

# Westfield Municipal Budget

March 28, 2023



# Westfield Municipal Budget Team

- **Town Administrator - Jim Gildea**  
(29-year municipal veteran with Westfield, with 23 years experience of formulating municipal budgets)
- **Chief Financial Officer - Scott Olsen**  
(25-year municipal veteran, with 23 years experience of formulating municipal budgets and seven years with Westfield)
- **Assistant Town Administrator – Heather Re-Ferratti**  
(12-year municipal veteran, with seven years experience of formulating municipal budgets and six years with Westfield)
- **Highly experienced auditing and bond counsel firms**  
(Suplee Clooney & Company and Rogut McCarthy)
- **Finance Chair: Councilwoman Linda Habgood**
- **Finance Vice Chair: Councilman Mark Parmelee**
- **Finance Committee Member: Councilman Scott Katz**
- **Finance Committee Member: Councilwoman Emily Root**
- **Investment Advisory Council comprised of resident volunteers with various financial and logistics backgrounds**



# 2022 Tax Collections = \$181,739,131

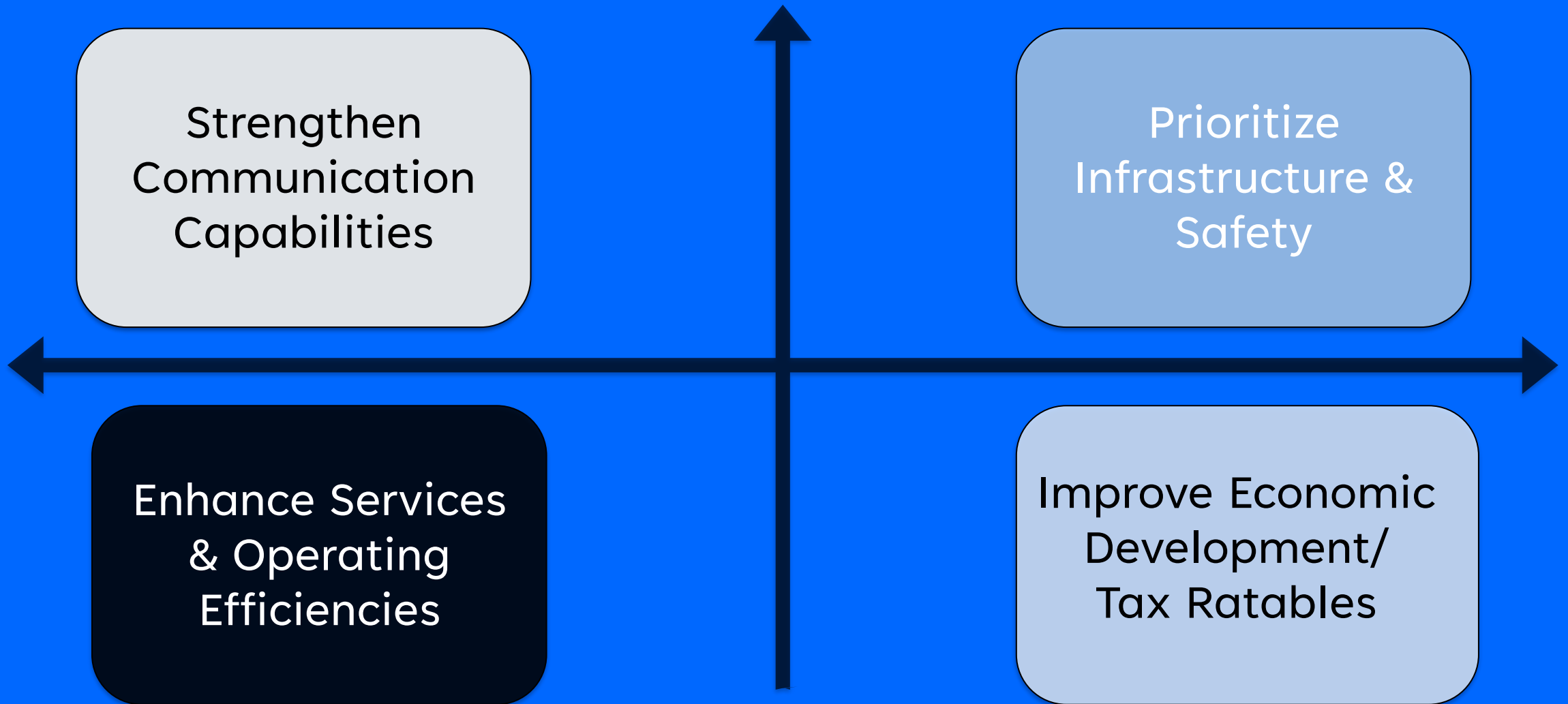


# 2022 Highlights

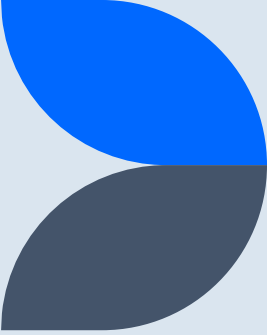
- Surplus was replenished to \$9.35MM despite continuing deficits in court and parking revenue
- Conducted a remarkably successful bond sale yielding a net interest cost of 2.49% in an unfriendly interest rate market
- Reaffirmed the Town's AAA bond rating, one of only 44 (out of 564) New Jersey municipalities to achieve and maintain that status
