

The seal of the City of Summit is a circular emblem with a dark red border. The outer ring contains the text "CITY OF SUMMIT" at the top and "UNION COUNTY, NEW JERSEY" at the bottom. Inside the ring, it says "ESTABLISHED 1869 • INCORPORATED 1895". The center of the seal features a stylized red and white logo that resembles a flame or a mountain peak.

2016 Municipal Budget

Budget Introduction
April 5, 2016

2016 BUDGET PROCESS

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graph LR; A[Strategy, Goals & Budget Development] --> B[Council Committee Review]; B --> C[Budget Presentation];
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Strategy, Goals & Budget
Development

Council Committee
Review

Budget
Presentation

Summary

2016 Budget
Strategic Initiatives
& Goals



Strategic Initiatives

Our City Promotes:

1. Quality of Life for all Citizens
2. World Class Services
3. Safe and Healthy Neighborhoods
4. Fiscal Responsibility
5. Economic Opportunity
6. Environmental Sustainability
7. Responsible, Transparent, and Inclusive Government

1. Our City Promotes Quality of Life for all Citizens

Goal

Maximize the potential of land use throughout the city with a focus on creativity and innovation

Key Projects

- Initiate the master plan re-examination
- Complete design and plans for Community Center, Cornog Fieldhouse, Tatlock Park, Wilson Park and Investors Bank projects

1. Our City Promotes Quality of Life for all Citizens

Goal

Strengthen community partnerships to enhance downtown Central Retail Business District (CRBD) and businesses in other commercial zones

Key Projects

- Initiate the Master Plan re-examination
- Complete final phase of Downtown Beautification Project to include conduit for fiber network

2. Our City Promotes World-Class Services

Goal

Improve customer services initiatives and employee interactions

Key Project

- Technical and cross discipline training for key point-of-contact employees

2. Our City Promotes World-Class Services

Goal

Enhance effectiveness and efficiency of technology across all municipal departments

Key Project

- Integrate web-based citizen request management technology

3. Our City Promotes Safe and Healthy Neighborhoods

Goal

- Assure a safe community while respecting the rights of citizens

Key Projects

- Create a specialized police traffic unit utilizing engineering, education and enforcement strategies
- Purchase and implement parking surveillance system
- Review and update first responder medical programs and fire service re-accreditation status

3. Our City Promotes Safe and Healthy Neighborhoods

Goal

- Better manage city-wide traffic related issues and enhance pedestrian and bicycle safety

Key Project

- Through road and sidewalk projects, improve pedestrian and bicycle infrastructure
- Replace all street lighting with the CRBD
- Install pedestrian safety devices such as flashing beacon systems and more visible signage

4. Our City Promotes Fiscal Responsibility

Goal

- Maintain a fiscal model that balances short and long-term needs

Key Projects

- Secure long-term financing for outstanding short-term notes with historic low interest market
- Adopt new non-tax revenue sources
- Engage collective bargaining units to negotiate a fair and reasonable multi-year contract by end of 2016

4. Our City Promotes Fiscal Responsibility

Goal

Evaluate operational strategies to reduce city service delivery costs

Key Projects

- Accept credit card payments for tax and sewer charges
- Expand use of Edmunds software to facilitate tracking of deposits and payments
- Implement new Time & Attendance system in Community Services, Community Programs and Parking Services

5. Our City Promotes Economic Opportunity

Goal

Plan and encourage smart growth and transit-oriented development

Key Projects

- Utilize Master Plan re-examination to encourage new capital investment, developing incentives for small businesses
- Structure an economic development strategy around installation of gigabit internet

5. Our City Promotes Economic Opportunity

Goal

Partner with community organizations to promote local business development

Key Projects

- Design a strategic framework for innovation centers
- Identify and engage key community stakeholders

6. Our City Promotes Environmental Sustainability

Goal

Adopt incentives to reduce consumption and encourage environmental responsibility

Key Projects

- Develop a ridesharing program to alleviate traffic congestion and demand for parking
- Increase residential recycling and establish Summit Free Market as twice-monthly event to reduce tipping fees

7. Our City Promotes Responsible, Transparent and Inclusive Government

Goal

Develop a strategic technology plan

Key Projects

- Streamline records management, ordinance and OPRA requests electronically
- Install and implement network server upgrades and new Office 365 cloud-based system
- Establish reliable WIFI service within City Hall and enhance presentation capabilities in Council Chamber and Whitman Community Room

7. Our City Promotes Responsible, Transparent and Inclusive Government

Goal

Engage the community by providing timely, accurate information about city actions, events and decisions

Key Projects

- Update the city's public communications plan
- Fully utilize service and account modules on redesigned City of Summit website
- Drive users to the City website through use of social media channels

The background is a dark teal color with a pattern of faint, semi-transparent financial symbols and numbers. Symbols include the dollar sign (\$), the yen sign (¥), the pound sign (£), and the Euro sign (€). Numbers are scattered throughout, some in a light teal color and others in a yellow-green color. Some numbers are accompanied by upward or downward arrows, suggesting trends or data points. The overall aesthetic is clean and professional, typical of a corporate or municipal report cover.

2016 Municipal Budget Overview

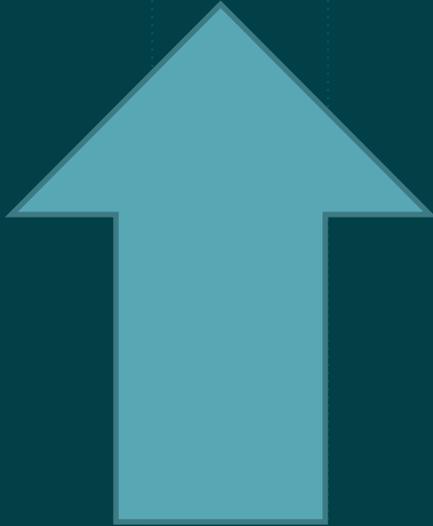
2016 Budget Financial Summary Totals

<u>General Fund</u>	<u>2016</u>	<u>2015</u>	<u>Variance</u>
Municipal Budget	\$ 49,320,492	\$ 49,102,505	0.44%
Capital Budget	<u>5,904,800</u>	<u>13,100,000</u>	<u>(54.93%)</u>
<i>Sub-Total</i>	<i>\$ 55,225,292</i>	<i>\$ 62,202,505</i>	<i>(11.22%)</i>

2016 Budget Financial Summary Totals

	<u>2016</u>	<u>2015</u>	<u>Variance</u>
<u>Sewer Utility Fund</u>			
Operations Budget	\$ 3,475,478	\$ 3,296,271	5.44%
Capital Budget	500,000	960,000	(47.92%)
<i>Sub-Total</i>	\$ 3,975,478	\$ 4,256,271	(6.60%)
<u>Parking Utility Fund</u>			
Operations Budget	\$ 3,110,101	\$ 3,347,344	5.84%
Capital Budget	1,900,000	10,450,000	(81.82%)
<i>Sub-Total</i>	\$ 5,010,101	\$13,797,344	(63.39%)
Total Financial Budgets	\$ 64,210,871	\$ 80,256,120	(19.94%)

