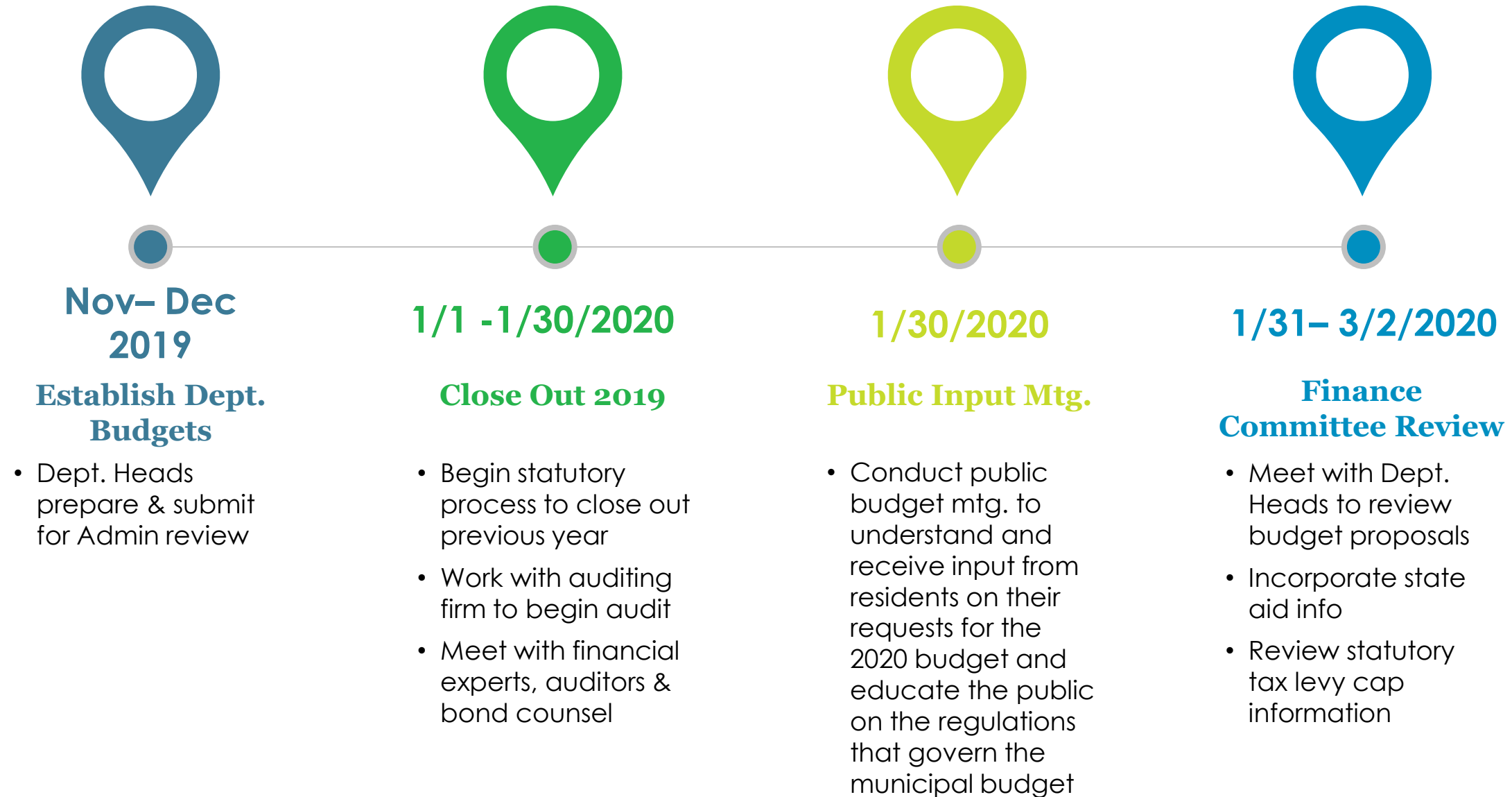


2020 Proposed Municipal Budget



April 28, 2020

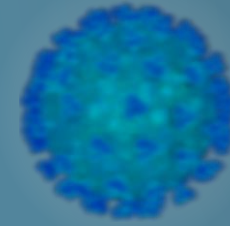
Budget Process and Timeline



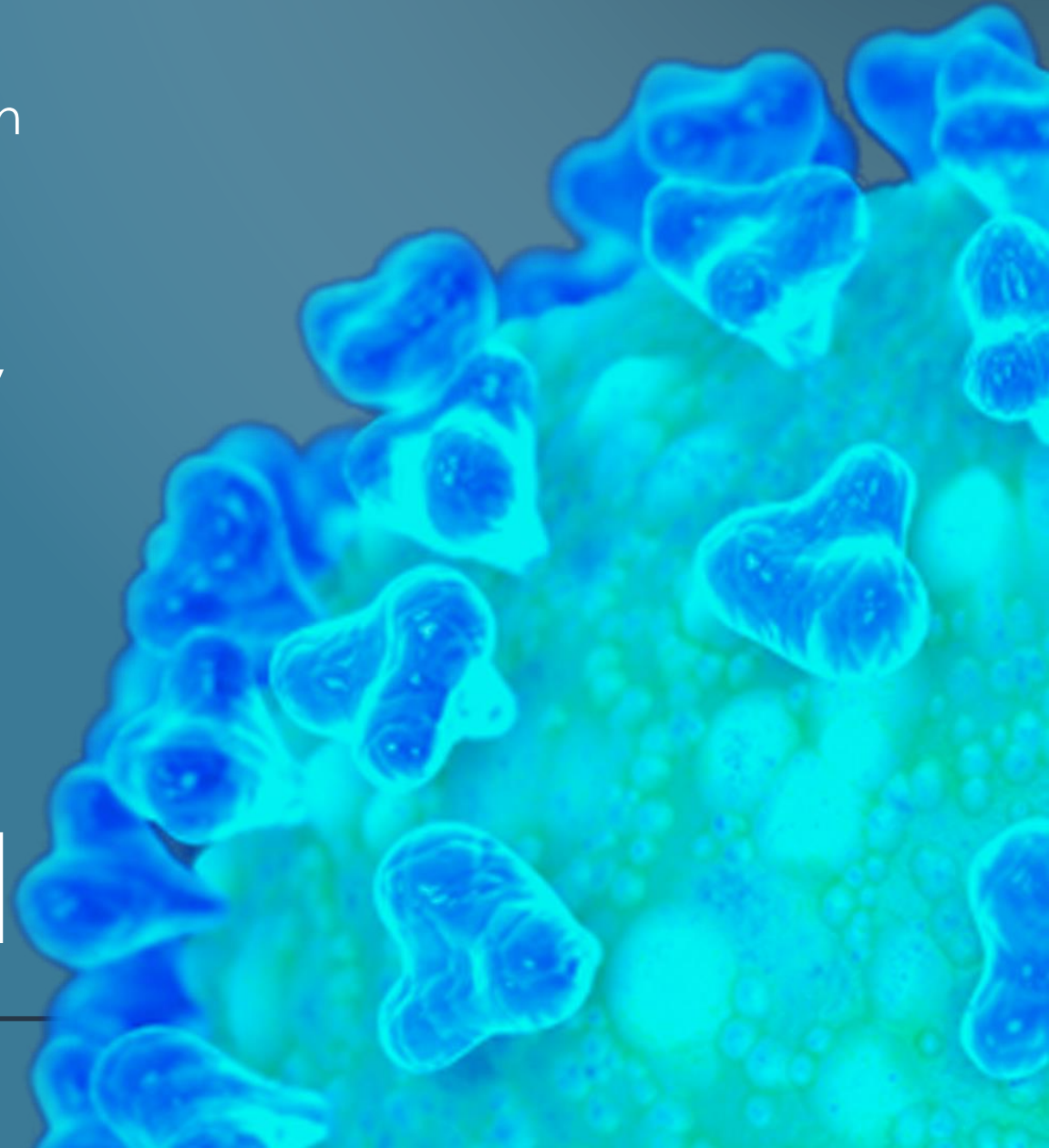
Budget Process and Timeline



COVID-19 Situation Analysis



- Revenue uncertainty is most significant challenge to 2020 budget
 - Revenue through April is at 32% of budget, on par with last year, in spite of April closures
- Extent of COVID-19 impact on 2021 budget is difficult to predict and must be considered now
