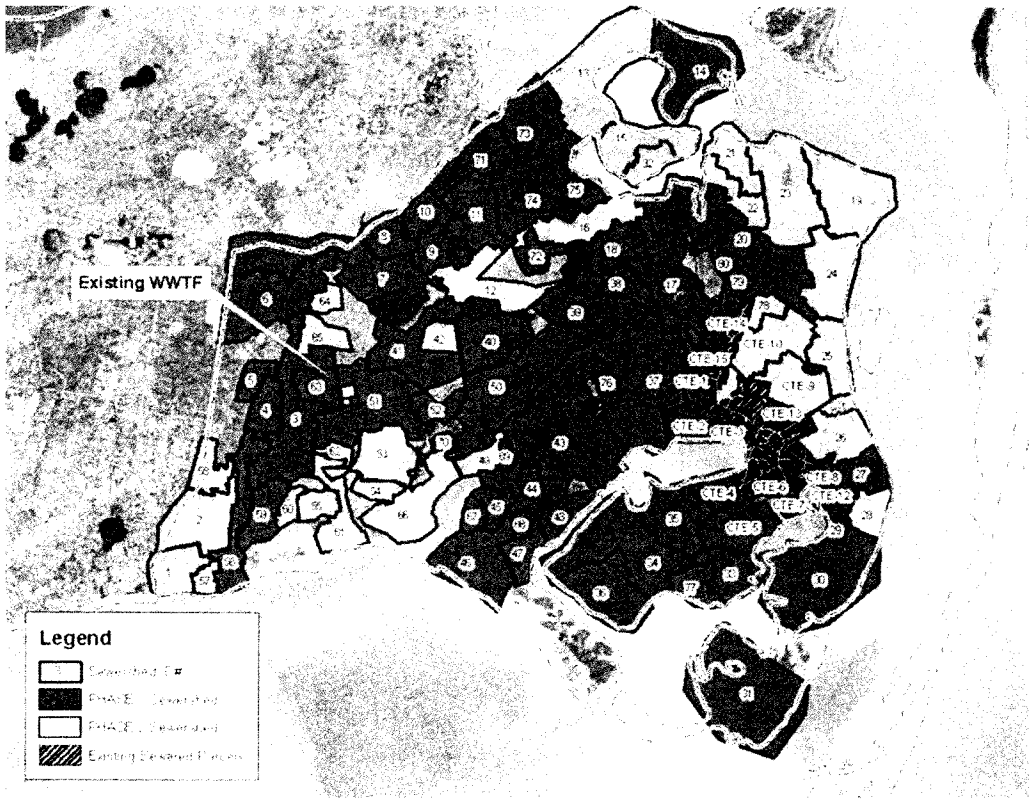




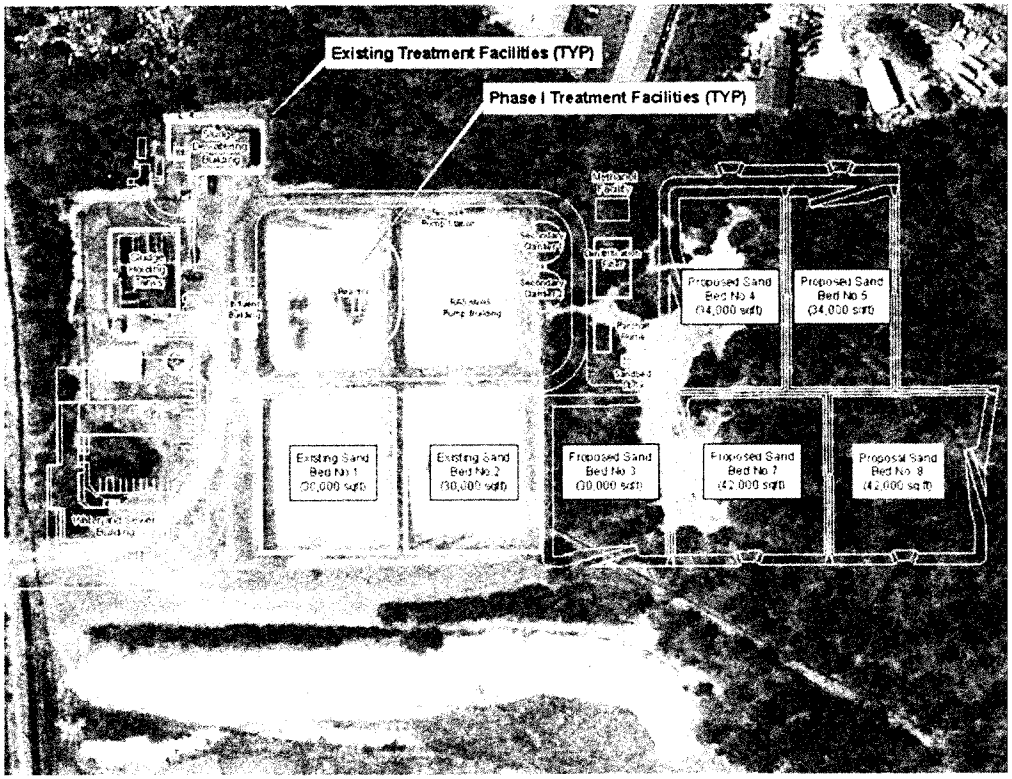


Summary of Typical Nitrogen Removals for the Wastewater Management Options	
Technology	Typical Percent Removal
Title 5 Septic System	23%
Individual Nitrogen Removal Septic System	50%
Community/Cluster System	75%
Upgraded Chatham WWTF	93%

The Recommended Plan:
Phase 1and 2 Sewer Extension Areas



The Recommended Plan:
Phase 1 WWTF Upgrades



Funding Opportunities

- 2 % State Revolving Fund (SRF) loan*
- 0 % SRF loan from Environmental Bond Act*
- 10 to 25 % Grants from Federal Stimulus Program** and the remaining in 0 % loans
- USDA Rural Utilities Program grant and low-interest loan package***

