



PUBLIC WORKS & WATER RESOURCES
CITY OF NEWARK

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December 1, 2016

To: Mayor and Council

From: Tom Coleman, PE – PWWR Director

Via: Carol Houck – City Manager

Subject: Summary of Council Direction on Future Application of 9.5% Tax Increase Toward Infrastructure Projects

At the November 28th, 2016 Council meeting, Councilwoman Wallace requested information on any restrictions or agreements made by Council when authorizing the additional 6.5% tax increase (for a total of 9.5%) as part of the 2016 budget that should be considered with this year's budget. After reviewing the minutes from the November 30th, 2015 Council Meeting, the application of this additional funding was discussed at length and there was agreement that the additional revenue should be directed toward infrastructure needs. The specific infrastructure identified and funding amounts, however, varied between year 1, and future years as a result of need and the nature of tax increases becoming effective halfway through the tax year.

Staff provided a recommendation for where funding should be directed, to which Council agreed. There was also discussion as to whether or not the direction of these funds toward infrastructure would be binding on future Councils and the agreement was that it would not. It would instead be up to each Council, during the budget process, to agree to follow the original recommendation. Below is a summary of the agreed upon projects and funding levels for each year

2016

Funding increase would total \$187,500. This funding would be distributed across two capital projects: \$100,000 for inspection of corrugated metal pipe through the H1301 capital project and \$87,500 toward the sanitary sewer study and repair project S0904.

2017 and Beyond

Funding increase would total \$375,000 each year. This funding would be distributed across two capital projects: \$200,000 annually for rehabilitation and replacement of corrugated metal pipe through the H1301 capital project and \$175,000 annually toward the annual street program (titled H1601 in 2016).

The summary sheets for each of these projects in the 2017 capital improvement budget continues to reflect the increased funding amounts that came as a result of the above direction from Council.