



# SUMMIT NEW JERSEY

## 2016 BUDGET SNAPSHOT

The proposed 2016 municipal operating budget is a spending plan based on strategic initiatives and goals created by City Administration.

Detailed budget information is available at [cityofsummit.org/budgets](http://cityofsummit.org/budgets) or in the Office of the City Clerk and at the Summit Free Public Library.

**A public hearing is scheduled for Tuesday, May 3 at 7:30PM in Common Council Chamber at City Hall.**

### 2016 General Fund Budget Summary

- 0.84% increase in Municipal tax rate
- 2016 \$0.836/\$100 Assessed Valuation
- 2015 \$0.829/\$100 Assessed Valuation
- Municipal tax levy increase \$236,501

### Strategic Initiatives & Goals

#### 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 PROJECT:** Initiate the Master Plan re-examination

#### Citizen-Focused Service Delivery

**GOAL:** Enhance effectiveness and efficiency of technology to improve customer service

**KEY PROJECT:** Integrate web-based citizen request management technology

#### Safe and Healthy Neighborhoods

**GOAL:** Manage traffic-related issues, enhance pedestrian and bicycle safety

**KEY PROJECT:** Create a specialized police traffic unit utilizing engineering, education and enforcement strategies; improve pedestrian and bicycle infrastructure

#### Fiscal Responsibility

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

**KEY PROJECT:** Secure AAA bond rating and long-term financing for short term notes with historic low interest market

#### Economic Opportunity

**GOAL:** Plan and encourage smart growth and transit-oriented development

**KEY PROJECT:** Structure economic development strategy around installation of gigabit internet

#### Environmental Sustainability

**GOAL:** Adopt incentives to reduce consumption and encourage environmental responsibility

**KEY PROJECT:** Develop a ridesharing program to alleviate traffic congestion and demand for parking

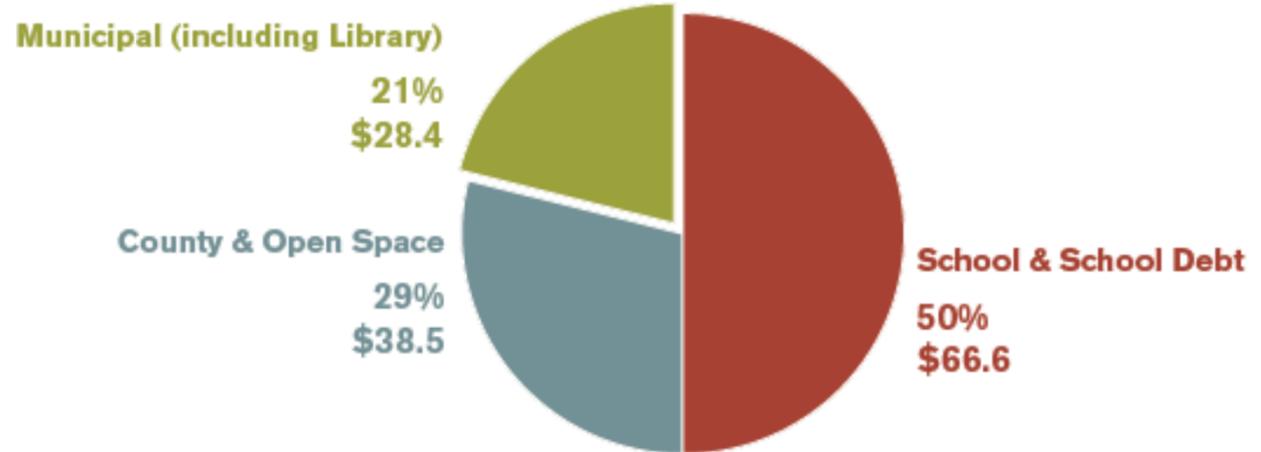
#### Responsible, Transparent & Inclusive Government

**GOAL:** Develop a strategic technology plan; engage community by providing timely, accurate information

**KEY PROJECT:** Streamline records management, ordinance and OPRA request electronically; secure new licensing and permitting platform for improved processing

## SUMMIT TAX BILL BREAKDOWN – \$133.5MM

The chart illustrates the percentage and amount (in millions) of the overall taxes raised for each component of the local property tax bill.



