



## Newton City Council Agenda

August 3, 2026 - 6:00 PM

*View the City Council Meeting:*

**In Person**

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

**Television**

Mediacom Channel  
12/85/121.12

**Online**

[newtongov.org/cablecast](http://newtongov.org/cablecast)

### Pledge

Pledge of Allegiance

### Call to Order

1. Roll Call

### Presentation

2. Nascar Update — Eric Peterson, Iowa Speedway President

### Citizen Participation

3. This is the time of the meeting that a citizen may address the Council. After being recognized by the presiding officer, each person will be given three (3) minutes to speak. Elected officials will take comments into consideration; however, this time is not intended for a discussion or entering into a dialogue. Elected officials and City staff will not answer questions or debate a citizen during the *Citizen Participation* portion of the meeting.

### Consent Agenda

4. July 20, 2026 Special City Council Meeting Minutes
5. July 20, 2026 Regular City Council Meeting Minutes
6. July 20, 2026 City Council Workshop Minutes
7. July 24, 2026 Special City Council Meeting Minutes
8. Approve Liquor Licenses for the following: PB Pub - LC0045655, 113 1st Ave E, Outdoor service renewal; 2nd Ave Social LLC Special Event, 600 N 2nd Ave W, September 5, 2026
9. Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 26-12)
10. Resolution fixing the amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 26-13)
11. Resolution Approving a Property Tax Rebate for the Best Midwest Properties LLC Property Located at 109 1<sup>st</sup> Ave W Within the North Central Urban Renewal Area
12. Resolution accepting completion of the Demolition Project 2026-01
13. Resolution approving quote for the purchase of Gridsmart Traffic Signal Control Boards located at W 2nd St, E 3rd St & E 4th St

14. Resolution approving the purchase and up-fit services for one police patrol vehicle
15. Resolution approving rescinding the application for an 80-20 voluntary annexation into the City of Newton of property located in Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa.
16. Resolution approving the purchase of bleachers for the Aurora Park Tennis Courts
17. Resolution Approving the Annual Support Fees for the Fire Department Record Management Software
18. Approve Bills

## **Public Hearing**

19. Public Hearing on Resolution approving grant application and funding commitment of a Community Development Block Grant
  - Community Development Block Grants require the City of Newton to be the applicant.
  - The City of Newton will be applying for Upper Story Housing program on behalf of the property owners of the second-story apartments at 104 1st Avenue East.
  - The requested grant amount for 4 units is \$400,000.
  - This resolution authorizes the submittal of the grant application.

20. Resolution approving grant application and funding commitment of a Community Development Block Grant

## **Ordinance**

21. Third Consideration of an Ordinance Granting to Interstate Power and Light Company (Alliant Energy) a 25-Year Non-Exclusive Electric Franchise
  - 270 other cities in the State of Iowa have already adopted franchise fees. These fees are only now necessary in the City of Newton due to the recent passage of HF 718 and SF 2472 by the Iowa State Legislature, which limit the amount of property taxes the City can collect and use to provide services that Newton residents want in our community.
  - When fully implemented in FY29, franchise fees would add \$6 to the average monthly Alliant Energy bill, which is less than the \$16 per month that the average resident will save on their property taxes, due to just the new property tax exemption portion of SF 2472.
  - Newton is an extremely lean organization. Any reductions to the City budget will necessarily translate to reductions in services to our residents. Newton has a lot of positive momentum right now, and we need to keep heading in the right direction.
  - Franchise fees would allow the City to continue providing the same level of services that we are currently providing in the areas of Police, Fire, Parks & Rec, and the Newton Public Library, and will also allow the City to utilize general funds to purchase some

capital equipment, which would reduce City bonding for that equipment.

22. Third Consideration of an Ordinance Establishing a Franchise Fee on Energy Providers Operating in the City of Newton, Iowa

- 270 other cities in the State of Iowa have already adopted franchise fees. These fees are only now necessary in the City of Newton due to the recent passage of HF 718 and SF 2472 by the Iowa State Legislature, which limit the amount of property taxes the City can collect and use to provide services that Newton residents want in our community.
- When fully implemented in FY29, franchise fees would add \$1.50 to the average monthly Black Hills Energy bill, which is less than the \$16 per month that the average resident will save on their property taxes, due to just the new property tax exemption portion of SF 2472.
- Newton is an extremely lean organization. Any reductions to the City budget will necessarily translate to reductions in services to our residents. Newton has a lot of positive momentum right now, and we need to keep heading in the right direction.
- Franchise fees would allow the City to continue providing the same level of services that we are currently providing in the areas of Police, Fire, Parks & Rec, and the Newton Public Library, and will also allow the City to utilize general funds to purchase some capital equipment, which would reduce City bonding for that equipment.

23. Third Consideration of an Ordinance amending the code of ordinances, City of Newton, Iowa, 2025, Title III, Chapter 30, Section 30.036, "Powers & Duties"; Title III, Chapter 35, Section 35.11, "Change Orders & Contracts"; and Title III, Chapter 35, Section 35.12, "Emergency Purchases"

- The proposed amendments update provisions related to contract execution authority, change orders, and emergency purchases.
- Increasing administrative authority could reduce delays, allow staff to respond more quickly to project needs, and help keep projects moving while remaining within approved budgets and established parameters.

## Resolution

24. Resolution approving the granting of Downtown Improvement Grant funds for 108 1st Avenue East, Newton, Iowa in the Restaurant Improvements Program Area

- At their meeting on July 22, 2026, the Downtown Grant Review Board recommended approval of grants for restaurant renovations for 108 1st Ave E for Young's Bakery
- Maximum grant amount \$3,511.54, provided 1:1 match is met.

25. Resolution Amending Eligible Activities of Downtown Improvement Grant funds in the restaurant improvements program area
- It is desirable to amend the program instructions for the Downtown Improvement Grants to limit restaurant improvements to only items that are permanent to the building.
  - Eligible restaurant improvements include semi-permanent equipment such as hood and ventilation systems, fire suppression, and grease interceptors.
  - Equipment such as refrigerators, coolers and other such equipment that can be moved easily will not be eligible for the grant.
26. Resolution Approving and Authorizing Submittal of Documents for the City's Community Development Block Grant submission to the Iowa Economic Development Authority
- As part of the CDBG grant submittal process, it is necessary for council to review several documents to be included in the application.
  - These documents include a Community Development & Housing Needs Assessment, Federal Assurances Signature Page, and a Disclosure/Update Report.

### **Mayor/Council Comments**

27. 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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NEWTON SPECIAL MEETING CITY COUNCIL MEETING MINUTES  
JULY 20, 2026, 5:15 PM

Call to Order

1. Roll Call

The City Council of Newton, Iowa met in special session at 5:15 P.M. on the above date in the Council Chambers at 101 West 4<sup>th</sup> Street South. Mayor Ervin presided. Present Council Members: Mills, Roth, Dalton, Hallam, Simbro, Holschuh. Absent: None.

Discussion

2. Council Discussion — Franchise Fee

The City Council held a special workshop to discuss the potential implementation of municipal franchise fees and to review the financial considerations associated with the program. Staff provided an overview of how franchise fees are assessed and how the revenues could be utilized to support essential municipal services. Council discussed the impact of franchise fees on residential, commercial, and nonprofit utility customers, including the varying effects across customer classes. Members also discussed the importance of conducting a comprehensive financial review after three years to evaluate the City's fiscal needs, the effectiveness of the program, and whether any adjustments would be appropriate.

Council further discussed several ongoing changes in state funding that will affect municipal finances in the coming years, including the phased elimination of the state's property tax backfill, modifications to the Homestead Credit, and proposed limitations on the use of Tax Increment Financing (TIF) for economic development purposes. Members noted that these changes are expected to reduce traditional revenue sources available to cities while increasing the need to identify sustainable funding options. Council emphasized that any franchise fee revenues would be dedicated to maintaining services and infrastructure that residents expect and rely upon, helping ensure the City can continue to provide public safety, parks, and other essential services despite evolving state funding policies. No formal action was taken during the workshop.

Adjourn

Moved by Dalton, seconded by Mills to adjourn the meeting at 5:50 P.M. Motion unanimously carried by voice vote.

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Katrina Davis, City Clerk

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Randy J. Ervin, Mayor

NEWTON CITY COUNCIL MEETING MINUTES  
JULY 20, 2026, 6:00 PM

Pledge

Pledge of Allegiance

Mayor Ervin asked everyone present to join in saying the Pledge of Allegiance.

Call to Order

1. Roll Call

The City Council of Newton, Iowa met in regular session at 6:00 P.M. on the above date in the Council Chambers at 101 West 4<sup>th</sup> Street South. Mayor Ervin presided. Present Council Members: Mills, Roth, Dalton, Hallam, Simbro, Holschuh. Absent: None.

Citizen Participation

2. Due to the weather, Fire Chief Wellik announced weather-related safety information in case citizens in the chamber would need to seek shelter during the meeting.

Consent Agenda

Moved by Mills, seconded by Hallam to approve consent agenda items 3-13. AYES: Six. NAYS: None. Consent Agenda was adopted.

3. July 6, 2026 Regular City Council Meeting Minutes
4. Approve Liquor Licenses for the following: 2nd Ave Social (DMACC Newton Campus), 600 N 2nd Ave W, Class C Retail Alcohol License for Special Event Sept 3-7, 2026; PB Pub - LC0045655, 113 1st Ave E, Class C Retail Alcohol License renewal
5. Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 26-11)  
Resolution 2026-270 adopted.
6. Resolution fixing the amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 26-12)  
Resolution 2026-271 adopted.
7. Resolution accepting completion of the 2025 HMA Alley Overlay Project  
Resolution 2026-272 adopted.
8. Resolution accepting completion of the 2025 Aurora Park Tennis Courts Project  
Resolution 2026-273 adopted.
9. Resolution accepting completion of the 2025 W 3rd & 4th St Traffic Signal Install Project  
Resolution 2026-274 adopted.
10. Resolution approving easements for the 1st Ave and 12th St Drainage Improvements project no. 2403428  
Resolution 2026-275 adopted.
11. Resolution Approving Payment to Axon, LLC for Police Video Equipment and Service  
Resolution 2026-276 adopted.
12. Resolution approving Service Agreement with Nationwide Office Cleaning for the clubhouse at Westwood Golf Course  
Resolution 2026-277 adopted.
13. Approve Bills

Public Hearing

14. Public Hearing on the Proposed 2026 Amendment to the North Central Urban Renewal Area  
Mayor Ervin stated that this is the time and place for a Public Hearing on the above Resolution. There were no written comments. Moved by Holschuh, seconded by Roth to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.
15. Resolution to Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area  
Moved by Hallam, seconded by Simbro to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-278 adopted.
16. Public Hearing on the Proposed 2026 Amendment to the Fairmeadows North Housing Urban Renewal Area  
Mayor Ervin stated that this is the time and place for a Public Hearing on the above Resolution. There were no written comments. Moved by Dalton, seconded by Roth to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.

17. Resolution to Approve Urban Renewal Plan Amendment for the Fairmeadows North Housing Urban Renewal Area  
Moved by Hallam, seconded by Simbro to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-279 adopted.
18. Public Hearing on the Proposed 2026 Amendment to the 1st Avenue East Urban Renewal Area  
Mayor Ervin stated that this is the time and place for a Public Hearing on the above Resolution. There were no written comments. Moved by Dalton, seconded by Roth to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.
19. Resolution to Approve Urban Renewal Plan Amendment for 1st Avenue East Urban Renewal Area  
Moved by Mills, seconded by Hallam to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-280 adopted.
20. Public Hearing on a Resolution approving the purchase agreement for real property at 510 West 3rd Street North Newton, Jasper County, Iowa  
Mayor Ervin stated that this is the time and place for a Public Hearing on the above Resolution. There were no written comments. Jeff Davis with Jeffery Paul Homes and CTL Homes spoke regarding the commitment to 6 homes. The price range would be approximately \$275 - \$300 thousand. Moved by Mills, seconded by Roth to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.
21. Resolution approving the purchase agreement for real property at 510 West 3rd Street North Newton, Jasper County, Iowa  
Moved by Roth, seconded by Hallam to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-281 adopted.
22. Public Hearing on a resolution approving the purchase agreements for real property at 115 East 4th Street North, 124 East 4th Street North, and 411 North 2nd Avenue East, Newton, Jasper County, Iowa  
Mayor Ervin stated that this is the time and place for a Public Hearing on the above Resolution. There were no written comments. Jeff Davis with Jeffery Paul Homes and CTL Homes clarified that they would build a commercial building on 115 E 4th St S and one residential home on each of the other two properties. Robin Stevens asked that they think about the design of the new homes so they do not all look the same. Susan Scott, 718 S 3rd Ave W, spoke about the bid amount. Moved by Dalton, seconded by Roth to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.
23. Resolution approving the purchase agreement for real property at 115 East 4th Street North, 124 East 4th Street North, and 411 North 2nd Avenue East, Newton, Jasper County, Iowa  
Moved by Mills, seconded by Hallam to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-282 adopted.

#### Ordinance

24. Second Consideration of an Ordinance Granting to Interstate Power and Light Company (Alliant Energy) a 25-Year Non-Exclusive Electric Franchise  
Moved by Simbro, seconded by Mills to approve the second consideration of the Ordinance. Various citizens and business owners spoke on the matter. AYES: Five. NAYS: Hallam. Second Consideration of the Ordinance was approved.
25. Second Consideration of an Ordinance Establishing a Franchise Fee on Energy Providers Operating in the City of Newton, Iowa  
Moved by Simbro, seconded by Mills to approve the second consideration of the Ordinance. Various citizens and business owners spoke on the matter. AYES: Five. NAYS: Hallam. Second Consideration of the Ordinance was approved.
26. Second Consideration of an Ordinance amending the code of ordinances, City of Newton, Iowa, 2025, Title III, Chapter 30, Section 30.036, "Powers & Duties"; Title III, Chapter 35, Section 35.11, "Change Orders & Contracts"; and Title III, Chapter 35, Section 35.12, "Emergency Purchases"  
Moved by Mills, seconded by Hallam to approve the second consideration of the Ordinance. AYES: Six. NAYS: None. Second Consideration of the Ordinance was approved.

#### Resolution

27. Resolution expressing the City Council's intent to review the necessity of electric and natural gas franchise fees three years following the initial receipt of franchise fee revenue

Moved by Roth, seconded by Hallam to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-283 adopted.

28. Resolution to approve contract with Indian Hills Community College for the 2026-2027 Newton Paramedic Training Program  
Moved by Simbro, seconded by Roth to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-284 adopted.

29. Resolution accepting Prairie Meadows Community Betterment Grant Awards and approving the grant agreements  
Moved by Holschuh, seconded by Mills to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-285 adopted.

30. Resolution awarding a Contract For Application and Administration of Community Development Block Grant Upper Story Rehabilitation Program for 104 1st Avenue East  
Moved by Holschuh, seconded by Hallam to adopt the Resolution. AYES: Six. NAYS: None. Resolution 2026-286 adopted.

#### Staff Report

31. Hydraulic Model Overview — Jody Rhone, Utilities Director  
Utilities developed a hydraulic model using Bentley WaterGEMS to assist in evaluating water distribution system performance. They were able to assess pressures and fire flow, identify operational and infrastructure deficiencies which help in capital improvement planning, operational decision-making and assist with project prioritization.

#### Mayor/Council Comments

32. Mayor and Council Comments  
Mills indicated that budget workshops would be happening soon and invited citizens to come and understand more about the budget process. Roth spoke about the Youth Camp event for Sudanese students. Ervin encouraged citizens to take a look at the new dock at Cardinal Pond.

#### Adjourn

Moved by Mills, seconded by Hallam to adjourn the meeting at 9:32 P.M. Motion unanimously carried by voice vote.

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Katrina Davis, City Clerk

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Randy J. Ervin, Mayor

NEWTON WORKSHOP CITY COUNCIL MEETING MINUTES  
JULY 20, 2026, 9:38 PM

Call to Order

1. Roll Call

The City Council of Newton, Iowa met in special session at 9:38 P.M. on the above date in the Council Chambers at 101 West 4<sup>th</sup> Street South. Mayor Ervin presided. Present Council Members: Mills, Roth, Dalton, Hallam, Simbro, Holschuh. Absent: None.

Discussion

2. Discussion on Site Plan Review Process

Community Development Director, Erin Chambers, provided information on the current site plan review process and provided options to update the process.

Mayor/Council Comments

3. Mayor and Council Comments

Council discussion ensued.

Adjourn

Moved by Roth, seconded by Mills to adjourn the meeting at 10:19 P.M. Motion unanimously carried by voice vote.

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Katrina Davis, City Clerk

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Randy J. Ervin, Mayor

NEWTON SPECIAL MEETING CITY COUNCIL MEETING MINUTES  
JULY 24, 2026, 9:00 AM

Call to Order

1. Roll Call

The City Council of Newton, Iowa met in special session at 9:00 A.M. on the above date in the Council Chambers at 101 West 4<sup>th</sup> Street South. Mayor Ervin presided. Present Council Members: Mills, Roth, Dalton, Simbro (via cell phone). Absent: Hallam, Holschuh.

Resolution

2. Resolution Approving Judicial Order Compliance and Authorizing Related Expenses  
Moved by Mills, seconded by Roth to adopt the Resolution. Muckler indicated that this would be paid from the equipment reserve fund to reduce bonding. AYES: Four. NAYS: None. Resolution 2026-287 adopted.

Adjourn

Moved by Mills, seconded by Dalton to adjourn the meeting at 9:10 A.M. Motion unanimously carried by voice vote.

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Katrina Davis, City Clerk

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Randy J. Ervin, Mayor

## City of Newton Council Report

**Item:**

Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 26-12)

**Summary:**

The City of Newton abated some nuisances, such as tall grass/weeds and/or trash. These costs remain unpaid by the property owner(s) and should be assessed to the property taxes.

**Financial Impact:**

Cost Recovery: \$4,491.00

**Report Number:** 2026-796

**Date:**

August 3, 2026

**Lead Department:**

Police

**Recommendation:**

Approve

**Background:**

At their last meeting, City Council approved a Schedule of Assessment for the Expenses of Nuisance Abatement. The total amount for cost recovery is \$4,491.00.

The attached schedule lists owner, parcel number, address, amount to be assessed, date work was completed, property legal description, and property valuation.

With the approval of this resolution, the costs expended by the City for the abatement of nuisances will be placed on the taxes as a special assessment for each property.

**Recommendation:**

Staff recommends approval of the resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 26-12).

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION LEVYING ASSESSMENTS FOR COSTS OF  
NUISANCE ABATEMENT AND PROVIDING FOR THE  
PAYMENT THEREOF (SCHEDULE 26-12)**

**WHEREAS**, pursuant to its powers and duties as set out in Chapter 364, Code of Iowa, the City of Newton, after the property owner's failure upon being given notice and opportunity to cure, has performed the required action to abate the public nuisance and now seeks, as provided in 364.12, Code of Iowa, to assess the costs of such action against each of the properties set out on the attached Schedule No. 26-12 for collection in the same manner as the property tax.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached Schedule No. 26-12, is hereby approved and adopted with the amounts shown thereon assessed and levied against each property for the collection in the same manner as a property tax.

**BE IT FURTHER RESOLVED**, that said assessments shall be payable in 1 annual installment and shall bear interest at the rate of 3.88 percent per annum, from the date of the acceptance of this assessment schedule; the one installment of each assessment with interest on the whole assessment from date of acceptance of this schedule by the Council shall become due and payable on August 19, 2026, and shall be paid at the same time and in the same manner as the semiannual payment of ordinary taxes. Said assessment shall be payable at the office of the County Treasurer of Jasper County, Iowa, in full and without interest within thirty days after first date of publication of the Notice to Property Owners of filing the schedule of assessments.

