

CITY COUNCIL BUDGET WORKSHOP MINUTES
JANUARY 14, 2008, 4:30 P.M.
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in special session at 4:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Hansen arrived at 4:33 p.m., Julius, Foreman, Morris, Mullan. Absent: None.

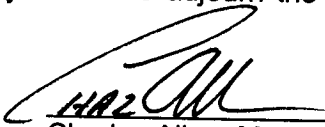
Moved by Plumb, seconded by Foreman to Introduce a Resolution Approving Emergency Purchase of Salt. AYES: Five. NAYS: None. Resolution No. 2009 – 003 adopted. Council Member Hansen arrived after the resolution was adopted.

Tom Wardlow, Interim City Administrator thanked the Council for their wiliness to have the budget workshop. He went on to note he would be doing a power point presentation. The following is highlighting what was presented:

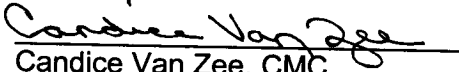
- Provide information to Council about our budget status
- Facing a significant General Fund budget deficit due to expenses exceeding revenues
- Fund transfers both into, and out of, the General Fund impacting that reserve number (a review of the issues facing the general fund, road use tax fund and trust and agency fund)
- A reduction in expenditures, or an increase in revenues is necessary
- Staff is preparing department budgets that reflect an 8% reduction (a spreadsheet was reviewed by departments in the general fund)
- Employees and Services to the public impacted
- Proposed Levy's were discussed, the handout was reviewed, the city's portion of taxes would increase by \$3.00 a month on an \$85,000 home. Current levy set at 15.65, the levy that was reviewed was at 16.06
- The insurance fund was discussed – we are seeking bids from insurance companies for a fully insured plan that would provide exactly the same coverage as we now have
- General fund savings should be realized in two ways by going fully insured, less cost and no unbudgeted transfers
- The TPI payment was also discussed. It was noted that had been discussed and local option sales and services revenue should make that annual payment

Discussion ensued by Council members on the general fund reserves, noting that we have been right at around 30%; bond ratings are not usually affected until you get below 25%. David Stewart, Public Works Director visited about the increase in the cost of materials, which has an impact on the road use tax fund. Foreman had inquired about how the valuations are affected when there is a rebate. A request was also made for more information on what is yet to be done to the area around the speedway with associated costs, it was noted a report would be submitted on both of these items.

Moved by Foreman, seconded by Mullan to adjourn the meeting at 5:47 p.m. Motion unanimously carried by voice vote.



Charles Allen, Mayor


Candice Van Zee, CMC
City Clerk