



CITY OF NEWARK CITY COUNCIL

City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org



AGENDA and NOTICE Special Meeting

Thursday, March 26, 2026
5:30 P.M.

Michael K. Hannon, Mayor
Matthew Jorgens, Vice Mayor
Terrence Grindall, Council Member
Julie Del Catancio, Council Member
Eve Marie Little, Council Member

A. ROLL CALL

B. PRESENTATIONS

1. Commending Catalina Farias
2. Commending Juli Borrego
3. Proclaiming March 2026 as Celebrating Senior Nutrition Programs and Their Efforts to End the Wait Month
4. Proclaiming Government Finance Professionals Week (March 23–27, 2026)
5. Presentation of 2025 CPRS Award of Excellence to the City of Newark
6. Work Session for 2026-2028 Biennial Budget

C. ADJOURNMENT

MEETING INFORMATION

Members of the public may attend the meeting in person, watch online, or watch on Cable Channel 26. The ability to observe online or Cable Channel 26 is predicated on those technologies being available and functioning without technical difficulties. Should those platforms not be available, or become non-functioning, or should the City Council otherwise encounter technical difficulties that make those platforms unavailable, the City Council will proceed with business in person unless otherwise prohibited by law.

How to view the meeting remotely

Livestream online at YouTube: <https://www.youtube.com/@cityofnewark3077/streams>. Copy/paste the YouTube URL into your browser if the link does not automatically open.

Cable Channel 26 - if the meeting does not broadcast live, please contact your service provider and request the City of Newark channel lineup.

Zoom will no longer be available for public participation unless required by Assembly Bill 2449. Should a Council Member or the Mayor attend the meeting via Zoom.com pursuant to Assembly Bill 2449, then the Webinar ID 812 8443 6426 will be activated. The Mayor will make an announcement at the beginning of the meeting that the City will be allowing public comment via Zoom. Raise your virtual hand to notify the City Clerk that you would like to speak during the item that you wish to speak on.

How to submit written Public Comment

Send an email to City Clerk by 3:00 p.m. the day of the meeting. Please identify the agenda item number in the subject line of your email. Emails will be compiled into one file and will be distributed to the City Council before the meeting. No question shall be asked of a council member, city staff, or an audience member except through the Mayor. No person shall interrupt the meeting. Any person who refuses to carry out instructions given by the Mayor for the purpose of maintaining order may be guilty of an infraction and may result in removal from the meeting.

Council Meeting Access/Materials

The agenda packet is available for review at Agendas and Minutes. The packet is typically posted to the City website the Friday before the meeting, but no later than 24 hours before the meeting. Pursuant to Government Code 54957.5, supplemental materials distributed less than 24 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and will be made available for public inspection during regular business hours at the David W. Smith City Hall, 37101 Newark Boulevard, Newark CA. Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection. For those persons who require special accommodations, please contact the city.clerk@newarkca.gov at least two days prior to the meeting at City Clerk or 510-578-4266.

Certification of Meeting Notice and Agenda Posting

This notice and agenda were posted on the City's website and at the City Hall bulletin board located at 37101 Newark Boulevard, Newark, CA, at least 24 hours prior to the meeting date, in accordance with the Ralph M. Brown Act.

Mission Statement

It is our mission to serve and partner with our community to continually enhance the quality of life of everyone in Newark.

Senior Staff Members

David J. Benoun
City Manager

Kristopher J. Kokotaylo
City Attorney

Edwin Miranda
CIO/Information Technology Director

Brittney Frye
Human Resources Director

Howard Young
Public Works Director

Ryan Nishimoto
ACFD Deputy Chief

Roya Gonzalez
Recreation and Community Services Interim Director
Strategic Initiatives Manager

Lenka Hovorka
Assistant City Manager

Steven Turner
Community Development Director

Krysten Lee
Finance Director

Jonathan Arguello
Police Chief

Neetu Salwan
City Clerk

Colleen Lettire
Communications and Public Engagement Manager



STAFF REPORT

Item B. 1.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Neetu Salwan, City Clerk
SUBJECT Commending Catalina Farias

Catalina Farias, born March 7, 1924, just celebrated her 102nd birthday. A commendation has been prepared, and Ms. Farias will be at the meeting to accept it.

Attachments

Commendation

COMMENDING CATALINA FARIAS
102ND BIRTHDAY

WHEREAS, Catalina Flores Farias, born in 1924, has been a cherished member of the Newark community and a proud resident of over 77 years since 1949; and on the occasion of her 102nd birthday, we celebrate her remarkable life, enduring spirit, and decades of dedication to family and community; and

WHEREAS, Catalina's parents, Teodosio and Petra Flores, were early Newark residents who settled in the community in the 1940s on Walnut Street, contributing to the early growth and history of the city; and

WHEREAS, Catalina's parents were among the first parishioners of the original St. Edward Catholic Church located on Sycamore Street. Catalina herself became a devoted parishioner of over 70 years, continuing the family's deep connection to the church and faith community that has supported generations of families in Newark; and

WHEREAS, throughout her life Catalina developed a deep love of gardening, working with Mrs. Patterson at Ardenwood Historic Farm and at Naka Niles Nursery in Fremont. Catalina recalls traveling with her sister Emma to the hills that are now part of Coyote Hills Regional Park, where they used bay water to plant saplings along the hillsides, contributing to the landscape enjoyed by residents today; and

WHEREAS, Catalina's father served as a foreman supervising agricultural laborers in Newark through the Bracero Program, a federal initiative that brought Mexican workers to California during World War II, and these workers were housed on the upper floor of the historic Knotty Pine restaurant in Newark, where Catalina would later meet her husband; and

WHEREAS, Catalina and her husband, Manuel Farias, bought their home in Newark in the 1960s, where they raised seven children, all of whom attended and graduated from Newark public schools; and

WHEREAS, Catalina's legacy continues through her eleven grandchildren and eleven great-grandchildren, six of whom are, or will be, graduates of Newark Unified School District, reflecting the family's enduring connection to the Newark community.

NOW, THEREFORE, I, Michael K. Hannon, Mayor of the City of Newark, on behalf of the Newark City Council, do hereby commend

CATALINA FARIAS

on the occasion of her 102nd birthday and recognize her lifelong contributions, her deep roots in Newark's history, and the lasting legacy she has created through her family and community.

IN WITNESS THEREOF, I have hereunto set forth my hand and caused the Official Seal of the City of Newark, State of California, to be affixed this Twenty-sixth Day of March, Two Thousand Twenty-six.

MICHAEL K. HANNON
Mayor



STAFF REPORT

Item B. 2.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Neetu Salwan, City Clerk
SUBJECT Commending Juli Borrego

Juli Borrego is a librarian at Lincoln Elementary School in Newark and has been instrumental in running the district-wide Young Authors program. Ms. Borrego is currently celebrating a milestone 31 years of service. A commendation has been prepared, and Ms. Borrego will be at the meeting to accept it.

Attachments

Commendation

COMMENDATION

COMMENDING JULI BORREGO

WHEREAS, JULI BORREGO has lived in the City of Newark since 1984 and began volunteering at Lincoln Elementary School in 1986 when her son started kindergarten; and

WHEREAS, JULI BORREGO applied for a library position and was hired at Lincoln Elementary in 1994; and

WHEREAS, JULI BORREGO, inspired by her love of books, started the Young Author Program in 1995 with the help of a Lincoln Elementary parent. Over the years, she has organized over 30 authors to visit the school; these authors encouraged students to use their voices to write books; and

WHEREAS, the Lincoln Young Author Program has inspired over 1,200 students to write books since its inception; approximately 600 books written by Lincoln students have been added to the Newark Public Library as part of their collection; and

WHEREAS, in 2018, **JULI BORREGO**, applied for and received her first grant from the Newark Betterment Corporation to fund the Young Author Program district wide, allowing all Newark schools the opportunity to successfully run the program and giving thousands of students the opportunity to write books; and

WHEREAS, in addition to managing the Young Author Program, **JULI BORREGO** created a virtual library during the pandemic for students to access 150 books from home, served on the Parents and Lincoln Staff (PALS) Board, ran over 60 book fairs, co-produced the Talent Show, and assisted with the Turkey Trot and Read-a-Thon;

NOW, THEREFORE, I, Michael K. Hannon, Mayor of the City of Newark, on behalf of the Newark City Council, do hereby commend

JULI BORREGO

for her over 31 years of library service and thank her for sharing her love of books with children and giving them the opportunity to express their creativity through writing.

IN WITNESS THEREOF, I have hereunto set forth my hand and caused the Official Seal of the City of Newark, State of California, to be affixed this Twenty-sixth Day of March, Two Thousand Twenty-six.

MICHAEL K. HANNON
Mayor



STAFF REPORT

Item B. 3.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Neetu Salwan, City Clerk
SUBJECT Proclaiming March 2026 as Celebrating Senior Nutrition Programs and Their Efforts to End the Wait Month

Meals on Wheels has provided nutritious meals, wellness checks, and social interaction to seniors and homebound individuals with mobility issues since 1972. A proclamation has been prepared and Program Manager Tammy Duran with Meals on Wheels will be at the meeting to receive it.

