City Council Budget Workshop

December 2, 2024 - 6:00 PM or Immediately Following the City Council Meeting

City Hall - Council Chambers
101 W 4th St S
Newton, IA 50208

Call to Order

1. Roll Call

Presentation

2. Executive Team Presentations - Administrative Services / Finance / Community Development
3. Debt Service Fund - Lisa Frasier, Finance Officer & Candace Streeter, Sr Financial Analyst
4. FY26 Partner Funding / HF718 & SF2442 - Lisa Frasier, Finance Officer

Mayor/Council Comments

5. Mayor and Council Comments

Adjourn

The City of Newton is pleased to provide reasonable accommodations, in compliance with the Americans with Disabilities Act, for those individuals or groups who require assistance to be able to participate in the public meeting. Should special accommodations be required, please contact the City Clerk's Office at least 48 hours in advance of the meeting, at 641-792-2787 to arrange for accommodations to be provided.

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Administrative Services FY26 Budget Proposal

Katrina Davis – Administrative Services Manager/City Clerk

		City of Newton Operating Budget FY 25/26			
Administrative Services 6020 General Fund					**Proposed**
Revenues:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6020-1-41000	Alcoholic Control Licenses	$ (15,280.00)	$ (23,271.60)	$ (15,000)	$ (15,200)
001-6020-1-41050	Cigarette Permits	$ (2,675.00)	$ (4,375.00)	$ (2,200)	$ (2,500)
001-6020-1-41700	Peddler Permits	$ (250.00)	$ (250.00)	$ (700)	$ (200)
001-6020-1-41750	Amusement Licenses	$ -	$ -	$ -	$ -
001-6020-1-45000	Charges/Fees for Service	$ -	$ (30.50)	$ -	$ -
001-6020-1-47405	Miscellaneous Revenue	$ (37.24)	$ (6.33)	$ -	$ -
001-6020-2-47100	Reimbursements	$ (3,381.24)	$ -	$ -	$ -
Total Administrative Services General Fund Revenues:		**$ (21,623.48)**	**$ (27,933.43)**	**$ (17,900)**	**$ (17,900)**

Administrative Services 6020 General Fund					Proposed
Expenditures:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6020-60100	Salaries-Regular Full Time	$ 153,905.79	$ 200,465.10	$ 211,564	$ 229,024
001-6020-60630	Sick Leave Incentive	$ 500.00	$ 400.00	$ 1,000	$ 700
001-6020-61840	Health Allowance	$ -	$ 120.00	$ 360	$ 360
001-6020-61860	Safety Program	$ 2,210.98	$ 2,659.71	$ 4,000	$ 4,000
001-6020-62100	Association Dues	$ 3,605.00	$ 3,242.00	$ 3,800	$ 3,800
001-6020-62200	Subscriptions & Educational Ma	$ 182.00	$ 590.18	$ 200	$ 300
001-6020-62300	Training	$ 40.00	$ 315.82	$ 800	$ -
001-6020-62400	Meetings & Conferences	$ 1,098.15	$ 3,060.65	$ 2,500	$ 3,500
001-6020-62510	Employee Development	$ 5,534.84	$ 5,500.00	$ 7,800	$ 7,800
001-6020-62700	Mileage	$ 419.64	$ 327.77	$ 500	$ 1,000
001-6020-63500	Operational Equipment Repair	$ 562.64	$ 468.98	$ 1,500	$ 1,500
001-6020-63730	Telecommunications Expense	$ 1,835.82	$ 2,276.97	$ 1,500	$ 1,900
001-6020-64140	Printing & Publishing Expense	$ 4,897.36	$ 5,715.55	$ 5,000	$ 6,000
001-6020-64190	Technology Services Expense	$ 12,070.27	$ 14,018.06	$ 15,500	$ 19,000
001-6020-64200	Election Expense	$ 8,517.19	$ 8,450.73	$ -	$ 9,000
001-6020-64250	Employee Recognition	$ 1,665.80	$ 900.00	$ 2,000	$ 2,000
001-6020-64260	City Website	$ 23,407.19	$ 31,102.10	$ 16,000	$ 17,000
001-6020-64990	Contractual Services	$ 28,042.69	$ 25,097.65	$ 25,400	$ 25,400
001-6020-65040	Minor Equipment	$ 941.19	$ 2,901.64	$ 5,000	$ 5,000
001-6020-65060	Office Supplies	$ 448.93	$ 1,090.71	$ 1,500	$ 1,500
001-6020-65750	Computer Equipment	$ 1,117.83	$ 925.88	$ 2,000	$ 2,000
001-6020-66990	Refunds/Reimbursements	$ 211.25	$ -	$ 1,000	$ 500
001-6020-67270	Other Capital Equipment	$ -	$ -	$ -	$ -
Total Admin Services General Fund Expenditures:		**$ 251,215**	**$ 309,630**	**$ 308,924**	**$ 341,284**

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Finance FY26 Budget Proposal

