

2022 Budget Hearing #1

November 1, 2021

2022 RELEVANT BUDGET INFORMATION

Date	Title	Comments	Link		
8/16/2021	Budget Overview	Overview	Budget Overview		
8/30/2021	Budget Hearing #1	Planning, Parks and Recreation, Administration	Planning	Parks	Administration
9/13/2021	Budget Hearing #2	Legislative, Alderman Court, PWWR	Legislative	Alderman Court	PWWR
9/20/2021	Budget Hearing #3	Police, Electric, Finance	Police	Electric	Finance
	Budget Central	Central repository for all budget documentation	Budget Central		

TIMELINE

Date	Title	Notes
Monday, August 16, 2021	Budget Overview	Council Direction given for: Overview
Monday, August 30, 2021	Department Budget Hearing #1	Council Direction given for: Planning, Parks and Recreation, Administration
Monday, September 13, 2021	Department Budget Hearing #2	Council Direction given for: Legislative, Alderman Court, PWWR
Monday, September 20, 2021	Department Budget Hearing #3	Council Direction given for: Finance, Police, Electric
Monday, October 4, 2021	Financial Workshop	
Tuesday, October 19, 2021	Planning Commission Review of CIP	Meeting to receive Planning Commission feedback
Monday, November 1, 2021	Budget Hearing #1	
Monday, November 15, 2021	Budget Hearing #2 (if needed)	

- This table represents the current Council schedule for the 2022 budget process
- Planning Commission approved the 2022-2026 Capital Improvement Program as presented on October 19
- Potential vote on November 1

** as advertised * as proposed

BUDGET OVERVIEW	10/15/2021 ** BUDGET	11/01/2021 * BUDGET	% FROM 10/15 BUDGET	\$ FROM 10/15 BUDGET
Revenue/Other Funding Sources				
Utility Sales	\$ 73,723,500	\$ 73,723,500	0.0%	\$ -
Real Estate and Other Taxes	10,981,000	10,981,000	0.0%	-
Fees for Service	10,427,656	10,427,656	0.0%	-
Intergovernmental Revenue	2,953,005	2,953,005	0.0%	-
Other Revenue	1,002,600	1,002,600	0.0%	-
Appropriation of Prior Year Reserves	25,000	25,000	0.0%	-
Total Operating Revenue	\$ 99,112,761	\$ 99,112,761	0.0%	\$ -
Expenditures				
Personnel Services	\$ 36,469,453	\$ 36,469,453	0.0%	\$ -
Utility Purchases	37,430,531	37,430,531	0.0%	-
Materials and Supplies	2,481,390	2,496,066	0.6%	14,676
Contractual Services	11,940,258	11,940,258	0.0%	-
Equipment Depreciation	1,808,826	1,808,826	0.0%	-
Debt Service	4,525,348	4,525,348	0.0%	-
Other Expenses	1,215,155	1,215,155	0.0%	-
Total Operating Expenses	\$ 95,870,961	\$ 95,885,637	0.0%	\$ 14,676
Capital Improvements				
Gross Capital Improvements	\$ 16,478,982	\$ 16,478,982	0.0%	\$ -
Less: Use of Reserves	(1,603,654)	(1,603,654)	0.0%	-
Equipment Replacement	(733,157)	(733,157)	0.0%	-
Grants	(708,016)	(708,016)	0.0%	-
Bond Issues	(450,178)	(450,178)	0.0%	-
State Revolving Loan	(3,725,000)	(3,725,000)	0.0%	-
American Rescue Plan Act	(5,834,490)	(5,834,490)	0.0%	-
Other Sources	(394,654)	(394,654)	0.0%	-
Net Capital Improvements	\$ 3,029,833	\$ 3,029,833	0.0%	\$ -
Net Current Surplus/(Deficit)	\$ 211,967	\$ 197,291	-6.9%	\$ (14,676)
Total Expenditures and Surplus/(Deficit)	\$ 99,112,761	\$ 99,112,761	0.0%	\$ -

Adjustment from October 15th Advertisement

- Budget presented to City Council on November 1st is the same budget that was advertised as required by City Code on October 15th, except:
 - Formula for City Summary Totals was updated to include a new item that was added in the Unicity Transportation Fund for 2022, (Information Technology Supplies) in the amount of \$14,676
 - This figure was included in the 8/30 Planning and Development presentation to City Council

