

**MINUTES OF BUDGET MEETING  
HELD WEDNESDAY, JANUARY 29,  
1997, CITY HALL, 512  
SPRINGFIELD AVENUE, SUMMIT,  
NEW JERSEY.**

(Distributed: 2/28/97 )  
(Approved : 4/1/97 )

The meeting was called to order by Council President Clark at  
8:03 P.M.

President Clark then read the following notice:

“Adequate notice of this meeting has been provided by the City Clerk in the preparation of the Council Annual Meeting Notice, dated January 6, 1997, which set forth the date, time, and place of this meeting and by properly posting such notice and forwarding the notice to those designated newspapers and the persons requesting meeting notices. Please be further advised that this is a NO SMOKING building and that the FIRE EXITS are to my FRONT your back.”

Present on Roll Call: President Clark, Councilmembers Dill, Hatfield, Martin, Muñoz, Ogden and Rosen. Also present were Mayor Long, staff members Angelo, Burkholder, Chandross, Cotter, Hughes, Kaufmann, Lewis, and Schneller.

Minutes of this meeting are recorded on Cassette Tape #97-4, Section 0000-End and #97-5, Section 0000-1060.

Burkholder provided an overhead projection presentation giving the general budget background, copies of which are attached hereto, and highlighted key points relative to each subject as well explaining how the surplus is generated and the analysis of the surplus and the 6.5% of the City's operating budget as a target surplus balance.

He felt a 2.5% increase was not unreasonable based on the changes in expenses and revenues.

President Clark said he also expected increases from the Board of Education and the County.

Councilmember Rosen commented as follows:

1. The Budget has been developed without any input from the Finance Committee.
2. It is an extension of decisions previously made and based on citizen's demands.

3. Felt since it was the most important planning document, the Council should have more input and emphasized that any decisions by the Council during this year will show up in the 1998 Budget and thereafter.
4. The cost of services provided is not addressed here and this is not the proper forum for that discussion.

There was a brief discussion regarding the \$212,000.00 needed for the Library project and Councilmember Hatfield's question as to whether a third option existed with Burkholder's response being that more money could be authorized for the project. Councilmember Rosen suggested this concept be further explored.

There was discussion on the affects of one-shot revenue sources in addition to taking \$116,000.00 from reserves and its affect on the future.

There was discussion as to the acceptability of a 2.5 cent increase and the fact that Budget expenditures should match revenues with the emphasis that commitments made in the past have caused a present demand for tax increase and that not having a tax increase would only postpone the problem until next year. A point was made that there is a need to examine the services and needs relative to costs but that this should not be done at budget time.

The fact that Surplus generation is not expanding, means that the City will have a \$450,000.00 shortfall starting in 1998 which would have been less if there was a one cent increase last year.

It was suggested and agreed that the 6.5% surplus target figure be re-evaluated.

In response to a question, Burkholder advised that forecasting the Surplus is almost impossible because there are many decision-making factors throughout the year which affect it along with the unknown amount which will come from intergovernmental transfers at the end of the year.

Councilmember Rosen expressed concern over the attrition or lay-off approach saying that the City was in the business of services demanded by the citizens which need to pay for same. He went on to further comment that government has two imperative roles, one being education and the other safety. He suggested that two more police officers, at a cost of \$25,000.00, be added to the Budget.

President Clark advised he felt there was a sense of the Council to come in under the 2.5 cent proposal and that there should be an on-going analysis effort throughout the year relative to decisions made and how they will affect the Budget.

Councilmember Dill commented that costs in operating the City have gone up as in all other aspects of life and that the line could not be held for ever and emphasized that the Budget process start at the Committee level where the hard decisions should be made.

Councilmember Muñoz stated that at the meetings the public wants prudent physical approach to things, but once they are not in the Chamber, there are many complaints about what they want more of. He felt there was need to define what was best for the town and that reinvestment in the town was important.

Walter Rauscher spoke of public safety and supported investigating for two more officers.

Gerald Matlesky, 33 Silver Lake Drive, said in corporations staff are asked to present "wish lists" which management reviews and says what can be afforded and he suggested a similar approach for the City.

Bob Wolfenbarger, 30 Harvey Drive, urged a one cent increase and looking at all expenses.

President Clark suggested that the Budget be brought down at least to a one cent increase and that hereafter prudent decisions regarding line items be considered. He urged review of the surplus as well of evaluation of personnel needs.

