



TOWN OF CHATHAM | MA

# Town Manager's FY2026 BUDGET PRESENTATION

July 1, 2025 - June 30, 2026

*Fiscal State of the Town*

SELECT BOARD

JANUARY 21, 2025

Jill Goldsmith, Town Manager  
Carrie Mazerolle, Finance Director



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# Fiscal State of the Town

## *FY2026 Staying the Course*

*Overview of Town Manager's FY2026 Budget Summary Transmittal*

*and*

*Digital Budget Book for FY2026*

<https://town-chatham-ma-budget-book.cleargov.com/19302>



## FY2026 and Beyond

*Select Board Community Vision Statement - reaffirmed October 29, 2024*

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.



## FY2026 and Beyond

### Select Board Goals and Objectives *(reaffirmed on October 29, 2024)*

Presented in no particular order – details on the [TOWN OF CHATHAM](https://www.townofchatham.com) website



- Year-Round Housing



- Coastal Resiliency, Environmental Preservation, Natural Resources



- Diverse Livable Chatham



- Drinking Water/Wastewater



- Sustainable Local Economy



- Educational Excellence



## State of the Town



Town Valuation  
\$12,341,273,730 – 6.29%  
increase to FY2024



Tax rate \$3.47 - decrease  
from FY2024 at \$3.57



AAA Bond Rating (affirmed  
June 11, 2024)



Reserves Stable; comply  
with Fiscal Policies.



## OPEB – Other Post Employment Benefits

- Trust Fund Balance - \$5,369,054
  - FY2024 Revenue = \$1,073,356
  - FY2025 YTD = \$563,012
- Liability is \$16,250,404 (6/30/2024)
- \$150,000 Warrant Article for OPEB funding from Overlay Surplus



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# Town's Budgetary Components



- I. Balanced Budget
- II. Revenue Outlook
  - a. Tax Levy, Local Receipts, Other Available Funds
- III. Expenditures
  - a. General Operating Budget
  - b. Educational Assessments
  - c. Water Operating Budget
  - d. Five Year Capital Plan – FY2026 Budget
- IV. Other Capital and Community Priority Items
  - a. Separate Articles for Consideration
  - b. Capital Priorities & Five-Year Capital Plan



# The FY2026 Budget

- Digital Budget Book
  - Budget Narratives
  - Budget Statements
  - Prior Year (2024) Accomplishments
  - Organization Charts
  - Staffing History
  - FY2026 Capital Improvement Plan Requests & Inventory
- Budget Central
  - <https://www.chatham-ma.gov/214/Budget-Central>
    - Budget Book
    - Any Budget Updates
    - Multi-year Financial Forecasts and Policies
    - Fleet Listing
    - Debt Schedule

<https://town-chatham-ma-budget-book.cleargov.com/19302>



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# Navigating the FY2026 Digital Budget Book

<https://town-chatham-ma-budget-book.cleargov.com/19302>



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# I. FY2026 Balanced Budget

*Staying the Course*



## FY2026 BUDGET HIGHLIGHTS

- Operating Budget, without education assessments, at \$43,921,522 for an increase of \$3,109,444 or 7.62% over FY2025
- Funding recommendations include 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*



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	FY2025	FY2026	\$ Change	% Change
<b>Revenues</b>				
Property Tax	\$43,208,030	\$45,851,014	\$2,642,984	6.12%
Local Receipts	\$10,775,760	\$11,299,429	\$523,669	4.86%
State Aid	\$257,087	\$267,370	\$10,283	4.00%
Other Available Funds	\$7,393,426	\$15,946,559	\$8,553,133	115.69%
Water Fund	\$4,320,018	\$5,047,828	\$727,810	16.85%
	<b>\$65,954,321</b>	<b>\$78,412,200</b>	<b>\$12,457,879</b>	<b>19.65%</b>
<b>Expenditures</b>				
Municipal Departments	\$40,812,078	\$43,921,522	\$3,109,444	7.62%
School Department	\$10,884,419	\$11,735,092	\$850,673	7.82%
Water Department	\$4,720,017	\$5,447,828	\$727,811	15.42%
Capital Budget	\$2,367,220	\$2,942,650	\$575,430	24.31%
Assessments	\$1,222,300	\$1,317,899	\$95,599	7.82%
Other Articles [Placeholders]	\$5,693,486	\$13,047,209	\$7,353,723	129.16%
	<b>\$65,699,520</b>	<b>\$78,412,200</b>	<b>\$12,712,680</b>	<b>20.11%</b>



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## II. FY2026 Revenue Outlook

