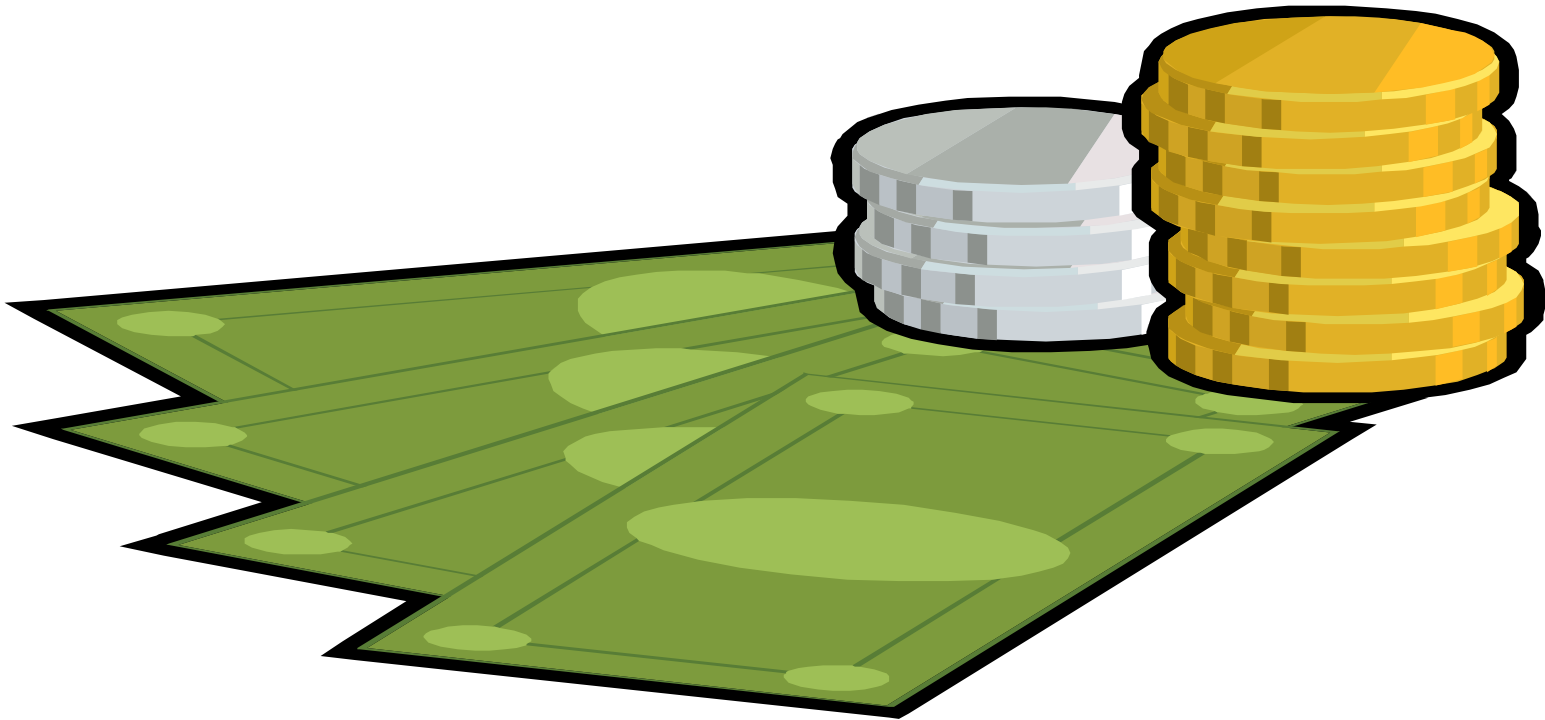


BOROUGH OF CHATHAM

2017 Municipal Budget

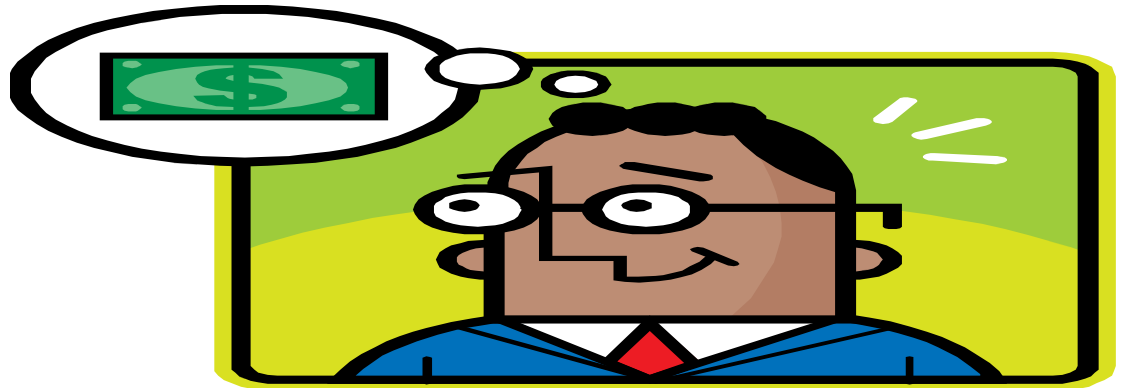


Budget Process Schedule

- General Budget Presentation.....March 13th**
- COLA Ordinance Introduction.....March 27th**
- Budget Introduction.....March 27th**
- COLA Ordinance Adoption.....April 27th**
- Budget Adoption.....April 27th**

Budget Overview

2017



Description	2017	2016	+/-	+/- Percent
Total Budget	\$14,581,378	\$14,281,733	\$299,644	2.10%
Municipal Tax Levy	\$ 7,857,326	\$ 7,791,273	\$ 66,053	.85%
Library Tax Levy	\$ 816,372	\$ 795,498	\$ 20,874	2.62%
Total Tax Levy	\$ 8,673,698	\$ 8,586,771	\$ 86,927	1.01%
Municipal Tax Rate	.378	.375	.003	.80%
Library Tax Rate	.039	.038	.001	2.63%
Total Tax Rate	.417	.413	.004	.97%

Annual Increase for Average Assessed Home of \$670,694= \$33.87

Note: 2016 Library Tax Levy is shown at the State mandated minimum for comparison purposes to 2017.

Total Annual Municipal Cost Increase

(Average Assessment \$670,694)

2017



Description	2016	2015/2016 Increase	2017	2016/2017 Increase
Municipal Tax (Including Library)	\$2,762	\$29	\$2,797	\$33.87
Open Space Tax	\$33	No Change	No Change	No Change
Total Tax	\$2,795	\$29	\$2,830	\$33.87

Tax Levy CAP (3 year bank)

Maximum allowable amount to be raised by taxation	\$ 7,992,584
Amount to be raised by taxation (library tax not included)	\$ <u>7,857,326</u>
2017 CAP Bank	\$ 135,258
2016 CAP Bank	\$ 74,723
2015 CAP Bank	\$ <u>88,555</u>
Total CAP Bank	\$ 298,536

CAP Exclusions

- ✓ Pension Increases
- ✓ Capital Improvement Increases
- ✓ Debt Service Increase
- ✓ New Ratable Adjustment To The Tax Levy
- ✓ Health Insurance Increase(1-3.5% inside CAP)
- ✓ LOSAP Increase
- ✓ Deferred Charges (all)

Library Tax Is Not Included In The Cap Calculation.

If necessary the three year CAP bank or a portion can be applied to the following year budget which allows for a higher percentage tax rate increase over the 2% CAP limit.

