

Borough of Chatham

10 Year Strategic Financial Plan Analysis

Annual Progress Report - 2014

Chart #1 – Capital Spending & Debt

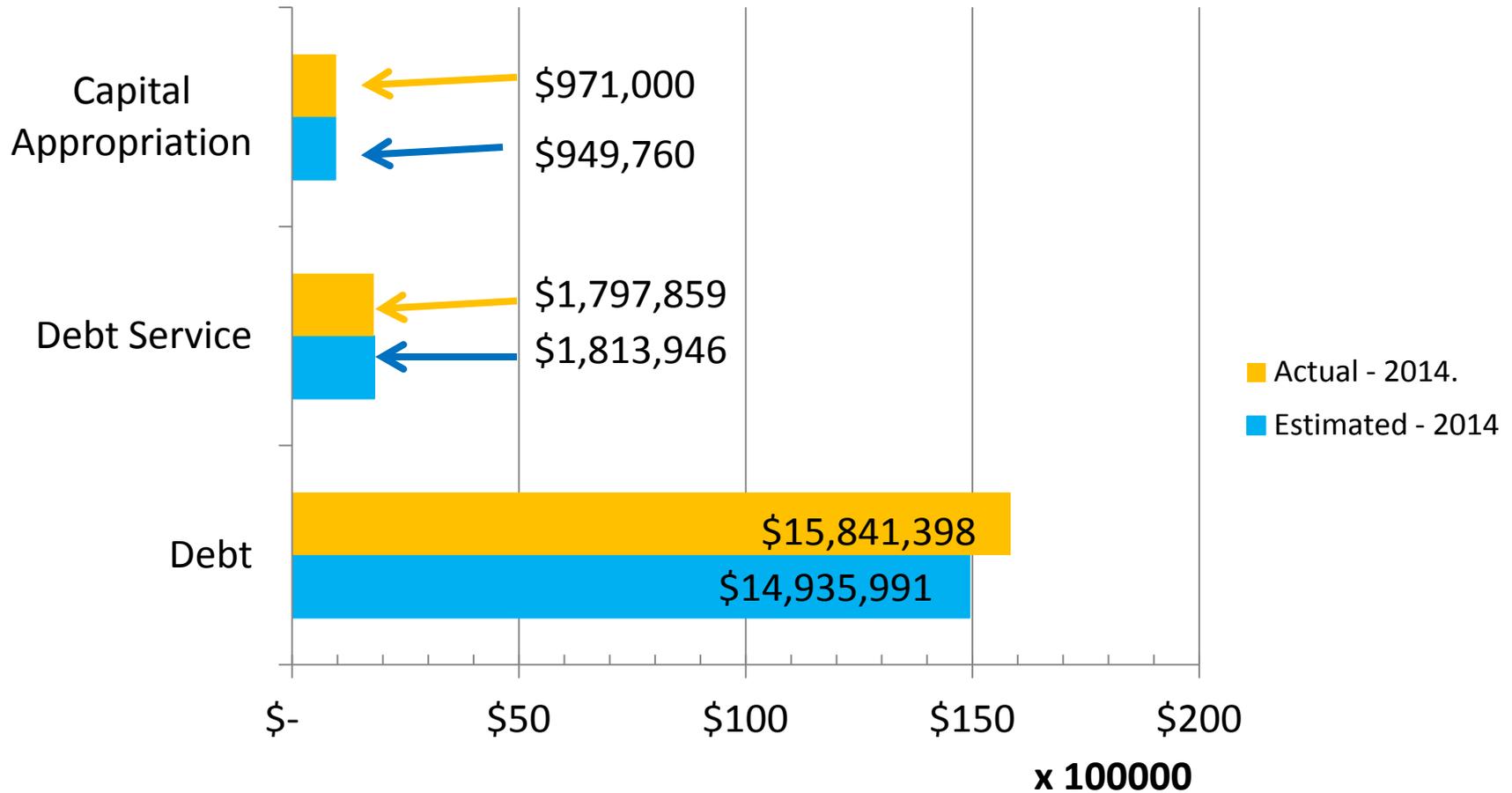


