

From: David Del Grande

Sent: Friday, November 2, 2018 1:25 PM

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Subject: 2019 Budget Update

Good morning Council.

We need to make a few changes to the 2019 budget that will not change the overall total that is requested for 2019. These changes are not in your packets, and I will mention each of them on the floor with a separate slide to summarize the overall changes to our expenditure lines. I will also be updating the impacted slides in the current presentation and will get those to you over the weekend.

There are six items that need to be addressed:

Items 1-5 are all relating to our subventions and how we have them classified for accounting purposes. In the past, we have had some subventions assigned to contractual services, which we feel is not an accurate description of the expenditure classification.

Item 6 removes the new Planner II FTE that was initially requested. We deducted the funds, but failed to take out the additional position, thereby impacting our FTE count for 2019.

In addition to cleaning up the subvention expenditure classifications, the budget for DNP was updated to show \$150,000 in the Expense Budget in Planning & Development, as the new DNP budget was originally reflected in two places making it confusing to the average reader. The current 11/5 model reflected \$70,000 in the expenditure budget with the other \$80,000 being paid from the DNP reserve account. This adjustment resolves that issue.

Below is the specific detail:

1. Utility Assistance (Catholic Charities) – Electric Department

- a. Previously listed under object code, **(9093-Subventions)** along with the Newark Senior Center subvention, we will be separating these items. We will be adding the following object code **(9001-Utility Assistance)** to capture the allocation for the Catholic Charities Subvention. This realignment should help with transparency of the City's subvention items.

- i. **Net impact to overall budget surplus/deficit = \$0**

2. Aetna Hook and Ladder – (Electric Department, PWWR – Water and Sewer portions)

- a. We will be updating our current object code, **(8070-Aetna Hose, Hook and Ladder)**, that is listed under “Contractual Services” to a new object code, **(9002-Subvention-Aetna Hook and Ladder)**, which will more accurately effect “Other Charges” instead. This realignment should help with transparency of the City’s subvention items.
- b. In addition to moving the previous object code in the General Fund, the following Enterprise Funds will also now show the subvention allocations for the utilities.
 - i. Expenditures will increase \$55,200 in total for the city (Electric = \$48,400, Water = \$3,300, Sewer = \$3,500)
 - ii. Revenues will also increase by \$55,200 in total for the city as these items will no longer be netted against each other within the budget.
 - iii. **Net impact to overall budget surplus/deficit = \$0**

3. Newark Ambulance – (Planning & Development)

- a. We will be updating our current object code, **(8071- Newark Ambulance)**, that is listed under “Contractual Services” to a new object code, **(9003-Subvention-Newark Ambulance)**, which will more accurately effect “Other Charges” instead. This realignment should help with transparency of the City’s subvention items.
- b. **Net impact to overall budget surplus/deficit = \$0**

4. Newark Senior Center – (Electric Department)

- a. Previously listed under object code, **(9093-Subventions)** along with the Catholic Charities subvention, we will be adding the following object code **(9004-Subvention-Newark Senior Center)** to capture the allocation for the Newark Senior Center subvention. This realignment should help with transparency of the City’s subvention items.
- b. **Net impact to overall budget surplus/deficit = \$0**

5. Newark Partnership – (Planning & Development)

- a. We will be updating our current object code, **(8074- Newark Partnership)**, that is listed under “Contractual Services” to a new object code, **(9005-Subvention-Newark Partnership)**, which will more accurately effect “Other Charges” instead. This realignment should help with transparency of the City’s subvention items.
- b. Expenditure increased from \$70,000 to \$150,000
- c. “Appropriation of Fund Balance (DNP)” added to reflect the balance in the DNP reserve to offset the \$80,000 increase.
- d. **Net impact to overall budget surplus/deficit = \$0**

6. Head Count – (Planning & Development)

- a. We failed to delete the NEW Planner II request on the position detail sheet. Correction was made to the overall dollars, but we failed to reduce the authorized strength for Planning & Development by 1, bringing our overall total back to 249. Our official FTE count is unchanged from 2018.

My apologies for the confusion, but our goal is to provide budget documents that are clear, transparent and complete. If you have any questions, please do not hesitate to ask. The Budget Hotline is open for the weekend, and you can reach me on my cell if needed at: 610-308-5368.

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