

2018 Municipal Budget

March 27, 2018



2018 Budget Process

STEP-BY-STEP

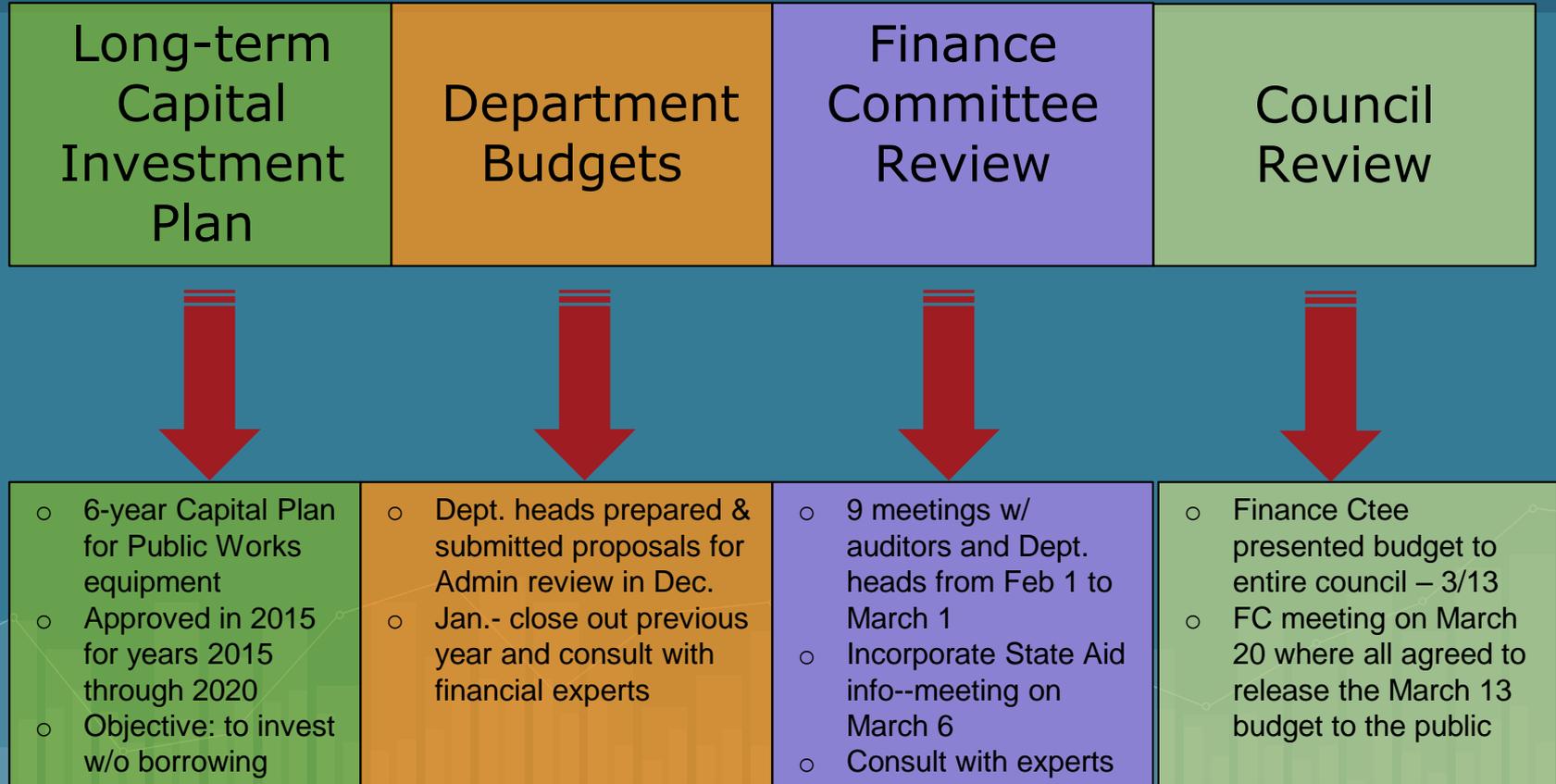




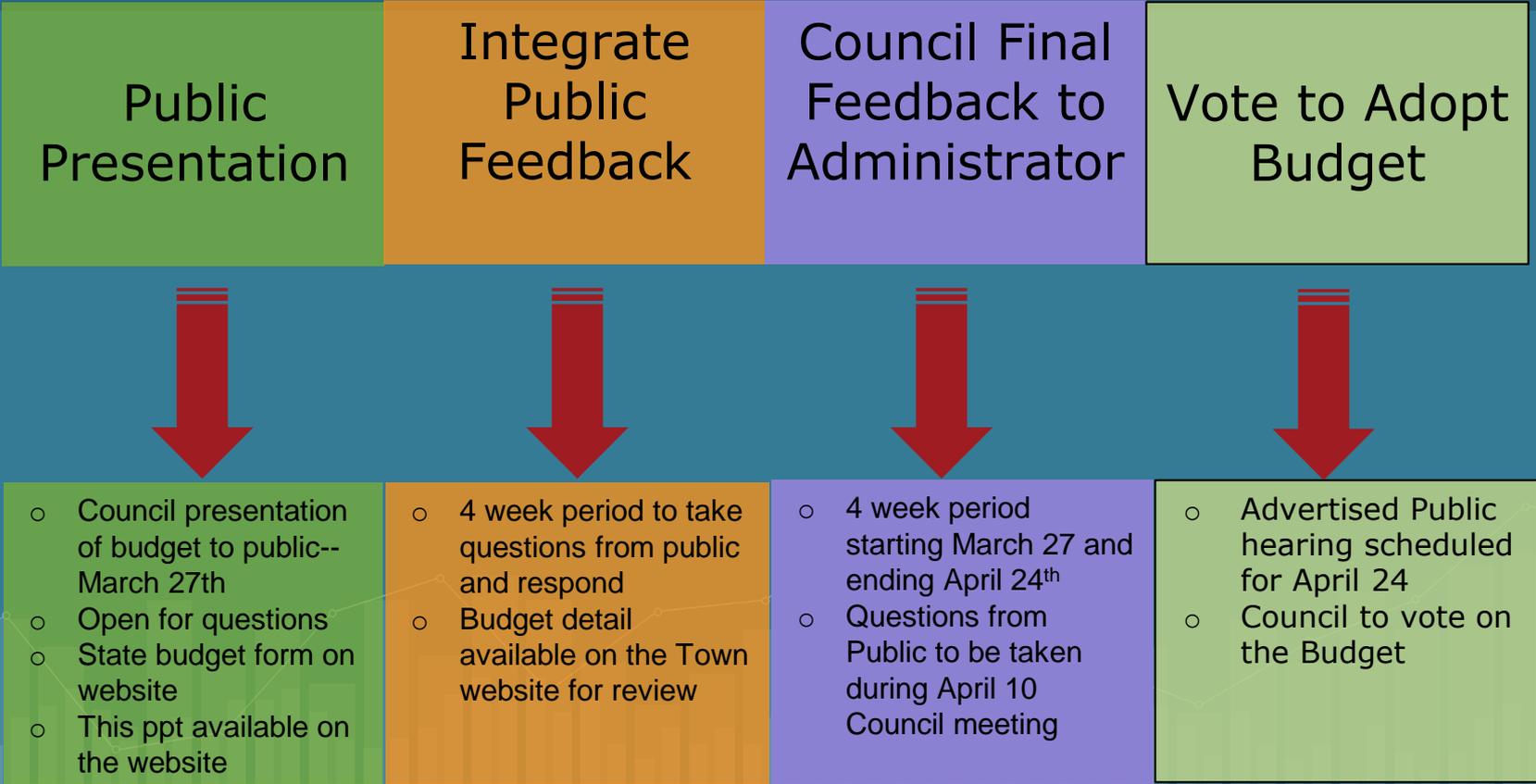
2018 Municipal Budget Objectives

- Minimize tax burden on residents while investing in People, Processes, and Infrastructure to establish Westfield as a 21st century community
- Maximize Westfield's non-property tax revenues over time
- Apply a private sector lens to the budget with the goal of creating a smarter, more efficient government over the long-term, enabling us to "do more with less" and to minimize tax rates over time