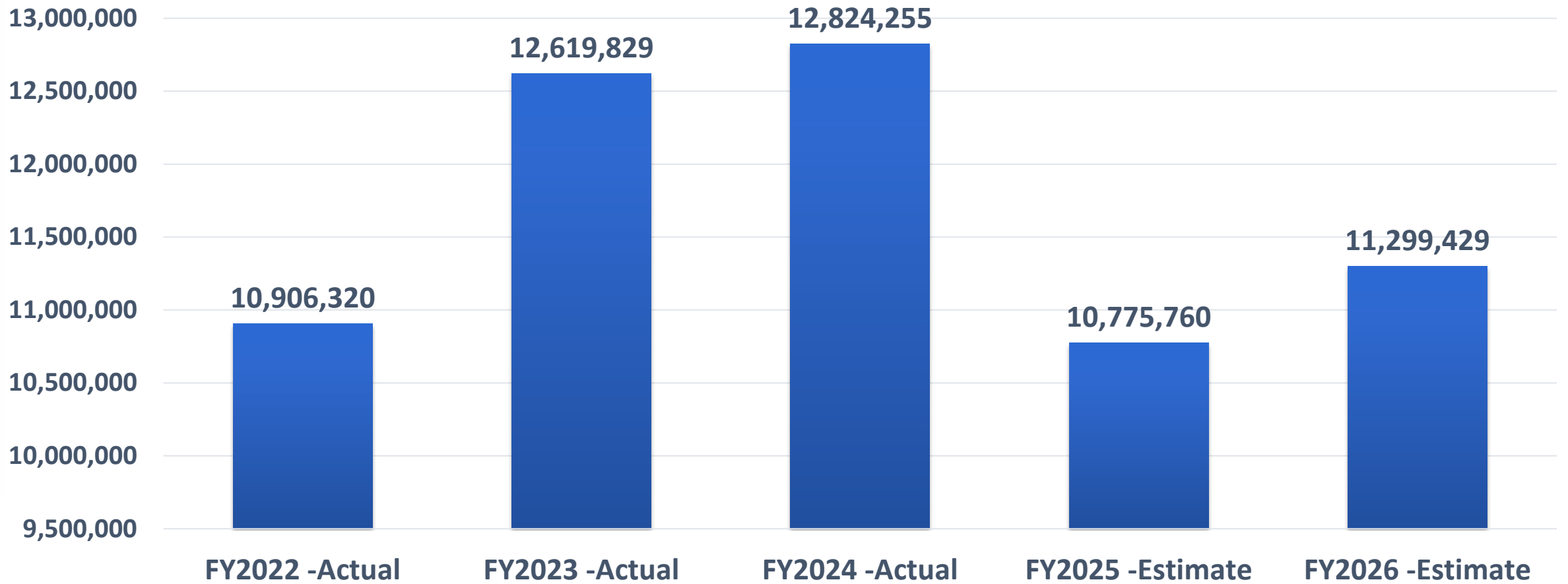


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Tax Levy	FY2026
Base (prior year limit)	\$38,142,381
X 2.5%	\$953,560
New Growth	\$350,000
Debt Exclusions – prior approved debt	\$8,236,227
Barnstable County Tax	\$339,961
Estimated exempt short-term interest	<u>\$-22,704</u>
<i>Total Estimated Allowable Levy “Ceiling”</i>	\$47,999,425
Excess Levy Capacity – Not Used	\$(2,148,411)
<b><i>Total Estimated Tax Levy</i></b>	<b><i>\$45,851,014</i></b>



## Local Receipts





## Other Available Funds (Offsets) Receipts Reserved For Appropriation

- Waterways Improvement Fund - \$250,000
  - Harbormaster Capital & Operating budget(s)
- Railroad Museum Fund (operating costs) - \$5,000
- Transportation Network Funds( Operating costs) - \$6,000
- PEG Access Funds - \$280,000
  - Chatham TV Capital & Operating budget(s)
- Sale of Lots & Graves Trust - \$35,000
- Wetlands Protection Fund - \$55,000

