City of Newark

Budget Work Session

2018-2020 Biennial Budget & Capital Improvement Plan

May 31, 2018

Agenda

Overview
Proposed Operating Budget Review
Proposed Capital Improvement Plan Review
Walk Through of Budget Document
Overview

Revenues
Conservative Budgeting
Reserves

Issues

24,812.75  -74.06 / -0.30%
20,904  20,617  -0.06%

Week-to-Date

Overview

Issues Impacting the Budget, Con't
Development Surge

2013  2018
# Proposed Budget Additions for 2018/19 and 2019/20

<table>
<thead>
<tr>
<th>Item</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS Increases</td>
<td>$900,000</td>
</tr>
<tr>
<td>Fire Contract Increases</td>
<td>$600,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$560,000</td>
</tr>
<tr>
<td>Police Overtime</td>
<td>$300,000</td>
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<tr>
<td>Engineering Contractual Services</td>
<td>$392,000</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>$400,000</td>
</tr>
<tr>
<td>Recruitment Costs</td>
<td>$90,000</td>
</tr>
<tr>
<td>Recreation Childcare Positions</td>
<td>$90,000</td>
</tr>
<tr>
<td>Development Review Costs</td>
<td>$500,000</td>
</tr>
<tr>
<td>Replacement Fire Truck Lease</td>
<td>$85,000</td>
</tr>
</tbody>
</table>

Questions?

Proposed Budget
### 2018-2020 Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$55.6</td>
<td>$59.2</td>
</tr>
<tr>
<td>UUT</td>
<td>$3.5</td>
<td>$3.7</td>
</tr>
<tr>
<td>½ Cent Sales Tax</td>
<td>$4.4</td>
<td>$4.6</td>
</tr>
<tr>
<td>Com Dev Maint</td>
<td>$0.3</td>
<td>$0.3</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>$63.8</strong></td>
<td><strong>$67.8</strong></td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>$58.4</td>
<td>$60.1</td>
</tr>
<tr>
<td>To Civic Center Project</td>
<td>$4.4</td>
<td>$4.6</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td><strong>$1.0</strong></td>
<td><strong>$3.1</strong></td>
</tr>
</tbody>
</table>

### 18-19 Revenue

- **1/2 Cent Sales Tax, 4,410,000**
- **Utility User Tax, 3,545,000**
- **Franchise Fee & Business License, 5,206,000**
- **Charges For Service, 4,708,000**
- **All Other Sources, 6,388,800**
- **Property Tax, 19,690,000**
- **Sales Tax, 12,507,000**
- **Transient Occupancy Tax, 7,327,000**

**18-19 Revenue $63.8 Million**
19-20 Revenue

All Other Sources, 6,361,700

1/2 Cent Sales Tax, 4,631,000

Utility User Tax, 3,652,000

Franchise Fee & Business License, 5,363,000

Charges For Service, 4,815,000

Transient Occupancy Tax, 7,914,000

Property Tax, 21,907,100

Sales Tax, 13,133,000

19-20 Revenue $67.8 Million

Utility User Tax

Historic UUT Revenue

Projected UUT Revenue

~$3.6 Million, 5 1/2 % per Year

Expires December 2020
Measure GG Sales Tax

- $4.4 Million in 18-19, 3% increase per Year

Expires 2042

Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>2019-20</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>$35.5</td>
<td>55%</td>
</tr>
<tr>
<td>General Government</td>
<td>$11.1</td>
<td>17%</td>
</tr>
<tr>
<td>Development/ Public Works</td>
<td>$7.30</td>
<td>12%</td>
</tr>
<tr>
<td>Recreation</td>
<td>$6.2</td>
<td>9%</td>
</tr>
<tr>
<td>To Civic Center Project</td>
<td>$4.6</td>
<td>7%</td>
</tr>
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</table>

$62.7 Million with $1 Million Surplus
### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$34.5</td>
<td>$35.4</td>
<td>55%</td>
</tr>
<tr>
<td>Non-Salaries</td>
<td>$28.2</td>
<td>$29.3</td>
<td>45%</td>
</tr>
</tbody>
</table>

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### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$25.3</td>
<td>$25.7</td>
<td>40%</td>
</tr>
<tr>
<td>PERS</td>
<td>9.2</td>
<td>10.1</td>
<td>15%</td>
</tr>
<tr>
<td>ACFD</td>
<td>$10.4</td>
<td>$10.9</td>
<td>17%</td>
</tr>
<tr>
<td>Non-Salaries</td>
<td>$17.8</td>
<td>$18.0</td>
<td>28%</td>
</tr>
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</table>

2018-19 $62.7 Million  
2019-20 $64.7 Million
PERS COSTS

Future increases about $900,000/year

Reserves

<table>
<thead>
<tr>
<th>Reserves</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catastrophic = 15%</td>
<td>$7.9</td>
<td>$8.6</td>
<td>$9.0</td>
</tr>
<tr>
<td>Fiscal Uncertainty = 10%</td>
<td>$5.3</td>
<td>$5.7</td>
<td>$6.0</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>$2.7</td>
<td>$2.0</td>
<td>$2.2</td>
</tr>
<tr>
<td>PERs</td>
<td>$8.4</td>
<td>$8.4</td>
<td>$8.4</td>
</tr>
<tr>
<td>Surplus</td>
<td>$0.7</td>
<td>$1.0</td>
<td>$3.1</td>
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5/31/2018
Questions?

