

2019 Budget Hearing #1

November 5, 2018

Amended 11/4/2018

Budget Timeline

| TITLE | DATE |
|---|-----------------------------|
| Council Meeting #1 - Dept. Budget Hearing | Monday, August 27, 2018 |
| Council Meeting #2 - Dept. Budget Hearing | Monday, September 10, 2018 |
| Financial Workshop #1 | Wednesday, October 3, 2018 |
| Circulation of Draft Budget Summary | Monday, October 15, 2018 |
| Planning Commission Approval of CIP | Tuesday, October 16, 2018 |
| Circulation of Draft Budget Message | Wednesday, October 31, 2018 |
| Budget Hearing #1 - Special Meeting | Monday, November 5, 2018 |
| Budget Hearing #2 - Special Meeting | Monday, November 19, 2018 |
| Adoption of Budget | Monday, December 3, 2018 |





2019 Budget Overview

| | As Submitted | Amended | Difference |
|-------------------------------|--------------|--------------|------------|
| Revenue | \$94,578,060 | \$94,713,260 | \$135,200 |
| | | | |
| Operating Budget | \$87,532,102 | \$87,667,302 | \$135,200 |
| Capital Budget | \$3,905,560 | \$3,905,560 | \$0 |
| Debt Service | \$2,677,416 | \$2,677,416 | \$0 |
| Unappropriated Surplus | \$462,982 | \$462,982 | \$0 |
| Total Expenditures & Surplus: | \$94,578,060 | \$94,713,260 | \$135,200 |



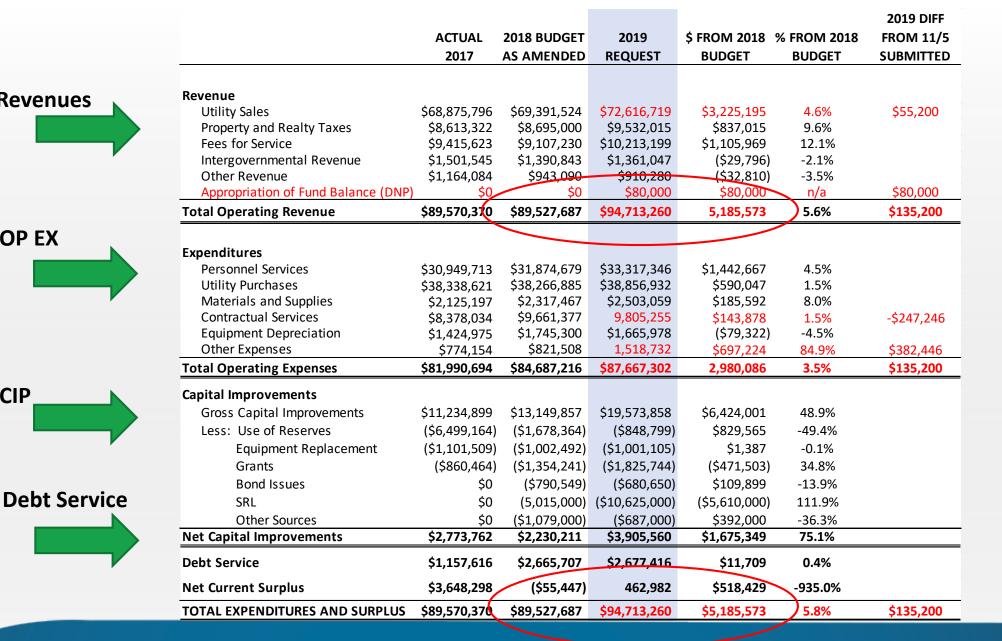
Revision:

Revenue and Operating Budgets modified to reflect proper accounting of DNP allocation (\$80,000) and Aetna utility subvention (\$55,200). Revenue & Expenditures each increased \$135,200.

| Utility/Tax | Referendum- Related | Other | Total | Average Residential Monthly Impact |
|----------------|------------------------|-------------|-----------|---|
| Tax Rate | 0.00% | 4.00% | 4.00% | \$1.72 |
| Electric Rate | 0.00% | 0.00% | 0.00% | \$0.00 |
| Sewer Fee | 0.80% | 3.00% | 3.80% | \$1.63 |
| Water Rate | 1.50% | 3.00% | 4.50% | \$1.77 |
| Stormwater Fee | 20.00% | 0.00% | 20.00% | \$0.59 |
| | | | _ | \$5.71 |

| Utility/Tax | 2018 | 2019 | Residential Monthly Impact |
|------------------------------------|----------|----------|----------------------------|
| Tax Rate (4%) | \$42.88 | \$44.60 | \$1.72 |
| Electric Rate (w/out RSA) | \$155.00 | \$155.00 | \$0.00 |
| Sewer Fee | \$42.97 | \$44.60 | \$1.63 |
| Water Rate | \$39.36 | \$41.13 | \$1.77 |
| Stormwater Fee | \$2.95 | \$3.54 | \$0.59 |
| Total: | \$283.16 | \$288.87 | \$5.71 |
| Est. RSA Electric Credit (03/2019) | -\$3.82 | -\$12.05 | -\$8.23 |
| Net Change: | \$279.34 | \$276.82 | -\$2.52 |





Revenues

OP EX

CIP



City of Newark 2019 Expenditure Budget Recommendation



OPEX - Budget Adjustments from Department Presentations

| Revenue | 10/3/2018 | 11/5/2018 | \$ Difference | % Difference |
|-------------------------------------|--------------|--------------|---------------|--------------|
| Utility Sales | \$72,561,519 | \$72,616,719 | \$55,200 | 0.1% |
| Property and Realty Taxes | \$9,532,015 | \$9,532,015 | \$0 | 0.0% |
| Fees for Service | \$10,070,199 | \$10,213,199 | \$143,000 | 1.4% |
| Intergovernmental Revenue | \$1,553,082 | \$1,361,047 | -\$192,035 | -12.4% |
| Other Revenue | \$910,280 | \$910,280 | \$0 | 0.0% |
| Appropriation of Fund Balance (DNP) | | \$80,000 | \$80,000 | n/a |
| Total Revenue: | \$94,627,095 | \$94,713,260 | \$86,165 | 0.1% |

| Operating Expenses | 10/3/2018 | 11/5/2018 | \$ Difference | % Difference |
|----------------------------------|--------------|--------------|---------------|--------------|
| Personnel Services | \$33,493,447 | \$33,317,346 | -\$176,101 | -0.5% |
| Utility Purchases | \$38,856,932 | \$38,856,932 | \$0 | 0.0% |
| Materials and Supplies | \$2,525,059 | \$2,503,059 | -\$22,000 | -0.9% |
| Contractual Services | \$9,884,935 | \$9,805,255 | -\$79,680 | -0.8% |
| Equipment Depreciation | \$1,665,978 | \$1,665,978 | \$0 | 0.0% |
| Other Expenses | \$1,154,786 | \$1,518,732 | \$363,946 | 31.5% |
| Total Operating Expenses: | \$87,581,137 | \$87,667,302 | \$86,165 | 0.1% |

Budget Adjustments from October 3 Workshop:

Revenue

- +\$150,000 for Emergency Services Fee
- -\$75,000 for revenue associated with the DNP Program
- -\$124,035 to offset UniCity program
- +\$55,200 move Aetna utility subvention to operating expense
- +\$80,000 to reflect the DNP reserves used to provide a budget of \$150,000 for 2019 (was previously reflected as a use of fund equity)

Net difference: \$86,165

Expense

- -\$75,000: Remove DNP (current) budget
- +\$70,000: for DNP (new. Use \$80,000 in DNP reserves to bring total to \$150,000
- +\$32,068: Contractual Service funding for Planning assistance
- +\$100,000: Aetna Subvention increase
- -\$83,292: Removed NEW Planner II
- -\$92,811: Reduced health care expense
- +\$55,200 for Aetna utility subvention
- +\$80,000 for DNP budget to reflect full \$150,000

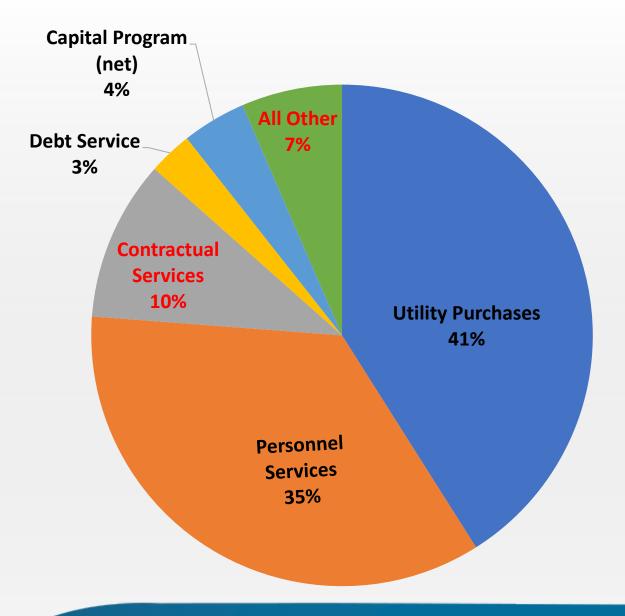
Net difference: \$86,165



Expense Budget – A Closer Look

| | | | | | | 2019 DIFF |
|--------------------------------|---------------|--------------------|----------------|---------------|-------------|------------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| Expenditures | | | | | | |
| Personnel Services | \$30,949,713 | \$31,874,679 | \$33,317,346 | \$1,442,667 | 4.5% | |
| Utility Purchases | \$38,338,621 | \$38,266,885 | \$38,856,932 | \$590,047 | 1.5% | |
| Materials and Supplies | \$2,125,197 | \$2,317,467 | \$2,503,059 | \$185,592 | 8.0% | |
| Contractual Services | \$8,378,034 | \$9,661,377 | 9,805,255 | \$143,878 | 1.5% | -\$247,246 |
| Equipment Depreciation | \$1,424,975 | \$1,745,300 | \$1,665,978 | (\$79,322) | -4.5% | |
| Other Expenses | \$774,154 | \$821,508 | 1,518,732 | \$697,224 | 84.9% | \$382,446 |
| Total Operating Expenses | \$81,990,694 | \$84,687,216 | \$87,667,302 | 2,980,086 | 3.5% | \$135,200 |
| Capital Improvements | | | | | | |
| Gross Capital Improvements | \$11,234,899 | \$13,149,857 | \$19,573,858 | \$6,424,001 | 48.9% | |
| Less: Use of Reserves | (\$6,499,164) | (\$1,678,364) | (\$848,799) | \$829,565 | -49.4% | |
| Equipment Replacement | (\$1,101,509) | (\$1,002,492) | (\$1,001,105) | \$1,387 | -0.1% | |
| Grants | (\$860,464) | (\$1,354,241) | (\$1,825,744) | (\$471,503) | 34.8% | |
| Bond Issues | \$0 | (\$790,549) | (\$680,650) | \$109,899 | -13.9% | |
| SRL | \$0 | (5,015,000) | (\$10,625,000) | (\$5,610,000) | 111.9% | |
| Other Sources | \$0 | (\$1,079,000) | (\$687,000) | \$392,000 | -36.3% | |
| Net Capital Improvements | \$2,773,762 | \$2,230,211 | \$3,905,560 | \$1,675,349 | 75.1% | |
| Debt Service | \$1,157,616 | \$2,665,707 | \$2,677,416 | \$11,709 | 0.4% | |
| Net Current Surplus | \$3,648,298 | (\$55,447) | 462,982 | \$518,429 | -935.0% | |
| TOTAL EXPENDITURES AND SURPLUS | \$89,570,370 | \$89,527,687 | \$94,713,260 | \$5,185,573 | 5.8% | \$135,200 |