Budget Process & Timeline



Budget Process & Timeline

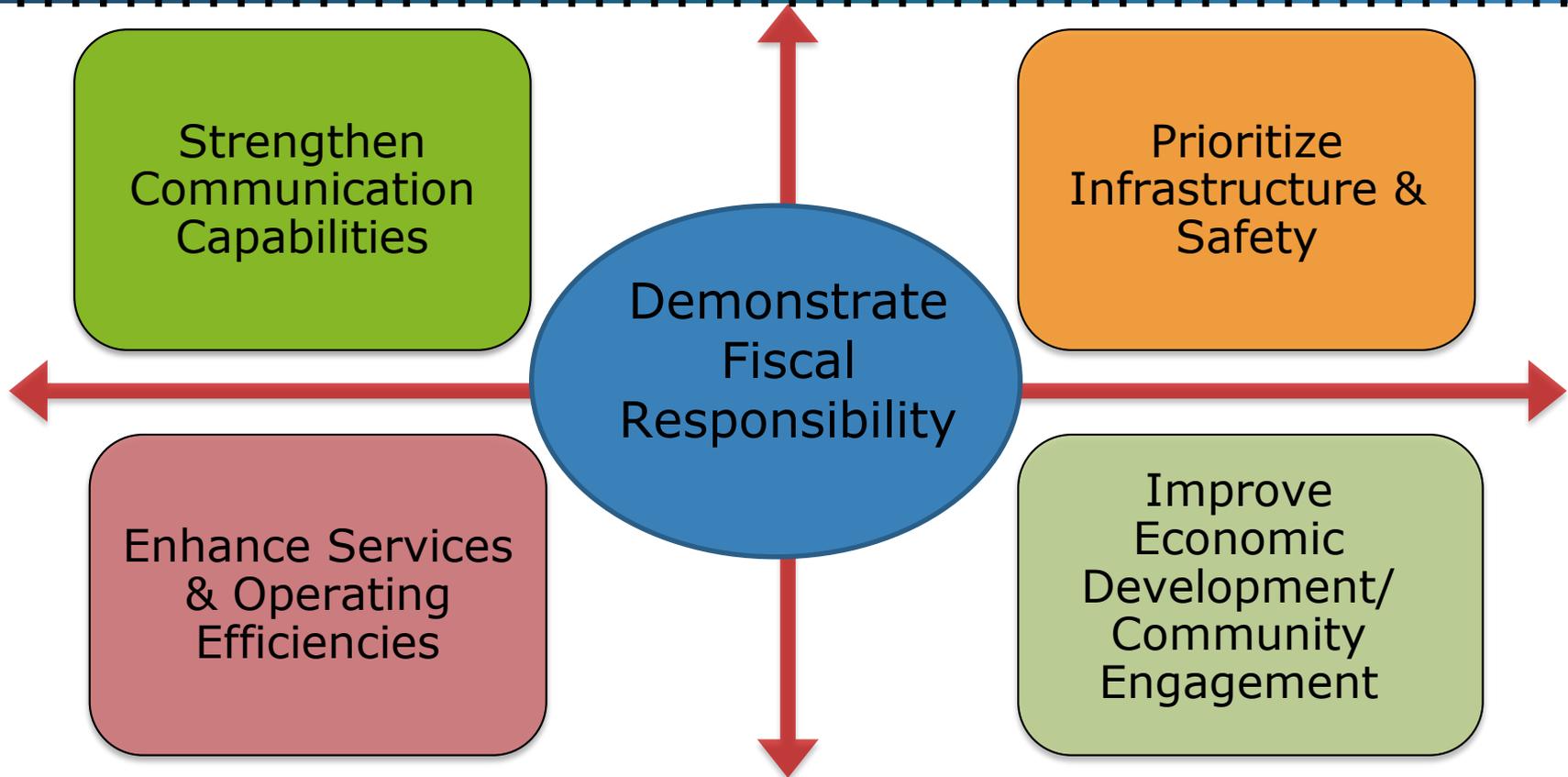




Building a 21st Century Community Is Critical To⁶ Sustaining Growth

- Establish a roadmap for attracting new employers/residents as a means to grow rateables and minimize property tax rate
- Evolve from a culture of enforcement to a culture of service as a means to becoming more business “friendly”
- Incorporate COAH obligations into a forward looking development plan
- Make investments that will uphold Westfield’s reputation as a vibrant, preeminent place to live and to meet the expectations of a new generation of residents
- Automate services that will enable us to eventually scale without adding costs
- Maximize the productivity of our most precious resource, our employees, without adding commensurate headcount
- Push for equitable allocation of dual locomotive trains to enable RVL “one seat ride” in the near term; continue to advocate for Gateway Project in the long term

Strategic Drivers





2018 GOALS & KEY ACTIONS

Goal #1



Key Actions

Demonstrate fiscal responsibility and sound financial management

- Maintain Westfield's 'AAA' bond rating
- Invest in projects that will yield a greater return over time
- Strengthen relationship with County to get "more bang for our buck"
- Strategically manage surplus to maximize investment and benefit to taxpayers



2018 GOALS & KEY ACTIONS

Goal #2



Key Actions

Strengthen communication capabilities & improve transparency

- Enhance transparency: volunteer app process, posting of Board members, live stream meetings, open RFQ/RFP, open budget process in '19
- Hire part-time Public Information Officer (PIO) to support department heads in communicating Town initiatives; mitigate need for web/social media consultants
