



Town of Chatham

Office of the Select Board

Town Manager

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MEMORANDUM

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TO: Honorable Select Board
Honorable Finance Committee

FROM: Jill R. Goldsmith, Town Manager 

DATE: January 12, 2023 (for the Select Board Meeting of January 17, 2023)

SUBJECT: Town Manager’s Fiscal Year 2024 Budget Summary and Budget Recommendations Transmittal (July 1, 2023- June 30, 2024) – Strategic Budgeting for the Future

FY2024 BUDGET HIGHLIGHTS

- Sustainable Service Budget - Operating Budget, without education assessments, at \$37,761,514 for an increase of \$2,668,258 or 7.60% over FY2023. *Funded with available revenues with no increase to the FY2023 Tax Rate of \$3.88;*
- Funding recommendations include enhanced staffing of seven (7.5) full-time equivalents (FTEs) to carry out level and sustainable services, and fulfillment of the Select Board’s community priorities/objectives/initiatives consistent with FY2024/CAL2023 Select Board Goals/Objectives and Community Value Statements;
- Capital Plan at \$3,674,000 or 9% (within the range of 9% per Chatham’s Budget and Financial Management Policy) of the Operating Budget and funded through free cash and other available funds – *no use of the tax levy.*

While the COVID-19 pandemic recovery still presents some challenges, staff continues its great work to move priorities forward and continues to seize opportunities to improve and innovate services that support our Town as a whole. Other challenges exist that also require us to reassess and adapt our operations; there remains economic uncertainty, supply chain limitations, utilities costs, and inflationary impacts for the same to provide services and in consideration of the natural desire/expectations for the ramp-up of programs and projects paused due to the pandemic.

Our COVID-19 Financial Plan began with the FY2020 Budget (ending on June 30, 2020) which we termed, “Budgeting in the Unknown.” For FY2021, the second year of our COVID-19 Financial Plan,

the community approved the “COVID Core Services Budget.” Currently, we are in the third year of our Plan (FY2023) - “Budgeting for a Resilient and Sustainable Future”. For this fourth year of the Plan, we are presenting “ Strategic Budgeting for the Future” – a budget directive in consultation with the Select Board for continuation of a sustainable and resilient budget that provides for level services.

The FY2024 Budget recognizes the Community Vision of Chatham being a thriving, vibrant year-round community with funding of programs and services to benefit all, and with fiscal prudence. The mission statement of the Select Board and Community Value Statements are noted below:

MISSION STATEMENT

The Select Board and Town Manager provide executive leadership for the Town of Chatham. Together, we pursue collaborative processes, ethical, and professional procedures to ensure Town resources are directed to providing the best services possible to protect public safety, public assets and a special quality of life in Chatham

VALUE STATEMENTS:

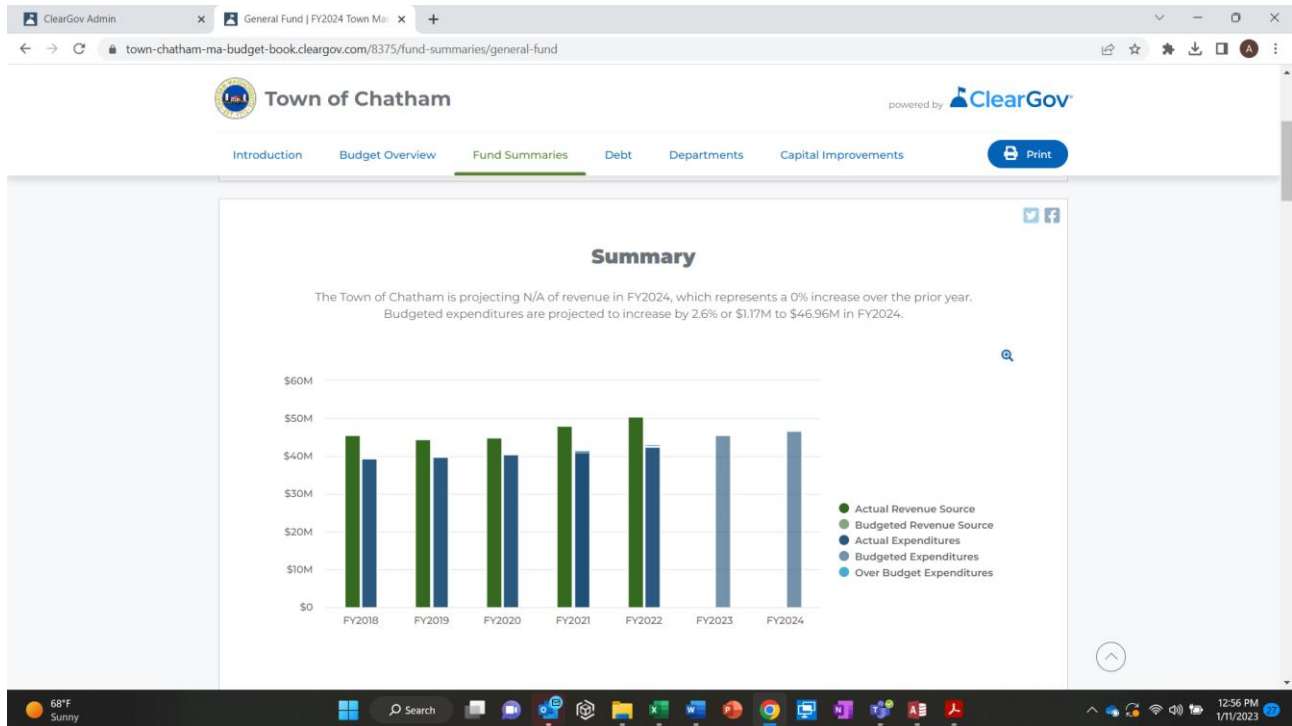
- A. Protect and Enhance the Financial Health of the Town
- B. Protect and Enhance the Educational Excellence offered by the Town
- C. Protect and Enhance Future Use of Town Land/ Buildings/Facilities
- D. Protect and Enhance the Professionalism and Effectiveness of the Town’s Staff, Boards and Committees
- E. Protect the Environmental Quality of the Town and the Drinking Water Quality and Supply
- F. Support Demographic Diversity by Addressing the Unique Needs of Younger and Senior Populations
- G. Enhance Relationships and Communications
- H. Emphasize Long-Term, Strategic Planning
- I. Enhance Effectiveness and Efficiency
- J. Protect and Enhance Public Health and Safety of the Town

We continue our efforts to ensure what lies before us is a pathway to sustainability and investment in our community. Budgets should reflect priorities; therefore, the proposed FY2024 Operating and Capital Budgets provide for strategic budgeting of such and also redirects and enhances staffing resources to achieve the goal of a resilient and sustainable community for the future.

New for FY2024 is our move to the ClearGov municipal budget platform and Digital Budget. The ClearGov platform allows Department/Division Heads to enter budget requests directly into the system for review. The platform auto-generates information required to meet the Government Finance Officers Association (GFOA) distinguished budget book award; a goal for the FY2025 Budget Book as we transition from the excel workbook to ClearGov. The platform will allow changes to the budget book as we move through the budget process; the final budget (as approved by Town Meeting) can be easily accessed on the Town’s website. This meets one of the Town’s goals to reduce its carbon footprint by reducing the number of hard copies of the budget book. We continue

to work through the new platform to add additional information in the budget books, such as demographic information, the Town’s Financial Policies, fund balances and performance measures. We also will provide a more visual presentation of operating and capital budget recommendations using charts/graphs for ease of review.

Below is a screen shot of the General Fund summary in the on-line budget book. The Town does not budget revenues which is why FY2023 & FY2024 revenues are not included in the graphic.



Previous years of the Budget Book are available in *Budget Central*, which have a succinct presentation with expanded narratives for each budget division and include a program description, budget statement, and prior year accomplishments. It includes expenditure history, personnel costs/staffing history for each Department, and revenues providing for a balanced budget. Also included are Town Department Organizational Charts.

The full version of the Town Manager’s FY2024 Budget Message and Budget Book with Department budget narratives is also available on the Town’s website via *Budget Central* <https://www.chatham-ma.gov/214/Budget-Central>. *Budget Central* is a resource for budget news, documents, presentations, and provides timely information about the Town’s budget process and ongoing budget planning. Here you will find communications from the Town’s Financial Administration and links useful to the public as well as historical budget and financial documents.

The Capital Programs/Improvement Plan (CIP) recommendations for FY2024 followed the same strategy as the Operating Budget for level service while addressing some of the backlog from our

COVID-19 Financial Plan. The Capital Improvement Plan/Program requests generally include a picture of the item or requested equipment and include historic expenditure data related to the replacement. As is practice, we reviewed potential funding sources, balances remaining from previously approved articles, non-tax levy funds, and expanded opportunities for shared resources. Funding of the Town's Capital Improvement Plan and Budget "shall be at 9% of the Operating Budget" per the Town's policy - at 9% for FY2024. The goal is a balanced, strategic funding approach across departments using available funds versus the tax rate or borrowing.

The FY2024-2028 Plan contains a comprehensive inventory of all infrastructure projects and fleet management and complies with the established investment strategy. This comprehensive inventory was completed in 2019 via a grant funded project with the Edward J. Collins Center at UMASS Boston and is updated on an annual basis. It is a menu for which Town Officials prioritize and make financial decisions in concert with an investment plan. The Collins Plan also incorporates review/rating criteria and provides a scoring mechanism to incorporate Board policy direction received via its Goals and Objectives. The Board's prioritization begins with the Annual Budget Summit and Annual Goals Setting meetings which includes Capital and Community priorities. These efforts not only included prioritization of items in the Collins Center comprehensive inventory, but also funding other community priorities such as affordable and attainable housing, drinking water infrastructure, and other initiatives contributing to the preservation of community values. These items are presented as separate warrant articles for funding consideration at the 2023 Town Meeting or programmed for future/out year consideration.

I recommend that the public visit the Town Manager's Department page on the Town website <https://www.chatham-ma.gov/DocumentCenter/Index/250> to review Monthly Reports provided to the Select Board since 2012. These reports contain up-to-date information and insight on Town operations by Department and Division and benchmarking operations for performance management. This history and context have assisted in establishing funding priorities and providing for informed policy decisions.

Reflections on Fiscal Year 2023 (Calendar Year 2022) – Resiliency and Financial Strengths

It is important to recognize substantial achievements or events that occurred following 2022 Town Meeting's acceptance of our budget philosophy and strategy for the fiscal year of FY2023. Please refer to the Budget Book narratives for a detailed listing of calendar year (2022) accomplishments by Departments.

- ✓ Community Connections – on a COVID encouraging note, since March 2020, we pivoted from the traditional way the Town interacted and communicated with all constituents. Our Information Technology (IT) Division continues to rise to the task to give us the tools for the now normal way in which Town officials and staff conduct Town business and further enhanced such efforts to include hybrid-in person and remote meeting participation. Our Channel 18 Team continued efforts to keep our community connected by recording or streaming community events on the Town's YouTube Channel <https://www.youtube.com/chathamchannel18>. When or if we could not gather in person Channel 18 filled the void with excellent programming and productions. The efforts of our

Communications Coordinator/Executive Secretary were recognized by our virtual and hybrid Community Forums and use of our enhanced website to receive comments through our Community Voice portal – 24/7 – in addition to curating the Town’s social media outlets (website, Facebook, Twitter, YouTube, LinkedIn). We continued community outreach using both printed newsletters (COA) and on-line Community Updates - *The Mainsheet* - <https://www.chatham-ma.gov/list.aspx?PRVMSG=240>, as well as our Swift 911 phone/text/email systems for specific messages. We also partnered with the Chamber for direct business outreach efforts such as on road improvement projects, new business ribbon cuttings and pushing information in conjunction with the Town’s social media.

- ✓ Town Meetings *on the Field* continued in 2022- outdoors at Veterans Field – safely and socially distanced, but without presentations. Childcare was provided by our dedicated PARK team. *The recommended FY2023 Town Manager’s Operating Budget and Capital Plan both received unanimous favorable recommendations by the Select Board and Finance Committee.* Town Meeting approved funding allocations reflected a commitment to all Town constituents.
- ✓ Grant Funding and Federal Funding - The great work of our Town employees to find funding opportunities outside of the tax rate and compatible with the Select Board goals and objectives is highly commendable. Approximately \$2M in grant funding off-set both operational and capital budgets. Grants were awarded for dredging, coastal resiliency, Fire Safety equipment, and recycling. In addition, the Town was awarded \$626,127 under the American Rescue Plan Act of 2021 (ARPA); additionally, Barnstable County was awarded \$11M+ ARPA funds for Cape municipalities distributed based both on population (application required) and competitive grants.
- ✓ SRAC Annual Town Meeting - The Summer Residents Advisory Committee (SRAC), established by Town Meeting and appointed by the Select Board, held its in-person/hybrid 2022 Annual Meeting on August 9, 2022 – it’s 76th Summer Town Meeting. Here is the link to the video - <https://play.champds.com/chathamma/event/889> The financial presentations and scorecard results demonstrated continued cohesion and shared Town vision for financial matters by SRAC, Town officials, and our Finance Team, which is a significant collaboration.
- ✓ Budget Summits – The first series of Budget Summits were held in the summer of 2012. The FY2024 Budget Summit was held on October 25, 2022 - <https://play.champds.com/chathamma/event/476>. Multi-year financial forecasts and assumptions were reviewed and updated for the 2024 fiscal year and beyond, as well as an examination of financial indicators for revenues and cost controls in prior budget performance. Participants included the Select Board, Finance Committee, Monomoy Regional School District (MRSD) Committee/Administration, and Department Heads. At the Budget Summits, we discuss financial trends, prior recommendations by the Finance Committee and SRAC, and funding priorities. In addition to fiscal prudence and sustainability, discussion at the recent Summit focused on efforts to increase affordable/attainable housing, waterfront infrastructure projects, and continued capital investment for our

drinking water supply and prioritization/strategies. Presentations from the Budget Summits can be found in *Budget Central*.

- ✓ Senior Tax Work-off Program – established by Town Meeting in 2012. In our 10th year (FY 2022) program operations continued to be impacted by ongoing pandemic conditions. Of the sixteen participants originally placed, twelve participants in eight departments/ divisions worked 672.5 hours and volunteered an additional 396.75 hours, completing projects not achievable with regular Town staffing. At the time of this report, thirteen of fifteen possible positions for Year 11 (FY 2023) have been filled. This program provides taxpayers age 60+ (no income or financial need requirement) with property tax relief – through an opportunity to receive a tax abatement of up to \$500 annually by sharing intellectual and lifetime experiences by working with Town staff. Many projects were undertaken utilizing our Chatham talent – the value of which far exceeds the Town investment.
- ✓ Annual Review and Update to the Town Budget and Financial Policies and AAA Bond Rating – Policies were voted November 19, 2018, reviewed/updated annually – most recently on January 3, 2023. Such contributes to a more competitive rating factor to retain our AAA Bond Rating (highest Municipal rating) from Standard and Poor’s (“S&P” Global). Specifics to the policies relate to maintaining the Town’s strong reserves and priorities for one-time revenues. The policies are currently under review for FY2024 as it relates to Free Cash. Here is the link to the current policies <https://www.chatham-ma.gov/DocumentCenter/View/1708/Budget--Financial-Management-Policies-PDF?bidId=>
- ✓ S&P Global Bond AAA Ratings affirmed on March 7, 2022 with a stable outlook – the third Bond Rating review during the COVID-19 Pandemic. AAA is the highest bond rating for municipalities. The report states, “Chatham’s GO bonds are eligible to be rated above the sovereign because we think the town can maintain better credit characteristics than the nation in a stress scenario.” The report notes that “Chatham is in the preliminary planning and assessment states of climate-resiliency efforts; it continues to identify project funding to mitigate these risks, which we view as positive.” The rating further reflects S&P’s opinion of Chatham’s very strong economy; very strong management, with strong financial policies; strong budgetary performance; very strong budgetary flexibility; very strong liquidity; adequate debt and contingent liability profile, and strong institutional framework score. Our conservative budgeting, COVID Financial Recovery Plan, cyber security and coastal resiliency planning efforts contributed to maintaining our S&P bond AAA rating and with a stable outlook. Here is the link to the full ratings report - <https://www.chatham-ma.gov/DocumentCenter/View/4261/2022-SP-Global-Ratings-PDF>.
- ✓ Annual Setting of the Select Board Goals - Board goals, with an action plan for the Town Manager, is an important component to the budget process. Since 2012, and annually thereafter, following the Fall Budget Summit, the Select Board embarks on a collaborative approach to communicate its value statements, mission, directives, and resultant goals. Interestingly, the Community Value Statements have not changed much in 10 years. We initiated the same process this past Fall, which provided funding priorities and continued the theme of fiscal responsibility, community housing, infrastructure planning/projects, protection, and provision of safe and adequate

drinking water supply, and public health and safety. Board final approval was received on December 6, 2022 and posted to the website <https://www.chatham-ma.gov/DocumentCenter/View/5148/FY24-CY23-SB--TM-Goals--Objectives-PDF>

