2026 Budget Hearing #1

November 3, 2025

Budget Timeline

- Aug 18 – Initial Budget Overview
- Aug/Sept – Departmental Hearings
- Oct 6 – Financial Workshop
- Oct 21 – Capital Budget to Planning Commission
- Nov 3 – First Budget Hearing & possible adoption (Tonight)

BUDGET OVERVIEW	* as proposed 10/6/2025 2026 BUDGET	** as advertised 10/17/2025 2026 BUDGET	* as proposed 11/03/2025 2026 BUDGET	% FROM 10/6/2025	$ FROM 10/6/2025
Revenue/Other Funding Sources					
Utility Sales	$ 96,280,350	$ 96,289,950	$ 96,289,950	0.0%	$ 9,600
Real Estate and Other Taxes	14,981,000	15,146,000	15,146,000	1.1%	165,000
Fees for Service	12,155,411	12,157,038	12,157,038	0.0%	1,627
Intergovernmental Revenue	1,369,847	1,369,847	1,369,847	0.0%	-
Other Revenue	2,007,100	2,007,100	2,007,100	0.0%	-
Appropriation of Prior Year Reserves	728,700	728,700	728,700	0.0%	-
Total Operating Revenue	**$ 127,522,408**	**$ 127,698,635**	**$ 127,698,635**	**0.1%**	**$ 176,227**
Expenditures					
Personnel Services	$ 45,924,862	$ 45,842,530	$ 45,842,530	-0.2%	$ (82,332)
Utility Purchases	53,713,684	53,713,684	53,713,684	0.0%	-
Materials and Supplies	3,224,679	3,174,679	3,174,679	-1.6%	(50,000)
Contractual Services	14,843,429	14,795,056	14,795,056	-0.3%	(48,373)
Equipment Depreciation	2,207,419	2,207,419	2,207,419	0.0%	-
Debt Service	4,001,307	4,001,307	4,001,307	0.0%	-
Other Expenses	1,482,345	1,482,345	1,632,345	10.1%	150,000
Total Operating Expenses	**$ 125,397,725**	**$ 125,217,020**	**$ 125,367,020**	**0.0%**	**$ (30,705)**
Capital Improvements					
Gross Capital Improvements	$ 49,356,655	$ 49,356,655	$ 49,329,319	-0.1%	$ (27,336)
Less: Use of Reserves	(2,195,313)	(2,195,313)	(2,191,705)	-0.2%	3,608
Equipment Replacement	(571,795)	(571,795)	(571,795)	0.0%	-
Grants	(1,579,136)	(1,579,136)	(1,579,136)	0.0%	-
State Revolving Loan	(27,650,000)	(27,650,000)	(27,650,000)	0.0%	-
Other Sources	(16,150,000)	(16,150,000)	(16,150,000)	0.0%	-
Net Capital Improvements	**$ 1,210,411**	**$ 1,210,411**	**$ 1,186,683**	**-2.0%**	**$ (23,728)**
Net Current Surplus	$ 914,272	$ 1,271,204	$ 1,144,932	25.2%	$ 230,660
Total Expenditures and Surplus	**$ 127,522,408**	**$ 127,698,635**	**$ 127,698,635**	**0.1%**	**$ 176,227**

Adjustments from October 6 Financial Workshop

- Budget presented to City Council tonight (11/3) is the same budget that was advertised as required by City Code on October 17th with a few changes.
- Adjustments from October 6th are on the next slides.

