



MUNICIPAL BUDGET SNAPSHOT

Connecting with the Community...Public Dialogue

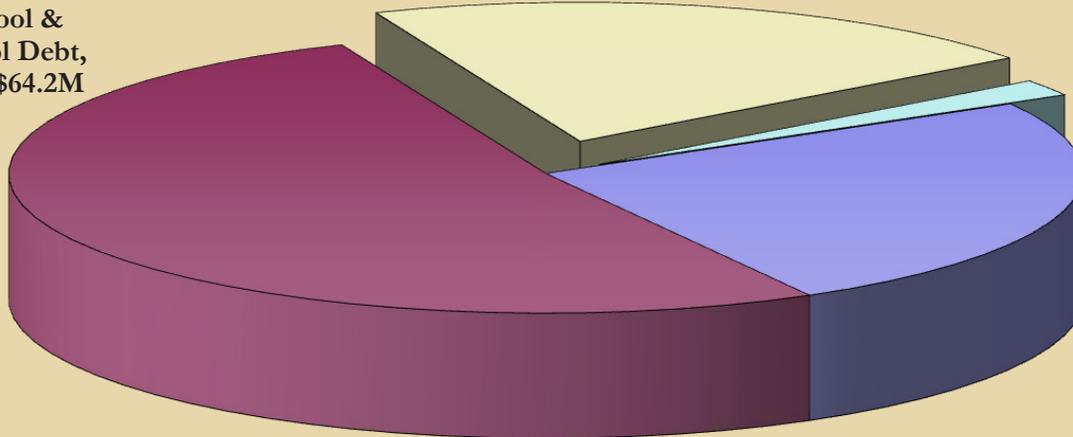
BUDGET SNAPSHOT

The Municipal Budget Snapshot is a summary of the proposed 2013 operating budget for the City of Summit. The financial information presented here is summarized and does not substitute for the City's Annual Budget which is available for inspection in the office of the City Clerk, Public Library, or on the City website at www.cityofsummit.org. A public hearing on the municipal budget is scheduled for Tuesday, April 16th at 7:30 p.m.

SUMMIT TAX BREAKDOWN - \$126M

Municipal, 21%, \$25.9M

School &
School Debt,
51%, \$64.2M



Library, 2%,
\$2.3M

County and
Open Space
26%, \$33.6M
(Estimate)

2013 COUNCIL GOALS

Fiscal Responsibility

- Identify additional Shared Services
- Work with Union County Freeholders to reduce County taxes
- Work with Summit Downtown to create a business recruitment program
- Explore alternative revenue sources

Downtown Development

- Possible expansion of Special Improvement District
- Development of additional structured parking
- Promote tourism – Summit as a “destination city”

Safety

- Establish Combined Dispatch
- Evaluate City's Emergency Communication programs
- Expand police and fire department training opportunities
- Support Emergency Management Task Force

Technology and Communication

- Complete Technical Master Plan
- Increase Technical support and continued investment in infrastructure

Infrastructure

- Consider options for improved response by overall electric utility
- Consider undergrounding of electrical grid
- Tree limb removal plan within electric utility right-of-way

SUMMIT'S HOUSEHOLD TAX PICTURE

This chart includes all of the parts of the tax bill for a homeowner whose property is assessed at \$405,000¹. The equalized valuation of this property, which is more closely aligned to the market value, is about \$894,000.

| | Actual Tax Dollars Paid | | | | Tax Rate (\$s per \$100 Assessed Value) | | |
|--------------------------------|-------------------------|-----------------|-----------------|-----------------------|--|--------------|--------------|
| | 2011 | 2012 | 2013 | 2013-2012 % change | 2011 | 2012 | 2013 |
| County ² | \$3,609 | \$4,001 | \$4,218 | 5.4% | 0.891 | 0.988 | 1.042 |
| County Open Space ² | 130 | 134 | 135 | 1.2% | 0.032 | 0.033 | 0.033 |
| School | 7,745 | 7,756 | 7,770 | 0.2% | 1.912 | 1.915 | 1.919 |
| School Debt Service | 397 | 527 | 556 | 5.6% | 0.098 | 0.130 | 0.137 |
| Municipal | 3,333 | 3,345 | 3,360 | 0.4% | 0.823 | 0.826 | 0.830 |
| Library | 296 | 304 | 296 | -2.5% | 0.073 | 0.075 | 0.073 |
| TOTAL | \$15,510 | \$16,067 | \$16,335 | 1.7% | 3.829 | 3.967 | 4.034 |

