

Financial Workshop

2025 Budget Overview

October 7, 2024

TIMELINE

Date	Title	Notes
Monday, August 19, 2024	Budget Overview	Council Direction given for: Overview
Monday, August 26, 2024	Department Budget Hearing #1	Council Direction given for: Parks and Recreation, Electric, Administration
Monday, September 9, 2024	Department Budget Hearing #2	Council Direction given for: Legislative, Alderman Court, PWWR
Monday, September 16, 2024	Department Budget Hearing #3	Council Direction given for: Finance, Police, Planning
Monday, October 7, 2024	Financial Workshop	
Tuesday, October 15, 2024	Planning Commission Review of CIP	
Monday, November 4, 2024	Budget Hearing #1	
Monday, November 18, 2024	Budget Hearing #2 (if needed)	
Monday, November 25, 2024	Intro Date for revenue ordinances	
TBD	Budget Hearing #3	
TBD	Submitted Adopted Budget & adoption date for revenue ordinances	Submitted final copies to City Secretary

- This table represents the current Council schedule for the 2025 budget process
- The financial information to be presented over the next month are included in this budget overview
- Final budget draft will be provided at the Financial Workshop on October 7

2025 RELEVANT BUDGET INFORMATION

Date	Title	Comments	Link		
8/19/2024	Budget Overview	Overview	Budget Overview	-	
8/26/2024	Budget Hearing #1	Parks and Recreation, Electric, Administration	Electric	Parks	Administration
9/9/2024	Budget Hearing #2	Legislative, Alderman Court, PWWR	Legislative	Alderman Court	PWWR
9/16/2024	Budget Hearing #3	Police, Planning, Finance	Police	Planning	Finance
	Budget Central	Central repository for all budget documentation	Budget Central	-	

2025 BUDGET OVERVIEW (AUGUST 19 PRESENTATION)

- Total revenues are up 6.8%
- Total operating expenditures are up 9%
- Assumes \$450K PILOT in 2025
- Assumes Sewer rate will be adjusted to reflect County increase
- Includes DEMEC increase and rate study increase for electric

	* as amended	* as amended	** as proposed		
BUDGET OVERVIEW	2023 * BUDGET	2024 * BUDGET	2025 ** BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Total Operating Revenue	\$ 111,565,874	\$ 114,863,828	\$ 122,692,511	6.8%	\$ 7,828,683
Operating Expenses	107,440,871	111,263,067	121,314,888	9.0%	10,051,821
Capital Improvements*	4,105,229	3,170,522	4,770,844	50.5%	1,600,322
Total Expenditures	\$ 111,546,100	\$ 114,433,589	\$ 126,085,732	10.2%	\$ 11,652,143
Total Surplus/(Shortfall)	\$ 19,774	\$ 430,239	\$ (3,393,221)		



The 2025 Budget as of 8/19 (before making cuts or revenue enhancements) was \$3.4 million short of funding.

For comparison purposes, the 2024 initial shortfall was \$6.2 million.

8/19 vs. 10/7 Budget Overview

- From the August 19 Presentation:
 - Revenue;
 - Expenditures;
 - Net Capital Improvements;
 - Net Current Surplus;
 - were all adjusted
- Total revenue budget increased by \$803K, or 0.7%
- Total Operating expenses increased by \$182K, or 0.2%
- Net Capital improvements decreased by \$1.4 million, or -29.2% (cash-funded capital)
- Details on the forthcoming slides
- Budget deficit is now \$1.381M

	8/19/2024 2025 BUDGET	10/7/2024 2025 BUDGET	% FROM 8/19/2024	\$ FROM 8/19/2024
Revenue/Other Funding Sources				
Utility Sales	\$ 92,645,350	\$ 93,063,248	0.5%	\$ 417,898
Real Estate and Other Taxes	12,412,500	12,640,938	1.8%	228,438
Fees for Service	12,932,456	13,080,666	1.1%	148,210
Intergovernmental Revenue	1,952,105	1,954,592	0.1%	2,487
Other Revenue	2,750,100	2,756,100	0.2%	6,000
Appropriation of Prior Year Reserves	-	-	0.0%	-
Total Operating Revenue	\$ 122,692,511	\$ 123,495,544	0.7%	\$ 803,033
Expenditures				
Personnel Services	\$ 44,748,505	\$ 44,912,693	0.4%	\$ 164,188
Utility Purchases	50,533,363	50,533,363	0.0%	-
Materials and Supplies	3,090,848	3,096,135	0.2%	5,287
Contractual Services	14,456,919	14,572,533	0.8%	115,614
Equipment Depreciation	2,109,580	2,018,438	-4.3%	(91,142)
Debt Service	4,810,198	4,822,498	0.3%	12,300
Other Expenses	1,565,475	1,541,275	-1.5%	(24,200)
Total Operating Expenses	\$ 121,314,888	\$ 121,496,935	0.2%	\$ 182,047
Capital Improvements				
Gross Capital Improvements	\$ 30,762,080	\$ 30,383,515	-1.2%	\$ (378,565)
Less: Use of Reserves	(2,165,764)	(2,344,706)	8.3%	(178,942)
Equipment Replacement	(987,255)	(460,503)	-53.4%	526,752
Grants	(1,302,194)	(2,662,194)	104.4%	(1,360,000)
Bond Issues	-	-	0.0%	-
State Revolving Loans	(7,938,609)	(7,938,609)	0.0%	-
American Rescue Plan Act	-	-	0.0%	-
Other Sources	(13,597,414)	(13,597,414)	0.0%	-
Net Capital Improvements	\$ 4,770,844	\$ 3,380,089	-29.2%	\$ (1,390,755)
Net Current Surplus/(Deficit)	\$ (3,393,221)	\$ (1,381,480)	-59.3%	\$ 2,011,741
TOTAL EXPENDITURES AND SURPLUS	\$ 122,692,511	\$ 123,495,544	0.7%	\$ 803,033

Budget Adjustments between 8/19 and 10/7 - REVENUE

Primary Adjustments include:

- Utility Sales (+\$417,898) details on next slide:
 - Water and stormwater revenue adjustments were revised and are based on rate changes.
 - Small change in Electric
- Property & Realty Taxes (+\$228,438):
 - \$10K: Lodging tax adjustment
 - \$168K: Proposed tax increase of 3.5%
 - \$50K: Real Estate Transfer Tax adjustment
- Fees for Service (+\$148,209): Fee modifications include (without fee increases):
 - \$32K: update to parks and recreation programs
 - \$12.5K: update to commercial refuse revenue
 - \$103,429: update to internal service revenue

	* as amended	** as proposed		
	8/19/2024	10/7/2024	% FROM	\$ FROM
REVENUE	2025 BUDGET	2025 BUDGET	8/19/2024	8/19/2024
Utility Sales	\$ 92,645,350	\$ 93,063,248	0.5%	\$ 417,898
Real Estate and Other Taxes	12,412,500	12,640,938	1.8%	228,438
Fees for Service	12,932,456	13,080,666	1.1%	148,210
Intergovernmental Revenue	1,952,105	1,954,592	0.1%	2,487
Other Revenue	2,750,100	2,756,100	0.2%	6,000
Total Operating Revenue	\$ 122,692,511	\$ 123,495,544	0.7%	\$ 803,033

- Intergovernmental Revenue (+\$2,487):
 - Revised UD Subvention based on CPI (\$642,893)
- Other Revenue (+\$6,000)
 - Revenue adjustments to U Don't Need it and PWWR refuse revenue

Budget Adjustments between 8/19 and 10/7 – UTILITY REVENUE

	* as amended	** as proposed		
UTILITY REVENUE SUMMARY	8/19/2024 2025 BUDGET	10/7/2024 2025 BUDGET	% FROM 8/19/2024	\$ FROM 8/19/2024
Utility Revenue				
Electric	\$ 70,377,200	\$ 70,475,100	0.1%	\$ 97,900
Water	10,200,000	10,443,948	2.4%	243,948
Sewer	9,515,150	9,515,150	0.0%	-
Stormwater	2,553,000	2,629,050	3.0%	76,050
Total Operating Revenue	\$ 92,645,350	\$ 93,063,248	0.5%	\$ 417,898

Adjustments include:

- Electric: +\$97K
- Water: 4% proposed volumetric adjustment (+\$244K)
- Sewer: No change
- Stormwater: 3% proposed increase (+\$76K)

Budget Adjustments between 8/19 and 10/7 - EXPENDITURES

Adjustments include:

- Personnel (+\$164K):
 - Addition of two positions in PWWR
- Utility Purchases:
 - No change

	* as amended	** as proposed		
	8/19/2024	10/7/2024	% FROM	\$ FROM
OPERATING EXPENSES	2025 BUDGET	2025 BUDGET	8/19/2024	8/19/2024
Personnel Services	\$ 44,748,505	\$ 44,912,693	0.4%	\$ 164,188
Utility Purchases	50,533,363	50,533,363	0.0%	-
Materials and Supplies	3,090,848	3,096,135	0.2%	5,287
Contractual Services	14,456,919	14,572,533	0.8%	115,614
Equipment Depreciation	2,109,580	2,018,438	-4.3%	(91,142)
Debt Service	4,810,198	4,822,498	0.3%	12,300
Other Expenses	1,565,475	1,541,275	-1.5%	(24,200)
TOTAL OPERATING EXPENDITURES	\$ 121,314,888	\$ 121,496,935	0.2%	\$ 182,047

- Materials & Supplies (+\$5K): Added funding for non-personnel related expenses for new positions
- Contractual Services (+\$115K): Adjustment to interdepartmental charges, with offsetting revenue
- Equipment Depreciation (-\$91K): updated equipment schedules
- Debt Service (\$12K): Removed equipment purchase from cash financing to lease/purchase to replace a Ford F650
- Other Expenses (-\$24K): Reduction in police recruitment and retention expenses

