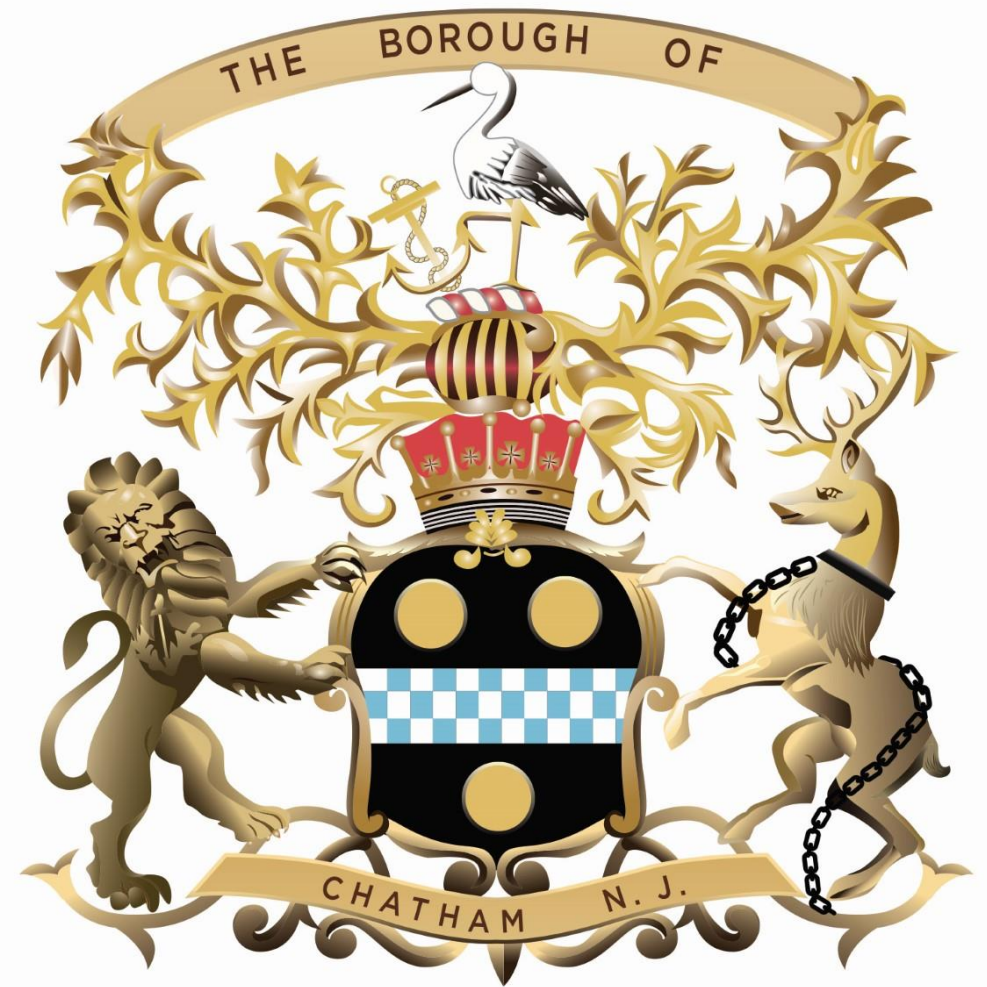


# Chatham Borough 2021 Budget

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Budget Introduction - April 26, 2021



# MUNICIPAL BUDGETING

Funds Daily Operations of the Borough

Controls Spending

Allocates Resources Among  
Departments

- Salary & Wages
- Operating Expenses

Reflects the Priorities of the Governing  
Body



# Guiding Principles of 2021 Budget

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Focus on long term  
fiscal health and  
stability of the Borough



Maintain AAA bond  
rating



Provide exceptional  
municipal services



Protect essential  
infrastructure



Minimize tax burden  
on residents



Plan for the future



# Budget Process

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- ✓ Department Head Budget Consultations March 2021
- ✓ Budget and Finance Committee Review/Deliberations March-April 2021
- ✓ Budget Introduction & Presentation (Start of the Formal Process) April 26, 2021
- Publication of the Budget (Daily Record & Chatham Courier) May 6, 2021
- Public Hearing on the Budget May 24, 2020
- Budget Adoption After the Public Hearing



# 2021 Budgetary Challenges

- Significant Revenue loss due to COVID-19
  - Parking – Decrease \$200K+
  - Municipal Court – Decrease \$75K+
- Significant Increase in Pension Bill
  - PFRS – Increase \$100K+
- County Ordered Re-Evaluation to be completed end of 2021 - \$350K Split over 5 years
- Eroded Fund Balance due to COVID-19 Revenue Loss
  - \$2,220,000 out of \$2,801,707 used in 2020 Budget = \$581,707 balance
  - Projected 2020 Results of Operations (without COVID Special Emergency) \$1,775,271
  - Projected 2021 Fund Balance (without COVID Special Emergency) \$2,356,978
- Preliminary Budget Numbers before Budget & Finance Committee Review assuming no adjustments – 5.4% Tax Increase