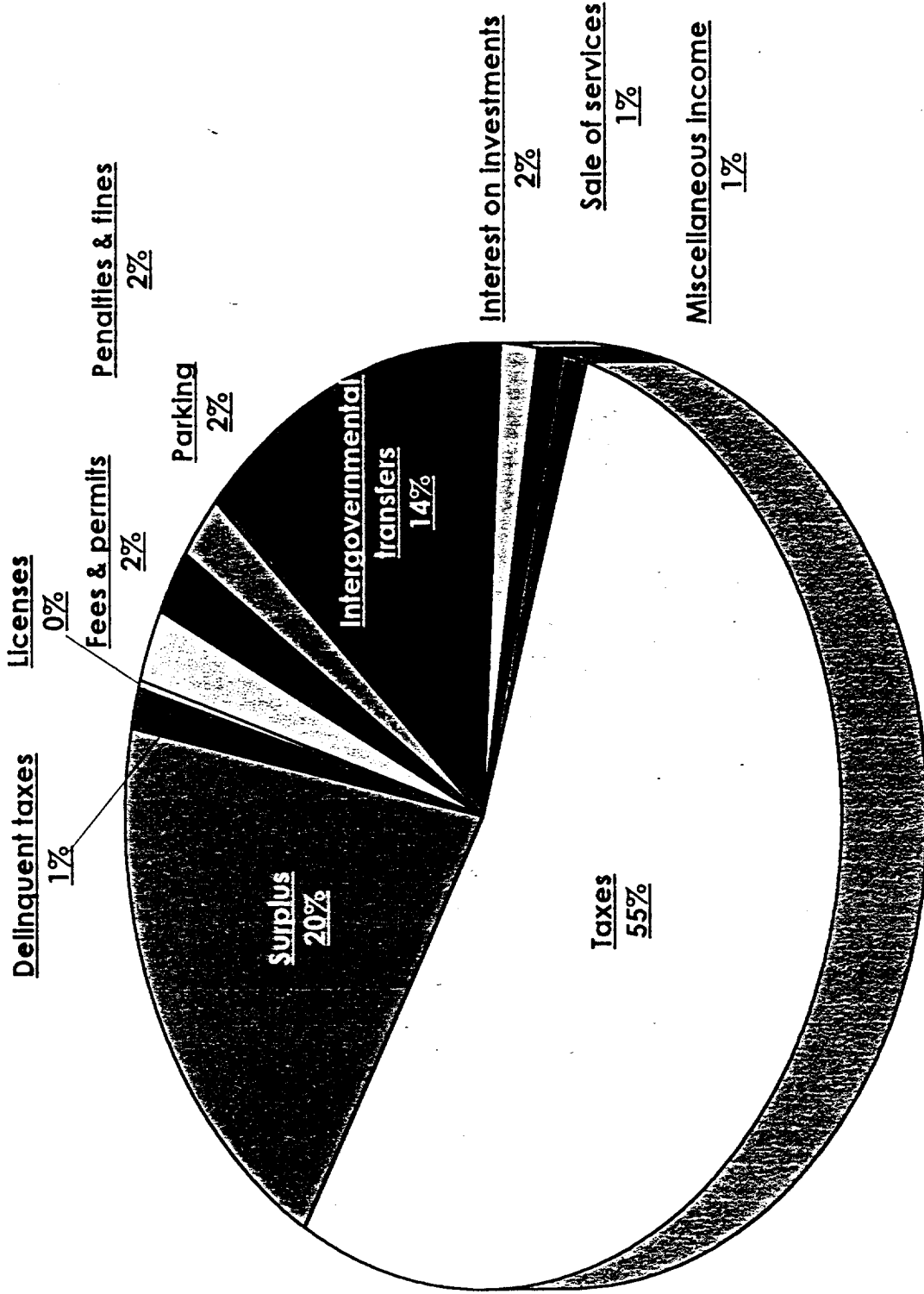
Councilmember Hatfield felt that planning and agenda-setting sessions should take place before the Budget discussions.

Councilmember Muñoz felt there was need for more than yearly review of the effect of decisions and that there should be better financial reporting to the Council.

Burkholder responded or commented as follows:

1. We do have a description for all job positions and performance standards for all non-union personnel.
2. The City operates different than a corporation because it is like a small conglomerate. Departments do different things thus down-sizing by transferring one person to another department is not easily done because of the specialties needed.
3. The current vacancies are all direct service providers.

