



2021 MUNICIPAL BUDGET

COMMON COUNCIL MEETING
VIRTUAL CONFERENCE

APRIL 20, 2021



2021 Budget Process & Timeline

OPERATING & CAPITAL BUDGET DEVELOPMENT

- August 2020
- All departments commence process

DEPARTMENT BUDGETS

- October 23, 2020
- Submitted to City Administrator (CA) & Chief Financial Officer (CFO)

COUNCIL COMMITTEE REVIEW & DISCUSSION

- November 1 to December 8, 2020
- Revisions provided to CA & CFO

PUBLIC WORKSHOP

- December 9, 2020
- Review capital budget requests

2021 Budget Process & Timeline

FINANCE & CAPITAL PROJECTS COMMITTEES

REVIEW & DISCUSSION

- January to February 2021
- Operating budgets with department heads
- Finance and Capital Projects Committees to evaluate and finalize capital budget plan

CITY BUDGET PRESENTATION & INTRODUCTION

- April 20, 2021
- Common Council meeting

BUDGET ADOPTION

- May 18, 2021
- Public hearing—at least 28 days after introduction





GOAL & KEY ACTIONS

GOAL 1:

Operate a safe, responsive, and healthy city government during and post COVID-19 pandemic

KEY ACTIONS:

- Reopen City Hall to the public once health data shows a consistent decline in COVID-19 cases, and Governor Murphy rescinds Executive Order limitations on indoor gatherings.
- Establish “pop-up” vaccination sites at key locations within the community.
- Continue to provide timely assistance for applicants needing to obtain licenses or permits issued by City Clerk's office, specifically businesses seeking sidewalk cafes, expansion of liquor licenses and parklet/outdoor dining and non-dining spaces.



GOAL & KEY ACTIONS

GOAL 2:

Broad Street West Redevelopment

KEY ACTIONS:

- Partner with a real estate consultant to serve as an advisor to the city on economic and financial feasibility of several development options in subdistricts and prepare detailed financial modeling reports of impacts.
- Conduct public meetings to illustrate design concepts of proposed redevelopment projects and solicit feedback.
- Negotiate contractual terms with designated redevelopers and finalize Broad Street West redevelopment agreement.



GOAL & KEY ACTIONS

GOAL 3:

Demonstrate
fiscal responsibility
and sound
financial
management

KEY ACTIONS:

- Create and present the 2021 city operating budget with a municipal tax rate change under 2.00%.
- Maintain the city's 'AAA' credit bond rating and secure low-cost financing through general serial bonds and bond anticipation notes.
- Secure federal American Rescue Plan Act fiscal recovery funds to offset revenue losses in 2020 and 2021 budgets.



2021
MUNICIPAL
BUDGET

2021 MUNICIPAL BUDGET OVERVIEW



COVID-19 IMPACTS ON 2020 BUDGET

GENERAL FUND

- \$1.07 million in 2020 budget costs.
- Coronavirus Aid Relief and Economic Security Act (the “CARES” Act)
 - two applications submitted for reimbursement.
- \$848,414 in CARES ACT funds reimbursed to date.
- \$246,461 shortfall in realized revenue compared with projections.

PARKING UTILITY FUND

- \$1.10 million operating deficit.
- Permission from state to allow for operating losses to be financed and paid back over five-year period starting in 2022.
- \$850,000 short-term financing notes approved by Common Council and NJ Director of the Division of Local Government Services.



COVID-19 IMPACTS ON 2021 BUDGET

GENERAL FUND

- \$1.71 million reduction in revenue projections.
 - \$750,000 loss of Parking Services Utility contributions to municipal budget.
 - \$514,016 decrease in various reserve funds.
 - \$346,975 in lower Local Revenue projections.
 - \$100,000 decline in Prior Year Taxes owed.
- \$1.07 million in federal American Rescue Plan Act fiscal recovery aid to Summit (\$2.15 million in total).
- \$700,000 in additional Fund Balance (surplus) needed to balance budget.

