

Municipal Services & Financial Overview

Township and Borough of Chester

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Prepared for:
Joint Consolidation Study Commission

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INTRODUCTION

This baseline report provides an overview of municipal services and financial information for the Township and Borough of Chester, New Jersey. The review constitutes the study's "What Exists?" report, and presents relevant Township and Borough metrics on size, structure, finances and operations. The report establishes a foundational understanding of how the Township and Borough deliver and fund services, and will serve as an information baseline for examining options.

HISTORY, SIZE AND STRUCTURE

In 2008, officials in Chester Township and Chester Borough initiated an effort to explore the potential benefits of consolidating into a single municipality. Following a public hearing in February 2009, the governing bodies of both the Township and Borough received approval from the State of New Jersey's Department of Community Affairs (Local Finance Board) to create a Joint Consolidation Study Commission and establish a process for a consolidation study. The Commission, comprised of Township and Borough representatives¹, was tasked with studying the feasibility of consolidating the municipalities into a single governmental unit.

A unique history bears on the current review of consolidation. In fact, the Chester community was at one time governed under a single municipality. From the time of the Township's founding in 1799 until the 1920s, the community operated as a single government, providing common services to its outlying farmland and increasingly developing central core. In the 1920s, however, development in the community's central core area began to distinguish the community's inner and outer areas. Growing development pressures in the core led to water supply problems that catalyzed a public debate over the need for creation of a public water system, "a project not appealing to the surrounding farmers whose tax dollars would help pay for it."² As a result, in 1930 the Borough of Chester was incorporated as a separate municipality to manage the public water system and the increasing infrastructure demands being created by new development. That municipal structure persists to today, with the

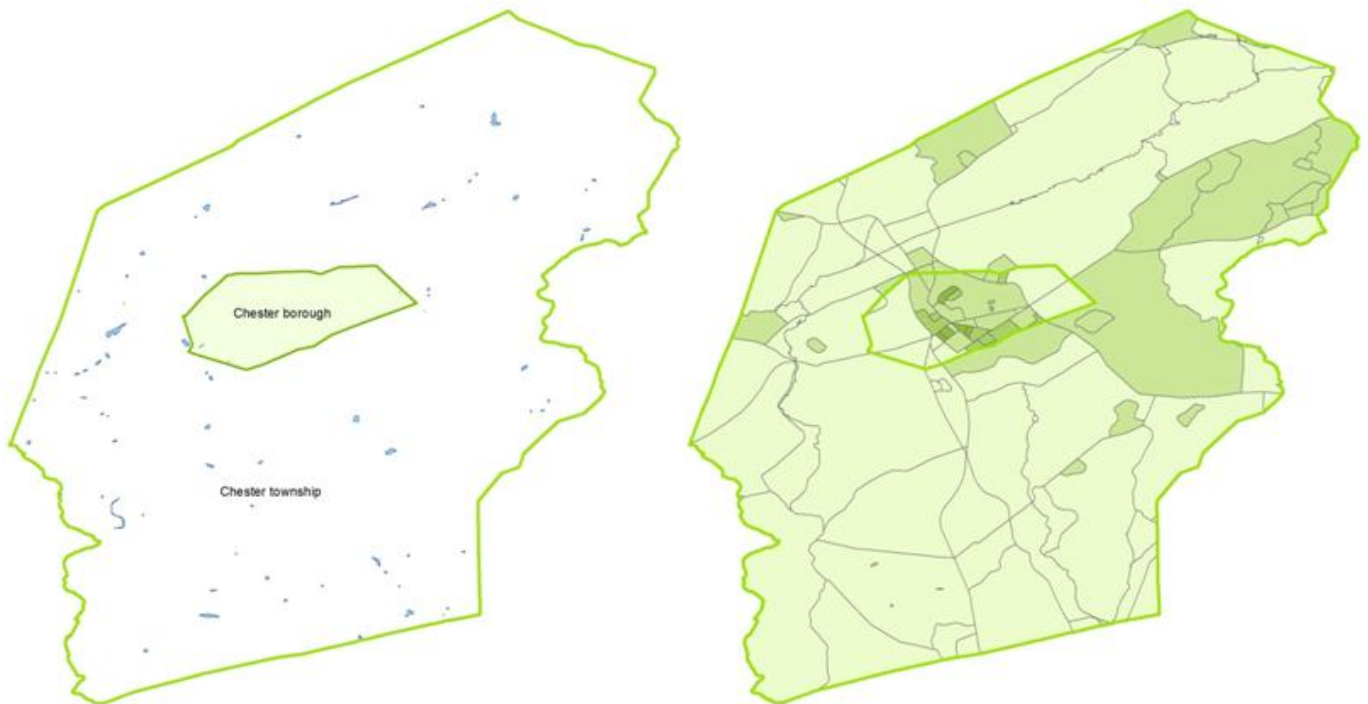
¹ Commission members include: Brian Murphy, Township Council member (Chairman); William Cogger, Township Mayor; Robert Davis, Borough Council member; Matthew Kass, Township Council member; Valle Schloesser, Borough Council member; and Dennis Verbaro, Borough Mayor. The State Department of Community Affairs' non-voting representative is Jim Allison.

² See <http://www.chestertownship.org/history.html>

1.64-square mile Borough of Chester completely surrounded by the 29.3-square mile Township of Chester.

Notwithstanding the split that occurred in 1930, the two municipalities operate in a generally cooperative manner today to serve their respective constituencies as effectively as possible. Much of that cooperation is informal, from the sharing of public works equipment and plowing, to backup for each entity's police department and partnering through the County Sherriff's Office's mobile data terminal system. Moreover, there are a host of examples where the Township and Borough have formally contracted to provide joint services to the community, such as in the areas of fire protection, first aid, library, emergency dispatch, schooling and senior transportation.

The Township of Chester and the Borough of Chester are situated along the southwestern boundary of Morris County, New Jersey, approximately 50-miles west of New York City. The Borough had an estimated population of 1,635 as of the 2000 Census; the Township had a population of 7,282. The Borough's population density of 1,090 per square mile is more than four times that of the Township. The following maps illustrate the municipal boundaries of the Township and Borough (on the left), and the population density as of the 2000 Census (on the right).



Population in the overall community has grown significantly in the past half-century. From 1950 to 2000, the Borough grew by 117% and the

Township expanded by 461%. Based on the Census Bureau's annual population estimates, the growth has continued since 2000. The estimated population as of July 1, 2008 was 7,761 in the Township and 1,678 in the Borough.

Township and Borough Population, 1950-2008

Source: Census Bureau

	Township	Borough	Combined
1950	1,297	754	2,051
1960	2,107	1,074	3,181
1970	4,265	1,299	5,564
1980	5,198	1,433	6,631
1990	5,958	1,214	7,172
2000	7,282	1,635	8,917
2001 (est)	7,476	1,645	9,121
2002 (est)	7,519	1,654	9,173
2003 (est)	7,604	1,648	9,252
2004 (est)	7,668	1,646	9,314
2005 (est)	7,722	1,641	9,363
2006 (est)	7,759	1,636	9,395
2007 (est)	7,746	1,643	9,389
2008 (est)	7,761	1,678	9,439

The Borough of Chester is formally organized under the borough model of government, pursuant to New Jersey state law (NJSA 40A:60-1, *et. seq.*). It is governed by a mayor and six-member council, all of whom are elected at-large. The mayor serves a four-year term, while the council serves staggered three-year terms. As head of the municipal government, the Borough mayor presides over council meetings but votes only in the case of ties. The mayor retains veto authority over ordinances, but the veto is subject to a two-thirds majority council override. The mayor has the power to appoint subordinate officers and professionals with council approval.

The Township of Chester is organized under the Faulkner Act "small municipality" model of municipal government, pursuant to New Jersey state law (NJSA 40:69A-115 *et. seq.*). It is governed by a mayor and four-member council, all of whom are elected at-large. The mayor serves a three-year term, while councilmembers each serve three-year terms. The mayor presides over the council and has a vote, but does not retain veto power. In exercising the executive authority of the Township, the mayor has the power to appoint the clerk, attorney, tax assessor, collector and treasurer, each with council confirmation.

BUDGETARY SUMMARY

See footnote ³

Expenditures

The 2009 Township and Borough budgets contain anticipated *all funds* expenditures of \$16.807 million. Of that total, \$10.985 (65%) is Township; the remainder, \$5.822 (35%) is Borough.

Budgeted Expenditures

*Source: 2009 Township and Borough Budgets
(Dollars in millions)*

	General	Dedicated	Total
Township of Chester	\$10.985	-	\$10.985
Borough of Chester	\$4.635	\$1.187	\$5.822
Total	\$15.620	\$1.187	\$16.807

At a high level of detail, municipal budgets can be broken into two general categories – general appropriations (including general debt service) and “dedicated funds.” All Township expenditures are general in nature; by contrast, the Borough’s budgeted expenditures are broken out as follows: \$4.636 for general appropriations and \$1.187 for three dedicated funds (sewer utility, swimming pool utility and solid waste utility).

Expenditure Overlaps

As the basic menu of municipally-provided services tends to be reasonably similar across local governments, most spend money in common areas. In order to quickly assess the degree of spending overlap that occurs in Chester, the Township and Borough budgets were overlaid on one another. The following table reflects those budget line items in which both the Township and Borough have invested resources in their current year budgets. (Note: This table reflects only *general appropriations*, and does not include spending in dedicated funds.)

³ The baseline report relies on current year budgets for both the Township and Borough. Budgeted information is used instead of prior year actuals because the current year budget represents the towns’ most recent attempt to project expenditures and revenues, and thus their best estimates based on actual experience, recent history and goals for the fiscal year. Particularly in the areas of fringe benefits and utilities, where year-to-year changes can be more significant, the current year budget more accurately reflects what is likely to happen over the course of the year. That said, it is important to note how both towns finished their prior fiscal year. The Borough’s audited financials for fiscal year ending December 31, 2008 show unexpended general appropriations of \$148,500. The Township’s audited financials for fiscal year ending December 31, 2008 show unexpended general appropriations of \$3.

Functional Expenditure Overlaps

Source: 2009 Township and Borough Budgets

(Dollars in millions)

	Township	Borough	Combined
Police	\$1.740	\$0.864	\$2.604
Debt Service	\$1.497	\$0.306	\$1.803
Road Repairs & Maintenance	\$1.341	\$0.296	\$1.637
Insurance (all forms)	\$1.017	\$0.504	\$1.521
Retirement/Pension System	\$0.867	\$0.285	\$1.152
Library	\$0.737	\$0.159	\$0.896
Admin, Council & Clerk	\$0.241	\$0.219	\$0.460
Planning Board & Zoning	\$0.173	\$0.123	\$0.296
Fire Department	\$0.201	\$0.062	\$0.263
Legal	\$0.125	\$0.131	\$0.256
State Construction Code	\$0.166	\$0.057	\$0.223
Utilities	\$0.055	\$0.150	\$0.205
Financial Administration	\$0.113	\$0.089	\$0.203
Emergency Dispatch	\$0.131	\$0.066	\$0.197
Municipal Court	\$0.108	\$0.087	\$0.195
LOSAP	\$0.100	\$0.020	\$0.120
First Aid Squad	\$0.094	\$0.020	\$0.114
Tax Assessment Admin	\$0.082	\$0.032	\$0.114
Board of Health	\$0.046	\$0.058	\$0.104
Tax Collection	\$0.070	\$0.033	\$0.103
Vehicle Maintenance	\$0.065	\$0.023	\$0.088
Engineering	\$0.015	\$0.034	\$0.049
Annual Audit	\$0.030	\$0.017	\$0.047
Senior Transport	\$0.020	\$0.012	\$0.032
Emergency Management	\$0.010	\$0.004	\$0.014
Public Defender	\$0.001	\$0.002	\$0.003
Total	\$9.045	\$3.653	\$12.698

A total of \$12.698 million in combined Township/Borough expenditures occur in common functions. The largest common investments occur in police (\$2.604 million), debt service (\$1.803 million), road maintenance (\$1.637 million) and insurance (\$1.521 million). In total, the \$12.698 million in common expenditures represent roughly 81% of all combined general appropriations in the Township and Borough. In other words, four-fifths of total general expenditures occur in identical categories by the two municipalities.

Revenues

The 2009 Township and Borough budgets contain anticipated *all funds* revenues of \$16.807 million, balanced with budgeted expenditures. The

breakdown of revenues between Township and Borough general and dedicated funds is consistent with what is found on the expenditure side.

Budgeted Revenues

Source: 2009 Township and Borough Budgets

(Dollars in millions)

	General	Dedicated	Total
Township of Chester	\$10.985	-	\$10.985
Borough of Chester	\$4.635	\$1.187	\$5.822
Total	\$15.620	\$1.187	\$16.807

Regarding general revenues, the largest category in both the Township and Borough is the local property tax – the Township generates \$7.815 million (71% of all its general revenue) from the local tax, while the Borough generates \$2.996 million (65%).

The second-largest source of budgeted revenue for both entities is surplus anticipated – the 2009 Township budget contains \$1.000 million (9%), and the Borough contains \$0.811 million (17%). The third-largest source of revenue for both is the energy receipts tax. The Township budgeted \$1.079 million (10%) and the Borough budgeted \$0.174 million (4%).

These three primary revenue sources – the local tax, surplus anticipated and energy receipts tax – combine to account for 90% of all Township general revenues and 86% of Borough general revenues.

Regarding the Borough’s three dedicated funds, costs are offset in full primarily through the assessment of user fees.

