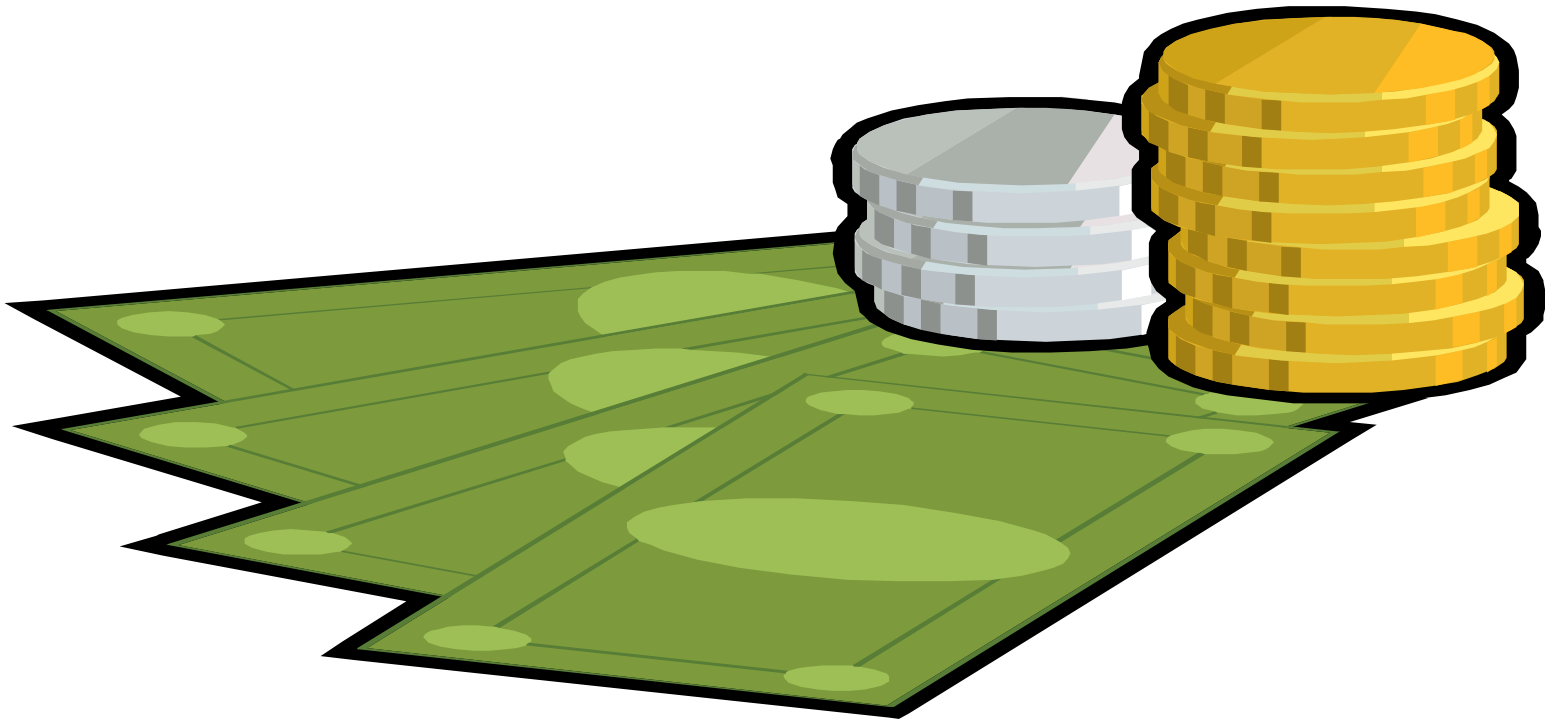


BOROUGH OF CHATHAM

2016 Municipal Budget

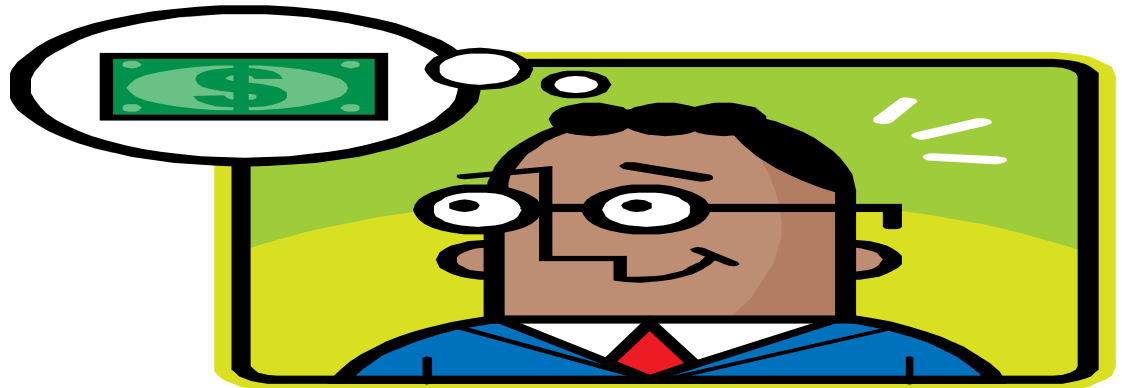


Budget Process Schedule

General & Capital Budget Presentation.....	March 14th
COLA Ordinance Introduction.....	March 28th
Budget Introduction.....	March 28th
General & Water Capital Ordinance Introduction.....	March 28th
COLA Ordinance Adoption.....	April 11th
Budget Adoption.....	April 25th
General & Water Capital Ordinance Adoption.....	April 25th

Budget Overview

2016



Description	2016	2015	+/-	+/- Percent
Total Budget	\$14,259,512	\$14,116,811	\$142,701	1.01%
Municipal Tax Levy	\$7,791,273	\$ 7,684,274	\$106,999	1.40%
Library Tax Levy	\$ 795,498	\$769,922	\$25,576	3.32%
Total Tax Levy	\$8,586,771	\$8,454,196	\$132,575	1.57%
Municipal Tax Rate	.376	.373	.003	0.80%
Library Tax Rate	.038	.037	.001	2.70%
Total Tax Rate	.414	.410	.004	0.98%
Total Budget	\$14,259,512	14,116,811	\$142,701	1.01%

Annual Increase for Average Assessed Home of \$667,372= \$26.00

Note: 2015 Library Tax Levy is shown at the State mandated minimum for comparison purposes to 2016.

Total Annual Municipal Cost Increase

(Average Assessment \$667,372)

2016



Description	2015	2014/2015	2016	2015/2016 Increase
Municipal Tax (Including Library)	\$2,736	\$29	\$2,762	\$26
Open Space Tax	\$33	No Change	No Change	No Change
Total Tax	\$2,736	\$29	\$2,762	\$26

Tax Levy CAP (3 year bank)

Maximum allowable amount to be raised by taxation	\$ 7,865,996
Amount to be raised by taxation (library tax not included)	\$ <u>7,791,273</u>
2015 CAP Bank	\$ 88,555
2014 CAP Bank	\$ 0
2013 CAP Bank	\$ <u>177,185</u>
Total CAP Bank	\$ 265,740

CAP Exclusions

- ✓ Pension Increases
- ✓ Capital Improvement Increases
- ✓ Debt Service Increase
- ✓ New Ratable Adjustment To The Tax Levy
- ✓ Health Insurance Increase(5.8% 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 budget which allows for a higher percentage tax rate increase over the 2% CAP limit.