PARKING UTILITY FUND

- \$1.21 million projected revenue lower than 2020 total.
- Fund Balance usage in 2021 budget (\$928,859) will reduce total to \$0.
- \$623,276 reduction in Salary & Wages and Other Expenses.

Financial Total Summary



GENERAL FUND	2021	2020 (Amended & Adopted)	% Variance
Operating Budget	\$ 51,787,747	\$ 51,754,562	0.06%
Capital Budget	<u>3,998,000</u>	<u>4,189,500</u>	<u>-4.57%</u>
<i>Subtotal</i>	<i>\$55,785,747</i>	<i>\$55,944,062</i>	<i>-0.28%</i>

Financial Total Summary



SEWER UTILITY FUND	2021	2020 (Amended & Adopted)	% Variance
Operating Budget	\$ 4,763,737	\$ 4,388,838	8.54%
Capital Budget	<u>1,495,573</u>	<u>710,000</u>	<u>110.64%</u>
<i>Subtotal</i>	\$ 6,259,310	\$ 5,098,838	22.76%

PARKING SERVICES UTILITY FUND	2021	2020 (Amended & Adopted)	% Variance
Operating Budget	\$ 2,218,602	\$ 3,432,941	-35.37%
Capital Budget	<u>0</u>	<u>50,000</u>	<u>-100.00%</u>
<i>Subtotal</i>	\$2,218,602	\$ 3,482,941	-36.30%

Financial Totals



2021 **\$64,263,659**

2020 **\$64,525,841**









0.41%

2021 General Fund



Budget Summary Points

- Municipal Tax Rate:  **1.05%**
- Anticipated Fund Balance (surplus):  **\$700,000**
- Enterprise/Contribution Revenue:  **\$339,479**
- Municipal Tax Levy:  **\$548,127**
- Salary & Wages Total:  **\$329,959**
- Other Expenses Total:  **\$119,855**

\$3,200,766,106

SUMMIT'S TAX BASE
↑ \$27.8 MILLION
FROM 2020

\$1.21 million

INCREASE OF TOTAL
TAX REVENUES
(MUNICIPAL TAX REVENUE
GAIN OF **\$237,761**)