** as amended * as proposed

BUDGET OVERVIEW	2020 ACTUAL	2021 ** BUDGET	2022 * BUDGET	% FROM 2021 BUDGET	\$ FROM 2021 BUDGET
Revenue/Other Funding Sources					
Utility Sales	\$ 68,953,720	\$ 72,056,529	\$ 73,723,500	2.3%	\$ 1,666,971
Real Estate and Other Taxes	9,699,072	10,305,000	10,981,000	6.6%	676,000
Fees for Service	7,246,168	9,341,310	10,427,656	11.6%	1,086,346
Intergovernmental Revenue	4,269,856	2,402,047	2,953,005	22.9%	550,958
Other Revenue	1,248,973	1,112,956	1,002,600	-9.9%	(110,356)
Appropriation of Prior Year Reserves	708,752	-	25,000	100.0%	25,000
Total Operating Revenue	\$ 92,126,541	\$ 95,217,842	\$ 99,112,761	4.1%	\$ 3,894,919
Expenditures					
Personnel Services	\$ 36,596,786	\$ 35,836,113	\$ 36,469,453	1.8%	\$ 633,340
Utility Purchases	33,962,454	36,804,486	37,430,531	1.7%	626,045
Materials and Supplies	1,823,202	2,418,695	2,496,066	3.2%	77,371
Contractual Services	9,251,562	11,151,662	11,940,258	7.1%	788,596
Equipment Depreciation	1,377,635	1,437,919	1,808,826	25.8%	370,907
Debt Service	2,657,423	3,489,242	4,525,348	29.7%	1,036,106
Other Expenses	884,351	1,101,872	1,215,155	10.3%	113,283
Total Operating Expenses	\$ 86,553,413	\$ 92,239,989	\$ 95,885,637	4.0%	\$ 3,645,648
Capital Improvements					
Gross Capital Improvements	\$ 16,940,171	\$ 23,282,158	\$ 16,478,982	-29.2%	\$ (6,803,176)
Less: Use of Reserves	(4,130,832)	(1,461,690)	(1,603,654)	9.7%	(141,964)
Equipment Replacement	(876,933)	(629,905)	(733,157)	16.4%	(103,252)
Grants	(101,834)	(4,000,563)	(708,016)	-82.3%	3,292,547
Bond Issues	(128,150)	(646,888)	(450,178)	-30.4%	196,710
State Revolving Loan	(6,282,633)	(6,007,000)	(3,725,000)	-38.0%	2,282,000
American Rescue Plan Act	-	(103,478)	(5,834,490)	5538.4%	(5,731,012)
Other Sources	(72,958)	(8,922,853)	(394,654)	-95.6%	8,528,199
Net Capital Improvements	\$ 5,346,831	\$ 1,509,781	\$ 3,029,833	100.7%	\$ 1,520,052
Net Current Surplus	\$ 226,297	\$ 1,468,072	\$ 197,291	-86.6%	\$ (1,270,781)
Total Expenditures and Surplus	\$ 92,126,541	\$ 95,217,842	\$ 99,112,761	4.1%	\$ 3,894,919

Revenue

Expenses

*Please note, this now includes "Debt Service"

CIP

- Overall budget is up 4.1% from 2021
- Variance between 2021 and 2022 has primarily changed due to recent 2021 budget amendments approved by Council
- One adjustment for UniCity in 2022 (\$14,676)

TOTAL 2022 ADJUSTED

Customer Charges & Tax Rate Summary

Utility/Tax	2021 Customer Charge	2022 Customer Charge	Volumetric Rate Change?	Revenue Requirement	Comments
Electric	\$ 10.00	\$ 10.00	No		
Stormwater	Tier 1	\$ 2.12	\$ 2.33	N/A	\$270,000 10% Rate change in 2022 proposed to cover debt service for Rodney project approved in 2018 Referendum
	Tier 2	\$ 3.54	\$ 3.89	N/A	
	Tier 3	\$ 4.61	\$ 5.07	N/A	
	Tier 4	\$ 6.37	\$ 7.01	N/A	
Water (in-City)	\$ 7.28	\$ 7.53	No	\$32,000	Customer charge adjustment to cover increased debt service from 2018 Referendum projects
Water (outside City)	\$ 9.82	\$ 10.17	No		
Sewer	\$ 5.94	\$ 6.06	No	\$15,000	Customer charge adjustment to cover increased debt service from 2018 Referendum projects
Property Tax	\$ 0.9120	\$ 0.9576	N/A	\$ 200,000	5% increase necessary to cover debt service from 2018 Referendum projects
Total Revenue Requirement:				\$ 517,000	

