



COMMON COUNCIL  
MEETING  
•  
CITY HALL  
COUNCIL CHAMBERS  
•  
MARCH 19, 2019

# City of Summit

2019

## MUNICIPAL BUDGET



# 2019 BUDGET PROCESS & TIMELINE

## OPERATING & CAPITAL BUDGET DEVELOPMENT

- August 2018
- All departments commenced process

## DEPARTMENT BUDGETS

- October 19, 2018
- Submitted to City Administrator & CFO

## COUNCIL COMMITTEE REVIEW & DISCUSSION

- November 1- December 11, 2018
- Revisions provided to CA & CFO

## PUBLIC WORKSHOP

- December 12, 2018
- Reviewed capital budget requests

# 2019 BUDGET PROCESS & TIMELINE

## FINANCE COMMITTEE REVIEW & DISCUSSION

- January – February 2019
- Operating & Capital budgets with department heads

## CITY BUDGET PRESENTATION & INTRODUCTION

- March 19, 2019
- Common Council meeting

## BUDGET ADOPTION

- April 23, 2019
- 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 2019 city operating budget with a municipal tax rate change at or below 1.0%.
- Maintain the city's 'AAA' credit bond rating.
- Successfully negotiate a PBA collective bargaining contract that results in a 2.0% total net cost.





# 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 citywide, Transfer Station access, as well as strategic monitoring and high-volume data gathering by Police Department.
- Implement new technology platform in Clerk's Office for OPRA process management and licensing system.



# Goal & Key Actions

## #3



### KEY ACTIONS:

- Complete new Community Center project.
- Finalize new firehouse building design, architectural renderings, and construction specifications plan for public bid process.
- Commence and finish new Summit Free Market building construction at Transfer Station.

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



# Goal & Key Actions

## #4



### KEY ACTIONS:

Increase  
emphasis on  
smart planning  
and redevelopment

- Adopt Broad Street west redevelopment plan, designate redeveloper(s) and commence redeveloper agreement negotiations.
- Design flexible resident/non-resident commuter plan in anticipation of new firehouse facility project commencing in 2020 on the current Broad Street east parking lot site.
- Implement affordable housing plan to create new low and moderate income housing opportunities as part of future development and redevelopment efforts.



# Goal & Key Actions

## #5



### KEY ACTIONS:

Build community  
connectedness  
and expand  
communications  
effort

- Update city website to reflect current best practices in design and information delivery.
- Review and enhance citywide 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.



# Goal & Key Actions

## #6



### KEY ACTIONS:

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

- Enhance and refine Primepoint human resources program to better develop human resources functionality citywide.
- 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 citywide applications, including See Click Fix, city website, SDL and Edmunds.



# Goal & Key Actions

## #7

Offer innovative solutions to ongoing municipal challenges

### KEY ACTIONS:

- Continue outreach by Police Department traffic and patrol units dedicated to improving circulation, pedestrian and bicycle safety.
- Promote use of ParkMobile and availability of free parking in Broad Street garage and upper levels of Tier garage on weekends, and in the downtown on Sunday.
- Expand existing ridesharing initiative by promoting available options for residents that commute from the Summit train station or work in the downtown.



# Goal & Key Actions

## #8

Retain and  
reinitiate improved  
customer service  
and accessibility

### KEY ACTIONS:

- Develop and implement succession plans for various department heads and key personnel retirements.
- 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.





# OVERVIEW



# Financial Totals Summary

General Fund	2019	2018 (Adopted & Amended)	% Variance
Operating Budget	\$ 51,984,799	\$ 51,373,916	1.19%
Capital Budget	<u>16,755,500</u>	<u>5,039,200</u>	<u>232.50%</u>
<i>Subtotal</i>	<i>\$68,740,299</i>	<i>\$56,413,116</i>	<i>21.85%</i>





# Financial Totals Summary

Sewer Utility Fund	2019	2018 (Adopted & Amended)	% Variance
Operating Budget	\$ 4,313,287	\$ 3,850,000	12.03%
Capital Budget	<u>421,500</u>	<u>1,915,000</u>	<u>(77.99%)</u>
<b>Subtotal</b>	<b>\$ 4,734,787</b>	<b>\$ 5,765,000</b>	<b>(17.87%)</b>

Parking Services Utility Fund	2019	2018 (Adopted )	% Variance
Operating Budget	\$ 3,954,555	\$ 3,559,867	11.09%
Capital Budget	<u>100,000</u>	<u>100,000</u>	<u>0.00%</u>
<b>Subtotal</b>	<b>\$ 4,054,555</b>	<b>\$ 3,659,867</b>	<b>10.78%</b>

