



# City of Summit

2019

MUNICIPAL BUDGET

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



# 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:

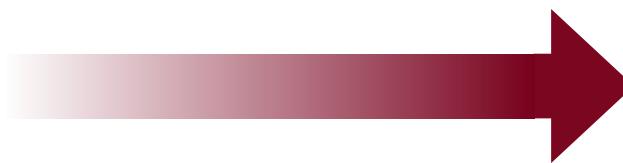
Demonstrate  
fiscal responsibility  
and sound  
financial  
management

- 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



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

### KEY ACTIONS:

- 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

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

### 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.



# Goal & Key Actions

## #4

Increase  
emphasis on  
smart planning  
and redevelopment



### KEY ACTIONS:

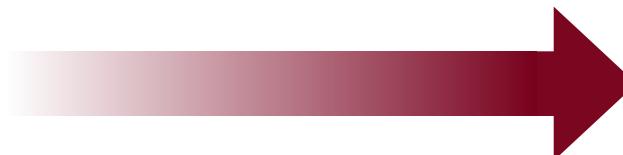
- Adopt Broad Street west redevelopment plan, designate redeveloper(s) and commence redeveloper agreement negotiations.
- Design flexible resident/non-resident commuter plan in anticipation of new firehouse facility project commencing in 2020 on the current Broad Street east parking lot site.
- Implement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



# Goal & Key Actions

## #5

Build community connectedness and expand communications effort



### KEY ACTIONS:

- 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

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



### KEY ACTIONS:

- 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<br>(Adopted<br>& Amended) | %<br>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><b>Subtotal</b></i> | <b>\$68,740,299</b> | <b>\$56,413,116</b>            | <b>21.85%</b>  |



# Financial Totals Summary

| Sewer<br>Utility Fund | 2019 | 2018<br>(Adopted<br>& Amended) | %<br>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> |
| <i><b>Subtotal</b></i> | <b>\$ 4,734,787</b> | <b>\$ 5,765,000</b> | <b>(17.87%)</b> |

| Parking Services<br>Utility Fund | 2019 | 2018<br>(Adopted ) | %<br>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>  |
| <i><b>Subtotal</b></i> | <b>\$ 4,054,555</b> | <b>\$ 3,659,867</b> | <b>10.78%</b> |

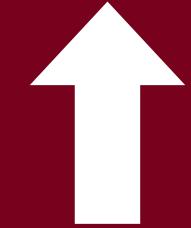


# Financial Totals

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): | <b>\$6.9 million</b><br>(Same as 2018 amount) |
| • Local Revenues:                     | <b>\$129,444</b>                              |
| • Municipal Tax Levy:                 | <b>\$335,700</b>                              |
| • Salary & Wages:                     | <b>\$133,732 (\$17.61 million total)</b>      |
| • Pension Obligations:                | <b>\$249,270</b>                              |

