

2025 Budget Hearing #1

November 18, 2024

2025 RELEVANT BUDGET INFORMATION

Date	Title	Comments
8/19/2024	Budget Overview	Overview
8/26/2024	Budget Hearing #1	Parks and Recreation, Electric, Administration
9/9/2024	Budget Hearing #2	Legislative, Alderman Court, PWWR
9/16/2024	Budget Hearing #3	Police, Planning, Finance
10/4/2024	Financial Workshop	Workshop with Council to receive direction
10/15/2024	Planning Commission CIP Review	Meeting to receive Planning Commission feedback and CIP suggestions
	Budget Central	Central repository for all budget documentation

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

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	Canceled
Monday, November 18, 2024	Budget Hearing #1	
Monday, November 25, 2024	Intro Date for revenue ordinances	
Monday, December 9, 2024	Budget Hearing #2 (if needed)	Revenue Ordinance adoption
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

	* as proposed	*** as advertised	* as proposed	% FROM	\$ FROM
BUDGET OVERVIEW	10/7/2024 * BUDGET	10/15/2024 *** BUDGET	11/18/2024 * BUDGET	10/7 BUDGET	10/7 BUDGET
Revenue/Other Funding Sources					
Utility Sales	\$ 93,063,248	\$ 93,063,248	\$ 93,063,248	0.0%	\$ -
Real Estate and Other Taxes	12,640,938	12,592,813	12,592,813	-0.4%	(48,125)
Fees for Service	13,080,666	13,080,666	13,112,486	0.2%	31,820
Intergovernmental Revenue	1,954,592	1,929,592	1,929,592	-1.3%	(25,000)
Other Revenue	2,756,100	2,756,100	2,756,100	0.0%	-
Total Operating Revenue	\$ 123,495,544	\$ 123,422,419	\$ 123,454,239	0.0%	\$ (41,305)
Expenditures					
Personnel Services	\$ 44,912,693	\$ 44,587,197	\$ 44,587,197	-0.7%	\$ (325,496)
Utility Purchases	50,533,363	50,533,363	50,533,363	0.0%	-
Materials and Supplies	3,096,135	3,096,135	3,096,135	0.0%	-
Contractual Services	14,572,533	14,572,533	14,564,353	-0.1%	(8,180)
Equipment Depreciation	2,018,438	2,054,899	2,069,775	2.5%	51,337
Debt Service	4,822,498	4,822,498	4,822,498	0.0%	-
Other Expenses	1,541,275	1,541,275	1,541,275	0.0%	-
Total Operating Expenses	\$ 121,496,935	\$ 121,207,900	\$ 121,214,596	-0.2%	\$ (282,339)
Capital Improvements					
Gross Capital Improvements	\$ 30,383,515	\$ 28,794,398	\$ 27,984,398	-7.9%	\$ (2,399,117)
Less: Use of Reserves	(2,344,706)	(2,344,706)	(2,134,706)	-9.0%	210,000
Equipment Replacement	(460,503)	(437,280)	(437,280)	-5.0%	23,223
Grants	(2,662,194)	(2,662,194)	(2,012,194)	-24.4%	650,000
Bond Issues	-	-	-	0.0%	-
State Revolving Loan	(7,938,609)	(7,938,609)	(7,938,609)	0.0%	-
Other Sources	(13,597,414)	(13,597,414)	(13,597,414)	0.0%	-
Net Capital Improvements	\$ 3,380,089	\$ 1,814,195	\$ 1,864,195	-44.8%	\$ (1,515,894)
Net Current Surplus	\$ (1,381,480)	\$ 400,324	\$ 375,448	-127.2%	\$ 1,756,928
Total Expenditures and Surplus	\$ 123,495,544	\$ 123,422,419	\$ 123,454,239	0.0%	\$ (41,305)

Adjustments from October 7 Financial Workshop

- Budget presented to City Council on November 18th is the same budget that was advertised as required by City Code on October 15 with a few changes.
- Adjustments from October 7 are on the next slides.

Adjustments from October 7th

Financial Workshop

- **Revenue (-\$41K):**

- -\$48K: Tax increase lowered from 3.5% to 2.5%
- -\$80K: Lowered Parking estimate for Lot 1
- -\$25K: Corrected CDBG funding to remove Capital portion from OPEX
- +\$111K: Added revenue estimate for Speed Camera Program

- **Expense (-\$282K):**

- -\$65K: Removed request for new stormwater position (Equipment Operator)
- -\$260K: Adjusted benefits/tax estimates for budgeted positions
- -\$80K: Reduced merchant fees for Parking
- +\$72K: Added contractual services estimate for Speed Camera Program
- +\$51K: Depreciation expense for skid steer, 5 new police vehicles purchased in 2024

Adjustments from October 7th Financial Workshop

- **Gross Capital Improvements (-\$2.3M):**
 - -\$50K: KEQSF – Move replacement of van (#1437) to 2026
 - -\$1.5M: H2501 – Reduce Street Program to balance budget (Option to add back later if we receive State funding again)
 - -\$110K: Q2401 - Skid steer was purchased in 2024 vs 2025 (Stormwater), funded by State Community Reinvestment Fund
 - -\$100K: Q2502 – Crawler Inspection Camera pushed to 2026 (Stormwater)
 - +\$5K: K2502 – 0 Paper Mill Road/Ruger Property Rehabilitation
 - +\$50K: Q2501 – Added funding for Catch Basin Repairs that was budgeted originally with new FTE request (deleted)
 - -\$650K: N2304 – Duplication of funding source as it was included in N2401 (Police Impound Lot) – grant funded