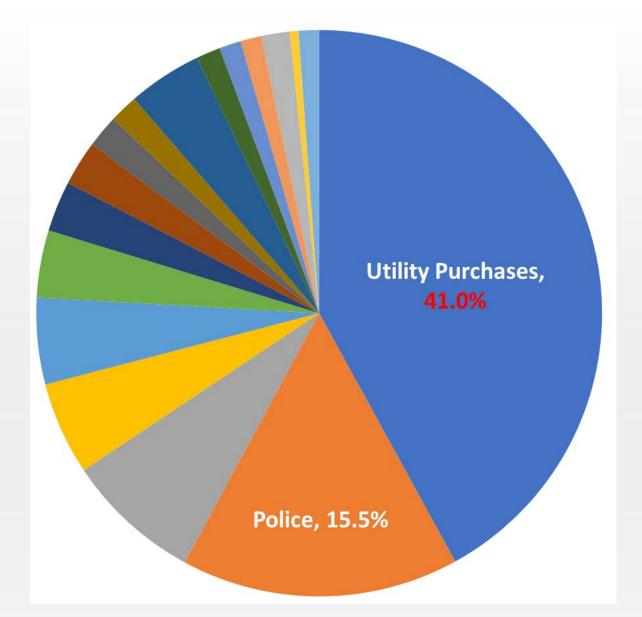




87% of the City's expenses are from Utility Purchases, Contractual Services and Personnel

| | | % of |
|--------------------------------|--------------|--------|
| Expense Type | 2019 Budget | Budget |
| Utility Purchases | \$38,856,932 | 41.0% |
| Personnel Services | \$33,317,346 | 35.2% |
| Contractual Services | \$9,805,255 | 10.4% |
| Capital Program (net) | \$3,905,560 | 4.1% |
| Debt Service | \$2,677,416 | 2.8% |
| Materials and Supplies | \$2,503,059 | 2.6% |
| Equipment Depreciation | \$1,665,978 | 1.8% |
| Other Expenses | \$1,518,732 | 1.6% |
| Surplus | \$462,982 | 0.5% |
| Total Expenditures and Surplus | \$94,713,260 | 100% |





| Budget By Function | 2018 | 2019 |
|-------------------------------------|--------|--------|
| Utility Purchases | 42.7% | 41.0% |
| Police | 15.8% | 15.5% |
| Electric | 7.6% | 7.6% |
| Public Works | 5.4% | 5.2% |
| Water | 4.8% | 4.8% |
| Parks and Recreation | 3.8% | 3.7% |
| Debt Service | 3.0% | 2.8% |
| Parking | 2.3% | 2.5% |
| Legislative/Judicial | 1.9% | 1.8% |
| Code Enforcement | 1.7% | 1.6% |
| Capital | 2.5% | 4.1% |
| Stormwater | 1.4% | 1.4% |
| Special Revenue/Self-Insurance/OPEB | 1.2% | 1.2% |
| Sewer | 1.2% | 1.2% |
| Administration/Finance/IT | 1.7% | 1.6% |
| Surplus | -0.1% | 0.5% |
| Planning | 0.7% | 1.1% |
| Maintenance - Fleet/Facilities | 2.4% | 2.4% |
| Total | 100.0% | 100.0% |
| | | |



Expense Budget Overview – Operating Expenditures (OP EX)

| | | | | | | 2019 DIFF |
|---------------------------------|--------------|--------------|--------------|--------------|-------------|------------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| Expenditures | | | | | | |
| Personnel Services | \$30,949,713 | \$31,874,679 | \$33,317,346 | \$1,442,667 | 4.5% | |
| Utility Purchases | \$38,338,621 | \$38,266,885 | \$38,856,932 | \$590,047 | 1.5% | |
| Materials and Supplies | \$2,125,197 | \$2,317,467 | \$2,503,059 | \$185,592 | 8.0% | |
| Contractual Services | \$8,378,034 | \$9,661,377 | 9,805,255 | \$143,878 | 1.5% | -\$247,246 |
| Equipment Depreciation | \$1,424,975 | \$1,745,300 | \$1,665,978 | (\$79,322) | -4.5% | |
| Other Expenses | \$774,154 | \$821,508 | 1,518,732 | \$697,224 | 84.9% | \$382,446 |
| Total Operating Expenses | \$81,990,694 | \$84,687,216 | \$87,667,302 | 2,980,086 | 3.5% | \$135,200 |

- Personnel Expenses increased by \$1.4 million (4.5%)
- Utility Purchases increased by \$590K (1.5%)

Total operating expenses are up 3.5%, or \$3 million compared to 2018

- Non-Personnel/Utility Operating Expenses up \$947K (6.5%)
 - Materials & Supplies increased \$185,000 (8%)
 - Contractual Services increased \$144,000 (1.5%)
 - Equipment Depreciation Expense -\$79,322 (-4.5%)
 - Other Expenses increased by \$700,000 (84.9%). \$360.000 reflects subventions previously netted against revenue.



Personnel Expenses – Operating Budget By Type

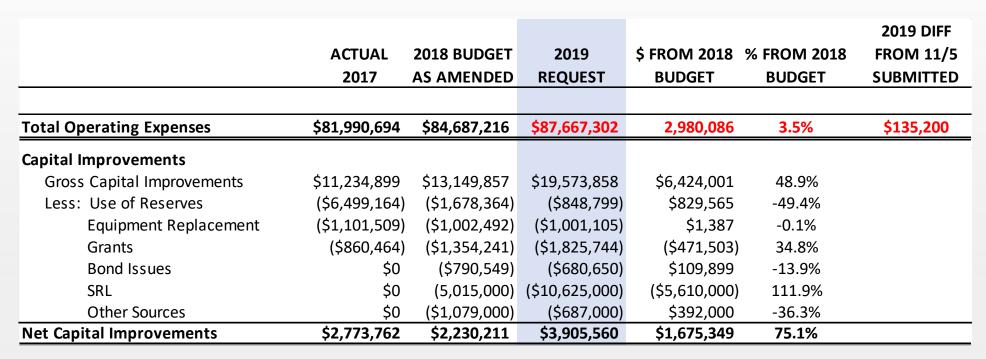
| Personnel Expense | 2018 | 2019 | Difference | % Change |
|-------------------|--------------|--------------|-------------|----------|
| Wages | \$20,609,711 | \$21,544,829 | \$935,118 | 4.5% |
| Pension | \$3,500,000 | \$3,550,000 | \$50,000 | 1.4% |
| Health Care | \$3,971,561 | \$4,291,166 | \$319,605 | 8.0% |
| OPEB | \$1,322,000 | \$1,422,000 | \$100,000 | 7.6% |
| Other | \$2,471,407 | \$2,509,351 | \$37,944 | 1.5% |
| Total: | \$31,874,679 | \$33,317,346 | \$1,442,667 | 4.5% |

Highlights of the Personnel Expenses Line for 2019:

- **No new positions.** Includes funding for FOP and AFSCME COLAs, and wage progression for employees where applicable. No COLA for Management staff included.
- \$50,000 Increase in the Annual Derived Contribution per the actuarial study performed by Milliman. The City's pension contribution increases from \$3.5 million to \$3.55 million in 2019.
- \$100,000 Increase funding to the City's OPEB liability. \$800,000 to fund future obligations and \$622,000 to fund current retiree expenses.
- \$319,000 The annual health care renewal (4.75% increase over 2018 premium).



Expense Budget Overview – Capital Improvements





- Funding of the CIP consists of five sources, with the largest source being the state revolving loan program due to the Rodney and the South Well Field Water Treatment Plant projects.
- Net CIP Budget increased by \$1.67 million (75.1%) to \$3,905,560. This represents the portion of the capital budget that is supported by current revenues (taxes, fees, etc.)



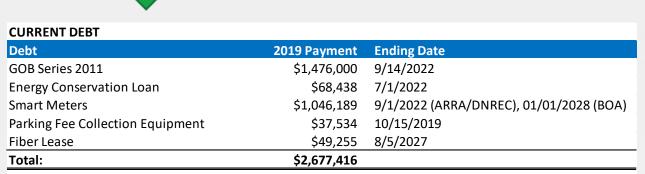
Expense Budget Overview – Debt Service

| | | | | | | 2019 DIFF |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|-----------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| Total Operating Expenses | 81,990,694 | 84,687,216 | 87,667,302 | 2,980,086 | 3.5% | \$135,200 |
| Net Capital Improvements | 2,773,762 | 2,230,211 | 3,905,560 | 1,675,349 | 75.1% | |
| Debt Service | 1,157,616 | 2,665,707 | 2,677,416 | 11,709 | 0.4% | |
| Net Current Surplus | 3,648,298 | (55,447) | 462,982 | 518,429 | -935.0% | |
| TOTAL EXPENDITURES AND SURPLUS | \$89,570,370 | \$89,527,687 | \$94,713,260 | \$5,185,573 | 5.8% | \$135,200 |



Expense Budget Overview – Debt Service

| | | | | | | 2019 DIFF |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|-----------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| | | | | | | |
| Total Operating Expenses | 81,990,694 | 84,687,216 | 87,667,302 | 2,980,086 | 3.5% | \$135,200 |
| | | | | | | |
| Net Capital Improvements | 2,773,762 | 2,230,211 | 3,905,560 | 1,675,349 | 75.1% | |
| Debt Service | 1,157,616 | 2,665,707 | 2,677,416 | 11,709 | 0.4% | |
| Debt Scivice | 1,137,010 | 2,003,707 | 2,077,410 | 11,703 | 0.470 | |
| Net Current Surplus | 3,648,298 | (55,447) | 462,982 | 518,429 | -935.0% | |
| | | | | | | |
| TOTAL EXPENDITURES AND SURPLUS | \$89,570,370 | \$89,527,687 | \$94,713,260 | \$5,185,573 | 5.8% | \$135,200 |



| ESTIMATED DEBT FROM REFERENDUM (INCLUDED IN CIP) | | | | | | | |
|--|--------------|--|--|--|--|--|--|
| Debt | 2019 Payment | Ending Date | | | | | |
| Rodney Stormwater Park* | \$163,500 | Interest-only payments until 2021, +20 years | | | | | |
| Sanitary Sewer Repairs | \$55,000 | Interest-only payments until 2022, +20 years | | | | | |
| Air Stripper Replacement - South Well Field | \$90,000 | Interest-only payments until 2020, +20 years | | | | | |
| Water Tank Maintenance | \$11,000 | Interest-only payments until 2022, +20 years | | | | | |
| Water SCADA System | \$6,000 | Interest-only payments until 2021, +20 years | | | | | |
| Water Main Replacement Program | \$30,000 | Interest-only payments until 2022, +20 years | | | | | |
| Total: | \$355,500 | | | | | | |



Expense Budget Overview – Net Current Surplus

| | | | | | | 2019 DIFF |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|-----------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| Total Operating Expenses | 81,990,694 | 84,687,216 | 87,667,302 | 2,980,086 | 3.5% | \$135,200 |
| Net Capital Improvements | 2,773,762 | 2,230,211 | 3,905,560 | 1,675,349 | 75.1% | |
| Debt Service | 1,157,616 | 2,665,707 | 2,677,416 | 11,709 | 0.4% | |
| Net Current Surplus | 3,648,298 | (55,447) | 462,982 | 518,429 | -935.0% | |
| TOTAL EXPENDITURES AND SURPLUS | \$89,570,370 | \$89,527,687 | \$94,713,260 | \$5,185,573 | 5.8% | \$135,200 |

| Fund | Net Current Surplus | Comments |
|----------------------|------------------------|--|
| General Fund | \$4,989 | Operating |
| Law Enforcement Fund | \$83,539 | Grant funds must stay in programs |
| Capital Fund | \$2,289 | Gov't-type funds for Capital spending |
| Electric Fund | \$7,604 | Operating |
| Water Fund | \$54,152 | Operating |
| Sewer Fund | \$9,431 | Operating |
| Stormwater Fund | \$297,384 | Stormwater does not support governmental funds |
| Parking Fund | \$3,594 | Operating |
| Total | \$462,982 | |



City of Newark 2019 Revenue Budget Recommendation

Revenue Budget at a Glance – Summary

| | | | | | | 2019 DIFF |
|-------------------------------------|--------------|--------------|--------------|--------------|-------------|-----------|
| | ACTUAL | 2018 BUDGET | 2019 | \$ FROM 2018 | % FROM 2018 | FROM 11/5 |
| | 2017 | AS AMENDED | REQUEST | BUDGET | BUDGET | SUBMITTED |
| | | | | | | |
| Revenue | | | | | | |
| Utility Sales | \$68,875,796 | \$69,391,524 | \$72,616,719 | \$3,225,195 | 4.6% | \$55,200 |
| Property and Realty Taxes | \$8,613,322 | \$8,695,000 | \$9,532,015 | \$837,015 | 9.6% | |
| Fees for Service | \$9,415,623 | \$9,107,230 | \$10,213,199 | \$1,105,969 | 12.1% | |
| Intergovernmental Revenue | \$1,501,545 | \$1,390,843 | \$1,361,047 | (\$29,796) | -2.1% | |
| Other Revenue | \$1,164,084 | \$943,090 | \$910,280 | (\$32,810) | -3.5% | |
| Appropriation of Fund Balance (DNP) | \$0 | \$0 | \$80,000 | \$80,000 | n/a | \$80,000 |
| Total Operating Revenue | \$89,570,370 | \$89,527,687 | \$94,713,260 | 5,185,573 | 5.6% | \$135,200 |

\$55,200 reflects Aetna subvention transfer from Revenue to Expenditures.