- Accomplished capital budget goals of 15 miles of road paving (5.5 miles by Town, 9.5 miles by utilities), drainage improvements, Windsor Park enhancements, new public works and public safety equipment purchases
- Tax Collections continued to be strong at over 99%
- Westfield weathered 2020, 2021 & 2022 well, in large part due to reserves, healthy tax collections and strategic budget decisions



# Continued Strategic Drivers



# 2023 Budget Process & Timeline



1

## Long Term Capital Investment Plan

- Six-Year Capital Plan formulation
- Focus on three-year plan including roads, drainage, parks, equipment, etc.

2

## Department Budgets

- Department heads prepared & submitted proposals for review November/December
- Close out previous year in January & meet with financial experts

3

## Finance Committee Review (FPC)

- January 26 public meeting
- Meetings with auditors and Department Heads January 24 – March 10
- Incorporate State Aid & grant info and prepare state budget forms

4

## Council Review & Public Presentation

- Introduce budget to public March 28
- Anticipated adoption April 25

# 2023 Budget Priorities



## Manage Spending Challenges

- Statutory/Required Expenditures up 6.75% (~\$1.2MM): Pensions, health insurance, social security, utilities, Rahway Valley Sewerage Authority
- Salary/Wages up 3.1% (~\$580K): Contractual & non-union increases and addition of new employees
- Operating expenditures up 10% (~\$550K): Various non-discretionary costs in various departments

