



City Council Budget Workshop

**December 1, 2025 - 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 - Finance / Community Development / Utilities
3. Presentation of FY27 Employee Compensation Costs - Jerri Clay, Financial Analyst
4. Debt Service Fund - Candace Streeter, Sr Financial Analyst
5. FY27 Budget Information - Candace Streeter, Sr Financial Analyst

Mayor/Council Comments

6. Council Member Input - Questions and Comments for Staff

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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City of Newton Budget Workshop

December 1, 2025

Executive Team Presentations

Finance FY27 Budget Proposal

Lisa Frasier – Finance Officer

		City of Newton Operating Budget FY 26/27			
Executive 6010 General Fund					Proposed
Revenues:		Actual FY24	Actual FY25	Budget FY26	Budget FY27
001-6010-4-48305	Transfer North Central TIF	\$ -	\$ (22,182.00)	\$ (23,582)	\$ -
001-6010-4-48314	Transfer EastMart TIF	\$ (22,182.00)	\$ (22,675.00)	\$ (23,582)	\$ -
001-6010-4-48321	Transfer 1st Ave E TIF	\$ (14,788.00)	\$ (15,117.00)	\$ (15,721)	\$ -
Total Executive General Fund Revenues:		\$ (36,970)	\$ (59,974)	\$ (62,885)	\$ -
Executive 6010 General Fund					Proposed
Expenditures:		Actual FY24	Actual FY25	Budget FY26	Budget FY27
001-6010-60100	Salaries-Regular Full Time	\$ 148,253.68	\$ 154,248.66	\$ 155,887	\$ 162,510
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	\$ 5,400.00	\$ 7,800.00	\$ 6,600	\$ 6,600
001-6010-61840	Health Allowance	\$ -	\$ -	\$ 120	\$ 120
001-6010-62100	Association Dues	\$ 5,852.97	\$ 6,927.63	\$ 7,000	\$ 7,000
001-6010-62300	Training	\$ 638.08	\$ 1,112.29	\$ 1,200	\$ 1,200
001-6010-62400	Meetings & Conferences	\$ 5,428.56	\$ 5,057.73	\$ 3,000	\$ 3,000
001-6010-63730	Telecommunications Expense	\$ 3,077.13	\$ 2,104.86	\$ 4,500	\$ 2,000
001-6010-64250	Employee Recognition	\$ 2,452.42	\$ 3,701.68	\$ 4,000	\$ 4,000
001-6010-64990	Contractual Services	\$ 6,005.03	\$ 3,179.84	\$ 5,000	\$ 15,000
001-6010-65060	Office Supplies	\$ 8,836.27	\$ 6,003.96	\$ 7,000	\$ 7,000
001-6010-65750	Computer Equipment	\$ 968.24	\$ 29.88	\$ -	\$ -
Total Executive General Fund Expenditures:		\$ 200,712	\$ 203,967	\$ 208,307	\$ 222,430

		City of Newton Operating Budget FY 26/27			
Legal 6040 General Fund					<u>Proposed</u>
Expenditures:		<u>Actual FY24</u>	<u>Actual FY25</u>	<u>Budget FY26</u>	<u>Budget FY27</u>
001-6040-64500	General Counsel	\$ 170,248.28	\$ 73,583.13	\$ 95,000	\$ 95,000
001-6040-64510	Prosecution	\$ 48,125.00	\$ 56,875.00	\$ 52,500	\$ 52,500
001-6040-64520	Labor Counsel	\$ 20,521.47	\$ 150.00	\$ -	\$ 15,000
Total Legal General Fund Expenditures:		\$ 238,894.75	\$ 130,608.13	\$ 147,500	\$ 162,500

		City of Newton Operating Budget FY 26/27			
City Center 6050 General Fund					<u>Proposed</u>
Expenditures:		<u>Actual FY24</u>	<u>Actual FY25</u>	<u>Budget FY26</u>	<u>Budget FY27</u>
001-6050-63100	Building Maintenance & Repair	\$ 12,194.80	\$ 9,574.23	\$ 16,000	\$ 36,000
001-6050-63710	Electric Expense	\$ 41,307.73	\$ 38,447.51	\$ 50,000	\$ 48,000
001-6050-63715	Natural Gas Expense	\$ 7,630.94	\$ 9,003.31	\$ 12,000	\$ 11,700
001-6050-63740	Water/Sewer Expense	\$ 1,116.43	\$ 1,386.21	\$ 1,200	\$ 1,500
001-6050-64990	Contractual Services	\$ 49,922.78	\$ 53,782.44	\$ 55,000	\$ 57,000
Total City Center General Fund Expenditures:		\$ 112,173	\$ 112,194	\$ 134,200	\$ 154,200



