

2023 Budget Hearing #1

November 7, 2022

2023 RELEVANT BUDGET INFORMATION

Date	Title	Comments	Link		
8/15/2022	Budget Overview	Overview	Budget Overview		
8/29/2022	Budget Hearing #1	Parks and Recreation, Planning, Administration	Planning	Parks	Administration
9/12/2022	Budget Hearing #2	Legislative, Alderman Court, PWWR	Legislative	Alderman Court	PWWR
9/19/2022	Budget Hearing #3	Police, Electric, Finance	Police	Electric	Finance
10/10/2022	Financial Workshop #1	Budget Workshop	Budget Workshop		
10/18/2022	Planning Commission Approval of CIP	Meeting to receive Planning Commissions feedback and suggestions for CIP	Planning Commission Presentation	2023 to 2027 Proposed CIP	
	Budget Central	Central repository for all budget documentation	Budget Central		

All information is contained on [Budget Central](#)

TIMELINE

Date	Title	Notes
Monday, August 15, 2022	Budget Overview	Council Direction given for: Overview
Monday, August 29, 2022	Department Budget Hearing #1	Council Direction given for: Parks and Recreation, Planning, Administration
Monday, September 12, 2022	Department Budget Hearing #2	Council Direction given for: Legislative, Alderman Court, PWWR
Monday, September 19, 2022	Department Budget Hearing #3	Council Direction given for: Finance, Police, Electric
Monday, October 3, 2022	Financial Workshop	Moved to October 10th
Tuesday, October 18, 2022	Planning Commission Review of CIP	
Monday, November 7, 2022	Budget Hearing #1	
Monday, November 21, 2022	Budget Hearing #2 (if needed)	
Monday, December 5, 2022	Intro Date for revenue ordinances	
TBD	Budget Hearing #3	
TBD	Submitted Adopted Budget & adoption date	Submitted final copies to City Secretary

- This table represents the current Council schedule for the 2023 budget process
- Planning Commission unanimously recommended the 2023-2027 Capital Improvement Program as presented on October 18
- Potential vote on November 7

** as advertised

* as proposed

BUDGET OVERVIEW	10/15/2022 ** BUDGET	11/07/2022 * BUDGET	% FROM 10/15 BUDGET	\$ FROM 10/15 BUDGET
Revenue/Other Funding Sources				
Utility Sales	\$ 84,031,975	\$ 84,031,975	0.0%	\$ -
Real Estate and Other Taxes	11,422,000	11,208,500	-1.9%	(213,500)
Fees for Service	12,627,563	12,841,063	1.7%	213,500
Intergovernmental Revenue	2,303,736	2,303,736	0.0%	-
Other Revenue	1,120,600	1,120,600	0.0%	-
Total Operating Revenue	\$ 111,505,874	\$ 111,505,874	0.0%	\$ -
Expenditures				
Personnel Services	\$ 38,932,621	\$ 38,932,621	0.0%	\$ -
Utility Purchases	44,417,788	44,417,788	0.0%	-
Materials and Supplies	3,006,287	3,006,287	0.0%	-
Contractual Services	12,682,960	12,682,960	0.0%	-
Equipment Depreciation	1,925,340	1,925,340	0.0%	-
Debt Service	4,592,685	4,592,685	0.0%	-
Other Expenses	1,355,783	1,355,783	0.0%	-
Total Operating Expenses	\$ 106,913,464	\$ 106,913,464	0.0%	\$ -
Capital Improvements				
Gross Capital Improvements	\$ 33,838,053	\$ 33,838,053	0.0%	\$ -
Less: Use of Reserves	(1,389,858)	(1,389,858)	0.0%	-
Equipment Replacement	(372,736)	(372,736)	0.0%	-
Grants	(5,873,802)	(5,873,802)	0.0%	-
Bond Issues	(56,000)	(56,000)	0.0%	-
State Revolving Loan	(2,310,000)	(2,310,000)	0.0%	-
American Rescue Plan Act	(7,219,370)	(7,219,370)	0.0%	-
Other Sources	(12,471,058)	(12,471,058)	0.0%	-
Net Capital Improvements	\$ 4,145,229	\$ 4,145,229	0.0%	\$ -
Net Current Surplus	\$ 447,181	\$ 447,181	0.0%	\$ -
Total Expenditures and Surplus	\$ 111,505,874	\$ 111,505,874	0.0%	\$ -

Adjustment from October 15th Advertisement

- Budget presented to City Council on November 7th is the same budget that was advertised as required by City Code on October 15th, except:
 - Proposed tax adjustment of 10% has been reduced to 5%
 - Parking fees have been modified to offset tax adjustment

