



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 & KEY ACTIONS

GOAL

#1

Demonstrate
fiscal responsibility
and sound
financial
management

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 & KEY ACTIONS

GOAL

#2

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

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 & KEY ACTIONS

GOAL

#3

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

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 & KEY ACTIONS

GOAL

#4

Increase
emphasis on
smart planning
and redevelopment

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 & KEY ACTIONS

GOAL

#5

Build community
connectedness
and expand
communications
efforts

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 & KEY ACTIONS

GOAL #6

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

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 & KEY ACTIONS

GOAL

#7

Offer innovative solutions to ongoing municipal challenges

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 & KEY ACTIONS

GOAL #8

Retain and
reinitiate improved
customer service
and accessibility

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

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




15.9%



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

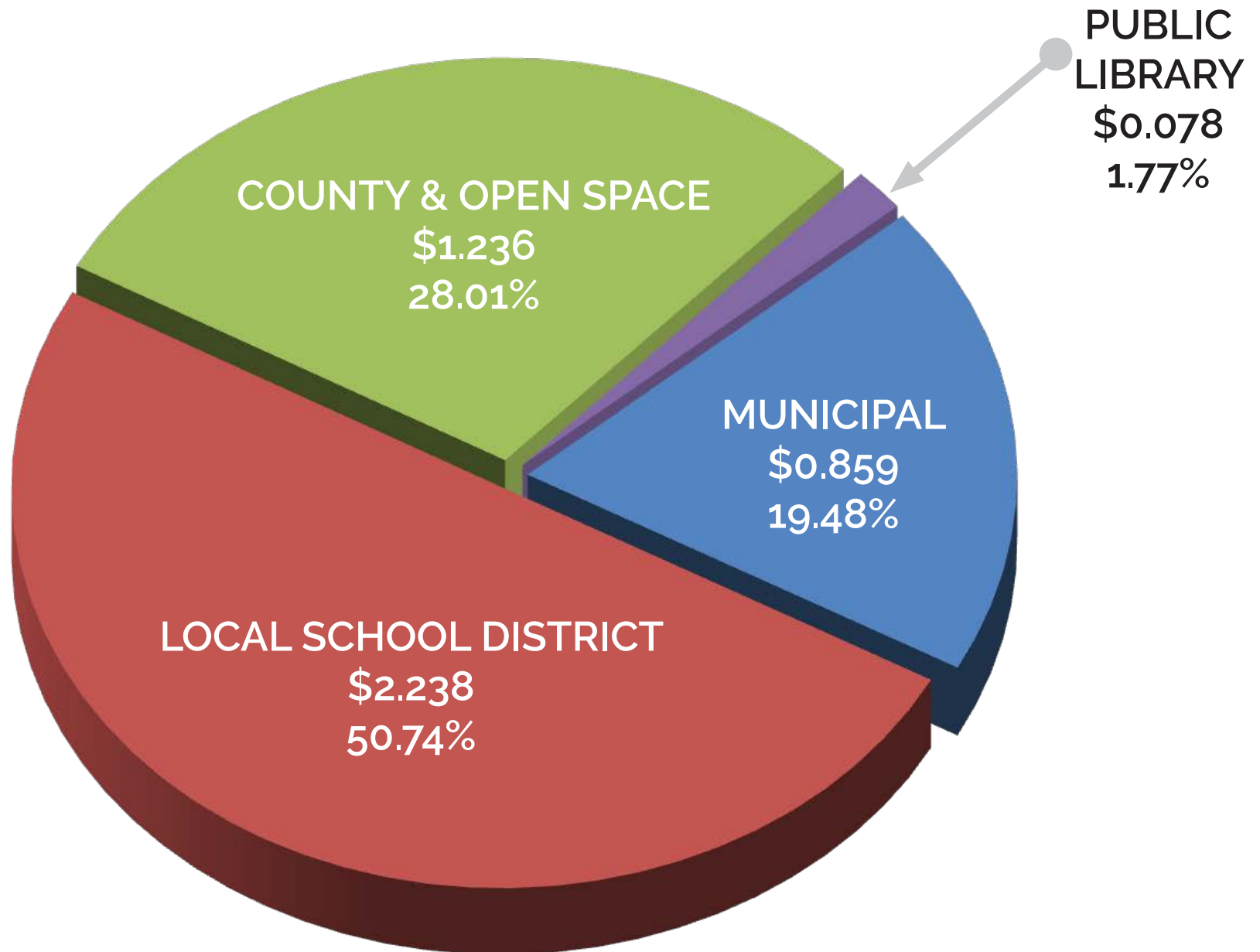


Property Tax Rates



	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



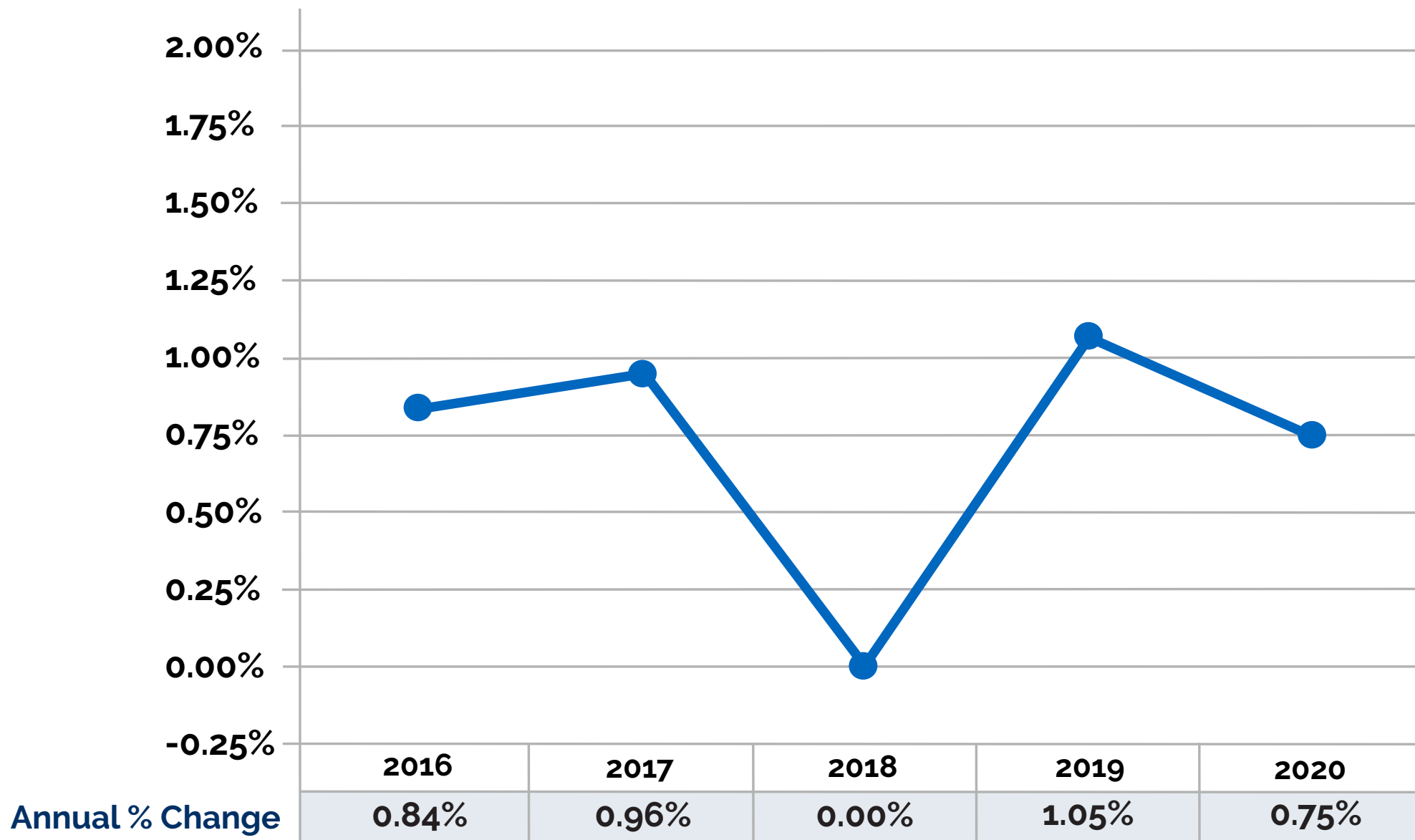
(AVG. RESIDENTIAL NET ASSESSMENT – \$420,100)