TAX RATES

Because the Township and Borough have significantly different net property valuations across which to spread their respective tax levies, a “penny” on the tax rate generates a different amount in both.

In its 2009 budget, the Township tax levy is \$7.815 million. Spread across a net taxable valuation of \$2.249 *billion*, the Township tax rate is \$0.347 per hundred dollars of taxable assessed value (or \$3.47 per thousand).

By contrast, the Borough’s 2009 budgeted local tax levy is \$2.996 million, but its net taxable valuation (\$453.804 *million*) is considerably less than the Township’s – approximately one-fifth, in fact. As such, even though the Borough’s overall levy is less than that of the Township, it needs a higher tax rate (\$0.660 per hundred, or \$6.60 per thousand) in order to fund its levy.

Local Tax Rates for Past Two FYs

Source: 2009 Township and Borough Budgets

	Tax Levy	Taxable Value	Tax Rate
	(\$ millions)	(\$ billions)	(per \$100)
<u>FY 2009</u>			
Township of Chester	\$7.815	\$2.249	0.347
Borough of Chester	\$2.996	\$0.454	0.660
<u>FY 2008</u>			
Township of Chester	\$7.583	\$2.267	0.334
Borough of Chester	\$2.921	\$0.455	0.641

As reflected in the table, the Township's tax rate grew 3.9% from 2008 to the current year; the Borough's grew nearly 3.0%. While the respective levies grew in both entities year-over-year – 3.0% in the Township and 2.6% in the Borough, net taxable property valuation fell slightly in both. This is likely due in part to the national economic downturn.

One helpful way to present the different levy and taxable valuation contexts of the Township and Borough is to look at the “value of a penny” on the tax rate in each entity. Increasing the tax rate in the Township from \$0.347 to \$0.357 generates nearly \$215,000 in additional revenue. By contrast, increasing the Borough's rate from \$0.660 per hundred to \$0.670 generates only \$45,000, only one-fifth as much as the Township.

It should also be noted that both entities are close to their maximum allowable amounts to be raised by taxation. NJSA 40A:4-45.44 through 45.47 established a formula that limits increase in the amount localities can raise by taxation. The current-year limit for the Township is \$7.817 million; the Township budget uses 99.9% of its allowable amount. Similarly, the current-year limit for the Borough is \$2.996 million; the Borough budget uses 99.9% of its allowable amount.

FUND BALANCES

As of December 31, 2008, the Township had an audited fund balance of \$1.940 million *in its current fund*; the Borough had an audited fund balance of \$1.354 million. In both cases, these totals are net of amounts anticipated to be utilized as revenue for the 2008 budget year. Smaller fund balances existed in various special funds, as follows:

- Township
 - General capital fund, \$0.019 million
- Borough
 - Swimming pool utility operating fund, \$0.287 million

- Sewer utility operating fund, \$0.211 million
- Assessment trust fund, \$0.062 million
- Solid waste utility operating fund, \$0.036 million
- General capital fund, \$0.003 million
- Sewer assessment trust fund, \$0.003 million
- Sewer capital fund, \$0.001 million

DEBT LEVELS

The Township and Borough have a combined total debt load of slightly more than \$21.0 million. Approximately 68 percent of that total is Township debt, split between bonds and notes. The remaining 32 percent is Borough debt, which is entirely in the form of notes. As of the most recent reporting, the debt ratio (*i.e.*, net debt as a percentage of equalized real property valuation) was 0.69 percent for the Township, and 1.40 percent for the Borough.

As discussed below, it is important to note that a portion of the outstanding debt is either “self-liquidating” or subject to a dedicated revenue stream. For example, more than \$1.0 million of the Borough’s debt pertains to its sewer utility and pool, both of which are funded through user fees rather than a general tax. Similarly, the Township’s \$3.5 million in open space bonds are offset by a dedicated Open Space Trust tax stream provided for in its municipal code.

The following summaries provide detailed breakdowns of the Township and Borough debt obligations as of the present time. The figures presented reflect only debt that has already been issued, and do not include authorized but unissued debt.

Township

As of December 8, 2009, the Township held \$14,368,700 in debt obligations. Almost \$7.0 million is in the form of bonds and \$6.4 million are Bond Anticipation Notes (BANs), with the remainder related to a Green Trust Loan. Of the total amount, more than half was issued for the purpose of preserving open space or acquiring properties for various purposes. Open space bonds comprise \$3.5 million of the total, while three bond anticipation notes with a total balance of \$4.5 million covered property acquisition (including the Telcordia property purchase).

The Township’s debt obligations are offset in part by a \$546,301 debt service reserve. The account is not restricted for any one debt line, and can be used as necessary to meet obligations going forward. The Township also has a COAH Trust Fund with a \$987,000 balance, which may be used to meet a portion of one of its land acquisition notes, as

referenced below. The following table presents the Township's entire current debt portfolio in detail.

Township of Chester
Summary of Municipal Debt as of 12-8-09

Source: Township Finance Office

BONDS	
General Improvement	\$1,666,000 ¹
General Improvement	\$1,774,000
Open Space	\$3,545,000 ²
Subtotal	\$6,985,000
BOND ANTICIPATION NOTES	
Acquisition of Telcordia Property	\$570,000 ²
Acquisition of Land	\$1,000,000 ²
Acquisition of Land	\$2,967,000 ³
Various Capital Improvements	\$1,904,000
Subtotal	\$6,441,000
LOANS	
Green Trust	\$942,700
Subtotal	\$942,700
Total Debt, All Sources	\$14,368,700

Notes

(1) Reflects a scheduled \$530,000 payoff in mid-December 2009

(2) Subject to dedicated Open Space Trust revenue, as provided for in Township Code Chapter 21.

(3) Pertains to proposed COAH development in partnership with United Cerebral Palsy. A COAH Trust Fund with a balance of \$987,000 may be used in part to offset this obligation, subject to COAH regulations.

Borough

As of December 8, 2009, the Borough has \$6,658,360 in outstanding debt, all of which is in the form of Bond Anticipation Notes (BANs). The Borough has routinely kept its debt in the form of BANs, and rolled over these short-term notes with a new issuance on an annual basis. The Borough's CFO notes that there remains a possibility certain notes would be converted to bonds in the next year, provided a \$500,000 state Green Acres grant materializes.

It is important to note that a portion of the Borough's listed debt is technically "self-liquidating" – that is, it relates to the sewer utility and pool accounts which offset costs through user-fee revenue. These self-liquidating debt lines account for \$1.0 million of the Borough's total outstanding debt. The remaining \$5.6 million includes notes issued for the Lucent property (\$2.1 million), sidewalks (\$1.7 million) and capital improvements to roads, parks and the field house.

At present, the Borough reports no debt service reserve to offset existing obligations. Such a reserve existed last year, but was used to pay down a portion of debt existing at the time.

The following table presents the Borough's entire current debt portfolio in detail.

Borough of Chester
Summary of Municipal Debt as of 12-8-09

Source: Borough Finance Office

BONDS	
<i>None issued</i>	
Subtotal	\$0
BOND ANTICIPATION NOTES	
Sidewalks	\$1,687,000
Grove Street Park	\$948,500
Road Improvements	\$90,000
Field House	\$789,500
Lucent Project	\$2,123,360 ¹
Sewer Expansion	\$70,000 ²
Special Assessment	\$75,000 ²
Pool Construction	\$500,000 ²
Pool Improvements	\$225,000 ²
Pool Supplies	\$150,000 ²
Subtotal	\$6,658,360
LOANS	
<i>None issued</i>	
Subtotal	\$0
Total Debt, All Sources	\$6,658,360
Total Debt, Net of Self-Liquidating	\$5,638,360

Notes

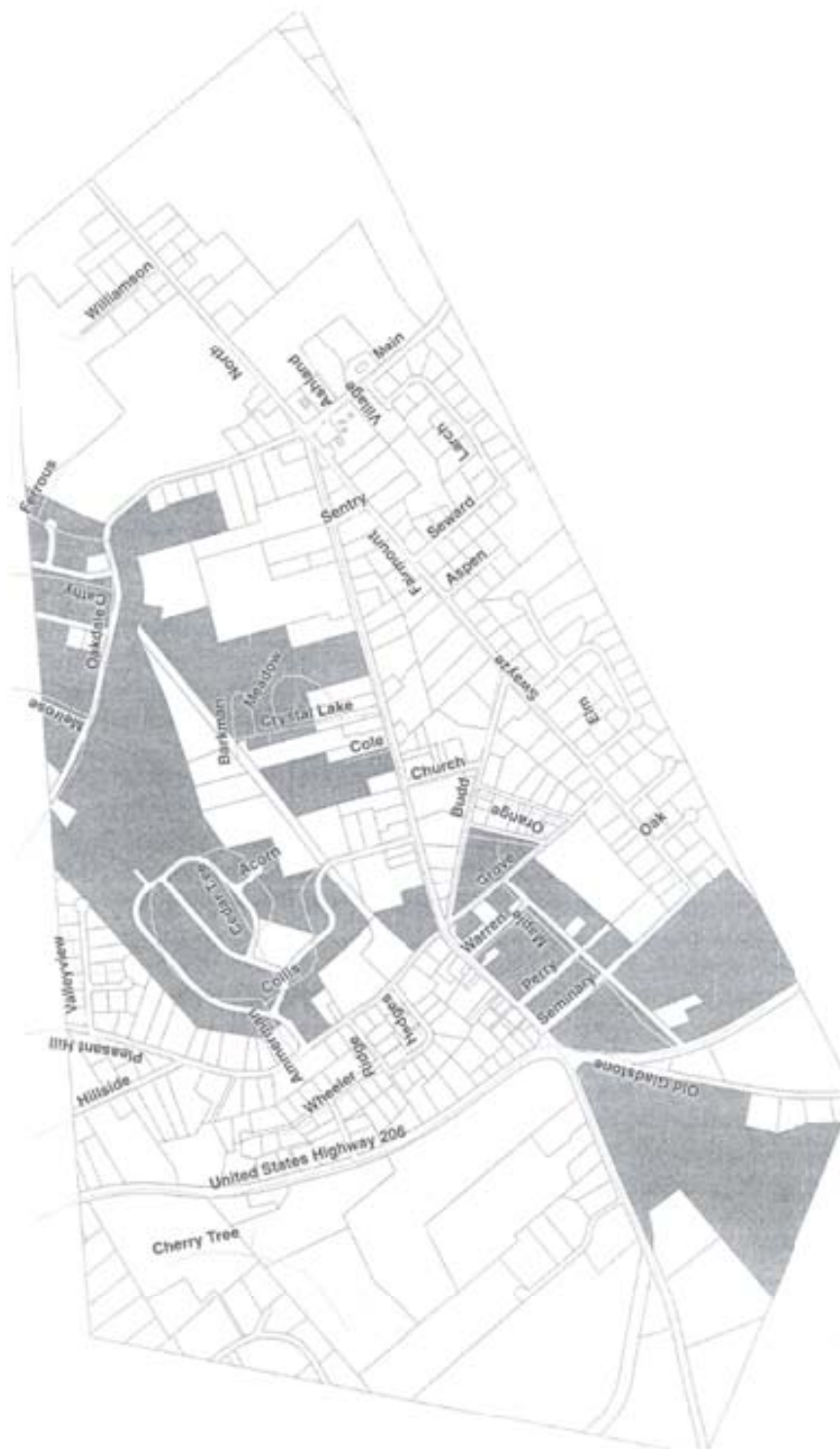
(1) A state Green Acres grant in the amount of \$500,000 is pending to offset a portion of this obligation.

(2) Pertains to accounts that are self-liquidating.

