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City Administrator Report to Mayor & City Council

May 13, 2016, Edition No. 221

WEEKLY UPDATE:

- Budget: The electronic version of the FY 2016/2017 is now available on the City's website. It is also attached to this email. A limited number of hard copies should be available in the next week or so. Here is the link: http://www.muscatineiowa.gov/666/Annual-Budget
- Tentative Dates:
  - Mississippi Drive: Public Meeting June 21, 2016, 6pm at the Riverview, and City Council July 14
  - Riverfront Master Plan: June 21 (Along with Miss Drive)
  - 2nd Street Conversion: June 14th
- Landfill: Finance Director Lueck and myself provided a status report on the progress that has been made with the Landfill Fund Balance as well as some of the challenges to the Transfer Station to the Chamber Landfill Committee this morning and will report out to council at a future date.
- Pool: The Pool is operational, but staff has identified a minor leak that they are investigating with our vendor.
- MPW: Muscatine Power and Water's (MP&W) 2015 Annual Report is now available for your review at the link below. If you have specific questions regarding the information in this Annual Report, please contact Erika Cox, Director Employee and Community Relations at ecox@mpw.org. https://www.mpw.org/customer-care/publications/annual-report
- Fire: Per Chief Ewers - Monsanto has offered up two seats in a Pro Board Confined Space Certification Class for the Fire Department. This is a week long class with certification on the last day. Lt. Andy Summitt and FF Joe Timken will be attending. The department certainly appreciates Monsanto's assistance.
- Council Meeting: May 19, 2016 (Preliminary list of project related items)
  1. Public Hearing on the 2016 Asphalt Overlay Program
  2. Resolution Approving the Plans, Specifications, Form of Contract, Cost Estimate and Setting a Bid Opening Date for the 2016 Asphalt Overlay Program
  3. Resolution Awarding a Contract for the Mulberry Avenue Improvement Project
  4. Resolution Accepting the Completed Work for the Cedar Street Reconstruction Project
  5. Request Approval of Change Order #1 for the CDBG Alley #1 Facade Project Schedule (Schedule related)
  6. Request Approval to Close Alley #1 between Cedar Street and Iowa Ave. during the Facade/Storm Water Project

City of Muscatine, Iowa

Annual Budget

Fiscal Year 2016/2017

ANNUAL BUDGET
CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2016 - JUNE 30, 2017

CITY OFFICIALS

Diana Broderson
Mayor

City Council

Philip Fitzgerald
Tom Spread
Allen Harvey
Santos Saucedo
Michael Rehwaldt
Bob Bynum
Scott Natvig

BUDGET PREPARED BY:

Gregg Mandsager, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor

COVER:

Spring in Week Park.

City of Muscatine

Mayor and City Council

Front Row Left to Right:

Councilmember Bob Bynum, Mayor Diana Broderson,
Councilmembers Scott Natvig and Santos Saucedo

Back Row Left to Right:

Councilmembers Michael Rehwaldt, Tom Spread,
Allen Harvey, and Phil Fitzgerald

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Muscatine

Iowa

For the Fiscal Year Beginning

July 1, 2015

Executive Director

Award for Distinguished Budget Presentation

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Muscatine, Iowa for its annual budget for the fiscal year beginning July 1, 2015. This was the 31st consecutive year the City received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of Muscatine

Information Directory

City of Muscatine Website

muscatineiowa.gov

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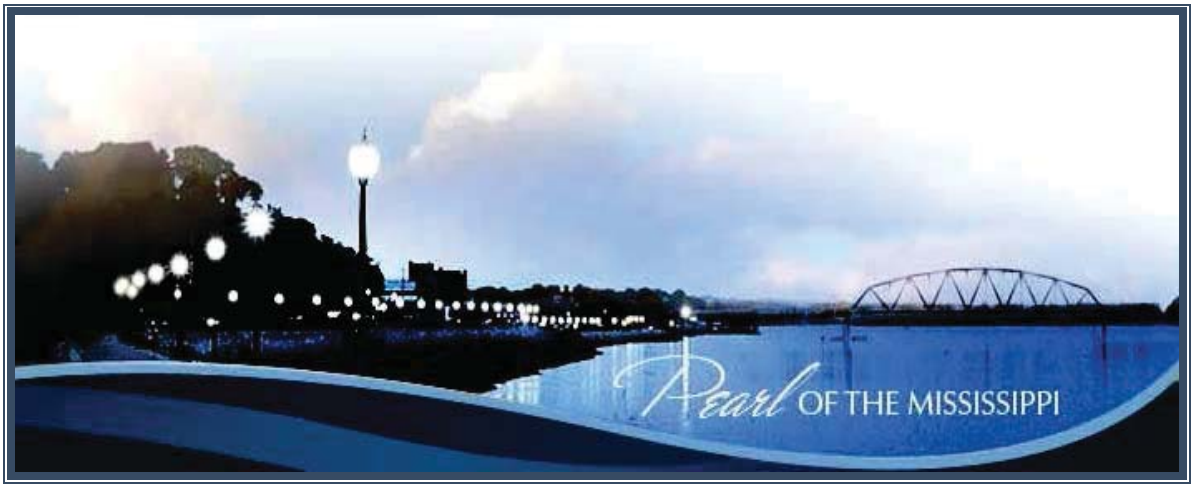
Kristy Korpi, Interim Public Works Director	kkorpi@muscatineiowa.gov	563-263-8933
Jon Koch, Director of Water Pollution Control	jkoch@muscatineiowa.gov	563-263-2752



Introduction to the City of Muscatine

Pearl of the Mississippi

www. muscatineiowa.gov

Early History

Benjamin Nye is credited with having made the first settlement within the present county of Muscatine. This was in the spring of 1834. Mr. Nye laid out a town at the mouth of Pine Creek, situated about 12 miles northeast of Muscatine and named it **Montpelier**. Mr. Nye built a store and three separate mills with his last one, Pine Creek Grist Mill, still standing today in Wildcat Den State Park. Pine Creek offered perfect water power and for many years the early residents of the county brought their grain to his mill but the town itself was a failure.

Colonel George Davenport, who lived at the time in Rock Island, brought a stock of goods and established a trading post in what is now **Muscatine**, erecting a small log cabin and leaving the post in charge of an agent.

The year 1835 saw a number of new settlers in this area. **James W. Casey** started a trading post below that of Colonel Davenport, known as *"Casey's Wood Yard"* of Newburg. **Colonel John Vanater** who had been here several years before, returned and bought Colonel Davenport's post. The town of Bloomington was laid out in 1836 by Colonel Vanater who named the town for his hometown Bloomington, Indiana. This was the first survey by an act of the Wisconsin Territorial Legislature. Approved in January 8, 1837, Bloomington was made the county seat.

Bloomington was incorporated as a town of the second class on January 23, 1839 and on May 6th, its first president, **Joseph Williams** was elected. The population of Bloomington in January 1839 was 71 and there were 33 buildings in the town. In November, there were 84 houses in the city.

How Muscatine got its name

Historians differ in their ideas of how Muscatine got its name. Some claim it was taken from the Mascoutin Indians who lived in this area in the 18th century. The name *"Mascoutin"* means *"Fiery Nation"*. Other historians claim the name came from the Indian name for what is now known as Muscatine Island. Because of the great difficulty in getting mail, (it was often sent to Bloomington, Illinois or Bloomington, Indiana and sometimes Burlington, Iowa), in 1850 the new name of **Muscatine** was adopted for both the town and county.

The name Muscatine is unique in that it is not used by any other city in the United States or the world.

Railroad Development

The period from 1854 to 1875 was marked by the coming of the railroads and the rapid settlement and development of the State of Iowa. The Chicago, Rock Island and Pacific Railroads were the first railroads to be built in Iowa reaching Rock Island, Illinois, in August 1854 and connecting with Iowa by ferry crossing the Mississippi River. On November 20, 1855, the Mississippi and Missouri Railroad, which later became part of the Rock Island System, operated the first passenger train between Davenport and Muscatine. This was also the first passenger train operated in the State of Iowa.

Early Muscatine Industry

Lumbering, saw and planing mills, sash and door factories and other forms of woodworking were a major industry in Muscatine. When the nearby forests were cut off, lumber operators moved up the Mississippi River and brought the logs downstream by water. With the coming of the railroad, lumber was shipped in, but through all these changes various types of woodworking continued to be Muscatine's major industry. Muscatine businessmen acquired forest lands and continued to operate saw mills in various parts of the county.

Pearl Button Industry

John Fred Boepple, a German immigrant with a flair for making buttons, came to Muscatine in 1887. By mistake, Boepple found that fresh water mussel shells, instead of animal horns, made a stronger button that more closely resembled the fashionable buttons made of expensive import marine shells. Nicholas Barry and his sons invented a machine

which turned out better buttons with less labor. Muscatine soon became the world's largest pearl button manufacturer, its factories employing half of the Muscatine workforce during the turn of the century, earning it the name of ***"Pearl Button Capital of the World."*** In 1905 over 1.5 billion pearl buttons were made in Muscatine. Today nearly all buttons are made from plastic.

Other Industrial Development

In 1892, after a nationwide investigation, **H.J. Heinz Company** decided to locate one of their principal canning plants in Muscatine, being the first expansion outside of Pittsburgh. Numerous additions have been made to this plant making it now the largest Heinz plant outside of Pittsburgh and the largest canning plant between the Mississippi River and the Rocky Mountains.

The fertile soils of Muscatine make the area well known for producing some the highest quality agricultural products in the world with the famous Muscatine Melon being perhaps the most recognized.

Muscatine is home to the world headquarters of HNI (HON Corporation) that began here as a small businesses. Other companies have major facilities in Muscatine and a number of small and medium sized companies have become known nationally and internationally for their products.

Incorporation and Government

Muscatine acquired its present name in 1850. On February 21, 1851 Muscatine was incorporated by a special act of the Iowa State Legislature and is one of four lowa cities that continues to operate under such special authority.

The city is the county seat of Muscatine County and has a mayor-council form of government. Day-to-day operations of the city are carried out under the supervision of a City Administrator.

We remain proud of our heritage and the strong industrial base present today. **Mark Twain,** who lived in Muscatine in 1854, once wrote *"I remember Muscatine for its summer sunsets. I have never seen any on either side of the ocean that equaled them."* Our noted sunsets, joined together with the rolling terrain, quiet neighborhoods and strong sense of family values gives Muscatine a special personality all its own.

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INTRODUCTORY SECTION

MUSCATINE

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TO: Mayor Diana Broderson and Members of City Council

SUBJECT: Budget Message - FY 2016/2017

DATE: March 15, 2016

The budget for fiscal year 2016/2017 is hereby presented as adopted by City Council subsequent to the informational review process and required public hearing. The emphasis of the budget process is on planning for anticipated operating expenditures, city services, personnel costs, capital expenditures, and other related programs. It is during the City Council's review process that choices are made among competing demands for the city's fiscal resources. The City of Muscatine's established budgetary process has resulted in a management oriented budget document with the fourfold theme of providing financial control, management information, planning, and policy information. This budgetary process has been recognized by the Government Finance Officers Association in their conferral of the 31st consecutive Distinguished Budget Presentation Award for the fiscal year 2015/2016 City Budget. The budget for fiscal year 2016/2017 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2016/2017 includes comprehensive goals and objectives for each department and activity in the operating budget. The process of developing a comprehensive management by objectives program for the community is a continual process as the needs of the community change. As a result, the city must continue to redefine its goals and set objectives as to how they can be achieved in both the short and long term. The evaluation of progress in accomplishing the prior year's objectives is an important part of the budget process between the City Council, City Administrator, and department directors.

The City Council held a goal setting session on October 27, 2015 to discuss and establish goals and objectives for 2016/2017. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2016 and future years as adopted and prioritized by City Council are as follows:

Core Values

- Integrity
- Respect
- Innovation
- Excellence
- Professionalism
- Customer Service
- Fiscal Responsibility

Vision

Muscatine is a vibrant river community where a rich tradition of community pride and entrepreneurial spirit has created an outstanding environment to live and work. Muscatine values its history, has a strong sense of community, is rich in cultural and economic diversity, and has strong global connections. Muscatine residents, businesses, and its local government are engaged and achieve goals through valued partnerships.

Mission

Provide effective municipal services, excellent customer service, and sound fiscal management that improves quality of life and ensures a sustainable economy.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017 AND FUTURE YEARS

Long-Term Goals

- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate
- Position the City to address potential shortfalls in revenue due to state and federal mandates and work to leverage local funding with grants
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool
- Increase community awareness and engagement (Tell Muscatine's story)
- Attract employees that work in Muscatine, but do not live in Muscatine.

Council and Management Agenda 2016-2017

Community and Economic Development

- Evaluate programs and opportunities for economic development
- Market economic development programs
  - Create signage (July 2016)
  - Work with local banks, real estate companies to promote plans and incentives (March 2016)
- Focus on "supply or value chain" business attraction/retentions
- Create an economic development strategic plan targeting key sectors and work with the University of Iowa and Iowa State University to attract business developed on campus.
  - Identify programs and opportunities (March 2016)
  - Create plan of action (by August 2016)
- Evaluate creation of port authority and municipal port:
  - Submitted LIFTS Grant (Awarded in February 2016)
  - Feasibility Study: Complete 2016
  - Grants 2016: USEDA/TIGER, USDOT, Others
  - Small Concept/Test Run/Trials 2016
  - Permits: 2016 and 2017
  - Engineering/Design: 2016/17
  - Tentative Construction: 2017/18

Housing

- Conduct a housing demand study (July 2016 start date)
- Focus on new housing development in key areas
- Mixed use, starter homes, single family, and downtown (high quality)
- Evaluate and promote opportunities and incentives for infill

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance (Adoption 2016)
- Continue to improve in-depth sessions to include departmental reviews

Marketing, Communication, and Engagement

- Develop a marketing plan for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Muscatine School District, Muscatine Community College, Unity Point - Trinity Muscatine, Convention and Visitors Bureau (CVB), Community Improvement Action Team (CIAT), and local industry (Budget March 2016, Hire firm June 2016)
- Enhance the City's updated website and expand the use of social media tools for public communication
- Align technological resources to improve the services provided, information access, and convenience of citizens, organizations, and visitors
- Prepare a city communications plan (March 2016)

Continuous Service Improvement.

- Improve organizational effectiveness and enhance interdepartmental cooperation
- Develop a plan to incorporate community sustainability principles of economic prosperity, environmental integrity, and cultural vibrancy into all short and long term planning.
- Bring technology to the field (drive efficiency)
- Work with downtown businesses and residents to create a clean and inviting environment (Winter 2015-2016)

Projects, Programs and Placemaking

- Implement Capital Improvements Program (CIP) with focus on existing infrastructure
- Mississippi Drive (2016) and Grandview Avenue (2019)
  - Preliminary design and public meetings (2015-16)
  - Property acquisition (2016)
  - Bid (February or March 2017)
  - Construction (2017-18)
- Pearl III (CIAT, IISC, and placemaking projects) – develop and maintain local amenities for residents and that attract/retain a quality workforce
  - Develop marketing and funding plan (CIAT)
- Mulberry Avenue Construction (2016)
- Combined Sewer Separation (Multiple phases through 2028), update financial plan in 2016
- Airport Reconstruction of Primary Runway (2016)
- Art Center HVAC (Building Envelope and HVAC) (May 2016 Start Date)
- City Hall HVAC and building envelope plan
- Riverfront Master Plan
- WPCP Receiving Station and Waste to Energy Project
- Reforestation

The 2016/2017 budget includes funding appropriations (where applicable) required to accomplish the objectives listed above. Department objectives also make reference to the City Council Strategic Goals where applicable including the City Administrator, Community Development, Public Works, Engineering, Park Administration, and Finance department objectives. The budget was also prepared according to certain policies and practices established by the City Council. These policies and practices immediately follow this Budget Message.

KEY BUDGET ISSUES

In developing the fiscal year 2016/2017 budget, there were several key issues which had to be addressed during the budget process and which will continue to be concerns during the implementation of the various programs and services during the year.

State Legislation

In 2013 the State Legislature adopted Senate File 295 for Property Tax Reform. This legislation implemented the following:

1. Taxable valuations for commercial property and industrial property, which historically had been valued at 100% of actual value, were rolled back to 95% for 2014/2015 and to 90% for 2015/2016. Per this legislation the State will provide a reimbursement to cities for the commercial and industrial rollback which is expected to offset a portion of the property taxes which would have been received if not for these rollbacks. This reimbursement, however, has been capped at the 2016/2017 funding level.
2. A taxable valuation growth reduction for agricultural and residential property from the previous 4% to 3%. This will limit the annual increase in taxable valuations for those properties.
3. While the rollback factor for residential property is expected to incrementally increase in upcoming years from the current 55.6259%, it will not increase above 60% per this legislation.
4. Created a new "multi-residential" property class which will be rolled back to residential levels by January 1, 2022, without backfill to local governments. This will be phased in beginning in the 2016/2017 fiscal year. The rollback factor for these properties was 86.25% in 2016/2017 and the rollback factor will decrease by 3.75% each year until 2023/2014 when it will be equivalent to the residential rollback in place at that time.

This legislation impacted the City's taxable property valuations for fiscal years 2014/2015, 2015/2016, and 2016/2017, and will continue to impact taxable valuations in future years. Based on growth assumptions, Public Financial Management Inc. (PFM), the City's financial consultant, has projected the average increase in taxable valuations for the next ten years to be only .39% per year. This is significantly less than the average increase of 2.5% over the past ten years.

The 2016 legislative session promises potential action on other topics critical to the cities across the state, which may directly impact city Automated Traffic Enforcement (ATE) revenues and Tax Increment Financing (TIF). The City continues to closely monitor bills related to ATE's, TIF, pensions, and any others that would impact the City operation.

The City's 2016/2017 budget was developed based on positioning the City for the impacts from the legislative changes previously enacted or that may be enacted this legislative session.

The City of Muscatine made a number of changes in previous years to adjust for the limited revenues available for City operations. Significant reorganization actions have taken place when the opportunities

presented themselves throughout the General Fund activities. Overall, these adjustments have continued to place a strain on the operational activities of the City's General Fund. Despite these challenges, the City continues to do more with less and provide for basic overall services within the General Fund and other funds of the City of Muscatine while facing increasing demands for public services.

Property Tax Rate

Every elected body struggles with balancing the tax burden for citizens with a need to provide adequate funding for operational and capital activities within the organization itself. It is that balance that Council again tried to achieve in the 2016/2017 budget. The total property tax rate for the 2016/2017 budget is $15.67209 per $1,000 of taxable valuation, which is the same total rate as the four previous years. While the employee benefits tax levy increased for the upcoming year, the City was able to reduce the tort liability, transit, levee, and debt service tax levies in an amount which offset the employee benefits increase. The budget will again fund a portion of the cost of employee benefits for General Fund employees from the General Fund balance instead of the Employee Benefits tax levy. This assisted in maintaining the same tax rate for 2016/2017.

While the tax rate will not change for 2016/2017, rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a slight reduction in city property taxes since the rollback factor applied to residential property decreased by .2% for the upcoming year. The owner of a home with a value of $100,000 will see a decrease of $1.00 in their city property taxes for 2016/2017. With the rollback decreasing from 90% to 86.25% for multi-residential properties, the owner of a multi-residential property with a value of $100,000 will see a decrease of $58.00 in their city property taxes The 90% rollback for commercial and industrial properties will continue in 2016/2017. These rollbacks are mandated by the State of Iowa and result in shifting the tax burden between different categories of property.

Police and Fire Pension Contributions and Rates

The required city contribution rate to the statewide Municipal Fire and Police Retirement Systems of Iowa (MFPRSI) was 26.12% in 2012/2013, 30.12% in 2013/2014, 30.41% in 2014/2015, 27.77% in 2015/2016, and will decrease to 25.92% in 2016/2017. Pension contributions for 2012/2013, 2013/2014, and 2014/2015 were $1,116,080, $1,327,925, and $1,403,255, respectively. The estimated contributions for 2015/2016 and 2016/2017 are $1,311,829, and $1,335,025. The decrease in 2015/2016 was due to the contribution rate decrease. The increase for 2016/2017 is due to the addition of four new firefighter positions with pension contributions for the new positions more than offsetting the savings from the decrease in the pension contribution rate. While pension costs for 2015/2016 and 2016/2017 have decreased from the 2014/2015 amount, the decreases are much less than the increases in recent years. It should be noted that police and fire pension costs increased from $654,034 in 2009/2010 when the contribution rate was 17.00%, to $1,335,025 for 2016/2017 with the 25.92% contribution rate. This is a $680,991 increase and an increase of 104.1% over this 8-year period. While modest annual decreases in future year pension rates are forecasted, these rates continue to have a significant impact on the City's budget.

Police and fire pension contributions are funded annually from the Employee Benefits tax levy. For 2016/2017 the tax levy rate needed to fund Police and Fire pension costs is $1.56525 per $1,000 of taxable valuation. In additional to police and fire pension contributions, the Employee Benefits tax levy also funds costs of FICA, IPERS, health insurance and other benefit costs for General Fund employees. The tax rate needed to fund other employee benefit costs for 2016/2017 is $2.69189 which brings the total Employee Benefits tax levy for 2016/2017 to $4.25714 per $1,000 of valuation.

For the 2013/2014 budget the City chose to fund a $527,005 of other employee benefit costs for General Fund employees from the General Fund balance instead of the Employee Benefits levy. This allowed for the total overall tax rate to remain the same for 2013/2014. In 2014/2015 $369,265 of other employee benefits were funded from the General Fund balance instead of the Employee Benefits levy which again allowed for the total tax levy rate to remain unchanged. In 2015/2016 and 2016/2017, $192,959 and $192,637, respectively, of other employee benefit costs are being funded from the General Fund balance which again assisted in maintaining the same total tax rate for those years. While in recent years the City has been able to maintain the same total tax rate by varying individual tax levy rates and using the General Fund balance, if the Police and Fire pension contributions increase in upcoming years as projected, increases in the City's total tax levy rate will be unavoidable. The MFPRSI increases are one of the most significant budget challenges we face annually and these costs have a direct impact on our ability to maintain our existing levels of services.

Significant Changes Implemented

A number of changes were implemented over the past several years which placed the City in a better financial position for 2016/2017 and future years.

A key issue for the 2010/2011 budget was the consideration of and ultimate adoption of a Utility Franchise Fee on Alliant Energy, the provider of natural gas to the community. The ordinance change adopting this fee provides that the fee may be up to 5% on natural gas sales by Alliant in the community. The initial rate was set at 2% which was effective July 1, 2010. Implementation of this fee allowed for a reduction in the City's property tax rate for 2010/2011 and future years. The effect of the Utility Franchise Fee and the related reduction in property taxes varies by resident and individual businesses. Implementation of this fee resulted in the reduction of the Emergency property tax levy from its maximum rate of $.27/$1,000 of valuation in 2009/2010 and prior years, to $.08/$1,000 in 2010/2011. The Emergency Tax Levy was eliminated in 2011/2012 and was not levied in 2012/2013, 2013/2014, 2014/2015, 2015/2016, or 2016/2017.

The establishment of the Utility Franchise Fee allowed the City to diversify its funding sources used for the provision of General Fund services and reduce the City's property tax rate. With this franchise fee in place for up to 5% of natural gas sales, this also allows flexibility in future years for the City Council to modify this rate if needed to continue to provide expected levels of City services to residents. This rate can be modified by giving a 90-day notice to Alliant Energy. For the 2012/2013 year City Council chose to reduce the Utility Franchise Fee rate to 1% which is projected to generate $100,000 annually. This reduction was possible since there have been strong revenues in other areas of the General Fund budget, specifically Automatic Traffic Enforcement (ATE) fines and fees for Fire department inspections and permits. The 1% franchise fee rate was maintained for the 2013/2014, 2014/2015, 2015/2016, and 2016/2017 budgets. The City Council identified the Utility Franchise Fee as a potential revenue source to offset any legislative action to reduce annual ATE revenues.

Structural changes implemented in 2010/2011 and 2011/2012 also assisted the city in increasing the General Fund balance. The changes in 2010/2011 included but are not limited to the following: (1) a reduction of one fulltime position in the Park Maintenance budget; seasonal staff was increased to partially offset this reduction for a net savings of $49,300, (2) elimination of one fulltime custodian position with contract cleaning services partially offsetting the cost savings for a net savings of $7,400, (3) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of $137,500), (4) not filling the budgeted ¾ time Red Light Camera Technician net of the cost of creating an additional sergeant position for this function ($30,000 savings), and (5) transferring the dredge operation to the Water Pollution Control fund ($42,000 General Fund savings). These items total to a $266,200 positive impact on the General Fund annually.

Other significant changes implemented in recent years include: (1) the change from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in a savings of $128,600 in General Fund insurance costs and a City-wide savings was $173,900, (2) two voluntary annexations in 2012-2013 added 528 acres, 933 residents, $88,000 in annual property taxes, and $47,000 in annual Road Use Taxes, (3) the Transfer of Jurisdiction of a portion of Business Route 61 from the State to the City in 2014 provided $13 million of funding that can be used to reconstruct and improve this corridor, (4) implementation of the City's new financial software system on December 1, 2013 has assisted in streamlining accounting processes throughout city departments, and (5) transitioning away from City participation in the Carver Swim Center has generated an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period was completed.

Other changes implemented since 2011/2012 have focused on department efficiencies and cost savings and include but are not limited to the following: (1) using sponsorships for the Parks seasonal brochure and Golf score cards saving $4,700 annually; (2) the new eleven foot mower in the Parks department and trackhoe for grave digging at the Cemetery both saved man hours that were redirected to other functions in those divisions; (3) additional Park sites were "adopted" under the "Adopt a Park" program with this program expanding from four sites in 2010 to eighteen in 2015; (4) redesigning the Library circulation system process eliminating a 35-hour/week position and creating a new 30-hour/week "Holds" position at a lower pay rate for a savings of $17,800; (5) using staggered work times in the Police investigations division which reduced overtime and call-ins saving an estimated $3,500 in overtime costs annually; (6) activities in the Engineering (engineering design for smaller projects), Community Development (Comprehensive Plan update), and Art Center (printing) were done in-house rather than under contracts resulting in varying amounts of cost savings; (7) using inmate labor to clear the Airport fence line of unwanted growth saved an estimated $22,000; and (8) the use of automatic traffic enforcement cameras has allowed the Police department to re-direct their time to other areas of law enforcement.

Departments will continue to look for efficiencies and cost savings in their operations in 2016/2017 and future years. One of the City's goals for the upcoming year is to continue to develop a formal Continuous Service Improvement program which will assist departments in identifying and implementing efficiencies and cost savings in their department operations. With limited financial resources expected to be available in future years and a growing demand for municipal services, the City must continue to take significant steps to enhance revenue streams as well as reduce expenditures where appropriate to meet these challenges. The budget recommendations contained within this document (and presented during the budget review) are aimed at positioning the city to continue to address economic challenges, continue to provide existing services to the community, and position the city to meet new challenges and ever growing demands.

Tax Increment Financing (TIF) and Economic Development

The City has been a strong proponent of economic development activities over the years and has made aggressive use of TIF and tax abatement incentives. The City continues to support these efforts as these are effective tools for local communities, but TIF comes up against strong attacks annually during legislative sessions. The City needs to maintain the ability at the local level to attract and retain business. However, there is another side of the story which is often forgotten and that is the effect on the city, county, and schools and ultimately their respective tax rates. The increment the City is claiming for TIF totals $55,777,530 in 2016/2017 for all of the TIF areas. This value would generate $451,798 in taxes from the $8.10 General Fund tax levy. The impact on total taxes including the various other levies using the City's total tax rate of $15.67209/$1,000 rate is $874,150 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that $55.78 million was allocated toward regular valuations for all taxing entities, the county would generate over $522,000 in taxes and the school over $881,000 (or they could reduce their respective tax rates). It should be noted that a portion of the

increment the City is claiming is for debt service on bond issues for public improvements in TIF districts. If those projects were not funded from TIF and the City still did them, the City's debt service levy would need to be higher. It should also be noted that but for TIF, many of the projects may not have happened and there would have been no increase in regular taxes to the various governmental entities.

A significant funding source that was identified in previous years was the better utilization of tax increment financing (TIF) districts and returning to regular taxable valuations the unused portions of those funds on an annual basis. This will continue to be the case in the 2016/2017 budget and for years to come. By not claiming the full amount allowed, a portion of the values in each TIF area go back onto regular taxable valuations for all affected taxing entities. Approximately $1,078,000 of incremental taxes was not claimed by the city for 2016/2017. This resulted in the related property values to be considered as regular valuations, which increased regular tax revenues in all tax categories for the City, County, and School district.

For 2016/2017 the City is claiming $55,777,530 of incremental valuation which is 63.6% of the total increment of $87,760,184 in all TIF districts. The amount the City did not claim of $31,982,654 (36.4%) has gone back to regular taxable valuations for each taxing entity. The percentage claimed includes nearly 100% of the increment for the Wal-View #1 project which was added to the increment beginning in the 2015/2016 budget. The increment for the Wal-View #1 project for 2016/2017 is $19,721,340 and the amount of increment claimed was $19,596,229. Since this is a recent project which had a significant amount of increment, it should be noted that if this project were excluded from the total increment and increment claimed, the City would be claiming only 53.1% of the total increment for prior projects.

For the 2011/2012 through 2016/2017 budgets, the City Council approved two resolutions in each of these years for internal advances of funds which will allow the City to claim TIF funds for TIF administrative and economic development purposes. The first resolutions provided for internal advances of $102,517 in 2011/2012, $105,254 in 2012/2013, $113,089 in 2013/2014, $116,500 in 2014/2015, $116,500 in 2015/2016, and $142,100 in 2016/2017 for staff time and other professional services involved in economic development activities and TIF administration and includes staff time of the City Administrator, Community Development Director, City Planner, Finance Director, Public Works Director, City Engineer, and beginning in 2015/2016 an allocated portion of the Communication Manager position. The other resolutions were for internal advances of $35,000 in each of the years from 2011/2012 through 2014/2015 and $38,000 in 2015/2016 and 2016/2017 for economic development grants to the Greater Muscatine Area Chamber of Commerce and Industry for their economic development activities. Using TIF funds for these purposes (instead of general property taxes) assisted the City in balancing each of the annual General Fund budgets from 2011/2012 through 2016/2017 and continuing to provide the current level of General Fund services to the community.

In May of 2011, the City Council approved a resolution, which consolidated and expanded the City's urban renewal policies, projects, and initiatives under a single urban renewal plan and expanded the City's urban renewal area to include the current City boundaries. This action has allowed the City to pursue using TIF funding for economic development or blight alleviation throughout the City.

Landfill, Transfer Station, and Refuse Collection Fund Balances (Deficits)

A key budget issue in prior years was the deficit in the landfill fund, which is accounted for as an Enterprise fund of the city. This fund had deficit fund balances beginning in 2002/2003 which continued until the deficit was eliminated in 2014/2015. The budget for 2009/2010 included a significant rate increase for the transfer station from $41.00 per ton to $60.00 per ton effective July 1, 2009. This fee funds both transfer station and landfill costs. The continued need to expand and to develop costly landfill cells was the driving component of this fee increase as well as the deficit balance in the Landfill fund.

While it was anticipated that there would be some decrease in volume at the transfer station/landfill, the waste volume for 2009/2010 decreased from 41,320 tons in the prior year to 29,916 tons. With the continuing deficit in the Landfill fund, the Solid Waste Agency and the City considered implementing flow control measures which would have required all waste generated in the Agency area to be brought to the transfer station and landfill. Area businesses and the Chamber requested a committee be formed of business leaders, City staff, an Agency member, and others, to discuss the impacts that flow control would have on area businesses and possible alternate solutions. The Committee's recommendations included allowing for additional negotiated industrial contracts which would bring additional waste volume and revenue to the landfill. City Council approved the Committee's recommendations at their October 7, 2010 meeting and five new industrial contracts were entered into which were expected to bring in an additional 5,000 tons of waste and $180,000 of revenues annually over the three year period of these contracts. These negotiated industrial contracts as well as the original industrial contracts were extended through June 30, 2015 and have been further extended through June 30, 2020.

The deficit in the Landfill fund at the end of 2009/2010 was over $2.5 million. A large portion of this deficit was due to development of new cells at the landfill. The new cells are expected to have 298,800 tons of waste capacity, which should provide a waste disposal area for approximately 8.5 years depending on the annual waste volume. The Landfill deficit decreased by $411,988 to $2,100,612 in the 2010/2011 fiscal year, decreased by an additional $582,320 to $1,518,292 in fiscal year 2011/2012, decreased by $435,957 to $1,082,335 in fiscal year 2012/2013, and further decreased by $573,309 to $509,026 in fiscal year 2013/2014. The deficit was eliminated in 2014/2015 and there was a positive fund balance of $100,576. Based on estimated landfill revenues and expenditures, the balance in the Landfill fund is projected to increase by $375,989 to $476,565 during the 2015/2016 fiscal year and to further increase by $239,700 to $716,265 by the end of the 2016/2017 year. The Committee and City Council goal was to have the deficit eliminated and have a positive fund balance by the time the next cell needs to be constructed. Based on current waste volume projections, it is estimated that construction on the next cell will need to begin in 2017.

The Transfer Station fund had a deficit balance of $216,040 at the end of 2009/2010. Since revenues from the new negotiated industrial contracts were directed toward the deficit in the Landfill fund, the Transfer Station has not benefited financially from these new contracts. The 2010/2011 revised estimate included a $200,000 funding transfer from the City's Refuse Collection fund which assisted in reducing the deficit in the Transfer Station fund. An additional $50,000 transfer from the Refuse Collection fund was made in 2011/2012 which eliminated the Transfer Station deficit. Deficit fund balance are projected in the Transfer Station fund of $66,099 at the end of 2015/2016 and $110,649 at the end of 2016/2017. These deficits are again primarily due to all of the revenue from the negotiated industrial contracts being credited to the Landfill fund. This will be reviewed with the Landfill Committee at a future meeting. The City will continue to closely monitor the revenues and expenditures of both the Transfer Station and Landfill funds.

The Refuse Collection fund is projected to have a $232,706 deficit fund balance at the end of 2015/2016 and this deficit in projected to decrease to $145,606 at the end of 2016/2017. These deficits are due to capital costs to implement the City's automated refuse collection program for residential customers. Two automated (one-person) refuse collection vehicles are needed for the program as well as containers for each residential customer. The first automated refuse vehicle was purchased from the 2014/2015 budget. The original 2015/2016 budget included a $130,000 capital outlay allocation for 2,800 additional refuse bins, but it did not include funding for the 2nd automated refuse collection vehicle. The revised estimate for 2015/2016 is $240,100 more than the original budget and allows for the purchase of the 2nd automated truck in 2015/2016. With the long lead time on the order, however, even with the order placed this fiscal year, the vehicle will not be delivered until late in 2016. While this will result in a budget-basis deficit of $232,706 at the end of 2015/2016, with the remaining capital costs of implementing the automated refuse

collection program all being incurred in 2015/2016 and 2016/2017, the operational savings from this program will begin to be fully realized. The deficit fund balance in the Refuse Collection fund is projected to be eliminated in one year, by the end of the 2017/2018 fiscal year.

Other Issues and Changes for 2016/2017

As in every year, there are increases in expenditure levels for city operations that reflect the increased cost of providing services even at a status quo or below status quo level. In 2013/2014 the City successfully negotiated 5-year contracts with each of the City's three bargaining units for fiscal years 2014/2015 through 2018/2019. The contracts for the police and fire bargaining units provided for wage increases of 2.25% in 2014/2015, 2.50% in 2015/2016, 2.75% in 2016/2017, 2.90% in 2017/2018, and 3.00% in 2018/2019. Wage increases for individual positions in the Blue/White Collar bargaining unit varied, but the overall financial impact to the City for this group was comparable to the increases for the police and fire bargaining units. Non-union employees are budgeted to receive the same across-the-board increase for 2016/2017 as the union groups (2.75%).

Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel (typically), utilities, asphalt, other materials, and construction costs all affect the City. With the increased cost of providing basic services, there continues to be challenges for the city's financial resources to meet these increasing obligations. Additional costs for operating supplies and services continue to divert dollars that could be used for additional or enhanced services. The Municipal Cost Index (MCI) provides an indication of changes in the costs of materials purchased by municipal governments. The MCI decreased 1.0% between December 2014 and December 2015. Over the past 10 years, however, the MCI increased a total of 22.61% or an average of 2.26% per year. The property tax rate for 2016/2017 is 5.20% lower than the rate 10 years ago and the 2016/2017 property tax revenues are 17.45% higher than 10 years ago (which is significantly less than the MCI 10 year increase of 22.61%).

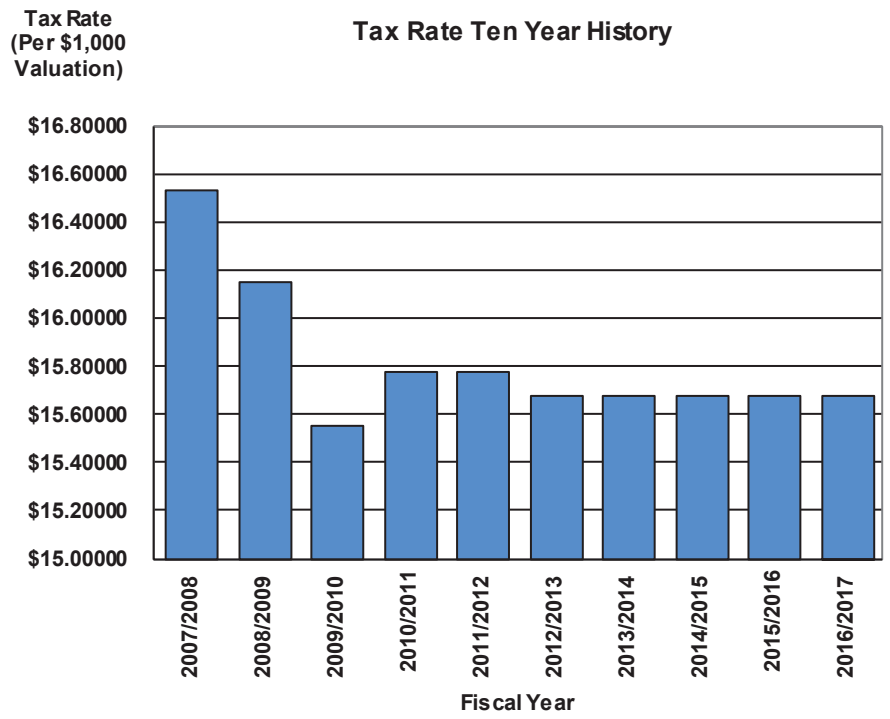
The 2015/2016 budget included an assigned funding allocation of $12,300 to allow for merit increases for fulltime non-union employees. This was the first year of this program which allows for employees in this group to progress above the mid-point of their pay ranges based on merit performance in their positions. The 2016/2017 budget includes $12,300 for the 2nd year of this program. The budget amount is based on an estimated 30% of the fulltime employees in this group being eligible for merit pay of up to 1% of their annual salary.

The 5-year union contracts also provide for increases in health insurance deductibles and out-of-pocket maximums and employee contributions for health insurance. The bargaining units agreed to increase the health insurance deductibles and out-of-pocket maximums from the current $500/$1,000 single and family deductibles and $1,000/$2,000 single and family out-of-pocket maximums to $600/$1,200 deductibles and $1,200/$2,400 out-of-pocket maximums effective January 1, 2016. The three bargaining units also agreed to increase the employee contributions for health insurance from the current 5% to 6% as of January 1, 2017, to 7% as of January 1, 2018, and to 8% as of January 1, 2019. These changes will also apply to supervisory and non-union employees. These increases should assist in reducing future year health insurance costs and related rate increases.

TAX RATE AND BASE

Property taxes continue to be the major revenue source for the City of Muscatine. In 2016/2017, property taxes will represent 32.4% of total city operating revenues. This is a slight increase from the 32.3% in fiscal year 2015/2016. The total tax levy rate for fiscal year 2016/2017 of $15.67209 per $1,000 of

valuation is the same as the total tax rate for 2015/2016, 2014/2015, 2013/2014 and 2012/2013. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2016/2017:



The tax rate decreases for 2008/2009 and 2009/2010 were due to unusually high increases in taxable property valuations of 4.62% and 3.8%, respectively, for those years. This provided the city an opportunity to recover lost economic ground due to previous years' low or insufficient changes in taxable valuations. These higher than average increases in taxable valuation were one factor that led to lowering the City tax rates in each of these years. Additionally, for 2009/2010 the lower tax rate was due to several events in addition to the taxable valuation increasing - pension rates decreased and debt service requirements decreased. Going into 2010/2011 the city faced a different challenge – a net increase in taxable valuation of only 1.58% due to a significant loss in industrial values (down 4.35% for 2010/2011). The two main reasons for the increase in tax rate for 2010/2011 were the increase in the debt service levy for funding capital improvement projects and an increase in the Employee Benefits levy for the required rate increase for police and fire pensions. For 2011/2012 the same total tax rate was maintained and the rate decreased slightly (by $.10/$1,000) for 2012/2013. The tax rates for 2013/2014, 2014/2015, 2015/2016, and 2016/2017 were maintained at $15.67209/$1,000 of valuation, which is the same rate as 2012/2013.

There are six categories that make up the 2016/2017 tax rate:

1. The City's General Fund levy of $8.10 per $1,000 of valuation is the maximum levy permitted by state law. The City has been at this maximum General Fund levy limit since 1991/92.

2. The Transit Levy is $.23071 per $1,000 of valuation, which is a 23.8% decrease in the levy rate ($.072/$1,000 decrease). This is primarily due to reduced fuel costs and reduced bus maintenance costs. An increase in transit fares was also implemented for the 2015/2016 budget which

increased fares for regular routes from $.75 to $1.00 and fares for shuttle service from $1.00 per ride to $2.00.

3. The Tort Liability levy will be $.28031, which is a decrease of 3.0% in this levy ($.009/$1,000 decrease). The City changed to the Iowa Community Assurance Pool (ICAP) for the City's major insurance policies in 2014/2015 and since that time there have been minimal fluctuations in premiums.

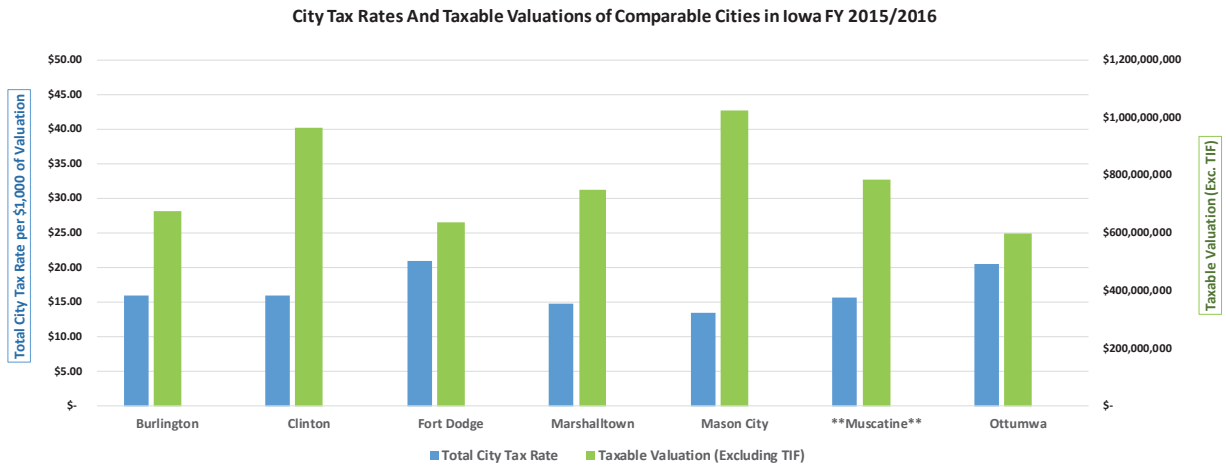
4. The Special Revenue Employee Benefits Levy is budgeted to increase 3.4% to $4.25714 (an increase of $.141/$1,000). This would have been much higher if $192,637 in employee benefits had been funded from the tax levy instead of the General Fund balance. There was also a $78,295 beginning balance in the Employee Benefits fund, which assisted in reducing the amount funded from the General Fund and/or the tax rate.

5. The Debt Service Levy will decrease by .4% to $2.78470 (a decrease of $.012/$1,000).

6. The Levee tax levy will decrease by 71.5% to $.01923 (a decrease of $.048/$1,000). In prior years the City levied the maximum Levee tax levy of $.06750 per $1,000 of valuation which was used towards the city's share of the Mad Creek Levee project costs incurred in prior years and costs of levee certifications. Sufficient Levee tax levy funds have now been collected to fund the prior year Mad Creek Levee project costs which allowed for this levy rate to be lowered.

As noted previously, the City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2016/2017. In 2009/2010 the City levied the maximum Emergency levy rate of $.27/$1,000 of valuation which generated $196,964. For 2010/2011 the City implemented a 2% Utility Franchise Fee on Alliant Energy, the provider of natural gas services in the City. This fee allowed for a reduction in the City's overall property tax rate for 2010/2011, specifically the Emergency Tax Levy rate which was reduced from $.27/$1,000 in 2009/2010 to $.08/$1,000 in the 2010/2011 budget. The Emergency tax levy was eliminated in the 2011/2012 budget. From the 2009/2010 emergency levy, City Council directed that $80,000 be set aside in the Emergency Tax Levy special revenue fund to be available in the case of future revenue shortfalls due to current or future economic conditions or for unanticipated emergency expenditures. Those funds are budgeted to remain in the Emergency Levy special revenue fund in 2016/2017.

The following chart shows City tax rates for the group of seven cities in Iowa "comparable" to the City of Muscatine. The comparable cities shown are the group of similar size, stand-alone, full-service cities in the state. This chart shows the city tax rate and taxable valuations for the current 2015/2016 fiscal year. The information is not yet available for other cities for 2016/2017. City tax levies for this group range from $13.51799 per $1,000 of valuation for Mason City to $20.94436 for Ottumwa. The City of Muscatine's rate of $15.67209 is the third lowest in this group. Taxable valuations range from $599,918,072 for Ottumwa to $1,026,092,831 for Mason City. The City of Muscatine's taxable valuation of $784,443,860 is third highest in this group. Each city sets their own tax rate based on their taxable valuation and the services provided to their residents.



	Burlington	Clinton	Fort Dodge	Marshalltown	Mason City	**Muscatine**	Ottumwa
Total City Tax Rate	$15.93632	$16.00689	$20.94436	$14.76257	$13.51799	$15.67209	$20.53040
Taxable Valuation (Exc. TIF)	$677,305,796	$966,256,537	$636,375,682	$750,464,002	$1,026,092,831	$784,443,860	$599,918,072
Population (2010)	25,577	26,869	25,105	27,569	28,052	22,886*	25,035

*23,819 with annexations

Tax Rates from lowest to highest:

	Tax Rate	Taxable Valuation
Mason City	$13.51799	$1,026,092,831
Marshalltown	$14.76257	$750,464,002
****Muscatine****	$15.67209	$784,443,860
Burlington	$15.93632	$677,305,796
Clinton	$16.00689	$966,256,537
Ottumwa	$20.53040	$599,918,072
Fort Dodge	$20.94436	$636,375,682

Expansion of the existing industrial and commercial tax base as well as attraction of new tax base is key to the financial stability of the City of Muscatine for the future. In this regard, the City Council continues to invest in economic development activities by participating in several programs within the community to promote economic development. A number of these programs are controlled solely by the City of Muscatine and include the establishment and use of tax increment financing (TIF) districts as well as urban revitalization districts and enterprise zones. These financial incentive tools are available through City Council action to provide similar yet different types of financial incentives to encourage expansion of existing and attraction of new business opportunities within the city. In May of 2011 the City Council approved a resolution establishing a new enterprise zone and abatement schedule for a designated area of the City in order to offer tax abatement as an incentive to stimulate job creation and retention, enhance property tax values, and promote industrial revitalization within this area. As noted in the previous section, in May of 2011 the City Council approved a resolution which consolidated and expanded the city's urban renewal policies, projects, and initiatives under a single urban renewal plan and expanded the city's urban renewal area to include the current city boundaries. This action allows the city to pursue using TIF funding for economic development or blight alleviation throughout the city. In 2013 the City adopted policies and incentives to encourage in-fill opportunities and to address blight within the city limits. These polices and incentives include tax abatement incentives for improvements to properties in the City's two historical districts and in designated blighted areas of the City, and tax abatement incentives for new residential home construction in designated areas approved by City Council. In 2014 the City also started a Small Business Forgivable Loan program. The City is allocating $100,000 in TIF funds in both 2015/2016 and 2016/2017 for this program. This program is targeted for small businesses and the maximum forgivable loan is $25,000.

In addition, the City Council continues to provide financial support to the Muscatine Chamber of Commerce & Industry. For fiscal year 2016/2017 the City Council has included $35,000 in the budget to provide this assistance. An additional $3,000 was allocated to the Chamber to assist in hosting visitors from Muscatine's various sister cities and other hospitality-related economic development activities. The City is one of the largest financial contributors to the Muscatine Chamber of Commerce & Industry and the City also provides staff assistance on a variety of projects that are undertaken by this organization on behalf of the community to promote economic development. The City also continues to pursue infrastructure improvements throughout the community to enhance economic development efforts as an active development partner in this process. Continued expansion and improvements of the sanitary and storm sewer systems within the city, extension of sewer and water services to the south end and other areas of the community, continued airport improvements, and overall quality of life projects are but a few examples of the city's continued commitment to enhancing economic and quality of life issues within the City of Muscatine.

In 2016/2017 taxable property valuations increased by 5.44% due to re-valuations by the County Assessor, new growth, and changes in taxable valuations due to changes in the rollback factors for residential and multi-residential properties. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The rollback of regular commercial and industrial valuations remained at 90% for 2016/2017. Multi-residential properties (those with 3 or more living quarters, assisted living facilities, land-leased communities, etc.), however, which had been included in the commercial property category, became a separate property class. Those valuations were rolled back from 90% to 86.25% and will continue to be rolled back over the next seven years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2016/2017 is $33,837,709 which reflects the 86.25% rollback. Industrial property valuations increased by 10.77% for 2016/2017. Commercial values decreased by 7.67%, with this decrease due to separating out the multi-residential properties. If commercial and multi-residential valuations are combined, the overall increase is 7.81% compared to the prior year. Residential property values increased by 3.29%. Actual valuations for residential property increased by 3.42% and there was a .2% increase in the residential rollback (from 55.7335% to 55.6259%). The other smaller categories of properties are railroads, which increased in valuation by 41.51%, and utilities, which decreased by 11.67%. Overall, these factors combined to result in the 5.44% overall increase in taxable valuations. It should be noted, however, that while the taxable valuations increased this year by 5.44%, this significant of an increase is somewhat of an anomaly as it is the highest increase in at least the last 10 years and increases of this magnitude are not expected to continue in upcoming years.

As noted previously, property tax reform legislation approved in 2013 rolled back commercial and industrial property from 100% to 95% in 2014/2015 and further rolled back these valuations to 90% in 2015/2016. This legislation included a provision for the State to provide a reimbursement to cities which is expected to offset a portion of the property taxes which would have been received if not for the new commercial and industrial rollback. For 2016/2017 the State reimbursement to the General Fund is estimated at $325,049 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $9,258 for the Transit levy, $11,249 for the Tort Liability levy, $170,837 for the Employee Benefits levy, $111,749 for the Debt Service levy, and $773 for the Levee levy total to an estimated total reimbursement of $628,915 for 2016/2017. The estimated reimbursement for 2015/2016 is $644,453. The State's allocation for future year reimbursements has been frozen at the 2016/2017 funding level. There is no reimbursement for the rollback on multi-residential properties.

STATE AND FEDERAL FUNDING

The City will continue to rely upon the property taxes generated as the primary funding source for General Fund programs. Reductions in state and federal funding sources have resulted in the continued emphasis on property taxes.

The largest source of funding from the State of Iowa is Road Use Tax funds collected by the State and distributed to local governments for street maintenance and street improvements. Road Use Tax revenues are estimated at $2,870,200 in 2016/2017, which is $512,100 higher than the original budget for 2015/2016. In February of 2015, after the 2015/2016 City budget was adopted, the State legislature approved a $.10 per gallon increase in fuel taxes effective March 1, 2015 which was expected to increase the City's allocation of Road Use Taxes by approximately $400,000 for 2015/2016. This increase has allowed the City to accelerate the street improvements planned for 2016/2017 and future years. Road Use Taxes are distributed to cities on a per-capita basis and the City began receiving increased revenue midway through the 2013/2014 fiscal year due to annexations which added 933 to the City's population.

In 2016/2017 an estimated $270,800 in State funding will also be received for the Transit operation, $20,200 for Airport improvement projects, $80,000 for the Port Development Project study, and $266,800 in State funding is budgeted to be received for the Kent Stein Park to Deep Lakes Park Trail project.

The fiscal year 2016/2017 budget includes an estimated $5,637,290 in federal funding for both operating and capital project costs. This includes the following: $1,991,390 in funding for the Section 8 Housing rental assistance program; $350,800 for operating and capital funding for the city's Public Housing Program; $9,800 for the Home Ownership Education Program; $900,000 in federal funding for the Mulberry Avenue Street improvement project; $87,900 in federal funding for the Cedar Street improvement project; $1,078,600 in FAA funds for airport projects; $214,400 for the CDBG Downtown Revitalization project; $566,400 in federal funding for the Transit operation; $320,900 in federal funding for the Kent Stein Park to Deep Lakes Park Trail project; and $117,100 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2016/2017 budgeted charges for services total $13,861,350 and comprise 30.0% of total operating revenues of the city compared to 30.3% for 2015/2016. These charges primarily involve programs and activities in the city's Enterprise Funds. Fee increases are budgeted for sanitary sewer services, collection and drainage, and Airport hangar rental charges for fiscal year 2016/2017.

Sewer revenues including the separate collection and drainage charges are estimated at $5,767,000 for 2016/2017. Based on previous independent reviews and studies, the city set forth on a course to systematically increase fees for collection and drainage as well as sanitary sewer rates. The purpose was to create sufficient fund balances to address current and future capital requirements for both operations, as well as debt service requirements on the State Revolving Fund Loan used to fund the major plant upgrade completed in 2012. In 2013 the City contracted for the most recent rate study and the resolution adopting the recommended rates was approved by City Council in August of 2013. This resolution set both sewer and collection drainage rates for a 5-year period through June 30, 2018. The new sewer rates reflect annual 3% increases with the first year rates effective September 1, 2013 and thereafter 3% annual rate increases effective July 1, 2014 through July 1, 2017.

Transit fares were increased for the 2015/2016 budget with the fare for fixed routes and night service increasing from $.75 to $1.00 and the paratransit fare increasing from $1.00 to $2.00. Transit charges are estimated at $200,000 for 2016/2017.

Boat harbor slip rental rates are based on boat length. These rates were increased by 2.5% for the 2015 boating season and these rates will remain in effect for 2016/2017.

Golf course fees and sales are estimated at $769,400 for 2016/2017. No fee increase is budgeted for 2016. Golf fees were last increased for the 2014 golf season. The fee increase was needed to provide funds for capital improvements at the course, including replacement of the fairway irrigation system. The 2016 season is the 10th season in which the city has complete operational control of golf services. The operation of the clubhouse had previously been contracted with a golf professional. The city's golf professional is now a fulltime employee and is responsible for managing the golf clubhouse operation. The city also assumed all beverage and golf cart services to maximize the earnings potential for the course. This change has produced positive results both operationally and financially for the city. An indoor golf simulator was purchased in 2010 to be used during winter months as well as during inclement weather during the golf season. The City rebuilt the Golf Course maintenance shop that was destroyed by fire in 2007 using funds from an internal loan. The loan was fully repaid in 2011/2012, three years ahead of the original schedule. Replacement of the fairway irrigation system was completed in 2013 at a total cost of $330,200. A $60,000 down payment was made in 2012/2013 and an internal loan is being used to finance the remaining portion of the project costs. Annual payments estimated at $45,000 will be made from the Golf Course fund to repay this loan. The payment schedule will be accelerated if there is sufficient funding available in the Golf Course fund.

Budgeted transfer station charges for services total $1,945,250 for 2016/2017 based on an estimated 38,000 tons of waste being processed at this facility. The current tipping fee is $60.00 per ton and this rate will not change for the 2016/2017 year. This rate increased from $41 to $60 per ton July 1, 2009 with this increase directly related to the cost of developing new cells at the landfill. In 2009/2010 the city began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualified for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. Additional negotiated industrial contracts were approved in 2010 which assisted in generating new waste for this facility. Revenue from the new negotiated contracts, however, was directed toward the Landfill fund deficit. These negotiated industrial contracts as well as the original industrial contracts were all extended through June 30, 2015 and have subsequently been extended through June 30, 2020. Under the most recent contract extensions the original industrial waste contracts were reduced by $5.00/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

Budgeted landfill charges for services total $1,300,600 for 2016/2017. The landfill rates are incorporated in the transfer station rates with $40.00 of the $60.00 per ton transfer station rate ($25.00 of the $45.00 for industrial contracts) paid to the landfill for material disposed of at that facility. Additional negotiated industrial contracts were approved in the fall of 2010 and have been extended through June 30, 2020 with those revenues directed toward the deficit in the Landfill fund. A fee was also assessed to Solid Waste Management Agency members beginning in 2008/2009 to assist in the overall funding of landfill costs.

The Refuse Collection budget is charged on a tonnage basis for waste collected and disposed of at the transfer station. Refuse Collection charges for services total $2,173,000 for 2016/2017. The Refuse Collection rates were last increased from $18.25 to $20.00 per month for regular residential customers and from $13.25 to $15.00 for senior customers on April 1, 2011 when the City began providing contracted single-sort curbside recycling services to all residential customers. Under the contractual agreement for this service, the City paid the contractor $3.05 per customer per month for this service during the first year of the contract, with this cost increasing to $3.14 April 1, 2012, $3.23 April 1, 2013, $3.33 April 1, 2014, and $3.43 April 1, 2015. The City had cost savings from discontinuing the drop-off recycling program, which offset a portion of the cost for the curbside recycling program. The curbside

recycling contract was recently extended for an additional five years with the per customer per month charge of $3.43 for the first year of the new contract, and subsequent years of $3.53, $3.64, $3.75, and $3.86.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at $1,350,000 for the 2015/2016 revised estimate and $1,381,000 for the 2016/2017 budget with these estimates based on trends in the number of ambulance runs and revenues over the past year. The fee for the basic ambulance service is currently $576, the rate for ALS 1 calls is $684, the rate for ALS 2 calls is $990 and the rate for SCT (Skilled Care Transports) is $1,149. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at $135,000 for 2016/2017. Parking meter rates were last increased from $.20 to $.25/hour for 10-hour meters and from $.30 to $.50 for 2-hour meters for the 2013/2014 fiscal year. These rates will continue in 2016/2017.

PROGRAMS AND SERVICES

The 2016/2017 budget will provide for the continuation of most city services at the current levels. Full-time equivalent (FTE) year-round employees on an entity-wide basis total 223.48 for 2016/2017. This is a net increase of 1.28 in full-time equivalent positions compared to the original budget for 2015/2016. Changes in authorized positions for 2016/2017 and the three previous years are as follows:

2016/2017 (Including Changes in the 2015/2016 Revised Estimate)

- The 2016/2017 budget includes four new firefighter positions. These positions were added due to the increased number of ambulance transport calls.
- A Library staff reorganization resulted in a .54 FTE reduction in Library part-time staffing.
- Community Development part-time staff was reduced by .23 FTE due to a staff reorganization. Effective October 1, 2015, this department no longer has the responsibility for food/grocery permits and inspections, which allowed for this overall reduction.
- One Refuse Collection Driver position will be eliminated when the 2nd automated refuse collection vehicle is placed in service. This is expected to be by the end of December, 2016 which results in a reduction of .50 FTE positions in 2016/2017.
- The Lift Station Supervisor position was eliminated in the 2015/2016 revised estimate.
- There were changes in Housing staffing resulting in an overall .45 FTE staff reduction.

2015/2016

- In the 2014/2015 revised estimate there was a reduction of one police officer position due to grant funding being discontinued for the officer 100% funded from a U.S. Department of Homeland Security grant for the Joint Terrorism Task Force.
- In the 2014/2015 revised estimate there was a reduction of .25 in staffing in the Housing department with a staff reorganization.
- A Communications Manager position was added in the 2015/2016 budget. This position manages the city website, branding and marketing efforts, news releases, and social media. While accounted for in the General Fund, the cost of this position is being evenly allocated to six funding sources.
- An additional 29 hour/week Community Services Officer position was added in the Community Development department. The primary responsibility of this position is to oversee the new rental

housing registration and inspection program. Fees for rental housing registrations are expected to fund the cost of this position.

- The Art Center Aide position was increased from 20 hours/week to 29 hours/week for 2015/2016.
- There were changes in part-time staffing in the Library (.18 FTE reduction) and grant-funded Art Center part-time staffing (.22 increase).

2014/2015

- There was a reduction of one fulltime Refuse Collection Driver. The City is moving to automated refuse collection vehicles as the current vehicles are replaced. These vehicles allow for the refuse collection process to be performed by one person compared to the two required with the regular refuse collection vehicles. A position which became vacant in 2013/2014 was not filled due to this upcoming change.
- There were reductions in part-time staffing in the Library of .13 FTE and Refuse Collection of .10 FTE.

2013/2014

- The part-time Library Security Guard position was eliminated which reduced fulltime equivalent employees by .60.
- One fulltime Plant Operator position was eliminated in the Water Pollution Control Plant Operations budget. Completion of the plant renovation project allowed for 24/7 staffing to be discontinued at the plant.
- There was an increase in part-time hours for housing staff equivalent to a .12 fulltime equivalent addition in staffing.

The projected level of expenditures for the General Fund of $18,784,300 for 2016/2017 is 2.8% ($504,674) above the 2015/2016 budget of $18,279,626. The overall increase in expenditures consists of (1) an increase of $356,100 (3.7%) in salaries and wages, (2) an increase of $326,200 (8.1%) in employee benefit costs, (3) a decrease of $22,000 (2.3%) in commodity costs, (4) a decrease of $79,500 (3.3%) in contractual services costs, (5) an increase of $65,000 (12.1%) in capital outlay costs, and (6) a decrease of $141,126 (19.0%) in transfers and "assigned" funding.

The City first used the "assigned" funding classification in the 2012/2013 General Fund budget. The funding assignments for that year included allocations for a new fire engine, new financial software, and the first annual allocation of $40,000 set-aside to fund the City's obligation to retain the two COPS grant-funded police officers for one year subsequent to the 3-year grant period. The fire engine and the financial software were purchased in 2013/2014. The second and third annual allocations of $40,000 for the COPS grant-funded police officer positions were budgeted in 2013/2014 and 2014/2015.

The 3rd and final year of the COPS grant funding ended in March of 2015. The prior year assigned funding is being used in 2015/2016 to meet the 4th year requirement of the grant agreement. The School agreed to fund the 4th year requirement for 75% of the cost of one officer since this position is being used as a 2nd School Resources Officer in the middle schools. The 2015/2016 budget included City funding for the City's portion of the cost for these officers for the remainder of the 2015/2016 fiscal year after the 4th year requirement is met in March of 2016. The 2016/2017 budget includes City and School funding for the two added police officers (.75 FTE School funded; 1.25 FTE City funded).

The 2015/2016 budget for the first time included an assigned funding allocation of $12,300 to allow for merit increases for non-union employees and that same amount is budgeted for 2016/2017.

The funding "assignments" were made for several reasons: (1) While the General Fund balance and revenues are currently sufficient to fund operations and some capital items, changes by the State legislature could change this significantly in upcoming years. It is proposed that the City only make one-time expenditures from available funds instead of adding recurring costs (staffing increases); (2) Funding the fire engine and Finance software from the General Fund assisted in reducing future year debt service requirements. In prior years, sufficient funding would not have been available in the General Fund and these items would likely have been funded from bond proceeds; (3) Setting aside funds for the future COPS grant obligation lessened the impact on the General Fund for the required 4th year of funding for those officers.

The 2016/2017 budget for the General Fund of the City of Muscatine provides an expenditure level to fund most core services at essentially the same level as in previous years for most departments.

Although there are no full-time staff reductions in General Fund departments planned for 2016/2017, the effects of prior year reductions continue to be experienced in the respective departments. Prior year staff reductions affected most departments and have reduced full-time equivalent (FTE) employees in the General Fund by 12 from 170 in 2001/2002 to 158 in 2016/2017. There has always been a precarious balance between the desire to address community "needs and wants" and the availability and distribution of increasingly scarce financial resources. The City has been forced to adjust to the reduced levels of revenues by eliminating positions through the various departments of the city over the past fifteen years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2016/2017 budget continues to provide for a variety of essential and non-essential public services. In 2010/2011 the City contracted with GATSO, USA to install and operate Automatic Traffic Enforcement (ATE) cameras at five intersections in the community. This system has improved traffic safety in those areas at minimal or no cost to the Police department. The Police department budget continues to include two School Resource Officer (SRO) positions with one in the high school and one in the middle schools, both of which receive 75% funding from the Muscatine Community School District. The two police officer positions assigned to the Drug Task Force will continue in 2016/2017. These positions are partially funded from federal grants.

The City of Muscatine continues to provide Emergency Medical Services (EMS) including ambulance services through the Fire department. Firefighters continue to provide paramedic level services as well as firefighting services to the community.

Public Works programs and service levels in the areas of roadway maintenance, snow and ice control, street cleaning, traffic control, and engineering have been maintained for fiscal year 2016/2017. Major Public Works projects scheduled for construction in 2016/2017 include Mulberry Avenue improvements from Houser Street to the Bypass, the Kent Stein Park to Deep Lakes Park Trail, the start of the reconstruction of the Mississippi Drive Corridor from the Mississippi River Bridge to Grandview Avenue, and continuation of the West Hill Sewer Separation project.

The Refuse Collection budget continues to provide for the contracted single sort curbside recycling program which began in April, 2011. As of that date, the former recycling drop-off locations were discontinued. The 2014/2015 budget included funding to begin the transition to an automated refuse collection program for residential waste. This program involves providing standard waste bins to customers and purchasing automated refuse collection vehicles which can be operated by one person instead of the two-person crews needed for the current vehicles. A "pilot" area was designated in 2013/2014 as a trial area for this program. For the pilot program tippers were added to the current refuse trucks and bins were provided to residential customers in the trial area. In 2014/2015 the first automated

refuse collection vehicle was ordered and additional refuse bins were purchased to phase in the next group of customers. The first automated refuse collection vehicle was delivered and placed in service in December of 2015. The 2nd automated vehicle will be ordered in 2015/2016 and is expected to be delivered by the end of December, 2016. Additional refuse bins are included in both the 2015/2016 and 2016/2017 budgets which will complete the capital purchases needed to fully implement this program.

Leisure time service activities include a wide variety of activities that reach a cross section of the community through the Library, Art Center, Museum, Golf Course and a comprehensive system of parks, recreation programs, the aquatic center, boat harbor, and soccer facility.

The City will continue its commitment toward effective planning and community development efforts. In 2013 the Community Development department completed the process for developing a new citywide comprehensive plan incorporating Iowa's Smart Planning Principles. This plan was adopted by the City Council on September 19, 2013. The Community Development department recently completed the new Five Year Capital Improvements Plan and this plan was adopted by City Council in February of 2016. This department is also in the process of updating the City's zoning ordinance.

The city's Housing department operates the 100-unit Clark House Senior Citizen Facility, the 50-unit low and moderate income family Sunset Park Project, and the 50-unit Hershey Manor senior citizens facility operated by the city through a management contract with the Hershey Manor Board. In addition, the city is assisting low and moderate income individuals and families with rent subsidies through the federal Section 8 Housing Choice Voucher program.

The city continues to pursue storm and sanitary sewer renovation and extension programs. In 2007 the city signed a Consent Order with the Environmental Protection Agency (E.P.A.), which requires the city to complete specific major sewer separation projects by 2028. The city completed the Hershey Avenue area sewer separation work in 2011/2012 which leaves the West Hill area as the remaining area yet to be completed. The cost of the West Hill sewer separation project is estimated to reach or exceed $50 million and this project will be done in multiple phases. This project will be funded in part by the 1% local option sales tax that was first approved by the voters in May 1994, renewed by the voters in August 1998, and again approved by voters in January 2004. On August 12, 2008, voters again approved extension of this tax for an additional ten years with a minimum of 80% of the tax to be used for storm and sanitary sewer projects with the balance to be used to fund the ongoing costs to maintain streets at a higher level as provided for in the Pavement Management Program. The first phase of the West Hill Sewer Separation project began in 2012 and was completed in the fall of 2013. The second phase began in the summer of 2013 and was completed in December of 2014. Bids for the third phase of the project were received in March of 2015. This contract provides for three phases of improvements to be completed in calendar years 2015, 2016, and 2017.

In recent years, the city through Federal Aviation Administration (FAA) grants completed various airport improvements including extending the primary runway, constructing a parallel taxiway, installing lighting, acquiring additional real estate, providing for a complete overlay of the existing main runway, construction of a crosswind runway and turnaround area, and construction of a parallel taxiway for the crosswind runway. The grant applications for these projects were made in accordance with the city's overall Master Plan for improvements at the airport. Airport projects budgeted for 2015/2016 and 2016/2017 include rehabilitation of runway 6-24, update of the Airport Layout Plan, construction of a T-hangar connector road, and an update to the Airport zoning ordinance. The runway rehabilitation project is estimated at $4.2 million and FAA grants will fund 90% of the cost of the project. The update of the Airport Layout Plan will also receive 90% FAA funding and the T-hangar connector road and airport zoning ordinance projects will receive 85% funding from State grants. The airport will continue to serve the community for both recreational and business-related activities in 2016/2017.

For fiscal year 2016/2017 the city will continue to provide support for several non-profit service organizations within the community. Despite limited city resources, the City Council has remained committed to assisting these groups as best they can. These agencies provide valuable services to the entire community. For 2016/2017 the City Council chose to continue financial contributions for the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Convention and Visitors Bureau (CVB), the Muscatine Humane Society, and Senior Resources. The subsidies to GMCCI and Senior Resources were maintained at the same levels as 2015/2016. The subsidy to the Muscatine Humane Society was increased from $60,000 to $65,000. The subsidy for the CVB is budgeted at $88,500 for 2016/2017; the actual subsidy however, will be 25% of actual hotel/motel tax receipts for 2015/2016 per the City's agreement with the CVB. The 2015/2016 budget for the first time included a $25,000 subsidy to the Muscatine Center for Social Action's (MCSA's) Homeless Prevention Program. This same funding amount has been included in the 2016/2017 budget. The subsidy, however, will be reduced if any grant funding is secured for this program.

Operating expenditures budgeted for all city operations for 2016/2017 total $41,991,087, which is an increase of $1,229,704 (3.0%) from the fiscal year 2016/2017 level of $40,761,383. Operating revenues for the city total $46,130,232 compared to $44,409,167 for 2015/2016, an increase of $1,721,065 (3.9%). Capital project expenditures are estimated at $10,932,400 for the 2015/2016 revised estimate and $16,321,600 for 2016/2017.

FUND BALANCE AND BUDGET POLICY ISSUES

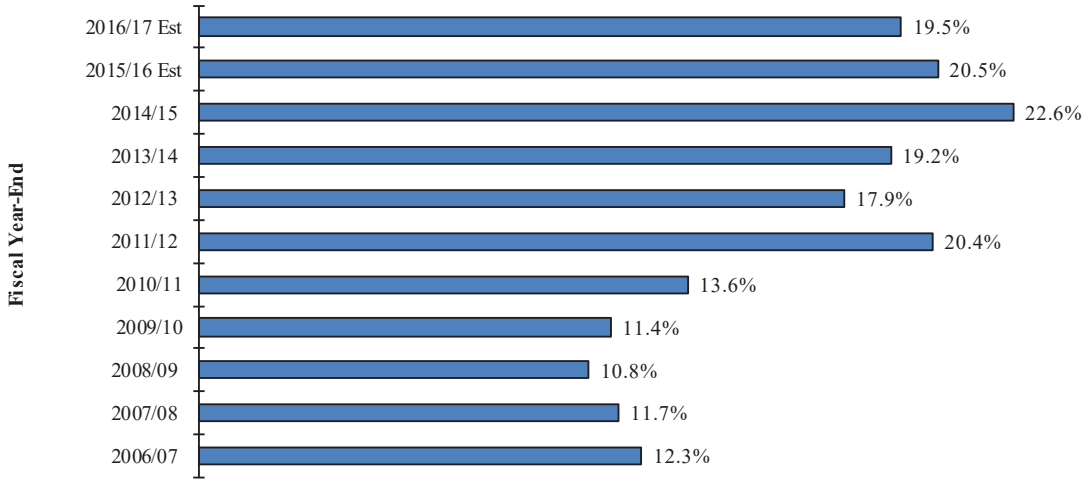
The 2016/2017 budget presents beginning balances, revenues, transfers in, expenditures, transfers out, and ending fund balances for each city fund. Fund balance for budgeting purposes is defined as the funds remaining after the application of available resources to support expenditures of each fund. For governmental funds, fund balance is the difference between assets and liabilities of each fund. For enterprise and internal service funds, fund balance for budget purposes, is presented on a basis consistent with the budgets presented for governmental funds. Expenditures include capital outlay purchases and principal and interest due during the budget year on debt obligations. In this regard, the *budgetary* basis for enterprise and internal service funds differs from the *accounting* basis used to prepare the comprehensive annual financial report for the city. Additional information on the basis of budgeting and accounting for the various city funds can be found in the "Fund Structure Overview and Basis of Accounting and Budgeting" section later in the Introductory Section of the budget.

The city's Operating Budget/Expenditure Policy provides that a balanced budget be presented each year for City Council consideration and approval. The policy defines balanced budget as one in which expenditures will not exceed estimated resources and revenues. This in effect provides that expenditures be less than the beginning fund balance of each fund plus revenues for the year. For 2016/2017 balanced budgets were presented to and approved by Council for all funds with the exception of the Transfer Station, Refuse Collection, Golf Course and Marina Enterprise funds and the Equipment Services Internal Service fund. The Refuse Collection fund deficit is due to capital costs to implement the City's automated refuse collection program for residential customers. This deficit is expected to be eliminated in 2017/2018 when the savings from the automated refuse collection program is fully realized. The deficit in the Transfer Station fund was discussed previously and it is due to all of the revenue from the negotiated industrial contracts being credited to the Landfill fund. This will be reviewed with the Landfill Committee at a future meeting. The deficits in the Golf Course, Marina, and Equipment Services funds are due to inventories in those operations. In prior years there was also a deficit in the Landfill fund due to costs for development of new landfill cells at this facility. This deficit was eliminated in 2014/2015.

As in prior years, one of the key components of the City's budget process is developing a General Fund balance that provides the city with the necessary funds to carry it through its first three months of

operation of each fiscal year before property tax collections are disbursed by the county as well as provides adequate reserves for unforeseen circumstances or events. This is necessary for the fiscal integrity of the General Fund. In 2013 the City's minimum General Fund balance policy was updated from the previous 10% of General Fund expenditures level to two months of General Fund expenditures, which is equivalent to 16.7%. The City Council has made efforts in recent years to incrementally increase the General Fund balance as shown in the following graph.

Fiscal Year-End General Fund Balances as a Percent of Expenditures



The 2009/2010 General Fund ending balance was 11.4% of expenditures. This increased to 13.6% at the end of 2010/2011, 20.4% at the end of 2011/2012, 17.9% at the end of 2012/2013, 19.2% at the end of 2013/2014, and 22.6% at the end of 2014/2015. The decrease in 2012/2013 was a planned decrease with funds used for one-time capital items including a new fire engine and new financial software. The target General Fund balance when the 2015/2016 budget was developed was 18.5%. The 2015/2016 revised estimate ending fund balance is 20.5%. The ending balance for the 2016/2017 budget is 19.5%, which meets the new minimum General Fund balance policy. The decrease from the 2014/2015 22.6% to the 2015/2016 revised estimate of 20.5% is due to the budgeted use of $148,500 of the General Fund balance for a one-time capital allocation for a new ambulance. While the 2016/2017 budget was "balanced" by using $66,637 of fund balance, revenues have been budgeted conservatively and departments traditionally expend less than their full budget allocations, and it is expected that there will likely not be a General fund balance decrease or the decrease will be less than the amount budgeted.

The City's effort to increase the General Fund balance is in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considered the previous minimum of 10% fund balance requirement to be "relatively narrow" and that higher reserve levels may be appropriate for challenges to the city's financial operations. The increases in the General Fund balance in recent years and City Council formally updating the City's minimum fund balance policy demonstrates Council's commitment towards the goal of increasing the General Fund balance. The importance of the General Fund balance integrity is reaffirmed when the city issues debt for various community projects. When undergoing a financial review by outside rating agencies in advance of bond issuance, the current fund balance in the General Fund reflects on the City's overall financial management and is probably the single most important factor in maintaining the City's bond rating. The rating received at the time of the city's 2014 bond issuance was Aa2 under Moody's current rating scale. This was the same rating as assigned for the 2012 bond issue. The Moody's rating will again be reviewed in April 2016 prior to the May 2016 bond issue.

CAPITAL IMPROVEMENTS AND OTHER LONG-TERM FINANCIAL PLANS

Capital Improvements Plan

The operating budget will again be supplemented with an aggressive Five Year Capital Improvement Plan. In February of 2016 the City Council approved the resolution to adopt the current Five Year Capital Improvement Plan for fiscal years 2015/2016 through 2019/2020. Elected officials, citizens, and city staff participated in the development of this Plan and a public hearing was held prior to the Plan's adoption. This Plan is a document separate from the city's budget and can be accessed from the city's website. The Plan's capital project summary schedules, however, listing all Plan projects as well as summary schedules by fiscal year and by department have been included in the Capital Projects section of this budget document in order to provide a correlation between these two documents. During the annual budget process, this Plan is used to determine capital improvement projects to be included in the budget for the upcoming year. A number of projects in this Plan are subject to the receipt of federal, state, or local grant funding. As such, projects in the Plan may be accelerated or deferred based on funding availability. The projects in the 2015/2016 revised estimate and 2016/2017 budget are projects which have approved funding sources. If outside funding is awarded for projects in the Plan but not yet in the adopted budget, the City will make the appropriate amendments to the current or upcoming budget.
In addition to the project summary schedules from the Five Year Capital Improvements Plan, the Capital Projects section of this budget document includes descriptions of all projects under construction in 2015/2016 and those to be initiated in 2016/2017. Also included in the Capital Projects section are estimated costs for these projects on a fiscal year basis.

The major emphasis in the city's Capital Improvements Plan for 2016/2017 and upcoming years will continue to be upgrading of the City's streets and sewer systems, downtown improvements, airport improvements, building and facility improvements, and improvements at the city's Water Pollution Control Plant.

In 2007 the city began a Comprehensive Pavement Management Program to upgrade the City's overall street conditions. Funding allocations of $1 million for calendar year 2007 and $2 million each for calendar years 2008 and 2009 were used to complete the initial upgrade. These initial costs were funded with general obligation bond proceeds. Thereafter an annual allocation of at least $500,000 is needed to maintain the streets at this higher level. The ongoing annual maintenance of the improved streets began in 2010 with these costs funded from the 20% allocation of local option sales taxes as provided for in the voter referendum in 2008 for the local option sales tax extension. This 20% allocation is estimated at approximately $500,000 annually and this amount has been included in the budget for 2016/2017. In addition, beginning in March of 2015 there are increased Road Use Tax funds available to supplement the local option tax funding for street improvements due to the $.10 per gallon increase in fuel taxes effective March of 2015.

In addition to the Pavement Management Program, construction has recently been completed on two major street reconstruction projects - the Colorado Street reconstruction project and the heavily-traveled portion of Cedar Street from Parham to Houser Street. Federal grants funded a portion of the cost of these projects with bond proceeds, road use taxes, and the pavement management portion of Local Option Sales Taxes funding the local share of project costs.

Engineering design is nearing completion and construction is scheduled for 2016 for Mulberry Avenue improvements from Houser Street to the Bypass. Engineering design is also underway for the Mississippi Drive Corridor reconstruction from the Mississippi River Bridge to Grandview Avenue with construction scheduled to begin in the spring of 2017. The Mulberry Avenue project will be funded from a federal

grant, bond proceeds, and Road Use Taxes. The Corridor project will be funded from the $13 million in Transfer of Jurisdiction funds received from the State when responsibility for this corridor was transferred from the State to the City. The Railroad will also fund a portion of the Corridor project costs.

Sewer improvements continue to be identified as a high priority by City Council. In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. In 2008 voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. Construction on the second and final phase of the Hershey Avenue sewer improvement project was completed in 2011/2012. This was a major project mandated by the Consent Order. The remaining project in the Consent Order is the separation of the combined sewer in the West Hill area. This will be a lengthy project to be done in multiple phases over the next twelve years. The total cost for all phases of this project is expected to reach or exceed $50 million. Construction on Phase I of the project began in the summer of 2012 and was completed in the fall of 2013. Phase II of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase III of this project were received in March of 2015. This contract provides for three phases of improvements to be completed in calendar years 2015, 2016, and 2017.

Engineering design is in progress for a High Strength Waste Receiving Station at the Water Pollution Control Plant (WPCP). Construction of this project is scheduled for 2016/2017 and the project will be funded from the Plant Replacement Reserve. The 2016/2017 budget also includes funding for the design of the future year Biogas to Fuel project at the WPCP.

Several significant building and facility improvements are included in the 2015/2016 and 2016/2017 budgets. These include Art Center HVAC improvements, Art Center windows and building envelope improvements, and roof replacements and tuck-pointing improvements for several public buildings. Proceeds from the 2016 bond issue will fund a substantial portion of the cost of these projects with $200,000 in contributions assisting in funding a portion of the Art Center improvements.

Other capital projects included in the 2016/2017 budget include the Downtown CDBG Revitalization project, the Kent Stein Park to Deep Lakes Park Trail, and the Airport Runway 6-24 Rehabilitation project. More information on individual capital projects can be found in the Capital Projects Fund section of the budget document.

Landfill Deficit Reduction/Elimination Plan

In the fall of 2010, the City approved a long-term plan for the landfill to substantially reduce or eliminate the accumulated deficit in this fund over the next five-six years. This plan was developed as a result of meetings of a Chamber appointed committee which included designated business leaders, city staff, a member of the Solid Waste Agency, and others, to discuss methods other than flow control which would increase waste volume and revenues to the Landfill. This plan was also discussed in the Key Issues section of this Budget Message in the “Landfill, Transfer Station, and Refuse Collection Fund Deficits” section. The deficit in the Landfill fund was eliminated in 2014/2015, one year ahead of the plan schedule. Funds are being accumulated in 2015/2016 and 2016/2017 to fund construction of the next landfill cell. The goal was to have the deficit eliminated and have a positive fund balance by the time the next cell needs to be constructed. It is currently estimated that construction on the next cell will need to begin in 2017.

City Comprehensive Plan

The City adopted a new comprehensive plan in September of 2013. The City's Five Year Capital Improvement Plan (discussed above) was based on elements included in the new comprehensive plan. The City's zoning ordinance update is in process and is scheduled to be completed in 2016. Public forums were held to receive input from the community on the new comprehensive plan and the Five Year Capital Improvement Program and will also be held for the update to the zoning ordinance.

Long-Term Future Debt Financing Plan

The City, working with Public Financial Management (PFM), the City's financial consultant, has developed a long-term future debt financing plan. This plan shows annual debt requirements for existing general obligation debt and the related actual or estimated debt service tax levy rates. This schedule also calculates the amount of future year debt which can be issued without impacting the debt service tax rate. Based on this schedule, the City is scheduled to issue $3,280,000 in property tax funded debt in May of 2016 with this bond issue funding the local share of the Mulberry Avenue improvement project, the local share of the Airport improvement projects, and the various building and facility improvements discussed above. The City has traditionally issued bonds every other year to assist in financing projects in the Capital Improvements Plan.

BUDGET DOCUMENT

The information in this budget document is generally organized on a fund basis. The State of Iowa requires city budgets be prepared on a fund and function basis with expenditures classified into nine functional areas – General Government, Public Safety, Culture and Recreation, Public Works, Community and Economic Development, Health and Social Services, Debt Service, Capital Projects, and Business-Type Activities. The Introductory Section includes the city's Financial Management Policies, budget calendar, city organizational chart, and entity-wide budget overview charts, which immediately follow this budget message. These are followed by operating budget summary schedules for major funds and non-major funds combined, budget summary schedules for all operating funds, property tax schedules, and major revenue sources schedules. The Operating Budget by Function Matrix included with the budget summary schedules for city operating funds, reflects how expenditures of each fund and activity are classified into the functional areas. Department organizational charts conclude the information in the Introductory Section. Several of the department organizational charts include activities in more than one fund of the city so they have been included in the Introductory Section rather than the fund information which follows.

SUMMARY

The preparation of the fiscal year 2016/2017 budget involved an overall team effort by city staff and City Council. With the continued uncertainty that affects financial conditions in the state and the community, the challenge to continue high levels of service is one that city staff and Council must approach together. Decisions on the level of service to be provided throughout the community have generated and will continue to generate much discussion, especially when financial resources are limited and there is demand for services to be maintained at the same level or increased. The city will continue to look toward cooperative efforts between other governmental agencies in order to provide the best overall level of service to the community as a whole. However, it is important to be realistic in the expectations of the level of services as they match against the financial resources needed to provide for them. At some point the city will have to recognize it cannot provide all of the levels of service that are demanded by its citizens unless additional funding sources are identified to fund the cost of these additional services. Faced with this situation, elected representatives are forced to choose and prioritize levels of service in

the community. Given that almost every service the city provides has a constituency base, future decisions are sure to draw criticism from those affected groups. It is unfortunate but it is a fiscal reality that this and other cities will have to grapple with well into the future. With strong leadership from the Mayor and City Council and a commitment to improve the quality of life in the community, the city staff looks forward to working with elected representatives and the citizens of Muscatine.

It is my pleasure and honor to serve this community and to work as a team with its elected officials and city staff members to provide the highest level of service to the community that is possible. The most significant assets the city has are the dedicated individuals who work for it. Without their dedication and professionalism, the services enjoyed by this community would be far less. Also the dedication and time the elected officials put forward in the preparation of the city budget as well as their responsibilities throughout the year is a testament to their commitment to the community and citizens who elected them. Thank you to city staff, department heads, the Finance department, and to our elected officials for their respective hard work and long hours in putting this 2016/2017 budget together. A special thank you to Nancy Lueck, Finance Director, and LeAnna McCullough, Accounting Supervisor, for their long hours of budget preparation, compilation, and assistance with this document.

Respectfully submitted,

Gregg Mandsager, City Administrator

CITY OF MUSCATINE
FINANCIAL MANAGEMENT POLICIES

The following financial policies have been developed to provide guidance to the City's financial management system. The 2016/2017 budget for the City of Muscatine was prepared based on these policies where possible. The City's intent is to support a sound and efficient financial management system which best utilizes available resources and provides an acceptable service level to the citizens of Muscatine. The following statements are not intended to restrict the City Council's authority in determining service needs and/or activities of the City. These financial policies do not limit the City Council's ability and responsibility to respond to service delivery needs above or beyond these policies. The City Council as a policy making group is still accountable for the efficient and responsive operation of the City.

Revenue Policy

1. The City will initiate efforts to maintain a diversified and stable revenue system in an attempt to avoid short run fluctuations in any one revenue source.

2. Annual revenues will be estimated by an objective, and whenever possible analytical process.

3. Existing revenue sources will be re-examined annually with new revenue sources investigated during the annual budget preparation process.

4. Revenues will be estimated at a level to fund estimated expenditures on an annual basis. Revenues may exceed expenditures if the fund balance of any fund needs to be increased to meet minimum balance requirements. Additionally, surplus fund balances may supplement revenues in order to fund estimated expenditure levels.

5. Property tax revenue collections will be established through a tax levy rate for general operations which will not generally exceed the Municipal Cost Index and Consumer Price Index of the previous year. This increase will not include levy collections due to natural growth of the City but will include any state mandated equalization orders.

6. In relation to enterprise funds which have been established to support expenditure levels, user fees and charges will be established to fund direct and indirect costs of the activity whenever feasible. Exceptions include, but may not be limited to, the public transportation system and airport operations.

7. User fees in other governmental areas such as recreational services will be established at a level to support actual costs of adult activities and for other groups at a level which will not inhibit participation by all.

8. All user fees and charges will be re-evaluated on an annual basis during the budget preparation process.

9. One-time or special purpose revenues such as grant funds will be utilized to fund capital expenditures or expenditures required by that revenue. Such revenues will not be used to subsidize reoccurring personnel, operating, and maintenance costs.

10. The City will on a continuous basis seek methods to reduce the City's reliance on the property tax through seeking legislative support for local option taxes, investigating additional non-property tax revenue sources, and encouraging the expansion and diversification of the City tax base with commercial and industrial development.

Operating Budget/Expenditure Policy

1. The City Administrator will compile and submit to the City Council a balanced budget by the first Monday in February of each year.

2. The balanced budget will reflect expenditures which will not exceed estimated resources and revenues. Routine expenditures will not be greater than the previous year's expenditure level by more than the estimated annual percentage increase in the cost of living. The Municipal Cost Index and Consumer Price Index will be used as a basis for the cost of living.

3. The operating budget for the City will be developed and established on a service level basis. Any additions, deletions and/or alterations in the operating budget will be related to services to be provided to the general public.

4. The operating budget will emphasize productivity of human resources in providing services, efficient use of available revenue sources, and quality of services to be provided.

5. New service levels will be considered when additional revenues or offsetting reductions of expenditures are identified, the new services fall within the broad framework of the City operation, or when such services are mandated by the State of Iowa or the federal government.

6. Current City expenditures will be funded by current revenues unless specifically approved by the City Council.

7. The City will avoid the postponement of current expenditures to future years, accruing future years revenues, or utilization of short term debt to fund operating expenditures.

8. The operating budget will provide funding for the on-going maintenance and replacement of fixed assets and equipment. These expenditures will be funded from current revenues and, in the case of replacement of equipment, surplus fund balances in excess of the minimum working balance reserve.

9. Within the operating fund a reserve will be set aside for unforeseen emergencies. This reserve will be maintained at one percent of the operating budget as a minimum.

10. The budget will provide adequate funding for all retirement systems as prescribed by state law.

11. A working fund balance for general operations will be maintained in order to support expenditures prior to the collection of taxes. The working balance will be at least two months of budgeted operating expenditures for the General Fund which is equivalent to 16.7 percent of the budgeted level of expenditures. See separate detailed General Fund Balance policy adopted November 7, 2013.

12. Each year the City will revise current year expenditure projections during the succeeding year's budget preparation process. Costs of operating future capital improvements included in the capital projects budget will be included in the operating budget.

13. The City will participate in a risk management program to minimize losses and reduce costs. This program will also protect the City against catastrophic losses through the combination of insurance, self-insurance, and various federal and state programs.

14. The City will maintain a budgetary control system to monitor its adherence to the approved operating budget.

15. The City administration will prepare monthly expense and revenue reports comparing actual revenues and expenditures to budgeted amounts.

Capital Improvement Budget Policy

1. The City will make all capital improvements in accordance with the adopted Capital Improvement Program except for emergency capital improvements which are deemed necessary by the City staff and approved individually by the City Council.

2. Capital improvements will be identified on the basis of long range projected needs rather than on immediate needs in order to minimize future maintenance, replacement, and capital costs.

3. All capital improvements proposed will be submitted to the Planning Commission for their review and consideration. Their recommendation, in addition to staff's recommendation, will be submitted to the City Council for approval as the capital improvement plan for the City.

4. A capital improvement program will be developed for a five-year period and updated annually.

5. Estimated costs of each capital improvement projected for each year will be included in the plan.

6. Revenue sources for each capital improvement will be identified in the plan whenever possible.

7. Intergovernmental funding sources from the federal, state, and private sector will be actively sought and used as available to assist in financing of capital improvements.

8. Future operating costs associated with the capital improvement will be projected and included as a memo item in the Capital Improvement budget.

9. During the initial stages of a particular capital improvement but no later than the public hearing for the capital improvement, revenue sources to fund the capital improvement and estimated project costs including incidental costs will be approved by the City Council.

Debt Administration Policy

1. The City will limit its long-term borrowing to capital improvements or projects which cannot be financed from current revenues or for which current revenues are not adequate.

2. Long-term borrowing will only be utilized to fund capital improvements and not operating expenditures.

3. The payback period of the bonds issued to fund a particular capital project will not exceed the expected useful life of the project.

4. The City will attempt to keep the average maturity of general obligation bonds at or below 10 years.

5. The City will maintain its debt limitation at 5 percent of actual property valuation as mandated by the State of Iowa.

6. Of the debt margin for general obligation bonds, 40 percent will be reserved for emergency purposes.

7. Whenever possible, special assessment, revenue, and/or general obligation bonds abated by enterprise revenues will be issued instead of general obligation bonds funded by property tax.

8. For those general obligation bonds issued and funded by property taxes, debt service and interest payment schedules shall be established whenever possible in such a manner to provide equalization of debt and interest payments each year for the life of the total outstanding general obligation bonds.

9. The City shall encourage and maintain good relations with the financial and bond rating agencies and prepare any reports so requested by these agencies. Full and open disclosure on every financial report and bond prospectus will be maintained.

Investment Policy

1. The City will make at least weekly a cash flow analysis of all City funds.

2. Disbursements of funds, collections of revenue, and deposit of such revenues will be scheduled to insure the maximum availability of funds for investment.

3. Where permitted by law, cash shall be pooled from separate funds in order to maximize investment yields. Interest earned from such pooling will be credited to each source of invested monies.

4. The City will obtain the maximum possible return on cash investments utilizing federal securities and/or local security purchases whichever yield the highest interest income.

5. Investments of City funds shall be accomplished first through the competitive bidding process by the invitation of bids to local banks and the Iowa Public Agency Investment Trust (IPAIT). If the interest rate offered by local banks and IPAIT do not fit the requirements of the City, investments shall be made in federal securities or any other higher yielding securities as authorized by the State of Iowa.

6. City checking accounts shall be established as interest bearing accounts according to the provisions of banking services agreements and as specifically restricted by state law and/or federal regulations unless a particular situation necessitates noncompliance with this provision.

7. The accounting system will provide regular information regarding the investments of the City and a quarterly report will be submitted to the City Administrator.

8. An annual report describing the activity of investment purchases will be submitted to the City Council at the end of each fiscal year.

Financial Reporting Policy

1. The City will establish and maintain a high standard of accounting practices and procedures which adhere to the concept of full and open public disclosure of all financial activity.

2. The accounting system will be maintained on a basis consistent with accepted standards for governmental accounting.

3. Monthly financial reports which represent a summary of financial activity for the City will be presented to the City Council on a regular basis.

4. The City will contract with an independent public auditing firm to perform the annual audit.

5. The independent public accounting firm will publicly issue an audit opinion regarding the financial statements of the City. This annual audit will be made available to the general public, bonding and financial consultants, and any other interested citizens and organizations.

6. The annual financial statements and accompanying audit opinion will be completed and submitted to the City Council by the 15th of December following the close of the preceding fiscal year.

City of Muscatine, Iowa

General Fund Balance Policy

Adopted November 7, 2013

Purpose of Policy

The purpose of this policy is to establish a key element of the financial stability of the City by setting guidelines for the General Fund balance. The Unreserved/Unassigned General Fund balance is an important measure of the City's financial stability. It is essential that the City maintain adequate levels of General Fund balance to (1) mitigate financial risk that can occur from unforeseen revenue fluctuations, (2) fund unanticipated expenditures including those which may result from natural or other disasters, (3) provide cash flow liquidity to fund expenditures throughout the fiscal year, and (4) demonstrate financial strength to credit rating agencies who assign bond ratings at the time general obligation bonds are sold. Credit rating agencies determine the adequacy of the unassigned fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the City's rating. Other important factors are the reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

Definitions

Fund Balance. The difference between assets and liabilities in governmental funds of the City, including the General Fund, is Fund Balance.

The Governmental Accounting Standards Board (GASB), that establishes financial reporting rules for governments, separates fund balance into five classifications that comprise a hierarchy based primarily on the restrictions placed on the funds.

1. **Nonspendable**. This classification represents funds that are inherently nonspendable. Resources that must be maintained intact pursuant to legal or contractual requirements are nonspendable, as well as assets that will never convert to cash such as inventory or prepaid items

2. Restricted. These funds are limited by externally enforceable limitations on use. This includes limitations from the entity providing the money, such as grantors. Also, this classification includes funds with limitations placed by law or enabling legislation.

3. Committed. Funds in this classification are those with limitations the government places on itself. The purpose of these funds is decided by Council action and also requires Council action to change the purpose.

4. Assigned. Assigned fund balance has limitations based on the intended use of the funds. The assigned use can be established by the City Council, the City Administrator, or Finance Director. This classification includes outstanding purchase orders, funds assigned for future equipment purchases, funds assigned for future grant commitments, and similar items.

5. Unassigned. Residual net resources, or the balance after restricted, committed, and assigned, are classified as unassigned fund balance. This is the amount of fund balance that is available to address emergencies and provide fiscal stability. This is the classification governed by this Fund Balance Policy.

Minimum Fund Balance Policy

The Government Finance Officers Association of the United States and Canada (GFOA) recommends that cities of any size maintain an unrestricted/unassigned General Fund balance of no less than two months of regular general fund operating revenues or expenditures, whichever is more predictable. For the City of Muscatine expenditures have historically been used to make this computation since expenditures vary less throughout each fiscal year. Two months of expenditures is equivalent to a fund balance of 16.7% of General Fund expenditures and this is the level targeted to be the new minimum General Fund balance at the end of each fiscal year.

The City Council during each budget review process may consider setting a ***budgeted*** ending balance less than the minimum percent noted above. It is suggested this be no less than 15% of budgeted General Fund expenditures but can be evaluated on a year-to-year basis by City Council. This can be considered since historically in all recent years the actual ending General Fund balances have exceeded the estimates developed during the budget process.

General Fund balances in excess of the minimum level, up to 20-25%, would further add to the financial stability of the City and allow more latitude in addressing revenue or expenditure fluctuations, disaster situations, and demonstrate credit worthiness to bond rating agencies. City Council, as a part of the budget process, can also choose to use fund balances above the minimum level for one-time capital purchases to reduce the amount of debt and resulting interest costs to be incurred by the City.

Other Policy Provisions

Maintaining Fund Balance. In the event that the unassigned general fund balance is calculated to be less than the policy states, the City shall plan to adjust budget resources or expenditures in the subsequent fiscal year(s) to restore the balance.

Utilization of Fund Balance. Except in extraordinary circumstances, unassigned fund balance should not be used to fund any portion of the ongoing and routine operating expenditures of the City. It should be used primarily to respond to unforeseen emergencies, to provide cash flow, and to provide overall financial stability.

Extraordinary circumstances can include significant revenue fluctuations (i.e. State legislative changes limiting property taxes, limiting automatic traffic enforcement (ATE) use, etc.). In the event that use of unassigned fund balance is necessary to provide a short-term solution to maintaining essential services, the City will evaluate current and future economic conditions to evaluate the extent of expenditure reductions or revenue increases that would be needed to achieve day-to-day financial stability and restore the fund balance.

Administrative Responsibilities. The Finance Director shall be responsible for monitoring and reporting the City's various fund balance assignments. The City Administrator is responsible for making recommendations to the City Council on the use of any unassigned fund balance above the minimum level as an element of the annual operating budget process and from time to time throughout the year if the need arises.

Annual Report. The Finance Director shall annually submit a report to the City Council outlining the status of the City's various components of the fund balance. This is to be included with the fiscal year-end financial report to City Council.

CITY OF MUSCATINE

FUND STRUCTURE OVERVIEW
AND
BASIS OF ACCOUNTING AND BUDGETING

FUND STRUCTURE OVERVIEW:

The accounting system and the budget appropriation process are structured according to the basic guidelines established by the Government Finance Officers Association of the United States and Canada. The format includes the basic funds and fund types which follow.

The City's governmental funds are as follows:

General Fund - This fund accounts for all transactions of the city that pertain to the general administration of the city and the services traditionally provided to its citizens. This includes general administration, police and fire protection, streets, public building operations and maintenance, and parks and recreation.

Special Revenue Funds - These funds are utilized to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for as separate funds. For the City of Muscatine these funds include the Road Use Tax Fund, Local Option Sales Tax Fund, Municipal Housing Program Funds, Equipment Replacement Fund, Computer Replacement Fund, Employee Benefits Fund, Emergency Tax Levy Fund, Tax Increment Funds, Community Development Block Grant Fund, Small Business Forgivable Loan Program Fund, Police Forfeiture Fund, and Police Grant Future Funding Commitment Reserve. While the City continues to budget several of these funds as Special Revenue funds, the Emergency Tax Levy, Equipment Replacement, Computer Replacement, and Police Grant Future Funding Commitment funds are included as part of the City's General Fund on fiscal year-end financial statements as required by Governmental Account Standards Board (GASB) Statement 54.

Debt Service Fund - This fund accounts for the accumulation of revenues for and payment of principal and interest on general obligation long term debt.

Capital Projects Fund - These funds are utilized to account for financial resources to be used for the acquisition or construction of capital facilities or other major fixed assets.

The City's business-type funds include the following:

Enterprise Funds - These funds are utilized to account for operations and activities that are financed and operated in a manner similar to a private business enterprise, and where the cost of providing goods and services to the general public on a continuing basis is expected to be recovered primarily through user charges. The City has also established Enterprise Funds when it was advantageous to segregate revenues earned and expenses incurred for an operation for purposes of capital maintenance, public policy, management control, or accountability. Enterprise Funds for the City include the Water Pollution Control, Collection and Drainage, Solid Waste Management Funds, Airport Operations, Parking Operation,

Transit Operations, Golf Course, Boat Harbor, Marina, Ambulance, and Convention and Visitors Bureau (CVB) Funds.

