



CITY OF TRENTON FY 2018 BUDGET INTRODUCTION

October 5, 2017

2018 FY BUDGET TIMELINE

October 3, 2017	Ordinance to exceed the municipal budget appropriations limits/COLA
	First reading-approved by council/2nd reading Oct 19th
October 5, 2017	Budget Presentation and Council to vote on Introduced budget
October 13, 2017	Transitional Aid Application submitted
DURING MONTH OF OCTOBER	Departmental Budget workshops-TBD by Councilwoman Verlina Reynolds-Jackson
November 2, 2017	Public Hearing on the Introduced Budget
BEFORE November 21, 2017	Completion of the Budget Examination Process which will result in obtaining DCA approval to ADOPT BUDGET
November 21, 2017	Council to Introduce and approve the FY 2018 Budget Amendment
TENTATIVE	Council authorizes the publication of the budget amendment
	Budget Amendments are prepared based on Council recommendations during the departmental workshop process and other information gathered
12/1/2017-TENTATIVE	Publication of the FY 2018 Budget Amendment
Public Hearing on the Budget Amendments	Publication and hearing is required if a new appropriation is in excess of
If needed-notice of hearing on the amendment shall be advertised 3 days prior to the date set for adoption	1% of the total appropriations, increases or decreases by more than 10% in any item of appropriation or increases the amount by more than 5%
DECEMBER 7, 2017-TENTATIVE	Council to vote on budget Amendment and budget adoption

FY 2018 VERSUS FY 2017 COMPARISON

REVENUE	2018 INTRODUCED	2017 FINAL	VARIATION
STATE AID	\$68,964,560.00	\$70,176,940.00	(\$1,212,380.00)
TAXES	\$83,279,812.54	\$83,921,284.49	(\$641,471.95)
GRANTS	\$1,374,521.25	\$4,851,162.39	(\$3,476,641.14)
IN LIEU OF TAXES	\$12,570,160.05	\$12,296,231.79	\$273,928.26
OTHER REVENUE	\$38,401,422.60	\$31,902,332.26	\$6,499,090.34
TOTAL	\$204,590,476.44	\$203,147,950.93	\$1,442,525.51
APPROPRIATIONS	2018 INTRODUCED	2017 FINAL	VARIATION
SALARY & WAGE	\$82,749,560.13	\$79,433,357.85	\$3,316,202.28
FRINGE	\$53,363,927.52	\$48,430,506.45	\$4,933,421.07
DEPARTMENT OE	\$19,636,071.16	\$17,622,119.65	\$2,013,951.51
UTILITY	\$6,365,900.00	\$6,710,000.00	(\$344,100.00)
INSURANCE	\$100,000.00	\$146,062.98	(\$46,062.98)
LIBRARY	\$2,000,000.00	\$2,000,000.00	\$0.00
GRANT & GRANT MATCH	\$2,027,059.41	\$5,673,362.31	(\$3,646,302.90)
CAPITAL ITEMS	\$275,600.00	\$291,600.00	(\$16,000.00)
SICK AND VACATION BUYOUT	\$0.00	\$5,000,000.00	(\$5,000,000.00)
UNEMPLOYMENT	\$0.00	\$90,000.00	(\$90,000.00)
CAPITAL IMPROVEMENTS	\$250,000.00	\$0.00	\$250,000.00
DEFERRED CHARG & JUDGEMENT	\$2,486,000.00	\$3,459,811.78	(\$973,811.78)
DEBT SERVICE	\$25,302,156.38	\$25,624,717.38	(\$322,561.00)
SHARED SERVICES	\$290,609.25	\$290,609.25	\$0.00
RES. FOR UNCOLLECTED TAXES	\$9,743,592.59	\$8,375,803.28	\$1,367,789.31
TOTAL	\$204,590,476.44	\$203,147,950.93	\$1,442,525.51