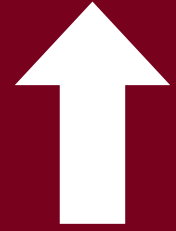


# Financial Totals

2019      \$77,529,641

2018      \$65,837,983

17.76%







# 2019 General Fund Budget Summary Points

- Municipal Tax Rate: 1.0%
- Anticipated Fund Balance (Surplus): \$6.9 million  
(Same as 2018 amount)
- Local Revenues: \$129,444 ↑
- Municipal Tax Levy: \$335,700 ↑
- Salary & Wages: \$133,732 (\$17.61 million total) ↑
- Pension Obligations: \$249,270 ↑

**\$3,143,119,824**

SUMMIT'S TAX BASE—  
UP \$9.8 MILLION FROM 2018

**\$428,000**

INCREASE OF TOTAL TAX REVENUES  
MUNICIPAL TAX REVENUE GAIN—  
**\$83,235**

**0.32%**

INCREASE EFFECT  
ON MUNICIPAL TAX RATE





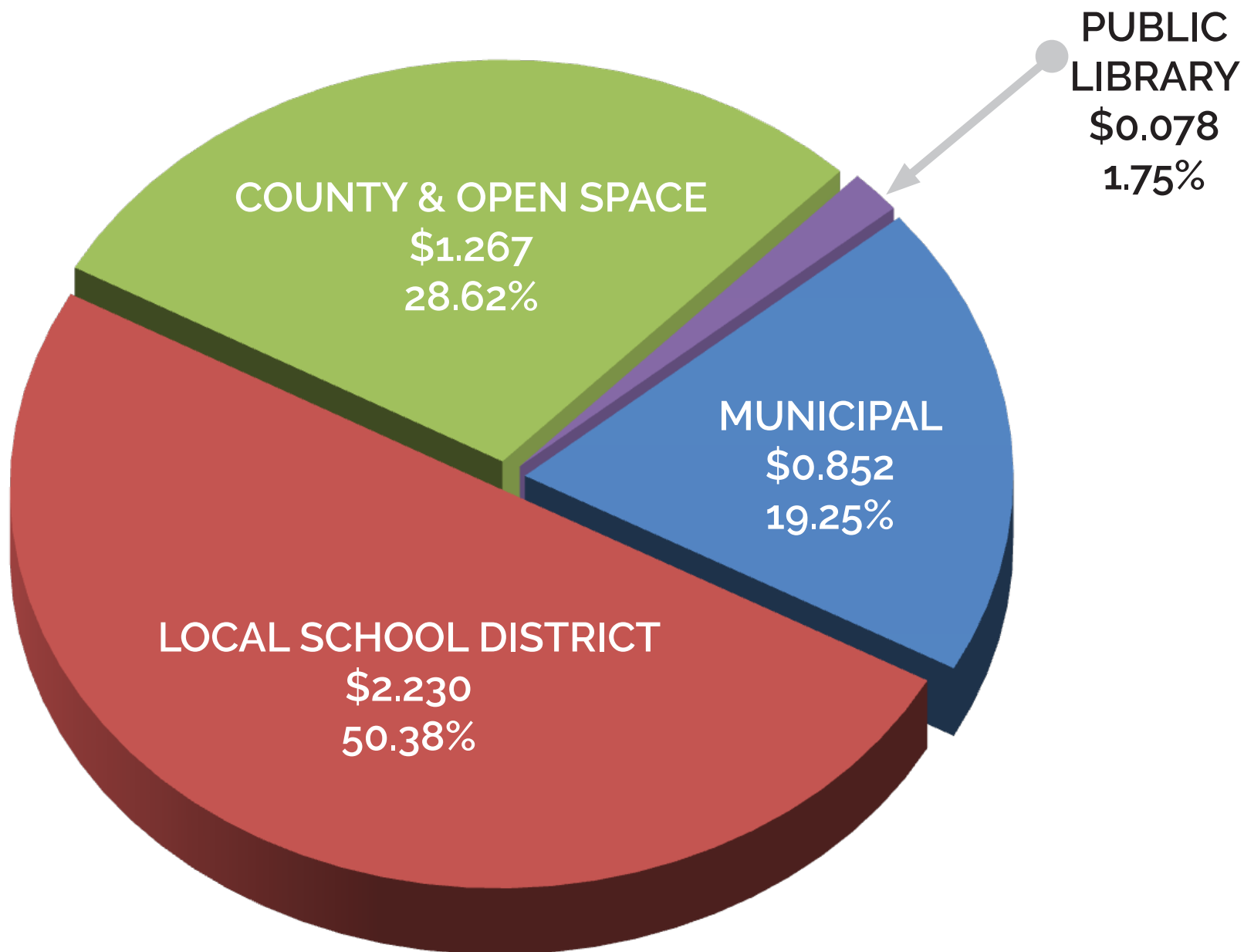
# Property Tax Rates

	Estimated 2019	2018	% Change
MUNICIPAL	\$0.852	\$0.844	1.00%
SCHOOL DISTRICT	\$2.230	\$2.179	2.36%
COUNTY & OPEN SPACE	\$1.267	\$1.237	2.41%
PUBLIC LIBRARY	<u>\$0.078</u>	<u>\$0.077</u>	0.85%
<i>Estimated Total</i>	<i>\$4.427</i>	<i>\$4.337</i>	<i>2.08%</i>





# 2019 Estimated Property Tax Rates





# Total Property Tax Bill Comparison

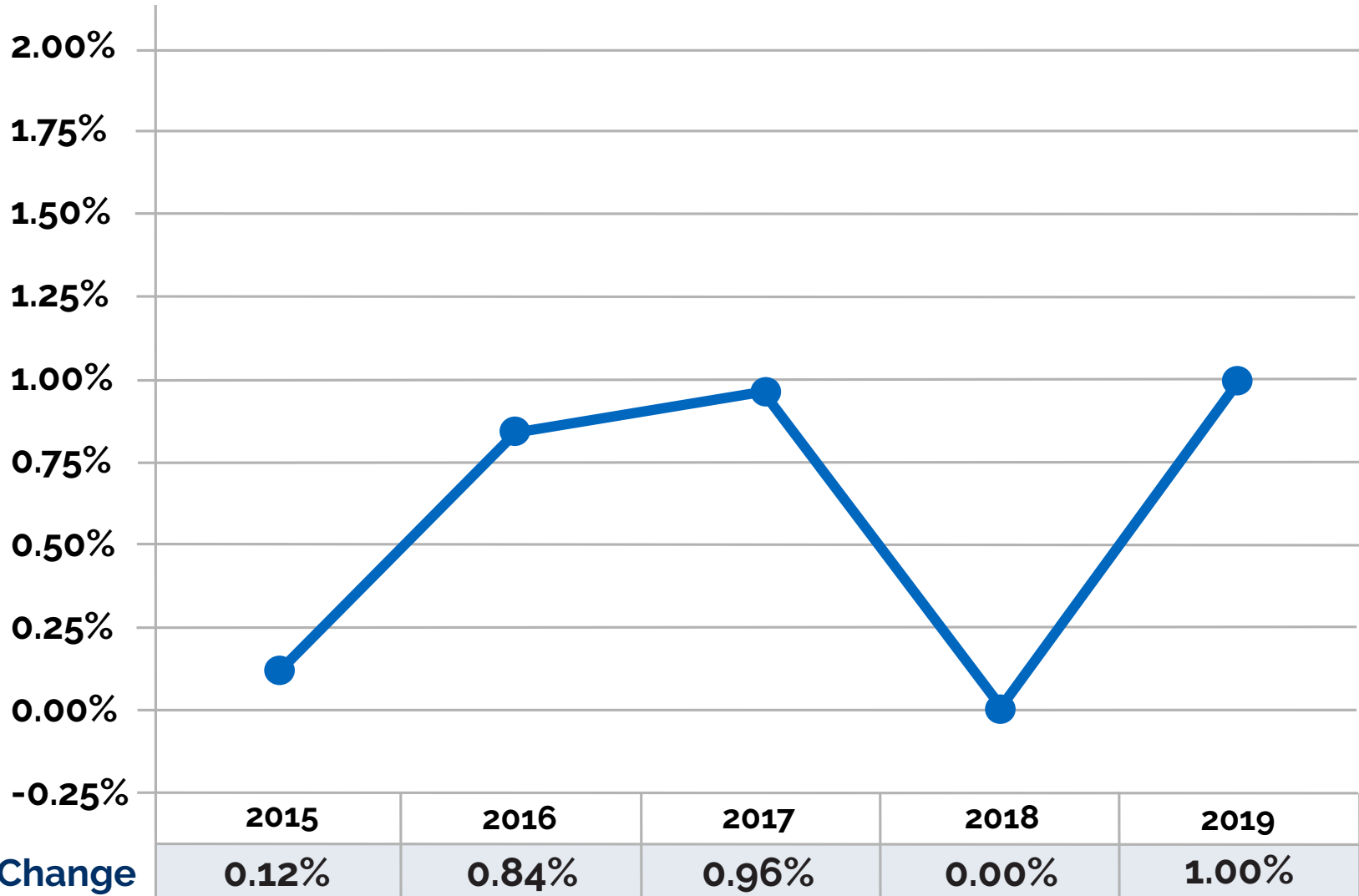
(AVG. RESIDENTIAL NET ASSESSED VALUATION – \$417,500)

