



Town of Chatham

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BUDGET TRANSMITTAL LETTER

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TO: Honorable Select Board
Honorable Finance Committee

FROM: Jill R. Goldsmith, Town Manager

DATE: January 16, 2025 (for the Select Board Meeting of January 21, 2025)

SUBJECT: Town Manager’s Preliminary Fiscal Year 2026 Budget Summary and Budget Recommendations Transmittal for the period of July 1, 2025- June 30, 2026 – *Staying the Course Budget*

FY2026 BUDGET HIGHLIGHTS

- Operating Budget, without education assessments, at \$43,921,522 for an increase of \$3,109,444 or 7.62% over FY2025. This includes funding for five (5) new positions to strengthen critical operations: Community Development Local Inspector (1); DPW Parks/Grounds/Cemeteries (2); Police Officer (1); and Natural Resources Boat Operator/Marine Mechanic (1).
- Capital Plan at \$2,942,650 or 6.70% (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 FY2026 Digital Budget Book for details - <https://town-chatham-ma-budget-book.cleargov.com/19302>

As we embark on the Fiscal Year 2026 budgetary journey, we are proud to present a *Staying the Course Budget* designed to continue efforts to address current challenges, enhance service delivery, and pave the way for lasting community investment. This year’s budget transmittal marks a shift in focus from the past practice of including the status of Town initiatives, which will now be presented within the Town Manager’s Annual report, to a direct, budget-centric message focusing solely on the financial resources needed for the coming fiscal year.

Budgets are a reflection of our priorities. The FY2026 *Staying the Course* budget aligns with community initiatives, Select Board directives, and fiscal prudence, ensuring adequate resources to meet our shared goals. Aligned with our commitment to priorities, the FY2026 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 2026/Calendar Year 2025 continued to focus 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. Details at <https://www.chatham-ma.gov/DocumentCenter/View/6374/Select-Board-Goals-and-Objectives-Reaffirmed-10-29-2024-PDF>.

VISION STATEMENT

Chatham in 2030 will be a forward-looking, engaged, and inclusive community of demographically diverse year-round citizens that maintains a unique integration of preservation of its pristine environment, promotion of a healthy economy, fiscally responsible and responsive leadership, and a welcoming environment for all to Chatham.

GOALS



Year-Round Housing: Over the next five years 200 units of affordable/attainable/workforce housing will be added around Chatham.



Educational Excellence: The Town will support the educational excellence of the Monomoy Regional School District through funding for capital infrastructure, support for needed, innovative student programs and activities and stimulation of enrollment growth over the next 3 -5 years.



Foster a Vibrant and Sustainable Local Economy: Develop a strategic plan to support and expand the Chatham local economy with a year-round focus.



Environmental Conservation, Coastal Resiliency, and Natural Resources: Over the next five years the Town will integrate climate change projections together with decarbonization initiatives to establish strategies that ensure environmental sustainability, promote coastal resiliency and protect natural resources.



Water Management: Optimize the Comprehensive Wastewater Management Plan and maximize the secure supply of the Town's potable water.



Respond Effectively to the Needs of a Diverse, Welcoming and Livable Chatham: Provide facilities, programs and infrastructure necessary for safe, nourishing community connections, high quality recreational and cultural experiences and a sense of secure belonging.

Continuing from FY2025, we leveraged the ClearGov digital platform for the FY2026 Budget <https://town-chatham-ma-budget-book.cleargov.com/19302>. This platform facilitates direct input of budget requests by Department/Division Heads, allowing real-time updates through the budget review process. Our commitment to transparency extends to providing additional information in the budget books including demographic details, fund balances, organizational charts, department personnel and expense expenditures, and prior year (2024) accomplishments. Visual presentations using charts/graphs enhance the accessibility of operating and capital budget recommendations.

The Capital Programs/Improvement Plan (CIP) recommendations for FY2026 align with the strategy in the Operating Budget, maintaining level service while addressing backlog requests from our COVID-19 Financial Plan. Capital Improvement Plan/Program requested funding for capital items between \$10,000 and \$250,000 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 (6.70% for FY2026). 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 FY2026-2030 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 when submitting requests 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 Fall Annual Budget Summit, and through the Select Board annual goals review, 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 beyond equipment such as 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 2025 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.

FY2026 Budget Executive Summary – A Balanced Budget; Staying the Course

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 FY2026 was for a level-services budget.

The Town Manager’s proposed FY2026 Operating Budget, without the education assessments, is \$43,921,522; an increase of \$3,109,444 or 7.62% over the FY2025 budget. This includes contractual obligations and fixed costs increases. A contributing factor to all budget increases is labor cost pressures due to the limited regional labor market and compensating employees at a livable wage to stay. Details of proposed budget increases are described in this transmittal with education/school assessments voted separately at the Annual Town Meeting (ATM). 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 9, 2025; Final vote scheduled for March 2025
Cape Cod Regional Technical High School Budget:	Preliminary Budget release still pending, final vote in February 2025
Cape Cod Municipal Health Group (CCMHG):	Benefit Plan Design/Costs Release Date February 2025
Governor’s House 2 Budget:	Release Date: January 16, 2025
Debt Service:	Based on Debt Schedule for FY2026

The FY2026 Education budget request from the Cape Cod Regional Technical High School has not been received as of the writing of this transmittal. The preliminary Monomoy Regional School District (MRSD) budget was voted by the MRSD School Committee on January 9, 2025, at \$49,607,033 amounting to Chatham’s statutory preliminary assessment at \$11,130,839

(7.97% increase), 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 \$2,263,225. The Chatham Select Board will receive both the MRSD and Cape Cod Regional Technical High School FY2026 Budgets presentation tentatively scheduled for February 11, 2025.

The FY2026 Operating Budget, as presented, does not use any reserves (Stabilization or “rainy day” Fund). Free Cash is designated for one-time capital program expenses based on the policy. It is a balanced budget without the use of one-time revenues within the allowable growth of MA Proposition 2½, and provides for unused/excess tax levy capacity, i.e., funds available for appropriation within the tax levy, but for which we are not proposing to allocate. The FY2026 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 2025 Town Meeting warrant is finalized.

Tax Rate

At the May 2024 Annual Town Meeting, we had estimated the FY2025 tax rate at \$3.75 considering all articles funded through the tax rate, but not including property valuation increases. The actual FY2025 tax rate of \$3.47 decreased by 0.10¢ per thousand dollars of assessed value from FY2024. The valuation of the Town has increased over the past three years and is at its highest level since FY2010 at \$ 12,341,273,730; an increase of 6.29% from FY2024 valuation of \$11,609,947,760. For FY2025/Calendar Year 2024 the Average Residential Value was \$1,575,077, and the Average Single-Family Value was \$1,674,289.

Tax rate projections will be provided as the Select Board reviews the warrant articles.

Tax Rate History	
<i>FY2017</i>	<i>\$5.03</i>
<i>FY2018</i>	<i>\$4.87</i>
<i>FY2019</i>	<i>\$4.85</i>
<i>FY2020</i>	<i>\$4.82</i>
<i>FY2021</i>	<i>\$4.98</i>
<i>FY2022</i>	<i>\$4.62</i>
<i>FY2023</i>	<i>\$3.88</i>
<i>FY2024</i>	<i>\$3.57</i>
<i>FY2025</i>	<i>\$3.47</i>

REVENUE

As part of our annual fiscal planning, we determine how much revenue is available within the limits of Proposition 2½ in order to balance operating costs. Per State law, the amount the Town can raise through property taxation is allowed to grow each year by 2½ percent of the prior year’s levy limit plus new growth and any overrides or exclusions. In FY2026, the amount the Town may raise through the property tax is as follows:

Tax Levy	FY2026
Base (prior year limit)	38,142,381
X 2.5%	953,560
New Growth	350,000
Debt Exclusions – prior approved debt	8,236,227
Estimated exempt short-term interest	-22,704
Barnstable County Tax	339,961
<i>Total Estimated Allowable Levy “Ceiling”</i>	<i>\$47,899,425</i>
Excess Levy Capacity – Not Used	-2,148,411
<i>Total Estimated Tax Levy</i>	<i>\$45,851,014</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 such as traditional and short-term rentals. 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, 2024, is \$1,558,915. 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)

The Town continues to benefit from strong revenue performance in local option taxes, which play a critical role in funding municipal operations and capital projects while offsetting the tax rate.

The Town adopted a 4% surcharge to the State Room Occupancy Tax of 5.7%, later increasing it to 6% (local share) in May 2022, with legislative enactment in June 2024 creating the special revenue fund. This additional 2% surcharge is dedicated equally to Housing and the Chatham Elementary School, with each fund requiring a Town Meeting vote for appropriations. As of December 31, 2024, the fund balance for each stands at \$1,899,211, including accrued interest and quarterly payments.

The FY2020 State expansion of the Room Occupancy Tax to include short-term rentals has bolstered revenues further. An additional 2.75% surcharge for the Cape Cod & Islands Water Protection Fund (CCIWPF) was implemented to fund Wastewater projects. The Town has already received \$1,845,450 over three fiscal years (FY2023–FY2025) to offset pre-existing wastewater debt, with future subsidies applied directly to principal debt for Clean Water Trust projects.

Room Occupancy Tax receipts have remained consistent, with only slight variances year over year. Revenue increased by 0.85% in the first quarter of FY2025 compared to the same period in FY2024, indicating stability in both traditional and short-term rental markets.

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	\$1,858,742	\$29,386	\$1,614,459	\$-4,892	\$24,494
FY2025	\$1,874,712	\$15,970	\$1,611,139	\$-3,320	\$12,650

The YTD (Year-to-Date) difference of \$12,650 reflects a slight but positive upward trend, underscoring the continued importance of this funding source.

The Town’s 0.75% surcharge on the State Meals Tax of 6.25% has also proven to be a resilient source of revenue. Following pandemic-related impacts, Meals Tax receipts rebounded significantly between FY2022 and FY2024. While first-quarter receipts for FY2025 saw a modest decline compared to FY2024, the second quarter recorded the highest revenue to date at \$268,492, reflecting a \$14,996 increase over the prior year. The fluctuations underscore the elastic nature of this revenue stream, which is closely tied to economic conditions and consumer activity.

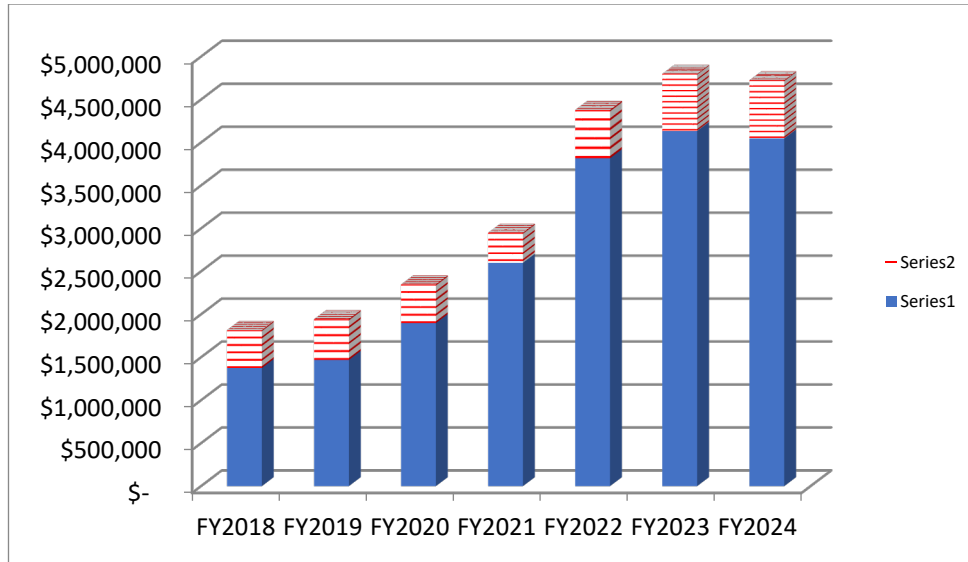
Meals Tax

Fiscal Year	1 st Quarter	Difference	2 nd 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
FY2025	\$257,225	-10,439	\$268,492	\$14,996	\$4,559

Local receipts from the Meals Tax are conservatively estimated annually due to their elasticity. The upward trajectory in the second quarter of FY2025 demonstrates resilience in this revenue stream and reinforces its role in supporting municipal budgets.

Combined, Meals and Room Occupancy Tax revenues reached \$3.8 million in FY2022, up from \$2.95 million in FY2021, and have remained strong in subsequent fiscal years. The slight 0.85% increase in Room Occupancy Tax revenues and record-setting second-quarter Meals Tax receipts for FY2025 highlight the stability and growth potential of these funding sources.

Figure 1: Hotel & Meals Tax Receipts



Moving forward, the Town will continue to monitor trends in local receipts closely to ensure accurate forecasting and prudent fiscal management. Efforts to refine the use of these revenues, including allocations for Housing, Chatham Elementary School, and wastewater projects, remain a priority.

The preliminary FY2026 Revenue forecast reflects the following:

- New Growth is projected at \$350,000; this is slightly lower than the actual in FY2023 & FY2024 but is a conservative estimate based on the economic trends.
- Debt Schedule/Structure - FY2026 debt schedule reflects an increase of \$760,849 over FY2025 budget or 9.74% for General Fund principal and interest for previously approved Town projects with the issuance of General Obligation bonds at the end of FY2024 and Clean Water Trust (State Revolving Funds) loans at zero percent interest. Short-term debt, proposed at \$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 88.0% of the actual revenues received in FY2024, an increase of 21.56% 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.

