

CITY of SUMMIT

2020 MUNICIPAL BUDGET

COMMON COUNCIL
MEETING

•
CITY HALL
COUNCIL CHAMBERS

•
MARCH 24, 2020



2020 Budget Process & Timeline

OPERATING & CAPITAL BUDGET DEVELOPMENT

- August 2019
- All departments commence process

DEPARTMENT BUDGETS

- October 18, 2019
- Submitted to City Administrator & CFO

COUNCIL COMMITTEE REVIEW & DISCUSSION

- November 1 to December 10, 2019
- Revisions provided to CA & CFO

PUBLIC WORKSHOP

- December 11, 2019
- Review capital budget requests

2020 Budget Process & Timeline



FINANCE & CAPITAL PROJECTS COMMITTEES REVIEW & DISCUSSION

- January to February 2020
- Operating & Capital budgets with department heads

CITY BUDGET PRESENTATION & INTRODUCTION

- March 24, 2020
- Common Council meeting

BUDGET ADOPTION

- April 28, 2020
- Public hearing – at least 28 Days after introduction



GOAL

#1

Demonstrate
fiscal responsibility
and sound
financial
management

GOAL & KEY ACTIONS

KEY ACTIONS:

- Create and present the 2020 city operating budget with a municipal tax rate change under 1.0%.
- Maintain the city's 'AAA' credit bond rating.
- Successfully negotiate a Teamsters collective bargaining contract with 2.0% net cost.



GOAL

#2

Expand application of technology to create business opportunity and increase customer convenience

GOAL & KEY ACTIONS

KEY ACTIONS:

- Improve interface of Parking Services Agency's online permit registration platform.
- Upgrade and maintain the city's Geographic Information System (GIS) and identify ways technology can be utilized to enhance service delivery across departments.
- Institute a mobile tablet system for efficient data collection for Tax Assessor office field work.



GOAL

#3

Maintain and upgrade critical city assets and infrastructure, and promote safety

GOAL & KEY ACTIONS

KEY ACTIONS:

- Complete new Summit Free Market building project.
- Finalize the new fire headquarters bid specifications, award contract and commence construction.
- Commence and finish Butler Parkway roadway and pedestrian safety improvements.



GOAL

#4

Increase
emphasis on
smart planning
and redevelopment

GOAL & KEY ACTIONS

KEY ACTIONS:

- Negotiate Broad Street west redevelopers agreement with designated redevelopers L+M Development and Toll Brothers.
- Implement flexible resident/non-resident commuter parking plan in anticipation of Broad Street east parking lot dislocation during new fire headquarters building project commencing in 2020.
- Implement city affordable housing plan to create new low and moderate income housing opportunities as part of future development and redevelopment efforts.



GOAL

#5

Build community connectedness and expand communications efforts

GOAL & KEY ACTIONS

KEY ACTIONS:

- Update city website to reflect current best practices in design and information delivery.
- Create and reinforce key brand messages by department, as part of a coordinated marketing effort.
- Expand Department of Community Programs internal and external outreach to employees and allied organizations through special events and targeted content development.



GOAL #6

Leverage talent,
ideas and creativity
of Summit's
municipal
workforce

GOAL & KEY ACTIONS

KEY ACTIONS:

- Foster collaboration among manager-level and supervisory employees through quarterly meetings.
- Create opportunities for staff development and training, particularly in the areas of technology and human resources management with an emphasis on cross-training and mentoring.
- Field quarterly surveys to gather employee input on key department initiatives and generate new ideas.



GOAL

#7

Offer innovative solutions to ongoing municipal challenges

GOAL & KEY ACTIONS

KEY ACTIONS:

- Promote use of See Click Fix mobile application to obtain necessary feedback for service and infrastructure-related (non-emergency) issues.
- Continue to explore new transportation options and expand existing ridesharing initiative for residents that commute from the Summit train station or work in the downtown.
- Increase marketing efforts to encourage citizens to sign-up for push notifications on the city website as a primary channel of information.



GOAL #8

Retain and
reinitiate improved
customer service
and accessibility

GOAL & KEY ACTIONS

KEY ACTIONS:

- Implement succession plan for various department head and key personnel retirements.
- Increase staff development training and focus on customer service improvements.
- Hold more "Coffee with a Cop" and "Coffee with a Fire Fighter" gatherings and identify additional outreach opportunities for first responders to engage with and serve citizens.