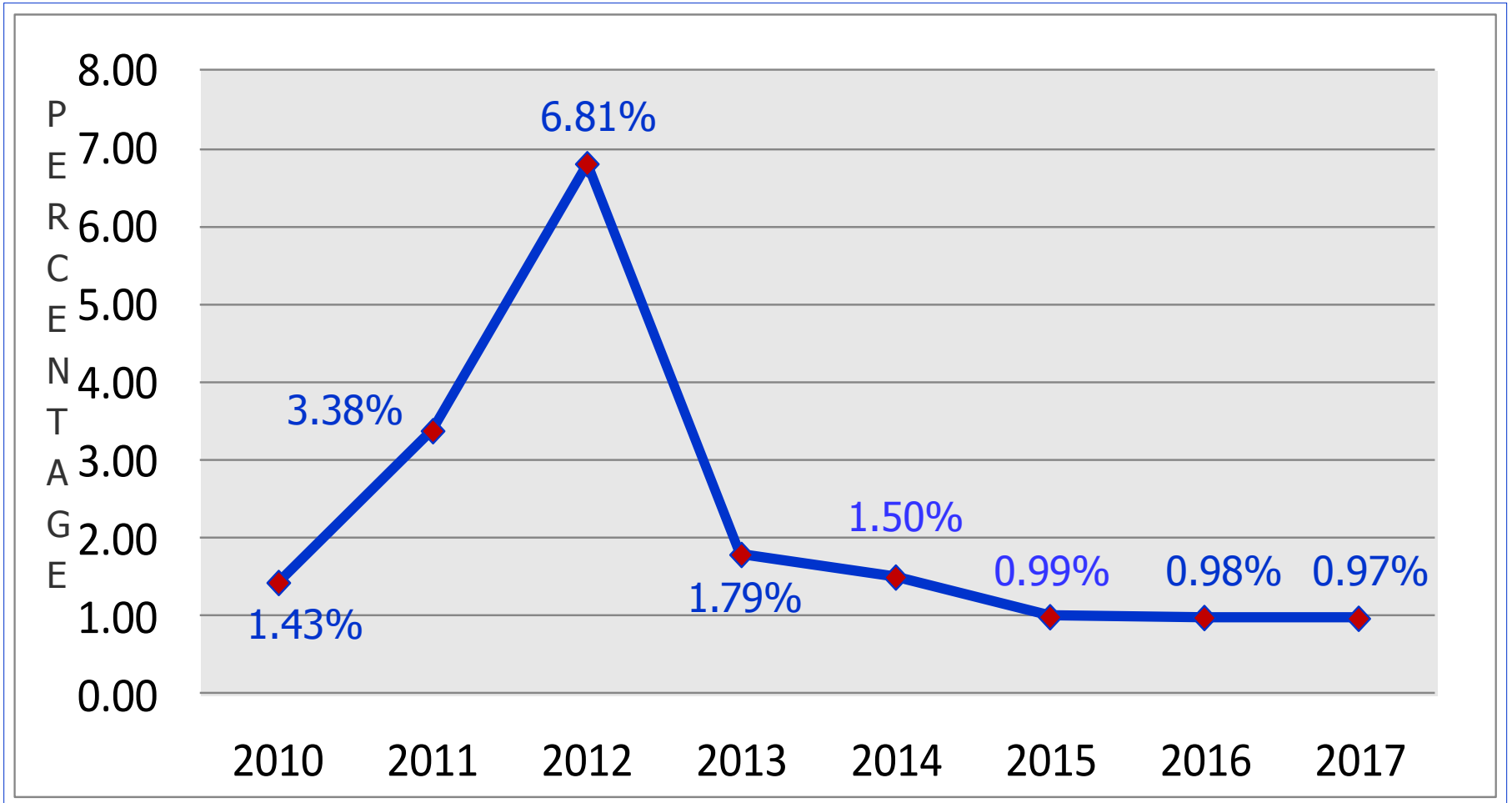
Appropriations CAP (2 year bank)

2017 (actual inside CAP)	\$9,238,056
2017 (3.5% Cap)	\$323,332
2015 CAP Banking	\$175,899
2016 CAP Banking	\$316,264
Added Assessments	<u>\$ 38,705</u>
2016 Maximum Allowed	<u>\$10,092,256</u>
2016 (actual within CAP)	<u>\$9,261,327</u>
2017 Maximum Allowed	\$830,929 (allowed increase within appropriations CAP)

- CAP Exclusions**
- ✓ **Debt Service**
 - ✓ **Capital Improvements**
 - ✓ **New Ratable Adjustment**
 - ✓ **Grants**
 - ✓ **Reserve for Uncollected Taxes**
 - ✓ **Deferred Charges**
 - ✓ **Health Insurance (1-3.5% inside CAP)**
 - ✓ **LOSAP**
 - ✓ **Snow Emergencies**
 - ✓ **Library**
 - ✓ **Joint Meeting**

Total Tax Rate Increase Comparison

2010 - 2017



The local open space tax remains unchanged in 2017.

How will your 2017 tax dollar be spent?

School & County Tax (est 2% increase)

School Tax

63.07%
(\$25,692,600)

**Municipal
Tax** (includes
Open Space Tax)
19.53%
(\$7,857,326)

**Library
Tax**
2.01%
(\$816,372)

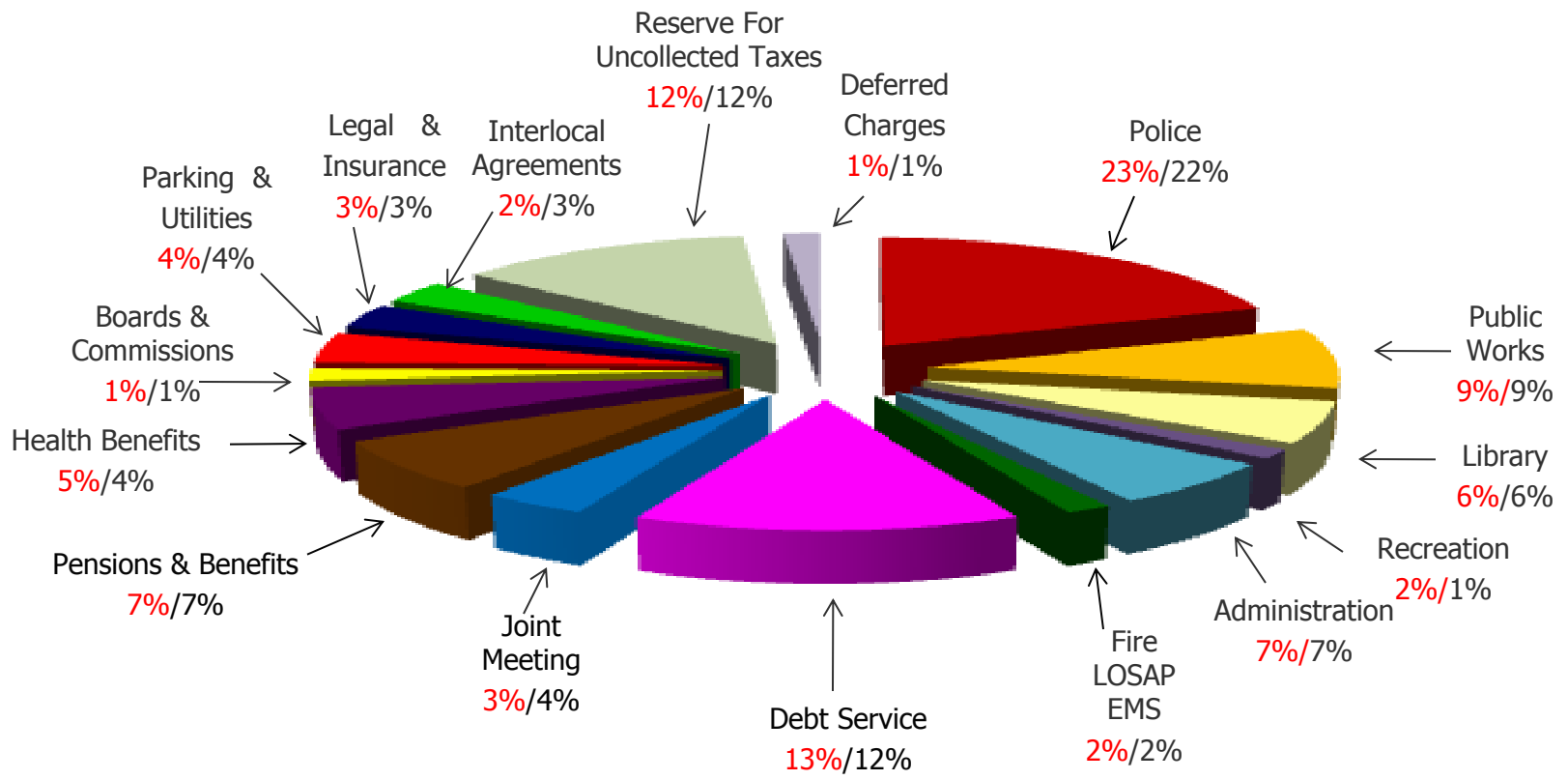
**County
Tax**
15.39%
(\$6,272,104)