City of Newton

Operating Budget FY 26/27

Finance 6025 General Fund

Revenues:		<u>Actual FY24</u>	<u>Actual FY25</u>	<u>Budget FY26</u>	<u>Proposed Budget FY27</u>
001-6025-2-47100	Reimbursements	\$ -	\$ (0.01)	\$ -	\$ -
001-6025-4-48305	Transfer North Central TIF	\$ -	\$ (25,282.00)	\$ (24,193)	\$ -
001-6025-4-48314	Transfer EastMart TIF	\$ (25,282.00)	\$ (14,055.00)	\$ (11,809)	\$ -
001-6025-4-48321	Transfer 1st Ave E TIF	\$ (16,855.00)	\$ (14,055.00)	\$ (16,665)	\$ -
Total Finance General Fund Revenues:		\$ (42,137.00)	\$ (53,392.01)	\$ (52,667)	\$ -

Finance 6025 General Fund

Expenditures:		<u>Actual FY24</u>	<u>Actual FY25</u>	<u>Budget FY26</u>	<u>Proposed Budget FY27</u>
001-6025-60100	Salaries-Regular Full Time	\$ 160,949.10	\$ 221,787.13	\$ 249,844	\$ 125,444
001-6025-60630	Sick Leave Incentive	\$ 200.00	\$ 300.00	\$ 500	\$ 1,440
001-6025-61840	Health Allowance	\$ 240.00	\$ 240.00	\$ 360	\$ 240
001-6025-62100	Association Dues	\$ 800.00	\$ 800.00	\$ 900	\$ 900
001-6025-62300	Training	\$ 1,730.55	\$ 1,184.56	\$ 1,500	\$ 1,500
001-6025-62400	Meetings & Conferences	\$ 1,044.66	\$ 331.64	\$ 800	\$ 600
001-6025-63730	Telecommunications Expense	\$ 693.89	\$ 467.31	\$ 500	\$ 600
001-6025-64010	Accounting & Auditing Expense	\$ 26,391.66	\$ 19,000.00	\$ 27,100	\$ 20,000
001-6025-64140	Printing & Publishing Expense	\$ 6,338.76	\$ 5,817.69	\$ 6,500	\$ 6,500
001-6025-64190	Technology Services Expense	\$ 12,964.00	\$ 17,536.00	\$ 17,000	\$ 20,000
001-6025-65060	Office Supplies	\$ 2,259.45	\$ 1,612.50	\$ 2,000	\$ 2,000
001-6025-65080	Postage/Shipping	\$ 2,884.34	\$ 5,933.75	\$ 3,200	\$ 4,000
001-6025-67270	Other Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total Finance General Fund Expenditures:		\$ 216,496	\$ 275,011	\$ 310,204	\$ 183,224

Community Development Budget Presentation FY27

Erin Chambers, Community Development Director

December 2025

Building Division

- Building Division continues to operate leanly.
- FY 26 was first full year operating with contract service for Building Inspections
- Building Inspections continue with contract service
 - City pays Veenstra & Kimm hourly rate + mileage
 - City retains all building permit fee revenues
- End of FY26, City had \$186,200 in permit fee revenue. Permit Fees are used for:
 - V&K Fees
 - Portions of Permit Tech Salary, Community Development Planning Staff salaries
 - Building Division office supplies, postage, etc.

Building Division

- FY27 proposed general fund budget mirrors actual numbers from FY26
- Includes costs of New GIS Based Permitting
- Implementation of Geo Permits provides a number of benefits:
 - Efficiency in processing- able to do more in less time
 - Greater public transparency via GIS (Beacon Website)

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), increases in supplies, P&Z portion of Geo Permits

Community Marketing Division

- Budget increase due to salary increase. All other line items will be generally holding the line from previous fiscal year
- Highlights of What Budget will be able to accomplish in FY27:
 - Continue the Get to Know Newton magazine
 - Email Marketing
 - Video Series with Bing Bang
 - Tourism Grants
 - Local Advertising
 - Marketing Services to all city departments

Economic Development Division

- Increase in expenditures attributable to anticipated COLA/salary increase
- Housing Initiative- includes authorization for the \$10,000 incentive.
- SSMID- The SSMID sunset date is 6-30-2028.
- Maintaining LMI Grants, Downtown Improvements Grants