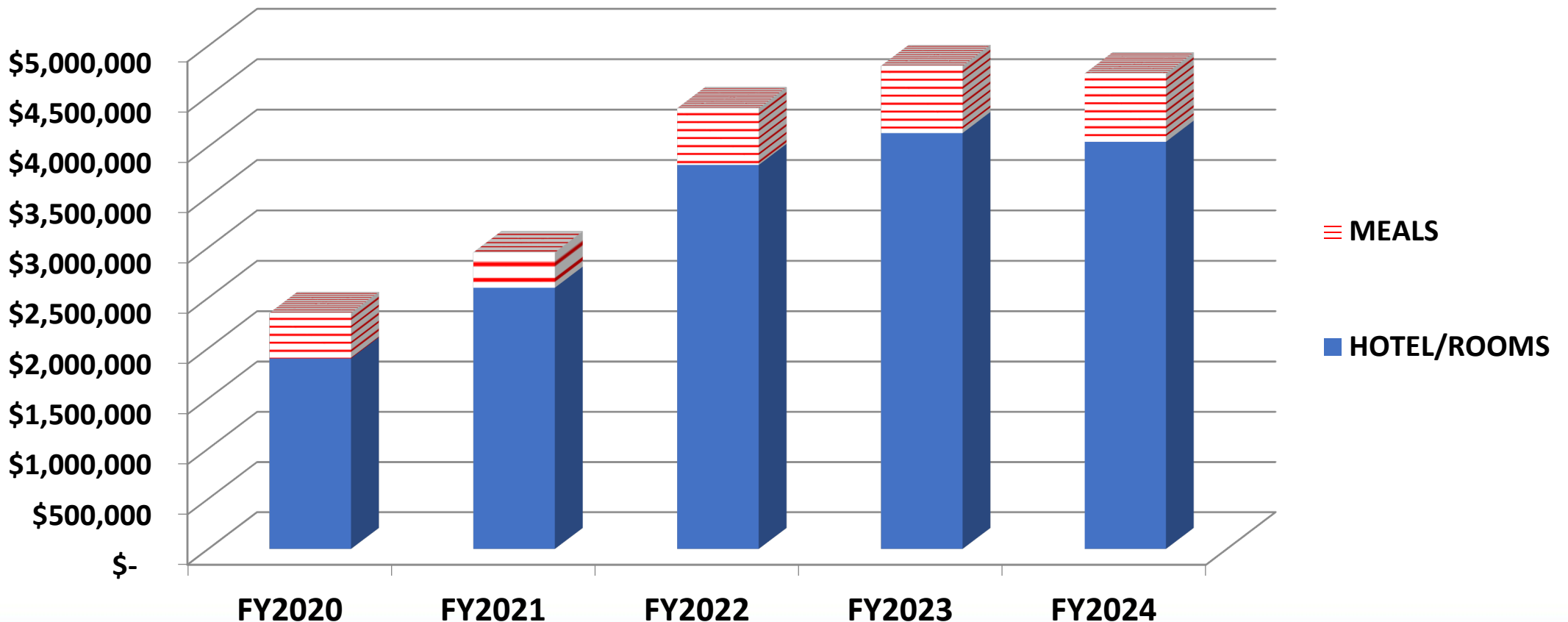


## Other Available Funds (Offsets)

- Revolving Funds
  - Recreation Revolving (program costs)
  - Shellfish Revolving (for propagation costs)
- Chapter 90 (Highway) State Aid Fund
- Cape Cod & Islands Water Protection Fund - \$615,160
  - Debt Service
- Waterways User Fees (WUF) \$1,558,915 ( Balance as of 12/31/2024)

