

Follow up notes from 8/27/2018 Initial Budget Presentations

RESPONSIBILITY: ITEM #:
 FINANCE 1. How is insurance allocated to each department? Do we allocate just based off of the number of employees or is it based on actual exposure of each department?

ANSWER: Insurance is allocated differently depending on the type of coverage (i.e. auto, property, etc).

1. Auto is allocated based on the number of vehicles in the department. As discussed, the value/cost of the vehicle does not affect the premium – we have a composite rate which is the same for all vehicles.
2. Property coverage premium is allocated based on the cost of the buildings associated with a department.
3. General Liability is based on the number of employees in the department.

P&D/PARKING 2. We need to split out parking validation expenses clearly in the budget.

ANSWER: We are currently working on a more transparent solution to illustrating the parking validation program within the budget.

The change in reporting Parking Validations/Vouchers was driven by an internal change to our parking software. The Parking Division is currently working with the vendor on getting the system updated to be more in line with our previous practices and reporting standards. The main reporting change tied to the software update relates to the overall cost of the validation/voucher program. The old system would separate both the total value of Validations/Vouchers provided and track them through receipt. The new system combines these figures by just tracking the Validations once they are received.

CITY MANAGER 3. We need to include or at least provide the total cost of providing free parking for DNP events. It would be good to know the value of police coverage for DNP events.

ANSWER: Please see below charts:

FREE PARKING - LOST REVENUE - 2017

Holiday/Event	Estimated lost revenue		DNP Related
New Years Day	\$ 5,580.00	\$	-
Martin Luther King Day	\$ 5,670.00	\$	-
President's Day	\$ 6,800.00	\$	-
Good Friday	\$ 9,990.00	\$	-
Easter Sunday	\$ 5,510.00	\$	-
Wine and Dine	\$ 6,010.00	\$	6,010.00
Memorial Day Parade	\$ 5,320.00	\$	-
Memorial Day	\$ 6,120.00	\$	-
New Night	\$ 4,340.00	\$	4,340.00
Independence Day	\$ 6,070.00	\$	-
Food and Brew	\$ 4,620.00	\$	4,620.00
Labor Day	\$ 8,370.00	\$	-
Community Day	\$ 5,340.00	\$	-
Halloween Parade	\$ 5,520.00	\$	-
Thanksgiving	\$ 9,360.00	\$	-
Black Friday	\$ 9,210.00	\$	-
Small Business Saturday	\$ 4,680.00	\$	4,680.00
Christmas Eve	\$ 6,100.00	\$	-
Christmas Eve	\$ 4,270.00	\$	-
Evening of New Years Eve (1/2 day)	\$ 3,450.00	\$	-
Christmas week (varies, 2-4 days)	\$ 15,000.00	\$	-
Total cost:	\$ 137,330.00	\$	19,650.00

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DOWNTOWN NEWARK PARTNERSHIP - SUMMARY YTD (8/27/2018)

	<u>Actual:</u>
Revenue:	
Special Events	1,000
New Nite	4,100
Food & Brew	7,370
Wine & Dine	3,273
DNP Fee on Business Licenses UD Subvention	14,000
Total Revenue	\$ 29,743
Expenses:	
Other Special Events Supplies:	
Other Special Events Supplies - Food & Brew	5,070
Other Special Events Contractual:	
Other Special Events Cont'l Svcs - New Nite	2,000
Other Special Events Cont'l Svcs - Food & Brew	2,000
Other Special Events Cont'l Svcs - Wine & Dine	8,255
DNP - Supplies	2,585
Advertising	2,618
Miscellaneous Cont'l Svcs	
DNP - Contractual	786
Training	595
Gift Cards	2,265
Total Expenses	\$ 26,174
Surplus (Deficit)	\$ 3,569
Reserve Usage:	
Beginning balance, 1/1/18	80,814
Surplus	3,569
Ending balance, 8/27/18	\$ 84,383

<u>Personnel - Salary & Benefits (not included above)</u>	<u>Hours</u>	<u>Expense</u>
Administration	200.00	6,767
Code Enforcement	1.50	61
Police	17.75	1,011
Street	4.00	121
Parking	26.75	580
Total Personnel - Salary & Benefits (not included above)	250.00	\$ 8,540

FINANCE

4. How has contingency funding been used to date in 2018 and in 2017?

ANSWER: Budgeted and Actual spending detail for 2017 and 2018 are shown below:

<u>ORG & OBJECT CODE:</u>	<u>2017</u>		<u>2018</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
ADMIN - 0111125.9099	\$ 10,000	\$ -	\$ 10,000	\$ -
ELECTRIC - 5195105.9099	\$ 10,000	\$ -	\$ 10,000	\$ -
WATER - 5295205.9099	\$ 10,000	\$ -	\$ 10,000	\$ -
SEWER - 5395305.9099	\$ 10,000	\$ -	\$ 10,000	\$ -
TOTALS:	\$ 40,000	\$ -	\$ 40,000	\$ -

Contingency funding will be removed from the 2019 budget request.

