

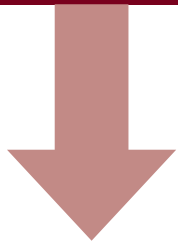


2018 PROPOSED MUNICIPAL BUDGET

COMMON COUNCIL CHAMBER
CITY HALL • MARCH 20, 2018

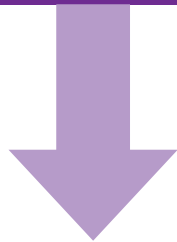
2018 BUDGET PROCESS & TIMELINE

OPERATING
&
CAPITAL
BUDGET
DEVELOPMENT



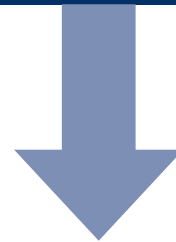
- August 2017
- All departments commenced process

DEPARTMENT
BUDGETS



- October 20, 2017
- Submitted to City Administrator & CFO

COUNCIL
COMMITTEE
REVIEW
&
DISCUSSION



- November 1- December 12, 2017
- Revisions provided to CA & CFO

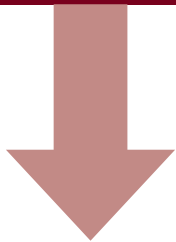
PUBLIC
WORKSHOP



- December 13, 2017
- Reviewed capital budget requests

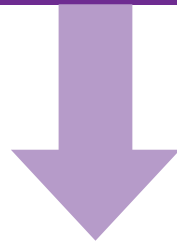
2018 BUDGET PROCESS & TIMELINE

FINANCE
COMMITTEE
REVIEW &
DISCUSSION



- January – February 2018
- Operating & Capital budgets with department heads

CITY BUDGET
PRESENTATION &
INTRODUCTION



- March 20, 2018
- Common Council meeting

BUDGET
ADOPTION



- April 17, 2018
- Public hearing – at least 28 Days after introduction



GOAL & KEY ACTIONS

#1:



KEY ACTIONS

Demonstrate
fiscal responsibility
and sound
financial
management

- Create and present the 2018 city operating budget with a stable municipal tax rate.
- Maintain the city's 'AAA' credit bond rating.
- Revise and update the city's formal purchasing manual.



GOAL & KEY ACTIONS

#2:



KEY ACTIONS

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

- Enhance features and functionality of SDL platform technology for processing of licenses, construction and zoning permits and tracking.
- Extend application of license plate technology to facilitate consistent parking payment systems city-wide, Transfer Station access, and strategic monitoring and high-volume data gathering by police.
- Initiate a body-worn camera system for all patrol officers to better serve community and increase transparency in police interactions.



GOAL & KEY ACTIONS

#3:



KEY ACTIONS

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

- Complete the Community Center expansion/renovation project.
- Finalize the Firehouse feasibility study and implement action plan to build new facility.
- Effectuate plan with Summit Conservancy to develop Free Market building at Transfer Station.



GOAL & KEY ACTIONS

#4:



KEY ACTIONS

Increase
emphasis on
smart planning
and redevelopment

- Continue efforts in developing a community-focused plan for Broad Street west redevelopment.
- Implement an affordable housing plan to create new low and moderate income housing opportunities as part of future development and redevelopment efforts.
- Work with Common Council and relevant city commissions/advisory committees to create a strategic approach to develop a smart city planning framework to improve citizen quality of life and safety, facilitate economic growth, and advance environmental and fiscal resilience.



GOAL & KEY ACTIONS

#5:



KEY ACTIONS

Build community
connectedness
and expand
communications
effort

- Review and enhance city-wide communications protocol guidelines through the communications office for use in distributing public information and handling media inquiries.
- Develop, refine and promote work being done by Mayor and Common Council, and other community volunteers.
- Augment website and social media strategy to best reach all segments of the Summit community.



GOAL & KEY ACTIONS

#6:



KEY ACTIONS

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

- Develop and employee intranet for sharing of customer service best practices, human resource information and internal communications outreach.
- 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.
- Conduct monthly workshops to facilitate comprehension and mastery of city-wide applications, including See Click Fix, website, SDL and time/attendance.



GOAL & KEY ACTIONS

#7:



KEY ACTIONS

Offer innovative solutions to ongoing municipal challenges

- Promote use of See Click Fix to obtain necessary feedback for service and infrastructure-related issues.
- Increase marketing efforts to promote sign-up for push notifications on the City of Summit website as a primary channel of information for citizens.
- Investigate further opportunities for shared services across all departments.