** as amended * as proposed

BUDGET OVERVIEW	2021 ACTUAL	2022 ** BUDGET	2023 * BUDGET	% FROM 2022 BUDGET	\$ FROM 2022 BUDGET
Revenue/Other Funding Sources					
Utility Sales	\$ 72,850,950	\$ 73,723,500	\$ 84,031,975	14.0%	\$ 10,308,475
Real Estate and Other Taxes	11,110,691	10,995,115	11,208,500	1.9%	213,385
Fees for Service	9,035,197	10,622,656	12,841,063	20.9%	2,218,407
Intergovernmental Revenue	2,155,660	2,953,005	2,303,736	-22.0%	(649,269)
Other Revenue	1,500,338	1,002,600	1,120,600	11.8%	118,000
Appropriation of Prior Year Reserves	-	175,000	-	-100.0%	(175,000)
Total Operating Revenue	\$ 96,652,836	\$ 99,471,876	\$ 111,505,874	12.1%	\$ 12,033,998
Expenditures					
Personnel Services	\$ 33,653,696	\$ 36,477,888	\$ 38,932,621	6.7%	\$ 2,454,733
Utility Purchases	35,907,718	37,430,531	44,417,788	18.7%	6,987,257
Materials and Supplies	2,052,921	2,509,366	3,006,287	19.8%	496,921
Contractual Services	10,592,039	12,259,238	12,682,960	3.5%	423,722
Equipment Depreciation	1,409,054	1,808,826	1,925,340	6.4%	116,514
Debt Service	2,875,619	4,526,148	4,592,685	1.5%	66,537
Other Expenses	1,023,034	1,365,155	1,355,783	-0.7%	(9,372)
Total Operating Expenses	\$ 87,514,081	\$ 96,377,152	\$ 106,913,464	10.9%	\$ 10,536,312
Capital Improvements					
Gross Capital Improvements	\$ 19,933,243	\$ 18,884,662	\$ 33,838,053	79.2%	\$ 14,953,391
Less: Use of Reserves	(4,863,231)	(1,615,176)	(1,389,858)	-14.0%	225,318
Equipment Replacement	(882,862)	(733,157)	(372,736)	-49.2%	360,421
Grants	(2,620,721)	(768,516)	(5,873,802)	664.3%	(5,105,286)
Bond Issues	(198,177)	(450,178)	(56,000)	-87.6%	394,178
State Revolving Loan	(2,234,768)	(3,758,825)	(2,310,000)	-38.5%	1,448,825
American Rescue Plan Act	(101,017)	(7,576,968)	(7,219,370)	-4.7%	357,598
Other Sources	(6,146,269)	(444,654)	(12,471,058)	2704.7%	(12,026,404)
Net Capital Improvements	\$ 2,886,198	\$ 3,537,188	\$ 4,145,229	17.2%	\$ 608,041
Net Current Surplus	\$ 6,252,557	\$ (442,464)	\$ 447,181	-201.1%	\$ 889,645
Total Expenditures and Surplus	\$ 96,652,836	\$ 99,471,876	\$ 111,505,874	12.1%	\$ 12,033,998

Revenue

Expenses

CIP

- Operating Expenditures: up \$10.5M or 10.9%, **\$7 million are due to rising utility costs**
- Gross Capital Budget: up \$15.1M or 81.4%, **\$12 million is new substation**
- Total Budget: up \$12M or 12.1%

2023 RECOMMENDED BUDGET

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Customer Charges & Tax Rate Summary

Utility/Tax		2022 Customer Charge	2023 Customer Charge	Volumetric/ Tax Rate Change?	Comments
Electric		\$ 10.00	\$ 10.00	No	RSA Rate adjustment
Stormwater	Tier 1	\$ 2.33	\$ 2.33	No	No Rate change in 2023 proposed
	Tier 2	\$ 3.89	\$ 3.89		
	Tier 3	\$ 5.07	\$ 5.07		
	Tier 4	\$ 7.01	\$ 7.01		
Water (in-City)		\$ 7.53	\$ 8.37	8%	Customer charge adjustment to cover increased debt service from 2018 Referendum projects
Water (outside City)		\$ 10.17	\$ 11.30		
Sewer (in-City)		\$ 6.06	\$ 7.83	8%	Customer charge adjustment to cover increased debt service from 2018 Referendum projects
Property Tax		\$ 0.9348	\$ 0.9815	5%	10% proposed reduced to 5% based on Council feedback

Revenue – Sewer Adjustment

Gallons	2022	2023 Proposed	Difference	% Difference
No Consumption	\$ 6.06	\$ 7.83	\$ 1.77	29.2%
3,174	\$ 30.76	\$ 34.37	\$ 3.61	11.7%
3,667	\$ 34.60	\$ 38.49	\$ 3.89	11.3%
5,000	\$ 44.97	\$ 49.64	\$ 4.67	10.4%
10,000	\$ 83.88	\$ 91.44	\$ 7.56	9.0%

- \$1.77 increase in the customer charge to cover debt service from the 2018 Referendum
- 8% Volumetric increase with customer charge increase will result in an average sewer rate adjustment of 11.3%
 - Volumetric rate was reduced 10% in 2020
 - \$3.89 average impact per household per month
 - Impact can be mitigated through water conservation