Chart #2 – Budget & Taxation

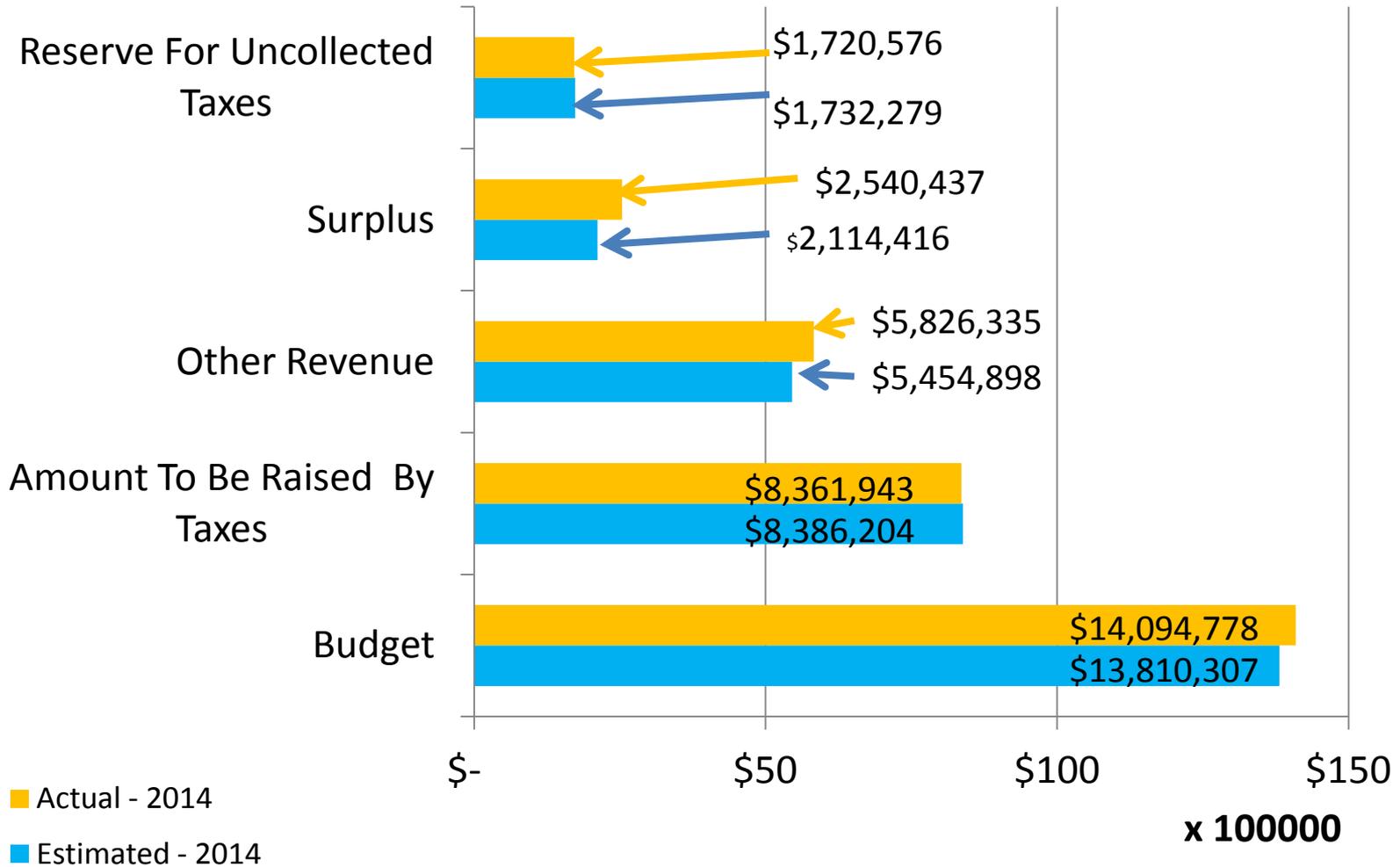


Chart #3

General Debt Owed