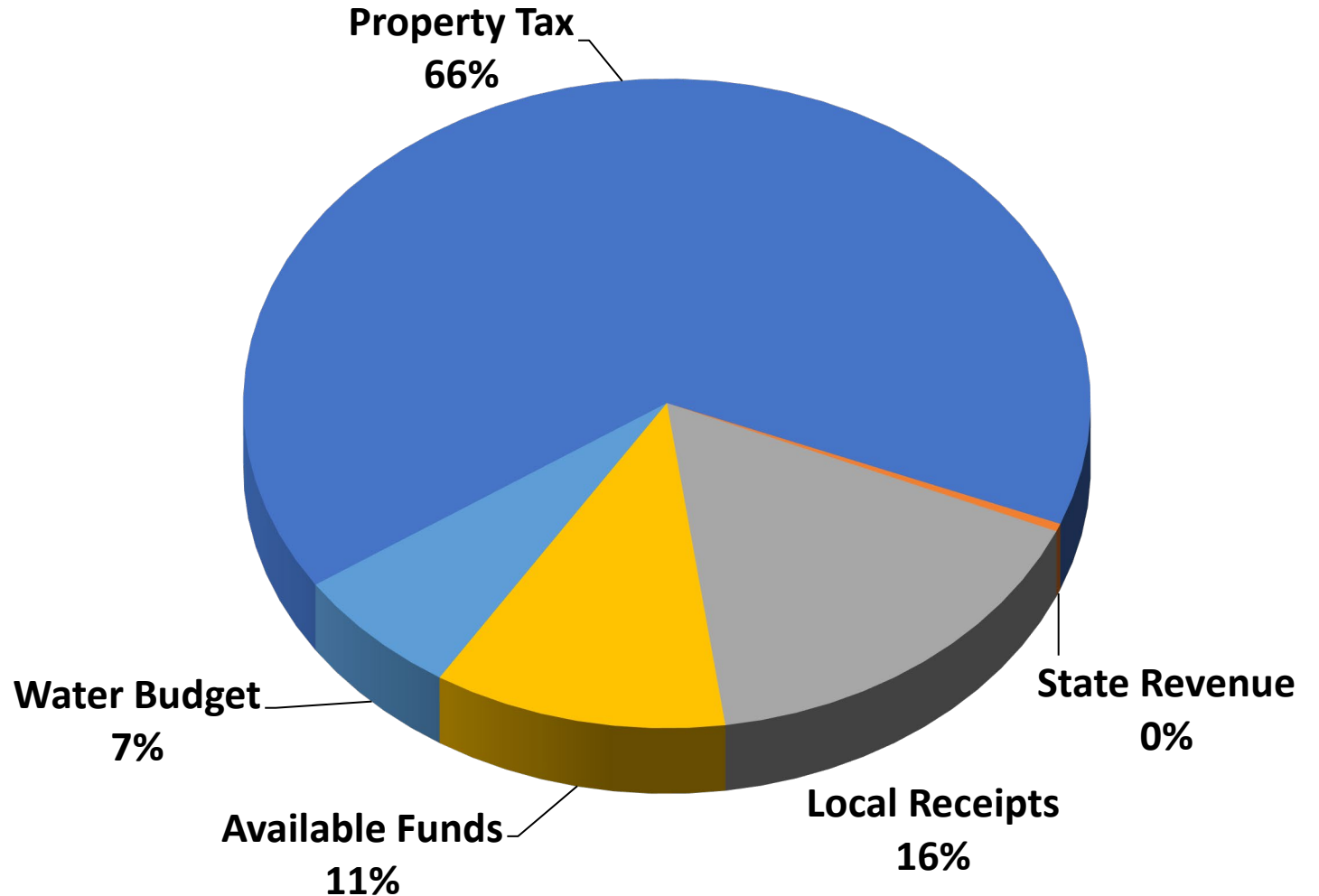


## Traditional & S/T Rooms and Meals Tax Revenues





# FY2026 REVENUES





## III. Expenditures



## FY2026 Budget Overview



Operating (Town) \$43,921,522



School Assessments \$11,735,092



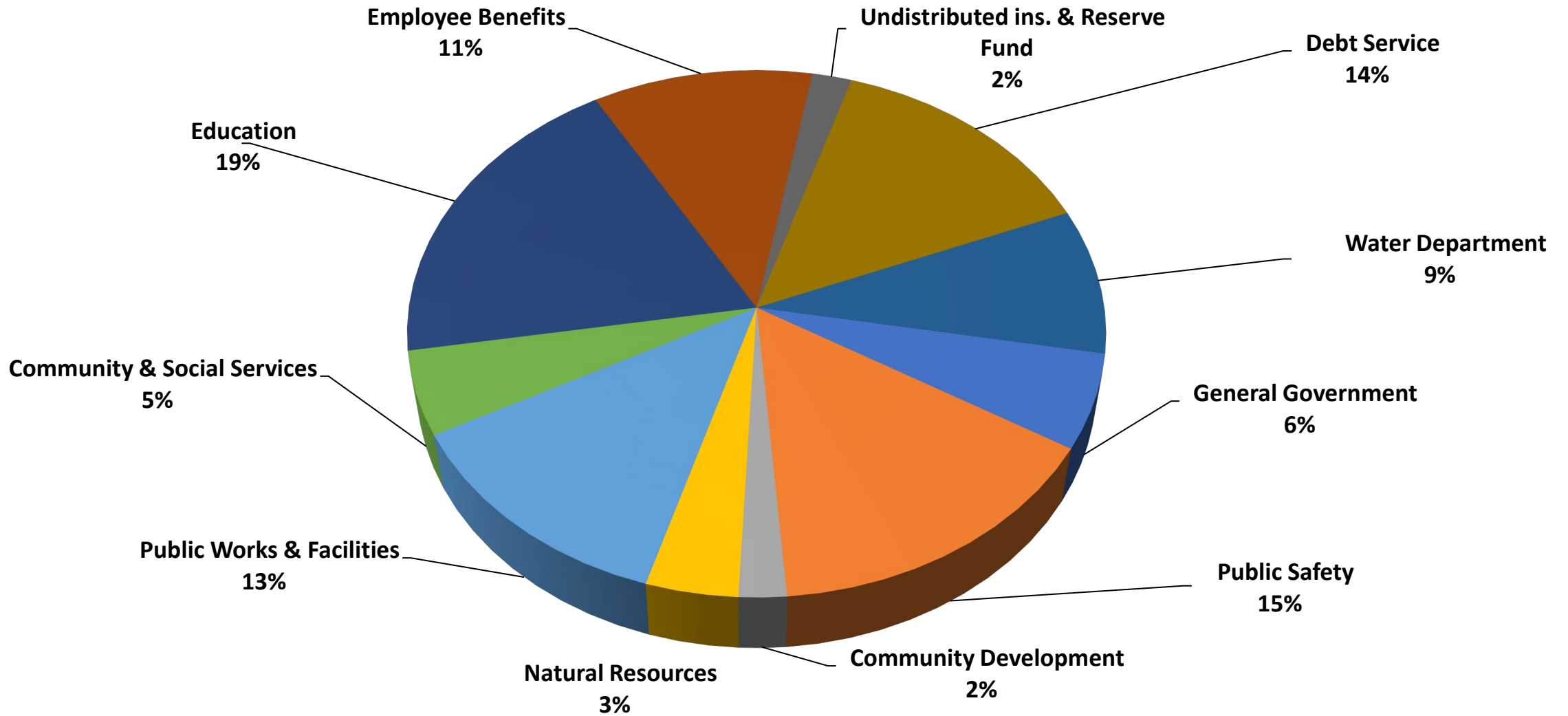
Water Budget \$5,447,828



Capital Budget \$ 2,942,650



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## FY2026 Operating Budget % Change

