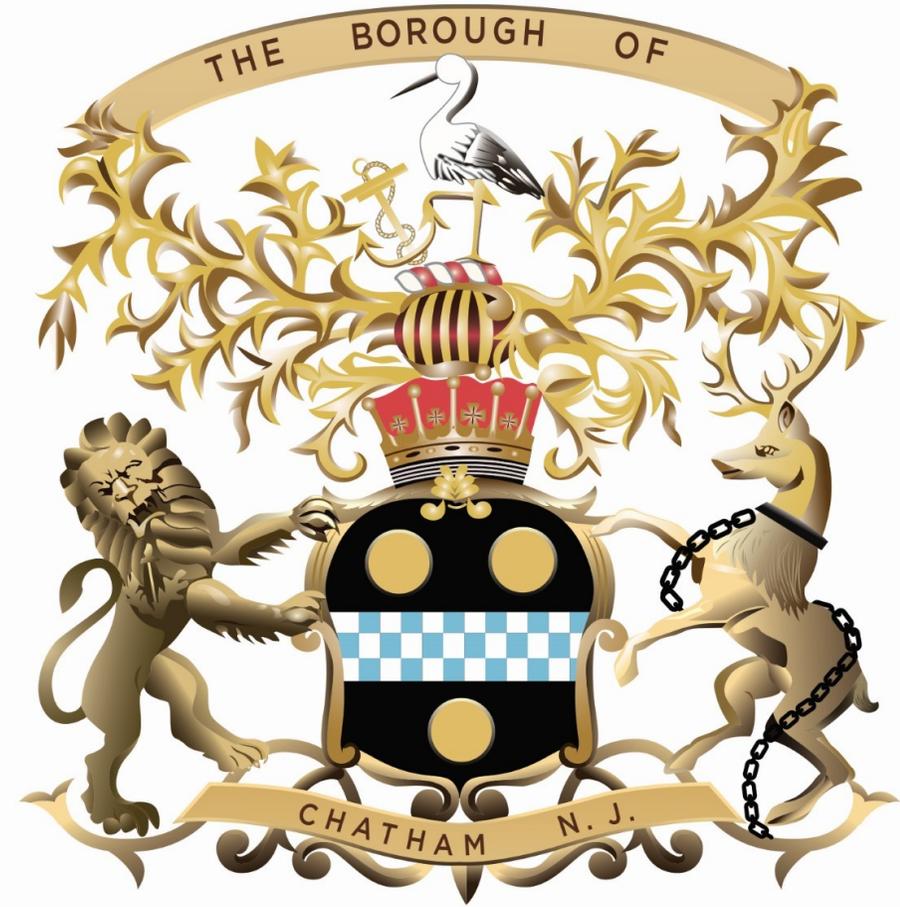


CHATHAM BOROUGH 2023 BUDGET

Budget Introduction - April 10, 2023



GUIDING PRINCIPLES OF THE BUDGET





FUND STRUCTURE

Current Fund

- Total budget with library: \$16,819,429
- General government operations + sewer
- Cost includes uncollected taxes including for schools, county
- Funded by: Property taxes, permits and fees, rent, sewer fees

Water Utility

- Total budget: \$1,902,505
- Water system
- Funded by: Water bill

Solid Waste Utility

- Total budget: \$1,081,380
- Garbage collection, recycling, mulch site, bulk waste
- Funded by: Solid waste bill

BUDGET PROCESS

✓ Department Head Budget Consultations	January-February 2023
✓ Budget and Finance Committee Review/Deliberations	March 2023
✓ Budget Introduction & Presentation (Start of the Formal Process)	April 10, 2023
Publication of the Budget (Daily Record & Chatham Courier)	At least 10 days prior to adoptions
Public Hearing on the Budget	May 8, 2023
Budget Adoption	After the Public Hearing

2023 BUDGET CHALLENGES

Mandatory Statutory Increases

- PERS Pension (non-police)- 7% Increase (\$20K)
- PFRS Pension (Police) – 5% Increase (\$45K)

Madison Chatham Joint Meeting

- Rising Chemical Costs – 12% Increase (\$95K)
- Debt Service associated with treatment plant upgrades – 67% Increase (\$60K)

Insurance Cost Increase

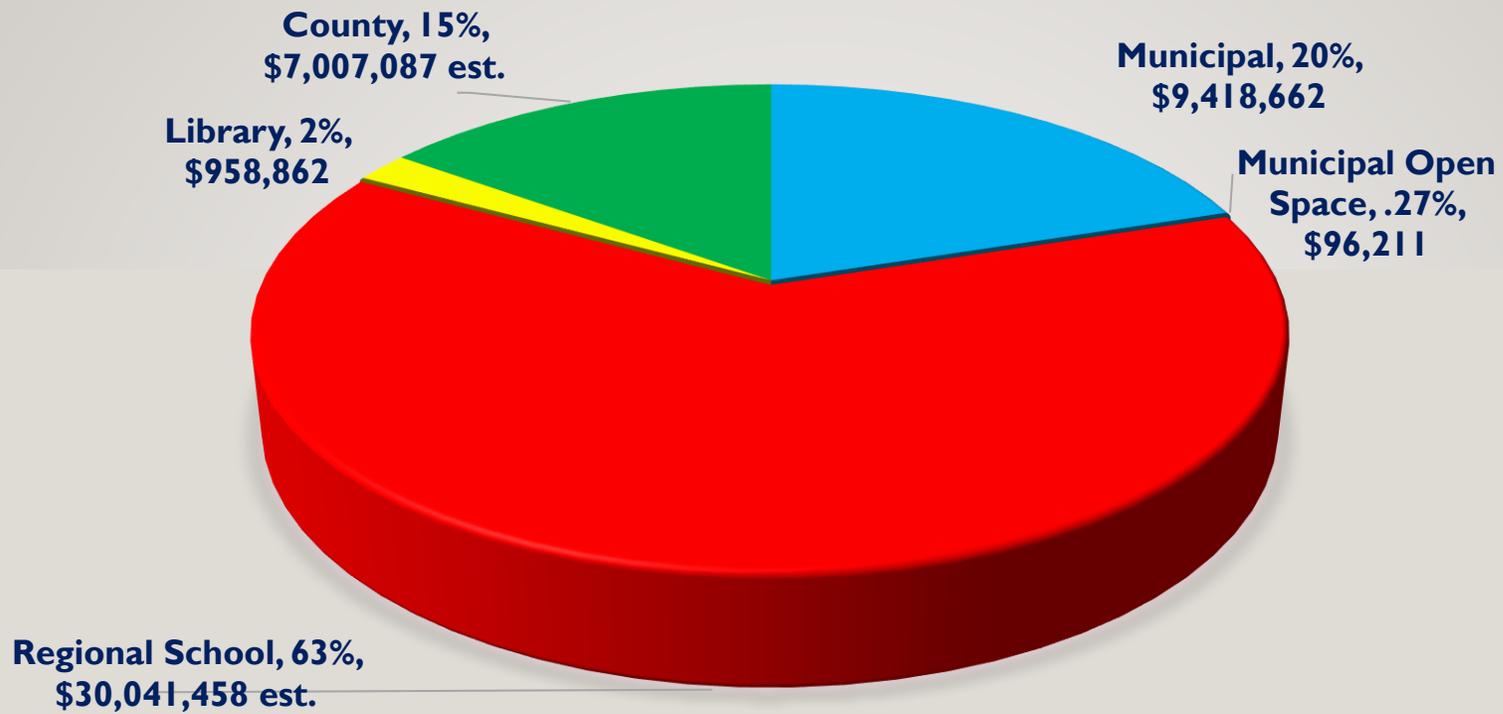
- Group Insurance – 11% Increase (\$69K)
- Workers' Compensation & Liability Insurance – 6% Increase (\$17K)