2020 MUNICIPAL BUDGET OVERVIEW



Financial Total Summary



| GENERAL FUND | 2020 | 2019 (Adopted) | % Variance |
|-------------------------|-------------------------|--------------------------|------------------------|
| Operating Budget | \$ 52,056,610 | \$ 51,984,799 | 0.14% |
| Capital Budget | <u>4,189,500</u> | <u>16,960,500</u> | <u>(75.30%)</u> |
| <i>Sub-total</i> | \$56,246,110 | \$68,945,299 | (18.42%) |

Financial Total Summary



| SEWER UTILITY FUND | 2020 | 2019 (Adopted) | % Variance |
|-------------------------|----------------------------|----------------------------|----------------------|
| Operating Budget | \$ 4,388,838 | \$ 4,313,287 | 1.75% |
| Capital Budget | <u>710,000</u> | <u>421,500</u> | <u>68.45%</u> |
| <i>Sub-total</i> | <i>\$ 5,098,838</i> | <i>\$ 4,734,787</i> | <i>7.68%</i> |

| PARKING SERVICES UTILITY FUND | 2020 | 2019 (Adopted) | % Variance |
|----------------------------------|----------------------------|----------------------------|------------------------|
| Operating Budget | \$ 3,981,271 | \$ 3,954,555 | 0.68% |
| Capital Budget | <u>50,000</u> | <u>100,000</u> | <u>(50.00%)</u> |
| <i>Sub-total</i> | <i>\$ 4,031,271</i> | <i>\$ 4,054,555</i> | <i>(0.57%)</i> |

Financial Totals



2020 \$65,376,219

2019 \$77,734,641



2020 General Fund



Budget Summary Points

- Municipal Tax Rate: Up 0.75%
- Anticipated Fund Balance (Surplus): Same as 2019 amount
- Local Revenues:  \$95,464
- Municipal Tax Levy:  \$476,386
- Salary & Wages Total: **\$17.56 million; \$56,444 decrease**
- Department Other Expenses Total:  \$233,364