	2019	2018
<b>Municipal Taxes</b>	<b>\$ 3,557.10</b>	<b>\$3,485.72</b>
<b>Local School District Taxes</b>	<b>9,310.25</b>	<b>9,097.33</b>
<b>County &amp; Open Space Taxes</b>	<b>5,289.73</b>	<b>5,164.48</b>
<b>Public Library Taxes</b>	<b><u>325.65</u></b>	<b><u>321.48</u></b>
<b>Estimated Total Tax Bill Amount</b>	<b>\$18,482.73</b>	<b>\$18,069.01</b>
<b>2019 Estimated Total Property Tax \$ Effect</b>	<b><i>Increase of \$413.73, or 2.29% for year</i></b>	



# Municipal Tax Rate

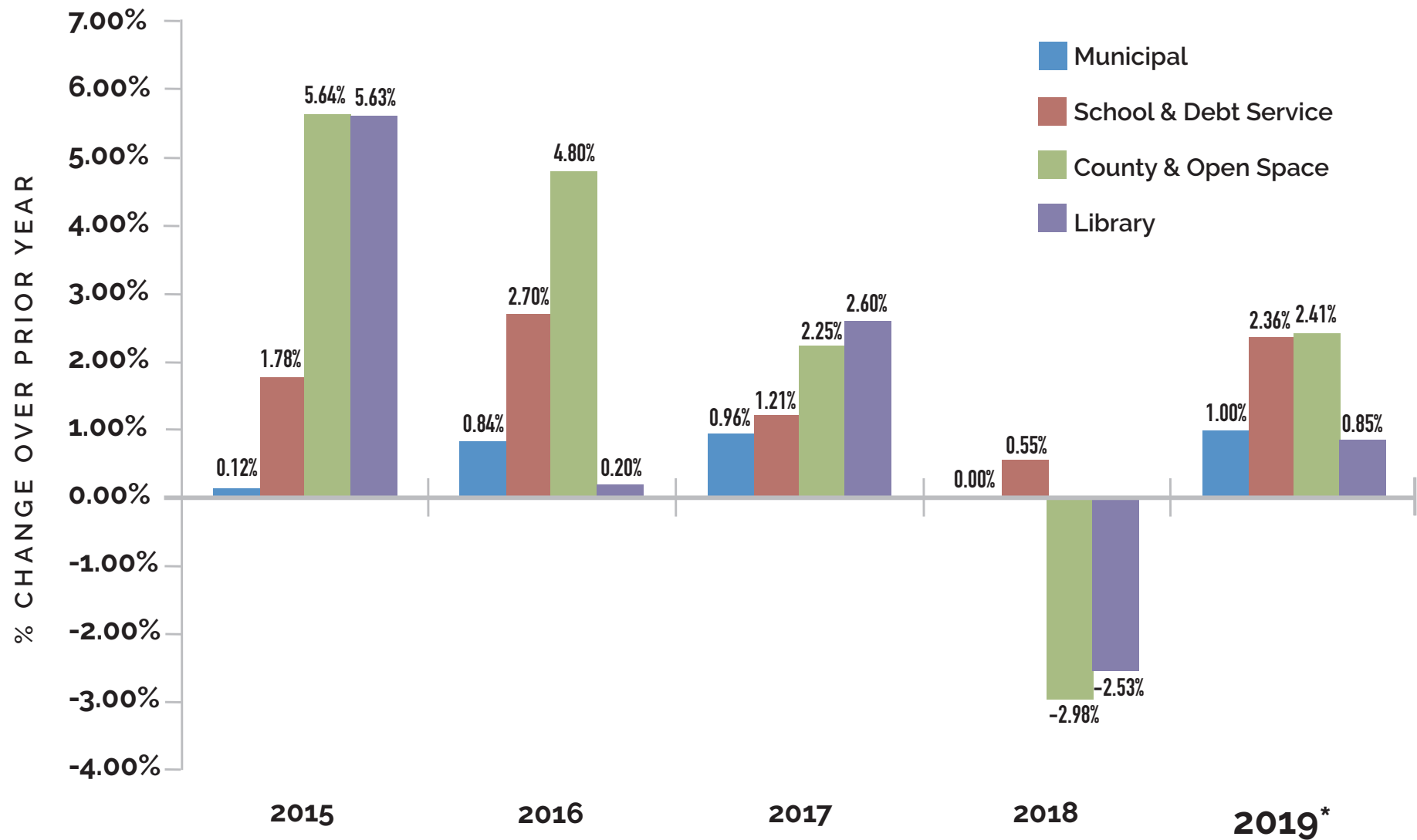
## ANNUAL % CHANGE (2015-2019)