0.89%

INCREASE EFFECT
ON MUNICIPAL TAX RATE

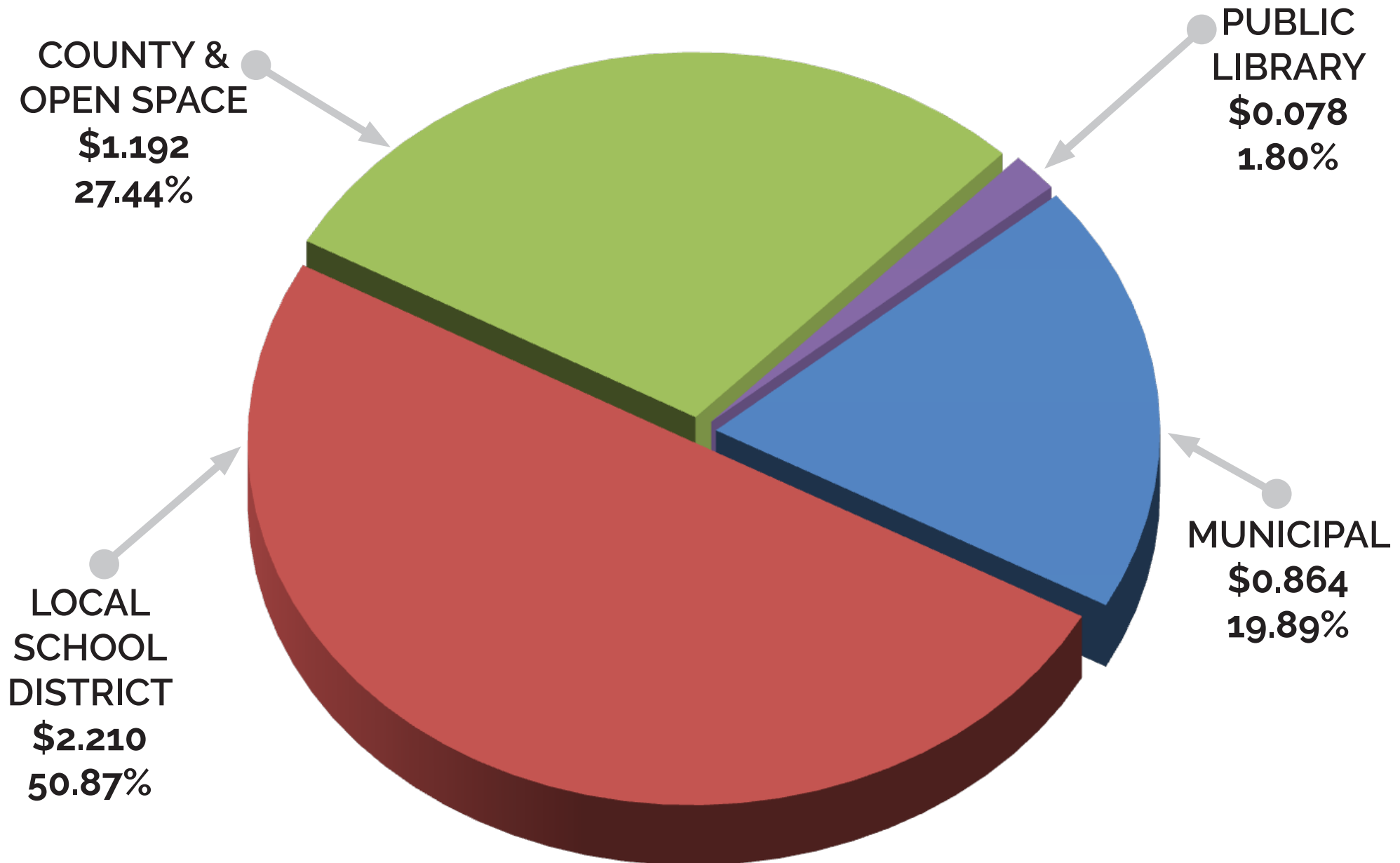


Property Tax Rates



	Estimated 2021	2020	% Change
MUNICIPAL	\$0.864	\$0.855	1.05%
SCHOOL DISTRICT	\$2.210	\$2.234	-1.07%
COUNTY & OPEN SPACE	\$1.192	\$1.193	-0.08%
PUBLIC LIBRARY	<u>\$0.078</u>	<u>\$0.078</u>	1.19%
<i>Estimated Total</i>	<i>\$4.344</i>	<i>\$4.360</i>	<i>-0.36%</i>