Internal Service Funds - These funds are established to finance and account for services and/or commodities furnished by one department or agency to other departments or agencies of the city. The Internal Service Funds of the City are the Equipment Services, Health Insurance, and Dental Insurance funds.

The City's other funds include the following:

Former Expendable Trust Funds – Although reflected in this budget document as trust funds, these former expendable trusts are now reflected in the City's fiscal year-end financial statements as either special revenue funds or as part of the General Fund. These funds are used to account for assets held by the City in a trustee or custodial capacity where both the principal and interest may be expended for purposes in the trust agreement. Budgeted Trust funds which are now considered Special Revenue funds in fiscal year-end financial statements include the Library Trust Fund, the Art Center Trust Funds with the exception of the McWhirter-Gilmore Trust, and the Perpetual Care Interest Trust. With the implementation of GASB Statement 54, the Insurance Trust is now considered part of the City's General Fund in fiscal year-end financial statements.

Permanent Funds – These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs. These funds were formerly classified as non-expendable trust funds. The Permanent Funds of the City include the Perpetual Care Fund, the McWhirter-Gilmore Art Center Trust and the Cemetery Special Trusts.

Accounting for financial activities of the City and the budget appropriation process are also presented according to classifications required by the State of Iowa. Revenues are credited to individual fund types while expenditures/expenses are recorded according to functional areas within specific funds for budgetary control purposes. All of the City's funds, with the exception of the Equipment Services Internal Service Fund, are considered appropriated funds according to the criteria established by the State. This budget document was prepared according to these criteria. The following functional areas are included in the budget:

General Government - This function provides for the operation of the government and assures the general administration of the municipality. Activities included in this function are mayor and council, legal services, city administrator, human resources, wellness program, finance, information technology, risk management, and buildings and grounds.

Public Safety - This function provides for services to reduce the amount and effects of external harm to individuals and damage to property, and in general to promote an atmosphere of personal security from external events. The police, animal control, and fire activities are included in this function.

Culture and Recreation - This function promotes the general well being of the City and encourages the fullest development of cultural and educational potentials of the citizens in the community. This function includes the activities of library, art center, parks and recreation, and cemetery.

Public Works - This function provides for safe and well-maintained infrastructure for the City. Activities included in this function are public works administration, roadway maintenance, snow and ice control, street cleaning, traffic control, and engineering.

Community and Economic Development – This function provides for planning and development of the City including the social, physical, and economic needs of the City. Activities included in this function are Community Development, Economic Development, the Section 8 Housing Program, and the Tax Increment Funds.

Health and Social Services – This function provides for assistance to service agencies involved in providing health and social services in the community. For the City, this function includes the Economic Well-Being activity.

Debt Service – This function provides for the accumulation of resources for and the payment of principal and interest on long-term debt of the City.

Capital Projects – This function provides for the acquisition or construction of major capital facilities or equipment for the City.

Business-Type Activities – This function includes activities of the City that are financed in whole, or in part, by fees charged to external parties for goods or services. These activities are accounted for as enterprise funds and include the Airport, Transit, Parking, Golf Course, Boat Harbor, Marina, Ambulance, Convention and Visitors Bureau, Refuse Collection, Landfill, Transfer Station, Water Pollution Control, and Collection and Drainage funds.

BASIS OF ACCOUNTING AND BUDGETING:

The City of Muscatine uses the modified accrual basis of accounting to budget and account for transactions of the governmental funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available) and expenditures are recognized when the fund liability is incurred. For the City's proprietary funds the City uses the accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when the liability is incurred. The City prepares the budgets for proprietary funds consistent with this basis except that capital outlay items are included in the budget and depreciation is excluded.

The City prepares its budget on a basis consistent with generally accepted accounting principles except that the City also recognizes encumbrances for budgetary purposes. Encumbrances include supplies ordered but not yet received, and services contracted but not yet expended by the City. Encumbrances are charged against a budget or appropriation for accounting purposes. Accordingly, expenditures/expenses in this document include encumbered expenditures/expenses. Encumbrances do not lapse at year-end and provide authorization for expenditures/expenses for the following year.

The City appropriates funds for capital projects on a fiscal year basis. The Capital Projects section of this document includes descriptive information on each project with estimated costs and financing sources. Included on separate schedules are project cost estimate listings by fiscal year for both the revised 2015/2016 and upcoming 2016/2017 fiscal years.

CITY OF MUSCATINE
BUDGET PREPARATION CALENDAR
Fiscal Year July 1 - June 30

	Operating Budget	Capital Improvements Budget
October	Finance Department prepares budget guidelines and preparation packet	
	Goal setting session by City Council	
November	Finance Department distributes to departments budget manual and other materials	
December	Departments meet with Boards and Commissions and develop budget requests	
	Budget requests submitted to Finance Department	
	Budget discussions with City Administrator, Finance Director, and department heads begin	
January	Discussions with department heads, Finance Director, and City Administrator continue	
February	Proposed City Budget presented to City Council	
	City Council in-depth review of department operating budgets	
March	Public hearing on proposed operating budgets	
	City Council approval of operating budget by resolution	
	Certification of City Budget to County Auditor	

	Operating Budget	Capital Improvements Budget
April		Community Development Department prepares guidelines and forms for revision to 5-year Capital Improvements Program (revised annually)
May	Proposed budget amendments presented to City Council	Procedures for adding or revising capital improvement projects distributed to departments
	Public hearing on proposed amendments	
	City Council approval of amendments to current year budget by resolution	Capital Improvement requests submitted to Community Development Department
June		Proposed Capital Improvement package including possible funding sources forwarded to Planning & Zoning Commission
		Discussion and review of proposed program by Commission
July		Meetings of Planning & Zoning Commission and departments regarding projects, i.e., scope, need, and available funding
August		Planning & Zoning Commission recommendation to City Council
		City Council discussion of proposed program
September		Public hearing by City Council regarding capital improvement program
		City Council approval of program by resolution

BUDGET PREPARATION PROCESS

The preparation of the City of Muscatine's budget involves the interaction of City departments, boards and commissions, City Council, and the general public. This process begins with City Council goal setting and the distribution of materials to departments and is completed with City Council certification of a budget for the upcoming fiscal year.

The City's budgetary process began nine months prior to July 1st, the beginning of the City's fiscal year. The City Council held a special meeting on October 27, 2015 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on December 3, 2015. Department directors incorporated funding in their department budgets or in related capital project funds to achieve these goals and objectives.

Boards and commissions consisting of individuals from the community also assisted City staff during the budget process and made recommendations to the City Council regarding various services and activities of the City of Muscatine. There are three boards and seven advisory commissions consisting of sixty-four individuals that serve the City in this capacity.

In early November, the budget manual and appropriate worksheets were distributed to department heads. The budget manual provided general information and gave specific directions on the budget process. The City's procedures included completion by each department of various forms which were described in detail in the manual. The City of Muscatine's budgetary process is on the City's computer system and this system was used to generate the historical data forwarded to the departments. The department's responsibilities included the review of the historical data in respect to services to be provided to the citizens of Muscatine by the department. Personnel and wage information was provided by the Finance Department. The department head reviewed the information to determine what level of appropriation would be required to provide the current level of services. Any additional service levels proposed to be provided to the general public at the request of departments, the City Administrator, or City Council, were developed separately and independently from the status quo budget. The additional service level requests were reviewed in-depth during the budgetary process, and if appropriate, added to the department's request.

Additionally, while analyzing expenditure requirements in order to support current service levels, each department was also requested to establish goals and objectives for the upcoming fiscal year. These goals and objectives related to the service levels currently provided by the individual department or activity. A status report on the current year's goals and objectives was also required by the City Administrator and these reports were also forwarded to the City Council as attachments to the proposed budget. In addition to the funding requests to continue current service levels, the budget material included a form to indicate where each department would reduce their budget, if necessary, by 1%, 3%, or 5%. These percentage reductions were in the non-capital outlay or non-debt line items. This allowed departments to prioritize their services in the event that funding reductions would need to be made.

Additionally, the City Administrator, at the initial budget meeting of the City Council, described the overall taxing mechanism for the City of Muscatine in addition to potential revenue sources. The presentation included a brief overview of proposed financing of capital improvement projects and corresponding debt service requirements. This meeting provided the citizens of Muscatine with knowledge on how the City of Muscatine's services are provided through appropriations and funded by available revenue sources. All agendas for the budget meetings were distributed to the local media, posted on the City’s website, and the City received news coverage of the budget meetings from the local newspaper and radio station.

Department requests for appropriations were submitted to the Finance Department for initial review by December 11th. The departments had consulted with the appropriate boards and commissions in developing their budget requests. The department heads met with the City Administrator and Finance Director during the remainder of December and the first part of January regarding the proposed budgets. The City Administrator discussed with the respective department head the goals and objectives of each department prior to analysis of expenditure levels. Concurrently, the Finance Department prepared revenue estimates from input from the respective departments. Each department was required to submit revenue estimates for their activities. The Finance Department estimated general revenues such as those from the State and Federal government, and lastly determined the City of Muscatine's taxing ability. A preliminary budget was discussed with the City Administrator. This preliminary budget reflected the budget requests as submitted by the departments and as adjusted by the City Administrator in addition to revenue projections for the City.

Additional departmental discussions were required due to funding sources not meeting expenditure requests. These meetings occurred during the month of January. Additional service level requests were also considered at that time in addition to consideration of possible areas of reductions. The City Council has established a certain level of working balance for the City, and consequently that balance needed to be maintained and expenditures funded from available revenue sources.

The City Administrator presented to the City Council a proposed budget on January 28, 2016. The City Council received a packet of information which included the budget message from the City Administrator, various schedules dealing with taxation and property valuations, in addition to the proposed revenue and expenditure summary and detail schedules. Copies of the initial proposed budget as presented to the City Council were available at the City Clerk's office, the public library, and the City's website for citizen review.

The summary information for each department included a history of financial data in addition to a revised estimate for the current year and the proposed budget for fiscal year 2016/2017. Additionally, a brief description of the activity was presented which included any other related information for the department. Any changes from the current year to the proposed year were also noted. Also included were the goals and objectives and performance measures for each department.

The month of February was primarily devoted to discussions with the City Council. The City Administrator and Finance Director reviewed each activity budget with the City Council. Appropriate board or commission members were invited to attend as well as the respective department representatives. Members of the boards and commissions were given the opportunity to relate to the City Council their concerns and requests. Furthermore, discussions occurred in regard to the availability of Federal and State grants and the financing of capital improvement projects. A section in the notebook provided to the City Council addressed debt service requirements and the utilization of Federal and State funds. As mentioned previously, the City Council received a status report on the goals and objectives for each department for the current year in addition to the goals and objectives for the forthcoming year. These sessions, as in the case of the goals and objective sessions of the City Council, were open to the general public.

After the general budget meetings, the City Council met to discuss the City's services and items of concern for the operation of the City. This discussion included the balancing of requests and potential revenue sources. The City Council identified items that they had previously discussed which were to be considered as additions or deletions to the proposed budget. The City Council then had the task of weighing certain services or activities within the organization in light of available resources. After the City Council had agreed upon a proposed level of services and corresponding appropriation level, the Council set the required public hearing for the budget. Notice of the hearing was made in the local newspaper and a summary of proposed expenditure and revenue levels was included in that publication. According to State law, the tax rate and the total expenditures cannot be increased after publication of the public hearing notice. During the public

hearing, citizens were given the opportunity to voice their objections or support of the proposed budget as presented. After the public hearing, the City Council considered any comments made and acted upon the approval of the budget.

The City Council officially approved the budget on March 3, 2016 and authorized the City Clerk by resolution to certify the budget to the County Auditor by March 15, which is the State filing deadline. After certification, the budget was reviewed by staff and detailed information changed in light of City Council discussions. The budget was subsequently printed and made available for distribution. The budget document then becomes a guide for the City Council and departments during the year for achieving the goals and objectives, and providing programs and services as described in the budget.

BUDGET AMENDMENT PROCESS

The State Code of Iowa provides that "A city budget as finally adopted for the following fiscal year, becomes effective July 1st, and constitutes the city appropriation for each program and purpose specified therein until amended as provided in this section. A city budget for the current fiscal year may be amended for any of the following purposes:

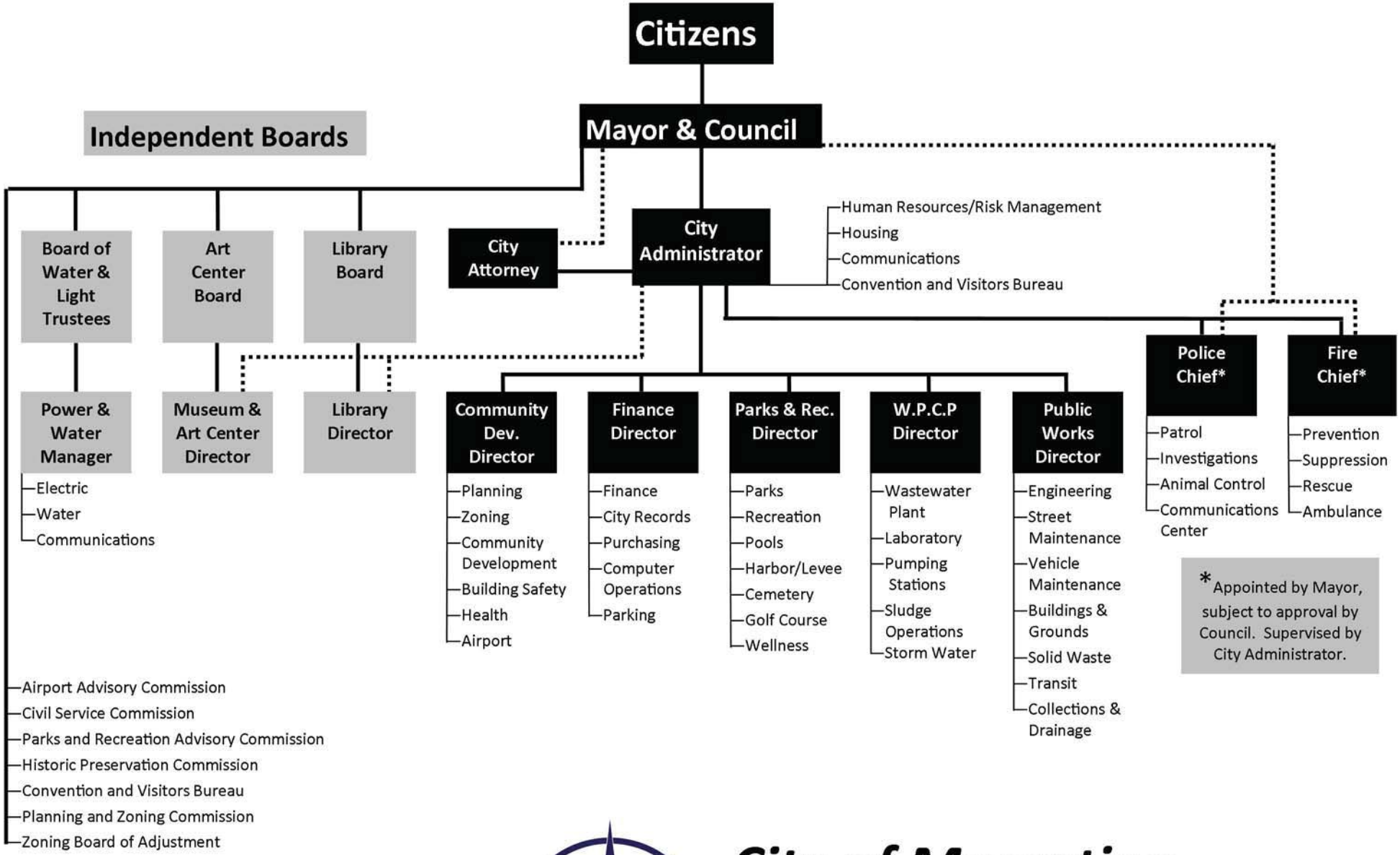
1. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

2. To permit the appropriation and expenditures of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.

3. To permit transfers from the Debt Service Fund, the Capital Improvements Reserves Fund, the Emergency Fund, or other funds established by state law to any other city fund unless specifically prohibited by state law.

4. To permit transfers between programs within the General Fund. The budget amendment must be prepared and adopted in the same manner as the original budget, ..."

Consequently, according to state requirements, a public hearing is required for each amendment of the current year's budget. The information supplied to the City Council and general public includes the public hearing notice and a detailed listing of proposed amendments by department. Each proposed amendment is described as to its purpose or need. A budget amendment is to be completed by May 31st of each year in order to allow time for a potential hearing to be held. The decisions from protest hearings need to be rendered before June 30, the end of the fiscal year. Any amendment of the budget after May 31st, which would be appealed, and likewise without adequate time for a hearing and decision before June 30, is considered void.



MUSCATINE

City of Muscatine Organizational Structure

CITY OF MUSCATINE

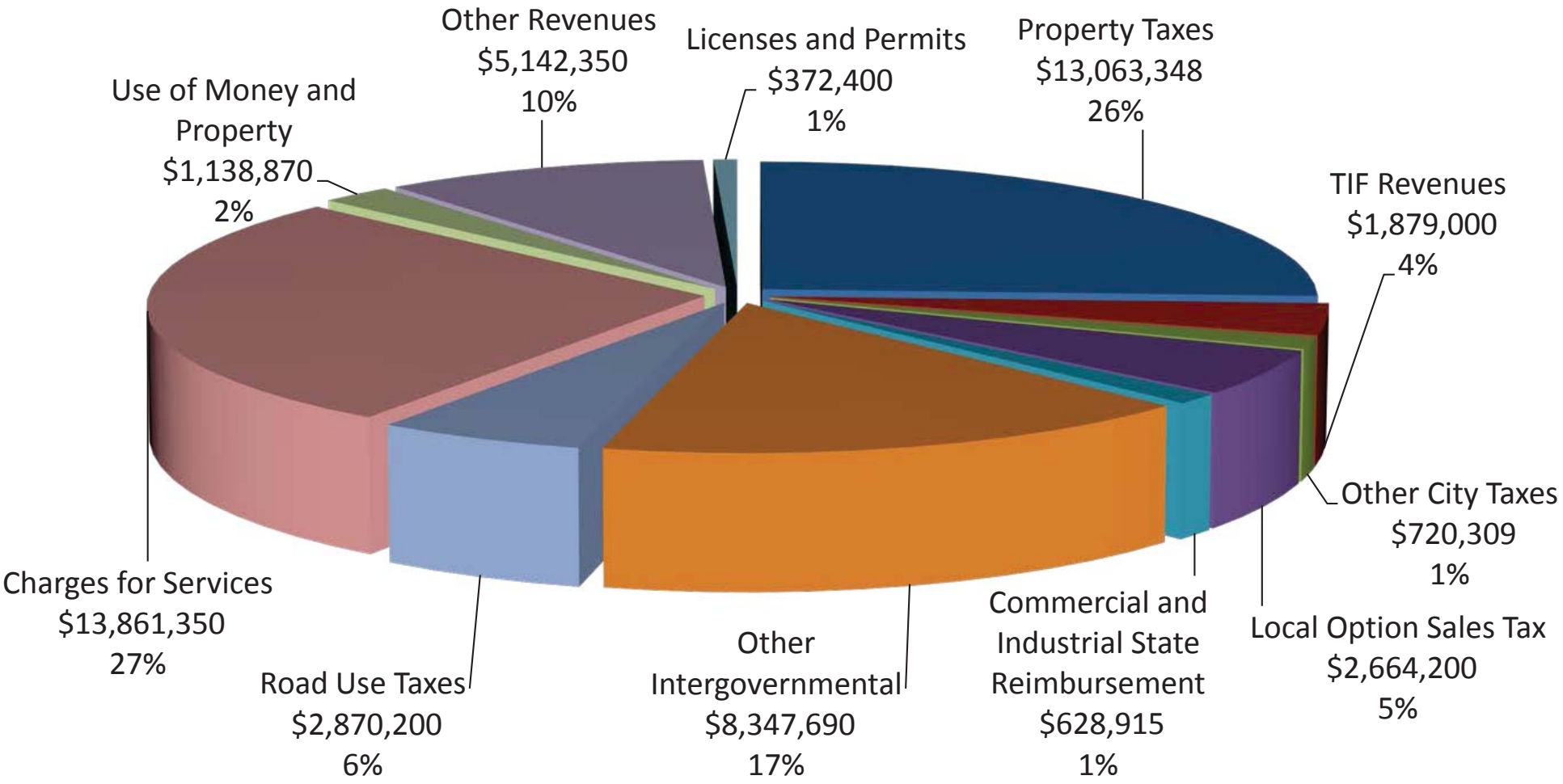
ENTITY-WIDE BUDGET OVERVIEW 2016/2017

ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

PROPERTY TAX RATE INFORMATION

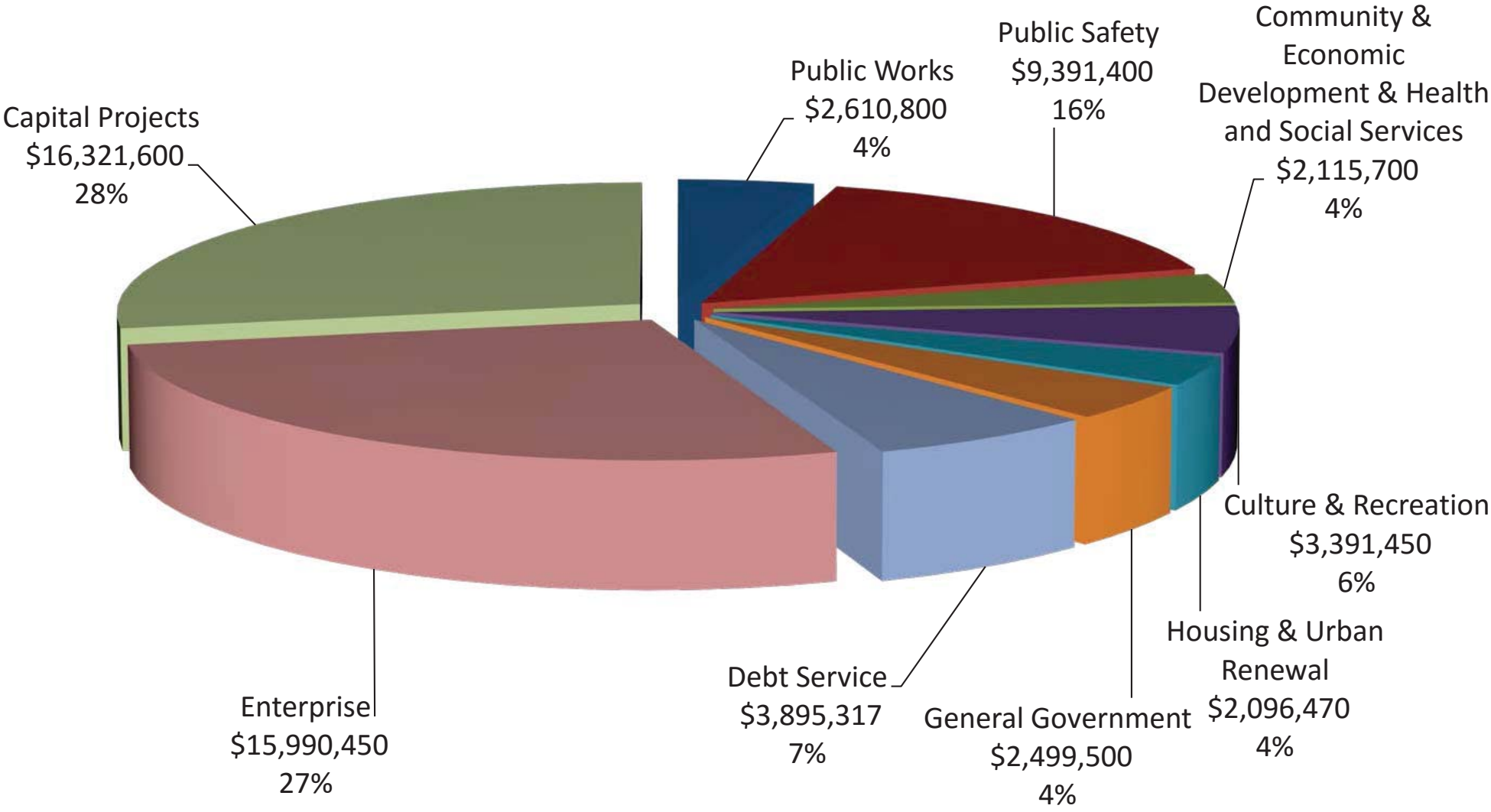
Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)
Budget 2016/2017 - $50,688,632



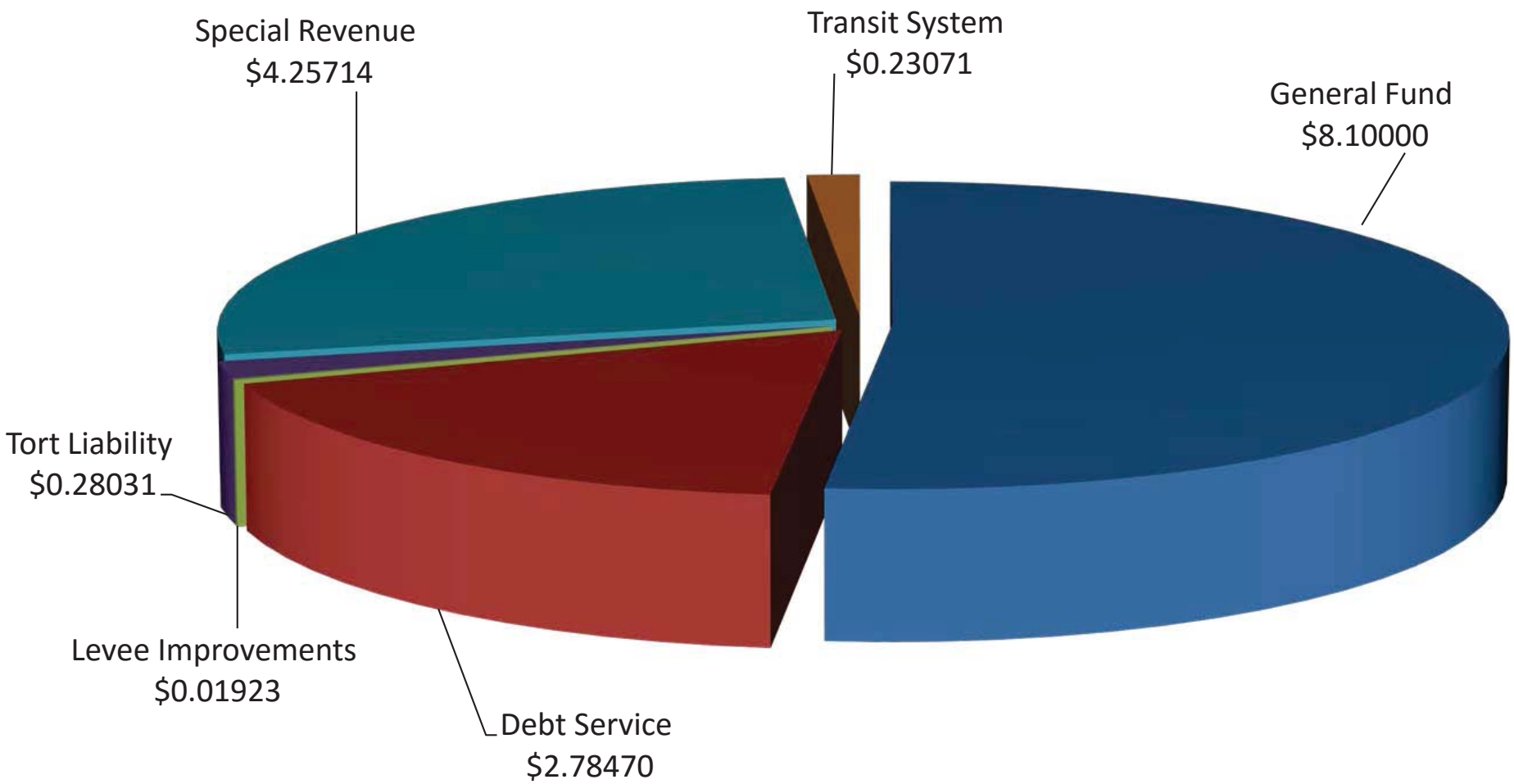
How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)
Budget 2016/2017 - $58,312,687



City Tax Levy Rates by Type

FY 2016/2017
Total $15.67209/$1,000 Valuation



Where Do Your Property Taxes Go?

Above tax levy rates reflect fiscal year 2015/2016 rates totaling $40.84594 per $1,000 valuation
Tax levy rates for fiscal year 2016/2017 for the School & County are not yet available

BUDGET SUMMARY SCHEDULES

INDIVIDUAL MAJOR FUNDS

AND

NON-MAJOR FUNDS COMBINED

Major Fund Information

Beginning with the City's Fiscal Year 2002/2003 Comprehensive Annual Financial Report, financial information has been presented for Major and Non-Major Funds for both governmental fund types and business-type/enterprise funds. This change was effective when the City implemented Governmental Accounting Standards Board (GASB) Statement 34.

Major funds are defined as those in which the fund's assets, liabilities, revenues, or expenditures for the fiscal year are 10% or more of the respective governmental or business-type fund totals of assets, liabilities, revenues, or expenditures. In addition, the fund's assets, liabilities, revenues, or expenditures must also be at least 5% of the total of these same categories for both governmental and business-type funds combined. A City's General Fund is always considered a major fund, even if it would not meet the above criteria.

For Fiscal Year 2014/2015 the City's major operating funds were determined to be:

Governmental Funds:
- General Fund
- Employee Benefits Special Revenue Fund
- Local Option Sales Tax Special Revenue Fund
- Debt Service Fund

Business-Type/Enterprise Funds:
- Water Pollution Control Fund
- Transfer Station Fund
- Refuse Collection

These funds are described and historical information is presented for these funds in their respective sections of this budget document. These funds are expected to continue to be the City's major operating funds for future year budgeting and financial reporting purposes.

City of Muscatine
Operating Funds - Major Funds and Non-Major Funds Combined
Budget Summary

	Major Governmental Funds				Major Business-Type/ Enterprise Funds				
	General	Employee Benefits	Local Option Sales Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection	Other Non-Major Funds	Total
Projected Beginning Balance, July 1, 2016	$ 3,734,592	$ 78,295	$ 25,003	$ 96,062	$ 1,782,215	$ (66,099)	$ (232,706)	$ 13,414,895	$ 18,832,257
Revenues and Other Sources									
Property Taxes	$ 7,110,963	$ 3,506,036	$ -	$ 2,446,349	$ -	$ -	$ -	$ 1,879,000	$ 14,942,348
Other City Taxes	697,799	13,609	2,664,200	8,901	-	-	-	-	3,384,509
Licenses and Permits	353,900	-	-	-	1,500	-	-	17,000	372,400
Intergovernmental	798,529	170,837	-	111,749	-	-	-	6,287,290	7,368,405
Charges for Services	685,800	-	-	-	4,477,000	1,945,250	2,173,000	5,824,200	15,105,250
Use of Money and Property	155,600	-	1,000	500	1,500	21,000	100	899,170	1,078,870
Other Revenue	1,490,400	-	-	-	71,300	9,500	4,600	3,546,550	5,122,350
Other Financing Sources									
Transfers In	7,423,677	-	532,840	203,050	-	39,900	-	3,214,825	11,414,292
Total Revenues and Other Sources	$ 18,716,668	$ 3,690,482	$ 3,198,040	$ 2,770,549	$ 4,551,300	$ 2,015,650	$ 2,177,700	$ 21,668,035	$ 58,788,424
Funds Available	$ 22,451,260	$ 3,768,777	$ 3,223,043	$ 2,866,611	$ 6,333,515	$ 1,949,551	$ 1,944,994	$ 35,082,930	$ 77,620,681
Expenditures and Other Uses									
Public Safety	$ 9,183,700	$ -	$ -	$ -	$ -	$ -	$ -	$ 207,700	$ 9,391,400
Public Works	2,610,800	-	-	-	-	-	-	-	2,610,800
Health and Social Services	45,000	-	-	-	-	-	-	-	45,000
Culture and Recreation	3,151,300	-	-	-	-	-	-	240,150	3,391,450
Community and Economic Development	782,500	-	-	-	-	-	-	3,384,670	4,167,170
General Government	2,421,500	-	-	-	-	-	-	78,000	2,499,500
Debt Service	-	-	-	2,670,447	-	-	-	1,224,870	3,895,317
Business Type/Internal Service	-	-	-	-	2,844,300	2,024,600	2,090,600	10,281,250	17,240,750
Other Financing Uses									
Transfers Out	589,500	3,768,777	3,199,700	-	2,066,325	35,600	-	8,029,950	17,689,852
Total Expenditures and Other Uses	$ 18,784,300	$ 3,768,777	$ 3,199,700	$ 2,670,447	$ 4,910,625	$ 2,060,200	$ 2,090,600	$ 23,446,590	$ 60,931,239
Projected Ending Balance, June 30, 2017	$ 3,666,960	$ -	$ 23,343	$ 196,164	$ 1,422,890	$ (110,649)	$ (145,606)	$ 11,636,340	$ 16,689,442
Increase (Decrease) in Fund Balance	$ (67,632)	$ (78,295)	$ (1,660)	$ 100,102	$ (359,325)	$ (44,550)	$ 87,100	$ (1,778,555)	$ (2,142,815)
Percent Change in Fund Balance	-1.8%	-100.0%	-6.6%	104.2%	-20.2%	-67.4%	-37.4%	-13.3%	-11.4%
Percent Ending Fund Balance of Expenditures	19.5%	0.0%	0.7%	7.3%	29.0%	N/A	N/A	49.6%	27.4%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to decrease by $67,632 (1.8%) during fiscal year 2016/2017. The budgeted ending balance is 19.5% of expenditures for the year. In November of 2013 the City Council adopted a new General Fund balance policy which provides that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget for 2016/2017 with the ending balance of 19.5% of General fund expenditures more than meets this new minimum fund balance target amount.

While the General Fund budget for 2016/2017 shows the General Fund balance at 19.5% of expenditures, the budget is being "balanced" with $67,632 of General Fund balance. This is the amount that the estimated 2016/2017 expenditures exceed the estimated revenues. While the budget reflects this reduction in fund balance, the City budgets revenues conservatively and department expenditures are generally less than their approved budgets and it is expected that the actual ending balance should exceed the amount budgeted.

Employee Benefits Special Revenue Fund:

This fund accounts for a separate tax levy which funds employee pension and benefit costs for General Fund employees. Each year the City projects employee benefit costs when setting this levy. Due to prior year employee benefit costs being less than budgeted, there will be an estimated $78,295 beginning fund balance for 2016/2017. The Employee Benefits tax levy for 2016/2017 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2016/2017. This resulted in the zero balance budgeted in this fund at the end of 2016/2017, which is the balance normally budgeted.

Local Option Sales Tax:

The City has had a one percent local option sales tax since July 1, 1994 with the majority of the proceeds from this tax used for sewer improvement projects. In 2008 voters approved continuation of this tax for a 10-year period with 80% of this tax to be used to continue sewer improvement projects and 20% for the City's pavement management program. The balance in the Local Option Sales Tax fund is budgeted to decrease by $1,660 (6.6%) to $23,343 in 2016/2017. This balance represents the estimated unspent funds in the pavement management portion of the local option tax as of the end of 2016/2017. The sewer portion of the tax is being used to fund the West Hill Sewer Separation project. This multi-year multi-phase project, with a total cost estimated to reach or exceed $50 million, is the final sewer separation project mandated in the City's Consent Order with the Environmental Protection Agency (EPA). Phase 3-B of the West Hill Sewer Separation project is scheduled for construction in calendar year 2016 and 3-C in calendar year 2017.

Debt Service Fund:

The City sets the debt service tax levy at a level to fund annual debt service requirements on tax-supported general obligation bond issues. A fiscal year 2016/2017 beginning balance of $96,062 is projected in this fund. This was in part due to the prior year refunding of two debt issues which resulted in savings in interest costs. The balance in the Debt Service fund is budgeted to increase

by $100,102 (104.2%) to $196,164 in 2016/2017. Of this increase, $100,000 is assigned for the principal payment due in 2017/2018 on the 2016 bond issue. This is part of the debt structuring recommendation by Public Financial Management (PFM), the City's financial consultant, to enhance the marketability of the bonds and at the same time keep the debt service tax levy rate at approximately the same level in 2017/2018.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by $359,325 (20.2%) in 2016/2017. The fund balance decrease is due to a one time increase of $500,000 in the transfer to the Plant Replacement Reserve to provide sufficient funding for the High Strength Waste Receiving Station project. The 2016/2017 budgeted ending balance is 29.0% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance deficit of $66,099 in 2016/2017. That deficit is projected to increase by $44,550 to a $110,649 deficit fund balance by the end of 2016/2017. As noted in other sections of the budget, Transfer Station fees include funding for the landfill. A significant portion of the Transfer Station fees are passed on to the Landfill which has resulted in the deficit fund balance in the Transfer Station fund. These deficits are primarily due to all of the revenue from the negotiated industrial contracts being credited to the Landfill fund. This will be reviewed with the Landfill Committee at a future meeting. The City will continue to closely monitor the revenues and expenditures of both the Transfer Station and Landfill funds.

Refuse Collection:

The Refuse Collection fund is projected to have a $232,706 deficit fund balance at the end of 2015/2016 and this deficit in projected to be reduced to $145,606 at the end of 2016/2017. These deficits are due to capital costs to implement the City's automated refuse collection program for residential customers. Two automated (one-person) refuse collection vehicles are needed for the program as well as containers for each residential customer. The first automated refuse vehicle was purchased from the 2014/2015 budget. The original 2015/2016 budget included a $130,000 capital outlay allocation for 2,800 additional refuse bins, but it did not include funding for the 2nd automated refuse collection vehicle. The revised estimate for 2015/2016 is $240,100 more than the original budget and allows for the purchase of the 2nd automated truck in 2015/2016. With the long lead time on the order, however, even with the order placed this fiscal year, the vehicle will not be delivered until late in 2016. While this will result in a budget-basis deficit of $232,706 at the end of 2015/2016, with the remaining capital costs of implementing the automated refuse collection program all being incurred in 2015/2016 and 2016/2017, the operational savings from this program will begin to be fully realized midway through the 2016/2017 year. The deficit fund balance in the Refuse Collection fund is projected to be eliminated by the end of the 2017/2018 fiscal year.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by $1,778,555 (13.3%) during 2016/2017. A significant portion of this decrease is due to a $1,299,200 fund balance decrease in the Water Pollution Control Plant Replacement Reserve. This decrease is due to a $2,000,000 funding transfer to the High Strength Waste Receiving Station project. Another

significant fund balance decrease is a $590,700 decrease in the Road Use Tax fund. Available road use tax funds will be used for asphalt overlay and other street improvement projects in 2016/2017. Net increases and decreases in other non-major funds offset a portion of these fund balance decreases.

BUDGET SUMMARY SCHEDULES -

OPERATING FUNDS

City of Muscatine
Operating Funds
Budget Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 18,629,346	$ 18,834,831	$ 17,452,467	$ 19,167,414	$ 18,832,257
Revenues and Other Sources					
Property Taxes	$ 13,403,334	$ 13,640,542	$ 14,355,951	$ 14,359,851	$ 14,942,348
Other City Taxes	3,498,482	3,526,245	3,414,003	3,510,003	3,384,509
Licenses and Permits	371,982	370,783	433,400	373,400	372,400
Intergovernmental	6,219,303	6,517,410	6,839,543	7,297,713	7,368,405
Charges for Services	14,695,401	15,206,825	14,659,950	14,935,250	15,105,250
Use of Money and Property	888,556	817,186	1,042,770	1,066,952	1,078,870
Other Revenue	4,749,352	4,801,892	4,847,750	4,789,130	5,122,350
Other Financing Sources					
Transfers In	7,324,026	9,613,910	10,695,260	10,955,437	11,414,292
Refunding Bond Proceeds	0	0	0	1,310,000	0
Total Revenues and Other Sources	$ 51,150,436	$ 54,494,793	$ 56,288,627	$ 58,597,736	$ 58,788,424
Funds Available	$ 69,779,782	$ 73,329,624	$ 73,741,094	$ 77,765,150	$ 77,620,681
Expenditures and Other Uses					
Public Safety	$ 8,326,966	$ 8,515,580	$ 8,947,000	$ 8,763,800	$ 9,391,400
Public Works	2,353,705	2,329,527	2,534,500	2,478,700	2,610,800
Health and Social Services	20,000	20,000	45,000	45,000	45,000
Culture and Recreation	3,165,942	3,196,397	3,178,250	3,359,950	3,391,450
Community and Economic Development	3,088,022	3,268,849	3,939,320	3,889,040	4,167,170
General Government	2,295,450	2,159,977	2,394,600	2,402,851	2,499,500
Debt Service	2,953,672	2,902,161	3,984,253	5,294,253	3,895,317
Business Type/Internal Service	16,795,828	17,428,584	16,909,860	17,310,100	17,240,750
Other Financing Uses					
Transfers Out	11,945,366	14,341,135	15,186,906	15,389,199	17,689,852
Total Expenditures and Other Uses	$ 50,944,951	$ 54,162,210	$ 57,119,689	$ 58,932,893	$ 60,931,239
Ending Balance, June 30	$ 18,834,831	$ 19,167,414	$ 16,621,405	$ 18,832,257	$ 16,689,442

City of Muscatine
Operating Funds
Fund Statement

Fund	Estimated Balance (Deficit) 7/1/16	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/17
General	$ 3,734,592	$ 18,716,668	$ 18,784,300	$ 3,666,960
Enterprise:				
Airport Operations	0	119,700	119,700	0
Transit System	224,799	1,243,400	1,335,300	132,899
Parking System	48,049	197,100	209,800	35,349
Golf Course	4,704	794,900	838,800	(39,196)
Boat Harbor Operations	4,450	24,200	25,800	2,850
Marina Operations	(4,204)	15,100	14,700	(3,804)
Ambulance Operations	197,421	1,412,500	1,413,100	196,821
Convention & Visitors Bureau	86,147	91,100	113,800	63,447
Refuse Collection	(232,706)	2,177,700	2,090,600	(145,606)
Landfill Operations	476,565	1,447,800	1,208,100	716,265
Landfill Surcharge Reserve Part I	0	19,000	19,000	0
Landfill Surcharge Reserve Part II	0	39,900	39,900	0
Landfill Post-Closure Reserve	791,792	32,000	0	823,792
Landfill Closure Reserve	904,785	86,000	0	990,785
Transfer Station Operations	(66,099)	2,015,650	2,060,200	(110,649)
Transfer Station Closure Reserve	38,395	0	0	38,395
Water Pollution Control	1,782,215	4,551,300	4,910,625	1,422,890
Collection and Drainage	610,475	1,308,200	1,421,200	497,475
WPCP Replacement Reserve	1,534,788	700,800	2,000,000	235,588
West Hill Sewer Reserve	2,005,315	401,800	0	2,407,115
Sewer Revenue Bond Sinking Fund	108,651	1,061,825	1,061,165	109,311
Sewer Extension and Improvement Reserve	1,192,758	194,000	200,000	1,186,758
Special Revenue:				
Employee Benefits	78,295	3,690,482	3,768,777	0
Emergency Levy	80,701	100	0	80,801
Road Use Tax	925,658	2,870,200	3,460,900	334,958
Community Block Grant	27,602	0	4,000	23,602
Tax Increment - Downtown	34,802	210,100	203,050	41,852
Tax Increment - Southend	803,560	1,231,000	1,232,005	802,555
Tax Increment - Cedar Development	44,741	245,000	245,000	44,741
Tax Increment - Muscatine Mall	12,540	38,000	38,000	12,540
Tax Increment - Heinz	3,883	21,000	20,000	4,883
Tax Increment - Highway 38 NE	1,240	60,050	56,700	4,590
Tax Increment - Fridley Theatre	7,200	75,000	77,500	4,700
Small Business Forgivable Loan Program	210	100,000	100,000	210
Local Option Sales Tax	25,003	3,198,040	3,199,700	23,343
Equipment Replacement	169,785	207,300	310,700	66,385
Computer Replacement	23,242	40,000	61,000	2,242
Public Housing Operations	42,993	832,070	830,650	44,413
Section 8 Voucher Program	46,594	1,992,490	2,008,470	30,614
Home Ownership Program	83,132	31,600	60,300	54,432
Sunset Park Education Center	7,653	27,000	27,700	6,953
Police Forfeiture Fund	40,274	5,000	5,000	40,274
Trust and Agency:				
Perpetual Care Fund	865,178	5,000	0	870,178
Perpetual Care Interest Trust	0	14,300	14,300	0
Cemetery Special Trusts	55,469	800	2,850	53,419
Library Trusts	127,336	36,100	30,000	133,436
Art Center Trusts	588,988	16,200	116,300	488,888
Debt Service:				
General Obligation	96,062	2,770,549	2,670,447	196,164
Internal Service/Other:				
Equipment Services	47,917	1,243,900	1,250,300	41,517
Dental Insurance	2,029	161,800	160,600	3,229
Health Insurance	1,147,278	3,014,700	3,110,900	1,051,078
Total *	$ 18,832,257	$ 58,788,424	$ 60,931,239	$ 16,689,442

*Includes interfund transactions.

City of Muscatine
Operating Funds
Revenue Summary

Fund	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
General	$ 15,428,665 *	$ 17,822,142 *	$ 18,132,550	$ 18,018,607	$ 18,716,668
Enterprise:					
Airport Operations	119,082	113,314	124,400	125,300	119,700
Transit System	1,436,774	1,075,799	1,236,300	1,058,300	1,243,400
Parking System	190,960	204,549	193,600	202,100	197,100
Golf Course	761,337	763,944 *	829,000	777,600	794,900
Boat Harbor Operations	22,640	20,088	26,400	24,200	24,200
Marina Operations	8,515	12,623	15,100	15,100	15,100
Ambulance Operations	1,305,493	1,367,478	1,320,100	1,481,400	1,412,500
Convention & Visitors Bureau	86,533	106,372	97,600	91,100	91,100
Refuse Collection	2,165,133	2,213,961	2,165,000	2,177,700	2,177,700
Landfill Operations	1,435,882	1,567,892 *	1,371,500	1,447,800	1,447,800
Landfill Surcharge Reserve Part I	18,473	19,470	17,500	19,000	19,000
Landfill Surcharge Reserve Part II	38,793	40,886	36,750	39,900	39,900
Landfill Post-Closure Reserve	27,851	31,170	30,000	32,000	32,000
Landfill Closure Reserve	73,694	85,363	80,000	86,000	86,000
Transfer Station Operations	2,035,243	2,231,289	1,959,200	2,019,250	2,015,650
Water Pollution Control	4,236,899 *	4,388,793 *	4,434,600	4,427,200	4,551,300
Collection and Drainage	1,226,111	1,258,062	1,282,200	1,287,200	1,308,200
WPCP Replacement Reserve	202,926	201,859	203,000	201,500	700,800
West Hill Sewer Reserve	233,516	401,518	401,500	401,500	401,800
Sewer Revenue Bond Sinking Fund	1,070,534	1,062,189	1,061,812	1,061,812	1,061,825
Sewer Extension and Improvement Reserve	401,475	194,904	191,000	194,000	194,000
Special Revenue:					
Employee Benefits	3,043,458	3,160,084	3,398,122	3,398,122	3,690,482
Emergency Levy	116	86	100	100	100
Road Use Tax	2,405,457	2,596,650	2,358,100	2,858,300	2,870,200
Community Block Grant	56	5,038	0	0	0
Tax Increment - Downtown	200,121	210,223	210,100	211,400	210,100
Tax Increment - Southend	407,311	427,224	1,151,000	1,151,000	1,231,000
Tax Increment - Cedar Development	194,166	210,271	190,000	190,000	245,000
Tax Increment - Muscatine Mall	18,096	50,047	45,000	45,000	38,000
Tax Increment - Heinz	5	4	0	0	21,000
Tax Increment - Highway 38 NE	56,653	180,216	281,000	283,700	60,050
Tax Increment - Fridley Theatre	0	0	75,000	75,000	75,000
Small Business Forgivable Loan Program	0	260	200,000	200,000	100,000
Local Option Sales Tax	2,678,895	2,797,211	3,148,180	3,345,400	3,198,040
Equipment Replacement	129,773	215,216	343,800	343,800	207,300
Computer Replacement	51,927	61,904	40,000	40,000	40,000
COPS Grant Future Commitment Reserve	40,000	9,000	0	100	0
Public Housing Operations	801,087	798,985	814,120	835,520	832,070
Section 8 Voucher Program	1,757,407	1,865,738	1,978,390	1,972,790	1,992,490
Home Ownership Program	35,337	34,598	33,000	32,400	31,600
Sunset Park Education Center	16,587	28,060	27,000	26,900	27,000
Police Forfeiture Fund	38,391	3,160	5,000	3,000	5,000
Trust and Agency:					
Insurance Trust	23,631	61	100	32	0
Perpetual Care Fund	5,726	4,178	6,000	5,000	5,000
Perpetual Care Interest Trust	16,559	14,275	14,300	14,300	14,300
Cemetery Special Trusts	1,252	830	900	800	800
Library Trusts	55,333	47,283	36,100	36,100	36,100
Art Center Trusts	13,991	41,757	8,000	213,100	16,200
Parks and Recreation Trust	840	0	0	0	0
Debt Service:					
General Obligation	2,774,314	2,751,484	2,758,503	4,068,503	2,770,549
Internal Service/Other:					
Equipment Services	1,212,050	1,163,475 *	1,184,200	1,230,700	1,243,900
Dental Insurance	129,415	141,240	157,400	154,100	161,800
Health Insurance	2,515,953	2,492,570	2,616,100	2,674,000	3,014,700
Total **	$ 51,150,436	$ 54,494,793	$ 56,288,627	$ 58,597,736	$ 58,788,424

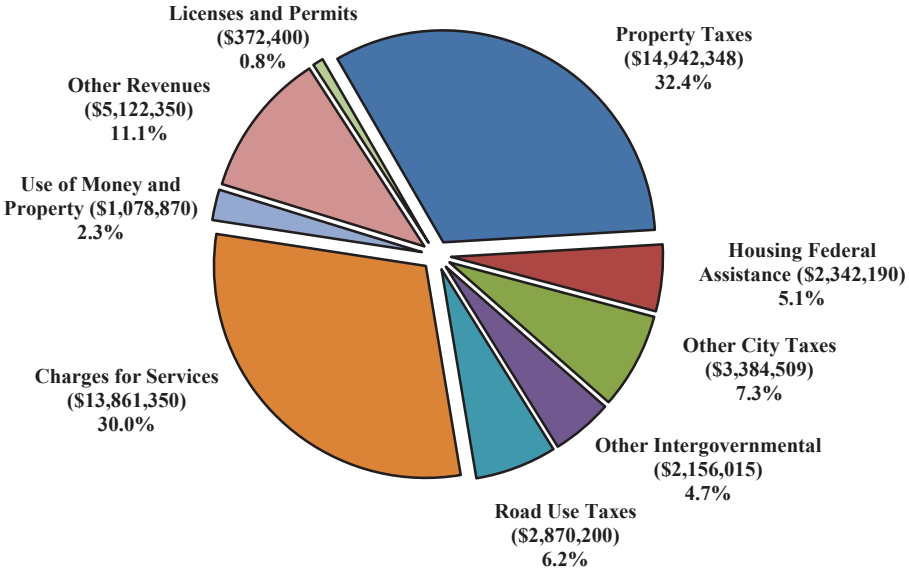
* Includes encumbrance adjustments.
** Includes interfund transactions.

City of Muscatine
Operating Funds
Expenditure Summary

Fund	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Estimate 2015/2016	Budget 2016/2017
General	$ 15,160,801	$ 17,264,335	$ 18,279,626	$ 18,191,026	$ 18,784,300
Enterprise:					
Airport Operations	119,082	113,314	124,400	125,300	119,700
Transit System	1,210,268	975,708	1,298,900	1,050,000	1,335,300
Parking System	193,384	189,586	203,500	206,000	209,800
Golf Course	779,262	712,116	833,800	779,900	838,800
Boat Harbor Operations	24,922	23,670	25,900	25,800	25,800
Marina Operations	7,788	12,628	14,600	14,800	14,700
Ambulance Operations	1,471,628	1,390,349	1,307,700	1,384,900	1,413,100
Convention & Visitors Bureau	75,763	82,830	108,800	103,800	113,800
Refuse Collection	2,187,934	2,431,104	2,141,900	2,382,000	2,090,600
Landfill Operations	862,572	958,291	904,161	1,071,811	1,208,100
Landfill Surcharge Reserve I	18,473	19,470	17,500	19,000	19,000
Landfill Surcharge Reserve II	38,793	40,886	36,750	39,900	39,900
Transfer Station Operations	2,043,574	2,277,076	1,929,900	2,063,900	2,060,200
Transfer Station Closure Reserve	250	0	0	0	0
Water Pollution Control	4,137,007	4,349,189	4,419,712	4,532,212	4,910,625
Collection and Drainage	1,153,856	1,579,345	1,767,400	1,526,100	1,421,200
WPCP Replacement Reserve	459,329	356,568	1,197,000	250,900	2,000,000
Sewer Revenue Bond Sinking Fund	1,061,355	1,061,587	1,061,185	1,061,185	1,061,165
Sewer Extension and Improvement Reserve	4,900	0	0	0	200,000
Special Revenue:					
Employee Benefits	2,960,871	3,162,202	3,438,507	3,450,664	3,768,777
Road Use Tax	2,261,775	2,787,929	2,482,600	2,777,100	3,460,900
Community Block Grant	4,180	9,000	4,000	4,000	4,000
Tax Increment - Downtown	246,640	207,825	208,450	208,450	203,050
Tax Increment - Southend	545,695	442,375	1,185,965	1,177,865	1,232,005
Tax Increment - Cedar Development	192,586	196,259	188,200	183,000	245,000
Tax Increment - Muscatine Mall	17,559	46,080	45,000	42,100	38,000
Tax Increment - Highway 38 NE	56,653	177,276	285,500	285,400	56,700
Tax Increment - Heinz	0	0	0	0	20,000
Tax Increment - Fridley Theatre	0	0	72,000	67,800	77,500
Small Business Forgivable Loan Program	0	100,050	0	100,000	100,000
Local Option Sales Tax	3,850,140	3,072,867	3,157,900	3,768,036	3,199,700
Equipment Replacement	84,333	258,400	260,500	263,700	310,700
Computer Replacement	69,081	42,866	45,000	73,051	61,000
COPS Grant Commitment Reserve	0	0	89,100	89,100	0
Public Housing Operations	874,861	795,021	823,160	868,200	830,650
Section 8 Voucher Program	1,837,164	1,864,055	1,981,420	1,975,740	2,008,470
Home Ownership Program	55,801	52,415	57,000	56,000	60,300
Sunset Education Center	22,099	25,874	27,100	25,300	27,700
Police Forfeiture Fund	20,559	18,297	5,000	7,000	5,000
Trust and Agency:					
Insurance Trust	40,000	0	15,000	57,300	0
Perpetual Care Interest Trust	16,559	14,275	14,300	14,300	14,300
Cemetery Special Trusts	2,923	3,242	2,850	2,850	2,850
Library Trusts	35,062	114,327	25,000	80,000	30,000
Art Center Trusts	0	51,680	4,000	101,000	116,300
Parks and Recreation Trust	56,264	0	0	0	0
Debt Service:					
General Obligation	2,787,352	2,736,231	2,758,003	4,068,003	2,670,447
Internal Service/Other:					
Equipment Services	1,236,213	1,182,057	1,171,400	1,232,400	1,250,300
Dental Insurance	143,354	143,563	153,100	153,300	160,600
Health Insurance	2,515,180	2,819,992	2,946,900	2,972,700	3,110,900
Total *	$ 50,943,845	$ 54,162,210	$ 57,119,689	$ 58,932,893	$ 60,931,239

* Includes interfund transactions.

All City Operating Revenues By Source
Budget 2016/2017
$46,130,232



All City Operating Revenues By Source
Budget 2015/2016
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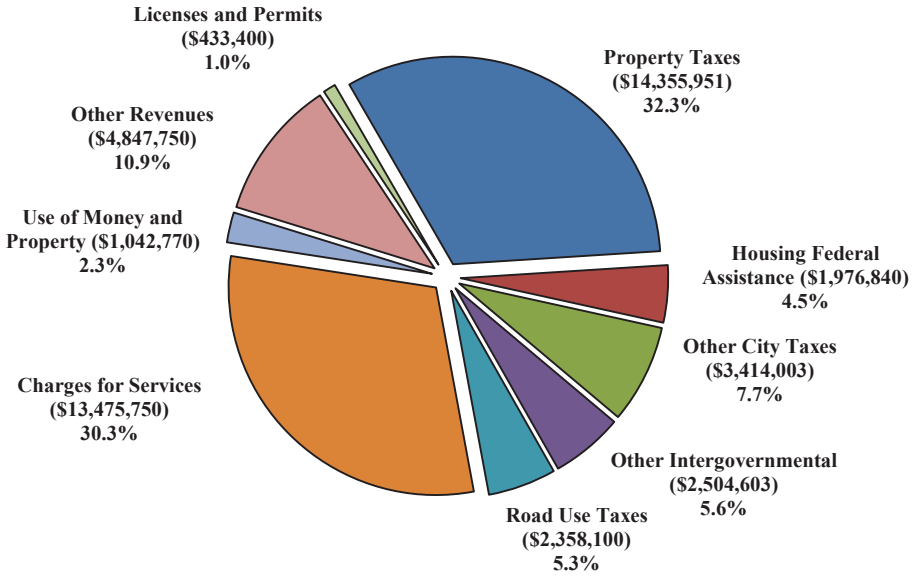
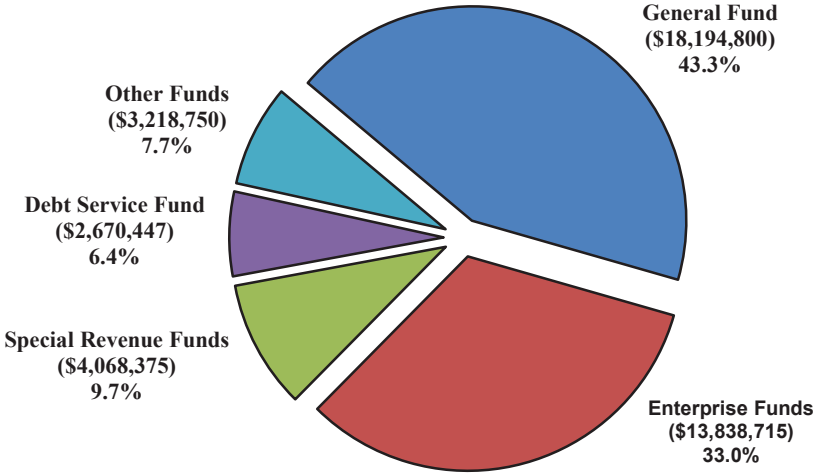


All City Funds Operating Revenues
Reconciliation Information

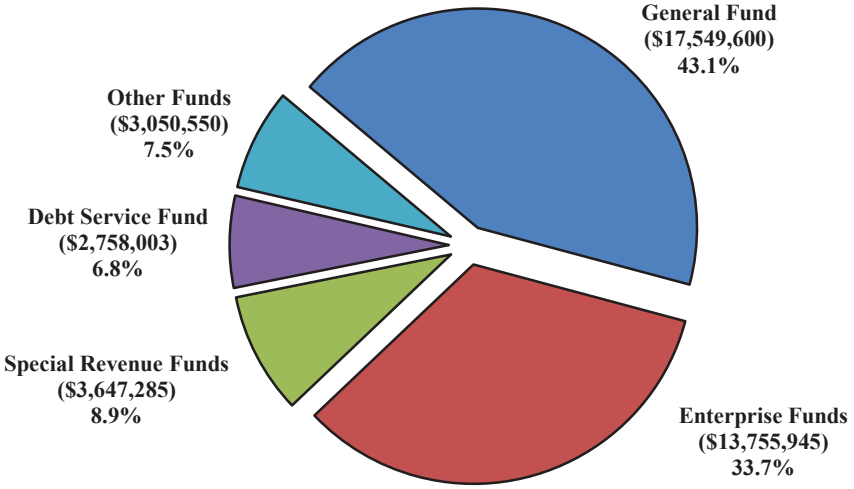
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2015/2016 Budget	2016/2017 Budget
Revenues per Summary Statement	$ 56,288,627	$ 58,788,424
Transfers In:		
General Fund		
Trust and Agency Funds	$ 29,300	$ 14,300
Special Revenue Funds	5,871,107	6,279,677
Health Insurance Fund	56,300	58,600
Tax Increment Financing Funds	154,500	180,100
Enterprise Funds	833,200	891,000
Debt Service Fund		
Enterprise Funds	79,711	0
Tax Increment Financing	208,450	203,050
Equipment Replacement Fund		
General Fund	188,000	200,000
Ambulance Replacement	148,500	0
Computer Replacement Fund		
General Fund	40,000	40,000
Homeownership Program		
Community Block Grant	3,000	3,000
Sunset Park Education Center		
Community Block Grant	1,000	1,000
Small Business Forgiveable Loan Program		
Tax Increment Financing	200,000	100,000
Convention and Visitors Bureau		
General Fund	0	88,500
Airport Operations Fund		
General Fund	47,800	45,100
Transit Operations Fund		
General Fund	250,000	200,000
Landfill Operations		
Landfill Surcharge Reserve	17,500	19,000
Landfill Surcharge Reserves		
Landfill Operations	54,250	58,900
Landfill Closure and Post-Closure Reserves		
Landfill Operations	110,000	118,000
Transfer Station		
Landfill Surcharge Reserve	36,750	39,900
Sewer Reserves		
Water Pollution Control Fund	200,000	700,000
Collection & Drainage Fund	180,000	180,000
Sewer Sinking Fund	1,061,312	1,061,325
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	524,580	532,840
Total Transfers In	10,695,260	11,414,292
Non-Budgeted Fund		
Equipment Services Operations	1,184,200	1,243,900
Budgeted Revenues Net of Transfers	$ 44,409,167	$ 46,130,232

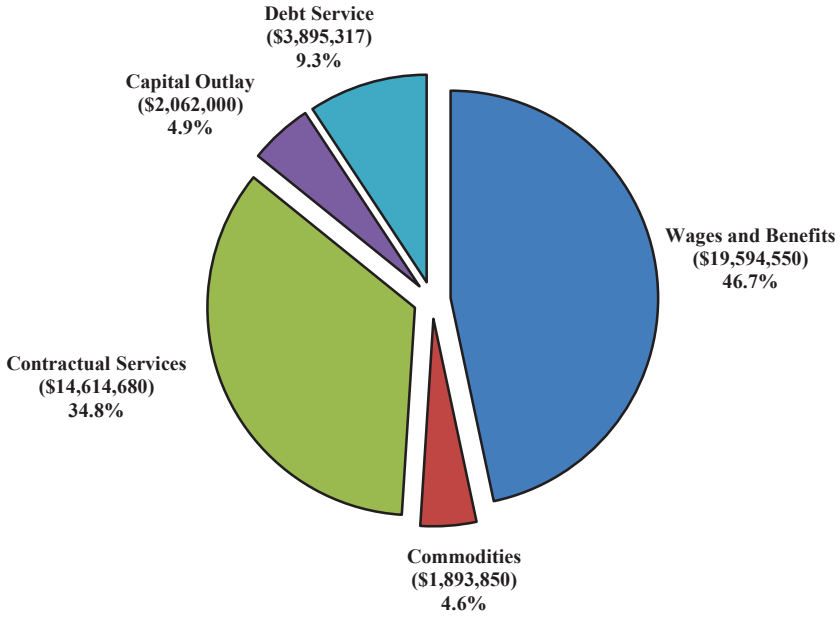
All City Operating Expenditures By Fund
Budget 2016/2017
$41,991,087



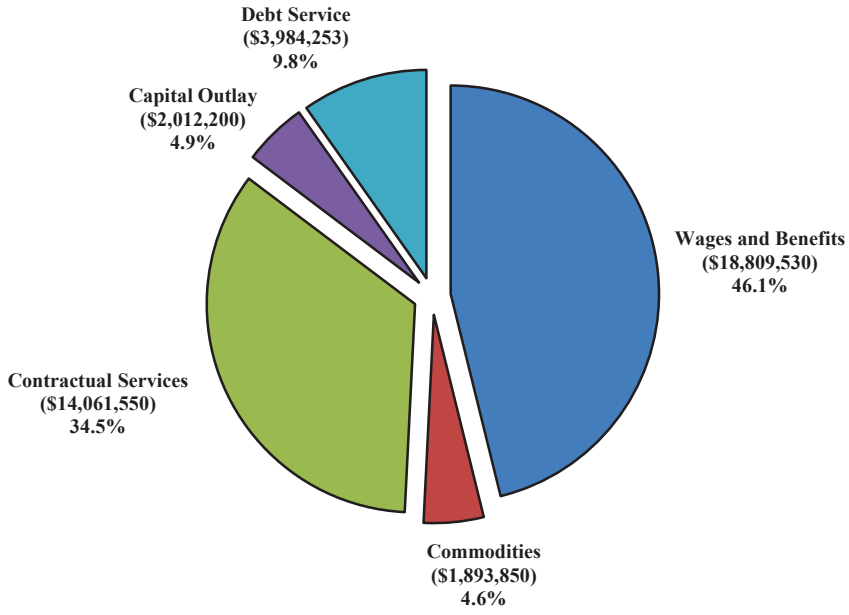
All City Operating Expenditures By Fund
Budget 2015/2016
$40,761,383



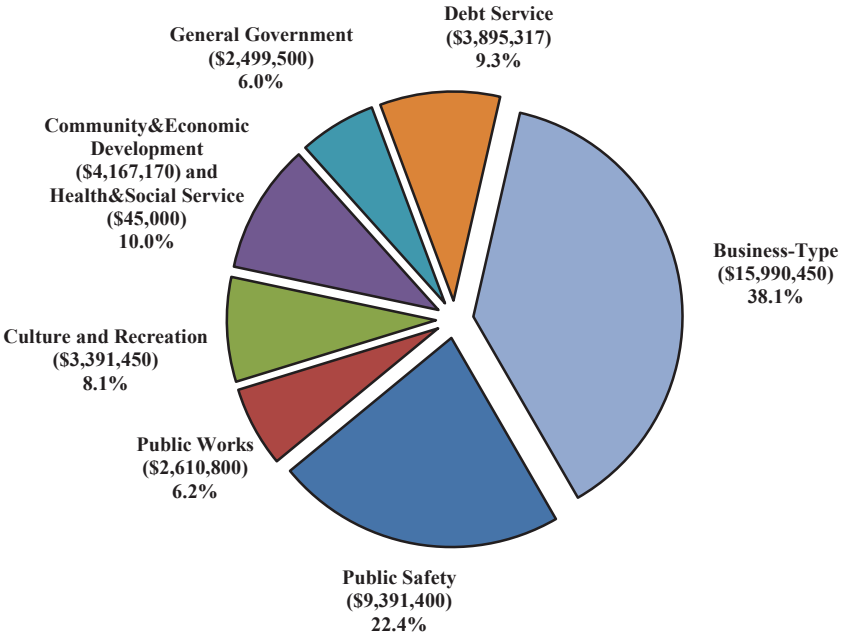
All City Operating Expenditures By Type
Budget 2016/2017
$41,991,087



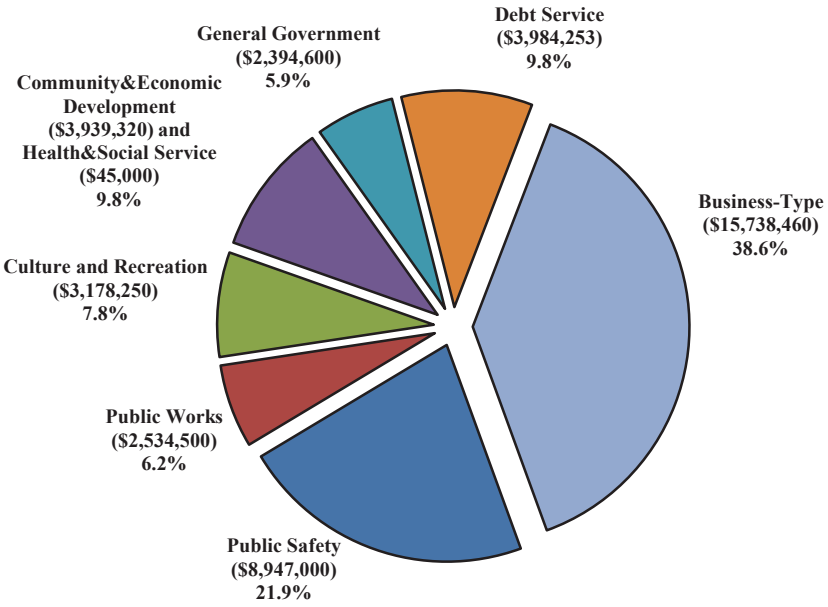
All City Operating Expenditures By Type
Budget 2015/2016
$40,761,383



All City Operating Expenditures By Function *
Budget 2016/2017
$41,991,087



All City Operating Expenditures By Function *
Budget 2015/2016
$40,761,383



* Function descriptions and a matrix of expenditures by function follow these charts.

BUDGET FUNCTIONS

GENERAL GOVERNMENT:

Provides for the operation of the government and assures general administration of the municipality.

PUBLIC SAFETY:

Provides for services to reduce the amount and effects of external harm to individuals and damage to property, and in general to promote an atmosphere of personal security from external events.

CULTURE AND RECREATION:

Promotes the general well being of the City and encourages the fullest development of cultural and educational potentials of the citizens in the community. This function includes the activities of library, art center, parks and recreation, and cemetery.

PUBLIC WORKS:

Provides for safe and well-maintained infrastructure for the City. Activities include public works administration, roadway maintenance, snow and ice control, street cleaning, traffic control and engineering.

COMMUNITY AND ECONOMIC DEVELOPMENT:

Provides for planning and development of the City including the social, physical, and economic needs of the City. Activities include Community Development, Economic Development, the Section 8 Housing Program, and Tax Increment Funds.

HEALTH AND SOCIAL SERVICES:

Provides for assistance to service agencies involved in providing health and social services to the community. The Economic Well Being activity is the only budget in this function.

DEBT SERVICE:

Provides for the accumulation of resources for and the payment of principal and interest on long-term debt of the City.

BUSINESS TYPE ACTIVITIES:

Provides for activities of the City that are financed in whole, or in part, by fees charged for goods or services. For budget purposes, these activities include the City's enterprise funds and internal service funds.

All City Funds Operating Expenditures
Reconciliation Information

The expenditure charts on the preceding pages are shown net of interfund transfers. The following ia a reconciliation of expenditures per the summary statement to expenditures net of transfers.

	2015/2016 Budget	2016/2017 Budget
Expenditures per Summary Statement	$ 57,119,689	$ 60,931,239
Transfers Out:		
General Fund		
Transit Operations Fund	$ 250,000	$ 200,000
Airport Operations Fund	47,800	45,100
Equipment Replacement Fund	336,500	200,000
Computer Replacement Fund	40,000	40,000
Convention & Visitors Bureau	0	88,500
Capital Projects Fund	55,726	15,900
Trust and Agency Funds		
General Fund	29,300	14,300
Community Block Grant		
Sunset Park Education Center	1,000	1,000
Homeownership Program	3,000	3,000
Special Revenue Funds		
General Fund	5,921,107	7,229,677
Capital Projects Fund	3,157,900	3,199,700
Tax Increment Financing	827,950	520,350
Golf Course Fund		
Capital Projects Fund	45,000	45,000
Ambulance Fund		
General Fund	833,200	891,000
Landfill Operations Fund		
Landfill Surcharge Reserve	54,250	58,900
Landfill Closure/Post-Closure Reserve	110,000	118,000
Debt Service Fund	79,711	0
Landfill Surcharge Reserve		
Landfill Operations Fund	17,500	19,000
Transfer Station Fund	36,750	39,900
Transfer Station Operations Fund		
Capital Projects Fund	35,600	35,600
Water Pollution Control Fund		
Sewer Reserves	1,471,312	1,961,325
Capital Projects Fund	0	105,000
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	1,197,000	2,000,000
Collection & Drainage		
Sewer Reserves	380,000	380,000
Capital Projects Fund	200,000	220,000
Sewer Extention and Improvement Reserve		
Capital Projects Fund	0	200,000
Health Insurance Fund		
General Fund	56,300	58,600
Total Transfers Out	$ 15,186,906	$ 17,689,852
Non-Budgeted Fund		
Equipment Services Operations	1,171,400	1,250,300
Budgeted Expenditures Net of Transfers	$ 40,761,383	$ 41,991,087

City of Muscatine

Matrix of 2016/2017 Operating Budget by Function

(Excludes Transfers)

Fund/Activity:	General Government	Public Safety	Culture and Recreation	Community and Economic Development	Health and Social Services	Public Works	Debt Service	Business Type/ Internal Service	Total
General Fund:									
Mayor and Council	$ 72,700	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 72,700
Legal Services	96,700	0	0	0	0	0	0	0	96,700
City Administrator	362,600	0	0	0	0	0	0	0	362,600
Human Resources	157,000	0	0	0	0	0	0	0	157,000
Wellness Program	58,600	0	0	0	0	0	0	0	58,600
Finance and Records	599,300	0	0	0	0	0	0	0	599,300
Computer Operations	237,900	0	0	0	0	0	0	0	237,900
Risk Management	287,200	0	0	0	0	0	0	0	287,200
Building and Grounds	549,500	0	0	0	0	0	0	0	549,500
Police Operations	0	4,791,000	0	0	0	0	0	0	4,791,000
Animal Control	0	126,900	0	0	0	0	0	0	126,900
Fire Operations	0	4,265,800	0	0	0	0	0	0	4,265,800
Library	0	0	1,116,300	0	0	0	0	0	1,116,300
Cable Television Operations	0	0	19,700	0	0	0	0	0	19,700
Art Center	0	0	339,300	0	0	0	0	0	339,300
Park Administration	0	0	183,200	0	0	0	0	0	183,200
Park Maintenance	0	0	656,900	0	0	0	0	0	656,900
Kent Stein Park	0	0	200,400	0	0	0	0	0	200,400
Soccer Complex	0	0	191,900	0	0	0	0	0	191,900
Swimming Pools	0	0	160,500	0	0	0	0	0	160,500
Recreation	0	0	117,800	0	0	0	0	0	117,800
Cemetery	0	0	165,300	0	0	0	0	0	165,300
Community Development	0	0	0	729,500	0	0	0	0	729,500
Economic Development	0	0	0	53,000	0	0	0	0	53,000
Economic Well-Being	0	0	0	0	45,000	0	0	0	45,000
Public Works Administration	0	0	0	0	0	178,800	0	0	178,800
Roadway Maintenance	0	0	0	0	0	1,246,600	0	0	1,246,600
Traffic Control	0	0	0	0	0	184,200	0	0	184,200
Snow and Ice Control	0	0	0	0	0	435,700	0	0	435,700
Street Cleaning	0	0	0	0	0	420,400	0	0	420,400
Engineering	0	0	0	0	0	145,100	0	0	145,100

(Continued)

(Continued)

Fund/Activity:	General Government	Public Safety	Culture and Recreation	Community and Economic Development	Health and Social Services	Public Works	Debt Service	Business Type/ Internal Service	Total
Enterprise Funds:									
Airport Operations	0	0	0	0	0	0	0	119,700	119,700
Transit Operations	0	0	0	0	0	0	0	1,335,300	1,335,300
Parking System	0	0	0	0	0	0	0	209,800	209,800
Golf Course	0	0	0	0	0	0	0	793,800	793,800
Boat Harbor Operations	0	0	0	0	0	0	0	25,800	25,800
Marina Operations	0	0	0	0	0	0	0	14,700	14,700
Ambulance Operations	0	0	0	0	0	0	0	522,100	522,100
Convention and Visitors Bureau	0	0	0	0	0	0	0	113,800	113,800
Public Housing	0	0	0	0	0	0	0	830,650	830,650
Refuse Collection	0	0	0	0	0	0	0	2,090,600	2,090,600
Landfill Operations	0	0	0	0	0	0	0	1,031,200	1,031,200
Transfer Station	0	0	0	0	0	0	0	2,024,600	2,024,600
Collection and Drainage	0	0	0	0	0	0	0	821,200	821,200
Water Pollution Control	0	0	0	0	0	0	0	2,844,300	2,844,300
Sewer Sinking Fund	0	0	0	0	0	0	1,061,165	0	1,061,165
Special Revenue Funds:									
Equipment Replacement	38,000	202,700	70,000	0	0	0	0	0	310,700
Southend Tax Increment	0	0	0	788,200	0	0	163,705	0	951,905
Cedar Development Tax Increment	0	0	0	245,000	0	0	0	0	245,000
Muscatine Mall Tax Increment	0	0	0	38,000	0	0	0	0	38,000
Highway 38 NE Tax Increment	0	0	0	19,500	0	0	0	0	19,500
Heinz Tax Increment 2014	0	0	0	20,000	0	0	0	0	20,000
Fridley Theatre Tax Increment	0	0	0	77,500	0	0	0	0	77,500
Small Business Forgiveable Loan	0	0	0	100,000	0	0	0	0	100,000
Section 8 Housing	0	0	0	2,008,470	0	0	0	0	2,008,470
Home Ownership Program	0	0	0	60,300	0	0	0	0	60,300
Sunset Park Children's Education Program	0	0	0	27,700	0	0	0	0	27,700
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	40,000	0	21,000	0	0	0	0	0	61,000
Debt Service Fund	0	0	0	0	0	0	2,670,447	0	2,670,447
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	3,052,300	3,052,300
Dental Insurance Fund	0	0	0	0	0	0	0	160,600	160,600
Trust and Agency Funds:									
Library Trusts	0	0	30,000	0	0	0	0	0	30,000
Cemetery Trust	0	0	2,850	0	0	0	0	0	2,850
Art Center Trusts	0	0	116,300	0	0	0	0	0	116,300
Total	$ 2,499,500	$ 9,391,400	$ 3,391,450	$ 4,167,170	$ 45,000	$ 2,610,800	$ 3,895,317	$ 15,990,450	$ 41,991,087

City of Muscatine
Fulltime Employee Trends

General Fund

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Budget 2015-16	Actual 2015-16	Budget 2016-17
City Administrator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Wellness Program	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Risk Management	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Finance	5.65	5.65	5.65	5.65	5.65	5.65	5.70	5.70	5.70	5.70	5.70
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Buildings and Grounds	5.70	5.70	5.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Police	40.88	41.88	42.88	41.88	43.88	44.88	44.73	43.73	43.73	43.73	43.73
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire	36.50	36.50	36.50	36.50	36.50	37.50	37.50	37.50	37.50	37.50	41.50 (1)
Library (FTE)	15.75	15.77	15.93	15.91	15.74	15.51	14.95	14.71	14.87	14.33 (2)	14.33 (2)
Art Center (FTE)	4.33	4.33	4.04	4.57	4.54	4.25	4.25	4.52	4.70	4.70	4.70
Park Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Park Maintenance *	6.75	6.75	6.75	6.08	6.00	6.00	6.00	6.00	5.80	5.80	5.80
Kent Stein Park *	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.22	1.22	1.22
Soccer Complex *	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.23	1.23	1.23
Recreation *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cemetery *	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	6.50	6.33	6.17	6.67	6.72	6.92	6.92	6.93	7.67	7.44 (3)	7.44 (3)
Street Cleaning	1.75	1.75	1.75	1.75	1.75	1.75	1.90	1.90	1.90	1.90	1.90
Roadway Maintenance	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43
Traffic Control Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering	1.33	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Administration	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Total General Fund	151.90	152.42	152.83	150.87	152.64	154.32	153.81	152.85	154.93	154.16	158.16

City of Muscatine
Fulltime Employee Trends

Enterprise / Other Funds

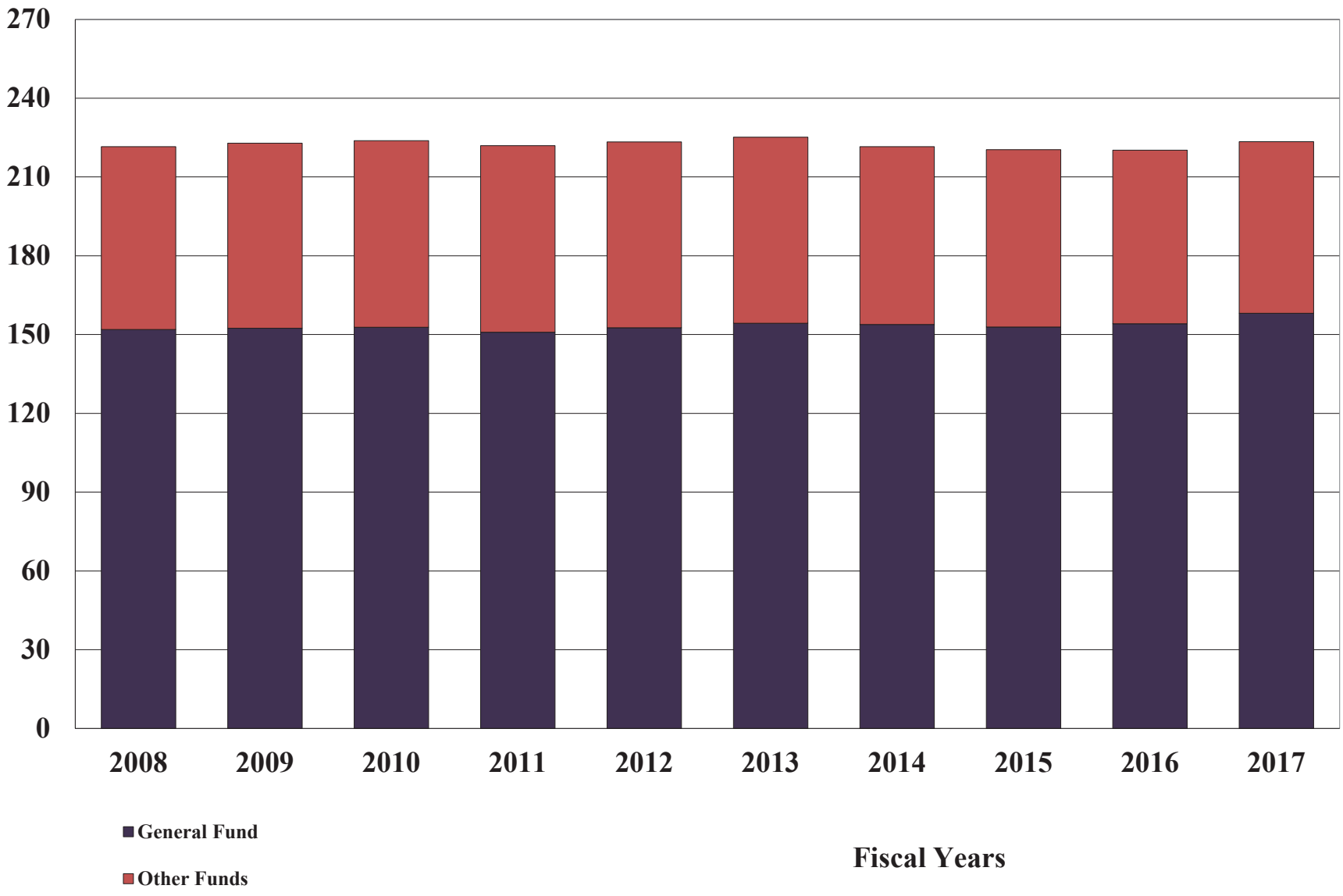
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Budget 2015-16	Actual 2015-16	Budget 2016-17
Parking System	3.60	3.10	3.10	3.10	3.10	3.10	2.90	2.90	2.90	2.90	2.90
Golf Course *	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Boat Harbor Operations	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Transit System *	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Refuse Collection	10.30	10.30	11.30	10.45	10.66	10.66	9.56	9.56	9.56	9.56	8.98 (4)
Landfill	0.33	0.33	0.33	0.30	0.25	0.25	0.25	0.25	0.25	0.25	0.60 (4)
Transfer Station	3.67	3.67	3.67	3.58	3.42	3.42	3.42	3.42	3.42	3.42	3.15 (4)
Water Pollution Control											
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plant Operations	11.00	11.00	11.00	10.75	10.75	10.75	9.75	8.75	8.75	8.75	8.75
Pumping Stations	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00 (5)
Laboratory Operations	4.25	4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Collection and Drainage	5.45	6.78	6.78	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53
Storm Water Operations	1.00	1.00	0.33	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Ambulance Operations	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Housing (FTE)	10.50	10.50	10.75	12.50	12.13	12.25	11.50	12.25	12.00	11.77	11.55 (6)
Equipment Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Enterprise/Other Funds	69.63	70.46	71.04	71.07	70.70	70.82	67.77	67.52	67.27	66.04	65.32
Grand Total	221.53	222.88	223.87	221.94	223.34	225.14	221.58	220.37	222.20	220.20	223.48

* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2015/2016 Revised Estimate and 2016/2017 Budget:

1. The 2016/2017 budget includes four additional firefighter positions.
2. A Library staff reorganizations resulted in a .54 FTE reduction in actual 2015/2016 and 2016/2017 budgeted positions.
3. In 2015/2016 one of the Community Services Officers positions was reduced from 29 hours per week to 20. This reduction was possible due to the City no longer doing public health inspections. The 20 hour/week position will provide assistance for building construction-related permits.
4. The 2016/2017 Refuse Collection budget reflects one full time Refuse Driver position being eliminated as of 1/1/2017 due to the purchase of an additional automated truck. Personnel allocations were also adjusted between Refuse Collection, Landfill, and Transfer Station in 2016/2017.
5. Reclassification of the Lift Station Operator to Lift Station Leadworker in 2016/2017 will result in the Supervisor position not being filled.
6. The 2015/2016 Housing budgets include reorganizations that resulted in an overall decrease in personnel. The full-time Assistant Housing Administrator position was eliminated and one half time Housing Specialist and one three-quarter time Housing Specialist were increased to full-time positions. The 2016/2017 budget also includes a reduction in part time custodial hours at Sunset Park.

Fulltime Employee Trends
Ten Year History



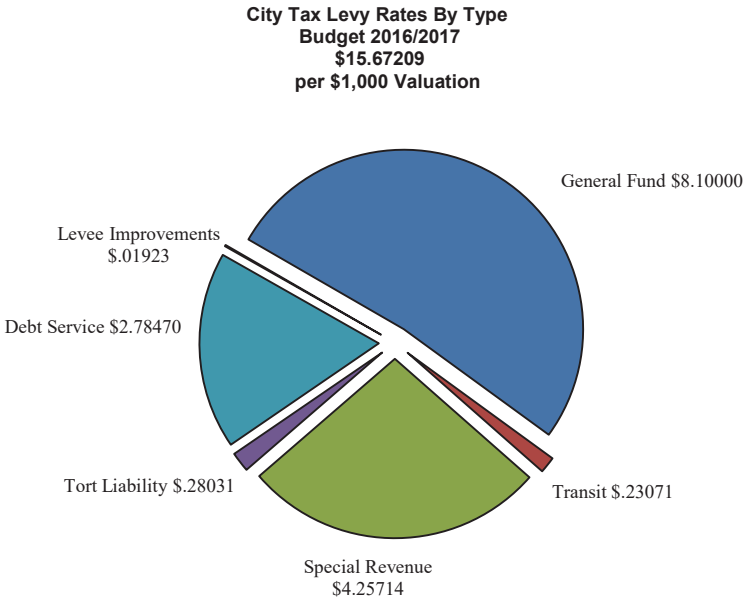
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Year 2015/2016 and 2016/2017

	2015/2016 Budget		2016/2017 Budget				
	Collections	Levy Per $1,000 of Assessed Valuation	Collections	Levy Per $1,000 of Assessed Valuation	Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
General Fund	$ 6,326,709	$ 8.10000	$ 6,670,884	$ 8.10000	0.00%	$ 344,175	5.44%
Transit System	236,525	0.30282	190,005	0.23071	(23.81%)	(46,520)	(19.67%)
Tort Liability	225,645	0.28889	230,854	0.28031	(2.97%)	5,209	2.31%
Special Revenue:							
Police and Fire Retirement	$ 1,352,752	$ 1.73191	$ 1,289,087	$ 1.56525	(9.62%)	$ (63,665)	(4.71%)
FICA/IPERS	612,495	0.78417	637,613	0.77421	(1.27%)	25,118	4.10%
Other Employee Benefits	1,625,834	2.08153	1,771,973	2.15159	3.37%	146,139	8.99%
Reduction *	(376,089)	(0.48150)	(192,637)	(0.23391)	51.42%	183,452	48.78%
Subtotal	$ 3,214,992	$ 4.11611	$ 3,506,036	$ 4.25714	3.43%	$ 291,044	9.05%
Debt Service	2,345,415	2.79677	2,446,349	2.78470	(0.43%)	100,934	4.30%
Levee Improvements	52,723	0.06750	15,837	0.01923	(71.51%)	(36,886)	(69.96%)
Total	$ 12,402,009	$ 15.67209	$ 13,059,965	$ 15.67209	0.00%	$ 657,956	5.31%
Agricultural Land	2,942	3.00422	3,383	3.00333	-0.03%	441	14.99%
Grand Total	$ 12,404,951	$ 15.67209	$ 13,063,348	$ 15.67209	0.00%	$ 658,397	5.31%
		$ 3.00422		$ 3.00333			

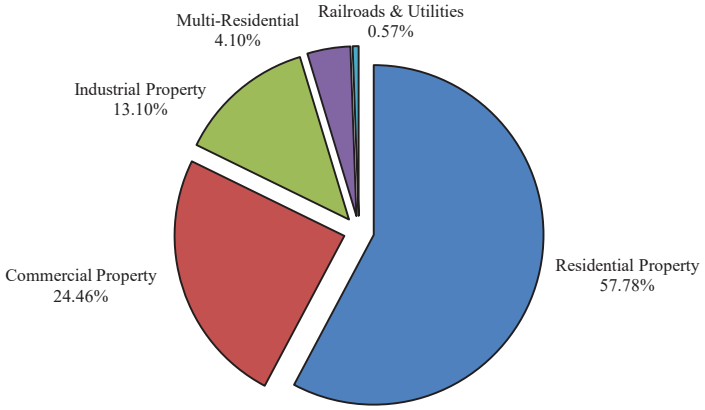
* In 2015/2016 the Employee Benefits levy was reduced to keep the overall City tax levy rate at the same rate as the previous year. This resulted in $376,089 of the General Fund balance being used for employee benefits during 2015/2016. The 2016/2017 budget reflects a reduction of $192,637 in the Employee Benefits levy which was the amount needed to maintain the same total tax levy rate for 2016/2017. This resulted in $192,637 of the General Fund balance being used to fund employee benefits.



City of Muscatine
Taxable Property Valuation Comparison
(Excludes Tax Increment Values)

	January 1, 2014	January 1, 2015	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value	MEMO ONLY Percent Increase (Decrease) in Actual Value
Residential Property (1)	$ 461,629,813	$ 476,813,707	$ 15,183,894	3.29%	3.42%
Commercial Property (2)	218,659,686	201,892,371	(16,767,315)	-7.67%	-7.46%
Industrial Property (3)	97,565,025	108,073,772	10,508,747	10.77%	10.17%
Multi-Residential (4)	N/A	33,837,709	33,837,709		
Railroads (5)	421,794	596,886	175,092	41.51%	41.51%
Utilities (6)	4,611,123	4,073,104	(538,019)	-11.67%	-11.67%
Total Valuations	$ 782,887,441	$ 825,287,549	$ 42,400,108	5.42%	5.04%
Less Military Exemptions	1,812,242	1,721,595	(90,647)	-5.00%	
Total Net Valuation	$ 781,075,199	$ 823,565,954	$ 42,490,755	5.44%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	$ 784,443,860	$ 826,763,643	$ 42,319,783	5.42%	

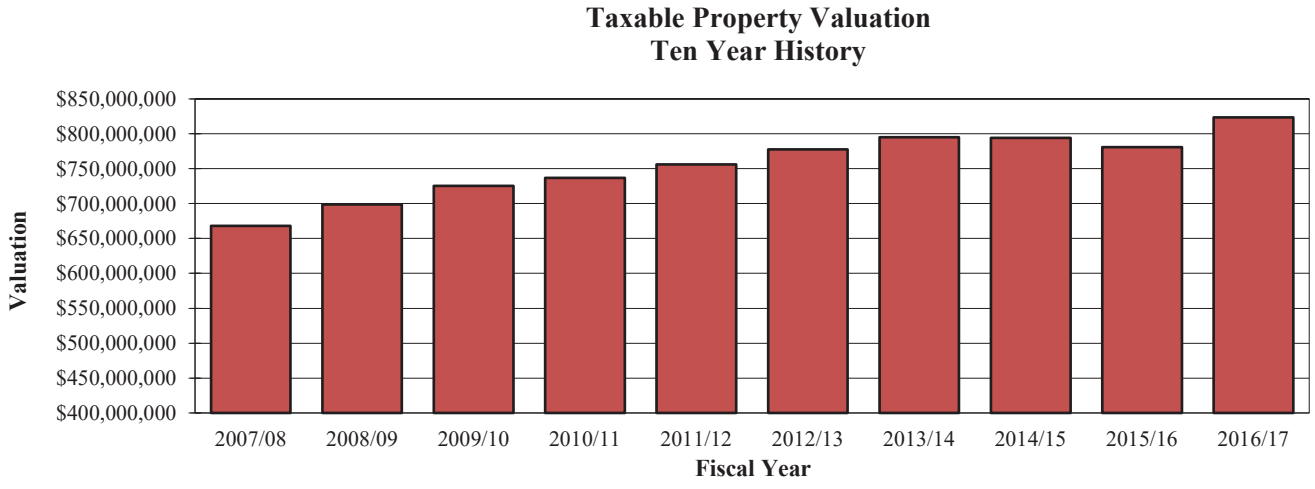
1. Residential taxable valuations realized a decrease in the rollback factor from 55.7335% to 55.6259% for January 1, 2015 (a decrease of .20%).
2. Commercial valuations for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations will remain at 90% for January 1, 2015, but they no longer include multi-residential properties which are now reported in a separate class.
3. Industrial property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations will remain at 90% for January 1, 2015.
4. Multi-residential properties were included with commercial properties until January 1, 2015. These properties include mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, and properties with three or more separate living quarters. These properties were rolled back from 90% to 86.25% for January 1, 2015 and will continue to be rolled back over the next seven years until the rollback is equal to the rollback for residential properties.
5. Railroad property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations will remain at 90% for January 1, 2015.
6. Beginning with January 1, 1999 valuations, gas and electric utility values have been excluded from the actual values shown. The taxation of these utilities is no longer based on assessed values. These utilities pay an excise tax based on the amount of energy delivered in a one year period. The amount of the City's utility tax revenue depends upon the amount of energy produced and used statewide and each city's proportional share.



2015 Taxable Valuations by Type
(Valuations Used for 2016/2017 Tax Levy)

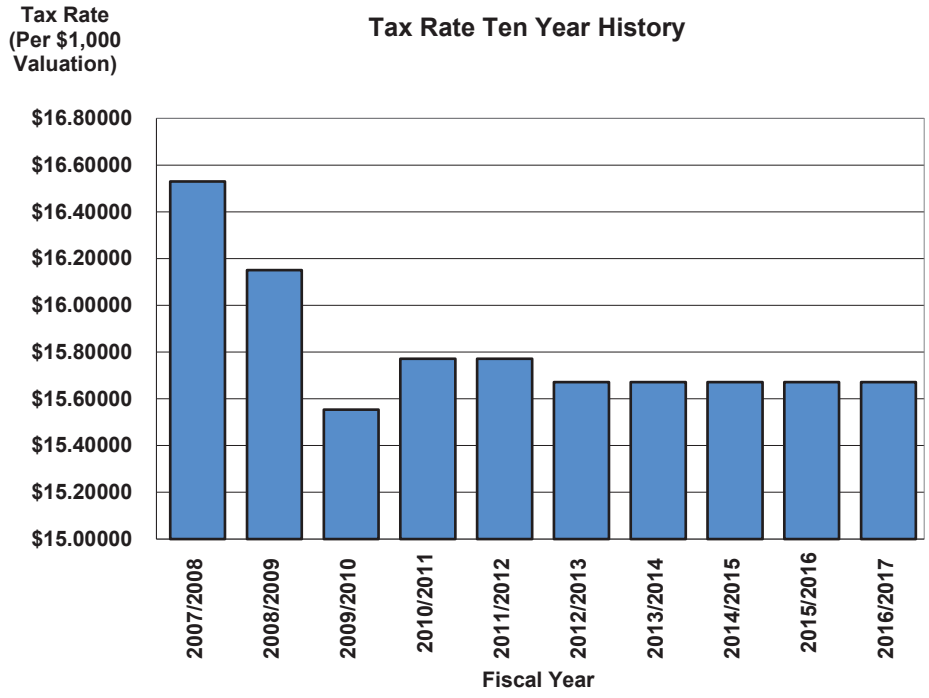
City of Muscatine
Taxable Property Valuation History
(Excludes Tax Increment Values)

Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
2007/08	$ 663,799,345	$ 6,652,746	$ 2,376,768	$ 668,075,323	$ 1,074,675
2008/09	694,284,386	6,926,265	2,278,038	698,932,613	1,109,792
2009/10	720,403,370	7,312,791	2,215,335	725,500,826	984,243
2010/11	731,822,753	7,233,428	2,126,455	736,929,726	828,855
2011/12	750,941,861	7,339,282	2,070,643	756,210,500	906,007
2012/13	772,604,519	7,085,446	2,001,533	777,688,432	878,503
2013/14	790,521,876	6,629,974	1,946,036	795,205,814	908,805
2014/15	790,306,586	5,786,469	1,871,992	794,221,063	1,085,900
2015/16	777,854,524	5,032,917	1,812,242	781,075,199	979,288
2016/17	820,617,559	4,669,990	1,721,595	823,565,954	1,126,416



City of Muscatine
City Tax Rate History
Fiscal Years 2007/2008 through 2016/2017

Fiscal Year	Tax Rate (Per $1,000 Valuation)	Percent Change
2007/2008	16.52993	3.06%
2008/2009	16.15095	-2.29%
2009/2010	15.55353	-3.70%
2010/2011	15.77146	1.40%
2011/2012	15.77146	0.00%
2012/2013	15.67209	-0.63%
2013/2014	15.67209	0.00%
2014/2015	15.67209	0.00%
2015/2016	15.67209	0.00%
2016/2017	15.67209	0.00%



Tax Levies by Entity

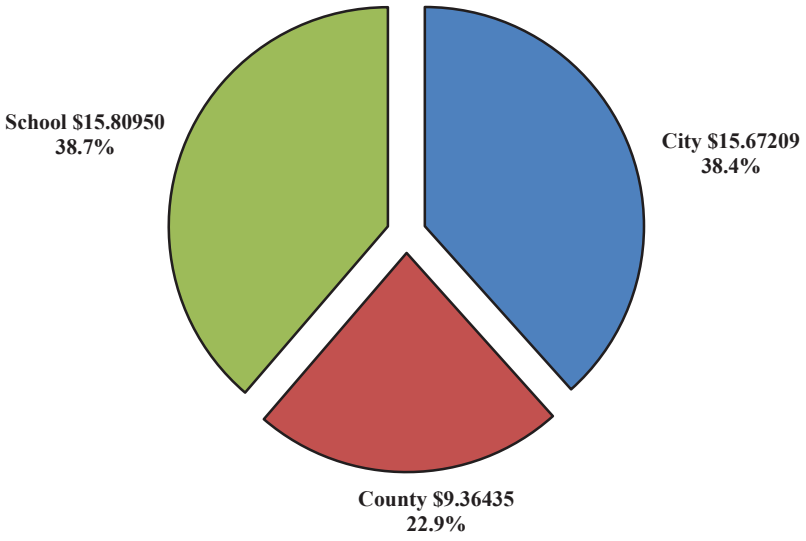
Historical Comparison

Certified Levies Per $1,000 of Valuation

	City	County	School	Total
2007/2008	$ 16.52992	$ 8.79042	$ 15.15328	$ 40.47362
2008/2009	16.15095	8.64189	14.86671	39.65955
2009/2010	15.55353	9.18309	14.90569	39.64231
2010/2011	15.77146	9.60976	14.90920	40.29042
2011/2012	15.77146	9.51343	15.36192	40.64681
2012/2013	15.67209	9.12600	15.35345	40.15154
2013/2014	15.67209	9.09395	15.27597	40.04201
2014/2015	15.67209	9.09808	15.42605	40.19622
2015/2016	15.67209	9.36435	15.80950	40.84594
Percent of 2015/2016 Total Levy	38.4%	23.0%	38.7%	100.0%
2016/2017 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2016/2017 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity
Fiscal Year 2015/2016
$40.84594 per $1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

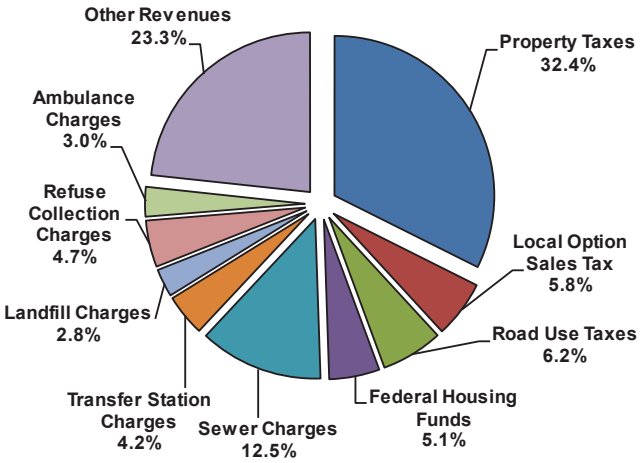
City of Muscatine
Major Revenue Sources
Fiscal Year 2016/2017 Budget

General Information

The City of Muscatine budgeted operating revenues of $46,130,232 for 2016/2017 include all budgeted revenues of the City with the exception of revenues funding the City's capital projects. Capital project revenues include bond proceeds, state and federal grants, and transfers from other funds. As capital project revenues and expenditures vary significantly from year to year, these amounts have been excluded from the summary schedules in this section of the budget to more accurately compare revenue and expenditure trends over the last several years. Of the total 2016/2017 budgeted operating revenues, 76.7% is estimated to be received from nine major revenue sources. This section of the budget includes the basis for the budget estimates for each of these nine categories as well as relevant trends in these revenue sources.