2016 General Fund Budget Summary Points



- **0.84% Increase in
Municipal Tax Rate**

2016 - \$0.836/ \$100 AV

2015 - \$0.829/\$100 AV

- **Municipal Tax Levy \$236,501
Above 2015**

\$3,109,869,300

Summit's Tax Base – Up \$4.9 million from 2015

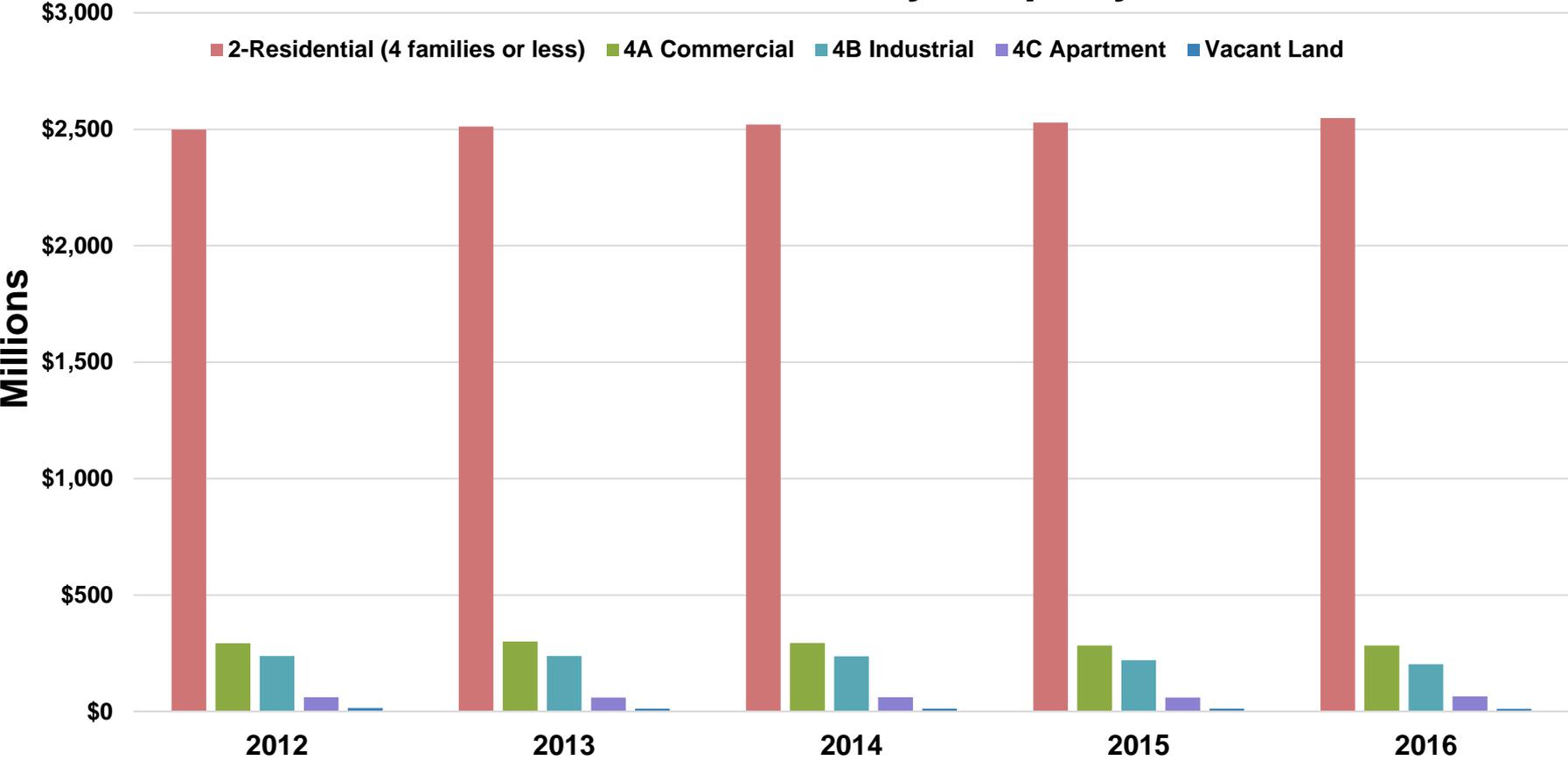
\$25,991,437

*Municipal Tax Revenues Needed
To Balance 2016 Budget*

19.4%

*Municipal Rate of
Estimated Total Property Tax Rates*

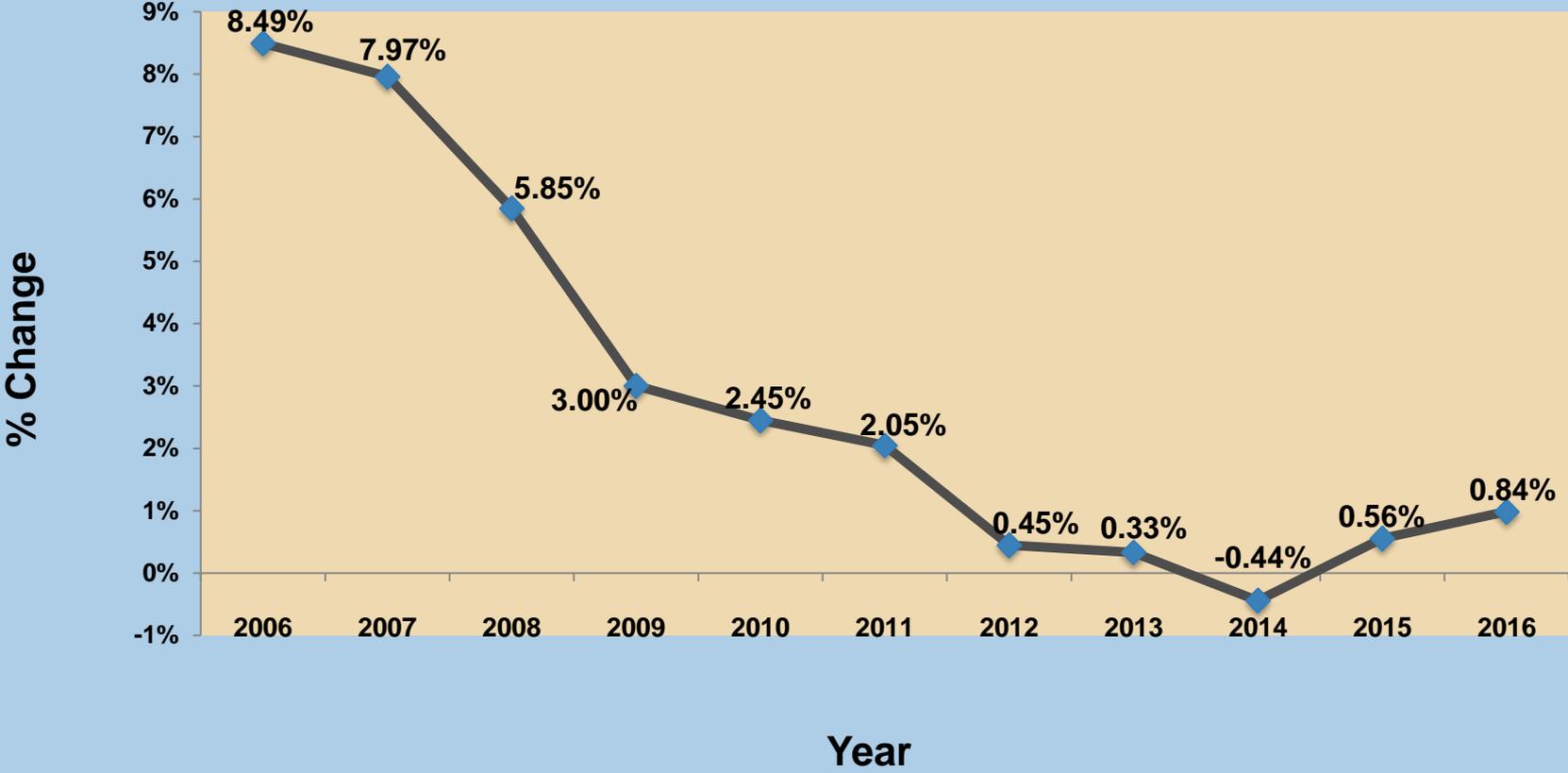
Total Assessed Valuation By Property Class