Note – The Municipal Tax % is 19.40% (\$7,857,326) and Open Space Tax % is .13% (\$104,073)

Expense Percentage By Department/Type To The Total Budget

2017

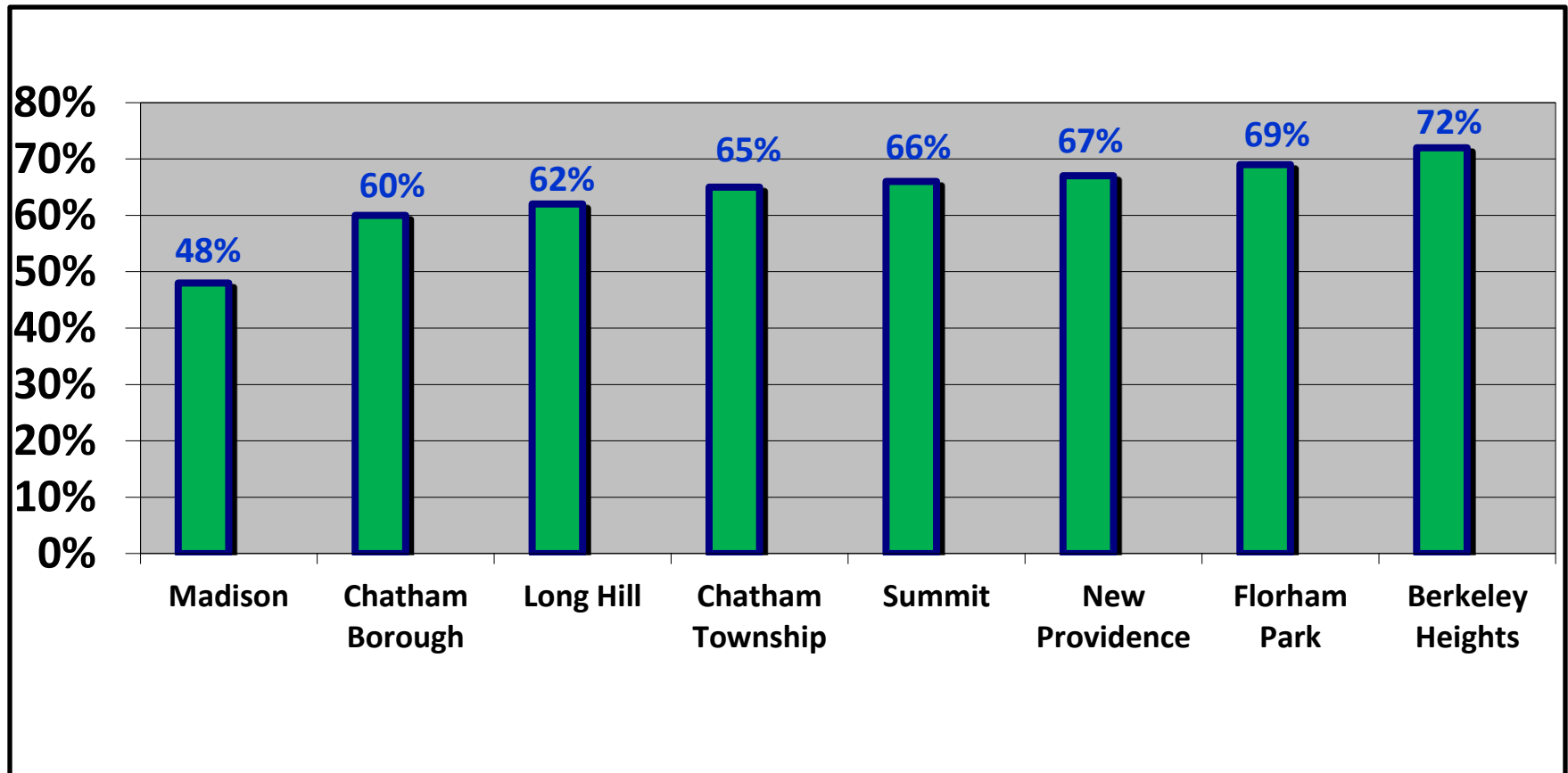


Red % is 2016 Black % is 2017

Less than 100% due to rounding to nearest whole number which equals 2%

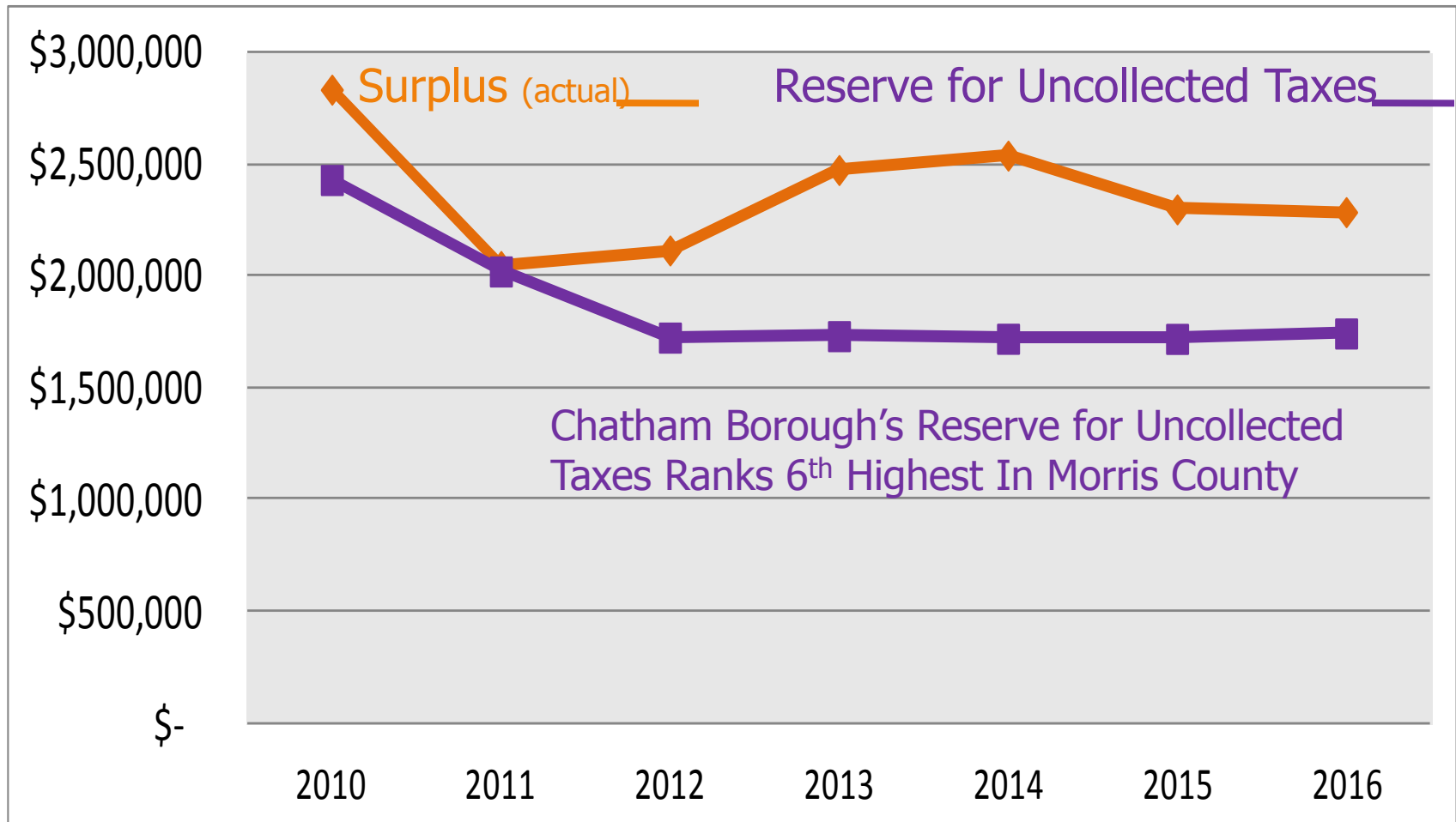
Percentage of Budget Funded by Tax Revenues -2016