SEWER					
In City					
Meter Size	Current	2023 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 6.06	\$ 7.83	\$ 1.77	\$ 21.22	
3/4"	\$ 8.48	\$ 10.96	\$ 2.48	\$ 29.76	
1"	\$ 13.32	\$ 17.22	\$ 3.90	\$ 46.83	
1 1/2"	\$ 42.38	\$ 54.80	\$ 12.42	\$ 149.02	
2"	\$ 54.49	\$ 70.45	\$ 15.96	\$ 191.58	
3"	\$ 133.19	\$ 172.22	\$ 39.03	\$ 468.40	
4"	\$ 242.16	\$ 313.13	\$ 70.97	\$ 851.68	
6"	\$ 544.86	\$ 704.55	\$ 159.69	\$ 1,916.27	
8"	\$ 847.56	\$ 1,095.97	\$ 248.41	\$ 2,980.86	
Outside City					
Meter Size	Current	2023 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 8.01	\$ 10.57	\$ 2.56	\$ 30.70	
3/4"	\$ 11.22	\$ 14.80	\$ 3.58	\$ 42.91	
1"	\$ 17.63	\$ 23.25	\$ 5.62	\$ 67.44	
1 1/2"	\$ 56.09	\$ 73.98	\$ 17.89	\$ 214.65	
2"	\$ 72.11	\$ 95.11	\$ 23.00	\$ 276.05	
3"	\$ 176.28	\$ 232.50	\$ 56.22	\$ 674.65	
4"	\$ 320.51	\$ 422.73	\$ 102.22	\$ 1,226.63	
6"	\$ 721.14	\$ 951.14	\$ 230.00	\$ 2,760.01	
8"	\$ 1,121.77	\$ 1,479.55	\$ 357.78	\$ 4,293.40	

Revenue – Water Adjustment

Gallons	2022	2023 Proposed	Difference	% Difference
No Consumption	\$ 7.53	\$ 8.37	\$ 0.84	11.1%
3,174	\$ 27.93	\$ 30.39	\$ 2.47	8.8%
3,667	\$ 31.96	\$ 34.75	\$ 2.79	8.7%
5,000	\$ 42.87	\$ 46.54	\$ 3.66	8.5%
10,000	\$ 83.80	\$ 90.74	\$ 6.94	8.3%

- 84 cents increase in the customer charge will cover debt service from the 2018 Referendum
- 8% Volumetric increase with customer charge increase will result in an average water rate adjustment of 8.7%
 - Volumetric rate was reduced 10% in 2020
 - \$2.79 average impact per household per month
 - Impact can be mitigated through conservation

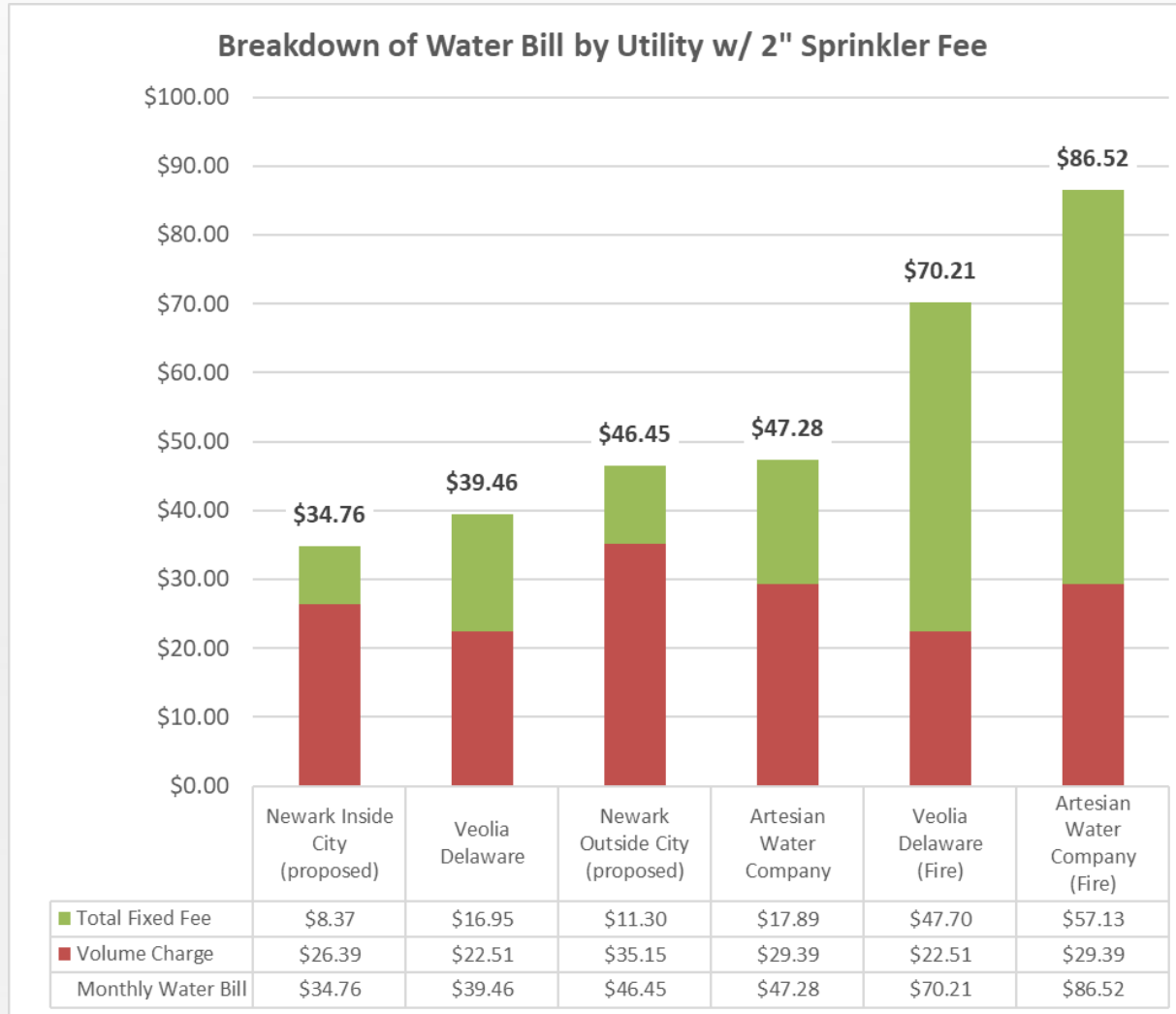
WATER				
In City				
Meter Size	Current	2023 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 7.53	\$ 8.37	\$ 0.84	\$ 10.04
3/4"	\$ 10.54	\$ 11.71	\$ 1.17	\$ 14.04
1"	\$ 16.57	\$ 18.41	\$ 1.84	\$ 22.08
1 1/2"	\$ 52.71	\$ 58.57	\$ 5.86	\$ 70.32
2"	\$ 67.77	\$ 75.30	\$ 7.53	\$ 90.36
3"	\$ 165.66	\$ 184.06	\$ 18.40	\$ 220.80
4"	\$ 301.21	\$ 334.67	\$ 33.46	\$ 401.52
6"	\$ 677.72	\$ 753.01	\$ 75.29	\$ 903.48
8"	\$ 1,054.23	\$ 1,171.35	\$ 117.12	\$ 1,405.44
Outside City				
Meter Size	Current	2023 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 10.17	\$ 11.30	\$ 1.13	\$ 13.56
3/4"	\$ 14.23	\$ 15.81	\$ 1.58	\$ 18.96
1"	\$ 22.36	\$ 24.84	\$ 2.48	\$ 29.76
1 1/2"	\$ 71.16	\$ 79.07	\$ 7.91	\$ 94.92
2"	\$ 91.49	\$ 101.65	\$ 10.16	\$ 121.92
3"	\$ 223.65	\$ 248.50	\$ 24.85	\$ 298.20
4"	\$ 406.63	\$ 451.81	\$ 45.18	\$ 542.16
6"	\$ 914.92	\$ 1,016.57	\$ 101.65	\$ 1,219.80
8"	\$ 1,423.21	\$ 1,581.33	\$ 158.12	\$ 1,897.44