Annual % Change



# Municipal Tax Rate

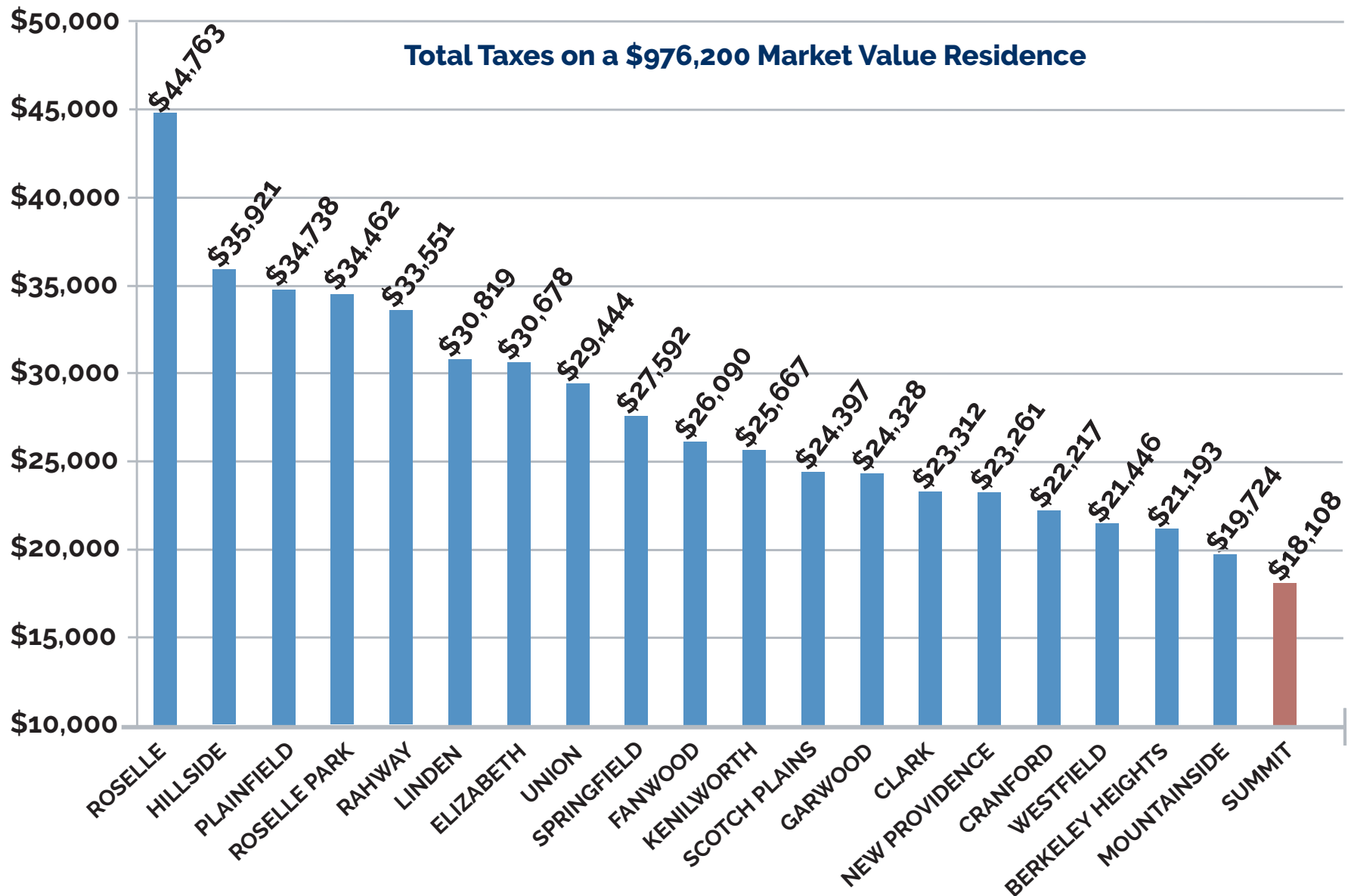


\* 2019—Estimated tax rate changes



# Effective Tax Rate

## UNION COUNTY MUNICIPALITIES





# General Fund Revenues

		2019 Anticipated	2018 Anticipated	\$ Change from 2018
<b>Fund Balance</b>	<b>(13.3%)</b>	<b>\$ 6,900,000</b>	<b>\$ 6,900,000</b>	<b>\$ 0</b>
<b>Local Revenues</b>	<b>(7.1%)</b>	<b>3,673,344</b>	<b>3,543,900</b>	<b>129,444</b>
<b>State Aid</b>	<b>(6.6%)</b>	<b>3,423,000</b>	<b>3,513,257</b>	<b>(90,257)</b>
<b>Grants</b>	<b>(0.3%)</b>	<b>144,315</b>	<b>193,812</b>	<b>(49,497)</b>
<b>Enterprise Funds/ Contributions</b>	<b>(6.0%)</b>	<b>3,142,025</b>	<b>3,201,208</b>	<b>(59,183)</b>
<b>Prior Year Tax Receipts</b>	<b>(1.2%)</b>	<b>630,000</b>	<b>490,000</b>	<b>140,000</b>
<b>Municipal Tax Levy</b>	<b>(51.5%)</b>	<b>26,792,506</b>	<b>26,456,806</b>	<b>335,700</b>
<b>School District Debt Obligation</b>	<b>(9.3%)</b>	<b>4,838,824</b>	<b>4,664,313</b>	<b>174,511</b>
<b>Library Tax Levy</b>	<b>(4.7%)</b>	<b>2,440,785</b>	<b>2,410,620</b>	<b>30,165</b>
<b>Total General Revenues</b>		<b>\$ 51,984,799</b>	<b>\$ 51,373,916</b>	<b>\$ 610,883</b>



# Revenues

## ● LOCAL REVENUES

- ▶ **New Revenue:** \$40,000 (Utility Income –Cell Tower)
- ▲ **Increases:**
  - \$90,000 (Interest on Investments)
  - \$30,000 (Interest & Costs on Taxes)
- ▼ **Decreases:**
  - \$38,000 (Municipal Golf Course Fees)
  - \$30,000 (Sale of Recyclable Materials)

## ● ENTERPRISE FUNDS/CONTRIBUTIONS

- ▲ **Increases:**
  - \$440,000 (Parking Services Utility Contribution)
  - \$210,000 (Reserve for Municipal Debt Service)
- ▼ **Decreases:**
  - \$803,870 (Reserve to Pay General Capital Debt – Community Center)
  - \$408,154 (Parking Utility Share of Debt Service)





# Property Tax Levies

	2019 Estimated	2018	% Change
<b>Municipal</b>	<b>\$ 26,792,506</b>	<b>\$ 26,456,806</b>	<b>1.27%</b>
<b>Local School District</b>	<b>70,102,247</b>	<b>68,244,105</b>	<b>2.72%</b>