Utilities

- Gasoline -25% Increase (\$19K)
- Energy Efficiency Program – New Expense (\$30K)

Rising Costs of Goods & Services

- Public Works, Recreation, Park Maintenance

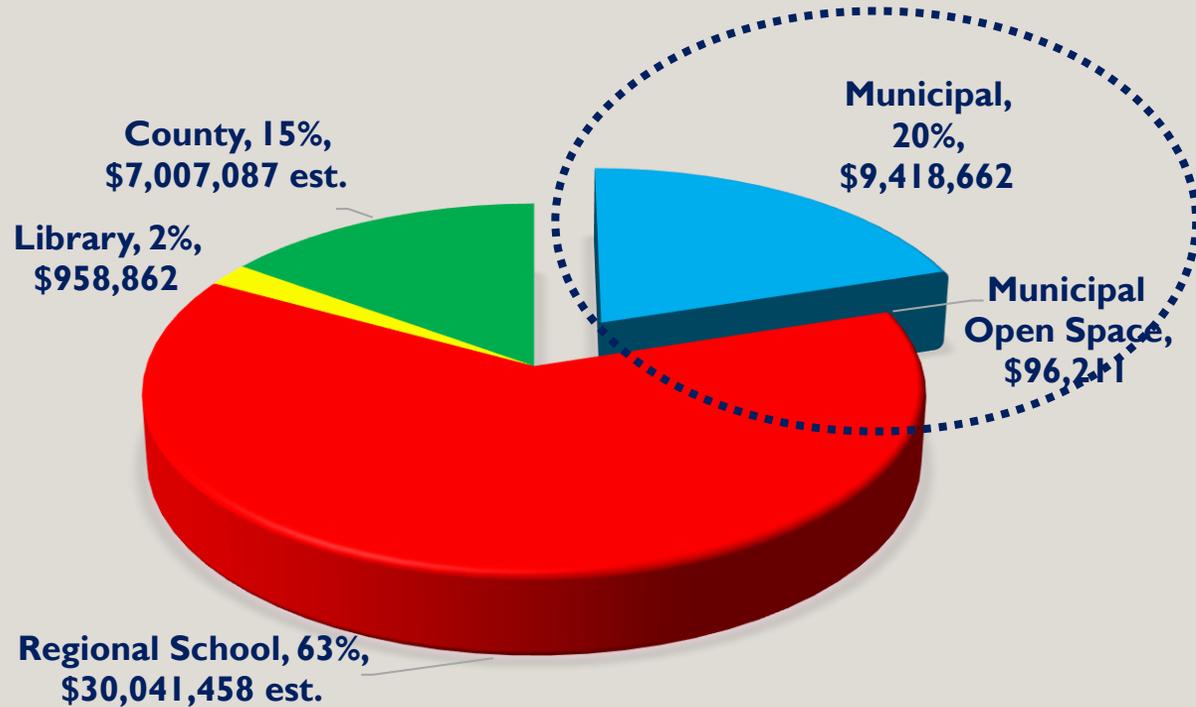


CHATHAM PROPERTY TAX ALLOCATION



CHATHAM PROPERTY TAX ALLOCATION

An average home valued at \$966,000 will receive property tax bill of approximately \$14,791. The municipal portion of this tax bill will be \$2,931. For this amount, the residents of that home will receive the following services & programs (non all-inclusive):



- Road Maintenance and Repair
- Yard Waste & Fall Leaf Pick up
- Sidewalk Maintenance and Repair
- Recreational Fields & Facilities
- Park Maintenance
- Policing Services & Crossing Guards
- Fire Department & Fire Safety
- Administration / Elections/ Records
- Construction/ Planning/ Zoning
- Senior Citizen Services
- Health Department
- Fire Hydrants & Street Lights
- Snow Plowing Services
- Emergency Services
- Storm Water Systems