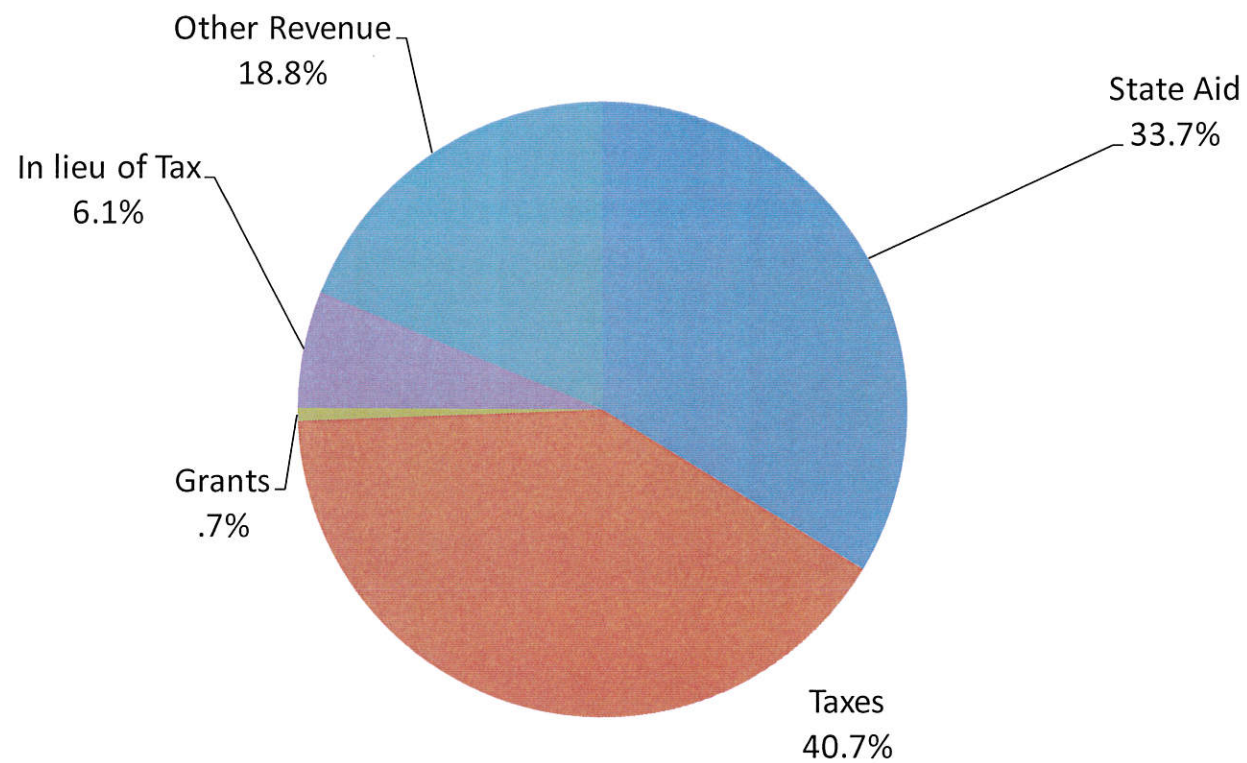
Overview

- Proposed 2018 Budget totals \$204.6 million including grants, an increase of \$1.4 million as compared to FY 2017, primarily due to favorable collections of delinquent taxes of \$2.5M offset by the \$1.2M elimination of the debt associated with the prior year school building aid allowance
- Appropriations are primarily driven by increases in Police and Fire Retirement system (PFRS) and Public Employee Retirement system (PERS) pension payments of \$1.9M and .3M respectively, health benefits increase of \$2.7M, a staffing plan of \$1.7M for the Department of Public Works and elimination of the full year impact of the Safer Grant of \$1.1M. This is offset by a prior year \$5M reserve set up for sick and vacation buyout
- Proposed municipal tax levy increased by \$ 3.1 million, from \$78.5 million in FY 2017 to \$81.6 million in FY 2018, or 3.9% increase