Appropriations CAP (2 year bank)

2016 (actual inside CAP)	\$9,238,056
2016 (3.5% Cap)	\$316,264
2014 CAP Banking	\$257,827
2015 CAP Banking	\$175,899
Added Assessments	<u>\$52,840</u>
2016 Maximum Allowed	<u>\$ 9,838,950</u>
2016 (actual within CAP)	<u>\$9,238,056</u>
2016 Maximum	\$600,894

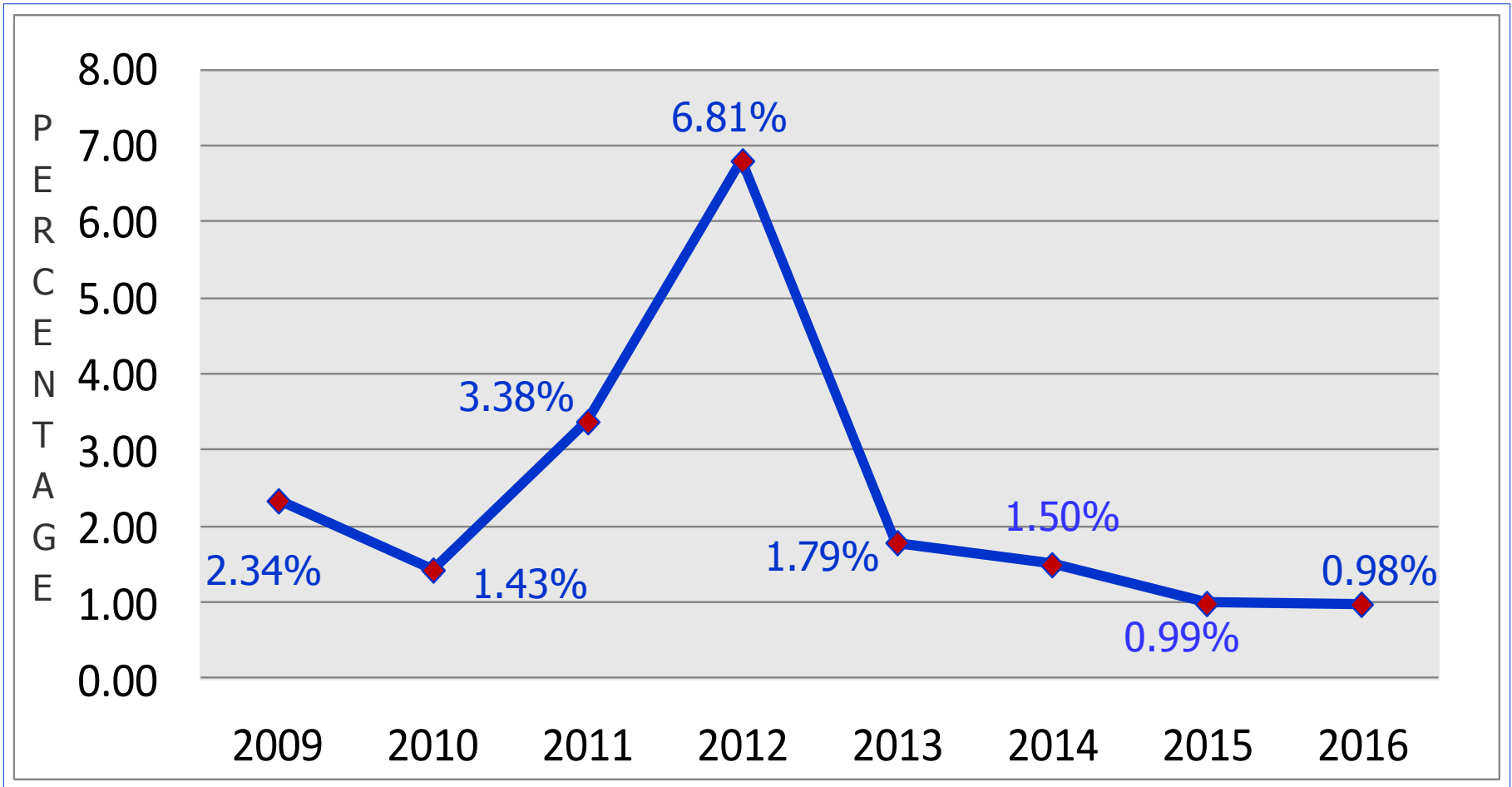
(allowed within appropriations CAP)

CAP Exclusions

- ✓ Debt Service
- ✓ Capital Improvements
- ✓ New Ratable Adjustment
- ✓ Grants
- ✓ Reserve for Uncollected Taxes
- ✓ Deferred Charges
- ✓ Health Insurance Increase (5.8% inside CAP)
- ✓ LOSAP
- ✓ Snow Emergencies
- ✓ Library
- ✓ Joint Meeting

Total Tax Rate Increase Comparison

2009 - 2016



The local open space tax remains unchanged in 2016.

How will your 2016 tax dollar be spent?

School & County Tax (est 2% increase)

School Tax

63.32%
(\$25,260,070)

**Municipal
Tax** (includes
Open Space Tax)
19.53%
(\$7,791,272)

**Library
Tax**
1.95%
(\$795,499)

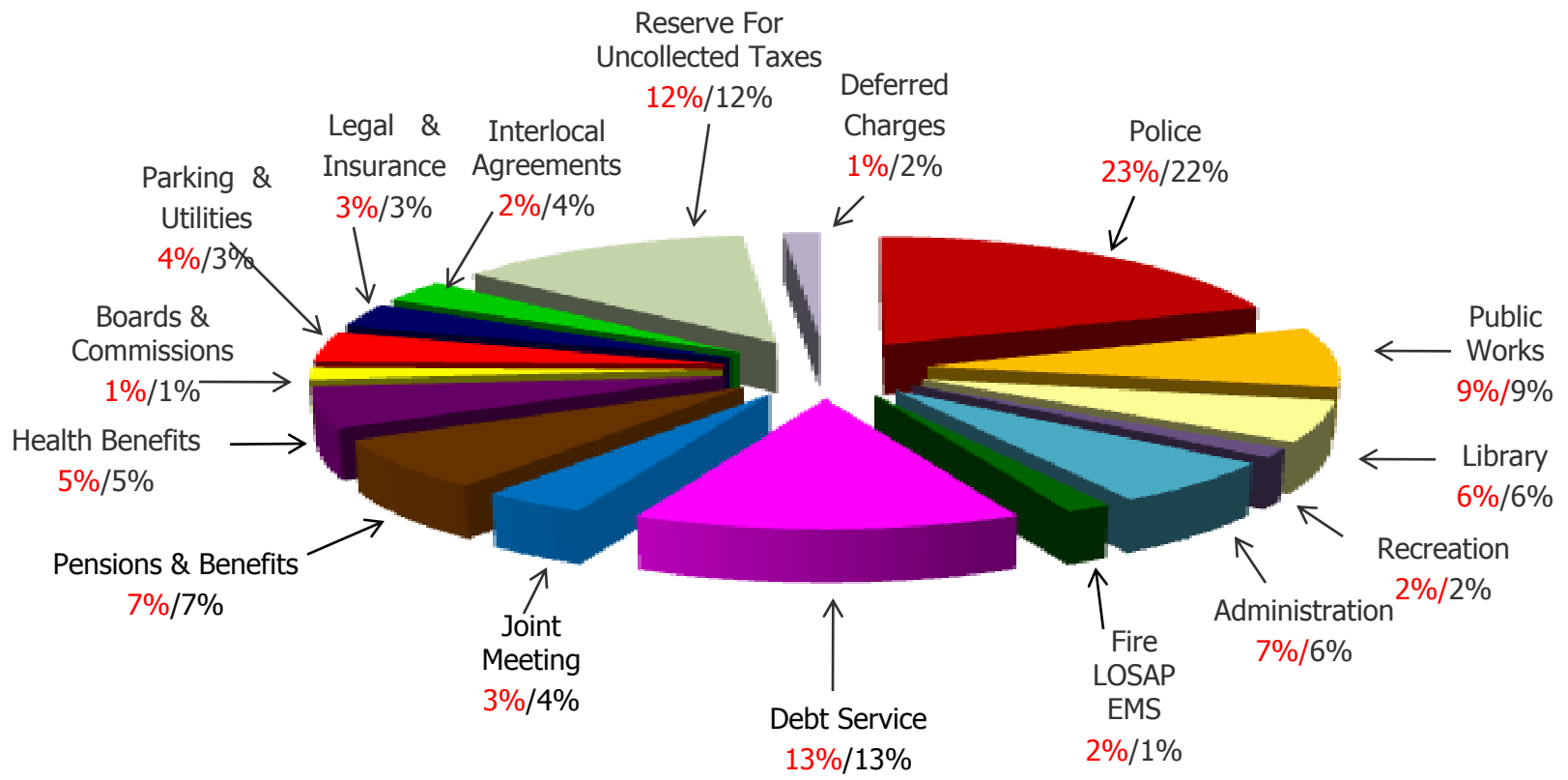
**County
Tax**
15.15%
(\$6,045,429)