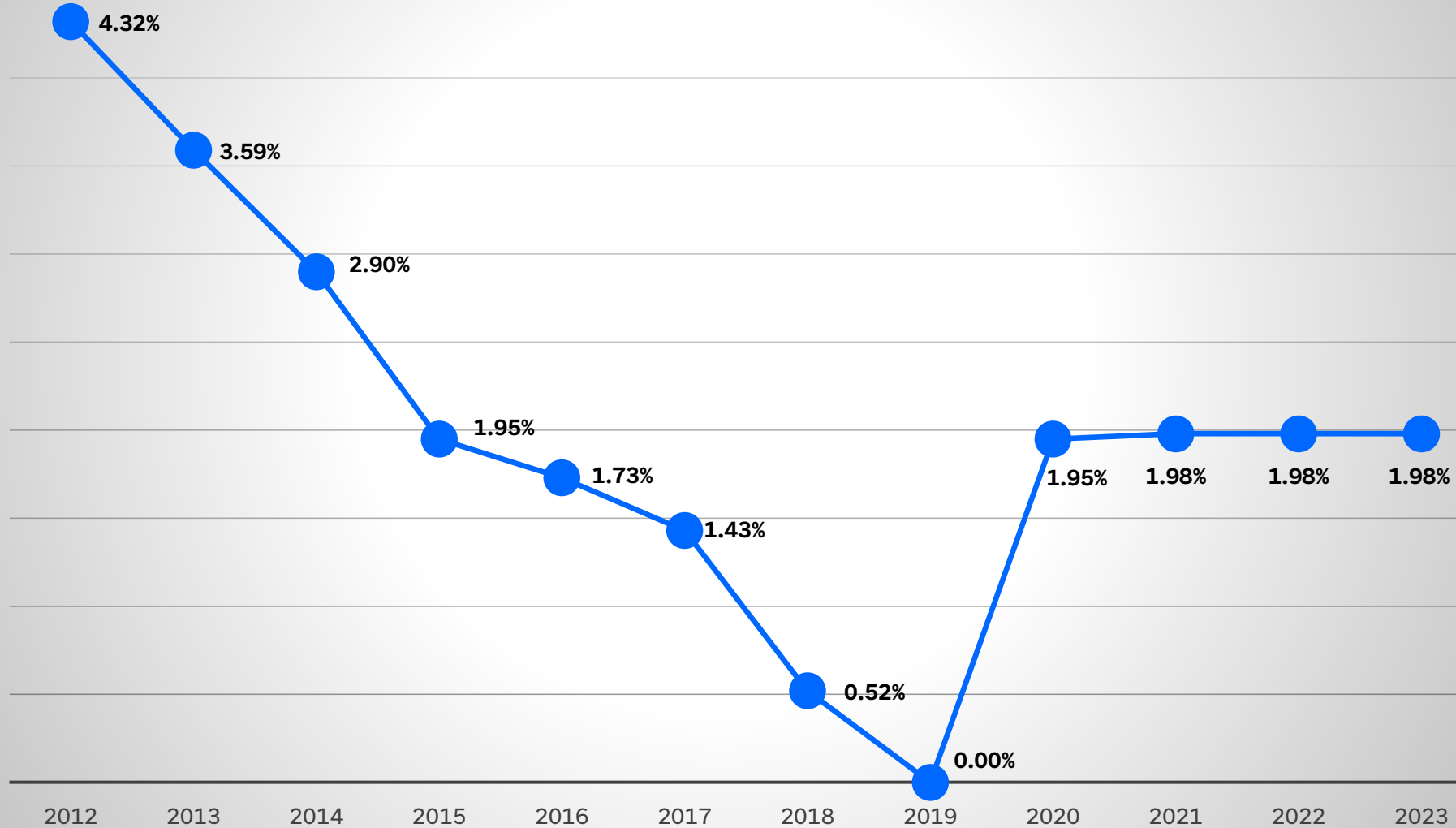
## Conserve Surplus

- Surplus level had been replenished by \$3.7MM to \$9.35MM at YE22
- 2023 budget utilizes \$3.95MM to manage revenue losses, offset increased expenditures and lower tax rate. This represents an increase of ~\$200K (5%) from 2022.
- \$5.4MM surplus balance reserved for future use and goal to replenish to \$9M+

## Lowest Possible Tax Increase

- Total appropriations up 5.46% due to large increases in non-discretionary costs and continuation of American Rescue Plan (ARP) matching funding
- Continued revenue losses compared to 2019 levels, but ARP funds, increases in building permits and Conservation Center revenues bolster overall revenue in 2023
- Delivered 1.98% increase in tax rate. Average tax increase since 2018 is 1.4%.

