

# Westfield Municipal Budget Meeting

January 25, 2024



# Westfield Municipal Budget Team

➤ **Town Administrator - Jim Gildea**

30-year municipal veteran with Westfield; 24 years experience formulating municipal budgets

➤ **Chief Financial Officer - Scott Olsen**

26-year municipal veteran; 24 yrs experience formulating municipal budgets & 8 years in Westfield

➤ **Assistant Town Administrator – Heather Re-Ferratti**

13-year municipal veteran; 8 yrs experience formulating municipal budgets & 7 years with Westfield

➤ **Highly experienced auditing and bond counsel firms**

Suplee Clooney & Company and Rogut McCarthy

**Finance Committee Chair – Councilwoman Linda Habgood**

**Finance Committee Vice Chair - Councilman David Contract**

**Finance Committee Member - Councilman Mike Domogala**

**Finance Committee Member - Councilman David Kiefer**

➤ **Investment Advisory Council** --resident volunteers with various financial and logistics backgrounds



# 2023 Tax Collections = \$186,712,581

## WHERE YOUR TAXES GO



# 2023 BUDGET APPROPRIATION HIGHLIGHTS



**Salary & Wages**  
\$19.2MM (37%)

**Capital Improvement Fund**  
\$1.2MM (2.3%)

**Operating Expenses**  
\$6.2MM (11.8%)

**Debt Service**  
\$3.1MM (6%)

**Reserve (Uncollected Taxes)**  
\$2.6MM (5.1%)

**Deferred Charges**  
\$5K (.01%)

**Statutory/Required**  
\$19.6MM (37.7%)



# 2023 Budget Priorities Recap

\$51.9M Total Budget (~\$31MM Tax supported & ~\$20.8MM Revenues)



## 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 utilized \$3.95MM to manage revenue losses, offset increased expenditures and lower tax rate. This represented 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 bolstered overall revenue in 2023
- Delivered 1.98% increase in tax rate. Average tax increase since 2018 is 1.4%.

# 2023 Year-End Analysis

- Surplus was replenished and exceeded expectations with an ending balance of \$15.4M -- the highest surplus in Town history.
  - Substantial progress on regaining Court and Parking revenues, as well as exceeding revenue expectations in Building Dept. and interest on investments.
  - Accomplished capital budget goals of paving 15 miles of road (6 miles by Town, 9 miles by utilities), drainage improvements, park enhancements, new public works and public safety equipment purchases
- 
- Westfield weathered 2020 through 2023 well, in large part due to reserves, healthy tax collections and strategic budget decisions





# 2023 Key Fiscal Accomplishments

- **Construction Dept:** High volume of permits in 2023 resulted in actual revenues exceeding anticipated levels by more than \$360K; 2024 expected to be strong again and aided by Westfield's new online system for inspection requests and permit payments
- **Maintained AAA Bond rating:** Only 8% of municipalities in NJ achieve this gold standard
- **Tax Collection:** Remained very strong--exceeding 99%
- **Interest on Investments:** Due to aggressive managing of funds and favorable interest rate market, Westfield earned significant interest on investments totaling over ~\$700K
- **Significant Surplus Increase:** Settlement with Senior Housing resulted in significant revenue equaling \$3.65MM to bolster surplus. Also provides increased annual revenue stream for 30 years.



# 2023 Achievements

- Continued aggressive road paving program completing approximately 15 miles of road paving in 2023, bring the total to 75 miles paved in 6 years.
- Increased Fire Dept staffing and upgraded equipment and facilities
- Continued park improvements including Windsor Park enhancements, Mindowaskin Park playground fence, picnic-area bathrooms in Tamaques Park
- Continued investment in public safety items including new License Plate Readers (LPR's) and solar powered speed signs
- Received \$1.75M in pursued grants, highest in Town history
- Planted approximately 600 trees
- Hired exceptional new leaders, including Town Engineer and Director of Public Works, and promoted key personnel within Police and Fire departments.
- Continued significant progress on Downtown redevelopment plans