\$3,172,957,793

SUMMIT'S TAX BASE—
UP \$29.8 MILLION FROM 2019

\$1.3 million

INCREASE OF TOTAL
TAX REVENUES
MUNICIPAL TAX REVENUE
GAIN— **\$254,518**

0.75%

INCREASE EFFECT
ON MUNICIPAL TAX RATE

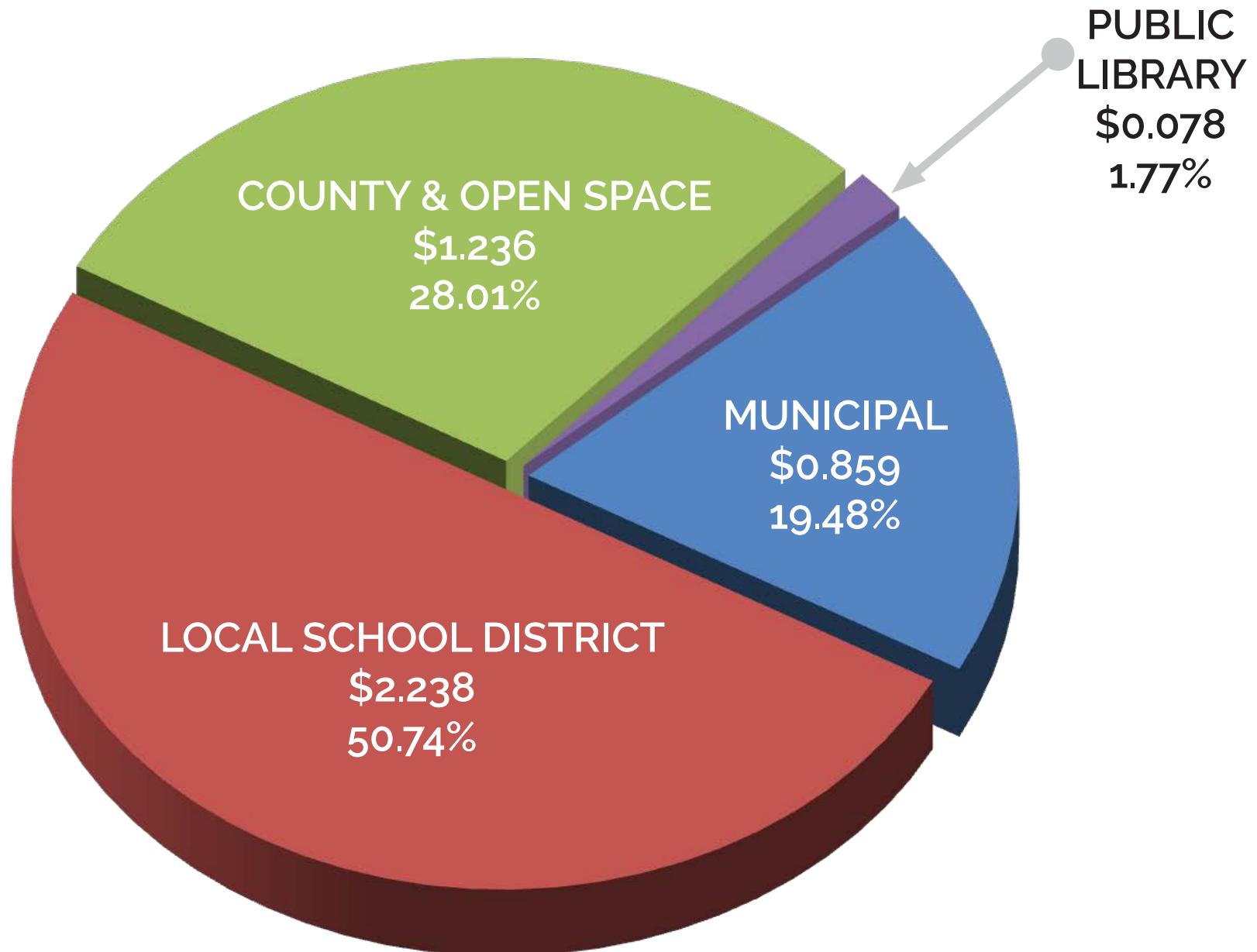


Property Tax Rates



| | Estimated 2020 | 2019 | % Change |
|--------------------------------|-----------------------|-----------------------|---------------------|
| MUNICIPAL | \$0.859 | \$0.853 | 0.75% |
| SCHOOL DISTRICT | \$2.238 | \$2.217 | 0.95% |
| COUNTY & OPEN SPACE | \$1.236 | \$1.217 | 1.60% |
| PUBLIC LIBRARY | <u>\$0.078</u> | <u>\$0.078</u> | 0.20% |
| <i>Estimated Total</i> | <i>\$4.411</i> | <i>\$4.365</i> | <i>1.05%</i> |

2020 Estimated Property Tax Rates



Total Property Bill Comparison



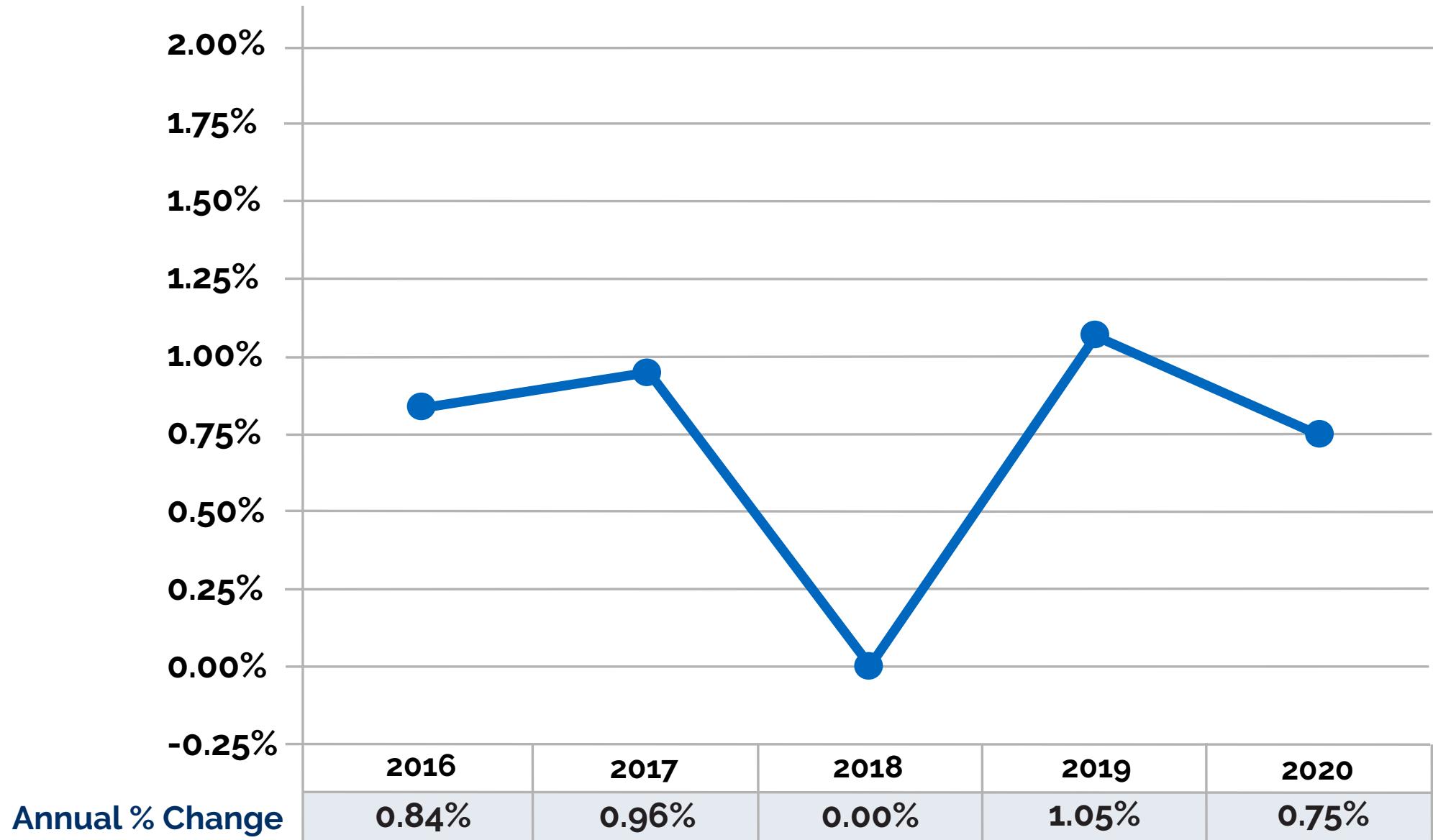
(AVG. RESIDENTIAL NET ASSESSMENT – \$420,100)

