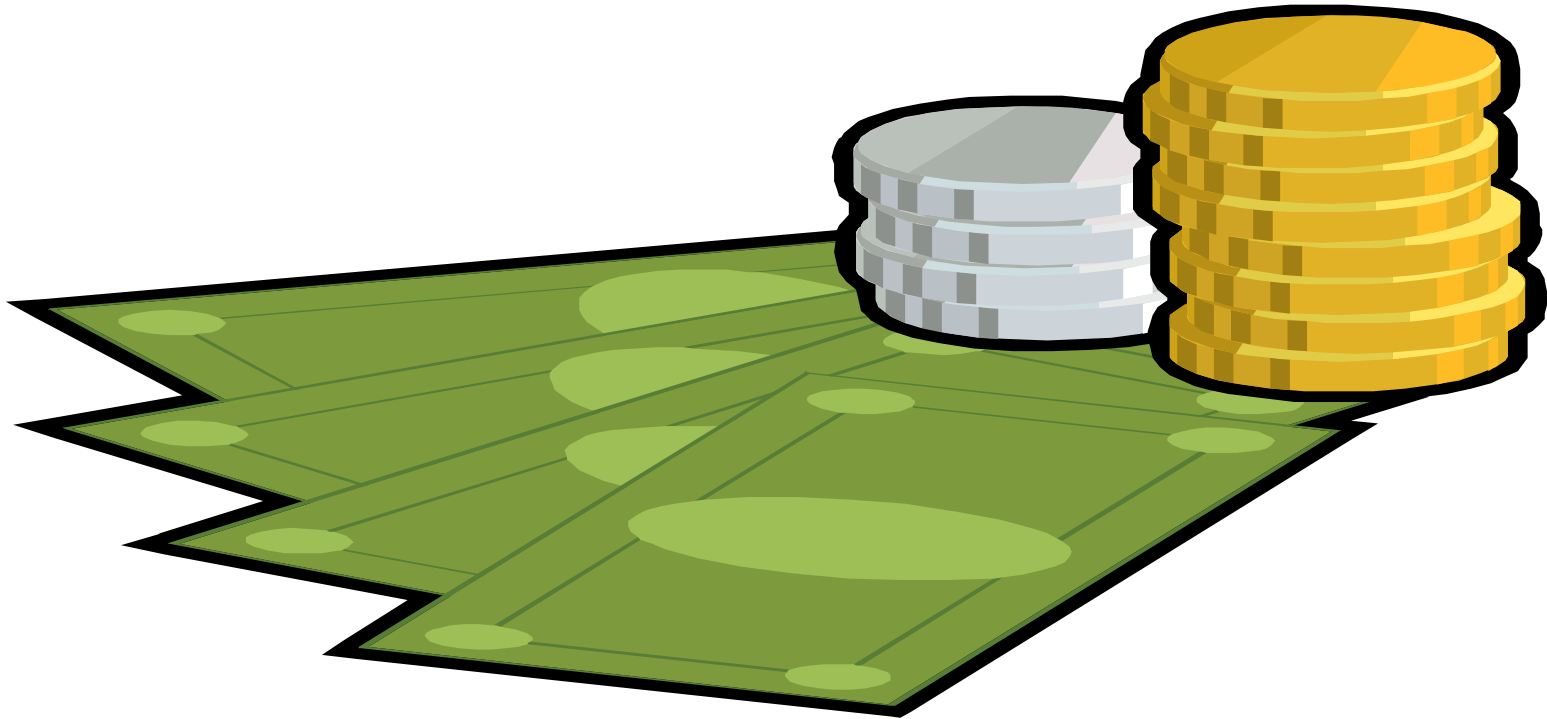


BOROUGH OF CHATHAM

2019 Municipal Budget



Budget Process Schedule

General Budget Presentation, COLA Ordinance Introduction and Budget Introduction..... March 25th

COLA Ordinance Adoption.....April 22rd

Budget Adoption.....April 22rd

Budget Overview

2019

Description	2019	2018	+/-	+/- Percent
Total Budget	\$14,819,561	\$14,514,351	\$305,210	2.10%
Municipal Tax Levy	\$ 8,056,841	\$ 7,908,362	\$148,479	1.87%
Library Tax Levy	\$ 896,641	\$ 836,052	\$ 60,589	7.25%
Total Tax Levy	\$ 8,953,483	\$ 8,744,414	\$209,068	2.39%
Municipal Tax Rate	.384	.379	.005	1.31%
Library Tax Rate	.043	.040	.003	7.50%
Total Tax Rate	.427	.419	.008	1.87%