	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>	

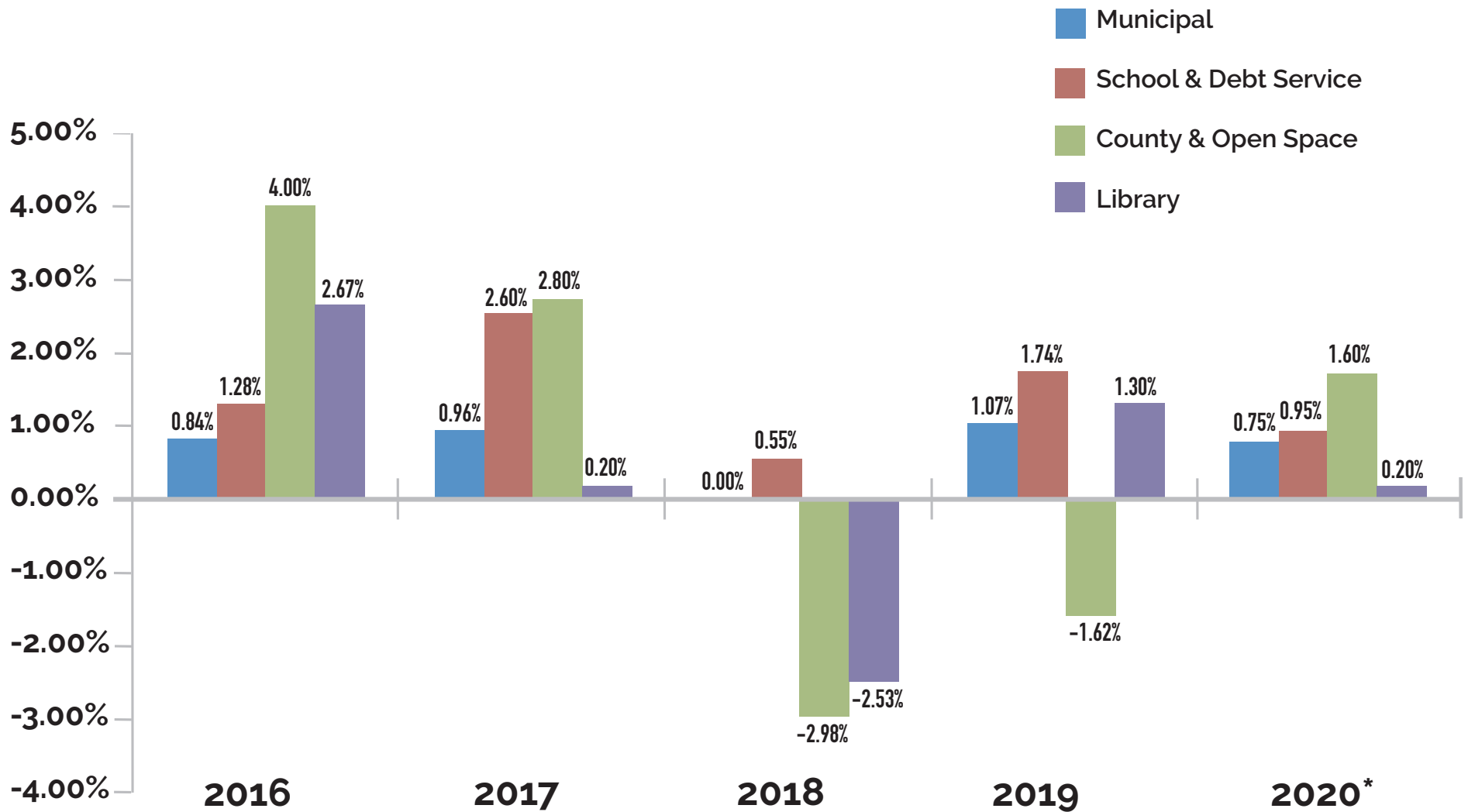
Municipal Tax Rate



ANNUAL % CHANGE (2016-2020)



