

CITY of SUMMIT

2020 MUNICIPAL BUDGET

COMMON COUNCIL
MEETING

•
CITY HALL
COUNCIL CHAMBERS

•
MARCH 24, 2020



2020 Budget Process & Timeline

OPERATING & CAPITAL BUDGET DEVELOPMENT

- August 2019
- All departments commence process

DEPARTMENT BUDGETS

- October 18, 2019
- Submitted to City Administrator & CFO

COUNCIL COMMITTEE REVIEW & DISCUSSION

- November 1 to December 10, 2019
- Revisions provided to CA & CFO

PUBLIC WORKSHOP

- December 11, 2019
- Review capital budget requests

2020 Budget Process & Timeline



FINANCE & CAPITAL PROJECTS COMMITTEES REVIEW & DISCUSSION

- January to February 2020
- Operating & Capital budgets with department heads

CITY BUDGET PRESENTATION & INTRODUCTION

- March 24, 2020
- Common Council meeting

BUDGET ADOPTION

- April 28, 2020
- Public hearing – at least 28 Days after introduction



GOAL

#1

Demonstrate
fiscal responsibility
and sound
financial
management

GOAL & KEY ACTIONS

KEY ACTIONS:

- Create and present the 2020 city operating budget with a municipal tax rate change under 1.0%.
- Maintain the city's 'AAA' credit bond rating.
- Successfully negotiate a Teamsters collective bargaining contract with 2.0% net cost.



GOAL

#2

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

GOAL & KEY ACTIONS

KEY ACTIONS:

- Improve interface of Parking Services Agency's online permit registration platform.
- Upgrade and maintain the city's Geographic Information System (GIS) and identify ways technology can be utilized to enhance service delivery across departments.
- Institute a mobile tablet system for efficient data collection for Tax Assessor office field work.



GOAL

#3

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

GOAL & KEY ACTIONS

KEY ACTIONS:

- Complete new Summit Free Market building project.
- Finalize the new fire headquarters bid specifications, award contract and commence construction.
- Commence and finish Butler Parkway roadway and pedestrian safety improvements.



GOAL

#4

Increase
emphasis on
smart planning
and redevelopment

GOAL & KEY ACTIONS

KEY ACTIONS:

- Negotiate Broad Street west redevelopers agreement with designated redevelopers L+M Development and Toll Brothers.
- Implement flexible resident/non-resident commuter parking plan in anticipation of Broad Street east parking lot dislocation during new fire headquarters building project commencing in 2020.
- Implement city affordable housing plan to create new low and moderate income housing opportunities as part of future development and redevelopment efforts.



GOAL

#5

Build community connectedness and expand communications efforts

GOAL & KEY ACTIONS

KEY ACTIONS:

- Update city website to reflect current best practices in design and information delivery.
- Create and reinforce key brand messages by department, as part of a coordinated marketing effort.
- Expand Department of Community Programs internal and external outreach to employees and allied organizations through special events and targeted content development.



GOAL #6

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

GOAL & KEY ACTIONS

KEY ACTIONS:

- Foster collaboration among manager-level and supervisory employees through quarterly meetings.
- 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.
- Field quarterly surveys to gather employee input on key department initiatives and generate new ideas.



GOAL

#7

Offer innovative solutions to ongoing municipal challenges

GOAL & KEY ACTIONS

KEY ACTIONS:

- Promote use of See Click Fix mobile application to obtain necessary feedback for service and infrastructure-related (non-emergency) issues.
- Continue to explore new transportation options and expand existing ridesharing initiative for residents that commute from the Summit train station or work in the downtown.
- Increase marketing efforts to encourage citizens to sign-up for push notifications on the city website as a primary channel of information.



GOAL #8

Retain and
reinitiate improved
customer service
and accessibility

GOAL & KEY ACTIONS

KEY ACTIONS:

- Implement succession plan for various department head and key personnel retirements.
- Increase staff development training and focus on customer service improvements.
- Hold more "Coffee with a Cop" and "Coffee with a Fire Fighter" gatherings and identify additional outreach opportunities for first responders to engage with and serve citizens.