** as amended * as proposed

Revenue

Expenses

CIP

BUDGET OVERVIEW	2023 ACTUAL	2024 ** BUDGET	2025 * BUDGET	% FROM 2024 BUDGET	\$ FROM 2024 BUDGET
Revenue/Other Funding Sources					
Utility Sales	\$ 77,256,949	\$ 85,132,051	\$ 93,063,248	9.3%	\$ 7,931,197
Real Estate and Other Taxes	11,514,306	12,018,125	12,592,813	4.8%	574,688
Fees for Service	12,006,950	12,975,824	13,112,486	1.1%	136,662
Intergovernmental Revenue	2,298,371	2,053,777	1,929,592	-6.0%	(124,185)
Other Revenue	3,522,125	2,661,381	2,756,100	3.6%	94,719
Appropriation of Prior Year Reserves	60,000	34,670	-	-100.0%	(34,670)
Total Operating Revenue	\$ 106,658,701	\$ 114,875,828	\$ 123,454,239	7.5%	\$ 8,578,411
Expenditures					
Personnel Services	\$ 38,203,803	\$ 41,436,926	\$ 44,587,197	7.6%	\$ 3,150,271
Utility Purchases	40,559,725	44,678,500	50,533,363	13.1%	5,854,863
Materials and Supplies	2,620,079	3,048,923	3,096,135	1.5%	47,212
Contractual Services	11,435,927	13,929,393	14,564,353	4.6%	634,960
Equipment Depreciation	1,862,644	2,147,413	2,069,775	-3.6%	(77,638)
Debt Service	2,594,695	4,939,941	4,822,498	-2.4%	(117,443)
Other Expenses	1,128,639	1,533,653	1,541,275	0.5%	7,622
Total Operating Expenses	\$ 98,405,512	\$ 111,714,749	\$ 121,214,596	8.5%	\$ 9,499,847
Capital Improvements					
Gross Capital Improvements	\$ 11,576,426	\$ 34,250,543	\$ 27,984,398	-18.3%	\$ (6,266,145)
Less: Use of Reserves	(2,739,795)	(3,284,516)	(2,134,706)	-35.0%	1,149,810
Equipment Replacement	(425,980)	(88,615)	(437,280)	393.5%	(348,665)
Grants	(1,886,487)	(6,095,711)	(2,012,194)	-67.0%	4,083,517
Bond Issues	(481,100)	-	-	0.0%	-
State Revolving Loan	(1,937,501)	(6,977,032)	(7,938,609)	13.8%	(961,577)
American Rescue Plan Act	(2,672,042)	(6,057,235)	-	-100.0%	6,057,235
Other Sources	(327,010)	(8,672,334)	(13,597,414)	56.8%	(4,925,080)
Net Capital Improvements	\$ 1,106,511	\$ 3,075,100	\$ 1,864,195	-39.4%	\$ (1,210,905)
Net Current Surplus	\$ 7,146,678	\$ 85,979	\$ 375,448	336.7%	\$ 289,469
Total Expenditures and Surplus	\$ 106,658,701	\$ 114,875,828	\$ 123,454,239	7.5%	\$ 8,578,411

- Revenue and Operating Expenditures: up \$8.5M or 7.4%
- Gross Capital Budget: down \$5.6M or 16.2%
- Net Capital Improvements (current resources to fund capital): down \$1.2M or 39.4%
- August 2024 CPI was 3.4%

2025 RECOMMENDED BUDGET

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Revenue Assumptions Included in 2025 Budget

- **\$120,000 - Property Tax Adjustment of 2.5%**
- **\$1,194,000 - Water/Sewer/Stormwater**
 - Volumetric rate adjustment (Water: \$244,000, Sewer \$850,000)
 - Customer Charge Adjustment (Water: \$0, Sewer \$24,000)
 - 3% adjustment to stormwater (\$76,000)
- **\$25,000 – Subdivision and Zoning Fees**
 - Assumed 10% increase and updated to reflect recent development submission history and anticipated project pipeline
- **\$6.8M – Electric**
 - Adjustment based on rate study (4.5%) and DEMEC cost to purchase power (6%)

Personnel Expenses – New Positions in 2025 Budget (Revised from 10/04)

				Salary & Benefits/Other			
Department	Position	#	Start Date	2025 Budget	Estimated 2026 Impact	Added Revenue	Justfication
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						•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		2.5		\$ 188,759	\$ 261,276	\$ 35,397	

- Removed Equipment Operator from Stormwater (\$64,759)
- \$189K expense
- \$35K revenue
- \$153K Net Increase in 2025 for 2.5 positions

