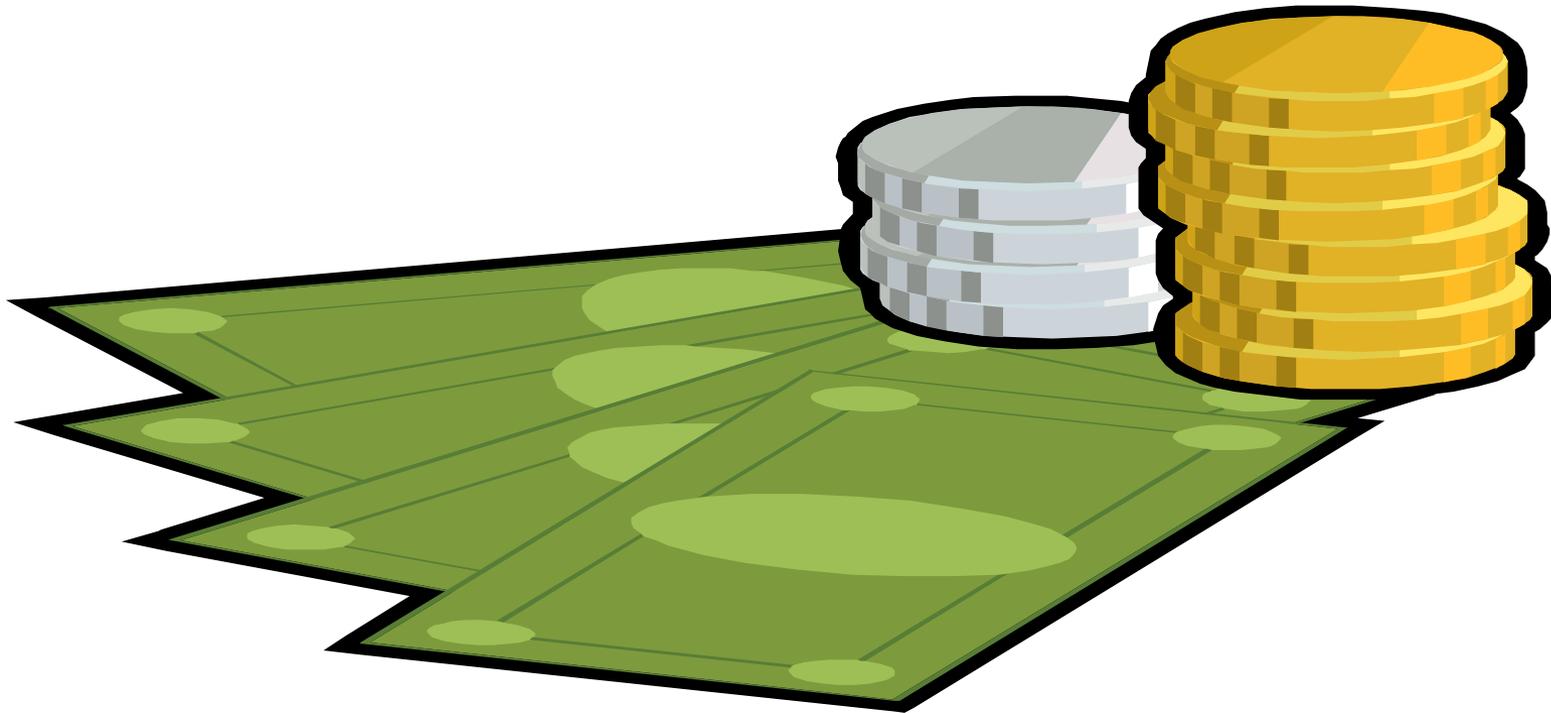


BOROUGH OF CHATHAM

2018 Municipal Budget



Budget Process Schedule

General Budget Presentation, COLA Ordinance Introduction and Budget Introduction..... March 26th

COLA Ordinance Adoption.....April 23rd

Budget Adoption.....April 23rd

Budget Overview

2018

Description	2018	2017	+/-	+/- Percent
Total Budget	\$14,514,351	\$14,581,378	(\$67,027)	(0.46%)
Municipal Tax Levy	\$ 7,908,362	\$ 7,857,326	\$ 51,036	0.65%
Library Tax Levy	\$ 836,052	\$ 816,372	\$ 19,680	2.41%
Total Tax Levy	\$ 8,744,414	\$ 8,673,698	\$ 70,716	0.82%
Municipal Tax Rate	.379	.377	.002	0.53%
Library Tax Rate	.040	.039	.001	2.56%
Total Tax Rate	.419	.416	.003	0.72%

Annual Increase for Average Assessed Home of \$672,969= \$22.74

Total Annual Municipal Cost Increase

(Average Assessment \$672,969)

2018



Description	2017	2016/2017 Increase	2018	2017/2018 Increase
Municipal Tax (Including Library)	\$2,797	\$34	\$2,820	\$23
Open Space Tax	\$33	No Change	No Change	No Change
Total Tax	\$2,830	\$34	\$2,864	\$23

Tax Levy CAP (3 year bank)

Maximum allowable amount to be raised by taxation \$ 8,190,877

Amount to be raised by taxation (Library tax not included) \$ 7,908,362

2018 CAP Bank \$ 282,515

2017 CAP Bank \$ 126,248

2016 CAP Bank \$ 74,723

Total CAP Bank \$ 483,860

CAP Exclusions

- ✓ Pension Increases
- ✓ Capital Improvement Increases
- ✓ Debt Service Increase
- ✓ New Ratable Adjustment To The Tax Levy
- ✓ Health Insurance Increase(0-1.0% 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's budget allowing for a higher percentage tax rate increase over the 2% CAP limit.