2020 MUNICIPAL BUDGET OVERVIEW



Financial Total Summary



GENERAL FUND	2020	2019 (Adopted)	% Variance
Operating Budget	\$ 52,056,610	\$ 51,984,799	0.14%
Capital Budget	<u>4,189,500</u>	<u>16,960,500</u>	<u>(75.30%)</u>
<i>Sub-total</i>	<i>\$56,246,110</i>	<i>\$68,945,299</i>	<i>(18.42%)</i>

Financial Total Summary



SEWER UTILITY FUND	2020	2019 (Adopted)	% Variance
Operating Budget	\$ 4,388,838	\$ 4,313,287	1.75%
Capital Budget	<u>710,000</u>	<u>421,500</u>	<u>68.45%</u>
<i>Sub-total</i>	<i>\$ 5,098,838</i>	<i>\$ 4,734,787</i>	<i>7.68%</i>

PARKING SERVICES UTILITY FUND	2020	2019 (Adopted)	% Variance
Operating Budget	\$ 3,981,271	\$ 3,954,555	0.68%
Capital Budget	<u>50,000</u>	<u>100,000</u>	<u>(50.00%)</u>
<i>Sub-total</i>	<i>\$ 4,031,271</i>	<i>\$ 4,054,555</i>	<i>(0.57%)</i>

Financial Totals



2020 \$65,376,219

2019 \$77,734,641



2020 General Fund



Budget Summary Points

- Municipal Tax Rate: Up 0.75%
- Anticipated Fund Balance (Surplus): Same as 2019 amount
- Local Revenues:  \$95,464
- Municipal Tax Levy:  \$476,386
- Salary & Wages Total: **\$17.56 million; \$56,444 decrease**
- Department Other Expenses Total:  \$233,364

