



City Council Budget Workshop

February 3, 2026 - 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. Final review of FY27 Budget - Lisa Frasier, Finance Officer & Candace Streeter, Sr Financial Analyst

Mayor/Council Comments

3. 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.

Find us online: www.newtongov.org

February 3, 2026 DRAFT Budget Workshop

100% Assessed Value in Comparison to Taxable Values

| Fiscal Year | Total Assessed Value | % Increase | Taxable Value | Taxable Growth % | Revenue Growth % |
|---------------|------------------------|---------------|--------------------|------------------|------------------|
| FY13 | \$840,020,745 | | 449,134,295 | | |
| FY14 | \$838,708,552 | -0.16% | 450,868,397 | 0.39% | |
| FY15 | \$813,426,123 | -3.01% | 441,575,184 | -2.06% | |
| FY16 | \$813,671,491 | 0.03% | 440,115,181 | -0.33% | |
| FY17 | \$795,748,093 | -2.20% | 432,420,239 | -1.75% | |
| FY18 | \$803,670,528 | 1.00% | 441,030,628 | 1.99% | |
| FY19 | \$814,886,719 | 1.40% | 429,299,510 | -2.66% | |
| FY20 | \$836,191,397 | 2.61% | 439,551,051 | 2.39% | |
| FY21 | \$917,817,908 | 9.76% | 474,391,993 | 7.93% | |
| FY22 | \$922,991,296 | 0.56% | 475,441,842 | 0.22% | |
| FY23 | \$998,255,090 | 8.15% | 493,435,967 | 3.78% | |
| FY24 | \$1,091,513,093 | 9.34% | 530,770,916 | 7.57% | |
| FY25 | \$1,282,869,342 | 17.53% | 545,181,180 | 2.71% | |
| FY26 | \$1,295,619,389 | 0.99% | 552,571,868 | 1.36% | |
| <u>FY27</u> | <u>\$1,409,037,801</u> | <u>8.75%</u> | <u>614,916,417</u> | <u>11.28%</u> | <u>8.04%</u> |
| TOTAL: | | 67.74% | | 36.91% | |

*100% Assessed Value Growth Decreased 5.27% FY13-FY17
 100% Assessed Value Growth Increased 77.09% FY17-FY27

Total Taxable Value Growth Decreased 3.72% FY13-FY17
 Total Taxable Value Growth Increased 42.20% FY17-FY27

*Average Taxable Value Growth since FY14 is 1.772%

001 General Fund Revenue Estimate:

- FY25 (CGFL) \$8.37 General Fund Property Tax Budget:
\$4,563,166 \$8.37 Levy
- FY26 (CGFL) \$8.37 General Fund Property Tax Budget:
\$4,625,052 Increase of \$61,886 from FY25 (1.36%)
- FY27 (CGFL) \$8.12621 Projected General Fund Property Tax budget:
\$4,996,940 Increase of \$371,888 from FY26 (8.04%)