- No assurance of federal or state assistance for municipalities with population under 500,000
- Our financial position is strong relative to many municipalities
 - AAA Bond rating
 - Strong Surplus levels



2020 Budget Goals in a COVID-19 Era

1

Lowest Possible Tax Levy

- Reduced appropriations by -1.3% despite a +2.32% increase in non-discretionary costs
- Projecting \$1.2MM (-6.3%) decline in revenues due to lost parking, court, construction fees & decline in investment revenue
- +\$175K in additional revenue projected through sale of assets
- 1.95% proposed tax levy is lower than 2.7% inflation rate

2

Reduce Spending

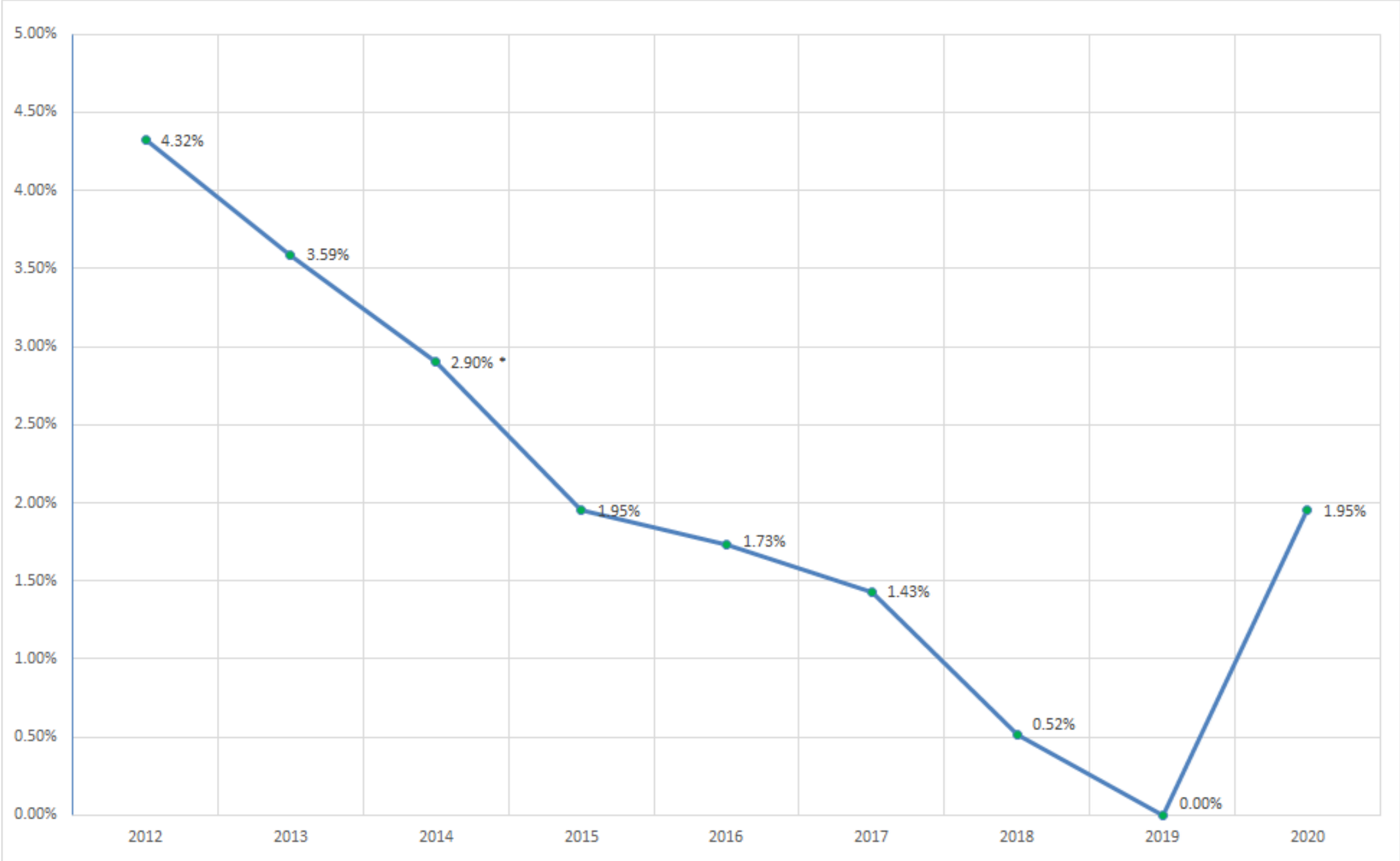
- By reducing overtime, attrition, and deferring new hires, Salary/Wages is almost flat (.23%) despite union wage increases
- Operating expenditures were cut in almost every department
- Reduced Capital improvements \$1.2MM (93%) by eliminating/deferring equipment purchases

