CITY OVERVIEW

Size and Location

The City of Newton is the county seat of Harvey County, Kansas, and is located approximately 25 miles north of Wichita, the largest city in Kansas. The City encompasses approximately 11.38 square miles and is the largest city in Harvey County with a 2010 census population of 19,132 persons.

The city was incorporated in 1872 at the western terminal of the Atchison, Topeka and Santa Fe Railway and the railhead of the Chisholm Trail, a cattle trail that ended in Abilene (current Highway K-15 follows the Chisholm Trail's route). Thus, the history of Newton has always been tied to the railroad.

Newton offers an ideal family environment with affordable, quiet neighborhoods and an assortment of youth recreational activities. A drive through the heart of the community reveals a city with pride and vision. Historical buildings that have been adapted for modern commercial enterprises are sprinkled throughout the community. Visible signs of steady new growth are evidenced by the successful commerce taking hold in the community. Newton residents benefit from a lifestyle that values sound education, progressive health care and safe neighborhoods.

Newton area residents have access to full medical, dental and rehabilitative services close to home. Harvey County enjoys the third highest physician to resident ratio in the state. Newton Medical Center, a private, notfor-profit hospital, serves the community. With about 60 physicians and over 550 employees, the medical center is a major employer in Harvey County.

The Newton school district, USD 373, serves more than 3,500 students in the Newton area. Annually, Newton High School graduates classes averaging approximately 400. The recent passage of a school bond issue supported renovating and building additions to five schools in the district.

Economic Conditions and Outlook

The 400 acre Kansas Logistics Park (an industrial park) continues to receive national and state attention. In 2012 Tindall Corporation will build a 150-200K sq. ft state-of-the-art facility. This is their 6th and largest facility. The facility will build concrete wind tower bases.

Community Profile

Construction will begin in 2012, phase I will take 9 months and employ 100, by phase III (year 3) Tindall will employ 405. This is a \$66 million capital investment. In 2011, Kansas Governor Sam Brownback and New Millennium Wind Energy announced that they have chosen the Kansas Logistics Park for their first manufacturing facility, a more than \$20 million facility that will employ about 70 people in the first year of operation and more than 350 people within four years. New Millennium will manufacture a "point of use," high out-put, vertical-axis wind turbine.

The City of Newton is actively involved in economic development through its partnership with Harvey County and six other local cities. These entities fund the Harvey County Economic Development Council, Inc. to provide economic development services for the area. Working as partners has allowed economies of scale in business development and recruitment, as well as the ability to acquire technical expertise and resources.

Government and Organization

The City, incorporated in 1872 became a city of the first class in 1969.

The City operates under a Commission - Manager form of government. Five commissioners are elected in a non-partisan election every odd numbered year. Three seats are always up for election. The top two vote getters in the election will serve a four-year term and third top vote getter will serve a two-year term.

The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

Municipal Services and Utilities

The City owns and operates its own water and sewer utility systems. Westar Energy supplies electricity and Kansas Gas Service supplies natural gas to the area. Telephone service is provided by SBC. Cox Communication operates a cable television system.

The City has 33 sworn police officers and 48 certified firefighters/emergency medical technicians which provide continuous full-time protection to the City. The City operates an emergency ambulance service for the City and surrounding area.



City of Newton

Transportation and Communication Facilities

The Newton area is served by the Burlington Northern/ Santa Fe Railroad which also serves a portion of Harvey County. The City is located at the junction of the fourlane, divided, north-south Interstate 135 and the twolane, east-west U.S. Highway 50. Interstate 70, an eastwest divided four-lane highway, runs 60 miles north of the City. The City/County airport is located within three miles of the intersection of U.S. highway 50 and I-135 in Newton. The airport, managed by the City, has a 7,000 foot runway that will accommodate commercial jets and a 3,500 crosswind runway that is capable of handling private and corporate aircraft. Regularly scheduled air service is available at Mid-Continent Airport, located in Wichita.

