

# 2018 Budget Hearing #1

November 6, 2017

## Budget Timeline

April 2017	Staff Budget Training and Initial CIP Work
May 2017	Draft CIP to Council
July to September	Department Budget Hearings
10/06/2017	Financial Workshop
10/11/2017	CIP Presentation and Approval from Planning Commission
10/20/2017	Final Version of CIP to Council
10/30/2017	Operating Budget to Council
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11/06/2017	Budget Hearing #1
11/20/2017	Budget Hearing #2 (if needed)
12/04/2017	Budget Adoption (if needed)

## 2018 Budget Overview

<b>Revenue</b>	<b>\$87,394,862</b>
Expenditures	\$82,511,383
Net Capital Improvements	\$1,395,000
Debt Service	\$2,665,707
Current Surplus	\$822,772
<b>Total Expenditures and Surplus</b>	<b>\$87,394,862</b>

Tax Rate	No Rate increase proposed
Electric Rate	No change from 2017
Sewer Fee	No change from 2017, customer service charge?
Water Rate	No change from 2017, customer service charge?
Stormwater Fee	New fee beginning in 2018

**Revenues** →

**OP EX** →

**CIP** →

**Debt Service** →

	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
<b>Revenue</b>					
Utility Sales	\$69,435,839	\$70,684,625	\$69,391,524	(\$1,293,101)	-1.8%
Property and Realty Taxes	\$8,176,877	\$8,655,185	\$8,695,000	39,815	0.5%
Fees for Service	\$6,776,562	\$7,340,381	\$6,984,365	(356,016)	-4.9%
Intergovernmental Revenue	\$1,774,658	\$1,353,221	\$1,390,843	\$37,622	2.8%
Other Revenue	\$1,166,747	\$888,569	\$933,130	44,561	5.0%
<b>Total Operating Revenue</b>	<b>\$87,330,683</b>	<b>\$88,921,981</b>	<b>\$87,394,862</b>	<b>(1,527,119)</b>	<b>-1.7%</b>
<b>Expenditures</b>					
Personnel Services	\$28,923,301	\$30,738,672	\$32,091,109	\$1,352,437	4.4%
Utility Purchases	\$39,750,885	\$39,027,138	\$38,266,885	(\$760,253)	-1.9%
Materials and Supplies	\$1,878,221	\$2,272,493	\$2,304,248	\$31,755	1.4%
Contractual Services	\$6,398,871	\$7,351,025	\$7,434,892	\$83,867	1.1%
Equipment Depreciation	\$1,297,402	\$1,390,082	\$1,745,300	\$355,218	25.6%
Other Expenses	\$399,328	\$534,544	\$668,949	\$134,405	25.1%
<b>Total Operating Expenses</b>	<b>\$78,648,008</b>	<b>\$81,313,954</b>	<b>\$82,511,383</b>	<b>1,197,429</b>	<b>1.5%</b>
<b>Capital Improvements</b>					
Gross Capital Improvements	\$11,525,667	\$11,144,546	\$14,715,403	\$3,570,857	32.0%
Less: Use of Reserves	(\$4,609,575)	(\$4,722,228)	(\$1,931,500)	\$2,790,728	-59.1%
Equipment Replacement	(\$1,759,720)	(\$1,172,318)	(\$1,017,492)	\$154,826	-13.2%
Grants	(\$805,263)	(\$945,000)	(\$1,504,721)	(\$559,721)	59.2%
Bond Issues	\$0	\$0	(\$937,690)	(\$937,690)	n/a
Other Sources	(\$642,599)	(\$150,000)	(\$7,929,000)	(\$7,779,000)	5186.0%
<b>Net Capital Improvements</b>	<b>\$3,708,510</b>	<b>\$4,155,000</b>	<b>\$1,395,000</b>	<b>(\$2,760,000)</b>	<b>-66.4%</b>
<b>Debt Service</b>	<b>\$2,598,488</b>	<b>\$2,616,161</b>	<b>\$2,665,707</b>	<b>\$49,546</b>	<b>1.9%</b>
<b>Net Current Surplus</b>	<b>\$2,375,677</b>	<b>\$836,866</b>	<b>\$822,772</b>	<b>(\$14,094)</b>	<b>-1.7%</b>
<b>TOTAL EXPENDITURES AND SURPLUS</b>	<b>\$87,330,683</b>	<b>\$88,921,981</b>	<b>\$87,394,862</b>	<b>(\$1,527,119)</b>	<b>-1.7%</b>

## TOTAL BUDGET AT A GLANCE

# City of Newark 2018 Expenditure Budget Recommendation

# OPEX - Budget Adjustments from Department Presentations

	2018 Department Presentation to Council	2018 Recommended	Difference
Utility Purchases	\$38,266,885	\$38,266,885	\$0
Personnel Services	\$32,435,447	\$32,091,109	(\$344,338)
Materials & Supplies	\$2,342,248	\$2,304,248	(\$38,000)
Contractual Services	\$7,922,638	\$7,434,892	(\$487,746)
Depreciation	\$1,745,300	\$1,745,300	\$0
Other Expenditures	\$612,204	\$668,949	\$56,745
Inter-Dept. Charges	(\$110,120)	\$0	\$110,120
<b>Total Operating</b>	<b>\$83,214,602</b>	<b>\$82,511,383</b>	<b>(\$703,219)</b>
Debt Service	\$2,670,518	\$2,665,707	(\$4,811)
<b>Total*</b>	<b>\$85,885,120</b>	<b>\$85,177,090</b>	<b>(\$708,030)</b>

*\* does not include capital*

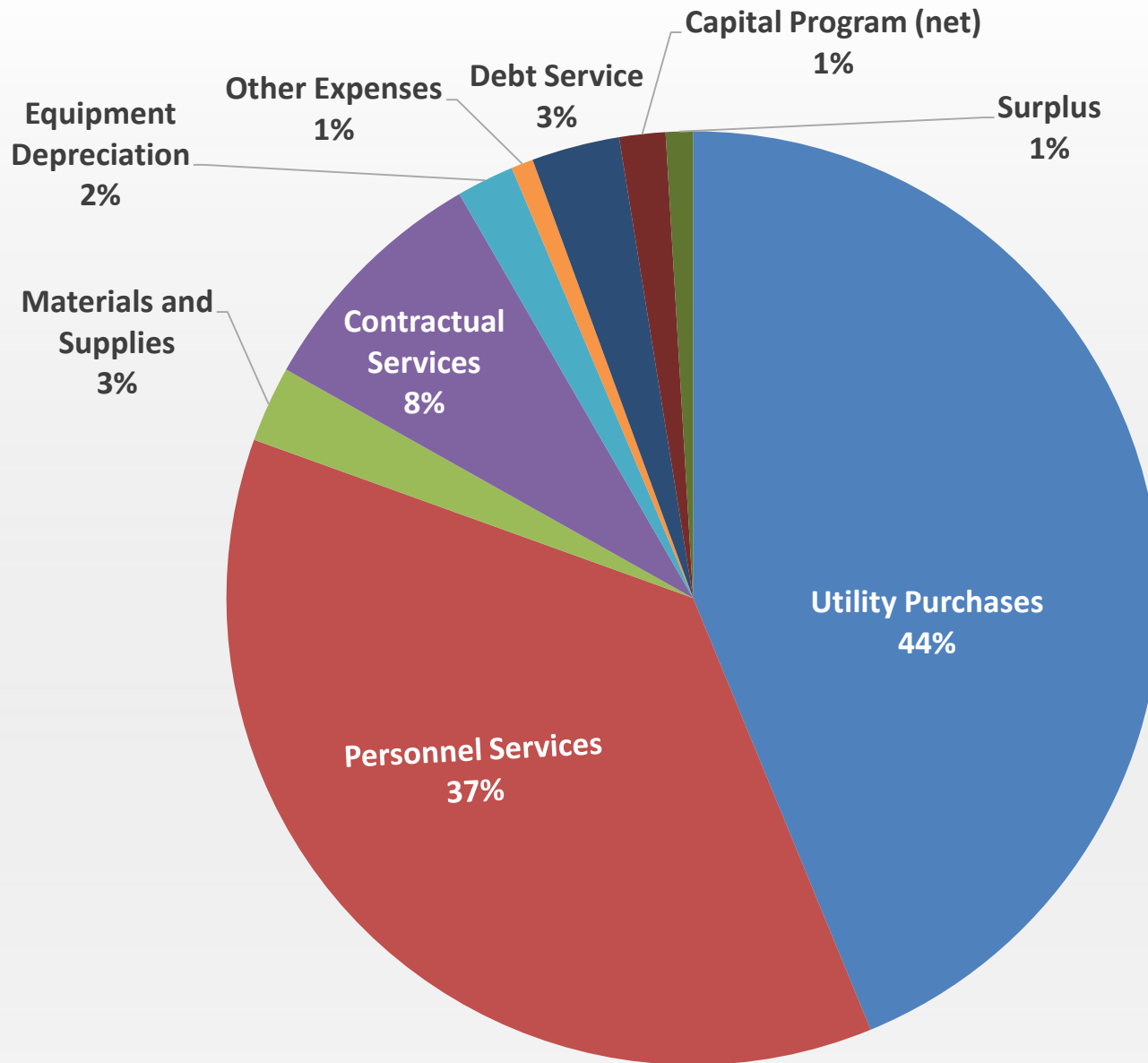
## Reduction of \$708,000 primarily due to:

- Reduced Legal/Consulting services: -\$100,000
- Removed CWA/Management 1.5% COLA: -\$123,000
- Removed Standby Pay for IT: -\$20,000
- Reduced Contractual Line Maintenance: -\$70,000
- Reduced Vehicle Maintenance: -\$25,000
- Reduced IT: -\$225,000
- Removed Outsourcing of Facilities Maintenance: -\$122,000
- Removed Interns in Admin: -\$10,000
- Reduced Overtime in PWWR: -\$30,000

# Expense Budget – A Closer Look

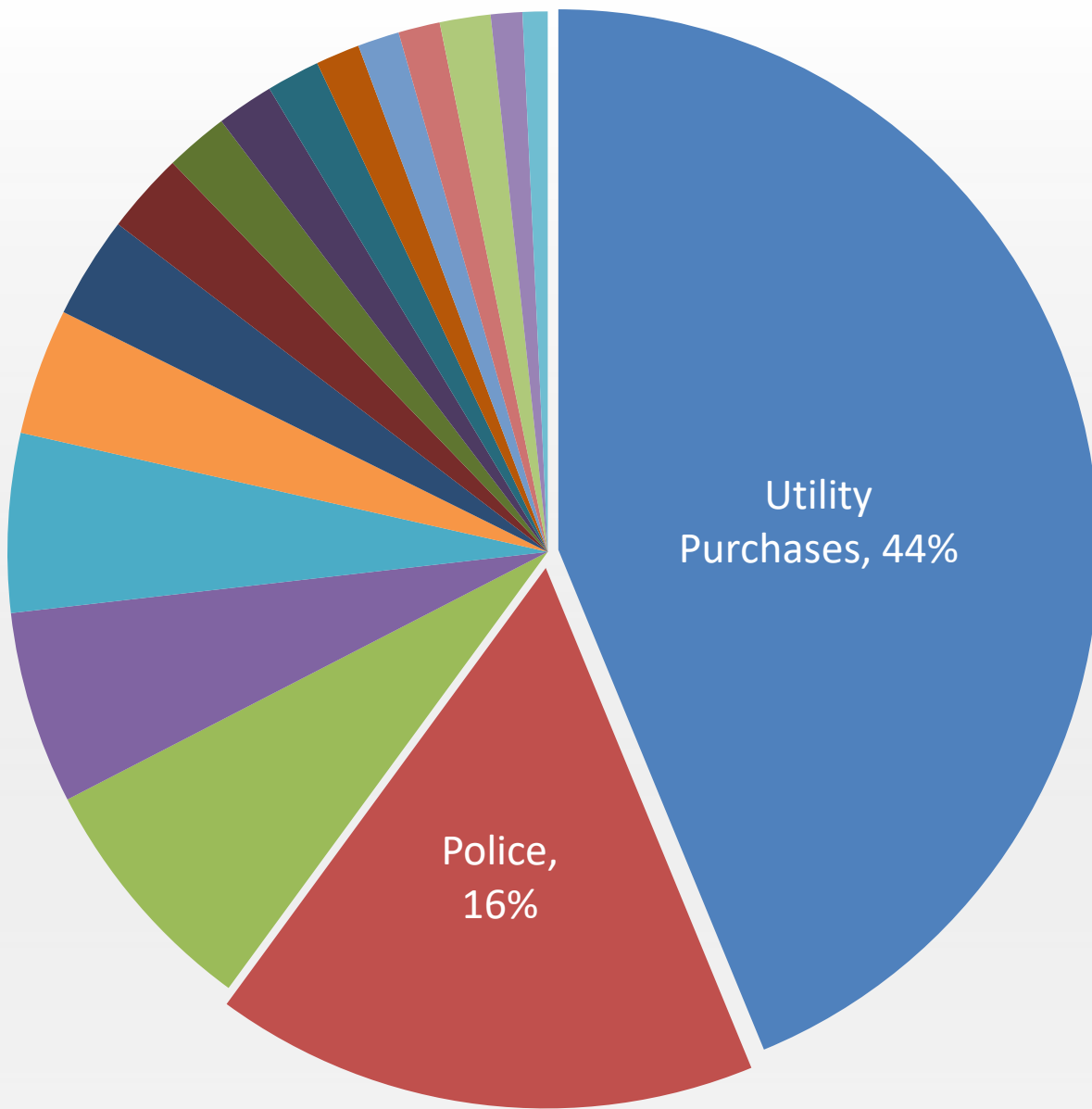
	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
<b>Expenditures</b>					
Personnel Services	\$28,923,301	\$30,738,672	\$32,091,109	\$1,352,437	4.4%
Utility Purchases	\$39,750,885	\$39,027,138	\$38,266,885	(\$760,253)	-1.9%
Materials and Supplies	\$1,878,221	\$2,272,493	\$2,304,248	\$31,755	1.4%
Contractual Services	\$6,398,871	\$7,351,025	\$7,434,892	\$83,867	1.1%
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Other Expenses	\$399,328	\$534,544	\$668,949	\$134,405	25.1%
<b>Total Operating Expenses</b>	<b>\$78,648,008</b>	<b>\$81,313,954</b>	<b>\$82,511,383</b>	<b>1,197,429</b>	<b>1.5%</b>
<b>Capital Improvements</b>					
Gross Capital Improvements	\$11,525,667	\$11,144,546	\$14,715,403	\$3,570,857	32.0%
Less: Use of Reserves	(\$4,609,575)	(\$4,722,228)	(\$1,931,500)	\$2,790,728	-59.1%
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Grants	(\$805,263)	(\$945,000)	(\$1,504,721)	(\$559,721)	59.2%
Bond Issues	\$0	\$0	(\$937,690)	(\$937,690)	n/a
Other Sources	(\$642,599)	(\$150,000)	(\$7,929,000)	(\$7,779,000)	5186.0%
<b>Net Capital Improvements</b>	<b>\$3,708,510</b>	<b>\$4,155,000</b>	<b>\$1,395,000</b>	<b>(\$2,760,000)</b>	<b>-66.4%</b>
<b>Debt Service</b>	<b>\$2,598,488</b>	<b>\$2,616,161</b>	<b>\$2,665,707</b>	<b>\$49,546</b>	<b>1.9%</b>
<b>Net Current Surplus</b>	<b>\$2,375,677</b>	<b>\$836,866</b>	<b>\$822,772</b>	<b>(\$14,094)</b>	<b>-1.7%</b>
<b>TOTAL EXPENDITURES AND SURPLUS</b>	<b>\$87,330,683</b>	<b>\$88,921,981</b>	<b>\$87,394,862</b>	<b>(\$1,527,119)</b>	<b>-1.7%</b>

## Over 80% of the City's expenses are from Utility Purchases and Personnel.



	2018 Budget	% of Budget
Utility Purchases	\$38,266,885	43.8%
Personnel Services	\$32,091,109	36.7%
Materials and Supplies	\$2,304,248	2.6%
Contractual Services	\$7,434,892	8.5%
Equipment Depreciation	\$1,745,300	2.0%
Other Expenses	\$668,949	0.8%
Debt Service	\$2,665,707	3.1%
Capital Program (net)	\$1,395,000	1.6%
Surplus	\$822,772	0.9%
<b>Total Expenditures and Surplus</b>	<b>\$87,394,862</b>	<b>100%</b>





<b>Budget By Function</b>	<b>2017</b>	<b>2018</b>
Utility Purchases	43.9%	43.8%
Police	15.2%	16.3%
Electric	6.9%	7.4%
Public Works	5.6%	5.8%
Water	5.0%	5.3%
Parks and Recreation	3.6%	3.8%
Debt Service	2.9%	3.1%
Parking	2.3%	2.4%
Legislative/Judicial	2.1%	1.9%
Code Enforcement	1.6%	1.7%
Capital	4.7%	1.6%
Stormwater	0.8%	1.3%
Special Revenue/Self-Insurance/OPEB	1.0%	1.2%
Sewer	1.1%	1.2%
Administrative	1.7%	1.5%
Surplus	0.9%	0.9%
Planning	0.7%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Directly Towards Core Functions:	95.3%	95.6%

## 2018 Expenditure Budget by Function

## Expense Budget Overview – Operating Expenditures (OP EX)

	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
<b>Expenditures</b>					
Personnel Services	\$28,923,301	\$30,738,672	\$32,091,109	\$1,352,437	4.4%
Utility Purchases	\$39,750,885	\$39,027,138	\$38,266,885	(\$760,253)	-1.9%
Materials and Supplies	\$1,878,221	\$2,272,493	\$2,304,248	\$31,755	1.4%
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Other Expenses	\$399,328	\$534,544	\$668,949	\$134,405	25.1%
<b>Total Operating Expenses</b>	<b>\$78,648,008</b>	<b>\$81,313,954</b>	<b>\$82,511,383</b>	<b>1,197,429</b>	<b>1.5%</b>

- Personnel Expenses increased by \$1.3 million (4.4%)
- Utility Purchases are down \$760K (-1.9%)
- Non-Personnel/Utility Operating Expenses up \$605K (5.2%)
  - Materials & Supplies increased \$32,000 (1.4%)
  - Contractual Services increased \$84,000 (1.1%)
  - Equipment Depreciation Expense \$355,000 (26%)
  - Other Expenses increased by \$134,000 (25%)

**Total operating expenses are up 1.5%, or \$1.2 million compared to 2017**

# Personnel Expenses – Operating Budget By Type

Wages	\$ 20,418,997	\$ 20,674,465	\$ 255,468	1.3%
OPEB	\$ 400,000	\$ 800,000	\$ 400,000	100.0%
Pension	\$ 3,020,650	\$ 3,500,000	\$ 479,350	15.9%
Health	\$ 3,990,644	\$ 4,127,698	\$ 137,054	3.4%
Other	\$ 2,908,381	\$ 2,988,946	\$ 80,565	2.8%
<b>Total Personnel Expenses</b>	<b>\$ 30,738,672</b>	<b>\$ 32,091,109</b>	<b>\$ 1,352,437</b>	<b>4.4%</b>

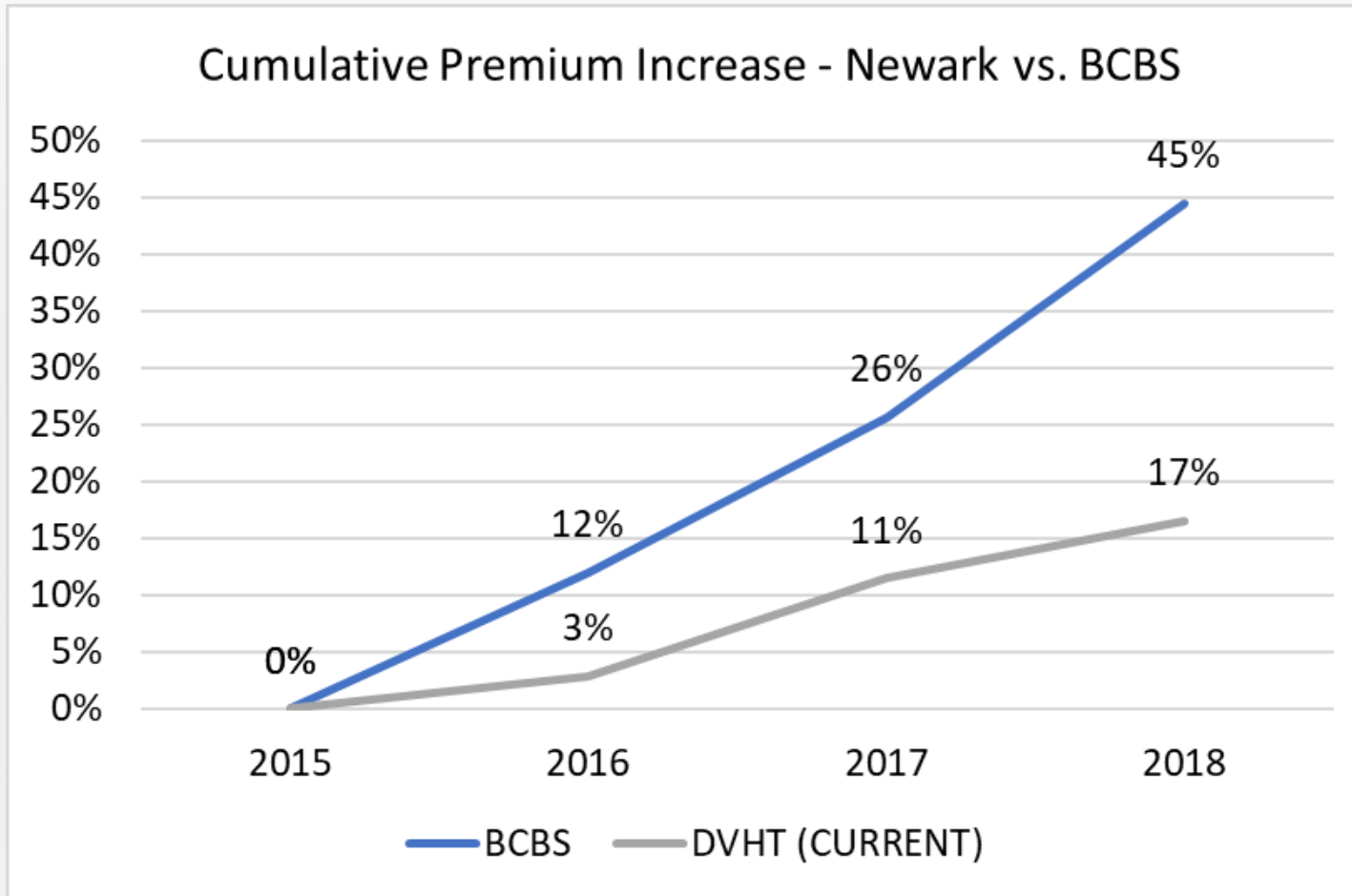
## Highlights of the Personnel Expenses Line for 2018:

- No new positions. Includes funding for tentative labor agreement with the FOP, and wage progression only per union contracts.
- \$479,350 - Increase in the Annual Derived Contribution per the actuarial study performed by Milliman. The City's pension contribution increases from \$3 million to \$3.5 million in 2018.
- \$400,000 – Increase funding to the City's OPEB liability. Would increase the contribution from \$400,000 to \$800,000 as recommended by the City's actuary.

# Personnel Expenses

- Labor Groups:
  - FOP - tentative agreement reached (budget includes COLA)
  - CWA currently in negotiations for 2018+ (budget does not assume a COLA)
  - AFSCME contract ends 12/31/2018.
  - Management - does not include a COLA adjustment in the 2018 budget.

# Personnel Expenses: DVHT Healthcare Advantage



- This chart represents the avoided cost savings generated by moving from Blue Cross Blue Shield (BCBS) to the Delaware Valley Health Trust (DVHT).
- The gray line reflects the 2018 premium increase of 4.55%. No plan changes from 2017. Had we not moved to DVHT in 2015, our premiums would be \$633K higher in 2018. We've **saved** about **\$1.6 million** in additional premium costs since 2015.

## Expense Budget Overview – Capital Improvements

	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
<b>Total Operating Expenses</b>	<b>\$78,648,008</b>	<b>\$81,313,954</b>	<b>\$82,511,383</b>	<b>1,197,429</b>	<b>1.5%</b>
<b>Capital Improvements</b>					
Gross Capital Improvements	\$11,525,667	\$11,144,546	\$14,715,403	\$3,570,857	32.0%
Less: Use of Reserves	(\$4,609,575)	(\$4,722,228)	(\$1,931,500)	\$2,790,728	-59.1%
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Grants	(\$805,263)	(\$945,000)	(\$1,504,721)	(\$559,721)	59.2%
Bond Issues	\$0	\$0	(\$937,690)	(\$937,690)	n/a
Other Sources	(\$642,599)	(\$150,000)	(\$7,929,000)	(\$7,779,000)	5186.0%
<b>Net Capital Improvements</b>	<b>\$3,708,510</b>	<b>\$4,155,000</b>	<b>\$1,395,000</b>	<b>(\$2,760,000)</b>	<b>-66.4%</b>

- The Gross CIP Budget increased \$3.6 million (32%) to \$14,715,403.
- Funding of the CIP consists of five sources, with heavy reliance on the state revolving loan program and the bond market.
- Net CIP Budget decreased by \$2.76 million (-66.4%) to \$1,395,000. **This represents the portion of the capital budget that is supported by current revenues (taxes, fees, etc.)**

## Expense Budget Overview – Debt Service

	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
Total Operating Expenses	\$78,648,008	\$81,313,954	\$82,511,383	1,197,429	1.5%
Net Capital Improvements	\$3,708,510	\$4,155,000	\$1,395,000	(\$2,760,000)	-66.4%
Debt Service	\$2,598,488	\$2,616,161	\$2,665,707	\$49,546	1.9%
Net Current Surplus	\$2,375,677	\$836,866	\$822,772	(\$14,094)	-1.7%
<b>TOTAL EXPENDITURES AND SURPLUS</b>	<b>\$87,330,683</b>	<b>\$88,921,981</b>	<b>\$87,394,862</b>	<b>(\$1,527,119)</b>	<b>-1.7%</b>

Debt	2018 Payment Ending Date
GOB Series 2011	\$1,464,100 09/14/2022
Energy Conservation Loan	68,438 07/01/2022
Smart Meters	1,046,189 09/01/2022 (ARRA/DNREC), 01/01/2028 (BOA)
Parking Fee Collection	37,725 10/15/2019
Equipment	
Fiber Lease	49,255 08/05/2027
<b>Total:</b>	<b>\$2,665,707</b>

# City of Newark 2018 Revenue Budget Recommendation



# Property Tax Rate

- Based on feedback from Council, staff is not proposing a tax rate increase for 2018. Rate will remain at \$0.7737 per \$100 of Assessed Value (AV).
- Median taxable residential AV is \$66,500 in 2017, or \$515.
- Reliance on utility transfers to the Governmental Funds continue into 2018 totaling \$15,550,000.
  - Electric: \$11,050,000
  - Water: \$2,640,000
  - Sewer: \$1,060,000
  - Parking: \$800,000
  - Stormwater: \$0
    - Transfer amount is equal to 30,200 homes added to the tax base without increasing the footprint of the City.
    - City loses \$5.4 million annually to property exemptions.
    - If there were no exemptions, the City would still be over \$10 million short in the governmental funds .

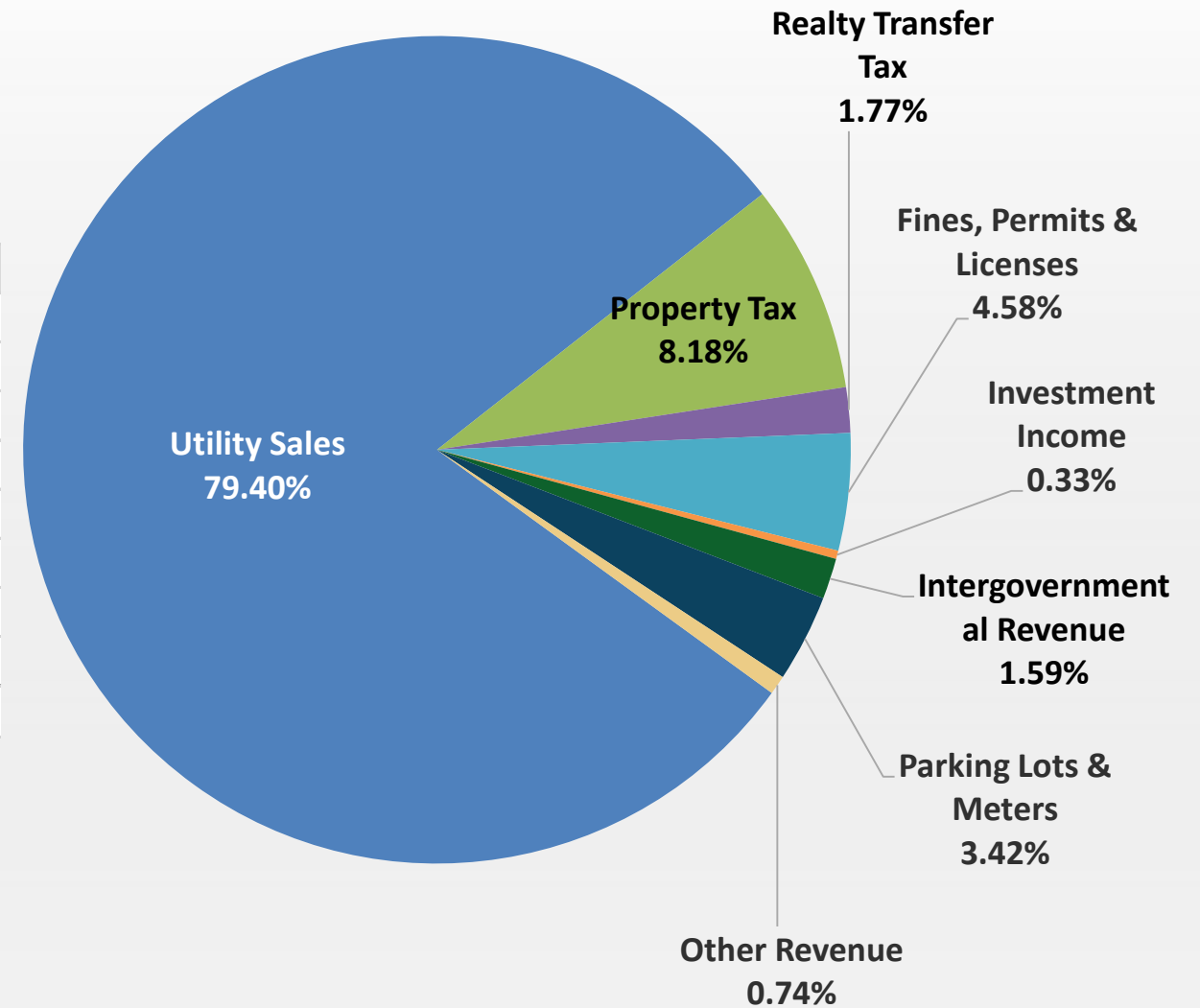
## Revenue Budget at a Glance – Summary

	ACTUAL 2016	2017 BUDGET AS AMENDED	BUDGET 2018	\$ FROM 2017 BUDGET	% FROM 2017 BUDGET
<b>Revenue</b>					
Utility Sales	\$69,435,839	\$70,684,625	\$69,391,524	(\$1,293,101)	-1.8%
Property and Realty Taxes	\$8,176,877	\$8,655,185	\$8,695,000	39,815	0.5%
Fees for Service	\$6,776,562	\$7,340,381	\$6,984,365	(356,016)	-4.9%
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- Rate/Property Tax Recommendations:
  - Electric Rate – No Change/Annual RSA Adjustment
  - Sewer Rate – No Change
  - Water Rate – No Change
  - Property Tax – No Change
  - **Stormwater Fee – New Fee for 2018**

# 2018 Revenue By Type

Source of Revenue	2017	2018	Change	\$ Difference
Utility Sales	79.5%	79.4%	-0.1%	(\$1,293,101)
Property Tax	7.9%	8.2%	0.2%	\$89,815
Realty Transfer Tax	1.8%	1.8%	0.0%	(\$50,000)
Fines, Permits & Licenses	5.0%	4.6%	-0.4%	(\$425,681)
Investment Income	0.3%	0.3%	0.0%	\$17,665
Intergovernmental Revenue	1.5%	1.6%	0.1%	\$37,622
Parking Lots & Meters	3.3%	3.4%	0.1%	\$69,665
Other Revenue	0.7%	0.7%	0.0%	\$26,896
	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>(\$1,527,119)</b>



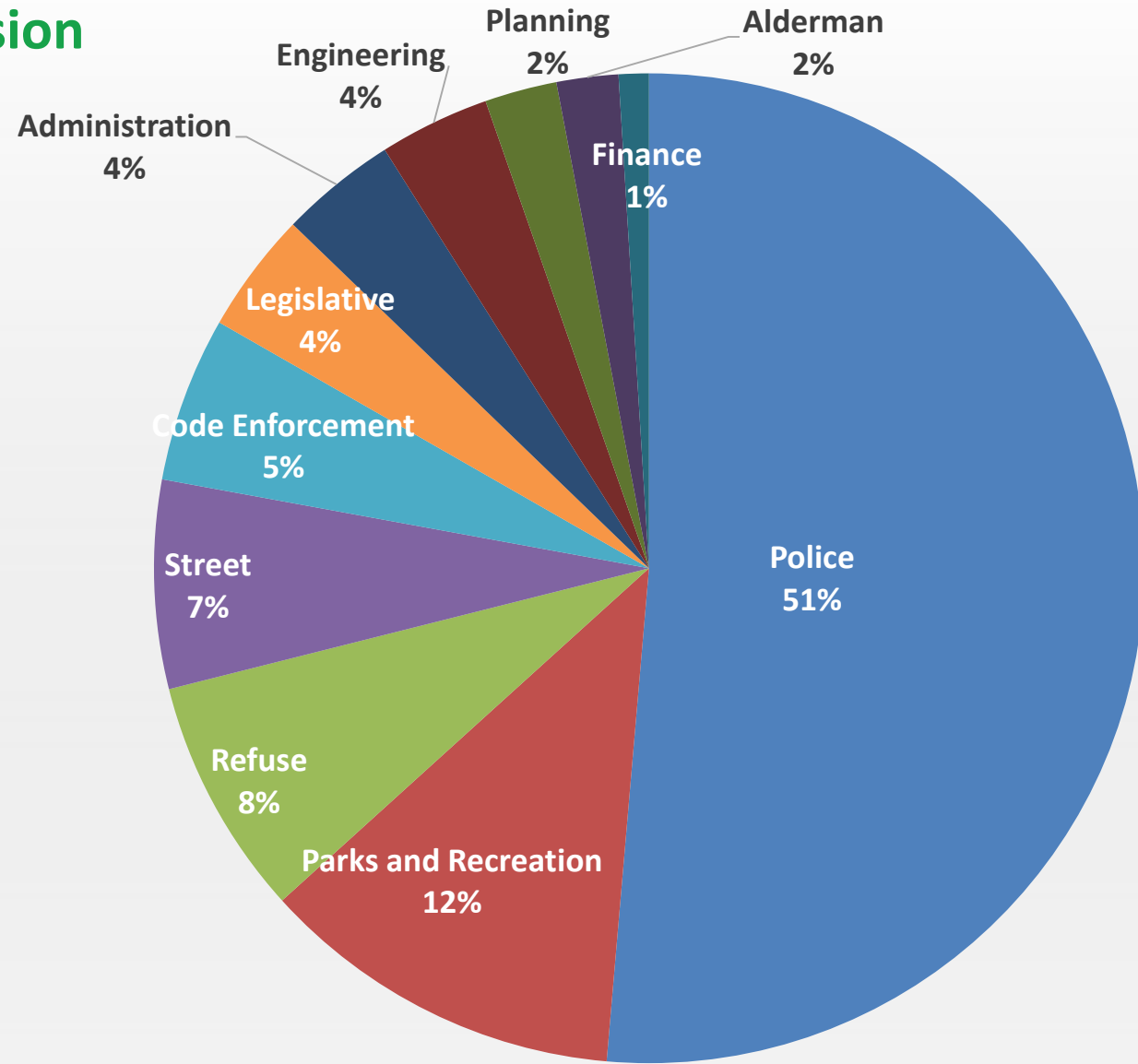
# City of Newark 2018 General Fund

<b>Revenue</b>	<b>2017</b>	<b>2018</b>	<b>Difference</b>	<b>% Difference</b>
Tax Revenue	\$7,055,185	\$7,145,000	\$89,815	1.3%
Real Estate Transfer Tax	\$1,600,000	\$1,550,000	(\$50,000)	-3.1%
Fees for Service	\$4,402,981	\$3,986,300	(\$416,681)	-9.5%
Intergovernmental Revenue/Emer Comm Fees	\$575,831	\$588,558	\$12,727	2.2%
Other	\$431,358	\$414,925	(\$16,433)	-3.8%
<b>Total Operating Revenue</b>	<b>\$14,065,355</b>	<b>\$13,684,783</b>	<b>(\$380,572)</b>	<b>-2.7%</b>
<b>Expenditures</b>				
Personnel Services	\$22,155,663	\$22,947,838	\$792,175	3.6%
Materials and Supplies	\$787,199	\$746,779	(\$40,420)	-5.1%
Contractual Services	\$3,446,901	\$3,479,673	\$32,772	1.0%
Equipment Depreciation	\$965,294	\$1,181,600	\$216,306	22.4%
Other Expenses	\$293,135	\$279,410	(\$13,725)	-4.7%
Inter-Dept Charges	(\$560,191)	(\$947,896)	(\$387,705)	69.2%
<b>Total Operating Expenses</b>	<b>\$27,088,001</b>	<b>\$27,687,404</b>	<b>\$599,403</b>	<b>2.2%</b>
Net Current Surplus	\$167,588	\$47,509	(\$120,079)	-71.7%
<b>General Fund Shortfall Funded by Utility Transfer:</b>	<b>\$13,190,234</b>	<b>\$14,050,130</b>	<b>\$859,896</b>	<b>6.5%</b>

## General Fund Overview – Revenue vs. Expenditures 21

# General Fund Overview – By Department/Division

Department/Division	2017	2018	Difference	% Change
Police	\$13,507,900	\$14,221,405	\$713,505	5.3%
Parks and Recreation	\$3,193,463	\$3,300,655	\$107,192	3.4%
Refuse	\$2,073,162	\$2,155,724	\$82,562	4.0%
Street	\$1,881,066	\$1,884,815	\$3,749	0.2%
Code Enforcement	\$1,401,379	\$1,493,141	\$91,762	6.5%
Legislative	\$1,378,363	\$1,094,123	-\$284,240	-20.6%
Administration	\$1,204,661	\$1,056,195	-\$148,466	-12.3%
Engineering	\$1,013,549	\$998,459	-\$15,090	-1.5%
Planning	\$645,450	\$652,330	\$6,880	1.1%
Alderman	\$508,252	\$558,522	\$50,270	9.9%
Finance	\$280,756	\$272,035	-\$8,721	-3.1%
	<b>\$27,088,001</b>	<b>\$27,687,404</b>	<b>\$599,403</b>	<b>2.2%</b>



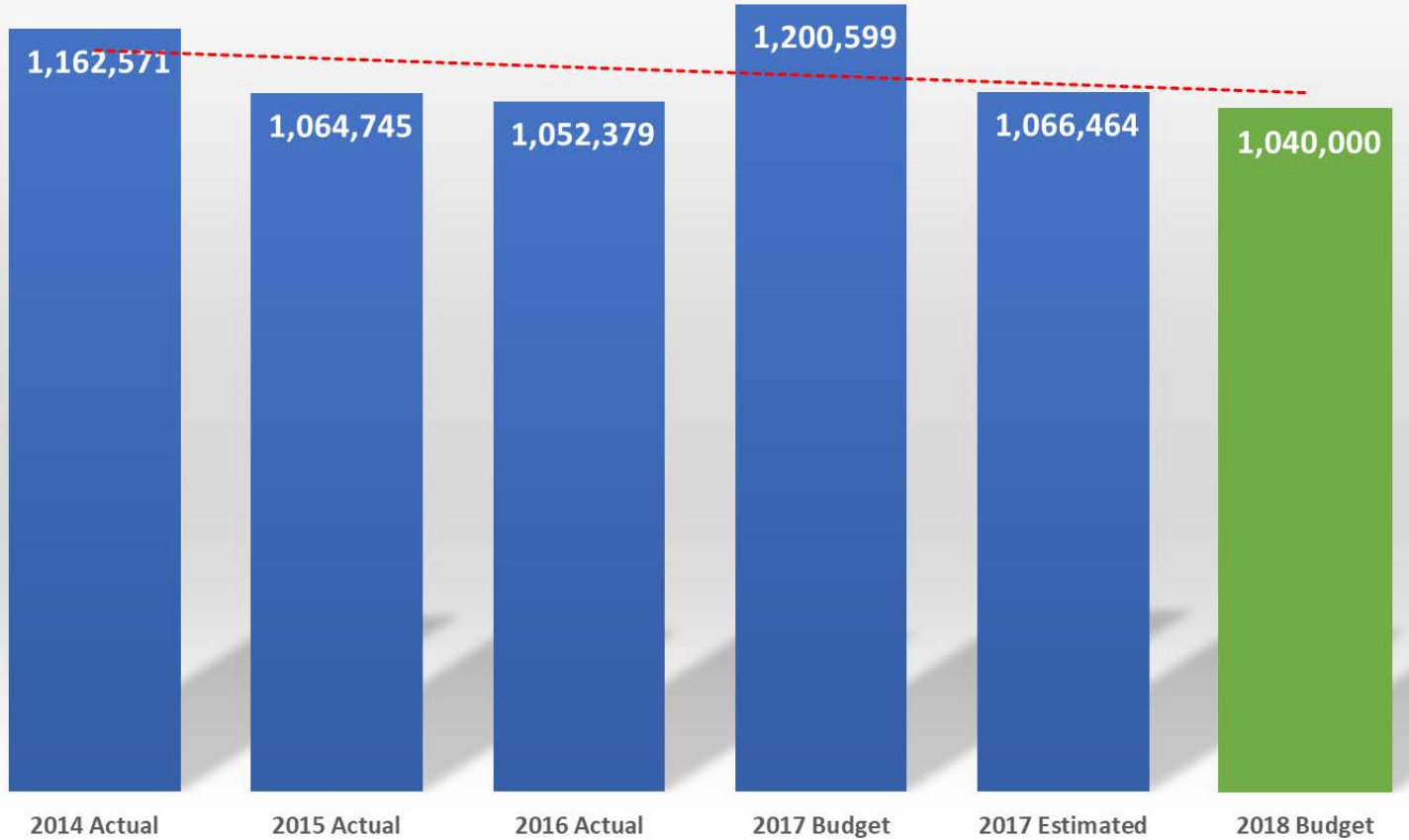
2018 Projected Expenses: \$27.7 million:

- ▶ **Police, \$14.2 million (51.4%)**
- ▶ Parks & Recreation, \$3.3 million
- ▶ Public Works, \$5.0 million
- ▶ Administration and related, \$5.5 million

# City of Newark 2018 Enterprise Funds

# Utility Sales Projections - Water

Water Sales (1,000 Gallons)

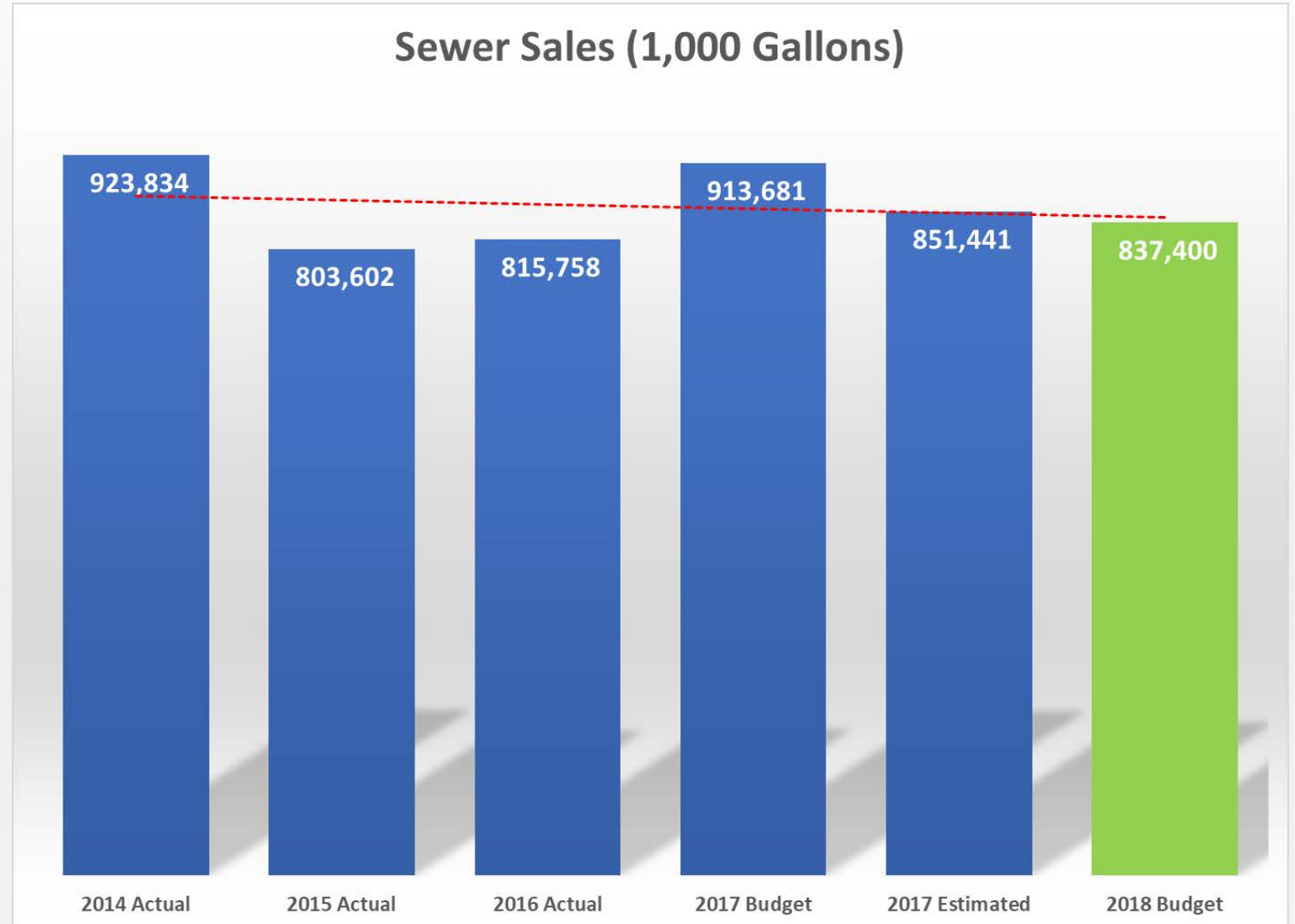


- There are 10,276 water customers as of September 2017.
  - 8,033 in-town (78%)
  - 2,243 outside the City (22%)
- In-town water customers account for 81% of the sales.
- Only 61 accounts have been added since December 2016 (58 in/3 out).
- 2018 budget reflects a small decline from the 2017 estimate due to conservation.
- Water sales from 2015 to 2017 are fairly flat after the installation of the smart meters.



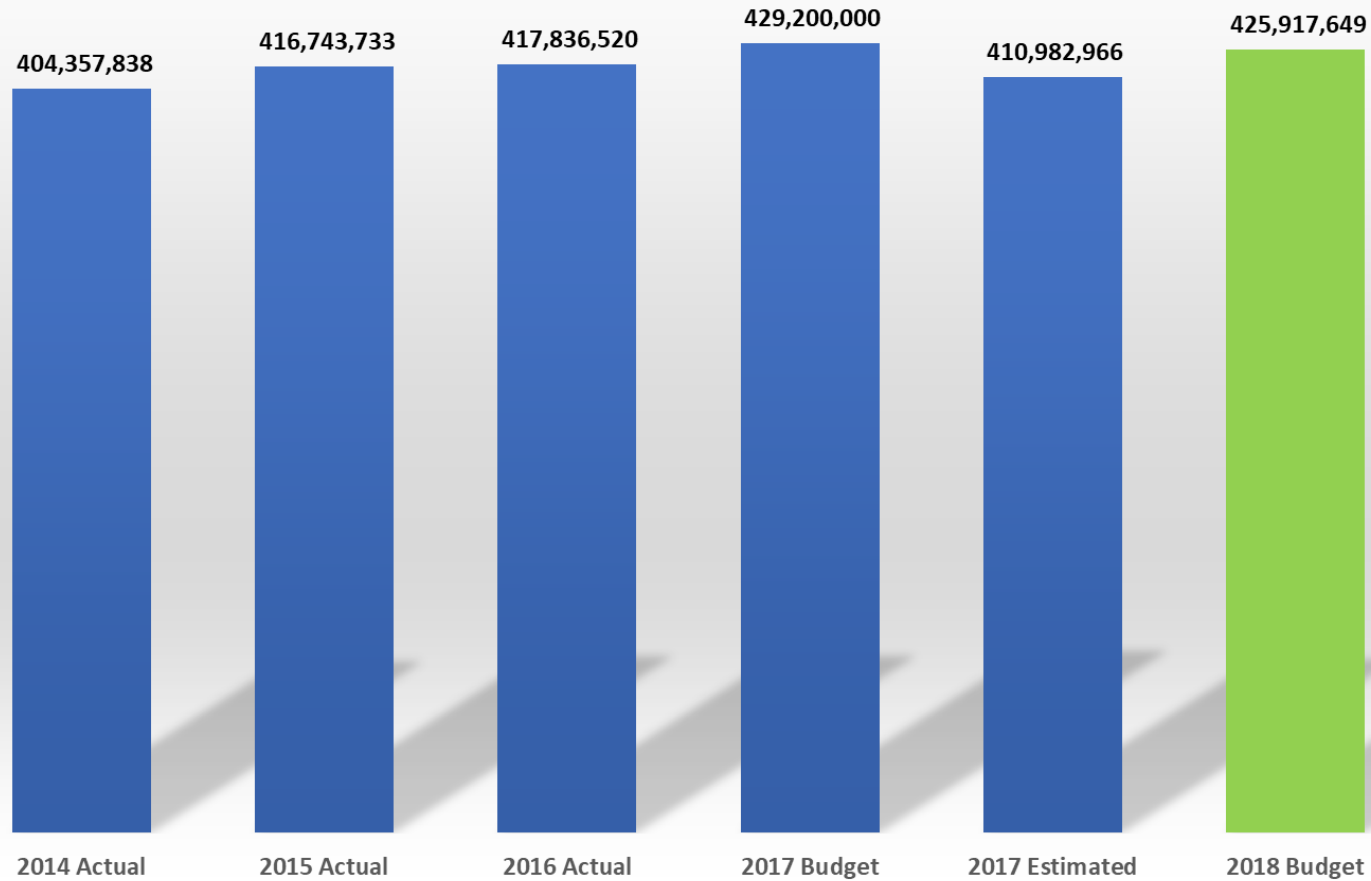
# Utility Sales Projections - Sewer

- There are 8,106 sewer customers as of September 2017.
- 61 accounts have been added since December 2016.
- 2018 budget reflects a decline from the 2017 estimate due to overall water conservation.
- Sewer sales from 2015 to 2017 have experienced modest increases after the fall off from 2014 to 2015, after the installation of the smart meters.



# Utility Sales Projections – Electric

Electric Sales (1,000 kwh)



- Twenty-Four of the University of Delaware’s electric accounts make up for 36% of the entire City’s electric sales (ESA).
- 12,759 electric meters throughout the City.
- .18% of the total meters account for 36% of the City’s electric sales.

## Utility Sales

Revenue	2016 Actual	2017 Budgeted	2018		
			Recommended	Difference	% Diff
Electric	\$52,906,964	\$53,232,239	\$51,916,068	(\$1,316,171)	-2.5%
Water	\$9,355,106	\$10,060,500	\$9,267,471	(\$793,029)	-7.9%
Sewer	\$7,173,769	\$7,391,886	\$6,892,385	(\$499,501)	-6.8%
Stormwater	\$0	\$0	\$1,315,600	\$1,315,600	
<b>Utility Sales</b>	<b>\$69,435,839</b>	<b>\$70,684,625</b>	<b>\$69,391,524</b>	<b>(\$1,293,101)</b>	<b>-1.8%</b>

Revenue	2016 Actual	2017 Estimated	2018		
			Recommended	Difference	% Diff
Electric	\$52,906,964	\$52,163,239	\$51,916,068	(\$247,171)	-0.5%
Water	\$9,355,106	\$9,410,500	\$9,267,471	(\$143,029)	-1.5%
Sewer	\$7,173,769	\$7,141,886	\$6,892,385	(\$249,501)	-3.5%
Stormwater	\$0	\$0	\$1,315,600	\$1,315,600	
<b>Utility Sales</b>	<b>\$69,435,839</b>	<b>\$68,715,625</b>	<b>\$69,391,524</b>	<b>\$675,899</b>	<b>1.0%</b>

# OPEX - Changes to the Budget That Still Need to Occur

We are still reducing the budget!

## EXPENDITURES (-reduce/+increase)

Item #	Amount	Description
1	(\$150,000)	Health care premium reduction. Estimated increase was 8%, renewal came in at 4.55%.
2	\$60,000	Add funding for Grant Writer (contractual services).
3	(\$20,000)	Reduce Yard Waste budget (contractual services).
4	\$1,593	Increase Self-Insurance Fund budget (materials and supplies).
5	\$3,107	Operating Expenditure budget for Parks Special Revenue should be \$24,953.
	<b>(\$105,300)</b>	<b>Net Expenditure Reduction</b>

## REVENUE

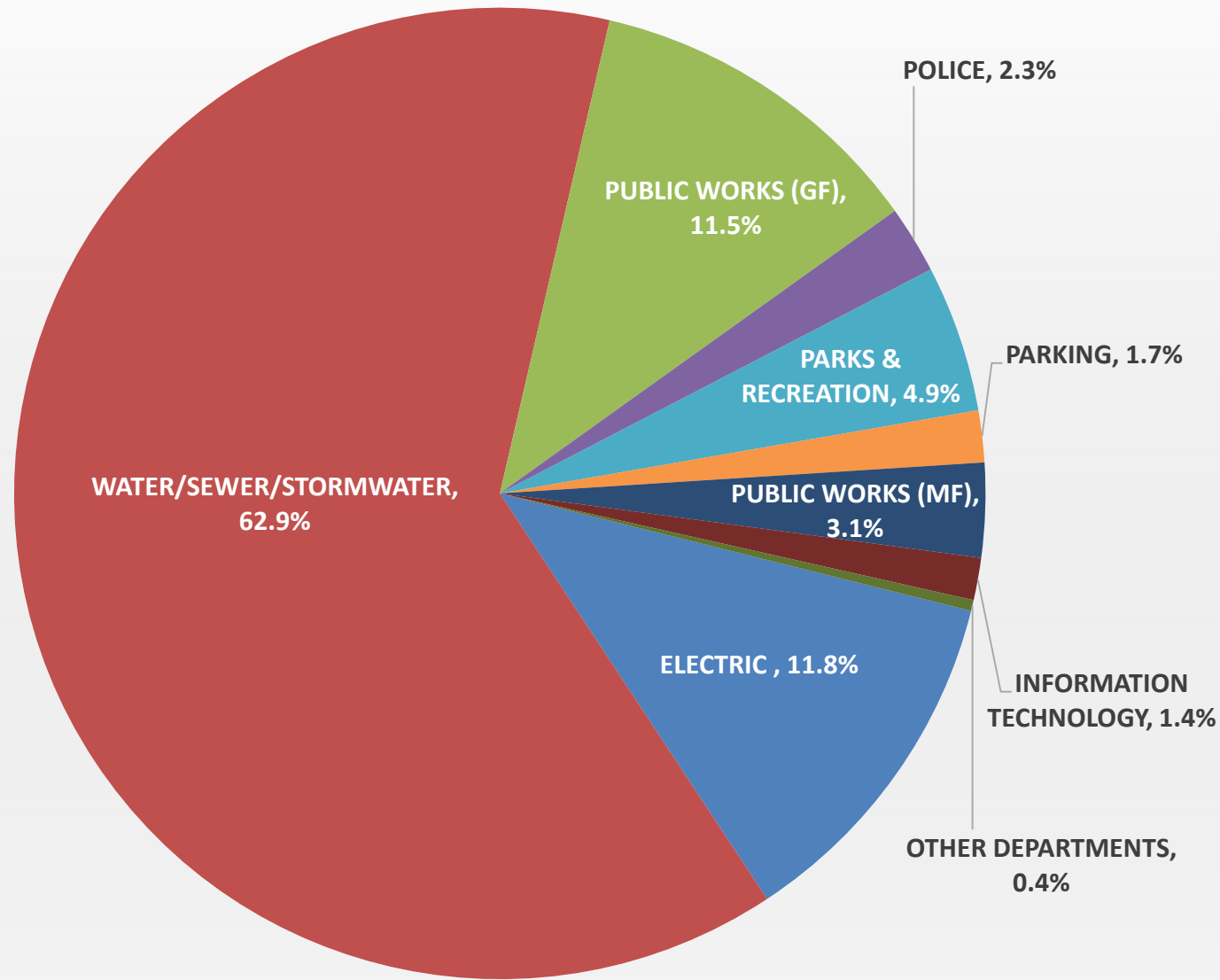
Item #	Amount	Description
1	\$9,960	Beginning 2018, the City will be charging DEMEC and admin fee for benefit administration
	<b>\$9,960</b>	<b>Net Revenue Increase</b>

# City of Newark 2018 Capital Budget Recommendation

	PROPOSED BUDGETS					TOTAL
	2018	2019	2020	2021	2022	PROPOSED AMOUNTS
ELECTRIC FUND	\$1,706,500	\$1,383,500	\$697,000	\$360,000	\$580,000	\$4,727,000
WATER FUND	\$3,953,500	\$1,948,000	\$2,433,000	\$3,974,000	\$1,224,000	\$13,532,500
SEWER FUND	\$1,336,701	\$800,000	\$1,000,000	\$800,000	\$800,000	\$4,736,701
STORMWATER FUND	\$3,778,000	\$3,942,375	\$503,050	\$576,203	\$550,513	\$9,350,141
PUBLIC WORKS-GENERAL FUND	\$1,655,671	\$2,215,150	\$1,781,395	\$2,289,736	\$1,898,178	\$9,840,130
POLICE DEPARTMENT	\$325,492	\$479,798	\$64,149	\$153,485	\$89,420	\$1,112,344
PARKS & RECREATION DEPARTMENT	\$704,000	\$1,770,000	\$552,000	\$1,218,000	\$948,000	\$5,192,000
PARKING FUND	\$248,490	\$21,000	\$28,000	\$105,000	\$0	\$402,490
INFORMATION TECHNOLOGY DIVISION	\$202,500	\$252,500	\$332,500	\$32,500	\$0	\$820,000
PUBLIC WORKS-MAINTENANCE FUND	\$452,549	\$414,000	\$25,000	\$0	\$0	\$891,549
OTHER DEPARTMENTS	\$52,000	\$70,000	\$25,000	\$25,000	\$0	\$172,000
	<b>\$14,415,403</b>	<b>\$13,296,323</b>	<b>\$7,441,094</b>	<b>\$9,533,924</b>	<b>\$6,090,111</b>	<b>\$50,776,855</b>
<b><u>LESS: PLANNED FINANCING SOURCES</u></b>						
USE OF RESERVES	(\$1,931,500)	(\$45,000)	\$0	\$0	\$0	(\$1,976,500)
VEHICLE & EQUIPMENT REPLACEMENT	(\$1,017,492)	(\$1,899,673)	(\$791,149)	(\$761,485)	(\$239,420)	(\$4,709,219)
GRANTS	(\$1,204,721)	(\$1,276,671)	(\$666,671)	(\$566,671)	(\$516,671)	(\$4,231,405)
BOND ISSUES	(\$937,690)	(\$462,500)	(\$494,500)	(\$352,500)	(\$238,000)	(\$2,485,190)
STATE REVOLVING LOAN	(\$6,850,000)	(\$4,400,000)	(\$1,700,000)	(\$2,900,000)	(\$800,000)	(\$16,650,000)
OTHER FINANCING SOURCES	(\$1,079,000)	(\$570,000)	(\$270,000)	(\$150,000)	(\$150,000)	(\$2,219,000)
<b>TOTAL FINANCING SOURCES</b>	<b>(\$13,020,403)</b>	<b>(\$8,653,844)</b>	<b>(\$3,922,320)</b>	<b>(\$4,730,656)</b>	<b>(\$1,944,091)</b>	<b>(\$32,271,314)</b>
<b>NET CAPITAL IMPROVEMENTS</b>	<b>\$1,395,000</b>	<b>\$4,642,479</b>	<b>\$3,518,774</b>	<b>\$4,803,268</b>	<b>\$4,146,020</b>	<b>\$18,505,541</b>

## Capital Improvement Program Totals 2018-2022

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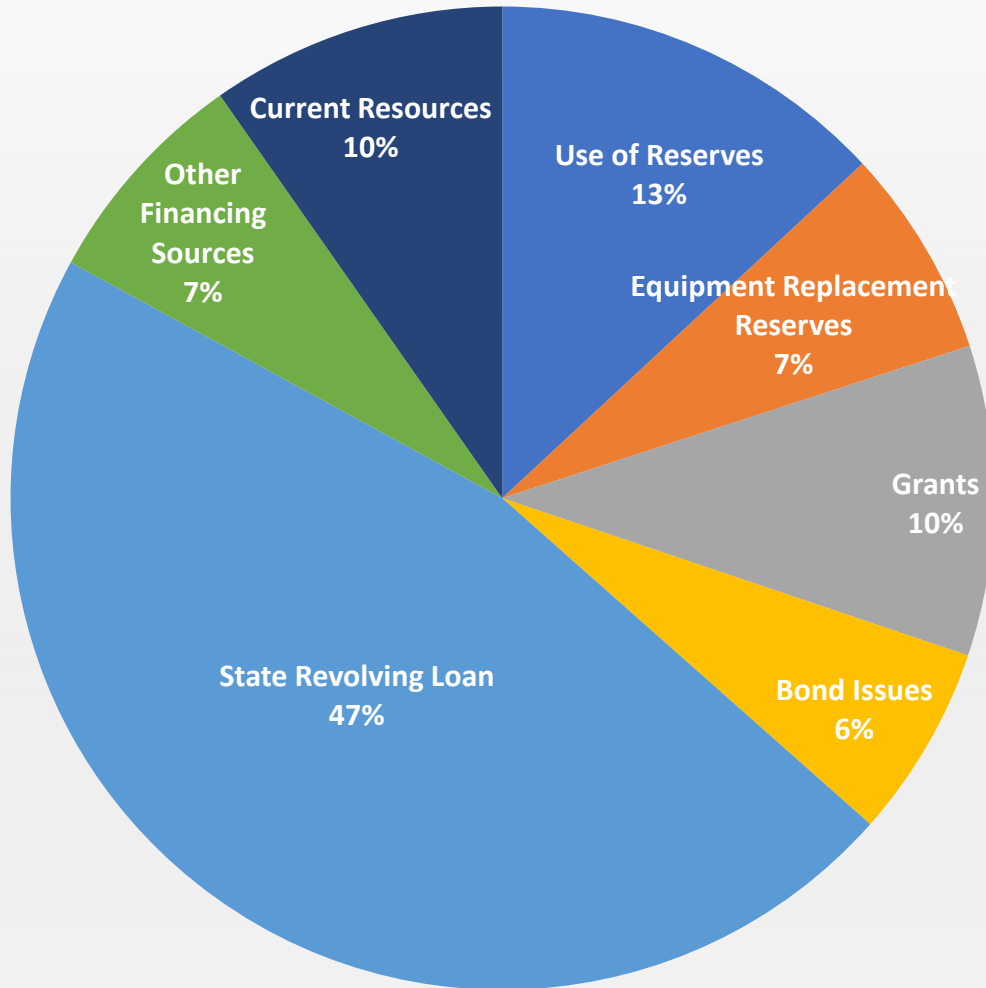


	2017	2018
ELECTRIC FUND	15.8%	11.8%
WATER FUND	27.4%	27.4%
SEWER FUND	9.1%	9.3%
STORMWATER FUND	4.0%	26.2%
PUBLIC WORKS-GENERAL FUND	21.9%	11.5%
POLICE DEPARTMENT	3.4%	2.3%
PARKS & RECREATION DEPARTMENT	6.0%	4.9%
PARKING FUND	2.8%	1.7%
INFORMATION TECHNOLOGY DIVISION	5.0%	1.4%
PUBLIC WORKS-MAINTENANCE FUND	4.0%	3.1%
OTHER DEPARTMENTS	0.4%	0.4%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

	2017	2018	DIFFERENCE
ELECTRIC FUND	\$1,765,500	\$1,706,500	(\$59,000)
WATER FUND	\$3,058,880	\$3,953,500	\$894,620
SEWER FUND	\$1,013,675	\$1,336,701	\$323,026
STORMWATER FUND	\$450,000	\$3,778,000	\$3,328,000
PUBLIC WORKS-GENERAL FUND	\$2,438,000	\$1,655,671	(\$782,329)
POLICE DEPARTMENT	\$381,818	\$325,492	(\$56,326)
PARKS & RECREATION DEPARTMENT	\$672,034	\$704,000	\$31,966
PARKING FUND	\$309,590	\$248,490	(\$61,100)
INFORMATION TECHNOLOGY DIVISION	\$562,500	\$202,500	(\$360,000)
PUBLIC WORKS-MAINTENANCE FUND	\$442,549	\$452,549	\$10,000
OTHER DEPARTMENTS	\$50,000	\$52,000	\$2,000
<b>TOTAL</b>	<b>\$11,144,546</b>	<b>\$14,415,403</b>	<b>\$3,270,857</b>

## 2018 Gross Capital Expenditures by Department

# 2018 Funding Sources for CIP



FUNDING SOURCE	AMOUNT	%
Use of Reserves	\$1,931,500	13.1%
Equipment Replacement Reserves	\$1,017,492	6.9%
Grants	\$1,504,721	10.2%
Bond Issues	\$937,690	6.4%
State Revolving Loan	\$6,850,000	46.5%
Other Financing Sources	\$1,079,000	7.3%
Current Resources	\$1,395,000	9.5%
	<b>\$14,715,403</b>	<b>100.0%</b>

FUNDING SOURCE	2017	2018
Use of Reserves	41.0%	13.1%
Equipment Replacement Reserves	11.0%	6.9%
Grants	8.0%	10.2%
Bond Issues	0.0%	6.4%
State Revolving Loan	0.0%	46.5%
Other Financing Sources	0.0%	7.3%
Current Resources	40.0%	9.5%
	<b>100.0%</b>	<b>100.0%</b>



# Capital Projects – State Revolving Loan

Project #	Fund	Description	2018	2019	2020	2021	2022	Total CIP Request	2018 Other	2019 Other	2020 Other	2021 Other	2022 Other	Bond Funding	Net City Resources
Q1802	Stormwater	Rodney Regional Stormwater Park	\$3,300,000	\$3,250,000	\$0	\$0	\$0	\$6,550,000	(\$3,250,000)	(\$3,250,000)				(6,500,000)	\$50,000
S0904	Sewer	Sanitary Sewer Study & Repairs	\$1,261,701	\$800,000	\$1,000,000	\$800,000	\$800,000	\$4,661,701	(\$500,000)	(\$800,000)	(\$1,000,000)	(\$800,000)	(\$800,000)	(3,900,000)	\$761,701
W1402	Water	South Well Field Air Stripper Replacement	\$1,700,000	\$0	\$0	\$0	\$0	\$1,700,000	(\$1,700,000)					(1,700,000)	\$0
W1703	Water	Laird Tract Well Field Treatment	\$0	\$0	\$225,000	\$1,925,000	\$0	\$2,150,000				(\$1,600,000)		(1,600,000)	\$550,000
W8605	Water	Water Tank Maintenance	\$700,000	\$350,000	\$700,000	\$500,000	\$0	\$2,250,000	(\$700,000)	(\$350,000)	(\$700,000)	(\$500,000)		(2,250,000)	\$0
W9302	Water	SCADA System	\$200,000	\$200,000	\$50,000	\$50,000	\$50,000	\$550,000	(\$200,000)					(200,000)	\$350,000
W9308	Water	Water Main Renovation Program	\$500,000	\$1,000,000	\$500,000	\$1,000,000	\$1,000,000	\$4,000,000	(\$500,000)					(500,000)	\$3,500,000
<b>Total</b>			<b>\$7,661,701</b>	<b>\$5,600,000</b>	<b>\$2,475,000</b>	<b>\$4,275,000</b>	<b>\$1,850,000</b>	<b>\$21,861,701</b>	<b>(\$6,850,000)</b>	<b>(\$4,400,000)</b>	<b>(\$1,700,000)</b>	<b>(\$2,900,000)</b>	<b>(\$800,000)</b>	<b>(16,650,000)</b>	<b>\$5,211,701</b>

# Capital Projects – Bond Financing

Project #	Department	Fund	Description	2018	2019	2020	2021	2022	Total CIP Request	2018 Other	2019 Other	2020 Other	2021 Other	2022 Other	Bond Funding	Net City Resources
E0503	Electric	Electric	SCADA & Automatic Switching	\$300,000	\$413,000	\$0	\$0	\$455,000	\$1,168,000	(\$300,000)					(300,000)	\$868,000
E1804	Electric	Electric	Spacer Cable Replacement	\$81,000	\$0	\$0	\$0	\$0	\$81,000	(\$81,000)					(81,000)	\$0
H1802	PWWR	General	ADA Handicap Ramp Transition Plan	\$120,000	\$133,150	\$136,395	\$139,736	\$143,178	\$672,459	(\$95,000)					(95,000)	\$577,459
I1603	Information Technology	General	Surveillance Camera Refresh	\$32,500	\$32,500	\$32,500	\$32,500	\$0	\$130,000	(\$32,500)	(\$32,500)	(\$32,500)	(\$32,500)		(130,000)	\$0
I1807	Information Technology	General	Building Security Upgrades (SWF, Water Plant, Reservoir)	\$50,000	\$0	\$0	\$0	\$0	\$50,000	(\$50,000)					(50,000)	\$0
K0908	Parks	General	Children's Play Equipment	\$20,000	\$60,000	\$40,000	\$40,000	\$0	\$160,000	(\$16,450)	(\$60,000)	(\$40,000)	(\$40,000)	\$0	(156,450)	\$3,550
K1301	Parks	General	Hard Surface Facility Improvements	\$50,000	\$145,000	\$422,000	\$280,000	\$238,000	\$1,135,000	(\$50,000)	(\$145,000)	(\$422,000)	(\$280,000)	(\$238,000)	(1,135,000)	\$0
K1303	Parks	General	Facilities Accessibility	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	(\$20,000)					(20,000)	\$80,000
M1401	PWWR	Maintenance Fund	Truck Lift Systems Improvements	\$124,549	\$0	\$0	\$0	\$0	\$124,549	(\$45,000)					(45,000)	\$79,549
N1801	Fac Mgmt	Maintenance Fund	NPD - Rear Concrete Deck and Stairs	\$50,000	\$0	\$0	\$0	\$0	\$50,000	(\$50,000)					(50,000)	\$0
N1806	Fac Mgmt	Maintenance Fund	FOC - Master Plan	\$123,000	\$225,000	\$0	\$0	\$0	\$348,000	(\$70,000)	(\$225,000)				(295,000)	\$53,000
V1801	Parking	Parking	Parking Lot Surface Maintenance	\$127,740	\$0	\$0	\$105,000	\$0	\$232,740	(\$127,740)					(127,740)	\$105,000
<b>Total</b>				<b>\$1,098,789</b>	<b>\$1,028,650</b>	<b>\$650,895</b>	<b>\$617,236</b>	<b>\$856,178</b>	<b>\$4,251,748</b>	<b>(\$937,690)</b>	<b>(\$462,500)</b>	<b>(\$494,500)</b>	<b>(\$352,500)</b>	<b>(\$238,000)</b>	<b>(2,485,190)</b>	<b>\$1,766,558</b>

# 2017 CIP Adjustments for 2018 Projects

## DEAUTHORIZATIONS:

Project #	Fund	Project Description	2017 Adjustment	Comments
W1101	Water	Curtis Plant Intake Replacement	-\$142,440	To W0002
W1102	Water	Lime Silo/Delivery Rehabilitation	-\$13,650	To W0002
W1302	Water	Abandon Old Wells	-\$35,000	To W0002
W1402	Water	South Well Field Air Stripper Replacement	-\$195,000	To W0002
W1503	Water	Academy Street Interconnection Station	-\$36,486	To W0002
W1602	Water	Roseville Park Pressure District	-\$16,727	To W0002
W8605	Water	Water Tank Maintenance	-\$55,963	To W0002
W9308	Water	Water Main Renovation Program	-\$177,758	To W0002
M1401	Maintenance Fund	Truck Lift Systems Improvements	-\$23,000	To N1806
V1701	Parking	LPR's for Parking Ambassador Vehicles	-\$47,850	\$14,010 to V1702, \$33,840 back to Parking Reserves
S0904	Sewer	Sanitary Sewer Study & Repairs	-\$75,000	
			<b>-\$818,874</b>	

## FUNDING INCREASE:

W0002	Water	CWTP Alternative Disinfection Equipment	\$673,000	\$673,000 from W1101-W9308 above
N1806	Maintenance Fund	FOC - Master Plan	\$23,000	From M1401 above
V1702	Parking	Additional Parking Meters	\$14,010	From V1701 above
S1602	Sewer	Sewer SCADA	\$75,000	From S0904 above
			<b>\$785,010</b>	

## Add Back to Reserves:

**-\$33,864**

Color-keyed to indicate where funds came from, and which projects they are funding in 2018.

\$785,010 of existing funds from 2017-prior projects will be deauthorized to fund other projects in lieu of bond/SRL funding.

Project #	Bond/SR	Department	Fund	Description	Justification	2018	2019	2020	2021	2022	Total CIP Request	
BEQSF	*	Code Enforcement	General	Vehicle Replacement Program	D - Efficiency/Other	\$52,000	\$70,000	\$25,000	\$25,000	\$0	\$172,000	
C1401	*	Police	General	Ballistic Vests	B - Public Safety	\$3,000	\$13,390	\$11,671	\$33,883	\$14,638	\$76,582	
C1601	*	Police	General	Taser X26P Replacement	B - Public Safety	\$20,389	\$21,408	\$22,478	\$23,602	\$24,782	\$112,659	
CEQSF	*	Police	General	Vehicle Replacement Program	B - Public Safety	\$184,000	\$445,000	\$30,000	\$96,000	\$50,000	\$805,000	
E0503	*	Bond	Electric	SCADA & Automatic Switching	D - Efficiency/Other	\$300,000	\$413,000	\$0	\$0	\$455,000	\$1,168,000	
E1105		Electric	Electric	New Transformers & Circuit Breakers	D - Efficiency/Other	\$700,000	\$0	\$0	\$0	\$0	\$700,000	
E1203	*	Electric	Electric	CAD software	D - Efficiency/Other	\$40,500	\$0	\$0	\$0	\$0	\$40,500	
E1502	*	Electric	Electric	Star Campus underground distribution	D - Efficiency/Other	\$120,000	\$120,000	\$120,000	\$0	\$0	\$360,000	
E1801		Electric	Electric	New Lines and Services	D - Efficiency/Other	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000	
EEQSF	*	Electric	Electric	Vehicle Replacement Program	D - Efficiency/Other	\$340,000	\$400,500	\$302,000	\$0	\$0	\$1,042,500	
H1801	*	PWWR	General	Annual Street Program	D - Efficiency/Other	\$641,671	\$1,600,000	\$1,625,000	\$1,650,000	\$1,675,000	\$7,191,671	
H1802	*	Bond	PWWR	ADA Handicap Ramp Transition Plan	B - Public Safety	\$120,000	\$133,150	\$136,395	\$139,736	\$143,178	\$672,459	
K1601	*	Parks	General	Bicycle/Pedestrian Bridge-Curtis	B - Public Safety	\$500,000	\$1,050,000	\$0	\$0	\$0	\$1,550,000	
KEQSF	*	Parks	General	Vehicle Replacement Program	D - Efficiency/Other	\$62,000	\$245,000	\$25,000	\$28,000	\$90,000	\$450,000	
M1401	*	Bond	PWWR	Maintenance Fund Truck Lift Systems Improvements	D - Efficiency/Other	\$124,549	\$0	\$0	\$0	\$0	\$124,549	
MEQSF		PWWR	Maintenance Fund	Vehicle Replacement Program	D - Efficiency/Other	\$0	\$40,000	\$0	\$0	\$0	\$40,000	
N1701	*	Fac Mgmt	Maintenance Fund	Men's Locker Room Expansion	B - Public Safety	\$20,000	\$0	\$0	\$0	\$0	\$20,000	
Q0101	*	PWWR	Stormwater	NPDES Phase II Stormwater Quality	C - Community Health	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000	
Q1301		PWWR	Stormwater	Storm Drainage Improvements	B - Public Safety	\$420,000	\$491,000	\$463,050	\$536,203	\$510,513	\$2,420,766	
Q1802	*	SRL	PWWR	Stormwater	Rodney Regional Stormwater Park	D - Efficiency/Other	\$3,300,000	\$3,250,000	\$0	\$0	\$0	\$6,550,000
REQSF		PWWR	General	Vehicle Replacement Program	D - Efficiency/Other	\$0	\$220,000	\$0	\$480,000	\$0	\$700,000	
S0904	*	SRL	PWWR	Sewer Sanitary Sewer Study & Repairs	D - Efficiency/Other	\$1,261,701	\$800,000	\$1,000,000	\$800,000	\$800,000	\$4,661,701	
S1602	*	PWWR	Sewer	Sewer SCADA	D - Efficiency/Other	\$75,000	\$0	\$0	\$0	\$0	\$75,000	
TEQSF		PWWR	General	Vehicle Replacement Program	D - Efficiency/Other	\$0	\$67,000	\$0	\$0	\$0	\$67,000	
V1702	*	Parking	Parking	Additional Parking Meters	A - Return on Investment (Overall Savings)	\$68,250	\$0	\$0	\$0	\$0	\$68,250	
V1703	*	Parking	Parking	Lot Full Signs	D - Efficiency/Other	\$52,500	\$0	\$0	\$0	\$0	\$52,500	
VEQSF		Parking	Parking	Vehicle Replacement Program	D - Efficiency/Other		\$21,000	\$28,000			\$49,000	
W0002	*	PWWR	Water	CWTP Alternative Disinfection Equipment	B - Public Safety	\$673,000	\$0	\$0	\$0	\$0	\$673,000	
W0503	*	PWWR	Water	Well Restoration	A - Return on Investment (Overall Savings)	\$28,000	\$28,000	\$58,000	\$29,000	\$29,000	\$172,000	
W1601	*	PWWR	Water	Backup Generation at Remote Facilities	D - Efficiency/Other	\$82,500	\$70,000	\$0	\$0	\$0	\$152,500	
W9308	*	SRL	PWWR	Water Main Renovation Program	D - Efficiency/Other	\$500,000	\$1,000,000	\$500,000	\$1,000,000	\$1,000,000	\$4,000,000	
<b>Total</b>						<b>\$9,854,060</b>	<b>\$10,663,448</b>	<b>\$4,511,594</b>	<b>\$5,006,424</b>	<b>\$4,957,111</b>	<b>\$34,992,637</b>	

\*Includes grant/other funding.

# Capital Projects – Priority Level 1

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# Capital Projects - Priority Level 2

Project #	Bond/SR	Department	Fund	Description	Justification	2018	2019	2020	2021	2022	Total CIP Request
C1801	*	Police	General	Motorola Vehicle Radio Upgrade	B - Public Safety	\$108,603	\$0	\$0	\$0	\$0	\$108,603
E1804	* Bond	Electric	Electric	Spacer Cable Replacement	D - Efficiency/Other	\$81,000	\$0	\$0	\$0	\$0	\$81,000
H1503	*	PWWR	General	Newark Transportation Plan Implementation	B - Public Safety	\$704,000	\$20,000	\$20,000	\$20,000	\$20,000	\$784,000
HEQSF	*	PWWR	General	Vehicle Replacement Program	D - Efficiency/Other	\$190,000	\$175,000	\$0	\$0	\$60,000	\$425,000
I1806		Information T	General	Police Car Retrofit	B - Public Safety	\$120,000	\$0	\$0	\$0	\$0	\$120,000
K0908	* Bond	Parks	General	Children's Play Equipment	C - Community Health	\$20,000	\$60,000	\$40,000	\$40,000	\$0	\$160,000
K1301	* Bond	Parks	General	Hard Surface Facility Improvements	B - Public Safety	\$50,000	\$145,000	\$422,000	\$280,000	\$238,000	\$1,135,000
N1801	* Bond	Fac Mgmt	Maintenance Fund	NPD - Rear Concrete Deck and Stairs	C - Community Health	\$50,000	\$0	\$0	\$0	\$0	\$50,000
QEQSF	*	PWWR	Stormwater	Vehicle Replacement Program	D - Efficiency/Other	\$18,000	\$161,375	\$0	\$0	\$0	\$179,375
V1801	* Bond	Parking	Parking	Parking Lot Surface Maintenance	B - Public Safety	\$127,740	\$0	\$0	\$105,000	\$0	\$232,740
W1303	*	PWWR	Water	Water System Master Plan	D - Efficiency/Other	\$50,000	\$0	\$0	\$0	\$0	\$50,000
W1402	* SRL	PWWR	Water	South Well Field Air Stripper Replacement	D - Efficiency/Other	\$1,700,000	\$0	\$0	\$0	\$0	\$1,700,000
W1701		PWWR	Water	Valve Inspection, Exercising, and Rehabilitation	D - Efficiency/Other	\$0	\$165,000	\$125,000	\$125,000	\$125,000	\$540,000
W1702	*	PWWR	Water	Source Water Protection	D - Efficiency/Other	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
W1703	SRL	PWWR	Water	Laird Tract Well Field Treatment	D - Efficiency/Other	\$0	\$0	\$225,000	\$1,925,000	\$0	\$2,150,000
W8605	* SRL	PWWR	Water	Water Tank Maintenance	D - Efficiency/Other	\$700,000	\$350,000	\$700,000	\$500,000	\$0	\$2,250,000
W9302	* SRL	PWWR	Water	SCADA System	D - Efficiency/Other	\$200,000	\$200,000	\$50,000	\$50,000	\$50,000	\$550,000
<b>Total</b>						<b>\$4,139,343</b>	<b>\$1,296,375</b>	<b>\$1,602,000</b>	<b>\$3,065,000</b>	<b>\$513,000</b>	<b>\$10,615,718</b>

\*Includes grant/other funding.

Project #	Dept Priority	Bond/SR L	Department	Fund	Description	Justification	2018	2019	2020	2021	2022	Total CIP Request	
C1802	*	3	Police	General	Police Office Chair Replacement Project	D - Efficiency/Other	\$9,500	\$0	\$0	\$0	\$0	\$9,500	
E1602		3	Electric	Electric	Circuit Breaker Replacement	D - Efficiency/Other	\$0	\$65,000	\$0	\$0	\$0	\$65,000	
E1805		4	Electric	Electric	Line Extension UD Farm	D - Efficiency/Other	\$0	\$170,000	\$0	\$0	\$0	\$170,000	
E1806		4	Electric	Electric	Christianstead Underground Primary Cable	D - Efficiency/Other	\$0	\$50,000	\$0	\$0	\$0	\$50,000	
I1601		3	Information T	General	Virtual Environment Host Replacement	D - Efficiency/Other	\$0	\$0	\$75,000	\$0	\$0	\$75,000	
I1603	*	3	Bond	Information T	General	Surveillance Camera Refresh	B - Public Safety	\$32,500	\$32,500	\$32,500	\$32,500	\$0	\$130,000
I1606		3	Information T	General	Disaster Recovery and Planning	B - Public Safety	\$0	\$0	\$75,000	\$0	\$0	\$75,000	
I1703		3	Information T	General	Recreation Management Software	D - Efficiency/Other	\$0	\$80,000	\$0	\$0	\$0	\$80,000	
I1801		4	Information T	General	Citywide Fiber Phase II	B - Public Safety	\$0	\$140,000	\$0	\$0	\$0	\$140,000	
I1807	*	4	Bond	Information T	General	Building Security Upgrades (SWF, Water Plant, Reservoir)	B - Public Safety	\$50,000	\$0	\$0	\$0	\$0	\$50,000
K1202		4	Parks	General	Kershaw Park Improvements	C - Community Health	\$0	\$0	\$0	\$200,000	\$0	\$200,000	
K1203		4	Parks	General	Old Paper Mill Park Improvements	C - Community Health	\$0	\$100,000	\$0	\$600,000	\$600,000	\$1,300,000	
K1303	*	3	Bond	Parks	General	Facilities Accessibility	C - Community Health	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
K1305		4	Parks	General	Pomeroy Trail Connector	C - Community Health	\$0	\$120,000	\$0	\$0	\$0	\$120,000	
K1501		4	Parks	General	Iron Glen Park Master Plan	C - Community Health	\$0	\$0	\$0	\$50,000	\$0	\$50,000	
K1502	*	4	Parks	General	Fitness Stations	C - Community Health	\$20,000	\$0	\$0	\$0	\$0	\$20,000	
K1605	*	4	Parks	General	Redd Park Trail Improvements	C - Community Health	\$32,000	\$30,000	\$0	\$0	\$0	\$62,000	
K1704		4	Parks	General	Picnic Shelter- Lumbrook Park	C - Community Health	\$0	\$0	\$45,000	\$0	\$0	\$45,000	
N1603	*	4	Fac Mgmt	Maintenance Fund	GWCC - HVAC System Upgrades	D - Efficiency/Other	\$105,000	\$0	\$0	\$0	\$0	\$105,000	
N1702		4	Fac Mgmt	Maintenance Fund	MUN - Council Chamber Renovations	C - Community Health	\$0	\$0	\$25,000	\$0	\$0	\$25,000	
N1803		3	Fac Mgmt	Maintenance Fund	MUN/NPD - Exterior Paint/Powerwash	C - Community Health	\$0	\$33,000	\$0	\$0	\$0	\$33,000	
N1805		4	Fac Mgmt	Maintenance Fund	MUN - Lower Level Bathroom	C - Community Health	\$0	\$30,000	\$0	\$0	\$0	\$30,000	
N1806	*	4	Bond	Fac Mgmt	Maintenance Fund	FOC - Master Plan	D - Efficiency/Other	\$123,000	\$225,000	\$0	\$0	\$0	\$348,000
N1808		4	Fac Mgmt	Maintenance Fund	FOC - Buildings 1 & 2 Security Improvements	B - Public Safety	\$0	\$31,000	\$0	\$0	\$0	\$31,000	
N1809		4	Fac Mgmt	Maintenance Fund	TRN - New Windows	C - Community Health	\$0	\$55,000	\$0	\$0	\$0	\$55,000	
NEQSF	*	4	Fac Mgmt	Maintenance Fund	Vehicle Replacement Program	D - Efficiency/Other	\$30,000	\$0	\$0	\$0	\$0	\$30,000	
W1302		3	PWWR	Water	Abandon Old Wells	B - Public Safety	\$0	\$45,000	\$0	\$0	\$0	\$45,000	
W1503		3	PWWR	Water	Academy Street Interconnection Station	D - Efficiency/Other	\$0	\$50,000	\$500,000	\$0	\$0	\$550,000	
W1602		3	PWWR	Water	Roseville Park Pressure District	B - Public Safety	\$0	\$0	\$25,000	\$250,000	\$0	\$275,000	
WEQSF		3	PWWR	Water	Vehicle Replacement Program	D - Efficiency/Other	\$0	\$20,000	\$230,000	\$75,000	\$0	\$325,000	
<b>Total</b>							<b>\$422,000</b>	<b>\$1,296,500</b>	<b>\$1,027,500</b>	<b>\$1,227,500</b>	<b>\$620,000</b>	<b>\$4,593,500</b>	

\*Includes grant/other funding.

# Capital Projects - Priority Level 3-4

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# Capital Projects - Priority Level 5

Project #	Department	Fund	Description	Justification	2018	2019	2020	2021	2022	Total CIP Request
E1807	Electric	Electric	Relay replacement and SCADA additions	<i>D - Efficiency/Other</i>	\$0	\$40,000	\$0	\$0	\$0	\$40,000
E1808	Electric	Electric	Aerial Line voltage upgrade North College	<i>D - Efficiency/Other</i>	\$0	\$0	\$50,000	\$0	\$0	\$50,000
E1809	Electric	Electric	Line Extension Christina Parkway and Park	<i>D - Efficiency/Other</i>	\$0	\$0	\$100,000	\$0	\$0	\$100,000
E1810	Electric	Electric	Lightning arrestor replacement	<i>D - Efficiency/Other</i>	\$0	\$0	\$0	\$235,000	\$0	\$235,000
I1804	Information Technology	General	Harris Automation Platform	<i>D - Efficiency/Other</i>	\$0	\$0	\$150,000	\$0	\$0	\$150,000
<b>Total</b>					<b>\$0</b>	<b>\$40,000</b>	<b>\$300,000</b>	<b>\$235,000</b>	<b>\$0</b>	<b>\$575,000</b>

\*Includes grant/other funding.

## CIP - Changes to the Budget That Still Need to Occur

2018 CIP Items									
		Prior	2018	2019	2020	2021	2022		
CURRENT RESOURCES	\$	-	\$ -	(\$100,000)	\$ -	\$ -	\$ -	\$ -	-
RESERVES	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
VEHICLE & EQUIPMENT	\$	-	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	-
GRANTS		(\$200,000)	(\$300,000)	\$400,000	\$ -	\$ -	\$ -	\$ -	-
BOND ISSUES	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
OTHER FINANCING	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Page #	Project #	Amount of Change	CIP Sheet
77	K1601	(\$200,000)	Charles Emerson/Pedestrian Bridge - Change of funding sources
126	BEQSF	(\$25,000)	Planning & Development, Code Enforcement, Vehicle Replacement Program - Vehicle to be purchased in 2017
102	I1806	\$0	Police Car Retrofit - Move project to Police
103	I1807	\$0	Building Security Upgrades - Move to PWWR (Water)
104	I1703	\$0	Recreation Management Software - Move to Parks & Recreation
		<b>(\$225,000)</b>	<b>Net Reduction</b>

No change to total budget for Charles Emerson/Pedestrian Bridge. Total budget remains \$1,750,000.



# Bond Financing on Some Capital Projects

- The City has maximized its ability to utilize the “pay-as-you-go” method of funding capital projects.
- It has come to the point where Newark’s capital program will need to be frozen until we are able to use either secure bond financing and/or the state’s revolving loan program to provide fiscal relief to funding it’s long-term projects.
- Responsible planning, coupled with the proper use of debt service will ensure that the City is meeting its fiduciary responsibilities.
- Helps ensure that those who receive City services are paying for them.
- Would provide relief on the annual revenue requirements for the City.

## Council Direction

- Staff would like to be advised if Council would like to go to the bond market in 2018 to begin funding some CIP projects.
- Is there support to begin introducing a customer service charge to water and sewer bills (above and beyond the Black and Veatch revenue-neutral proposal).
  - \$1 for sewer and \$1 for water each month? Every dollar would generate approximately \$120,000 for water, and \$97,000 for sewer.
  - Come back in 2018 for discussion.
- Is there support to add a fee (based on the # of electric accounts) for the Aetna Volunteer Fire Company?
  - \$1 fee would generate \$150,000 based on the number of electric customers.
- Unicity – Hold program as is, as staff is submitting a grant that would look more closely at the program during 2018
- Credit Card fees? – Staff is working towards cost control/fee for credit card use.

# Council Action to be Considered

- Approval of the 2018-2022 CIP
- Overall approval of the 2018 Annual Operating Budget
  - Customer Charges for Utilities (water, sewer)
    - Customer charges recover the fixed costs of the utility
    - Currently, there is not a customer charge for water nor sewer – staff intends to come back to Council with Black & Veatch’s recommendation in 2018
  - Aetna subvention (\$1 service charge not included in the current budget)
  - Unicity – Hold program as is, as staff is submitting a grant that would look more closely at the program during 2018

# Conclusion / Questions