Sewer Utility – Proposed Customer Charge Adjustments

SEWER					
In City					
Meter Size	Current	2022 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 5.94	\$ 6.06	\$ 0.12	\$ 1.50	
3/4"	\$ 8.31	\$ 8.48	\$ 0.17	\$ 2.05	
1"	\$ 13.06	\$ 13.32	\$ 0.26	\$ 3.15	
1 1/2"	\$ 41.55	\$ 42.38	\$ 0.83	\$ 9.99	
2"	\$ 53.42	\$ 54.49	\$ 1.07	\$ 12.87	
3"	\$ 130.58	\$ 133.19	\$ 2.61	\$ 31.36	
4"	\$ 237.41	\$ 242.16	\$ 4.75	\$ 56.97	
6"	\$ 534.18	\$ 544.86	\$ 10.68	\$ 128.18	
8"	\$ 830.94	\$ 847.56	\$ 16.62	\$ 199.39	
Outside City					
Meter Size	Current	2022 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 8.01	\$ 8.18	\$ 0.17	\$ 2.02	
3/4"	\$ 11.22	\$ 11.45	\$ 0.23	\$ 2.76	
1"	\$ 17.63	\$ 17.98	\$ 0.35	\$ 4.25	
1 1/2"	\$ 56.09	\$ 57.21	\$ 1.12	\$ 13.49	
2"	\$ 72.11	\$ 73.56	\$ 1.45	\$ 17.37	
3"	\$ 176.28	\$ 179.81	\$ 3.53	\$ 42.33	
4"	\$ 320.51	\$ 326.92	\$ 6.41	\$ 76.91	
6"	\$ 721.14	\$ 735.56	\$ 14.42	\$ 173.05	
8"	\$ 1,121.77	\$ 1,144.20	\$ 22.43	\$ 269.18	

- Table reflects the customer charge by meter size
- Nearly all residential accounts are contained within the 5/8" classification
- Customer charges maintain a level of revenue that is required for the City to meet some of our fixed costs like debt service
- A \$0.12 monthly adjustment is requested in 2022 for customers with a 5/8" water meter
- There are no outside City sewer customers at this moment
- Staff recommends customer service charge adjustment in 2022 to cover SRL debt (approved via 2018 Referendum) = \$15,000 included in Revenue

Water Utility – Proposed Customer Charge Adjustments

WATER				
In City				
Meter Size	Current	2022 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 7.28	\$ 7.53	\$ 0.25	\$ 3.00
3/4"	\$ 10.19	\$ 10.54	\$ 0.35	\$ 4.20
1"	\$ 16.01	\$ 16.57	\$ 0.56	\$ 6.72
1 1/2"	\$ 50.93	\$ 52.71	\$ 1.78	\$ 21.36
2"	\$ 65.48	\$ 67.77	\$ 2.29	\$ 27.48
3"	\$ 160.06	\$ 165.66	\$ 5.60	\$ 67.20
4"	\$ 291.02	\$ 301.21	\$ 10.19	\$ 122.28
6"	\$ 654.80	\$ 677.72	\$ 22.92	\$ 275.04
8"	\$ 1,018.58	\$ 1,054.23	\$ 35.65	\$ 427.80
Outside City				
Meter Size	Current	2022 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 9.82	\$ 10.17	\$ 0.35	\$ 4.20
3/4"	\$ 13.75	\$ 14.23	\$ 0.48	\$ 5.76
1"	\$ 21.61	\$ 22.36	\$ 0.75	\$ 9.00
1 1/2"	\$ 68.75	\$ 71.16	\$ 2.41	\$ 28.92
2"	\$ 88.40	\$ 91.49	\$ 3.09	\$ 37.08
3"	\$ 216.08	\$ 223.65	\$ 7.57	\$ 90.84
4"	\$ 392.88	\$ 406.63	\$ 13.75	\$ 165.00
6"	\$ 883.98	\$ 914.92	\$ 30.94	\$ 371.28
8"	\$ 1,375.08	\$ 1,423.21	\$ 48.13	\$ 577.56

