



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 18, 2024 (for the Select Board Meeting of January 23, 2024)

SUBJECT: Town Manager’s Fiscal Year 2025 Budget Summary and Budget Recommendations Transmittal for the period of July 1, 2024- June 30, 2025 – *An All-Encompassing Budget to Chart Chatham’s Future*

FY2025 BUDGET HIGHLIGHTS

- Operating Budget, without education assessments, at \$40,016,023 for an increase of \$1,925,483 or 5.06% over FY2024. *Funded with available revenues with no increase to the FY2024 Tax Rate of \$3.57. No additional staffing recommended.*
- Capital Plan at \$2,367,220 or 5.4% (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.*

Please view the FY2025 Digital Budget Book for details - <https://town-chatham-ma-budget-book.cleargov.com/13703>

As we embark on the Fiscal Year 2025 budgetary journey, we are proud to present *An All-Encompassing Budget to Chart Chatham’s Future* designed to address current challenges and pave the way for lasting community investment. In the face of ongoing obstacles such as supply chain limitations, cost of utilities, and inflationary impacts, we continue to adapt our operations to ensure seamless service delivery. Our primary emphasis remains on building resilience and investing in our community. The Operating Budget as presented without education assessments is \$40,016,023 for an increase of \$1,925,483 or 5.06% over FY2024 funded with available revenues with no increase to the FY2024 Tax Rate of \$3.57. No additional staffing recommended.

Our dedicated staff continues to drive our priorities forward, seizing opportunities to improve and innovate services that support our Town as a whole. This fiscal year, our budget directive, developed in consultation with the Select Board, reflects a commitment to fiscal prudence while funding programs and services to benefit the entire community.

The foundation of the approach is built upon best financial practices and strategic principles, encompassing a vision that spans 4-10 years, a strategic direction for 2 years, and tactical actions for the immediate future. Aligned with our commitment to priorities, the FY2025 Operating and Capital Budgets strategically allocate resources to achieve the objective of a resilient and sustainable community.

The Select Board's goal-setting for Fiscal Year 2025/Calendar Year 2024 focused on envisioning Chatham in 2030. Utilizing SMART goals (specific, measurable, achievable, relevant, and time-bound), the Board identified "goal buckets" where the Town can move forward on initiatives that will encompass previous value statements on a variety of levels to move initiatives forward. The final review and vote on these goals will take place on January 27, 2024.

Continuing from FY2024, we leverage the ClearGov digital platform for the FY2025 Budget <https://town-chatham-ma-budget-book.cleargov.com/13703>. This platform facilitates direct input of budget requests by Department/Division Heads, allowing real-time update through the budget review process. Our commitment to transparency extends to providing additional information in the budget books including demographic details, fund balances, organization charts, department personnel and expense expenditures, and prior year (2023) accomplishments. Visual presentations using charts/graphs enhance the accessibility of operating and capital budget recommendations. The platform auto-generates information required to meet the Government Finance Officers Association (GFOA) distinguished budget book award; a goal we hope to achieve before 2030. A GFOA distinguished Budget includes the above components that provide the public with understandable and transparent information.

The Capital Programs/Improvement Plan (CIP) recommendations for FY2025 align with the strategy in the Operating Budget, maintaining level service while addressing backlog issues from our COVID-19 Financial Plan. Requests within the Capital Improvement Plan/Program include images of items or requested equipment, along with historic expenditure data related to replacements. Our approach involves a thorough review of potential funding sources, remaining balances from previously approved accounts and articles, non-tax levy funds, and exploring shared resources. Following the Town's policy, funding for the Town's Capital Improvement Plan and Budget should not exceed 9% of the Operating Budget, presented at 5.4% for FY2025. This emphasizes our commitment to a balanced, strategic funding approach across departments, utilizing available funds rather than relying solely on the tax rate or borrowing.

The FY2025-2029 Capital Plan contains a comprehensive inventory of all infrastructure projects and fleet management, aligning with our established investment strategy. Originating from a grant-funded project with the Edward J. Collins Center at UMASS Boston in 2019, this inventory is regularly updated by Department Heads, this year beginning in July. Serving as a guide for Town Officials, it

aids in prioritizing and making financial decisions in conjunction with an investment plan. The Collins Center Plan incorporates review/rating criteria and establishes a scoring mechanism to integrate Board policy direction received through its Goals and Objectives. This prioritization process begins through discussions at the Annual Budget Summit, and through the Select Board Annual Goals Setting process, encompassing both Capital and Community priorities. These efforts not only involve prioritizing items in the Collins Center comprehensive inventory but also securing funding for community priorities like affordable housing, drinking water infrastructure, and other initiatives contributing to the preservation of community values. Such items are presented separately as warrant articles for potential funding consideration at the 2024 Annual Town Meeting or programmed for future/out-year consideration.

I invite the public to explore Budget Central on the Town website <https://www.chatham-ma.gov/214/Budget-Central>. This serves as a central hub for budget-related news, documents, presentations, and real-time updates concerning the Town's budget process and planning. It also contains communications from the Town's Financial Administration and links useful to the public, including historical budget and financial documents.

I also recommend that the public visit the Town Manager's Department page on the Town website to review Monthly Reports <https://www.chatham-ma.gov/DocumentCenter/Index/250> 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.

Together, we will chart Chatham's future with responsible fiscal management and community-focused initiatives.

Reflections on Fiscal Year 2024 (Calendar Year 2023)

It is important to recognize substantial achievements or events that occurred throughout 2023 that aligned financial plans, community priorities, and successful outcomes – and with public engagement. Please refer to the Budget Book narratives for a detailed listing of prior calendar year (2023) accomplishments by Departments.

- ✓ Community Connections – 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. Our Chatham TV Team (formerly Channel 18) continued efforts to keep our community connected by recording or streaming community events on the Town's YouTube Channel <https://www.youtube.com/chathamchannel18>. There you can also find behind the scenes limited series on Town operations and *The Flash* COA video newsletter. Communications Manager (promoted from Executive Secretary) uses 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 enhanced community outreach using 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 returned to the gymnasium at the MRSD Middle School, with the Annual Town Meeting 2023 held on Saturday May 6, 2023 with 924 voters participating. Childcare was provided by our dedicated PARK (Positive Afterschool Program for Kids) team. *The recommended FY2024 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. A Special Town Meeting was held on Monday, September 18, 2023 with 1,395 voters participating. Both Town Meetings employed the use of our new Electronic Voting Devices ("Clickers").
- ✓ 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 (\$500,000) and waterfront project offsets for 90 Bridge Street (\$1,000,000) on the same day at an event hosted in Chatham! We also received Fire Safety equipment and recycling 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 2023 Annual Meeting on August 8, 2023 – it's 77th Summer Town Meeting. Here is the link to the video - [Summer Residents Advisory Committee \(champds.com\)](#) 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 FY2025 Budget Summit was held on October 17, 2023 - [Select Board \(champds.com\)](#). Multi-year financial forecasts and assumptions were reviewed and updated for the 2025 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. 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. In our 11th year (FY 2023) program operation, we had 11 participants work 613.5 hours toward tax abatement with an additional 207.75 volunteer hours provided. The Chatham Tax Work-Off Program is currently in its 12th year, with 19 participants enrolled with 17 assigned to various Chatham departments.

- ✓ Annual Review and Update to the Town Budget and Financial Policies and AAA Bond Rating – Policies were voted November 19, 2018, reviewed annually; last 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), notably to maintain the Town’s strong reserves and priorities for one-time revenues. The policies are currently under review for FY2025 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 May 25, 2023, with a stable outlook – the fourth Bond Rating review during and subsequent to the COVID-19 Pandemic. AAA is the highest bond rating for municipalities. 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; manageable direct debt and contingent liability profile, and strong institutional framework score. Our conservative budgeting, COVID Financial Recovery Plan, cyber security planning, coastal resiliency efforts also 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/5652/2023-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. FY2024/Calendar Year 2023 goals & objectives 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>. The Select Board is continuing its review of the FY2025/CY2024 Goals and Vision Statement at its meeting on January 27, 2024.
- ✓ 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 FY2024 funding was increased to \$100,000. For FY2025, again, there is a separate article funding this program at \$125,000 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.

- **Dr. Florence Seldin Family Preschool Support Program:** This program is in its second year providing financial assistance to Chatham families with three and four-year olds enrolled in approved preschool programs. The program is making a real difference in our community as evidenced by cards and letters sent in to the Select Board from participating families:
 - “We feel immensely supported by our town and community.”
 - “Providing financial support to young families in this town allows families who want to work and contribute to the town the ability to live in the place they love.”
 - “We appreciate being able to be in Chatham without worrying about funds for (our daughter’s) school and education.”

In its first year, 14 four-year-olds were awarded funding of up to \$10,000 to be paid directly to providers. The program had 13 three-year-olds enrolled and awarded funding up to \$5,000 to be paid directly to providers. At the close of the first year, \$122,856.56 of the granted funds were distributed. 2023 Annual Town Meeting appropriated \$180,000 to replenish the program’s funding. There are currently 10 four-year-olds and seven three-year-olds enrolled in the program and accessing \$130,000 in awarded funds. Enrollment in the program is ongoing throughout the school year. Any unexpended funds will roll-over to the next fiscal/application year. As such, no additional funds are requested for FY2025. Working with the providers and Monomoy Regional School District, we hope to further promote and expand enrollment for FY2025. More information on the voucher and preschool program can be found via the Community Services webpage [Preschool & Childcare Programs | Chatham, MA \(chatham-ma.gov\)](https://www.chatham-ma.gov/Community-Services/Pages/Preschool-Childcare-Programs.aspx).

- ✓ **Community Housing Initiatives** - The Town continued a year-long community engagement process to look at affordable and attainable housing development scenarios at two Town-owned properties: the Main Street property in West Chatham and the Meetinghouse Road property in South Chatham. The Meetinghouse Road site, purchased exclusively with Affordable Housing Trust funds, will have affordable housing, while the Main Street site will have a combination of both affordable and attainable housing.
- On February 15, 2023, Housing and Sustainability Director Gloria McPherson, along with Barrett Planning Group and Dodson & Flinker Landscape Architects, held the second of three

community engagement meetings for the community to provide feedback on various conceptual site designs at different densities and with different housing types on the two properties (<https://play.champds.com/chathamma/event/1156>). Additional feedback was solicited through an online visual preference survey in March 2023, and a review of the findings was presented to the Affordable Housing Trust Fund (AHT) Board of Trustees at their meeting of April 11, 2023 (<https://play.champds.com/chathamma/event/1232>).

- In May 2023, the Town also issued a Request for Information from developers of affordable housing to better understand project feasibility and financing for various development scenarios on the properties and received four detailed responses from five developers (two developers coordinated their efforts into a single response).
- Town Meeting 2023 voted affirmatively to declare a portion of the Monomoy Regional Middle School parcel located along Stepping Stones Road surplus and convert its use to affordable and/or attainable housing. As part of its due diligence to understand the development potential and establish a reasonable development density, the Town contracted with Utile Architecture and Planning to develop a series of test fits for the Stepping Stones Road property. The Town expects to issue an RFP for the development of affordable and attainable housing at Stepping Stones Road in 2024.
- Town Meeting 2023 voted affirmatively to declare an approximately one-acre portion of the town-owned property at 127 Old Harbor Road, containing the existing house and barn and excluding the portion of the property containing the playground, surplus and convert its use to affordable and/or attainable housing. The Housing and Sustainability Director along with the Special Projects Manager are working on an RFP for a Feasibility Study to determine the structural soundness of the existing house and barn, and their suitability for conversion to housing.
- Town Meeting 2023 also voted to change the composition of the Affordable Housing Trust Fund Board of Trustees. Per Town Meeting vote, the membership of the Affordable Housing Trust Fund Board of Trustees was redefined to include two members of the Select Board, one member of the Community Housing Partnership, and four at-large members of the community, “considering a broad range of expertise, including education and experience in real estate development and financing.” The Select Board appointed the new Trustees at their meeting on October 3, 2023, and the new AHT held their first meeting on October 11, 2023.
- At the September 19, 2023 meeting of the AHT, the Trustees provided feedback and decisions regarding preferred development options and parameters, including density, building type, site layout, ownership vs rental, and AMI distribution, for the Main Street and Meetinghouse Road properties, taking into consideration feedback from the community engagement forums, the results of the community housing survey, the responses to the Request for Information, and information regarding project feasibility and financing

<https://play.champds.com/chathamma/event/1439>). This feedback from the Trustees will inform the final, preferred design concept plans, in keeping with a grounded, feasible community vision for each site. These updated plans will be presented by the consultant team at the third and final community meeting as part of the overall engagement process on January 17, 2024. The Town expects to issue RFPs for the development of affordable and attainable housing on each property in February 2024.

