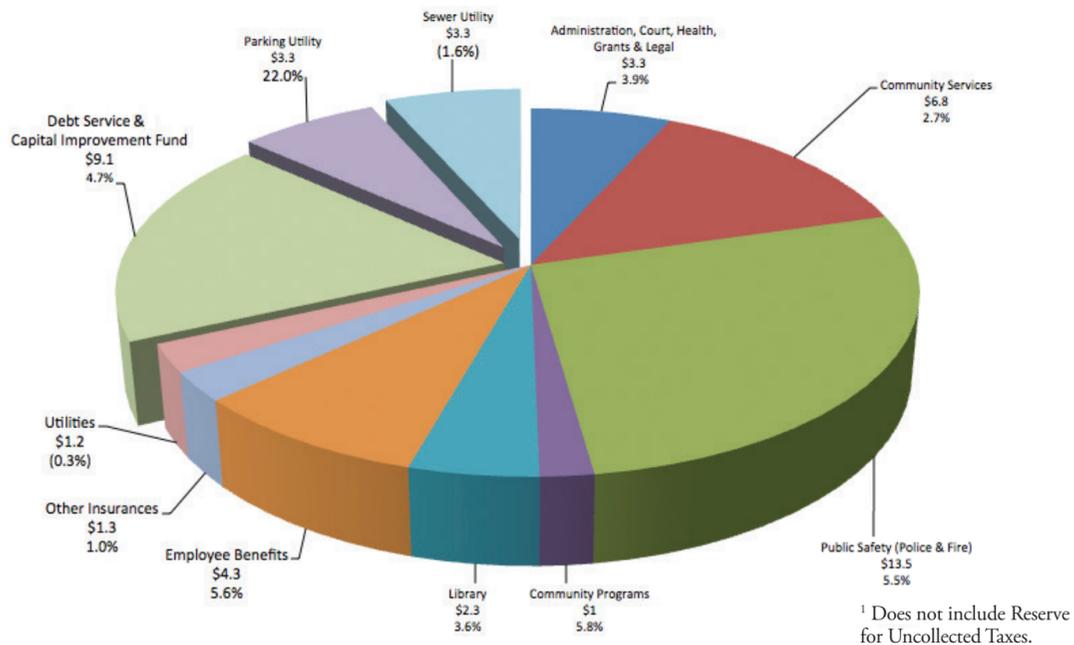




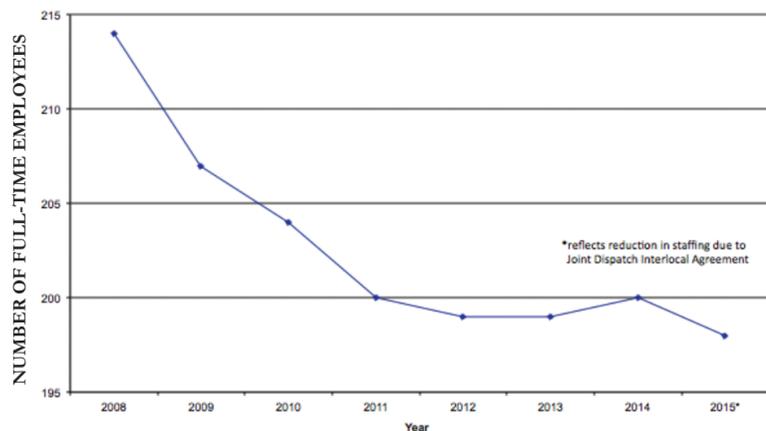
MUNICIPAL EXPENDITURES¹

This chart depicts the 2015 Municipal Budget expenditures and the percentage of increase or (decrease) over the 2014 expenditure budget for the Municipal Operating Budget and the Parking and Sewer Utility. The Parking and Sewer Utility budgets are funded through user fees only. The Debt Service and Capital Improvement Fund includes both Municipal and School Debt Service.