**\$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



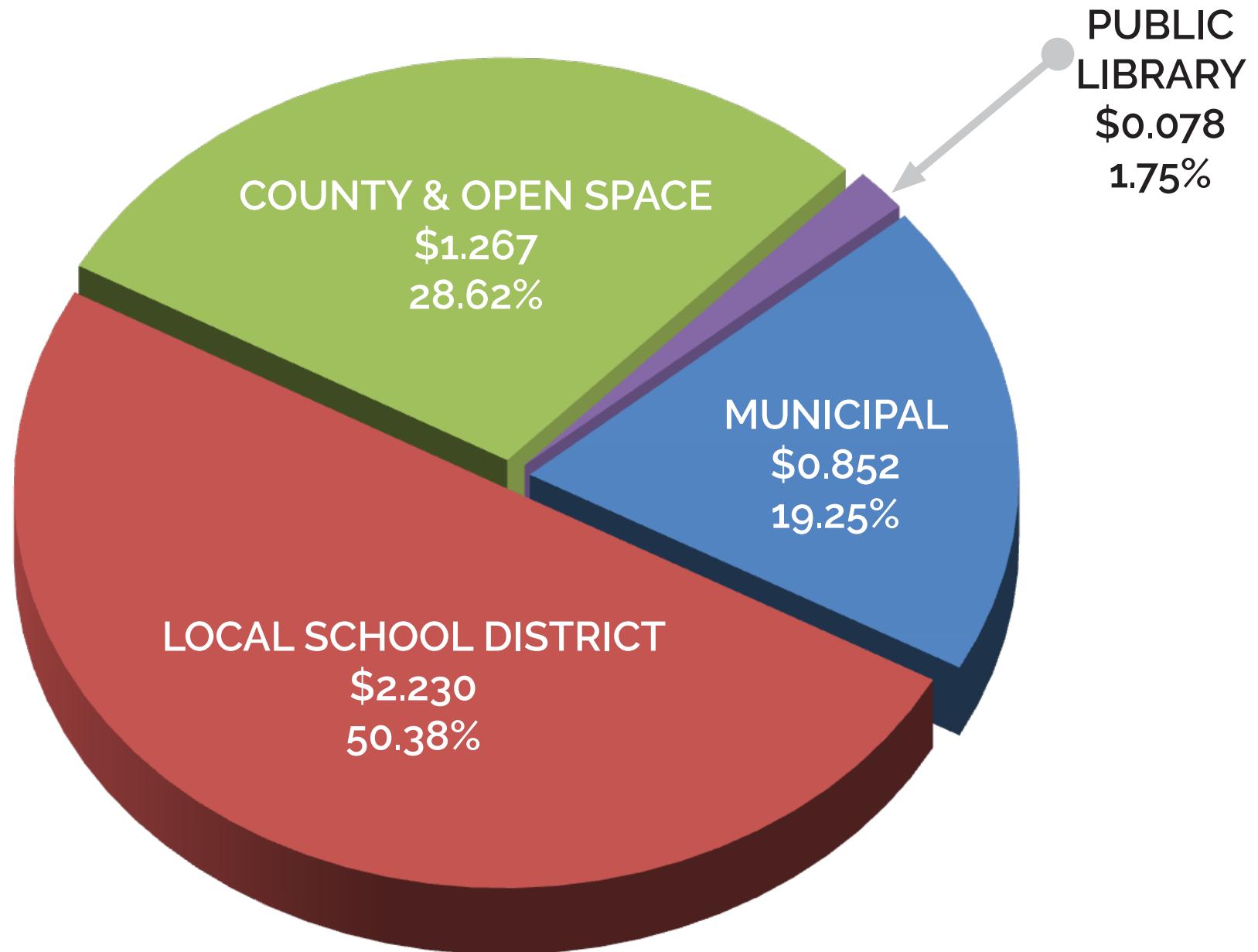


# Property Tax Rates

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



# 2019 Estimated Property Tax Rates





# Total Property Tax