## SUMMIT'S HOUSEHOLD TAX PICTURE

	2015-2016 % change	AVERAGE RESIDENTIAL TAX			TOTAL TAXES RAISED (IN MILLIONS)		
		2016	2015	2014	2016	2015	2014
County & Open Space*	3.4%	\$5,080	\$4,916	\$4,597	\$38.54	\$37.26	\$35.52
School & School Debt	1.3%	\$8,782	\$8,667	\$7,853	\$66.61	\$65.67	\$64.79
Municipal (including Library)	1.1%	\$3,743	\$3,706	\$3,641	\$28.39	\$28.08	\$28.11
<b>TOTAL</b>	<b>1.8%</b>	<b>\$17,605</b>	<b>\$17,289</b>	<b>\$16,091</b>	<b>\$133.54</b>	<b>\$131.01</b>	<b>\$128.42</b>

Table breaks down tax bill for homeowner with property assessed at \$410,000.

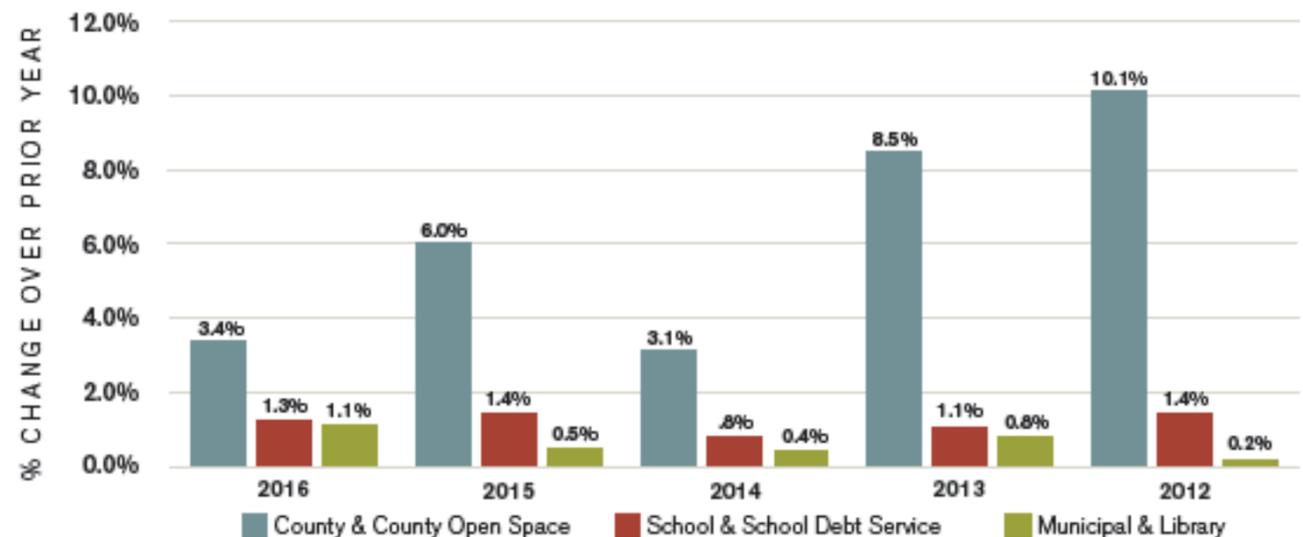
Note: Equalized valuation of property, which is more closely aligned to market value, is \$948,000.

## 2012 – 2016 PROPERTY TAX RATES

	2016*	2015	2014	2013	2012
<b>MUNICIPAL</b>	\$0.84	\$0.83	\$0.83	\$0.83	\$0.83
<b>SCHOOL &amp; SCHOOL DEBT</b>	2.14	2.11	2.08	2.06	2.05
<b>COUNTY &amp; OPEN SPACE</b>	1.24	1.20	1.14	1.10	1.02
<b>PUBLIC LIBRARY</b>	0.08	0.08	0.07	0.07	0.08
<b>TOTAL</b>	<b>\$4.30</b>	<b>\$4.22</b>	<b>\$4.12</b>	<b>\$4.06</b>	<b>\$3.98</b>