Budget Adjustments between 8/19 and 10/7 – CAPITAL

	* as amended	** as proposed		
	8/19/2024	10/7/2024	% FROM	\$ FROM
CAPITAL IMPROVEMENTS	2025 BUDGET	2025 BUDGET	8/19/2024	8/19/2024
Gross Capital Improvements	\$ 30,762,080	\$ 30,383,515	-1.2%	\$ (378,565)
Less: Use of Reserves	(2,165,764)	(2,344,706)	8.3%	(178,942)
Equipment Replacement	(987,255)	(460,503)	-53.4%	526,752
Grants	(1,302,194)	(2,662,194)	104.4%	(1,360,000)
Bond Issues	-	-	0.0%	-
State Revolving Loans	(7,938,609)	(7,938,609)	0.0%	-
Other Sources	(13,597,414)	(13,597,414)	0.0%	-
Net Capital Improvements	\$ 4,770,844	\$ 3,380,089	-29.2%	\$ (1,390,755)

Adjustments include:

- Reduced overall capital budget by \$378K in 2025 (\$30.8M to \$30.4M)
- Using \$347K less reserves to fund projects compared to 8/19 (includes Reserves and Equipment Replacement)
- Using grant/state funding versus current resources to fund projects (\$1.36M)
- Reduced the need to use current resources by \$1.4M, directly impacting the need to raise revenue requirements

2025 Budget Compared to 2024

- 2025 Budget as of 10/7 compared to the 2024 Approved Budget as Amended:
 - Revenue: up \$8.6M or 7.5%
 - Operating Expenditures: up \$10.2M or 9.2%
 - Gross Capital Budget: down \$1.6M or -5.0%
 - Use of City Reserves: down \$1.8M
 - Net Capital Improvements (2024 revenue needed to fund Capital): up \$209K or 6.6%
- Current budget deficit is \$1.381M

	* as amended	** as proposed		
	2024	2025	% FROM	\$ FROM
	BUDGET	BUDGET	2024 BUDGET	2024 BUDGET
Revenue/Other Funding Sources				
Utility Sales	\$ 85,132,051	\$ 93,063,248	9.3%	\$ 7,931,197
Real Estate and Other Taxes	12,018,125	12,640,938	5.2%	622,813
Fees for Service	12,975,824	13,080,666	0.8%	104,842
Intergovernmental Revenue	2,053,777	1,954,592	-4.8%	(99,185)
Other Revenue	2,661,381	2,756,100	3.6%	94,719
Appropriation of Prior Year Reserves	34,670	-	-100.0%	(34,670)
Total Operating Revenue	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716
Expenditures				
Personnel Services	\$ 41,434,426	\$ 44,912,693	8.4%	\$ 3,478,267
Utility Purchases	44,678,500	50,533,363	13.1%	5,854,863
Materials and Supplies	3,040,423	3,096,135	1.8%	55,712
Contractual Services	13,537,172	14,572,533	7.6%	1,035,361
Equipment Depreciation	2,110,952	2,018,438	-4.4%	(92,514)
Debt Service	4,939,941	4,822,498	-2.4%	(117,443)
Other Expenses	1,533,653	1,541,275	0.5%	7,622
Total Operating Expenses	\$ 111,275,067	\$ 121,496,935	9.2%	\$ 10,221,868
Capital Improvements				
Gross Capital Improvements	\$ 31,983,081	\$ 30,383,515	-5.0%	\$ (1,599,566)
Less: Use of Reserves	(3,284,516)	(2,344,706)	-28.6%	939,810
Equipment Replacement	(100,984)	(460,503)	356.0%	(359,519)
Grants	(4,816,794)	(2,662,194)	-44.7%	2,154,600
Bond Issues	-	-	0.0%	-
State Revolving Loans	(6,977,032)	(7,938,609)	13.8%	(961,577)
American Rescue Plan Act	(5,111,899)	-	-100.0%	5,111,899
Other Sources	(8,521,334)	(13,597,414)	59.6%	(5,076,080)
Net Capital Improvements	\$ 3,170,522	\$ 3,380,089	6.6%	\$ 209,567
Net Current Surplus/(Deficit)	\$ 430,239	\$ (1,381,480)	-421.1%	\$ (1,811,719)
TOTAL EXPENDITURES AND SURPLUS	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716

City of Newark 2025 Expenditure Budget

* as amended ** as proposed

	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Revenue/Other Funding Sources				
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Net Capital Improvements	\$ 3,170,522	\$ 3,380,089	6.6%	\$ 209,567
Net Current Surplus/(Deficit)	\$ 430,239	\$ (1,381,480)	-421.1%	\$ (1,811,719)
TOTAL EXPENDITURES AND SURPLUS	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716



2025 Proposed Budget

* as amended

** as proposed

OPERATING EXPENDITURES	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Expenditures				
Personnel Services	\$ 41,434,426	\$ 44,912,693	8.4%	\$ 3,478,267
Utility Purchases	44,678,500	50,533,363	13.1%	5,854,863
Materials and Supplies	3,040,423	3,096,135	1.8%	55,712
Contractual Services	13,537,172	14,572,533	7.6%	1,035,361
Equipment Depreciation	2,110,952	2,018,438	-4.4%	(92,514)
Debt Service	4,939,941	4,822,498	-2.4%	(117,443)
Other Expenses	1,533,653	1,541,275	0.5%	7,622
Total Operating Expenses	\$ 111,275,067	\$ 121,496,935	9.2%	\$ 10,221,868

► Personnel Expenses increased by \$3.5M (8.4%)

► Utility Purchases are up \$5.9M (13.1%)

► Debt Service is down \$117K (-2.4%)

Total operating expenses are up 9.2%, or \$10.2 million compared to 2024

► Non-Personnel/Utility/Debt Operating Expenses up \$1M

- Materials & Supplies increased \$55K (1.8%)
- Contractual Services increased \$1M (7.6%)
- Equip Depreciation Expense decr. \$92K (-4.4%)
- Other Expenses increased \$7K (0.5%)

Expense Budget Overview – Operating Expenditures (OP EX)

2025 BUDGET DRIVERS

----- * as amended -----			----- ** as proposed -----			
EXPENDITURE CHANGE TRACKING	2024 * BUDGET	% OF 2024 BUDGET	2025 ** BUDGET	% OF 2025 BUDGET	\$ FROM 2024 BUDGET	% FROM 2024 BUDGET
Electric Purchases (DEMEC)	\$ 39,278,500	32.0%	\$ 44,283,363	35.9%	\$ 5,004,863	12.7%
Wages	23,401,529	19.1%	24,932,940	20.2%	1,531,411	6.5%
Healthcare	5,928,761	4.8%	6,555,868	5.3%	627,107	10.6%
Sewer Purchases (NCC)	5,400,000	4.4%	6,250,000	5.1%	850,000	15.7%
Debt Service	4,939,941	4.0%	4,822,498	3.9%	(117,443)	-2.4%
Pension	4,100,000	3.3%	4,400,000	3.6%	300,000	7.3%
OPEB	1,767,000	1.4%	1,932,000	1.6%	165,000	9.3%
Insurance (Auto, Property, Casualty, Cyber, etc)	1,192,000	1.0%	1,353,300	1.1%	161,300	13.5%
Worker's Compensation Program (DFIT)	700,000	0.6%	873,000	0.7%	173,000	24.7%
Subtotal	\$ 86,707,731	70.7%	\$ 95,402,969	77.3%	\$ 8,695,238	10.0%
City-wide Expenditure and Surplus Total	\$ 122,692,511	100.0%	\$ 123,495,544	100.0%	\$ 803,033	0.7%

- Nine items make up over 77% of the operating budget, totaling \$95.4 million
- Electric and Sewer utility purchases combine for a total \$50.5 million, or 41%

Personnel Expenses – Operating Budget By Type

	* as amended	** as proposed			
BUDGET OVERVIEW	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET	COMMENTS
Wages					
Full-time	\$ 21,781,474	\$ 23,411,197	7.5%	\$ 1,629,723	In addition to general step increases and advancements, Full-time wages were impacted by: Water 2025: +1 FTE (Water Plant Operator); +1 FTE (Utility Inspector I) Stormwater 2025: +1 FTE (Equipment Operator)
Part-time	1,620,055	1,682,239	3.8%	62,184	In addition to general step increases and advancements, Part-time wages were impacted by: Police: 2025: +0.5 FTE (Admin. Prof. I - PT)
Other	2,774,565	2,896,758	4.4%	122,193	All other wages (overtime, etc.)
Total Wages	\$ 26,176,094	\$ 27,990,194	6.9%	\$ 1,814,100	
Benefits					
Delaware Paid Leave Plan	\$ -	\$ 103,967	100.0%	103,967	New Benefit Line in 2025.
Pension	4,100,000	4,400,000	7.3%	300,000	Annual City Contribution to the Pension Fund.
Defined Contribution 401(a)	610,692	641,228	5.0%	30,536	City Contribution to non-pensioned employees.
Healthcare	5,928,761	6,555,868	10.6%	627,107	7% ACB increase, plus three new positions. See above for breakout.
OPEB	1,000,000	1,000,000	0.0%	-	No change in 2025.
Retirement Health Savings Account	242,048	412,758	70.5%	170,710	Funds RHS accounts for active employees in lieu of retirement health care.
Other Fringe Benefits	3,376,831	3,808,678	12.8%	431,847	Social Security, FICA, Dental, Life, Vision and other insurances.
Total Benefits	\$ 15,258,332	\$ 16,922,499	10.9%	\$ 1,664,167	
TOTAL PERSONNEL SERVICES	\$ 41,434,426	\$ 44,912,693	8.4%	\$ 3,478,267	