Bill Comparison

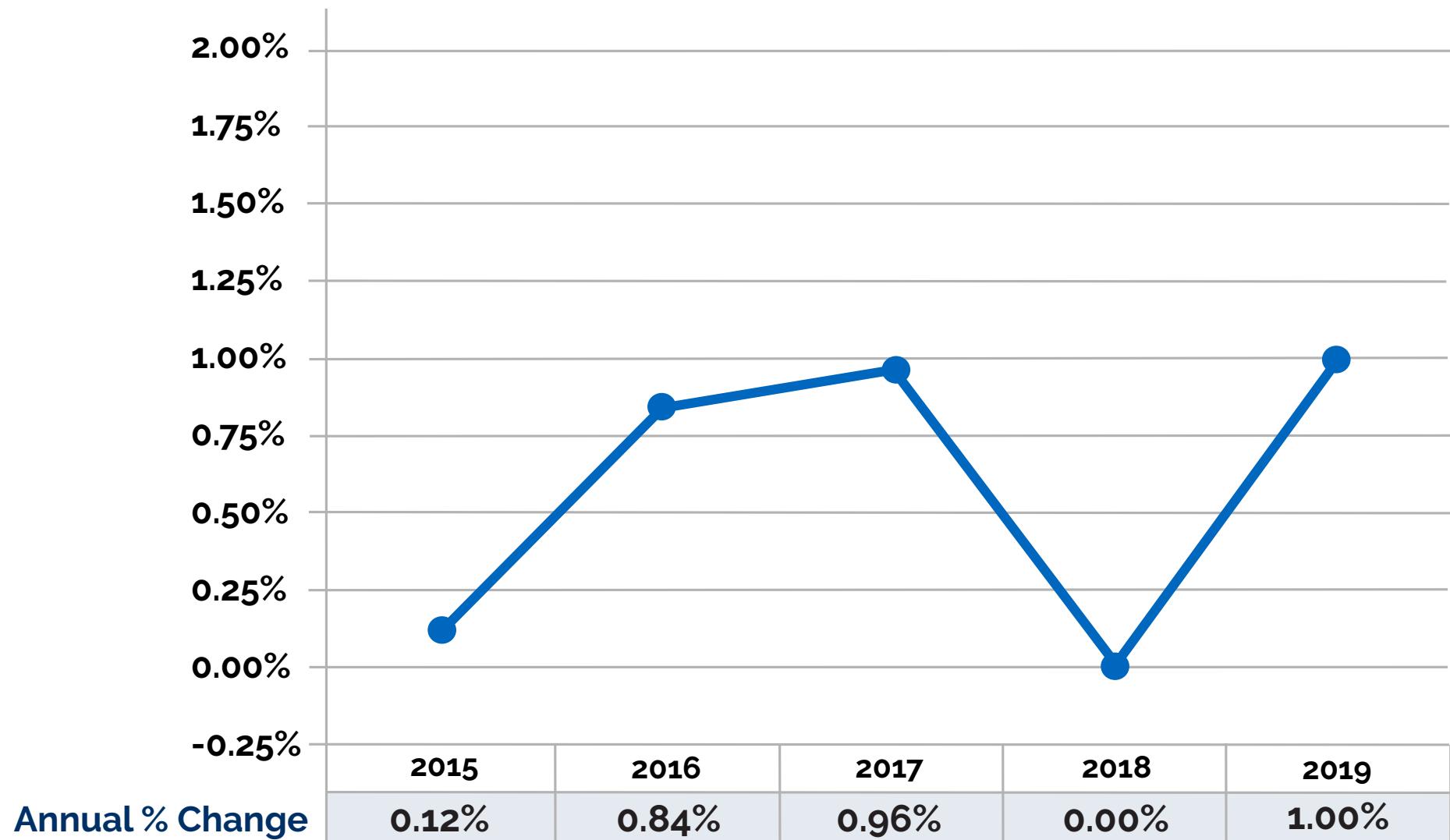
(AVG. RESIDENTIAL NET ASSESSED VALUATION – \$417,500)

|  | 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> | <i>Increase of \$413.73, or 2.29% for year</i> |                      |