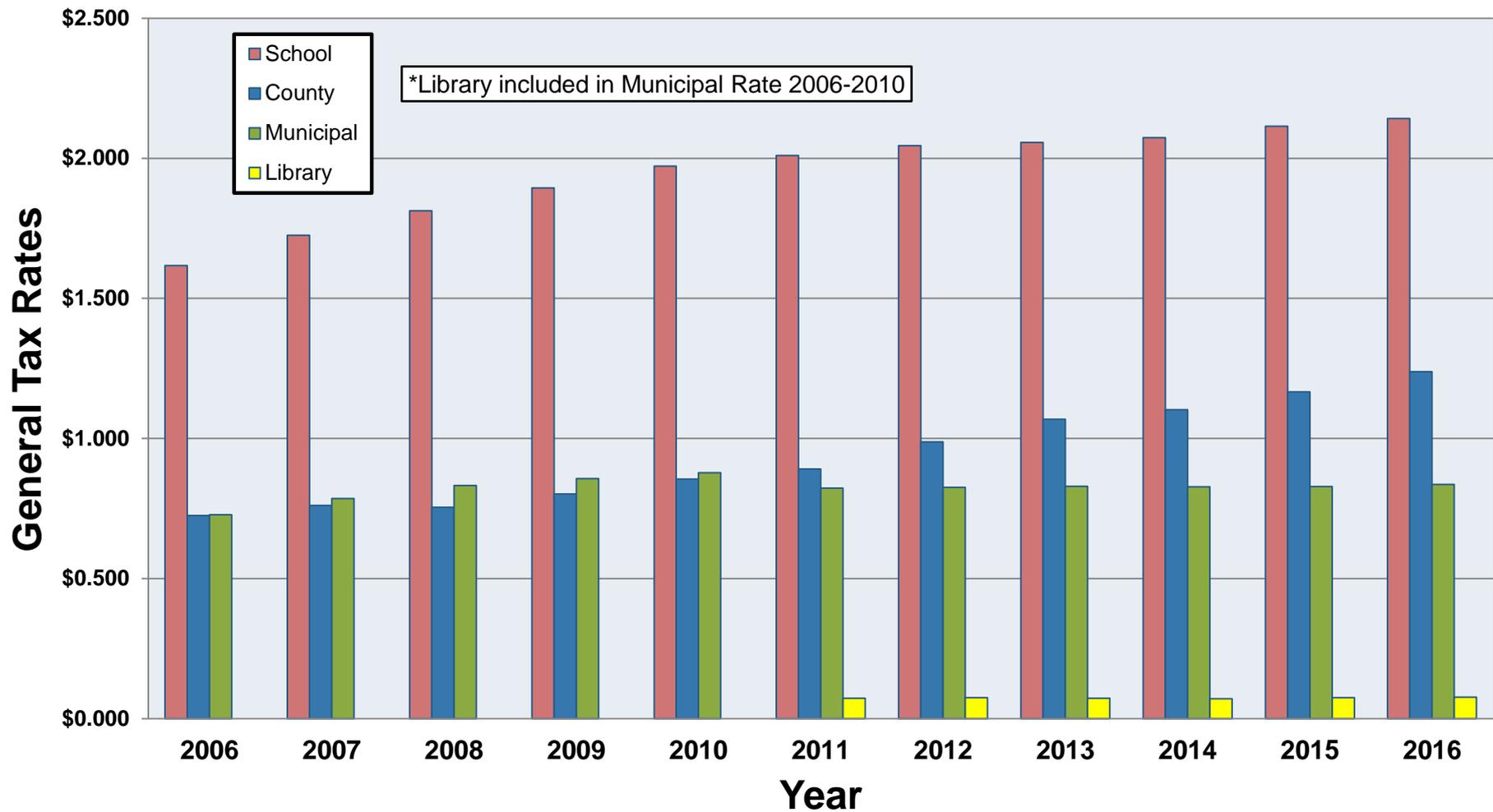


Property Tax Rates

	<u>2016*</u>	<u>2015</u>	<u>%Change</u>
☐ Municipal	\$ 0.836	\$ 0.829	0.84%
☐ School District	2.142	2.114	1.32%
☐ County & Open Space	1.206	1.166	3.43%
☐ Public Library	<u>0.077</u>	<u>0.075</u>	<u>2.67%</u>
* Estimated Total	\$ 4.293	\$ 4.217	1.80%

Municipal Tax Rate Change





Tax Bill Comparison

(Avg. Residential Home NAV - \$410,000)

	<u>2016</u>	<u>2015</u>
■ Municipal Taxes*	\$3,427.60	\$3,398.90
■ Local School District Taxes*	8,782.20	8,667.40
■ County & Open Space Taxes*	5,079.90	4,915.90
■ Public Library Taxes*	315.70	307.50
■ Total Tax Bill Amount*	\$17,605.40	\$17,289.70

