

January 17, 2022 Budget Workshop

Review of General Fund Revenue Estimate:

- FY22 General Fund Property Tax Budget: \$4,100,708
- FY23 General Fund Property Tax Budget: \$4,291,322
 - In the FY23 proposed budget, property taxes are 49.5% of the total budgeted General funds. In FY22, this percentage was 48.25%.
- General Fund Property Taxes received in FY23 are projected to increase by \$190,614.
 - This number includes the Tort Liability Fund, which has increased by \$40,000 due to the Derecho and also the City increasing its Excess Liability from 5 million to 7 million.
 - Total General Fund revenues for salaries/operating/capital increased by \$150,000.

Other sources of General Fund Revenues:

- Charges for Services: \$1,125,900
- Ambulance charges: \$1,200,000
- GEMT Revenues: \$200,000
- Township Fire Services: \$135,000
- Reimbursement for SRO: \$135,000
- Burial Charges: \$104,400
- Building Permits: \$85,000
- State & Federal Grants: \$67,000

Proposed Budget Total General Fund Revenues:

\$8,669,137

Review of Employee Compensation Proposal for FY23

Current wage projections show an increase of approximately \$67,700 in General fund pay plan salaries in FY23 (2.52% Increase)

- Pay Plan Matrix was adjusted by the following Percentages:
 - Range 1 – 2.9%
 - Range 2 – 2.8%
 - Range 3 – 2.7%
 - Range 4 – 2.6%
 - Range 5 – 2.5% (Midpoint/same as Teamsters Union)
 - Range 6 – 2.4%
 - Range 7 – 2.3%
 - Range 8 and above – 2.25%
 - Employees on the Pay Plan have been moved up one step if not at step 14
- Department Directors are no longer on the pay plan. City Council will approve increases for the Directors by resolution before July 1, 2022. For budgeting purposes, increases between 2% and 2.75% were applied to the current wages.

- Union salaries are projected to increase by \$120,296 in the General fund in FY23
 - 3.73% increase from FY22 Budget
 - Union employees receive the percentage wage increase and a step if not at the top of their pay scale
 - Police union contract 2.75% wage increase
 - Fire Union contract 2.75% wage increase
 - Teamsters Union contract 2.5% wage increase
- All 3 Union contracts will be in the 4th year of a 5 year contract in FY23

Review of Proposed FY23 Budget

Notes on the January 12th Budget Draft

- Numbers based on Levy remaining at \$17.14
- New Draft includes Debt Service Fund information
- New Draft includes TIF Fund information
- DRAFT of the 2022 Bond fund for projects and equipment (This is a working document, numbers are projections)

- Changes made to General Fund Department worksheets that were presented at the January 3rd workshop:
 1. Updated the Landfill Post Closure expenses to Cap Cells B & C.
Added \$ 3,210,000 expense
 2. Planning & Zoning Budget: Removed Intern position 001-5040-60300
Decrease of \$10,000
 3. Planning & Zoning Budget: Added 50% Hourly Office Assistant 001-5040-60300
Increase of \$18,200
 4. Planning & Zoning Budget: Moved Current Admin Assistant from 62.5% to 50% time. 001-5040-60100 Decrease of \$8,381
 5. Added \$12,000 to FY22 General Fund Budget Expenditures – Office remodel in Administration Department (Adjustments to GF Expenses in FY22)

General Fund Information

Projected Fund Balance 6-30-22:	\$3,275,790
Budgeted FY23 Revenues:	\$8,669,137
Budgeted FY23 Expenditures:	\$9,096,457
Projected Fund Balance 6-30-23:	\$2,848,470
Projected Designated Funds:	\$ 569,820
Undesignated General Funds:	\$2,278,650
Percent of Undesignated Reserves:	25.0%

*Undesignated Reserves are a percentage of budgeted General fund expenditures per financial policies

Expenditures include \$650,000 in capital items

Tort Liability Fund Information

Projected Fund Balance 6-30-22:	\$ 34,069
Budgeted FY23 Revenues:	\$ 243,100
Budgeted FY23 Expenditures:	\$ 250,000
Projected Fund Balance 6-30-23:	\$ 27,169

Hotel/Motel Tax Fund Information

Projected Fund Balance 6-30-22:	\$	0
Budgeted FY23 Revenues:	\$	347,000
-Hotel/Motel Tax:	\$	300,000
-TIF Funds	\$	47,000
Budgeted FY23 Expenditures:	\$	347,000
• Newton Development Corporation	\$	30,000
• City Parks	\$	96,297
• Community Marketing	\$	220,703
Projected Fund Balance 6-30-23:	\$	0