Annual Increase for Average Assessed Home of \$676,785= \$126.95

Mandatory Budget Expense Increases 2019

Mandatory Expenses

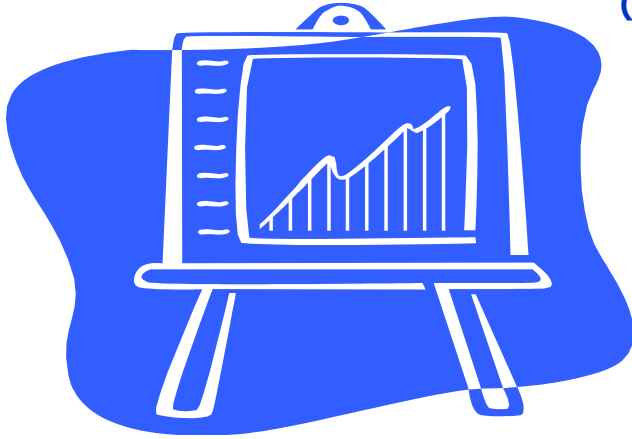
Pension – PERS/PFRS.....	\$ 104,857
Library.....	\$ 41,702
Debt Service.....	\$ 29,009
Joint Meeting.....	\$ 80,500
Joint Court.....	\$ <u>26,760</u>
Total Mandatory	\$ 282,828

Total Budget Increase.....\$305,210

Total Annual Municipal Cost Increase

(Average Assessment \$676,785)

2019



Description	2018	2017/2018 Increase	2019	2018/2019 Increase
Municipal Tax (Including Library)	\$2,763	\$22	\$2,889	\$126
Open Space Tax	\$34	No Change	No Change	No Change
Total Tax	\$2,797	\$22	\$2,923	\$126

Net Valuations – 5 Years

Year	Net Valuations	Amount Change	Percentage Change
2014	\$2,056,753,802		
2015	\$2,060,602,700	\$3,848,898	0.187%
2016	\$2,072,948,300	\$12,345,600	0.599%
2017	\$2,081,460,079	\$8,511,779	0.411%
2018	\$2,083,043,100	\$1,583,021	0.076%
2019	\$2,096,024,800	\$12,981,700	0.623%

Library of the Chathams Funding 2019

<u>Municipality</u>	<u>2018 One Third Mill</u>	<u>2018 Equalized Valuation</u>
Chatham Borough	\$896,642	\$2,689,928,309
Chatham Township	\$1,205,263	\$3,615,793,209
Total		\$6,305,721,518
Total Allocation to the Library		\$2,101,905
Chatham Borough	8,928	
Chatham Township	10,435	
Total Population	19,363	
<u>At minimum level of funding: 2019 Budgeted Amount</u>		
46% Borough	\$966,876	
54% Township	\$1,135,029	
TOTAL	\$2,101,905	

NOTE: * For municipal and joint libraries only: One-third mill is the legal minimum for municipal and joint libraries. The amounts following assume the library has no exemptions from the 1/3 mill law.

Tax Levy CAP (3 year bank)

Maximum allowable amount to be raised by taxation \$ 8,250,148

Amount to be raised by taxation (Library tax not included) \$ 8,056,841

2019 CAP Bank	\$ 193,303
2018 CAP Bank	\$ 254,515
2017 CAP Bank	\$ <u>126,248</u>
Total CAP Bank	\$ 574,066

CAP Exclusions

- ✓ Pension Increases
- ✓ Capital Improvement Increases
- ✓ Debt Service Increase
- ✓ New Ratable Adjustment To The Tax Levy
- ✓ Health Insurance Increase(0-1.0% 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's budget allowing for a higher percentage tax rate increase over the 2% CAP limit.

Appropriations CAP (2 year bank)