GOAL & KEY ACTIONS

#8:



KEY ACTIONS

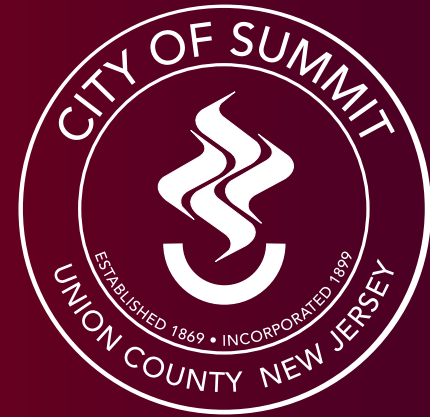
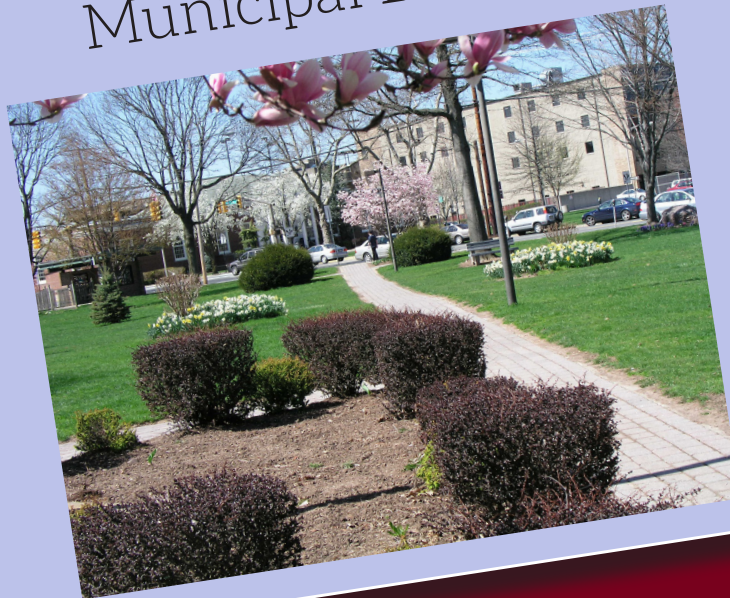
Retain and reinitiate improved customer service and accessibility

- Conduct at least one customer service-oriented training workshop for entire organization.
- Hold monthly meetings with front-line personnel to discuss strategies for better service and problem solving.
- Enhance strong community relationships across departments through outreach efforts and information sharing.

SUMMIT NEW JERSEY



2018
Municipal Budget



OVERVIEW



FINANCIAL TOTAL SUMMARY

GENERAL FUND	2018	2017 (Adopted)	% Variance
Operating Budget	\$51,373,916	\$50,006,897	2.73%
Capital Budget	<u>3,989,200</u>	<u>4,785,546</u>	<u>(16.64%)</u>
<i>Subtotal</i>	<i>\$55,363,116</i>	<i>\$54,792,443</i>	<i>1.04%</i>



FINANCIAL TOTAL SUMMARY

Sewer Utility Fund	2018	2017 (Adopted)	% Variance
Operating Budget	\$3,850,000	\$3,826,351	0.62%
Capital Budget	<u>990,000</u>	<u>1,303,357</u>	<u>(24.04%)</u>
<i>Subtotal</i>	<i>\$4,840,000</i>	<i>\$ 5,129,708</i>	<i>(5.65%)</i>
Parking Services Utility Fund	2018	2017 (Adopted)	% Variance
Operating Budget	\$3,559,867	\$3,523,648	1.03%
Capital Budget	<u>100,000</u>	<u>400,000</u>	<u>(75.00%)</u>
<i>Subtotal</i>	<i>\$3,659,867</i>	<i>\$3,923,648</i>	<i>(6.72%)</i>



FINANCIAL TOTALS

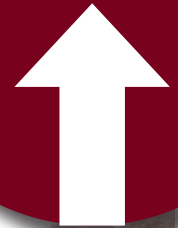
2018

\$63,862,983

2017





\$63,845,799

0.03%





2018 GENERAL FUND BUDGET SUMMARY POINTS

- Municipal Tax Rate: **0.00%**
- Anticipated Fund Balance (Surplus): **\$200,000** 
- Local Revenues: **\$981,400** 
- Municipal Tax Levy: **\$242,700** 
- Salary & Wages: \$17.48 million **\$0 net increase**
- Reserve for Uncollected Taxes: **\$169,424** 