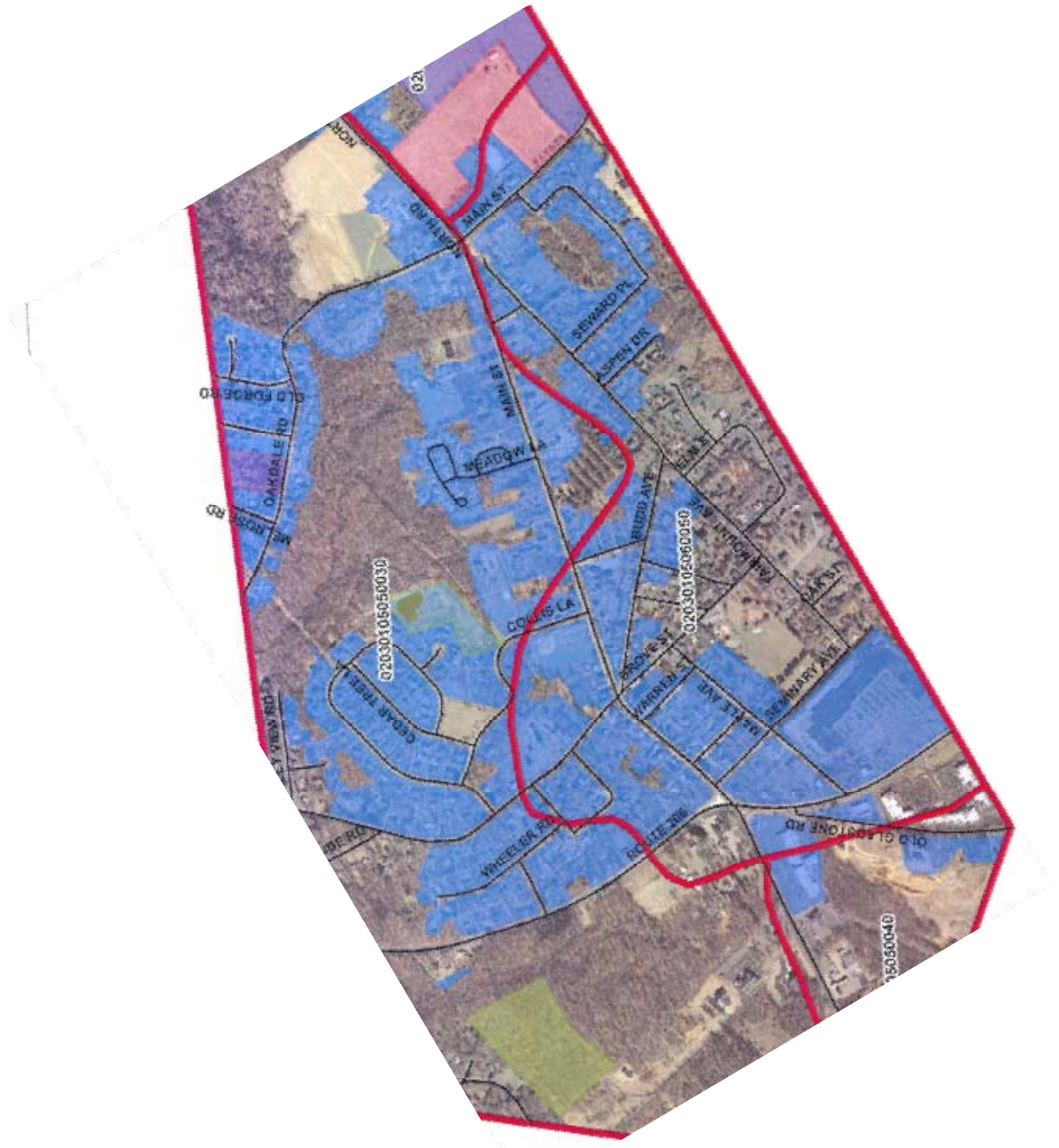
UTILITIES

One of the key distinguishing features between the Township and Borough is that portions of the Borough have access to water and sewer infrastructure, unlike the Township. The Borough owns the sewer system and related infrastructure; the water system was formerly owned by the Borough, but sold to a private vendor in March 1998. See the section on sewer services later in this report for additional background.

The “sewer service area” is indicated as the shaded lots on this map. Most of these lots are presently connected to the sewer. A revised map has been submitted to NJ DEP and is awaiting action.



Similarly, this map shows the portions of the Borough that are presently connected to the water system:



STAFFING ALLOCATIONS

The Township and Borough staff their municipal functions with the following number of employees, by department. Figures have been compiled through a review of budget documents, the Township municipal roster and the Borough salary/wage resolution, and supplemented by in-depth interviews with department heads in both municipalities. Staff allocations are presented on a full-time equivalent basis (*i.e.*, “1.0” refers to a full-time staff allocation under a specific title, “0.8” refers to an 80%-of-full-time allocation, and so on).

Staff Allocations

Source: Township and Borough 2009 budgets, Township municipal roster, Borough resolution of salaries and wages, official interviews conducted by project team

NOTE 1: Part-time positions do not necessarily indicate a part-time *employee*, but rather allocation to a department/function on a less-than-full-time basis. In certain instances, part-time workloads spanning multiple departments are actually served by a full-time employee. For example, the Borough tax collector is a full-time position which is budgeted 80% in tax collection and 20% in finance office functions. **NOTE 2:** Borough employees work a standard week of 37.5 hours; Township employees work a standard week of 35.0 hours.

	Township	Borough	Combined
<u>Assessor</u>			
Tax Assessor	0.40	0.25	0.65
Assistant	0.80	-	0.80
<u>Board of Health</u>			
Secretary	1.0	0.25	1.25
<u>Clerk/Administrator</u>			
Clerk/Administrator	1.00	1.00	2.00
Deputy Clerk or Admin Assistant	1.00	0.40	1.40
<u>Collection</u>			
Tax Collector	1.00	0.80	1.80
<u>Construction</u>			
Technical Assistant	0.60	0.20	0.70
Construction Official	-	0.10	0.10
Building/Fire Sub-Code Official	-	0.10	0.10
Construction Official/Bldg Sub-Code	1.00	-	1.00
Fire Sub-Code Official	0.05	-	0.05
Plumbing Sub-Code Official	0.10	0.10	0.20
Electrical Sub-Code Official	0.40	-	0.40
<u>Court</u>			
Court Administrator	1.00	0.80	1.80
Judge	0.10	0.10	0.20
Deputy Court Administrator	0.40	-	0.40

Court Clerk	-	0.05	0.05
Prosecutor	0.10	0.10	0.20
<u>Finance</u>			
Chief Financial Officer	-	1.00	1.00
Treasurer/Finance Officer	1.00	-	1.00
Assistant	-	0.20	0.20
<u>Fire Prevention</u>			
Fire Official/Inspector	-	0.10	0.10
<u>Planning/Zoning</u>			
Planning Administrator/Zoning Officer	1.00	-	1.00
Zoning Officer	-	0.80	0.80
Planning/Zoning Secretary	-	0.20	0.20
<u>Police</u>			
Chief	1.00	1.00	2.00
Sergeant	4.00	2.00	6.00
Corporal	2.00	-	2.00
Patrolman	7.00	6.00	13.00
Secretary	1.00	1.00	2.00
<u>Public Works</u>			
Superintendent	1.00	1.00	2.00
Assistant Superintendent	1.00	1.00	2.00
Laborer/Foreman	11.00	3.00	14.00
Mechanic	2.00	-	2.00
Part-Time Laborer	0.50	-	0.50
<u>Recreation</u>			
Recreation Director	0.20	0.25	0.45
Recreation Staff	10 pt*	51 pt*	61 pt*
<u>Elected</u>			
Mayor	1 pt*	1 pt*	2 pt*
Council member	4 pt*	6 pt*	10 pt*

HOW THE TOWNSHIP & BOROUGH PROVIDE MUNICIPAL SERVICES

The Township and Borough provide an array of services in a variety of ways. The following summary reflects which services they provide

individually, via interlocal/intermunicipal contract and/or through third-party contract (*i.e.*, with an outside vendor).⁴

Individually-provided

The Township and Borough both provide the following functions independently:

- Clerk/administrative
- General government (*i.e.*, mayor and council)
- Tax assessment
- Tax collection
- Financial administration
- Planning and zoning
- Construction
- Police protection
- Municipal court/public defender
- Public works
- Recreation (including parks)

Provided via interlocal contract

- Fire protection
- First aid and ambulance
- Library
- Senior transportation
- Emergency dispatch
- Public health services

Provided via private contract

- Legal/attorney
- Engineering
- Planning
- Solid waste and recycling
- Sewer
- Pool
- Auditing services

The following section provides detailed summaries of exactly how the Township and Borough provide each primary municipal service.

⁴ The list includes only those services that are provided and/or delivered at the municipal level by the Township and/or Borough. While residents of the community also receive certain services from other levels of government – such as county sheriff protection – those functions are assumed to continue unaffected in the event of consolidation, and are not considered in detail here.

Individually-provided services are presented first, followed by services delivered through interlocal agreement and, finally, those delivered via contract with private vendor.

Individually-Provided Services

This section contains information on municipal services which *both* the Township and Borough provide independently of one another.

Clerk/Administrator

Consistent with state law, both the Township and Borough maintain clerk's offices to serve as secretary to the council, handle legislative agendas and minutes, manage public/legal notices and act as registrar of vital statistics. In addition, the clerk typically serves a primary interfacing role with the public when they have questions or complaints about municipal services. In both municipalities the function of clerk has been combined with that of administrator, tasked with serving a departmental coordination role and serving as a liaison between both governments and their functional departments.

The clerk/administrator in both entities is a full-time position. The Borough pays a salary of \$95,000 and the Township pays \$83,554. Support staff are used in both offices – the Borough clerk utilizes an administrative assistant for approximately three hours per day (paid \$18.63 hourly, or \$14,531 per year), while the Township has one full-time deputy clerk salaried at \$47,414.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$186,900	\$213,168
Staffing Structure	
Borough	Township
Clerk/Administrator (1.0 fte)	Clerk/Administrator (1.0 fte)
Admin Assistant (0.4 fte)	Deputy Clerk (1.0 fte)

Mayor and Council

The Township and Borough each have their own executive and legislative functions, filled by an elected mayor and council. The Borough's structure consists of a mayor (\$7,647) and six council members (\$3,326 each), all of whom are elected at-large. By contrast, the Township has a mayor (\$7,000) and four council members (\$5,000 each), all of whom are elected at-large.

Both the Township and Borough council meetings are held on the 1st/3rd Tuesday of every month.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$32,379	\$28,000
Staffing Structure	
Borough	Township
Mayor	Mayor
Councilmember (6)	Councilmember (4)

Tax Assessment

The Township and Borough both maintain assessment functions for the primary purposes of handling reassessments/revaluations, processing exemptions, administering appeals and performing regular inspections for special/added assessments on specific properties. Substantively, the two offices perform largely the same function. The key differences between the two involve scope (the Township's property portfolio is nearly five times larger than the Borough's) and property type (the Borough has a larger commercial concentration than the Township).

The Borough has begun reassessing annually, with 250 properties reviewed by the Borough assessor and the remaining 400 handled through a private vendor contract. In subsequent years, one-quarter of Borough properties will be reassessed each year on a rotating basis (without the need for a vendor contract), which will avoid the need for a full revaluation. The Township is conducting a revaluation this year, through a combination of assessment staff and a vendor contract. The process is expected to be completed this year. Because the Borough and Township are both in the process of reassessing and/or revaluing their properties, both are likely to be reasonably close to 100% of market value in the next few years.

Both offices are run by part-time assessors. The Borough's department is administered by a single part-time assessor, working approximately 10 hours/week on an as-needed basis and salaried at \$24,500. The Township relies on a part-time assessor who works 2 days/week (salaried at \$31,329) and a 30 hour/week assistant to the tax assessor (\$31,840).

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$31,600	\$81,969
Staffing Structure	
Borough	Township
Assessor (0.25 fte)	Assessor (0.4 fte)
	Assistant to Assessor (0.8 fte)
Workload Indicators	
Borough	Township

650 properties	3,158 properties
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Tax Collection

The Township and Borough maintain their own tax collection functions. The Borough tax collection office also handles billing and collection for sewer rents, which are done quarterly, and memberships for the Borough pool. Regarding normal tax billing and collection, the Township and Borough have the same schedule during the year.

Both are run by full-time, salaried tax collectors who handle billing, mailing and collection responsibilities. The Borough pays its collector \$62,100 per year (although only 40% is budgeted for the collection function, with the remainder split across finance, sewer, pool and solid waste functions); the Township pays \$66,843. Neither tax office has additional staffing beyond the collector, although other administrative staff provides coverage in the collector's absence.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$33,330	\$70,094
Staffing Structure	
Borough	Township
Tax Collector (0.8 fte)	Tax Collector (1.0 fte)
Workload Indicators	
Borough	Township
650 properties	3,158 properties

Financial Administration

The Township and Borough maintain their own finance offices to manage their respective budgets, cash flow, external audits and accounts payable/receivable. While the Borough's operation is entirely in-house and administered by a Certified Municipal Finance Officer (CMFO), the Township supplements its internal staff with an interlocal contract with Washington Township for certified CFO services.

The Borough's finance office is headed by a full-time Chief Financial Officer, salaried at \$86,064, and the Borough tax collector provides assistance of approximately one-fifth of an FTE. The Township's finance function is managed by a full-time treasurer (\$64,999). The Township's contract for CFO services with Washington Township costs \$40,000 per annum.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$89,380	\$113,375

Staffing Structure	
Borough	Township
Chief Financial Officer (1.0 fte)	Treasurer (1.0 fte)
Assistant (0.2 fte)	Contractual CFO

Planning and Zoning

The Township and Borough independently administer municipal land use law through their own planning board and zoning board of adjustment. The Borough's planning board meets the 2nd/4th Thursday of every month; the Township planning board convenes the 2nd/4th Tuesday. The Borough's zoning board of adjustment meets monthly on the 2nd Tuesday; the Township's board of adjustment meets monthly on the 4th Tuesday.

The planning/zoning boards statutorily serve the same role in both the Township and Borough, but the distinct character of the two municipalities has resulted in different focus areas for each. In the Township, the preservation of open space ("green space") and the implications of the Highlands and its regional master plan process have been a priority; in the Borough, key issues have involved historic preservation, infill development and redevelopment of existing properties.

Although the boards themselves are presided over by volunteer members, both municipalities provide administrative staff support. Those staff members process applications and building permits; enforce existing code through property inspections and (as necessary) court appearances; and generally serve an informational role to answer inquiries from residents and other parties interested in particular properties.

The Borough funds a part-time planning/zoning secretary at \$10,227 (this staff member spends the majority of her time in the capacity of court administrator). The Borough's primary planning/zoning official is the zoning officer (\$71,415), a full-time position also charged with responsibilities for property maintenance inspections and construction code enforcement (see "Construction" section).