¹ Average residential property assessment is determined by dividing the assessed value of all residential units by the number of those units

² County & Open Space tax rates are undetermined at time of publication. Amounts shown are estimates

Connecting with the Community: Revenues



Municipal Revenues

| | Actual 2011 | Actual 2012 | Budget 2012 | Budget 2013 |
|---|---------------------|---------------------|---------------------|---------------------|
| Municipal Court | \$588,455 | \$647,564 | \$588,000 | \$647,000 |
| Enterprise Funds/Contribution to City General Fund ¹ | 1,234,179 | 1,355,821 | 1,353,746 | 1,454,365 |
| Fees ² and Franchise Income | 842,144 | 807,819 | 852,000 | 812,500 |
| Grants and Interlocal Agreements | 985,813 | 323,422 | 224,010 | 216,590 |
| Interest on Investments and Deposits | 35,139 | 18,356 | 35,000 | 18,000 |
| Licenses | 114,682 | 107,913 | 113,000 | 107,000 |
| Community Programs | 702,125 | 682,843 | 700,000 | 679,500 |
| Reserves | 23,500 | -0- | -0- | -0- |
| State of NJ - Energy Receipts & School Debt Aid ³ | 4,089,872 | 4,076,701 | 4,075,664 | 3,849,339 |
| Interest and Costs on Taxes | 220,343 | 188,010 | 220,000 | 188,000 |
| Municipal Tax Revenues | 31,377,714 | 31,680,554 | 26,305,484 | 26,480,905 |
| School Debt | 3,061,833 | 4,038,393 | 4,038,393 | 4,291,118 |
| Library | 2,266,819 | 2,318,041 | 2,318,041 | 2,285,677 |
| Surplus Anticipated | 6,800,000 | 6,250,000 | 6,250,000 | 6,300,000 |
| Grand Total Municipal Revenues | \$52,342,618 | \$52,495,437 | \$47,073,338 | \$47,329,994 |

¹ Enterprise Funds include contributions from the Parking Utility, Uniform Construction Code Office, Sewer Utility and Debt Service Payment from Summit Downtown, Inc.

² Fees include service fees for DCS, Health, Library, Zoning Board, Police, Briant Park Emergency Services Fees, Transfer Station Revenue, Summit Housing Authority's "Payment in Lieu of Taxes" (P.I.L.O.T.), and Old Town Hall

³ Includes Hotel and Motel Occupancy Fees and Uniform Fire Safety Act

Enterprise Funds⁴

User Fees Collected:

| | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|
| Parking Utility - User Fees | 2,436,160 | 2,526,881 | 2,352,608 | 2,549,170 |
| - Surplus Used & Misc Receipts | 84,330 | 224,425 | 134,794 | -0- |
| Sewer Utility - User Fees | 2,568,327 | 2,690,872 | 2,661,551 | 2,885,939 |
| - Surplus Used & Misc Receipts | 225,398 | 237,582 | 150,000 | 275,000 |

Total User Fees and Receipts:

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| \$5,314,215 | \$5,679,760 | \$5,298,953 | \$5,710,109 |
|--------------------|--------------------|--------------------|--------------------|

Expenditures

| | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|
| Parking Utility - Salaries and Wages | 456,787 | 490,424 | 542,616 | 630,000 |
| - Other Expenses | 1,764,719 | 1,861,483 | 1,944,786 | 1,919,170 |
| Sewer Utility - S & W | 273,344 | 229,049 | 291,000 | 285,000 |
| - OE | 2,117,073 | 2,428,273 | 2,520,551 | 2,875,939 |

Total Expenses:

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| \$4,611,923 | \$5,009,229 | \$5,298,953 | \$5,710,109 |
|--------------------|--------------------|--------------------|--------------------|

⁴ Revenue from Enterprise Funds are shown here but are not part of the Municipal Operating Budget. Enterprise Funds are self-sustaining utilities.