■ 2016 Total Property Tax \$ Effect

Increase of \$315.70/year, or 1.83%

* 2016 Estimated Tax Amounts

Summit's Effective Tax Rate

\$4.293

Estimated 2016 Total Tax Rate

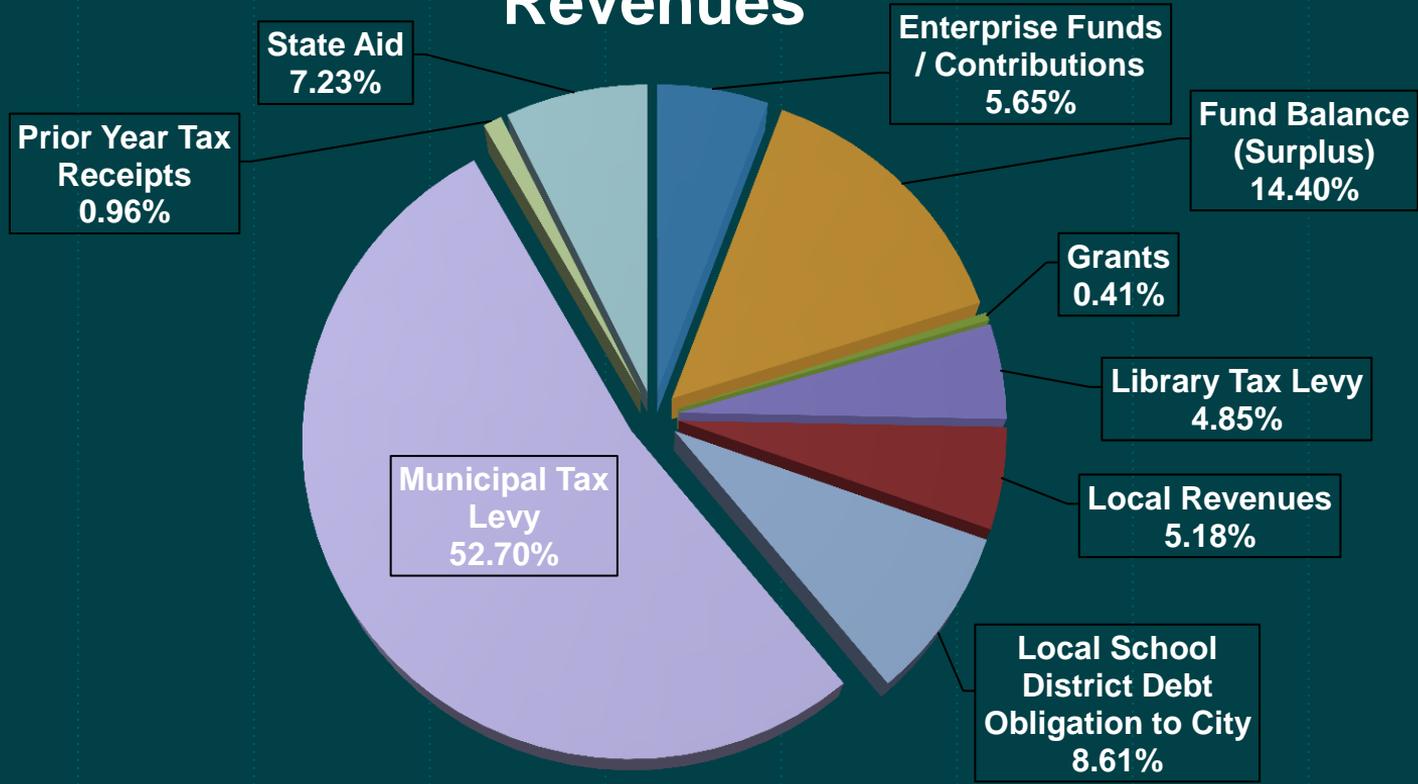
43.24%

Equalization Ratio

\$1.856

Estimated ETR – Lowest in Union County

2016 Anticipated Revenues



Where the Budget Dollars Come From

General Fund Revenues

	<u>2016 Anticipated</u>	<u>2015 Anticipated</u>	<u>Dollar Change from 2015</u>
Fund Balance	\$ 7,100,000	\$ 7,600,000	(\$500,000)
Local Revenues	2,556,500	2,561,610	(5,110)
State Aid	3,568,257	3,575,789	(7,532)
Interlocal Agreements	0	41,000	(41,000)
Grants	202,361	52,350	150,011
Enterprise Funds/Contributions	2,788,384	2,264,527	523,857
Prior Year Tax Receipts	475,000	475,000	0
Municipal Tax Levy	25,991,433	25,754,936	236,497
School District Debt Obligation	4,244,133	4,449,262	(205,129)
Library Tax Levy	<u>2,394,420</u>	<u>2,328,031</u>	<u>66,389</u>
<i>Total General Revenues</i>	<i>\$49,320,492</i>	<i>\$49,102,505</i>	<i>\$217,983</i>

General Revenues

–o Local Revenues

- Increases: \$43,000 in Interest on Investments
- Decreases: \$108,000 in Municipal Court Fines & Costs

–o Enterprise Funds/Contributions

- Increases: \$309,823 in Debt Service Reserves
\$300,000 in Utilities Surplus
- Decreases: \$13,153 in Parking Utility Debt Service