# TAX RATE AVERAGES 1.4% INCREASE OVER LAST SIX YEARS





# COVID impacts on surplus handled well compared to global financial crisis

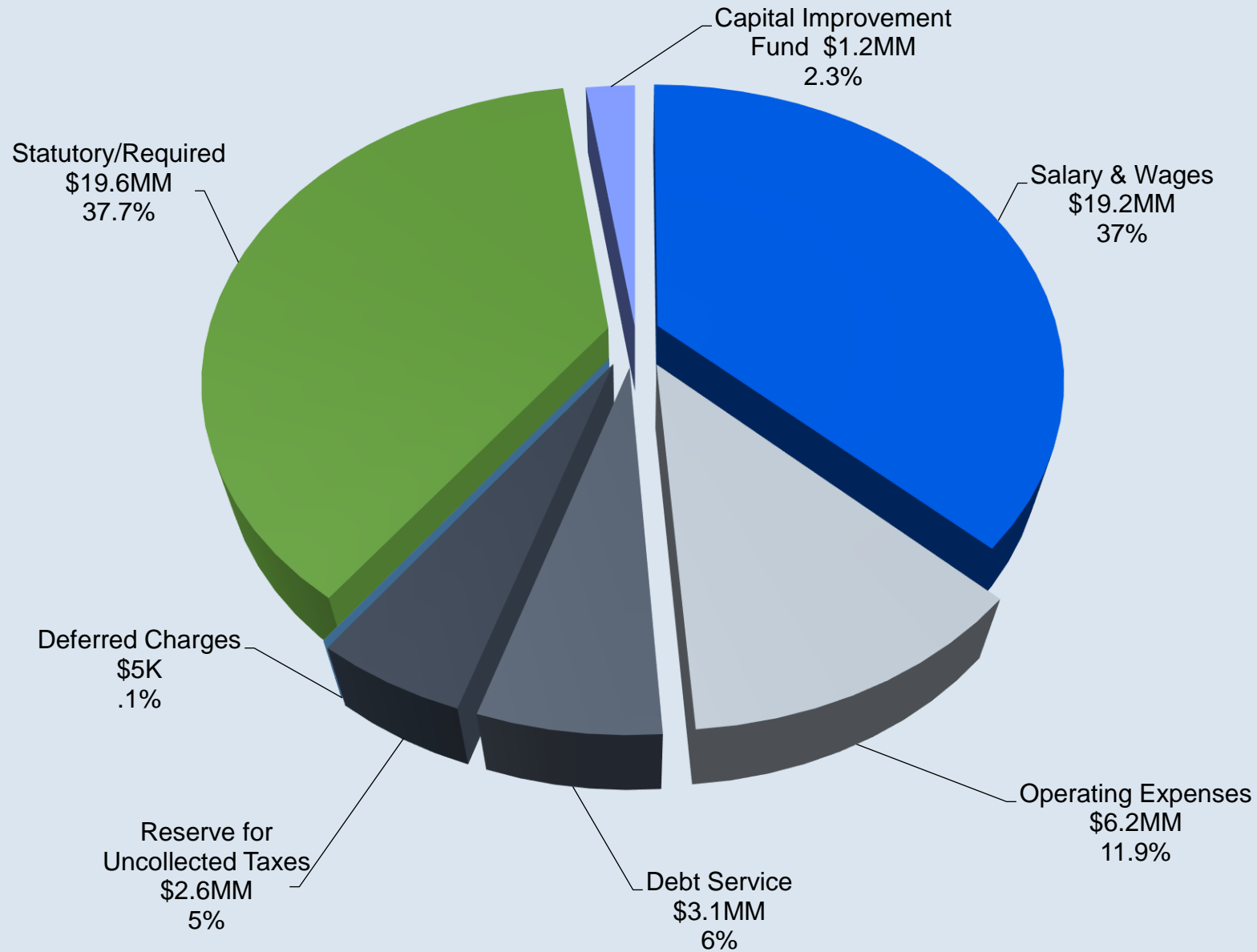
**Surplus use during financial crisis years 2009 – 2012**

BUDGET YEAR	FUND BALANCE AVAILABLE Jan 1	FUND BALANCE USED	% OF FUND BALANCE USED	FUND BALANCE GENERATED
2009	\$2,848,423	\$2,700,000	94.79%	\$1,907,122
2010	\$2,055,545	\$1,840,000	89.51%	\$1,627,557
2011	\$1,843,103	\$1,719,000	93.27%	\$74,391
2012	\$198,494	\$0	0.00%	\$1,431,303

**Surplus use during COVID years 2020 - 2023**

BUDGET YEAR	FUND BALANCE AVAILABLE Jan 1	FUND BALANCE USED	% OF FUND BALANCE USED	FUND BALANCE GENERATED
2020	\$11,582,853	\$4,505,000	38.89%	\$2,516,085
2021	\$9,593,938	\$3,795,000	39.56%	\$3,658,249
2022	\$9,457,187	\$3,795,000	40.13%	\$3,694,220
2023	\$9,356,408	\$3,995,000	42.70%	??

# 2023 Appropriation Allocations



# Municipal Budget Multi-Year Snapshot

## Appropriations

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Inc./Dec.</u>
S&W	\$18,183,559	\$18,636,602	\$19,220,539	+ \$ 583,937 (3.1%)
Operations	\$ 5,111,529	\$ 5,601,561	\$ 6,153,845	+ \$ 552,283 (9.9%)
Debt Service	\$ 3,128,478	\$ 3,128,478	\$ 3,129,988	+ \$1,510 (0.05%)
Unpaid Taxes Res.	\$ 2,525,000	\$ 2,575,000	\$ 2,625,000	+ \$ 50,000 (1.9%)
Deferred Charges	\$ 145,000	\$ 463,912	\$ 5,000	- \$ 458,912 (-98.9%)
Statutory/Required	\$17,415,701	\$18,315,043	\$19,551,015	+ \$1,235,972 (6.8%)
Capital Imp. Fund	\$ <u>100,000</u>	\$ <u>481,088</u>	\$ <u>1,205,066</u>	+ \$ <u>723,978 (150.5%)</u>
<b>Total</b>	<b>\$46,609,266</b>	<b>\$49,201,684</b>	<b>\$51,890,452</b>	<b>+ \$2,688,768 (5.46%)</b>