5 Year Change in Tax Rates

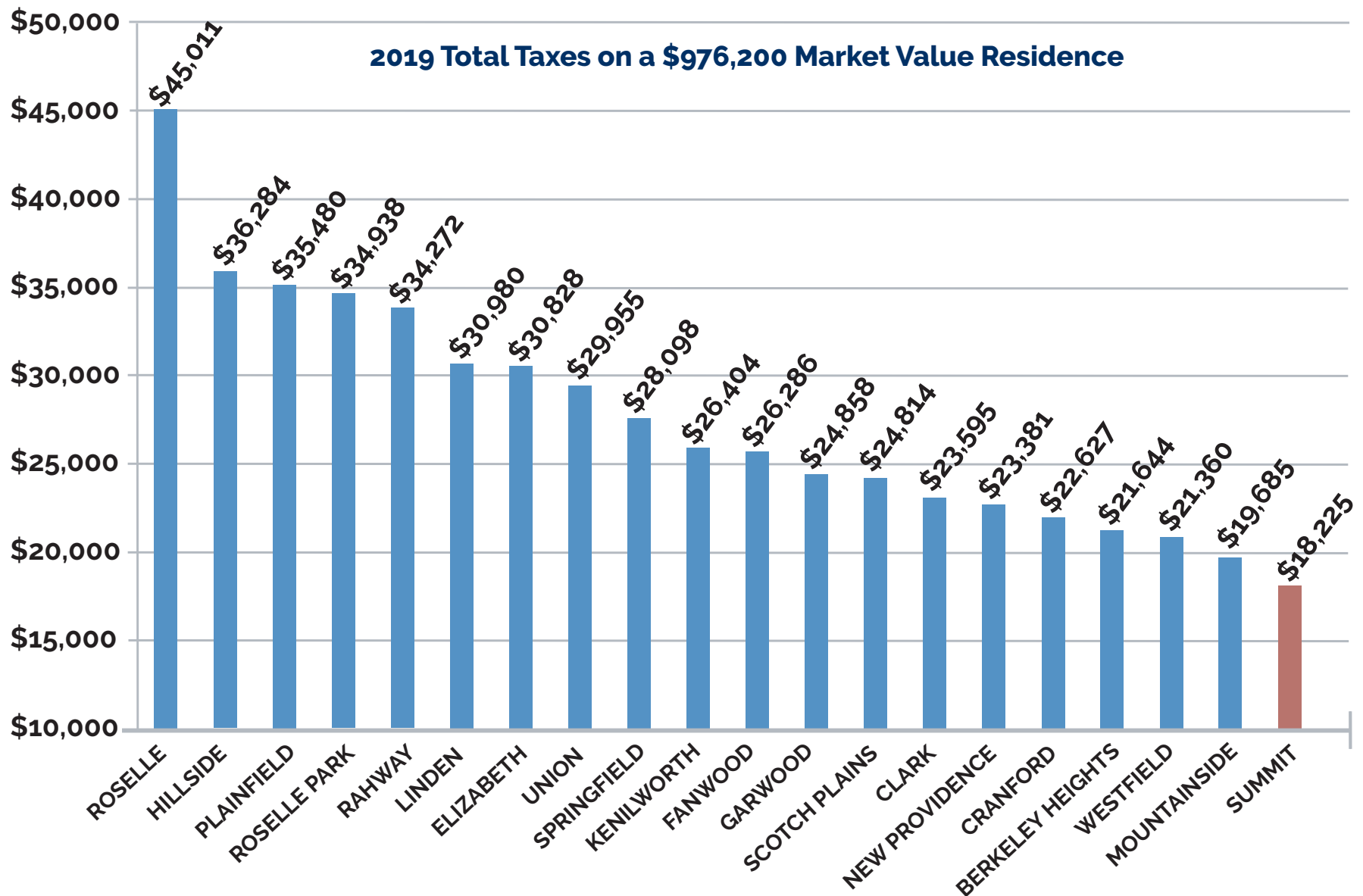


* 2020—Estimated tax rate changes

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%
Totals	\$19,570,115	\$19,570,072	0.00%

Total Benefits as a Percentage of Salaries & Wages



	2020	2019
Salaries & Wages	\$17,562,628	\$17,619,072
Total Benefits (Healthcare and Pension Costs)	\$ 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