- Personnel expenses (\$44.9M) include both current employees and retirees, and total 36% of operating expenditures

Personnel Expenses – New Positions in 2025 Budget

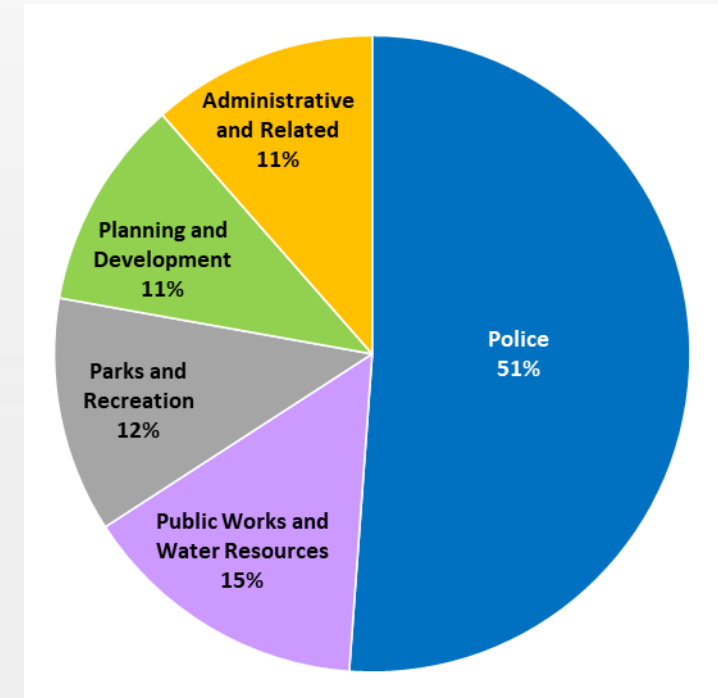
Department	Position	#	Start Date	2025 Budget	Estimated 2026 Impact	Added Revenue	Justification
PWWR (Water)	Water Plant Operator	1.00	4/1/2025	\$ 82,325	\$ 112,308	N/A	- Includes materials/supplies for 2025. - Water treatment regulations are continuously evolving. The City of Newark has historically utilized staff to just barely cover the 24-hour schedule of the plant operations. Very little overlap/redundancy exists. - Anticipation of new PFAS reporting and sampling requirements. resulting in less preventative maintenance being completed. - Employee wellness is also a consideration in this request due to long shifts and overnight requirements.
PWWR (Water)	Utility Inspector I	1.00	4/1/2025	\$ 71,037	\$ 111,092	N/A	Includes materials/supplies in 2025. Protection of our utilities is of utmost importance and this position would be able to focus on accurate and efficient markouts as well as assisting with inspections and plan reviews. This position was requested in 2024 and the need has only increased throughout this year. Additional tasks performed by Utility Inspectors: - Over 4700 Miss Utility Tickets completed in 12 months - Inspection of all capital projects for water and sewer divisions - Inspection of all private water and sewer projects - Plan review - Contractor coordination for state/UD projects
PWWR (Stormwater)	Equipment Operator	1.00	4/1/2025	\$ 64,759	\$ 94,257	N/A	- New position would help with other necessary tasks such as emergency response, snow, leaves, etc. Used seasonal labor in past/borrow from other divisions, would increase full time staff to four. - Some offsetting costs through reduction of seasonal labor costs, which have gone unspent in recent years.
Police	Admin Professional I	0.50	1/1/2025	\$ 35,397	\$ 37,876	\$ 35,397	This position would review all speed and red light camera violations, confirm violations, and attend court proceedings as necessary. Position will be funded by speed camera revenue or red light camera revenue.
TOTAL		3.5		\$ 253,518	\$ 355,533	\$ 35,397	

- Net FY2025 impact of all 3.5 positions is \$218K.
- \$253K expense less \$35K revenue

Expense Budget Overview – General Fund

	* as amended	* as amended	* as amended	** as proposed		
	2022	2023	2024	2025	% FROM	\$ FROM
GENERAL FUND EXPENDITURES	* BUDGET	* BUDGET	* BUDGET	** BUDGET	2024 BUDGET	2024 BUDGET
Police	\$ 17,024,680	\$ 18,550,573	\$ 19,492,351	\$ 20,654,135	6.0%	\$ 1,161,784
Public Works and Water Resources	4,962,168	5,499,885	5,568,341	5,938,351	6.6%	370,010
Parks and Recreation	3,966,763	4,268,170	4,501,827	4,825,498	7.2%	323,671
Planning and Development	3,638,936	3,134,458	3,817,149	4,324,954	13.3%	507,805
Administrative and Related	3,004,060	4,024,397	4,279,732	4,634,353	8.3%	354,621
Total General Fund Operating	\$ 32,596,607	\$ 35,477,483	\$ 37,659,400	\$ 40,377,290	7.2%	\$ 2,717,890

- General fund expenses are up \$2.7 million, or 7.2% over 2024 due to:
 - Police: \$1,161,000
 - Public Works and Water Resources: \$370,000
 - Parks and Recreation: \$323,000
 - Planning and Development (Planning \$199K, Code \$308K)
 - Administration and related (Finance \$60K, Legislative \$74K, Admin \$124K, Alderman Court \$96K)



Percentage of Departmental Budget to General Fund

Expense Budget Overview

By Department

- Departmental Operating Budgets increased by \$10.3 million, or 9.7%
 - Operating budget exclusive of utility purchases (Electric & Sewer):
 - 2024: \$61.7M
 - 2025: \$66.1M
- Operating expenses listed do not include Debt Service (\$4.8M)

BY DEPARTMENT/DIVISION	* as amended		** as proposed	
	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Utility Purchases	\$ 44,678,500	\$ 50,533,363	13.1%	\$ 5,854,863
Police Department	19,492,351	20,654,135	6.0%	1,161,784
Electric Department	8,502,295	8,958,171	5.4%	455,876
Water Department	5,741,556	6,270,096	9.2%	528,540
Parks and Recreation	4,501,827	4,825,498	7.2%	323,671
Refuse Division	2,393,229	2,558,562	6.9%	165,333
Municipal Parking	2,678,590	2,997,424	11.9%	318,834
Street Division	1,983,750	2,012,282	1.4%	28,532
Code Enforcement Division	2,222,339	2,530,573	13.9%	308,234
Stormwater Utility	1,562,820	1,772,508	13.4%	209,688
Legislative Department	1,512,227	1,586,522	4.9%	74,295
Sewer Department	1,395,844	1,448,934	3.8%	53,090
Administrative Department	1,674,905	1,799,038	7.4%	124,133
Engineering Division	1,191,362	1,367,508	14.8%	176,146
Planning Department	1,594,810	1,794,381	12.5%	199,571
Alderman's Court	704,018	800,108	13.6%	96,090
OPEB Fund Expenses	767,000	932,000	21.5%	165,000
Finance Department	388,582	448,684	15.5%	60,102
Community Development (Operating)	277,613	263,681	-5.0%	(13,932)
Law Enforcement Fund	284,111	275,695	-3.0%	(8,416)
Self-Insurance Fund	145,000	145,000	0.0%	-
Special Parks Fund	62,195	62,195	0.0%	-
Maintenance Division-Fleet	1,935,372	2,099,012	8.5%	163,640
Maintenance Division-Facilities	1,152,030	1,097,263	-4.8%	(54,767)
Less: Inter-Dept. Electric Sales	(507,200)	(558,196)	10.1%	(50,996)
Total Operating Expenditures	\$ 106,335,126	\$ 116,674,437	9.7%	\$ 10,339,311

- 2024 Debt Service decreased \$117K when compared to 2024.

- Includes equipment leases vs cash acquisitions to smooth budget.

DEBT	ENDING DATE	* as amended		** as proposed	
		2024 * BUDGET	2025 ** BUDGET	\$ FROM 2024 BUDGET	COMMENTS
Smart Meters	1/1/2028	703,350	703,350	-	Bank of America
Fiber Lease	8/5/2027	49,255	49,255	-	
Office Equipment		50,477	50,477	-	Canon Copier Leases
IT Lease		50,000	50,000	-	
ESCO	8/12/2040	512,188	514,617	2,429	2.345%, 20 year term, offset by other revenue, energy savings.
2022 Prior Vehicle/Equipment Leases		115,420	115,419	(1)	
2023 Master Vehicle/Equipment Leases		559,040	241,362	(317,678)	BOA (First Draw): 25 Vehicles
2024 Master Vehicle/Equipment Leases		305,923	402,971	97,048	
2025 Master Vehicle/Equipment Leases		19,674	192,033	172,359	1 payment (522, 305, 714, 746, 934, 939, 1531); 2 payments (918, 924, 935, 977, 980-984)
New Substation (\$12M/\$28M)		730,000	730,000	-	Acquisition of materials to construct second substation. Thirty year obligation.
Rodney Stormwater Park		613,275	613,275	-	Project completed 2021.
Sanitary Sewer Repairs		289,254	220,828	(68,426)	Phase 1 - \$1.3mm completed in 2021. Phase 2 underway.
Emerging Contaminants WTP Upgrades		31,000	10,000	(21,000)	Payback starting in late 2024. Loan forgiveness up to \$1,600,000. Potential to have \$0 balance for payback even with generator change order. Change order pending and lead time may push to late 2025, but likely to remain under forgiveness umbrella. Cut to \$10,000 on the chance that we go over forgiveness amount and stick with the loan.
Air Stripper Replacement - South Well Field		277,160	277,160	-	\$4mm completed in 2021, project complete. P&I on all \$4mm for 2022.
Water Tank Maintenance		50,000	50,000	-	Roughly \$1mm project to be complete in 2024. Total spend will be around \$1.5mm. Debt forgiveness of \$674,112 at the end of the project. Total project loan is for \$2,250,000.
Water SCADA System		63,000	86,101	23,101	Budget P&I for \$550,000 in 2024 - project complete.
Laird Tract Well Field Restoration		40,000	70,000	30,000	P&I for half of 2025. Full year approx \$140,000
Water Main Replacement Program		203,525	176,566	(26,959)	Phase 1 and 2 completed.
General Fund Projects		277,400	269,084	(8,316)	2018 Referendum General Fund Projects.
Budgeted Debt Service:		\$ 4,939,941	\$ 4,822,498	\$ (117,443)	