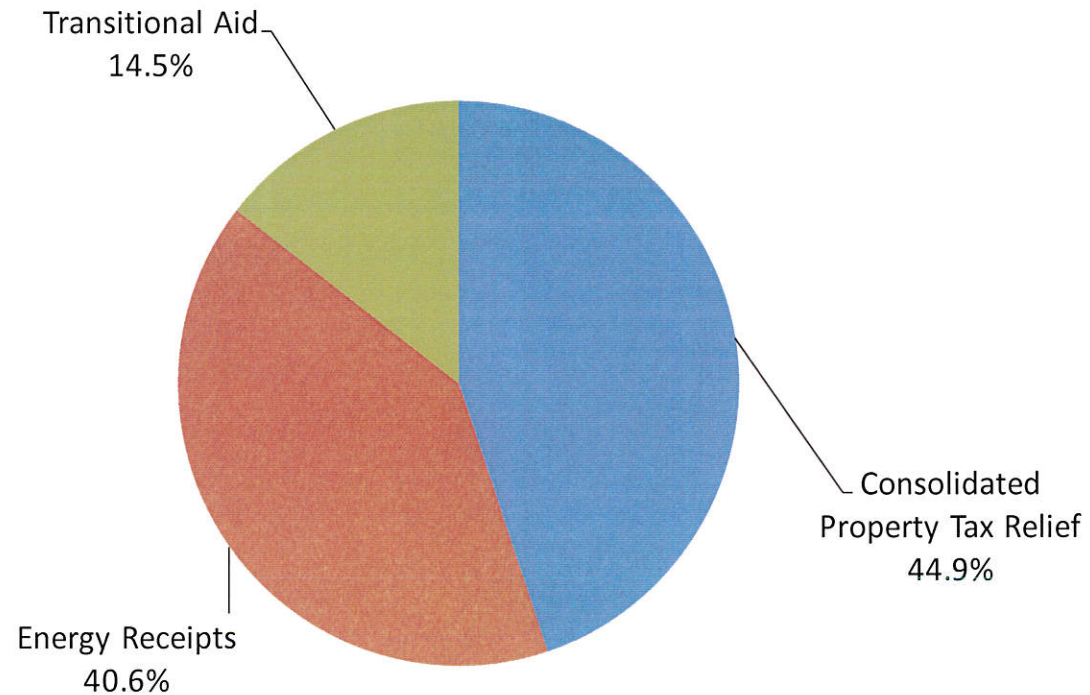
FY 2018 Revenue Summary

- Revenue totals \$203.2 million excluding grants of \$1.4M
- The city is requesting \$10M in Transitional Aid award amount and this is anticipated in the Fiscal Year 2018 budget
- Other State aid including CMPTRA and Energy Receipt Tax were finalized in the State Aid CY 2017/SFY 2018 Recapitulation and Payment schedule is budgeted at \$30.9M and \$28.0M respectively