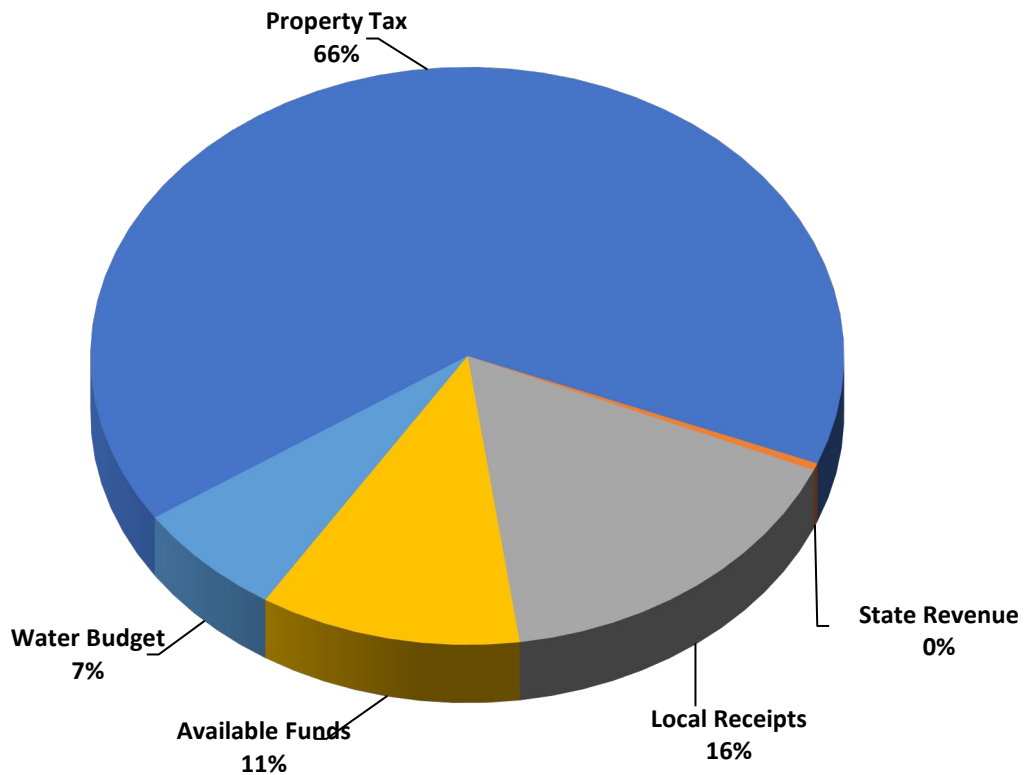
- Cherry Sheet (State Aid) Assessments are level funded to FY2026 as we await release of the Governor's budget; and is based on prior year trends and on best practices.

Free Cash (Unreserved/Undesignated Fund Balance)

Free Cash is defined as remaining unrestricted funds from the previous year. The balance in Free Cash increases when actual collected revenues (local receipts, not taxes) are in excess of estimated budgeted revenues, and/or when actual expenditures are less than appropriated expenditures. Chatham uses Free Cash for nonrecurring expenditures, such as for land purchases, capital and equipment purchases or for appropriation to a stabilization fund, and to maintain a reserve fund that is adequate to address unforeseen circumstances. Free Cash is not used to balance operating budgets. At the end of FY2024 Free Cash was certified by the MA Department of Revenue (DOR) on October 2, 2024 in the amount of \$11,186,838 up from \$2,680,465 certified on February 8, 2024 at the end of FY2023. At the close of FY2023, deficits were identified in various funds, including borrowing accounts and grants. These deficits arose because the Town had not yet received the necessary reimbursements or funding, resulting in a hold against Free Cash amounting to approximately \$5 million. During FY2024, the Town successfully received the reimbursements and funding needed to resolve these deficits. Consequently, when Free Cash was certified at the end of FY2024, the \$5 million hold was released. This effectively meant that the Free Cash we should have realized at the end of FY2023 was only recognized at the end of FY2024.

Free Cash programmed for the FY2026 Capital Budget Article is \$2,717,650 and other capital projects - Transfer Station Redesign (\$3,000,000) and the Center for Active Living Renovations (\$5,000,000) have placeholders totaling \$8,000,000 from Free Cash. Any remaining balance is carried forward to the next fiscal year.

Figure 2: 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 \$160,738.34 in funds that must be used for prevention, harm reduction, treatment, and recovery programs. These funds have been used to fund a Regional Recovery Coach via Outer Cape Health Services, who is available to all residents and Town employees at no cost. The Town has spent \$59,263 year to date and currently has a balance of \$101,475.34.

American Rescue Plan Act (ARPA)

The Town was awarded \$626,127 under the American Rescue Plan Act of 2021 (ARPA). Funding has been obligated (allocated) by the Select Board, most recently in December 2024, for the following to be expended by December 31, 2026:

- \$58,557.70 on electronic voting devices/clickers in 2022;
- \$433,000.00 for Americans with Disabilities Act (ADA) upgrades to the public restrooms behind Chatham Town Offices at 549 Main Street, open year-round. This funding will help offset the annual ADA funding in the FY2025 budget and carry-over to extend capacity for the FY2026 capital budget.

- \$17,862.00 for the purchase and implementation of *NextRequest* Public Records Request Management, powered by CivicPlus. This cloud-based system will centralize and streamline the management of public records requests (PRRs) across all departments.
- \$86,707.30 for the Town's participation in regional Household Hazardous Waste (HHW) Collection Programs. Over the past two years, there has been increased costs for managing this waste. Hazardous waste collection ensures safe disposal, supports recycling, and helps safeguard communities and workers from harmful substances. This funding will help offset increases in the FY2025 budget and mitigate anticipated increases in the FY2026 operating budget for this program.
- \$30,000 for electrical upgrades at Kate Gould Park. We are continuing our work to update the electrical system at Kate Gould Park to ensure that events in the park will have sufficient power to be enjoyed by the community.

EXPENDITURES

Like prior budgets, the FY2026 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 FY2026 Operating Budget increases by 7.62% as compared to FY2025, without the Educational Assessments. The following presents proposed funding by key budget categories along with percentage changes as compared to FY2025.

Table 3: General Operating Budget (With Education Assessments)

Budget Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept. Request	FY 2026 Town Manager	% Difference FY2025 - Town Manager
General Government	2,675,041	3,032,595	3,419,775	3,562,820	3,546,470	3.70%
Public Safety	7,080,634	7,472,325	8,609,541	9,357,372	9,259,517	7.55%
Community Development	907,822	991,803	1,114,441	1,239,915	1,232,615	10.60%
Natural Resources	1,824,805	1,901,578	2,324,452	2,465,315	2,387,675	2.72%
Public Works & Facilities	6,548,080	6,601,725	7,338,858	7,777,334	7,707,334	5.02%
Community & Social Services	2,220,260	2,403,538	2,851,562	3,212,239	3,135,237	9.95%
Education	9,837,826	10,078,235	10,884,419	11,735,092	11,735,092	7.82%
Employee Benefits	5,357,113	5,711,444	6,260,194	6,853,612	6,853,612	9.48%
Undistributed Ins. & Reserve Fund	821,240	937,693	1,077,876	1,222,835	1,222,835	13.45%
Debt Service	6,335,496	6,855,968	7,815,378	8,576,227	8,576,227	9.74%
Operating Budget Total	\$43,608,317	\$45,986,903	\$51,696,497	\$56,002,761	\$55,656,614	7.66%
MINUS Education Assessments	33,770,491	35,908,668	40,812,078	44,267,669	43,921,522	7.62%

FY2026 Budget Drivers

The proposed FY2026 budget reflects a commitment to maintaining essential services and meeting our financial obligations. The primary drivers of this year’s budget increase are salaries, employee benefits, debt service, and the rising costs of general liability insurance.

Personnel wages and benefits represent approximately 70.82% of the Town’s operating budget (excluding debt service and education). Increases are required for Personnel Services (salary/wages, including overtime) amounting to \$1,434,973 = 8.57% over FY2025).

Competitive compensation is vital for attracting and retaining skilled staff to deliver high-quality services to our community. The increase in salaries includes cost-of-living adjustments, step increases, and contractual obligations. Rising health insurance costs and pension contributions reflect broader market trends. These benefits are critical for supporting our workforce and ensuring long-term financial sustainability. The increases in general liability

insurance costs reflect market-wide rate adjustments to adequately protect the Town assets from potential risks. This coverage ensures that the Town is safeguarded against financial exposure from unforeseen events.

<u>Other key budget drivers include:</u>	<u>% Difference to FY2025</u>
• Employee Benefits:	\$593,419 (9.48%)
• Insurance Budget:	\$144,959 (13.45%)
• Debt Service (for previously approved debt):	\$760,849 (9.74%)

These are primarily driven by:

- Public Safety: Up by 7.55% (\$649,976), driven by contractual obligations with the funding of FY2025 Public Safety Collective Bargaining Agreements (ATM 2024 Article 14) and the recently approved Barnstable County Sheriff’s Dispatch Services for the Fire Department FY2026 Assessment
- Community & Social Services: Up by 9.95% (\$283,675), reflecting the new in-house Ryder’s Cove Respite Adult Supportive Day Program, which is currently funded by a State Grant for FY2025
- The FY2024 implementation of the Collins Center Classification/Compensation Plan (ATM 2022 Article 14), and the 8.5 full-time equivalent positions approved in FY2024.
- Five new full-time positions for FY2026, detailed in the *Wage/Salary Overview* section below.

We also continue to refine the classification of items between the Capital and Operating Budgets. For FY2026, several small requests under \$10,000, previously part of the Capital Budget, are better aligned 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 discussions with the Finance Committee, we present personnel “cost-centers” by Department for discussion purposes to illustrate total compensation.

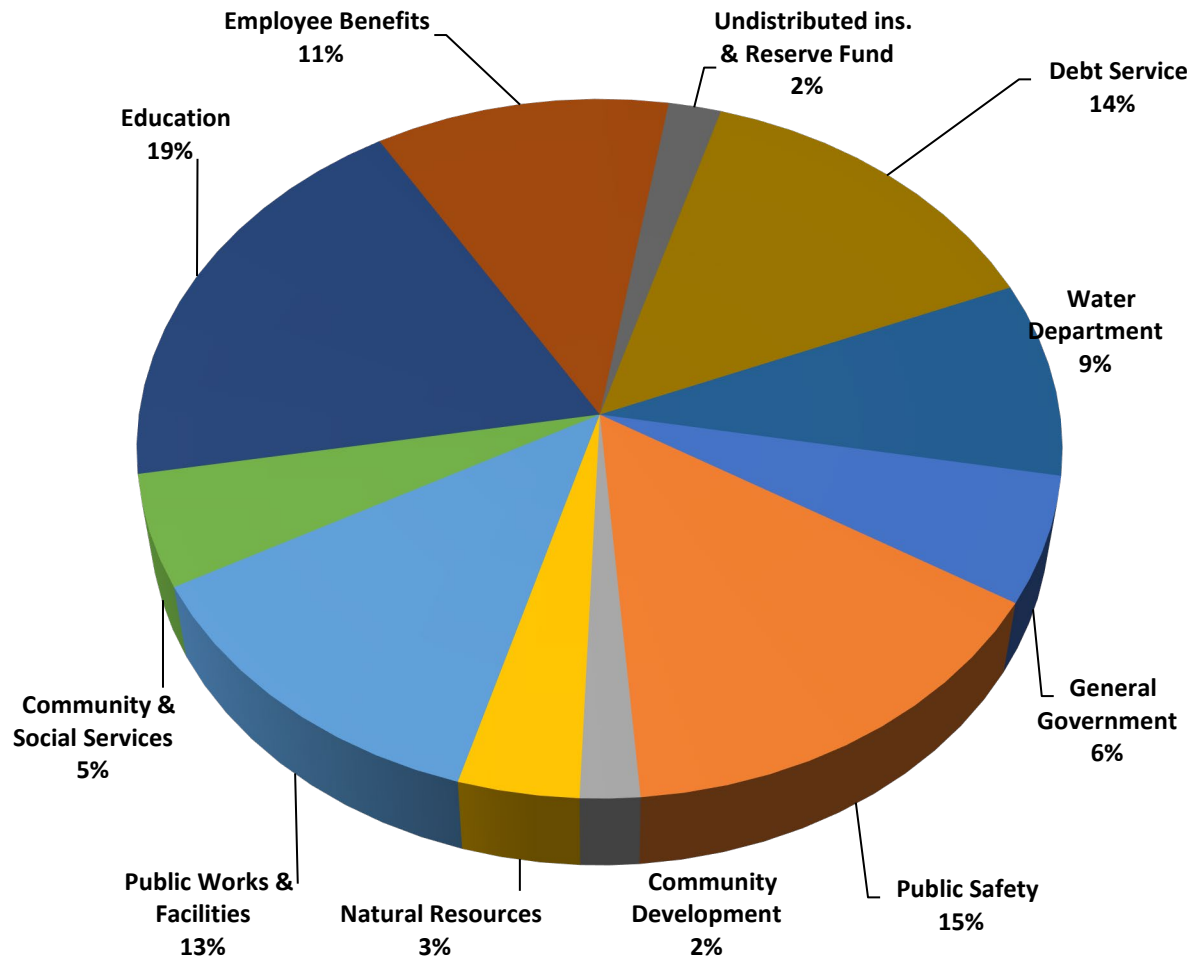
Each year there are cost increases resulting from newly mandated requirements, previous commitments voted by Town Meeting, or cost of providing the same level of service. Our balanced budget includes fixed cost increases, but with mitigation offsets.

