



CITY OF TRENTON  
FY 2018 BUDGET AMENDMENT  
DISCUSSION AND COUNCIL  
VOTE ON BUDGET  
AMENDMENT AND BUDGET  
MARCH 29, 2018

# 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
10/12/2017-March 16,2018	Transitional Aid Application submitted and received notification on March 16th dropping aid from \$10M to \$9M
October 18, 2017	Budget Examination Process MEMO from DCA
November 28,29,30 and Dec 13h	Departmental Budget workshops
November 21, 2017	Public hearing in Introduced Budget
March 26th	Council to Introduce and approve the FY 2018 Budget Amendment 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
March 26th	Publication of the FY 2018 Budget Amendment
Public Hearing on the Budget Amendments If needed-notice of hearing on the amendment shall be advertised 3 days prior to the date set for adoption	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%
March 29th	Council to vote on budget Amendment and budget adoption

# FY 2018 VERSUS FY 2017 COMPARISON

REVENUE	2018 FINAL	2017 FINAL	VARIATION
STATE AID	\$67,964,560.00	\$70,176,940.00	(\$2,212,380.00)
TAXES	\$86,652,799.96	\$83,921,284.49	\$2,731,515.47
GRANTS	\$2,565,649.16	\$4,851,162.39	(\$2,285,513.23)
IN LIEU OF TAXES	\$12,630,956.34	\$12,296,231.79	\$334,724.55
OTHER REVENUE	\$35,024,745.33	\$31,902,332.26	\$3,122,413.07
<b>TOTAL</b>	<b>\$204,838,710.79</b>	<b>\$203,147,950.93</b>	<b>\$1,690,759.86</b>
APPROPRIATIONS	2018 FINAL	2017 FINAL	VARIATION
SALARY & WAGE	\$82,408,514.11	\$79,433,357.85	\$2,975,156.26
FRINGE	\$52,204,981.60	\$48,430,506.45	\$3,774,475.15
DEPARTMENT OE	\$19,710,171.16	\$17,622,119.65	\$2,088,051.51
UTILITY	\$6,400,900.00	\$6,710,000.00	(\$309,100.00)
INSURANCE	\$100,000.00	\$146,062.98	(\$46,062.98)
LIBRARY	\$2,000,000.00	\$2,000,000.00	\$0.00
GRANT & GRANT MATCH	\$3,446,938.32	\$5,673,362.31	(\$2,226,423.99)
CAPITAL ITEMS	\$423,100.00	\$291,600.00	\$131,500.00
SICK AND VACATION BUYOUT	\$0.00	\$5,000,000.00	(\$5,000,000.00)
UNEMPLOYMENT	\$150,000.00	\$90,000.00	\$60,000.00
CAPITAL IMPROVEMENTS	\$383,979.00	\$0.00	\$383,979.00
DEFERRED CHARG & JUDGEMENT	\$2,486,000.00	\$3,459,811.78	(\$973,811.78)
DEBT SERVICE	\$25,140,485.80	\$25,624,717.38	(\$484,231.58)
SHARED SERVICES	\$290,609.25	\$290,609.25	\$0.00
RES. FOR UNCOLLECTED TAXES	\$9,693,031.55	\$8,375,803.28	\$1,317,228.27
<b>TOTAL</b>	<b>\$204,838,710.79</b>	<b>\$203,147,950.93</b>	<b>\$1,690,759.86</b>