- Streamline process and protocols to more effectively communicate during emergencies
- Upgrade town website to enable more services (i.e. online payments) and relevant content
- Increase external communications to promote the town and draw visitors



2018 GOALS & KEY ACTIONS

Goal #3



Key Actions

Enhance services to residents through increased operating efficiencies

- Proactively purchase new DPW equipment to reduce maintenance costs
- Explore shared DPW services with BOE & nearby towns
- Leverage technology to enable residents and Town to more efficiently report, track and respond to issues
- Hire engineering inspector to expedite construction apps, permitting, and road paving



2018 GOALS & KEY ACTIONS

Goal #4

Assess critical town assets, infrastructure, and safety needs

Key Actions

- Conduct firehouse feasibility study to determine need for new facility
- Implement proactive sewer cleaning downtown to mitigate clogging/flooding
- Complete strategic road paving plan to prioritize based upon need and publish results
- Strive for more stringent road protective ordinances to protect our paving investment
- Continue collaboration with BOE on key safety measures
- Prioritize road and pedestrian safety via enforcement measures with WPD



2018 GOALS & KEY ACTIONS

Goal #5



Key Actions

Emphasize
smart planning,
economic
development, &
growing
rateables

- Initiate master plan process to establish long-term vision for Downtown, parks, recreation, transit, sustainability, parking
- Explore near-term cost-efficient parking solutions for commuters, employees, and shoppers (Lyft, valet, ParkMobile)
- Introduce signature Town event that has revenue generating potential
- Leverage newly formed Property Owners Council to identify new business opportunities
- Strengthen partnership with reenergized DWC to enhance Downtown

