

# January 16, 2023 Budget Workshop

## General Fund Revenue Estimate:

- FY23 \$8.10 General Fund Property Tax Budget: \$3,978,840
- FY24 \$8.10 Projected General Fund Property Tax Budget: \$4,420,788
- General Fund (\$8.10) Property Taxes received in FY24 are projected to increase by \$441,948.

# City of Newton Property Values in relation to \$8.10 Taxes Levied

Fiscal Year	100% Value	Taxable Value	\$8.10 Taxes	Difference	% Inc / Dec
6-30-15	812,285,605	442,818,465	\$3,577,339		
6-30-16	812,444,545	440,115,181	\$3,554,946	\$ -22,393	-0.6%
6-30-17	793,873,013	432,420,239	\$3,490,725	\$ -64,221	-1.8%
6-30-18	801,709,497	441,030,628	\$3,559,993	\$ 69,268	2.0%
6-30-19	812,762,835	429,299,510	\$3,462,097	\$ -97,896	-2.7%
6-30-20	833,965,537	439,551,051	\$3,544,663	\$ 82,566	2.4%
6-30-21	917,817,908	474,391,993	\$3,824,571	\$ 279,908	7.9%
6-30-22	922,991,296	475,441,842	\$3,832,459	\$ 7,888	0.2%
6-30-23	998,255,090	493,435,967	\$3,978,840	\$ 146,381	3.8%
6-30-24	1,091,513,093	545,776,307	\$4,420,788	\$ 441,948	11.1%

## **Other sources of General Fund Revenues:**

- Charges for Services: \$1,137,400
- Ambulance charges: \$1,100,000
- GEMT Revenues: \$200,000
- Township Fire Services: \$140,000
- Reimbursement for SRO: \$135,000
- Burial Charges: \$101,500
- Building Permits: \$85,000
- State & Federal Grants: \$70,500

**Proposed Budget Total General Fund Revenues:**

**\$9,178,377**

# Review of Proposed FY24 Budget

# General Fund Information

Projected Fund Balance 6-30-23:	\$2,718,719
Budgeted FY24 Revenues:	\$9,178,377
Budgeted FY24 Expenditures:	\$9,051,826
Projected Fund Balance 6-30-24:	\$2,845,270
Projected Designated Funds:	\$ 569,820
Undesignated General Funds:	\$2,275,450
<b>Percent of Undesignated Reserves:</b>	<b>25.14%</b>

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

General fund Personnel:	\$ 5,884,568
General fund Operating:	\$ 3,022,458
General fund Capital:	\$ 144,800

# Tort Liability Fund Information

<b>Projected Fund Balance 6-30-23:</b>	<b>\$ 92,323</b>
Budgeted FY24 Revenues:	\$ 370,000
Budgeted FY24 Expenditures:	\$ 355,000
<b>Projected Fund Balance 6-30-24:</b>	<b>\$ 107,323</b>

# Hotel/Motel Tax Fund Information

Projected Fund Balance 6-30-23:	\$	0
Budgeted FY24 Revenues:	\$	372,000
-Hotel/Motel Tax:	\$	325,000
-TIF Funds	\$	47,000
Budgeted FY24 Expenditures:	\$	372,000
• City Parks	\$	98,117
• Community Marketing	\$	273,883
• \$35,000 set aside for Tourism		
<b>Projected Fund Balance 6-30-24:</b>	<b>\$</b>	<b>0</b>

## City Garage Fund

Fund is projected to be in the negative on 6-30-24 and staff is working to correct this problem in the current budget.

# Road Use Tax Fund

Projected Balance 6-30-23: \$830,489

## Revenues:

- \$2 Million in Road Use Tax
- \$25,500 in various reimbursements

## Expenditures:

- \$2,236,279
  - Equipment \$260,000 Motor Grader Replacement/Skid Steer Loader \$55,000/Trailer \$20,000
  - LED Upgrade – Street Lights - \$30,000
  - SW Building Roof Rehab Project - \$30,000
  - PW Wash Bay Project - \$200,000
- Interest & Principal payment on 2021 RUT Revenue Bond: \$163,100 in FY24

**Projected Ending Fund Balance 6-30-24: \$619,710**



# Employee Benefits Fund

<b>Projected Fund Balance 6-30-23:</b>	<b>\$ 468,323</b>
Projected Revenues:	\$4,011,602
Projected Expenditures:	\$4,022,991
<b>Projected Ending Fund Balance 6-30-24:</b>	<b>\$ 456,934</b>

- Health insurance rates remain the same in FY24
- MFPRSI Rates decreased to 22.98% from 23.90% in the current year

# Local Option Tax Fund

## Estimated Revenues:

- \$2,000,000
- 35% of revenues are credited to the Employee Benefit Fund (\$700,000) to provide Property Tax Relief

## Expenditures:

Transfer to Employee Benefit Fund \$700,000

- Salaries for Police/Fire/Parks \$1,212,249
- HIRTA: \$35,251
- YMCA: \$20,000
- United Way: \$17,500
- RSVP: \$15,000