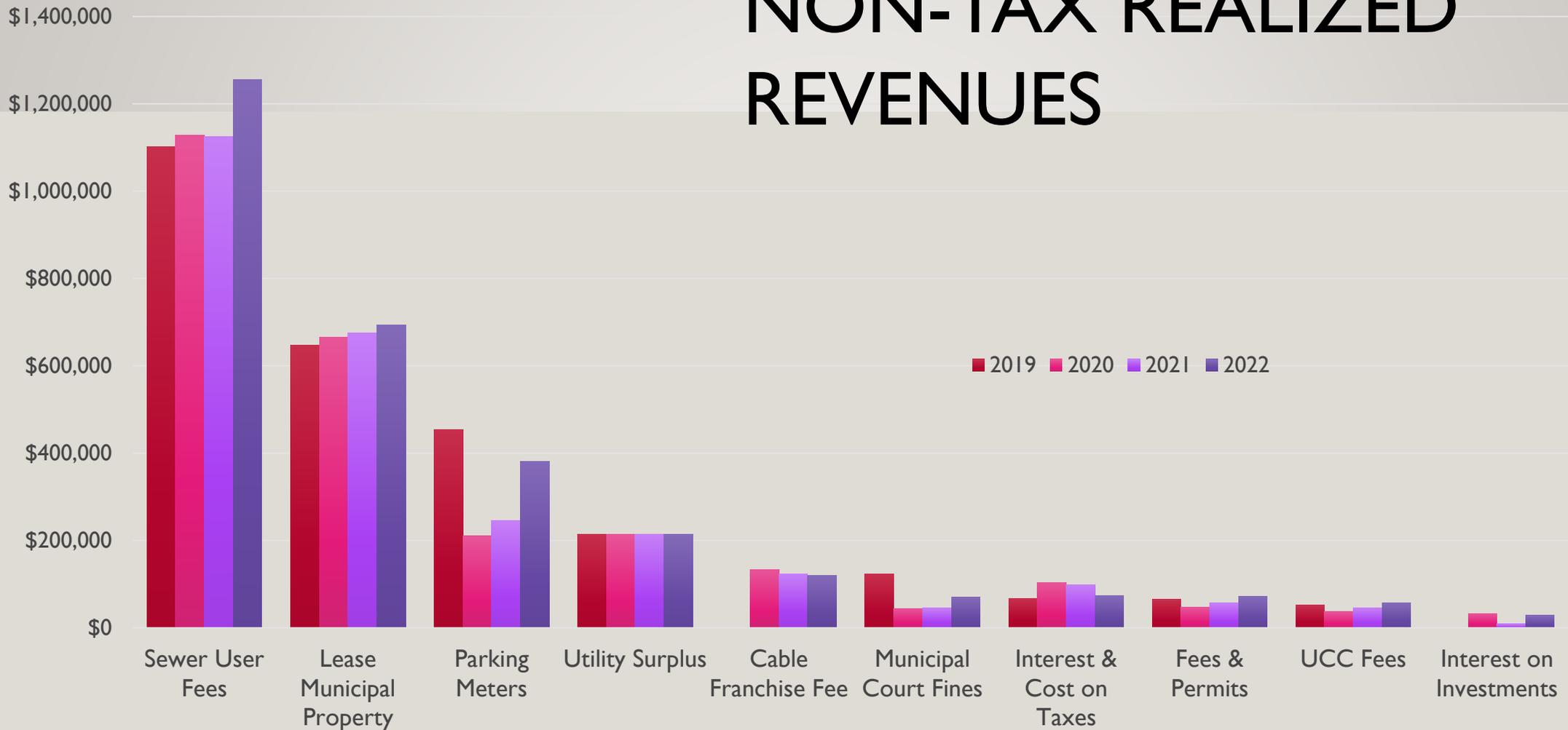
CURRENT FUND – REVENUES



Revenues:	2022	2022 Realized	2023	\$\$ Change	% Change
Fund Balance	\$2,252,000	\$2,252,000	\$2,375,000	\$123,000	5%
Fees & Permits	\$114,700	\$143,506	\$125,073	\$10,373	9%
Municipal Court	\$70,000	\$76,910	\$70,000	\$0	0%
Interest on Taxes	\$64,000	\$74,838	\$69,000	\$5,000	8%
Parking	\$303,000	\$378,344	\$335,000	\$32,000	11%
Interest on Investments	\$9,000	\$34,502	\$15,000	\$6,000	67%
Sewer Fees	\$1,205,000	\$1,254,822	\$1,345,000	\$140,000	12%
State Aid	\$572,099	\$572,099	\$605,760	\$33,661	6%
Lease Municipal Property	\$645,000	\$687,262	\$645,000	\$0	0%
Cable Franchise Fees	\$119,000	\$119,915	\$113,000	-\$6,000	-5%
Other Special Items	\$427,600	\$429,389	\$327,847	-\$99,753	-23%
Receipts for Delinquent Taxes	\$200,000	\$263,306	\$400,000	\$200,000	100%
Amount to Be Raised by Taxes	\$9,870,079	\$11,201,472	\$10,377,524	\$507,446	5%
TOTAL REVENUES (Exc. Grants)	\$15,851,478	\$17,488,366	\$16,803,204	\$951,726	6%

