

Borough of Chatham

Annual Report

2009



Finance Report Prepared by
Tammie L. Kopin, Chief Financial Officer

Human Resource Report Prepared by
Tyrina Milian, Assistant Finance Officer

2009 FINANCE REPORT

By Tammie L. Kopin, Chief Financial Officer

The finance department is responsible for all financial affairs of the Borough. The goal of the financial department is to maintain financial stability, to provide accurate and timely financial information and recommendations to the Borough's decision makers, and to protect the Borough's assets through the establishment of effective internal controls. The department also strives to provide valuable and responsive support services to the other Borough departments. The department consists of four full-time and one part-time employee.

The department is responsible for the Borough's debt management; maintaining the budget; managing cash activity; for the receipt, deposit, investment and disbursement of funds. The Chief Financial Officer has the responsibility for managing the day-to-day operations. Surplus funds are invested for maximum safety, liquidity and yield in compliance with the Borough's investment policy and the State of New Jersey Statutes. The functions of the department include accounts payable, purchasing, general accounting, financial reporting, utility and tax collection, fixed assets, accounts receivable, information systems, general liability insurance and workman's compensation insurance, health insurance and human resources. This department processes new and terminating employees as well as assisting employees with health benefits and payroll issues including tax withholdings, direct deposit and deferred compensation.

The purchasing section is responsible for the proper procedures in the processing of the centralized system, assists department heads in the use of the computerized requisition system and assures the Borough purchasing policies are followed. This area provides budget reports to all departments.

The information system section coordinates contract services for maintenance for the programming and hardware maintenance of the Borough's automated systems and services for web site management. The information section also supports computer users in the administrative departments, maintains the local area network, and assists departments in the selection of software systems. The department also coordinates training of the staff on new computer equipment and software.

2009 ACCOMPLISHMENTS

- There was no need for the State required Corrective Action Plan in 2009 **as there were no recommendations in the 2008 audit.**
- A new Chief Financial Officer was appointed in June, 2009 following the retirement of Dorothy Klein who had served as the C.F.O. for 23 years. To the credit of the staff in the finance department, a smooth transition was managed.
- The online ACH tax payments giving citizens the ability to pay their taxes online through their bank accounts at no cost to the user has become even more popular this year with each quarter seeing an increase in the number of residents using this service.
- The tax collector's office has seen an increase in the number of overpayments on record this year of 46 up from 25 in 2008.

2009 FINANCE REPORT

By Tammie L. Kopin, Chief Financial Officer

- Effectively manage the Borough’s cash and investment portfolio to maximize revenues while adhering to the primary goals of safety and liquidity of the Borough’s cash reserves.
- Towards the end of 2009, the Finance and Human Resources departments began the process of changing the employee health insurance carriers to achieve a savings of approximately \$260,000 for the 2010 budget year.

YEAR END STATUS

Current Fund Balance



The interest earned on investments dropped throughout 2009. Starting at 1.5% in January and dropping to a low of .30% by year end. With a decrease in interest income of more than 75% from the prior year, our Fund Balance at year-end had a drop from the prior year’s balance of \$611,154. The total fund balance was \$3,494,844 with a tax collection rate of 98.9%. Anticipated Revenues realized at or in excess of the anticipated amounts and other Miscellaneous Revenue Not Anticipated helped to produce our fund balance.

	2009	2008	2007	2006	2005
Interest Rate At Year End	.30%	1.5%	4.17%	5.0%	4.0%
Interest Earned for the Year	\$62,351	\$258,777	\$521,103	\$350,526	\$208,730
Fund Balance At Year End	\$3,494,844	\$4,105,998	\$4,160,716	\$3,904,402	\$3,717,473
Fund Balance Utilized In Next Year's Budget	\$3,450,000	\$3,700,000	\$3,750,000	\$3,500,000	\$3,300,000
Starting Fund Balance	\$44,844	\$410,716	\$404,402	\$417,473	\$434,675

Water Operating Fund

- The Water Operating Fund had a shortfall in fee revenue in 2009 of \$57,272 and a shortfall in anticipated miscellaneous revenue of \$8,317 due to the drop in interest revenue.
- The water utility has continued to be self-liquidating in 2009.
- The 2009 year-end Fund Balance was \$38,332 this was a decrease from 2008 of \$42,191.

2009 FINANCE REPORT

By Tammie L. Kopin, Chief Financial Officer

- We appropriated \$57,375 of the 2008 fund balance in the 2009 budget.

Solid Waste Operating Fund

- The Solid Waste Operating Fund had an excess in revenue in 2009 of \$15,049
- The closing Fund Balance was \$31,434
- In 2008 the closing fund balance was \$53,218 with an excess in revenue of \$29,282.
- We appropriated \$39,000 of the 2008 fund balance in the 2009 budget.

2009 GOALS AND OBJECTIVES AND ACHIEVEMENTS

Goal: Organize the old personnel files that are in the storage room.

- After the first of the year when the Clerk will have the storage room microfilmed and reorganized the project will begin.
- The old files which are in boxes will be moved to a more convenient box or cabinet which will allow for access of files in alpha order.
- Move the set of older employee files that now exist in the HR office to be moved into the Storage Room.

Achievements: This project was completed in 2009.

Goal: Renumber the Cash Receipt codes in the Edmunds System

- In the early part of the year work out the most logical sequence of codes to be used for the receipts.
- By the End of January have the Temporary Assistant complete the input of these codes into Edmunds.
- Distribute a new listing to the members of the finance department for their reference.