| | 2020 | 2019 |
|--|---|----------------------|
| Municipal Taxes | \$ 3,608.66 | \$3,583.45 |
| Local School District Taxes | 9,421.98 | 9,313.62 |
| County & Open Space Taxes | 5,192.43 | 5,112.62 |
| Public Library Taxes | <u>327.68</u> | <u>327.68</u> |
| | | |
| Estimated Total Tax Bill Amount | \$18,550.75 | \$18,337.37 |
| | | |
| 2020 Estimated Total Property Tax \$ Effect | <i>Increase of \$213.38, or 1.16% for year</i> | |

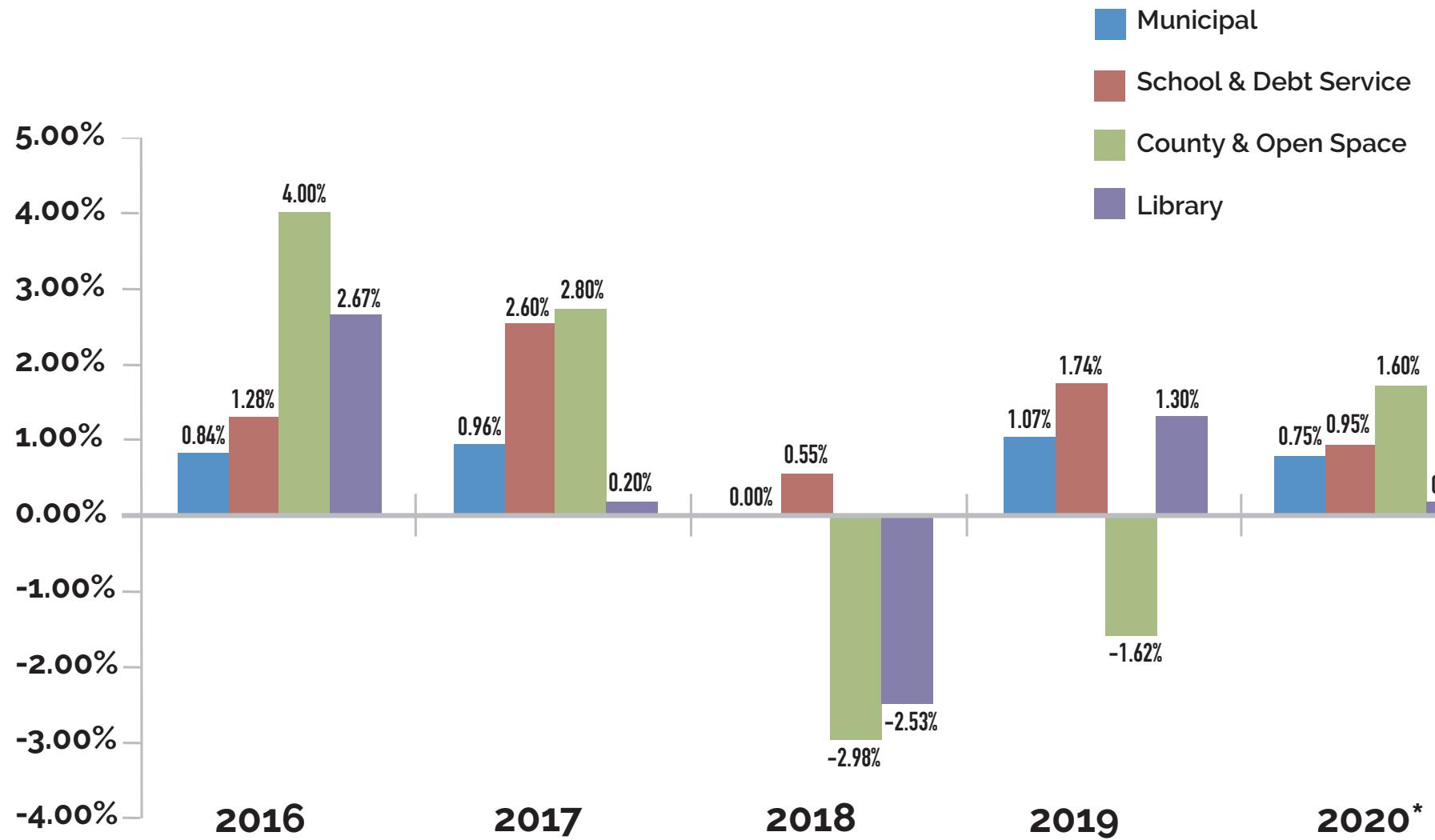
Municipal Tax Rate



ANNUAL % CHANGE (2016-2020)