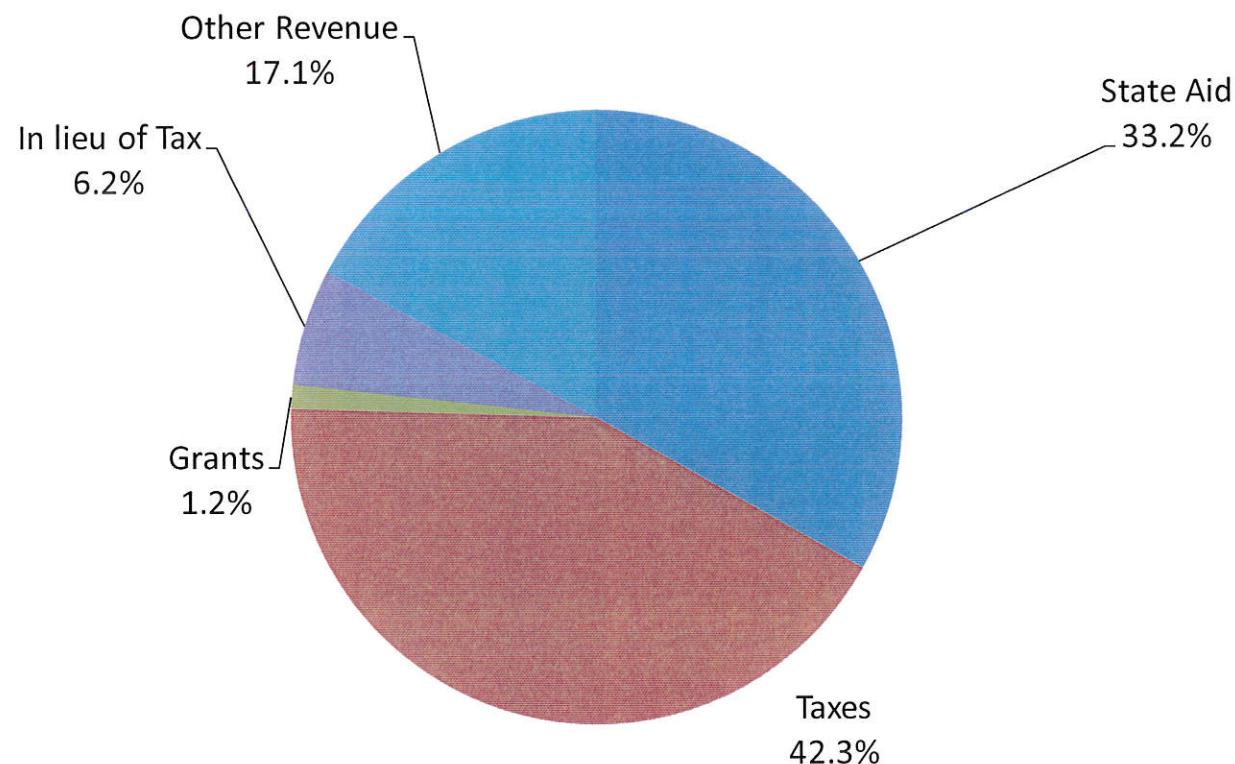
# Overview

- Proposed 2018 Budget totals \$204.8 million including grants, an increase of \$1.7 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. This is further explained by an increase in anticipated surplus of \$1.9M offset by a reduction in transitional aid of \$1.0M and .4M in CMPTRA.
- 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 .4M respectively, a staffing plan of \$1.7M for the Department of Public Works, elimination of the full year impact of the Safer Grant of \$1.1M and increase in health benefits 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 \$ 2.4 million, from \$78.5 million in FY 2017 to \$80.9 million in FY 2018, or 3.1% increase