✓ Community Initiatives – Social Infrastructure:

- **Childcare Voucher Program.** This program was funded via the Human Services Budget (Acct # 560-5299) since FY2010 with the funding amount of \$5,000 annually and increased to \$55,000 in FY2020 - first-year step to augment and support a greater number of families with young children in Chatham as identified through the Chatham 365 Task Force, Economic Development Committee, and a group of Community Stakeholders including MRSD. In FY2021 and FY2022, funding was increased to \$75,000 via a separate article (versus the Human Services Budget) to allow unexpended funds to rollover to the next fiscal year. In FY2023 funding was increased to \$100,000. For FY2024, again, there is a separate article funding this program at \$100,000 as recommended by the Human Service Committee. This funding ensures the continued ability to provide year-round childcare assistance for families living and working in Chatham.
- **NEW -Dr. Florence Seldin Family Preschool Support Program.** This program was initiated in FY2023 via the same community stakeholders group convened by the Town Manager as for the Childcare Voucher programs. This program is intended to support families as they experience certain economic hardships that we recognize exist while living as a full-time Chatham resident. The high cost of housing, childcare, transportation, and other basic service increases challenges our resident families. The program supports essential learning opportunities for our youngest residents that will help better prepare them for improved learning experiences. Widespread statistics illustrate that children achieve better educational results when they have access to preschool programs that establish a strong foundational basis. Chatham residents can choose any Preschool licensed provider, and once deemed eligible via confirmed residency, payment will be made by the Town directly to the service provider up to a maximum of \$10,000 per year for each 4-year-old, and \$5,000 per year for each 3-year-old – as of August 31st of the school year. This program is a direct feeder to Chatham Elementary School. Sustaining a viable Elementary School in Town is a priority for our community. Any unexpended funds will roll-over to the next fiscal/application year. As of January 1, 2023, twenty-three (23) students are enrolled in the program and \$180,000 of the \$425,000 appropriated by Town Meeting has been allocated to date. Nine providers are enrolled in the program. No siblings are enrolled at this time so 23 families are benefitting. Enrollment of both students and providers is on a rolling basis. Working with the providers and Monomoy Regional School District, we hope to further promote and expand enrollment for FY2024.
- **Community Housing Initiatives.** Beginning in 2020, the Town of Chatham began periodically issuing an RFP for the Purchase of Real Property Suitable for Use as Affordable and Attainable Housing. Through that process the Town was able to purchase two

parcels, one on Main Street (the former Buckley Property) approved at the 2021 Annual Town Meeting and one on Meetinghouse Road (formerly the Diocese of Fall River property) approved via the Affordable Housing Trust Fund on May 10, 2022. The Town closed on the Meetinghouse Road property on October 31, 2022. The Town closed on the Main Street property on November 7, 2022.

On December 14, 2022, our new Housing and Sustainability Director, Gloria McPherson along with Barrett Planning Group, held the first of three community engagement meetings to look at affordable and attainable housing development scenarios on the recently purchased properties - <https://play.champds.com/chathamma/event/1065>. The meeting launched an inclusive community visioning process led by the Town and Barrett Planning Group to guide the direction of the types and style of housing and housing density to consider for the two sites. The Meetinghouse Road site, purchased exclusively with Affordable Housing Trust funds, will have affordable housing, while the former Buckley Property will have a combination of both affordable and attainable housing. Additional feedback will be solicited through an online visual preference survey in January 2023. Based on input from this first community meeting and the January survey, landscape architects Dodson & Flinker will prepare draft design concepts for both sites. These preliminary sketches will be presented to the community during a second community meeting in February, date to be announced. Participants will have the opportunity to provide feedback on the design concepts at this time, and revised sketches will be shared at the third and final meeting of this process, date to be announced. The design concepts for each site will ultimately inform Requests for Proposals (RFPs) for future development in keeping with a grounded, feasible community vision for each site. The Town will continue to seek land/property to acquire for Affordable and Attainable Housing through the RFP process.

At the request of the Affordable Housing Trust Fund Board of Trustees and the Select Board, the Town Manager requested an agenda item from the Monomoy Regional School Committee to discuss the use of the Stepping Stones parcel/area under their lease with the Town and to declare the parcel/area surplus so the Town may use the land for affordable and attainable housing. The Monomoy Regional School District School Committee considered the request on May 12, 2022, and voted on May 26, 2022, to declare the portion of land at Monomoy Regional Middle School adjacent to Stepping Stones Road (approximately 2.2 acres) as surplus. At the Select Board's August 30, 2022, meeting, Board Members voted to declare that portion of the Town-owned property at Stepping Stones Road surplus and authorized its use for the purpose of the development of affordable and/or attainable housing. In order to complete the process of converting the use of this land, a warrant article will be placed on the 2023 Annual Town Meeting Warrant to declare that portion of the property surplus and designating its use for the development of affordable and/or attainable housing for approval by Town Meeting.

Based on experience of the above, our plan moving forward for Strategic Budgeting for the Future (year four of our COVID Recovery Financial Plan) is to consider Vision - planning for broad-based initiatives to

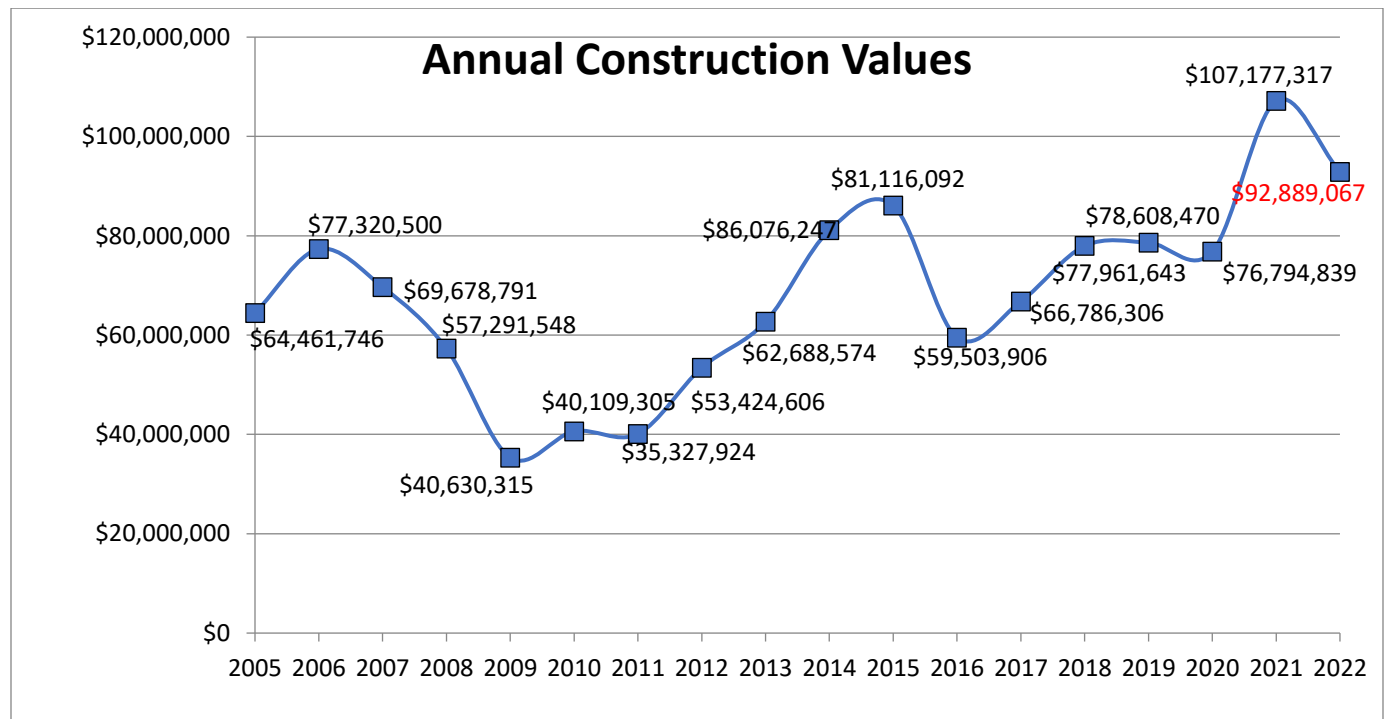
conform to changes as needed (4 to 10 ten years); Strategy – direction and priorities to achieve the vision (2 years); and Tactics to put the strategy into action (1-2 years) - the FY2024 Budget.

Economic Conditions Summary– Building/New Growth Activity

New residential development slowed in 2022 with only 28 permits being issued for new dwellings, the lowest number since 2013, however, redevelopment of residential structures continued to be very strong in 2022, with 961 permits issued for renovations and additions to existing dwellings. There were no new commercial structures built in 2022 but there were 48 permits issued alterations to existing commercial structures. The number of overall permits decreased slightly from 1,135 in 2021 to 1060 in 2022.

The value of permitted construction activity decreased slightly in 2022 as show in the chart below, but still remains high compared to previous years. The recorded value of permits, excluding public projects in 2022 was 13% lower than in 2021. The value in in 2021 was \$107,177,317 and in 2022 was \$92,889,067.

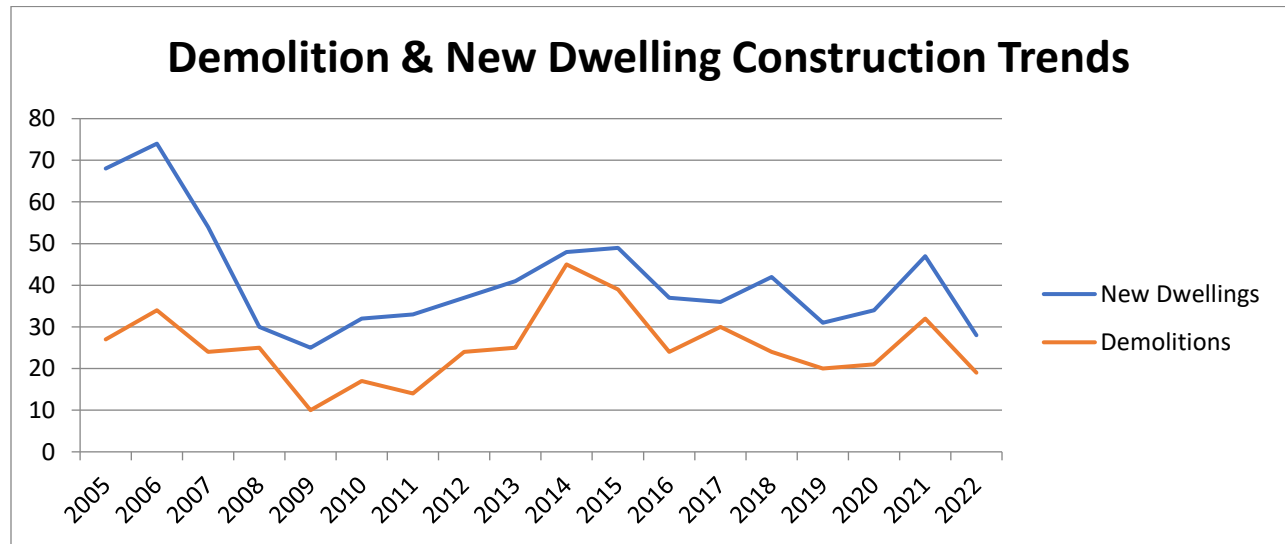
Figure 1: 2005 – 2022 Construction Values (excluding public projects)



It also warrants mention that the continued increase in the average home value in Chatham has increased the economic viability of upgrading existing homes throughout Town, rather than just in higher value areas of the community and value of infill development on previously vacant parcels. While some of this increase in housing values can be attributed to inflation and increases in the cost of construction materials, this increase is indicative of a strong market demand for

housing in Chatham and the type of homes being constructed. *For 2022 the Average Residential Value was \$1,264,346, and Average Single-Family Value was \$1,354,122.*

For the past several years, we have also monitored the correlation between demolitions and permitting of new dwellings. The number of demolitions decreased significantly from 32 in 2021 to 19 in 2022. The number of demolitions permits peaked in 2014 with 45 issued.



The historical trend of construction activity being mainly residential continued in 2022 at 95%. This is based on the number of non-residential building permits versus residential building permits. The average construction value of a new dwelling (as reported on building permits) has increased to \$1,195,541 in 2022 and was \$934,761 in 2021 and \$739,438 in 2020. Previously, this value had increased from less than \$375,000 in 2004 to a high of \$930,068 per dwelling in 2014.

Finally, as has been the trend in prior years, the number of renovations and additions (961 in 2022, 1007 in 2021, 845 in 2020, 818 in 2019, 913 in 2018, and 780 in 2017) far out paces the number of new dwellings annually.

FY2024 Budget Executive Summary – A Balanced Budget; Strategic Budgeting for the Future

The formula for a successful budget review is the generation of operational and financial plans, program review, and establishment of goals and objectives that will serve the citizens of the community in this and future years. Using data - historical trends (prior year actual receipts/revenues and expenditures), conservative forecasts and assumptions, the budget directive for FY2024 was for a level-services growth budget. What has been crafted is a forward thinking FY2024 Budget that adheres to the Town’s fiscal policies, meets the needs of the townspeople, and incorporates financial stability with strategic appropriations in line with the Select Board’s Goals and Objectives.

The Town’s FY2024 Operating Budget, without the education assessments is \$37,761,514; an increase of \$2,668,258 or 7.60% over the FY2023 budget. This includes contractual obligations, and fixed costs increases due to inflation. Details of proposed budget increases are described in this transmittal with education/school assessments voted separately at the Annual Town Meeting. However, the presented Budget relies on projections in key categories due to the timing of this transmittal:

ITEM	STATUS
Monomoy Regional School Budget Submittal:	Based on overview of Preliminary Spending Plan MRSD draft January 12, 2023; Final vote scheduled for March 9, 2023.
Cape Cod Regional Technical High School Budget:	Preliminary Budget Release Date in mid-January with vote in February 2023
Cape Cod Municipal Health Group (CCMHG):	Benefit Plan Design/Costs Release Date February 2023
Governor’s House 2 Budget:	Release Date: January 2023
Debt Service:	Based on Debt Schedule for FY2024

Education budget requests have not been formally received at the time of this Report so the line item for Education - Monomoy Regional School District (MRSD) Budget is funded as a placeholder at \$44,323,116, amounting to Chatham’s statutory assessment at \$9,670,973. As you may recall, the Assessment Methodology was amended at ATM 2022, with each member Town funding its own Elementary School. The Chatham *Elementary School Assessment* based on the draft budget will result in an additional increase of \$650,794 over the previous methodology (see revenues for new funding augmentation). The preliminary budget is due to the Town on January 15, under the current Regional Agreement. The Chatham Select Board will receive the MRSD FY2024 Budget presentation tentatively scheduled for February 14, 2023.

The FY2024 Operating Budget may realize further adjustments (increases/decreases) as we await final premium rates for employee health insurance expenses (expected mid-February), insurance quotes, approved assessments from the School Districts, and input from the Select Board.

These figures as presented for the Fiscal Summaries (enclosed) provide a complete financial picture of revenue forecasts and expenses, including funding set aside for warrant articles which will be updated when the 2023 Town Meeting warrant is finalized.

The FY2024 Budget as presented, does not use any reserves (Stabilization or ‘rainy day’ Fund). Free Cash is designated for one-time capital program expenses based on the policy. It is a balanced budget without the use of one-time revenues within the allowable growth of MA Proposition 2½, and provides for unused/excess tax levy capacity, i.e., funds available for appropriation within the tax levy, but for which we are not proposing to allocate.

Tax Rate Projections

The FY2023 tax rate of \$3.88 decreased by 0.74¢ per thousand dollars of assessed value from FY2022. The FY2022 tax rate of \$4.62 was a decrease to the FY2021 tax rate of \$4.98. The valuation of the Town has increased over the past three years and is at its highest level since FY2010 at \$9,917,611,890; an increase of just over 20.4% from FY2022 valuation of \$8,235,003,930. The projected tax rate for FY2024 is level at \$3.88 – a 0% increase considering all FY2024 warrant articles, but not including Town valuation offsets.