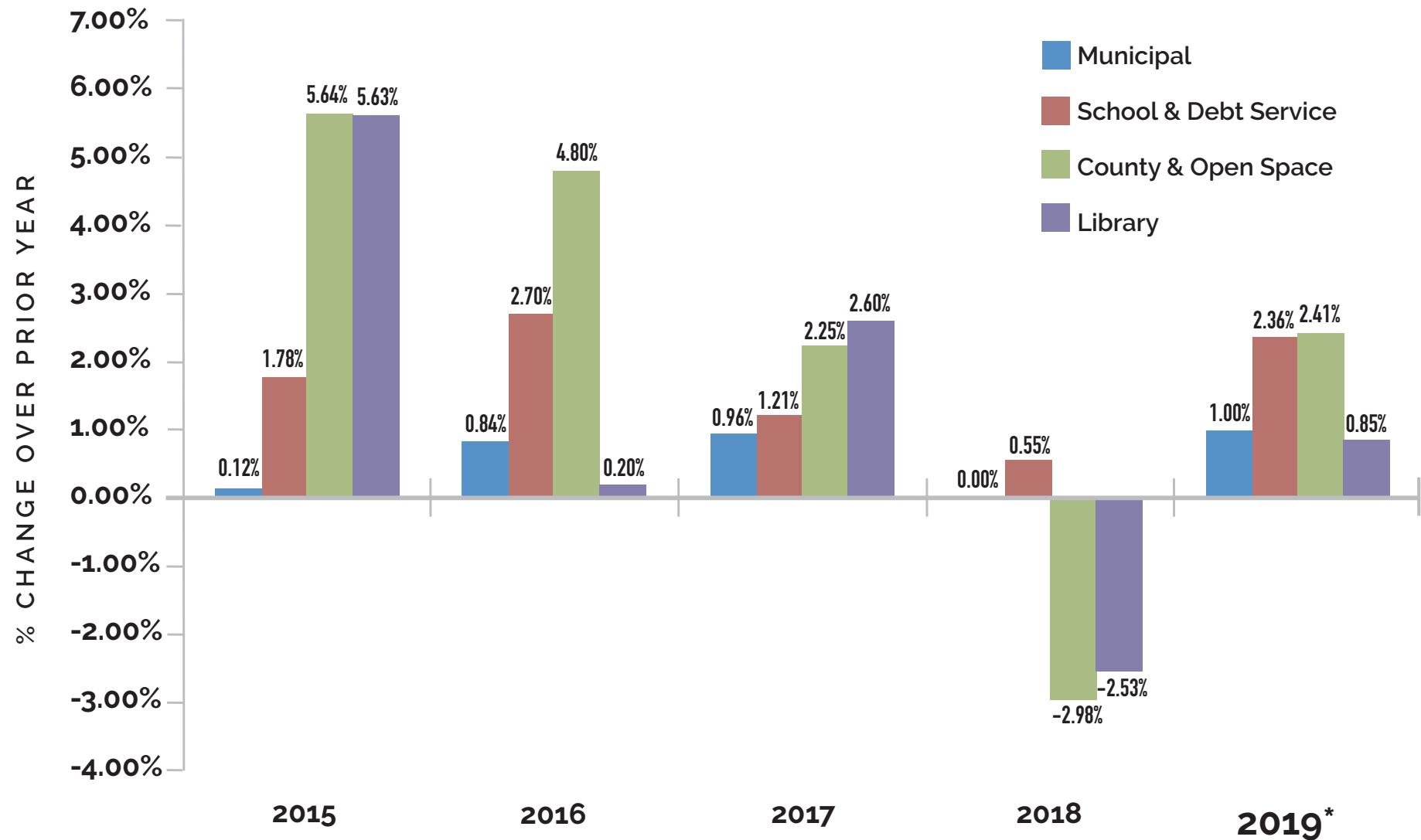
# Municipal Tax Rate

## ANNUAL % CHANGE (2015-2019)





# Municipal Tax Rate

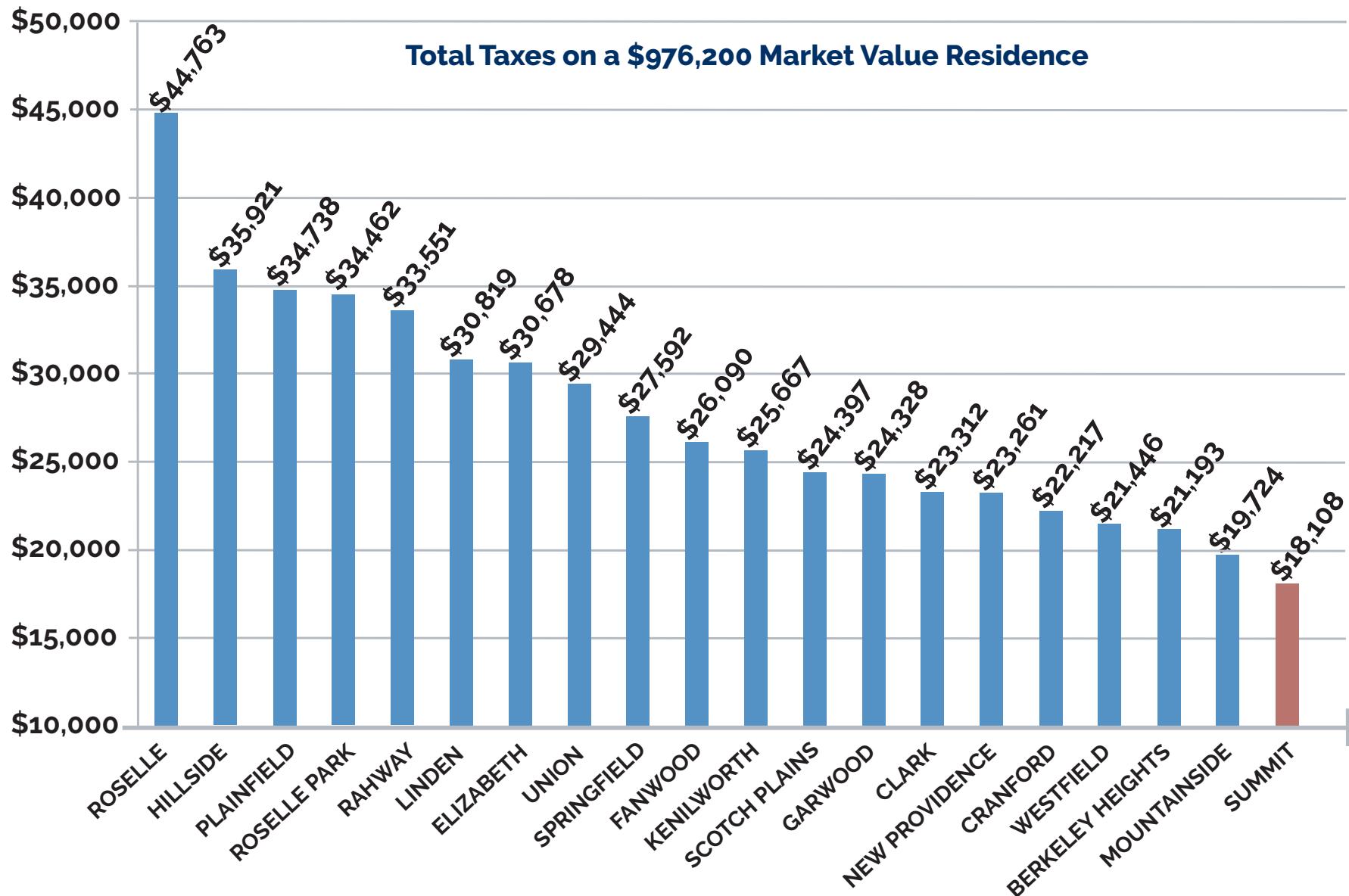


\* 2019—Estimated tax rate changes



# Effective Tax Rate

## UNION COUNTY MUNICIPALITIES





# General Fund Revenues

|  |                | 2019<br>Anticipated  | 2018<br>Anticipated  | \$ Change<br>from 2018 |
|--|----------------|----------------------|----------------------|------------------------|
| <b>Fund Balance</b>                        | <b>(13.3%)</b> | \$ 6,900,000         | \$ 6,900,000         | \$ 0                   |
| <b>Local Revenues</b>                      | <b>(7.1%)</b>  | 3,673,344            | 3,543,900            | 129,444                |
| <b>State Aid</b>                           | <b>(6.6%)</b>  | 3,423,000            | 3,513,257            | (90,257)               |
| <b>Grants</b>                              | <b>(0.3%)</b>  | 144,315              | 193,812              | (49,497)               |
| <b>Enterprise Funds/<br/>Contributions</b> | <b>(6.0%)</b>  | 3,142,025            | 3,201,208            | (59,183)               |
| <b>Prior Year<br/>Tax Receipts</b>         | <b>(1.2%)</b>  | 630,000              | 490,000              | 140,000                |
| <b>Municipal Tax Levy</b>                  | <b>(51.5%)</b> | 26,792,506           | 26,456,806           | 335,700                |
| <b>School District Debt<br/>Obligation</b> | <b>(9.3%)</b>  | 4,838,824            | 4,664,313            | 174,511                |
| <b>Library Tax Levy</b>                    | <b>(4.7%)</b>  | 2,440,785            | 2,410,620            | 30,165                 |