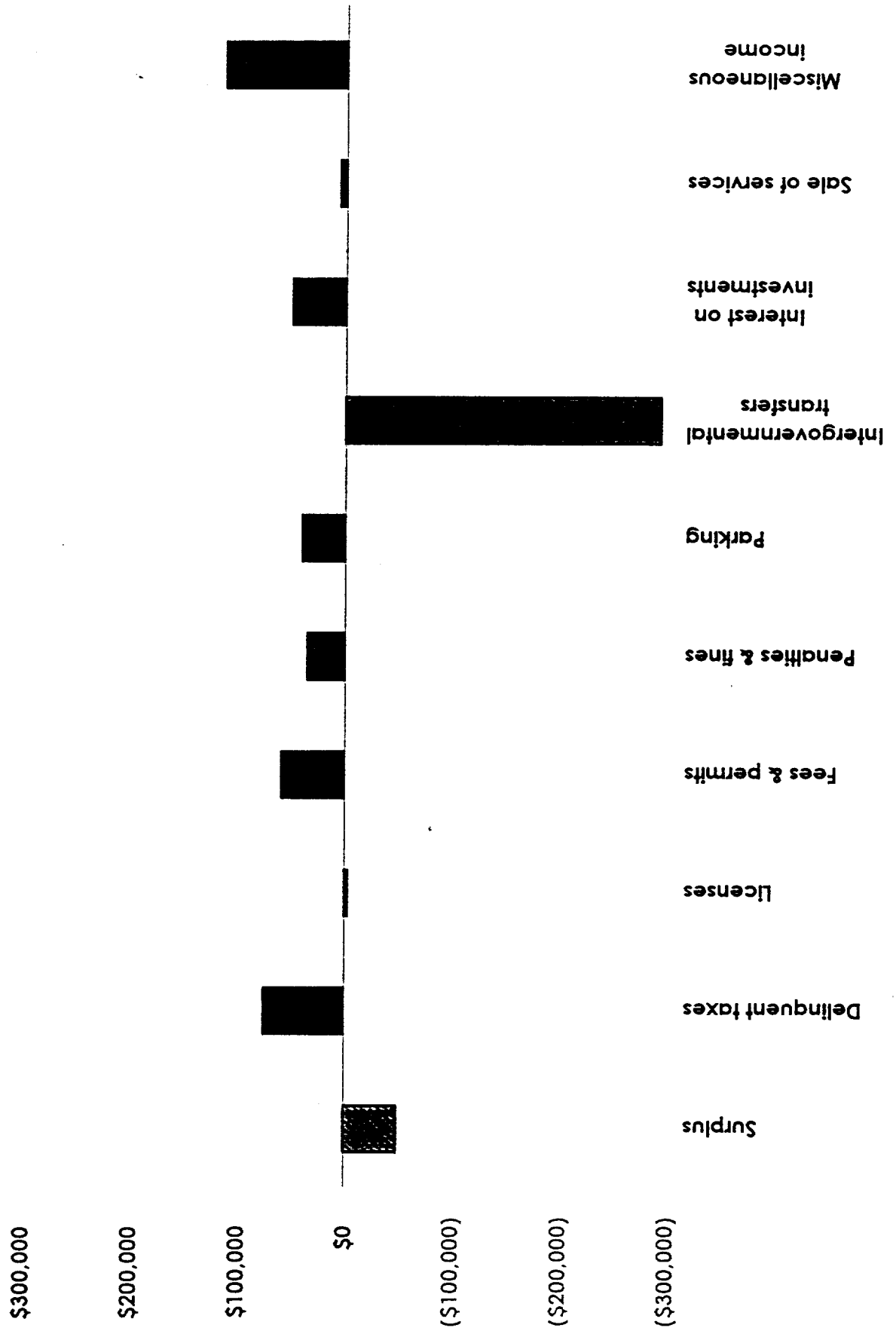
# 1997 Revenues



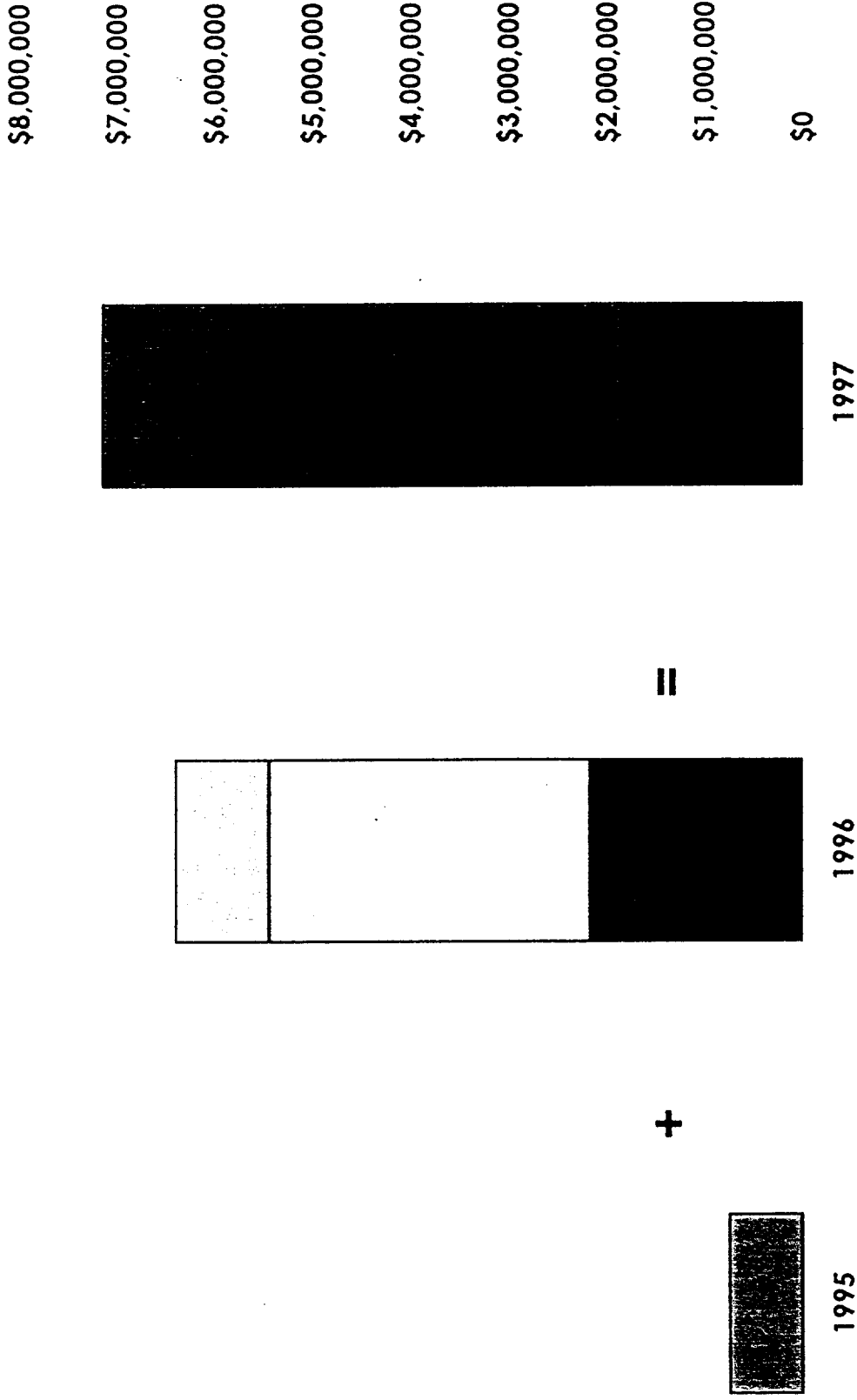
## Revenue analysis

Revenue sources	1996	1997	96-97 Change
<b>Surplus</b>	<b>\$5,300,000</b>	<b>\$5,250,000</b>	<b>(\$50,000)</b>
<b>Delinquent taxes</b>	<b>\$300,000</b>	<b>\$375,000</b>	<b>\$75,000</b>
Licenses	\$49,100	\$45,000	(\$4,100)
Fees & permits	\$595,000	\$654,000	\$59,000
Penalties & fines	\$550,000	\$585,000	\$35,000
Parking	\$600,000	\$640,000	\$40,000
Intergovernmental transfers	\$4,032,199	\$3,737,416	(\$294,783)