\*2016 – Estimated Tax Rate per \$100 of assessed valuation

## CHANGE IN HOUSEHOLD TAX RATE





# 2016 BUDGET SNAPSHOT

## REVENUES

	ANTICIPATED 2016	ANTICIPATED 2015	REALIZED 2015	2015-2016 BUDGET CHANGE	REALIZED 2014
<b>General Revenues</b>					
Fund Balance (Surplus)	\$7,100,000	\$7,600,000	\$7,600,000	-6.6%	\$6,300,000
Local Revenues	2,556,500	2,561,610	2,594,002	-0.2%	2,596,173
State Aid	3,568,257	3,575,789	3,575,789	-0.2%	3,533,434
Interlocal Agreements	0	41,000	41,000	-100.0%	164,590
Grants	202,361	52,350	239,681	286.6%	63,496
Enterprise Funds/ Contributions	2,788,384	2,264,527	2,210,710	23.1%	1,971,702
Prior Year Tax Receipts	475,000	475,000	485,515	0.0%	466,973
<b>General Revenues Sub-Total</b>	<b>\$16,690,502</b>	<b>\$16,570,276</b>	<b>\$16,746,697</b>	<b>0.7%</b>	<b>\$15,096,369</b>
<b>Tax Levy Revenues</b>					
Municipal Tax Levy	\$25,991,437	\$25,754,936	\$25,754,936	0.9%	\$28,616,238
Local School District Debt Obligation to City	4,244,133	4,449,262	4,449,262	-4.6%	4,196,880
Library Tax Levy	2,394,420	2,328,031	2,328,031	2.9%	2,247,435
<b>Tax Levy Sub-Total</b>	<b>\$32,629,990</b>	<b>\$32,532,229</b>	<b>\$32,532,229</b>	<b>0.3%</b>	<b>\$35,060,553</b>
<b>Total Revenues</b>	<b>\$49,320,492</b>	<b>\$49,102,505</b>	<b>\$49,278,927</b>	<b>0.4%</b>	<b>\$50,156,922</b>

## UTILITY FUNDS

	ANTICIPATED 2016	ANTICIPATED 2015	REALIZED 2015	2015-2016 BUDGET CHANGE	REALIZED 2014
<b>User Fees Collected</b>					
Parking Utility - Fees	\$3,002,079	\$2,821,344	\$3,092,981	6.4%	\$2,974,321
Parking Utility - Surplus used & Misc receipts	149,643	526,000	526,000	-71.6%	100,000
Sewer Utility - Fees	3,119,778	2,971,271	3,047,140	5.0%	3,381,809
Sewer Utility - Surplus used & Misc receipts	355,700	325,000	325,000	9.4%	76,500
<b>Total User Fees and Receipts</b>	<b>\$6,627,200</b>	<b>\$6,643,615</b>	<b>\$6,991,121</b>	<b>-0.2%</b>	<b>\$6,532,630</b>

	PROJECTED 2016	ADOPTED 2015	EXPENDED 2015	2015-2016 BUDGET CHANGE	REALIZED 2014
<b>Expenditures</b>					
Parking Utility - Salaries and Wages	\$714,000	\$665,000	\$603,075	7.4%	\$600,553
Parking Utility - Other Expenses	2,437,722	2,682,344	2,416,009	-9.1%	2,061,685
Sewer Utility - Salaries and Wages	290,000	289,250	281,666	0.3%	274,085
Sewer Utility - Other Expenses	3,185,478	3,007,021	2,939,290	5.9%	2,985,010
<b>Total Expenses</b>	<b>\$6,627,200</b>	<b>\$6,643,615</b>	<b>\$6,240,040</b>	<b>-0.2%</b>	<b>\$5,921,333</b>