Chatham Borough ranks 2nd lowest when compared to surrounding towns



Surplus/Reserve for Uncollected Taxes

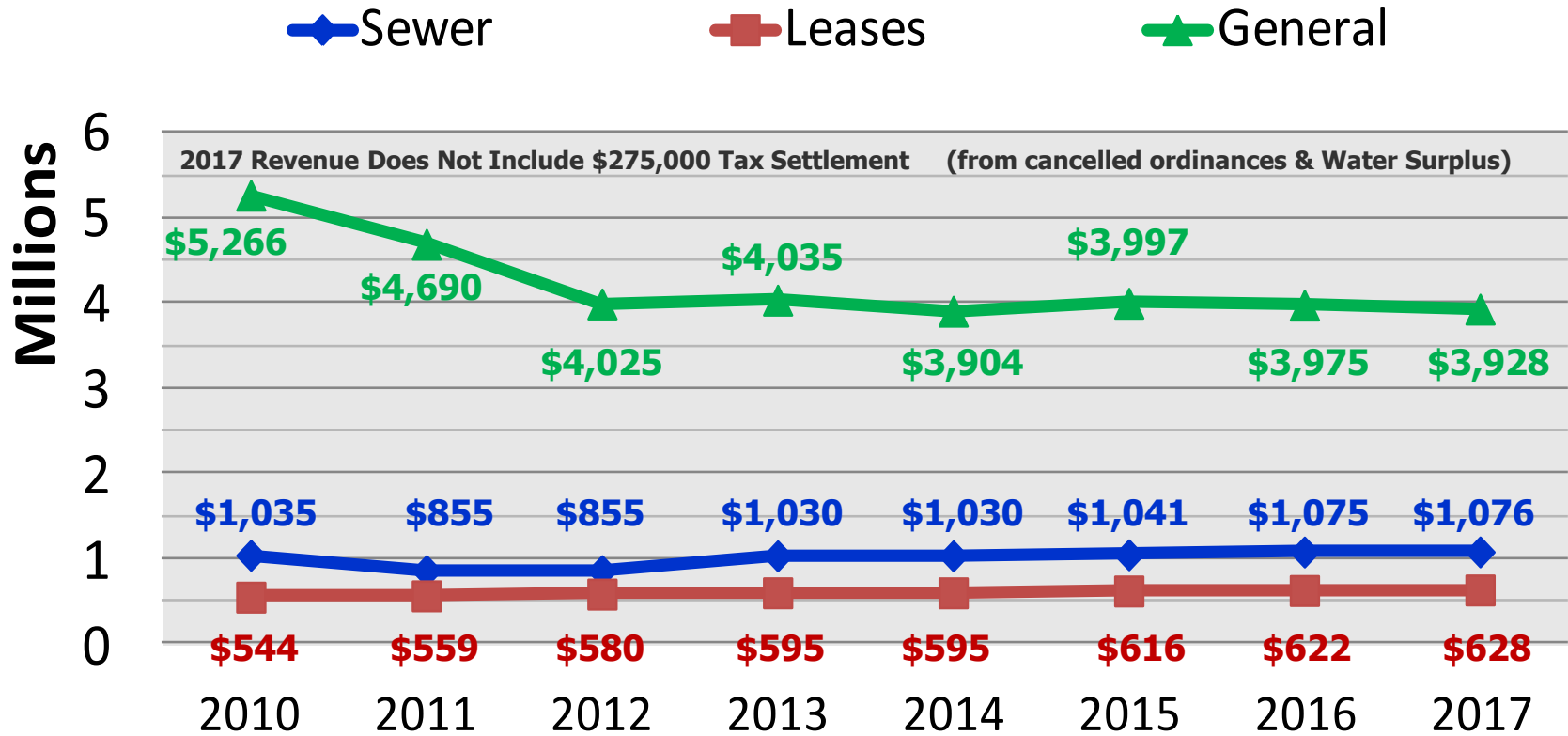
2010 -2016



Note – The 2014 Surplus contained 2 one – time revenue items – Joint Insurance reimbursement & Sale of Borough property.