Note – The Municipal Tax % is 19.27% (\$7,687,587) and Open Space Tax % is .26% (\$103,685)

Expense Percentage By Department/Type To The Total Budget

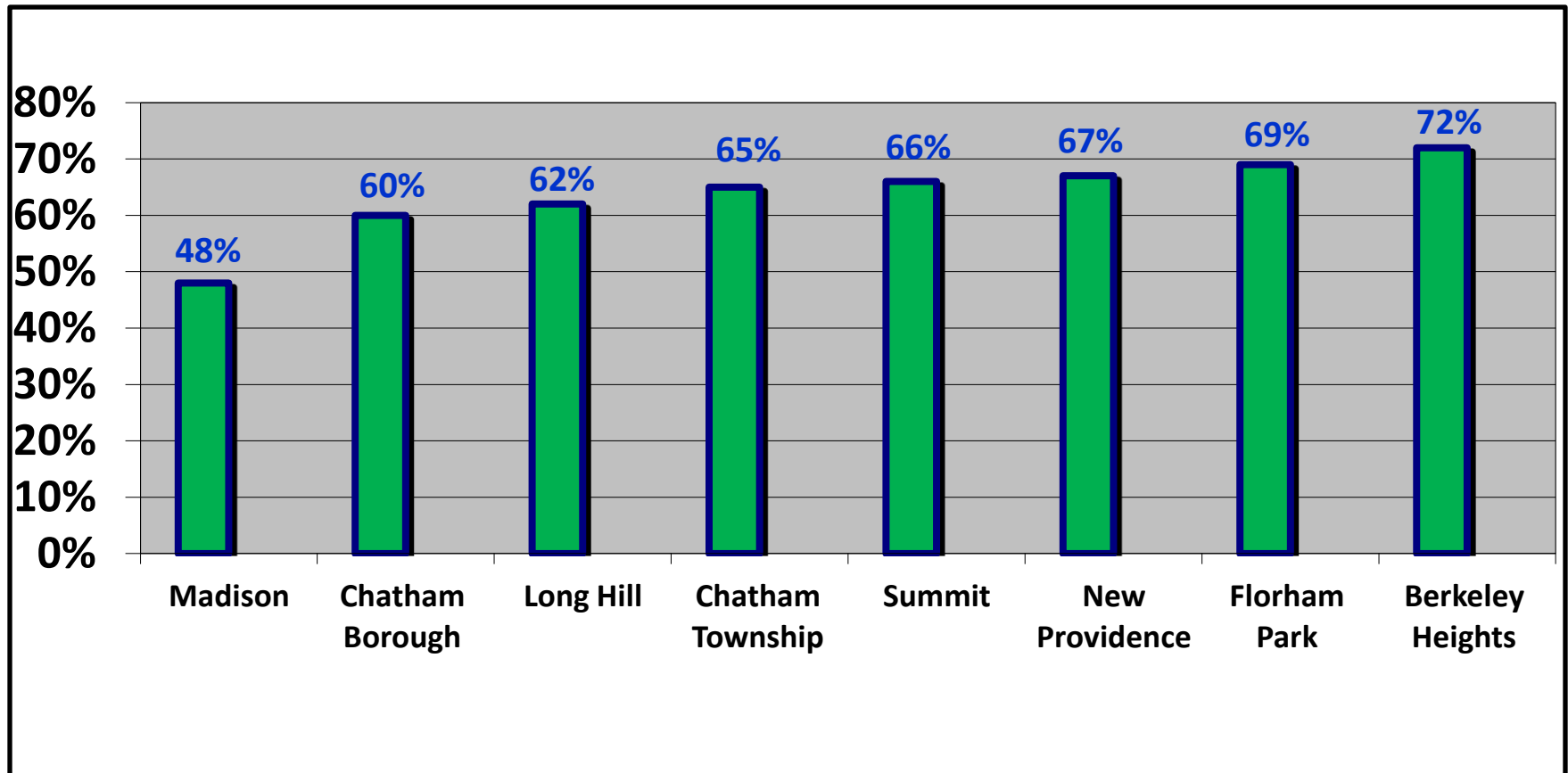
2016



Red % is 2016 Black % is 2015

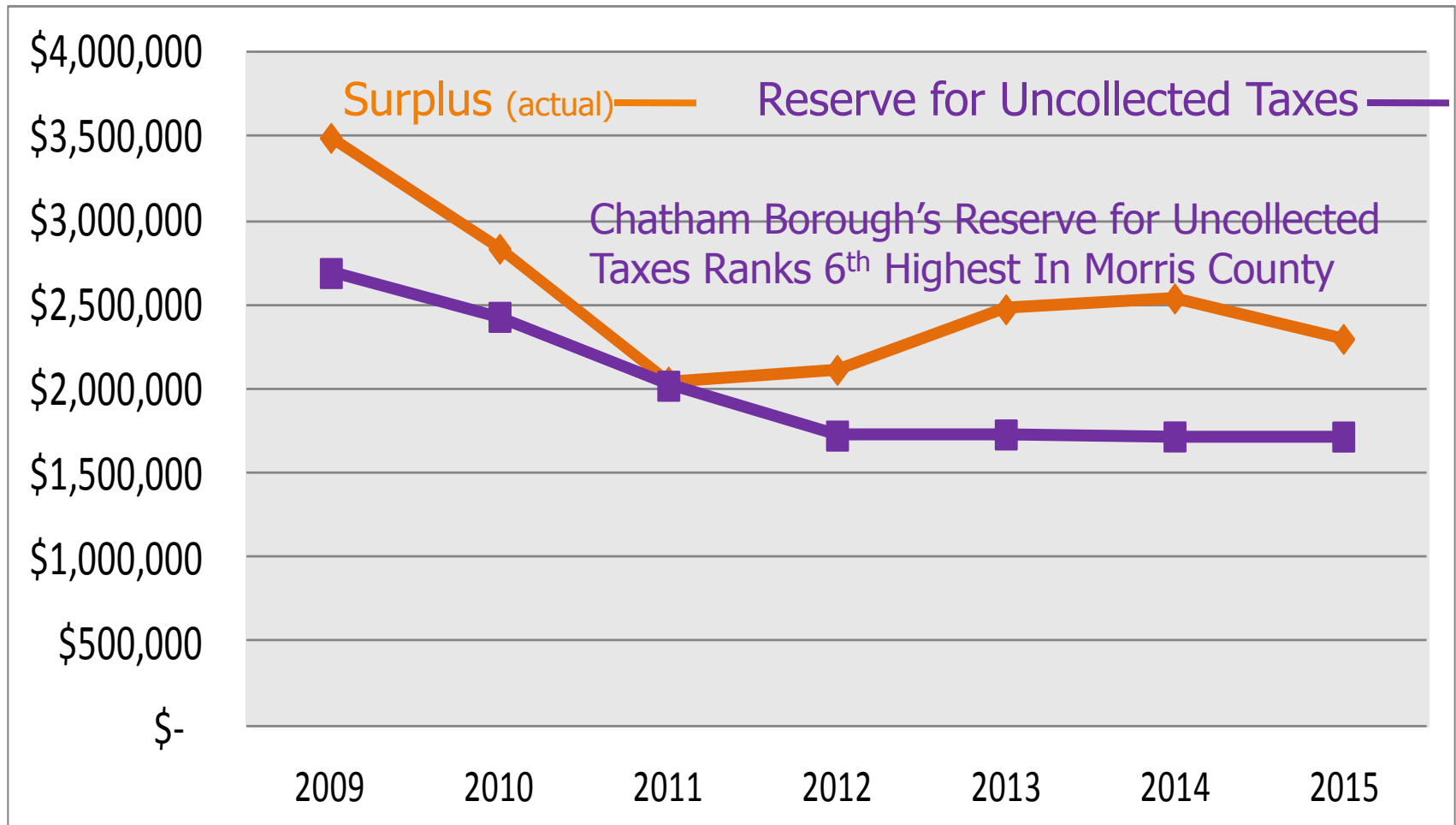
2015 Tax dollar percent that funds the budget