2019 (actual inside CAP) \$9,386,715

2019 (3.5% Cap) \$328,535

2017 CAP Banking \$339,334

2018 CAP Banking \$239,740

Added Assessments \$ 55,911

2019 Maximum Allowed \$10,350,235

2018 (actual within CAP) \$9,442,592

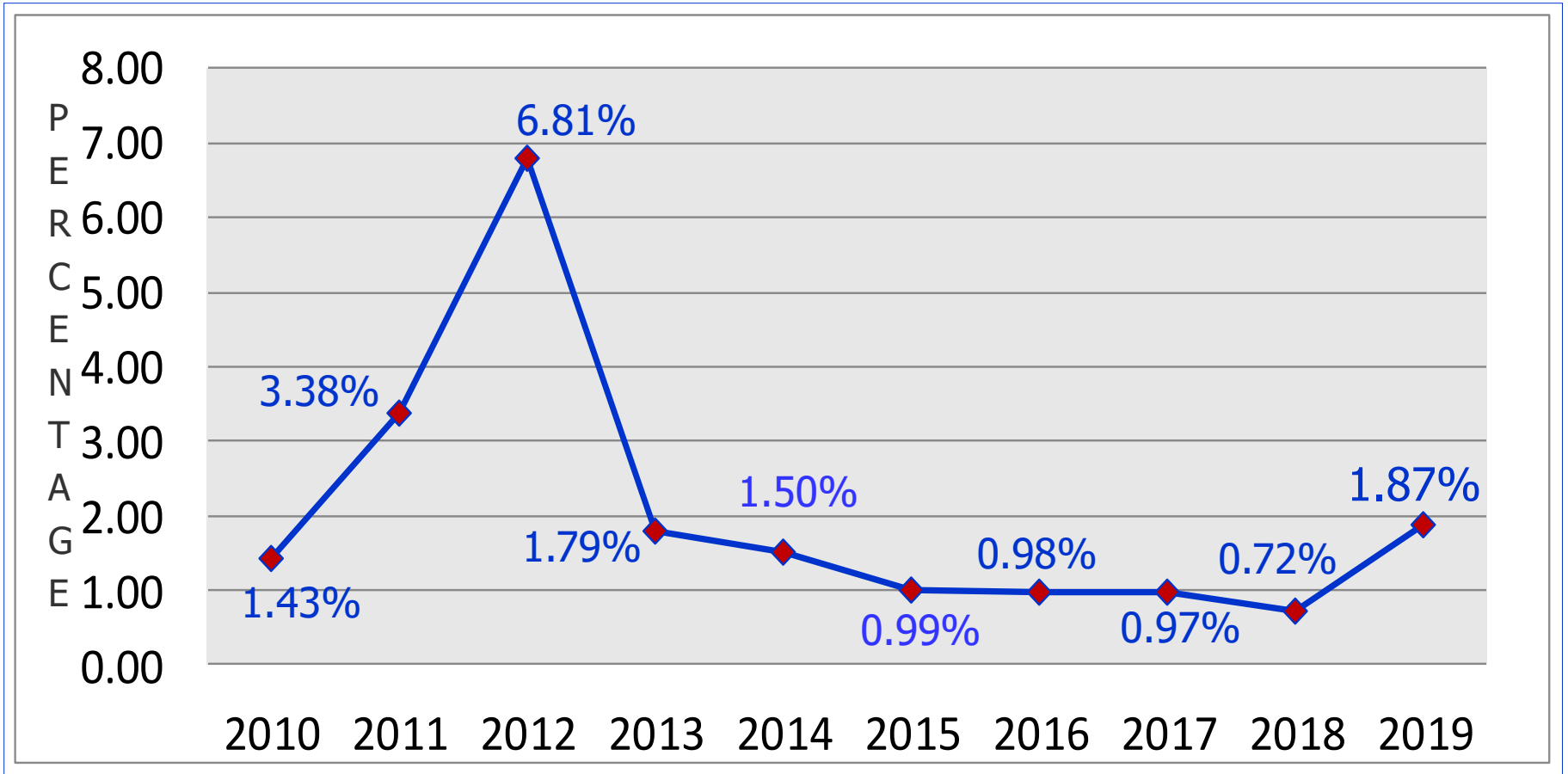
2019 Maximum Allowed \$ 907,643 (allowed increase within appropriations CAP)

CAP Exclusions

- ✓ Debt Service
- ✓ Capital Improvements
- ✓ New Ratable Adjustment
- ✓ Grants
- ✓ Reserve for Uncollected Taxes
- ✓ Deferred Charges
- ✓ Health Insurance (0-1.0% inside CAP)
- ✓ LOSAP
- ✓ Snow Emergencies
- ✓ Library
- ✓ Joint Meeting

Total Tax Rate Increase Comparison

2010 - 2019



The local open space tax remains unchanged in 2019.

How will your 2019 tax dollar be spent?

School & County Tax (est. 2% increase)

School Tax

63.87%

(\$27,798,598)

**Municipal
Tax** (includes
Open Space Tax)

18.75%

(\$8,161,693)

**Library
Tax**
2.06%

(\$896,642)

**County
Tax**

15.32%

(\$6,668,489)