	2016/2017 Budget	Percent of Total
Property Taxes	$ 14,942,348	32.4%
Local Option Sales Tax	2,664,200	5.8%
Road Use Taxes	2,870,200	6.2%
Federal Housing Funds	2,342,190	5.1%
Sewer Charges	5,767,000	12.5%
Transfer Station Charges	1,938,250	4.2%
Landfill Charges	1,300,600	2.8%
Refuse Collection Charges	2,173,000	4.7%
Ambulance Charges	1,381,000	3.0%
Other Revenues	10,751,444	23.3%
Total Operating Revenues	$ 46,130,232	100.0%

Operating Revenues
Budget 2016/2017



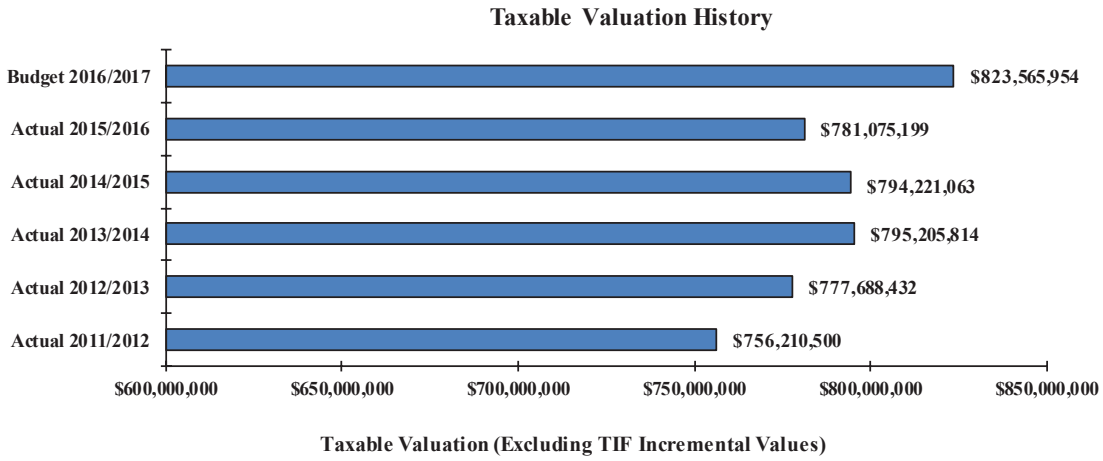
Property Taxes
FY 2016/2017 Budget $14,942,348

General Information

Property taxes comprise 32.4% of the City's operating revenues. The taxes in this category include both regular property taxes and property taxes from tax increment financing (TIF) districts. The City has a strong tax collection rate with the rate of collection of current year taxes generally over 99%.

Budgeted property tax revenue is determined based on taxable valuation of property and tax rates for various categories of taxes as provided for by the State of Iowa. Following are charts of taxable property valuations, tax rates, and property taxes for the last four years, the estimated amounts for the current year and budgeted amounts for 2016/2017. Relevant assumptions and comments are included for each of the charts. Additional detailed schedules of taxable valuations and tax rates are also included in the "Property Tax Schedules" section, which immediately precedes this section.

Taxable Valuations

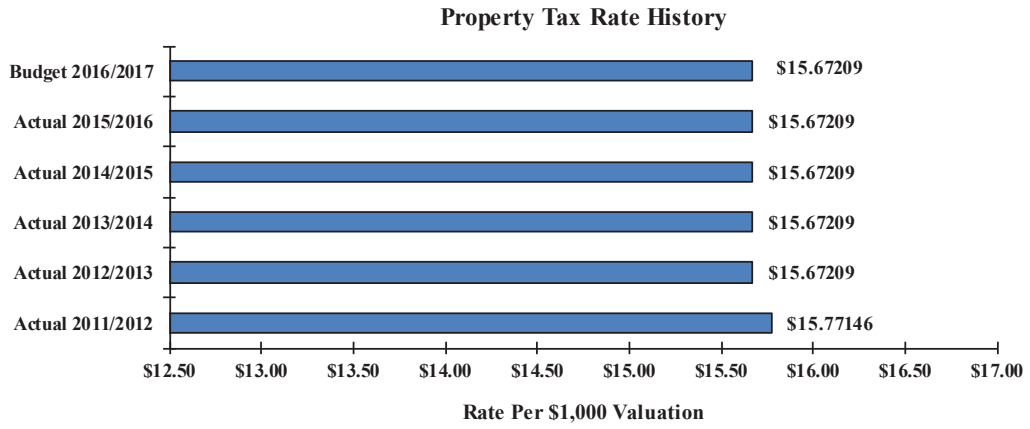


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other State-mandated valuation requirements.

The taxable property valuation for fiscal year 2016/2017 is $823,565,954, which is $42,490,755 (5.44%) more than the fiscal year 2015/2016 valuation of $781,075,199. The increase is due to re-valuations by the County Assessor, new growth, and changes in taxable valuations due to changes in the rollback factors for residential and multi-residential properties. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The rollback of regular commercial and industrial valuations remained at 90% for 2016/2017. Multi-residential properties (those with 3 or more living quarters, assisted living facilities, land-leased communities, etc.), however, which had been included in the commercial property category, became a separate property class. Those valuations were rolled back from 90% to 86.25% and will continue to be rolled back over the next seven years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2016/2017 is $33,837,709 which reflects the 86.25% rollback. Industrial

property valuations increased by 10.77% for 2016/2017. Commercial values decreased by 7.67%, with this decrease due to separating out the multi-residential properties. If commercial and multi-residential valuations are combined, there is an overall increase of 7.81% compared to the prior year. Residential property values increased by 3.29%. Actual valuations for residential property increased by 3.42% and there was a .2% increase in the residential rollback (from 55.7335% to 55.6259%). The other smaller categories of properties are railroads, which increased in valuation by 41.51%, and utilities, which decreased by 11.67%. Overall, these factors combined to result in the 5.44% overall increase in taxable valuations. It should be noted, however, that while the taxable valuations increased this year by 5.44%, this significant of an increase is somewhat of an anomaly as it is the highest increase in at least the last 10 years and increases of this magnitude are not expected to continue in upcoming years.

Property Tax Rates



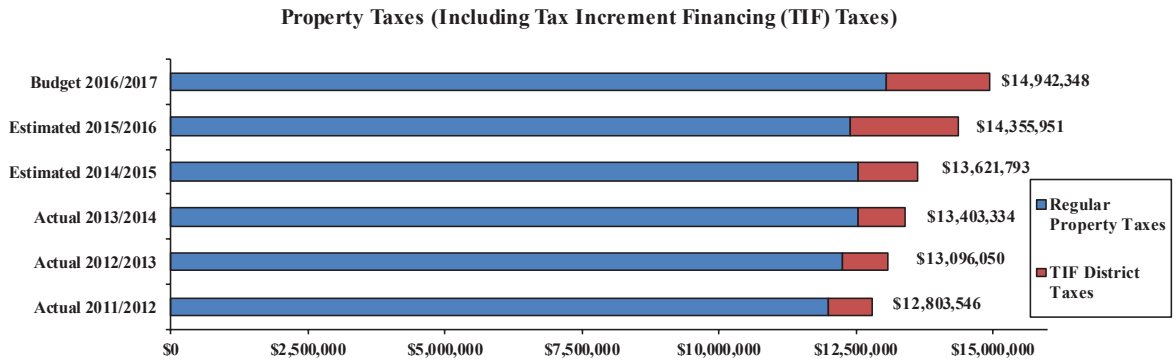
The City's tax rate for 2016/2017 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, Debt Service, and Levee Improvement levies.

Three of the tax categories are limited by State law to maximum rates per $1,000 of valuation. These maximums are $8.10 per $1,000 of valuation for the General Fund, $.95 for Transit, and $.0675 for Levee Improvements. The City is at the maximum rate for the General Fund, but is less than the maximum for the Transit levy and Levy Improvement categories.

The other tax categories do not have limits per $1,000 of valuation. The Debt Service levy is the amount required for principal and interest on general obligation debt, the Employee Benefits levy is based on budgeted employee benefits in the General Fund, and the Tort Liability levy is based on estimated insurance costs.

The City's tax rate for 2016/2017 was maintained at the same rate as the previous four years. An increase in the employee benefits rate was offset by decreases in the transit, tort liability, levy, and debt service tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefits levy funding $192,637 less than the full amount of General fund employee benefits eligible to be funded from that levy. In effect, that amount of employee benefits will be funded from the General fund in 2016/2017.

Property Tax Revenue



Property taxes estimated for 2016/2017 total $14,942,348, including $13,063,348 from regular property tax and $1,879,000 from tax increment financing (TIF) taxes. This is a 5.31% increase in regular property taxes and a 4.08% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2016/2017 Budget $2,664,200

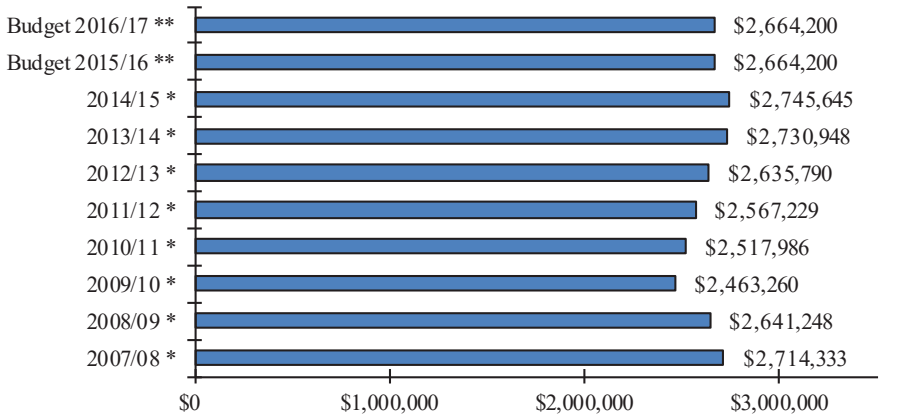
General Information

Voters in the City of Muscatine first approved the 1% local option sales tax in 1994 for a five year period from July 1, 1994 through June 30, 1999. Proceeds from this tax were required by the referendum to be used for storm and sanitary sewer projects in the City. In 1998 voters approved the extension of this tax for another five year period through June 30, 2004 to continue the sewer improvement program. In January 2003 voters approved allocating up to 10% of the local option tax to the "Pearl of the Mississippi Project". This project included a new aquatic center, skatepark, trail extension, marina improvements, boat launch ramp relocation, Riverview Center renovation, and community art. In January 2004 voters approved an additional five year extension to this tax through June 30, 2009 with 90% of the tax to be used for sewer projects and up to 10% to be used for the "Pearl of the Mississippi Project". In 2008 voters approved extension of this tax for a 10-year period through June 30, 2019 with 80% of the tax proceeds to be used for storm and sanitary sewer projects and 20% for the City's pavement management program.

Basis of Local Option Tax Estimate

Each fiscal year the Iowa Department of Revenue and Finance makes estimated local option sales tax payments to the City. The following fiscal year, the City receives an additional payment which reconciles actual local option sales tax amounts to the estimates previously remitted to the City. The following chart shows the local option sales taxes earned by the City each fiscal year. These amounts include the reconciliation amounts received the following year. Local option taxes have been conservatively estimated for both 2015/2016 and 2016/2017 at the State's most recent projection without a reconciliation amount.

Local Option Tax Revenue Trends



** Both the 2015/16 and 2016/17 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2016/2017 Budget $2,870,200

General Information

The State of Iowa collects taxes on gasoline sales, vehicle license fees, and weight taxes. A portion of the funds collected are distributed to cities as Road Use Taxes on a per capita formula basis.

Basis of Road Use Tax Estimate

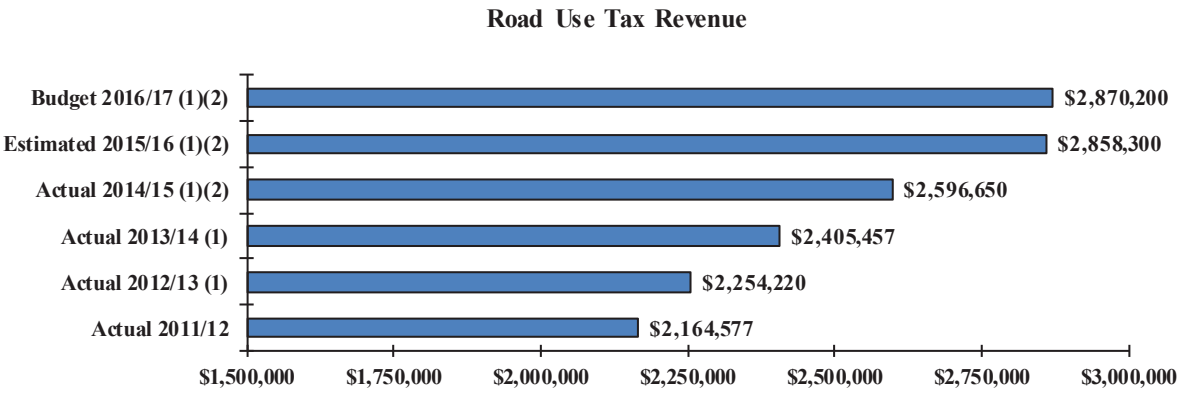
The estimated per capita rate of distribution of the Road Use Tax is provided by the Iowa Department of Transportation based on current laws regarding specific revenue to and disbursement from the State's Road Use Tax Fund.

Road Use Tax Revenue Trends

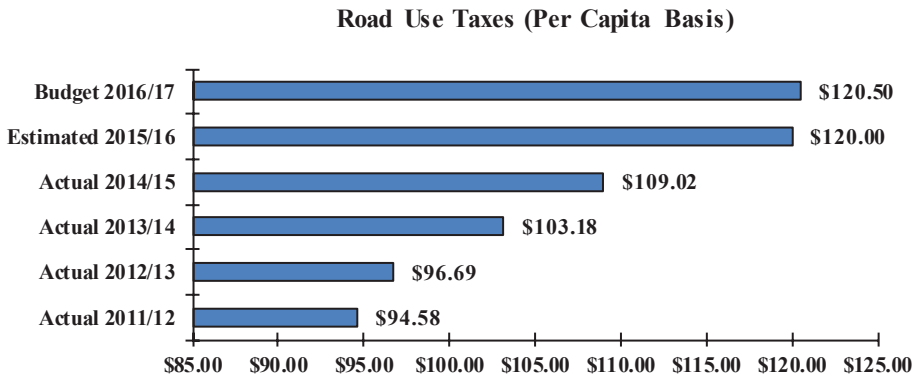
The first chart below shows actual Road Use Tax revenues for the previous four fiscal years and the estimated amounts for both the current year and 2016/2017. The second chart shows the actual and estimated per capita tax distribution rates for the same years. The per capita estimate is based on the current law regarding revenue to and disbursements from the State's Road Use Tax fund. Any changes in the law could change the per capita amount to be distributed to cities.

The increases in Road Use Tax revenues since 2011/2012 are in part due to population increases from two recent voluntary annexations. The population for the first seven months of 2012/2013 was 22,954 (2010 census of 22,886 plus 68 with the annexation of the Heatherlynn and Irish Ivy areas). The population for the last five months of the year increased by 865 to 23,819 due to the annexation of the Ripley's area. Fiscal year 2013/2014 was the first full year with Road Use Tax revenue from the increased population from the annexations. After the 2015/2016 budget was adopted, the State legislature approved a $.10 per gallon increase in the gas tax effective March 1, 2015. This is expected to generate an additional $416,700 in Road Use Tax revenue each year. Road use tax revenues are estimated at $2,858,300 in 2015/2016. This is based on the Iowa Department of Transportation (IDOT) estimate of $120.50 per capita, which has been reduced by $.50 to $120.00 for a conservative budget estimate.

The road use tax distribution for 2016/2017 was estimated by the IDOT at $121.00 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2016/2017 budget includes a more conservative estimate of $120.50 per capita which would generate $2,870,200.



1. Road Use Tax revenues in 2012/2013 through 2016/2017 include increases from two voluntary annexations.
2. Increased Road Use Tax revenues in 2014/2015 through 2016/2017 are due to the $.10 increase in the gas tax effective March 1, 2015.



Federal Housing Funds
FY 2016/2017 Budget $2,342,190

General Information

Federal Housing funds are received from the Department of Housing and Urban Development (HUD) for the City's Section 8 Housing Choice Voucher Program and the City's Public Housing Program.

HUD funds for the Section 8 Housing Choice Voucher Program provide housing assistance payments to qualifying individuals and families living in privately owned rental housing units as well as funds for the City to administer this program.

The City operates two public housing facilities - the 100-unit Clark House elderly/handicapped building and the 50-unit Sunset Park family apartment complex. Tenants pay monthly rent to the City based on their income. These rents are used to fund operating expenditures of the two facilities. The City also receives assistance through the HUD Operating Subsidy program to assist in funding operational costs. The amount of funding is based on a formula which takes into account the rents, occupancy rates, allowable expense levels, and utility costs. HUD also allocates capital funds to public housing agencies for improvements to the housing facilities and/or operating costs.

Basis of Federal Housing Fund Estimates

Section 8 Housing Voucher Program. The maximum number of units eligible for Section 8 funding has been 376 since 2001. In 2004 HUD changed the allocation basis for Section 8 funds which resulted in a decrease in the number of individuals and families that can be assisted through this program. Under this funding structure the HUD funding allocations for housing assistance payments are set at fixed amounts which are determined annually. Housing assistance payments (HAPS) to tenants vary based on incomes and increases in the average housing assistance payment result in a reduction in the number of individuals and families that can be assisted. Prior to this change HUD funds varied based on actual tenant assistance payments (which are based on tenant income) and occupancy levels.

For calendar year 2012 HUD made additional changes in how the Section 8 Voucher program funds are distributed to housing agencies. As part of the HUD funding for 2012, housing agencies were required to use previous year unspent HAP funds to fund a portion of the current year's HAP payments. This resulted in lower HAPS reserves at the end of 2011/2012 and 2012/2013, and the reserve was depleted in 2013/2014. HUD now holds each housing authority's HAPS reserve. According to information from HUD, this was not intended to reduce the number of families and individuals receiving rent subsidies under the Section 8 Voucher program, but only to lower the reserves held by housing agencies. Based on the current average rent subsidy and the estimated calendar year 2016 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (376). The goal of the Housing staff is to maximize usage of the allowed HUD funds and to strive to obtain increased funding for housing assistance payments each year.

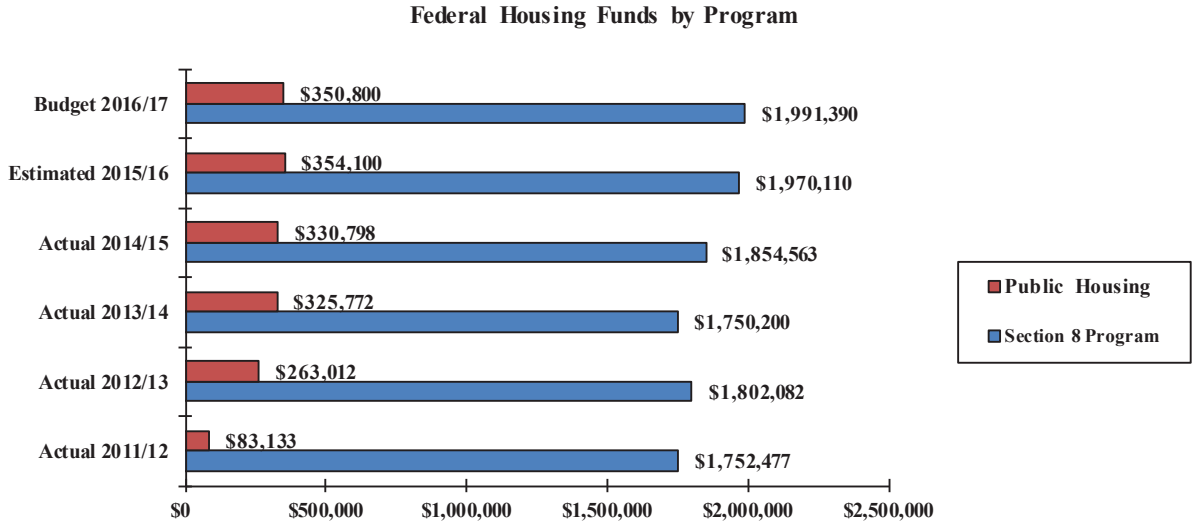
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In calendar year 2012, HUD changed how Operating Subsidy funds were allocated taking into consideration the operating reserve for each housing agency. This resulted in the City's Public Housing Program receiving no Operating Subsidy during calendar year 2012. Since the calendar year encompasses two City fiscal years, the Operating Subsidy for the first

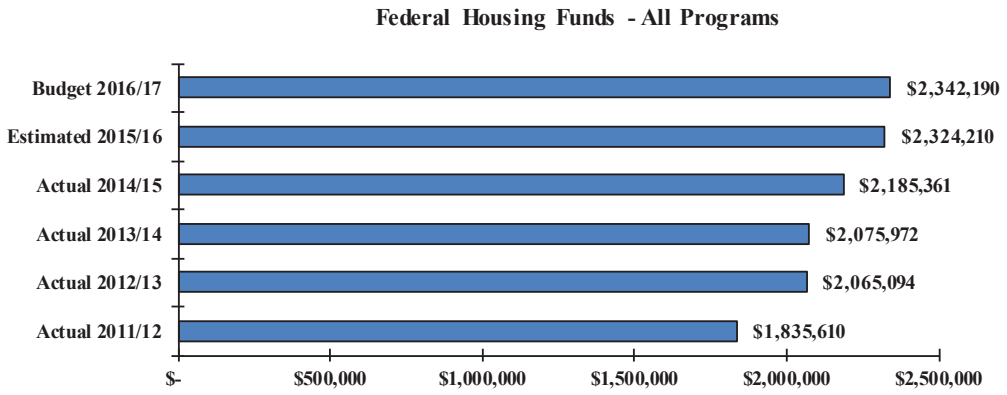
six months of the 2011/2012 fiscal year was $83,133 and no funding was received in the last six months of the year. In 2012/2013 $92,006 in Operating Subsidy was received for the last six months of the fiscal year (January-June, 2013). A full fiscal year of Operating Subsidy was received in fiscal year 2013/2014 in the amount of $173,897 and in 2014/2015 in the amount of $180,628. The subsidies have been estimated at $187,600 in both 2015/2016 and in 2016/2017.

Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. Through 2010 the City (with HUD approval) had been drawing down the HUD Capital Funds as operating funds and then including those funds in the overall operating and capital budgets for both the Clark House and Sunset Park. Since having those funds in the Operating Reserve negatively impacted the Public Housing program when the Operating Subsidy was calculated, the 2011 and 2012 funds were not drawn down for operations in 2011/2012. The City drew down the 2011 allocation of $171,006 in 2012/2013 and the 2012 allocation of $151,875 in 2013/2014. The City drew down the 2013 allocation of $150,170 in 2014/2015. Housing agencies are given two years to obligate each year's capital funding allocation. The 2015/2016 revised estimate reflects drawing down the 2014 grant which totals $160,600. The 2016/2017 budget reflects drawing down the 2015 allocation of approximately $163,200.

Federal Housing Funds Revenue Trends

The first chart below shows the revenue trends by housing program for the last four fiscal years, the estimated amounts for 2015/2016 and the budgeted amounts for 2016/2017. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.




Federal Housing Funds - All Programs
Budget 2016/17
$2,342,190
Estimated 2015/16
$2,324,210
Actual 2014/15
$2,185,361
Actual 2013/14
$2,075,972
Actual 2012/13
$2,065,094
Actual 2011/12
$1,835,610
$-
$500,000
$1,000,000
$1,500,000
$2,000,000
$2,500,000

Sewer Charges for Services
FY 2016/2017 Budget $5,767,000

General Information

Sewer service charges of the City are accounted for in the Water Pollution Control and Collection and Drainage enterprise funds. These charges include residential and commercial charges, industrial charges, collection and drainage charges, sewer connection fees, and industrial sampling charges. The City contracts for in depth rate studies to assist the City in setting sewer rates for the various types of sewer users. The usage and revenue estimates in the model are updated annually during the budget review process.

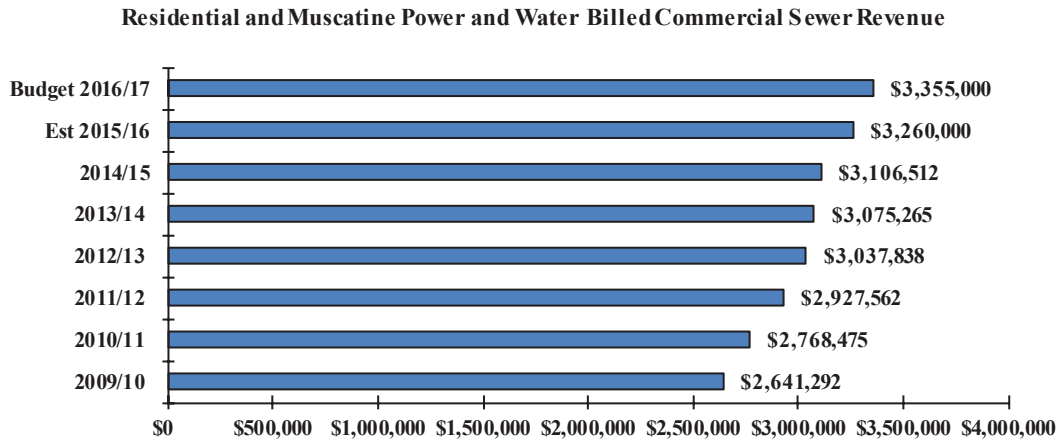
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new structure was to provide a multi-year contract with the City's major industrial sewer customer (Heinz USA) to provide a guaranteed minimum of industrial sewer revenues. Another component provided for a separate "collection and drainage" charge as part of all residential and commercial customer sewer bills. The new structure went into effect July 1, 2003 and included provisions for additional increases in sewer rates effective July 1, 2004 and July 1, 2005. The next rate study was completed in the spring of 2006 setting rates for a one-year period for regular sewer fees and a three-year period for collection and drainage fees. In the spring of 2007, sewer rates were set for both 2007/2008 and 2008/2009. In the spring of 2009, rates were set for a four-year period from 2009/2010 through 2012/2013 for both sewer services and collection and drainage. The most recent rate study was completed in 2013 which set rates for a five-year period through fiscal year 2017/2018.

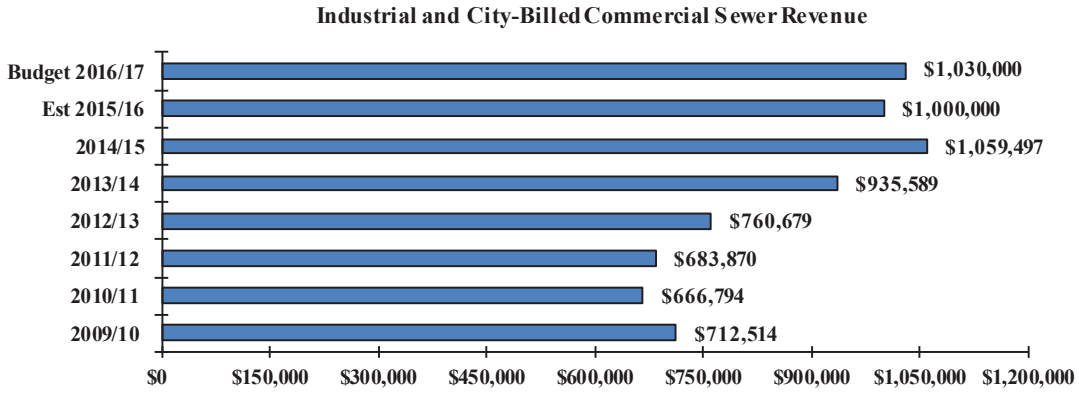
Basis of Revenue Estimates

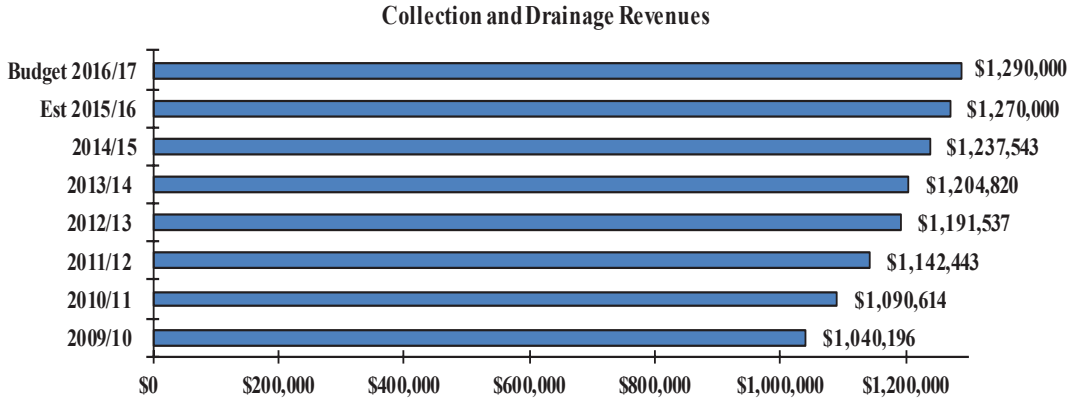
Staff at the Water Pollution Control department reviews historical residential and commercial customer usage to estimate the expected volumes to be received from these classes of customers for the upcoming year. For industrial customers, historical usage is reviewed and staff also contacts the City's major industrial customers for any usage changes which they may be projecting.

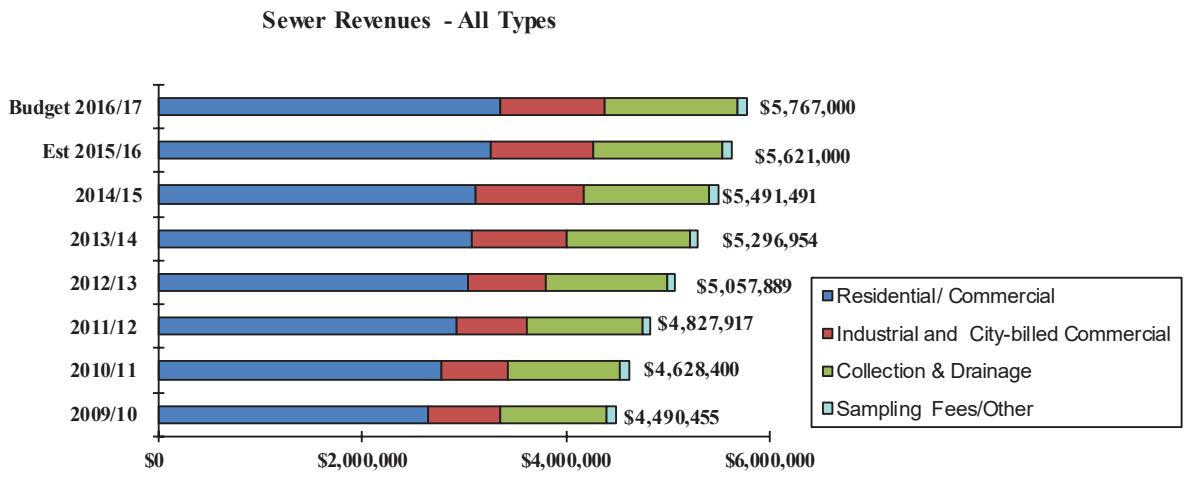
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz USA. As noted above, under the current rate structure the City contracts with Heinz USA for a guaranteed minimum of sewer revenue. This began in 2003/2004 and will continue through calendar year 2017 per the most recent contract extension with Heinz. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2015/2016 and the projections for 2016/2017. The budgeted sewer rates for 2015/2016 and 2016/2017 reflect annual approximately 3% rate increases per the 2013 rate study.

Sewer Revenue Trends








Sewer Revenues - All Types
Budget 2016/17
Est 2015/16
2014/15
2013/14
2012/13
2011/12
2010/11
2009/10
$5,767,000
$5,621,000
$5,491,491
$5,296,954
$5,057,889
$4,827,917
$4,628,400
$4,490,455
$0
$2,000,000
$4,000,000
$6,000,000
Residential/ Commercial
Industrial and City-billed Commercial
Collection & Drainage
Sampling Fees/Other

Transfer Station Charges for Services
FY 2016/2017 Budget $1,938,250

General Information

The City's Transfer Station opened in August of 1995. Refuse is delivered to this facility by public and private refuse collection services, businesses, and individuals. The refuse is compacted and transported by semi-trailers to the landfill.

Basis of Estimate

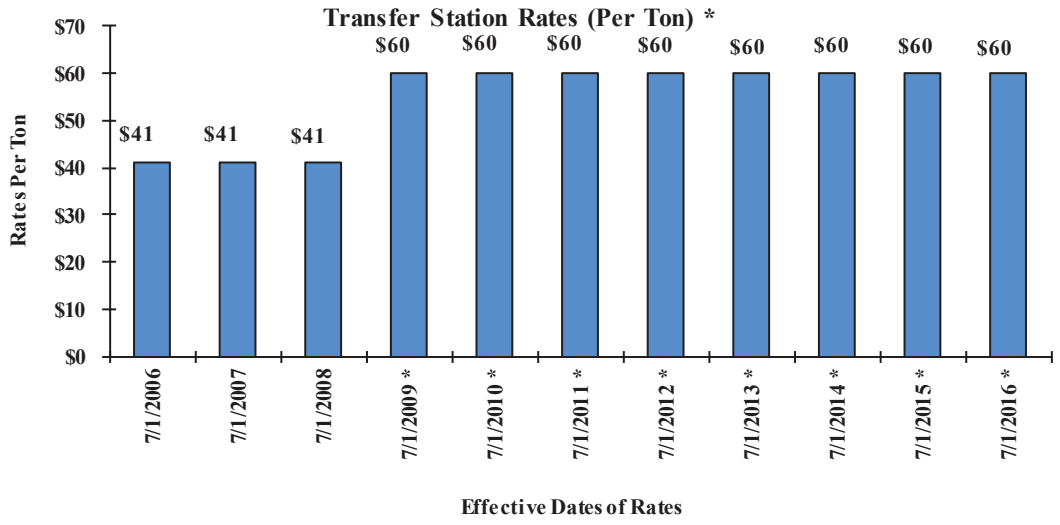
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt service payments for the construction of this facility. Consideration is also given when setting rates, to the potential loss of customers to Illinois landfills if the rates are increased significantly from their current levels.

The transfer station rate was $38.00 per ton in 2001/2002 and it increased to $41.00 per ton for 2002/2003. The 2002/2003 increase was in part due to reduced waste volumes received in 2001/2002. Since Transfer Station fees also fund landfill expenditures, this rate increase was also needed to fund increased expenditures at the landfill, including land acquisition costs. The Transfer Station rate increased to $60.00 per ton effective July 1, 2009 and that rate will continue through 2016/2017. The Landfill fund had a deficit balance of over $2.5 million at the end of 2009/2010 primarily due to the significant costs of developing new cells at the Landfill. The rate increase was part of the plan to reduce this deficit. In 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualified for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. This was implemented to retain waste volume at the Transfer Station that might otherwise have gone to Illinois landfills. Additional negotiated industrial waste disposal contracts were implemented midway through the 2010/2011 year to increase the waste volume coming to this facility. These negotiated industrial contracts as well as the original industrial contracts were all extended through June 30, 2015. The industrial contracts were further extended through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

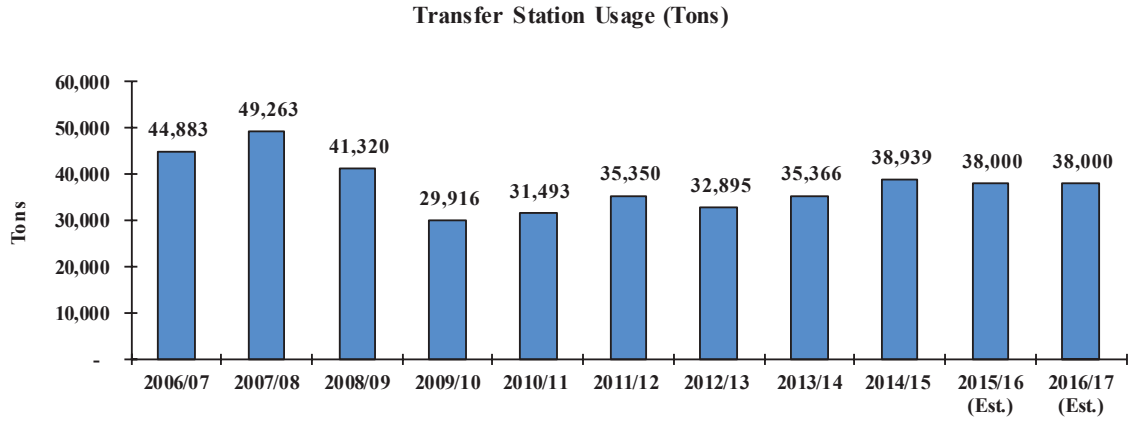
The actual Transfer Station waste volume was 44,883 in 2006/2007, 49,263 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, and 38,939 in 2014/2015. The 2015/2016 revised estimate and the 2016/2017 budget are each based on a projected 38,000 tons of waste.

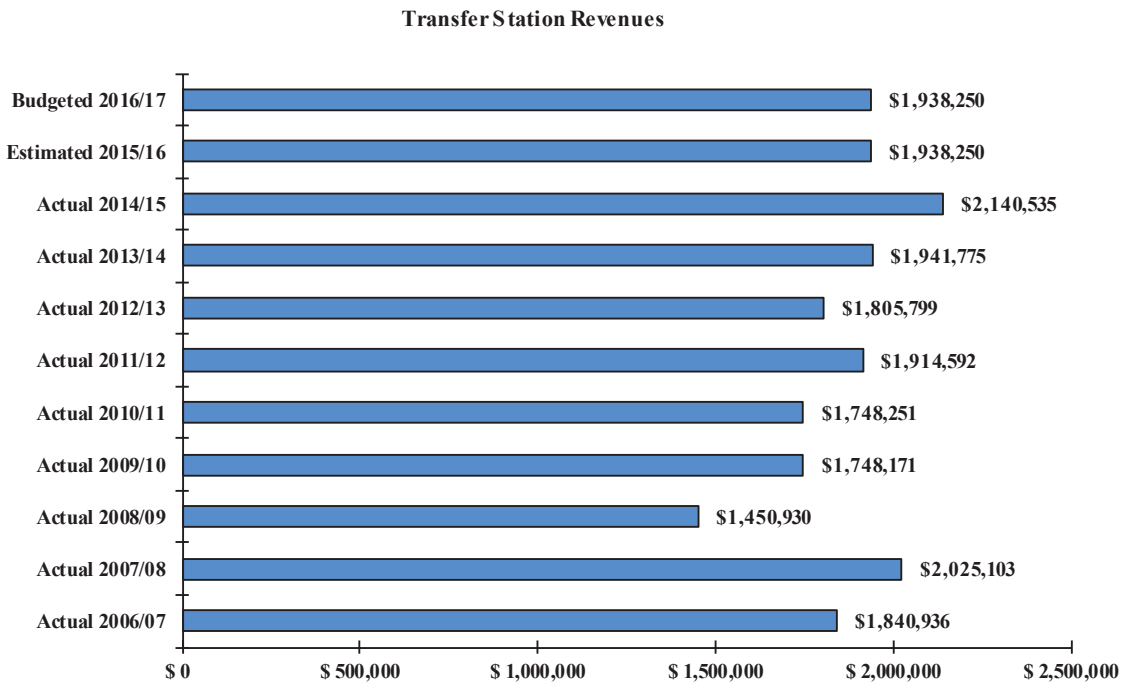
Transfer Station Revenue Trends

The following charts show Transfer Station rates, usage, and revenues since 2006/2007:



***In 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station, be directly billed for the disposal fees, and receive discounted rates.**




Transfer Station Revenues
Budgeted 2016/17
$1,938,250
Estimated 2015/16
$1,938,250
Actual 2014/15
$2,140,535
Actual 2013/14
$1,941,775
Actual 2012/13
$1,805,799
Actual 2011/12
$1,914,592
Actual 2010/11
$1,748,251
Actual 2009/10
$1,748,171
Actual 2008/09
$1,450,930
Actual 2007/08
$2,025,103
Actual 2006/07
$1,840,936
$ 0
$ 500,000
$ 1,000,000
$ 1,500,000
$ 2,000,000
$ 2,500,000

Landfill Fees
FY 2016/2017 Budget $1,300,600

General Information

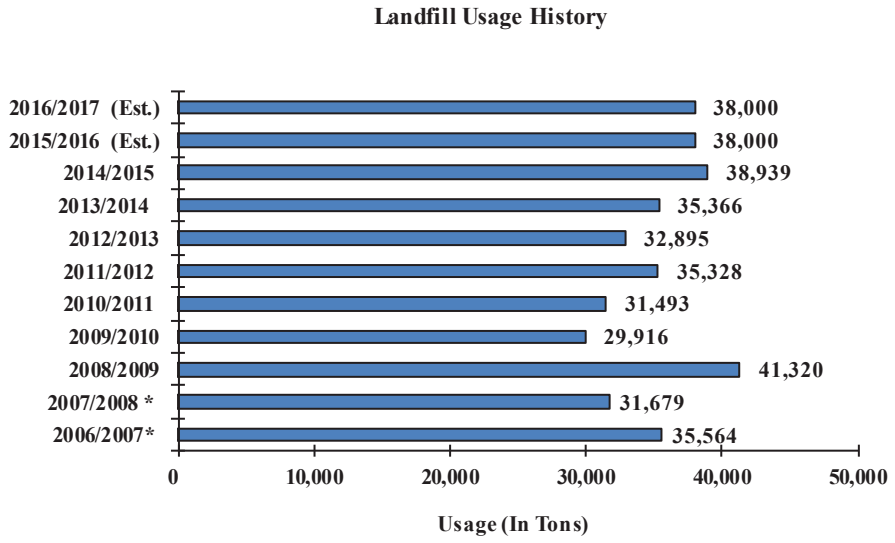
The City's Transfer Station fees include funding for the Landfill. The Transfer Station pays the Landfill on a per-ton basis for waste disposed of at the Landfill. This rate has varied in recent years due to operational and capital requirements at both the Landfill and Transfer Station.

Basis of Revenue Estimate

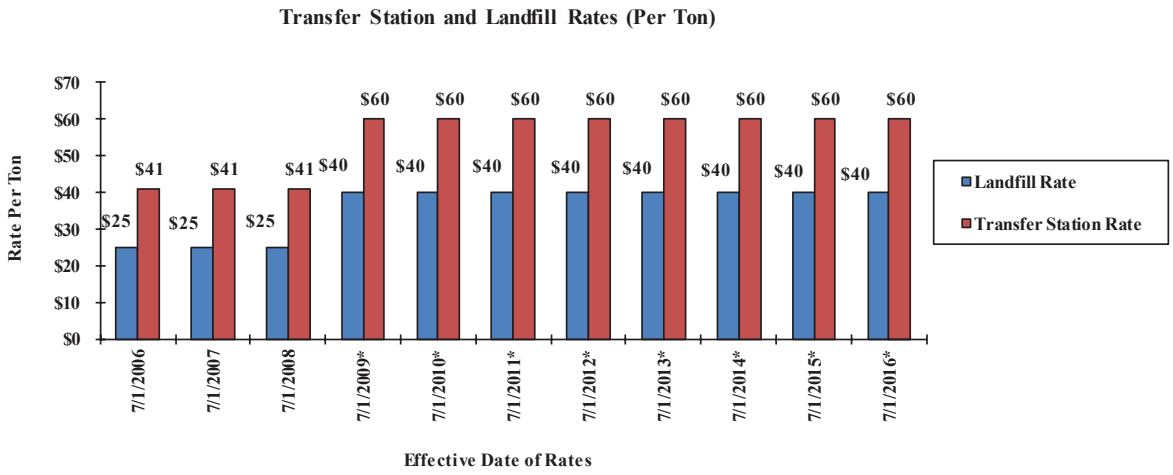
The landfill waste volume was 35,564 in 2006/2007, 31,679 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, and 38,939 in 2014/2015. The waste volume was reduced in both 2006/2007 and 2007/2008 due to landfill capacity issues which required waste to be hauled to the Scott County Landfill for portions of each of these years. The 2015/2016 revised estimate and the 2016/2017 budget are each based on a projected 38,000 tons of waste. The rate per ton paid to the Landfill was $25 (of the $41 Transfer Station rate) for 2006/2007 through 2008/2009. The Transfer Station rate increased to $60 per ton effective July 1, 2009 with $40 of this rate paid to the Landfill fund. These rates will remain in effect through 2016/2017. The City negotiated several new industrial contracts in 2011 with revenues from these new contracts directed to the Landfill fund deficit. The industrial contracts have all been extended through June 30, 2020. The rate increase on July 1, 2009 was needed due to the significant cost of developing new cells at the landfill.

Landfill Revenue Trends

The following two charts show the tons of waste disposed of at the Landfill and the rates charged. As noted previously, the rates customers pay at the Transfer Station also fund Landfill costs. Both the Transfer Station rate and the rate the Transfer Station pays the Landfill are reflected in the second chart.



*** 9,319 tons of waste were taken to the Scott County Landfill in 2006/07 and 7,584 in 2007/08 due to landfill capacity issues**



***In 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualied for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. Additional negotiated industrial rates were implemented midway through the 2010/2011 fiscal year. Both the regular contracts and the negotiated contracts were extended through June 30, 2015. These industrial contracts have been further extended through June 30, 2020 with the regular industrial waste contracts decreasing to $45/ton of which $25.00 of the rate is paid to the landfill. The negotiated waste contracts were each reduced by $2.50 per ton.**

Refuse Collection Charges for Services
FY 2016/2017 Budget $2,173,000

General Information

The Refuse Collection activity involves the pickup of solid waste by refuse trucks in the City of Muscatine. Refuse at residential dwellings is collected once each week. The department also collects refuse from some apartment complexes, commercial businesses, and industrial customers. Non-residential refuse collection is made only upon request, as many businesses contract with private haulers for this service.

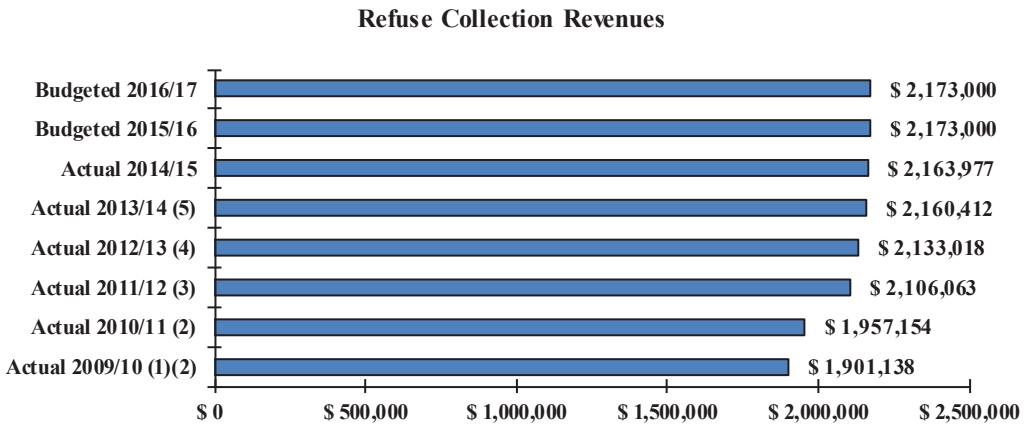
Basis of Revenue Estimate

The refuse collection rates effective July 1, 2009 were $18.25 per month for regular residential customers, $13.25 per month for senior citizens, and commercial account charges were based on the amount of refuse collected. Rates increased to $20.00 for regular residential and $15.00 for senior citizens effective April 1, 2011 when the contracted single sort curbside recycling program was implemented. Those rates are budgeted to continue through 2016/2017. This division began providing refuse collection and curbside recycling services to the annexed Ripley's Mobile Home Court on April 1, 2013. This service brought in an additional $17,062 of revenue in 2012/2013 and approximately $73,000 annually beginning in 2013/2014.

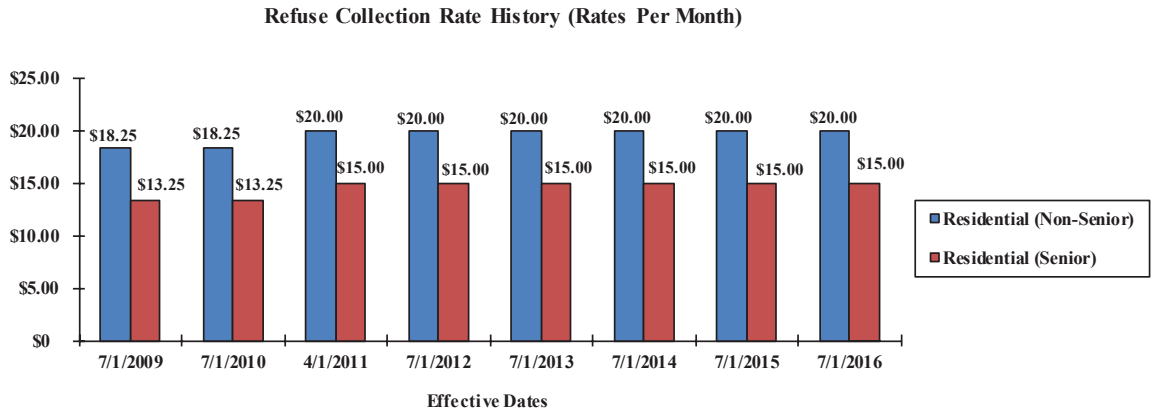
Revenue estimates are developed by a review of the average number of senior and regular residential customers, as well as commercial customers, multiplied by the respective rates. Revenues from commercial customers, however, can vary from the estimates since those customers have the option of using private refuse haulers.

Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2015/2016 and the budgeted revenue for 2016/2017 are shown in the following chart. The second chart shows the refuse collection rates since 2009/2010.



1. Rates increased by $2.75 for both regular and senior citizens for 2009/2010.
2. Includes $70,000 for charges for City of Fruitland services beginning in 2009/2010.
3. Rates were increased by $1.75 for regular and senior citizens effective April 1, 2011 when the single sort curbside recycling program was implemented. These rates were maintained for 2013/2014, 2014/2015, 2015/2016 and 2016/2017
4. Includes $17,062 from Ripley's Mobile Home Court for April - June 2013 based on starting refuse collection services to this recently annexed area in April 2013.
5. Includes the first full year of refuse collection services for Ripley's Mobile Home Court for 2013/2014 totaling $73,028.



Ambulance Charges for Services
FY 2016/2017 Budget $1,381,000

General Information

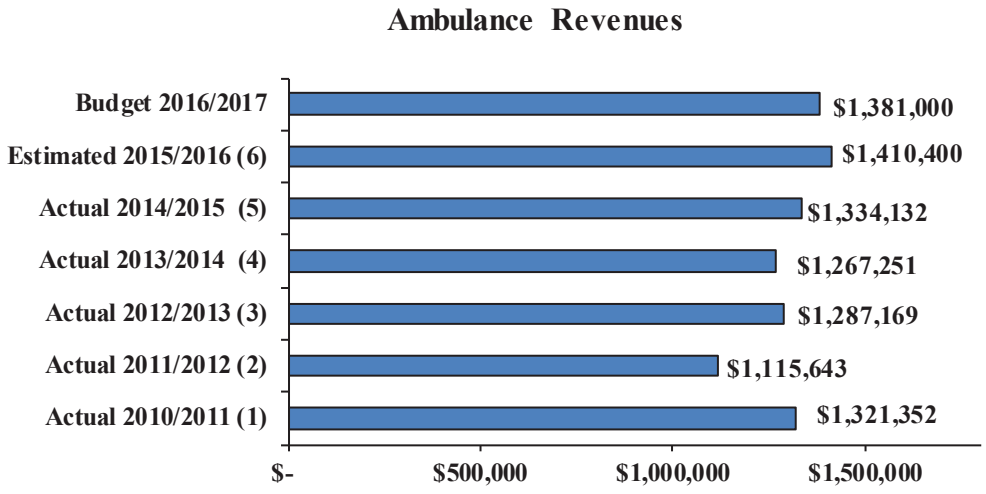
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

In August of 1998 the City contracted with an outside consultant to provide a thorough analysis of the City's system of pre-hospital care involving the Muscatine Fire Department and Muscatine Ambulance, Inc. The consultant's report was used as a basis for development of specifications and a request for proposals (RFP) for potential providers of ambulance services upon the expiration of the ambulance contract on June 30, 2000. Two proposals to provide ambulance service were received and evaluated by the Emergency Medical Services (EMS) Review Team. After review and analysis of the proposals received and interviews with each potential provider, the EMS Review Team recommended the Muscatine Fire Department be awarded the contract to provide ambulance services beginning July 1, 2000.

Basis of Revenue Estimate

Ambulance fees frequently take several months or longer to collect. Based on actual revenue results from past years, collection rates have been in the range of 50-55% of total billed charges and 80-85% of collectible charges. Collectible charges are the charges remaining after the mandated reductions for Medicare patients. At the end of each fiscal year, staff estimates the amount expected to be collected on the current year charges and accrues this amount to the year in which the service was provided. A conservative estimate was used in the first years of this operation which resulted in collections on prior year accounts over the amounts expected. These additional amounts or any reductions to the accrued amounts are reflected in the revenue amount the following year. These are detailed in the footnotes to the chart below. The City also has made incremental changes in the ambulance fee schedule based on surveys from other regional providers as well as amounts allowed by medical insurance providers.

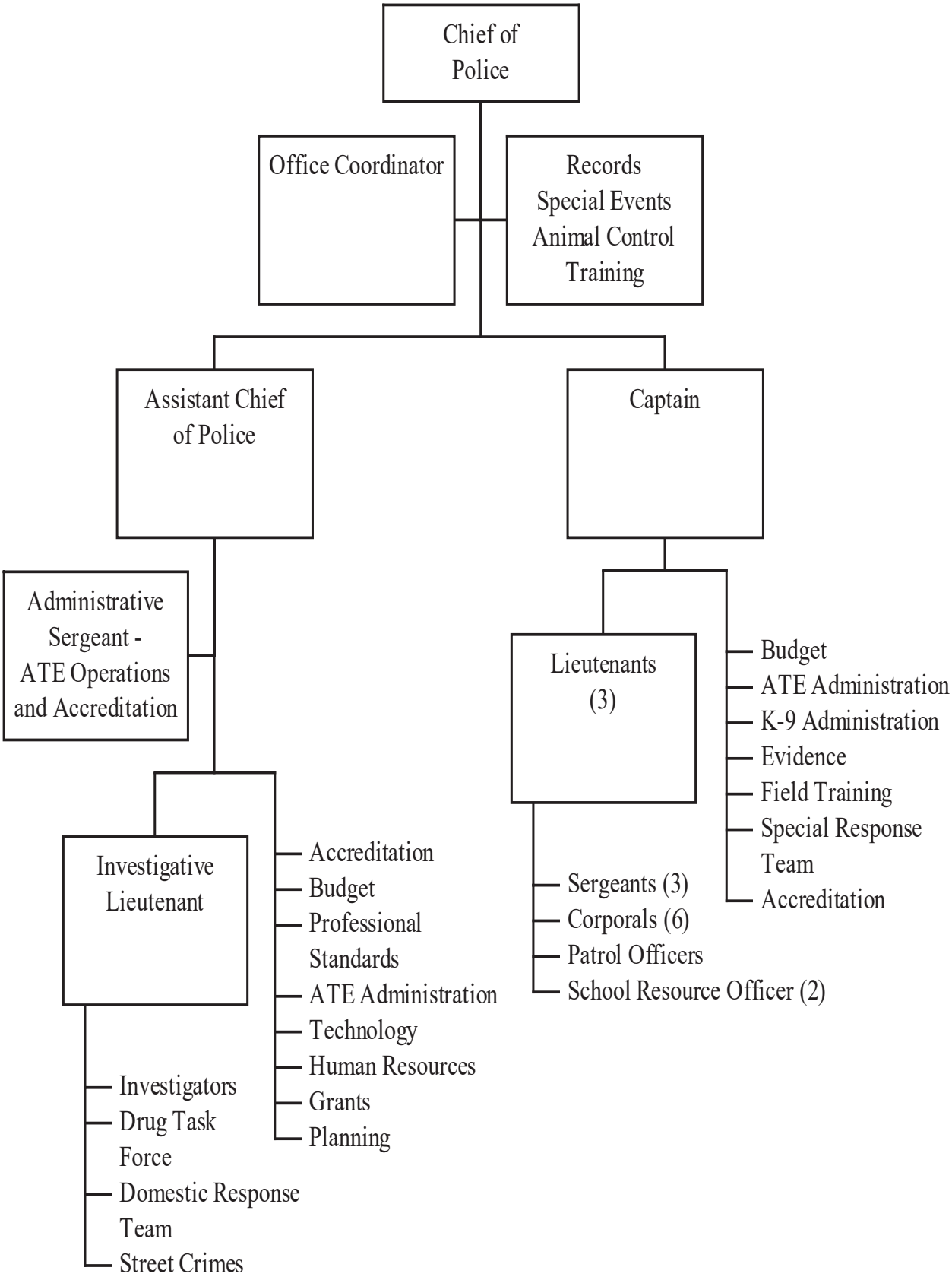
Ambulance Revenue Trends



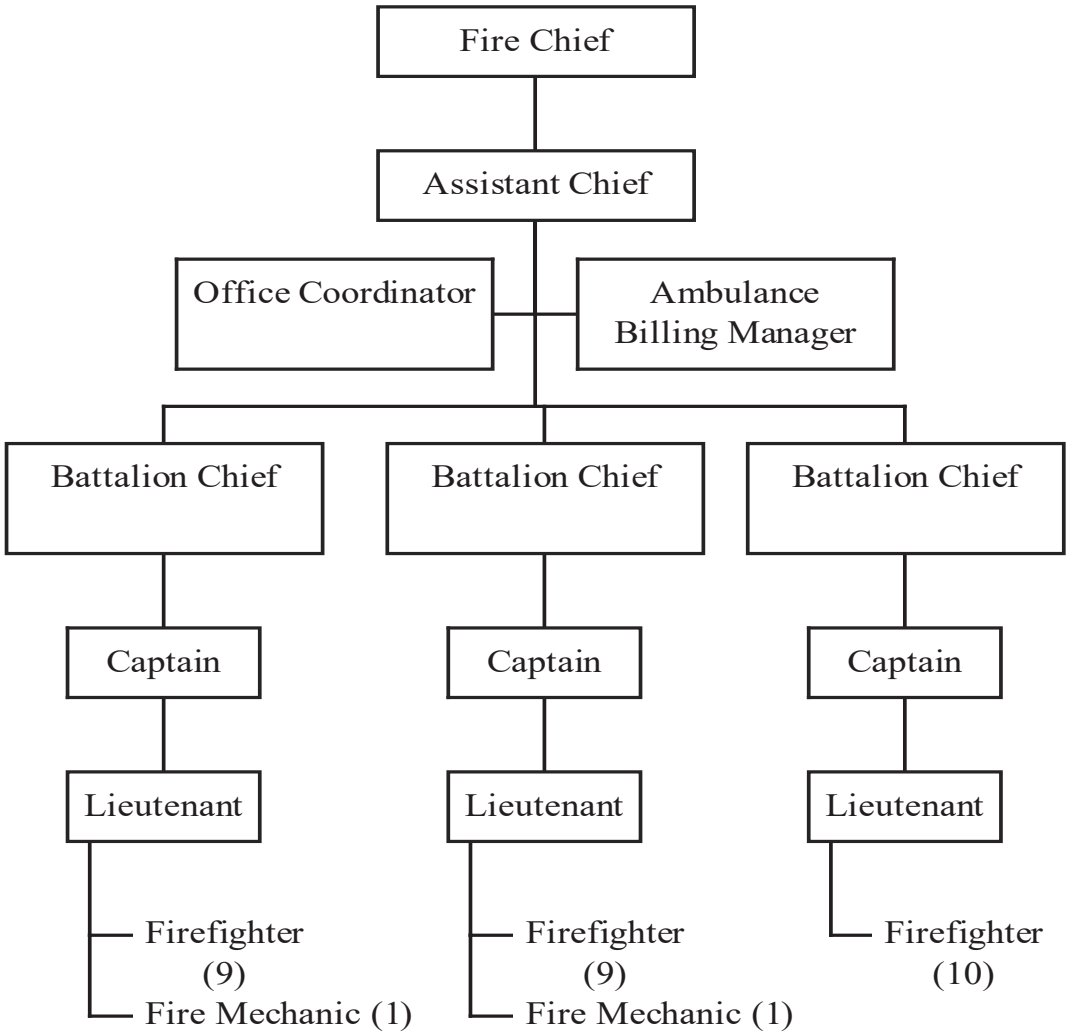
1. FY 2010/2011 revenues include a $75,716 adjustment to increase the amount accrued on prior year accounts. The ALS1 ambulance rate increased to $616, the ALS2 to $891 and the Skilled Care Transport to $1,053 for 2010/2011. The BLS rate did not change for 2010/2011.
2. FY 2011/2012 revenues include a $24,789 adjustment to decrease the amount accrued on prior year accounts. The ALS1 ambulance rate increased to $665, the ALS2 to $962 and the Skilled Care Transport to $1,137 for 2011/2012. The BLS rate was increased to $560 in 2011/2012.
3. The 2012/2013 revenues include a $7,133 adjustment to increase the amount accrued on prior year accounts. The Ambulance mileage rate and "ALS Services with no Transport" rates changed in 2012/2013.. Other rates continued at the 2011/2012 levels.
4. The 2013/2014 revenues include a $6,603 adjustment to increase the amount accrued on prior year accounts. There were no rate changes in 2013/2014.
5. Effective July 1, 2014 the BLS rate was increased to $565, the ALS1 rate to $672, the ALS2 to $972 and the Skilled Care Transport to $1,149. The mileage rate was also increased to $14 per loaded mile.
6. The 2015/2016 revenues include a $60,400 adjustment to increase the amount accrued on prior year accounts. Effective July 1, 2015 the BLS rate was increased to $576, the ALS1 rate to $684, the ALS2 to $990 and the Skilled Care Transport to $1,169. The mileage rate ramained at $14 per loaded mile.

DEPARTMENT ORGANIZATIONAL CHARTS

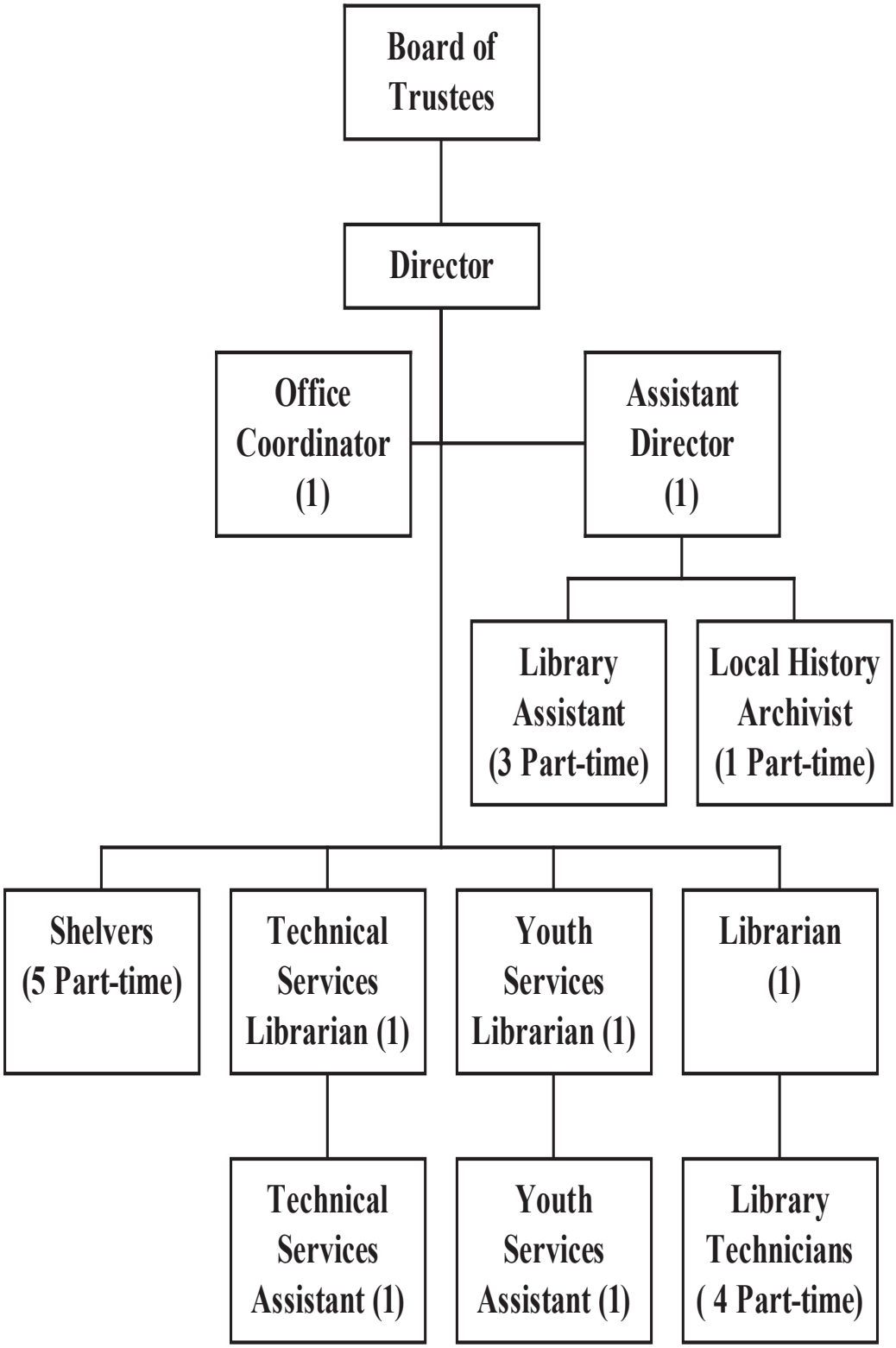
CITY OF MUSCATINE POLICE DEPARTMENT



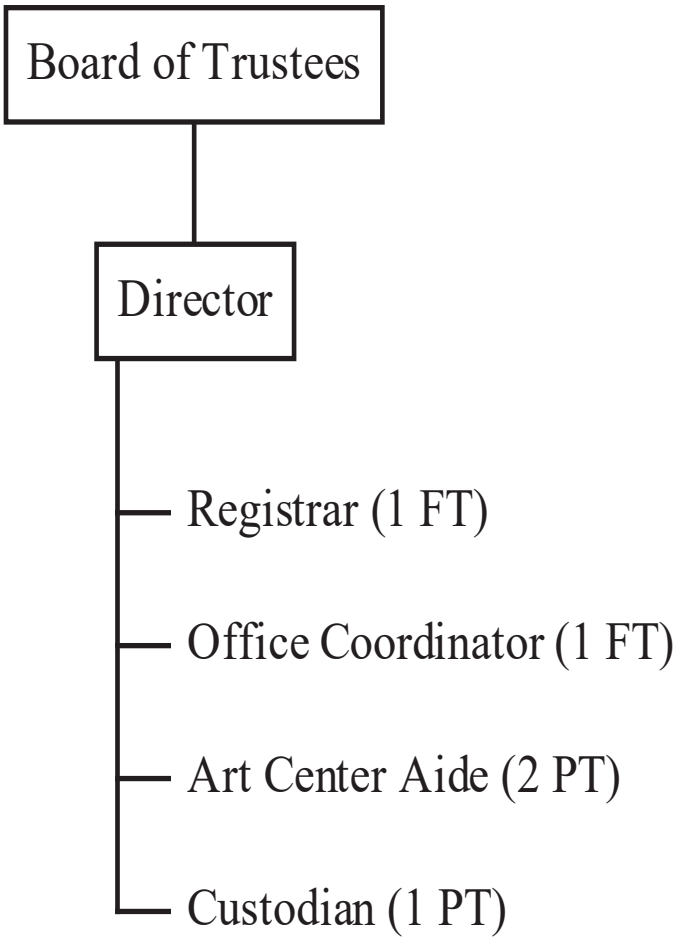
CITY OF MUSCATINE
FIRE DEPARTMENT



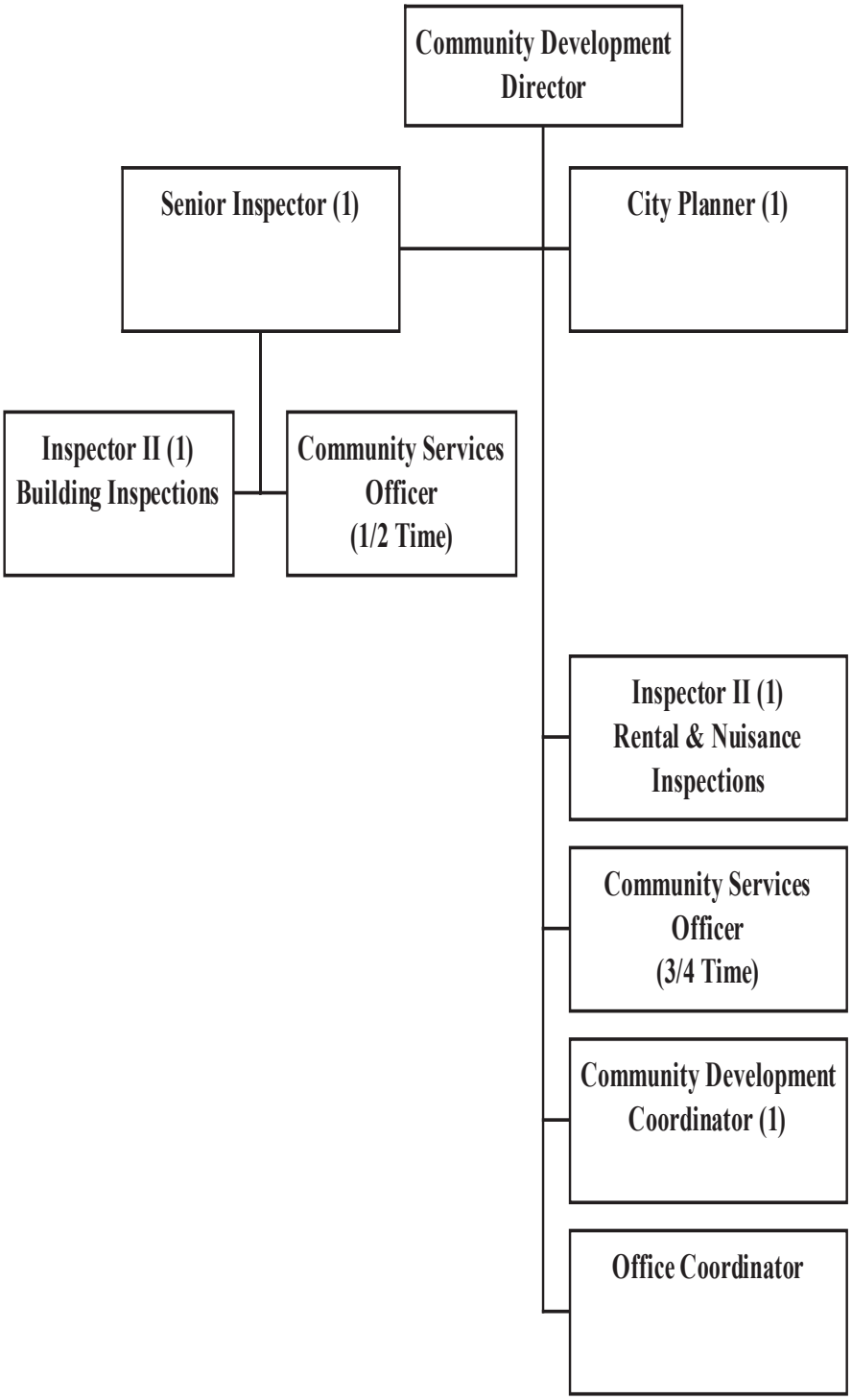
CITY OF MUSCATINE LIBRARY



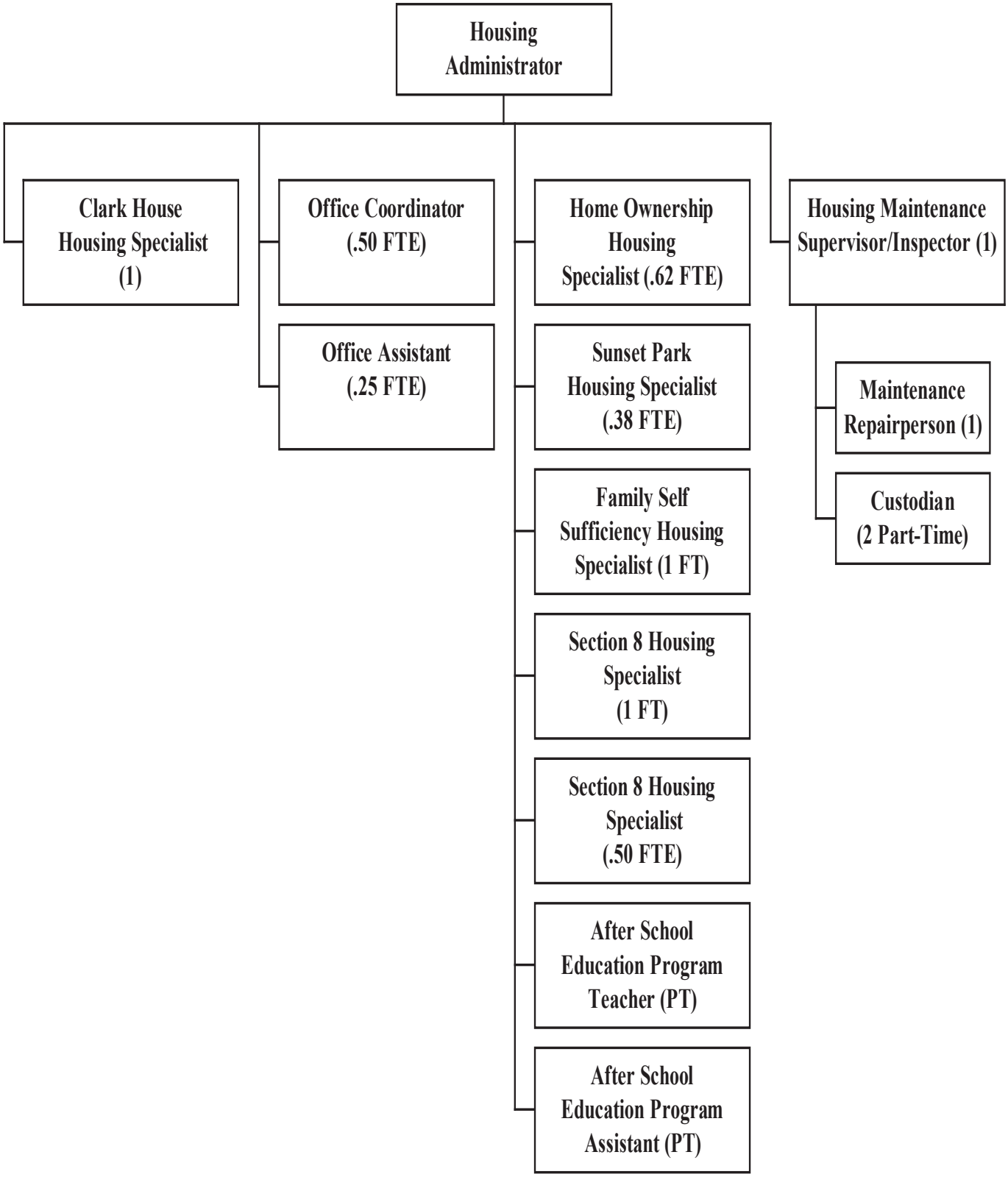
CITY OF MUSCATINE
ART CENTER



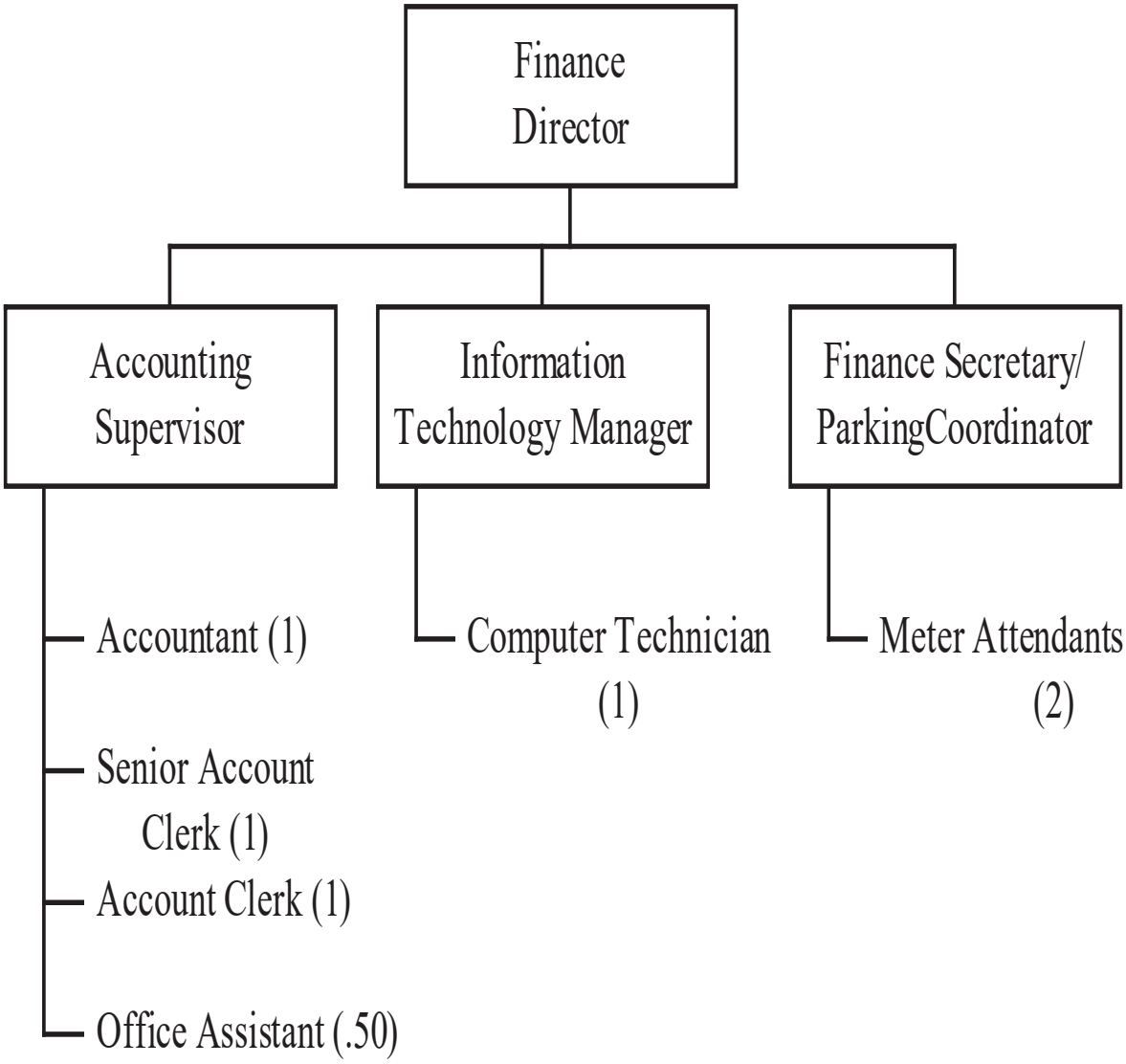
CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



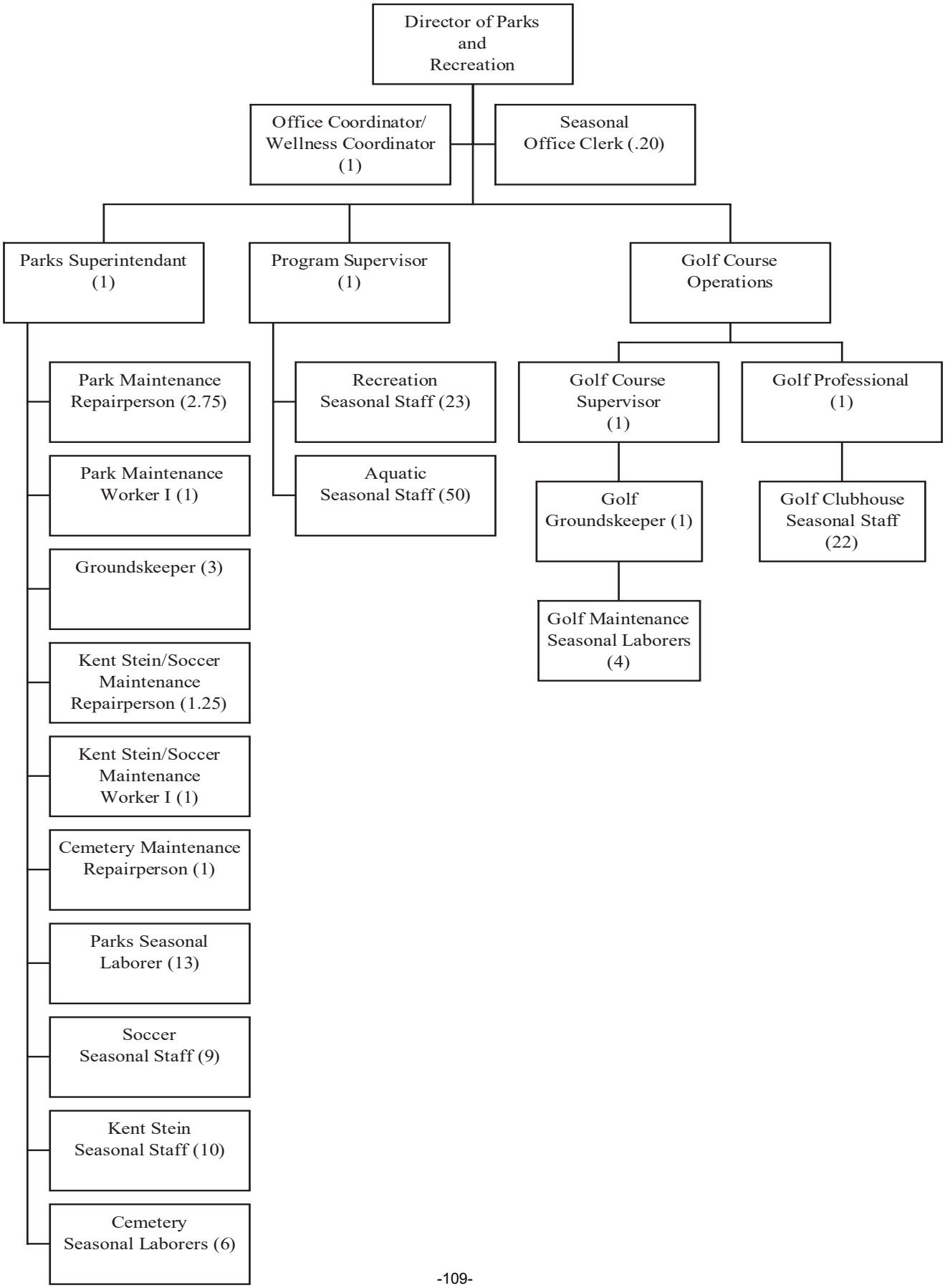
CITY OF MUSCATINE
HOUSING DEPARTMENT



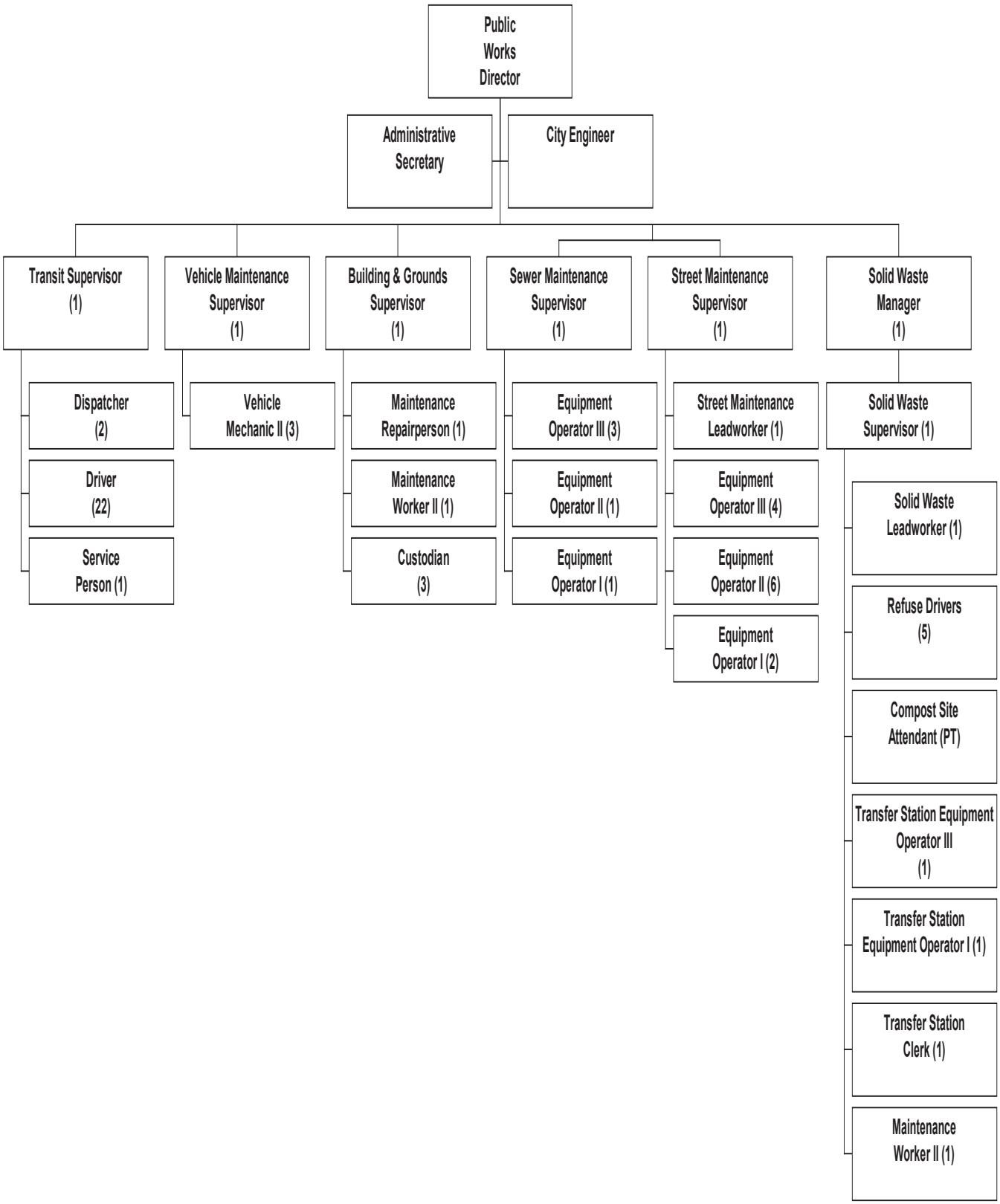
CITY OF MUSCATINE
FINANCE DEPARTMENT



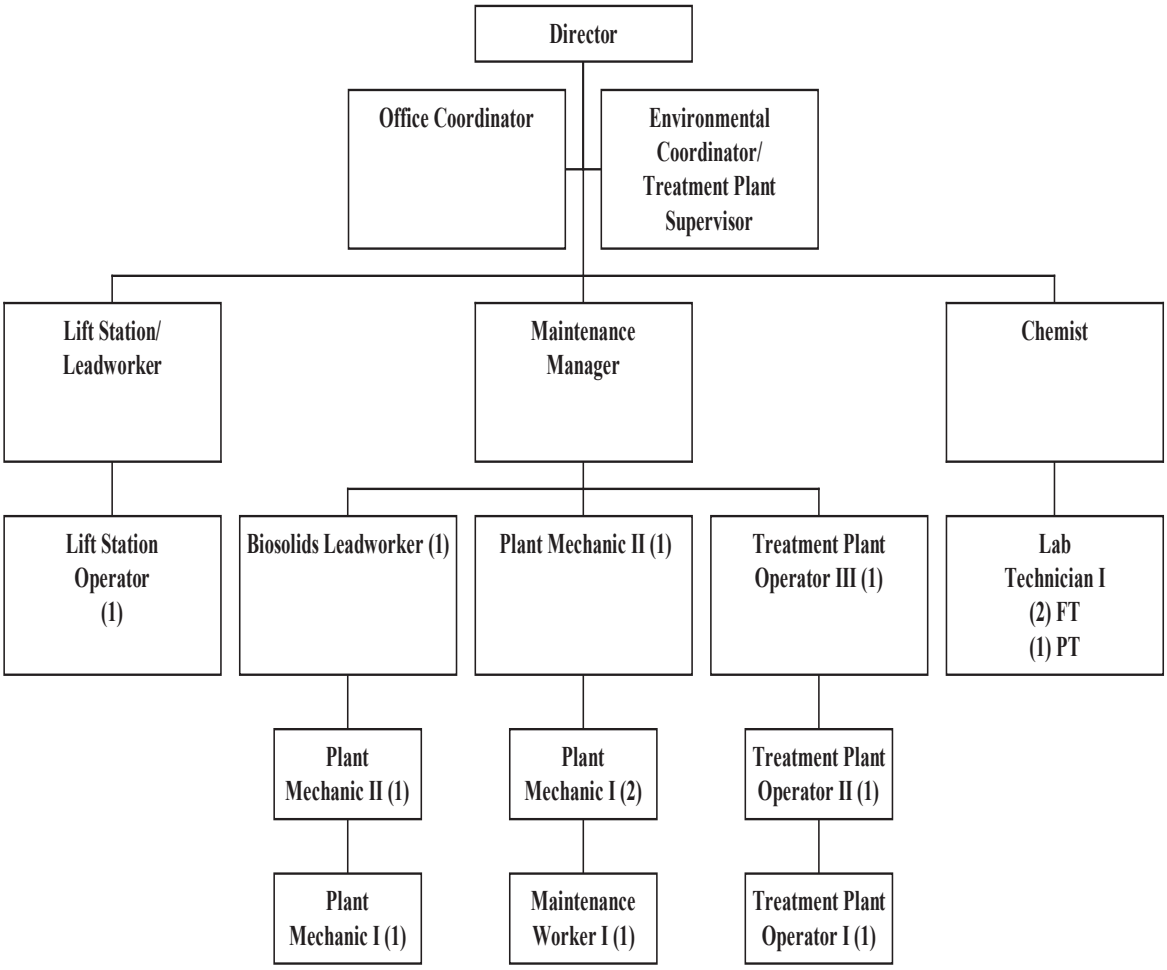
CITY OF MUSCATINE
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE
PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE
WATER POLLUTION CONTROL DEPARTMENT



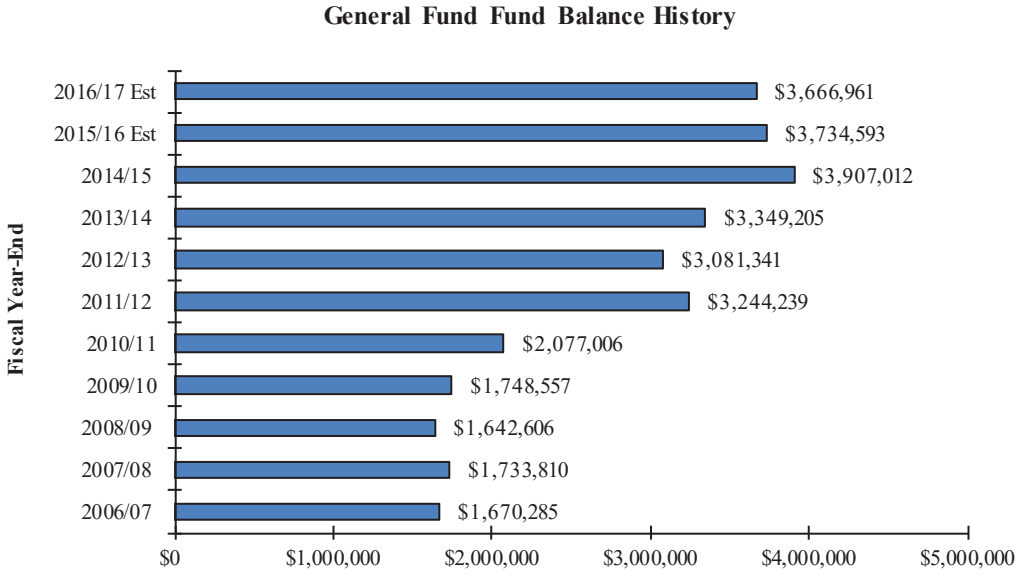
GENERAL FUND

GENERAL FUND

The General Fund for the City of Muscatine accounts for all transactions of the City which pertain to the general administration and services traditionally provided to citizens, except those specifically accounted for elsewhere. Services within the General Fund include police and fire protection, street maintenance, cemetery operations, library and art center, parks and recreation, engineering, building and grounds maintenance, and general administration. The General Fund is the primary source of appropriations to fund costs of providing these services. Consequently, considerable importance is placed upon the fund's financial condition. The City Council and staff's objective is to maintain an acceptable level of service for its citizens within the limitations of revenue sources available to support these activities.

General Fund Balance

To attain the objective of maintaining the General Fund as a self-funding entity, revenues and/or available balances must be provided to support expenditures during the entire fiscal year. Additionally, the City's budget policies in prior years required the ending balance for the year to be at least 10% of the budgeted expenditures in the General Fund. The City Council in recent budgets has made efforts to increase the General Fund balance over the previous minimum of 10% level and in November 2013 City Council formally adopted a new General Fund Balance Policy which provides for the ending General Fund balance to be at least two months of General Fund expenditures or 16.7%. The effort to increase the fund balance was in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considers the 10% fund balance requirement to be "relatively narrow" and that higher reserve levels may be appropriate for challenges to the city's financial operations. The ending balance for 2016/2017 is budgeted at $3,666,961 which is 19.5% of General Fund expenditures. The new policy and the recent year budgets demonstrate City Council's commitment towards the goal of increasing and maintaining the General Fund balance. Additionally, General Fund revenues are budgeted conservatively and department expenditures are generally less than their approved budgets and it is expected that the actual ending balance should exceed the amount budgeted. The following is a history of the General Fund balances:



The ending balance for 2011/2012 increased significantly to 20.4% of that year's expenditures. This increase was primarily due to increased revenue from fines from automatic traffic enforcement (ATE) cameras that were installed in five locations in the spring of 2011; increased parks and recreation revenues; increased

building and zoning fees; increased hotel/motel taxes; and expenditures for most departments coming in at less than the amounts budgeted. The 2012/2013 ending fund balance of $3,081,341 was 17.9% of expenditures; the 2013/2014 ending balance of $3,349,205 was 19.2% of expenditures; and the 2014/2015 balance of $3,907,012 was 22.6% of General Fund expenditures.

The new General Fund Balance Policy provides that City Council, as part of the budget process, can choose to use fund balances above the minimum level for one-time capital purchases to reduce the amount of debt and resulting interest costs to be incurred by the City. This provision of the policy was used to purchase a new fire engine ($497,000) and new financial software ($160,000) in 2012/2013. In the 2015/2016 budget $148,500 of the General Fund balance above the policy minimum was budgeted to be used to purchase a new ambulance. This resulted in the budgeted decrease in the General Fund balance in 2015/2016.

The budgeted ending balance for 2016/2017 of $3,666,961 is 19.5% of General Fund expenditures. While the budget for 2016/2017 was "balanced" by using $66,637 of fund balance, revenues have been budgeted conservatively and departments traditionally expend less than their full budget allocations, and it is expected that there will likely not be a General fund balance decrease or the decrease will be less than the amount budgeted.

The City first used the "assigned" funding classification in the 2012/2013 General Fund budget. The 2015/2016 budget included an assigned funding allocation of $12,300 to allow for merit increases for non-union employees. That same amount has been included as assigned funding in the 2016/2017 budget.

Recent Structural and Efficiency Changes in General Fund Departments

Structural changes implemented since 2010/2011 also assisted the city in increasing the General Fund balance. Changes in 2010/2011 included but are not limited to the following: (1) a reduction of one fulltime position in the Park Maintenance budget; seasonal staff was increased to partially offset this reduction for a net savings of $49,300, (2) elimination of one fulltime custodian position with contract cleaning services partially offsetting the cost savings for a net savings of $7,400, (3) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of $137,500), (4) not filling the budgeted ¾ time Red Light Camera Technician net of the cost of creating an additional sergeant position for this function ($30,000 savings), and (5) transferring the dredge operation to the Water Pollution Control fund ($42,000 General Fund savings). These items total to a $266,200 positive impact on the General Fund annually.

Other significant changes implemented in recent years include: (1) The change from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in a savings of $128,600 in General Fund insurance costs in the 2014/2015 revised estimate compared to the original 2014/2015 budget (the City-wide savings was $173,900), (2) Two voluntary annexations in 2012 and 2013 added 528 acres, 933 residents, $88,000 in annual property taxes, and $47,000 in annual Road Use Taxes, (3) The Transfer of Jurisdiction of a portion of Business Route 61 from the State to the City in 2014 provided $13 million of funding that can be used to reconstruct and improve this corridor, (4) Implementation of the City's new financial software system on December 1, 2013 has assisted in streamlining accounting processes throughout city departments, and (5) Transitioning away from City participation in the Carver Swim Center has generated an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period was completed.

Other changes implemented since 2011/2012 have focused on department efficiencies and cost savings and include but are not limited to the following: (1) using sponsorships for the Parks seasonal brochure and Golf score cards saving $4,700 annually; (2) the new eleven foot mower in the Parks department and trackhoe for grave digging at the Cemetery both saved man hours that were redirected to other functions in those

divisions; (3) additional Park sites were "adopted" under the "Adopt a Park" program with this program expanding from four sites in 2010 to eighteen in 2015; (4) redesigning the Library circulation system process eliminating a 35-hour/week position and creating a new 30-hour/week "Holds" person at a lower pay rate for a savings of $17,800; (5) using staggered work times in the Police investigations division which reduced overtime and call-ins saving an estimated $3,500 in overtime costs annually; (6) activities in the Engineering (engineering design for smaller projects), Community Development (Comprehensive Plan update), and Art Center (printing) were done in-house rather than under contracts resulting in varying amounts of cost savings; (7) using inmate labor to clear the Airport fence line of unwanted growth saved an estimated $22,000; and (8) the use of automatic traffic enforcement cameras has allowed the Police department to re-direct their time to other areas of law enforcement.

Departments will continue to look for efficiencies and cost savings in their operations in 2016/2017 and future years. One of the City's goals for the upcoming year is to continue to develop a formal Continuous Service Improvement program which will assist departments in identifying and implementing efficiencies and cost savings in their department operations. With limited financial resources expected to be available in future years and a growing demand for municipal services, the City must continue to take significant steps to enhance revenue streams as well as reduce expenditures where appropriate to meet these challenges.

Revenue Trends

Budgeted revenues for 2016/2017 in the General Fund total $18,716,668, which is a 3.2% increase from the 2015/2016 budget of $18,132,550. General property taxes comprise 35.7% of total revenue sources for 2016/2017 compared to 35.0% for 2015/2016. The General Fund tax levy rate remained unchanged at $8.10 per $1,000 of valuation which is the General Fund levy limit. When the General Fund levy of a city reaches this legal limit of $8.10 per $1,000 of valuation, the employer's share of Social Security and IPERS may be levied from a Special Revenue Fund levy. The City of Muscatine has been at the $8.10 limit since 1991/92 and consequently, FICA and IPERS costs in the General Fund have been funded from this Special Revenue Fund levy since that time. For the 2012/2013 year the City Council chose to fund $100,426 less than the total of eligible General Fund employee benefits from the Special Revenue Levy. The City Council chose to fund $527,005 less than the eligible amount in 2013/2014, $355,005 less in 2014/2015, $192,959 less in 2015/2016, and $192,637 less in 2016/2017. This resulted in that amount of employee benefit costs being funded directly from the General Fund each year instead of the tax levy. With this funding change, the City has been able to maintain the City's total property tax rate at $15.67209/$1,000 of taxable property valuation since 2012/2013. Increases in other General Fund revenues allowed for this funding change to be implemented while still maintaining a strong ending fund balance.