per Person by Population by Municipality

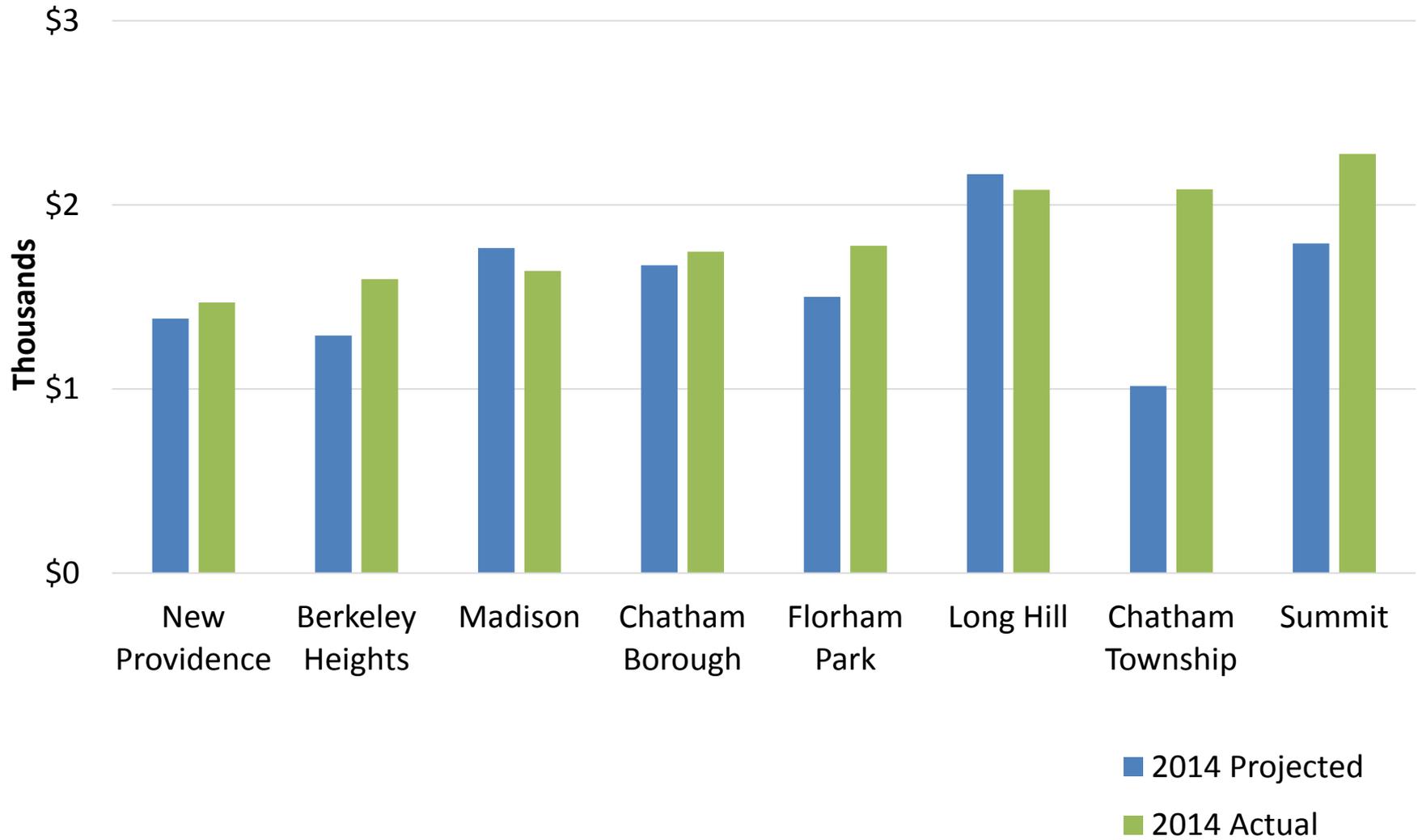


Chart # 4