5 Year Change in Tax Rates

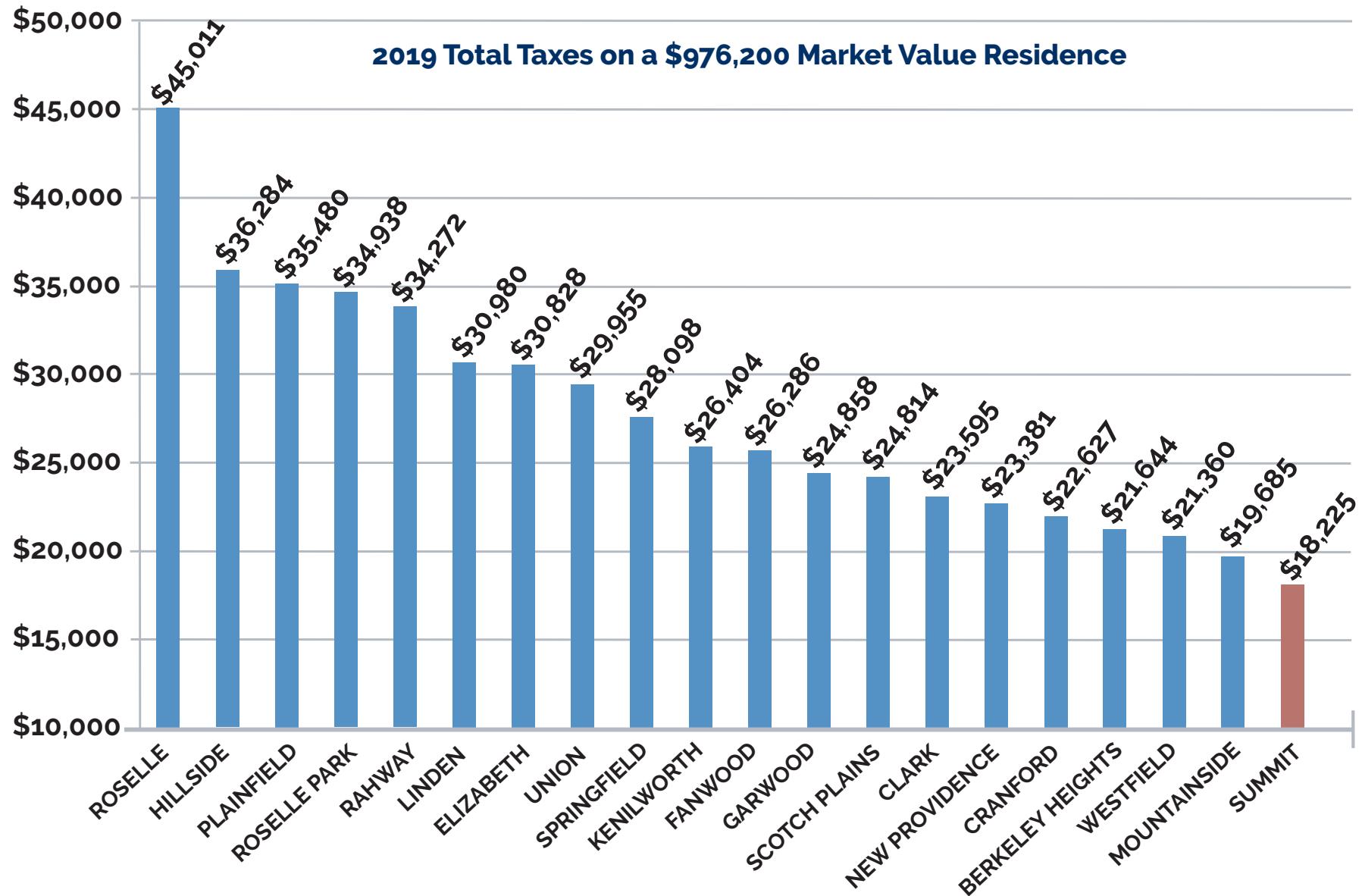


* 2020—Estimated tax rate changes

Effective Tax Rates



UNION COUNTY MUNICIPALITIES



General Fund Revenues



| | | 2020 Anticipated | 2019 Anticipated | \$ Change from 2019 |
|--|----------------|----------------------|----------------------|------------------------|
| Fund Balance | (13.2%) | \$ 6,900,000 | \$ 6,900,000 | \$ 0 |
| Local Revenues | (6.9%) | 3,557,880 | 3,673,344 | (115,464) |
| State Aid | (6.6%) | 3,424,850 | 3,423,000 | 1,850 |
| Grants | (0.3%) | 148,806 | 144,315 | 4,491 |
| Enterprise Funds/ Contributions | (5.8%) | 2,993,284 | 3,142,025 | (148,741) |
| Prior Year Tax Receipts | (1.0%) | 520,000 | 630,000 | (110,000) |
| Municipal Tax Levy | (52.4%) | 27,268,892 | 26,792,506 | 476,386 |
| School District Debt Obligation | (9.1%) | 4,743,153 | 4,838,824 | (95,671) |
| Library Tax Levy | (4.7%) | 2,479,745 | 2,440,785 | 38,960 |
| Total General Revenues | | \$ 52,056,610 | \$ 51,984,799 | \$ 71,811 |

Revenues



• LOCAL REVENUES

- ▲ **Increases:** \$18,000 (Police Off Duty Administration Fees)
\$13,000 (Family Aquatic Center Fees)

- ▼ **Decreases:** \$42,167 (Old Town Hall rent – 71 Summit Ave.)
\$35,000 (Sale of Recyclable Materials)
\$35,000 (Hotel/Motel Occupancy Fees)

• ENTERPRISE FUNDS/CONTRIBUTIONS

- ▲ **Increases:** \$109,000 (Reserve for Sale of Municipal Assets)
\$66,870 (Reserve to Pay General Capital Debt - Community Center)

- ▼ **Decreases:** \$78,000 (General Capital Surplus)
\$62,000 (Reserve for Municipal Debt Service)

Property Tax Levies



| | 2020 Estimated | 2019 | % Change |
|--------------------------------|-----------------------------|-----------------------------|---------------------|
| Municipal | \$ 27,268,892 | \$ 26,792,506 | 1.78% |
| Local School District | 71,013,903 | 69,676,048 | 1.92% |
| County | 38,109,011 | 37,153,311 | 2.57% |
| County Open Space | 1,124,788 | 1,105,258 | 1.77% |
| Public Library | <u>2,479,745</u> | <u>2,440,785</u> | 1.60% |
| <i>Total Tax Levies</i> | <i>\$139,996,339</i> | <i>\$137,167,908</i> | <i>2.06%</i> |

2% PROPERTY TAX LEVY

\$1,041,858

UNDER

*Maximum Tax Levy
Amount of
\$28,310,811*



General Fund Appropriations



\$52,056,610

Municipal Operations: \$32,661,977

- Department Salaries and Wages, and Other Expenses
- Utilities
- Insurance