IN MILLIONS



MUNICIPAL FULL-TIME STAFFING ANALYSIS (as of January 1st)



- MAYOR**
Ellen K. Dickson
- COMMON COUNCIL**
COUNCIL PRESIDENT
Robert J. Rubino, MD
- WARD I**
Albert Dill, Jr.
Mike McTernan
Robert J. Rubino, MD
- WARD II**
Patrick J. Hurley
Sandra R. Lizza
Richard J. Madden
- COUNCILMAN AT LARGE**
Gregory Drummond
- CITY ADMINISTRATOR**
Christopher J. Cotter
- CITY TREASURER/CFD**
Scott H. Olsen
- PUBLIC INFORMATION OFFICER**
Amy Cairns

View Summit Common Council Meetings online at www.hometownnetv.org

2015 BUDGET HIGHLIGHTS

Budget Trends: The municipal budget is the only portion of the tax bill under the direct control of Mayor & Common Council. Through continuing efforts to limit costs, the proposed municipal tax rate is increasing by a minimal 0.5%. The Board of Education budget is increasing by a modest 1.4%. The Union County budget continues to rise significantly, at an estimated 6% for 2015.

Union County Taxes: Over the last five years, the Union County portion of a Summit resident's tax bill has increased by 35.4%, continuing to pressure municipal and school budgets. Only a small fraction of every dollar returns to Summit through Union County services. The Mayor and Council have made several recommendations to control county costs, including consolidation of departments and services and reduction of overtime. In contrast, the school budget has increased 6.6% and the municipal budget has increased 2.4% over the same period.

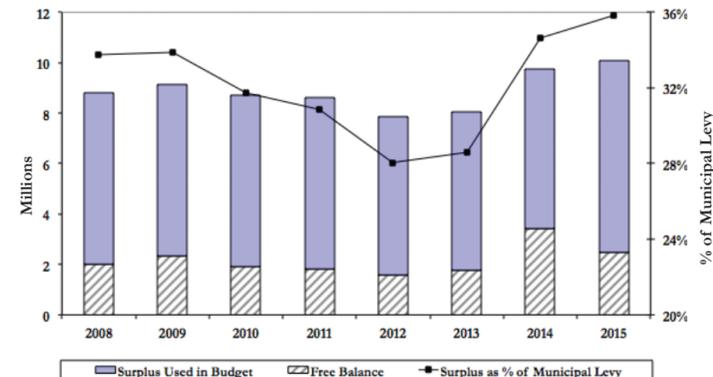
Shared Services: Summit currently participates in a variety of shared services including public works, athletic field maintenance, recreation and finance. A major initiative to provide a shared 9-1-1 emergency communications center with the Borough of New Providence and Township of Millburn is scheduled to begin later this year.

Capital Improvements: The 2015 Municipal Capital Improvement Plan proposes \$25 million in projects, including \$10 million for a parking garage, \$5.2 million for a major renovation to the Community Center, \$1.4 million for a Fire Department ladder truck, as well as downtown infrastructure and neighborhood roadway improvements. Common Council will review each project for approval prior to implementation.

Health Benefits: NJ State employee health benefits reform resulted in a health benefit premium reduction of \$1.4 million in 2015 largely by employee contributions, reducing the overall health insurance expense in this budget.

HISTORICAL SURPLUS ANALYSIS (as of January 1st)

Over time, the City generates surplus when revenues exceed expenditures (shown in columns). A greater percentage of surplus to levy (shown by line), generates a more adequate cash flow and ability to meet unforeseen circumstances. The City's long-standing budget philosophy includes reliance on surplus funds to offset tax increases.



CITYWIDE BUDGET SNAPSHOT

BUDGET SNAPSHOT

The Citywide Budget Snapshot provides Summit taxpayers with a summary of the proposed 2015 municipal operating budget and information on school and Union County taxes. The municipal budget is a spending plan based on the goals established by the Mayor and Common Council. Detailed budget information is available for review in the Office of the City Clerk, at the Summit Free Public Library and at cityofsummit.org. A public hearing on the budget is scheduled for Tuesday, April 28, 2015 at 7:30PM in the City Hall Common Council Chamber.

2015 BUDGET TRENDS

- Municipal taxes are up 0.5%
- School and school debt taxes will increase 1.4%
- County and Open Space taxes will increase an estimated 6% at a rate that continues to exceed the 2% state cap

2015 SUMMARY OF COUNCIL GOALS

Fiscal Responsibility:

- Limit municipal tax increase to 0.5%; work with County Freeholders to honor 2% levy cap
- Respond to redevelopment opportunities; evaluate public private partnership for major projects
- Adopt revised affordable housing plan

Safety:

- Reduce number of pedestrian accidents; finalize safe walking routes for schools
- Improve lighting and install new crosswalks in downtown; complete roadway and sidewalk projects
- Authorize study for Fire Headquarters replacement
- Begin operation of Summit, New Providence, Millburn Emergency Dispatch Center

Downtown:

- Implement Downtown Study recommendations
- Authorize construction of new parking garage
- Implement license plate recognition technology