Attachments

Proclamation No. 1979

PROCLAMATION NO. 1979

MARCH 2026 AS CELEBRATING SENIOR NUTRITION PROGRAMS
AND THEIR EFFORTS TO END THE WAIT MONTH

WHEREAS, on March 22, 1972, President Nixon signed into law a measure amending the Older Americans Act of 1965 to include a national public-private nutrition program for individuals 60 years and older; and

WHEREAS, for over five decades, this landmark law has supported our nation's seniors and helped to fund community-based organizations – like Meals on Wheels – and it is still the only federal program designed specifically to meet the nutritional and social needs of older adults; and

WHEREAS, in 2025, SOS Meals on Wheels delivered 15,235 meals to 82 homebound seniors in Newark, helping seniors maintain their health and independence; and

WHEREAS, volunteers are the backbone of SOS Meals on Wheels programs in Newark, delivering nutritious meals to seniors and individuals with disabilities who are at significant risk of hunger and isolation with caring concern and attention to their welfare; and

WHEREAS, SOS Meals on Wheels programs in Newark offer a powerful opportunity for social connection for hundreds of seniors to help combat the negative health effects and economic consequences of loneliness and isolation; and

WHEREAS, SOS Meals on Wheels programs in Newark deserve recognition for the heroic contributions and essential services they provide amid times of economic hardship, natural disasters, and other emergencies; and

WHEREAS, the senior population is substantially increasing, and action is needed now to support local Meals on Wheels programs through federal, state and local funding; volunteering; donations; and raising awareness to ensure these vital services can continue to be delivered for years to come; and

WHEREAS, nearly 14 million seniors are threatened by or experience hunger, 56% of seniors are lonely, and 1 in 3 Meals on Wheels programs has a waitlist with seniors waiting on average four months for vital meals; and

WHEREAS, Meals on Wheels programs from across the country are joining together for the End the Wait campaign this March and beyond to celebrate their collective success and to generate the support needed to ensure these critical programs can continue.

NOW, THEREFORE, I, Michael K. Hannon, Mayor of the City of Newark, on behalf of the Newark City Council, do hereby proclaim March 2026 as

MARCH 2026 AS CELEBRATING SENIOR NUTRITION PROGRAMS
AND THEIR EFFORTS TO END THE WAIT MONTH

and urge every community member to take this month to honor our senior nutrition programs, the individuals they serve, and the volunteers who care for them and recognize the Older Americans Act Nutrition Program and Meals on Wheels programs for their heroic efforts to End the Wait and help combat senior hunger and isolation in America.

IN WITNESS THEREOF, I have hereunto set forth my hand and caused the Official Seal of the City of Newark to be affixed this Twenty-sixth Day of March, Two Thousand Twenty-six.

MICHAEL K. HANNON
Mayor



STAFF REPORT

Item B. 4.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Neetu Salwan, City Clerk
SUBJECT Proclaiming Government Finance Professionals Week (March 23–27, 2026)

The week of March 23-27, 2026, has been designated as Government Finance Professionals Week by the California Society of Municipal Finance Officers (CSMFO), honoring public agency finance teams for ensuring stewardship of public funds, transparency, budgetary management, and regulatory compliance. A proclamation has been prepared, and Finance staff will be at the meeting to receive it.

Attachments

Proclamation 1965 Finance Professionals Week

PROCLAMATION NO. 1965

PROCLAIMING GOVERNMENT FINANCE PROFESSIONALS WEEK
March 23 – 27, 2026

WHEREAS, the California Society of Municipal Finance Officers (CSMFO) is the state’s leading professional organization dedicated to promoting excellence in financial management for California’s local governments; and

WHEREAS, government finance professionals serve cities, counties, special districts, and joint powers authorities by ensuring transparency, accountability, and responsible stewardship of public funds; and

WHEREAS, these professionals manage complex municipal operations—including budgeting, capital improvement programming, investments, debt administration, payroll, procurement, grants, and financial reporting—in compliance with Governmental Accounting Standards Board (GASB) standards and applicable state and federal regulations; and

WHEREAS, the City of Newark Finance Department has earned multiple consecutive years of national recognition for excellence in both its Annual Comprehensive Financial Report (ACFR) and Operating Budget, including awards from the Government Finance Officers Association (GFOA), reflecting adherence to nationally recognized best practices; and

WHEREAS, the City has received consistent clean (unmodified) independent audit opinions, demonstrating strong internal controls, fiscal discipline, and regulatory compliance; and

WHEREAS, California’s fiscal framework—including Proposition 13, Propositions 218 and 26, the Gann Appropriations Limit, CalPERS obligations, economic cycles, and evolving regulatory mandates—requires disciplined planning, sound analysis, and prudent long-term forecasting; and

WHEREAS, the City of Newark Finance Department works collaboratively across all departments to safeguard public resources, support informed City Council policy decisions, and promote the efficient delivery of essential public services;

NOW, THEREFORE, I, Michael K. Hannon, Mayor of the City of Newark, on behalf of the Newark City Council, do hereby proclaim the last week of March, as

GOVERNMENT FINANCE PROFESSIONALS WEEK

in the City of Newark and call upon the community to recognize and celebrate the dedication, integrity, and expertise of government finance professionals whose stewardship strengthens fiscal sustainability and enhances the quality of life for all who live and work in Newark.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Newark to be affixed this Twenty-sixth day of March, Two Thousand Twenty-six.

MICHAEL K. HANNON
Mayor



STAFF REPORT

Item B. 5.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Jessenia Taimani, Recreation and Community Services
Supervisor I
SUBJECT Presentation of 2025 CPRS Award of Excellence to the City of Newark

The City of Newark has been selected as a recipient of the 2025 California Park and Recreation Society (CPRS) Award of Excellence in the Marketing and Communications category for Community in Color: Connecting the City of Newark Through Art. The CPRS Awards of Excellence program recognizes outstanding achievements by parks and recreation agencies that demonstrate innovation, community impact, and leadership within the profession.

The Community in Color project was recognized for its effective use of visual storytelling and design to promote community identity, cultural diversity, and civic pride. The project was designed by Recreation Coordinator, Katie Fuerte, whose work supported the City's vision of strengthening community connections through public art and communications efforts.

Leah Martinez, Treasurer for CPRS will formally present the award and recognize the City of Newark for this achievement.



STAFF REPORT

Item B. 6.

DATE 03/26/2026
TO Honorable Mayor and City Council Members
FROM Krysten Lee, Finance Director
SUBJECT Work Session for 2026-2028 Biennial Budget

The City is currently developing the 2026–2028 Biennial Budget and Capital Improvement Plan (CIP). As part of this process, staff will provide a presentation to the City Council on the budget framework, including an initial look at the proposed biennial budget for the next two fiscal years and the City’s long-term fiscal outlook.

This first work session will include an overview of the City’s budget process, key economic trends, and an update on the current year’s operating budget. Staff will also present preliminary citywide initiatives and department objectives aligned with Council strategic priorities to facilitate discussion on policy direction and service priorities.

This work session will focus on the operating budget. The Capital Improvement Plan (CIP) will be presented later that evening during the regular City Council meeting. Also, further background on the current budget (Fiscal Year 2025-2026) is provided in the Mid-Year Budget Update, which is included on the consent calendar during the regular City Council meeting.

Attachments

Budget Work Session 2026.03.26
City Initiatives Aligned with Strategic Priority Areas