<i>Tax Rate History</i>	
<i>FY2016</i>	<i>\$5.02</i>
<i>FY2017</i>	<i>\$5.03</i>
<i>FY2018</i>	<i>\$4.87</i>
<i>FY2019</i>	<i>\$4.85</i>
<i>FY2020</i>	<i>\$4.82</i>
<i>FY2021</i>	<i>\$4.98</i>
<i>FY2022</i>	<i>\$4.62</i>
<i>FY2023</i>	<i>\$3.88</i>

REVENUE

As part of our annual fiscal planning, we determine how much revenue is available within the limits of Proposition 2½ in order to balance operating costs. Per State law, the amount the Town can raise through property taxation is allowed to grow each year by 2½ percent of the prior year's levy limit plus new growth and any overrides or exclusions. In FY2024, the amount the Town may raise through the property tax is as follows:

Tax Levy	FY2024
Base (prior year limit)	35,369,595
X 2.5%	884,240
New Growth	375,000
Debt Exclusions – prior approved debt	6,799,555
MRSD debt exclusion – prior approved	370,088
Barnstable County Tax	<u>329,705</u>
<i>Total Estimated Allowable Levy “Ceiling”</i>	<i>\$44,097,704</i>
Excess Levy Capacity - Not Used	(5,600,000)
<i>Total Estimated Tax Levy</i>	<i>\$38,498,704</i>

However, the recommendation is not to tax/raise to the limit/ceiling thereby leaving ‘excess’ levy capacity. Another component of revenues is “Local Receipts” defined as excise tax, user fees, charges, and other revenues. Some are dictated by statute (i.e., motor vehicle excise, hunting licenses and firearms permits) while others may be negotiated (i.e., investment income and in-lieu-

of-tax payments). In 2017, the Town voted a Waterways User Fee Revolving Fund (WUF) which receives the Waterways User Fees, Fish Pier Docking Permit Fees, Fish Pier Lease Revenue, and Fish Pier Fuel Revenue and is used for waterfront infrastructure improvements. Annually this will redirect an estimated \$500,000 in revenue previously in general fund local receipts. The WUF balance as of December 31, 2022 is \$1,606,328. Other local receipts are established through local action – such as recreation fees and transfer station/beach stickers.

Sources of Funding (Local Receipts for Meals and Room Occupancy Tax Revenues)

As you may recall, the Town adopted a 0.75% surcharge to the State Meals Tax of 6.25% and 4% (of a maximum of 6%) surcharge to the State Room Occupancy Tax of 5.7%. With the FY2020 expansion of the Room Occupancy Tax to include Short-term rentals an additional 2.75% was added for the Cape Cod & Islands Water Protection Fund (funding for Wastewater projects). The Town was awarded \$6,151,603 for pre-existing Wastewater debt paid over ten years; the first payment of \$615,150 received in FY2022 was used to fund existing debt service. As new debt is issued under the Clean Water Trust program the Cape Cod & Islands Water Protection Fund (CCIWPF) subsidy is applied to the principal prior to issuance.

In May 2022, the Town approved an additional 2% surcharge to the Room Occupancy tax (from 4% to 6% local share). The additional surcharge was effective January 1, 2023 and is dedicated to support funding for Housing and the Chatham Elementary School; each will receive 1% of the local share. Use of these funds requires a Town Meeting vote (transfer) for the dedicated purpose.

These two local option taxes have remained high in the past several years for a combined total of \$3.8M in FY2022 up from \$2.95M in FY2021. We continue to monitor any trends in these receipts as we compare the year-to-date receipts for FY2023 (through December 31, 2022) to those received for the same period in FY2022.

Room Occupancy Tax (including short-term rentals effective 7/1/2020)

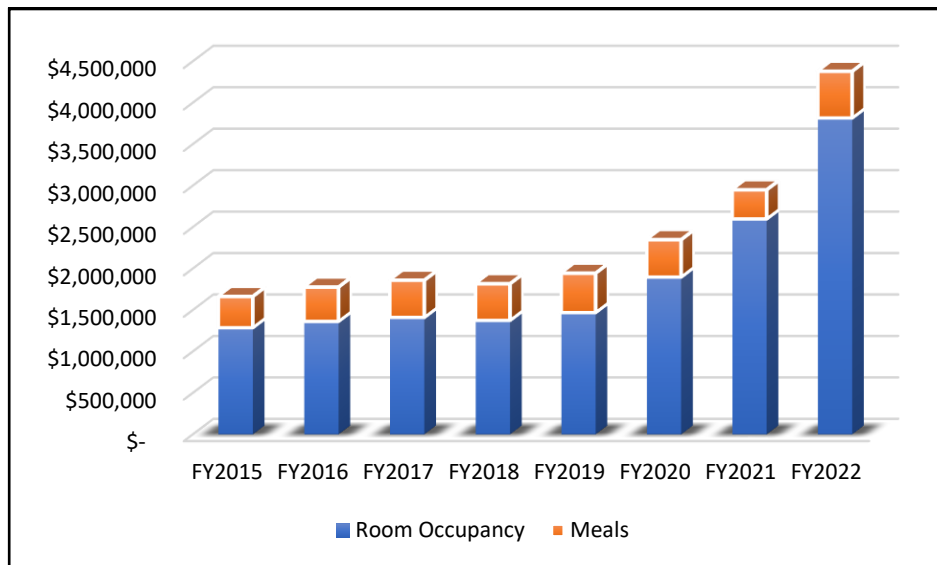
Fiscal Year	1st Quarter	Difference	2 nd Quarter	Difference	YTD Diff
FY2021	\$1,672,586	\$917,757	\$455,021	(\$478,281)	
FY2022	\$1,524,564	(148,022)	\$1,676,506	\$1,221,485	\$1,073,463
FY2023	\$1,829,356	\$304,792	\$1,619,351	(\$57,155)	\$247,637

The receipts for the Meals Tax reflect the rebound from the impact of the pandemic on local restaurants.

Meals Tax

Fiscal Year	1st Quarter	Difference	2 nd Quarter	Difference	YTD Diff
FY2021	\$120,784		\$144,101		
FY2022	\$205,830	\$85,045	\$221,518	\$77,416	\$162,462
FY2023	\$262,292	\$56,462	\$252,307	\$30,789	\$87,251

Figure 2: Hotel & Meals Tax Receipts



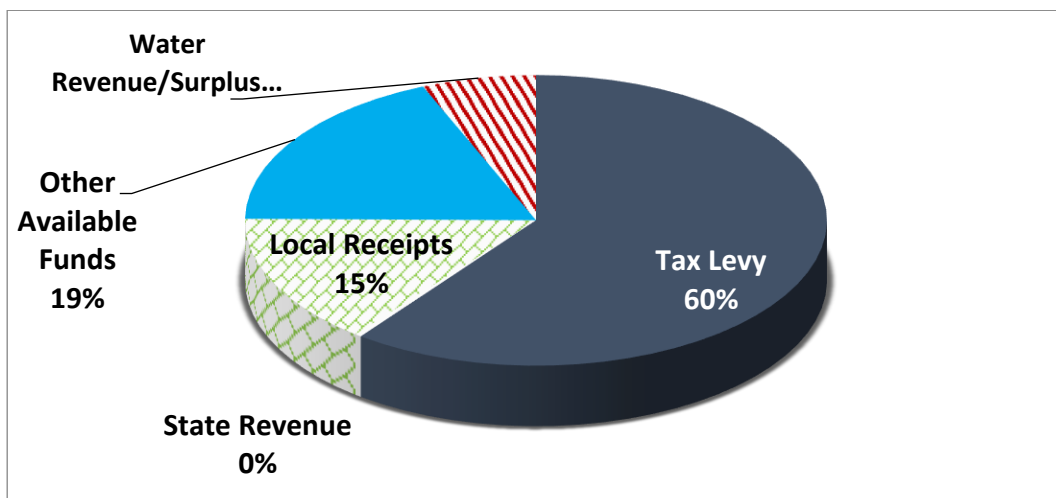
The preliminary FY2024 revenue forecast reflects the following:

- New Growth is projected at \$375,000; this is lower than the actual in FY2022 & FY2023 but is a conservative estimate.
- Debt Schedule/Structure - FY2024 debt schedule reflects an increase of \$431,651 in the amount for General Fund principal and interest (\$561,367 increase in principal and a decrease of \$129,716 in interest) for previously Town approved projects. Short-term debt (\$150,000) will cover any borrowing previously approved, but not bonded at the time of this transmittal. We have a multi-year debt schedule for financial planning purposes as well as investment and reserve policies.
- Local receipts are estimated at 85.0%¹ of the revenues received in FY2022, an increase of 21.5% over the estimate from the prior year actual. Any revenue in excess of actual will close to Fund Balance (reserves) at the end of the fiscal year; viewed positively by rating agencies. The amount raised through Local Receipts offsets the amount raised through the Tax Levy. Any one-time revenue received is not included in subsequent forecasts per the Town’s Budget and Financial Management Policy.
- Cherry Sheet (State Aid) Assessments are level funded to FY2023 as we await release of the Governor’s budget; and is based on prior year trends and on best practices.
- Free Cash (Unreserved/Undesignated Fund Balance) is used to fund non-recurring expenses, such as a land purchase or capital items. FY2022 Free Cash was submitted for certification in late October 2023 to the MA Dept. of Revenue. We are awaiting certification. Last year Free Cash was certified at \$8,661,710; we project this year’s amount to be less but still a substantial amount as the ‘Harwich IMA’ funds of \$2,265,000 are still contained in Free Cash. This amount exceeds the goal of a minimum of 3%-5% of the operating budget in our Budget and Financial Management Policy. The amount of ‘available’ Free Cash programmed for the

¹ Not including Non-recurring Miscellaneous items.

FY2024 Capital budget Article is \$3,414,000. Other articles proposed to be funded by Free Cash are for Dredging (\$300,000), Eldredge Public Library HVAC project (\$ to be determined or borrowed), create Wastewater Capital Stabilization Fund (\$2,265,000 IMA funds + future funds received), Housing (\$500,000), Capital Inflation Account (\$150,000) and transfer to the Retirement Trust Fund (\$95,000) which is separate from OPEB. At this time \$7,795,200 of estimated Free Cash is programmed into the ATM2023 warrant articles and FY2024 Capital budget, leaving a small balance² to carry forward. There may be additional items for which Free Cash may be used which will be identified prior to closing of the Warrant. Such may include funding related to the Council on Aging/Center for Active Living depending on continued review, scope, and direction by the Select Board.

Figure 3: Revenues



National Opioid Settlement Funds

The Town has been awarded \$354,356 under the statewide opioid settlement with payments made from July 2022 through July 2038. To date the Town has received \$72,521.36 in funds that must be used for “prevention, harm reduction, treatment, and recovery programs.” Chatham is reviewing how to maximize these funds, whether through a regional approach or on its own. As MGL requires these payments to be placed in the general fund revenue, we will look to appropriate the amount received into an article for the purpose intended.

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds Program to Support the Ongoing COVID Response

Both the County of Barnstable and the Town are recipients of grant funding under the federal American Rescue Plan Act (ARPA). The County has been allocated \$41.3 million by the US Treasury, and the Town has been allocated \$626,127, one-half of which has already been received. The US Department of Treasury released guidelines on January 6, 2022 for these expenditures.

² Free Cash has not been certified as of the date of this report

Potential expenditure categories are:

- a. Infrastructure (Water/Sewer/Broadband)
- b. Public Health (Vax/Testing/Mental Health & Subst. Use Services)
- c. Economic Impacts (Financial Aid/Supports to persons/businesses/non-profits)
- d. Community Services (Affordable Housing)
- e. Community Services (Childcare, Education)
- f. Premium Pay (to Essential Workers)
- g. Revenue Replacement (to Local Government)

As a Town, we will need to also prioritize potential expenditure categories – *as well as offsets to the FY2024 proposed Operating and Capital Budgets* - and those discussions can be held January through March in conjunction with our budget deliberations. More information can be found at [https://www.mass.gov/info-details/covid-19-resources-and-guidance-for-municipal-officials#american-recovery-plan-act-\(arpa\)-](https://www.mass.gov/info-details/covid-19-resources-and-guidance-for-municipal-officials#american-recovery-plan-act-(arpa)-)

EXPENDITURES

Like prior budgets, the FY2024 Budget for expenditures relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources when reviewing operational expenditure budgets.

The FY2024 Operating Budget increases by 7.60% as compared to FY2023, without the Educational Assessments. Further explanation of this increase is detailed below and includes recommendation for staffing enhancements. The following presents proposed funding by key budget categories along with percentage changes as compared to FY2023:

Table 4: General Operating Budget

SUMMARY	FY22 Actual	FY23 Voted	FY24 Dept. Request	Proposed FY24	% to FY23
General Government	2,591,793	2,846,898	3,096,655	3,096,655	8.77%
Public Safety	6,893,548	7,561,863	7,876,357	7,876,357	4.16%
Community Development	813,072	974,092	1,040,515	1,040,515	6.82%
Natural Resources	1,740,726	2,020,313	2,119,130	2,119,130	4.89%
Public Works & Facilities	6,856,867	7,079,915	8,073,414	8,072,814	14.02%
Community & Social Services	1,374,093	1,518,283	1,552,950	1,552,950	2.28%
Education (Draft Budgets) *	8,968,969	9,868,822	10,041,061	10,041,061	1.75%
Employee Benefits	5,021,068	5,596,900	5,904,560	5,904,560	5.50%
Insurance & FinCom Reserve Fund	755,890	778,338	950,228	950,228	22.08%
Debt Service	6,566,652	6,716,654	7,148,305	7,148,305	6.43%
Operating Budget Total	41,582,678	44,962,078	47,803,176	47,802,576	6.32%
*Minus Education Assessments	<u>\$30,394,564</u>	<u>\$32,613,709</u>	<u>\$37,762,115</u>	<u>\$37,761,516</u>	7.60%

The largest percentage increases in the budget are now seen in the Insurance Budget at 22.08% (\$171,890), Public Works category at 14.02% (\$992,899), General Government at 8.77% (\$249,757), Community Development category at 6.82% (\$66,423), Debt Service at 6.43% (\$431,651) and Employee Benefits at 5.50% (\$307,660). Increases due to staffing are discussed further in this document as we highlight expense items under this section.

Contractual Obligations/Fixed Costs/Budget Drivers

Contained in this increase are contractual obligations, such as contract operations for the water and sewer operations and costs for recycling and solid waste removal. In addition to the foregoing, increases are required for contractual obligations for salary/wages, including overtime, as well as essential but limited annual small capital items. The major budget drivers are:

• Contract Operations ³	\$397,000
• Inflationary Costs	\$125,300
• Health Insurance	\$218,200
• Insurances	<u>\$171,890</u>
	\$912,390

Additionally, we continue to review items requested in the Capital Budget that should belong in the Operating Budget. For FY2024 there were several small requests (under \$10,000) that are better classified as Capital Outlay expenses under the operating budget.

Non-discretionary (Fixed) Costs/Undistributed Expenses and Other Budgets

Costs of retirement/pensions/health benefits/liability insurance are presented in Centralized Budgets (below) as undistributed expenses encompassing all Departments/Employees/Buildings - versus presentation as a direct offset or as a cost-center. However, in budget deliberations with the Finance Committee, we present personnel “cost-centers” by Department for discussion purposes to illustrate total compensation.

Each year there are cost increases resulting from newly mandated requirements, previous commitments voted by Town Meeting, or cost of providing the same level of service. In the past these were referred to as “budget busters” but we moved away from that phrase as we prepare a balanced budget which includes fixed cost increases, but with mitigation offsets.

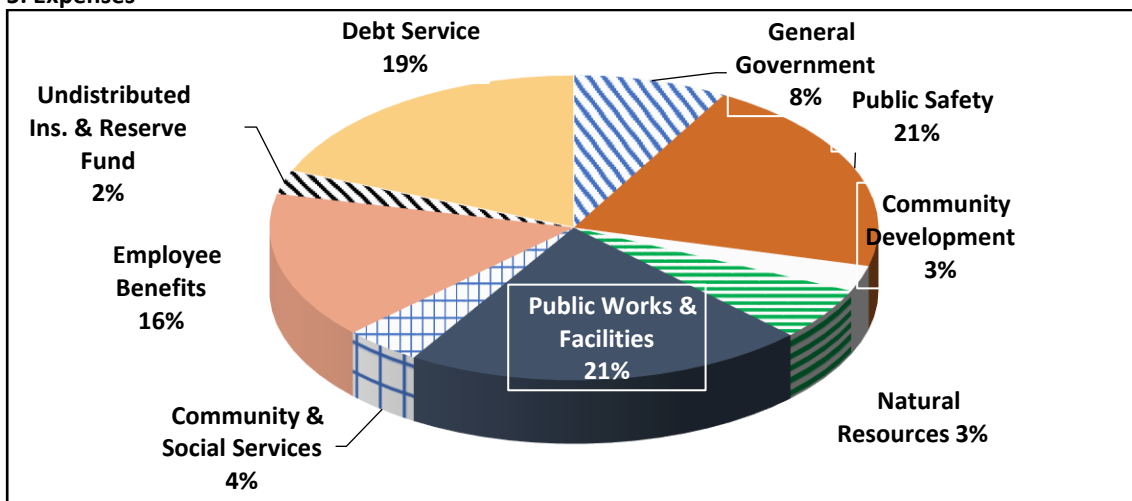
- Chatham employees contribute a range of 9% to 11% of their salaries for retirement to the Barnstable County Retirement Board/System and do not contribute to Social Security nor does the Town as the employer. Overall retirements/pensions continue to impact Town expenses. This line item includes an increase of \$62,690 or 2.5% for FY2024. The calculation is based on the overall salary of the Town as reported on October 1st of the prior year.
- The Town is a member of the Cpe Cod Municipal Health Group (CCMHG) – a regional joint purchase group/trust for health benefits/plan premiums. The figures presented in the

³ Weston & Sampson Contract W/S Ops, SEMASS, Custodial Services Contract, Port-a-potties, etc.