- 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 a projected increase of \$137,259 or 5.00% for the FY2026 budget. The Town will have a

more accurate number for the budget in February 2025. 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 14.95% increase in the Health Insurance line as we wait for the preliminary rates from CCMHG and includes funding for newly added positions presuming they all will take Town health insurance. This also includes increased costs for Medicare between 12%-24%.
- Property liability insurance increased by 15.00% in FY2025 (due to the value of Town properties) and we again project an increase of 15.00% for FY2026. 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 15% to compensate for rising costs. The Town has flood insurance on three (3) buildings and the cost of this insurance has increased over the past several years; vehicle insurance is based on the number of vehicles (including boats). Cybersecurity/Data coverage was added several years ago, and the cost of this item has also increased for FY2026. We continue to review risk control measures, and our Insurer offers periodic employee trainings to reduce risk and exposure.
- Worker's Compensation insurance is budgeted with an increase of 4% for FY2026 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 FY2026 includes a placeholder for \$150,000 under Short Term Debt and for the costs associated with bonding during the fiscal year.

Figure 4: Expenses



Wage/Salary Overview

For FY2025 the cost-of-living adjustment (COLA) was 3%, along with contractual adjustments for step increases. The net increase in salaries from FY2025 to FY2026 is \$1,434,973; an 8.5% increase. In 2024 (FY2025), there were a few offsets from retirements of long-serving and dedicated employees - namely Harbormaster Stuart Smith, Projects & Operations Assistant Michele Clarke, Police Lt. Andrew Goddard, and Firefighter Kevin Moore.

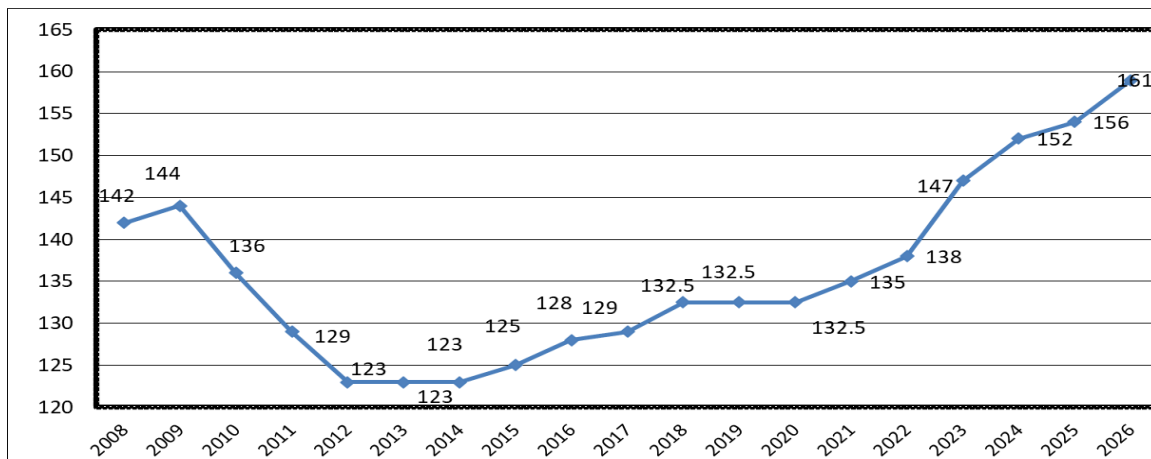
For FY2026, the cost-of-living increase through our local economic performance formula is again 3%. In FY2024, salaries were adjusted based on work begun in 2019 through a grant for a Classification/Compensation Review from the Collins Center for non-public safety employees (Personnel Policies, Chatham Municipal Employees Association - CMEA, and Chatham Managers Association - CMA). In FY2025, salaries for Public Safety positions were similarly adjusted. The new schedule reflects regional market conditions for the Town to remain competitive with the goal of retaining and recruiting professional employees. The FY2026

salaries listed below include the implementation of the new salary schedule and five proposed positions for FY2026. Below lists the changes in salary line items by budget category.

Salary Only	Voted FY2025	TM Rec. FY2026	\$Incr./ (Decr.)	%
I. General Government	\$2,135,100	\$2,257,145	\$122,045	5.72%
II. Public Safety	\$7,822,103	\$8,524,718	\$702,615	8.98%
III. Community Development	\$886,641	\$1,015,115	\$128,474	14.49%
IV. Health & Environment	\$1,879,954	\$1,951,260	\$71,306	3.79%
V. Public Works	\$2,549,288	\$2,738,487	\$189,198	7.42%
VI. Community Services	<u>\$1,468,596</u>	<u>\$1,689,931</u>	<u>\$221,334</u>	15.07%
Subtotal, I-VI	\$16,741,683	\$18,176,656	\$1,434,973	8.57%

The FY2026 budget (*Staying the Course*) is a continuation of efforts to address workload challenges while improving service delivery in terms of effectiveness, efficiency, and sustainability. Key components of the Department requests for staffing focus on supporting enhanced operations and advancing the Board’s community priorities. Review of department workloads has shown that the majority of staff time is dedicated to core services essential to maintaining operations. The remainder is often absorbed by emergencies, mandate compliance, and urgent community needs, leaving minimal resources to address broader priorities or expand services, even as demand and initiative complexity grow.

Figure 5: Number of Town Employees 2008-2026



Department Staffing Requests

The following positions have been put forward for FY2026 by Departments to strengthen critical operations and enhance service delivery and sustainability. As you may recall, workload

capacity limitations were first introduced for the FY2021 budget with Departments identifying additional positions needed to carry out day-to-day operations and support longer term/ongoing community initiatives. Increased staffing requests initially put forward for consideration in FY2021 were withdrawn due to economic uncertainty caused by the pandemic and no new positions were recommended in FY2022. FY2023 and FY2024 budgets included an additional seven (7) full time equivalents¹ in FY2023 and eight and one half (8.5) full time equivalents² in FY2024, which were endorsed by the Board and Finance Committee and approved at their respective May ATMs.

In FY2025, at the recommendation of the Town Manager, Departments held on their requests to further evaluate positive impacts of the additional roles created in the previous years and to determine any further alignments that would enhance efficiencies. This evaluation process has made possible the realignment of one (1) full-time equivalent from the Conservation Division in the Department of Natural Resources to the Department of Finance, providing for budget preparation/monitoring assistance and year-round supervision of the sticker office to expand services/hours.

Further realignment in DPW provides for the transfer of a half-time (0.5) equivalent that was funded for the Airport Administrator in FY2025, now being carried out by another existing position. Combined with relocation of funds for DPW (Highway) temporary wages it will allow for one (1) full-time equivalent Engineering Technician to perform civil engineering functions associated with Town projects within the Department of Public Works. This format of evaluation has also been carried into the review of current departmental staffing requests.

FY2026 departmental requests originally included eight (8) Full-Time Equivalent (FTE) positions. However, as noted above one (1) Full-Time Equivalent within the Public Works Department will be addressed through realignment and reallocation of funds in FY2025, eliminating the need for additional funding in FY2026. My recommendation is for the addition of five (5) FTEs to ensure that existing responsibilities and emerging priorities are met effectively. Since submission by Departments, review and recommendations have been shared with and agreed to by Department Heads.

¹Conservation; DPW – Grounds/Parks, Highway; Fire/EMS; IT/Ch. 18

²Community Services, DPW – Highway, DPW – Transfer Station, DPW – Administration & Cemeteries, Health, General Government

FY2026 Positions Requested

DEPARTMENT	REQUESTED (FTE = Full-time Equivalent)	DESCRIPTION	FISCAL IMPACT/OFFSET FOR FY2026	TOWN MGR REC. 1/14/25 ³
COMMUNITY DEVELOPMENT	(1 FTE) Local Inspector	New position to perform additional annual building inspections in compliance with the 10 th edition Massachusetts State Building Code adopted on 10/11/2024. Current staffing capacity does not allow for this increase of approximately 30 inspections per week – STATE MANDATE	\$75,520 (potential offset by proposed increase to STR \$50 application fee to \$150)	Yes - 1
COMMUNITY SERVICES	(1 FTE) Recovery Navigator	New position to allow for in-sourcing and enhancement of current (Opioid State Settlement) grant funded recovery coaching services provided by Outer Cape Health Services. Services are currently available to Chatham residents four hours per week (in person or by phone). In-sourcing will make these critical services more widely available	\$77,002 (some potential offset from Opioid Settlement Funds). Current contract through October 2025	No -Hold
NATURAL RESOURCES Harbormaster Division	(1 FTE) Boat Operator/Marine Mechanic	New position to address operational and emergency coverage on the water and perform maritime vessel and Mitchell River Bridge (MRB) drawbridge maintenance and repair. The capital request associated with the MRB will be decreased by \$25,000 as a result of the position request	\$71,921 Offset (\$27,500) from Temporary Wages, Contracted Services, Equipment and Maintenance = \$44,421	Yes - 1
PUBLIC SAFETY Police Dept	(2 FTE) Police Officer	Two (2) new positions to increase full complement of sworn police officers (currently 19 when fully staffed) to ensure proactive policing operations for the community. Department staffing levels	\$186,035	Yes – 1 (\$93,017.50)

³ See report to the Select Board on January 14, 2025 <https://play.champds.com/chathamma/event/2068/s/6931>

		have remained consistent since 1984		
PUBLIC WORKS Grounds Division	(2 FTE) Parks and Grounds Laborer	Two (2) new positions to supplement the current seven (7) person Parks and Grounds Division to complete the process of in-sourcing maintenance of Town cemeteries which began in FY2023 when Division was increased from 4 FTE to 7 FTE	\$113,205 Offset (\$70,000) from Contracted Services in acct= \$43,205	Yes - 2
Subtotal	7 FTE		\$426,183	5 FTE - \$256,164
TOTAL		Benefit Costs for 5 FTE budgeted at greatest potential employer responsibility (ER)	\$154,000	\$410,164

The fiscal impact for the seven (7) additional positions as requested by the Department Heads in FY2026 is \$426,183. As noted in the chart, the Town Manager is recommending five (5) positions with a fiscal impact of \$256,164 to FY2026. Anticipated and potential savings in expense line items have been noted as applied to the FY2026 offset. The projected cost impact of the five positions to the employee benefits (health insurance, retirement assessment) budget is \$154,000.

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 - over 42% of the workforce - to address the seasonality of Town operations. Seasonal and intermittent recruitment has been very difficult for lifeguards, skilled labor (DPW) positions and staffing of the Sticker Office. For the proposed FY2026 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 provided 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, including other local (Cape) municipalities employing and recruiting similar positions, evaluations of impacts to total employee compensation are reviewed annually. As a result of the most recent review and upon completion of collective bargaining,

in FY2025, the Town discontinued the two-tiered benefit schedule which now provides for all employees to pay the same employee contributions to health insurance premiums at 30%.

In FY2026, cost-of-living increases (by 3%) and contractual steps are included in the Department budgets. The current collective bargaining agreements (CBAs) for public safety unions will expire on June 30, 2027 (FY2027). We have two unions currently in successor CBA negotiations and a separate warrant article for the 2025 Annual Town Meeting will be proposed for funding any financial items related to the ratification of the CBAs, as such is not included in the FY2026 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 retirees' 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 FY2025 this raised over \$318,380 to fund OPEB through December 31, 2024 and \$607,555 in FY2024. 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, 2024, is \$16,250,404 an increase of \$1,574,614 from 2023 as the Plan's Fiduciary Net Position increased (by \$1,383,125) and our total OPEB liability increased by \$2,957,739. The balance in the OPEB Trust Fund is \$5,369,054 as June 30, 2024.

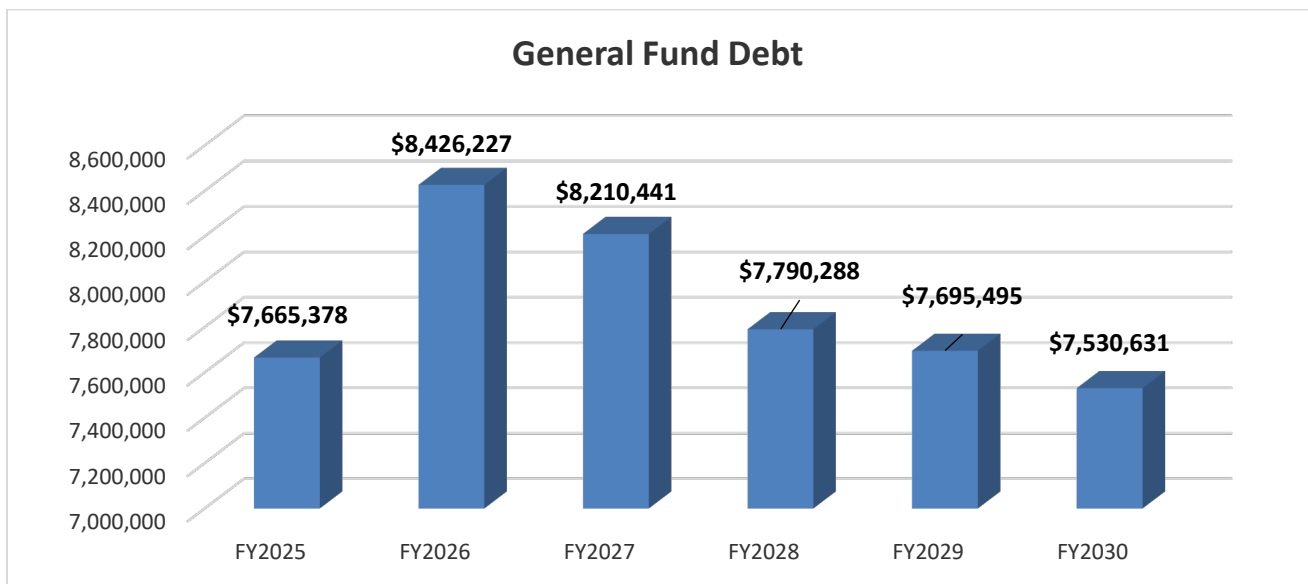
Debt Schedule

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 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. In June 2024, 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). A multi-year debt schedule is presented so that decisions impacting future years can be known at the time of Annual Town Meeting.