Appropriations CAP (2 year bank)

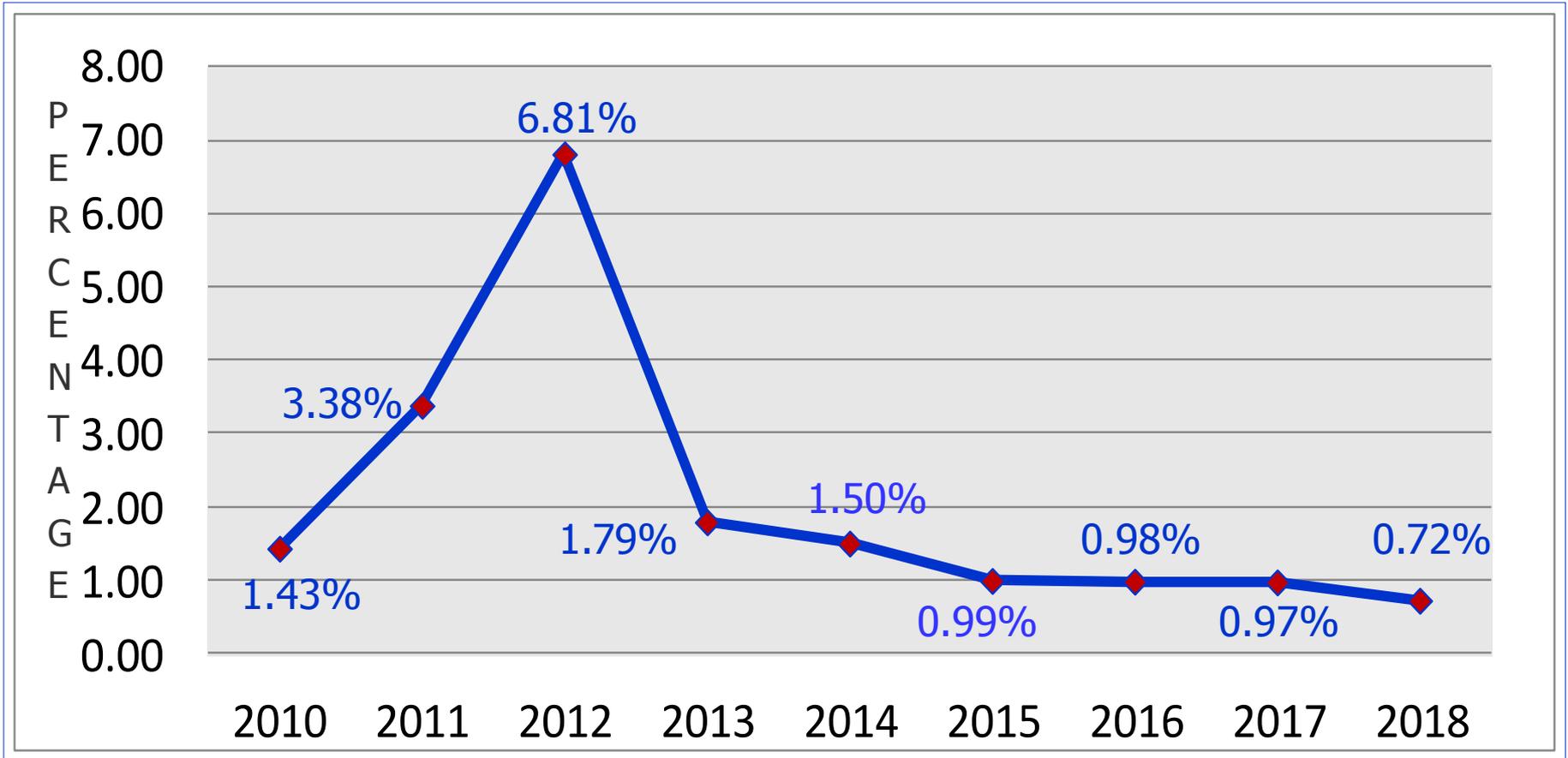
2018 (actual inside CAP)	\$9,260,758
2018 (3.5% Cap)	\$324,126
2016 CAP Banking	\$316,264
2017 CAP Banking	\$339,334
Added Assessments	<u>\$ 41,571</u>
2018 Maximum Allowed	<u>\$10,282,053</u>
2017 (actual within CAP)	<u>\$9,260,758</u>
2018 Maximum Allowed	\$1,021,295 (allowed increase within appropriations 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 - 2018



The local open space tax remains unchanged in 2018.

How will your 2018 tax dollar be spent?

School & County Tax (est 2% increase)

School Tax

63.40%
(\$26,666,724)

