

Dear Residents:

With the recent mailing of the tax bills, I would like to provide information to better understand your current tax bill. This information was provided at our annual budget hearing on April 28, 2016.

Your total tax bill breakdown is represented as follows: County (14.58%), Regional School Grades 7-12 (21.61%), Local School K-6th (51.04%), Fire District (3.41% Avg), and Municipal (9.39%). The Chesterfield Township Committee is responsible for adopting the Municipal budget only which is represented by the municipal tax rate. The Township is responsible for billing the amounts required for all entities and disbursing the amounts to each entity.

Police Department – This department consists of a Chief, 9 officers, 2 part-time officer and a secretary. There are two officers per shift. The Police chief manages the department efficiently within this staffing which poses challenges dealing with vacations, sick-time and National Guard duties within the confines of the current staff.

Public Works Department – This department consists of a Director, 3 road workers and 1 part-time laborer. The public works workload is continuing the increase due to the developments being completed. This year, an outside contractor was hired to provide maintenance in the parks to assistance the DPW with the increased workload.

Remaining Departments (administration, tax, finance, construction, land use, recycling, housing, board of health and environmental commission) –The remaining staff is 6 full-time employees and 3 part-time. These employees hold many titles to satisfy all requirements without having individual employees for each. While the number of properties in 1996 was 1,209 and in 2016 it is now 2,260, the number of personnel has not changed in over 20 years. The current employees have absorbed all the additional workload.

Prior to 2012, the municipal tax rate was minimal due to the use of surplus in the budget to reduce the amount of tax needed to be raised. During the 2012 budget process, it

was determined to produce a tax rate that was not dependent on surplus and would support operations. This created a large tax increase and many public meetings were held to discuss the situation with residents. In 2013, it was determined that the tax rate would be lowered in order to allow residents to prepare for the increase over time.

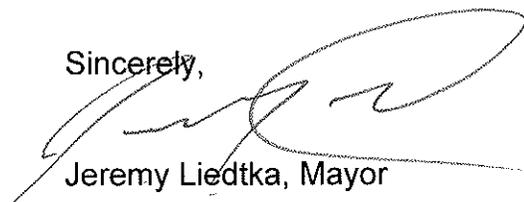
Those municipal tax rates are as follows:

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|------|-------|------|-------|
| 2012 | 0.295 | 2015 | 0.224 |
| 2013 | 0.129 | 2016 | 0.263 |
| 2014 | 0.177 | | |

The 2016 municipal tax rate is 3.2 cents lower than the projection in 2012. Surplus analysis has taken the forefront in the municipal budget with a 3-year plan of regeneration of said surplus and future usage. Yearly, the Township Committee struggles with the discussion of how much surplus to use in the budget which has a direct effect on the tax rate. Residents have said we should not use surplus, but in 2012 that strategy was not favorable. The multi-year projection to slowly begin to use less surplus allowed for residents to be more prepared for the future tax rates which are necessary to support existing operations in the future.

The last topic concerns deferred school tax. Every year the Township passes a resolution authorizing deferred school tax. This is permitted by legislation and allows the municipalities to utilize school taxes that have been collected but not yet due to the school. The Township deferred 50% which allowed by law. The decision to defer school taxes was made back in the 1980s. Eliminating the deferred school tax would require the Township to raise that amount in the municipal budget.

Sincerely,



Jeremy Liedtka, Mayor