
City of Lambertville

2020 Budget Presentations
Part Three - November 26th 2019

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The vision of a new budget process

- **A City government** which leverages the expertise of its staff to build a responsible, long-term, and transparent budget.
- **A City budget** which can both be easily accessed, and used to derive valuable information from, by all stakeholders including the public.
- **A public** that is able to use the City's budget to get more educated about, involved, and taking ownership over what's happening in their community.

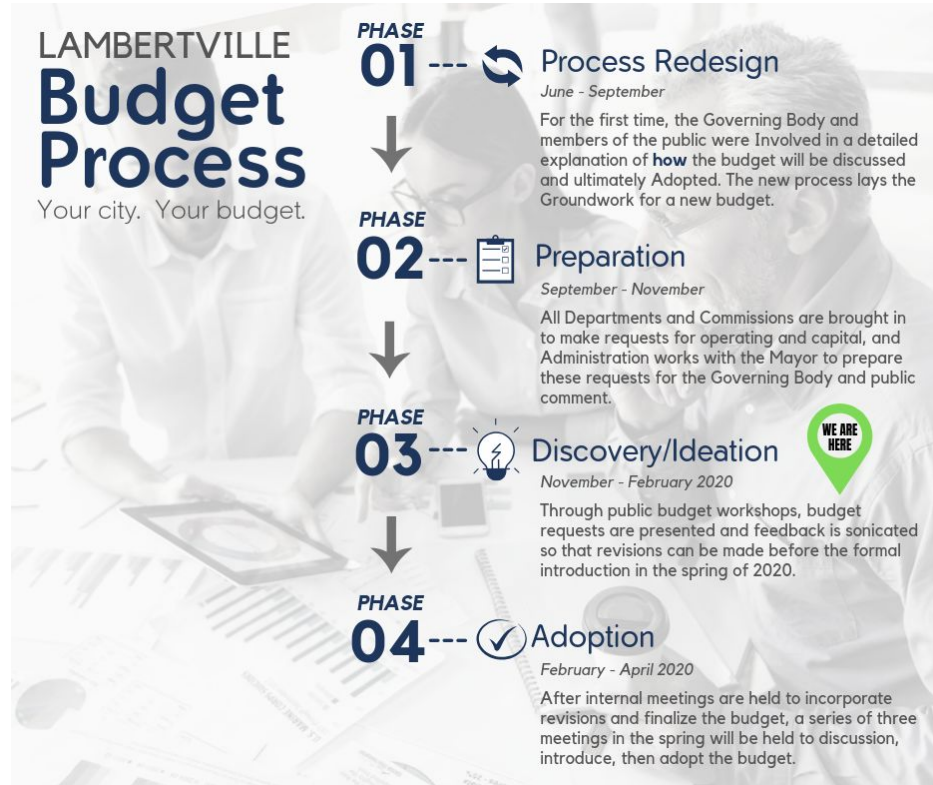
The **challenges** of a new budget process

1. There is no existing capital plan or long-term analysis/forecasting, which must be created from scratch
2. Various operating expenses have been charged to capital accounts. This will take several years to reverse and will have an impact on taxes.
3. Amount of fund balance (surplus) used to cover expenses has been going up while the balance available has been declining for the past five years
4. Many existing expenses are distributed across various accounts in such a way that generating insightful financial reports is nearly impossible
5. Many operating budgets don't have regular or annual expenses budgeted for, and many accounts are barely able to provide for existing departmental needs
6. There is a lack of documentation and written agreements in place for various payees
7. Appropriations and revenues are tied too closely together for several departments, making accurate budgeting challenging and contributing to a revenue-focused budgeting culture

The **opportunities** of a new budget process

- **Department Heads** can take more ownership over planning and implementing their budgets and departments, and the City can better leverage their expertise
- **The Business Administrator** is able to bring all fragmented pieces together under a unified financial (and capital) plan and within a single budgeting framework, which helps inform other policy/program areas, for the first time, and helps focus stakeholder attention in the highest priority areas
- **The Mayor** is able to share an unprecedented level of budget/finance information to the community, going from only the state-mandated documentation to one of the most transparent budgets in the state
- **The Governing Body** can access significantly greater information about the City's operations and long-term plans, giving much more context with which to make ultimate decisions about the budget
- **The Public** can access clear and organized budget information for the first time, helping provide new educational and engagement opportunities

