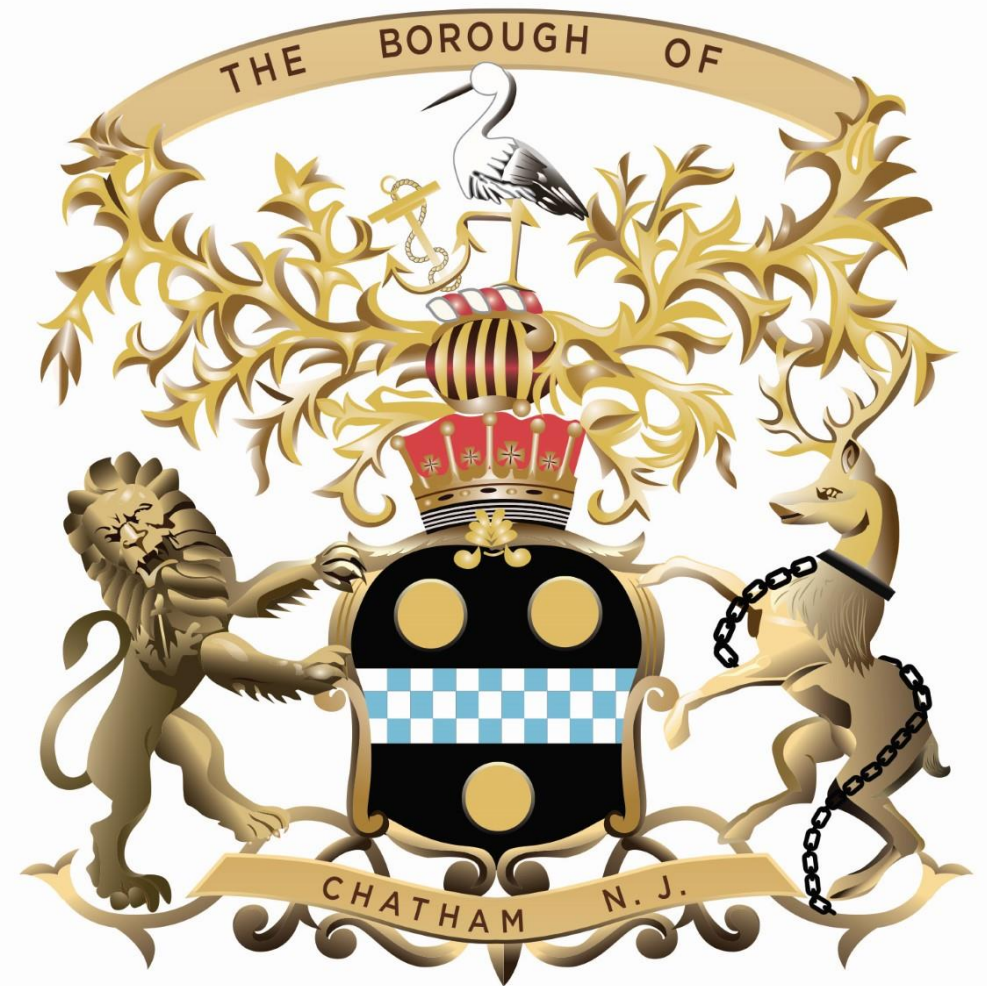


CHATHAM BOROUGH 2022 BUDGET

Budget Introduction - April 11, 2022



2021 FINANCIAL HIGHLIGHTS

Despite the pandemic —
99.32% tax collection rate

Increase in Fund Balance by
\$100,000 (From \$2.65M in
2020 to \$2.75M in 2021)

Lapsing Debt Service
(additional funding allocated to
principal on bond anticipation
notes)

\$150K in Storm Recovery
Reserve & \$150K in
Accumulated Absence Reserve



GUIDING PRINCIPLES OF 2022 BUDGET



Focus

- Focus on long term fiscal health and stability of the Borough

Maintain

- Maintain AAA bond rating

Provide

- Provide exceptional municipal services

Protect

- Protect essential infrastructure

Minimize

- Minimize tax burden on residents

Plan

- Plan for the future

2022 BUDGET HIGHLIGHTS / CHALLENGES

- **Mandatory Statutory Increases:**
 - PERS Pension (non police) – 12% Increase (\$42,000)
 - PFRS Pension (Police) – 6% Increase (\$44,000)
- **Madison Chatham Joint Meeting 22% Increase**
 - Rising Chemical Costs
 - Debt service for multimillion dollar facility upgrade
- **Parking Fees & Municipal Court Revenue not at pre-pandemic levels**
 - Parking Realized Revenue: 2019 \$454,000 vs. 2021 \$245,000
 - Court Realized Revenue: 2019 \$122,000 vs. 2021 \$43,000
- **Nevertheless for 2022:**
 - Total Salaries up by less than 1%
 - Municipal Tax Rate up by less than 2%