In 2016/2017 taxable property valuations increased by 5.44% due to re-valuations by the County Assessor, new growth, and changes in taxable valuations due to changes in the rollback factors for residential and multi-residential properties. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The rollback of regular commercial and industrial valuations remained at 90% for 2016/2017. These valuations were rolled back from 100% to 95% in 2014/2015 and to 90% in 2015/2016 as a result of property tax legislation approved in 2013. Multi-residential properties (those with 3 or more living quarters, assisted living facilities, land-leased communities, etc.), however, which had been included in the commercial property category, became a separate property class. Those valuations were rolled back from 90% to 86.25% and will continue to be rolled back over the next seven years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2016/2017 is $33,837,709 which reflects the 86.25% rollback. Industrial property valuations increased by 10.77% for 2016/2017. Commercial values decreased by 7.67%, with this decrease due to separating out the multi-residential properties. If commercial and multi-residential valuations are combined, the overall increase is 7.81% compared to the prior year. Residential property values increased by 3.29%. Actual valuations for residential property increased by 3.42% and there was a .2% increase in the residential rollback (from

55.7335% to 55.6259%). The other smaller categories of properties are railroads, which increased in valuation by 41.51%, and utilities, which decreased by 11.67%. Overall, these factors combined to result in the 5.44% overall increase in taxable valuations. It should be noted, however, that while the taxable valuations increased this year by 5.44%, this significant of an increase is somewhat of an anomaly as it is the highest increase in at least the last 10 years and increases of this magnitude are not expected to continue in upcoming years.

As noted above, property tax legislation approved in 2013 rolled back commercial and industrial taxable property valuations from 100% to 95% in 2014/2015 and to 90% in 2015/2016. This legislation included a provision for the State to provide a reimbursement to cities which is expected to offset a portion of the property taxes which would have been received if not for the new commercial and industrial rollback. For 2016/2017 the State reimbursement to the General Fund is estimated at $325,049 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $9,258 for the Transit levy, $11,249 for the Tort Liability levy, $170,837 for the Employee Benefits levy, $111,749 for the Debt Service levy, and $773 for the Levee levy total to an estimated total reimbursement of $628,915 for 2016/2017. The State's allocation for future year reimbursements has been frozen at the 2016/2017 funding level. There is no reimbursement for the rollback on multi-residential properties.

A key budget issue for 2010/2011 was the consideration of and ultimate adoption of a Utility Franchise Fee on Alliant Energy, the provider of natural gas to the community. The ordinance change adopting this fee provides that the fee may be up to 5% on natural gas sales by Alliant in the community. The initial rate was set at 2% which was effective July 1, 2010. Implementation of this fee allowed for a reduction in the City's overall property tax rate for 2010/2011, specifically the Emergency Tax Levy rate which was reduced from $.27/$1,000 in 2009/2010 to $.08/$1,000 in the 2010/2011 budget. The Emergency tax levy was eliminated in the 2011/2012 budget and the budgets for 2012/2013, 2013/2014, 2014/2015, 2015/2016, and 2016/2017 also have not included this levy. As part of the 2012/2013 budget, City Council chose to reduce the Utility Franchise Fee to 1% of natural gas sales from the previous 2%. The 1% fee was maintained for 2013/2014, 2014/2015, 2015/2016, and 2016/2017, and is expected to generate $100,000 annually. If economic conditions change, the Utility Franchise Fee can be increased (up to 5%) with 90 days' notice to the utility company.

The City's hotel/motel tax rate has been at 7% since April 1, 1992. The 2015/2016 revised estimate and 2016/2017 budget each include an estimated $360,000 in hotel/motel taxes. In fiscal years through 2012/2013, hotel/motel tax funds were distributed 25% to the Library and 25% to the Art Center. Of the remaining 50%, an annual allocation had been made to fund the Convention and Visitors Bureau (CVB). The subsidy for the CVB was increased from $55,000 in 2012/2013 to 25% of the actual prior year hotel/motel tax revenue beginning in 2013/2014. The CVB funding amount is estimated at $88,500 for 2015/2016 and $90,000 for 2016/2017. The increased subsidy to the CVB is to support the new CVB Board's expanded efforts to promote tourism in the City of Muscatine and surrounding area. If the tourism program is successful, additional hotel/motel taxes should be generated. The remaining hotel/motel taxes are considered general revenues of the City.

As in prior years, Road Use Taxes from the State will be utilized to fund street maintenance expenses. For the 2016/2017 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at $2,510,900, an increase of $78,300 (3.2%) from the 2015/2016 budget of $2,432,600.

Revenue sources identified in the General Fund for 2016/2017 also include charges for services, licenses and permits, and other fees. Construction permits for 2016/2017 are estimated at $260,000 and rental housing registration and inspection fees are estimated at $45,000.

A fee for administrative services performed by activities within the General Fund continues to be charged to enterprise funds. The budgeted amount of $367,100 for 2016/2017 represents charges to the Water Pollution Control, Refuse Collection, Landfill Operations, Golf Course, Parking System, Transit System, Airport Operations, Ambulance, Collection and Drainage, and Boat Harbor Funds for general City administration. A fee for Park administration totaling $27,300 has been charged to the Golf Course and Boat Harbor Operations budgets for 2016/2017. Administrative costs for Public Works Administration have been allocated to the Refuse Collection, Landfill Operations, Transit, Collection and Drainage, and Equipment Services budgets in the amount of $64,400 for 2016/2017. In 2016/2017 the Ambulance enterprise fund will transfer $891,000 to the General Fund for a prorated portion (22.5%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of $18,784,300 for 2016/2017 is 2.8% ($504,674) above the 2015/2016 budget of $18,279,626. Of the total expenditures, $14,336,300 (76.3%) is for employee wage and benefit costs since a substantial portion of services provided are by employees in this fund including police, fire, streets, parks and recreation, planning and zoning, library, art center and general administration. The 2016/2017 budget for the General Fund provides an expenditure level to fund most core services at essentially the same level as in previous years for most departments. The budget, however, continues to provide reduced services in several areas, primarily due to the reduction in General Fund revenues in recent years. There were 170 full-time equivalent (FTE) positions in the City's General Fund in 2001/2002 and this was reduced to 155 for 2015/2016. In 2016/2017 four new firefighter positions were added due to the increased number of ambulance transport calls. There were other part-time staffing reductions as detailed below which brings General Fund staffing to 158 fulltime equivalent positions for 2016/2017.

Changes in General Fund authorized positions for 2016/2017, 2015/2016, 2014/2015, 2013/2014, and 2012/2013, are as follows:

2016/2017 (Including Changes in the 2015/2016 Revised Estimate)

- The 2016/2017 budget includes four new firefighter positions. These positions were added due to the increased number of ambulance transport calls.

- A Library staff reorganization resulted in a .54 FTE reduction in Library part-time staffing.

- Community Development part-time staff was reduced by .23 FTE due to a staff reorganization. Effective October 1, 2015, this department no longer has the responsibility for food/grocery permits and inspections, which allowed for this overall reduction.

2015/2016 (Including Changes in the 2014/2015 Revised Estimate)

- In the 2014/2015 revised estimate there was a reduction of one police officer position due to grant funding being discontinued for the officer 100% funded from the U.S. Department of Homeland Security grant for the Joint Terrorism Task Force.

- In the 2014/2015 revised estimate there was a reduction of .25 in staffing in the Housing department with a staff reorganization.

- A new Communications Manager position was added in the 2015/2016 budget. This position is responsible for managing the city website, branding and marketing efforts, news releases, and social media. While accounted for in the General Fund, the cost of this position is being evenly allocated to six funding sources.

- An additional 29 hour/week Community Services Officer position was added to the Community Development department. The primary responsibility of this position is to oversee the new rental housing registration and inspection program. Fees for rental housing registrations are expected to fund the cost of this position.

- The Art Center Aide position was budgeted to increase from 20 hours/week to 29 hours/week for 2015/2016.

- There were changes in part-time staffing in the Library (.18 FTE reduction) and grant-funded Art Center part-time staffing (.22 increase).

2014/2015

- There was a slight reduction in part-time staffing at the Library (.13 FTE).

2013/2014

- The half-time Library Security Guard position was eliminated beginning in the revised estimate for 2012/2013.

- The allocation of the Finance Director to the Parking fund was reduced from 10% to 5% for 2013/2014. This increased the General Fund allocation from 90% to 95%.

2012/2013

- Two full-time Police Officer positions were added midway through the 2011/2012 year. These positions were 100% funded from a COPS grant for three years.

- One firefighter position was added for 2012/2013 with this position funded from a transfer from the Ambulance fund.

The 2016/2017 budget continues funding for the two police officer positions assigned to the Drug Task Force. One of these positions is funded from a HIDTA (High Intensity Drug Trafficking Area) grant and the other receives partial funding from the Governor's Office on Drug Control Policy.

For fiscal year 2016/2017 the city will continue to provide support for several non-profit service organizations within the community. Despite limited revenue growth, the City Council has remained committed to assisting these groups as best they can. These agencies provide valuable services to the entire community. For 2016/2017 the City Council chose to continue financial contributions to the Greater Muscatine Chamber of Commerce and Industry (Chamber), the Muscatine Humane Society, and Senior Resources. The contributions to the Chamber and Senior Resources will remain at their current levels of $38,000 and $20,000. The Humane Society subsidy was increased from $60,000 to $65,000. The 2015/2016 budget included a new subsidy of $25,000 to the Muscatine Center for Social Action's (MCSA's) Homeless Prevention Program. This $25,000 funding allocation was continued in 2016/2017.

The 2016/2017 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of $200,000 and $40,000, respectively.

The General Fund annually makes subsidy payments to the Airport Operations fund. These subsidies have ranged from approximately $46,000 to $90,000 during the past ten years. The revised estimate subsidy for 2015/2016 is $48,800 with the subsidy for 2016/2017 budgeted at $45,100. The Airport subsidy fluctuates primarily due to the amount of capital outlay purchases and maintenance costs each year. It is anticipated that Airport Operations enterprise fund revenues will continue to be insufficient to fund expenditures and accordingly, general property taxes will continue to be required to subsidize the Airport Operation in future years.

The Mayor and City Council activity budget in years prior to 1989/90 included a contingency allocation for emergency or non-budgeted items. The City Council eliminated this allocation beginning in 1989/90 and again has not made a budget allocation for contingencies in 2016/2017. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2016/2017, however, City Council chose to continue to maintain the 2009/2010 allocation of $80,000 in the Emergency Tax Levy Fund in the event of revenue shortfalls due to economic conditions or unforeseen emergencies.

Departments in the General Fund continue to strive to improve the efficiency of their operations to negate the necessity for any additional service level reductions. Programs of the General Fund and changes associated with them are outlined in the respective departmental activity budgets which follow.

General Fund

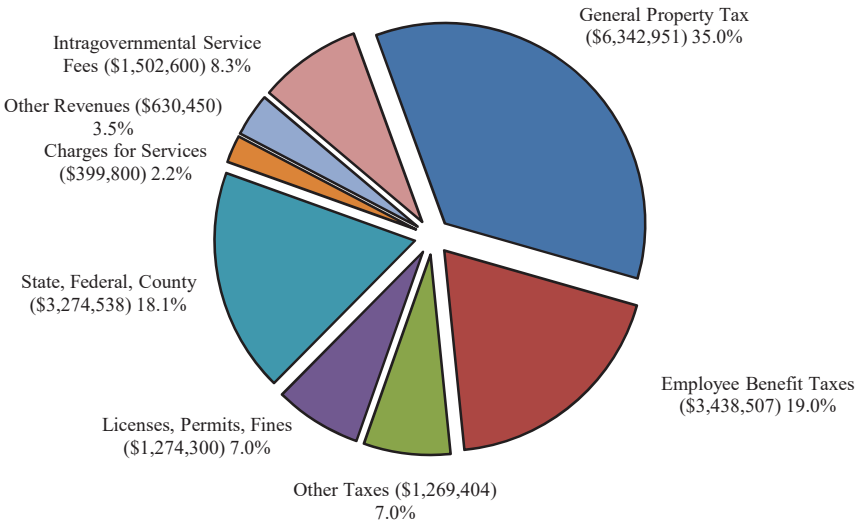
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 3,081,341	$ 3,349,205	$ 3,527,190	$ 3,907,012	$ 3,734,593
Revenues	17,676,850	17,821,716	18,132,550	18,018,607	18,716,668
Encumbrance Variance	13,589	426	0	0	0
Funds Available	$ 20,771,780	$ 21,171,347	$ 21,659,740	$ 21,925,619	$ 22,451,261
Expenditures	17,422,575	17,264,335	18,279,626	18,191,026	18,784,300
Ending Balance, June 30	$ 3,349,205	$ 3,907,012	$ 3,380,114	$ 3,734,593	$ 3,666,961
Increase (Decrease) in Fund Balance	**$ 267,864**	**$ 557,807**	**$ (147,076)**	**$ (172,419)**	**$ (67,632)**
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	**$ 2,910,000**	**$ 2,883,000**	**$ 3,053,000**	**$ 3,038,000**	**$ 3,137,000**
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	**$ 439,205**	**$ 1,024,012**	**$ 327,114**	**$ 696,593**	**$ 529,961**
Ending Balance as a Percent of General Fund Expenditures	**19.2%**	**22.6%**	**18.5%**	**20.5%**	**19.5%**

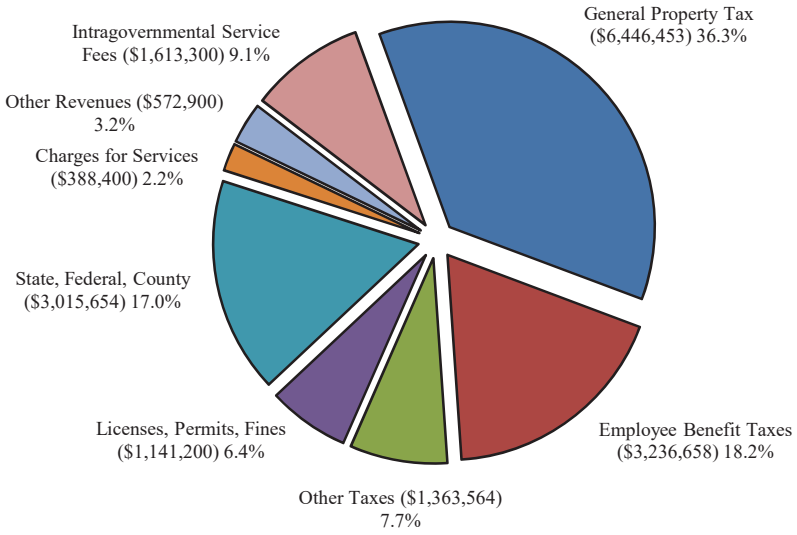
Explanation of Increases or Decreases in Fund Balances:

In prior years the City's financial policies provided that the fund balance of the General Fund be at least 10% of expenditures. The Moody's bond rating report in 2008 stated "Moody's considers the 10% level to be relatively narrow, and higher reserve levels may mitigate any unforeseen one-time expenses that may challenge financial operations". With that in mind, City Council has been budgeting for incremental increases in the General Fund balance as part of the budget process in recent years. In November of 2013 the City Council adopted a new General Fund balance policy providing that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget meets this new minimum fund balance target amount. The policy also provides that funds in excess of the policy minimum can be designated by City Council for one-time purchases. The budget for 2015/2016 included using $148,500 of General Fund balance to fund the replacement of an ambulance. This still maintained an 18.5% fund balance which exceeded the minimum 16.7% in the fund balance policy. There are no one-time expenditures budgeted to be funded from the General Fund balance in 2016/2017.

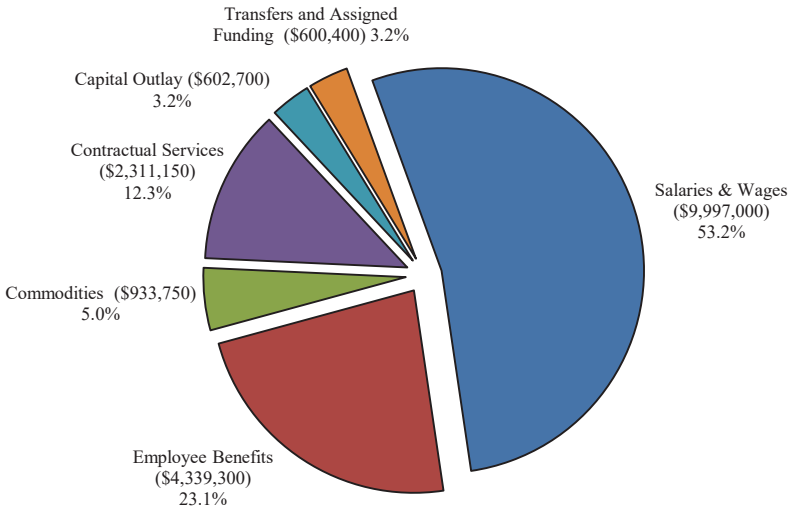
General Fund Revenues By Source
Budget 2015/2016
$18,132,550



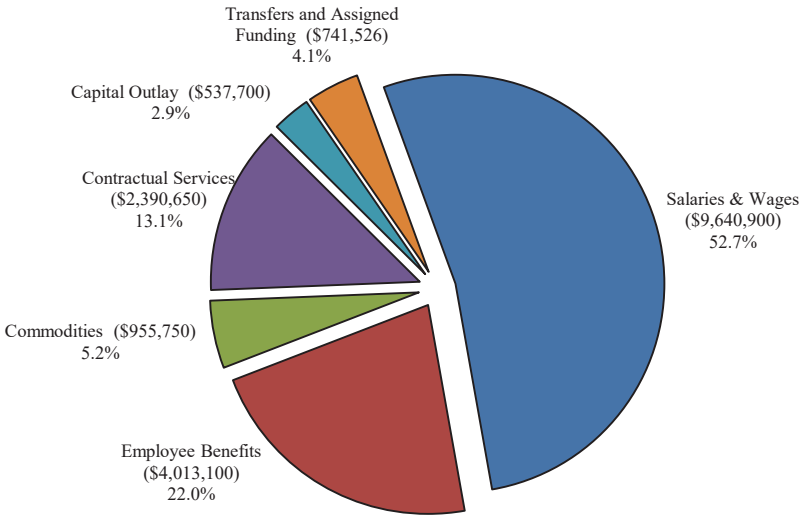
General Fund Revenues By Source
Budget 2014/2015
$17,778,129



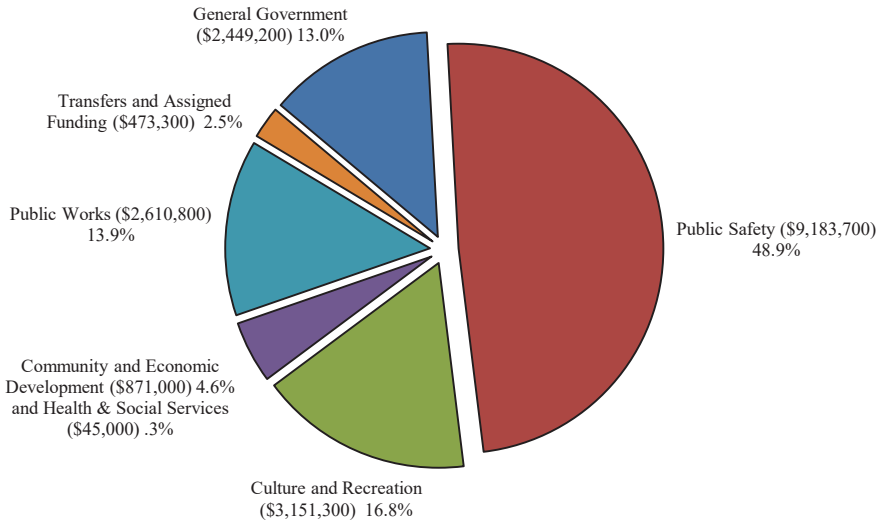
General Fund Expenditures By Type
Budget 2016/2017
$18,784,300



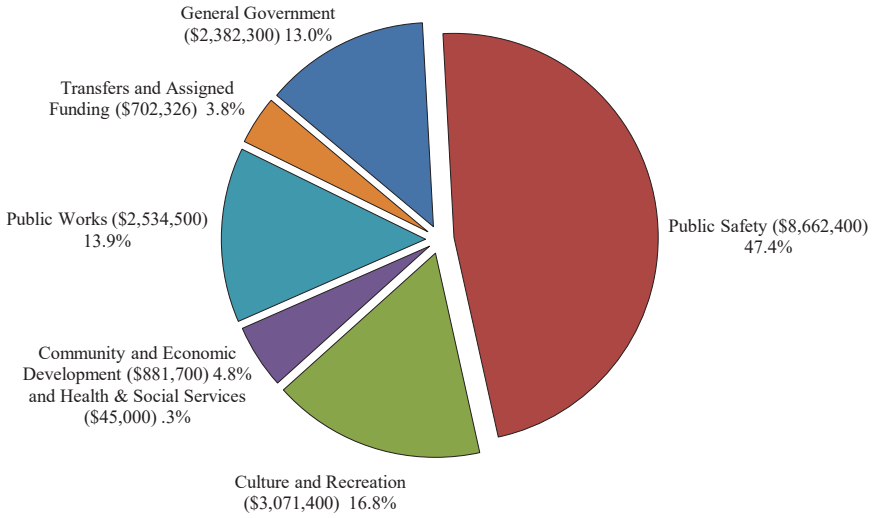
General Fund Expenditures By Type
Budget 2015/2016
$18,279,626



General Fund Expenditures By Function
Budget 2016/2017
$18,784,300



General Fund Expenditures By Function
Budget 2015/2016
$18,279,626



General Fund

Revenues by Type

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change from 2015/2016 Budget
Taxes	$ 7,919,930	$ 7,789,653	$ 7,612,355	$ 7,532,555	$ 7,797,062	2.4%
Licenses and Permits	354,747	349,228	415,700	353,800	353,900	-14.9%
Fines and Forfeitures	815,017	1,010,939	845,500	818,500	818,500	-3.2%
Intergovernmental Revenue	608,088	671,927	783,238	776,738	798,529	2.0%
Charges for Services	701,242	640,885	629,600	652,500	685,800	8.9%
Use of Money and Property	150,334	150,324	145,600	154,800	155,600	6.9%
Miscellaneous Revenues	700,884	620,713	756,150	664,650	683,600	-9.6%
Transfers In	6,426,608	6,588,047	6,944,407	7,065,064	7,423,677	6.9%
Total	$ 17,676,850	$ 17,821,716	$ 18,132,550	$ 18,018,607	$ 18,716,668	3.2%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	$ 6,435,682	$ 6,445,272	$ 6,326,709	$ 6,326,709	$ 6,670,884	5.4%
Ag Land Tax	2,907	3,085	2,942	2,942	3,383	15.0%
Transit System Levy	378,689	293,293	236,525	236,525	190,005	-19.7%
Tort Liability Levy	262,396	315,287	225,645	225,645	230,854	2.3%
Levee Tax Levy	53,721	53,849	52,723	52,723	15,837	-70.0%
Mobile Home Tax	13,264	19,170	13,300	19,200	19,200	44.4%
Taxes Rebated on Voluntary Annexation	0	(12,470)	0	(11,700)	(11,700)	
Special Revenue:						
Police Retirement	690,633	709,917	716,836	689,890	686,935	-4.2%
Fire Retirement	637,292	664,829	635,916	627,810	648,090	1.9%
Police and Fire Medical Insurance	36,000	36,000	60,300	54,000	54,000	-10.4%
Police and Fire Retiree Medical Costs	28,074	38,657	37,000	46,000	46,000	24.3%
Long-term Disability Insurance	9,061	11,621	11,981	12,082	12,707	6.1%
Workers Compensation Insurance	39,298	42,234	49,161	36,185	42,715	-13.1%
Unemployment Insurance	36,801	33,258	35,209	21,466	28,633	-18.7%
Health Insurance	1,335,071	1,305,740	1,362,253	1,440,649	1,698,399	24.7%
Life Insurance	14,881	15,232	15,618	15,591	16,419	5.1%
Dental Insurance	37,311	39,706	44,742	44,496	50,141	12.1%
Deferred Compensation	700	1,200	1,200	1,200	1,200	0.0%
Post Employment Health Plan	46,329	48,664	40,218	40,679	34,292	-14.7%
FICA/IPERS	576,426	570,148	621,032	613,575	641,883	3.4%
Employee Benefit Levy Reduction	(527,005) (1)	(355,005) (2)	(192,959) (3)	(192,959)	(192,637) (4)	
Subtotal	$ 10,107,531	$ 10,279,687	$ 10,296,351	$ 10,302,708	$ 10,887,240	5.7%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	$ 415,041	$ 353,869	$ 415,000	$ 360,000	$ 360,000	-13.3%
Cable Franchise Tax	212,286	191,331	200,000	191,000	191,000	-4.5%
Utility Franchise Fees	113,660	96,810	110,000	100,000	100,000	-9.1%
Utility Tax Replacement Excise Tax:						
General	29,143	27,353	27,286	27,286	25,902	-5.1%
Tort Liability	1,186	1,335	975	975	897	-8.0%
Transit	1,712	1,241	1,023	1,023	737	-28.0%
Levee	243	228	227	227	63	-72.2%
Commercial/Industrial State Reimbursement:						
General	0	157,153	333,080	333,080	325,049	-2.4%
Tort Liability	0	7,668	11,880	11,880	11,249	-5.3%
Transit	0	7,133	12,452	12,452	9,258	-25.7%
Levee	0	1,310	2,776	2,776	773	-72.2%
Subtotal	$ 773,271	$ 845,431	$ 1,114,699	$ 1,040,699	$ 1,024,928	-8.1%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Intergovernmental Revenues						
Road Use Tax	$ 2,261,775	$ 2,287,929	$ 2,432,600	$ 2,452,000	$ 2,510,900	3.2%
Subtotal	$ 2,261,775	$ 2,287,929	$ 2,432,600	$ 2,452,000	$ 2,510,900	3.2%
Licenses and Permits						
Beer, Liquor and Cigarettes	$ 33,604	$ 35,309	$ 33,500	$ 35,300	$ 35,300	5.4%
Animal	2,173	1,903	2,200	2,000	2,000	-9.1%
Miscellaneous	6,052	6,201	6,100	6,200	6,200	1.6%
Subtotal	$ 41,829	$ 43,413	$ 41,800	$ 43,500	$ 43,500	4.1%
Cemetery Fees						
Lot and Niche Sales	$ 20,704	$ 13,192	$ 25,000	$ 18,200	$ 18,200	-27.2%
Lease of Property-Cell Towers	17,316	16,318	16,300	16,300	16,300	0.0%
Burial Fees	48,410	44,740	47,000	45,000	45,000	-4.3%
Miscellaneous Charges	9,341	8,731	10,000	9,000	9,000	-10.0%
Commissions	13,293	10,994	12,000	12,000	12,000	0.0%
Perpetual Care Interest	16,559	14,275	14,300	14,300	14,300	0.0%
Grant - Trees for Kids	0	0	0	5,000	0	
Donations	0	0	0	100	0	
Other	81	62	0	0	0	
Subtotal	$ 125,704	$ 108,312	$ 124,600	$ 119,900	$ 114,800	-7.9%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	$ 29,380	$ 21,702	$ 70,000	$ 51,000	$ 45,000	-35.7%
Construction Permits	243,806	233,909	265,000	245,000	260,000	-1.9%
Electricians Licenses	80	80	0	0	0	
Plumbers Licenses	150	0	0	0	0	
Health Licenses	36,342	47,524	36,000	11,400	2,500	-93.1%
Health Class Fees	0	4,990	2,000	0	0	-100.0%
Zoning Fees	1,725	2,025	2,500	3,000	2,500	0.0%
Board of Adjustment Fees	2,650	4,100	2,000	2,000	2,000	0.0%
Site Plan Review Fees	1,200	700	1,000	1,500	1,500	50.0%
Sale of Code Books	0	150	100	0	0	-100.0%
Sale of Property	5,740	0	5,000	0	0	-100.0%
Municipal Infractions Penalties	1,000	1,075	2,000	1,000	1,000	-50.0%
Nuisance Reimbursements/Administrative Fees	77,136	88,941	60,000	89,000	95,000	58.3%
Miscellaneous	886	1,270	500	700	500	0.0%
Transfer In:						
Staff Services Airport/CDBG	2,511	0	2,500	2,500	2,500	0.0%
Subtotal	$ 402,606	$ 406,466	$ 448,600	$ 407,100	$ 412,500	-8.0%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	$ 10,805	$ 11,165	$ 11,000	$ 11,000	$ 11,000	0.0%
Pearl City Station Rentals	9,030	10,840	9,100	10,800	10,800	18.7%
Riverview Center Rentals	17,695	20,100	16,500	19,500	19,500	18.2%
Donations	898	0	0	0	0	
Iowa DNR Tree Grant	0	7,965	0	0	0	
Iowa DNR Tree Sales	0	5,325	0	0	0	
Maintenance Fees	425	970	500	500	500	0.0%
Equipment/Miscellaneous Sales	703	777	300	600	500	66.7%
Concession Commission	791	1,063	800	800	800	0.0%
Community Gardens Rents	90	0	100	0	0	-100.0%
Community Foundation Reimbursement	123	0	0	0	0	
Other	314	55	0	0	0	
Transfers In						
Administration Fees	12,100	12,500	12,900	26,500	27,300	111.6%
Subtotal	$ 52,974	$ 70,760	$ 51,200	$ 69,700	$ 70,400	37.5%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	$ 28,471	$ 34,179	$ 29,000	$ 29,000	$ 29,000	0.0%
Commission on Concessions	11,762	10,650	10,500	10,500	10,500	0.0%
Mowing Reimbursement - Housing	5,500	7,250	7,500	7,500	7,500	0.0%
Storage Building Rental	1,220	800	1,200	1,200	1,200	0.0%
Other	0	72	0	0	0	
Subtotal	$ 46,953	$ 52,951	$ 48,200	$ 48,200	$ 48,200	0.0%
Soccer Complex Operations						
Maintenance Fees	$ 33,144	$ 35,357	$ 33,000	$ 36,000	$ 36,000	9.1%
Commission on Concessions	7,000	7,529	7,000	7,500	7,500	7.1%
Other	0	238	0	0	0	
Transfer In:						
Golf Admin Fees (see above FY 16 and FY 17)	12,800	13,200	13,600	0	0	-100.0%
Subtotal	$ 52,944	$ 56,324	$ 53,600	$ 43,500	$ 43,500	-18.8%
Recreation						
Entry Fees/Admissions	$ 1,425	$ 1,879	$ 1,500	$ 1,800	$ 1,800	20.0%
Lessons	47,126	40,869	43,000	41,000	41,000	-4.7%
League and Tournament Fees	6,502	6,187	7,000	6,500	6,500	-7.1%
Sales Tax	458	433	500	500	500	0.0%
Commissions	0	0	200	0	0	-100.0%
Donations	200	900	500	900	900	80.0%
Adventureland Ticket Commissions	249	0	200	300	300	50.0%
Other	1,084	895	300	300	300	0.0%
Subtotal	$ 57,044	$ 51,163	$ 53,200	$ 51,300	$ 51,300	-3.6%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Swimming Pools						
Admissions	$ 85,488	$ 70,566	$ 85,000	$ 85,000	$ 85,000	0.0%
Season Passes	16,167	12,450	17,000	15,000	15,000	-11.8%
Lessons	8,510	7,217	7,700	7,700	7,700	0.0%
Group Sales	20,671	18,300	18,000	18,000	18,000	0.0%
Room Rental	480	530	500	500	500	0.0%
Locker Rental	293	501	700	700	700	0.0%
Commission on Concessions	6,528	5,569	7,000	7,000	7,000	0.0%
Miscellaneous Sales	467	379	300	500	500	66.7%
Other	458	920	500	500	500	0.0%
Subtotal	$ 139,062	$ 116,432	$ 136,700	$ 134,900	$ 134,900	-1.3%
Subtotal - Parks and Recreation	$ 348,977	$ 347,630	$ 342,900	$ 347,600	$ 348,300	1.6%
Library Revenues						
Fines and Charges	$ 16,215	$ 15,634	$ 9,000	$ 15,000	$ 15,000	66.7%
County Contributions	110,112	112,327	112,300	115,100	118,000	5.1%
Illinois Contracts	9,560	9,799	10,050	10,050	10,300	2.5%
Printing Charges	3,126	4,882	2,200	4,000	3,000	36.4%
Other	51	115	50	50	0	-100.0%
Subtotal	$ 139,064	$ 142,757	$ 133,600	$ 144,200	$ 146,300	9.5%
Art Center Revenues						
Building Rentals	$ 890	$ 1,420	$ 1,200	$ 1,200	$ 1,200	0.0%
Class Fees	3,436	4,557	4,500	4,000	4,500	0.0%
State Grant	21,378	13,540	10,000	10,000	10,000	0.0%
Support Foundation Contributions	17,241	19,368	20,300	20,000	21,200	4.4%
Friends of the Art Center Contributions	22,110	23,193	20,100	21,100	21,700	8.0%
Other	12	20	500	300	300	-40.0%
Subtotal	$ 65,067	$ 62,098	$ 56,600	$ 56,600	$ 58,900	4.1%
Public Works Services						
Repair and Maintenance Services	$ 20,770	$ 17,188	$ 23,500	$ 20,000	$ 20,000	-14.9%
IDNR Grant - Diesel Emissions	18,972	0	0	0	0	
Rental of Equipment	402	71	300	300	300	0.0%
Sale of Equipment	0	0	7,500	5,000	5,000	-33.3%
Miscellaneous Sales	6,940	1,333	4,000	2,500	2,500	-37.5%
Reimbursement for Salt	62,506	7,434	5,500	5,000	5,000	-9.1%
Other	5,020	3,681	500	500	500	0.0%
Transfers In:						
Engineering Services - City Engineer	63,957	16,891	20,000	25,000	25,000	25.0%
Administrative Fees	59,000	60,800	62,600	62,600	64,400	2.9%
Subtotal	$ 237,567	$ 107,398	$ 123,900	$ 120,900	$ 122,700	-1.0%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Police Operations						
Police Grants	$ 412,928	$ 320,741	$ 257,000	$ 248,100	$ 280,400	9.1%
Court Fines	185,893	180,553	231,000	175,000	175,000	-24.2%
Automatic Traffic Enforcement Fines	581,640	776,436	575,000	600,000	600,000	4.3%
Parking Violations	28,344	33,191	25,000	25,000	25,000	0.0%
Tobacco Checks/Violations	300	1,800	2,000	2,000	2,000	0.0%
Alarm Permits	1,410	1,075	1,400	1,400	1,400	0.0%
False Alarm Charges	3,250	3,535	1,500	3,000	3,000	100.0%
Police Services Agreement	45,540	46,678	47,900	47,900	49,100	2.5%
Animal Ordinance Fees and Fines	2,375	2,300	3,000	3,000	3,000	0.0%
Printing Charges	4,342	3,960	3,700	3,700	3,700	0.0%
Contributions - Mentor Program	5,000	5,000	5,000	6,000	5,000	0.0%
Other Contributions	2,200	19,590	0	0	0	
Lease - Public Safety Cell Tower	23,431	23,431	23,400	26,100	26,900	15.0%
Reimbursements/Miscellaneous Income	21,872	17,224	15,000	16,000	16,000	6.7%
Transfers In:						
Insurance Trust for Range Improvements	0	0	15,000	15,000	0	-100.0%
Transfer from COPS Grant Reserve	0	0	89,100	89,100	0	-100.0%
Subtotal	$ 1,318,525	$ 1,435,514	$ 1,295,000	$ 1,261,300	$ 1,190,500	-8.1%
Fire Operations						
Fire Hazmat Agreements	$ 10,800	$ 10,800	$ 10,800	$ 10,800	$ 32,300	199.1%
Fire Open Burn Permits	1,750	1,525	1,500	1,500	1,500	0.0%
Fire Inspection Fees	14,663	17,707	13,000	9,000	13,000	0.0%
Fire Assessment Fees	330	420	100	100	100	0.0%
Confined Space Fees (Fire Department)	36,000	37,875	36,000	36,000	36,000	0.0%
Fire Protection Contracts	16,675	16,698	17,000	17,000	17,000	0.0%
Donations	32,707	0	0	6,500	30,000	
Fire Reports	730	975	600	600	600	0.0%
Fire Citations	1,625	2,250	1,500	500	500	-66.7%
False Alarm Charges	500	2,050	500	1,500	1,500	200.0%
Reimbursement of Damages	13,183	0	600	0	0	-100.0%
Reimbursement - Bird Flu Activation	0	0	0	18,000	0	
Reimbursement of Expenses/Other	13,998	6,405	400	2,000	2,000	400.0%
Subtotal	$ 142,961	$ 96,705	$ 82,000	$ 103,500	$ 134,500	64.0%
Other General Revenues						
Interest Income	$ 4,566	$ 4,364	$ 3,000	$ 4,500	$ 4,500	50.0%
Payment in Lieu of Taxes	35,057	34,229	33,700	33,300	33,500	-0.6%
Housing Accounting Fees	54,200	55,800	57,400	57,400	59,000	2.8%
Housing Management Fee	11,463	11,018	11,500	11,000	11,000	-4.3%
Lease - Clark House Cell Towers	24,832	24,979	24,900	24,900	24,900	0.0%
Insurance Reimbursement/Restitutions	11,457	11,645	0	0	0	
Other Charges	16,846	15,749	20,000	16,000	16,000	-20.0%

General Fund
Revenue Summary

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change From 2015/2016 Budget
Transfers In:						
Parks and Recreation Trust	53,400	0	0	0	0	
Administrative Fees	336,250	346,250	356,400	356,400	367,100	3.0%
Health Insurance Fund (Wellness)	45,884	49,742	56,300	56,300	58,600	4.1%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	26,900	27,700	28,500	28,500	29,300	2.8%
Communications Admin Fee (Exc. TIF Portion)	0	0	57,500	39,600	43,600	-24.2%
Insurance Trust	40,000	0	0	0	0	
Water Pollution Control for Riverfront Electrical Upgrade	2,229	0	0	0	0	
Ambulance Enterprise Fund	885,300	922,400	833,200	833,200	891,000	6.9%
Tax Increment/Economic Dev Admin Fees	109,089	112,500	112,500	112,500	132,100	17.4%
Tax Increment Economic Development	35,000	35,000	38,000	38,000	38,000	0.0%
Tax Increment - Revolving Loan Fund	12,500	0	0	0	0	
Tax Increment - Legal Services	4,000	4,000	4,000	4,000	10,000	150.0%
Subtotal	$ 1,711,973	$ 1,658,376	$ 1,639,900	$ 1,618,600	$ 1,721,600	5.0%
Total	$ 17,676,850	$ 17,821,716	$ 18,132,550	$ 18,018,607	$ 18,716,668	3.2%

1. The Employee Benefits levy for 2013/2014 was less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This resulted in $527,005 of the General Fund balance being used for employee benefits during 2013/2014. This allowed for City Council to maintain the overall property tax rate for 2013/2014 at the same rate as 2012/2013.
2. The Employee Benefits levy for 2014/2015 was less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This resulted in $355,005 of the General Fund balance being used for employee benefits during 2014/2015. This allowed City Council to maintain the overall property tax rate for 2014/2015 at the same rate as 2013/2014.
3. The Employee Benefits levy for 2015/2016 is less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This will result in $192,959 of the General Fund balance being used for employee benefits during 2015/2016. This allowed for the budget to include the same overall property tax rate for 2015/2016 as 2014/2015.
4. The Employee Benefits levy for 2016/2017 is less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This will result in $192,637 of the General Fund balance being used for employee benefits during 2016/2017. This allowed for the budget to include the same overall property tax rate for 2016/2017 as 2015/2016.

General Fund

Expenditures by Type

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change from 2015/2016 Budget
Personal Services	$ 12,798,332	$ 12,983,223	$ 13,654,000	$ 13,453,100	$ 14,336,300	5.0%
Commodities	919,567	863,704	955,750	879,700	933,750	-2.3%
Contractual Services	2,329,149	2,227,243	2,390,650	2,356,200	2,311,150	-3.3%
Capital Outlay	684,687	522,291	537,700	584,200	602,700	12.1%
Transfers and Assigned Funding	690,840	667,874	741,526	917,826	600,400	-19.0%
Total	$ 17,422,575	$ 17,264,335	$ 18,279,626	$ 18,191,026	$ 18,784,300	2.8%

General Fund

Summary of Expenditures

Function/Activity	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change from FY 2016 Budget
General Government						
Mayor and Council	$ 70,752	$ 68,325	$ 75,500	$ 70,100	$ 72,700	-3.7%
Legal Services	70,855	96,922	96,700	96,700	96,700	0.0%
City Administrator	254,796	261,680	340,700	333,500	350,300	2.8%
Human Resources	148,790	130,888	150,400	151,500	157,000	4.4%
Wellness Program	47,433	50,465	56,300	56,300	58,600	4.1%
Finance and Records	533,126	543,163	578,400	583,500	599,300	3.6%
Information Technology	248,713	273,440	272,800	272,700	277,900	1.9%
Risk Management	337,486	245,550	280,400	258,300	287,200	2.4%
Building and Grounds	554,418	503,893	531,100	552,200	549,500	3.5%
Subtotal	$ 2,266,369	$ 2,174,326	$ 2,382,300	$ 2,374,800	$ 2,449,200	2.8%
Public Safety						
Police Operations	$ 4,429,858	$ 4,408,090	$ 4,635,500	$ 4,635,600	$ 4,791,000	3.4%
Animal Control	141,303	117,730	121,000	119,800	126,900	4.9%
Fire Operations	3,699,952	3,779,177	3,905,900	3,899,400	4,265,800	9.2%
Emergency Management	21,125	0	0	0	0	
Subtotal	$ 8,292,238	$ 8,304,997	$ 8,662,400	$ 8,654,800	$ 9,183,700	6.0%
Culture and Recreation						
Library	$ 1,072,000	$ 1,079,400	$ 1,090,300	$ 1,090,300	$ 1,116,300	2.4%
Cable Television Operations	16,202	14,926	19,100	19,100	19,700	3.1%
Art Center	315,086	305,843	327,900	325,800	339,300	3.5%
Park Administration	163,119	166,390	174,600	175,900	183,200	4.9%
Park Maintenance	677,434	636,113	625,400	638,300	656,900	5.0%
Kent Stein Park	208,005	180,015	199,400	196,400	200,400	0.5%
Soccer Complex	181,752	165,850	188,500	214,100	191,900	1.8%
Swimming Pools	176,260	157,462	164,000	161,800	160,500	-2.1%
Recreation	100,589	107,446	117,700	110,600	117,800	0.1%
Cemetery	155,743	152,639	164,500	165,600	165,300	0.5%
Subtotal	$ 3,066,190	$ 2,966,084	$ 3,071,400	$ 3,097,900	$ 3,151,300	2.6%

General Fund

Summary of Expenditures

Function/Activity	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change from FY 2016 Budget
Health and Social Services						
Economic Well-Being	$ 20,000	$ 20,000	$ 45,000	$ 45,000	$ 45,000	0.0%
Subtotal	$ 20,000	$ 20,000	$ 45,000	$ 45,000	$ 45,000	0.0%
Community and Economic Development						
Community Development	$ 663,267	$ 705,323	$ 729,900	$ 707,400	$ 729,500	-0.1%
Economic Development	120,870	158,469	151,800	141,500	141,500	-6.8%
Subtotal	$ 784,137	$ 863,792	$ 881,700	$ 848,900	$ 871,000	-1.2%
Public Works						
Public Works Administration	$ 157,587	$ 166,574	$ 222,500	$ 210,000	$ 178,800	-19.6%
Roadway Maintenance	1,215,270	1,184,354	1,354,000	1,353,800	1,246,600	-7.9%
Traffic Control	155,477	172,446	161,500	164,600	184,200	14.1%
Snow and Ice Control	522,735	494,452	481,400	411,100	435,700	-9.5%
Street Cleaning	173,747	218,404	189,800	199,000	420,400	121.5%
Engineering	130,288	93,297	125,300	140,200	145,100	15.8%
Subtotal	$ 2,355,104	$ 2,329,527	$ 2,534,500	$ 2,478,700	$ 2,610,800	3.0%
Transfers and Assigned Funding						
Transit System Subsidy	$ 380,401	$ 301,667	$ 250,000	$ 250,000	$ 200,000	-20.0%
Airport Subsidy	47,172	39,555	47,800	48,700	45,100	-5.6%
Levee Project Subsidy	53,964	55,387	55,726	55,726	15,900	-71.5%
Equipment Replacement Allocation	117,000	200,000	188,000	188,000	200,000	6.4%
Equipment Replacement - Ambulance Allocation	0	0	148,500	148,500	0	-100.0%
Assigned Funding Non-Union Merit Pay	0	0	12,300	0	12,300	0.0%
COPS Grant Future Commitment	40,000	9,000	0	0	0	
Subtotal	$ 638,537	$ 605,609	$ 702,326	$ 690,926	$ 473,300	-32.6%
Total	$ 17,422,575	$ 17,264,335	$ 18,279,626	$ 18,191,026	$ 18,784,300	2.8%

Function:	*Department:*
General Government	**Legislative and Council**

Activity:

Mayor and Council

GENERAL INFORMATION

The City Council is the legislative branch of the Muscatine City government. All policy-making decisions affecting City government are determined by the City Council and adopted by formal ordinance, resolution, or motion. The presiding officer of the City Council is the Mayor. The Mayor and Council have joint responsibility for appointing all the Boards and Advisory Commissions of the City as well as the hiring and termination of the Fire Chief and Police Chief. There are ten (10) different Boards and Advisory Commissions who assist the City Council in formulating the programs and services provided to the citizens of Muscatine. The City Council hires the City Administrator to carry out the day-to-day administration of the City and to administer and implement the policy directions as adopted by the City Council.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is under the budgeted amount by $5,400 primarily due to a reduced allocation of audit costs to the General Fund. There was savings in overall audit costs to the City with the change in auditors for the year ended June 30, 2015.

The 2016/2017 budget is $2,800 (3.7%) less than the original 2015/2016 budget. Audit costs are estimated to be $4,600 less than the original budget for 2015/2016 due to the change in auditors. This savings has been partially offset by a $1,400 increase in personal services and a $400 increase in dues and memberships. The increase in personal services is due to increases in the Mayor and Councilmember salaries effective January 1, 2016. The Mayor's annual salary increased from $6,500 to $7,000 and City Council annual salaries increased from $4,000 to $4,400. Fiscal year 2016/2017 is the first full fiscal year with the increased salaries.

PERFORMANCE MEASURES

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	10	10	9	10	10
Budget Meetings	9	9	8	8	8
Other Meetings	2	2	0	1	1
Joint Meetings:					
County Board of Supervisors	1	0	0	1	1

CITY OF MUSCATINE CORE VALUES, VISION, AND MISSION

Core Values

- Integrity
- Respect
- Innovation
- Excellence
- Professionalism
- Customer Service
- Fiscal Responsibility

Vision

Muscatine is a vibrant river community where a rich tradition of community pride and entrepreneurial spirit has created an outstanding environment to live and work. Muscatine values its history, has a strong sense of community, is rich in cultural and economic diversity, and has strong global connections. Muscatine residents, businesses, and its local government are engaged and achieve goals through valued partnerships.

Mission

Provide effective municipal services, excellent customer service, and sound fiscal management that improves quality of life and ensures a sustainable economy.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017 AND FUTURE YEARS

Long-Term Goals

- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate
- Position the City to address potential shortfalls in revenue due to state and federal mandates and work to leverage local funding with grants
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool
- Increase community awareness and engagement (Tell Muscatine's story)
- Attract employees that work in Muscatine, but do not live in Muscatine.

Council and Management Agenda 2016-2017

Community and Economic Development

- Evaluate programs and opportunities for economic development
- Market economic development programs
  - Create signage (July 2016)
  - Work with local banks, real estate companies to promote plans and incentives (March 2016)
- Focus on "supply or value chain" business attraction/retentions

- Create an economic development strategic plan targeting key sectors and work with the University of Iowa and Iowa State University to attract business developed on campus.
  - Identify programs and opportunities (March 2016)
  - Create plan of action (by August 2016)
- Evaluate creation of port authority and municipal port:
  - Submitted LIFTS Grant (Awarded in February 2016)
  - Feasibility Study: Complete 2016
  - Grants 2016: USEDA/TIGER, USDOT, Others
  - Small Concept/Test Run/Trials 2016
  - Permits: 2016 and 2017
  - Engineering/Design: 2016/17
  - Tentative Construction: 2017/18

Housing

- Conduct a housing demand study (July 2016 start date)
- Focus on new housing development in key areas
- Mixed use, starter homes, single family, and downtown (high quality)
- Evaluate and promote opportunities and incentives for infill

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance (Adoption 2016)
- Continue to improve in-depth sessions to include departmental reviews

Marketing, Communication, and Engagement

- Develop a marketing plan for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Muscatine School District, Muscatine Community College, Unity Point - Trinity Muscatine, Convention and Visitors Bureau (CVB), Community Improvement Action Team (CIAT), and local industry (Budget March 2016, Hire firm June 2016)
- Enhance the City's updated website and expand the use of social media tools for public communication
- Align technological resources to improve the services provided, information access, and convenience of citizens, organizations, and visitors
- Prepare a city communications plan (March 2016)

Continuous Service Improvement.

- Improve organizational effectiveness and enhance interdepartmental cooperation
- Develop a plan to incorporate community sustainability principles of economic prosperity, environmental integrity, and cultural vibrancy into all short and long term planning.
- Bring technology to the field (drive efficiency)
- Work with downtown businesses and residents to create a clean and inviting environment (Winter 2015-2016)

Projects, Programs and Placemaking

- Implement Capital Improvements Program (CIP) with focus on existing infrastructure
- Mississippi Drive (2016) and Grandview Avenue (2019)
  - Preliminary design and public meetings (2015-16)
  - Property acquisition (2016)
  - Bid (February or March 2017)
  - Construction (2017-18)

- Pearl III (CIAT, IISC, and placemaking projects) – develop and maintain local amenities for residents and that attract/retain a quality workforce
    - Develop marketing and funding plan (CIAT)
- Mulberry Avenue Construction (2016)
- Combined Sewer Separation (Multiple phases through 2028), update financial plan in 2016
- Airport Reconstruction of Primary Runway (2016)
- Art Center HVAC (Building Envelope and HVAC) (May 2016 Start Date)
- City Hall HVAC and building envelope plan
- Riverfront Master Plan
- WPCP Receiving Station and Waste to Energy Project
- Reforestation

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 38,226	$ 38,209	$ 40,100	$ 39,800	$ 41,500	3.49%
Commodities	495	2,118	2,050	2,200	2,050	0.00%
Contractual Services	32,031	27,999	33,350	28,100	29,150	-12.59%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 70,752	$ 68,326	$ 75,500	$ 70,100	$ 72,700	-3.71%
Funding Sources						
General Revenues	$ 70,752	$ 68,326	$ 75,500	$ 70,100	$ 72,700	-3.71%

Personnel Schedule	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	7	7	7	7	7	
Total	8	8	8	8	8	$ 37,800
Employee Benefits						3,700
Total Personal Services						$ 41,500

Function:	*Department:*
General Government	**Legislative and Council**

Activity:

Legal Services

GENERAL INFORMATION

The City Attorney is retained by the City on a part-time basis and paid on an hourly basis. The City's previous long-serving City Attorney retired at the end of October, 2010. After soliciting proposals from interested attorneys, Matt Brick of the Brick Gentry Law Firm was selected to serve as the City Attorney at a rate of $150 per hour. The part-time City Attorney is available to the City Administrator and City staff on an "as needed" basis for legal assistance.

With the change in City Attorneys, the City's prosecution function was separated from the City Attorney function. The previous City Prosecutor left her position in 2014 and the City entered into an agreement with the County Attorney's office for city prosecutor services effective July 1, 2014 at an annual cost of $40,000. Having the County Attorney prosecute City cases allowed for a structural change in how these cases are prosecuted and with that change additional court fine revenue is expected.

CURRENT TRENDS AND ISSUES

The revised estimate of $96,700 is the same as the original budget and the 2016/2017 budget is also estimated at the same amount. Actual legal costs can vary from these estimates since many projects and issues that need legal assistance cannot be anticipated. Legal services for capital projects and enterprise funds are charged to those projects or funds.

GOAL STATEMENT

To provide legal services per the City Code to insure that all functions of the City are performed on a legal basis in accordance with the City Code, State Statutes, and Federal laws and regulations; to prosecute City Ordinance violations and defend the City when involved in lawsuits.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
City Attorney (excluding Human Resources legal services) *	637	580	1,013	1,200	800
City Prosecutor **	240	275	N/A	N/A	N/A

* City Attorney hours include those charged to capital projects and enterprise funds.

** Beginning July 1, 2014 the County Attorney's office is serving as the City prosecutor under a contractual agreement. This is billed as a flat amount per the agreement; the specific number of hours are not tracked.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to respond to requests for assistance in legal matters by the Mayor, City Council, and City Administrator (all legal services requests are made through the City Administrator).

* Working with City staff assist in the completion of the comprehensive update to the City Code including the Zoning Ordinance update for review and adoption by City Council. **(Council and Management Programs and Services Goal)**

Function:
General Government

Department:
Legislative and Council

Activity:

Legal Services

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	70,855	96,922	96,700	96,700	96,700	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 70,855	$ 96,922	$ 96,700	$ 96,700	$ 96,700	0.00%
Funding Sources						
General Revenues	$ 70,855	$ 96,922	$ 96,700	$ 96,700	$ 96,700	0.00%

Function:	*Department:*
General Government	**City Administrator**

Activity:

City Administrator

GENERAL INFORMATION

The City Administrator is responsible for the overall management and administrative coordination of activities of the City of Muscatine. All departments under the City Council report to and are responsible to the City Administrator. All Council matters from the various departments, boards, and commissions are presented by the City Administrator to the City Council with specific recommendations. Upon approval by the City Council of various programs and policies, it is the responsibility of the City Administrator for their implementation according to Council direction.

The City Administrator is also responsible for the preparation of the annual budget for review and adoption by the City Council. Additionally, the City Administrator interacts with both public and private entities to promote community-based projects.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $7,200 less than the original budget due to savings in personal services costs. This savings is primarily due to the new Communications Manager having single health insurance instead of the family coverage included in the original budget.

The 2016/2017 budget is $9,600 (2.8%) higher than the original 2015/2016 budget due to increased personal services costs of $8,200, increased travel and training costs of $1,000, and increased dues and memberships of $400. The increases in travel and training and dues and memberships is for the Communications Manager which was a new position added for the 2015/2016 budget. While 100% of the cost of this position is accounted for in this budget, this position oversees communications in all City departments and transfers from five other funding sources provides 5/6 of the funding for this position. The other funding sources that share equally in the cost of this position are the Water Pollution Control, Refuse Collection, Collection and Drainage, Public Works Administration (Road Use Tax funded), and Tax Increment fund budgets.

GOAL STATEMENT

To improve the service and program capabilities of the City of Muscatine through the effective and efficient forecasting and planning of financial, manpower, and material needs of the City; to assist the City Council in developing the City needs in services and programs; to implement such services and programs established by the City Council through continual evaluation of the organizational structure of the City.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
City Council Agenda Items Presented	308	293	234	280	280
Staff Meetings Held	23	23	23	23	23
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	5	5	5	5	5
Quad City Area Managers Meetings (Bi-State)	8	8	8	8	8
State Association Meetings (IaCMA)	1	1	1	1	1
International City/County Management Association (ICMA)	1	1	1	1	1
Municipal Management Institute (IMMI)	1	1	1	1	1
Municipal Attorneys Association (IMAA)	1	1	1	1	1
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	18	18	18	18	18
GMCCI Committee Meetings	18	18	18	18	18
United Way Meetings	10	10	10	5	0

Communications Metrics for FY2016-2017 Budget

	June 30, 2015	Year-to-Date	Estimate by June 30, 2016	Goal FY2016-2017
Facebook Page Likes	1,326	2,254	2,750	3,500
Average Weekly Post Reach on Facebook	1,282	12,819 (July -Dec. 31, 2015 avg.)	14,000 (July 1, 2015-June 30, 2016 estimated avg.)	18,000
Twitter Followers	651	779	825	950
Instagram Followers	11	104	135	200
City of Muscatine eNewsletter Subscribers	0	191	250	500
City of Muscatine eNewsletters Sent	0	0	6	12
Press Releases Sent	0	26	45	45
Blog Posts Published	0	21	47	52
Blog Views	0	4,328	6,500	7,000

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Long-Term Goals

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- Market economic development programs
  - Create signage (July 2016)
  - Work with local banks, real estate companies to promote plans and incentives (March 2016)
- Focus on "supply or value chain" business attraction/retentions
- Create an economic development strategic plan targeting key sectors and work with the University of Iowa and Iowa State University to attract business developed on campus.
  - Identify programs and opportunities (March 2016)

  - Create plan of action (by August 2016)
- Evaluate creation of port authority and municipal port:
  - Submitted LIFTS Grant (Awarded in February 2016)
  - Feasibility Study: Complete 2016
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- City Hall HVAC and building envelope plan
- Riverfront Master Plan
- WPCP Receiving Station and Waste to Energy Project
- Reforestation

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 230,914	$ 238,248	$ 315,700	$ 308,500	$ 323,900	2.60%
Commodities	2,101	4,225	3,100	3,100	3,100	0.00%
Contractual Services	17,000	17,196	21,900	21,900	23,300	6.39%
Capital Outlay	4,781	2,011	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 254,796	$ 261,680	$ 340,700	$ 333,500	$ 350,300	2.82%
Funding Sources						
Funding Transfers for Communications Manager	$ -	$ -	$ 57,500	$ 49,600	$ 54,400	-5.39%
General Revenues	254,796	261,680	283,200	283,900	295,900	4.48%
Total	$ 254,796	$ 261,680	$ 340,700	$ 333,500	$ 350,300	2.82%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
City Administrator	1.00	1.00	1.00	1.00	1.00	
Communications Manager	-	-	1.00	1.00	1.00	
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	2.00	3.00	3.00	3.00	$ 247,500
Employee Benefits						76,400
Total Personal Services						$ 323,900

Function:	*Department:*
General Government	**City Administrator**

Activity:

Human Resources

GENERAL INFORMATION

The Human Resources division consists of an allocation of 75% of the Human Resources Manager position and a 50% allocation of the Office Assistant position. The other 25% of the Human Resources Manager position is included in the Risk Management activity budget. The Human Resources division is responsible for the development of a uniform program for all City departments in the areas of hiring, training, risk management, and other personnel related issues. This division also assists departments with the administration of labor contracts and personnel guidelines. The City operates under the Iowa Civil Service Code which encompasses all employees except department heads, supervisors, confidential and library employees, and part- time employees as specified by the State Code.

Continued updating of the City's Equal Employment Opportunity Plan and Employee Personnel Manual, as well as the sponsoring of workshops and training sessions are responsibilities of the Human Resources Manager. The Human Resources Manager also serves as secretary to the Civil Service Commission and assists the Commission with the implementation of the State Code on Civil Service requirements.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is over the budgeted amount by $1,100 due to an increase in personal services costs. This increase includes the increase in health insurance costs effective January 1, 2016 and a wage adjustment.

The 2016/2017 budget is $6,600 (4.4%) more than the original 2015/2016 budget and $5,500 (3.6%) more than the 2015/2016 revised estimate due to increased personal services costs. The 2016/2017 budget continues the lower budget allocation for the labor attorney since 2016/2017 is the third year of five-year contracts with each of the City’s three bargaining units. This budget continues to include funds for city-wide supervisory training.

GOAL STATEMENT

To provide centralized human resources services and technical assistance to City departments and staff, Commissions, City employees, and applicants in an efficient and timely manner, and to maintain and process accurate records and information pertaining to employment related activities and commission actions.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Full-time Positions Hired	11	11	14	10	10
Permanent Part-time Positions Hired	5	3	5	5	5
Retirements	6	6	5	8	5
Personnel Actions Processed	390	471	408	425	425
Employment Applications Received	657	450	603	600	600
Civil Service Examinations Administered	7	12	12	10	10
Employee Training Programs	3	3	2	4	4
Employee Newsletter Issues	12	12	5	12	12
Civil Service Commission Meetings	9	9	9	12	12

RECENT ACCOMPLISHMENTS

The Human Resources division has been actively involved in a number of activities this year. The division has continued to assist with hiring, disciplinary processes, benefits administration, and other issues related to employment.

The staff has also been involved in ongoing projects such as the implementation of the updated wellness program, coordinating a series of supervisory training sessions, and updates to job descriptions and policy manuals. These projects will continue in the next fiscal year.

The Lean (Continuous Service Improvement) activities have been a challenge, but additional Lean activities are being planned. The committee working on this initiative is seeking ways to make this workable and sustainable for the City on a long term basis.

Supervisory training is scheduled quarterly for the 2016 calendar year. Topics have been selected based on areas of need and areas the supervisors are interested in. These include topics such as employee motivation, performance evaluations, policy review, goal setting, and various employment law topics. To date, supervisors have attended employee motivation training and a policy review, and training on conducting performance evaluations is scheduled for January 2016.

The Human Resources division has been working closely with the Parks and Recreation department and the Wellness Committee to roll out a new program. The new program includes incorporating Blue Zones concepts into the activities, providing sustained participation by the employees, and focusing on all areas of a healthy lifestyle.

Finally, the division has worked to implement the Human Resources part of the City's new financial software. The process of updating employee information in the system is ongoing. This has allowed for more accurate tracking of pay increase dates and more efficiency in the budgeting process. The personnel action forms are also being generated electronically rather than on paper, reducing the amount of time it takes for changes to be processed. This too, is a work in progress, but has been quite successful to date.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To conduct a market study for positions in the non-union pay plan.

* To continue to work to ingrain the concept of Continuous Service Improvement (CSI) in staff by reinforcing Lean activities and providing training that teaches employees to find efficiencies. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work with departments to identify and conduct at least one CSI event quarterly (total of 4 in the next year). **(Council and Management Continuous Service Improvement Goal)**

* To continue to identify metrics and provide an annual progress report for CSI activities. **(Council and Management Continuous Service Improvement Goal)**

* To add to the training initiative regular training for non-supervisory employees at least twice per year. These topics could include topics such as customer service, policy reviews, or other topics of broad interest.

* To continue policy reviews and make additions and changes as necessary. This aspect of Human Resources has been requiring increased attention as issues arise and/or law interpretations change.

* To create an onboarding process that provides opportunity for new employees to understand more about the City as a whole. Some ideas include an overview tour of all city departments and meetings that review benefits and policies in more detail than the initial payroll signup can offer.

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 101,457	$ 105,320	$ 109,100	$ 110,400	$ 115,700	6.05%
Commodities	901	375	2,000	2,000	2,000	0.00%
Contractual Services	46,432	24,804	39,300	39,100	39,300	0.00%
Capital Outlay	-	390	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 148,790	$ 130,889	$ 150,400	$ 151,500	$ 157,000	4.39%
Funding Sources						
General Revenues	$ 148,790	$ 130,889	$ 150,400	$ 151,500	$ 157,000	4.39%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	0.50	0.50	0.50	0.50	0.50	
Total	1.25	1.25	1.25	1.25	1.25	$ 80,400
Employee Benefits						35,300
Total Personal Services						$ 115,700

Function:	*Department:*
General Government	**Parks and Recreation**

Activity:

Wellness Program

GENERAL INFORMATION

The City's Employee Wellness Program has been funded annually from the City's Health Insurance Fund. Wellness program activities vary a great deal and have included blood screening, physical fitness evaluations, flu shots, recreational activities, and alcohol and drug awareness programs. All full-time and part-time employees are eligible to participate. Spouses are also encouraged to participate. Other programs initiated by the wellness program include Smoke Stoppers, Weight Watchers, personal safety classes, stress management, and other health-related seminars and clinics. An ongoing emphasis of the wellness program is to promote a healthy lifestyle for employees and their families.

The program also provides ongoing employee blood pressure screenings as well as the Employee Fitness Scholarship program. This particular program offers partial reimbursement to employees who participate in local fitness centers.

CURRENT TRENDS AND ISSUES

Responsibility for the Wellness Program has been assigned to the Parks and Recreation department. The Program Supervisor is currently leading this program with the assistance of other Parks staff. One-half of the Parks Office Coordinator position is charged to this budget which represents time spent on this program by various park staff. The Wellness Program is also coordinated with representatives of the Human Resources and Public Works departments in order to develop and implement employee safety programs as well as providing traditional Wellness programs. Participation in the wellness program continues to elicit positive feedback from employees.

The revised estimate for 2015/2016 is the same as the budgeted amount. The budget for 2016/2017 is $2,300 (4.1%) more than the 2015/2016 budget. This increase is due to $1,800 in increased personal services costs and a $500 overall increase in Wellness program costs. The budget for 2016/2017 continues the wellness and health screening programs currently offered through the Wellness program and the Wellmark Wellness Incentive Program. This program gives participants the opportunity to track their daily wellness activities and earn points for specific activities. Accumulated points can then be redeemed for incentive prizes.

GOAL STATEMENT

To provide City of Muscatine employees and spouses with the knowledge necessary to help them become the best they can be physically and emotionally as individuals and as employees of the City, as part of the City's continued effort to improve employee efficiency and productivity.

PERFORMANCE MEASURES

	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Employee Wellness Opportunities	10	10	10	10	11
Employee Wellness Participants	290	302	300	300	300
Employee Assistance Program Participation Levels	19.3%	7.7%	8.8%	10%	10%
Condition Support Program previously called Disease Management Program Participants	92	147	70	70	70

RECENT ACCOMPLISHMENTS

Wellness continues to be important to City employees as demonstrated through their participation and continued interest in the wellness offerings.

The City of Muscatine became a designated Blue Zones work site in July 2014. Designated Blue Zones worksites are committed to empowering employees to be happier, healthier, and more productive by creating healthier work environments.

The Genesis Wellpower program was discontinued after six years (2009-2014) due to a significant increase in cost. This year Trinity provided the health screenings. Ninety-five participants took advantage of this benefit. Those who have participated in multiple years are given comparative results from year to year that allows them to track their progress. Continuing these tests is important as typically these tests are not performed by a doctor until there are symptoms present, which in turn can make it more difficult/costly to treat. The health screenings received through the wellness program are a good way for employees who might have a borderline problem to get treatment or make lifestyle changes before a health crisis presents itself.

To give employees the extra incentive to lose weight through diet and exercise, the wellness program again had a Biggest Loser contest this summer. Twenty employees lost a combined 158.4 pounds during the 8 week program.

Wellness scholarships continue to be offered to employees. Participants are reimbursed for a portion of their fitness memberships by providing a log of their attendance at a fitness facility. City employees can also take part in Parks and Recreation department programs such as the Turkey Trot for no fee to encourage a healthy lifestyle.

Other programs held throughout the year include the Employee Assistance Program (counseling services), Influenza Vaccinations, Hepatitis B Vaccinations, Bloodborne Pathogens training and hearing tests.

The THRIVE program was implemented during the past year. This program utilizes employee self-reporting to Wellmark of healthy lifestyles based on the Blue Zones philosophy of mental, physical, and emotional well-being. Points are earned for reported positive wellness activities. Points are then converted into gift card prizes.

The wellness offerings for city employees will continue to be evaluated to serve the needs of the employees. The Wellness Committee met to discuss the future of the Wellness Program and a plan was created to develop a new ongoing incentive-based wellness program. The Wellness Committee will continue to meet to discuss and develop current and new programs.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to research comprehensive screening programs to make sure this program best fits the needs of the City of Muscatine employee group. **(Council and Management Continuous Service Improvement Goal)**

* To create and implement a new incentive program to motivate employees to improve their health screening numbers.

* To continue to increase participation in the health screening program.

* To continue to offer new wellness programs to increase employee participation.

* To continue to meet with the Wellness Committee to receive feedback on new programs and modifications of current programs.

* To continue to explore and implement "Lean" initiatives related to the Wellness program. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Parks and Recreation

Activity:

Wellness Program

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 27,492	$ 29,890	$ 31,600	$ 31,900	$ 33,400	5.70%
Commodities	596	581	3,300	2,300	2,300	-30.30%
Contractual Services	19,345	19,994	21,400	22,100	22,900	7.01%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 47,433	$ 50,465	$ 56,300	$ 56,300	$ 58,600	4.09%
Funding Sources						
Health Insurance Funds	$ 47,433	$ 50,465	$ 56,300	$ 56,300	$ 58,600	4.09%

Personnel Schedule	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	$ 21,300
Employee Benefits						12,100
Total Personal Services						$ 33,400

Function:	*Department:*
General Government	**Finance**

Activity:

Finance and Records

GENERAL INFORMATION

The Finance department is responsible for managing all financial operations of the City of Muscatine. The primary function of the department is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, the City Administrator, and department heads. The Finance Director oversees all Finance activities as well as the Information Technology and Parking divisions. Separate budgets are prepared for Information Technology and Parking.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is $5,100 more than the original budget. While there are minor increases and decreases in various budget line items, the most significant reasons for the overall increase are (1) a $3,700 increase in personal services which includes the increase in health insurance premiums effective January 1, 2016 and a wage adjustment, and (2) a $3,000 increase in printing services for the new City Code covers and tabs. These increases have been partially offset by decreases in other line items.

The 2016/2017 budget is 3.6% ($20,900) higher than the original 2015/2016 budget. This is primarily due to an increase of $24,200 in personal services costs which includes the budgeted wage increases, step increases for newer employees progressing through steps in the pay plan, and the increase in health insurance costs. This increase has been partially offset with a net decrease of $3,300 in other line items. The net decrease includes (1) a decrease of $6,200 since there is no City election in 2016/2017, (2) an increase of $4,400 since the GASB 45 OPEB (Other Post-Employment Benefits) actuarial study will be done in 2016/2017 (done biannually), and (3) a net decrease of $1,500 in other line items.

GOAL STATEMENT

Finance - To provide a financial information system which provides City Council, commissions, boards, and staff with pertinent and necessary information in order to make informed decisions.

Records - To provide the City with an accurate and complete set of records which includes all proceedings and actions of the City Council, and to provide an orderly retrieval process for requested information.

Purchasing - To provide a purchasing program for all departments in the City in order to effectively search the marketplace for quality purchases at the lowest possible costs; and to assure that such materials and equipment will assist in performing the activities of the City in an efficient manner.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Submit Application	Submit Application
GFOA Budget Award	Yes	Yes	Yes	Yes	Submit Application
City Vendors Checks Issued	5,120	5,187	5,107	5,200	5,200
Housing Programs Checks Issued	2.481	2,456	2,241	2,400	2,400
Payroll Checks Issued (1)	3,379	2,974	2,678	2,700	2,700
Payroll Direct Deposit Transactions	5,938	6,090	6,383	6,500	6,500
Accounts Payable Transactions (2)	23,724	28,000 (Est.)	31,012	31,500	31,500
City Receipt Transactions (3)	10,195	12,955	12,706	12,800	12,800
Housing Receipt Transactions	2,395	2,465	2,501	2,500	2,500
Interest Earned (4)	$53,299	$49,183	$136,377	$168,000	$160,000
Records:					
Public Documents Recorded	308	293	234	280	280
Council Minutes Prepared	45	42	44	43	43
Notices Published	46	37	35	36	36
Purchasing:					
Purchase Orders Processed	1,971	2,013	2,155	2,200	2,200

1. The decrease in payroll checks in 2013/2014 was due to the change in financial software effective December 1, 2013. Payroll vendor checks in the new system are generated in the Accounts Payable system and in the previous software they were in the Payroll system.
2. The number of accounts payable transactions in 2013/2014 is an estimated number since five months of the year was done using the previous software and the remaining seven months was done using the new software. Accounts payable transactions are tracked differently with the new software.
3. Receipt transactions are tracked differently in the new financial software system (beginning mid-way through 2013/2014).
4. The increase in interest beginning in 2014/2015 is due to investing the Transfer of Jurisdiction funds ($13 million).

RECENT ACCOMPLISHMENTS

The City received GFOA's Distinguished Budget Presentation Award for the 2015/2016 Budget. This was the 31st consecutive year the City received this award. The City was awarded its 25th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015.

Finance staff continued to monitor the long-term plan to eliminate the accumulated deficit in the Landfill fund. In the summer of 2010 the Finance Director participated in and prepared financial information for the Chamber Committee appointed to study and evaluate the landfill deficit of over $2.5 million as of the end of the 2009/2010 fiscal year. Recommendations of the Committee were implemented in October of 2010 which

were projected to assist in substantially reducing or eliminating this deficit over the upcoming years. In 2010/2011 the Landfill deficit was reduced by $412,000 to $2,100,612. The deficit reduction for 2011/2012 was $582,320 to $1,518,292; in 2012/2013 the deficit was reduced by $435,957 to $1,082,335; in 2013/2014 it was further reduced by $573,309 to $509,026; and in 2014/2015 the deficit was eliminated and there was a positive balance of $100,576 in the Landfill fund. The long-term plan will be updated in 2016/2017 when the cost for developing the next landfill cell is determined.

A major initiative in the department in 2013 and 2014 was implementation of a new financial software system which replaced a system which had been in place since the early 1990's. The City went "Live" on the Springbrook financial software December 1, 2013 and the department just completed two years using the new system. The new software has assisted Finance staff as well as other departments. Departments have had access to view and run their own financial reports since the spring of 2014. In the fall of 2014 the workflow portion of the purchase order system was implemented. Department staff can now enter purchase orders directly into the system with the department director approval done electronically as well as the Finance Director's approval. In the spring of 2015 the decentralized payroll time entry feature was made available to most departments. This is also set up as a workflow with electronic approvals by each department director. The departments yet to implement the decentralized payroll time entry process are the Fire and Housing departments which both have unusual payroll requirements. This feature is scheduled to be added for those departments in the next few months.

With the 2nd year recently completed, the benefits of the software are now being fully realized. The fixed asset work for the recent audit work was more streamlined and took less time than the first year using this software. Special reports for the audit and auditors that were set up a year ago, were easily generated for this year's audit.

The new City Code was completed with its final adoption by City Council in June of 2015. The electronic version of the new City Code is available on the City's website. It is a searchable PDF document. Staff is currently in the process of adding the links from both the table of contents and the index to the respective pages of the Code. Staff also printed hard copies of the City Code.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).

* To submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.

* To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. The Statements that will be effective for the upcoming year are GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

* To update the long-term financial plan which eliminated the previous accumulated deficit in the landfill fund with the update to include financial planning and projections for the development of the next landfill cell(s). **(Council and Management Projects, Programs, and Placemaking Goals)**

* To assist in determining funding sources for capital projects identified in the Five Year Capital Improvement Plan. Major projects include the Mississippi Drive Corridor Project, the Pearl of the Mississippi Phase III projects, the Art Center HVAC project, and the Airport primary runway improvement project. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To implement the remaining features of the new financial software system including the system for making electronic payments to vendors and project/grant reporting features. **(Council and Management Continuous Service Improvement Goals)**

* To develop metrics and dashboards for key statistics for the City as a whole and the Finance department. **(Council and Management Marketing, Communication, and Engagement Goal)**

* To review and draft proposed updates to various City policies including the Purchasing Manual, change order policy, and vacation/sick leave policies. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Finance

Activity:

Finance and Records

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 430,840	$ 447,888	$ 465,400	$ 469,100	$ 489,600	5.20%
Commodities	10,848	7,796	14,000	13,400	13,300	-5.00%
Contractual Services	91,438	87,054	99,000	101,000	96,400	-2.63%
Capital Outlay	-	425	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	$ 533,126	$ 543,163	$ 578,400	$ 583,500	$ 599,300	3.61%
Funding Sources						
Licenses and Permits	$ 43,413	$ 43,413	$ 41,800	$ 43,500	$ 43,500	4.07%
Housing Accounting Fees	55,800	55,800	57,400	57,400	59,000	2.79%
General Revenues	433,913	443,950	479,200	482,600	496,800	3.67%
Total Funding Sources	$ 533,126	$ 543,163	$ 578,400	$ 583,500	$ 599,300	3.61%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Finance Director	0.95	0.95	0.95	0.95	0.95	
Accounting Supervisor	1.00	1.00	1.00	1.00	1.00	
Accountant	1.00	1.00	1.00	1.00	1.00	
Senior Account Clerk	1.00	1.00	1.00	1.00	1.00	
Account Clerk	1.00	1.00	1.00	1.00	1.00	
Finance Secretary/ Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	5.70	5.70	5.70	5.70	5.70	$ 355,500
Employee Benefits						134,100
Total Personal Services						$ 489,600

Function:	*Department:*
General Government	**Finance**

Activity:

Information Technology

GENERAL INFORMATION

The Information Technology activity was established for the purpose of accounting for costs relating to the repair, maintenance, and operation of the City computer systems; to keep up with technological advances; and to meet the ongoing needs for employee computer-related training. This activity includes two positions, the Information Technology Manager and a Computer Technician. These individuals are responsible for all of the City's computer systems including the critical Public Safety computer systems.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is $100 less than the original budget. Personal services costs in the revised estimate increased by $1,600 and contractual services decreased by $1,700 due to renegotiating the service plan with Muscatine Power & Water.

The 2016/2017 budget is $5,100 (1.9%) higher than the 2015/2016 budget. Increased personal services costs of $6,800 were partially offset by the $1,700 decrease from renegotiating the service plan with Muscatine Power & Water. The budget again this year includes a transfer of $40,000 to the Computer Replacement Reserve to fund computer hardware replacements in General Fund departments. All computer-related purchases are coordinated by the Information Technology Manager. Computer-related purchases in enterprise funds are funded from those funds.

GOAL STATEMENT

To provide maintenance, support, education, and training for the efficient and productive operation of all the computer systems throughout the City organization; to increase the computer literacy of all City employees; and to aggressively pursue using computer technology to enhance communications with the citizens.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Personal Computers Maintained (Includes Tablets beginning in 2015/2016)	217	223	241	268 *	268
Network Maintained	3	3	3	3	3
AS/400's Maintained	1	1	1	1	1
Training Sessions	9	8	9	14	10

* Beginning in 2015/2016 these numbers include tablet computers. Tablets are used by the Library, Community Development, Housing, and Public Works departments.

RECENT ACCOMPLISHMENTS

On January 8, 2015 the City's new refreshed web presence went live and has averaged well over 17,000 monthly visitors since that time. Citizens as well as staff have enjoyed the additional features and enhanced social media presence. Facebook, Twitter, YouTube and Instagram are all tools that residents and staff now benefit from. These on-line resources played a pivotal role in the dissemination of information and providing feedback for the adoption of the new City Code. In July of 2015 the City of Muscatine hired a Communications Manager to coordinate the usage of the City's on-line tools, to provide a consistent direction to the communications with citizens, and provide the ability to respond to public questions and comments in a timely manner.

The department successfully migrated the ambulance billing/EMS reporting software to the new billing company. The go-live date for this project was November 1, 2015. Data is now exported from the Shieldware CAD system directly into the ESO ePCR reporting software to minimize errors and EMT time used to create the reports. The ambulance heart monitors can now connect via Bluetooth connection to directly attach to the EMS report.

After attending numerous meetings and viewing demonstrations from several different companies, GovQA was selected as the vendor to provide permitting, code enforcement, and planning and zoning software for the Community Development department. The master files and workflows are currently being created with an estimated go-live date of January 31, 2016.

Maintenance reporting and records management at the Water Pollution Control Plant was migrated to Antero from AllMax Software.

The department developed and instructed an Intermediate Excel training class that was available to city staff. The class was taught by the IT Manager and Muscatine Community College (MCC) provided the location and computers for hands on training.

Four security cameras for surveillance of the interior common areas at the Musser Public Library were installed. Due to the physical layout of the library, additional cameras may be needed.

The computer in the golf simulator at the Muscatine Municipal Golf Course was upgraded to new hardware which allowed the newest version of the simulator software to be installed. The new version has a superior

graphic rendering system and allows the user to play additional golf courses, for a better and more realistic experience.

Three additional iPad's were acquired and secured for the Musser Public Library's children services area. Funding for the tablets was provided from Iowa Public Television.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To relocate MUSCOM (Muscatine City/County Joint Communications Center) to their new location and transition their equipment as well as all Shieldware servers and countywide mobile units to a newly created subnet. Splitting the Public Safety Building network into multiple subnets will allow for current and future growth. Capital for this project is being provided by E911 reserve funds. **(Council and Management Continuous Service Improvement Goal)**

* To plan for the near-term digital data storage growth at Public Works and the Muscatine Art Center. The plan should address the perceived expansion of storage needs for the next 3-5 years. Strategy should closely follow the successful design implemented at the Public Safety Building. **(Council and Management Continuous Service Improvement Goal)**

* To consult with both the Equipment Services and Building & Grounds divisions to implement a software package for records management and inventory tracking if funding for these projects is available. **(Council and Management Continuous Service Improvement Goal)**

* To migrate the public computers at the Musser Public Library to a newer digital security technology for protection of the library's network infrastructure as well as patron identity. **(Council and Management Continuous Service Improvement Goal)**

* To connect the multimedia presentation system in the Council Chambers to the in-room sound system for audio during City Council meetings and other conferences. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Finance

Activity:

Information Technology

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 163,986	$ 169,734	$ 177,000	$ 178,600	$ 183,800	3.84%
Commodities	976	1,360	1,800	1,800	1,800	0.00%
Contractual Services	43,752	43,338	54,000	52,300	52,300	-3.15%
Capital Outlay	-	19,008	-	-	-	
Transfers	40,000	40,000	40,000	40,000	40,000	0.00%
Total Expenditures	$ 248,714	$ 273,440	$ 272,800	$ 272,700	$ 277,900	1.87%
Funding Sources						
IT Administrative Fees	$ 26,900	$ 27,700	$ 28,500	$ 28,500	$ 29,300	2.81%
General Revenues	221,814	245,740	244,300	244,200	248,600	1.76%
Total Funding Sources	$ 248,714	$ 273,440	$ 272,800	$ 272,700	$ 277,900	1.87%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Information Technology Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 127,300
Employee Benefits						56,500
Total Personal Services						$ 183,800

Capital Outlay Funding Transfer

Item:	***Amount***
Funding Transfer to Computer Replacement Fund	$ 40,000

Function:	*Department:*
General Government	**City Administrator**

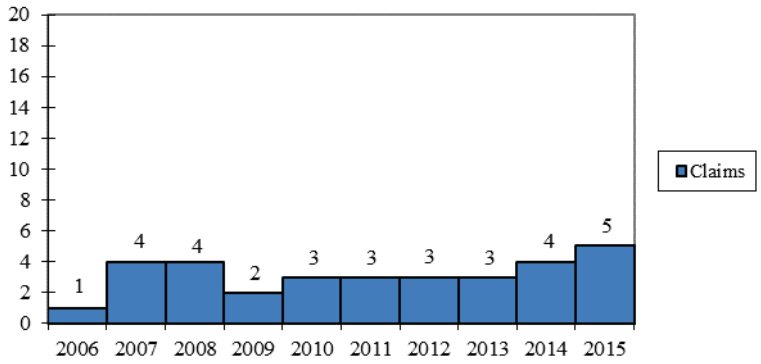
Activity:

Risk Management

GENERAL INFORMATION

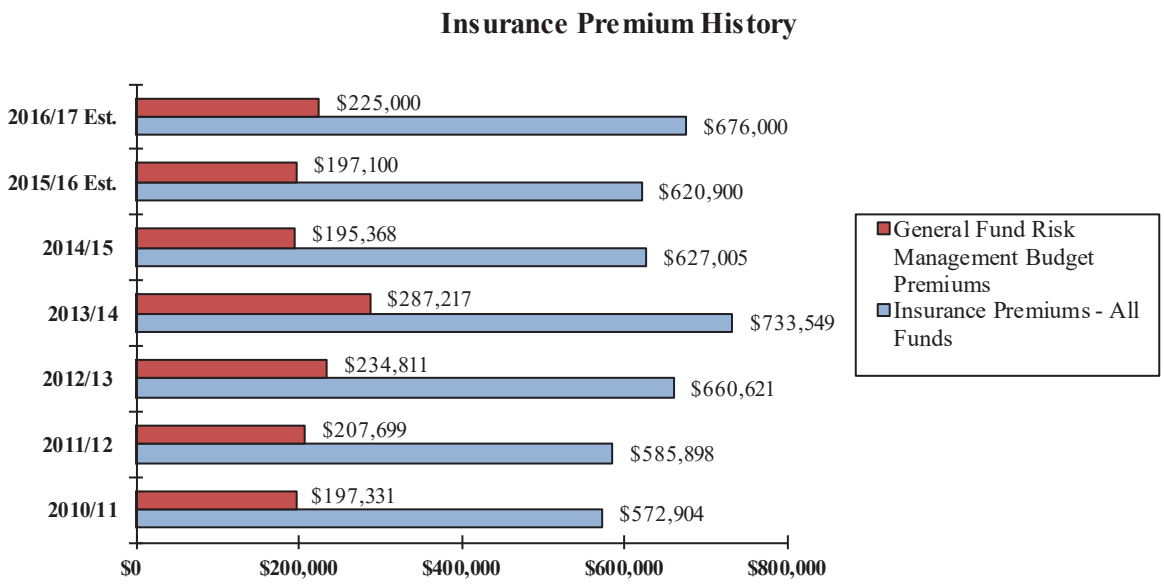
This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were five lost time workers compensation claims recorded for the City during calendar year 2015. The history of lost time claims for the past ten years is as follows:

Lost Time Workers Compensation Claims



The goal for 2016/2017 is to continue to reduce recordable injuries.

The City's Risk Management Program involves the administration of the City's overall insurance program. A Citizen Insurance Advisory Committee consisting of representatives from various major industries in the community provides a substantial amount of assistance to the City in administering this program. Insurance costs included in this budget for fiscal years 2010/2011 through the budgeted costs for 2016/2017 as well as total City insurance premiums are shown in the following graph:



CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 for the Risk Management budget is $22,100 less than the original budget due to reduced insurance premiums. Insurance premiums in this budget total $197,100 for the revised estimate which is $22,400 less than the original budget of $219,500. The City changed insurance carriers to the Iowa Community Assurance Pool (ICAP) for most of the City's insurance policies on July 1, 2014 which resulted in substantial savings to the City. These policies were continued in 2015/2016 and will continue in 2016/2017.

The estimated insurance costs included in the Risk Management budget total $225,000 for 2016/2017. This is a $5,500 (2.5%) increase from the original 2015/2016 budget.

The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at $676,000 for 2016/2017. This is a $41,200 (5.7%) decrease from the original 2015/2016 budget of $717,200 and a $55,100 (8.9%) increase from the 2015/2016 revised estimate of $620,900. Of the $676,000 total budgeted insurance costs, $225,000 is charged directly to the General Fund Risk Management budget with the remainder allocated to various Enterprise and other funds. Worker's Compensation insurance is allocated based on payroll costs to each of the City's departments. The 2016/2017 budget includes an estimated $18,700 for premiums under the National Flood Insurance Program for certain City buildings. This coverage is required for the City to continue to receive FEMA reimbursements for these properties.

The projected City insurance costs for the 2016/2017 fiscal year were provided by the City's Insurance Agent. The projections reflect 5% increases for most policies and 10% increases for the flood insurance policies for the upcoming year.

The budget for 2016/2017 includes a $.28031 per $1,000 valuation Tort Liability tax levy which is a 3.0% decrease from the 2015/2016 tax rate of $.28889. The Tort Liability tax levy provides funding of $18,000 for the fine arts insurance policy included in the Art Center operations budget as well as the insurance premiums in the Risk Management budget. Insurance premiums continue to be a major cost to the City which emphasizes the importance the City should continue to place on its risk management program.

GOAL STATEMENT

To develop a program for a safe and healthy environment for the employees of the City and to monitor such program in order to reduce injuries and loss exposure to the City; and to assist all departments with risk management to reduce potential injuries to persons and property to limit the City's exposure to claims against the City.

PERFORMANCE MEASURES

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Workers Compensation Experience Modification Factor	.77	.72	.73	.72	.75
Insurance Premiums Paid - All Funds	$660,621	$733,549	$627,005	$620,900	$676,000
Risk Management Insurance Premiums	$234,811	$287,217	$195,368	$197,100	$225,000
Accident Review Committee Meetings	12	10	11	12	12
Risk and Insurance Management Society (RIMS) Meetings	9	9	9	9	9

RECENT ACCOMPLISHMENTS

The City changed workers' compensation carriers on July 1, 2015 to the Iowa Municipalities Workers' Compensation Association (IMWCA). The transition was successful and new relationships have been established. A recent visit from the loss control specialist went very well. A number of sites were visited to allow the new carrier to better understand the City. He also made some recommendations that departments are working to implement. These were minor issues and overall the City received praise for their risk management efforts.

The City has continued to do well in the workers' compensation area. The current experience modification rate is .72. Efforts will continue to ensure a safe working environment for all employees.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To find program opportunities to tie the benefits of overall health and wellness to safety. Seeking ways to take a holistic approach will, in the long run, improve safety statistics, health insurance costs, and lost work time due to illness.

* To conduct training/culture building that will encourage more aggressive "pre-planning" to help prevent accident and injury.

Function:
General Government

Department:
City Administrator

Activity:

Risk Management

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 26,134	$ 26,634	$ 27,400	$ 27,700	$ 28,700	4.74%
Commodities	6,564	4,370	11,600	11,600	11,600	0.00%
Contractual Services	304,788	214,547	241,400	219,000	246,900	2.28%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 337,486	$ 245,551	$ 280,400	$ 258,300	$ 287,200	2.43%
Funding Sources						
Tort Liability Taxes	$ 287,217	$ 195,368	$ 219,500	$ 197,100	$ 225,000	2.51%
Transfer from Insurance Trust	40,000	-	-	-	-	
General Revenues	10,269	50,183	60,900	61,200	62,200	2.13%
Total Funding Sources	$ 337,486	$ 245,551	$ 280,400	$ 258,300	$ 287,200	2.43%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	$ 20,800
Employee Benefits						7,900
Total Personal Services						$ 28,700

Function:	*Department:*
General Government	**Public Works**

Activity:

Building and Grounds

GENERAL INFORMATION

The Building and Grounds division is responsible for the maintenance of most City buildings including City Hall, Public Safety Building, Southend Fire Station, Library, Art Center and Museum, the Public Works Building, and certain maintenance functions at the Municipal Airport. The division is responsible for maintaining these buildings by providing both day-to-day and preventive maintenance. The division is located in the Public Works building, which offers the necessary space for supply storage and maintenance activities. Costs of maintaining these City buildings are incorporated in this budget including utilities, day-to-day maintenance, and preventive maintenance.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is over the budgeted amount by $21,100 primarily due to increased repair and maintenance services costs for elevator and other building repairs.

The 2016/2017 budget is $18,400 (3.5%) higher than the original 2015/2016 budget primarily due to a $17,300 increase in contractual services, primarily building repair and maintenance services costs, and a $3,700 increase in capital outlay. These increases were partially offset by decreases in personal services and commodities. The personal services decrease was due to the 2015/2016 budget including retirement pay for the former Building and Grounds Supervisor.

GOAL STATEMENT

To provide a quality maintenance program for all City buildings including three (3) types of service: preventive maintenance, regular maintenance, and emergency calls; to provide facilities which are safe to the general public and City employees; and to provide City facilities which permit City employees to operate efficiently in providing services to the residents of Muscatine.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Buildings Maintained	8	8	8	8	8
Heating, Ventilation, and Air Conditioning (HVAC) and Other Service Contracts	3 *	3*	14	14	14
Staff Custodians (Full Time and Part Time)	5	5	5	5	5
Contract Custodians	3	3	3	3	3
Grounds Maintained	3	3	3	3	3
Janitorial Supplies Purchased	$15,638	$14,811	11,108	18,000	15,000
Major Maintenance Projects (Above $2,000)	16	14	14	15	15

∗ Only HVAC service contracts were included in 2012/2013 and 2013/2014.

RECENT ACCOMPLISHMENTS

The Building and Grounds division has gone through a transition this year with the former Building and Grounds Supervisor retiring and the Maintenance Repairperson being promoted into the Supervisor position. This resulted in other staffing changes within this division.

This year two major projects staff completed were the renovation of the house the City acquired on Juniper Street and the Police department locker room. Staff also constructed a new wall and door and did other general renovation in the new Communications Manager's office at City Hall.

This division continues to oversee the City facilities including grounds maintenance, plumbing, electrical, boiler, furnace, air conditioning, Geothermal, lighting (indoor and outdoor), basic roof repairs, garage doors, and much more.

Additionally, this division is responsible for ordering and distributing supplies for all buildings. Staff also facilitates and monitors work by the City General Contractor, coordinates purchases through the Bi-State Joint Purchasing Council, and works with many contract service providers. Staff also works with a variety of contractors to solicit quotes and bids on larger projects that staff does not have the equipment or ability to do.

The Building and Grounds Supervisor also attends meetings in preparation for major improvement projects including the MUSCOM (Muscatine City/County Joint Communications Center) upgrades and the Art Center HVAC, Geothermal, window, and door replacements project.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue training and cross training of Building and Grounds staff.

* To continue the current certifications of staff and add pesticide and herbicide applicator certifications.

* To begin outdoor preservation and beautification projects at buildings maintained by Building and Grounds staff.

* To make outside contractors/service providers more accountable for guarantees and warranty replacements.

* To become more familiar with the City's expectations for Building and Grounds through the budgetary process.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 285,306	$ 286,190	$ 309,400	$ 305,500	$ 307,800	-0.52%
Commodities	36,122	29,546	42,800	44,800	41,800	-2.34%
Contractual Services	220,690	177,875	178,900	201,900	196,200	9.67%
Capital Outlay	12,301	10,282	-	-	3,700	
Transfers	-	-	-	-	-	
Total Expenditures	$ 554,419	$ 503,893	$ 531,100	$ 552,200	$ 549,500	3.46%
Funding Sources						
Charges for Supplies	$ 8,737	$ 6,210	$ 7,500	$ 7,500	$ 7,500	0.00%
Sale of Equipment	195	94	-	-	-	
CDBG Fund Transfer	3,000	-	-	-	-	
Road Use Taxes	3,759	-	-	-	-	
Rebates (Boilers)	2,392	-	-	-	-	
General Revenues	536,336	497,589	523,600	544,700	542,000	3.51%
Total Funding Sources	$ 554,419	$ 503,893	$ 531,100	$ 552,200	$ 549,500	3.46%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Building and Grounds						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Maintenance Repairperson	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.50	0.50	0.50	0.50	0.50	
Custodian	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian	0.88	0.85	0.85	0.85	0.85	
Total	4.38	4.35	4.35	4.35	4.35	$ 204,500
Employee Benefits						103,300
Total Personal Services						$ 307,800

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
City Hall Carpet - Human Resources Manager's Office		Yes	$ 700
City Hall Window Air Conditioner Units	2	Yes	1,000
Public Safety Building Carpet and Paint (Former Dispatch Area)		Yes	2,000
Total			$ 3,700

Additional Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Truck with Liftgate	1	Yes	$ 38,000

Function:	*Department:*
Public Safety	**Police**

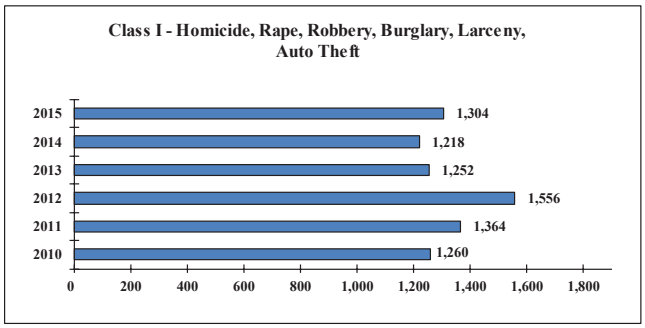
Activity:

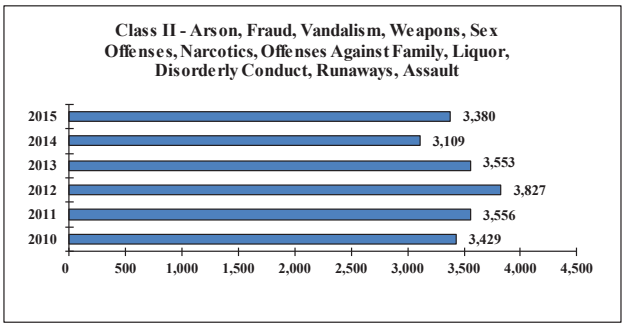
Police Operations

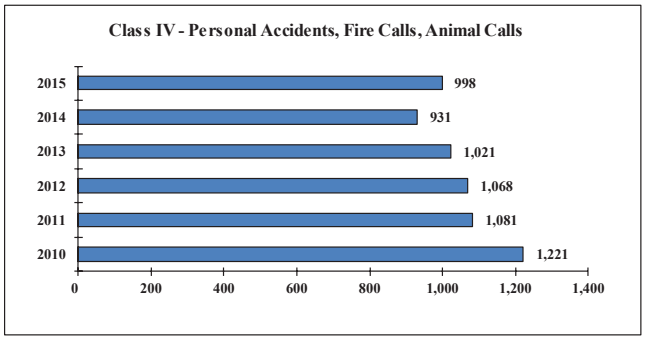
GENERAL INFORMATION

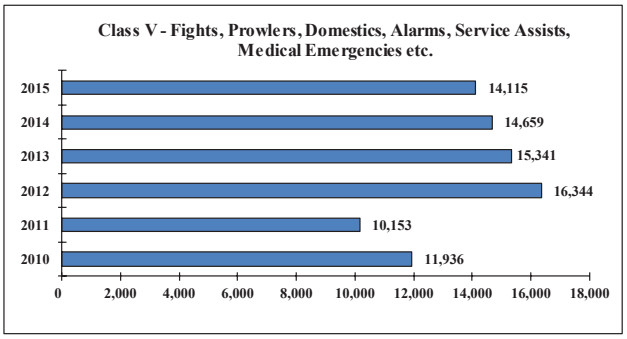
The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one 29 hours per week civilian clerk position. In 2011 the department was awarded funding from a U.S. Department of Justice COPS grant for two additional police officer positions for a three year period. This increased the number of sworn officers from the previous level of forty (40) to forty-two (42) beginning early in 2012. In June of 2014, the City was notified that grant funding for the police officer position assigned to the Joint Terrorism Task Force would not be continued. This officer was moved from that assignment back to a regular police officer position and a vacant position was not filled. This resulted in the decrease from forty-two (42) positions to forty-one (41), the current staffing level.

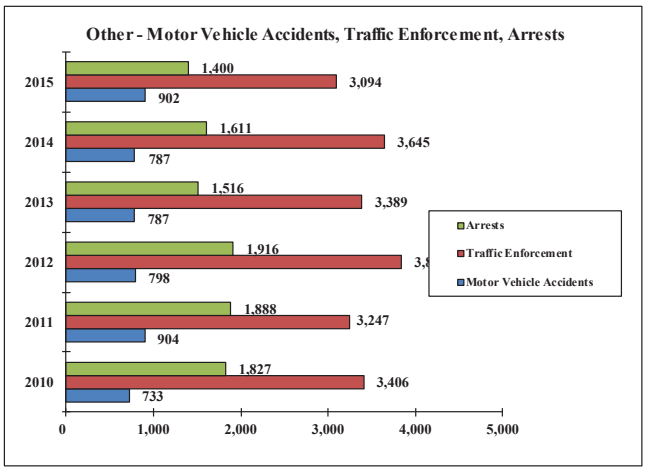
The department is responsible for the protection of lives and property for all individuals within the City. The department currently consists of five (5) divisions: patrol, investigation, general administration, street crimes, and a canine unit. The patrol division operates on three (3) shifts. Following are charts of police incidents by type for the last six years:

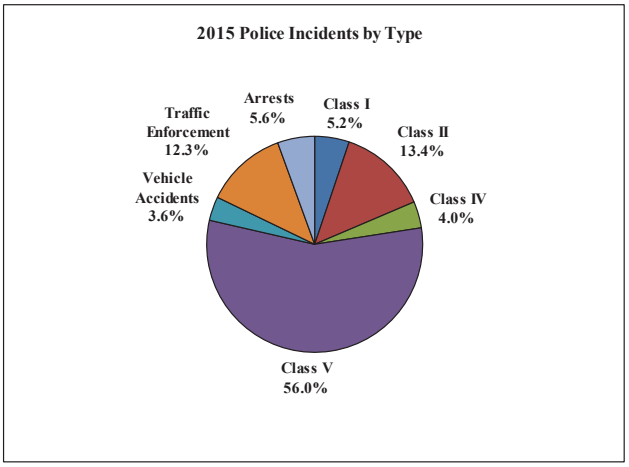












CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is $100 more in total than the original budget. The revised estimate includes an $88,500 transfer to the Police Radio System capital project fund. This transfer will fund the settlement amount with the vendor, legal fees, and additional costs the City incurred to make the system operational. An additional $42,300 transfer from the Insurance Trust will close out the capital project fund.

Funds from the Police Operations budget were available for the transfer to the Police Radio project fund since the revised estimate before the transfer was less than the budget in other areas. The revised estimate for personal services was $98,600 less than the original budget due to vacancies and the new hires at lower pay rates. Commodities were $4,000 less than budgeted due to reduced fuel costs and contractual services were $19,200 more than budgeted due to training costs for the new officers. Capital outlay was $5,000 less than budgeted since the actual costs for several of the capital items were less than the amounts budgeted.

The 2016/2017 budget is $155,500 (3.3%) higher than the 2015/2016 budget. Personal services costs increased by $171,200. This increase was partially offset by decreases in commodities ($10,000), contractual services ($2,200), and capital outlay ($3,500). The Equipment Replacement Fund budget for 2016/2017 also includes $202,700 for the replacement of five police vehicles.

In 2011 the City was awarded a U.S. Department of Justice COPS grant which funded 100% of two police officers for a three year period. These officers were hired in early January and mid-February of 2012 and were 100% funded from this grant through the spring of 2015. As a condition of the grant, the City was required to maintain these positions with 100% City funding for the fourth year. The City set aside funding each year to meet the 4th year funding requirement. In 2015/2016 the $89,100 balance in the set-aside funds was used to fund a portion of the cost of these two positions. The 2015/2016 budget included City funding for the officer assigned to the Street Crimes Unit after the 4th year grant requirement was over, and also continued City funding for the 3-months for the officer used as a School Resources Officer (SRO). The School district has agreed to fund the 2nd SRO officer for the 9 months of the school year. The 2016/2017 budget continues City and School funding for these two officers.