Achievements: This was completed in 2009.

Goal: Setup Program through Community Pass for the Parking Permit to make it an online process.

- Community Pass is in the process of developing a program for this process.
- March through April would be a good time to implement this new process if available.
- Cheri will look for other possible vendors

Achievements: We have not been able to move this project up to this point.

2010 GOALS AND OBJECTIVES

Goal: Streamline the investment portfolio options

- After discussion with auditor, we have determined that there are investment depositories which are similar in nature and thereby unnecessary.
- In 2010 we will work toward simplifying the investment depositories

Goal: Reduce the use of interfund accounts to allow for a less cumbersome general ledger

2009 FINANCE REPORT

By Tammie L. Kopin, Chief Financial Officer

- Change payroll process to eliminate the use of interfunds
- Look into changing the bills list process to include a claims fund account which would reduce the number of inter-fund accounts

Goal: Monitor revenues on a regular basis

- Prepare a monthly or quarterly report on revenues as compared to prior year revenues
- This will allow for better planning throughout the budget year.

2009 Debt Service
Wastewater Treatment Loans

STATE OF NEW JERSEY TRUST & WASTEWATER TREATMENT LOANS

<u>Principal Balance As Of</u>	<u>Date of New Jersey</u> <u>Fund Loan (No Interest)</u>	<u>Wastewater</u> <u>Treatment Trust Loan</u>	
<u>Total Balance January 1, 2009</u>			\$170,113.24
 <u>Loan #2 - 1989</u>			
January 1, 2009	\$ 4,184.13	\$ 80,000.00	
Retired in 2009	<u>\$ (4,184.13)</u>	<u>\$ (80,000.00)</u>	
Balance at December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	
 <u>Loan #3 - 1993</u>			
January 1, 2009	\$ 35,929.11	\$ 50,000.00	
Retired in 2009	<u>\$ (6,836.67)</u>	<u>\$ (10,000.00)</u>	
Balance at December 31, 2008	<u>\$ 29,092.44</u>	<u>\$ 40,000.00</u>	
Loans #1, #2, & #3 State and Wastewater			<u>\$ 69,092.44</u>

Debt Service Due on these Loans in 2009 will be:

Principal	\$ 96,864.79
Interest	<u>\$ 6,069.16</u>
	<u>\$ 102,933.95</u>

2009 Human Resource Report
By Tyrina Milian, Assistant Finance Officer

The human resource department is responsible for the administration of insurance, pensions, and benefits for the Borough of Chatham. The purpose of this department is to provide customer service to employees, effectively communicate all changes, and maintain compliance with state and federal employment regulations. This department also serves the public with respect to liability claims.

The human resource department is responsible for, but not limited to, management of employee records, leave administration, new hire documentation, payroll processing and benefits administration. In 2009, the Borough of Chatham employed 117 men and women. Of those 117 employees, (63) were full-time, (37) part-time, (17) seasonal. Through the course of the year, (8) new employees were hired, of which, (1) were full-time, (1) part-time, and (6) seasonal. There were (5) resignations, (2) leaves of absence and (4) service retirements, (1) disability retirement, (1) accidental disability retirement.

Below is a list of programs offered and its participating members.

Public Employees Retirement System	62	Aflac Life Insurance *	1
Police & Fire Retirement System	21	Premier Vision Care Network *	0
Guardian Dental Insurance *	35	Horizon Blue Cross/Blue Shield	66
Aflac Disability Insurance *	18	PBA Local 226 *	21
American United Life Deferred Comp *	14	Teamsters Local 469 *	18
AXA Equitable Deferred Comp *	29	US Bonds *	5

* Employee Paid Programs

It is the responsibility of this department to administer insurance claims regarding general liability, property and automobile loss with the Morris County Joint Insurance Fund. This department also administers workman's compensation claims, ensures prompt reporting of injuries, and tracks the status and payment of medical expenses.

Below is a summary of the types of claims, reported and filed, by the Borough of Chatham for 2009:

PROPERTY DAMAGE	REPORTED	FILED
Buildings & Roads	0	0
Automobiles	6	6
Miscellaneous	4	3
TOTALS	10	9

GENERAL LIABILITY	REPORTED	FILED
Property Damage	2	2
Sewer Related	1	1

2009 Human Resource Report
By Tyrina Milian, Assistant Finance Officer

Personal Injury	1	1
Automobile	7	7
Civil Rights	0	0
TOTALS	11	11

WORKER'S COMPENSATION CLAIMS	CLAIMS	DAYS LOST
Police	6	217
DPW	3	7
Fire Department	1	0
Administration	1	18
Library	1	7
Emergency Medical Services	1	0
TOTALS	13	249

GOALS & OBJECTIVES

2009 GOALS & OBJECTIVES

- Goal: Complete and Distribute Job Descriptions
 - Objective: To provide each department with a clear understanding of job descriptions and to aid in cross training.
 - Status: Project is still being reviewed.

- Goal: Complete Human Resources/Payroll Bulletin
 - Objective: To provide employees with updated payroll and human resource information as it becomes available.
 - Status: Project abandoned temporarily.

2010 GOALS & OBJECTIVES

- Goal: Complete and Distribute Job Descriptions
 - Objective: To provide each department with a clear understanding of job descriptions and to aid in cross training.

- Goal: Formalize electronic communication with personnel.
 - Objective: To provide a more efficient way of communication and reduce paper distributions.