**Projected Balance 6-30-24: \$0**

# Housing Initiative Fund

**Projected Balance 6-30-23: \$320,658**

- Projected Revenues FY24: \$ 0
- Projected Expenditures FY24: \$150,000 (Housing Incentives)

**Projected Balance 6-30-24: \$170,658**

# SSMID Fund

**Projected Balance 6-30-23: \$18,111**

- Projected Revenues FY24: \$14,694
- Projected Expenditures FY24: \$17,000

**Fund Balance Projection 6-30-24: \$16,075**

# American Rescue Plan Fund (ARPA)

- **Projected Balance 6-30-23: \$1,360,019**
- Projected Revenues FY24: \$ 0
- Projected Expenditures FY24: \$ 1,310,497
  - Fire Building Improvements \$ 100,000
  - Arbor Estates Phase 2 \$ 1,150,000
  - Administration: \$ 60,497
- **Projected Balance 6-30-24: \$ 49,522**

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

# Capital Improvement Program

**Projected Beginning Balance 6-30-23: \$2,945,052**

**Projected Revenues FY24: \$ 4,557,000**

- Park Bond Proceeds: \$1,600,000
- 2023 Bond Proceeds: \$ 1,392,000
- TIF Bond Proceeds \$1,565,000

**Projected Expenditures: \$5,067,000**

- Park Bond Expenditures: \$1,600,000
- D&D Program \$ 150,000
- Police Vehicles \$ 200,000
- Fire Vehicles \$ 65,000
- W 6<sup>th</sup> St S \$ 520,000
- City Center Skylight \$ 200,000

# Capital Improvement Program

## Projected Expenditures FY24 Cont.:

- Traffic Signal Project : \$ 150,000
- N Central TIF Grants \$ 160,000
- N Central TIF Streets \$ 1,340,000
- Wash Bay Project \$ 200,000
- Skid Steer Loader \$ 35,000
- Engineering Vehicle \$ 42,000
- Taxiway Relocation \$ 115,000
- Library Roof \$ 35,000
- City Hall Windows \$ 30,000
- Downtown Park \$ 225,000

**Projected Ending Fund Balance 6-30-24: \$2,435,052**

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

# Debt Service Fund

**Projected Beginning fund Balance on 6-30-23: \$ 33,237**

Total Amount of Debt expenses in FY24: \$4,241,848

- TIF Funds Principal & Interest: \$2,586,807
- WPC Fund Principal & Interest: \$105,150
- Debt Service Fund Principal & Interest: \$1,356,519
- Fees: \$5,850
- Bonding Expenses: \$80,000

**Projected Ending fund Balance on 6-30-24: \$50,820**

# Water Pollution Control Fund

**Projected Fund Balance 6-30-23: \$3,941,451**

Projected Revenues: \$4,935,083

\$1,600,00 in SRF Bond Proceeds

Projected Expenditures: \$6,239,552

Projects included in Expenses:

- CIP Projects & Equipment \$430,000
- Plant Improvements \$2,300,000
- Jet/Vac Truck replacement \$475,000
- Debt payments \$489,173

**Projected Ending fund Balance on 6-30-24: \$2,636,982**



# Landfill Fund

**Projected Fund Balance 6-30-23: \$4,864,816**

Projected Revenues: \$1,864,170

Projected Expenditures: \$2,364,199

Projects included in Expenses:

- \$922,000 in Equipment / \$80,000 Convenience Center

**Projected Ending fund Balance on 6-30-24: \$4,364,787**

# Landfill Post Closure Fund

**Projected Fund Balance 6-30-23: \$6,234,980**

Projected Revenues: \$75,000

Projected Expenditures: \$ 4,000,000 (Cap Cells B & C)

**Projected Ending fund Balance on 6-30-24: \$2,309,980**

# Storm Water Utility Fund

**Projected Fund Balance 6-30-23: \$49,375**

Projected Revenues: \$560,000

Projected Expenditures: \$525,778

**Projected Ending fund Balance on 6-30-24: \$83,597**

# Golf Fund

**Projected Fund Balance 6-30-23: \$190,934**

- Projected Revenues: \$562,500
- Projected Expenditures: \$680,281
  - Gold Cart Replacement \$18,000
  - Fairway Mower \$67,000
  - Clubhouse \$75,000

**Projected Ending fund Balance on 6-30-24: \$ 73,153**

# Newton Waterworks

**Projected Fund Balance 6-30-23: \$2,000,000**

- Projected Revenues FY24: \$3,766,800
- Projected Expenditures FY24: \$4,497,472
  - Capital Expenditures \$619,000

