

2020 Township budget to increase to cover expenses

The 2020 municipal budget will be on the agenda for adoption when the Township Committee convenes Thursday, April 23, at 5:30 p.m. in a virtual meeting.

Due to Covid-19 restrictions on public gatherings, some members of the Township Committee and staff will meet remotely while those in attendance will maintain social distancing. In compliance with Gov. Phil Murphy's executive orders, the public will participate remotely via the normal video broadcast, and additionally via a phone call-in number and the Zoom virtual meeting platform. The meeting will be televised on Comcast Channel 29 and Fios Channel 26. Those watching on cable TV can participate in the meeting's public comment session by dialing 1-312-626-6799 and additional phone numbers listed on the agenda. Dial *9 to participate in the public hearing.

The Township operating budget will increase this year by \$234,593 to \$16,925,282 and the capital budget will increase by \$2,100,000 to cover necessary expenditures relating to the operation of the Township, public safety and affordable housing. If the affordable housing costs were removed, the capital budget would have decreased by \$560,000 from the 2019 capital budget. "We have labored over this budget to minimize the impact to residents to every extent possible," said Mayor Michael Kelly. "These are unprecedented times with challenges brought on by the the Covid-19 crises in addition to the anticipated expenses of providing services to Township residents. The primary focus of this budget is to make the necessary investments to maintain Chatham Township as a premier community in which to live."

Some of those key investments in both the capital and operating budgets include:

- \$230,000 to upgrade the Township's aging technology systems to safeguard residents' private information and to allow the kind of virtual meetings made necessary by the Covid-19 executive orders. While costly, this proactive investment is less expensive than closing the barn door after a ransomware attack could have shut down municipal services and compromised residents' sensitive data.
- Approximately \$3,000,000 for Affordable Housing, including property acquisition for group homes and affordable apartments; the annual stipend to extend the 72 affordable units at Vernon Grove; and the associated costs for legal, planning and engineering services. Of this total, \$333,500 will have a direct impact on the 2020 budget. This equates to an approximate 1 cent increase in the tax levy to fund the 2020 budget.
- Approximately \$1,590,000 is budgeted for capital improvements, including road repaving, and the replacement of vehicles and equipment for police, fire and DPW.

– \$1,422,351 is budgeted for debt repayment.

On the revenue side, the 2020 budget anticipates slower growth in permit fees and new tax ratables due to construction slowdowns resulting from both long-term trends and the Covid-19 shutdowns. The Township also has lost revenue from the expiration of leases for three cell towers temporarily positioned on public land during the now compete JCP&L monopole installation. \$3 million from surplus will be used to help cover expenses.

The tax increase will be 2.8 cents per \$100 of assessed valuation, including library expenses and the Open Space Trust Fund.. On the average home assessed at \$823,000, the municipal tax increase will be \$230. School and County taxes are not included.

Affordable housing actions which will affect the budget include introduction Thursday night of bonding ordinances for the purchase of two properties for future group homes. Those properties, located at 72 Southern Boulevard and 587 Fairmount Avenue, would partly meet the Township's affordable housing settlement and respond to requests from the public to locate affordable housing on scattered sites where possible. Group homes typically have four bedrooms each and serve residents who are developmentally or physically impaired.

The Township is in negotiations with Sterling-Sun Homes for a possible third group home site on Hillside Avenue opposite the builder's Dixiedale Townhome development. A fourth property under consideration is a municipally-owned site on the cul-de-sac of Gibbons Place should any of the three primary sites not be feasible.

The Township must budget for affordable housing because the Township Committee -- starting in 2015 -- decided to pursue a 100 percent municipally-sponsored strategy to meet its obligation for 200 affordable units. Under this approach, the Township must provide municipally-owned land where affordable units can be built. The alternative would have been to re-zone enough land where private developers could build four market-rate units for every one affordable unit they would provide. This inclusionary zoning approach would have reduced the Township's land-acquisition costs, but would have resulted in a total of up to 1,000 new homes, with a larger impact on traffic, the environment and student enrollment.

“Over the past year we have been transitioning to a fuller budgetary process with the adoption of formal goals and objectives tied to expenditures and planning for short-, medium-, and long-term operating and capital costs. As we balance the needs of our facilities, roads and infrastructure with the costs

associated with affordable housing and unanticipated expenses such as the Covid-19 pandemic, we believe that stronger planning will result in more manageable budgets for the future,” Mayor Kelly said.