**Municipal
Tax** (includes
Open Space Tax)
19.05%
(\$8,012,569)

**Library
Tax**
2.00%
(\$836,052)

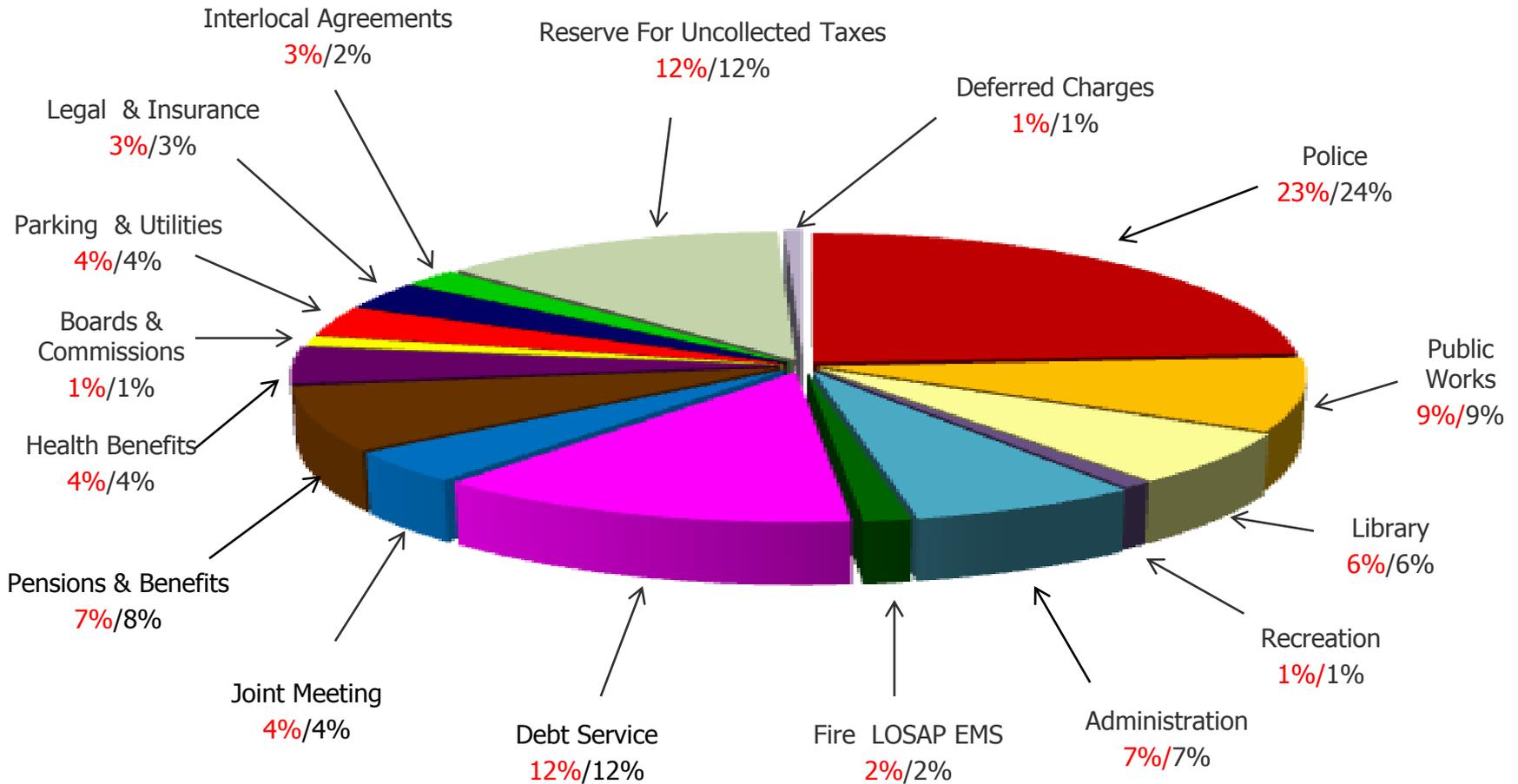
**County
Tax**
15.54%
(\$6,536,591)



**Note – The Municipal Tax % is 18.80% (\$7,908,362) and Open Space Tax % is .25 (\$104,207)
Estimated annual tax for average assessed home (\$672,969) would be \$13,578.**

