



2008 Budget

Presented to
Chatham Township Committee
March 13, 2008

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Introduction

- The 2008 budget that is being presented tonight is the first budget prepared since the State adopted new regulations and imposed a CAP on the tax levy to go along with the CAP on appropriations.
- The budget stays well within the State mandated spending CAP and is also well below the the new CAP on the tax levy.

The Tax Levy Cap

- In 2007 the Governor signed into law Chapter 62 of the Laws of 2007 which imposed a 4% 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 2008 would be \$8,781,448.

The Tax Levy Cap (cont)

- The budget as presented tonight includes an Amount to be Raised by Taxes for Municipal Purposes of \$8,268,814.
- This levy is \$512,634 below the allowable amount.
- We lost \$135,443 in State Aid under the Governor's proposed budget which now results in an increase in our local purpose tax rate of one half of one cent per \$100 of assessed value.

2008 Budget Statement

- We promised last year to reduce the work force through attrition when possible. In this budget we have eliminated a clerical position in the police department and the part time zoning officer's responsibilities have been taken on by other employees.
- We will continue to look for opportunities for sharing services with our neighboring communities and the County.

2008 Budget Highlights

- While holding the line on expenses, this budget has increases in:
 - Police Salaries : \$112,000.
 - Police Pension Costs : \$168,000.
 - Other Employee Pensions: \$84,000.
 - Joint Library : \$34,000.
 - Utilities : 58,000.
 - Board of Health: \$14,000.
 - Reserve for Uncollected taxes: \$62,123.

2008 Budget Highlights

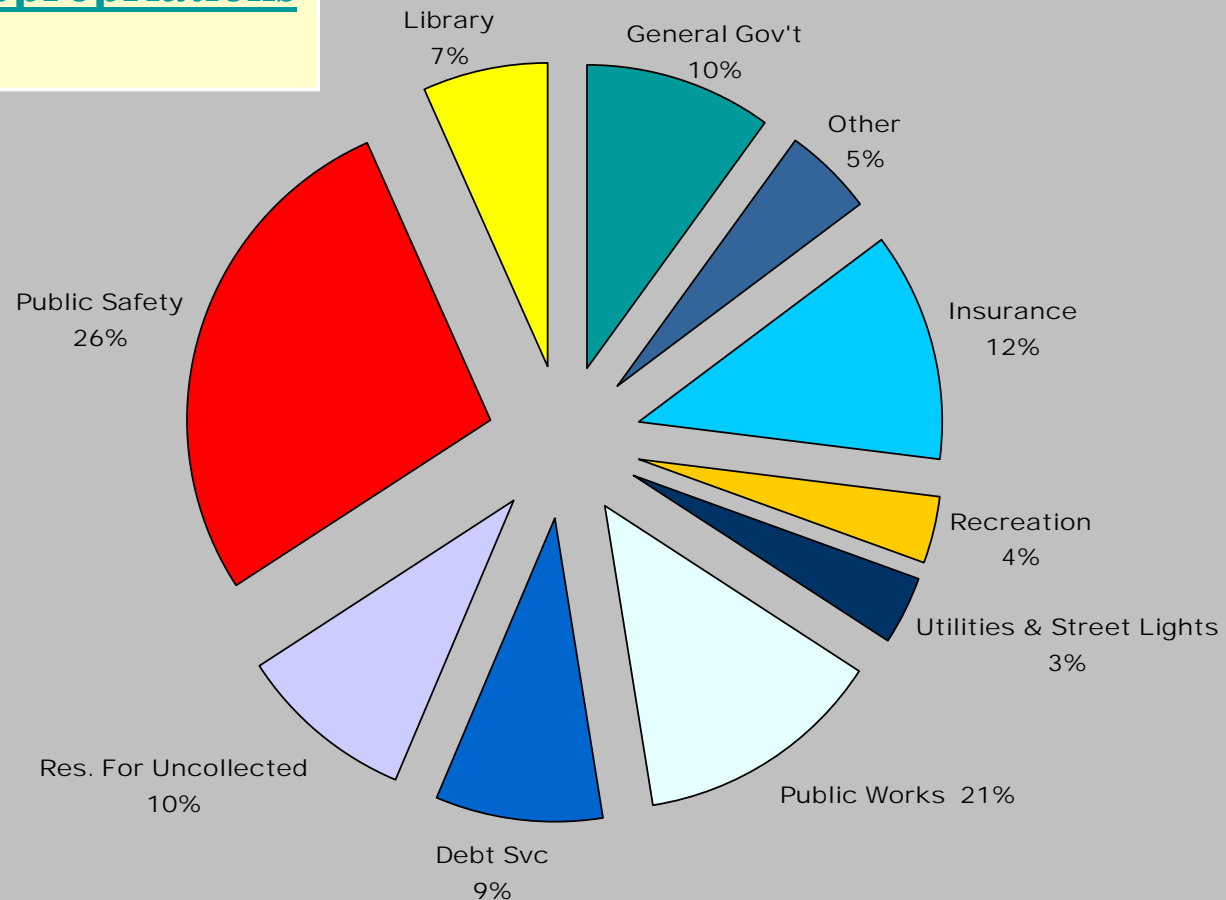
- Miscellaneous Revenues are up \$68,000.
- Anticipated revenues from Construction Code fees are down \$100,000 due to the slowdown in construction.
- Surplus to be used \$2,040,000 an increase of \$440,000.
- Surplus remaining of \$1,401,648.
- Reduced State Aid of \$135,443.