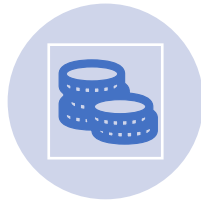
Operating Budgets	FY2025 Budget	FY2026 TM Budget	Percentage Change
General Government	3,419,775	3,546,470	3.70%
Public Safety	8,609,541	9,259,517	7.55%
Community Development	1,114,441	1,232,615	10.60%
Natural Resources (formerly H	2,324,452	2,387,675	2.72%
Public Works & Facilities	7,338,858	7,707,334	5.02%
Community & Social Services	2,851,562	3,135,237	9.95%
Education	10,884,419	11,735,092	7.82%
Employee Benefits	6,260,194	6,853,612	9.48%
Undistributed Ins. & Reserve F	1,077,876	1,222,835	13.45%
Debt Service	7,815,378	8,576,227	9.74%
<b>Operating Budget Total</b>	<b>51,696,497</b>	<b>55,656,614</b>	<b>7.66%</b>



## FY2026 Operational Factors



New Compensation  
Plan Implementation in  
FY2024 (ATM 2022)



Contractual  
Obligations/Fixed  
Costs/Budget Drivers



Employee  
Benefits



Insurance  
Premiums



Debt Service



Educational  
Assessments



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# FY2026 Operational Increases Budget Drivers

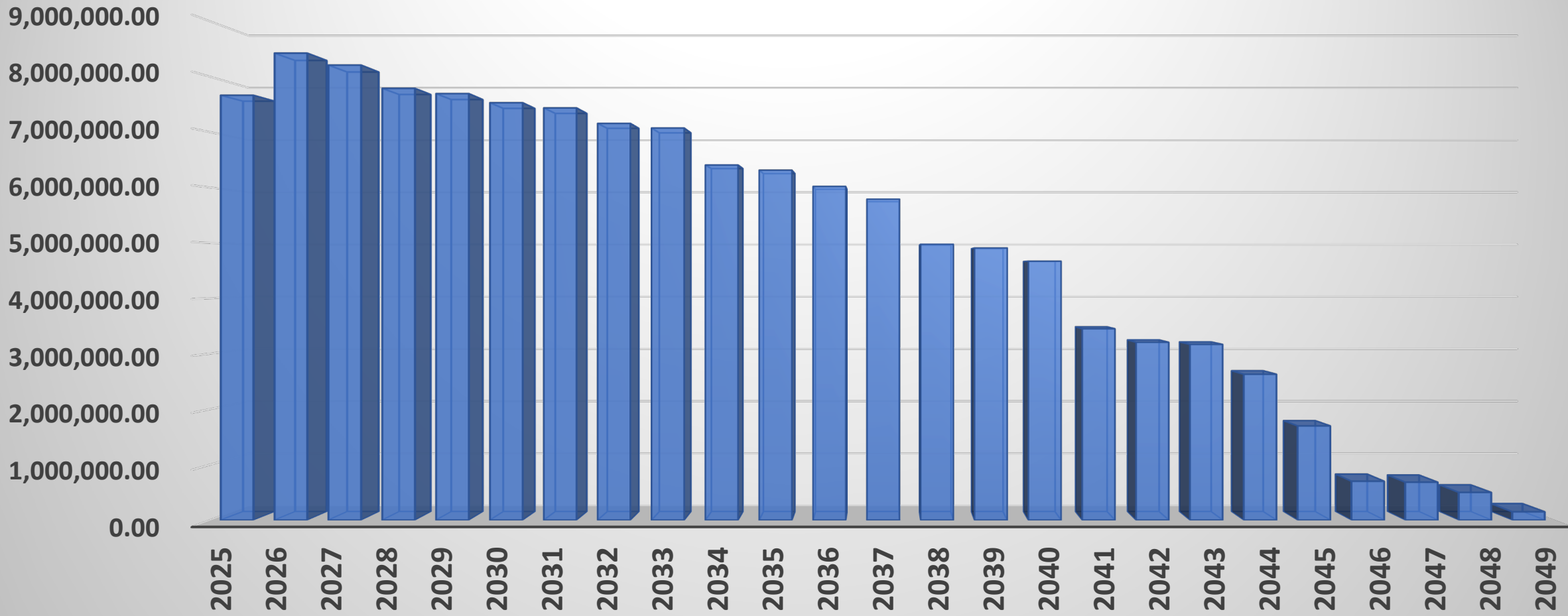


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Budget	Amount	Comments
Salaries	+\$1,434,973	Increases are required for Personnel Services (salary/wages, including overtime – amounting to \$1,434,973 (8.57% over FY2025))
Debt Service	+\$760,849	Increase of 9.74% over FY2025 – For already approved Debt.
Insurance	+\$144,959	Increase for Insurance premiums (15-20%)
Employee Benefits	+\$593,419	Increased costs for Medicare between 12-24% and Projected increase in Health Insurance (released mid-February)