Budget summary represent an 8.0% increase in the Health Insurance line as rates increased by 3% last year but were mitigated due to a substantial rate subsidy by CCMHG. The increase in employee premium contributions (from 30% to 35%) for employees hired after 2013 allowed us to keep the increase to a minimum in past years, now with long-serving employees retiring we are experiencing younger employees taking advantage of family plans.

- Property liability insurance increased by 10% last year (due to the value of Town properties) and we project an increase of 20-30% for FY2023. This budget has increased due to the projection by insurance companies that provide coverage for Coastal Communities which includes increasing inflation projections on renewals up to 10% to compensate for rising costs. Additionally, companies are taking rate increases averaging 10-15% to compensate for rising costs. The Town has flood insurance on three (3) buildings and the cost of this insurance has increased over the past several years; vehicle insurance is based on the number of vehicles (including boats). Cybersecurity/Data coverage was added several years ago, and the cost of this item has also increased for FY2024.
- We continue to review risk control measures, and our Insurer offers periodic employee training to reduce risk and exposure.
- Worker’s Compensation insurance increases for FY2024 as it is based on 3-years’ experience. The Town sought quotations and has contracted with the Massachusetts Interlocal Insurance Association (MIIA) since FY2019. MIIA provides numerous free training opportunities and incentives to ensure the best service and rates for the Town.
- Occupational Safety and Health Administration (OSHA) – since February 2019, OSHA mandates apply to municipalities which were formerly exempt. Although safety and work conditions have always been a high priority, the cost to implement requirements – staffing, equipment, training etc. impacts most Departments.
- Debt Structure (financing schedule for previously approved Town projects) - The fiscal policy of using “debt drop off” to fund the Town’s Capital Facility Plan has been very effective in the past and the debt for FY2024 includes a placeholder for \$150,000 under Short Term Debt as bonds for previously approved projects have not been issued.

Figure 5: Expenses



Wage/Salary Overview

For FY2023, the cost-of-living adjustments (COLA) was 3%, along with contractual adjustments for step increases. The net increase in salaries from FY2023 to FY2024 is \$1,444,181 which includes funding for seven (7) additional full-time equivalent positions (\$530,045) - a 10.45% increase. In 2022, there were a few offsets from retirements of long-serving and dedicated employees - namely Police Chief Mark Pawlina, Parks & Recreation Director Dan Tobin, Assistant Town Clerk Paula Tobin, Fire Chief/Emergency Management Director Dave DePasquale and DPW Director Tom Temple. For FY2024 the cost-of-living increase through our local economic performance formula is 3%. Below is a chart listing the changes in salary line items by category. Increases are due to contractual increases and proposed additional employees. Such is included in the chart below.

Salary Only	Voted FY2023	TM Rec. FY2024	\$ Incr./ (Decr.)	%
I. General Government	\$1,780,154	\$1,949,981	\$169,827	9.54%
II. Public Safety	\$6,820,777	\$7,074,160	\$263,383	3.71%
III. Community Development	\$790,292	\$820,715	\$30,423	3.85%
IV. Natural Resources	\$1,573,774	\$1,691,517	\$117,743	7.48%
V. Public Works	\$2,482,876	\$3,327,194	\$844,318	34.01%
VI. Human & Public Services	\$369,507	\$397,994	\$24,487	7.71%
Subtotal, I-VI	\$13,817,380	\$15,261,561	\$1,444,181	10.45%

As has been the practice in Chatham, each year we determine the appropriate staffing levels for the services provided. Over the last eight years we have seen an increase in activity and service requests in several Departments. Since 2019, we have reached maximum capacity in some divisions to carry out the Town priorities and to also redirect staffing/efforts to pressing issues outside of the day-to-day functions. We continue to review services and the most efficient way to deliver those services; whether it is through a regional partnership, increase (or decrease by attrition) in staff, or reassignment of current personnel.

As you may recall from the pre-pandemic 2019/FY2020 budget summit, it was noted in detail that Town staff were challenged in respective job performance getting projects to completion due to competing priorities and growing workloads with few increases to staffing since 2012. Staff are often required to divert attention from long-term projects/priorities to address issues that arise that need immediate attention. In 2022, staff remained challenged for workload capacity in the delivery of initiatives and the ripple effect is still being felt by existing employees - trickling up and down the organization. To be able to provide the day-to-day services and meet the well-established goals set before us, additional staff is needed, but we also must remain competitive to attract and retain employees. The lack of affordable/attainable housing and year-round rentals is making it difficult for all industries across Cape Cod to find employees and the Town of Chatham is not immune to this trend.

In 2019 Human Resources worked with Department Heads, in conjunction with the grant-funded Collins Center Classification and Compensation Study to review job descriptions and review

compensation which had not been done comprehensively since 2008. While that project was placed on hold during COVID-19, institutional capacity stress was noted. The project resumed in 2022.

HR's analysis also delved deeper into critical areas for service delivery efficiency. Feedback across all Departments was that our residents and visitors expect and deserve state-of-the-art services and high-quality service delivery. Higher levels of service are needed to address broader and more time-consuming responses to Community priorities as experienced throughout the year. HR noted the following areas requiring attention as described in detail in the January 2020 Budget Message and continues to revisit it/review demands on an annual basis:

- Increased Demands/Less Transactional & More Complex – Higher levels of service to address broader and intricate inquiries/requests to provide comprehensive responses. Communication and follow-up of the same.
- Greater Reliance on Technology (Skills) and Changing Regulatory Compliance - Public Records and Open Meeting Laws, OSHA.
- Board/Commission/Committee Complexity and Staff Liaisons Requirements - Daily tasks required to maintain our 30+ committees, meeting preparation, information gathering, staff reports, follow-up.
- Project Management Challenges – Growing number of complex projects often occurring simultaneously, - some due to the pandemic pause; more time for oversight or skilled labor is needed to coordinate and manage to successful completion.
- Training Needs - Difficult to provide training without taking staff away from important daily tasks and lack of staff coverage in some divisions.

To maintain a healthy and productive staff, we must adjust capacity and capabilities to meet the growing workloads, whether permanent, cyclical or temporary. To address this, we ask Departments to suggest appropriate staffing levels in each budget cycle. A key component of the Department requests relates to staffing, sustainable services, and fulfillment of the Board's community priorities/initiatives/objectives.

The positions listed in the chart below are those that were requested by the Departments as part of the FY2024 budget review process. New this year is for each proposed position be accompanied by a Position Requisition Form - providing justification and funding source, plus any additional information as it relates to equipment or resources needed.

Department Staffing Requests

The following positions have been put forward for FY2024 by Departments to address workload and service capacity:

DEPARTMENT	REQUESTED (FTE = Full-time Equivalent)	DESCRIPTION	FISCAL IMPACT	TOWN MGR REC.
GENERAL GOVT. Human Resources	(1 FTE) Dept Asst.; 1 Seasonal Asst.	One new position in HR, with the shared Admin position moving 100% to the Town Manager office. 1 seasonal position to assist with onboarding.	\$54,185 \$12,605	YES – 1 FTE + 1 Seasonal (\$66,790)
Town Clerk	(0.5 FTE) Part-time Dept. Assistant	New part-time position to assist with expanded voting	\$22,750	YES – 0.5 FTE (\$22,750)
Airport	(1 FTE) Airport Administrative Assistant	New position to serve as liaison to and provide administrative support for Airport Commission	\$63,170	YES but Part-time 0.5 FTE (\$31,585)
PUBLIC SAFETY Police Dept	Community Service Officers; 4 seasonal positions	New seasonal (civilian) positions to engage with the public, provide information & support to Police Dept.	\$49,000	YES – 4 Seasonal (\$49,000)
COMMUNITY SERVICES	(2 FTE) Community Services Clinician (Licensed Clinical Social Workers)	2 new position to provide Social Services for the community – Adult and Youth/ Families: coordinate with COA/PD/FD/Recreation	\$170,000	YES – 2 FTE (\$170,000)
NATURAL RESOURCES Health Division	(1 FTE) Housing/Health Inspector	1 new position to assist with housing inspections and Short-Term Rentals registration	\$63,310	HOLD – Further Review Needed
Harbormaster Division	(1 FTE) Boat Operator/ Marine Mechanic	1 new position	\$63,065	HOLD – Further Review Needed
DPW: Transfer Station	(2 FTEs) Heavy Equipment Operator Gate Attendant	1 new position 1 new position	\$58,860 \$50,970	WITHDRAWN YES – 1 FTE Gate/Recycling Attendant (\$50,970)
DPW/EM	(1 FTE) Mechanic/Vehicle Repair/Special Equipment Operator	1 new position that would also assist with Emergency Mgt (generator repair & maintenance)	\$61,640	YES – 1 FTE (\$61,640)

Grounds/ Cemetery	Request by Cemetery Commission for 1 FTE Administrator (on 12/29/22)	0.5 FTE to 1 FTE	\$26,170	YES -1 FTE (\$26,340)
DPW	(1 FTE) Department Assistant	1 new position	\$51,165	YES -1 FTE (\$50,970)
TOTAL				7.5 FTEs \$530,045

POSITION DESCRIPTIONS

General Government - HR Department Assistant- for FY2023 we included a shared position between the Town Manager and Human Resources offices. This position was primarily utilized in the Town Manager’s office supporting the Select Board as well as the Town Manager and her staff; very limited time was spent assisting the HR office. For FY2024 the shared assistant will be 100% allocated to the Town Manager’s office and a new (1 FTE) is proposed for the Human Resources office assisting the HR/Benefits Administrator. The position will be clerical in nature as well as providing support for updating information in the HR/payroll software. This will allow the HR Administrator to focus on higher level duties such as collective bargaining negotiations, employee recruitment and retention, training, and employee wellness.

HR Seasonal Assistant – this position is a non-benefited seasonal position to assist with onboarding seasonal employees for the Recreation/Beaches and Natural Resources divisions. There are approximately 100 seasonal employees that are hired during the months of May-July.

Town Clerk Principal Clerk – this is a non-benefited (19 hr./week) position who would provide secretarial, clerical, and administrative assistance during regular office hours and for extended election voting periods.

Airport Administrator – this position is a non-benefited (19 hr./week) position will provide administrative support for the Airport Commission. The demand for airport information necessitates the need for dedicated and additional administrative support responsible for contract and grant monitoring, financial reporting (coordination with the Finance team), public information requests, Commission meeting documents and other similar functions. This position will report to the PPO Administrator, not the Airport Commission or Airport Manager. A portion of the funding for this position may be offset in future years by the Airport Revolving Fund.

Police Department - Community Service Officers – the Police Department is proposing to add four (4) seasonal civilian positions during the summer and shoulder seasons. These positions would serve as downtown ambassadors and would engage with visitors, residents, and business owners. The positions will assist with parking issues, traffic control and other non-enforcement duties.

Community Services Department – Community Services Licensed Clinicians – these positions will work with the Chatham Police, Fire, Council on Aging, and Recreation personnel to help identify

individuals and/or families suffering with behavioral health disorders and/or substance abuse disorders and to intervene and assist when necessary. The goal of the clinician is to divert persons of all ages in behavioral health distress away from the criminal justice system involvement and direct them toward appropriate care and services. Consistent with the Human Services Committee recommendation to the Town Manager, we propose to hire two FTE Behavioral Health Clinicians - one FTE to serve youth and families, and one FTE to serve adults.

Natural Resources - Housing/Health Inspector – this position will facilitate the proposed Short-Term Rental (STR) Registration - should it be enacted. The proposed bylaw or Board of Health regulation will be labor intensive, require research and administrative duties, as well as the need for a trained housing inspector. The Short-term Rental Working Group is expected to forward recommendations in late January 2023 so the staffing addition is on *HOLD* until then to determine if such can be accomplished by current staffing.

Natural Resources - Boat Operator/Marine Mechanic – the primary responsibility of this position is that of a boat operator, as the Mooring Manager position has become more administrative rather than operational with the on-line mooring system. With this change, it has become more difficult for staff to respond to water related issues. This position would also diagnose and repair mechanical issues on the Town's vessels with the goal of lessening the downtime for the vessels and perform routine preventive maintenance. This staffing request is on *HOLD* at the time of the January 17, 2023 budget submittal. More information is needed as to the training and equipment investment for this position.

DPW – Mechanic/Repairperson/Heavy Equipment Operator – this position is requested to provide maintenance and repair for Town vehicles and equipment, including emergency generators. Having a dedicated position to oversee (test, monitor, repair) the generators may reduce down time and does not divert DPW employees from their primary functions. Currently one Highway member is assigned some vehicle mechanic duties but not the primary functions of the position. This position has been presented as a collaborative request by the DPW, Principal Projects and Operations Administrator and Fire Chief/Emergency Management Director.

DPW -Transfer Station Gate Guard –we have one full-time gate attendant. A second gate attendant is requested to provide coverage in the absence or day off for the gate guard, as well as assist with recycling as it has been difficult to fill the seasonal positions. Coverage is currently provided by the Heavy Equipment Operator or Transfer Station Foreman which limits their regular duties.

DPW – Department Assistant – this position would assist with all DPW divisions clerical duties. Increased reporting and regulation compliance and enhanced communications have added to the workload for the two administrative positions. The workload for the three administrative positions will be reviewed to allocate the duties to best serve the various DPW divisions.

DPW - Cemetery Administrator – at its meeting on December 29, 2022 the Cemetery Commission requested to increase the hours of the Administrator from part-time 19 hours a week to full-time. The Administrator reports to the DPW Director. I am putting forward this recommendation.

Assistant Town Manager - While I am not putting forward an Assistant Town Manager position request at this time, it is still under consideration. Some of the functions of an Assistant Town Manager are being done by the Director of Community Development as assigned by me to oversee special Town-wide projects, facilitate special topic working groups, assume an active leadership role in the hiring process of staff including department heads, serving on the collective bargaining negotiations team, assisting with fulfillment of the Board’s goals & objectives, and serving as Acting Town Manager in the absence of the Town Manager. While such alleviates Management workloads throughout the organization, I want to first continue to address staffing workload capacity challenges and new service needs across many of the departments as presented above.

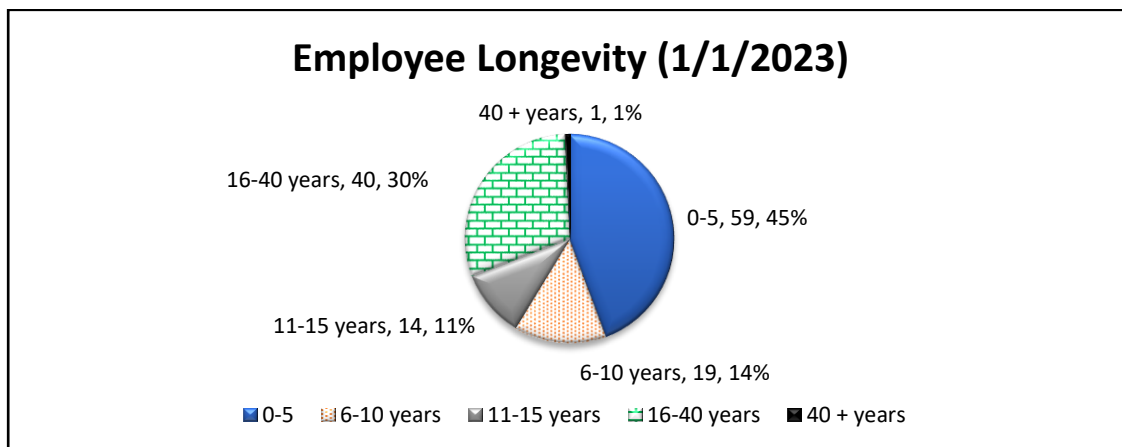
Administrative Order Filing

On January 21, 2022, I filed Administrative Order #5 which was affirmed unanimously by the Select Board on February 15, 2022 - <https://www.chatham-ma.gov/DocumentCenter/Index/246>. Due to vacancies in key positions, the Order combined the COA and the Department of Parks and Recreation into the Department of Community Services. Leah LaCross was named Director in August 2022.

We have already seen positive results with realignment of similar Divisions serving our town-wide community and social infrastructure needs into the Department of Community Services via streamline operations and points of contact and gain shared access to services and resources. Budget resources for these Divisions are currently in the Public Works and Human Services categories at this time.

YEARS OF SERVICE BREAKDOWN FOR 2022

At the 2016 Budget Summit, information was first presented on succession planning which is an ongoing priority. At that time, almost 50% of our employees had longevity ranging from 11 to 40 years of service. In 2023, that number has decreased to 41%.