<b>County</b>	<b>38,723,185</b>	<b>37,672,817</b>	<b>2.78%</b>
<b>County Open Space</b>	<b>1,127,530</b>	<b>1,096,984</b>	<b>2.78%</b>
<b>Public Library</b>	<b><u>2,440,785</u></b>	<b><u>2,410,620</u></b>	<b>1.25%</b>
<b><i>Total Tax Levies</i></b>	<b><i>\$139,186,253</i></b>	<b><i>\$135,881,332</i></b>	<b><i>2.43%</i></b>

2% PROPERTY TAX LEVY

\$1,615,581

UNDER

*Maximum Tax Levy*

*Amount of*

\$28,408,428





# General Fund Appropriations

**\$51,984,799**

## **Municipal Operations: \$32,472,997**

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

## **Other Appropriations: \$14,224,551**

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

## **Reserve for Uncollected Taxes: \$5,287,251**



# 2019 Total Appropriations

## \$51,984,799

Municipal Operations	2019	2018 Adopted	\$ Change from 2018
General Government (3.0%)	\$ 1,536,286	\$ 1,489,850	\$ 46,436
Finance (2.4%)	1,247,615	1,264,710	(17,095)
Public Safety (21.8%)	11,323,101	11,086,830	236,271
Community Services (13.9%)	7,200,546	7,187,110	13,436
Community Programs (2.3%)	1,191,610	1,156,950	34,660
Board of Health (0.9%)	443,045	447,290	(4,245)
Municipal Court (0.8%)	399,300	324,955	74,345
Utilities (2.2%)	1,121,000	1,134,500	(13,500)
Insurance (7.2%)	3,739,774	3,785,761	(45,987)
Statutory Expenditures (8.2%)	4,270,720	4,199,026	71,694



# 2019 Total Appropriations

## \$51,984,799

Other Appropriations	2019	2018 Adopted	\$ Change from 2018
Maintenance of Free Public Library (4.7%)	\$ 2,440,785	\$ 2,410,620	\$ 30,165
Grants (0.3%)	144,315	193,812	(49,497)
Interlocal Agreements (2.4%)	1,232,049	981,640	250,409
Capital Improvements (1.4%)	735,275	210,000	525,275
Municipal Debt Service (7.7%)	4,002,104	4,494,753	(492,649)
School Debt Service (10.1%)	5,265,023	5,154,313	110,710
Deferred Charges & Reserves (0.8%)	405,000	465,000	(60,000)
Reserve for Uncollected Taxes (10.2%)	5,287,251	5,386,796	(99,545)