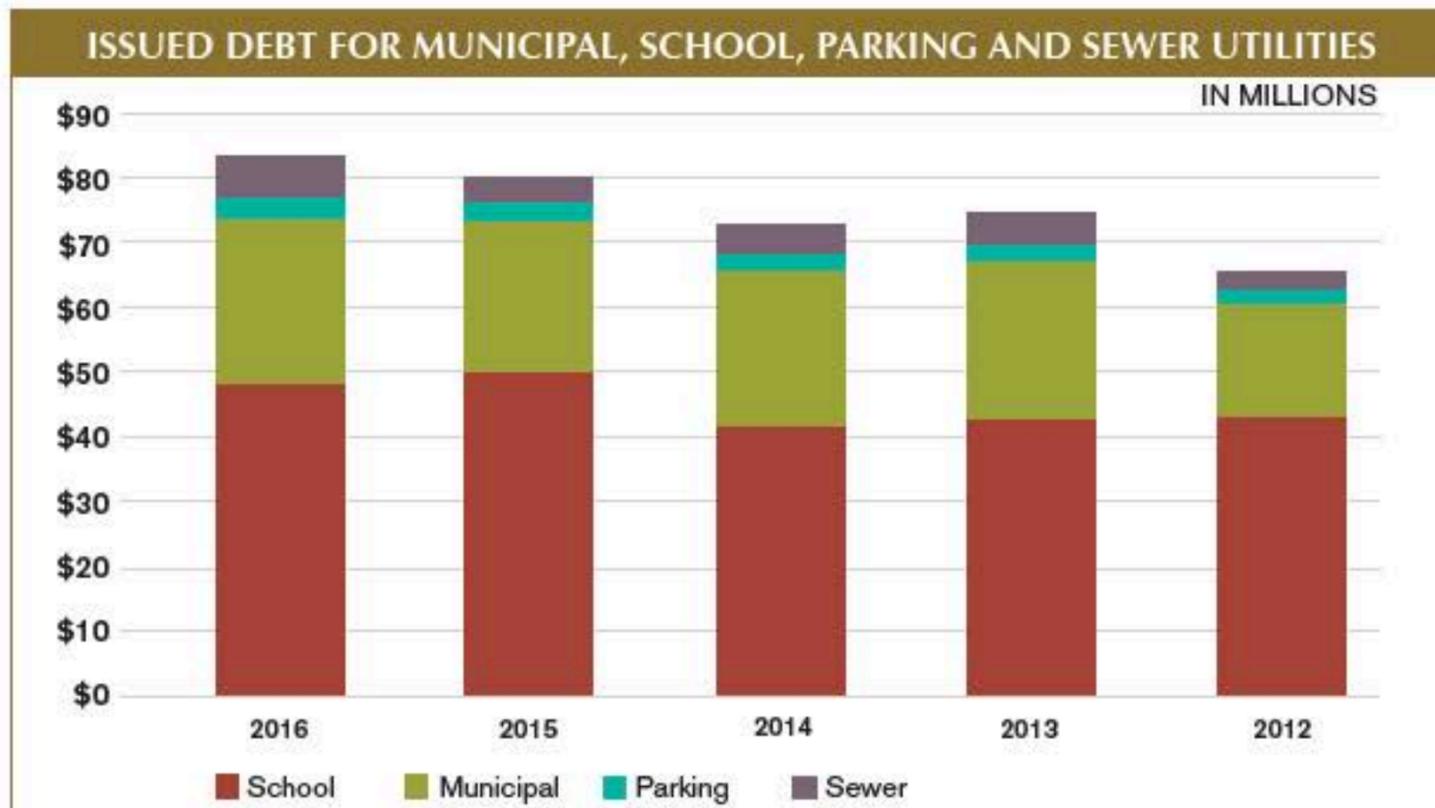
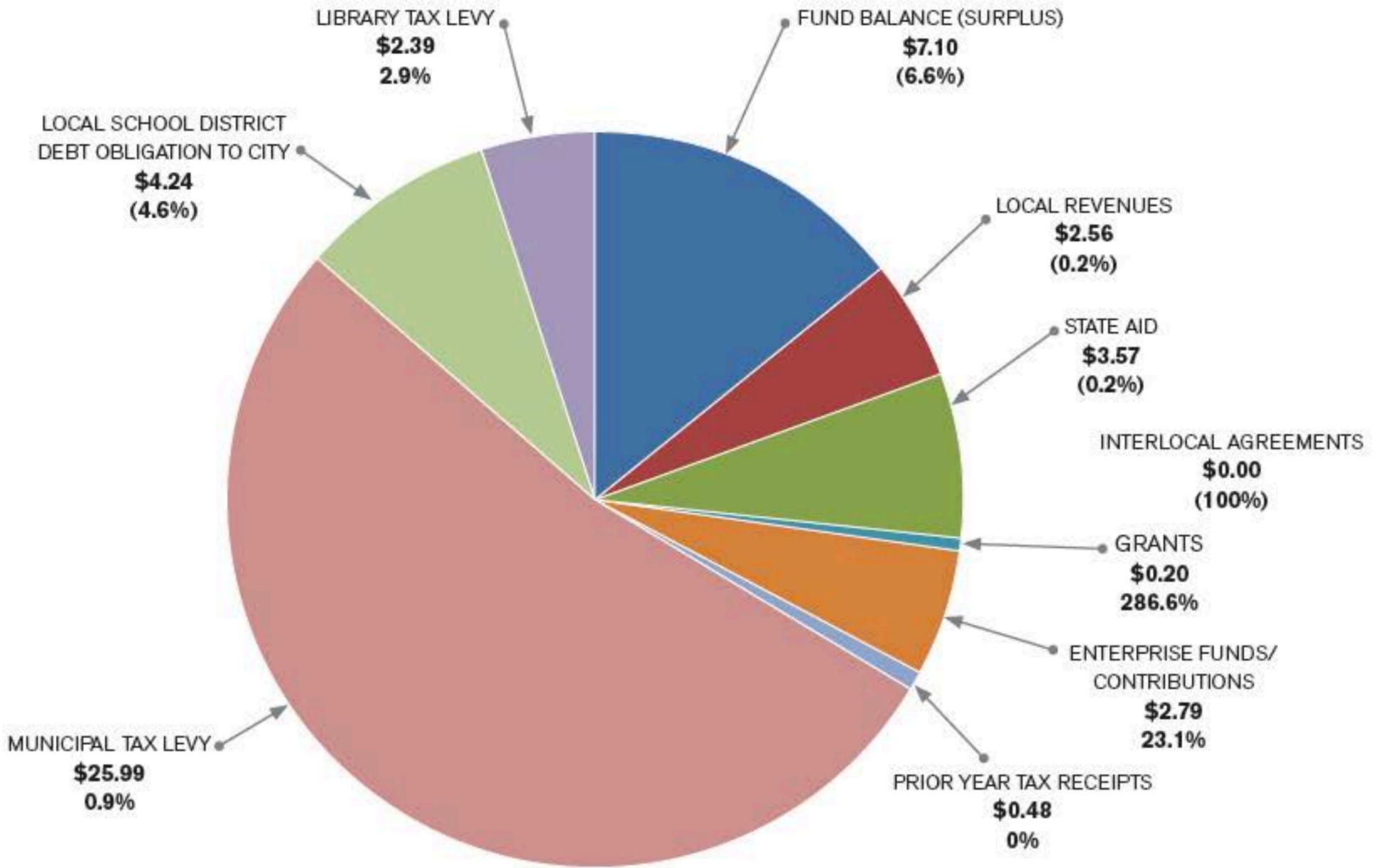