Interest on investments	\$350,000	\$400,000	\$50,000
Sale of services	\$329,973	\$336,267	\$6,294
Miscellaneous income	\$170,664	\$283,613	\$112,949
<b>Non-tax revenues</b>	<b>\$6,676,936</b>	<b>\$6,681,296</b>	<b>\$4,360</b>
<b>Taxes</b>	<b>\$13,432,492</b>	<b>\$14,214,771</b>	<b>\$782,279</b>

# Changes in revenue sources



# How surplus works



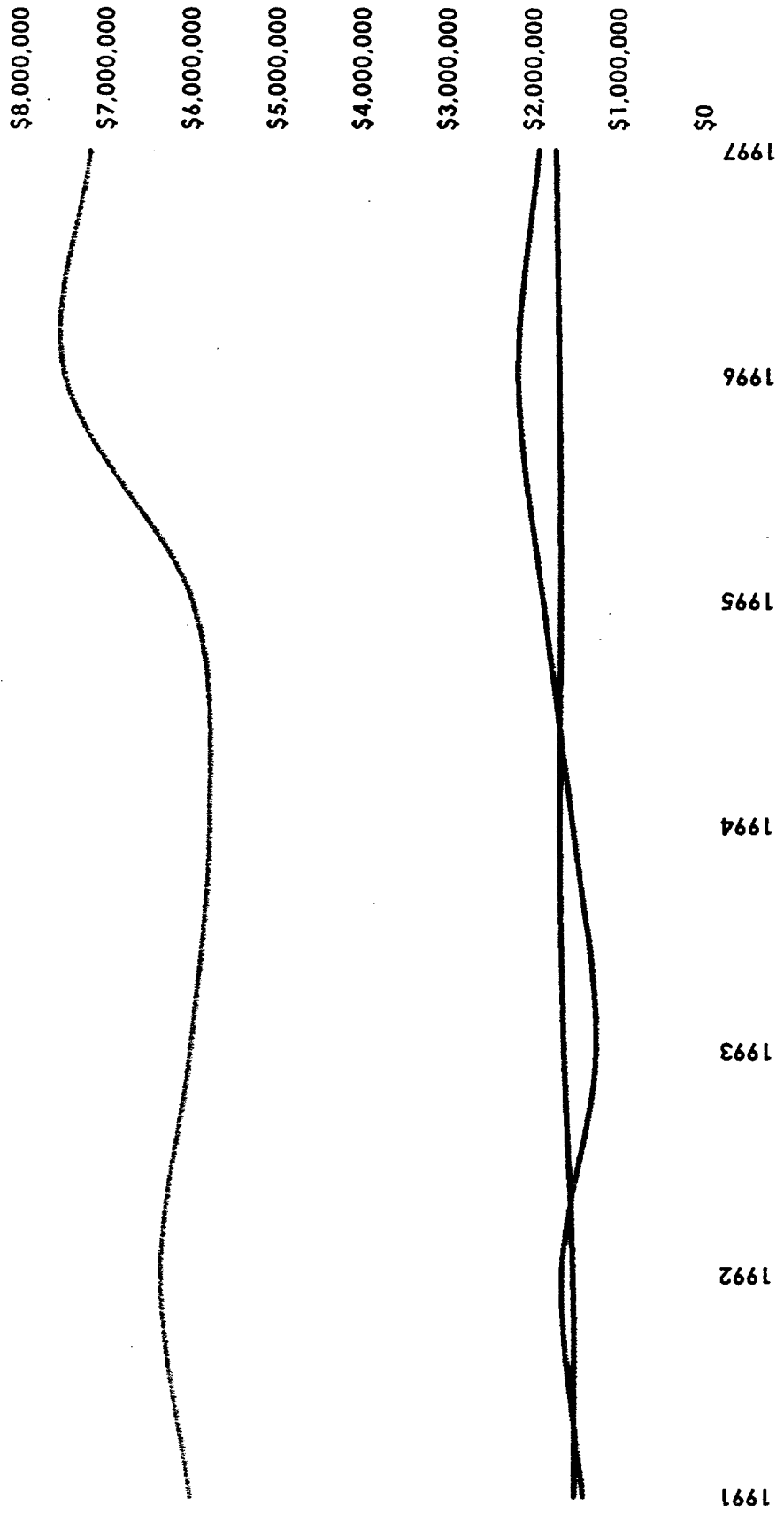
- Unexpended appropriations
- Excess tax collections
- Appropriated as revenue
- Free balance
- Excess revenues