The 2016/2017 budget continues to include expenditures which will be funded from various other police grants. The HIDTA (High Intensity Drug Trafficking Area) grant is budgeted to continue in 2016/2017 with grant expenditures of $77,100; $14,900 of Governor's Highway Safety funds are budgeted to be expended; and funding of $30,000 is estimated to be received for the City/County Drug Task Force. The budget includes funding for the two School Resource Officer positions with one at the high school and the other at the middle schools. These positions are 75% ($133,400) funded by the school.

GOAL STATEMENT

The Muscatine Police Department will strive to be a model law enforcement agency, nationally accredited, viewed internally and externally as professional and enthusiastic, ensuring the highest possible public trust and security, in order that our citizens may go about their daily lives free from fear of harm or loss of property. We will operate the department with fiscal prudence, striving to employ our resources effectively and efficiently, promote community awareness and communication while providing the highest level of service and protection to all persons within our borders.

PERFORMANCE MEASURES

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Police Calls for Service	22,795	21,954	22,535	22,626	22,000
Overtime Hours Worked	3,876	3,173	2,916	2,881	3,000
Traffic Enforcement	3,840	3,484	3,645	3,094	3,500
Arrests	1,916	1,506	1,611	1,400	1,500
Parking Tickets Issued	1,607	1,595	2,060	2,030	2,000
Uniform Crime Report Clearance Rates	44%	44%	44%	44%	44%
Investigations Assigned	176	170	168	156	160
Investigations Cleared	76%	75%	72%	83%	75%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	2,677	2,517	2,350 *	2,823	2,500
Speed on Green Violation Citations	12,785	10,601	11,500	11,624	12,000
ATE Violations – City Residents	2,688	2,464	2,360	2,737	2,500
ATE Violations – Non-Residents	12,774	10,546	11,500	11,710	12,000
Department Revenue – Fiscal Year Basis	$1,308,510 (FY 12/13)	$1,257,595 (FY 13/14)	$1,361,131 (FY 14/15)	$1,099,000 (Est'd 15/16)	$1,132,500 (Est'd 16/17)

* In 2014 Cedar Street was closed due to construction and as a result, citations were down.

RECENT ACCOMPLISHMENTS

Along with the Iowa Department of Narcotics Enforcement and the Muscatine County Sheriff's Office, the department continues to partner in the Muscatine County Drug Task Force (DTF) with Louisa and Cedar counties. This program is maintained through funding from federal (HIDTA) and state (ODCP) grant funds. The task force continues to look for other options and areas to continue to battle the drug problems in our part of the state and our area.

The department continues to maintain as well as revise its efforts regarding Problem Oriented Policing. Operation POP can and the officer park and walks have continued as well as maintaining contact with the bar owners/managers from Operation Night Watch. The department continues "Coffee with a Cop" as a way to continue to expand interaction with the community as well as receive concerns and information from the public. The department will continue and expand these efforts in the coming fiscal year.

The department became re-accredited for the fifth time through the Commission on Accreditation for Law Enforcement at the commission meeting in November of 2015.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue supporting existing positions that receive funding from outside sources: one Drug Task Force Officer funded by the Office of Drug Control Policy; one Drug Task Force Officer funded by the High Intensity Drug Trafficking Area (HIDTA) program; and two School Resource Officers, both being funded 75% by the school system.

* To complete one citizen police academy class or public safety academy jointly with the Fire department.

* To continue to pursue in a proactive manner grants that are compatible with department goals and objectives as well as the needs of the community.

* To continue efforts to recruit, hire, and maintain a diversified workforce hiring the most qualified candidates.

* To continue moving the Police department forward by utilizing problem and community oriented policing strategies and re-inventing patrol dispersions to maximize effectiveness by incorporating the most efficient use of manpower and allocation. **(City Council and Management Continuous Service Improvement Goal)**

* To continue to review Police department operations for Lean initiatives. **(City Council and Management Continuous Service Improvement Goal)**

Function:
Public Safety

Department:
Police

Activity:

Police Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 3,854,022	$ 3,917,339	$ 4,112,400	$ 4,013,800	$ 4,283,600	4.16%
Commodities	141,336	139,305	166,400	162,400	156,400	-6.01%
Contractual Services	283,499	277,340	308,300	327,500	306,100	-0.71%
Capital Outlay	151,001	74,106	48,400	43,400	44,900	-7.23%
Transfers	-	-	-	88,500	-	
Total Expenditures	$ 4,429,858	$ 4,408,090	$ 4,635,500	$ 4,635,600	$ 4,791,000	3.35%
Funding Sources						
Grants	$ 412,928	$ 320,741	$ 257,000	$ 248,100	$ 280,400	9.11%
Parking Violations	28,344	33,191	25,000	25,000	25,000	0.00%
Court Fines	185,893	180,553	231,000	175,000	175,000	-24.24%
Automatic Traffic Enforcement Fines	581,640	776,436	575,000	600,000	600,000	4.35%
Fruitland Agreement	45,540	46,678	47,900	47,900	49,100	2.51%
False Alarm Charges	3,250	3,535	1,500	3,000	3,000	100.00%
Utility Franchise Fees	56,830	48,405	55,000	50,000	50,000	-9.09%
Transfers:						
COPS Grant Reserve	-	-	89,100	89,100	-	
Insurance Trust	-	-	15,000	15,000	-	
General Revenues	3,115,433	2,998,551	3,339,000	3,382,500	3,608,500	8.07%
Total Funding Sources	$ 4,429,858	$ 4,408,090	$ 4,635,500	$ 4,635,600	$ 4,791,000	3.35%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	1.00	1.00	1.00	1.00	1.00	
Captain	1.00	1.00	1.00	1.00	1.00	
Lieutenant	4.00	4.00	4.00	4.00	4.00	
Sergeant	4.00	4.00	4.00	4.00	4.00	
Corporal	6.00	6.00	6.00	6.00	6.00	
Patrol Officer	25.00	24.00	24.00	24.00	24.00	
Secretary	1.00	1.00	1.00	1.00	1.00	
Clerk	1.00	1.00	1.00	1.00	1.00	
Total Full Time	44.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	0.73	0.73	0.73	0.73	0.73	
Total	44.73	43.73	43.73	43.73	43.73	$ 2,673,500
Employee Benefits						1,610,100
Total Personal Services						$ 4,283,600

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Target System	1	Yes	$ 14,500
Detective Mobile Data Computers	3	Yes	10,000
Lightbars	2	Yes	6,800
Radar Units	2	Yes	5,600
JAG Grant-Funded Equipment (Subject to Grant Award)			8,000
			$ 44,900

Additional Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Squad Cars	4	Yes	$ 151,000
4-Wheel Drive Police Vehicle	1	Yes	51,700
			$ 202,700

Function:	*Department:*
Public Safety	**Police**

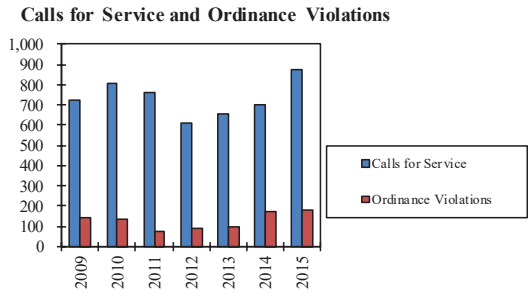
Activity:

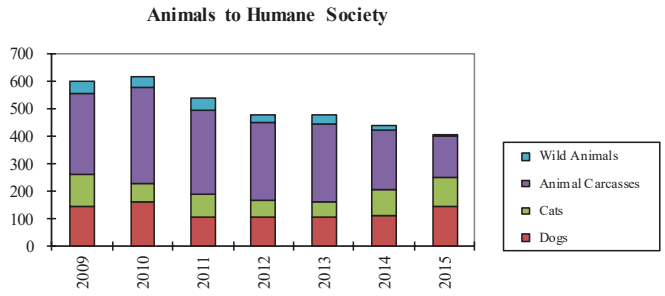
Animal Control

GENERAL INFORMATION

The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals which are housed by citizens. The Muscatine Humane Society provides shelter facilities for animals picked up by the City.

In 1995 the City Council adopted an animal control ordinance requiring City licensing of all dogs and cats, established fines for unlicensed animals, and increased fines for animals at large. In 2003 City Council amended the animal control ordinances as follows: (1) Title 4 General Provisions adding Chapter 2 "Keeping of Pit Bull Dogs" to allow citizens to follow required procedures of the ordinance in order to keep their dog and also prohibiting any new pit bull dogs from coming into the City limits, and (2) Title 4 General Provisions, Chapter 1, Animal Regulation, Section 8 Animal Care, Section F requiring that owners of animals that have "invisible fences" are required to notify the U.S. Postal Service and utility companies with the City Clerk's office at City Hall to receive copies of the notifications sent to the U.S. Postal Service and utility companies. The City Code provisions can now be found in Title 6, Chapters 8 and 9 in the recently updated City Code which was effective July 1, 2015.





CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $1,200 less than the original budget primarily due a change in Animal Control Officers with the new officer at a lower rate than budgeted, and reduced fuel costs.

The 2016/2017 budget is $5,900 (4.9%) more than the 2015/2016 budget. A substanial portion of this increase is due to the $5,000 increase in the subsidy to the Muscatine Humane Society (from $60,000 to $65,000). There were also increases of $1,500 in personal services costs and $100 in contractual services which were partially offset by a $700 decrease in fuel costs.

GOAL STATEMENT

To protect individuals and property against activities and transgressions of animals through the enforcement of the Animal Control Ordinance by establishing a uniform and effective City-wide animal control program which results in an increase of voluntary compliance by citizens as well as a decrease in the number of animal complaints received by the department.

PERFORMANCE MEASURES

	Actual 2012	**Actual 2013**	**Actual 2014**	**Actual 2015**	**Estimated 2016**
Calls for Service	596	638	687	857	800
Ordinance Violations	92	95	168	182	180
Bite Cases	39	41	51	58	60
Animals taken to Humane Society:					
Dogs	108	102	107	144	140
Cats	61	52	97	105	100
Animal Carcasses	279	256	216	152	200
Wild Animals	32	29	12	4	15
County Calls for Service	1	1	2	1	1
Fruitland Calls for Service	15	20	27	15	20
Department Revenue – Fiscal Year Basis	$2,195 (FY 12/13)	$2,375 (FY 13/14)	$2,300 (FY 14/15)	$3,000 (Est'd FY 15/16)	$3,000 (Est'd FY 16/17)

RECENT ACCOMPLISHMENTS

In 2015, the Animal Control Officer (ACO) transported 249 cats and dogs to the Humane Society. The ACO also took 152 animal carcasses and 4 wild animals to the Humane Society.

The department provides animal control assistance to the City of Fruitland. In 2015 the ACO responded to 15 calls for service in Fruitland. The ACO also assisted the Sheriff's Office with 1 call in 2015.

The new Animal Control Officer continues to expand and improve on the past practices of the last Animal Control Officer. The ACO continues to improve relations with fellow agencies she is required to interact with and brings her own touch to the position.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to meet or exceed the number of citations issued in 2015 by utilizing proactive enforcement in conjunction with responding to citizen complaints.

* To have the Animal Control Officer achieve certification through the National Animal Control Care and Control Association. The plan would be for the ACO to complete one module of the training annually until certification is obtained.

* To continue to maintain positive relations with all of the various agencies the Animal Control Officer interacts with.

* To continue to assist the Muscatine Humane Society and the Muscatine County Sheriff's Office in the common goals of animal control.

* To develop a project for public appearances and displays designed to help educate and build trust and understanding between the community and the Animal Control Officer.

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 76,087	$ 51,632	$ 54,400	$ 53,800	$ 55,900	2.76%
Commodities	4,042	2,797	3,900	3,200	3,200	-17.95%
Contractual Services	61,174	63,301	62,700	62,800	67,800	8.13%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 141,303	$ 117,730	$ 121,000	$ 119,800	$ 126,900	4.88%
Funding Sources						
Animal Enforcement Fines	$ 2,375	$ 2,300	$ 3,000	$ 3,000	$ 3,000	0.00%
General Revenues	138,928	115,430	118,000	116,800	123,900	5.00%
Total Funding Sources	$ 141,303	$ 117,730	$ 121,000	$ 119,800	$ 126,900	4.88%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	$ 41,100
Employee Benefits						14,800
Total Personal Services						$ 55,900

Function:	*Department:*
Public Safety	**Fire**

Activity:

Fire Operations

GENERAL INFORMATION

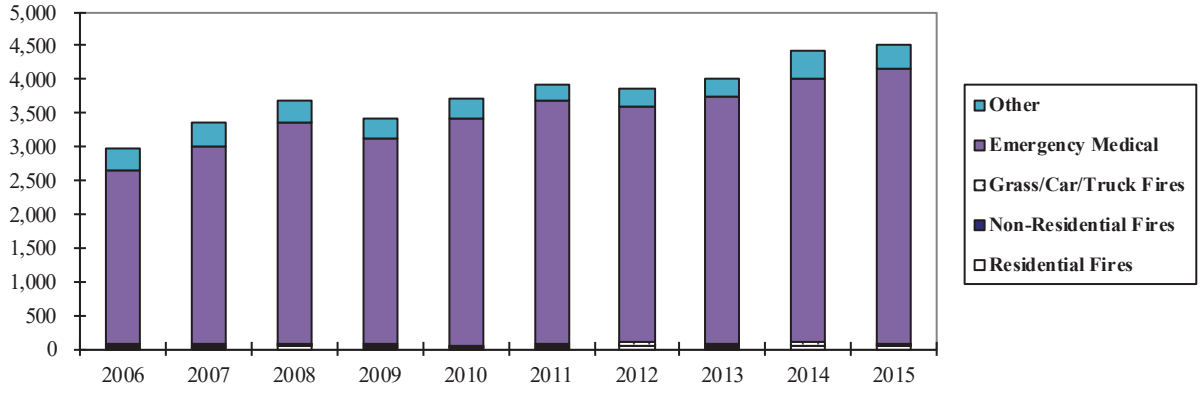
The Fire department is staffed with full time personnel and provides fire protection for the City of Muscatine as well as fire protection for adjacent areas through mutual aid agreements. The primary functions of the department include fire suppression, fire prevention through public education and code enforcement, training of firefighters in the areas of advanced fire suppression and prevention techniques, and emergency medical assistance.

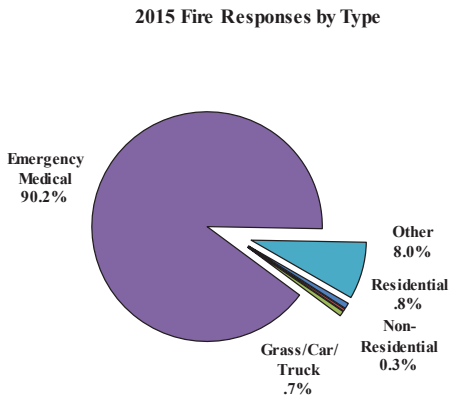
Following an independent analysis of the community's Emergency Medical Services (EMS) system, the City began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide variety of fire and emergency requests.

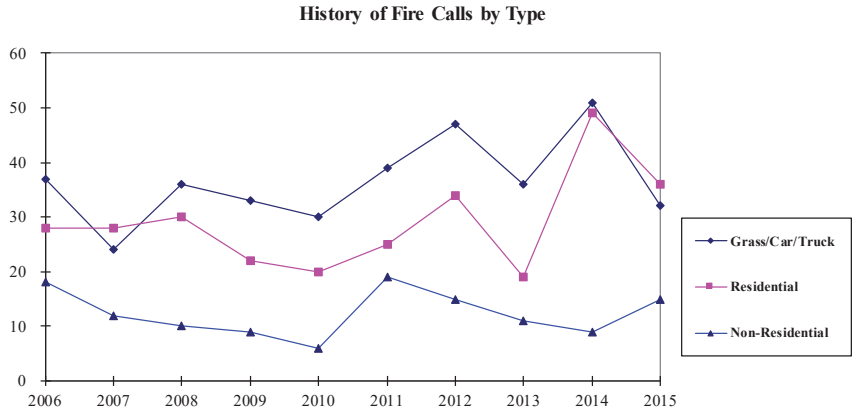
The Fire department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget. Following are charts showing fire department responses over the last ten years.

Fire Department Response History







CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is under the original budget by $6,500. Personal services costs are under the original budget by $26,300 primarily due to savings from several vacancies and the new employees starting at a lower rate. Commodities are $2,600 less than the original budget due to lower fuel costs. Contractual services are $17,500 more than the original budget primarily due to higher disability retiree medical costs and increased repair and maintenance services costs. Capital outlay is $4,900 more than the original budget due to the purchase of $5,000 in hazmat supplies. The Emergency Management Association reimbursed the Fire department for the hazmat supplies.

The 2016/2017 Fire department budget is $359,900 (9.2%) higher than the 2015/2016 budget. Of this increase, $346,100 is for increased personal services costs. Commodities decreased by $2,600 due to reduced fuel costs for 2016/2017; contractual services increased by $8,000 due to the expected continuation of the increased medical expenses for disability retiree medical costs; and capital outlay increased by $8,400.

The personal services increase includes funding for four additional firefighter positions requested by the Fire department. The cost of these four positions is $275,100. The need for additional staffing is due to the increased number of ambulance calls including transport calls to out-of-town medical facilities. The City needed to consider the sustainability of future funding when it considered the staffing additions. The 2016/2017 budget was based on a reduction of $34,000 in overtime costs with the additional positions. The Fire department is also increasing the fees for hazmat agreements with Muscatine County and other counties that have contracted for this service. This is expected to generate an additional $21,500 in revenues to the department. The Fire pension rate for 2016/2017 decreased to 25.92% from the current 27.77% rate. This is an estimated savings of $22,000 based on current staffing. The transfer from the Ambulance fund for 2016/2017 was also increased by $57,800. This funding was available due to expected increased ambulance fees from out-of-town transfers that in the past may have been declined due to staff availability. These changes assisted in making the addition of four firefighters sustainable in future years, based on current budget assumptions.

In 2011 the City updated its Fire Regulations ordinance. The ordinance provides for various permits and fees for open burning, fireworks, fire inspections, false alarms, plan reviews, site assessment fees, standby fees, and report fees. The City also updated requirements for confined space permits or rescues. For 2016/2017 revenues from these permits and fees are estimated at $53,200.

The 2016/2017 budget continues to include transfers from the Ambulance Fund to the Fire department budget to fund an allocation of the fire positions used in providing ambulance services. For the 2013/2014 year the ambulance fund transferred $885,300 toward the wage and benefit costs included in the Fire department budget or approximately 25.8% of the total cost. The transfer for 2014/2015 was $922,400 which was 25.8% of personal services costs. The transfer for 2015/2016 was budgeted to decrease to $833,200 which was 23.0% of budgeted personal services costs. The transfer was reduced in 2015/2016 due to the limited funds available in the Ambulance budget. The transfer for 2016/2017 is budgeted at $891,000 which is 22.5% of Fire department personal services costs for 2016/2017 (including the four added positions).

GOAL STATEMENT

To provide a combination of services directed toward the prevention of, preparation for, and response to occurrences of every magnitude that represent threats to the health, welfare or prosperity of the citizens, visitors, and properties in and around the City of Muscatine.

PERFORMANCE MEASURES

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
All Calls for Services	3,864	4,022	4,433	4,526	4,800
Fire Training Hours	3,683	3,909	2,436	2,022	3,200
False Alarms	120	138	190	197	150
Fire Education Presentation Staff Hours	301	211	135	119	175
Number of Residents Attending Public Education Programs	2,219	3,119	4,228	2,640	2,500
Fire Inspections - Total	601	568	788	377	650
Inspections - Initial	306	314	412	210	400
Re-inspections	252	217	319	149	220
Additional Re-inspections	35	37	51	15	30
Fire Marshal Site Visits	N/A	84	85	103	120
Burn Permits Issued	662	747	814	944	900
Outdoor Fireplace Permits	594	668	737	858	825
Open Burning Permit	60	60	66	76	70
Commercial Burn Permits	1	1	0	1	0
Other Special Fire Permits	7	18	11	9	5
Citations Issued - All	17	25	25	33	25

RECENT ACCOMPLISHMENTS

The Fire department continues its social media outreach using Facebook and Twitter. The Facebook outreach has been averaging roughly 22,000 people reached and 3,000 people “engaged” per month. The page presently has about 2,000 “likes”. The department was able to increase the number of persons reached in Public Education offerings, up 25% from 2014 and 26% from 2012.

Staff outfitted reserve engine 314 so that it has all the tools and equipment needed to be immediately put into service. The department received a grain rescue tube donated by Cargill, completed training, and is now able to safely respond to grain rescues.

There has been an 11% increase in total fires from 2011 and an 8.3% decrease from 2014; however, building fires have risen by 33% and 10% respectively compared to 2011 and 2014.

The new City Code and resulting changes to the 2015 International Fire Code have been implemented.

The department was awarded the 2014 Life Safety Achievement Award from the NASFM Fire Research & Education Foundation

Staff organized and held the 8th Annual Public Safety Open House in coordination with the Police department and the Muscatine County Sheriff's Office. They also continued annual public education classes, focusing on grades 1, 3, and 5.

Five youth were referred to the Department Juvenile Fire setter program and at this point none have re-offended.

Car seat technicians installed 16 child safety car seats, and staff placed roughly 150 smoke detectors through an in-house program and in cooperation with the Red Cross and the Day of Caring.

The department hosted and utilized the two-county fire training trailer for a total of six weeks and has moved to an online record and training system, improving documentation of training and providing for a more flexible option for certain training topics. Three staff members attended the US Coast Guard rescue boat training and the department hosted two National Fire Academy outreach classes for leadership development. The department took advantage of out-of-department training, most of which was federally or grant funded. This includes multiple persons attending National Fire Academy classes both on campus and regional delivery, data-related classes held by the Commission on Fire Accreditation International, IAFF/IAFC joint initiative fitness program training, fire investigation and fire code conferences and classes, Ambulance Service Manager program (hosted by the American Ambulance Association), high angle rope rescue training in coordination with Mid-American Energy, and others.

The department held a high-angle confined space rescue exercise at a water tower. Emergency responders from Muscatine Power & Water and Monsanto were included as part of the training.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To develop paperless systems for reporting and daily activities.

* To continue researching alternate funding sources, including grants and fee-based services.

* To continue to work with the Police department on possible hosting of a joint public safety citizen's academy.

* To develop ice and water rescue programs with the Muscatine County Sheriff's Office and Muscatine Search and Rescue to streamline services and provide appropriate service delivery. **(Council and Management Continuous Service Improvement Goal)**
* To continue the process of self-assessment and internal improvement. **(Council and Management Continuous Service Improvement Goal)**

* To research and plan a large scale prop at the training grounds next to Station #2.

* To work with the Community Development department in providing a simplified, more accurate, and integrated system for plan review and permitting. **(Council and Management Continuous Service Improvement Goal)**

Function:
Public Safety

Department:
Fire

Activity:

Fire Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 3,429,899	$ 3,566,291	$ 3,622,500	$ 3,596,200	$ 3,968,600	9.55%
Commodities	87,261	65,448	85,500	82,900	82,900	-3.04%
Contractual Services	111,055	130,791	137,300	154,800	145,300	5.83%
Capital Outlay	71,737	16,647	60,600	65,500	69,000	13.86%
Transfers	-	-	-	-	-	
Total Expenditures	$ 3,699,952	$ 3,779,177	$ 3,905,900	$ 3,899,400	$ 4,265,800	9.21%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	$ 27,475	$ 27,498	$ 27,800	$ 27,800	$ 49,300	77.34%
Ambulance Staff Funding Transfer	885,300	922,400	833,200	833,200	891,000	6.94%
Confined Space Fees	36,000	37,875	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	16,743	19,652	14,600	10,600	14,600	0.00%
Other Fees	16,853	11,680	3,600	2,600	2,600	
Donations	32,707	-	-	6,500	30,000	
Insurance Reimbursement	13,183	-	-	-	-	
Other Reimbursement	-	-	-	20,000	2,000	
Utility Franchise Fees	56,830	48,405	55,000	50,000	50,000	-9.09%
General Revenues	2,614,861	2,711,667	2,935,700	2,912,700	3,190,300	8.67%
Total Funding Sources	$ 3,699,952	$ 3,779,177	$ 3,905,900	$ 3,899,400	$ 4,265,800	9.21%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	1.00	1.00	1.00	1.00	1.00	
Battalion Chief	3.00	3.00	3.00	3.00	3.00	
Captain	3.00	3.00	3.00	3.00	3.00	
Lieutenant	3.00	3.00	3.00	3.00	3.00	
Mechanic	2.00	2.00	2.00	2.00	2.00	
Firefighter	24.00	24.00	24.00	24.00	28.00	
Total Full Time	37.00	37.00	37.00	37.00	41.00	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	37.50	37.50	37.50	37.50	41.50	$ 2,435,900
Employee Benefits						1,532,700
Total Personal Services						$ 3,968,600

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Fire Hoses (Various Sizes)		Yes	$ 9,000
Extrication Unit and Tools (1 set subject to outside funding)	2	Yes	60,000
			$ 69,000

Function:	*Department:*
Culture and Recreation	**Library**

Activity:

Library Operations

GENERAL INFORMATION

The Musser Public Library provides the following services to help community residents meet their informational, recreational, educational, and professional needs:

- Circulating collections of current high-demand, high-interest materials in a variety of formats.
- Collections representing a broad spectrum of knowledge on a variety of subjects and in a variety of formats.
- Reference services providing timely and accurate information in a variety of formats with access from diverse locations.
- Programs and services for all ages that encourage reading, learning, and cultural enrichment.
- Public computers and a wireless network to provide access to technology, information, and entertainment.

The materials and services include but are not limited to books, ebooks, audiobooks, large print books, magazines, emagazines, CDs, emusic, DVDs, video games, computers, Internet access (Wi-Fi), meeting rooms, audio-visual equipment, photocopier, recorded books on CDs, tax forms and publications, genealogical and local history material, telephone and city directories, information service, home delivery service, children and adult programming, newspapers, maps, RiverShare (consortium) inter-library loan of materials, technology classes, and census data.

Musser Public Library is currently part of RiverShare, a 19 member Iowa/Illinois library consortium that shares a catalog. Patrons may request to borrow material from any of the 19 libraries. Items are exchanged through a daily van delivery.

The Friends of the Library provide financial and volunteer support for the Library's operation.

Muscatine County provides a subsidy to the City that allows certain County residents to use the Library without an additional fee. The amount approved by the County for 2015/2016 is $112,282. An additional $2,854 has been received from the contract with the City of Fruitland in 2015/2016. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated $10,044 in revenues. The Library budget for 2016/2017 reflects requested 2.75% increases in these agreements to $115,370 from Muscatine County, $2,932 from the City of Fruitland, and $10,320 from the townships in Illinois.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is the same as the budgeted amount. The Library is allocated a set amount of funds by the City on an annual basis. The Library Board of Trustees can determine how these funds are expended. The revised estimate for the year reflects realignment of costs within the budget. The allocation for personal services costs has been decreased in the revised estimate, the commodities allocation

is the same as the original budget, and the allocations for contractual services and capital outlay have increased. Beginning in fiscal year 2010/2011 a separate Library Computer Replacement Fund was established in which the Library can set aside funds for future computer purchases. Any funds remaining in the Library's operating budget at the end of a fiscal year may be set aside in this fund. The Library may also designate other funding sources (donations or bequests) to be used for computer-related purchases.

The Library budget for 2016/2017 is $26,000 (2.4%) higher than the 2015/2016 budget. The 2016/2017 budget continues the budget realignments between personal services, commodities, contractual services, and capital outlay that began in the 2015/2016 revised estimate. Additional budget realignments are expected to be needed if the Library changes locations.

GOAL STATEMENTS

- Fuel Muscatine's Passion for Reading, Personal Growth, and Learning
  - Build the community of Muscatine around services and materials
  - Provide materials and programs to stimulate the intellectual growth and educational potential of Muscatine's youth, while simultaneously supporting pleasure reading and recreational needs

- Expand Muscatine's Access to Information, Ideas, and Local History
  Develop relevant and quality materials collections to meet the community's evolving needs and expectations

- Build Community Partnerships to Make a Difference in People's Lives
  Develop sustainable relationships with City and County departments and community groups to benefit Muscatine residents

PERFORMANCE MEASURES					
	Actual	**Actual**	**Actual**	**Estimated**	**Estimated**
	2012/2013	**2013/2014**	**2014/2015**	**2015/2016**	**2016/2017**
LIBRARY PATRONS	19,877	20,204	20,620	20,800	20,800
CIRCULATION					
Adult Books	80,501	76,077	62,590	62,000	62,000
Young Adult	7,254	6,400	5,394	6,000	6,000
Juvenile Books	58,221	55,437	50,851	55,000	55,000
Magazines	6,370	4,439	4,869	4,400	4,400
DVDs	89,900	93,960	83,948	82,000	82,000
Audio	34,307	31,163	23,814	22,000	21,000
Video Games	7,456	6,884	6,408	6,300	6,300
Other	1,688	1,489	490	0	0
Internet Usage	34,633	31,163	25,603	25,000	25,000
WiFi Usage	10,105	13,601	15,790	16,000	16,000
Databases	46,891	67,096	52,751	55,000	57,000
E Audio	2,075	2,756	2,768	3,000	3,000
E Book	6,245	7,554	10,025	12,000	14,000
E Magazines*	3,135	4,621	6,054	7,500	8,000
E Music	N/A	5,294	8,551	9,000	9,500
TOTAL	388,781	407,934	359.906	365,200	369,200
PROGRAMMING					
Juvenile Programs	396	527	405	400	400
Juvenile Audience	20,115	21,972	20,360	22,000	22,000
Young Adult Programs	64	52	37	35	40
Young Adult Audience	2,160	1,950	2,260	2,200	2,200
Adult Programs	60	38	28	20	26
Adult Audience	865	928	402	600	650
Technology Classes	47	64	44	36	45
Tech Audience	253	154	44	36	45
OTHER MEASURES					
Facebook Likes	4,353	4,543	4,535	4,500	5,000
Website Visits	77,921	55,277	60,000	60,000	60,000
Rivershare Holds	58,381	57,594	56,689	56,000	55,000
Inter-Library Loans	1,817	1,740	1,258	1,200	1,000
Homebound Visits	478	482	562	500	500
Homebound Circulation	5,240	6.022	6,328	6,000	6,000
Reference Questions	4,311	5,827	8,005	8,250	9,000
Building Usage	187,762	175.679	169,641	165,000	165,000
Meeting Room Usage**	2,743	2,241	2,691	2,700	2,700
* E Magazines began March 2013					
** As the Library increases programming there is limited meeting space available to the public					

RECENT ACCOMPLISHMENTS

During the past year the Library's focus was centered on high-level planning in two different areas; a Master Study Plan to assess future options for the library facility, and development of the tactical plan for the forthcoming departure of the Illinois Libraries from the RiverShare Consortium in July 2016. The goal is to have both plans finalized by spring 2016.

Additional areas of focus centered on Outreach and Operations. In Outreach, several policies were modified to lower barriers to usage including providing free library replacement cards, accepting photo IDs for checkout without penalty, and making it easier for family members to pick up holds for other household members (with permission).

Library staff also delivered on-site services to the community by providing Summer Reading programs, along with the chance to check out children's books, to local City recreational sites as well as the Farmers Market. Staff provided children's programs at numerous area facilities including Flickinger Center, Sunset Park, Muscatine Community School District (MCSD) Summer Academy, several schools, preschools, and other locations. Finally, the length of the Summer Reading Program was increased from 8 weeks to 10 weeks in order to help stem the "summer slide" during the summer break.

The Library continued to increase the breadth and depth of high-demand eMaterials resulting in increased eMaterial usage across all offerings, including OverDrive (eBooks), Zinio (eMagazines), Freegal (eMusic), which now account for approximately 10% of all material checkouts.

In the operations arena four (4) cost-effective security cameras were added, which have stemmed theft of popular materials and provided police with the information needed to identify and prosecute those responsible.

And lastly, utilizing Lean RCI, staff redeveloped the Circulation processes by delegating Circulation tasks to Library Pages, and streamlined cooperation between Reference and Circulation staff resulting in a $22,000 decrease in the personal services portion of the budget for this coming year. Similarly centralized purchasing and preprocessing services were implemented, allowing the Library to redeploy Technical Services staff to direct services and Outreach.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue refining building plans with a goal of cutting costs. Additionally, evaluate technology options for a new building as well as probable staffing impact. (Ongoing)

* To comprehensively evaluate the overall building funding situation and develop a funding plan for a new building. (Ongoing)

* To continue to plan work around the concept of improving the three areas identified in the Library's 2015 Strategic Plan – Community Perception, Facilities, and Services. (0ngoing)

* To continue to utilize City resources such as personnel forms (evaluation plan), City's social media, and the expertise of the City's Communications Manager. (Ongoing)

* To renew emphasis on Library social media platforms with a goal of adding original Tweets and an Instagram account to the Library's social media repertoire. (Ongoing – begin new Tweets and Instagram in July 2016)

* To continue outreach efforts including visits to meal sites and recreation areas, the outdoor farmer's market, and local festivals and activities. (Ongoing)

* To expand partnerships with local organizations to maximize awareness of local history, genealogy, and photographic resources. (Ongoing with a major emphasis to begin in a new building)

* To expand the Library's partnership with the school system and identify ways to impact more children. (Beginning the summer of 2016)

* To develop plans for a Library-led birth through three program in cooperation with the school system, local public health office, and appropriate local agencies, including identify and secure funding sources for the program. Additionally, staff will recruit participants for the program with a goal of a trial run in 2016/2017. (Date of trial not yet determined)

* To evaluate the costs and benefits of hiring a consultant to develop a comprehensive marketing/branding plan. (July 2016)

* To evaluate website options that would integrate the branding plan while improving mobile delivery and pushing out tasks to Library patrons, for example, reserving meeting rooms. (October 2016)

* To monitor the balance between emerging electronic resources verses print resources with the goal of positively impacting the financial and space resources currently spent on both areas and causing as little upset as possible with existing patrons. (July 2016)

* To strengthen adult programing by including more participatory classes such as music and meditation, and in addition, consider alternative adult program times, i.e. early morning or over the noon hour, to alleviate the issue of lack of available meeting rooms. (September 2016)

* To continue to expand the length of the Summer Reading program to provide more reading encouragement and learning opportunities during the school break. (Summer of 2016)

* To restructure school age Summer Reading to eliminate large group entertainment options and instead provide numerous short free, hands-on learning activities ranging from yoga to electronic projects. (Summer 2016)

* To develop a plan that requires school-age children to read in order to gain access to the Summer Reading Programs and identify a partner for Summer Reading to provide space for the programs. (Summer 2016)

* To stringently weed the juvenile non-fiction area and introduce free access to iPads in the children's area. (Complete by September 2016)

* To provide a minimum of two children's reading incentive programs during the school year and one adult reading incentive program. (Begin October 2016)

* To continue outsourcing as much of the work in technical services/cataloging as possible in order to save staff time and money. (Ongoing)

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 844,345	$ 847,993	$ 881,600	$ 859,900	$ 885,500	0.44%
Commodities	11,562	12,953	13,400	13,400	13,300	-0.75%
Contractual Services	72,410	91,503	82,900	87,800	88,200	6.39%
Capital Outlay	131,816	105,086	112,400	129,200	129,300	15.04%
Transfers	11,867	21,865	-	-	-	
Total Expenditures	$ 1,072,000	$ 1,079,400	$ 1,090,300	$ 1,090,300	$ 1,116,300	2.38%
Funding Sources						
Library Revenues	$ 28,952	$ 30,430	$ 21,300	$ 29,100	$ 28,300	32.86%
County Contributions	110,112	112,327	112,300	115,100	118,000	5.08%
Hotel/Motel Tax	103,760	88,467	103,750	90,000	90,000	-13.25%
General Revenues	829,176	848,176	852,950	856,100	880,000	3.17%
Total Funding Sources	$ 1,072,000	$ 1,079,400	$ 1,090,300	$ 1,090,300	$ 1,116,300	2.38%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Library Director	1.00	1.00	1.00	1.00	1.00	
Assistant Director	1.00	1.00	1.00	1.00	1.00	
Librarian	3.00	3.00	3.00	3.00	3.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Library Assistant	2.33	2.00	2.00	2.00	2.00	
Total Full Time	8.33	8.00	8.00	8.00	8.00	
Part Time Positions:						
Library Technician	2.31	2.76	2.77	1.91	1.79	
Library Assistant	2.47	2.76	2.89	2.26	2.06	
Library Shelvers	0.89	0.94	0.96	1.91	2.23	
Other Technicians	0.95	0.25	0.25	0.25	0.25	
Total Part Time	6.62	6.71	6.87	6.33	6.33	
Total	14.95	14.71	14.87	14.33	14.33	$ 661,100
Employee Benefits						224,400
Total Personal Services						$ 885,500

Capital Outlay

Item	***Amount***
Library Books, Videos, Serials, Database Subscriptions, etc.	$ 129,300

Function:	*Department:*
Culture and Recreation	**City Administrator**

Activity:

Cable Television Operations

GENERAL INFORMATION

In July 1979 the City Council awarded a 15 year cable television franchise to ATC and Muscatine Cablevision Corporation. In 1984 the City approved the transfer of the franchise from ATC and Muscatine Cablevision to Heritage Cablevision. This franchise was later transferred to TCI, then AT&T and then Mediacom. The original franchise required a franchise fee to be paid to the City of Muscatine in the amount of 3% of its annual gross receipts. The original franchise agreement expired in 1994 and it was renewed for another 15 years on September 7, 1994. The new agreement provided for an increase in the franchise fee paid to the City to 5% of the annual gross receipts. In addition, Muscatine Power & Water (MP&W) began offering cable television services in 1999. MP&W also pays a cable franchise fee to the City. In December 2002, MP&W purchased the local Mediacom operation and became the sole cable provider in the City. Under the current arrangement with Muscatine Power & Water, the City receives approximately $191,000 in cable franchise fees annually.

A portion of the funds received from the franchise fee has been utilized to purchase equipment and develop governmental programs to be aired on the government information access channel. The City's cablecasting is provided through a contract with Muscatine Community College's (MCC) audio-visual department. As part of this contract, regular City Council meetings and other special programs have been broadcast which have informed citizens of available municipal services. Cable broadcast services are also provided by the community college for the Muscatine Community School District and Muscatine County.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is the same as the original budget at $19,100. The 2016/2017 budget is $19,700, which is a $600 (3.1%) increase from the 2015/2016 budget. The budget includes $19,200 in fees to be paid to Muscatine Community College (MCC) for cable broadcasting services as specified in the agreement between the City and MCC. The remaining $500 in the budget is for any repairs that may be needed to the broadcasting equipment in the City Hall Council Chambers.

GOAL STATEMENT

To inform and educate the community about the operation of and services provided by their City government and to offer programs of appeal to specific audiences presently not served by broadcast television.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Cable Franchise Fees	$222,288	$212,286	$191,331	$191,000	$191,000
City Council Meetings Broadcast	35	35	35	35	35

RECENT ACCOMPLISHMENTS

In 2012/2013 the City Council Chambers media equipment was updated with a new computer workstation, podium monitor, wireless presentation tools, and a new wall-mounted television for Council presentations. The system integrates with the cable television program so those watching offsite can view all digital materials. City Council meetings are now also available online on the City of Muscatine Youtube channel. This upgraded system is providing a much improved broadcast of City Council meetings.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue providing cable television access to Muscatine's citizens through Muscatine Power & Water.

* To continue providing Muscatine with public access channels that showcase the many and varied activities and interests in Muscatine.

* To continue finding new ways to bring information and programming to the residents of Muscatine.

Function:
Culture and Recreation

Department:
City Administrator

Activity:

Cable Television Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	16,202	14,926	19,100	19,100	19,700	3.14%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 16,202	$ 14,926	$ 19,100	$ 19,100	$ 19,700	3.14%
Funding Sources						
Cable Franchise Fees	$ 16,202	$ 14,926	$ 19,100	$ 19,100	$ 19,700	3.14%

Function:	*Department:*
Culture and Recreation	**Art Center**

Activity:

Art Center Operations

GENERAL INFORMATION

The Muscatine Art Center consists of the Laura Musser Museum and the Stanley Art Gallery, which are open and free to the public. A joint building connects the Art Gallery and Musser Museum. Elevators in both the museum and art gallery provide access for the elderly and handicapped.

The Muscatine Art Center Support Foundation continues to provide support to the Art Center. The interest from the Foundation provides an annual appropriation which the Art Center may use only for acquisitions (purchases of objects for the collection), conservation, and exhibitions. The Friends of the Muscatine Art Center also provide funding to support the education department including busing for school field trips and scholarships, Art Center staff hours, and volunteer participation in fundraising events and special programs.

One part-time custodian is charged to this budget, with costs over the regularly scheduled hours reimbursed by the Art Center Support Foundation. These additional hours are primarily related to assisting staff in the set-up and removal of displays and other non-routine labor duties. One part-time custodian is also included in the Buildings and Grounds budget for general maintenance of the facility. The Parks and Recreation department has the responsibility of maintaining the grounds adjacent to the Art Center and Museum due to the nature of the grounds.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is under the budgeted amount by $2,100. While there are minor increases and decreases in various budget line items, the most significant reasons for the overall decrease are (1) a $1,600 savings in personal services costs due to a new part-time employee starting at a lower rate, and (2) a $1,500 savings in fine arts insurance costs. These decreases have been partially offset by increases in other areas of the budget.

The 2016/2017 budget is $11,400 (3.5%) higher than the original 2015/2016 budget primarily due to increased personal services costs. The 2016/2017 budgeted expenditures include those funded from the $10,000 grant from the Iowa Department of Cultural Affairs.

Funding from the Art Center Support Foundation and Friends of the Art Center will continue to be received in 2015/2016 and 2016/2017 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total $41,100 in 2015/2016 and $42,900 in 2016/2017.

Again in 2016/2017 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at $90,000.

GOAL STATEMENT

The Muscatine Art Center is a permanent, municipal, non-profit institution. The Art Center collects, preserves, interprets, and exhibits objects of historical and aesthetic importance for the benefit of present and future generations. In addition, through the use of the permanent collection and special exhibitions, education programs are provided for all ages that encourage and promote the advancement, understanding, enjoyment, and diffusion of knowledge of the visual arts.

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Attendance	23,070	13,868	13,194	15,000	15,000
Number of Classes Offered	143	137	142	130	130
Art Center Events Hosted	28	45	35	35	35
Exhibitions	14	9	11	10	10
Tours	56	34	23	35	35
City Calendar Website Posts	95	131	99	110	120
Facebook Posts	304	751	1,191	1,300	1,400
Newspaper Stories - Muscatine Journal and Quad City Times	N/A	64	68	75	75

RECENT ACCOMPLISHMENTS

QUALITY OF LIFE

Exhibitions
Art Center staff curated multiple "in-house" exhibitions in the Stanley Gallery and in the Laura Musser Mansion. The exhibitions primarily feature items from the Permanent Collection.

Education and Programs
The Education Department presented 177 classes and programs during the 2014/2015 fiscal year, reaching 5,877 individuals.

Friends of the Muscatine Art Center Events and Activities
The staff worked with Friends of the Muscatine Art Center to create several new events in 2014/2015. In May 2014, "For the Love of Art", a tea for women was launched. This event had several corporate sponsors and featured items donated by local businesses. In September 2014, staff secured corporate sponsorships and partnered with Pilot Club International, the Musser Public Library, and the Healthy Living Festival organizers to present Mr. B's Joybox Express. Mr. B's group pedaled an upright piano mounted to three bikes down the length of the Mississippi River. One free public concert was presented on the grounds of the Art Center, two in-school concerts were given for Jefferson and Grant Elementary Schools, and one impromptu concert was held in the Sculpture Courtyard. The holiday events for 2014 were refreshed with a new Little Elf Workshop which presented six different craft projects for children to make as gifts and the return of the Kids' Pajama Party, Sunday with Santa, and the Gingerbread House Workshop. The "Home with the Mussers" Holiday Open House is a new event taking the place of the Festival of Wreaths. December

31, 2014 was the first time the Art Center offered the "Noon Year's Eve Party" with 175 people participating. Special programs were developed for both Girl Scouts and Boy Scouts that enabled the scout groups to complete specific badge criteria.

Events sponsored by Friends of the Muscatine Art Center included the Home with the Mussers Holiday Open House, Boonies Night, For the Love of Art Tea, Annual Ice Cream Social, New Teachers' Orientation Lunch, Mr. B's Joybox Express, Sunday with Santa, Little Elf Workshop, Kids Pajama Party, receptions for various exhibition openings, and the Friends endowment fund drive

COLLECTIONS

The Buffalo Bill Center of the West in Cody, WY, borrowed the "Portrait of Captain LeGrand Morehouse" by John Mix Stanley for the exhibition "Painted Journeys: The Art of John Mix Stanley". The exhibition began at the Center of the West and then traveled to the Gilcrease Museum in Tulsa and to the Tacoma Art Museum in Washington state. The Wall Street Journal and The Magazine Antiques included articles about the exhibition. In preparation for the exhibition, the Captain LeGrand Morehouse portrait was conserved by Faye Wrubel, conservator for the Art Institute of Chicago. The portrait was included in the catalogue for the exhibition, "Painted Journeys", a hard-bound, full-color publication.

Letters by Daniel Parvin from the Civil War Collection of the Muscatine Art Center were used on a website developed by Phillip Hubbart, great-great-grandson of Daniel Parvin and editor of a book of transcribed Daniel Parvin letters.

Artwork by Iowa artists were acquired in 2014/2015 including one painting by Grant Wood, one painting by Muscatine native Norman Bunn, one painting by Arnold Pyle, and one by Harold Allison (both Pyle and Allison were students of Grant Wood).

FISCAL RESPONSIBILITY

The Muscatine Art Center Support Foundation provided $23,193 to cover a portion of the wages of the Program Coordinator and Registrar and a portion of the benefits for the Registrar in fiscal year 2014/2015. In 2015 the Muscatine Art Center Support Foundation provided an additional $31,807 to cover expenses related to exhibitions/programming, collections care, and acquisitions. A one-time grant of $30,000 was provided by the Support Foundation to cover a portion of the costs for the 50th anniversary acquisition of Grant Wood's "Vegetable Garden", 1924. The Friends of the Muscatine Art Center provided $19,368 to cover partial wages for the Program Coordinator and Registrar. Friends also covered busing costs so local schools can visit Art Center exhibitions, and scholarships so local students on free/reduced lunch can participate in studio art classes at the Art Center.

The Muscatine Art Center received the following grants in 2015:

- **State Historical Society of Iowa** – The Art Center received two grants through the state's Historical Resource Development Program (HRDP). One grant ($5,000) will fund the work of Jennifer Price to complete the Musser Mansion's nomination for the National Register of Historic Places. The other grant ($9,375) will fund technology components that will enable visitors to look up information about the collections displayed in the first floor period rooms of the mansion.
- **Early American Pattern Glass Society** – The Art Center received a grant in the amount of $2,500 for the installation of a case for displaying examples from the glass collection.

- **Iowa Department of Cultural Affairs/Cultural Leadership Partner Project Grant** – The Art Center received a grant in the amount of $9,425. The funds were used to commission Muscatine artist Jon Fasanelli-Cawelti to create a life-size portrait of Laura Musser and to frame the work. The portrait was completed to commemorate the 50th anniversary of the Laura Musser Museum/Muscatine Art Center.
- **Iowa Department of Cultural Affairs/Cultural Leadership Partner Operational Support** - $10,000 was awarded for fiscal year 2015/2016. This is an annual grant which will be again funded in 2016/2017 at $10,000.
- **Roy J. Carver Charitable Trust** – A grant in the amount of $360,000 was awarded and funds were received in October 2015 with $200,000 of the award funding the Art Center's portion of the HVAC project and $160,000 for improvements in the Laura Musser Mansion – some exhibition related, some technology, some facility improvements such as track lighting and new carpet.
- **Travel Iowa** – A grant in the amount of $4,000 was awarded to cover partial expenses for the conversion of the Muscatine Art Center's Mimsy Database to an online searchable collections database to be hosted on a re-designed website.
- **Community Foundation of Greater Muscatine** – A grant in the amount of $1,800 was awarded to cover partial expenses for the removal and cleaning of the organ pipes as part of a pipe room repair project.

MARKETING

The Art Center received a grant in 2014 from Travel Iowa to create a brochure about the Mississippi River Collection. The 4-fold brochure was distributed to all Great River Road Interpretive Centers located in Iowa and neighboring states.

In August 2015, the Art Center received a grant from Travel Iowa to begin the process of bringing the museum collection online. A Leadership Muscatine participant volunteered to help with the Art Center's website. He is a web programmer and has also recruited a web designer to help with the project. Work on the new website will begin in fall 2015 with the site going live by spring 2016.

The Art Center advertises in the following print publications: Muscatine Magazine, 101 Things to Do, the Muscatine Journal's 2015 calendar, the Iowan, the Muscatine Visitor's Guide, Eastern Iowa Travel Guide, and occasional ads in the Muscatine Journal for special events such as "For the Love of Art" and the Ice Cream Social.

The Art Center participated in several sessions for the National Geographic Geo-Tourism website project and was among the first in Muscatine to create a page on the site.

As part of the 50th anniversary celebration, the Muscatine Art Center created 16 banners to hang in downtown Muscatine. Each banner featured a different item from the collection. Also for the 50th anniversary, the Art Center developed the booklet, "Muscatine Art Center: A Lasting Legacy", which provides details about the history of the house, family, and collection. The booklets are available to visitors and will also be used by classrooms studying local history.

LEAN/CONTINUOUS SERVICE IMPROVEMENT

In the spring of 2015, the Art Center began using DonorPerfect – an online donor database. The database is making it possible to consolidate multiple mailing and donor lists and manage a variety of donations to the Art Center/Friends of the Muscatine Art Center. The database makes it possible to correct donor information in one location rather than fixing the same mistake on multiple lists. Thank you letters can also be generated from the database. A volunteer has been assigned the task of entering data.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To develop and implement a long-range plan based on the Community Engagement Study and Peer Review Report.

* To work alongside Public Works/Building and Grounds staff as plans are finalized, contracts are awarded, and upgrades are made to the Art Center's HVAC system, windows are replaced, and other improvements are implemented. **(Council and Management Capital Projects Goal)**

* To protect and manage the Art Center's collection using best museum practices while facility improvements are taking place.

* To create a family-friendly exhibition space and install new exhibitions on the second floor of the Musser Mansion.

* To build creative partnerships with area non-profit organizations, cultural groups, and educational institutions for the purpose of promoting the arts, history, historic preservation, lifelong learning, and other quality of life initiatives. **(City Long-Term Goal)**

* To utilize the city's website to improve marketing and communication to the public and actively participate in the City's efforts to develop a marketing and branding initiative. **(Council and Management Marketing Goal)**

* To implement suitable concepts presented through Continuous Service Improvement (CSI). **(Council and Management Continuous Service Improvement Goal)**

* To work with the Community Improvement Action Team (CIAT) and other community groups to promote community pride through beautification and placemaking programs. **(Council and Management Marketing Goal)**

* To improve **www.muscatineartcenter.org** by bringing portions of the Muscatine Art Center's collection online.

Function:
Culture and Recreation

Department:
Art Center

Activity:

Art Center Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 262,835	$ 262,969	$ 284,100	$ 282,500	$ 295,800	4.12%
Commodities	8,643	10,241	6,400	8,200	7,700	20.31%
Contractual Services	43,608	32,633	37,400	35,100	35,800	-4.28%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 315,086	$ 305,843	$ 327,900	$ 325,800	$ 339,300	3.48%
Funding Sources						
Art Center Revenues	$ 4,338	$ 5,997	$ 6,200	$ 5,500	$ 6,000	-3.23%
Art Center Grant	21,378	13,540	10,000	10,000	10,000	
Support Foundation Contribution	17,241	19,368	20,300	20,000	21,200	4.43%
Friends of the Art Center Contribution	22,110	23,193	20,100	21,100	21,700	7.96%
Hotel/Motel Tax	103,760	88,467	103,750	90,000	90,000	-13.25%
General Revenues	146,259	155,278	167,550	179,200	190,400	13.64%
Total Funding Sources	$ 315,086	$ 305,843	$ 327,900	$ 325,800	$ 339,300	3.48%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Art Center Director	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Art Center Registrar	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time Positions:						
Art Center Aide	1.00	1.20	1.38	1.38	1.38	
Custodian	0.25	0.32	0.32	0.32	0.32	
Total Part Time	1.25	1.52	1.70	1.70	1.70	
Total	4.25	4.52	4.70	4.70	4.70	$ 233,100
Employee Benefits						62,700
Total Personal Services						$ 295,800

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

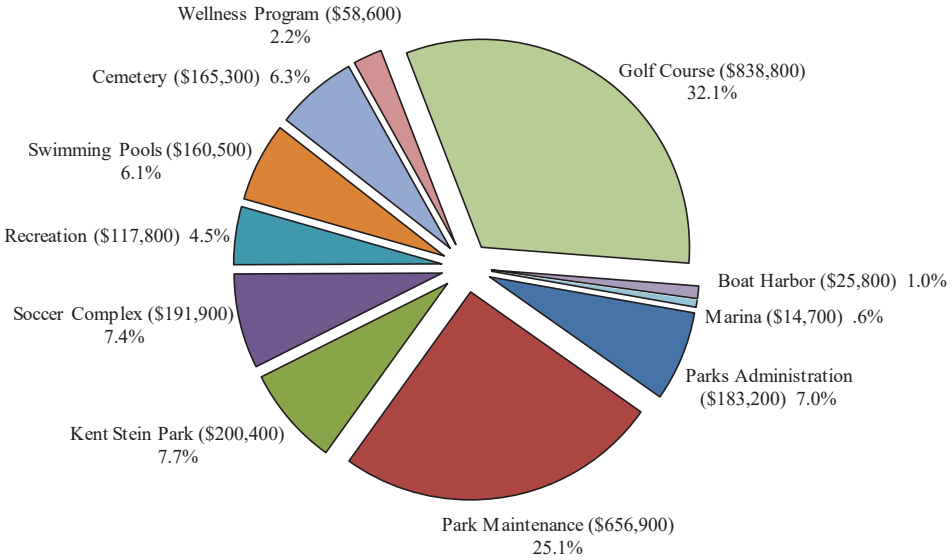
Park Administration

GENERAL INFORMATION

The Parks and Recreation department is responsible for providing leisure time activities and maintaining green space and facilities for the citizens of Muscatine. The department administers programs for outdoor and indoor recreation activities that occur in the City's park facilities, the Weed Park Aquatic Center, and in various buildings owned by the public school system.

The Parks and Recreation Administration budget includes the costs related to the overall coordination of the parks and recreation programs. The office staff includes the positions of director and office coordinator. A part-time clerk has also been utilized during peak times of the year. The Director also supervises the Boat Harbor, Marina, and Golf Course Enterprise operations in addition to overseeing the Cemetery, Park Maintenance, Kent Stein Park, Soccer Complex, Recreation, Aquatic Center, and Employee Wellness Program activities. An administrative fee has been charged to the Golf Course and Boat Harbor Enterprise Funds and credited to the Park Administration activity for staff support for these enterprise operations. The amount of the administrative fee is $13,300 for 2016/2017. The Director also initiates and oversees capital improvements in the City's parks, golf course, levee, and cemetery and provides administrative support for the Recreation Advisory Commission. Following is a chart of the 2016/2017 budgeted expenditures by activity for the Parks and Recreation Department.

Parks and Recreation Department
2016/2017 Budget by Activity ($2,613,900)



CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $1,300 more than the original budget due to a wage adjustment and the increase in health insurance costs effective January 1, 2016.

The 2016/2017 budget is $8,600 (4.9%) higher than the 2015/2016 budget due to increased personal services costs including the health insurance increase and an increase in workers' compensation costs. The workers compensation increase is due to a workers' comp classification code changing with the new worker's comp carrier.

GOAL STATEMENT

To establish and maintain the most efficient leisure service delivery system possible with the available resources. This system includes the parks, recreation, and cemetery divisions as well as a golf course and a municipal boat harbor.

PERFORMANCE MEASURES

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Recreation Advisory Commission Meetings	8	9	9	9	9
Department Expenditures - All Divisions	$2,471,149	$2,521,401	$2,372,889	$2,542,500	$2,613,900
Internet Receipts Issued	534	553	536	550	550
Office Receipts Issued	2,207	2,086	2,058	2,000	2,000
Pearl City Station Rentals	101	102	98	100	100
Riverview Center Rentals	92	90	85	85	85
Shelters/Rose Garden Rentals	402	420	395	400	400
Parks Adopted (Calendar Year Basis)	13 (2013)	18 (2014)	18 (2015)	18 (2016)	18 (2017)

RECENT ACCOMPLISHMENTS

In 2015, a new concession contract was implemented with Hy-Vee Food Stores for services at the Soccer Complex, Aquatic Center, and Kent Stein Park, with average to above average sales realized.

Staff collaborated with the Muscatine Community School District, Muscatine Community College, and Muscatine County concerning Tom Bruner Field. Discussions will need to take place this winter on the future operations of this baseball field.

A REAP grant application was submitted and a grant was awarded by the Iowa Department of Natural Resources (IDNR) for improvements to boat docks and river bank stabilization.

Staff worked with Leadership Muscatine groups to develop a new trail shelter and for the replacement of the Rose Garden gazebo. The trail shelter is in the fundraising stage; however, the Community Foundation grant request for the gazebo was not funded. A grant was received from the Community Health Support Foundation

for an AED at the golf course. Staff worked with the Zoo Garden Committee on a "Plant-It-Pink" area of the Zoo Garden.

Staff assisted other City departments as requested with the 8th and Cedar Sister Cities Park, Colorado Street tree planting, Cedar Street tree planting, Colorado Street driveway repair, 2nd Street banner program, Cedar Street round-a-bout, Water Pollution Control Plant plantings/seeding, Airport spraying, Police department shooting range mowing, Public Safety open house setup, Community Development Community Gardens, a walking sidewalk, and mowing and snow removal on abandoned lots.

Staff has worked extensively with the new Communications Manager on social media opportunities and in being more consistent with other City departments in how the department communicates with the public through social media, advertising, and press releases.

The Muscatine Girls Softball Association and the Muscatine Cardinal Baseball Association raised enough money to put an ag-lime surface on diamond #1 at Kent Stein Park.

A new Golf Professional started in April 2015 and a new Program Supervisor started in September. Additional full-time staff changes included the Athletic Facilities Manager moving to the newly created Parks Superintendent position, and the Athletic Facilities Specialist position being elevated to a higher level at the Soccer Complex and Kent Stein Park.

Staff is currently working with the Friends of Greenwood Cemetery group in the restoration of the Cemetery steps.

The State Cup Soccer Tournaments have requested that Muscatine host the Fall 2015 and the Spring 2016 Club Soccer State Championship events.

Blue Zones Muscatine has started the process of exploring the opportunity to make all parks, exclusive of the golf course, tobacco free. Staff members will be meeting with the Recreation Advisory Commission to discuss this topic.

The summer of 2015 was a great grass growing season. Maintenance staff struggled to keep up with mowing, and to limit grass clumps at the golf course, parks, cemetery, and right-of-way mowing areas.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to recruit, train and retain quality seasonal and full-time staff.

* To continue to work cooperatively and jointly with area associations and agencies to deliver efficient and appropriate services to the community. **(Council and Management Continuous Service Improvement Goal)**

* To continue to facilitate special event requests for use of public property.

* To continue the service delivery of the park and recreation system to the citizens of the community.

* To continue to manage the City's Deer Management Program.

* To operate within approved budgets.

* To administer the Kent Stein Park operations.

* To administer the Soccer Complex operations.

* To administer Park shelter, Pearl City Station and Riverview Center rentals.

* To complete the REAP grant-funded improvements to the boat docks and river bank stone areas.

* To evaluate and adjust Aquatic Center usage for special events and efficient cost effective operations. **(Council and Management Continuous Service Improvement Goal)**

* To continue to assist other City departments as requested.

* To evaluate golf services for efficient and cost effective outcomes while increasing facility usage. **(Council and Management Continuous Service Improvement Goal)**

* To continue to develop the Adopt-A-Park and volunteer recruitment program.

* To continue to work on the development of the Central Weed Park Corridor Project. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To assist as requested in the advancement of the Phase III Soccer Development Project, 8th and Cedar Park, Dog Park, Riverfront Development, and Mississippi Drive Corridor Project. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To continue to promote a positive and active Employee Wellness Program.

* To meet regularly with the Recreation Advisory Commission.

* To continue to take progressive steps with the Emerald Ash Borer and to heavily incorporate the Sustainable Urban Forestry IDNR Grant Program into the community.

* To continue to work with and support the community Blue Zones initiatives.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Park Administration

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 149,148	$ 153,329	$ 159,600	$ 160,900	$ 168,200	5.39%
Commodities	1,035	748	1,600	1,600	1,600	0.00%
Contractual Services	12,935	12,313	13,400	13,400	13,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 163,118	$ 166,390	$ 174,600	$ 175,900	$ 183,200	4.93%
Funding Sources						
Park Revenues	$ 39,976	$ 44,970	$ 38,300	$ 43,200	$ 43,100	12.53%
Administrative Fee	12,100	12,500	12,900	12,900	13,300	3.10%
General Revenues	111,042	108,920	123,400	119,800	126,800	2.76%
Total Funding Sources	$ 163,118	$ 166,390	$ 174,600	$ 175,900	$ 183,200	4.93%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Director of Parks and Recreation	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.50	1.50	1.50	1.50	1.50	
Temporary Part Time Position:						
Office Clerk	0.20	0.20	0.20	0.20	0.20	
Total	1.70	1.70	1.70	1.70	1.70	$ 120,400
Employee Benefits						47,800
Total Personal Services						$ 168,200

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Park Maintenance

GENERAL INFORMATION

The function of the Park Maintenance operation is to provide parks and facilities for the recreational pursuit of the citizens of Muscatine. Fourteen (14) of the City's fifteen (15) city parks are maintained by Park Maintenance personnel including Brook Street, John Duncan, Eversmeyer, Fourth Street, Fuller Memorial, Longview, Lucas, Mark Twain Overlook, McKee, Musser, Oak Street, Riverside, Taylor, and Weed Park. This division also maintains Iowa Field, the Mad Creek Greenbelt, and the City's trails.

The City's three (3) major parks are oriented toward different recreational pursuits. Kent Stein Park is a high-density use area utilized for a variety of recreational purposes, with its primary concentration being baseball and softball. A separate budget for the Kent Stein Park operation follows the Park Maintenance activity budget.

Weed Park is a combination of passive and organized activities including the Weed Park Aquatic Center, areas for picnics, a pond for fishing for young children, tennis courts, and a permanent greenhouse. Fuller Memorial Park provides a natural recreational location for hiking, nature trails, picnic areas, a tot lot, and a disc golf course.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is over the budgeted amount by $12,900. Commodities increased by $5,700 which includes a $3,500 increase in repair and maintenance supplies and a $2,200 increase in operating supplies. Contractual services increased by $3,600, primarily due to increased repair and maintenance services costs, and capital outlay increased by $3,300 due to adding a V-blade and salt spreader to the gator for trail maintenance, including the new trail near the high school.

Beginning in the 2016 calendar year, this budget includes additional seasonal hours for increased trail and other maintenance responsibilities of this division. Two seasonal Lead Groundskeeper positions will be created who will work from mid-March through October each year. This resulted in 700 additional seasonal hours in the revised estimate for the spring of 2016 and 1,200 additional hours for the full 2016/2017 fiscal year. This increased the revised estimate by $8,700, however vacancy savings in this division offset most of this additional cost. The additional seasonal hour increase for the 2016/2017 fiscal year added $15,300 to the budget.

The 2016/2017 budget is $31,500 (5.0%) more than the original 2015/2016 budget. Personal services costs increased by $44,500, commodities increased by $4,700, contractual services increased by $2,300, and capital outlay decreased by $20,000. The personal services increase includes the $15,300 seasonal staffing increase discussed above, increases in fulltime wages, and related benefits including the increase in health insurance costs.

GOAL STATEMENT

To provide the citizens of the community with a variety of areas and facilities to pursue recreational activities in suitable environments.

PERFORMANCE MEASURES

Focus Maintenance Items:	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Parks	17	17	17	17	17
Park Acres	241	241	241	241	241
Park Shelters	16	17 (2)	17	18 (3)	18
Miles of Trail	8.3	8.3	9.3 (4)	9.3	12.3 (5)
Playgrounds	12	12	12	12	12
Buildings	12	12	12 (1)	12	12
Basketball Courts	5	5	5	5	5
Tennis Courts	8	8	8	8	8
Skate Parks	1	1	1	1	1
Sand Volleyball Courts	2	2	2	2	2
Disc Golf Course	1	1	1	1	1
Right-of-Way Miles	10.9	10.9	10.9	10.9	10.9
Aquatic Center	1	1	1	1	1
Interactive Fountain	1	1	1	1	1
Boat Ramps	4	4	4	4	4
Special Gardens	3	3	3	3	3
Street Tree Miles	140	140	140	140	140

1. Old concession building in Weed Park was removed and the new maintenance building was added.
2. The Trail Shelter in Weed Park was donated in 2013.
3. Anticipated new shelter at Cannon Avenue.
4. Cedar Street Trail from High School to Parham was added.
5. The Musser to Weggens Road Trail is expected to be completed in the 2016/2017 year. This will add approximately 3 miles (of the total 4.5 miles of this trail) to the trails maintained by Parks Maintenance staff.

RECENT ACCOMPLISHMENTS

Several Parks and Recreation staff members, as well as community volunteers, had the opportunity to participate in the Sustainable Urban Forestry Training and Assistance (SUFTA) grant-funded program this past year. As part of the grant, 14 sessions were held that included training in tree identification, diseases, proper planting, proper pruning, mapping, etc. Following the training, Parks staff mapped all street trees and trees within all of the City parks. As part of SUFTA, Muscatine was selected to host the Operation ReLeaf program that sold 200 trees to citizens in Muscatine County.

Once again, Parks and Recreation staff participated in the United Way's Day of Caring. Several projects were completed in both the spring and fall events including mulching trees in the upper loop of Weed Park, re-siding the outside of the restroom building at Fuller Park, fall riverfront cleanup, removing pine needles in the spring at the Rose Garden, and planting trees on Colorado Street. For the Colorado Street project, over 80 trees were planted on both side of Colorado Street as part of a grant through Muscatine Branching Out.

Several projects were completed on the Riverfront this year. Boaters were having difficulty using the docks located at the new boat ramp and staff installed a three section railing on one of the docks to help boaters on and off of their boats. This fall another three section railing was installed to a second dock and staff is working on installing another section on the third dock. Positive feedback has been received on the installation of the railings. Also, the Bike Club in Muscatine donated a Bike Fix-it station that was installed by staff on the North side of the restroom building. The station is for community use and includes several tools for fixing bikes. This year a boom lift was rented that allowed staff to fix several lights on the Riverfront that had been out for several years.

Early this spring, staff worked with an Eagle Scout on a project located on the right-of-way property on Houser Hill. The project included picking up trash throughout the site, removing fencing that was broken or laying on the ground, cutting back brush lying on or hanging onto the right-of-way, and hauling the brush to the Transfer Station. This project allowed easier mowing for staff throughout the growing season.

The fiscal year 2015/2016 budget included funding for the Musser Playground Resurfacing project. In September the old rubber surface was removed and a new poured-in place rubber surface was installed. The new surface turned out great, helping to reestablish a safe playground for the community.

This summer staff was given the responsibility of planting and maintaining the roundabout on Cedar Street. The Landscape/Horticulturalist designed the plan and chose the plants for this area, and they were installed by staff. A water spigot was added to help establish the new plants. The Parks staff also assisted with the Sister Cities project on 8th and Cedar Street. The landscape beds and trees were designed and installed by Parks staff. The Sister Cities group had the brick pavers installed and is working on pouring concrete pads for the four benches that will be installed.

The disc golf course had several issues this spring and early summer due to the excessive rain. Two of the bridges were lifted from their previous locations and washed downstream due to heavy rainfalls. Staff has re-secured these bridges and has upgraded them to help avoid similar situations in the future. Staff also mulched several of the trails on hillsides to help improve the quality and safety of the disc golf course. A new hole was also added on the #8 hole due to a request made by the Disc Golf Club. The course was in great shape throughout the year and once again this year the Disc Golf Club, through the Adopt-a-Park program, assisted in the maintenance of the course.

Improvements were also made to the sand volleyball courts at Weed Park. A drainage swell was added to allow for better drainage and sand was added on the East side of the court to allow for a warm up area.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to train new full-time staff on division operations.

* To continue improving working relationships with volunteers and community groups that use the City's parks.
* To continue to research funding sources for the Weed Park Central Corridor plan.

* To begin treating selected ash trees for the emerald ash borer.

* To work with the Leadership Muscatine group to establish a shelter on the trail near Cannon Avenue.

* To replace the hanging baskets on the downtown poles, and reestablish a quality flower basket program.

* To continue to evaluate maintenance and operating procedures for the Park maintenance division. **(Council and Management Continuous Service Improvement Goal)**

* To continue improvements to the Disc Golf Course.

* To continue Lean initiatives training and discussions within the department. **(Council and Management Continuous Service Improvement Goal)**

* To continue to operate within approved budgets.

* To initiate a time to task analysis based on standard operating procedures, man hours available, and task requirements. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 459,801	$ 458,975	$ 488,000	$ 488,300	$ 532,500	9.12%
Commodities	66,718	57,508	57,100	62,800	61,800	8.23%
Contractual Services	72,437	55,220	60,300	63,900	62,600	3.81%
Capital Outlay	78,042	64,010	20,000	23,300	-	-100.00%
Transfers	436	400	-	-	-	
Total Expenditures	$ 677,434	$ 636,113	$ 625,400	$ 638,300	$ 656,900	5.04%
Funding Sources						
General Revenues	$ 658,435	$ 553,389	$ 603,400	$ 614,200	$ 634,100	5.09%
Grants	-	13,290	-	-	-	
Donations	898	-	-	-	-	
Road Use Taxes	18,101	69,434	22,000	24,100	22,800	3.64%
Total Funding Sources	$ 677,434	$ 636,113	$ 625,400	$ 638,300	$ 656,900	5.04%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Park Maintenance Superintendent	-	0.25	0.80	0.80	0.80	
Park Maintenance Supervisor	1.00	0.75	-	-	-	
Park Maintenance Leadworker	1.00	-	-	-	-	
Maintenance Repairperson	1.50	2.50	2.50	2.50	2.50	
Maintenance Worker I	2.00	1.67	1.00	1.00	1.00	
Groundskeeper	0.50	0.83	1.50	1.50	1.50	
Total Full Time	6.00	6.00	5.80	5.80	5.80	
Temporary Part Time Positions:						
Seasonal Laborer	0.68	0.72	-	-	-	
Seasonal Equipment Operator	0.92	1.12	1.61	1.61	1.61	
Seasonal Groundskeeper	1.25	1.56	1.51	1.23	1.51	
Seasonal Lead Groundskeeper	-	-	-	0.62	1.06	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.75	0.78	0.75	0.75	0.75	
Total Part Time	3.60	4.18 (1)	3.87	4.21 (2)	4.93 (2)	
Total	9.60	10.18	9.67	10.01	10.73	$ 371,600
Employee Benefits						160,900
Total Personal Services						$ 532,500

1. Seasonal positions increased in 2014/2015 due to fulltime vacancies and also due to adding 280 hours for the last half of the fiscal year since the YCC youth worker program was discontinued beginning in calendar year 2015.
2. Seasonal positions were increased beginning in the spring of 2016 due to increased trail and other maintenance responsibilities added to this division.

Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
One Ton Dump Truck	1	Yes	$ 60,000

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Kent Stein Park Operations

GENERAL INFORMATION

The Kent Stein Park operation consists of a high-density use area for baseball and softball activities. There are a total of 17 diamonds that are available for these activities in Kent Stein Park. The City is responsible for the maintenance and scheduling of the Kent Stein Park operations. Working with the City for operational programming are private groups which organize girls softball and Little League baseball activities. Also available at Kent Stein Park are regulation horseshoe pits and picnic facilities.

Through negotiations with Muscatine Community College (MCC) and the Muscatine Community School system, the City in 1996 turned over the maintenance responsibilities of Tom Bruner Field to these two public entities for a five-year period. This contract was extended for additional five-year and three-year periods. MCC and the School district, however, asked the City to take over maintenance responsibilities for Bruner Field beginning in 2012 and reimburse the City for costs incurred. In 2000, the City allowed the local baseball association use of the former maintenance building. In exchange for a five-year lease, the baseball association undertook renovations to the facility. That original five-year lease expired in 2002 and it has been renewed under substantially the same terms.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is under the original budget by $3,000 due to a $1,600 decrease in employee benefit costs and a $1,400 decrease in fuel costs.

The 2016/2017 budget is $1,000 (.5%) more than the 2015/2016 budget. Personal services costs increased by $3,600 for 2016/2017. This increase was partially offset by a $1,400 decrease in fuel costs and a $1,200 decrease in capital outlay.

GOAL STATEMENT

To provide the citizens of the community with softball and baseball facilities for recreational and school participation.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage*	7,131	6,634	6,762	6,800	6,800
Number of Tournaments	25	23	23	23	23
Number of Leagues/Camps	25	26	26	26	26
Concession Revenue	$11,814	$10,351	$10,626	$10,500	$10,500
Total Revenues	$46,222	$47,867	$48,181	$47,950	$47,950

* Total hours of usage is scheduled usage only and does not account for drop-in usage

RECENT ACCOMPLISHMENTS

This year was great for growing turf at Kent Stein Park. Low nighttime temperatures and an adequate amount of rainfall led to a very solid turf stand which was safe, functional, and aesthetically pleasing to the public. There was quite a bit of wear and tear in the outfields where there were soccer practices. The fields should be able to make a full recovery by early next year as staff did a heavy fall seeding application to the areas that were heavily used through the end of the year.

In late summer/early fall, staff put down reclaim on the sides of the road coming in from Houser Street. This was to address a significant drop-off. This has helped to protect the asphalt as well as making it a safer environment for vehicles and walkers.

United Way's Day of Caring went great and there was a tremendous turnout. The volunteers were able to mulch all of the center island, all of the two front beds at the entrance of Houser Street, most of the trees, and some of the landscaping beds throughout the park. Through the years this program has been very helpful to Kent Stein staff since it has been difficult to find the time to accomplish these tasks.

In late fall, staff tilled up all of the agriculture lime fields to bring new material up to the surface. This also helps raise the infields to turf level, creating a safer playing surface. Tilling will increase pore space, reduce hardness, and improve drainage. When the ag lime is too hard, it can become dangerous which will result in high bounces of balls or sliding injuries.

Heading into next year, a plan is in place to ag lime Diamond #1, which will be great for user groups as well as staff. Heavy rain on the infield makes it extremely difficult to prepare and to have ready for safe play. With extending the infield, staff will be able to put in 80 foot bases, which will allow user groups more options at different diamonds. In the past, Musser Park was ready to use as a backup for Diamond #1 in case of a heavy rainfall.

This winter staff will be rip-rapping the Slough bank behind Bruner Field since the erosion has made its way almost to the outfield fence. Parks and Recreation staff has cleared out small trees that are four inch and under. The contractor will be starting behind the right field fence (close to League Street) and working their way down. Staff would eventually like to get all of the Slough done but for now the work will focus on the area of the outfield fence.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To upgrade the remaining fields at Kent Stein Park with the Musco Control Link Lighting System (subject to funding).

* To upgrade the appearance of the park by removing the black cinders along the road and replacing them with permeable asphalt (subject to funding).

* To strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations.

* To improve the parking lot west of Diamond #5 with an asphalt surface (subject to funding).

* To finish stabilizing the south bank of the Muscatine Slough by rip-rapping the bank behind Bruner Field.

* To maintain high quality and safe fields while maximizing usage.

* To continue to support and assist other departments and city divisions as requested.

* To continue to recruit and train quality seasonal and full-time staff as needed.

* To continue to look for and to incorporate technological changes for improved services and operational efficiencies. **(Council and Management Continuous Service Improvement Goal)**

* To explore and implement "Lean" initiatives. **(Council and Management Continuous Service Improvement Goal)**

* To work with the Hinman family property donation to develop a multi-use open green space (subject to funding).

* To continue to recognize and build on the positive economic impact of this facility to the community. **(Council and Management Long-Term Goal)**

* To work with the Muscatine Community School District on a maintenance plan for Bruner Field.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 126,656	$ 131,322	$ 141,500	$ 139,900	$ 145,100	2.54%
Commodities	43,388	40,808	48,500	47,100	47,100	-2.89%
Contractual Services	8,015	7,885	8,200	8,200	8,200	0.00%
Capital Outlay	29,946	-	1,200	1,200	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 208,005	$ 180,015	$ 199,400	$ 196,400	$ 200,400	0.50%
Funding Sources						
Park Revenues	$ 41,093	$ 45,701	$ 40,700	$ 40,700	$ 40,700	0.00%
Housing Reimbursement	5,500	7,250	7,500	7,500	7,500	0.00%
General Revenues	161,412	127,064	151,200	148,200	152,200	0.66%
Total Funding Sources	$ 208,005	$ 180,015	$ 199,400	$ 196,400	$ 200,400	0.50%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	-	0.03	0.10	0.10	0.10	
Athletic Facilities Manager	0.50	0.38	-	-	-	
Athletic Facilities Specialist	-	0.17	0.50	0.50	0.50	
Maintenance Repairperson	0.12	0.12	0.12	0.12	0.12	
Maintenance Worker I	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.12	1.20	1.22	1.22	1.22	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	0.38	0.38	0.38	1.98	1.98	
Seasonal Laborer	1.60	1.60	1.60	-	-	
Total Part Time	2.73	2.73	2.73	2.73	2.73	
Total	3.85	3.93	3.95	3.95	3.95	$ 110,800
Employee Benefits						34,300
Total Personal Services						$ 145,100

Function:	*Department:*
Culture and Recreation	**Parks & Recreation**

Activity:

Soccer Complex Operations

GENERAL INFORMATION

In 1992 the City Council was approached by the Muscatine Civic Improvement Foundation which shared with them their intent to privately develop a six-field soccer complex within the City of Muscatine. Further, it was their intention that once the field was developed, it would be given to the City of Muscatine who in turn would be responsible for the scheduling and ongoing maintenance of the facility.

Following a number of public hearings and reviews of this proposal, the City Council agreed to accept the gift and the responsibility for maintenance and scheduling of the facility. The original soccer complex consisted of six fields, two with lighting; administration, concession, and locker room facilities; a separate maintenance facility and storage area; and adequate parking to accommodate users. Two additional fields located adjacent to the original complex were developed and given to the City in 1994. The soccer complex is located on Houser Street between Hershey Avenue and the Sunset Park housing development. Known for its consistent quality and field play, this facility has been named “Soccer Facility of the Year” on two separate occasions.

CURRENT TRENDS AND ISSUES

The management of the soccer complex, including scheduling and maintenance activities, is the responsibility of the City through the Parks and Recreation department. Funding for the maintenance activities associated with the facility is partially from the City's General Fund and partially from other entities within the community who are the primary users of the facility. Through February of 2015 the maintenance and operation of this facility was coordinated by the Athletic Facilities Manager who also managed the operation of Kent Stein Park located adjacent to the soccer complex. The Athletic Facilities Manager was promoted to Park Superintendent effective March 1, 2015. The Park Superintendent continues to have oversight responsibilities for this facility and 10% of his wages and benefit costs are charged to this budget. The reorganization also included promoting the Maintenance Worker I to Athletic Facilities Specialist with 50% of the position charged to the Soccer budget and 50% to the Kent Stein Park budget. A new Maintenance Worker I was hired to complete the reorganization with this position also allocated 50% to Soccer and 50% to Kent Stein Park. A 12.5% allocation of the Maintenance Repairperson to Soccer continues to be included in this budget. Two part-time seasonal employees are also involved in the maintenance of the soccer complex and additional part-time employees serve as on-site supervisors during special events at the complex.

The revised estimate for 2015/2016 is $25,600 more than the original budget due to the carryforward of funds from the 2014/2015 budget for painting of the Soccer Complex roofs.

The 2016/2017 budget is $3,400 (1.8%) more than the 2015/2016 budget. The increases in personal services of $5,100 and capital outlay of $2,700 have been partially offset by decreases of $2,200 in commodities and $2,200 in contractual services. The Soccer Complex is entering its 23rd season of operation. The continued quality of the facility is what sets it apart from others across the state.

GOAL STATEMENT

To effectively manage and maintain a municipal soccer facility, to utilize the facility to best serve the growing soccer interest within the community, and to utilize the facility in a manner to attract regional and state-wide soccer activities.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Number of Fields Maintained	8	8	8	8	8
Hours of Use for Games	2,509	2,832	2,750	2,700	2,700
Number of Tournaments *	22	21	23	25	25
Concession Commissions	$6,620	$7,608	$7,131	$7,000	$7,000
Total Revenues	$38,424	$42,683	$43,696	$42,000	$42,000
Number of Leagues/Camps	23	23	23	23	23

* The number of tournaments reflects the number of days that tournaments are held.

RECENT ACCOMPLISHMENTS

This year's growing season was a good one. An adequate amount of rain fell throughout the spring and summer. The nighttime temperatures helped to keep disease pressure very low. Staff had the fields in great shape for tournaments and heard many compliments about the fields throughout the year. The only downfall was that the poa on the west side of Field 3 struggled in the fall heading into the State Cup event. Staff was able to get it back into a playable and presentable condition by heavy seeding and applying divot mix.

In the winter, Parks and Recreation staff talked to Steve Bush at the yearly turf conference about a process called "fraze mowing." This cuts off the top ¼-½" of the surface to eliminate poa but also provides other beneficial features like removing thatch buildup and eliminating surface slickness. Staff attempted this process on the north sides of Fields 1 and 3 going east to west, going the whole width of the field (from the west corner irrigation head to the east corner irrigation head), and about 20' back. None of this affected any sort of availability for play. The recovery of these areas was very slow and poa was present following the procedure. Staff would not recommend fraze mowing on Field #3 as a method of eliminating poa.

Several staff members, as well as community volunteers, had the opportunity to participate in the Sustainable Urban Forestry Training and Assistance (SUFTA) program this past year. As part of this grant-funded program, 14 sessions were held that included training in tree identification, diseases, proper planting, proper pruning, mapping, etc. Following the training, staff mapped all street trees and trees within all of the City parks. Staff was able to take time during a few of the classes to prune and plant trees inside the soccer complex. The majority of the trees were planted on top of the hills north of Fields 1, 3, 5, and 7. Trees were also planted between fields to help provide shade to players and spectators.

The Soccer roof painting project will be done this spring. This will include the maintenance building, administration building, and both shelters, and these buildings will be cleared of rust, primed, and painted royal blue.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To secure funding for and begin construction of Phase III of the Soccer Complex Project (subject to funding). **(Council and Management Capital Projects Goal)**

* To reestablish a safe and high quality turf on all eight soccer fields while maximizing usage.

* To continue to strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations.

* To continue efforts to maximize revenues and overall efficiency of division operations. **(Council and Management Continuous Service Improvement Goal)**

* To continue to support and assist other departments and city divisions as requested.

* To continue to recruit and train quality seasonal and full-time staff as needed.

* To continue to look for and to incorporate technological changes for improved services and operational efficiencies. **(Council and Management Continuous Service Improvement Goal)**

* To explore and implement "Lean" initiatives. **(Council and Management Continuous Service Improvement Goal)**

* To continue to recognize and build on the positive economic impact of this facility to the community. **(Council and Management Long-Term Goal)**

* To continue to plant trees within the complex to provide more shade for players and spectators.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 103,325	$ 99,416	$ 111,400	$ 111,400	$ 116,500	4.58%
Commodities	62,287	59,446	67,200	66,600	65,000	-3.27%
Contractual Services	6,842	4,060	7,100	7,700	4,900	-30.99%
Capital Outlay	9,298	2,928	2,800	28,400	5,500	96.43%
Transfers	-	-	-	-	-	
Total Expenditures	$ 181,752	$ 165,850	$ 188,500	$ 214,100	$ 191,900	1.80%
Funding Sources						
Park Revenues	$ 40,144	$ 43,124	$ 40,000	$ 43,500	$ 43,500	8.75%
General Revenues	141,608	122,726	148,500	170,600	148,400	-0.07%
Total Funding Sources	$ 181,752	$ 165,850	$ 188,500	$ 214,100	$ 191,900	1.80%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	-	0.03	0.10	0.10	0.10	
Athletic Facilities Manager	0.50	0.38	-	-	-	
Athletic Facilities Specialist	-	0.17	0.50	0.50	0.50	
Maintenance Repairperson	0.13	0.13	0.13	0.13	0.13	
Maintenance Worker I	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.13	1.21	1.23	1.23	1.23	
Seasonal Part Time Positions:						
On-Site Supervisor	0.41	0.41	0.41	0.41	0.41	
Seasonal Equipment Operator	0.35	0.35	0.35	0.35	0.35	
Seasonal Groundskeeper	0.74	0.74	0.74	0.74	0.74	
Total Part Time	1.50	1.50	1.50	1.50	1.50	
Total	2.63	2.71	2.73	2.73	2.73	$ 85,600
Employee Benefits						30,900
Total Personal Services						$ 116,500

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Welder	1	New	$ 5,500

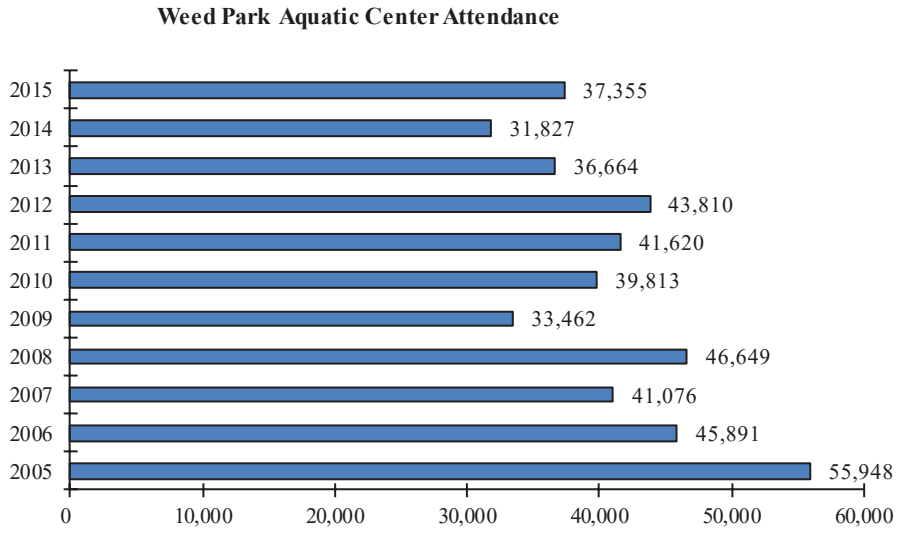
Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Swimming Pools

GENERAL INFORMATION

The Muscatine Aquatic Center at Weed Park first opened on June 3, 2004. Total attendance for the 2004 season was 46,576. In 2005 it increased to 55,948 and in 2006 it decreased to 45,891. Since then it has varied from approximately 31,800 to 46,600. Much of the fluctuation can be attributed to the weather each summer. The 2012 summer was hot and dry with few rain days which resulted in increased attendance to 43,810. For the 2013 season, however, attendance decreased to 36,664 primarily due to the number of rain days in June. Attendance in 2014 decreased to 31,827, again primarily due to weather conditions. In 2015 attendance increased to 37,355. In addition to recreational swimming, the Parks and Recreation department provides a diversified instructional program in aquatic activities. All staff and instructors are certified by the American Red Cross and receive periodic training to maintain these standards.



CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is $2,200 less than the original budgeted due to an $1,100 decrease in employee benefit costs, a $1,200 decrease in sales tax, and a net $100 increase in other budget line items.

The 2016/2017 budget is $3,500 (2.1%) less than the 2015/2016 budget. The budget includes a $900 decrease in employee benefit costs, a $1,200 decrease in sales tax, a $1,500 decrease in capital outlay, and a $100 increase in commodities. The 2016/2017 year will be the 13th full budget year for the Aquatic Center. There has been a trend of increasing maintenance costs as this facility ages.

Beginning in the 2011 season, the City established non-resident rates for Aquatic Center season passes. These rates are $25 higher than the rates for City residents. Non-resident fees for Aquatic Center admissions and other recreational programs were implemented in 2012.

GOAL STATEMENT

To utilize the Weed Park Aquatic Center to maximum potential, and to offer to the Muscatine community a well-balanced program of aquatic activities.

PERFORMANCE MEASURES

	Actual 2013	**Actual 2014**	**Actual 2015**	**Estimated 2016**	**Estimated 2017**
Aquatic Center Attendance	36,664	31,827	37,355	35,000	35,000
Swim Lesson Enrollment	286	270	254	275	275
Season Passes Sold	89	118	98	100	100
Number of Pool Rentals	96	92	104	100	100
Special Events Attendance	251	704	817	800	800
Scholarship Pass Recipients	700	708	618	700	700

RECENT ACCOMPLISHMENTS

The Swim Lesson program at the Aquatic Center continued to have strong numbers with 254 participants in 2015. A lap swim program was held on Monday, Wednesday, and Friday mornings during regular maintenance time with two sessions this season. Infant/Toddler Swim times were held again this year and saw great attendance.

Youth, adult, and senior participation continues to be evaluated for the Aquatic Center. The Senior Swim was held Monday through Friday throughout the season. From 5:00 p.m. through 8:00 p.m., seniors, ages 55 and over, are invited to swim at a reduced rate. On Father's Day, dads were allowed to swim for free with a paid child. Friendship Day was held again in August to bring in a variety of ages. Both friends are able to come in at half price.

Slide attendants were all trained and certified in First Aid and Adult, Child, and Infant CPR. This was required of all staff. The training was done by the Fire department and the Muscatine Municipal Golf Course staff attended the training as well.

Team building and staff ownership was continued at the Aquatic Center in the summer of 2015. At the all-staff meeting in May, the entire staff came up with and agreed on 10 commandments of "Thou Shall's". The commandments were posted in the staff room. A Code of Conduct was created and signed by all staff the night before opening for the season. A "Saves Wall" was created for lifeguards. It recognized the staff as a team and showed how many times they had to jump in to make a save. Staff watched footage of an actual drowning that occurred in California in 2005 and talked as a group about the situation and what their role is at the Aquatic Center and what their role is when the Emergency Action Plan is activated. Staff was frequently reminded of the importance of what they do on a daily basis throughout the season. Formal trainings were held monthly and included in-water training for emergencies.

Scheduled activities such as lap swim, swim lessons, and senior swim continued to have strong numbers. Pool rentals continue to be popular. There were over 100 pool rentals with over 8,420 people in attendance.

The new pay plan was implemented for seasonal staff in 2015. The pay plan will be reviewed annually and revisions will be proposed if warranted. The pay plan featured an increase in starting pay and a 5 year step increase plan to continue to attract and maintain quality seasonal staff

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to evaluate programs and usage of the Aquatic Center to maximize utilization and revenue.

* To evaluate the swim lesson program and make changes as necessary to meet the needs of the community.

* To continue to build staff ownership at the Aquatic Center.

* To continue to evaluate fee schedules and make recommendations for adjustments as needed.

* To recruit, train, and retain certified and qualified seasonal pool staff for all program areas.

* To train an additional certified pool operator and retain professional pool staff including the manager and assistant managers.

* To continue to meet the requirements to receive a satisfactory report from the Health Inspector.

* To increase the number of season passes at the Aquatic Center.

* To hold staff trainings throughout the season at the Aquatic Center.

* To continue to support and assist other departmental and city divisions by conducting specialized training.

* To explore and implement "Lean" initiatives for the Aquatic Center. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Swimming Pools

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 112,928	$ 105,215	$ 118,800	$ 117,700	$ 117,900	-0.76%
Commodities	17,548	14,920	22,800	22,900	22,900	0.44%
Contractual Services	26,185	16,427	16,900	15,700	15,700	-7.10%
Capital Outlay	19,600	20,900	5,500	5,500	4,000	-27.27%
Transfers	-	-	-	-	-	
Total Expenditures	$ 176,261	$ 157,462	$ 164,000	$ 161,800	$ 160,500	-2.13%
Funding Sources						
Swimming Pool Revenues	$ 139,062	$ 116,432	$ 136,700	$ 134,900	$ 134,900	-1.32%
General Revenues	37,199	41,030	27,300	26,900	25,600	-6.23%
Total Funding Sources	$ 176,261	$ 157,462	$ 164,000	$ 161,800	$ 160,500	-2.13%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Seasonal Part Time Positions:						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Lifeguard	27	27	27	27	27	
Lesson Coordinator	1	1	1	1	1	
Swimming Instructor	8	8	8	8	8	
Cashier	4	4	4	4	4	
Slide Attendants	5	5	5	5	5	
Pool Maintenance	2	2	2	2	2	
Total	50	50	50	50	50	$ 106,300
Employee Benefits						11,600
Total Personal Services						$ 117,900

Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Elevated Lifeguard Chair	1	Yes	$ 4,000

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Recreation

GENERAL INFORMATION

The Recreation division provides leisure time activity programs for the citizens of Muscatine. Many of the programs are taught by special instructors and are designed to be self-supporting. Most children's programs, however, are not self-supporting in order to encourage children from all economic and social sectors of the community to participate. The recreation activities are supervised by the Program Supervisor.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $7,100 less than the original budget. This was due to a decrease in personal services costs from a vacancy in the Program Supervisor position and the new supervisor starting at a lower step in the pay plan.

The 2016/2017 budget is $100 (.1%) higher than the 2015/2016 budget with this increase in personal services costs.

GOAL STATEMENT

To provide the citizens of Muscatine with the opportunity to participate in a wide variety of quality recreational activities through the provision of programs, facilities, and the cooperation of various community organizations.

PERFORMANCE MEASURES

	Actual 2013	**Actual 2014**	**Actual 2015**	**Estimated 2016**	**Estimated 2017**
Adult Programs Offered (Including Leagues)	19	20	17	18	18
Children's Programs Offered	41	41	41	41	41
Adult Program Participants	1,510	1,688	1,550	1,500	1,550
Children's Programs Participants	2,827	2,779	2,712	2,650	2,750
New Programs Offered	2	2	3	1	2
Volleyball League Teams	36	36	35	36	36

RECENT ACCOMPLISHMENTS

During the winter of 2014-2015, several activities were held including the Winter Break Basketball Shooting Camp, Boys Basketball Clinic, baseball and softball clinics, and soccer clinics. The adult volleyball recreation and power leagues continued with strong numbers.

In January the Winter Festival was held at the Muscatine Municipal Golf Course. This event was an opportunity for families to enjoy outdoor winter activities which included a snow pile treasure hunt, a snow sculpture contest, and outdoor progressive fire pit dinner. There was also indoor time for coloring, trying out the golf simulator, and playing bags. Over 400 people attended. This event helped draw attention to the Muscatine Walking Club and the Million Minute Challenge. Becki Peterson was the millionth minute walker. She was presented with a gift basket from the Blue Zones group, a Hy-Vee gift card, a plaque and a bag at the Winter Festival. The Walking Club is designed to get people out and active year-round, regardless of age or physical ability. Walkers can walk indoors at the Muscatine Mall and any minutes walked can be recorded at the kiosk at Center Court.

Numbers were again strong for the baseball, softball, and soccer clinics held in January and February. BlastBall!, a pre-tee-ball program for 3-6 year olds, was again held on two different days to accommodate all of those interested.

Summer programs such as Tee-Ball, Tennis Lessons, Tot Lot, Summer BlastBall!, and the Family Bike Ride were all well attended. The Adult Sand Volleyball league had 17 teams.

A new Program Supervisor was hired in August and started her employment with the Parks and Recreation department in early September.

In September, Football Skills was offered for Kindergarten through 4th grade. Numbers were similar to past years. Football Skills for the 3rd and 4th grade students continues to be an option for those who are not playing tackle football. The gymnastics program was offered on Mondays and Wednesdays. It was transitioned from the old Jefferson Elementary School to the new Jefferson Elementary.

In October, the Fall Festival was held again at the Muscatine Mall with nearly 400 people in attendance. Eighteen volleyball teams are currently participating in the adult leagues. Efforts continue to advertise the program to young adults to increase participation. For the first time in 24 years, the Turkey Trot was cancelled due to high snowfall amounts the night before. The Turkey Trot had a strong pre-registration of 84 runners/walkers. This number has continued to grow over the past 5 years. Those that pre-registered were able to pick up their T-shirts at the Park and Recreation office. The volleyball clinic for 3rd and 4th grade students was held again this fall along with Smart Start Basketball and the Girls Basketball Clinic which partnered with the Muscatine High School Girls' basketball team.

In December, the department held its fourth annual Candy Cane Hunt. Similar to an Easter egg hunt, children look for candy canes, including a few special ones that can be redeemed for toys. This year it was held on the same night as the downtown Holiday Stroll. There were nearly 400 participants at the Candy Cane Hunt held on the Riverfront. The Elves Workshop was held at the Muscatine Mall in December with strong attendance. These events, like others held throughout the year, are offered at no cost and are paid for through sponsorships from local businesses.

The new pay plan was implemented for seasonal staff in 2015. The pay plan will be reviewed annually and revisions will be proposed if warranted. The pay plan featured an increase in starting pay and a 5 year step increase plan to continue to attract and maintain quality seasonal staff.

OBJECTIVES TO BE ACOMPLISHED IN 2016/2017

* To continue to look at alternative programming that fits the community's needs.

* To evaluate and review new programs that have been implemented and make adjustments as needed. **(Council and Management Continuous Service Improvement Goal)**

* To review programs to look for cost savings and revenue-generating ideas that better fit budget needs.

* To continue to keep a positive relationship and maintain good communications with area agencies and associations to offer quality recreational leisure services to the community.

* To look for and take advantage of training opportunities.

* To continue to hire and train qualified staff for the youth recreation programs.

* To continue to cross train staff for continuation of office and golf course operations services.

* To continue to look for technological ways to market programs.

* To explore and implement "Lean" initiatives in the Recreation division. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 89,576	$ 92,795	$ 103,200	$ 95,900	$ 103,300	0.10%
Commodities	6,766	7,720	7,600	7,600	7,600	0.00%
Contractual Services	4,247	6,931	6,900	7,100	6,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 100,589	$ 107,446	$ 117,700	$ 110,600	$ 117,800	0.08%
Funding Sources						
Recreation Fees	$ 57,044	$ 51,163	$ 53,200	$ 51,300	$ 51,300	-3.57%
General Revenues	43,545	56,283	64,500	59,300	66,500	3.10%
Total Funding Sources	$ 100,589	$ 107,446	$ 117,700	$ 110,600	$ 117,800	0.08%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Program Supervisor	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Various Instructors, Supervisors and Program Directors	23.00	23.00	23.00	23.00	23.00	
Total	24.00	24.00	24.00	24.00	24.00	$ 81,300
Employee Benefits						22,000
Total Personal Services						$ 103,300

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

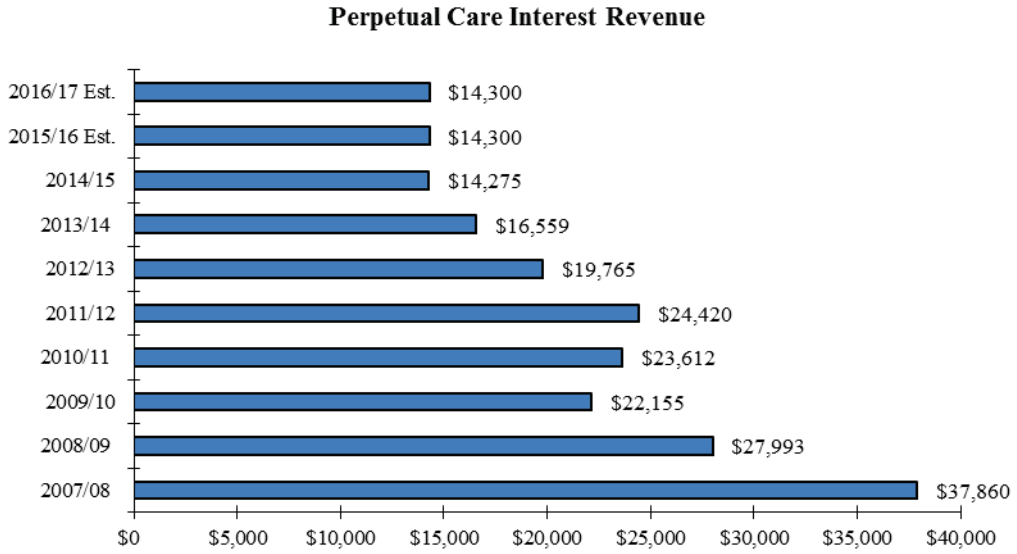
Activity:

Cemetery

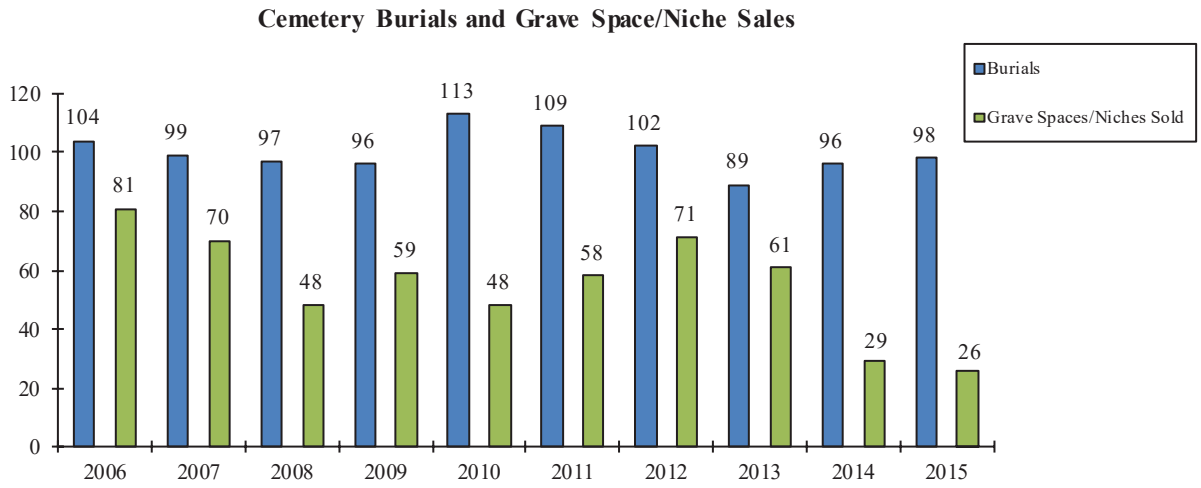
GENERAL INFORMATION

Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2007/2008 through 2014/2015 and the estimated amounts for 2015/2016 and 2016/2017 are follows:



The principal balance in the Perpetual Care Fund on June 30, 2015 was $860,178, but as noted previously, this amount cannot be utilized for cemetery operations, only interest earned on the balance may be used.