\$3,133,257,826

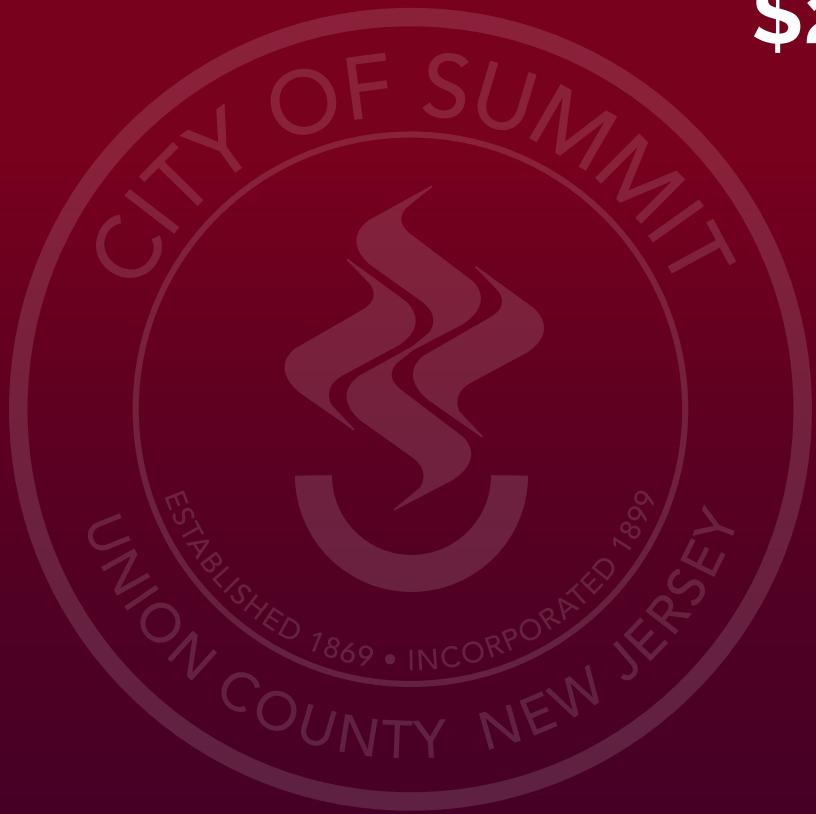
SUMMIT'S TAX BASE—
UP \$25 MILLION FROM 2017