## GENERAL FUND EXISTING DEBT SERVICE





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# Operating Budget Proposed Staffing by Departments

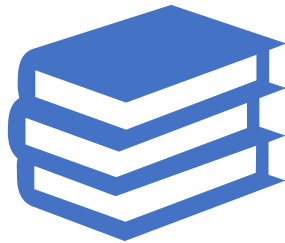


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DEPARTMENT	DESCRIPTION	FISCAL IMPACT (for FY2026)	TOWN MGR REC.
COMMUNITY DEVELOPMENT Building Division	Local Inspector (1)	\$75,520 (offset by proposed increase to STR fee)	1 FTE
NATURAL RESOURCES Harbormaster Division	Boat Operator/Marine Mechanic(1)	\$44,421	1 FTE
PUBLIC SAFETY Police Dept	Police Officer (1)	\$95,160	1 FTE
PUBLIC WORKS Grounds Division	DPW Parks/Grounds/Cemeteries Laborer	\$43,205	2 FTE
<b>TOTAL</b>		<b>\$258,306</b>	<b>5 FTE</b>



## FY2026 School Educational Assessments



**Monomoy Regional School District**  
**\$11,130,839**

Based on Regional Agreement as amended  
ATM2022

Chatham Elementary School - \$2,263,225



**Cape Cod Regional Technical  
High School**

**\$604,253 - Pending**

Estimated amount 5% increase

Final Vote – Feb 27, 2025

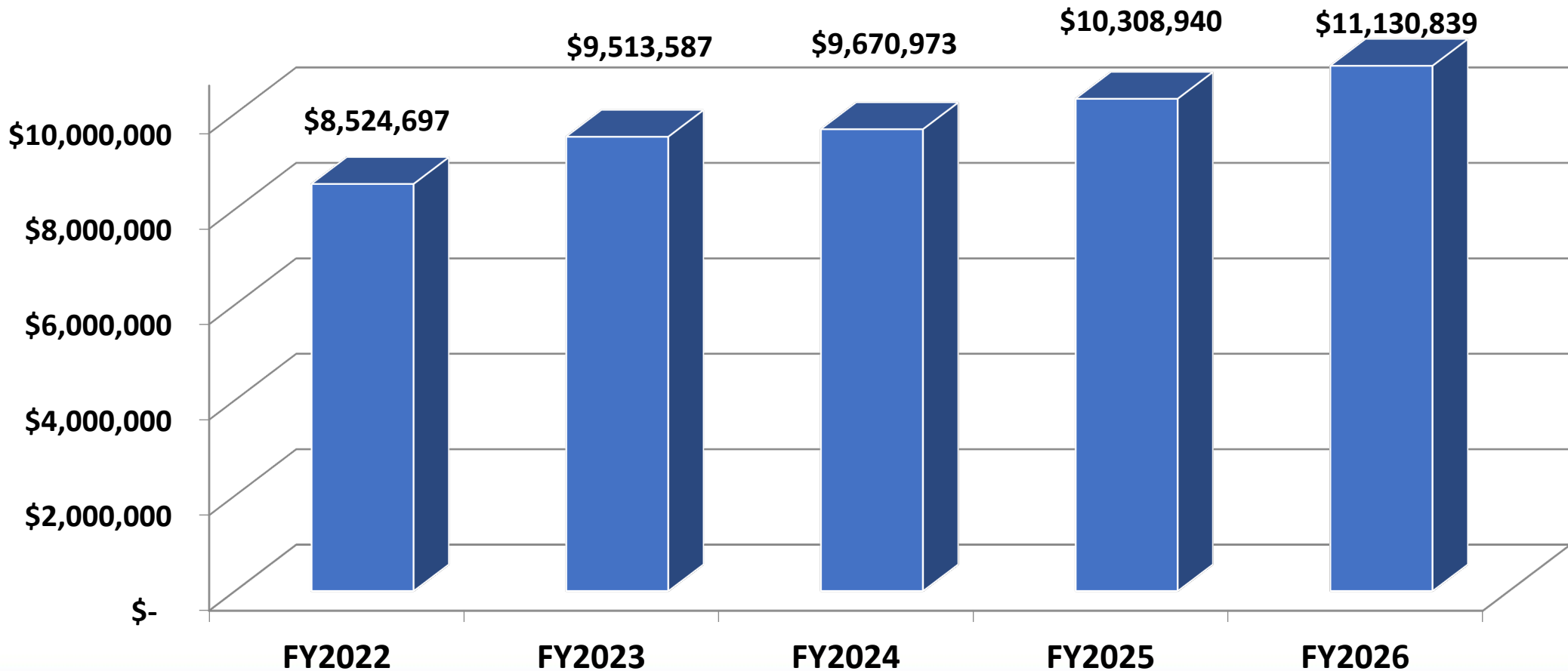


## Educational Assessments

- Monomoy Regional School District
  - Presentation to Chatham Select Board – Feb 11, 2025
  - Regional Agreement – no proposed changes
  - Overall Proposed Budget has a 6.7% increase
  - Chatham Assessment – proposed increase 7.97% + additional borrowing to replace the siding and trim on the Middle School Building
  - MRSD School Committee Vote in March of 2025