\$80,000 reflects use of DNP Reserves to fund initial \$150,000 to DNP.

- Rate/Property Tax Recommendations:
 - Electric Rate No Change/Annual RSA Adjustment will eliminate the following rate adjustments in March

2019:

| C | D - L - | 2 | 00/ |
|-------|---------|------|-----|
| Sewer | Kate | 一 3. | 8% |

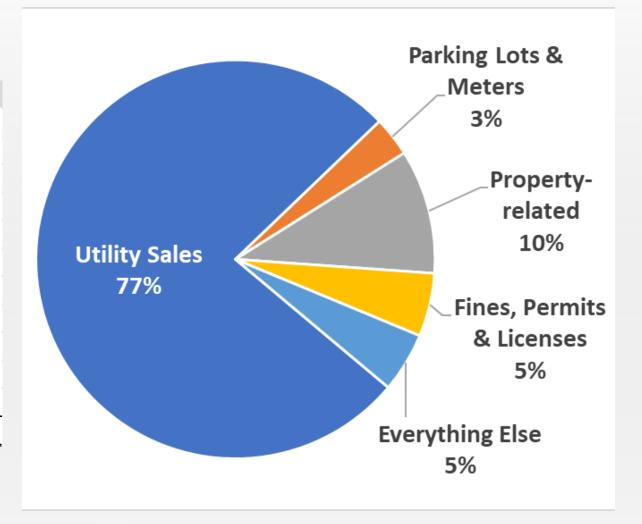
- Water Rate 4.5%
- Property Tax 4.0%
- Stormwater Fee 20%

| | | 2018 2019 Recommen | | 2019 | Comments |
|----------------------------|----|--------------------|-----|-----------|---|
| | | | | commended | Comments |
| Electric (winter rate) | \$ | 0.145 | \$ | 0.145 | Cents per kwh |
| Water (0-3174 gallons) | \$ | 7.1400 | \$ | 7.4613 | Per thousand gallons |
| Water (>3174 gallons) | \$ | 9.0940 | \$_ | 9.5032 | Per thousand gallons |
| Sewer | \$ | 8.5920 | \$ | 8.9185 | Per thousand gallons |
| Stormwater (Tier 2) - 1ERU | \$ | 2.9500 | \$ | 3.5400 | New fee in 2018. Per ERU. |
| Property Tax | \$ | 0.7737 | \$ | 0.8046 | Cents per \$100 of taxable assessed value |



Revenue By Type

| Source of Revenue | 2018 | 2019 | Change | \$ Difference |
|-------------------------------------|--------|--------|--------|---------------|
| Utility Sales | 77.5% | 76.7% | -0.8% | \$3,225,195 |
| Property Tax | 8.0% | 7.7% | -0.3% | \$162,015 |
| Realty Transfer Tax | 1.7% | 1.6% | -0.1% | \$0 |
| Lodging Tax | 0.0% | 0.7% | 0.7% | \$675,000 |
| Fines, Permits & Licenses | 4.5% | 5.1% | 0.6% | \$859,900 |
| Investment Income | 0.3% | 0.4% | 0.1% | \$102,735 |
| Intergovernmental Revenue | 1.6% | 1.4% | -0.2% | (\$29,796) |
| Parking Lots & Meters | 3.3% | 3.2% | -0.1% | \$51,335 |
| Other Revenue | 0.7% | 0.6% | -0.1% | (\$135,545) |
| Appropriation of Fund Balance (DNP) | 0.0% | 0.1% | 0.1% | \$80,000 |
| Internal Service Revenue | 2.4% | 2.4% | 0.0% | \$194,734 |
| | 100.0% | 100.0% | 0.0% | \$5,185,573 |





City of Newark 2019 General Fund

Property Taxes

Reliance on utility transfers to the Governmental Funds continue into 2019 totaling \$16.1M in 2019.

Proposed tax rate increase of 4% from \$0.7737 per \$100 of Assessed Value (AV) to \$0.8046.

Median tax bill today is \$516. 22% of residential properties pay less than \$315 annually, the cost of residential trash service.

- Median taxable residential AV is \$66,700 as of 10/1/2018, or \$516 (increase of \$200 in assessed value from 2017.
- One penny is equal to a 1.29% increase, or \$6.67/year (\$0.56/month)
- 10% of all residential properties hold a senior or disabled exemption (55 properties pay \$0). Exemption maximum is up to \$50,000.

\$16.1M = Transfer amount is equal to 31,240 homes added to the tax base without increasing the footprint of the City.

| То | Transfer In |
|---------------------------------------|--------------|
| General | \$13,502,463 |
| Community Development Fund | \$1,248 |
| Special Parks Fund | \$13,875 |
| UniCity | \$120,784 |
| Debt Service Fund | \$271,152 |
| Capital Fund | \$1,400,000 |
| Self Insurance Fund | \$220,900 |
| OPEB | \$625,000 |
| Internal Services Fund | -\$35,122 |
| Total Transfer to Governmental Funds: | \$16,120,300 |



Property Tax Exemptions

| | | Gross | | City Tax |
|---------|--------------------------------------|---------------|--------|--------------|
| | | Assessment | % | Revenue |
| | Total Land Assessment | 199,937,800 | 12.8% | \$1,546,919 |
| | Total Building Assessment | 1,356,542,520 | 87.2% | \$10,495,569 |
| Α | Total Assessment | 1,556,480,320 | 100.0% | \$12,042,488 |
| | | | | |
| | County Exemptions | | | |
| | University of Delaware/1743 Holdings | (562,878,136) | -36.2% | -\$4,354,988 |
| | Christina School District | (29,566,400) | -1.9% | -\$228,755 |
| | Senior Citizen | (24,675,148) | -1.6% | -\$190,912 |
| | Newark Charter School | (15,240,700) | -1.0% | -\$117,917 |
| | City of Newark | (14,716,000) | -0.9% | -\$113,858 |
| | Churches | (13,026,700) | -0.8% | -\$100,788 |
| | Exempt Organizations | (10,678,720) | -0.7% | -\$82,621 |
| | United States | (7,934,800) | -0.5% | -\$61,392 |
| | State of Delaware | (7,046,600) | -0.5% | -\$54,520 |
| | Newark Housing Authority | (1,903,600) | -0.1% | -\$14,728 |
| | Disability | (1,795,450) | -0.1% | -\$13,891 |
| | New Castle County | (1,643,000) | -0.1% | -\$12,712 |
| | Other Schools | (287,800) | 0.0% | -\$2,227 |
| В | Total County Exemptions | (691,393,054) | -44.4% | -\$5,349,308 |
| | | | | |
| | Newark Exemptions | | | |
| | Newark Economic Development | (4,306,340) | -0.3% | -\$33,318 |
| | Newark Historic Properties | (920,036) | -0.1% | -\$7,118 |
| | Parking Lot Lease Agreements | (871,164) | -0.1% | -\$6,740 |
| C | Total City Exemptions | (6,097,540) | -0.4% | -\$47,177 |
| | | | | |
| A-B-C=D | Net Taxable Assessment | 858,989,726 | 55.2% | \$6,646,004 |
| | | | | |
| A-D | Foregone Tax Revenue: | | | \$5,396,485 |

- There are just over 8100 tax parcels within the City of Newark.
 - Over 1,100 of properties in Newark receive some level of exemption. About 700 are senior/disabled exemptions and another 200 belong to UD.
- Only 55% of the assessed property in Newark is taxable.
 - City loses \$5.4 million annually to property exemptions.
 - The University of Delaware accounts for over 36% of our assessed property, and over 80% of the property exemption value granted.
- If there were no tax exemptions, the City would still be over \$10.7 million short in the governmental funds (equal to adding 20,783 homes to the tax roll without changing the size of the Newark).



| | | | | | 2019 Diff from 11/5 |
|--|---------------|---------------|-------------|--------------|------------------------|
| Revenue | 2018 | 2019 | Difference | % Difference | Submitted |
| Tax Revenue | \$7,145,000 | \$7,307,015 | \$162,015 | 2.3% | |
| Lodging Tax | \$0 | \$675,000 | \$675,000 | n/a | |
| Real Estate Transfer Tax | \$1,550,000 | \$1,550,000 | \$0 | 0.0% | |
| Fees for Service | \$3,986,300 | \$4,774,600 | \$788,300 | 19.8% | |
| Intergovernmental Revenue/Emer Comm Fees | \$588,776 | \$607,800 | \$19,024 | 3.2% | |
| Other | \$424,885 | \$443,000 | \$18,115 | 4.3% | |
| Appropriation of Fund Balance (DNP) | \$0 | \$80,000 | \$80,000 | n/a | \$80,000 |
| Total Operating Revenue | \$13,694,961 | \$15,437,415 | \$1,742,454 | 12.7% | \$80,000 |
| | | | | | 2019 Diff from 11/5 |
| Expenditures | 2018 | 2019 | Difference | % Difference | Submitted |
| Personnel Services | \$22,793,035 | \$23,662,739 | \$869,704 | 3.8% | |
| Materials and Supplies | \$757,779 | \$824,254 | \$66,475 | 8.8% | |
| Contractual Services | \$5,074,125 | 5,090,630 | \$16,505 | 0.3% | -\$247,246 |
| Equipment Depreciation | \$1,181,600 | \$1,074,341 | (\$107,259) | -9.1% | |
| Other Expenses | \$279,410 | 611,206 | \$331,796 | 118.7% | \$327,246 |
| Inter-Dept Charges | (\$2,335,297) | (\$2,328,281) | \$7,016 | -0.3% | |
| Total Operating Expenses | \$27,750,652 | \$28,934,889 | \$1,184,237 | 4.3% | \$80,000 |
| Net Current Surplus | \$47,509 | \$4,989 | (\$42,520) | -89.5% | |



\$0

-4.3%

\$14,103,200

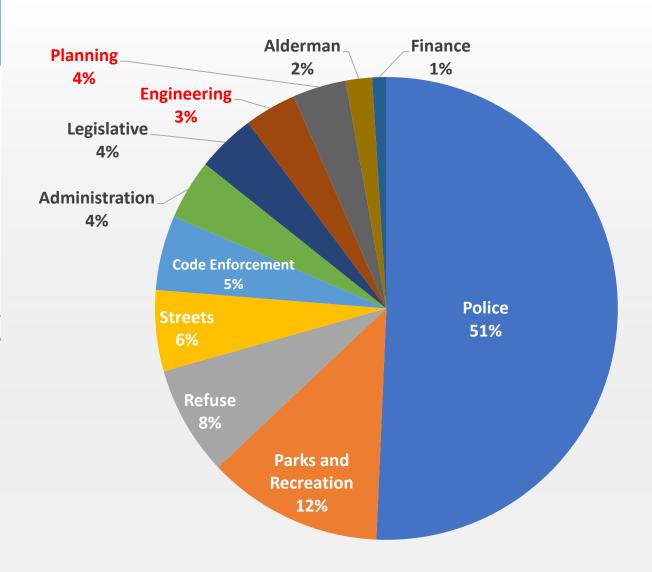
\$13,502,463

(\$600,737)

