



2019 Municipal Budget Questions & Answers

In accordance with the process prescribed by State Law, the Town Council formally introduced the municipal budget on March 26, 2019. The budget presentation made at the March 26th meeting can be viewed in its entirety at the following link to the Town's website:

<http://www.westfieldnj.gov/budget>.

The Town Council has been encouraging residents to email any questions they may have about the municipal budget to the budget@westfieldnj.gov email address prior to the scheduled public hearing on April 23, 2019.

The following are the questions asked in the order they were received through the budget email address and the applicable answers provided by the Town.

QUESTION:

I was unable to attend the 1/31/19 budget meeting because I was out of town, but I have read both the TAP article and The Leader article and that leads me to have the following questions:

- 1. For 2018, was the entire \$4.2 million in surplus spending allocated as outlined in Jim's table from 4/9/18 below actually spent? If not, how much was spent?**
- 2. The TAP and Leader articles published after the 1/31/19 meeting and the meeting presentation from the Town Website state that " We utilized \$4.2 million of our surplus for strategic investments in equipment, technology and to reduce the tax rate; and we generated all of it back. Our surplus as of 12/31/18 is \$14.51 million." So that means that in the Fund Balance Generated for 2018 will be \$4.51 million (see the chart in the 4/9/18 email below that gives this information for prior years) -- is that correct?**
- 3. And can you tell me where the monies that we generated in 2018 came from (perhaps there is a table that will provide that detail by major category)?**
- 4. For 2019, what is the Fund Balance Available Jan. 1 -- I assume it is \$14.51 million from the budget presentation quoted above?**
- 5. For 2019, what do you anticipate that the Fund Balance Appropriated (Surplus spending) will be?**

I'm hopeful you will post FAQs on the town website as these questions come just as you did in 2018 to help residents further understand the budget. I also hope that you will hold more public sessions as the details of the 2019 budget come together.

ANSWER:

Thank you for your email. We are able to provide answers to your questions below:

- 1. For 2018, was the entire \$4.2 million in surplus spending allocated as outlined in Jim's table from 4/9/18 below actually spent? Yes, it was all spent and allocated to exactly what the table showed below. If not, how much was spent? N/A**



2. The TAP and Leader articles published after the 1/31/19 meeting and the meeting presentation from the Town Website state that " We utilized \$4.2 million of our surplus for strategic investments in equipment, technology and to reduce the tax rate; and we generated all of it back. Our surplus as of 12/31/18 is \$14.51 million." So that means that in the Fund Balance Generated for 2018 will be \$4.51 million (see the chart in the 4/9/18 email below that gives this information for prior years) -- is that correct? **Very close. The actual numbers for 2018 and 2019 are as follows:**

Starting balance 2018 = \$14,510,516

Anticipated \$4,200,000 in 2018 budget

Balance left in fund balance = \$10,310,516

Generated \$4,200,839 in 2018

Starting balance 2019 = \$14,511,356



3. And can you tell me where the monies that we generated in 2018 came from (perhaps there is a table that will provide that detail by major category)? **The surplus is generated from the same categories every year. They are as follows:**

	<u>2018</u>	<u>2017</u>
Excess (Deficit) Anticipated Revenues	378,478.24	850,403.89
Excess Delinquent Tax Collections	39,892.75	2,255.88
Excess Current Tax Collections	2,536,662.69	2,417,540.11
Canceled Budget Appropriations	2.50	22.51
Miscellaneous Revenue Not Anticipated	847,386.92	240,258.98
Appropriation Reserves Lapsed	856,840.89	910,135.77
Interfunds Returned	36,507.50	0.00
School Taxes Deferred	881,755.50	1,645,843.50
Interfunds Advanced/Appeals	(19,865.16)	(390,408.48)
Prepaid School Taxes	(1,356,822.00)	(1,400,856.50)
	<u>4,200,839.83</u>	<u>4,275,195.66</u>

4. For 2019, what is the Fund Balance Available Jan. 1 -- I assume it is \$14.51 million from the budget presentation quoted above? **Yes, the beginning balance on Jan. 1, 2019 = \$14,511,356.**

5. For 2019, what do you anticipate that the Fund Balance Appropriated (Surplus spending) will be? **Too early to tell yet as the Finance Policy Committee is still in the budget formulation stage.**

I'm hopeful you will post FAQs on the town website as these questions come just as you did in 2018 to help residents further understand the budget. **We do expect to provide the same kind of FAQ responses as we did in 2018 as that did provide to be helpful and educational.** I also hope that you will hold more public sessions as the details of the 2019 budget come together. **There is expected to be three more public budget meetings.**



QUESTION:

Last year, you were very kind to provide the information in the email below for the planned \$4.2 million surplus. Can you provide the same for the \$4.99 million in surplus to be spent in 2019?