The timeline of a new budget process



The timeline of a new budget process

Early August 2019	Governing Body goal setting process - workshop where Governing Body sets goals/priorities for the coming year
Early August 2019	DCCB's are briefed on new budget process and provided summary sheet of the timeline and steps for new process
September 2019	Capital planning (for six years) begun, including facility reviews, vehicle inventories, infrastructure evaluation, etc
Mid October 2019	All operating and capital requests due from DCCB's
Mid/Late October 2019	Administration discusses and finalizes requests with DCCB's, helps create facility/capital requests and plans
End of October 2019	Mayor and Administrator finalize requests for Governing Body, and Mayor holds several budget meetings with various community groups/neighborhoods
November 2019	Two public budget workshops held, Nov 12 and Nov 14th, where DCCB's present a "year in review" as well as operating and capital requests
November/December 2019	Preliminary 2020 Overview and Proposed Programs presented by Mayor and Administrator in subsequent Governing Body meetings
December 2019	Feedback (from governing and/or public) from budget workshops taken back and Administrator and Mayor finalize anticipated 2020 budget introduction
January/February 2020	Budget is reviewed by Financial Team, and ready for introduction as soon as state/county/etc numbers become available
Late February/Early March 2020	In three sequential governing body meetings: <ul style="list-style-type: none"> • Municipal Budget Discussion • Municipal Budget First Reading/Introduction (and explanation) • Municipal Budget Public Hearing and Second Reading/ Adoption
End of March 2020/Early April	2020 Municipal Budget Adopted
Early April 2020	Bond ordinance (if needed) for 2020 capital items introduced/adopted
April 2020	2020 Capital spending, road resurfacing, etc will begin

Detailed Timeline of Capital Improvement Plan

- DCCB Review and Creation of Capital Requests - September - October 2019
- Introduction of Initial Capital Requests - November 2019
- Discussion/prioritization of submitted capital requests - December 2019 - February 2020
- Creation of final Capital Improvement Plan - March/April 2020
- Bond ordinances (if applicable) and procurement - April/May 2020

Please note: The detail of the full six-year Capital Improvement Plan being developed is primarily a City document, not a statutory requirement. The final plan itself does not commit the City to, or authorize, any spending, borrowing, or debt.

Presentation Goals

These presentations are:

- Submitted Operating and Capital requests, with some explanation/context from Administration.
- This is an introduction of all of the possible operating and capital expenses anticipated for 2020
- An opportunity for the Governing Body and public to ask questions and/or provide key early-stage feedback that helps guide subsequent budget planning and prioritization
- **The starting point** of 2020 budget discussions with the Governing Body

These presentations are not:

- An overview or summary of the 2020 Budget
- Final review or authorization of any operating or capital items or the creation of a capital plan
- A discussion of 2020 statutory/fixed costs, or of anticipated revenues
- A prioritization of any submitted or requested item
- The discussion of proposed finance/budgeting solutions, programs or policies T

The above items are discussed at subsequent Governing Body budget meeting.

Presentation Format

For 2020 all Departments, Commissions, Committees, and Boards have prepared, and are presenting, their budget to the Governing Body and public.

Each presentation will roughly follow the following format:

- 2019 Year in Review and 2020 Goals
- Operating Budget
 - Operating Budget Summary
 - Operating Budget Requests
 - Discussion/Feedback
- Capital Budget
 - Capital Budget Summary
 - Capital Budget Requests
 - Discussion/Feedback
- Additional Question/Answers and Review of Feedback

Important Information

Before moving forward, it's important to at a minimum, to have already watched and/or reviewed:

- Summary and full PDF of August Introductory Presentation
- All other prior budget presentations

Please remember: What follows are only the initial requests, subject and likely to change as the budget is further developed. This includes the names and types of budget accounts presented, some of which are being re-organized for 2020. At various points numbers may be estimated or projected. If you have any questions, or encounter any errors, please reach out to us.

Lambertville Administration and Finance

2019 Year in Review and 2020 Goals

Lambertville requires the new BA to create the Department of Administration and create the position of Business Administrator from scratch within the existing organization.

2019 was a year for transition and 2020 will begin implementation of new systems.