The Town’s S&P Global Bond AAA Ratings was affirmed on June 14, 2024, with a stable outlook. It is 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 retirement costs, and strong institutional framework score. Our conservative budgeting, strong reserves, 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 [Standard--Poors-Bond-Rating-2024-PDF](#).

Figure 6: Existing Debt Schedule (General Fund)

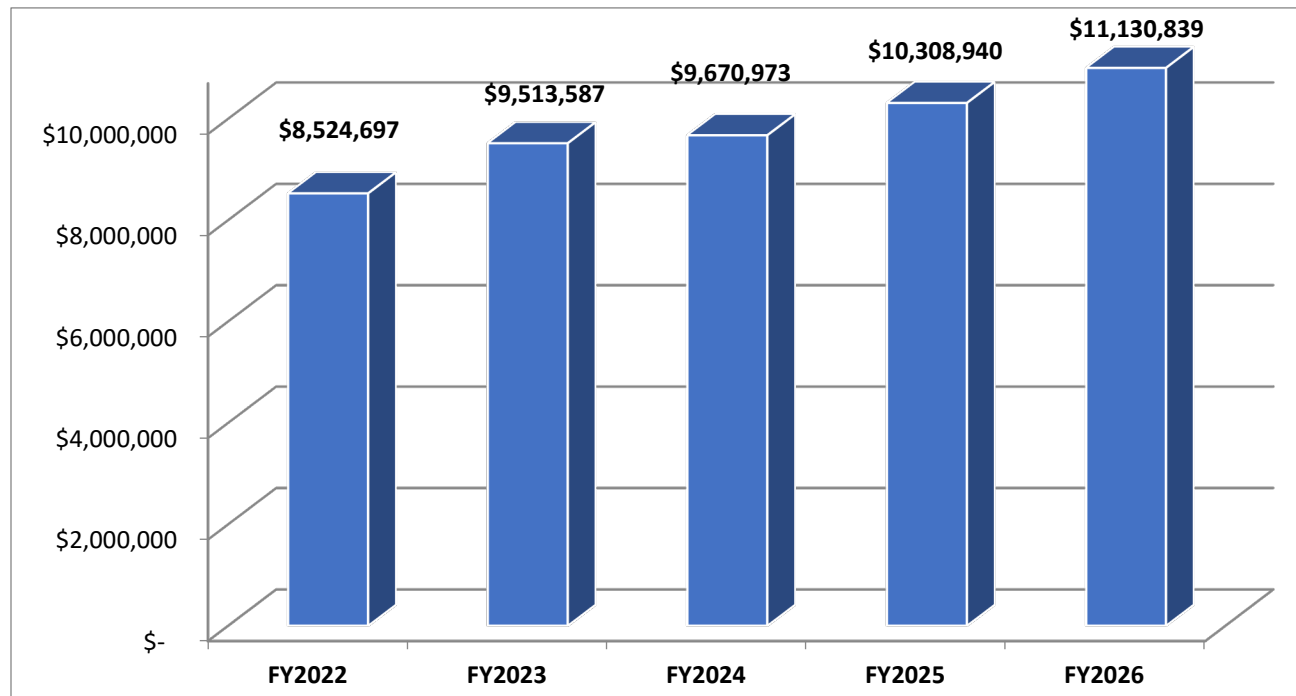


Education Budgets - Voted as Separate Town Meeting Articles

Monomoy Regional School Budget - The draft FY2026 Monomoy Regional Budget includes an overall increase in its operating budget of 6.34%. With that, the proposed assessment for Chatham is \$11,130,839, an increase of 7.97% over FY2025 which includes debt service. The current draft of the MRSD District's budget suggests that the assessments are split 25.9% to Chatham and 74.1% to Harwich. This is based on provisional numbers for the elementary school budgets, total foundation enrollment, grades 5-12 foundation enrollment and District enrollment, and the minimum local contributions calculated by the State. The District has estimated that Chatham's share of the three-year rolling enrollment average is 23.19%.

(compared to 23.16% in the FY2025 assessment). These figures will be confirmed when the State's budget is released in late January. The assessment methodology was most recently amended at Annual Town Meeting 2022. The Monomoy Regional School Committee voted the draft budget on January 9, 2026.

Figure 7: Monomoy Regional School District

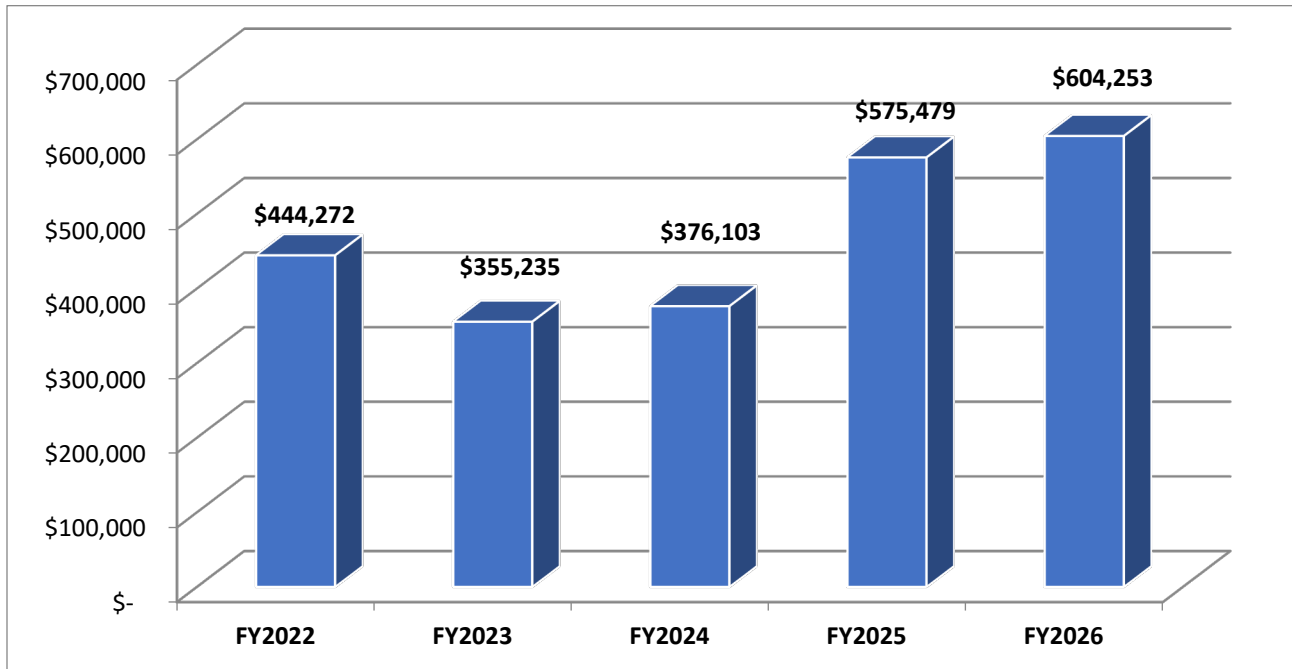


The Annual Town Meeting in 2023 approved the ‘Alternative Assessment’ methodology which provides that each member Town fund their own Elementary School. In FY2023 this resulted in an increased assessment to Chatham of \$739,747. The increased amount for the Chatham Elementary School (CES) for the past few years are as follows; \$650,794 in FY2024, \$1,105,937 in FY2025, and the proposed increase for FY2026 is \$2,263,225. With the adoption of the additional room occupancy tax (1% for CES and 1% for Housing), we expect that this fund will offset any capital projects planned for CES.

Cape Cod Regional Technical High School [PENDING] - The Assessment is based on the number of Chatham students who attend the school, and that number increased by seven, from 13 to 20, in FY2025. The *placeholder* amount of 5% is currently based on past years’ trends, as we are awaiting budget details from the Cape Cod Regional Technical School. Included in the FY2026 estimated budget assessment is the debt service of (\$173,157) for the new Technical High School building.

At this time, the net effect of both Regional School budgets is a projected 7.82% increase to the Education Budgets, based on the statutory agreements.

Figure 8: Cape Cod Regional Technical High School Budget (with FY2026 Placeholder \$ Amount)



Five-Year Capital Plan (FY2026 -FY2030) - FY2026 Allocations

The FY2026 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 FY2026 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. In our internal budget 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 at that time including potential warrant articles, and a detail review with a rating system. The inventory has since been updated on an annual basis. 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 FY2026 Capital Plan is a balanced funding approach to cross-departmental requests.

The Town’s policy recommends the percentage for the Annual Capital Budget not to exceed 9% of the Operating Budget funded with available funds (not the tax rate or borrowing). For FY2026 the Capital Plan is recommended at \$2,942,650 or 6.70 % and is funded through Free Cash and other available funds. The FY2026 Capital Budget proposes no use of the tax levy.

For more details on previously approved projects/status, please visit the Town’s website [Town Projects | Chatham, MA \(chatham-ma.gov\)](https://www.chatham-ma.gov/projects)

Table 9: FY2026 Capital Program Budget Summary and Funding Sources

DESCRIPTION	FY2025 Actual	FY2026 Dept. Request	FY2026 Proposed
CAPITAL PROGRAM & BUDGET SUMMARY			
General Government	400,000	350,000	350,000
Public Safety	174,720	675,000	265,000
Community Center	200,000	50,000	50,000
Natural Resources	195,000	1,230,000	300,000
Public Works (without Water)	710,000	41,752,650	852,650
Equipment	737,500	2,224,175	1,125,000
Total Town Funded Capital Budget	2,417,220	46,281,825	2,942,650
Funding Sources:			
Free Cash	2,204,000		2,717,650
Waterways Improvement Funds	80,000		70,000
Cemetery Sale of Lots	25,000		25,000
PEG Access Fund	20,000		130,000
Prior Articles	88,220		
Total Funding Sources	\$ 2,417,220		\$ 2,942,650

The Waterways User Fee (WUF) is also a funding source for annual waterfront infrastructure projects. As of December 31, 2024, it had a balance of \$1,558,915. 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 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 but included in our total financial plan.

FY2026 Capital Improvement Project Requests	Dept.	FY26 Request	FY26 TMGR Rec
Land Management, Assessment & GIS	IT	\$50,000	\$50,000
Chatham TV Studio Hardware	IT	\$100,000	\$100,000
Chatham TV Equipment	IT	\$30,000	\$30,000
Video Camera Upgrade	IT	\$25,000	\$25,000
Software Upgrade	IT	\$25,000	\$25,000
GIS Migration	IT	\$50,000	\$50,000
Financial Management Software	IT	\$250,000	\$150,000
Town Computer/ Technology Equipment	IT	\$50,000	\$50,000

Network Equipment Upgrades	IT	\$50,000	\$50,000
Consulting & Engineering	TM	\$100,000	\$100,000
Generator(s)	EM/BG	\$40,000	\$40,000
Firearms Replacement with Mounted Optics	PD	\$40,000	\$40,000
4 Wheel UTV and Trailer	PD	\$40,000	\$40,000
Two (2) Cruiser Vehicles Replacements	PD	\$140,000	\$140,000
Protective Clothing	FD	\$50,000	\$50,000
Radios - mobile & portable	FD	\$10,000	\$10,000
Self-Contained Breathing Apparatus	FD	\$35,000	\$35,000
Drainage/Storm Water Management	STW	\$50,000	\$50,000
Conservation Lands Management/Forest	NR	\$10,000	\$10,000
Tide Gate & Roadway Feasibility Assessment	NR/CR	\$100,000	\$100,000
Town Landing Infrastructure Improvements	NR/CR	\$10,000	\$10,000
Aids to Navigation	NR/HBR	\$20,000	\$20,000
Mitchell River Bridge Maintenance/Improvements	NR/HBR	\$75,000	\$45,000
Shellfish Division Workshop Design/Permit	NR/SHF	\$50,000	\$50,000
Supplement Vehicle Budget	NR/HTH	\$15,000	\$15,000
Shellfish Capital	NR/SHF	\$15,000	\$15,000
Cemetery Headstones	CEM	\$10,000	\$10,000
Cemetery Fence Repair/Vegetation Removal	CEM	\$15,000	\$15,000
Road Resurfacing	HWY	\$350,000	\$200,000
Emergency Road Repair	HWY	\$20,000	\$10,000
Road Maintenance	HWY	\$35,000	\$20,000
Sidewalk Construction	HWY	\$100,000	\$100,000
Bike Trail Maintenance	HWY	\$10,000	\$5,000
Replace 2005 1-Ton Truck, Plow & Sander	HWY	\$95,000	\$95,000
Replace 2005 Backhoe	HWY	\$160,000	\$160,000
Transfer Station Trash Truck	TRNS	\$175,000	\$175,000
Facility/Safety Equipment upgrades	DPW	\$60,000	\$60,000
Water Main Replacement	SEW	\$10,000	\$10,000
Bassett House	BG	\$32,650	\$32,650
Property Management – All Buildings	BG	\$200,000	\$200,000
DPW Building Upgrades/Study	BG	\$50,000	\$50,000
Fuel Depot Fire Suppression upgrade	BG	\$150,000	\$150,000
PD/Annex Boilers	BG	\$50,000	\$50,000
ADA Improvements - all buildings	BG	\$250,000	\$250,000
Community Center Gym Wall Padding	REC	\$50,000	\$50,000
		\$3,252,650	\$2,942,650