# 2021 Budgetary Challenges Addressed

- COVID Special Emergency
  - Approved by State for \$300K
  - \$300K used to replenish loss of revenue and re-establish Fund Balance Levels
  - Year End Fund Balance \$2,656,978 vs. 2,356,978 without Special Emergency
  - \$2,220,000 anticipated in 2021 budget / Balance \$436,978
- Average of 2018, 2019, 2020 Revenues approved via resolution
  - Pre-COVID anticipated revenues could not be more than the revenue realized in the year prior
  - Per State updated guidelines, can average 3 preceding years revenues to lessen the budget impact of COVID related revenue loss

Revenue Description	2020 Budgeted	2020 Realized	Average of Realized Revenue 3 Preceding Years	2021 Anticipated
Municipal Court	\$122,000	\$45,046.81	\$98,283.24	\$98,000
Parking	\$440,000	\$210,773.21	\$372,582.26	\$372,000

# Fund Structure

## Current Fund

- Total budget with library = \$15,622,081
- General government operations + sewer
- Cost includes uncollected taxes including for schools, county
- Funded by: Property taxes, parking and other fees, rent, grants, sewer bill

## Water Utility

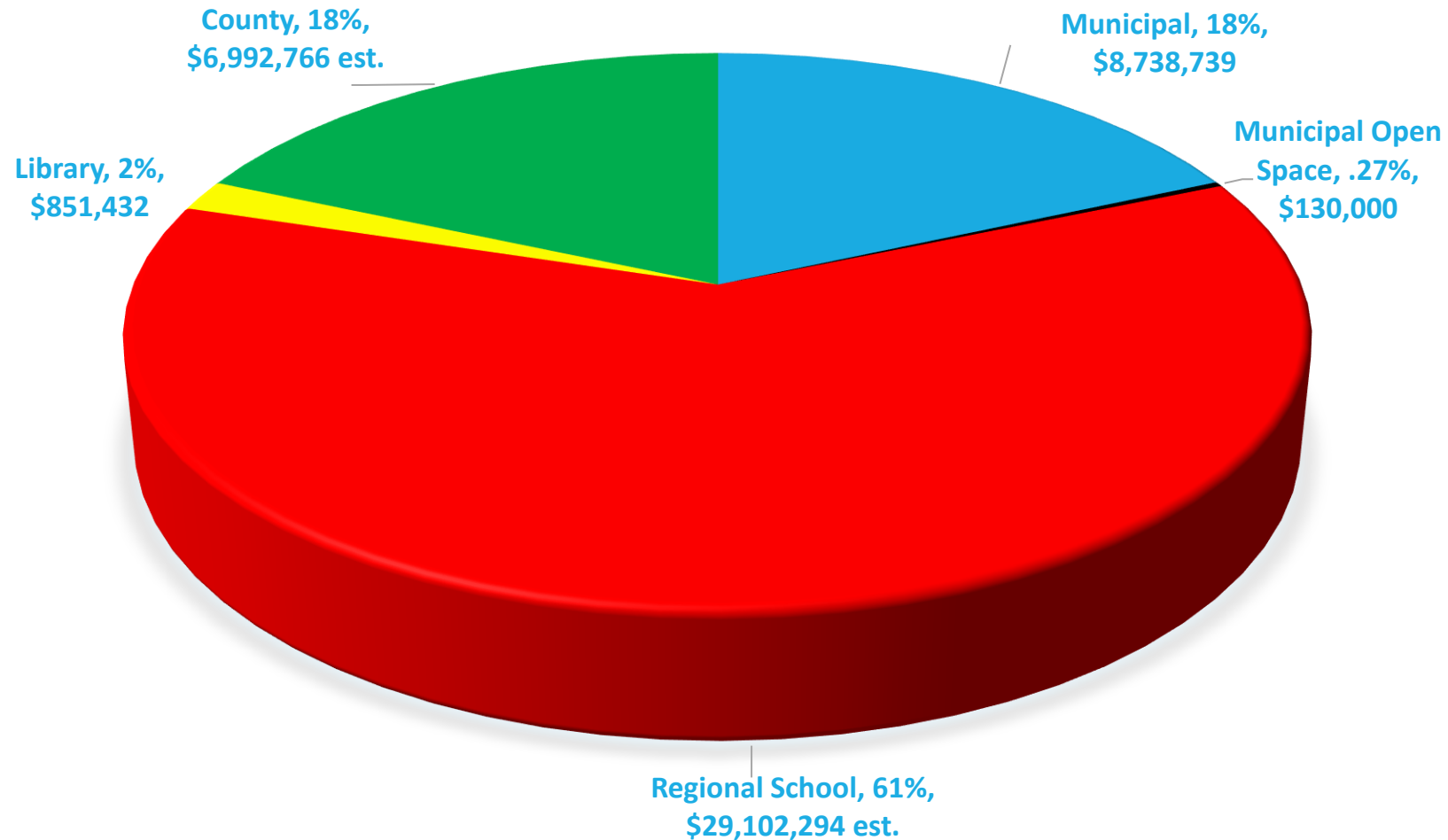
- Total budget: \$1,711,500
- Water system
- Funded by: Water bill