CURRENT TRENDS AND ISSUES

Beginning with fiscal year 1991/92, cemetery revenues plus interest earnings on Perpetual Care funds have not been sufficient to fund the operating expenditures of the cemetery with the exception of the 2003/2004, 2007/2008, and 2010/2011 fiscal years. Based on budget projections, a General Fund subsidy of $45,700 is expected to be needed to cover the operating costs of the cemetery for 2015/2016 and this subsidy is estimated to be $50,500 for 2016/2017. The decline in interest rates in recent years has reduced interest revenue from the Perpetual Care Fund which is a contributing factor for these subsidies.

The 2015/2016 revised estimate is over the budgeted amount by $1,100 primarily due to a $5,000 increase in capital outlay for trees. A $5,000 Trees for Kids grant funded the tree purchases. The revised estimate for contractual services is $700 higher than the original budget and commodities are $100 higher. A decrease in personal services costs of $4,700, primarily part-time wages, offset a portion of the other increases.

The 2016/2017 budget is $800 (.5%) higher than the 2015/2016 budget primarily due to increased personal services and contractual services costs.

GOAL STATEMENT

To provide a cemetery facility with aesthetic surroundings for the interment of deceased in a manner which meets the needs of the family and relatives.

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Burials:					
Casket	60	62	59	60	60
Cremains	17	29	31	26	26
County	4	9	5	6	6
Total Burials	81	100	95	92	92
Grave Spaces Sold	44	42	23	36	36
Columbarium Niches Sold	4	2	3	3	3
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	$19,765	$16,559	$14,275	$14,300	$14,300
General Fund Subsidy (Fiscal Year Ended June 30)	$17,850	$30,038	$44,327	$45,700	$50,500

RECENT ACCOMPLISHMENTS

Several staff members, as well as community volunteers, had the opportunity to participate in the Sustainable Urban Forestry Training and Assistance (SUFTA) program this past year. As part of this grant-funded program, 14 sessions were held that included training in tree identification, diseases, proper planting, proper pruning, mapping, etc. This provided excellent training to full-time and seasonal staff on all areas pertaining to trees. As part of the grant, staff had the opportunity to identify and map all trees within the cemetery.

As part of SUFTA, the Cemetery was also awarded a Trees for Kids grant that provided funding to plant 75 new trees in the cemetery. Muscatine FFA members assisted with planting the trees on October 2. New trees were planted throughout the cemetery and these trees were added to the updated city-wide mapping of all trees in City parks and right of ways.

Restorations of the chapel took place in the fall. Dormers, siding, and eves of the chapel were scraped and repainted to help restore the natural look of the chapel. Volunteers from United Way's Day of Caring provided assistance in re-landscaping and mulching the plant beds around the chapel.

The Muscatine Silver Chord group once again assisted the staff in the cemetery cleanup. The group assisted staff in the cleanup of grave decoration in both the spring and fall.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To begin the waterline mapping project.

* To continue to improve the sidewalks in front of the cemetery

* To complete the Internet connection to the shop.

* To begin to treat the ash trees throughout the cemetery

* To establish a new section of the cemetery for County burials.

* To upgrade plant beds around the Columbarium.

* To continue foundation repairs in the old sections of the cemetery.

* To continue improving working relationships with volunteers and community groups.

* To continue "Lean" initiatives training and discussions within the department. **(Council and Management Continuous Service Improvement Goal)**

* To continue cross training of other park division staff in the Cemetery operation.

* To continue to recruit and train quality seasonal and full-time staff as needed.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Cemetery Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 116,413	$ 117,437	$ 128,200	$ 123,500	$ 128,900	0.55%
Commodities	18,297	17,554	19,400	19,500	19,000	-2.06%
Contractual Services	18,167	14,678	16,900	17,600	17,400	2.96%
Capital Outlay	2,865	2,970	-	5,000	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 155,742	$ 152,639	$ 164,500	$ 165,600	$ 165,300	0.49%
Funding Sources						
Cemetery Revenues	$ 109,145	$ 94,037	$ 110,300	$ 100,600	$ 100,500	-8.88%
Perpetual Care Interest	16,559	14,275	14,300	14,300	14,300	0.00%
Grants	-	-	-	5,000	-	
General Revenues	30,038	44,327	39,900	45,700	50,500	26.57%
Total Funding Sources	$ 155,742	$ 152,639	$ 164,500	$ 165,600	$ 165,300	0.49%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Maintenance Repairperson	1.00	1.00	1.00	1.00	1.00	
Total Full Time	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	2.46	2.46	2.46	2.46	2.46	
Total Part Time	2.46	2.46	2.46	2.46	2.46	
Total	3.46	3.46	3.46	3.46	3.46	$ 94,100
Employee Benefits						34,800
Total Personal Services						$ 128,900

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Zero Turn Mower	1	Yes	$ 10,000

Function:	*Department:*
Health and Social Services	**Legislative and Council**

Activity:

Economic Well-Being

GENERAL INFORMATION

The function of the Economic Well-Being activity has been to provide financial support to promote social and economic opportunities for certain citizens in Muscatine, including senior citizens, the mentally and physically handicapped, and certain low income individuals and families.

As the federal and state governments have reduced subsidies for social programs, the City has experienced increases in requests for assistance from local agencies which provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidies for 2016/2017 are as follows:

Agency	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	Budget 2016/2017
Senior Resources*	$ 17,800	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
MCSA Homeless Prevention Program	0	0	0	0	25,000	25,000
	$ 17,800	$ 20,000	$ 20,000	$ 20,000	$ 45,000	$ 45,000

* The allocations to Senior Resources include Meals on Wheels.

CURRENT TRENDS AND ISSUES

Due to reductions in funding to the City's General Fund, the subsidies to Senior Resources and the Meals on Wheels programs have been held in check for the past several years. In fiscal year 2011/2012 $17,800 was budgeted and the funding was increased to $20,000 beginning in 2012/2013 and continuing through 2015/2016. Senior Resources requested a $30,000 subsidy for 2016/2017; however the budget maintains the subsidy at $20,000 for 2016/2017.

For the 2015/2016 budget, the City received a request for funding from the Muscatine Center for Social Action (MCSA) for their new Homeless Prevention Navigator/Homeless Prevention Program. The 2015/2016 budget included a one-time commitment of $25,000 for this program. MCSA requested continued funding for this program in 2016/2017 in the same amount of $25,000 and this amount has again been included in the budget. The City's funding amount, however, will be reduced by any grant funding that may be received for this program.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:

Economic Well-Being

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	20,000	20,000	45,000	45,000	45,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 20,000	$ 20,000	$ 45,000	$ 45,000	$ 45,000	0.00%
Funding Sources						
General Revenues	$ 20,000	$ 20,000	$ 45,000	$ 45,000	$ 45,000	0.00%

Function:	*Department:*
Community and Economic Development	**Community Development**

Activity:

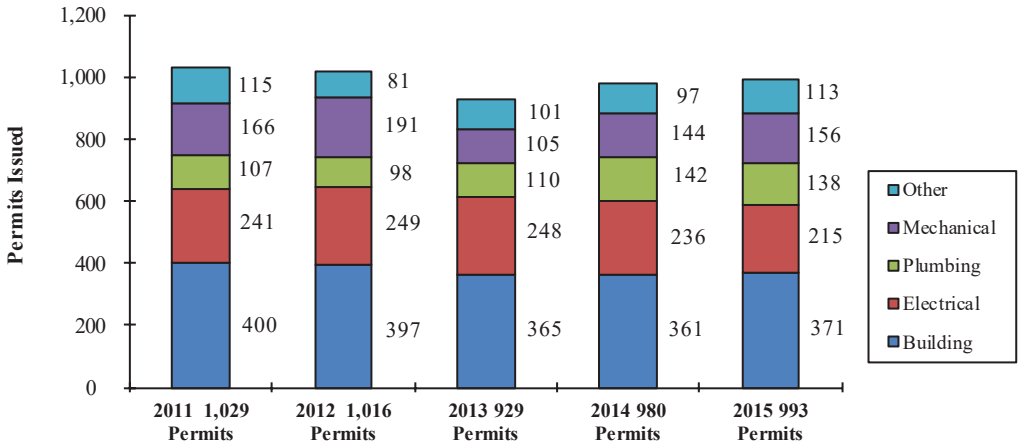
Community Development

GENERAL INFORMATION

This Community Development department is responsible for administering the zoning ordinance, building codes, the comprehensive plan, the capital improvements program, subdivisions, zoning changes, annexation reviews, and a variety of other planning and environmental functions. The department conducts building and site plan and site review for all building permit applications with respect to both building and zoning requirements including lot size, area, height, and the site plan review criteria. Also, compliance with handicap and energy code regulations is reviewed in accordance with state and local requirements. Inspections of all rental housing units are performed on a regular basis and the department conducts nuisance abatement activities in accordance with both state and local law.

During the past five calendar years, the following building-related permits were issued by the department with follow-up inspections:

Building-Related Permits by Year



Two (2) full time inspectors in this department perform on-site building and zoning inspections. The public health inspection program was also a responsibility of this department until the fall of 2015 when this function was assumed by the State. The State now licenses and inspects all restaurants and retail food establishments. The rental housing inspection program results in approximately 1,000 regular inspections each year. In addition to these inspections and related record keeping, staff of this department conduct inspections arising from complaints received and perform re-inspections of residential units found to be in violation of the adopted codes for compliance with City ordered repairs. The Community Development department also has responsibility for all nuisance abatement efforts including the weed and snow removal programs; trash, garbage, and junk removal orders; and demolition of substandard and dilapidated structures and outbuildings.

Decriminalizing violations of a number of ordinances related to building inspection activities has helped the enforcement component of the department's responsibilities. This department has also worked in conjunction with neighborhood organizations to address issues that affect the quality of life in those areas.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $22,500 less than the original budget. Personal services costs are $20,200 less than budgeted due to (1) a vacancy in the Inspector II position and the difference in wages with the new Inspector at a lower rate ($4,300 savings in wages), (2) a planned vacancy and reduction in hours from 29/week to 20/week for the new Community Services Officer position, with this savings partially offset by an interim Clerk position at 9 hours per week to assist with software conversion and other office functions ($2,100 in net savings), (3) a $10,600 savings in health insurance costs due to an employee waiving coverage, and (4) a net savings of $3,200 in pension and other benefit costs associated with the above changes. Commodities also decreased by $2,100 due to a reduction in fuel and tools and minor equipment costs.

Community development staff assignments have changed with the department no longer performing public health inspections for restaurants and retail food establishments. The Health and Housing Coordinator had been performing those inspections and with no longer doing those inspections, this position has been reclassified as an Inspector II. The Inspector II and the 29 hour per week Community Services Officer have been assigned the responsibility for rental inspections and also addressing nuisance abatements. The new 20 hour per week Community Services Officer is expected to start employment in April 2016 and will be assisting with inspections associated with building permits.

The 2016/2017 budget is $400 (.1%) less than the 2015/2016 budget. Personal services costs are only slightly ($3,400) higher than the original 2015/2016 budget primarily due to the reduction in Community Services Officer hours from 29 hours per week to 20. This reduction offset a portion of the wage increases for other staff in the department. The interim Clerk position is budgeted to continue in 2016/2017 at 9 hours per week or as needed. Commodity costs decreased by $1,700 compared to the prior year budget, contractual services decreased by $5,100, and capital outlay increased by $3,000.

GOAL STATEMENT

To provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within the City limits of Muscatine. To administer the planning and community development process in order to achieve results which will best address the social, physical, and economic needs of the City. Decisions affecting the development of the City will be based upon the application of urban planning knowledge, community standards, and expressed needs in the community. The underlying theme of these decisions is to improve conditions where the citizens of Muscatine live, work, and shop. It is the goal of the Community Development department to set the bar for consistent living, safety, and enjoyment of the City of Muscatine as a place for families and businesses to comfortably grow together and to also have a significant positive impact on the local and regions' economic vitality.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	962	987	1,007	1,200	1,000
Building Permit Fees	$271,940	$243,806	$233,909	$245,000	$260,000
Building Inspections - Electrical, Building, Plumbing, and HVAC (1)	3,882	4,481	4,951	4,500	4,500
Site and Building Plan Reviews	10	13	13	30	30
Certificates of Occupancy	16	4	17	20	30
Rental Housing Inspections	910	858	458	1,750	1,000
Rental Housing Inspection Fees	$38,300	$29,380	$21,702	$51,000	$45,000
Health Permits - Food Service (Restaurants), Retail Food Establishments (Grocery), and Hotel/Motels (2)	222	209	262	62	0
Health Permit and Citation Fees (2)	$33,718	$34,657	$44,341	$10,376	$0
Health Inspections - Food Service (Restaurants), Food Establishments (Grocery), Pre-Opening, Complaints, and Hotel/Motels (2)	236	180	100	33	0
Other Health Permits - Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	N/A	95	48	40	40
Other Health Permit and Citation Fees	$2,472	$1,685	$2,200	$2,400	$2,400
Other Health Inspections –Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	27	30	23	32	30
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	3,022	2,829	2,110	2,000	1,900
Writ of Possessions	13	18	5	13	10
Properties Posted	177	156	50	40	35
Vehicles Towed/Impounded	8	20	7	15	15
Nuisance Citations/Assessment Fees	$69,414	$77,136	$88,941	$89,000	$95,000
Planning & Zoning Commission Meetings	6	5	6	8	8
Zoning Board of Adjustment Meetings	8	8	12	12	12
Rezoning Requests Processed	4	0	1	4	4
Subdivision Requests Processed	4	5	5	5	5
Vacated Property Requests Processed	3	1	0	1	1
Community Development and Airport Grants Administered	3	4	6	10	6

1. The number of building inspections in this table is based on a formula for inspections for a new construction permit (residential 19, commercial 23, industrial 50) and for a remodel permit (residential 6, commercial 27). An electronic data system is being installed in 2015/2016 to track actual inspections.
2. Loss of health inspection to the State of Iowa in the fall of 2015.

RECENT ACCOMPLISHMENTS

This fiscal year the City created a Downtown TIF District for future hotel and retail development. The department also worked with the Greater Muscatine Chamber of Commerce and Industry (GMCCI) to assist TANX Corporation (Union Tank) with their application to the State of Iowa for a High Quality Jobs grant and with City Council to enter into a TIF agreement with TANX Corporation for their expansion in Muscatine.

The department is developing a public-private partnership with a local company to develop a multi-modal container port and transportation center with three modes of transportation including rail, truck, and a container shipyard (the only one north of St. Louis on the Upper Mississippi River). The city participated in the Bi-State and IDOT Freight Studies to justify funding and to gain State support for a multi-modal container port and transportation center in Muscatine.

Staff is evaluating the restructuring of the dock system to receive larger boats including river cruise (paddle) boats near the Pearl City Station.

The City is pursuing possible developments with China businesses to locate or base some of their operations in Muscatine.

The department is in the process of implementing a portable electronic system for field inspectors, including hardware, subscribing to software, storage, and wireless connections (when appropriate) for on-site recording of activity.

The City has submitted a Quiet Zone funding application to the State for 24/7 railroad operations through the downtown area.

Staff is developing a trail etiquette and safety media program for schools, clubs, radio, newspaper, and public access television, etc.

The City has entered into a Memorandum of Understating with the Canadian Pacific Railroad for funding up to $7,000,000 in improvements for the Mississippi Drive Corridor project to preserve capital for improvements to the southern portion of the Corridor in a few years.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

LONG AND SHORT TERM GOALS: (Community Development-Related Goals set by City Council on 12/03/15)

- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool
- Increase community awareness and engagement to "Tell Muscatine's Story"
- Attract employees that work in Muscatine, but do not live in Muscatine, to live here
- Evaluate programs and opportunities for economic development
- Market economic development programs
    - Create public signage (July 2016)
    - Work with local banks, real estate firms to promote plans and incentives (March 2016)
- Create a strategic plan to work with the State Universities to attract business developed on campuses
- Evaluate creation of a Port Authority and a Municipal Port
    - Submit LIFTS Grant (2015)
    - Conduct Feasibility Study (2016)
    - Schedule TIGER, USDOT & USEDA Grant submissions (2016/2017)
    - Conduct pilot test run and river trials (2016)
    - Work with USACOE (Corps of Engineers) to submit or transfer permits to new site (2016/2017)
    - Pursue the design and engineering of a new site (2016/2017)
    - Tentative construction (2016/2017)
- Conduct a Housing Demand Study (July 2016)
- Focus on new housing development in key areas of the City
- Mixed use, starter homes, single family, and downtown (high quality)
- Evaluate and promote opportunities and incentives for infill
- Bring technology to the field to drive efficiency
- Work with downtown businesses and residents to create a clean and inviting environment (2016)
- Promote "Pearl III" (CIAT, IISC, and place making projects)
    - Develop and maintain local amenities for residents that attract/retain a quality workforce
    - Create a marketing and funding plan (CIAT)

OTHER OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To begin the construction of the multi-modal container port.

* To begin evaluating a citywide "Green Alley" program, including funding sources, policies, etc.

* To create a Business Accelerator Program for Muscatine.

* To make progress on the Highway 38/61 corridor project.

Function:
Community and Economic Development

Department:
Community Development

Activity:

Community Development

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 553,557	$ 585,878	$ 594,400	$ 574,200	$ 597,800	0.57%
Commodities	8,567	6,584	11,100	9,000	9,400	-15.32%
Contractual Services	99,514	110,625	124,400	124,200	119,300	-4.10%
Capital Outlay	1,629	2,236	-	-	3,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 663,267	$ 705,323	$ 729,900	$ 707,400	$ 729,500	-0.05%
Funding Sources						
Community Development Revenues	$ 358,013	$ 358,942	$ 405,100	$ 393,200	$ 407,500	0.59%
Health Permits	36,342	47,524	36,000	11,400	2,500	-93.06%
Sale of Property	5,740	-	5,000	-	-	-100.00%
Project Administrative Fees	2,511	-	2,500	2,500	2,500	0.00%
General Revenues	260,661	298,857	281,300	300,300	317,000	12.69%
Total Funding Sources	$ 663,267	$ 705,323	$ 729,900	$ 707,400	$ 729,500	-0.05%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Community Development Director	1.00	1.00	1.00	1.00	1.00	
City Planner	1.00	1.00	1.00	1.00	1.00	
Senior Inspector	1.00	1.00	1.00	1.00	1.00	
Inspector II	0.67	0.67	0.67	0.92 *	1.17	
Health and Housing Coordinator	0.50	0.50	0.50	0.25 *	-	
Community Development Coordinator	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Total Full Time	6.17	6.17	6.17	6.17	6.17	
Part-Time Positions:						
Community Services Officer	0.75	0.75	1.50	1.27	1.25	
Office Clerk (Temporary Position)	0.00	0.09	0.10	0.30	0.23	
Total	6.92	7.01	7.77	7.74	7.65	$ 450,900
Employee Benefits						146,900
Total Personal Services						$ 597,800

* With no longer doing public health inspections, the Health and Housing Coordinator has been reclassified as an Inspector II as of January 1, 2016.

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Large Format Scanner	1	No	$ 2,500
Desktop Scanners	1	No	500
			$ 3,000

Function:	*Department:*
Community and Economic Development	**Legislative and Council**

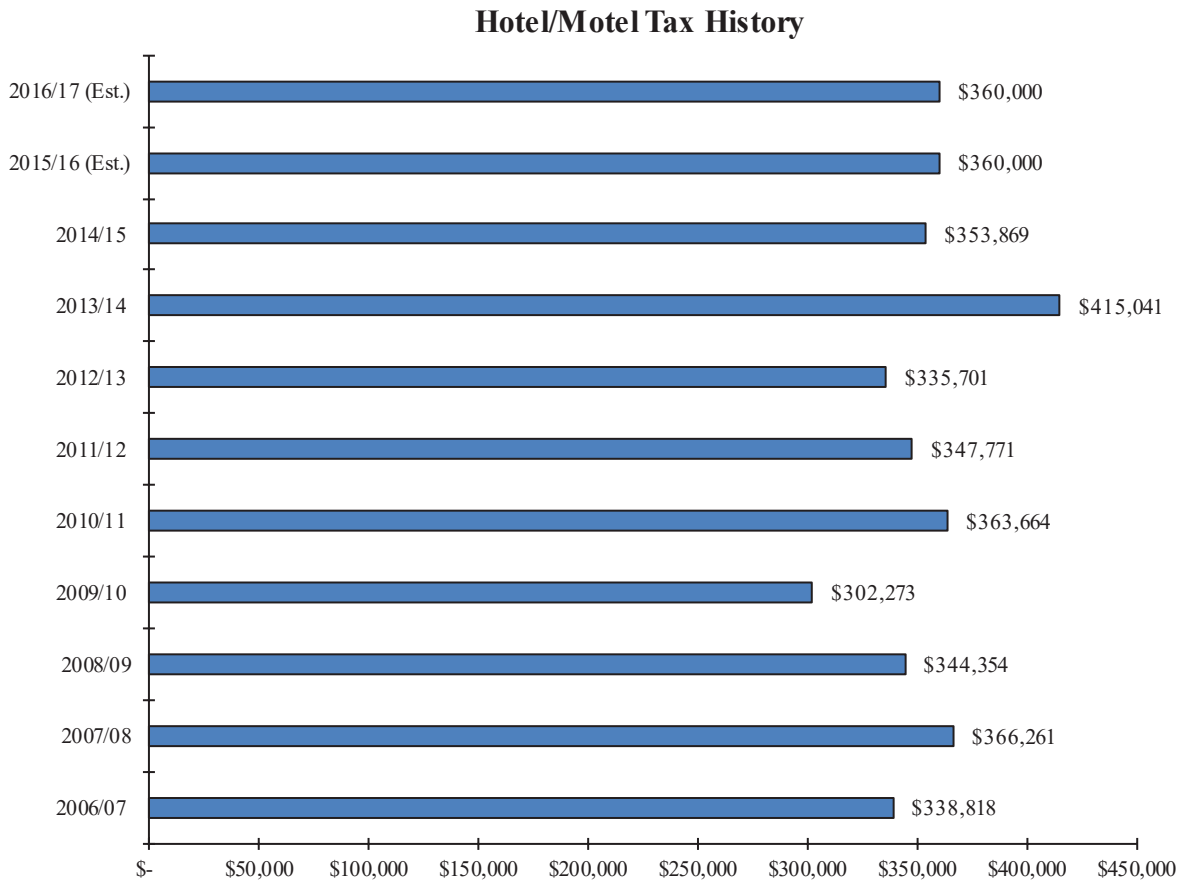
Activity:

Economic Development

GENERAL INFORMATION

The budget for this activity provides financial support for the Greater Muscatine Chamber of Commerce and Industry (GMCCI) and for the Convention and Visitors Bureau (CVB).

In 1981 the City first began to collect a hotel/motel tax of 4%. In 1991 voters approved increasing the hotel/motel tax to 7% effective April 1, 1992. The following chart shows the hotel/motel tax revenue for the last nine years as well as the estimated amounts for 2015/2016 and 2016/2017:



Through fiscal year 2012/2013, one-half of the hotel/motel tax revenue was utilized in the General Fund as general revenues and the other half was allocated to support the Art Center/Museum and the Public Library. Of the general revenue of the General Fund, the Tourism and Convention division of the Chamber of Commerce received financial support for their activities. For 2011/2012 $55,000 was included in the budget for the tourism program and that funding level was maintained for 2012/2013.

In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was established and the CVB Manager relocated to an office in the lower level of City Hall. The City provides accounting services for the CVB operation and the CVB's funds were accounted for as a discretely presented component unit of the City through the 2014/2015 fiscal year. As of June 30, 2015, the non-profit CVB was dissolved and the CVB became an enterprise fund of the City.

The 2013/2014 budget was based on changing the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts. The CVB and the City have agreed that the annual allocations to the CVB would be based on 25% of the prior fiscal year's actual hotel/motel tax receipts. The City must designate at least 50% of the hotel/motel taxes for eligible purposes in order to meet State Code requirements and the City more than meets these requirements with the 25% allocations to the Library, Art Center, and CVB.

The State Code specifically requires the following:

> "Each County or City which levies the tax shall spend at least 50% of the revenues derived therefrom for the acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining recreation, convention, cultural or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center, convention buildings, auditoriums, coliseums, and parking areas for facilities located at those recreation, convention, cultural, or entertainment facilities; for the payment of principal and interest, when due, on bonds, or other evidence of indebtedness issued by the County or City for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the City or County and surrounding areas."

CURRENT TRENDS AND ISSUES

The 2015/2016 budget included $38,000 in funding to the Greater Muscatine Chamber of Commerce and Industry (GMCCI), with $3,000 of this amount designated for hosting visitors from Muscatine's various sister cities or other international visitors. The original budget also included estimated funding to the Convention and Visitors Bureau of $103,800 which was 25% of the estimated 2014/2015 Hotel/Motel taxes. Actual 2014/2015 hotel/motel taxes, however, were less than budgeted and the revised estimate allocation to the CVB has been reduced to $88,500 (25% of actual 2014/2015 hotel/motel taxes). The original budget included an estimated $5,000 for TIF-related legal and professional services and $5,000 for economic development marketing costs. The revised estimate for the legal and professional services costs has been increased to $10,000 in the revised estimate. The revised estimate allocations total to $141,500 which is lower than the original budget of $151,800 primarily due to the CVB allocation adjustment due to the lower hotel/motel tax revenues in 2014/2015.

The 2016/2017 Economic Development budget of $141,500 includes $88,500 in estimated funding to the Convention and Visitors Bureau and $38,000 to the Greater Muscatine Chamber of Commerce and Industry (GMCCI). The budget also includes an estimated $10,000 for economic development-related legal services and $5,000 for economic development marketing costs.

GOAL STATEMENT

To provide financial assistance to various community organizations which are involved with the economic development of the City provided such development meets the overall city economic development and governmental service plans.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To work with the Chamber, Convention and Visitors Bureau, and the Community Improvement Action Team (CIAT) to develop a marking and branding initiative for the City. **(Council and Management Marketing, Communications, and Engagement Goal)**

Function:
Community and Economic Development

Department:
Legislative and Council

Activity:

Economic Development

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	120,870	158,469	151,800	53,000	53,000	-65.09%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	88,500	88,500	
Total Expenditures	$ 120,870	$ 158,469	$ 151,800	$ 141,500	$ 141,500	-6.79%
Funding Sources						
Hotel/Motel Tax	$ 83,925	$ 103,760	$ 103,800	$ 88,500	$ 88,500	-14.74%
Tax Increment Funds for Economic Development	36,945	54,709	48,000	53,000	53,000	10.42%
Total Funding Sources	$ 120,870	$ 158,469	$ 151,800	$ 141,500	$ 141,500	-6.79%

Function:
Public Works

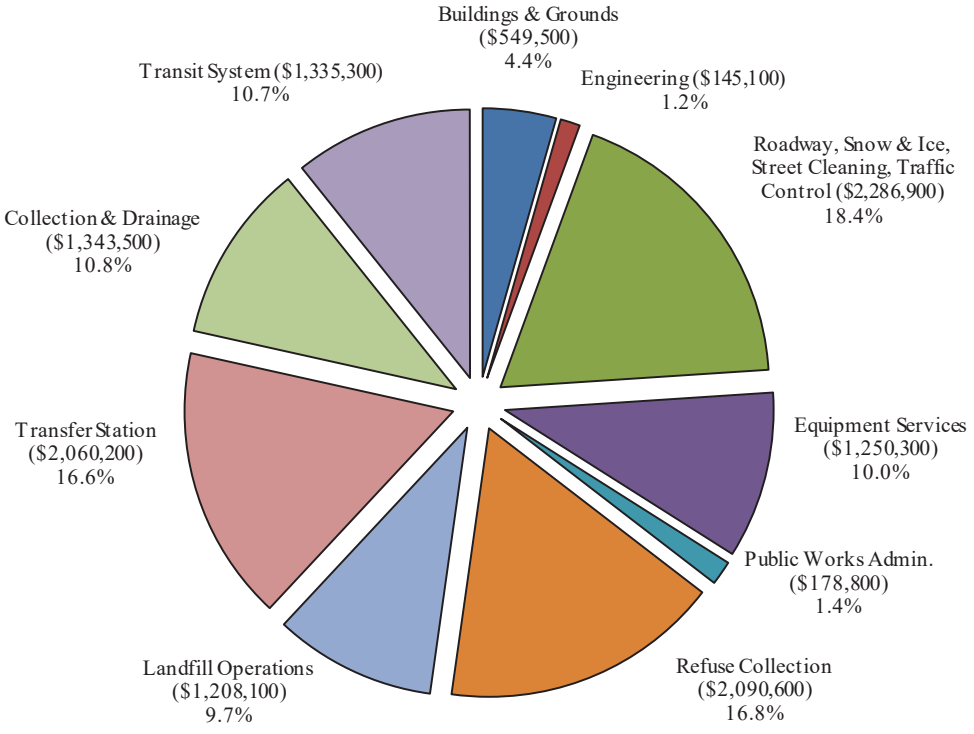
Department:
Public Works

Activity:
Public Works Administration

GENERAL INFORMATION

The Public Works Administration budget includes the costs of administrative coordination of all Public Works related activities. These activities are Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, Traffic Control, Collection and Drainage, Building and Grounds, Equipment Services, Refuse Collection, Transfer Station Operations, Landfill Operations, and the Transit System. The Public Works Director also assists in risk management as well as safety-related programs for citywide implementation. The Public Works department performs a variety of functions, many seemingly unrelated but virtually all related to the City's physical infrastructure and contribution to the quality of the urban environment. The following chart shows the budgeted operating expenditures for the various public works activities for the 2016/2017 fiscal year.

2016/2017 Public Works Budgets by Activity
$12,448,300



The Public Works Administration activity is included in the General Fund budget. However, several activities under the supervision of the Public Works Director are in the Enterprise and Internal Service Funds. These include Refuse Collection, Transfer Station, Landfill Operations, Transit System, Collection and Drainage, and Equipment Services Operations. An administrative fee is charged to Refuse Collection, Landfill Operations, Collection and Drainage, Equipment Services Operations, and the Transit System. For 2016/2017 these fees total $64,400 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $12,500 less than the original budget. Personal services costs are $16,200 less than the original budget due to the vacancy in the Public Works Director position with the retirement of the former director. The revised estimate allows for funding 50% of the Transit Supervisor's position with her appointment as Interim Director during the vacancy. The contractual services revised estimate also allows for up to $5,000 in temporary services for part-time consulting work by the former director until a permanent director is hired.

The 2016/2017 budget is $43,700 (19.6%) less than the 2015/2016 budget primarily due to a $40,900 reduction in personal services costs. The 2015/2016 personal services budget included retirement pay for the former Public Works Director and also allowed for an overlap between the former director and a new director. This accounted for most of the decrease for 2016/2017.

GOAL STATEMENT

To contribute to the health and welfare needs of the citizens of Muscatine by providing modern, efficient, and economical public works services to the community through efficient management services in the coordination of the following City activities: Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, Traffic Control, Collection and Drainage, Building and Grounds, Equipment Services, Refuse Collection, Landfill Operations, Transfer Station, and the Transit System.

PERFORMANCE MEASURES

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Operating Expenditures - All Public Works Activities	$10,925,952	$11,533,382	$12,184,377	$12,293,711	$12,448,300
Full Time Employees - All Public Works Activities	46	46	46	46	46
Part Time Employees - All Public Works Activities	28	28	28	28	28
Infrastructure Projects Under Construction	2	4	6	7	8
Infrastructure Projects Completed	1	1	2	6	0

RECENT ACCOMPLISHMENTS

Summarization of the department's activities and accomplishments are included in the separate division narratives. The Public Works department continues to take the lead on numerous infrastructure projects throughout the community.

The City Engineer and Building and Grounds Supervisor position vacancies were filled during the past year. The Public Works Director position vacancy has not yet been filled.

The Public Works department continues to advance Solid Waste/Refuse Collection programs and services (automated refuse collection vehicles, landfill regulations); Building and Grounds division facility upgrades (HVAC at the Art Center); the Transit division's possible future use of alternative fuel (CNG); the Vehicle Maintenance division's focus on preventive maintenance; Collection & Drainage's sewer separation mandate (by 2028); the Engineering division's oversight of small projects for all departments; and Roadway Maintenance's emphasis on resurfacing existing roadways. These are just a few of the many projects and services provided by the Public Works department.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* Advance the following projects **(Council and Management Projects, Programs, and Placemaking Goals):**

Streets:
a. Mulberry Avenue Reconstruction
b. Mississippi Drive Corridor Project

Trails:
a. Kent Stein Park to Deep Lakes Park Trail
b. Transfer Station Trail
c. Mad Creek Trail

Sewers:
a. West Hill Phase 3-B
b. Prepare for West Hill Phase 3-C
c. Design of West Hill Phase 4

Sidewalks:
a. Construct more "Walking School Bus" sidewalks
b. Begin Inspection Program
c. Complete ADA ramp inventory

Miscellaneous:
a. Pearl III (CIAT, IISC, and placemaking projects)
b. Pavement Management
c. Art Center HVAC
d. Airport Runway
e. CDBG Alley #1
f. Riverfront Master Plan

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 146,261	$ 149,979	$ 198,200	$ 182,000	$ 157,300	-20.64%
Commodities	1,071	1,252	2,300	2,900	2,900	26.09%
Contractual Services	10,255	8,432	10,500	13,700	7,700	-26.67%
Capital Outlay	-	6,911	-	1,500	-	
Transfers	-	-	11,500	9,900	10,900	-5.22%
Total Expenditures	$ 157,587	$ 166,574	$ 222,500	$ 210,000	$ 178,800	-19.64%
Funding Sources						
Road Use Taxes	$ 98,587	$ 105,774	$ 159,900	$ 147,400	$ 114,400	-28.46%
Administrative Fees	59,000	60,800	62,600	62,600	64,400	2.88%
Total Funding Sources	$ 157,587	$ 166,574	$ 222,500	$ 210,000	$ 178,800	-19.64%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total Full Time	1.33	1.33	1.33	1.33	1.33	$ 113,400
Employee Benefits						43,900
Total Personal Services						$ 157,300

Function:	*Department:*
Public Works	**Public Works**

Activity:

Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 128 miles of streets within the City limits. In addition, the Roadway Maintenance division maintains alleys, parking lots, and traffic signs. The division is also involved in various other projects including cleaning and replacing culverts, assisting the Refuse Collection division during clean-up week, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is slightly ($200) under the original budget.

The 2016/2017 budget is $107,400 (7.9%) less than the 2015/2016 budget primarily due to a reduced allocation for capital outlay. The $48,000 increase in personal services for 2016/2017 was more than offset by decreases of $5,000 in commodities, $5,400 in contractual services, and $145,000 in capital outlay. The personal services increase includes an $18,600 increase in health insurance and $6,200 increase in workers' compensation premiums.

The primary source of funding for the Roadway Maintenance activity is Road Use Tax funds collected by the State of Iowa and appropriated to cities based on a per capita formula. Road Use Tax funds are utilized to support the Public Works Administration, Engineering, Roadway Maintenance, Traffic Control, Street Cleaning, and Snow and Ice Control budgets. Expenditures for these six (6) activities and the right-of-way mowing program within the Park Maintenance budget are budgeted at $2,633,600 for 2016/2017. Of this amount, $2,510,900 will be funded from Road Use Taxes and $122,700 from Public Works revenues. Specific information concerning the Road Use Tax Fund is included in the Special Revenue Funds section of the City budget.

GOAL STATEMENT

To provide a safe and well-maintained street system for the efficient movement of residential, commercial, and industrial traffic, assist with the health, welfare and general appearance of the City through weed abatement, flood control assistance, and general community cleanup projects.

PERFORMANCE MEASURES

	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Miles of Streets Maintained	140	140	128	128	128
Hot Mix/Cold Mix Used	$40,000	$35,000	$35,000	$35,000	$35,000
Annual Street Resurfacing Program	.75 miles 2,000 Tons	3.1 mi. 3,067 Tons	1.8 mi. 5,986 Tons	1.8 mi. 6,000 Tons	2.0 mi. 6,500 Tons
Curb & Gutter Repair (Lineal Feet)	778 LF	137 LF	200 LF	200 LF	200 LF
Full Depth Concrete Repair (Square Yards)	2,502 SY	2,135 SY	0	2,500 SY	0
Associated Driveways (Sq Feet)	899 SF	1,910 SF	0	0	0
Number of ADA Sidewalks Installed	14 PW 82 Sewer	Colorado 10 Cedar 9 Sewer 36	23	20	20
Associated Sidewalks (Sq Feet)	763 SF	77 SF	0	0	0
Sealcoat Alleys (Sq Yards)	N/A	9,932 SY	0	0	0

RECENT ACCOMPLISHMENTS

Roadway maintenance crews have concluded another busy year. April 2015 began with spring leaf collection, rock shoulder work, alley repairs, street sweeping the winter debris, washing off salt boxes and salt trucks, and cleanup week. May brought lots of potholes, ditch cleaning, cleaning of culverts, and grading and rocking of alleys. Hot mix plants opened mid-May, so permanent pothole patching and street repairs began. There was no major flooding to deal with in 2015.

June work included the paint crew painting the Central Business District (CBD) parking stalls, crosswalks, and stop bars. Crews also painted yellow no parking curbs throughout the city. Hot asphalt patching in alleys full depth concrete patches, concrete curb repairs, and building a new trail around the Transfer Station were done in July and August. The staff member assigned to traffic signs worked throughout the summer installing new signs along Colorado Street and Cedar Street and also completed the third year of the program for replacement of regulatory signs, guide signs, and sign inspection.

August work included painting of school crossings, stop bars, and speed humps. Crews also began clearing the area for the new dog park near the Transfer Station.

September work included clearing of the Hawkeye dredge spoils site, continued work on the dog park, and working on leaf collection equipment for the upcoming season. Asphalt overlay work was also completed, along with the street striping contract work.

In October, leaf collection started and crews also started getting snow equipment ready for the upcoming season. November included leaf collection, salt treatment, brush clearing, and the first snow storm which was 6.2 inches.

December wrapped up fall leaf collection, the Holiday Stroll, sign replacement and inspections, and winter maintenance work (barricades, equipment repairs). The Roadway Maintenance staff will also start the street light pole sandblasting and repainting project in conjunction with Muscatine Power & Water.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue the ongoing maintenance portion of the Pavement Management Program funded from the 20% allocation of the Local Option Sales Tax and the recent 10-cent/gallon gas tax increase. Work will include asphalt overlay, full-depth concrete patching, sidewalks, and joint sealing of streets. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To continue meeting with the Public Works Director on scheduling and updating of projects and ongoing maintenance responsibilities.

* To convert rock/gravel alleys to ground up asphalt surfaced alleys. This will reduce grading and provide a smoother, harder surface for both water runoff and snow plowing. It should also provide a better base for future sealcoating/slurry coat treatments.

* To work with the Public Works Director on the dTIMS software.

Function:
Public Works

Department:
Public Works

Activity:

Roadway Maintenance

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 743,064	$ 765,823	$ 780,200	$ 781,700	$ 828,200	6.15%
Commodities	117,318	93,421	120,400	115,400	115,400	-4.15%
Contractual Services	231,721	239,134	241,900	251,700	236,500	-2.23%
Capital Outlay	123,168	85,976	211,500	205,000	66,500	-68.56%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,215,271	$ 1,184,354	$ 1,354,000	$ 1,353,800	$ 1,246,600	-7.93%
Funding Sources						
Road Use Taxes	$ 1,163,167	$ 1,162,081	$ 1,318,200	$ 1,325,500	$ 1,218,300	-7.58%
Diesel Reduction Grant	18,972	-	-	-	-	
Street Revenues	27,710	18,521	35,000	27,500	27,500	-21.43%
Other	5,422	3,752	800	800	800	0.00%
Total Funding Sources	$ 1,215,271	$ 1,184,354	$ 1,354,000	$ 1,353,800	$ 1,246,600	-7.93%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position/Position Allocations:						
Street Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Street Maintenance Leadworker	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	3.00	3.00	3.00	3.00	3.00	
Equipment Operator II	4.00	3.58	3.00	5.00	5.00	
Equipment Operator I	2.00	2.42	3.00	1.00	1.00	
Maintenance Worker II	0.10	0.10	0.10	0.10	0.10	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total	11.43	11.43	11.43	11.43	11.43	$ 513,700
Employee Benefits						314,500
Total Personal Services						$ 828,200

Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Concrete Grinding			$ 50,000
Morgan Building Doors	2	Yes	16,500
			$ 66,500

Function:	*Department:*
Public Works	**Public Works**

Activity:

Traffic Control Operations

GENERAL INFORMATION

The Traffic Control Operations activity was established to separately account for traffic control activities including street striping, street signs, and various other traffic control functions.

In most communities this activity would be funded at a substantially higher level. However, in Muscatine the municipally owned utility, Muscatine Power and Water, provides direct benefits to the general city operation by providing all street lighting including installation, maintenance, and operating costs. All maintenance and operational costs for traffic signals are paid by the utility with the exception of two traffic signals located outside of the utility's service district. These services are provided in lieu of a payment in taxes to the City.

CURRENT TRENDS AND ISSUES

The revised estimate for 2015/2016 is over the budgeted amount by $3,100 primarily due increased repair and maintenance supplies and services.

The 2016/2017 budget is $22,700 (14.1%) more than the 2015/2016 budget primarily due to an increased allocation for capital outlay and increased personal services costs. Capital outlay for 2016/2017 increased by $20,500 and personal services increased by $4,100. These increases were partially offset by a decrease of $1,900 in contractual services. The capital requests for 2016/2017 include $10,000 for three blinking LED stop signs proposed to initially be placed at the intersection of Cedar and Parham. These can be moved as needed to other changing intersections.

GOAL STATEMENT

To provide for the efficient and safe movement of vehicular and pedestrian traffic through the painting of street markings, fabrication, replacement and maintenance of street name and traffic signs, and to cooperate with Muscatine Power and Water to develop, maintain, and operate the street and traffic light system.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Number of Street Signs Maintained	5,673	5,563	5,960	5,960	5,960
Number of New Signs Installed	110	34	96	80	80
Lineal Feet of Street Striping	289,979	320,592	316,816	325,000	325,800
Number of Stop Bars Painted	307	317	311	331	331
Number of Arrows Painted	298	313	421	417	425
Number of Handicapped Stalls Marked	89	89	92	92	92
Number of Regular Parking Stalls Painted	2,627	2,621	2,632	2,632	2,632
Number of Crosswalks Painted	218	231	249	270	270
Number of Railroad Crossings Painted	31	37	37	37	37
Traffic Committee Meetings	21	20	23	24	24
Number of Signs Removed	62	80	24	55	55
Number of Sign Posts Maintained	4,199	4,133	4,273	4,273	4,273
Number of Speed Humps Painted	19	17	16	14	14
Lineal Feet of Hash Mark Yellow	N/A	N/A	2,869	2,869	2,869
Lineal Feet of Yellow Island Border	N/A	N/A	12,590	12,590	12,590
Lineal Feet of Hash Mark White	N/A	N/A	121	121	121
Lineal Feet of White Island Border	N/A	N/A	328	328	328
Lineal Feet of White Island Curb	N/A	N/A	142	142	142
Number of Yellow No Parking Curb	N/A	N/A	140	140	140

RECENT ACCOMPLISHMENTS

The street striping program started in late July and was completed in early October. Weikert Contracting again paint-striped city streets this year. City crews painted crosswalks and parking stalls in the Central Business area and also painted all the crosswalks and stop bars in school areas in early August. City crews also painted yellow no parking curbs throughout the city.

Sign replacement continued with staff finishing year three of the 3-year program for replacement of regulatory, warning, and ground-mounted guide signs. This division also installed new signs and posts along the recently reconstructed Cedar Street and Colorado Street. Staff continued to repair and replace broken sign posts and bent signs, along with trimming tree branches around signs for site distance and sign inspections.

The Traffic Committee continues to meet semi-monthly to address issues and problems that come up or that have been brought to member's attention during the year.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To complete Year 1 of the five-year plan for replacement of street name signs. Along with replacement of the street name signs, crews are working on adding the street name signs to current stop sign posts instead of using separate posts as had been done in the past.

* To implement Year 2 of the street name sign replacement program. There will be 2,289 signs left that will need replaced to comply with the mandate by the Iowa Department of Transportation (IDOT) and Federal Highway (FHWA) regulations.

* To continue to have the Traffic Committee meet semi-monthly to address issues and problems that come up or that have been brought to member's attention during the year.

* To evaluate removing the speed bumps on Weir Street and Sunset Drive.

Function:
Public Works

Department:
Public Works

Activity:

Traffic Control

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 63,932	$ 66,993	$ 72,900	$ 73,000	$ 77,000	5.62%
Commodities	14,848	9,750	16,300	17,400	14,400	-11.66%
Contractual Services	58,812	56,569	63,000	64,000	63,000	0.00%
Capital Outlay	17,884	39,134	9,300	10,200	29,800	220.43%
Transfers	-	-	-	-	-	
Total Expenditures	$ 155,476	$ 172,446	$ 161,500	$ 164,600	$ 184,200	14.06%
Funding Sources						
Road Use Taxes	$ 155,476	$ 172,446	$ 161,500	$ 164,600	$ 184,200	14.06%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	$ 48,500
Employee Benefits						28,500
Total Personal Services						$ 77,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Street Name Signs - Year 2	560	Yes	$ 9,200
Air Operated Post Pounder	1	No	3,600
Blinking LED Stop Signs	3	No	10,000
Lighted Type II Barricades	100	Yes	7,000
			$ 29,800

Function:	*Department:*
Public Works	**Public Works**

Activity:

Snow and Ice Control

GENERAL INFORMATION

This activity accounts for the cost of snow and ice removal from the streets of Muscatine as well as the spreading of salt and sand. The City has designated certain streets as snow emergency routes for priority snow removal prior to cleaning residential streets with low density traffic. In addition, the City has specific salt and sand routes for secondary consideration. The City continues to utilize the salt dome which was a joint City/County project. The City also has a separate salt facility that was completed in 2005.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is $70,300 less than the original budget primarily due to needing to purchase only one barge load of salt instead of the two allowed for in the original budget.

The 2016/2017 budget is $45,700 (9.5%) less than the original 2015/2016 budget primarily due to a reduced allocation for capital outlay. The 2016/2017 budget again includes funding for the purchase of two barge loads of salt.

The budget for 2000/2001 first included funding for an outside contractor to provide snow removal services in the downtown area. A history of the contracted downtown snow removal costs and the number of snow events each year is as follows:

	Cost	Snow Events
2000/2001	$41,503	24
2001/2002	17,250	10
2002/2003	10,560	12
2003/2004	27,976	13
2004/2005	9,200	9
2005/2006	14,038	9
2006/2007	17,615	9
2007/2008	55,805	23
2008/2009	60,225	25
2009/2010	37,870	21
2010/2011	64,670	15
2011/2012	12,120	12
2012/2013	25,245	11
2013/2014	51,495	26
2014/2015	48,455	14

The 2015/2016 revised estimate and 2016/2017 budget each include $50,000 for contracted snow removal in the downtown area.

GOAL STATEMENT

To provide a safe street system during the winter months through efficient and effective snow and ice removal and control procedures.

PERFORMANCE MEASURES

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Number of Storms	11	26	14	17	17
Tons of Salt Used (includes 50/50 mix)	1,854	2,887	2,060	2,000	2,000
Tons of Sand Used	91	200	187	200	200
Tons of Cinders (includes mixed tonnage in 50/50)	187	808	0	0	0
Gallons Calcium Chloride Used	3,406	4,400	1,955	2,000	2,000

RECENT ACCOMPLISHMENTS

The first snow storm of the 2014/2015 winter was November 15th. One inch of snow fell and one salt application melted it away. There were only two snow storms in November. December was very quiet with no snow. In January there were a total of 9 storms, 26.8" of snow, and a 1" ice storm. The two big events were January 5th and January 31st. On January 5th there was 7.1" of snow and temperatures were in the single digits making a wind chill of -16 degrees. On January 31st there was 12.8" of snow. In February things slowed down and there were just two storms and 6.9" of snow. There was only one storm in March which was a snow with freezing rain that amounted to 2" of slush.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to use the "Lean" principles to look for better communication flow between the equipment operators and Muscom (Muscatine City/County Joint Communications Center) to law enforcement (i.e. Snow Emergency Ordinance and ticketing/towing). **(Council and Management Continuous Service Improvement Goal)**

* To continue to hold pre-event/post-event meetings for every winter storm which will include Public Safety personnel, City maintenance staff, snow plow drivers, Muscatine School maintenance staff, and others. **(Council and Management Continuous Service Improvement Goal)**

Function:
Public Works

Department:
Public Works

Activity:

Snow and Ice Control

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 138,827	$ 95,719	$ 84,900	$ 83,800	$ 84,200	-0.82%
Commodities	239,127	262,590	212,100	142,100	212,100	0.00%
Contractual Services	114,161	101,605	118,400	119,200	118,400	0.00%
Capital Outlay	30,619	34,538	66,000	66,000	21,000	-68.18%
Transfers	-	-	-	-	-	
Total Expenditures	$ 522,734	$ 494,452	$ 481,400	$ 411,100	$ 435,700	-9.49%
Funding Sources						
Road Use Taxes	$ 460,228	$ 487,018	$ 475,900	$ 406,100	$ 430,700	-9.50%
Reimbursement of Expenses	62,506	7,434	5,500	5,000	5,000	-9.09%
Total Funding Sources	$ 522,734	$ 494,452	$ 481,400	$ 411,100	$ 435,700	-9.49%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Equipment Operator III	N/A	N/A	N/A	N/A	N/A	
Equipment Operator II	N/A	N/A	N/A	N/A	N/A	
Equipment Operator I	N/A	N/A	N/A	N/A	N/A	
Total	N/A	N/A	N/A	N/A	N/A	$ 45,000
Employee Benefits						39,200
Total Personal Services						$ 84,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
10 Foot Stainless Steel Salt Box	1	Yes	$ 21,000

Function:	*Department:*
Public Works	**Public Works**

Activity:

Street Cleaning

GENERAL INFORMATION

The Street Cleaning activity involves the operation of the City's street sweepers and the leaf collection program. The street cleaning operation functions primarily on streets with curbs and gutters and in the downtown commercial areas. Two (2) employees are involved in the operation utilizing two (2) machines. One machine is operated in the Central Business District, alleys, and narrow locations with the other machine used in other areas of the City. During the winter season the equipment operators supplement the snow and ice removal crews. The City's Street Cleaning operation is hindered substantially in its effectiveness as a result of the amount of on-street parking permitted throughout the City and the elimination of the night sweeping program because of machine noise. Further, the addition of new curb and guttered hard surface streets adds to the miles of streets which require street sweeping maintenance.

The City has four leaf vacuum units in addition to four leaf boxes, which can be mounted on existing dump trucks. This equipment has greatly improved the City's ability to pick up leaves as a service to residents and has helped keep leaves out of the City's sewer system. This service continues to be very popular.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate is over the budgeted amount by $9,200 primarily due to increased street sweeper maintenance costs.

The 2016/2017 budget is $230,600 (121.5%) more than the 2015/2016 budget. This increase is primarily due to the $226,000 allocation for a new street sweeper. Personal services also increased by $5,100 and commodities decreased by $500. The 2016/2017 budget again includes funds for renting one additional street sweeper in the spring of 2017.

GOAL STATEMENT

To contribute to the health, welfare and appearance of the City through a systematic program of street sweeping and leaf removal.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Miles of Streets Cleaned with Sweeper	89	89	89	89	89
Employee Hours for Leaf Program	991	800	904	900	900
Temporary Employee Hours for Leaf Program	2,001	1,462	1,737	1,750	1,750
Fall Leaf Loads	330	227	265	265	265
Spring Leaf Loads	N/A	N/A	10	10	10

RECENT ACCOMPLISHMENTS

The Public Works department again rented additional sweepers to help with cleaning up city streets in the spring of 2015. This work started April 6th and finished April 17th. Over 700 tons of debris was swept from the streets and it was hauled to the landfill to use to cover trash. Crews were able to sweep every street in the city during this two-week period.

Spring leaf pickup ran from April 6th through April 10th. After that week leaves were picked up on Fridays for residents that called in to request this service. This service is helpful as it keeps leaves from clogging up storm inlets.

Fall leaf pickup started October 12, 2015. This year the heavy leaf fall started at the end of October. Crews kept busy working to keep up. There were several issues with finding reliable temp employees this year. Leaf collection was completed December 7th. Crews were able to make three complete rounds on the city streets this fall.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To continue to sweep all streets and bridges twice per year.

* To train two more operators to run and take care of both of the city sweepers.

* To address future Central Business District street cleaning as it complements the Mississippi Drive Corridor Project.

Function:
Public Works

Department:
Public Works

Activity:

Street Cleaning

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 105,520	$ 111,927	$ 122,600	$ 122,700	$ 127,700	4.16%
Commodities	9,315	9,704	10,400	10,000	9,900	-4.81%
Contractual Services	58,913	62,040	56,800	66,300	56,800	0.00%
Capital Outlay	-	34,733	-	-	226,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 173,748	$ 218,404	$ 189,800	$ 199,000	$ 420,400	121.50%
Funding Sources						
Road Use Taxes	$ 173,748	$ 218,404	$ 189,800	$ 199,000	$ 420,400	121.50%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Equipment Operator I	0.75	0.90	0.90	0.90	0.90	
Equipment Operator II	1.00	1.00	1.00	1.00	1.00	
Total Full Time	1.75	1.90	1.90	1.90	1.90	
						$ 85,000
Employee Benefits						42,700
Total Personal Services						$ 127,700

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Street Sweeper	1	Yes	$ 226,000

Function:	*Department:*
Public Works	**Public Works**

Activity:

Engineering Operations

GENERAL INFORMATION

The Engineering division includes the City Engineer position with the City contracting for outside engineering services for the design of major projects and also for engineering inspection services for specific projects. The cost of the contracted engineering services are charged directly to each project. The City Engineer also charges a portion of his time to the City's various capital improvement projects and Road Use Taxes fund the portion of his time not directly charged to projects.

CURRENT TRENDS AND ISSUES

The revised estimate for the Engineering division is $14,900 more than the original budget primarily due to a $13,300 increase in personal services costs. This increase is due to the new City Engineer being hired at a higher step than what was included in the original budget. The revised estimate also includes wages for the summer intern that was originally budgeted in contractual services for an intern hired through a temporary services agency. Other increases in the revised estimate include increases for tools and minor equipment and repair and maintenance services.

The budget for 2016/2017 is $19,800 (15.8%) higher than the original 2015/2016 budget and $4,900 (3.5%) higher than the 2015/2016 revised estimate due to increased personal services costs.

GOAL STATEMENT

To provide technical engineering services for public works infrastructure, coordinate construction activities of existing public works features, participate in review and evaluation of requests for new services, and provide information on request where municipal engineering is involved.

PERFORMANCE MEASURES

	Last Half		FY
	2015-2016		2016-2017
INTERNAL PROJECTS			
CP Rail Coordination and Permits as needed.	X		X
USACE (Corps of Engineers) Coordination and Permits as needed	X		X
Bruner Field Bank Stabilization, USACE (Corps) Permit	X		
Harbor Dredging, USACE (Corps) Permit	X		
Slough Development, Coordinate with Parks, Permits as needed			X
Area Silt Basin, Coordinate with Streets, Permits as needed			X
Sidewalk Program, Coordinate with Streets, Prepare Design Documents			X
Street Overlay Program, Support Street Department with Project.			X
Cleveland Street, Support Street Department with Project, Develop Design Alternatives			X
Brook Street, Support Sewer and Street Departments with CP Rail Permit Coordination	X		
Mad Creek Trail Repair, provide assistance to Street Department	X		
Transfer Station Trail, assist Street Department for In-House Work to Complete including Bridge	X		
Trail repairs along Riverfront from Millennium Plaza to Pearl City Station, Coordinate with Parks,	X		
and USACE (Corps)			
City Point of Contact with Project Management Team	X		X
Levee, Coordinate with USACE (Corps) and other Stakeholders, GPC and MPW	X		X
EXTERNAL PROJECTS			
West Hill Phase 4, Coordinate Design, Support Sewer division	X		X
Merrill Hotel, Coordinate and Support City Staff on Issues	X		X
HNI Project, Coordinate and Support City Staff on Issues	X		X
Mulberry Avenue Reconstruction, Management of Consultant, ROW Acquisition, Coordinate	X		X
with Staff			
Mississippi Drive Corridor Project, Management of Consultant, Coordinate with Staff	X		X
Grandview Avenue NEPA Study, Management of Consultant, Coordinate with Staff	X		X
Kent Stein Park to Deep Lakes Park Trail, Management of Consultant, Coordinate with Staff,	X		X
County, and County Conservation			
Airport Runway Reconstruction, Coordinate with Project Management Team	X		X
West Hill Phase 3B, Coordinate with Project Management Team	X		X
CDBG, Coordinate Construction with Project Management Team	X		
Lake Park Blvd. Bridge, Start Design Process, Start to Define Funding Sources			X
GENERAL RESPONSIBILITIES			
Site Plan Review and resulting Inspections of Completed Sites	X		X
Traffic Committee, provide technical coordination to committee	X		X
Trail Committee, provide technical coordination to committee	X		X
Bi-State Regional Planning, liaison with Bi-State, coordinate with other members	X		X
Levee Inspections, monitor completion of defects identified by USACE (Corps)	X		X
Rodent Control Contract, on Levees the City is responsible for	X		X

RECENT ACCOMPLISHMENTS

In November of 2014, the City Engineer's position was filled on a contractual basis following the resignation of the former engineer. The Engineer became a full time City employee in June of 2015.

The design, bid letting, and construction of Diana Queen Drive and the 2015 Sidewalk Program were completed on schedule. The Kent-Stein Park to Deep Lakes Park Trail project was revised and rerouted using a negotiated right-of-way.

The City Engineer assisted sewer maintenance and Water Pollution Control staff in getting the under the levee piping plugged and inspected to meet the Corps of Engineers requirements for levee certification. He also assisted the roadway maintenance division in multiple projects from trail construction to sidewalk compliance inspections.

The Engineer assisted with the Request for Proposals for the Mississippi Drive Corridor Project, was part of the selection committee, and continues to provide coordination with the selected consultant. He assisted with the selection of a consultant and with managing the design of the Mulberry Avenue Street Improvement project from Houser Street to Palms Drive. He also coordinated with HNI and the Merrill Hotel for their development projects, along with other city staff.

The City Engineer applied for three Corps of Engineers permits needed by the City; applied for two CP Rail permits; and revised and resubmitted one CP Rail permit for other City departments. He also developed a site plan process where sewer and street division staff have an opportunity to review the plans prior to the actual site plan review.

The Engineer also continued the work necessary for construction completion and coordinated with the FHWA and IDOT for final construction closeout paperwork for both the Colorado and Cedar Street Projects. He assisted in the acquisition of three parcels of property prior to start of the Mulberry Project and implemented work-in-kind savings for the FAA grant for the upcoming Airport Reconstruction project. He also serves on the City's Traffic Committee.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017

* To manage the Project Development Team for capital projects of the City including the Mississippi Drive Corridor, Grandview Avenue, Airport Reconstruction, Kent Stein Park to Deep Lakes Park Trail, and other projects.

* To serve as liaison between the Project Development Team and the City.

* To assist other departments with projects involving engineering (Parks Slough Rip Rap project, Water Pollution Control Dredge Line project, etc.)

* To design and construct the 2016 Sidewalk Program.

* To assist the Roadway Maintenance division with the 2016 Pavement Management project.

* Working with the City Administrator and Finance department, review and recommend improvements to the cost/quantity overrun policy.

Function:
Public Works

Department:
Public Works

Activity:

Engineering Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 117,781	$ 60,078	$ 107,100	$ 120,400	$ 125,600	17.27%
Commodities	1,835	584	2,700	3,500	3,200	18.52%
Contractual Services	10,671	32,635	15,500	16,300	16,300	5.16%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 130,287	$ 93,297	$ 125,300	$ 140,200	$ 145,100	15.80%
Funding Sources						
Engineering Fees	$ 63,957	$ 16,891	$ 20,000	$ 25,000	$ 25,000	25.00%
Road Use Tax	66,330	76,406	105,300	115,200	120,100	14.06%
Total Funding Sources	$ 130,287	$ 93,297	$ 125,300	$ 140,200	$ 145,100	15.80%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	$ 91,700
Employee Benefits						33,900
Total Personal Services						$ 125,600

Function:	*Department:*
Transfers	**City Administrator**

Activity:

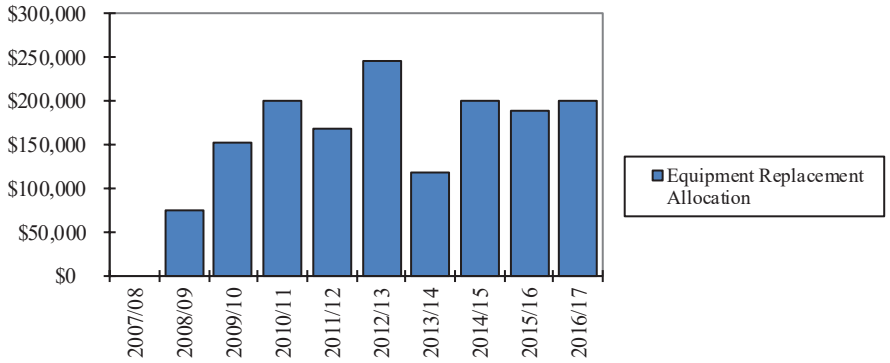
Equipment Replacement Transfer

GENERAL INFORMATION

The Equipment Replacement Fund was established in an effort to provide a more systematic method of replacing equipment and leveling the cost of replacing such equipment. This activity has funded equipment replacements in the General Fund with the exception of equipment eligible for Road Use Tax funding. Equipment to be replaced in the Enterprise Funds is funded directly from each Enterprise activity.

A comprehensive inventory of all equipment currently owned by the City including autos, pickup trucks, dump trucks, heavy equipment, and other miscellaneous equipment has been completed in an effort to assess the overall condition of the City's inventory. Staff has developed a replacement and cost schedule for each piece of equipment. An equipment maintenance cost program has also been developed and is used in conjunction with the replacement schedule to determine the most cost effective and economical time to replace City equipment.

Annual funding transfers have normally been made from the General Fund to fund current requirements and to anticipate and prepare for future equipment replacement needs. Over the last ten years these amounts have ranged from zero in 2007/2008 to $245,000 in 2012/2013. A history of funding levels is shown in the following chart. It should be noted that this chart only reflects the regular transfers to the Equipment Replacement Reserve. As such, it does not include the funding transfer in 2012/2013 specifically designated for the purchase of a new fire engine at a total cost of $497,000 and the $148,500 allocation for a new ambulance in 2015/2016.



CURRENT TRENDS AND ISSUES

Due to funding limitations no transfer to this reserve from the General Fund was budgeted in 2007/2008. For 2007/2008 capital equipment items totaling $126,700 were funded from the June 2008 general obligation bond issue. For 2008/2009 a funding allocation of $75,000 was included in the budget and the funding transfer increased to $152,300 in 2009/2010, further increased to $200,000 in 2010/2011, decreased to $168,900 for 2011/2012, increased to $245,000 for 2012/2013, decreased to $117,000 for 2013/2014, and increased to $200,000 for 2014/2015. The budgeted transfer for 2015/2016 is $188,000 and $200,000 is budgeted for 2016/2017.

The transfer for 2015/2016 provides funding of $42,000 for a new police supervisor vehicle, $41,000 for a mower for Weed Park, and $32,200 for a pickup truck for Park Maintenance. The 2015/2016 transfer also increased the Equipment Replacement fund balance in anticipation of future year vehicle and equipment needs, including the replacement of five police vehicles in 2016/2017.

The 2015/2016 budget also included an additional one-time transfer of $148,500 specifically designated to replace an ambulance. The fund balance in the Ambulance fund was not sufficient for this purchase and a portion of the General Fund balance in excess of the minimum General Fund balance per the City's policy was budgeted for this purchase. The General Fund Balance Policy provides that one-time purchases can be made from funds in excess of the policy minimum.

The transfer for 2016/2017 and a portion of the Equipment Replacement fund balance will provide a total of $310,700 of funding for four new police squad cars ($151,000), a new 4-wheel drive police vehicle ($51,700), a truck with lift gate for the Building and Grounds division ($38,000), a zero turn mower for the cemetery ($10,000), and a one-ton truck for the Park Maintenance division ($60,000).

Additional information on the Equipment Replacement Fund is included in the Special Revenue Funds section of this document.

Function:
Transfers

Department:
City Administrator

Activity:

Equipment Replacement Transfer

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	117,000	200,000	336,500	336,500	200,000	-40.56%
Total Expenditures	$ 117,000	$ 200,000	$ 336,500	$ 336,500	$ 200,000	-40.56%
Funding Sources						
General Revenues	$ 117,000	$ 200,000	$ 336,500	$ 336,500	$ 200,000	-40.56%

Function:	*Department:*
Transfers	**City Administrator**

Activity:

Transit Subsidy

GENERAL INFORMATION

The Muscatine City Transit System has provided public transportation for all citizens of the community since 1981. State law permits the City to levy up to $.95 per $1,000 of assessed valuation for Public Transportation outside the $8.10 General Fund limitation. Tax monies are transferred to the Transit System Enterprise Fund to support transit operations.

CURRENT TRENDS AND ISSUES

The 2015/2016 budget included a tax levy of $.30282 per $1,000 of valuation for public transportation which will generate $250,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

The transit tax levy rate for 2016/2017 has been decreased to $.23071 per $1,000 of valuation which will generate $200,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement). This lower tax rate is possible due to (1) reduced bus maintenance costs, (2) lower fuel costs, (3) a transit fare increase effective July 1, 2015, and (4) a sufficient Transit fund balance.

More information on the Transit Operation is included in the Enterprise Funds section of this document.

Function:
Transfers

Department:
City Administrator

Activity:

Transit Subsidy

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	380,401	301,667	250,000	250,000	200,000	-20.00%
Total Expenditures	$ 380,401	$ 301,667	$ 250,000	$ 250,000	$ 200,000	-20.00%
Funding Sources						
Transit Tax Levy	$ 378,689	$ 293,293	$ 236,525	$ 236,525	$ 190,005	-19.67%
Utility Tax Replacement Excise Tax	1,712	1,241	1,023	1,023	737	-27.96%
Commercia/Industrial State Reimbursement	-	7,133	12,452	12,452	9,258	
Total Funding Sources	$ 380,401	$ 301,667	$ 250,000	$ 250,000	$ 200,000	-20.00%

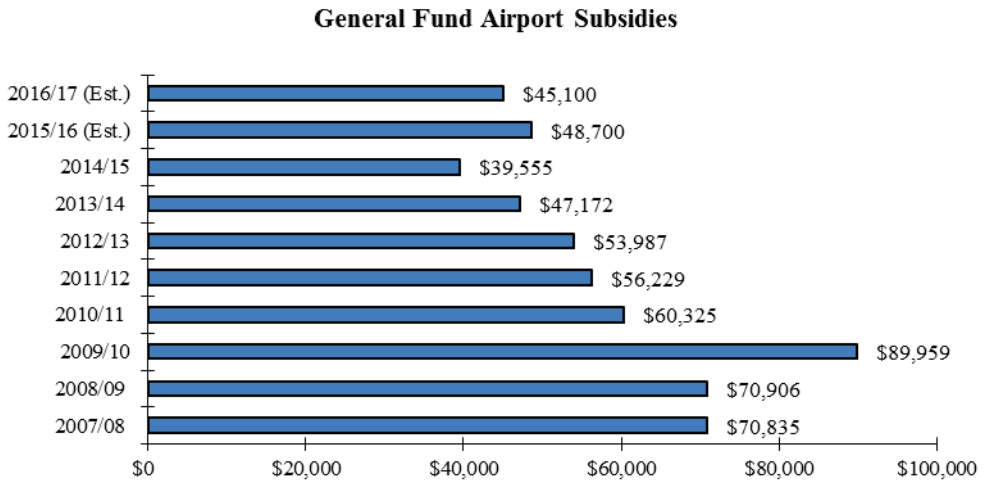
Function:	*Department:*
Transfers	**City Administrator**

Activity:

Airport Operations Subsidy

GENERAL INFORMATION

The Municipal Airport operation has been designated as an Enterprise Fund for budgeting purposes. As such, it has been necessary to make subsidy transfers from the General Fund as expenses incurred exceed revenues received from the operation. A summary of General Fund transfers since fiscal year 2007/2008 follows:



The General Fund subsidy has ranged from approximately $40,000 to $90,000 during the past ten years. The fluctuations in the subsidies were due to costs of repair and maintenance of airport facilities and navigational equipment, capital outlay costs, and changes in farm prices which are linked to the rental land which helps support the Airport Operation.

CURRENT TRENDS AND ISSUES

The 2015/2016 revised estimate subsidy of $48,700 is $900 more than the original budget amount. Revised estimate expenditures are $900 more than the original budget and revised estimate revenues are the same in total as the original budget.

The budgeted subsidy for fiscal year 2016/2017 of $45,100 is $2,700 (5.7%) less than the original 2015/2016 budget. A full review of the airport operation is included in the Airport Operations budget in the Enterprise Funds section of this document.

As the Municipal Airport is an integral part of the community and plays an important role in the economic development of the City, it is anticipated that the General Fund will continue to subsidize this operation in the future.

Function:
Transfers

Department:
Community Development

Activity:

Airport Operations Subsidy

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	47,172	39,555	47,800	48,700	45,100	-5.65%
Total Expenditures	$ 47,172	$ 39,555	$ 47,800	$ 48,700	$ 45,100	-5.65%
Funding Sources						
General Revenues	$ 47,172	$ 39,555	$ 47,800	$ 48,700	$ 45,100	-5.65%

Function:	*Department:*
Transfers	**City Administrator**

Activity:

Levee Project Subsidy

GENERAL INFORMATION

The State Code of Iowa allows cities in the State to levy up to $.0675 per $1,000 of valuation for a levee improvement fund in special charter cities. A project was completed in 2000 which increased flood protection along the Mississippi River in Muscatine. The U.S. Army Corps of Engineers contracted for the improvements and provided funding of 80% of project costs with the remaining costs funded by the City of Muscatine. The levee tax levy has been used since 1996/97 to generate tax funding for a portion of the local costs of this project and is also being used to fund a portion of the local cost of the Mad Creek Flood Control/Levee project completed in December of 2012.

CURRENT TRENDS AND ISSUES

From 1996/97 through 2015/2016 the City of Muscatine levied the maximum tax rate of $.0675 per $1,000 of valuation to fund a portion of the local costs of the levee improvement projects. This levy rate (including the utility replacement excise tax and the commercial/industrial State reimbursement) will generate $55,726 in 2015/2016. For 2016/2017 the City was able to reduce the levee tax rate to $.01923 per $1,000 of valuation which will generate $15,900 (including the utility replacement excise tax and the commercial/industrial State reimbursement). The 2015/2016 and 2016/2017 levies are being used to fund the remaining portion of the local share of the Mad Creek Flood Control/Levee project. The final phase of this project was completed in December 2012. The City chose to designate future Levee tax levy funds instead of additional bond financing to complete the financing for the remaining portion of the City's share of project costs. This tax levy is also being used to fund other levee-related costs including funding for levee inspection and certification services. Levee taxes are required to be received in the General Fund and transferred to levee improvement capital project funds.

Function:
Transfers

Department:
City Administrator

Activity:

Levee Project Subsidy

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	53,964	55,387	55,726	55,726	15,900	-71.47%
Total Expenditures	$ 53,964	$ 55,387	$ 55,726	$ 55,726	$ 15,900	-71.47%
Funding Sources						
Levee Tax Levy	$ 53,721	$ 55,159	$ 52,723	$ 52,723	$ 15,064	-71.43%
Utility Tax Replacement Excise Tax	243	228	227	227	63	-72.25%
Commercial/Industrial State Reimbursement	-	-	2,776	2,776	773	
Total Funding Sources	$ 53,964	$ 55,387	$ 55,726	$ 55,726	$ 15,900	-71.47%

Function:	*Department:*
Transfers	**City Administrator**

Activity:

Assigned Funding Allocations

GENERAL INFORMATION

Governmental Accounting Standards Board Statement 54 was effective for the City's fiscal year ended June 30, 2011. This Statement provided for clearer, more structured fund balance classifications and clarified the definitions of each fund type. This statement provides that the fund balances of governmental funds, including the General Fund of governmental entities, be classified into nonspendable, restricted, committed, assigned, and unassigned amounts.

The 2012/2013 General Fund budget included three assigned funding allocations (1) COPS grant future funding commitment, (2) Fire engine replacement, and (3) City financial software replacement. The Fire engine and the financial software were purchased in 2012/2013. The funding assignments in 2013/2014 and 2014/2015 were for the COPS grant future funding commitment.

Police COPS Grant Future Funding Commitment

In 2011 the City was awarded funding for two police officer positions under a U.S. Department of Justice COPS Grant. This grant provides 100% funding for the two officers for three years. The grant requires the City to retain these two positions for at least one more year after the grant funding ends. One of the new positions is a second School Resource Officer used during the school year in the middle schools. The School agreed to fund the cost of the fourth year for this position (one officer prorated at 75% for the school year). Plans were for the City to assign annual allocations of $40,000 in each of the three years of the grant so sufficient funding would be available to fund the City's portion of the fourth year cost for these positions.

The first two $40,000 funding assignments were budgeted in 2012/2013 and 2013/2014. The original 3-year grant period ended in April 2015. The Police budget included approximately $31,000 to fund the City's share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years was $9,000. This results in $89,000 being set aside for funding these officers through the required 4th year which is estimated to end in April, 2016.

Merit Allowance Funding Assignment

The 2015/2016 budget included an assigned funding allocation of $12,300 to allow for merit increases for fulltime non-union employees. This was the first year of this program which allowed for employees in this group to progress above the mid-point of their pay ranges based on merit performance in their positions. The budget amount is based on an estimated 30% of the employees in this group being eligible for merit pay of up to 1% of their annual salary. While these funds were budgeted in the Assigned Funding allocation for 2015/2016, the revised estimate in this budget is zero since actual merit increases have been reflected in the respective department budgets.

The 2016/2017 budget again includes a $12,300 allocation for merit increases for fulltime non-union employees. Since the employees that will received merit increases have not yet been determined, the budget estimate is again being reflected as an assigned funding allocation for 2016/2017.

Function:
Transfers

Department:
Non-Department

Activity:

Assigned Funding Allocations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ 12,300	$ -	$ 12,300	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	40,000	9,000	-	-	-	#DIV/0!
Total Expenditures	$ 40,000	$ 9,000	$ 12,300	$ -	$ 12,300	0.00%
Funding Sources						
General Revenues	$ 40,000	$ 9,000	$ 12,300	$ -	$ 12,300	0.00%

ENTERPRISE FUNDS

AIRPORT OPERATIONS

GENERAL INFORMATION:

The Muscatine Municipal Airport provides a non-commercial facility for use by the entire community. Because the Airport is heavily utilized by private companies and individuals, this facility assists in generating additional business and promotes industrial and commercial growth in the City. The facility includes a terminal building, four (4) corporate hangars, twenty (20) T-hangars, a maintenance building, and a community hangar that can store approximately fifteen (15) to twenty (20) small airplanes. The Airport has a 5,500 foot main runway and a 4,000 foot crosswind runway.

The Airport property consists of approximately 680 acres; however, only 394 acres are used for the aviation operation. The remaining 286 acres are leased for farming purposes with the income assisting in the support of the Airport operation. Early in 2012 the lease for the farm land surrounding the airport was re-negotiated which increased the annual airport farm revenue to $34,100 beginning in 2012/2013.

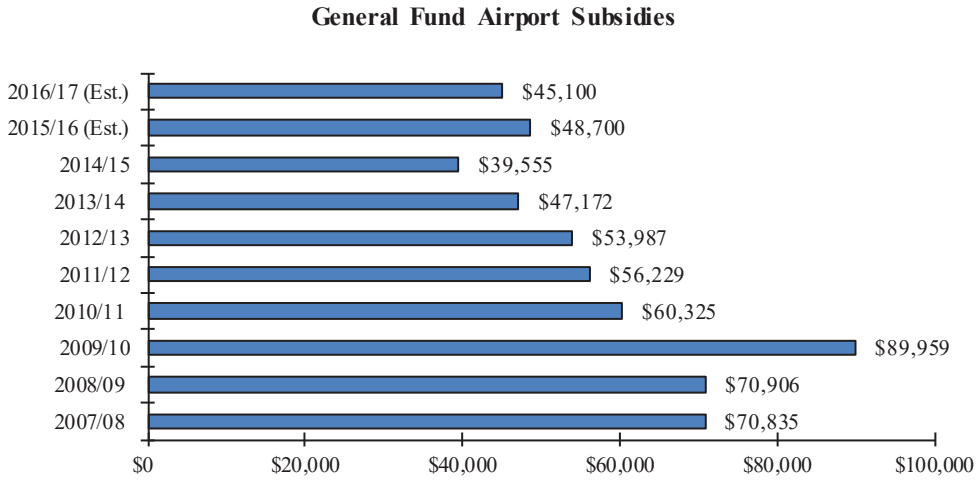
The facility is operated through a contractual agreement by the Airport Manager who oversees the general operation of the facility. The City also has a Fixed Base Operator (FBO) who provides various business functions and services to the users of the Airport. The FBO provides airplane maintenance, charter services, and flight training in addition to the sale of airplanes, fuel, and other general services required by the aviation industry. The current contracts are with Carver Aero Inc. for both the Airport Management and FBO activities. These contracts run through June 30, 2020. The amount paid to Carver Aero for airport management fees for both 2015/2016 and 2016/2017 is $46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of $10,500 in 2015/2016 and $10,800 in 2016/2017.

The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. The Airfield Maintenance project and the Airport Obstruction Removal project, both of which received 90% FAA and 10% local funding, were completed in 2013. The Airport Security and T-Hangar Drainage Improvement project, with 85% State and 15% local funding, was completed in 2013/2014. Also in 2013/2014 the petrographic analysis of the pavement on runway 6/24 and the parallel taxiway serving that runway was completed. Based on the results of that analysis, engineering design for the runway rehabilitation/replacement was completed in 2014/2015 with project construction scheduled for calendar year 2016. An FAA grant will fund 90% of the overall costs of this project with a 10% local match required. Engineering design for a T-hangar connector road was also completed in 2014/2015 and project construction is underway in 2015/2016. This project will receive 85% State funding with a 15% local match required. The Airport Electrical Upgrade project will also be completed in 2015/2016 with 85% State and 15% local funding.

The City completed construction of the airport terminal building in 2004. This project was financed from tax increment revenue bonds. Incremental taxes from the Southend TIF area fund the annual principal and interest requirements on this issue.

CURRENT TRENDS AND ISSUES:

The Airport Operation was established as an Enterprise Fund in order to segregate revenues and expenditures of the operation and as a result of efforts to generate additional revenues for this facility. As revenues from the Airport are less than expenditures for the operation, a General Fund subsidy is required annually to balance the budget. A history of the General Fund Airport subsidies is shown in the following graph:



The 2015/2016 revised estimate subsidy is over the budgeted amount by $900 due to a $900 net increase in expenditures. There were increases and decreases in various line items, but the overall increase is due to increased repair and maintenance services for Airport equipment including the Airport beacon repair which cost $4,143. State funding will be received for 70% of the beacon repair cost or $2,900 and this has been included in the revised estimate revenues.

Airport expenditures for 2016/2017 are $4,700 (3.8%) less than the 2015/2016 budget primarily due to a lower allocation for capital outlay in 2016/2017.

Revenue from fuel commissions is expected to be lower in both the revised estimate and 2016/2017 due to the Airport Runway Reconstruction project scheduled for calendar year 2016.

The 2016/2017 budget includes a 3% increase in hangar rental fees. Operating revenues for 2016/2017, however, are $2,000 lower than the 2015/2016 budget due to the expected reduction in fuel commissions. These changes in revenues and expenditures will result in a General Fund subsidy for 2016/2017 of $45,100 which is $2,700 (5.7%) less than the original 2015/2016 budget amount.

GOAL STATEMENT:

To provide safe and efficient aviation facilities and services to the community which will promote the commercial and industrial growth and stability of the City, and provide for the needs of the recreational and leisure activities involving aviation.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	10	10	8	8	8
Hangar Rentals	$21,781	$21,524	$21,641	$21,500	$22,100
FBO Lease	$9,900	$9,900	$9,900	$10,500	$10,800
Gallons of Fuel Dispensed by FBO	86,433	101,900	98,361	60,000 *	60,000 *
Fuel Commission ($0.03/gallon – to $.10 in 2015/2016)	$2,593	$3,057	$2,634	$6,000 *	$6,000 *
Gal. 100LL Fuel Dispensed by FBO	N/A	N/A	10,644	8,000 *	8,000 *
Fuel Commission 100LL ($.08/gal)	N/A	N/A	NA	$640 *	$640 *
Farm Lease Revenue	$34,000	$34,139	$34,139	$34,100	$34,100
General Fund Subsidy	$53,987	$47,172	$39,555	$48,700	$45,100

* The Runway 6/24 Reconstruction Project will begin in March of 2016 and will continue until the fall of 2016, overlapping two fiscal years. With the main runway 6/24 being closed it is anticipated there will be a reduction in air traffic, a reduction in fuel sales, and the resulting reduction in fuel commissions. This is a temporary reduction for 2015/2016 and 2016/2017.

RECENT ACCOMPLISHMENTS:

Staff continued to meet with representatives of the FAA and the State of Iowa Division of Aviation to discuss airport improvement projects primarily focused around the reconstruction of runway 6/24 and the proposed reconstruction of Taxiway “A”.

Design on the Runway 6/24 Reconstruction project has been completed, bids have been received, and the contract was awarded to Manatts Inc. Construction will begin in 2016. A construction oversight agreement for the Runway 6/24 Reconstruction project has been approved. To better insure quality day to day construction oversight, Anderson Bogert has subcontracted with a local construction project manager to conduct onsite construction oversight. City staff will also assist with construction oversight.

Design was completed on the Airport Connector Road project and the construction contract was awarded to Muscatine Bridge Company. Construction was substantially completed in 2015, however due to weather, the joint sealing and seeding will be completed in the spring of 2016.

The Iowa DOT awarded funding to design and construct electrical upgrades to the crosswind runway system. The upgrades include grounding grid, surge protection, and a new regulator. Design was completed in the fall of 2015 and construction will begin in early spring of 2016 before the Runway 6/24 Reconstruction project begins.

The hangar inspection program continues and the second round of hangar inspections has been completed. The Airport Commission recently began to actively research and plan for the construction of new t-hangars.

With state funding, the airport rotating beacon light was replaced. The slumping concrete approaching the former HON hangar was also replaced to insure aircraft can safely enter and exit.

Staff worked closely with the Kent Corporation/GPC to assist in the planning, design, and construction of their hangar addition. Additional PCC pavement was constructed by Kent/GPC in the asphalt/gravel area between the former HON Hangar and the Kent/GPC Hangar. This is a safety improvement to help keep loose gravel from getting onto the airport apron.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To complete construction and closeout the Runway 6/24 Reconstruction project.

* To update and finalize the Airport Layout Plan.

* To remove all vegetation along the airport fence and implement an annual spraying program.

* To complete construction and close out the Electrical Upgrade project.

* To complete the preliminary and final design for the Taxiway “A” Reconstruction project.

* To complete the annual hangar inspections.

* To complete monthly pavement inspections.

* To sort and digitize all airport files.

* To bid the Taxiway “A” reconstruction project (subject to funding).

* To design and construct the T-Hangar Row 4 Apron Expansion (subject to funding).

Airport Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Fixed Base Operator Fee	$ 9,900	$ 9,900	$ 10,500	$ 10,500	$ 10,800
Hangar Rentals	21,524	21,641	21,500	21,500	22,100 (2)
Reimbursement of Costs	875	875	1,000	1,000	1,000
Farm Leases	34,139	34,139	34,100	34,100	34,100
Gasoline Commission	3,057	2,634	9,500	6,600 (1)	6,600 (1)
State Grant	2,415	4,571	0	2,900	0
Transfers In					
General Fund Subsidy	47,172	39,555	47,800	48,700	45,100
Total Revenues	$ 119,082	$ 113,315	$ 124,400	$ 125,300	$ 119,700
Funds Available	$ 119,082	$ 113,315	$ 124,400	$ 125,300	$ 119,700
Expenditures	119,082	113,315	124,400	125,300	119,700
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Gasoline commissions in both the Revised Estimate and 2016/2017 are reduced due to the Runway Reconstruction project in the summer of 2016.
2. The 2016/2017 budget includes a 3% increase in hangar rental fees.

Function:
Business Type

Department:
Community Development

Activity:

Airport Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	3,641	2,672	4,800	4,600	5,200	8.33%
Contractual Services	103,691	92,512	100,800	101,900	100,400	-0.40%
Capital Outlay	3,450	9,631	10,000	10,000	5,000	-50.00%
Transfers	8,300	8,500	8,800	8,800	9,100	3.41%
Total Expenditures	$ 119,082	$ 113,315	$ 124,400	$ 125,300	$ 119,700	-3.78%
Funding Sources						
Airport Revenues	$ 71,910	$ 73,760	$ 76,600	$ 76,600	$ 74,600	-2.61%
General Fund Operating Subsidy	47,172	39,555	47,800	48,700	45,100	-5.65%
Total Funding Sources	$ 119,082	$ 113,315	$ 124,400	$ 125,300	$ 119,700	-3.78%

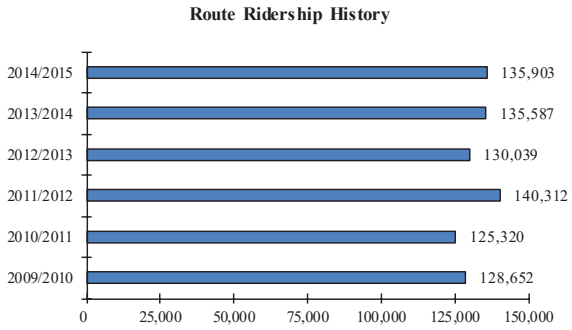
Capital Outlay		
Item	***Replacement***	***Amount***
Pavement Resurfacing around the North Fuel Pump	Yes	$ 5,000

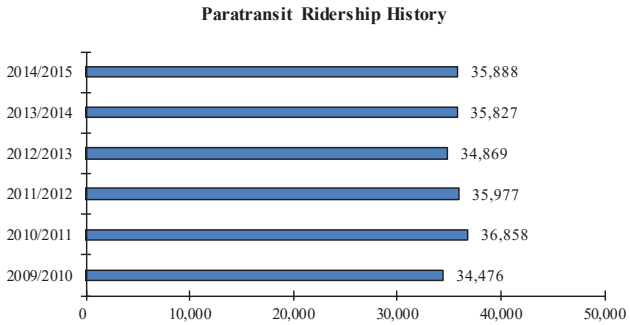
TRANSIT SYSTEM

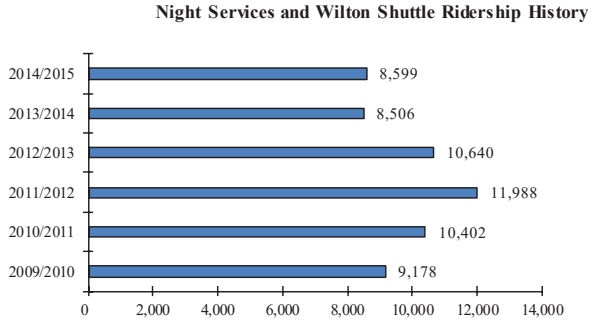
GENERAL INFORMATION:

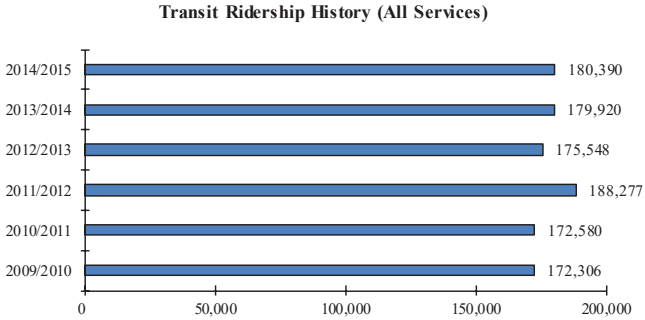
The City Transit System operates with eleven (11) small buses, all equipped with wheelchair lifts. Personnel supporting the transit system are a full-time Transit Supervisor, three (3) part-time dispatchers, 18 part-time drivers, and one part-time vehicle service worker. The system currently consists of three (3) fixed routes for the general public, a paratransit system for senior citizens and the disabled, an evening service for individuals to travel to employment and employment-related destinations, and an evening service two nights a week primarily for the disabled. Since 2007 there has been a fourth fixed route each week day during peak travel times. Appointed by the City Council, the Transportation Advisory Commission assists the Council and Transit Supervisor in establishing operating policies and procedures for the system.

The breakdown of the ridership for the system since 2009/2010 on a fiscal year basis is as follows:









The City receives both Federal and State funding for the transit operation. Federal operating assistance is received annually and for 2016/2017 is estimated to be $380,000. Federal capital support has also been used, primarily to purchase buses. The 2016/2017 budget includes $186,400 in federal capital grants, which is the estimated federal share (80%) of the cost of two new buses. The bus purchases are subject to the award of this federal funding. The State of Iowa also provides transit funding assistance from a portion of the motor vehicle use tax. These funds are allocated by a formula to the thirty-five (35) public transit systems in the State by the Iowa Department of Transportation, Air and Transit Division. In fiscal year 2016/2017 it is anticipated that the City will receive $232,000 in State operating funding for the Transit operation.

The State of Iowa allows cities to levy up to $.95 per $1,000 of assessed value to support a transportation system. This levy is in addition to the $8.10 limit imposed on cities for general operating purposes. For fiscal

year 2015/2016 the City's transit levy rate was set at $.30282 per $1,000 of valuation which will generate $250,000 (including the State reimbursement for the commercial and industrial property rollback). For 2016/2017 the transit tax levy rate is budgeted to decrease to $.23071/$1,000 of valuation which will generate $200,000 (including the State reimbursement). The levy rate decrease was possible due to (1) reduced bus maintenance costs with the four buses purchased in 2013/2014, (2) reduced fuel costs, (3) an increase in transit fares that was effective July 1, 2015, and (4) having a sufficient fund balance available to fund the local share of the cost of two new buses. On July 1, 2015 fares for the regular routes increased from $.75 per ride to $1.00 and fares for the shuttle service increased from $1.00 to $2.00. Monthly flash pass fees also increased from $28 to $32.

The Transit Division is located in the Public Works Facility on Washington Street. A transfer point for this operation is located at City Hall.

CURRENT TRENDS AND ISSUES:

The revised estimate expenditures for 2015/2016 are under the original budget by $248,900. This is primarily due to (1) a $218,300 reduction in capital outlay since grant funds were not available for the two buses or the bus shelter improvements that were included in the original budget, (2) a personal services savings of $9,000 due to a reduction in part-time wages and a lower workers' compensation rate, and (3) a fuel cost reduction of $19,000 due to the recent lower fuel prices.

The 2016/2017 budget is $36,400 (2.8%) higher than the original 2015/2016 budget. The capital outlay allocation includes $233,000 for the purchase of two buses and $48,500 to replace ten bus shelters. Both of these purchases are subject to grant funding which would be 80% federal funding for the buses and 80% State funding for the bus shelters. For the bus purchases, the City is planning on writing specifications for flex fuel vehicles that could be converted to use CNG (compressed natural gas). There is a higher initial cost for these vehicles, however the fuel costs would be significantly less when the CNG fuel option becomes available.

As noted previously, the transit tax levy has been reduced by $50,000 to $200,000 for 2016/2017. Lowering the transit tax levy rate allowed the City to maintain the same overall tax rate for 2016/2017.

The Transit fund shows a balance at the end of 2016/2017 of $132,899. This ending balance would be needed if there are increases in fuel or bus maintenance costs or it would also allow matching funds for additional bus purchases if additional grant funds would become available. Staff will continue to closely monitor transit grant funding as well as fuel, maintenance, and other transit operating costs.

GOAL STATEMENT:

To provide an opportunity to all citizens for safe and efficient public transportation with special services provided for senior citizens and handicapped residents

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Buses Used and Maintained	11	11	11	11	11
Fixed Bus Routes (Weekdays)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 9 hrs of the day, M-F)	3 (4 for 9 hrs of the day, M-F)	3 (4 for 9 hrs of the day, M-F)
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	130,039	135,587	135,903	137,000	137,500
Paratransit Passengers	34,869	35,827	35,888	36,000	36,000
JARC for Work (Night service)	6,467	6,503	6,870	6,800	6,800
New Freedom (Night Service)	1,479	1,575	1,729	1,750	1,750
Muscatine/Wilton Shuttle*	2,694	428*	0	0	0
Total Passengers	175,548	179,920	180,390	181,550	182,050

* The Muscatine/Wilton Shuttle was discontinued September 30, 2013. The first quarter service is shown for 2013/2014.

RECENT ACCOMPLISHMENTS:

MuscaBus saw a slight increase in rides provided in fiscal year 2014/2015. Ridership was up 470 rides compared to the previous year. Revenue miles were also up slightly with 966 more revenue miles than the previous year. The Green Route hours of operation were increased at the end of third quarter (March 23, 2015). No other route changes were made.

On July 1, 2015 a rate increase took effect. MuscaBus had not increased rates since 2003. Effective July 1, 2015, the price of a route ride went from $.75 to $1.00 per ride. All daytime ParaTransit (Shuttle) rides, JARC, and New Freedom night time rides went from $1.00 per ride to $2.00. Shell rides from Muscatine to the Shell Station near Fruitland went from $1.00 per ride to $1.50 each. The monthly unlimited flash passes for Route rides increased $4.00 per month to $32.00. All ticket prices are now identical to cash fares. Comparing the first quarter fares, there has been an increase of $3,486 over the first quarter in last fiscal year.

Currently, staff is immersed in determining the best option for Medicaid Modernization participation. The system is transitioning from a public operation to a private operation. In August 2015 four private managed care organizations were selected. They are Amerigroup Iowa, Amerihealth Caritas Iowa, United Health Care, and WellCare. Transportation is just one piece of the care they will manage for 560,000 Iowa Medicaid members. Three brokers have been identified to date. They are Logisticare, MTM, and Access to Care. The Iowa Public Transit Association is working to compile a contract that is acceptable to all Iowa transit providers. A “safe harbor” option was announced on Thursday, December 10, 2015. This allows all providers, including Transit, to continue with existing service options until April 1, 2016. This allows for the needed time to review contracts and make good decisions.

MuscaBus continued to participate in a number of community events in 2014/2015. Transit staff was present at two Senior Expos, the Senior Health Fair, Muscatine Y Community Block Party, and the Transitions Fair at Muscatine High School. MuscaBus assisted the Symphony with rides to their concerts during the year due to construction at the new Jefferson School, transported disabled children to KanDo in June, and provided rides in July for the first ever Teen Camp. MuscaBus offers free Route rides to K-12 students when school is not in session.

New driver training was ongoing during 2014/2015 with several retirements in the department. Two drivers participated in the annual Iowa Public Transit Roadeo held in Des Moines this year. The division closed out the fiscal year fully staffed and having safely driven 273,047 revenue miles.

OBJECTIVES TO BE ACCOMPLISHED 2016/2017:

* To continue evaluation of fixed route service to determine optimum routes and service for passengers. **(Council and Management Continuous Service Improvement Goal)**

* To successfully navigate the Medicaid Modernization changes to ensure continued Medicaid revenue.

* To continue to incorporate Lean concepts and practices to improve Transit operations for passengers. **(Council and Management Continuous Service Improvement Goal)**

* To evaluate and implement dispatch software and its effect on scheduling and tallying capabilities. **(Council and Management Continuous Service Improvement Goal)**

Transit System

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ (110,099)	$ 116,408	$ 139,608	$ 216,499	$ 224,799
Revenues	1,436,774	1,075,799 (2)	1,236,300 (3) (4)	1,058,300	1,243,400 (5)
Encumbrance Variance	0	0	0	0	0
Funds Available	$ 1,326,675	$ 1,192,207	$ 1,375,908	$ 1,274,799	$ 1,468,199
Expenditures (1)	1,210,267	975,708	1,298,900	1,050,000	1,335,300
Ending Balance (Deficit), June 30	$ 116,408	$ 216,499	$ 77,008	$ 224,799	$ 132,899
Increase (Decrease) in Fund Balance	**$ 226,507**	**$ 100,091**	**$ (62,600)**	**$ 8,300**	**$ (91,900)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The Transit Tax levy for 2014/2015 was $300,000. This was set in order to leave an ending fund balance sufficient to fund the local match for two buses if grant funding would become available.
3. The 2015/2016 Transit tax levy was $250,000.
4. The 2015/2016 budget includes an increase in transit fees from $.75 to $1.00/ride for regular routes and from $1.00 to $2.00 for shuttle service.
5. The 2016/2017 Transit tax levy is $200,000.

Explanation of Decrease in Fund Balance:

The balance in this fund has been fluctuating primarily due to capital purchases, primarily transit buses, and bus maintenance costs.

Transit System

Summary of Revenues

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Transit Charges	$ 184,360	$ 188,709	$ 215,000	$ 200,000	$ 200,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	$ 326,433 (2)	$ 363,834 (2)	$ 363,000	$ 375,800	$ 380,000
Federal Job Access Grant	12,146 (2)	0 (2)	0	0	0
New Freedoms Grant	1,371 (2)	0 (2)	0	0	0
State Vehicle Use Tax	207,487	221,028	217,000	231,200	232,000
ICAAP Grant	4,124	0	0	0	0
Diesel Emissions Reduction Grant	956	0	0	0	0
Capital Grants:					
Federal Funds for Equipment	141,100	0	0	0	0
State PTIG Grant - Bus Shelters	0	0	38,000	0	38,800
Federal Funds - Buses	0	0	153,000	0	186,400
Federal Diesel Reduction Funds - Buses	174,387	0	0	0	0
Subtotal - Grants	$ 868,004	$ 584,862	$ 771,000	$ 607,000	$ 837,200
General Fund Support:					
Transit Tax Levy	380,401 (1)	301,667	250,000	250,000	200,000
Sale of Vehicles	3,602	0	0	0	6,000
Interest	13	107	0	100	100
Donations	340	400	300	100	100
Other	54	54	0	1,100	0
Total Revenues	$ 1,436,774	$ 1,075,799	$ 1,236,300	$ 1,058,300	$ 1,243,400

1. The Transit Tax levy for 2013/2014 of $380,000 was based on increased bus maintenance and operating costs and also included funding for the local share of two new bues ($26,400).
2. Beginning in October, 2013 the Federal Operating Grant includes federal funding for special types of services by the Transit System. This includes funding for the special evening services provided through the previous Job Access and New Freedoms grants.

