



CITY OF NEWARK CITY COUNCIL

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SPECIAL MEETING

Minutes

Thursday, May 28, 2020

Various Virtual
Teleconference Locations
6:00 p.m.

A. ROLL CALL

Mayor Nagy called the meeting to order at 6:05 p.m. Present were Council Members Hannon, Collazo, Freitas, and Bucci. All via teleconference locations

B. STUDY SESSION

B.1 Study Session to review the draft Biennial Budget and Capital Improvement Plan 2020-2022.

City Manager Benoun and Finance Director Lee gave a presentation on the draft biennial budget (on file with City Clerk). They projected a budget deficit of \$7.9 million in fiscal year 2020-2021 and \$7.3 million in fiscal year 2021-2022, both before taking into account any contributions to the reserve funds. They noted that the COVID-19 Pandemic and resulting shelter in place order has caused revenue declines, most notably in Sales Tax, Transient Occupancy Tax, and charges for services, licenses and permits.

City Manager Benoun recommended that the Biennial Budget include: reduction of temporary staff budgets, vacant positions frozen, reduction of citywide supplies, contractual services reductions, cancellation of non-essential trainings and travel, and elimination of non-contractual salary increases. City Manager Benoun outlined the specific budget reductions impacts on each department.

City Manager Benoun stated other options to balance the budget include the use of reserves, layoffs, furloughs, and labor concessions. The elimination of the negotiated or scheduled salary increase of 1.5% scheduled for July 1 would save \$500,000 per fiscal year. Most of the employees groups have been notified or have tentatively agreed.

City Manager Benoun stated that there are adequate reserves to balance the 2020-2022 Biennial Budget. He requested that the available reserves be used to avoid layoffs and furloughs. He recommended reexamining the budget in the Fall to consider any course corrections that may be needed.

Assistant City Engineer Imai reviewed the draft Capital Improvement Plan. He stated that staff's recommendations from the May presentation remained the same.

C. ADJOURNMENT

Mayor Nagy adjourned the meeting at 7:15 p.m.

SHEILA HARRINGTON, City Clerk