

Borough of Chester

Mayor Janet Hoven
50 North Road
Chester, New Jersey 07930
T: 908.879.3660 x2133
F: 980.879.0122
jhoven@chesterborough.org
www.chesterborough.org



Council Members
Karen Ferrone
Russell Goodwin
Elizabeth Gugliemini
Kyle Holman
Timothy Iversen
Gary Marshuetz

July 21, 2017

Dear Fellow Borough Taxpayer,

Enclosed you will find your 2017-2018 tax bill for municipal, school, county and library taxes. I want to take this opportunity to break down the municipal tax budget and bring you up to date on initiatives to control costs in the Borough.

The municipal budget has been increased by 1%. Despite the best efforts of the governing body and administration, which continues to make cost reduction and efficiency the top priority in providing essential quality services to its residents, the Borough has been forced to incur significant legal expenses in connection with its affordable housing obligations. Given the collapse of the State of New Jersey Council on Affordable Housing, and the void of a legislative remedy, the courts have been forced to assume the role of the COAH. Municipalities must therefore seek judicial confirmations and determinations. The Borough filed an action in 2015 seeking judicial confirmation of its affordable housing obligation and plan. That action was met with opposition from Fair Share Housing, a non-profit organization, and the property owners of the Turkey Farm property and Mill Ridge Estates. The opposition is intended to dramatically increase the Borough's affordable housing obligation and satisfy it in part with a significant housing project. The litigation costs associated with defending against that opposition now exceeds \$200,000. This cost eliminated what could have been a Borough tax reduction, and resulted in a tax increase.

A larger tax increase was minimized, however, by the savings derived from the Inter Local Shared Service agreement with Chester Township to provide police services to the Borough. All Borough officers were hired by the Township, and the Borough pays a contracted amount to the Township for services. This arrangement resulted in approximately \$200,000 in annual savings for the Borough.

Shared service arrangements between municipalities help control cost and taxes for residents. The Borough has shared service agreements for the following:

Courts – Mendham Borough	Board of Health – Bernards Township
Tax Collection – Chester Township	Vehicle Maintenance – Chester Township
Police – Chester Township	Solid Waste – Mount Olive

The Borough also has positions filled with part-time employees, reducing health benefit costs. Part time employees are in the following departments:

Finance including CFO	Construction	Borough Administrator
Tax Assessor	Board of Health	

The Borough currently has nine full-time employees and seven part-time employees.

Total appropriations for the 2017 municipal budget are \$3,559,242.24. One of the largest appropriations is healthcare insurance premiums for retirees. For the upcoming year, \$375,000 has been budgeted to cover premium costs plus \$10,000 for Medicare reimbursement. This represents 11% of overall budget appropriations. Health insurance premiums for current employees are \$195,000. Employees contribute \$28,000 towards the premiums. The total appropriation for health care insurance for current and retired employees including dental is \$574,500, which is 16% of the budget.

The total appropriation for salaries and wages is \$745,428, or 21% of the budget. Employees were given a 2% increase in salaries for the fiscal year 2017. For the third year in a row, the governing body voted against a salary increase for themselves.

In the past three years the following roads/neighborhoods have had road paving projects: Budd, Grove, Elm, Oak and the Shadow Ridge neighborhood. Each year, for the past several years, the Borough has applied for a grant from the state for the repaving of Fairmount Ave. This is one of the few roads in the Borough that would qualify for state aid. Each year, the request has been denied. Applications will continue to be submitted for the paving of the road. There are no road projects planned for 2017. The Department of Public Works is focusing on the repair and replacement of catch basins located throughout the Borough. Catch basins will collapse due to normal wear and tear.

Debt payments for 2017 are \$320,935 on a principle of \$4,370,000. Included in the total debt is a 10 year note in the amount of \$570,000 authorized in 2016 for the paving of the Shadow Ridge neighborhood and other road projects. The remaining \$3.8 million represents debt incurred in the early 2000s for sidewalks, the construction of the Field House, improvements to Grove Street Park and the purchase of the municipal complex at 50 North Road.

We are pleased to announce that in November, online credit card and e-check payments for taxes, garbage and sewer will be available in the Borough. There are additional convenience fees charged for this service.

It continues to be an honor to serve as your Mayor. Please feel free to reach out to me with questions or concerns at jhoven@chesterborough.org, or on my cell at 201-602-7517. Visit our website for the latest news, www.chesterborough.org and like us on Facebook, Municipality of the Borough of Chester.

Sincerely,

A handwritten signature in cursive script, appearing to read "Janet G. Hoven".

Janet G. Hoven
Mayor