3

Conserve Surplus

- Surplus level had been replenished by \$2mm to \$11.5 million at YE19
- 2020 budget will utilize \$4.5 million of surplus to lower tax rate
- \$7 million surplus balance leaves room to absorb extended disruptions to our federal, state and local economy

Tax Levy Averaged .8% Increase Over Last 3 Years

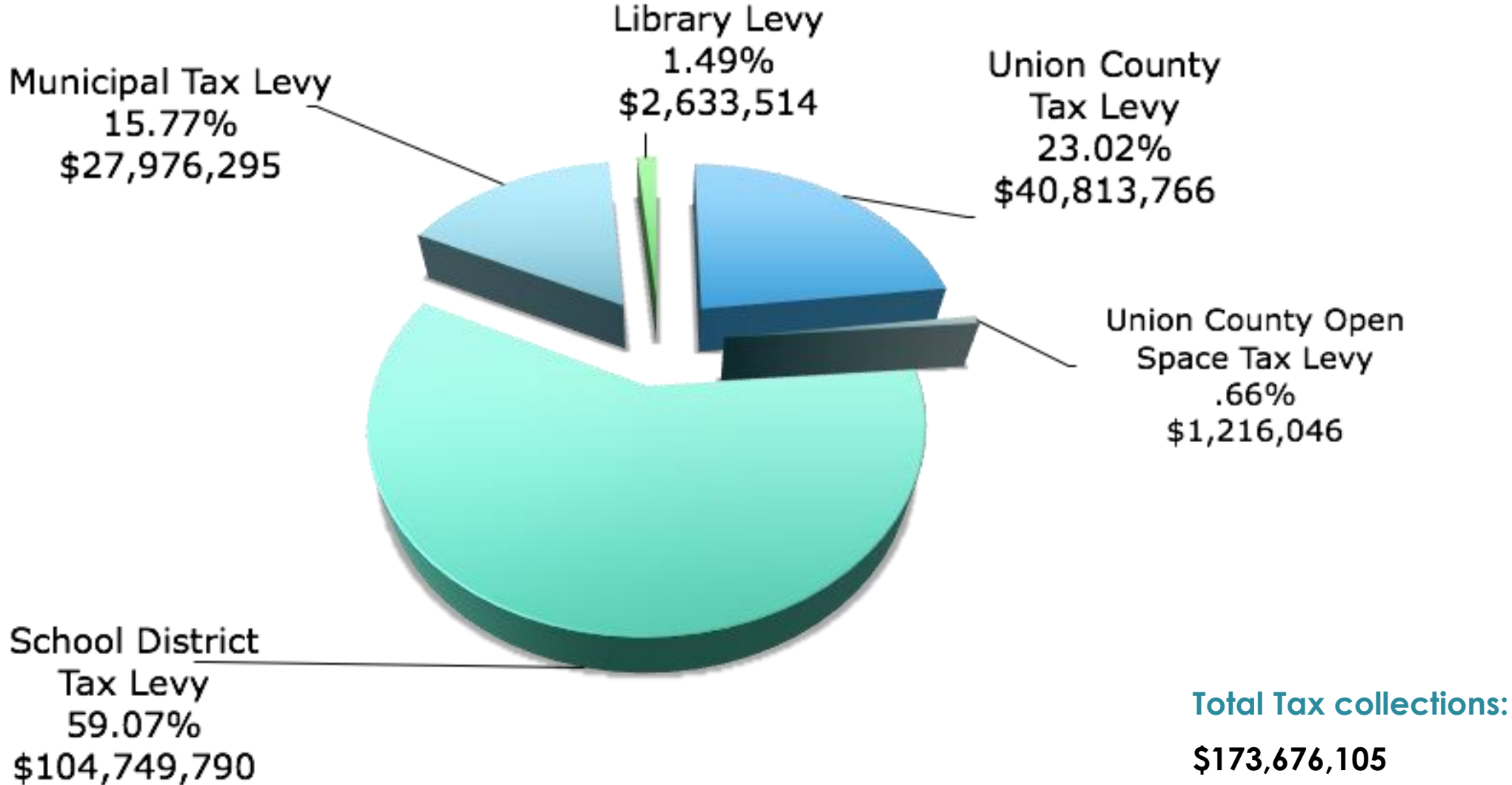


Historical View on Surplus

<u>Year</u>	<u>Available Jan 1</u>	<u>Appropriated</u>	<u>Remaining</u>	<u>Generated</u>
2009	\$2,848,423	\$2,700,000	\$148,423	\$1,907,122
2010	\$2,055,545	\$1,840,000	\$215,545	\$1,627,557
2011	\$1,843,103	\$1,719,000	\$124,103	\$74,391
2012	\$198,494	\$0	\$198,494	\$1,431,303
2013	\$1,629,798	\$750,000	\$879,798	\$3,840,667
2014	\$4,720,465	\$906,023	\$3,814,442	\$2,776,449
2015	\$6,590,891	\$167,172	\$6,423,719	\$3,159,303
2016	\$9,583,023	\$974,344	\$8,608,679	\$3,800,986
2017	\$12,409,665	\$2,174,344	\$10,235,321	\$4,275,196
2018	\$14,510,517	\$4,200,000	\$10,310,517	\$4,200,840
2019	\$14,511,357	\$4,994,000	\$9,517,357	\$1,990,336
2020	\$11,507,693	\$4,505,000	\$7,002,693	?

Investing \$4,505,000 of the 2020 available surplus will leave the town with a \$7mm surplus – 15% of the budget