**Projected Ending fund Balance on 6-30-24: \$1,269,328**

# **Review of Proposed Tax Increment Financing Funds FY24 Budget**

# South West TIF

**Projected Balance 6-30-23: \$67,461**

- Projected Revenues: \$ 500
- Projected Expenditures: \$ 11,250

**Projected Balance 6-30-24: \$ 56,711**

# North Central TIF

**Projected Balance 6-30-23: \$95,204**

- Projected Revenues FY24: \$ 1,040,999
- Projected Expenditures FY24: \$ 977,482
  - Main Street \$27,500
  - Newton Development Corp \$15,000
  - Debt Payments \$797,482
  - Property tax rebates \$122,500 (LeavenWealth Capital/Miller Valentine/CRH Quilting/Newton Elite Properties/Cindy Roger Sell/GG115 LLC)
  - Hotel/Motel Tax Fund: \$15,000

**Projected Balance 6-30-24: \$ 158,721**

# Speedway/PF TIF

**Projected Balance 6-30-23:       -\$ 410,048**

- Projected Revenues FY24:       \$1,296,556
- Projected Expenditures FY24: \$1,377,622
  - Debt Payments \$1,377,622

**Projected Balance 6-30-24:       -\$ 491,114**



# East Mart TIF

- **Projected Balance 6-30-23: \$ 114,470**
- Projected Revenues FY24: \$ 371,176
- Projected Expenditures FY24: \$301,700
  - Property Tax Rebate: \$150,000 (Van Maanen Electric)
  - Newton Development Corp \$25,000
  - Debt Payments \$28,124
  - Community Marketing Services \$17,000
  - General Fund Administration - \$ 81,576
- **Projected Balance 6-30-24: \$ 183,946**

# Cardinal Ridge Housing TIF

**Projected Balance 6-30-23: \$ 48,385**

- Projected Revenues: \$35,447

**Projected Fund Balance 6-30-24: \$ 83,832**

# Fairmeadows N Housing TIF

**Projected Balance 6-30-23: -\$78,221**

- Projected Revenues: \$296,027
- Projected Expenditures: \$387,870

Debt Payments: \$347,870

Newton Housing Development Corp: \$40,000

**Projected Fund Balance 6-30-24: -\$170,064**

# LMI TIF Fund

**Projected Balance 6-30-23: \$ 728**

- Projected Revenues: \$ 77,215
  - 37% of Housing TIF Property Tax Revenues
- Projected Expenditures: \$ 0
  - Funds are eligible to use anywhere within the City
- **Projected Balance 6-30-24: \$ 77,943**

# 1<sup>st</sup> Avenue East TIF

**Projected Fund Balance 6-30-23: -\$ 109,223**

- Projected Revenues FY24: \$ 302,500
- Projected Expenditures FY24: \$ 166,979
  - Debt Service Payments: \$10,213
  - Property Tax Rebates \$ 62,500 to Newton Elite Properties / Nehring Auto / Jasper Point Plaza / Hopkins Properties
  - Newton Development Corporation: \$ 23,500
  - Hotel/Motel Tax Fund: \$15,000
  - Administration of TIF Program: \$79,266

**Projected Fund Balance 6-30-24: \$ 26,298**

# 2018 McCann Village TIF

**Projected Fund Balance 6-30-23: \$ 5,957**

- Projected Revenues FY24: \$ 45,467
- Projected Expenditures FY24: \$ 45,467
  - Property Tax Rebate to McCann Housing Associates

**Projected Fund Balance 6-30-24: \$ 5,957**

**Grand total TIF Special Revenue Projected Fund Balance on  
6-30-24: -\$ 67,769**

# Review of Proposed FY24 Employee Compensation

# Review of Employee Compensation Proposal for FY24

- 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, 2023. For budgeting purposes, increases between 2% and 2.75% were applied to the current wages.

- Payplan salaries are budgeted to increase by \$103,763 in the General Fund with no additional employees.
- The Proposed Budget has 4 additional employees included that impact the General Fund:
  - Fire Prevention Specialist 100% General Fund \$83,558
  - CSO in Police Department 100% General Fund \$52,548
  - 2 Engineering Tech Trainees 10% General Fund \$8,944



- Union salaries are projected to increase by \$77,957 in the General fund in FY24
  - 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 5<sup>th</sup> year of a 5 year contract in FY24

# FY25 General Fund Salary Projections

	Salary Increase	FICA Increase	IPERS Increase	Pension Increase
Police Union	\$ 144,991	\$ 3,466	\$ 2,077	\$ 28,165
Fire Union	\$ 124,090	\$ 1,799	\$ 0	\$ 28,417
Teamsters	\$ 24,371	\$ 1,864	\$ 2,301	\$ 0
Payplan	\$ 156,190	\$ 8,415	\$ 9,440	\$ 12,868
<b>Totals:</b>	<b>\$ 449,642</b>	<b>\$15,545</b>	<b>\$13,817</b>	<b>\$ 69,449</b>

# Outside Agency Funding Proposal For FY24

	FY23 Budget	FY24 Proposed
Newton Development Corporation Hotel/Motel Tax and TIF's	\$110,000	\$75,000
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)	\$34,460	\$35,251
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