**BE IT FURTHER RESOLVED**, that the Clerk be and is hereby directed to certify said schedule to the County Treasurer of Jasper County, Iowa and to publish notice of said certification once each week for two consecutive weeks in the Newton Daily News, a newspaper printed wholly in the English language, published in Newton, Iowa, and of general circulation in Newton, Iowa, the first publication of said notice to be made within fifteen days from the date of the filing of said schedule with the County Treasurer, the City shall send by regular mail to all property owners whose property is subject to assessment a copy of said notice, said mailing to be on or before the date of the second publication of the notice all as provided and directed by Code Section 384.60, Code of Iowa.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## Schedule 26-12 Assessment for the Expenses for Nuisance Abatement

| Deed/Contract Holder                       | Parcel Number             | Property Address | City   | Net Assessed Property Value | Abatement Fee | Admin. Fee | Total Amount Assessed | Work Done          | Legal                                                                                                       | Date Abated |
|--------------------------------------------|---------------------------|------------------|--------|-----------------------------|---------------|------------|-----------------------|--------------------|-------------------------------------------------------------------------------------------------------------|-------------|
| Secretary of Housing and Urban Development | <a href="#">834478009</a> | 1005 E 10th St S | Newton | \$130,470                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | HARLAN'S SD LOT 1 BLK 3                                                                                     | 5/11/2026   |
| Stanley Burt                               | <a href="#">833201010</a> | 311 W 11th St N  | Newton | \$144,190                   | \$160.00      | \$150.00   | \$310.00              | Junk/Trash Removal | EXLINE'S ADD N 22.25' OF E 132' LOT 7 & S 27.75' OF E 132' LOT 6 OUTLOT 4                                   | 6/9/2026    |
| Stacie Clegghorn                           | <a href="#">834152008</a> | 310 S 2nd Ave W  | Newton | \$52,220                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | ORIGINAL PLAT S 1/2 LOT 7 BLK 18                                                                            | 6/9/2026    |
| Devani Dearmond                            | <a href="#">834436004</a> | 1002 S 8th Ave E | Newton | \$227,650                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | LINCOLN PLACE ADD LOT 7 BLK 10                                                                              | 6/8/2026    |
| Farrell Properties Inc                     | <a href="#">835283003</a> | 204 E 24th St S  | Newton | \$16,440                    | \$150.00      | \$150.00   | \$300.00              | Mow Grass/Trim We  | PARK PLACE CONDOMINIUMS LOCATED ON PT PARCEL B BLK Q AURORA HEIGHTS SD EX LOT 9 BLK Q LYING WITHIN PARCEL B | 6/5/2026    |
| 2C Industries LLC                          | <a href="#">834206012</a> | 121 E 8th St N   | Newton | \$83,140                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | LEE'S SD LOT B                                                                                              | 6/8/2026    |
| Michael Free                               | <a href="#">834435008</a> | 717 E 10th St S  | Newton | \$93,360                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | LINCOLN PLACE ADD LOT 8 BLK 11                                                                              | 6/15/2026   |
| Secretary of Housing and Urban Development | <a href="#">834478009</a> | 1005 E 10th St S | Newton | \$130,470                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | HARLAN'S SD LOT 1 BLK 3                                                                                     | 6/15/2026   |
| Jeffrey Paul Homes LLC                     | <a href="#">835401011</a> | 514 E 19th St S  | Newton | \$117,110                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | AURORA HEIGHTS SD LOT 16 BLK B                                                                              | 6/12/2026   |
| Nationstar Mortgage LLC                    | <a href="#">834187012</a> | 412 E 3rd St S   | Newton | \$157,550                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | ORIGINAL PLAT S1/2 LOT 18 OUTLOT 20                                                                         | 6/15/2026   |
| Lorena Santillan                           | <a href="#">835376018</a> | 1005 E 18th St S | Newton | \$25,270                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | QUAIL RIDGE PLAT III LOT 16                                                                                 | 6/12/2026   |
| Chad Winslow                               | <a href="#">834162019</a> | 419 W 2nd St S   | Newton | \$164,960                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | ORIGINAL PLAT LOT 17 OUTLOT 16                                                                              | 6/15/2026   |
| AC Capital LLC                             | <a href="#">827453041</a> | 709 E 8th St N   | Newton | \$176,070                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | SWALLOW'S SD LOT 4                                                                                          | 6/16/2026   |
| Roxanne Anderson                           | <a href="#">835451002</a> | 1012 E 19th St S | Newton | \$174,110                   | \$231.00      | \$150.00   | \$381.00              | Junk Removal/Mow   | TR BEG 570' N OF SW COR SW SE RUN E 270' N 87' W 270' S 87' TO BEGINNING                                    | 6/16/2026   |
| Nathaniel Hinrichs                         | <a href="#">833279008</a> | 726 S 3rd Ave W  | Newton | \$113,310                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | WOODROW'S SD LOT 11 BLK 3                                                                                   | 6/16/2026   |
| Samuel Simons                              | <a href="#">833257010</a> | 228 W 9th St S   | Newton | \$112,680                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | JOY'S SD LOT 11 & S 2.5' OF LOT 12 BLK A                                                                    | 6/16/2026   |
| Edward Storm                               | <a href="#">827152006</a> | 305 N 15th Ave W | Newton | \$209,750                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We  | AINSWORTH & WHEELER'S SD N 623' LOT H EX W 90' OF N 162.02'                                                 | 6/16/2026   |
| <b>TOTAL:</b>                              |                           |                  |        |                             |               |            | <b>\$4,491.00</b>     |                    |                                                                                                             |             |

## City of Newton Council Report

**Item:**

Resolution fixing the amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 26-13)

**Summary:**

The City of Newton abated some nuisances, such as tall grass/weeds, trash, or snow. These costs remain unpaid by the property owner(s) and should be assessed to the property taxes.

**Financial Impact:**

Cost Recovery: \$4,746.00

**Report Number:** 2026-797

**Date:**

August 3, 2026

**Lead Department:**

Police

**Recommendation:**

Approve

**Background:**

The City continues to work towards better curb appeal and improved aesthetics within the community. The City abated violations that remained non-compliant after the initial warning period.

The attached schedule lists owner, parcel number, address, amount to be assessed, date work was completed, property legal description, and property valuation.

**Recommendation:**

City Staff recommends approval of the Resolution fixing the amounts to be assessed against individual private properties for the abatement of nuisance violations.

Matt Muckler, City Administrator

**RESOLUTION 2026- \_\_\_\_\_**

**RESOLUTION FIXING THE AMOUNTS TO BE ASSESSED AGAINST INDIVIDUAL  
PRIVATE PROPERTIES FOR THE ABATEMENT OF NUISANCE VIOLATIONS  
(SCHEDULE NO. 26-13)**

**WHEREAS**, the City of Newton has abated nuisance violations at the addresses as found in Schedule No. 26-13: Assessment for the Expenses for Nuisance Abatement; and

**WHEREAS**, the City of Newton has maintained a report of the abatement costs for each individual property as found in Schedule 26-13: Assessment for the Expenses for Nuisance Abatement; and

**WHEREAS**, the expenses have been billed to the property owners and remain unpaid.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of Newton, Iowa, that the Schedule 26-13: Assessment for the Expenses for Nuisance Abatement is approved.

**NOW THEREFORE, BE IT FURTHER RESOLVED** by the City Council of Newton, Iowa, that the City Clerk is hereby directed to prepare, sign, and file in the clerk's office the Schedule 26-13: Assessment for the Expenses for Nuisance Abatement.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## Schedule 26-13 Assessment for the Expenses for Nuisance Abatement

| Deed/Contract Holder                       | Parcel Number              | Property Address   | City   | Net Assessed Property Value | Abatement Fee | Admin. Fee | Total Amount Assessed | Work Done         | Legal                                                             | Date Abated |
|--------------------------------------------|----------------------------|--------------------|--------|-----------------------------|---------------|------------|-----------------------|-------------------|-------------------------------------------------------------------|-------------|
| Jencor LLC                                 | <a href="#">827151002</a>  | 319 N 15th Ave W   | Newton | \$120,640                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | AINSWORTH & WHEELER'S SD, LOT 2 OF LOT F                          | 6/19/2026   |
| Secretary of Housing and Urban Development | <a href="#">828476001</a>  | 718 W 8th St N     | Newton | \$161,380                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | MCCOLLOMS ADD N 100' LOTS 6-7 BLK 1                               | 6/19/2026   |
| Sheryl Shunk                               | <a href="#">827152010</a>  | 1405 W 2nd St N    | Newton | \$90,890                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | CONN PLACE LOT 13                                                 | 6/19/2026   |
| Paragon Builds LLC                         | <a href="#">835429021</a>  | 511 E 27th St S    | Newton | \$92,280                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | AURORA HEIGHTS SD LOT 9 BLK W                                     | 6/22/2026   |
| Jessica Vasant & Tyler Sheffer             | <a href="#">826302004</a>  | 900 E 12th St N    | Newton | \$87,530                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | EMERSON HOUGH PLACE NO. 2 LOT 17 SD OF LOT 13 BLK J               | 6/23/2026   |
| Jacob Hague                                | <a href="#">834203014</a>  | 500 1st Ave E      | Newton | \$82,140                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | S HARTZEL'S ADD W 1/2 LOT 1 BLK 1 & OUT-LOT A                     | 6/26/2026   |
| J&K Midwest Properties LLC                 | <a href="#">835402011</a>  | 514 E 20th St S    | Newton | \$139,050                   | \$250.00      | \$150.00   | \$400.00              | Mow Grass/Trim We | AURORA HEIGHTS SD LOT 11 BLK E                                    | 6/29/2026   |
| Samuel Simons                              | <a href="#">833257010</a>  | 228 W 9th St S     | Newton | \$112,680                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | JOY'S SD LOT 11 & S 2.5' OF LOT 12 BLK A                          | 6/29/2026   |
| Somerfield Apartments LLC                  | <a href="#">835179001</a>  | 1711 S 4th Ave E   | Newton | \$1,459,910                 | \$110.00      | \$150.00   | \$260.00              | Junk/Trash Remova | CRESTVIEW PLACE LOTS 6-7-8-9                                      | 6/29/2026   |
| Jessica Vasant & Tyler Sheffer             | <a href="#">826302004</a>  | 900 E 12th St N    | Newton | \$87,530                    | \$110.00      | \$150.00   | \$260.00              | Junk/Trash Remova | EMERSON HOUGH PLACE NO. 2 LOT 17 SD OF LOT 13 BLK J               | 6/29/2026   |
| Matthew Gutierrez                          | <a href="#">826401008</a>  | 1000 E 19th St N   | Newton | \$169,850                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | SKEIE EAST ADD PLAT I, LOT 8                                      | 6/29/2026   |
| Timothy Hartgers                           | <a href="#">835129020</a>  | 207 E 17th St Pl N | Newton | \$94,550                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | DENNISTON & PARTRIDGE SD PLAT 2 LOT 54                            | 6/29/2026   |
| MVP Homes Inc                              | <a href="#">833206003</a>  | 1116 1st Ave W     | Newton | \$111,040                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | EXLINE'S ADD E 50' LOT 3 BLK 5 EX HIGHWAY & EX PART SOLD TO STATE | 6/29/2026   |
| Betty & Kyle Snodgrass                     | <a href="#">833104014</a>  | 1600 1st Ave W     | Newton | \$42,740                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | LEEPER'S HIGHLAND ADD W 60' LOT 14 BLK 3                          | 6/29/2026   |
| Dustin & Amanda Spearing                   | <a href="#">827428012</a>  | 829 E 10th St N    | Newton | \$123,860                   | \$150.00      | \$150.00   | \$300.00              | Mow Grass/Trim We | EDMUNDSON'S ADD LOTS 1 & 2 BLK 17                                 | 6/29/2026   |
| Andrew Baldwin                             | <a href="#">834228002</a>  | 1005 N 4th Ave E   | Newton | \$58,030                    | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | EAST HIGHLANDS LOT 4 BLK 2 EX S 50'                               | 6/30/2026   |
| Lori Rosewall                              | <a href="#">1303202002</a> | 609 S 13th Ave E   | Newton | \$47,610                    | \$126.00      | \$150.00   | \$276.00              | Junk/Trash Remova | LISTER'S ACRES LOT 7                                              | 7/1/2026    |
| Nathan Stewart & Brooke Beste              | <a href="#">827453002</a>  | 707 N 8th Ave E    | Newton | \$188,390                   | \$100.00      | \$150.00   | \$250.00              | Mow Grass/Trim We | EFNOR'S SD LOT 7                                                  | 7/1/2026    |
| <b>TOTAL:</b>                              |                            |                    |        |                             |               |            | <b>\$4,746.00</b>     |                   |                                                                   |             |

## City of Newton Council Report

**Item:**

Resolution Approving a Property Tax Rebate for the Best Midwest Properties LLC Property Located at 109 1<sup>st</sup> Ave W Within the North Central Urban Renewal Area

**Summary:**

Resolution Approving a Property Tax Rebate to Best Midwest Properties According to the Approved Development Agreement

**Financial Impact:**

\$1,134 property tax rebate from the North Central Urban Renewal TIF Fund

**Report Number:** 2026-822**Date:**

August 3, 2026

**Lead Department:**

Administration

**Recommendation:**

Approve

**Background:**

The City of Newton entered into a development agreement in July of 2021 with Best Midwest Properties LLC on the property located at 109 1<sup>st</sup> Ave W within the North Central Urban Renewal Area. The Agreement states that the City shall rebate 100% of all TIF property taxes paid by Best Midwest Properties LLC in Fiscal year 25-26.

Best Midwest Properties LLC has provided documentation that the 2<sup>nd</sup> half of property taxes in the amount of \$1,523 have been paid to the Jasper County Treasurer for FY 25-26 for the property and the amount of the 100% rebate from the TIF Fund would be \$1,134.

**Recommendation:**

Staff recommends approval of the attached Resolution approving the property tax rebate payment of \$1,134 to Best Midwest Properties LLC for the 2<sup>nd</sup> half of the 25-26 property taxes.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION APPROVING A PROPERTY TAX REBATE FOR  
BEST MIDWEST PROPERTIES LLC LOCATED AT 109 1<sup>ST</sup>  
AVENUE WEST WITHIN THE NORTH CENTRAL URBAN  
RENEWAL AREA**

**WHEREAS**, the City of Newton (City) has established the North Central Urban Renewal Area; and

**WHEREAS**, a Development Agreement with Best Midwest Properties LLC was entered into on July 19<sup>th</sup> of 2021 on the property located at 109 1<sup>st</sup> Avenue West within the North Central Urban Renewal Area, and

**WHEREAS**, said Agreement provides that the City provide to the Developer a 100% TIF Property Tax Rebate in Fiscal Year 25-26, and

**WHEREAS**, the Developer has paid the 2<sup>nd</sup> half of property taxes for the fiscal year 25-26 in the total amount of \$1,523 and is eligible to receive a 100% TIF rebate of \$1,134;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Newton, Iowa: that, per the terms of the Development Agreement with Best Midwest Properties LLC, a property tax rebate for the 2<sup>nd</sup> half of fiscal year 25-26 property taxes in the amount of \$1,134 is hereby approved.

**PASSED** this 3rd day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution accepting completion of the Demolition Project 2026-01

**Report Number:** 2026-787**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Summary:**

Accept completion of contract to Lanphier Excavating for the Demolition Project 2026-01.

**Financial Impact:**

Council previously approved a contract for \$82,200.00 on May 16, 2026, along with a change order in the amount of \$8,000.00. This action would accept the project contract amount of \$90,745.45 based off measured quantities and authorize payment of the retainage amount of \$2,722.36

**Background:**

Curb appeal continues to be a focus of the City per the recommendations of the adopted comprehensive plan, Newton's Future. Abating dangerous buildings within the city is one way to improve the aesthetics of Newton neighborhoods.

City Council passed a resolution on May 16, 2026, awarding a contract to Lanphier Excavating in the amount of \$82,200.00. A change order was approved on July 6<sup>th</sup>, 2026, in the amount of \$8,000.00, increasing the contract amount to \$90,200.00.

The project has been substantially completed in general compliance with the terms, conditions, and stipulations of the contract. The final contract amount, based on actual field-measured quantities of work completed in accordance with the contract documents, is \$90,745.45.

**Recommendation:**

It is recommended that the City Council approve the final contract amount of \$90,745.45, accept the project as complete to Lanphier Excavating, and authorize the retainage amount of \$2,722.36 to be paid to the contractor no sooner than 30 days after approval of this resolution, provided no claims are on file.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026-\_\_\_\_\_**

**RESOLUTION ACCEPTING COMPLETION OF THE  
THE DEMOLITION PROJECT 2026-01.**

**WHEREAS**, Curb appeal continues to be a focus of the City per the recommendations of the adopted comprehensive plan, Newton’s Future. Abating dangerous buildings within the city is one way to improve the aesthetics of Newton neighborhoods; and

**WHEREAS**, City Council passed a resolution on May 16th, 2026, awarding a contract to Lanphier Excavating of Reasnor, IA , in the amount of \$82,200.00; and

**WHEREAS**, City Council passed a resolution on July 6th, 2026, awarding a change order in the amount of \$8,000.00, increasing the contract price to \$90,200.00; and

**WHEREAS** The project has been substantially completed in general compliance with the terms, conditions, and stipulations of said contract. The final contract amount, based on actual measured quantities of work completed, is \$90,745.45; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Newton, Iowa, that the City of Newton hereby approves the final contract amount of \$90,745.45 based of measured quantities and accepts the completion of the project; and authorizes the Community Development Director to execute payment of the retainer in the amount of \$2,722.36 no sooner than 30 days after approval of this resolution should no claims be on file,

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution approving quote for the purchase of Gridsmart Traffic Signal Control Boards located at W 2nd St, E 3rd St & E 4th St

**Summary:**

Approve purchase from General Traffic Controls for replacement Gridsmart Control Boards

**Financial Impact:**

\$32,250.00 from Road Use Tax funds

**Report Number:** 2026-794**Date:**

August 3, 2026

**Lead Department:**

Public Works

**Recommendation:**

Approve

**Background:**

Staff has determined that an unknown electrical issue caused significant damage to the traffic signal system at the 1st Ave intersections of W 2nd St, E 3rd St & E 4th St. It was determined that Gridsmart control boards required full replacement to restore signal functionality. An insurance claim was investigated and denied.

To expedite repairs and minimize downtime, the City will proceed with the direct purchase of the necessary signal equipment. Staff sought and received a quote for the specialized equipment in accordance with SUDAS and City standards.

The following submitted bid was received:

|                          |              |
|--------------------------|--------------|
| Company's                | Quoted Price |
| General Traffic Controls | \$32,250.00  |

**Recommendation:**

Staff recommends approval of the quote from General Traffic Control of Spencer, Iowa, utilizing RUT Traffic Control Funds not to exceed \$34,000.00 for the purchase and shipping costs.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026-\_\_\_\_\_**

**RESOLUTION APPROVING QUOTE FOR THE PURCHASE OF GRIDSMART CONTROL  
BOARDS LOCATED AT W 2nd, E 3rd & E 4th St**

**WHEREAS**, staff has determined that an unknown electrical issue caused significant damage to the traffic signal system at the 1st Ave intersections of W 2nd St, E 3rd St & E 4th St; and

**WHEREAS**, it was determined that the Gridsmart Control Boards required replacement to restore proper signal functionality; and

**WHEREAS**, the City will proceed with the direct purchase of the necessary signal equipment from General Traffic Controls, the supplier of the original equipment; and

**WHEREAS**, City staff recommends that the City of Newton approve the purchase from General Traffic Controls, Spencer, IA, based on the responsible quote received in the amount of \$32,250.00; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of Newton, Iowa, that the quote of General Traffic Controls, in the amount of Thirty-Two Thousand Two Hundred Fifty Dollars and Zero cents (\$32,250.00), not to exceed (\$34,000.00) for purchase and shipping costs, is hereby accepted, with the cost to be paid from RUT Traffic Control Funds.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution approving the purchase and up-fit services for one police patrol vehicle

**Summary:**

Approve the purchase of a Ford SUV for the Police Department to replace a unit damaged in a crash

**Financial Impact:**

\$55,000 from insurance settlement funds

**Report Number:** 2026-818**Date:**

August 3, 2026

**Lead Department:**

Police

**Recommendation:**

Approve

**Background:**

A Police patrol SUV was damaged in an on-duty collision in July 2026. The vehicle was damaged upon repair. The City's insurance carrier, ICAP, provided settlement funds in the amount of \$56,890.89 to cover the cost of replacing the wrecked unit. Stivers Ford of Waukegan, IA has a new Ford SUV patrol vehicle in stock and has estimated the purchase price and up-fit services (removal and installation of emergency equipment) to be an amount not to exceed \$55,000. The purchase and up-fit costs will be paid for through insurance settlement funds.

**Recommendation:**

Staff recommends approval of this resolution.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION APPROVING THE PURCHASE AND UP-FIT SERVICES FOR ONE  
POLICE PATROL VEHICLE**

**WHEREAS**, a Police Department patrol vehicle was recently damaged during a collision and is beyond repair; and

**WHEREAS**, insurance settlement funds for the wrecked police vehicle in the amount of \$56,890.89 were received from ICAP, and

**WHEREAS**, the total replacement vehicle cost and up-fit services from Stivers Ford of Waukee, IA are estimated in an amount not to exceed \$55,000, and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Newton, Iowa approves the purchase and upfit services of one 2026 Ford Police Interceptor SUV from Stivers Ford of Waukee, IA for a total cost not to exceed \$55,000 utilizing insurance settlement funds.

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution approving rescinding the application for an 80-20 voluntary annexation into the City of Newton of property located in Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa.

**Summary:**

The City has received two letters from the property owners asking to rescind their request for annexation. These property owners had previously requested to be annexed into the City of Newton, which the City Council had approved a resolution for on June 15, 2026.

**Financial Impact:**

No Financial Impact.

**Report Number:** 2026-819

**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Background:**

The City had previously received two voluntary annexation applications from property owners representing at least 80% of the area proposed for annexation. The area that was proposed for annexation included parcels 0823400009, 0823400002, and 0823400010. Parcel 0823400009 is owned by Troy L. and Kelly Birkenholtz and was a consenting owner. Parcel 0823400002 is owned by Robert D. and Rebecca L. Braafhart and was a consenting owner. Parcel 0823400010 is owned by Michelle L. Langmaid and was a non-consenting owner. This qualified for consideration under the 80/20 voluntary annexation process under Chapter 368 of Iowa Code. The City Council at their June 15, 2026 meeting approved RESO2026-238, therefore sending the application for annexation to the City Development Board for the State of Iowa.

The legal descriptions of the properties that were proposed to be annexed are:

- Parcel G part of Parcel E recorded in Book 970, Pages 419 and 420, in the Southeast Quarter of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as appears in plat recorded in Book 1154, Page 5, in the office of the recorder of said County, EXCEPT that part condemned by Jasper County, Iowa, as shown in Condemnation recorded in Book 1074, Page 126 in the office of the Recorder of said County.
- Parcel A of Lot C of the Subdivision of the East Half of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as shown by Plat Book N, at page 286 (now shown in Book 960, at page 710) in the Office of the Recorder of said County.
- Parcel E, consisting of a part of Parcel B, as part of Lot C of the Subdivision of the East Half of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as shown by the Plat of Survey recorded in Plat Book 970 at Page 419 in the office of the Jasper County Recorder. EXCEPT Parcel G in the Southeast Quarter of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as appears in plat recorded in Book 1154, Page 5, in the office of the Recorder of said County.

Since the initial approval of the applications by the City Council, the city has received two letters requesting that they would like to rescind their requests to be annexed into the City of Newton. Troy and Kelly Birkenholtz, and Robert and Rebecca Braafhart have submitted new applications requesting to rescind their initial applications that were submitted.

The resolution, all required and applicable documents would, upon approval, be submitted to the City Development Board for the State of Iowa. Approval by the City Council does not complete the process of rescinding the application for annexation, as final action rests with the City Development Board for the State of Iowa.

If the City does withdraw the annexation application at this time and then wishes to annex the same territory at a later date, the process will need to start over from the beginning.

**Recommendation:**

Staff recommends approval.