FY 2018 REVENUE OUTLOOK



FY 2018 STATE AID OUTLOOK



FY 2018 APPROPRIATIONS

Summary

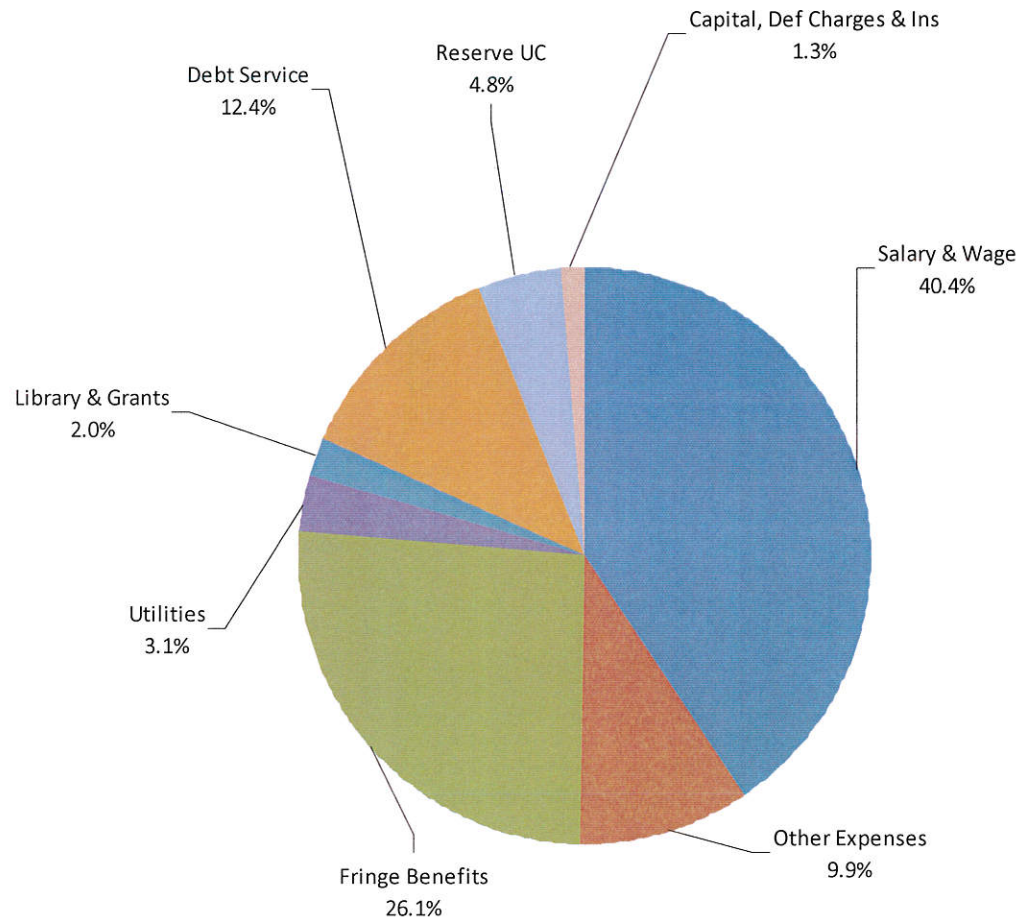
- **Over-all department costs which represents 50% of the total FY 2018 appropriations budget (40% salary and wage and 10% other expenses) is primarily driven by increases in Fire resulting from the elimination of the full year impact of the Safer Grant of \$1.1M and Staffing objectives for Public works in the amount of \$1.7M**
- **Fringe Benefits costs which represents 16% of the total FY 2018 appropriations budget is primarily the result of the elimination of the full year impact of the Safer grant of \$1.0M (\$1.4M CREDIT to the Appropriation in 2017 versus .4M CREDIT to the appropriation in FY 2018)**
- **In addition, TOTAL employee health care contributions for FY 2018 are \$7.0M (credit to the appropriation) versus \$8.2M (credit to the appropriation) for FY 2017 for a TOTAL of \$1.2M reduction in the credit. This reduction to the credit translates to our employees benefiting from a lower payroll deduction. This comes as a result of the selection of our new benefit provider AETNA as of August 1, 2017**
- **Finally the Fringe budget assumes 50 new retirees for Fiscal Year 2018 for a cost of .4M**

FY 2018 APPROPRIATIONS

Summary-continued

- Pension and Social Security which represents 11% of the total FY appropriations is related to the payment increase of \$1.9M for Police and Fire Retirement System (PFRS) and \$.3M for Public Employees Retirement System (PERS)
- The City's debt Service represents 12% of the total FY 2018 appropriations budget is driven by an increase in Municipal Debt service of \$1.6M versus the decrease of \$1.9M of the total school debt service
- Finally other impacts include the reserve for uncollected taxes which represents 5% and deferred charges which represent 6%

FY 2018 APPROPRIATIONS OUTLOOK



Tax Impact of Budget

- Total Municipal tax levy, including Type I School and Minimum Library tax, will increase to \$83.3 million in FY 2018 from \$80.9M million in FY 2017
- Total Municipal tax rate will increase from \$3.42 in FY 2017 to 3.47 in FY 2018. This represents an increase in tax rate of 5 cents, or .01%.
- The FY 2017 tax rate was restated for comparison based on the revaluation of the city's assessed value at the equalization rate of 85.5
- This represents an increase in tax bill of \$32 for a home assessed at \$62,772-Trenton's average residential assessment after the revaluation