## Solid Waste Utility

- Total budget: \$849,890
- Garbage collection, recycling, mulch site, bulk waste
- Funded by: Solid waste bill



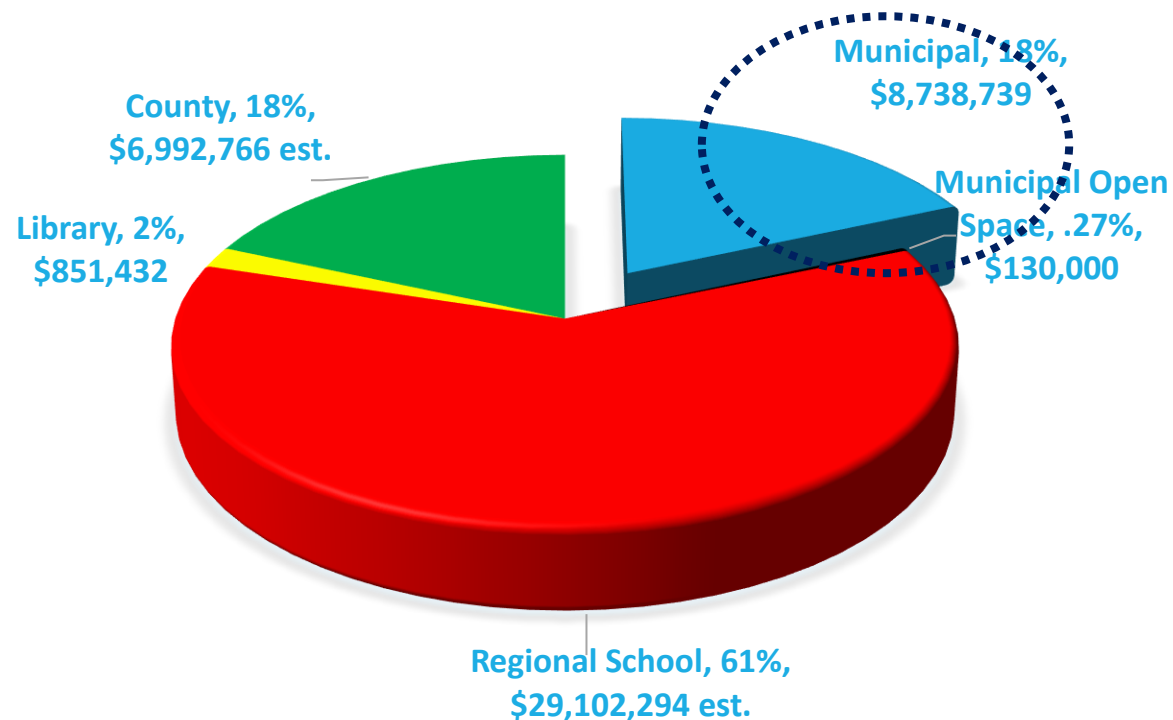
# Chatham Property Tax Allocation





# Chatham Property Tax Allocation

An average home valued at \$800,000 received a 2020 property tax bill of \$16,948. The municipal portion of this tax bill is \$3,179. 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