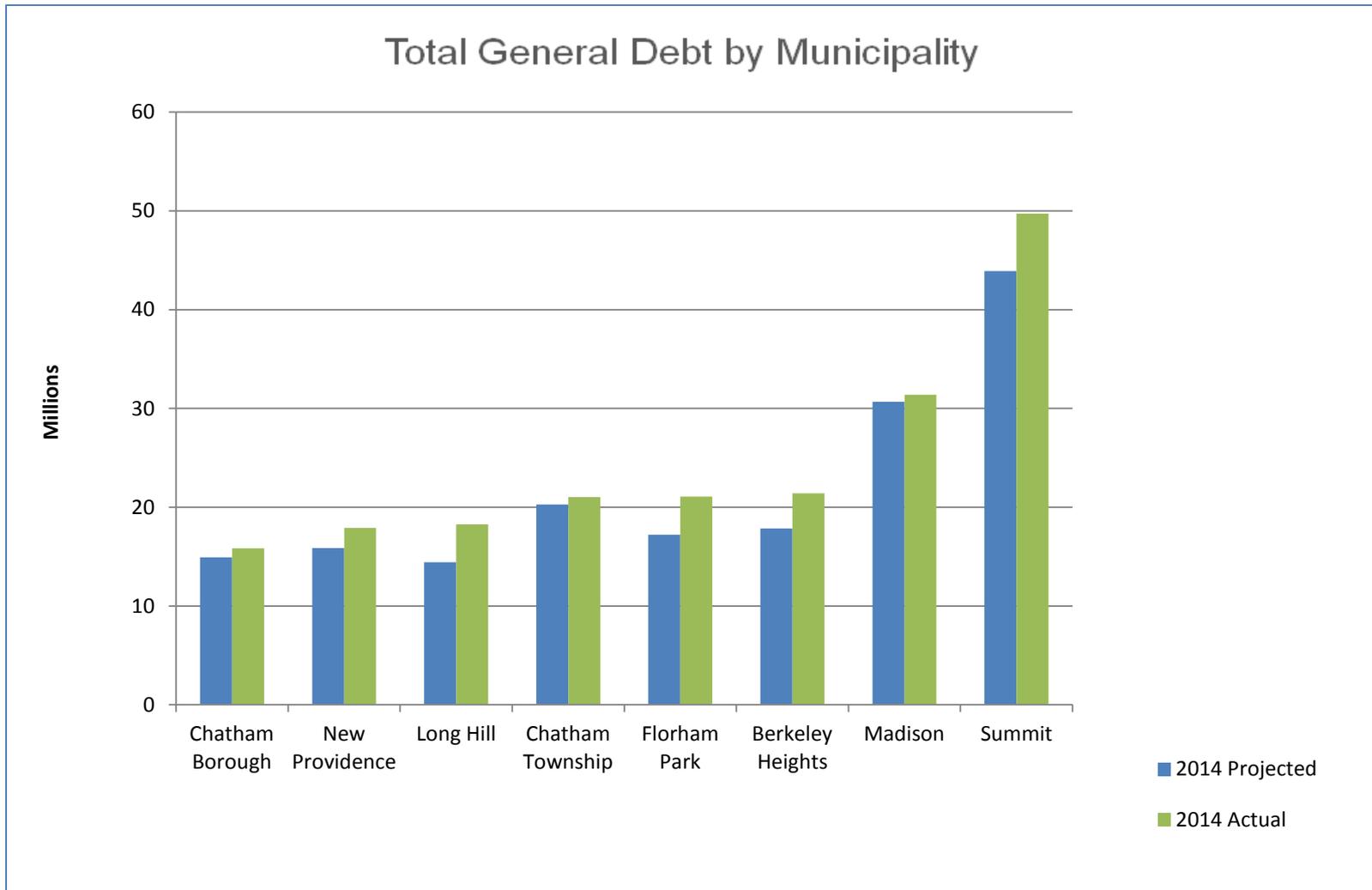


Chart #5

Percentage of Budget Funded by Property Tax