2021 Estimated Property Tax Rates



Total Property Tax Bill Comparison



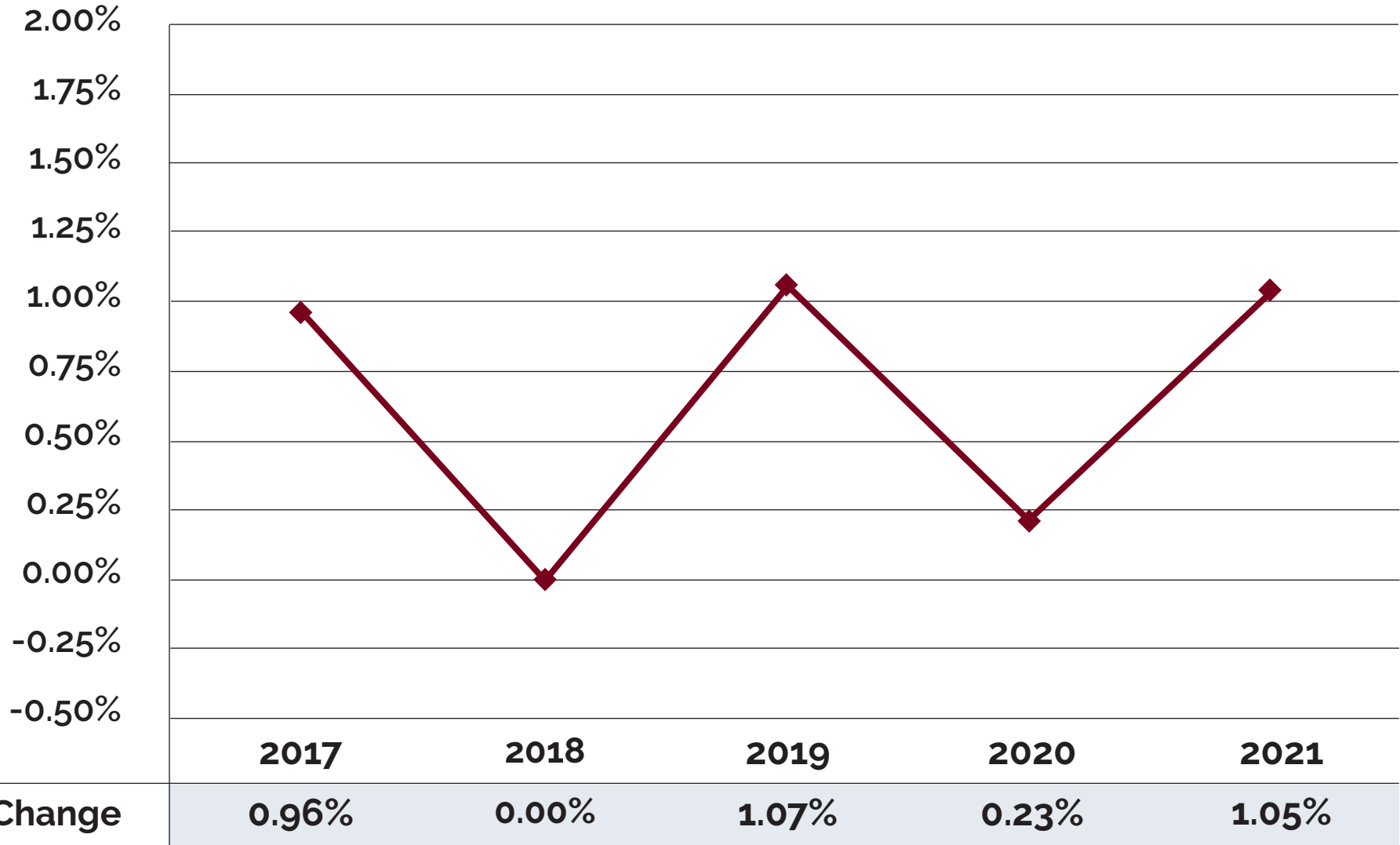
(AVERAGE RESIDENTIAL ASSESSMENT VALUATION IS \$423,028)

	2021	2020
Municipal Taxes	\$ 3,654.96	\$3,591.86
Local School District Taxes	9,348.92	9,450.45
County & Open Space Taxes	5,042.49	5,046.72
Public Library Taxes	<u>329.96</u>	<u>329.96</u>
Estimated Total Tax Bill Amount	\$18,376.33	\$18,418.99
2021 Estimated Total Property Tax Effect	<i>Decrease of \$42.66, or 0.23%</i>	