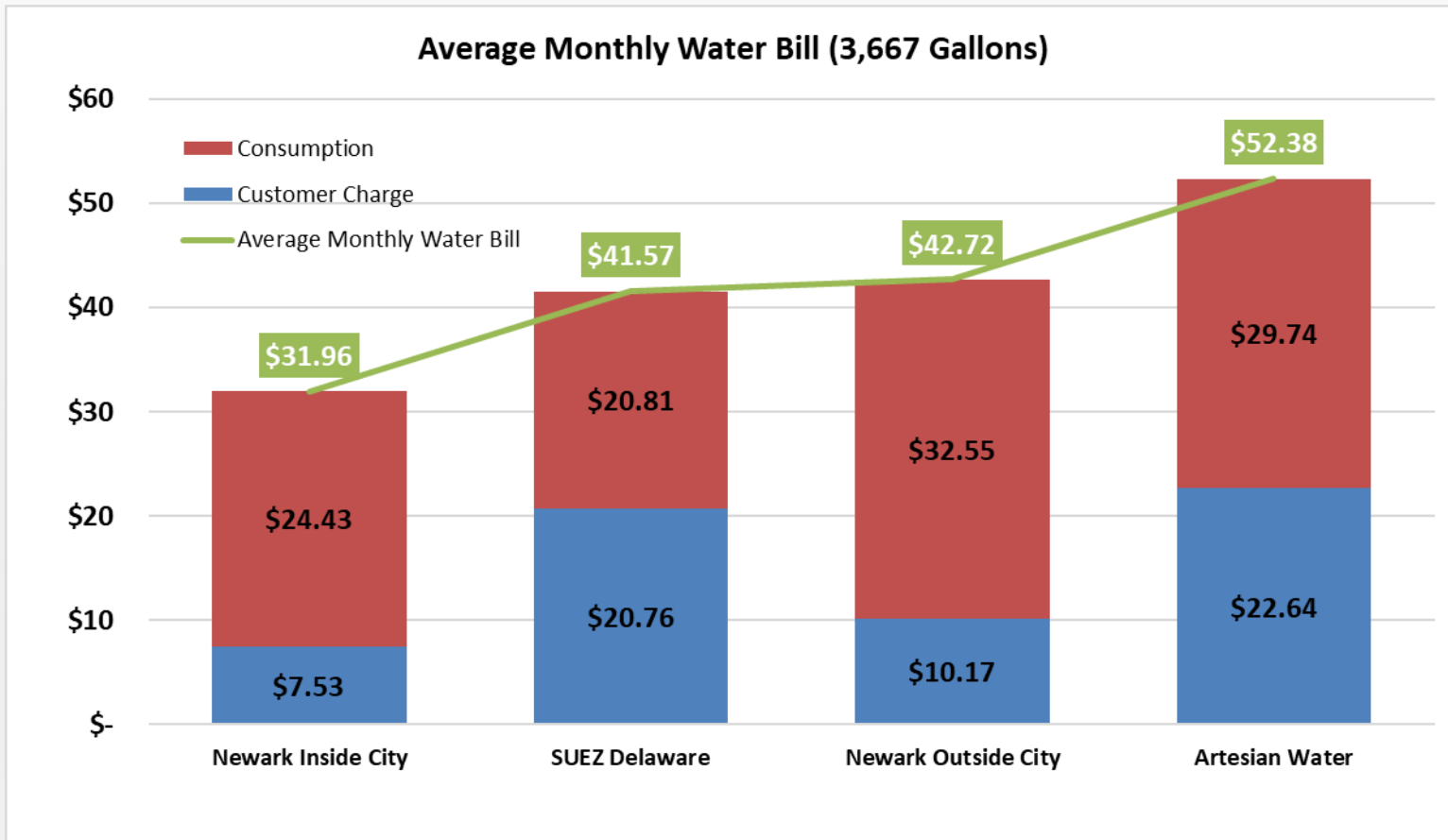
- Table reflects the customer charge by meter size
- Nearly all residential accounts are contained within the 5/8" classification
- Customer charges maintain a level of revenue that is required for the City to meet some of our fixed costs like debt service
- A \$0.25 monthly adjustment is requested in 2022 for customers with a 5/8" water meter
- At the 10/4 Financial Workshop, a customer charge increase of \$0.53 was initially proposed
- Staff recommends customer service charge adjustment in 2022 to cover SRL debt (approved via 2018 Referendum) = \$32,000 included in Revenue

Water Utility Comparisons (Based on 3,667 gallons/month)

Utility	Customer Charge	Consumption	Average Monthly Water Bill	\$/1000 gal	% Customer Charge
Delaware City	\$15.00	\$13.73	\$28.73	\$7.83	52%
Newark Inside City	\$7.53	\$24.43	\$31.96	\$8.72	24%
Wilmington Inside City	\$22.60	\$10.60	\$33.20	\$9.05	68%
SUEZ Delaware	\$20.76	\$20.81	\$41.57	\$11.34	50%
Newark Outside City	\$10.17	\$32.55	\$42.72	\$11.65	24%
New Castle MSC	\$12.85	\$36.67	\$49.52	\$13.50	26%
Wilmington Outside City	\$33.34	\$18.23	\$51.57	\$14.06	65%
Artesian Water	\$22.64	\$29.74	\$52.38	\$14.29	43%
Tidewater Utilities	\$22.94	\$29.87	\$52.81	\$14.40	43%
Average (excluding Newark)	\$18.77	\$19.96	\$38.72	\$10.56	43%