Chatham Borough ranks 2nd lowest when compared to surrounding towns



Surplus/Reserve for Uncollected Taxes

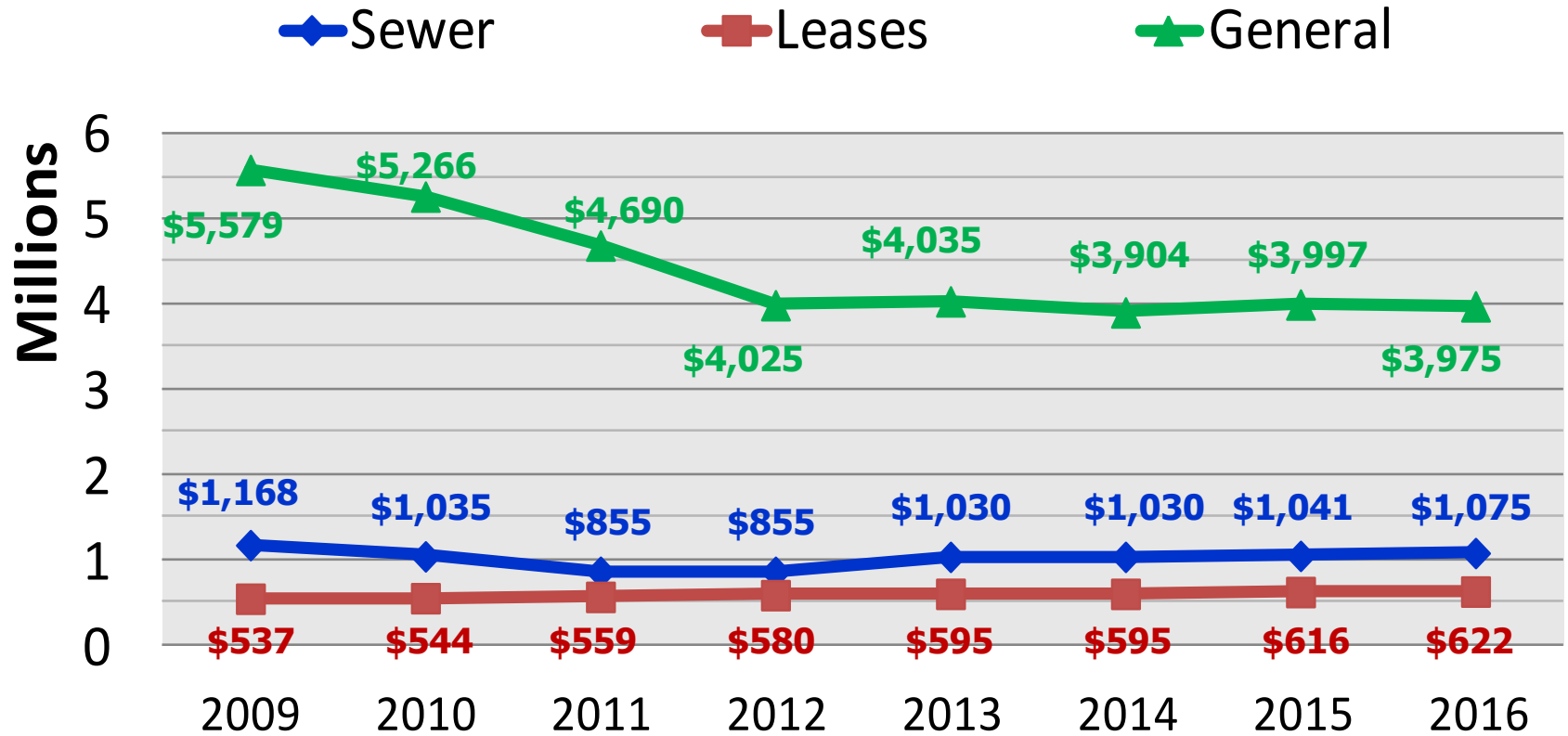
2009 -2015



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

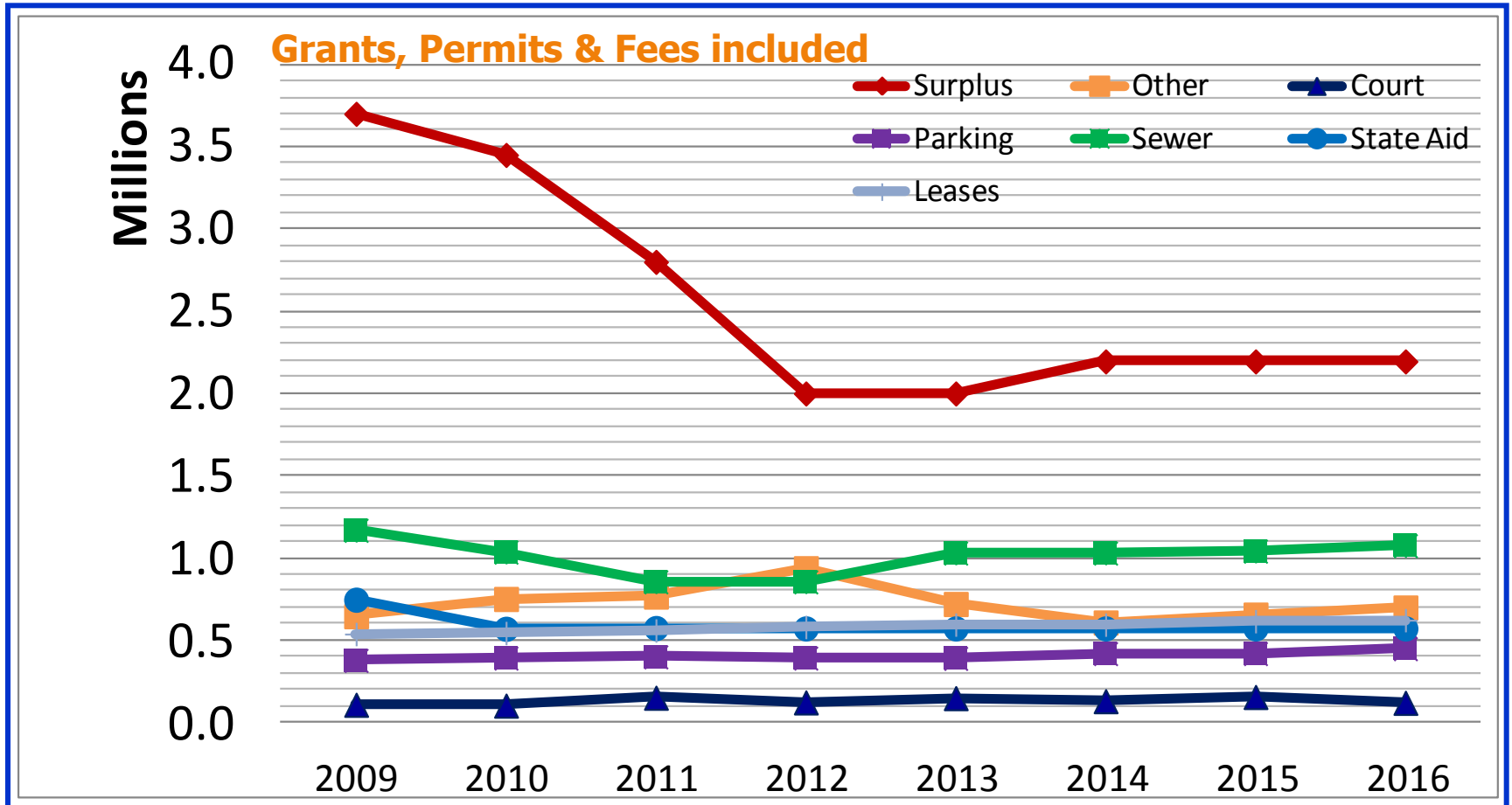
Revenues

2009 - 2016

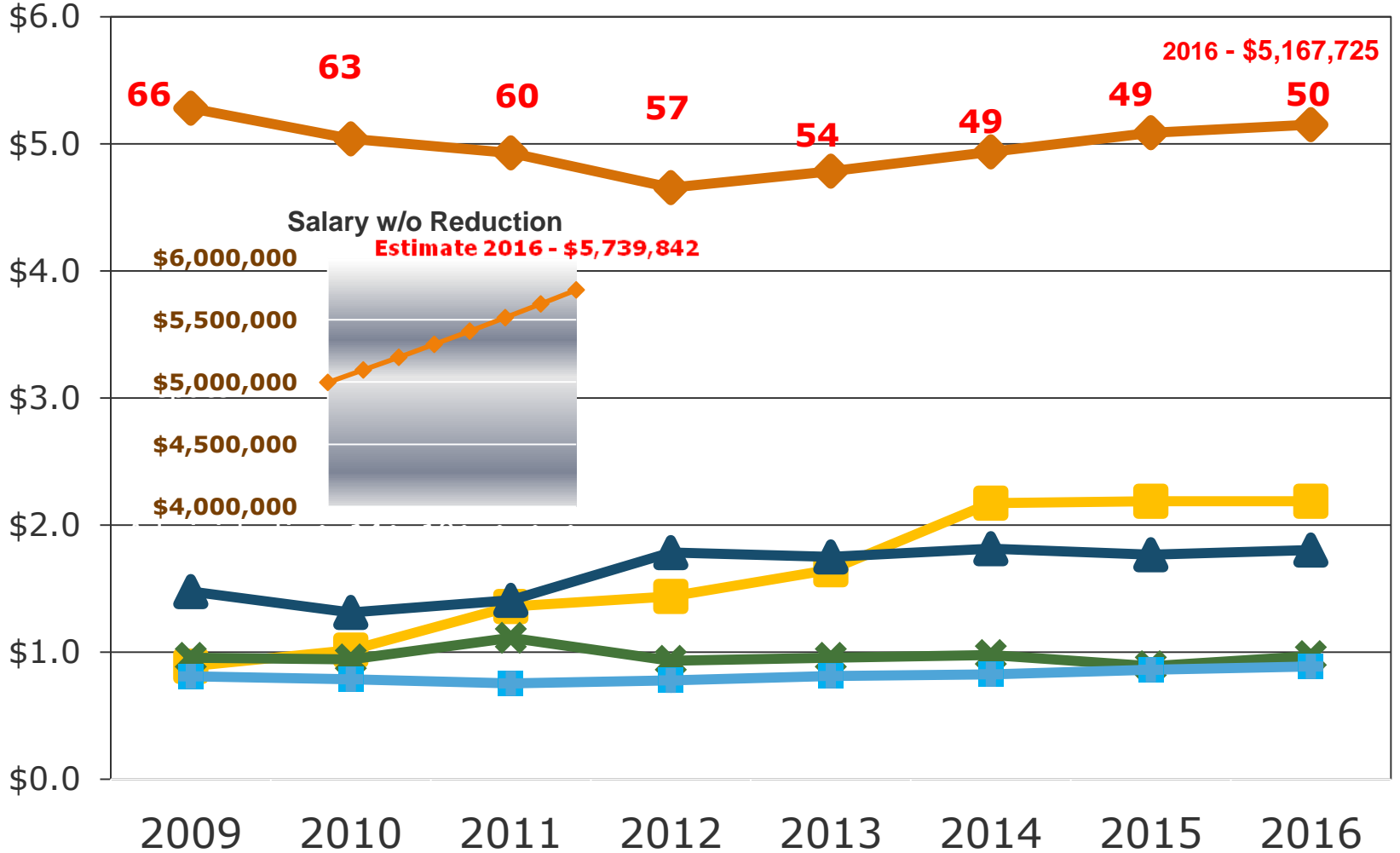


General Revenue Breakdown

2009 - 2016



Annual Expense Comparison 2009 - 2016

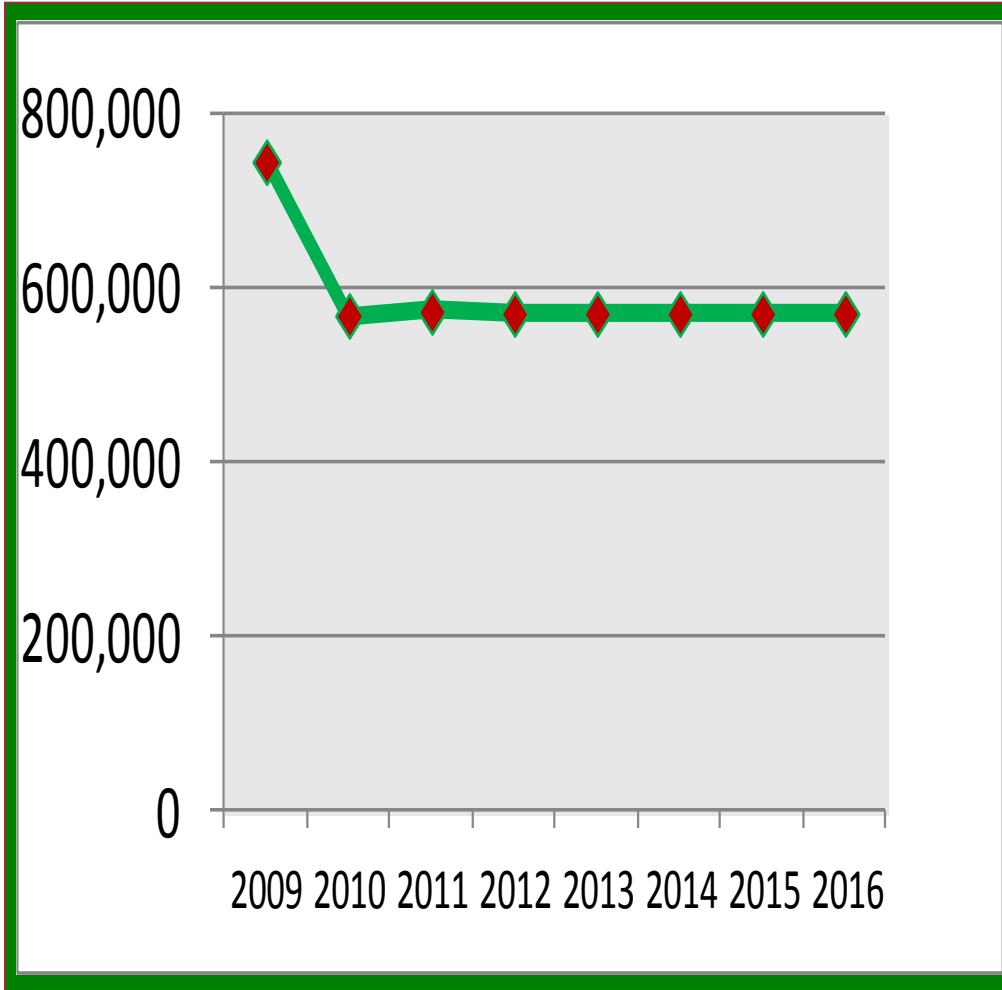


Chatham Borough COAH Costs 2015 & 2016

Professional / Firm	2015 Work Performed	Paid Amount
Community Planner - Susan Blickstein	Housing Element, Fair Share Plan & 3rd Round Amendments	\$ 37,000.00
Jeffrey Surenian & Associates	Municipal Shared Services Defense Fund	\$ 2,000.00
Riker, Danzig, Scherer, Hyland	Legal Review and work on COAH Plans	<u>\$ 61,995.36</u>
Total Borough Professionals Cost		\$ 100,995.36

Professional / Firm	2016 Work To Be Performed	Anticipated Amount
Community Planner - Susan Blickstein	Housing Element, Fair Share Plan & 3rd Round Amendments	\$ 25,000.00
To Be Determined	Economic Analysis	\$ 10,000.00
Michael Bolan	Special Master appointed by Court	\$ 6,000.00
Riker, Danzig, Scherer, Hyland	Legal Review and work on COAH Plans	<u>\$ 25,000.00</u>
Total Borough Professionals Anticipated Cost		\$ 66,000.00