General Fund Shortfall Funded by Utility Transfer:

| Department/Division | 2018 | 2019 | \$ Difference | % Difference | 2019 Diff from 11/5 Submitted |
|----------------------|--------------|--------------|---------------|--------------|-------------------------------------|
| Police | \$14,135,171 | \$14,667,590 | \$532,419 | 3.8% | |
| Parks and Recreation | \$3,416,904 | \$3,550,410 | \$133,506 | 3.9% | |
| Refuse | \$2,121,342 | \$2,213,903 | \$92,561 | 4.4% | |
| Streets | \$1,728,273 | \$1,637,986 | -\$90,287 | -5.2% | |
| Code Enforcement | \$1,491,151 | \$1,510,620 | \$19,469 | 1.3% | |
| Administration | \$1,189,898 | \$1,217,453 | \$27,555 | 2.3% | |
| Legislative | \$1,130,265 | \$1,186,518 | \$56,253 | 5.0% | |
| Engineering | \$996,092 | \$1,051,328 | \$55,236 | 5.5% | |
| Planning | \$654,735 | \$1,078,583 | \$423,848 | 64.7% | \$80,000 |
| Alderman | \$551,609 | \$534,220 | -\$17,389 | -3.2% | |
| Finance | \$285,780 | \$286,278 | \$498 | 0.2% | |
| Total GF Expenses: | \$27,701,220 | \$28,934,889 | \$1,233,669 | 4.5% | \$80,000 |

- 2019 Projected Expenses: \$28.9 million:
 - Police, \$14.7 million (51%)
 - Parks & Recreation, \$3.6 million
 - Public Works, \$4.9 million
 - Administration and related, \$5.8 million

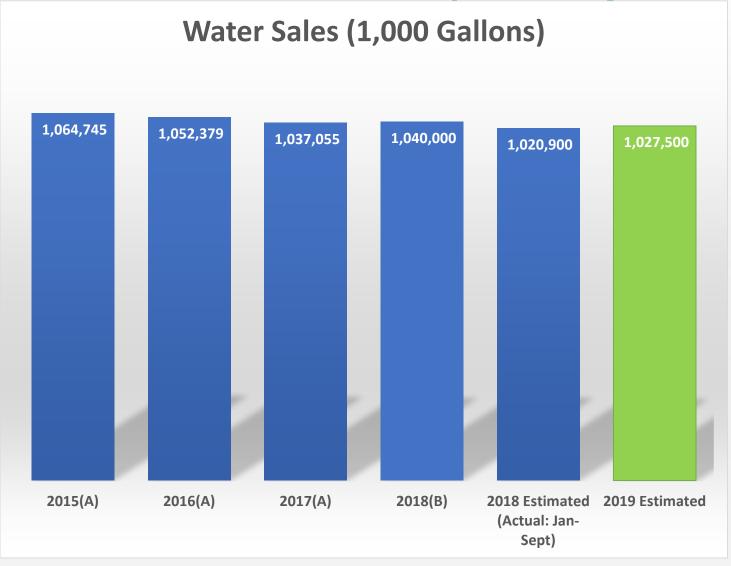




City of Newark 2019 Enterprise Funds



Utility Sales Projections - Water

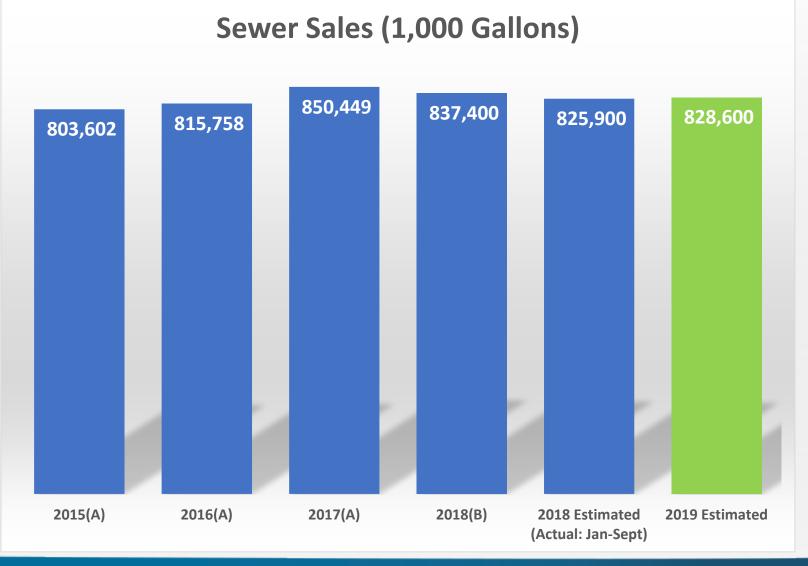


- There are 10,292 water customers as of September 2018.
 - 8,046 in-town (78%)
 - 2,246 outside the City (22%)
- In-town water customers account for 81% of the sales.
- Only 13 accounts have been added since December 2017.
- 2018 budget reflects relatively no change from the 2018 estimate.
- Water sales from 2015 to 2018 are fairly flat at 1 billion gallons annually.
- STAR Campus Most water is provided by Suez aside from old MOPAR parcel.



Utility Sales Projections - Sewer

- There are 8,117 sewer customers as of September 2018.
- 8 accounts have been added since December 2017.
- 2019 budget reflects no change from the 2018.
- Sewer sales from 2015 to 2018 have experienced relatively no change.
- STAR Campus
 - All of STAR Campus is served by Newark's sewer utility
 - STAR Tower online today
 - Chemours and BPI in 2020





Utility Sales Projections – Electric



- 2.5% increase in electric sales over 2018.
 - STAR Tower accounts for a large portion of the increase (15%).
- Twenty-Five of the University of Delaware's electric accounts make up 36% of the entire City's electric sales (ESA).
- 12,823 electric meters throughout the City.
- STAR Campus
 - Full load not expected until 2020 for Chemours and BPI.



Utility Sales

| Revenue | 2017 Actual | 2018 Budget | 2018 Estimated | 2019 Recommended | Difference | % Difference | 2019 Diff from 11/5 Submitted |
|---------------|--------------|--------------|----------------|---------------------|-------------|--------------|-------------------------------------|
| | | | | | | | |
| Electric | \$51,800,395 | \$51,626,068 | \$51,617,165 | \$52,608,368 | \$982,300 | 1.9% | \$48,400 |
| Water | \$9,382,030 | \$9,200,000 | \$9,009,087 | \$9,616,300 | \$416,300 | 4.5% | \$3,300 |
| Sewer | \$7,018,863 | \$6,875,000 | \$7,016,249 | \$7,634,150 | \$759,150 | 11.0% | \$3,500 |
| Stormwater | \$0 | \$1,315,600 | \$1,945,000 | \$2,280,000 | \$964,400 | 73.3% | |
| Utility Sales | \$68,201,288 | \$69,016,668 | \$69,587,500 | \$72,138,818 | \$3,122,150 | 4.5% | \$55,200 |

Red text reflects the movement of the Aetna utility subvention from the revenue to the expenditure budget.

| Revenue | 2017 Actual | 2018 Budget | 2018 Estimated | 2019 Recommended | Difference | % Difference | 2019 Diff from 11/5 Submitted |
|---------------|--------------|--------------|----------------|---------------------|-------------|--------------|-------------------------------------|
| Electric | \$51,800,395 | \$51,626,068 | \$51,617,165 | \$52,608,368 | \$991,203 | 1.9% | \$48,400 |
| Water | \$9,382,030 | \$9,200,000 | \$9,009,087 | \$9,616,300 | \$607,213 | 6.7% | \$3,300 |
| Sewer | \$7,018,863 | \$6,875,000 | \$7,016,249 | \$7,634,150 | \$617,901 | 8.8% | \$3,500 |
| Stormwater | \$0 | \$1,315,600 | \$1,945,000 | \$2,280,000 | \$335,000 | 17.2% | |
| Utility Sales | \$68,201,288 | \$69,016,668 | \$69,587,500 | \$72,138,818 | \$2,551,318 | 3.7% | \$55,200 |



City of Newark 2019 Capital Budget Recommendation

Goals of the CIP

Projects will seek to advance Newark's vision elements

- Healthy & Active Community
- Sustainable Community
- Inclusive Community

Maintain and enhance the City's physical framework

- Streets and Sidewalks
- Parks and Parking Facilities
- Municipal & Police Facilities
- Utility infrastructure

Support the provision of services to the City's residents

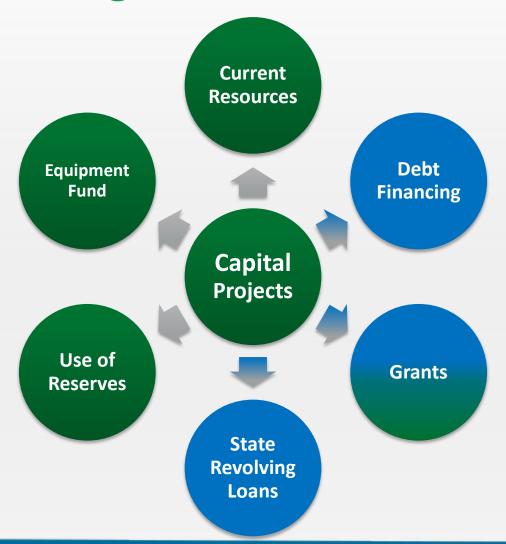
• Maintain the City's core services and functions

Ensure the financial strength of the City via prudent investments and decision making

- Conservative use of Capital Reserves
- Revenue requirements must be met
- Cost recovery must be fair and equitable



CIP Funding is now more Diversified





New Funding: *Prior Authorized Balance:

2019-2023 Funding:

| | FUNDING | | | | | SUMMARY | | | | | | |
|------------------|---------|------------|---|-----------|----|-----------|--|----|-----------|--------------|------------|--|
| 2019 | | 2020 2021 | | | | 2022 | | | 2023 | Total 5 Year | | |
| \$ 15,195,674 | \$ | 12,565,813 | 5 | 9,181,931 | \$ | 9,571,323 | | \$ | 8,097,703 | \$ | 54,612,444 | |
| \$ 4,378,184 | \$ | 21,108 | 5 | - | \$ | - | | \$ | - | \$ | 4,399,292 | |
| \$ 19,573,858 | \$ | 12,586,921 | 3 | 9,181,931 | \$ | 9,571,323 | | \$ | 8,097,703 | \$ | 59,011,736 | |

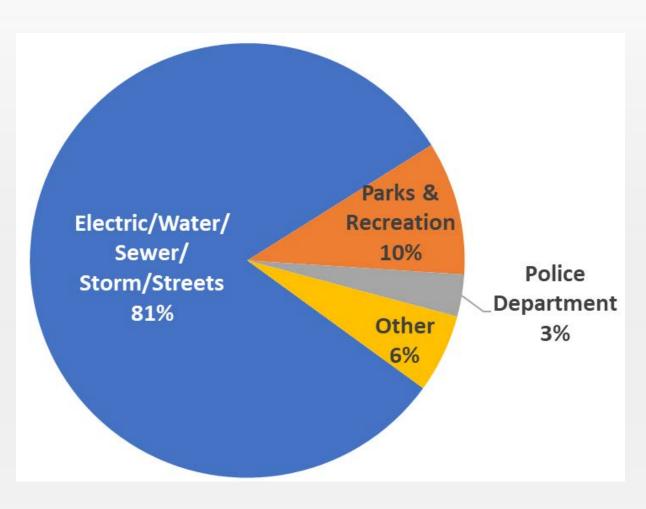
*Prior Authorized Balance includes 2018 carryover funding only.