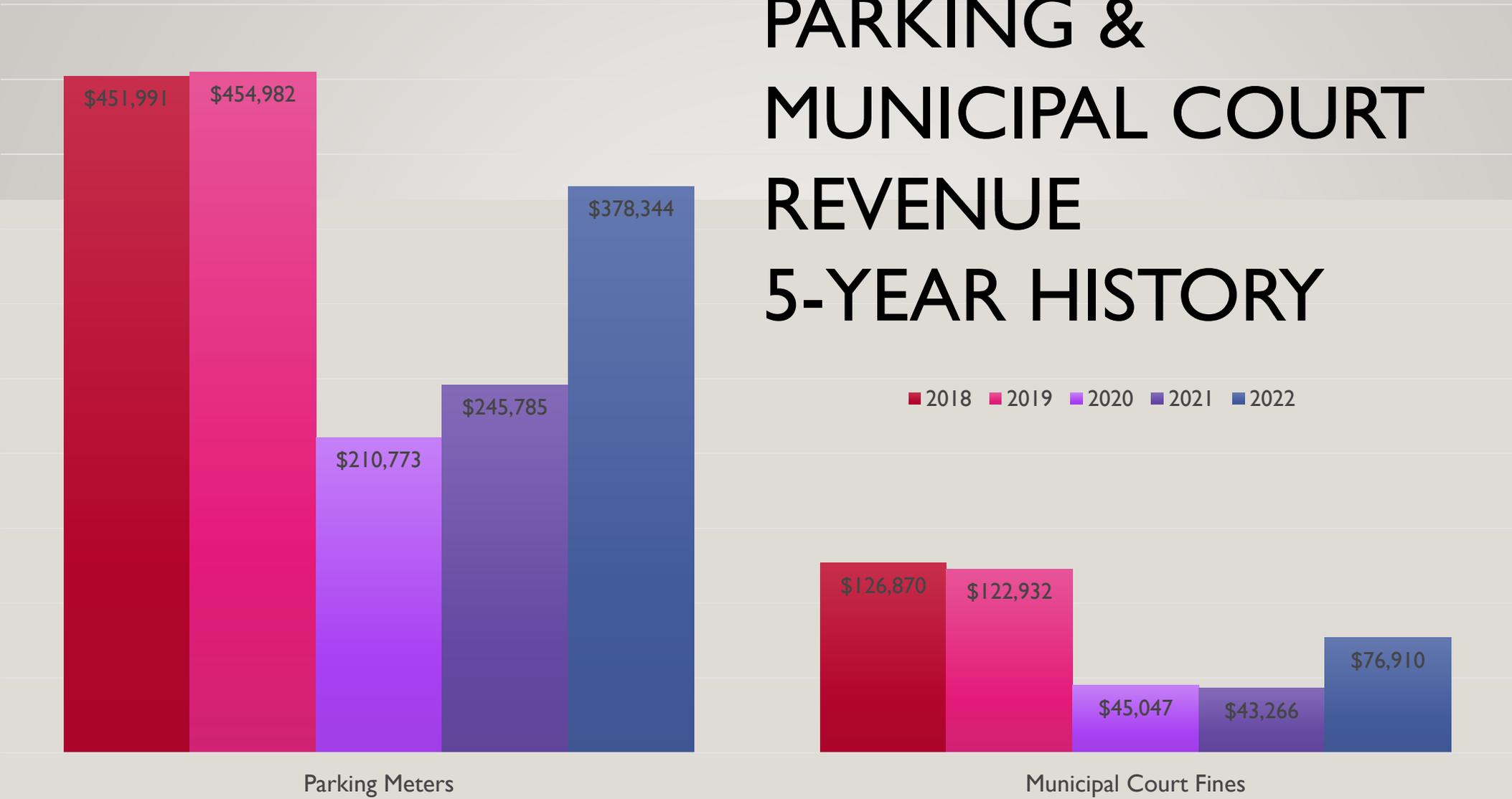


NON-TAX REALIZED REVENUES





PARKING & MUNICIPAL COURT REVENUE 5-YEAR HISTORY



CURRENT FUND – EXPENDITURES



Appropriations:	2022	2023	\$\$ Change	% Change
Salaries	\$5,771,406	\$6,042,900	\$271,494	5%
Insurance (Group Health, WC & Liability)	\$921,800	\$1,008,431	\$86,631	9%
Utilities	\$294,100	\$343,100	\$49,000	17%
Debts Service & Capital Contributions	\$1,976,431	\$1,896,195	-\$80,236	-4%
Reserve for Uncollected Taxes (RUT)	\$1,810,000	\$1,810,000	\$0	0%
Pension	\$1,125,297	\$1,190,887	\$65,590	6%
Social Security	\$235,130	\$250,000	\$14,870	6%
Joint Meeting Expenses	\$770,033	\$865,000	\$94,967	12%
Grants	\$106,919	\$19,974	-\$86,945	-81%
All Other Expenses	\$3,143,530	\$3,292,941	\$149,411	5%
TOTAL Appropriations	\$16,154,646	\$16,719,428	\$564,782	3%



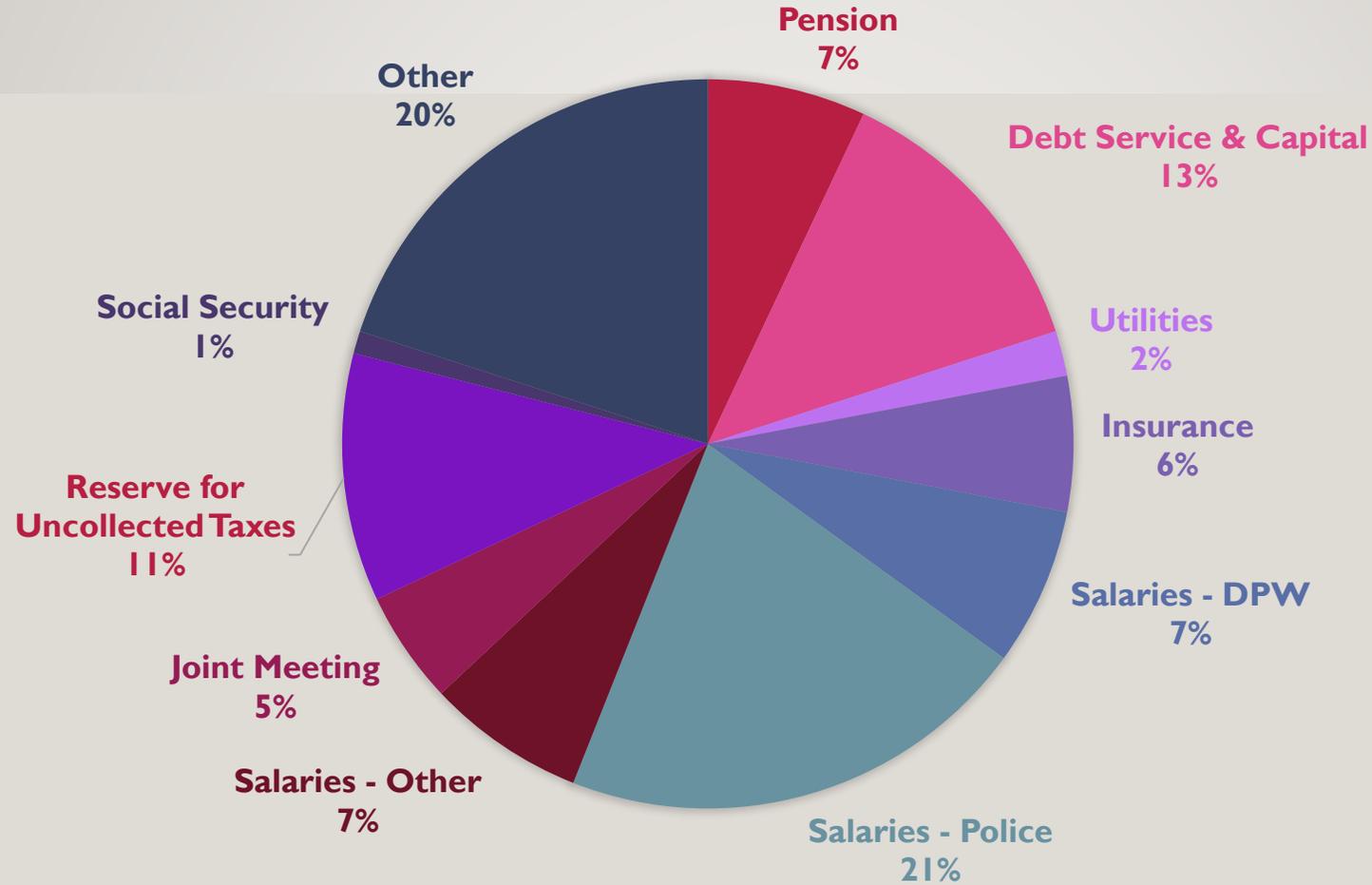
SALARY & WAGE INCREASE

	2022	2023	\$\$ Change	% Increase
Non-Police/Non-DPW	\$1,199,600	\$1,262,150	\$62,500	5%
Police	\$3,414,566	\$3,533,980	\$119,415	3.5%
DPW	\$1,157,240	\$1,246,770	\$89,530	8%

- Re-organization & Promotions
- PBA and DPW Association Contracts
- Budget for retiree replacements and seasonal employees



EXPENDITURES AS A % OF BUDGET





GOVERNMENT OPERATIONS EXPENDITURES – SALARY & WAGES + OPERATING EXPENSES



PROPERTY TAX CALCULATION - DETAIL

	2022	2023	\$\$ Change	Increase
Ratables	\$2,128,657,481	\$3,103,569,950	\$974,912,469	45%
<u>MUNICIPAL</u>				
Muni Tax Levy	\$8,959,009	\$9,421,662	\$462,653	5%
Muni Tax Rate	\$.421	\$.303	(\$.117)	(28%)
<u>OPEN SPACE</u>				
OS Tax Levy	\$95,790	\$96,211	\$421	.2%
OS Tax Rate	\$.004	\$.003	(\$.001)	(31%)
<u>COMBINED</u>				
Tax Rate	\$.425	\$.306	(\$.119)	(28%)