- The Town has also actively pursued additional opportunities for the development of affordable and attainable housing. On December 13, the Affordable Housing Trust Fund Board of Trustees, acting through the Town Manager, entered into a Purchase & Sale Agreement to purchase the ½ acre property at 1533 Main Street, which abuts the Town-owned Main Street parcel. This property will add synergistically to the development potential of the adjacent Town-owned property and facilitate circulation and emergency access within the site. This additional half-acre was part of the consultants' final plans and presentation at the community forum held on January 17, 2024. The Town is expected to close on the ½ acre lot on January 19, 2024.

Having highlighted the substantial achievements in 2023, below recognizes development as an important economic indicator in shaping our community.

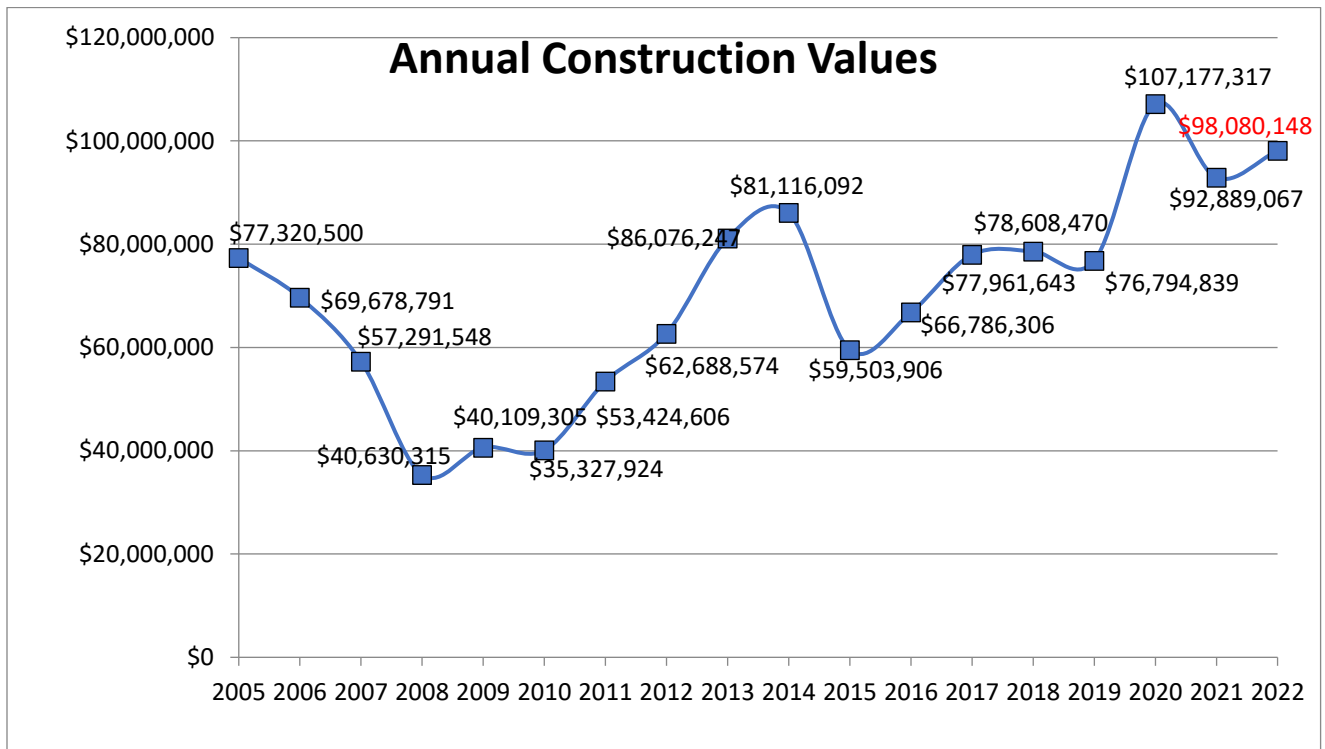
Economic Conditions Summary – Building/New Growth Activity

Delving into the Economic Conditions Summary – Building/New Growth Activity, the landscape of residential development in 2023 continued to slow with only 25 permits issued for new dwellings. However, the redevelopment of residential structures exhibited strength, marked by 957 permits for renovations and additions to existing dwellings. In the commercial realm, the absence of new structures in 2023 was compensated by a rise in alterations to existing commercial structures, totaling 66 permits, up from 48 in 2022. This increase shows that the demand for commercial space in Chatham continues to be strong.

The number of overall permits increased slightly from 1,060 in 2022 to 1,077 in 2023. The value of permitted construction activity increased slightly in 2023 as shown in the chart below.

The recorded value of permits, excluding public projects in 2023 was 5.6% higher than in 2022. The value in 2022 was \$92,889,067 and in 2023 was \$98,080,148.

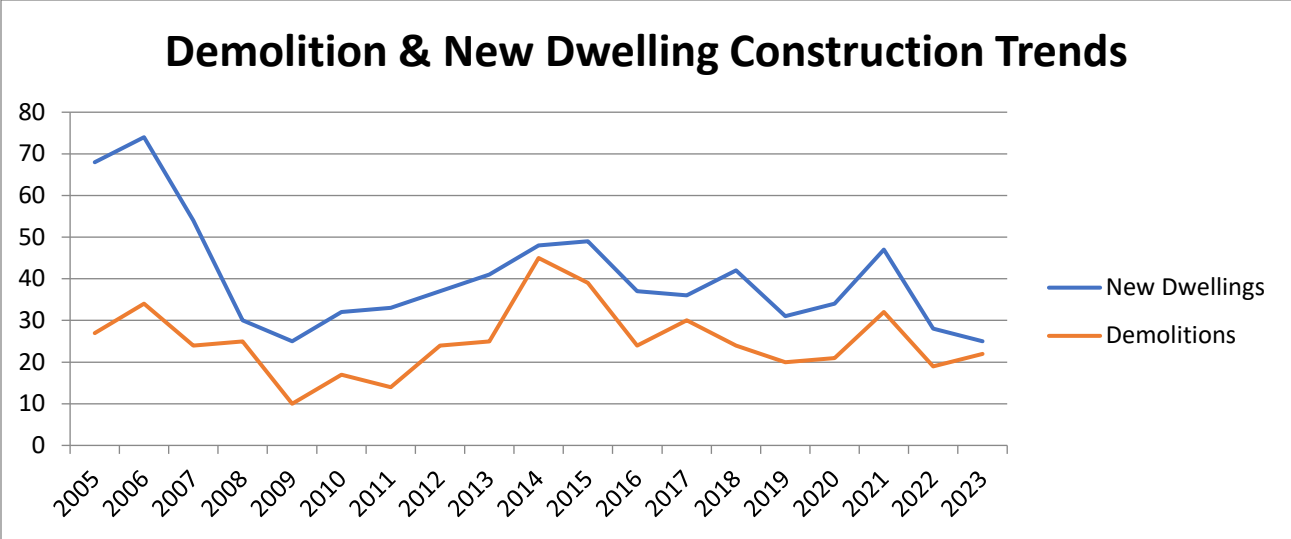
Figure 1: 2005 – 2023 Construction Values (excluding public projects)



It is noteworthy that the continued rise in the average home value in Chatham has enhanced the economic feasibility of upgrading existing homes throughout the Town. This trend extends beyond traditionally higher-value areas, impacting the entire community and encouraging 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 2023 the Average Residential Value was \$1,479,550, and Average Single-Family Value was \$1,580,090.

For the past several years, we have also monitored the correlation between demolitions and permitting of new dwellings. The number of demolitions increased slightly from 19 in 2022 to 22 in 2023. The number of demolition permits peaked in 2014 with 45 issued.



The historical trend of construction activity being mainly residential continued in 2023 at 94%. 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 decreased to \$867,758 in 2023 from \$1,195,541 in 2022. 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 (957 in 2023, 961 in 2022, 1007 in 2021, 845 in 2020, 818 in 2019, 913 in 2018, and 780 in 2017) far outpaces the number of new dwellings annually.

FY2025 Budget Executive Summary – A Balanced Budget; An All-Encompassing Budget to Chart Chatham’s Future

The formula for a successful budget review is the generation of operational and financial plans, program review and public engagement, and establishment of goals and objectives that will serve all 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 FY2025 was for a level-services budget.

The Town’s FY2025 Operating Budget, without the education assessments is \$40,016,023; an increase of \$1,925,483 or 5.06% over the FY2024 budget. This includes contractual obligations, and fixed costs increases due to inflation. However, no additional staffing is recommended. Details of proposed budget increases are described in this transmittal with education/school assessments voted separately at the Annual Town Meeting. 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 11, 2024; Final vote scheduled for March 14, 2024
Cape Cod Regional Technical High School Budget:	Preliminary Budget Release Date in mid-January with vote in February 2024
Cape Cod Municipal Health Group (CCMHG):	Benefit Plan Design/Costs Release Date February 2024
Governor’s House 2 Budget:	Release Date: Mid-January 2024
Debt Service:	Based on Debt Schedule for FY2025

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 \$47,013,572, amounting to Chatham’s statutory assessment draft amount at \$10,461,947 including Capital and Chatham Elementary School additional assessment. 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 portion of the Assessment* based on the draft budget is \$1,105,937 over the previous methodology (see revenues for new assessment funding methodology). The preliminary budget is due to the Town on January 15, under the current Regional Agreement. The School Committee will hold a public hearing on February 8, 2024. The Chatham Select Board will receive the MRSD FY2025 Budget presentation tentatively scheduled for February 27, 2024.

The FY2025 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 potential warrant articles which will be updated when the 2024 Town Meeting warrant is finalized.

The FY2025 Operating and Capital Budgets as presented provide for no impact to the Town’s FY2024 Tax Rate of \$3.57 and 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 FY2024 tax rate of \$3.57 decreased by 0.31¢ per thousand dollars of assessed value from FY2023. The FY2023 tax rate of \$3.88 had a decrease to the FY2022 tax rate of \$4.62. The valuation of the Town has increased over the past three years and is at its highest level since FY2010 at \$11,609,649,760; an increase of 17.06% from FY2023 valuation of \$9,917,611,890. Tax rate projections will be provided as the Select Board reviews the warrant articles.

Tax Rate History	
FY2017	\$5.03
FY2018	\$4.87
FY2019	\$4.85
FY2020	\$4.82
FY2021	\$4.98
FY2022	\$4.62
FY2023	\$3.88
FY2024	\$3.57

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 FY2025, the amount the Town may raise through the property tax is as follows:

Tax Levy		FY2025
Base (prior year limit)		36,856,537
X 2.5%		921,413
New Growth		400,000
Debt Exclusions – prior approved debt		7,213,461
MRSD debt exclusion – prior approved		409,845
Barnstable County Tax		<u>337,948</u>
<i>Total Estimated Allowable Levy “Ceiling”</i>		\$46,113,169
Excess Levy Capacity – Not Used		(4,405,000)
<i>Total Estimated Tax Levy</i>		<i>\$41,708,169</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. The WUF balance as of December 31, 2023, is \$1,825,058.48. 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 three payments of \$615,150 received in FY2022, FY2023 and FY2024 have been 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 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. *As of December 31, 2023, the Town of Chatham is still waiting for enactment of this Legislation (H3971).*

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 (YTD) receipts for FY2024 (through December 31, 2023) to those received for the same period in FY2023. There has been a steady increase in Local Rooms revenues from FY2023 to FY2024, with a year-to-date difference of \$1,761,092 in FY2024 as of December 31, 2023.