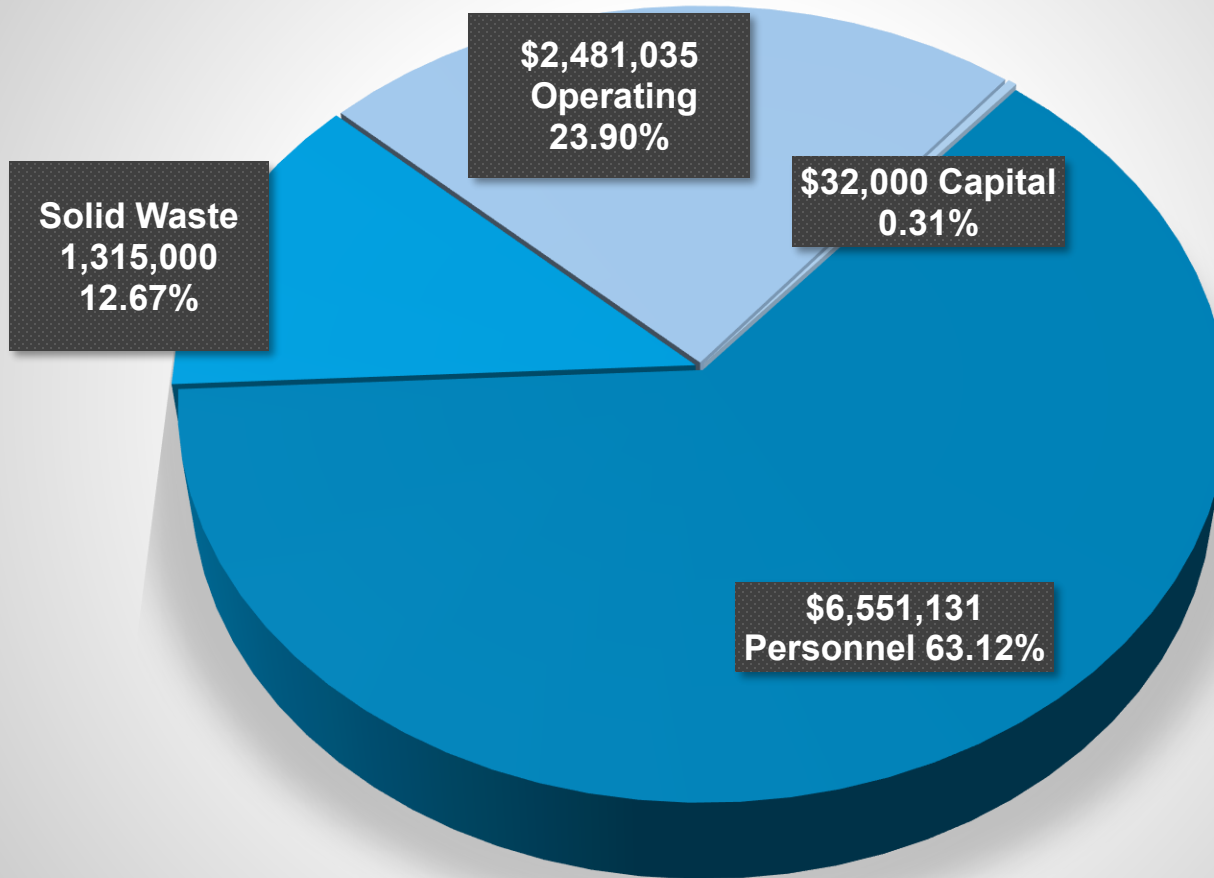
General Fund Information

| | |
|--|---------------|
| Projected Fund Balance 6-30-26: | \$ 3,079,675 |
| Budgeted FY27 Revenues: | \$10,493,450 |
| Budgeted FY27 Expenditures: | \$10,379,166 |
| Projected Fund Balance 6-30-27: | \$ 3,193,959 |
| Projected Designated Funds: | \$ 597,756 |
| Undesignated General Funds: | \$ 2,596,203 |
| Percent of Undesignated Reserves: | 25.01% |

*Undesignated Reserves are a percentage of budgeted General fund expenditures per financial policies

| | |
|-------------------------|--------------|
| General fund Personnel: | \$ 6,551,131 |
| General fund Operating: | \$ 3,796,035 |
| General fund Capital: | \$ 32,000 |

City of Newton FY 2026-27 General Fund Expenditures



Adjustments Made to FY27 Budget since January 19th Workshop

1. Added \$25,000 in Water Pollution Control Revenues for Sale of Equipment (End Loader)
2. Added \$25,000 in Airport Expenditures for purchase of End Loader
3. Added \$20,000 In North Central TIF Expenditures for Main Street
4. Changed amount for Downtown Park Restroom from \$225,00 for bonding in North Central TIF to \$125,000
5. Added \$10,000 in Local Option Sales Tax Expenditures for RSVP
6. Added Capital Projects in Water Treatment Expenditures for Clear Well Baffles (\$212,000) and Plant Security Fence (\$145,000)
7. Added an additional \$200,000 in Water Distribution Expenditures for Meter Replacement project - ending balance for FY27 in Water is now \$822,515
8. Equipment Reserve is reduced to \$475,000 from original \$500,000 since the Airport is purchasing used End Loader
9. Changed Farmland Rent in Landfill from \$34,170 to \$33,060

Adjustments Made to FY27 Budget since January 19th Workshop, Cont.

- Changes to Levy Rates since previous budget workshop
- Total Levy Rate of \$17.10 remains unchanged

| | <u>1st Draft Levy Rate</u> | <u>New Levy Rate</u> |
|-----------------------------------|--------------------------------|--------------------------|
| CGFL (Combined General Fund Levy) | 8.12621 | 8.12621 |
| Liability, Property Insurance | 0.77246 | 0.84747 |
| Local Emergency Management | 0.0374 | 0.0374 |
| Employee Benefits | 4.63697 | 5.10561 |
| Debt Service | 3.52696 | 2.98331 |
| Total Levy Rate: | 17.10 | 17.10 |

CIP items for FY27 Debt Service

The following is a list of projects/equipment proposed for FY27 bonding for Debt Service:

| | |
|--|--------------|
| 1. Ladder 1 Replacement | \$ 2,070,000 |
| 2. Inclusive Playground Features | \$ 300,000 |
| 3. Police Vehicles & Equipment | \$ 287,000 |
| 4. Parks Equipment | \$ 202,000 |
| 5. Union Cemetery Street Repair | \$ 180,000 |
| 6. Neighborhood Sidewalk N 15 Ave W | \$ 150,000 |
| 7. D&D Program | \$ 150,000 |
| 8. Police/Fire Training & Storage Facility | \$ 100,000 |
| 9. Housing Incentives | \$ 100,000 |
| 10. Fire Equipment | \$ 47,000 |
| 11. Terminal Remodel | \$ 36,000 |
| 12. Emergency Response Planning & Upgrades | \$ 20,000 |
| 13. Tree & Stump Removal - Parks | \$ 15,000 |
| 14. Fire Station Remodeling | \$ 15,000 |

CIP items for FY27 Debt Service, cont.