* up to $55,600,000 over 3 year time period

** up to $55,600,000 available only in 2009, and construction needs to be initiated by February 17, 201010

*** up to $2,500,000

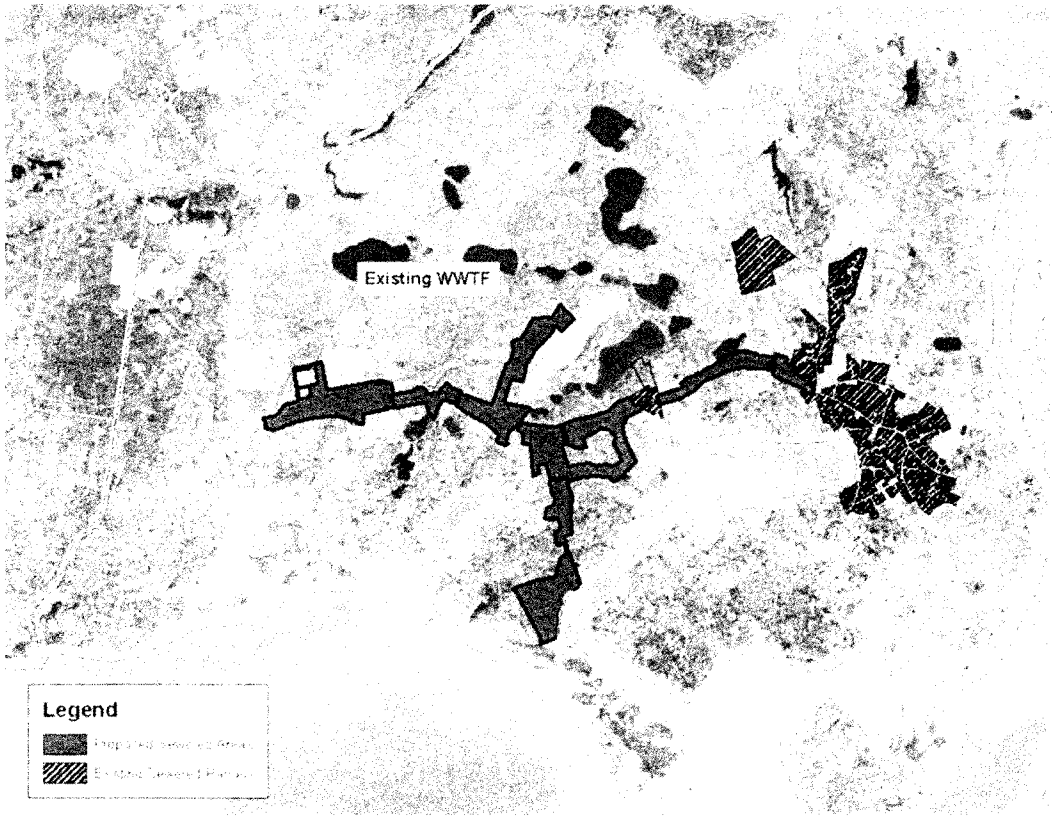
Options for FY 2010 Bonding

FY10 Wastewater Bond

						Existing Funding	Total
1	Lovers Lake & Stillwater Pond Remediation Supplemental		$70,000	FY10 Bond		$180,000	$250,000
2	Force Mains Evaluation/Cleaning		$125,000	FY10 Bond			
3	George Ryder Road*		$5,524,000	FY10 Bond			
4	Harwich Flow Evaluation/IMA		$113,000	FY10 Bond			
5	WWTF Final Design Supplemental		$700,000	FY10 Bond		$835,642	$1,535,642
6	WWTF OPM (Design through GC Bidding)		$1,000,000	FY10 Bond			
		Total	**$7,532,000**				
7	WWTF Construction & Construction/Inspection Services**		$37,000,000	STM			
8	WWTF Wind Turbine		$2,000,000	STM			
		Total	**$39,000,000**				
9	Collection System Phase 1 (OPM, Design, Construction)		**$15-20 M**	ATM			

* includes PD/THA sewer connection ($289,000), George Ryder Rd Infrastructure/FM connection ($2,700,000), Animal Control building sewer connection ($25,000), Barn Hill Rd area ($660,000), CTE-4 ($550,000) and CTE-1 ($1,300,000)

