



# CITY OF TRENTON FY 2018 BUDGET INTRODUCTION

October 5, 2017

# 2018 FY BUDGET TIMELINE

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

# 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   |
|                            |                  |                  |                  |

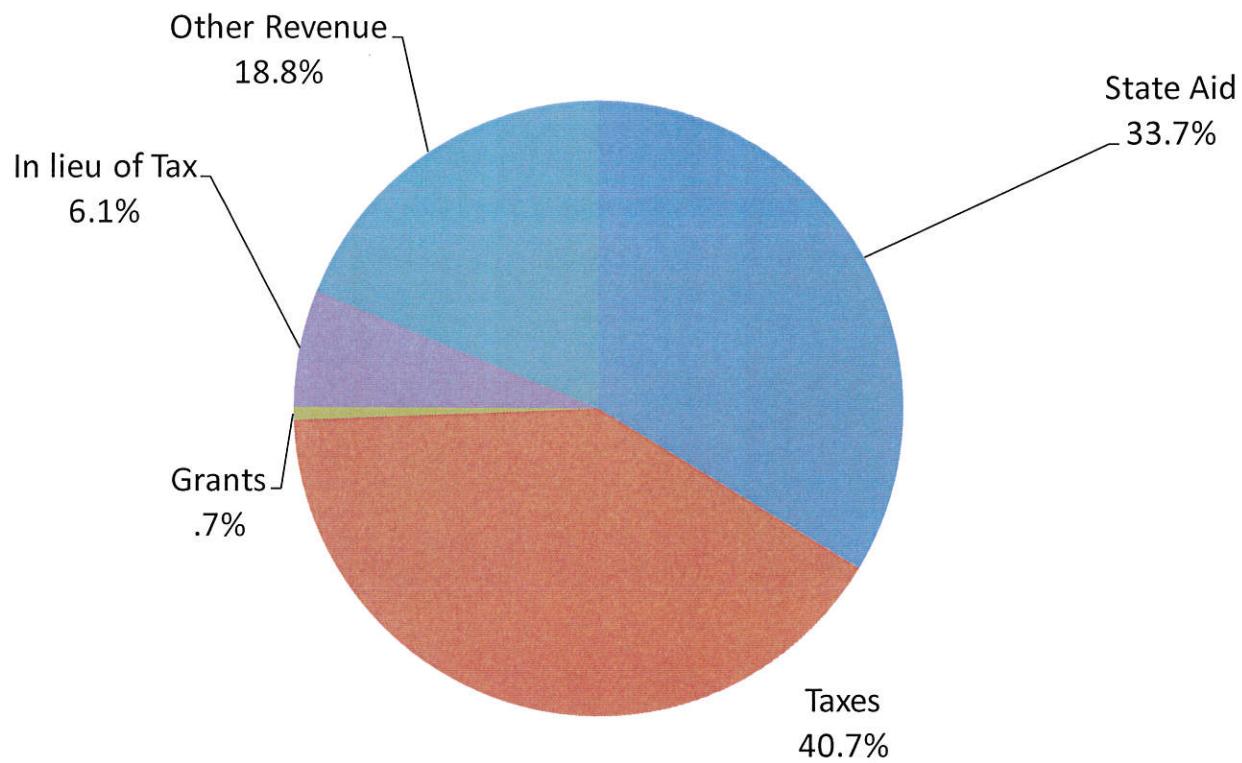
# Overview

- 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

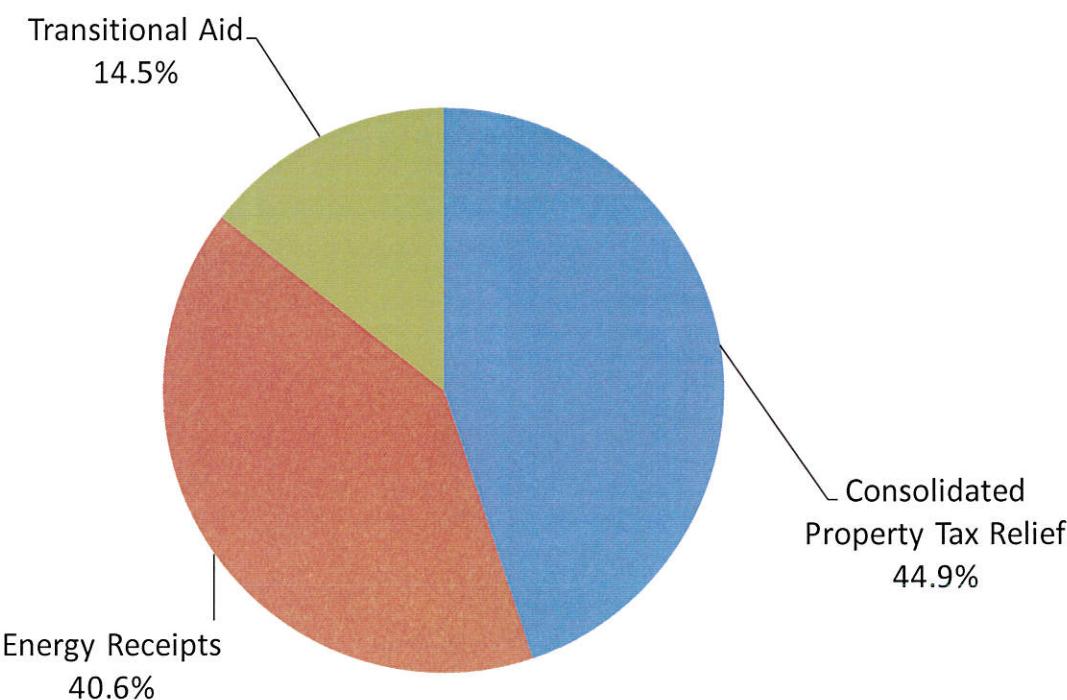