2% Property Tax Levy

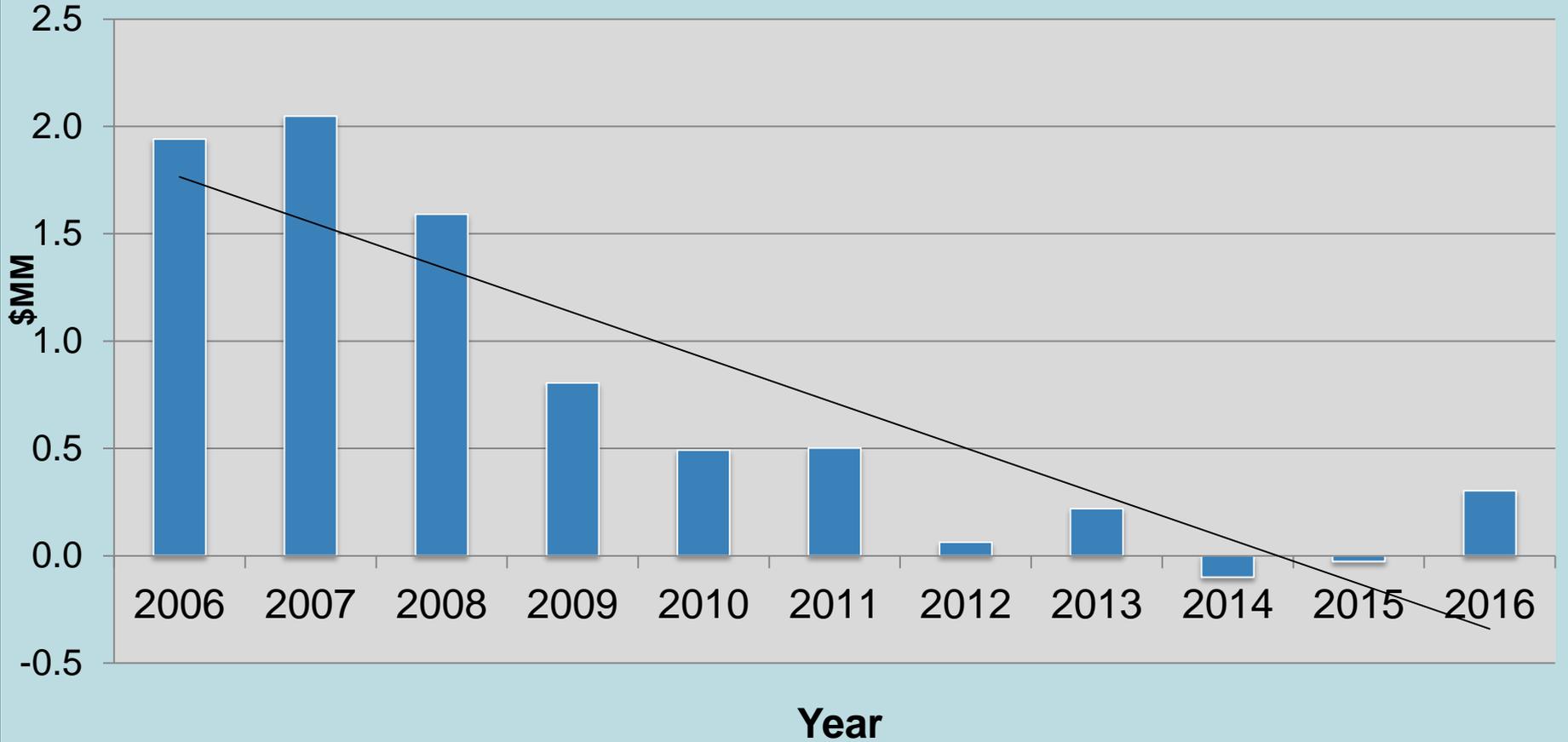
\$680,377

*UNDER Maximum Tax Levy
Amount of \$26,671,814*

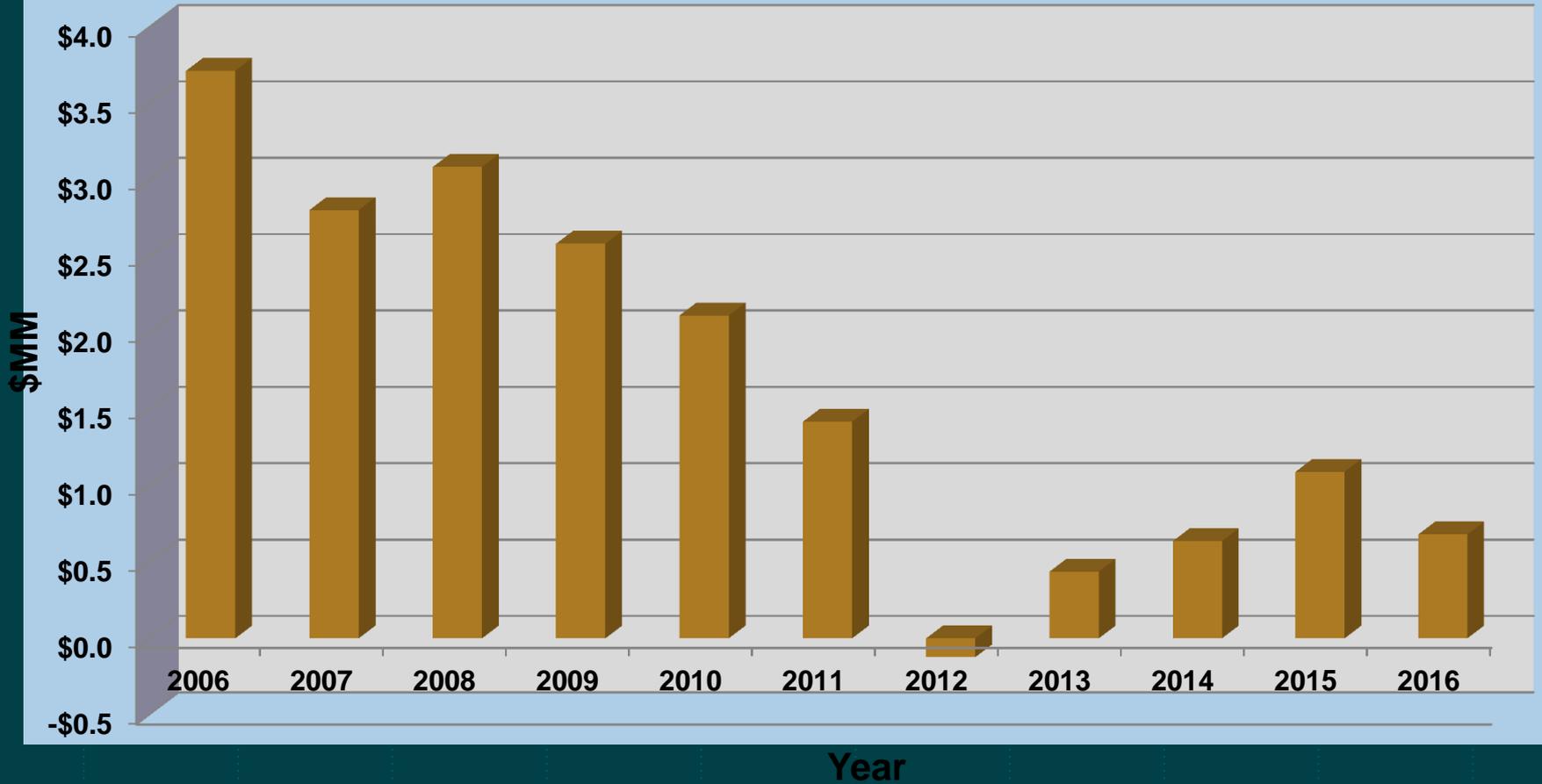
Property Tax Levies

	<u>2016*</u>	<u>2015</u>	<u>Change</u>
Municipal	\$ 25,991,437	\$ 25,754,936	0.92%
Local School District	66,610,925	65,668,713	1.43%
County	37,490,406	36,222,615	3.50%
County Open Space	1,044,760	1,044,760	0.00%
Library	<u>2,394,420</u>	<u>2,328,031</u>	2.85%
TOTAL	\$133,531,948	\$131,019,055	1.92%

Overall Municipal Tax Levy Increases (\$'s) [2016 Projection]