## FINANCIAL SUMMARY TOTALS

	2016	2015	VARIANCE
<b>GENERAL FUND</b>			
Municipal Budget	\$ 49,320,492	\$ 49,102,505	0.4%
Capital Budget	5,904,800	13,100,000	(54.9%)
Sub-total	\$ 55,225,292	\$ 62,202,505	(11.2%)
<b>SEWER UTILITY FUND</b>			
Operations Budget	\$ 3,475,478	\$ 3,296,271	5.4%
Capital Budget	500,000	960,000	(47.9%)
Sub-total	\$ 3,975,478	\$ 4,256,271	(6.6%)
<b>PARKING SERVICES UTILITY FUND</b>			
Operations Budget	\$ 3,151,722	\$ 3,347,344	(5.8%)
Capital Budget	1,900,000	10,450,000	(81.8%)
Sub-total	\$ 5,051,722	\$ 13,797,344	(63.4%)
<b>Total Financial Budgets</b>	<b>\$ 64,252,492</b>	<b>\$ 80,256,120</b>	<b>(19.9%)</b>

## MUNICIPAL REVENUE IN MILLIONS

Chart depicts 2016 projected General Fund revenues and percentage increase (or decrease) over 2015 amounts.



## APPROPRIATIONS

		PROPOSED 2016	APPROPRIATED 2015	EXPENDED 2015	2015-16 % CHANGE	APPROPRIATED 2014
<b>Municipal Operations (within "CAPS")</b>						
General Government	Salaries and Wages	\$649,268	\$699,310	\$634,204	-7.2%	\$697,500
	Other Expenses	809,150	932,653	723,275	-13.2%	873,035
Finance	Salaries and Wages	668,700	650,500	619,967	2.8%	625,500
	Other Expenses	488,100	205,050	176,571	138.0%	190,300
Police	Salaries and Wages	6,207,300	6,039,600	6,167,170	2.8%	5,980,000
	Other Expenses	331,500	430,000	366,287	-22.9%	420,000
Fire	Salaries and Wages	3,779,000	3,852,801	3,853,027	-1.9%	3,980,700
	Other Expenses	534,500	540,500	431,428	-1.1%	531,500
Emergency Management	Other Expenses	13,500	17,500	17,486	-22.9%	17,500
Community Services	Salaries and Wages	4,671,500	4,483,585	4,563,862	4.2%	4,338,500
	Other Expenses	2,287,000	2,319,350	2,173,191	-1.4%	2,283,200
Community Programs	Salaries and Wages	809,918	755,500	751,146	7.2%	734,500
	Other Expenses	228,900	208,900	193,890	9.6%	177,220
Board of Health	Salaries and Wages	231,000	229,100	220,654	0.8%	224,000
	Other Expenses	133,077	129,590	120,397	2.7%	128,042
Municipal Court	Salaries and Wages	304,000	370,000	303,967	-17.8%	355,000
	Other Expenses	19,800	19,800	13,297	0.0%	19,725
Utilities		1,187,500	1,221,890	1,149,878	-2.8%	1,226,000
Insurance		3,920,000	3,940,300	2,849,451	-0.5%	4,005,861
Statutory Expenditures		3,933,065	3,706,325	3,685,518	6.1%	3,420,524
<b>Municipal Operations Sub-Total</b>		<b>\$31,206,778</b>	<b>\$30,752,254</b>	<b>\$29,014,666</b>	<b>1.5%</b>	<b>\$30,228,607</b>
<b>Other Appropriations (excluded from "CAPS")</b>						
Maintenance of Free Public Library		\$2,394,420	\$2,328,031	\$2,266,088	2.9%	\$2,247,435
Grants		202,361	52,350	242,447	286.6%	63,496
Interlocal Agreements		879,950	589,882	589,882	49.2%	104,000
Capital Improvements		325,000	325,000	0	0.0%	325,000
Municipal Debt Service		3,226,568	3,067,194	3,067,122	5.2%	3,043,154
School Debt Service		5,456,133	5,350,794	5,350,714	2.0%	4,707,057
Deferred Charges & Reserves		445,000	337,000	237,000	32.0%	349,000
<b>Other Appropriations Sub-Total</b>		<b>\$12,929,432</b>	<b>\$12,050,251</b>	<b>\$11,753,253</b>	<b>7.3%</b>	<b>\$10,839,142</b>
Reserve for Uncollected Taxes		\$5,184,282	\$6,300,000	\$6,300,000	-17.7%	\$6,300,000
<b>Total Appropriations</b>		<b>\$49,320,492</b>	<b>\$49,102,505</b>	<b>\$47,067,919</b>	<b>0.4%</b>	<b>\$47,367,749</b>