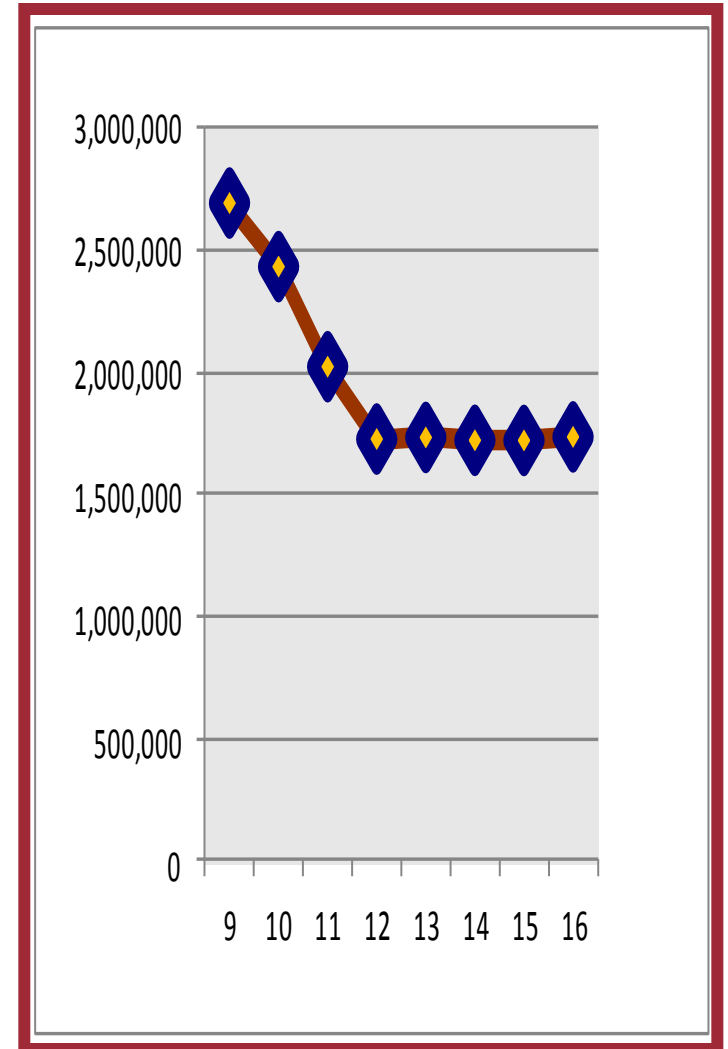
State Aid Trends 2009 – 2016



<u>Year</u>	<u>Amount Allocated</u>	<u>+ / - Dollars</u>
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)
2009	\$746,649	(\$ 81,014)

Reserve for Uncollected Taxes 2009 – 2016

<u>Year</u>	<u>RUT</u>	<u>Total Budget</u>	<u>% of Budget</u>
2016	\$1,744,181	\$14,259,512	12.23%
2015	\$1,720,000	\$14,115,349	12.18%
2014	\$1,720,576	\$14,094,778	12.21%
2013	\$1,732,279	\$13,661,993	12.68%
2012	\$1,725,706	\$13,424,938	12.85%
2011	\$ 2,021,912	\$13,628,582	14.83%
2010	\$ 2,431,371	\$13,820,540	17.59%
2009	\$ 2,691,689	\$14,309,139	18.81%



Budget Expense Increases 2016

Mandatory Expenses

Pension – PERS/PFRS.....	\$76,303
Police Contractual Salaries.....	38,325
Library.....	26,090
Debt Service	33,500
Reserve for Uncollected Taxes.....	<u>24,181</u>
Total Mandatory	\$194,399

Discretionary Expenses

Senior Transportation (total contribution)	\$ 4,000
Legal (Borough Amendments, Pilgrim Pipeline & Admin Code)	17,000
Shade Tree (Emerald Ash Borer – total budget \$48,400).....	26,200
DPW Operating (Ash Tree Removal)	8,000
Accumulated Leave Compensation	22,000
Community Service (Fishawack & Oppsites)	<u>13,357</u>
Total Discretionary	\$ 68,557

Total Budget Expense Increases\$266,896

Note – The Operating Budget contains reduction in Joint Meeting OE of \$89,266 and DPW S&W of \$42,000 for a total reduction of \$131,266.

Budget Expense Increases 2016

Discretionary Expenses – Shade Tree Budget

Preventive Maintenance	\$ 3,000
Tree Planting	22,000
Treatment Ash Trees	21,600
Professional Service	<u>1,800</u>
	Total Budget Request
	\$48,400
DPW OE – Removal of Ash Trees	<u>8,000</u>
	Total Budget Request
	\$56,400