Where Your Taxes Go - 2019

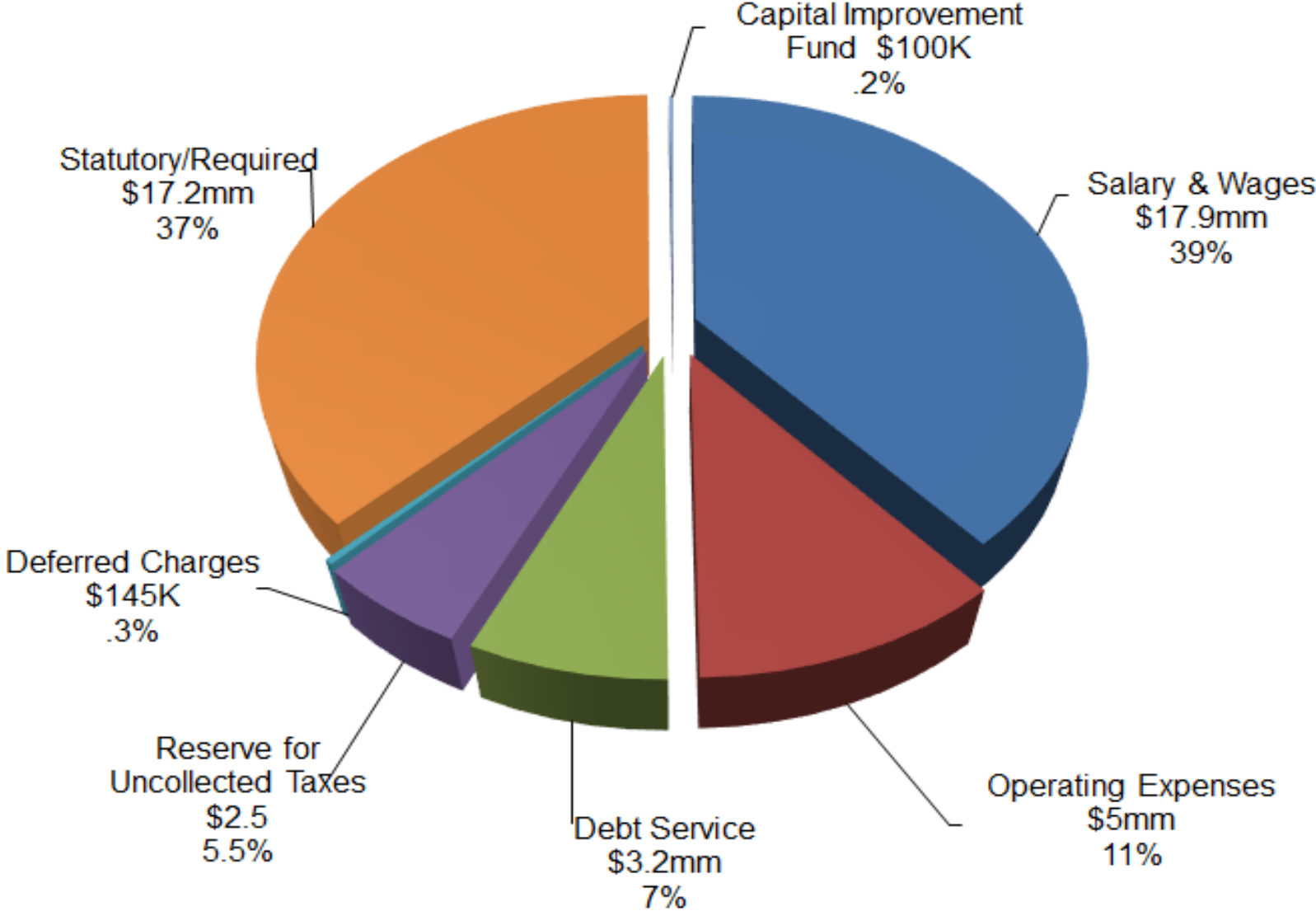


Anticipated Miscellaneous Revenues

	<u>Anticipated</u>	2020 +/- <u>vs. 2019</u>
•Parking Fees (Permits, Meters & Paystations)	\$1,305,000	(-\$425,000)
•Sewer Fee	\$2,100,000	(+\$390,000)
•Building Department Fees	\$ 800,000	(-\$430,000)
•Miscellaneous Fees & Permits	\$ 528,800	(-\$329,940)
•Health Service Agreements	\$ 646,018	(+\$ 13,057)
•Municipal Court Fines and Fees	\$ 338,000	(-\$227,000)
•Cable Franchise Fees	\$ 460,508	(-\$ 8,962)
•Interest on Investments	\$ 220,000	(-\$160,000)
•Interest & Costs on Taxes	\$ 225,000	(-\$ 25,000)