# Budget Revenues



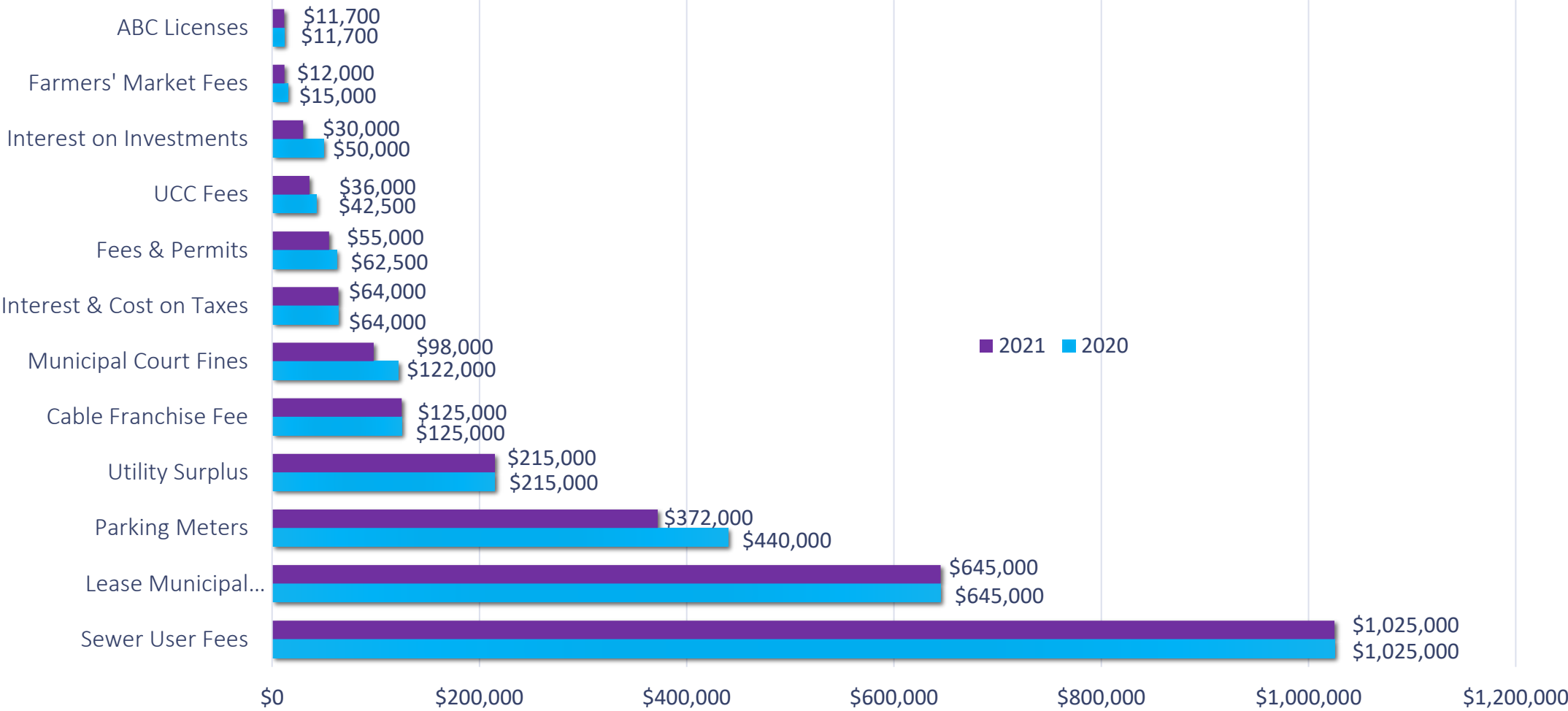
- Fund Balance – Made up of Excess Revenue and Lapsing Prior Year Appropriations / Utilize a portion in budget to avoid tax spike, revenue shortfalls, unexpected expenses
- Local Revenues – Fees & Permits (Health Dept, Fire Inspections, DPW, Alarms, Firearms, etc.); Municipal Court Fines; Interest on Investments and Taxes; ABC Licenses, Parking, Sewer User Fees, Cable Franchise Fees, Uniform Construction Code Fees
- State Aid – Energy Receipts Tax and Watershed Aid– Municipal Property Tax Relief Programs through the State
- Grants – Offset by Matching Expense
- Other Special Items –Utility Operating Surplus, Lease Municipal Property
- Receipts from Delinquent Taxes – Prior Year Taxes paid in Current Year
- Amount to Be Raised By Taxes – Municipal Portion of Taxes

CATEGORY	2020	2021	\$\$ Change	% Change
Fund Balance	\$2,220,000	\$2,220,000	\$0	no change
Local Revenues	\$1,957,700	\$1,828,700	-\$129,000	-6.58%
State Revenue	\$572,099	\$572,099	\$0	no change
Interlocal Services	\$29,231	\$29,231	\$0	no change
Grants	\$135,678	\$164,379	\$28,701	21.15%
Other Special Items	\$860,000	\$860,000	\$0	no change
Receipt from Delinquent Taxes	\$240,000	\$357,500	\$117,500	48.96%
Library Tax	\$869,123	\$851,432	-\$17,691	-2.04%
Amount to Be Raised by Taxes	\$8,395,132	\$8,738,740	\$343,608	4.09%
<b>TOTAL</b>	<b>\$15,278,963</b>	<b>\$15,622,081</b>	<b>\$343,118</b>	<b>2.25%</b>