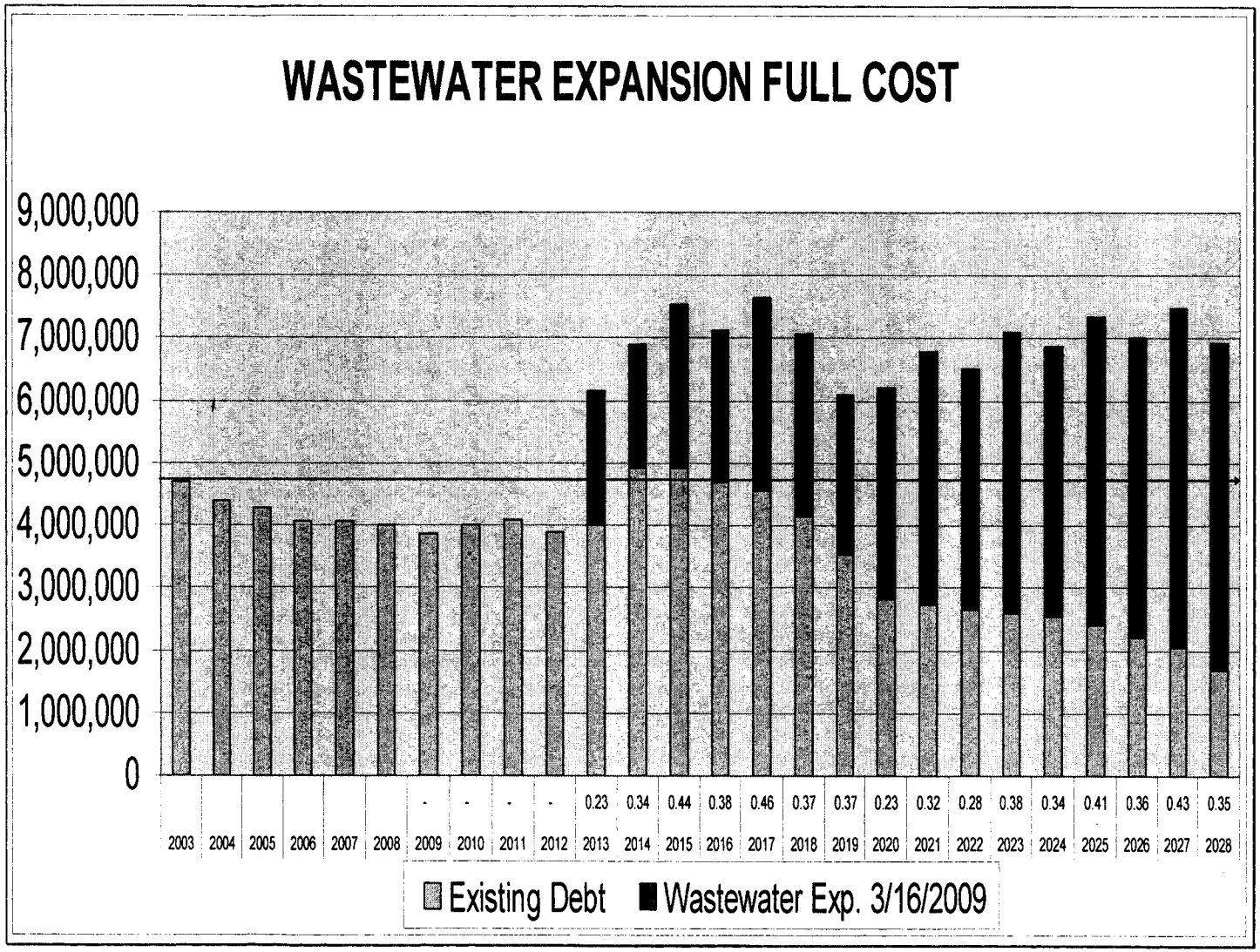
Options for Initial Implementation



Options for FY2010 Bonding (Stimulus)

FY10 Wastewater Bond (Stimulus)

						Existing Funding	Total
1	Lovers Lake & Stillwater Pond Remediation Supplemental		$70,000	FY10 Bond		$180,000	$250,000
2	Force Mains Evaluation/Cleaning		$125,000	FY10 Bond			
3	George Ryder Road		$0	FY10 Bond			
4	Harwich Flow Evaluation/IMA		$113,000	FY10 Bond			
5	WWTF Final Design Supplemental		$700,000	FY10 Bond		$835,642	$1,535,642
6	WWTF OPM (Design through Construction)		$1,000,000	FY10 Bond			
7	WWTF Construction & Construction/Inspection Services		$37,000,000	FY10 Bond			
8	Collection System Phase 1("backbone")		$20,500,000	FY10 Bond			
		Total	**$59,508,000**				
9	WWTF Wind Turbine		$2,000,000	Future			
		Total	**$61,508,000**				