OPERATING EXPENDITURE OVERVIEW - DEBT SERVICE

City of Newark FY2025 Capital Budget Recommendation

* as amended ** as proposed

	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Revenue/Other Funding Sources				
Utility Sales	\$ 85,132,051	\$ 93,063,248	9.3%	\$ 7,931,197
Real Estate and Other Taxes	12,018,125	12,640,938	5.2%	622,813
Fees for Service	12,975,824	13,080,666	0.8%	104,842
Intergovernmental Revenue	2,053,777	1,954,592	-4.8%	(99,185)
Other Revenue	2,661,381	2,756,100	3.6%	94,719
Appropriation of Prior Year Reserves	34,670	-	-100.0%	(34,670)
Total Operating Revenue	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716
Expenditures				
Personnel Services	\$ 41,434,426	\$ 44,912,693	8.4%	\$ 3,478,267
Utility Purchases	44,678,500	50,533,363	13.1%	5,854,863
Materials and Supplies	3,040,423	3,096,135	1.8%	55,712
Contractual Services	13,537,172	14,572,533	7.6%	1,035,361
Equipment Depreciation	2,110,952	2,018,438	-4.4%	(92,514)
Debt Service	4,939,941	4,822,498	-2.4%	(117,443)
Other Expenses	1,533,653	1,541,275	0.5%	7,622
Total Operating Expenses	\$ 111,275,067	\$ 121,496,935	9.2%	\$ 10,221,868
Capital Improvements				
Gross Capital Improvements	\$ 31,983,081	\$ 30,383,515	-5.0%	\$ (1,599,566)
Less: Use of Reserves	(3,284,516)	(2,344,706)	-28.6%	939,810
Equipment Replacement	(100,984)	(460,503)	356.0%	(359,519)
Grants	(4,816,794)	(2,662,194)	-44.7%	2,154,600
Bond Issues	-	-	0.0%	-
State Revolving Loans	(6,977,032)	(7,938,609)	13.8%	(961,577)
American Rescue Plan Act	(5,111,899)	-	-100.0%	5,111,899
Other Sources	(8,521,334)	(13,597,414)	59.6%	(5,076,080)
Net Capital Improvements	\$ 3,170,522	\$ 3,380,089	6.6%	\$ 209,567
Net Current Surplus/(Deficit)	\$ 430,239	\$ (1,381,480)	-421.1%	\$ (1,811,719)
TOTAL EXPENDITURES AND SURPLUS	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716



Capital Improvements

Expense Budget Overview – Capital Improvements

	* as amended	** as proposed		
CAPITAL IMPROVEMENTS	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Gross Capital Improvements	\$ 31,983,081	\$ 30,383,515	-5.0%	\$ (1,599,566)
Less: Use of Reserves	(3,284,516)	(2,344,706)	-28.6%	939,810
Equipment Replacement	(100,984)	(460,503)	356.0%	(359,519)
Grants	(4,816,794)	(2,662,194)	-44.7%	2,154,600
Bond Issues	-	-	0.0%	-
State Revolving Loans	(6,977,032)	(7,938,609)	13.8%	(961,577)
American Rescue Plan Act	(5,111,899)	-	-100.0%	5,111,899
Other Sources	(8,521,334)	(13,597,414)	59.6%	(5,076,080)
Net Capital Improvements	\$ 3,170,522	\$ 3,380,089	6.6%	\$ 209,567

- The Gross CIP Budget decreased by \$1.6M (-5%) to \$30.4M.
- Net CIP Budget increased by \$1.9M (61.8%) to \$5.1M. *This represents the portion of the capital budget that is supported by current revenues (taxes, fees, etc. – primarily electric).*
- Use of all City funds (Reserves + Equipment Replacement) reduced by \$930K compared to 2024. Use of Reserves and Equipment Replacement is used primarily for carryover of projects and scheduled equipment replacement.

FUNDING SUMMARY

	2025	2026	2027	2028	2029	Total 5 Year
New Funding:	\$ 12,159,549	\$ 45,979,885	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 111,523,680
*Prior Authorized Balance:	\$ 18,223,966	\$ 8,454,961	\$ -	\$ -	\$ -	\$ 26,678,927
2025-2029 Funding:	\$ 30,383,515	\$ 54,434,846	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 138,202,607

*Prior Authorized Balance includes 2024 carryover funding only.

	2024 BUDGET AS AMENDED	-----2025-----		PROPOSED BUDGETS					TOTAL PROPOSED AMOUNTS
		RESERVES AND OTHER FUNDING	CURRENT FUNDING	2025	2026	2027	2028	2029	
ELECTRIC FUND	\$ 12,039,280	\$ 14,657,864	\$ 727,380	\$ 15,385,244	\$ 17,225,000	\$ 10,773,000	\$ 3,076,000	\$ 350,000	\$ 46,809,244
WATER FUND	9,904,814	7,172,209	250,000	7,422,209	29,195,000	8,140,000	3,925,000	5,010,000	53,692,209
SEWER FUND	2,136,000	1,425,000	125,000	1,550,000	1,225,000	1,050,000	1,000,000	1,050,000	5,875,000
STORMWATER FUND	989,057	1,247,722	-	1,247,722	1,525,000	1,690,000	1,290,500	1,357,050	7,110,272
PUBLIC WORKS DEPARTMENT - CAPITAL PROJECT FUND DIVISIONS	2,756,207	805,209	1,729,117	2,534,326	2,818,132	2,836,067	3,091,067	2,706,068	13,985,660
POLICE DEPARTMENT - CAPITAL PROJECT FUND	323,789	7,178	-	7,178	237,378	260,508	298,003	396,811	1,199,878
PARKS AND RECREATION DEPARTMENT - CAPITAL PROJECT FUND	1,798,900	124,755	354,745	479,500	870,500	697,500	397,000	795,000	3,239,500
PARKING FUND	297,858	213,489	133,847	347,336	182,336	337,336	227,336	-	1,094,344
FINANCE DEPARTMENT - CAPITAL PROJECT FUND	35,000	-	-	-	35,000	-	-	-	35,000
INFORMATION TECHNOLOGY DIVISION - CAPITAL PROJECT FUND	429,630	50,000	60,000	110,000	301,500	50,000	50,000	50,000	561,500
MAINTENANCE FUND	908,920	1,300,000	-	1,300,000	770,000	2,000,000	50,000	120,000	4,240,000
OTHER DEPARTMENTS/DIVISIONS	131,626	-	-	-	50,000	50,000	50,000	210,000	360,000
GROSS CAPITAL IMPROVEMENTS	\$ 31,751,081	\$ 27,003,426	\$ 3,380,089	\$ 30,383,515	\$ 54,434,846	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 138,202,607
PLANNED FINANCING SOURCES									
GROSS CAPITAL IMPROVEMENTS	\$ 31,751,081	\$ 27,003,426	\$ 3,380,089	\$ 30,383,515	\$ 54,434,846	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 138,202,607
LESS: USE OF RESERVES	(3,284,516)	(2,344,706)	-	(2,344,706)	(19,961)	(250,000)	(200,000)	-	(2,814,667)
VEHICLE & EQUIPMENT REPLACEMENT	(100,984)	(460,503)	-	(460,503)	(700,159)	(1,010,955)	(1,242,853)	(995,838)	(4,410,308)
GRANTS	(4,578,794)	(2,662,194)	-	(2,662,194)	(2,039,581)	(2,771,950)	(571,950)	(601,950)	(8,647,625)
BOND ISSUES	-	-	-	-	-	-	-	-	-
STATE REVOLVING LOANS	(6,977,032)	(7,938,609)	-	(7,938,609)	(29,200,000)	(8,800,000)	(4,200,000)	(4,200,000)	(54,338,609)
AMERICAN RESCUE PLAN ACT	(5,111,899)	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES	(8,521,334)	(13,597,414)	-	(13,597,414)	(16,180,000)	(9,180,000)	(2,180,000)	(180,000)	(41,317,414)
NET CAPITAL IMPROVEMENTS	\$ 3,176,522	\$ -	\$ 3,380,089	\$ 3,380,089	\$ 6,295,145	\$ 5,871,506	\$ 5,060,103	\$ 6,067,141	\$ 26,673,984