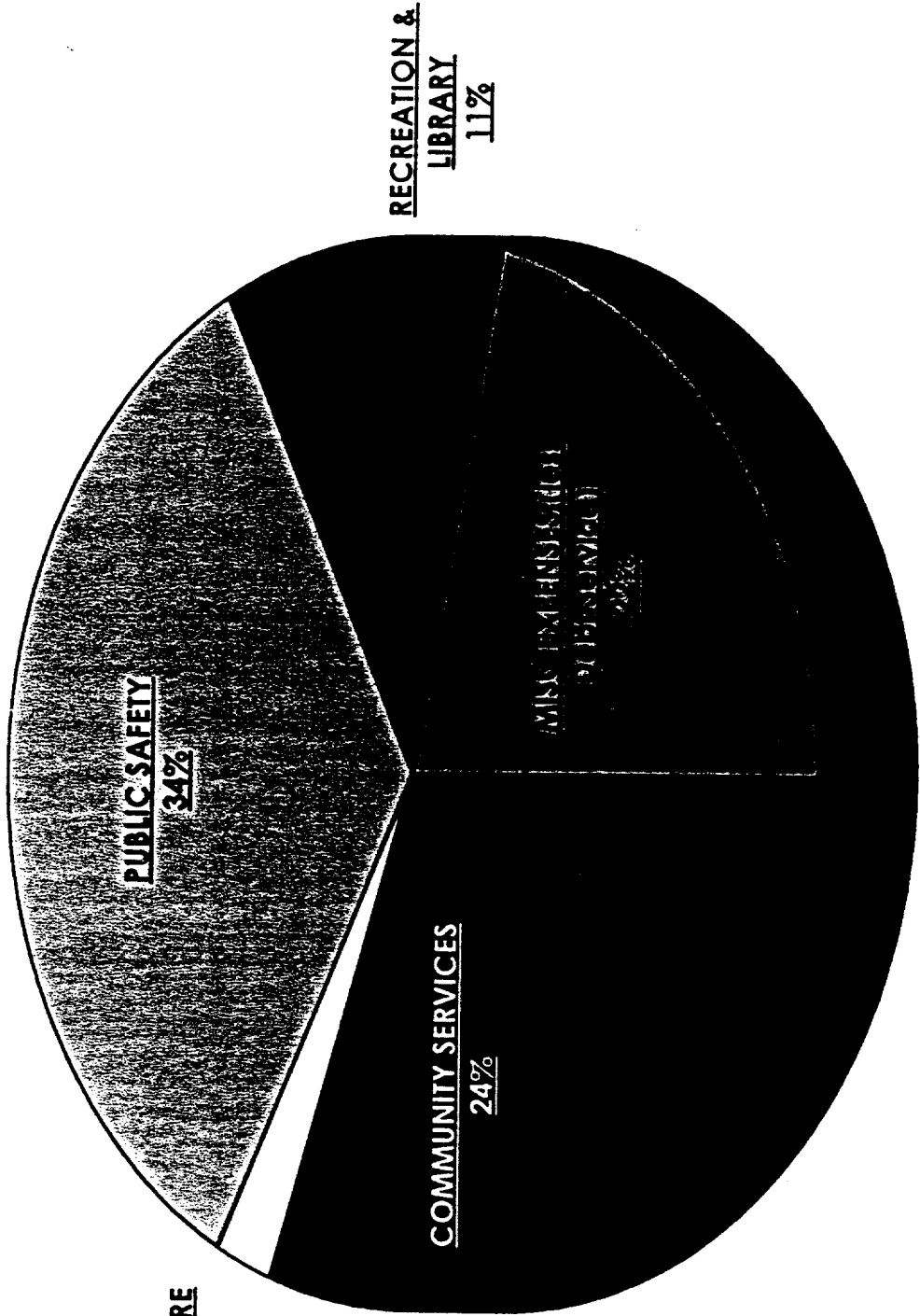


# Surplus analysis

- Balance available
- Available after appropriation
- 6.5% target



# 1997 Operating expenses

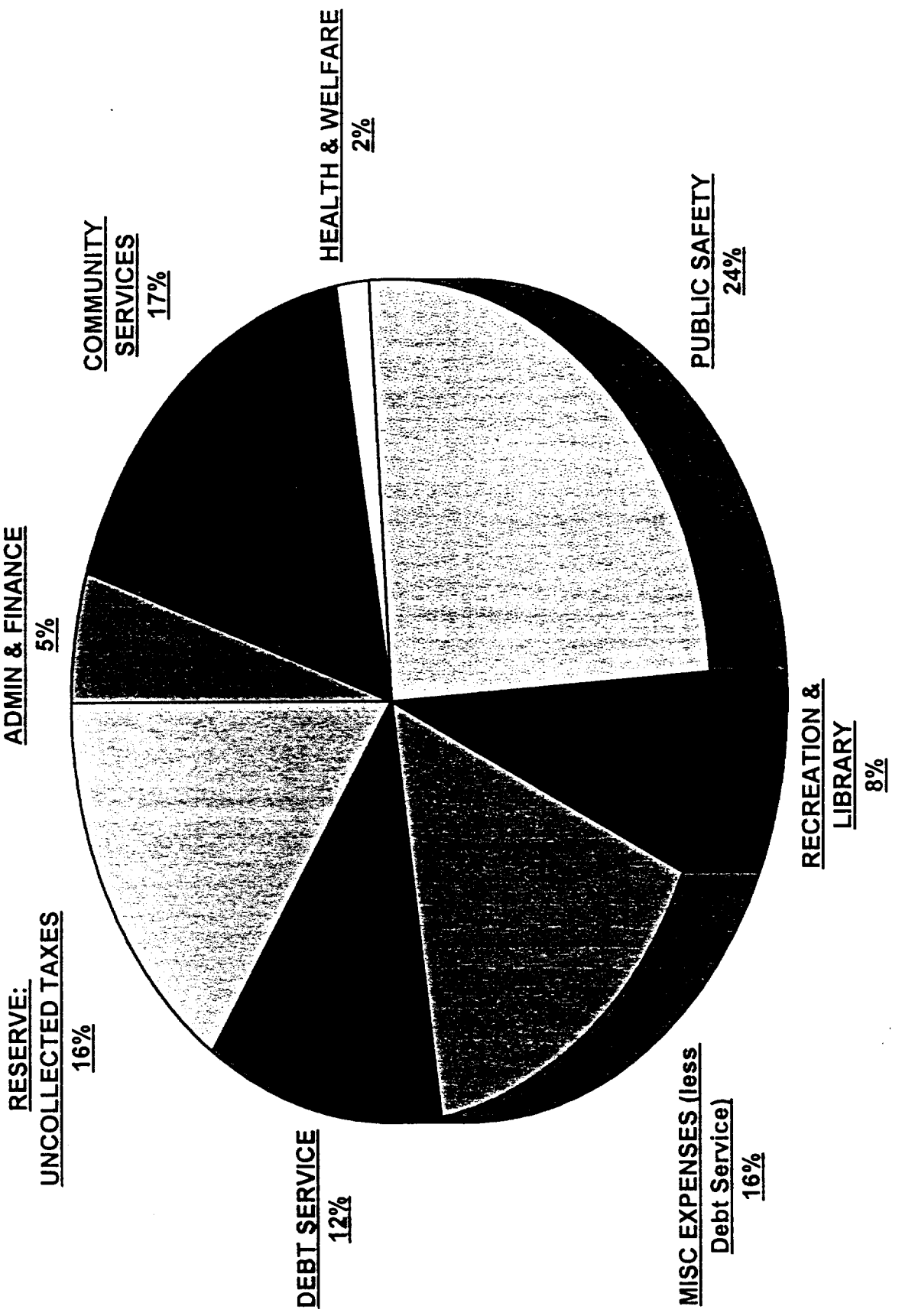


HEALTH & WELFARE  
2%

RECREATION & LIBRARY  
11%

ADMIN & FINANCE  
7%

# 1997 Expenditures



# **What's new...**

## **Administration & finance**

- Hourly field inspector for assessor (\$0 net)
- Centralized postage (\$0 net)
- Police & fire physicals per ordinance (\$16,500)

## **Community services**

- Parttime inspector for Safe Homes Program (\$20,000)
- Charge engineering against reserves (\$50,000)
- City Hall maintenance contracts (absorbed)
- No blizzard! (-\$40,000)
- Charge downtown cardboard against reserves (\$42,000)

## **Public safety**

- Police OT for traffic enforcement (2 hrs/day) (\$25,000)
- Fire OT for First Responder program (\$6,200)

# ***What's new....***

## **Recreation & library**

- Charge recreation increase against reserves (\$14,000)
- Additional supervisory time for youth services (\$3,000)

## **Miscellaneous charges**

- Extra capital \$100,000
- More for debt service (\$525,000, but \$300,000 less than projected)
- More for pensions (\$172,000)