\$1.1 million

INCREASE OF TOTAL TAX REVENUES
MUNICIPAL TAX REVENUE GAIN—
\$211,000

0.80%

DECREASE EFFECT
ON MUNICIPAL TAX RATE



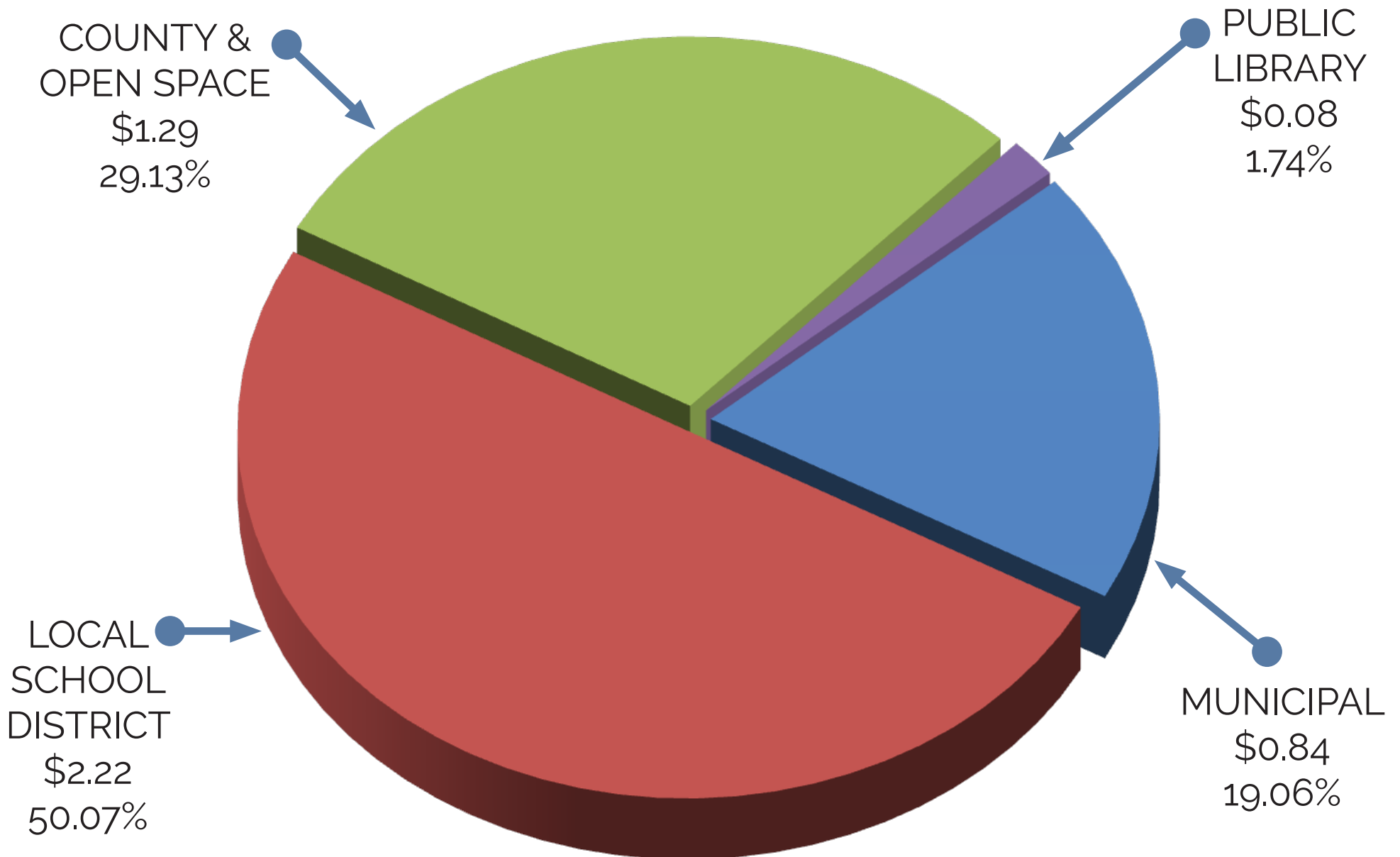


PROPERTY TAX RATES

	Estimated 2018	2017	% Change
MUNICIPAL	\$0.844	\$0.844	0.00%
SCHOOL DISTRICT	\$2.221	\$2.167	2.49%
COUNTY & OPEN SPACE	\$1.290	\$1.275	1.18%
PUBLIC LIBRARY	<u>\$0.077</u>	<u>\$0.079</u>	(2.53%)
<i>Total</i>	<i>\$4.432</i>	<i>\$4.365</i>	<i>1.53%</i>



2018 ESTIMATED PROPERTY TAX RATES





TOTAL PROPERTY TAX BILL COMPARISON

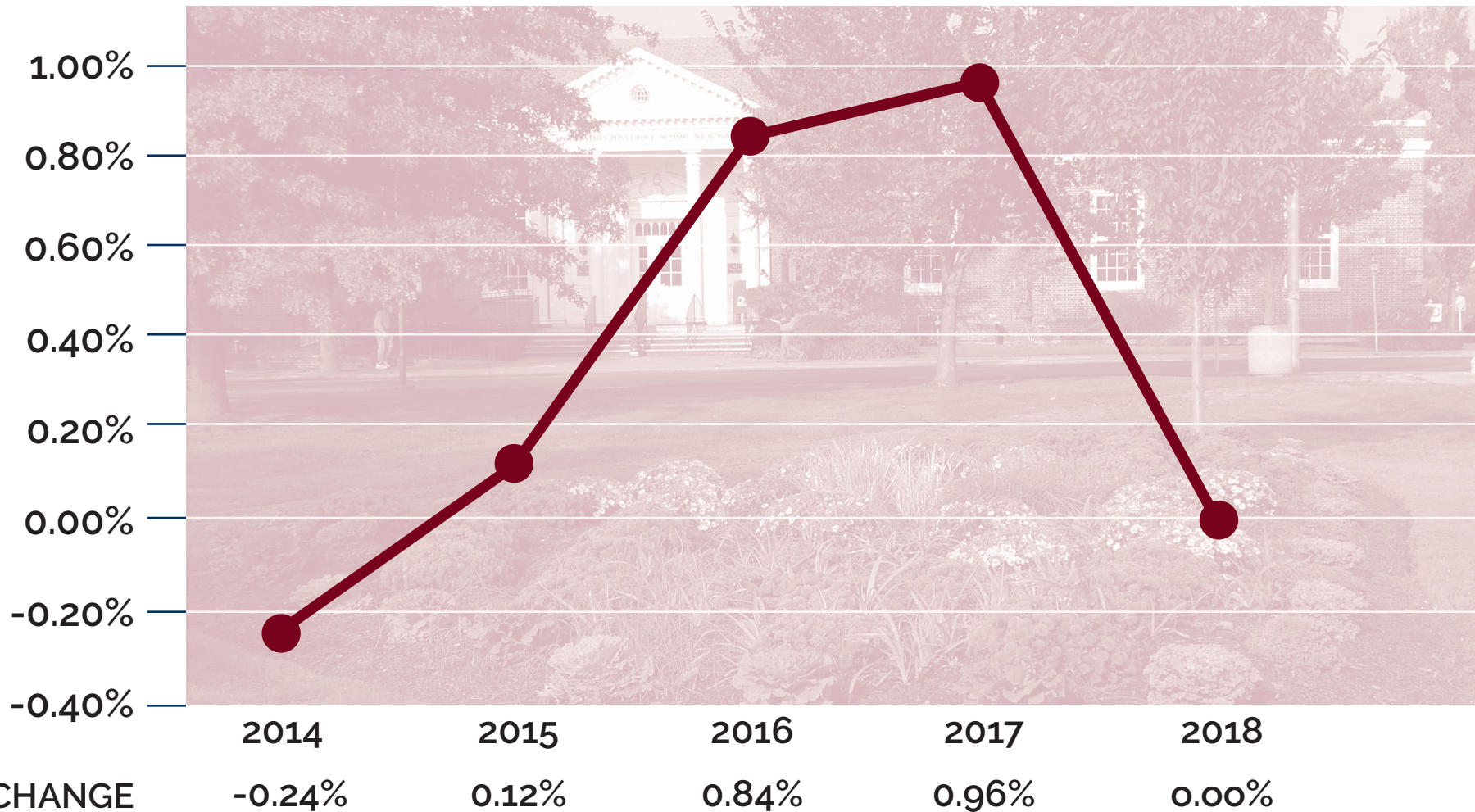
(AVG. RESIDENTIAL NET ASSESSED VALUATION – \$413,000)