✓	Department Head Budget Consultations	January-February 2022
✓	Budget and Finance Committee Review/Deliberations	March 2022
✓	Budget Introduction & Presentation (Start of the Formal Process)	April 11, 2022
	Publication of the Budget (Daily Record & Chatham Courier)	At least 10 days prior to adoptions
	Public Hearing on the Budget	May 9, 2022
	Budget Adoption	After the Public Hearing

BUDGET PROCESS



FUND STRUCTURE

Current Fund

- Total budget with library: \$16,154,647
- General government operations + sewer
- Cost includes uncollected taxes including for schools, county
- Funded by: Property taxes, permits and fees, rent, sewer fees

Water Utility

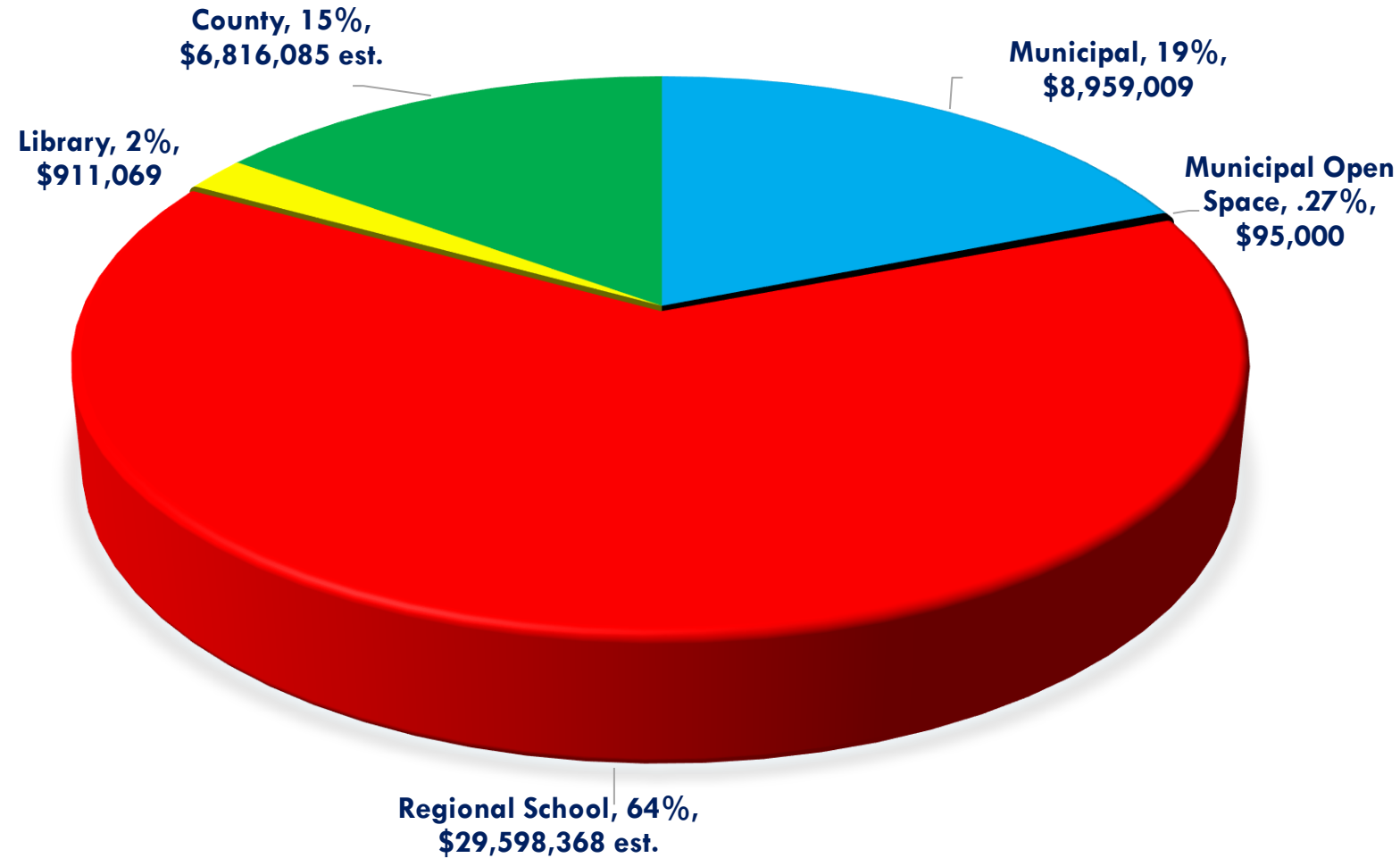
- Total budget: \$1,795,500
- Water system
- Funded by: Water bill

Solid Waste Utility

- Total budget: \$998,900
- Garbage collection, recycling, mulch site, bulk waste
- Funded by: Solid waste bill