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

Utility	% Fixed	Monthly Water Bill	Customer Charge	Consumption	Fire Protection Fee	Total Fixed Fees
Delaware City	52%	\$28.73	\$15.00	\$13.73	\$0.00	\$15.00
Newark Inside City (proposed)	24%	\$34.76	\$8.37	\$26.39	\$0.00	\$8.37
Wilmington Inside City	68%	\$34.86	\$23.73	\$11.13	\$0.00	\$23.73
Veolia Delaware	43%	\$39.46	\$14.25	\$25.21	\$2.70	\$16.95
Newark Outside City (proposed)	24%	\$46.45	\$11.30	\$35.15	\$0.00	\$11.30
Artesian Water Company	38%	\$47.28	\$13.74	\$33.54	\$4.15	\$17.89
Tidewater Utilities	43%	\$49.65	\$17.11	\$32.54	\$4.46	\$21.57
New Castle MSC	25%	\$51.35	\$11.25	\$40.10	\$1.60	\$12.85
Wilmington Outside City	65%	\$54.15	\$35.01	\$19.14	\$0.00	\$35.01
Average Excluding Newark:	47%	\$43.64	\$18.58	\$25.06	\$1.84	\$20.43

- The October 2022 study by UD's Water Resource Center, listed Newark's water rates as the second lowest in the area (table above includes proposed 2023 customer charge adjustments – Delaware City's water utility was recently acquired by Artesian Water)
- 2022 average monthly residential bill for Veolia/Artesian is \$43.37
- The \$43.37 per month average rate is 25% higher than the City's in-City rate
- 24% of the City's bill is based on a fixed rate, which is lower than all other utilities

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



- Chart represents the water utilities surrounding Newark using proposed 2023 rates for Newark
- Both Artesian and Veolia also have a fixed charge added to accounts that have fire sprinkler systems (Newark does not)
 - Columns designated (Fire) reflect what residents would pay monthly if their fire sprinklered home was inside Veolia or Artesian's territory
- Newark customers are more able to control their bill by modifying their usage
 - 76% of bill is based on consumption

Revenue – Tax Adjustment

5% TAX ADJUSTMENT

Percentile	Assessment	Current Tax Bill	Proposed Tax Bill (5% increase)	Difference	% of Current Bill to Refuse
<i>Rate</i>		<i>\$ 0.9348</i>	<i>\$ 0.9815</i>	<i>\$ 0.0467</i>	
25th	\$ 48,825	\$ 456.42	\$ 479.24	\$ 22.82	77%
50th (median)	\$ 67,000	\$ 626.32	\$ 657.63	\$ 31.32	56%
75th	\$ 88,100	\$ 823.56	\$ 864.74	\$ 41.18	42%