	Estimated 2018	2017
Municipal Taxes	\$3,485.72	\$3,485.72
Local School District Taxes	9,172.73	8,949.71
County & Open Space Taxes	5,327.70	5,265.75
Public Library Taxes	<u>318.01</u>	<u>326.27</u>
Total Tax Bill Amount	\$18,304.16	\$18,027.45
2018 Estimated Total Property Tax Effect	<i>Increase of \$276.71, or 1.53% for year</i>	



MUNICIPAL TAX RATE

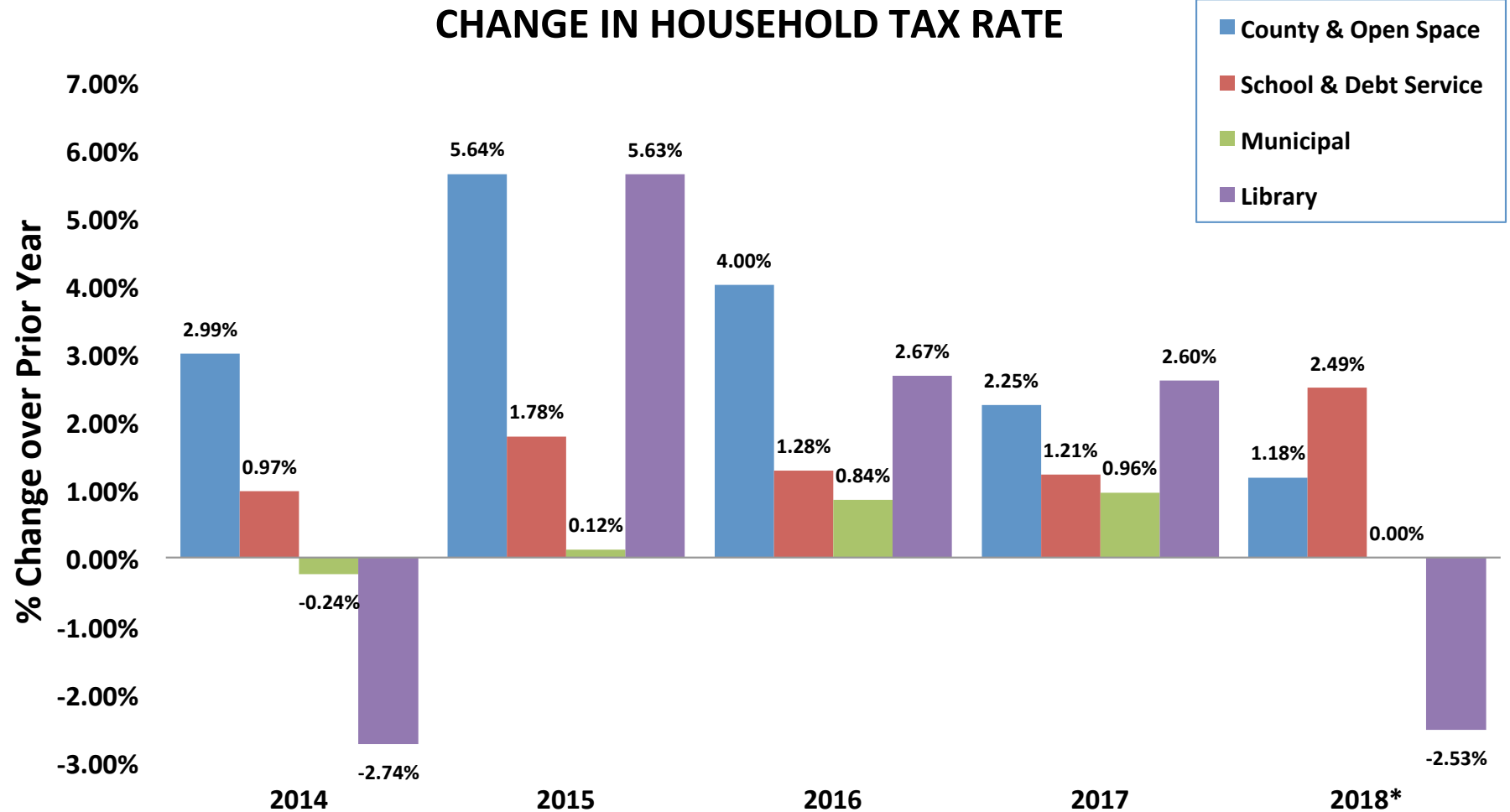
ANNUAL % CHANGE (2014-2018)