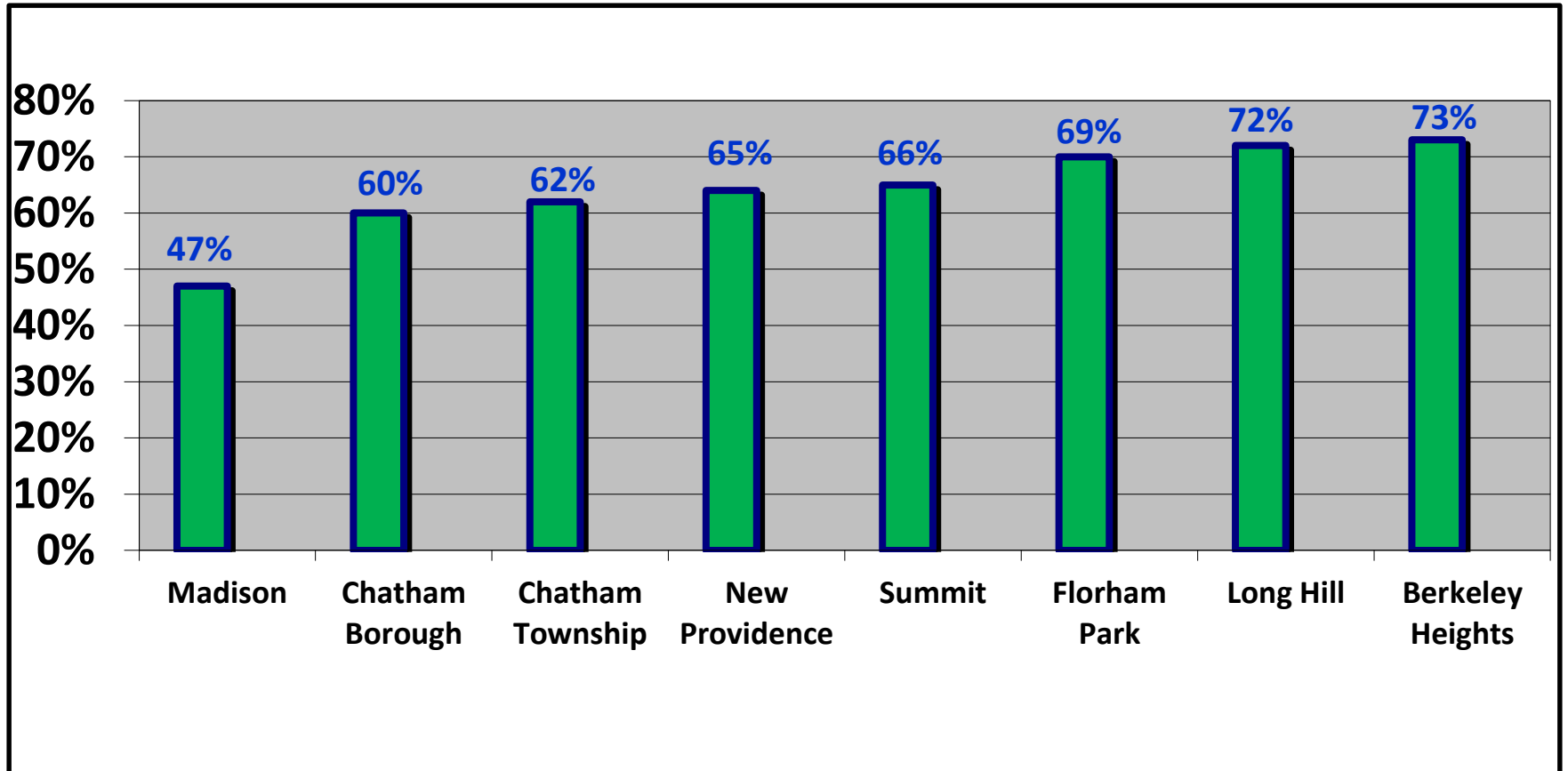


Note – The Municipal Tax % is 18.51% (\$8,056,841) and Open Space Tax % is .24 (\$104,852)

Estimated annual tax for average assessed home (\$676,785) would be \$14,112.