TAX RATE CALCULATION – CALCULATED ON 40% HOME VALUE INCREASE

	2022		2023		%%%	\$\$\$
	\$\$ Amount	Rates	\$\$ Amount	Rates	Change	Difference
Average Home in Chatham Borough	\$690,000		\$966,000			
Local Tax	\$2,904.04	\$0.421	\$2,931.36	\$0.303	.94%	\$27.31
Local Tax - Open Space	\$31.05	\$0.005	\$29.95	\$0.003	(3.56%)	(\$1.10)
Regional	\$9,546.94	\$1.384	\$9,350.54	\$0.968	(2.06%)	(\$194.40)
Library Tax	\$295.32	\$0.043	\$298.45	\$0.031	1.06%	\$3.13
County Tax	\$2,226.80	\$0.323	\$2,180.99	\$0.226	(2.06%)	(\$45.81)
Overall Approximate Tax	\$15,004.15	\$2.175	\$14,791.28	\$1.531	(1.419%)	(\$212.87)

POLICE CAPITAL REQUESTS	\$\$
Handgun Replacement	\$50,000
Vehicle Replacement (2)	\$108,000
Stationary License Plate Reader	\$34,500
Bullet Proof Vests	\$7,000
Cell Block Door Replacement	\$7,000
Evolis Solar Speed Signs (2)	\$19,000
TOTAL	\$225,500

2023 POLICE CAPITAL REQUESTS

2023 FIRE DEPT. CAPITAL REQUESTS

Fire Department	\$\$
SCBA Air Cylinder Replacement	\$6,000
Fire Pager	\$2,400
Fire Hose	\$6,000
Firefighter Personal Alert Safety System	\$3,000
Turnout Gear	\$24,000
TOTAL	\$41,400

Public Works	\$\$
Road Repairs & Micro-surfacing	\$130,000
Stormwater Improvements	\$20,000
Dump Truck with Plow	\$238,000
Storage Containers & AC Recycler	\$16,000
TOTAL	\$404,000

2023 PUBLIC WORKS CAPITAL REQUESTS



Buildings & Grounds	\$\$
Paint Fire House	\$14,000
Laser Projector for Council Chambers	\$20,000
Public Building Upgrades	\$70,000
TOTAL	\$104,000

2023 BUILDINGS & GROUND / PARKS & RECREATION CAPITAL REQUESTS

Parks & Recreation	\$\$
Pick up with Plow	\$60,000
Park Improvements	\$100,000
TOTAL	\$160,000

Engineering	\$\$
Road Resurfacing	\$450,000
Curbs & Sidewalks	\$150,000
Drainage Improvements	\$50,000
Section 20 Costs	\$60,000
TOTAL	\$710,000

2023 ENGINEERING CAPITAL REQUESTS

All General Fund	\$\$
Police	\$225,500
Fire	\$41,400
Public Works	\$404,000
Buildings & Grounds	\$104,000
Parks & Recreation	\$160,000
Engineering	\$710,000
TOTAL GENERAL FUND	\$1,644,900

2023 GENERAL FUND CAPITAL REQUESTS

- TOTAL CAPITAL REQUESTS - \$1,644,900
 - FUNDING SOURCES:
 - ARP FUNDS: \$350,000
 - CAPITAL IMPROVEMENT FUND: \$90,000
 - ROAD DUTY TRUST: \$108,000
 - DEBT AUTHORIZED: \$1,096,900



WATER UTILITY BUDGET

REVENUES:	2023	2022	\$ Change	% Change
Fund Balance	\$138,500	\$138,500	\$0	0%
Rents	\$1,632,000	\$1,550,000	\$82,000	5%
New Rents	\$107,005	\$82,000	\$25,005	30%
Miscellaneous	\$25,000	\$25,000	\$0	0%
TOTAL	\$1,902,505	\$1,795,500	\$107,005	6%
EXPENSES:	2023	2022	\$ Change	% Change
Salary & Wages	\$675,000	\$661,894	\$13,106	2%
Operating Expenses	\$616,680	\$517,500	\$99,180	19%
Capital Improvements	\$106,325	\$50,000	\$56,325	113%
Statutory Expenditures	\$182,000	\$170,724	\$11,276	7%
Debt Service	\$322,500	\$395,382	-\$72,882	-18%
TOTAL	\$1,902,505	\$1,795,500	\$107,005	6%

Water Utility	\$\$
Water Distribution System Repair & Maintenance	\$30,000
Fire Hydrants & Valves	\$80,000
Dive Inspection for Water Tanks	\$15,000
Water Meters w/ Transmitters	\$65,000
Utility Vehicle	\$65,000
Lead Service Replacements	\$300,000
Section 20 Costs	\$60,000
TOTAL WATER UTILITY	\$615,000

2023 WATER UTILITY CAPITAL REQUESTS

- Funding:
 - \$210K Capital Improvement Fund
 - \$405,000 Debt Authorized





SOLID WASTE UTILITY BUDGET

REVENUES:	2023	2022	\$\$ Change	% Change
Fund Balance	\$100,000	\$153,900	-\$53,900	-35%
Rents	\$981,380	\$845,000	\$136,380	16%
TOTAL	\$1,081,380	\$998,900	\$82,480	8%
EXPENSES:	2023	2022	\$\$ Change	% Change
Solid Waste Expenses	\$582,000	\$528,000	\$54,000	10%
Recycling Expenses	\$251,925	\$227,000	\$24,925	11%
Salary & Wages	\$120,870	\$118,500	\$2,370	2%
Other Operating Expenses	\$49,793	\$49,300	\$493	1%
Capital Improvement Fund	\$53,000	\$53,000	\$0	0%
Statutory Expenses	\$23,792	\$23,100	\$692	3%
TOTAL	\$1,081,380	\$998,900	\$82,480	8%