Communication:

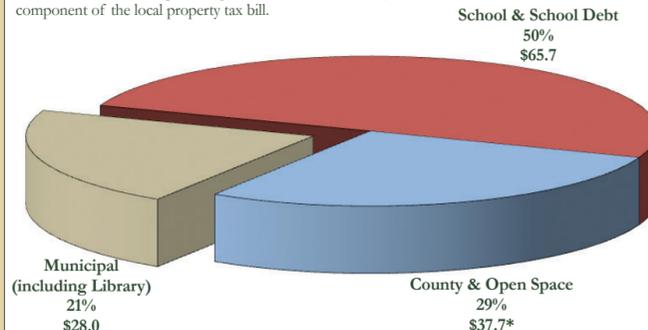
- Update City website
- Improve customer experience with all City departments

Infrastructure:

- Develop Information Technology strategic plan
- Implement roadway, facilities, storm water and wastewater projects in 2015 capital plan
- Initiate construction of the Free Market building at the Municipal Disposal Area and authorize Highline Feasibility Study

SUMMIT TAX BILL BREAKDOWN - \$131.4MM

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

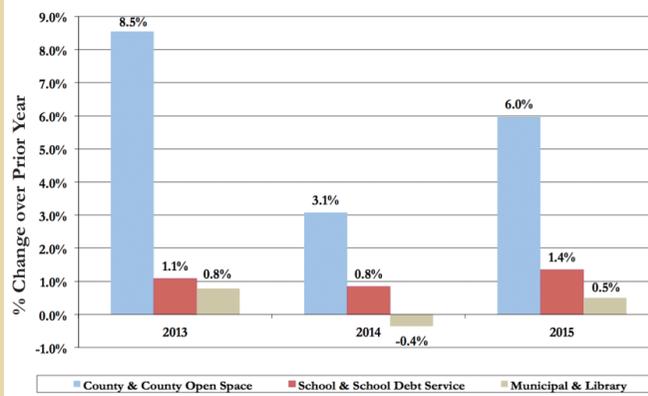


SUMMIT'S HOUSEHOLD TAX PICTURE

	Average Residential Tax (In \$)			Total Taxes Raised (in Millions)			
	2014-2015 % change	2015	2014	2013	2015	2014	2013
County & Open Space*	6.0%	\$4,872	\$4,597	\$4,463	\$37.66	\$35.52	\$34.46
School & School Debt	1.4%	\$7,965	\$7,853	\$7,772	\$65.67	\$64.79	\$64.25
Municipal (including Library)	0.5%	\$3,660	\$3,641	\$3,657	\$28.10	\$28.11	\$28.21
TOTAL	2.5%	\$16,497	\$16,091	\$15,892	\$131.4	\$128.4	\$126.9

This table includes all of the parts of the tax bill for a homeowner whose property is assessed at \$405,000. The equalized valuation of this property, which is more closely aligned to the market value, is about \$905,000. *Estimated based upon the latest county figures.

