

January 3, 2022 Budget Workshop

- Valuations were posted by the County on the 30th of December. Staff is working thru the process of estimating revenues for all funds.
- FY22 100% assessed \$924,588,012
- FY23 100% assessed \$998,255,090
- This equals an increase of \$73,667,078 in valuations.

- **What does this increase mean in taxable values?**
 - FY22 Taxable Values: \$473,085,445
 - FY23 Taxable Values: \$491,160,425
 - Increase of \$18,074,980
 - FY22 Debt Service Taxable: \$557,680,213
 - FY23 Debt Service Taxable: \$581,854,660
 - Increase of \$24,174,447
- General fund \$8.10 levy
 - FY22 \$3,831,992
 - FY23 \$3,978,400
 - Increase of \$146,408 in the General Fund \$8.10 Levy

General Fund FY23 Fund Balance Projections:

Projected General Fund Balance 6-30-22:	\$3,287,790
FY23 Budgeted Revenues:	\$8,669,137
FY23 Budgeted Expenditures:	\$9,096,638
Projected General Fund Balance 6-30-23:	\$2,860,289
Projected Designated Funds:	\$ 569,820
Projected Undesignated Reserves:	\$2,290,469
Percent of Undesignated Reserves to Expenditures:	25.2%*

*Per adopted Financial Policies

General Fund FY23 Projected Revenues & Expenditures:

Total Projected Revenues:	\$8,669,137
<u>Total Projected Expenditures:</u>	<u>\$9,096,638</u>
Difference:	\$ 427,501
Personnel:	\$5,495,130
<u>Operating:</u>	<u>\$2,951,508</u>
Total:	\$8,446,638
Capital Expenditures	\$ 650,000

General Fund FY23 Capital Items

1. City Center HVAC Microzone & VAV Boxes	\$ 20,000
2. Cemetery Expansion	\$ 75,000
3. Union Cemetery GIS	\$ 45,000
4. Parking Lot Reconstruction Fire/Police/City Hall	\$ 90,500
5. Fire/Police Training Building (City Council Goal)	\$ 80,000
6. Park Sprayer	\$ 16,500
7. ADA Improvements in Parks	\$ 30,000
8. Maytag Bowl Wood Bench Replacement	\$ 33,000
9. Disc Golf Improvements	\$ 10,000
10. Maytag Pool System Upgrades	\$ 200,000
11. <u>Tree & Stump Removal in Parks</u>	\$ 50,000
Total:	\$ 650,000

Special Revenue Funds FY23

Employee Benefits Fund:

- Workers Comp has been projected to remain stable in FY23
- Health Insurance rates projected to increase by 5%
- Unknown at this time the exact increase for Health insurance

Hotel/Motel Tax Fund:

- Revenues are projected to be \$300,000, a slight increase from the \$280,000 budgeted in FY22
 - **NDC - \$30,000**
 - **Community Marketing - \$173,703**
 - **Parks - \$96,297**

Local Option Tax Fund:

- Revenues are projected to increase to \$2,050,000 primarily due to the inclusion of online purchases subject to being taxed
- 35% of all LOST revenues are allocated to the Employee Benefits fund to offset the tax levy (\$717,500)
- Remainder is allocated to offset salaries in the General Fund and provide funding to various non profit agencies
 - Police: \$560,043 + \$57,843
 - Fire: \$560,043 + \$57,843
 - Park: \$124,454 + \$13,806
 - HIRTA: \$ 35,460 + \$ 1,228 Census Increase
 - YMCA: \$ 20,000 No Change
 - RSVP: \$ 15,000 No Change
 - United Way: \$ 17,500 No Change

Outside Agency Funding Proposal For FY23

	FY22 Budget	FY23 Proposed
Newton Development Corporation Hotel/Motel Tax and TIF's	\$ 76,000	\$110,000
Newton Housing Dev Corporation Fairmeadows N TIF (FY23 is Estimate)	\$40,000	\$40,000
Newton Main Street North Central TIF	\$27,500	\$27,500
Heart of Iowa Regional Transport Local Option Tax	\$34,232	\$35,460
Newton YMCA Local Option Tax	\$20,000	\$20,000
Retired & Senior Volunteer Program Local Option Tax	\$15,000	\$15,000
United Way of Jasper County Local Option Tax	\$17,500	\$17,500

Potential Items for Bonding

- **General Fund Bonding:**

• City Hall Skylight Replacement	\$200,000
• Parallel Taxiway Reconstruction	\$165,000
• <u>D&D Program</u>	<u>\$150,000</u>
Total:	\$515,000

- **TIF Bonding:**

• Arbor Estates Phase 2 (FM N TIF)	\$950,000
• Downtown Grants (N Central TIF)	\$200,000
• Gas Plant (N Central TIF)	\$170,000
• <u>Traffic Signal ADA Project (1st Ave E TIF)</u>	<u>\$150,000</u>
Total:	\$1,470,000

Budget Calendar dates remaining:

- January 17, 2022 budget work session
- Set a Public Hearing for the Max Levy resolution will be on the February 7, 2022 meeting with the Public Hearing being held on February 21st. This action only limits the amount of property taxes the City can levy. Final review of the budget by City Council at budget work session.
- Hold a public hearing on the Max Levy resolution on February 21st. After Max Levy is approved, the City Council can set the Public Hearing for the FY23 Budget.
- Notice of hearing on adoption of final budget is published – February 25, 2022
- March 7, 2022 budget hearing and adoption of final budget