2018 Proposed Budget

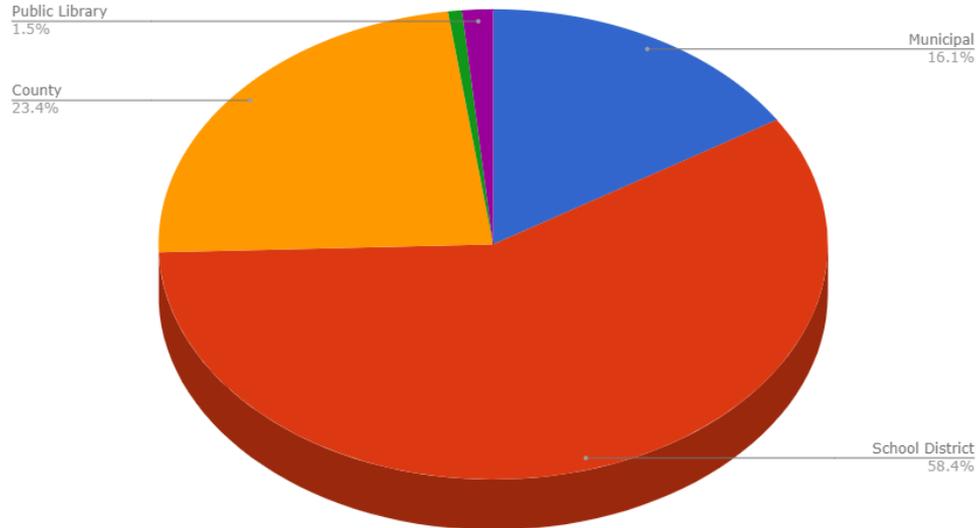
Overview





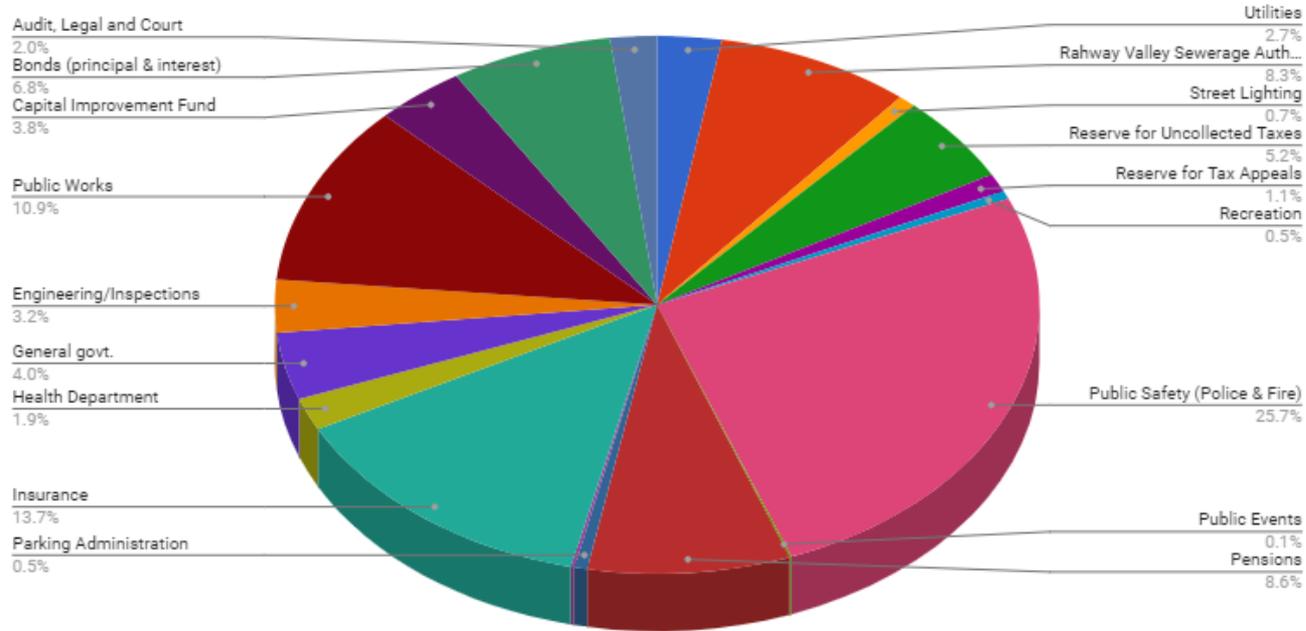
2017 Total Tax Collections = \$171,666,884