Customer Charges & Tax Rate Summary

Utility/Tax		2024 Customer Charge	2025 Customer Charge	Volumetric Rate Change?	Comments
Electric		\$ 10.00	\$ 13.00	Yes	Electric design rate study coming to Council for consideration by December 2024. Net impact is a 10.5% increase.
Stormwater	Tier 1	\$ 2.33	\$ 2.40	N/A	3% Rate change proposed.
	Tier 2	\$ 3.89	\$ 4.01		
	Tier 3	\$ 5.07	\$ 5.22		
	Tier 4	\$ 7.01	\$ 7.22		
Water (in-City)		\$ 8.76	\$ 8.76	Yes	No customer charge change proposed.
Water (outside City)		\$ 11.83	\$ 11.83	Yes	4% volumetric change proposed.
Sewer (in-City)		\$ 7.83	\$ 8.00	Yes	2.2% customer charge change proposed. 11.3% volumetric change
Sewer (outside City)		\$ 10.57	\$ 10.80	Yes	
Property Tax		\$ 1.0551	\$ 1.0920	N/A	2.5% proposed tax increase.

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	\$	36.27	\$ 37.37	\$ 1.10	3.0%
5,000	\$	48.55	\$ 50.14	\$ 1.59	3.3%
10,000	\$	94.63	\$ 98.07	\$ 3.44	3.6%

- 4% proposed change to water volumetric charge
 - Adds \$1.10 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	\$ -	\$ -	