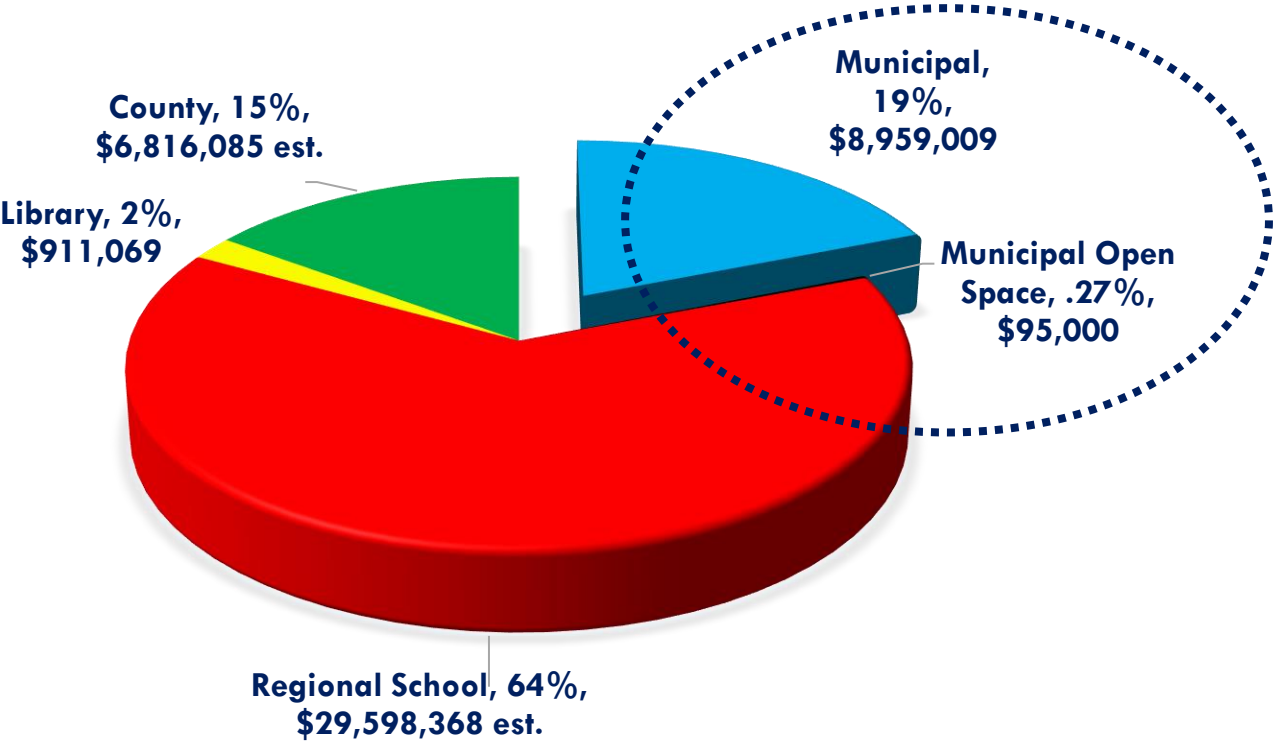
CHATHAM PROPERTY TAX ALLOCATION





CHATHAM PROPERTY TAX ALLOCATION

An average home valued at \$800,000 will receive property tax bill of approximately \$17,430. The municipal portion of this tax bill will be \$3,368. 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

