

December 7, 2020 Budget Workshop

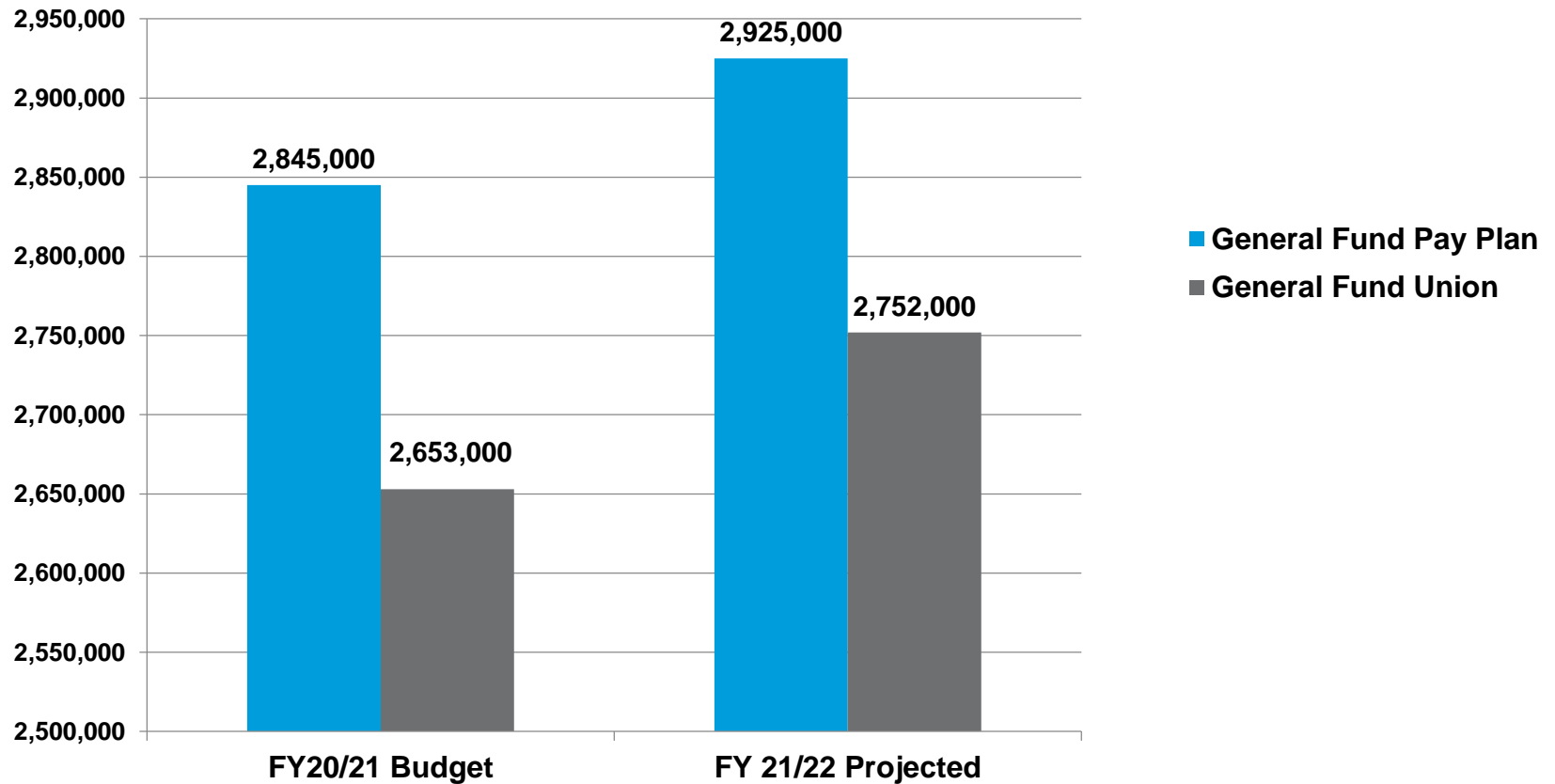
Review of Proposed Budget Schedule for FY22

- Workshops will be held following every City Council meeting thru February 1st.
- Department Directors will make presentations of their proposed budgets at the January 4, 2021 workshop
- An additional workshop will be held on February 15th if needed. This will also be the meeting to hold a public hearing if the budget proposes to raise tax dollars in certain levies by more than 2%.
- Adoption of final budget is scheduled to take place at the March 15, 2021 regular City Council meeting.