\$3,172,957,793

SUMMIT'S TAX BASE—
UP \$29.8 MILLION FROM 2019

\$1.3 million

INCREASE OF TOTAL
TAX REVENUES
MUNICIPAL TAX REVENUE
GAIN— **\$254,518**

0.75%

INCREASE EFFECT
ON MUNICIPAL TAX RATE

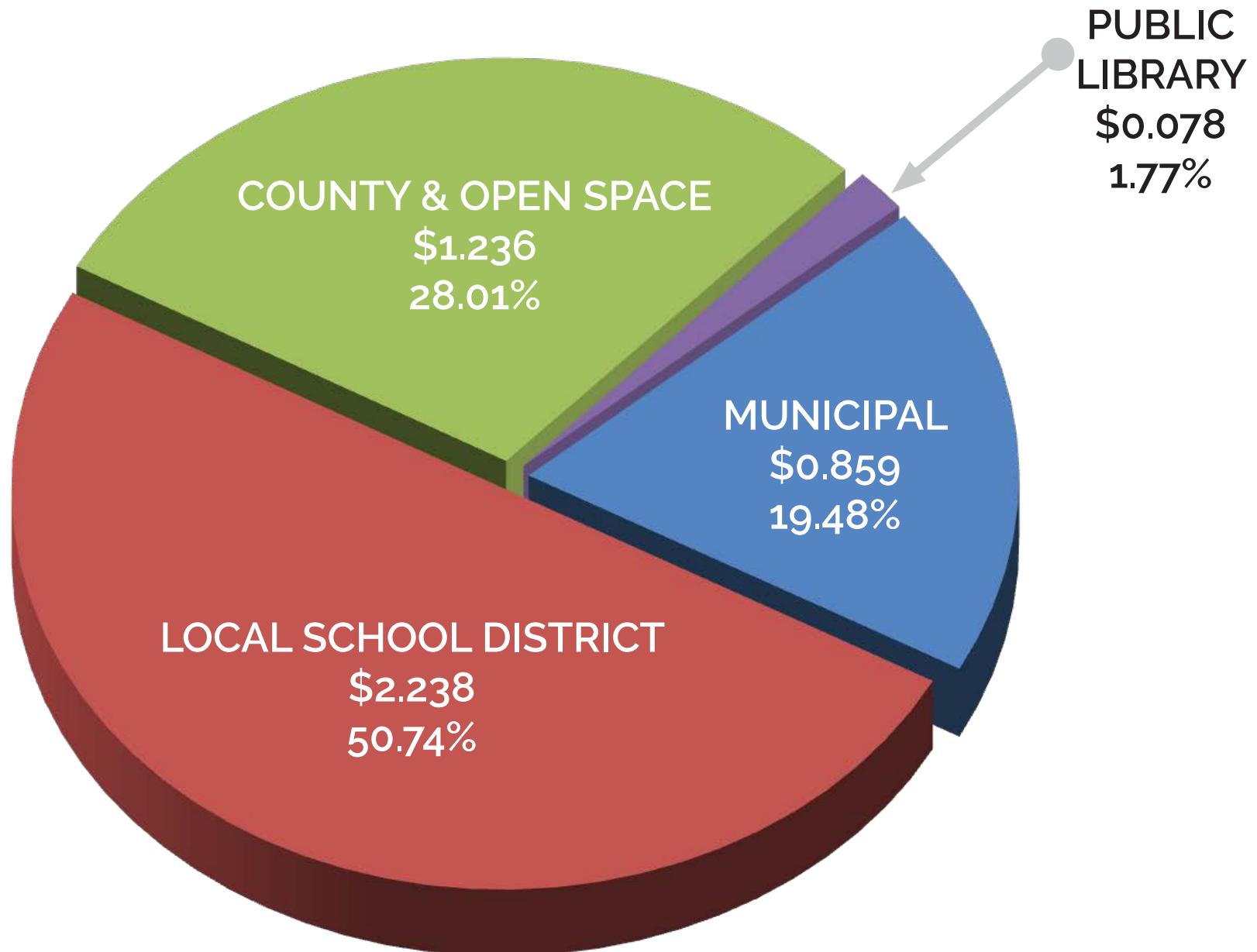


Property Tax Rates



	Estimated 2020	2019	% Change
MUNICIPAL	\$0.859	\$0.853	0.75%