Other potential Capital Articles will be presented in a few weeks with the Select Board’s review of Capital and Community priorities for the 2025 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 2025 Annual Town Meeting warrant. Potential articles included are listed below but have not been reviewed by the Select Board as of the writing of this transmittal:

POTENTIAL 2025 Annual Town Meeting Articles	Amount
Capital Project - Transfer Station (<i>Free Cash & \$400K Tax Levy</i>)	\$3,400,000
Capital Project - Center for Active Living Renovations (<i>Free Cash</i>)	\$5,000,000
Sewer Capital - [Transfer from Wastewater Capital Stabilization Fund]	\$1,070,000
<i>Dredging (Tax Levy)</i>	\$400,000
<i>Childcare Voucher Program (Tax Levy)</i>	\$175,000
Other Post Employment Benefits (OPEB) Funding (<i>Tax Levy</i>)	\$150,000
Capital - Chatham Municipal Airport; Federal Fiscal Year (FFY) 2025 Capital Improvement Plan (CIP) Projects (<i>Tax Levy</i>)	\$59,175
Capital – New Ambulance (<i>Tax Levy</i>)	\$410,000
Capital Project & Debt Exclusion Ballot Question – Wastewater/Sewer Construction/Expansion	\$32,000,000

Center for Active Living (CFAL) Renovation at 193 Stony Hill Road – Capital Funding Request (\$5,000,000)

This project involves renovating and upgrading the Center for Active Living (CFAL) at 193 Stony Hill Road to address its outdated design and enhance its functionality, making it better suited to meet current and future needs. The scope of this project will reflect the final concurrence by the Select Board and Council on Aging Board of Directors on the results of the Feasibility Study conducted specifying needed improvements resulting from reviewing code, safety, access, system, space and functional deficiencies to meet current and future operational needs to the maximum extent practicable within the limits of the existing building and site constraints. The proposed improvements to the lower level will focus on reconfiguration to accommodate the Adult Supportive Day Program and better serve flexible programming use of the current multi-purpose rooms. Main level improvements will emphasize providing improved handicap/functional safety access, expansion of dining and storage area, and an office layout meeting staff needs. Upper-level changes under consideration include adding dormers to increase the functionality of existing meeting and programming space. Site improvements will center upon enhancing access for less mobile patrons and formalizing parking and circulation for increased efficiency and safety for site visitors.

The total cost for the final design and implementation of the Revised Schematic Plans is estimated at \$4,665,441.00. On January 14, 2025, the Select Board voted to have a 2025 ATM warrant article drafted with a funding request in the amount of \$5,000,000 to provide for any

potential unexpected increases. The potential funding for this project is to use \$5,000,000 in Free Cash, which would have no impact to the tax rate.

Transfer Station Project Status and Capital Funding Request (\$3,400,000)

Improvements at the Transfer Station were approved at the May 2023 ATM. Work was divided into two projects, Phase I was focused on the recycling area and Phase II addressed health and safety concerns at the garage and staff building. Bids received for these two projects exceeded engineering estimates, so the decision was made to move forward with the safety concerns at the staff building (Phase II, “Priority I”) only. In response the contractor has been busy constructing a new fuel depot behind the tipping floor building so the old depot could be decommissioned. The existing garage was demolished in September and the contractor is continuing with foundation work. The garage envelope has been delivered to the site and construction is ongoing.

The Phase I project will address key deficiencies and enhance safety for all users of the Transfer Station by improving traffic flow, upgrading lighting, replacing the scale and gate house, and providing safer pedestrian access and protection for employees. It will also address health, cleanliness, and odor concerns at the tipping floor building by rehabilitating the concrete floor, creating a smoother, more durable surface that is easier to clean and maintain. These improvements will enhance conditions for both employees and residents. The project encompasses the final design and construction of the recycling area (Phase I, “Priority II”) and the rehabilitation of the tipping floor. The estimated cost is currently \$3.4 million. When presented as Article 17 at the 2024 Annual Town Meeting, the estimated cost was \$2.9 million. Town Meeting vote on Article 17 failed to receive the required two-thirds majority vote, but the ballot question passed at the Annual Town Election.

The Transfer Station project requires a total of \$3,400,000 in funding. This will be covered by using \$3,000,000 from Free Cash and \$400,000 from the tax levy. The \$400,000 funded through the tax levy will temporarily increase the tax rate by \$0.03 per \$1,000 of property value for one year. For a single-family home valued at \$1.2 million, this means an additional cost of \$38.89 for that year.

The chart below illustrates the remaining Free Cash balance if the Capital articles funded by Free Cash are approved at the 2025 Annual Town Meeting:

Free Cash Balance		
Beginning FREE CASH Balance	\$ 11,186,838.00	
FY2026 Capital Improvement Project Requests		\$ (2,717,650.00)
Center For Active Living Renovations		\$ (5,000,000.00)
Transfer Station Capital Request		\$ (3,000,000.00)
Ending Free Cash Balance		\$ 469,188.00

Wastewater/Sewer Design and Construction – Debt Authorization \$32,000,000

The amount requested for funding in FY2026 is \$32 million for the Sewer Expansion. This project has been critical to support our continued efforts to reduce nitrogen in waterways. The funding request will closely match the 2024 State Revolving Fund (SRF) request to support the next design phase and construction efforts. This requested amount includes \$1 - \$1.5 million to fund the first phase of grinder pump purchases, if approved by the Select Board. Under this scenario, funding for the grinder pumps is not eligible for SRF reimbursement.

As the Board is aware the Town completed the Comprehensive Wastewater Management Plan (CWMP) in 2009. The CWMP, recommended a two (2) Phase Plan to be implemented over approximately 30 years. Phase 1 (years 2010-2030), which will result in sewerage approximately 2/3rds of the Town, is designed to address the nitrogen removal needs to restore embayment water quality. Phase 1 also addresses issues such as high groundwater and poor soils that impact the siting of septic systems, and the Town’s industrial areas. Phase 2 (years 2030-2040), when implemented, would extend sewers to the remainder of the Town.

Implementation of the CWMP began in 2009 with the first Annual Town Meeting (ATM) appropriation of \$59,508,000. The first appropriation was “front-loaded” to take advantage of Federal Stimulus funds available at the time, including an \$18,000,000 grant from United States Department of Agriculture (USDA). Subsequent Annual Town Meeting appropriations occurred in 2013 (\$15,000,000), 2014 (\$17,500,000), 2017 (\$31,000,000) 2019 (\$7,150,000) and in 2021 (\$7,000,000) for total appropriations to date of \$137,158,000. An additional reason for a somewhat accelerated financing schedule is to take advantage of Zero percent (0%) borrowing through the Massachusetts Clean Water Trust State Revolving Fund (SRF) for nutrient management projects, which the CWMP is centered around. All projects funded to date through the SRF have been borrowed at Zero percent (0%).

There is currently a \$30 million request pending from the Massachusetts Clean Water Trust State Revolving Fund and is on the Intended Use Plan (IUP) for calendar year 2026 for a zero percent to two percent (0%- 0.2%) interest loan for up to \$30 million of the estimated cost. Additional funding/offset may also be available from the Cape Cod & Islands Water Protection Fund (CCIWPF) in the form of grants.

Since new sewer connections began in 2012 the Board of Health (BOH) has been issuing Orders requiring connection to the municipal sewer in accordance with the Boards mandatory Sewer Connection Regulation. In November 2022 the BOH approved the issuance of Connection Orders for additional completed Contracts: Phase 1C-2, 116 properties; Phase 1C-3/4, 258 properties; Phase 1D-1, 88 properties; and Crowell Rd. Phase I (1E-1), 30 properties. Issuance of BOH Connection Orders for Contracts 1C-2, 1C-3/4, 1D-1 & 1E-1 will add another 492 properties to those eligible to connect. The Health Division Staff sent out 393 orders to connect in 2023 on behalf of the BOH, with no additional orders sent in 2024. 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. The BOH also placed a moratorium on connections that require grinder pumps to allow time for the Town to develop a policy regarding grinder pump acquisition.

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. 646 connections have been completed to date, that is a 78% rate of connection. There are an additional 166 properties in-process, i.e., have applied for a permit, awaiting permit, awaiting contractor, etc.

Phase 1F, side roads off Route 28, as well as the southern end of Cedar Street and Barn Hill Road, are expected to go to bid in late 2025 after design finalization and 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 ARPA⁴ and the Cape Cod & Islands Water Protection Fund (CCIWPF). The 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.

⁴ American Rescue Plan Act

IMA 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 (received 8/23/24- FY2025)
6/18/2026	1,500,000.00	not greater than 9 years
	\$ 6,765,000.00	TOTAL

Wastewater Capital Funding

For FY2026, it is proposed for the Wastewater Capital Stabilization Fund to fund three items for the Sewer Capital requests: Stage Harbor Pump Station in the amount of \$700,000, Replacement of Denitrification Filters Air System in the amount of \$200,000, and \$170,000 for Annual Sewer Collection System Repairs. The total amount of the Capital request is \$1,070,000 which will be funded from the Wastewater Capital Stabilization Fund (balance as of December 31, 2024, is \$4,943,704. The Wastewater Capital Stabilization Fund is comprised of payments received from the Town of Harwich via our Intermunicipal Agreement:

Community Preservation Act

For FY2026, there were eight (8) potential projects/applications that were received by November 1st. The Community Preservation Committee (CPC) voted on the applications/projects they received on January 6, 2025, and the recommended total of requests for funding projects in FY2026 is \$1,923,035; \$500,000 for affordable housing projects, \$733,035 for historic preservation projects, \$690,000 for Open Space projects. There will also be articles for the funding of the FY2026 CPC administrative budget in the amount of \$15,000 and the funding of the statutory reserves, 10% to each reserve; \$140,000 Historic Reserve, \$140,000 Open Space/Recreation Reserve and \$140,000 for the Housing Reserve. Total amount proposed for appropriation at the 2025 Annual Town Meeting is \$2,358,035; using \$1,361,417 in estimated revenues and \$996,618 in available funds. There is a total of \$3,001,316 in estimated revenue and available funds.

Community Preservation Act Projects		Amount
Housing	Affordable Housing Trust	\$ 500,000.00
Historic	Stallknecht Painting Preservation	\$ 408,000.00
Historic	Nickerson Family Association, Historic Barn	\$ 275,000.00
Historic	Union Cemetery Restoration	\$ 50,035.00
Open Space	Field Studies to Preserve Open Space for Salt Marshes	\$ 140,000.00
Open Space	2025 Open Spece & Recreation Plan	\$ 50,000.00
Open Space	Little Mill Pond Pier - Reconstruction Project	\$ 500,000.00
Other	Administrative Budget	\$ 15,000.00
Other	10% Reserve Fund Allocation	\$ 420,000.00
		\$ 2,358,035.00

FY2026 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 and 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 FY2025 to FY2026 32.52%. At this time, we are actively working towards implementing an updated rate structure for the Water Department. This initiative aims to ensure the financial sustainability of our operations and strengthen our ability to meet future budgetary needs. The proposed Water Budget for FY2026 is increasing overall by 15.42% for FY2026.

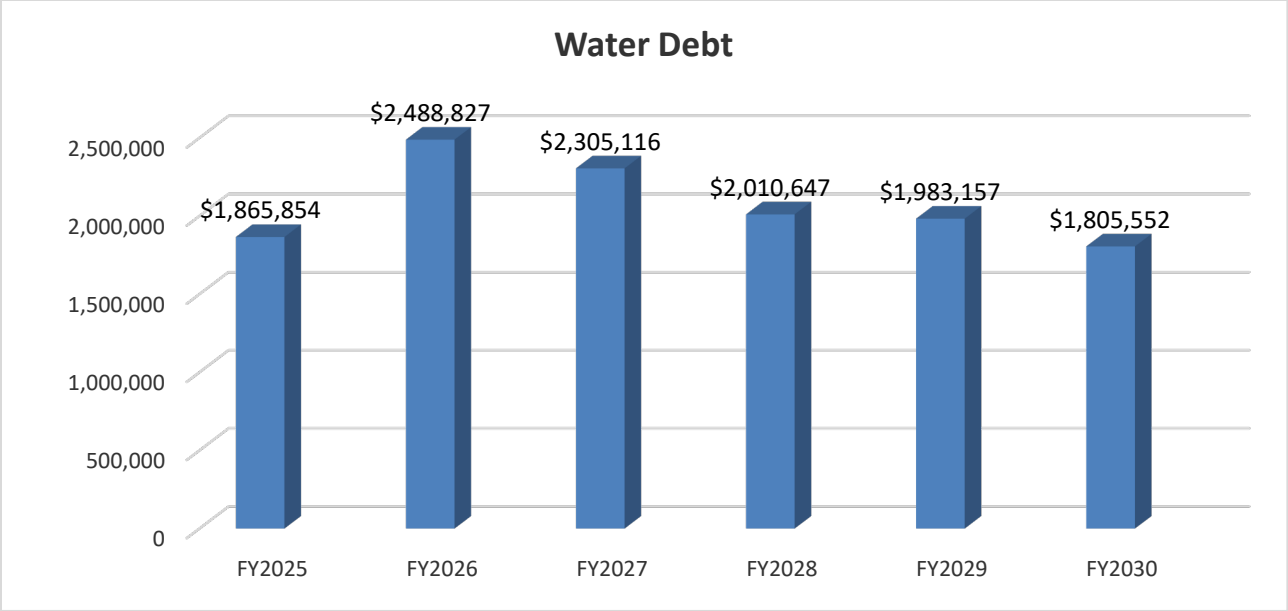
450 Water Operating Fund	FY2024 Actual	FY25 Voted	TM FY26 Recommend	
Water Fund Salary	\$287,754	\$273,732	\$288,725	
Water Fund Expenses	\$1,775,440	\$2,200,500	\$2,278,798	
Overhead	\$318,773	\$329,930	\$341,478	
Debt Service	<u>\$1,137,234</u>	<u>\$1,915,855</u>	<u>\$2,538,827</u>	
TOTAL COSTS	\$3,519,201	\$4,720,017	\$5,447,828	15.42%

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 \$ 496,737 in retained earnings (similar to Free Cash) for funding potential warrant articles in FY2026. The Water Department has submitted a Capital request for FY2026 totaling \$2.1M for Water Storage Tank Painting and Repairs. This request is currently under review, with final approval contingent on available revenues and adjustments to Water Rates.