Expense Percentage By Department / Type To The Total Budget

2018

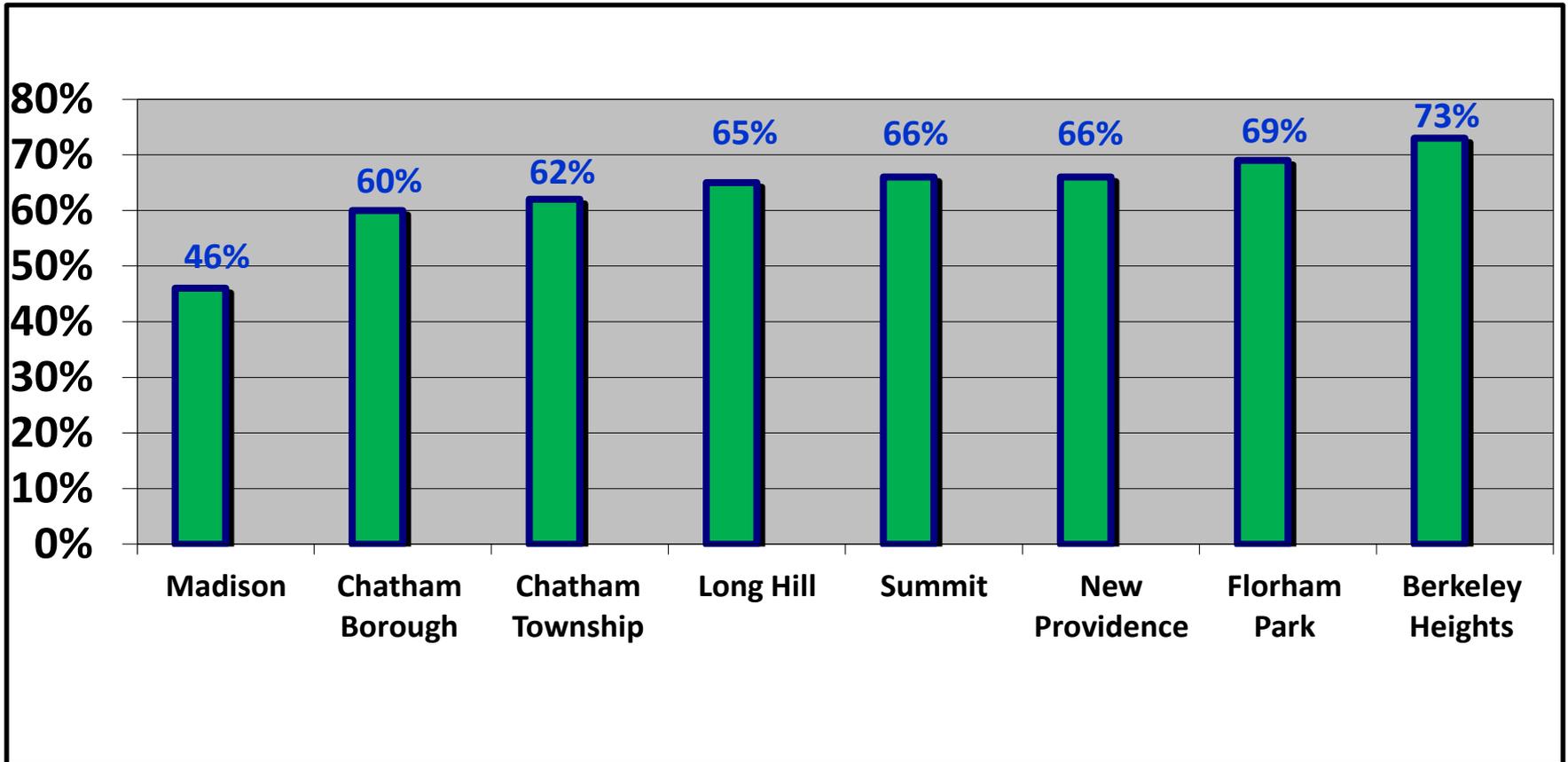


Red % is 2017 Black % is 2018

Percentages are Rounded to nearest whole number.

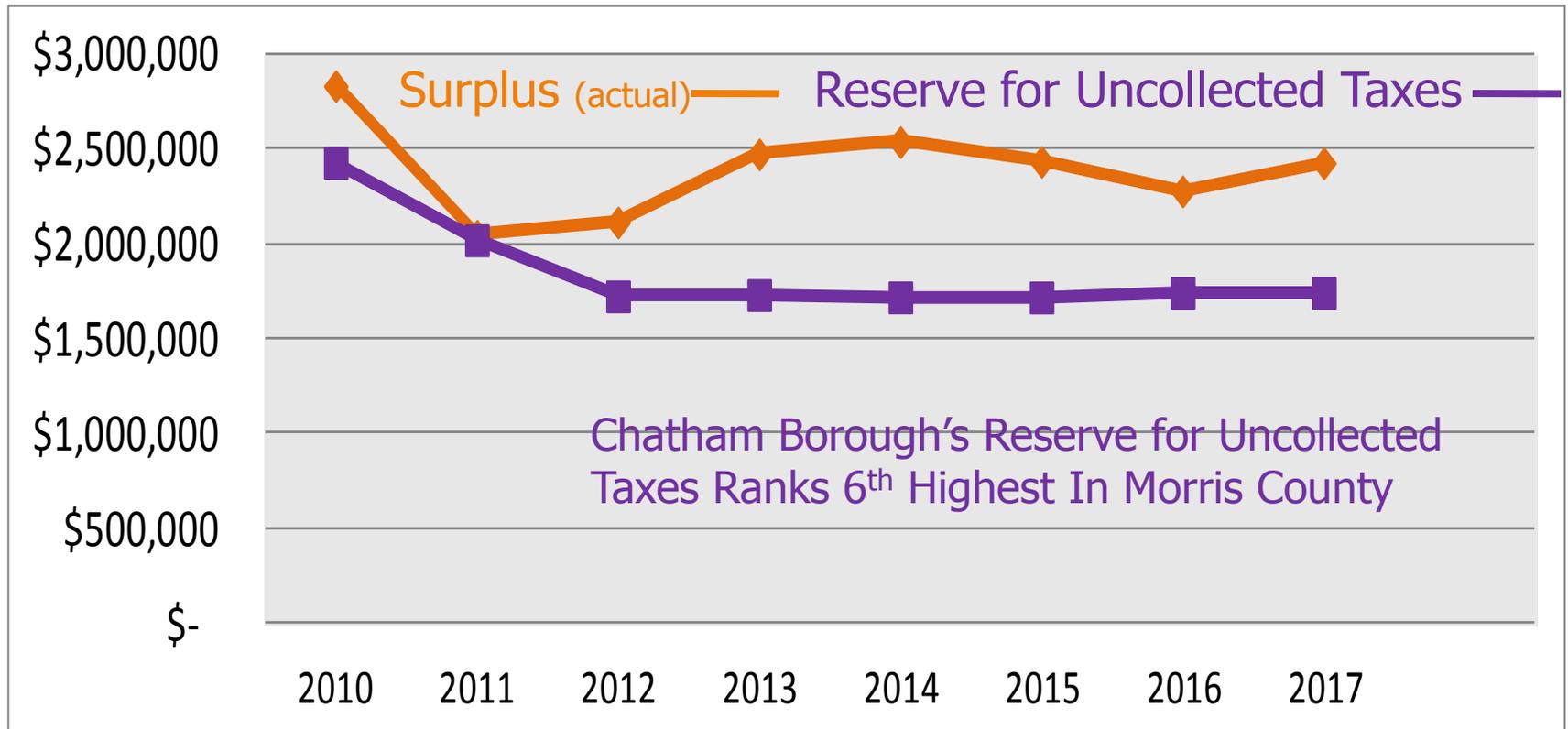
Percentage of Budget Funded by Tax Revenues - 2017