- Adding five new police officers and two new communication officers, with a starting date of July 1, has a fiscal impact of \$445,000 in 2023 and \$728,000 in 2024 (\$518K police, \$210K comm. officers).
 - **A 5% tax increase adds \$213,500 in revenue in 2023, and \$427,000 in 2024+**
 - **Covers less than half of the added expense in 2023, and 59% in 2024+**
 - Median tax bill in 2022 was \$626. Almost 800 properties pay \$350 or less in property taxes
 - In addition to Police - Residential taxes are used for:
 - Refuse Service - Cost to provide refuse service is now \$350 per household, up 10% from 2021
 - Street Maintenance, leaf collection, snow plowing, parks

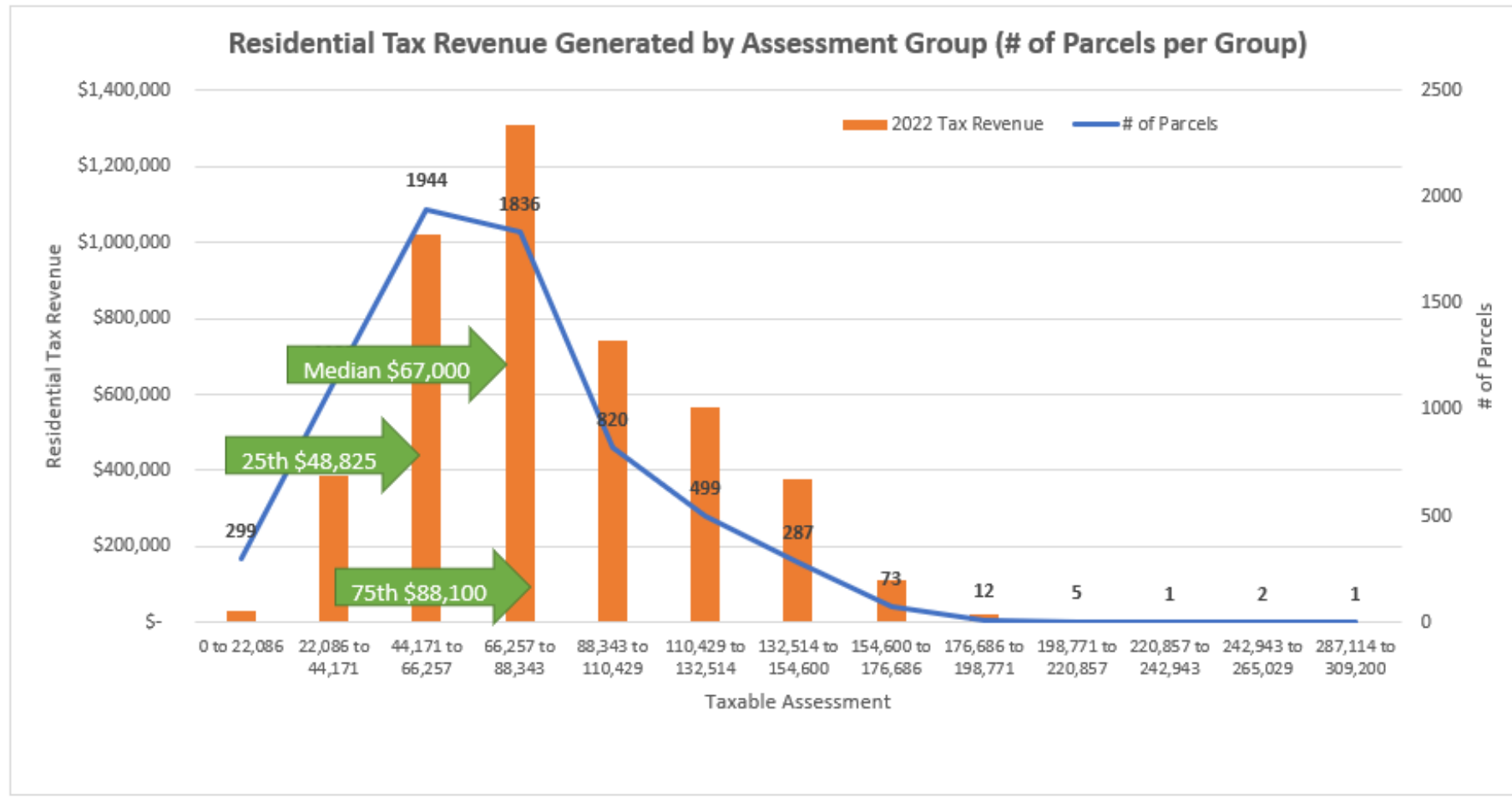
Revenue – Tax Adjustment by Residential Group