**ALL ACHIEVED WHILE DELIVERING A TAX INCREASE WELL BELOW THE RATE OF INFLATION (AVERAGING 1.4% OVER SIX YEARS) AND REGENERATING SURPLUS TO AN ALL-TIME MUNICIPAL HIGH OF \$15.4M.**





# 2024 Budget Process & Timeline

1

## Long Term Capital Investment Plan

- 6 Year Capital Plan formulation
- Focus on 3-year plan including roads, drainage, parks, equipment, etc.

2

## Department Budgets

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

3

## Finance Committee Review (FPC)

- Jan. 25 public mtg.
- Meeting with auditors and Dept. Heads Jan. 23 – March 10
- Incorporate State Aid & grant info and prepare state budget forms

4

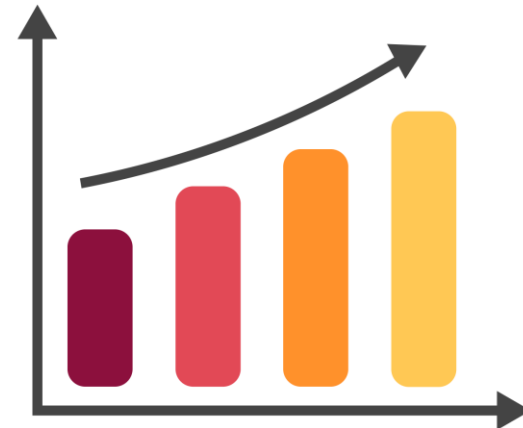
## Council Review & Public Presentation

- Presentation to Council by FPC – March 12
- Introduce budget to public March 26
- Anticipated adoption April 30



# 2024 Budget Goals

- **Ongoing fiscal management – manage spending, strategically utilize surplus to continue essential services, and manage the final tax rate**
- **Continue to aggressively seek new recurring revenue streams**
- **Prioritize opportunities to increase & diversify tax base through redevelopment and adding ratables**
- **Prioritize public safety, downtown economic recovery, infrastructure, and public amenities such as roads, parks, recreation, and the arts, and identify creative sources of funding**
- **Solicit public input to establish additional 2024 priorities and the best ways to achieve them**



# 2024 Budget Challenges

- **Non-Discretionary expenses for 2024 exceed ~\$950K so far (RVSA, Pensions & Insurance, Reserve for Uncollected Taxes and Debt Service)**
- **Increasing costs of residential services (Public Safety, Curbside Leaf Collection, Curbside Recycling)**





# Continuing with Ambitious 2024 Capital Plan

Planned Capital Projects—enabled by sound planning:

- Continued significant road paving scheduled in partnership with utility companies, the majority paid at their expense
- Drainage improvements
- Recreation/Park improvements
- Public Safety improvements & equipment
- Technology enhancements

# 2024 Budget Opportunities



- Ability to strategically use larger fund balance to help navigate non-discretionary cost increases
- Potential for first PILOT revenues to be received in 2024
- 2024 budget revenue projections look strong, and we anticipate added ratables increasing aggregate property values to help manage final tax rate



# Summary: Outstanding Fiscal Standing & Opportunity

**As we start 2024, we are in excellent financial condition resulting from a remarkable year of revenue production in 2023. This provides the Town with the capacity to delivery on this year's stated priorities.**



- Maintain exceptional fiscal oversight
- Prioritize public safety
- Continue to enhance Town parks and recreation offerings
- Champion quality of life issues
- Continue to foster resident engagement and a culture of inclusivity
- Continue to proactively manage and support responsible development that not only advances our court-ordered affordable housing obligations, but also revitalizes our downtown economy



# Questions/Comments?

- Please state your name and address and ask your question
- We will try to address questions as best we can
- Send further queries or suggestions to email address below
- Thank you for sharing your ideas



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