Lisa Frasier – Finance Officer

		City of Newton Operating Budget FY 25/26			
Executive 6010 General Fund					**Proposed**
Revenues:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6010-4-48305	Transfer North Central TIF	$ -	$ -	$ (22,182)	$ -
001-6010-4-48314	Transfer EastMart TIF	$ -	$ (22,182.00)	$ (22,675)	$ -
001-6010-4-48321	Transfer 1st Ave E TIF	$ (14,288.00)	$ (14,788.00)	$ (15,117)	$ -
Total Executive General Fund Revenues:		**$ (14,288)**	**$ (36,970)**	**$ (59,974)**	**$ -**

Executive 6010 General Fund					**Proposed**
Expenditures:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6010-60100	Salaries-Regular Full Time	$ 143,923.09	$ 148,253.68	$ 151,347	$ 155,887
001-6010-60110	Mayor Salary	$ 4,800.00	$ 4,800.00	$ 4,800	$ 4,800
001-6010-60120	Board & Council Salary	$ 9,000.00	$ 9,000.00	$ 9,000	$ 9,000
001-6010-60630	Sick Leave Incentive	$ -	$ -	$ 200	$ 200
001-6010-61820	Allowances - Vehicle	$ 6,600.00	$ 5,400.00	$ 6,600	$ 6,600
001-6010-61840	Health Allowance	$ -	$ -	$ 100	$ 120
001-6010-62100	Association Dues	$ 6,195.43	$ 5,852.97	$ 6,000	$ 7,000
001-6010-62300	Training	$ 1,995.00	$ 638.08	$ 2,000	$ 1,200
001-6010-62400	Meetings & Conferences	$ 4,961.71	$ 5,428.56	$ 3,000	$ 3,000
001-6010-63730	Telecommunications Expense	$ 4,704.81	$ 3,077.13	$ 6,000	$ 4,500
001-6010-64250	Employee Recognition	$ 3,646.54	$ 2,452.42	$ 4,000	$ 4,000
001-6010-64990	Contractual Services	$ 3,799.47	$ 6,005.03	$ 5,000	$ 5,000
001-6010-65060	Office Supplies	$ 7,643.40	$ 8,836.27	$ 7,000	$ 7,000
001-6010-65750	Computer Equipment	$ -	$ 968.24	$ -	$ -
001-6010-67270	Other Capital Equipment	$ -	$ -	$ -	$ -
Total Executive General Fund Expenditures:		**$ 197,269**	**$ 200,712**	**$ 205,047**	**$ 208,307**

City of Newton

Operating Budget FY 25/26

Legal 6040 General Fund					Proposed
Expenditures:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6040-64500	General Counsel	$ 106,917.66	$ 170,248.28	$ 80,000	$ 95,000
001-6040-64510	Prosecution	$ 52,500.00	$ 48,125.00	$ 52,000	$ 52,500
001-6040-64520	Labor Counsel	$ 1,979.54	$ 20,521.47	$ -	$ -
Total Legal General Fund Expenditures:		**$ 161,397.20**	**$ 238,894.75**	**$ 132,000**	**$ 147,500**

City of Newton

Operating Budget FY 25/26

Finance 6025 General Fund					Proposed
Revenues:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6025-2-47100	Reimbursements	$ (13,384.35)	$ -	$ (300)	$ -
001-6025-4-48305	Transfer North Central TIF	$ -	$ -	$ (25,282)	$ -
001-6025-4-48314	Transfer EastMart TIF	$ (16,318.00)	$ (25,282.00)	$ (14,055)	$ -
001-6025-4-48321	Transfer 1st Ave E TIF	$ (29,373.00)	$ (16,855.00)	$ (14,055)	$ -
Total Finance General Fund Revenues:		**$ (59,075.35)**	**$ (42,137.00)**	**$ (53,692)**	**$ -**

Finance 6025 General Fund					Proposed
Expenditures:		**Actual FY23**	**Actual FY24**	**Budget FY25**	**Budget FY26**
001-6025-60100	Salaries-Regular Full Time	$ 185,426.94	$ 160,949.10	$ 225,085	$ 249,844
001-6025-60630	Sick Leave Incentive	$ 490.00	$ 200.00	$ 500	$ 500
001-6025-61840	Health Allowance	$ -	$ 240.00	$ 240	$ 360
001-6025-62100	Association Dues	$ 850.00	$ 800.00	$ 900	$ 900
001-6025-62300	Training	$ 1,921.17	$ 1,730.55	$ 1,500	$ 1,500
001-6025-62400	Meetings & Conferences	$ 1,214.18	$ 1,044.66	$ 800	$ 800
001-6025-63730	Telecommunications Expense	$ 480.07	$ 693.89	$ 500	$ 500
001-6025-64010	Accounting & Auditing Expense	$ 24,751.37	$ 26,391.66	$ 26,000	$ 27,100
001-6025-64140	Printing & Publishing Expense	$ 4,253.60	$ 6,338.76	$ 5,000	$ 6,500
001-6025-64190	Technology Services Expense	$ 13,590.00	$ 12,964.00	$ 18,600	$ 17,000
001-6025-65060	Office Supplies	$ 2,760.31	$ 2,259.45	$ 2,200	$ 2,000
001-6025-65080	Postage/Shipping	$ 11,496.45	$ 2,884.34	$ 4,000	$ 3,200
001-6025-67270	Other Capital Equipment	$ -	$ -	$ -	$ -
Total Finance General Fund Expenditures:		**$ 247,234**	**$ 216,496**	**$ 285,325**	**$ 310,204**