ANNUAL % CHANGE



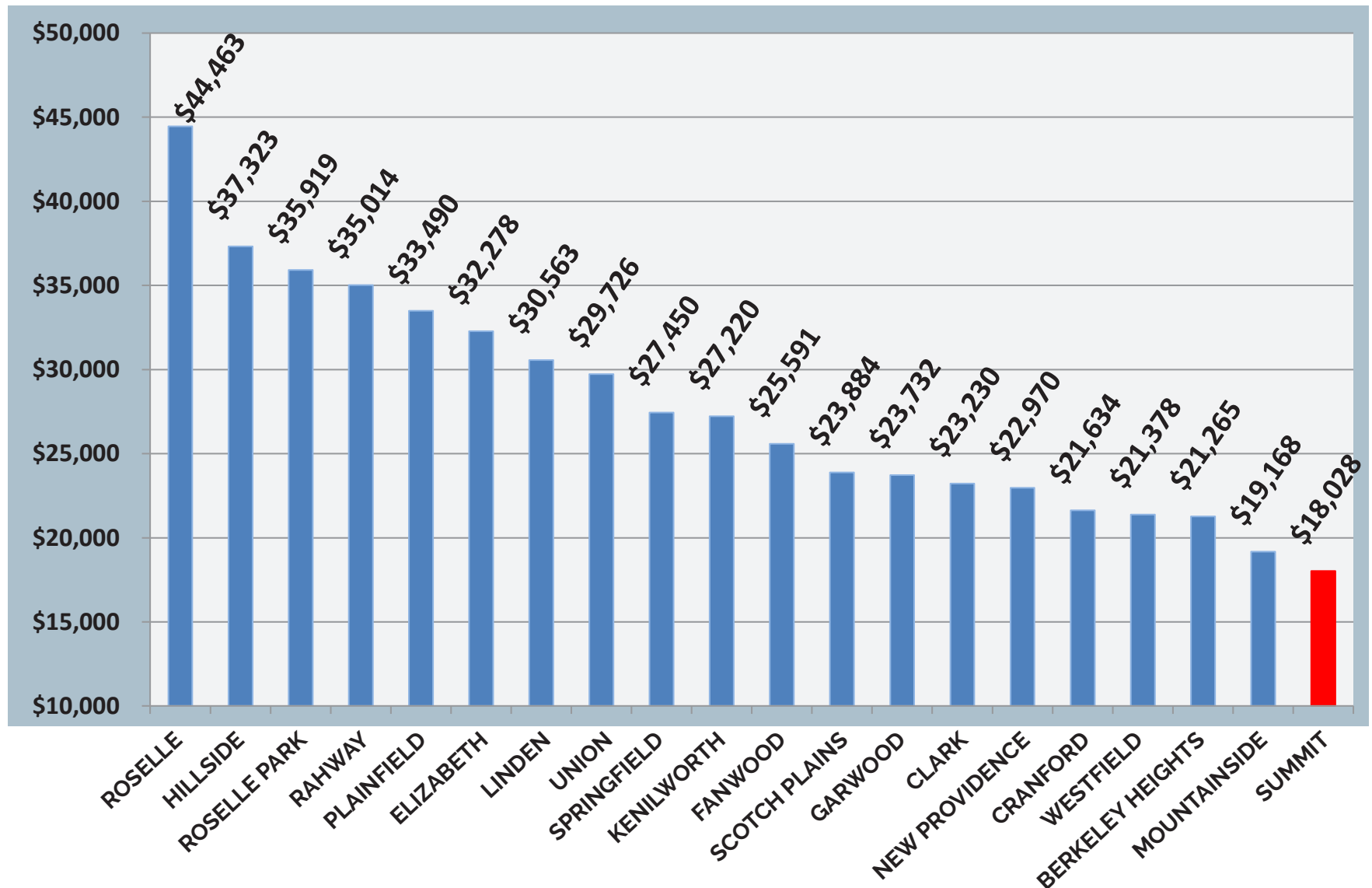
5 YEAR CHANGE IN TAX RATES





EFFECTIVE TAX RATE

UNION COUNTY MUNICIPALITIES





GENERAL FUND REVENUES

		2018 Anticipated	2017 Anticipated	\$ Change from 2017
Fund Balance	13.4%	\$6,900,000	\$7,100,000	(\$200,000)
Local Revenues	6.9%	3,543,900	2,562,500	981,400
State Aid	6.8%	3,513,257	3,551,257	(38,000)
Grants	0.4%	193,812	81,959	111,853
Enterprise Funds/ Contributions	6.2%	3,201,208	3,259,612	(58,404)
Prior Year Tax Receipts	1.0%	490,000	500,000	(10,000)
Municipal Tax Levy	51.5%	26,456,806	26,214,106	242,700
School District Debt Obligation	9.1%	4,664,313	4,287,129	377,184
Library Tax Levy	4.7%	2,410,620	2,450,334	(39,714)
Total General Revenues		\$51,373,916	\$50,006,897	\$1,367,019



REVENUES

● LOCAL REVENUES

- ▶ **New Revenue:** \$794,500 (Overlook Community Support)
- ▶ **Increases:** \$172,000 (Interest on Investments)
\$88,000 (Municipal Court Fines & Costs)
- ▶ **Decrease:** \$30,000 (Family Aquatic Center Fees)

● ENTERPRISE FUNDS/CONTRIBUTIONS

- ▶ **Increases:** \$885,000 (General Capital Reserve for
Debt Pay Down)
\$375,000 (Municipal Asset Sale Reserve for
Debt Pay Down)
- ▶ **Decreases:** \$140,000 (Parking Services Utility Contribution)
\$ 40,000 (Sewer Utility Contribution)