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Modifications from October 6th Financial Workshop

- **Revenue:**
  - $165K: Tax increase 3.3%
- **Operating Expense:**
  - $150K increase to Aetna subvention based on anticipated increase in Emergency Service Fee revenue
- **Capital Projects:**
  - -$27K: Parking camera subscription included in both CIP and OPEX – removed from CIP

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BUDGET OVERVIEW	2024 ACTUAL	** as amended 2025 ** BUDGET	* as proposed 2026 * BUDGET	% FROM 2025 BUDGET	$ FROM 2025 BUDGET
Revenue/Other Funding Sources					
Utility Sales	$ 84,889,127	$ 93,063,248	$ 96,289,950	3.5%	$ 3,226,702
Real Estate and Other Taxes	11,961,950	12,592,813	15,146,000	20.3%	2,553,187
Fees for Service	11,416,072	13,112,486	12,157,038	-7.3%	(955,448)
Intergovernmental Revenue	3,728,732	2,019,592	1,369,847	-32.2%	(649,745)
Other Revenue	3,473,556	2,756,100	2,007,100	-27.2%	(749,000)
Appropriation of Prior Year Reserves	34,670	-	728,700	100.0%	728,700
Total Operating Revenue	**$ 115,504,107**	**$ 123,544,239**	**$ 127,698,635**	**3.4%**	**$ 4,154,396**
Expenditures					
Personnel Services	$ 40,373,545	$ 44,587,197	$ 45,842,530	2.8%	$ 1,255,333
Utility Purchases	44,316,624	50,533,363	53,713,684	6.3%	3,180,321
Materials and Supplies	2,783,384	3,117,580	3,174,679	1.8%	57,099
Contractual Services	9,404,726	14,822,983	14,795,056	-0.2%	(27,927)
Equipment Depreciation	2,141,691	2,069,775	2,207,419	6.7%	137,644
Debt Service	3,157,970	4,822,498	4,001,307	-17.0%	(821,191)
Other Expenses	1,522,062	1,533,700	1,632,345	6.4%	98,645
Total Operating Expenses	**$ 103,700,002**	**$ 121,487,096**	**$ 125,367,020**	**3.2%**	**$ 3,879,924**
Capital Improvements					
Gross Capital Improvements	$ 32,525,292	$ 27,597,928	$ 49,329,319	78.7%	$ 21,731,391
Less: Use of Reserves	(1,996,332)	(2,227,051)	(2,191,705)	-1.6%	35,346
Equipment Replacement	(2,315,460)	(437,280)	(571,795)	30.8%	(134,515)
Grants	(6,479,229)	(1,526,950)	(1,579,136)	3.4%	(52,186)
State Revolving Loan	(6,632,737)	(7,938,609)	(27,650,000)	248.3%	(19,711,391)
American Rescue Plan Act	(13,117,813)	-	-	0.0%	-
Other Sources	(730,727)	(13,597,414)	(16,150,000)	18.8%	(2,552,586)
Net Capital Improvements	**$ 1,252,994**	**$ 1,870,624**	**$ 1,186,683**	**-36.6%**	**$ (683,941)**
Net Current Surplus	$ 10,551,111	$ 186,519	$ 1,144,932	513.8%	$ 958,413
Total Expenditures and Surplus	**$ 115,504,107**	**$ 123,544,239**	**$ 127,698,635**	**3.4%**	**$ 4,154,396**

Revenue

Expenses

CIP

- Revenue: up $4.2M
- Operating Expenses: up $3.9M
- Gross Capital Budget: up $21.7M
- Net Capital Improvements: down $1.2M
- August 2025 CPI was 3.3%

2025 RECOMMENDED BUDGET

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City of Newark
2026 Capital Budget
Recommendation