| | 2018 | | 20 | 19 | | | | | | | | | | TOTAL |
|---------------------------------|---------------|-----|--------------|----|-----------|------------------|------------------|-----|-------------|-----|-------------|-----------------|----|--------------|
| | BUDGET | RE | SERVES & | | CURRENT | | PROP | o s | ED BU | D G | ETS | | P | ROPOSED |
| | AMENDED | OTH | ER FUNDING | | FUNDING | 2019 | 2020 | | 2021 | | 2022 | 2023 | Д | MOUNTS |
| | 4 4 705 700 | | 242.244 | | | | 4 000 000 | | 705.000 | | | 4 050 000 | | - 040 444 |
| ELECTRIC FUND | \$ 1,706,500 | \$ | 310,044 | \$ | 1,118,400 | \$ 1,428,444 | \$ 1,202,000 | \$ | 705,000 | \$ | 1,410,000 | \$ 1,068,000 | \$ | 5,813,444 |
| WATER FUND | 3,953,500 | | 4,710,376 | | 413,624 | 5,124,000 | 2,328,000 | | 2,724,000 | | 3,649,000 | 1,479,000 | | 15,304,000 |
| SEWER FUND | 1,336,701 | | 1,300,000 | | 55,000 | 1,355,000 | 1,000,000 | | 800,000 | | 800,000 | 1,300,000 | | 5,255,000 |
| STORMWATER FUND | 2,103,000 | | 5,026,375 | | 758,125 | 5,784,500 | 2,894,050 | | 576,203 | | 550,513 | 610,000 | | 10,415,266 |
| PUBLIC WORKS - GENERAL FUND | 1,800,671 | | 1,300,821 | | 878,329 | 2,179,150 | 2,222,395 | | 2,567,736 | | 1,918,178 | 2,582,441 | | 11,469,900 |
| POLICE DEPARTMENT | 445,492 | | 440,442 | | 172,882 | 613,324 | 501,868 | | 281,492 | | 211,682 | 734,262 | | 2,342,628 |
| PARKS & RECREATION DEPARTMENT | 941,634 | | 1,618,000 | | 329,500 | 1,947,500 | 625,108 | | 1,200,000 | | 999,450 | 324,000 | | 5,096,058 |
| PARKING FUND | 323,490 | | 354,740 | | 54,000 | 408,740 | 149,000 | | 105,000 | | - | - | | 662,740 |
| INFORMATION TECHNOLOGY DIVISION | - | | 32,500 | | 75,700 | 108,200 | 495,500 | | 32,500 | | 32,500 | - | | 668,700 |
| MAINTENANCE FUND | 452,549 | | 420,000 | | 50,000 | 470,000 | 1,124,000 | | 35,000 | | _ | _ | | 1,629,000 |
| OTHER DEPARTMENTS/DIVISIONS | 86,320 | | 155,000 | | - | 155,000 | 45,000 | | 155,000 | | - | 35,000 | | 390,000 |
| | | | <u> </u> | | | • | | | • | | | • | | |
| | \$ 13,149,857 | \$ | 15,668,298 | \$ | 3,905,560 | \$ 19,573,858 | \$ 12,586,921 | \$ | 9,181,931 | \$ | 9,571,323 | \$ 8,132,703 | \$ | 59,046,736 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| PLANNED FINANCING SOURCES: | | | | | | | | | | | | | | |
| CROSS CARITAL IN APPONIEMENTS | ć 42.440.0F7 | | 45 660 200 | | 2 005 500 | 40 572 050 | 42 506 024 | | 0.404.034 | | 0 574 222 | 0.422.702 | | 50.046.736 |
| GROSS CAPITAL IMPROVEMENTS | \$ 13,149,857 | \$ | 15,668,298 | \$ | 3,905,560 | \$ 19,573,858 | \$ 12,586,921 | \$ | 9,181,931 | \$ | 9,571,323 | \$ 8,132,703 | \$ | 59,046,736 |
| LESS: USE OF RESERVES | (1,678,364) | | (848,799) | | - | (848,799) | (289,448) | | (384,667) | | (63,383) | (510,587) | | (2,096,884) |
| VEHICLE & EQUIPMENT REPLACEMENT | (/ / - / | | (1,001,105) | | - | (1,001,105) | (1,400,864) | | (691,344) | | (449,414) | (1,214,588) | | (4,757,315) |
| GRANTS | (1,354,241) | | (1,825,744) | | - | (1,825,744) | (562,271) | | (704,744) | | (516,671) | (612,029) | | (4,221,459) |
| BOND ISSUES | (790,549) | | (680,650) | | - | (680,650) | (1,085,895) | | (547,236) | | (548,930) | - | | (2,862,711) |
| STATE REVOLVING LOAN | (5,015,000) | | (10,625,000) | | - | (10,625,000) | (5,065,000) | | (2,500,000) | | (4,225,000) | - | | (22,415,000) |
| OTHER FINANCING SOURCES | (1,079,000) | | (687,000) | | <u>-</u> | (687,000) | (270,000) | | (270,000) | | (270,000) | (120,000) | | (1,617,000) |
| | | | | | | | | | | | | | | |
| NET CAPITAL IMPROVEMENTS | \$ 2,230,211 | \$ | | \$ | 3,905,560 | \$ 3,905,560 | \$ 3,913,443 | \$ | 4,083,940 | \$ | 3,497,925 | \$ 5,675,499 | \$ | 21,076,367 |

2019 Capital Improvement Program Totals 2019-2023



2019 Gross Capital Expenditures by Department

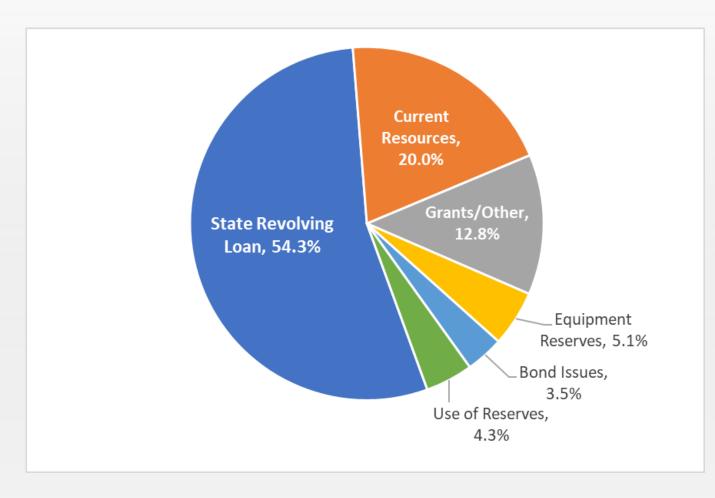


| Department/Division | 2019 | % of Total |
|------------------------|--------------|------------|
| Water | \$5,124,000 | 26.2% |
| Sewer | \$1,355,000 | 6.9% |
| Stormwater | \$5,784,500 | 29.6% |
| Street Program | \$2,179,150 | 11.1% |
| Electric | \$1,428,444 | 7.3% |
| Parks & Recreation | \$1,947,500 | 9.9% |
| Police Department | \$613,324 | 3.1% |
| Maintenance Fund | \$470,000 | 2.4% |
| Information Technology | \$108,200 | 0.6% |
| Parking | \$408,740 | 2.1% |
| Other Departments | \$155,000 | 0.8% |
| Grand Total: | \$19,573,858 | 100.0% |

| Department/Division | 2019 | % of Total |
|---|--------------|------------|
| Water/Sewer/Stormwater/Electric/Streets | \$15,871,094 | 81% |
| Parks & Recreation | \$1,947,500 | 10% |
| Police Department | \$613,324 | 3% |
| Other | \$1,141,940 | 6% |
| Grand Total: | \$19,573,858 | 100% |



2019 Funding Sources for CIP



| Funding Source | Amount | % |
|----------------------|--------------|--------|
| State Revolving Loan | \$10,625,000 | 54.3% |
| Current Resources | \$3,905,560 | 20.0% |
| Grants/Other | \$2,512,744 | 12.8% |
| Equipment Reserves | \$1,001,105 | 5.1% |
| Bond Issues | \$680,650 | 3.5% |
| Use of Reserves | \$848,799 | 4.3% |
| Total: | \$19,573,858 | 100.0% |

| Funding Source | 2018 | 2019 |
|-----------------------|--------|--------|
| State Revolving Loan | 38.1% | 54.3% |
| Current Resources | 17.0% | 20.0% |
| Grants/Other | 18.5% | 12.8% |
| Equipment Reserves | 7.6% | 5.1% |
| Bond Issues | 6.0% | 3.5% |
| Use of Reserves | 12.8% | 4.3% |
| Total: | 100.0% | 100.0% |

Capital Projects – SRL Financing

| 2018 | \$ 1,000,000 |
|----------------|------------------|
| 2019-2023 | \$ 22,415,000 |
| TOTAL FUNDING: | \$ 23,415,000 |

| Project Project | | | | | FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING | | | | | | | |
|-----------------|---------------------|-----------------|---|-------------|---|-------------|-------------|-------------|------|--------------|--|--|
| Number | | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL | | |
| Q1802 | Stormwater Division | Stormwater Fund | Rodney Regional Stormwater Park | 1,000,000 | 4,775,000 | 2,365,000 | 0 | 0 | 0 | 7,140,000 | | |
| S0904 | Sewer Division | Sewer Fund | Sanitary Sewer Study and Repairs | 0 | 1,300,000 | 1,000,000 | 800,000 | 800,000 | 0 | 3,900,000 | | |
| W9308 | Water Division | Water Fund | Water Main Replacement Program | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 0 | 4,000,000 | | |
| W1402 | Water Division | Water Fund | Air Stripper Replacement - South Well Field | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 3,000,000 | | |
| W1703 | Water Division | Water Fund | Laird Tract Well Field Restoration | 0 | 0 | 0 | 0 | 1,925,000 | 0 | 1,925,000 | | |
| W9302 | Water Division | Water Fund | Water SCADA System | 0 | 200,000 | 350,000 | 0 | 0 | 0 | 550,000 | | |
| W8605 | Water Division | Water Fund | Water Tank Maintenance | 0 | 350,000 | 350,000 | 700,000 | 500,000 | 0 | 1,900,000 | | |
| | | | | | | | | | | | | |
| | | | | \$1,000,000 | \$10,625,000 | \$5,065,000 | \$2,500,000 | \$4,225,000 | \$0 | \$22,415,000 | | |

- State Revolving Loan financing totals \$23.4 million through 2022. Projects listed above may have other sources of funding, as this table reflects the anticipated SRL funds needed between 2018 and 2022.
- It is estimated that \$1 million will be used in 2018 towards the Rodney Regional Stormwater Park project.



Capital Projects – Bond Financing

| 2018 | \$ 409,549 |
|----------------|-----------------|
| 2019-2023 | \$ 2,282,711 |
| TOTAL FUNDING: | \$ 2,692,260 |

| Project | | | Project 2018 | FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING | | | | | | | | |
|---------|---------------------------------|------------------|--------------------------------------|--|-----------|-----------|-----------|-----------|------|-------------|--|--|
| Number | | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL | | |
| H1901 | Street Division | General Fund | Annual Street Program | 0 | 100,000 | 50,000 | 100,000 | 140,252 | 0 | 390,252 | | |
| H1902 | Street Division | General Fund | ADA Accessibility Transition Plan | 115,000 | 128,150 | 131,395 | 134,736 | 138,178 | 0 | 532,459 | | |
| K1301 | Parks & Recreation Department | General Fund | Hard Surface Facilities Improvements | 50,000 | 145,000 | 422,000 | 280,000 | 238,000 | 0 | 1,085,000 | | |
| N1801 | Facilities Maintenance Division | Maintenance Fund | Rear Concrete Deck and Stairs | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 50,000 | | |
| N1806 | Facilities Maintenance Division | Maintenance Fund | FOC - Master Plan | 70,000 | 225,000 | 0 | 0 | 0 | 0 | 225,000 | | |
| V1901 | Parking Division | Parking Fund | Parking Lot Surface Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| M1401 | Fleet Maintenance Division | Maintenance Fund | Truck Lift Systems Improvements | 124,549 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | | | | \$409,549 | \$648,150 | \$603,395 | \$514,736 | \$516,430 | \$0 | \$2,282,711 | | |

- Bond/debt financing totals \$2.7 million through 2022. Projects listed above may have other sources of funding, as this table reflects the anticipated debt financing needed between 2018 and 2022.
- Parking Lot Surface Maintenance (V1901) is no longer anticipated to use debt financing.