WASTEWATER EXPANSION FULL COST
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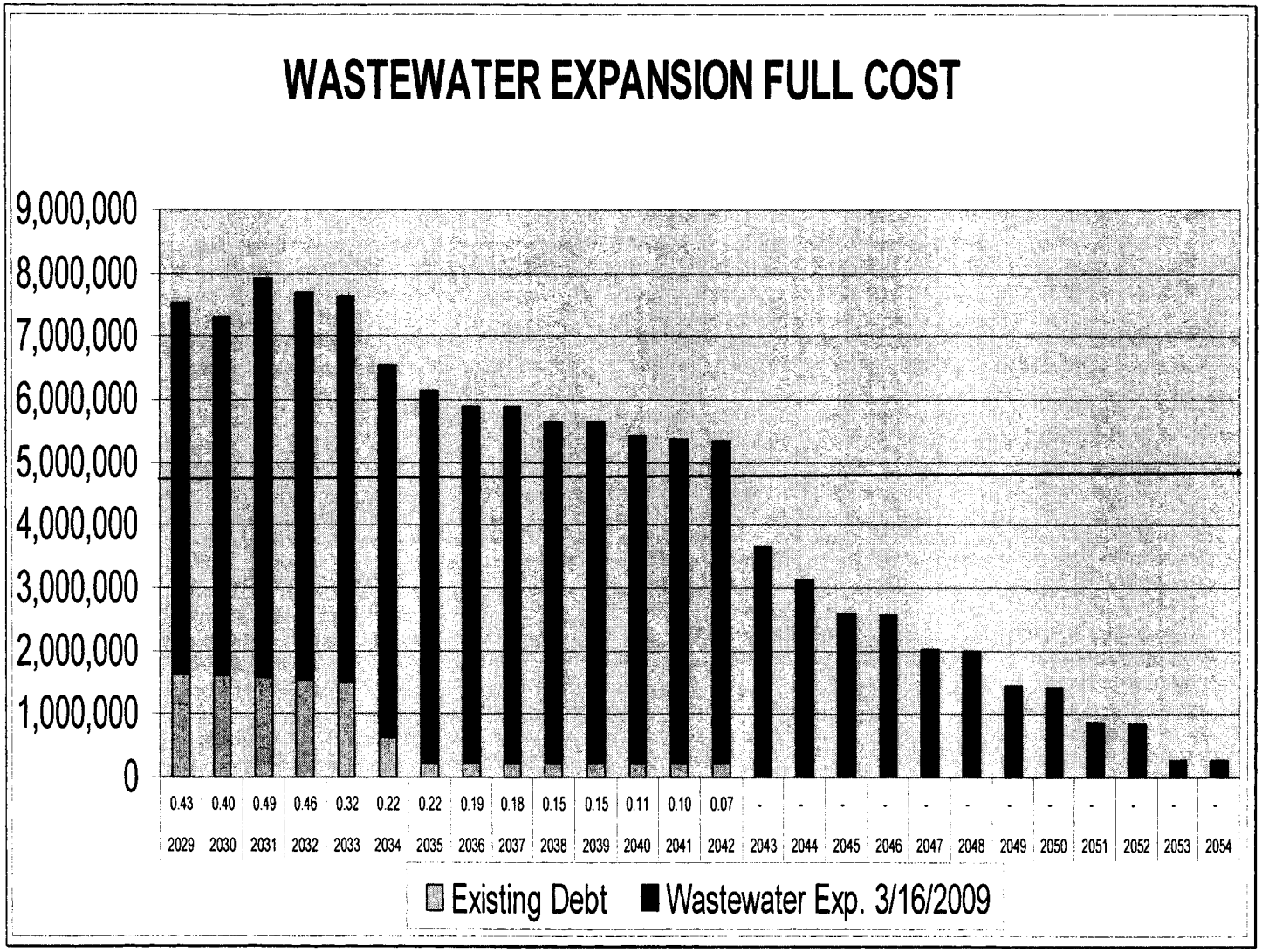
Existing Debt