Personnel wages and benefits represent approximately 45.20% of the Town’s operating budget (excluding debt service) and remain relatively stable. Although health insurance has increased

annually, the Town has been able to mitigate these increases since FY2013 though negotiated plan changes in collaboration with employees. As vacancies occur, every effort is made to re-examine positions with a view toward restructuring when possible, to better serve the community. Please refer to the Budget Book detail for staffing history by Division since FY2010.

The Town relies on part-time seasonal and intermittent staffing throughout the year - almost 46% of the workforce - to address the seasonality of Town operations. Seasonal and intermittent recruitment has been very difficult for lifeguards and skilled labor positions. For the proposed FY2024 budget, we updated the compensation plan to be more competitive, but lack of applicants and/or duration for availability has been challenging over the past three years.

All Unions have agreed to a tiered benefit schedule for new employees hired in 2013, which provides for increased employee contributions to health insurance premiums (from 30% to 35%), reduced longevity pay, elimination of sick leave buy back at separation, and other negotiated cost item offsets.

In FY2024, cost-of-living increases (by 3%) and contractual steps are included in the Department budgets. The current collective bargaining agreements (CBAs) for all of the Town's five unions ended on June 30, 2021. Successor CBA negotiations have been completed for the Fire, Police, and Police Dispatchers through June 30, 2024. For the two remaining unions, a separate warrant article may be proposed for any funding of financial related items of the successor CBAs as such is not included in the FY2024 Operating Budget.

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) are benefits, other than retiree pensions, offered to municipal and school retirees and their dependents. These benefits mainly consist of medical insurance. OPEB liability is the present value of benefits for retired and vested employees. An unfunded liability reflects an incurred obligation, payable in the future, for which no reserves have been set aside. While the Town funds retiree benefits on a pay-as-you-go funding strategy in the annual budget, the Town is required to comply with Federal mandates, GASB 74 and GASB 75, to account, via an actuarial study, for the Town's future unfunded liability. We are at the point where the number of Town retirees exceeds the number of active employees. Bond rating companies look favorably on municipalities that have established and funded OPEB Trust Funds, and we established such in 2013, with a funding appropriation of \$150,000 from Overlay Surplus funds. As you may recall, in 2018, via a Home Rule petition (H4781), Town Meeting approved a 'reallocation' of a 1.5% of the 3% Landbank surtax which expired in January 2020. The accompanying funding of the 1.5% redirection to OPEB was included beginning with the FY2021 tax bills; in FY2023 this has raised over \$292,300 to fund OPEB through December 31, 2022. For FY2024, we have included the contribution of \$150,000 as a transfer from the Overlay Surplus to fund OPEB. The Town is part of a Barnstable County joint purchase group to contract for required actuarial studies. The Town's Net OPEB liability as of June 30, 2022 is \$17,134,341; an increase of \$504,804 from the June 2021 liability of 16,629,537. The balance in the OPEB Trust Fund⁴ is \$3,756,545 as December 31, 2022.

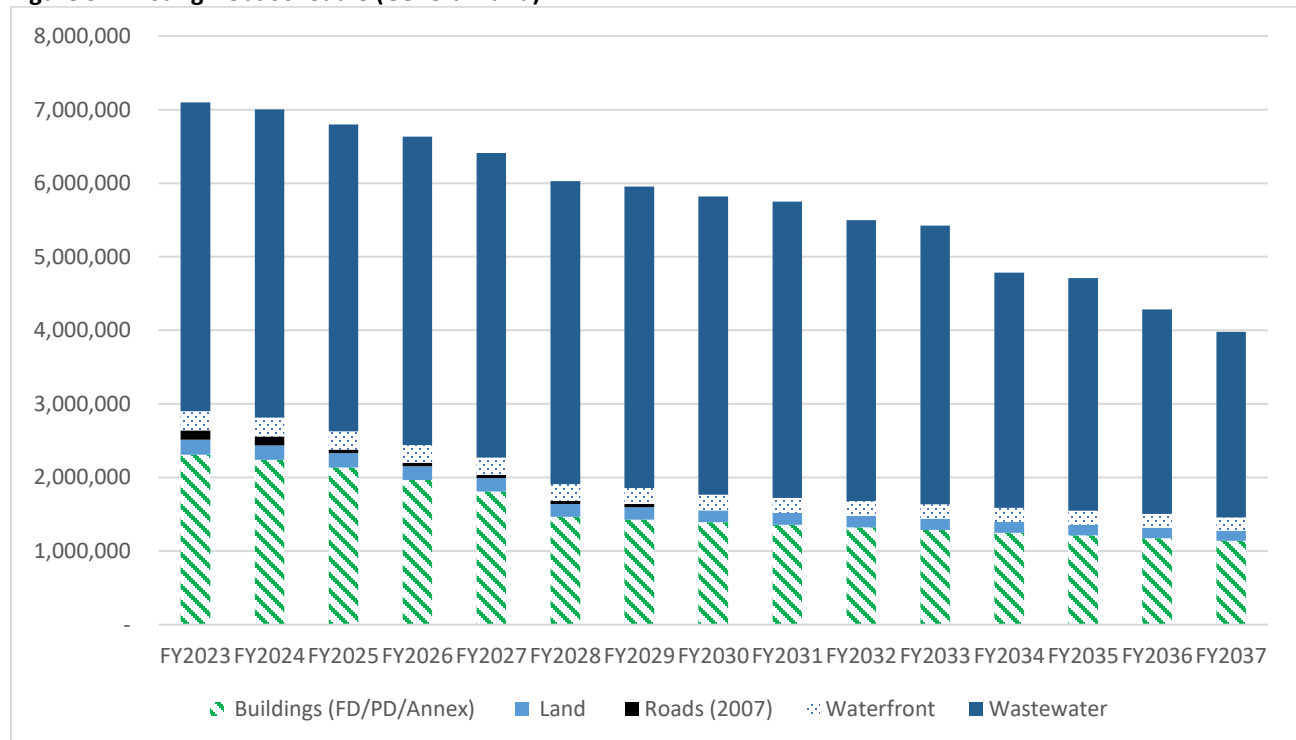
⁴ Bartholomew & Co Statement 12/31/2022

The OPEB Trustees include Select Board Chair Dykens, Select Board Member Schell, Finance Committee Chairman Daniel, Treasurer/Collector Drown, and Finance Director Heilala. The Town Manager serves ex-officio. The Trustees meet regularly to review funding strategies and the Town’s investment policy for the Trust as it relates to fund performance. Funding (paying down) the Town’s OPEB liability continues to be a priority item.

Debt Schedule

The fiscal policy of using “debt drop off” to fund the Town’s Capital Facility Plan has been very effective. The Town continues to take advantage of the highly competitive loans through the Clean Water Trust (State Revolving Fund-SRF) at zero (0%) percent interest in order to reduce borrowing costs while continuing the wastewater project. As noted above, the Town has been awarded a subsidy of \$6,151,603 over a ten-year period from the CCIWPF for pre-existing wastewater debt; payments will be applied annually to offset the amount raised through the tax levy. There was a new issuance under the Trust, which results in an increase in debt principal of \$561,366 for FY2024. In March 2022, the Town refunded its General Obligation Bonds of 2012, saving \$1,453,558 over the life of the bonds, without extending the maturity date. As previously noted, a multi-year debt schedule is presented so that decisions impacting future years can be known at the time of Town Meeting presentment.

Figure 5: Existing Debt Schedule (General Fund)

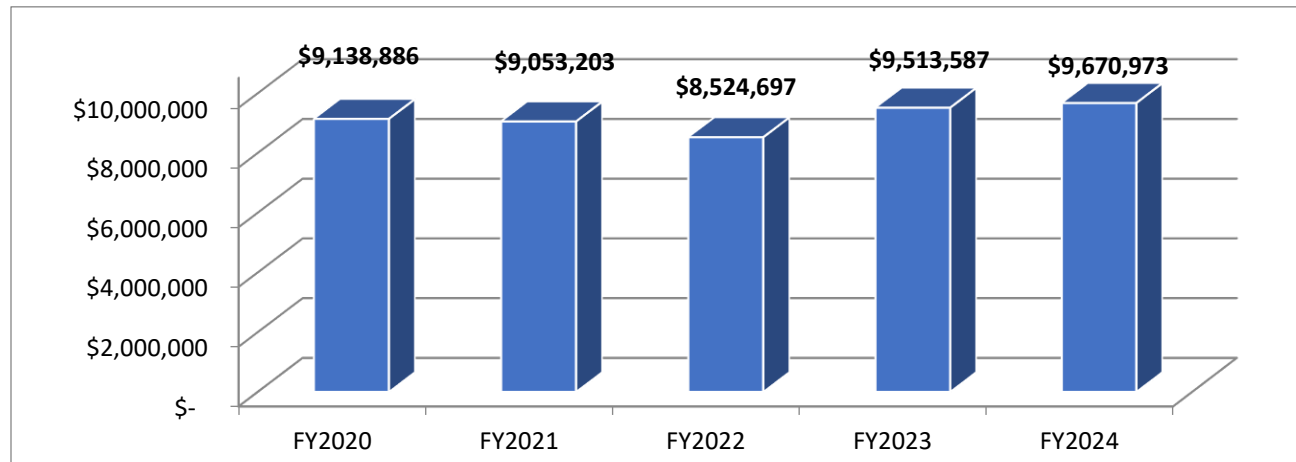


Education Budgets - Voted as a Separate Town Meeting Articles

Regional Schools Assessments	FY2022	FY2023	FY2024 Proposed	% Increase
300 Monomoy Regional				
Direct Costs-Town	\$8,043,169	\$9,067,552	\$9,243,281	1.94%
Debt Service (P & I)	\$481,463	\$446,035	\$427,692	-4.11%
Total MRSD	\$8,524,632	\$9,513,587	\$9,670,973	1.65%
310 Cape Cod Regional Tech High				
Expense	\$294,378	\$243,480	\$254,437	4.50%
Debt Service (P & I)	\$149,894	\$111,755	\$115,651	3.49%
Total CCRTHS	\$444,272	\$355,235	\$370,088	4.18%
Total Public Schools	\$8,968,904	\$9,868,822	\$10,041,061	1.75%

Monomoy Regional School Budget - The FY2024 draft Regional Budget includes an overall increase in the operating budget of 3.6%. With that, the assessment for Chatham is \$9,670,973 an increase of 1.65% over FY2023 which includes debt service. It must be noted that Chatham’s percentage is 23.44% based on the three-year rolling enrollment average. This is the assessment as most recently amended at Annual Town Meeting 2022. The Monomoy Regional School Committee will vote on the draft budget on January 12, 2023.

Figure 6: Monomoy Regional School District –



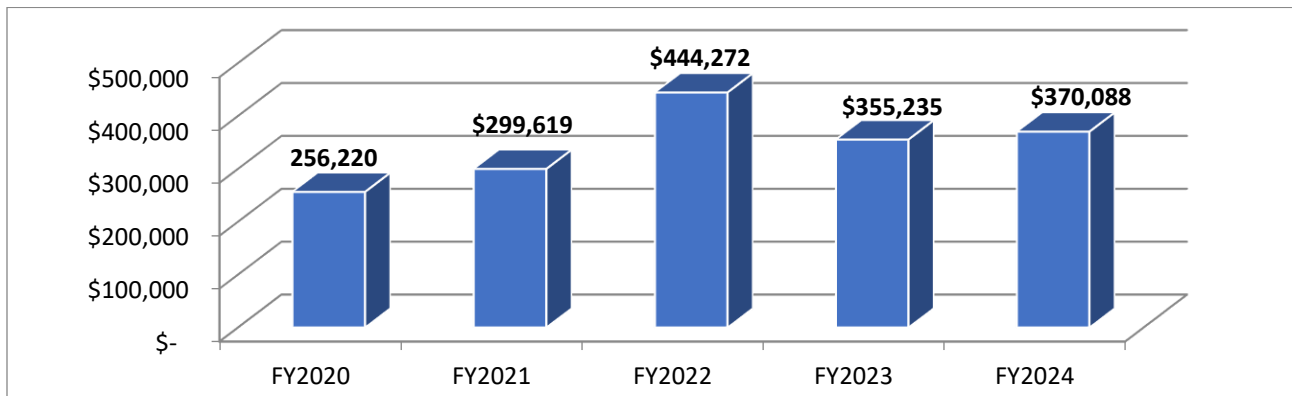
The Annual Town Meeting in 2023 approved the ‘Alternative Assessment’ methodology which provides that each member Town fund their own Elementary School. In FY2023 this resulted in an increased assessment to Chatham of \$739,747; for FY2024 the amount for Chatham Elementary School (CES) is \$650,794 based on the draft budget. With the adoption of the additional room

occupancy tax for a dedicated purpose (1% for CES), we expect that this fund will offset any capital projects planned for CES (these are noted in the capital budget).

Cape Cod Regional Technical High School - The proposed Assessment for Chatham is increasing by 4.5%. The Assessment is based on the number of Chatham students who attend the school, and that number increases by one, from 12 to 13. The increase for the total budget for the Tech is projected at 4.01%; the assessment for Chatham will reflect the 13 students attending the school. Also included in the FY2024 budget assessment is the debt service (\$115,651) for the new Technical High School building.

The net effect of both Regional School budgets is a projected 1.75% increase to the Education Budgets, based on the statutory agreements.

Figure 7: Cape Cod Regional Technical High School Budget



Five-Year Capital Plan (FY2024) - FY2024-28

The Capital Budget Article voted at the Annual Town Meeting provides funding for capital items between \$10,000 and \$250,000; and items with a useful life of 5+ years. In working with the UMASS Collins Center, many annual maintenance items were reallocated to the operating budget as were small capital items.

In FY2024 we continue to direct our focus on capital improvement and equipment to provide essential services. In evaluating Departments’ requests, Town priorities affecting Department needs are considered. During informal review meetings, Departments provide the Town Manager with information relative to the request, such as vehicle maintenance costs and life expectancies for equipment requests. Each request is assessed on its own merit and categorized according to that assessment, taking into consideration our standard best practices with the development of a plan, such as:

- ✓ Safety – reduces potential legal liability/threat to operations or personnel;
- ✓ State/Federal/Legal mandates - consequences of noncompliance/cost of compliance;
- ✓ Conformity to Town plans and goals – sustainability, aesthetics, cultural, environmental, historical, and recreational opportunities;

- ✓ Future operating budget impact/offsets; productivity - return on investment, useful life; and
- ✓ Cost effectiveness – increase efficiencies

The UMASS Collins Center (via a grant) developed an extensive inventory of all capital projects including potential warrant articles, and a detail review with a rating system. Below is a description of the categories:

- Preserve or enhance Town assets – Does the proposed project maintain or improve an existing facility? What is the anticipated useful life of the investment? Does the proposed project replace a piece of equipment needed to provide public services? Is the vehicle beyond its reasonable life? Is the acquisition part of a scheduled replacement plan that will keep vehicles operational and preclude major repair costs?
- Increase efficiency and effectiveness of government – Does the project reduce operating costs (e.g., eliminate costly repairs) or increase the effectiveness of government? Does the project reduce potential legal liability (e.g., repair of a broken sidewalk) or threats to operations (e.g., replacement of a needed street sweeper before it breaks down completely)? Does it improve customer service or provide a new, needed service?
- Be a good steward of public resources – Does the project increase revenues? Are outside grant funds available to cover a portion or all costs?
- Specific impacts on operating budget – What types of ongoing savings might be realized from the project? Does the project increase operating costs?

In addition, each project was evaluated to see how it would influence a series of key policy areas. These included:

- Aesthetics / Historic Preservation
- Cultural and Recreational Opportunities
- Utilization by Community
- Contextually Appropriate Economic Opportunity (“Chatham Factor”)
- Youth and Families
- Environmental Sustainability
- Public Health
- Public Safety

These categories were weighted based on the Town’s values, policies, and priorities, infrastructure replacement criteria, or financial considerations. For available funding considerations, we reviewed potential funding sources, balances remaining from previously approved articles, opportunities for grants or Community Preservation Act (CPA) funds and expanded opportunities for shared resources. The FY2024 Capital Plan is a balanced funding approach to cross-departmental requests.

Through review of the requests, available funds and future capital needs, and in consultation with the UMASS Collins Center, the Town’s policy recommends the percentage for the Capital Budget is 9% of the Operating Budget funded with available funds (not the tax rate or borrowing). The Select Board approved that policy in October 2019. For FY2024 the Capital Plan is recommended at

\$3,704,000 or 9% and is funded through Free Cash and other available funds. The FY204 Capital Budget proposes no use of the tax levy.