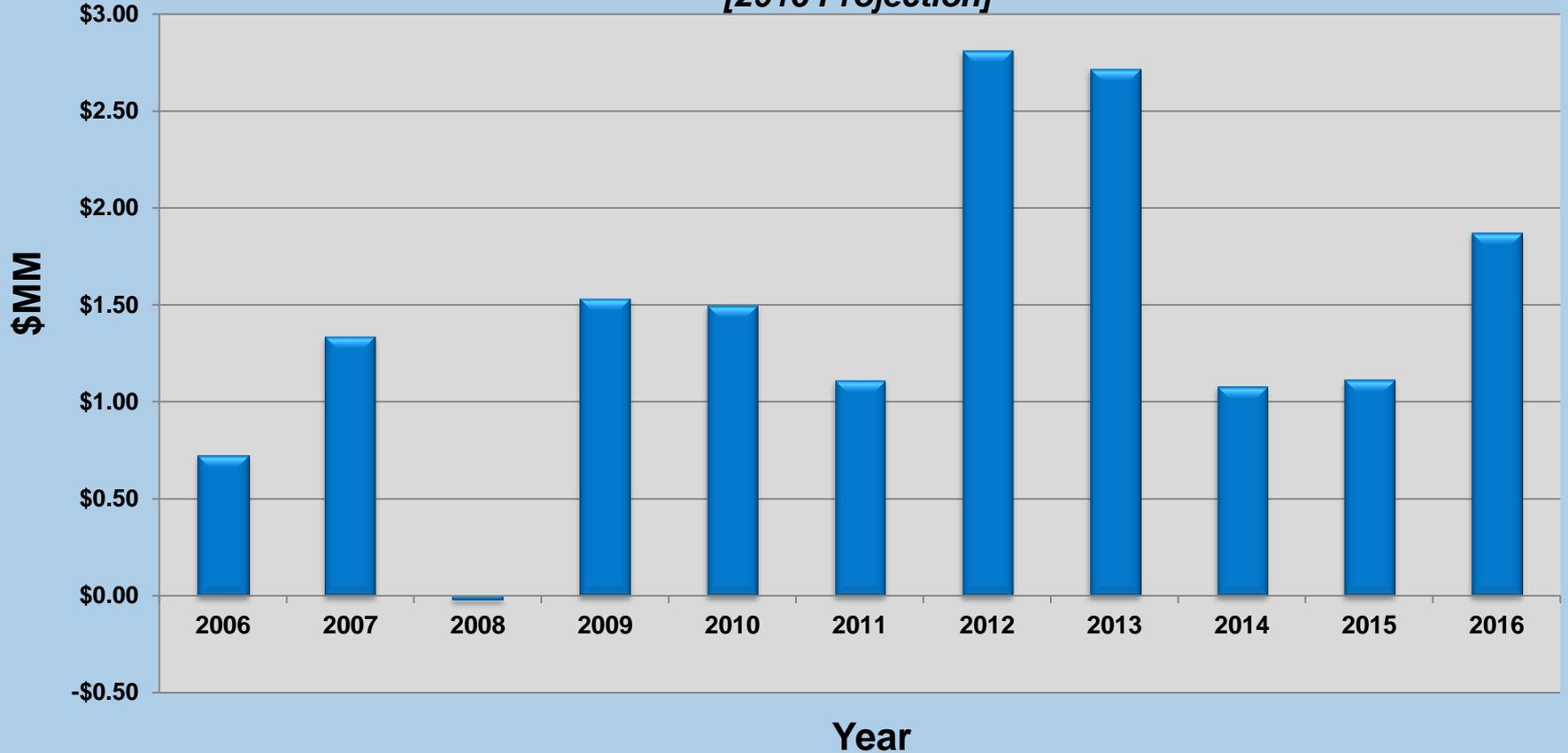


Overall Local School District Tax Levy Increases

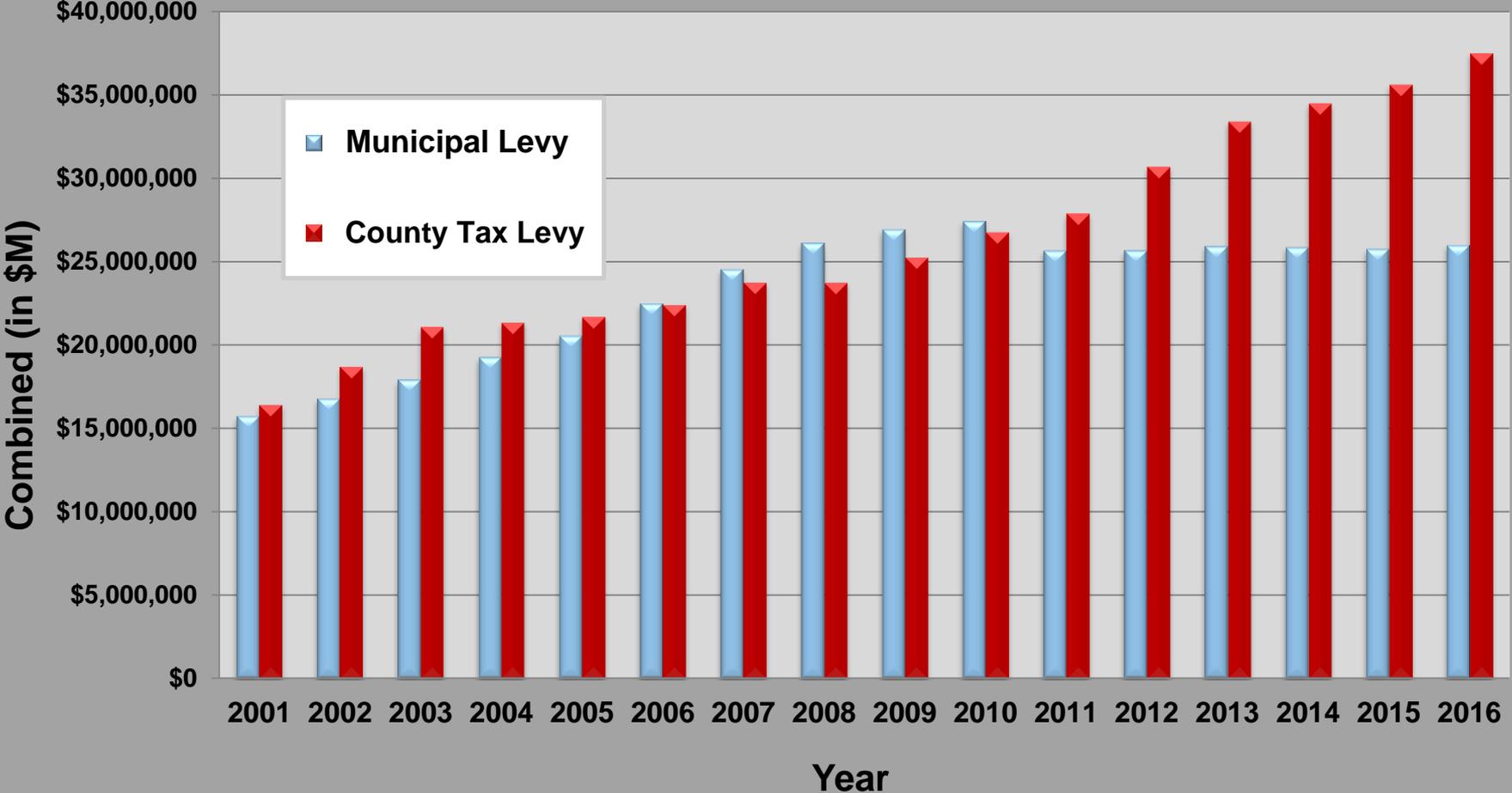


Overall County Tax Levy Increases in Summit (Not including Open Space)