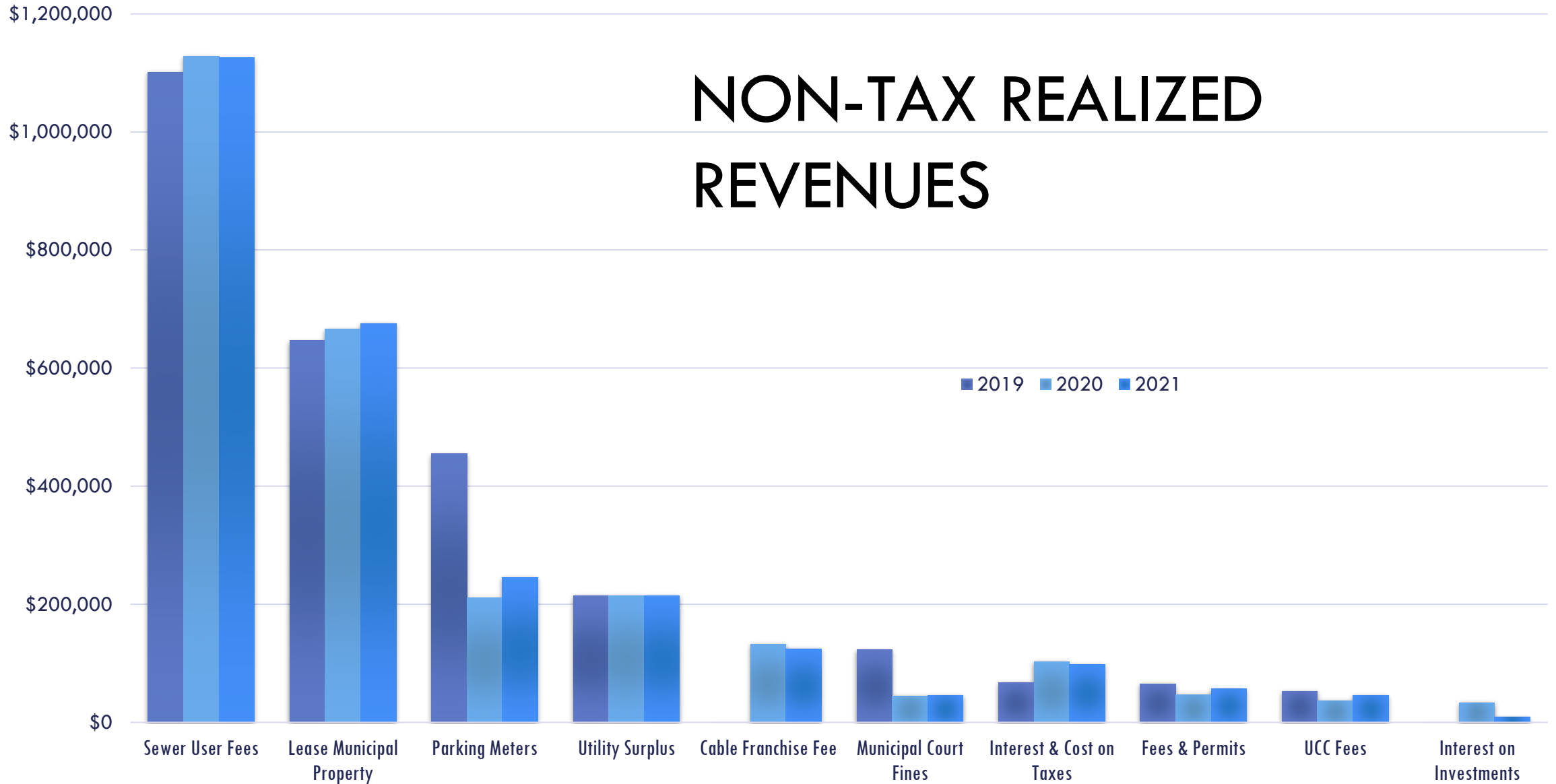


- Fund Balance – Made up of Excess Revenue and Lapsing Prior Year Appropriations / Utilize a portion in budget to avoid tax spike, revenue shortfalls, unexpected expenses
- Local Revenues – Fees & Permits (Health Dept, Fire Inspections, DPW, Alarms, Firearms, etc.); Municipal Court Fines; Interest on 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