## Revenues

Total Revenues	\$17,274,242	\$18,957,172	\$20,863,695	+ \$1,906,522 (10.1%)
Tax Levy	<u>\$29,351,209</u>	<u>\$30,244,512</u>	<u>\$31,026,757</u>	+ \$ 782,246 (2.59%)
<b>Total</b>	<b>\$46,625,451</b>	<b>\$49,201,684</b>	<b>\$51,890,452</b>	

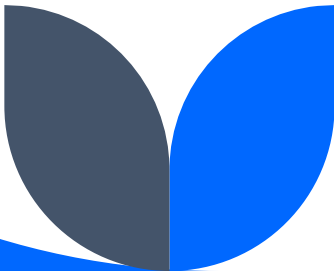
## Tax Rate

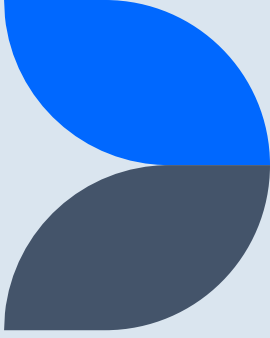
1.98%	1.98%	1.98%
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# 2023 Key Expense Drivers

PFRS & PERS Pensions	+ \$ 528,835
Utilities & Sewer (RVSA)	+ \$ 343,251
Insurance (JIF/Major Medical)	+ \$ 237,206
Police & Fire Dept. S&W	+ \$ 340,872 (contractual obligations, addition of new employees)
Public Works S&W	+ \$ 161,154 (contractual obligations, addition of new employees)
Capital Improvement Fund	+ \$ 723,978 (capital infrastructure items and offset by ARP funds)
Public Works O&E	+ \$ 465,074 (Conservation Center costs offset by revenue, recycling contract, tree planting)
Police & Fire Dept. O&E	+ \$ 55,493 (public safety needs/new technology)
Reserve for Uncollected Taxes	+ \$ 50,000





# Parking & Court Revenues Continue to be Impacted

	<u>2019 Realized</u>	<u>2020 Realized</u>	<u>2021 Realized</u>	<u>2022 Anticipated</u>	<u>2022 Realized</u>	<u>Variation vs '19</u>
Court	\$ 462,439	\$ 224,281	\$ 238,643	\$ 220,000	\$ 243,311	(\$219,128)
Parking	\$1,689,561	\$1,166,427	\$1,185,468	\$1,175,000	\$1,313,883	(\$375,678)



# American Rescue Plan (ARP) Funds Used To Offset Revenue Losses & Fund COVID Recovery & Infrastructure items

The 2023 budget anticipates the second half of ARP funds totaling \$1,555,066

\$450,000 for continued revenue losses

\$405,066 for Police Dispatch upgrades for resiliency

\$700,000 for capital related items & COVID recovery items including:

- \$600,000 for capital infrastructure projects
- \$50,000 for office and town facility improvements
- \$50,000 for downtown COVID recovery items for DWC



# 2023 Municipal Tax Levy/Rate Calculation

Total Expenditures	\$51,890,452
minus	
Anticipated Revenues	\$20,863,695
equals	
<u>Tax Levy</u>	\$31,026,757 (2.59%)
divided by	
Total Ratable Value	\$8,466,022,235
equals	
<u>Tax Rate</u>	0.366 (1.98%)



- Average assessed home in 2023 = \$812,800
- Approximate increase for municipal portion of the tax bill = \$57/year or \$4.75/month



# Notable Department Metrics

## **Police Department: Responded to 57,900 calls for service in 2022 (approximately 158 per day)**

- New license plate reader cameras have assisted in reducing crime including car thefts
- Service charges for police vehicle and equipment during utility projects has produced significant revenues offsetting costs of annual Police car leases and other police needs

## **Fire Department: Responded to 3,032 calls for service in 2022 (approximately eight calls per day)**

- Fire Prevention Bureau performed 2,892 inspections (approximately 12 per day)