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RESPONSIBILITY:	ITEM #:
FINANCE	5. Move tasers and vests into OPEX. ANSWER: Equipment reserve funding is available to fund the tasers and vests. For that reason, they are remaining in the CIP.
POLICE	6. Get pricing for a study to review our police force numbers to see if we are properly staffed versus industry best practices. ANSWER: It is estimated that it may cost up to \$50,000 for a review to determine the proper authorized strength of the NPD. We have not included this estimate in the budget for 2019 at this time.
POLICE	7. Will we make our body worn camera policy public? ANSWER: The body-worn camera policy, once completed and reviewed by counsel, will be made available if permitted. It is anticipated.
POLICE	8. Flesh out the ongoing costs for the firing range? ANSWER: Gun Range Capital Project is currently on hold and no longer part of the 2019-2023 program at this time. <ul style="list-style-type: none">a. Utilitiesb. Facility maintenancec. Brass sales revenued. Cost savings from national guard range (staff time, equipment we purchase, etc.)e. Staff time savingsf. Benefits of partnering with the DEA (future facility upgrades, free training, etc.)
POLICE/FINANCE	9. Review the last time our police fine structure was updated and how our fees compare to other towns and cities in Delaware. ANSWER: **This item is currently under review. An update will be provided once completed.
POLICE/CM	10. Check on our GIS effort to map crime and nuisance properties and code violations. ANSWER: Crime and nuisance property mapping is a 2019 initiative and is in the queue with our GIS team.
POLICE	11. Should UDPD be a range partner, discuss. ANSWER: Gun Range Capital Project is currently on hold and no longer part of the 2019-2023 program at this time.
POLICE	12. Review engineering standards and best practices for managing lead including the occupational standards for range operation. OSHA standards for blood levels are generally inadequate. Air blast before leaving? ANSWER: Gun Range Capital Project is currently on hold and no longer part of the 2019-2023 program at this time.
LEGIS./RENEE	13. Review the value to the city of the transcription service used for minutes. ANSWER: **This item is currently under review. An update will be provided once completed.
LEGIS	14. Increase the funding for the holiday luncheon to improve the event and gifts/giveaways. ANSWER: Line 8741 (Special Council Events) has been increased by \$2500 when compared to the 2018 budget. New budget request is now \$10,000, which also includes funding for Council meals, donations, etc.

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RESPONSIBILITY: ITEM #:
FINANCE 15. The electric department subvention line item (9093) doesn't include Aetna subvention, add. Are there any others missing?

ANSWER: **This item is currently under review. An update will be provided once completed.

FINANCE 16. Credit card fees, bring back for discussion with Council different options.

ANSWER: **This item is currently under review. An update will be provided once completed.

FINANCE 17. Why did we see large increases in inter-departmental charges for electric and parks?

ANSWER: For Parks overhead allocations of Finance and IT: those amounts are factored on the departments share of total head count (including an adjustment for temporary workers) and its share of total budget appropriations. The Parks share increased 0.2 percentage points from 2018 to 2019. The rest of the increase is a reflection of the increase costs in the items being allocated.

For Electric reductions of credits for internal electric charges and street light costs, these reflect the decreased DEMEC rate but also: the budget is based on the last annual usage readings supplied by the Electric department. There was a significant across-the-board decrease in the total kWh used in 2017 compared to 2016, so this further decreases the 2019 budget amounts. Legislative might be an outlier, as they will have an increase in their City Hall footprint in 2019 with the addition of the Records room coming over from IT, so their proportion of City Hall electricity and facilities charges will increase.

For the increases in billings and accounting charge, three factors contribute: 1) there was considered that there would be more attention applied to the stormwater billings in 2018 so some weight was directed away from the Electric last year, 2) in 2018, the allocations were based upon estimates of total bills to be issued, but in 2019, those estimates have also been weighted to reflect actual use of efforts by PUBS. Electric service requires on-going maintenance for move-ins/move-outs, collection efforts, cutoffs and re-establishing services, customer account information updates, and practically daily final billing processing, whereas Water, Sewer, and Stormwater services remain in the owner's name and constitute property liens if unpaid. This weighting is implemented in 2019 directing more of the total to Electric; and 3) the total being distributed increased by about \$90,000 (including the mailroom which now comes from Administration).

The Administrative Overhead increase is driven by the Finance and Legislative Departments. The Finance amount is due to the overhead items which are allocated based on the percentages derived mostly from the customer service assignments (PUBS and billing). The Legislative total includes an increase due to the Records Division being added. Renee supplied data recently compiled related to the assignments of each of the Records personnel to determine where those charges apply. Note there are some items in the Legislative contractual budget total which were allocated that should not have been, so this number will decrease in further versions.

PARKS AND RECREATION 18. Add funding to the Old Paper Mill Park capital project, K1203, to include funding to improve the fencing along Old Paper Mill Road.

ANSWER: The Parks and Recreation Department is currently in the process of acquiring quotes and estimates for the additional fence-related work that was requested for this project. An update will be provided once all quotes are received and reviewed by the department.

FINANCE/TOM 19. Bring a report to council that explains the management pay progression process and how an across the board increase would work if implemented based on current code. We may need to propose a code amendment to make it clear that we are moving the brackets with all OTB increases if that is Council's intention. Also, include a financial impact of a management increase for 2019.

ANSWER: **This item is currently under review. An update will be provided once completed.