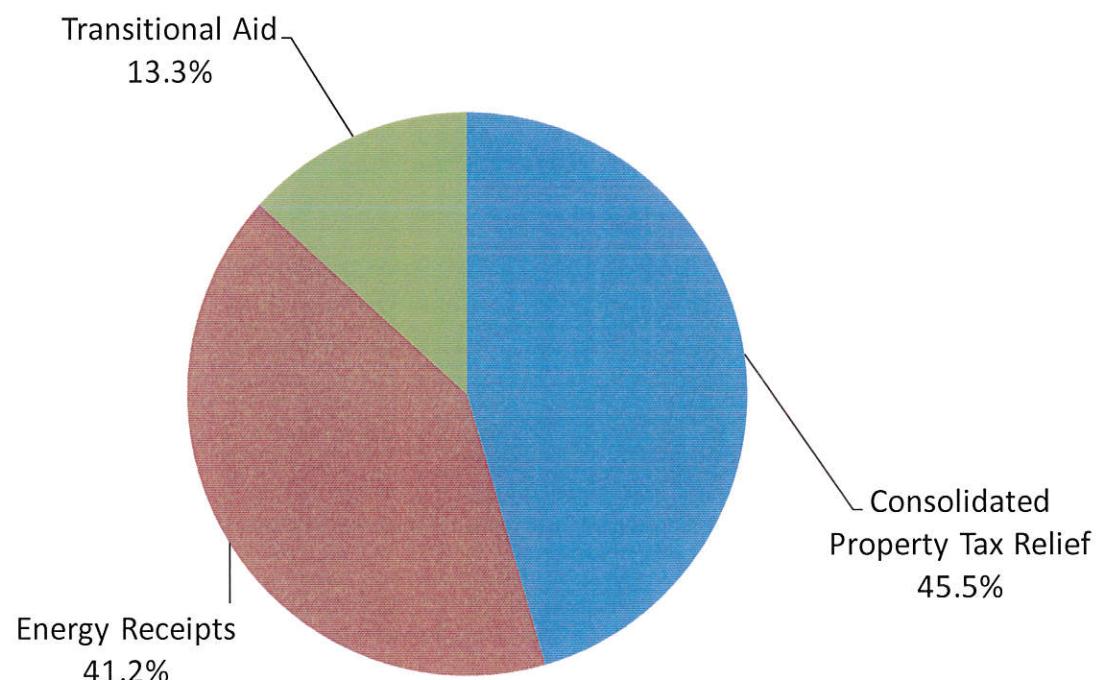
# FY 2018 Revenue Summary

- Revenue totals \$202.3 million excluding grants of \$2.5M
- The city received \$9M in Transitional Aid award versus \$10M in the Fiscal Year Introduced 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-Detailed

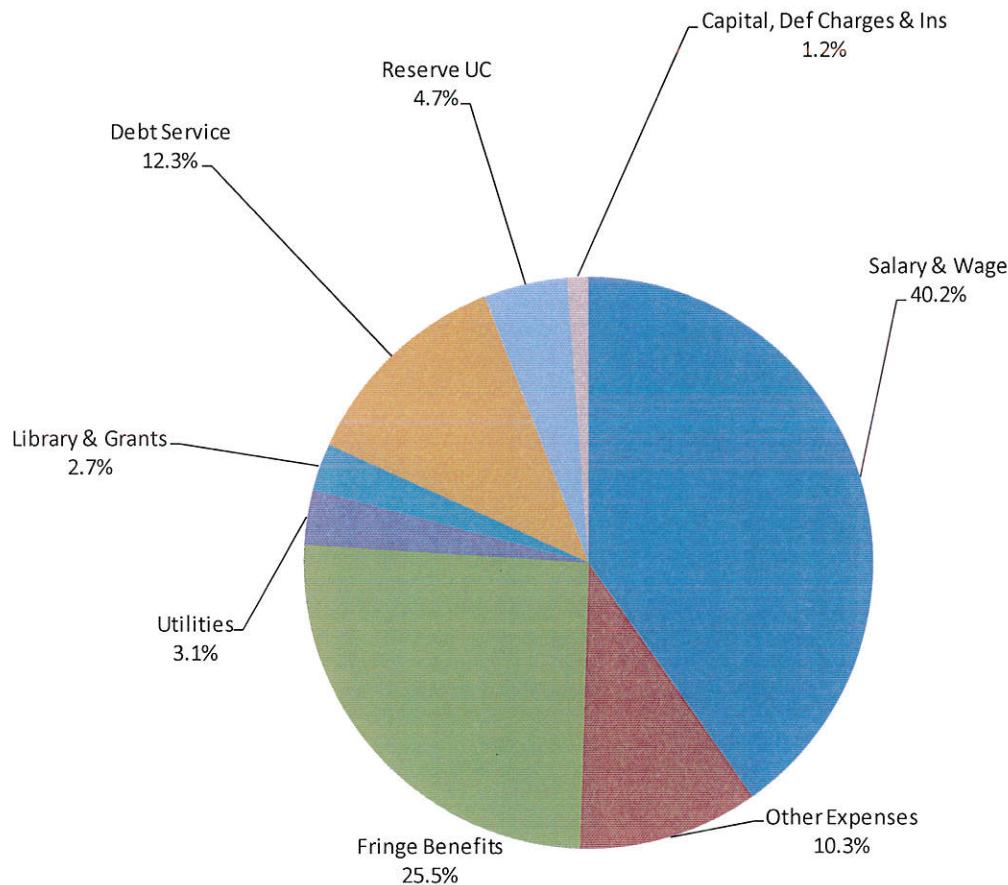
- **Over-all Fiscal Year 2018 Department costs of \$102.1M versus Fiscal Year 2017 of \$97.0M represents 50% of the total FY 2018 appropriations budget (40% salary and wage and 10% other expenses). This is primarily driven by increases in Fire resulting from the elimination of the full year impact of the Safer Grant of \$1.1M and Staffing objectives for Public works in the amount of \$1.7M.**
- **Over-all Fiscal Year 2018 Fringe Benefits costs of \$32.5M versus Fiscal Year 2017 of \$31.0M represents 16% of the total FY 2018 appropriations budget. This is made up of Group Health, Dental and Prescription, (\$31.8M), Workers compensation (400K), Unemployment fund (\$150K) and other employee benefits (\$230K).**
- **This is primarily driven by increases in Group Health related to 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) and formal development of the utility contribution to Current Fund to support the inter-fund. This resulted in a \$2.8M CREDIT in 2018 versus a \$3.8M CREDIT in 2017 or an increase of \$1.0M to the appropriation. This is offset by reductions in Active Group Health of \$650K and Chapter 88 Retirees of \$400K.**