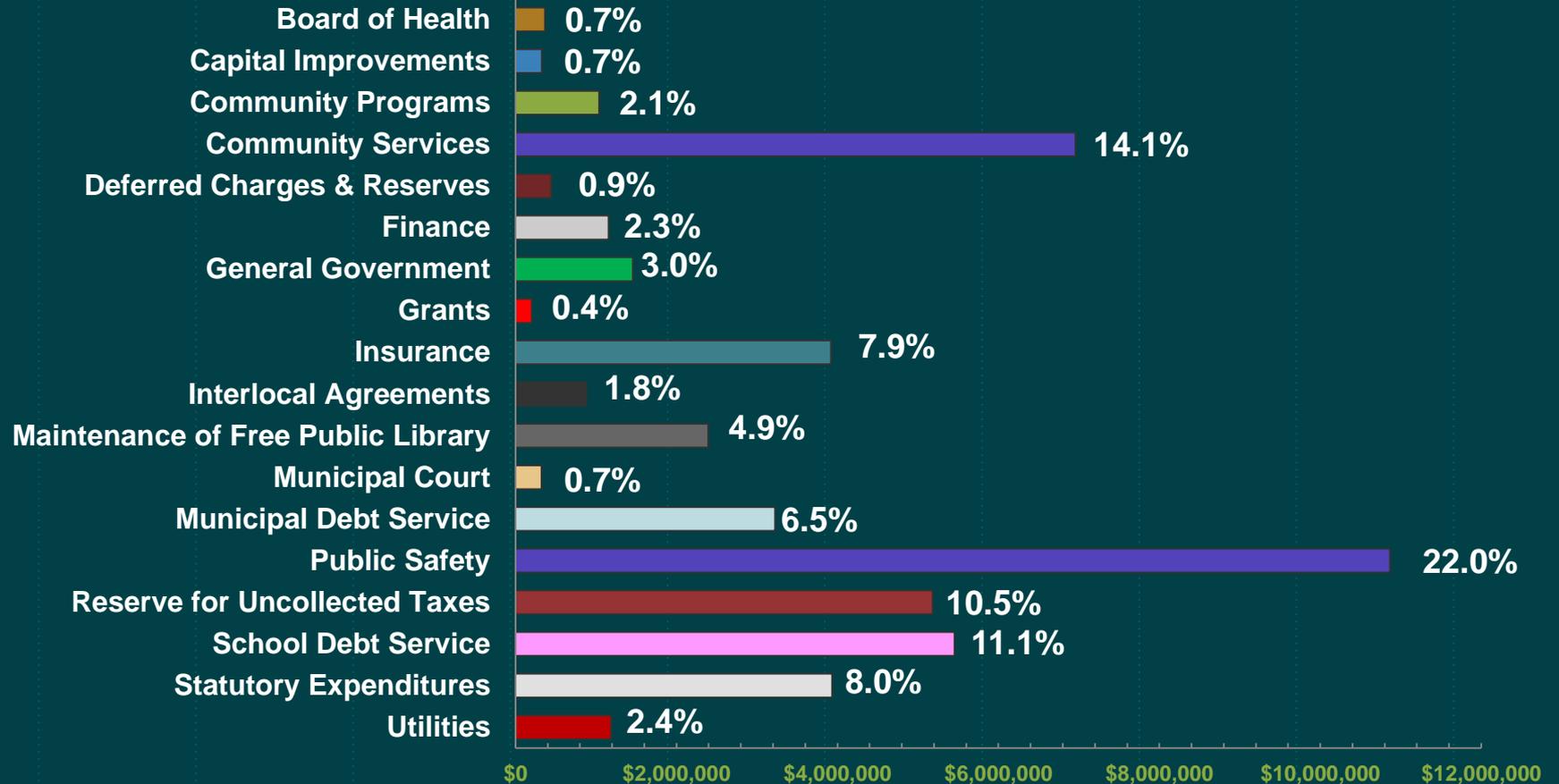
[2016 Projection]



Municipal and County Tax Levy Comparison



2016 Projected Appropriations



2016 Total Appropriations Breakdown - \$49,320,492

Board of Health	\$ 364,077	Interlocal Agreements	\$ 879,950
Capital Improvements	325,000	Maintenance of Free Public Library	2,394,420
Community Programs	1,038,818	Municipal Court	323,800
Community Services	6,958,500	Municipal Debt Service	3,226,568
Deferred Charges & Reserves	445,000	Public Safety	10,865,800
Finance	1,156,800	Reserve for Uncollected Taxes	5,184,281
General Government	1,458,418	School Debt Service	5,456,133
Grants	202,361	Statutory Expenditures	3,933,065
Insurance	3,920,000	Utilities	1,187,500

General Appropriations

Municipal Operations - \$ 31,206,779

↑ 1.48%, or \$454,525

Salary & Wages - \$17,320,686
(35.1% of Total Appropriations)

- ↑ \$240,290 from 2015
- 1.5% Contractual/Non-Union Salary Increases – Impact \$248,706
- Down eight (8) employees from 2015 (4-FT and 4-PT)
- New funding for one (1) police officer and Special Law Enforcement Officers (SLEO)
- Converting one PT employee in DCP to FT

Other Expenses

Other Expenses - \$9,953,028

(20.2% of Total Appropriations)

Decrease of \$12,505 from last year

Large Category Expenses

1. Disposal Charges (\$850,000) ↑ \$ 25,000
2. Technology & Software Licenses (\$100,000) ↑ \$40,000

Largest Professional Service Expenses

1. Legal (Tax Appeal - \$225,000) ↓\$75,000
2. Legal (General Services - \$200,000) ↑ \$20,000
3. Land Use Planning Services & Special Projects (\$130,000) ↑\$20,000