New Administration programs w/o easily measurable tax impact

Compliance

- Assisting DCCB's to help City attain 100% compliance with procurement regulations
- Addressing recurring audit comments with new CFO
- Upgraded G Suite to provide better records retention and compliance with any future legal actions/OPRA requests
- Added additional computer/data backup solutions
- Creating strategic plan for improving City workplaces

New Administration programs w/o easily measurable tax impact

Workflow & Operations

- Implemented new phone system that reduces disruption to key staff
- Implemented regular meetings with key Department Heads
- Coordinated the City's responses with numerous outside agencies, including NJDOT, NJWSA, SHRSD
- Supported Mayor's Retreat and Council Goal-Setting
- Provide Governing Body detailed Admin reports
- Implementing new City Hall hours in 2020
- Creating various systemized processes to help improve internal efficiencies

New Administration programs w/o easily measurable tax impact

Budget, Finance & Procurement

- Designed and currently Implementing entirely new municipal budget process from scratch
- Creating a long-term capital, facilities, and infrastructure plan
- Brought on CFO and QPA
- Working with Finance to re-organize accounting system and various finance processes - will be able to then provide accurate financial reports
- Moving to fully electronic internal requisition/purchasing process

New Administration programs w/o easily measurable tax impact

Downtown & Planning

- Applied for and won award for Lambertville's downtown from NJ American Planning Association
- Working with City Planner on various groundwork for future plans related to parking, redevelopment, downtown beautification and more
- Creating "Doing Business in Lambertville" packet to help facilitate easier access to City resources for new businesses
- Implementing new construction/inspection and data software in 2020 to provide greater access to various City departments

New Administration programs w/o easily measurable tax impact

Communications & Transparency

- Worked with City Clerk and Communications to create and implement new quarterly Lambertville Matters newsletter
- Create and support various email, written, and social media communication efforts
- Planning full website redesign for Q1/Q2 2020
- Created exceptionally transparent budget materials for the public as part of new budget process
- Will begin regular public office hours in 2020

New Administration programs w/o easily measurable tax impact

Sustainability

- Applied for and secured grant for two EV chargers
- Implemented Trex plastic bag recycling program with Environmental Commission
- Support Environmental Commission and others
- Currently implementing Direct Install Energy Efficiency Upgrades to all City facilities
- Moving City processes to be electronic by default, reducing paper and postage usage
- Redesigning City's food waste program
- Implementing natural/sustainable product policy in City buildings in 2020

New Administration programs w/o easily measurable tax impact

HR/Personnel

- Implementing comprehensive program to improve staff conditions and morale, including new hours, holidays, and employee benefits in 2020
- Working with City Clerk to perform staff handbook update
- Working with Mayor to re-hire for and create plan for future hiring for various key City positions

New Administration programs with measurable tax impact

Name	Year one savings	Six year savings	Status
Eliminated over \$320,000 from project cost of Clinton Phase II. Actual savings approximately \$120,000	\$120,000	\$120,000	Nearing completion
Reducing scope/unnecessary expenses of George/Coryell Phase I and II project from budgeted amounts (~\$765,000)	\$490,000	\$490,000	In progress for 2020
Implemented new VOIP phone system	\$3,600	\$21,600	Complete
Implementing Direct Install Energy Efficiency Upgrades, reducing City's annual carbon footprint by 55,000 kwh of energy.	\$7,000	\$42,000	Authorized - Installation Q4 2019/Q1 2020
Secured Electric Vehicle Charger Grant from NJ DEP	\$12,000	\$12,000	Awarded - Installation Q1/Q2 2020
Found existing grant money owed to Lambertville on old grants	\$15,000	\$15,000	Sent to State for reimbursement
Successfully implemented Airbnb/transient occupancy tax	\$8,000	\$56,000	Sent to State for approval
Implemented budget control on capital accounts and reduced professional services costs	\$110,000	\$110,000	Completed/In Progress
Created six-year facility plan to plan out repairs to buildings rather than do them ad-hoc/reactively (estimated from facility's architectural evaluations)	\$0	\$750,000	In Progress
Created a road Capital Improvement Plan - addressing Ad Hoc nature of previous Road Improvement (Coryell St. ect)	?	?	In Progress
Discussions regarding existing and future affordable housing plans and legal activity - unknown at this stage cost impact	?	?	In Progress
Currently re-organizing how DPW is staffed by replacing per-diem workers from an NJ DOC program with permanent part-time staff - permanent cost level below current costs unknown at this time	\$12,000	?	In Progress
Implemented new security/records retention and backups policies on Google Account and IT System	-\$5,000	-\$36,000	Completed
Implemented digital road evaluation program to help prioritize future road resurfacing - three year re-eval schedule	\$4,000	\$8,000	Completed
Hired new CFO, getting approximately 10x the time capacity as the prior setup towards management of critical areas in financial oversight. Potentially major reductions in audit/compliance issues down the road with new financial management in place. Less costly salaried time replaces hourly consultant time spent on previous practice of using City's auditors as financial advisors.	0	0	Completed
Cutting down on paper and postal usage both internally and to external stakeholders. No cost evaluation performed - unknown savings at this point.	?	?	Completed / In Progress
Provided staff ability to be reimbursed for attending the League of Municipalities Conference	-\$1,500	-\$9,000	Completed
Shredded over 15 years of old documents taking up 4,000 gallons of container space that had been previously given permission by the State to be destroyed	-\$900	-\$1,200	Completed
Re-organizing Fire Prevention Office to bring in new inspections. Estimates anticipate that we will bring in as much revenue as it costs the City to implement, and likely be a slightly revenue positive	\$0		Finalizing - To be implemented Q1 2020
Streamlining zoning and laying the groundwork for potential redevelopment of certain sites - unknown degree of ratable generation at this point	?	?	In Progress
Totals	\$774,200	\$1,578,400	
Total Cost/Benefit Minus BA Salary & benefits	\$624,200	\$1,428,400	