## CITY PERSONNEL

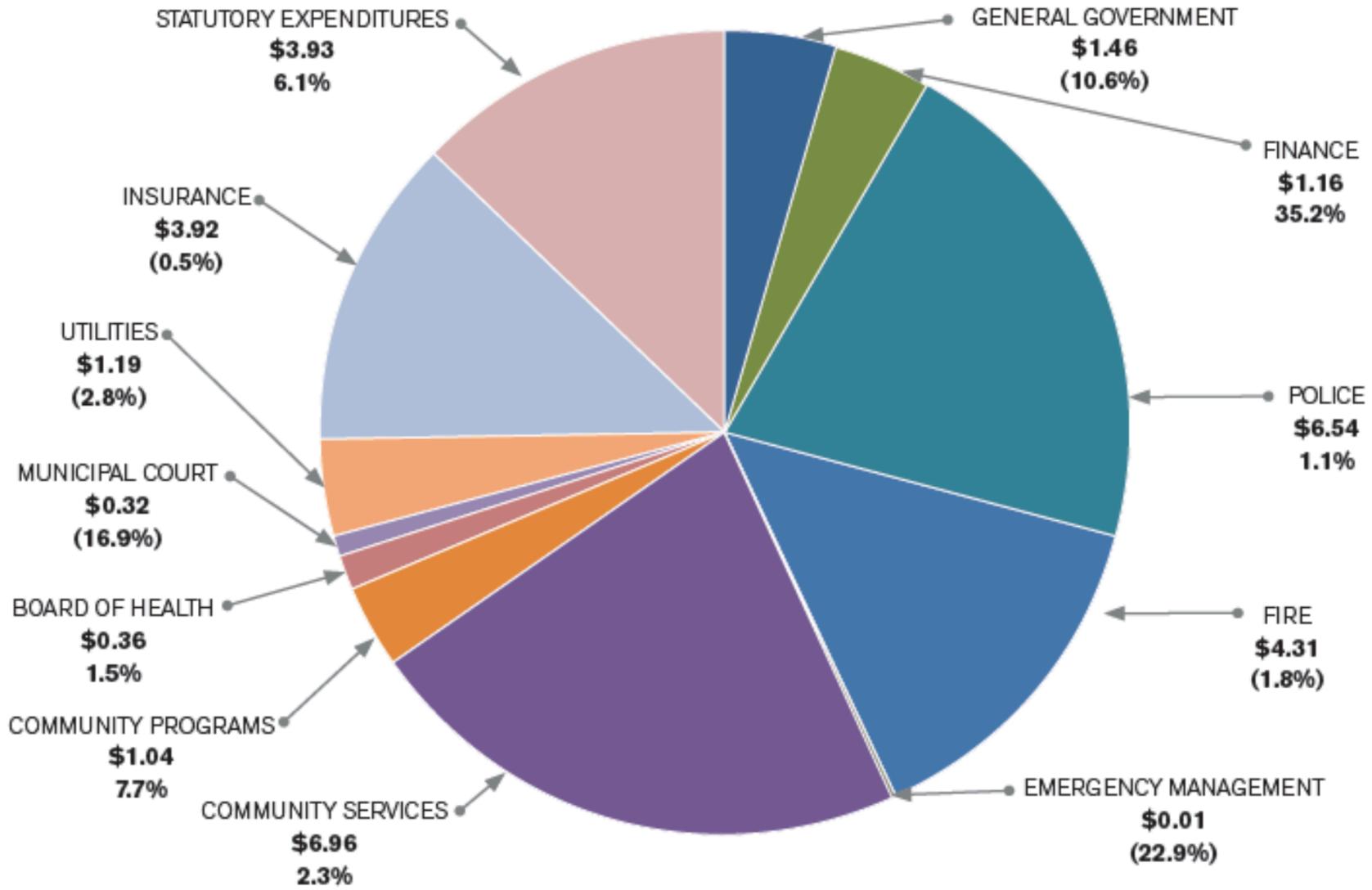
	2016	2015	2014
<b>FULL TIME (FT)</b>	175	179	181
<b>PART TIME (PT)</b>	25	29	31
<b>TOTAL</b>	<b>200</b>	<b>208</b>	<b>212</b>