2017 Total Tax Collections = \$171,666,884.16





2018 Appropriations = \$45,639,386





76% of Total Budget = Non-Discretionary

Non-discretionary Costs	2017	2018	% Change	% of 2018 Budget
All Salaries & Wages	\$16,831,838	\$17,326,844	2.94%	37.96%
PFRS--Pension for Police & Fire	\$1,933,641	\$2,214,676	14.53%	4.85%
PERS--Pension for Public Employees	\$910,547	\$973,143	6.87%	2.13%
Social Security	\$648,000	\$650,000	0.31%	1.42%
Rahway Valley Sewer Authority	\$3,512,442	\$3,770,425	7.34%	8.26%
Health Insurance	\$5,185,000	\$5,189,000	0.08%	11.37%
Joint Insurance Fund	\$1,032,639	\$1,079,936	4.58%	2.37%
Utilities	\$1,607,000	\$1,580,000	-1.72%	2.7%
Reserve for Uncollected Taxes	\$2,345,000	\$2,390,000	1.92%	5.24%
Total	\$34,006,107	\$35,174,024	3.43%	76.3%

Details of Capital Improvement Fund Appropriation

- 2 street sweepers
- 2 large & 2 mid-size dump trucks
- 2 utility vehicles
- 1 75' bucket truck
- 1 cardboard compactor
- State of the art Paving equipment
- General additions to Capital Improvement Fund

Total Cost: \$1,725,000



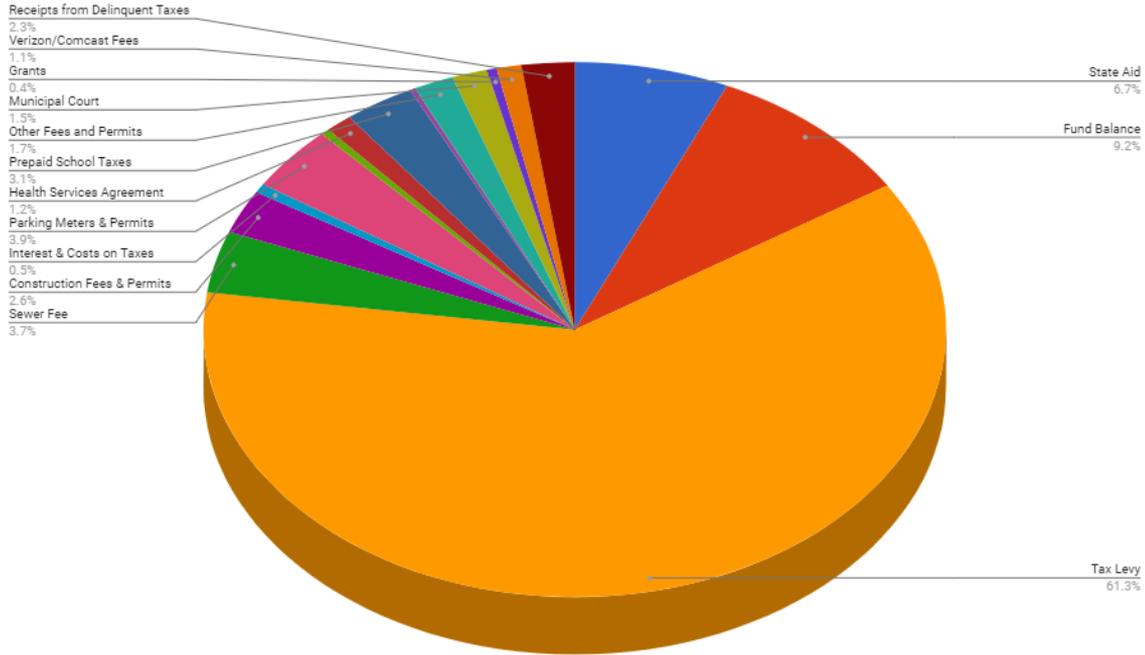
2018 Capital Improvement Fund budget represents two years (4 & 5) of six year capital investment plan for public works equipment initiated in 2015.