- Statutory Expenses (Pension and Social Security)

Other Appropriations: \$14,094,239

- Library Levy
- Grants and Interlocal Agreements
- Capital Improvements
- Municipal and School Debt Service
- Deferred Charges and Reserves

Reserve for Uncollected Taxes: \$5,300,393

2020 Total Appropriations



\$52,056,610

| Municipal Operations | 2020 | 2019 Adopted | \$ Change from 2019 |
|--------------------------------------|---------------------|---------------------|---------------------|
| General Government (3.1%) | \$ 1,634,790 | \$ 1,536,286 | \$ 98,504 |
| Finance (2.4%) | 1,253,551 | 1,247,615 | 5,936 |
| Public Safety (22.2%) | 11,533,758 | 11,323,101 | 210,657 |
| Community Services (14.1%) | 7,349,524 | 7,200,546 | 148,978 |
| Community Programs (2.0%) | 1,051,447 | 1,191,610 | (140,163) |
| Board of Health (0.9%) | 451,910 | 443,045 | 8,865 |
| Municipal Court (0.8%) | 406,128 | 399,300 | 6,828 |
| Utilities (2.2%) | 1,143,000 | 1,134,500 | 8,500 |
| Insurance (6.8%) | 3,555,090 | 3,739,774 | (184,684) |
| Statutory Expenditures (8.2%) | 4,282,780 | 4,270,720 | 12,060 |

2020 Total Appropriations



\$52,056,610

| Other Appropriations | 2020 | 2019 Adopted | \$ Change from 2019 |
|--|---------------------|---------------------|---------------------|
| Maintenance of Free Public Library (4.8%) | \$ 2,479,745 | \$ 2,440,785 | \$ 38,960 |
| Grants (0.3%) | 148,806 | 144,315 | 4,491 |
| Interlocal Agreements (2.3%) | 1,213,758 | 1,232,049 | (18,291) |
| Capital Improvements (0.2%) | 109,475 | 735,275 | (625,800) |
| Municipal Debt Service (9.0%) | 4,662,452 | 4,002,104 | 660,348 |
| School Debt Service (9.9%) | 5,145,003 | 5,265,023 | (120,020) |
| Deferred Charges & Reserves (0.6%) | 335,000 | 405,000 | (70,000) |
| Reserve for Uncollected Taxes (10.2%) | 5,300,393 | 5,283,454 | 16,939 |

APPROPRIATIONS CAP

\$3,140,143



UNDER
*Maximum
Appropriations Cap
Amount of
\$36,054,106*

Municipal Personnel



| | 2020 | 2019 | 2018 | 2017 |
|------------------|------------|------------|------------|------------|
| Full-time | 172 | 173 | 174 | 177 |
| Part-time | 26 | 25 | 26 | 26 |
| Total | 198 | 198 | 200 | 203 |

- 2019 – Vacated full-time Office Manager position in Community Programs will not be filled.
- 2019 – Part-time temporary position (Communications Associate) in Administration is now classified as part-time permanent position.