Wastewater Exp. 3/16/2009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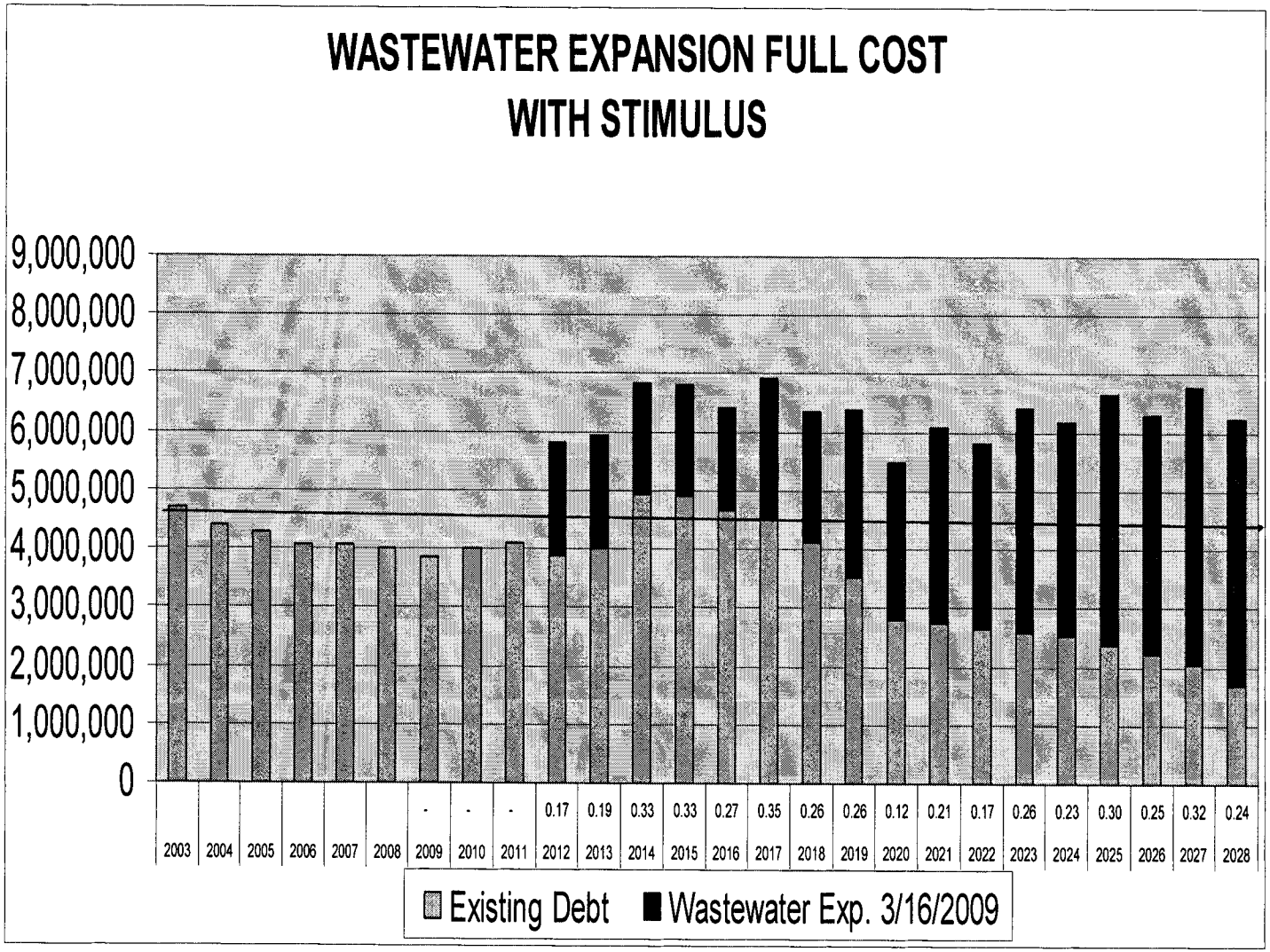
Existing Debt
Wastewater Exp. 3/16/2009