SCHOOL DISTRICT	\$2.238	\$2.217	0.95%
COUNTY & OPEN SPACE	\$1.236	\$1.217	1.60%
PUBLIC LIBRARY	<u>\$0.078</u>	<u>\$0.078</u>	0.20%
<i>Estimated Total</i>	<i>\$4.411</i>	<i>\$4.365</i>	<i>1.05%</i>

2020 Estimated Property Tax Rates



Total Property Bill Comparison



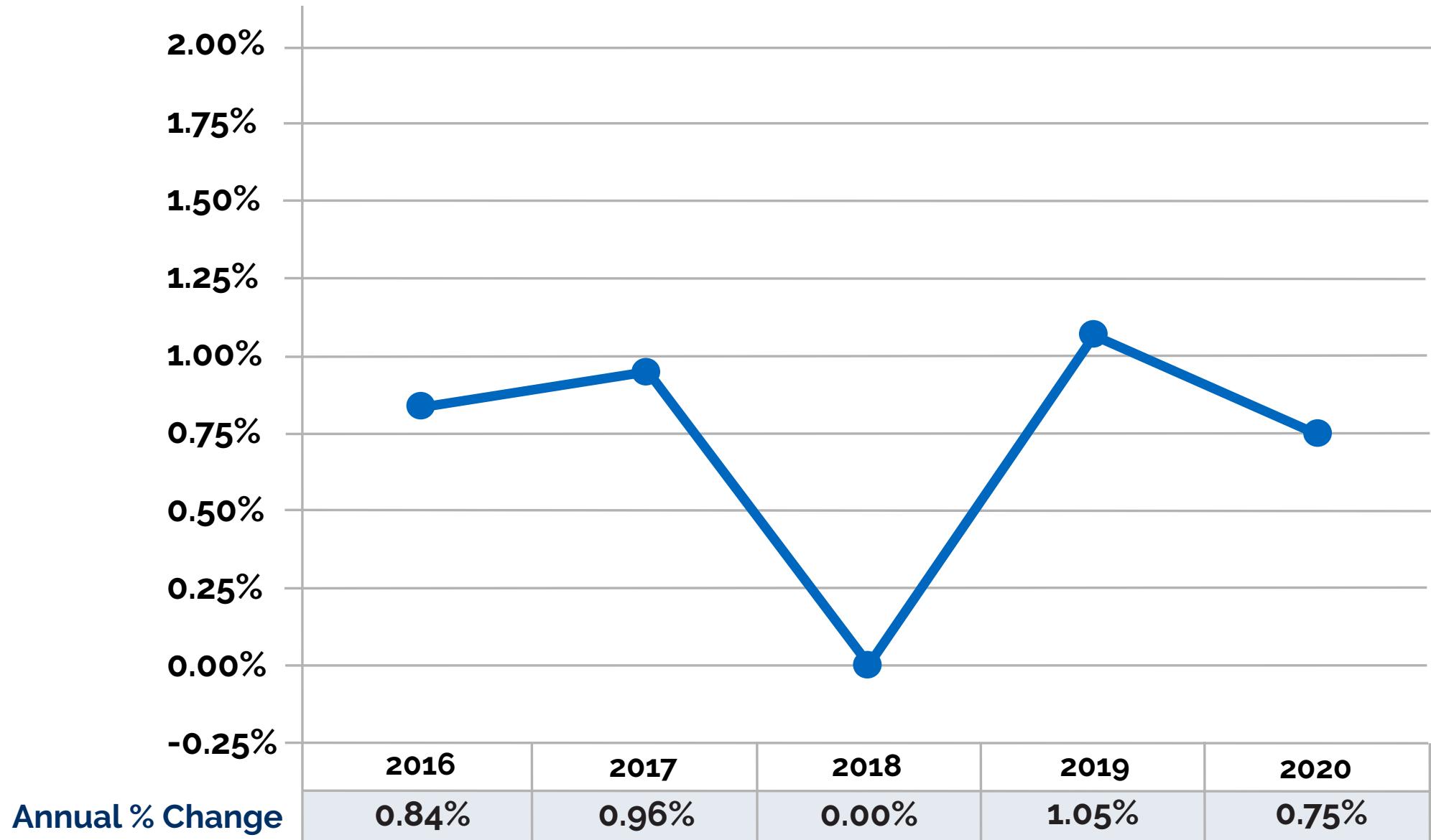
(AVG. RESIDENTIAL NET ASSESSMENT – \$420,100)