- The October 2021 study by UD’s Water Resource Center, listed Newark’s water rates as the second lowest in the area (above figure includes proposed 2022 customer charge adjustments – Delaware City’s water utility was recently acquired by Artesian Water)
- 2021 average monthly residential bill is \$46.98 per month (Suez/Artesian only)
- Average rate of \$46.98 is 47% higher than the City’s in-City rate
- Proposed adjustment to in-City residential accounts (5/8” line) is 25 cents per month, or \$3 per year

Water Utility Comparisons (Based on 3,667 gallons/month)



- Blue bars represent fixed portion of bills
- 24% of the average water bill is related to a customer charge for City of Newark customers (proposed \$7.53 in-City/\$10.17 outside-City)
- Surrounding water utilities' fixed charges range between \$20.76 and \$22.64 per month
- Average customer charge (excluding Newark) is \$21.70, or 46% of the average residential water bill
- Inside-City average is 47% below the average when compared to the utility companies that border Newark

Property Tax Adjustment

Reliance on utility transfers to the Governmental Funds continue into 2022 totaling \$16.9M.

- Proposed tax rate of \$0.9576 per \$100 of Assessed Value (AV) – **5% increase from 2021**
- Median tax bill today is \$611.04, would increase by \$30.55 to \$641.59
 - One penny is equal to a 1.1% increase, or \$6.70/year (\$0.56/month)

Percentile	Assessment	Current Tax Bill	Proposed Tax Bill (5% increase)	Difference	One Penny Increase (Annual)	One Penny Increase (Month)
<i>Rate</i>		<i>\$ 0.9120</i>	<i>\$ 0.9576</i>	<i>\$ 0.0456</i>		
25th	\$ 48,825	\$ 445.28	\$ 467.55	\$ 22.26	\$ 4.45	\$ 0.37
50th (median)	\$ 67,000	\$ 611.04	\$ 641.59	\$ 30.55	\$ 6.11	\$ 0.51
75th	\$ 88,100	\$ 803.47	\$ 843.65	\$ 40.17	\$ 8.03	\$ 0.67

- 5% of residential properties pay less than the cost of trash service (approximately \$300 per year)
- 9% (615) of all residential properties hold a senior or disabled exemption
 - Just under 300 properties pay less than \$100 in property taxes to the City
 - Senior/Disabled average tax bill is \$263
 - Assessment exemption maximum is up to \$50,000

Property Taxes

Utility transfers to the Governmental Funds continue into 2022 totaling \$16.88M.

TO	TRANSFER IN
General Fund	\$ 14,297,276
Law Enforcement Fund	-
Special Parks Fund	15,195
Transportation Fund (Unicity)	130,581
Debt Service Fund	751,239
Capital Fund	902,279
Self-Insurance Fund	128,000
OPEB	659,300
Internal Services Fund	-
Total Transfer to Governmental Funds	\$ 16,883,870

- \$16.88M = Transfer amount is equal to 27,630 homes added to the tax base without increasing the footprint or increasing the services of the City.
 - City only has 8,100 taxable parcels in the City for comparison purposes
 - Equal to a 210% tax increase (\$2.827 per \$100 of AV), would be offset by lower utility rates (electric, water, sewer)

- Utility transfers have increased \$683K from the 2021 Approved Operating Budget (4.2%)