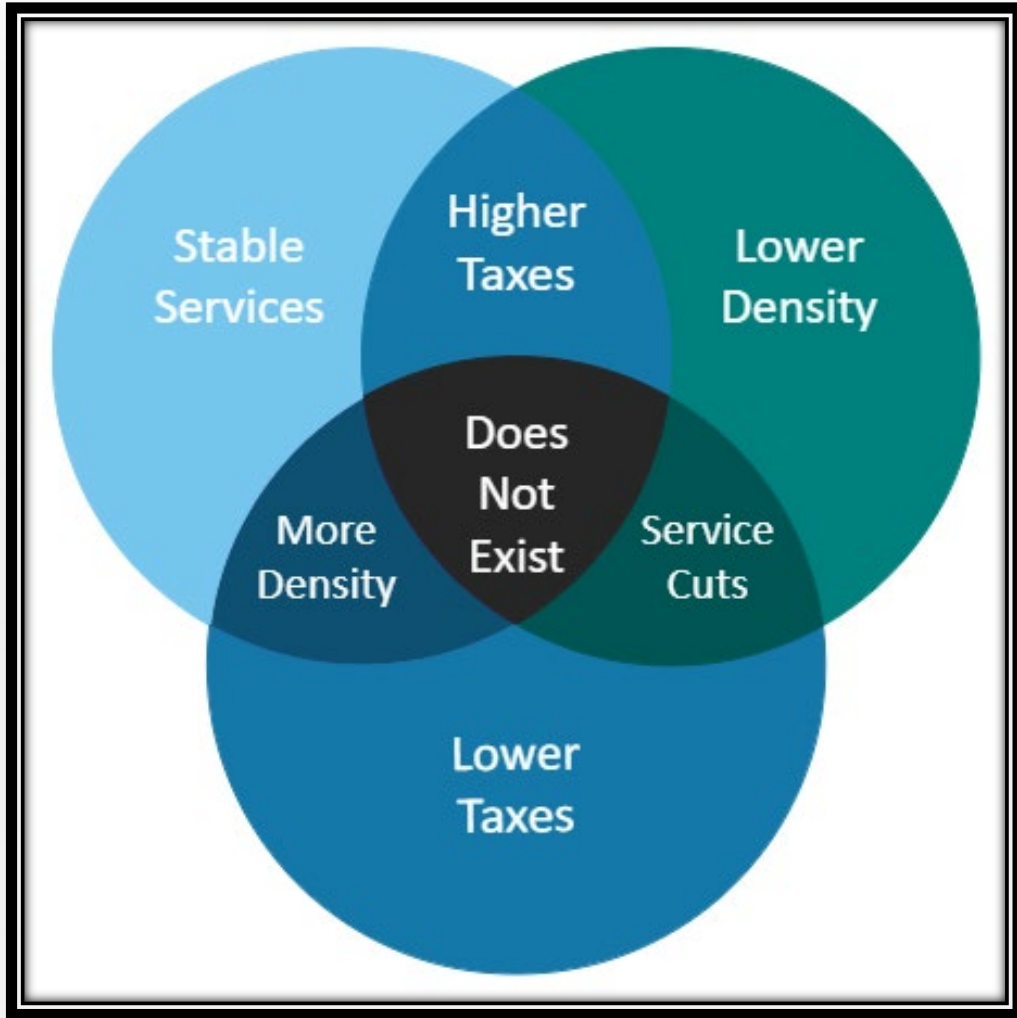
Revenue – Sewer Adjustment

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	

2025 CITY OF NEWARK SERVICE LEVELS VS TAX RATES

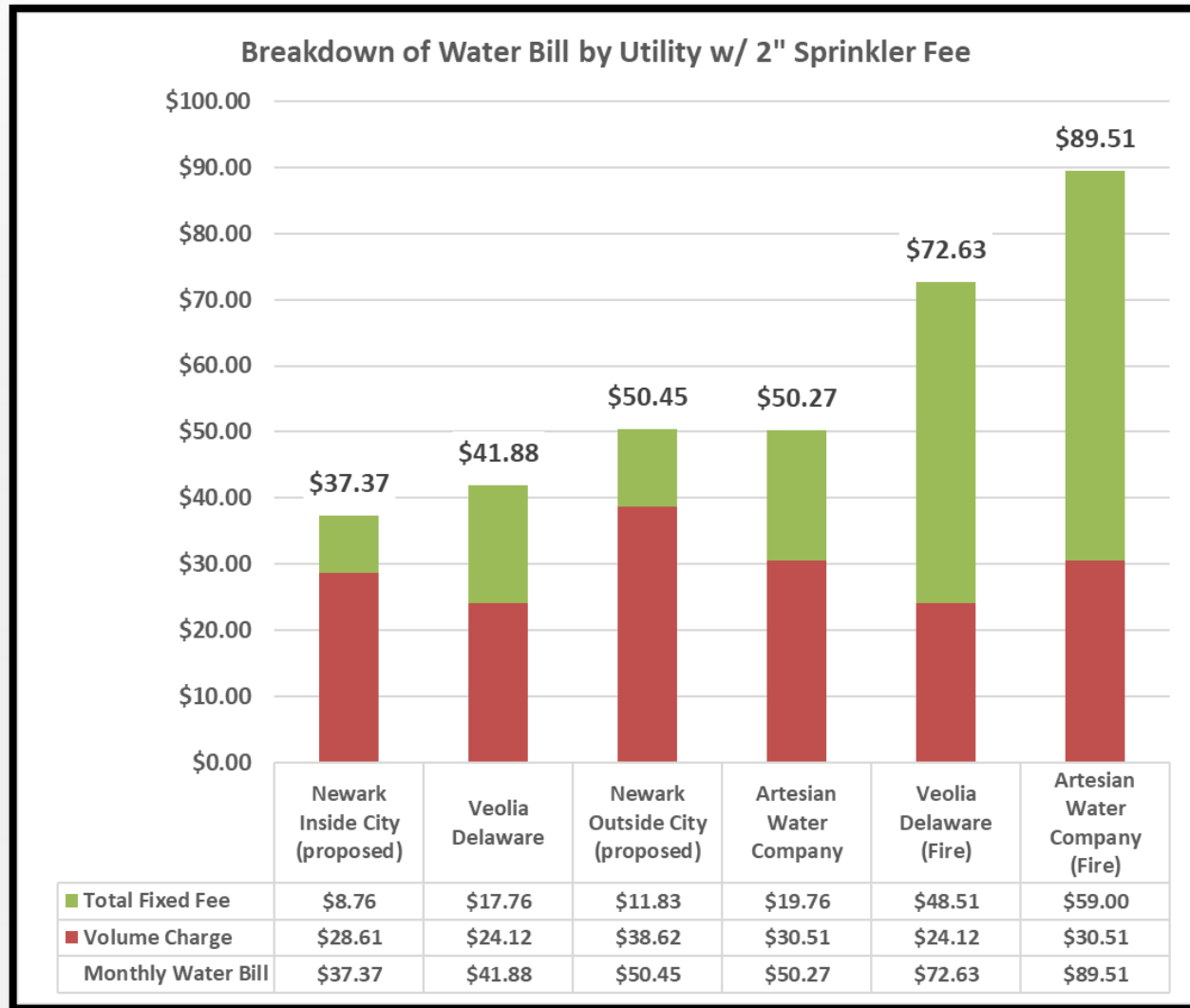


- Inflation, wage pressure, aging infrastructure, and unfunded mandates driving costs
- Newark has few opportunities for new revenue without an amendment to Charter
- Redevelopment activity is consistent but not sufficient to keep up with increasing costs by itself
- Community feedback is supportive of existing service levels
- Inadequate funding will reduce service stability, erode community support, and hurt economic activity
- Utility rates and tax rates comparable with peers for services provided