% of Residents	ASSESSMENT RANGE		ASSESSMENT RANGE	# of Parcels	% of Parcels	2022 Tax Revenue	5% Increase	% of Residential Impact	Tax Revenue
94%	0	22,086	0 to 22,086	299	4.33%	\$ 31,873	\$ 1,600	0.7%	89%
	22,086	44,171	22,086 to 44,171	1132	16.38%	\$ 387,978	\$ 19,420	8.4%	
	44,171	66,257	44,171 to 66,257	1944	28.13%	\$ 1,023,271	\$ 51,174	22.3%	
	66,257	88,343	66,257 to 88,343	1836	26.57%	\$ 1,311,909	\$ 65,591	28.6%	
	88,343	110,429	88,343 to 110,429	820	11.87%	\$ 740,566	\$ 37,030	16.1%	
	110,429	132,514	110,429 to 132,514	499	7.22%	\$ 568,183	\$ 28,414	12.4%	
6%	132,514	154,600	132,514 to 154,600	287	4.15%	\$ 377,749	\$ 18,889	8.2%	11%
	154,600	176,686	154,600 to 176,686	73	1.06%	\$ 109,688	\$ 5,484	2.4%	
	176,686	198,771	176,686 to 198,771	12	0.17%	\$ 20,902	\$ 1,045	0.5%	
	198,771	220,857	198,771 to 220,857	5	0.07%	\$ 9,675	\$ 485	0.2%	
	220,857	242,943	220,857 to 242,943	1	0.01%	\$ 2,176	\$ 109	0.0%	
	242,943	265,029	242,943 to 265,029	2	0.03%	\$ 4,808	\$ 241	0.1%	
	287,114	309,200	287,114 to 309,200	1	0.01%	\$ 2,890	\$ 145	0.1%	
Grand Total				6911	100.0%	\$ 4,591,670	\$ 229,627	100.0%	

94% of the residents pay 89% of the residential portion of the City's property tax revenue

- 381 parcels have an assessment of \$132,514 and higher (6%)
- 6,530 parcels have an assessment lower than \$132,514 (94%)

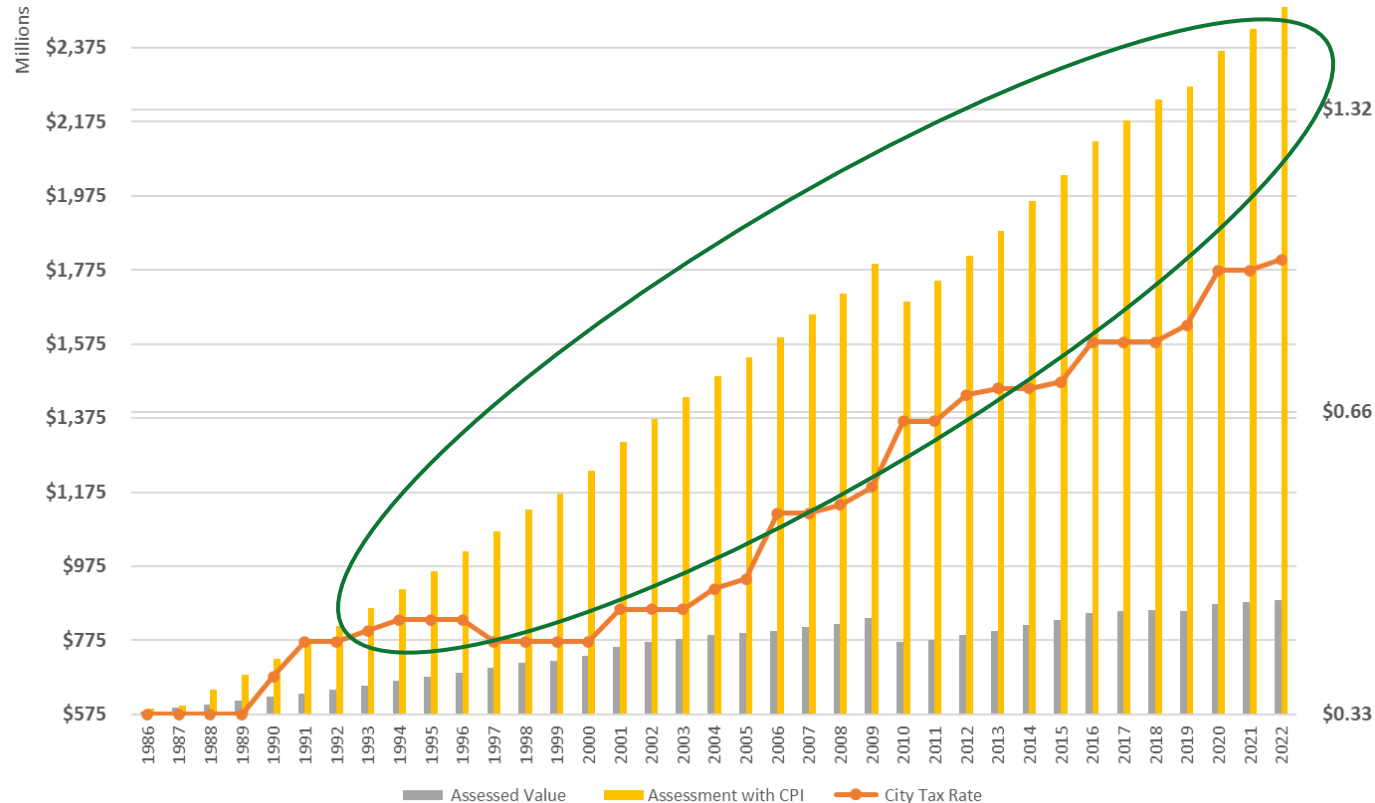
Revenue – Tax Adjustment by Residential Group



- 94% of the residents pay 89% of the residential portion of the property tax bill (\$4.1 million)
- 6% of the residents pay 11% of the residential portion of the property tax bill (\$528,000)
- Remaining taxes are paid by apartments, commercial, industrial parcels and new development

Taxable Property Assessments vs. Tax Rate w/Inflation

City of Newark
Assessed Taxable Valuation
Compared to Inflation and the Tax Rate
1986 - 2022



- Table on left shows City's current assessed value in green, estimated assessed value adjusted for inflation in yellow, compared to tax rate history over this period in orange
- Tax rate in 1986 (first year after reassessment was \$0.33
 - Adjusted for inflation, that would be equal to \$1.69 in 2022
- Adjusting the City's taxable assessment based on inflation, 1986's valuation would be equivalent to \$2.5 billion
 - Increase of 181%
- 1985 tax rate (last year before current assessment) was \$1.13

Property Taxes

Utility transfers to the Governmental Funds continue into 2023 totaling \$20.3M.