Municipal Tax Rate



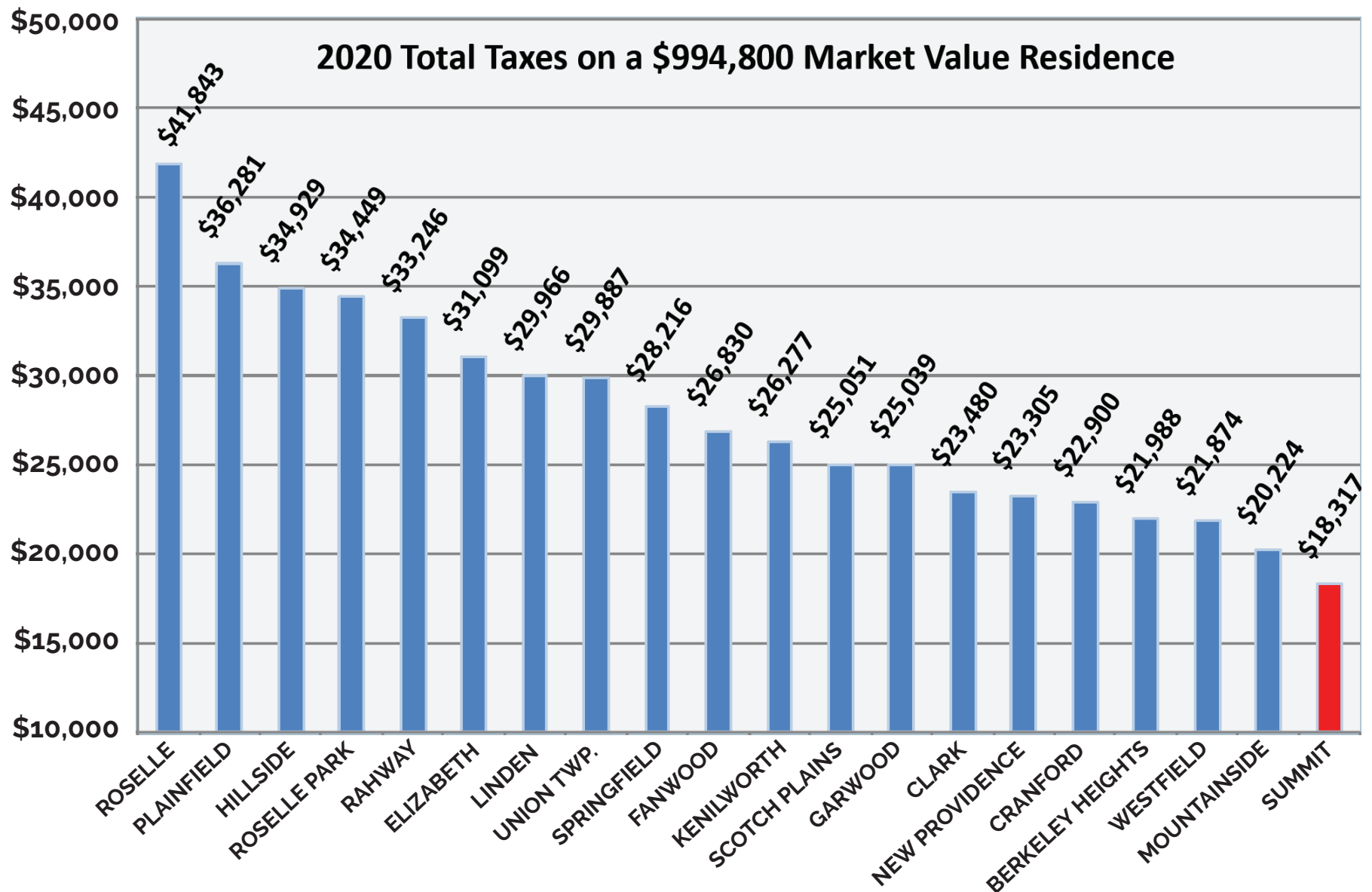
ANNUAL % CHANGE (2017 to 2021)



Effective Tax Rate



UNION COUNTY MUNICIPALITIES



General Fund Revenues



		2021 Anticipated	2020 Anticipated	\$ Change from 2020
Fund Balance	(14.7%)	\$ 7,600,000	\$ 6,900,000	\$ 700,000
Local Revenues	(5.5%)	2,840,905	3,187,880	(346,975)
State Aid	(6.6%)	3,425,107	3,488,186	(63,079)
Grants	(0.6%)	328,838	148,806	180,032
Enterprise Funds/ Contributions	(7.1%)	3,677,263	3,337,784	339,479
Prior Year Tax Receipts	(0.8%)	420,000	520,000	(100,000)
Municipal Tax Levy	(53.4%)	27,651,998	27,103,871	548,127
School District Debt Obligation	(6.8%)	3,351,551	4,588,290	(1,236,739)
Library Tax Levy	(4.8%)	2,492,085	2,479,746	12,340
Total General Revenues		\$ 51,787,747	\$ 51,754,562	\$ 33,185