## Current Fund - Revenues



# Local Non-Tax Revenues

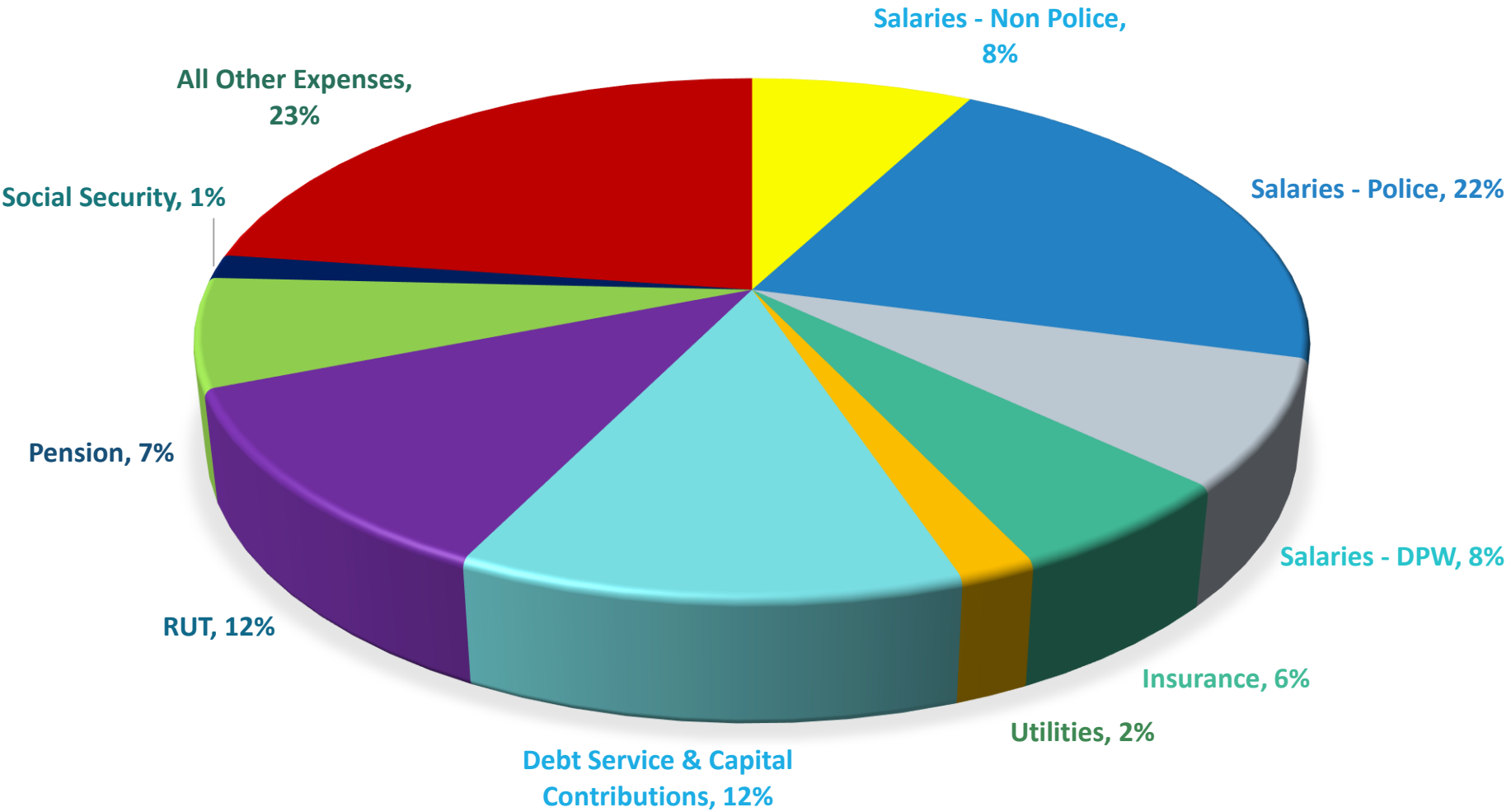


CATEGORY	2020	2021	\$\$ Change	% Change
Salaries	\$5,461,561	\$5,725,054	\$263,493	4.82%
Insurance	\$910,700	\$914,054	\$3,354	.37%
Utilities	\$294,100	\$294,100	\$0	0%
Debt Service & Capital Contributions	\$1,915,713	\$1,916,200	\$487	.03%
Reserve for Uncollected Taxes (RUT)	\$1,810,000	\$1,810,000	\$0	0%
Pension	\$925,601	\$1,048,676	\$123,075	13.3%
Social Security	\$226,000	\$230,520	\$4,520	2%
Grants	\$139,428	\$168,129	\$28,701	20.59%
All Other Expenses	\$3,595,860	\$3,515,348	-\$80,512	-2.24%
<b>TOTAL</b>	<b>\$15,278,963</b>	<b>\$15,622,081</b>	<b>\$343,118</b>	<b>2.25%</b>

