

<b>ORDINANCE #</b>	<b>24-3309</b>
Introduction Date:	3/5/24
Hearing Date:	3/19/24
Passage Date:	3/19/24
Effective Date:	3/28/24

**ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A: 4-45.14) (*Establish Cap Bank*)**

*Ordinance Summary: This ordinance authorizes the City of Summit to increase its final budget appropriations subject to the cap to the statutorily permitted three and one-half percent (3.5%) or bank, for up to two years, the difference between the final appropriation subject to the cap and three and one-half percent (3.5%). This Ordinance is also known as a Cost-of-Living Cap Adjustment or COLA Ordinance.*

WHEREAS, the Local Government Cap Law, N.J.S.A. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget to 2.5% unless authorized by ordinance to increase it to 3.5% over the previous year’s final appropriations, subject to certain exceptions; and,

WHEREAS, N.J.S.A. 40A: 4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the 3.5% percentage rate as an exception to its final appropriations in either of the next two succeeding years; and,

WHEREAS, the Common Council of the City of Summit hereby determines that a 1.0% increase for said year, amounting to \$348,570.95 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and,

WHEREAS, the City of Summit hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SUMMIT:

1. That a majority of the full authorized membership of this governing body affirmatively concurring that, in the CY 2024 budget year, the final inside CAP appropriations of the City of Summit shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 3.5%, amounting to \$1,219,998.33 and that the CY 2024 municipal budget for the City of Summit will be approved and adopted in accordance with this ordinance; and,

- 2. That any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years; and,
- 3. That a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within 5 days of introduction; and,
- 4. That a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such adoption.

RECORDED VOTE:

Ayes ( Boyer ( Hamlet ( Minegar ( Pawlowski ( Smallwood ( Vartan ( Allen	Nays ( --	Abstain ( --       Absent ( --
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BE IT FURTHER ORDAINED that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such passage.

Dated: March 19, 2024

I, Rosalia M. Licatese, City Clerk of the City of Summit, do hereby certify that the foregoing ordinance was duly passed by the Common Council of said City at a regular meeting held on Tuesday evening, March 19, 2024.

Approved:  
Dr. Elizabeth Fagan, Mayor

City Clerk