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

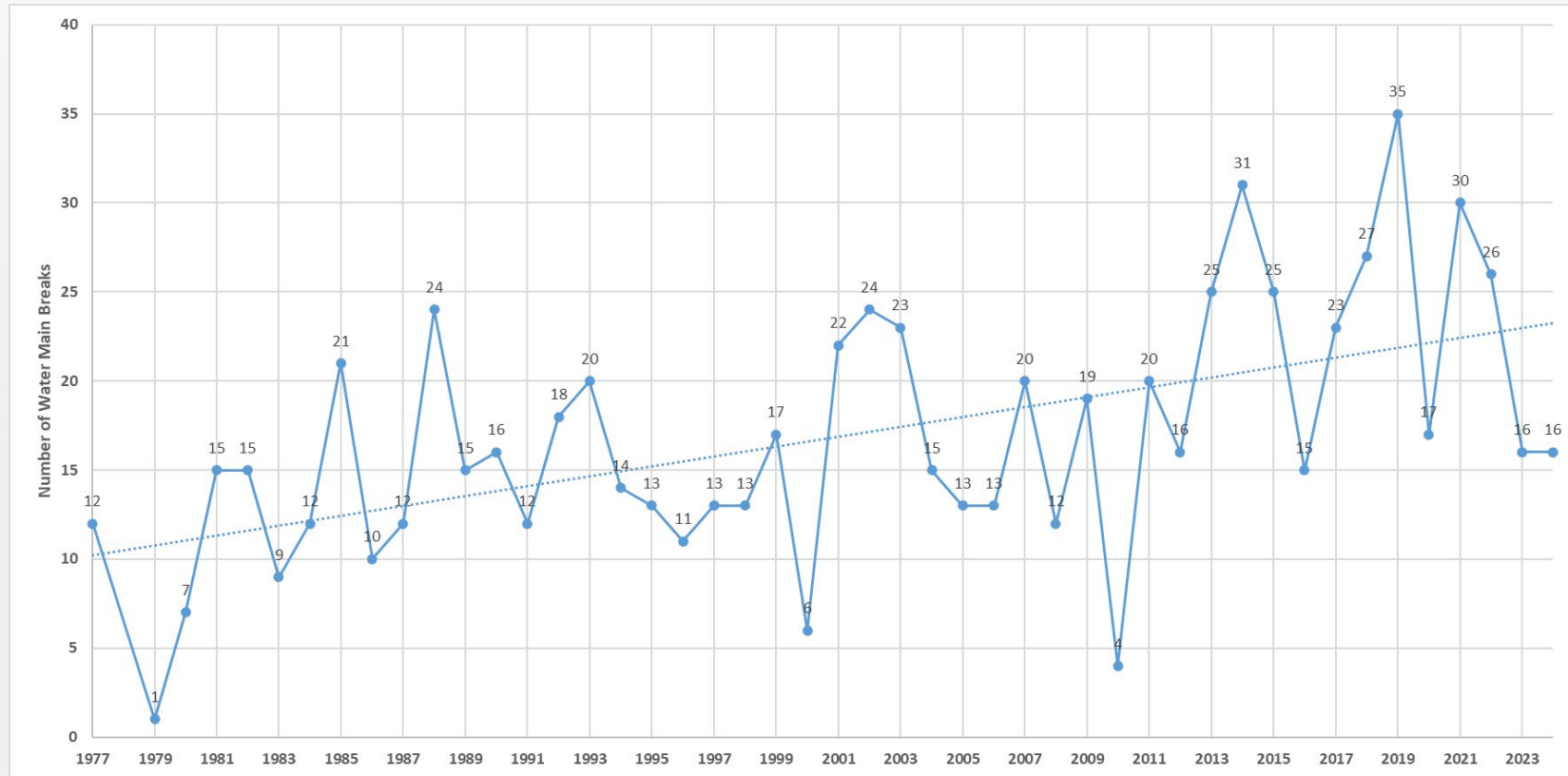
Utility	% Fixed	Monthly Water Bill	Customer Charge	Consumption	Fire Protection Fee	Total Fixed Fees
Wilmington Inside City	65%	\$35.98	\$23.53	\$12.45	\$0.00	\$23.53
Newark Inside City (proposed)	23%	\$37.37	\$8.76	\$28.61	\$0.00	\$8.76
Veolia Delaware	42%	\$41.88	\$15.00	\$24.12	\$2.76	\$17.76
Tidewater Utilities	45%	\$48.22	\$17.11	\$26.65	\$4.46	\$21.57
Artesian Water Company	39%	\$50.27	\$15.00	\$30.51	\$4.76	\$19.76
Delaware City	39%	\$50.27	\$15.00	\$30.51	\$4.76	\$19.76
Newark Outside City (proposed)	23%	\$50.45	\$11.83	\$38.62	\$0.00	\$11.83
Wilmington Outside City	63%	\$57.18	\$35.78	\$21.40	\$0.00	\$35.78
New Castle MSC	27%	\$60.51	\$14.75	\$44.00	\$1.76	\$16.51
Average Excluding Newark:	45%	\$49.19	\$19.45	\$27.09	\$2.64	\$22.10

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



- Chart represents the water utilities surrounding Newark using proposed 2025 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
 - 77% of bill is based on consumption

Water Main Breaks per Season 1977 to 2024 (Season is October 1 to September 30)



- Council requested an updated version of this chart during PWWR Departmental presentation
- Rate of breaks has decreased in 2023 and 2024 (16 each year)
- Average of 16.9 per year since 1977
- 76% of all breaks have occurred between the months of October and January
- Warmer than average recent winters along with replacement program may be responsible for some of the recent decrease

Revenue – Tax Adjustment

2.5% Tax Adjustment				
Percentile	Assessment	Current Tax Bill	Proposed Tax Bill (2.5%)	Difference
<i>Tax Rate:</i>		<i>\$1.0551</i>	<i>\$1.0815</i>	<i>\$0.026</i>
25th	\$53,000	\$559.20	\$573.18	\$13.98
50th (median)	\$68,800	\$725.91	\$744.06	\$18.15
75th	\$89,800	\$947.48	\$971.17	\$23.69

- 2.5% tax increase adds \$120,000 in revenue in 2025, and \$241,000 in 2026+
- Median tax bill in 2024 was \$726, would increase \$18.15 with proposed adjustment.
- Residential taxes are used for:
 - Police Services
 - Refuse Service
 - Street Maintenance, leaf collection, snow plowing
 - Parks and Recreation
 - Helps align tax revenue with future budgetary impacts (union contracts) and follow inflation