City of Newark 2022 Capital Budget Recommendation

2022 CIP Requested/Funding Sources:

	2021 BUDGET AS AMENDED	2022		PROPOSED BUDGETS					TOTAL PROPOSED AMOUNTS
		RESERVES AND OTHER FUNDING	CURRENT FUNDING	2022	2023	2024	2025	2026	
ELECTRIC FUND	\$ 670,000	\$ 1,718,212	\$ 1,033,821	\$ 2,752,033	\$ 3,588,000	\$ 17,325,000	\$ 715,000	\$ 265,000	\$ 24,645,033
WATER FUND	4,635,019	2,650,267	318,733	2,969,000	4,029,000	4,400,000	2,185,000	2,160,000	15,743,000
SEWER FUND	800,000	1,800,000	150,000	1,950,000	2,075,000	2,400,000	1,000,000	1,000,000	8,425,000
STORMWATER FUND	2,221,104	350,000	575,000	925,000	945,000	1,285,000	725,000	650,000	4,530,000
PUBLIC WORKS DEPARTMENT - CAPITAL PROJECT FUND DIVISIONS	2,243,164	1,820,178	519,712	2,339,890	2,929,357	3,095,000	3,200,000	2,695,000	14,259,247
POLICE DEPARTMENT	458,888	129,412	123,228	252,640	509,071	709,224	188,372	490,089	2,149,396
PARKS AND RECREATION DEPARTMENT	2,335,788	1,973,936	94,339	2,068,275	1,154,213	785,000	302,000	483,000	4,792,488
PARKING FUND	156,200	-	-	-	30,000	40,000	-	60,000	130,000
INFORMATION TECHNOLOGY DIVISION	132,700	1,922,155	215,000	2,137,155	100,000	-	-	-	2,237,155
MAINTENANCE FUND	9,499,295	440,654	-	440,654	540,000	25,000	-	60,000	1,065,654
OTHER DEPARTMENTS/DIVISIONS	130,000	644,335	-	644,335	75,000	150,000	-	175,000	1,044,335
GROSS CAPITAL IMPROVEMENTS	\$ 23,282,158	\$ 13,449,149	\$ 3,029,833	\$ 16,478,982	\$ 15,974,641	\$ 30,214,224	\$ 8,315,372	\$ 8,038,089	\$ 79,021,308
PLANNED FINANCING SOURCES									
GROSS CAPITAL IMPROVEMENTS	\$ 23,282,158	\$ 13,449,149	\$ 3,029,833	\$ 16,478,982	\$ 15,974,641	\$ 30,214,224	\$ 8,315,372	\$ 8,038,089	\$ 79,021,308
LESS: USE OF RESERVES	(1,461,690)	(1,603,654)	-	(1,603,654)	(2,007,640)	(1,106,400)	(1,532)	-	(4,719,226)
VEHICLE & EQUIPMENT REPLACEMENT	(629,905)	(733,157)	-	(733,157)	(1,287,780)	(1,528,526)	(1,180,311)	(703,385)	(5,433,159)
GRANTS	(4,000,563)	(708,016)	-	(708,016)	(817,916)	(849,673)	(684,000)	(724,073)	(3,783,678)
BOND ISSUES	(646,888)	(450,178)	-	(450,178)	(56,000)	-	-	-	(506,178)
STATE REVOLVING LOANS	(6,007,000)	(3,725,000)	-	(3,725,000)	-	-	-	-	(3,725,000)
AMERICAN RESCUE PLAN ACT	(103,478)	(5,834,490)	-	(5,834,490)	(5,590,000)	(5,500,000)	-	-	(16,924,490)
OTHER FINANCING SOURCES	(8,922,853)	(394,654)	-	(394,654)	(180,000)	(14,780,000)	(180,000)	(180,000)	(15,714,654)
NET CAPITAL IMPROVEMENTS	\$ 1,509,781	\$ -	\$ 3,029,833	\$ 3,029,833	\$ 6,035,305	\$ 6,449,625	\$ 6,269,529	\$ 6,430,631	\$ 28,214,923