CHANGE IN HOUSEHOLD TAX RATE



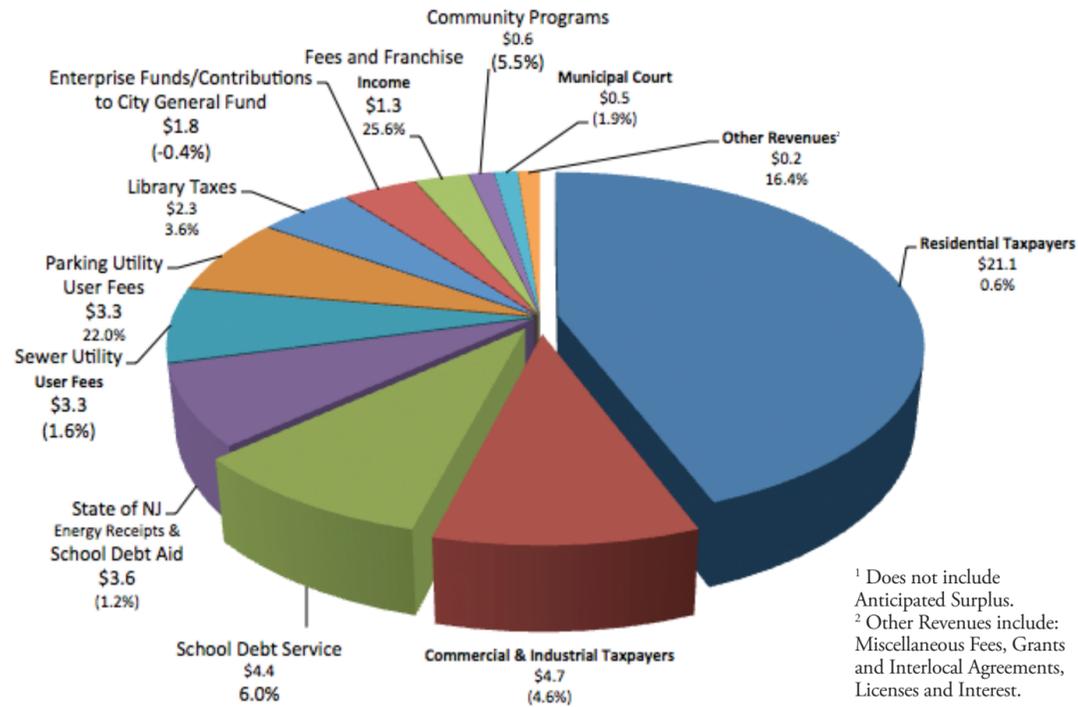
CITYWIDE BUDGET SNAPSHOT



MUNICIPAL REVENUE¹

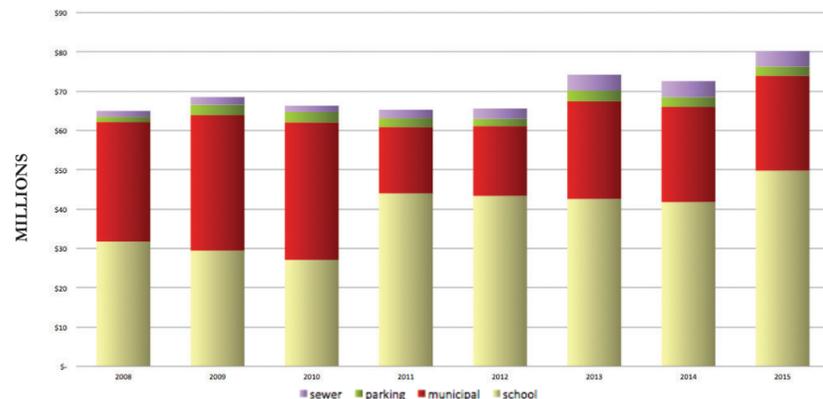
This chart depicts the 2015 projected revenues and the percentage increase or (decrease) over 2014 for the Municipal Operating Budget and the Parking and Sewer Utilities. The Utilities budgets are funded through user fees only. About one-third of revenues are from non-tax sources.

IN MILLIONS



¹ Does not include Anticipated Surplus.
² Other Revenues include: Miscellaneous Fees, Grants and Interlocal Agreements, Licenses and Interest.

ISSUED DEBT FOR MUNICIPAL, SCHOOL, PARKING & SEWER UTILITIES



- Debt reflects the proceeds from the sale of municipal bonds and notes that are used for long-term financing of capital improvements such as infrastructure, roadways, sewers and equipment.
- The increase in total issued debt for 2015 reflects a proposed \$8MM bond for school improvements.

Municipal Revenues

Municipal Court	\$594,703	\$583,929	\$594,000	\$583,000
Enterprise Funds/Contribution to City General Fund ¹	1,371,825	1,426,266	1,424,718	1,318,027
Fees ² and Franchise Income	908,167	907,905	912,608	881,610
Grants and Interlocal Agreements	1,285,718	274,207	163,653	139,350
Interest on Investments and Deposits	16,375	18,111	16,000	18,000
Licenses	115,432	119,906	115,000	115,000
Community Programs	656,890	621,172	656,800	621,000
Reserves	45,000	454,609	454,000	857,500
State of NJ - Energy Receipts & School Debt Aid ³	3,869,264	3,738,018	3,729,434	3,776,789
Interest and Costs on Taxes	186,282	185,272	176,000	185,000
Total Revenues (Other Than Taxes)	\$9,049,656	\$8,329,395	\$8,242,213	\$8,495,276
Municipal Tax Revenues	32,334,674	32,337,699	26,329,525	25,880,936
School Debt	4,291,118	4,196,880	4,196,880	4,798,262
Library	2,285,677	2,247,435	2,247,435	2,328,031
Surplus Anticipated	6,300,000	6,300,000	6,300,000	7,600,000
Total Municipal Revenues	\$54,261,125	\$53,411,409	\$47,316,053	\$49,102,505