# FY 2018 Revenue Summary

- 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

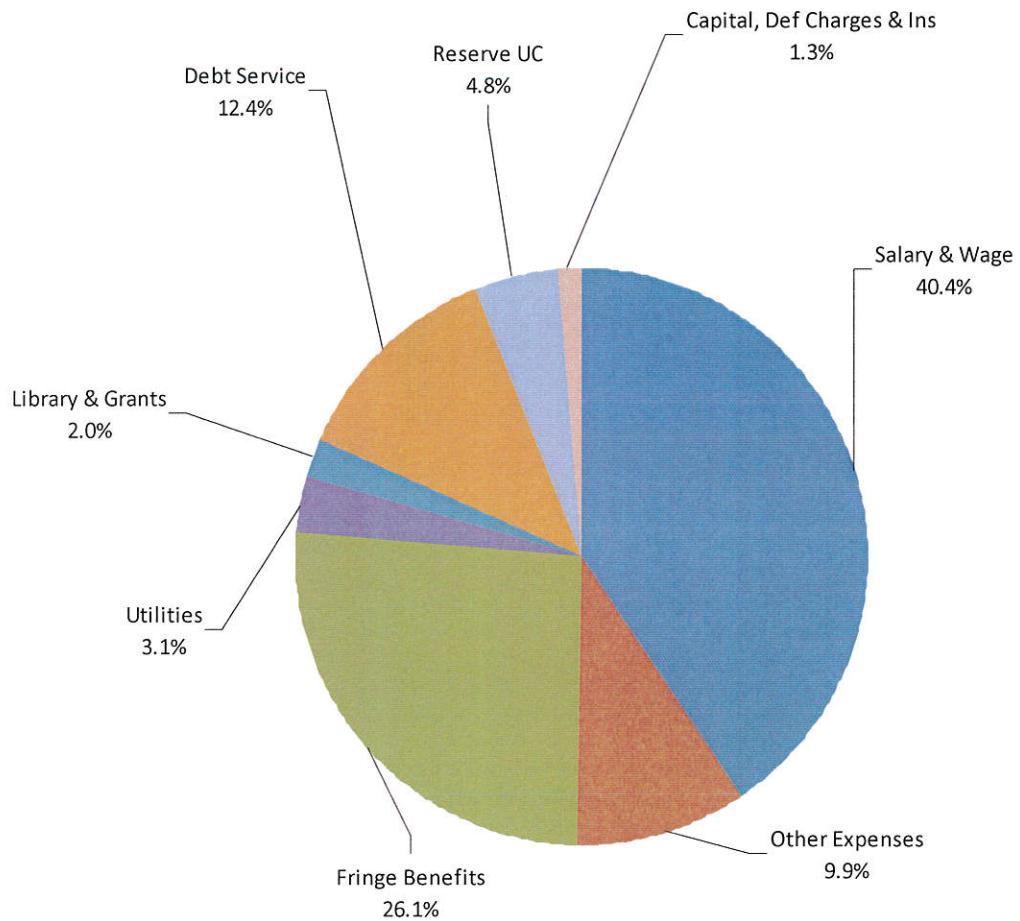
- **Over-all department costs which represents 50% of the total FY 2018 appropriations budget (40% salary and wage and 10% other expenses) is primarily driven by increases in Fire resulting from the elimination of the full year impact of the Safer Grant of \$1.1M and Staffing objectives for Public works 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