A handwritten signature in black ink, appearing to read "Matt Muckler", written in a cursive style.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION APPROVING RESCINDING THE APPLICATION FOR AN 80-20  
VOLUNTARY ANNEXATION INTO THE CITY OF NEWTON OF PROPERTY  
LOCATED IN SECTION 23, TOWNSHIP 80 NORTH, RANGE 19 WEST OF THE 5<sup>TH</sup>  
P.M., JASPER COUNTY, IOWA**

**WHEREAS**, two annexation applications were previously submitted to the City of Newton by Troy L. Birkenholtz and Kelly Birkenholtz, and by Robert D. Braafhart and Rebecca L. Braafhart for the annexation of certain property which property is described as follows to-wit:

Parcel G part of Parcel E recorded in Book 970, Pages 419 and 420, in the Southeast Quarter of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as appears in plat recorded in Book 1154, Page 5, in the office of the recorder of said County, EXCEPT that part condemned by Jasper County, Iowa, as shown in Condemnation recorded in Book 1074, Page 126 in the office of the Recorder of said County.

Parcel A of Lot C of the Subdivision of the East Half of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as shown by Plat Book N, at page 286 (now shown in Book 960, at page 710) in the Office of the Recorder of said County.; and

**WHEREAS**, the City of Newton included non-consenting property owned by Michelle L. Langmaid so as to not create any islands of unincorporated land pursuant to Chapter 368.7 Code of Iowa described as follows to-wit:

Parcel E, consisting of a part of Parcel B, as part of Lot C of the Subdivision of the East Half of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as shown by the Plat of Survey recorded in Plat Book 970 at Page 419 in the office of the Jasper County Recorder. EXCEPT Parcel G in the Southeast Quarter of Section 23, Township 80 North, Range 19 West of the 5th P.M., Jasper County, Iowa, as appears in plat recorded in Book 1154, Page 5, in the office of the Recorder of said County.; and

**WHEREAS**, the City has received two applications from the original consenting property owners requesting that the annexation application be rescinded prior to final completion of the annexation process; and

**WHEREAS**, the City Council has determined that approving the rescinding of the annexation application is in the best interest; and

**WHEREAS**, if the City withdraws the application for annexation at this time, and wishes to annex the same territory at a later date, the process for annexation will need to start over from the beginning.

**WHEREAS**, the City Council finds that approval of this resolution does not constitute approval or denial of any future annexation application involving the same properties.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Newton, Iowa, as follows:

1. That the City Council of Newton, Iowa hereby approves the rescinding and withdrawal of the annexation applications for voluntary annexation of real estate described above.
2. The City shall forthwith cause this request and all supporting documentation including resolution to the City Development Board of the State of Iowa.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

Applicant/Property Owner: Name: Troy L. Birkenholtz & Kelly Birkenholtz

Applicant Address: 440 N 59<sup>th</sup> Ave W

Applicant City State Zip: Newton, Ia 50208

Date of Letter

City of Newton, Iowa

Attention: Planning and Zoning Commission

Community Development Department

303 West 4<sup>th</sup> Street North

Newton, IA. 50208

Dear City of Newton,

Due to the prospect failing to purchase our land for industrial use and their desire to be annexed into the City we would like to rescind our request to be annexed into the City of Newton for the following parcel:

Parcel G in the Southeast Quarter of Section 23, Township 80 North, Range 19 West of the 5<sup>th</sup> P.M., Jasper County, Iowa, as it appears in plat recorded in Book 1154, Page 5, in the office of the Recorder of said County, EXCEPT that part condemned by Jasper County, Iowa, as shown in Condemnation recorded in Book 1074, Page 126 in the office of the Recorder of said county.

Sincerely,



Kelly Birkenholtz

Typed Name: Troy L. and Kelly Birkenholtz

Address:

440 N 59<sup>th</sup> Ave W  
Newton, Ia 50208

Applicant/Property Owner: Name: Robert Dale Braafhart and Rebecca Lynn Braafhart  
Applicants Address: 2008 E. 19<sup>th</sup> Street N.  
Applicant City, State, Zip: Newton, IA. 50208

Date of Letter

City of Newton, Iowa  
Attention Planning & Zoning Commission  
Community Development Department  
303 West 4<sup>th</sup> Street North  
Newton, IA. 50208

Dear City of Newton,

As this time, due to the prospect not closing on the adjacent property to ours we no longer desire to be annexed into the City. Our parcel is:

Parcel A of Lot C of the Subdivision of the East Half of Section 23, Township 80 North, Range 19 West of the 5<sup>th</sup> P.M., Jasper County, Iowa, as shown by Plat Book N at page 286 (now shown in Book 960, at page 710) in the office the Office of the Recorder of said County.

Sincerely,


Typed Name: Robert Dale Braafhart & Rebecca Lynn Braafhart  
Address: 2008 E. 19<sup>th</sup> Street N. Newton, IA. 50208-

## City of Newton Council Report

**Item:**

Resolution approving the purchase of bleachers for the Aurora Park Tennis Courts

**Summary:**

Purchase bleachers for new tennis courts

**Financial Impact:**

\$8,364.00 of grant funds

**Report Number:** 2026-820**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Background:**

The new tennis courts at Aurora Park lack seating for spectators. In July, the City of Newton received notice that a grant from Prairie Meadows was awarded to support purchase of bleachers for the tennis courts and other improvements (windscreens) at Aurora Park.

Staff sought quotes for four bleacher sections, 15 feet in length, and three rows high with shipping and received the following:

- Boland Recreation: \$8,364.00
- Uline: \$8,780.00
- The Park Catalog: \$9,365.00
- Crouch Recreation: \$9,811.00
- Granger: \$10,183.19

**Recommendation:**

Staff recommends purchasing the bleachers from Boland Recreation using Prairie Meadows Grant funds.

Matt Muckler, City Administrator

**RESOLUTION 2026- \_\_\_\_\_**

**RESOLUTION APPROVING THE PURCHASE OF BLEACHERS FOR THE AURORA PARK TENNIS COURTS**

**WHEREAS**, the tennis courts at Aurora Park lack seating for spectators; and

**WHEREAS**, the City of Newton received a grant from Prairie Meadows to support purchase of bleachers for the tennis courts at Aurora Park; and

**WHEREAS**, staff sought quotes for four bleacher sections, 15 feet in length, and three rows high with shipping and received the following:

- Boland Recreation: \$8,364.00
- Uline: \$8,780.00
- The Park Catalog: \$9,365.00
- Crouch Recreation: \$9,811.00
- Granger: \$10,183.19

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of Newton, Iowa, that the four bleacher sections as described above be purchased from Boland Recreation of Marshalltown, Iowa in an amount of \$8,364.00 utilizing grant funds for the purchase.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution Approving the Annual Support Fees for the Fire Department Record Management Software

**Summary:**

This is approval of annual product support for the Fire Department RMS. This amount is over the City Administrator authority to approve. The amount is budgeted.

**Financial Impact:**

\$ 15,460.94 to be paid from the Fire Department Budget under Technology Services (001-1050-64190).

**Report Number:** 2026-795**Date:**

August 3, 2026

**Lead Department:**

Fire

**Recommendation:**

Approve

**Background:**

The Fire Department utilizes Record Management Software (RMS) from ImageTrend, Incorporated in Lakeville, Minnesota. RMS maintains all of the records generated by the Fire Department. We use it to create fire and EMS run reports, maintain inventory including maintenance and repairs, manage all location and occupant reports along with all inspections, record hydrant properties and testing, assemble and organize employee records, and run all required reports. This invoice also covers all product support. This is the backbone of records management for the Fire Department. We have utilized this software since 2011.

**Recommendation:**

City Staff recommends Council approve the payment of this invoice to ImageTrend, Inc. of Lakeville, Minnesota in the amount of \$15,460.94 and record payment to Technology Services (001-1050-64190).

Matt Muckler, City Administrator

**RESOLUTION NO. 2026-\_\_\_\_\_**

**RESOLUTION APPROVING THE ANNUAL SUPPORT FEES FOR THE FIRE  
DEPARTMENT RECORD MANAGEMENT SOFTWARE**

**WHEREAS**, the Fire Department requires software to maintain, report, and archive data, called a Records Management System; and

**WHEREAS**, the Fire Department has utilized ImageTrend, Inc. of Lakeville, Minnesota to provide that software and the necessary technical support as required to keep it operational, and

**WHEREAS**, the amount of the invoice is budgeted and is in excess of the City Administrator authority and requires City Council approval.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of Newton, Iowa, that the invoice from ImageTrend, Inc. of Lakeville, Minnesota in the amount of \$15,460.94 is approved and will be expensed from Technology Services Expenses (001-1050-64190).

**PASSED** this 3rd day of August 2026.

**APPROVED** this \_\_\_\_\_ day of August 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

# City of Newton Disbursements 8-4-2026

| Vendor                        | Department                | Description   | Amount       |
|-------------------------------|---------------------------|---------------|--------------|
| Acushnet Company              | Golf                      | Merchandise   | \$ 596.02    |
| AeroClave                     | Fire                      | Supplies      | \$ 1,819.00  |
| Agri-Tech Aviation            | Airport                   | Refund        | \$ 2,500.00  |
| Airgas                        | Fire                      | Supplies      | \$ 496.01    |
| Alliant Energy                | All                       | Utilities     | \$ 11,435.76 |
| Amazon                        | All                       | Supplies      | \$ 11,557.79 |
| Atlantic Bottling             | Golf                      | Concessions   | \$ 1,219.54  |
| AutoZone Parts                | Fire                      | Supplies      | \$ 269.99    |
| Axon Enterprise               | Police                    | Supplies      | \$ 9,642.50  |
| Barney's Services             | Tort Liability            | Service       | \$ 1,175.00  |
| Barr, Chad                    | Water Treatment Plant     | Reimbursement | \$ 74.83     |
| Baxter Public Library         | Library                   | Supplies      | \$ 16.00     |
| Bazer, Kim                    | Utility Billing           | Refund        | \$ 20.54     |
| Black Hills Energy            | Cemetery                  | Utility       | \$ 48.04     |
| Bliek, Victoria               | Maytag Pool               | Refund        | \$ 50.00     |
| Bolton & Menk                 | All                       | Service       | \$ 17,766.92 |
| Boyea, Kyle                   | Fire                      | Reimbursement | \$ 500.00    |
| Brick Gentry P.C.             | Legal Services            | Service       | \$ 65,725.00 |
| Brisel, Emilee                | Maytag Pool               | Refund        | \$ 25.00     |
| Caldwell Brierly & Chalupa P  | All                       | Services      | \$ 480.00    |
| Caliber Concrete              | Golf RESO 2025-413/26-110 | Service       | \$ 22,591.30 |
| Carl's Window Service         | Library                   | Service       | \$ 90.00     |
| Center Point Large Print      | Library                   | Supplies      | \$ 86.71     |
| Central Iowa Farm Store       | Parks                     | Supplies      | \$ 123.79    |
| Computer Resource Specialists | Administration            | Services      | \$ 765.00    |
| Condor Elite                  | Police                    | Supplies      | \$ 200.13    |
| Consumer Reports              | Library                   | Supplies      | \$ 30.00     |
| Cooper, Judith                | Fire                      | Refund        | \$ 511.95    |
| Cope, Leah                    | Maytag Pool               | Refund        | \$ 50.00     |
| Core & Main                   | Water Treatment Plant     | Supplies      | \$ 95.18     |
| D & K Products                | Golf                      | Supplies      | \$ 1,074.00  |
| Danko Emergency Equipment     | Fire                      | Supplies      | \$ 1,577.53  |
| Dannen, Ryan                  | D & D                     | Services      | \$ 840.00    |
| Demco                         | Library                   | Supplies      | \$ 716.66    |
| DMACC                         | All                       | Utilities     | \$ 3,159.58  |
| Dodd Trash                    | Solid Waste               | Service       | \$ 88,423.86 |
| Donato, Joshua                | Utility Billing           | Refund        | \$ 30.05     |
| DuKavas, Samantha             | Maytag Pool               | Refund        | \$ 25.00     |
| Earl May Nursery & Garden     | Golf Clubhouse Fund       | Supplies      | \$ 251.91    |
| Eastern Iowa Publications     | Cemetery/Police           | Service       | \$ 171.99    |
| Electric Pump                 | Tort Liability            | Service       | \$ 1,395.00  |

|                                     |                               |               |               |
|-------------------------------------|-------------------------------|---------------|---------------|
| EMS MC                              | Fire                          | Service       | \$ 3,664.05   |
| EZ Dock Great Plains                | FM N TIF RESO 20206-067       | Supplies      | \$ 49,422.95  |
| Fareway                             | Golf                          | Concessions   | \$ 11.11      |
| FBG Service Corp                    | Library                       | Supplies      | \$ 1,684.16   |
| Fh, Tiffany                         | N Central TIF RESO 2026-269   | Grant         | \$ 352.56     |
| Forbes Office Solutions             | All                           | Supplies      | \$ 516.81     |
| Galls                               | Fire                          | Supplies      | \$ 921.75     |
| Good Neighbor Fencing               | Animal Control                | Service       | \$ 6,575.00   |
| Gregg Young Auto Center             | Police                        | Service       | \$ 153.90     |
| Grimes Asphalt and Paving           | Street                        | Supplies      | \$ 1,036.95   |
| Hach Co                             | Water Treatment Plant         | Supplies      | \$ 275.25     |
| Hawkeye Lock & Security             | Airport/Library               | Service       | \$ 664.12     |
| Hawkins Water Treatment             | Water Treatment Plant         | Supplies      | \$ 5,848.25   |
| Hornung's                           | Golf                          | Merchandise   | \$ 221.99     |
| Huff, Danae                         | Maytag Pool                   | Refund        | \$ 50.00      |
| Hurto, Larry Ray                    | Planning & Zoning             | Reimbursement | \$ 119.80     |
| Iowa Water Well Assoc               | Water Treatment Plant         | Service       | \$ 180.00     |
| Jensen Ford Loln                    | Police                        | Service       | \$ 68.40      |
| Johnson Aviation                    | Airport                       | Service       | \$ 3,885.92   |
| Kellogg Lawn & Snow                 | Airport/Water Treatment       | Supplies      | \$ 357.35     |
| Key Cooperative                     | Animal Control                | Utilities     | \$ 40.47      |
| Lanphier Excavating                 | D & D RESO 2026-191           | Services      | \$ 29,774.59  |
| Liberty Tire Services               | Landfill                      | Service       | \$ 1,000.64   |
| Library Furniture Int'l             | Library                       | Supplies      | \$ 3,519.65   |
| Lyman, Rick                         | Parks                         | Service       | \$ 1,184.00   |
| Magnum Automotive                   | Police                        | Service       | \$ 39.67      |
| Mahaska Bottling Co                 | Maytag Pool                   | Utilities     | \$ 468.72     |
| MCG                                 | Golf                          | Uility        | \$ 333.70     |
| Manatts - Brooklyn                  | Street                        | Service       | \$ 200,130.49 |
| Manatts - D.M.                      | Street                        | Supplies      | \$ 3,278.14   |
| Manfull Construction                | D & D                         | Services      | \$ 940.00     |
| Martin Marietta Materials           | Landfill/Street RESO 2026-258 | Supplies      | \$ 21,405.36  |
| Maxim Advertising                   | Administration                | Services      | \$ 700.00     |
| McCall Monument                     | Cemetery                      | Supplies      | \$ 500.00     |
| MercyOne                            | Fire                          | Services      | \$ 3,811.00   |
| Metro Waste Authority               | Landfill                      | Service       | \$ 9,131.81   |
| Microbac Laboratories               | Maytag Pool/Water Treatment   | Service       | \$ 390.00     |
| Midland Prairie Veterinary Services | Animal Control                | Service       | \$ 240.18     |
| Midwest Alarm                       | Water Distribution            | Service       | \$ 787.90     |
| Mississippi Lime Company            | Water Treatment Plant         | Supplies      | \$ 26,633.32  |
| Moss, Landon                        | Police                        | Reimbursement | \$ 56.74      |
| MTI Distributing                    | Parks RESO 2026-147           | Equipment     | \$ 46,394.42  |
| Municipal Supply                    | Golf/Water Distribution       | Supplies      | \$ 20,383.40  |
| Murphy Tracto & Equip               | Landfill                      | Supplies      | \$ 523.87     |
| NAPA Auto Parts                     | All                           | Supplies      | \$ 1,481.74   |
| Newton Animal Clinic                | Animal Control                | Service       | \$ 147.01     |

|                               |                             |               |              |
|-------------------------------|-----------------------------|---------------|--------------|
| Newton Classic Car Wash       | Police                      | Service       | \$ 935.22    |
| Niemann Foods                 | All                         | Supplies      | \$ 183.35    |
| O'Reilly Auto Parts           | Water Pollution Control     | Supplies      | \$ 3.91      |
| OverDrive                     | Library                     | Service       | \$ 4,870.40  |
| Pella Precast                 | Water Distribution          | Supplies      | \$ 1,195.00  |
| Peter, Phyllis                | Library                     | Reimbursement | \$ 169.82    |
| Phelps Uniform Specialists    | Water Distribution          | Services      | \$ 28.61     |
| Powers, Kimberly              | Maytag Pool                 | Refund        | \$ 50.00     |
| Pratt, Alexis                 | Maytag Pool                 | Refund        | \$ 50.00     |
| Price Electric                | Water Treatment Plant       | Service       | \$ 687.50    |
| Pye-Barker & Safety           | Water Pollution Control     | Service       | \$ 953.95    |
| Quill Corporation             | City Center                 | Supplies      | \$ 13.85     |
| Ray, Randy                    | Police                      | Service       | \$ 1,840.00  |
| Reeves Heating & Cooling      | All                         | Services      | \$ 5,981.97  |
| Regal Clean                   | City Center                 | Services      | \$ 3,464.98  |
| Reliant Fire Apparatus        | Fire RESO 2026-213          | Supplies      | \$ 49,826.85 |
| Roney, Michael                | Utility Billing             | Refund        | \$ 177.32    |
| Ryan's Tire & Auto            | All                         | Supplies      | \$ 758.00    |
| Scull, Jordan                 | Maytag Pool                 | Refund        | \$ 50.00     |
| Secretary of State            | Police                      | Service       | \$ 30.00     |
| Shea, Kaycie                  | Maytag Pool                 | Refund        | \$ 50.00     |
| Sign Pro                      | Water Pollution Control     | Supplies      | \$ 300.00    |
| Spahn & Rose Lumber Co        | All                         | Supplies      | \$ 448.11    |
| Springer                      | Library                     | Service       | \$ 58.30     |
| Stanard & Associates          | Police                      | Service       | \$ 10.00     |
| State Hygienic Laboratories   | Water Treatment Plant       | Service       | \$ 45.00     |
| Stivers Ford                  | Parks RESO 2026-148         | Vehicle       | \$ 54,153.00 |
| Strand Associates             | WPC / Water Treatment       | Service       | \$ 16,573.50 |
| T Mobile                      | Police                      | Utilities     | \$ 619.55    |
| Tatman, Anthony               | Fire                        | Service       | \$ 375.00    |
| Terminal Supply Co            | Water Distribution          | Supplies      | \$ 20.50     |
| Terry, Nicole                 | Library                     | Reimbursement | \$ 631.33    |
| The Paper Corp                | All                         | Supplies      | \$ 1,404.14  |
| Theisen's                     | All                         | Supplies      | \$ 1,041.52  |
| Thomas Trailers and Equipment | Parks                       | Supplies      | \$ 31.60     |
| Tiso, Mary                    | Maytag Pool                 | Refund        | \$ 25.00     |
| Town & Country Wholesale Co   | Golf/Pool                   | Concessions   | \$ 3,924.65  |
| TreviPay                      | All                         | Supplies      | \$ 437.82    |
| Two Rivers Coop               | All                         | Supplies      | \$ 7,299.57  |
| Van Maanen Electric           | Street Lighting/Tort        | Service       | \$ 5,795.25  |
| Van Wall Equipment            | Golf/Parks                  | Supplies      | \$ 1,232.31  |
| Veenstra & Kimm               | Building                    | Services      | \$ 10,884.65 |
| Warnick Mechanical            | Library                     | Service       | \$ 582.50    |
| Watson, Elizabeth             | Maytag Pool                 | Refund        | \$ 50.00     |
| Xerox Corporation             | Water Treatment Plant       | Service       | \$ 47.21     |
| Young, Vanessa                | N Central TIF RESO 2026-268 | Grant         | \$ 236.05    |

**\$ 874,482.01**

**Pre-Authorized Payments**

|                                 |                        |             |               |
|---------------------------------|------------------------|-------------|---------------|
| Beverage Distributors of Iowa   | Golf                   | Concessions | \$ 439.99     |
| Black Hills Energy              | All                    | Utilities   | \$ 717.39     |
| Boles Witosky Stewart Law PLLC  | Legal RESO 2026-287    | Legal       | \$ 236,446.53 |
| Crossroads Pipe & Grading       | Landfill RESO 2026-260 | Service     | \$ 18,319.26  |
| DIRECTV                         | Golf                   | Utilities   | \$ 209.99     |
| Doll Distributing LLC           | Golf                   | Concessions | \$ 2,206.30   |
| Galanakis, Tayvin               | Legal RESO 2026-287    | Legal       | \$ 95,489.51  |
| Iowa Communities Assurance Pool | All RESO 2026-224      | Service     | \$ 735,405.00 |
| Keg 1 Iowa LLC                  | Golf                   | Concessions | \$ 1,255.70   |
| McComb, Justin                  | Parks RESO:2025-455    | Service     | \$ 400.00     |
| Uniti                           | Fire                   | Utilities   | \$ 78.56      |
| Verizon Wireless                | Fire                   | Utilities   | \$ 35.01      |

**Total: \$ 1,091,003.24**

**ACH Payments**

|                        |                 |           |               |
|------------------------|-----------------|-----------|---------------|
| Advantage Credit Union | All             | Insurance | \$ 15,795.00  |
| Bank Iowa              | All             | Insurance | \$ 2,835.00   |
| GEMT                   | Fire            | Fees      | \$ -          |
| Self Funded Insurance  | All             | Insurance | \$ 103,953.94 |
| Payroll 6-5-26         | All             | Payroll   | \$ 542,554.30 |
| Payroll 6-18-26        | All             | Payroll   | \$ 560,612.82 |
| Mutual of Omaha        | All             | Insurance | \$ 4,725.43   |
| Great Southern Bank    | Golf            | Fees      | \$ 4,141.91   |
| State of Iowa          | General         | Sales Tax | \$ 7,245.03   |
| Lambs Grove            | Utility Billing | Fees      | \$ 2,553.91   |
| Wet Tax                | Utility Billing | Tax       | \$ 12,500.89  |
| Returned ACH Fees      | Utility Billing | Charges   | \$ 909.94     |
| Zift - Fees            | Utility Billing | Fees      | \$ 7.50       |
| Returned Check Fees    | Utility Billing | Fees      | \$ 379.57     |

**Total: \$ 1,258,215.24**

## City of Newton Council Report

**Item:**

Public Hearing on Resolution approving grant application and funding commitment of a Community Development Block Grant

**Report Number:** 2026-816**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Summary:**

Approving the grant application submittal for CDBG grant

**Financial Impact:**

None. Developer to provide match.