| <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<br>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 |
|--------------------------------------|---------------------|---------------------|---------------------|
| <b>General Government (3.0%)</b>     | <b>\$ 1,536,286</b> | <b>\$ 1,489,850</b> | <b>\$ 46,436</b>    |
| <b>Finance (2.4%)</b>                | <b>1,247,615</b>    | <b>1,264,710</b>    | <b>(17,095)</b>     |
| <b>Public Safety (21.8%)</b>         | <b>11,323,101</b>   | <b>11,086,830</b>   | <b>236,271</b>      |
| <b>Community Services (13.9%)</b>    | <b>7,200,546</b>    | <b>7,187,110</b>    | <b>13,436</b>       |
| <b>Community Programs (2.3%)</b>     | <b>1,191,610</b>    | <b>1,156,950</b>    | <b>34,660</b>       |
| <b>Board of Health (0.9%)</b>        | <b>443,045</b>      | <b>447,290</b>      | <b>(4,245)</b>      |
| <b>Municipal Court (0.8%)</b>        | <b>399,300</b>      | <b>324,955</b>      | <b>74,345</b>       |
| <b>Utilities (2.2%)</b>              | <b>1,121,000</b>    | <b>1,134,500</b>    | <b>(13,500)</b>     |
| <b>Insurance (7.2%)</b>              | <b>3,739,774</b>    | <b>3,785,761</b>    | <b>(45,987)</b>     |
| <b>Statutory Expenditures (8.2%)</b> | <b>4,270,720</b>    | <b>4,199,026</b>    | <b>71,694</b>       |



# 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>Total</b>     | <b>198</b> | <b>200</b> | <b>203</b> | <b>201</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       |
|---|---------------------|---------------------|----------------|
| <b>General</b>                                      | <b>\$17,619,072</b> | <b>\$17,485,340</b> | <b>0.77%</b>   |