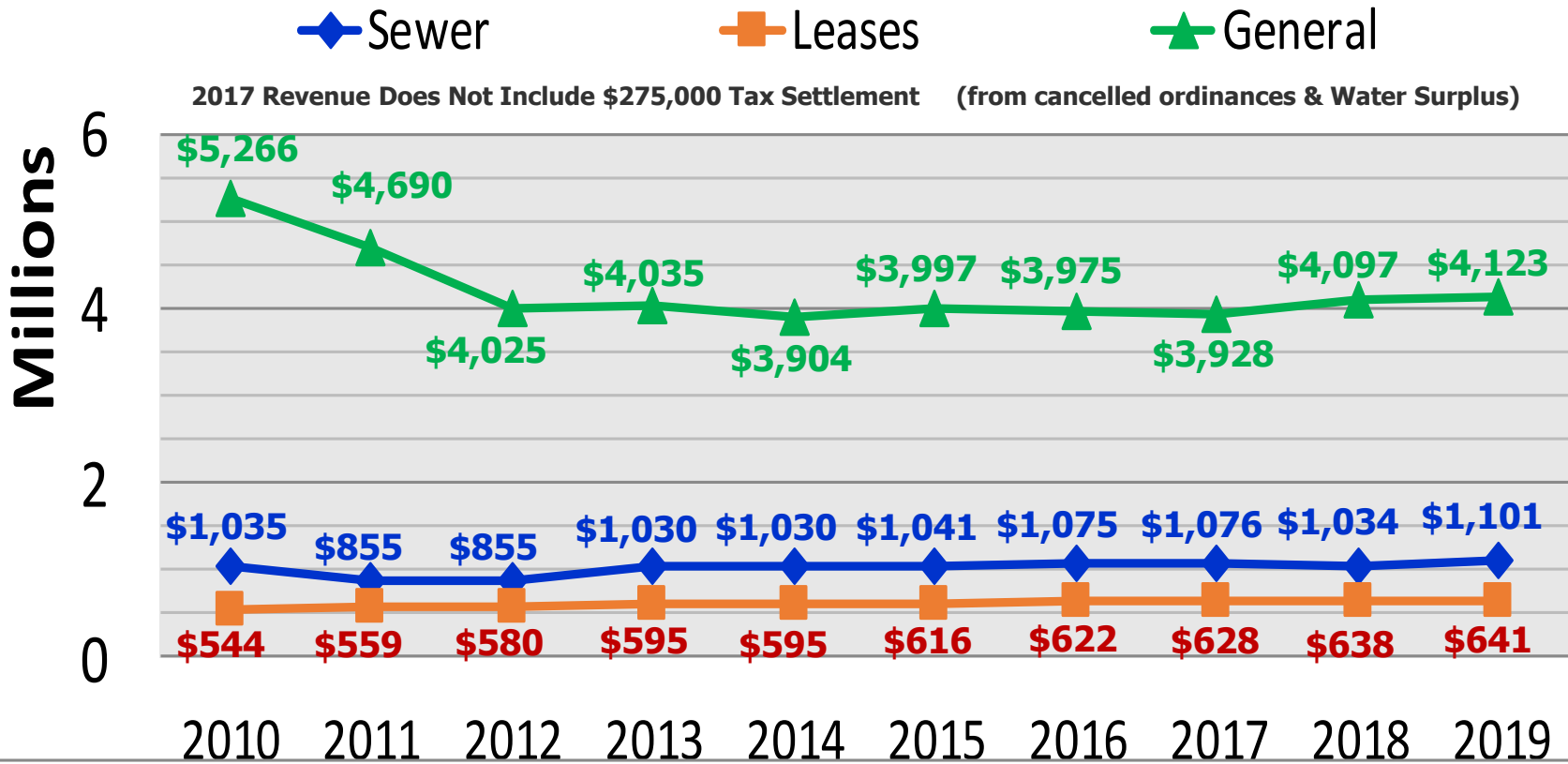
Percentage of Budget Funded by Tax Revenues - 2019