**Background:**

The upper story residential units at 104 1st Avenue East, Newton, Jasper County, Iowa have long been vacant and provide an opportunity to continue to grow the number of residential units in the downtown district.

Iowa Economic Development Authority (IEDA) administers the Community Development Block Grant (CDBG) program which provides grants to local governments to fund projects such as local infrastructure, housing and others.

Goldfinch Growth has purchased the upper-story residential units at 104 1<sup>st</sup> Avenue East for the purpose of rehabilitating them and making them available to be occupied. The developer is seeking outside funding assistance from the Community Development Block Grant (CDBG) Upper Story Rehabilitation Program for the project. In accordance with program requirements, the city advertised an RFP for the CDBG consulting services, as directed by Resolution 2026-265.

Mid-Iowa Planning Alliance (MIPA) was selected for consulting services by Resolution 2026-286. The City of Newton is a member of the Mid-Iowa Planning Alliance. As such, the preparation of the application is at no cost to the City, since regular dues for membership are paid by the City. Should the grant be awarded, MIPA will provide grant administration for the program, which is a significant work task, for \$20,000.00. The fee will be paid for using the awarded grant fund. If the grant is not awarded, there is no cost to the City.

This resolution authorizes the submittal of the grant application, and serves to meet requirements set forth by the CDBG program as administered by the Iowa Economic Development Authority.

**Recommendation:**

Staff recommends approval of the resolution.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION APPROVING GRANT APPLICATION AND  
FUNDING COMMITMENT OF A COMMUNITY DEVELOPMENT BLOCK GRANT**

**WHEREAS**, the City of Newton, Iowa, desires to submit an application to apply for \$400,000.00 of a Community Development Block Grant (CDBG); and

**WHEREAS**, the City of Newton, Iowa, wishes to enlist the services of Mid-Iowa Planning Alliance to perform all work and services required for the grant application and submission; and

**WHEREAS**, the grant funding is from the Iowa Economic Development Authority's Housing Rehabilitation Fund, funded through a Community Development Block Grant (CDBG) program and has federal requirements; and

**WHEREAS**, any local match required for the project will be provided by the building owner, Goldfinch Growth; and

**NOW THEREFORE BE IT RESOLVED** that the City Council of the City of Newton, Iowa, approves Mid-Iowa Planning Alliance to submit a grant application for the Iowa Economic Development Authority's (IEDA) Housing Rehabilitation Fund, funded through a Community Development Block Grant (CDBG), which would be used for upper-story rehabilitation of the Jewel Building. The Mayor is authorized to execute the agreement on behalf of the City.

Passed this 3<sup>rd</sup> day of August, 2026.

Approved this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

Attest:

\_\_\_\_\_  
Katrina Davis, City Clerk

**Motion by Council Member \_\_, seconded by Council Member \_\_, that Resolution No. \_\_\_\_\_(2026) be adopted.**

Ayes:           \_\_

Nays:           \_\_

Absent:           \_\_

The Mayor declared Resolution No. \_\_\_\_\_ (2026) adopted.

I hereby certify that the foregoing is a true copy of a record of the adoption of Resolution No. \_\_\_\_\_ (2026) at the regular Council Meeting of the City of Newton, Iowa, held on the 3<sup>rd</sup> day of August 2026.

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report



### Item:

Third Consideration of an Ordinance Granting to Interstate Power and Light Company (Alliant Energy) a 25-Year Non-Exclusive Electric Franchise

### Summary:

Ordinance on Proposed Adoption of an Ordinance Granting to Interstate Power and Light Company (Alliant Energy) a 25-year Non-Exclusive Electric Franchise

**Report Number:** 2026-294

### Date:

August 3, 2026

### Lead Department:

Administration

### Recommendation:

Approve

### Financial Impact:

This 25-Year Electric Franchise agreement with Alliant Energy includes a 2% franchise fee, (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028. In FY27, less than \$133,608 in new revenue would be expected. In FY28, no more than \$731,900 in new revenue would be expected, and in FY29 (and continuing every year thereafter), approximately \$964,241 in new revenue would be expected. The initial franchise fee would be an additional \$1.50/month on the average resident's utility bill. In FY28, it would be \$4.50 (the initial \$1.50 plus an additional \$3.00) per month, and in FY29 and moving forward, it would be \$6.00 (the \$4.50 from FY28 plus an additional \$1.50) per month. Due to substantial property tax reductions starting in FY28, this new revenue stream is necessary to avoid significant reductions in services currently provided to residents by the City of Newton, especially in the areas of Parks & Rec, the Newton Public Library, Police and Fire.

### Background:

While more than 270 other cities in the State of Iowa have already adopted franchise fees, the City of Newton has not yet established franchise fees on energy providers. These fees are only now necessary in the City of Newton due to the recent passage of HF 718 and SF 2472 by the Iowa State Legislature, which limits the amount of property taxes the City can collect and use to provide services that Newton residents want in our community. In order to institute this fee with Alliant Energy, an ordinance must be approved by City Council on a new 25-year agreement that includes franchise fee language. The proposed franchise fees would be 2% after receipt of written approval by the Iowa Utilities Commission, 4% on July 1, 2027, and 5% on July 1, 2028.

SF 2472 will significantly decrease the amount of property taxes available to the City, which the City uses to provide services to our residents. If a franchise fee is not adopted, the City of Newton will be forced to make considerable service reductions to the Newton Public Library, Parks & Rec, Police, Fire, Community Development, as well as economic development and administrative services

currently being provided to Newton residents and businesses.

The one-size-fits-all property tax reform legislation that was recently approved by the Iowa Legislature and signed into law by the Governor will impact each of the 937 cities in Iowa differently. Newton had a Fortune 500 company leave 20 years ago. Very few of the other 936 cities had this happen. (The only other examples found were Cedar Rapids, Des Moines and West Des Moines.) Coupled with the loss of the Machinery & Equipment (M&E) tax in Fiscal Year 2005-2006 (FY06), which cost the City \$818,078 in state shared revenues, Newton eliminated 15 positions, including seven public safety positions and completely eliminated funding for five of the seven partner organizations that were being funded at that time.

In response to the loss of Maytag and the M&E tax, the City of Newton reduced investments in the City for about 10 years. Very little was done to address failing streets and stormwater infrastructure. Parks and cemeteries were not adequately maintained. Equipment for all departments, including police and fire, was not replaced. Staffing was not adequate to provide the services that residents wanted. From 2000 to 2010, the City's population fell 2%. Total assessed property values in the City fell by 5% between FY13 and FY17. After being tired of nothing happening, residents elected new leadership that wanted to see positive things happen in the City.

For the last ten years, the City has restarted investment in our community, including infrastructure, parks, housing, and services. More streets have been improved in the last ten years than the previous 20+ years combined. Parks and cemeteries have been better maintained. New park amenities have been developed. Regular replacement of vehicles and equipment has been brought back to acceptable levels. During this same time, City Councils have pushed the organization to high levels of effectiveness and efficiency, eliminating middle management positions throughout the organization and reorganizing in a manner that reduced staffing inefficiencies to the fullest extent possible.

Investing in the community has paid off. The population increased in 2020 to its highest level ever, up 3.3% from the previous decade. Our D&D and nuisance programs have been extremely successful. As a result, new housing is being constructed throughout Newton and our curb appeal is at a very high level. Our downtown area is experiencing a renaissance and people are living downtown. Crime has been cut in half. Between FY17 and FY27, total assessed property values increased 77%. (Total taxable value growth has only increased an average of 2.64% annually between FY13 and FY27.) The Maytag Pool and the Newton Public Library have been renovated. We have a new Clubhouse at Westwood Golf Course, a new splash pad downtown, new pickleball and tennis courts, and a new dog park in Sunset Park. The Iowa Speedway is now hosting a Cup Race every year, and the City holds Newton Fest and July 4th events as well as a free summer concert series in Maytag Park. Young families and people of all ages are now seeing Newton as a desirable place to live and to visit. Newton has a lot of positive momentum right now, and we need to keep heading in the right direction.

Here are a few examples of how the City has cut costs and created efficiencies in recent years:

### **Overall Reductions:**

- In 1996, the City of Newton had 122 FTE's (full-time equivalents) not including WaterWorks which was recently placed under the management of the City Council by Newton voters. Today, the City of Newton has 122 FTE's not including WaterWorks, so **the City has the same number of employees today that we had 30 years ago**. Contrary to what some people frequently say

about bureaucracies – that they grow and grow and grow, this is not the case with the City of Newton, Iowa.

- These flat staffing levels which have been maintained over the last 30 years are in stark contrast to service demands which have risen at incredible levels over that same period of time. As just one example, the Newton Fire Department responds to **82% more calls** than they did just 15 years ago. All departments are doing more with less.
- The City is constantly working to identify any waste or lack of efficiency and eliminate it. The City is **organized more efficiently** and completing **much higher workloads** with **the same staffing levels** that we had 30 years ago.

## Administration:

- Moved from printed Council materials to electronic version, eliminating printing, paper, ink, delivery cost, and a lot of time,
- Started the Lean Process Improvement project for payroll in 2016 to streamline the Payroll Process by reducing errors and redundancy in checks and approvals, and increasing efficiency. The overarching goal is to reduce the total payroll process from 4 days to 1 day,
- Continue to look at Lean processes for other work tasks and duties in order to save time and money,
- Eliminated the ongoing internet cost at all of the outlying locations by utilizing the line of site dishes,
- Eliminated the printing of the City Code by utilizing digital code via the City's website,
- Moved the phone system from individual costs per line from Windstream to VOIP with American Business Phones,
- The Safety Committee continues to review Work Comp claims and works with departments to reduce incidents, which has contributed to our continual decreasing experience Mod factor (a multiplier used to calculate your workers' compensation premium), which keeps our rates from increasing,
- Worked with T-Mobile to switch cellular plans saving over \$800 per month and switched internet service saving \$170 per month (2024),
- Switched to Self-Funding for medical and dental coverage due to the continued group rate increases,
- Restructured seasonal staffing to avoid questionable unemployment claims, and
- Recruit new employees at lower initial pay ranges, with the opportunity for salary increases based on demonstrated performance and contributions.

## Police:

- Restructured the Police supervisory staff (eliminated Deputy Chief and one Lieutenant position; eliminated one Admin. Supervisory position; created three lower-salaried Sgt. positions to replace two Lieutenant positions),
- Eliminated civilian Evidence Technician position and redistributed job tasks amongst current staff,
- Brought animal control in-house to control costs and increase level of service,
- Implemented digital evidence, training, scheduling and record-keeping software to improve efficiency,
- Created Code Enforcement Division bringing increased level of service and efficiency to code enforcement operations city-wide, and

- Utilize lower salary summer interns to assist with code enforcement work in lieu of hiring another part-time or full-time position.

## **Fire:**

- Currently operating with two fewer firefighters (8/7/7) than previous staffing levels. The Newton Fire Department has been historically staffed at eight people per each of our three shifts. Since the early 2000s, the department has not been staffed to that level. Staffing levels at eight (8/8/8) would allow for use of vacation, staffing to cover when out-of-town transfers are taking place, and when the Department is short-staffed due to turnover and the extensive time it takes to get an EMT trained up to the paramedic level (18 months),
- One line of administration/line staff was cut as the battalion chief positions were eliminated in the late 2000s, which pushed more of the operational work to administrative staff,
- In 2011, the department was staffed at 7-6-6 with the EMS coordinator/training officer and fire marshal assigned to 24-hour shifts. This was ineffective for administrative staff and they were pulled back off of 24-hour shifts to days (Mon-Fri), and
- In 2025 the Newton Fire Department responded to 3644 calls for service, which is an approximate 82% increase in call volume from the 2000 calls answered in 2011.

## **Public Works:**

- Transition from a combined Public Works Director/City Engineer to outsourcing professional engineering has saved an average of \$39,000 annually in general funds that would have gone to the director's salary,
- Creation of the Engineer Technician Trainee position has provided the flexibility in hiring entry-level employees interested in the engineering technician positions and saving money by not needing to match or exceed the wages of experienced technicians and by completing more engineering duties in-house,
- The use of wing plows that allow one Public Works operator to perform the work that used to require two trucks and two operators instead of one truck and one operator,
- Utilizing one Utilities staff member to complete One-Call utility locates – this work used to require two Public Works employees and one Water Works employee,
- Engineering has begun using robotic total stations and GPS, allowing one employee to complete work that used to require two employees, and
- Utilizing computer software across all areas of Public Works and online permitting to reduce administration time.

## **Parks:**

- Parks Director Position was eliminated upon retirement of Denny Slings; Parks was moved to Public Works and in lieu of a director position, an Administrative Superintendent position was established at a lower position on the City Pay Matrix,
- Going from 4.5 Parks Superintendents down to 2 Superintendents and 2 Groundskeepers in 2016-2017 establishing the current Superintendent and Assistant Superintendent model currently in place, which reduces salary expenses,
- Contracted out mowing at Parks in summer; partnered with IA Dept of Corrections for weed whipping at Union Cemetery, and

- Reorganized concessions and entry into Maytag Pool to reduce the number of employees needed to operate that facility.

### **Community Development:**

- Eliminated Economic Development Director position,
- Reduced funding to Newton Development Corporation (NDC),
- In 2022, reclassified the administrative specialist position (Range 5 on Pay Matrix) at Range 3,
- December 2023 - upon retirement of the Community Services Director, Community Services was folded into Community Development, resulting in one less Director position in the City,
- May 2024 - Retirement of Building Official; Administrative Assistant obtained Permit Technician Certification and received a modest Pay Range Increase and the City engaged Veenstra & Kimm, Inc. (V&K) to provide consultant Building Inspection Services. The result is that Building Permit Fee Revenue now fully covers the cost of Building Inspectors (it didn't before) in addition to back-filling other operational costs for the Building Division,
- Upon resignation of Senior City Planner (2025), the then-City Planner was promoted to Senior City Planner at a lower step on the pay range, resulting in immediate cost savings; the City Planner position was then filled with an entry-level candidate, placed at a lower range and step than previous City Planner, resulting in immediate cost savings,
- By hiring the current Senior City Planner with Landscape Architect background, the City saves in consultant fees for the in-house preparation of basic renderings/plans,
- In 2025, City staff streamlined the Rental Inspection program to reduce required staff time for processing, and
- March 23, 2026: We transitioned all building and trade permits to online permitting and storage – no more paper printing, filing and storing.

### **Water Distribution:**

- Centralized Utility Locating - All city utility locating is now performed within the Water Distribution Division; this consolidation has improved coordination, reduced duplication of work, and lowered costs associated with contracting or managing multiple locating services (efficiency/cost savings),
- GPS Utility Mapping - The implementation of GPS mapping for city utilities has improved the accuracy and efficiency of locating infrastructure and estimating projects; this technology allows staff to plan work more effectively, reducing labor time and minimizing excavation errors,
- In-House Restoration Work - Street, sidewalk, and driveway restorations related to water distribution work are now completed by in-house staff rather than outside contractors; performing this work in-house significantly reduces project costs and allows repairs to be completed more quickly,
- In-House Installation of Radio Read Meters - Approximately 7,000 radio-read water meters are being installed by department staff instead of outside contractors; completing this work in-house provides substantial cost savings and will improve efficiency when reading meters in the future,
- Ally Remote Shutoff Meter Installation - The installation of Ally remote shutoff meters allows the department to remotely discontinue water service for accounts that fail to pay or tenants moving out of rentals; this technology reduces staff time, vehicle use, and labor associated with manual service shutoffs and restorations, and

- Staff Position Not Replaced - Following a staff member's departure in Water Distribution, the position was not refilled; the department reorganized responsibilities among existing personnel, resulting in ongoing payroll savings while continuing to maintain operational coverage.

### **Utility Billing:**

- Bringing meter reading in-house, combining with administrative duties,
- Installing radio read meters, to eliminate manual meter reading,
- Installing ally meters to reduce manual repeat shut-offs,
- Accepting ACH payments, reducing Admin staff time,
- Accepting online bill pay, reducing Admin staff time,
- E-billing saving money on printing and postage,
- Over-the-phone credit card payments, enhancing services for customers, without increasing operating costs, and
- Utilizing software technology to increase efficiencies and reduce admin staff time for monthly Utility Billing.

### **Water Treatment:**

- Using a remote mower at the Central Pump Station to mow the banks on top of the structure is more efficient than staff mowing it by hand,
- Arranged shift work at the Water Treatment Plant to reduce overtime hours for operational demand,
- Adjusted hours of operation at the Treatment Plant to meet demand more efficiently,
- Changed every light fixture in all of the buildings at the Water Treatment Plant site to LED lighting to save on electric bills,
- The Telemetry and SCADA system was upgraded, which reduced the amount of labor for staff on reporting data and observing and controlling equipment operations,
- Entered into an "Interrupt Program" through the Alliant Energy to get an incentive discount on electric rates,
- Purchased equipment for staff to pull and service our wells, saving money on contracting it out, and
- Leveraging shared equipment, personnel, and expertise from other divisions within the Utilities Department has resulted in cost savings by reducing the need to contract out for various projects.

### **Water Pollution Control:**

- Elimination of Staff Chemist Position – Laboratory testing services have been outsourced to a local laboratory, reducing personnel and associated operational costs,
- Elimination of Electronic Technician Position – Electrical services are now outsourced as needed, lowering overall staffing expenses,
- Alliant Energy Interruptible Power Agreement – Participation in the interruptible energy program provides reduced energy rates and overall utility cost savings,
- Boiler System Installation Utilizing Methane and Natural Gas – Installation of a boiler system that utilizes a combination of plant-produced methane gas and natural gas to improve energy efficiency and reduce natural gas energy costs,

- Installation of Variable Frequency Drives (VFDs) on Plant Blowers – VFDs allow for more efficient aeration control, significantly reducing energy consumption,
- Installation of VFDs on Plant and Lift Station Pumps – Reduces energy usage, lowers operating costs, and minimizes mechanical wear caused by pump start-up stress,
- Routine Collection System Maintenance – Proactive maintenance has reduced the frequency of emergency call-outs and associated overtime expenses,
- Sludge Storage Tank Implementation – Provides operational flexibility and reduces chemical and labor costs associated with sludge dewatering,
- Sludge Hauling Contract – Contracted hauling services reduce internal labor requirements, overtime, fuel costs, and staff time,
- Restructuring of DNR-Required Weekend Coverage – Adjusted staffing schedules to meet regulatory requirements while reducing overtime and compensatory time,
- Sludge-to-Sludge Heat Exchanger Installation – Improves digester efficiency by recovering and utilizing heat from processed sludge to further heat sludge, lowering overall energy consumption, and
- Conversion to LED Lighting – Upgrading plant and lift station lighting to energy-efficient LED fixtures reduces electrical usage and maintenance costs.

## **Library:**

- Eliminated Assistant Library Director position,
- Eliminated a Page position (split some of the hours amongst current Pages) (\$5,000),
- Cut physical magazine subscriptions (available on Libby) (\$4,000),
- FY22 Cut Janitorial hours to Monday-Friday only, with cleaning in the morning,
- FY25 Cut OCLC Subscription and Inter-Library Loan lending nationally (\$6,000),
- FY26 Cut Postage and eliminated Postage Meter (\$3,000),
- FY23 Switched our Library Software through RFP Process, going from \$50,000 a year to \$20,000 per year,
- FY25 Replaced vestibule heaters with one new, energy efficient custom model,
- FY26 Replaced staff office windows for energy efficiency (Foundation funded),
- FY26 Put out a Wish Tree for the Holidays to make up money in our book budget as costs continue to rise,
- FY26 Switched primary book vendors for cost savings,
- FY25 Stopped using security measures at the library on all our materials (\$1,000 a year in security tape),
- FY25 Replaced Library Furnaces (energy efficiency),
- FY26 Locked outside outlets to prevent after-hours use and save on electric cost,
- FY26 Downsized contracted BDC Pest inspection from monthly to quarterly,
- FY25 Removed ancient generator and disconnected service, saving yearly maintenance,
- Re-formatted library landscaping to downsize need of landscaping, weed maintenance, and upkeep,
- Cross-training amongst part-time staff to fill in as needed across departments,
- LED Lighting Replacement,
- Removed Neon Lights,
- Replaced two residential A/C units and three residential Furnace Units to save on energy costs (cost assisted with rebates),
- Moved Building HVAC maintenance to every other month,
- Air Conditioner Replacement with Auto settings on Thermostat,
- Limited Equipment/Tech Replacement,

- Began emailing Overdue Reminders and no longer mailing cards to reduce postage costs,
- Increased card replacement fees,
- Eliminated three National newspaper subscriptions,
- Eliminating staff computer replacement. Only replacing Public Internet Workstations. This means less equipment for the rest of the city departments,
- Pushed all equipment replacement to four or five years instead of the previous replacement schedule of every three years,
- Postage budget limited to items being sent/returned to Academic or School Libraries and libraries out of state. State Library of Iowa instituted a van delivery service for ILL within state,
- Reduced FY2021 operating budget by \$31,572 from the FY2020 budget,
- Cut DVD budget in half and eliminated CD budget,
- Cut book budget by \$20,000 with no planned digital book purchases in FY21,
- Eliminated \$3,000 in magazines and newspapers subscriptions,
- Eliminated staff computer replacement and microfilm replacement,
- Eliminated all Staff Development/training funds except mileage for meetings,
- Scaled back our book processing supplies and limited our contracted IT hours,
- Changed a vacated Circulation full-time position to two part-time positions,
- Eliminated a 15-hour per week Page position,
- Changed a vacated 34/hour per week position to a lower range and hired from within the Library department,
- Left vacated part-time circulation position open,
- Removed circulation and cataloging part-time staff from city salary scale and capped their wages (five positions),
- Removed benefits and PTO from part-time circulation and cataloging staff positions,
- Capped all other hourly staff wages (three library page positions),
- Cross-trained Pages to work the back-end of Circulation to minimize extra hours of circulation staff,
- Removed Library Board's three-person in building rule to minimize staff needed to open and close the building (two people from 6:00-8:00 p.m.). Minimized staff needed on weekends and for extra hours,
- Agreed to adjust job descriptions and reclassify jobs to a lower city range when the positions are vacated voluntarily, and
- Reduced FY2021 salary budget by \$56,118 from the FY2020 budget for an overall library budget cut of \$87,690 before current staff salary and benefit increases.