## Calculating the tax rate

Taxes to be raised ÷ Total assessed value = tax rate

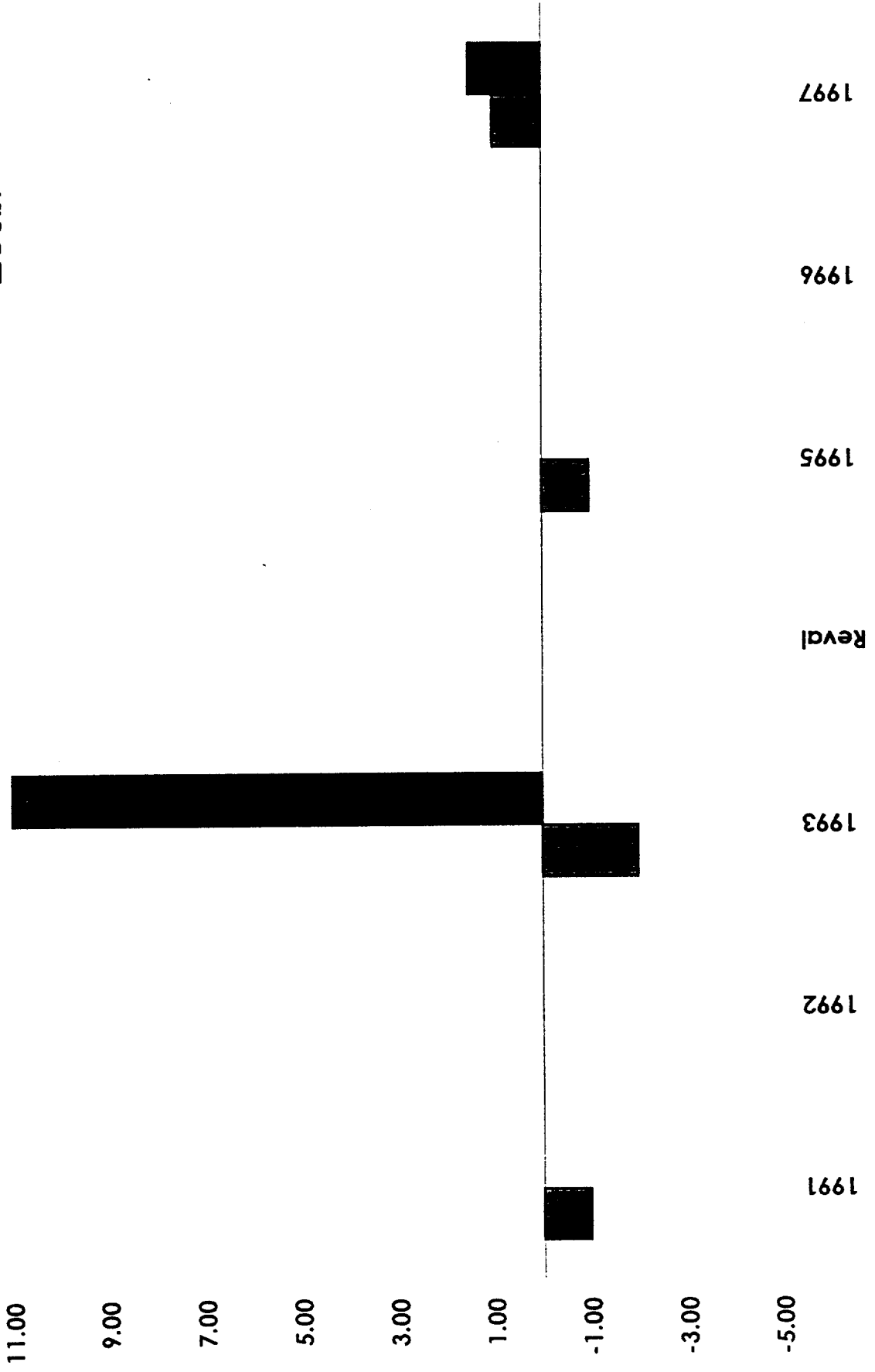
$$\frac{\$14,214,771}{\$2,874,654,110} = .4945\%$$