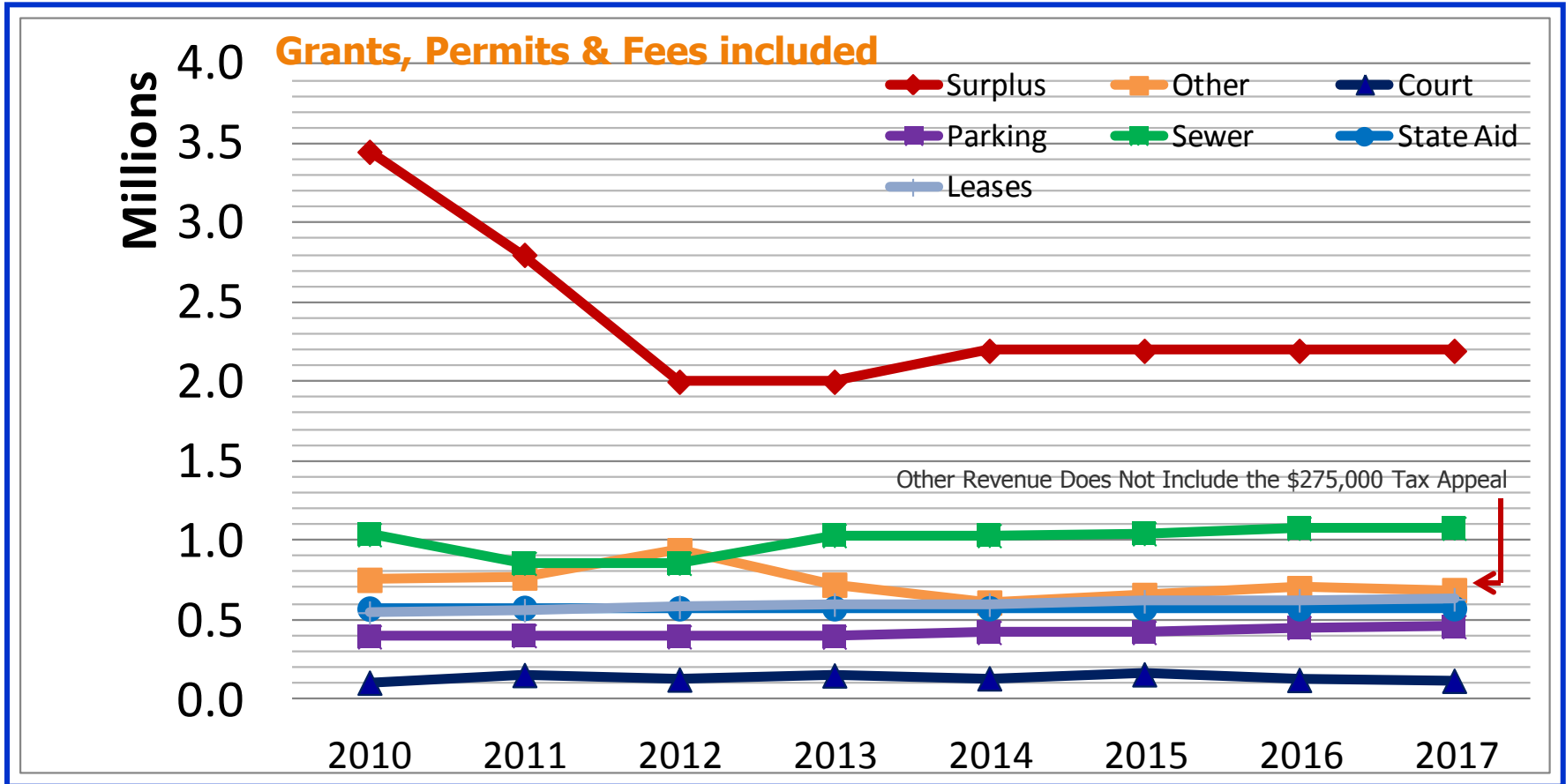
Revenues

2010 - 2017

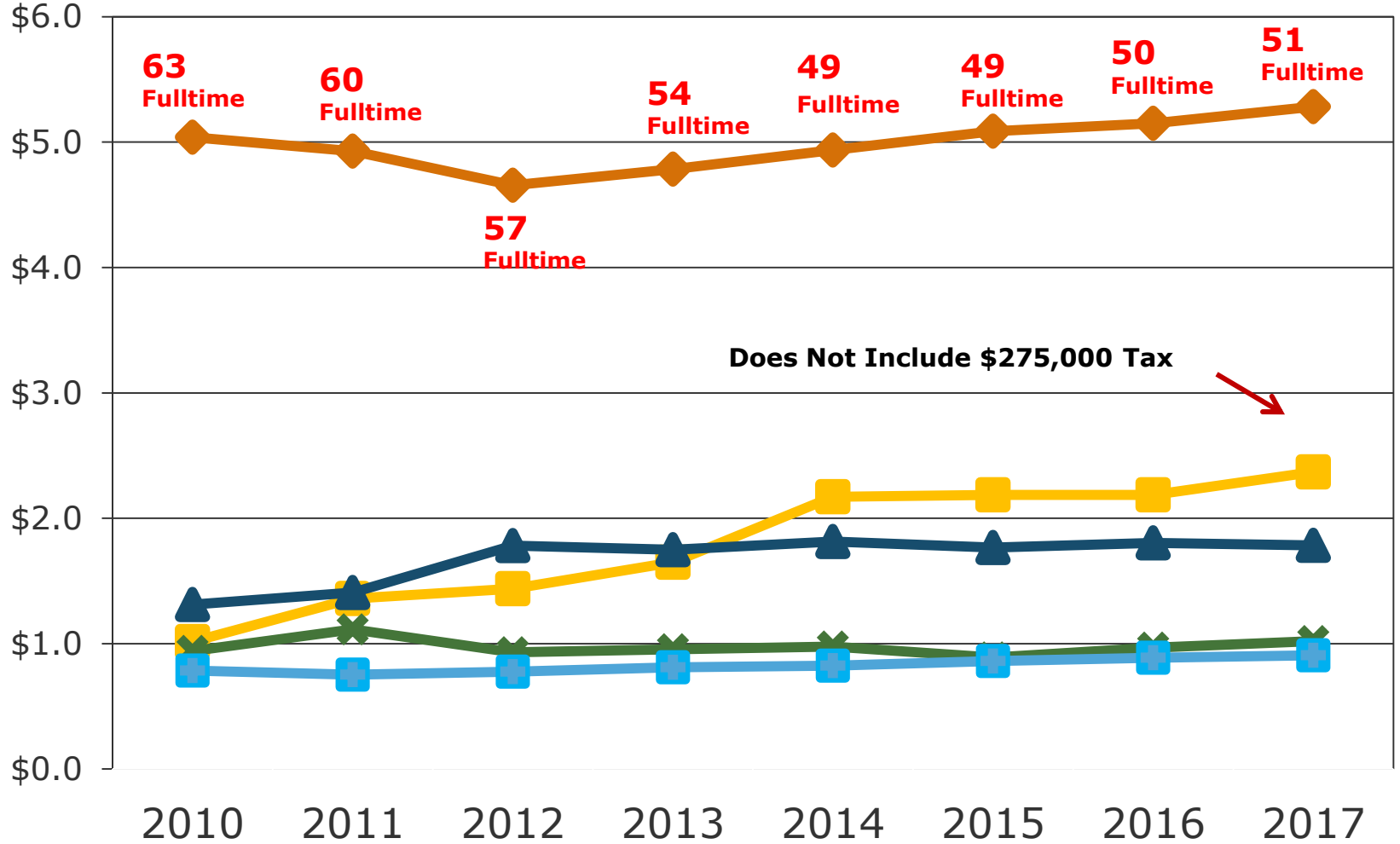


General Revenue Breakdown

2010 - 2017



Annual Expense Comparison 2010 - 2017



Does Not Include \$275,000 Tax



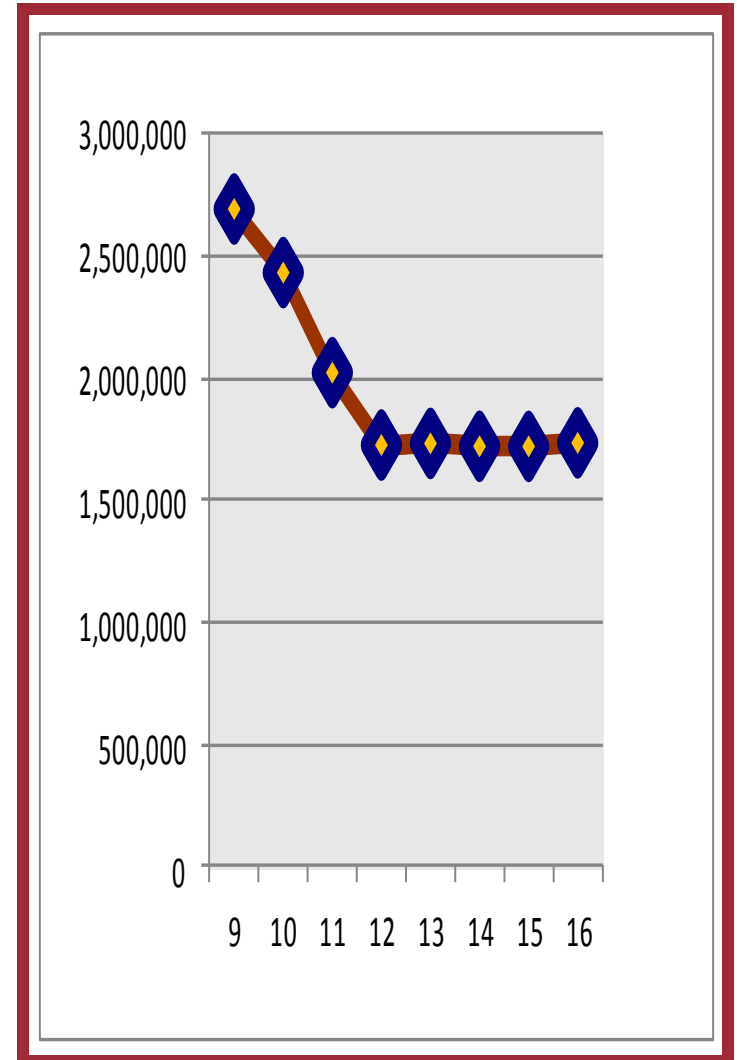
State Aid Trends

2010 – 2017

<u>Year</u>	<u>Amount Allocated</u>	<u>+ / - Dollars</u>
2017	\$572,099	\$0
2016	\$572,099	\$0
2015	\$572,099	\$0
2014	\$572,099	\$0
2013	\$572,099	\$0
2012	\$572,099	(\$2,303)
2011	\$574,402	\$4,606
2010	\$569,796	(\$176,853)

Reserve for Uncollected Taxes 2010 – 2017

<u>Year</u>	<u>RUT</u>	<u>Total Budget</u>	<u>% of Budget</u>
2017	\$1,745,000	\$14,581,378	11.97%
2016	\$1,744,181	\$14,259,512	12.23%
2015	\$1,720,000	\$14,115,349	12.18%
2014	\$1,720,576	\$14,094,778	12.21%
2013	\$1,732,279	\$13,661,993	12.68%
2012	\$1,725,706	\$13,424,938	12.85%
2011	\$ 2,021,912	\$13,628,582	14.83%
2010	\$ 2,431,371	\$13,820,540	17.59%



Mandatory Budget Expense Increases 2017

Mandatory Expenses

Pension – PERS/PFRS.....	\$ 37,025
Police Contractual Salaries.....	\$196,829
Library.....	\$ 9,892
Joint Meeting	\$ 40,799
Reserve for Uncollected Taxes.....	\$ <u>819</u>
Total Mandatory	\$295,364

Total Budget Increase\$299,644

Mandatory Budget Increases as % of Total Budget Increase – 98.7%

Tax Appeal – 26 Main Street

Tax Appeal – 2009