Salaries & Wages



| FUND | 2020 | 2019 | % Change |
|--------------------------|----------------------------|----------------------------|---------------------|
| General | \$17,562,628 | \$17,619,072 | (0.32%) |
| Sewer Utility | 353,000 | 316,000 | 11.71% |
| Parking Services | | | |
| Utility | 785,000 | 779,600 | 0.69% |
| Uniform | | | |
| Construction Code | | | |
| (Trust) | 869,487 | 855,400 | 1.65% |
| <i>Totals</i> | <i>\$19,570,115</i> | <i>\$19,570,072</i> | <i>0.00%</i> |

Total Benefits as a Percentage of Salaries & Wages



| | 2020 | 2019 |
|---|--------------|--------------|
| Salaries & Wages | \$17,562,628 | \$17,619,072 |
| Total Benefits <i>(Healthcare and Pension Costs)</i> | \$ 7,529,224 | \$ 7,773,501 |
| % of Benefits to Salaries & Wages | 42.87% | 44.12% |
| % Annual Change | (1.25%) | 2.72% |
| Total Employees | 198 | 198 |
| Average Cost of Benefits per Employee | \$ 38,026 | \$ 39,260 |

Municipal Operations



Other Expenses (General Fund)

- **\$10.81 million** – 20.78% of Total Appropriations
 - 0.42% increase from 2019
 - 2.11% average increase over last four years
- **Three Largest Line-item Categories**
 - Transfer Station Disposal Charges - \$1,070,000 (\$195,000 increase)
 - Police - \$448,800 (up \$21,000)
 - Recycling Curbside Collection - \$370,750 (up \$118,000)
- **Three Largest Professional**
 - Legal Services (General & Labor) - \$240,000 (\$20,000 increase)
 - Land Use Planning Services - \$150,000 (no proposed increase)
 - Legal Services (Tax Appeals) - \$140,000 (\$45,000 decrease)

Other Appropriations



HEALTHCARE INSURANCE

- **\$3.68 million** (gross) medical and dental insurance premiums.
(Medical - \$3.48 million; Dental -\$200,000)
- **\$2.41 million** (net) healthcare insurance appropriation
- **\$1.12 million** in employee contributions (down \$67,781 from 2019)
- **\$378,000** estimated annual cost savings from employee opt-out



Other Appropriations

PENSION OBLIGATIONS

- PERS and PFRS – \$3.82 million total
- Up \$8,208 from 2019
- 7.4% of total appropriations
- Since 2011, on average, combined totals increased by 3.7%

RESERVE FOR UNCOLLECTED TAXES: \$5.3 million

- 2019 – 99.62% of tax levy collected
- 2019 – 96.21% anticipated collection rate

DEBT SERVICE 'AAA' Bond Rating

- \$4.66 million up \$660,348 from 2019 (16.5% increase)
- \$3.6 million in principal pay down
- Scheduled bond payments projected to increase in 2021 by \$300,000

Current Debt Position



As of December 31, 2019

| | |
|---|------------------------|
| Statutory Equalized Valuation | \$7,328,570,750 |
| Statutory Borrowing Power | 256,499,976 |
| Statutory Net Debt | 54,795,251 |
| Remaining Statutory Borrowing Power | 201,704,725 |
| Net Debt to Statutory Equalized Valuation | 0.748% |



CITY DEPARTMENTS

2020 Capital Budget Plan



CITY OF SUMMIT
DEPARTMENT OF
**COMMUNITY
SERVICES**



SHARE THE FUN



WHERE COMMUNITY THRIVES

summit
community
programs

Capital Budgets



General Fund

Total - **\$4,189,500**

Parking Services Agency

Total - **\$50,000**

Sewer Utility

Total - **\$710,000**

Capital Budget Comparison



| DEPARTMENT | 2020 | 2019 | % Change |
|----------------------|---------------------|----------------------|-----------------|
| Fire | \$ 139,500 | \$ 11,989,500 | (98.84%) |
| Police | 0 | 146,000 | (100.00%) |
| MVEC Jt. Dispatch | 0 | 200,000 | (100.00%) |
| DCS | 3,345,000 | 3,015,000 | 10.95% |
| DCP | 705,000 | 60,000 | 1,075.00% |
| Admin/Clerk | 0 | 1,550,000 | (100.00%) |
| Library | 0 | 0 | 0.00% |
| TOTAL | \$ 4,189,500 | \$ 16,960,500 | (75.30%) |