PROPERTY TAX LEVIES

	2018 Estimated	2017	% Change
Municipal	\$26,456,806	\$26,214,106	0.93%
Local School District	69,592,555	67,348,570	3.33%
County	39,319,822	38,548,845	2.00%
County Open Space	1,126,733	1,104,641	2.00%
Public Library	<u>2,410,620</u>	<u>2,450,334</u>	(1.62%)
<i>Total Tax Levies</i>	<i>\$138,906,536</i>	<i>\$135,666,496</i>	<i>2.39%</i>

2% PROPERTY TAX LEVY

\$1,044,569

UNDER MAXIMUM
TAX LEVY AMOUNT OF
\$27,501,375





GENERAL FUND APPROPRIATIONS

\$51,373,916

Municipal Operations: \$32,076,982

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

Other Appropriations: \$13,910,138

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

Reserve for Uncollected Taxes: \$5,386,796



2018 TOTAL APPROPRIATIONS

\$51,373,916

Municipal Operations	2018	2017 Adopted	\$ Change from 2017
General Government (2.9%)	\$1,489,850	\$1,518,450	(\$28,600)
Finance (2.5%)	1,264,710	1,175,200	89,510
Public Safety (21.6%)	11,086,830	10,910,820	176,010
Community Services (14.0%)	7,187,110	7,058,200	128,910
Community Programs (2.3%)	1,156,950	1,114,500	42,450
Board of Health (0.9%)	447,290	373,595	73,695
Municipal Court (0.6%)	324,955	326,800	(1,845)
Utilities (2.2%)	1,134,500	1,161,500	(27,000)
Insurance (7.4%)	3,785,761	3,874,000	(88,239)
Statutory Expenditures (8.2%)	4,199,026	4,022,302	176,724



2018 TOTAL APPROPRIATIONS

\$51,373,916

Other Appropriations	2018	2017 Adopted	\$ Change from 2017
Maintenance of Free Public Library (4.7%)	\$2,410,620	\$2,450,334	(\$39,714)
Grants (0.4%)	193,812	81,958	111,854
Interlocal Agreements (1.9%)	981,640	895,400	86,240
Capital Improvements (0.4%)	210,000	300,000	(90,000)
Municipal Debt Service (8.7%)	4,494,753	3,636,337	858,416
School Debt Service (10.0%)	5,154,313	5,265,129	(110,816)
Deferred Charges & Reserves (0.9%)	465,000	625,000	(160,000)
Reserve for Uncollected Taxes (10.5%)	5,386,796	5,217,372	169,424

APPROPRIATIONS CAP

\$3,066,364

UNDER MAXIMUM
TOTAL APPROPRIATIONS
AMOUNT OF
\$35,233,346





MUNICIPAL PERSONNEL

	2018	2017	2016	2015
Full-time	174	177	175	179
Part-time	25	25	25	29
<i>Total</i>	<i>199</i>	<i>202</i>	<i>200</i>	<i>208</i>

- 2018 – Shared municipal court agreement with New Providence eliminated three (3) full-time positions in city organization.



SALARIES AND WAGES

Fund	2018	2017	% Change
General	\$17,485,340	\$17,485,350	0.00%
Sewer Utility	329,000	303,000	8.58%
Parking Services Utility	765,000	671,269	13.96%
Uniform Construction Code (Trust)	820,500	807,240	1.64%
Totals	\$19,399,840	\$19,266,859	0.69%



TOTAL BENEFITS AS A PERCENTAGE OF SALARIES AND WAGES

	2018	2017
Salaries & Wages	\$17,475,080	\$17,371,359
Total Benefits (Healthcare and Pension Costs)	\$7,279,482	\$7,105,224
% of Benefits to Salaries & Wages	41.66%	40.90%
% Annual Change	0.76%	0.10%
Total Employees	199	202
Average Cost of Benefits per Employee	\$36,580	\$35,174



MUNICIPAL OPERATIONS OTHER EXPENSES (GENERAL FUND)

- **\$10,392,616** – 20% of Total Appropriations
- 3.6% increase from 2017
- 1.4% average increase over last 4 years
- **3 Largest Line-item Categories**
 - Waste Disposal Charges - \$875,000 (\$25,000 increase)
 - Fuel - \$361,000 (down \$12,000)
 - Electricity - \$345,000 (down \$27,000)
- **3 Largest Professional**
 - Legal – General & Labor - \$220,000 (no proposed increase)
 - Legal – Tax Appeal Litigation - \$200,000 (\$25,000 decrease)
 - Land Use Planning Services - \$170,000 (\$40,000 increase)



OTHER APPROPRIATIONS



HEALTHCARE INSURANCE

\$4.09 million (gross)
medical and dental insurance premiums.
(Medical - \$3.87 million;
Dental -\$216,800)

\$2.65 million (net)
healthcare insurance appropriation

\$1.18 million
in employee contributions
(up \$113,000 from 2017)

\$390,000
estimated annual cost savings from employee opt-out



OTHER APPROPRIATIONS

PENSION OBLIGATIONS

PERS and PFRS –
\$3.56 million total
•
up **\$184,324**
or **5.5%** in total
•
Since 2011, on average,
combined totals
increased by
5.9%