WASTEWATER EXPANSION FULL COST
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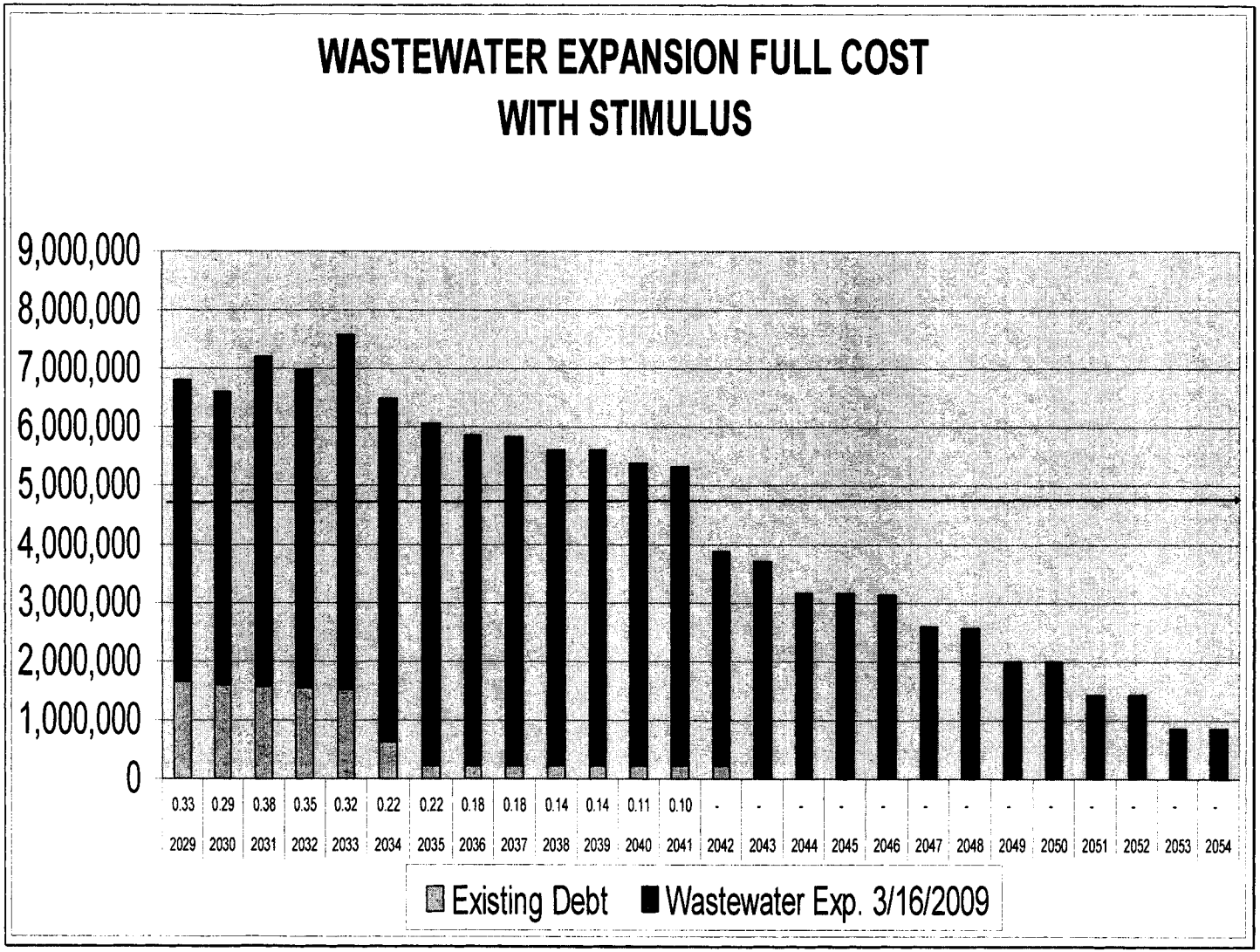
Existing Debt
Wastewater Exp. 3/16/2009