| | |
|---|--------------------|
| 15. Hike & Bike Trail repairs | \$ 15,000 |
| <u>16. Park Shelter & Restroom Upgrades</u> | <u>\$ 10,000</u> |
| Total: | \$3,697,000 |

North Central TIF FY27 CIP:

| | |
|---|------------------|
| 1. Downtown Park Restroom | \$125,000 |
| • Plus Donation of \$125,000 | |
| 2. <u>Downtown Housing & Improvement Grants</u> | <u>\$ 50,000</u> |
| TOTAL: | \$175,000 |

1st Avenue East TIF FY27 CIP:

| | |
|---|--------------------|
| 1. Stormwater Project 1 st Ave/E 12 St N | \$1,200,000 |
|---|--------------------|

Fairmeadows N TIF FY27 CIP:

| | |
|--------------------------------------|------------------|
| 1. Arbor Estates – Phase 3 | \$500,000 |
| 2. <u>Cardinal Pond Improvements</u> | <u>\$ 50,000</u> |
| TOTAL: | \$550,000 |

- **Potential Additional bonding for Essential Equipment**

Examples of Property Taxes in the City of Newton:

- Over 65 Credit of \$6,500
- Military Credit of \$4,000

| House #1 | | |
|-----------------------|-----------------|-------------------|
| | FY26 | Est FY27 |
| Assessed Value | \$316,260 | \$350,110 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$ 150,007 | \$155,920 |
| Over 65 Credit | \$ 0 | \$ (6,500) |
| Military | \$0 | \$0 |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 5,991 | \$ 5,967 |
| Less Homestead | \$ (194) | \$ (194) |
| Net Taxes | \$ 5,797 | \$ 5,773 |
| Decrease: | | \$ (23) |

Qualifies for 65 credit in FY27
House went up \$33,850 but taxes went down

| House #2 | | |
|-----------------------|-----------------|-----------------|
| | FY26 | Est FY27 |
| Assessed Value | \$ 316,260 | \$ 350,110 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$ 150,007 | \$ 155,920 |
| Over 65 Credit | \$ 0 | \$ 0 |
| Military | \$ 0 | \$ 0 |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 5,991 | \$ 6,227 |
| Less Homestead | \$ (194) | \$ (194) |
| Net Taxes | \$ 5,797 | \$ 6,033 |
| Increase: | | \$ 236 |

Same House as House # 1 with no 65 credit
House went up \$33,850, \$236 increase in taxes

| House #3 | | |
|------------------|-------------------|-------------------|
| | FY26 | Est FY27 |
| Assessed Value | \$382,640 | \$403,980 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$181,492 | \$179,910 |
| Over 65 Credit | \$ 0 | \$ 0 |
| Military | \$ (4,000) | \$ (4,000) |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 7,088 | \$ 7,025 |
| Less Homestead | \$ (194) | \$ (194) |
| Net Taxes | \$ 7,986 | \$ 7,918 |
| Decrease: | | \$ (63) |

Qualified for Military Credit both years
House went up \$21,340, taxes went down due to rollback

| House #4 | | |
|------------------|-----------------|-------------------|
| | FY26 | Est FY27 |
| Assessed Value | \$ 283,720 | \$ 312,740 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$ 134,573 | \$ 139,277 |
| Over 65 Credit | \$ 0 | \$ 0 |
| Military | \$ 0 | \$ (4,000) |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 5,934 | \$ 5,911 |
| Less Homestead | \$ (194) | \$ (194) |
| Net Taxes | \$ 5,737 | \$ 5,714 |
| Increase: | | \$ 28 |

No Military in FY26 / Military in FY27
House went up \$29,020, taxes went up slightly

| House #5 | | |
|------------------|-----------------|-------------------|
| | FY26 | Est FY27 |
| Assessed Value | \$522,370 | \$494,370 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$247,768 | \$220,165 |
| Over 65 Credit | \$ 0 | \$ 0 |
| Military | \$ 0 | \$ 0 |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 9,895 | \$ 8,793 |
| Less Homestead | \$ (194) | \$ (194) |
| Net Taxes | \$ 9,701 | \$ 8,599 |
| Decrease: | | \$ (1,102) |

No 65 & No Military in FY26 or FY27
House went down \$28k, taxes went down

| House #6 | | |
|------------------|-----------------|-----------------|
| | FY26 | Est FY27 |
| Assessed Value | \$ 98,990 | \$ 114,610 |
| Rollback | 47.4316% | 44.5345% |
| Taxable Value | \$ 46,953 | \$ 51,041 |
| Over 65 Credit | \$ 0 | \$ 0 |
| Military | \$ 0 | \$ 0 |
| Levy Rate | 39.93606 | 39.93606 |
| Gross Taxes Due | \$ 1,875 | \$ 2,038 |
| Less Homestead | \$ 0 | \$ 0 |
| Net Taxes | \$ 1,875 | \$ 2,038 |
| Increase: | | \$ 163 |

No 65, No Military, & No Homestead in FY26 or FY27
House went up \$15,620, taxes went up

FY27 Budget Issues and Beyond

- Discussion on Property Tax Reform information