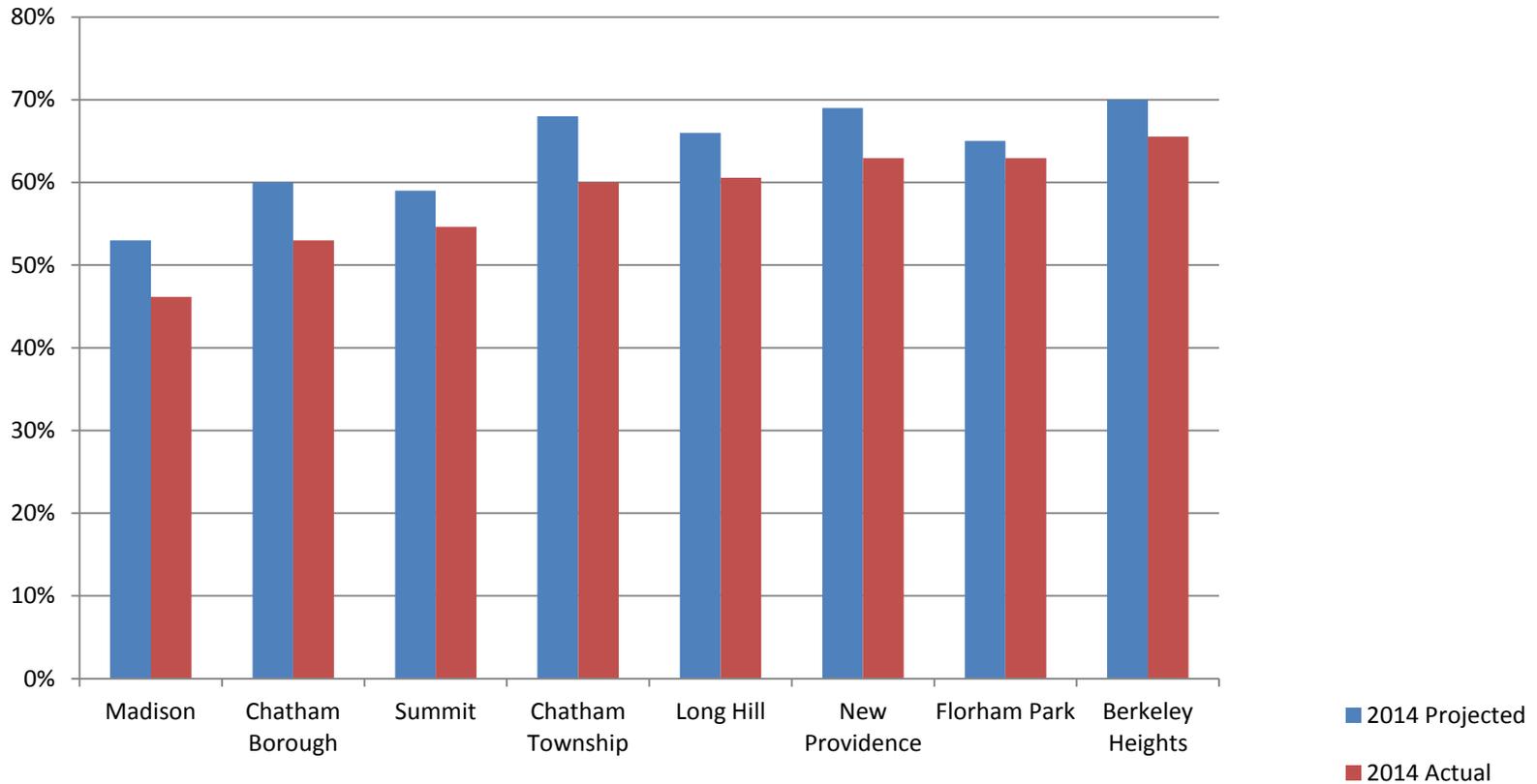
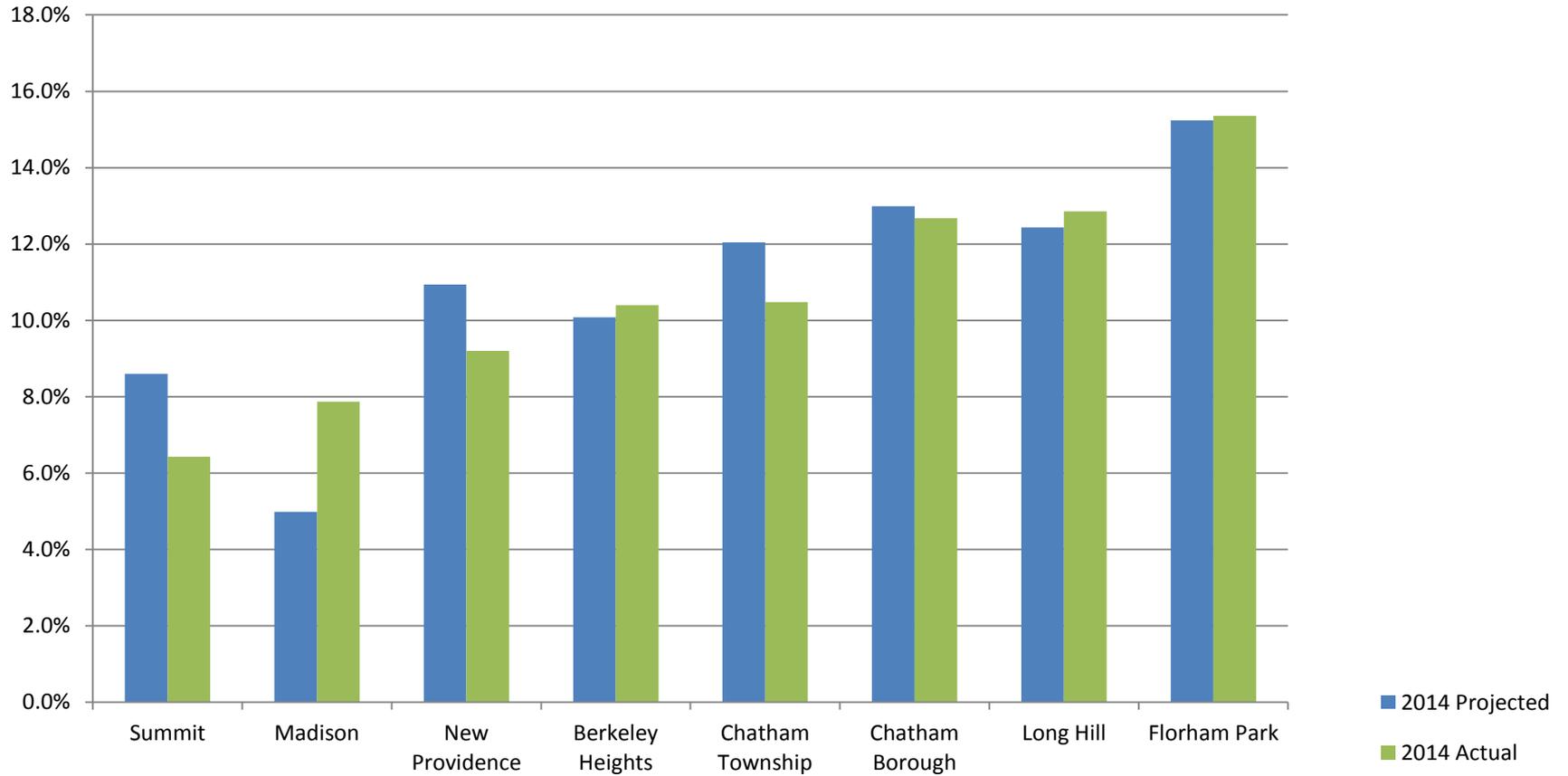