Cost for Settlement - \$275,000 (1 Tax Point = \$208,146)

Funding to Pay Settlement:

- \$ 42,000 Reserve to Pay Debt Service
- \$106,000 General Capital Fund Balance
- \$127,000 Prior Year Water Operating Fund Balance
 - Repay Water Operating over 4 years (\$31,750/year)

If Settlement Raised Through Taxation:

- Tax Rate Increase - \$.017 or 4.12% (versus \$.004 or .97%)
- Average Assessed Home - \$121.06 (versus \$33.87)

Health Insurance Costs

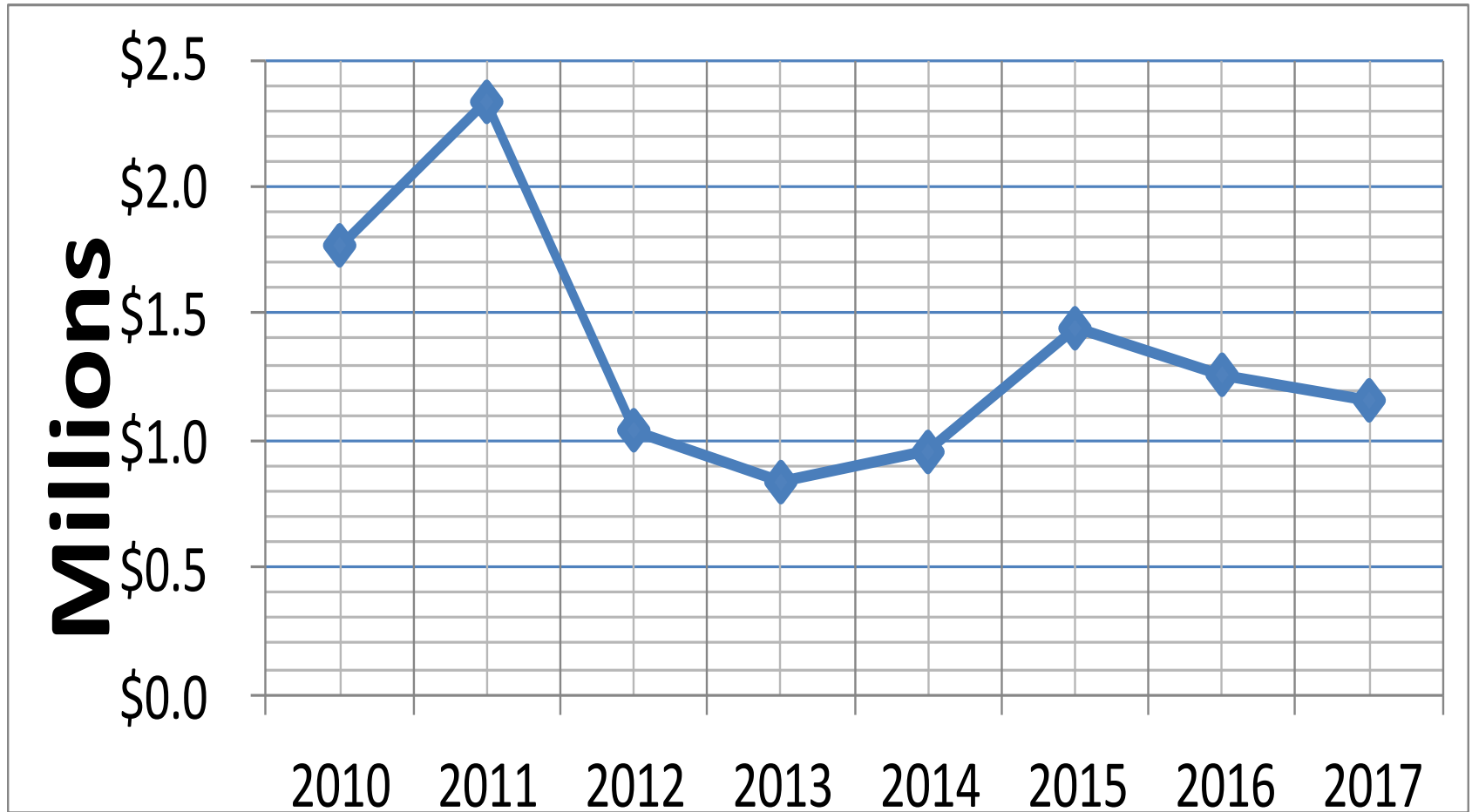
2010-2016

<u>Year</u>	<u>Paid Premiums</u>	<u>Employee Contributions</u>	<u>Number of Employees</u>	<u>Net Average Cost / Employee</u>	<u>Average Contribution Per Employee</u>	<u>% Increase Employee Contributions</u>
2010	\$ 966,376.03	\$ 15,307.28	59	\$ 16,379.25	\$ 259.45	
2011	\$ 862,294.59	\$ 24,535.19	56	\$ 15,398.12	\$ 438.13	60.28%
2012	\$ 827,663.67	\$ 62,628.00	54	\$ 15,327.11	\$ 1,159.78	155.26%
2013	\$ 793,345.48	\$ 120,167.22	47	\$ 16,879.69	\$ 2,556.75	91.87%
2014	\$ 753,484.77	\$ 199,089.24	43	\$ 17,522.90	\$ 4,629.98	65.68%
2015	\$ 745,719.99	\$ 271,636.67	42	\$ 17,755.24	\$ 6,467.54	36.44%
2016	\$ 752,660.87	\$ 273,510.36	42	\$ 17,920.50	\$ 6,512.15	0.69%

Note: The average NJ State Health Benefit Plan increase for 2017 is 2.4%. Chapter 78 began in 2010. The Borough went to NJ State Benefit Health Plan in 2013.