Also, Councilwoman Habgood spoke of \$5.5 million in surplus spending for 2019 last night, yet you spoke of (and your charts noted) \$4.99 million. Which is the correct amount?

----- Forwarded message -----

From: **James Gildea** <administrator@westfieldnj.gov>

Date: Mon, Apr 9, 2018 at 5:55 PM

Subject: RE: Budget questions

To: (Redacted) <redacted>.<redacted>.com>, Linda Habgood <habgoodtowncouncil@gmail.com>

Cc: Shelley Brindle <mayorbrindle@westfieldnj.gov>, Frank Arena <farena@westfieldnj.gov>, Linda Habgood <lhagood@westfieldnj.gov>, Michael Dardia <mdardia@westfieldnj.gov>, Joann Neylan <jneylan@westfieldnj.gov>, David Contract <dcontract@westfieldnj.gov>, Mark LoGrippto <mlogrippto@westfieldnj.gov>, Dawn Mackey <dmackey@westfieldnj.gov>, Doug Stokes <dstokes@westfieldnj.gov>, Scott Olsen <cfo@westfieldnj.gov>

I am responding on behalf of the Town Council to your most recent questions and your questions of historical spending from an earlier email.

In regard to your recent questions about an "itemized spreadsheet that shows complete and full detail of each and every appropriation with its cost, totaling the \$4.2 million that will be used from surplus" I can provide the following:

Surplus is considered to represent cash and may be utilized as a revenue item in the budget to support appropriations. Please keep in mind that under New Jersey municipal budget law, surplus is not required to be attributed to any specific line items as it is anticipated as a lump sum revenue item. Over the years the Town has used surplus to offset certain expenses and to manage the municipal tax rate. Here is a quick itemized spreadsheet showing the 2018 and 2017 itemized list of the appropriation increases or full appropriations that surplus is being proposed to offset in addition to a portion used to manage the tax rate.

	<u>2018</u>	<u>2017</u>
Available Surplus (Jan. 1)	14,510,517	12,409,665
Police & Fire Pensions Increase	\$281,035.00	-\$129,536.00
Public Employee Pensions Increase	\$62,596.00	\$31,608.00
Reserve for Uncollected Taxes Increase	\$45,000.00	\$45,000.00
Rahway Valley Sewer Authority Increase	\$257,983.00	\$142,546.00
Health Insurance Increase	\$4,000.00	\$237,000.00
Joint Insurance Fund Increase	\$86,917.00	\$12,784.00



Debt Service Increase	\$531,600.00	\$173,195.00
Tax Appeal Reserve	\$500,000.00	\$500,000.00
Deferred Charges (Revaluation Costs)	\$190,000.00	\$50,000.00
Capital Improvement Fund*	\$1,725,000.00	\$1,100,000.00
	<u>\$3,684,131.00</u>	<u>\$2,162,597.00</u>
Additional Surplus to Reduce Tax Rate	\$515,869.00	\$11,747.00
Total Surplus Used	\$4,200,000.00	\$2,174,344.00

Tax Rate	0.52%	1.43%
----------	-------	-------

*In addition, the breakdown of items included in the 2018 Capital Improvement Fund line item equaling \$1,725,000 are as follows:

- 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 addition to Capital Improvement Fund account

ANSWER:

As per your questions we can provide the following information:

Surplus is considered to represent cash and may be utilized as a revenue item in the budget to support appropriations. Please keep in mind that under New Jersey municipal budget law, surplus is not required to be attributed to any specific line items as it is anticipated as a lump sum revenue item. Over the years the Town has used surplus to offset certain expenses and to manage the municipal tax rate. Here is a quick itemized spreadsheet showing the 2019, 2018 and 2017 itemized list of the appropriation increases or full appropriations that surplus is being proposed to offset in addition to a portion used to manage the tax rate.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Available Surplus (Jan. 1)	14,511,356	14,510,517	12,409,665
Police & Fire Pensions (Inc./Dec.)	\$246,487.00	\$281,035.00	-\$129,536.00
Public Employee Pensions (Inc./Dec.)	\$83,757.00	\$62,596.00	\$31,608.00
Reserve for Uncollected Taxes (Inc./Dec.)	\$50,000.00	\$45,000.00	\$45,000.00
Rahway Valley Sewer Authority (Inc./Dec.)	\$289,248.00	\$257,983.00	\$142,546.00