Summary of Operating Budget 1/2

Account Number	Account Description	Account Type	Requested	Admin Rec
Totals			\$0.00	\$0.00
0-01-20-100-000	GENERAL ADMINISTRATION	Header	\$0.00	\$0.00
0-01-20-100-101	ADMINISTRATION S&W	Line Item Control	\$125,000.00	\$125,000.00
0-01-20-100-200	GENERAL ADMINISTRATION OE	Control	\$0.00	\$0.00
NEW	City-wide Internet and Phone service		\$14,000.00	\$14.00
NEW	City-wide Technology and Cloud Services		\$15,000.00	\$15,000.00
NEW	General Contractors/Professionals (Engineer, Planning, Arch, Grants)		\$20,000.00	\$20,000.00
NEW	Communications Programs and Services		\$22,500.00	\$22,500.00
NEW	Personnnal retirements/benefits payouts		\$15,000.00	\$15,000.00
NEW	City general Legal services		\$60,000.00	\$60,000.00
NEW	Advertising	Sub Account	\$750.00	\$750.00
NEW	Office Supplies	Sub Account	\$1,000.00	\$1,000.00
NEW	Conferences, Meetings, Travel, Professional Development	Sub Account	\$1,000.00	\$1,000.00
NEW	Other Admin OE		\$1,500.00	\$1,500.00
Totals			\$275,750.00	\$261,764.00

Many new accounts are consolidations of existing accounts under other departments, or are budgeting for appropriations which are incurred, but not currently budgeted for.

Summary of Operating Budget 2/2

Account Number	Account Description	Account Type	2019 Approp	2019 YTD	2018 Approp	2018 Actual	2017 Approp	2017 Actual	2016 Approp	2016 Actual	2015 Approp	2015 Actual
0-01-20-130-000	FINANCE	Header										
0-01-20-130-100	FINANCIAL ADMINISTRATION S&W	Line Item Control	\$54,970.00	\$49,585.13	\$53,906.00	\$53,895.14	\$52,828.00	\$52,777.33	\$51,447.00	\$51,401.60	\$50,161.00	\$50,096.56
0-01-20-130-200	FINANCIAL ADMINISTRATION OE	Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0-01-20-130-222	FINANCE Postage & Delivery Charges	Sub Account	\$2,150.00	\$1,385.70	\$1,150.00	\$57.87	\$1,300.00	\$1,653.47	\$1,200.00	\$1,510.10	\$1,200.00	\$1,076.88
0-01-20-130-223	FINANCE Printing & Binding	Sub Account	\$50.00	\$0.00	\$50.00	\$0.00	\$50.00	\$0.00	\$50.00	\$13.67	\$50.00	\$0.00
0-01-20-130-226	FINANCE Maint of Other Equipment	Sub Account	\$0.00	\$131.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0-01-20-130-228	FINANCE Misc Other	Sub Account	\$1,350.00	\$1,343.85	\$2,000.00	\$1,483.24	\$1,350.00	\$1,466.24	\$1,000.00	\$1,350.24	\$1,150.00	\$634.50
0-01-20-130-233	FINANCE Books & Publications	Sub Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00
0-01-20-130-236	FINANCE Office/Compter Supplies	Sub Account	\$2,000.00	\$2,237.26	\$2,000.00	\$2,032.43	\$2,000.00	\$1,582.12	\$2,100.00	\$1,637.79	\$1,850.00	\$1,696.29
0-01-20-130-241	FINANCE Conferences & Meetings	Sub Account	\$100.00	\$0.00	\$100.00	\$0.00	\$100.00	\$0.00	\$100.00	\$0.00	\$150.00	\$0.00
0-01-20-130-242	FINANCE Education & Training	Sub Account	\$150.00	\$160.00	\$500.00	\$0.00	\$500.00	\$50.00	\$1,150.00	\$35.00	\$3,000.00	\$0.00
0-01-20-130-243	FINANCE Uniform Maintenance	Sub Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0-01-20-130-244	FINANCE Professional Association Dues	Sub Account	\$50.00	\$0.00	\$50.00	\$0.00	\$50.00	\$0.00	\$100.00	\$0.00	\$100.00	\$216.49
0-01-20-130-245	FINANCE Travel	Sub Account	\$150.00	\$104.98	\$150.00	\$24.54	\$150.00	\$16.06	\$150.00	\$118.26	\$500.00	\$49.23
0-01-20-130-253	FINANCE Office Equipment	Sub Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$429.22
0-01-20-130-257	FINANCE Furniture & Furnishings	Sub Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0-01-20-130-259	FINANCE Computer/Data Processing Equip	Sub Account	\$7,000.00	\$6,201.50	\$6,000.00	\$8,124.00	\$5,000.00	\$5,624.00	\$5,100.00	\$6,187.98	\$2,000.00	\$5,624.00
	Totals		\$67,970.00	\$61,149.46	\$65,906.00	\$65,617.22	\$63,328.00	\$63,169.22	\$62,447.00	\$62,254.64	\$60,161.00	\$59,823.17