Capital Spending

2010 - 2017



2017 General Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Engineering	2017 Road Resurfacing Program	\$150,000
	2017 Drainage Improvement Program	\$ 50,000
	2017 Curb & Sidewalk Program	\$200,000
	Trail Upgrades (Morris County Grant \$93,710)	\$120,000
	Weston Avenue Road Improvements (NJ DOT Grant - \$116,500)	\$200,000
DPW	Road Maintenance – Micro surfacing	\$ 90,000
	Catch Basin Castings	\$ 12,800
	Additional Equipment – Skid Steer	\$ 10,000
	Leaf Vacuum	\$ 34,000
	Sidewalk Sweeper	\$ 5,100
	Material Spreader for Truck	\$ 8,000
	Tar Kettle – Road Projects	\$ 15,500
	New Truck Body	\$ 15,000

2017 General Capital Budget (continued)

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Buildings & Grounds	Borough Hall Light Fixtures	\$ 6,000
	Upgrade Gazebo	\$ 7,000
	Borough Hall (Computer & Office Equipment)	\$ 14,000
Recreation	Pool Upgrades (Pump & Equipment)	\$ 6,000
	Field Improvements (Fencing & Netting)	\$ 25,000
	Tennis Court Improvements	\$ 5,000
	Lum Soccer Field (Mesh & Posts)	\$ 5,000
Vehicle Maint.	Utility Truck Upgrade Body	\$ 12,000
	Tolls & Equipment	\$ 3,700
Sewer	Upgrade Jet Vac	\$ 6,000
Solid Waste	Flatbed Conversion for Truck	\$ 5,000
	Retrofit Hitch & Go Body Conversion-Truck	\$ 55,000

2017 General Capital Budget (continued)

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Fire	SCBA Air Cylinder Replacement	\$ 16,500
	Turnout Gear	\$ 8,400
	Thermal Image Camera	\$ 2,000
	Fire House Access Control System	\$ 9,500
Police	Live Scan Finger Print System	\$ 20,000
	Ballistic Vests	\$ 1,600
	Car Camera System (Installation & warranty)	\$ 39,600
	4% Administrative Costs	<u>\$ 37,510</u>
	Total General Capital to Be Funded	<u>\$1,195,210</u>

2017 Water Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Water Utility	Fire Hydrants & Valves	\$ 50,000
	Water Distribution System Repair & Maint	\$ 25,000
	Water Meters w/ Transmitters	\$ 50,000
	Water Tools & Equipment (Metal Detector & Concrete Breaker)	\$ 18,500
	5% Administrative Costs	<u>\$ 7,500</u>
	Total Water Capital To Be Funded	<u>\$151,000</u>

Road Improvement Plan

Mill & Pave

Weston Avenue (Hedges Avenue to Rowan Road)

Duchamp Place

Lafayette Avenue

Center Street (Yale to Dead End)

North Summit Avenue

Inwood Circle

2nd Street

Total Cost = \$350,000 (includes \$116,500 NJ DOT Grant)

2017 Road Improvement Plan

Micro Surfacing

Walnut Street

Myrtle Avenue

Minton Avenue

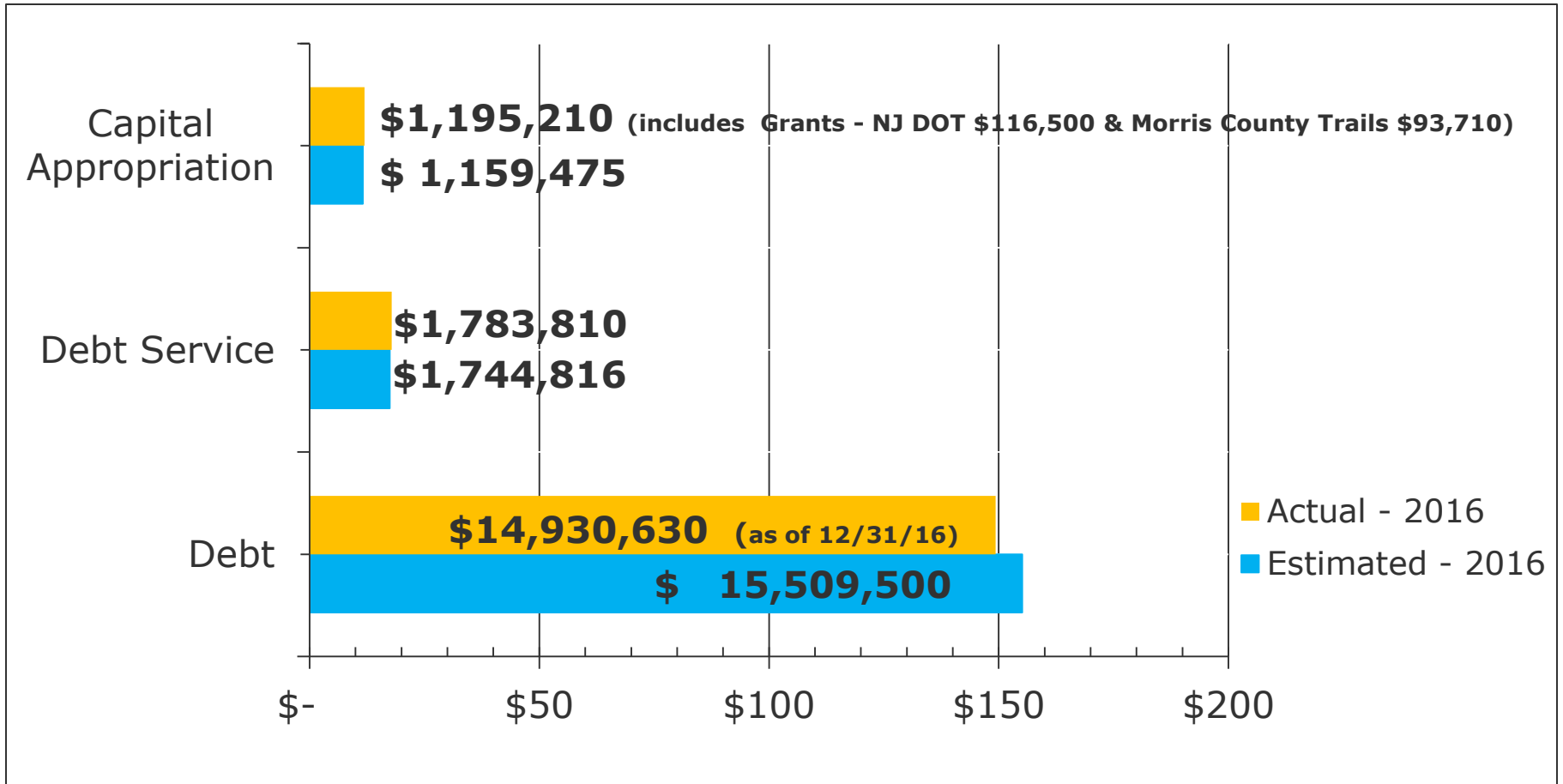
Elmwood Avenue (Weston to Main St)