2008 Budget Overview

Surplus Used	1,600,000	2,040,000	440,000
Local Misc	634,000	702,000	68,000
NJ State Payments/Grants	1,256,971	1,121,555	-135,416
Public and Private Programs	171,645	288,864	117,219
Interlocal agreement	80,000	60,000	-20,000
Delinquent taxes	300,000	350,000	50,000
Construction Code Fees	350,000	250,000	-100,000
Local Purpose Taxes	7,892,781	8,268,814	376,033
Total Revenues	12,285,397	13,081,233	795,836
General Appropriations	11,207,651	11,941,336	733,685
Reserve For Uncollected Taxes *	1,077,746	1,139,869	62,123
Total Appropriations	12,285,397	13,081,205	795,808

Your Government at Work

2008 Appropriations



Finances and Surplus Impacts

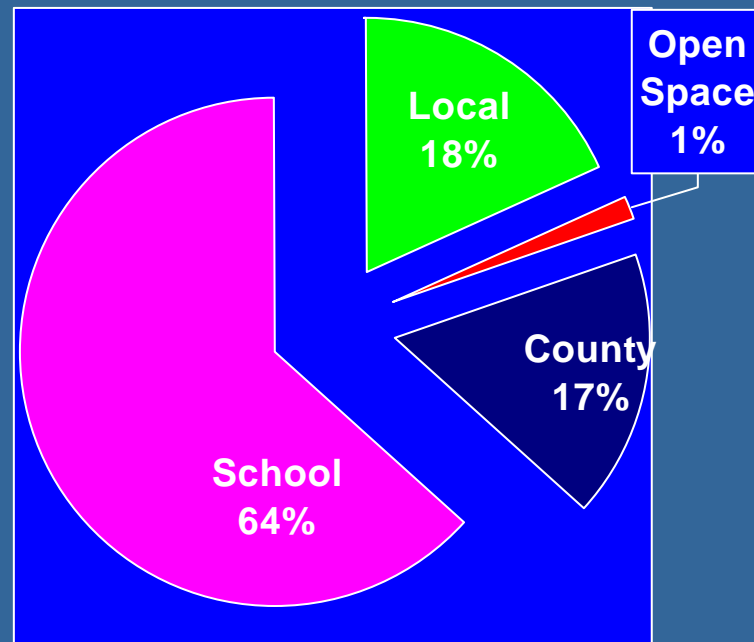
- As of December 31, 2006 the surplus balance was \$2,884,965. We used \$1,600,000 as a revenue in the 2007 budget. The results of operations for 2007 show a new surplus balance on December 31, 2007 of \$3,441,648. We plan to use \$2,040,000 as a revenue in 2008 leaving a balance of \$1,401,648.

Finances and Surplus (cont)

- As a result of prudent planning over the last several years we are in a position to not only meet the State mandated controls on spending and taxation but to significantly exceed the requirements imposed.
- At a time that our property owners may be feeling pinched by increased costs and a weakened economy, we are able to go into 2008 with no tax increase.

Estimated Tax Rates And Distribution

<u>Estimated Tax Rates</u>		
	<u>2007</u>	<u>2008</u>
Local	0.284	0.289
Open Space	0.022	0.020
County	0.266	0.262
School	0.928	0.975
Total	1.500	1.546



Average Local Taxes

- Average assessment in 2007 was \$723,536.
- 2007 Local tax rate of 28.4 cents per \$100 of assessed value resulted in a bill for local purposes of \$2,054.
- The proposed 2008 local tax rate of 28.9 \$100 results in a bill for local purposes of \$2,091 – an increase of \$37.

2008 Budget Summary

- Surplus to be used of \$2,040,000 leaving a balance remaining of \$1,401,648.
- Increase in Police salaries of \$112,000.
- Increase in Pension contribution of \$251,500.
- Increase in Utility Costs of \$58,000.
- Decrease in Debt Service of \$22,500.
- Local purpose tax rate of 28.9 cents per \$100 dollars of assessed valuation.
- Decrease in State Aid of \$135,443.
- Average local tax bill increased by \$37.

2008 Capital Budget

- Purchase DPW Equipment
- Improvements to the Municipal Building and Southern Boulevard Firehouse .
- Preliminary engineering work and permitting for improvements to Shunpike Field
- Various road improvements
- Purchase of fire equipment to support volunteers
- 9/11 Memorial