

# 2017 Budget Hearing #2

December 5, 2016

# Options to Reduce the Recommended Tax Increase For Discussion

DEPARTMENT	REDUCTION	INCREASE	OP/CIP	DESCRIPTION	Tax Rate Impact
<b>POLICE</b>					
	\$ (34,448)		OP EX	Records Technician (new position) - Salary - 3/4 of year - delete position	
	\$ (24,612)		OP EX	Records Technician (new position) - Benefits - 3/4 of year - delete position	
	<b>\$ (59,060)</b>			<b>Total Records Technician</b>	<b>-0.89%</b>
<b>PWWR</b>					
	\$ (27,941)		OP EX	Reduce PWWR Engineer by 50% in OP EX since it is funded via the CIP - Salary	
	\$ (14,812)		OP EX	Reduce PWWR Engineer by 50% in OP EX since it is funded via the CIP - Benefits	
	<b>\$ (42,753)</b>			<b>Total PWWR Engineer</b>	<b>-0.64%</b>
<b>FINANCE</b>					
		\$ 37,261	OP EX	Finance Analyst (add 3/4 of a year) - salary \$49,682 annual	
		\$ 25,148	OP EX	Finance Analyst (add 3/4 of a year) - benefits \$33,349 annual	
		<b>\$ 62,409</b>		<b>Total Finance Analyst</b>	<b>0.94%</b>
<b>LEGISLATION</b>					
	\$ (3,000)		OP EX	Overtime	-0.05%
	\$ (10,000)		OP EX	reduce conferences by \$10,000	-0.15%
	\$ (40,000)		OP EX	Remove Lobbyist (leave \$13,200 for DLLG)	-0.60%
	\$ (300,000)		OP EX	Reduce Legal/Consulting Services (reduced to \$50,000)	-4.50%
		\$ 225,000	OP EX	FT Solicitor and Asst Prosecutor	3.38%
	<b>\$ (353,000)</b>	<b>\$ 225,000</b>			
<b>ADMINISTRATION</b>					
	\$ (5,000)		OP EX	Reduce overtime from \$10,000 to \$5,000	-0.08%
	\$ (10,000)		OP EX	Reduce Admin Contingency from \$20,000 to \$10,000	-0.15%
		\$ 45,000	CIP	N1702 - move additional Council entrance from 2018 to 2017	0.68%
<b>TOTAL ALL</b>	<b>\$ (469,813)</b>	<b>\$ 332,409</b>			
<b>Net Change</b>	<b>\$ (137,404)</b>				<b>-2.06%</b>

## LIST OF ADJUSTMENTS FROM RECOMMENDED BUDGET

# PERSONNEL

Overall - only the new Police Department positions are 100% funded by the General Fund.

The PWWR Engineer position provides reduction to the General Fund Operating Expense Budget.

The Financial Analyst position will assist with receivables as well as improve our budgeting process and will be allocated to the funds this position will support.

IT positions are charged out to the various departments that use them, therefore the General Fund doesn't pay the full cost.

# PERSONNEL SAVINGS – RECORDS TECHNICIAN

In ranking positions for postponement, the Police Department's Records Technician was determined to be the position that would have the least impact on operations.

While developing this position creates a clear benefit, we have operated successfully in this manner and believe we can continue to do so for another year.

If this position request were to be cut, Police will respectfully request to fill this position in a future budget.

**General Fund Savings achieved \$59,060**

# PERSONNEL SAVINGS – PWWR ENGINEER

We also recommend adjusting the recommended General Fund budget figure for the PWWR Engineer down by \$42,753.

This position will be funded through the Capital Program for the anticipated level of project specific work the employee will perform.

**General fund Savings Achieved \$42,753**

# Cost per position - seven CWA positions in the 2017 Operating Budget.

## Annualized 2017 budget and full values in future budgets (2018+).

Position	Salary	Benefits	FTE Value
FINANCE ANALYST	\$ 49,682	\$ 33,349	\$ 83,031
DESKTOP SUPPORT TECHNICIAN	\$ 39,268	\$ 31,696	\$ 70,964
IT NETWORK ADMINISTRATOR III	\$ 70,731	\$ 36,691	\$ 107,422
GIS TECHNICIAN	\$ 49,682	\$ 33,349	\$ 83,031
ENGINEER I	\$ 55,883	\$ 34,334	\$ 90,217
EVIDENCE CUSTODIAN	\$ 47,776	\$ 33,047	\$ 80,823
RECORDS TECHNICIAN	\$ 45,930	\$ 32,755	\$ 78,685

Costs - 7 Full Time Equivalent Positons



# LOBBYIST

If desired to reduce costs associated with our current Lobbyist, upon notification of funding limitations, the agreement can be discontinued.

We would suggest one option might be to reduce the funding of \$53,200 by \$40,000 to allow for a balance of \$13,200 to possibly supplement the League Lobbyist for Newark specific work or to accommodate on-call service assistance from our current or another Lobbyist.