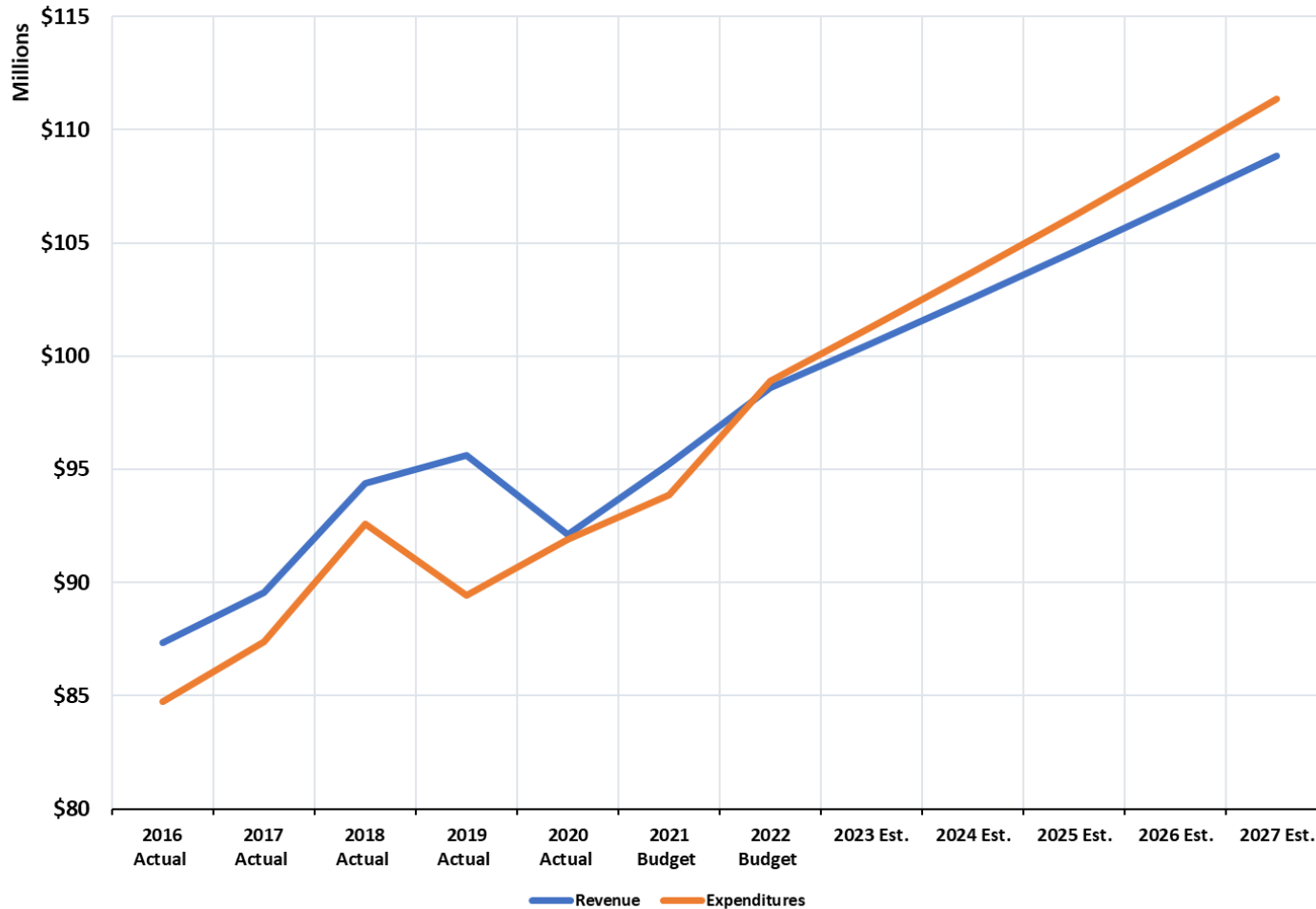
Alternative Revenue Scenarios

Alternative Tax Options

- Option #1: Include 5% tax increase, fund Capital Projects as presented
- Option #2: Proposal of a 2.5% tax increase
 - I1801 – Citywide Fiber (Phase II): \$100,000
 - Fund remaining balance of project with current resources (\$40,000)
 - Reduce Paper Mill Park project by \$100,000
- Option #3: Eliminate 5% tax increase by reducing the funding for Old Paper Mill Park (K1203):
 - No tax rate adjustment (will hurt the City in 2023 and beyond)
 - Old Paper Mill Park project would be reduced from \$1,500,000 to \$1,300,000
 - \$200,000 will be taken from the Old Paper Mill Park project and be used to pay for two projects previously earmarked to pay via current resources:
 - I1801 – Citywide Fiber (Phase II): \$140,000
 - I1804 – Harris Automation Platform: \$60,000

Expenditure vs. Revenue Trend

City of Newark - Expenditure vs. Revenue Trend



- Since 2016, City revenue has increased 1.9% per year on average, while expenses have increased 2.4%
- Trend indicates the gap between revenues and expenses will widen in 2023 and as the years progress, hence the need for small, consistent tax and rate adjustments

Property Tax Adjustment Options

5% TAX ADJUSTMENT

Percentile	Assessment	Current Tax Bill	Proposed Tax Bill (5% increase)	Difference
<i>Rate</i>		<i>\$ 0.9120</i>	<i>\$ 0.9576</i>	<i>\$ 0.0456</i>
25th	\$ 48,825	\$ 445.28	\$ 467.55	\$ 22.26
50th (median)	\$ 67,000	\$ 611.04	\$ 641.59	\$ 30.55
75th	\$ 88,100	\$ 803.47	\$ 843.65	\$ 40.17

2.5% TAX ADJUSTMENT

Percentile	Assessment	Current Tax Bill	Proposed Tax Bill (2.5% increase)	Difference
<i>Rate</i>		<i>\$ 0.9120</i>	<i>\$ 0.9348</i>	<i>\$ 0.0228</i>
25th	\$ 48,825	\$ 445.28	\$ 456.42	\$ 11.13
50th (median)	\$ 67,000	\$ 611.04	\$ 626.32	\$ 15.28
75th	\$ 88,100	\$ 803.47	\$ 823.56	\$ 20.09