CITY OF
NEWARK

2026-2028 Biennial Budget Work Session

March 26, 2026

Revised

Agenda

1 Budget Process

2 Economic Trends

3 Financial Update

4 Strategic Priorities & City Initiatives

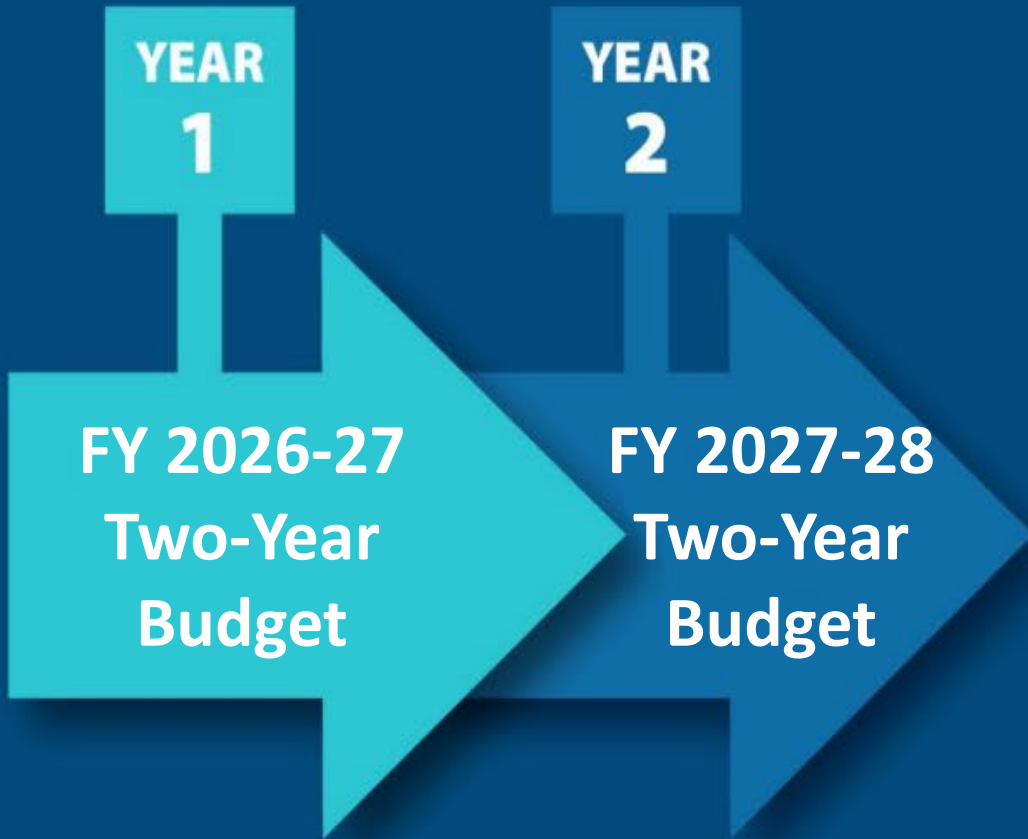
5 Next Steps



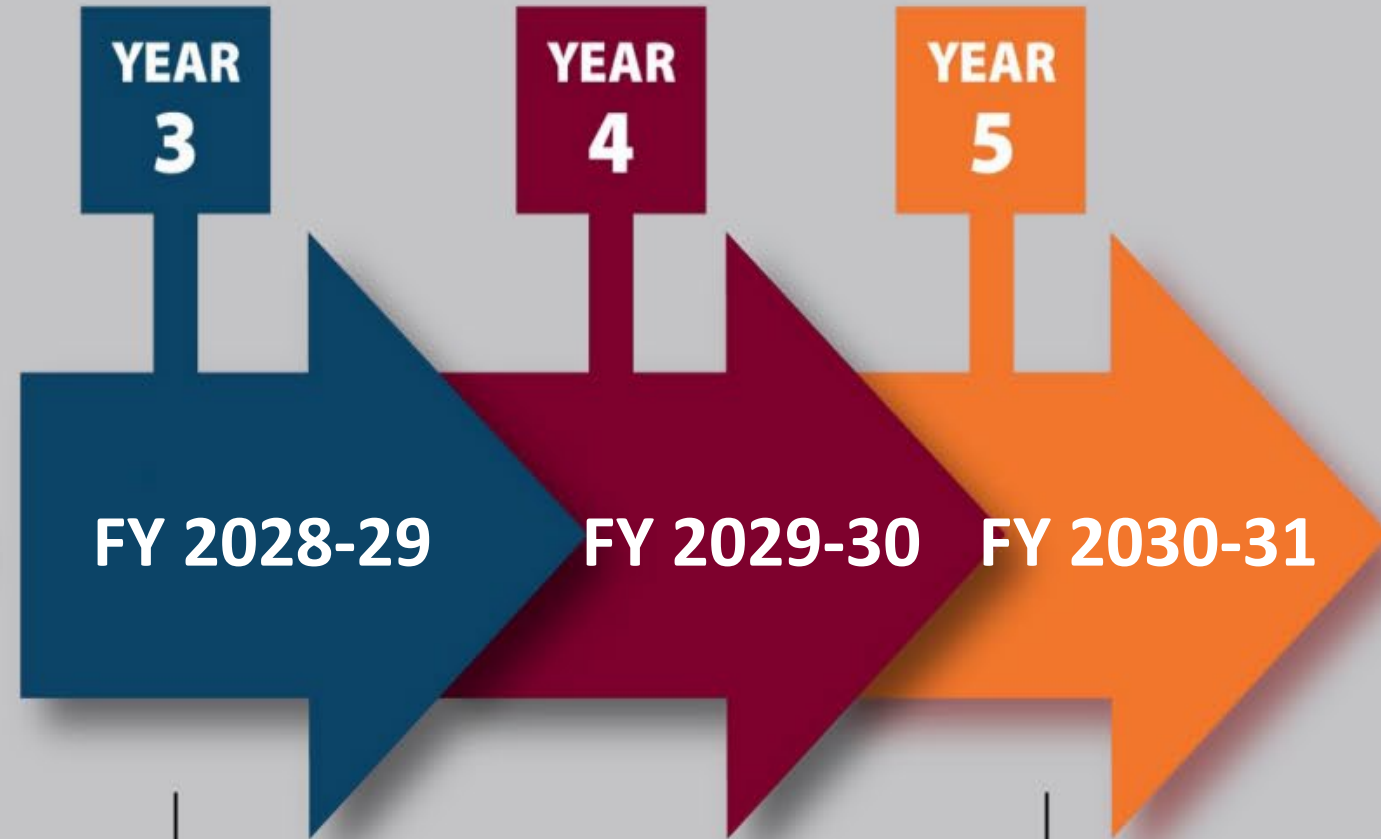
BUDGET PROCESS



Biennial Budget in the Context of a Five-Year Forecast



Two-Year Adopted Budget
Mid-Year review to include
refinements to the Five-Year
Forecast



Updated Annually

Biennial Budget Cycle





The background features a close-up of a calculator with a plus sign button, two silver pens, and a document with handwritten financial data. The document shows several rows of numbers, some with plus signs, and horizontal lines indicating totals. The overall color scheme is blue and white.

ECONOMIC TRENDS



Inflation & Economic Outlook



Inflation stabilizing around ~2.4%
(moderating from prior highs)



Core inflation around 2.5%, easing
but still above long-term target



Economic growth slowing (-2.2%)



Ongoing uncertainty
(interest rates and global risks)

Housing Market Trends



California

~\$850K

Stabilizing



**Alameda
County**

~\$1.1M

Cooling



Newark

~\$1.3M

**High but
moderating**

Labor Market Trends and Workforce Impacts



Labor market stabilizing but still competitive locally



Alameda County unemployment -4.4% (tight labor market)



Recruitment challenges persist



Personnel costs are 53% of General Fund expenditures

Revenue & Economic Indicators



Stabilizing: Property tax remains stable



Sales tax normalizing after prior one-time spikes

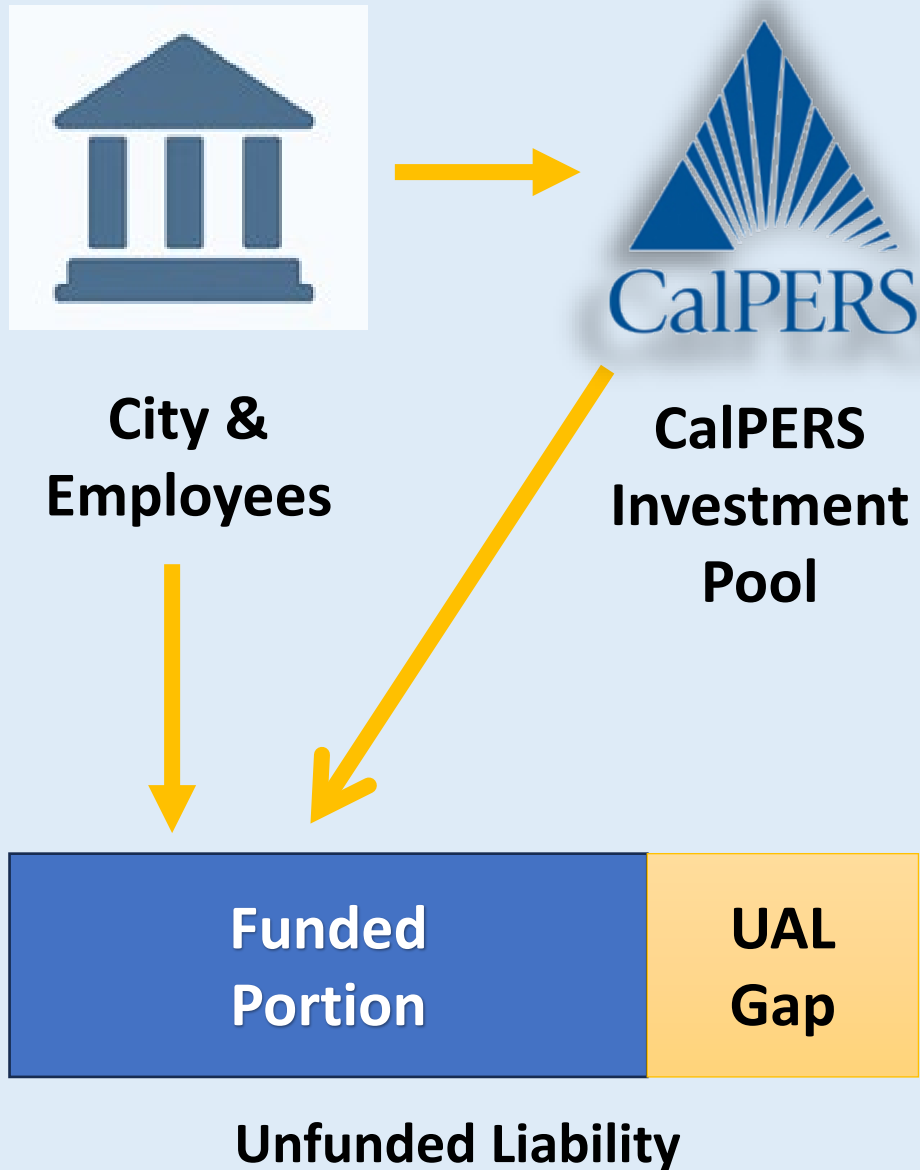


TOT (Hotel Tax) growth driven by voter-approved rate increase



Investment earnings strong but expected to decline as rates fall

CalPERS & Pension Overview



What is CalPERS?