Staff support for the planning/zoning function in the Township is provided by a full-time zoning official (\$90,034) who also serves as secretary to both the planning board and board of adjustment.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$122,640	\$173,460
Staffing Structure	
Borough	Township
<i>Planning Board (volunteer)</i>	<i>Planning Board (volunteer)</i>
<i>Board of Adjustment (volunteer)</i>	<i>Board of Adjustment (volunteer)</i>

Planning/Zoning Sec (0.2 fte)	Planning Administrator/ Zoning Official (1.0 fte)
Zoning Official (0.8 fte)	
Contractual Planner	Contractual Planner

Construction

Both the Township and Borough maintain construction functions to enforce the state's Uniform Construction Code (NJAC 5:23).⁵ Promulgated in 1977, the Code contains the UCC Act and all rules issued under it relating to the administration and enforcement of construction regulations. The Code consists of four technical "sub-codes" for all construction: building, electrical, fire protection and plumbing. Under the law, the Code is functionally administered at the local level through construction permitting and technical applications for any building, electrical, fire protection or plumbing-related work. Municipalities set their own fee schedules for enforcing inspections and other work related to the UCC.

In the Township and Borough, the Code is enforced through the use of construction officials and sub-code officials/inspectors. The construction official administers the overall Code, while sub-code officials are responsible for implementing specific technical provisions within their respective sub-code.

The Borough's construction office is overseen by a part-time construction official (\$9,504) and the technical assistant to the construction officer (a part-time function served by the full-time zoning officer, who also performs property maintenance inspections – see "Planning and Zoning" section). The Borough's building and fire sub-codes are implemented by one part-time official (\$14,999), while another part-time employee handles plumbing sub-code implementation (\$8,429). A separate part-time employee serves as fire official and handles inspections (\$13,488). Electrical plan review and inspections are performed through a contract with an outside vendor (BIU) for a percentage of the fee. The state handles the Borough's elevator inspections.

The Township's construction office is overseen by a full-time construction official (\$83,553) who also handles building sub-code, plumbing/fire inspections, and serves as the deputy zoning officer. The technical assistant to the construction officer (\$22,495) is a half-time role performed by an employee who also works as deputy court clerk. Additional part-

⁵ For an in-depth summary of the Uniform Construction Code and its implementation structure, see the following reference document published by the Department of Community Affairs: http://www.state.nj.us/dca/codes/forms/pdf/sum_of_ucc.pdf.

time staff handles implementation of the plumbing sub-code (\$7,519), fire sub-code (\$7,230) and electrical sub-code (\$30,507). Elevator inspections are done through a contract with Municipal Elevator Service.

In theory, the fee schedules used by municipal construction offices should be sufficient to offset the cost of providing inspection/administration services relating to the Uniform Construction Code.

(Note: The Township is a Class I municipality, meaning that it is licensed to perform all levels of plan review, including anything above six stories and all use groups; the Borough is a Class II municipality, meaning that it can perform plan reviews for buildings of five or fewer stories, but not in all use groups.)

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$57,050	\$165,531
Staffing Structure	
Borough	Township
Construction Official (0.1 fte)	Construction Official/Bldg Sub-Code/Inspections (1.0 fte)
Technical Asst (0.2 fte)	Technical Asst (0.6 fte)
Building/Fire Sub-Code (0.1 fte)	Plumbing Sub-Code (0.1 fte)
Plumbing Sub-Code (0.1 fte)	Fire Sub-Code (0.05 fte)
Fire Official/Inspector (0.1 fte)	Electrical Sub-Code (0.4 fte)
Workload Indicators	
Borough	Township
Approx 300 permits/year	Approx 550 permits/year

Police Protection

Both the Township and Borough have their own police departments to provide public safety protection and general law enforcement services. In both cases, police represents the single-largest category in the budget. There do not appear to be significant substantive differences between the two departments, aside from the unique challenges of patrolling greater square mileage in the Township and servicing concentrated residential and retail areas in the Borough.

The Borough department has a uniformed force of nine – a chief (\$100,000), two sergeants (both at \$84,189) and six patrolmen (four salaried at \$77,022 and two at \$40,978). In addition, the department has its own full-time secretary (\$35,000). The chief has designated one uniformed officer as an administrative assistant, responsible for updating policies, managing the schedule, monitoring IT issues and directing the county dispatch consolidation. The department operates on a 12-hour shift schedule, with the two sergeants working alternating 1-1 pm shifts, and

patrolmen working alternating 7-7 shifts. Standard procedure is to have two 3-person units (*i.e.*, one sergeant and two patrolmen) per day, with the sergeant backfilling any schedule holes. The Borough Police Department typically has one patrol car on the road from 1 am to 1 pm, and two from 1 pm to 1 am.

The Township department has a uniformed force of fifteen – the acting chief (\$116,390), four sergeants (\$119,707, \$115,907, \$112,907 and \$106,682), two corporals (\$105,167 and \$104,718) and seven patrolmen (\$103,668, \$100,932, \$99,965, \$99,082, \$98,275, \$61,773 and \$53,887). The department also has a full-time secretary (\$48,967). Although the department currently has no lieutenant as “second in command,” it is currently reviewing candidates for promotion to that position.

Pending retirements are an issue in both departments. In the Township, the acting chief will reach the mandatory retirement age in April 2010, and three other uniformed personnel will be retirement-eligible by December 2010. In the Borough, one sergeant is already retirement-eligible; the uniformed administrative assistant will become eligible in 2010; the chief and detective are eligible in 2011; and another sergeant is eligible in 2012.

(Note: Township salary figures include an aggregate \$64,925 in anticipated 2009 overtime costs.)

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$929,676	\$1,740,311
Staffing Structure	
Borough	Township
Chief (1.0 fte)	Acting Chief (1.0 fte)
Sergeant (2.0 fte)	Sergeant (4.0 fte)
	Corporal (2.0 fte)
Patrolman (6.0 fte)	Patrolman (7.0 fte)
Secretary (1.0 fte)	Secretary (1.0 fte)
Workload Indicators	
Borough	Township
Total Calls in 2008: 3,679	Total Calls in 2008: 22,100

Municipal Court

The Township and Borough maintain their own municipal courts. Courts meet twice each month on adjacent nights: the Borough on the 1st/3rd Wednesday, and the Township on the 1st/3rd Thursday. Regular sessions typically last approximately two hours, although occasionally go longer.

The two courts' caseloads are reasonably similar. Over the past three years, the Township has handled an average of 2,155 cases per year,

compared to 1,530 for the Borough. Total volume from July 2008 through June 2009 was down for both courts, to 1,968 in the Township and 1,367 in the Borough. Over that one-year period, the overwhelming majority of cases processed by both courts involved traffic-related and moving violations. Moving violations comprised 86% of cases in the Township court, and 78% in the Borough court. The only notable difference in case type involved parking summons – the Borough processed 107 such cases in the past year, while the Township had none.

Each court has its own salaried municipal court judge. The Borough pays its judge \$23,439, while the Township pays \$21,630. Day-to-day operations in both municipalities are handled by a full-time court administrator. The Borough's court administrator (who spends a portion of her time as planning/zoning secretary) is paid \$50,277 for court-related duties; the Township's administrator is paid \$69,214. Both courts have ancillary staffs that assist as necessary, particularly on court nights. The Borough pays a court violations clerk \$118.05 per court session (or approximately \$2,833 per year), and an as-needed deputy court clerk \$40 per call-out. By contrast, the Township pays a deputy court administrator (who splits time with the construction office) \$15,397 to assist with day-to-day court duties, organizing the calendar and collecting fines on court nights.

While not reflected in the court budget, sessions also require police presence for security purposes.

Each court also has its own municipal prosecutor. In the Township, the mayoral-appointed prosecutor is paid \$11,544; in the Borough, the prosecutor expenses are approximately \$12,000. Public defender costs are budgeted at \$1,000 in the Township and \$2,000 in the Borough.

Total Budgeted Costs (excl. benefits)	
Borough	Township
\$115,160 (including prosecutor and public defender)	\$133,023 (including prosecutor and public defender)
Staffing Structure	
Borough	Township
Judge (0.1 fte)	Judge (0.1 fte)
Court Administrator (0.8 fte)	Court Administrator (1.0 fte)
Clerk (0.05 fte)	Dep Court Administrator (0.4 fte)
Prosecutor (0.1 fte)	Prosecutor (0.1 fte)
<i>Deputy Clerk (as needed)</i>	
Workload Indicators	
Borough Total Caseload	Township Total Caseload
2006-07: 1,722	2006-07: 2,099

2007-08: 1,500	2007-08: 2,400
2008-09: 1,367	2008-09: 1,968

Public Works

Both the Township and Borough operate their own Departments of Public Works to handle road/highway maintenance and repair, snow plowing and facilities/grounds. In both cases, DPW operations are the second-largest budgetary category behind police. Although both departments perform similar primary functions, there are some unique attributes of each operation. The Township, for example, covers roads and highways over a much broader geographic area than the Borough. By contrast, the Borough DPW provides certain services to residents that are not provided in the Township, such as leaf and brush pickup. These differences result in slightly different capital equipment needs, staffing levels and departmental priorities at certain times of the year.

The Borough's operation includes five full-time employees⁶ – a superintendent (\$69,999), assistant superintendent (\$48,196), a foreman (\$45,834), second foreman (\$41,311) and laborer/truck driver (\$40,000). The Borough occasionally adds up to three part-time laborer positions during leaf pick-up season and to assist with snow removal.

The Township's department is similarly structured and has fifteen full-time employees. It is administered by a superintendent (\$90,372) and assistant superintendent (\$84,977), and includes two foremen (\$76,570, \$76,393); two mechanics (\$75,555, \$72,504); and nine equipment operators/laborers (\$69,002, \$65,185, \$64,775, \$64,556, \$64,518, \$61,484, \$60,853, \$57,965 and \$50,783). The Township also budgets for two part-time positions over the summer season (\$9,898, \$9,637).

⁶ The Borough DPW Superintendent intends to retire in May 2010, and has taken sick leave until that point. Two new laborer hires have been made at \$40,000 and \$38,000, but the DPW workforce will remain five (5) FTEs for the time being. For analytical purposes, CGR has assumed a five-person staff going forward and retained the full cost of a DPW superintendent in the public works budget.

(Note: Township salaries include an aggregate amount of \$42,662 in anticipated overtime for the 2009 fiscal year.)

Total Budgeted Costs (excl. benefits)		
Borough		Township
\$296,000		\$1,340,785
Staffing Structure		
Borough		Township
Superintendent (1.0 fte)		Superintendent (1.0 fte)
Assistant Superintendent (1.0 fte)		Assistant Superintendent (1.0 fte)
Foreman (2.0 fte)		Foreman (2.0 fte)
Laborer (1.0 fte)		Laborer (9.0 fte)
		Mechanic (2.0 fte)
		Part-Time Laborer (0.5 fte)
Workload Indicators		
Borough		Township
11	Total Lane-Miles	80
50	Est. Acreage Mowed	175
2 weeks/year	Brush Pick-Up	Not provided
6 weeks/year	Leaf Pick-Up	Not provided
Major Apparatus (vehicles & related)		
<i>Note: See "Property and Asset" section of report for a more comprehensive list of major equipment</i>		
Borough		Township
4	Dump Truck	8
5	Pick-Up Truck	8
0	Other Van/Truck	2
3	Mower/Tractor	14
1	Backhoe	1
1	Front-End Loader/Skid Steer	1
0	Sweeper	2
0	Paver	1
0	Asphalt Zipper	1
0	Grader	1
1	Roller	1
1	Pounder	0
1	Chipper	1
2	Leaf Vac	0

Recreation (incl Parks)

The Township and Borough share about 70 percent of the work for recreation programming. In addition, they combine efforts with Mendham Borough and Township. All four towns are currently reviewing a Four Towns recreation plan. The Mendham – Chester Sports Association is being formed to replace the non-profit PAA to run volunteer sports programs. The Township recreation director is in the Township two days a week, and in Mendham Township as their recreation director the remaining three days. In the past, she has filled in for the Borough in transitional periods when it has not had a recreation director employed.

The Township and Borough express an interest in continuing to look for more recreation facilities and programs. The Township is getting the Highlands Park Barn running, and the Borough is working on the new field house. These enhanced facilities may create a greater workload when they are operational and utilized.

The Borough has a Recreation Commission which provides oversight and policy making for the recreation program. The Township has a Parks Committee, of which the Recreation Committee is an advisory sub-committee. The Township maintains eight parks currently and approves events or group use through the Parks Committee. That committee is also responsible for setting rules for park use, planning park development, and overseeing park maintenance. They contract for some of the field maintenance (such as pesticide applications), for Port-a-Johns, and have less formal agreements with some of the volunteer sports organizations for field preparation and grooming. Informal agreements also exist among the four towns to share maintenance equipment. Public Works in both the Township and the Borough also provide maintenance. Further, the County Parks Commission maintains three parks that the Township manages.

The Township employs a parks consultant, who has worked for the Township for thirty years in that capacity. He advises the Parks Committee, manages the parks properties, plans parks development, oversees engineers and contractors on active projects, manages the deer-hunting program, and provides direction to Public Works on seasonal maintenance activities. The properties managed include over 800 acres of park preserves and over 100 acres of athletic complexes which require turf grass management. The consultant works four hours a week for the Township and is paid \$11,000 as a contractor.

In the Borough, the recreation director is scheduled for ten hours per week. In the Township, the expectation is about seven hours. In both cases, events and programs may require more work, particularly in the season. The Township pays its director \$16,068 and its seasonal help \$36,425, entirely for the summer camp program. The Borough pays its

director \$9,500 and hires seasonal help to assist with the pool (approximately 51 lifeguards and swim instructors). Both towns contract with multiple vendors to run programs and/or provide entertainment.