	2020	2019
Municipal Taxes	\$ 3,608.66	\$3,583.45
Local School District Taxes	9,421.98	9,313.62
County & Open Space Taxes	5,192.43	5,112.62
Public Library Taxes	<u>327.68</u>	<u>327.68</u>
Estimated Total Tax Bill Amount	\$18,550.75	\$18,337.37
2020 Estimated Total Property Tax \$ Effect	<i>Increase of \$213.38, or 1.16% for year</i>	

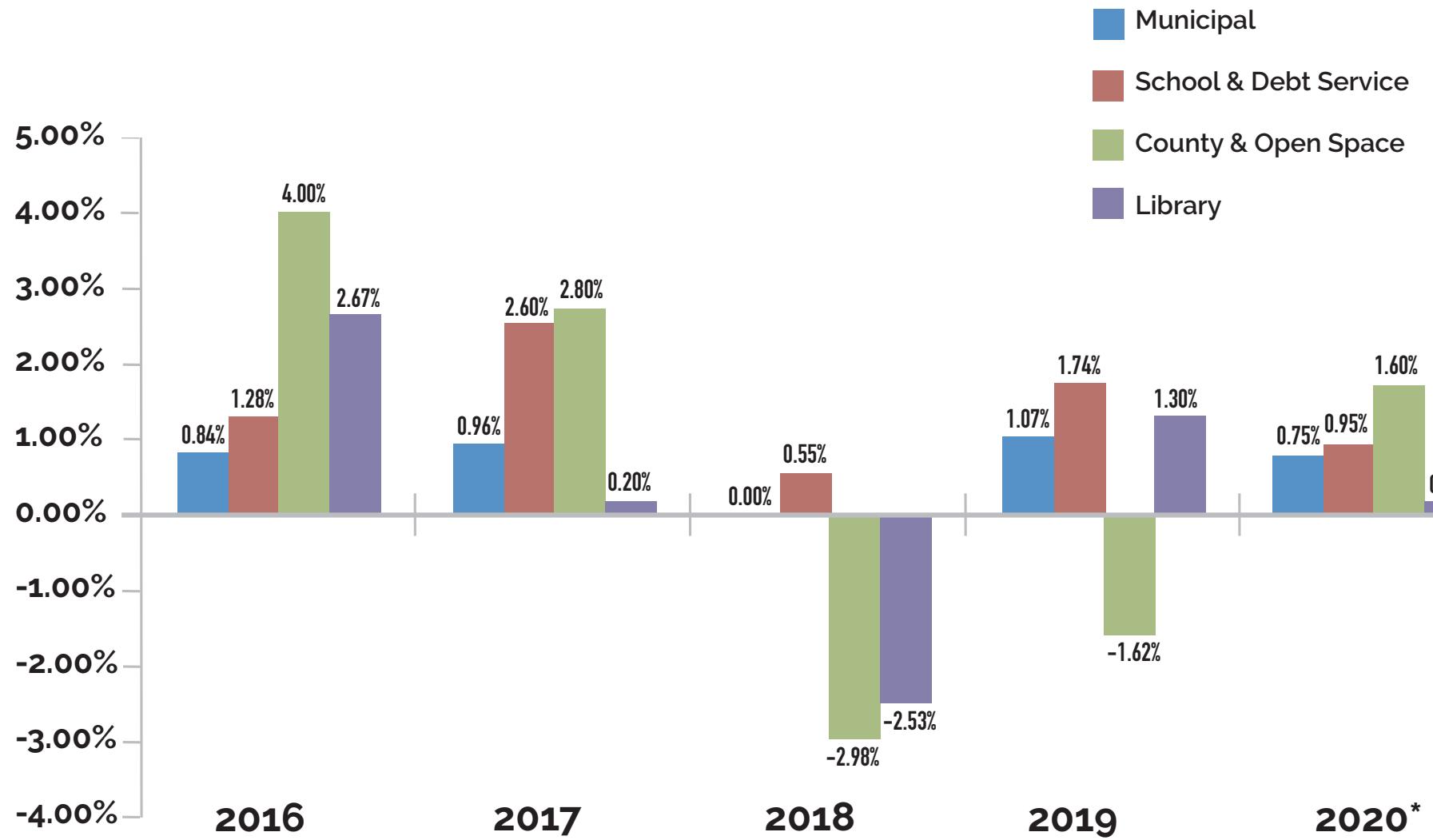
Municipal Tax Rate



ANNUAL % CHANGE (2016-2020)