Outstanding Debt:

| | As of December 31, 2011 | | As of December 31, 2012 | |
|-----------|-------------------------|------------|-------------------------|------------|
| | Issued | Authorized | Issued | Authorized |
| Municipal | 16,892,300 | 18,370,665 | 17,765,000 | 19,278,338 |
| Sewer | 2,200,000 | 5,357,200 | 2,615,000 | 4,496,694 |
| Parking | 2,189,500 | 777,500 | 1,853,500 | 1,970,340 |
| School | 44,010,000 | 7,642,915 | 43,360,000 | 3,504,740 |
| | 65,291,800 | 32,148,280 | 65,593,500 | 29,250,112 |

Total Outstanding Debt

\$97,440,080

\$94,843,612

Connecting with the Community: Expenditures

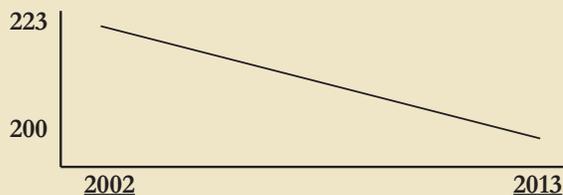


Municipal Expenditures

City Services

| | | Actual 2011 | Actual 2012 | Budget 2012 | Budget 2013 |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| Administration | Salaries and Wages | \$1,000,830 | \$1,086,738 | \$1,107,300 | \$1,136,400 |
| | Other Expenses | 503,828 | \$547,146 | \$583,993 | \$717,663 |
| Legal Services | S & W | 32,406 | 32,888 | 35,000 | 34,000 |
| | OE | 251,136 | 343,600 | 454,000 | 375,000 |
| Court | S & W | 318,328 | 330,912 | 309,500 | 358,500 |
| | OE | 15,620 | 15,872 | 21,525 | 21,525 |
| Department of Community Services (DCS) | S & W | 4,276,031 | 4,241,875 | 4,211,800 | 4,180,443 |
| | OE | 2,033,290 | 1,898,567 | 2,186,950 | 2,189,050 |
| Police | S & W | 5,859,808 | 5,927,494 | 6,159,500 | 6,031,500 |
| | OE | 351,080 | 379,836 | 412,750 | 449,000 |
| Police Pension | | 1,379,386 | 1,177,227 | 1,177,227 | 1,235,060 |
| Fire | S & W | 3,845,180 | 3,847,986 | 3,982,590 | 3,952,590 |
| | OE | 445,703 | 445,679 | 485,500 | 513,000 |
| Fire Pension | | 964,729 | 806,254 | 806,373 | 831,840 |
| Health | S & W | 212,429 | 211,427 | 227,000 | 217,500 |
| | OE | 154,360 | 144,672 | 151,589 | 153,780 |
| Community Programs | S & W | 612,593 | 643,663 | 661,500 | 723,500 |
| | OE | 161,230 | 150,837 | 177,220 | 177,220 |
| Library | S & W | 1,479,326 | 1,455,489 | 1,455,489 | 1,507,000 |
| | OE | 787,493 | 862,552 | 862,552 | 778,677 |
| Pension | | 1,030,922 | 866,787 | 1,044,526 | 901,460 |
| Social Security | | 740,483 | 727,624 | 700,000 | 686,500 |
| Employee Group Health | | 2,771,988 | 3,214,877 | 3,063,000 | 3,457,912 |
| Less: Employee Contribution | | (282,288) | (407,877) | (256,000) | (435,456) |
| General Liability Insurance | | 455,667 | 459,000 | 459,000 | 433,000 |
| Workers Compensation & NJ PEOSHA | | 586,940 | 598,100 | 599,100 | 658,000 |
| Unemployment | | -0- | -0- | -0- | 40,000 |
| Utilities ¹ | | 1,287,512 | 1,135,774 | 1,347,834 | 1,183,000 |
| Capital Improvement Fund & Contingent | | 250,000 | 350,000 | 350,000 | 350,000 |
| Grants | | 770,525 | 106,229 | 14,420 | -0- |
| Municipal Debt | | 4,149,898 | 3,167,300 | 3,167,300 | 3,231,630 |
| Subtotal Salaries and Other Expenses | | \$36,446,433 | \$34,768,528 | \$35,958,538 | \$36,089,294 |
| Plus: School Debt Service Total ² | | 3,942,601 | 4,914,800 | 4,914,800 | 4,940,700 |
| One-year Reserves ³ | | 747,377 | 270,075 | | |
| Total Municipal Appropriations⁴ | | 41,136,411 | 39,953,403 | 40,873,338 | 41,029,994 |
| Plus: Reserve for Uncollected Taxes | | 6,084,000 | 6,200,000 | 6,200,000 | 6,300,000 |
| Less: One-year Reserves ⁵ | | (747,377) | (270,075) | | |
| Grand Total, Operating Budget | | \$46,473,034 | \$45,883,328 | \$47,073,338 | \$47,329,994 |