There are other costs in both towns. Both pay for some parks maintenance from the Public Works budget, but the amounts are not segregated. In the Borough, the pool, a recreational facility, is operated as a utility and funded by user fees, as are many recreation programs, but the Commission still must understand the resources required to run these programs. The Borough budgets the pool utility for \$180,000 of salary and wages and \$190,612 of Other Expenses.

Inter-Local Contract Services

The Township and Borough provide a number of essential services through interlocal contract with neighboring municipalities, Morris County and/or other public organizations in the community. This section summarizes those services and the contractual arrangements by which they are delivered to the Township and Borough.

Fire Protection

Both the Township and Borough contract for firefighting services through a fire protection services agreement with Chester Volunteer Fire Company No. 1. According to the contract, CVFC “has continuously served those areas which constitute the Township and Borough since 1921.” The contract between the Township, Borough and CVFC was established pursuant to NJSA 40A:14-67 and 68. According to the department, it has approximately three-dozen active members, including line officers, chief engineers and captains.

Traditionally, the Township and Borough have contributed money to the CVFC for fire services in proportion to the ratio of tax assessed value in the Township and Borough, as established by the Table of Equalized Valuations as of October 1st. According to current-year budget documents, the Township is providing approximately \$200,820, and the Borough is providing \$61,761.⁷

The Township and Borough also jointly fund a Length of Service Award Program (LOSAP) for CVFC members. The LOSAP program is set forth

⁷ These numbers are as presented in the Township and Borough’s 2009 budgets. Technically, the Township and Borough split the cost of providing fire protection proportionately according to share of property tax base. Under that formula, the Township pays 82 percent of the cost, and the Borough pays 18 percent. The same formula applies to the fire-related LOSAP payment.

by separate contract between the Township and Borough. The Township serves as lead sponsoring agency of the program, and the clerk bills the Borough for its proportional share of the cost. According to current-year budget documents, the Township is funding \$100,000 in LOSAP costs, and the Borough is funding \$20,000.

First Aid and Ambulance

The Township and Borough jointly contract for first aid and ambulance service through an interlocal agreement with the Chester First Aid Squad, Inc. Originally created as a branch of the Chester Volunteer Fire Company in 1945, CFAS was organized in its current form in 1987 for the primary purpose of providing first aid and ambulance services in the area of the Township and Borough. According to the CFAS, the squad currently consists of approximately 40 volunteer emergency medical technicians and responders. It utilizes three ambulances, and reports typical annual call volume of nearly 900.

Like the funding structure for the Volunteer Fire Company, the Township and Borough contribute operating funds to the First Aid Squad in proportion to their taxable assessed values. In the current year, the Township has budgeted \$93,707, while the Borough will contribute \$20,548.

First aid squad members are also eligible for the LOSAP program (see discussion under “Fire Protection” above).

Library

The Township and Borough have jointly contracted for library services for decades. Since 1976, both municipalities have supported a joint free public library for the community. The library is governed by a separate Board of Trustees. Funding for the library is apportioned in the same manner as the fire department and first aid squad, based upon the proportion of assessed valuation in the Township and Borough. In the current year, the Township’s contribution is budgeted at \$737,331 and the Borough’s is budgeted at \$158,551.

Senior Transportation

Under the state’s Interlocal Services Act, the Township and Borough jointly contract with the Chester Board of Education to provide senior citizen transportation services. Under the terms of the agreement, the Board provides “vehicles and drivers to implement transportation services to local destinations for senior citizens” between the hours of 10 am and 2 pm Monday through Thursday. The service includes transportation to “medical appointments, noon-time nutritional sites, social services, food shopping and other necessities within the Borough and Township of

Chester and surrounding areas as shall be deemed by the municipalities.” Under the agreement, the Borough and Township serve a coordination role for scheduling and responding to senior citizen requests for transportation assistance.

The funding structure for senior citizen transportation is *not* based on the municipalities’ proportion of assessed valuation, but rather on the *pro rata* share of each entity’s residents utilizing the service. Pursuant to the agreement, “the Borough and Township shall maintain and distribute monthly records of the number of senior citizens residing in each of the respective participating municipalities utilizing transportation services each month and shall calculate the respective municipalities’ pro rata share for the costs of the senior citizen transportation services provided based upon the number of residents from each municipality... The Board shall forward bills for senior citizen transportation services provided on a monthly basis...” The Township and Borough are responsible for paying their respective share within 30 days of receipt of each monthly billing statement.

In the current year, the Township budgeted \$20,000 for senior citizens transportation. The Borough has budgeted \$12,000.

Emergency Dispatch

Until this year, the Township and Borough have been obtaining emergency dispatch services through separate interlocal contracts with Washington Township. Under both agreements, which were executed pursuant to NJSA 40A:65-1, Washington has provided 24-hour radio dispatching services for the Township, Borough, Chester Volunteer Fire Company and Chester First Aid Squad. The agreement has included standard dispatching services, including the receipt, transmission and recording of messages for police and emergency activities, including fire and first aid, within the Township and Borough.

In the current year, Washington charged the Township \$131,429 and the Borough \$65,715. In both cases, the contractual agreements were set to expire on December 31, 2009.

With the looming expiration of both contracts, the Township and Borough have both independently opted to shift dispatch responsibilities to a new provider, Morris County, by year-end. Those new dispatch contracts have been signed.

Public Health Services

Both the Township and the Borough contract for public health services, the Township with Washington Township for \$60,000 annually (through May 15, 2010) and the Borough with Bernards Township for \$33,654

annually (through December 31, 2011). Services provided under both contracts are as follows: “The provider shall furnish to the recipient health services of a technical and professional nature... all according to NJAC 8:52, Public Health Practice Standards of Performance for Local Boards of Health in New Jersey, NJSA 26:3A-2-1 et seq., NJSA 40A:65-1 *et. seq.* and other application statutes...” In both cases, the provider is designated as the statutorily recognized local health agency for the recipient.

The Borough’s contract provides membership in the Somerset Hills Health Advisory Council, an advisory group which meets semi-annually to review the administration and performance of the contract. The Borough has an additional contract for nursing services with the Somerset Hills Visiting Nurse Association for \$3,933 annually. The Township’s contract includes animal control services.

The Board of Health meets quarterly in the Township, except in situations such as currently exist with the H1N1 pandemic, for which the Board has been meeting monthly. The Board in the Borough meets monthly and has an additional responsibility for the approval of septic systems.

Both the Township and Borough pay a secretary and attorney to assist in the administration of health-related services. The Township Board of Health pays a salary of \$40,379 for the secretary, who also does animal licensing, and \$6,351 for the attorney (based on 2008 actual charges). The Borough Board of Health pays a salary of \$9,360 for a part-time secretary and up to \$7,000 for the attorney at \$135 an hour.

Private Contractual Services

The Township and Borough also provide a series of services/functions through private vendors. In some cases (*e.g.*, legal) the function is completely outsourced, while in others (*e.g.*, planning) the outside contract supplements municipal staff and/or volunteer boards in the Township and Borough.

Legal/Attorney

Neither the Township nor the Borough has its own in-house counsel. Rather, both engage outside vendors for routine assistance on legal matters, both for general services and specialized counsel to the Planning Boards, Zoning Boards of Adjustment and Boards of Health. For the current fiscal year, the Township budgeted \$125,000, while the Borough budgeted \$131,000 for legal-related services.

Engineering

Both municipalities contract out engineering services to assist work performed by their respective Departments of Public Works, Planning

Boards and Zoning Boards of Adjustment. In the current fiscal year, the Township has budgeted \$15,000 for this function; the Borough budgeted \$34,000.

Planning

Both the Township and Borough contract out their municipal planning function to provided certified, expert guidance to their planning and zoning boards. In the current fiscal year, the Township has budgeted a *total* of \$85,460 (*i.e.*, for *all* costs related to its planning and zoning boards); using the same standard of measurement, the Borough has budgeted \$54,575.

Solid Waste and Recycling

Both the Township and Borough rely on the services of outside vendors for garbage pickup/disposal and recycling pickup. In the Township, Blue Diamond Disposal, Inc. has been contracted to provide the service through December 31, 2012. Residents pay for “trash stickers,” available through the Township offices, to cover the disposal portion of the cost. Stickers can be obtained for \$1.40 each, sufficient to cover a “tipping fee” of thirty pounds of garbage. The typical family will use two stickers per week, meaning the average household spends roughly \$145 per year for garbage disposal. The service portion of the cost is contained in the Township’s operating budget; in total, the Township budget contains \$355,250 for garbage contractual costs in the current year.

Township officials note that the separate disposal fee was instituted in the 1990s as an incentive to encourage recycling and reduce throw-away waste. As such, more intensive users of the disposal system pay more money commensurate with the total weight of their garbage.

The Borough contracts with Waste Management of New Jersey, Inc. to handle solid waste collection and disposal. The annual cost of the service per household is \$160, which covers the service fee. Similar to the Township, the Borough uses a sticker-based fee structure to account for disposal costs. Stickers are available for purchase through the Borough offices, in lots of ten stickers covering either fifteen pounds (\$6 per sheet) or thirty pounds (\$12 per sheet). The net cost for disposing of thirty pounds of garbage is therefore \$1.20, so the typical household is spending roughly \$125 per year for garbage disposal. Costs for the service are accounted for in the Borough’s dedicated solid waste enterprise budget, at a total of \$93,286 for the current year.

Recycling services in the Borough are handled by the Morris County Municipal Utilities Authority.

Sewer

The Borough owns a sewer plant and related infrastructure which serves portions of the Borough. However, full operation of the facility is contracted out to private vendors. The Borough handles sewer billing through its self-liquidating dedicated sewer utility fund. (See “Utilities” section earlier in this report for a map depicting sewer coverage area in the Borough.)

(Note: The Borough formerly owned municipal water infrastructure as well, but sold the system to a private vendor, NJ American, in March 1998. All water billing is administered by the system’s vendor. See “Utilities” section earlier in this report for a map depicting water coverage area in the Borough.)

Pool

The Borough owns the Chester Area Pool, a community resource located behind Black River School on North Road. Membership is available to both Borough and Township residents, and dues/payments are administered in full by the Borough. The pool operation is overseen by the Administrator, Mayor and Council, and consumes portions of staff time from the clerk/administrator, CFO and tax collector. While the Borough DPW provides basic facility work in support of the pool (and the Township has performed grating and paving-related work), functions such as staffing, water monitoring and concessions are provided via vendor contracts.

FRINGE BENEFITS

Fringe benefits are an important cost category in both the Township and Borough budgets. The two largest benefits – pension and health insurance – are provided through the State of New Jersey, although both municipalities contribute toward the cost on employees’ behalf.

Pension is provided through two systems – the New Jersey Public Employees’ Retirement System (PERS), which is open to state, county, municipal, authority and school board employees, and the New Jersey Police and Firemen’s Retirement System (PFRS), which covers all police officers and firefighters appointed after June 1944.⁸ Employer

⁸ Note: The PFRS system is different from the Length of Service Award Program offered by the Township and Borough to members of the Chester Volunteer Fire Company. For analytical purposes, the LOSAP cost is considered to be a fire/public safety expenditure rather than a fringe benefit.

contributions to all New Jersey state pension systems, as a percentage of employee salary, are determined annually by the systems' Board of Trustees.

Health insurance is offered by both municipalities through the State Health Benefits Program (SHBP). The program was established by New Jersey in 1961 to provide health benefits to state employees, retirees and their dependents. In 1964, it was extended to employees, retirees and dependents of participating local public employers.

In the current year, the Township has budgeted \$592,000 in costs for the state pension system (to cover both general employees and police employees), and the Borough has budgeted \$159,000. Group health insurance is budgeted at \$810,000 in the Township, and \$415,000 in the Borough. Including disability and payments to Social Security, the two municipalities will spend over \$2.4 million in pension and health benefits in the current year, more than 15% of their combined total general appropriations.

(Note regarding health insurance: Under rules governing the State Health Benefits Plan (SHBP), all elected officials are given the option of taking health insurance benefits. The employer has some discretion to set the cost-sharing arrangement for those benefits. Presently in the Borough, a number of elected officials choose to participate in the plan, which is funded by the Borough (at a cost of \$70,350). In the Township, no elected officials currently choose to participate. If they did so, Township policy requires the elected official to reimburse the Township for the premium cost. In the event of consolidation, the new town will have the option to pay for all, some or none of the health benefits provided to elected officials. Regardless of that decision, all elected officials would still have the ability to take health benefits through the SHBP.)

(Note regarding pension: All elected officials are in the state pension system because they are paid over \$1,500 annually. Pension payments made by the Township and Borough on behalf of these officials are proportionate to the salaries they receive, and pursuant to rates established by the state. It should also be noted that the state has established a "defined contribution" retirement plan for any elected and certain appointed officials. The Township has one council member enrolled in this plan rather than the defined benefit pension system.)