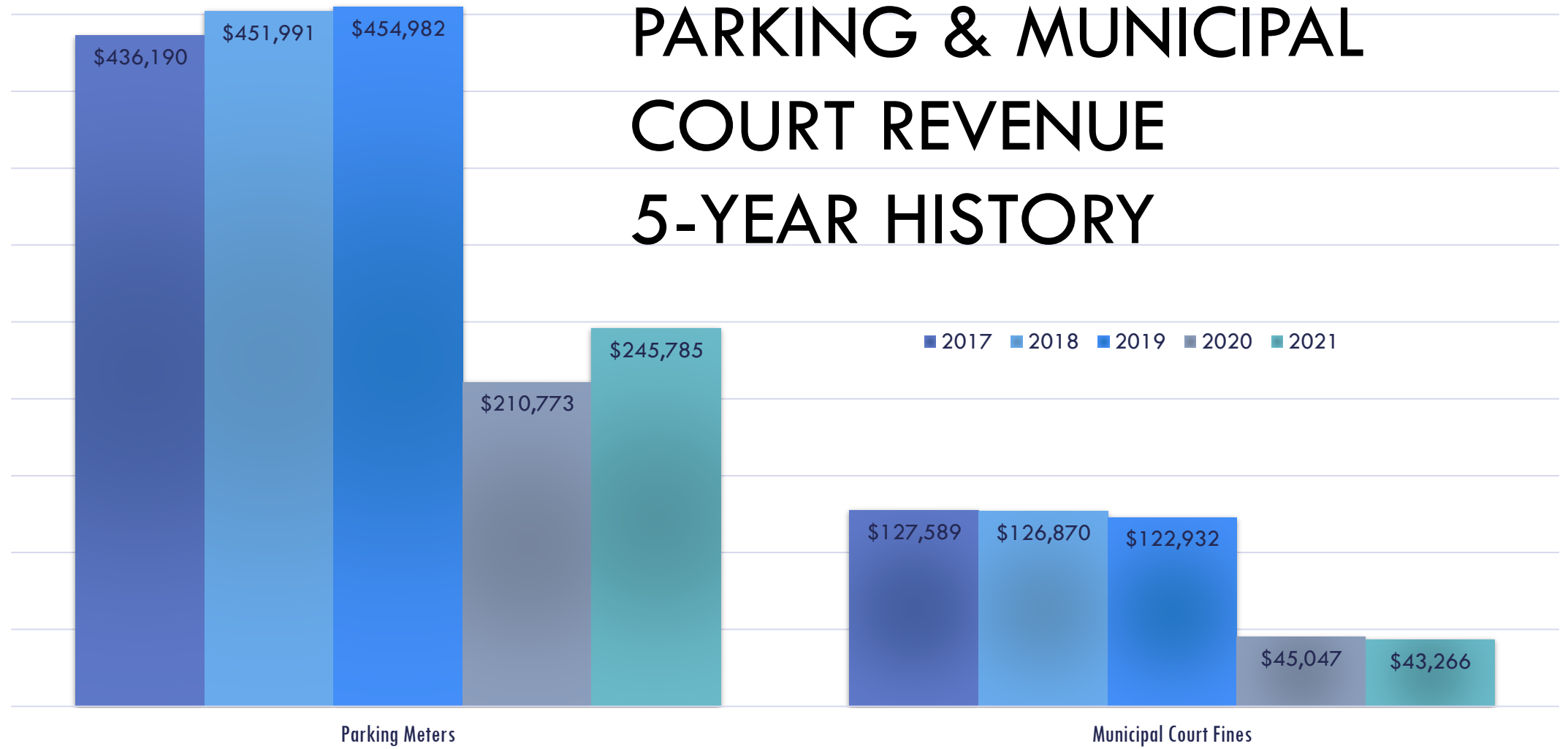
CATEGORY	2022	2021	\$\$ Change	% Change
Fund Balance	\$2,250,000	\$2,220,000	\$30,000	1%
Local Revenues	\$1,767,700	\$1,703,700	\$64,000	3%
State Revenue	\$572,099	\$572,099	\$0	no change
Interlocal Services	\$29,231	\$29,231	\$0	no change
Other Special Items	\$1,162,369	\$985,000	\$177,369	18%
Receipt from Delinquent Taxes	\$200,000	\$357,500	-\$157,500	-44%
Library Tax	\$911,069	\$851,432	59,637	7%
Grants	\$303,169	\$499,154	-\$195,985	-39%
Amount to Be Raised by Taxes	\$8,959,009	\$8,738,740	\$220,269	2%
TOTAL	\$16,154,647	\$15,956,856	\$197,791	1%