Bulk Trash Collection Fee

- Recommendation is to provide 2 free bulk collections per year then \$20 each after
- In the past 12 months 830 homes have used free bulk pickup more than twice
 - Top 41 properties called for service an average of 14 times
- We currently have a Fee for Pick Up for more than the standard 4 items. Used 80 times in previous 12 months.
- Assume 50% of the 830 homes opt for the Fee for Pick Up at \$20/pickup
 - Would add approximately \$8300 revenue
 - City would save approximately \$1700 in avoided tipping fees
 - Total impact of approximately \$10,000 per year
- Resident would pay in advance for service to avoid additional administrative work to seek payment
- PWWR to evaluate the program annually for effectiveness and modifications.

Taxes and Utilities Impact on Average Resident

MEDIAN RESIDENT IMPACT

MONTHLY	CURRENT	PROPOSED	DIFFERENCE	% DIFF
Water (3,667 gallons)	\$36.27	\$37.37	\$1.10	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	\$62.00	\$1.51	2.5%
TOTAL	\$276.26	\$296.99	\$20.74	7.5%

*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)	\$435.21	\$448.40	\$13.19	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	\$744.06	\$18.15	2.5%
TOTAL	\$3,315.11	\$3,563.94	\$248.83	7.5%

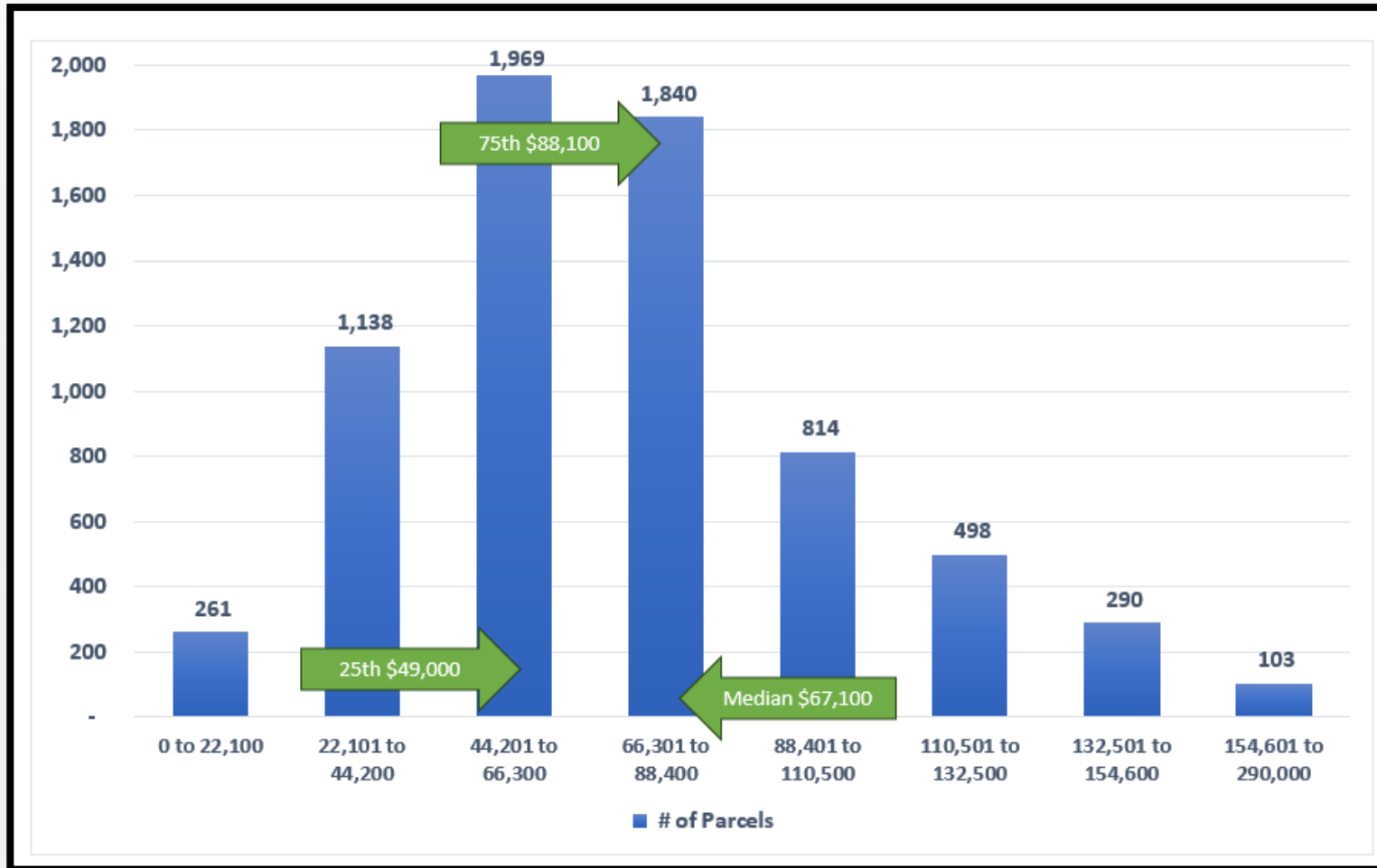
*Assumes 6% cost to purchase power increase from DEMEC (via RSA) and 4.5% local electric rate increase.