Function:
Business Type

Department:
Public Works

Activity:

Transit System

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 681,878	$ 682,320	$ 720,100	$ 711,100	$ 724,700	0.64%
Commodities	124,909	101,415	124,500	105,500	105,500	-15.26%
Contractual Services	187,843	171,501	208,700	206,100	205,000	-1.77%
Capital Outlay	194,380	390	227,500	9,200	281,500	23.74%
Transfers	17,100	17,600	18,100	18,100	18,600	2.76%
Total Expenditures	$ 1,206,110	$ 973,226	$ 1,298,900	$ 1,050,000	$ 1,335,300	2.80%
Funding Sources						
Transit Charges	$ 184,360	$ 188,709	$ 215,000	$ 200,000	$ 200,000	-6.98%
Transit Grants	868,004	584,862	771,000	607,000	837,200	8.59%
Transit Tax Levy	380,401	301,667	250,000	250,000	200,000	-20.00%
Sale of Vehicles	3,602	-	-	-	6,000	
Interest	13	107	-	100	100	
Donations	340	400	300	100	100	-66.67%
Other	54	54	-	1,100	-	
Total Funding Sources	$ 1,436,774	$ 1,075,799	$ 1,236,300	$ 1,058,300	$ 1,243,400	0.57%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Transit Supervisor	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Total Full Time	1.20	1.20	1.20	1.20	1.20	
Part Time Positions:						
Transit Driver	10.62	10.62	11.79	11.81	11.73	
Transit Dispatcher	1.92	1.92	1.38	1.38	1.45	
Transportation Serviceperson	0.63	0.63	0.63	0.63	0.63	
Total Part Time	13.17	13.17	13.80	13.82	13.81	
Total	14.37	14.37	15.00	15.02	15.01	$ 580,900
Employee Benefits						143,800
Total Personal Services						$ 724,700

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Light Duty Buses (Flex Fueled)	2	Yes	$ 233,000
Bus Shelters	10	Yes	48,500
			$ 281,500

PARKING SYSTEM

GENERAL INFORMATION:

The Parking System Enterprise Fund accounts for all metered, leased, and free parking provided by the City of Muscatine in the central business district. These parking spaces are located both on and off-street and involve four (4) specific activities including parking operations, parking enforcement, downtown landscaping, and development of new parking. The City maintains 1,403 parking spaces in the downtown commercial area distributed as follows:

	On-Street	Lot #1 Chestnut Street	Lot #2 W. 2nd Street	Lot #4 Sycamore Street	Lot #6 W. 3rd Street	Lot #7 E. 3rd Street	Lot #8 Cedar Street	Levee	Totals
Free Parking	160	0	16 (4 hour)	13 (3 hour)	0	0	5 (3 hour)	465 (24 hour)	659
2 Hour	279	0	5	0	0	0	0	0	284
Handicapped	15	1	1	3	1	0	2	18	41
10 Hour	54	19	15	42	0	9	0	0	139
Leased/Reserved	0	7 R	4 L	46 L	24 R	149 L	50 L	0	280
Totals	508	27	41	104	25	158	57	483	1,403

The four largest off street lots are located on 3rd Street across from City Hall, adjacent to Mississippi Drive at Sycamore, 2nd and Pine streets, and at the corner of 3rd and Cedar streets. These lots have a combination of leased parking spaces, and short and long-term meters. In September, 2007 on-street parking and off-street parking lot metered rates were increased from $.20 to $.30 per hour for short-term (two hour) meters and from $.10 to $.20 per hour for long-term (10 hour) meters. In 2013/2014 the meter rates were increased to $.50 per hour for two hour meters and to $.25 per hour for ten hour meters.

The parking enforcement program provides control of the parking spaces in the central business district. This program is intended to insure that parking restrictions are enforced in order to meet the goals of the program. The primary goal is to provide short-term parking for customers in the downtown business district. The enforcement program is also involved in controlling loading zones, alley parking, and other parking regulations in the downtown area.

The downtown landscaping program was initiated in conjunction with the reconstruction of Second Street which was funded as part of a Community Development Block Grant Program. This landscaping program has added aesthetically to the business environment to assist in promoting a healthy economic state in the downtown business district. One-half of a groundskeeper position is charged to this budget and this individual is responsible for maintenance and landscaping in the downtown area with supervision through the Park Maintenance division of the Parks and Recreation department.

Numerous modifications were implemented in the Parking operation in past years. An Administrative Review Panel was formed to hear citizen appeals of parking violations. A standardized alley parking program was established for the downtown area to improve traffic movement, the conditions for delivery to merchants, and public safety response for fire and emergency medical services. Also, handicapped

parking has been provided throughout the downtown area. Since 1985 the City has been providing free parking in all areas on Saturdays.

In 2007 the Mayor appointed a Parking Task Force which was given the responsibility to evaluate and make recommendations on changes to the downtown parking program. These recommendations were to include both operational and financial changes with the goal that revenues from the parking operation would fund costs associated with the system. The significant changes recommended by the Task Force were subsequently adopted by City Council and fully implemented by September 1, 2007. These included the following:

1. Removing 20 10-hour meters in Lot 4 and changing these to leased spaces.
2. Increasing leased parking rates from $225 to $300 if paid annually and from $300 to $350 if paid quarterly.
3. Removing the meters on Second Street and providing free parking up to 3 hours once per day in each space.
4. Changing metered parking rates from $.20 to $.30 for 2-hour meters and from $.10 to $.20 per hour for 10-hour meters.
5. Changing the daily beginning enforcement time from 9:00 a.m. to 8:00 a.m.
6. Increasing the fines for expired meter tickets from $3.00 if paid within 72 hours to $5.00 and from $5.00 if paid after 72 hours to $10.00.
7. Elimination of free holiday parking in the downtown area.
8. Increasing the ticket fee to $25 per ticket after 20 tickets are issued each calendar year.
9. Adding 2-hour parking meters on 4th Street between Iowa and Chestnut Street.
10. Removing or changing time limits for parking in various other areas.
11. Purchasing electronic meters and phasing out the mechanical meters that were still in use.

As noted previously, meter rates were further increased to $.50 per hour for 2-hour meters and to $.25 per hour for 10-hour meters effective July 1, 2013. The City has also offered a “special” for leased parking in 2013/2014, 2014/2015, and 2015/2016 in an effort to fill more leased spaces. The other changes adopted in 2007 continue to be in effect.

CURRENT TRENDS AND ISSUES:

The City Council during their 2012/2013 budget discussions chose to include all of the parking related costs in this budget. This included $6,700 in employee insurance benefit costs for the Parks Groundskeeper that previously only had 50% of his wages and payroll taxes charged to the Parking budget. The 2012/2013 Parking budget also for the first time included $7,500 for contracted snow removal costs for the downtown parking lots. This cost had been funded from the Snow and Ice Control budget in previous years. With these added costs, the Parking Fund balance decreased by $17,047 during the 2012/2013 year. Parking meter rates were increased in 2013/2014 in an effort to have parking revenues fund parking expenditures on an annual basis.

The 2015/2016 revised estimate expenditures are over the budgeted amount in total by $2,500. This overall increase is due to costs related to the multiple parking meter thefts in the summer/fall of 2015. For the revised estimate, personal services costs were $3,700 less than the original budget due to a change in meter attendants. Commodity costs increased by $1,600 with $1,100 of the increase for the 2nd Street meter space number signs which allowed for the meter post “stubs” to be removed. The balance of the commodity increase was related to replacing meters that were stolen. Contractual services increased by $1,300 primarily due to increased postage charges and capital outlay increased by $3,300 due to meter

mechanism replacements for the stolen meters. An insurance reimbursement of $4,000 was received for the stolen meters.

The 2016/2017 expenditures are $6,300 (3.1%) higher than the original budget for 2015/2016. This is due to $4,300 in increased personal services costs, increased postage of $900, a $200 increase in capital outlay, a $700 increase in transfers, and a net $200 increase in other line items.

Fiscal year 2015/2016 revenues are projected to be $8,500 more in total than the original budget. This amount includes the $4,000 insurance reimbursement. Leased parking revenues have also increased by $3,500 and meter hoods increased by $1,000.

Parking revenues for 2016/2017 are projected at $197,100, which is $3,500 more than the original 2015/2016 budget. This increase is due to the projected continued higher leased parking revenue.

The 2016/2017 budget continues to include the parking-related costs now allocated to this budget including contracted snow removal costs for downtown parking lots ($7,500) and parking lot striping ($1,000).

Efforts will continue to market the availability of leased parking spaces and a leased parking "special" will again be considered for 2016/2017. The Parking fund balance at the end of 2016/2017 is estimated at $35,349.

GOAL STATEMENT:

To provide attractive, convenient, low-cost parking in order to aid in the growth and improvement of the Central Business District and adjacent commercial areas.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Metered Parking Spaces	432	429	433	423 (3)	423 (3)
Leased Parking Spaces	174	174	174	174	152 (2)
Reserved Parking Spaces (1)	106	109	107	106	106
Free Parking Spaces (Inc. Handicapped)	700	700	700	700	700
Total Parking Spaces	1,412	1,412	1,414	1,403	1,381
Overtime Parking Tickets Issued	9,788	10,222	10,098	10,000	10,000
Overtime Tickets Paid or Dismissed	8,070	8,470	8,241	8,200	8,200
Percent Paid or Dismissed	82.45%	82.86%	81.61%	82%	82%
Handicapped Tickets Issued	67	60	51	60	60
Handicapped Tickets Paid or Dismissed	55	50	45	54	54
Percent Paid or Dismissed	82.09%	83.33%	88.24%	90%	90%
Other Parking Tickets Issued	1,644	1,988	2,040	2,000	2,000
Other Tickets Paid or Dismissed	1,149	1,416	1,466	1,500	1,500
Percent Paid or Dismissed	69.89%	71.23%	72.83%	75%	75%
Overall Collection Rate	80.65%	80.98%	80.01%	81%	81%
Leased Parking Spaces Available	174	174	174	174	152 (2)
Spaces Leased	99	100	105	123	128
Percentage Leased	56.90%	57.47%	60.34%	70.69%	84%
Fines Collected by County Treasurer	$11,795	$14,360	$16,645	$16,700	$16,700
Courtesy Tickets Issued	579	616	815	800	800

1. Reserved spaces include those reserved for the Library, Clark House and Central State Bank (CBI).
2. Parking in Lot 4 is planned to be reconfigured in conjunction with the CDBG Downtown Revitalization project. This will result in 22 fewer available leased spaces in this lot.
3. Metered parking spaces on Mississippi Drive and Chestnut Street will decrease due to the Downtown Revitalization project for the new hotel.

RECENT ACCOMPLISHMENTS:

The meter enforcement staff continues to enforce downtown parking ordinance requirements as well as provide parking-related information to those parking in the downtown area. There were 10,098 expired meter tickets issued in 2014/2015. This was 124 (1.2%) less than the prior year number of 10,222.

A leased parking "special" was again offered for the 2015/2016 fiscal year in an effort to increase the number of available spaces leased. This resulted in 7 new leases, however, 3 previous leases were discontinued for a net increase of 4. Since the beginning of this fiscal year, however, 16 additional spaces have been leased and the percentage of spaces leased has increased to 70.7%, compared to 60.3% for 2013/2014. Efforts will continue to market the availability of leased spaces in the upcoming year.

A "Lean" initiative in prior years in the Parking division was the system to allow for the electronic transfer of the names and addresses of vehicle owners with unpaid tickets into the Parking software system. The City entered into an agreement with the Iowa Department of Transportation Motor Vehicle Division which allows City parking staff to electronically send lists of license plates with unpaid tickets to that office who would then send this information back electronically in a format which can be

uploaded into the parking software system. A total of $11,795 of ticket fines were collected by the County Treasurers Office for the City in 2012/2013 and this increased to $14,360 in 2013/2014, and to $16,645 in 2014/2015. Efforts will continue to look for other "Lean" initiatives in the Parking division.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to frequently send notices and perform other follow-up procedures for parking fine collections including forwarding unpaid tickets to the County Treasurer's Office to be placed as a required charge to be paid in order to renew the vehicle registration.

* To continue to increase marketing efforts for leased parking spaces available in the various City lots. The percentage of available spaces leased in the various lots decreased from 88% in 2007/2008 to 78% in 2009/2010, to 68% in 2010/2011, to 65% in 2011/2012, to 57% in 2012/2013, and to 57.5% in 2013/2014. The percentage leased increased to 60% in 2014/2015 and is currently at 71% in 2015/2016. The number of leased spaced available is planned to be reduced by 22 in 2016/2017 due to the reconfiguration of Lot 4 which is being done in conjunction with the CDBG Downtown Revitalization project. The goal is to increase the number of spaces leased by at least five to 128. This would be 84% of the reduced number of spaces available.

* To review Parking processes for additional "Lean" efficiencies. **(Council and Management Continuous Service Improvement Goal)**

Parking System

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 39,410	$ 36,986	$ 33,886	$ 51,949	$ 48,049
Revenues					
Parking Fees	$ 100,283 (2)	$ 109,302 (2)	$ 103,000	$ 103,000	$ 103,000
Parking Permits	26,865 (3)	27,260 (3)	27,500	31,000 (3)	31,000
Meter Hoods	954	3,951	1,000	2,000	1,000
Fines	62,723	63,927	62,000	62,000	62,000
Interest	115	91	100	100	100
Insurance Reimbursement	0	0	0	4,000	0
Miscellaneous	20	18	0	0	0
Total Revenues	$ 190,960	$ 204,549	$ 193,600	$ 202,100	$ 197,100
Funds Available	$ 230,370	$ 241,535	$ 227,486	$ 254,049	$ 245,149
Expenditures (1)	193,384	189,586	203,500	206,000	209,800
Ending Balance, June 30	$ 36,986	$ 51,949	$ 23,986	$ 48,049	$ 35,349
Increase (Decrease) in Fund Balance	**$ (2,424)**	**$ 14,963**	**$ (9,900)**	**$ (3,900)**	**$ (12,700)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. In 2013/2014 parking meter rates were increased from $.30 to $.50/hour for 2-hour meters and from $.20 to $.25/hour for 10-hour meters.
3. A leased parking "special" was offered for 2013/2014, 2014/2015, and 2015/2016 which provided a reduced rate for parking leases paid in advance for the full fiscal year. While these generated a number of new leases, others discontinued leasing spaces which offset a portion of the number of new leases added with the "special". After the "special" ended in 2015/2016, 16 additional spaces were leased.

Explanation of Changes in Fund Balances:

In 2012/2013 City Council chose to begin including all parking-related costs in this budget including contracted snow removal costs, parking lot striping, and 50% of the employee insurance costs for the Parks Groundskeeper charged 50% to this budget. In 2013/2014 meter rates were increased which assisted in reducing the amount of the annual fund balance decrease.

Function:
Business Type

Department:
Finance

Activity:

Parking System

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 145,493	$ 148,101	$ 155,300	$ 151,600	$ 159,600	2.77%
Commodities	2,428	3,364	3,200	4,800	3,200	0.00%
Contractual Services	25,238	14,809	20,800	22,100	21,900	5.29%
Capital Outlay	1,132	1,863	1,700	5,000	1,900	11.76%
Transfers	21,100	21,800	22,500	22,500	23,200	3.11%
Total Expenditures	$ 195,391	$ 189,937	$ 203,500	$ 206,000	$ 209,800	3.10%
Funding Sources						
Parking Fees	$ 128,102	$ 140,513	$ 131,500	$ 136,000	$ 135,000	2.66%
Parking Fines	62,723	63,927	62,000	62,000	62,000	0.00%
Interest	115	91	100	100	100	0.00%
Miscellaneous	20	18	-	-	-	
Insurance Reimbursement	-	-	-	4,000	-	
Total Funding Sources	$ 190,960	$ 204,549	$ 193,600	$ 202,100	$ 197,100	1.81%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Finance Director	0.05	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.10	0.10	0.10	0.10	0.10	
Groundskeeper	0.50	0.50	0.50	0.50	0.50	
Finance Secretary/Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	1.40	1.40	1.40	1.40	1.40	
Part Time Positions:						
Meter Attendant	1.46	1.46	1.46	1.46	1.46	
Total	2.86	2.86	2.86	2.86	2.86	$ 119,700
Employee Benefits						39,900
Total Personal Services						$ 159,600

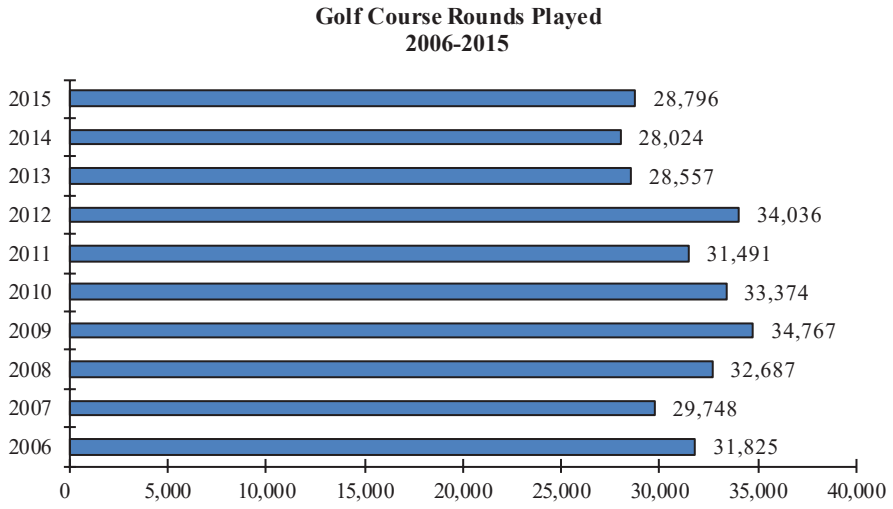
Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Electronic Meters	10	Yes	$ 1,900

GOLF COURSE FUND

GENERAL INFORMATION:

The Golf Course Enterprise Fund was established July 1, 1977. This fund functions as a self-supporting operation without General Fund tax support. Play at the 18-hole Municipal Golf Course, located north of the City limits, decreased in the years from 1998 through 2007. This decreased play followed a national trend and competition from other area courses may also have had an impact. Play, however, increased in 2008 by 9.9% to 32,687 rounds and further increased by 6.4% to 34,767 in 2009. For 2010 play decreased by 4.0% to 33,374 and decreased another 5.6% to 31,491 rounds in 2011. Rainy weather and extreme heat were contributing factors in the decreases in rounds in 2010 and 2011. Play increased to 34,036 (8.1%) in 2012 which was in part due to favorable weather conditions with few rain days. Play decreased to 28,557 (by 16.1%) in 2013 and further decreased to 28,024 (by 1.9%) in 2014. The 2013 and 2014 seasons started late with cool, wet weather and ended early resulting in the decreased rounds. Play increased to 28,796 (by 2.8%) in 2015. The following is a summary of the rounds during the past ten years:

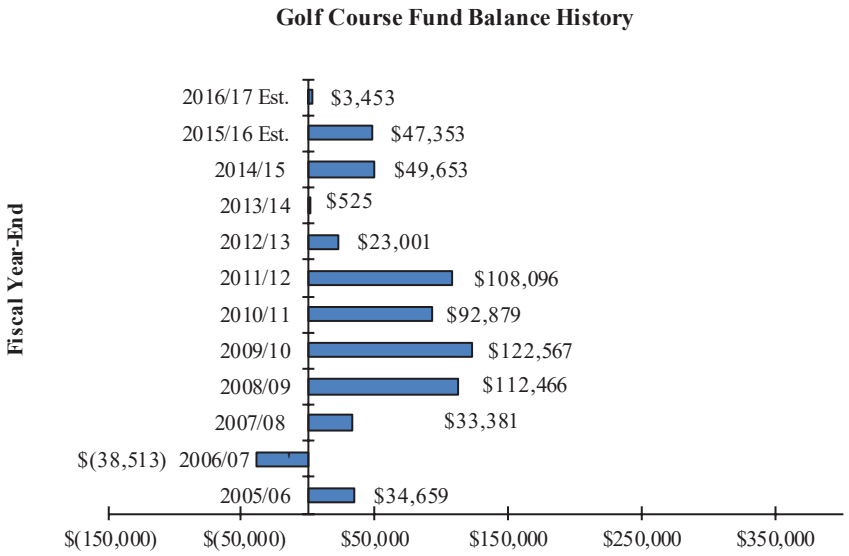


The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Rates were increased for the 2007 and 2008 golf seasons. No increases were budgeted for 2009, 2010 or 2011. Rates were increased for 2012 and those rates were continued in 2013. Rates were increased for the 2014 season and those rates were maintained for the 2015 and 2016 golf seasons.

WEEK DAYS	2007	2008-2011	2012-2013	2014-2016
Adults				
9 holes	$ 13.00	$ 13.00	$ 14.00	$ 15.00
18 holes	$ 16.00	$ 17.00	$ 18.00	$ 19.00
Senior Citizens				
9 holes	$ 12.00	$ 12.00	$ 13.00	$ 14.00
18 holes	$ 14.00	$ 15.00	$ 16.00	$ 17.00
Junior				
9 holes	$ 11.00	$ 11.00	$ 5.00	$ 5.00
18 holes	$ 11.00	$ 11.00	$ 5.00	$ 5.00

WEEK DAYS	2007	2008-2011	2012-2013	2014-2016
Adults 1-3 p.m.				
9 holes	N/A	N/A	$ 9.00	$ 10.00
18 holes	N/A	N/A	$ 11.00	$ 12.00
Senior Citizens 1-3 p.m.				
9 holes	N/A	N/A	$ 8.00	$ 9.00
18 holes	N/A	N/A	$ 10.00	$ 11.00
WEEKENDS AND HOLIDAYS				
18 Holes				
Adult	$ 18.00	$ 19.00	$ 20.00	$ 21.00
Senior Citizens	$ 16.00	$ 17.00	$ 18.00	$ 19.00
Juniors	$ 13.00	$ 14.00	$ 5.00	$ 6.00
SEASON PASSES				
Adults	$ 485.00	$ 525.00	$ 550.00	$ 580.00
Juniors	$ 160.00	$ 160.00	$ 90.00	$ 90.00
Senior Citizens	$ 405.00	$ 440.00	$ 465.00	$ 490.00
College Student Pass	N/A	$ 335.00	$ 300.00	$ 300.00
Family Pass	N/A	$ 875.00	$ 915.00	$ 960.00

The Golf Course fund balance has varied in recent years due to the amount of capital expenditures each year and also due to fluctuations in play over the past ten years. The deficit balance at the end of 2006/2007 and small balance at the end of 2007/2008 were due to the maintenance building fire. The decreases in fund balance since 2011/2012 are due to the fairway irrigation system project which was completed in 2013. The total cost of this project was $330,164 and it is being financed with an internal loan from other City funds. In 2012/2013 a $60,000 down payment was made on the internal loan and it was originally estimated that payments of $60,000 per year in 2013/2014 through 2016/2107 and a $30,164 payment in 2017/2018 would complete the financing of this project. In 2013/2014 the Golf Course fund balance did not allow for the $60,000 payment and the payment was reduced to $45,000. The 2014/2015, 2015/2016, and 2016/2017 budgets continue to include the lower $45,000 payments on the internal loan. This will extend the loan period through the 2018/2019 fiscal year. This new payment schedule can be accelerated or extended based on available fund balances. The fund balance history is shown below.



Prior to 2007 the City had a contractual agreement with a golf professional to provide various services during the golf season. Effective as of the start of the 2007 season, the golf professional and all of the clubhouse staff are now employees of the city.

CURRENT TRENDS AND ISSUES:

Golf Clubhouse

A separate Golf Clubhouse activity within the Golf Fund was established at the time the City changed from a contracted golf professional to a City employee golf professional. This budget includes wages and benefits for staff, food and beverage items for resale, golf merchandise for resale, lease of golf carts, and various other items needed for the clubhouse.

Revised estimate expenditures are $13,400 less than the original budget. This is primarily due to a $12,000 reduction in purchases of food, beverage, and merchandise for resale which also impacted revenues.

The budgeted expenditures for 2016/2017 are $4,600 (1.2%) less than the 2015/2016 budget. The 2016/2017 budget includes an $11,000 decrease in food, beverage, and merchandise purchases for resale based on prior year actual amounts, and a $2,000 decrease in program and event supplies. These decreases have been partially offset by a $9,000 increase in personal services costs and a net $600 decrease in other budget line items.

Since this budget includes numerous items for resale, actual expenditures will be impacted by the volume of food and beverage items as well as golf merchandise sold.

Golf Course Operations

As discussed above, the fairway irrigation system project was completed in 2013 at a cost of $330,164 and it is being financed with an internal loan. These types of loans have been used in the past at the golf course for the golf clubhouse, the water hole renovation, and the new maintenance building.

The 2015/2016 revised estimate is $40,500 less than the original budget. This is primarily due to (1) a $11,600 reduction for fertilizers, grass seed, and pesticides, (2) a $3,800 reduction in fuel costs, and (3) a $25,000 reduction in capital outlay. The capital outlay allocation for 2015/2016 was to fund the replacement of a tractor. This purchase has been deferred to a future year. By deferring this purchase, sufficient funding is expected to be available in 2016/2017 to replace a greensmower.

The 2016/2017 budget is $9,600 higher than the original 2015/2016 budget. This overall increase is due to (1) an $8,600 increase in personal services costs, (2) an $11,600 reduction for fertilizers, grass seed, and pesticides, (3) a $3,800 reduction in fuel costs, (4) a $15,000 increase in capital outlay, and (5) a net $1,400 increase in other budget line items.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, net of inventory, at the end of 2015/2016 will be $47,353 compared to the original budget of $15,025. A significant portion of this higher balance is from deferring the purchase of the tractor ($25,000). The estimated fund balance at the end of 2016/2017 has been reduced to $3,453. This reduction is primarily related to the 2016/2017 capital outlay allocation to replace a greensmower ($40,000). As noted previously both the 2015/2016 revised estimate and 2016/2017 budget include $45,000 payments on the internal loan for the irrigation system. Using the current payment amount, the final payment on the loan will be in 2018/2019. A number of factors, however, can continue to impact revenues at the course, especially the weather. As with previous internal loans for golf course improvements, payments on the internal loan for the fairway irrigation system can be either extended or accelerated based on actual funds that are available. Fees were last increased for the 2014 golf season; no additional fee increase is budgeted for 2016.

The 2016 season will be the 10th year of the City-operated clubhouse. During the upcoming year, staff is looking to maintain a quality golf course as well as increase food sales, lessons, and winter use of the clubhouse facility.

GOAL STATEMENT:

To provide and maintain a setting for the enjoyment and challenge by the public of the game of golf for both playability and aesthetics, including a regulation 18-hole course, driving range, clubhouse and related facilities.

PERFORMANCE MEASURES:

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Golf Maintenance Operations:					
Top Dressed Greens	7	7	7	10	10
Stimped Greens	12	12	12	15	15
Aerified Greens	2	2	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	263	263	263	263
New Trees Planted	6	20	0	0	4
Bluebirds Fledged	28	20	31	14	20
Rolled Greens	26	15	20	20	20
Verti-cut Greens	6	7	7	9	9

	Actual 2013	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Clubhouse Operations:					
Rounds Played	34,036	28,557	28,024	28,796	30,000
Events	49	45	45	44	45
Leagues	9	9	9	9	10
Season Passes Sold	298	243	228	243	250
Driving Range Tokens Sold	8,972	7,237	4,057	4,631	4,700
Gift Cards Sold ($)	$20,046	$41,052*	$36,587	$40,890	$45,000
Lesson Hours	175	162	150	48	100
Total Beer Sales (Units)	40,548	34,495	35,693	36,980	37,000
Total Food and Beverage (Units)	38,790	30,314	30,199	30,223	30,500
Simulator Usage ($)	$3,358	$4,657	$3,000	$1,510	$4,000
Merchandise Sales ($)	$63,906	$62,188	$48,822	$48,545	$55,000

* Gift cards were used for cart passes beginning in 2013.

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The 2015 season started off better than the previous season as the winter was not as bad. The Golf Course was able to open on March 14. The weather was cold and wet, but none of the golfing season was lost due to the conditions. The new irrigation system continues to be a success as staff can be more efficient with the water and more specific with the target watering. The conditions this year on the course were very good all season long. The course was in very good shape at the end of the season and should be in great shape starting next spring.

Staff continues to make progress behind number 2 green clearing timber and keeping the underbrush and scrub trees mowed to allow more air movement and visibility in the corner of the course. This has been well received by the golfers and work will continue in this area as time allows.

Driving range mats continue to be a success. The grass tee only closed 4 days this past year because of wetness. Some golfers prefer the pad and some did not. This worked out well as it took some of the pressure off the turf from a long season. The pad will be utilized in the spring if conditions are wet or frosty in the early mornings or until the turf starts to grow.

Staff continues to work on removing dead or dying trees. Six trees were taken down this fall and will be replaced if necessary. The nursery is fully stocked so trees can be added to the course in the future.

Golf Course Clubhouse

In April a new Golf Professional was hired to manage golf play and the clubhouse operations including leagues, outings, lessons, food and beverage sales, merchandise sales, seasonal staffing, and marketing and recruitment of play.

There were over 200 FootGolf rounds played this year in the areas of the course designated for this purpose. Two FootGolf tournaments were scheduled but not held due to weather conditions and soccer scheduling conflicts. The FootGolf course paid for itself in the first year.

A Muscatine High School Cross Country meet was held at the course in 2015 with 16 schools participating. Attendance at the meet was approximately 2,000. The Turkey Trot was cancelled this year due to a snow storm with several inches of snow. This event will be held again next year.

The first annual Muscatine Parks and Recreation Winter Festival was held at the golf course in late January of 2015. There were nearly 500 participants of all ages that took part in the "Snow Pile Treasure Hunt", "Snow Sculpting Contest", and the "Progressive Meal Hike". The department is planning on holding the event again in 2016. The first session of the simulator league drew a record 16 participants this year. The second session of the league will start in January.

Staff is in the process of developing some marketing pieces to be used to increase facility usage. The Communications Manager is assisting with this project. Social media usage along with television commercials, press releases, and radio spots continue to be utilized in an effort to get the message out on the services available at the Muscatine Municipal Golf Course.

Seasonal staff recruitment and retainage continue to be a challenge for this division. Total rounds played and total revenues are higher than the past two calendar years. The moderate fall/winter weather combined with the increased customer service focus has helped increase these numbers.

OBJECTIVES TO BE COMPLETED IN 2016/2017:

Golf Course Operations

* To continue renovation of the #9 and #15 greens.

* To repair some existing cart paths (#10 and #2) and add continuous cart paths to #3 and #17.

* To continue to pursue bunker repairs and/or renovations as needed.

* To continue to work on the #3 tee box to improve the soil conditions and playability.

* To continue to work within the approved budget.

* To continue to seek information on the Lean initiative and implement new ideas. **(Council and Management Continuous Service Improvement Goal)**

* To continue to listen to golfer suggestions, input, and ideas that may help improve the Golf Course.

* To replace trees that die that may impact the playability of the golf course.

* To continue to clean out the wooded areas around #2 green and #6 back tee boxes.

* To explore new tee box signage and a new entrance sign by the road since the old ones are starting to show deterioration and age.

Golf Course Clubhouse

* To develop a working Marketing Plan.

* To develop a working Merchandising Plan.

* To continue to recruit and retain quality seasonal staff with attention to customer service.

* To continue to promote and utilize the FootGolf Course for open play, tournaments, and leagues.

* To continue to market and grow the simulator programs.

* To operate within approved City budgets.

* To continue to work collaboratively with the community and community groups.

* To continue to identify and incorporate cost savings and expense avoidance strategies wherever possible. **(Council and Management Continuous Service Improvement Goal)**

* To continue to recruit more play and facility utilization through social media, press releases, presentations, direct calls, emails, mailings, and specials.

* To grow the Junior Golf and lesson program.

* To evaluate the food and beverage menu looking for ways to increase sales and to provide healthy alternatives.

Golf Course Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ (26,899)	$ (43,932)	$ (25,524)	$ 7,004	$ 4,704
Revenues	761,337	763,344	829,000	777,600	794,900
Funds Available	$ 734,438	$ 719,412	$ 803,476	$ 784,604	$ 799,604
Expenditures:					
Golf Course Maintenance Operations	$ 438,412 (2)	$ 388,617 (2)	$ 456,700 (3)	$ 416,200 (3)	$ 466,300 (3)
Golf Clubhouse Operations	340,850	323,791	377,100	363,700	372,500
Total Expenditures (1)	$ 779,262	$ 712,408	$ 833,800	$ 779,900	$ 838,800
Ending Balance, June 30	$ (44,824)	$ 7,004	$ (30,324)	$ 4,704	$ (39,196)
Allowance for Inventory	45,349	42,649	45,349	42,649	42,649
Net Balance, June 30	$ 525	$ 49,653	$ 15,025	$ 47,353	$ 3,453
Increase (Decrease) in Fund Balance	**$ (17,925)**	**$ 50,936**	**$ (4,800)**	**$ (2,300)**	**$ (43,900)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2013/2014 expenditures included a $45,000 payment on the internal loan for the Irrigation System. This payment was reduced from the budgeted $60,000 based on available fund balance. The 2014/2015 payment was also $45,000.
3. The 2015/2016 revised estimate and the 2016/2017 budgeted expenditures each include payments of $45,000 on the internal loan for the Irrigation project.

Golf Course

Summary of Revenues

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Season Passes	$ 106,449	$ 104,367	$ 115,000	$ 107,000	$ 107,000
Greens Fees	217,093	218,132	230,000	225,000	225,000
Trail Fees	200	64	200	200	200
Interest	82	75	100	100	100
Rental of Buildings	0	0	100	100	100
Lessons	4,430	1,672	6,000	3,000	5,000
Golf Cart Rental	186,003	187,887	205,000	188,000	200,000
Pull Cart Rental	713	2,457	2,500	2,000	2,500
Driving Range Fees	17,833	16,910	18,500	19,000	21,000
Simulator Fees	3,448	1,935	6,000	4,000	4,000
Catering Fee	0	283	300	200	200
Beer Sales	86,083	90,046	90,000	90,000	92,000
Food and Beverage Sales	56,809	50,753	60,000	55,000	55,000
Merchandise Sales	50,006	57,857	65,000	55,000	55,000
Miscellaneous Sales	2,412	1,512	2,000	1,900	2,000
Rebate - Soft Drink Supplier	2,000	4,000	2,000	2,000	2,000
Sales Tax	24,138	23,884	25,900	23,200	23,400
Sale of Equipment	527	0	0	0	0
Donation	830	450	0	1,500	0
Miscellaneous	2,281	1,060	400	400	400
Total Revenues	$ 761,337	$ 763,344	$ 829,000	$ 777,600	$ 794,900

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Maintenance Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 194,697	$ 184,373	$ 191,600	$ 191,600	$ 200,200	4.49%
Commodities	78,554	69,411	99,500	82,100	82,100	-17.49%
Contractual Services	43,611	41,893	42,500	44,400	44,400	4.47%
Capital Outlay	26,506	-	25,000	-	40,000	
Transfers	95,100	96,600	98,100	98,100	99,600	1.53%
Total Expenditures	$ 438,468	$ 392,277	$ 456,700	$ 416,200	$ 466,300	2.10%
Funding Sources						
Golf Funds	$ 438,468	$ 392,277	$ 456,700	$ 416,200	$ 466,300	2.10%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	2.56	2.56	2.56	2.56	2.56	
Total	4.56	4.56	4.56	4.56	4.56	$ 151,100
Employee Benefits						49,100
Total Personal Services						$ 200,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Greensmower	1	Yes	$ 40,000
Capital Project Funding Transfer			
Golf Irrigation System Internal Loan Payment			$ 45,000

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 153,977	$ 131,329	$ 158,600	$ 160,500	$ 167,600	5.67%
Commodities	97,971	109,645	127,900	113,800	114,800	-10.24%
Contractual Services	85,115	86,910	90,600	89,400	90,100	-0.55%
Capital Outlay	3,785	342	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 340,848	$ 328,226	$ 377,100	$ 363,700	$ 372,500	-1.22%
Funding Sources						
Golf Fees and Sales	$ 340,848	$ 328,226	$ 377,100	$ 363,700	$ 372,500	-1.22%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.35	1.69	1.47	1.47	1.47	
Cashier	1.00	1.04	1.09	1.09	1.09	
Laborer/Ranger	0.74	0.65	0.71	0.71	0.71	
Total Part Time	3.09	3.38	3.27	3.27	3.27	
Total	4.09	4.38	4.27	4.27	4.27	$ 131,400
Employee Benefits						36,200
Total Personal Services						$ 167,600

BOAT HARBOR OPERATIONS

GENERAL INFORMATION:

The Boat Harbor budget accounts for revenues and expenditures of the municipal boat harbor. Maintenance of the park levee is assigned to several City departments under the supervision of the Parks and Recreation department. Weed and vegetation control are a focus of this maintenance activity. All costs associated with the operation of Riverside Park are reflected in the Park Maintenance budget.

CURRENT TRENDS AND ISSUES:

The 2015/2016 revised estimate is $100 less than the original budget. The revised estimate includes a $600 increase in repair and maintenance supplies. This increase has been offset by a net decrease in other line items.

The 2016/2017 budget totals $25,800 which is $100 (.4%) less than the original 2015/2016 budget. The estimated Boat Harbor fund balance as of June 30, 2016 is $4,450 and $2,850 is the estimate for June 30, 2017.

The number of boat slip rentals and the corresponding revenue is dependent on river conditions each year and other factors. In 2011 forty-eight (48) boat slips were rented. The number increased in 2012 to sixty-nine (69), decreased to forty-six (46) in 2013, decreased to forty-five (45) in 2014, and further decrease to thirty-four (34) in 2015. The 2013 and 2014 decreases were due to high water levels early in the season. In 2016 the long dock will be replaced as part of a capital project funded by a Resource Enhancement and Protection (REAP) grant from the Iowa Department of Natural Resources (IDNR). The new dock will include several covered boat slips. Increased slip rentals are expected after completion of this project.

Slip rental rates were increased by $40 per slip for the 2010 season and were not increased for the 2011, 2012, 2013, or 2014 boating seasons. The Parks department conducted a survey of area boat harbors and based on the survey, slip rental rates were increased for the 2015 boating season. A non-resident fee was also implemented beginning in 2015. The seasonal fee structure for the boat harbor is as follows:

TYPE OF BOAT

	1998	1999-2007	2008-2009	2010-2014	2015-2016 Residents	2015-2016 Non-Residents
17 feet or less	$246.00	$271.00	$298.00	$ 338.00	$350.00	$ 400.00
18 to 25 feet	330.00	363.00	399.00	439.00	450.00	500.00
26 to 32 feet	413.00	454.00	499.00	539.00	550.00	600.00
33 feet and up	700.00*	770.00*	847.00*	887.00*	991.00*	1,040.00 *
Single slips	495.00	545.00	595.00	635.00	N/A	N/A

* Plus a surcharge of $5.00 per foot over 40 feet.

GOAL STATEMENT:

To establish and maintain a usable and aesthetically compatible riverfront area for the use of the general public in the City of Muscatine including a municipal harbor and launching ramp.

PERFORMANCE MEASURES:

Calendar Year Basis	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
House Boat Slips Rented	9	11	5	8	8
House Boat Slips Available	18	18	18	18	18
Percent Rented (House Boats)	50%	61%	27%	44%	44%
Other Slips Rented	37	34	29	34	34
Other Boat Slips Available	66	66	66	66	66
Percent Rented (Other Slips)	56%	52%	44%	52%	52%

RECENT ACCOMPLISHMENTS:

The City was approved for a Resource Enhancement and Protection (REAP) grant from the Iowa Department of Natural Resources (IDNR) to replace the long dock in the boat harbor and to rip-rap the harbor walls, which have both been set up as capital project funds. Staff will be meeting with the boating public to discuss the boat harbor operation and to gain input on the replacement of the long dock system.

Staff was able to reconnect all 8 of the anchors on the long dock this past spring, but there is still concern about the ability of these chains to continue to support the long dock. As part of the long dock project, staff will also be evaluating replacing the mounting system on the new long dock with a pole system that will allow for better support and make maintenance of the dock easier.

Parks and Recreation staff will continue to support the Water Pollution Control Plant staff in the dredging of the boat harbor. Issues with siltation and the inability for boaters to navigate their boats in the harbor were reported several times. Effort will be made this fall or early next spring to have the Water Pollution Control Plant staff completely dredge the harbor.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to improve weed control along the banks of the harbor.

* To replace the long dock.

* To add erosion stone to harbor banks.

* To better educate harbor users and enforce boat harbor usage policies.

* To replace the anchoring system on the long dock (subject to funding).

* To continue to provide support to the Water Pollution Control dredging operation.

* To continue to look for other initiatives to improve services or save time and costs in maintaining the harbor. **(Council and Management Continuous Service Improvement Goal)**

Boat Harbor Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ 11,914	$ 9,632	$ 10,732	$ 6,050	$ 4,450
Revenues					
Boat Slip Rentals	$ 22,400	$ 19,637	$ 26,000	$ 22,000	$ 24,000
Overnight Slip Rentals	212	432	400	200	200
Interest	6	7	0	0	0
Sale of Equipment	0	0	0	2,000	0
Other	22	12	0	0	0
Total Revenues	$ 22,640	$ 20,088	$ 26,400	$ 24,200	$ 24,200
Funds Available	$ 34,554	$ 29,720	$ 37,132	$ 30,250	$ 28,650
Expenditures (1)	24,922	23,670	25,900	25,800	25,800
Ending Balance (Deficit), June 30	$ 9,632	$ 6,050	$ 11,232	$ 4,450	$ 2,850
Increase (Decrease) in Fund Balance	**$ (2,282)**	**$ (3,582)**	**$ 500**	**$ (1,600)**	**$ (1,600)**

1. Expenditures include changes in compensated absences and other post-employment benefits.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Boat Harbor Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 13,540	$ 13,483	$ 14,300	$ 14,100	$ 14,600	2.10%
Commodities	1,129	1,641	1,200	1,900	1,200	0.00%
Contractual Services	3,433	2,654	4,600	4,000	4,000	-13.04%
Capital Outlay	-	-	-	-	-	
Transfers	5,400	5,600	5,800	5,800	6,000	3.45%
Total Expenditures	$ 23,502	$ 23,378	$ 25,900	$ 25,800	$ 25,800	-0.39%
Funding Sources						
Boat Harbor Revenues	$ 23,502	$ 23,378	$ 25,900	$ 25,800	$ 25,800	-0.39%

Personnel Schedule	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	$ 12,100
Employee Benefits						2,500
Total Personal Services						$ 14,600

MARINA OPERATIONS

GENERAL INFORMATION:

The operation of the gas barge on the City's riverfront began in the spring of 1995. Fuel, oil and ice were available for sale to area boaters. Through 2003 the gas barge was operated by City staff and not by a private entity as the City had hoped. In its first two years, the marina operated on a deficit basis due to overhead costs, a relatively low volume of fuel sales, and the limited number of items available for sale. Revenues exceeded expenditures by $773 in 1997/98, $2,171 in 1998/99 and $95 in 1999/2000. Expenditures, however, exceeded revenues by $287 in 2000/2001, $1,920 in 2001/2002, $1,593 in 2002/2003, and $1,301 in 2003/2004. The marina did not open during the 2004 season primarily due to construction on the riverfront. In 2004/2005 a General Fund subsidy transfer was made to eliminate the $13,823 accumulated deficit in this fund. General Fund subsidy transfers were also made in 2005/2006, 2006/2007, 2007/2008, 2008/2009, and 2011/2012, to eliminate deficits of $560, $1,708, $1,740, $4,363, and $775, respectively. There was no General Fund subsidy transfer needed in 2012/2013; however transfer were made in 2013/2014 and 2014/2015 to eliminate deficit balances of $436 and $400, respectively.

In 2005 the City entered into a five-year agreement with D&C Werner, LLC, for riverfront and marina operations. Under the agreement, D&C Werner, LLC, would pump gas and diesel fuel and was to also sell convenience and boater specific products in the building adjacent to the marina which had previously been used by park maintenance staff. The City was to pay the contractor $5,000 annually under this contract. The contractor provided fuel sales to boaters through 2007; however, the store area for boater convenience items was not opened beginning in 2007. In 2008 the contractor withdrew from the agreement and City staff is again selling fuel to boaters. No concession items are being sold by the City.

CURRENT TRENDS AND ISSUES:

The 2015/2016 revised estimate and 2016/2017 budget allow for fuel purchases and fuel sales to continue at recent year levels. The budget projection shows this operation having a minimal fund balance of $696 as of June 30, 2017. As in previous years, if there are shortfalls, it is proposed that they be eliminated by funding transfers from the General Fund on an annual basis.

GOAL STATEMENT:

To provide fuel and related items for sale to boaters on the Mississippi River.

PERFORMANCE MEASURES:

	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Gallons of Gasoline Sold	1,652*	1,291*	2,487	2,500	2,500
Gallons of Diesel Fuel Sold	274*	761*	579	550	550
Hours Open	114	95	157	180	180

* In 2013 and 2014 the gas dock did not open until July due to floods

RECENT ACCOMPLISHMENTS:

The Marina operations had a successful year in 2015 due in part to the low water levels this spring. The Park department continued its efforts for hiring and properly training seasonal staff on the operation of the gas dock. Staff was available at the gas dock to help serve the boaters during scheduled hours as well as by appointments that were made with the Parks office.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To complete repairs to the fuel shed.

* To continue to hire quality seasonal staff and provide training for both the safe operation of the gas dock and the proper documentation of fuel sales.

* To continue to provide a service to the boaters for refueling and pump out services as the marina is the only source for these services in this pool of the river.

* To continue to look for ways to implement "Lean" initiatives in this operation. **(Council and Management Continuous Service Improvement Goal)**

* To continue to operate within state and federal regulations.

Marina Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ (5,226)	$ (4,499)	$ (4,099)	$ (4,504)	$ (4,204)
Revenues					
Fuel Sales	$ 7,965	$ 12,222	$ 15,000	$ 15,000	$ 15,000
Miscellaneous	115	1	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	436	400	0	0	0
Total Revenues	$ 8,516	$ 12,623	$ 15,100	$ 15,100	$ 15,100
Funds Available	$ 3,290	$ 8,124	$ 11,001	$ 10,596	$ 10,896
Expenditures	7,789	12,628	14,600	14,800	14,700
Ending Balance (Deficit), June 30	$ (4,499)	$ (4,504)	$ (3,599)	$ (4,204)	$ (3,804)
Allowance for Inventory	4,499	4,504	3,599	4,500	4,500
Net Balance (Deficit), June 30	$ 0	$ 0	$ 0	$ 296 (1)	$ 696 (1)
Increase (Decrease) in Net Fund Balance	**$ 727**	**$ (5)**	**$ 500**	**$ 300**	**$ 400**

1. Athough minimul fund balances are projected with the allowance for inventory, any shortfalls are proposed to to be funded from transfers from the General Fund on an anuual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Marina Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 1,193	$ 1,304	$ 1,700	$ 1,700	$ 1,700	0.00%
Commodities	5,980	10,658	12,000	12,200	12,100	0.83%
Contractual Services	615	666	900	900	900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 7,788	$ 12,628	$ 14,600	$ 14,800	$ 14,700	0.68%
Funding Sources						
Fuel Sales	$ 7,965	$ 12,222	$ 15,000	$ 15,000	$ 15,000	0.00%
Miscellaneous Revenue	115	1	100	100	100	0.00%
Subsidy to Eliminate Deficit	436	400	-	-	-	
Total Funding Sources	$ 8,516	$ 12,623	$ 15,100	$ 15,100	$ 15,100	0.00%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	$ 1,500
Employee Benefits						200
Total Personal Services						$ 1,700

AMBULANCE OPERATIONS FUND

GENERAL INFORMATION:

Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000. This agreement provided for a City subsidy to the ambulance service of $90,500 per year and subsidies from the townships that totaled $24,500 per year.

In August of 1998, the City contracted with an outside consultant to provide a thorough analysis of the City's system of pre-hospital care involving the Muscatine Fire Department and Muscatine Ambulance, Inc. The consultant's report was used as a basis for development of specifications and a request for proposals (RFP) for potential providers of ambulance services upon the expiration of the ambulance contract on June 30, 2000. After reviewing two proposals, the City Council selected the Muscatine Fire Department to provide this service. In order to account for revenues and expenditures of the Fire Department Ambulance Service, this operation was established as an enterprise fund of the City.

In 1999/2000, $289,690 was expended for purchasing and equipping three (3) new ambulances and purchasing the necessary supplies to begin providing services effective July 1, 2000. The original budget for the 2000/2001 fiscal year included costs and cost allocations to fund this new operation. Five new firefighter positions, one-half of a Fire Mechanic position and a half-time equivalent clerical position were included in this budget. Additionally as part of the Ambulance Operation's administrative fee, 50% of an Assistant Fire Chief and 25% of the Fire Chief's costs were also charged to this budget. The budget also included funds for supplies and services associated with this service including funds to contract for ambulance billing services.

Since the ambulance service became a city operation in 2000, the city has been able to allocate the cost of firefighters and administrative positions to this operation. This amount has varied based upon revenues generated and fund balances at the end of each fiscal year. This allows the city to relieve the General Fund of these expenses.

Effective for the 2007/2008 year, the City made a number of changes to employee allocations to address decreases in fund balance in the Ambulance Fund as well as assisting with balancing the General Fund budget. These changes included transferring the 6.5 fulltime equivalent firefighter/mechanic positions from the Ambulance Fund to the Fire Department budget in the General Fund. Funding transfers are now being made from the Ambulance Fund to the General Fund for a percentage of the total wage and benefit costs for the overall fire department staff. Benefit costs for these positions are funded from the Employee Benefits tax levy for General Fund Employees. Also in 2007/2008, a decision was made to use bond financing for the refurbishment of two ambulances ($160,000).

A rate increase was implemented April 1, 2006 which increased the base rate from $450 to $485. This was the first increase in the base rate since the Fire department began providing ambulance services in 2000. Rates were again increased effective April 1, 2007 due to reduced revenues to the Ambulance fund. Under the new rate structure fees vary by level of ambulance service with the BLS (Basic Life Support) rate increasing to $525, the ALS1 (Advanced Life Support) to $575, and the ALS2 to $675. Rates were again adjusted in January, 2009. The rates for ALS1 increased from $575 to $586 and for Skilled Care Transport from $775 to $1,002. Effective July 1, 2010 the rates for ALS1 increased to $616, ALS2 to $891, and skill care transports to $1,053. Effective July 1, 2011, the base rate was increased to $560, ALS1 increased to $665, ALS2 increased to $962 and SCT increased to $1,137. The mileage rate and "ALS Services with no Transport"

rates changed effective July 1, 2012; the other rates continued at their 2011 levels. Effective July 1, 2014 rates were again adjusted to $565 for BLS calls, $672 for ALS1 calls, $972 for ALS2 calls, and $1,149 for SCT calls. The mileage rate was also increased to $14 per loaded mile. Effective July 1, 2015 rates were again adjusted to $576 for BLS calls, $684 for ALS1 calls, $990 for ALS2 calls, and $1,169 for SCT calls. The mileage rate remained at $14 per loaded mile. These rate adjustments corresponded to the increases in the amounts allowed by Wellmark for these types of transports.

CURRENT TRENDS AND ISSUES:

Beginning in 2008/2009 and continuing through 2016/2017, personnel costs in the Fire Department budget are being allocated to the Ambulance budget on a percentage basis rather than by computing a specific number of fire positions and position allocations. This percentage was 25.5% for 2013/2014, it increased slightly to 25.7% for 2014/2015, decreased to 23% in 2015/2016, and further decreased to 22.5% in 2016/2017. The transfer for 2015/2016 at the lowered allocation rate of 23% is $833,200. The transfer for 2016/2017 at the allocation rate of 22.5% will be $891,000 which is a $57,800 (6.9%) increase from the original 2015/2016 budget. Part of the transfer increase is due to the addition of four firefighter positions in the Fire department budget in the General Fund. As close to 90% of Fire department calls are medical, this percentage allocation is appropriate and at the same time has maintained an adequate balance in the Ambulance fund.

In 2015/2016 the Ambulance fund balance did not allow for the replacement of an ambulance for $148,500 (net of trade-in). The ambulance purchase is being funded with a one-time increase in the General Fund transfer to the Equipment Replacement Fund specifically for this purchase. In effect, this purchase is budgeted to be funded from the General Fund balance in excess of the minimum fund balance provided for in the City's General Fund Balance Policy.

The revised estimated expenditures for 2015/2016 are $77,200 higher than the original budget. Personal services costs are $25,600 higher than the original budget due to increased part-time ambulance attendant hours, retirement pay for the Ambulance Billing Manager, and allowing for the new Billing Manager to have family health insurance and to be a current firefighter with the associated Fire pension system contribution costs. There was also a $50,300 increase in capital outlay which includes $34,000 for portable ventilators which will be 100% funded from grants, and $16,300 for purchasing new patient care software and replacing two computers that would run the new software.

The budgeted expenditures for 2016/2017 are $105,400 (8.1%) more than the original 2015/2016 budget. This overall increase is primarily due to increased personal services ($15,900), increased capital outlay ($35,700), and increased transfers ($48,900). The personal services increase includes additional hours for the part-time ambulance attendants and for funding the family health insurance and fire pension costs for the new Billing Manager. The increased transfer out is in part due to adding four new Firefighter positions in the Fire department budget. Increased revenues are expected with the new positions with less revenue "lost" due to staff not always being available for hospital transfers. The budget includes $41,700 in capital outlay which includes $6,100 for two Tough Pad computers, $31,000 to replace two manually operated cots with power cots, and $4,600 to replace five portable suction units.

Ambulance service fees are estimated at $1,350,000 for 2015/2016 and $1,381,000 for 2016/2017. The increase in the 2016/2017 revenue estimate allows for an overall 2% increase in ambulance revenues and an estimated $14,000 increase in revenue from hospital transfers with the addition of four fulltime firefighters. Usage and revenues have fluctuated in recent years and staff continues to monitor trends in these areas. The fund balance at the end of 2016/2017 is projected at $196,821. This balance allows for funding a potential shortfall in the Southend Fire Station capital project fund when this project is closed out.

GOAL STATEMENT:

To provide high performance paramedic transport services in the Muscatine area, responding to all emergency calls with a transport unit in less than 9 minutes on not less than 95% of all response requests within the "Urban Zone" and less than 15 minutes on not less than 95% of all response requests within the "Suburban/Rural Zone."

PERFORMANCE MEASURES

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Urban Zone Medical Responses	2,016	2,252	2,377	2,506	2,830
Suburban/Rural Zone Medical Responses	301	285	431	463	450
Out of Territory Medical Responses	38	43	59	43	40
Interfacility Transfers	816	1,096	1,096	1,070	950
Total EMS Calls	3,171	3,676	3,963	4,082	4,270
EMS Calls as % of Total Fire Calls	82.1%	91.3%	87.9%	90.1%	90.0%
EMS Training Hours	1,480	1,502	1,932	1,961	1,500
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	96.6%	94.5%	93.2%	93.3%	94%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls	96.8%	94.4%	94.4%	94.4%	95%

RECENT ACCOMPLISHMENTS:

The department continued the cardiac enzyme blood testing pilot project and remains the only ambulance service in Iowa with this type of testing capabilities. Test results are used to help determine transport destinations for cardiac patients. This is a Continuous Service Improvement accomplishment for the department.

The Ambulance Services was awarded $34,000 in grants to purchase two portable ventilator/BiPAP/CPAP machines which will also improve services to patients. The department was also awarded a $3,500 grant for the purchase of an advanced life support manikin trainer.

The Fire department hosted the 5th Annual EMS Saturday conference at Discovery Park. This event draws participants from throughout Eastern Iowa as well as serving department personnel. It also hosted the 17th Annual Muscatine County EMS Day at Farm & Fleet. (Marketing Goal)

The department also implemented a change in billing companies and reporting software to provide for a more efficient process and more favorable financial impact for the City. (Fiscal Responsibility Goal)

The Muscatine Fire department continues to provide tactical medic services to the Muscatine Police Department and the Muscatine County Sheriff's Office special response teams. The department also worked with the State of Iowa in assisting with the public health response to the outbreak of bird flu.

The department organized and assisted in the annual 'Remembering Our Own' presentation at the Iowa EMS Association annual conference. Muscatine Fire department staff was the leader in nearly every phase of this event, from the video production through site organization, and presentations to the families of EMS providers throughout the state who have passed away.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To develop an EMS alarm system to properly utilize ambulance service resources within the department's response area.

* To develop a classroom casualty training program for use in the school system, to implement the program if funding and scheduling allows, and to consider expanding the program to include active shooter response throughout the community.

* To continue to develop Rescue Task Force training and response as well as research other ways to respond to active shooter events.

* To participate in a training scenario geared toward active shooter response with this to include county departments if available.

* To continue to search for grant funding to maintain and improve the department's training and response.

Ambulance Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 289,927	$ 194,720	$ 16,092	$ 100,921	$ 197,421
Revenues					
Ambulance Fees	$ 1,260,648	$ 1,333,711	$ 1,290,000	$ 1,350,000	$ 1,381,000 (5)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	6,603	421	0	60,400	0
Township Subsidies	31,400	31,400	30,000	31,400	31,400
Donations	6,696	1,890	0	0	0
Interest	146	56	100	100	100
Local Grant/Reimbursment	0	0	0	37,500	0
Other	0	0	0	2,000	0
Total Revenues	$ 1,305,493	$ 1,367,478	$ 1,320,100	$ 1,481,400	$ 1,412,500
Funds Available	$ 1,595,420	$ 1,562,198	$ 1,336,192	$ 1,582,321	$ 1,609,921
Expenditures (1)	1,471,628 (2)	1,461,277 (3)	1,307,700 (4)	1,384,900	1,413,100
Ending Balance, June 30	$ 123,792	$ 100,921	$ 28,492	$ 197,421	$ 196,821
Increase (Decrease) in Fund Balance	**$ (166,135)**	**$ (93,799)**	**$ 12,400**	**$ 96,500**	**$ (600)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2013/2014 expenditures included $99,000 for the refurbishment of one ambulance.
3. In 2014/2015 a total of $221,000 in ambulance equipment was funded from bond proceeds instead of the Ambulance fund since the fund balance was not sufficient to fund these purchases. These purchases included $168,000 for cardiac monitors and $53,000 for CPR devices.
4. In 2015/2016 a new ambulance was budgeted to be purchased from the Equipment Replacement fund since sufficient funds were not available in the Ambulance fund. The budget included an increased General Fund transfer to the Equipment Replacement fund specifically for this purchase ($148,500).
5. The estimated 2016/2017 revenues include an estimated $14,000 increase in ambulance fees from currently "lost" hospital transfer runs due to staffing. The estimate is also based on an overall 2% increase in revenue.

Explanation of Changes in Fund Balances:
Fluctuations in the Ambulance fund balance are primarily due to the number and amount of capital purchases each year.

Function:
Business Type

Department:
Fire

Activity:

Ambulance Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 168,680	$ 168,960	$ 152,100	$ 177,700	$ 168,000	10.45%
Commodities	89,759	84,572	99,300	94,900	97,200	-2.11%
Contractual Services	181,413	177,568	180,500	186,200	177,500	-1.66%
Capital Outlay	110,456	1,402	6,000	56,300	41,700	595.00%
Transfers	919,800	957,900	869,800	869,800	928,700	6.77%
Total Expenditures	$ 1,470,108	$ 1,390,402	$ 1,307,700	$ 1,384,900	$ 1,413,100	8.06%
Funding Sources						
Ambulance Fees	$ 1,267,251	$ 1,334,132	$ 1,290,000	$ 1,410,400	$ 1,381,000	7.05%
County Subsidy	31,400	31,400	30,000	31,400	31,400	4.67%
Donations	6,696	1,890	-	-	-	
Interest	146	56	100	100	100	0.00%
Local Grant/Reimbursements	-	-	-	37,500	-	
Other	-	-	-	2,000	-	
Total Funding Sources	$ 1,305,493	$ 1,367,478	$ 1,320,100	$ 1,481,400	$ 1,412,500	7.00%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	1.32	1.32	0.72	1.13	1.13	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	2.57	2.57	1.97	2.38	2.38	$ 121,500
Employee Benefits						46,500
Total Personal Services						$ 168,000

Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Toughbook Computers	2	Yes	$ 6,100
Power Cots	2	Yes	31,000
Portable Suction Units	5	Yes	4,600
Total			$ 41,700

MUSCATINE CONVENTION AND VISITORS BUREAU

GENERAL INFORMATION:

The Muscatine Convention and Visitors Bureau (CVB) was part of the Greater Muscatine Chamber of Commerce and Industry through June 30, 2013. In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate nonprofit entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was established and the CVB Director relocated to an office in the lower level of City Hall. The City provides accounting services for the CVB operation and through June 30, 2015 the CVB's funds were accounted for as a discretely presented component unit of the City.

With the change in the CVB operation, the City changed the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts. The CVB Board and the City have agreed that the annual allocations to the CVB would be based on 25% of the prior fiscal year's actual hotel/motel tax receipts.

As of July 1, 2015, the CVB dissolved ther nonprofit entity, became part of the City, and a new CVB Board was appointed. The CVB is now accounted for as an enterprise fund of the City.

CURRENT TRENDS AND ISSUES:

The original budget for 2015/2016 was $108,800 and the revised estimate has been reduced by $5,000 to $103,800. This decrease is in personal services costs due to a vacancy in the CVB Director position during the year. There were offsetting increases and decreases in various other budget line items in the revised estimate.

The 2016/2017 budget for the CVB totals $113,800 which is $5,000 (4.6%) higher than the 2015/2016 budget. The increase is primarily due to a $4,900 increase in personal services costs. Personal services for 2016/2017 includes $2,000 in part-time wages for a Welcome Coordinator to assist the CVB Director at community events.

Revised estimate hotel/motel tax funding (25% of prior year actual hotel/motel taxes) has been reduced from the $95,000 originally budgeted to $88,500 since actual 2014/2015 hotel/motel tax revenue was less than budgeted. The 2016/2017 budget again reflects hotel/motel tax funding of $88,500. The actual funding amount, however, will be 25% of actual 2015/2016 hotel/motel tax revenues. This will either increase or decrease the actual 2016/2017 funding allocation.

This CVB fund is projected to have a fund balance of $63,447 as of June 30, 2017.

PERFORMANCE MEASURES

Guides

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Goal 2015/2016	Goal 2016/2017
Requests for Mailings	N/A	N/A	60	70
Visitor Guides Distributed	5,000	5,000	7,000	8,000
Dining and Lodging Guides Distributed	N/A	N/A	3,500	5,000

Social Media

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Goal 2015/2016	Goal 2016/2017
Facebook Likes	698	918	1,300	1,800
Twitter Followers	N/A	362	500	625
Instagram Followers	N/A	87	175	250

Website

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Goal 2015/2016	Goal 2016/2017
Visitors	7,553	14,263	14,976	18,000
Page views	22,484	40,854	60,000	80,000

E-Newsletter

Metrics Measured	Actual 2014/2015	Year to Date 2015/2016	Goal 2015/2016	Goal 2016/2017
Subscribers	250	295	350	450
Open rate (average)	40.2	39.86	42	45
Click thru rate (average)	21.46	15.23	20	25

Blog

Metrics Measured	Actual 2014/2015	Year to Date 2015/2016	Goal 2015/2016	Goal 2016/2017
Views	N/A	401	750	1,125
Visitors	N/A	112	600	1,000
Posts (total)	N/A	4	16	36
Posts from outside contributors	N/A	1	8	16

Groups

Metrics Measured	Actual 2014/2015	Year to Date 2015/2016	Goal 2015/2016	Goal 2016/2017
Groups booked	N/A	3	7	10
Group leads	N/A	1	10	25

Other Metrics Tracked

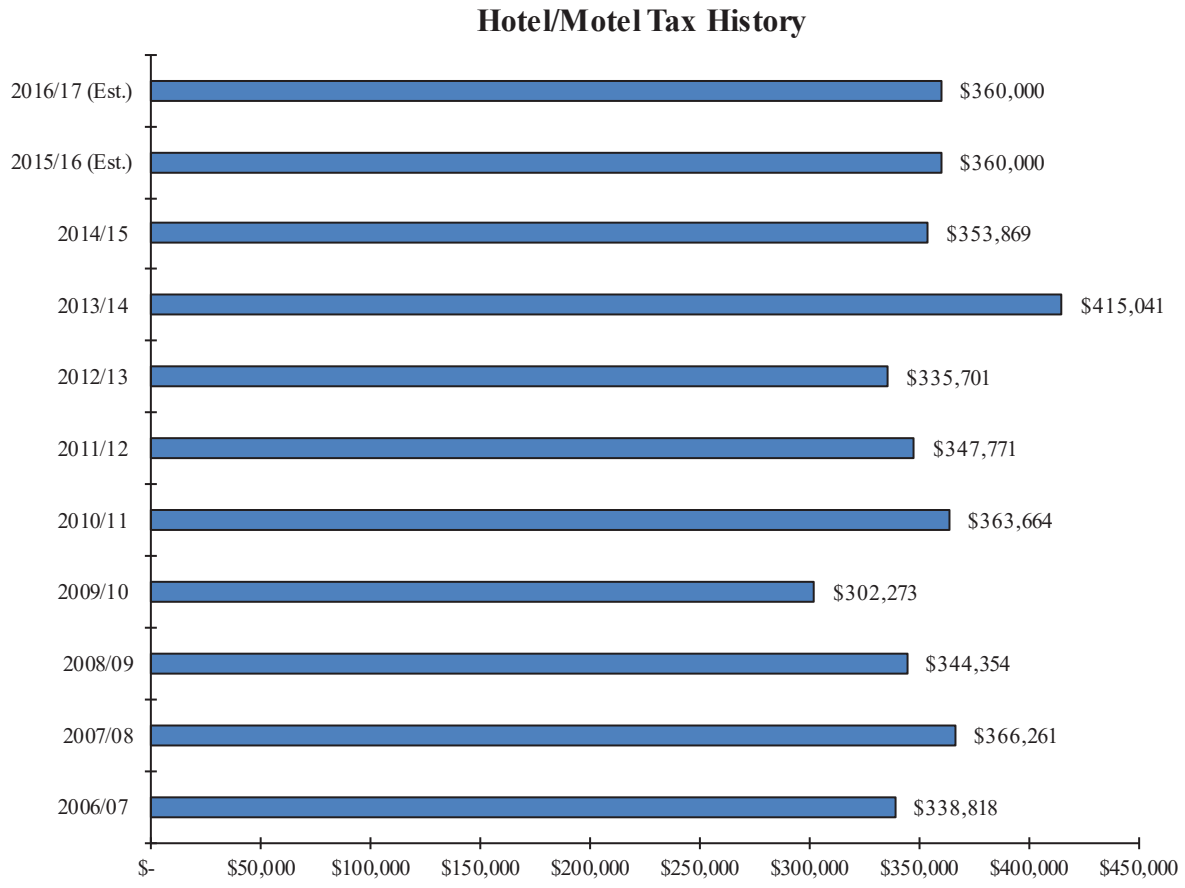
Economic Impact of Tourism in Muscatine County

Metrics Measured	Actual 2013	Actual 2014
$ spent in travel	$76.95 million	$80.25 million
Travel tourism jobs	670	700

Other Social Media

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Year to Date
Highest Facebook post reach	3,668	6,824	3,795
Highest Tweet impressions	N/A	N/A	1,085
Most likes on an Instagram post	6	6	18

Hotel/Motel Tax



RECENT ACCOMPLISHMENTS:

The new Convention and Visitors Bureau Director hired in August 2015 has been working to make herself and the CVB more visible in the community. In November, the CVB created its "Made In Muscatine" blog at madeinmuscatine.wordpress.com which it is partnering with local bloggers and students to maintain.

The CVB has an intern from East Campus and has been partnering with East Campus to create promotional videos. The CVB is working to recruit an intern from Muscatine Community College as well.

The CVB is working with a committee to start a "First Friday-esque" once a month street fest with plans to hold the first event in May 2016. A Leadership Muscatine group has come onboard as a partner for the project.

The CVB helped plan and promote the 2015 Holiday Stroll and is helping to plan and promote the 2016 July 4th celebration.

The CVB held a free advertising workshop for local businesses, attractions, and events to get their listings on the National Geographic Geotourism website (which the CVB has placed numerous listings on), on TravelIowa.com, and on the Quad Cities CVB's website.

The CVB has continued improving its website by adding pictures and information and making the site more aesthetically pleasing. An improvement of particular note is the calendar which has been combined with whatsupmuscatine.com, giving the CVB a more aesthetically pleasing and user friendly calendar feed to use that also has more events listed.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

Capitalize on visitors while they're here

- Craft materials to guide them including:
    - Visitors Guide for 2017
    - Dining and Lodging Guide for 2016/2017 (possibly, consider the effectiveness of it and of its current method of distribution first)
    - Literature about seasonal itineraries
        - Develop the itineraries and develop deadlines to complete and print them
    - Investigate other methods of crafting materials for visitors than print, such as an app or other digital platforms
- Improve tourism infrastructure
    - Partner in wayfinding efforts during the Mississippi Drive Corridor Project
- Partner with local merchants and the hospitality industry to empower them to take advantage of visitors
    - Create a method of communication between the CVB and these parties to be implemented by March 2016
    - Create a comprehensive calendar of annual events for them by March 2016

Capitalize on events and programs which Muscatine already has that attract visitors, to attract more visitors and create repeat visitors

- Partner with organizers to support and grow current events and programs
    - Continue use of mini-grants
        - Better promote the grants through marketing and outreach
        - Craft better guidelines for applications by the end of January 2016
- When planning new events/programs, plan them in collaboration with existing ones when appropriate

Develop a marketing plan for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Muscatine School District, Muscatine Community College, Unity Point - Trinity Muscatine, Community Improvement Action Team (CIAT), and local industry (Budget March 2016, Hire firm June 2016)

- Keep a mind toward destination marketing while doing so

Prepare for Chinese tourism

- Craft and develop seasonal itineraries with community partnerships
- Partner with China Windows Group, Inc. in their efforts in the tourism industry

Target marketing to particular groups including:

- Chinese tourists (see above)
- Visitors to soccer complex and Kent-Stein Park
    - Investigate a permanent wayfinding structure at the soccer complex and Kent-Stein Park
    - Develop a process to communicate with them before they arrive and implement it for the 2016 season(s)

Support CVB Director's efforts through a volunteer network and/or paid staff

- Utilize an intern from East Campus
- Investigate utilizing an intern from Muscatine Community College
- Partner with East Campus to create videos to use for marketing purposes

Craft a long-term vision for the CVB to be approved by November 2016

Muscatine Convention and Visitors Bureau (CVB)

Budget Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 64,535	$ 75,305	$ 90,965	$ 98,847	$ 86,147
Revenues					
City Hotel/Motel Tax Allocation (1)	$ 83,925	$ 103,760	$ 95,000	$ 0 (3)	$ 0 (3)
County Contribution	2,500	2,500	2,500	2,500	2,500
Interest	108	112	100	100	100
Transfers In					
General Fund - Hotel/Motel Tax (1)	0	0	0	88,500 (3)	88,500 (3)
Total Revenues	$ 86,533	$ 106,372	$ 97,600	$ 91,100	$ 91,100
Funds Available	$ 151,068	$ 181,677	$ 188,565	$ 189,947	$ 177,247
Expenditures (2)	$ 75,763	$ 82,830	108,800	$ 103,800	113,800
Ending Balance, June 30	$ 75,305	$ 98,847	$ 79,765	$ 86,147	$ 63,447
Increase (Decrease) in Fund Balance	**$ 10,770**	**$ 23,542**	**$ (11,200)**	**$ (12,700)**	**$ (22,700)**

1. The City hotel/motel tax allocation is budgeted to be 25% of the actual hotel/motel tax receipts from the previous fiscal year paid in equal quarterly installments the first quarter of each month.
2. Expenditures include changes in compensated absences and other post-employment benefits.
3. The CVB became a city department effective July 1, 2015. With this change, the hotel/motel tax funding will be considered a transfer instead of a revenue to the CVB.

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 49,192	$ 45,506	$ 54,200	$ 49,200	$ 59,100	9.04%
Commodities	2,319	1,418	5,500	2,000	4,400	-20.00%
Contractual Services	19,624	33,083	45,200	48,700	46,300	2.43%
Capital Outlay	-	-	-	-	-	
Transfers	3,700	3,800	3,900	3,900	4,000	2.56%
Total Expenditures	$ 74,835	$ 83,807	$ 108,800	$ 103,800	$ 113,800	4.60%
Funding Sources						
City Hotel/Motel Tax Allocation	$ 83,925	$ 103,760	$ 95,000	$ 88,500	$ 88,500	-6.84%
County Contribution	2,500	2,500	2,500	2,500	2,500	0.00%
Other	108	112	100	100	100	0.00%
General Revenues	$ 86,533	$ 106,372	$ 97,600	$ 91,100	$ 91,100	-6.66%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
CVB Director	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Welcome Coordinator	-	-	-	0.07	0.10	
Total	1.00	1.00	1.00	1.07	1.10	$ 44,900
Employee Benefits						14,200
Total Personal Services						$ 59,100

SOLID WASTE MANAGEMENT FUNDS

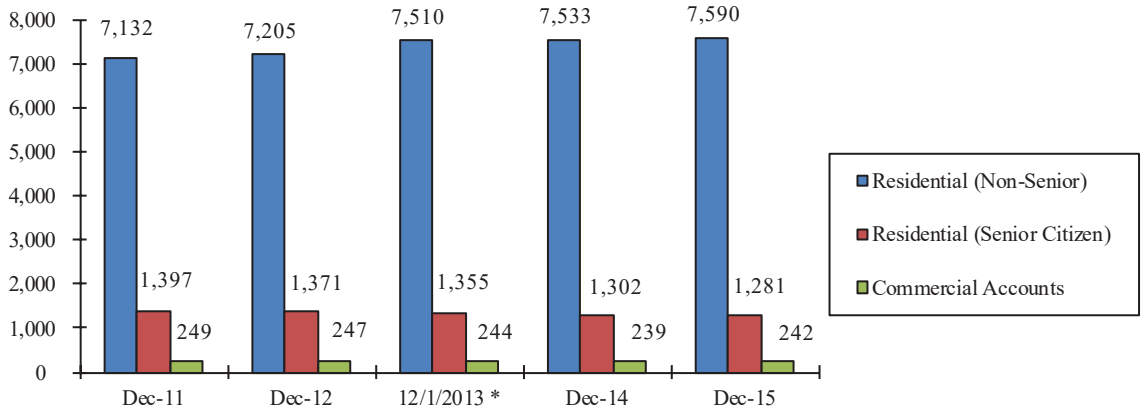
REFUSE COLLECTION

GENERAL INFORMATION:

The Solid Waste Management functions of the City are accounted for in three (3) separate funds - Landfill Operations, Transfer Station Operations, and Refuse Collection. Separating the three activities is required to properly analyze the fee structure and costs within each of the operations. The Landfill operation and Transfer Station operation are detailed in separate budgets which follow.

The Refuse Collection activity involves the pickup of solid waste by refuse trucks in the City of Muscatine. Refuse at residential dwellings is collected once each week. The department also collects refuse from some apartment complexes, commercial businesses, and industrial customers. Non-residential refuse collection is made only upon request, as many businesses contract with private haulers for this service. The breakdown of the number of customers in December for the last five years is as follows:

Refuse Customers by Type



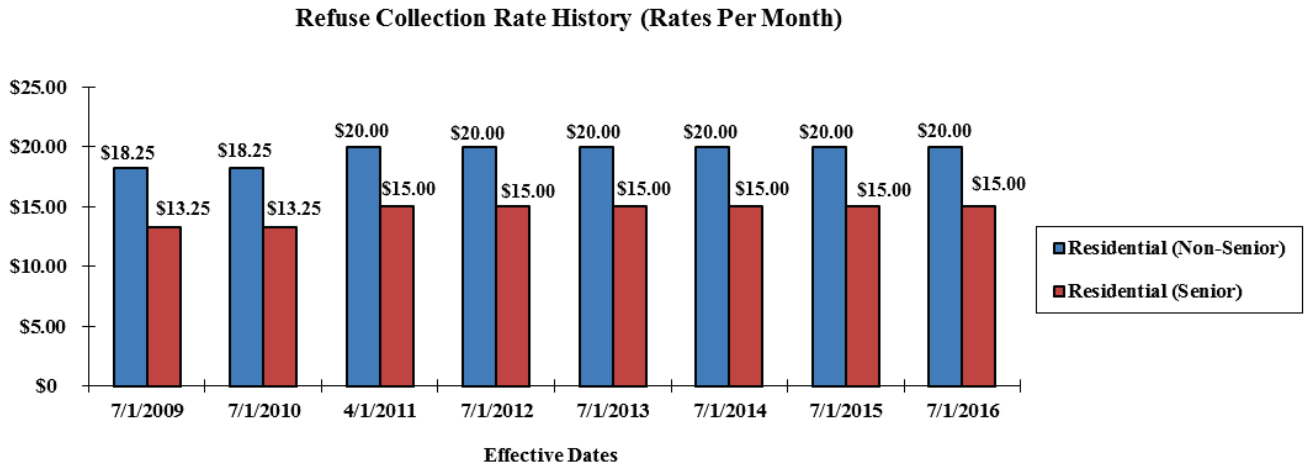
* Increase in Residential (Non-Senior) customers beginning in 2013 is due to adding 313 customers with the annexation of the Ripley's area.

In April 2011 the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside recycling program has been incorporated into the refuse collection rates. The cost per customer per month for the curbside recycling program was $3.05 in the first year of the contract. The contract provided for increases to $3.14, $3.23, $3.33, and $3.43, respectively, for the 2nd through the 5th years of the contract. Allied Waste provided the containers for each customer as part of that fee.

The final year of the original contract with Allied Waste (now Republic Services) was scheduled to end on March 31, 2016. In December 2015 City Council approved a 5-year extension to this contract. For the first year of the new contract the rate will remain at the current $3.43 per customer per month. For the 2nd through the 5th year of the new contract the per customer per month rate will increase to $3.53, $3.64, $3.75, and $3.86.

The Refuse Collection activity is currently performed by five (5) full-time refuse drivers, one (1) solid waste lead worker, a Solid Waste Supervisor, and temporary refuse collection workers. There were six fulltime refuse driver positions in the original 2013/2014 budget; however, one of these positions became vacant in 2013 and has not been filled. This was due to the planned conversion to automated (one-person) refuse collection vehicles. Temporary employees have been used to fill in as needed with this change in staffing. The City's first automated truck was ordered late in April 2015 and was delivered and placed in service in December 2015. In addition to regular weekly garbage pickup service, the City provides a curbside pickup service for large refuse items.

As an enterprise fund, it has been necessary to increase rates to assure the service fees properly cover the cost of this operation. The following chart reflects fee charges on a monthly basis for residential customers. The rates increased to $20.00 and $15.00 respectively, for regular and senior customers, effective April 1, 2011 when the single sort curbside recycling program was implemented. Those rates are budgeted to continue through 2016/2017.



CURRENT TRENDS AND ISSUES:

All refuse from the City's refuse collection division is delivered to the Transfer Station, compacted and then taken to the landfill. The 2015/2016 and 2016/2017 budgets each include $486,000 for Transfer Station fees for disposal of an estimated 8,100 tons of waste at the budgeted rate of $60.00 per ton.

The 2014/2015 budget included funding to begin implementation of a long-term plan to convert to automated refuse vehicles. The 2014/2015 budget included $240,000 for one automated refuse collection vehicle and $150,000 for approximately 3,000 containers for residential customers. This was the first phase of the transition to the automated refuse collection program. One additional automated vehicle and additional bins are needed to fully implement this program. The first automated truck was ordered in April of 2015 and encumbered to the 2014/2015 fiscal year. With the lead time on the order, however, the vehicle was not delivered until December of 2015.

The original 2015/2016 budget included a $130,000 capital outlay allocation for 2,800 additional refuse bins, but it did not include funding for the 2nd automated refuse collection vehicle. The revised estimate for 2015/2016 is $240,100 more than the original budget and allows for the purchase of the 2nd automated truck in 2015/2016. Again, with the long lead time on the order, if the order is placed this fiscal year, the vehicle would not be delivered until late in 2016. While this will result in a budget-basis deficit of $232,706 at the end of 2015/2016, with the remaining capital costs of implementing the automated refuse collection program all incurred in 2015/2016 and 2016/2017, the savings from this program will begin to be fully realized. The

deficit fund balance in the Refuse Collection fund is projected to be eliminated during the 2017/2018 fiscal year.

The $240,100 overall increase in the revised estimate is comprised of (1) a $5,100 reduction in personal services, primarily due to reduced overtime, (2) a $9,300 reduction in commodities, primarily due to reduced fuel costs with the recent lower prices, (3) a $37,800 increase in contractual with $35,000 of this amount due to needing to pay for wood grinding services at the compost site, (4) an increase of $218,300 in capital outlay with the addition of the 2nd automated vehicle ($220,000 net of trade-in of a current vehicle), and (5) a $1,600 reduction in transfers.

The budget for 2016/2017 is $51,300 (2.4%) less than the original 2015/2016 budget. The budget is based on eliminating one fulltime Refuse Driver position when the 2nd automated vehicle is placed in service. This is estimated to be by the end of December, 2016, and the budget includes the personnel reduction as of that date. This overall decrease in this budget is due to (1) a $16,600 reduction in personal services costs which includes the elimination of the fulltime driver midway through the year, (2) a $21,500 reduction in commodities, primarily due to reduced fuel costs and not needing to purchase yard waste bags in 2016/2017, (3) a $19,400 increase in contractual services which is due to compost site wood grinding services, (4) a $34,000 decrease in capital outlay, and (5) a $1,400 increase in transfers. Capital outlay purchases budgeted for 2016/2017 include $120,000 for refuse bins which will complete the needed purchases to fully implement the automated refuse collection program.

The 2016/2017 budget also includes a reallocation of Solid Waste staff between the three divisions. Beginning in 2016/2017 the Solid Waste Supervisor's allocation to Refuse Collection will be reduced from 100% to 75% with 25% of this position allocated to the Landfill. The Maintenance Worker II's allocation to Refuse Collection will be increased from 33.3% to 50%.

With ordering the 2nd automated vehicle in the 2015/2016 fiscal year, there will be an estimated $232,706 deficit fund balance at the end of the current year. This is primarily due to the encumbrance for the 2nd automated vehicle ($220,000). This deficit is projected to be reduced to $145,606 by the end of 2016/2017. These deficits will be funded from internal loans from other City funds.

With the remaining major capital outlay items for the automated refuse system included in the 2015/2016 and 2016/2017 fiscal year budgets, no significant capital purchases are expected to be needed in 2017/2018. The 2017/2018 budget will also reflect a full year of savings with the reduction of one fulltime Refuse Driver position. A preliminary estimate of the 2017/2018 revenues at the current rates and expenditures with only an inflationary increase and no capital outlay shows that the deficit would be eliminated in 2017/2018 and there would be a $33,000 positive balance. The change in fund balance for that year would be a gain of $178,800. In future years it is expected that the Refuse Collection fund will have the expected financial benefits originally projected with the change to the automated refuse collection vehicles.

The 2016/2017 budget continues to include the allocation of 50% of the Inspector II position. This position works out of the Community Development department and is involved in addressing nuisance complaints including garbage and junk removal responsibilities. The budget also continues to fund the City of Muscatine's portion of the Solid Waste Management Agency assessment which began in 2008/2009 ($64,800).

GOAL STATEMENT:

To provide efficient and cost effective solid waste collection and recycling systems providing once per week pickup in all residential areas and providing service upon request to commercial and industrial customers to provide a clean and healthy environment for the residents of Muscatine.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Tons of Refuse Collected	7,957	8,204	8,280	8,200	8,200
Regular Residential Customers - December	6,880	6,863	6,982	6,954	6,960
Senior Residential Customers - December	1,371	1,355	1,302	1,281	1,290
Commercial and Industrial Customers - December	247	244	239	242	245
Ripley's Mobile Home Court – Residential Units *	315	313	305	301	305
Fruitland Residential Customers – December	330	334	336	335	336
Cleanup Week Collections (Tons)	580	609	574	575	575
Number of Recycling Trailers	5	5	5	5	5
Recycling Trailer Collections (Tons)	240	235	230	230	230
Single Sort Curbside Recycling (Tons)	1,330	1,310	1,325	1,325	1,325
Curbside Pickups (calendar year)	1,028	1,140	1,402	1,300	1,300

* In April 2013, refuse collection services were expanded with the annexation of the Ripley's Mobile Home Court area. This is being billed as one commercial account but it includes providing refuse collection services to approximately 300-315 individual residential units in the mobile home court.

RECENT ACCOMPLISHMENTS:

The refuse collection division has been busy with the implementation of the first phase of the automated refuse collection program. Staff has spent numerous hours with residents to discuss the new containers and how the program works. Overall, the majority of residents are pleased with the new program.

The curbside recycling program is in the fifth year of the original contract that ends March 31, 2016.. This program has had a fantastic response since it started in 2011. The program continues to be at a 95% participation rate. This program also includes the Muscatine Community Schools and City of Muscatine facilities. Over 6,000 tons has been recycled since the program started. A new contract for five more years has been approved and will extend this service through March 31, 2021 with Republic Services (formerly Allied Waste).

When curbside recycling started in April 2011, 11 public drop off sites around the City were removed. There is still one site located at the entrance to the Muscatine Recycling Center and Transfer Station. This site is used by numerous people who live in the city and surrounding area. The drop off location allows for 24 hour drop off services for residents. One of the biggest challenges has been handling illegal dumping. Staff has set up a camera to assist with issues at this site.

The City of Muscatine has been named Muscatine Journal's Best Recycling Program of the Year for 2015, the third consecutive year the City has received this award. It is an honor to have residents acknowledge the efforts made by the City and their partner, Republic Services, in providing this service.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To implement the next phase of the automated refuse collection program with the arrival of the second automated refuse collection vehicle in 2016/2017. **(Council and Management Continuous Service Improvement Goal)**

* To continue public education outreach, beautification programs, sustainability, and other environmental programs in the community.

* To work with the downtown Muscatine business group in beautification efforts and eliminating nuisance issues in the downtown area to assist in promoting economic growth.

* To prepare the Compost Site for increased usage from the expected impact of the Emerald Ash Borer.

* To improve tire disposal services during Spring Cleanup Week.

* To continue promoting and creating a safe work environment for all Solid Waste employees.

Refuse Collection Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ 211,538	$ 188,737	$ 637	$ (28,406)	$ (232,706)
Revenues					
Charges for Services	$ 2,147,276	$ 2,149,151	$ 2,147,300	$ 2,160,000	$ 2,160,000
Sales - Yard Waste Bags	13,101	14,595	12,000	12,000	12,000
Commercial Brush Fee	35	231	1,000	1,000	1,000
Rental of Dumpsters	0	0	100	100	100
Interest	268	199	100	100	100
Sales Tax	4,334	4,435	4,500	4,500	4,500
Donations	119	0	0	0	0
Miscellaneous	0	4,464	0	0	0
Transfers In:					
Surcharge Part II	0	40,886	0	0	0
Total Revenues	$ 2,165,133	$ 2,213,961	$ 2,165,000	$ 2,177,700	$ 2,177,700
Funds Available	$ 2,376,671	$ 2,402,698	$ 2,165,637	$ 2,149,294	$ 1,944,994
Expenditures (1)	2,187,934	2,431,104	2,141,900	2,382,000	2,090,600
Ending Balance (Deficit), June 30	$ 188,737	$ (28,406)	$ 23,737	$ (232,706) (2)	$ (145,606) (2)
Increase (Decrease) in Fund Balance	**$ (22,801)**	**$ (217,143)**	**$ 23,100**	**$ (204,300)**	**$ 87,100**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The fund balance deficits at the end of 2015/2016 and 2016/2017 are due to capital costs to implement the automated refuse collection program. The deficit is expected to be eliminated in 2017/2018 with savings from this program.

Function:
Business Type Activity

Department:
Public Works

Activity:

Refuse Collection

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 706,575	$ 703,475	$ 690,100	$ 685,000	$ 673,500	-2.41%
Commodities	72,223	62,338	82,700	73,400	61,200	-26.00%
Contractual Services	1,148,711	1,196,687	1,136,100	1,173,900	1,155,500	1.71%
Capital Outlay	81,690	360,419	154,000	372,300	120,000	-22.08%
Transfers	163,546	106,386	79,000	77,400	80,400	1.77%
Total Expenditures	$ 2,172,745	$ 2,429,305	$ 2,141,900	$ 2,382,000	$ 2,090,600	-2.40%
Funding Sources						
Charges for Services	$ 2,147,276	$ 2,149,151	$ 2,147,300	$ 2,160,000	$ 2,160,000	0.59%
Sales - Yard Waste Bags	13,101	14,595	12,000	12,000	12,000	0.00%
Other Fees	35	231	1,000	1,000	1,000	0.00%
Sales Tax	4,334	4,435	4,500	4,500	4,500	0.00%
Interest	268	199	100	100	100	0.00%
Other	119	4,464	100	100	100	0.00%
Total Funding Sources	$ 2,165,133	$ 2,173,075	$ 2,165,000	$ 2,177,700	$ 2,177,700	0.59%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Solid Waste Manager	0.50	0.50	0.50	0.50	0.50	
Solid Waste Supervisor	1.00	1.00	1.00	1.00	0.75	
Refuse Truck Driver I	5.00	5.00	5.00	5.00	4.50	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Health & Housing Coordinator	0.50	0.50	0.50	0.50	0.50	
Maintenance Worker II	0.33	0.33	0.33	0.33	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	8.83	8.83	8.83	8.83	8.25	
Part Time:						
Compost Site Attendant	0.73	0.73	0.73	0.38	0.73	
Refuse Collection Laborers	1.42	1.42	0.69	1.05	0.58	
Total	10.98	10.98	10.25	10.26	9.56	$ 450,000
Employee Benefits						223,500
Total Personal Services						$ 673,500

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Containers for Automated Refuse Collection Program	2,500	No	$ 120,000

SOLID WASTE MANAGEMENT FUNDS

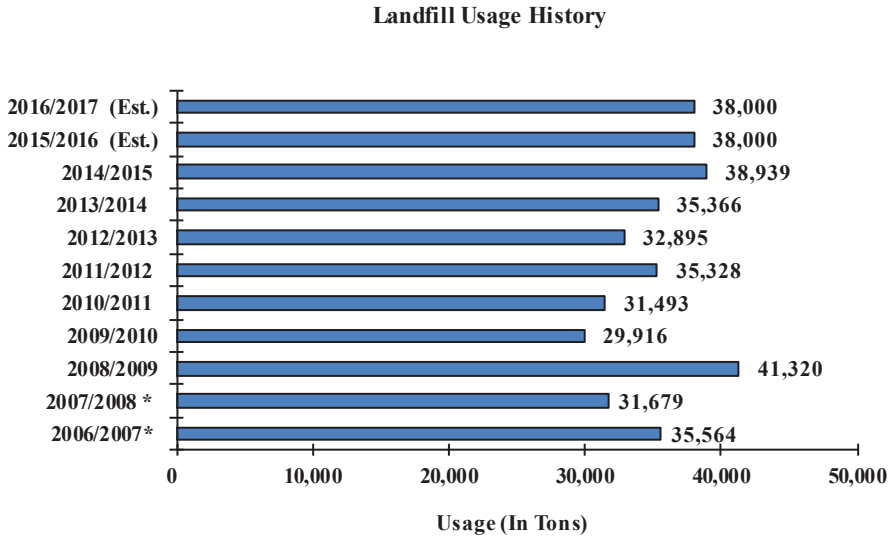
LANDFILL OPERATIONS

GENERAL INFORMATION:

The Solid Waste Management funds consist of three (3) operations, Refuse Collection, Landfill Operations and Transfer Station Operations. The City is a member of the Muscatine County Solid Waste Management Agency. This agency contracts with the City of Muscatine to operate the landfill. The Agency is responsible for the disposal of solid waste in Muscatine County. The Transfer Station opened in August of 1995. This facility is used as a staging area for recycling, refuse collection, and the transfer of non-recyclable items to the landfill.

Under the terms of the agreement between the Solid Waste Management Agency and the City, the City is responsible for the costs incurred in the operation of the sanitary landfill, the maintenance of the entrance road, the cost of purchasing the landfill site, and certain special engineering fees. The City establishes an annual price per ton for waste disposal at the landfill. Beginning in 2008/2009 the Agency reinstated an annual assessment to each of its members in a total annual amount of $117,200. This was to assist in reducing the accumulated deficit in this fund.

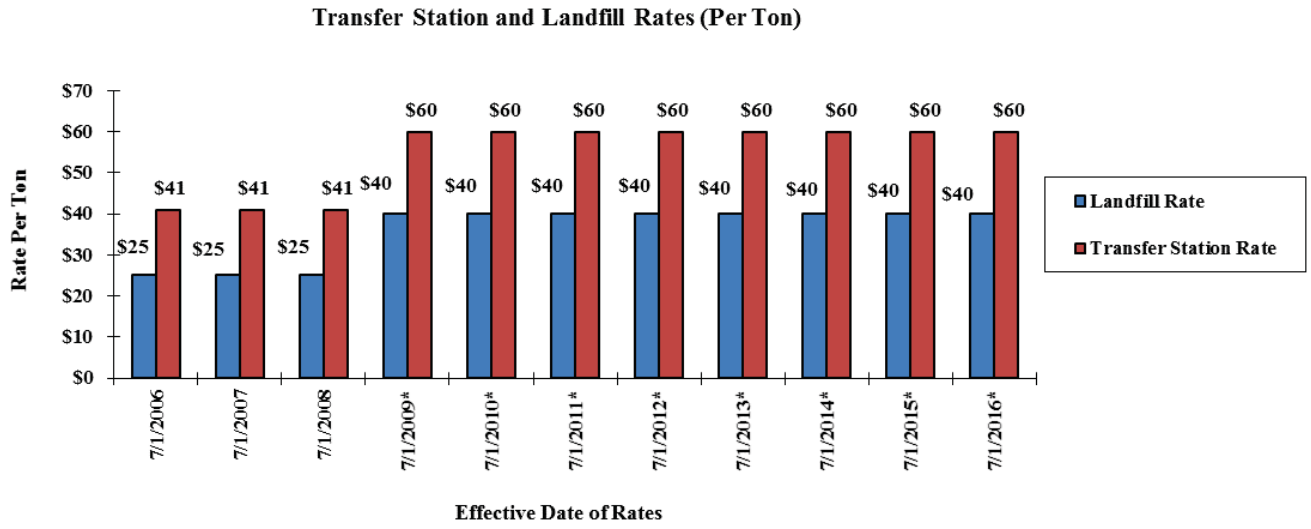
The following chart shows the tons of waste disposed of at the landfill since 2006/2007 as well as the projected waste volumes for 2015/2016 and 2016/2017.



* 9,319 tons of waste were taken to the Scott County Landfill in 2006/07 and 17,584 in 2007/08 due to landfill capacity issues.

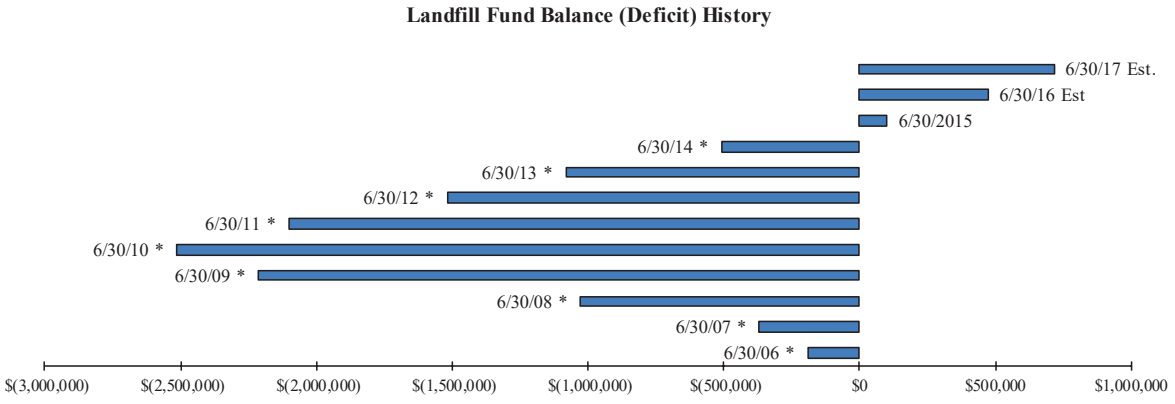
Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. As noted above, capacity issues in 2006/2007 and 2007/2008 required waste to be taken to the Scott County Landfill while projects were underway to develop new waste disposal areas.

The following chart shows the Transfer Station regular rates since the 2006/2007 year and the portion of the transfer station fee paid to the landfill fund. In 2006/2007 $25.00 of the $41.00 per ton rate was paid to the landfill for material disposed of at that facility. The landfill portion of the disposal rate has increased since that time to the current $40.00 per ton in recent years. The rate was increased from $25 to $40/ton July 1, 2009 due to the significant cost of developing the current landfill cells.



In addition to the rates shown in the table above, in 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualified for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. In 2010 five new industrial contracts were negotiated which were expected to bring 5,000 tons of additional waste volume to the landfill each year. These were three year contracts with variable disposal rates. All of the industrial contracts were extended through June 30, 2015. The industrial contracts have now been further extended through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

The fund balance for the Landfill Operation has varied over the past ten (10) years. The following is a summary of actual and projected fund balances (deficits).



* Beginning June 30, 2003 there have been interim loans to fund cell closure costs, costs to develop new cells, and other landfill capital and operating costs.

The deficit fund balances in recent years were due to costs for capital projects at the landfill, costs to complete the purchase of landfill property formerly leased, loss of revenue due to capacity issues, and increased regulatory requirements. In 2007/2008 $767,200 in capital expenditures were required including $417,600 to develop the Phase II cell, $180,000 for drainage and erosion control, $58,000 for improvements to the side slope of Phase II, and $35,000 for a tarp system to use as daily cover. Due in part to the June 1, 2007 tornado, the Phase I cell was at capacity and was required to be closed prior to completion of the new cell. This required waste to be hauled to the Scott County Landfill and resulted in the loss of revenue to the Muscatine Landfill of approximately $400,000. These factors combined to result in the $1,026,781 deficit in the landfill fund as of June 30, 2008. The deficit increased to $2,211,935 as of June 30, 2009 and to $2,512,600 as of June 30, 2010 due primarily to costs to develop two new cells (III and IV) which are estimated to have a combined capacity of 298,800 tons and have an expected life of 8.5 years based on estimated waste volumes. The deficit was projected to be incrementally reduced as the capacity of the current cells is filled. A positive fund balance of $716,265 is projected for the end of 2016/2017.

CURRENT TRENDS AND ISSUES:

The tipping fee rate at the Transfer Station was increased to $60 per ton effective July 1, 2009 with $40 of this rate being credited to the Landfill and the remaining $20 to the Transfer Station. This increase was directly related to capital costs for constructing the Phase III and IV cells as well as capital costs to close previous ravines. With this increase, the landfill saw waste volume in 2009/2010 decrease to 29,916 tons. With the continuing deficit in the Landfill fund, the Solid Waste Agency and the City considered implementing flow control measures which would have required all waste generated in the Agency area to be brought to the Transfer Station and Landfill. Area businesses and the Chamber requested a committee be formed of business leaders, city staff, an Agency member, and others, to discuss the impacts that flow control would have on area businesses and possible alternate solutions. The Committee's recommendations included allowing for additional negotiated industrial contracts which would bring additional waste volume and revenue to the Landfill and a long-term financial plan to incrementally reduce the Landfill Fund deficit with the goal of having it eliminated by the time the next landfill cell needs to be developed. City Council approved the Committee's recommendations at their October 7, 2010 meeting and five new industrial contracts were entered into which were expected to bring in an estimated additional 5,000 tons of waste and $180,000 of revenues annually over the three years of the agreements. These agreements, as well as the original industrial agreements, were extended through June 30, 2015 and have been further extended through June 30, 2020. The reduction in the deficit was $411,988 in 2010/2011, an additional $582,320 reduction in the deficit (to $1,518,292) in 2011/2012, a further reduction of $435,957 (to $1,082,335) in 2012/2013, an additional $573,309 reduction (to $509,026) in 2013/2014, and a $608,274 reduction (to a positive balance of $100,576) in 2014/2015. These reductions in the deficit were slightly higher than the targeted reductions in the original financial plan.

The revised estimate expenditures for 2015/2016 are $167,650 higher than the original budget. This overall increase is due to a $182,000 increase in capital outlay. The capital outlay allocation includes $170,000 for the ground water remediation plan which was carried forward from the prior year budget, and $12,000 for flow meters for the leachate collection system tanks. There were increases in other areas of the budget including (1) a $6,300 increase in the portion of the State Surcharge paid to the State due to the higher waste volume, (2) a $4,650 increase in transfers to the local surcharge reserves, again due to the higher waste volume, and (3) an $8,000 increase in the expected transfers to the closure and post-closure reserves. These increases were more than offset by decreases in other budget line items including (1) a $10,000 decrease in leachate hauling costs, (2) a $5,000 decrease in the payments to the landfill operator, (3) a $10,000 decrease in regular ongoing engineering costs, and (4) a decrease of $10,000 in erosion control costs.

Landfill expenditures budgeted for 2016/2017 are $303,939 (33.6%) higher than the original 2015/2016 budget. The overall increase is due to the $355,000 increase in capital outlay. No capital outlay allocations

were included in the original 2015/2016 budget and the 2016/2017 budget includes $355,000 for capital outlay. This allocation includes $175,000 for the Master Plan and engineering work for the Phase V landfill cell development, $30,000 for engineering work for the ground water remediation plan, and $150,000 to replace the Landfill maintenance building since the current maintenance building is located in the Phase V cell development area.

There is a $51,061 net decrease in other areas of the budget including (1) a $65,461 decrease in transfers primarily due to the final debt service payment on the June 1, 2003 budget being made in 2015/2016, (2) a $23,200 decrease in contractual services due to reduced allocations for leachate hauling and ongoing regular engineering services, and (3) a $37,600 increase in personal services. The personal services increase includes a reallocation of Solid Waste division staff between the three divisions. For 2016/2017 the Solid Waste Manager's allocation to the Landfill has been increased from 25% to 35% and 25% of the Solid Waste Supervisor position is now budgeted to be allocated to the Landfill. These personnel allocations are similar to the allocations that were in place prior to the Landfill having the significant fund balance deficit.

The revised estimate landfill service charges revenue is estimated at $1,300,600 based on a total of 38,000 tons of waste. This waste estimate includes 21,800 tons at the full $40 rate ($872,000), 9,000 tons at the $25 industrial contract rate ($225,000), and 7,200 tons at the negotiated industrial rates ($203,600). The same 38,000 ton total waste volume and $1,300,600 service charges revenue are projected for the 2016/2017 budget. The industrial and negotiated industrial contract rates are the rates in the new 5-year contracts which began July 1, 2015. In the new contracts, there was a reduction in the landfill portion of the rate for the original industrial contracts from $30/ton to $25/ton and there was a reduction of $2.50 per ton in the negotiated contracts. The revenue from the negotiated contracts is all credited to the Landfill fund.