TO	TRANSFER IN
General Fund	\$ 16,259,346
Community Development Fund	24,716
Law Enforcement Fund	-
Special Parks Fund	27,945
Transportation Fund (Unicity)	161,899
Debt Service Fund	1,282,845
Capital Fund	1,445,441
Self-Insurance Fund	133,000
OPEB	726,850
Internal Services Fund	258,298
Total Transfer to Governmental Funds	\$ 20,320,340

- \$20.3M = Transfer amount is equal to 32,400 homes added to the tax base without increasing the footprint or increasing the services of the City.
- There are only 8,100 taxable parcels in the City for comparison purposes
- Equal to a 245% tax increase (\$3.2251 per \$100 of AV), would be offset by lower utility rates (electric, water, sewer, parking)
- Enterprise transfers have increased \$3.4M from the 2022 Approved Operating Budget (16.9%)

City of Newark 2023 Capital Budget Recommendation

2023 CIP Requested/Funding Sources:

	2022 BUDGET AS AMENDED	-----2023-----		PROPOSED BUDGETS					TOTAL PROPOSED AMOUNTS
		RESERVES AND OTHER FUNDING	CURRENT FUNDING	2023	2024	2025	2026	2027	
ELECTRIC FUND	\$ 2,847,687	\$ 12,892,898	\$ 2,107,996	\$ 15,000,894	\$ 18,295,000	\$ 1,265,000	\$ 515,000	\$ 1,263,000	\$ 36,338,894
WATER FUND	4,502,825	8,081,000	119,000	8,200,000	6,956,000	8,505,000	4,100,000	3,190,000	30,951,000
SEWER FUND	1,950,000	1,336,000	-	1,336,000	1,275,000	1,050,000	1,050,000	1,000,000	5,711,000
STORMWATER FUND	950,000	888,420	150,000	1,038,420	1,035,000	725,000	725,000	1,285,000	4,808,420
PUBLIC WORKS DEPARTMENT - CAPITAL PROJECT FUND DIVISIONS	2,339,890	1,523,802	1,077,441	2,601,243	3,059,000	2,580,000	2,715,000	2,835,000	13,790,243
POLICE DEPARTMENT - CAPITAL PROJECT FUND	502,640	64,732	28,000	92,732	107,079	170,398	383,254	418,459	1,171,922
PARKS AND RECREATION DEPARTMENT - CAPITAL PROJECT FUND	2,023,775	596,762	390,000	986,762	1,027,000	435,713	513,000	635,000	3,597,475
PARKING FUND	-	200,000	62,792	262,792	75,639	5,809	65,984	58,164	468,388
INFORMATION TECHNOLOGY DIVISION - CAPITAL PROJECT FUND	2,442,155	201,570	-	201,570	78,871	30,000	74,500	32,000	416,941
MAINTENANCE FUND	632,355	3,307,640	210,000	3,517,640	1,415,000	4,200,000	1,570,000	-	10,702,640
OTHER DEPARTMENTS/DIVISIONS	693,335	600,000	-	600,000	535,000	50,000	225,000	50,000	1,460,000
GROSS CAPITAL IMPROVEMENTS	\$ 18,884,662	\$ 29,692,824	\$ 4,145,229	\$ 33,838,053	\$ 33,858,589	\$ 19,016,920	\$ 11,936,738	\$ 10,766,623	\$ 109,416,923

PLANNED FINANCING SOURCES	2022 BUDGET AS AMENDED	-----2023-----		PROPOSED BUDGETS					TOTAL
		RESERVES AND OTHER FUNDING	CURRENT FUNDING	2023	2024	2025	2026	2027	
GROSS CAPITAL IMPROVEMENTS	\$ 18,884,662	\$ 29,692,824	\$ 4,145,229	\$ 33,838,053	\$ 33,858,589	\$ 19,016,920	\$ 11,936,738	\$ 10,766,623	\$ 109,416,923
LESS: USE OF RESERVES	(1,615,176)	(1,389,858)	-	(1,389,858)	(334,153)	(1,532)	-	-	(1,725,543)
VEHICLE & EQUIPMENT REPLACEMENT	(733,157)	(372,736)	-	(372,736)	(917,804)	(715,177)	(704,491)	(1,140,417)	(3,850,625)
GRANTS	(768,516)	(5,873,802)	-	(5,873,802)	(949,673)	(784,000)	(774,073)	(710,000)	(9,091,548)
BOND ISSUES	(450,178)	(56,000)	-	(56,000)	(825,000)	(4,000,000)	(1,500,000)	-	(6,381,000)
STATE REVOLVING LOANS	(3,758,825)	(2,310,000)	-	(2,310,000)	(881,000)	(7,400,000)	(3,000,000)	(3,000,000)	(16,591,000)
AMERICAN RESCUE PLAN ACT	(7,576,968)	(7,219,370)	-	(7,219,370)	(4,256,371)	-	-	-	(11,475,741)
OTHER FINANCING SOURCES	(444,654)	(12,471,058)	-	(12,471,058)	(16,180,000)	(480,000)	(180,000)	(180,000)	(29,491,058)
NET CAPITAL IMPROVEMENTS	\$ 3,537,188	\$ -	\$ 4,145,229	\$ 4,145,229	\$ 9,514,588	\$ 5,636,211	\$ 5,778,174	\$ 5,736,206	\$ 30,810,408