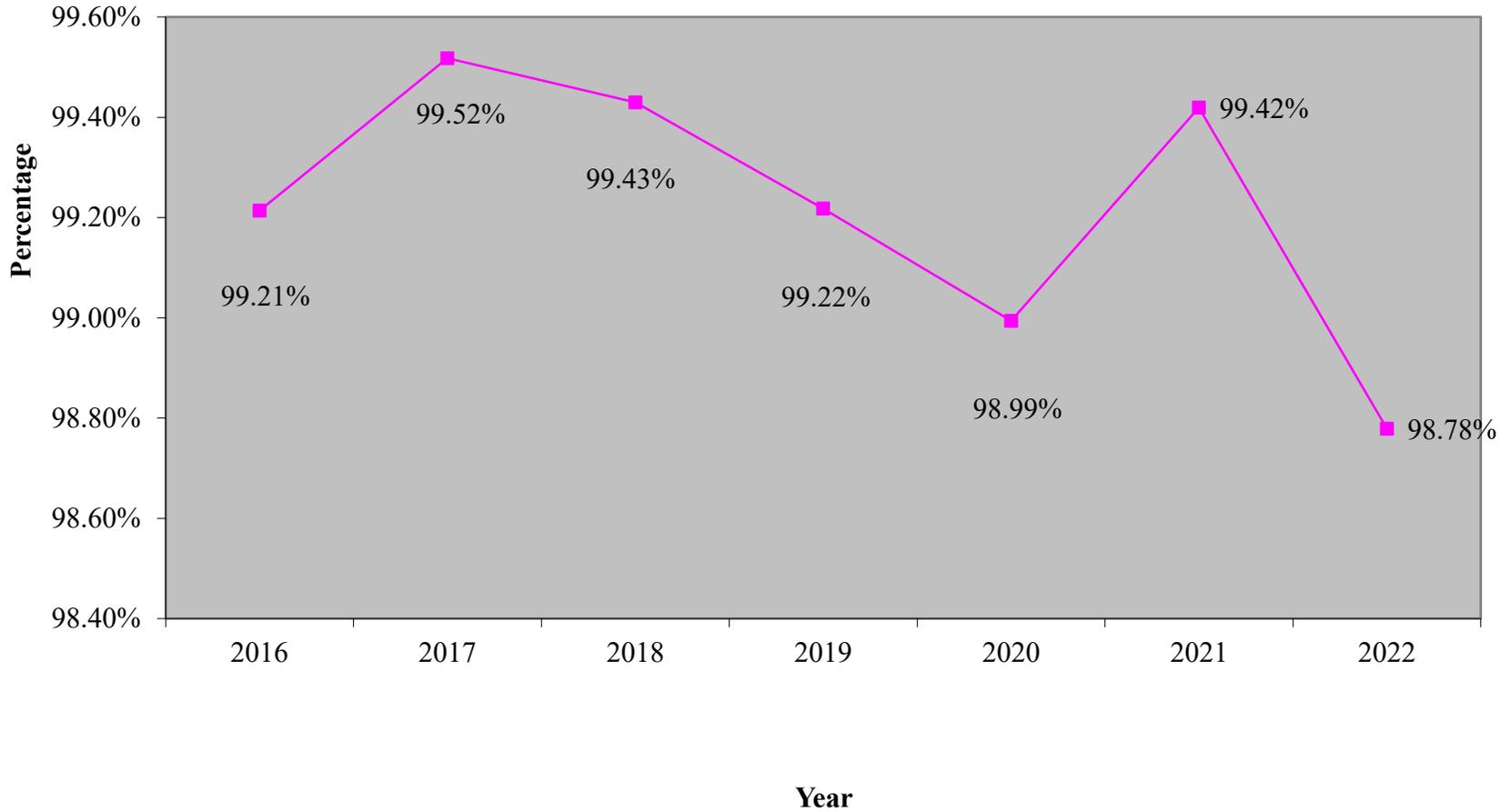
2023 SOLID WASTE UTILITY CAPITAL REQUESTS

Solid Waste Utility	\$\$
Case Loader	\$220,000
Solid Waste Carts	\$250,000
TOTAL SOLID WASTE UTILITY	\$470,000