# APPROPRIATIONS CAP

**\$2,889,559**

**UNDER**

*Maximum Tax Levy*

*Amount of*

**\$35,552,556**





# Municipal Personnel

	2019	2018	2017	2016
<b>Full-time</b>	<b>173</b>	<b>174</b>	<b>177</b>	<b>175</b>
<b>Part-time</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b><i>Total</i></b>	<b><i>198</i></b>	<b><i>200</i></b>	<b><i>203</i></b>	<b><i>201</i></b>

- 2019 – Shared health services agreement with Westfield eliminated one (1) full-time Registered Environmental Health Sanitary inspector
- 2019 – Vacated part-time Collections Assistant position will not be filled.





# Salaries and Wages

Fund	2019	2018	% Change
General	\$17,619,072	\$17,485,340	0.77%
Sewer Utility	316,000	329,000	(3.95%)
Parking Services Utility	779,600	765,000	1.91%
Uniform Construction Code <i>(Trust)</i>	855,400	820,500	4.25%
<b><i>Totals</i></b>	<b><i>\$19,570,072</i></b>	<b><i>\$19,399,840</i></b>	<b><i>0.88%</i></b>



# Total Benefits as a Percentage of Salaries and Wages

(PERMANENT FULL-TIME AND PART-TIME EMPLOYEES)

	2019	2018
Salaries & Wages	\$17,624,683	\$17,585,140
Total Benefits <i>(Healthcare and Pension Costs)</i>	\$ 7,771,539	\$ 7,279,482
% of Benefits to Salaries & Wages	44.09%	41.40%
% Annual Change	2.70%	0.49%
Total Employees	198	200
Average Cost of Benefits per Employee	\$ 39,250	\$ 36,397



# Municipal Operations

## Other Expenses (General Fund)

- **\$10.58 million – 20.36% of Total Appropriations**
  - 1.83% increase from 2018
  - 1.51% average increase over last 4 years
- **3 Largest Line-item Categories**
  - Waste Disposal Charges - \$875,000 (no proposed increase)
  - Police - \$427,800 (up \$64,000)
  - Electricity - \$353,000 (up \$28,000)
- **3 Largest Professional**
  - Legal – General & Labor - \$220,000 (no proposed increase)
  - Legal – Tax Appeal Litigation - \$185,000 (no proposed increase)
  - Land Use Planning Services - \$150,000 (\$20,000 decrease)



# Other Appropriations



## HEALTHCARE INSURANCE

**\$4.10 million** (gross)  
medical and dental insurance premiums.  
(Medical - \$3.80 million;  
Dental -\$207,658)

**\$2.60 million** (net)  
healthcare insurance appropriation

**\$1.30 million**  
in employee contributions  
(same as 2018)

**\$364,000**  
estimated annual cost savings from employee opt-out



# Other Appropriations

## PENSION OBLIGATIONS

PERS and PFRS –  
**\$3.81 million** total

•  
up **\$249,270**  
or **7.0%** in total

•  
Since 2011, on average,  
combined totals  
increased by  
**4.07%**

## RESERVE FOR UNCOLLECTED TAXES: \$5.28 million

2018 –  
**99.54%**  
of tax levy  
collected

•  
2019 –  
**96.12%**  
anticipated  
collection  
rate

## DEBT SERVICE: 'AAA' Bond Rating

**\$4.0 million**  
down \$563,370 from 2018  
(**12.3%** decrease)

•  
**\$2.5 million**  
in principal pay down

•  
Scheduled bond  
payments projected  
to increase in 2020 by  
**\$564,788**



# Current Debt Position

As of December 31, 2018

Statutory Equalized Valuation

***\$7,299,193,043***

Statutory Borrowing Power

***255,471,757***

Statutory Net Debt

***55,217,303***

Remaining Statutory Borrowing Power

***200,254,454***

Net Debt to Statutory Equalized Valuation

***0.756%***



# 2019 Capital Budget





# Capital Budgets

General Fund

Total – **\$16,755,500**

Parking Services Agency

Total – **\$100,000**

Sewer Utility

Total – **\$421,500**





# Capital Budget Comparison

Department	2019	2018 (as Amended)*	% Change
Fire	\$ 11,989,500	\$ 852,400*	1,306.6%
Police	146,000	312,000	(53.20%)
MVEC Jt. Dispatch	200,000	200,000	0.00%
DCS	2,810,000	3,077,800	(8.70%)
DCP	60,000	522,000*	(88.51%)
Administration/ Clerk	1,550,000	25,000	6,100.0%
Library	0	50,000	(100.0%)
<b>TOTAL</b>	<b>\$ 16,755,500</b>	<b>\$ 5,039,200</b>	<b>232.50%</b>