California's statewide retirement system that provides pension benefits to City employees

What is Unfunded Accrued Liability (UAL)?

The gap between benefits promised and funds available to pay them (long-term obligation that changes over time)

Why do pension costs change?

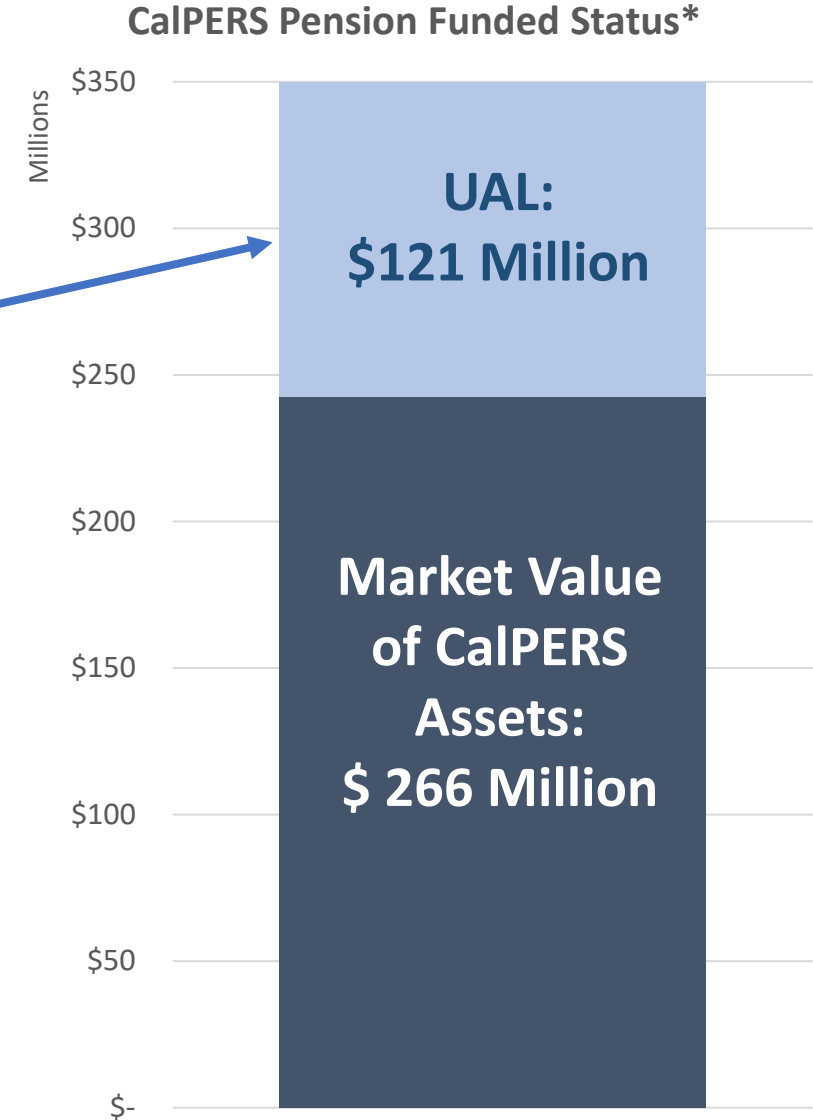
Investment performance, economic & actuarial assumptions (e.g., inflation, wages, life expectancy), and payroll levels

Why this matters for the City budget.

- Legally required—not discretionary
- Costs are volatile and can increase
- Direct impact on services and long-term fiscal stability

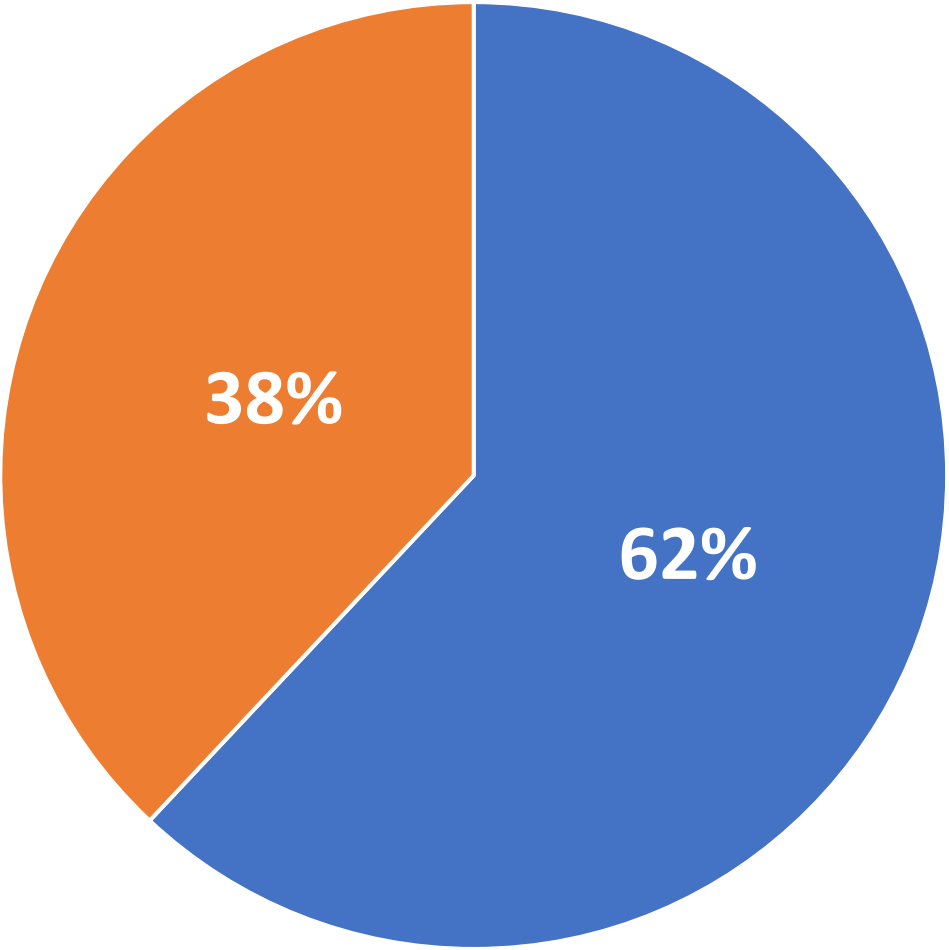
CalPERS & Pension Overview

- ▶ **Normal Cost (“NC”)** = Annual cost for current employees
- ▶ **Unfunded Accrued Liability (“UAL”):** Annual payment to reduce the “debt” to CalPERS = \$121 Million
- ▶ **Accrued Liability:** Total value of pension benefits employees have earned to date, based on past service (Currently = \$387 Million)
- ▶ **CalPERS Funded Status: 69%**



*Source: CalPERS Actuarial Reports. Reflects UAL balance as of 6/30/2024.

Unfunded Pension Liability Distribution

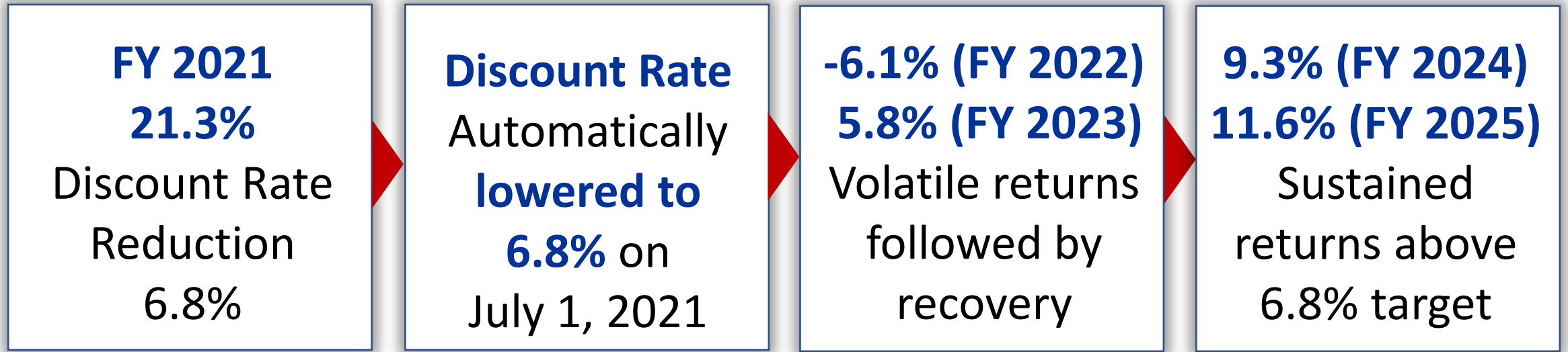


■ Safety Plan ■ Miscellaneous Plan

**Source: CalPERS Actuarial Reports. Reflects UAL balance as of 6/30/2024.*



CalPERS Updates



FY 2025
New Actuarial
Assumptions
(ALM Study)