Table 8: FY2024 Capital Program Budget Summary and Funding Sources

DESCRIPTION	FY2023 Actual	FY2024 Dept. Request	FY2024 Proposed
CAPITAL PROGRAM & BUDGET SUMMARY			
General Government	290,000	470,000	390,000
Public Safety	307,100	240,000	240,000
Community Development	30,000	-	-
Natural Resources	361,000	1,050,000	395,000
Public Works (without Water)	952,500	11,536,200	1,490,000
Equipment	616,000	2,217,000	1,159,000
Total Town Funded Capital Budget	2,556,600	15,513,200	3,674,000
Funding Sources:			
Free Cash			3,414,000
Waterways Improvement Funds			65,000
Cemetery Sale of Lots			10,000
PEG Access Fund			50,000
Prior Articles			135,000
Raise & Appropriate (Tax Levy)			
Total Funding Sources			\$3,674,000

The chart below shows the total funding requested versus the amount recommended. As stated previously, some requests may be presented as separate articles to Town Meeting and those are not included in the chart below and will be discussed as part of the total financial plan.

FY2024 Capital Improvement Project Requests	Dept.	FY24 Request	FY24 TMGR Rec
Land Management, Assessment & GIS	IT	\$50,000	\$50,000
Hardware replacement & upgrade	IT	\$20,000	\$20,000
Channel 18 Equipment	IT	\$20,000	\$20,000
Video Camera Upgrade WPCF	IT	\$150,000	\$150,000
Software Upgrades (all departments)	IT	\$50,000	\$50,000
Fiber - Fish Pier & OMBY	IT	\$80,000	\$80,000
Consulting & Engineering	TM	\$100,000	\$100,000
Generator(s)	EM/BG	\$100,000	\$100,000
Replace Video Recording System	PD	\$45,000	\$45,000
Protective Clothing	FD	\$75,000	\$75,000

Radios - mobile & portable	FD	\$10,000	\$10,000
Self-Contained Breathing Apparatus	FD	\$10,000	\$10,000
Drainage/Storm Water Management	STW	\$50,000	\$50,000
Conservation Lands Management/Forest	NR	\$10,000	\$10,000
Dredging Program (\$300,000 under a separate article)	NR	\$400,000	\$100,000
Mill Creek Jetty Rehabilitation	NR/CR	\$50,000	\$50,000
Town Landing Comprehensive Survey	NR/CR	\$50,000	\$50,000
Town Landing Infrastructure Improvements*	NR/CR	\$20,000	\$10,000
Aids to Navigation*	NR/HBR	\$20,000	\$20,000
<i>*OFFSET - transfer from Waterways Improvement Fund</i>			
Mitchell River Bridge Maintenance/Improvements	NR/HBR	\$100,000	\$45,000
Fish Pier Packing Building Roof Replacement	NR/HBR	\$25,000	\$25,000
3-Phase Electrical Service - Fish Pier	NR/HBR	\$35,000	\$35,000
Cemetery Headstones	CEM	\$10,000	\$10,000
Cemetery Fence Repair/Vegetation Removal	CEM	\$25,000	\$25,000
Road Resurfacing	HWY	\$350,000	\$200,000
Emergency Road Repair	HWY	\$20,000	\$10,000
Catch Basins	HWY	\$40,000	\$30,000
Road Maintenance	HWY	\$20,000	\$20,000
Sidewalk Construction	HWY	\$200,000	\$150,000
Bike Trail Maintenance	HWY	\$10,000	\$5,000
Sign Improvements	HWY	\$6,000	\$6,000
Original Sewer System Repairs	SEW	\$200,000	\$100,000
Rehab Influent Building - Lakeside	SEW	\$220,000	\$220,000
Property Management – All Buildings	BG	\$200,000	\$200,000
Public Restroom Upgrades	BG	\$30,000	\$30,000
DPW Building Upgrades	BG	\$30,000	\$30,000
Town Office Building Carpeting/Painting	BG	\$100,000	\$100,000
OSHA Improvements	BG	\$50,000	\$50,000
ADA Improvements - all buildings	BG	\$250,000	\$250,000
Community Center Carpet/Painting	BG	\$40,000	\$40,000
Cardio Equipment - Community Center	REC	\$14,000	\$14,000
Replace Floor Cleaning Equipment	BG	\$20,000	\$20,000
Annual PD Cruisers (2) Replacement	PD	\$100,000	\$100,000
Replace PD SUV/Pickup Truck	PD	\$70,000	\$70,000
Replace Ambulance	FD	\$355,000	\$355,000
Replace Administrative Vehicle	FD	\$65,000	\$65,000
Conservation Truck Replacement (2013)	NR	\$35,000	\$35,000
North Beach Truck (supplemental funding)	NR	\$10,000	\$10,000
Boat Replacement (H-24)	NR	\$280,000	\$280,000
Replace large Mowing Machine	GRDS	\$36,000	\$36,000
Utility Mowing Trailer	GRDS	\$28,000	\$28,000

Replace 1-ton truck w/plow & sander	DPW	\$140,000	\$140,000
30 CY Roll Off Containers (2)	TS	\$20,000	\$20,000
		\$4,304,000	\$3,674,000

Other potential Capital Articles will be presented in a few weeks with the Select Board’s review of Capital and Community priorities for the 2023 Annual Town Meeting warrant. Such items exceed the cost or funding thresholds of the Capital Plan but are included in our overall inventory and financial tracking. If approved, borrowing authorizations for expenditure will not affect the tax rate in FY2024 but will in future years. Please tune into the Select Board meetings in February and March as they review the 2023 Annual Town Meeting warrant.

Community Preservation Act

For FY2024, there are fifteen (15) potential projects; applications were received by November 30th and the Community Preservation Committee continues their review of the proposed projects. The total of the requests is \$3,250,590; \$1,100,000 for affordable housing projects, \$1,360,590 for historic preservation projects, \$595,000 for recreation, \$120,000 for open space, \$15,000 for CPC administrative budget and funds for the statutory reserves. There is \$2,765,000 in estimated revenue and available funds. The Community Preservation Committee will make its recommendation on each project in the next two months.

FY2024 Water Department Operating Budget

The Water Department Operating Budget, funded by revenue generated from water receipts (ratepayers), continues to be monitored as conservation measures have reduced revenues in FY2023 vs. FY2022 through the first half of the fiscal year. At this time, we project that water revenues will cover the FY2024 proposed budget without an increase to water rates, or additional reliance on the tax levy. The increase in the Water Budget is due to increase costs for plant maintenance and chemicals. Debt service decreases slightly in FY2024 due to declining debt service for the Water Treatment Plant; financed through the Clean Water Trust fund at a 2% interest rate.

450 WATER OPERATING FUND	FY2022 ACTUAL	FY23 VOTED	TM FY24 RECOMMEND	
Water Fund Salary	\$ 232,414	\$242,582	\$289,787	
Water Fund Expenses	\$ 1,458,283	\$2,076,550	\$2,213,550	
Overhead	\$ 297,578	\$ 305,017	\$ 318,773	
Debt Service	<u>\$ 1,189,195</u>	<u>\$1,161,608</u>	<u>\$1,137,234</u>	
TOTAL COSTS	\$ 3,341,617	\$3,581,052	\$3,959,344	9.34%

Water Department Five-Year Capital Plan

The Water Department has a separate capital budget, funded by revenue from water usage charges and it a component to the Town’s overall CIP. The Town has been aggressive in this capital plan to ensure its water infrastructure provides sufficient quality and quantity of water throughout the year. Special Town Meeting in October 2021 approved two Articles to ensure safe drinking water for the

Town; \$1.4m to mitigate/treat PFAS at Wells 5&8 and \$4.5m to bring Wells 10 & 11 on-line. Water Capital continues to be programmed into future years as water debt declines and new projects can be fit into the budget.

There are two Water Capital articles proposed for ATM 2023:

Water Capital – Water Mains – (\$500,000)

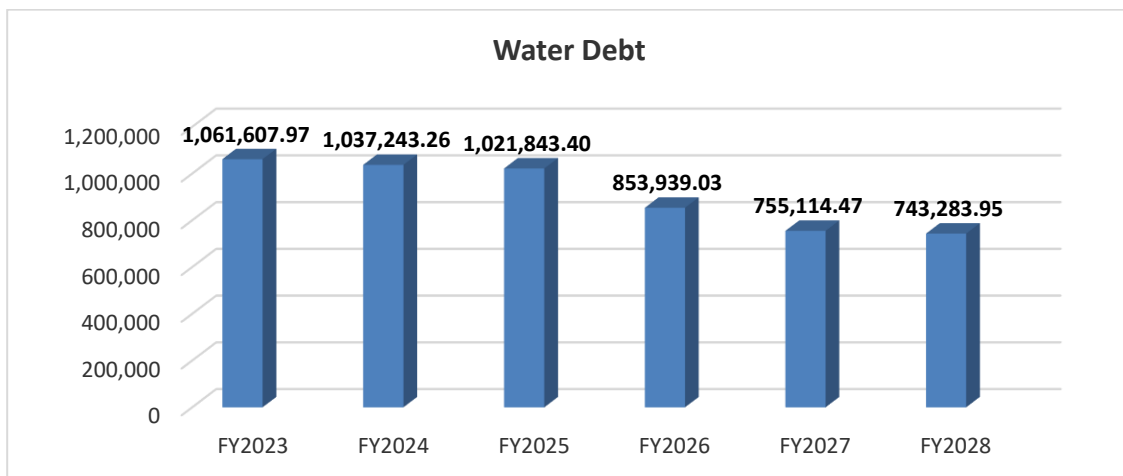
This is an annual article for the replacement of old, unlined, or under-sized water mains and the public portion of water services connected to these water mains will improve the quality of water to customers who have these pipes delivering water to them. Smaller water mains and the water services were installed using pipes made from lead, steel, or copper that leach into the water, and unlined water mains leach iron into the water. Replacement of these pipes will also conserve water by preventing wasting of water through possible leaks from old pipes. Undersized water mains will be replaced with a water main of a minimum diameter of eight inches to improve the flow of water for fire protection. Replacement of water mains is scheduled to correspond with installation of sewer lines to minimize disruption of roadways and maximize opportunities for access and any cost-savings.

Water Capital – South Chatham Well Field – Iron & Manganese Study – (\$50,000)

This article is a study to see if the South Chatham Wells require a treatment plant in the future. The Select Board have listed both quality and availability of water to the Town as a priority.

There is a balance of \$1,157,455 in the water fund available for the proposed Water Capital Articles. There is no impact to the tax levy or water rates with approval of these articles.

Figure 9: Projected Water Debt – 2% State Revolving Fund (SRF) for 5 Years



Wastewater Program/Sewer Project -Status

C.C. Construction, South Dennis, was awarded the construction contract (\$8,478,406) for Phase D1-2A, installing sewers on Meetinghouse Road (aka Route 137) (Route 28 to Stage Coach Dr.), Morton Road (bike path to Tirrell’s Way), Mill Hill Road, Middle Road (Meetinghouse Rd. to back entrance

of Water Pollution Control Facility). Work on Mill Hill Rd. will include enlarging the water main from Meetinghouse Rd. to new public water wells 10 & 11 currently under construction south of Mill Pond. Two (2) wastewater pump stations (PS) will be constructed, one on Morton Road at the bike path and the second on town-owned property at the intersection of Meetinghouse Road and Route 28. The Morton Road PS will pump wastewater via a force main under the bike path to Meetinghouse Road. Similarly, the Meetinghouse Road PS will pump wastewater via a force main under the bike path to the Water Pollution Control Facility. Construction began in fall 2022 with completion expected in approximately 18 months.

C.C. Construction, South Dennis, was also awarded the construction contract (\$2,103,000) for the Queen Anne Pump Station Project (QAPS). The Project will upgrade/rebuild the Queen Anne PS, built as part of the original sewer collection system in 1969-1970. The station needs to be upgraded to more modern, energy efficient pumps & controls, as well as increasing capacity as more parts of the Town are sewered that will flow through this station. The QAPS is currently located on a tiny parcel at the corner of the CVS/Chatham Village Market parking lot. The size of the parcel and the need to keep the current pump station operational while the new station is built presented logistical challenges. Those challenges were met with the cooperation of the Queen Anne Inn owners who provided an easement to allow construction of the new PS across Oyster Pond Furlong opposite the existing station. Construction of the new station is scheduled to begin in early 2023.

N&M Excavating, LLC, Brewster was awarded the construction contract (\$2,683,952) for the Crowell Road Phase II Project. This Project is a continuation of stormwater improvements along Crowell Road from the Lake St. to Kendrick Harvest Way and around the DPW Facility. The Project will also install stormwater improvements in the Upper Parking Lot at the Municipal Fish Pier as well as Shore Road at the intersection with Barcliff Ave. The Project will also install dry sewer along a section of Crowell Rd. in anticipation of future projects. Work began in Fall 2022 and is expected to be completed by end of 2023.

All three projects above are being financed through the State Revolving Fund (SRF) at low interest (2%) or 0% if eligible (wastewater projects). In addition, wastewater projects are eligible for principal subsidy through the Cape Cod & Islands Water Protection Fund. The choice of these areas is based on multiple factors including environmental sensitivity of receiving waterbodies, proximity of existing infrastructure, coordination with other town projects (water main upgrade/replacement, stormwater improvements, road projects [Mill Hill water main upgrade being a perfect example]), consistency with the Comprehensive Wastewater Management Plan (CWMP), and cost.

Chatham began receiving wastewater flow from the East Harwich area through the recently completed Chatham-Harwich Interconnection Project (Contract 1D-1), whereby wastewater collected from East Harwich is transported to the Chatham Water Pollution Control Facility for treatment and recharge. This project was agreed upon in an Intermunicipal Agreement between Chatham & Harwich, signed in 2017. Both towns received DEP approval for 0% loan funding through the SRF.

Since new sewer connections began in 2012 the Board of Health (BOH) has been issuing Orders requiring connection to the municipal sewer in accordance with the Boards mandatory Sewer Connection Regulation. In November 2022 the BOH approved the issuance of Connection Orders for additional completed Contracts: Phase 1C-2, 116 properties; Phase 1C-3/4, 258 properties; Phase 1D-1, 88 properties; and Crowell Rd. Phase I (1E-1), 30 properties. Issuance of BOH Connection Orders for Contracts 1C-2, 1C-3/4, 1D-1 & 1E-1 will add another 492 properties to those eligible to connect. These connection Orders will start mailing in January 2023 providing property owners 2-years to complete the connection. The BOH extended the connection period from 1 to 2-years in response to difficulties experienced by property owners in getting timely responses from engineers and contractors due to the heavy workload on Cape Cod.

Health Division staff continue sending reminder letters and follows-up with those properties that have not started the process in response to previous connection Orders. Mandatory connection is required by BOH Regulation to achieve the Town's water quality goals; however, the BOH may grant limited time extensions for good reason. The BOH has granted 90-time extensions and rescinded 42 connection orders (for corner lots, lots with adjacent street access, or other special circumstances). For completed sewer construction contacts to date (not including the recently approved November Orders) there are 612± properties eligible to connect. Where able (not dependent on pump station completion) some properties have connected due to septic system issues or new construction on a case-by-case basis. With 487 connections completed to date that is a 79% rate of connection. There are an additional 126 properties in-process, i.e., have applied for a permit, awaiting permit, awaiting contractor, etc.

Phase 1D-2B, side roads off Morton or Meetinghouse Roads is expected to go to bid in late 2023/early 2024 following resolution of easements for pump stations.

Phase 1E-2, the lower portion of Stage Harbor Rd has also been delayed while pump station location issues involving the flood plain are resolved. Finally, Phase 1C-5 is also awaiting resolution of pump station siting issues. Both are expected to be resolved in 2023.

Wastewater Revenue

The Town continues to qualify for 0% interest loans through the Clean Water Trust, and loan forgiveness from ARPA⁵ and the Cape Cod & Islands Water Protection Fund (CCIWPF). The Intermunicipal Agreement with the Town of Harwich provides for milestone payments as well as reimbursement for operating costs of the Water Pollution Control Facility. The first milestone payment of \$2,265,000 was received on July 1, 2017 and closed to undesignated fund balance (Free Cash) at the end of FY2018. We will present an article at ATM2023 to segregate these funds, as well as future milestone payments to a Wastewater Capital Fund to pay for future expenses not eligible for the zero percent loans.

Following is the payment schedule:

⁵ American Rescue Plan Act

<i>Payment Date</i>	<i>Capacity Purchase Fee</i>	
6/20/2017	2,265,000.00	received 7/1/2017
FY2022-23	1,500,000.00	upon flow
6/18/2024	1,500,000.00	not greater than 7 years
6/18/2026	1,500,000.00	not greater than 9 years
Total	\$ 6,765,000.00	

Waterfront Infrastructure Projects – Status

Support for waterfront infrastructure was demonstrated at the 2017 Annual Town Meeting (ATM) when a Capital Bond Article for \$11.3M to fund multiple waterfronts projects was approved by Town Meeting.

The chart below shows anticipated projects and estimated amounts when the Article was prepared for Town Meeting in early 2017. Project priorities and schedules are subject to change as design and permitting efforts are concurrently underway for projects at the Fish Pier, 90 Bridge St., Trap Dock, and Ryder’s Cove. More specific information on project status follows.