## Current Fund - Expenditures



# Expenditures as % of Budget





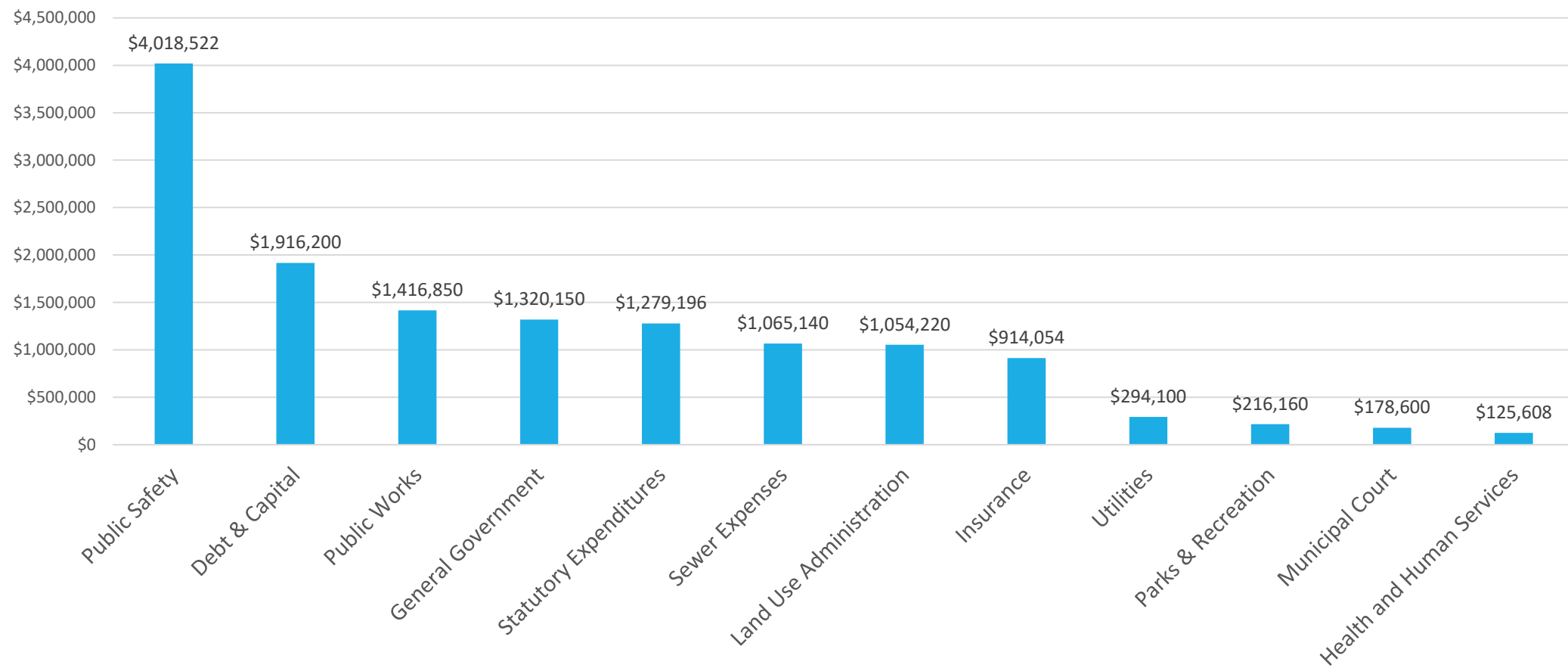
# Significant Budget Expense Reductions

	2020	2021	\$\$ Change	% Change
Finance Operating Expenses	\$120,000	\$98,500	-\$21,500	-17.9%
Legal Operating Expenses	\$170,000	\$100,000	-\$70,000	-41.2%
Police – Auto Purchase	\$46,500	\$18,300	-\$28,200	-60.6%
TOTAL	\$336,500	\$216,800	-\$119,700	-35.6%