**General Fund Savings Achieved \$40,000**



# COUNCIL SUGGESTED REDUCTIONS FROM THE CIP RECOMMENDED BUDGET (NO IMPACT ON TAX RATE)

VEHICLES*	AMOUNT	CIP#	DESCRIPTION
#542	\$ (55,000)	HEQSF	PWWR - Street - 2006 Ford Super Duty
#922	\$ (20,000)	CEQSF	Police - 2003 Crown Victoria
#940	\$ (20,000)	C1701	Police - 2003 Crown Victoria
#748	\$ (21,000)	TEQSF	PWWR - Engineering - 2003 Chevrolet 1500 Pickup

*\*No impact on the tax rate, as equipment is funded via Equipment Reserves.*

OTHER*	AMOUNT	CIP#	DESCRIPTION
	\$ (50,000)	Q1702	CIP Reduce Stormwater Utility Startup Costs by \$50,000 to \$200,000 - Sewer

*\*No impact on the tax rate, as Stormwater Startup of \$250,000 is funded through Sewer Reserves*

# VEHICLE REPLACEMENTS

Retaining these vehicles will have no impact on the recommended tax rate but will maintain their value in our equipment reserves and further burden our out year replacement needs. **Deferring these vehicles may also increase maintenance costs.**

We have identified four vehicles for consideration, noted on the next slides in priority order for retainage through 2017.

# VEHICLE REPLACEMENTS

## Unit #748 - mileage, 58,000

This is one of our last 2003 Chevy trucks to be replaced with advanced rust. It is a standard truck that would allow for vehicle sharing during any extended repair if necessary. It is expected that we can maintain this vehicle for another year. **Reserve Fund improvement value \$21,000**

## Unit #940 - mileage, 82,000

This unit is an unmarked Crown Victoria with moderate mileage that has been reevaluated and determined to likely be in a position to make it through another year of service. **Reserve Fund improvement value \$20,000**

# VEHICLE REPLACEMENTS

## Unit #922 - mileage, 109,000

This unit is an unmarked Crown Victoria with high mileage, and has required substantial maintenance in the last year. Its mileage suggests that it will become a reliability issue however with a commitment to repairs it has been considered a candidate to retain. **Reserve Fund improvement value \$20,000**

## Unit #542- mileage, 66,500

This unit is a front line one-ton snow plow/salting dump truck that can access our tighter streets. We do not have a backup for this truck and service levels may be impacted if it is retained through 2017. **Reserve Fund improvement value \$55,000**

# INSOURCE GENERAL SOLICITOR SERVICES

General Fund Savings Achieved - **Conservative savings \$75,000**

## OVERTIME/CONFERENCE FUNDING

Reduce overtime in half for both Administration and City Secretary's Office through the use of interns for Downtown Newark Partnership assistance (**Admin. \$5,000**) and increased time flexing and management (**City Secretary \$3,000**).

Reduce conference funding in Legislative by **10,000** as reviewed and supported by division.

**General Fund Savings Achieved \$18,000**

# CONTINGENCY FUNDING

The contingency funding lines were established to allow for funds to cover unexpected needs.

The 2017 Budget reflects the intent to provide greater oversight of the funds by allocating them to the Administration budget where the vetting of unplanned needs or opportunities currently occurs.

A reduction of contingency funding in the amount of \$10,000 to Administration while maintaining the \$10,000 in Electric, Water and Sewer is recommended.

**General Fund Savings \$10,000**

# STORMWATER IMPLEMENTATION

Additional review with Black and Veatch has suggested we can reduce the cost of the 2017 Stormwater planning year from \$250,000 to \$200,000.

**Sewer Fund Reserve Savings \$50,000**

# COUNCIL CHAMBERS EXIT

It was discussed to move the construction of an additional Council Chamber exit (Project N1702) from 2018 to 2017 in the Capital Program.

2017 Capital Program Increase \$45,000



Various combinations of the above noted items for postponement or advancement may be selected, and will result in an adjustment to the current proposed 9% tax increase.

The reduction to the stormwater implementation cost and deferral of the vehicle replacements will have no impact on the tax increase, but will maintain funds in the sewer or equipment reserves respectively.

For representation purposes, if all items were selected as detailed, a total savings of **\$137,404** would be achieved and the recommended tax increase could be **reduced to 6.9 %**.

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# CHESTNUT HILL SUBSTATION TRANSFORMER PROJECT

The additional transformer proposed for the Chestnut Hill road substation (Project E1105 - \$653,000) will:

- Increase the electrical capacity at the Star Campus from 9 megawatts to 19 megawatts.
- This extra capacity pushes back the need for a new 138,000-volt substation at the star campus (estimated at \$8,900,000-\$15,500,000) to at least 2025.
- As the STAR site is built out, more information will be compiled to evaluate the need for the substation in the years ahead.

- In the meantime, the STAR site will be built out at 12.47kv instead of 34.5kv greatly reducing the cost of the onsite underground distribution system (E1502 \$1,300,000).
- If we do have a large electrical user which can't attach to the 12.47kv system, we plan to connect them to one of the adjacent 34.5kv feeders.
- The new transformer recommended for funding in 2017 will also be used to supply backup capacity to the southern end of our city, a need previously identified, that will assist with transformer problems or failure.
- The two oldest transformers feeding the southern area of our city were installed in 1969 and 1974 and are both nearing end of life as shown in recent electrical and oil testing.

For the reasons shared, we do not recommend the postponement of this transformer upgrade to the Chestnut Hill Road Substation in association with:

- the improved reliability it represents to the southern section of our community,
- the age of the transformers currently serving the area, and
- the high demand customers (DOW, GE Aviation, UD) it serves.

# INCREASED FEES FOR PARKING

Bill 16-38 was presented for first reading on November 28th.

It is recommended to allow a broader review to take place before making any fee changes.

We would expect if this Bill is enacted the advisory committee it calls for would recommend changes by late Spring 2017, including possibly a dynamic rate structure.

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# Questions?