Year	Fish Pier	Fish Pier SJ Floats	Fish Pier CG Float	Ryder's Cove	90 Bridge St	Eldredge Pier	OMBY	Little Mill Pond Pier	Barn Hill Ramp Walkway	Crow Pond Ramp	As Presented in May 2017
2018	\$ 2,400,000.00			\$100,000.00	\$ 90,000.00						\$ 2,590,000.00
2019	\$ 1,075,000.00	\$ 200,000.00		\$600,000.00		\$ 2,000,000.00		\$75,000.00			\$ 3,950,000.00
2020	\$ 1,000,000.00			\$100,000.00	\$ 2,000,000.00		\$ 85,000.00				\$ 3,185,000.00
2021	\$ 400,000.00		\$80,000.00				\$150,000.00		\$25,000.00		\$ 655,000.00
2022	\$ 400,000.00						\$ 75,000.00			\$500,000.00	\$ 975,000.00
Total Authorized	\$ 5,275,000.00	\$ 200,000.00	\$80,000.00	\$800,000.00	\$ 2,090,000.00	\$ 2,000,000.00	\$ 310,000.00	\$75,000.00	\$25,000.00	\$500,000.00	\$ 11,355,000.00

Fish Pier

The 2017 Bond included multiple anticipated projects at the Fish Pier including: 2018 replacement of the South Jog Bulkhead; 2019 replacement of the Wharfinger Building deck/stairs, bulkhead coatings, electrolysis protection; 2020 improvements/expansion of the north & south float systems; 2021 coastal resiliency improvements to utilities; and 2022 misc. HVAC, electrical & interior improvement. Timing of the proposed work has differed from the 2017 proposal and work has been incorporated into other projects for efficiency and cost savings.

For example, replacement of Packing Building interior columns was included in the Deck Reconstruction Project, similarly resiliency improvements to the fuel system and some electrical was done as part of the fuel tank replacement. Replacement of the Wharfinger deck/stair system has been included in the South Jog Bulkhead Replacement Project which includes resiliency to utilities serving the South Jog and electrolysis protection. The only work at the FP not clearly anticipated in 2017 are proposed pedestrian improvements along Barcliff Ave. Ext. (sidewalk) and pedestrian path around the Lower parking lot to the South Jog. The FP is a significant tourist destination as well as commercial facility and it has become increasingly clear that safety improvements must be made to avoid an adverse outcome when these two uses combine.

Fish Pier - Observation Deck Replacement - Completed	Funding Source(s)	Amount	Expended/ Obligated to Date
Engineering	Art 20, 2016 ATM/FY16 Cap	\$685,000	\$496,712.38
Construction	Art 20, 2016 ATM/FY16 Cap/ Waterfront Bond	\$1,707,587.05*	\$1,707,587.05**
		*includes Change Orders	**Final

Fish Pier –South Jog Bulkhead Replacement Project	Funding Source(s)	AMOUNT	Expended/Obligated to Date
Engineering	Art 20, 2016 ATM/FY16 Cap/ SEC Grant	\$45,045.00 \$400,000	\$39,883.48 \$359,300
Construction			
MAS Building & Bridge, Inc.	WF Bond/SEC Grant (\$1M)	\$3,645,247	
Owner’s Representative Eng. Construction Phase	Pomroy Assoc. GEI	WF Bond WF Bond	\$219,700 \$31,500
		\$337,670	

Fish Pier - Wharfinger Stairs Replacement Project	Funding Source(s)	Amount	Expended/Obligated to Date
Engineering	Art 20, 2016 ATM/FY16 Cap SEC Grant	\$29,500	\$15,105.00
		* included in \$400,000 above	
Construction		Included as part of South Jog Project above	

Construction bids were opened in Fall 2022 for the South Jog Bulkhead Replacement Project. This Project encompasses several recommendations of the Fish Pier Facility Condition Report completed in 2016. The work includes replacing the bulkhead along the South Jog embayment and filled pier, adding a pedestrian walkway along the west side of the Lower parking lot, replacing the deck and stairway to become code compliant at the Wharfinger Building and Fishermen’s Monument, installing cathodic protection on both the new and existing bulkhead, and providing resilient electrical and water service to the South Jog. The bids include a discretionary alternate for construction of a new pedestrian sidewalk, with retaining wall, from the Upper parking lot along Barcliff Avenue Extension. A new cantilevered pedestrian walkway, along the south side of the South Jog filled pier, designed to separate public access to the float from fish offloading operations, is included in the overall project design. However, permitting for this feature would have delayed the Project until the 2023-24 construction season and was, therefore, removed from the current

Project scope. Permits for this walkway are being pursued independently to enable completion of this feature at a later date.

Engineering and permitting for the work described above was performed by Foth Engineering and Environmental, LLC (Foth) with Pomroy Associates (Pomroy) serving as owner’s representative. This effort was supported by a \$400,000 Seaport Economics Council (SEC) grant. Engineering and permitting for a second phase, a pile supported extension pier to the South Jog, as well as larger vessel and dinghy floats will follow.

The low bidder for the project was MAS Building and Bridge (MAS) with a base bid of \$3,645,247. For reference, MAS was the contractor for the Muddy Creek Bridge Restoration Bridge Project completed in 2016. An alternate sidewalk design is currently being value engineered with the engineer/contractor/town given the significant cost of the original design.

A Notice to Proceed has been issued to the Contractor with work beginning in early December 2022. Due to fishing activity at the Pier the bulkhead work is scheduled for completion in mid-April with other work to be completed by early June prior to the heavy tourist season.

Trap Dock Pier - Shelter

The Trap Dock Pier, adjacent to Old Mill Boat Yard, was completed in June 2020. At that time, construction of a “shelter” at the shoreward end of the loading dock was deferred to expedite completion of the concrete pier so it could become fully serviceable to the fishing fleet for the 2020 season. The purpose of the shelter is to provide temporary storage space for seafood product out of the weather until it can be loaded onto trucks. Following completion of the pier, the need for additional ice for the fishing fleet became a high priority and the original shelter design was modified to incorporate an ice machine. The Town was subsequently able to work with the Gulf of Maine Research Institute (GMRI), who have a Federal grant to assist fishing ports in improving the handling of seafood products, to acquire an ice machine to be installed within the new shelter. GMRI will cover the cost of the ice machine and insulated cooler box only (\$68,598). Installation will be a Town cost and will be \$12,690. Construction bids were received on August 30 with only one bid from Eastward Companies received. Following review of the bids by the Engineer, Pomroy Associates and a third-party estimator the bid was awarded to Eastward Companies. Work is scheduled to begin in January 2023 due to lead time of some materials.

<i>Trap Dock Pier/Shelter</i>		<i>Funding Source</i>	<i>Amount</i>	<i>Expended/Obligated to Date</i>
Pier Construction				
Engineering		Art. 22 2016 SEC Grant	\$200,000 \$150,000	\$322,897.38
Owner’s Representative	Pomroy Assoc.	Waterfront Bond	\$144,300	\$144,204.41**
Pier Construction	ACK Marine	Waterfront Bond	\$2,450,719.05*	\$2,424,497.64**
			*Includes Change Orders	** Final

Shelter Construction				
Contractor	Eastward Co.	Waterfront Bond	\$375,689	
Owner's Representative	Pomroy Assoc.	Waterfront Bond	\$63,780	\$17,250
Eng. Construction Phase	GEI		\$60,000	

To expedite the Shelter construction funding was approved from the Waterfront Bond; however, it is anticipated that up to \$500,000 will be requested from the Waterways User Fee fund in FY23 to offset Shelter construction related costs once the request moves through the Committee review process.

90 Bridge Street

Following the Select Board's endorsement 90 Bridge Street Project entered final design and permitting. The Town received a Conservation Commission Order of Conditions in May and has submitted permit applications to the US Army Corps of Engineers and MassDEP for a combined Water Quality Certificate and Waterways Chapter 91 Permit. The permitting process is expected to take several months since the project includes dredging for the floats and shellfish upwelling system. Additionally, the project will require a Special permit from the ZBA, review from the HBDC, and appeal to the State Building Code Appeals Board for construction in the flood plain. Final design and permitting efforts are funded by a SEC grant of \$295,000.

The former Coast Guard Boathouse, currently held by a private entity for donation to the Town for use as the building housing the relocated shellfish upweller system, is in storage at a shipyard in Quincy. Members of the Town's project Team, GEI and Pomroy, inspected in the building and provided an overall assessment indicating *"...the immediate repairs recommended in April 2021 have been carried out and are performing well."* The Team did make several additional recommendations for steps to be taken by the private entity to further secure the building while in storage. Those recommendations have been forwarded to the private entity. The private entity received \$250,000 in CPA funds at the 2021 Town Meeting to pay costs related to preservation of the Boathouse and its relocation back to Chatham. The Town submitted a CPA application for FY24 in the amount of \$750,000 for exterior renovations to the building.

90 Bridge Street		Funding Source	Amount	Expended/Obligated to Date
Engineering		Art 21, ATM 2016	\$75,000	\$345,015.96
		Waterfront Bond	\$125,000	
		Waterfront Bond	\$58,000	
		SEC Grant	\$295,000	
Owner's Representative	Pomroy Associates	Waterfront Bond	\$77,600	\$66,350
Construction		Waterfront Bond	TBD	
		SEC Grant	TBD	
		WUF	TBD	

Ryder’s Cove Landing

As indicated in previous project briefings, this project was paused to focus resources on more pressing projects for 90 Bridge St., Fish Pier Bulkhead, and Trap Dock Building. Staff met with Coastal Engineering Co. to review status and discuss some minor changes to the ramp design and other project scope modifications. CEC will be providing an updated proposal to complete the design and finalize permit applications.

<i>Ryder's Cove Landing</i>		<i>Funding Source</i>	<i>Amount</i>	<i>Expended/Obligated to Date</i>
Engineering		Waterfront Capital Bond/GF		
Phase I	Coastal Eng.	GF	\$25,200	\$25,200
Phase II	Coastal Eng.	Waterfront Bond	\$36,000	\$30,600
Construction		Waterfront Bond	TBD	
		SEC Grant	TBD	
		WUF	TBD	

Other Funding Sources:

Other potential funding sources for waterfront projects include the WUF (Waterways User Fee Revolving Fund) which as of December 31, 2022, had a balance of \$1,606,328. The WUF, created at the 2017 Town Meeting, receives revenue from the Waterways User Fee, Fish Pier Docking Permit Fees, Fish Pier Lease Revenue, and Fish Pier Fuel Revenue. WUF funding can be used to “... to defray waterways capital expenses related to design, permitting, construction, major repair, or replacement of public waterfront/waterway infrastructure.” The 2022 ATM approved the expenditure of up to \$500,000 from the WUF in FY23.

Town staff will continue to aggressively pursue grant opportunities for waterfront projects, including through the Seaport Economic Council, through which the Town has received multiple grants to support engineering & permitting and multiple construction grants of \$1,000,000. In the past the Town applied for *Saltonstall-Kennedy* grants to support aquaculture and will monitor ARPA for opportunities.

NEXT STEPS

We remain committed to looking outside the box for cost saving strategies or ways to expand management capacity. Departments also examine revenue sources such as reviewing fees and charges as compared to neighboring towns and market conditions, as well as bi-lateral partnerships for economies of scale or grant opportunities which we plan to continue and expand.

Renewable Energy, Electric Vehicles (EV), Green Community Designation/Climate Change

The Town’s General Bylaw Chapter 35 Energy Efficiencies in Procurement as most recently undated via Articles 57 and 58 at the 2021 Annual Town Meeting provides the target for reducing the Town’s carbon footprint - <https://ecode360.com/38079192>.

- I. Article I - Design Services for Capital Facilities Projects The purpose of this bylaw is to mitigate the threat of climate change by reducing greenhouse gas emissions from the Town's public buildings by evaluating design options for reduced emissions from the first stage of the design process for new public buildings, providing for thorough analysis of the feasibility, cost and impacts of net zero emission designs, and analysis of each element of design which could facilitate reduction in emissions where net zero design is not yet feasible.
- II. Article II – Motor Vehicles The purpose of this bylaw is to mitigate the threat of climate change by reducing greenhouse gas emissions from the Town's motor vehicles by transitioning the Town motor vehicle fleet to zero emission vehicles at the earliest feasible time as Town vehicles are replaced or added.

This bylaw applies to any procurement which will be completed on or after January 1, 2022.

Moving into 2023, with the Fire Station solar energy photovoltaic [PV] rooftop installation having well over three years of operation, the Town's six (6) current PV installations were fully operational throughout calendar year 2022. These locations continue to be a cornerstone of the Town's movement towards generating 100% of the electrical energy consumed at municipal facilities coming from sustainable sources. The PV systems at the capped former landfill, Water Pollution Control Facility, Water Treatment Plant, Police Department, Town Offices Annex and Fire Department generated 2,426,943 kWh of power in FY22 to offset Chatham's total electrical demand from non-sustainable sources. The total PV system performance from both ground-mounted and rooftop panel installations realized generating approximately 73% of total electrical energy demand at municipal facilities in FY22, down from last fiscal year due to a 4% increase in electrical use. The net benefits from these PV projects of \$271,452 and is still on target to meet the projection of over \$3.6 million in cumulative financial benefit by the end of the power purchase agreements (20-year terms).

In 2022, the Town continued to participate in other renewable energy initiatives offered through Cape and Vineyard Electric Cooperative (CVEC) such as "off-taker" agreements to receive net metering credits. A total of three "off-taker" agreements add to Chatham's renewable energy portfolio including CVEC Phase I solar projects in other member Towns, a wind generation project in Plymouth, and a ground mounted solar array project in Dartmouth. In FY22 these off-taker agreements netted \$17,444 in additional benefit to further offset electrical costs. The total net benefits from local electrical production and the off-taker agreements in FY22 of \$288,896 was above the average of the previous four fiscal years of \$209,240.

Following up on the successful completion of the PV panel installation at the Fire Station Headquarters, the Town has continued to partner with CVEC to participate in "Round V Projects" to install rooftop PV panels on the Community Center and install a canopy over the Police Department parking lot with PV panels. With the contract portion and preliminary site visits/data collection project phases completed in 2022, the construction and installation are now anticipated in 2023 due to COVID-19 and supply chain related delays. Expecting to generate another 198 kW per year and assuming 20-year terms the projected financial benefits for both installations over the duration of

the projects is anticipated to be approximately \$302,775. The Town will continue to monitor CVEC initiatives and other energy opportunities into 2023 to help the Town continue its path towards generating 100% of energy consumed at municipal facilities from direct renewable energy sources. Additionally, the Town's continued participation in CLC's municipal power supply aggregation contract resulted in an electric charges rate of 8.798 cents per kWh for the FY22 period meter reads which was below the 13.825 cents per kWh average rate (summer/winter) from Eversource through July 2022. Participation in this regional effort resulted in an approximately 35% reduction in cents/kWh expended by the Town.



As part of efforts to integrate energy efficient options for new vehicle procured to help reduce the Town's carbon footprint, four (4) plug-in hybrid EVs were acquired via leases and put into service in 2018 are continuing into 2023, one as a Town "pool" vehicle available to all Departments, one for the Natural Resources Department, one for Building inspections, and one for the School Resource Officer. Into 2023 the Town is continuing its efforts to install a total of five charging stations at the PD/Annex Site and Town Hall using grants from both Eversource (Phase 2 approval – January 2023) and MassDEP to offset costs.

Since FY2015 the Street Light Budget has been positively impacted following completion of the LED replacement light program Town-wide. We have experienced on-going savings due to longer bulb life and easier maintenance compared to pre-program implementation in the FY2014 budget when the budget appropriation was \$46,000. The FY2024 budget increases by \$5,000 as the cost of electricity is rising and the streetlight provider has changed; the request is \$22,500. The budget request, while increased from last year, continues to demonstrate efficiencies gained and reflects the actual performance since the completion of the LED changeout project.

Although implementation of the first round of identified "Green Communities" projects in the Energy Reduction Plan, to help offset energy use by upgrading system equipment and changing over to more efficient LED lighting, originally targeted for completion in FY21, were delayed due to COVID-19 and supply chain impacts. Energy efficiency LED lighting conversions completed by 2022

included projects at the Eldredge Public Library, Police Station, Council on Aging, Community Center, Fish Pier, Harbormaster Shop, Shellfish/Animal Control Building, Town Hall, and Doc Keene Scout Hall. Additional, positive fiscal impacts with the award of future grants could also help offset energy use, costs and facilitate upgrades to more efficient equipment reducing future capital requests. The submission of the second required Annual Report to the Massachusetts Department of Energy Resources (DOER) maintains Chatham’s funding eligibility for additional energy efficiency projects in 2023 under the Green Communities programs.