Revenues



• LOCAL REVENUES

▲ Increases:	\$165,000	(Family Aquatic Center fees)
	\$42,000	(Police Off Duty Administration fees)
	\$40,000	(Municipal Golf Course fees)
▼ Decreases:	\$250,000	(Municipal Court fees)
	\$195,000	(Interest on Investments)
	\$60,000	(Interest & Costs on Taxes)

• ENTERPRISE FUNDS/CONTRIBUTIONS

▲ Increases:	\$1,075,495	(American Rescue Plan Act fiscal recovery aid)
	\$320,000	(General Capital surplus)
	\$210,000	(Sewer Utility contribution)
▼ Decreases:	\$550,000	(Parking Utility contribution)
	\$200,000	(Parking Utility share of various costs)
	\$200,000	(Reserve for Sale of Municipal Assets)

Property Tax Levies



	2021 Estimated	2020	% Change
Municipal	\$ 27,651,998	\$ 27,103,871	2.02%
Local School District	70,743,500	70,859,040	-0.16%
County	37,004,404	36,743,129	0.71%
County Open Space	1,156,346	1,129,932	2.34%
Public Library	<u>2,492,085</u>	<u>2,479,745</u>	0.50%
<i>Total Tax Levies</i>	<i>\$139,048,333</i>	<i>\$138,315,717</i>	<i>0.53%</i>

2% PROPERTY TAX LEVY

\$1,021,464

UNDER

*Maximum Tax Levy
Amount of
\$28,673,462*



General Fund Appropriations



\$51,787,747

Municipal Operations: \$33,397,895

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

Other Appropriations: \$13,329,752

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

Reserve for Uncollected Taxes: \$5,060,100

2021 Total Appropriations



\$51,787,747

Municipal Operations	2021	2020 Adopted	\$ Change from 2020
General Government (3.2%)	\$ 1,663,788	\$ 1,627,290	\$ 36,498
Finance (2.4%)	1,230,673	1,251,551	(20,878)
Public Safety (22.5%)	11,650,201	11,498,758	151,443
Community Services (14.5%)	7,518,112	7,273,724	244,388
Community Programs (2.2%)	1,163,394	1,029,447	133,947
Board of Health (0.9%)	483,290	450,410	32,880
Municipal Court (0.8%)	391,700	404,128	(12,428)
Utilities (2.2%)	1,123,000	1,143,000	(20,000)
Insurance (6.7%)	3,459,054	3,555,090	(96,036)
Statutory Expenditures (9.1%)	4,714,683	4,282,780	431,903

2021 Total Appropriations



\$51,787,747

Other Appropriations	2021	2020 Adopted	\$ Change from 2020
Maintenance of Public Library (4.8%)	\$ 2,492,085	\$ 2,479,745	\$ 12,340
Grants (0.6%)	328,838	148,806	180,032
Interlocal Agreements (2.3%)	1,213,758	1,213,758	0
Capital Improvements (0.4%)	200,000	109,475	90,525
Municipal Debt Service (9.8%)	5,091,796	4,662,452	429,344
School Debt Service (7.3%)	3,763,276	5,145,003	(1,381,727)
Deferred Charges & Reserves (0.5%)	240,000	185,000	55,000
Reserve for Uncollected Taxes (9.8%)	5,060,100	5,294,145	(234,045)

APPROPRIATIONS CAP

\$3,059,107

UNDER

*Maximum Allowable
Appropriations
Amount of
\$36,457,002*



Municipal Personnel



	2021	2020	2019	2018
Full-time	175	172	173	174
Part-time	23	27	25	26
Total	198	199	198	200

- Full-time secretary position eliminated in tax assessor's office. Part-time Tax Assessor position converted to full time.
- Part-time Chief Communications Officer position converted to full time. Part-time Communications Associate position eliminated.
- Part-time clerical position eliminated in clerk's office. Second temporary part-time clerical position converted to full time.
- Part-time Tax Collector position converted to full time.
- Added a part-time maintenance worker in DCS who is assigned to Community Center.
- Part-time Program Supervisor in DCP converted to full time.
- Added part-time DCS assistant position to Sewer Utility.
- Eliminated funding for one full-time position in Parking Services and two part-time positions (maintenance worker & parking enforcement officer).