Chart #6

Debt Service Payment / Percentage of the Total Budget



Recommendations – Strategic Financial Management Plan

Recommendations

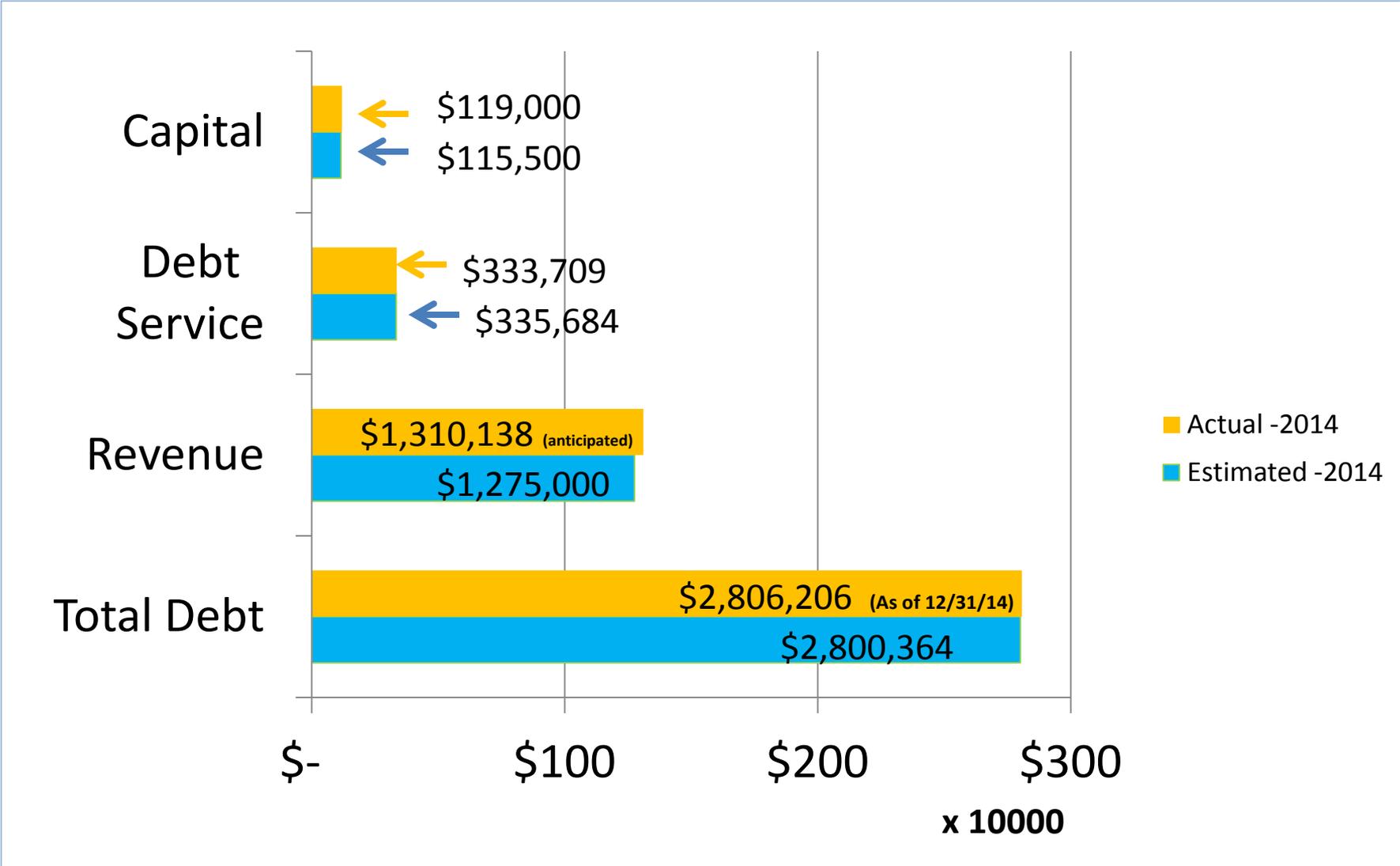
- 1. Reduce the previous five year annual average for general capital purchases from \$2,030,622 to no more than \$1,000,000 annually. (reduction of \$1,030,622 or 50%)**
 - 2014 Capital Plan - \$971,000
- 2. By 2023, reduce the total debt by \$4,764,636. (reduction of total debt 31%)**
 - Increased Annual Note Pay downs (\$100,000)
 - Reduction in annual Capital Plan reduces Note Borrowings
- 3. Limit annual increases for personnel and operating expenses to no more than 2%.**
 - 2014 Budget Increase was under 2.0% -- 1.87%
- 4. Continue to identify new shared services opportunities to offset expenses.**
 - Construction & IT Services
- 5. Identify and rezone areas to encourage new businesses to locate in Chatham Borough to increase the ratable base.**
 - Vendor hired to obtain added assessments (additional from \$3,962,298 in 2014 to approx. \$13,090,869 in 2015)
 - M Zone approved to expand River Road area
- 6. Annually review revenue streams to ensure that the fee charged for each service is at least adequate to cover actual expenses incurred by the Borough to provide the service.**
 - Fee Resolution Adopted 1/06/2015