- Funding:
 - \$100K Capital Improvement Fund
 - \$370,000 Debt Authorized

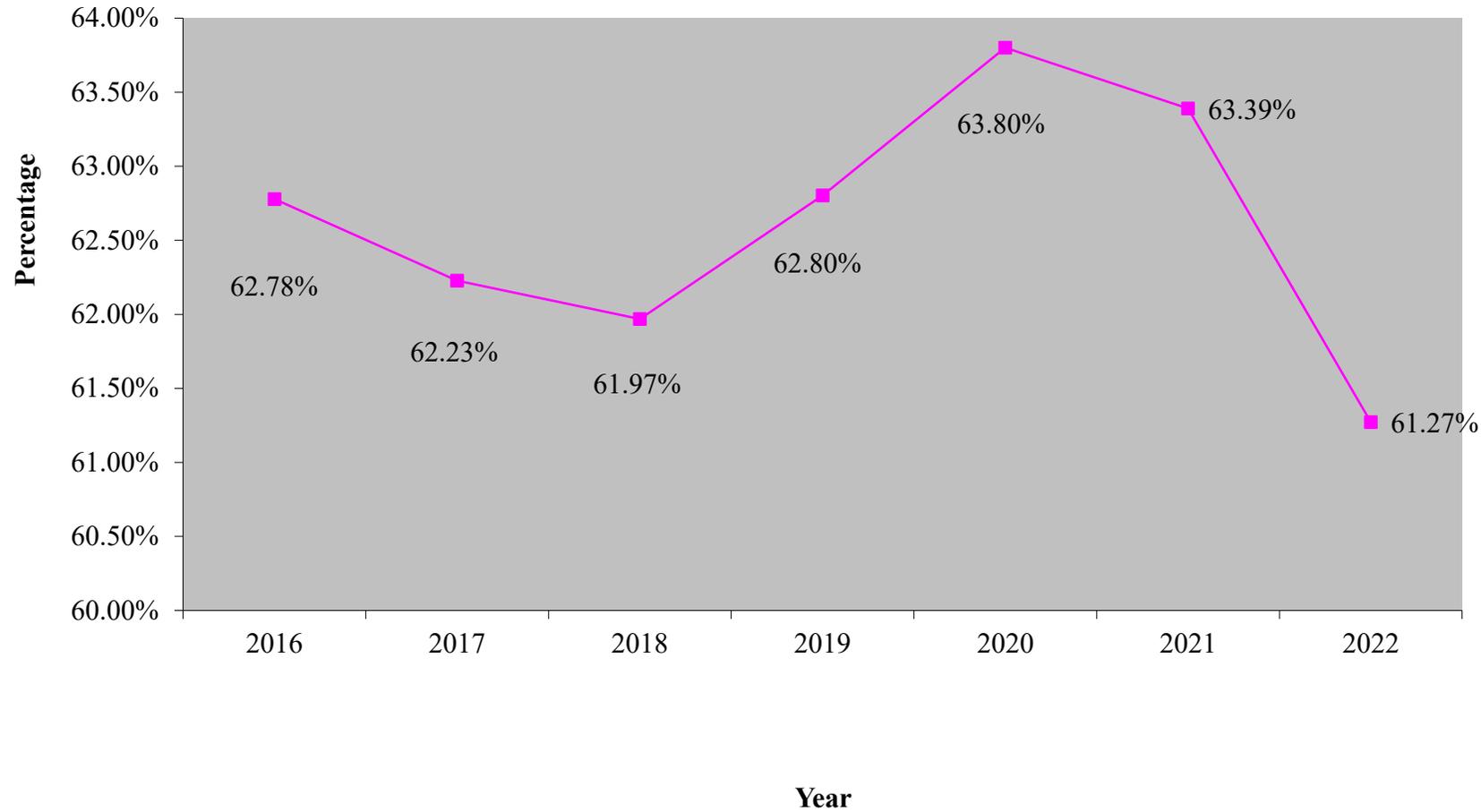


Tax Collection Rate



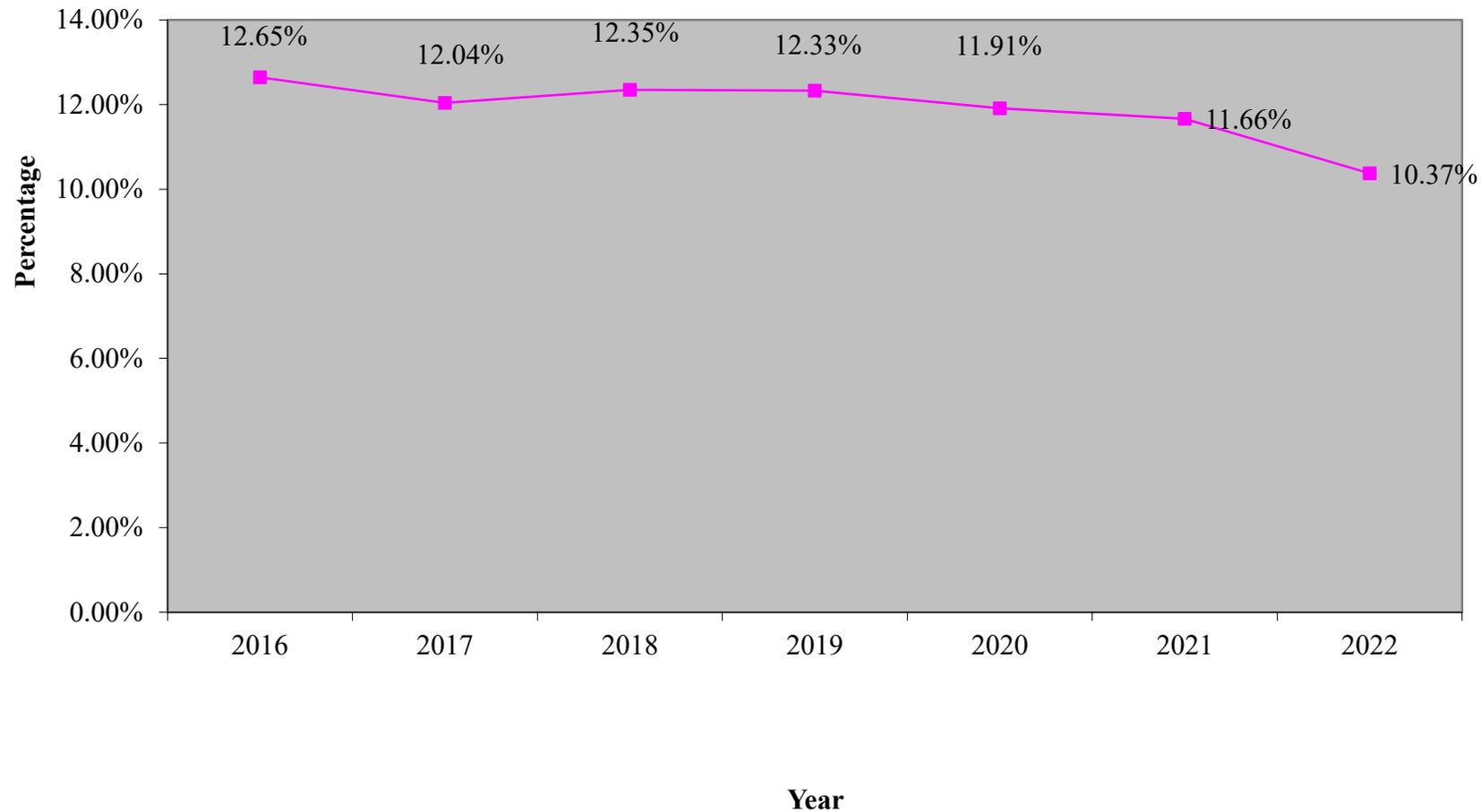
- Goal to maintain 99% tax collection rate
- 2022 tax collection rate dropped to below 99% which directly effected the Borough's ability to regenerate fund balance

Tax Revenue as a Percentage of Total Operating Revenue



- As we recover from the pandemic, the tax revenue as % of total revenue will once again decrease as other revenues reach pre-pandemic levels.

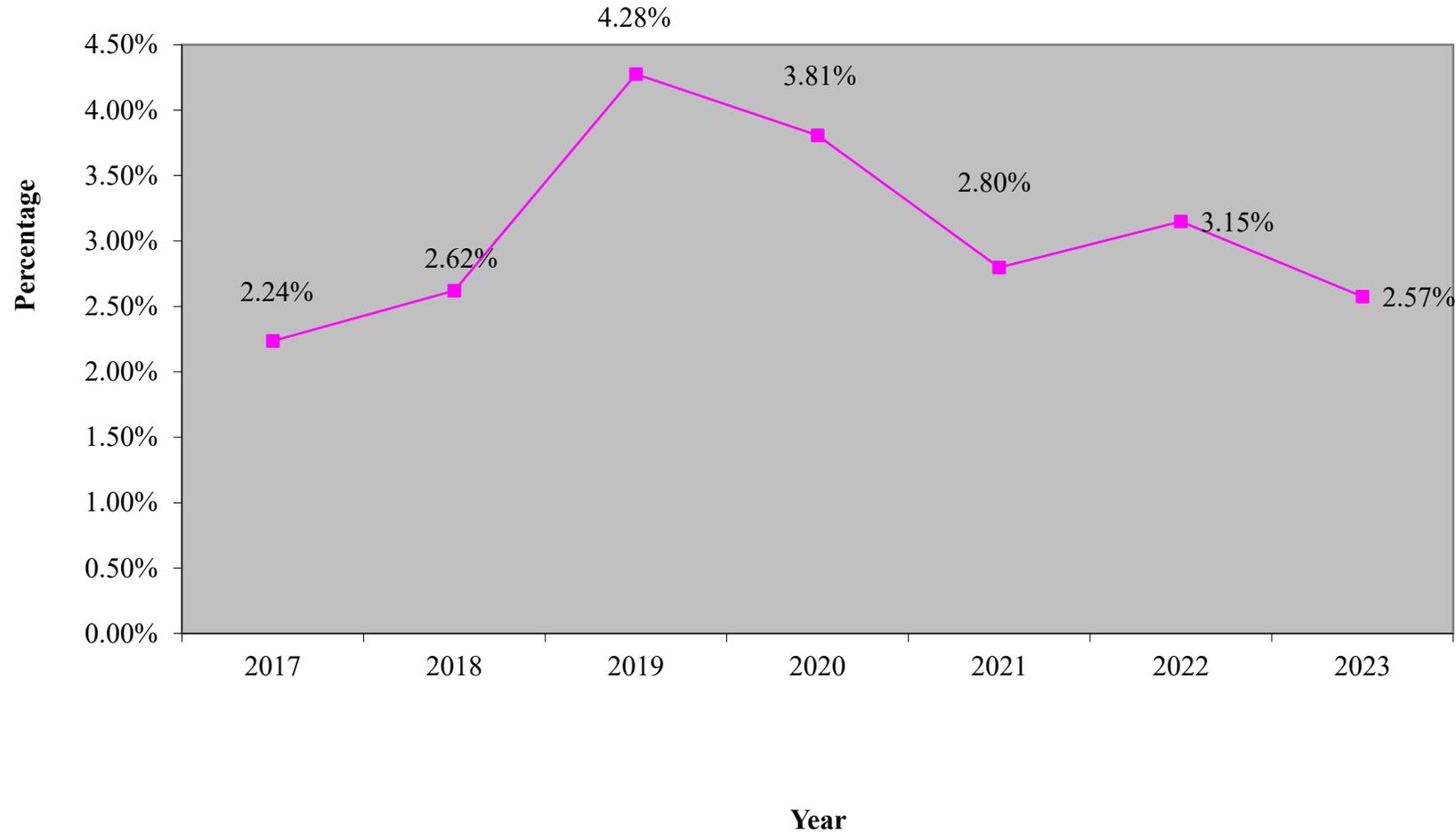
Debt Service as a Percentage of Budget Appropriations