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



NEXT STEPS

Strategic budgeting initiatives dating back to 2012, coupled with the Town’s resilient COVID-19 Financial Management Plans spanning FY2020 to FY2023 and efforts in FY2024 and FY2025, have strengthened Chatham's financial standing compared to many other municipalities in the Commonwealth. The affirmation of our S&P AAA Bond Rating on June 13, 2024, is a testament to the Town’s responsible fiscal practices, coastal resiliency efforts, proactive cybersecurity planning, and the success of our COVID Financial Plan. Additionally, on October 11, 2024, for the second consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town of Chatham for our Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023.

The ongoing challenge remains meeting service-level expectations across the entire community within defined financial parameters, while continuing to uphold our prestigious AAA Bond Rating in alignment with municipal guidelines used by rating agencies. FY2026 *Staying the Course Budget* advances community initiatives and Select Board directives, providing the necessary resources to meet these objectives while maintaining excellent and sustainable service.

The foundation of Chatham’s operational success is not only sound financial management but also the dedication and expertise of our professional staff (Team Chatham!), supportive (and hardworking!) Elected Officials, dedicated Town Officials, engaged community volunteers, and informed and active residents. I am committed to continuing our collaborative approach to financial management in partnership with the Select Board, Finance Committee, and Monomoy Regional School Committee, as we engage in thoughtful discussions about the

services our community needs and desires, while maintaining transparency in government operations.

This budget is the product of many months of effort by my team, led by Finance Director Carrie Mazerolle working closely with all Department Heads. I extend my sincere appreciation to all Town Department staff for their time, collaboration, and strategic insights as I prepared my 13th Town Manager Budget Message for the FY2026 *Staying the Course* Budget. Thank you to IT Director Craig Rowe and Executive Assistant Cathy Lewis for their instrumental contributions in fully implementing and enhancing the digital budget book, ensuring it serves as an accessible and comprehensive resource for the community.

A special acknowledgment goes to Team Chatham for their exceptional professionalism and teamwork demonstrated daily. I am also deeply grateful for the knowledge, historical perspective, feedback, and support provided by our residents, who care so passionately about our beautiful community. It remains an honor to serve as your Town Manager.

The Select Board will conduct its review of the Town Manager's proposed FY2026 Operating and Capital Budget at its regular meetings now through February 2025. The Select Board will then vote a recommendation and transmit the approved FY2026 Operating and Capital Budgets to the Finance Committee on or before March 1st (General Bylaw § 15-1, D). The Finance Committee will conduct its review at public meetings (starting on January 23, 2025) and provide a formal recommendation on the budget, as well as all Town Meeting articles for inclusion in the 2025 Annual Town Meeting warrant. The Annual Town Meeting will be held on Saturday, May 10, 2025, at 11 AM at the Monomoy Middle School.

In accordance with the Town's General Bylaws and Charter, I respectfully submit the Town Manager's Proposed FY2026 Operating and Capital Budgets for your consideration.

Thank you for your thoughtful review of this budget. As always, I welcome your feedback on how we can enhance the accessibility, user-friendliness, and inclusivity of our Budget Summary and presentation.

Respectfully submitted,

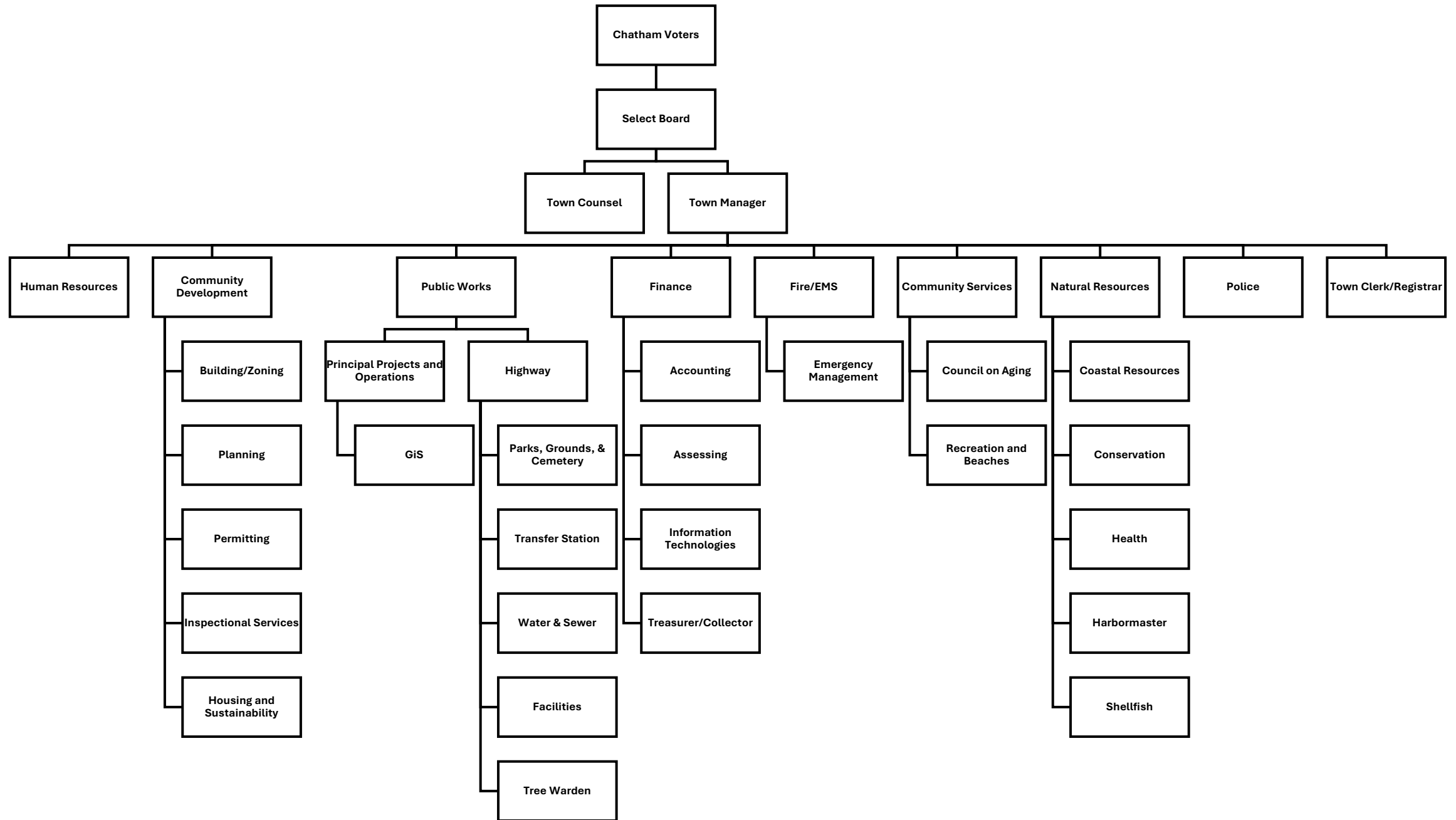
Jill R. Goldsmith, Chatham Town Manager, [ICMA-CM](#)

Enclosures:

Organization Chart

Budget Summaries

Town Wide Organization Chart



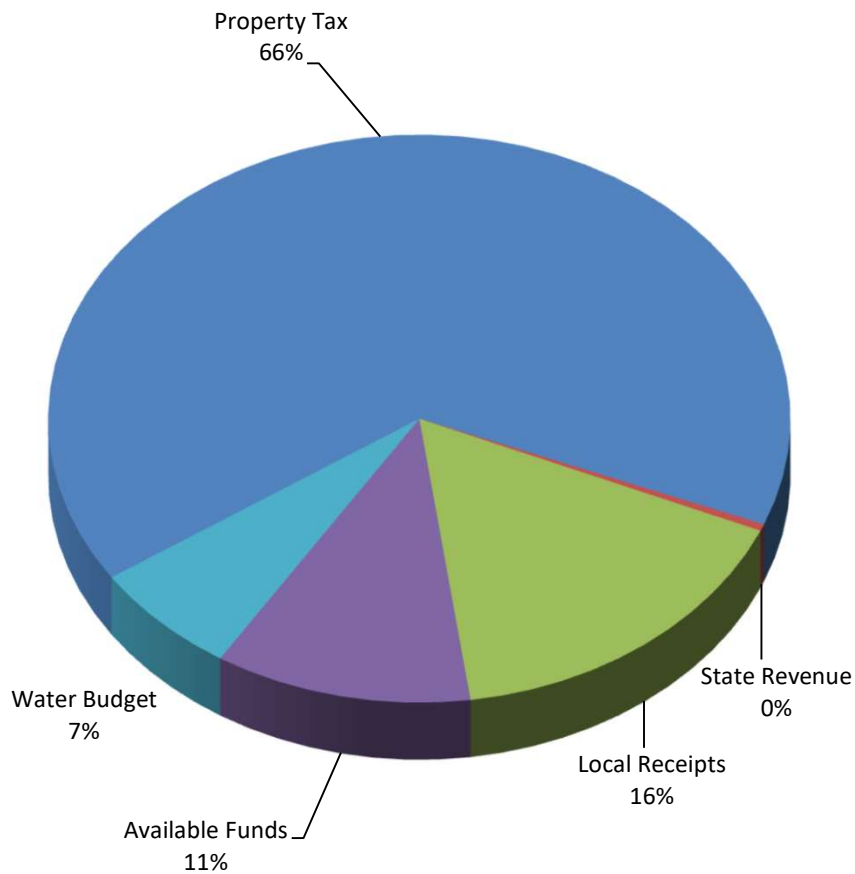
Summaries



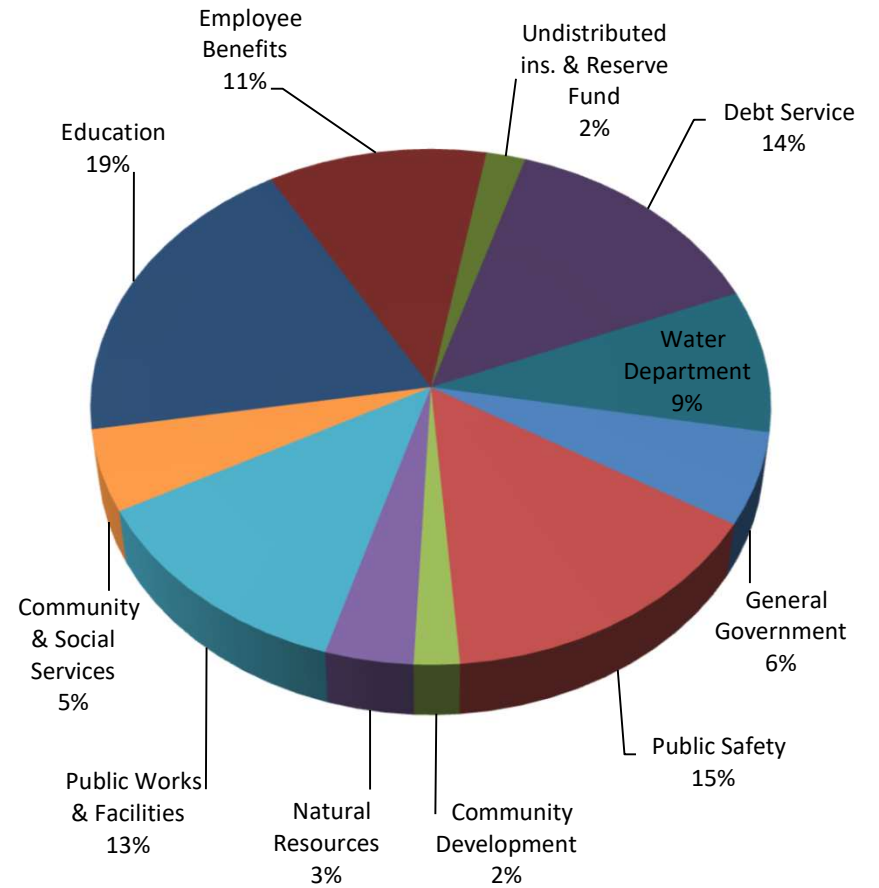
FY 2026 Budget


Revenues & Expenses

Revenues



Expenses




Summaries						
	FY 2026 Budget		Sources of Funding/Revenues			
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2025- Town Manager
Sources of Funding (Summary)						
Property Tax	38,926,369	41,850,165	43,208,030	46,197,162	45,851,014	6.12%
State Revenue	234,694	247,123	257,087	267,370	267,370	4.00%
Local Receipts	12,619,829	12,824,255	10,775,760	11,299,429	11,299,429	4.86%
Available Funds	9,425,706	11,854,505	7,393,426	15,946,559	15,946,559	115.69%
Sub-Total Sources of Funding	61,206,598	66,776,049	61,634,303	73,710,521	73,364,373	19.03%
Other Funds						
G.F Bonding (w/o Water)	0	9,320,000	4,000,000	32,000,000	32,000,000	700.00%
Water Revenue, Direct	3,467,588	3,465,044	4,320,018	5,134,828	5,047,828	16.85%
Water Bonding/Surplus	750,000	20,350,000	500,000	2,100,000	2,100,000	76.19%
Sub-Total	4,217,588	33,135,044	8,820,018	39,234,828	39,147,828	343.85%
Total Revenue	65,424,186	99,911,093	70,454,320	112,945,348	112,512,201	59.70%
Tax Levy						
Base	33,877,236	35,369,595	36,856,135	38,142,381	38,142,381	3.49%
x2.5%	846,931	884,230	921,360	953,560	953,560	3.49%
Growth	645,428	602,702	366,616	350,000	350,000	-4.53%
Adjustment	0	-392	-1,730	0	0	
Debt Exclusions - Form DE-1	6,775,239	7,601,135	7,264,903	8,236,227	8,236,227	13.37%
Less: MSBA - School Debt	446,035	427,692	409,845	0	0	
Estimated exempt short term inte	0	-29,479	-26,035	-22,704	-22,704	-12.79%
Barnstable County Tax	321,663	329,705	333,295	339,961	339,961	2.00%
Excess Levy Capacity - Not Used	-3,986,163	-3,335,023	-2,916,359	-1,802,263	-2,148,411	-26.33%
Total Est. Tax Levy	38,926,369	41,850,165	43,208,030	46,197,162	45,851,014	6.12%
Summaries						