Employee Compensation FY22 (General Fund)

- Updated projections show an increase of approximately \$80,000 in General fund pay plan salaries in FY22
 - 2.8% increase from FY21 Budget
- Union salaries are projected to increase by \$99,000 in the General fund in FY22
 - 3.75% increase from FY21 Budget
- Above numbers include all current employees

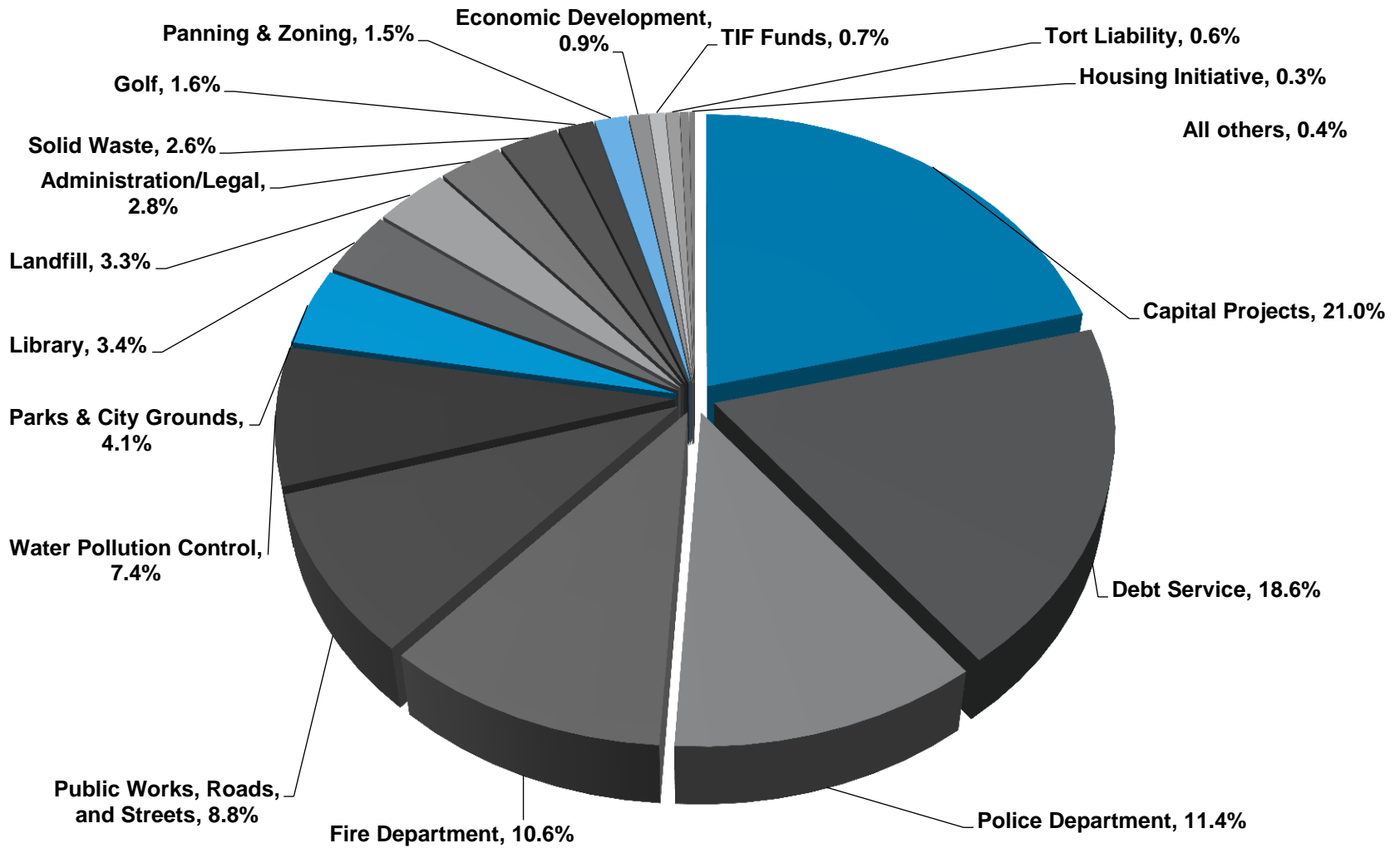
Pay Plan and Union General Fund Salary Comparison



FY20 Expenditures by Function (without Transfers)