FULL-TIME EMPLOYEE COMPARISON



¹ Utilities include gas, electric, street lighting, telephone, and vehicle fuels

² School Debt Service is included in the municipal portion of the tax bill

³ Unexpended amounts are available for an additional year

⁴ See Change in Net Cash Balance chart, Municipal Appropriations

⁵ Unexpended appropriations are not included in Grand Total, Operating Budget



**ECRWSS
POSTAL CUSTOMER
SUMMIT, NEW JERSEY 07901**

MAYOR

Ellen K. Dickson

COMMON COUNCIL

COUNCIL PRESIDENT

Richard J. Madden

WARD I

Thomas Getzendanner

Albert Dill, Jr.

Robert J. Rubino, MD, FACOG

WARD II

Dave A. Bomgaars

Richard J. Madden

Patrick J. Hurley

COUNCILMAN AT LARGE

Gregory Drummond

CITY ADMINISTRATOR

Christopher J. Cotter

CITY TREASURER/CFO

Scott H. Olsen

OPEN LINE EDITOR

Rita M. McNany

Net Cash Balance*

| | 2011 | 2012 | 2013 |
|---|----------------------------|----------------------------|----------------------------|
| Cash Balance - Beginning January 1st¹ | <u>\$14,858,368</u> | <u>\$13,280,279</u> | <u>\$13,416,808</u> |
| Increased by: | | | |
| Tax Collector Receipts | 120,021,054 | 122,535,487 | 124,795,697 |
| Non-Tax Municipal Revenues | 7,789,338 | 8,428,460 | 8,000,000 |
| Other Sources ² | <u>5,681,921</u> | <u>6,625,515</u> | <u>2,000,000</u> |
| Subtotal Cash Receipts | <u>133,492,313</u> | <u>137,589,462</u> | <u>134,795,697</u> |
| Decreased by: | | | |
| Municipal Appropriations | 41,136,411 | 39,953,403 | 41,029,994 |
| School Taxes | 59,645,486 | 59,522,842 | 59,959,560 |
| County Taxes (including added Tax Amounts) | 28,894,610 | 31,884,717 | 33,594,000 |
| Special Improvement District Taxes | 178,800 | 178,800 | 178,800 |
| Other Expenditures | 5,215,096 | 5,913,171 | 313,282 |
| Subtotal Cash Expenditures | <u>135,070,403</u> | <u>137,452,933</u> | <u>135,075,636</u> |
| Cash Balance - December 31st³ | <u>\$13,280,278</u> | <u>\$13,416,808</u> | <u>\$13,136,869</u> |

| Analysis of Cash | | | |
|---------------------------|--------------------------|--------------------------|--------------------------|
| Adjusted Cash Liabilities | 5,427,309 | 5,346,731 | 5,349,869 |
| Surplus | <u>7,852,969</u> | <u>8,070,077</u> | <u>7,787,000</u> |
| | <u>13,280,278</u> | <u>13,416,808</u> | <u>13,136,869</u> |

| Analysis of Surplus | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Surplus Beginning Balance | 8,612,384 | 7,852,969 | 8,070,077 |
| "Net Surplus" Utilized ⁴ | (716,000) | 50,000 | -0- |
| Generated/(Used) | <u>(43,415)</u> | <u>167,108</u> | <u>(283,077)</u> |
| Surplus Ending Balance | <u>7,852,969</u> | <u>8,070,077</u> | <u>7,787,000</u> |

1 Results per audit dated December 31, 2011, per Annual Financial Statement (Unaudited) dated December 31, 2012;
Projected for 2013

2 Includes grants, unexpended balance of reserve, cancellations and other adjustments

3 Cash Balance December 31st equals Balance at January 1st plus Subtotal Cash Receipts less Subtotal Cash Expenditures

4 Difference between Anticipated Surplus and the offsetting appropriation "Reserve for Uncollected Taxes"