# FY 2018 APPROPRIATIONS

## detailed-continued

- **Over-all Fiscal Year 2018 decrease in Capital Improvement, Pension and Social Security and Sick and Vacation Buyout of \$2.4M is driven by the increases in capital improvement fund from prior year of \$.4M due to DCA requirement, \$1.9M in Police and Fire Retirement System (PFRS), \$.4M in Public Employees Retirement System (PERS) offset by a prior Fiscal year 2017 reserve of \$5M set up for sick and vacation buyout.**
- **The City's debt Service represents 12% of the total FY 2018 appropriations budget and is driven by an over-all decrease of \$.5M in Debt service. This is due to an increase in municipal debt of \$1.5M offset by a decrease of \$2.0M in School Debt service**

## FY 2018 APPROPRIATIONS OUTLOOK



# Tax Impact of Budget

- Total Municipal tax levy, including Type I School and Minimum Library tax, will increase to \$82.7 million in FY 2018 from \$80.9M million in FY 2017
- Total Municipal tax rate will increase from \$3.43 in FY 2017 to 3.45 in FY 2018. This represents an increase in tax rate of 2 cents on a rounded basis
- 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 \$12.55 for a home assessed at \$62,772-Trenton's average residential assessment after the revaluation. For a home assessed at \$100,000 the tax bill will increase by \$20

# Budget Highlights

- This year's Final Adopted Budget Binder is completely revamped from the past 30 plus years and includes the following improvements: Revitalized budget model, summary of grant impacts, summary of capital requests for current fund and utilities, and management reports with analysis of all Non departmental budgets.
- This binder of information was developed by the Budget Officer for the City of Trenton to help to streamline the process and share this information easily between Budgets, Finance, Departments, Council and Senior Leadership.
- For all departments it includes a divisional review at the control level for salary and wage and other expenses to attempt to identify any budget issues prior to adoption.
- This year a formal development of the Utility Contribution to the Current fund was quantified and documented so that the process is understood between Finance and Budgets and can be prepare for the introduced budget going forward.