DEMEC/NCC	CITY	ALL
	\$1.10	\$1.10
\$3.54	\$0.17	\$3.71
\$8.16	\$6.14	\$14.30
	\$0.12	\$0.12
	\$1.51	\$1.51
\$11.70	\$9.04	\$20.74

DEMEC/NCC	CITY	ALL
	\$13.19	\$13.19
\$42.49	\$2.04	\$44.53
\$97.88	\$73.69	\$171.56
	\$1.40	\$1.40
	\$18.15	\$18.15
\$140.36	\$108.47	\$248.83

- Average resident will see an estimated 7.5% increase across the board for all City services in 2025
- No change in current levels of services
- Overall impact is below the August cost-of-living index of 3.4%
- Electric is an estimate and dependent on wholesale pricing

Revenue – Tax Adjustment by Residential Group



- 98.5% of residential properties have a property assessment of less than \$154,600
- Median Assessment is \$67,100
- Property values are approximately 4.8 times higher than assessed value

Property Taxes

Utility transfers to the Governmental Funds continue into 2025 totaling \$20.7M.

TO	TRANSFER IN
General Fund	\$ 18,196,365
Law Enforcement Fund	4,408
Debt Service Fund	1,253,844
Capital Fund	177,968
Self-Insurance Fund	137,000
OPEB	932,000
Total Transfer to Governmental Funds	\$ 20,701,585

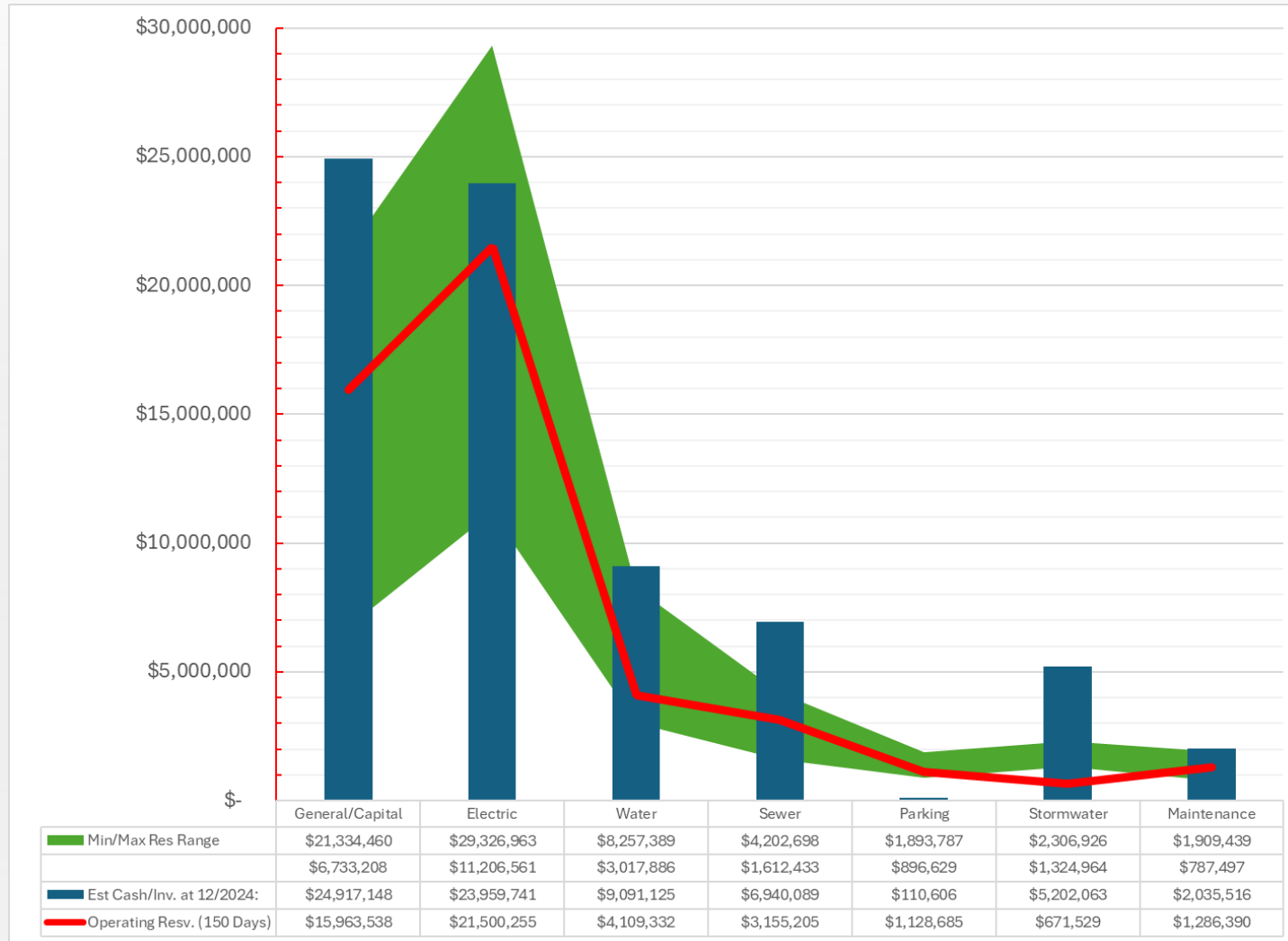
- \$20.7M = Transfer amount is equal to 27,823 homes added to the tax base without increasing the footprint or increasing the services of the City.
- There are only 8,100 taxable parcels in the City for comparison purposes
- Equal to a 230% tax increase (\$3.4818 per \$100 of AV), would be offset by lower utility rates (electric, water, sewer, parking)
- Enterprise transfers have increased \$914K from the 2024 Approved Operating Budget (4.6%)