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

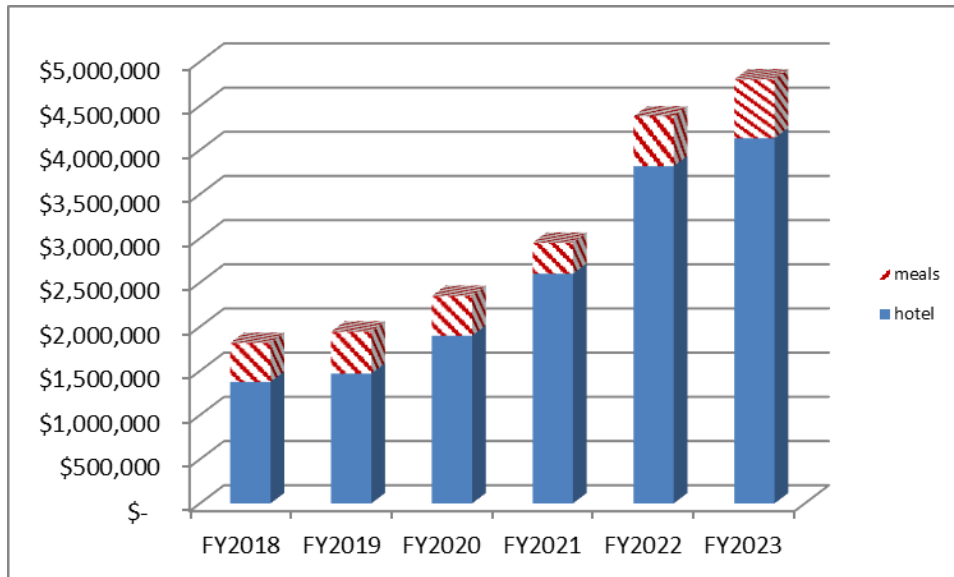
Fiscal Year	1 st Quarter	Difference	2 nd Quarter	Difference	YTD Diff
FY2022	\$1,524,564	(\$148,022)	\$1,676,506	\$1,221,485	\$1,073,463
FY2023	\$1,829,356	\$304,792	\$1,619,351	(\$57,155)	\$247,637
FY2024	\$2,788,112	\$958,756	\$2,421,687	\$802,336	\$1,761,092

The receipts for the Meals Tax reflect the rebound from the impact of the pandemic on local restaurants from FY2022 to FY2023 and in FY2024 is starting to show a consistent revenue source, as there was not much change from FY2023 to FY2024 as of December 31, 2023.

Meals Tax

Fiscal Year	1st Quarter	Difference	2nd Quarter	Difference	YTD Diff
FY2022	\$205,830	\$85,045	\$221,518	\$77,416	\$162,462
FY2023	\$262,292	\$56,462	\$252,307	\$30,789	\$87,251
FY2024	\$267,664	\$5,372	\$253,496	\$1,189	\$6,561

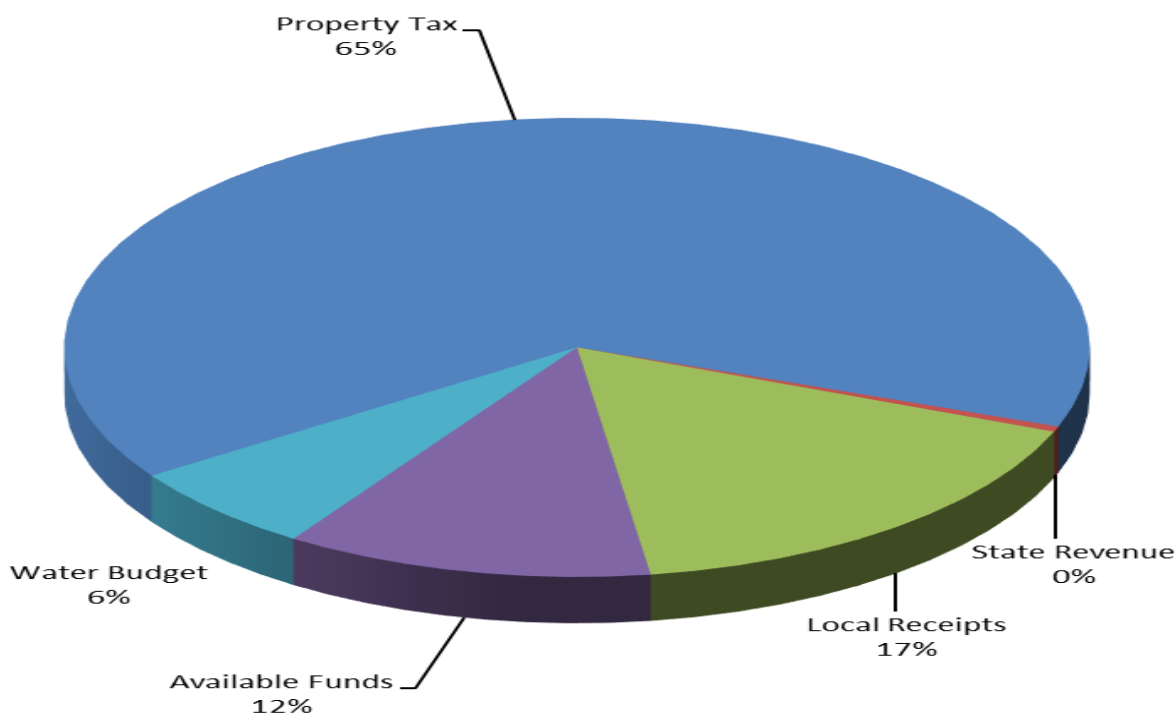
Figure 2: Hotel & Meals Tax Receipts



The preliminary FY2025 revenue forecast reflects the following:

- New Growth is projected at \$400,000; this is lower than the actual in FY2023 & FY2024 but is a conservative estimate.
- Debt Schedule/Structure - FY2025 debt schedule reflects an increase of \$411,406 in the amount for General Fund principal and interest for previously Town approved projects with the issuance of General Obligation bonds at the end of FY2023 and Clean Water Trust (State Revolving Funds) 19-47 & CW-19-47A loans at zero percent interest. 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 to be approximately 85.0%¹ of the revenues received in FY2023, an increase of 13.68% over the estimate from the prior year actual. Any revenue more than estimated 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 FY2024 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. Fiscal Year 2023 Free Cash was submitted for certification in December 2023 to the MA Department of Revenue (DOR). We are awaiting certification. Free Cash was certified at the end of fiscal year 2022 in the amount of \$7,541,864; we project this year’s amount to less than prior years Free Cash certifications due in part to segregating the wastewater IMA funds previously closed to Free Cash. The amount of ‘available’ Free Cash programmed for the FY2025 Capital budget Article is \$2,154,000.

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 \$87,456.78 in funds that must be used for “prevention, harm reduction, treatment, and recovery programs. These funds have been used to fund Regional Recovery Coaches via Outer Cape Health Services available to all residents and Town employees at no cost. The DOR updated its Advisory in December 2023 that the accounting for this settlement revenue/expenditures be held in a Special Revenue Fund – i.e. we do not need a separate warrant article for placement of these funds as we did in ATM 2023 Article 39. Funds can be expended directly without further appropriation.

EXPENDITURES

Like prior budgets, the FY2025 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 FY2025 Operating Budget increases by 5.06% as compared to FY2024, without the Educational Assessments. Further explanation of this increase is detailed in the following sections. The following presents proposed funding by key budget categories along with percentage changes as compared to FY2024:

Table 4: General Operating Budget (With Education Assessments)

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Dept Request	FY 2025 Town Manager	% Difference FY2024 - Town Manager
Expenses						
Operating Budgets						
General Government	2,591,793	2,674,591	3,182,375	3,482,752	3,417,552	7.39%
Public Safety	6,893,548	7,370,423	7,834,887	8,199,541	8,139,541	3.89%
Community Development	813,072	907,822	1,056,642	1,115,441	1,114,441	5.47%
Natural Resources	1,740,726	2,194,067	2,236,598	2,325,894	2,324,452	3.93%
Public Works & Facilities	6,856,867	6,548,080	7,025,342	7,400,859	7,338,859	4.46%
Community & Social Services	1,374,093	2,220,260	2,847,066	2,853,012	2,851,063	0.14%
Education	8,968,969	9,837,826	10,086,552	11,092,336	11,069,927	9.75%
Employee Benefits	5,021,068	5,357,113	5,809,098	6,205,028	6,192,528	6.60%
Undistributed Ins. & Reserve Fund	755,890	821,240	950,228	1,095,556	1,077,876	13.43%
Debt Service	6,566,652	6,335,496	7,148,305	7,559,711	7,559,711	5.76%
Operating Budget Total	41,582,678	44,266,917	48,177,092	51,330,130	51,085,950	6.04%

Factors contributing to the percentage increases in FY2025 expenses remain from previous fiscal years. We are still seeing increases in the following areas such as: Insurance Budget at 13.43% (\$127,648), General Government at 7.39% (\$235,177), Employee Benefits at 6.6% (\$383,430), and Debt Service for previously approved debt at 5.76% (\$411,406).

Other contributing factors relate to Personnel Services line items affecting most Departments. This includes FY2024 implementation of Collins Center Classification/Compensation Plan (ATM 2022 Article 14) and the new 8.5 full-time equivalent positions approved in FY2024. Such is detailed in the Wage/Salary Overview section below.

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. We have also seen increases to our Software contracts. 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 ¹	\$397,000
• Employee Benefits	\$343,430
• Insurances	<u>\$127,648</u>
	\$868,078

Additionally, we continue to review items requested in the Capital Budget that should belong in the Operating Budget. For FY2025 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.

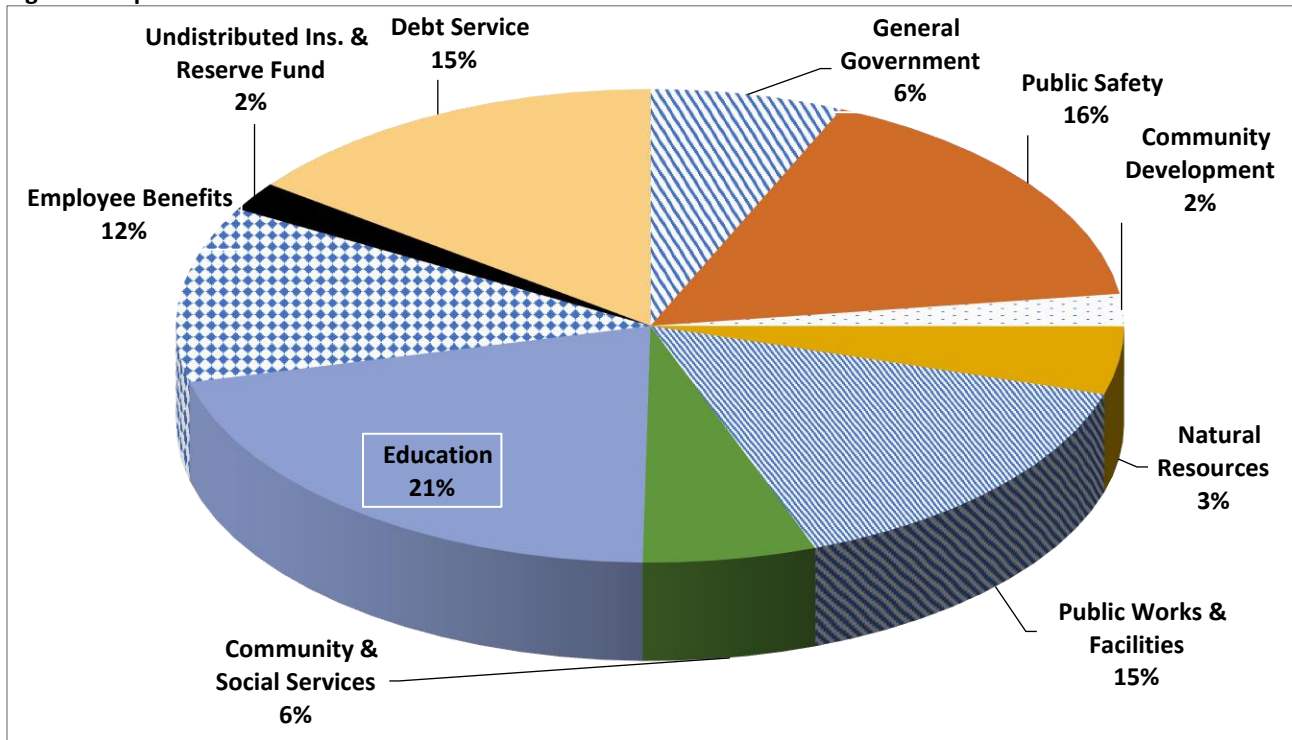
- Chatham employees contribute a range of 9% to 11% of their salaries for retirement to the Barnstable County Retirement Board/System and do not contribute to Social Security nor does the Town as the employer. Overall retirements/pensions continue to impact Town expenses. The Barnstable County Retirement line item includes an increase of \$96,156 or 3.73% for FY2025. The Town’s assessment 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 Cape Cod Municipal Health Group (CCMHG) – a regional joint purchase group/trust for health benefits/plan premiums. The figures presented in the Budget summary represent a 10.0% increase in the Health Insurance line as we wait for the preliminary rates from CCMGH. The increase in employee premium contributions (from 30% to 35%) for employees hired after 2013 allowed us to keep the budget increase to a minimum in past years.
- Property liability insurance increased by 20% in FY2024 (due to the value of Town properties) and we project an increase of 15% for FY2025. 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

¹ At the time of this memo the Town will be going out to bid for Contract services for Water and Sewer Ops. Other contractual items are: SEMASS, IT Contract services and Revaluation, etc.

number of vehicles (including boats). Cybersecurity/Data coverage was added several years ago, and the cost of this item has also increased for FY2025 as municipalities are focused on securing our data. We continue to review risk control measures, and our Insurer offers periodic employee training to reduce risk and exposure.