General Appropriations

Other Appropriations - \$18,113,713

Debt Service

- ✧ *Municipal:* \$ 3,226,568 or 6.54% of TA
- ✧ *School:* 5,456,133 or 11.05% of TA

Pension Obligations

- ✧ *PERS:* \$ 990,065 or 2.01% of TA
- ✧ *PFRS:* 2,134,000 or 4.32% of TA

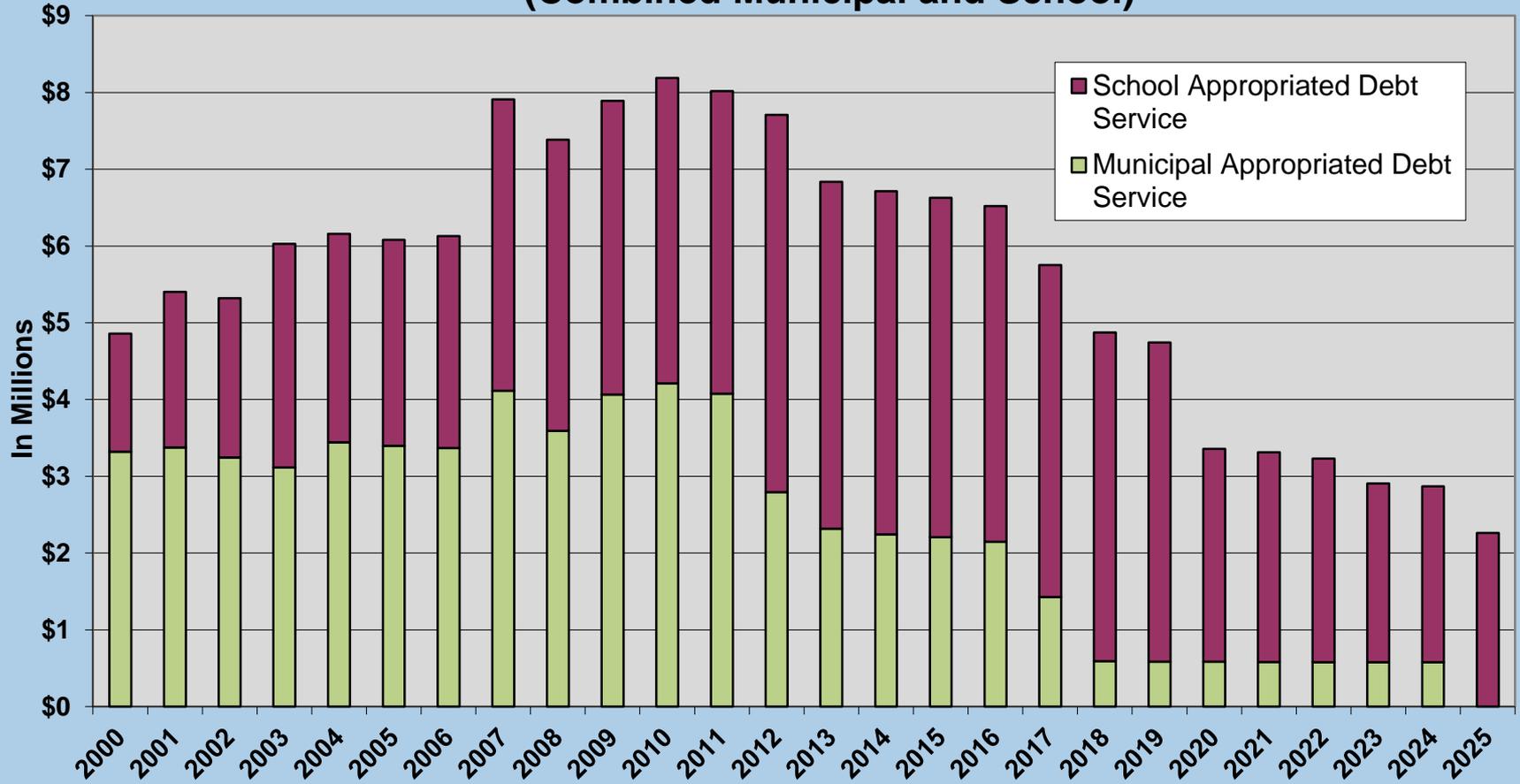
Healthcare Insurance

- ✧ \$2,615,000 (\$39,400 lower than 2015) – 5.3% of TA

5-Year Debt Snapshot

Budget Year	Net Debt January 1st	Annual Principal Paid	Capital Budget Approved	Debt Authorized & Issued	Net Debt 12/31
2015	\$41,376,286	\$ 2,640,600	\$11,025,000	\$8,289,596	\$ 47,025,28
2014	38,920,147	2,280,600	7,692,828	4,736,739	41,376,286
2013	36,898,235	2,460,100	8,653,000	4,482,012	38,920,147
2012	35,062,307	2,320,300	7,834,000	4,156,228	36,898,235
2011	35,441,650	3,533,300	6,627,000	3,153,957	35,062,307

Existing DEBT SERVICE (Combined Municipal and School)



Reserve for Uncollected Taxes

- 99.58% Collection Rate (CR) in 2015
- Last 5 Years - CR over 99%
- 2016 Anticipated CR
 - 96.1% (2015 – 95.1%)
- RUT reduced by \$1.11 million



Municipal Personnel

Permanent Full-Time & Part-Time

<u>City Personnel</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Full Time	175	179	181
Part Time	25	29	31
TOTAL	200	208	212

Included in Total - 10 FT and 9 PT employees
(Sewer & Parking Services Utilities)

2016 City of Summit Capital Budget Summary



Public Safety

Fire Department

- New Fire HQ Feasibility Study - \$100,000
- Breathing Air Fill Station - \$60,000

Police Department

- Police Vehicles - \$ 90,000

Joint Dispatch Center

- Radio Infrastructure Enhancements – \$300,000



Dept. of Community Programs

- Upper Tatlock Artificial Turf Field - \$500,000
- Family Aquatic Center Improvements - \$50,000
- Park Furnishings - \$10,000



Dept. of Community Services

- o \$3.22 Million for Infrastructure Projects
 - *Whittredge Road Section 1 – Summit-Essex - (\$650,000)*
 - *Lenox Road Improvements – (\$575,000)*
 - *Edgemont Avenue Improvements – (\$550,000)*
- o \$ 620,000 for Building Improvements
 - *Spillway at Municipal Golf Course (\$250,000)*
- o \$ 406,000 for Vehicle/ Equipment Upgrades
 - *Replace Street Sweeper (\$205,000)*



Budget in Action



Redesigned website

The City of Summit website has been redesigned to provide increased functionality and improved service for citizens.



See Click Fix

Report a Concern module is a value-added element that is launching tomorrow as part of the new City of Summit website.



This budget is not only a collection of numbers, but an expression of our values and purposes.



Thank you.

Any questions?

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