5 Year Change in Tax Rates

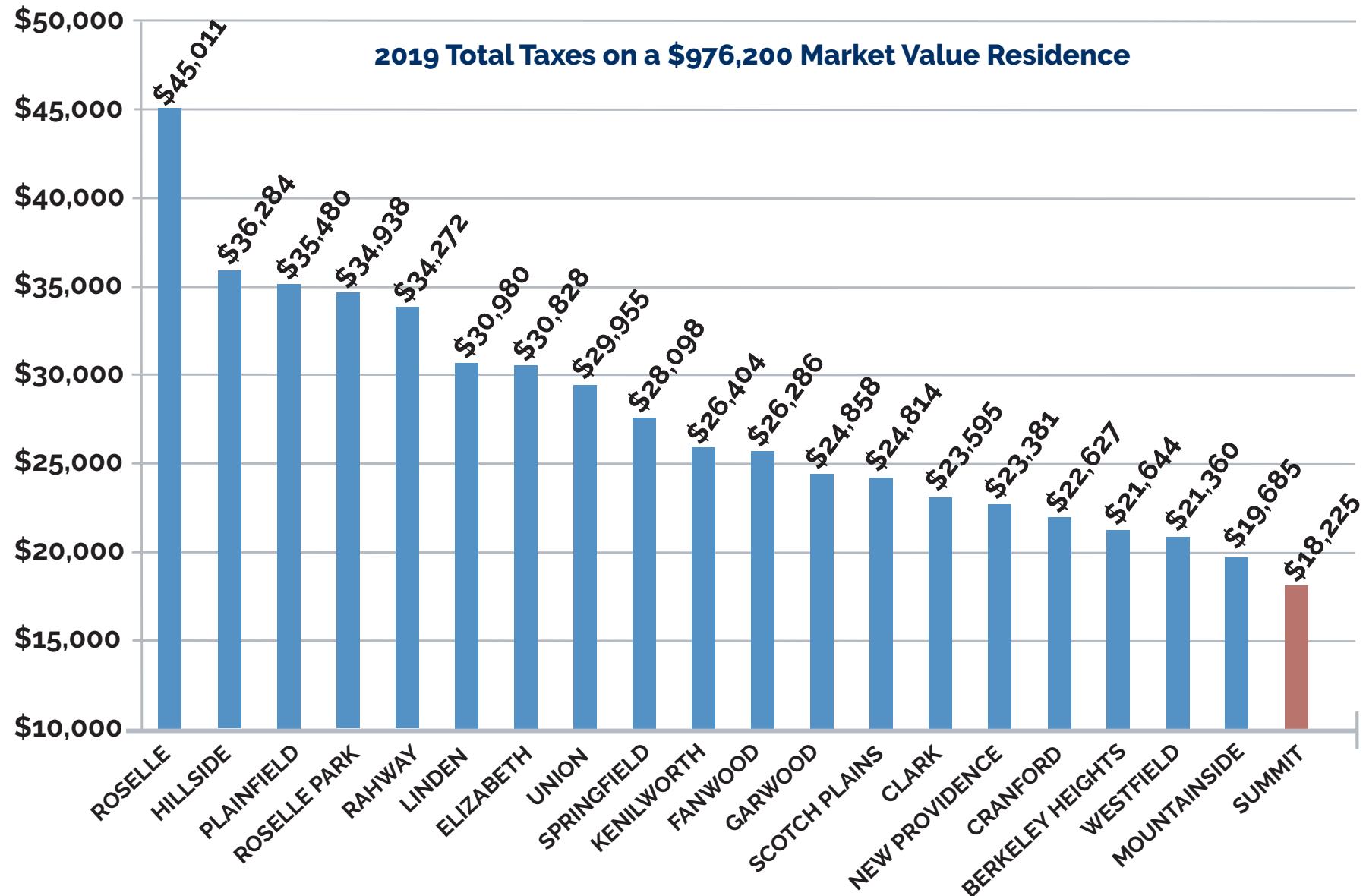


* 2020—Estimated tax rate changes

Effective Tax Rates



UNION COUNTY MUNICIPALITIES



General Fund Revenues



		2020 Anticipated	2019 Anticipated	\$ Change from 2019
Fund Balance	(13.2%)	\$ 6,900,000	\$ 6,900,000	\$ 0
Local Revenues	(6.9%)	3,557,880	3,673,344	(115,464)
State Aid	(6.6%)	3,424,850	3,423,000	1,850
Grants	(0.3%)	148,806	144,315	4,491
Enterprise Funds/ Contributions	(5.8%)	2,993,284	3,142,025	(148,741)
Prior Year Tax Receipts	(1.0%)	520,000	630,000	(110,000)
Municipal Tax Levy	(52.4%)	27,268,892	26,792,506	476,386
School District Debt Obligation	(9.1%)	4,743,153	4,838,824	(95,671)
Library Tax Levy	(4.7%)	2,479,745	2,440,785	38,960
Total General Revenues		\$ 52,056,610	\$ 51,984,799	\$ 71,811

Revenues



• LOCAL REVENUES

- ▲ **Increases:** \$18,000 (Police Off Duty Administration Fees)
\$13,000 (Family Aquatic Center Fees)

- ▼ **Decreases:** \$42,167 (Old Town Hall rent – 71 Summit Ave.)
\$35,000 (Sale of Recyclable Materials)
\$35,000 (Hotel/Motel Occupancy Fees)

• ENTERPRISE FUNDS/CONTRIBUTIONS

- ▲ **Increases:** \$109,000 (Reserve for Sale of Municipal Assets)
\$66,870 (Reserve to Pay General Capital Debt - Community Center)

- ▼ **Decreases:** \$78,000 (General Capital Surplus)
\$62,000 (Reserve for Municipal Debt Service)

Property Tax Levies



	2020 Estimated	2019	% Change
Municipal	\$ 27,268,892	\$ 26,792,506	1.78%
Local School District	71,013,903	69,676,048	1.92%
County	38,109,011	37,153,311	2.57%
County Open Space	1,124,788	1,105,258	1.77%
Public Library	<u>2,479,745</u>	<u>2,440,785</u>	1.60%
<i>Total Tax Levies</i>	<i>\$139,996,339</i>	<i>\$137,167,908</i>	<i>2.06%</i>

2% PROPERTY TAX LEVY

\$1,041,858

UNDER

*Maximum Tax Levy
Amount of
\$28,310,811*



General Fund Appropriations



\$52,056,610

Municipal Operations: \$32,661,977

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

Other Appropriations: \$14,094,239

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

Reserve for Uncollected Taxes: \$5,300,393

2020 Total Appropriations



\$52,056,610

Municipal Operations	2020	2019 Adopted	\$ Change from 2019
General Government (3.1%)	\$ 1,634,790	\$ 1,536,286	\$ 98,504
Finance (2.4%)	1,253,551	1,247,615	5,936
Public Safety (22.2%)	11,533,758	11,323,101	210,657
Community Services (14.1%)	7,349,524	7,200,546	148,978
Community Programs (2.0%)	1,051,447	1,191,610	(140,163)
Board of Health (0.9%)	451,910	443,045	8,865
Municipal Court (0.8%)	406,128	399,300	6,828
Utilities (2.2%)	1,143,000	1,134,500	8,500
Insurance (6.8%)	3,555,090	3,739,774	(184,684)
Statutory Expenditures (8.2%)	4,282,780	4,270,720	12,060

2020 Total Appropriations



\$52,056,610

Other Appropriations	2020	2019 Adopted	\$ Change from 2019
Maintenance of Free Public Library (4.8%)	\$ 2,479,745	\$ 2,440,785	\$ 38,960
Grants (0.3%)	148,806	144,315	4,491
Interlocal Agreements (2.3%)	1,213,758	1,232,049	(18,291)
Capital Improvements (0.2%)	109,475	735,275	(625,800)
Municipal Debt Service (9.0%)	4,662,452	4,002,104	660,348
School Debt Service (9.9%)	5,145,003	5,265,023	(120,020)
Deferred Charges & Reserves (0.6%)	335,000	405,000	(70,000)
Reserve for Uncollected Taxes (10.2%)	5,300,393	5,283,454	16,939