Community Development Budget Presentation FY26

Erin Chambers, Community Development Director

December 2024

Building Division

- Building Division Operations with Contract Service for approximately 6 months

- It was, previously, predicted Building Permit Revenues and Contractual Services Expenses are equal

- Eliminating Vehicle Costs related to this function (Building Official Car to be transferred to other department or sold)

- Actual numbers reveal a permit revenues generally exceed contract service costs each month. (thus covering some in-house admin cost)

  - FY26 Estimates:
    - Permit Revenues- approximately $180,000
    - Inspection Service Expenditures- approximately $112,000

Planning & Zoning Division

- Provides for the following positions:
  - Sr. City Planner
  - City Planner
  - Administrative Assistant/Permit Technician

- Maintains the Rental Program

- Increases directly tied to compensation increases (Matrix & Cost of Living)

Community Marketing Division

- Budget increase due to salary increase. All other line items will be generally holding the line from previous fiscal year

- Budget represents the increased printing and mailing for the Get to Know Newton Magazine. (postage increases)

Economic Development Division

- Increase in expenditures only attributable to anticipated COLA/salary increase
- Housing Initiative- includes authorization for the $10,000 incentive.
  - 24 Incentives yet available
- SSMID- The SSMID sunset date is 6-30-2028. This fund will be a discussion point when talking about Main Street (partner) funding.

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Programs- D&D

- Continue with D&D Program, but funding significantly less than previous years.
- Focus on 657A cases for the upcoming year
- Focus on selling property for the upcoming year

Programs- Downtown Façade and Housing Grants

- Downtown Façade Grant Program: approximately $122,000 remaining

- Downtown 2nd Story Housing Program: approximately $59,000 remaining

- Funds Available for Downtown Housing **OR** Façade: $100,000 remaining

Projects Anticipated based on discussions and/or resolutions of intent with property owners:

- Gray Moon Public Market Façade Grants
- 107 1st Avenue West: Second Story Housing
- 114 E 2nd ST S: Additional Building Improvements

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Airport

- Generally, working to maintain the status quo, both operationally and budgetary
- Increases in the following:
  - Building Maintenance and Repair- $1,000
  - Grounds Maintenance and Repair- $1,900
  - Electric and Gas- $4,500 (combined)
  - Johnson Aviation Contract- $2,300 (following cost of living increase spelled out in contract)
- Reduction in Vehicle Maintenance Supplies- -$1,000

Parks

- Generally, working to maintain the status quo, both operationally and budgetary

- Increases in the following:
  - Electric and Gas- $4,870

- Operational Costs related to Splash Pad accounted for (Utility and Water)

- Reduction in Uniform costs, aligning with Union Contract

Maytag Pool

- Again, maintaining status quo

- Increases in the following, to align with trends in actual expenditures previous year:
  - Electric and Gas- $3,000
  - Operational Equipment & Repair- $1,500
  - Building Maintenance & Repair- $2,500

Cemetery

- Minimal Changes

- Only budgeted increase:
    - Electric and Gas- $1,000

Golf Fund

- Maintaining status quo across all funds
- New clubhouse will impact budget, but unclear. We hope for the following:
  - Additional revenue as result of new clubhouse
    - Simulators
    - Expanding 19th Hole Offerings
    - Increase in rounds

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Debt Service Information

Total of all Debt Service payments in FY26 will be $3,012,262

- TIF Funds will contribute $1,276,687 in FY26
  - N Central TIF: FY25 $ 891,743 FY26 $ 799,828
  - Speedway/Prairie Fire TIF: FY25 $ 1,383,599 FY26 $ 30,804
  - Fairmeadows N TIF: FY25 $ 431,111 FY26 $ 436,047
  - 1st Avenue East TIF: FY25 $ 10,110 FY26 $ 10,008
- Current Debt Service Levy Payment: $1,735,575
  - Principal: $1,179,480 Interest: $ 556,095 Fees: $5,400
- The payment shown above are only for existing debt and does not include an additional bonding.

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Revenue Bond Payments in FY26

Revenue Bonds are paid directly from the Water Pollution Control, Water or the Road Use Tax Funds

Water Pollution Control Revenue Bond Payments FY26:

- Total payment of: $185,800
- Principal: $ 85,000   Interest: $ 100,800

Road Use Tax Revenue Bond Payments FY26:

- Total payment of: $328,050
- Principal: $ 255,000   Interest: $ 73,050

SRF Payments in FY26

SRF (State Revolving Funds) Loans are paid directly from the Water Pollution Control Fund and the Water Fund

Water Pollution Control SRF Payments FY26:

- Total payments of $201,418 (2 SRF Loans)
- Principal: $ 193,000 Interest: $ 8,418

- Water Fund SRF Payments FY26:
  - Total payment of: $41,485
  - Principal: $ 32,000 Interest: $ 9,485

FY26 Partner Funding

HF718 & SF2442

Questions

or

Comments?