Small tax adjustments prevent the need for future, large tax increases

- Option #1: Tax rate of \$0.9576 per \$100 of AV provides \$200,000 in revenue in 2022, \$400,000 in 2023 and onward (5% increase)
 - Slightly below the Consumer Price Index adjustment for Social Security (5.9%)
- Option #2: Tax rate of \$0.9348 per \$100 of AV provides \$100,000 in revenue in 2022, \$200,000 in 2023 and onward (2.5% increase)
- Option #3: No change – Keep current tax rate at \$0.9120 per \$100 of Assessed Value (AV)

Tax Adjustment	Tax Rate	2022 Direct Revenue	2023 & Beyond Direct Revenue
2.50%	\$ 0.9348	\$ 100,000	\$ 200,000
5.00%	\$ 0.9576	\$ 200,000	\$ 400,000

Property Tax/Customer Charge Impact on Average Resident

OPTION #1: 5% TAX INCREASE, WATER/SEWER/STORMWATER ADJ.				
MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3667 gallons)	\$31.71	\$31.96	\$0.25	0.8%
Sewer (3667 gallons)	\$34.81	\$34.93	\$0.12	0.3%
Electric (750 kWh)	\$118.29	\$118.29	\$0.00	0.0%
Stormwater (Tier 2)	\$3.54	\$3.89	\$0.35	9.9%
Taxes (\$67K AV median)	\$50.92	\$53.47	\$2.55	5.0%
TOTAL	\$239.27	\$242.54	\$3.27	1.4%
ANNUAL	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3667 gallons)	\$380.52	\$383.52	\$3.00	0.8%
Sewer (3667 gallons)	\$417.72	\$419.16	\$1.44	0.3%
Electric (750 kWh)	\$1,419.48	\$1,419.48	\$0.00	0.0%
Stormwater (Tier 2)	\$42.48	\$46.68	\$4.20	9.9%
Taxes (\$67K AV median)	\$611.04	\$641.59	\$30.55	5.0%
TOTAL	\$2,871.24	\$2,910.43	\$39.19	1.4%

OPTION #2: 2.5% TAX INCREASE, WATER/SEWER/STORMWATER ADJ.				
MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3667 gallons)	\$31.71	\$31.96	\$0.25	0.8%
Sewer (3667 gallons)	\$34.81	\$34.93	\$0.12	0.3%
Electric (750 kWh)	\$118.29	\$118.29	\$0.00	0.0%
Stormwater (Tier 2)	\$3.54	\$3.89	\$0.35	9.9%
Taxes (\$67K AV median)	\$50.92	\$52.19	\$1.27	2.5%
TOTAL	\$239.27	\$241.26	\$1.99	0.8%
ANNUAL	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3667 gallons)	\$380.52	\$383.52	\$3.00	0.8%
Sewer (3667 gallons)	\$417.72	\$419.16	\$1.44	0.3%
Electric (750 kWh)	\$1,419.48	\$1,419.48	\$0.00	0.0%
Stormwater (Tier 2)	\$42.48	\$46.68	\$4.20	9.9%
Taxes (\$67K AV median)	\$611.04	\$626.32	\$15.28	2.5%
TOTAL	\$2,871.24	\$2,895.16	\$23.92	0.8%

- Option #1: \$3.27 monthly average impact, or \$39.19 annually. 1.4% overall increase
- Option #2: \$1.99 monthly average impact, or \$23.92 annually. 0.8% overall increase
- Difference between the two options is \$1.27 per month, or \$15.27 annually.

Action Item for 2022 Budget

Emergency Services Fee

- Model after current building permit fees
- In lieu of Ambulance fee
- Applications for building permits issued by the City of Newark would be subject to an additional surcharge based on construction value
 - Revenue derived from this fee would support the City's annual subvention to Aetna
 - Previously approved but unimplemented ambulance fee would be repealed following request from State Fire Commission
- Revenue from this fee would reduce the amount of ARPA funds used for revenue replacement

Council Action

- Approve 2022 Operating and Capital Budgets
- Provide Direction on Customer Charges
 - Water, Sewer and Stormwater rate changes require an ordinance change and will be included in forthcoming legislation
- Tax Rate
 - Option #1: 5% tax increase (no capital plan adjustment)
 - Option #2: 2.5% tax increase (\$100,000 capital program adjustment)
 - Option #3: No tax increase (\$200,000 capital program adjustment)

Conclusion / Questions