**Significant
reductions in
anticipated revenues
due to effects of
COVID-19 pandemic.**

2020 Appropriation Highlights



Municipal Appropriations Summary

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Inc./Dec.</u>
S&W	\$17,326,844	\$17,851,123	\$17,898,378	+ \$47,255 (0.26%)
Operations	\$4,820,702	\$5,076,372	\$5,045,805	- \$30,567 (-0.60%)
Debt Service	\$3,116,660	\$3,120,908	\$3,209,361	+ \$88,453 (2.83%)
Reserve for UT	\$2,390,000	\$2,440,000	\$2,480,000	+ \$40,000 (1.64%)
Deferred Charges	\$190,000	\$190,000	\$145,000	- \$45,000 (-23.68%)
Statutory/Required	\$16,070,080	\$16,721,963	\$17,206,862	+ \$464,899 (2.90%)
Capital Imp. Fund	<u>\$1,725,000</u>	<u>\$1,300,000</u>	<u>\$100,000</u>	<u>- \$1,200,000 (-92.31%)</u>
Total	\$45,639,286	\$46,700,366	\$46,085,406	- \$614,959 (-1.32%)

Salary & Wage Detail

Police Dept.	+ \$ 273,316	(4.06%)	(Police & Parking)
Health Dept.	+ \$ 71,028	(7.58%)	
Administration	+ \$ 59,318	(5.1%)	
<small>(Admin., Clerk, Collector, Assessor, Finance & Legal Depts.)</small>			
Building Dept.	+ \$ 54,556	(8.26%)	
Public Works	+ \$ 27,999	(0.91%)	
Engineering	+ \$ 15,173	(2.12%)	
Court	+ \$ 11,290	(2.57%)	
Recreation	+ \$ 10,448	(5.36%)	
Fire Safety Official	- \$ 12,873	(-7.58%)	
Fire Dept.	- \$ 78,000	(-2.09%)	

Salary & Wages represent 39% of the total budget.

Public Safety Services represent 58% of total S&W.

Public Works represents 17% of S&W.

Statutory/Required Expense Detail

Health Insurance	+ \$ 702,000 (14.22%)
RVSA	+ \$ 219,877 (5.42%)
PFRS Pension	+ \$ 95,438 (3.73%)
PERS Pension	- \$ 26,597 (-2.58%)
Utilities	+ \$ 46,500 (2.87%)
Social Security	+ \$ 15,000 (2.26%)
Other Insurance (JIF)	- \$ 1,819 (-0.17%)
Total	+ \$1,050,399

Statutory/Required Expenses represent 37% of the total budget.

RVSA fee has increased 27% since 2016.

Operating Expense Detail

Public Works	- \$ 207,860 (9.28%)	(eliminates fall tree planting, curbside bulky waste program, salt for snow storms since we have 2019 reserves)
Police Dept.	- \$ 129,440 (16%)	(transitioning to leasing replacement vehicles vs. purchasing, capital non-recurring items and parking admin.)
Building Dept.	- \$ 110,550 (55%)	(eliminates replacement vehicle purchases)
Health Dept.	+ \$ 56,297 (58.23%)	(includes \$50,000 expense which is offset by matching grant for Public Health Capacity program)
Administration	+ \$ 71,901 (8.71%)	(includes increases in general legal services and expense of new redevelopment counsel)
(Admin., Clerk, Collector, Assessor, Finance & Legal Depts.)		
Planning Board	+ \$ 19,340 (16.93%)	(includes \$50,000 expense for redevelopment planning services and \$30,000 savings from Master Plan Re-ex)
Court	- \$ 2,800 (-8.48%)	
Crossing Guard Program	- \$ 20,000 (-5%)	(includes savings from school closings due to pandemic)
Public Events	- \$ 5,000 (-13.89%)	(includes savings from some event and program cancellations)
Fire Dept.	- \$ 90,125 (-25.66%)	(includes \$45,000 savings from feasibility study, capital non-recurring items and vehicle supplies)

Operating Expenses represent 11% of the total budget.

