

# CITY OF NEWARK FY 2019-20 GENERAL FUND BUDGET PROJECTIONS UPDATE



#### AGENDA



- Review Feb. 13 general fund projections for FY 2019-20
- Discuss COVID-19 economic impacts
- Update FY 2019-20 general fund projections
- Update 2020 2022 budget process

#### 2019-20 PROJECTIONS ASSUMPTIONS



- Current economic conditions continue
- Current suspended and limited services continue
- Hiring freeze on non-essential positions continues



## COVID-19 Economic Impacts



# Unprecedented

**Severe hit** 

## UNKNOWN

Uncertainty

Recession

Freefall

### FY 2019-20 General Fund Projections

as presented February 13, 2020



FY 2019-20 General Fund	1/23/20 Adjusted Budget	2/13/20 Projections
Taxes	52,849,100	51,079,000
Licenses, Permits & Fees	7,830,000	7,929,000
Charges for Services	5,759,000	5,086,000
Other	3,205,117	3,082,000
Total Revenues	69,643,217	67,176,000
Personnel	35,511,765	33,780,633
Non-Personnel	25,894,597	26,537,419
Civic Center Project	5,493,000	4,653,000
Total Expenditures	66,899,362	64,971,052
Ending Fund Balance	2,743,855	2,204,948
Balance After Budgeted or Approved Reserve Contributions	293,855	404,948

## **COVID-19** Economic Impacts



2019-20 General Fund	2/13/20 Projections	4/23/20 Projections	Difference
Taxes	51,079,000	46,841,000	(4,238,000)
Licenses, Permits & Fees	7,929,000	7,039,000	(890,000)
Charges for Services	5,086,000	3,233,000	(1,853,000)
Other	3,082,000	3,769,000	687,000
Total Revenues	67,176,000	60,882,000	(6,294,000)
Personnel	33,780,633	31,819,000	(1,961,633)
Non-Personnel	26,537,419	25,194,000	(1,343,419)
Civic Center Project	4,653,000	4,242,000	(411,000)
Total Expenditures	64,971,052	61,255,000	(3,716,052)
Ending Fund Balance	2,204,948	(373,000)	
Balance After Approved Reserve Contributions	404,948	(2,823,000)	



Property Tax

Charges for Services, Licenses and Permits

Sales Tax

Business License Tax Transactions and Use Tax (Measure GG)

Transient Occupancy Tax (TOT)

Utility Users' Tax (UUT)



**Property Tax** 

- Decline of 6.7% = \$793K
- Sensitive to market change
- Near-term impact: Immediate
- SIP orders decreases point-ofsale activity
- Sizable declines:
  - Auto & Transportation
  - Fuel & Service Stations
  - Business & Industry

**Sales Tax** 

Transactions and Use Tax (Measure GG)

tility Users' Tax (UUT)



**Property Tax** 

Services,
Licenses, and
Permits

Business License Tax

> Transient Occupancy Tax (TOT)

- Decline of 34.7% = \$2.4 million
- Halt on tourism and travel
- Immediate impact
- Occupancy rates 0% 10%(April June)
- Recovery TBD

Utility Users
Tax (UUT)



Charges for Services, Licenses, and Permits

Business License Tax

Transient
Occupancy
Tax (TOT)

- Decline of 36.4% = \$1.9 million
- Public Works
  - Building Inspections
  - Construction Permits
- Recreation and Community Services
  - Recreation Program Fees
  - Silliman Center User Fees
  - Facility Rentals
  - Child Care Programs
  - Senior Programs

### Expenditure Reductions



- Reduced expenditures by \$3.7 million
  - Suspension or reduction of hours of temporary staff
  - Hiring freeze for non-essential positions
  - Reduction of contractual services
  - Cancellation of non-essential trainings and travel
  - Reduction of citywide purchases

#### 2020 – 2022 Budget Process Timeline



#### Updated tentative City Council meeting dates

#### May 14

CIP project recommendations

#### May 28

- Budget work session
- Draft CIP document review

#### June 11

 Detail review of five year forecast and biennial budget document

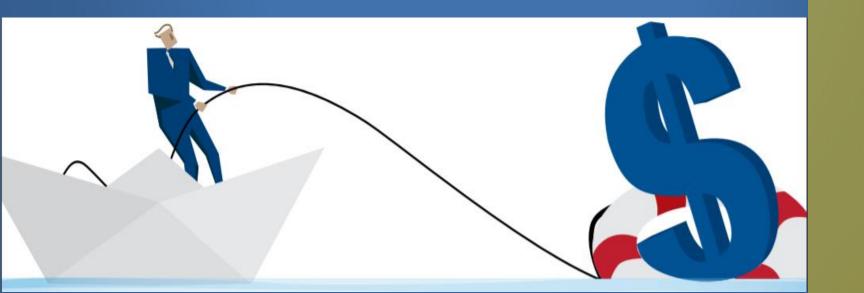
#### June 25

 Adoption of 2020-2022 budget and five year forecast

#### Key Takeaways



- Unprecedented time of economic uncertainty
- City continues with conservative fiscal policies
- Monitor, measure, and make course corrections
- Present a 2020 2022 balanced budget





## QUESTIONS?