APPROPRIATIONS CAP

\$3,140,143



UNDER
*Maximum
Appropriations Cap
Amount of
\$36,054,106*

Municipal Personnel



	2020	2019	2018	2017
Full-time	172	173	174	177
Part-time	26	25	26	26
Total	198	198	200	203

- 2019 – Vacated full-time Office Manager position in Community Programs will not be filled.
- 2019 – Part-time temporary position (Communications Associate) in Administration is now classified as part-time permanent position.

Salaries & Wages



FUND	2020	2019	% Change
General	\$17,562,628	\$17,619,072	(0.32%)
Sewer Utility	353,000	316,000	11.71%
Parking Services			
Utility	785,000	779,600	0.69%
Uniform			
Construction Code			
(Trust)	869,487	855,400	1.65%
<i>Totals</i>	<i>\$19,570,115</i>	<i>\$19,570,072</i>	<i>0.00%</i>

Total Benefits as a Percentage of Salaries & Wages



	2020	2019
Salaries & Wages	\$17,562,628	\$17,619,072
Total Benefits <i>(Healthcare and Pension Costs)</i>	\$ 7,529,224	\$ 7,773,501
% of Benefits to Salaries & Wages	42.87%	44.12%
% Annual Change	(1.25%)	2.72%
Total Employees	198	198
Average Cost of Benefits per Employee	\$ 38,026	\$ 39,260

Municipal Operations



Other Expenses (General Fund)

- **\$10.81 million** – 20.78% of Total Appropriations
 - 0.42% increase from 2019
 - 2.11% average increase over last four years
- **Three Largest Line-item Categories**
 - Transfer Station Disposal Charges - \$1,070,000 (\$195,000 increase)
 - Police - \$448,800 (up \$21,000)
 - Recycling Curbside Collection - \$370,750 (up \$118,000)
- **Three Largest Professional**
 - Legal Services (General & Labor) - \$240,000 (\$20,000 increase)
 - Land Use Planning Services - \$150,000 (no proposed increase)
 - Legal Services (Tax Appeals) - \$140,000 (\$45,000 decrease)

Other Appropriations



HEALTHCARE INSURANCE

- **\$3.68 million** (gross) medical and dental insurance premiums.
(Medical - \$3.48 million; Dental -\$200,000)
- **\$2.41 million** (net) healthcare insurance appropriation
- **\$1.12 million** in employee contributions (down \$67,781 from 2019)
- **\$378,000** estimated annual cost savings from employee opt-out



Other Appropriations

PENSION OBLIGATIONS

- PERS and PFRS – \$3.82 million total
- Up \$8,208 from 2019
- 7.4% of total appropriations
- Since 2011, on average, combined totals increased by 3.7%

RESERVE FOR UNCOLLECTED TAXES: \$5.3 million

- 2019 – 99.62% of tax levy collected
- 2019 – 96.21% anticipated collection rate

DEBT SERVICE 'AAA' Bond Rating

- \$4.66 million up \$660,348 from 2019 (16.5% increase)
- \$3.6 million in principal pay down
- Scheduled bond payments projected to increase in 2021 by \$300,000

Current Debt Position



As of December 31, 2019

Statutory Equalized Valuation	\$7,328,570,750
Statutory Borrowing Power	256,499,976
Statutory Net Debt	54,795,251
Remaining Statutory Borrowing Power	201,704,725
Net Debt to Statutory Equalized Valuation	0.748%



CITY DEPARTMENTS

2020 Capital Budget Plan



CITY OF SUMMIT
DEPARTMENT OF
**COMMUNITY
SERVICES**



SHARE THE FUN



WHERE COMMUNITY THRIVES

summit
community
programs

Capital Budgets



General Fund

Total - \$4,189,500

Parking Services Agency

Total - \$50,000

Sewer Utility

Total - \$710,000

Capital Budget Comparison



DEPARTMENT	2020	2019	% Change
Fire	\$ 139,500	\$ 11,989,500	(98.84%)
Police	0	146,000	(100.00%)
MVEC Jt. Dispatch	0	200,000	(100.00%)
DCS	3,345,000	3,015,000	10.95%
DCP	705,000	60,000	1,075.00%
Admin/Clerk	0	1,550,000	(100.00%)
Library	0	0	0.00%
TOTAL	\$ 4,189,500	\$ 16,960,500	(75.30%)