# Government Operations Expenditures - Detail



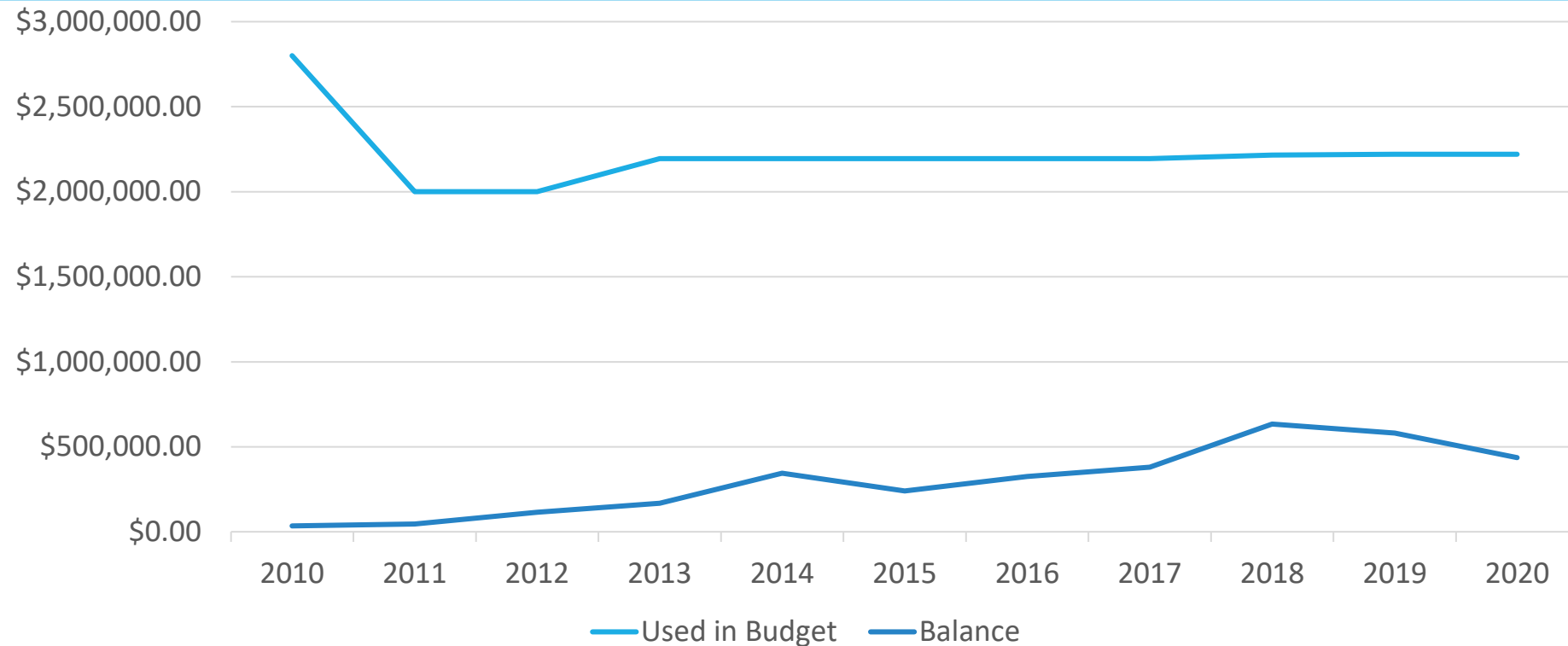
# Trends - Fund Balance



YEAR	12/31 FUND BALANCE	USED IN BUDGET	BALANCE
2020	\$2,656,978	\$2,220,000	\$436,978
2019	\$2,801,707	\$2,220,000	\$581,707
2018	\$2,848,694	\$2,215,000	\$633,495
2017	\$2,575,148	\$2,195,000	\$380,148
2016	\$2,521,139	\$2,195,000	\$326,139
2015	\$2,436,439	\$2,195,000	\$241,439
2014	\$2,540,437	\$2,195,000	\$345,437
2013	\$2,363,374	\$2,195,000	\$168,374
2012	\$2,115,991	\$2,000,000	\$115,991
2011	\$2,046,556	\$2,000,000	\$46,556
2010	\$2,835,858	\$2,800,000	\$35,858



# FUND BALANCE UTILIZATION



- Unused Fund Balance trending down due to COVID related revenue loss.
- If we are not able to regenerate what we use in the budget then fund balance will continue to erode.



# Property Tax Calculation - Detail

	2020	2021	\$\$ Change	Increase
Ratables	2,112,590,517	2,124,753,100	12,162,583	0.57%
MUNICIPAL				
Municipal Tax Levy	\$8,395,132	\$8,738,740	\$343,608	4.09%
Municipal Tax Rate	.3973	.4112	.0139	3.49%
Annual Cost per Average Home \$800K	\$3,179.09	\$3,290.26	\$111.17	3.49%
TOTAL TAX LEVY Estimated				
Total Tax Levy (including schools, county)	\$44,757,145	\$45,815,232	\$1,058,087	2.36%
Total Tax Rate	2.1185	2.1562	.0376	1.78%
Annual Cost per Average Home \$800K	\$16,948.73	\$17,250.09	\$301.36	1.78%



# Tax Cap Calculations

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2020 Net Tax Levy (excludes Library Tax)	\$8,395,132
◦ Add: 2% Allowable Increase	\$167,903
◦ Add: Exclusions (Capital Improvements, Deferred Charge)	\$111,341
◦ Add: New Ratables (\$13,948,300 New Construction Value)	\$50,600
2020 Tax Levy within 2% CAP	\$8,724,976
Available CAP Bank	\$579,388
2018 - \$254,515    2019 – \$324,873	
Maximum Allowable Tax Levy – 2020	\$9,304,364
Municipal Tax Levy to support 2020 Introduced Budget	\$8,738,740