Airport

- Generally, working to maintain the status quo, both operationally and budgetary
- Increase in Johnson Aviation Contract- 3% increase per approved contract

Parks- Including Maytag Pool, Cemetery

- Generally, working to maintain the status quo, both operationally and budgetary
- Summer 2025- not great for the pool due to two significant incidents, which required closure of the pool and 1 complete drain and refill
- Proposed Rental Fee changes by Park Board (12-1-2025 regular agenda)

Golf Fund

- Fee Increase approved by Council November 2025
- Additional revenue as result of new clubhouse
 - Simulators & Simulator League
 - Expanding 19th Hole Offerings, more year-round
 - Increase in rounds
- Current Year (FY26), first full year operating with clubhouse
- For FY27, salaries out of Golf Fund will reflect actual time spent by Groundskeepers, Parks Operations Superintendent, Community Development Director, Administrative Assistant, and Finance
 - Previous years- CD Director, Admin Assistant, and Finance staff time for Golf was covered by general fund.

FY27 Employee Compensation Cost Estimates

Employee Compensation estimates for FY27

Currently, the City has 132 employees that are either on the pay plan or are members of one of the 4 Unions. The numbers discussed in this presentation do not include Library salaries, as those employee's salaries are currently set by the Library board of Directors.

- Below is a breakout of the Unions:
 - Police: 23 Members
 - Fire: 19 Members (Propose 20 for FY27 budget)
 - Teamsters: 20 Members
 - Utilities: 17 Members

Police Union – 23 members (20 Officers/3 CSO's)

- FY26 Budget - Base Wages: \$1,911,655
- FY27 Estimate - Base Wages: \$1,894,524
 - General fund Decrease: -\$17,131 (0.8% decrease)
 - Why a Decrease? 2 retirements in FY26 with Pay outs and long-term employees being replaced with entry level positions
 - Difference from Start wage to Top wage (7year) is approximately \$24,500

Fire Union – 20 members (19 FY26 Budget)

- FY26 Budget - Base Wages: \$1,361,215
- FY27 Estimate - Base Wages: \$1,494,529
 - General fund Increase: \$133,314 (9.87% increase)
 - Without One Additional Firefighter (5.23% GF increase)

Teamster Union – 20 Members

- FY26 Budget - Base Wages: \$1,254,630
- FY27 Estimate - Base Wages: \$1,360,587

General Fund:	\$ 271,593	0.75% increase
North Central TIF/SSMID	\$ 41,853	6.97% increase
Road Use Tax Fund:	\$ 396,452	16.22% increase
City Garage Fund:	\$ 80,454	3.00% increase
Golf Fund:	\$ 75,101	7.73% increase
Landfill Fund:	\$ 317,422	2.97% increase
Storm Water Fund:	\$ 177,712	11.62% increase
Total Across All Funds:	\$1,360,587	8.45% increase

- Percentages may change between the General fund and the Golf fund to more accurately reflect actual time spent on each fund

Utilities Union- 17 members

- FY26 Budget - Base Wages: \$1,282,820
- FY27 Estimate - Base Wages: \$1,314,050

Water Pollution Control Fund:	\$ 481,645	2.54% Increase
Water – Treatment/Distribution:	\$ 801,371	2.35% Increase
RUT Fund:	\$7,759	2.94% Increase
<u>Stormwater Fund:</u>	<u>\$23,276</u>	<u>2.94% Increase</u>
Total for all Funds:	\$1,314,050	2.43% Increase

*Utilities Union include Water Pollution Control, Water Treatment Plant and Water Distribution.

City of Newton Pay plan – Numbers include all full-time employees not covered by a Union contract (No Library)

- FY26 (55 Employees) Budget Base Wages: \$4,576,238
- FY27 (52 Employees) Estimate Base Wages: \$4,613,920

General Fund:	\$ 3,064,180	+8,974	0.29% Increase
Golf Fund:	\$169,976	+13,461	8.60% Increase
Community Marketing:	\$85,669	+4,360	5.32% Increase
Road Use Tax Fund:	\$166,094	-3,164	1.87% Decrease
Water Pollution Control:	\$400,353	+7,400	1.88% Increase
Water Dept	\$398,447	+12,683	3.29% Increase
Landfill Fund:	\$163,522	-3,057	1.84% Decrease
Storm Water Fund:	\$165,649	-2,975	1.76% Decrease
Total Across All Funds:	\$ 4,613,920	\$37,682	0.82% Increase