CURRENT FUND — REVENUES

NON-TAX REALIZED REVENUES



PARKING & MUNICIPAL COURT REVENUE 5-YEAR HISTORY

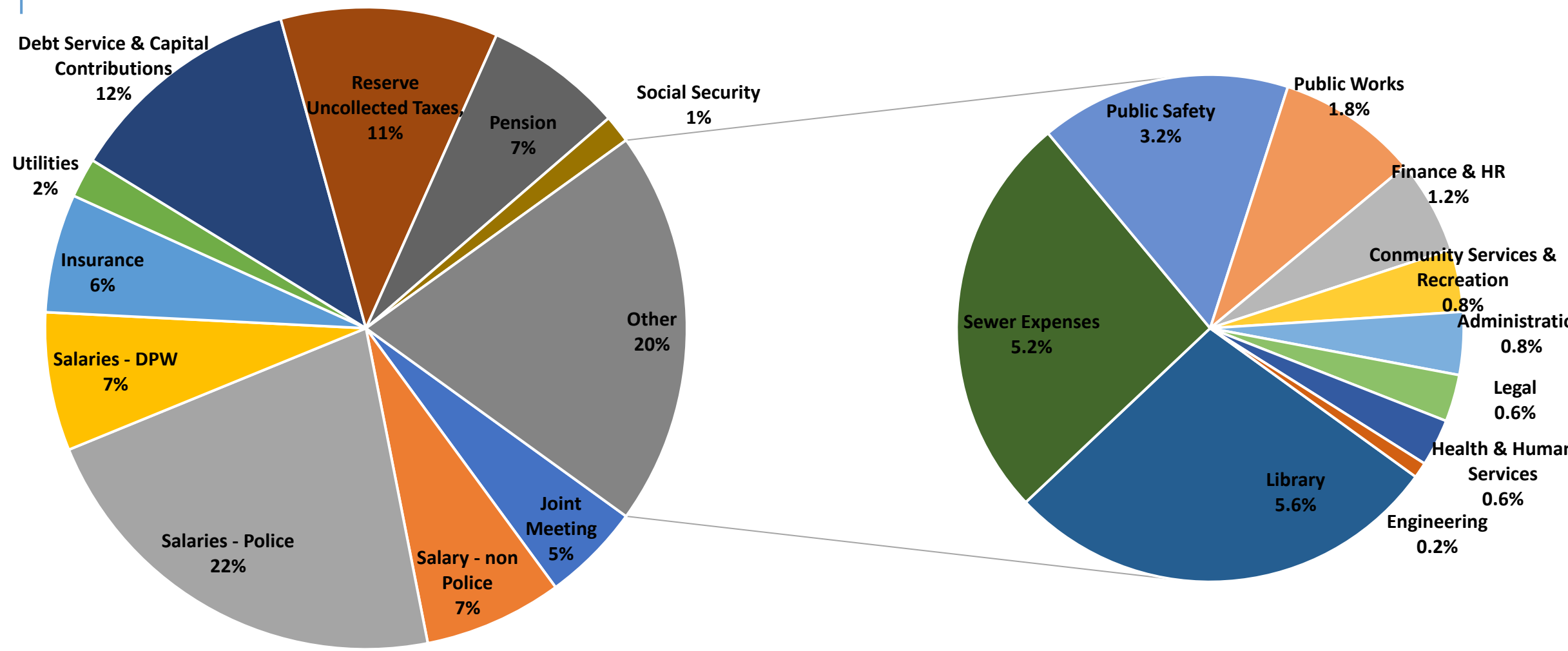


CATEGORY	2022	2021	\$\$ Change	% Change
Salaries	\$5,771,406	\$5,725,054	\$46,352	1%
Insurance	\$921,800	\$914,054	\$7,746	1%
Utilities	\$294,100	\$294,100	\$0	0%
Debt Service & Capital Contributions	\$1,976,431	\$1,916,200	\$60,231	3%
Reserve for Uncollected Taxes (RUT)	\$1,810,000	\$1,810,000	\$0	0%
Pension	\$1,125,297	\$1,048,676	\$76,621	7%
Social Security	\$235,130	\$230,520	\$4,610	2%
Joint Meeting Expenses	\$770,033	\$630,130	\$139,903	22%
Grants	\$106,919	\$502,904	-\$395,985	-78%
All Other Expenses	\$3,143,530	\$2,885,218	\$258,312	8%
TOTAL	\$16,154,647	\$15,956,856	\$197,791	1%