- Worker’s Compensation insurance is level funded for FY2025 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.
- 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 FY2025 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 FY2024, the cost-of-living adjustments (COLA) was 3%, along with contractual adjustments for step increases. The net increase in salaries from FY2024 to FY2025 is \$523,441; a 3.33% increase. In 2023 (FY2024), there were a few offsets from retirements of long-serving and dedicated employees - namely Director of Natural Resources Bob Duncanson, Finance Director Alix Heilala, Police Officer Whittle and the upcoming retirement of Harbormaster Stuart Smith in March 2024.

For FY2025 the cost-of-living increase through our local economic performance formula is 3%. In FY2024 salaries were adjusted based on work begun in 2019 through a grant for a Classification/Compensation Review from the Collins Center for non-public safety employees (Personnel Policies, Chatham Municipal Employees Association CMEA, and Chatham Managers Association CMA). The new schedule reflects market conditions for the Town to remain competitive with the goal of retaining and recruiting professional employees to best serve the Town of Chatham. The FY2024 salaries listed below include the implementation of the new salary schedule. Below is a chart listing the changes in salary line items by category.

Salary Only	Voted FY2024	TM Rec. FY2025	\$ Incr./ (Decr.)	%
I. General Government	\$2,033,700	\$2,118,327	\$84,627	4.16%
II. Public Safety	\$7,076,190	\$7,352,103	\$275,914	3.90%
III. Community Development	\$841,842	\$886,670	\$44,799	5.32%
IV. Health & Environment	\$1,808,785	\$1,879,554	\$70,769	3.91%
V. Public Works	\$2,498,041	\$2,550,049	\$52,008	2.08%
VI. Community Services	\$1,475,968	\$1,468,596	(\$7,372) ²	-0.50%
Subtotal, I-VI	\$15,734,525	\$16,257,966	\$523,441	3.33%

Department Staffing Requests

The following positions have been put forward for FY2025 by Departments to address workload and service capacity. However as of January 18, 2024, I am recommending no new positions. At this time, I recommend a pause to evaluate the positive impacts new positions added last year have had, and to determine if any realignments would increase efficiencies further. This will also provide our newest Department and Division heads time to assess their staffing needs for the future rather than be constrained by past expectations.

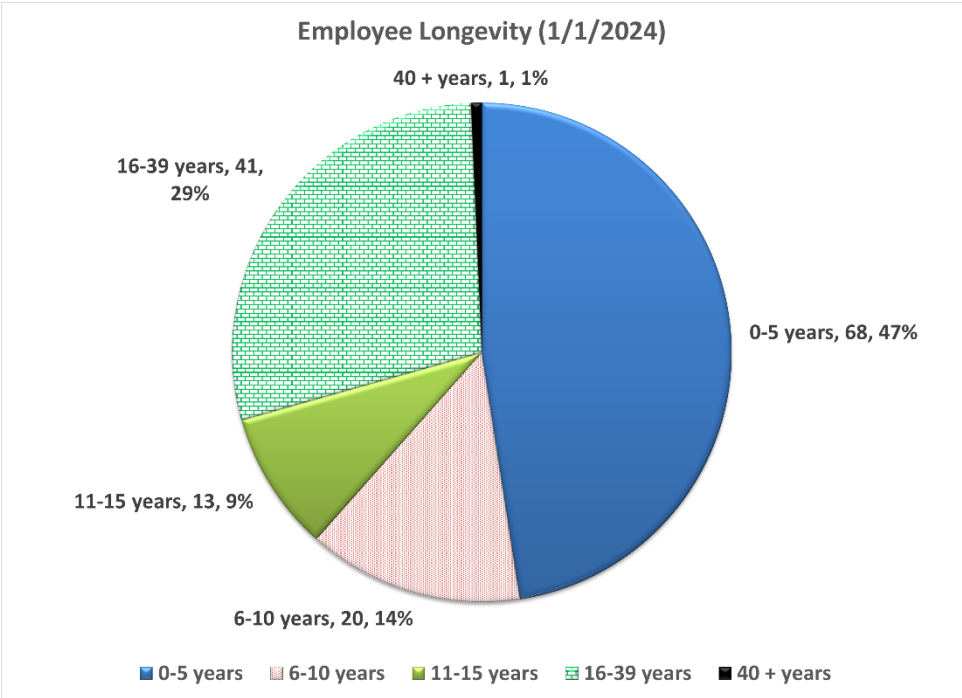
DEPARTMENT	REQUESTED (FTE = Full-time Equivalent)	DESCRIPTION	FISCAL IMPACT	TOWN MGR REC.
GENERAL GOVT. Accounting	1 FTE	Department Coordinator: Budget Analyst/ Sticker Office Administrator	\$62,046	HOLD
PUBLIC SAFETY Police Department	1 FTE	Police Officer	\$91,299	HOLD
NATURAL RESOURCES Harbormaster Division	1 FTE	Boat Operator/Marine Mechanic	\$65,146	HOLD

² Denotes funding of the seasonal Recreation employees hired for the tennis and swimming programs from the General Fund to the Recreation Revolving Fund.

COMMUNITY DEVELOPMENT Building Division	1 FTE	Local Inspector (due to possible Building Code changes requiring annual inspections of Short-Term Rentals) Not the same as the FY2024 funded position	\$70,464	HOLD
TOTAL	4 FTE		\$288,955	

YEARS OF SERVICE BREAKDOWN FOR 2024

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 2024, that number has decreased to 39%.



Personnel wages and benefits represent approximately 49.67% of the Town’s operating budget (excluding debt service) in FY2025. 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 for staffing details and history by Division

The Town relies on part-time seasonal and intermittent staffing throughout the year - almost 42% of the workforce - to address the seasonality of Town operations. Seasonal and intermittent recruitment has been very difficult for lifeguards, skilled labor positions and staffing of the Sticker Office. For the proposed FY2025 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 five years.

All Unions 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. These cost-saving items related to employment benefits were implemented as a result of budgetary requirements during that time. In order to remain competitive within the local employment market, evaluations of impacts to total employee compensation are ongoing.

In FY2025, 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 end on June 30, 2024. Successor CBA negotiations have begun. A separate warrant article may be proposed for funding any financial related items as such is not included in the FY2025 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 FY2024 this has raised over \$311,098 to fund OPEB through December 31, 2023 and \$510,123 in FY2023. For FY2025, we have pause on the contribution of \$150,000 as a transfer from the Overlay Surplus to fund OPEB and recommend this transfer to the Stabilization Fund. 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, 2023 is \$14,675,790 a decrease of \$2,458,551 from 2022 as the Plan's Fiduciary Position increased (by \$1,143,976) and our total OPEB liability decreased by \$1,314,271. The balance in the OPEB Trust Fund³ is \$4,295,505 as June 30, 2023.

The OPEB Trustees include Select Board Chair Metters, Select Board Member Dykens, Finance Committee Chair Daniel, Treasurer/Collector Drown, and Finance Director Mazerolle. The Town Manager serves ex-officio. The Trustees meet regularly to review funding strategies and the Town's

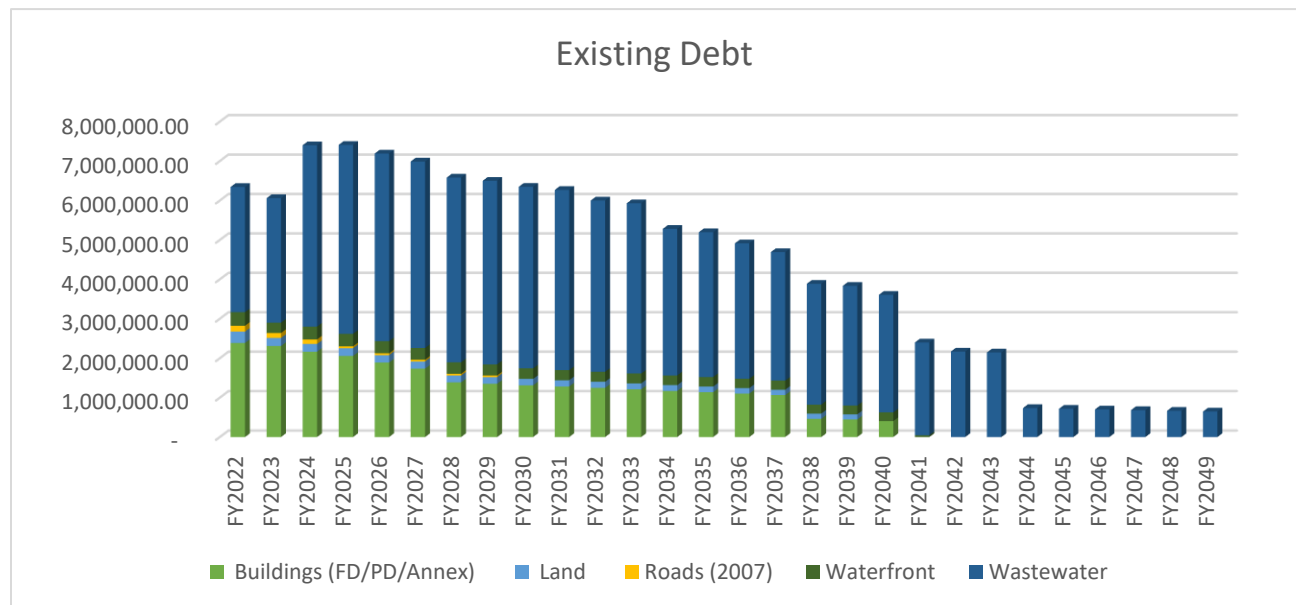
³ Bartholomew & Co Statement 12/31/2023

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 as it has enabled the Town to issue new debt without large spikes to the tax rate. The Town continues to take advantage of the highly competitive loans through the Clean Water Trust (“Trust” or 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. On August 13, 2023 the Town was awarded \$1,250,000 principal forgiveness for the Sludge Processing (Belt Filter Press) project that will be financed through the Trust. There were six new issuances under the Trust (at zero percent interest) in FY2023/FY2024, which results in an increase in the debt budget by \$411,406 for FY2025. In May 2023, the Town also issued General Obligation Bonds for Wastewater project costs not eligible for funding through the Trust as well as bonding for Water Projects (paid from the Water Fund). As previously noted, a multi-year debt schedule is presented so that decisions impacting future years can be known at the time of Annual Town Meeting.