2025 CIP Requested/Funding Sources

Capital Projects – Priority 1 Projects

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
E2501	Electric	Electric	New Lines and Services	200,000	200,000	200,000	200,000	200,000	1,000,000
E1502	Electric	Electric	Underground Distribution - UD Star Campus	150,000	150,000	150,000	150,000	150,000	750,000
E0503	Electric	Electric	SCADA and Automatic Switching	150,000	-	-	-	-	150,000
W0503	Water	Water	Well Restoration Program	192,804	-	-	-	-	192,804
W9308	Water	Water	Water Main Replacement Program	-	2,000,000	2,000,000	2,200,000	2,200,000	8,400,000
Q1301	Stormwater	Stormwater	Storm Drainage Improvements	584,855	550,000	605,000	665,500	732,050	3,137,405
Q0101	Stormwater	Stormwater	Stormwater Quality Improvements (NPDES Phase II Permit)	127,867	100,000	100,000	125,000	125,000	577,867
S0904	Sewer	Sewer	Sanitary Sewer Study and Repairs	1,050,000	1,000,000	1,050,000	1,000,000	1,050,000	5,150,000
C1401	Police	Capital Projects	Ballistic Vests	7,178	26,378	14,508	18,003	21,811	87,878
I2405	Information Technology	Capital Projects	Cybersecurity Improvements	30,000	40,000	-	-	-	70,000
I2301	Information Technology	Capital Projects	Surveillance Camera Upgrade and Refresh	80,000	85,000	50,000	50,000	50,000	315,000
N2302	Facilities Maintenance	Maintenance	Municipal Center Master Plan	650,000	-	-	-	-	650,000
N2304	Facilities Maintenance	Maintenance	Police Impound Lot Improvements	650,000	-	-	-	-	650,000
N1806	Facilities Maintenance	Maintenance	FOC - Master Plan	-	400,000	-	-	-	400,000
*Includes Grant Funding				\$ 3,872,704	\$ 4,551,378	\$ 4,169,508	\$ 4,408,503	\$ 4,528,861	\$ 21,530,954

- Descriptions of the capital projects can be found within the departmental budget presentations on [Budget Central](#)

Capital Projects – Equipment

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
EEQSF	Electric	Electric	Equipment Replacement Program	450,000	-	873,000	626,000	-	1,949,000
WEQSF	Water	Water	Equipment Replacement Program	-	170,000	65,000	600,000	185,000	1,020,000
QEQSF	Stormwater	Stormwater	Equipment Replacement Program	75,000	75,000	585,000	-	-	735,000
REQSF	Refuse	Capital Projects	Equipment Replacement Program	-	300,000	-	-	-	300,000
HEQSF	Street	Capital Projects	Equipment Replacement Program	-	-	100,000	200,000	-	300,000
TEQSF	Engineering	Capital Projects	Equipment Replacement Program	-	100,000	65,000	-	150,000	315,000
MEQSF	Fleet Maintenance	Maintenance	Equipment Replacement Program	-	70,000	-	-	70,000	140,000
CEQSF	Police	Capital Projects	Equipment Replacement Program	-	211,000	246,000	280,000	375,000	1,112,000
KEQSF	Parks & Recreation	Capital Projects	Equipment Replacement Program	50,000	278,000	65,000	120,000	375,000	888,000
AEQSF	Management	Capital Projects	Equipment Replacement Program	-	-	-	-	50,000	50,000
BEQSF	Code Enforcement	Capital Projects	Equipment Replacement Program	-	-	-	-	160,000	160,000
VEQSF	Parking	Parking	Equipment Replacement Program	40,000	52,000	60,000	-	-	152,000
NEQSF	Facilities Maintenance	Maintenance	Equipment Replacement Program	-	-	-	50,000	50,000	100,000
FEQSF	Finance	Capital Projects	Equipment Replacement Program	-	35,000	-	-	-	35,000
*Includes Grant Funding				\$ 615,000	\$ 1,291,000	\$ 2,059,000	\$ 1,876,000	\$ 1,415,000	\$ 7,256,000

- Descriptions of the capital projects can be found within the departmental budget presentations on [Budget Central](#)

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
E2502	Electric	Electric	Upgrade Substation Transformer and Breakers	1,400,000	-	-	-	-	1,400,000
E2302	Electric	Electric	Spacer Cable Replacement	125,000	125,000	-	-	-	250,000
E2303	Electric	Electric	Underground Cable Replacement	175,000	-	-	-	-	175,000
E2304	Electric	Electric	Meter Replacement	100,000	100,000	100,000	100,000	-	400,000
E2002	Electric	Electric	New Substation	12,000,000	16,000,000	9,000,000	-	-	37,000,000
E1807	Electric	Electric	Relay Replacements - Kershaw Substation	250,000	250,000	150,000	-	-	650,000
W2401	Water	Water	Curtis Water Treatment Plant - PFAS Removal	2,000,000	23,000,000	-	-	-	25,000,000
W2304	Water	Water	Lead Water Service Line (LSL) Assessment and Remediation	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
W2205	Water	Water	Curtis WTP - Raceway and Backwash Lagoon Rehabilitation	-	1,500,000	-	-	-	1,500,000
W2001	Water	Water	Newark Reservoir Upgrades	150,000	-	-	-	1,500,000	1,650,000
W1701	Water	Water	Valve Inspection, Exercising and Rehabilitation	165,796	100,000	100,000	100,000	100,000	565,796
W1702	Water	Water	Source Water Protection	-	25,000	25,000	25,000	25,000	100,000
W1703	Water	Water	Laird Tract Well Field Restoration	1,862,609	-	-	-	-	1,862,609
W8605	Water	Water	Water Tank Maintenance	-	500,000	-	-	-	500,000
Q2201	Stormwater	Stormwater	Outfall and City Owned SWM Facility Repair	150,000	700,000	400,000	500,000	500,000	2,250,000
S2501	Sewer	Sewer	Sewer Pump Station Generator Addition and Replacement	125,000	150,000	-	-	-	275,000
S2401	Sewer	Sewer	Silverbrook Pump Station Upgrades	300,000	-	-	-	-	300,000
H2501	Street	Capital Projects	Annual Street Program	2,106,067	2,106,067	2,356,067	2,356,067	2,356,068	11,280,336
H2502	Street	Capital Projects	ADA Accessibility Transition Plan	185,000	195,000	200,000	200,000	200,000	980,000
H2503	Street	Capital Projects	Street Paving Roller	100,000	-	-	-	-	100,000
H2504	Street	Capital Projects	Street Paver	-	-	-	220,000	-	220,000
H1503	Street	Capital Projects	Newark Transportation Plan Implementation	143,259	95,000	95,000	95,000	-	428,259
K2004	Parks & Recreation	Capital Projects	Facilities Accessibilty (ADA Compliance)	20,000	20,000	30,000	30,000	35,000	135,000
K1301	Parks & Recreation	Capital Projects	Hard Surface Facilities Improvements	194,500	312,500	312,500	97,000	205,000	1,121,500
K0908	Parks & Recreation	Capital Projects	Children's Play Equipment	60,000	60,000	60,000	60,000	60,000	300,000
V2501	Parking	Parking	License Plate Reader Replacement	-	103,000	-	-	-	103,000
V2401	Parking	Parking	Parking Ambassador Body Cameras	27,336	27,336	27,336	27,336	-	109,344
V2302	Parking	Parking	Parking Lot Surface Maintenance	280,000	-	250,000	200,000	-	730,000
*Includes Grant Funding				\$22,919,567	\$46,368,903	\$14,105,903	\$ 5,010,403	\$ 5,981,068	\$ 94,385,844

Capital Projects – Priority 3 Projects

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
E2001	Electric	Electric	City Electric Vehicle Charging Station Installation	385,244	-	-	-	-	385,244
W2302	Water	Water	New Elevated Water Storage Tank	-	200,000	4,800,000	-	-	5,000,000
W2201	Water	Water	Water Facilities Security Improvements	100,000	250,000	-	-	-	350,000
W2203	Water	Water	Well and Wellhouse Facility Upgrades	-	300,000	-	-	-	300,000
W1601	Water	Water	Backup Generation at Water Facilities	125,000	150,000	150,000	-	-	425,000
Q2501	Stormwater	Stormwater	Catch Basin Repair/Replacement	100,000	100,000	-	-	-	200,000
Q2502	Stormwater	Stormwater	Crawler Inspection Camera	100,000	-	-	-	-	100,000
Q2401	Stormwater	Stormwater	Skid Steer Purchase	110,000	-	-	-	-	110,000
S2201	Sewer	Sewer	FOG Program Development	75,000	75,000	-	-	-	150,000
R2201	Refuse	Capital Projects	Roll Off Dumpster Purchase	-	22,065	20,000	-	-	42,065
I2504	Information Technology	Capital Projects	Email - .gov	-	45,000	-	-	-	45,000
N2303	Facilities Maintenance	Maintenance	Field Operations Complex Wash Basin	-	300,000	2,000,000	-	-	2,300,000
*Includes Grant Funding				\$ 995,244	\$ 1,442,065	\$ 6,970,000	\$ -	\$ -	\$ 9,407,309

- Descriptions of the capital projects can be found within the departmental budget presentations on [Budget Central](#)

Capital Projects – Priority 4 Projects

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
E2402	Electric	Electric	Advanced Metering Infrastructure (AMI) Replacement	-	-	-	2,000,000	-	2,000,000
E1911	Electric	Electric	35kV Line 3402 Capacity Upgrade	-	400,000	300,000	-	-	700,000
W2303	Water	Water	Water Main Conditions Assessment	1,826,000	-	-	-	-	1,826,000
R2501	Refuse	Capital Projects	Main Street Trash Bin Replacement	-	-	-	20,000	-	20,000
K2506	Parks & Recreation	Capital Projects	Coleman Park Redevelopment	-	-	50,000	-	-	50,000
K2507	Parks & Recreation	Capital Projects	Tree & Meadow Inventory, Assessment, Planning & Installation	20,000	20,000	20,000	20,000	20,000	100,000
K1605	Parks & Recreation	Capital Projects	Redd Park Trail Improvements	40,000	40,000	-	-	-	80,000
K1501	Parks & Recreation	Capital Projects	Iron Glen Park Master Plan	-	50,000	-	-	-	50,000
I2505	Information Technology	Capital Projects	Time and Attendance	-	70,000	-	-	-	70,000
I2403	Information Technology	Capital Projects	Compass Service Order Automation	-	61,500	-	-	-	61,500
*Includes Grant Funding				\$ 1,886,000	\$ 641,500	\$ 370,000	\$ 2,040,000	\$ 20,000	\$ 4,957,500