Educational Institutions and Facilities

Unified School District No. 373 provides education for students from kindergarten through high school for students of the City and surrounding area. As of the 2011/2012 fall semester, the district had an estimated enrollment of approximately 3,704 students. In addition, there are two parochial schools located in the City and Bethel College, a private four-year college, is located just north of the City.

Medical and Health Facilities

Newton Medical Center, with more than 103 beds and over 550 employees is located in the City. Of the 105 Kansas counties, only one has more doctors per capita than Harvey County. Prairie View, Inc., an in-patient/out -patient mental health hospital, serves the City and a wide area of the state with mental health services.

Recreational, Cultural and Religious facilities

There is a wide variety of recreation available in the City including sporting events, movie theaters, parks, swimming pools, golf courses and tennis courts. Cultural opportunities such as a community theater, a symphony and museums are also located in or near the City. Approximately 46 churches serve the community. Annual community activities include the Chisholm Trail Festival, the Bethel Fall Fest, the Harvey County Fair and the Sand Creek Folk Art Festival.

ECONOMIC INFORMATION

The area's economy includes a very diverse industrial base including railroads, agricultural, business and manufacturing industries. Additionally, the area is a trading center for agricultural products including grain and livestock.

Major Employers

The City of Newton has a diverse employment base. With it's proximity to Wichita, residents of Newton travel to Wichita for work and likewise a number of Wichita residents work in Newton. Below is a listing of some of the largest employers located in the City of Newton.

Newton's Largest Employers			
Major Employers	Product/Service	Employees	
Newton Schools USD #373	Education	850	
Newton Medical Center	Health Care	560	
BNSF Railway	Transportation	380	
WalMart	Retail	328	
Norcraft Companies	Manufacturing	336	
Prairie View	Mental Health	259	
Dillons Stores	Grocery	250	

Below is a listing of the City of Newton's top tax payers.

Major Tax Payers			
Taxpayer	Assessed Valuation	% of Total City Valuation	
Walmart Stores	2,126,360	1.8%	
Newton Medical	1,716,081	1.5%	
Dillon Companies	1,677,679	1.5%	
Westar Resources	1,673,319	1.5%	
Cargill, Inc	1,572,942	1.4%	
Kansas Gas Service	1,441,708	1.3%	
Norcraft	1,061,086	0.9%	
Intrust Bank	942,285	0.8%	
Southwestern Bell	942,150	0.8%	
Burlington North	930,069	0.8%	

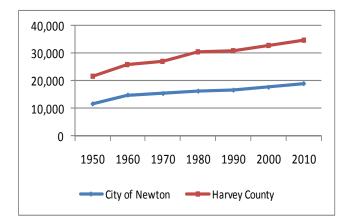


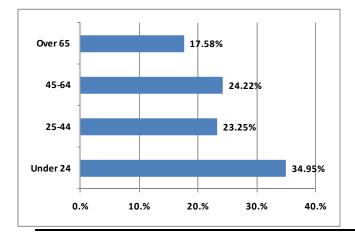
DEMOGRAPHIC INFORMATION

Population Trends

The 2010 census population for Newton was 19,132. The 2011 estimate is 19,139. The population of Newton has increased each decade since 1950. The population of the City of Newton increased 7,542 persons between 1950 and 2008. The increase represented a growth rate of 65%

The City of Newton's rate of growth was faster than the rate of growth experienced throughout Harvey County. Between 1960 and 1980, however, the overall county population grew at a faster rate than the City of Newton's population. This trend was reversed between 1980 and 1990 as the City of Newton grew at a faster rate. Between 1950 and 1990 the City of Newton grew at a slightly faster rate than Harvey County. The majority of the City population is aged between 25-44, this is typical for most US cities. The age distribution of the population is directly related to the type of services the City is required to provide for its residents.



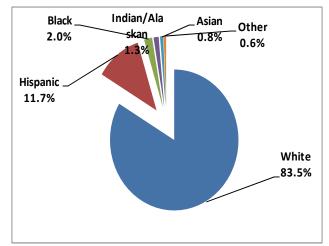


Community Profile

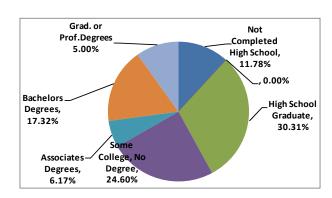
Racial/Ethnic Composition

According to the US Census Bureau, 83.5% of the Newton residents are white/Caucasian. The largest minority group is Hispanic who comprise 11.7% of the City population.