Figure 6: Existing Debt Schedule (General Fund)

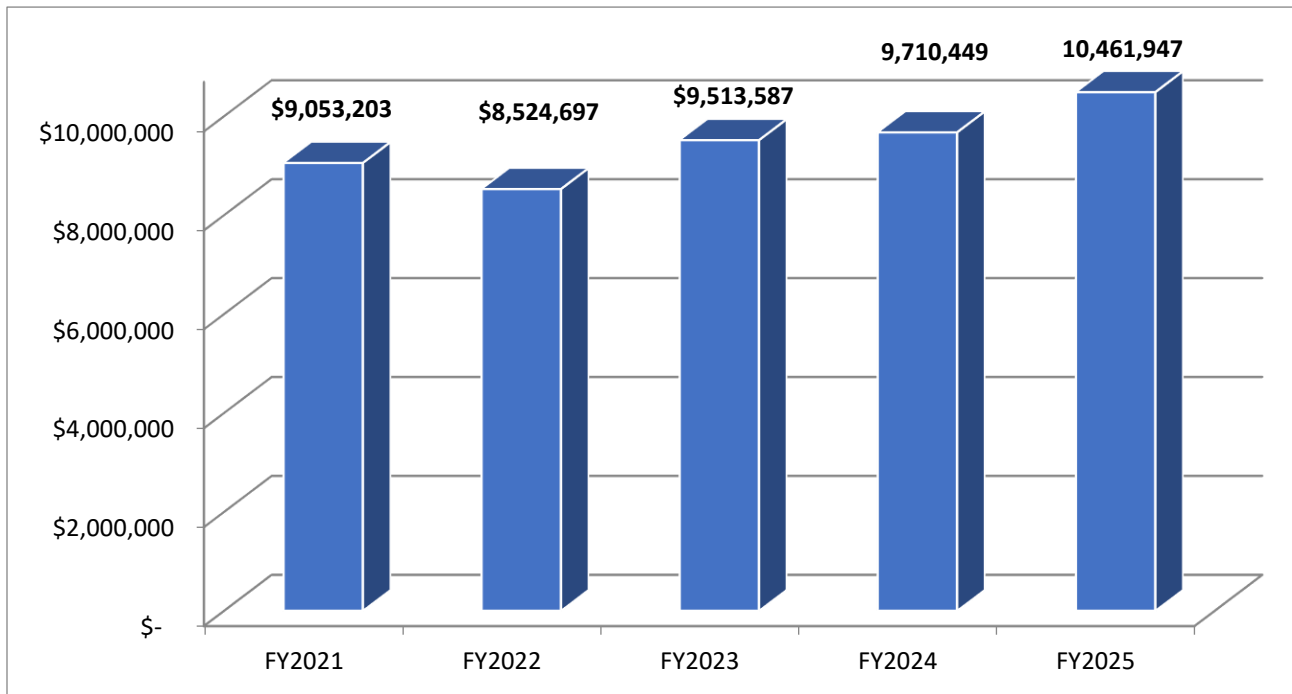


Education Budgets - Voted as a Separate Town Meeting Articles

Regional Schools Assessments	FY2023	FY2024 - Voted	FY2025 - Proposed	% Increase
Monomoy Regional				
Direct Costs-Town	\$9,067,552	\$9,282,757	\$10,052,102	8.29%
Debt Service (P & I)	\$446,035	\$427,692	\$409,845	-4.17%
Total MRSD	\$9,513,587	\$9,710,449	\$10,461,947	7.74 %
Cape Cod Regional Tech High				
Expense	\$243,480	\$260,452	\$434,823	66.95%
Debt Service (P & I)	\$111,755	\$115,651	\$173,157	49.72%
Total CCRTHS	\$355,235	\$376,103	\$607,980	61.65%
Total Public Schools	\$9,868,822	\$10,086,552	\$11,069,927	9.75%

Monomoy Regional School Budget - The FY2025 draft Monomoy Regional Budget includes an overall increase in its operating budget of 6.14%. With that, the proposed assessment for Chatham is \$10,461,947, an increase of 7.74% over FY2024 which includes debt service. At the date of this memo, we await the percentage on which the assessments are split between the two Towns; which is based on the three-year rolling enrollment average (for FY2024 it must be noted that Chatham’s percentage is 23.17% based on the three-year rolling enrollment average). As noted above, the assessment methodology was most recently amended at Annual Town Meeting 2022. The Monomoy Regional School Committee will vote on the draft budget on January 11, 2024.

Figure 7: Monomoy Regional School District



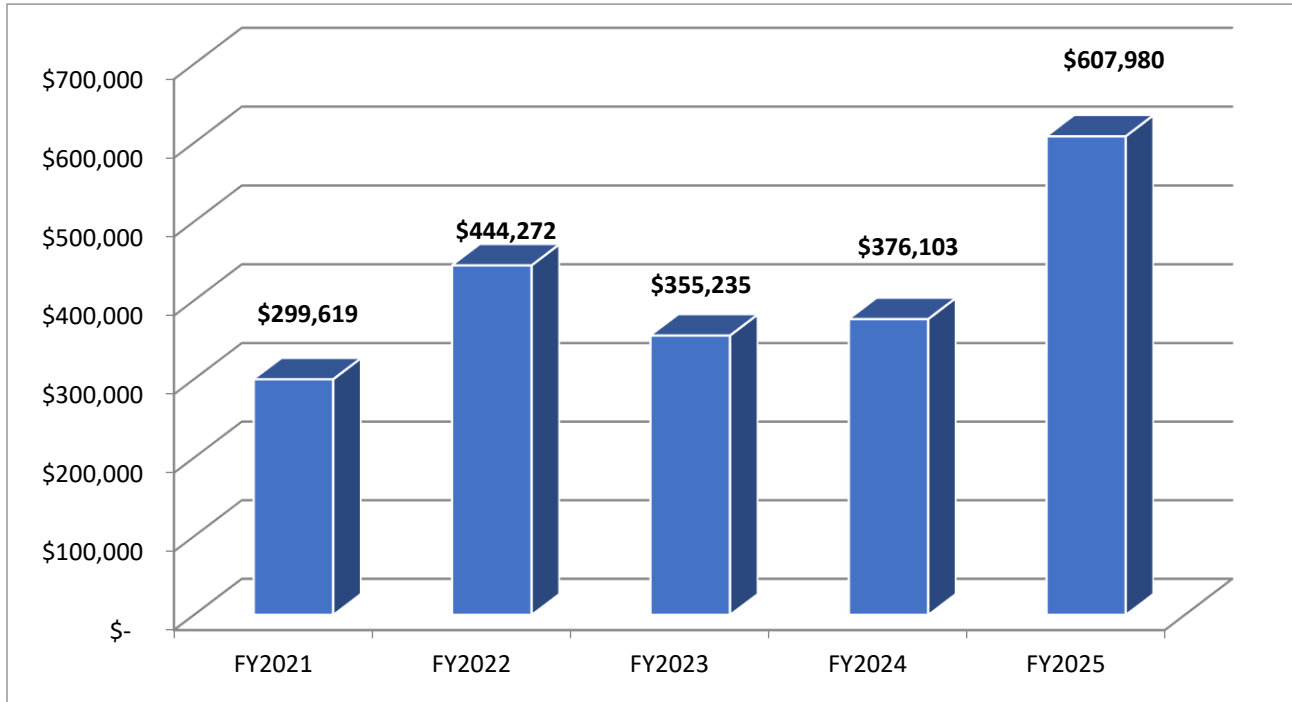
The Annual Town Meeting in 2023 approved the ‘Alternative Assessment’ methodology which provides that each member Town fund their own Elementary School. In FY2023 this resulted in an increased assessment to Chatham of \$739,747; in FY2024 the increased amount for Chatham Elementary School (CES) is \$650,794 and in FY2025 the increased amount for Chatham Elementary School is \$ 1,105,937. With the pending adoption of the additional room occupancy tax⁴ (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 60%. The Assessment is based on the number of Chatham students who attend the school, and that number has increased by seven, from 13 to 20, that is a 50% increase in students in FY2025 compared to the FY2024 budget. The assessment for Chatham increases by 60%, a reflection of the increase of 13 students (to 20) for the upcoming year. Also included in the FY2025 budget assessment is the debt service of (\$173,157) for the new Technical High School building.

The net effect of both Regional School budgets is a projected 9.75% increase to the Education Budgets, based on the statutory agreements.

⁴ Pending approval at the State Legislature

Figure 8: Cape Cod Regional Technical High School Budget



Five-Year Capital Plan (FY2025) - FY2025

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 FY2025 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, Families, Older Adults
- 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 FY2025 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 FY2025 the Capital Plan is recommended at \$2,367,220 or 5.4% and is funded through Free Cash and other available funds. The FY205 Capital Budget proposes no use of the tax levy.

Table 9: FY2025 Capital Program Budget Summary and Funding Sources

DESCRIPTION	FY2024 Actual	FY2025 Dept. Request	FY2025 Proposed
CAPITAL PROGRAM & BUDGET SUMMARY			
General Government	390,000	500,000	400,000
Public Safety	240,000	325,000	174,720
Community Services		506,291	200,000
Natural Resources	395,000	1,120,000	195,000
Public Works (without Water)	1,490,000	6,226,000	660,000
Equipment	1,159,000	1,816,200	737,500
Total Town Funded Capital Budget	3,674,000	10,493,491	2,367,220
Funding Sources:			
Free Cash			2,154,000
Waterways Improvement Funds			80,000
Cemetery Sale of Lots			25,000
PEG Access Fund			20,000
Prior Articles			88,220
Raise & Appropriate (available Tax Levy)			
Total Funding Sources			\$ 2,367,220

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.	FY25 Request	FY25 TMGR Rec
Land Management, Assessment & GIS	IT	\$50,000	\$50,000
Hardware replacement & upgrade	IT	\$50,000	\$50,000
Channel 18 Equipment	IT	\$20,000	\$20,000
Core Network Upgrade	IT	\$50,000	\$50,000
Consulting & Engineering	TM	\$100,000	\$100,000
Dishwasher	COA	\$9,000	\$9,000
Generator(s)	EM/BG	\$40,000	\$40,000
Portable Radio Equipment	PD	\$16,000	\$16,000
Body Worn Camera Program	PD	\$150,000	\$150,000
Protective Clothing	FD	\$50,000	\$50,000
Radios - mobile & portable	FD	\$10,000	\$10,000
Self-Contained Breathing Apparatus	FD	\$10,000	\$10,000

Drainage/Storm Water Management - MS4	STW	\$50,000	\$50,000
Conservation Lands Management/Forest	NR	\$10,000	\$10,000
Oyster Pond Furlong Management	NR	\$100,000	\$100,000
Town Landing Infrastructure Improvements	NR/CR	\$10,000	\$10,000
Aids to Navigation	NR/HBR	\$20,000	\$20,000
Flood Gate Assessment & Schematic Design	NR/HBR	\$50,000	\$25,000
Knuckle Boom for Flatbed Truck	NR/HBR	\$25,000	\$25,000
Offloading Davit for South Jog - Fish Pier	NR/HBR	\$25,000	\$25,000
Flat bed Trailer	NR/HBR	\$8,500	\$8,500
Boat Trailer for 27' SAFE Boat	NR/HBR	\$10,000	\$10,000
Sponson Replacement H-17	NR/HBR	\$9,000	\$9,000
Engine Replacement H-24	NR/HBR	\$40,000	\$40,000
Cemetery Headstones	CEM	\$10,000	\$10,000
Cemetery Fence Repair/Vegetation Removal	CEM	\$15,000	\$15,000
Road Resurfacing	HWY	\$200,000	\$200,000
Emergency Road Repair	HWY	\$20,000	\$10,000
Catch Basins	HWY	\$60,000	\$30,000
Road Maintenance	HWY	\$35,000	\$20,000
Sidewalk Construction	HWY	\$100,000	\$100,000
Bike Trail Maintenance	HWY	\$10,000	\$10,000
Replace 2006 Tractor Mower	GRDS	\$175,000	\$175,000
Water Main Replacement	SEW	\$10,000	\$10,000
Property Management – All Buildings	BG	\$200,000	\$200,000
Public Restroom Upgrades	BG	\$30,000	\$30,000
Mitchell River Bridge Maintenance/Improvements	NR/HBR	\$75,000	\$30,000
ADA Improvements - all buildings	BG	\$250,000	\$200,000
Community Center Furniture Replacement	REC	\$110,533	\$50,000
Cardio Equipment - Community Center	REC	\$14,000	\$10,000
Seaside Links Pump Station	REC	\$148,058	\$150,000
Annual PD Cruisers (2) Replacement	PD/TM	\$120,000	\$120,000
Replace FD SUV	FD/TM	\$80,000	\$54,720
Stump Grinder	GRDS	\$55,000	\$55,000
		\$2,630,091	\$2,367,220