WATER UTILITY 2021 BUDGET				
<u>REVENUES:</u>	<u>2020</u>	<u>2021</u>	<u>\$\$ Change</u>	
Fund Balance	316,000	136,500	-179,500	
Rents	1,550,000	1,550,000	0	
Miscellaneous	35,000	25,000	-10,000	% Change
<b>TOTAL</b>	<b>1,901,000</b>	<b>1,711,500</b>	<b>-189,500</b>	<b>-10%</b>
<u>EXPENSES:</u>	<u>2020</u>	<u>2021</u>	<u>\$\$ Change</u>	
Salary & Wages	633,000	649,976	16,976	
Operating Expenses	472,400	472,400	0	
Capital Improvements	221,600	34,900	-186,700	
Statutory Expenditures	173,230	160,724	-12,506	
Debt Service	400,770	393,500	-7,270	% Change
<b>TOTAL</b>	<b>1,901,000</b>	<b>1,711,500</b>	<b>-189,500</b>	<b>-10%</b>

# WATER UTILITY BUDGET



## SOLID WASTE UTILITY 2021 BUDGET

<u>REVENUES:</u>	<u>2020</u>	<u>2021</u>	<u>\$\$ Change</u>	
Fund Balance	145,359	119,890	-25,469	
Rents	650,000	650,000	0	
New Rents		75,000	75,000	
Recycling Tonnage	19,605	0	-19,605	
Miscellaneous	8,395	5,000	-3,395	% Change
<b>TOTAL</b>	<b>823,359</b>	<b>849,890</b>	<b>26,531</b>	<b>3%</b>
<u>EXPENSES:</u>	<u>2020</u>	<u>2021</u>	<u>\$\$ Change</u>	
Salary & Wages	113,500	115,560	2,060	
Operating Expenses	626,400	658,230	31,830	
Capital Improvements	30,000	53,000	23,000	
Statutory Expenditures	53,459	23,100	-30,359	%Change
<b>TOTAL</b>	<b>823,359</b>	<b>849,890</b>	<b>26,531</b>	<b>3%</b>

# Solid waste utility budget





# 2021 Capital Projects

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The 2021 Capital Budget considers \$1,224,100 in Funding for various projects

## Engineering & Road Improvement Projects: \$240,000

- Park Improvements \$150,000
- Road Overlay & Micro-surfacing Programs \$50,000
- DOT Cash Match \$20,000
- Fence for Off Leash Dog Area \$20,000

## Public Works Equipment: \$236,900

- Dump Truck \$165,000
- Pickup Truck with Plow \$43,000
- Stormwater Improvements \$15,000
- Material Spread Stands \$9,500
- Skidsteer Bucket \$4,400



# 2021 Capital Projects, continued

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## Police: \$228,500

◦ Stationary Camera/ License Plate Reader	\$65,000
◦ Surveillance System for Town Hall	\$60,000
◦ Body Worn Camera System	\$42,000
◦ GTAC In Car Computers	\$32,000
◦ Pedestrian Crosswalk Flashing Beacon	\$22,000
◦ Illuminated Bridge Signs	\$7,500

## Fire: \$62,500

◦ Turnout Gear	\$18,000
◦ Thermal Imaging Camera	\$16,000
◦ AED Unit	\$10,000
◦ Personal Alert Safety System	\$7,000
◦ SCBA Air Cylinder Replacement	\$6,000
◦ Access Control System	\$5,500



# 2021 Capital Projects, continued

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## Buildings & Grounds / Park Maintenance / Vehicle Maintenance: \$100,200

- Replace Roof @ Firehouse \$58,000
- Replace HVAC Unit @ Firehouse \$10,500
- Gator Recreation Vehicle \$10,000
- Various Tools, Equipment, Shelving \$8,700
- Air Conditioning Recycling Equip. \$8,000
- Lights/Electrical Upgrades \$5,000

## Sewer: \$40,000

- Jackson Ave Lift Station Rehab \$20,000
- Parrot Mill Pump Station Upgrade \$20,000



# 2021 Capital Projects, continued

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## Water Utility: \$274,000

- Fire Hydrants & Valves \$65,000
- Water Meter with Transmitters \$65,000
- Pull & Rehab Well #1 \$55,000
- Water Distribution System Repair \$25,000
- New Starter Well #1 \$25,000
- Repair Small Backhoe \$20,000
- Heat Upgrades for Water Plant \$10,000
- Line Tracer Mark-outs \$9,000

## Solid Waste: \$42,000

- Claw for Backhoe \$30,000
- Side Tilt Bucket for Backhoe \$12,000



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# QUESTIONS?