WASTEWATER EXPANSION FULL COST
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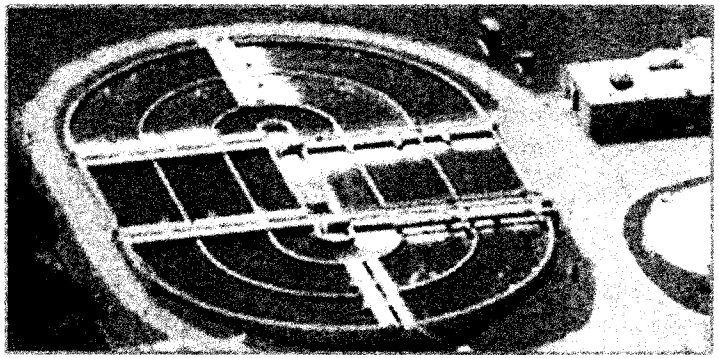
Existing Debt
Wastewater Exp. 3/16/2009

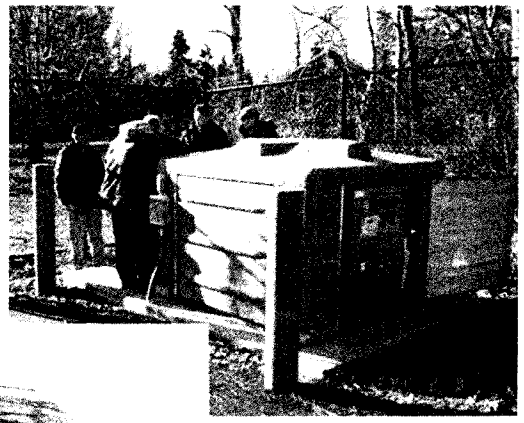
Five Year Comparison
Based on $600,000 Value Home

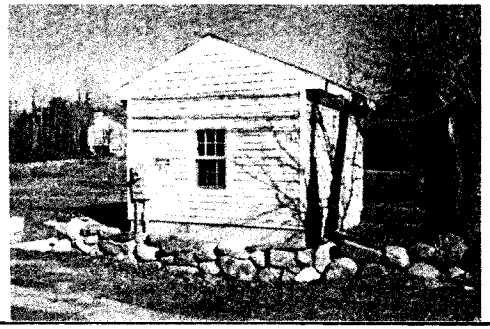
	Original Yr/Mo	Stimulus Yr/Mo
• FY 12	0	$120/$10.00
• FY 13	$180/$15	$114/$ 9.50
• FY 14	$204/$17	$198/$16.50
• FY 15	$262/$22	$198/$16.50
• FY 16	$228/$19	$162/$13.50
• FY 17	$276/$23	$210/$17.50

03/16/2009

QUESTIONS AND DISCUSSION







APPENDIX H

DEFINITIONS

TERMS USED IN MUNICIPAL FINANCE

APPROPRIATION: An amount of money which has been authorized by vote of Town Meeting to be spent for a designated purpose.

AVAILABLE FUNDS: Available funds refer to the Stabilization Fund, Conservation Fund, Waterways Account, Cemetery Funds and continued appropriations left in Articles voted at previous Town Meetings.

OVERLAY: ALSO CALLED ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS: The amount raised by the Assessors to be used for potential abatement of property taxes. The Overlay Surplus is the portion of each year's Overlay Account no longer required to cover the property abatements.

FREE CASH: This is the amount certified annually by the State Bureau of Accounts. Town Meeting may appropriate from Free Cash for any purpose. Often referred to as "Excess and Deficiency" or "E&D".