% = ¢ per \$100

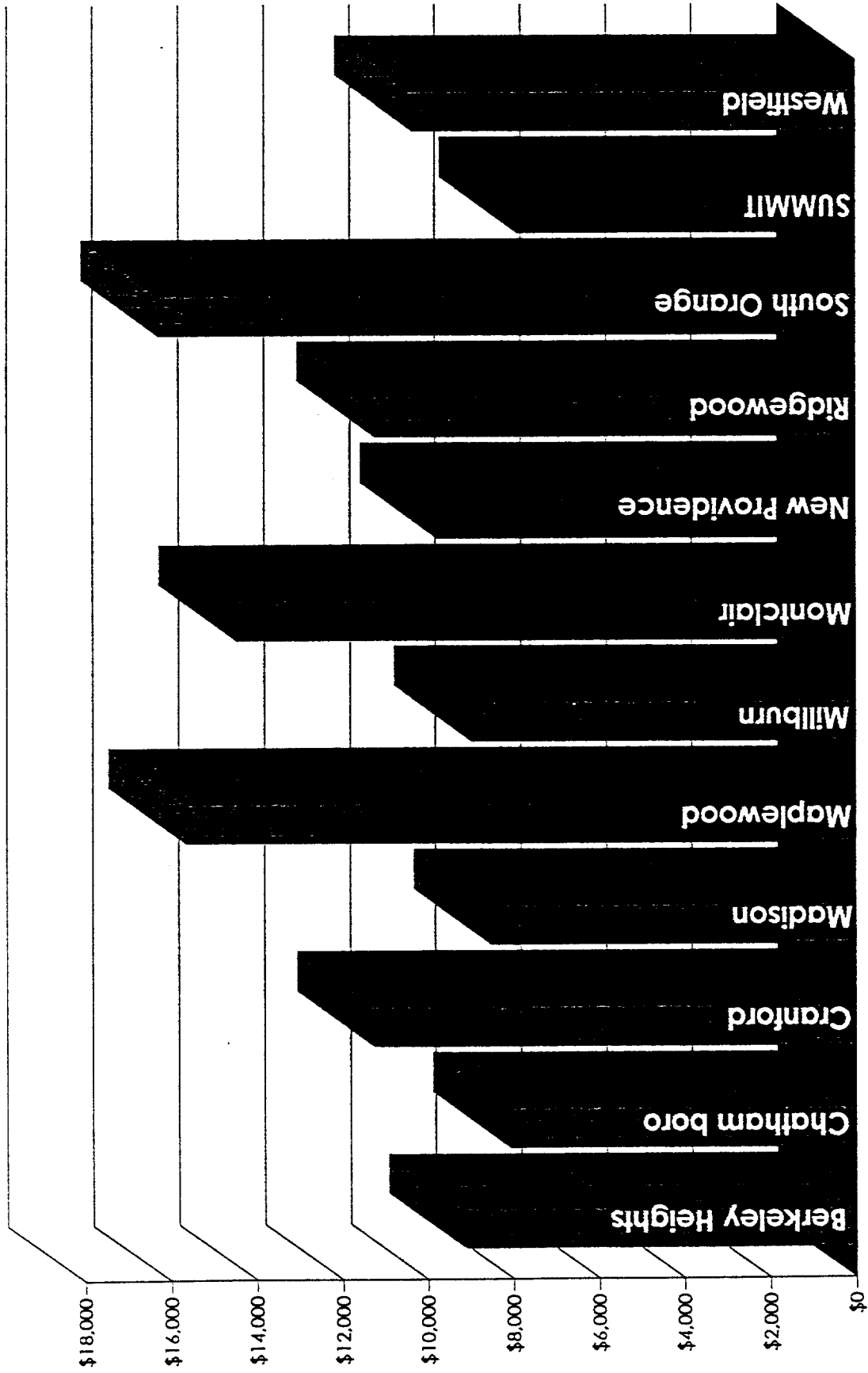
# Tax rates in the 90s

■ Operations

■ Debt



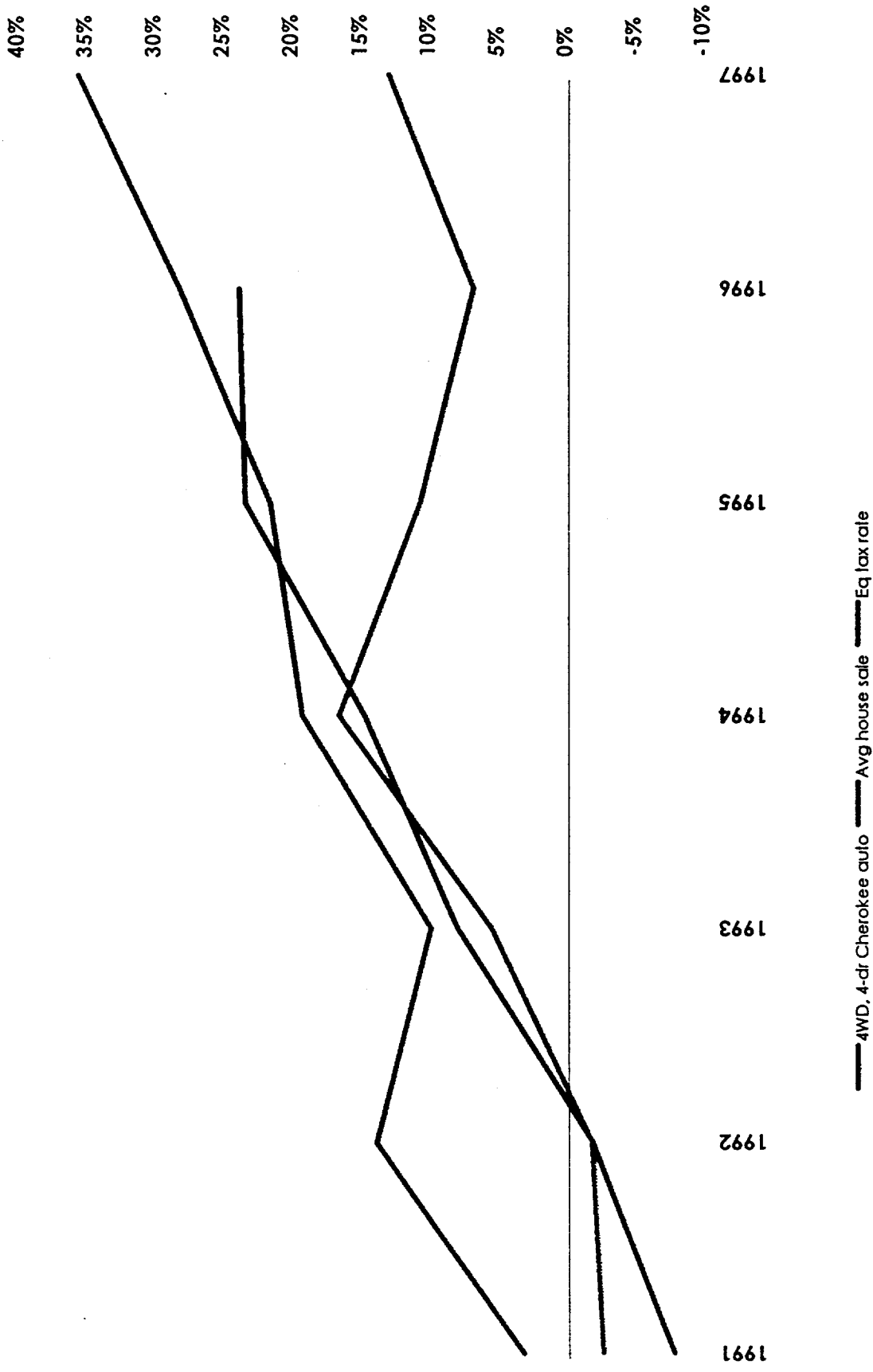
# Tax on \$450,000 property





# Houses, cars & taxes in the 90s

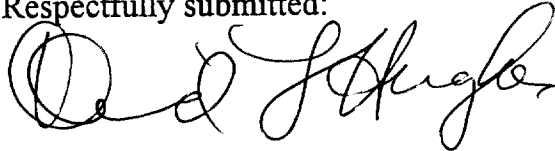
## Cumulative changes



Councilmember Dill referenced the Essex County Executive action by whereby he asked all employees to explain why their jobs were important. He felt it was an interesting concept. He urged each Councilmember to go out and look at the City's operation particularly for that which they were responsible.

Meeting adjourned on motion of Councilmember Dill.

Respectfully submitted:



David L. Hughes  
City Clerk

Approved:



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James B. Clark, Council President