<u>Function</u>	<u>% of Total Budget</u>	<u>FY20 Actual Expenditures</u>
1) Capital Projects	21.0%	\$6,634,096
2) Debt Service	18.6%	\$5,871,698
3) Police Department	11.4%	\$3,620,260
4) Fire Department	10.6%	\$3,342,068
5) Public Works, Roads, and Streets	8.8%	\$2,798,193
6) Water Pollution Control	7.4%	\$2,340,668
7) Parks & City Grounds	4.1%	\$1,310,632
8) Library	3.4%	\$1,087,921
9) Landfill	3.3%	\$1,049,174
10) Administration/Legal	2.8%	\$ 891,452
11) Solid Waste	2.6%	\$ 833,437
12) Golf	1.6%	\$ 497,331
13) Planning & Zoning	1.5%	\$ 461,855
14) Economic Development	0.9%	\$ 272,927
15) TIF Funds	0.7%	\$ 222,800
16) Tort Liability	0.6%	\$ 190,570
17) All Others	0.4%	\$ 125,080
18) Housing Initiative	0.3%	\$ 79,122
TOTAL:	100%	\$31,629,284

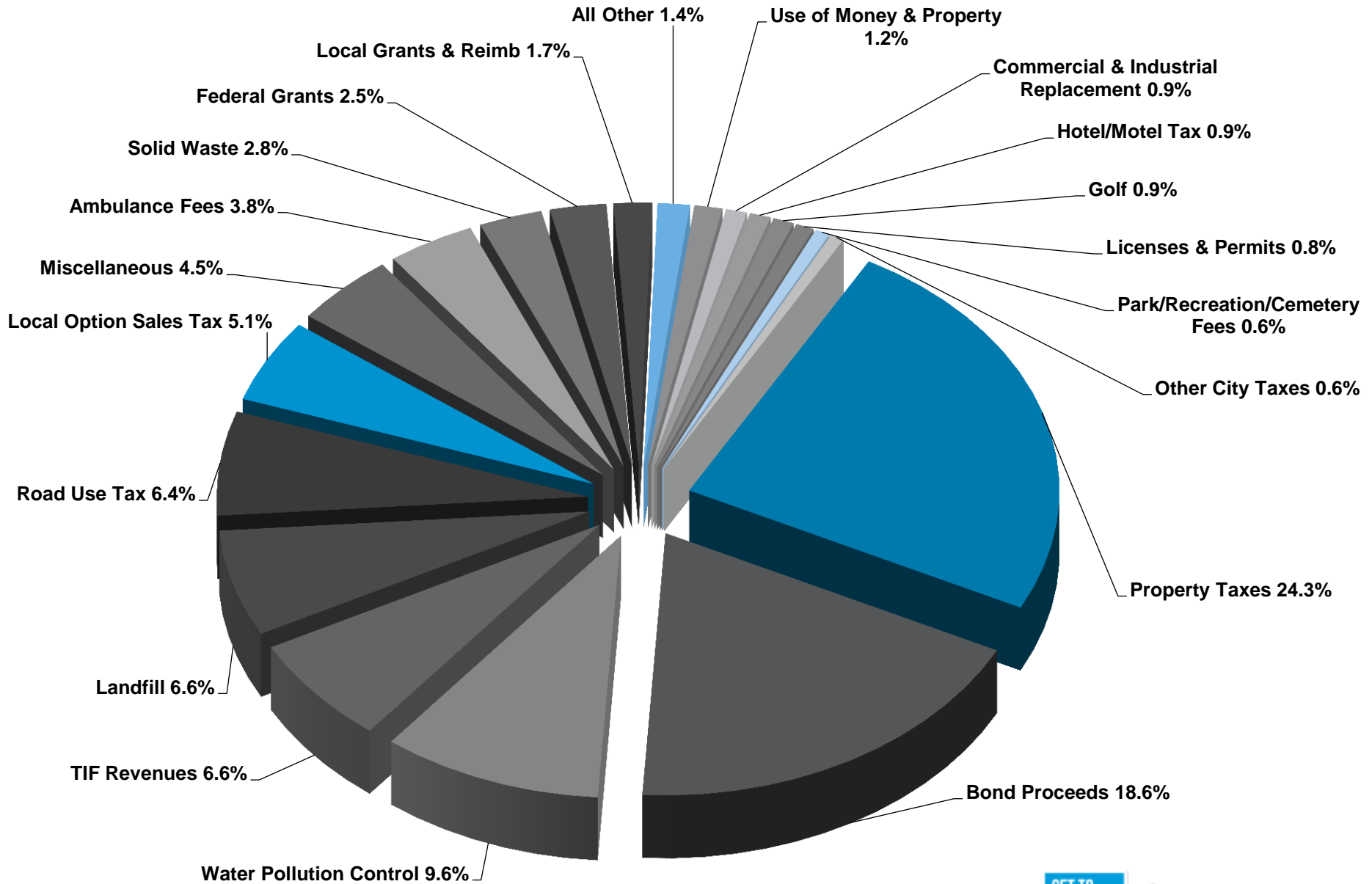
FY20 Expenditures by Function (without Transfers)