- Discount rate remains 6.8%
- Modest updates to actuarial assumptions (inflation = 2.5%)
- Funded status improving
- Policy shift: no automatic rate reductions

Pension Cost Containment Strategies – Not Mutually Exclusive

(1) Negotiate Cost Sharing With Employees



(2) Fresh Start Amortization offered by CalPERS



(3) Prepay UAL early in Fiscal Year ($\approx 3.3\%$ discount)



(4) Additional Discretionary Payments (ADP)



(5) Section 115 Trust



(6) Restructure All or Portion of Remaining UAL



**Currently not recommended;
Continue to monitor**

Newark's Proactive Pension Cost Management Actions

- June 2015 CalPERS 20-Year Fresh Start (Safety Plan)
- June 2016 CalPERS 20-Year Fresh Start (Miscellaneous Plan)
- February 2017 Adopted Pension & OPEB Reserve Policy;
Funded \$5 Million Reserve Fund
- June 2021 \$10 Million CalPERS ADP (Safety Plan)
- June 2022 \$5 Million CalPERS ADP (Miscellaneous Plan)
- **January 2025 Established Section 115 Pension Trust with PARS**

Section 115 Trust (PARS) – What It Is & Why It Matters



A Section 115 Trust is a dedicated savings account the City sets aside to pay for future retirement costs (pensions and/or OPEB)



Funds are irrevocably committed for this purpose (cannot be used for other spending)



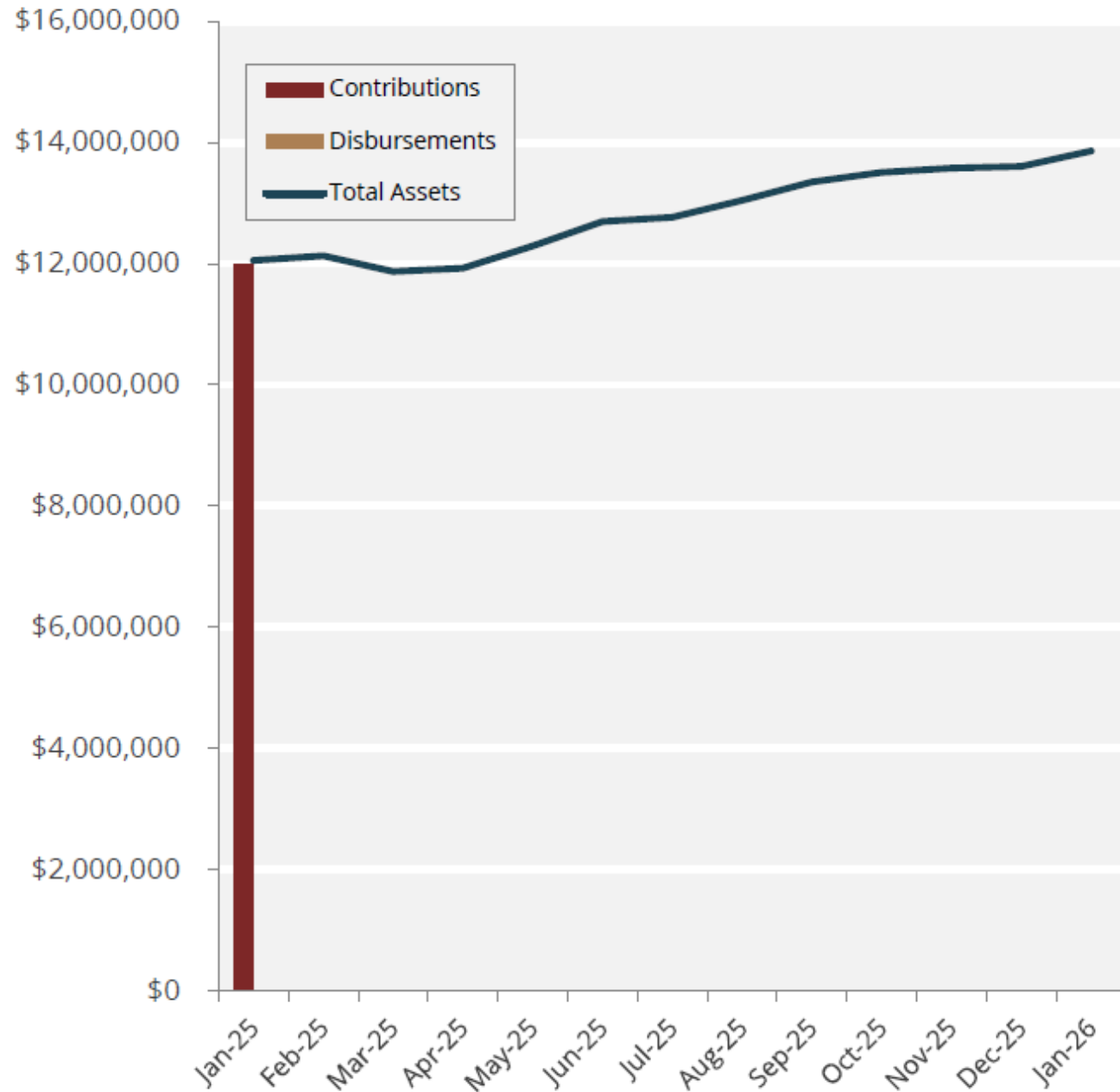
Managed professionally through PARS (Public Agency Retirement Services)

Why Cities Use It

- Helps smooth, and stabilize rising pension costs
- Allows the City to set aside funds in strong years
- Investment earnings can help reduce long-term costs



Summary of Newark's 115 Trust Plan as of January 31, 2026



Month	Contributions	Disbursements	Total Assets
Jan-25	\$12,000,000	\$0	\$12,057,957
Feb-25	\$0	\$0	\$12,129,951
Mar-25	\$0	\$0	\$11,872,527
Apr-25	\$0	\$0	\$11,925,359
May-25	\$0	\$0	\$12,295,699
Jun-25	\$0	\$0	\$12,694,122
Jul-25	\$0	\$0	\$12,768,504
Aug-25	\$0	\$0	\$13,047,317
Sep-25	\$0	\$0	\$13,348,940
Oct-25	\$0	\$0	\$13,508,905
Nov-25	\$0	\$0	\$13,577,081
Dec-25	\$0	\$0	\$13,605,676
Jan-26	\$0	\$0	\$13,861,746

PARS Target Index Portfolios Investment Returns

Strategy	Equity (%)	1 Year	3 Years	5 Years
Growth	75%	17.54%	15.89%	8.16%
Balanced	60%	15.47%	13.79%	6.60%
Conservative	40%	12.71%	11.23%	4.59%
Fixed Income	0%	7.37%	5.75%	--

**Returns are calculated by U.S. Bank for the PARS 115/PRHCP Target Index portfolios as of December 31, 2025. The returns provided are gross of investment advisory fees and net of embedded fund fees. All performance data, while deemed obtained from reliable sources, is not guaranteed for accuracy. Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets.*



FINANCIAL UPDATE



Preliminary Economic Outlook (FY 2026 and Beyond)

Recent Performance

FY 2024-25

Above Expectations

Strong consumer spending

Higher-than-expected investment returns (CalPERS & markets)

Takeaway:

Revenue performance exceeded baseline assumptions

Near-Term Outlook

Growth Moderating

Revenues normalizing from prior highs

Cost Pressures Persist

Labor & benefits

Pension contributions

Inflation (services & CIP)

Takeaway:

Cost growth remains elevated

Long-Term Outlook

Structural Shift

Expenditures outpace revenues (FY 2029-30)

Key Risk

Structural gap without policy adjustments

Forward Focus

Conservative forecasting

Cost containment

Strategic use of reserves

General Fund Revenue Sources

REVENUE SOURCES	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2025-26 Estimated Actual	YOY %
Property Tax	34.02	34.90	34.82	2%
Sales Tax	17.77	16.39	17.13	-4%
Measure GG	11.29	7.62	8.00	-29%
Transient Occupancy Tax (TOT)	6.26	5.40	7.18	15%
Utility Users Tax (UUT)	4.82	4.55	4.66	-3%
Other Taxes	2.28	2.03	2.29	1%
Licenses, Permits & Fees	12.27	12.76	12.10	-1%
Other Revenue	7.25	3.84	6.20	-14%
Total Revenues	95.96	87.49	92.38	-4%