2018 ANTICIPATED REVENUES

Miscellaneous revenue is anticipated to increase by 9.35% in 2018

Same category:
-.48% in 2017
+3.72% in 2016





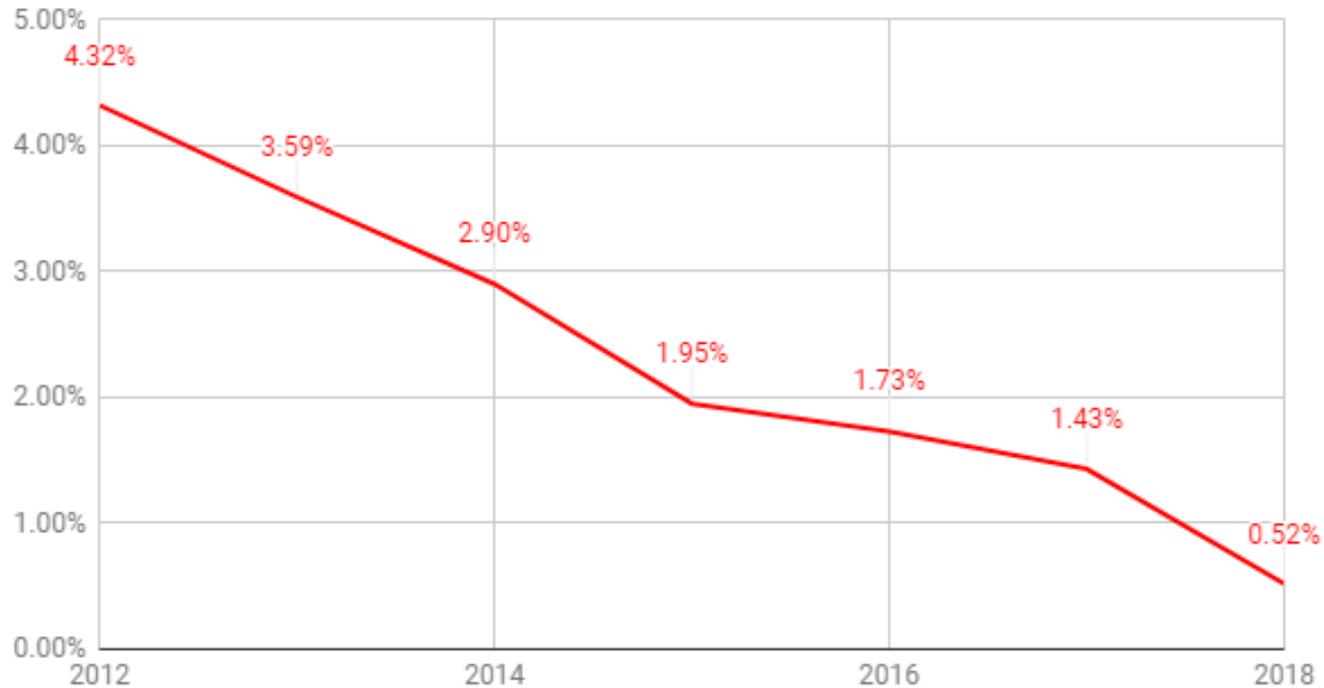
HISTORICAL SURPLUS AVAILABILITY

Year	Fund Balance Available a/o Jan. 1	% of Budget	Fund Balance Appropriated	Fund Balance Generated
2008	\$3,894,896	10.28%	\$3,785,000	\$2,738,527
2009	\$2,848,423	7.18%	\$2,700,000	\$1,907,122
2010	\$2,055,545	5.26%	\$1,840,000	\$1,627,557
2011	\$1,843,103	4.67%	\$1,719,000	\$74,391
2012	\$198,494	0.50%	\$0	\$1,431,303
2013	\$1,629,797	3.99%	\$750,000	\$3,840,667
2014	\$4,720,465	11.49%	\$906,023	\$2,776,449
2015	\$6,590,891	16.64%	\$167,172	\$3,159,303
2016	\$9,583,022	23.25%	\$974,344	\$3,800,986
2017	\$12,409,665	28.97%	\$2,174,344	\$4,275,196
2018	\$14,510,517	31.79%	\$4,200,000	?



• 52% = Lowest Municipal Tax Rate Increase in Decades

Year-over-Year Tax Rate Increases





MUNICIPAL TAX LEVY & TAX RATE CALCULATIONS

- **Tax Levy** – amount municipality needs to raise through taxation of property owners after accounting for non-property tax revenues and anticipated expenditures