Chatham Borough ranks 2nd lowest when compared to surrounding towns



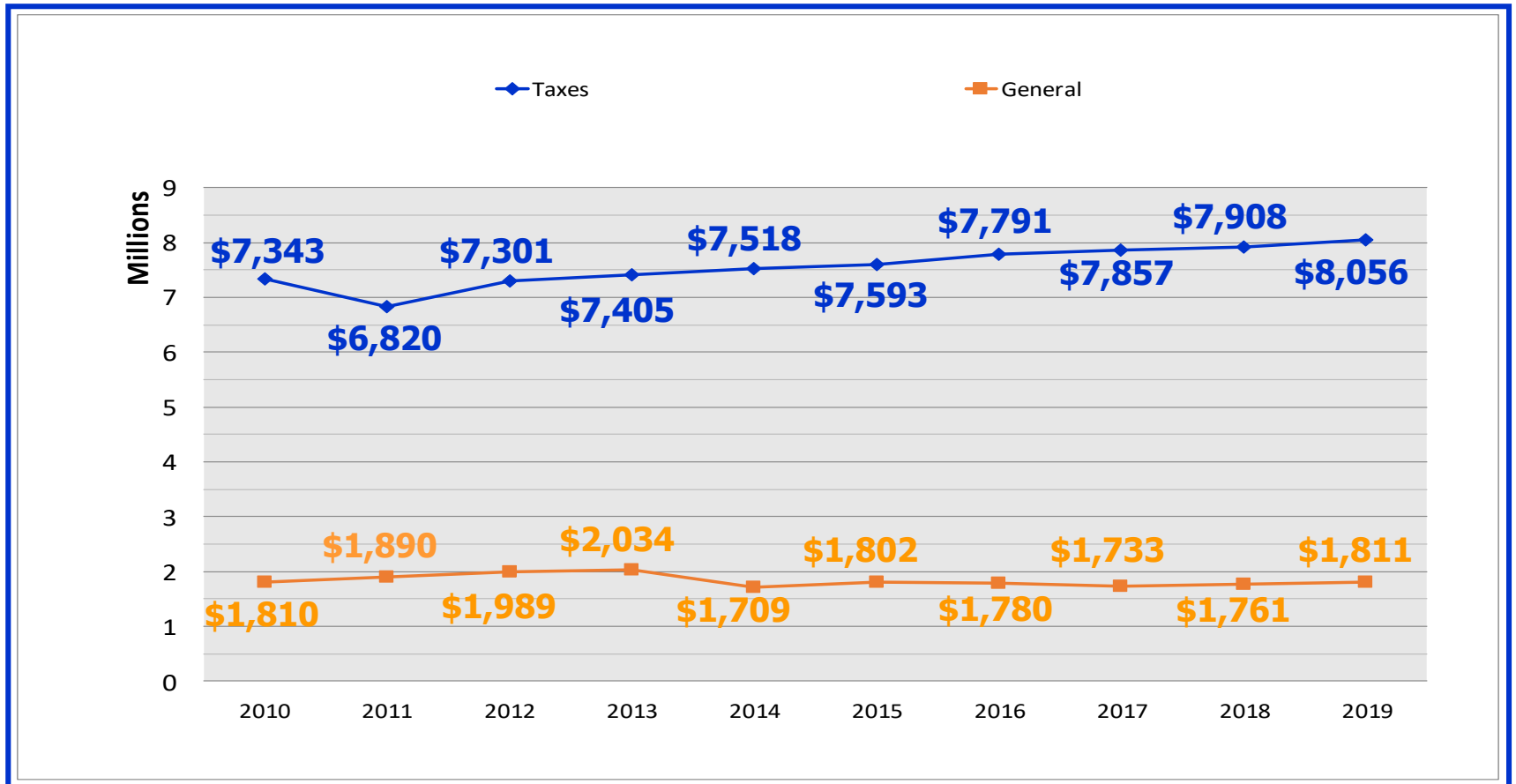
Revenues

2010 - 2019



General Revenues vs. Taxation

2010 - 2019



General Revenue represent – Fees, Licenses & Permits, Municipal Court Fines, Parking Receipts, Interest on Taxes and Sewer User Fees.

State Aid Trends

2010 – 2019

<u>Year</u>	<u>Amount</u>	<u>+ / - Dollars</u>
2019	\$572,099	\$0
2018	\$572,099	\$0
2017	\$572,099	\$0
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)

Health Insurance Costs 2010-2018

<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%
2016	\$ 752,660.87	\$ 273,510.36	42	\$ 17,920.50	\$ 6,512.15	0.69%
2017	\$ 714,319.50	\$ 277,763.79	42	\$ 17,007.61	\$ 6,613.42	1.56%
2018	\$ 705,533.44	\$ 251,530.13	40	\$ 17,638.34	\$ 6,288.25	-9.44%

Note: The average NJ State Health Benefit Plans increase for 2019 is 0%-1.0%. Chapter 78 began in 2010. The Borough went to NJ State Benefit Health Plan in 2013.

Capital Ordinance Process Schedule

General & Water Capital Presentation.....	March 25th
Ordinance Introduction.....	March 25th
Publication Date (Introduction).....	March 28th
Ordinance Adoption.....	April 8th
Publication Date (Adoption)	April 11th
Ordinance Effective Date.....	May 2nd