**Estimated
Revenues
\$92.38 M**

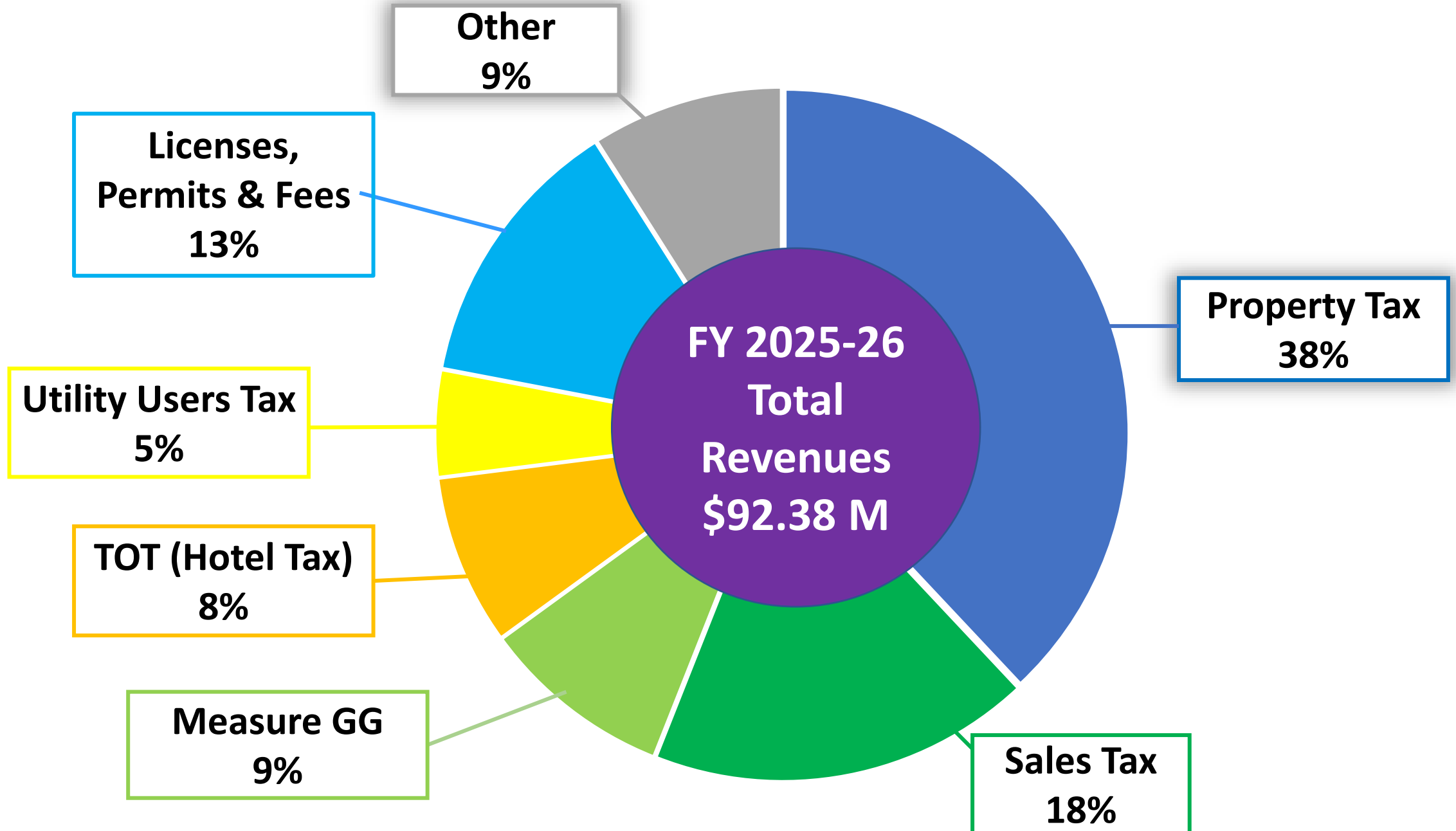


Above Amended Budget
= \$4.89M (6%)

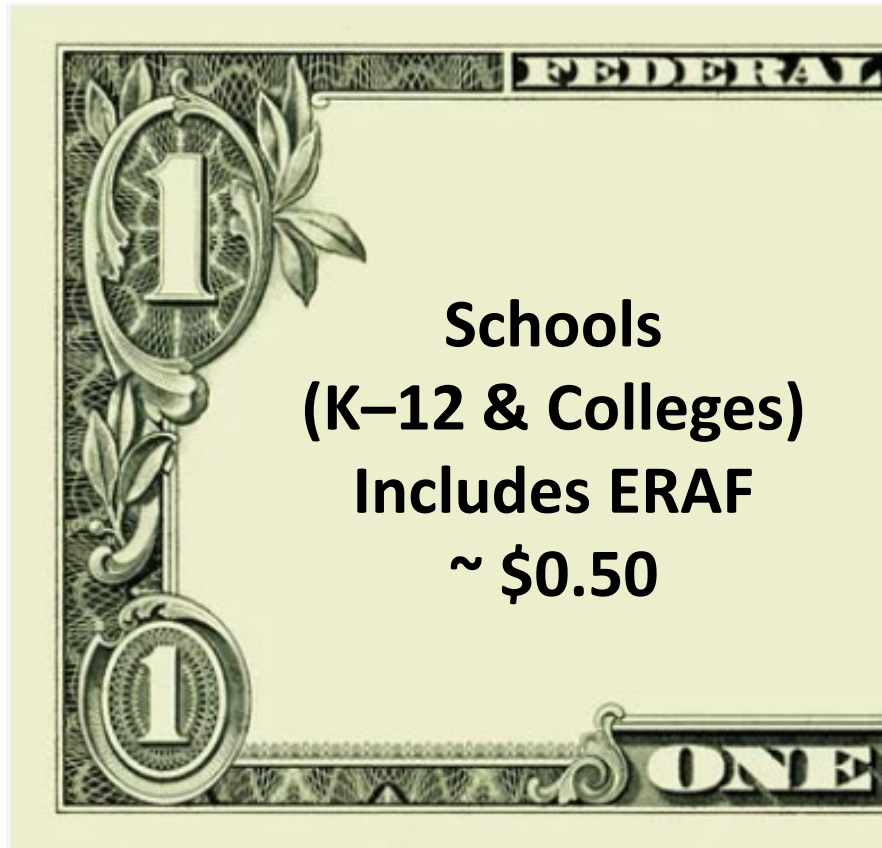
Below Prior Year
= \$3.58 (-4%)

Excludes: Transfers
& Designations

General Fund Revenues Sources



Where Your Property Tax Dollar Goes



California's ERAF (Educational Revenue Augmentation Fund) shifts a portion of local property tax to schools, reducing the share available to cities.

Breakdown of Sales Tax: What Comes to the City

California Sales and Use Tax Rates	
State General Fund	3.9375%
<u>Local General Fund (Bradley-Burns)</u>	<u>1.00%</u>
Countywide Transportation Fund	0.25%
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%
Public Safety Augmentation Fund	0.50%
Total	7.25%
<u>Newark Measure GG</u>	<u>0.50%</u>
Alameda Countywide TUT's	3.00%
Total	10.75%

City receives 1% (Bradley-Burns) plus 0.5% (Measure GG) of the 10.75% total sales tax.

Most of the 10.75% goes to the State and County.

Voter-Approved Local Revenue Measures

Measure GG: Transactions & Use Tax (TUT or Half Cents Sales Tax)

- Approved: November 2016
- Rate: 0.5% (sales & use tax)
- Effective: April 1, 2017
- Duration: 25 years (through 2041)

Measure LL: Transient Occupancy Tax (Hotel Tax)

- Approved: November 2024
- Rate: 10% to 14%
- Effective: January 1, 2025

General Fund Expenditures By Category

EXPENDITURE CATERGORIES	FY 2024-25	FY 2025-26	FY 2025-26	YOY %
	Actual	Amended Budget	Estimated Actual	
Personnel	40.89	44.70	45.76	12%
Non-Personnel	19.95	24.79	20.97	5%
ACFD Fire Services	13.48	13.76	14.72	9%
Civic Center Debt Service	4.80	4.82	4.82	0%
Total Expenditures	79.12	88.07	86.27	9%