Capital Projects – Bond Financing

| 2018 | \$ 409,549 |
|----------------|-----------------|
| 2019-2023 | \$ 2,282,711 |
| TOTAL FUNDING: | \$ 2,692,260 |

| Project | | | Project 2018 | 2018 | FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING | | | | | | |
|---------|---------------------------------|------------------|--------------------------------------|-----------|--|-----------|-----------|-----------|------|-------------|--|
| Number | | | Description BUD | | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL | |
| H1901 | Street Division | General Fund | Annual Street Program | 0 | 100,000 | 50,000 | 100,000 | 140,252 | 0 | 390,252 | |
| H1902 | Street Division | General Fund | ADA Accessibility Transition Plan | 115,000 | 128,150 | 131,395 | 134,736 | 138,178 | 0 | 532,459 | |
| K1301 | Parks & Recreation Department | General Fund | Hard Surface Facilities Improvements | 50,000 | 145,000 | 422,000 | 280,000 | 238,000 | 0 | 1,085,000 | |
| N1801 | Facilities Maintenance Division | Maintenance Fund | Rear Concrete Deck and Stairs | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 50,000 | |
| N1806 | Facilities Maintenance Division | Maintenance Fund | FOC - Master Plan | 70,000 | 225,000 | 0 | 0 | 0 | 0 | 225,000 | |
| V1901 | Parking Division | Parking Fund | Parking Lot Surface Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| M1401 | Fleet Maintenance Division | Maintenance Fund | Truck Lift Systems Improvements | 124,549 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | \$409,549 | \$648,150 | \$603,395 | \$514,736 | \$516,430 | \$0 | \$2,282,711 | |

- Bond/debt financing totals \$2.7 million through 2022. Projects listed above may have other sources of funding, as this table reflects the anticipated debt financing needed between 2018 and 2022.
- Parking Lot Surface Maintenance (V1901) is no longer anticipated to use debt financing.



Capital Projects – Priority 1 Projects

| | | | | | | FIV | E YEAR CAPITAL IMPR | OVEMENTS PROGRAM | Л | |
|----------|-------------------------------|-----------------|--|-------------|--------------|-------------|---------------------|------------------|-------------|--------------|
| Project | | | Project | 2018 | | | RECOMMEND | ED FUNDING | | |
| Number | | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| E1901 | Electric Department | Electric Fund | New Lines and Services | | 125,000 | 130,000 | 135,000 | 140,000 | 145,000 | 675,000 |
| E1502 | Electric Department | Electric Fund | Underground Distribution - UD Star Campus | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 600,000 |
| E1203 | Electric Department | Electric Fund | CAD Software | 40,500 | 40,444 | 0 | 0 | 0 | 0 | 40,444 |
| E0503 | Electric Department | Electric Fund | SCADA and Automatic Switching | 300,000 | 655,000 | 250,000 | 0 | 450,000 | 0 | 1,355,000 |
| W1601 | Water Division | Water Fund | Backup Generation at Water Facilities | 82,500 | 70,000 | 0 | 0 | 0 | 0 | 70,000 |
| W0503 | Water Division | Water Fund | Well Restoration Program | 28,000 | 28,000 | 58,000 | 29,000 | 29,000 | 29,000 | 173,000 |
| W0002 | Water Division | Water Fund | Curtis WTP Alt. Disinfection and Facilities Upgrades | 673,000 | 25,000 | 0 | 0 | 0 | 0 | 25,000 |
| W9308 | Water Division | Water Fund | Water Main Replacement Program | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 0 | 4,000,000 |
| Q1802 | Stormwater Division | Stormwater Fund | Rodney Regional Stormwater Park | 1,000,000 | 4,775,000 | 2,365,000 | 0 | 0 | 0 | 7,140,000 |
| Q1301 | Stormwater Division | Stormwater Fund | Storm Drainage Improvements | 420,000 | 491,000 | 463,050 | 536,203 | 510,513 | 525,000 | 2,525,766 |
| Q0101 | Stormwater Division | Stormwater Fund | NPDES (Phase II) Stormwater Quality Program | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 200,000 |
| S0904 | Sewer Division | Sewer Fund | Sanitary Sewer Study and Repairs | 0 | 1,300,000 | 1,000,000 | 800,000 | 800,000 | 0 | 3,900,000 |
| H1901 | Street Division | General Fund | Annual Street Program | 0 | 1,600,000 | 1,625,000 | 1,650,000 | 1,675,000 | 1,750,000 | 8,300,000 |
| H1902 | Street Division | General Fund | ADA Accessibility Transition Plan | 115,000 | 153,150 | 156,395 | 159,736 | 163,178 | 166,441 | 798,900 |
| C1902 | Police Department | General Fund | Mobile Video Recording Refresh | 0 | 190,224 | 50,116 | 50,116 | 50,116 | 50,116 | 390,688 |
| C1904 | Police Department | General Fund | Body Worn Camera Project | 0 | 115,658 | 68,268 | 68,268 | 68,268 | 68,268 | 388,730 |
| C1601 | Police Department | General Fund | Taser X26P Replacement | 20,389 | 21,408 | 22,478 | 23,602 | 24,782 | 26,021 | 118,291 |
| C1401 | Police Department | General Fund | Ballistic Vests | 3,000 | 14,034 | 10,006 | 35,506 | 16,516 | 4,857 | 80,919 |
| K1601 | Parks & Recreation Department | General Fund | Charles Emerson Bicycle/Pedestrian Bridge | 500,000 | 1,250,000 | 0 | 0 | 0 | 0 | 1,250,000 |
| V1702 | Parking Division | Parking Fund | Additional Parking Sensors | 68,250 | 15,000 | 0 | 0 | 0 | 0 | 15,000 |
| V1703 | Parking Division | Parking Fund | Lot Countdown Signs | 52,500 | 24,000 | 0 | 0 | 0 | 0 | 24,000 |
| | | | | | ·= | | | | | |
| Includes | Debt Funding | | | \$3,463,139 | \$12,052,918 | \$7,358,313 | \$4,647,431 | \$5,087,373 | \$2,924,703 | \$32,070,738 |

Priority 1 projects are of the highest priority, are already underway and must be completed.



Capital Projects – Equipment

| | | | | | FIVE YE | AR CAPITAL IMPR | OVEMENTS PRO | GRAM | |
|---------------------------------------|---------------------|-------------------------------|-----------|---------------------|-------------|-----------------|--------------|-------------|-------------|
| Project | | Project | 2018 | RECOMMENDED FUNDING | | | | | |
| Number | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| | | | | | | | | | |
| EEQSF Electric Department | Electric Fund | Equipment Replacement Program | 340,000 | 218,000 | 487,000 | 0 | 250,000 | 368,000 | 1,323,000 |
| WEQSF Water Division | Water Fund | Equipment Replacement Program | 0 | 124,000 | 310,000 | 100,000 | 50,000 | 50,000 | 634,000 |
| QEQSF Stormwater Division | Stormwater Fund | Equipment Replacement Program | 18,000 | 315,000 | 26,000 | 0 | 0 | 45,000 | 386,000 |
| SEQSF Sewer Division | Sewer Fund | Equipment Replacement Program | 0 | 0 | 0 | 0 | 0 | 300,000 | 300,000 |
| REQSF Refuse Division | General Fund | Equipment Replacement Program | 0 | 0 | 225,000 | 430,000 | 0 | 0 | 655,000 |
| HEQSF Street Division | General Fund | Equipment Replacement Program | 200,000 | 331,000 | 196,000 | 233,000 | 60,000 | 611,000 | 1,431,000 |
| TEQSF Engineering Division | General Fund | Equipment Replacement Program | 0 | 75,000 | 0 | 0 | 0 | 35,000 | 110,000 |
| MEQSF Fleet Maintenance Division | Maintenance Fund | Equipment Replacement Program | 0 | 40,000 | 0 | 0 | 0 | 0 | 40,000 |
| CEQSF Police Department | General Fund | Equipment Replacement Program | 184,000 | 240,000 | 351,000 | 104,000 | 52,000 | 585,000 | 1,332,000 |
| KEQSF Parks & Recreation Department | General Fund | Equipment Replacement Program | 62,000 | 233,000 | 65,000 | 0 | 145,000 | 155,000 | 598,000 |
| BEQSF Code Enforcement Division | General Fund | Equipment Replacement Program | 27,000 | 25,000 | 45,000 | 25,000 | 0 | 0 | 95,000 |
| UEQSF Unicity Transportation Division | Transportation Fund | Equipment Replacement Program | 0 | 130,000 | 0 | 130,000 | 0 | 0 | 260,000 |
| VEQSF Parking Division | Parking Fund | Equipment Replacement Program | 0 | 0 | 49,000 | 0 | 0 | 0 | 49,000 |
| FEQSF Finance Department | General Fund | Equipment Replacement Program | 0 | 0 | 0 | 0 | 0 | 35,000 | 35,000 |
| NEQSF Facilities Maintenance Division | Maintenance Fund | Equipment Replacement Program | 30,000 | 0 | 0 | 35,000 | 0 | 0 | 35,000 |
| Includes Grant Funding | | | \$861,000 | \$1,731,000 | \$1,754,000 | \$1,057,000 | \$557,000 | \$2,184,000 | \$7,283,000 |



Capital Projects – Priority 2 Projects

| Dura in an | | | Postore | FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM 2018 R E C O M M E N D E D F U N D I N G | | | | | | |
|-------------------|---------------------------------|------------------|---|--|-------------|-------------|-------------|-------------|-----------|--------------|
| Project Number | | | Project Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| rumber | | | Bescription | DODGET | 2013 | 2020 | 2021 | LULL | 2023 | TOTAL |
| W1701 | Water Division | Water Fund | Valve Inspection, Exercising and Rehabilitation | 0 | 165,000 | 125,000 | 125,000 | 125,000 | 125,000 | 665,000 |
| W1702 | Water Division | Water Fund | Source Water Protection | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 25,000 | 105,000 |
| W1703 | Water Division | Water Fund | Laird Tract Well Field Restoration | 0 | 0 | 0 | 0 | 1,925,000 | 0 | 1,925,000 |
| W1402 | Water Division | Water Fund | Air Stripper Replacement - South Well Field | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 3,000,000 |
| W9302 | Water Division | Water Fund | Water SCADA System | 0 | 200,000 | 350,000 | 0 | 0 | 0 | 550,000 |
| W8605 | Water Division | Water Fund | Water Tank Maintenance | 0 | 350,000 | 350,000 | 700,000 | 500,000 | 0 | 1,900,000 |
| H1503 | Street Division | General Fund | Newark Transportation Plan Implementation | 704,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 100,000 |
| K1301 | Parks & Recreation Department | General Fund | Hard Surface Facilities Improvements | 50,000 | 145,000 | 422,000 | 280,000 | 238,000 | 109,000 | 1,194,000 |
| K0908 | Parks & Recreation Department | General Fund | Children's Play Equipment | 3,550 | 60,000 | 40,000 | 40,000 | 16,450 | 60,000 | 216,450 |
| V1901 | Parking Division | Parking Fund | Parking Lot Surface Maintenance | 0 | 127,740 | 0 | 105,000 | 0 | 0 | 232,740 |
| V1904 | Parking Division | Parking Fund | Parking Ambassador Radios | 0 | 27,000 | 0 | 0 | 0 | 0 | 27,000 |
| V1802 | Parking Division | Parking Fund | Lot #1 Expansion | 75,000 | 215,000 | 0 | 0 | 0 | 0 | 215,000 |
| V1701 | Parking Division | Parking Fund | LPR's for Parking Ambassador Vehicles | 0 | 0 | 100,000 | 0 | 0 | 0 | 100,000 |
| 11901 | Information Technology Division | General Fund | Sonicwall Firewall Replacement | 0 | 58,000 | 0 | 0 | 0 | 0 | 58,000 |
| N1901 | Facilities Maintenance Division | Maintenance Fund | City Hall - HVAC System Upgrades | 0 | 50,000 | 950,000 | 0 | 0 | 0 | 1,000,000 |
| N1801 | Facilities Maintenance Division | Maintenance Fund | Rear Concrete Deck and Stairs | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| N1806 | Facilities Maintenance Division | Maintenance Fund | FOC - Master Plan | 123,000 | 225,000 | 0 | 0 | 0 | 0 | 225,000 |
| Includes | Debt Funding | | | \$1,025,550 | \$4,712,740 | \$2,377,000 | \$1,290,000 | \$2,844,450 | \$339,000 | \$11,563,190 |

Priority 2 projects are a critical need to remediate a failing service, prevent failure, or generate a savings.