Recommendations – Strategic Financial Management Plan

Recommendations

- 7. Identify and develop new mass transit opportunities, including parking and access.**
 - Discussions with NJ Transit have been initiated regarding second station
- 8. Extend the useful life of equipment, facilities and infrastructure through aggressive preventative maintenance programs.**
 - Crosswalks & Sidewalks program
 - Increased vehicle maintenance – refurbish vehicles & equipment
- 9. Maintain the Borough's Aaa bond rating.**
 - Borough's Bond Rating at Aaa
 - Administrator submitted a plan to the Finance Committee
- 10.To measure financial performance, annually review and update the strategic financial management plan. Include the review and updating as one of the annual goals and report the achievement status.**
 - Update & Present Strategic Financial Management Plan Borough Council annually (10/13/15)
- 11.The Finance Committee recommends that the Borough Finance Committee and Board of Education Finance Committee meet annually to review draft budgets and discuss the impact that each budget would have on the tax rate.**
 - To be scheduled for 2016 Budget Process
- 12.Develop a plan that will fund the Open Space debt and fund new Open Space projects.**
 - Vacant land list being developed to be discussed with Planner & Finance Committee

Chart #7 – Water Utility Debt & Revenue



Recommendations – Strategic Financial Management Plan

Recommendations

- 1. Limit water utility capital spending to \$175,000 annually.**
 - **2014 Capital Plan - \$119,000**
- 2. Annually review water & solid waste rates to determine that the rates are adequate to fund future personnel, operating & capital improvements that are necessary for the efficient operation of Chatham Borough's Water Utility & solid waste collection services.**
 - **The Finance Committee annually prepares Rate Sheets for Water & Sewer rates that are presented to the Borough Council**
- 3. Reduce the water utility debt by a minimum of \$50,000 annually.**
 - **12/31/2013 Debt - \$2,942,906**
 - **12/31/2014 Debt - \$2,806,206**
- 4. Pay for Capital Improvements from Utility Surplus and not borrow funds. This provides a cost savings to the Borough and a deduction in the Utility outstanding debt.**
 - **Ordinance # 15-10 – Adopted 10/4/2015 – Improvements funded by Surplus in amount of \$170,000**