The bottom line is that Newton is an extremely lean organization. Any reductions to our budget will necessarily translate to reductions in services to our residents. In addition to losing quality-of-life services such as those provided by Parks & Rec and the Newton Public Library, public safety and community development services would also be impacted. Here are some potential consequences in the case a franchise fee is not adopted:

- Increased crime rates, which have been cut in half over the last 10 years,
- Decreased curb appeal in the City,
- Longer response times from Police and Fire,
- Elimination of Police Investigations Division, which has successfully brought charges against criminals who seek to sexually abuse children, beginning with enticement on the internet,
- Reduction in hours or eventually even the potential closure of the Newton Public Library,
- Reduction in services and potential closure of parks in Newton,
- Potential closure of the Maytag Pool,

- Decrease in property values throughout the community,
- Businesses that may have considered Newton as a new home or a place to expand will locate elsewhere, in cities or states that provide quality-of-life and public safety services to their citizens,
- Slowdown in housing development, and
- Future population loss for the City, which will reduce the revenue available to the City, with which services are provided to our residents.

The average amount of monthly savings for residents due to just the property tax exemption portion of SF 2472 will be \$16/month. As has been previously discussed, residents with homes above the average valuation will save more. For instance, a homeowner with a \$300,000 home will save about \$31/month and a homeowner with a \$450,000 home will save about \$50/month. While that sounds great, the City relies on property taxes to pay for police, fire, parks, library and more essential services.

The City of Newton either needs to reduce services or identify additional revenue. The most reasonable revenue option, which has already been adopted by over 270 other cities and nearly all cities comparable to Newton, is the franchise fee. The initial franchise fee would be an additional \$1.50/month on the average resident's utility bill. In FY28, it would be \$4.50 (the initial \$1.50 plus an additional \$3.00) per month, and in FY29 and moving forward, it would be \$6.00 (the \$4.50 from FY28 plus an additional \$1.50) per month. If Newton enables a franchise fee, it would allow the City to continue providing the same level of services that we are currently providing and will also allow us to utilize some general funds to purchase some capital equipment, therefore reducing bonding for that purpose.

## **Recommendation:**

### Alternative Options:

**Option 1** - Council could approve franchise fees as proposed by 2% (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028.

**Option 2** - Council could approve franchise fees by 5% (effective when implemented, roughly 4-6 months after adoption).

**Option 3** - Council could approve franchise fees as proposed by 2% (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, and a 4% franchise fee, effective on July 1, 2027, but not take the step at the current time to implement a franchise fee at 5%.

**Option 4** - Council could reject franchise fees and start making plans to cut an approximate \$679,756 from the FY28 budget, which would result in substantial service reductions in Police, Fire, Community Development, Administration, Parks & Rec, and at the Newton Public Library, keeping in mind that additional reductions would be needed as well in future annual budgets (in FY29 and beyond).

City staff recommends approval of Option 1, an ordinance granting Alliant Energy a 25-year non-exclusive electric franchise agreement that includes a franchise fee of 2% (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective

on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028.

A handwritten signature in black ink, appearing to read "Matt Muckler". The signature is fluid and cursive, with the first name "Matt" and last name "Muckler" clearly distinguishable.

Matt Muckler, City Administrator

CITY OF NEWTON, IOWA  
ELECTRIC FRANCHISE WITH FRANCHISE FEE

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE REPEALING ORDINANCE NO. 2362, AND GRANTING TO INTERSTATE POWER AND LIGHT COMPANY, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE TWENTY-FIVE YEAR FRANCHISE TO ACQUIRE, CONSTRUCT, ERECT, MAINTAIN AND OPERATE AN ELECTRIC SYSTEM IN THE CITY OF NEWTON, IOWA AND TO FURNISH AND SELL ELECTRIC ENERGY TO THE CITY AND ITS INHABITANTS, AND REQUIRING SAID COMPANY TO PAY A FRANCHISE FEE TO THE CITY.**

BE IT ORDAINED BY THE City Council of the City of NEWTON, JASPER County, Iowa, hereinafter referred to as the "City":

Section 1. There is hereby granted to Interstate Power and Light Company, hereinafter referred to as the "Company," its successors and assigns, the right and non-exclusive franchise to acquire, construct, reconstruct, erect, maintain and operate in the City, works and plants for the manufacture and generation of electricity and a distribution system for electric light, heat and power and the right to erect and maintain the necessary poles, lines, wires, conduits and other appliances for the distribution of electric current along, under and upon the streets, alleys and public places in the said City to supply individuals, corporations, communities, and municipalities both inside and outside of said City with electric light, heat and power; and also the right of eminent domain as provided in Section 364.2 of the Code of Iowa.

This franchise is limited to electrical service. No other services shall be provided to the public by the Company hereunder.

Section 2. The franchise will be effective for twenty-five (25) years from and after the date of Company's written acceptance of this franchise (the "Effective Date"). The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this Ordinance.

Either party may exercise an option to amend the franchise by providing the other party written notice setting forth its proposed amendments no more than 180 days nor less than 90 days prior to tenth anniversary of the Effective Date. The purpose of this notice is to expedite discussions between the Company and the City and shall not be an exclusive list of the first party's issues. Upon delivery of such notice, the City and Company shall meet to attempt to consider the proposed amendments. If the City and Company are unable to agree to amend the ordinance and address other issues by the tenth anniversary of the Effective Date, either party may terminate the franchise agreement effective on the tenth anniversary of the Effective Date.

If the franchise agreement is not terminated on or before the tenth anniversary of the Effective Date, or no written request to amend or terminate the franchise is delivered by either party to the other between 90 and 180 days prior to tenth anniversary of the Effective Date, the franchise will continue for another fifteen (15) years.

Section 3. In making any excavations in any street, alley, or public place, Company, its successors and assigns, shall protect the site while work is in progress by guards, barriers or signals, shall not unnecessarily obstruct the use of the streets, and shall back fill all openings in such manner as to prevent settling or depressions in surface, pavement or sidewalk of such excavations with same materials, restoring the condition as nearly as practical. The Company shall not be required to restore or modify public right of way, sidewalks or other areas in or adjacent to the Company project to a condition superior to its immediate previously existing condition.

The Company shall obtain a no-cost R.O.W. Excavation Permit from the City for work in the public right-of-way. In cases of emergency, the Company may complete the needed work and obtain the required no-cost permit within two business days of beginning the emergency work.

The poles, lines, wires, circuits, and other appliances shall be placed and maintained so as not to unnecessarily interfere with the travel on said streets, alleys, and public places in said City nor unnecessarily interfere with the proper use of the same, including ordinary drainage, or with the sewers, underground pipe and other property of the city.

Section 4. The Company shall, at its cost, locate and relocate its existing facilities or equipment in, on, over or under any public street or alley in the City in such a manner as the City may at any time reasonably require for the purposes of facilitating the construction, reconstruction, maintenance or repair of the street or alley or any public improvement thereof, in or about any such street or alley or reasonably promoting the efficient operation of any such improvement.

If the City requires the Company to relocate facilities in the public right of way that have been relocated at Company expense at the direction of the City during the previous ten years, the reasonable costs of such relocation will be paid by the City.

If the City orders or requests the Company to relocate its existing facilities or equipment for any reason other than as specified above, or as the result of the initial request for a commercial, private or other non-public development, the Company shall receive payment for

the cost of such relocation as a precondition to relocating its existing facilities or equipment.

The City shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause the Company unreasonable additional expense in exercising its authority under this section. The City shall also provide, without charge to the Company, a reasonable alternative location for the Company's facilities as part of its relocation request. The City's obligations under this paragraph shall include paying all costs to procure any necessary easements.

Should the City desire to install banners or flags on Company poles, the City shall submit to the Company said request on the applicable Company form. Said installations, if approved by the Company, shall comply with the Company's banner and flag attachment policy.

Section 5. Prior to the City abandoning or vacating any street, avenue, alley or public ground where the Company has electric facilities, the City shall grant the Company a utility easement for said facilities. If the City does not grant the Company a utility easement for said facilities prior to abandoning or vacating a street, avenue, alley or public place, the City shall at its cost and expense obtain easements for existing Company facilities.

Section 6. Company operations staff will, at the request of the City, attend an annual meeting with the City to discuss annual and long-term construction planning for the Company and City. This will not replace any periodic meetings needed on specific projects and issues. In addition, the Company will provide advance notice to the City of planned construction projects. However, notwithstanding the foregoing, no advance notice is required for Company's maintenance, upgrading and repair of existing facilities unless said maintenance, upgrading or repair involves excavation of the City's street and sidewalk infrastructure. Advance notice is not required in an emergency. While the Company will make every effort to provide advance notice, failure to provide such notice shall not be deemed a default under this chapter.

Section 7. The Company is authorized and empowered to prune or remove at Company expense any tree extending into any street, alley or public grounds to maintain electric reliability, safety, to restore utility service and to prevent limbs, branches or trunks from interfering with the wires and facilities of the Company. The pruning and removal of trees shall be performed in accordance with Company's then current line clearance vegetation plan as filed and approved by the Iowa Utilities Commission, as well as all applicable codes and standards referenced therein. The removal of any tree in the public right-of-

way, except in cases of emergency, shall be approved by the City prior to said removal.

Section 8. During the term of this franchise, the Company shall furnish electric energy in accordance with the applicable regulations of the Iowa Utilities Board and the Company's tariffs. The Company will maintain compliance with Iowa Utilities Commission regulatory standards for reliability.

Section 9. Service to be rendered by the Company under this franchise shall be continuous unless prevented from doing so by fire, acts of God, unavoidable accidents or casualties, or reasonable interruptions necessary to properly service the Company's equipment, and in such event, service shall be resumed as quickly as is reasonably possible.

Section 10. There is hereby imposed a franchise fee of two percent (2%) upon the gross revenue generated from sales of electricity by the Company within the corporate limits of the City. The franchise fee shall become effective upon receipt of written approval of the required tax rider tariff from the Iowa Utilities Commission; provided, however, that such fee shall increase to four percent (4%) effective July 1, 2027; and to five percent (5%) effective July 1, 2028. The Company shall begin collecting the franchise fee increases for each effective date upon receipt of written approval of the required tax rider tariff from the Iowa Utilities Commission.

The amount of the franchise fee shall be shown separately on the utility bill to each customer. The Company shall remit franchise fee receipts to the City no more frequently than on or before the last business day of the month following each calendar year quarter.

The Company shall not, under any circumstances be required to return or refund any franchise fees that have been collected from customers and remitted to the City. In the event the Company is required to provide data or information in defense of the City's imposition of franchise fees or the Company is required to assist the City in identifying customers or calculating any franchise fee refunds for groups of or individual customers the City shall reimburse the Company for the expenses incurred by the Company to provide such data or information.

Each February, the City may contact its key account manager to request a sales statement to verify franchise fee payments. The statement will list aggregated quarterly sales amounts and corresponding franchise fee payments from the previous calendar year. In the event that there is an underpayment to the City, the Company will provide a payment to the City within thirty (30 days) to correct for the missing amount. In the event that the City was overpaid in franchise

fees, it will refund that amount to the Company within thirty (30) days.

Section 11. Either City or Company may terminate this franchise if the other party shall be materially in breach of its provisions. Upon the occurrence of a material breach, the non-breaching party shall provide the breaching party with notification by certified mail specifying the alleged breach. The breaching party shall have sixty (60) days to cure the breach, unless it notifies the non-breaching party that additional time is needed, and the parties agree upon a longer period for cure. If the breach is not cured within the cure period, the non-breaching party may terminate this franchise. A party shall not be considered to be in breach of this franchise if it has operated in compliance with state or federal law, or if the alleged breach is the result of the actions of a third party or the other party. Neither party shall be excused from performing in accordance with this franchise due to the failure of the other party to insist upon or seek compliance with the franchise terms. Neither party shall be excused from performing in accordance with this franchise due to the failure of the other party to insist upon or seek compliance with the franchise terms.

Section 12. If any section or provision of this ordinance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of any other provisions of this ordinance which can be given effect without the invalid portion or portions and to this end each section and provision of this ordinance is severable.

Section 13. The expense of the publication of this Ordinance shall be paid by the Company.

Section 14. The Company shall indemnify and hold the City harmless at all times during the term of this franchise from and against any and all claims for injury or damage to persons or property caused by the Company's negligence in the construction, erection, operation or maintenance of its system. However, the Company shall not be obligated to defend, indemnify or hold harmless the City for any costs or damages to the extent arising in whole or part from the negligence of the City, its officers, employees or contractors.

Section 15. City Powers. This Ordinance is intended to be and shall be construed as consistent with the reservation of local authority contained in the Twenty Fifth Amendment to the Iowa Constitution granting municipalities home rule powers. To such end any limitation on the power of the City contained herein is to be strictly construed. Company shall comply with all City ordinances not in conflict with this Ordinance, or state, or federal rules, regulations or laws.

Section 16 This Ordinance sets forth and constitutes the entire agreement between the Company and the City with respect to the rights contained herein, and may not be supplemented, superseded, modified or otherwise amended without the written approval and acceptance of the Company. Notwithstanding the foregoing, in no event shall the City enact or maintain any Ordinance or place any limitations, either operationally or through the assessment of fees other than those approved and accepted by the Company within this Ordinance, that create additional burdens upon the Company, or which delay utility operations.

PASSED and ADOPTED by the NEWTON City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

Attest:

\_\_\_\_\_  
Katrina Davis, City Clerk

(CITY SEAL)

## UNDERSTANDING NEWTON'S FINANCIAL FUTURE

### ESTIMATE YOUR HOUSEHOLD IMPACT

Newton is considering a franchise fee, something 270 other Iowa cities already have. The Iowa Legislature recently passed two laws, HF 718 and SF 2472, that limit how much property tax the City can collect. That tax money pays for services residents rely on.

Here's what the change could mean for an average Newton home, valued at \$207,715. Starting in FY28, the new homestead exemption would save that homeowner about \$16.65 a month on property taxes. Once a 5% franchise fee is fully in place in FY29, it would add about \$6 a month to an average Alliant Energy bill, or \$1.50 a month with Black Hills Energy.

| Gross Assessed Value of Home | Monthly Property Tax Savings | Franchise Fee Increase Total | Savings |
|------------------------------|------------------------------|------------------------------|---------|
| \$ 207,715                   | \$ 16.65                     | \$ 7.50                      | \$ 9.15 |

Here is how the fee would actually affect real homes in Newton, again factoring in the property tax savings from the new homestead exemption:

| Gross Assessed Value of Home | Monthly Property Tax Savings | Franchise Fee Increase Total | Savings   | Year House Was Built |
|------------------------------|------------------------------|------------------------------|-----------|----------------------|
| \$67,820                     | \$2.16                       | \$7.17                       | \$(5.01)  | 1926                 |
| \$76,670                     | \$2.16                       | \$6.99                       | \$(4.83)  | 1900                 |
| \$116,330                    | \$2.22                       | \$4.50                       | \$(2.28)  | 1925                 |
| \$125,460                    | \$3.66                       | \$14.00                      | \$(10.34) | 1920                 |
| \$131,890                    | \$4.68                       | \$6.42                       | \$(1.74)  | 1950                 |
| \$138,510                    | \$5.72                       | \$9.73                       | \$(4.01)  | 1929                 |
| \$149,390                    | \$7.44                       | \$4.88                       | \$2.56    | 1988                 |
| \$174,850                    | \$11.46                      | \$13.77                      | \$(2.31)  | 1920                 |
| \$179,210                    | \$12.15                      | \$4.73                       | \$7.42    | 1963                 |
| \$201,020                    | \$15.59                      | \$13.13                      | \$2.46    | 1976                 |
| \$201,750                    | \$15.71                      | \$11.56                      | \$4.15    | 1963                 |
| \$203,670                    | \$16.01                      | \$10.25                      | \$5.76    | 1910                 |
| \$204,400                    | \$16.12                      | \$10.88                      | \$5.24    | 1978                 |
| \$229,450                    | \$20.08                      | \$6.37                       | \$13.70   | 2024                 |
| \$247,290                    | \$22.89                      | \$6.58                       | \$16.31   | 1960                 |
| \$257,480                    | \$24.50                      | \$14.00                      | \$10.50   | 1959                 |
| \$274,300                    | \$27.16                      | \$12.95                      | \$14.21   | 1949                 |
| \$292,080                    | \$29.96                      | \$5.44                       | \$24.52   | 2020                 |
| \$296,470                    | \$30.66                      | \$8.29                       | \$22.37   | 1962                 |
| \$303,500                    | \$31.77                      | \$14.52                      | \$17.25   | 1964                 |
| \$336,060                    | \$36.91                      | \$10.12                      | \$26.79   | 2003                 |
| \$350,350                    | \$39.16                      | \$12.40                      | \$26.76   | 1977                 |
| \$355,730                    | \$40.01                      | \$11.76                      | \$28.25   | 2005                 |
| \$398,280                    | \$46.73                      | \$11.60                      | \$35.13   | 1993                 |
| \$403,980                    | \$50.42                      | \$12.92                      | \$37.50   | 2006                 |
| \$420,100                    | \$50.42                      | \$7.20                       | \$43.22   | 1989                 |

Notes: The monthly property tax savings would begin in FY28. This only reflects the savings from the part of SF 2472 that converts the homestead credit into a homestead exemption. It does not include savings from the military exemption, the 65+ exemption, the 2% cap, lost state backfill, or the Business Property Tax Credit. The franchise fee amount shown is the full 5% fee, which would take effect in FY29.

### ESTIMATE YOUR OWN UTILITY IMPACT

Property tax savings and franchise fee costs are calculated separately. Property tax savings are based on your home's assessed value. A franchise fee applies to your eligible electric and natural gas charges.

| Combined Monthly Electric + Gas Charges | At 2% Fee | At 4% Fee | At 5% Fee |
|-----------------------------------------|-----------|-----------|-----------|
| \$100                                   | \$1       | \$3       | \$4       |
| \$200                                   | \$2       | \$6       | \$8       |
| \$300                                   | \$3       | \$9       | \$12      |

To estimate your own change: multiply your combined eligible monthly electric and gas charges by the franchise fee rate, then subtract 1% (this accounts for the existing 1% local-option sales tax that the franchise fee would replace on the same utility charges).  
*Important: Actual results vary by household and business. Property tax examples exclude military, age-based, and other exemptions; the 2% cap; backfill changes; and Business Property Tax Credit changes. Use your official tax statement and utility bills for an exact comparison.*

## WHY NEWTON IS DISCUSSING THIS

*Financial context and potential service reductions if replacement revenue is not adopted.*

HF 718 and SF 2472 change Iowa's property tax system and limit the revenue available to local governments. The new homestead exemption reduces property taxes for qualifying homeowners, while the same legislation reduces or constrains the revenue Newton uses to pay for City services. A franchise fee is one option for replacing part of that lost General Fund revenue.

### THE PLANNING GAP

City staff estimate an FY28 General Fund shortfall of approximately \$679,756, with approximately \$684,921 in potential first-year reductions identified to close it. Additional reductions of roughly \$300,000–\$400,000 could be needed in each year after that.

### POTENTIAL FY28 REDUCTIONS IDENTIFIED BY CITY STAFF

| Estimated Savings | Potential Reduction                                                 |
|-------------------|---------------------------------------------------------------------|
| \$100,000         | Close Maytag Pool                                                   |
| \$111,600         | Close the Library Mondays and Tuesdays                              |
| \$65,000          | Turn off water at the Splash Pad                                    |
| \$115,000         | Reduce marketing and tourism efforts                                |
| \$100,000         | Eliminate funding to YMCA, United Way, RSVP and NDC                 |
| \$35,321          | Eliminate HIRTA public transportation funding                       |
| \$12,500          | Eliminate General Fund employee travel for conferences and training |
| \$22,500          | Eliminate Get to Know Newton magazines                              |
| \$123,000         | Eliminate expected raises for non-union employees                   |

*Travel, magazines, and expected non-union raises together total approximately \$158,000. Combined with the other items above, City staff identify approximately \$684,921 in potential FY28 reductions.*

### POSSIBLE ADDITIONAL REDUCTIONS IN FY29–FY31

| FY29                                                                                                                                                                                                                                                                                            | FY30                                                                                                                                                                                                  | FY31                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Community service officers; Newton Fest, fireworks, and summer concerts; identified parks and softball complex; City mowing of parks and fields; police staffing and specialized investigations, including the officer who investigates crimes against children; Building 18 in-person offices. | Further limit Library hours; eliminate planning staff and Parks and Recreation as separate functions; end Holiday Lights at Maytag; reduce firefighter staffing and identified out-of-town transfers. | Further reduce police and fire positions, potentially affecting response times; close the Newton Public Library. |

### OTHER COST-MANAGEMENT APPROACHES TO EVALUATE

The City will continue reviewing vacancies, purchasing, contracts, partnerships, user fees, operating hours, capital timing, asset sales, and service-delivery methods. For each option, staff will show recurring savings, one-time implementation cost, service effect, legal limits, and expected duration. Reserves are best used for temporary or one-time needs, not recurring operations.