## **Building Department: Online automation for permits and inspections continue**

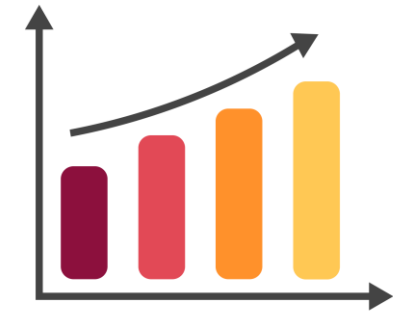
- 2022 Permits Issued: 2610 (approximately ten per day); Inspections performed: 9541 (approximately 37 per day)

## **Recreation/Memorial Pool:**

- Memorial Pool had a total of 9,700 members in 2022 compared to 8,007 in 2021
- 11,591 guest passes were sold generating over \$163,400 in revenue
- 5,910 participants in recreation and pool classes in 2022

## **Public Works Department:**

- Conservation Center permits sales = 2,359 in 2022
- Bulk Waste program over 1260 users in 2022 and processed 247 tons of material. (Up from 204 tons in 2021)
- Recycling stats 2022: Styrofoam 30K lbs. - Scrap Metal 110 tons - Cardboard 98 tons - Plastic Bags 7 tons - Cork 800 lbs. - Batteries 2.5 tons - Clothing 22,000 lbs.





# 2023 Capital Budget

Well Managed Debt Service Provides Capital Flexibility

## **\$3.86MM Capital Budget will support:**

- Significant road paving with drainage upgrades: Represents approximately six miles of road paving by the Town. Expected to have another approximately 15 miles of roads paved by utilities at their expense.
- Various intersection and sidewalk improvements
- Public Safety items: Continued investment for public safety services items
- Recreation items: Funds to begin improvements to Houlihan/Sid Fay fields and for miscellaneous park improvements
- Continued investment for DPW vehicles and equipment
- \$794,000 in expected reimbursable grants will ultimately reduce the final net debt service obligation



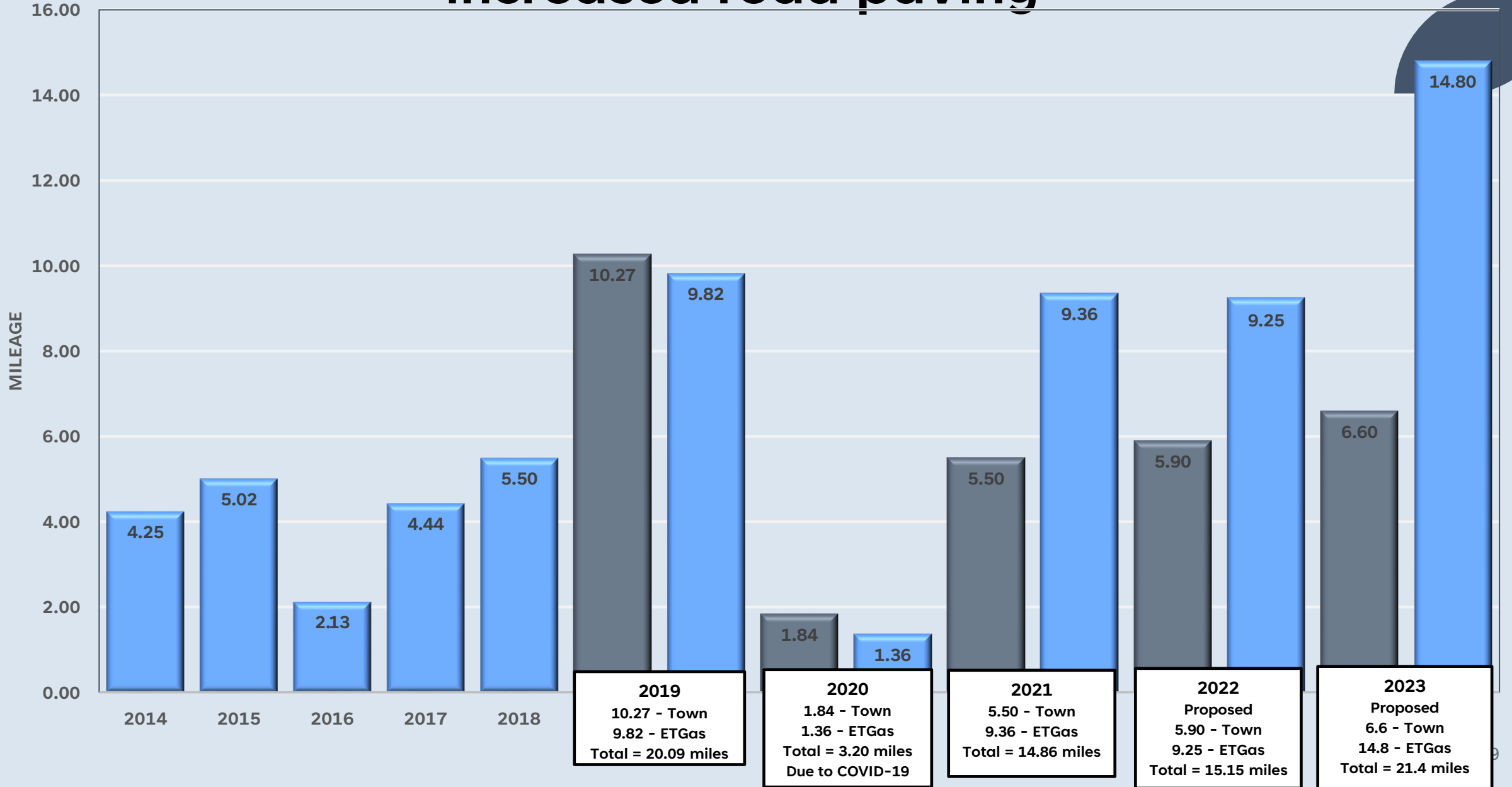
# 2023 Capital Budget (continued)