Other potential Capital Articles will be presented in a few weeks with the Select Board’s review of Capital and Community priorities for the 2024 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. Please tune into the Select Board meetings in February and March as they review the 2024 Annual Town Meeting warrant. Potential articles include are listed below but have not been reviewed by the Select Board as of the writing of this transmittal:

POTENTIAL 2024 Annual Town Meeting Articles	Amount
Capital Project and Debt Exclusion/Borrowing - Transfer Station- Ballot Question	\$2,000,000
Capital Project Debt Exclusion/Tax Levy/Borrowing - Sewer/Wastewater Engineering and Design (Further development of Phase I)	\$250,000
Water Capital - Water Mains [Water Surplus Funds]	\$500,000
Sewer Capital - Lining of 8-inch AC Force main Pipe, Rehab of Septage Bldg Lakeside, Original Sewer Collection System Repairs [Transfer from Wastewater Capital Stabilization Fund]	\$1,735,000
<i>Dredging (included in projected tax rate)</i>	\$400,000
<i>Childcare Voucher Program (included in projected tax rate)</i>	\$125,000
Stabilization Appropriation Per Policies [Transfer from Overlay Surplus]	\$150,000
Other Post Employment Benefits (OPEB) Funding (Tax Levy)	\$150,000
Capital - Chatham Municipal Airport; Federal Fiscal Year (FFY) 2025 Capital Improvement Plan (CIP) Projects (Tax Levy)	\$170,000
Capital - Chatham Municipal Airport EV Stations Project (Tax Levy)	\$440,657
Capital Article - Transfer Station Roll Off Truck (Tax Levy)	\$361,700

Community Preservation Act

For FY2025, there are fifteen (9) potential projects; applications were received by November 1st and the Community Preservation Committee continues their review of the proposed projects. The total of the requests is \$1,462,700; \$695,000 for affordable housing projects, \$350,000 for historic preservation projects, \$402,700 for recreation, and \$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 January 22, 2024 for FY2025.

FY2025 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 FY2024 vs. FY2023 through the first half of the fiscal year. There has been an increase in the Water Budget due to increased costs for plant maintenance, chemicals, labor and the Debt has increased from FY2024 to FY2025 by 48%. At this time, we project that water revenues will cover the FY2025 proposed budget, but we are not recommending any new debt be incurred. We recommend that water rates be reviewed.

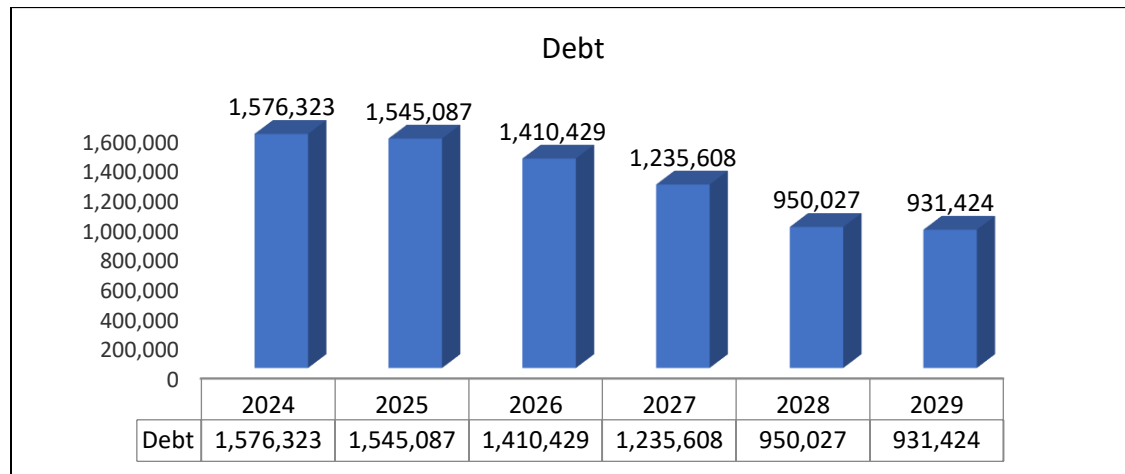
50 WATER OPERATING FUND	FY2023 ACTUAL	FY24 VOTED	FY25 DEPT REQUESTED	
Water Fund Salary	\$ 205,614	\$244,014	\$273,732	
Water Fund Expenses	\$ 1,888,373	\$2,213,550	\$2,200,500	
Overhead	\$ 307,993	\$ 318,773	\$ 329,930	
Debt Service – as of 1/18/24	<u>\$ 1,055,581</u>	<u>\$1,137,234</u>	<u>\$1,595,087</u>	
TOTAL COSTS	\$ 3,457,561	\$3,913,571	\$4,399,250	12.41%

Water Department Five-Year Capital Plan

The Water Department has a separate capital budget, funded by revenue from water usage charges and is a component of 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. Staff and the Water & Sewer Advisory Committee are working on a more comprehensive water capital and investment plan.

Water capital articles are funded in the Water Fund by ratepayers, not funded via the tax levy. The Fund has \$1,036,279 in retained earnings (similar to Free Cash) for funding potential warrant articles in FY2025.

Figure 10: Projected Water Debt – 2% State Revolving Fund (SRF) for 5 Years



Wastewater Program/Sewer Project -Status

C.C. Construction, South Dennis, continued work on the Phase 1D-2A construction contract (\$8,478,406), 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). Two (2) wastewater pump stations (PS) are part

of this contract, one on Morton Road at the bike path has been completed while the second on town-owned property at the intersection of Meetinghouse Road and Route 28 has yet to be finalized. Construction began in fall 2022 and completion is expected in spring 2024.

C.C. Construction, South Dennis, also continued work for the Queen Anne Pumps Station (QAPS) project (\$2,103,000). The Project is upgrading/rebuilding the Queen Anne PS, built as part of the original sewer collection system in 1969-1970. The station needed to be upgraded to a more modern, energy efficient pump & controls, as well as increased capacity as more sewer flow from other parts of the Town 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 began in early 2023 and is expected to be completed in spring 2024.

N&M Excavating, LLC, Brewster, completed work for the Crowell Road Phase II Project (\$2,683,952). This Project was a continuation of stormwater improvements along Crowell Road from the Lake St. to Kendrick Harvest Way and around the DPW Facility. The Project also installed 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 installed a dry sewer along a section of Crowell Rd. in anticipation of future projects. Work began in Fall 2022 and was substantially complete in December 2023.

Robert B. Our Co, Harwich, was awarded the Mill Pond Pump Station project (\$2,963,000). The project is designed to upgrade/rebuild the Mill Pond PS, built as part of the original sewer collection system in 1969-1970. The station needed to be upgraded to a more modern, energy efficient pump & controls, as well as be operable under its own generator power. The Mill Pond PS is located immediately adjacent to Mill Pond which requires environmental sensitivity and poses high water risks. An easement from an adjacent property owner was critical to the success of this project and undergrounding of utilities will improve the neighborhood. Construction is expected to begin in early 2024 and is expected to be complete by fall 2025.

C.C. Construction, South Dennis, was awarded the Phase 1C-5 (Oyster Pond Sewer Extension) construction contract (\$7,976,897), installing sewer on portions of Independence Lane, Pond View Avenue and Pond View Lane, Kelly Lane, Woodcarver Knoll, and connecting the Oyster Pond Condo development. This project will also replace low pressure sewers on Ellis Street and Smith Street with gravity sewers. Two (2) wastewater pump stations are part of this contract, one on Independence Lane and a second on the Oyster Pond Condo site to handle flows from that area. Construction is planned to begin in the fall 2024 and completion is expected in fall 2025.

Dig It Construction, Dennis Port, was awarded the Phase 1E-2 (Stage Harbor Road Sewer Extension) construction contract (\$5,740,826), installing sewer on the southern portion of Stage Harbor Road (from Honeysuckle La. To Champlain Rd.), Atwood Lane, Cedar Swamp (north and south),

Honeysuckle Lane, and the eastern portion of Champlain Road. A new pump station at Old Mill Boat Yard (behind the Harbormaster's shop) will be part of this contract. Construction is scheduled to begin in January 2024 and completion is expected in fall 2025.

All 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 Board's 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. The Health Division Staff sent out 393 orders to connect in 2023 on behalf of the BOH. 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.

For completed sewer construction contracts to date 823± properties have been ordered 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. 557 connections have been completed to date, that is a 68% rate of connection. There are an additional 127 properties in-process, i.e., have applied for a permit, awaiting permit, awaiting contractor, etc.

Phase 1D-2B, side roads off Morton Road and Meetinghouse Road are expected to go to bid in late 2024/early 2025 following resolution of easements for pump stations.

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

⁵ American Rescue Plan Act

Intermunicipal Agreement (IMA) with the Town of Harwich provides for milestone payments as well as reimbursement for operating costs of the Water Pollution Control Facility – referred to as Capacity Purchase Fees. 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. At the May ATM2023 for Fiscal Year FY2024, Article 38 created a new Wastewater Capital Stabilization Fund (M.G.L. Ch 40, Section 5b) to direct all future milestone payments and/or project share costs received by Chatham from Harwich pursuant to the June 20, 2017 Intermunicipal Agreement for Wastewater Collection and Treatment by and between the Towns of Chatham and Harwich, shall be deposited into said Wastewater Capital Stabilization Fund.

Following is the IMA payment schedule:

Payment Date	Capacity Purchase Fee	
6/20/2017	2,265,000.00	received July 1, 2017 (FY2018)
FY2022-23	1,500,000.00	received January 20, 2023 (FY2023)
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 below chart shows anticipated projects and estimated amounts when the Article was prepared for the 2017 Town Meeting. Project priorities and schedule have changed as design and permitting efforts moved forward on different timelines. More specific information on project status follows.

Year	Fish Pier	Fish Pier S. Floats	Fish Pier CS 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 (FP)

The 2017 Bond included multiple anticipated projects, most originating with the Fish Pier Facility Condition Report completed in 2016, including: replacement of the South Jog Bulkhead; replacement of the Wharfinger Building deck/stairs, bulkhead coatings, electrolysis protection; improvements/expansion of the north & south float systems; coastal resiliency improvements to utilities; and misc. HVAC, electrical & interior improvement. The timing of 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 the Packing Building interior columns was included in the Observation Deck Reconstruction Project, completed in 2021. The Observation Deck Project, added to the Waterfront Bond, was fast-tracked to address concerns over visitor safety on the deck and code issues to avoid deck closure. The Observation Deck Project also included replacement of the underground fuel tanks in the Upper Parking Lot (funded outside the Waterfront Bond), resiliency improvements to the fuel system on the Pier face and some electrical upgrades done as part of the fuel tank replacement.

2023 saw completion of the major project to replace the South Jog Bulkhead, including a modest elevation of the bulkhead to address future sea level rise. This project also included replacement of the Wharfinger Building/Fishermen's Monument deck/stair system to improve accessibility and code compliance, improvements to utilities serving the South Jog to improve resiliency, and electrolysis protection to the entire bulkhead from the South Jog to the North Jog. Two additions to this project, not anticipated in the original 2017 plan, were construction of a sidewalk along Barcliff Ave. Ext. and a delineated pedestrian path around the Lower Parking Lot to the South Jog public float. The FP is a significant tourist destination as well as a commercial facility and it is abundantly clear that pedestrian safety improvements were required to avoid an adverse outcome when these two uses combine. This additional work was included as part of the South Jog Bulkhead project for efficiency, coordination, and overall cost savings. The final re-paving of Barcliff Ave. Ext., Lower Parking Lot, and Upper Parking Lot was timed to coincide with stormwater improvements being made along Shore Road and in the Upper Parking Lot.

A cantilevered pedestrian walkway, along the south side of the South Jog filled pier, designed to separate public access to the public float from fish offloading operations was separated out of the Bulkhead Project due to permitting timeline. Permitting this feature would have delayed construction of the new bulkhead by at least a year. Permits for this walkway are being pursued independently to enable completion of this feature at a later date. A temporary walkway marked with Jersey Barriers along the South Jog pier was installed until permitting is complete and the cantilevered walkway constructed.

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. Permitting and engineering was supported by a \$400,000 Seaport Economics Council (SEC) grant. Construction of the new bulkhead received a \$1,000,000 grant from the SEC.

Discussion about the need/want, and engineering and permitting, for a possible second phase, a pile supported extension pier to the South Jog, as well as larger vessel and dinghy floats will follow.