- Descriptions of the capital projects can be found within the departmental budget presentations on [Budget Central](#)

Capital Projects – Priority 5 Projects

PROJECT NUMBER	DEPARTMENT / DIVISION	FUND	PROJECT DESCRIPTION	FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM RECOMMENDED FUNDING					
				2025	2026	2027	2028	2029	TOTAL
K2502	Parks & Recreation	Capital Projects	0 Paper Mill Road/Ruger Property Rehabilitation	5,000	10,000	10,000	10,000	10,000	65,000
K2505	Parks & Recreation	Capital Projects	Park Pavilion Replacement and ADA accessibility	60,000	30,000	70,000	30,000	60,000	310,000
K2508	Parks & Recreation	Capital Projects	Pool Pumphouse Electric Upgrade	-	20,000	-	-	-	40,000
K2301	Parks & Recreation	Capital Projects	Hidden Valley Park Pavilion and ADA Sidewalk	-	-	50,000	-	-	50,000
K2303	Parks & Recreation	Capital Projects	Tree Pit Installations (Main Street)	30,000	30,000	30,000	30,000	30,000	210,000
A2301	Management	Capital Projects	Main Street and City Hall Holiday Lighting Enhancement	-	50,000	50,000	50,000	-	250,000
				\$ 95,000	\$ 140,000	\$ 210,000	\$ 120,000	\$ 100,000	\$ 925,000

- Descriptions of the capital projects can be found within the departmental budget presentations on [Budget Central](#)

City of Newark 2025 Revenue Budget

* as amended ** as proposed



	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Revenue/Other Funding Sources				
Utility Sales	\$ 85,132,051	\$ 93,063,248	9.3%	\$ 7,931,197
Real Estate and Other Taxes	12,018,125	12,640,938	5.2%	622,813
Fees for Service	12,975,824	13,080,666	0.8%	104,842
Intergovernmental Revenue	2,053,777	1,954,592	-4.8%	(99,185)
Other Revenue	2,661,381	2,756,100	3.6%	94,719
Appropriation of Prior Year Reserves	34,670	-	-100.0%	(34,670)
Total Operating Revenue	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716
Expenditures				
Personnel Services	\$ 41,434,426	\$ 44,912,693	8.4%	\$ 3,478,267
Utility Purchases	44,678,500	50,533,363	13.1%	5,854,863
Materials and Supplies	3,040,423	3,096,135	1.8%	55,712
Contractual Services	13,537,172	14,572,533	7.6%	1,035,361
Equipment Depreciation	2,110,952	2,018,438	-4.4%	(92,514)
Debt Service	4,939,941	4,822,498	-2.4%	(117,443)
Other Expenses	1,533,653	1,541,275	0.5%	7,622
Total Operating Expenses	\$ 111,275,067	\$ 121,496,935	9.2%	\$ 10,221,868
Capital Improvements				
Gross Capital Improvements	\$ 31,983,081	\$ 30,383,515	-5.0%	\$ (1,599,566)
Less: Use of Reserves	(3,284,516)	(2,344,706)	-28.6%	939,810
Equipment Replacement	(100,984)	(460,503)	356.0%	(359,519)
Grants	(4,816,794)	(2,662,194)	-44.7%	2,154,600
Bond Issues	-	-	0.0%	-
State Revolving Loans	(6,977,032)	(7,938,609)	13.8%	(961,577)
American Rescue Plan Act	(5,111,899)	-	-100.0%	5,111,899
Other Sources	(8,521,334)	(13,597,414)	59.6%	(5,076,080)
Net Capital Improvements	\$ 3,170,522	\$ 3,380,089	6.6%	\$ 209,567
Net Current Surplus/(Deficit)	\$ 430,239	\$ (1,381,480)	-421.1%	\$ (1,811,719)
TOTAL EXPENDITURES AND SURPLUS	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716

Operating Budget By Type

2024 Budget vs. 2025 Recommended Budgeted Revenue

* as amended ** as proposed

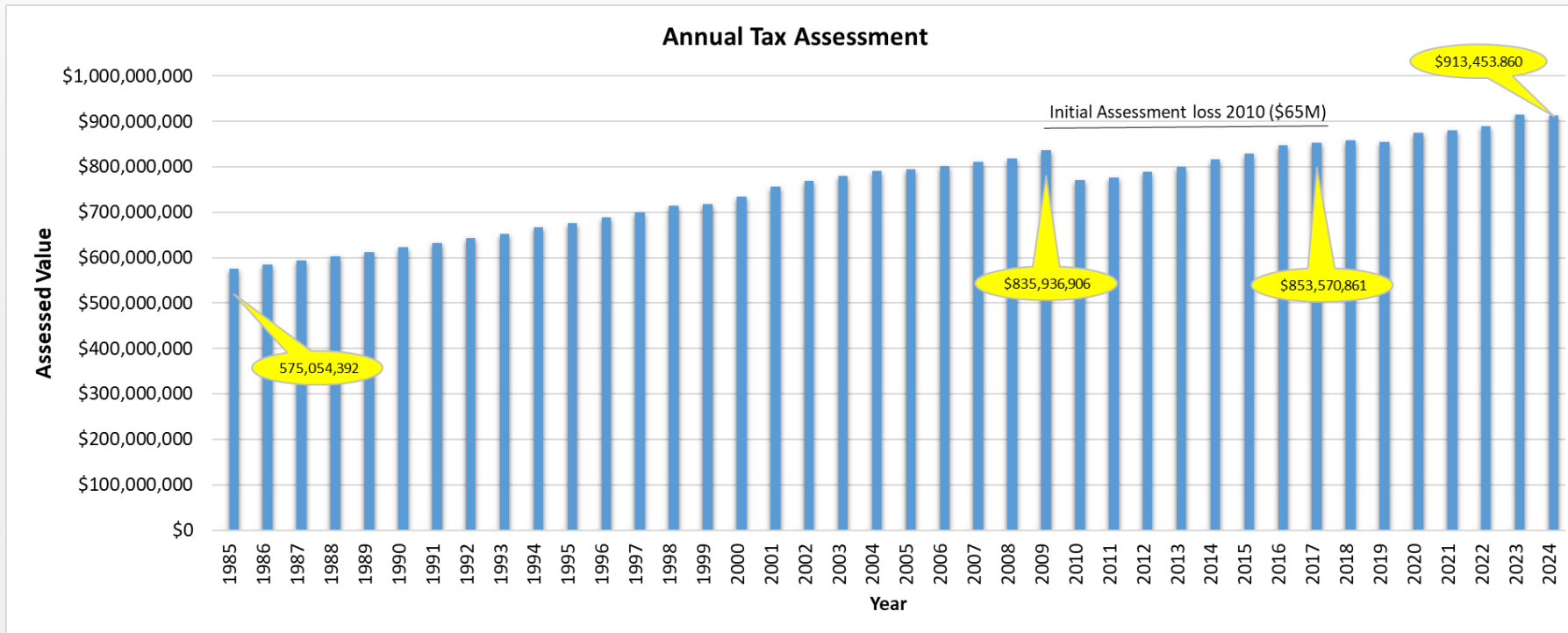
UTILITY REVENUE SUMMARY	2024 BUDGET	2025 BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Utility Revenue				
Electric	\$ 63,628,151	\$ 70,475,100	10.8%	\$ 6,846,949
Water	10,289,000	10,443,948	1.5%	154,948
Sewer	8,662,400	9,515,150	9.8%	852,750
Stormwater	2,552,500	2,629,050	3.0%	76,550
Total Operating Revenue	\$ 85,132,051	\$ 93,063,248	9.3%	\$ 7,931,197
Other				
Realty Transfer Tax	\$ 1,650,000	\$ 1,700,000	3.0%	\$ 50,000
Property Tax	9,285,625	9,793,438	5.5%	507,813
Penalties	67,500	67,500	0.0%	-
Franchise Tax	300,000	300,000	0.0%	-
Lodging Tax	715,000	780,000	9.1%	65,000
Fees for Service	12,975,824	13,080,666	0.8%	104,842
Intergovernmental Revenue	2,053,777	1,954,592	-4.8%	(99,185)
Other Revenue	2,661,381	2,756,100	3.6%	94,719
Appropriation of Prior Year Reserves	34,670	-	-100.0%	(34,670)
Total Operating Revenue	\$ 29,743,777	\$ 30,432,296	2.3%	\$ 688,519
Total Revenue/Other Funding Sources	\$ 114,875,828	\$ 123,495,544	7.5%	\$ 8,619,716

- Revenue in 2025 is anticipated to be up 7.5% or \$8.6M
- Utilities up (\$7.9M), or 9.3% as presented on prior pages
- Real Estate Transfer Tax \$1.70M, +\$50K
- Property Tax \$9.8M, +\$507K (includes proposed 3.5% tax increase)
- Lodging Tax \$780K, +\$65K
- Fees for Service \$13.1M, no major changes
- Intergovernmental Revenue -\$99K, -4.8%

Revenue - General Fund

- Real Estate Transfer Tax – generally consistent, reliance on large commercial transactions
 - Use of RTT overcollection in future years
 - Replenish General Fund reserves, funds capital projects
 - Use towards future one-time expenses
- Hotel Lodging Tax – 2024 will be best year since 2019. Estimated to be \$780K in 2024
- Property Taxes – Current tax rate is \$1.0551 per \$100 of assessed value
 - Slow tax growth year over year (1983 assessments)
 - 43% of the City's tax base is exempt from paying property taxes
 - 2024/2025 tax base growth was 0.6%
 - The only way to absorb the annual cost of living increases in the General Fund is through tax/fee increases or development activity
 - Every 1% is equal to \$48,125 in Year 1, and \$96,250 annually afterwards
 - Every penny (\$.01) is equal to \$45,612 in Year 1, and \$91,224 annually afterwards
- Estimated transfer from the utilities in 2025 will be \$20.4 million
 - Includes transfers primarily to general fund (\$16.6M), OPEB (\$932K), self-insurance (\$137K), capital (\$1.7M), debt service (\$1.25M)

Assessment Growth



- Since 1999, total assessment has grown 1% a year on average
 - Chrysler was removed in 2010 (\$65M)
 - Redevelopment activity between 2010 and 2016 brought totals back to 2009 level
 - Addition of Chemours in 2020
- Tax increases are required to meet City needs since assessment is generally flat
 - 50% of years no tax increase
 - Three increases over 10% to catch up
 - Largest was 2006 + 2010 (16%)

Residential properties have sold at 4.8 times their assessed value on average since 2022.

