

**TOWN OF CHATHAM**  
**SUPERVISOR'S 2019 BUDGET STATEMENT**

**Maria Lull**

**November 15, 2018**

One of my most important duties as Town Supervisor is to prepare and coordinate the Town's budget process with the appointed Budget Officer. This year the process started in early spring with the analyzing of the New York State Comptroller's Office 2017 Annual Update Document (AUD) prepared by the Town Accountants. We were encouraged to find that the work of the preceding two years on cutting expenses and accounting for each budget line item had greatly improved the financial situation, resulting in the removal of the NYS Comptroller's Office "fiscal stress" rating. In July, the Budget process started with the Budget Calendar being set and each department head receiving their budget request forms, followed by the Citizens' Finance & Planning Committee review of the submitted departmental budget requests, and then the Town Board work sessions with department heads. I am delighted to report that the 2019 Town Budget will have less than 1% tax increase.

This improvement has been achieved primarily from increases in sales tax revenue and responsible spending. The minimal tax increase will help keep more money in the pockets of the Town of Chatham taxpayers without sacrificing any of the town services. Taxpayers will continue to benefit from the long-term planning of this Town's administration.

In 2016, the Town Board approved changing the budget model to a reality-based budget. For the past two years, we have been working with the Department Heads to formulate a Budget based on our best forecast estimates of how much money the town would collect and appropriate for spending. With this model, the budgeting process analyzes the total amount appropriated in every line item starting with the first dollar on the first day of the calendar year.

The challenge has been to build a budget for 2019 that would allow the Town to be able to adequately save funds for extraordinary expenditures, i.e., those that

could not be anticipated in any one year and expend funds for the true cost of operating the government. In addition, we needed to find alternatives, in both the short term and long term, to solve the budget problems, while simultaneously striving to remain below the state-mandated tax-cap requirement. Since I took up the position of Supervisor in January 2016, the Town of Chatham has stayed under the tax cap even during the years of fiscal stress. The department heads have done an excellent job in crafting their individual budgets. Their careful management, together with the work of the town accountants, the budget officer, Citizens Finance & Planning Committee and Town Board has resulted in a healthy financial position for the Town and an improved forecast for coming years. This year, I am proud to report that we have accomplished our goals!

All meetings of the CR&PC and Town Board have been open meetings to enable citizens to participate in and understand the deliberations and reasoning behind each of the changes recommended with total transparency. We are mindful that the taxpayers have entrusted us with a great responsibility in the form of their hard-earned dollars.

In May 2018, Town Board has adopted a Fund Balance Policy which is based upon recommendations from the New York State Comptroller that each municipality should have a written fund balance policy for the General Town-wide Fund (A); General Part-Town Fund (B-outside Village), Highway Town-wide Fund (DA), and Highway Part-Town Fund (DB – outside Village). The new Fund Balance Policy is to guide this and future Town Boards in funding adequate reserves to provide the capacity to:

- ensure sufficient cash flow for daily financial requirements;
- guard against significant economic downturns;
- protect against unforeseen expenditures related to emergencies;
- maintain investment grade bond ratings;  
and
- provide a framework to help guide budgetary decisions.

In recent years, we have made significant investments in Town infrastructure and highway equipment. In 2016, we began analyzing and prioritizing the replacement of culverts within the town boundaries. Most recently, with the assistance of Trout Unlimited and a grant, the Green Brook is now flowing again with the removal of a collapsed culvert in the Riders Mills area of the Town. The Highway Superintendent has worked diligently to replace the aging highway equipment, financed by a long-term bond. Our highway equipment is now almost fully up-to-date and in better condition to handle the demands of a Town as geographically challenged as Chatham, with its 97 miles of roadways.

I am very proud to report that we have been able to make these major investments in our community and government with less than a 1% tax increase and in full compliance with the state-mandated tax cap, reducing the use of fund balances, and pulling the town safely out of the category of financial fiscal stress. We will continue to build on these accomplishments in 2019. The 2019 Town Budget, while fiscally conservative, will enable this Town Board to continue the momentum we began in 2016

The following are a few of the changes that are reflected in the 2019 Town Budget:

- The Chatham Rescue Squad has changed its model of calculating the charges to towns. These charges are now based on the total real property assessed value (as is already the case with the fire companies). This will be a charge imposed by the County.
- All town employees were given a 2% salary increase for 2019 except for the Planning Board, Zoning Board of Appeals, Board of Assessment Review, and Town Board and Town Supervisor.
- Columbia County Real Property Department will be conducting a revaluation for the Town in 2020 and the Town will pay for these services over the course of three years with a first payment of \$9,500 in 2019.
- The Town Hall meeting room will be refurbished with new chairs, maps, and a wall plaque.
- The Town Hall exterior will be refurbished, with new landscaping and a new light post in the rear parking lot, as is required by our insurance company.

- Plans are under way to complete the Crellin Community Park Pavilion and upgrade a number of the facilities at the park that are long overdue, financed by securing a 10-year bond.
- Building Department employee hours have been increased by four hours per week to address the expected volume of additional work on the permitting of short-term rentals, and additional software is being purchased.

The 2019 Town of Chatham Budget has had input from many individuals, as well as from the department heads, the Citizens Finance & Planning Committee, and the Town Board, and has been overseen by the Town's accounting firm. This budget is fiscally sound, operationally effective, and fair to both employees and taxpayers. Through this budget, we will be in compliance with the state-mandated tax cap, we will invest in our Town, and we will continue to make significant progress in creating a long-term, sustainable, and stable economic base for Town taxpayers.

In closing, I offer my appreciation to the Town Board, the Deputy Supervisor, the Budget Officer, the department heads, the Citizens Finance and Planning Committee, and the entire staff for their diligent, hard work on this budget and for helping the Town Board create and maintain a fiscally strong foundation for the people of Chatham.