 - There is a 2% cap on the tax levy + allowable exclusions that can be passed through to the taxpayer

- **Tax Rate** - the municipal tax levy divided by the assessed value of all town property (annual ratables)



$$\text{Expenditures} - \text{Revenues} = \text{Tax Levy}$$
$$\$45,639,386 - \$17,663,890 = \$27,975,496$$

2018 Tax Levy Increase = 1.13%



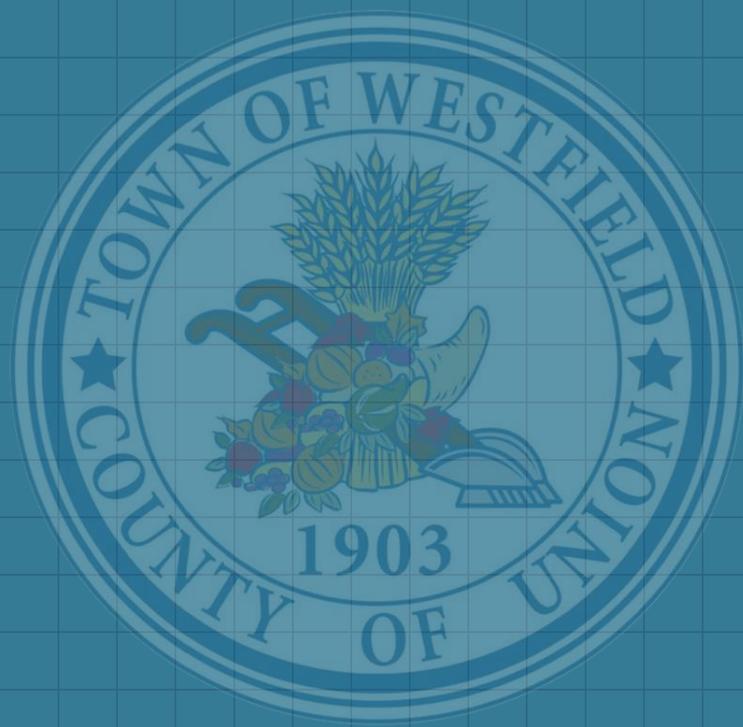
$$\text{Tax Levy} / \text{Total Ratables} = \text{Tax Rate}$$
$$\$27,975,496 / \$1,868,094,590 = .0149754$$

2018 Tax Rate Increase = 0.52%

2018 Budget Highlights



- Despite more than \$1.4 million increase in non-discretionary costs (31%) and \$150K+ of storm clean up costs, tax levy increase is only .52%
- Non-property tax revenue is up ~\$800K or 9.35%
- A surplus of \$4.2m generated in 2017 will be used for strategic investments in equipment and technology to improve services and decrease costs over time in addition to lowering the tax rate increase
- Surplus balance will be retained at target \$10 million in line with 2017



QUESTIONS?

Contact Us: budget@westfieldnj.gov