Reassessment Projection (2025+)

AN EXAMPLE WHAT THE CITY'S NEW TAX RATE COULD LOOK LIKE POST-REASSESSMENT

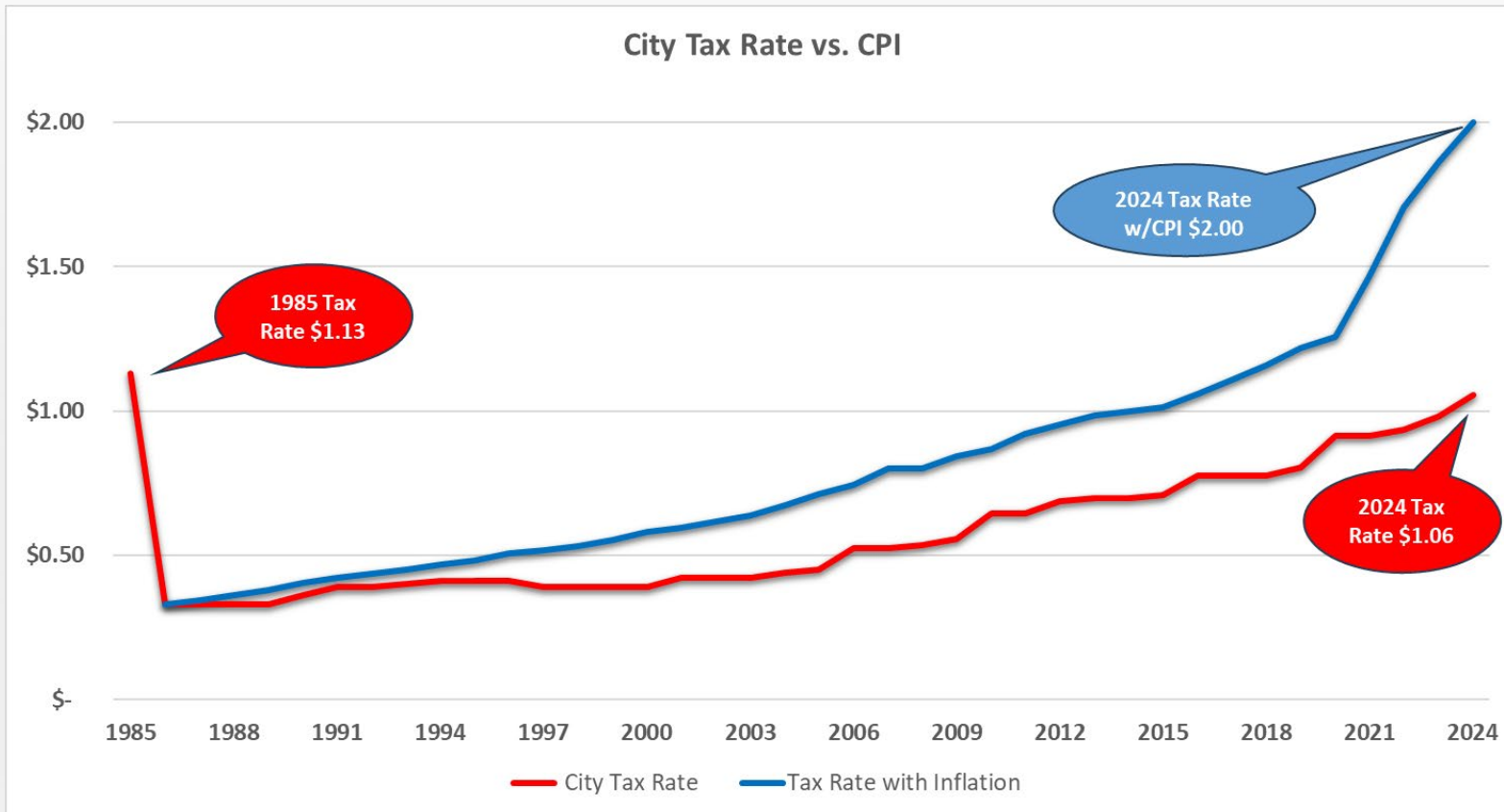
- City's taxable assessment as of July 1, 2024, was \$913,453,860
- Tax rate is \$1.0551 per \$100 of assessed value
- Open-record sales indicated that residential properties sold 4.8 times their assessed value on average between January 2022 and June 2024 (with outliers/sample of 213 transactions)
 - *Assuming this were to hold true after the County reassessment:*

Total City of Newark Taxable Assessment			
	Assessment	Tax Rate	City Revenue
Current Tax Rate Method	\$913,453,860	\$1.0551	\$9,637,852
Revised Tax Rate Method	\$4,411,982,144	\$0.2184	\$9,637,852
Change from Current:	\$3,498,528,284	-\$0.8367	\$0

Sample Home				
Percentile	Current Assessed Value	New Assessed Value	Current Tax Bill	New Tax Bill
25th	\$53,000	\$255,990	\$559.20	\$559.20
50th (median)	\$68,800	\$332,304	\$725.91	\$725.91
75th	\$89,800	\$433,734	\$947.48	\$947.48

- City will adjust the tax rate downward by the same amount the assessed value was increased by the County
- No overall change, but some properties could pay more or less, depending on if their home grew in value greater than others
- **Council will need to pass legislation after the 2025 budget is passed to reset the tax rate lower than the current rate**

Tax Rate versus Inflation



- City's tax rate has not followed inflation since the last reassessment in 1983
- 1985 tax rate, last year before current assessment, was \$1.13 (less than 2024 rate)
- Tax rate in 1986 (first year after reassessment) was \$0.33
 - Adjusted for inflation, that would be equal to \$2.00 in 2024

Revenue – Tax Adjustment

Percentage Increase	Current Tax Revenue	2025 New Tax Revenue	2026 New Tax Revenue
Base	\$ 9,625,000		
1%		\$ 48,125	\$ 96,250
3.5%		\$ 168,438	\$ 336,875
5%		\$ 240,625	\$ 481,250
10%		\$ 481,250	\$ 962,500
15%		\$ 721,875	\$ 1,443,750

Percentile	Assessed Value	Current Tax Bill	3.5% Increase	5% Increase	10% Increase	15% Increase
Rate		\$ 1.0551	\$ 1.0920	\$ 1.1079	\$ 1.1606	\$ 1.2134
25th	\$ 53,000	\$ 559.20	\$ 578.78	\$ 587.16	\$ 615.12	\$ 643.08
50th (median)	\$ 68,800	\$ 725.91	\$ 751.32	\$ 762.20	\$ 798.50	\$ 834.80
75th	\$ 89,800	\$ 947.48	\$ 980.64	\$ 994.85	\$ 1,042.23	\$ 1,089.60

Change from Current Tax Bill			3.5% Increase	5% Increase	10% Increase	15% Increase
25th			\$ 19.57	\$ 27.96	\$ 55.92	\$ 83.88
50th (median)			\$ 25.41	\$ 36.30	\$ 72.59	\$ 108.89
75th			\$ 33.16	\$ 47.37	\$ 94.75	\$ 142.12

- A 3.5% tax increase would add \$168,438 in revenue in 2025, with full funding in 2026 (\$336,875)
- 2025 General Fund expenses are up \$2.7 million (equal to a 56% tax increase), some of this expense has been offset with coordinating fees
- Median tax bill in 2024 was \$726
- In addition to Police - Residential taxes are used for:
 - Refuse Service
 - Parks and Recreation (parks, playgrounds, events are not fully funded)
 - Street Maintenance, leaf collection, snow plowing, parks
 - Portions of administration, facilities, fleet maintenance, and finance not paid for by utilities

Revenue – Water Adjustment

Gallons		2024	2025 Proposed	Difference	% Difference
No Consumption	\$	8.76	\$ 8.76	\$ -	0.0%
3,174	\$	31.72	\$ 32.64	\$ 0.92	2.9%
3,667	\$	35.29	\$ 36.35	\$ 1.06	3.0%
5,000	\$	44.94	\$ 46.38	\$ 1.44	3.2%
10,000	\$	81.11	\$ 84.00	\$ 2.89	3.6%

- 4% proposed change to water volumetric charge
 - Adds \$1.06 to the average consumer per month
- No change to customer charge
- Provides initial funding for PFAs treatment and engineering design costs (Curtis Treatment Plant)

