

NEWTON BUDGET WORKSHOP CITY COUNCIL MEETING MINUTES
FEBRUARY 3, 2026, 6:51 PM

Call to Order

1. Roll Call

The City Council of Newton, Iowa met in Special session at 6:51 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor George presided. Present Council Members: Mills, Roth, Dalton, Hallam, Simbro, Holschuh. Absent: None.

Presentation

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

Average Taxable Value Growth since FY14 is 2.6364%. The FY26 (CGFL) \$8.37 General Fund Property Tax Budget equaled \$4,625,052 an increase of \$61,886 from FY25 (1.36%). The FY27 (CGFL) \$8.12621 Projected General Fund Property Tax budget is \$4,996,940, an increase of \$371,888 from FY26 (8.04%). The City has now lost \$.24379 (\$149,910) of the \$.27 voted in Library Levy. The City will lose the entire \$.27 by FY29, as the limit on the CGFL will then be \$8.10 according to current law. The projected percent of undesignated reserves is 25.01%. 63.12% of expenditures is for personnel. The total levy rate of \$17.10 remains unchanged. Finance staff has adjusted the levy rates to prepare for possible legislation limiting all levy rates (except Debt Service) to 2% growth starting in FY28. The City has been applying the portion of LOST tax that is reserved for property tax relief (\$787,500) to the Employee Benefit fund. With the new cap proposal for this fund, staff has moved it to the Debt Service fund in FY27, so the City can continue property tax relief per the ballot and have the Employee Benefit levy rate equal the amount needed for benefit expenses. Depending on legislation (can only bond with a vote), the City may need to do additional taxable borrowing before 7-1-26 for Public Safety and essential items. Staff is monitoring this and in conversations with the City's financial advisors. Council discussed utilizing a franchise fee in order to offset loss of revenue in the future due to the impacts of proposed legislation. The majority of cities in Iowa already utilize the fees.

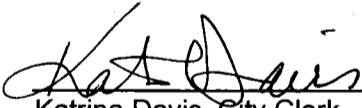
Mayor/Council Comments

3. Mayor and Council Comments

Jon Dunwell, Iowa State Representative, spoke regarding property tax reform. Mayor Ervin stated that growth is the answer.

Adjourn

Moved by Mills, seconded by Simbro to adjourn the meeting at 8:18 P.M. Motion unanimously carried by voice vote.



Katrina Davis, City Clerk



Randy J. Ervin, Mayor