CURRENT FUND — EXPENDITURES

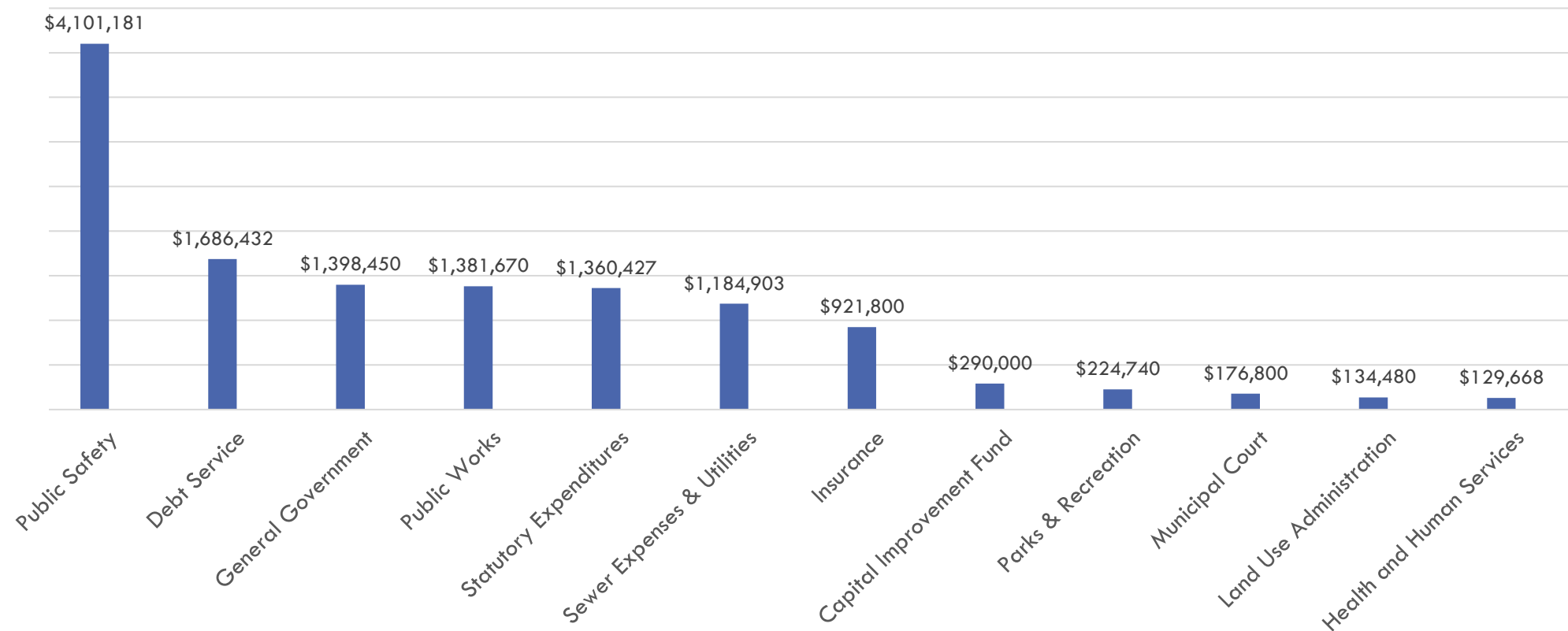


EXPENDITURES AS A % OF BUDGET





GOVERNMENT OPERATIONS EXPENDITURES — SALARY & WAGES + OPERATING EXPENSES



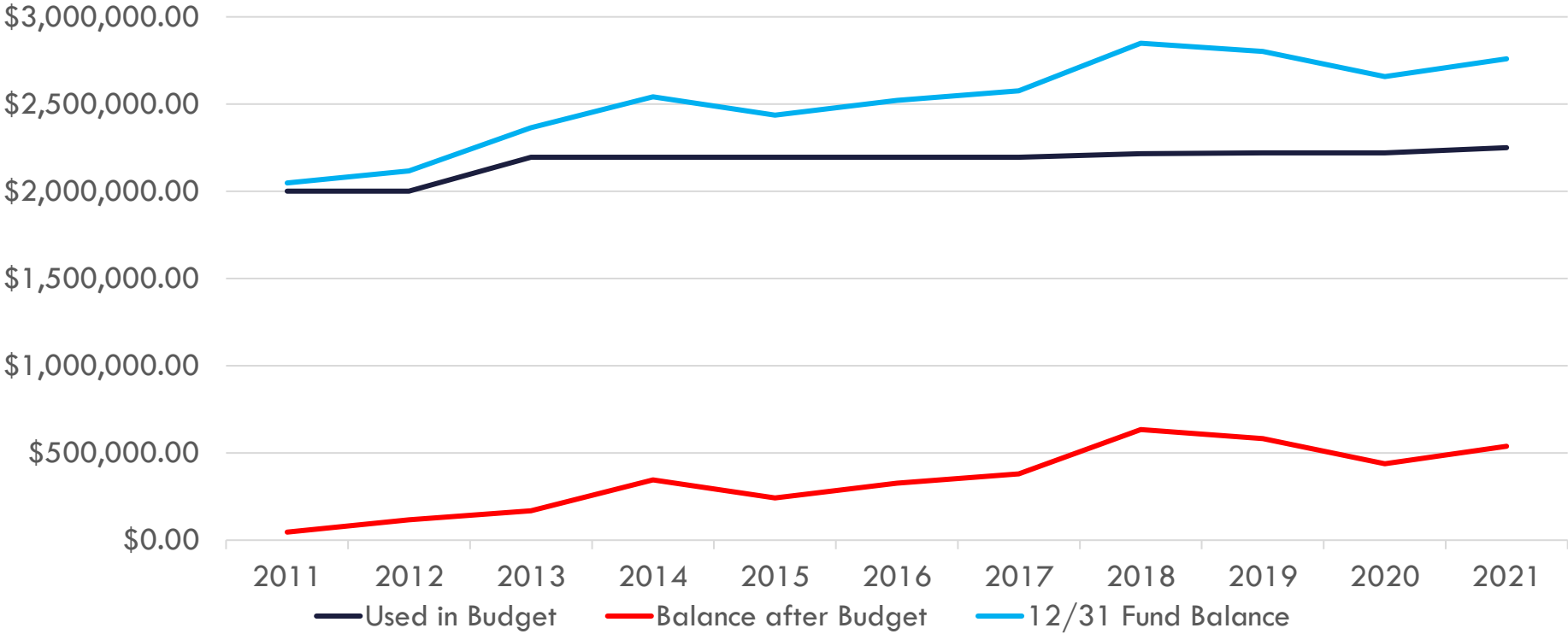
FUND BALANCE



YEAR	12/31 FUND BALANCE	USED IN BUDGET	BALANCE
2021	\$2,758,771	\$2,250,000	\$508,771
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



FUND BALANCE UTILIZATION





PROPERTY TAX CALCULATION - DETAIL

	2022	2021	\$\$ Change	Increase
Ratables	\$2,128,657,481	\$2,125,865,076	\$2,792,405	.131%
<u>MUNICIPAL</u>				
Muni Tax Levy	\$8,959,009	\$8,738,740	\$220,269	2.5%
Muni Tax Rate	.421	.411	.01	2.4%
<u>OPEN SPACE</u>				
OS Tax Levy	\$95,000	\$129,678	-\$34,678	-26.74%
OS Tax Rate	.004	.006	-.002	-26.84%
<u>COMBINED</u>				
Tax Rate	.425	.417	.008	1.9%