Salaries & Wages



FUND	2021	2020	% Change
General	\$17,828,587	\$17,498,628	1.89%
Sewer Utility	383,841	353,000	8.74%
Parking Services Utility	643,627	710,924	-9.47%
Uniform Construction Code (Trust)	861,629	869,487	-0.90%
<i>Totals</i>	<i>\$19,717,684</i>	<i>\$19,432,039</i>	<i>1.47%</i>

Municipal Operations



Other Expenses (General Fund)

- **\$10.85 million – 20.96% of Total Appropriations**
 - 1.12% increase from 2020
 - 1.98% average increase over last four years
- **Three Largest Line-items**
 - Transfer Station Disposal Charges - \$970,000 (\$100,000 decrease)
 - Recycling Curbside Collection - \$507,600 (\$139,600 increase)
 - Police - \$449,300 (\$500 increase)
- **Three Largest Professional**
 - Legal Services (General and Labor) - \$260,000 (\$20,000 increase)
 - Land Use Planning Services and Special Projects - \$185,000 (\$30,000 increase)
 - Legal Services (Tax Appeals) - \$135,000 (\$5,000 decrease)

Other Appropriations



HEALTHCARE INSURANCE

- **\$3.81 million** (estimated gross amount) medical and dental insurance premiums (Medical \$3.70 million; Dental \$116,000)
- **\$2.34 million** (estimated net amount) healthcare insurance appropriation
- **\$1.14 million** in employee contributions (up by \$20,000 from 2020)
- **\$430,423** estimated annual cost savings from employee opt-out

Other Appropriations



PENSION OBLIGATIONS

- PERS and PFRS – **\$4.02 million** net total
- Up **\$370,945** or **10.2%**
- Since 2011, on average, combined totals have increased by **4.2%**

RESERVE FOR UNCOLLECTED TAXES: \$5.06 million

- 2020 – **99.70%** of tax levy collected
- 2020 – **96.23%** anticipated collection rate

DEBT SERVICE: 'AAA' Bond Rating

- **\$5.09 million** up \$429,344 from 2020 (**9.2%** increase)
- **\$3.74 million** in principal pay down
- Scheduled bond payments projected to increase in 2022 by **\$345,544**

Current Debt Position



As of December 31, 2020

Statutory Equalized Valuation	<i>\$7,409,990,605</i>
Statutory Borrowing Power	<i>259,349,671</i>
Statutory Net Debt	<i>54,618,423</i>
Remaining Statutory Borrowing Power	<i>204,731,248</i>
Net Debt to Statutory Equalized Valuation	<i>0.737%</i>