Health Insurance (Inc./Dec.)	-\$251,000.00	\$4,000.00	\$237,000.00
Joint Insurance Fund (Inc./Dec.)	-\$23,608.00	\$86,917.00	\$12,784.00
Debt Service (Inc./Dec.)	\$4,247.00	\$531,600.00	\$173,195.00
Tax Appeal Reserve	\$750,000.00	\$500,000.00	\$500,000.00
Deferred Charges (Revaluation Costs)	\$190,000.00	\$190,000.00	\$50,000.00
Capital Improvement Fund*	<u>\$1,300,000.00</u>	<u>\$1,725,000.00</u>	<u>\$1,100,000.00</u>
Total Surplus Used to Offset	\$2,639,131.00	\$3,684,131.00	\$2,162,597.00
Additional Surplus to Reduce Tax Rate	\$2,354,869.00	\$515,869.00	\$11,747.00
Total Surplus Used	\$4,994,000.00	\$4,200,000.00	\$2,174,344.00
Tax Rate Increase	0.00%	0.52%	1.43%
Surplus Balance Remaining	\$9,517,356.00	\$10,310,517.00	\$10,235,321.00

*In addition, the breakdown of items included in the 2019 Capital Improvement Fund line item equaling \$1,300,000 were on slide 27 of last night's presentation.

2019 Capital Improvement Fund

- 2 large dump trucks
- 4 mid size pick up trucks
- 1 large dump truck
- 1 sewer jet truck
- General additions to Capital Improvement Fund



Total 2019 Cost: \$1,300,000

2019 Capital Improvement Fund budget represents year 7 of a 9 year capital investment and rebranding plan for public works equipment initiated in 2015. Equipment purchases were doubled in 2016 and 2018.





QUESTION:

Is there a plan in the budget to pave streets where the gas company replaced the gas lines? They patched the trenches and qholes that were made, but it needs repaving. If I remember correctly, a gas company rep said they would contribute half the cost of repaving.

ANSWER:

Thank you for your email. Elizabethtown Gas is responsible to repair/restore the area that they have disturbed and they will be back over the next few months to perform that work. The Town is currently formulating its own annual road paving program which is paid for out of the annul capital budget which is separate from the municipal budget. We are in discussions with Elizabethtown Gas to see how we can coordinate paving efforts with them. Information about the 2019 road paving program is expected to be released in the next month and the Town will be following up with Elizabethtown Gas to make that they make sure they restore their work. Thank you

QUESTION:

Can surplus be used to pay for road paving projects?

ANSWER:

Thank you for your email. Surplus is considered to represent cash and is utilized as a revenue item in the budget to support appropriations. Capital expenses, including the annual road paving program, are funded by authorizing funding through bond ordinances which are separate from the municipal budget, so surplus cannot be used directly to “pay for road paving projects.” Thank you



QUESTION:

I have a question about the budget for Consultants for 2019. The 2018 budget included \$259K for consultants:

\$40K for a Parks Consultant

\$59K for a Master Plan Consultant

\$40K for a Parking Consultant

\$120K for Firehouse relocation Consultant

What will be the 2019 spending for Consultants? Please provide a list similar to the above.

In addition, the 2018 budget included \$40K for a Part Time Public Information Officer. Will this be a recurring expense in 2019? And what other part time staff will be added in 2019? How much and for what?

Thanks so much for your kind reply.

ANSWER:

We are able to provide the following responses in red below:

\$40K for a Parks Consultant (\$0 in 2019)

\$59K for a Master Plan Consultant (See note below)

\$40K for a Parking Consultant (The 2018 Master Plan Consultant line item was \$60K and was combined with the parking consultant line item of \$40K for a total of \$100K. The contract for our Master Plan consultant was awarded in 2018 to H2M for \$96,350 which included a parking consultant. The 2019 budget includes \$100K for consultant work to produce the Land Use and Transportation Plan Element reports as companion documents to the Master Plan Reexamination report.)

\$120K for Firehouse relocation Consultant (\$45K in 2019 for the next phase of the project once the Master Plan feedback is incorporated)

What will be the 2019 spending for Consultants? Please provide a list similar to the above. (In summary, the consultant costs budgeted for in 2019 include \$100K for companion land use element reports, \$18K to perform an evaluation of meeting room spaces in Town Hall and \$45K for the next phase of the Firehouse feasibility process for a total of \$163K.)

In addition, the 2018 budget included \$40K for a Part Time Public Information Officer. Will this be a recurring expense in 2019? Yes

And what other part time staff will be added in 2019? How much and for what? There is no additional part time staff proposed to be added in 2019.