New Deck and Stairs at Wharfinger Building. New sidewalk along Barcliff Ave. Ext.



New Bulkhead along South Jog.

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 fresh seafood products out of the weather until it can be loaded onto trucks.

Eastward Companies completed construction of the Trap Dock shelter building in summer 2023. The shelter building was a part of the plan for the Trap Dock facility but was removed from the pier reconstruction project due to permitting issues. Permitting is highly complex for projects along the waterfront and it is not unusual for permitting to delay projects to following years. To avoid these delays and get facilities operational as quickly as possible it is sometimes necessary to separate projects into already permitted versus new permit components.

As noted previously, the Town was able to work with the Gulf of Maine Research Institute (GMRI) to acquire an ice machine and cooler box as part of the new building. GMRI covered the cost of the ice machine/cooler box (\$68,598) through a Federal grant the received to assist fishing ports in

improving the handling of seafood products. The Town was responsible for the installation cost (\$12,690).

Engineering and permitting for the work described above was performed by GEI with Pomroy Associates (Pomroy) serving as owner's representative. The Pier permitting and engineering was supported by a \$150,000 SEC grant.



New Shelter Building at Trap Dock.

90 Bridge Street

Following the Select Board's endorsement of the 90 Bridge Street Project, a multi-use facility providing both commercial and recreational users waterfront access and home to the re-located Town's shellfish upweller, the Project entered final design and permitting. The Town has received a Conservation Commission Order of Conditions, US Army Corps of Engineers and MassDEP combined Water Quality Certificate and Waterways Chapter 91 Permit, Special permit from the ZBA, HBDC approval, and a Variance from the State Building Code Appeals Board for construction in the flood plain.

The former Coast Guard Boathouse, held by a private entity and accepted by the Select Board for donation back to the Town for use as the building housing the relocated shellfish upweller system,

remains in storage at a shipyard in Quincy. 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 2023 Annual Town Meeting (ATM) approved a request for \$350,000 submitted by town staff under the Community Preservation Act (CPA) historic category to partially fund exterior repairs to the Boathouse upon its return to Chatham.

The Project Team is currently planning to recommend a phased approach to the overall project. As recently announced, dredging in the area of the new pier for the re-located upweller is scheduled for January 2024 using EOED grant funds. The Team is working up a recommendation that installation of the bulkhead around the site be undertaken in spring 2024 with funds from the FY24 Waterways User Fee Revolving Fund (WUF) and a pending SEC construction grant (\$1,000,000). Construction of the pile-supported pier for the upweller, extension of the existing t-pier, and new floats are proposed for next year using Bond funds, WUF, and possible further SEC grants.

Engineering and permitting for the work described above was performed by GEI with Pomroy Associates (Pomroy) serving as owner's representative. Final design and permitting was supported by a \$295,000 SEC grant. The Town is awaiting State sign-off on a \$1,000,000 SEC grant toward construction.

Ryder's Cove Landing

As indicated in previous project briefings, this project was paused to focus resources on more pressing projects at 90 Bridge St., Fish Pier, and Trap Dock. Staff continue regular communication with Coastal Engineering Co. to review status and effort needed to finalize plans and permitting. With several of the mentioned projects closed-out or nearing close-out Ryder's Cove Landing will see renewed focus.

Other Projects

The status of several anticipated projects listed in the 2017 Bond has changed through the passage of time.

Proposed renovations to the Crows Pond Ramp are on indefinite hold due primarily to concerns regarding sea level rise and a lack of space to make appropriate renovations. Crows Pond Ramp sees limited use with the proximity of the all-tide ramp at Ryder's Cove.

A walkway along the ramp at Barn Hill Landing is currently under discussion by various committees as to potential need and type/design, etc.

Reconstruction of the Little Mill Pond pier is currently under design consideration with a potential recommendation that it be funded out of the FY24 Waterways User Fee Revolving Fund (WUF) rather than the Waterfront Bond.

There are several proposed projects related to new or expanded floats for use by the US Coast Guard. These projects are on hold pending conversations with the CG regarding the desired location for their assets.

Waterfront Bond Fiscal Status

Below is a summary (as of January 7, 2024) of the projects funded through the Waterfront Bond showing an available balance in the Waterfront Bond of \$2,265,119.30. Please note this accounting is only for amounts taken from the Waterfront Bond, some early projects had other funding sources in addition to the Bond (as an example the Fish Pier Deck Reconstruction Project had funding available for the fuel tank replacements from a prior article). The available amount could be increased somewhat as POs are closed and unexpended balances revert to the Bond.

Waterfront Bond Appropriation		\$ 11,355,000.00				
Project	PO	PO Amount	Amount Expended to Date	Balance in PO	Notes	
Ryders Cove Landing					Design.	
Engineering	2182	\$ 36,000.00	\$ 31,680.00	\$ 4,320.00		
Owners Rep	TBD					
Construction	TBD					
Fish Pier Obs. Deck					Complete.	
Engineering	1971	\$ 197,555.16	\$ 165,834.47	\$ 31,720.69		
Owners Rep	na		\$ 3,927.00			
Construction	2326	\$1,298,676.66	\$ 1,292,587.05	\$ 6,089.61		
Misc.	na		\$ 126,436.32			
Fish Pier SJ Bukhead					Closeout. Received SEC grant (\$400,000) for engineering/permitting and SEC grant (\$1,000,000) for construction	
Engineering	2768	\$ 378,757.00	\$ 285,714.36	\$ 93,042.64		
Owners Rep	2531	\$ 240,700.00	\$ 240,700.00	\$ -		
Construction	3040	\$ 3,305,904.09	\$ 3,305,904.09	\$ -		
Trap Dock Pier					Complete. Received SEC grant (\$150,000) for engineering/permitting	
Engineering		same PO as Trap Dock Shed engineering				
Owners Rep	2531	\$ 144,300.00	\$ 144,204.41	\$ 95.59		
Construction	2554	\$ 2,450,719.05	\$ 2,424,497.64	\$ 26,221.41		
Trap Dock Shed					Closeout.	
Engineering	2320	\$ 285,520.26	\$ 274,583.91	\$ 10,936.35		
Owners Rep	2531	\$ 66,530.00	\$ 66,530.00	\$ -		
Construction	3052	\$ 415,178.48	\$ 407,162.48	\$ 8,016.00		
Misc.	3083/3092	\$ 15,690.00	\$ 15,690.00	\$ -		
90 Bridge St					Bid Ready. Received SEC grant (\$295,000) for engineering/permitting and SEC grant pending (\$1,000,000) for construction	
Engineering	2632	\$ 176,750.00	\$ 135,700.00	\$ 41,050.00		
Owners Rep	2813	\$ 77,600.00	\$ 70,100.00	\$ 7,500.00		
Construction	TBD			\$ -		
Encumbered/Expended to Date		\$ 9,089,880.70	\$ 8,991,251.73			
Available in Bond		\$ 2,265,119.30	\$ 2,363,748.27			

Other Funding Sources:

Other potential funding sources for waterfront projects include the WUF which, as of December 31, 2023, had a balance of \$1,819,095.32. 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 2023 ATM approved the expenditure of up to \$1,000,000 from the WUF in FY24.

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 construction. 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 2024, with the Fire Station solar energy photovoltaic [PV] rooftop installation having well over four years of operation, the Town’s six (6) current PV installations were fully operational throughout calendar year 2023. 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 2,465,812 kWh of power in FY23 to offset Chatham’s total electrical demand from non-sustainable sources. The total PV system performance from both ground-mounted, rooftop panel installations and Cape and Vineyard Electric Cooperative (CVEC) “off-taker” agreements realized generating approximately 73.5% of total electrical energy demand at municipal facilities in FY23. The FY23 net benefits from the Chatham PV projects of \$452,085 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 2023, the Town continued to participate in other renewable energy initiatives offered through CVEC “off-taker” agreements to receive net metering credits. A total of three “off-taker” agreements added 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 FY23 these off-taker agreements netted \$55,463 in additional benefit to further offset electrical costs. The total net benefits from local electrical production and the off-taker agreements in FY23 of \$507,548 were significantly above last year's amount due to an approximately 65% increase in the value of Net Metering Credits (NMC).

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 of the Community Center installation was substantially completed in 2023 and is expected to be operational in 2024. The Police Department Canopy project is currently on hold due to high steel prices and is under further review. When completed both projects are expected 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 2024 to help the Town continue its path towards generating 100% of energy consumed at municipal facilities from direct renewable energy sources and project offsets. 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 FY23 period meter reads which was below the 13.825 cents per kWh average rate (summer/winter) from Eversource through June 2023. Participation in this regional effort resulted in an approximately 35% reduction in cents/kWh expended by the Town in FY23. For the remaining period of the Town’s CLC negotiated rate through FY24 of 8.798 cents per kWh compared to the blended Eversource summer/winter rate of 16.647 cents per kWh from Eversource the Town will be realizing savings of slightly over 50% on electrical costs due to participation in the regional agreement.

As part of efforts to integrate energy efficient options for new vehicle procured to help reduce the Town’s carbon footprint and comply with Chapter 35 of the Town’s General Bylaws, four (4) plug-in hybrid EVs (PHEVs) were acquired via leases and put into service in 2018. Three (3) are in continuing use into 2024, one as a Town “pool” vehicle available to all Departments, one for the Natural Resources Department, and one for the School Resource Officer. One of the original four (4) PHEVs used for building inspections was replaced with an all-electric Battery Electric Vehicle (BEV). Community Development anticipates their second departmental vehicle to be purchased in 2024 to be a BEV. In December of 2023, two EV charging stations were installed to serve four of the Town’s fleet vehicles at the Annex. Into 2024 the Town is continuing its efforts to install public charging stations as part of the conversion of the former Eldredge Garage property to a parking lot, the upper

lot at the PD/Annex Site, Town Hall, and the Airport using a mix of Federal, State and Eversource grants to offset costs.



Since FY15 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 lighting life and easier maintenance compared to pre-program implementation in the FY14 budget when the budget appropriation was \$46,000. The FY25 budget line-item request is \$22,500 is the same as FY24 continuing to demonstrate the long-term efficiencies gained based upon the actual performance since the completion of the LED changeout project.

Into 2024 the 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, are planned at the Water Pollution Control Facility (WPCF), Department of Public Works (DPW) Complex and Center for Active Living (CFAL). Another large energy efficiency project underway is at the Eldredge Public Library converting the existing Heating Ventilation and Cooling (HVAC) system over to an electric heat pump centered system. 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 third required Annual Report to the Massachusetts Department of Energy Resources (DOER) maintains Chatham’s funding eligibility for additional energy efficiency projects in 2024 under the Green Communities programs.

Climate Change/ Coastal Resiliency

Chatham is advancing to the next phase of its climate-resilience initiatives, collaborating with partners to formulate action-driven resiliency plans. The Energy and Climate Action Committee (ECAC) of the Town of Chatham issued a Request for Proposals (RFP) and conferred an award for conducting comprehensive studies on four salt marshes. Roughly 2/3 of the \$120,000 has been allocated for this study, stemming from a Community Preservation Act grant sanctioned during the Town's Annual Meeting on May 6, 2023. This funding will be instrumental in predicting future trends in these marshes and devising effective interventions to safeguard them against the impacts of sea-level rise and climate change.

Chatham, designated as a Municipal Vulnerability Preparedness (MVP) Community in 2019, has been the recipient of several Coastal Zone Management (CZM) Resiliency grants, each addressing climate change vulnerabilities (refer to the list below). With Chatham's current MVP Plan set to expire in 2025, the town is actively collaborating with the MVP regional coordinator to secure a grant that will fully support the planning efforts for MVP 2.0. The successful completion of MVP 2.0 is anticipated to bring an additional \$50,000 for a dedicated adaptation project, aimed at enhancing the town's coastal resilience. During the MVP-funded PB Climate Adaptation Action Plan and the Regional Low-Lying Roads projects, multiple scoping meetings have taken place. These meetings explored the potential for additional grant funding, specifically aimed at safeguarding vulnerable public access points, waterfront infrastructure, and essential ecological resources. Chatham remains committed to proactively identifying funding sources to address the challenges posed by climate change.