Fringe Benefits*Source: 2009 Township and Borough Budgets**(Dollars in millions)*

	Township	Borough	Total
<i>Health and Related:</i>			
Group Health Insurance	\$0.810	\$0.415	\$1.225
Disability Insurance	\$0.004	-	\$0.004
Unemployment Insurance	-	\$0.007	\$0.007
Workers Compensation	\$0.082	-	\$0.082
<i>Pension and Related:</i>			
PERS	\$0.138	\$0.058	\$0.196
PFRS	\$0.351	\$0.101	\$0.452
PERS – ERIP ⁹	\$0.061	-	\$0.061
PFRS – ERIP	\$0.043	-	\$0.043
Deferred Comp Program	\$0.001	-	\$0.001
Social Security	\$0.275	\$0.125	\$0.400
Total	\$1.765	\$0.706	\$2.471

Accumulated Paid Time Off

The Township and Borough permit employees to accrue certain categories of paid time off. The Township allows accrual of a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. As of December 31, 2008, the current cost of that unpaid compensation was approximately \$125,000. This is partially reserved in the Township's Reserve for Compensated Absences, which stood at \$124,050 as of December 31, 2008. Similarly, the Borough has permitted employees to accrue unused vacation and compensatory time, which is paid to employees at the beginning of the following fiscal year. As of December 31, 2008, the current cost of such unpaid compensation was approximately \$131,325. This is partially reserved in the Borough's Reserve for Accumulated Leave Compensation, which stood at \$20,000 as of December 31, 2008.

In both the Township and Borough, these amounts are not reported as either expenditures or liabilities, since it is expected that the cost of such unpaid compensation would be included in the budget operating expenditures in the year in which it is used.

⁹ ERIP expenditures pertain to the Early Retirement Incentive Program.

COLLECTIVE BARGAINING AGREEMENTS

The Township and Borough each have only one collective bargaining agreement (*i.e.*, labor union contract) governing municipal employees, and in both cases the contract pertains to uniformed police officers. The Chester Township PBA Local #315 Inc. represents and negotiates on behalf of officers in both the Township *and* Borough police departments, although the bargaining unit negotiates separately with each municipality. The current agreement between the Township and PBA Local #315 is in effect from January 1, 2008 through December 31, 2010; in the Borough, by contrast, the most recent PBA contract covered the period January 1, 2005 through December 31, 2008, and has expired.

The project team analyzed the two contracts for similarity/divergence in key provisions. The following contractual provisions are largely the same in both agreements:

- Workday and work week
- Overtime
- Holiday leave
- Vacation leave
- Work-incurred injuries
- Education compensation
- Health insurance benefits
- Outside employment policies

The following contractual provisions are different between the two agreements:

- Court appearances: Both offer overtime pay at the rate of time-and-a-half, but the Borough guarantees a 2-hour minimum while the Township guarantees a 3-hour minimum.
- Personal leave: The Borough provides 2 days per year, while the Township does not provide a separate P/L allocation.
- Sick leave: The Borough provides 24 hours per quarter in an officer's first year, and 12 days per year thereafter; the Township provides 10 days in an officer's first year and 12 days per year thereafter.
- Bereavement leave: The Borough offers 60 hours for deaths in the immediate family (*i.e.*, if a member lives with the deceased – otherwise, one schedule week), and 24 hours for other family

deaths; the Township offers day of death through burial for immediate family deaths, and the day of burial for other family deaths.

- Clothing allowance: The Borough provides \$725, while the Township does not provide a separate allowance.
- Longevity payments: The Borough provides longevity payments coincident with the fifth year (\$750), eighth year (\$1,250), twelfth year (\$1,750), sixteenth year (\$2,250), twentieth year (\$2,750) and twenty-fourth year (\$3,250); the Township does not provide longevity awards.
- Salaries, patrolmen: The current contractual range for Borough patrolmen is \$40,978 to \$77,022; the Township range is \$43,585 to \$95,640. (Note: Because the Borough contract has been expired for a year, these salary figures are technically one year apart. The comparable Township salary range for 2008 was \$41,628 to \$91,923.)
- Salaries, sergeants: The Borough pays sergeants a flat rate of \$84,189; the Township pays a range of \$102,429 to \$111,862. (Note: The comparable Township salary range for 2008 was \$95,135 to \$103,941.)

PROPERTY AND ASSETS

The Township and Borough hold title to an array of assets and property to carry out their governmental and service functions on behalf of the community. A list of municipally-owned properties and major assets owned by the Township and Borough are provided in the Appendix to this report.

CODES AND ORDINANCES

Both the Township and Borough maintain their own municipal codes, which spell out general, administrative and Board of Health-related legal parameters for each entity. In the event of merger, a single such code would need to be created.

As a starting point, this section summarizes the basic structure of the two codes in context with one another, identifying the extent of chapter overlap and/or divergence as well as instances where a chapter/topic is contemplated in one of the codes but not the other. In the event of merger, many of the substantive differences at a chapter level will not require

policy decisions. In many cases, the code is bound to existing geography and could remain so bound after merger. Planning and zoning is a good example, because, although it is very different in the two towns, it is defined relative to specific geographies that will remain the same in the merged community.

The other action that is not difficult is where a chapter or topic is only appropriate in one of the two towns. That chapter can be transferred into the merged code, perhaps with a definition of the geographical boundaries for the topic that fit with either the current Borough or Township boundaries, as appropriate.

Examples of specific changes that would require policy decisions of the merged government include:

- Fees;
- Zoning changes at the borders of the pre-merged towns;
- COAH requirements for developers;
- Curfew and disorderly conduct;
- Certificates of occupancy, compliancy and tenancy requirements;
- Cat rabies requirements; and
- Permitting of businesses, peddlers, roadside stands, outdoor seasonal seating, and child-care centers.

A summary of existing code structure and provisions, along with key divergences between the two existing codes and issues that would require addressing due to merger, is presented below.

Ordinances Appearing in Both Codes, with No Issues Anticipated

The first section lists those areas that are present in both existing codes, and which do not appear to present issues in the development of a merged code.

- **General Provisions**
Borough Chapter 1; Township Chapter 1
- **Claims Approval**
Borough Chapter 59; Township Chapter 8
- **Municipal Court**
Borough Chapter 22; Township Chapter 12
- **Emergency Services/Length of Service Award Program**
Borough Chapter 26; Township Chapter 29

- **Officers and Employees**
Borough Chapter 50; Township Chapter 34
- **Police Department**
Borough Chapter 55; Township Chapter 41
- **Alarms**
Borough Chapter 82; Township Chapter 54
- **Alcoholic Beverages**
Borough Chapter 85; Township Chapter 58
- **Amusement Devices**
Borough Chapter 88; Township Chapter 60
- **Animals**
Borough Chapter 91; Township Chapter 62
- **Building, Unfit**
Borough Chapter 97; Township Chapter 73
- **Checks, Fraudulent**
Borough Chapter 102; Township Chapter 95 (fees)
- **Construction Code, Uniform**
Borough Chapter 102; Township Chapter 78
- **Noise**
Borough Chapter 116; Township Chapter 121
- **Nuisances**
Borough Chapter 118 (property maintenance), Chapter 116 (snow removal); Township Chapter 124
- **Drug Free School Zones**
Borough Chapter 120; Township Chapter 87
- **Escrow for Requested Activities**
Borough Chapter 123; Township Chapter 113.26 for fees
- **Fire Prevention**
Borough Chapter 132; Township Chapter 97
- **Games of Chance**
Borough Chapter 144; Township Chapter 102

- **House Numbering and Naming Streets**
Borough Chapter 155; Township Chapter 70
- **Personnel Practices** (*length of workday*)
Borough Chapter 53; Township Chapter 38
- **Soil Control**
Borough Chapter 197; Township Chapter 113, Part 3
- **Solid Waste**
Borough Chapter 201; Township Chapter 149
- **Board of Health**
Borough Chapters 235-262; Township Chapters 171-200
- **General Provisions**
Borough Chapter 235; Township Chapter 171
- **Storm Water Management**
Borough Chapter 204; Township Chapter 113, Article 8
- **Streets and Sidewalks**
Borough Chapter 205; Township Chapter 153
- **Towing**
Borough Chapter 214; Township Chapter 162
- **Vehicles and Traffic**
Borough Chapter 225; Township Chapter 161
- **Housing Standards**
Borough Chapter 183; Township Chapter 184
- **Food Establishments, Retail**
Borough Chapter 244; Township Chapter 178
- **Nuisances, Public Health**
Borough Chapter 249; Township Chapter 188
- **Recreational Bathing Places, Public**
Borough Chapter 251; Township Chapter 174
- **Sanitary Code**
Borough Chapter 253; Township Chapter 181
- **Sewage Disposal Systems, Individual**
Borough Chapter 256; Township Chapter 192

- **Water Supply Systems, Individual**
Borough Chapter 262; Township Chapter 197 for water, Chapter 200 for wells

Ordinances Appearing in One Code, but with No Issues Anticipated

The second section lists areas that only appear in one of the existing codes but which are not likely to present significant issues in a merged code. The only question for these items will be whether to retain the current geographic application of the ordinance or expand it townwide.

- **Defined Contribution Agreement Retirement Program**
Borough Chapter 24; Township n/a
- **Interlocal Service Agreement**
Borough Chapter 41 includes Fire Protection, ambulance and first aid; community development revenue sharing program; senior citizen transportation service; cooperative pricing agreement; and community development program; Township n/a, not handled as an ordinance
- **Salaries and Compensation**
Borough n/a; Township Chapter 45
- **Purchasing**
Borough Chapter 59; Township n/a
- **Utilities**
Borough Chapter 72 includes solid waste and pool; Township n/a
- **Garages, Service Stations, Bulk Gas and Oil Storage Plants**
Borough Chapter 148; Township n/a
- **Horse-Drawn Carriage Tours**
Borough Chapter 153; Township n/a
- **Insurance**
Borough Chapter 159; Township n/a
- **Limousine and Livery Service**
Borough Chapter 168; Township n/a
- **Massage Bodywork and Somatic Therapy Establishments**
Borough Chapter 170; Township n/a

- **Disorderly Conduct**
Borough Chapter 116; Township n/a
- **Curfew**
Borough n/a; Township Chapter 82
- **Farming**
Borough n/a; Township Chapter 93
- **Municipal Parks and Township Trust Recreation Fund**
Borough Chapter 9, Article 2; Township Chapter 21
- **Parks and Playgrounds**
Borough Chapter 9; Township Chapter 130
- **Deer Management**
Borough n/a; Township Chapter 131
- **Youth Sports**
Borough n/a; Township Chapter 169
- **Parking**
Borough Chapter 175; Township n/a
- **Fire Zones**
Borough Chapter 176; Township n/a
- **Special Events and Vendors**
Borough Chapter 203; Township n/a
- **Swimming Pool, Chester Area**
Borough Chapter 211; Township n/a
- **Trailers and Trailer Parks**
Borough Chapter 218; Township n/a
- **Wastewater Disposal Systems**
Borough Chapter 260; Township n/a
- **Reimbursement of Services Provided by Condo Associations**
Borough Chapter A269; Township n/a
- **Street Vacations**
Borough n/a; Township Chapter A206
- **Real Property Transactions**
Borough n/a; Township Chapter A207

Substantive Issues Requiring Resolution

The third section lists the areas most likely to require resolution of differences between Township and Borough code. In some cases, geographic-specific application of certain ordinances will promote consistency and continuity with current codes. In others (*e.g.*, fees), a single consistent policy would need to apply to a new merged municipality.

- **Fees** - In the event of merger, a set of consistent fees would need to be developed. Whereas the Borough code contains fees for almost every service and activity within its fee ordinance, the Township presents its fees in separate topic-specific ordinances.

Borough Chapter 127; Township Distributed throughout multiple ordinances

- **Land Development and Procedures** - Existing codes contain differences. In the event of merger, a merged code could retain land use zones as described in the pre-merged municipalities, although zone terminology and zone changes at original boundaries would require review.

Borough Chapter 163, Chapter 197; Township Chapter 113

- **Affordable Housing** - Existing codes contain differences that would require resolution in the event of merger and a merged code.

Borough Chapter 163; Township Chapter 108

- **Open Space Trust Fund** Both codes currently provide for an Open Space Trust, funded by a levy of \$0.02 per \$100 of assessed value, for the acquisition of vacant land, easements and development rights for conservation-related purposes. In the event of merger, a determination would need to be made as to whether to consolidate the two Trust Funds or keep them separate based on existing municipal geography.

Borough Chapter 172; Township Chapter 21

- **Permits, Business** - Existing codes treat licensing differently. In the event of merger, a merged code would need to resolve the issue of whether/how to license businesses.

Borough Chapter 180; Township n/a

- **Peddling and Soliciting** - Existing codes treat peddling differently. In the event of merger, a merged code would need to resolve the issue of whether/how to regulate peddling.

Borough n/a; Township Chapter 134

- **Property Maintenance** - Existing codes treat maintenance differently, with the Borough code being much more specific in nature. In the event of merger, a merged code would need to resolve property maintenance ordinance inconsistencies.

Borough Chapter 183; Township Chapter 124 for nuisances, Chapter 184 for housing

- **Certificate of Compliance** - Existing codes treat COCs differently, and would need to be resolved in the event of merger.

Borough Ordinance 2009-11 (amends Chapter 183); Township n/a

- **Certificate of Truancy** - Existing codes treat COTs differently, and would need to be resolved in the event of merger.

Borough Ordinance 2009-12 (amends Chapter 183); Township n/a

- **Roadside Stands** - Existing codes treat permitting of roadside stands differently, and would need to be resolved in the event of merger.

Borough Chapter 186; Township n/a

- **Seating, Outdoor Seasonal** - Existing codes treat permitting of outdoor seating differently, and would need to be resolved in the event of merger.

Borough Chapter 189; Township n/a

- **Sewers and Water** - Service-level differences between sewer/watered properties and non-serviced properties would likely have to be reflected in a merged code.

Borough Chapter 192; Township Chapter 166

- **Animals** - Existing codes treat animals differently, such as the Borough requiring cats to have rabies inoculation. In the event of merger, these differences would need to be resolved.