City Garage Fund

Fund is projected to decrease by \$434 in FY23 with an ending balance of \$60,517

Road Use Tax Fund

Projected Balance 6-30-22: \$1,308,444

Revenues:

- \$2 Million in Road Use Tax

Expenditures:

- \$2,696,397
 - Equipment \$367,000 (Dura Patcher/Plow Truck/PickUp) / N 4 Ave W Traffic signals \$115,000 / E 3rd St S & E 2nd St S Reconstruction \$215,000 / W 3rd St S & W 2nd St S Reconstruction \$215,000
- Interest & Principal payment on 2021 RUT Revenue Bond: \$308,600

Projected Ending Fund Balance 6-30-23: \$612,047

Employee Benefits Fund

Projected Fund Balance 6-30-22:	\$ 378,809
Projected Revenues:	\$3,823,948
Projected Expenditures:	\$3,825,580
Projected Ending Fund Balance 6-30-23:	\$ 377,177

- Health insurance projected increase is 5% in FY23
- MFPRSI Rates decreased to 23.90% from 26.18% in the current year

Local Option Tax Fund

Estimated Revenues:

- \$2,050,000
- 35% of revenues are credited to the Employee Benefit Fund (\$717,500) to provide Property Tax Relief

Expenditures:

Transfer to Employee Benefit Fund \$717,500

- Salaries for Police/Fire/Parks \$1,244,540
- HIRTA: \$35,460
- YMCA: \$20,000
- United Way/RSVP: \$32,500

Projected Balance 6-30-23: \$0

Housing Initiative Fund

Projected Balance 6-30-22: \$388,157

- Projected Revenues FY23: \$ 0
- Projected Expenditures FY23: \$150,000 (Housing Incentives)

Projected Balance 6-30-23: \$238,157

SSMID Fund

Projected Balance 6-30-22: \$14,391

- Projected Revenues FY23: \$17,775
- Projected Expenditures FY23: \$19,000

Fund Balance Projection 6-30-23: \$16,146

American Rescue Plan Fund (ARPA)

- **Projected Balance 6-30-22: \$1,094,370**
- Projected Revenues: \$1,135,029
- Projected Expenditures: \$ 2,004,815
 - Police Vehicles/Capital Equipment \$ 165,300
 - Fire Capital Equipment/Building \$ 55,250
 - W 4 St S Reconstruction \$ 550,000
 - Arbor Estates Phase 2 \$1,150,000
 - Administration: \$ 84,265
- **Projected Balance 6-30-23: \$ 224,584**

*Resolution will be brought before Council to approve disbursements of funds. Must be spent by December 31, 2026

South West TIF

Projected Balance 6-30-22: \$60,669

- Projected Revenues: \$35,705
- Projected Expenditures: \$ 26,250

Projected Balance 6-30-23: \$ 70,154

North Central TIF

Projected Balance 6-30-22: \$54,286

- Projected Revenues: \$1,056,149
- Projected Expenditures: \$ 1,022,642
 - Main Street \$27,500
 - Newton Development Corp \$15,000
 - Debt Payments \$802,142
 - Property tax rebates \$163,000 (Lion Development/Miller Valentine)
 - Hotel/Motel Tax Fund: \$15,000

Projected Balance 6-30-23: \$ 87,793

Speedway/PF TIF

Projected Balance 6-30-22: -\$ 372,341

- Projected Revenues: \$1,358,801
- Projected Expenditures: \$1,379,322
 - Debt Payments \$1,379,322

Projected Balance 6-30-23: -\$ 392,862

East Mart TIF

- **Projected Balance 6-30-22: \$ 153,982**
- Projected Revenues: \$ 268,534
- Projected Expenditures: \$351,541
 - Property Tax Rebate: \$160,000 (Van Maanen Electric)
 - Newton Development Corp \$18,000
 - Debt Payments \$42,740
 - Community Marketing Services \$17,000
 - General Fund Administration - \$ 39,801
 - Capital Fund - \$74,000 (IA Speedway Dr Reconstruction)
- **Projected Balance 6-30-23: \$70,975**