Capital Projects – Priority 3 Projects

| | | | | | FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM | | | | | |
|----------|---------------------------------|------------------|---|--------|--|-----------|-------------|-----------|-----------|-------------|
| Project | | | Project | 2018 | | | RECOMMENDE | D FUNDING | | |
| Number | | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| L | _l | | | , | | | LJ.L | | | |
| E1912 | Electric Department | Electric Fund | 35kV Disconnect Switches Replacement - Ke | 0 | 0 | 0 | 150,000 | 150,000 | 150,000 | 450,000 |
| E1602 | Electric Department | Electric Fund | Circuit Breaker Replacement | 0 | 0 | 65,000 | 0 | 0 | 0 | 65,000 |
| W1602 | Water Division | Water Fund | Roseville Park Pressure District | 0 | 0 | 25,000 | 250,000 | 0 | 0 | 275,000 |
| W1503 | Water Division | Water Fund | Academy Street Interconnection Pump Station | 0 | 0 | 50,000 | 500,000 | 0 | 0 | 550,000 |
| W1302 | Water Division | Water Fund | Abandon Old Wells | 0 | 5,000 | 40,000 | 0 | 0 | 0 | 45,000 |
| H1903 | Street Division | General Fund | Skid Steer Purchase | 0 | 0 | 0 | 75,000 | 0 | 0 | 75,000 |
| 11703 | Parks & Recreation Department | General Fund | Recreation Management Software | 0 | 88,500 | 0 | 0 | 0 | 0 | 88,500 |
| 11601 | Information Technology Division | General Fund | Virtual Environment Host Replacement | 0 | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| 11603 | Information Technology Division | General Fund | Surveillance Camera Refresh | 0 | 32,500 | 32,500 | 32,500 | 32,500 | 0 | 130,000 |
| 11606 | Information Technology Division | General Fund | Disaster Recovery and Planning | 0 | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| N1803 | Facilities Maintenance Division | Maintenance Fund | Exterior Paint and Powerwash | 0 | 0 | 33,000 | 0 | 0 | 0 | 33,000 |
| Includes | Debt Funding | | | \$0 | \$126,000 | \$395,500 | \$1,007,500 | \$182,500 | \$150,000 | \$1,861,500 |

Priority 3 projects are projects where the City would be taking a calculated risk in the deferral of this project.



Capital Projects – Priority 4 Projects

| Project | | | Project | 2018 | | | | | | |
|---------|---------------------------------|------------------|--|-----------|-----------|-----------|-------------|-----------|------|-------------|
| Number | | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| | | | | | | | 250.000 | 250.000 | | 500.000 |
| E1911 | Electric Department | Electric Fund | 34kV Line 3402 Capacity Upgrade | 0 | 0 | 0 | 250,000 | 250,000 | | 500,000 |
| E1805 | Electric Department | Electric Fund | Line Extension - UD Farm | 0 | 170,000 | 0 | 0 | 0 | (| 170,000 |
| E1806 | Electric Department | Electric Fund | Christianstead Cable Addition | 0 | 0 | 50,000 | 0 | 0 | (| 50,000 |
| C1903 | Police Department | General Fund | NPD Ethernet Rewiring Project | 0 | 32,000 | 0 | 0 | 0 | (| 32,000 |
| K1704 | Parks & Recreation Department | General Fund | Lumbrook Park Pavilion | 0 | 0 | 45,000 | 0 | 0 | (| 45,000 |
| K1705 | Parks & Recreation Department | General Fund | Preston's Playground Utility Lines | 124,084 | 60,000 | 0 | 0 | 0 | (| 60,000 |
| K1605 | Parks & Recreation Department | General Fund | Redd Park Trail Improvements | 32,000 | 0 | 32,000 | 30,000 | 0 | (| 62,000 |
| K1501 | Parks & Recreation Department | General Fund | Iron Glen Park Master Plan | 0 | 0 | 0 | 50,000 | 0 | (| 50,000 |
| K1502 | Parks & Recreation Department | General Fund | Fitness Stations | 20,000 | 0 | 21,108 | 0 | 0 | (| 21,108 |
| K1305 | Parks & Recreation Department | General Fund | Pomeroy Trail Connector | 150,000 | 11,000 | 0 | 0 | 0 | (| 11,000 |
| K1202 | Parks & Recreation Department | General Fund | Kershaw Park Improvements | 0 | 0 | 0 | 200,000 | 0 | (| 200,000 |
| K1203 | Parks & Recreation Department | General Fund | Old Paper Mill Park Improvements | 0 | 100,000 | 0 | 600,000 | 600,000 | (| 1,300,000 |
| | | | Tyler Technologies Contracts, Bid Module and Cash Management | | | | | | | |
| 11902 | Information Technology Division | General Fund | Module | 0 | 17,700 | 23,000 | 0 | 0 | (| 40,700 |
| 11801 | Information Technology Division | General Fund | Citywide Fiber (Phase II) | 0 | 0 | 140,000 | 0 | 0 | (| 140,000 |
| N1805 | Facilities Maintenance Division | Maintenance Fund | Lower Level Bathroom | 0 | 0 | 30,000 | 0 | 0 | (| 30,000 |
| N1808 | Facilities Maintenance Division | Maintenance Fund | FOC - Buildings 1 and 2, Security Improvements | 0 | 0 | 31,000 | 0 | 0 | (| 31,000 |
| N1809 | Facilities Maintenance Division | Maintenance Fund | TRN - New Windows | 0 | 0 | 55,000 | 0 | 0 | (| 55,000 |
| N1702 | Facilities Maintenance Division | Maintenance Fund | Council Chamber Renovations | 0 | 0 | 25,000 | 0 | 0 | (| 25,000 |
| N1603 | Facilities Maintenance Division | Maintenance Fund | GWC - HVAC System Upgrades | 105,000 | 105,000 | 0 | 0 | 0 | | 105,000 |
| | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | | | | | |
| | | | - | \$431,084 | \$495,700 | \$452,108 | \$1,130,000 | \$850,000 | \$0 | \$2,927,808 |

Priority 4 projects are a need and not a want, presenting no significant risk in the deferral of this project.



Capital Projects – Priority 5 Projects

| Project | | | Project | 2018 | | | | | | |
|---------|---------------------------------|---------------|---|--------|-----------|-----------|----------|----------|-----------|-----------|
| Numbe | r | | Description | BUDGET | 2019 | 2020 | 2021 | 2022 | 2023 | TOTAL |
| | | | | | | | | | | |
| E1807 | Electric Department | Electric Fund | Relay Replacements - Kershaw Substation | 0 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 200,000 |
| E1808 | Electric Department | Electric Fund | Voltage Upgrade - North College Avenue | 0 | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| E1809 | Electric Department | Electric Fund | 12.47kV Line Extension | 0 | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| E1810 | Electric Department | Electric Fund | Lightning Arrestor Replacement | 0 | 0 | 0 | 0 | 0 | 235,000 | 235,000 |
| 11804 | Information Technology Division | General Fund | Harris Automation Platform | 0 | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| | | | | | | | | | | |
| | | | | \$0 | \$100,000 | \$250,000 | \$50,000 | \$50,000 | \$285,000 | \$735,000 |

Priority 5 projects are a need and not a want, and can be moved to year two.



City of Newark Cash/Investment Balances



LAST YEAR: Estimated Cash/Investment Balances – Based on Proposed 2018 Budget

| | | G - | ENERAL/CAPITAL PROJECTS FUND | ELECTRIC FUND | WATER FUND | SEWER FUND | PARKING FUND | STORMWATER FUND | FLEET MAINTENANCE FUND | TOTALS |
|-------|----------|---|------------------------------------|------------------|---------------|---------------|-----------------|--------------------|------------------------------|----------------|
| | | Total Minimum per Current Policies | \$4,395,579 | \$8,367,261 | \$3,112,981 | \$1,109,052 | \$512,180 | \$129,585 | \$358,100 | \$17,984,738 |
| | | Total Maximum per Current Policies | \$7,966,883 | \$14,650,355 | \$4,941,290 | \$1,725,570 | \$660,250 | \$274,962 | \$476,324 | \$30,695,634 |
| | | | | | | | | | | |
| | А | Estimated Cash Balance as of 12/31/2017 | \$11,684,073 | \$10,661,113 | \$668,073 | \$2,700,747 | \$419,868 | \$110,000 | \$417,984 | \$26,661,858 |
| | | LESS RESERVES REQUIRED PER POLICY: | | | | | | | | |
| | В | Reserve for Budget Balance (All Minimum - 30 to 51 days) | (\$3,181,479) | (\$6,434,251) | (\$2,842,081) | (\$905,312) | (\$369,930) | (\$106,085) | (\$285,590) | (\$14,124,728) |
| | | # of Days | 30 | 51 | 51 | 51 | 51 | 51 | 51 | |
| | С | Reserve for Equipment Replacement | (\$1,214,100) | (\$340,000) | (\$165,000) | (\$132,586) | (\$148,937) | (\$18,000) | (\$133,317) | (\$2,151,940) |
| | D | Reserve for Capital Projects | (\$1,261,031) | (\$773,713) | (\$1,149,480) | (\$1,314,731) | (\$587,578) | (\$428,547) | (\$206,724) | (\$5,721,804) |
| | E | Reserve for Rate Stabilization | \$0 | (\$2,954,619) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$2,954,619) |
| F = (| B+C+D+E) | Reserve Totals | (\$5,656,610) | (\$10,502,583) | (\$4,156,561) | (\$2,352,629) | (\$1,106,445) | (\$552,632) | (\$625,631) | (\$24,953,091) |
| | | | | 4 | /4 | | (4 | (4 | | 4 |
| | 6 = A-F | Unreserved Cash/Investments 12/31/2017 | \$6,027,463 | \$158,530 | (\$3,488,488) | \$348,118 | (\$686,577) | (\$442,632) | (\$207,647) | \$1,708,767 |
| | | LESS: | | | | | | | | |
| | Н | 60 Days of Operating Expenses (not in policy - Adds to B) | (\$4,497,698) | (\$836,903) | (\$567,011) | (\$112,074) | (\$267,597) | (\$119,511) | (\$312,476) | (\$6,713,270) |
| | | | | | | | | | | |
| | = G-H | Net Available Cash | \$1,529,765 | (\$678,373) | (\$4,055,499) | \$236,044 | (\$954,174) | (\$562,143) | (\$520,123) | (\$5,004,503) |