Health Insurance Costs

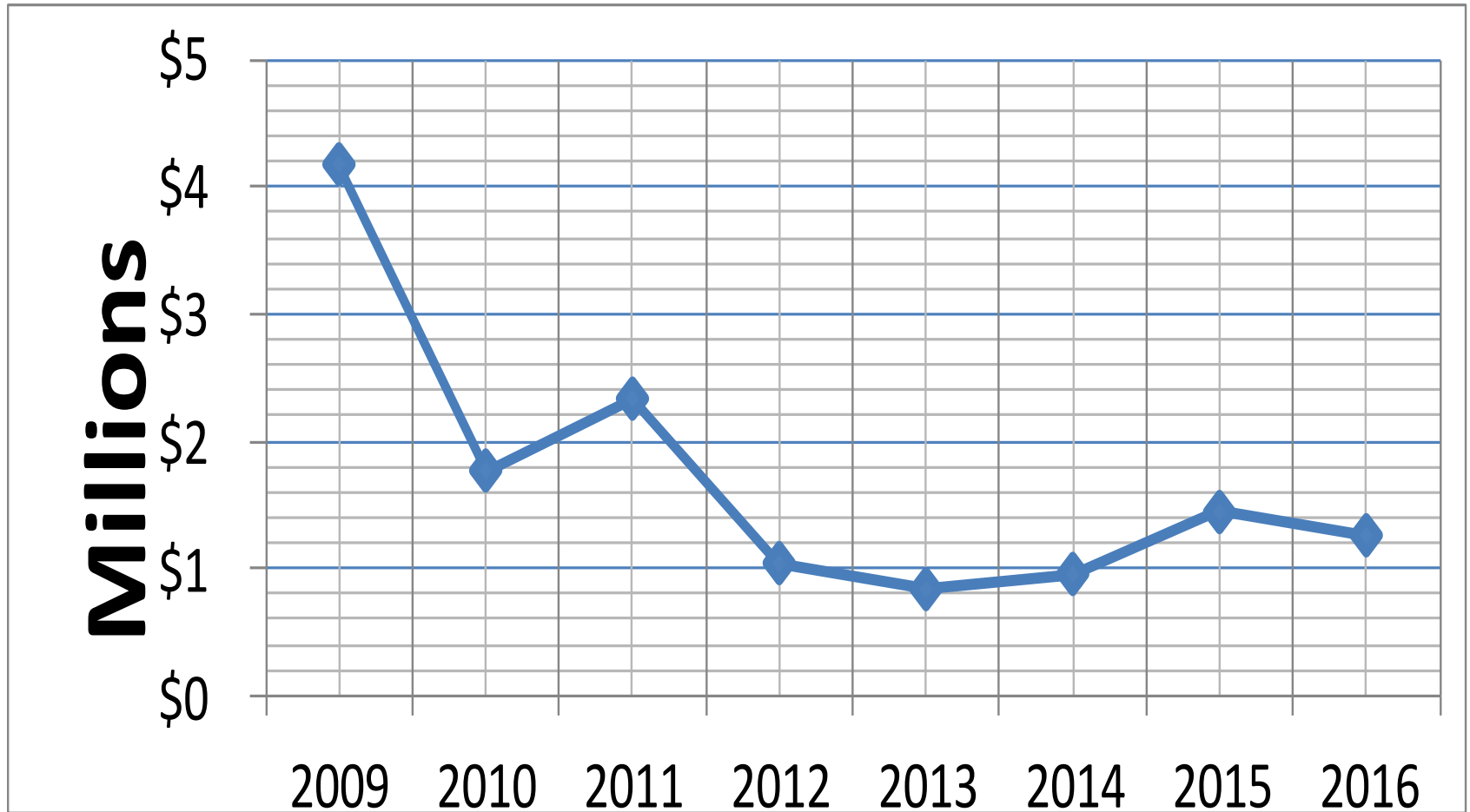
2010-2015

<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%

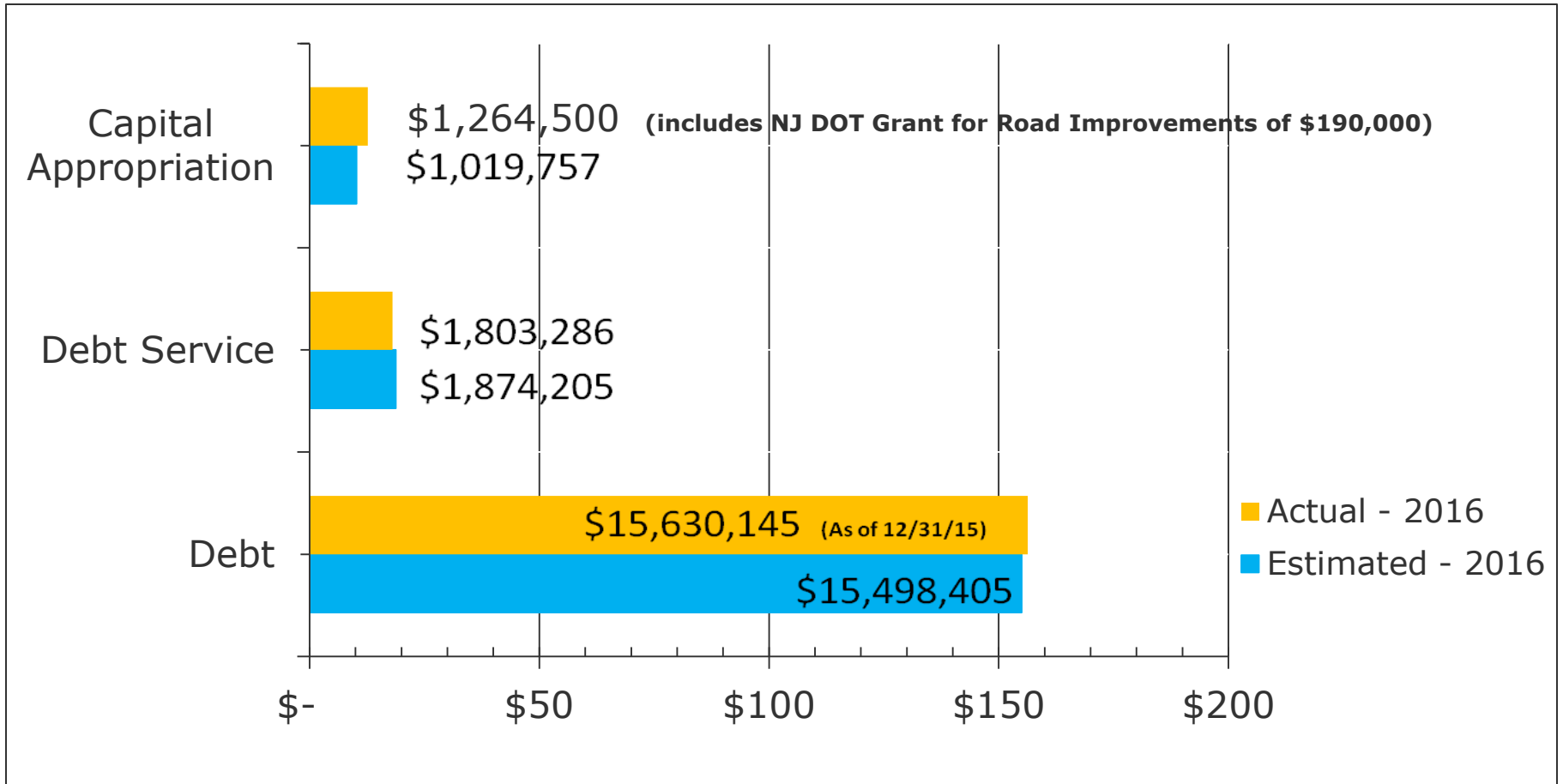
Note: The average NJ State Health Benefit Plan increase for 2016 is 5.8%. Chapter 78 began in 2010. The Borough went to NJ State Benefit Health Plan in 2013.

Capital Spending

2009 - 2016



Comparison 10 Year Financial Plan Capital Spending & Debt



Note: Debt at 12/31/15 includes Library Improvements of \$455,000 not anticipated in 10 Year plan.

2016 General Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Engineering	Phase II Gateway Signs	\$ 6,500
	2015 Road Resurfacing Program	\$150,000
	2015 Drainage Improvement Program	\$ 75,000
	(N. Hillside, Weston, Coleman, Lincoln, Myrtle, Summit Avenues & Walnut St. – subject to change)	
	2015 Curb & Sidewalk Program	\$150,000
	Park Improvements (Shepard Kollock Fencing)	\$ 35,000
	Lum Field Fencing	\$ 6,000
	Front St & Lafayette Avenue Improvements	\$250,000
	(NJ DOT Grant - \$190,000)	
	Community Service	
	Computer Upgrades Town Hall	\$ 10,000
	(conference room Server access)	
	Event – Free Standing Sign (Reasoner Park)	\$ 2,500

2016 General Capital Budget (continued)

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
DPW	Road Maintenance – Micro surfacing <small>(Clark, Elm, Bowers, Cherry, Lincoln, Amherst, Willow & Girard)</small>	\$ 90,000
	Catch Basin Castings	\$ 12,800
	Street Sweeper Upgrade	\$ 10,000
	Upgrade Dump Truck	\$ 10,000
	Safety Barricades & Traffic Cones	\$ 3,000
	Various Equipment & Tools	\$ 8,500
	Pickup Truck upgrade	\$ 9,000
	Buildings & Grounds	Roof Replacement – DPW Admin
Borough Hall Light Fixtures		\$ 6,000
Borough Hall Improvements <small>(HVAC Unit)</small>		\$ 20,000
Borough Hall – <small>(Replace Steps & Sidewalk)</small>		\$ 79,500
Parks	Utility Machine <small>(plow & cutting deck)</small>	\$ 55,000
	10 Ton Equipment Trailer	\$ 11,000

2016 General Capital Budget (continued)

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Vehicle Maint.	Utility Truck Upgrade	\$ 20,000
Sewer	Manhole Casings	\$ 3,000
	Various Equipment & Tools	\$ 12,300
	Scada Alarm System	\$ 25,000
Fire	SCBA Air Cylinder Replacement	\$ 6,000
	Turnout Gear	\$ 21,000
	Complete SCBA Packs	\$ 33,000
	Fire Fighting Equipment / Gas Meter	\$ 4,800
Police	In Car laptop / tablet computer upgrades	\$ 15,000
	ALCO Test Breathilizer Unit	\$ 20,000
	Live Scan Finger Print System	\$ 19,000
	Vehicle, Officers & Office Equipment	\$ 16,200
	Riot Shields & Helmets	\$ 8,000
	3% Administrative Costs	<u>\$ 31,400</u>
	Total General Capital to Be Funded	<u>\$1,074,500</u>

2016 Water Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Water Utility	Fire Hydrants & Valves	\$ 35,000
	Water Distribution System Repair & Maint	\$ 20,000
	Water Line Improvements	\$ 25,000
	Water Meters w/ Transmitters	\$ 30,000
	Mid Size Excavator w/ attachments	\$ 80,000
	3% Administrative Costs	<u>\$ 5,700</u>
	Total Water Capital To Be Funded	<u>\$195,700</u>
Water Utility (Funded Projects)	Emergency Generator (Well #2)	\$ 40,000
	Backup Power Upgrade (Well #1)	\$ 40,000
	Control Building Upgrade	\$ 5,000
	Electric Upgrades (Well #2 & #3)	\$ 71,000
	Well Head Piping & Maintenance (Well #1 & #2)	\$ 69,500
	SCADA Upgrade & Alarm System	\$ 97,500
	Water Storage Tank Painting	\$ 162,000
	3% Administrative Costs	<u>\$ 15,000</u>
	Total Water Capital Funded	<u>\$500,000</u>