FY20 Revenues by Source (without Transfers)

<u>Function</u>	<u>% of Total Budget</u>	<u>FY20 Actual Revenues</u>
1) Property Taxes	24.3%	\$ 7,416,511
2) Bond Proceeds	18.6%	\$ 5,678,000
3) Water Pollution Control	9.6%	\$ 2,934,396
4) TIF Revenues	6.6%	\$ 2,027,593
5) Landfill	6.6%	\$ 2,002,724
6) Road Use Tax	6.4%	\$ 1,960,724
7) Local Option Sales Tax	5.1%	\$ 1,565,459
8) Miscellaneous	4.5%	\$ 1,362,212
9) Ambulance Fees	3.8%	\$ 1,164,317
10) Solid Waste	2.8%	\$ 841,136
11) Federal Grants	2.5%	\$ 750,912
12) Local Grants & Reimb	1.7%	\$ 514,920
13) All Other	1.4%	\$ 428,307
14) Use of Money & Property	1.2%	\$ 373,802
15) Commercial & Industrial Replacement	0.9%	\$ 283,853
16) Hotel/Motel Tax	0.9%	\$ 282,411
17) Golf	0.9%	\$ 280,947
18) Licenses & Permits	0.8%	\$ 247,111
19) Park/Recreation/Cemetery Fees	0.6%	\$ 197,326
20) Other City Taxes	0.6%	\$ 182,409
Total Revenues:	100%	\$ 30,495,070

FY20 Revenues by Source (without Transfers)



My City Property Tax Dollars at Work FY20*

Function	% of Tax Dollars	\$100,000	\$200,000	\$300,000
		Home	Home	Home
Police - \$3,288,126	34.0%	\$303.56	\$635.70	\$967.51
Fire - \$1,729,862	17.8%	\$159.70	\$334.44	\$509.00
Debt Service - \$1,335,886	13.8%	\$123.33	\$258.27	\$393.07
Library - \$957,472	9.9%	\$ 88.39	\$185.11	\$281.73
Park & Recreation- \$785,540	8.1%	\$ 72.52	\$ 151.87	\$231.14
Planning & Zoning - \$278,716	2.9%	\$ 25.73	\$ 53.88	\$ 82.01
Executive - \$212,113	2.2%	\$ 19.58	\$ 41.01	\$ 62.41
Finance - \$198,139	2.1%	\$ 18.29	\$ 38.31	\$ 58.30
Liability Insurance - \$190,570	2.0%	\$ 17.59	\$ 36.84	\$ 56.07
Administration - \$189,752	2.0%	\$ 17.52	\$ 36.69	\$ 55.83
City Buildings - \$111,356	1.2%	\$ 10.28	\$ 21.53	\$ 32.77
Cemetery- \$105,681	1.1%	\$ 9.73	\$ 20.43	\$ 31.10
Economic Development - \$104,004	1.1%	\$ 9.60	\$ 20.11	\$ 30.60
Legal Services - \$84,758	0.9%	\$ 7.82	\$ 16.39	\$ 24.94
Roads & Streets- \$78,702	0.8%	\$ 7.27	\$ 15.22	\$ 23.16
Airport - \$11,432	0.1%	\$ 1.06	\$ 2.21	\$ 3.36
	100%	\$ 892	\$ 1,868	\$ 2,843

*Approximate amounts/percentages of property tax dollars flowing to various activities in FY20.