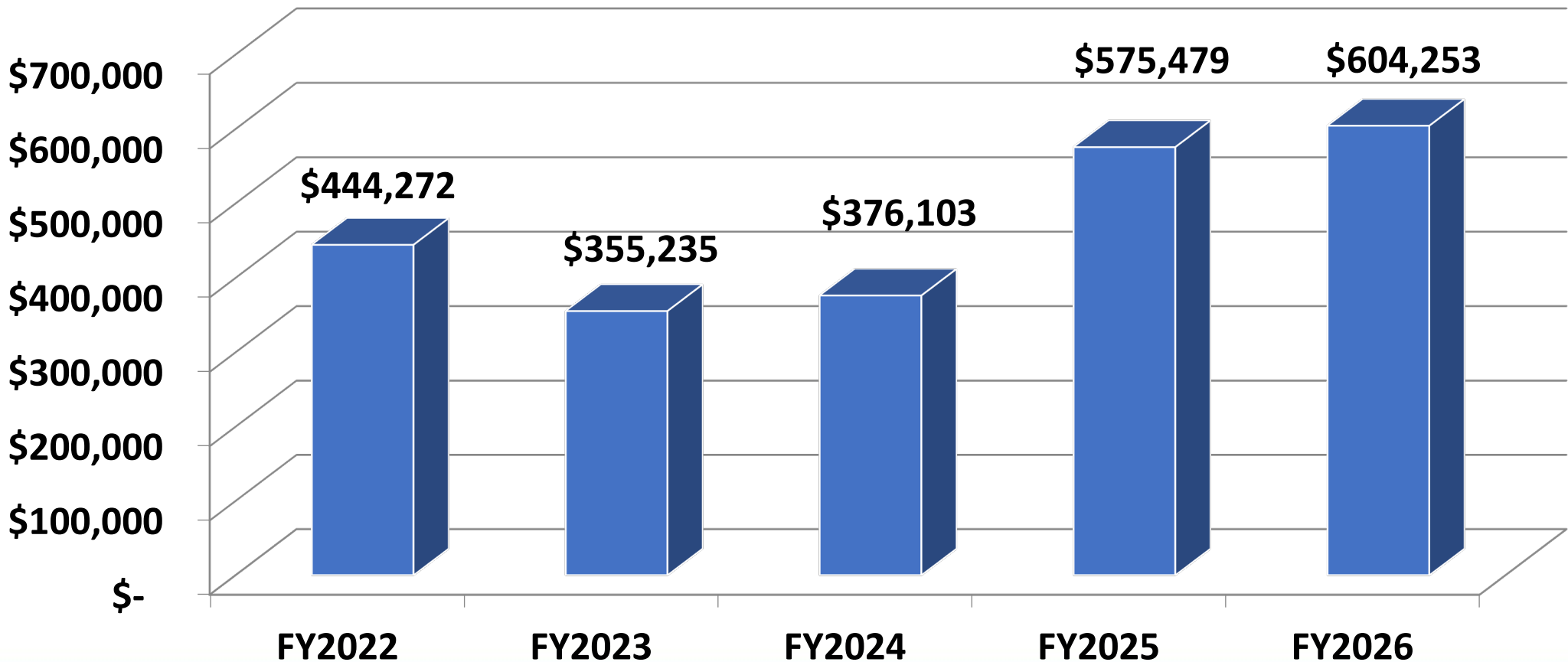


## Monomoy Regional School District





# Cape Cod Regional Technical High School





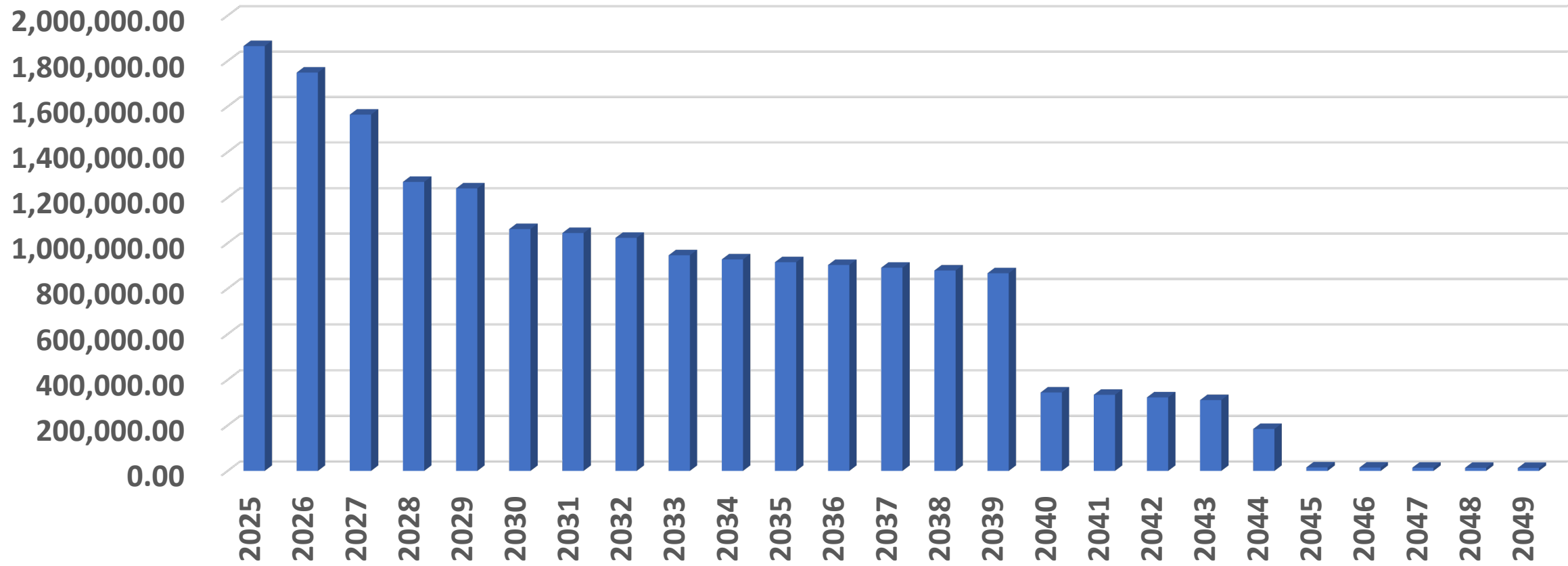
## Water Department Budget – Separate Article



<b>BUDGET TOTAL:</b> <b>\$5,447,828</b> <b>(+15.42% to FY2025)</b>	<b>\$288,275</b> Salaries	<b>\$2,278,798</b> Expenses (including Contract Operations)	<b>\$ 341,478</b> Indirect Costs (paid to general fund)	<b>\$2,538,827</b> Debt Service
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## WATER FUND EXISTING DEBT SERVICE





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# IV. Other Capital and Community Priority Items



## FY2026 Capital Plan (\$10,000 - \$250,000)

\$46,281,825 in *requests* for FY2026; \$2,942,650 recommended – Using Free Cash in the amount of \$2,717,650.

All Capital item requests are included in the 5-Year Plan for an overall financial picture)

6.70% of Operating Budget (not including warrant articles)



## Capital Budget - FY2026

DESCRIPTION	FY2025 Actual	FY2026 Dept. Request	FY2026 Proposed
<b>CAPITAL PROGRAM &amp; BUDGET SUMMARY</b>			
<b>General Government</b>	<b>\$400,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
<b>Public Safety</b>	<b>\$174,720</b>	<b>\$675,000</b>	<b>\$265,000</b>
<b>Community Center</b>	<b>\$200,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>Natural Resources</b>	<b>\$195,000</b>	<b>\$1,230,000</b>	<b>\$300,000</b>
<b>Public Works (without Water)</b>	<b>\$710,000</b>	<b>\$41,752,650</b>	<b>\$852,650</b>
<b>Equipment</b>	<b>\$737,500</b>	<b>\$2,224,175</b>	<b>\$1,125,000</b>
<b>Total Town Funded Capital Budget</b>	<b>\$2,417,220</b>	<b>\$46,281,825</b>	<b>\$2,942,650</b>