### PUBLIC PROCESS AND CONTEXT

These are staff-identified planning scenarios, not adopted cuts. The City Council will decide on spending through the public budget process. Effects vary by household and business usage. Official City estimates and adopted terms will control the final outcome.

Here is how Newton's property tax rate compares to similar cities:

| FY27 Tax Levies / Franchise Fees |               |               |           |               |               |
|----------------------------------|---------------|---------------|-----------|---------------|---------------|
| City                             | FY27 Tax Levy | Franchise Fee | City      | FY27 Tax Levy | Franchise Fee |
| Ottumwa                          | 21.00928      | Yes           | Muscatine | 16.17331      | Yes           |
| Fort Dodge                       | 20.89458      | No            | Boone     | 15.12578      | Yes           |
| Fort Madison                     | 18.84186      | Yes           | Oskaloosa | 14.47234      | Yes           |
| Newton                           | 17.10000      | No            | Indianola | 13.32571      | Yes           |
| Marshalltown*                    | 16.25000      | No            |           |               |               |

## City of Newton Council Report

**Item:**

Third Consideration of an Ordinance Establishing a Franchise Fee on Energy Providers Operating in the City of Newton, Iowa

**Summary:**

First Consideration of an Ordinance Establishing a Franchise Fee on Energy Providers Operating in the City of Newton, Iowa

**Financial Impact:**

**Report Number:** 2026-295

**Date:**

August 3, 2026

**Lead Department:**

Administration

**Recommendation:**

Approve

This ordinance approves an agreement with Black Hills Energy to adopt a 2% franchise fee, (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028. In FY27, less than \$33,350 in new revenue would be expected. In FY28, no more than \$181,700 in new revenue would be expected, and in FY29 (and continuing every year thereafter), approximately \$239,700 in new revenue would be expected. The initial franchise fee for Black Hills Energy would be an approximate \$0.38/month on the average resident's utility bill. In FY28, it would be approximately \$1.13 (the initial \$0.38 plus an additional \$0.75) on average per month, and in FY29 and moving forward, it would be approximately \$1.50 (the \$1.13 from FY28 plus an additional \$0.37) on average per month. Due to substantial property tax reductions starting in FY28, this new revenue stream is necessary to avoid significant reductions in services currently provided to residents by the City of Newton, especially in the areas of Parks & Rec, the Newton Public Library, Police and Fire.

**Background:**

While more than 270 other cities in the State of Iowa have already adopted franchise fees, the City of Newton has not yet established franchise fees on energy providers. These fees are only now necessary in the City of Newton due to the recent passage of HF 718 and SF 2472 by the Iowa State Legislature, which limits the amount of property taxes the City can collect and use to provide services that Newton residents want in our community. In order to institute this fee with Black Hills Energy, an ordinance must be approved that includes franchise fee language. The proposed franchise fees would be 2% after receipt of written approval by the Iowa Utilities Commission, 4% on July 1, 2027, and 5% on July 1, 2028. This new Legislation would significantly decrease the amount of property taxes available to the City, which the City uses to provide services to our residents. If a franchise fee is not adopted, the City of Newton will be forced to make considerable service reductions to the Newton Public Library, Parks & Rec, Police, Fire, Community Development, as well as economic development and administrative services currently being provided to Newton residents and businesses.

SF 2472 will significantly decrease the amount of property taxes available to the City, which the City uses to provide services to our residents. If a franchise fee is not adopted, the City of Newton will be forced to make considerable service reductions to the Newton Public Library, Parks & Rec, Police,

Fire, Community Development, as well as economic development and administrative services currently being provided to Newton residents and businesses.

The one-size-fits-all property tax reform legislation that was recently approved by the Iowa Legislature and signed into law by the Governor will impact each of the 937 cities in Iowa differently. Newton had a Fortune 500 company leave 20 years ago. Very few of the other 936 cities had this happen. (The only other examples found were Cedar Rapids, Des Moines and West Des Moines.) Coupled with the loss of the Machinery & Equipment (M&E) tax in Fiscal Year 2005-2006 (FY06), which cost the City \$818,078 in state shared revenues, Newton eliminated 15 positions, including seven public safety positions and completely eliminated funding for five of the seven partner organizations that were being funded at that time.

In response to the loss of Maytag and the M&E tax, the City of Newton reduced investments in the City for about 10 years. Very little was done to address failing streets and stormwater infrastructure. Parks and cemeteries were not adequately maintained. Equipment for all departments, including police and fire, was not replaced. Staffing was not adequate to provide the services that residents wanted. From 2000 to 2010, the City's population fell 2%. Total assessed property values in the City fell by 5% between FY13 and FY17. After being tired of nothing happening, residents elected new leadership that wanted to see positive things happen in the City.

For the last ten years, the City has restarted investment in our community, including infrastructure, parks, housing, and services. More streets have been improved in the last ten years than the previous 20+ years combined. Parks and cemeteries have been better maintained. New park amenities have been developed. Regular replacement of vehicles and equipment has been brought back to acceptable levels. During this same time, City Councils have pushed the organization to high levels of effectiveness and efficiency, eliminating middle management positions throughout the organization and reorganizing in a manner that reduced staffing inefficiencies to the fullest extent possible.

Investing in the community has paid off. The population increased in 2020 to its highest level ever, up 3.3% from the previous decade. Our D&D and nuisance programs have been extremely successful. As a result, new housing is being constructed throughout Newton and our curb appeal is at a very high level. Our downtown area is experiencing a renaissance and people are living downtown. Crime has been cut in half. Between FY17 and FY27, total assessed property values increased 77%. (Total taxable value growth has only increased an average of 2.64% annually between FY13 and FY27.) The Maytag Pool and the Newton Public Library have been renovated. We have a new Clubhouse at Westwood Golf Course, a new splash pad downtown, new pickleball and tennis courts, and a new dog park in Sunset Park. The Iowa Speedway is now hosting a Cup Race every year, and the City holds Newton Fest and July 4th events as well as a free summer concert series in Maytag Park. Young families and people of all ages are now seeing Newton as a desirable place to live and to visit. Newton has a lot of positive momentum right now, and we need to keep heading in the right direction.

Here are a few examples of how the City has cut costs and created efficiencies in recent years:

### **Overall Reductions:**

- In 1996, the City of Newton had 122 FTE's (full-time equivalents) not including WaterWorks which was recently placed under the management of the City Council by Newton voters. Today, the City of Newton has 122 FTE's not including WaterWorks, so **the City has the same number of employees today that we had 30 years ago**. Contrary to what some people frequently say

about bureaucracies – that they grow and grow and grow, this is not the case with the City of Newton, Iowa.

- These flat staffing levels which have been maintained over the last 30 years are in stark contrast to service demands which have risen at incredible levels over that same period of time. As just one example, the Newton Fire Department responds to **82% more calls** than they did just 15 years ago. All departments are doing more with less.
- The City is constantly working to identify any waste or lack of efficiency and eliminate it. The City is **organized more efficiently** and completing **much higher workloads** with **the same staffing levels** that we had 30 years ago.

### Administration:

- Moved from printed Council materials to electronic version, eliminating printing, paper, ink, delivery cost, and a lot of time,
- Started the Lean Process Improvement project for payroll in 2016 to streamline the Payroll Process by reducing errors and redundancy in checks and approvals, and increasing efficiency. The overarching goal is to reduce the total payroll process from 4 days to 1 day,
- Continue to look at Lean processes for other work tasks and duties in order to save time and money,
- Eliminated the ongoing internet cost at all of the outlying locations by utilizing the line of site dishes,
- Eliminated the printing of the City Code by utilizing digital code via the City's website,
- Moved the phone system from individual costs per line from Windstream to VOIP with American Business Phones,
- The Safety Committee continues to review Work Comp claims and works with departments to reduce incidents which has contributed to our continual decreasing our experience Mod factor (a multiplier used to calculate your workers' compensation premium), which keeps our rates from increasing,
- Worked with T-Mobile to switch cellular plans saving over \$800 per month and switched internet service saving \$170 per month (2024),
- Switched to Self-Funding for medical and dental coverage due to the continued group rate increases,
- Restructured seasonal staffing to avoid questionable unemployment claims, and
- Recruit new employees at lower initial pay ranges, with the opportunity for salary increases based on demonstrated performance and contributions.

### Police:

- Restructured the Police supervisory staff (eliminated Deputy Chief and one Lieutenant position; eliminated one Admin. Supervisory position; created three lower-salaried Sgt. positions to replace two Lieutenant positions),
- Eliminated civilian Evidence Technician position and redistributed job tasks amongst current staff,
- Brought animal control in-house to control costs and increase level of service,
- Implemented digital evidence, training, scheduling and record-keeping software to improve efficiency,
- Created Code Enforcement Division bringing increased level of service and efficiency to code enforcement operations city-wide, and

- Utilize lower salary summer interns to assist with code enforcement work in lieu of hiring another part-time or full-time position.

## **Fire:**

- Currently operating with two fewer firefighters (8/7/7) than previous staffing levels. The Newton Fire Department has been historically staffed at eight people per each of our three shifts. Since the early 2000s, the department has not been staffed to that level. Staffing levels at eight (8/8/8) would allow for use of vacation, staffing to cover when out-of-town transfers are taking place, and when the Department is short-staffed due to turnover and the extensive time it takes to get an EMT trained up to the paramedic level (18 months),
- One line of administration/line staff was cut as the battalion chief positions were eliminated in the late 2000s, which pushed more of the operational work to administrative staff,
- In 2011, the department was staffed at 7-6-6 with the EMS coordinator/training officer and fire marshal assigned to 24-hour shifts. This was ineffective for administrative staff and they were pulled back off of 24-hour shifts to days (Mon-Fri), and
- In 2025 the Newton Fire Department responded to 3644 calls for service, which is an approximate 82% increase in call volume from the 2000 calls answered in 2011.

## **Public Works:**

- Transition from a combined Public Works Director/City Engineer to outsourcing professional engineering has saved an average of \$39,000 annually in general funds that would have gone to the director's salary,
- Creation of the Engineer Technician Trainee position has provided the flexibility in hiring entry-level employees interested in the engineering technician positions and saving money by not needing to match or exceed the wages of experienced technicians and by completing more engineering duties in-house,
- The use of wing plows that allow one Public Works operator to perform the work that used to require two trucks and two operators instead of one truck and one operator,
- Utilizing one Utilities staff member to complete One-Call utility locates – this work used to require two Public Works employees and one Water Works employee,
- Engineering has begun using robotic total stations and GPS, allowing one employee to complete work that used to require two employees, and
- Utilizing computer software across all areas of Public Works and online permitting to reduce administration time.

## **Parks:**

- Parks Director Position was eliminated upon retirement of Denny Slings; Parks was moved to Public Works and in lieu of a director position, an Administrative Superintendent position was established at a lower position on the City Pay Matrix,
- Going from 4.5 Parks Superintendents down to 2 Superintendents and 2 Groundskeepers in 2016-2017 establishing the current Superintendent and Assistant Superintendent model currently in place, which reduces salary expenses,

- Contracted out mowing at Parks in summer; partnered with IA Dept of Corrections for weed whipping at Union Cemetery, and
- Reorganized concessions and entry into Maytag Pool to reduce the number of employees needed to operate that facility.

### **Community Development:**

- Eliminated Economic Development Director position,
- Reduced funding to Newton Development Corporation (NDC),
- In 2022, reclassified the administrative specialist position (Range 5 on Pay Matrix) at Range 3,
- December 2023 - upon retirement of the Community Services Director, Community Services was folded into Community Development, resulting in one less Director position in the City,
- May 2024 - Retirement of Building Official; Administrative Assistant obtained Permit Technician Certification, received a modest Pay Range Increase, and the City engaged Veenstra & Kimm, Inc. (V&K) to provide consultant Building Inspection Services. The result is that Building Permit Fee Revenue now fully covers the cost of Building Inspectors (it didn't before) in addition to back-filling other operational costs for the Building Division,
- Upon resignation of Senior City Planner (2025), the then-City Planner was promoted to Senior City Planner at a lower step on the pay range, resulting in immediate cost savings; the City Planner position was then filled with an entry-level candidate, placed at a lower range and step than previous City Planner, resulting in immediate cost savings,
- By hiring the current Senior City Planner with Landscape Architect background, the City saves in consultant fees for the in-house preparation of basic renderings/plans,
- In 2025, City staff streamlined the Rental Inspection program to reduce required staff time for processing, and
- March 23, 2026: We transitioned all building and trade permits to online permitting and storage – no more paper printing, filing and storing.

### **Water Distribution:**

- Centralized Utility Locating - All city utility locating is now performed within the Water Distribution Division; this consolidation has improved coordination, reduced duplication of work, and lowered costs associated with contracting or managing multiple locating services (efficiency/cost savings),
- GPS Utility Mapping - The implementation of GPS mapping for city utilities has improved the accuracy and efficiency of locating infrastructure and estimating projects; this technology allows staff to plan work more effectively, reducing labor time and minimizing excavation errors,
- In-House Restoration Work - Street, sidewalk, and driveway restorations related to water distribution work are now completed by in-house staff rather than outside contractors; performing this work in-house significantly reduces project costs and allows repairs to be completed more quickly,
- In-House Installation of Radio Read Meters - Approximately 7,000 radio-read water meters are being installed by department staff instead of outside contractors; completing this work in-house provides substantial cost savings and will improve efficiency when reading meters in the future,
- Ally Remote Shutoff Meter Installation - The installation of Ally remote shutoff meters allows the department to remotely discontinue water service for accounts that fail to pay or tenants moving out of rentals; this technology reduces staff time, vehicle use, and labor associated with manual service shutoffs and restorations, and

- Staff Position Not Replaced - Following a staff member's departure in Water Distribution, the position was not refilled; the department reorganized responsibilities among existing personnel, resulting in ongoing payroll savings while continuing to maintain operational coverage.

### **Utility Billing:**

- Bringing meter reading in-house, combining with administrative duties,
- Installing radio read meters, to eliminate manual meter reading,
- Installing ally meters to reduce manual repeat shut-offs,
- Accepting ACH payments, reducing Admin staff time,
- Accepting online bill pay, reducing Admin staff time,
- E-billing saving money on printing and postage,
- Over-the-phone credit card payments, enhancing services for customers, without increasing operating costs, and
- Utilizing software technology to increase efficiencies and reduce admin staff time for monthly Utility Billing.

### **Water Treatment:**

- Using a remote mower at the Central Pump Station to mow the banks on top of the structure is more efficient than staff mowing it by hand,
- Arranged shift work at the Water Treatment Plant to reduce overtime hours for operational demand,
- Adjusted hours of operation at the Treatment Plant to meet demand more efficiently,
- Changed every light fixture in all of the buildings at the Water Treatment Plant site to LED lighting to save on electric bills,
- The Telemetry and SCADA system was upgraded, which reduced the amount of labor for staff on reporting data and observing and controlling equipment operations,
- Entered into an "Interrupt Program" through the Alliant Energy to get an incentive discount on electric rates,
- Purchased equipment for staff to pull and service our wells, saving money on contracting it out, and
- Leveraging shared equipment, personnel, and expertise from other divisions within the Utilities Department has resulted in cost savings by reducing the need to contract out for various projects.

### **Water Pollution Control:**

- Elimination of Staff Chemist Position – Laboratory testing services have been outsourced to a local laboratory, reducing personnel and associated operational costs,
- Elimination of Electronic Technician Position – Electrical services are now outsourced as needed, lowering overall staffing expenses,
- Alliant Energy Interruptible Power Agreement – Participation in the interruptible energy program provides reduced energy rates and overall utility cost savings,
- Boiler System Installation Utilizing Methane and Natural Gas – Installation of a boiler system that utilizes a combination of plant-produced methane gas and natural gas to improve energy efficiency and reduce natural gas energy costs,

- Installation of Variable Frequency Drives (VFDs) on Plant Blowers – VFDs allow for more efficient aeration control, significantly reducing energy consumption,
- Installation of VFDs on Plant and Lift Station Pumps – Reduces energy usage, lowers operating costs, and minimizes mechanical wear caused by pump start-up stress,
- Routine Collection System Maintenance – Proactive maintenance has reduced the frequency of emergency call-outs and associated overtime expenses,
- Sludge Storage Tank Implementation – Provides operational flexibility and reduces chemical and labor costs associated with sludge dewatering,
- Sludge Hauling Contract – Contracted hauling services reduce internal labor requirements, overtime, fuel costs, and staff time,
- Restructuring of DNR-Required Weekend Coverage – Adjusted staffing schedules to meet regulatory requirements while reducing overtime and compensatory time,
- Sludge-to-Sludge Heat Exchanger Installation – Improves digester efficiency by recovering and utilizing heat from processed sludge to further heat sludge, lowering overall energy consumption, and
- Conversion to LED Lighting – Upgrading plant and lift station lighting to energy-efficient LED fixtures reduces electrical usage and maintenance costs.

## **Library:**

- Eliminated Assistant Library Director position,
- Eliminated a Page position (split some of the hours amongst current Pages) (\$5,000),
- Cut physical magazine subscriptions (available on Libby) (\$4,000),
- FY22 Cut Janitorial hours to Monday-Friday only, with cleaning in the morning,
- FY25 Cut OCLC Subscription and Inter-Library Loan lending nationally (\$6,000),
- FY26 Cut Postage and eliminated Postage Meter (\$3,000),
- FY23 Switched our Library Software through RFP Process, going from \$50,000 a year to \$20,000 per year,
- FY25 Replaced vestibule heaters with one new, energy efficient custom model,
- FY26 Replaced staff office windows for energy efficiency (Foundation funded),
- FY26 Put out a Wish Tree for the Holidays to make up money in our book budget as costs continue to rise,
- FY26 Switched primary book vendors for cost savings,
- FY25 Stopped using security measures at the library on all our materials (\$1,000 a year in security tape),
- FY25 Replaced Library Furnaces (energy efficiency),
- FY26 Locked outside outlets to prevent after-hours use and save on electric cost,
- FY26 Downsized contracted BDC Pest inspection from monthly to quarterly,
- FY25 Removed ancient generator and disconnected service, saving yearly maintenance,
- Re-formatted library landscaping to downsize need of landscaping, weed maintenance, and upkeep,
- Cross-training amongst part-time staff to fill in as needed across departments,
- LED Lighting Replacement,
- Removed Neon Lights,
- Replaced two residential A/C units and three residential Furnace Units to save on energy costs (cost assisted with rebates),
- Moved Building HVAC maintenance to every other month,
- Air Conditioner Replacement with Auto settings on Thermostat,
- Limited Equipment/Tech Replacement,

- Began emailing Overdue Reminders and no longer mailing cards to reduce postage costs,
- Increased card replacement fees,
- Eliminated three National newspaper subscriptions,
- Eliminating staff computer replacement. Only replacing Public Internet Workstations. This means less equipment for the rest of the city departments,
- Pushed all equipment replacement to four or five years instead of the previous replacement schedule of every three years,
- Postage budget limited to items being sent/returned to Academic or School Libraries and libraries out of state. State Library of Iowa instituted a van delivery service for ILL within state,
- Reduced FY2021 operating budget by \$31,572 from the FY2020 budget,
- Cut DVD budget in half and eliminated CD budget,
- Cut book budget by \$20,000 with no planned digital book purchases in FY21,
- Eliminated \$3,000 in magazines and newspapers subscriptions,
- Eliminated staff computer replacement and microfilm replacement,
- Eliminated all Staff Development/training funds except mileage for meetings,
- Scaled back our book processing supplies and limited our contracted IT hours,
- Changed a vacated Circulation full-time position to two part-time positions,
- Eliminated a 15-hour per week Page position,
- Changed a vacated 34/hour per week position to a lower range and hired from within the Library department,
- Left vacated part-time circulation position open,
- Removed circulation and cataloging part-time staff from city salary scale and capped their wages (five positions),
- Removed benefits and PTO from part-time circulation and cataloging staff positions,
- Capped all other hourly staff wages (three library page positions),
- Cross-trained Pages to work the back-end of Circulation to minimize extra hours of circulation staff,
- Removed Library Board's three-person in building rule to minimize staff needed to open and close the building (two people from 6:00-8:00 p.m.). Minimized staff needed on weekends and for extra hours,
- Agreed to adjust job descriptions and reclassify jobs to a lower city range when the positions are vacated voluntarily, and
- Reduced FY2021 salary budget by \$56,118 from the FY2020 budget for an overall library budget cut of \$87,690 before current staff salary and benefit increases.

The bottom line is that Newton is an extremely lean organization. Any reductions to our budget will necessarily translate to reductions in services to our residents. In addition to losing quality-of-life services such as those provided by Parks & Rec and the Newton Public Library, public safety and community development services would also be impacted. Here are some potential consequences in the case a franchise fee is not adopted:

- Increased crime rates, which have been cut in half over the last 10 years,
- Decreased curb appeal in the City,
- Longer response times from Police and Fire,
- Elimination of Police Investigations Division, which has successfully brought charges against criminals who seek to sexually abuse children, beginning with enticement on the internet,
- Reduction in hours or eventually even the potential closure of the Newton Public Library,
- Reduction in services and potential closure of parks in Newton,
- Potential closure of the Maytag Pool,

- Decrease in property values throughout the community,
- Businesses that may have considered Newton as a new home or a place to expand will locate elsewhere, in cities or states that provide quality-of-life and public safety services to their citizens,
- Slowdown in housing development, and
- Future population loss for the City, which will reduce the revenue available to the City, with which services are provided to our residents.

The average amount of monthly savings for residents due to just the property tax exemption portion of SF 2472 will be \$16/month. As has been previously discussed, residents with homes above the average valuation will save more. For instance, a homeowner with a \$300,000 home will save about \$31/month and a homeowner with a \$450,000 home will save about \$50/month. While that sounds great, the City relies on property taxes to pay for police, fire, parks, library and more essential services.

The City of Newton either needs to reduce services or find some additional revenue. The most reasonable revenue option, which has already been adopted by over 270 other cities and nearly all cities comparable to Newton, is the franchise fee. The initial franchise fee for Black Hills Energy would be an approximate \$0.38/month on the average resident's utility bill. In FY28, it would be approximately \$1.13 (the initial \$0.38 plus an additional \$0.75) on average per month, and in FY29 and moving forward, it would be approximately \$1.50 (the \$1.13 from FY28 plus an additional \$0.37) on average per month. If Newton enables a franchise fee, it would allow the City to continue providing the same level of services that we are currently providing and will also allow us to utilize some general funds to purchase some capital equipment, therefore reducing bonding for that purpose.