FY21 Information

FY21

Property Tax - Distribution of Funds

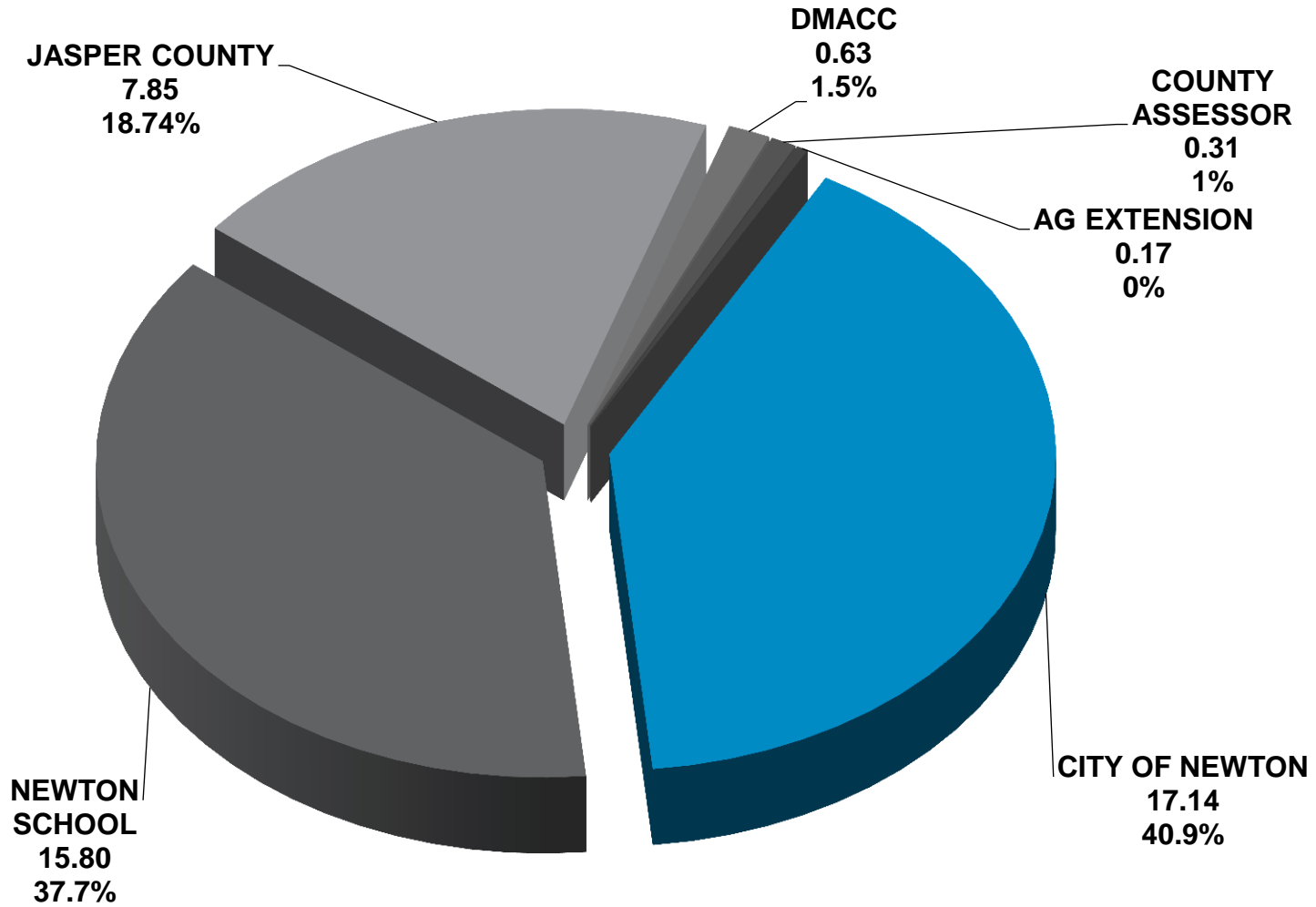
Assessed Value	\$ 100,000	\$ 200,000	\$300,000
Taxable Value	\$ 55,074	\$ 110,149	\$165,223
Gross Taxes:	\$ 2,308	\$ 4,615	\$ 6,923
Less Homestead Credit:	-\$ 203	-\$ 203	-\$ 203
Net Tax	\$ 2,105	\$ 4,412	\$ 6,720
Distribution of Taxes:			
City 40.91%	\$ 861	\$ 1,805	\$ 2,749
School 37.70%	\$ 794	\$ 1,663	\$ 2,533
County 18.74%	\$ 394	\$ 827	\$ 1,259
DMACC 1.51%	\$ 32	\$ 67	\$ 102
Assessor 0.73%	\$ 15	\$ 32	\$ 49
<u>Ag Extension 0.41%</u>	<u>\$ 9</u>	<u>\$ 18</u>	<u>\$ 28</u>
Total:	\$ 2,105	\$ 4,412	\$ 6,720

Current FY21 Levy is \$41.90113/thousand. City levy is \$17.14/thousand. Examples are with a rollback of 55.0743% in FY21.

New rollback for FY22 is 56.4094%

Property Tax Distribution FY20/21

Total levy rate 41.90113



FY22 Information

Rollback numbers :

Residential: FY21 55.0753% FY22 56.4094%

(City of Newton will gain approximately 8 million in taxable valuation in FY22 because of the increase in the rollback)

Multi-Residential: FY21 71.25% FY22 67.5%

(City of Newton will loose approximately 1.2 million in taxable valuation in FY22 because of the rollback schedule)

Commercial: FY21 90% FY22 90%

IPERS Employer Rates remain the same at 9.44%

MFPRSI Retirement Rates:

FY21 25.31% FY22 26.18%