Capital Budget Comparison



2020 vs. 2019

UTILITY	2020	2019	% Change
Parking Services	\$ 50,000	\$ 100,000	(50.00%)
Sewer	710,000	421,500	68.44%
TOTAL	\$ 760,000	\$ 521,500	45.73%

Public Safety



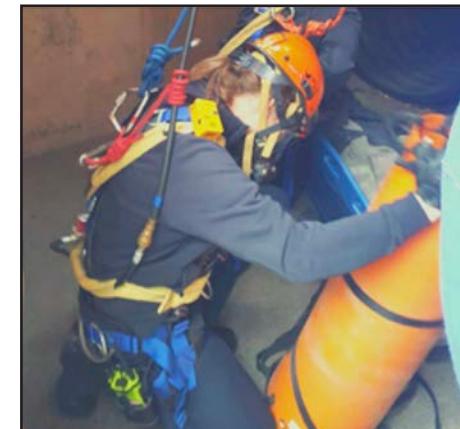
Fire Department: \$139,500

- Fire Prevention Vehicle – \$55,000
- Rescue & Small Equipment Replacement – \$50,500
- Fire Hose Replacement – \$17,500
- Firefighter Turnout Gear – \$16,500



Police Department: \$0

Joint Dispatch Center: \$0



Dept. of Community Services



2020 Capital Budget

\$3.34 million



Dept. of Community Services



INFRASTRUCTURE: **\$2.54 million**

- Major road improvement projects
 - Edgar Street
 - Beacon Road, Elm Place, Locust Drive, Manor Hill Road & Westminster Road
 - West End Avenue
- Micropaving program
- Municipal Golf Course dam/ spillway maintenance
- Traffic signal upgrades
- Pedestrian safety improvements
- Regulatory & warning sign replacement



Dept. of Community Services



VEHICLE/EQUIPMENT: \$325,000

- Vehicle & Equipment maintenance



Dept. of Community Services



CITY BUILDINGS: \$475,000

- 2020 City Buildings Capital Funding Requests

\$135,000 – City Hall

\$80,000 – DPW Garage

\$260,000 – Transfer Station

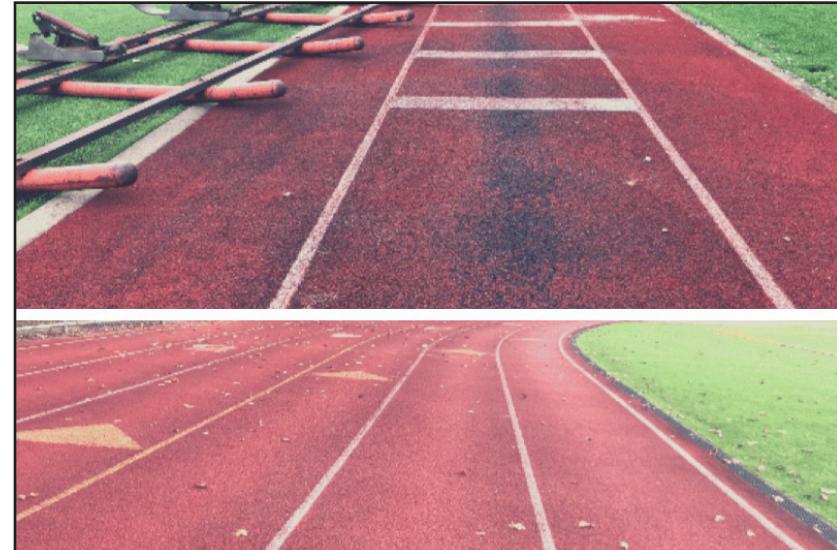




Community Programs

Total Capital Budget Request \$705,000

- SFAC Pool Resurfacing Improvements - \$500,000
 - \$250,000 request in 2020 Capital Budget
 - \$250,000 funded in 2019 Capital Budget
- Stadium Track at Investors Bank Field - \$270,000



Community Programs



- Tatlock Lighting study & Basketball Court replacement - **\$100,000**
(\$50,000 lighting study) and (\$50,000 basketball court replacement)



- Memorial Field basketball courts - **\$75,000**
- Park furnishings - **\$10,000**

Utility Funds



Parking Services: \$50,000

- Parking Services Utility
- Parking lot maintenance

Sewer: \$710,000

- Sewer Utility 2020 Capital Budget Total Request
- Sewer Infrastructure, Capital Projects, Equipment/Vehicles and Pump Stations





THANK YOU
Questions?

cityofsummit.org