Cardinal Ridge Housing TIF

Projected Balance 6-30-22: \$ 34,526

- Projected Revenues: \$24,857

Projected Fund Balance 6-30-23: \$ 59,383

Fairmeadows N Housing TIF

Projected Balance 6-30-22: \$218,752

- Projected Revenues: \$421,507
- Projected Expenditures: \$389,449

Debt Payments: \$349,449

Newton Housing Development Corp: \$40,000

Projected Fund Balance 6-30-23: \$250,810

LMI TIF Fund

Projected Balance 6-30-22: \$ 62,705

- Projected Revenues: \$ 56,595
 - 37% of Housing TIF Property Tax Revenues
- Projected Expenditures: \$ 119,285
 - These funds could replace some D&D program expenses, depending on the approved LMI program guidelines to be approved by City Council in the coming months.
 - Funds are eligible to use anywhere within the City
- **Projected Balance 6-30-23: \$ 15**

1st Avenue East TIF

Projected Fund Balance 6-30-22: \$ 41,010

- Projected Revenues: \$ 194,952
- Projected Expenditures: \$ 212,881
 - Property Tax Rebate to Newton Elite Properties \$25,000
 - Transfer Capital Improvement fund \$89,246 (D&D)
 - Newton Development Corporation: \$ 20,000
 - Administration of TIF Program: \$78,935

Projected Fund Balance 6-30-23: \$ 23,081

2018 McCann Village TIF

Projected Fund Balance 6-30-22: \$ 0

- Projected Revenues: \$ 71,914
- Projected Expenditures: \$ 71,414
 - Property Tax Rebate to McCann Housing Associates

Projected Fund Balance 6-30-23: \$ 500

**Grand total TIF Special Revenue Projected Fund Balance on
6-30-23: \$ 174,117**

Capital Improvement Program

Projected Beginning Balance 6-30-22: \$3,039,926

Projected Revenues: \$ 5,169,246

- \$74,000 transfer from East Mart TIF for IA Speedway Drive
- \$89,246 transfer from 1st Ave E TIF for D&D Projects
- Federal Airport Grant \$3,021,000
- Bond Proceeds \$515,000
- TIF Bond Proceeds \$1,470,000

Projected Expenditures: \$5,434,450

- D&D Program \$239,246
- Taxiway Relocation \$3,186,000
- TIF Projects \$1,809,204
- City Center Skylight \$200,000

Projected Ending Fund Balance 6-30-23: \$2,774,722

Will start working this week with DA Davidson and Bond counsel on bonding proposal

Debt Service Fund

Projected Beginning fund Balance on 6-30-22: \$ 49,635

Total Amount of Debt payments in FY23: \$4,062,818

- TIF Funds Principal & Interest: \$2,599,149
- WPC Fund Principal & Interest: \$107,150
- Debt Service Fund Principal & Interest: \$1,356,519
- Fees: \$4,950

Projected Ending fund Balance on 6-30-23: \$51,896

Water Pollution Control Fund

Projected Fund Balance 6-30-22: \$5,153,756

Projected Revenues: \$3,231,831

Projected Expenditures: \$6,747,752

Projects included in Expenses:

- Equipment \$30,000
- Sewer Line Repair \$65,000
- Plant Improvements \$2,500,000
- Jet/Vac Truck Replacement \$425,000
- SW Pump Station Improvements \$1,000,000
- Debt payments \$757,750

Projected Ending fund Balance on 6-30-23: \$1,637,835

Landfill Fund

Projected Fund Balance 6-30-22: \$4,040,638

Projected Revenues: \$2,071,360

Projected Expenditures: \$1,388,150

Projects included in Expenses:

- \$112,000 in Equipment / \$10,000 Leachate Pump Station

Projected Ending fund Balance on 6-30-23: \$4,723,848

Landfill Post Closure Fund

Projected Fund Balance 6-30-22: \$6,334,980

Projected Revenues: \$30,000

Projected Expenditures: \$ 3,210,000 (Cap Cells B & C)

Projected Ending fund Balance on 6-30-23: \$3,154,980

Storm Water Utility Fund

Projected Fund Balance 6-30-22: \$332,761

Projected Revenues: \$520,000

Projected Expenditures: \$825,936

- W 4th Street S Reconstruction - \$350,000

Projected Ending fund Balance on 6-30-23: \$26,825

Golf Fund

Projected Fund Balance 6-30-22: \$59,890

- Projected Revenues: \$552,500
- Projected Expenditures: \$505,225

Projected Ending fund Balance on 6-30-23: \$ 107,165

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	\$40,000	\$40,000
Newton Main Street North Central TIF	\$27,500	\$27,500
Heart of Iowa Regional Transport Local Option Tax (Census #'s higher)	\$34,262	\$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