Climate Change/Coastal Resiliency

The Town was designated as a MA Municipal Vulnerability Preparedness (MVP) Community in 2019. We subsequently received the following Coastal Zone Management (CZM) Resiliency grants that also have a climate change component:

- FY23 – MVP – PB Climate Adaptation Action Plan (Pleasant Bay Alliance-PBA) – \$292,710
- FY23 – MVP- Regional Low-Lying Roads (Cape Cod Commission-CCC) - \$205,479
- FY23 – Coastal Resiliency – Pleasant Bay Living Shorelines/Jackknife Beach Salt Marsh Restoration (PBA) - \$82,690
- FY23 – Coastal Resiliency – Permitting for Current Redirection Structures & Nourishment at Crescent Beach (Town of Chatham - TOC) - \$86,732
- FY22 – Coastal Resiliency – Temp. Flow Training Structures & Beach nourishment to Mitigate Coastal Erosion (TOC) – 107,844
- FY21 – Coastal Resiliency – Alt. Shore Protection & mitigating Shoaling Along Coast at Stage Harbor (TOC) - \$114,262
- FY20 – Coastal Resiliency – Alt. Evaluation for Reducing Erosion Along Mainland Shoreline (TOC) - \$51,666
- FY20 – Coastal Resilience – Evaluate Salt Marsh Vulnerability in PB (PBA) - \$70,050

The MVP designation provides for increased standing in future funding opportunities to pursue implementation of priority actions. See <https://www.chatham-ma.gov/DocumentCenter/View/917/Town-of-Chatham-Community-Resilience-Building-Workshop-Summary-of-Findings-Final-Report-PDF?bidId=>.

Technology

In 2022 the upgrade of the Towns website to a more user friendly and expansive experience has been a success – and recognized with an innovation award from the MA Municipal Association. The Civic Engage platform allows for real time communication between the Town and the community through social media, forums, email blasts, SMS messages, and newsletters. The upgraded website also utilizes webforms for our [online job application](#).

On-line Transactions and Transparency - Accountable. Responsible. Strategic:

In 2022, using a FY2023 Capital appropriation the Town moved to the *ClearGov* Municipal Platform (access it through the Town’s website) for the Operating and Capital Budget development, process, and management which includes an online Digital Budget Book.

We continue work to increase the number of applications available for filing on-line, as well as expand the acceptance of credit/debit card payments. Please visit this link for a full menu of on-line payment opportunities - <https://www.chatham-ma.gov/615/Pay-Online>.

On-line payment portals provide a promptness and convenience of paying bills without the bother and uncertainty of mailing a payment. The Tax Collector's office and the Town Clerk's office converted to a new on-line payment system through *City Hall Systems*. The system is user friendly and allows for the payment of multiple bills and/or document requests in one transaction. This is the same platform to safely and securely purchase beach parking and transfer stations stickers. The system is user friendly and allows for the payment of multiple bills and/or document requests in one transaction.

Mooring Management Permit Program - Mooring and Wait List Permits are due by December 31st. Renewals are available on-line at - <https://chathamma.mooringinfo.com/ndr/menu.php>
To date, the FY2023 Mooring/Wait List Permit revenue is \$263,740 compared to a full season in FY2022 of \$284,713 (through February 2022).

Financial Transparency - The use of *OpenGov* by Town staff to review their Year to Date (YTD) Expenditure Report in real time. The accessibility of the site has allowed easier and enhanced access the to the Towns Financial Management System - <https://stories.opengov.com/chathamma/published/zV7dko0Wb>. Its welcome page notes, *"In service to our commitment to financial transparency, Chatham strives to make accessible its financial information from department budgets and expenses to revenues and detailed transactions. On this page, you'll find summarized financial information and important frequently asked questions. Simply click on the graphs or icons to dive deeper into the Town's financial information."*

Community VOICE
Town of Chatham, MA

CREATING AN ACCOUNT

1. Navigate to chatham-ma.gov
2. Click "Create an Account" at the top of the page



3. Complete Registration Form and click "Create Profile"
4. Verify account via your email and create a password

Online Permitting:

The Department of Community Development's Building Division implemented a new cloud based online permitting system, *OpenGov Citizen Services*. All building, plumbing, gas, and electrical permit applications are available via this website platform. Contractors and homeowners can now apply and pay for permits online, request inspections and access where a permit is in the process all by logging into the system. This permitting software has proven beneficial to all employees that review permits as permit information can be accessed anywhere from a computer. Permits can be processed, reviewed, and issued all through the cloud-based program allowing for more

collaboration between departments. IT staff worked with Conservation and Health Departments to add several their permits to the *OpenGov* platform in 2022. Links to the site have been added to the Town of Chatham website under the Building Permits tab on the Town's home page as well as the Building Division page - <https://chathamma.viewpointcloud.com/>.

Channel 18 Technology Update:

Channel 18 continued to provide the public with transparent and accessible Live and On-Demand meeting recordings, events, and PSA's.

- 482 Meetings Archived
- 8,184 on demand views
- 14,843 YouTube Views
- [First Night 2022 Video Series](#)
- [Introspect with Dan Tobin](#)
- [Pleasant Bay Watershed Conference](#)
- [15th Annual Polar Plunge](#)
- [PSA Chatham Railroad Museum](#)
- [ATM Preview Show](#)
- [ATM May 14, 2022](#)
- [Memorial Day 2022](#)
- [Dedication of American Revolutionary War Memorial](#)
- [July 4th Independence Day Parade Live Stream](#)
- [C.P.D. Chief Michael Anderson Swearing in Ceremony](#)
- [COA Oktoberfest](#)
- [Join Our Team Recruitment](#)
- [CFD Promotion Ceremony](#)
- [COA Sound Dunes Ensemble](#)
- [Public Ceremonies Committee Informational Call for Members](#)
- Installed Robotic Cameras, Video Switching, Recording and Teams Hybrid Set up in Community Center Large Meeting Room.

Town-wide Fiber Optic Migration

In the 2023 Capital process the Town funded the migration off the Comcast I-net to a Town owned and supported Fiber Optic Network. The migration was due to the older and outdated I-net which was at end of life. The Town purchased and installed over 30 miles of fiber connecting Townhall, Annex, Community Center, Center for Active Living, Harbormaster, Wharfinger, WPCF and the Police. Fiber runs were also installed between the Packing Building and Wharfinger office and from the Annex to the Airport Commission office. This new network will facilitate fast network speeds and ever evolving equipment connections similar to the camera network. The Town will maintain and upgrade the network on an annual basis.

Camera Network

In 2022 the Town finalized the camera install at the Skate Park, and with the use of the new fiber connections will bring the Harbormasters office, Wharfinger and Packing Plant online with cameras.

One element of the project at the Fish Pier will be to provide an open-source camera for public viewing.

Geographic Information Systems (GIS):

Geographic Information System (GIS), led by our GIS Planner, continues to allow for greater information sharing and expansion of tracking services among Town departments. Efforts in 2022 focused on the expansion of available data layers for additional building/facilities data for management purposes including key building systems, energy infrastructure, grounds maintenance, cemetery operation, lessor/license agreements and additional revised airport information. These new data layers will continue to build off the foundation of Chatham's GIS requiring ongoing updates for water mains, sewer lines, snow plowing routes and parcel layers edits. Additional geodatabase work has included updating/creating maps and layers supporting various Town efforts:

- Runway Protection Zones (RPZ)
- Airport Master Plan Update (AMPU) Approaches
- Inland Conservancy Districts
- South Chatham Village National Historic Register District
- Stage Harbor National Historic Register District
- Mooring Field layer and maps with Town landings, Oyster Pond, Crows Pond, Bassing Harbor, Cotchpicicut, Scatterree, Cow Yard
- Bikeway Mile Markers
- Building Layer (Update)
- 2022 Repetitive Loss Data from Cape Cod Cooperative Extension (Update)
- Dredge/Beach Nourishment Area Maps (15 maps)
- Short Term Rental Properties Map
- West Chatham Planning Base Maps (Planning Board)

Emergency Management

Interns – MMA and Emergency Management:

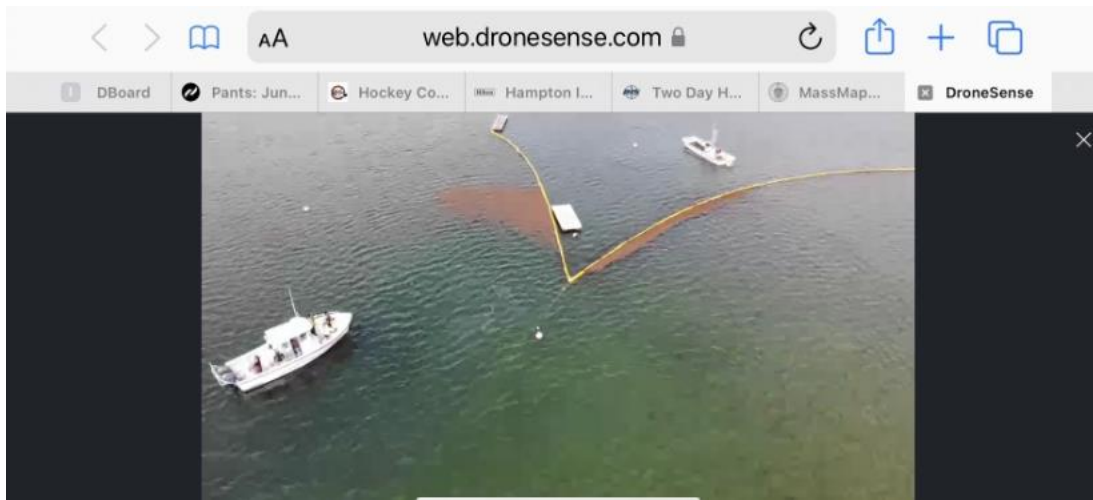
The Town's technology implementation program and enhanced use of GIS was boosted by our intern partnership with the Massachusetts Maritime Academy (MMA) in Bourne. We have been able to utilize interns to enhance the town's capabilities and provide young adults who are preparing for the workforce with municipal experience. In January of 2022, an Emergency Management Major from MMA worked alongside our team to advance and update current Emergency Management plans and to gain valuable experience before she enters the workforce. She fulfilled roles in both the Emergency Operations Center and the Community Center Personal Care Site during the January blizzard. During the Summer of '22, the Town hired a part-time paid intern. This intern, also a student at MMA, developed a draft Continuity of Operations Plan (COOP), assisted the Health Division with establishing plans for an Emergency Distribution Site (EDS), and worked with public safety officials in facilitating a Table-Top Exercise for Broad Reach Healthcare to prepare for Active Shooter/Hostile Event situations.

In 2023, winter interns are working on several projects including identification of residential generators throughout town. This will be the initial phase of this project with the intention of enhancing community engagement and neighborhood-level temporary shelter. This program is not intended to replace the Town’s existing sheltering plans. After speaking with several community groups throughout the year, it was clear that many individuals have a desire to support their neighbors on a micro-level, and this project will provide Emergency Management with some baseline information regarding residential resilience to wide-spread power outages.

2023 interns will also be working on establishing a library of essential Emergency Operations Center (EOC) documents. A component of this library will be EOC position specific workbooks, which will provide general position descriptions, along with incident specific worksheets to identify essential objectives for EOC staff members.

GIS – Geographic Information Systems

In 2023, the Emergency Management Team will focus on enhancing access to, and functions of, the Town’s GIS mapping program pertaining to Emergency Operations Center operations. Specifically, efforts will focus on EOC staff’s ability to add real-time emergency layers to the existing mapping program, providing first responders with critical information regarding road closures, interruptions in public utilities, and identification of vulnerable residents.



UAS (Unmanned Aerial System) Drone/ ROV (Remote Operated Vehicles) Technology:

The Emergency Management Team formally established a Town of Chatham Drone Team in 2022. The team consists of certified pilots from the Fire Department, Police Department and Harbormaster’s Division. In support of the team’s operations, Emergency Management has implemented a software called Drone Sense. This program enables the drone pilot to create a “mission” when flying, which provides a QR code to be shared with all pertinent stakeholders, thereby providing real-time video imagery to mobile devices. This technology is vital for both emergency and non-emergency drone missions. The technology’s capabilities have been tested during an oil pollution control exercise in Stage Harbor as well as during search and rescue exercises.

The drone team is also available for coastline assessment, critical infrastructure evaluation, and other special assignments requested by town departments.

As we continue to enhance technology, we are also evaluating the capabilities of underwater imaging. In response to previous rescue and response operations on our coastline, we are exploring the potential of adding the usage of underwater remote operated vehicles (ROV) to the local response toolbox. Used in conjunction with dive teams, ROV's enhanced the safety of responders and provided for efficient and successful operations.

Generators for Town Buildings:

Over the past few years, the Emergency Management team has been adding and updating generators for most of our Town buildings. We were able to outfit the Annex and Police Department with stand-alone generators and place a transfer/storm switch in the Community Center to allow for quick hook-up of the town's portable generator. A plan is in place to outfit the Fire Department with a storm switch as well that will enable backup generators in the event of primary outages and/or fixed generator failure. A contract has been signed to purchase and install a permanent fixed generator at the Chatham Community Center. The Community Center currently has a temporary generator that we utilize in the event of outages. However, as we evaluate trends and lessons learned from previous events, we also continue to explore the capabilities of the Community Center and adapt emergency management plans to meet the needs of the community. Therefore, upgrading to a permanent generator at the Chatham Community Center is essential to the successful implementation of the current Comprehensive Emergency Management Plan. Our Emergency Manager has been working with staff from the Harbormaster's Division, DPW, Community Center and Council on Aging to ensure the Town has the appropriate capabilities in the event of an outage. The FY2024 budget includes funding for the Town's generator program.

Inter-agency Collaboration:

Critical to the success of the Town's Emergency Management Plan is the strong partnership between Town departments. The Town is fortunate to have a leadership team that values the importance of information sharing and working collaboratively to solve problems and provide the highest level of service to the community. Members of the various Town departments interact regularly to proactively identify growing trends, and to provide services to meet the needs of our citizens. This interaction during non-emergent times allows for smooth and efficient operations when responding to emergencies and during other critical times. Emergency Management has utilized the Microsoft platform to develop shared Incident Action Plans and Incident Response logs during major storms/events and the team will continue to focus on methods to improve communication and information sharing during these types of events. Emergency Management continues to concentrate efforts on identifying and training town-staff from various departments to be operationally prepared to assist in filling critical positions in the Town's Emergency Operations Center and Personal Care Site(s).

FINAL NOTES

Strategic budget planning efforts since 2012 and expense reductions for benefits have placed the Town in a much better financial position than many other towns in the Commonwealth. That was

proven during the pandemic when staff developed our COVID-19 financial plan in late March 2020 which was fine-tuned through FY2023. In 2022, we again held our Annual Town Meeting before the end of the fiscal year in an extraordinary outdoor location during extraordinary times. Our S&P AAA Bond Rating (highest for municipalities) was affirmed in March 2022 due to the Town's history of fiscal prudence, coastal resiliency efforts, cyber security planning, and the COVID Financial Plan.

The challenge will be to maintain service level expectations within the desired funding parameters and retain our excellent AAA Bond Rating in accordance with the municipal guidelines used by rating agencies. As presented, the FY2024 Strategic Budgeting for the Future is a continuation of the FY2023 Sustainable Service Budget which can be funded within available revenue with no increase to the Tax Rate (\$3.88). Our FY2024 Strategic Budget supports community initiatives and directives of the Select Board and provides adequate staffing to meet these goals and maintain excellent and sustainable services.

Financial management is one aspect of Town operations when many are to credit for the continuity of services and work by our dedicated staff, supportive Elected Officials, committed Town Officials, community volunteers, and our informed and active constituents. I remain committed to continue with our collaborative approach to financial management, in partnership with the Select Board, Finance Committee, and Monomoy Regional School Committee, as we continue discussions of services our community desires and needs, with transparency of government operations. Town staff have been very successful with grant awards, and we will continue to seek innovative funding and partnerships for programs and services.

As always, I want to acknowledge and express my sincere appreciation to Town Departments and Town Officials for their time, cooperation, and dedication in my effort to craft my 11th Town Manager Budget message, and for the great effort to achieve Select Board budget directives. I want to further recognize employees across all Departments for their dedication to the Town, before, during, and post COVID-19. It was staff's creative approach to problem-solving and operational improvements which enabled us to implement new technologies, new programs, and new processes to refine and enhance our operations and delivery of critical services to the community. The level of professionalism and sense of teamwork exhibited by Team Chatham is remarkable.

I also greatly appreciate the knowledge, historical perspective, feedback, and support from the many taxpayers passionate about our beautiful community. I am very privileged to serve as your Town Manager.

For the purposes of the Town's General Bylaws and Charter, submission of this message and accompanying Budget satisfies such requirements. The Select Board will conduct its review at its regular meetings through February 2023. Following that, the Select Board will transmit the approved FY2024 Operating and Capital Budgets to the Finance Committee on or before March 1st (Bylaw § 15-1, D).

Thank you in advance for your thoughtful consideration, and I look forward to working with you through this important process. As always, I welcome your thoughts on how to make our Budget Summary and presentation more user-friendly and accessible.

Respectfully submitted,

Jill R. Goldsmith,
Chatham Town Manager, ICMA Credentialed Manager

Enclosures: