City of Newark

Draft

5-Year Forecast

2018-2020

Biennial Budget

March 22, 2018
Budget Documents

Part 1 – Five-Year Forecast

Part 2 – Budget and Capital Improvement Plan
Development Forecast

Area-Wide Development Forecast

2018 Silicon Valley Index

- Job Growth/Venture Capital Investments
- Traffic Congestion
- High Housing Costs

Trends in Home Sales
Median Home Sale Prices
Santa Clara & San Mateo Counties, San Francisco, and California

Net Sale Price (Unadjusted)

<table>
<thead>
<tr>
<th>Year</th>
<th>Silicon Valley</th>
<th>San Francisco</th>
<th>California</th>
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<td>2000</td>
<td>$200,000</td>
<td>$600,000</td>
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<td>$250,000</td>
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*Note: Data for 2018 is estimated.*
Development Forecast

Local Trends

- Residential Growth
- Hospitality Growth
- Retail projected to be weak
- Recent commercial additions
Economic Forecast

**National**
- Continued Slow, Steady Growth
- GDP
- Concern for growing debt
- Stock Market/Geopolitical

**State**
- Governor’s Budget – Mild recession difficult for CA
- Pension Concerns
Economic Forecast

Newark Specific Economic Trends

7.5 to -2.3% Revenue Growth

Property Tax – 12%, 10%

Sales Tax – 5% per year

TOT – Additional Hotels

UUT – December 2020
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<td>Revenue</td>
<td>58.7</td>
<td>63.1</td>
<td>67.1</td>
<td>69.0</td>
<td>67.5</td>
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<td>Expenditures</td>
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<td>57.6</td>
<td>59.1</td>
<td>62.2</td>
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<tr>
<td>Transfer to Civic Center Project</td>
<td>-4.2</td>
<td>-4.4</td>
<td>-4.6</td>
<td>-4.8</td>
<td>-4.9</td>
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<td>Surplus:</td>
<td>0.7</td>
<td>1.1</td>
<td>3.4</td>
<td>2.1</td>
<td>-0.9</td>
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Other financial issues

Enterprise Fund Budgeting
Pensions Costs
Level of Reserves
Budget Policies

Balanced and conservative
Continue existing services
Reserve levels for uncertainties
Support the Strategic Plan
Strategic Plan

Critical Issues

Strategies

Action items

I. Public Safety Services
II. Education
III. Quality of Life
IV. Community Development
V. City Government Operations
I. Public Safety Services

I.A. Continue to serve and protect based on a community-oriented policing philosophy.

1.A.8 Police and Fire will continue to attend community functions such as National Night Out, Family Day at the Park, and Ash Street Summer Program in an effort to maintain a close relationship with citizens.
II. Education

II.B. Offer meaningful, educational, intergenerational, and cultural programs through the Recreation and Community Services Department.

II.B.1. City staff will provide education-based programs for youth, teens, adults and seniors at the [Silliman Center].
Strategic Plan - Action Items

III. Quality of Life

III.D. Monitor traffic conditions, including traffic congestion, bicycle and pedestrian mobility and transit level of service.

III.D.4. Police and Public Works will pursue grants to assist with the department’s ability to meet traffic-related needs.
IV. Community Development

IV.E. Promote investment and quality of life in existing neighborhoods.

IV.E.2. Community Preservation and the Police Department will enforce new noise regulations.
V. City Government Operations

V.B. Continue to take actions that promote and enhance long-term fiscal stability and independence.

V.B.5. Finance will build capacity in the City’s budget to maintain reserves in accordance with the City’s reserve policy and fund capital projects.
Next Steps

- Adopt Part 1 – Five-Year Forecast, April 12
- Budget Work Session, May 24
- Adopt Part 2 - Budget and Capital Improvement Plan, June 14