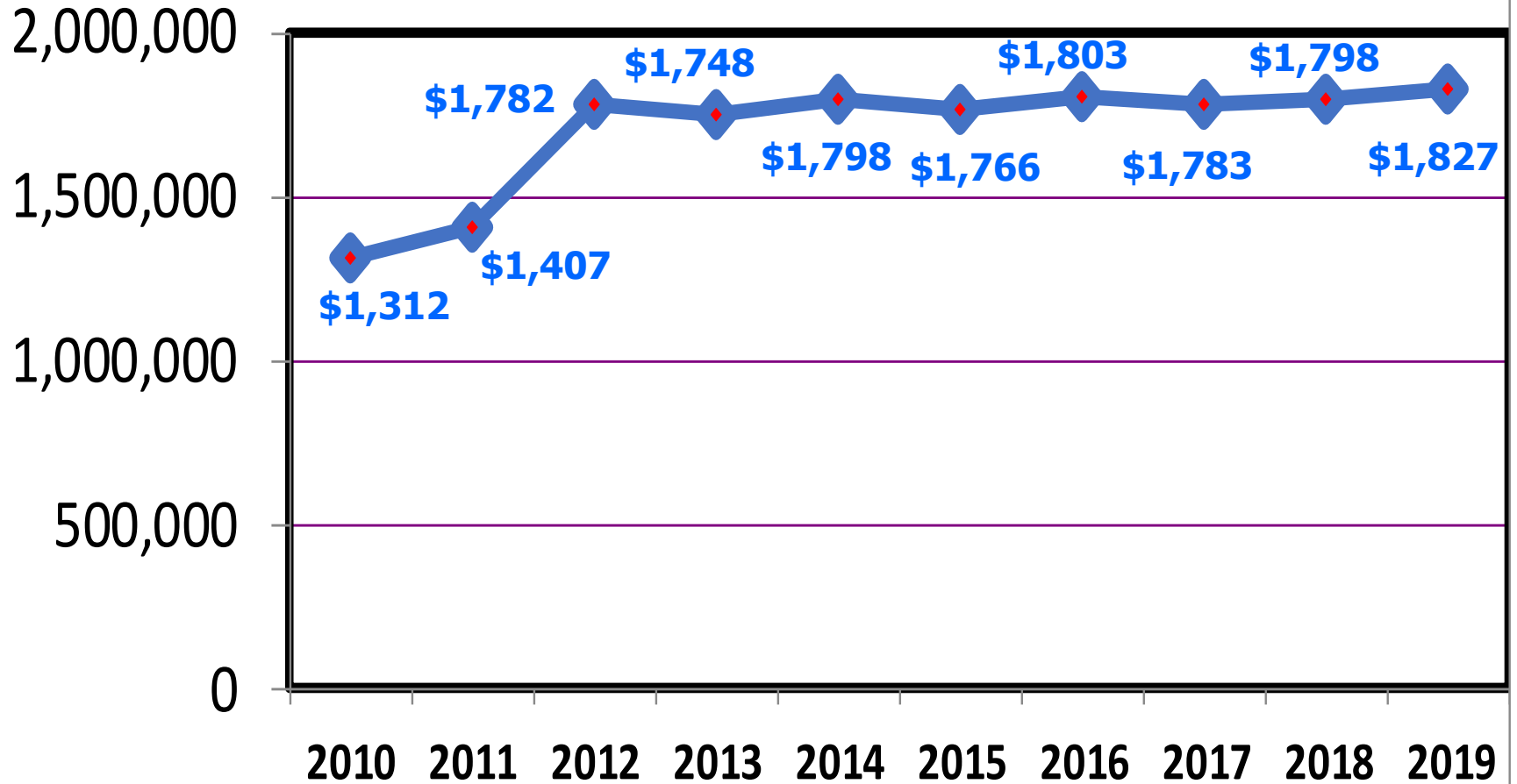
Capital Spending

2010 - 2019



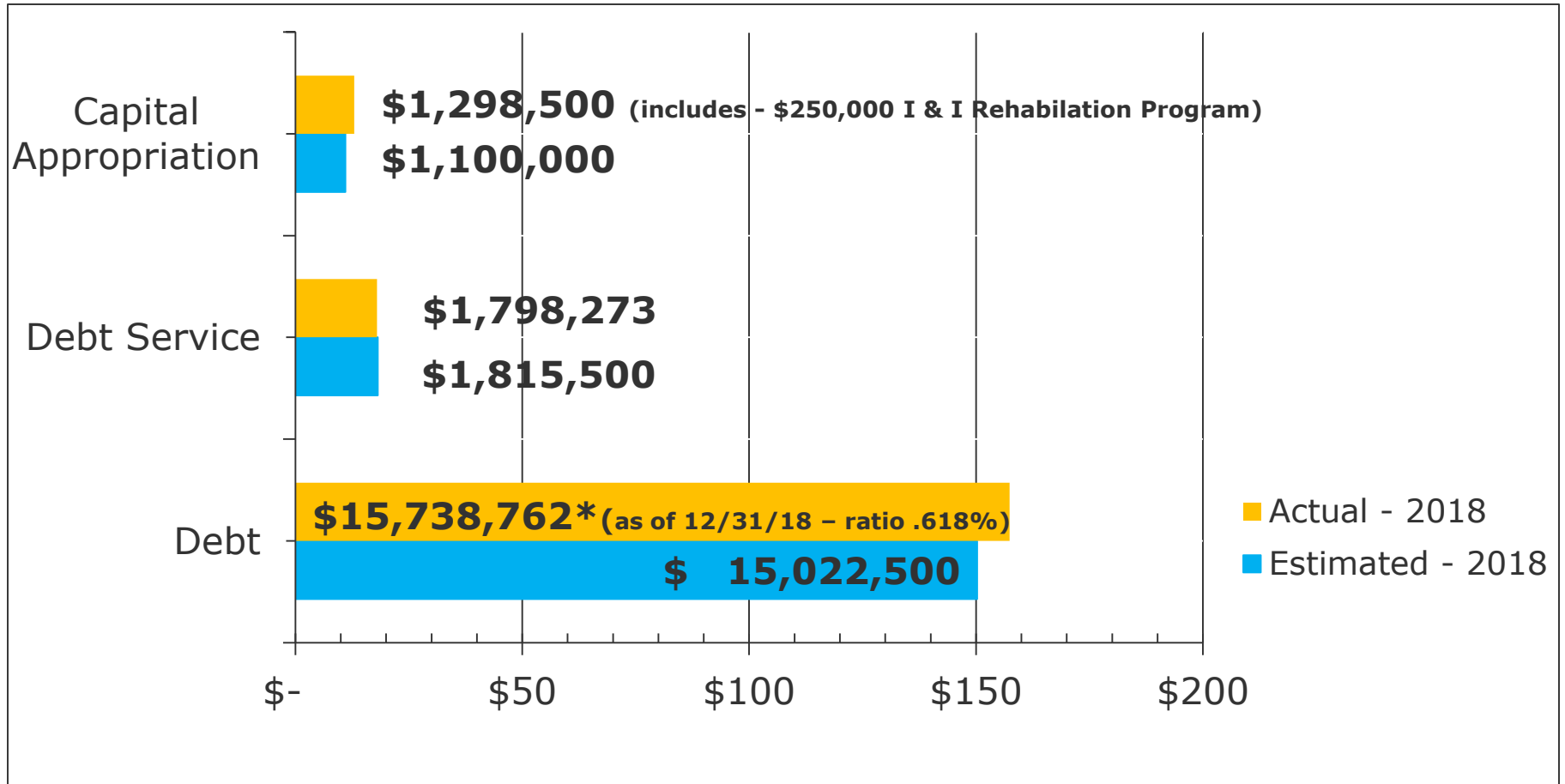
General Debt Service

2010 – 2019



Note : In Millions

Comparison 10 Year Financial Plan Capital Spending & Debt



*** Note : Increase due to new Joint Meeting NJEIT Loan in 2018.**

2019 General Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Engineering	2019 Road Resurfacing Program	\$100,000
	2019 Curb & Sidewalk Program	\$150,000
	2019 Drainage Improvements Program	\$ 50,000
	2019 I & I Program (Stormwater)	\$250,000
	Hillside Ave Improvements (NJ DOT Grant - \$125,000)	\$200,000
DPW	Road Maintenance – Micro surfacing	\$100,000
	Stormwater Improvements (material)	\$ 15,000
	Upgrade Bucket Truck	\$ 20,000
Buildings & Grounds	Borough Hall & DPW Improvements	\$ 35,500
	Borough Hall (Computer & Office Equipment)	\$ 15,000
	Gazebo Improvements	\$ 12,000
Vehicle Maint.	Hydraulic Lift	\$ 20,000

2019 General Capital Budget (continued)

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Sewer	Sewer Camera	\$ 50,000
	Sewer Lift Station Improvements	\$150,000
Solid Waste	Stainless Steel Body for Truck	\$ 21,000