## Capital Budget - FY2026

Funding Sources	
Free Cash	\$2,717,650
Waterways Improvement Funds	\$70,000
Cemetery Sale of Lots	\$25,000
PEG Access Fund	\$130,000
<b>TOTAL</b>	<b>\$2,942,650</b>



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# Community Preservation Act Articles



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## Community Preservation Act Projects (Voted January 06, 2025)

Community Preservation Act Projects		Amount
Housing	Affordable Housing Trust	\$ 500,000.00
Historic	Stalknecht 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	Town of Chatham 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



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# Other Potential Capital Articles – Pending Review



## Other Potential Articles Pending Review

POTENTIAL 2025 Annual Town Meeting Articles	Amount
Capital Project - Transfer Station ( <i>Free Cash &amp; \$400K Tax Levy</i> )	\$3,400,000
Capital Project - Center for Active Living Renovations (Free Cash)	\$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>Overlay Surplus</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 – Sewer Construction, to expand and implement the next phase of the Towns Sewer	\$32,000,000



# Balance of Free Cash

- Beginning Free Cash \$11,186,838
- FY2026 Capital Improvement Project Requests – (\$2,717,650)
- Center For Active Living Renovations – (\$5,000,000)
- Transfer Station Capital Request – (\$3,000,000)
- Ending Free Cash Balance - \$469,188



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# FY2026 Budget & 2025 Annual Town Meeting Calendar



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