Education

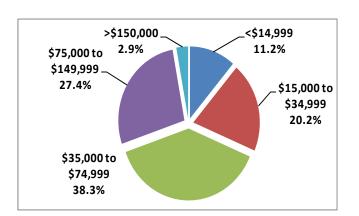


Educational attainment in Newton varied moderately in relation to Harvey County and the State of Kansas. The variations can be seen in three significant demographic groups: high school graduates, persons with some college but no degree, and those with a Bachelors degree. In Newton, the highest portion of the population have a high school diploma (30.31% of persons age 25 and over), which is slightly lower than Harvey County (33.9 percent) and the State average (32.8 percent). The next largest portion of the population is slightly more educated; approximately 24.6% of the population in Newton has some college background but no degree. This is slightly higher than the State norm of 21.9 %.



2013 Budget





Income

The median household income in the City of Newton is \$44,996, compared to the State median of \$50,177. The estimated per capita income is \$22,913.

CITY FINANCES

Utility Operations

Ownership and operation of the Water, Wastewater, and Sanitation divisions continue to comprise three essential elements of the City's service complement. Newton has been blessed with high quality supplies of groundwater from the Equus Beds aquifer, and the water requires very little treatment. Newton is the sole supplier of potable water to city residents and businesses as well as a rural water district. In addition, Newton is a partner in Public Wholesale Water Supply District No. 17 along with three other municipalities. Newton treats and distributes water from the District to these neighboring communities under separate contract with each municipality. The City is also the sole provider of residential refuse and recycling collection services.

The entire water production system is modern and generally in sound condition. It was determined through testing in 1994 that treatment to prevent high levels of copper in the water was required. A total renovation was completed in 1998, resulting in a stateof-the-art treatment plant. Newton is in the process of constructing a wholesale water supply system with three neighboring communities. Newton began treating water for the members of the wholesale district during 2000. Water rates were increased in 1999, and the City is generating adequate revenues.

Newton owns and operates a regional wastewater

treatment plant licensed by the Kansas Department of Health and Environment. A major renovation of over \$5 million was completed in 1994. A new disinfection process was completed in 1998, funded by cash reserves. Rates for wastewater service were increased in 2003 to cover inflation of costs, and incremental increases were enacted for 2004, 2005 and 2006.

The Newton solid waste division collects refuse and recyclable materials from residential customers in the City. Commercial service was abandoned as a separate operation, although commercial customers who can be serviced in the normal residential refuse and recycling collection process can opt for City service. Refuse is delivered to the Harvey County transfer station, where it is delivered to a landfill out of the county. Recyclables are delivered to the Harvey County Recycling Center for processing.

To provide an example of the current user fee level, Newton residents can receive weekly trash collection, 600 cubic feet sanitary sewer service, and use 600 cubic feet of water for a total of \$102.41 This remains competitive with other communities in Kansas.

Airport

The Newton City-County Airport is a vital asset to the community. Jointly owned by the City of Newton and Harvey County, the Airport is operated by the City. The facility is a reliever airport for Wichita Mid-Continent, thus allowing for infusion of federal funds over the years for a 7,000 foot lighted runway, crosswind runway, and various automated services for handling flights. Industrial rental buildings, fuel sales, and tax revenues form the basis of financial support for the facility. Approximately \$160,000 in combined City and County taxes goes toward the Airport operation annually.

In past years, the Federal Aviation Administration has provided 95% funding of Airport Improvement Projects. This resulted in a local match requirement of 5%, which was split by the City and Harvey County. However, recent changes at the FAA have resulted in a 90% funding of eligible airport infrastructure projects. The FAA is funding for the reconstruction of the entire runway system at the airport. The project will be undertaken in 2012 and 2013.



Community Profile