- Included in Total are 10 FT and 9 PT Sewer & Parking Services Utilities employees
- 2015 Staffing Changes:

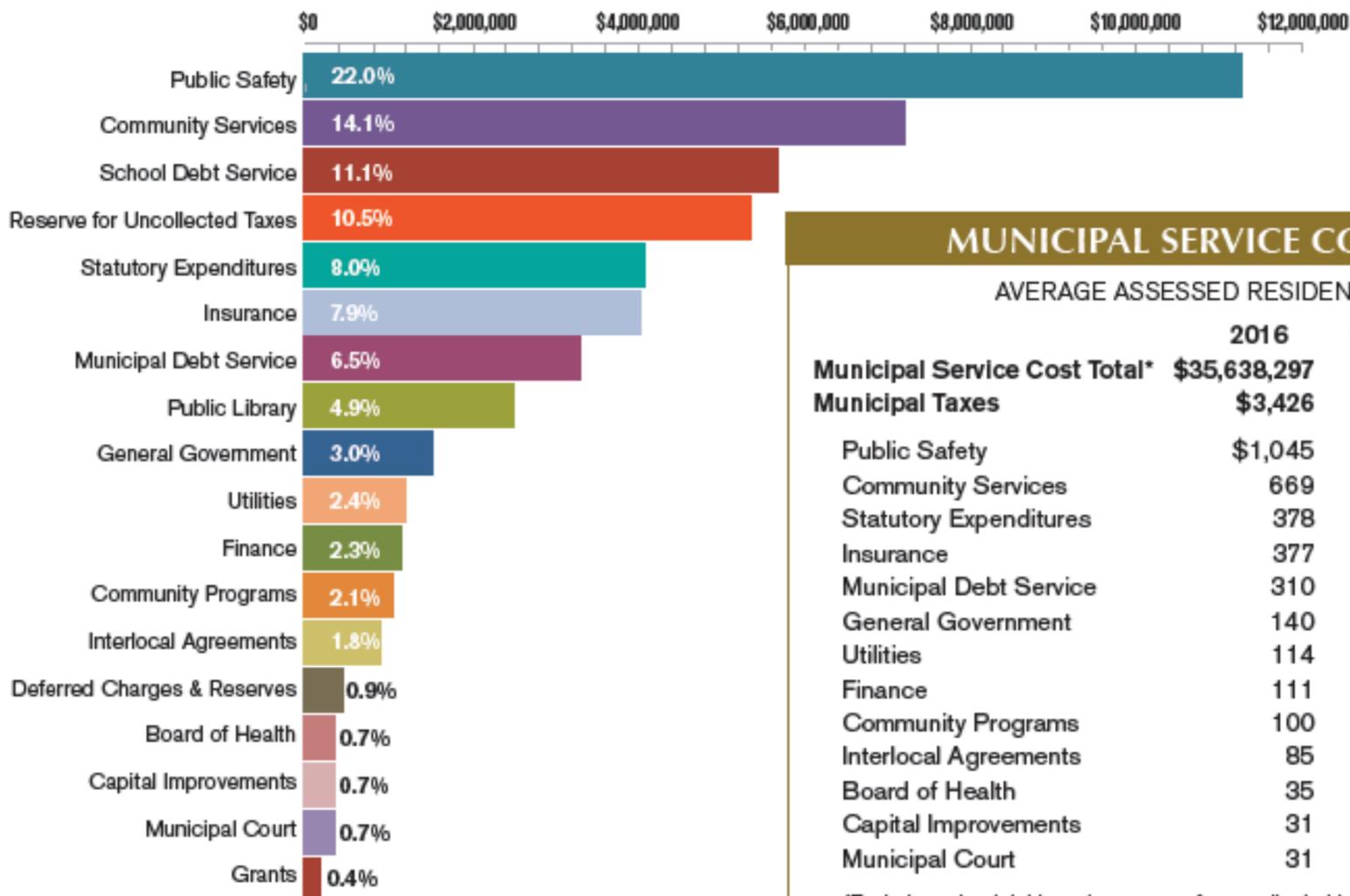
- Police: Decrease of 3 FT Dispatchers
- Fire: Decrease of 3 FT and 2 PT Dispatchers
- Finance: Increase of 1 FT and decrease of 1 PT
- Health: Increase of 1 FT and decrease of 2 PT
- Public Works: Increase of 2 PT
- Parking Utility: Decrease of 1 PT