Chatham Borough ranks 2nd lowest when compared to surrounding towns



Surplus/Reserve for Uncollected Taxes

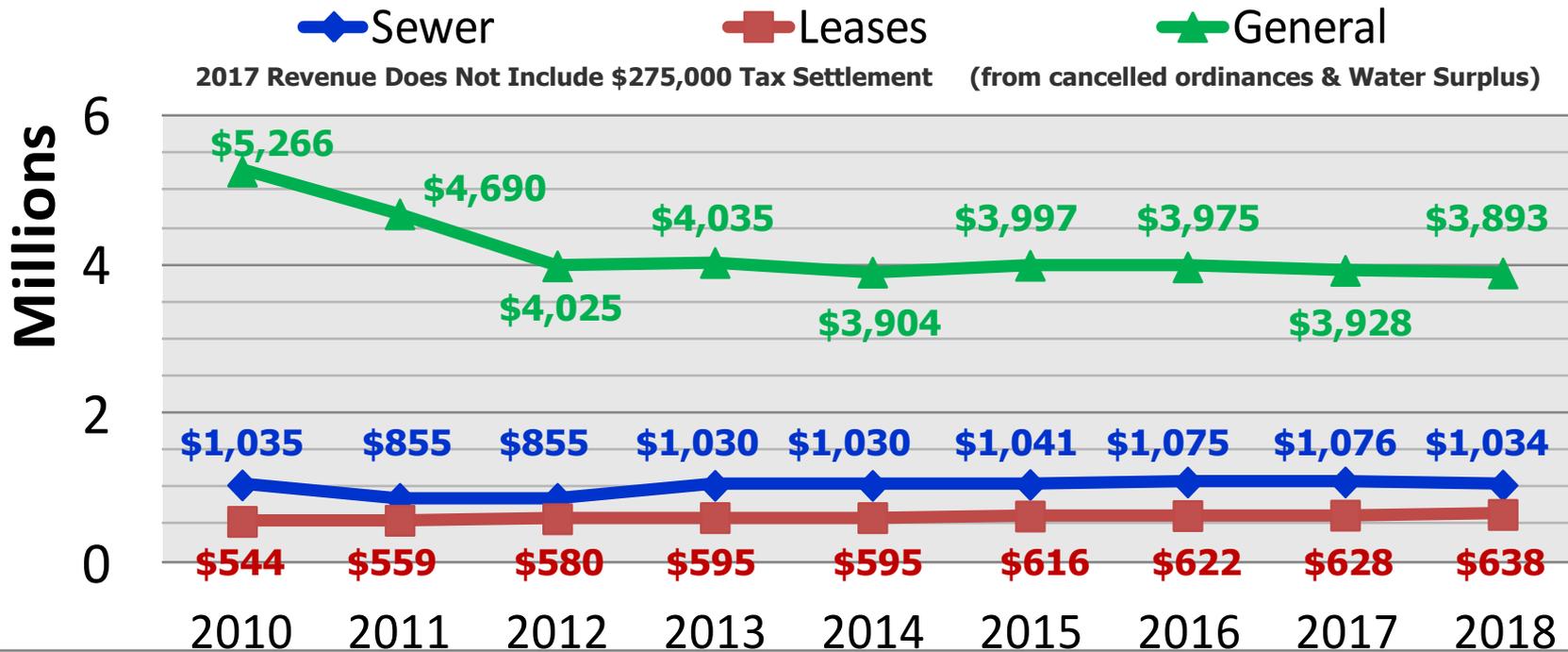
2010 - 2017



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

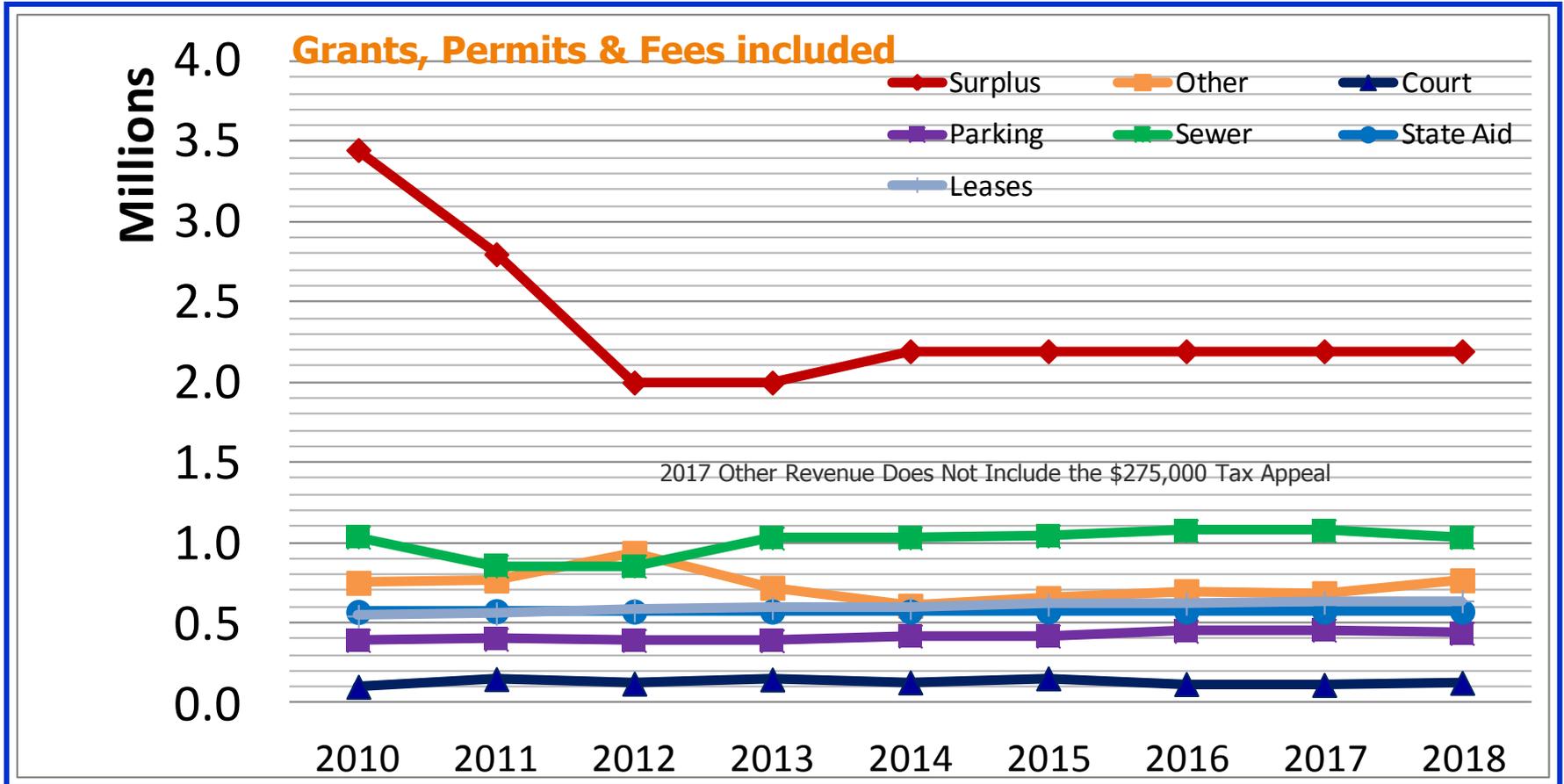
Revenues

2010 - 2018

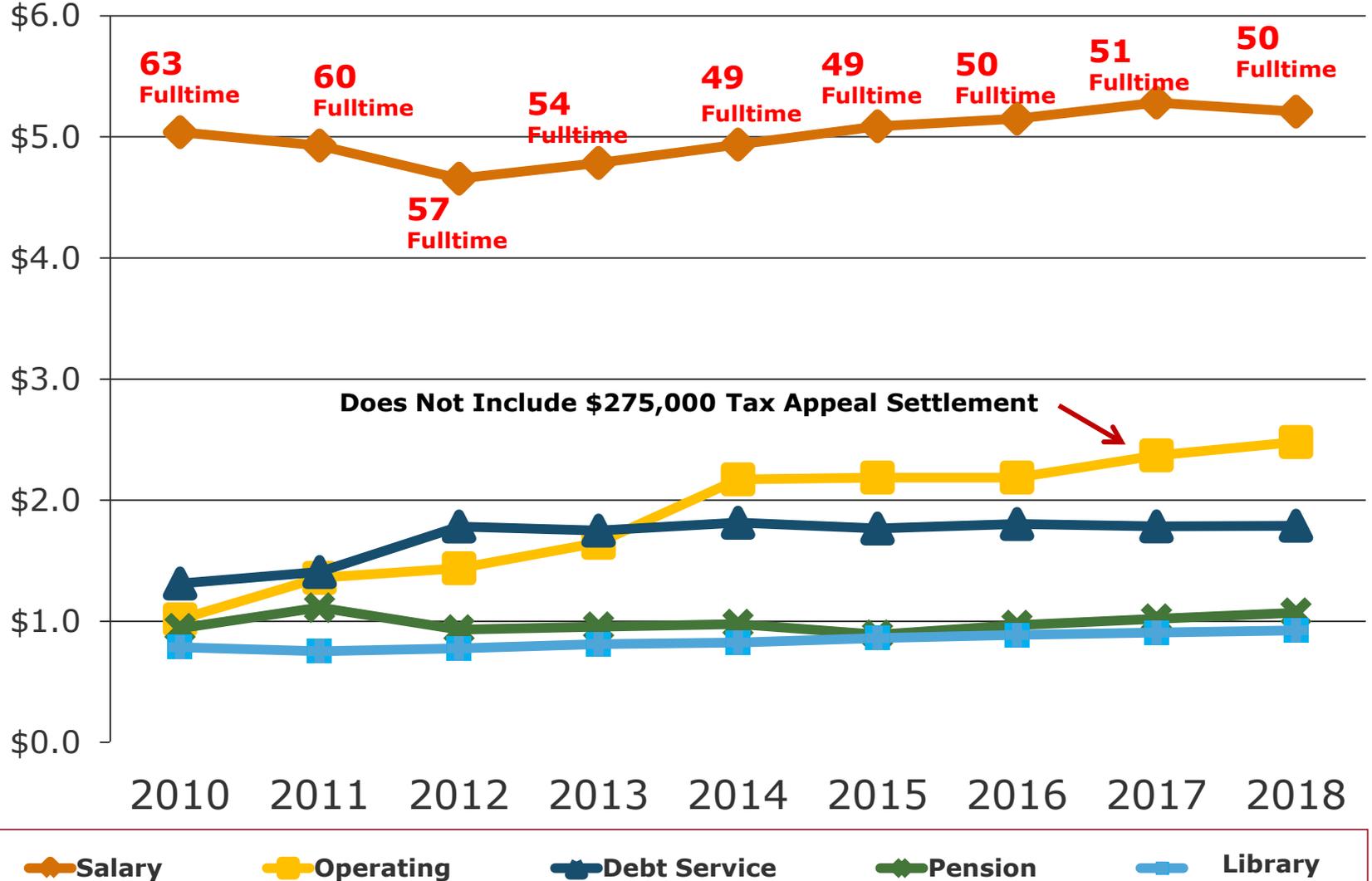


General Revenue Breakdown

2010 - 2018



Annual Expense Comparison 2010 - 2018



State Aid Trends

2010 – 2018

<u>Year</u>	<u>Amount</u>	<u>+ / - Dollars</u>
2018	\$572,099	\$0
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 – 2018

<u>Year</u>	<u>RUT</u>	<u>Total Budget</u>	<u>% of Budget</u>
2018	\$1,744,000	\$14,514,351	12%
2017	\$1,745,000	\$14,581,378	12%
2016	\$1,744,181	\$14,259,512	12%
2015	\$1,720,000	\$14,115,349	12%
2014	\$1,720,576	\$14,094,778	12%
2013	\$1,732,279	\$13,661,993	13%
2012	\$1,725,706	\$13,424,938	13%
2011	\$ 2,021,912	\$13,628,582	15%
2010	\$ 2,431,371	\$13,820,540	18%

Mandatory Budget Expense Increases 2018

Mandatory Expenses

Pension – PERS/PFRS.....	\$ 73,810
Library.....	\$ 19,680
Joint Meeting.....	\$ 58,467
Redevelopment.....	\$ <u>65,000</u>
Total Mandatory	\$216,957
Total Budget Decrease.....	(\$67,027)