Capital Request Summary

City-wide Capital Goals

- Put in place six-year planning requirement for all DCCBs
- Reorganize how projects are funded to track costs better over time
- Create specific process for understanding future committed costs and requirement for all City-owned facilities
- Centralize technology purchases
- Create space for collaborative group vision-ing on future large-scale City projects and programs
- Provide public transparent access to capital project and cost information

Capital Request Summary

Administration and Finance												
Northern Parking Lot	2020, 2021					\$350,000						
Remove South Union Speed Humps	2020, 2021					\$18,000						
Road Resurfacing			\$550,000	\$435,000		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
City Building Annual Maintenance*			\$253,000	\$400,000	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Justice Deferred Maintenance/Update			--	--	--	\$123,420	\$142,800	\$109,735	\$172,236	\$82,875	\$0	
City Hall Deferred Maintenance/Update			--	--	--	\$17,850	\$59,840	\$578,553	\$566,525	\$1,175,550	\$0	
COAH Professional Service Fees			\$76,000	\$70,000	\$77,500	\$70,000	\$30,000	\$30,000	\$30,000	\$30,000	\$20,000	
COAH - 2018 Fair Share Settlement Agreement (est)*							\$3,800,000	\$275,000				
Pedestrian safety improvements			\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	
Wayfinding/downtown signage (include bike grant) (including parklet and other things)			\$0	\$0	\$0	\$0	\$15,000	\$10,000	\$5,000	\$2,500	\$2,500	
Community Flood Mitigation (Swan, Alexhauken, LL)						\$70,000	\$1,250,000	\$1,250,000	\$7,500,000	\$5,250,000		
EV Chargers			\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	
AEDs for City Buildings			\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$6,000	
City-wide IT Upgrade			--	--	--	\$12,500	\$7,500	\$5,000	\$2,500	\$2,500	\$2,500	
Downtown trash management			\$0	\$0	\$0	\$0	\$0	\$7,500	\$7,500	\$0	\$0	
All other bond ordinances 2017-2019		\$2,302,800	\$1,269,850	\$286,424	\$805,800	\$0						
Administration and Finance Totals		\$2,302,800	\$1,269,850	\$1,165,424	\$1,710,800	\$77,500	\$827,770	\$5,480,140	\$2,425,788	\$8,453,761	\$6,698,425	\$201,000

Capital Request Details

City Facility Deferred Maintenance and Update Summary

10 Year Facility Costs	
\$2,889,270	Library
\$1,175,550	DPW
\$2,398,318	City Hall
\$1,551,510	Police
\$597,066	Justice Center
\$8,611,714.00	
\$9,472,885.4**	

Review of Feedback

Next steps

12/3 Governing Body Meeting:

- To discuss key spending areas

12/19 Governing Body Meeting:

- Presentation of key revenue information. Identifying 2025 Vision and Metrics and Draft Preliminary 2020 Overview

1/7 Governing Body Meeting:

- Budget Discussion

January - March:

- Capital project prioritization & other public discussion(s)
- Internal meetings of City's Financial Team