## MUNICIPAL APPROPRIATIONS IN MILLIONS

Chart illustrates 2016 proposed General Fund appropriations and percentage increase (or decrease) over 2015 adopted appropriations.



## 2016 PROPOSED TOTAL APPROPRIATIONS How budget revenues are allocated



## MUNICIPAL SERVICE COST BREAKDOWN

AVERAGE ASSESSED RESIDENTIAL HOME (\$410,000)

	2016	% of Total	2015	% of Total
<b>Municipal Service Cost Total*</b>	<b>\$35,638,297</b>		<b>\$34,734,330</b>	
<b>Municipal Taxes</b>	<b>\$3,426</b>		<b>\$3,401</b>	
Public Safety	\$1,045	30.5%	\$1,065	31.3%
Community Services	669	19.5%	666	19.6%
Statutory Expenditures	378	11.0%	363	10.7%
Insurance	377	11.0%	386	11.3%
Municipal Debt Service	310	9.0%	300	8.8%
General Government	140	4.1%	160	4.7%
Utilities	114	3.3%	120	3.5%
Finance	111	3.3%	84	2.5%
Community Programs	100	2.9%	94	2.8%
Interlocal Agreements	85	2.5%	58	1.7%
Board of Health	35	1.0%	35	1.0%
Capital Improvements	31	0.9%	32	0.9%
Municipal Court	31	0.9%	38	1.1%

\*Excludes school debt service, reserve for uncollected taxes, Public Library and deferred charges



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### 2016 BUDGET HIGHLIGHTS

**Municipal Tax Rate:** The municipal tax rate remains stable. Since 2012, it has increased by a nominal \$0.01.

**Credit Rating:** Summit's AAA bond rating resulted in the successful sale of \$29MM in general bonds with a net interest cost of 1.82%, significantly reducing annual debt service payments by the city.

**Tax Collection:** Our tax collection rate is 99.58%, the highest collection rate in the last five years.

**Appropriations:** Total Appropriations will increase by \$454,525, a 1.48% increase from 2015.

Major cost drivers include:

- Salary and wages – Up \$248,000
- Healthcare insurance – Up \$122,000
- Pension obligations – Up \$193,210
- Debt service payments – Up \$264,713
- Interlocal agreements (Mountain Valley Regional Dispatch Center) – Up \$290,000
- Reserves (tax appeals and salary adjustments) – Up \$108,000

**Master Plan:** A master plan re-examination is a statutory requirement by the State of New Jersey every 10 years. In 2016, the Planning Board will lead an effort to re-examine Summit's Master Plan. The project will focus on ways to encourage new capital investment and repurpose existing undeveloped lands, share public spaces, and enhance the economic and environmental health of our downtown.

**Capital Improvement Plan:** The proposed 2016 Capital Improvement Plan with General Fund operations and Parking and Sewer Utility Funds requires \$8.3 million to fund infrastructure, facility and equipment needs, including but not limited to:

- City recreational facility projects including replacement of Upper Tatlock artificial turf field and Family Aquatic Center improvements.
- A number of important road and safety improvement projects that include repairs to sidewalks, streetscape enhancements, and pedestrian and bicycle safety plans.
- Necessary sewer infrastructure assessments and repairs to main lines in the sewer system.
- Structural and safety improvements to the Springfield Avenue Tier Garage, including elevator replacement, security lighting and signage.



**MAYOR**

Nora G. Radest

**COMMON COUNCIL**

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B. David Naidu

Robert J. Rubino, MD

**WARD 2**

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Sandra R. Lizza

Mary Ogden

**COUNCILMAN AT LARGE**

Richard Sun

**CITY ADMINISTRATOR**

Michael F. Rogers

**CITY CLERK**

Rosemary Licatese

**CITY TREASURER/CFO**

Marge Gerba

**PUBLIC INFORMATION OFFICER**

Amy Cairns

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