Health Insurance Costs

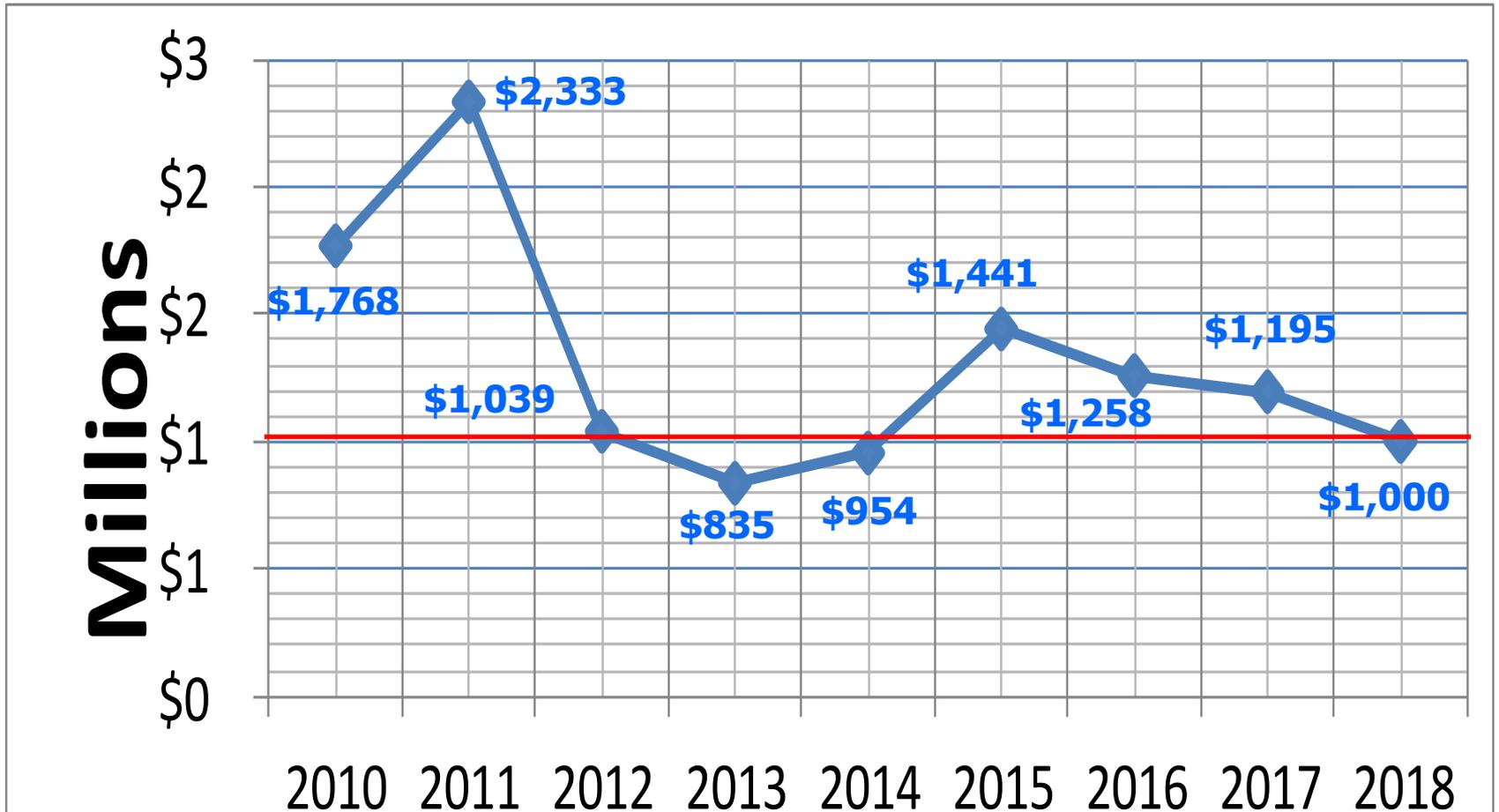
2010-2017

<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%
2017	\$ 714,319.50	\$ 277,763.79	42	\$ 17,007.61	\$ 6,613.42	1.56%

Note: The average NJ State Health Benefit Plans increase for 2018 is 0%. Chapter 78 began in 2010. The Borough went to NJ State Benefit Health Plan in 2013.

