

CITY COUNCIL BUDGET WORKSHOP MINUTES
FEBRUARY 9, 2009, 5:30 P.M.
CITY COUNCIL CHAMBERS

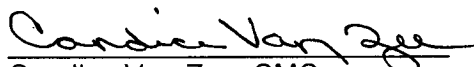
The City Council of Newton, Iowa met in special session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Hansen, Julius, Foreman, Morris, Mullan. Absent: None.

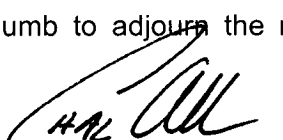
Thomas Wardlow, Interim City Administrator thanked the Department Directors and City Hall Staff for all their time spent on the budget. Wardlow went on to note he had three talking points to make about the contents of the budget. 1. Early Retirements. The Public Works Director has determined that specific employees may not be in a position that would match the City's ability to craft any early retirement plans. Therefore, he requested, and I approved, the removal from his budget the \$25,000 savings proposed from early retirements and the insertion of the \$27,000 in additional cemetery fees into the Public Works budget to keep on track with the 8% target. 2. The WPC facility plan. In order to provide us further talking points, I have approved the insertion of the 3-project plan with a 10% rate increase in each of the first two years. 3. TPI Financing. Staff has worked diligently to find a way for us to bond or finance our four-year interest payment obligation. We did this to protect our cash reserves. Attempts were made to, among other things, reallocate some available cash to counter an increase in the debt service levy. While this did have an impact it could not fully counter the additional costs. If we chose to bond for the TPI payments, our total tax levy would be at or near \$16.20. We have placed on the agenda an item setting a public hearing for that purpose should you chose that route. However, the proposed budget you see before you does not utilize that method. Rather, we have included using the reconciliation payment of local option sales and service tax revenue that we receive each November. We would need to use that revenue for the next four years. Any shortfall would be made up with cash from our General Fund Reserves. That November payment has been in the past between \$123,000 and \$141,000, so it should be close to the \$131,921 needed each of these four years. We have never budgeted this reconciliation payment and so it has just gone into the General Fund Reserve. Our position is that the use of the LOSST money for this purpose can be attributed to property tax relief by lowering the debt service levy and therefore is an appropriate use. Discussions ensued among council members. Foreman stated he strongly opposed charging the veterans for their lots at the cemetery, and he would not support it. He also noted he would not approve the increase in the sewer rates. Plumb stated he was also opposed to charging the veterans for their lots and would not approve the increase in the sewer rates. Julius noted the 8% reduction to the contribution the city makes. On the sewer increase some of the projects need to be addressed. Hansen stated he was not in favor of the sewer increase. It was also noted by Hansen his questions on the Trust and Agency Fund had been addressed. On the Debt Service Levy, I will not support any part of the interest payment on the Speedway Bond to go to debt service. He wanted to remove the \$125,000 that is on the levy for the interest bond payment. We said we would agree to the numbers that are in this budget, there needs to be an analysis of every department to reach a sustainable plan. Morris stated very few cities' give the Veteran's lots for free; he felt there should be a reduced rate. On the sewer fee increase, our fund balance is diminishing, stick with the 15% plan. Mullan noted the water pollution control plant is a core concern, we need to maintain the integrity of the system, and we should not put off entirely. I would support a reduced fee for the Veteran's lots. A discussion ensued by council members on the city removing snow on the sidewalks located along 8th Avenue and 5th Avenue. Foreman concurred with Hansen on the speedway interest bond payments and also with the concept of agreeing with the numbers and not necessarily with the plans. Hansen noted he would like to see a one-year delay of any sewer projects. David Stewart, Public Works Director described some of the estimated expenditures for equipment failure. There was conversation on scaling back the streetscape and lighting around the area of the speedway so those funds could be reallocated to offset the speedway bond interest payments. It was noted there would be no fee for veteran's lots and no sewer increase.

Moved by Plumb, seconded by Foreman to Introduce a Resolution Setting A Public Hearing Date To Approve The 2009 – 2010 Operating Budget for the City of Newton. The date was set for February 25, 2009 at 5:30 p.m. in the Council Chambers. AYES: Six. NAYS: None. Resolution No. 2009 – 011 adopted.

Mayor Allen removed the resolution setting date for the issuance of a bond from the agenda. There were no objections.

Moved by Hansen seconded by Plumb to adjourn the meeting at 6:52 p.m. Motion unanimously carried by voice vote.


Candice Van Zee, CMC
City Clerk


Charles Allen, Mayor