Estimated Expenditures
\$86.27 M

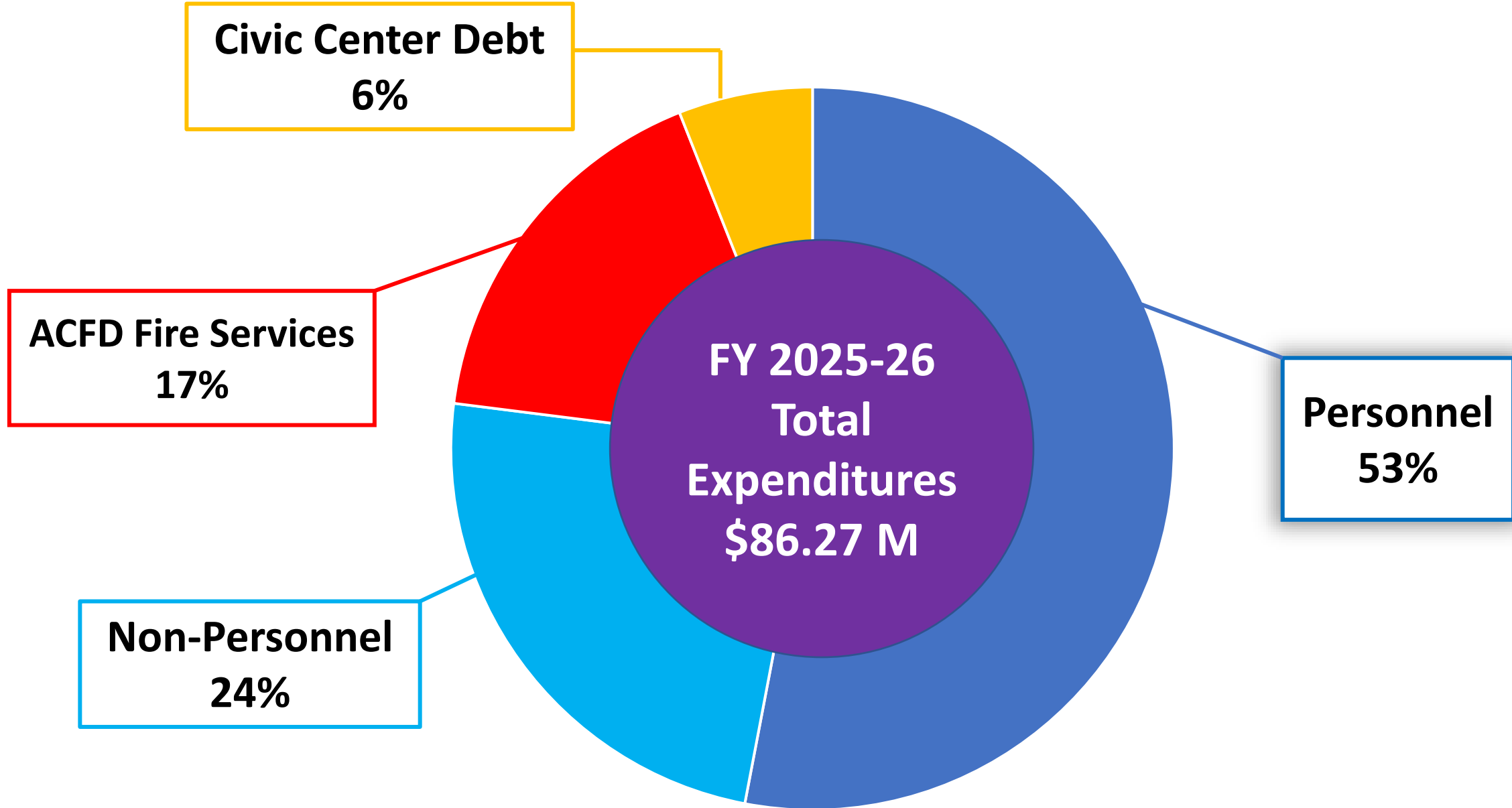


Below Amended Budget
 = \$1.8M (-2%)

Above Prior Year
 = \$7.15M (9%)

Excludes: Transfers
 & Designations

General Fund Expenditures By Category



FY 2025-26 Estimated Year-End Results

	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2025-26 Estimated Actual
Operating Results Before Transfers & Designations	16.84	(0.58)	6.11
TRANSFERS & DESIGNATIONS			
Measure GG – (Excess Over Debt Obligation)	(6.49)	(2.80)	(3.18)
TOT – 4% Designated for Future Debt Service	(1.02)	-	(2.05)
Emergency & Fiscal Uncertainty Reserve	(1.49)	-	(2.23)
Pension & OPEB Reserve	(2.57)	-	-
PARS Section 115 Trust	-	-	(1.00)
Maintenance Reserve	(1.00)	-	-
Capital Improvement Program	(0.39)	-	-
ARPA Reimbursement	0.99	-	-
Other Miscellaneous Transfers	0.41	-	-
Total Transfers & Designations	(11.56)	(2.80)	(8.46)
Net Results After Transfers & Designations	5.28	(3.38)	(2.35)

Beginning Unallocated Fund Balance	21.12	10.10	10.10
Ending Unallocated Fund Balance; Net of Transfers & Designations	10.10	6.72	7.75

General Fund Reserves & Fund Balance (as of July 1, 2025)

RESERVE FUNDS	Amount (\$ Millions)
Emergency & Fiscal Uncertainty	23.65
Pension and OPEB	3.54
Section 115 Trust	12.69
Equipment Replacement	6.20
Maintenance	8.00
Unassigned Fund Balance	10.10



Meets 30%
minimum
target

General Fund Revenue & Expenditure Forecast (5-Year)

	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2025-26 Estimated Actual	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
REVENUE SOURCES								
Property Tax	34.02	34.90	34.82	36.30	37.98	39.74	41.59	43.52
Sales Tax	17.77	16.39	17.13	16.44	16.89	17.36	17.88	18.43
Measure GG	11.29	7.62	8.00	8.15	8.34	8.54	8.77	8.99
Transient Occupancy Tax (TOT)	6.26	5.40	7.18	7.20	7.27	7.33	7.33	7.33
Utility Users Tax (UUT)	4.82	4.55	4.66	4.75	4.85	4.82	2.41	-
Other Taxes	2.28	2.03	2.29	2.32	2.35	2.38	2.41	2.44
Licenses, Permits & Fees	12.27	12.76	12.10	12.12	12.53	12.91	13.29	13.69
Other Revenue	7.25	3.84	6.20	5.15	5.27	5.39	5.52	5.66
Total Revenues	95.96	87.49	92.38	92.44	95.48	98.47	99.20	100.05
EXPENDITURE CATERGORIES								
Personnel	40.89	44.70	45.76	48.75	51.21	53.39	54.65	55.91
Non-Personnel	19.95	24.79	20.97	22.67	22.18	22.56	22.94	23.34
ACFD Fire Services	13.48	13.76	14.72	15.40	16.12	16.86	17.48	18.18
Civic Center Debt Service	4.80	4.82	4.82	4.82	4.82	4.46	4.46	4.46
Total Expenditures	79.12	88.07	86.27	91.64	94.33	97.27	99.53	101.90
Net Operating Results Before Transfers & Designations	16.84	(0.58)	6.11	0.79	1.15	1.20	(0.33)	(1.84)

General Fund Estimated Fund Balance Outlook (5-Year)

	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2025-26 Estimated Actual	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Net Operating Results Before Transfers & Designations	16.84	(0.58)	6.11	0.79	1.15	1.20	(0.33)	(1.84)
TRANSFERS & DESIGNATIONS								
Measure GG – (Excess Over Debt Obligation)	(6.49)	(2.80)	(3.18)	(3.33)	(3.52)	(3.52)	(3.52)	(3.52)
TOT – 4% Designated for Future Debt Service	(1.02)	-	(2.05)	(2.05)	(2.07)	(2.07)	(2.07)	(2.07)
Emergency & Fiscal Uncertainty Reserve	(1.49)	-	(2.23)	-	-	-	-	-
Pension & OPEB Reserve	(2.57)	-	-	-	-	3.50	-	-
PARS Section 115 Trust	-	-	(1.00)	(0.50)	(0.50)	-	-	-
Equipment Replacement Reserve	-	-	-	-	3.20	-	-	-
Maintenance Reserve	(1.00)	-	-	-	-	-	-	-
Capital Improvement Program	(0.39)	-	-	-	-	-	-	-
ARPA Reimbursement	0.99	-	-	-	-	-	-	-
Other Miscellaneous Transfers	0.41	-	-	-	-	-	-	-
Total Transfers & Designations	(11.56)	(2.80)	(8.46)	(5.88)	(2.89)	(2.09)	(5.59)	(5.59)
Net Results After Transfers & Designations	5.28	(3.38)	(2.35)	(5.09)	(1.74)	(0.89)	(5.92)	(7.43)
Beginning Unallocated Fund Balance	21.12	10.10	10.10	7.75	2.67	0.93	0.04	(5.88)
Ending Unallocated Fund Balance; Net of Transfers & Designations	10.10	6.72	7.75	2.67	0.93	0.04	(5.88)	(13.31)



Questions?



CITY OF
NEWARK

City Initiatives Aligned with Strategic Priority Areas

FY 2026–2028 Biennial Budget
March 26, 2026

It is our mission to serve and partner with our community to continually enhance the quality of life of everyone in Newark.



Strategic Priority Areas

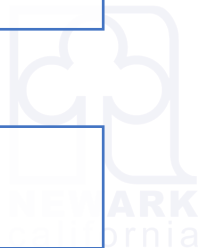
1. Foster a Safe and Healthy Community

2. Further Economic Vitality and Housing for All

3. Boost Financial Resilience and Excellence in Service Delivery

4. Modernize Public Facilities and Infrastructure

5. Strengthen Community through Education and Engagement



Foster a Safe and Healthy Community

Initiatives



Increase marketing of community emergency preparedness business and resident training programs



Partner with community-based organizations to connect residents to services at the Newark Resource Center



Enhance traffic safety outcomes by leveraging the California Office of Traffic Safety grant funding



Implement the Rental Inspection Pilot Program



Enforce the Tobacco Retail License ordinance



Further Economic Vitality and Housing for All

Initiatives



Review and update Affordable Housing Workplan



Develop a plan for the Four Corners area at Jarvis Ave. and Newark Blvd.