Various intersection and sidewalk improvements include:

- West Broad Street: Drop off/pick up area at Little People Day Care
- Intersection improvements at First St. & Westfield Ave.
- Intersection improvements at North Ave/South Euclid/Hillcrest Ave
- Clark Street in front of Westfield Area Y: Drop off/pick up area
- Purchase of additional solar powered radar speed signs
- New pedestrian activated crossing beacons on Mountain Ave at Kimball and N. Chestnut St. intersections
- North Ave. corridor sidewalk improvement grant (\$399,000)



# 2019 Road Paving Ordinance has dramatically increased road paving



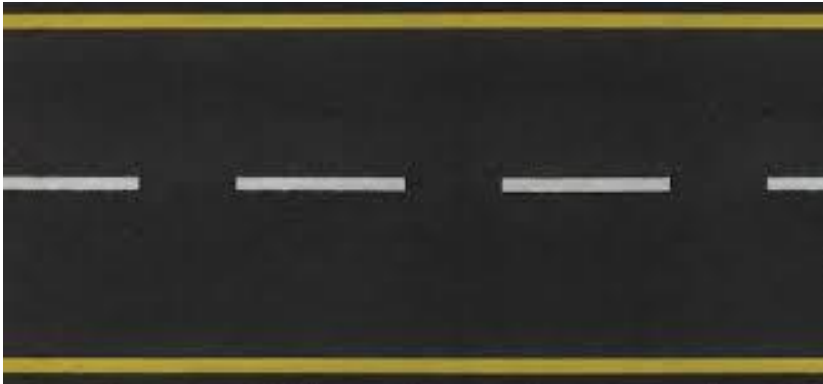
# Roads Assessment study results will be updated in 2023

The updated Roads Assessment Study is wrapping up and will be used to reset priorities for future paving in 2024 and beyond.

2023 road paving list was previously advertised and prioritized based on the 2019 roads assessment and is included in the 2023 capital budget.

The Road Assessment study has enabled long-term planning and budgeting for paving in partnership with the utility companies, improving road paving volume and cost efficiencies.

Road resurfacing plans for 2024, 2025 & 2026, along with utility paving projects that have been confirmed to date, will soon be published on Town's website.



# Summary

- ▶ The Town is in excellent financial condition and committed to responsible fiscal management, investment spending, strategically utilizing surplus to continue essential services and manage the final tax rate

## Ongoing priorities:

- ▶ Identify opportunities to increase & diversify tax base to reduce over-reliance on residential property taxes, limit risk exposure, and mitigate against future emergencies and uncertainty.
- ▶ Invest in downtown economic recovery, infrastructure, and public amenities such as roads, drainage, streetscapes, parks, recreation, and the arts, and identify creative sources of funding.
- ▶ Invest in initiatives that support smart growth, pedestrian safety, traffic safety circulation, stormwater infrastructure.



# Thank you

-Send further queries or suggestions to email address below

Contact Us: [budget@westfieldnj.gov](mailto:budget@westfieldnj.gov)