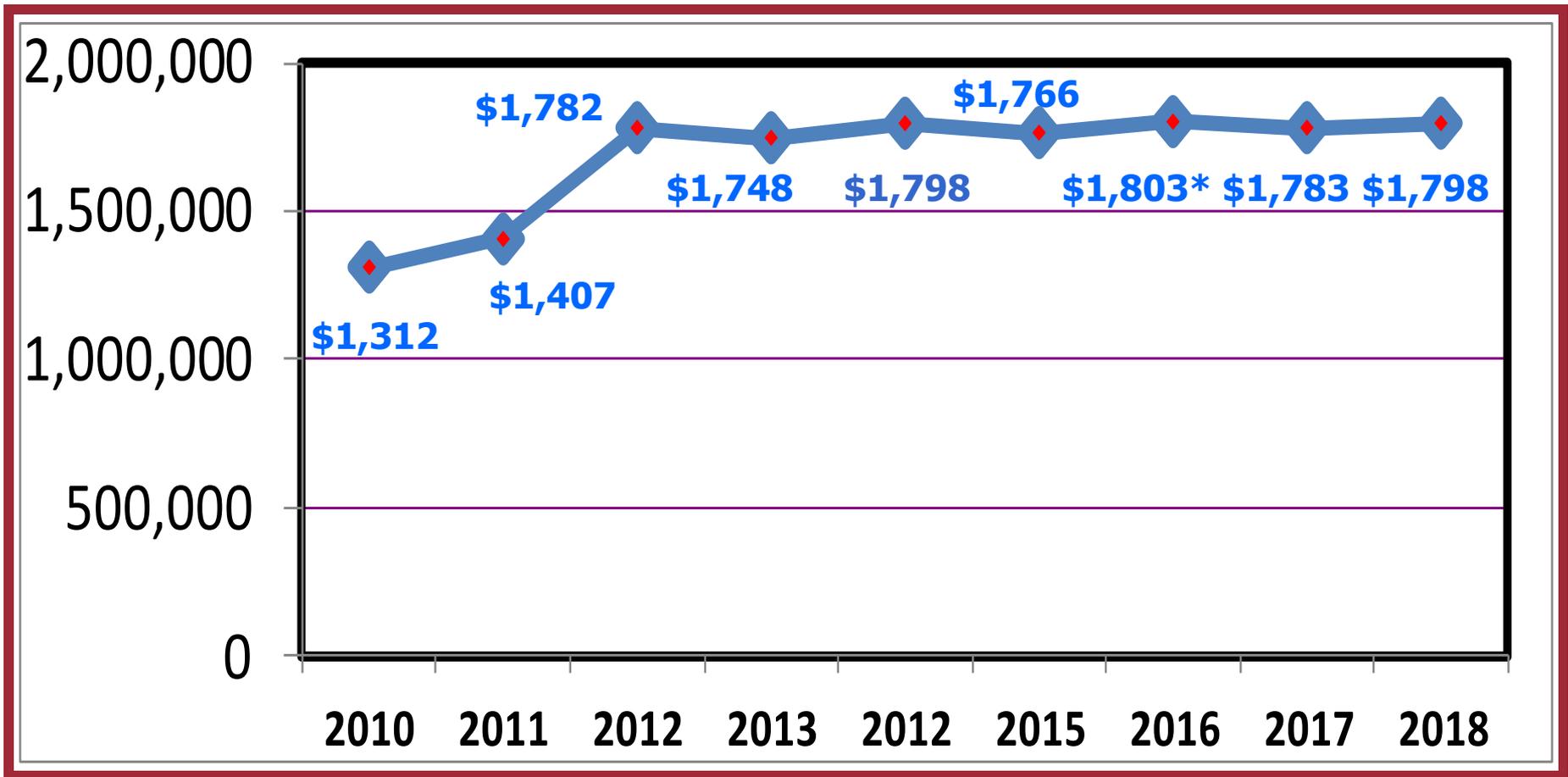
Capital Spending

2010 - 2018



General Debt Service

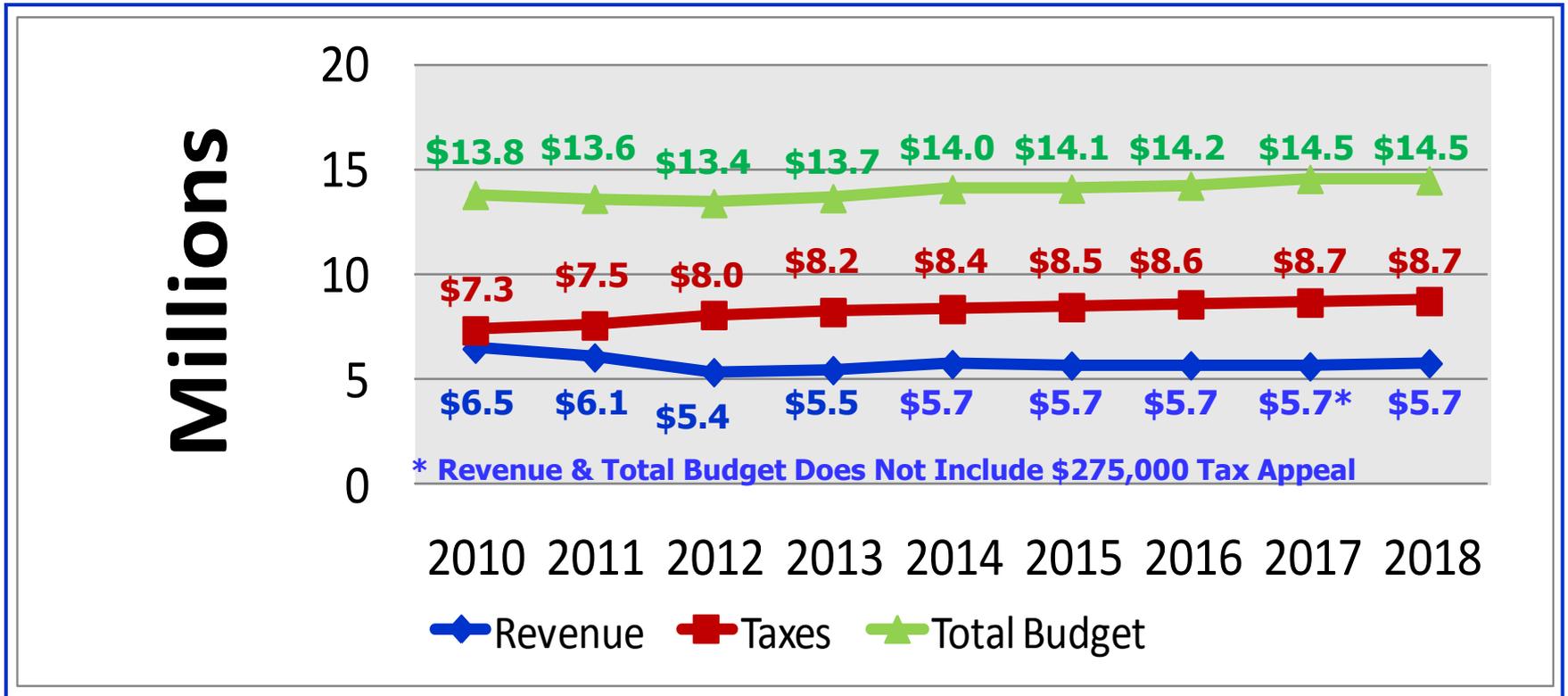
2010 – 2018



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

Revenue/Tax/Total Budget Comparison

2018



Note : Taxes includes both Municipal & Library tax.

DISCUSSION

➤ QUESTIONS