RESERVE FOR UNCOLLECTED TAXES: **\$5,386,796**

2017 –
99.65%
of tax levy
collected
•
2018 –
96.12%
anticipated
collection
rate

DEBT SERVICE: 'AAA' BOND RATING

\$4,494,753
up \$858,416 from 2017
(23.6%)
•
\$885,000
Principal Note payment
on Community Center
debt
•
Scheduled bond
payments projected to
decline in 2019 by nearly
\$800,000



CURRENT DEBT POSITION

As of December 31, 2017

Statutory Equalized Valuation

\$7,252,863,172

Statutory Borrowing Power

253,850,211

Statutory Net Debt

55,549,571

Remaining Statutory Borrowing Power

198,300,640

Net Debt to Statutory Equalized Valuation

0.766%



2018 CAPITAL BUDGET





CAPITAL BUDGETS

General Fund

\$3,989,200

Parking Services Agency

\$100,000

Sewer Utility

\$990,000



CAPITAL BUDGET COMPARISON

DEPARTMENT	2018	2017	% Change
Police	\$312,000	\$229,046	36.2%
Fire	102,400	164,500	(37.8%)
MVEC Joint Dispatch	200,000	150,000	33.3%
Community Services	3,077,800	3,015,500	2.1%
Community Programs	222,000	910,000	(75.6%)
Administration/Clerk	25,000	157,000	(84.1%)
Library	50,000	159,500	(68.7%)
TOTAL	\$3,989,200	\$4,785,546	(16.6%)



CAPITAL BUDGET COMPARISON

2018 vs. 2017

UTILITY	2018	2017	% Change
Parking Services	\$100,000	\$400,000	(75.0%)
Sewer	990,000	1,303,357	(24.0%)
TOTAL	\$1,090,000	\$1,703,357	(36.0%)



PUBLIC SAFETY



Fire Department: \$102,400

- Replacement of SCBA Breathing Air Packs - \$80,000
- Radio Room Modification - \$8,400
- Bail Out Safety Equipment - \$7,000



Police Department: \$312,000

- Headquarters Renovation - \$100,000
- Fixed License Plate Reader System - \$63,000
- In-vehicle Technology Equipment - \$30,000



Joint Dispatch Center: \$200,000

- Public Safety Portable/Mobile Radios



COMMUNITY PROGRAMS

Total Capital Budget Request **\$222,000**

- Various Field House Improvements (Memorial, Long, Tatlock & Wilson) - **\$100,000**
- Senior Bus Replacement - **\$45,000**
- Memorial Tennis Court Repairs - **\$40,000**
- Park furnishings - **\$10,000**





DEPT. OF COMMUNITY SERVICES

Infrastructure: \$2.27 million

- 4 major road improvement projects
 - Wallace Rd.
 - Larned Rd./Laurel Ave.
 - Linden Pl./Oakland Pl.
 - Hobart Ave. (Franklin Pl.-Springfield Ave.)
- Traffic signal upgrades
- Pedestrian safety improvements
- Regulatory & warning sign replacement





DEPT. OF COMMUNITY SERVICES

Vehicle/Equipment: **\$475,300**

- Replace Trash Transfer Trailer
- Replace Turf Tractor
- Replace F450 4WD Mason Dump w/plow
- Replace Salt Spreaders
- Replace Turf Utility Vehicle



City Buildings: **\$310,000**

- City Hall HVAC (Water Cooling Tower)
- City Hall/DPW 41 Chatham Road/
Transfer Station building maintenance
- City Hall building carpet replacement





OTHER CAPITAL PROJECTS

Administration (City Hall): \$25,000

- VoIP telephone upgrade



Library: \$50,000

- Library roof replacement
- Concrete repairs of emergency staircase





UTILITY FUNDS

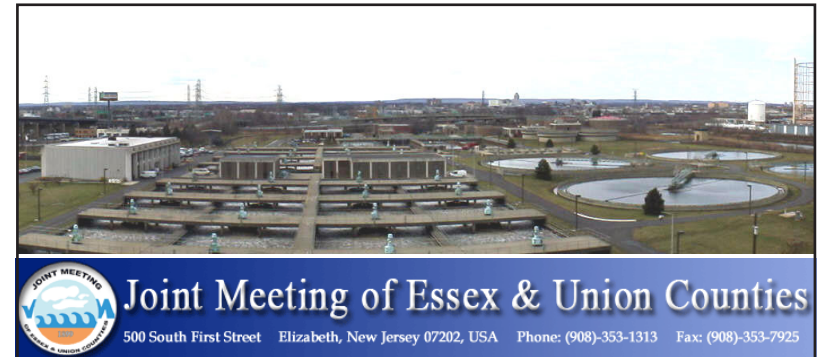
Parking Services: \$100,000

- Parking lot maintenance
- Full lot signage & count equipment



Sewer: \$990,000

- JMEUC Capital Plan contribution
- Utility pump stations, equipment and infrastructure repairs





THANK YOU!

Questions?

cityofsummit.org