Advance the Urban Land Institute Technical Advisory Panel recommendations for NewPark Mall



Complete the City's first Homelessness Action Plan

Boost Financial Resilience and Excellence in Service Daily

Initiatives



Monitor Biennial Budget and 5-Year Capital Improvement Plan



Invest in employee training, coaching, wellness, and recognition programs



Continue expanding Police Wellness Program



Improve customer-facing technology and internal systems to increase transparency and enhance customer experience

Modernize Public Facilities and Infrastructure

Initiatives



Begin implementation of the first phase of Broadband Plan Initiatives



Complete the Active Transportation Plan



Replace playgrounds at various parks



Design and begin work to replace Fire Stations No. 27 and No. 29



Strengthen Community through Education and Engagement

Initiatives



Implement a Youth Academy designed for high school students in Newark



City rebranding and community outreach



Launch the Public Art Committee and Utility Art Box Program



Partner with Ohlone College and other education institutions for an internship program



Expand public safety community engagement initiatives



Alameda County Fire Department



Exceed response times for emergency services delivery

Strategic Priority Area: Foster a safe and healthy community



Partner with City on emergency preparedness training

Strategic Priority Area: Foster a safe and healthy community



Conduct community outreach and preparedness events

Strategic Priority Area: Strengthen community through education and engagement



Participate in Disaster Council coordination efforts

Strategic Priority Area: Foster a safe and healthy community



Community Development Department



Evaluate opportunities for missing middle housing

Strategic Priority Area: Further economic vitality and housing for all



Promote Newark for retail attraction

Strategic Priority Area: Further economic vitality and housing for all



Begin residential renter inspections

Strategic Priority Area: Further economic vitality and housing for all



Develop and implement first-time homebuyer program

Strategic Priority Area: Further economic vitality and housing for all



Enhance development plan review process

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Finance Department



Maintain accurate and compliant financial reporting

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Manage financing of capital projects and asset planning

Strategic Priority Area: Modernize public facilities and infrastructure



Oversee grant compliance and administration

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Complete the Nexus Study for Impact Fees

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Continue strengthening daily financial operations

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Human Resources Department



Mitigate organizational risks and enhance resilience

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Strengthen recruitment and onboarding programs

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Expand employee development and succession planning

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Foster inclusive and equitable workplace culture

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Information Technology Department



Strengthen cybersecurity protections and staff training

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Expand digital inclusion in compliance with new legal standards

Strategic Priority Area: Strengthen community through education and engagement



Develop responsible AI governance framework

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Continue to maintain IT infrastructure & assets

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Police Department



Strengthen new officer training and leadership development

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Promote vehicle theft prevention programs

Strategic Priority Area: Fosters a Safe and Healthy Community



Expand youth and volunteer engagement programs

Strategic Priority Area: Strengthen community through education and engagement



Enhance data-driven crime and traffic enforcement

Strategic Priority Area: Fosters a Safe and Healthy Community

Public Works



Seek funding opportunities for sea level rise resiliency plan

Strategic Priority Area: Fosters a Safe and Healthy Community



Deliver permitting and inspection services efficiently

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Complete Urban Forest Management Plan

Strategic Priority Area: Modernize public facilities and infrastructure



Update Citywide ADA Transition Plan

Strategic Priority Area: Fosters a Safe and Healthy Community

Public Works - Continued



Maintain City infrastructure, facilities, and fleet assets

Strategic Priority Area: Modernize public facilities and infrastructure



Expand solid waste diversion programs

Strategic Priority Area: Fosters a Safe and Healthy Community



Implement Capital Improvement Plan projects

Strategic Priority Area: Modernize public facilities and infrastructure

Recreation and Community Services



Deliver high-quality recreation programs and community events

Strategic Priority Area: Fosters a Safe and Healthy Community



Expand inclusive programs for all abilities

Strategic Priority Area: Strengthen community through education and engagement



Expand youth scholarship funding opportunities

Strategic Priority Area: Strengthen community through education and engagement



Expand Ride-On Tri-City transportation awareness and access

Strategic Priority Area: Fosters a Safe and Healthy Community



City Manager's Office



Support departments in advancing initiatives and policy alignment

Strategic Priority Area: All



Administer the 2026 Election

Strategic Priority Area: Boost financial resilience and excellence in service delivery



Evaluate vacant buildings for future use

Strategic Priority Area: Modernize public facilities and infrastructure



Provide emergency operations training

Strategic Priority Area: Foster a safe and healthy community



Expand CERT training and outreach

Strategic Priority Area: Foster a safe and healthy community



City Manager's Office

March 26

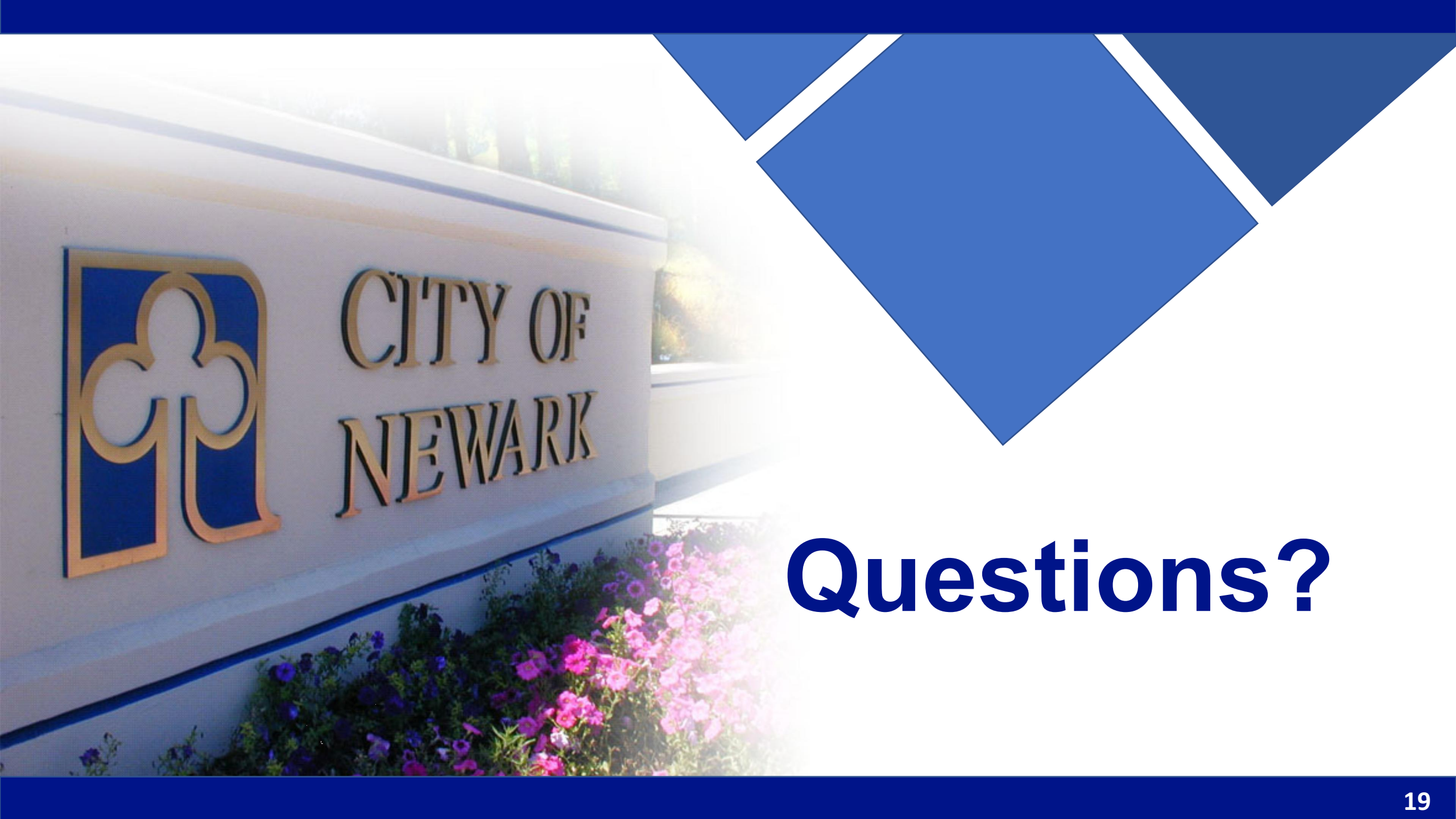
Capital
Improvement
Plan ("CIP")
Work Session

April/May

Draft Biennial
Budget & CIP
Presentation

June

Adoption of
Biennial
Budget &
CIP



Questions?