



# 2011 Budget

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Presented to  
Chatham Township Committee  
February 24, 2011

# Introduction

- The 2011 budget that is being presented tonight stays well within the State mandated spending CAP and is also below the new 2% CAP on the tax levy.
- We have continued our quest to find ways to deliver services effectively, efficiently and economically.
- This budget reflects that philosophy by utilizing increased shared services and reduction in our work force through attrition.

# The Tax Levy Cap

- In 2010 the Governor signed into law Chapter 62 of the Laws of 2010 which imposed a 2% limit on the increase to the previous year's amount to be raised by taxes, subject to some modifications.
- Under the formula the maximum allowable amount to be raised by taxes for Chatham Township in 2011 would be \$10,050,986.
- The actual amount to be raised is \$9,600,577.
- The amount below the allowable levy cap available for banking for use between 2012 -2014 is \$450,409.

# The Tax Levy Cap (cont)

- State Aid is budgeted at the same amount as 2010.

# 2011 Budget Statement

- We achieved two significant achievements in 2010 that are reflected in the 2011 budget.
- First is the consolidation of the municipal court with our neighbors in Madison, Chatham Borough and Harding Township into one shared court that will be hosted in Madison.
- Second is the turnover of emergency dispatch services to the County.
- These achievements will save over \$250,000 per year. The full savings will not be realized this year due to the phase in of the agreements.

# 2011 Budget Highlights

- Notable increases:
  - Joint Library : \$70,000.
  - Health Insurance: \$190,000.
  - Reserve for Uncollected taxes: \$102,062.
  - Police Pension: \$116,248
  - Public Employees Pension: \$67,370

# 2011 Budget Highlights

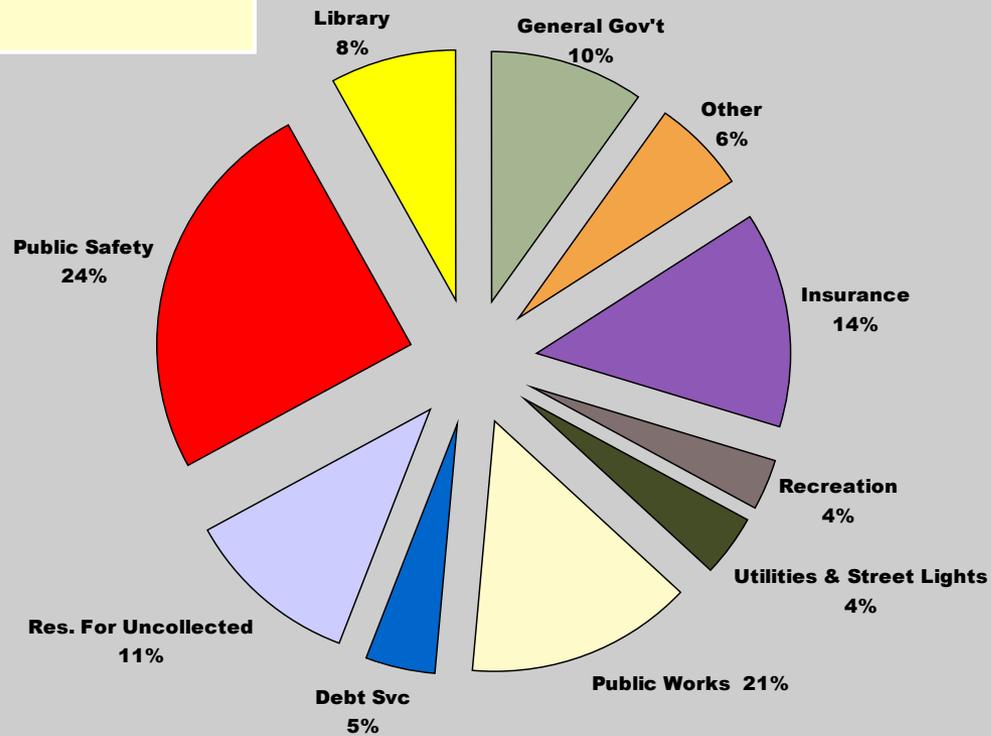
- Miscellaneous Revenues are increased by about \$10,000.
- Anticipated revenues from Construction Code fees are down \$10,000 due to the slowdown in construction.
- Surplus to be used \$1,750,000 a decrease of \$110,000.
- Surplus remaining of \$830,000.