Borough Chapter 237; Township n/a

- **Child Care Centers** - Existing codes treat child care centers differently. In the event of merger, a merged code would need to resolve the issue of whether/how to license centers.

Borough Chapter 239; Township n/a

- **Franchises** - Current code-prescribed franchises are different. In the event of merger, existing franchises would need to be analyzed (e.g., for expiration dates, current terms, successor provisions, etc.). Alternatively, existing franchise agreements may possibly continue forward based on current coverage areas.

Borough Chapter A268 for Chester-Mendham Cable Television and Consolidated Services (both for cable television); Township Chapter A205 for United Telephone Company (telephone), RCN Television (cable television), United Telephone Company (communication facilities) and Verizon (communication facilities)

Boards and Commissions (*In the event of merger, new government would need to resolve different status/power of boards, although functions are easily merged. Note that the Borough's Local Assistance Board may be defunct since the function has been moved to the county.*)

Borough Chapter 9 includes Board of Health, Board of Recreation, Water Resources and Sewerage Planning Committee, Chester Area Pool Committee, Morris County Community Development, Historic Preservation Committee, Shade Tree Commission, Advisory Environmental Committee and Advisory Open Space Committee

Township includes Board of Health (Chapter 25), Environmental Commission (Chapter 17), Parks and Recreation Committee (Chapter 37), Municipal Agriculture Advisory Committee (Chapter 31) and Open Space Advisory Committee (Chapter 36)

- **Governing Body** - In the event of merger, form of government would be selected as part of the plan.

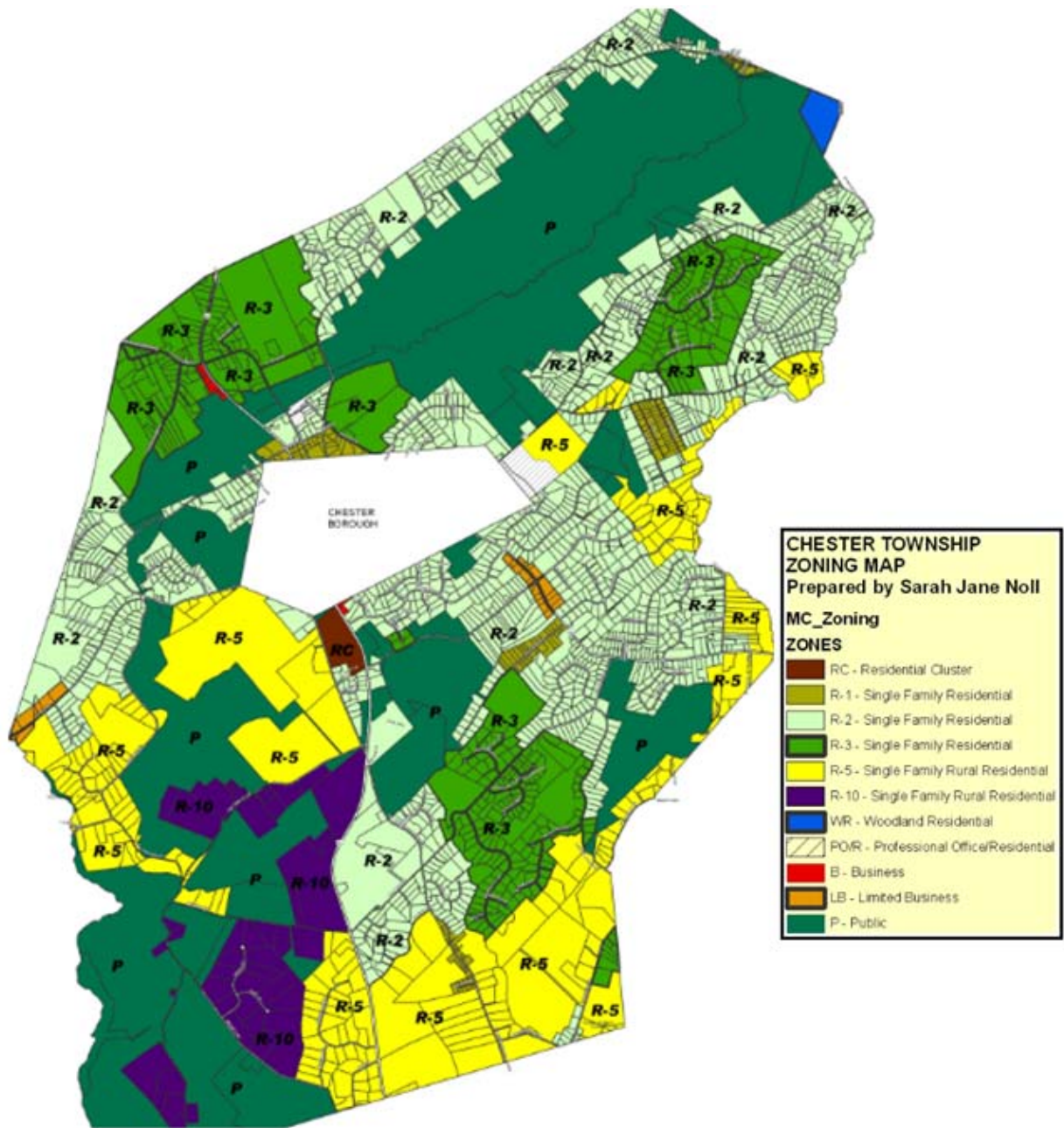
Borough Chapter 13; Township n/a, provided for in charter

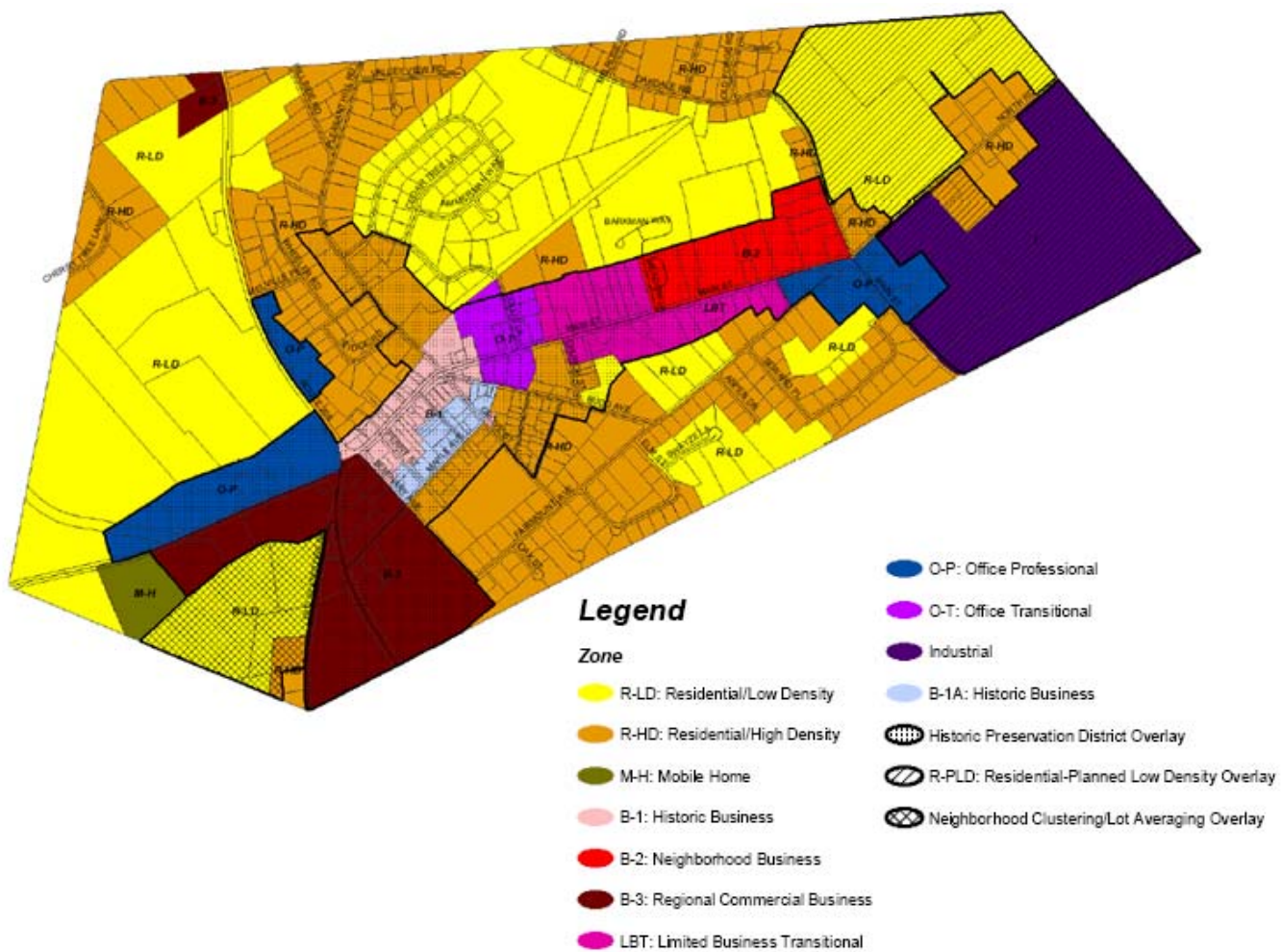
ZONING

The following graphics illustrate current zoning in the Township and Borough.

The largest zoning categories in use in the Township are “public” land (*e.g.*, open space and parkland), single family residential (R2 and R3), and single family rural residential (R5 and R10). There are two small pockets of area zoned for business purposes, along the southeastern border of the Borough and at the intersection of 206 and Four Bridges Road.

The Borough’s current zoning is predominantly residential – both high and low density, complemented by a critical mass of commercially zoned properties forming a “belt” of sorts through its middle. From west to east, the Borough’s center contains areas zoned for office professional, historic business, office transitional, limited business transitional and neighborhood business. The Borough also has pockets of regional commercial business zoning along its southwest and northwest borders, and a large industrially-zoned section along its easternmost edge.





COAH OBLIGATIONS¹⁰

About COAH

The State of New Jersey's Council on Affordable Housing (COAH) was created by the Fair Housing Act of 1985 as the state legislature's response to a series of state Supreme Court cases known as the "Mount Laurel" decisions. The Supreme Court established a constitutional obligation for each of the 566 municipalities in the state to establish a realistic opportunity for the provision of fair share low and moderate income housing obligations, generally through land use and zoning powers. The legislature provided an administrative alternative to this constitutional obligation via the Fair Housing Act.

COAH is an administrative and regulatory organization with 12 members appointed by the Governor on the advice and consent of the Senate. It does not produce, fund or compel municipalities to expend local funds to build affordable housing. Zoning for affordable housing in market rate developments (inclusionary zoning) does not require outside funding, provided a compensatory benefit such as a density increase is provided to the developer. Funding for other types of affordable housing is usually provided by the New Jersey Department of Community Affairs (DCA) through its various housing programs or by the New Jersey Housing and Mortgage Finance Agency (HMFA) using its bonding capabilities or its federal low income housing tax credit allocations. Municipalities are also permitted to collect development fees at the local level to be used for affordable housing activity.

The COAH Process

New Jersey municipalities enter the COAH process voluntarily. They do so by petitioning COAH for substantive certification of a housing element (required by the Municipal Land Use Law as part of each municipality's master plan) and a fair share plan establishing a realistic opportunity for the provision of housing affordable to low and moderate income households directly related to certificates of occupancy issued for residential and non-residential market rate development.

Petitioning assures continued protection from lawsuits while COAH reviews, sometimes requests revisions and possibly mediates objections from interested parties before COAH grants or denies substantive

¹⁰ This overview is drawn from the Department of Community Affairs' COAH website at <http://www.state.nj.us/dca/affiliates/coah/index.html>. The website provides additional information on the program and its requirements.

certification. Certification is granted for a ten-year period and may be withdrawn if a municipality fails to assure the continuing realistic opportunity for its fair share housing obligation.

A portion of the fair share obligation is the rehabilitation of existing units. To provide a realistic opportunity for the construction of new units, municipalities may zone specific sites for residential developments by the private sector. Developers must agree to build a fixed percentage of affordable units, usually 20 percent, of the total constructed on the site, to market to low and moderate income households and to maintain affordability for 30 years.

Other methods for meeting the obligation include municipally sponsored construction using for-profit or non-profit builders, the purchase of existing units for sale or rent to eligible householders, the creation of accessory apartments within existing structures, and the provision of supportive and special needs housing including group homes for the physically handicapped or developmentally disabled.

Current COAH Obligation in the Chesters

According to official COAH statistics effective October 2008, under present conditions Chester Township has a projected growth share (through 2018) of 66 COAH units, while the Borough's projected growth share is 50 units.¹¹ This compares to a prior-round (1987-99) obligation of 32 in the Township and 16 in the Borough. Limited undeveloped land in both towns, coupled with Highlands open space restrictions in the Township pose distinct challenges to meeting the community's COAH obligation regardless of consolidation.

(Update: On December 8, 2009, the Township opted to conform its Highlands "planning area" to the requirements of the Highlands Master Plan. As such, the Highlands Council is given responsibility for setting a revised COAH obligation. Township officials have indicated that the opt-in has resulted in the COAH obligation being reduced from 66 to 16. For additional information on the Highlands, see the following section.)

¹¹ Projected growth shares are based in part on housing growth and employment levels through the year 2018.