- As bond obligations mature, move towards aggressively paying down short-term notes and building up capital improvement fund.
- Move to pay cash for capital items with a useful life less than 10 years.
- Goal to reduce debt service payments to 10% or less of Budget Appropriations (by 2024)



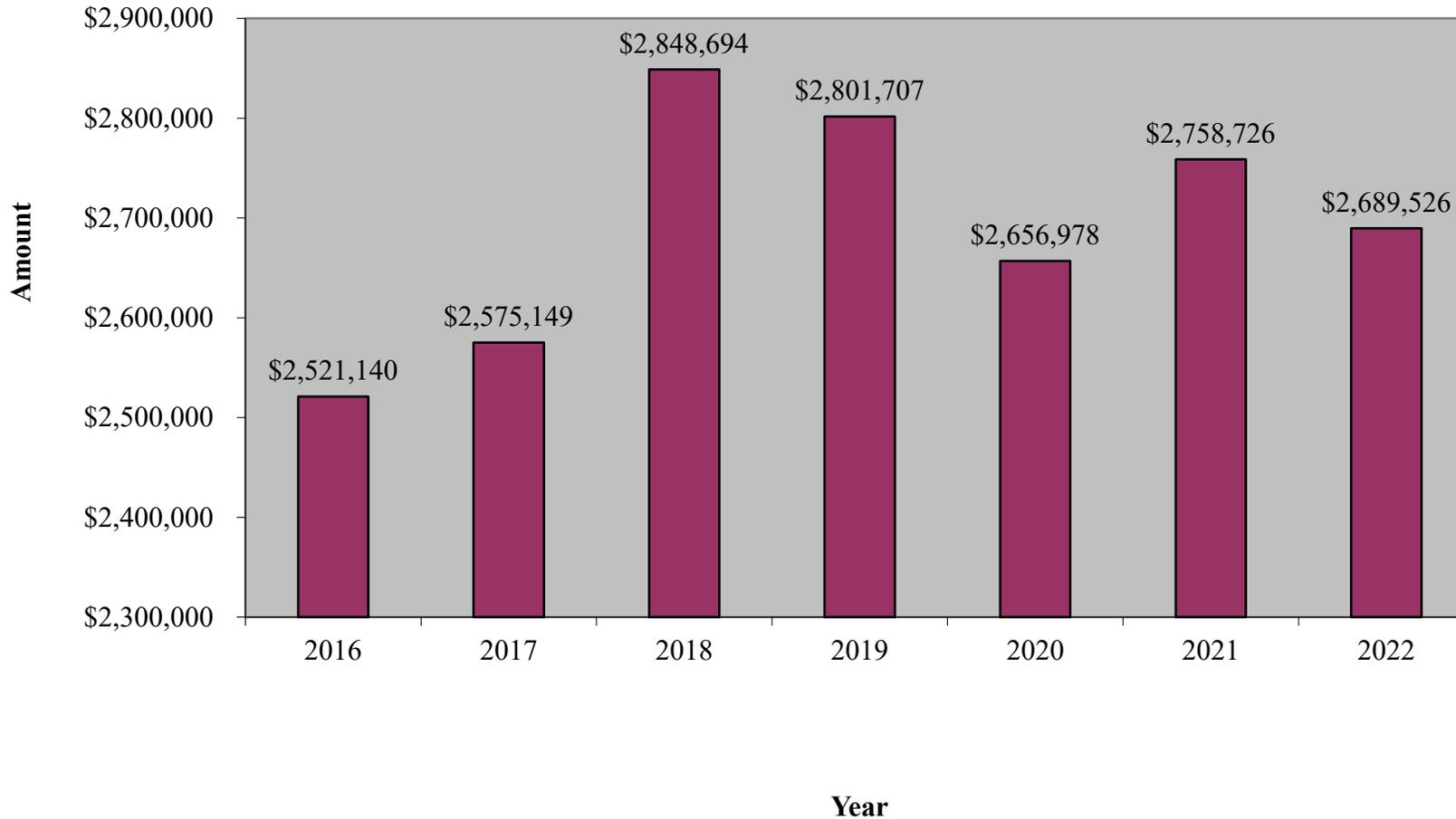
Unreserved Fund Balance as a % of Budget



- Measures the fund balance not utilized in budget.
- Unreserved fund balance assists in dealing with unexpected issues and cash flow deficiencies
- 2023 Unreserved Fund Balance - \$439,526 (\$70K decrease from 2022)
- 10%+ exceptional = \$1.6M
- Goal – 8% = \$1.3M



Change in Fund Balance



- Fund Balance utilized to stabilize the tax impact
- Goal to grow Fund Balance to \$3.5M to increase the unreserved fund balance (\$2.2M to support budget + \$1.3M as unreserved)
- \$70K decrease – due to the drop in the tax collection rate

LONG TERM BUDGETARY GOALS

- Finalize 10-year Long Term Financial Plan
 - Including use of PILOT funds.
- Complete detailed 5-Year Capital Improvement Plan
- Continue to find cost savings within expenses (health insurance)