City of Newark 2025 Capital Budget Recommendation

2025 CIP Requested/Funding Sources:

	2024 BUDGET AS AMENDED	-----2025-----		P R O P O S E D B U D G E T S					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	10,064,953	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	1,109,057	1,037,722	50,000	1,087,722	1,625,000	1,690,000	1,290,500	1,357,050	7,050,272
PUBLIC WORKS DEPARTMENT - CAPITAL PROJECT FUND DIVISIONS	2,756,207	805,209	185,000	990,209	2,818,132	2,836,067	3,091,067	2,706,068	12,441,543
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	2,631,457	101,532	332,968	434,500	920,500	697,500	397,000	795,000	3,244,500
PARKING FUND	302,336	213,489	133,847	347,336	182,336	337,336	227,336	-	1,094,344
FINANCE DEPARTMENT - CAPITAL PROJECT FUND	-	-	-	-	35,000	-	-	-	35,000
INFORMATION TECHNOLOGY DIVISION - CAPITAL PROJECT FUND	630,537	50,000	60,000	110,000	301,500	50,000	50,000	50,000	561,500
MAINTENANCE FUND	2,022,875	650,000	-	650,000	770,000	2,000,000	50,000	120,000	3,590,000
OTHER DEPARTMENTS/DIVISIONS	234,052	-	-	-	50,000	50,000	50,000	210,000	360,000
GROSS CAPITAL IMPROVEMENTS	\$ 34,250,543	\$ 26,120,203	\$ 1,864,195	\$ 27,984,398	\$ 54,584,846	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 135,953,490
PLANNED FINANCING SOURCES									
GROSS CAPITAL IMPROVEMENTS	\$ 34,250,543	\$ 26,120,203	\$ 1,864,195	\$ 27,984,398	\$ 54,584,846	\$ 27,884,411	\$ 13,454,906	\$ 12,044,929	\$ 135,953,490
LESS: USE OF RESERVES	(3,284,516)	(2,134,706)	-	(2,134,706)	(119,961)	(250,000)	(200,000)	-	(2,704,667)
VEHICLE & EQUIPMENT REPLACEMENT	(88,615)	(437,280)	-	(437,280)	(723,382)	(1,010,955)	(1,242,853)	(995,838)	(4,410,308)
GRANTS	(6,095,711)	(2,012,194)	-	(2,012,194)	(2,039,581)	(2,771,950)	(571,950)	(601,950)	(7,997,625)
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	(6,057,235)	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES	(8,672,334)	(13,597,414)	-	(13,597,414)	(16,180,000)	(9,180,000)	(2,180,000)	(180,000)	(41,317,414)
NET CAPITAL IMPROVEMENTS	\$ 3,075,100	\$ -	\$ 1,864,195	\$ 1,864,195	\$ 6,321,922	\$ 5,871,506	\$ 5,060,103	\$ 6,067,141	\$ 25,184,867

Estimated Reserve Balances on December 31, 2024



- Minimum and Maximum cash reserve ranges (in green) for each fund listed on chart
- Cash/investments within each fund based on reserve policy (in blue)
- 150-day operating reserve requirement (in red) to cover daily operational needs
- Chart does not include reserve for substation construction (\$3.1M), nor prior approved capital project balances (\$6.8M)
- Total of \$63M held in reserves to meet policies (\$53.1M per policy, \$9.9M per Council approvals)
- All funds are meeting 150-day reserve recommendation except for the Parking Fund
- Unreserved Cash/Investments after reserves are \$7.3M – number will change

Council Action

- Approve 2025 Budget (Operating and Capital Improvement Program)
- Rate/Fee changes require an ordinance and will be included in forthcoming legislation:
 - Electric Rate Adjustments
 - Sewer Volumetric and Customer Charge Adjustments
 - Water Volumetric Adjustment
 - Stormwater Adjustment
 - Fee adjustments for Parking/Planning
- Fund Street program (City-funded portion) once PILOT outcome has been determined
- Tax Rate: Change to \$1.0920 per \$100 of assessed value (2.5% increase)
 - Staff will come back in the new year with a revised tax rate based on new assessment totals (rate will be reduced as 1986's assessment figures are updated by New Castle County)
- Lobbyist Direction
 - Potential Charter Amendments
 - Enrollment-based tax on higher education facilities, Events Tax

Conclusion / Questions