WATER				
In City				
Meter Size	Current	2025 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 8.76	\$ 8.76	\$ -	\$ -
3/4"	\$ 12.26	\$ 12.26	\$ -	\$ -
1"	\$ 19.27	\$ 19.27	\$ -	\$ -
1 1/2"	\$ 61.30	\$ 61.30	\$ -	\$ -
2"	\$ 78.81	\$ 78.81	\$ -	\$ -
3"	\$ 192.64	\$ 192.64	\$ -	\$ -
4"	\$ 350.26	\$ 350.26	\$ -	\$ -
6"	\$ 788.10	\$ 788.10	\$ -	\$ -
8"	\$ 1,225.93	\$ 1,225.93	\$ -	\$ -
Outside City				
Meter Size	Current	2025 Proposed	Monthly Difference	Annual Difference
5/8"	\$ 11.83	\$ 11.83	\$ -	\$ -
3/4"	\$ 16.55	\$ 16.55	\$ -	\$ -
1"	\$ 26.00	\$ 26.00	\$ -	\$ -
1 1/2"	\$ 82.75	\$ 82.75	\$ -	\$ -
2"	\$ 106.39	\$ 106.39	\$ -	\$ -
3"	\$ 260.08	\$ 260.08	\$ -	\$ -
4"	\$ 472.86	\$ 472.86	\$ -	\$ -
6"	\$ 1,063.94	\$ 1,063.94	\$ -	\$ -
8"	\$ 1,655.01	\$ 1,655.01	\$ -	\$ -

Revenue – Sewer Adjustment

Gallons		2024	2025 Proposed	Difference	% Difference
No Consumption	\$	7.83	\$ 8.00	\$ 0.17	2.2%
3,174	\$	34.96	\$ 38.20	\$ 3.24	9.3%
3,667	\$	39.18	\$ 42.89	\$ 3.71	9.5%
5,000	\$	50.58	\$ 55.58	\$ 5.00	9.9%
10,000	\$	93.32	\$ 103.15	\$ 9.83	10.5%

- 2.2% increase to the customer charge for debt service obligations (residential customers: 17 cents/month)
- 11.3% Volumetric rate increase to cover pending New Castle County Sewer Treatment contract (\$3.54 per month): \$850,000
- Will result in an average sewer rate adjustment of 9.5%
 - \$3.71 average impact per household per month
 - Impact can be mitigated by water conservation

SEWER					
In City					
Meter Size	Current	2025 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 7.83	\$ 8.00	\$ 0.17	\$ 2.03	
3/4"	\$ 10.96	\$ 11.20	\$ 0.24	\$ 2.85	
1"	\$ 17.22	\$ 17.60	\$ 0.37	\$ 4.47	
1 1/2"	\$ 54.80	\$ 55.98	\$ 1.19	\$ 14.23	
2"	\$ 70.45	\$ 71.98	\$ 1.52	\$ 18.30	
3"	\$ 172.22	\$ 175.95	\$ 3.73	\$ 44.73	
4"	\$ 313.13	\$ 319.91	\$ 6.78	\$ 81.33	
6"	\$ 704.55	\$ 719.80	\$ 15.25	\$ 183.00	
8"	\$ 1,095.97	\$ 1,119.69	\$ 23.72	\$ 284.66	
Outside City					
Meter Size	Current	2025 Proposed	Monthly Difference	Annual Difference	
5/8"	\$ 10.57	\$ 10.80	\$ 0.23	\$ 2.74	
3/4"	\$ 14.80	\$ 15.12	\$ 0.32	\$ 3.84	
1"	\$ 23.25	\$ 23.75	\$ 0.50	\$ 6.04	
1 1/2"	\$ 73.98	\$ 75.58	\$ 1.60	\$ 19.21	
2"	\$ 95.11	\$ 97.17	\$ 2.06	\$ 24.70	
3"	\$ 232.50	\$ 237.53	\$ 5.03	\$ 60.39	
4"	\$ 422.73	\$ 431.88	\$ 9.15	\$ 109.80	
6"	\$ 951.14	\$ 971.73	\$ 20.59	\$ 247.04	
8"	\$ 1,479.55	\$ 1,511.58	\$ 32.02	\$ 384.29	

Revenue Assumptions Included in 2025 Budget

Utility Adjustments:

- **Electric: \$6.8M** – Adjustment based on rate study and DEMEC cost to purchase power
- **Stormwater: \$76K** – Fee Adjustment of 3.0%
- **Water: \$244K** – Volumetric Rate Adjustment of 4%
- **Sewer: \$874K** – Volumetric Rate and Customer Charge Adjustment
 - \$850,000 = 11.3% Volumetric rate adjustment
 - \$24,334 = 2.2% Customer Charge Adjustment

Tax/Fees:

- **Property Taxes: \$168K** - Property Tax Adjustment of 3.5%
- **Subdivision and Zoning Fees: \$25K**
 - Assumed 10% increase and updated to reflect recent development submission history and anticipated project pipeline

Taxes and Utilities Impact on Average Resident

MEDIAN RESIDENT IMPACT

MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3,667 gallons)	\$35.29	\$36.35	\$1.06	3.0%
Sewer (3,667 gallons)	\$39.18	\$42.89	\$3.71	9.5%
Electric (winter -750 kWh)*	\$136.43	\$150.73	\$14.30	10.5%
Stormwater (Tier 2)	\$3.89	\$4.01	\$0.12	3.0%
Taxes (\$68.8K AV median)	\$60.49	\$62.61	\$2.12	3.5%
TOTAL	\$275.28	\$296.58	\$21.30	7.7%

*Assumes 6% cost to purchase power increase from DEMEC (via RSA) and 4.5% local electric rate increase.

ANNUAL	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3,667 gallons)	\$423.48	\$436.20	\$12.72	3.0%
Sewer (3,667 gallons)	\$470.15	\$514.68	\$44.53	9.5%
Electric (winter -750 kWh)*	\$1,637.16	\$1,808.72	\$171.56	10.5%
Stormwater (Tier 2)	\$46.68	\$48.08	\$1.40	3.0%
Taxes	\$725.91	\$751.30	\$25.39	3.5%
TOTAL	\$3,303.38	\$3,558.98	\$255.60	7.7%

*Assumes 6% cost to purchase power increase from DEMEC (via RSA) and 4.5% local electric rate increase.

DEMEC/NCC	CITY	ALL
	\$1.06	\$1.06
\$3.54	\$0.17	\$3.71
\$8.16	\$6.14	\$14.30
	\$0.12	\$0.12
	\$2.12	\$2.12
\$11.70	\$9.60	\$21.30

DEMEC/NCC	CITY	ALL
\$0.00	\$12.72	\$12.72
\$42.49	\$2.04	\$44.53
\$97.88	\$73.69	\$171.56
\$0.00	\$1.40	\$1.40
\$0.00	\$25.39	\$25.39
\$140.36	\$115.24	\$255.60

- Average resident will see an estimated \$21.30 per month increase across the board for all City services in 2025
- More than half of adjustments necessary are out of the City's control
- No change in current levels of services

TO BE CONSIDERED

Action Items To Be Considered for 2025 Budget

- **Include PILOT estimate of \$2M or \$450,000?**
- **Water/Sewer Impact Fees** – Coming to Council October 21
- **Water Rate Adjustments:**
 - Volumetric Adjustment (4%)
- **Sewer Rate Adjustments:**
 - Volumetric Adjustment (11.3%)
 - Customer Charge Adjustment (2.2%)
- **Stormwater Rate Adjustment of 3%** - last change was 2022
- **Property Tax Increase of 3.5%**
 - 12-month all items Consumer Price Index was 3.4% in August 2024, June was 3.6%
- **Electric:**
 - RSA will occur January 2025 as part of budget process, revisit March of 2025
 - Implement new rates based on Electric Study

OPTIONS TO BALANCE THE BUDGET

	SCENARIO 1	SCENARIO 2	COMMENTS
2025 Budget Shortfall	-\$1,381,481	-\$1,381,481	
Add in anticipated PILOT	\$1,381,481		
Reduce Street Program (H2501)		\$1,381,481	Remove City-funded portion of Street Program. Restore if PILOT funding is adjusted in July 2025. Leaves \$724,586 in H2501 and prior-year reserves.
TOTAL	\$0	\$0	

- City received \$2M in PILOT in 2024, only budgeted \$450,000
 - Use of differential: \$500K AXON contract, \$650K NPD SallyPort, \$400K New police cars
- Funding of PILOT differential would close budget gap (Scenario 1)
- Or reduce funding in Street Program (H2501) by the amount of the shortfall (Scenario 2)
 - Allocate difference when PILOT anticipated funds are awarded in July 2025

Recommended Direction for Lobbyist

- Payment in Lieu of Taxes (PILOT) from State of Delaware
 - Lobby for expected recommendations of PILOT Study Group (SCR 167)
- FY26 Bond Bill – Coordinate with state legislators for cost sharing of City projects/initiatives
- Federal Infrastructure Bills - Continue to identify and apply for grants
- Enrollment-based tax on UD
- Events Ticket Tax/Fee
- State funding to support the rising costs of Police services statewide
- Request increase to Municipal Street Aid (MSA) funding for FY26
- PFAs

Budget Process – Next Sixty Days

10/08/2024	Draft Version of CIP on Budget Central
10/15/2024	Deadline to advertise budget summary
10/15/2024	Draft CIP Presented to the Planning Commission
10/28/2024	Final Version of CIP & Operating Budgets for Council
11/04/2024	Budget Hearing
11/18/2024	Budget Hearing #2 (if needed)