| <b>Sewer Utility</b>                                | <b>316,000</b>      | <b>329,000</b>      | <b>(3.95%)</b> |
| <b>Parking Services<br/>Utility</b>                 | <b>779,600</b>      | <b>765,000</b>      | <b>1.91%</b>   |
| <b>Uniform Construction<br/>Code (<i>Trust</i>)</b> | <b>855,400</b>      | <b>820,500</b>      | <b>4.25%</b>   |
| <b><i>Totals</i></b>                                | <b>\$19,570,072</b> | <b>\$19,399,840</b> | <b>0.88%</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<br><i>(Healthcare and<br/>Pension Costs)</i> | \$ 7,771,539 | \$ 7,279,482 |
| % of Benefits to<br>Salaries & Wages                        | 44.09%       | 41.40%       |
| % Annual Change   | 2.70%        | 0.49%        |
| Total Employees   | 198          | 200          |
| Average Cost of Benefits<br>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



CITY OF SUMMIT  
DEPARTMENT OF  
**COMMUNITY  
SERVICES**





# 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<br>(as Amended)* | % Change       |
|--------------------------|----------------------|-----------------------|----------------|
| Fire                     | \$ 11,989,500        | \$ 852,400*           | 1,306.6%       |
| Police                   | 146,000              | 312,000               | (53.20%)       |
| MVEC Jt.<br>Dispatch     | 200,000              | 200,000               | 0.00%          |
| DCS                      | 2,810,000            | 3,077,800             | (8.70%)        |
| DCP                      | 60,000               | 522,000*              | (88.51%)       |
| Administration/<br>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<br>(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