Capital Budget Comparison



2020 vs. 2019

| UTILITY | 2020 | 2019 | % Change |
|------------------|-------------------|-------------------|---------------|
| Parking Services | \$ 50,000 | \$ 100,000 | (50.00%) |
| Sewer | 710,000 | 421,500 | 68.44% |
| TOTAL | \$ 760,000 | \$ 521,500 | 45.73% |

Public Safety



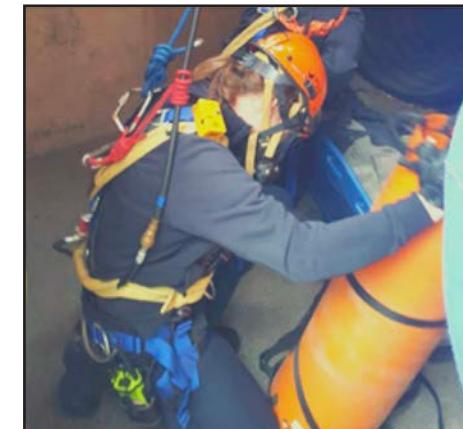
Fire Department: \$139,500

- Fire Prevention Vehicle – \$55,000
- Rescue & Small Equipment Replacement – \$50,500
- Fire Hose Replacement – \$17,500
- Firefighter Turnout Gear – \$16,500



Police Department: \$0

Joint Dispatch Center: \$0



Dept. of Community Services



2020 Capital Budget

\$3.34 million



Dept. of Community Services



INFRASTRUCTURE: **\$2.54 million**

- Major road improvement projects
 - Edgar Street
 - Beacon Road, Elm Place, Locust Drive, Manor Hill Road & Westminster Road
 - West End Avenue
- Micropaving program
- Municipal Golf Course dam/ spillway maintenance
- Traffic signal upgrades
- Pedestrian safety improvements
- Regulatory & warning sign replacement



Dept. of Community Services



VEHICLE/EQUIPMENT: \$325,000

- Vehicle & Equipment maintenance



Dept. of Community Services



CITY BUILDINGS: \$475,000

- 2020 City Buildings Capital Funding Requests

\$135,000 – City Hall

\$80,000 – DPW Garage

\$260,000 – Transfer Station

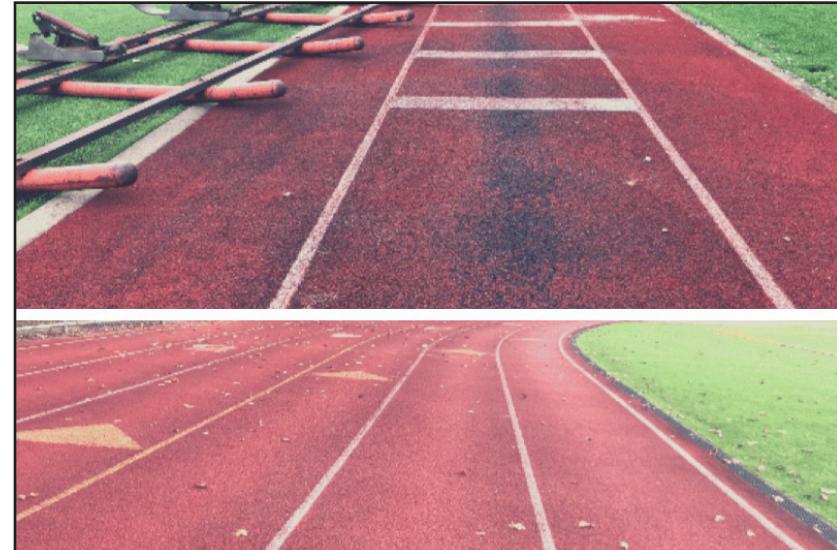




Community Programs

Total Capital Budget Request \$705,000

- SFAC Pool Resurfacing Improvements - \$500,000
 - \$250,000 request in 2020 Capital Budget
 - \$250,000 funded in 2019 Capital Budget
- Stadium Track at Investors Bank Field - \$270,000



Community Programs



- Tatlock Lighting study & Basketball Court replacement - **\$100,000**
(\$50,000 lighting study) and (\$50,000 basketball court replacement)



- Memorial Field basketball courts - **\$75,000**
- Park furnishings - **\$10,000**

Utility Funds



Parking Services: \$50,000

- Parking Services Utility
- Parking lot maintenance

Sewer: \$710,000

- Sewer Utility 2020 Capital Budget Total Request
- Sewer Infrastructure, Capital Projects, Equipment/Vehicles and Pump Stations





THANK YOU
Questions?

cityofsummit.org