Hedges Avenue

North Hillside Avenue (Weston to Main St)

Total Cost = \$ 90,000

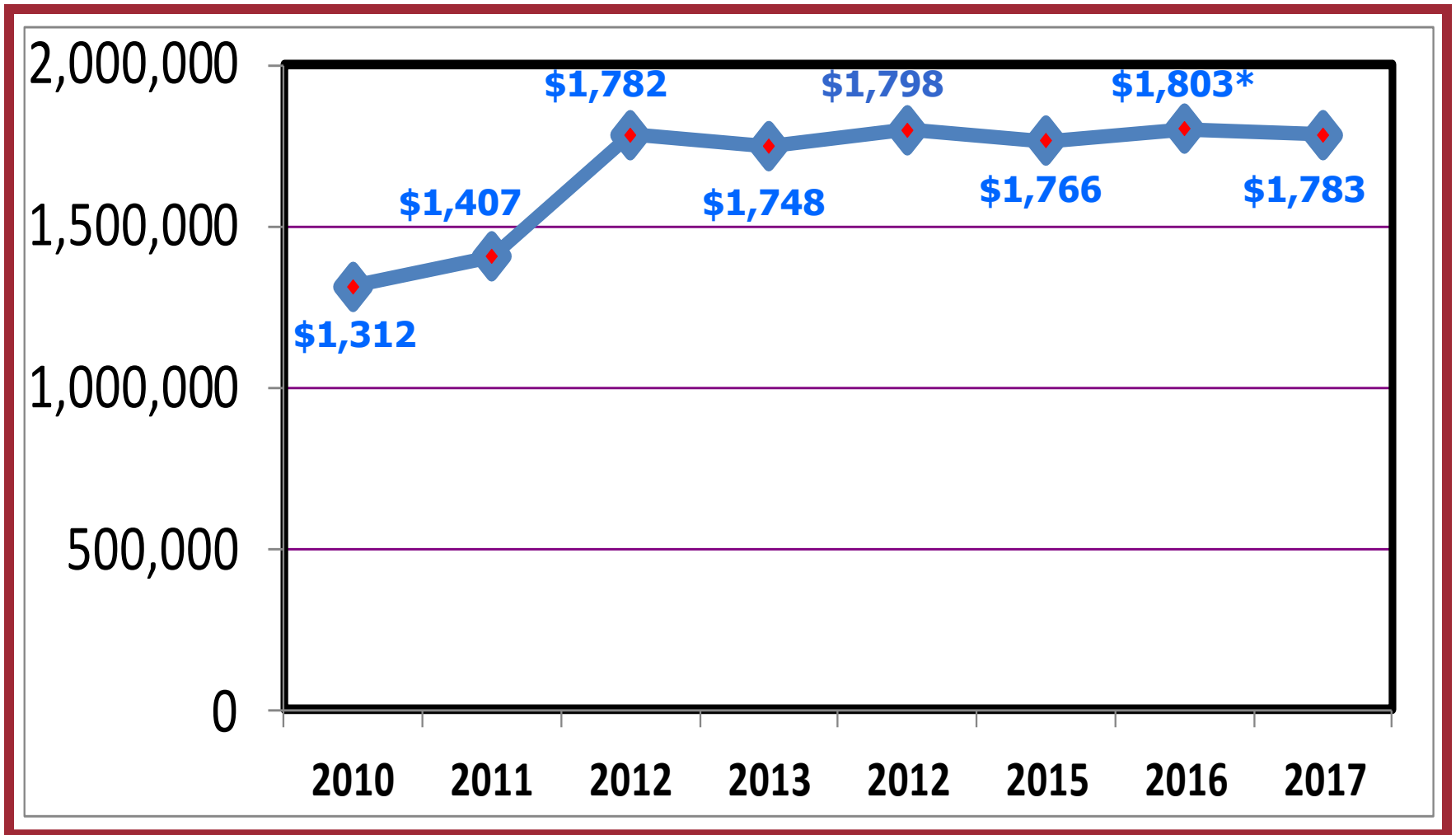
Comparison 10 Year Financial Plan Capital Spending & Debt



Note: Additional 2015 includes Library Improvement Debt of \$455,000 not projected in The 10 Year Strategic Financial Management Plan – dated January 27, 2014

General Debt Service

2010 – 2017

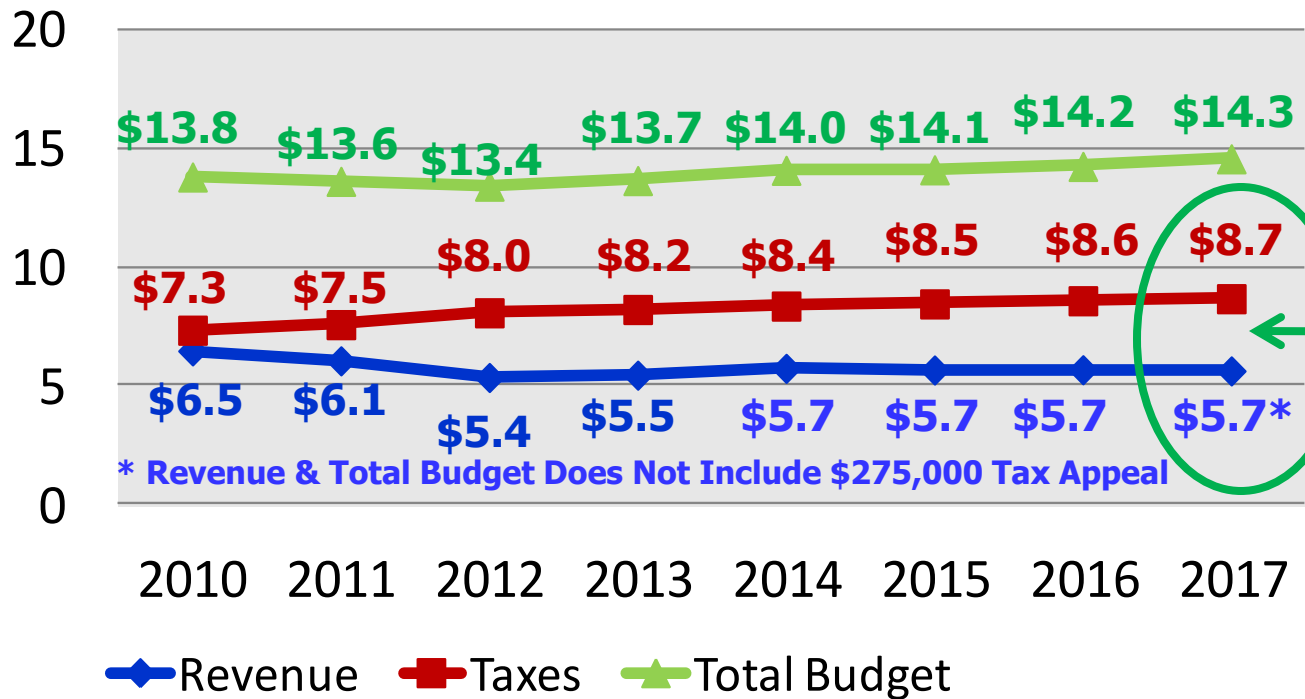


*** Note : Increase due to new Joint Meeting NJEIT Loan in 2015.**

Revenue/Tax/Total Budget Comparison

2017

Millions



The Challenge

Note : Taxes includes both Municipal & Library tax.

DISCUSSION