Road Improvement Plan

Mill & Pave

Front Street

Lafayette Avenue

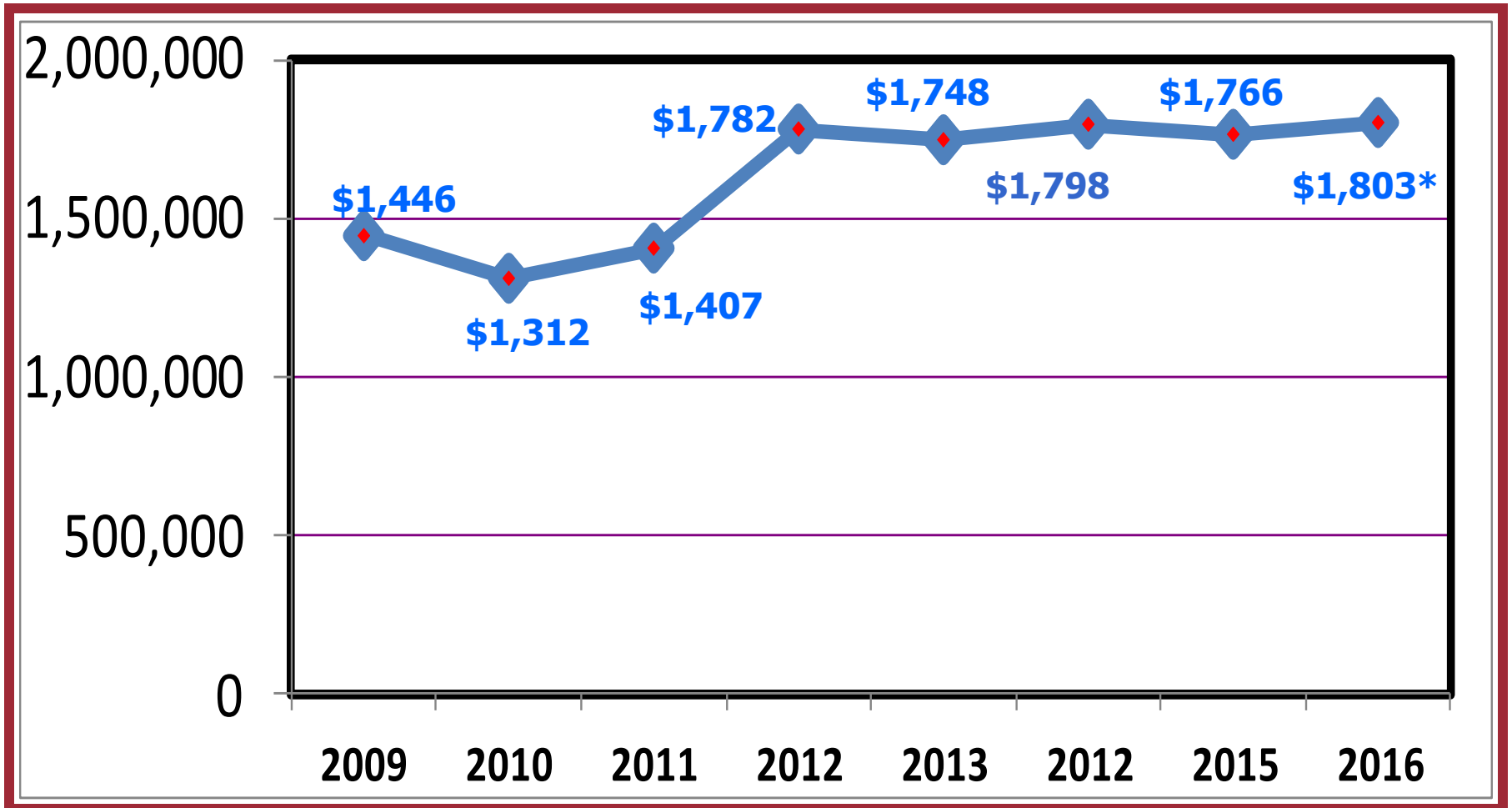
Vincent Street

Duchamp Place

Center Street (Yale to Dead End)

Total Cost = \$350,000

General Debt Service 2009 – 2016

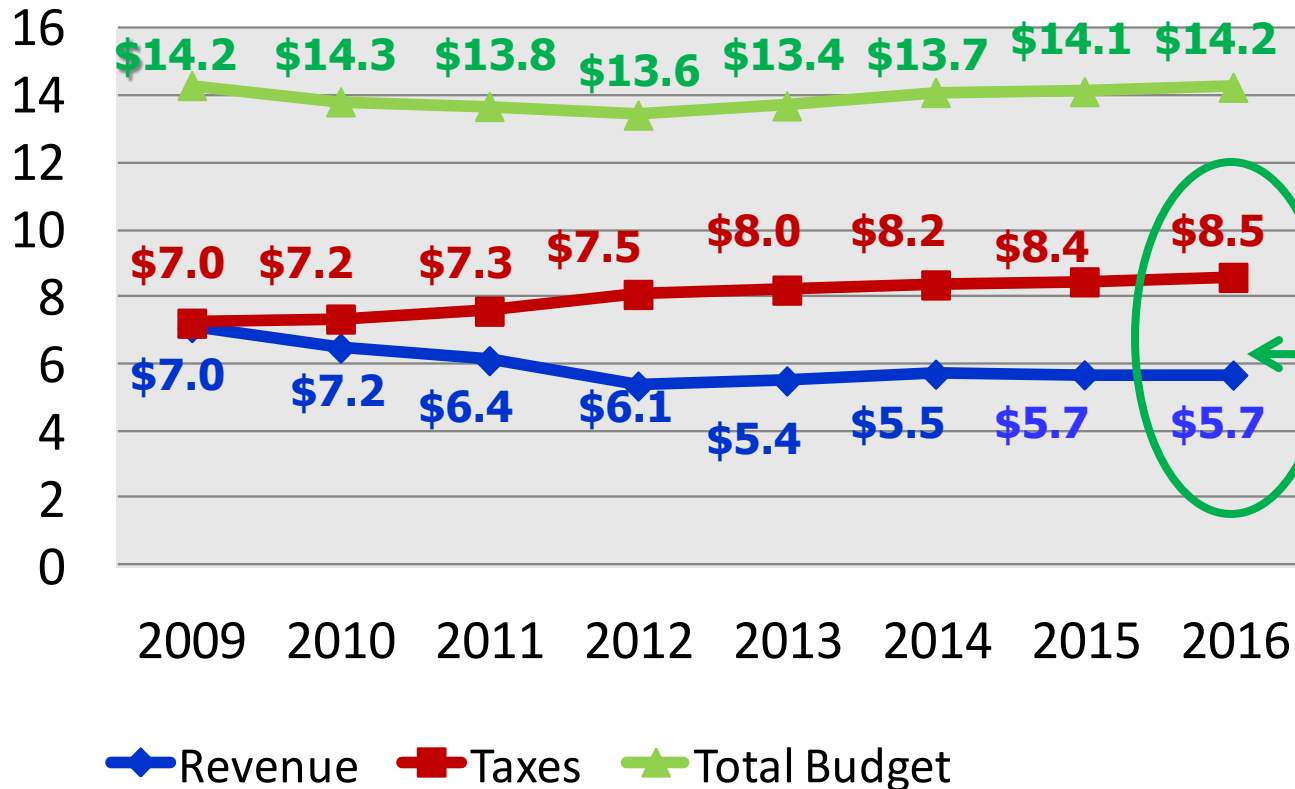


*** Note : Increase due to new Joint Meeting NJEIT Loan in 2015.**

Revenue/Tax/Total Budget Comparison

2016

Millions



The Challenge

Note : Taxes includes both Municipal & Library tax.

DISCUSSION