- FY 2024 – CPA – ECAC Study to Preserve Chatham’s Salt Marshes - \$120,000
- FY2023 & FY2024 – MVP – PB Climate Adaptation Action Plan (Pleasant Bay Alliance-PBA) – \$292,710 (2-year grant)
- FY2023 & FY2024 – MVP- Regional Low-Lying Roads (Cape Cod Commission-CCC) - \$205,479 (2-year grant)
- FY2024 – Coastal Resiliency – Pleasant Bay Living Shorelines/Jackknife Beach Salt Marsh Restoration (PBA) - \$117,220
- FY2024 – Coastal Resiliency – Permitting for Current Redirection Structures & Nourishment at Crescent Beach (Town of Chatham - TOC) - \$94,540
- FY2023 – Coastal Resiliency – Permitting for Current Redirection Structures & Nourishment at Crescent Beach (Town of Chatham - TOC) - \$86,732
- FY2022 – Coastal Resiliency – Temp. Flow Training Structures & Beach nourishment to Mitigate Coastal Erosion (TOC) – 107,844
- FY2021 – Coastal Resiliency – Alt. Shore Protection & mitigating Shoaling Along Coast at Stage Harbor (TOC) - \$114,262
- FY2020 – Coastal Resiliency – Alt. Evaluation for Reducing Erosion Along Mainland Shoreline (TOC) - \$51,666
- FY2020 – 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=>.

The Town's Hazard Mitigation Plan was last updated in 2018 with an effort by Town Staff and The Cape Cod Commission. Many of the Action Items identified in the 2018 Plan are complete or ongoing while others have been deferred for various reasons. Town staff has contacted the Cape Cod Commission to collaborate on the update to the 2018 Plan which is expected to begin in 2024.

The Town of Chatham continues to maintain its Class 7 Rating in the National Flood Insurance Program's Community Rating System. Chatham's rating increased from a Class 8 to a Class 7 in 2022. This increase in classification results in an increase in flood insurance savings from 10% to 15% for flood insurance policy holders in the Town of Chatham, there are approximately 465 flood insurance policy holders in Town.

Technology

2023 was an exciting year with the additional IT/Chatham TV position and a fully staffed division. The additional staffing allowed for several projects and upgrades to be started and completed. A number of these projects and deployments have been instrumental in helping Town staff increase productivity and enhance citizen access to Town resources. As technology continues to play an ever-increasing role in everyday life, the increased capacity in our IT Department positions the Town well in the coming years.

Online Transactions and Transparency - Accountable. Responsible. Strategic

We continue work to increase the number of permit 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>. Online payment portals provide promptness and convenience of paying bills without the bother and uncertainty of mailing a payment. This is the same platform to safely and securely purchase beach parking and transfer stations stickers.

Town Website and Social Media



In 2023 the Town's website had 625,769 views. The top five viewed pages were the home page, the Assessors page, Search page, Jobs page, and Online Services page. The average user spent one minute, and twenty-six seconds focused on the Town's site. The benchmark for good user engagement is around fifty seconds. The Town's social media presence continues to grow with an

additional 678 followers, 16,877 visits, and a total reach, which is a metric that shows the number of people that saw posts or other tagged content, of 61,839 on the Town's Facebook page in 2023. The Police, Fire and Community Services Departments maintain additional social media accounts on various platforms ensuring the Town can reach a broad spectrum of users with critical emergency information and educational content on the Town's programs and services.

Online Budgeting and Transparency

In 2023 the Town Manager's FY2024 Budget Book was produced in the *ClearGov* platform. The new platform allowed multiple departments to input their budget requests and make updates in real-time. The Digital Budget Book was released in January via the Town's website providing the public direct access to the Town's financial plan for the upcoming fiscal year. Here is the link to the FY2025 Budget Book - - <https://town-chatham-ma-budget-book.cleargov.com/13703>

OpenGov is a financial transparency platform that allows Town staff to review their Year to Date (YTD) Expenditure Report in real time. The accessibility of the site provides easier and enhanced access to the Town's Financial Management System.

<https://chathamma.portal.opengov.com>

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."

Online Permitting

The Department of Community Development's Building Division implemented a new cloud based online permitting system, *OpenGov Citizen Services*. 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. Applicants can correspond with Town Staff, receive their permits/approvals and request inspections all through the portal.

IT staff worked with the Health Division staff to add several more permits to the *OpenGov* platform in 2023, including the Town's short-term rental registry. Links to the site have been added to the Town of Chatham website on the Town's home page as well as the Building Division, Conservation and Health Departments. <https://chathamma.portal.opengov.com/>.

Mooring Management Permit Program – The online platform was initiated in FY2022. Mooring and Wait List Permits are due by December 31st. Renewals are available on-line at <https://chathamma.mooringinfo.com/ndr/menu.php>

Chatham TV



Channel 18 was rebranded to Chatham TV in 2023. This change was due to the Channel change at Comcast from 18 to 8 on the Comcast Menu. Chatham TV continued to provide the public with transparent and accessible Live and On-Demand meeting recordings, events, and PSA's.

- 458 Meetings Archived
- 11,044 On Demand Views
- 12,139 YouTube Views
- [Flash TV Episodes 1- 4](#)
- [Backstage | Tom Barr Drinking Water Wells 10 & 11](#)
- [Pleasant Bay Alliance Video Series](#)
- [Pleasant Bay Climate Adaptation Community Forum 10-21-23](#)
- [Special Town Meeting 9-18-23](#)
- [Special Town Meeting E-Voting Info 2023](#)
- [2023 Annual Town Meeting](#)
- [2023 A.T.M. E-Voting Preview](#)
- [A.T.M. Preview Show 2023](#)
- [Chatham Marconi Maritime Center P.S.A.](#)
- Hired and Trained Assistant Media Coordinator
- Upgraded Cable feed to deliver HD Video to Comcast

Town-wide Fiber Optic Migration and WIFI

The upgraded fiber optic network connecting all Town building as completed in early 2023. This upgrade was funded in a 2023 Capital Article. The Town continues to move forward with installing fiber optic cable around town with a connection between the new Wells 10-11 and the WPCF and a connection between Queen Anne Pumping Station to the Fire Department which will in turn connect to the WCPF.

Multiple WIFI units were installed at Chatham Fish Pier provide internet access to commercial fisherman and the public. This installation was due to a lack of cell phone service at the site.

Camera Network

In 2023 IT staff developed the upgrade program for Town Cameras at the WPCF, Police and Annex building. New Cameras will be installed at the Harbormasters office and Fish Pier. These updates will be installed in 2024 bringing all the original town cameras systems up to date and security compliance. A 2025 Capital appropriation is requested to install cameras at the Center for Active Living.

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:

- West Chatham Boundaries and Subzones
- Annual Parcel Updates
- Inlet Development Comparison Maps
- Preliminary Sewer Maps
- Freshwater Map
- ECAC Interactive Map
- Shoreline Erosion
- Updated Town Owned Properties database and Map
- Undeveloped Residential Parcels
- UAIB Buffers
- Historic Building Inventory
- Map Atlas with new layout
- Highwater Shoreline Update
- 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, Cotchpinicut, 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

Emergency Operations Center:

In Winter 2023, interns assisted in 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. Leveraging technology and the town's Microsoft platform, these documents, along with specific storm and special event action plans and incident logs, are stored electronically in Microsoft Teams for accessibility and improved situational awareness across the various town departments. Interns have also been assisting Emergency Manager John Kondratowicz in the development of a Tabletop Exercise simulating a Mass Casualty Incident for Town of Chatham leadership, to be held in the springtime. Chatham Fire Department Captains and Lieutenants received EOC professional development, showcasing a variety of local, regional, and state-wide resources, culminating in a tabletop exercise simulating a severe weather event.

BOCH CERT (Brewster-Orleans-Chatham-Harwich Community Emergency Response Team):

The Emergency Manager worked closely with CERT leadership throughout the year, aiding with prior year grant management and new grant applications, recruitment, and team deployment. CERT volunteers were invaluable at several town events throughout the year including, First Night, Independence Day Parade and Fireworks, Annual Town Meeting, Special Town Meeting, and the Chatham Harbor Run.

New member training was conducted in October/November of 2023, and we were fortunate enough to train a large number of students from Eastham. The intent is for Eastham to form their own CERT concentrating on Shelter Management. Those students/CERT members will be solely utilized for the Regional Shelter that supports the Town of Chatham. Additional students/BOCH CERT members were also brought onboard to enhance the BOCH program.

Emergency Management continued to assist St. Christopher's Church in identifying opportunities to utilize the church facility as a potential Personal Care Site (PCS). The Town's Emergency Manager and the BOCH CERT will continue to work with the church to enhance our town's overall PCS capabilities.

Off-shore Data Buoy:

We were fortunate enough to continue our partnership with your Marine Oil Spill Prevention & Response Program and Nuka Research. Through those efforts, we sponsored our second Geographic Response Strategy (GRS) Exercise in April 2022 with federal, state, and local partners facilitated by your staff and Nuka Research. These efforts are invaluable and the coordination in advancing knowledge, skills, and modern technology to assist the team's response is imperative to the sensitive National Seashore environment and critical waterways off Massachusetts/Cape Cod and Islands. The After-Action Report/Improvement Plan (AAR/IP) considered a broader effort to analyze the offshore waterways that closely approach the National Seashore and the Island of Nantucket. The

data included in the AAR/IP was from 2019 however it depicts consistent data outlining the movement of petroleum off the coastline of the Cape and Islands.

Considering this information, the team has been working with NOAA, and the Massachusetts Department of Environmental Protection for the placement of a data buoy off our coast to provide real-time information to be utilized for a myriad of preparedness and response operations.

The data buoy presents a unique opportunity for the Cape and Island towns, NOAA Fisheries, and will enhance operations for responders to track the trajectory of a potential oil/hazardous spill off the environmentally sensitive National Seashore and provide data to NOAA Fisheries as they continue to carefully balance scientific and economic demands of several critical living marine resources and climate change.

2023 UAS (Unmanned Aerial System) Drone:

The Emergency Management Team formally established the 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, search and rescue exercises, and pre-storm coastal assessment. The multi-agency drone team conducted monthly training exercises throughout the year.

2023 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 being developed 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.

The Community Center was outfitted with a new, full building, permanent generator in 2023. Upgrading to a permanent generator at the Chatham Community Center is an essential component to the successful implementation of the current Comprehensive Emergency Management Plan. The Community Center is the Town's primary Personal Care Site, which is essentially a warming/cooling/charging center. Transitioning away from the previously utilized portable generator enhances efficiency, reliability, and facility capacity at the Community Center. The FY2025 budget includes funding for the Town's generator program as the Emergency Management Team continues to work with Department Heads to identify and prioritize generator needs to build resiliency and ensure continuity of town business operations.

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 budgeting initiatives dating back to 2012, coupled with our resilient COVID-19 Financial Management Plans spanning FY2020 to FY2023, have positioned the Town in a notably stronger financial standing compared to many other municipalities in the Commonwealth. The affirmation of our S&P AAA Bond Rating on May 25, 2023, attests to the Town's track record of fiscal prudence, coastal resiliency efforts, cyber security planning, and the efficacy of our COVID Financial Plan.

The forthcoming challenge lies in upholding service level expectations for the entire community within specified funding parameters while retaining our esteemed AAA Bond Rating in alignment with municipal guidelines utilized by rating agencies. As presented, the FY2025 *An All-Encompassing Budget to Chart Chatham's Future* is a continuation of the FY2024 Strategic Budgeting for the Future which can be funded within available revenue with no increase to the tax rate (\$3.57). Our FY 2025 budget supports community initiatives and directives of the Select Board and provides adequate resources 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 - our professional staff (Team Chatham!), 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, and with transparency of government operations.

As always, I want to acknowledge and express my sincere appreciation to Town Departments and Town Officials for their time, cooperation, dedication, and strategic insight in my effort to craft my 12th Town Manager Budget message for *An All-Encompassing Budget to Chart Chatham's Future*, and for the great effort to achieve Select Board budget directives. Special acknowledgment is reserved for the extraordinary professionalism and teamwork exhibited by Team Chatham on a daily basis.

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 2024. Following that, the Select Board will transmit the approved FY2025 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, inclusive, and accessible.

Respectfully submitted,

Jill R. Goldsmith, Chatham Town Manager, [ICMA-CM](#)

*Enclosures:
Organization Chart
Budget Summaries*