* Pay plan was adjusted by 3% as in previous years according to Teamster raises

Summary of FY27 General Fund Wage Increases

Police Union	\$ (17,131)
Fire Union	\$ 133,314
Teamsters Union	\$ 2,015
<u>Pay Plan</u>	<u>\$ 8,974</u>

Total Projected FY27 General Fund Wage Increase: \$127,172

*this number adds 1 fulltime firefighter

Debt Service Information

Total of all Debt Service payments in FY27 will be \$3,426,259

- TIF Funds will contribute \$1,503,135 in FY27
 - N Central TIF: FY26 \$ 799,828 FY27 \$ 879,651
 - Fairmeadows N TIF: FY26 \$ 436,047 FY27 \$ 582,759
 - 1st Avenue East TIF: FY26 \$ 10,008 FY27 \$ 9,905
 - Speedway TIF: FY26 \$ 30,804 FY27 \$ 30,820
- FY27 Debt Service Levy Payment: \$1,827,424
 - Principal: \$1,217,710 Interest: \$ 609,714
- Water Fund will contribute \$95,700
 - Principal: \$ 45,000 Interest: \$50,700
- The payments shown above are only for existing debt and does not include an additional bonding.

Revenue Bond Payments in FY27

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

Water Pollution Control Revenue Bond Payments FY27:

- Total payment of: \$184,100
- Principal: \$ 85,000 Interest: \$ 99,100

Road Use Tax Revenue Bond Payments FY27:

- Total payment of: \$324,500
- Principal: \$ 260,000 Interest: \$ 64,500

Water Revenue Bond Payments FY27:

- Total payment of: \$269,300
- Principal: \$ 150,000 Interest: \$ 119,300

SRF Payments in FY27

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

Water Pollution Control SRF Payments FY27:

- Total payments of \$203,040 (2 SRF Loans)
- Principal: \$ 198,000 Interest: \$ 5,040

- Water Fund SRF Payments FY27:

- Total payment of: \$40,925
- Principal: \$ 32,000 Interest: \$ 8,925

FY27 Budget Information

Partner Funding FY27

Administration Staff has received information and is in the process of compiling this for City Council review

Outside Agency Funding Proposal For FY27

Agency	FY25 Actual	FY26 Actual	FY27 Proposed
Newton Development Corporation Hotel/Motel Tax and TIF's	\$77,000	\$77,000	\$77,000
Newton Housing Dev Corporation Fairmeadows N TIF	\$40,000	\$40,000	\$40,000
Newton Main Street North Central TIF	\$40,000	\$40,000	\$60,000 - \$75,000
Heart of Iowa Regional Transport Local Option Tax	\$35,251	\$35,251	\$35,251
Newton YMCA Local Option Tax	\$18,000	\$ 18,000	\$18,000
Retired & Senior Volunteer Program Local Option Tax	\$5,000	\$ 5,000	\$10,000 - \$15,000
United Way of Jasper County Local Option Tax	\$15,000	\$15,000	\$15,000
Des Moines International Airport General Fund	\$15,760	\$15,760	\$15,760

ROLLBACK NUMBERS

FY 2027



AGRICULTURAL – 59.4401%



COMMERCIAL – 90%*



INDUSTRIAL – 90%*



RAILROAD – 90%*



RESIDENTIAL – 44.5345%

First \$150,000 subject to residential rollback

NEW CGFL SYSTEM

Tier	Annual Non-TIF Taxable Valuation Growth	CGFL Impact
Tier 1	Less than 2.75%	CGFL not impacted
Tier 2	2.75%-3.99%	Revenue growth reduced by approximately 1% for the next budget year
Tier 3	4%-5.99%	Revenue growth reduced by approximately 2% for the next budget year
Tier 4	6% or higher	Revenue growth reduced by approximately 3% for the next budget year

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

2025

9.40% - EMPLOYEE

22.66% - EMPLOYER

32.06% - TOTAL RATE

2026

9.675% - EMPLOYEE

22.555% - EMPLOYER

32.23% - TOTAL RATE

2027

9.675% - EMPLOYEE

21.859% - EMPLOYER

31.53% - TOTAL RATE

FRANCHISE FEES



**~250 CITIES
CURRENTLY**

- MAY CHARGE UP TO 5%**

- MUST HOLD PUBLIC HEARING PRIOR TO
INCREASING OR AMENDING FEE + MUST
ADOPT AND PUBLISH (OR POST) A REVENUE
PURPOSE STATEMENT**

- CANNOT CHARGE BOTH LOST AND A
FRANCHISE FEE**

**Questions
or
Comments?**