# Capital Budget Comparison

## 2019 vs. 2018

Utility	2019	2018 (as Amended)*	% Change
Parking Services	\$ 100,000	\$ 100,000	0.00%
Sewer	421,500	1,915,000*	(77.99%)
<b>TOTAL</b>	<b>\$ 521,500</b>	<b>\$ 2,015,000</b>	<b>(74.12%)</b>



# Public Safety



## Fire Department: \$189,500

- Replacement of SCBA Breathing Air Packs – \$168,000
- Firefighter Turnout Gear – \$14,500
- Bail Out Safety Equipment – \$7,000



## Police Department: \$146,000

- Vehicle Replacement – \$100,000
- In-car Video Cameras and Video/Audio System (Detective Bureau) - \$46,000



## Joint Dispatch Center: \$200,000

- Public Safety Portable/Mobile Radios



# New Firehouse

# \$11,800,000

- **In 2019, start architectural design**  
(9-10 month process)
  - Design & development phase (2018 capital)
  - Construction document phase (2018 capital)
  - Bidding phase (2019)
- **In 2020,**
  - Construction phase  
(18 month approximate build time)
  - Post construction phase (2021)





# New Firehouse Location







# Preliminary Rendering





# Department of Community Services

INFRASTRUCTURE: **\$1.91 million**

- Major road improvement projects
  - Butler Parkway
  - Caldwell, Clark, Dayton, Huntley and Willow
  - New Providence Avenue
- Micropaving program
- Traffic signal upgrades
- Pedestrian safety improvements
- Regulatory & warning sign replacement





# Department of Community Services

## VEHICLE/EQUIPMENT: \$370,000

- Replace Front End Loader/Backhoe #83
- Replace Rear Packer Garbage Truck 20CY #63
- Replace Asphalt Paving Machine #25



## CITY BUILDINGS: \$455,000

- City Hall HVAC (chiller replacement)
- Transfer Station siding/shell replacement
- DPW 41 Chatham Road roof replacement (G&T building)
- Transfer Station/DPW 41 Chatham Road building maintenance
- Transfer Station remediation/redevelopment LSRP







# Administration

**Real Estate Property Acquisition:     \$1,550,000**

- 7 Cedar Street commercial building
- Strategic acquisition purpose:
  - Broad Street West redevelopment property assemblage





# Community Programs

Total Capital Budget Request: **\$60,000**

- Community Center:  
new security surveillance  
camera and monitor  
system — \$50,000
- Park furnishings — \$10,000





# Utility Funds

## Parking Services: \$100,000

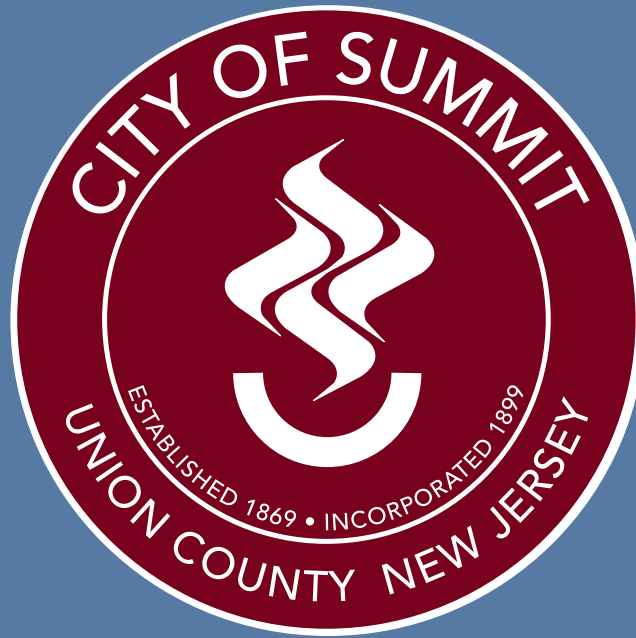
- DeForest Lot entrances/exits ticket shelter/canopy
- Parking lot maintenance



## Sewer: \$421,500

- Utility pump stations, equipment and infrastructure repairs
- F450 4WD Mason Dump w/plow
- F350 4WD Oicjuo w/plow





THANK YOU!

Questions?

[cityofsummit.org](http://cityofsummit.org)