City of Newark
2018-2020
Capital Improvement Plan

May 31, 2018
2018-2020 CIP Update

CIP Schedule for Review and Approval
1. Call for Projects
2. City Council CIP Overview (February)
3. Comprehensive Project Listings (March)
4. Executive Team Review (April)
5. City Council Update (April)
6. Draft of Biennial Budget/CIP Document (May)
7. Planning Commission Review (May)

Project Selection Methodology

CIP Selection Criteria
Evaluation of Critical Issues
Evaluation of Available Funding Sources
Review of Staffing and Maintenance Impacts

Project Prioritization Criteria:
- Priority Level 1 (Mandatory)
- Priority Level 2 (Necessary)
- Priority Level 3 (Desirable)
Project Funding Sources

Major Funding Sources for the 2018-2020 CIP:
1. Gas Tax Funds – $9.12M
2. Capital Funds - $8.2M
3. Park Impact Fees – $6.0M
4. Other Funds – $116.0M

Gas Tax Funded Project Recommendations ($9.12M)

<table>
<thead>
<tr>
<th>Street Construction/Maintenance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Asphalt Concrete Overlay Program (2019 and 2020)</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Curb, Gutter and Sidewalk Replacement (2019 and 2020)</td>
<td>$800,000</td>
</tr>
<tr>
<td>Street Tree Maintenance (2019 and 2020)</td>
<td>$600,000</td>
</tr>
<tr>
<td>Citywide Accessible Pedestrian Ramps (2019 and 2020)</td>
<td>$120,000</td>
</tr>
<tr>
<td>Traffic Calming Measures (2019 and 2020)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Traffic Signals – LED Lamps and Accessories (2019 and 2020)</td>
<td>$60,000</td>
</tr>
<tr>
<td>Thermoplastic Street Striping (2019 and 2020)</td>
<td>$30,000</td>
</tr>
<tr>
<td>Lindsey Tract Street/Drainage Improvements</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Thornton Avenue Street Overlay (Federal = $592,000)</td>
<td>$308,000</td>
</tr>
<tr>
<td>Citywide Traffic Signal Street Name Signs</td>
<td>$75,000</td>
</tr>
<tr>
<td>Mowry Avenue Median Landscaping</td>
<td>$260,000</td>
</tr>
<tr>
<td>Cedar Boulevard Landscape Improvements</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,973,000</strong></td>
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</table>
Capital Fund Project Recommendations ($8.2M)

**Building Projects**

1. Community Center/Annex Roof Replacement $1,660,000
2. Community Center Annex HVAC System $232,000
3. Community Center HVAC System Overhaul $800,000
4. Fire Station No. 27 Cherry Street – Painting $32,000
5. Fire Station No. 27 Cherry Street – Roofing $55,000
6. Fire Station No. 29 Ruschin Drive – Painting $23,000
7. Newark Community Park Restroom Restoration $60,000
8. Service Center – Rear Garage Overhang Repairs $75,000
9. Service Center Buildings – Painting $80,000
10. Silliman Activity Center – Carpet Replacement $45,000
11. Virtual History Museum $60,000
12. Citywide Work Station Replacement $20,000

Sub-Total $3,142,000

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Capital Fund Project Recommendations ($8.2M) cont.

**Park Maintenance Projects**

1. Lakeshore Park Tree Project $50,000
2. Mayhews Landing Park and Bridgepoint Park Tree Project $50,000
3. Newark Boulevard Overpass Tree Project $48,000
4. Lakeshore Park Well Rehabilitation and Pump Replacement $75,000
5. Birch Grove Park Tennis Court Resurfacing $95,000
6. Jerry Raber Ash Street Park Basketball Court Resurfacing $40,000
7. Citywide Trash Capture Devices (Phase 3) $230,000

Sub-Total $588,000

**Vehicles**

1. Community Development New Vehicle $25,000
2. Police Department Captain Vehicle $48,000
3. Police Department Patrol Vehicles (3) $180,000
4. Public Works Service Center Vehicles (2) $68,000

Sub-Total $321,000

TOTAL CAPITAL PROJECTS = $4,051,000
Project Recommendations - Park Impact Fees and Other Funding

**Park Projects**
1. Skate Park at Sportsfield Park – Phase 2 (Construction) $1,141,000
2. Sportsfield Park All-Weather Turf Fields – Phase 2 (Const.) $4,791,000
   **Total** $5,932,000

**Large-Scale Projects with Alternative Funding Sources**
1. Central Avenue Overpass (Measure B/BB) $29,300,000
2. New Civic Center (Measure GG) $74,000,000
3. Bayside TOD Transit Station/Overcrossing, Design(Impact Fees) $700,000
4. Dog Park at Newark Community Park (Measure WW) $600,000
   **Total** $104,600,000

- 48 Proposed Funded Projects, $123,556,000
- Future Funding Needs (Unfunded Projects)
  70 Projects, $94,243,000

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Section By Section

- Introduction Pages, Cover to pg 1
- Mission Statements, Key Objectives, pg 1-14
- Basis of Budgeting and Revenues, pg 17-34
- Expenditure Summaries, pg 35-48
- Position Control Tables, pg 49-59
- General Fund Budget Detail, pg 60-87
- Enterprise Fund Detail, pg 88-118
- Internal Service Fund Detail, pg 119-127
- Utility User Tax Expenditures, pg 128
Section By Section

Capital Improvement Plan
• CIP Descriptions and listing of Proposed Projects for the next two fiscal years, pg 130-143
• Index of all projects and their descriptions, pg 144-213
• Glossary, pg G-1 to G-5
• Exhibit A – ACFD Proposed Budget, pg A-1-A-3

Next Steps
• Staff Finalizes Budget Document
• 2018-2020 Biennial Budget and CIP on June Agenda
• July 1, 2018 – Budget Year Begins
• July Agenda – CIP Project Rollovers