2020 Budget is Only a Plan

Given the uncertainties, we are proposing a conservative budget to ensure that we can be resilient to additional impacts of COVID-19—in 2020 and beyond

Progress against the budget will be vigilantly monitored to see where additional action may be necessary, including:

- ◆ Ongoing discussions seeking less expensive alternatives to our current health insurance program
- ◆ Discuss with the Westfield Senior Housing Corporation lease renewal and additional revenue to the Town
- ◆ Conduct cost-benefit analysis on \$170K+ leaf collection process and assess possible lower cost alternatives
- ◆ As last resort, consider employee furloughs and/or adjustments to current benefit packages
- ◆ Introduce Town solar solutions to save energy costs on a going forward basis; RFQ is being released soon
- ◆ Discuss with ACMS, our crossing guard company to restructure program in Sept. 2020
- ◆ Evaluate the Westfield Memorial Pool revenues and costs to ensure that we can operate on a fiscally prudent basis in 2020

If things are better than expected, we will work to catch up on Master Plan and Parks Plan key priorities

2nd Quarter Tax Payment

Due by June 1st

- Governor Murphy issued an executive order today allowing municipalities to extend the grace period for 2nd Quarter taxes until June 1st
- Town Council will be adopting resolution tonight to extend the grace period to June 1st
- Town remains obligated to pay the School District (5/7) and County (5/15) taxes on time regardless of what we collect, or risk penalties for failure to pay
- With 50% of property taxes paid via escrow, we are optimistic about our ability to meet 2Q obligations but remain concerned about 3Q in light of 90 day mortgage extension

COVID-19 Silver Linings:

Our community has never been stronger



We Love Local Fund

To date \$235K has been donated and ~160 businesses have received support



Mental Health Council

has established online mental health resource and a list of available pro bono mental health professionals

WPD's Community Resource Officers

are delivering food & essentials to those in need



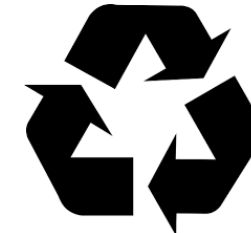
Feed the Front Line

Raised over \$85K to feed health care heroes with meals from local restaurants



LifeLong Westfield

volunteers calling seniors and facilitating online senior chats



Westfield Green Team

creates Virtual Earth Month



Fortnite Fundraiser

Teens pitching in to help local businesses



DWC and Rec Dept

establish virtual operations

Evidence of compassion, kindness and resilience everywhere

- Rainbows, balloons, grocery delivery
- Sewing circles producing masks, local factories converting to PPE

And Progress Continues...

<p>Redevelopment study for the 8 municipal parking lots, Lord & Taylor properties, and Rialto is on track for completion in June/July</p>	<p>Planning Board approved plan to declare entire SID an “area in need of rehabilitation” as a means to incentivize property owners to invest in their properties via 5 year tax abatements</p>
<p>Mindowaskin pathways and Sycamore playground being replaced, accounted for in previous budget and partially offset with County grant</p>	<p>Land Use Element and Circulation Plans still moving forward, adapting to enable more online public input, as a means to implement Master Plan recommendations specifically focused on downtown</p>
<p>Road paving will continue as a result of our collaboration with Elizabethtown Gas</p>	<p>Tamaques Park wetlands delineation study is in progress to assess if the scrub area of the woods has potential to expand the recreation area</p>
<p>Coffee kiosk at train station almost complete with RFP going out to vendors soon!</p>	

In Summary

- **While the uncertainty of this crisis has created many unforeseen challenges, we are well positioned to weather it financially in 2020 and beyond**
- **This crisis has validated the need to diversify and grow our tax base:**
 - **Pivot from our dependence on revenue that undermines good long term policy (parking tax, road opening/tear down permits) to new revenue that is derived from smart growth and planning (PILOTS, commercial properties/tenants)**
- **Our post-crisis recovery provides an opportunity to think creatively and expansively about how we want to live, work, and play in a world that will be forever changed**



Questions?

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