Fire	Fire Truck (Reserve)	\$ 25,000
Police	Taser Conducted Energy Devices	\$ 11,000
	Borough Sign Replacements	\$ 5,000
	AED Replacements	\$ 3,500
	Speed Radar Devices	\$ 10,000
	3% Administrative Costs	<u>\$ 55,500</u>
	Total General Capital to Be Funded	<u>\$1,298,500</u>

2019 Road Improvement Plan

Mill & Pave

Hillside Avenue (Main St to Watchung Ave)

Orchard Road (Between Washington Ave & Fairmount Ave)

Center Avenue (Yale Street to Dead End)

Fuller Avenue (Red Rd to Dead End)

Dempster Road

Total Cost = \$100,000

2019 Road Improvement Plan

Micro Surfacing

Jessica Court

Lindsay Court

Regina Court

Duchamp Place

Meadowbrook Road

South Passaic Avenue (Dead End to Second Street)

Total Cost = \$ 100,000

2019 Water Capital Budget

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Water Utility	Fire Hydrants & Valves	\$ 50,000
	Water Distribution System Repair & Maint	\$ 25,000
	Water Meters w/ Transmitters	\$ 50,000
	Garage Door Upgrades	\$ 20,000
	Standpipe Upgrades	\$ 10,000
	Well #3 Improvements	\$ 35,000
	3% Administrative Costs	<u>\$ 5,000</u>
	Total Water Capital To Be Funded	<u>\$195,000</u>

DISCUSSION

➤ QUESTIONS