TRANSFER: The authorization to use an appropriation for a different purpose; in most cases only the Town Meeting may authorize a transfer.

RESERVE FUND: This fund is established by the voters at an Annual Town Meeting only. Transfers from the Reserve Fund are within the exclusive control of the Finance Committee and are for "extraordinary or unforeseen" expenditures.

STABILIZATON FUND: This is a special reserve account. Money may be voted into the Fund by a majority vote at Town Meeting. Money may be appropriated from the Fund by a two-thirds vote at Town Meeting.

CHERRY SHEET: A form showing all State and County charges and reimbursements to the Town as certified by the Massachusetts Department of Revenue.

PROPOSITION 2 ½ TERMS

Chapter 59, Section 21C of the Massachusetts General Laws commonly referred to as Proposition 2 ½ (Prop. 2 ½) or the Tax Limiting Law for Cities and Towns in Massachusetts.

LEVY: The property tax levy is the revenue the Town can raise through real and personal property taxes. The levy is the largest source of revenue for the Town.

LEVY CEILING: This is the maximum amount of the levy limit. The ceiling equals 2.5% of the Town's full and fair cash value.

LEVY LIMIT: The limit is based on the previous year's levy plus certain allowable increases.

LEVY LIMIT INCREASE: The levy limit automatically increases each year by 2.5% of the previous year's levy limit.

NEW GROWTH: The increase in the levy limit attributable to new construction and new parcel subdivisions.

OVERRIDE: A community can increase its levy limit by voting at a referendum to exceed the limit. There are three types of overrides.

GENERAL OVERRIDE: A general override ballot question can be placed on a referendum if a majority of the Board of Selectmen vote to do so. If the ballot question is approved by a majority of the voters, the Town's levy limit is permanently increased by the amount voted at the referendum. The levy limit increases may not exceed the Town's levy ceiling.

DEBT EXCLUSION AND CAPITAL OVERLAY EXPENDITURE EXCLUSION: These two override ballot questions can be placed on a referendum by a two-thirds vote of the Board of Selectmen. If a majority of the voters approve the ballot question, the Town's levy limit is temporarily increased for the amount voted at the referendum. The increase may exceed the Town's levy limit.

CONTINGENT VOTES: Chapter 634 of the Acts of 1989 permits a Town Meeting to appropriate funds contingent upon passage of a referendum question (OVERRIDE). A contingent vote does not automatically result in an override referendum. An override referendum can only be called by the Board of Selectmen. If a referendum is called by the Selectmen, it must take place within forty-five days of the Town Meeting vote.

TALENT BANK FORM – 2009 **DATE:** _____

Town Government needs citizens who are willing to give time in the service of their community. The Talent Bank was adopted by the Selectmen as a means of compiling names of interested citizens willing to serve on a voluntary basis. The Selectmen make most Committee appointments, the Moderator appoints the Finance Committee. **Committee members must be residents of the Town and registered voters in the Town.** (Except for the Summer Residents Advisory Committee). The Selectmen and Moderator appreciate and encourage residents to indicate their interest by using this Talent Bank Form. Please return this form to the office of the Board of Selectmen, 549 Main Street, Chatham, MA 02633. If possible, please attach a brief resume.

Name _____ Telephone _____

Mailing Address _____

E-Mail Address _____

( ) Affordable Housing Committee
( ) Airport Commission
( ) Board of Assessors
( ) Aunt Lydia's Cove Committee
( ) Bikeways Committee
( ) Capital Project Review Committee
( ) Cemetery Commission
( ) Community Preservation Committee
( ) Comprehensive Wastewater Management Plan Citizens Advisory Committee
( ) Conservation Commission
( ) Council on Aging Board
( ) Cultural Council
( ) Committee for the Disabled
( ) Golf Advisory Committee
( ) Board of Health
( ) Historic Business District Commission
( ) Historical Commission
( ) Human Services Committee
( ) Land Bank Open Space Committee
( ) Main Street Design Advisory Committee
( ) Parks & Recreation Commission
( ) Planning Board
( ) Public Ceremonies Committee
( ) Shellfish Advisory Committee
( ) South Coastal Harbor Plan Committee
( ) Summer Residents Advisory Committee
( ) Traffic Study Committee
( ) Underground Wiring Review Committee
( ) Water and Sewer Advisory Committee
( ) Waterways Advisory Committee
( ) Zoning Board of Appeals

Please indicate other areas of interest _____

_____

_____