2026 CIP Requested/Funding Sources:

	2025 BUDGET AS AMENDED	|-----2026-----| RESERVES AND OTHER FUNDING	CURRENT FUNDING	PROPOSED BUDGETS 2026	2027	2028	2029	2030	TOTAL PROPOSED AMOUNTS
ELECTRIC FUND	$ 15,000,000	$ 16,277,318	$ 999,682	$ 17,277,000	$ 13,023,000	$ 3,526,000	$ 350,000	$ 800,000	$ 34,976,000
WATER FUND	7,422,209	28,282,999	137,001	28,420,000	9,507,631	5,035,000	5,910,000	5,225,000	54,097,631
SEWER FUND	1,550,000	200,000	-	200,000	3,075,000	1,000,000	1,050,000	1,000,000	6,325,000
STORMWATER FUND	1,087,722	1,260,453	50,000	1,310,453	1,290,000	750,000	775,000	815,000	4,940,453
PUBLIC WORKS DEPARTMENT - CAPITAL PROJECT FUND DIVISIONS	990,209	644,136	-	644,136	4,371,641	3,266,525	2,761,644	2,671,020	13,714,966
POLICE DEPARTMENT - CAPITAL PROJECT FUND	7,178	372,730	-	372,730	517,648	457,360	580,627	201,676	2,130,041
PARKS AND RECREATION DEPARTMENT - CAPITAL PROJECT FUND	434,500	215,000	-	215,000	1,211,625	800,000	1,010,000	682,500	3,919,125
PARKING FUND	346,110	50,000	-	50,000	667,000	250,000	250,000	26,380,000	27,597,000
FINANCE DEPARTMENT - CAPITAL PROJECT FUND	-	-	-	-	35,000	-	-	-	35,000
INFORMATION TECHNOLOGY DIVISION - CAPITAL PROJECT FUND	110,000	40,000	-	40,000	1,310,000	50,000	50,000	50,000	1,500,000
MAINTENANCE FUND	650,000	800,000	-	800,000	2,590,000	110,000	120,000	-	3,620,000
OTHER DEPARTMENTS/DIVISIONS	-	-	-	-	50,000	50,000	260,000	32,000	392,000
GROSS CAPITAL IMPROVEMENTS	**$ 27,597,928**	**$ 48,142,636**	**$ 1,186,683**	**$ 49,329,319**	**$ 37,648,545**	**$ 15,294,885**	**$ 13,117,271**	**$ 37,857,196**	**$ 153,247,216**
PLANNED FINANCING SOURCES									
GROSS CAPITAL IMPROVEMENTS	$ 27,597,928	$ 48,142,636	$ 1,186,683	$ 49,329,319	$ 37,648,545	$ 15,294,885	$ 13,117,271	$ 37,857,196	$ 153,247,216
LESS: USE OF RESERVES	(2,227,051)	(2,191,705)	-	(2,191,705)	(284,696)	(250,000)	(250,000)	(550,000)	(3,526,401)
VEHICLE & EQUIPMENT REPLACEMENT	(437,280)	(571,795)	-	(571,795)	(1,799,142)	(1,613,580)	(1,150,254)	(531,640)	(5,666,411)
GRANTS	(1,526,950)	(1,579,136)	-	(1,579,136)	(1,036,767)	(519,136)	(569,136)	(519,136)	(4,223,311)
BOND ISSUES	-	-	-	-	-	-	-	(25,000,000)	(25,000,000)
STATE REVOLVING LOANS	(7,938,609)	(27,650,000)	-	(27,650,000)	(9,800,000)	(4,200,000)	(4,200,000)	(5,200,000)	(51,050,000)
OTHER FINANCING SOURCES	(13,597,414)	(16,150,000)	-	(16,150,000)	(11,210,000)	(2,180,000)	(180,000)	(150,000)	(29,870,000)
NET CAPITAL IMPROVEMENTS	$ 1,870,624	$ -	$ 1,186,683	$ 1,186,683	$ 13,517,940	$ 6,532,169	$ 6,767,881	$ 5,906,420	$ 33,911,093

Council Action

- Motion to approve the 2026 Operating Budget
- Motion to approve the 2026-2030 Capital Improvement Program
- Motion to set the tax rate at $0.2464 per $100 of assessed value (3.3% increase)
- 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
- Lobbyist Direction
  - Potential Charter Amendments
    - Events Tax, Lodging Tax increase, portion of State marijuana and alcohol taxes

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Conclusion / Questions