Alternative Revenue Scenarios

Alternative Tax Options

- Option #1: Include 10% tax increase, fund Capital and Operating Budgets as presented
- Option #2: Proposal of a 5% tax increase
 - New proposed parking rates would be:
 - \$2.25 on-street (originally proposed \$2.00)
 - \$2.00 parking lots (originally proposed \$1.50)
 - From December 15 to January 15, and June 16 to August 15, rates would return to current rates to promote businesses during student breaks
 - Normally free days that fall during the discounted periods, i.e., City holidays, would still be free
 - Resident who parks in a Main Street lot four hours per month will pay an average of \$12 more over the proposed plan, and \$36 more than the 2022 rate

PARKING RATE ADJUSTMENT

Hourly Rates	On-Street	Parking Lots	December 16 to January 15 On-Street	December 16 to January 15 Parking Lots	June 16 to August 15 On-Street	June 16 to August 15 Parking Lots
1999-2022	\$ 1.25	\$ 1.00	\$ 1.25	\$ 1.00	\$ 1.25	\$ 1.00
2023 Proposed 10/10	\$ 2.00	\$ 1.50	\$ 2.00	\$ 1.50	\$ 2.00	\$ 1.50
2023 Proposed 11/07	\$ 2.25	\$ 2.00	\$ 1.25	\$ 1.00	\$ 1.25	\$ 1.00

Property Tax/Customer Charge Impact on Average Resident

OPTION #1: 10% TAX INCREASE, WATER/SEWER ADJ.

MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3,667 gallons)	\$31.96	\$34.75	\$2.79	8.7%
Sewer (3,667 gallons)	\$34.60	\$38.49	\$3.89	11.2%
Electric (winter/summer avg - 750 kWh)	\$147.78	\$147.78	\$0.00	0.0%
Stormwater (Tier 2)	\$3.89	\$3.89	\$0.00	0.0%
Taxes (\$67K AV median)	\$52.19	\$57.41	\$5.22	10.0%
TOTAL	\$270.42	\$282.32	\$11.90	4.4%

ANNUAL	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water	\$383.52	\$417.00	\$33.48	8.7%
Sewer	\$415.20	\$461.88	\$46.68	11.2%
Electric	\$1,773.30	\$1,773.30	\$0.00	0.0%
Stormwater (Tier 2)	\$46.68	\$46.68	\$0.00	0.0%
Taxes	\$626.32	\$688.95	\$62.63	10.0%
TOTAL	\$3,245.02	\$3,387.81	\$142.79	4.4%

OPTION #2: 5% TAX INCREASE, WATER/SEWER ADJ.

MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3,667 gallons)	\$31.96	\$34.75	\$2.79	8.7%
Sewer (3,667 gallons)	\$34.60	\$38.49	\$3.89	11.2%
Electric (winter/summer avg - 750 kWh)	\$147.78	\$147.78	\$0.00	0.0%
Stormwater (Tier 2)	\$3.89	\$3.89	\$0.00	0.0%
Taxes (\$67K AV median)	\$52.19	\$54.80	\$2.61	5.0%
TOTAL	\$270.42	\$279.71	\$9.29	3.4%

ANNUAL	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water	\$383.52	\$417.00	\$33.48	8.7%
Sewer	\$415.20	\$461.88	\$46.68	11.2%
Electric	\$1,773.30	\$1,773.30	\$0.00	0.0%
Stormwater (Tier 2)	\$46.68	\$46.68	\$0.00	0.0%
Taxes	\$626.32	\$657.64	\$31.32	5.0%
TOTAL	\$3,245.02	\$3,356.50	\$111.48	3.4%

- Option #1: \$11.90 monthly average impact, or \$142.79 annually. 4.4% overall increase
- Option #2: \$9.29 monthly average impact, or \$111.48 annually. 3.4% overall increase
- Difference between the two options is \$2.61 per month, or \$31.31 annually
- Parking fees to make up the difference

Council Action

- Approve 2023 Budget (Operating and Capital Improvement Program)
- Rate changes require an ordinance and will be included in forthcoming legislation:
 - Sewer/Water Volumetric and Customer Charge Adjustments
 - Parking Rate adjustments
 - Rental Permit adjustments
- Tax Rate
 - Option #1: 10% tax increase
 - Parking Fees would also be:
 - Lots: \$1.50/hour
 - On-street: \$2.00/hour
 - Option #2: 5% tax increase (further parking fee adjustments)
 - Parking Fees would also be:
 - Lots: \$2.00/hour
 - On-street: \$2.25/hour
 - Discounted parking three months/year

Conclusion / Questions