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, Sale of Recyclable Materials and Old Town Hall
³ Includes Energy Receipts, Hotel and Motel Occupancy Fees and Uniform Fire Safety Act

Enterprise Funds⁴

User Fees Collected:

Parking Utility - Fees	3,116,027	2,974,321	2,643,865	2,961,344
- Surplus Used & Misc Receipts	153,349	109,040	100,000	386,000
Sewer Utility - Fees	2,792,212	3,039,563	2,924,710	2,971,271
- Surplus Used & Misc Receipts	506,621	634,115	426,500	325,000
Total User Fees and Receipts:	\$6,568,209	\$6,757,039	\$6,095,075	\$6,643,615

Expenditures

Parking Utility - Salaries and Wages	617,833	600,553	615,000	665,000
- Other Expenses	1,896,401	2,061,685	2,128,865	2,682,344
Sewer Utility - Salaries and Wages	261,951	274,085	294,000	295,250
- Other Expenses	2,797,622	2,985,010	3,057,210	3,001,021
Total Expenditures:	\$5,573,807	\$5,921,333	\$6,095,075	\$6,643,615

Expenses:

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, 2013		As of December 31, 2014	
Issued	Authorized	Issued	Authorized
Municipal	24,842,700	14,225,003	24,235,200
Sewer	4,067,600	3,427,481	4,090,600
Parking	2,706,900	426,257	2,463,000
School	42,585,000	3,504,740	41,785,000
Total	74,202,200	21,583,481	72,573,800
			33,803,530

Total Outstanding Debt

\$95,785,681 **\$106,377,330**

Note A - The targeted Capital spending projected for 2015 (subject to Council approval) for Municipal, Parking and Sewer Enterprise Funds is \$25MM

Expenditures

City Services

City Services	Actual 2013	Actual 2014	Budget 2014	Budget 2015
Administration				
Salaries and Wages	\$1,151,056	\$1,227,781	\$1,289,000	\$1,315,300
Other Expenses	598,010	593,881	674,835	749,202
Legal Services				
S & W	33,128	33,644	34,000	34,510
OE	326,861	338,343	380,000	380,000
Court				
S & W	346,599	341,335	363,500	378,500
OE	19,369	14,731	19,725	19,800
Department of Community Services (DCS)				
S & W	4,196,136	4,340,884	4,338,500	4,483,585
OE	2,093,324	2,113,567	2,283,200	2,319,350
Police				
S & W	5,935,644	6,081,881	5,980,000	6,039,600
OE	391,508	407,058	437,500	447,500
Police Pension				
S & W	1,235,059	1,103,123	1,103,123	1,191,994
Fire				
OE	3,774,640	3,895,050	3,904,700	3,852,801
Fire Pension				
OE	501,339	550,494	711,500	1,130,382
Health				
S & W	831,841	784,846	784,846	826,059
OE	217,780	219,884	224,000	229,100
Community Programs				
S & W	129,945	110,979	128,042	129,590
OE	677,945	711,889	734,500	755,500
Library				
S & W	1,292,404	1,398,767	1,451,205	1,485,000
OE	675,999	574,139	796,230	843,031
Pension				
S & W	874,373	844,229	820,555	940,222
Social Security				
OE	712,748	736,278	712,000	748,050
Employee Group Health				
Less: Employee Contribution	3,935,000	3,947,385	3,972,385	4,082,000
General Liability Insurance				
OE	(912,544)	(1,243,485)	(1,243,485)	(1,427,600)
Workers Compensation				
OE	433,000	460,600	460,600	474,200
Utilities ¹				
OE	698,000	806,642	816,361	811,700
Capital Improvement Fund				
OE	1,192,857	1,220,153	1,226,000	1,221,890
Grants				
OE	350,000	325,000	325,000	325,000
Municipal Debt				
OE	1,079,280	63,496	11,800	52,350
Subtotal Salaries and Other Expenses	\$36,188,387	\$35,558,668	\$36,308,996	\$37,451,710
Plus: School Debt Service Total ²	4,940,700	4,707,056	4,707,057	5,350,795
Subtotal Municipal Appropriations	41,129,087	40,265,724	41,016,053	42,802,505
Plus: Reserve for Uncollected Taxes	6,300,000	6,300,000	6,300,000	6,300,000
Grand Total, Operating Budget	\$47,429,087	\$46,565,724	\$47,316,053	\$49,102,505

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.