THE HIGHLANDS¹²

The Highlands Water Protection and Planning Act was established in August 2004 by the State of New Jersey to preserve open space and help protect natural resources in the Highlands Region. The law came out of the work of the Highlands Task Force, which was created by Governor's executive order in 2003 to develop recommendations on how to advance conservation efforts, smart growth, regional planning and water resources across 1,300 square miles in northwest New Jersey. The Highlands Region spans seven counties, including Morris (where the Chesters are located), Hunterdon, Somerset, Sussex, Warren, Passaic and Bergen, and includes 88 municipalities.

The Highlands Council is legislatively charged with reviewing proposed projects throughout the Highlands Region, including both the "Preservation Area" and the "Planning Area," for consistency with the goals, requirements and provisions of the Highlands Regional Master Plan. The Council issues consistency determinations that provide a detailed analysis of each project on a case-by-case basis.

The distinction between *preservation areas* and *planning areas* is a critical one. In areas designated as **preservation areas** under the Highlands Plan, municipal and county land use conformance with the Regional Master Plan is required; in **planning areas**, conformance is voluntary. As the following map illustrates, approximately three-quarters of the Township is in the preservation area (denoted by shading); the remainder of the Township, as well as the entire Borough, is in the planning area.¹³

¹² This overview is drawn from the New Jersey Highlands Council website at <http://www.highlands.state.nj.us/>. The website provides additional information on the program and its requirements.

¹³ Map provided by the Township of Chester.



After due consideration, the Township governing body agreed in December 2009 to “opt in” its planning area to conform to the Highlands Master Plan. The voluntary decision to conform its planning area to the Highlands plan avails the Township of grant funding from the state to cover related costs, and priority funding through the Green Acres program. It also has the effect of reducing the Township’s COAH obligation to 16. The Borough, which is entirely a planning area, has a similar opportunity to voluntarily opt into the Highlands Master Plan by a June 2010 deadline.

LITIGATION

There is not a significant amount of pending litigation impacting either the Township or Borough at the present time. The Township attorney notes that there is currently one suit pending against the Township and its

Zoning Office regarding non-approval of an application. A ruling is expected by January 11, 2010.

There is no pending litigation of note in the Borough.

APPENDIX

Property

The following lists contain property owned by the Borough and Township, including facilities and/or land.

Township Property Inventory

Source: Township Tax Assessor

Site	Address	Use(s)	Assessed Value
Fmr Telcordia Property	100 North	Rental office space, Parkland	\$4,384,800
DPW/Cell Tower	65 Furnace	Public works garage, Cell tower	\$4,344,700
Fmr Glenlora Nursing Home	345 Route 24	Proposed COAH development	\$1,569,900
Municipal HQ/Police	1 Parker	Township Hall, Police Station	\$1,530,400
Shed	State Park	Shed	\$84,600
Open Space (113 acres)	120 North	Open space	\$3,084,000
Open Space (0.3 acres)	1 Pottersville	Open space	\$30,500
Open Space (258 acres)	725 Pottersville	Open space	\$6,458,300
Open Space (21 acres)	Lamerson Rd	Open space	\$529,700
Open Space (20 acres)	Lamerson Rd	Open space	\$508,900
Open Space (0.7 acres)	Mt Paul Rd	Open space	\$35,000
Open Space (4 acres)	Cliffwood Rd	Open space	\$111,000
Open Space (1 acre)	48 Cliffwood Rd	Open space	\$113,100
Open Space (222 acres)	68 Cliffwood Rd	Open space	\$5,552,500
Open Space (152 acres)	375 O-C Gladstone	Open space	\$3,821,800
Open Space (2 acres)	Off O-C Gladstone	Open space	\$64,500
Open Space (17 acres)	Route 206	Open space	\$439,000
Open Space (79 acres)	120 Lamerson Rd	Open space	\$1,973,000
Open Space (213 acres)	Pottersville Rd	Open space	\$5,338,900
Open Space (1 acre)	155 Pottersville Rd	Open space	\$58,200
Open Space (7 acres)	75 Pottersville Rd	Open space	\$190,000
Open Space (0.7 acres)	751 Route 206	Open space	\$3,400
Open Space (45 acres)	Parker Rd	Open space	\$1,148,900
Open Space (2 acres)	145 O-C Gladstone	Open space	\$375,000
Open Space (9 acres)	O-C Gladstone	Open space	\$45,700
Open Space (13 acres)	168 Cooper	Open space	\$335,000
Open Space (15 acres)	605 Route 206	Open space	\$385,000
Open Space (36 acres)	100 Cooper	Open space	\$900,000
Open Space (103 acres)	26 South Road	Open space	\$2,574,000
Open Space (0.9 acres)	Oakdale Rd	Open space	\$107,700
Open Space (74 acres)	80 Tanners Brook ¹	Open space	\$10,600

Notes

(1) Acquired in conjunction with Washington Township

Borough Property Inventory

Source: Borough Clerk/Administrator

Site	Address	Use(s)	Assessed Value
Municipal Building	300 Main	Municipal/Police HQ, DPW garage	\$1,080,800
Fmr Lucent Property	50 North	Office park, Open space	\$6,000,000
Sewage Plant	111 Oakdale	Sewage treatment facility	\$401,400 ¹
Parking Lot	Main Street	Parking lot	\$157,700
Park (2 acres)	107 Seminary	Park and building	\$660,000
Open Space (42 acres)	140 West Main	Open space	\$6,892,000
Open Space (4 acres)	155 Main	Park, ball field, bldgs/gazebo	\$900,200
Open Space (0.5 acres)	18 Hedges	Water line easement	\$28,100
Open Space (44 acres)	185 Route 206	Open space	\$3,400,000
Open Space (0.4 acres)	Main (B107, L13)	Open space	\$215,000
Open Space (17 acres)	31 Ammerman	Sewage beds, Open space	\$385,800
Open Space (2 acres)	Collis (B110, L47)	Open space	\$290,100
Open Space (3 acres)	62 Collis	Open space	\$128,800
Open Space (2 acres)	43 Ammerman	Open space	\$496,100
Open Space (1 acre)	41 Ammerman	Open space	\$398,400
Open Space (2 acres)	Main (B110, L62)	Open space	\$61,600
Open Space (1.7 acres)	Oakdale (B110, L63)	Open space	TBD
Open Space (3.7 acres)	Oakdale (B110, L64)	Open space	TBD
Open Space (8 acres)	70 Grove	Park	\$850,300

Notes

(1) Assessment does not include facility or building

Assets

The following lists contain *major* assets and capital equipment owned by the Borough and Township. The lists exclude real property (see “Property” section), as well as general office supplies such as computers, file cabinets and basic electronics.

Township Major Assets

By department, acquisition year, item and new-purchase price

Source: Township Asset Report, Clerk/Administrator

Police	2002	Crown Vic	\$21,536
Police	2003	Crown Vic	\$20,768
Police	2005	Crown Vic	\$25,000
Police	2006	Crown Vic	\$28,000
Police	2007	Crown Vic	\$25,000
Police	2007	Crown Vic	\$25,000
Police	2009	Crown Vic	n/a
Police	2004	Durango	\$21,500
Police	2005	Durango	\$25,000
Police	2005	Durango	\$21,259
Police	2009	Durango	n/a
Police	2006	Explorer	\$28,000
Public Works	n/a	Asphalt Zipper/Trailer	\$86,450
Public Works	2001	Backhoe	\$77,475
Public Works	1999	Cab & Chassis	\$89,683
Public Works	1992	Chipper	\$13,190
Public Works	2004	Compressor	\$12,138
Public Works	2001	Dump Truck	\$90,950
Public Works	2003	Dump Truck	\$82,195
Public Works	2005	Dump Truck	\$88,840
Public Works	2005	Dump Truck	\$47,000
Public Works	2005	Dump Truck	\$52,000
Public Works	2008	Dump Truck	\$100,000
Public Works	2008	Dump Truck	\$107,000
Public Works	2008	Dump Truck	\$115,000
Public Works	2003	Front End Loader	\$60,690
Public Works	2007	Front End Loader	\$100,900
Public Works	1974	Grader	\$27,700
Public Works	2001	Mower	\$11,000
Public Works	2002	Mower	\$11,800
Public Works	2002	Mower	\$11,800
Public Works	2007	Mower	\$14,500
Public Works	2007	Mower	\$14,500
Public Works	2009	Mower	\$85,000
Public Works	1999	P/U Truck	\$25,726
Public Works	2002	P/U Truck	\$46,943
Public Works	2002	P/U Truck	\$46,500
Public Works	2003	P/U Truck	\$26,216
Public Works	2004	P/U Truck	\$24,000
Public Works	2005	P/U Truck	\$25,000

Public Works	2009	P/U Truck	n/a
Public Works	2004	P/U with Plow	\$35,592
Public Works	2007	Paver	\$68,000
Public Works	1994	Roller	\$10,000
Public Works	2001	Rotary Truck Lift	\$36,650
Public Works	2006	Sand Pro	\$18,000
Public Works	2003	Skid Steer	\$56,000
Public Works	2007	Snow Blower and Cab	\$16,000
Public Works	1999	Sweeper	\$102,769
Public Works	2004	Sweeper	\$176,940
Public Works	2007	Tar Pot	\$38,000
Public Works	1985	Tractor	\$21,927
Public Works	2001	Tractor	\$26,013
Public Works	2005	Tractor	\$27,996
Public Works	2005	Tractor	\$35,000
Public Works	1992	Tractor Mower	\$15,000
Public Works	2004	Tractor Mower	\$17,000
Public Works	2007	Tractor Mower	\$15,000
Public Works	2007	Tractor Mower	\$15,000
Public Works	1998	Trailer	\$5,000
Public Works	2002	Trailer	\$3,490
Public Works	2004	Trailer	\$13,000
Public Works	2006	Truck	\$31,641
Public Works	1996	Van	\$14,500

Borough Major Assets

By department, acquisition year, item and new-purchase price

Source: Borough Asset Report, Clerk/Administrator

Police	n/a	Chevy Unmarked	\$13,500
Police	2001	Crown Vic	\$20,100
Police	2003	Crown Vic	\$20,500
Police	2004	Crown Vic	\$18,271
Police	2006	Crown Vic	\$20,923
Police	2006	Crown Vic	\$20,438
Police	2007	Crown Vic	\$20,313
Police	2003	Dodge Dakota	\$21,989
Police	2009	Dodge Durango	\$24,032
Police	2009	Dodge Durango	\$24,032
Police	2000	Ford Interceptor	\$19,567
Police	n/a	OUH Generator/Trailer	\$10,000
Public Works	n/a	Air Compressor	\$2,250
Public Works	1999	Carmate Trailer	\$1,990
Public Works	2007	Chipper	\$28,000
Public Works	1996	Dump Truck	\$41,801
Public Works	1996	Dump Truck	\$30,432
Public Works	2001	Dump Truck	\$68,700
Public Works	n/a	Dump Truck	\$55,000
Public Works	n/a	Front-End Loader	\$68,000
Public Works	1999	Generator	\$2,269
Public Works	1997	Lawn Mower Attachmt	\$11,260

Public Works	n/a	Lawn Mower Attachmt	\$1,600
Public Works	n/a	Lawn Mower Attachmt	\$2,400
Public Works	2003	New Holland Backhoe	\$40,841
Public Works	1999	P/U Truck	\$23,014
Public Works	2006	P/U Truck	\$28,500
Public Works	2006	P/U Truck	\$31,989
Public Works	n/a	P/U Truck	\$18,000
Public Works	n/a	P/U Truck	\$18,000
Public Works	1995	Plow Attachment	\$9,721
Public Works	n/a	Plow Attachment	\$3,800
Public Works	n/a	Plow Attachment	\$3,800
Public Works	n/a	Plow Attachment	\$3,200
Public Works	n/a	Pounder - Asphalt	\$1,850
Public Works	n/a	Roller - Asphalt	\$3,200
Public Works	2007	Snow Blower Attachmt	\$4,348
Public Works	n/a	Spreader Attachment	\$5,600
Public Works	n/a	Spreader Attachment	\$5,600
Public Works	n/a	Spreader Attachment	\$3,478
Public Works	n/a	Sweeper Attachment	\$2,200
Public Works	2002	Tarco Leaf Vac	\$17,300
Public Works	2009	Tarco Leaf Vac	\$21,400
Public Works	2003	Toro Lawn Mower	\$17,280
Public Works	n/a	Tractor	\$14,000
Public Works	2007	Tractor Mower	\$33,649
Public Works	n/a	Trailer	\$1,420

The Township and Borough jointly own apparatus related to the provision of fire protection and first aid services in the community. Those assets are reflected in the following table:

Jointly Owned Major Assets

By department, acquisition year, item and new-purchase price

Source: Borough Asset Report, Clerk/Administrator

Fire/First Aid	1998	Ambulance	\$19,717
Fire/First Aid	n/a	Ambulance	\$10,000
Fire/First Aid	n/a	Fire Truck (Ford)	\$7,500
Fire/First Aid	n/a	Fire Truck (Ford)	\$7,500
Fire/First Aid	n/a	Fire Truck (Mack)	\$40,000
Fire/First Aid	n/a	Fire Truck (Mack)	\$45,000
Fire/First Aid	n/a	Fire Truck (Pierce)	\$45,000
Fire/First Aid	n/a	Fire Truck (Pierce)	\$60,000
Fire/First Aid	n/a	Fire Truck (Pierce)	\$56,250
Fire/First Aid	2004	Jaws of Life	\$9,334
Fire/First Aid	2004	Pumper	\$69,551