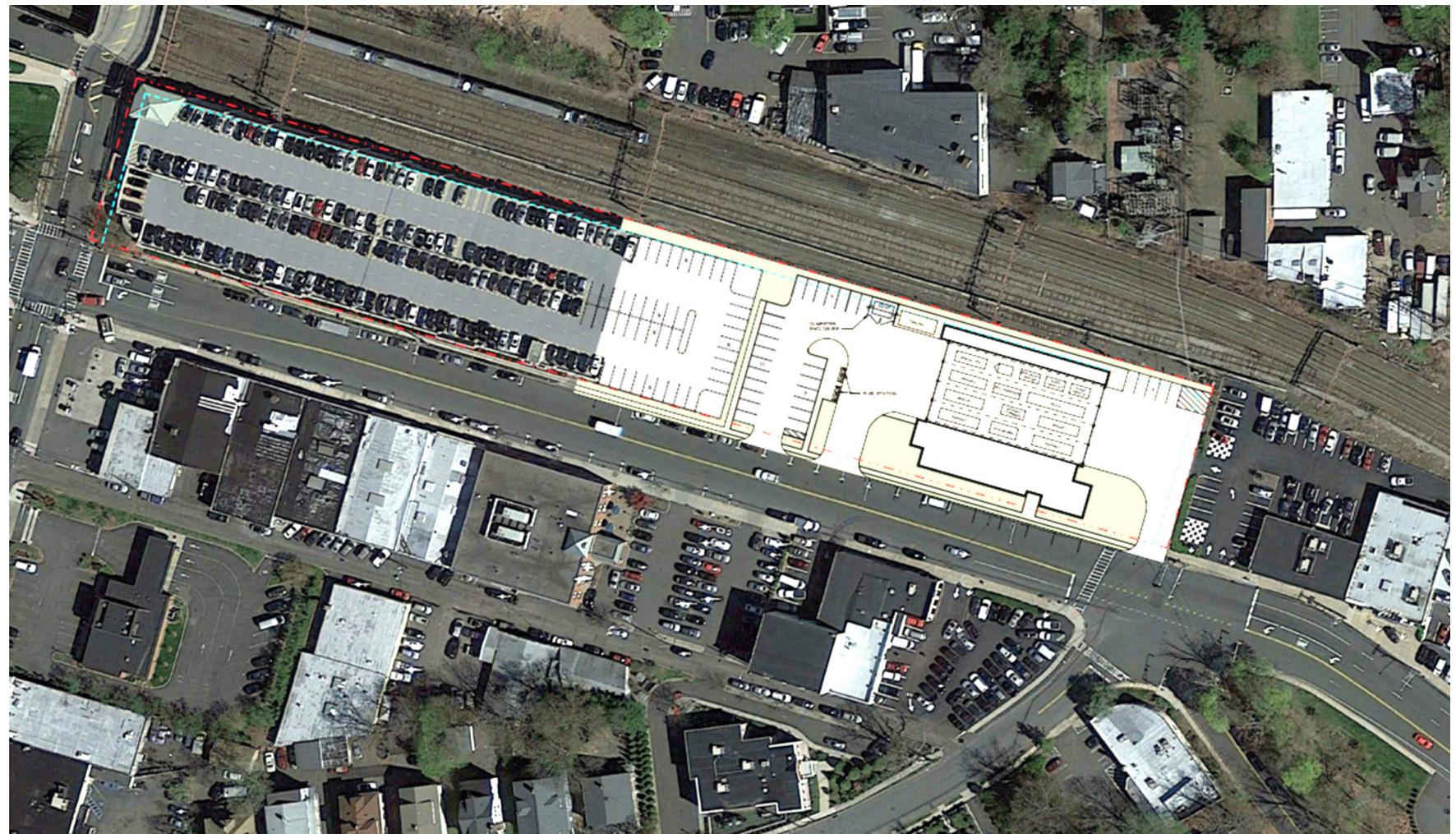
# New Firehouse

**\$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



ODOR CONTROL



THANK YOU!

Questions?

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