## **Recommendation:**

### Alternative Options:

**Option 1** - Council could approve franchise fees as proposed by 2% (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028.

**Option 2** - Council could approve franchise fees by 5% (effective when implemented, roughly 4-6 months after adoption).

**Option 3** - Council could approve franchise fees as proposed by 2% (effective when implemented, roughly 4-6 months after adoption) until June 30, 2027, and a 4% franchise fee, effective on July 1, 2027, but not take the step at the current time to implement a franchise fee at 5%.

**Option 4** - Council could reject franchise fees and start making plans to cut an approximate \$679,756 from the FY28 budget, which would result in substantial service reductions in Police, Fire, Community Development, Administration, Parks & Rec, and at the Newton Public Library, keeping in mind that additional reductions would be needed as well in future annual budgets (in FY29 and beyond).

City staff recommends approval of Option 1, an ordinance granting Alliant Energy a 25-year non-exclusive electric franchise agreement that includes a franchise fee of 2% (effective when

implemented, roughly 4-6 months after adoption) until June 30, 2027, a 4% franchise fee, effective on July 1, 2027, and a 5% franchise fee, effective on July 1, 2028.

A handwritten signature in black ink, appearing to read "Matt Muckler". The signature is fluid and cursive, with the first name "Matt" and last name "Muckler" clearly distinguishable.

Matt Muckler, City Administrator

**Ordinance No. \_\_\_\_\_**

**An ordinance establishing a franchise fee on Energy Providers operating in  
the City of Newton, Iowa**

Be it ordained by the City of Newton, Iowa:

Section 1. The City of Newton, Iowa, (hereinafter referred to as the “Municipality”) hereby establishes a franchise fee on every natural gas or electric company and every other person, firm or corporation, their successors and assigns, owning, operating, controlling, leasing or managing a natural gas or electric plant or system and/or generating, manufacturing, selling, distributing or transporting natural gas or electric (hereinafter referred to, collectively, as “Energy Providers,” each, individually, an “Energy Provider”). Energy Providers shall collect from their customers located within the corporate limits of the Municipality as depicted on the Map (as defined below) and pay to the City an amount equal to Two percent (2%) of gross receipts Energy Providers derive from the sale, distribution or transportation of natural gas or electric delivered within the present limits of the Municipality. The Energy Providers shall begin collecting the franchise fee upon the effective date of the required tax rider tariff as approved by the Iowa Utilities Commission; provided, however, that such fee shall increase to four percent (4%) effective July 1, 2027; and to five percent (5%) effective July 1, 2028. The Energy Providers shall begin collecting the franchise fee increases upon the effective date of the required tax rider tariff as approved by the Iowa Utilities Commission. Gross receipts as used herein are revenues received from the sale, distribution or transportation of natural gas or electric, after adjustment for the net write-off of uncollectible accounts and corrections of bills theretofore rendered.

Section 2. The amount paid by Energy Providers shall be in lieu of, and Energy Providers shall be exempt from, all other fees, charges, taxes or assessments which the Municipality may impose for the privilege of doing business within the Municipality, including, without limitation, excise taxes, occupation taxes, licensing fees, or right-of-way permit fees, and in the event the Municipality imposes any such fee, charge, tax or assessment, the payment to be made by Energy Providers in accordance with this Ordinance shall be reduced in an amount equal to any such fee, charge, tax or assessment imposed upon the Energy Providers. Ad valorem property taxes imposed generally upon all real and personal property within the Municipality shall not be deemed to affect Energy Providers’ obligations under this Ordinance.

Section 3. Energy Providers shall report and pay any amount payable under this Ordinance on a quarterly basis. Such payment shall be made no more than thirty (30) days following the close of the period for which payment is due. Initial and final payments shall be prorated for the portions of the periods at the beginning and end of any franchise granted by the City of Newton, Iowa, to an Energy Provider.

Section 4. Energy Providers shall list the franchise fee collected from customers as a separate item on bills for utility service issued to their customers. If at any time the Iowa

Utilities Commission or other authority having proper jurisdiction prohibits such recovery, Energy Providers will no longer be obligated to collect and pay the franchise fee until an alternate lawful franchise fee can be negotiated and implemented. With prior written approval of the City Council by resolution, Energy Providers may reduce the franchise fee payable for natural gas or electric delivered to a specific customer when such reduction is reasonably necessary to attract or retain business within the Municipality, provided such reduction is supported by documented economic development findings and implemented pursuant to a written agreement approved by the City Council.

Section 5. Within ten (10) days of the date of this ordinance, the Municipality shall provide the Energy Providers with a map of its corporate limits (the "Map"). The Map shall be of sufficient detail to assist Energy Providers in determining whether their customers reside within the Municipality's corporate limits. The Map along with Energy Provider's Geographic Information System ("GIS") mapping information shall serve as the sole basis for determining Energy Provider's obligation hereunder to collect and pay the franchise fee from customers; provided, however, that if the Municipality's corporate limits are changed by annexation or otherwise, it shall be the Municipality's sole responsibility to (a) update the Map so that such changes are included therein, and (b) provide the updated Map to the Energy Providers. An Energy Provider's obligation to collect and pay the franchise fee from customers within an annexed area shall not commence until the later: (a) of sixty (60) days after such Energy Provider's receipt from the Municipality of an updated Map including such annexed area, or (b) such time after such Energy Provider's receipt from the Municipality of an updated Map including such annexed area as is reasonably necessary for such Energy Provider to identify the customers in the annexed area obligated to pay the franchise fee.

Section 6. The City shall provide copies of annexation ordinances to Energy Providers on a timely basis to ensure appropriate franchise fee collection from customers within the corporate limits of the city as set forth in Section 4 above.

Section 7. The Municipality shall have access to and the right to examine, during normal business hours, Energy Provider's books, receipts, files, records and documents as is reasonably necessary to verify the accuracy of payments due hereunder; provided, that the Municipality shall not exercise such right more than twice per calendar year. If it is determined that a mistake was made in the payment of any franchise fee required hereunder, such mistake shall be corrected promptly upon discovery such that any under-payment by an Energy Provider shall be paid within thirty (30) days of recalculation of the amount due, and any over-payment by an Energy Provider shall be deducted from the next payment of such franchise fee due by such Energy Provider to the Municipality. Neither party shall have the obligation to correct a mistake that is discovered more than three (3) years after the occurrence thereof.

Section 8. Any and all Ordinances or portions thereof which are in conflict herewith are hereby repealed.

Section 9. This Ordinance shall take effect and be in force from and after its passage and publication according to law.

Section 10. Passed and approved by the city council of the City of Newton, Iowa, on this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Mayor Randy J. Ervin

Attest:

\_\_\_\_\_  
Clerk of City of Newton, Iowa

## UNDERSTANDING NEWTON'S FINANCIAL FUTURE

### ESTIMATE YOUR HOUSEHOLD IMPACT

Newton is considering a franchise fee, something 270 other Iowa cities already have. The Iowa Legislature recently passed two laws, HF 718 and SF 2472, that limit how much property tax the City can collect. That tax money pays for services residents rely on.

Here's what the change could mean for an average Newton home, valued at \$207,715. Starting in FY28, the new homestead exemption would save that homeowner about \$16.65 a month on property taxes. Once a 5% franchise fee is fully in place in FY29, it would add about \$6 a month to an average Alliant Energy bill, or \$1.50 a month with Black Hills Energy.

| Gross Assessed Value of Home | Monthly Property Tax Savings | Franchise Fee Increase Total | Savings |
|------------------------------|------------------------------|------------------------------|---------|
| \$ 207,715                   | \$ 16.65                     | \$ 7.50                      | \$ 9.15 |

Here is how the fee would actually affect real homes in Newton, again factoring in the property tax savings from the new homestead exemption:

| Gross Assessed Value of Home | Monthly Property Tax Savings | Franchise Fee Increase Total | Savings   | Year House Was Built |
|------------------------------|------------------------------|------------------------------|-----------|----------------------|
| \$67,820                     | \$2.16                       | \$7.17                       | \$(5.01)  | 1926                 |
| \$76,670                     | \$2.16                       | \$6.99                       | \$(4.83)  | 1900                 |
| \$116,330                    | \$2.22                       | \$4.50                       | \$(2.28)  | 1925                 |
| \$125,460                    | \$3.66                       | \$14.00                      | \$(10.34) | 1920                 |
| \$131,890                    | \$4.68                       | \$6.42                       | \$(1.74)  | 1950                 |
| \$138,510                    | \$5.72                       | \$9.73                       | \$(4.01)  | 1929                 |
| \$149,390                    | \$7.44                       | \$4.88                       | \$2.56    | 1988                 |
| \$174,850                    | \$11.46                      | \$13.77                      | \$(2.31)  | 1920                 |
| \$179,210                    | \$12.15                      | \$4.73                       | \$7.42    | 1963                 |
| \$201,020                    | \$15.59                      | \$13.13                      | \$2.46    | 1976                 |
| \$201,750                    | \$15.71                      | \$11.56                      | \$4.15    | 1963                 |
| \$203,670                    | \$16.01                      | \$10.25                      | \$5.76    | 1910                 |
| \$204,400                    | \$16.12                      | \$10.88                      | \$5.24    | 1978                 |
| \$229,450                    | \$20.08                      | \$6.37                       | \$13.70   | 2024                 |
| \$247,290                    | \$22.89                      | \$6.58                       | \$16.31   | 1960                 |
| \$257,480                    | \$24.50                      | \$14.00                      | \$10.50   | 1959                 |
| \$274,300                    | \$27.16                      | \$12.95                      | \$14.21   | 1949                 |
| \$292,080                    | \$29.96                      | \$5.44                       | \$24.52   | 2020                 |
| \$296,470                    | \$30.66                      | \$8.29                       | \$22.37   | 1962                 |
| \$303,500                    | \$31.77                      | \$14.52                      | \$17.25   | 1964                 |
| \$336,060                    | \$36.91                      | \$10.12                      | \$26.79   | 2003                 |
| \$350,350                    | \$39.16                      | \$12.40                      | \$26.76   | 1977                 |
| \$355,730                    | \$40.01                      | \$11.76                      | \$28.25   | 2005                 |
| \$398,280                    | \$46.73                      | \$11.60                      | \$35.13   | 1993                 |
| \$403,980                    | \$50.42                      | \$12.92                      | \$37.50   | 2006                 |
| \$420,100                    | \$50.42                      | \$7.20                       | \$43.22   | 1989                 |

Notes: The monthly property tax savings would begin in FY28. This only reflects the savings from the part of SF 2472 that converts the homestead credit into a homestead exemption. It does not include savings from the military exemption, the 65+ exemption, the 2% cap, lost state backfill, or the Business Property Tax Credit. The franchise fee amount shown is the full 5% fee, which would take effect in FY29.

### ESTIMATE YOUR OWN UTILITY IMPACT

Property tax savings and franchise fee costs are calculated separately. Property tax savings are based on your home's assessed value. A franchise fee applies to your eligible electric and natural gas charges.

| Combined Monthly Electric + Gas Charges | At 2% Fee | At 4% Fee | At 5% Fee |
|-----------------------------------------|-----------|-----------|-----------|
| \$100                                   | \$1       | \$3       | \$4       |
| \$200                                   | \$2       | \$6       | \$8       |
| \$300                                   | \$3       | \$9       | \$12      |

To estimate your own change: multiply your combined eligible monthly electric and gas charges by the franchise fee rate, then subtract 1% (this accounts for the existing 1% local-option sales tax that the franchise fee would replace on the same utility charges).  
*Important: Actual results vary by household and business. Property tax examples exclude military, age-based, and other exemptions; the 2% cap; backfill changes; and Business Property Tax Credit changes. Use your official tax statement and utility bills for an exact comparison.*

## WHY NEWTON IS DISCUSSING THIS

*Financial context and potential service reductions if replacement revenue is not adopted.*

HF 718 and SF 2472 change Iowa's property tax system and limit the revenue available to local governments. The new homestead exemption reduces property taxes for qualifying homeowners, while the same legislation reduces or constrains the revenue Newton uses to pay for City services. A franchise fee is one option for replacing part of that lost General Fund revenue.

### THE PLANNING GAP

City staff estimate an FY28 General Fund shortfall of approximately \$679,756, with approximately \$684,921 in potential first-year reductions identified to close it. Additional reductions of roughly \$300,000–\$400,000 could be needed in each year after that.

### POTENTIAL FY28 REDUCTIONS IDENTIFIED BY CITY STAFF

| Estimated Savings | Potential Reduction                                                 |
|-------------------|---------------------------------------------------------------------|
| \$100,000         | Close Maytag Pool                                                   |
| \$111,600         | Close the Library Mondays and Tuesdays                              |
| \$65,000          | Turn off water at the Splash Pad                                    |
| \$115,000         | Reduce marketing and tourism efforts                                |
| \$100,000         | Eliminate funding to YMCA, United Way, RSVP and NDC                 |
| \$35,321          | Eliminate HIRTA public transportation funding                       |
| \$12,500          | Eliminate General Fund employee travel for conferences and training |
| \$22,500          | Eliminate Get to Know Newton magazines                              |
| \$123,000         | Eliminate expected raises for non-union employees                   |

*Travel, magazines, and expected non-union raises together total approximately \$158,000. Combined with the other items above, City staff identify approximately \$684,921 in potential FY28 reductions.*

### POSSIBLE ADDITIONAL REDUCTIONS IN FY29–FY31

| FY29                                                                                                                                                                                                                                                                                            | FY30                                                                                                                                                                                                  | FY31                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Community service officers; Newton Fest, fireworks, and summer concerts; identified parks and softball complex; City mowing of parks and fields; police staffing and specialized investigations, including the officer who investigates crimes against children; Building 18 in-person offices. | Further limit Library hours; eliminate planning staff and Parks and Recreation as separate functions; end Holiday Lights at Maytag; reduce firefighter staffing and identified out-of-town transfers. | Further reduce police and fire positions, potentially affecting response times; close the Newton Public Library. |

### OTHER COST-MANAGEMENT APPROACHES TO EVALUATE

The City will continue reviewing vacancies, purchasing, contracts, partnerships, user fees, operating hours, capital timing, asset sales, and service-delivery methods. For each option, staff will show recurring savings, one-time implementation cost, service effect, legal limits, and expected duration. Reserves are best used for temporary or one-time needs, not recurring operations.

### PUBLIC PROCESS AND CONTEXT

These are staff-identified planning scenarios, not adopted cuts. The City Council will decide on spending through the public budget process. Effects vary by household and business usage. Official City estimates and adopted terms will control the final outcome.

Here is how Newton's property tax rate compares to similar cities:

| FY27 Tax Levies / Franchise Fees |               |               |           |               |               |
|----------------------------------|---------------|---------------|-----------|---------------|---------------|
| City                             | FY27 Tax Levy | Franchise Fee | City      | FY27 Tax Levy | Franchise Fee |
| Ottumwa                          | 21.00928      | Yes           | Muscatine | 16.17331      | Yes           |
| Fort Dodge                       | 20.89458      | No            | Boone     | 15.12578      | Yes           |
| Fort Madison                     | 18.84186      | Yes           | Oskaloosa | 14.47234      | Yes           |
| Newton                           | 17.10000      | No            | Indianola | 13.32571      | Yes           |
| Marshalltown*                    | 16.25000      | No            |           |               |               |

## City of Newton Council Report

**Item:**

Third Consideration of an Ordinance amending the code of ordinances, City of Newton, Iowa, 2025, Title III, Chapter 30, Section 30.036, "Powers & Duties"; Title III, Chapter 35, Section 35.11, "Change Orders & Contracts"; and Title III, Chapter 35, Section 35.12, "Emergency Purchases"

**Summary:**

Change Orders and Contract Execution Authority

**Financial Impact:**

None

**Report Number:** 2026-662**Date:**

August 3, 2026

**Lead Department:**

Administration

**Recommendation:**

Approve

**Background:**

The proposed ordinance amendments update provisions related to contract execution authority, change orders, and emergency purchases. The amendments would increase the authorization limits for certain contracts and change orders that may be approved by the City Administrator, designee, and department directors while maintaining Council oversight for larger expenditures.

The changes are intended to provide additional flexibility for routine project adjustments and purchases that do not require Council action. Increasing administrative authority could reduce delays, allow staff to respond more quickly to project needs, and help keep projects moving while remaining within approved budgets and established parameters.

The proposed language also aligns with industry practices, including SUDAS Sections 1.1040.1.07 and 1.1090.1.04 regarding change orders and payment for change orders. These provisions recognize the need for timely decisions during construction projects when adjustments or unforeseen conditions arise.

City staff is open to authorization amounts determined by the City Council. The goal is to balance appropriate financial controls with the ability to efficiently manage projects and avoid unnecessary delays.

**Recommendation:**

Staff recommends approval.

Matt Muckler, City Administrator

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF NEWTON, IOWA, 2025, TITLE III, CHAPTER 30, SECTION 30.036, "POWERS & DUTIES"; TITLE III, CHAPTER 35, SECTION 35.11, "CHANGE ORDERS & CONTRACTS"; AND TITLE III, CHAPTER 35, SECTION 35.12, "EMERGENCY PURCHASES".**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, IOWA:

**Section 1.** The Code of Ordinances, City of Newton, Iowa, 2025, Title III, Section 30.063, Section 35.11, and Section 35.12.

**§ 30.036 POWERS AND DUTIES.**

The powers and duties of the Council shall include, but are not limited to, the following:

(A) General. All powers of the city are vested in the Council, except as otherwise provided for by law or ordinance.

(B) Wards. By ordinance, the Council may divide the city into wards based upon population, change the boundaries of wards, eliminate wards or create new wards.

(C) Fiscal authority. The Council shall apportion and appropriate all funds and audit and allow all bills, accounts, payrolls and claims, and order payment thereof. It shall make all assessments for the cost of street improvements, sidewalks, sewers and other work, improvement or repairs which may be specially assessed.

(D) Public improvements. The Council shall make all orders for the doing of work, or the making or construction of any improvements, bridges or buildings.

(E) Contracts. Except as provided in § 35.11, the Council shall make or authorize the making of all contracts and no contract shall bind or be obligatory upon the city unless either made by ordinance or resolution adopted by the Council, or reduced to writing and approved by the Council, or expressly authorized by ordinance or resolution adopted by the Council.

**§ 35.11 CHANGE ORDERS AND CONTRACTS UP TO \$~~10,000~~30,000.**

Pursuant to § 30.036 of this chapter, the City Administrator, or the City Administrator's designee, shall have the authority to execute any contract change order and any contract for the purchase of goods or services up to \$~~10,000~~30,000 or when the cumulative total of change orders is at or below the awarded contract amount previously approved by the Council; ~~except that,~~ City Council approval is required for ~~unbudgeted~~ purchases over said amount, \$10,000, and any such change order or contract shall bind and be obligatory upon the city. The aggregate dollar amount of all change orders executed by the City Administrator, or the City Administrator's designee, with respect to any single contract shall not exceed the project's total contract amount by more than 10%.

(A) Oral Orders. The Engineer or designee shall have authority to give oral orders for minor or incidental changes in the work not involving extra cost and not inconsistent with the proposed purpose of the work.

(B) Department Directors or their designee shall have authority to approve change orders and contracts up to \$10,000, or when the cumulative total of change orders is at or below the awarded contract amount previously approved by the Council.

(C) Project Quantity Changes. The City Administrator may approve project quantity changes amounting to 20% or less of the total bid for an item at the contracted unit price. These project quantity changes shall be formally approved during the project's final acceptance.

(D) Change Orders Exceeding 20%. Change orders changing the scope of the work and/or adjusting the amount to be paid to the Contractor for performing such work by greater than 20% shall be subject to formal approval by the jurisdiction. However, the City Administrator may, in the case of an emergency endangering life or property, orally authorize such a change order without formal approval by the

jurisdiction, but shall seek such approval within 48 hours. The Contractor may complete such work prior to formal approval, with the understanding that they do so at their own risk.

(2011 Code, § 1.0413) (Ord. 2384, passed 9-8-2020)

§ 35.12 EMERGENCY PURCHASES;~~OPEN MARKET PURCHASES.~~

(A) Definition. An EMERGENCY shall be defined as any event which jeopardizes the life, health, safety or convenience of citizens. In the event of an emergency, the purchase of supplies, materials, equipment or labor shall be made immediately without the opportunity for approval. The City Administrator shall authorize the department director to make the necessary purchases in excess of the amounts established in § 35.11 of this chapter.

(B) Contracts. In the event of an emergency, the department director shall make every attempt to contact the City Administrator and apprise the City Administrator of the necessary purchase prior to the purchase actually being made. In the absence of the City Administrator, the department director shall make every attempt to contact the ~~City Treasurer~~Finance Officer prior to the purchase actually being made. In their absence, the department director shall make every attempt to contact the Mayor prior to the purchase actually being made. The department director shall use discretion in utilizing emergency purchase procedures depending on the nature of the emergency.

(C) Report. The department director shall submit a report to the City Administrator documenting the circumstances of the emergency purchase as soon as possible after the emergency has ended and this report will be submitted to the Mayor and City Council.

(2011 Code, § 1.0414) (Ord. 2384, passed 9-8-2020)

**Section 2. Repealer Clause.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 3. Severability Clause.** If any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

**Section 4. Effective.** This ordinance shall be effective on \_\_\_\_\_, 2026, after the final passage, approval and publication as provided by law.

**PASSED** this \_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2026.

(SEAL)

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk

I, Katrina Davis, City Clerk of the City of Newton, Iowa, do hereby certify that the foregoing Ordinance was passed and approved by the City Council of the City of Newton, Iowa on the \_\_\_\_ day of \_\_\_\_\_, 2026 and was published in the Newton Daily News, a newspaper of general circulation in the said City of Newton on the \_\_\_\_ day of \_\_\_\_\_, 2026.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2026.