	FY 2026 Budget		Sources of Funding/Revenues			
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2024- Town Manager
General Government						
Unrestricted General Government	174,335	179,913	185,311	192,723	192,723	3.85%
Veterans' Benefits	22,146	24,497	24,805	25,797	25,797	3.85%
Exemptions Vets/Blind/Etc.	25,359	29,298	32,677	33,984	33,984	3.85%
Exemptions Elderly	0	0	0	0	0	
Public Libraries	12,854	13,415	14,294	14,866	14,866	3.85%
Subtotal General Government	234,694	247,123	257,087	267,370	267,370	3.85%
Total State Revenue	234,694	247,123	257,087	267,370	267,370	3.85%

Summaries

	FY 2026 Budget		Sources of Funding/Revenues			
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2025- Town Manager
Local Revenue						

Motor Vehicle Excise	1,602,999	1,604,353	1,450,000	1,450,000	1,450,000	0.00%
Meals Tax	665,858	677,107	575,000	575,541	575,541	0.09%
Hotel/Motel Excise - Traditional	2,364,358	2,328,337	2,100,000	2,100,000	2,100,000	0.00%
Short-term Rental	1,769,561	1,719,068	1,600,000	1,500,000	1,500,000	-6.25%
Penalties & Interest	130,867	164,687	135,000	140,000	140,000	3.70%
Payments in Lieu	35,318	541,388	375,000	460,180	460,180	22.71%
Chg's for Services: Sewer	738,671	639,134	600,000	600,000	600,000	0.00%
Chg's for Services: Trash	1,304,262	1,479,068	1,325,000	1,325,000	1,325,000	0.00%
Other Charges - Includes Ambular Fees	850,973	915,287	750,000	800,000	800,000	6.67%
Rentals	105,585	99,833	85,000	85,000	85,000	0.00%
Recreation Revenue	160,021	156,619	130,000	150,000	150,000	15.38%
Recreation Revenue	738,671	758,814	675,000	675,000	675,000	0.00%
Other Dept'l Revenue	9,413	7,878	5,000	6,696	6,696	33.93%
Licenses & Permits	815,028	811,877	700,000	700,000	700,000	0.00%
Special Assessments	23,054	15,255	13,000	12,966	12,966	-0.26%
Fines & Forfeits	29,813	61,575	30,000	52,339	52,339	74.46%
Interest Earnings	519,888	755,809	200,000	642,438	642,438	221.22%
Misc.	2,023	1,841	1,725	1,565	1,565	-9.30%
Misc. non-recurring	753,466	86,325	26,035	22,704	22,704	-12.79%
Sub-Total Local Revenue	12,619,829	12,619,829	10,775,760	11,299,429	11,299,429	4.86%

Summaries						
 FY 2026 Budget	Sources of Funding/Revenues					
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2025- Town Manager
Available Funds						
Free Cash	6,142,647	7,534,966	2,205,330	10,717,650	10,717,650	385.99%
Overlay Surplus	150,000	150,000	150,000	150,000	150,000	0.00%
Stabilization Fund - Waste Water :	0	0	1,735,000	1,070,000	1,070,000	0.00%
Retirement Fund	0	0	0	0	0	0.00%
Enterprise Funds	25,000	25,000	25,000	25,000	25,000	0.00%
Other :	0	0	0	0	0	0.00%
CCIWPF Grant	615,160	615,160	615,160	615,160	615,160	0.00%
Land Bank Receipts Reserved	0	0	0	0	0	0.00%
Community Preservation Fund	1,725,860	2,684,330	1,706,786	2,358,035	2,358,035	0.00%
Water Overhead	307,993	318,773	329,930	334,714	334,714	1.45%
Cemetery Perpetual Care	0	5,000	10,000	10,000	10,000	0.00%
Sale of Lots & Graves	35,000	35,000	35,000	35,000	35,000	0.00%
Wetland Protection Fund	55,000	55,000	55,000	55,000	55,000	0.00%
Waterway Improvement Fund	218,000	250,000	250,000	250,000	250,000	0.00%
Prior Year Articles	0	0	88,220	0	0	-100.00%
School/ PEG Access Funds	0	28,276	35,000	35,000	35,000	0.00%
Railroad Museum RRFA	1,046	3,000	3,000	5,000	5,000	66.67%
TNC RRFA	0	0	0	6,000	6,000	0.00%
PEG Access Funds RRFA	150,000	150,000	150,000	280,000	280,000	86.67%
Sub-Total Available Funds	9,425,706	11,854,505	7,393,426	15,946,559	15,946,559	115.69%

Summaries



FY 2026 Budget

Financing Uses/Expenditures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2025- Town Manager
Expenses						
Operating Budgets						
General Government	2,675,041	3,032,595	3,419,775	3,562,820	3,546,470	3.70%
Public Safety	7,080,634	7,472,325	8,609,541	9,357,372	9,259,517	7.55%
Community Development	907,822	991,803	1,114,441	1,239,915	1,232,615	10.60%
Natural Resources (formerly H & Public Works & Facilities	1,824,805	1,901,578	2,324,452	2,465,315	2,387,675	2.72%
Community & Social Services	2,220,260	2,403,538	2,851,562	3,212,239	3,135,237	9.95%
Education	9,837,826	10,078,235	10,884,419	11,735,092	11,735,092	7.82%
Employee Benefits	5,357,113	5,711,444	6,260,194	6,853,612	6,853,612	9.48%
Undistributed Ins. & Reserve Fun	821,240	937,693	1,077,876	1,222,835	1,222,835	13.45%
Debt Service	6,335,496	6,855,968	7,815,378	8,576,227	8,576,227	9.74%
Operating Budget Total	43,608,317	45,986,903	51,696,497	56,002,761	55,656,614	7.66%
Capital Budget						
Town (no water) - Free Cash, plu	2,556,600	3,674,000	2,338,220	10,942,650	10,942,650	367.99%
Water w/ Bonding	750,000	20,350,000	500,000	2,100,000	2,100,000	320.00%
Bonding/ G.F.	0	9,320,000	4,000,000	32,000,000	32,000,000	700.00%
Capital Budget Total	3,306,600	33,344,000	6,838,220	45,042,650	45,042,650	558.69%

Summaries



FY 2026 Budget

Financing Uses/Expenditures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Dept Request	FY 2026 Town Manager	% Difference FY2025- Town Manager
Water Operating Budget	3,857,002	3,913,572	4,720,017	5,534,828	5,447,828	15.42%
Articles-Routine at ATM (levy)	676,307	1,493,114	2,076,700	1,444,175	1,444,175	-30.46%
Land Purchase	500,000	0	0	0	0	
Community Preservation	1,725,860	2,684,330	1,706,786	2,358,035	2,358,035	38.16%
STM Articles	0	0	0	0	0	
Enterprise Fund	25,000	25,000	25,000	25,000	25,000	0.00%
Wastewater Stabilization	0	0	1,735,000	1,070,000	1,070,000	-62.15%
Stabilization Fund/OPEB Trust	150,000	150,000	150,000	150,000	150,000	0.00%
Total Town Meeting Approp	6,934,169	8,266,016	10,413,503	10,582,038	10,495,038	0.78%
Overlay for Abatements	335,105	225,656	254,973	350,000	350,000	37.27%
Charges: State & County	890,331	895,531	953,033	953,033	953,033	0.00%
Other Articles (free cash)	3,701,673	3,860,997	0	0	0	0.00%
Court Judgements & Other Deficit	0	0	0	0	0	0.00%
State Aid - Offsets (Lunch & Libr'y	12,854	13,415	14,294	14,866	14,866	4.00%
		0	0	0	0	
Total Expenses	58,789,049	92,592,518	70,170,519	112,945,348	112,512,201	60.34%

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
GENERAL GOVERNMENT							
Dept - 114 Town Moderator							
Personnel Services	0	0	1,200	0	1,200	1,200	0.00%
Expenses	30	40	50	40	50	50	0.00%
Total Town Moderator	30	40	1,250	40	1,250	1,250	0.00%
Dept - 131 Finance Committee							
Personnel Services	1,154	1,772	2,000	202	2,000	2,000	0.00%
Expenses	248	418	600	222	600	600	0.00%
Total Finance Committee	1,402	2,190	2,600	425	2,600	2,600	0.00%
Dept - 122 Select Board							
Personnel Services	21,000	21,000	21,000	10,500	21,000	21,000	0.00%
Expenses	1,758	3,736	2,000	1,503	3,050	3,050	52.50%
Total Select Board	22,758	24,736	23,000	12,003	24,050	24,050	4.57%
Dept - 123 Town Manager							
Personnel Services	299,490	387,560	405,490	179,939	421,950	421,950	4.06%
Expenses	197,386	205,847	215,450	82,224	221,250	221,250	2.69%
Total Town Manager	496,877	593,408	620,940	262,163	643,200	643,200	3.58%
Dept - 130 Human Resources							
Personnel Services	94,630	138,879	196,130	81,730	204,206	204,206	4.12%
Expenses	20,291	20,428	27,950	13,978	30,350	30,350	8.59%
Total Human Resources	114,921	159,307	224,080	95,709	234,556	234,556	4.68%


Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 151 Legal							
Personnel Services	0	0	0	0	0	0	
Expenses	144,709	190,558	235,000	86,960	235,000	235,000	0.00%
Total Legal	144,709	190,558	235,000	86,960	235,000	235,000	0.00%
Dept - 148 Audit							
Personnel Services	0	0	0	0	0	0	
Expenses	59,960	59,960	65,000	35,000	65,000	65,000	0.00%
Total Audit	59,960	59,960	65,000	35,000	65,000	65,000	0.00%
Dept - 135 Accounting							
Personnel Services	289,759	331,581	311,132	135,223	394,824	394,824	26.90%
Expenses	7,728	5,830	6,900	1,339	8,200	8,200	18.84%
Total Accounting	297,486	337,411	318,032	136,561	403,024	403,024	26.72%
Dept - 141 Assessing							
Personnel Services	233,696	248,196	261,218	120,592	272,834	272,834	4.45%
Expenses	72,984	51,074	87,150	37,106	88,600	88,600	1.66%
Total Assessing	306,680	299,270	348,368	157,698	361,434	361,434	3.75%
Dept - 146 Treasurer/Collector							
Personnel Services	205,567	209,410	231,909	105,890	242,384	242,384	4.52%
Expenses	18,421	10,886	25,400	5,991	30,400	25,400	0.00%
Total Treasurer/Collector	223,988	220,296	257,309	111,881	272,784	267,784	4.07%

Summaries								
	FY 2026 Budget	Department Expenses						
		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 155 Information Technologies								
Personnel Services		325,788	403,896	438,900	195,702	458,122	458,122	4.38%
Expenses		407,792	431,934	500,000	430,625	519,000	507,750	1.55%
Total Information Technologies		733,580	835,831	938,900	626,327	977,122	965,872	2.87%
Dept - 161 Town Clerk								
Personnel Services		156,923	171,116	187,026	87,701	193,645	193,645	3.54%
Expenses		7,843	8,122	12,615	4,750	12,615	12,615	0.00%
Total Town Clerk		164,766	179,239	199,641	92,451	206,260	206,260	3.32%
Dept - 162 Elections								
Personnel Services		450	1,350	16,275	8,121	7,668	7,668	-52.88%
Expenses		33,654	48,965	78,610	23,331	50,110	50,110	-36.25%
Total Elections		34,104	50,315	94,885	31,451	57,778	57,778	-39.11%
Dept - 124 Summer Residents Advisory Committee								
Personnel Services		0	0	0	0	0	0	
Expenses		1,352	1,849	2,000	865	2,000	2,000	0.00%
Total Summer Residents Advisory		1,352	1,849	2,000	865	2,000	2,000	0.00%
Dept - 125 Parking Clerk								
Personnel Services		6,000	6,000	6,000	2,000	6,000	6,000	0.00%
Expenses		374	398	2,500	410	2,500	2,500	0.00%
Total Parking Clerk		6,374	6,398	8,500	2,410	8,500	8,500	0.00%

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept -165 Sticker (Permit) Office							
Personnel Services	32,129	41,845	56,820	13,881	31,312	31,312	-44.89%
Expenses	33,926	29,943	23,450	1,929	36,950	36,850	57.14%
Total Sticker (Permit) Office	66,054	71,788	80,270	15,809	68,262	68,162	-15.08%