# 2011 Budget Overview

	<b>2010</b>	<b>2011</b>	<b>Diff</b>
Surplus Used	1,860,000	1,750,000	-110,000
Local Misc	478,500	468,000	-10,500
NJ State Payments/Grants	836,483	836,467	-16
Public and Private Programs	197,750	227,536	29,786
Delinquent taxes	450,000	550,000	100,000
Construction Code Fees	250,000	240,000	-10,000
Local Purpose Taxes	9,423,173	9,600,577	177,404
Total Revenues	13,495,906	13,672,580	176,674
General Appropriations	12,234,405	12,309,017	74,612
Reserve For Uncollected Taxes *	1,261,501	1,363,563	102,062
Total Appropriations	13,495,906	13,672,580	176,674

# Your Government at Work

## 2011 Appropriations



# Finances and Surplus Impacts

- As of December 31, 2009 the surplus balance was \$2,804,662. We used \$1,860,000 as a revenue in the 2010 budget. The results of operations for 2010 show a new surplus balance on December 31, 2010 of \$2,581,415. We plan to use \$1,750,000 as a revenue in 2011 leaving a balance of \$831,415.

# Looking Ahead

- As a result of prudent planning over the last several years we remain in a position to meet the State mandated controls on spending and taxation.
- We have taken advantage of opportunities to share and consolidate services, joining with three neighboring municipalities to form a joint court.
- We have contracted with the County for emergency dispatch services saving money on current operations and avoiding the need for significant future capital expenses.

# Looking Ahead (cont)

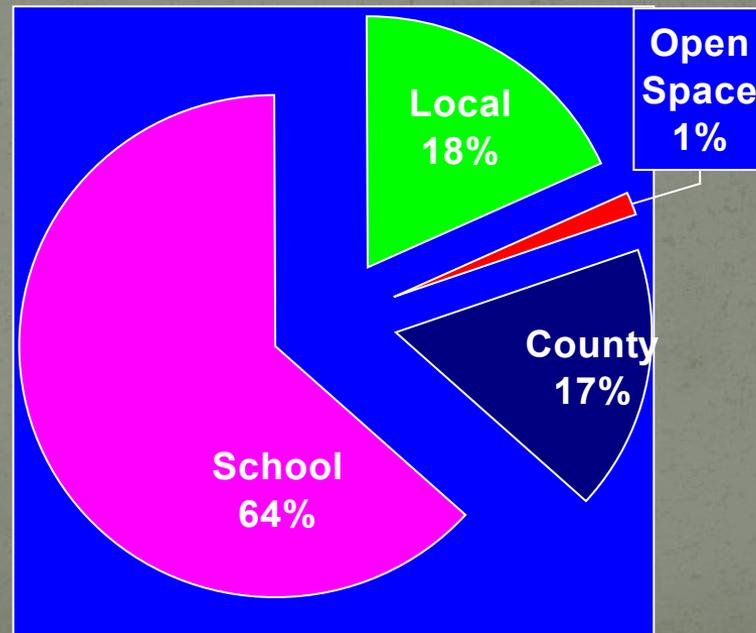
- We have reduced the size of every department of municipal government through attrition and without the need for layoffs or forced furloughs.
- We have met today's challenges and will continue on the path we have chosen.
- We have continued to see healthy ratable growth as a result of the planning and zoning policies in place and the efforts of our volunteer boards that make Chatham Township a very desirable place to live.
- We have used our surplus prudently. As a result of all of these actions we are able to meet the State levy cap and spending cap this year and likely for years to come.

# Taxes

- The net result of all of the steps we have taken so far results in a Local Purposes Tax Rate of .3221 per hundred dollars of assessed value which is an increase on last years rate of .0041 or .4 of a cent per hundred dollars of assessed value.

# Estimated Tax Rates And Distribution

<u>Estimated Tax Rates</u>		
	<u>2010</u>	<u>2011</u>
Local	0.318	0.322
Open Space	0.010	0.010
County	0.252	0.262
School	1.021	1.04
Total	1.601	1.634



# Average Local Taxes

- Average residential assessment in 2010 was \$747,500.
- 2010 Local tax rate of 31.8 cents per \$100 of assessed value resulted in a municipal tax bill of \$2,377.
- The proposed 2011 local tax rate \$2,406 – an increase of \$29 for the year.

# 2011 Capital Budget

- Various road improvements
- Purchase of security system for Police Headquarters
- Purchase of fire equipment to support volunteers