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



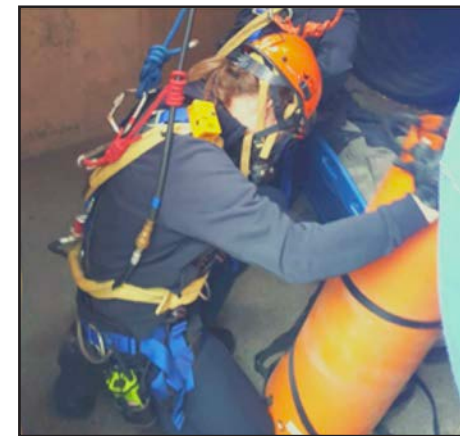
Fire Department: \$139,500


- 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



A background image with a reddish tint showing a snowplow on the left and two firefighters in the center, working in a snowy environment with a fire station in the background.

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

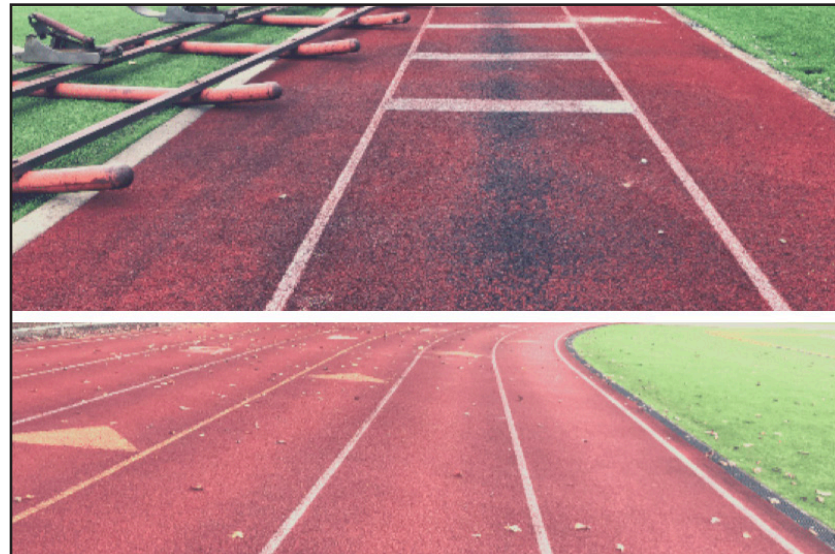


Community Programs



Total Capital Budget Request **\$705,000**

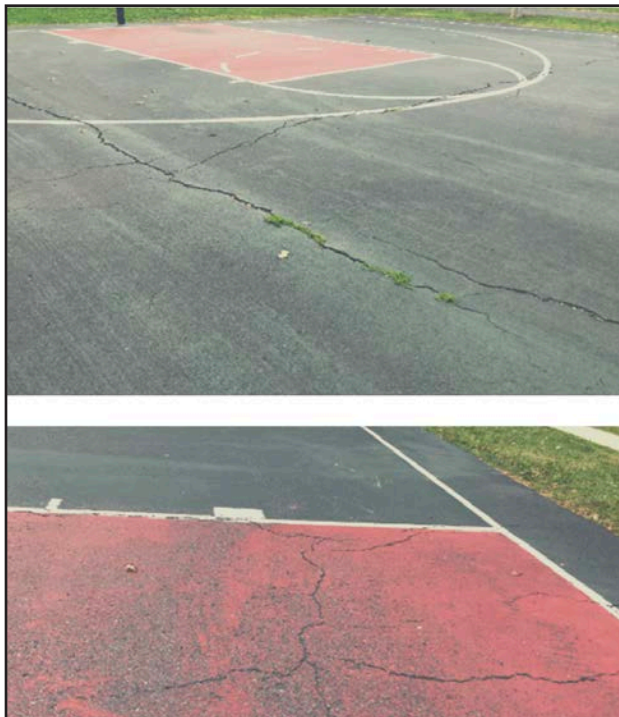
- SFAC Pool Resurfacing Improvements - \$500,000
 - \$250,000 request in 2020 Capital Budget
 - \$250,000 funded in 2019 Capital Budget
- Stadium Track at Investors Bank Field - \$270,000



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