WATER UTILITY BUDGET

REVENUES:	2022	2021	\$\$ Change	% Change
Fund Balance	138,500	136,500	2,000	1%
Rents	1,550,000	1,550,000	0	0%
New Rents	82,000		82,000	
Miscellaneous	25,000	25,000	0	0%
TOTAL	1,795,500	1,711,500	84,000	5%
EXPENSES:	2022	2021	\$\$ Change	%Change
Salary & Wages	661,894	649,976	11,918	2%
Operating Expenses	517,500	472,400	45,100	10%
Capital Improvements	50,000	34,900	15,100	43%
Statutory Expenditures	170,724	160,724	10,000	6%
Debt Service	395,382	393,500	1,882	0%
TOTAL	1,795,500	1,711,500	84,000	5%

SOLID WASTE UTILITY BUDGET

REVENUES:	2022	2021	\$\$ Change	% Change
Fund Balance	153,900	119,890	34,010	28%
Rents	725,000	650,000	75,000	12%
New Rents	115,000	75,000	40,000	
Miscellaneous	5,000	5,000	0	0%
TOTAL	998,900	849,890	149,010	18%
EXPENSES:	2022	2021	\$\$ Change	%Change
Salary & Wages	118,500	115,560	2,940	3%
Operating Expenses	804,300	658,230	146,070	22%
Capital Improvements	53,000	53,000	0	0%
Statutory Expenditures	23,100	23,100	0	0%
TOTAL	998,900	849,890	149,010	18%

POLICE CAPITAL REQUESTS	\$
Additional Funds for Borough Security Camera System	\$20,000
Getac in car camera system (7 cameras)	\$71,000
Pedestrian crosswalk flashing beacons	\$22,000
Three Evolis solar speed radar signs	\$18,000
Curve audit sign requirements	\$7,000
TOTAL	\$138,000

2022 POLICE CAPITAL REQUESTS

Fire Department	\$\$
SCBA Air Cylinder Replacement	\$6,000
Knox Rapid Access System	\$5,000
Fire Hose	\$5,000
Firefighter Personal Alert Safety System	\$3,000
Lift Bags	\$15,000
TOTAL	\$34,000

2022 FIRE DEPT. CAPITAL REQUESTS

2022 PUBLIC WORKS CAPITAL REQUESTS

Public Works	\$
Road Repairs & Microsurfacing	\$125,000
Stormwater Improvements	\$15,000
Mason Truck with Plow	\$80,000
TOTAL	\$220,000

Buildings & Grounds	\$
Stanley Improvements	\$75,000
Replace Light Fixtures	\$6,000
Replace Roof & Leader Drains Borough Hall	\$52,000
TOTAL	\$133,000

Vehicle Maintenance	\$\$
Exhaust Ventilation System for Bays	\$8,000
Garage Bay Upgrade	\$15,000
TOTAL	\$23,000

Park Maintenance	\$\$
Park Improvements	\$75,000
TOTAL	\$75,000

Environmental Commission	\$\$
EV Charging Station – Borough Hall	\$1,500
TOTAL	\$1,500

2022 PUBLIC WORKS CAPITAL REQUESTS, CONT.

Engineering	\$
Road Resurfacing	\$450,000*
Curbs & Sidewalks	\$170,000
Drainage Improvements	\$75,000
I&I Improvements	\$50,000
Section 20 Costs	\$108,000
TOTAL	\$853,000

2022 ENGINEERING

* Road Resurfacing offset by Federal Funds (American Rescue Plan)

All General Fund	\$\$
Police	\$138,000
Fire	\$34,000
Public Works	\$220,000
Buildings & Grounds	\$133,000
Vehicle Maintenance	\$23,000
Park Maintenance	\$75,000
Environmental Commission	\$1,500
Engineering	\$853,000
TOTAL GENERAL FUND	\$1,477,500

2022 GENERAL FUND CAPITAL REQUESTS

Water Utility	\$\$
Water Distribution System Repair & Maintenance	\$30,000
Fire Hydrants & Valves	\$80,000
Replace Well #2 Check Valve	\$18,500
Water Meters w/ Transmitters	\$65,000
Utility Pickup with Plow	\$50,000
TOTAL WATER UTILITY	\$243,500

2022 WATER UTILITY CAPITAL REQUESTS

OTHER BUDGET AND FINANCE PROJECTS FOR 2022

Update Long Term Financial Plan (September 2022)

Complete detailed 5-Year Capital Improvement Plan (September 2022)

Develop key economic health indicators as a part of ongoing budget/fiscal health monitoring (August 2022)

Present audit results to Council (August 2022)

Engage Council in spending options for American Rescue Plan funds (\$500K) not included in this budget (August 2022)

Examine options to bring down solid waste costs for residents through new RFP being released this month (July 2022)



QUESTIONS?