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
PUBLIC SAFETY							
Dept - 210 Police							
Personnel Services	2,666,908	3,026,038	3,416,942	1,765,296	3,787,803	3,696,928	8.19%
Expenses	244,823	222,991	278,540	115,492	291,892	284,912	2.29%
Total Police	2,911,730	3,249,029	3,695,482	1,880,787	4,079,695	3,981,840	7.75%
Dept - 216 Emergency Management							
Personnel Services	45,300	28,500	42,750	16,500	44,033	44,033	2.91%
Expenses	4,878	8,409	10,100	741	10,100	10,100	0.00%
Total Emergency Management	50,178	36,909	52,850	17,241	54,133	54,133	2.37%
Dept - 215 Animal Control							
Personnel Services	64,975	71,528	77,145	35,734	81,530	81,530	5.68%
Expenses	914	900	1,950	0	1,950	1,950	0.00%
Total Animal Control	65,889	72,429	79,095	35,734	83,480	83,480	5.54%
Dept - 220 Fire							
Personnel Services	3,678,851	3,827,335	4,285,266	2,028,635	4,702,228	4,702,228	9.73%
Expenses	369,553	280,883	490,359	144,882	369,549	369,549	-24.64%
Total Fire	4,048,404	4,108,218	4,775,624	2,173,517	5,071,777	5,071,777	6.20%
Dept - 222 Cape and Islands EMS							
Personnel Services	0	0	0	0	0	0	0.00%
Expenses	3,933	5,500	5,990	5,500	6,500	6,500	7.85%
Total Cape and Islands EMS	3,933	5,500	5,990	5,500	6,500	6,500	7.85%

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 224 Oil Pollution Control							
Personnel Services	0	0	0	0	0	0	0.00%
Expenses	500	239	500	0	500	500	0.00%
Total Oil Pollution Control	500	239	500	0	500	500	0.00%
Dept -219 Regional Dispatch							
Personnel Services	0	0	0	0	0	0	0
Expenses	0	0	0	0	61,288	61,288	1
Total Dispatch	0	0	0	0	61,288	61,288	1

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2025 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
COMMUNITY DEVELOPMENT							
Dept - 240	Community Development						
Personnel Services	747,618	839,316	886,641	395,808	1,015,115	1,015,115	14.49%
Expenses	71,204	57,486	132,800	46,301	129,800	122,500	-7.76%
Total Community Development	818,822	896,803	1,019,441	442,109	1,144,915	1,137,615	11.59%
Dept - 182	Economic Development - Chamber of Commerce						
Personnel Services	0	0	0	0	0	0	
Expenses	89,000	95,000	95,000	53,801	95,000	95,000	0.00%
Total Economic Development Chamber of Commerce	89,000	95,000	95,000	53,801	95,000	95,000	0.00%


Summaries




FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
NATURAL RESOURCES							
Dept - 510 Health & Natural Resources							
Personnel Services	371,779	395,943	493,694	225,284	526,012	526,012	6.55%
Expenses	109,876	93,293	102,950	49,194	139,100	89,100	-13.45%
Total Health	481,654	489,237	596,644	274,477	665,112	615,112	3.10%
Dept - 171 Conservation							
Personnel Services	246,364	217,007	416,672	128,982	366,257	366,257	-12.10%
Expenses	33,150	39,883	46,550	11,308	56,700	56,700	21.80%
Total Conservation	279,515	256,890	463,222	140,290	422,957	422,957	-8.69%
Dept - 280 Pleasant Bay Management							
Personnel Services	0	0	0	0	0	0	
Expenses	49,061	54,738	60,428	60,428	63,085	63,085	4.21%
Total Pleasant Bay Management	49,061	54,738	60,428	60,428	63,085	63,085	4.21%
Dept - 270 Harbormaster							
Personnel Services	528,721	574,643	620,620	290,112	703,545	693,405	11.73%
Expenses	144,194	179,772	194,120	56,513	198,580	181,080	-6.72%
Total Harbormaster	672,916	754,415	814,740	346,625	902,125	874,485	7.33%
Dept - 295 Coastal Resources							
Personnel Services	107,797	107,802	129,570	57,816	136,077	136,077	5.02%
Expenses	18,032	19,850	24,050	6,878	24,050	24,050	0.00%
Total Coastal Resources	125,829	127,652	153,620	64,694	160,127	160,127	4.24%

Summaries							
 FY 2026 Budget	Department Expenses						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 247 Shellfish							
Personnel Services	201,337	202,555	217,498	106,732	227,610	227,610	4.65%
Expenses	12,130	13,894	15,300	4,989	21,300	21,300	39.22%
Total Shellfish	213,467	216,449	232,798	111,721	248,910	248,910	6.92%
Dept - 291 South Coast Harbor Plan Committee							
Personnel Services	678	583	500	297	500	500	0.00%
Expenses	0	0	500	0	500	500	0.00%
Total South Coast Harbor Plan Committee	678	583	1,000	297	1,000	1,000	0.00%
Dept - 248 Shellfish Advisory Committee							
Personnel Services	678	814	800	327	800	800	0.00%
Expenses	0	0	200	0	200	200	0.00%
Total Shellfish Advisory Committee	678	814	1,000	327	1,000	1,000	0.00%
Dept - 189 Waterways Advisory Committee							
Personnel Services	791	601	600	321	600	600	0.00%
Expenses	216	200	400	0	400	400	0.00%
Total Water Advisory Committee	1,007	801	1,000	321	1,000	1,000	0.00%

Summaries							
	FY 2026 Budget		Department Expenses				
		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager
DEPARTMENT OF PUBLIC WORKS							
Dept - 192 Facilities							
Personnel Services	463,514	503,067	208,021	96,687	220,720	220,720	6.10%
Expenses	1,585,233	1,310,515	1,334,750	647,511	1,448,050	1,448,050	8.49%
Total Facilities	2,048,747	1,813,582	1,542,771	744,198	1,668,770	1,668,770	8.17%
Dept - 420 Highway							
Personnel Services	527,087	614,992	811,934	255,498	853,703	853,703	5.14%
Expenses	70,009	89,921	94,400	60,083	98,400	98,400	4.24%
Total Highway	597,096	704,912	906,334	315,581	952,103	952,103	5.05%
Dept - 423 Snow and Ice							
Personnel Services	14,903	21,823	20,000	0	20,000	20,000	0.00%
Expenses	60,336	56,128	75,000	7,394	75,000	75,000	0.00%
Total Snow and Ice	75,239	77,951	95,000	7,394	95,000	95,000	0.00%
Dept - 424 Street Lighting							
Expenses	9,770	11,845	22,500	5,947	22,500	22,500	0.00%
Total Street Lighting	9,770	11,845	22,500	5,947	22,500	22,500	0.00%
Dept - 430 Transfer Station							
Personnel Services	547,317	551,716	633,906	326,013	641,878	641,878	1.26%
Expenses	1,120,041	1,258,722	1,176,070	713,064	1,271,070	1,271,070	8.08%
Total Transfer Station	1,667,358	1,810,437	1,809,976	1,039,077	1,912,948	1,912,948	5.69%


Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 425 Fuel Depot							
Expenses	289,195	220,503	235,000	95,135	235,000	235,000	0
Total Fuel Depot	289,195	220,503	235,000	95,135	235,000	235,000	0
Dept - 443 Sewer							
Personnel Services	22,792	30,212	32,851	14,724	34,513	34,513	0
Expenses	1,339,723	1,436,996	1,678,650	792,094	1,714,777	1,714,777	0
Total Sewer	1,362,515	1,467,208	1,711,501	806,819	1,749,290	1,749,290	0
Dept - 491 Cemetery							
Personnel Services	27,762	39,908	49,978	21,887	52,422	52,422	4.89%
Expenses	45,141	55,998	79,450	21,697	79,450	9,450	-88.11%
Total Cemetery	72,903	95,907	129,428	43,584	131,872	61,872	-52.20%
Dept - 650 Grounds							
Personnel Services	342,315	331,774	474,568	177,581	606,872	606,872	27.88%
Expenses	82,941	67,606	89,750	34,624	89,750	89,750	0.00%
Total Grounds	425,256	399,380	564,318	212,204	696,622	696,622	23.44%
Dept -190 Projects & Administration							
Personnel Services	0	0	318,029	121,085	308,378	308,378	0
Expenses	0	0	4,000	3,261	4,850	4,850	0
Total Project & Admin	0	0	322,029	124,345	313,228	313,228	0

Summaries							
 FY 2026 Budget	Department Expenses						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
COMMUNITY SERVICES DEPARTMENT/HUMAN SERVICES							
Dept - 541 Center for Active Living							
Personnel Services	289,204	390,543	444,256	206,683	678,322	601,320	0
Expenses	37,386	46,769	50,184	29,420	53,584	53,584	0
Total Center for Active Living	326,590	437,312	494,440	236,103	731,906	654,904	0
Dept -543 Veterans Services							
Personnel Services	0	0	0	0	0	0	0
Expenses	94,577	109,791	99,136	96,767	129,908	129,908	0
Total Veterans Services	94,577	109,791	99,136	96,767	129,908	129,908	0
Dept -560 Human Services							
Personnel Services	0	0	0	0	0	0	0
Expenses	357,767	293,472	336,250	113,261	328,550	328,550	0
Total Human Services	357,767	293,472	336,250	113,261	328,550	328,550	0
Dept - 610 Libraries							
Eldredge Public Library	623,420	651,473	677,531	338,766	701,244	701,244	0
So. Chatham Public Library	7,500	10,000	12,000	5,000	13,000	13,000	0
Total Libraries	630,920	661,473	689,531	343,766	714,244	714,244	0
Dept - 640 Recreation & Beaches							
Personnel Services	610,709	681,831	971,012	443,955	1,033,139	1,033,139	0
Expenses	116,353	162,766	160,665	72,056	171,820	171,820	0
Total Recreation and Beaches	727,062	844,596	1,131,677	516,011	1,204,959	1,204,959	0

Summaries



FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 645 Lighthouse Beach							
Personnel Services	46,720	30,472	53,328	46,125	55,472	55,472	4.02%
Expenses	8,695	8,553	11,200	1,304	11,200	11,200	0.00%
Total Lighthouse Beach	55,415	39,024	64,528	47,429	66,672	66,672	3.32%
Dept - 692 Public Ceremonies							
Personnel Services	0	0	0	0	0	0	
Expenses	19,384	8,110	23,000	14,112	21,000	21,000	-8.70%
Total Public Ceremonies	19,384	8,110	23,000	14,112	21,000	21,000	-8.70%
Dept - 699 Other Public Events/Chatham Band							
Personnel Services	0	0	0	0	0	0	
Expenses	7,500	7,500	10,000	10,000	10,000	10,000	0.00%
Total Other Public Events/Chatham Band	7,500	7,500	10,000	10,000	10,000	10,000	0.00%
Dept - 670 Railroad Museum							
Personnel Services	0	0	0	0	0	0	
Expenses	1,045	2,259	3,000	1,577	5,000	5,000	40.00%
Total Railroad Museum	1,045	2,259	3,000	1,577	5,000	5,000	40.00%



Summaries

FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
EDUCATION							
Chatham Public Schools/Monomoy RSD.							
Assessment	9,513,587	9,710,449	10,308,940	4,418,118	11,130,839	11,130,839	7.97%
Total Chatham/Monomoy Schools	9,513,587	9,710,449	10,308,940	4,418,118	11,130,839	11,130,839	7.97%
CC Tech. Regional High School							
Assessment	324,239	367,786	575,479	345,289	604,253	604,253	5.00%
Total	324,239	367,786	575,479	345,289	604,253	604,253	4.76%
Total Education	9,837,826	10,078,235	10,884,419	4,763,407	11,735,092	11,735,092	7.82%

0



Summaries

FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
EMPLOYEE BENEFITS							
Dept - 920 Employee Benefits							
Personnel Services	0	0	0	0	0	0	
Expenses	5,357,113	5,711,444	6,260,194	4,500,164	6,853,612	6,853,612	9.48%
Total Employee Benefits	5,357,113	5,711,444	6,260,194	4,500,164	6,853,612	6,853,612	9.48%
UNDISTRIBUTED							
Dept - 945 Insurance							
Personnel Services	0	0	0	0	0	0	
Expenses	721,240	892,693	977,876	1,025,827	1,122,835	1,122,835	12.91%
Total Insurance	721,240	892,693	977,876	1,025,827	1,122,835	1,122,835	12.91%
Reserve Fund							
Expenses	100,000	45,000	100,000	0	100,000	100,000	0.00%
Total Reserve Fund	100,000	45,000	100,000	0	100,000	100,000	0.00%
DEBT SERVICES							
Dept - 710 Debt Service							
Principal	4,594,358	5,102,549	5,949,252	2,203,528	6,802,163	6,802,163	14.34%
Interest	1,741,138	1,753,419	1,866,126	678,575	1,774,064	1,774,064	-4.93%
Total Debt Service	6,335,496	6,855,968	7,815,378	2,882,104	8,576,227	8,576,227	9.74%



Summaries

FY 2026 Budget

Department Expenses

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 YTD 12/31/24	FY 2026 Dept Req	FY 2026 Town Manager	% Difference FY2025- Town Manager
Dept - 450 Water							
Personnel Services	205,614	287,754	273,732	124,922	288,725	288,725	5.48%
Expenses	1,888,373	1,775,440	2,200,500	1,190,158	2,365,798	2,278,798	3.56%
Water Operating Expenses	2,093,987	2,063,194	2,474,232	1,315,081	2,654,523	2,567,523	3.77%
Total Overhead	307,993	318,773	329,930	329,930	341,478	341,478	3.50%
Total Debt Service	1,055,581	1,137,234	1,915,855	965,062	2,538,827	2,538,827	32.52%
Water Grand Total	3,457,561	3,519,201	4,720,018	2,610,073	5,534,828	5,447,828	15.42%