

BUDGET WORKSHOP MINUTES
JANUARY 28, 2008, 5:30 P.M.
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in special session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Hansen, Ewing, Foreman, Morris, Mullan. Absent: None.

Mayor Allen recused himself from this agenda item and handed the gavel over to Mayor Pro-Tem Hansen. Moved by Morris, seconded by Ewing to Introduce the Resolution Approving Project Enhancement Agreement With Whirlpool Foundation. AYES: Six. NAYS: None. Resolution No. 2008 – 006 adopted.

Mayor Allen stated it was time to review the 2008-2009 Operating Budget. Candice Van Zee, Director of Administrative Services, started the discussion regarding revenues and what the property tax revenue goes to. She then discussed the proposed property tax rate and that a home valued at \$100,000 would be \$719.82 compared to last year's rate which was \$719.44. She also discussed the Local Option Sales and Service Tax revenues. Van Zee then discussed the city's debt limit and remaining debt capacity and the current contributions to outside agencies. David Watson, City Administrator, began a discussion on the departments and their changes in the budget. He pointed out the rising fuel, utility and maintenance costs that each department is facing along with personnel costs which includes contract and scheduled pay increases and the realigning of health costs. He also pointed out some changes in the organization of the Police Department, Fire Department, and the Landfill. Mr. Watson then discussed some recommended user fee increases to the trash and recycling rate, the spring clean-up rate, and an increase to the sewer fees. The City Administrator then went over some original budget requests that had been removed such as the cost to rewrite the Comprehensive Plan, the hiring of a Nuisance Officer, and the hiring of a part-time law clerk. Watson then discussed the need for Capital Equipment and the possibility of using \$333,900 from the Whirlpool Enhancement Money to fund this and also the possibility of transferring \$125,000 from the Capital Fund to create a Capital Equipment Designated Reserve for replacement funds. Mr. Watson then discussed the City's \$700,000 commitment to the Synergy Project and that some of that should be funded with the Whirlpool Enhancement money as well as a revenue bond using TIF 15 revenues. He also noted that the City Council needed to discuss at a later date the need for some Capital Improvements such as road resurfacing and that there was insufficient funds in the Road Use Tax or the General Fund so bonding should be considered. He then went over the differences in the City portion of the property tax bill for the last 3 years and the proposed rate for 2008-2009 and how the residential rollback has affected the rate.

It was noted by council members they wanted an overview of department budgets by the Department Director's. By unanimous voice vote the city council recessed until January 30, 2008 at 3:00 p.m.

Charles Allen, Mayor

Candice Van Zee, City Clerk