## City of Newton Council Report

**Item:**

Resolution approving the granting of Downtown Improvement Grant funds for 108 1st Avenue East, Newton, Iowa in the Restaurant Improvements Program Area

**Summary:**

Downtown Improvement Grant for restaurant renovations for Young's Bakery

**Financial Impact:**

\$3,511.54 of Downtown Improvements Grant Funds.

**Report Number:** 2026-804

**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

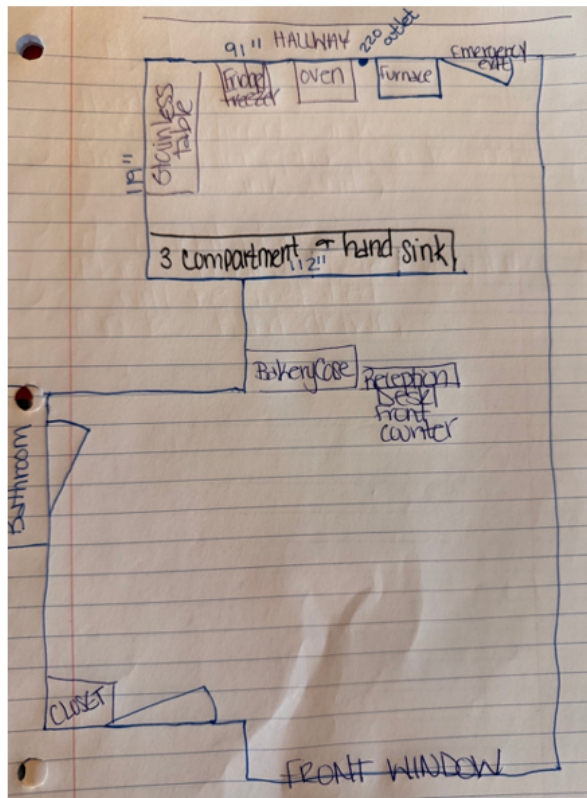
Approve

**Background:**

The subject storefront at 108 1st Avenue East is part of the building historically known as the Allfree/Jewel Building. The building is a two-story red brick structure on a stone foundation. The block building is rectangular in form, measuring extending northward approximately 107' from its 131' frontage on 1st Ave. E. The subject building is considered a contributing structure to the Newton Downtown Historic District and retains a high degree of integrity.

The applicant is requesting funds to do kitchen/bakery renovations.

The grant applicant requests grant money for the interior of 108 1st Ave E. of the building, which is currently vacant. Proposed improvements include a sink, faucet, display, grease interceptor. The applicant is requesting grant money for the following items. The total estimated costs of the improvements is \$7,023.08, with a 1:1 required match for the grant program. The recommended grant amount is \$3,511.54.



*Proposed Layout*

**Recommendation:**

Staff recommends approval

*Matt Muckler*

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION AWARDING OF DOWNTOWN IMPROVEMENT  
GRANT FUNDS FOR 108 1ST AVENUE EAST, NEWTON,  
IOWA IN THE RESTAURANT IMPROVEMENTS PROGRAM  
AREAS**

**WHEREAS**, *Envision Newton 2042* recognizes the role of the Downtown as the heart of the community and recommends a focus on curb appeal and community aesthetics and identifies a key objective to establish Newton as a compelling destination;

**WHEREAS**, engaging, experience businesses such as restaurants support this objective; and

**WHEREAS**, bonded funds were set aside for the purpose of downtown improvements, providing the funding source for the Downtown Improvement Grant Program; and

**WHEREAS**, Vanessa Young submitted an application requesting funds for 108 1<sup>st</sup> Avenue East, Newton in the Restaurant Improvements area;

**WHEREAS**, The Downtown Grant Review Board reviewed the application on July 22, 2026 and recommended granting of funds up to \$3,511.54 as a reimbursement after work is completed and a 1:1 match is met for the program area provided by the applicant;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of Newton, Iowa, that the Downtown Improvement Grant Funds in an amount up to \$3,511.54 be provided to Vanessa Young, 108 1st Avenue East, Newton, for the signage and the restaurant improvement areas.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Davis, City Clerk



**Downtown Façade Grant Program Agreement  
Between City of Newton and Vanessa Young**

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2026 by and between the City of Newton, Iowa, hereinafter called "City" and Vanessa Young, 108 1<sup>st</sup> Avenue East Newton, Iowa, hereinafter called "Applicant."

WHEREAS, the Applicant submitted an application to receive Downtown Improvement Grant funds in the Restaurant improvements for property located at 108 1<sup>st</sup> Avenue East Newton, Newton; and

WHEREAS, the Downtown Grant Review Board reviewed the application and recommended approval;

NOW, THEREFORE BE IT UNDERSTOOD AND AGREED:

- 1.) Vanessa Young will receive up to **\$3,511.54** in grant funds for the Young's Bakery Restaurant project at 108 1<sup>st</sup> Avenue East Newton,

| Proposed Project        | Estimated Cost | 1:1 Match Amount | Maximum Allowed | Less previous Award | Recommended Grant |
|-------------------------|----------------|------------------|-----------------|---------------------|-------------------|
| Restaurant Improvements | \$7,023.08     | \$3,511.54       | \$25,000        | -                   | \$3,511.54        |
| Total                   |                |                  |                 |                     | \$3,511.54        |

- 2.) All projects shall be completed within 1 year of the agreement; by 8/03/2027.
- 3.) The City of Newton will provide the grant funding as a reimbursement of completed work.
  - a. Copies of all receipts for each project area shall be submitted to the City of Newton Community Development Department, 303 West 4<sup>th</sup> Street North, Suite

501, Newton, Iowa 50208 for administrative verification of expenditures and applicant match.

4.) The applicants will match provide a 1:1 match to the grant funds.

5.) The City will make timely payment of grant funds upon completion of the project and verification of project expenses.

Applicant:

\_\_\_\_\_  
Vanessa Young  
Owner

\_\_\_\_\_  
Date

For City of Newton:

\_\_\_\_\_  
Randy J. Ervin, Mayor

\_\_\_\_\_  
Date

## City of Newton Council Report

**Item:**

Resolution Amending Eligible Activities of Downtown Improvement Grant funds in the restaurant improvements program area

**Summary:**

Amending eligible projects for the restaurant grant program area

**Financial Impact:**

None

**Report Number:** 2026-803

**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Background:**

The Downtown Improvement grant was set up to help improve downtown buildings and assist new businesses. Program areas include sign or sign removal, facade rehabilitation, painting, awning, professional design services and restaurant improvements.

The language for the restaurant grants has been generous to support start-up restaurant business. However, when that business goes out, equipment purchased with the assistance of the grant has been auctioned off in some cases. Thus, it is desirable to adjust eligible activities to things that are not easily removed from a building since claw-backs in agreements are difficult to enforce.

Eligible activities under restaurant improvements include semi-permanent equipment such as hood and ventilation systems, fire suppression, grease interceptors. Equipment such as refrigerators, coolers and other such equipment that can be moved easily will not be eligible for the grant with this change.

**Recommendation:**

Staff recommends approval of eligible activities under restaurant improvements.

Matt Muckler, City Administrator

**RESOLUTION NO. 2026 – \_\_\_\_\_**

**RESOLUTION AMENDING ELIGIBLE ACTIVITIES OF  
DOWNTOWN IMPROVEMENT GRANT FUNDS IN THE  
RESTAURANT IMPROVEMENTS PROGRAM AREA**

**WHEREAS**, *Envision Newton 2042* recognizes the role of the Downtown as the heart of the community and recommends a focus on curb appeal and community aesthetics and identifies a key objective to establish Newton as a compelling destination;

**WHEREAS**, The Downtown Improvement grant was set up to help improve downtown buildings and assist new businesses;

**WHEREAS**, Program areas include sign or sign removal, facade rehabilitation, painting, awning, professional design services and restaurant improvements.;

**WHEREAS**, It is desirable to amend specific activities for eligibility in the restaurant improvements program area;

**WHEREAS**, Eligible activities under restaurant improvements include semi-permanent equipment such as hood and ventilation systems, fire suppression, grease interceptors;

**WHEREAS**, Equipment such as refrigerators, coolers and other such equipment that can be moved easily will not be eligible activities for the grant;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of Newton, Iowa, that eligible activities for the restaurant improvement under Downtown Improvement Grant Funds will not include equipment such as refrigerators, coolers and other such equipment that can be moved easily.

**PASSED** this \_\_\_\_\_ day of August, 2026.

**APPROVED** this \_\_\_\_\_ day of August, 2026.

ATTEST: \_\_\_\_\_  
Randy J. Ervin, Mayor

\_\_\_\_\_  
Katrina Davis, City Clerk

## City of Newton Council Report

**Item:**

Resolution Approving and Authorizing Submittal of Documents for the City's Community Development Block Grant submission to the Iowa Economic Development Authority

**Summary:**

Approval of documents required for the CDBG application for the redevelopment of the upper story housing at 104 1st Avenue East.

**Report Number:** 2026-821**Date:**

August 3, 2026

**Lead Department:**

Community Development

**Recommendation:**

Approve

**Financial Impact:**

None.

**Background:**

The Community Development Block Grant program offers grants to municipalities for activities such as infrastructure, economic development projects, housing rehabilitation among others. The CDBG grant application has many requirements such as an Section 106, Environmental review, Financial management, Housing assessment, Section 3 requirements.

The Mid-Iowa Planning Alliance will be submitting the CDBG grant for Upper Story Housing for 104 1st Ave E on behalf of the City and the developer, Goldfinch Growth.

The Community Development and Housing Needs Assessment includes a bulleted listing of housing and economic development needs for the City of Newton. This document was created using recommendations from previously approved plans, such as the adopted comprehensive plan, housing initiative, housing needs assessment, etc.

The remaining documents are forms that are required as part of the grant application — Federal Assurances Signature Page, and Disclosure/Update Report.

Should the grant be awarded, a future agreement between the City and the Developer will be warranted to ensure that all of the requirements are the program are being met.

**Recommendation:**

Staff recommends approval.

Matt Muckler, City Administrator

RESOLUTION NO. 2026 – \_\_\_\_\_

**RESOLUTION APPROVING AND AUTHORIZING SUBMITTAL OF DOCUMENTS  
FOR THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT SUBMISSION TO  
THE IOWA ECONOMIC DEVELOPMENT AUTHORITY**

**WHEREAS**, the City of Newton, Iowa, desires to submit an application to apply for \$400,000.00 of a Community Development Block Grant (CDBG); and

**WHEREAS**, the grant submission requires the following documents, as approved by City Council: Community Development and Housing Needs Assessment, Federal Assurances Signature Page, Applicant/Recipient Disclosure/Update Report; and

**NOW THEREFORE BE IT RESOLVED** that the City Council of the City of Newton, Iowa, approves these documents and authorizes the Mayor and City Clerk to sign documents where required.

Passed this 3<sup>rd</sup> day of August, 2026.

Approved this \_\_\_\_\_ day of August, 2026.

\_\_\_\_\_  
Randy J. Ervin, Mayor

Attest:

\_\_\_\_\_  
Katrina Davis, City Clerk

**City of Newton**  
**Community Development and Housing Needs Assessment**

***Community Development and Housing Needs of Low and Moderate Income Persons***

- Rehabilitation of existing housing stock. (High Priority) The City of Newton currently provides support to Habitat for Humanity. However, the demand exceeds available funds.
- Provide land for new affordable development. (Medium Priority) When lots are available, the city has sold lots to Habitat at prices much lower than market rate.
- Replacement of lead service lines. (High Priority). Newton has an active program with the Central Iowa Housing Trust Fund to pay for the replacement of lead service lines for LMI households. More funds will be needed to address the problem for all residents.
- Provide Financial Support for LIHTC Projects. (Low priority) In the past Newton has supported projects like the Brockton Apartments. Supporting other projects as they occur will add units that are affordable to LMI populations.
- Continue to support the Rental Housing Inspection program. (High Priority) Newton has a Rental Housing Inspection program that was started in 2019 that makes sure all rental properties in Newton are safe and sanitary, raising the quality of housing in the community. Maintaining this program will ensure that LMI populations have safe rental options.
- Decrease the number of substandard housing units in the City. (High Priority) Newton's Dangerous and Dilapidated Program addresses threats to neighborhoods by acquiring abandoned, dilapidated and problem properties (police calls). The city supports infill development, benefiting existing neighborhoods, by selling lots well below market rate with a commitment to construct a new home. These efforts are costly and will require continued investment.

***Other Community Development and Housing Needs***

- Improve living options in the Main Street District. (Medium Priority) The City of Newton offers grants to assist and encourage property owners within the Main Street District to create or rehabilitate residential units within downtown buildings through its Downtown District Housing Grant Program.
- Continue to offer incentives for new home construction. (High Priority) The City of Newton offers a \$10,000 cash incentive to buyers or builders who construct qualifying new, single-family homes that are owner occupied. This is in lieu of a City-wide residential tax abatement program.
- Continue to promote the reuse of industrial buildings. (Medium Priority) The City of Newton supports developers in the rehabilitation efforts to convert existing industrial buildings into rental apartments offering a wide range of housing options for youth and senior residents.

- Update stormwater infrastructure. (Low Priority) The city helps neighborhoods with flash flooding through city-wide stormwater improvement projects.
- Support economic growth and increased jobs. (High Priority) The Newton Rail Park site that was recently certified by the Iowa Economic Development Corporation is a 400-acre project. Upon its development, this economic development project will create new demand for workforce housing.

### ***Planned or Potential Activities to Address Housing and Community Needs***

The Key themes of Envision Newton 2040, Newton's Comprehensive Plan include providing diverse housing choices, supporting balanced neighborhoods, promoting aging in place and accessibility, maintaining and improving existing neighborhoods, coordinating housing with economic development, and encouraging compatible and sustainable development. The city continues to provide support for the various community development and housing needs of the community.

Some of the planned or potential activities to address community development and housing needs are as follows:

- Work towards a new housing study. (Medium Priority). The current document is more than five years old.
- Follow CIP (High Priority). The CIP provides a great budget framework for city leaders.
- Continue the Dangerous and Dilapidated program. (High Priority) Seek out partnerships when the opportunities are made available.
- Continue the Downtown Housing grant. (High Priority) Seek funding, such as CDBG, when building owners want to participate.
- Support new home buyers with the cash initiative. (High Priority). Work with the Newton Housing Development Corporation to ensure the program remains successful.
- Encourage the replacement of lead service lines. (High Priority). Annually seek funds from the Central Iowa Housing Trust Fund for this effort.

Discussed at the August 3rd, 6:00 pm City Council Meeting of the City of Newton, Iowa.

Number of local residents participating: \_\_\_\_\_

## FEDERAL ASSURANCES SIGNATURE PAGE

I, Randy J. Ervin, (applicant official) hereby certify that in carrying out the activities funded under the CDBG Program, the City of Newton:

- A. will minimize displacement of persons as a result of such activities;
- B. will conduct and administer the program in conformity with Public Law 88-352 (Title VI of the Civil Rights Act of 1964), and Public Law 90-284 (Title VIII of the Civil Rights Act of 1968) and will affirmatively further fair housing);
- C. will provide for opportunities for citizen participation, hearings, and access to information with respect to our community development program comparable to the requirements found under sections 104(a)(2) and 104(a)(3) of Title I of the Housing and Community Development Act of 1975 as amended through 1987; and
- D. will not attempt to recover any capital costs of public improvements assisted in whole or part under the CDBG Program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under the CDBG Program are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Public Law 93-383, as amended, or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not of very low income, the city/county has certified to the State that it lacks sufficient funds received under the CDBG Program to comply with the requirements of clause (i) above.

I also certify that to the best of my knowledge and belief, data in the application is true and correct, including commitment of local resources; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all applicable federal and state requirements, including the following, if assistance is approved:

- A. Civil Rights Acts;
- B. Housing and Community Development Acts of 1974, as amended;
- C. Age Discrimination Act of 1975;
- D. Section 504 of the Rehabilitation Act of 1973;
- E. Davis-Bacon Act, as amended, where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended; Contract Work Hours and Safety Standards Act; the Copeland Anti-kickback Act; the Department of Defense Reauthorization Act of 1986 and the Fair Labor Standards Act.
- F. National Environmental Policy Act of 1969 and 24 CFR 58 (Environmental Review).
- G. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended;
- H. State of Iowa Citizen Participation Plan;
- I. Lead-based Paint Poisoning Prevention Act;
- J. Residential Anti-displacement and Relocation Assistance Plan;
- K. Government-wide Restriction on Lobbying and the Hatch Act; and
- L. Prohibition on the Use of Excessive Force.

Randy J. Ervin, Mayor

Typed Name of Applicant Official

Signature

Date

Katrina Davis, Clerk

Typed Name of Person Attesting

Signature

Date

# Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing  
and Urban Development

OMB Number: 2501-0044  
Expiration Date: 2/28/2027

**Public Reporting Burden Statement:** This collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of the requested information. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to: U.S. Department of Housing and Urban Development, Office of the Chief Data Officer, R, 451 7th St SW, Room 8210, Washington, DC 20410-5000. Do not send completed HUD-2880 forms to this address. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. This agency is authorized to collect this information under Section 102 of the Department of Housing and Urban Development Reform Act of 1989. The information you provide will enable HUD to carry out its responsibilities under this Act and ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. This information is required to obtain the benefit sought in the grant program. Failure to provide any required information may delay the processing of your application and may result in sanctions and penalties including of the administrative and civil money penalties specified under 24 CFR §4.38. This information will not be held confidential and may be made available to the public in accordance with the Freedom of Information Act (5 U.S.C. §552). The information contained on the form is not retrieved by a personal identifier, therefore it does not meet the threshold for a Privacy Act Statement.

| Applicant/Recipient Information                                                            | * UEI Number:       | * Report Type: INITIAL |
|--------------------------------------------------------------------------------------------|---------------------|------------------------|
| 1. Applicant/Recipient Name, Address, and Phone (include area code)                        |                     |                        |
| * Applicant Name:                                                                          |                     |                        |
| * Street 1:                                                                                |                     |                        |
| Street 2:                                                                                  |                     |                        |
| City:                                                                                      | State Abbreviation: | * Zip Code:            |
| County:                                                                                    |                     |                        |
| * Country:                                                                                 |                     |                        |
| * Phone:                                                                                   |                     |                        |
| 2. Employer ID Number (do not include individual social security numbers):                 |                     |                        |
| 3. HUD Program Name:                                                                       |                     |                        |
| 4. Amount of HUD Assistance Requested/Received: \$                                         |                     |                        |
| 5. State the name and location (street address, City and State) of the project or activity |                     |                        |
| Project Name:                                                                              |                     |                        |
| * Street 1:                                                                                |                     |                        |
| Street 2:                                                                                  |                     |                        |
| City:                                                                                      | State Abbreviation: | * Zip Code:            |
| County:                                                                                    |                     |                        |
| * Country: USA: UNITED STATES                                                              |                     |                        |

## Part I Threshold Determinations

- |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. For further information see 24 CFR Sec. §4.3. | 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1-Sep. 30)? For further information, see 24 CFR §4.9. |
| <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                       |

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. However, you must sign the certification at the end of the report.

**Part II Other Government Assistance Provided or Requested/Expected Sources and Use of Funds.** Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

|                                           |                                           |
|-------------------------------------------|-------------------------------------------|
| <b>Department/State/Local Agency Name</b> | <b>Department/State/Local Agency Name</b> |
| * Government Agency Name:                 | * Government Agency Name:                 |
| Government Agency Address:                | Government Agency Address:                |
| * Street 1:                               | * Street 1:                               |
| Street 2:                                 | Street 2:                                 |
| City: State Abbreviation: * Zip Code:     | City: State Abbreviation: * Zip Code:     |
| County:                                   | County:                                   |
| Country:                                  | Country:                                  |
| * Type of Assistance:                     | * Type of Assistance:                     |
| * Amount Requested/Provided: \$           | * Amount Requested/Provided: \$           |
| * Expected Uses of the Funds:             | * Expected Uses of the Funds:             |

**Note:** For Part 1, use additional pages if necessary. Add Attachment:

**Part III Interested Parties. You must disclose:**

1. All developers, contractors, or consultants involved in the application for assistance or in the planning, development, or implementation of the project or activity.

| * Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first) | * Unique Entity ID | * Type of Participation in Project/Activity | * Financial Interest in Project/Activity (\$ and %) |  |   |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------|-----------------------------------------------------|--|---|
|                                                                                                                                                |                    |                                             | \$                                                  |  | % |
|                                                                                                                                                |                    |                                             | \$                                                  |  | % |
|                                                                                                                                                |                    |                                             | \$                                                  |  | % |

2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

| * Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first) | * City of Residence | * Type of Participation in Project/Activity | * Financial Interest in Project/Activity (\$ and %) |  |   |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------|-----------------------------------------------------|--|---|
|                                                                                                                                                |                     |                                             | \$                                                  |  | % |
|                                                                                                                                                |                     |                                             | \$                                                  |  | % |
|                                                                                                                                                |                     |                                             | \$                                                  |  | % |

**Note:** For Part 2, use additional pages if necessary. Add Attachment:

**Certification:**

I/We, the undersigned, certify under penalty of perjury that the information provided above is true, accurate, and correct. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802; 24 CFR §28.10(b)(1)(iii)).

\* Signature:

\* Date: (mm/dd/yyyy):

## Instructions

### Overview.

#### A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

#### B. Update reports (filed by "Recipients" of HUD Assistance):

**General.** All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

#### Line-by-Line Instructions.

##### Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's EIN, as appropriate, is optional. Individuals must not include social security numbers on this form.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

##### Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. Recipients filing Update Reports should not complete this Part.

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

##### Part II. Other Government Assistance and Expected Sources and Uses of Funds.

**A. Other Government Assistance.** This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as

any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

**B. Non-Government Assistance.** Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD and any other source - that have been or are to be, made available for the project or activity. Non-government sources of Form HUD-2880 funds typically include (but are not limited to) foundations and private contributors.

##### Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity; and
2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Unique Entity Identifier (UEI), for non-individuals, or city of residence, for individuals, for each organization and person listed is **optional**.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

**Note** that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, or on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required. Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

**Notes:**

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or

any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.

5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.