Estimated Cash/Investment Balances – Based on Proposed 2019 Budget

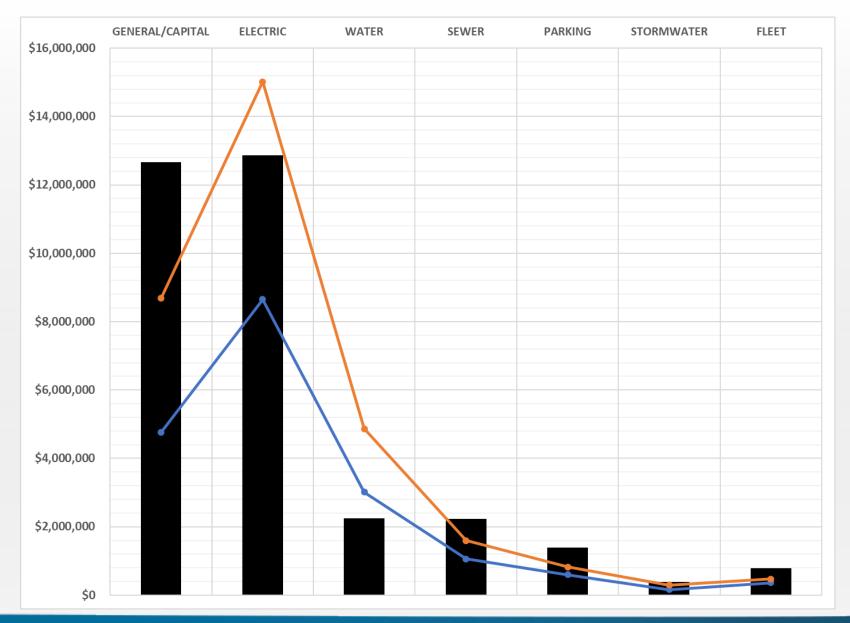
| | | GENERAL/CAPITAL | ELECTRIC | WATER | SEWER | PARKING | STORMWATER | FLEET | TOTALS |
|---------------|---|--------------------|--------------------|----------------------|------------------|----------------------|----------------------|----------------------|--------------------|
| | Minimum | \$4,769,466 | \$8,646,445 | \$3,011,847 | \$1,058,817 | \$598,962 | \$161,048 | \$366,497 | \$18,613,082 |
| | Maximum | \$8,696,062 | \$15,020,376 | \$4,866,032 | \$1,594,297 | \$822,354 | \$295,831 | \$471,035 | \$31,765,986 |
| | | | | | | | | | |
| А | Estimated Cash Balance as of 12/31/2018 | \$12,671,736 | \$12,857,090 | \$2,249,857 | \$2,222,239 | \$1,389,990 | \$385,006 | \$786,070 | \$32,561,988 |
| | | | | | | | | | |
| | LESS RESERVES REQUIRED PER POLICY: | | | | | | | | |
| В | Reserve for Budget Balance (All Minimum - 30 to 51 days) | (\$3,397,356) | (\$6,520,793) | (\$2,936,094) | (\$996,892) | (\$438,182) | (\$135,213) | (\$311,106) | (\$14,735,636) |
| | # of Days | 30 | 51 | 51 | 51 | 51 | 51 | 51 | |
| С | Reserve for Equipment Replacement | (\$1,074,341) | (\$278,832) | (\$165,000) | (\$132,586) | (\$148,937) | (\$233,000) | (\$133,317) | (\$2,166,013) |
| D | Reserve for Capital Projects | (\$1,643,524) | (\$1,787,458) | (\$192,201) | (\$93,551) | (\$722,333) | (\$260,370) | (\$188,906) | (\$4,888,343) |
| E | Reserve for Rate Stabilization | \$0 | (\$3,179,619) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$3,179,619) |
| F = (B+C+D+E) | Reserve Totals | (\$6,115,221) | (\$11,766,702) | (\$3,293,295) | (\$1,223,029) | (\$1,309,452) | (\$628,583) | (\$633,329) | (\$24,969,611) |
| | | | | | | | | | |
| G = A-F | Cash/Investments 12/31/2018 NO 60d | \$6,556,515 | \$1,090,388 | (\$1,043,438) | \$999,210 | \$80,538 | (\$243,577) | \$152,741 | \$7,592,377 |
| | | | | | | | ,, | | |
| | LESS: | (64.040.207) | (6027.270) | (6644.040) | (6122.016) | /¢225 245\ | (6454.435) | (6242.407) | (67.464.400) |
| Н | 60 Days of Operating Expenses (not in policy - Adds to B) | (\$4,949,397) | (\$927,270) | (\$641,040) | (\$122,016) | (\$325,215) | (\$154,135) | (\$342,107) | (\$7,461,180) |
| | | | | | | | | | |
| I = G-H | Net Available Cash | \$1,607,118 | \$163,118 | (\$1,684,478) | \$877,194 | 🌵 (\$244,677) | 4 (\$397,712) | / (\$189,366) | \$131,197 |
| | | | | | | | | | |
| 2018 Compar | rison | \$1,529,765 | (\$678,373) | (\$4,055,499) | \$236,044 | (\$954,174) | (\$562,143) | (\$520,123) | (\$5,004,503) |
| | | | | | | | | | |
| Difference fr | rom 2018: | † \$77,353 | † \$841,491 | \$2,371,021 | \$641,150 | † \$709,497 | \$164,431 | \$330,757 | \$5,135,700 |



ALL FUNDS Min Amount \$18,613,082 Max Amount \$31,765,986 Est Cash Balance \$32,561,988 Less Reserve Requirement (\$24,969,611) Unreserved Cash/Investments \$7,592,377

Currently, all but the Water fund is minimally meeting the requirements for reserves. Based on 30-51 day reserve requirements.

The utility funds ensure that the general/capital fund is covering its obligations.

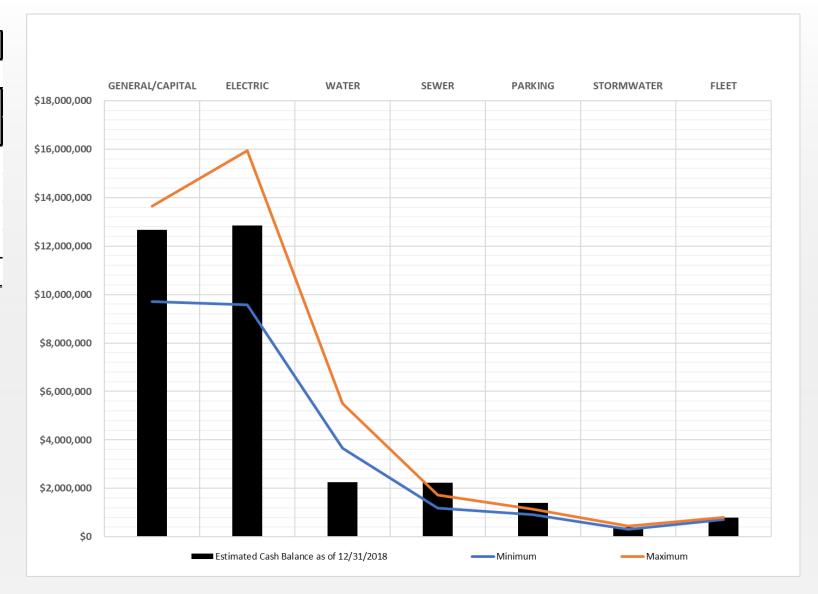


ALL FUNDS - WITH 90-111 DAY RESERVE

| Unreserved Cash/Investments | \$131 197 |
|-----------------------------|----------------|
| Less 60 Days/Operating Exp | (\$7,461,180) |
| Less Reserve Requirement | (\$24,969,611) |
| Est Cash Balance | \$32,561,988 |
| | |
| Max Amount | \$39,227,166 |
| Min Amount | \$26,074,262 |

Adding another 60-day operating reserve to our financial policies to catch up with best practice standards would be a challenge to implement immediately.

Does not resolve the issue of the governmental funds' dependency on utilities.





Council Direction



Council Direction

- Estimated RSA in March of 2019 is anticipated to be -\$0.01205, which equates to a \$12.05 monthly credit for the average homeowner.
- 2019 proposed budget with RSA will reduce the average homeowner bill by \$2.52 per month.
- Recommendation is to increase tax rate by 7% (vs 4%), which would still result in a \$1.24 per month reduction.

| | Current | Proposed 10/3 | | Mid Point | | No Impact on Average Resident | |
|------------------------------------|----------|---------------|----------|-----------|----------|-------------------------------------|---|
| Utility/Tax | 2018 | 2019 4% | 2019 5% | 2019 7% | 2019 8% | 2019 9.9% | Comments |
| Tax Rate | \$42.88 | \$44.60 | \$45.02 | \$45.88 | \$46.31 | \$47.13 | |
| Electric Rate (w/out RSA) | \$155.00 | \$155.00 | \$155.00 | \$155.00 | \$155.00 | \$155.00 | based on winter rate (\$0.145) + \$10 customer charge |
| Sewer Fee | \$42.97 | \$44.60 | \$44.60 | \$44.60 | \$44.60 | \$44.60 | |
| Water Rate | \$39.36 | \$41.13 | \$41.13 | \$41.13 | \$41.13 | \$41.13 | |
| Stormwater Fee | \$2.95 | \$3.54 | \$3.54 | \$3.54 | \$3.54 | \$3.54 | |
| Total: | \$283.16 | \$288.87 | \$289.29 | \$290.15 | \$290.58 | \$291.40 | |
| Est. RSA Electric Credit (03/2019) | -\$3.82 | -\$12.05 | -\$12.05 | -\$12.05 | -\$12.05 | -\$12.05 | |
| Net Change: | \$279.34 | \$276.82 | \$277.24 | \$278.10 | \$278.53 | \$279.35 | |
| Monthly diff from 2018: | \$0.00 | -\$2.52 | -\$2.10 | -\$1.24 | -\$0.81 | \$0.01 | |
| Annual Difference from 2018: | | -\$30.30 | -\$25.15 | -\$14.86 | -\$9.72 | \$0.06 | |



Council Direction

- Budget includes \$150,000 for an Emergency Services
 Fee which would require Council approval.
 - Modeled after current building permit fees
 - Applications for building permits issued by the City of Newark would be subject to an additional surcharge of based on construction value.
 - Current building permit fees are \$12/\$1000 of construction value up to \$1,000,000 and \$6/\$1000 on the portion of construction value that exceeds \$1,000,000.
 - The currently proposed emergency services fee would increase the permit fee by \$5/\$1000 of construction value up to \$1,000,000 and \$2.5/\$1000 on the portion of construction value that exceeds \$1,000,000.

2017 Permit Activity – Top Ten Permit Types <\$1 Million

| | | | Avg | |
|--------------------|----------------|-----|--------------|----------|
| Permit Type | Total | # | Value/Permit | Fee |
| Electric: | \$5,101,802.00 | 279 | \$18,286.03 | \$91.43 |
| HVAC Replacement: | \$2,111,268.00 | 257 | \$8,215.05 | \$41.08 |
| Roof: | \$3,561,523.00 | 198 | \$17,987.49 | \$89.94 |
| Renovations: | \$7,136,787.00 | 94 | \$75,923.27 | \$379.62 |
| Plumbing: | \$1,955,023.00 | 90 | \$21,722.48 | \$108.61 |
| Water Heater: | \$132,178.00 | 80 | \$1,652.23 | \$8.26 |
| Fire Sprinkler: | \$1,605,888.00 | 79 | \$20,327.70 | \$101.64 |
| Driveway/Sidewalk: | \$728,728.00 | 72 | \$10,121.22 | \$50.61 |
| Fire Alarms: | \$758,898.00 | 51 | \$14,880.35 | \$74.40 |
| HVAC: | \$1,050,316.00 | 47 | \$22,347.15 | \$111.74 |



Conclusion / Questions