City Departments 2021 Capital Budget



SHARE THE FUN



**summit
community
programs**

WHERE COMMUNITY THRIVES

Capital Budgets



GENERAL FUND

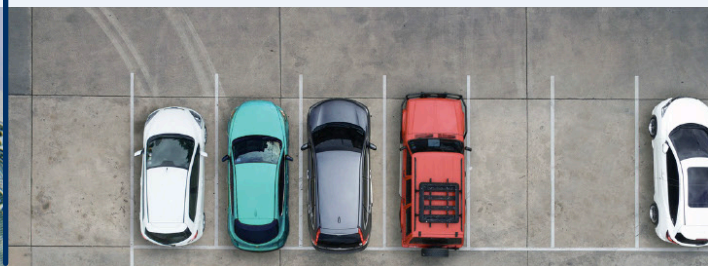
TOTAL
\$3,998,000

PARKING SERVICES UTILITY

TOTAL
\$0

SEWER UTILITY

TOTAL
\$1,495,573



Capital Budget Comparison



DEPARTMENT	2021	2020	% Change
Fire	\$ 265,000	\$ 139,500	89.96%
Police	157,000	0	100.00%
MVEC Joint Dispatch	200,000	0	100.00%
DCS	2,791,000	3,345,000	-16.56%
DCP	585,000	705,000	-17.02%
Admin/Clerk	0	0	0.00%
TOTAL	\$ 3,998,000	\$ 4,189,500	-4.57%

Capital Budget Comparison



2021 vs. 2020

UTILITY	2021	2020	% Change
Parking Services	\$ 0	\$ 50,000	-100.00%
Sewer	1,495,573	710,000	110.64%
TOTAL	\$ 1,495,573	\$ 760,000	96.79%

Public Safety



Fire Department: \$265,000

- Firefighter turnout gear - \$30,000
- Incident Command vehicle replacement - \$80,000
- Rescue and small equipment replacement - \$50,000
- Fire hose replacement - \$50,000
- Tablets for frontline vehicles - \$55,000

Public Safety



Police Department: **\$157,000**

- Vehicle replacement program - \$110,000
- Police network server replacement - \$30,000
- Variable message board - \$17,000



Joint Dispatch Center: **\$200,000**

- Call taking/dispatch workstations and computer equipment



Dept. of Community Services



2021 Capital Budget
\$2.79 million

INFRASTRUCTURE: **\$1.98 million**

- Major road improvement projects
 - Park Ave. (North, South and John)
 - Transit Village/Michigan Ave.
 - Tulip St. (Mountain to Ashland)
 - Cul-de-sac Paving
 - Drainage improvements
 - West End Avenue
- Micropaving program
- Open space management
- Traffic signal upgrades
- Pedestrian safety improvements
- Regulatory and warning sign replacement



VEHICLE/EQUIPMENT: **\$246,000**

- Sidewalk snow tractor with plow/blower
- Compost/topsoil/sweeping screener
- Paint machine
- Lifts
- Maintenance, parts replacement



Dept. of Community Services



CITY BUILDINGS: \$550,000

\$55,000 – City Hall

- Building maintenance
- Electric upgrades

\$70,000 – DPW Garage

- Facility renovations

\$425,000 – Transfer Station

- Building maintenance
- Shell/siding replacement
- Packer upgrade



Community Programs



SHARE THE FUN



**summit
community
programs**

WHERE COMMUNITY THRIVES

2021 Capital Budget

\$585,000

Community Programs



- **Priority 1:**

Citywide
Playground
Master Plan
and equipment
upgrades

\$200,000



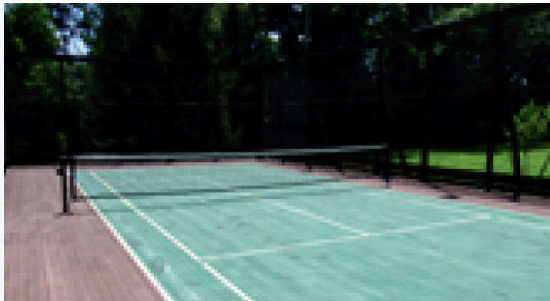
Community Programs



• Priority 2:

Paddle tennis
court repairs

\$75,000



• Priority 3:

Community Center grading

\$125,000



Community Programs



Other Priorities:



Showmobile replacement

\$175,000



Park furnishings

\$10,000

Utility Funds



**Parking
Services:
\$0**



Sewer: \$1,495,573

- \$973,073 for JMEUC capital contribution (100% increase)
- \$247,500 for infrastructure (10% decrease)
- \$0 for capital projects (100% decrease)
- \$195,000 for equipment and vehicles (5.5% increase)
- \$80,000 for sewer pump stations (68% decrease)



THANK YOU

Any questions?

cityofsummit.org