With the projected landfill revenues and expenditures, the landfill fund balance is projected to increase by $375,989 to $476,565 during the 2015/2016 fiscal year and increase by $239,700 during 2016/2017 to $716,265. This meets the long-term goal to have the deficit eliminated and a positive balance accumulated by the time the next cell needs to be constructed. Based on current waste volume projections, it is estimated that construction on the next cell would need to be completed in 2017/2018.

Private firms have been used to operate the landfill under contractual agreements with the City. The amount of the payment to the landfill operator is budgeted at $310,000 for 2016/2017. Other significant items in the budget are leachate hauling and analysis, engineering services, and payment of the State surcharge fees.

The State landfill surcharge was reduced from $3.75 to $3.65 per ton in 2002/2003 since the area landfills met the State-mandated waste reduction requirements. Of the $3.65 per ton rate, $2.10 per ton is required to be paid to the State and the remaining $1.55 per ton can be retained by the City in special reserves required to be used for specific purposes. Payments to the State are estimated at $79,800 for 2016/2017 based on an estimated 38,000 tons of waste. The surcharge funds retained by the City are estimated at $58,900 for 2016/2017. These funds are accounted for in the Landfill Surcharge Reserve Funds.

The Iowa Department of Natural Resources (IDNR) has specific requirements for the use of the local surcharge funds with the specific eligible uses of each portion of the surcharge funds to be reported quarterly to the IDNR. Part I of the retained surcharge funds are required to be used for local planning and environmental protection activities. Part II funds are required to be used for waste reduction, recycling, and small business pollution prevention purposes. In 2016/2017 it is estimated that there will be $19,000 in Part I funds which will be transferred to the Landfill fund for qualifying expenditures and an estimated $39,900 of Part II funds which will be transferred to the Transfer Station fund for qualifying expenditures.

The IDNR regulations also provide that funds must be set aside annually for Landfill closure and post closure costs. The estimated amount to be transferred to the Closure Reserve in both 2015/2016 and 2016/2017 is

$86,000 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at $32,000.

GOAL STATEMENT:

To provide a facility for the disposal of solid waste collected in Muscatine County in an efficient and effective manner and in accordance with environmentally sound practices established by the Environmental Protection Agency (EPA) and Iowa Department of Natural Resources (IDNR) and in accordance with the agreement with the Muscatine County Solid Waste Management Agency.

PERFORMANCE MEASURES:

	Actual 2012/2013	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Tons of Waste Disposed	32,895	35,366	38,939	38,000	38,000
Landfill Capacity Remaining (Tons)	254,320*	154,611	165,643	130,642	95,642
Years of Current Landfill Space Remaining (Estimate)	7.1*	4.7*	4.2**	3.2	2.2
Leachate Collected in Gallons	1,864,228	1488,313	1,829,208	1,600,000	1,600,000

* The change from 2012/2013 to 2013/2014 in years of current landfill space remaining was due to a difference in the survey information. The areas surveyed and dirt usage over the two-year period may account for this difference.

** In the fall of 2014, the City changed engineering firms and the calculation from the new engineer was 4.2 years for 2014/2015.

RECENT ACCOMPLISHMENTS:

Staff continued to have a good working relationship with the neighboring property owner during the past year.

The Ground Water Remediation Plan has been approved by the Iowa DNR and has a three year period for implementation. Staff has been working with the Barker Lemar Engineering firm to implement the plan. The early stages of the plan involve determining any issues for waste boundaries, methane gas, or leachate in the three areas identified. Once the issues are identified, a long-term plan for any remediation will be implemented.

Staff has continued to work with the landfill contractor on daily operations and making sure City standards are being met as well as IDNR regulations. The current Phase III and Phase IV cells will reach capacity in the next few years. There will be some challenges in filling waste in some of the areas. Staff is working with Barker Lemar and the contractor to make site plans for the working areas of the remaining areas of these two cells.

The Muscatine County Landfill permit was up for renewal in the fall of 2014. The permit has been renewed with the understanding that a Master Plan will be developed which will include a long-term plan. The Master Plan will incorporate the ground water issues currently being worked on and development of the next cell.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to monitor the long-term financial plan for the Landfill to assure sufficient funds are available for operations and for developing the next landfill cells.

* To complete implementation of the corrective measures identified in the remedial action plan with the Iowa Department of Natural Resources.

* To complete and implement a Master Plan for the Muscatine County Landfill, which will incorporate development of the next landfill cell.

* To continue to support members of the Muscatine County Solid Waste Management Agency.

* To continue public education outreach on waste management topics and activities.

* To initiate a study to determine if a reclamation program for recyclables in the older section of the landfill is feasible or possible.

LANDFILL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Refunding Bonds
Additional Landfill Property Acquisition Costs
$235,000 Portion of $1,115,000 Issue Dated March 7, 2013

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 79,000	$ 711	$ 79,711

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Bond proceeds from this issue financed the acquisition of property for the landfill. Accordingly, transfers from the Landfill Fund to the Debt Service Fund will be made annually to fund principal and interest payments on this issue as they become due.

Landfill Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ (1,082,335)	$ (507,698)	$ (183,872)	$ 100,576	$ 476,565
Revenues					
Charges for Services	$ 1,284,208	$ 1,406,132	$ 1,225,800	$ 1,300,600 (3)	$ 1,300,600 (3)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Interest	1,024	1,551	1,000	1,000	1,000
Industry Contribution	15,000	15,000	10,000	10,000	10,000
Other	0	7,234	0	0	0
Transfers In:					
Landfill Surcharge Reserve	18,473	19,470	17,500	19,000 (4)	19,000 (4)
Total Revenues	$ 1,435,882	$ 1,566,564	$ 1,371,500	$ 1,447,800	$ 1,447,800
Funds Available	$ 353,547	$ 1,058,866	$ 1,187,628	$ 1,548,376	$ 1,924,365
Expenditures (1)	862,573	958,290	904,161	1,071,811 (5)	1,208,100
Ending Balance (Deficit), June 30	$ (509,026)	$ 100,576	$ 283,467	$ 476,565	$ 716,265
Increase (Decrease) in Fund Balance	**$ 573,309**	**$ 608,274**	**$ 467,339**	**$ 375,989**	**$ 239,700**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. An Agency assessment was implemented beginning in 2008/2009 as part of the original plan to eliminate the accumulated deficit in this fund.
3. The 2015/2016 Revised Estimate and 2016/2017 budgeted revenues are based on 21,800 tons at $40/ton plus 9,000 tons at the new industrial rate of $25.00/ton, plus an estimated $203,600 at varying rates for other industrial waste contracts.
4. The 2015/2016 and 2016/2017 transfers from the Landfill Surcharge Reserve are based on 38,000 tons at $.50/ton.
6. The 2015/2016 revised estimate includes an estimated $170,000 for a ground water remediation plan and improvements required by the Iowa Department of Natural Resources. This allocation was carried forward from the 2014/2015 budget.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	18,473	19,470	17,500	19,000 (1)	19,000 (2)
Funds Available	$ 18,473	$ 19,470	$ 17,500	$ 19,000	$ 19,000
Expenditures					
Transfers to Landfill Fund	18,473	19,470	17,500	19,000	19,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 38,000 tons for the 2015/2016 Revised Estimate at $.50/ton.
2. Transfers are based on 38,000 tons for the 2016/2017 Budget at $.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	38,793	40,886	36,750	39,900 (1)	39,900 (2)
Funds Available	$ 38,793	$ 40,886	$ 36,750	$ 39,900	$ 39,900
Expenditures					
Transfers to Transfer Station Fund	38,793	40,886	36,750	39,900	39,900
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 38,000 tons at $1.05/ton for the 2015/2016 Revised Estimate.
2. Transfers are based on 38,000 tons at $1.05/ton for the 2016/2017 Budget.

Landfill Closure Reserve (1)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 546,735	$ 620,429	$ 700,429	$ 705,792	$ 791,792
Revenues					
Transfers In					
Landfill Fund	73,694	85,363	80,000	86,000 (2)	86,000 (2)
Funds Available	$ 620,429	$ 705,792	$ 780,429	$ 791,792	$ 877,792
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 620,429	$ 705,792	$ 780,429	$ 791,792	$ 877,792
Increase (Decrease) in Fund Balance	**$ 73,694**	**$ 85,363**	**$ 80,000**	**$ 86,000**	**$ 86,000**

1. This reserve is required to be established to pay for the closure costs for the currently permitted landfill area.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. Estimated amounts are reflected since the actual amounts have not yet been determlned.

Landfill Post-Closure Reserve (1)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 813,764	$ 841,615	$ 871,615	$ 872,785	$ 904,785
Revenues					
Transfers In					
Landfill Fund	27,851	31,170	30,000	32,000 (2)	32,000 (2)
Funds Available	$ 841,615	$ 872,785	$ 901,615	$ 904,785	$ 936,785
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 841,615	$ 872,785	$ 901,615	$ 904,785	$ 936,785
Increase (Decrease) in Fund Balance	**$ 27,851**	**$ 31,170**	**$ 30,000**	**$ 32,000**	**$ 32,000**

1. Landfill owners are required to monitor and maintain landfill sites for 30 years after landfills are closed. Funds are required to be set aside annually in order to accumulate funds for this purpose.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. Estimated amounts are reflected since the actual amounts have not yet been determlned.

Function:
Business Type

Department:
Public Works

Activity:

Landfill Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 26,257	$ 26,753	$ 27,500	$ 27,800	$ 65,100	136.73%
Commodities	14,492	12,150	17,400	18,400	17,400	0.00%
Contractual Services	527,898	592,001	562,600	534,300	539,400	-4.12%
Capital Outlay	5,075	19,751	-	182,000	355,000	
Transfers	288,638	307,385	296,661	309,311	231,200	-22.07%
Total Expenditures	$ 862,360	$ 958,040	$ 904,161	$1,071,811	$ 1,208,100	33.62%
Funding Sources						
Charges for Services	$ 1,284,208	$ 1,406,132	$ 1,225,800	$1,300,600	$ 1,300,600	6.10%
Agency Assessment	117,177	117,177	117,200	117,200	117,200	0.00%
Industry Contribution	15,000	1,551	10,000	10,000	10,000	0.00%
Interest	1,024	15,000	1,000	1,000	1,000	0.00%
Other	-	7,234	-	-	-	
Transfers In:						
Surcharge Reserve	18,473	19,470	17,500	19,000	19,000	8.57%
Total Funding Sources	$ 1,435,882	$ 1,566,564	$ 1,371,500	$1,447,800	$ 1,447,800	5.56%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Solid Waste Manager	0.25	0.25	0.25	0.25	0.35	
Solid Waste Supervisor	-	-	-	-	0.25	
Total Full Time	0.25	0.25	0.25	0.25	0.60	$ 45,800
Employee Benefits						19,300
Total Personal Services						$ 65,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Maintenance Building	1	Yes	$ 150,000
Ground Water Remediation			30,000
Master Plan for the Phase V Landfill Cell			175,000
			$ 355,000

SOLID WASTE MANAGEMENT FUNDS

TRANSFER STATION OPERATIONS

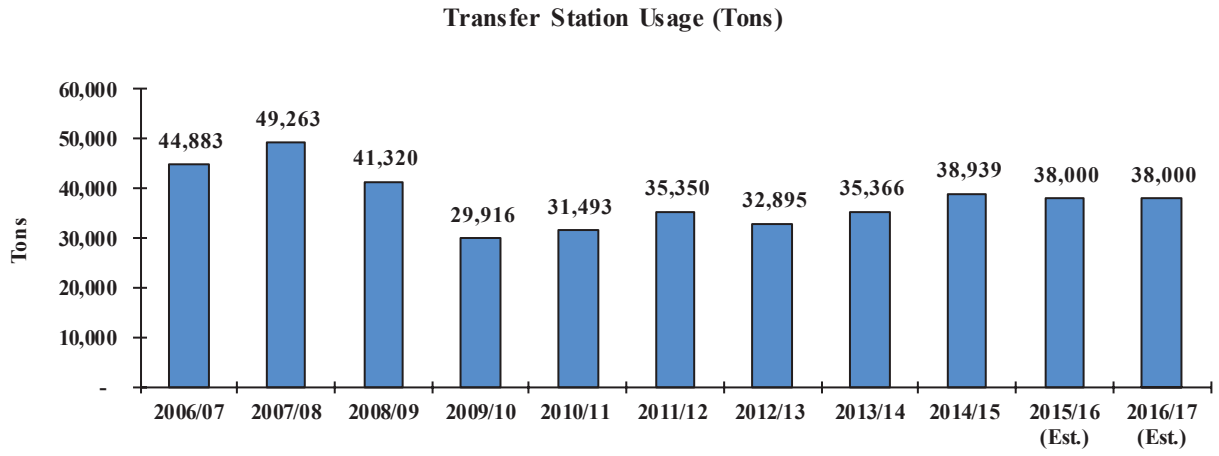
GENERAL INFORMATION:

The Transfer Station opened in August of 1995. Project costs totaled approximately $10,128,000. Available balances funded $1,181,000 of construction costs. Bond proceeds of $8,778,400, a sales tax refund of $154,600, and interest earnings funded the balance of the project costs. Two bond issues financed construction of the facility. Series A was issued November 1, 1994 in the amount of $7,000,000 and Series B dated December 1, 1995 was in the amount of $2,625,000. An advance refunding of the Series A issue was completed as of June 1, 1998. The Series A refunded debt and the Series B debt were advance refunded in June of 2008. Annual debt service requirements on these issues were funded from transfer station and refuse collection revenues until fiscal year 2004/2005. In 2004/2005 $470,000 of a total of $751,394 in transfer station debt service costs was funded from debt service taxes. Beginning in 2005/2006 and continuing through 2013/2014 100% of the debt service costs for the transfer station were funded from debt service taxes. The fiscal year 2013/2014 payments retired this issue.

The Solid Waste Manager oversees the operation of the Transfer Station. The Solid Waste Manager's primary responsibilities involve overseeing the transfer station operation as well as the overall coordination of the refuse collection, transfer station, and landfill functions. The Solid Waste Manager reports to the Public Works Director.

CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August 1995. Waste volumes at the Transfer Station have decreased significantly since the 2007/2008 fiscal year as shown below. The local economy as well as the July 1, 2009 rate increase impacted the transfer station waste volume. Revenues and expenditures for the 2015/2016 revised estimate and 2016/2017 budget have been projected based on 38,000 tons of waste each year.



For the 2009/2010 budget, the transfer station tipping fee was increased from $41.00 to $60.00 per ton, primarily due to landfill cell development costs which resulted in a deficit of over $2 million in the Landfill

fund. The landfill portion of the fee was increased from $25.00 to $40.00 per ton. In past years rates were held at a lower level due to concerns that increasing this rate may result in the loss of waste volume to Illinois landfills which have lower tipping fees. The rate increase was needed to generate funding to reduce the accumulated deficits in both the Landfill and Transfer Station funds.

With significant deficits in both the Landfill and Transfer Station funds, the Solid Waste Agency and the City considered implementing flow control measures which would have required all waste generated in the Agency's area to be brought to the Transfer Station and Landfill. Area businesses and the Chamber requested a committee be formed of business leaders, city staff, an Agency member, and others, to discuss the impacts that flow control would have on area businesses and possible alternate solutions. The Committee's recommendations included allowing for additional negotiated industrial contracts which would bring additional waste volume and revenue to the Landfill. City Council approved the Committee's recommendations at their October 7, 2010 meeting and five new industrial contracts were entered into which were estimated to bring in an additional 5,000 tons of waste and $180,000 of revenues annually over a three year period. These negotiated industrial contracts as well as the original industrial contracts were all extended through June 30, 2015. The industrial contracts have now been further extended through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

While revenue from the negotiated industrial contracts will pass through the Transfer Station budget as tipping fees, this additional revenue has been directed toward the accumulated deficit in the Landfill fund and is not providing any funding for the Transfer Station. In 2010/2011 the City took several actions to reduce the deficit in the Transfer Station fund. These included (1) reducing the allocation of the Solid Waste Manager to the Transfer Station from 33.3% to 25% for a savings of $8,300, (2) reducing the allocation of the Clerk from 66.7% to 50% for a savings of $9,100, (3) reducing Saturday hours to 8:00 a.m. to noon during the winter months for a savings of $4,000 in overtime and $1,000 in temporary services, (4) reducing overtime by an additional $11,000 with weekday scheduling changes, (5) no longer charging e-waste, appliance, and tire disposal fees to this budget for items picked up during Cleanup Week at no charge which transferred $23,500 of expenses from the Transfer Station to the Refuse Collection budget, (6) not including funds for any capital items, and (7) various other line item reductions totaling $20,000. In 2010/2011 the City also made a $200,000 transfer from the Refuse Collection fund to the Transfer Station fund to help eliminate the deficit balance. This resulted in a smaller deficit of $12,874 at the end of 2010/2011. An additional $50,000 transfer from the Refuse Collection fund was made in 2011/2012 which resulted in a $15,485 positive balance in this fund at the end of 2011/2012. The Transfer Station fund balance increased to $32,669 at the end of 2012/2013 and decreased to $24,338 at the end of 2013/2014. There was a $21,449 deficit in the Transfer Station fund at the end of 2014/2015 and deficit balances of $66,099 and $110,649 are projected for the 2015/2016 revised estimate and 2016/2017 budget.

As noted above, all of the revenue from the negotiated industrial contracts has been directed to the Landfill fund to reduce the accumulated deficit in that fund and those contracts have been extended through June 30, 2020. The Transfer Station has had minimal fund balances in recent years in part due to crediting all of the revenue from the negotiated contracts to the Landfill fund. As a result, the Transfer Station fund is "absorbing" the direct and indirect costs for processing the waste from these contracts. The Transfer Station pays a contractor to haul waste from the Transfer Station to the Landfill. Hauling costs are estimated at $238,300 for 201**6**/2017 and the total waste volume is estimated at 38,000, for an average of $6.27/ton in hauling costs. Applying this rate to the estimated 7,200 tons of waste from the negotiated contracts, results in the Transfer Station "absorbing" hauling costs estimated at $45,100 annually.

The 2015/2016 revised estimate expenditures are $134,000 more than the original budget. The revised estimate is based on an estimated 38,000 tons of waste instead of the 35,000 tons in the original budget. Significant expenditure increases include (1) a $7,000 increase in repair and maintenance services costs primarily for track loader repairs, (2) a $48,300 increase in waste hauling costs due to the increase in waste volume, (3) a $74,800 increase in landfill fees, again due to the increased waste volume, and (4) a net increase of $3,900 in other budget line items. A portion of these increases have been offset by an estimated $60,050 increase in revenues primarily due to the increased waste volume. However, with the net increase in expenditures, the ending balance for 2015/2016 is projected to be a deficit of $66,099 (a $44,650 increase in the deficit). As noted previously, the Transfer Station fund is "absorbing" the direct cost of hauling waste from the negotiated contracts which is estimated at $45,100 annually, which is the approximate amount of the increase in the deficit in 2015/2016.

The budgeted expenditures for 2016/2017 are $130,300 (6.8%) more than the original 2015/2016 budget and $3,700 (.2%) less than the 2015/2016 revised estimate. The budget is based on 38,000 tons of waste volume, the same as the 2015/2016 revised estimate. This will result in continuing the higher hauling and landfill costs included in the revised estimate. The net $3,700 expenditure decrease compared to the 2015/2016 revised estimate is due to an $11,500 decrease in personal services, a $5,800 decrease in repair and maintenance services, a $13,500 increase in capital outlay, and a $100 increase in transfers. The personal services decrease is due to a reallocation of employees between the three solid waste divisions. The reallocations include reducing the Solid Waste Manager allocation from 25% to 15% and the Maintenance Worker II from 66.67% to 50%. The $15,000 capital outlay allocation for 2016/2017 is for portable scales for the trailers used to haul waste to the landfill. These will insure the trailers are fully loaded but that they do not exceed weight limits.

The revenue estimate for 2016/2017 is approximately the same as the 2015/2016 revised estimate. Based on the budgeted expenditures for 2016/2017, the fund balance deficit is estimated to increase to $110,649 by the end of 2016/2017, a decrease of $44,550, which again is the approximately the same amount the Transfer Station is "absorbing" in hauling costs from the negotiated waste contracts.

Both the 2015/2016 revised estimate and 2016/2017 budget include $35,600 payments on the internal loans used to purchase equipment for the Transfer Station since the Transfer Station operating budget has not had sufficient funds available for major capital purchases. A new crane and cab for the Transfer Station was purchased in 2013/2014 at a total cost of $177,370. This equipment is being financed with an internal loan from other City funds. A down payment of $35,600 was made on this purchase in 2013/2014. Annual payments of $35,600 in each of the next four fiscal years (2014/2015 through 2017/2018) will complete the financing for this equipment. The transfer trailer purchased in 2015/2016 will add two years to the internal loan, with an annual payment of $35,600 in 2018/2019 and $32,500 in 2019/2020.

As noted above, the Transfer Station is "absorbing" costs for processing waste from the negotiated industrial contracts with those revenues specifically designated for the Landfill operation. This has limited Transfer Station revenues that are needed to maintain and replace equipment at that facility. Staff will continue to review the Transfer Station operation for costs savings and/or efficiencies.

GOAL STATEMENT:

To operate the Transfer Station/Recycling Facility in an environmentally sound and fiscally responsible manner in order to provide for solid waste handling and disposal for the City of Muscatine and the Muscatine County Solid Waste Management Agency.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Tons of Waste Processed	32,895	35,366	38,939	38,000	38,000
Public Tours/Programs	70	75	70	75	75
Tons Recycled (Contractor) – Republic	4,590	5,548	5,608	5,600	5,600
Gallons of Waste Oil Collected (Est.)	5,800	5,900	6,000	5,900	5,900

RECENT ACCOMPLISHMENTS:

The operation of the Transfer Station continues to be a joint effort of all three of the Solid Waste divisions. During the past year several key staff members needed to take time off for medical reasons and other staff members stepped in to provide assistance as needed.

As discussed in recent year budgets, the equipment at the Transfer Station is showing its age and is in need of replacement. Over the past several years a crane and transfer trailer were replaced, with both of these items financed with an internal loans. Transfer Station staff has been working without a loadout scale for measuring waste tonnage as the trailers are being loaded. The portable scales included in the 2016/2017 budget are an economic alternative to replacing the existing loadout scale.

A few years ago, a Recycle Sports program was held with the idea of used sports equipment being recycled/ reused by others. This program was successful but it is now going to be handled by several other nonprofit agencies. Having another group wanting to take on this project shows it can be a sustainable program.

In the 2014/2015 budget one of the goals was assisting with reuse or green building opportunities with the Muscatine Community School District. Several conversations have been held since then with the idea that many items could be reused or repurposed. The Muscatine School District has made arrangements for removal of the old Jefferson Elementary school, now that the new school is open. The majority of the items will be salvaged for reuse including wood floors, woodwork, and other items.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to assist businesses with waste management audits and discussions for best waste management practices, coordinating these efforts with Republic Services, the recycling contractor, and the Iowa Waste Exchange.

* To continue safety programs and creating a safe environment for Solid Waste staff.

* To continue public education and outreach programs and develop new avenues of outreach for promoting recycling and the reuse of materials.

* To look at alternative options for items to recycle from the waste stream.

* To provide assistance as needed to Public Works staff and the Kent Stein Park to Deep Lakes Park Trail contractor as the portion of the trail near the Transfer Station is constructed.

* To mark equipment, tools, and other items so they can be easier identified as belonging to the Solid Waste division of the City of Muscatine.

Transfer Station Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance (Deficit), July 1	$ 32,669	$ 24,338	$ (24,762)	$ (21,449)	$ (66,099)
Revenues					
Charges for Services	$ 1,922,308	$ 2,117,412	$ 1,860,800	$ 1,916,600 (2)	$ 1,916,600 (3)
Household Hazardous Waste	70	699	350	350	350
Recycling Commissions	43,793	7,732	37,000	7,000	7,000
Recycling Center Rental Fees	0	21,000	0	21,000	21,000
Rental of Land	1,500	1,500	0	0	0
Sales Tax	7,068	9,866	7,000	9,500	9,500
Reimbursement of Expenses	0	9,720	0	1,600	0
Electronic Waste Disposal Fees	9,398	13,755	9,000	13,000	13,000
Appliance Disposal Fees	8,331	5,901	8,300	8,300	8,300
Sale of Equipment	3,564	0	0	2,000	0
Other	168	1,268	0	0	0
Program Contributions	0	1,550	0	0	0
Transfers In:					
Surcharge Reserve	38,793	40,886	36,750	39,900	39,900
Closure Reserve	250	0	0	0	0
Total Revenues	$ 2,035,243	$ 2,231,289	$ 1,959,200	$ 2,019,250	$ 2,015,650
Funds Available	$ 2,067,912	$ 2,255,627	$ 1,934,438	$ 1,997,801	$ 1,949,551
Expenditures (1)	2,043,574	2,277,076	1,929,900	2,063,900	2,060,200
Ending Balance (Deficit), June 30	$ 24,338	$ (21,449)	$ 4,538	$ (66,099)	$ (110,649)
Increase (Decrease) in Fund Balance	**$ (8,331)**	**$ (45,787) (4)**	**$ 29,300**	**$ (44,650) (4)**	**$ (44,550) (4)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The revenue estimate for 2015/2016 is based on 21,800 tons at $60/ton plus 9,000 tons at the industrial rate of $45/ton plus $203,600 from the negotiated industrial contracts which is passed through to the Landfill. to the Landfill.
3. The revenue estimate for 2016/2017 is based on 21,800 tons at $60/ton plus 9,000 tons at the industrial rate of $45/ton plus $203,600 from the negotiated industrial contracts which is passed through to the Landfill.
4. Both the revised estimate and 2016/2017 budget show decreases of approximately $45,000 in the fund balance. This is in part due to all of the revenue from the negotiated contracts being credited to the Landfill fund with no funding to cover the direct costs the Transfer Station pays to haul this waste to the Landfill which is estimated at $45,100 annually, the approximate amount of the fund balance decrease.

Explanation of Changes in Fund Balances:

The small balances in this fund are primarily due to reduced waste volume at this facility and crediting all of the revenue from the negotiated industrial contracts to the Landfill fund. Prior year deficits in this fund were eliminated with a $200,000 transfer from the Refuse Collection fund in 2010/2011 and an additional $50,000 transfer in 2011/2012.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 38,645	$ 38,395	$ 38,395	$ 38,395	$ 38,395
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	$ 38,645	$ 38,395	$ 38,395	$ 38,395	$ 38,395
Expenditures	250 (2)	0	0		
Ending Balance, June 30	$ 38,395	$ 38,395	$ 38,395	$ 38,395	$ 38,395
Increase (Decrease) in Fund Balance	**$ (250)**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. This reserve is required according to State regulations.
2. As a result of the 2013 engineering analysis, the closure reserve was reduced by $250 in 2013/2014. This analysis is done every five years.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 236,494	$ 245,330	$ 243,100	$ 243,300	$ 231,800	-4.65%
Commodities	36,507	47,210	36,200	32,200	32,200	-11.05%
Contractual Services	1,708,426	1,940,527	1,612,200	1,748,500	1,742,700	8.09%
Capital Outlay	17,087	3,200	-	1,500	15,000	
Transfers	38,200	38,300	38,400	38,400	38,500	0.26%
Total Expenditures	$ 2,036,714	$ 2,274,567	$ 1,929,900	$ 2,063,900	$ 2,060,200	6.75%
Funding Sources						
Charges for Services	$ 1,922,308	$ 2,117,412	$ 1,860,800	$ 1,916,600	$ 1,916,600	3.00%
Recycling Commissions	43,793	7,732	37,000	7,000	7,000	-81.08%
Recycling Center Rental	-	21,000	-	21,000	21,000	
Sales Tax	7,068	9,866	7,000	9,500	9,500	35.71%
Tire, E-Waste, Appliance Charges	17,729	19,656	17,300	21,300	21,300	23.12%
Sale of Equipment	3,564	-	-	2,000	-	
Contributions	-	1,550	-	-	-	
Other	1,738	13,187	350	1,950	350	0.00%
Transfer from Closure REserve Fund	250	-	-	-	-	
Transfer from Surcharge Reserve	38,793	40,886	36,750	39,900	39,900	8.57%
Total Funding Sources	$ 2,035,243	$ 2,231,289	$ 1,959,200	$ 2,019,250	$ 2,015,650	2.88%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Solid Waste Manager	0.25	0.25	0.25	0.25	0.15	
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	
Equipment Operator I	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.67	0.67	0.67	0.67	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	3.42	3.42	3.42	3.42	3.15	$ 146,200
Employee Benefits						85,600
Total Personal Services						$ 231,800

Funding Transfer

Item	*Amount*
Cab and Crane - Payment on Internal Loan	$ 35,600

Project Fund

Item	*Quantity*	*Replacement*	*Amount*
Portable Scales	3	Yes	$ 15,000

WATER POLLUTION CONTROL FUND

GENERAL INFORMATION:

The Water Pollution Control Fund consists of two reserve funds, one bond sinking fund and five (5) operating activities. In order to provide a comprehensive picture of the financial status as an enterprise fund, it is necessary to review the reserve funds and each of the activities within the Water Pollution Control Fund.

RESERVE FUNDS

Water Pollution Control Plant (WPCP) Replacement Reserve. This reserve was known as the E.P.A. Replacement Reserve through the 2006/2007 year. This reserve was originally required under the terms and conditions of the receipt of federal funds for the construction of the Water Pollution Control Plant in 1976. The reserve is used to fund the replacement of equipment at the plant. According to the terms of the original agreement between the EPA and the City, a transfer of $90,000 annually was required to be made from the Water Pollution Control Operating fund. The funding transfers to this reserve for 2006/2007 through 2010/2011 were each set at $270,000. The transfer was reduced to $200,000 in 2011/2012 and that funding amount continued through 2015/2016. This reduction was due to funding the new West Hill Sewer Separation Long-Term Financing Plan Reserve discussed below. In 2016/2017, the budget includes a one-time $500,000 funding increase (to $700,000) so there are sufficient funds available in this reserve for the High Strength Waste Receiving Station project as further discussed below.

In 2009/2010 through 2012/2013 a total of approximately $2 million from this reserve was used as part of the overall financing of the Water Pollution Control Comprehensive Plant Improvement project including the digester conversion portion of the project. The primary funding source for the Comprehensive Plant Improvement project was a State Revolving Fund Loan in the amount of $16,500,000 with the $2,000,000 from this reserve used to reduce the overall debt financing for this project. The contract for this project was awarded in the fall of 2008 and the contract was closed out in June of 2013.

In 2011/2012 through 2013/2014 this reserve funded a total of approximately $289,600 for the upgrade of the Slough/Sunset Park pump stations. This reserve also funded the Lab Renovation project that was completed in 2014/2015 at a total cost of $760,400. Engineering design for the new High Strength Waste Receiving Station began in 2013/2014 and is continuing in 2015/2016. Funding for this project will be from this reserve. The total project cost is estimated at $2,270,500 with $3,895 of costs incurred in 2013/2014, $16,605 in 2014/2015, an estimated $250,000 in 2015/2016, and an estimated $2,000,000 in 2016/2017.

West Hill Sewer Separation Long-Term Financing Plan Reserve. In January of 2012 City staff working with Public Financial Management (PFM), the City's financial consultant, completed a long-term plan for financing the West Hill Sewer Separation project. This $50+ million project is mandated by an E.P.A. Consent Order to be completed by 2028. Plans are to complete this project in phases over the next twelve years. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 local option taxes will need to be supplemented with other resources to complete the scheduled work on this project. This reserve fund was established in 2011/2012 to accumulate funds to assist in financing this project. The 2011/2012 through 2016/2017 budgets each included $200,000 in transfers from the Water Pollution Control fund. Like amounts for those same years are being transferred from the Collection and Drainage fund. Annual allocations from both of these funds are proposed to continue to be set aside each year throughout the project. Based on the assumptions used in the original long-term financial plan, the Local

Option Sales Tax funds and funds from the new reserve were expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project. This long-term financing plan will be updated in 2016/2017.

SEWER BOND SINKING FUND

The City used the State Revolving Fund (SRF) Loan program to finance $16.5 million of the cost for the Comprehensive Plant Facilities Improvement project. Interest is at an effective rate of 3.25%. Under the SRF Loan program, the City is required to transfer funds on a monthly basis into the Sewer Bond Sinking fund. Transfers to this fund in 2015/2016 and 2016/2017 are $1,061,312 and $1,061,325, respectively. Interest payments are $445,185 in 2015/2016 and $425,165 in 2016/2017. The principal payments on this loan are $616,000 in 2015/2016 and $636,000 in 2016/2017.

CONSTRUCTION FUNDS

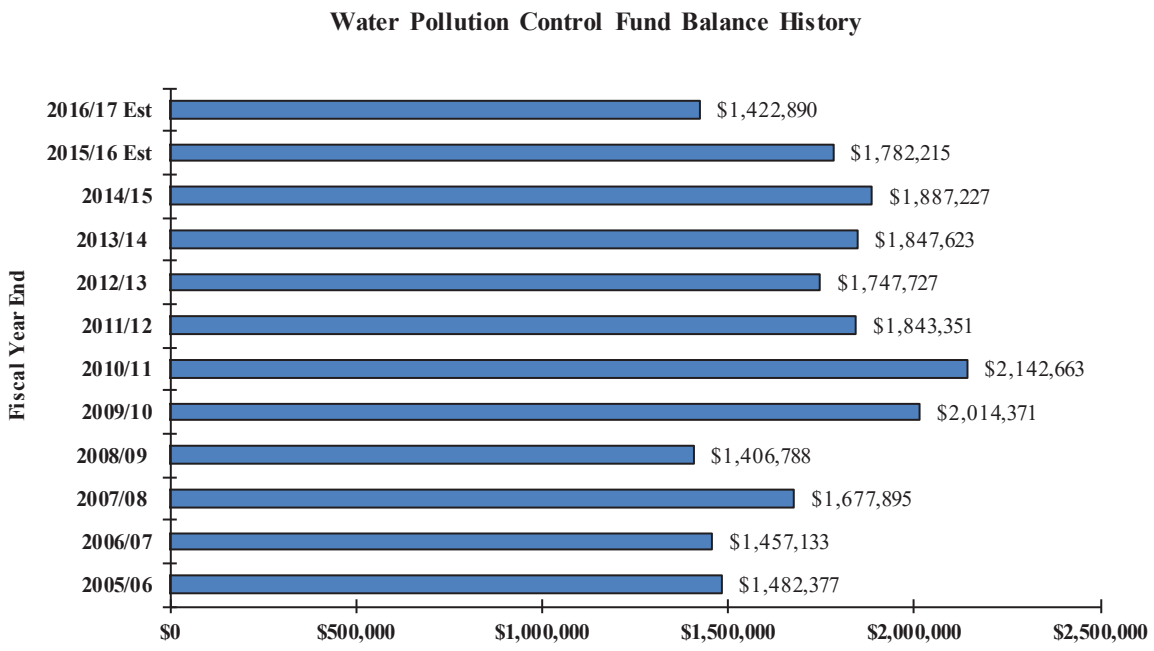
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project was $8.9 million. A Plant Modifications Project was completed in 1999. This project included construction of a new grit facility for grit removal, cleaning, and storage.

A comprehensive Water Pollution Control Plant review was completed in 2006. Recommendations from this review included reconstruction of existing processes with upgrades directed toward process optimization through equipment upgrades, operational flexibility, and optimizing energy utilization. The total cost of these improvements was approximately $18.5 million with $2 million funded from the WPCP Replacement Reserve and $16.5 million from the State Revolving Fund Loan program. Construction on this project began in December, 2008 and the contract for this project was closed out in June of 2013.

Engineering design is currently underway for a High Strength Waste Receiving Station for the WPCP. This project involves the construction of two large dumping areas to accept hauled waste. One dumping area will be for septic, recreational vehicle, and City jet/vac material disposal. The other site will allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants. This waste helps produce methane gas in the Plant's anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. Design is scheduled to be completed in 2015/2016 with construction scheduled for 2016/2017.

WATER POLLUTION CONTROL OPERATING FUND

As the Muscatine Water Pollution Control Plant is substantially dependent on the waste from its major industrial customers, their economic growth substantially impacts the fund balance of this fund. The following chart shows the Water Pollution Control fund balance history.



The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on the State Revolving Fund (SRF) Loan. The fund balance increase in 2009/2010 was due to there being no debt payments that year. The prior year bond issue was retired in 2008/2009 and there was only interest due on the new State Revolving Fund (SRF) Loan in 2009/2010. In 2010/2011 there was a principal payment on the SRF loan but the interest paid was based on the loan funds drawn down through that date. The full annual debt payments on the SRF loan (approximately $1,061,000) began in 2011/2012. The decrease in fund balance in 2016/2017 is due to a one-time $500,000 increase in the transfer to the Plant Replacement Reserve. This increased transfer is needed to fund the estimated cost of the High Strength Waste Receiving Station.

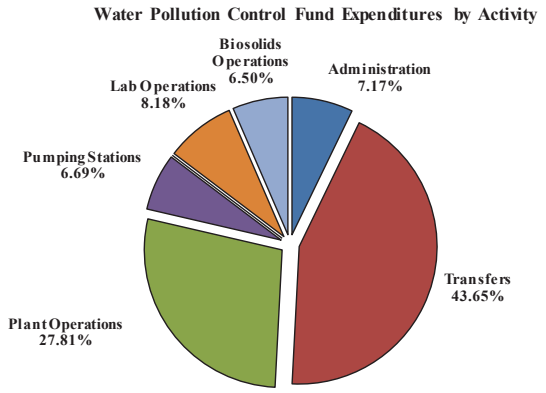
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City's major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component was to provide for a separate "Collection and Drainage" charge as part of all residential and commercial customer sewer bills. With the implementation of the new rate structure, the Collection and Drainage activity, formerly accounted for within the Water Pollution Control Fund, is now accounted for as a separate fund.

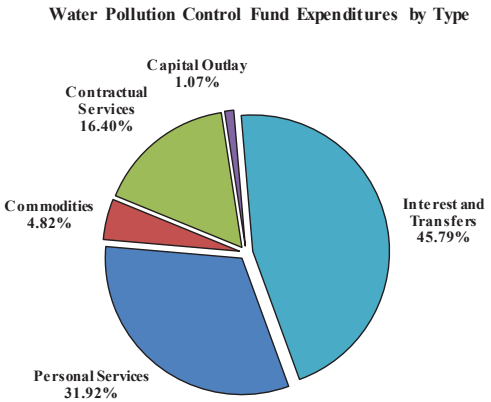
The rate structure adopted in 2003 also included rate adjustments to be effective July 1, 2004 and July 1, 2005. Sewer rates were also adjusted for the 2006/2007 year. This was a single year rate change since the results of the plant review were not yet known. Rates were set for a two-year period for 2007/2008 and 2008/2009 based on the preliminary cost estimate for plant improvements. As part of the financing of the Water Pollution Control Comprehensive Plant Facilities Improvement project, City Council in the spring of 2009 approved rate increases of approximately 5% per year for a four-year period with these rate increases effective July 1, 2009, 2010, 2011 and 2012.

In 2013 the City contracted for another rate study and the resolution adopting the recommended rates was approved by City Council in August of 2013. This resolution set both sewer and collection drainage rates for a 5-year period through June 30, 2018. The new sewer rates reflect annual 3% increases with the first year

rates effective September 1, 2013 and thereafter 3% annual rate increases effective July 1, 2014 through July 1, 2017.

The Water Pollution Control Fund consists of five different activities, including administration, plant operations, pumping stations, laboratory operations, and biosolids operations. Full-time equivalent employees for these five activities total 19.5 for 2016/2017. The specific employee allocations are detailed in each of the five (5) activity budgets. The following charts show the distribution of budgeted expenditures by activity and by type for 2016/2017:





The past fiscal years have been challenging times for the City in operating its water pollution control system. Major changes have taken place in the operation of the facility, the character of the waste being treated, and the volume of waste received. In addition, with the reconstruction and equipment upgrades recently completed, the city is striving to further increase operating efficiency and flexibility as well as optimizing energy utilization at the plant. With careful planning and financial management, the City has provided and will continue to provide an excellent facility which will treat wastewater and meet Federal and State regulations at a reasonable cost.

CURRENT TRENDS AND ISSUES:

The 2015/2016 revised estimate expenditures are $112,500 more than the original budget. This overall increase includes $95,000 in transfers for the Dredge Line Extension project which was carried forward from the 2014/2015 budget. There were increases or decreases in each of the individual activity budgets including (1) a $17,700 decrease in the Water Pollution Control Administration budget primarily due to a reduced allocation for property and liability insurance costs, (2) a $94,300 increase in the Plant Operations budget, (3) a $67,200 decrease in the Pumping Stations budget, (4) a $5,100 increase in the Lab budget, and (5) a $98,000 increase in the Biosolids budget.

The $94,300 Plant Operations increase includes a $15,000 increase in personal services costs for a retirement payout and increased health insurance; a $40,300 increase in utility costs related to increased hydraulic and biologic loads and a utility rate increase; a $20,000 increase in capital outlay to replace a pump; and a $22,100 increase for repair and maintenance supplies and services.

The $67,200 Pumping Stations decrease is primarily due to an $88,500 reduction in personal services due to eliminating the Lift Station Supervisor position. This decrease has been partially offset by increases in other areas of the budget, primarily in utility costs.

The $98,000 Biosolids increase is primarily due to a $95,000 transfer to the Dredge Line Extension capital project fund. This funding was carried forward from the 2014/2015 budget.

The 2016/2017 budgeted expenditures of $4,910,625 are $490,913 (11.1%) more in total than the original 2015/2016 budget. This overall increase is due to the net effects of (1) a $13,500 decrease in personal services costs, (2) a $27,600 increase in commodities, (3) a $41,900 increase in contractual services, (4) a $164,500 decrease in capital outlay, and (5) a $599,413 increase in transfers. As noted previously, the transfers include a one-time $500,000 increase in the transfer to the Replacement Reserve needed to fund the High Strength Waste Receiving Station project. Funding transfers to capital projects from the Plant Operations budget include $30,000 for the preliminary design for the Biogas to Fuel future year project and $75,000 for the Nutrient Reduction Report to the Iowa Department of Natural Resources. These allocations have been set up as capital projects as they will span multiple years and will likely turn into capital projects going forward. Expenditures are detailed in each respective activity budget in the Water Pollution Control fund.

As noted previously, sewer rates will increase by approximately 3% in 2016/2017 as specified in the sewer rate resolution adopted in August of 2013. This resolution set rates for the next five years through June 30, 2018.

GOAL STATEMENT:

To operate the Muscatine Water Pollution Control Operations in a manner to assure that all residential, commercial, and industrial wastewater is treated in an environmentally sound, efficient, and cost effective manner to meet the requirements established by Federal and State regulatory agencies.

PERFORMANCE MEASURES:

Fiscal Year Measures		**Actual 2012/2013**	**Actual 2013/2014**	**Actual 2014/2015**	**Estimated 2015/2016**	**Estimated 2016/2017**
Million Cubic Feet of Wastewater Treated		224.78	231.11	279.00	260	240
Carbonaceous Biological Oxygen Demand Treated (1,000 lbs/yr.)		2,394	2,394	3,139*	4,200*	4,200
Total Suspended Solids Treated (1,000 lbs/yr.)		2,633	2,633	2,687	3,100	3,100
Number of Customer Bills	Industrial	98	98	101	108	108
	Non-Industrial	108,535	108,535	108,348	109,035	109,000
	Total	108,633	108,633	108,449	109,143	109,108

* The plant NPDES Permit required that the testing change from CBOD testing five days a week to BOD testing seven days a week. In January 2015 the plant began the BOD analysis procedures and data tracking of BOD. The BOD concentration levels are about 10-15% higher than CBOD. Beginning in July 2014, Heinz increased loading to the Muscatine Water Pollution Control Plant.

Calendar Year Measures	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Gallons of Sludge/Number of Acres	4,654,730/ 467	4,199,424/ 333	4,213,790/ 333.5	7,764,833*/ 493	6,400,000/ 460
Lift Station Preventive Maintenance Tasks	9,015	10,195	10,299	9,732	10,000
Lift Station Corrective Work Orders	58	177	203	127	120
Plant Preventive Maintenance Tasks	11,297	13,645	13,166	13,107	13,200
Plant Corrective Work Orders	129	140	195	150	125

* Gallons of sludge applied increased in 2015 due to an early freeze during the 2014 application season requiring more acres of application in 2015. The increase is also due to the new application tractor's ability to run slower allowing for more solids per acre applied.

RECENT ACCOMPLISHMENTS:

The Water Pollution Control Plant staff has enthusiastically embraced the concept of Water Resource Reclamation as staff has looked to change the goal of simply treating waste water to a new model of sustainability. Treatment of various pollutants will continue and get better with more treatment of the nutrients nitrogen and phosphorus as mandated by the IDNR (Iowa Department of Natural Resources). The concept of water as waste is rapidly changing as it is viewed more and more as a resource to be utilized to its greater potential. The WPCP has been involved with groups such as the Iowa League of Cities Environmental Council that works with the IDNR and local communities to determine economic and environmental benefits for new programs both mandated and volunteered. The WPCP has been awarded a grant from the Department of Energy and Iowa Economic Development Authority through the Iowa Clean Cities Coalition (ICCC) that will study the costs and benefits of alternative vehicle fuels for city fleets. Reducing air pollution and finding beneficial use of waste products as a vehicle fuel is not something people generally associate with a waste water treatment plant, so staff is starting a new education plan to alter community perceptions of the potentials in our community. Involvement in recent Lego Leagues studying waste reduction is ground zero for getting into the schools and educating the youngest in the community on the importance of sustainable practices with natural resources.

Sustainability efforts are integral to the Lean programs that are developed on a continual basis at the plant. Continuous Service Improvements (CSI) are part of every project and builds efficiency into everyday activities. From small changes in the paper work operators do to the new maintenance software recently installed, WPCP staff are involved in the groundwork for making the plant more efficient and reducing costs.

The new Environmental Laboratory Services building has been completed and is up and running. New air quality standards for these caustic environments ensures city staff no longer work around chemicals and compounds that could compromise their health and safety. The efficiency at which the work can be organized in this new building could never have been accomplished in the previous space.

Issues with a recent nuisance called struvite is being dealt with in certain process pumps and pipes. A study has been started to treat this rock hard substance before it affects treatment and the entire biosolids operation. Confidence is high that a solution will be found that is reasonable and potentially beneficial as the struvite, once removed from the system, could be sold as fertilizer. This takes a problem and makes it a sustainability goal to utilize everything and waste nothing.

The land utilized by the WPCP is being transformed into a useful space for dying species of pollinators such as bees and butterflies. The considerable land that is currently mowed and serves no purpose will be planted with native wildflowers and grasses to make a habitat for these endangered insects and sustain their vital roles as pollinators for food production. This will also reduce staff time for mowing and the cost of fuel with the added benefit of storm water infiltration and erosion reduction. The area targeted is 2.6 acres of grass around the biosolids lagoons which is slated to be transformed into a pollinator habitat with the IDNR paying for half of the cost of the seed.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To complete the struvite removal study and install the solution technology.

* To continue implementation of the Continuous Service Improvement program and further integrate "Lean" principles into all processes and divisions to increase efficiency and reduce waste. **(Council and Management Continuous Service Improvement Goal)**

* To transform areas of non-used turf to pollinator habitat throughout the city at various municipal properties and encourage private entities to join in this activity.

* To partner with local organizations and City departments to beautify the Mississippi River bridge entrance area by developing a plan to move the dredge spoils storage area to the Public Works property. **(Council and Management Quality of Life Goal)**

* To assist with the Mississippi Drive Corridor Revitalization Project in any way needed.

* To continue to advance the technological aspects of the plant systems for greater efficiency and to improve treatment reliability. **(Council and Management Continuous Service Improvement Goal)**

* To retain local analytical services and increase awareness of services available to a larger region in eastern Iowa. **(Council and Management Marketing Goal)**

* To explore new sources of waste streams to provide enhanced treatment and generate new sources of revenue. **(Council and Management Marketing Goal)**

* To begin the Phase II Study for the High Strength Waste Receiving Station. **(Council and Management Capital Project Goal)**

* To complete the required Nutrient Reduction Study and work with the IDNR in implementing a plan for process construction.

* To finish the ICCC (Iowa Clean Cities Coalition) Fleet Study and begin work on natural gas fuel conversion of select City vehicles.

WATER POLLUTION CONTROL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

State Revolving Fund Loan
Comprehensive Plant Improvement Project
$16,500,000 Issue Dated November 4, 2008

Fiscal Year	Principal	Interest and Fees	Total Requirements
2015/16	$ 616,000	$ 445,185	$ 1,061,185
2016/17	636,000	425,165	1,061,165
2017/18	657,000	404,495	1,061,495
2018/19	678,000	383,143	1,061,143
2019/20	700,000	361,108	1,061,108
2020/21	723,000	338,358	1,061,358
2021/22	747,000	314,860	1,061,860
2022/23	771,000	290,583	1,061,583
2023/24	796,000	265,525	1,061,525
2024/25	822,000	239,655	1,061,655
2025/26	849,000	212,940	1,061,940
2026/27	876,000	185,348	1,061,348
2027/28	905,000	156,878	1,061,878
2028/29	934,000	127,465	1,061,465
2029/30	964,000	97,110	1,061,110
2030/31	996,000	65,780	1,061,780
2031/32	1,028,000	33,410	1,061,410
Total	$ 13,698,000	$ 4,347,008	$ 18,045,008

Water Pollution Control Fund

Water Pollution Control Plant Replacement Reserve

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 1,995,300	$ 1,738,897	$1,468,297	$ 1,584,188	$ 1,534,788
Revenues					
Interest	$ 2,926	$ 1,859	$ 3,000	$ 1,500	$ 800
Transfers In					
Water Pollution Control Operations Fund	200,000	200,000	200,000	200,000	700,000 (1)
Total Revenues	$ 202,926	$ 201,859	$ 203,000	$ 201,500	$ 700,800
Funds Available	$ 2,198,226	$ 1,940,756	$1,671,297	$ 1,785,688	$ 2,235,588
Expenditures					
Transfers Out:					
Water Pollution Control Fund	$ 65,310	$ 50,800	$ 0	$ 0	$ 0
Slough/Sunset Park Pump Station Study/Upgrade	10,954	0	0	0	0
Lab Expansion and Renovation	379,170	289,163	0	900	0
High Strength Waste Receiving Statio	3,895	16,605	1,197,000	250,000 (1)	2,000,000 (1)
Total Expeditures	$ 459,329	$ 356,568	$1,197,000	$ 250,900	$ 2,000,000
Ending Balance, June 30	$ 1,738,897	$ 1,584,188	$ 474,297	$ 1,534,788	$ 235,588
Increase (Decrease) in Fund Balance	**$ (256,403)**	**$ (154,709)**	**$ (994,000)**	**$ (49,400)**	**$(1,299,200)**

1. Funding transfers in the 2015/2016 Revised Estimate and 2016/2017 budget are based on as estimated $2.25 million in total project costs for the High Strength Waste Receiving Station including the struvite portion of the project. As shown, there would be insufficient funds in this Reserve to fully fund this project based on the current $200,000 funding transfer. The budget includes a one-time additional $500,000 transfer (to $700,000) so there is sufficient funding for this project.

West Hill Sewer Separation Project Long-Term Financing Plant Reserve

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 800,822	$ 1,202,297	$ 1,603,797	$ 1,603,815	$ 2,005,315
Revenues:					
Interest	$ 1,475	$ 1,518	$ 1,500	$ 1,500	$ 1,800
Transfers In:					
Water Pollution Control Fund (1)	200,000	200,000	200,000	200,000	200,000
Collection & Drainage Fund (1)	200,000	200,000	200,000	200,000	200,000
Total Revenues	$ 401,475	$ 401,518	$ 401,500	$ 401,500	$ 401,800
Funds Available	$ 1,202,297	$ 1,603,815	$ 2,005,297	$ 2,005,315	$ 2,407,115
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 1,202,297	$ 1,603,815	$ 2,005,297	$ 2,005,315	$ 2,407,115
Increase (Decrease) in Fund Balance	**$ 401,475**	**$ 401,518**	**$ 401,500**	**$ 401,500**	**$ 401,800**

1. Since 2011/2012 , the WPCP and Collection and Drainage funds each include $200,000 in annual transfers to this Reserve which was established to accumulate funds for the West Hill Sewer Separation project mandated by the Consent Order with the E.P.A. Funds from this Reserve will be used when Local Option Sales Tax funds are insufficient to fund project costs for this multi-year, multi-phase project.

Sewer Revenue Bond Sinking Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 98,243	$ 107,422	$ 108,012	$ 108,024	$ 108,651
Revenues:					
Interest	$ 690	$ 511	$ 500	$ 500	$ 500
Transfers In:					
Water Pollution Control Fund	1,069,844	1,061,678	1,061,312	1,061,312	1,061,325
Total Revenues	$ 1,070,534	$ 1,062,189	$ 1,061,812	$ 1,061,812	$ 1,061,825
Funds Available	$ 1,168,777	$ 1,169,611	$ 1,169,824	$ 1,169,836	$ 1,170,476
Expenditures:					
Bonds	$ 446,173	$ 597,000	$ 616,000	$ 616,000	$ 636,000
Interest and Fees	615,182	464,587	445,185	445,185	425,165
Total Expenditures	$ 1,061,355	$ 1,061,587	$ 1,061,185	$ 1,061,185	$ 1,061,165
Ending Balance, June 30	$ 107,422	$ 108,024	$ 108,639	$ 108,651	$ 109,311
Increase (Decrease) in Fund Balance	**$ 9,179**	**$ 602**	**$ 627**	**$ 627**	**$ 660**

Water Pollution Control Operations Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 1,747,727	$ 1,850,006	$ 1,800,445	$ 1,887,227	$ 1,782,215
Revenues (2)	4,236,165	4,388,331	4,434,600	4,427,200	4,551,300
Encumbrance Variance	738	0	0	0	0
Funds Available	$ 5,984,630	$ 6,238,337	$ 6,235,045	$ 6,314,427	$ 6,333,515
Expenditures (1) (2)	4,137,007	4,351,110	4,419,712	4,532,212	4,910,625 (3)
Ending Balance, June 30	$ 1,847,623	$ 1,887,227	$ 1,815,333	$ 1,782,215	$ 1,422,890
Increase (Decrease) in Fund Balance	**$ 99,896**	**$ 37,221**	**$ 14,888**	**$ (105,012)**	**$ (359,325)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. Beginning in 2011/2012 the WPCP Administration budget includes $200,000 in annual transfers to the Reserve established to accumulate funds for the West Hill Sewer Separation project mandated by the Consent Order with the E.P.A. The annual transfers to the Replacement Reserve since that time have decreased from $270,000 to $200,000.
3. The 2016/2017 expendiitures include a one-time $500,000 increase in the transfer to the Plant Replacement Reserve so there is sufficient funding available for the High Strength Waste Receiving Station project. This resulted in the decrease in the fund balance in 2016/2017.

Water Pollution Control Operations Fund

Summary of Revenues

	Actual 2013/2014		Actual 2014/2015		Budget 2015/2016	Revised Estimate 2015/2016		Budget 2016/2017	
Sewer Charges-Residential and Commercial (Billed by MP&W)	$ 3,075,265	(1)	$ 3,106,512	(2)	$ 3,280,000	$ 3,260,000	(2)	$ 3,355,000	(3)
Industrial and City-billed Commercial Sewer Charges	935,589	(1)	1,059,497	(2)	985,300	1,000,000	(2)	1,030,000	(3)
Wastewater Discharge Permits	1,515		2,400		1,700	3,600		1,500	
Interest	2,059		1,781		1,500	1,500		1,500	
Sale of Equipment/Other Sales	7,893		0		5,000	1,800		0	
Analytical Income	81,280		87,939		90,000	91,000		92,000	
Sales Tax	66,953		64,540		71,000	69,000		71,000	
Insurance Reimbursement	0		5,359		0	0		0	
Miscellaneous	301		9,503		100	300		300	
Transfers In:									
Plant Replacement Reserve	65,310		50,800		0	0		0	
Total Revenues	$ 4,236,165		$ 4,388,331		$ 4,434,600	$ 4,427,200		$ 4,551,300	

1. The 2013/2014 rate increase was effective September 1, 2013.
2. Rates were increased approximately 3% effective July 1, 2014 and by an additional 3% July 1, 2015.
3. Rates will increase by an additional 3% July 1, 2016.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Administration	$ 1,961,168 (1)	$ 1,966,544 (1)	$ 2,012,012	$ 1,994,312 (1)	$ 2,495,625 (2)
Plant Operations	1,151,495	1,209,123	1,156,100	1,250,400	1,365,500
Pumping Stations	382,413	458,644	569,700	502,500	328,600
Laboratory Operations	368,549	369,044	372,600	377,700	401,700
Biosolids Operations	239,869	343,052	309,300	407,300	319,200
Total Expenditures	$ 4,103,494	$ 4,346,407	$ 4,419,712	$ 4,532,212	$ 4,910,625

1. Beginning in 2011/2012 the WPCP Administration budget includes $200,000 in annual transfers to the Reserve established to accumulate funds for the West Hill Sewer Separation project mandated by the Consent Order with the E.P.A.
2. The 2016/2017 expendiitures include a one-time $500,000 increase in the transfer to the Plant Replacement Reserve so there is sufficient funding available for the High Strength Waste Receiving Station project.

Function:
Business Type

Department:
Water Pollution Control

Activity:

Administration

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 167,287	$ 174,308	$ 180,300	$ 181,200	$ 187,600	4.05%
Commodities	3,819	4,036	3,400	4,500	4,500	32.35%
Contractual Services	161,088	164,922	179,000	160,900	159,800	-10.73%
Capital Outlay	-	-	-	-	-	
Transfers	1,628,973	1,623,278	1,649,312	1,647,712	2,143,725	29.98%
Total Expenditures	$ 1,961,167	$ 1,966,544	$ 2,012,012	$ 1,994,312	$ 2,495,625	24.04%
Funding Sources						
Sewer Charges	$ 2,091,780	$ 2,006,686	$ 2,025,400	$ 1,887,800	$ 2,099,800	3.67%
Interest	2,059	1,781	1,500	1,500	1,500	0.00%
Total Funding Sources	$ 2,093,839	$ 2,008,467	$ 2,026,900	$ 1,889,300	$ 2,101,300	3.67%

Personnel Schedule	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Director of Water Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 138,200
Employee Benefits						49,400
Total Personal Services						$ 187,600

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 624,535	$ 637,806	$ 687,500	$ 702,500	$ 720,100	4.74%
Commodities	76,601	72,972	68,500	87,100	93,000	35.77%
Contractual Services	374,190	395,049	400,100	440,800	436,400	9.07%
Capital Outlay	76,169	103,296	-	20,000	11,000	
Transfers	-	-	-	-	105,000	
Total Expenditures	$ 1,151,495	$ 1,209,123	$ 1,156,100	$ 1,250,400	$ 1,365,500	18.11%
Funding Sources						
Sewer Charges	$ 1,074,833	$ 1,127,321	$ 1,078,300	$ 1,175,700	$ 1,292,700	19.88%
Sales Tax	66,953	64,540	71,000	69,000	71,000	0.00%
Other Revenues	1,816	11,903	1,800	3,900	1,800	0.00%
Insurance Reimbursement	-	5,359	-	-	-	
Sale of Equipment	7,893	-	5,000	1,800	-	-100.00%
Total Funding Sources	$ 1,151,495	$ 1,209,123	$ 1,156,100	$ 1,250,400	$ 1,365,500	18.11%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions:						
Plant Maintenance Manager	1.00	1.00	1.00	1.00	1.00	
Environmental Coordinator	0.75	0.75	0.75	0.75	0.75	
Treatment Plant Operator III	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Operator II	1.50	-	1.50	1.00	1.00	
Treatment Plant Operator I	0.50	2.00	0.50	1.00	1.00	
Treatment Plant Mechanic II	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	2.00	2.00	2.00	2.00	2.00	
Maintenance Worker I	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Lead Operator	1.00	-	-	-	-	
Total	9.75	8.75	8.75	8.75	8.75	$ 476,200
Employee Benefits						243,900
Total Personal Services						$ 720,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Pressure Washer	1	No	$ 5,000
Fiberglass Doors		Yes	6,000
			$ 11,000

Function:
Business Type

Department:
Water Pollution Control

Activity:

Pumping Stations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 210,666	$ 220,531	$ 220,600	$ 132,100	$ 140,100	-36.49%
Commodities	16,664	17,882	27,100	29,100	23,100	-14.76%
Contractual Services	119,141	123,722	136,000	161,000	157,900	16.10%
Capital Outlay	35,942	96,509	186,000	180,300	7,500	-95.97%
Transfers	-	-	-	-	-	
Total Expenditures	$ 382,413	$ 458,644	$ 569,700	$ 502,500	$ 328,600	-42.32%
Funding Sources						
Sewer Charges	$ 350,153	$ 407,844	$ 569,700	$ 502,500	$ 328,600	-42.32%
WPCP Replacement Reserve	32,260	50,800	-	-	-	
Total Funding Sources	$ 382,413	$ 458,644	$ 569,700	$ 502,500	$ 328,600	-42.32%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Lift Station/Plant Maintenance Supervisor	1.00	1.00	1.00	-	-	
Lift Station Leadworker	-	-	-	-	1.00	
Lift Station Operator	2.00	2.00	2.00	2.00	1.00	
Total	3.00	3.00	3.00	2.00	2.00	$ 95,700
Employee Benefits						44,400
Total Personal Services						$ 140,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Submersible Pump -Tanglefoot	1	Yes	$ 5,000
Submersible Pump - Magnolia	1	Yes	2,500
			$ 7,500

Function:
Business Type

Department:
Water Pollution Control

Activity:

Laboratory Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 256,072	$ 267,813	$ 274,100	$ 275,200	$ 287,100	4.74%
Commodities	59,650	63,779	54,800	56,600	62,600	14.23%
Contractual Services	12,572	24,346	25,400	26,000	28,200	11.02%
Capital Outlay	40,255	13,106	18,300	19,900	23,800	30.05%
Transfers	-	-	-	-	-	
Total Expenditures	$ 368,549	$ 369,044	$ 372,600	$ 377,700	$ 401,700	7.81%
Funding Sources						
Sewer Charges	$ 254,219	$ 281,105	$ 282,600	$ 286,700	$ 309,700	9.59%
Analytical Charges	81,280	87,939	90,000	91,000	92,000	2.22%
WPCP Replacement Reserve	33,050	-	-	-	-	
Total Funding Sources	$ 368,549	$ 369,044	$ 372,600	$ 377,700	$ 401,700	7.81%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	2.00	2.00	2.00	2.00	2.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	0.73	0.73	0.73	0.73	0.73	
Total	3.73	3.73	3.73	3.73	3.73	$ 205,800
Employee Benefits						81,300
Total Personal Services						$ 287,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Flask Washer	1	Yes	$ 7,700
Block Digester	1	Yes	2,800
Refrigerated Effluent Sampler	1	Yes	7,600
pH Meter	1	Yes	1,700
Tray Sealer for IDEXX	1	Yes	4,000
			$ 23,800

Function:
Business Type

Department:
Water Pollution Control

Activity:

Biosolids Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 202,301	$ 209,922	$ 218,600	$ 219,600	$ 232,700	6.45%
Commodities	20,459	20,956	55,400	57,000	53,600	-3.25%
Contractual Services	12,259	33,739	22,800	22,900	22,900	0.44%
Capital Outlay	4,850	39,865	12,500	12,800	10,000	-20.00%
Transfers	-	38,571	-	95,000	-	
Total Expenditures	$ 239,869	$ 343,053	$ 309,300	$ 407,300	$ 319,200	3.20%
Funding Sources						
Sewer Charges	$ 239,869	$ 343,053	$ 309,300	$ 407,300	$ 319,200	3.20%
Total Funding Sources	$ 239,869	$ 343,053	$ 309,300	$ 407,300	$ 319,200	3.20%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	2.00	2.00	2.00	2.00	1.00	
Treatment Plant Mechanic II	-	-	-	-	1.00	
Total	3.00	3.00	3.00	3.00	3.00	$ 147,800
Overtime						13,500
Employee Benefits						71,400
Total Personal Services						$ 232,700

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
6 Inch Dragline Hose	660 ft	Yes	$ 7,000
Portable Total Suspended Solids Analyzer	1	No	3,000
			$ 10,000

COLLECTION AND DRAINAGE

GENERAL INFORMATION:

The Collection and Drainage operation is a division of the Public Works department with links to the Water Pollution Control Plant (WPCP). Since the 2003/2004 fiscal year this operation has been budgeted as a separate Enterprise Fund. This was done for a number of reasons. Federal regulations pertaining primarily to collection of storm and sanitary water will be requiring additional collection procedures. The additional costs associated with these regulations need to be specifically identified and tracked. Towards that end beginning in 2003 the Collection and Drainage portion of the total sewer bill has been shown as a separate line item on customer bills. So while the Collection and Drainage function will remain associated with the WPCP, the revenues and expenditures of this enterprise are budgeted independently. For reporting purposes only, Collection and Drainage is included with all other WPCP activities in the City's annual financial report. Effective July 1, 2006, the storm water operation became an activity of the Collection and Drainage fund. Information on the storm water activity immediately follows this budget.

CURRENT TRENDS AND ISSUES:

In January of 2012, City staff working with Public Financial Management (PFM), the City's financial consultant, completed a long-term plan for financing the West Hill Sewer Separation project. This $50+ million project is mandated by an E.P.A. Consent Order to be completed by 2028. The West Hill Sewer Separation project will be completed in multiple phases over the next 12 years. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 the local option tax funding will need to be supplemented with other resources to complete the scheduled work on this project. Beginning in fiscal year 2011/2012 and continuing through the 2016/2017 budget, there has been $200,000 in annual transfers from the Collection and Drainage fund to a special reserve to accumulate funds to assist in financing this project. Like amounts for those same years are being transferred from the Water Pollution Control fund. Annual allocations from both of these funds are proposed to continue to be set aside each year throughout the project. Based on the assumptions used in the original long-term financial plan, the Local Option Sales Tax funds and funds from the new reserve were expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project. This long-term financial plan will be updated in 2016/2017.

The 2015/2016 revised estimate is under the original budget by $243,900. The decrease is primarily due to (1) the actual cost of the new jet/vac sewer cleaning machine being $47,000 less than the budgeted amount, and (2) deferring until 2016/2017 the one-time transfer of $200,000 for improved sewer force main access as part of the Kent Stein Park to Deep Lakes Park Trail project.. There was a net increase of $3,100 in other line items of the budget which offset a portion of these decreases.

The 2016/2017 budget is $363,100 (21.3%) lower than the 2015/2016 budget primarily due to a $384,000 decrease in capital outlay. This decrease was partially offset by an increase of $24,900 in personal services costs and a net $4,000 decrease in other line items. Transfers for 2016/2017 include the $200,000 transfer for the Kent Stein Park to Deep Lakes Park Trail deferred from 2015/2016, the $200,000 transfer to the reserve for the West Hill Sewer Separation project, $180,000 to the Sewer Extension and Improvement Reserve, $10,900 for the cost allocation of the Communications Manager position, and a total of $14,700 in administrative transfers for general, information technology, and public works administration.

The 2015/2016 revised estimate and 2016/2017 budget include $8,500 and $9,500 respectively, to rent an additional street sweeper each spring to reduce the amount of sand entering the storm sewer system (sand used for snow and ice control).

The Collection and Drainage fee is currently $11.70 per customer per month. This fee was effective July 1, 2015 based on the resolution adopted by City Council in 2013 setting both sewer and collection and drainage fees for a five-year period from September 1, 2013 through June 30, 2018. This fee will increase to $11.90 per customer per month effective July 1, 2016. The rate resolution was adopted based on the professional rate study by Veenstra and Kimm completed in 2013.

GOAL STATEMENT:

To maintain a conveyance system that captures and transports sanitary and storm water in an environmentally sound, efficient, and cost effective manner to meet Federal and State regulatory requirements.

PERFORMANCE MEASURES:

Calendar Year Measures	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
Sewers Cleaned and Flushed (Miles)	16.3	18.6	10.2	15.2	17
TV Inspections (Feet) *	3,530	5,182	9,694	6,025	4,000
Inspections at Combined Sewer Overflows (CSO)	17	16	17	26	18
Inspections of Blockage Prone Manholes (Various Locations)	11	13	13	12	18
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	15	14	17	13	18
Inspection of Off Road Sanitary Sewers (Man Hours)	N/A	115	135	131	125
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	N/A	358	133	0 **	150
Cleaning Storm Structures (Man Hours)	657	1,149	1,111	1,156	1,000
Corrective Repairs – Sewers	23	22	33	23	20
Corrective Repairs – Structures	48	48	51	50	50
Corrective Repairs – Force Mains	1	0	0	1	0
Utility Locates	2,108	2,116	2,582	2,378	2,100
After Hours	9	9	27	19	10
Sewer Call Responses – Total	62	69	87	94	80
After Hours	13	8	21	11	0
Sanitary Sewer Overflows (SSO)	1	0	0	0	0
Backups Due to City Lines	5	3	10	3	0
Routine Equipment Operation/Maintenance (Man Hours)	478	490	689	868	450
Work for Other Departments (Man Hours)	908	721	498	329	400
Work on Capital Improvement Projects (Man Hours)	227	328	1,874	281	500

* 2,950 feet of inspections were completed by Electroscan equipment.
** None done due to scheduling other work in calendar year 2015.

RECENT ACCOMPLISHMENTS:

Staff replaced a 60 foot section of deteriorated sanitary sewer on Canon Avenue and completed the Electroscan sewer condition assessment on 2,950 feet of the Mad Creek interceptor sewer from the Mad Creek lift station to E. Seventh Street to satisfy a U.S. Army Corps of Engineers requirement for levee certification.

This division also completed the purchase of a new combination sewer cleaning machine (jet/vac), including equipment demonstrations, hands-on field operations, preparation of specifications, bidding, and award. The machine is expected to be delivered in March of 2016. It also completed post construction inspections on the modifications made to existing and newly constructed storm and sanitary sewer structures (i.e. manholes, storm water intakes) along the Cedar Street Reconstruction project.

Staff assisted railroad personnel/inspectors in entering the Papoose Creek trunk sewer for the purpose of inspecting the main line railroad bridge located inside the sewer.

Modifications were made to two storm water intakes and two additional intakes were constructed to reduce street flooding on Washington Street at the low point on the east side of the Mad Creek bridge.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to identify problematic areas within the sewer system and take appropriate corrective actions.

* To complete Zone 2 (17 miles) of the Collection and Drainage routine sewer maintenance program.

* To assist Stanley Consultants in preparation of the design for Phase 4 of the West Hill Sewer Separation Project, providing technical support and field investigations to continue to pursue sewer separation in the West Hill area and elimination of the Papoose Creek combined sewer overflow (CSO) location. **(Council and Management Projects, Programs, and Placemaking Goal)**

* To assist the Bolton-Menk engineering firm in the preparation of the design of the Mississippi Drive Corridor project by suppling any mapping, technical support, and field investigations they make require.

* To complete the abandonment of the former Hershey Avenue combined sewer overflow (CSO) location.

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 575,238	$ 803,854	$ 994,854	$ 998,758	$ 1,192,758
Revenues					
Interest	$ 1,009	$ 972	$ 1,000	$ 1,000	$ 1,000
Sewer Connection Fees	52,507	13,932	10,000	13,000	13,000
Transfers In					
Collection and Drainage Fund	180,000	180,000	180,000	180,000	180,000
Total Revenues	$ 233,516	$ 194,904	$ 191,000	$ 194,000	$ 194,000
Funds Available	$ 808,754	$ 998,758	$ 1,185,854	$ 1,192,758	$ 1,386,758
Expenditures					
Transfers Out:					
Voluntary Annexation/Mad Creek Sewer Extension Project	$ 4,900	$ 0	$ 0	$ 0	$ 0
Mulberry Improvements - Drainage Portion	0	0	0	0	200,000 (2)
Total Expenditures	$ 4,900	$ 0	$ 0	$ 0	$ 200,000
Ending Balance, June 30	$ 803,854	$ 998,758	$ 1,185,854	$ 1,192,758	$ 1,186,758
Increase (Decrease) in Fund Balance	**$ 228,616**	**$ 194,904**	**$ 191,000**	**$ 194,000**	**$ (6,000)**

1. This fund was formerly the Depreciation, Extension and Improvement Reserve and was accounted for in the Water Pollution Control Fund. As of June 30, 2006 the former E.P.A Replacement Reserve was allocated between the Water Pollution Control Replacement Reserve and the Sewer Extension and Improvement Fund. This fund is now a reserve fund for the Collection and Drainage Fund to be used for sewer extension or improvement projects.
2. The 2016/2017 transfer amount is a preliminary estimate for drainage improvements that will be done as part of the Mulberry Avenue Improvement project.

Collection and Drainage
(Including Stormwater Operations)
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 1,098,403	$ 1,170,658	$ 767,758	$ 849,375	$ 610,475
Revenues					
Collection and Drainage Fees	$ 1,204,820 (1)	$ 1,237,543 (1)	$ 1,265,000	$ 1,270,000 (1)	$ 1,290,000 (1)
Grease Discharge Permits	15,720	19,155	16,000	16,000	17,000
Interest	1,691	1,319	1,000	1,000	1,000
Sale of Scrap Materials	0	0	100	100	100
Reimbursement of Damages	3,874	0	0	0	0
Miscellaneous	6	45	100	100	100
Total Revenues	$ 1,226,111	$ 1,258,062	$ 1,282,200	$ 1,287,200	$ 1,308,200
Encumbrance Variance	$ 0	$ 0	$ 0	$ 0	$ 0
Funds Available	$ 2,324,514	$ 2,428,720	$ 2,049,958	$ 2,136,575	$ 1,918,675
Expenditures:					
Collection and Drainage	$ 1,117,514 (2)	$ 1,532,264 (2)	$ 1,706,600	$ 1,462,700 (2)	$ 1,343,500 (2)
Stormwater Operations	36,342	47,081	60,800	63,400	77,700
Total Expenditures	$ 1,153,856	$ 1,579,345	$ 1,767,400	$ 1,526,100	$ 1,421,200
Ending Balance, June 30	$ 1,170,658	$ 849,375	$ 282,558	$ 610,475	$ 497,475
Increase (Decrease) in Fund Balance	**$ 72,255**	**$ (321,283)**	**$ (485,200)**	**$ (238,900)**	**$ (113,000)**

1. Monthly collection and drainage charges on sewer bills were $11.20, for 2013/2014 and $11.45 for 2014/2015. The rate increased to $11.70 per customer per month in 2015/2016 and will increase to $11.90 per customer per month in 2016/2017.
2. Beginning in 2011/2012 Collection and Drainage expenditures include $200,000 in annual transfers to the reserve established to accumulate funds for the West Hill Sewer Separation project. Like amounts have also been budgeted to be transferred from the WPCP budget to this reserve.

Function:
Business Type

Department:
Public Works

Activity:

Collection and Drainage

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 451,646	$ 471,495	$ 481,700	$ 483,200	$ 506,600	5.17%
Commodities	34,104	38,812	51,800	50,000	50,000	-3.47%
Contractual Services	107,154	107,755	117,300	137,300	115,300	-1.71%
Capital Outlay	30,570	2,227	450,000	388,000	66,000	-85.33%
Transfers	494,039	911,975	605,800	404,200	605,600	-0.03%
Total Expenditures	$ 1,117,513	$ 1,532,264	$ 1,706,600	$ 1,462,700	$ 1,343,500	-21.28%
Funding Sources						
Collection & Drainage Fees	$ 1,117,513	$ 1,532,264	$ 1,706,600	$ 1,462,700	$ 1,343,500	-21.28%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	1.00	3.00	3.00	3.00	3.00	
Equipment Operator II	3.00	1.00	1.00	1.00	1.00	
Equipment Operator I	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total	6.53	6.53	6.53	6.53	6.53	$ 339,500
Employee Benefits						167,100
Total Personal Services						$ 506,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
10' Box for One Ton Truck	1	Yes	$ 7,500
Lift Gate for One Ton Truck	2	Yes	7,000
Portable Generator	1	Yes	1,500
Sewer Maintenance Projects			50,000
			$ 66,000

STORM WATER OPERATIONS

GENERAL INFORMATION:

The Storm Water activity budget was first established January 1, 2005 in order to address federal regulations which are placing additional demands on cities to monitor, regulate, and treat stormwater. Funding for this program has been from the Collection and Drainage fund.

This budget currently includes an allocation of 1/3 of the Community Development Inspector II position and 1/4 of the Environmental Coordinator position. The Water Pollution Control department oversees the Storm Water operations program.

CURRENT TRENDS AND ISSUES:

The 2015/2016 revised estimate is $2,600 higher than the budgeted amount due to the addition of a $10,000 funding transfer to a capital project fund. The revised estimate and 2016/2017 budget include a total of $30,000 in funding transfers for the I & I (Inflow and Infiltration) study for the Mad Creek area with $10,000 in the revised estimate and $20,000 in 2016/2017. A $6,400 reduction in personal services, primarily due to a vacancy, and a $1,000 reduction in contractual services, offset a portion of the increase in transfers.

The 2016/2017 budget is $16,900 (27.8%) higher than the budget for 2015/2016 primarily due to the $20,000 transfer to the capital project for the I & I study for the Mad Creek area. This increase was partially offset by a $2,400 decrease in personal services and a $700 decrease in contractual services. The budget for 2016/2017 again includes the allocation of 25% of the Environmental Coordinator position with the remaining 75% allocated to the Water Pollution Control fund. The budget also continues to allocate 1/3 of the Community Development department Inspector II position.

GOAL STATEMENT:

To develop and implement a comprehensive fiscal and pollution prevention program to assist the city in its efforts to comply with EPA Phase II storm water requirements.

PERFORMANCE MEASURES

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Grease Discharge Permits Issued	98	125	123	130	130
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	50	30	43	50	50
Permitted Significant Industrial Users	12	12	13	14	14
Significant Industrial Users Inspected	12	12	13	14	14
Commercial Waste Hauling Permits Issued	17	16	16	16	18
Construction Site Inspections	5	5	2	6	10
Storm Events Sampled	2	2	4	6	10
River and Creek Samples Taken	60	50	50	25	75
Tests Performed on River and Creek Samples	500	500	500	200	1,000

RECENT ACCOMPLISHMENTS:

With the addition of the Environmental Coordinator, there has been better oversight of the FOG (Fats, Oils, and Grease) program which has helped reduce CSO's (Combined Sewer Overflows) caused by grease back-ups. Many restaurants were unaware of the regulations and need for grease trap maintenance. As staff continues efforts to educate local businesses, the back-up incidents should decrease. Sampling of Mad Creek, the Mississippi River, and other waterways in our watershed will aid in finding sources of pollution and eliminating them.

A greater emphasis on native plantings is underway across the state as the decline of pollinators and effects of erosion become more critical. The Stormwater staff is participating in the Living Roadways Project, Trees 4 Ever, the Xerces Society, and the Iowa DNR to ensure new areas of habitat are available and that deep rooted native plantings are employed to keep soil from washing into waterways. The loss of habitat for bees and other pollinators has come to the forefront in news across the world as scientists and ecologists struggle to determine the massive losses in bee colonies. Muscatine has many opportunities in small and large areas to return native plantings where weeds and grasses currently grow. This reduces long-term maintenance costs and beautifies areas blighted with unsightly vegetation while enhancing insect species diversification.

Rainfall is always studied by the Stormwater division and a new study is underway that will better track rain and water flowing through the entire watershed. Small inexpensive weather stations are being placed throughout the city at lift stations and other City structures that can monitor real time rainfalls in different areas. One struggle of rain monitoring has always been a 24 hour reading in one location. Rainfall is variable over time and distance and determining where specific rainfall is occurring then tracking the effects on erosion and flooding can help reduce both. With more precise tracking it will be possible to determine where new stormwater BMPs (Best Management Practices) can be employed.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To install new weather stations throughout the watershed and begin a tracking study to determine new locations of BMP's (Best Management Practices) for stormwater infiltration.

* To begin the study of the Mad Creek area for I&I (Inflow and Infiltration).

* To look at new ordinance language to better serve construction managers and reduce runoff.

* To begin reviews of City facilities for runoff infiltration/mitigation projects.

* To work with other state and local agencies to identify areas for native grass and wildflower planting.

* To identify grant opportunities to fund stormwater projects throughout the community.

* To work with local businesses to identify stormwater projects (YMCA, HNI, others).

* To work with the Mississippi River Drive development to implement stormwater BMP's along the entire corridor.

* To increase inspections of construction sites throughout the city.

Function:
Business Type

Department:
Public Works

Activity:

Storm Water Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 23,953	$ 43,734	$ 49,200	$ 42,800	$ 46,800	-4.88%
Commodities	4,913	362	3,100	3,100	3,100	0.00%
Contractual Services	1,807	2,985	8,500	7,500	7,800	-8.24%
Capital Outlay	5,669	-	-	-	-	
Transfers	-	-	-	10,000	20,000	
Total Expenditures	$ 36,342	$ 47,081	$ 60,800	$ 63,400	$ 77,700	27.80%
Funding Sources						
Grease Discharge Permits	$ 15,720	$ 19,155	$ 16,000	$ 16,000	$ 17,000	6.25%
Collection & Drainage Fund	20,622	27,926	44,800	47,400	60,700	35.49%
Total Funding Sources	$ 36,342	$ 47,081	$ 60,800	$ 63,400	$ 77,700	27.80%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time Position:						
Inspector II	0.33	0.33	0.33	0.33	0.33	
Environmental Coordinator	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.58	0.58	0.58	0.58	0.58	$ 34,000
Employee Benefits						12,800
Total Personal Services						$ 46,800

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

EMPLOYEE BENEFITS FUND

GENERAL INFORMATION:

The Employee Benefits Special Revenue Fund was established by State law to allow for the levying of taxes for certain employee benefits. For the City of Muscatine, the Employee Benefits levy includes funding for costs of police and fire pension contributions, police and fire medical insurance costs for on-the-job injuries, worker's compensation, unemployment, health insurance, life insurance, dental insurance, FICA, IPERS, long-term disability insurance, and post-employment health plan costs.

When the General Fund levy of a city reaches the legal limit of $8.10 per $1,000 of assessed valuation, the employer's share of Social Security, Medicare, and IPERS may be levied from the Employee Benefits Special Revenue Fund levy. The City of Muscatine has been at the $8.10 General Fund levy limit for many years. The cost of Social Security, Medicare, and IPERS for General Fund employees is estimated at $613,575 for 2015/2016 and it is budgeted to increase to $641,883 for 2016/2017. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2016/2017. The IPERS rate will remain at 8.93% in 2016/2017.

The pension contribution rate for police and fire personnel has varied since the statewide Municipal Fire and Police Retirement System of Iowa (MFPRSI) replaced the former local system on January 1, 1992. The contribution rate was 17% through the 1992/93 year, 19.66% for 1993/94, 18.71% for 1994/95, 17.66% for 1995/96, and 17.00% for 1996/97 through 2002/2003. For 2003/2004 it increased to 20.48%, 24.92% for 2004/2005, and 28.21% for 2005/2006. For 2006/2007 the pension contribution rate decreased to 27.75%, to 25.48% for 2007/2008, to 18.75% for 2008/2009, and to 17.0% for 2009/2010. The pension contribution rate increased to 19.90% for 2010/2011, to 24.76% for 2011/2012, and to 26.12% for 2012/2013. The pension contribution rate increased again to 30.12% in 2013/2014 and further increased to 30.41% in 2014/2015. The pension contribution decreased in 2015/2016 to 27.77% and will further decrease to 25.92% in 2016/2017. Property tax funding for police and fire pension will decrease from the $1,352,752 budgeted in 2015/2016 to $1,335,025 budgeted for 2016/2017.

The City is also obligated by the State Code to pay job-related medical costs for former police and fire employees who terminated employment due to work-related injuries or illnesses. A total of $100,679 of medical costs related to several individuals' injuries or illnesses were incurred in 2007/2008, $16,084 in 2008/2009, $22,882 in 2009/2010, $17,840 in 2010/2011, $24,376 in 2011/2012, $28,184 in 2012/2013, $28,074 in 2013/2014, and $38,657 in 2014/2015. The retiree medical costs are estimated to be $46,000 for the 2015/2016 revised estimate and $46,000 is also budgeted for 2016/2017.

The Employee Benefits Special Revenue Fund tax levy also funds premiums for health insurance, dental insurance, life insurance, worker's compensation, and unemployment costs for employee benefits associated with the General Fund. Also included is funding for police and fire medical insurance costs for on-the-job injuries of current employees. The police and fire pension systems provide disability payments for police officers and firefighters injured on the job. However, the pension systems do not include a provision for funding medical costs resulting from these injuries. For 2012/2013 through 2014/2015, the annual cost for police and fire medical insurance was $36,000. Due to the City's claims in recent years, the premium increased to $54,000 in 2015/2016 and will remain at $54,000 for 2016/2017.

Health insurance costs for the City of Muscatine have increased significantly over the last ten years. The cost of health insurance for employees in the General Fund is estimated at $1,698,399 for 2016/2017. The cost would be higher if the City had not chosen to participate in a cost-plus funding plan with the insurance carrier. The City basically pays costs incurred plus a monthly administrative fee. When an individual claim reaches a certain amount, stop loss insurance pays for the costs over the maximum limit. Each month the City sets aside in the Health Insurance Internal Service Fund certain premium amounts to fund actual medical costs, administrative fees, and the stop-loss fee.

Since the inception of the cost-plus funding plan for health insurance, the premium costs established have varied. Effective January 1, 2007, the rates were $388.12 and $1,032.39, respectively, for single and family coverage. Effective January 1, 2008 rates increased to $427.60 and $1,137.42, respectively, increases of 10.2%. Health insurance claims stabilized for a number of years and the single and family rates for 2008 were maintained for 2009, 2010, 2011, and 2012. Effective January, 2013, the rates increased 3% to $440.43 and $1,171.54, respectively, for single and family coverage. Also in 2013, deductibles increased from $300 to $400 for single and from $600 to $800 for family health coverage. The annual out-of-pocket maximums increased from $600 to $800 and from $1,300 to $1,600 for single and family coverage. In 2014, the rates were maintained at $440.43 and $1,171.54, respectively, for single and family coverage. The deductibles increased from $400 to $500 for single and from $800 to $1,000 for family health coverage. The annual out-of-pocket maximums also increased from $800 to $1,000 and from $1,600 to $2,000 for single and family coverage. In 2015 the rates were maintained at $440.43 and $1,171.54, respectively, for single and family coverage. However in 2016, rates were increased 15% to $506.49 and $1,347.27, respectively, for single and family coverage. The monthly administrative fee for 2016 is $121.80 per employee. The administrative fee includes the $8.21 Wellmark network access fee as well as the individual and aggregate stop loss insurance fees. An 8% increase in premiums is budgeted for January 1, 2017. Effective January 1, 2016 the deductibles increased from $500 to $600 for single and from $1,000 to $1,200 for family health coverage. The annual out-of-pocket maximums also increased from $1,000 to $1,200 and from $2,000 to $2,400 for single and family coverage. The budgeted tax funding amount for 2016/2017 for General Fund employees is $1,698,399.

Employee benefit costs for life insurance will increase from the $15,618 budgeted in 2015/2016 to $16,419 in 2016/2017. Effective October 2011, the City changed life insurance companies. The life insurance rates decreased from 22 cents per month per $1,000 of coverage to 18 cents per month per $1,000 of coverage. Basic provisions in the amount of life insurance coverage for each employee remain the same for 2016/2017.

Dental insurance rates for City employees in 2012 were $24.47 for single coverage. In January 2013 the rate increased 5% to $25.69, in January 2014 it increased by 8% to $27.75, and it increased 11.6% in January 2015 to $30.85. In January 2016, the rate further increased 5% to $32.39. Effective January 2014, employees began contributing $1 per month for single coverage. The employee contribution was implemented due to provisions of the Affordable Care Act. Employees fund 100% of the additional cost if they opt for family coverage. The City's dental plan is a self-insured plan through Wellmark. For 2016/2017, the cost of dental insurance for General Fund employees is budgeted at $50,141 compared to the $44,742 budgeted for 2015/2016.

In regard to workers' compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2006/2007 through 2014/2015, the workers' compensation experience modification factors were .88, .87, .84, .89, .87, .82 .77, .72 and .73. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2015/2016 the experience modification factor decreased slightly to .72 and it is estimated to increase to .75 for 2016/2017. The tax funding amount for General Fund employee workers' compensation for 2016/2017 is estimated at $42,715 compared to the $49,161 budgeted for 2015/2016. The primary reason for the decrease in estimated

workers compensation is due to the City changing insurance carriers to the Iowa Municipalities Workers' Compensation Association effective July 1, 2015.

The City's unemployment rate effective January 1, 2012 was 1.4% of applicable wages of $25,300. The rate decreased January 1, 2013 to .9% of $26,000 of wages and the rate was .9% of $26,800 of wages effective January 1, 2014. The rate effective January 1, 2015 was .8% of $27,300 of wages. The rate effective January 1, 2016 is .4% of $28,300 of wages. The 2016/2017 budget provides funding for this rate to be .6% of applicable wages of $29,300 as of January 1, 2017. The tax funding amount for 2016/2017 is estimated at $28,633 compared to the $35,209 originally budgeted for 2015/2016.

Long-term disability insurance was only provided to full-time non-union employees through the 2013/2014 fiscal year. Beginning in 2014/2015 this benefit was added for blue/white collar bargaining unit employees in their new union contract. The estimated cost for General Fund employees is $12,707 for 2016/2017 compared to $11,981 budgeted for 2015/2016. The long-term disability rate is .27% of base wages for non-union employees and .50% of base wages for blue/white collar bargaining unit employees.

The budget also includes funding for a retirement health savings plan for full-time and permanent part-time non-union, fire bargaining unit, and blue/white collar bargaining unit employees. This plan provides funding of contributions to individual accounts of these employees and also provides that the payout of 40% of accumulated sick leave at retirement be paid into these accounts. For the blue/white collar bargaining unit group, vacation balances at retirement are also paid into this plan. The tax funding amount for 2016/2017 is budgeted at $34,292.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rates for 2015/2016 and the 2016/2017 budget were set at rates lower than the rates that would have been needed to fund 100% of the costs of General Fund employee benefits. For 2015/2016 $192,959 of General Fund employee benefit costs were funded from the General Fund balance instead of the Employee Benefits tax levy. This allowed the overall City property tax rate for 2015/2016 to be maintained at $15.67209/$1,000 of valuation.

The 2016/2017 Employee Benefits tax levy is $192,637 less than the amount that would be needed to fund 100% of General Fund employee benefits and that amount of these benefit costs will be funded from the General Fund balance. This allowed for the overall City tax rate to remain unchanged for 2016/2017.

The City has had beginning balances in the Employee Benefits Fund in recent years due to actual employee benefit costs being less than budgeted due to vacancies or benefit rates being lower than projected. With the estimated 2016/2017 beginning fund balance of $78,295 and funding $192,637 less than the full amount of employee benefits from this levy, the Employee Benefit tax levy for 2016/2017 is $3,519,645 compared to the $3,228,863 budgeted for 2015/2016 (an increase of 9.0%). This requires a tax levy rate of $4.25714 compared to $4.11611 for the 2015/2016 budget year, an increase of 3.4% in the levy rate. Beginning in 2014/2015 the State implemented a taxable valuation rollback for commercial and industrial properties. For 2014/2015 the valuation of these properties was rolled back from 100% to 95%. For 2015/2016 the valuation was rolled back to 90%. According to the provisions of the legislation, the State will make a reimbursement to local governments for property tax reductions which result from the rollbacks. The portion of the State reimbursement related to the Employee Benefits Tax levy is estimated at $169,259 for 2015/2016 and $170,837 for 2016/2017. These amounts have been included as revenue to this fund each year.

Employee Benefits Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 50,368	$ 132,955	$ 40,385	$ 130,837	$ 78,295
Revenues					
Property Tax	3,029,761	3,072,360	$ 3,214,992	$ 3,214,992	$ 3,506,036
Utility Tax Replacement Excise Tax	13,697	13,005	13,871	13,871	13,609
Commercial/Industrial State Reimbursement	0	74,719	169,259	169,259	170,837
Total Revenues	$ 3,043,458	$ 3,160,084	$ 3,398,122	$ 3,398,122	$ 3,690,482
Funds Available	$ 3,093,826	$ 3,293,039	$ 3,438,507	$ 3,528,959	$ 3,768,777
Expenditures					
Transfers Out					
Police Retirement	$ 690,633	$ 709,917	$ 716,836	$ 689,890	$ 686,935
Fire Retirement	637,292	664,829	635,916	627,810	648,090
Police & Fire Retiree Medical	28,074	38,657	37,000	46,000	46,000
Health Insurance	1,335,071	1,305,740	1,362,253	1,440,649	1,698,399
Dental Insurance	37,310	39,706	44,742	44,496	50,141
Life Insurance	14,881	15,232	15,618	15,591	16,419
Police and Fire Medical Insurance	36,000	36,000	60,300	54,000	54,000
Long-term Disability Insurance	9,061	11,621	11,981	12,082	12,707
Post-Employment Health Plan	46,329	48,664	40,218	40,679	34,292
Workers Compensation	39,298	42,234	49,161	36,185	42,715
Unemployment	36,801	33,258	35,209	21,466	28,633
Deferred Compensation	700	1,200	1,200	1,200	1,200
FICA/IPERS	559,511	570,149	621,032	613,575	641,883
Employee Benefit Levy Reduction	(510,090) (1)	(355,005) (2)	(192,959)	(192,959) (3)	(192,637) (4)
Total Expenditures	$ 2,960,871	$ 3,162,202	$ 3,438,507	$ 3,450,664	$ 3,768,777
Ending Balance, June 30	$ 132,955	$ 130,837	$ 0	$ 78,295	$ 0
Increase (Decrease) in Fund Balance	**$ 82,587**	**$ (2,118)**	**$ (40,385)**	**$ (52,542)**	**$ (78,295)**

1. The 2013/2014 Employee Benefits tax levy was $510,090 less than what would be needed to fund 100% of the employee benefit costs for General Fund employees. This resulted in $510,090 of the General Fund balance being used to fund employee benefit costs in 2013/2014. This allowed for the City to maintain the same total tax rate for 2013/2014.
2. The 2014/2015 Employee Benefits tax levy was $355,005 less than what would be needed to fund 100% of the employee benefit costs for General Fund employees. This resulted in $355,005 of the General Fund balance being used to fund employee benefit costs in 2014/2015. This allowed for the City to maintain the same total tax rate for 2014/2015.
3. The 2015/2016 Employee Benefits tax levy was $192,959 less than what would be needed to fund 100% of the employee benefit costs of General Fund employees. This again allowed for the City to maintain the same total tax rate for 2015/2016.
4. The 2016/2017 Employee Benefits tax levy is $192,637 less than what would be needed to fund 100% of the employee benefit costs of General Fund employees. This again allowed for the City to maintain the same total tax rate for 2016/2017.

Explanation of Changes in Fund Balance:

The Employee Benefits Tax Levy funds costs of benefits for General Fund employees. The balances at the end of 2013/2014 and 2014/2015 were due to savings in employee benefit costs due to vacancies, changes in insurance coverage for employees, and health insurance rates being less than budgeted. The balance in this fund at the end of 2015/2016 is budgeted to be $78,295 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2016/2017.

SPECIAL REVENUE FUNDS

EMERGENCY TAX LEVY

GENERAL INFORMATION:

State statutes allow cities in the State of Iowa to levy an "emergency tax" of up to $.27 per $1,000 of valuation if the General Fund tax levy of a city is at its limit. This tax is required to be levied in a Special Revenue Fund and transferred to the General Fund. Until the 2001/2002 budget year, the City of Muscatine had not levied an emergency tax in more than twenty years.

The City implemented the emergency tax levy for 2001/2002 to help offset the loss of revenue from the State reimbursement for lost taxes on Machinery and Equipment (M&E) valuations. The State of Iowa eliminated taxes on machinery and equipment primarily used in manufacturing, effective with equipment and machinery acquired after January 1, 1994. The law provided that this M&E tax elimination plan would be phased in over a ten-year period. During the first five years of the plan, cities were reimbursed by the State for the reduced taxes due to the reduction in M&E values. Beginning in the sixth year (2001/2002 budget), however, the State reimbursement was also to begin to be phased out according to provisions in the state law. Cities were required to offset increases in commercial and industrial valuations since January 1, 1994 against the loss in M&E valuations before computing a state reimbursement. Since the City of Muscatine's increase in commercial and industrial valuations since January 1, 1994 exceeded the loss of M&E tax values, the City was no longer eligible to receive a State reimbursement for lost M&E taxes beginning in 2001/2002. The State reimbursement for M&E taxes was $415,419 for 2000/2001 and it was reduced to zero for 2001/2002.

After the City's 2003/2004 budget was completed, the state eliminated funding to cities of the Population Allocation, General Allocation and Moneys and Credits. This was a direct reduction of $360,000 in General Fund revenues for 2003/2004 and future years. Due to these funding reductions, the City continued to use the Emergency Tax to fund city services until the 2011/2012 fiscal year.

The emergency levy generated a total of $196,964 of property tax and utility tax replacement excise tax revenue for 2009/2010. These amounts are usually transferred to the General Fund. In 2009/2010 $80,000 of these funds were budgeted to remain in the Emergency Tax Levy fund. With economic uncertainties in the national, state and local economy, these funds were set aside for future General Fund needs or for future emergency events. These funds along with the interest earned on these funds will remain in the Emergency Tax Levy fund through the 2016/2017 fiscal year.

For 2010/2011 the City Council chose to implement a Utility Franchise Fee for Alliant Energy, the franchised provider of natural gas in the community. Changes were made in the State Code of Iowa which allow cities to impose franchise fees of up to 5% on providers of electricity and natural gas in cities. As Muscatine Power & Water is a municipal utility which furnishes electric service in the city, it is not under a franchise agreement and therefore is not eligible for a franchise fee. Implementation of this fee allowed the City to reduce the Emergency Levy rate for 2010/2011 from $.27/$1,000 to $.08/$1,000 which generated $59,447. At the maximum of $.27/$1,000, this levy would have generated $198,971 in 2010/2011.

The Emergency Tax levy was eliminated in the budget for 2011/2012 and was also not levied in the 2012/2013, 2013/2014, 2014/2015, 2015/2016, or 2016/2017 budgets. The $80,000 from 2009/2010 that was set aside for future General Fund needs is budgeted to remain in the Emergency Tax Levy fund in 2016/2017.

Emergency Tax Levy Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 80,399 (1)	$ 80,515	$ 80,615	$ 80,601	$ 80,701
Revenues					
Property Tax (2)	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	116	86	100	100	100
Total Revenues	$ 116	$ 86	$ 0	$ 0	$ 0
Funds Available	$ 80,515	$ 80,601	$ 80,715	$ 80,701	$ 80,801
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	$ 80,515	$ 80,601	$ 80,715	$ 80,701	$ 80,801
Increase (Decrease) in Fund Balance	**$ 116**	**$ 86**	**$ 100**	**$ 100**	**$ 100**

1. For the 2009/2010 budget, City Council chose to transfer all except $80,000 of this levy to the General Fund. This was due to economic uncertainties in the national, state and local economies. These funds have been set aside for future General Fund needs or for future emegency events. These funds are budgeted to remain in this fund in the 2016/2017 budget.
2. The City did not levy an Emergency Levy in 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016, or 2016/2017.

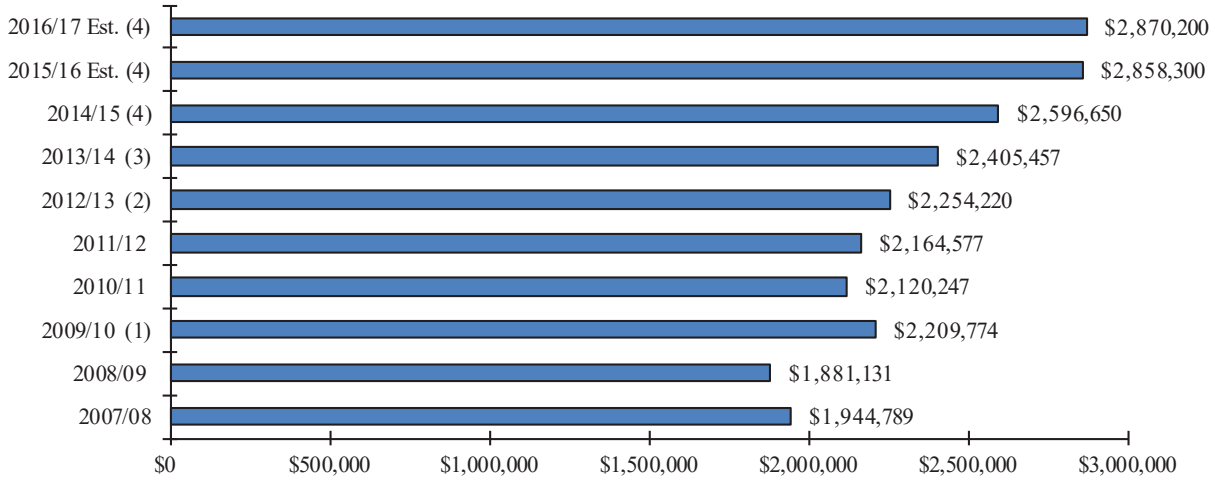
SPECIAL REVENUE FUNDS

ROAD USE TAX FUND

GENERAL INFORMATION:

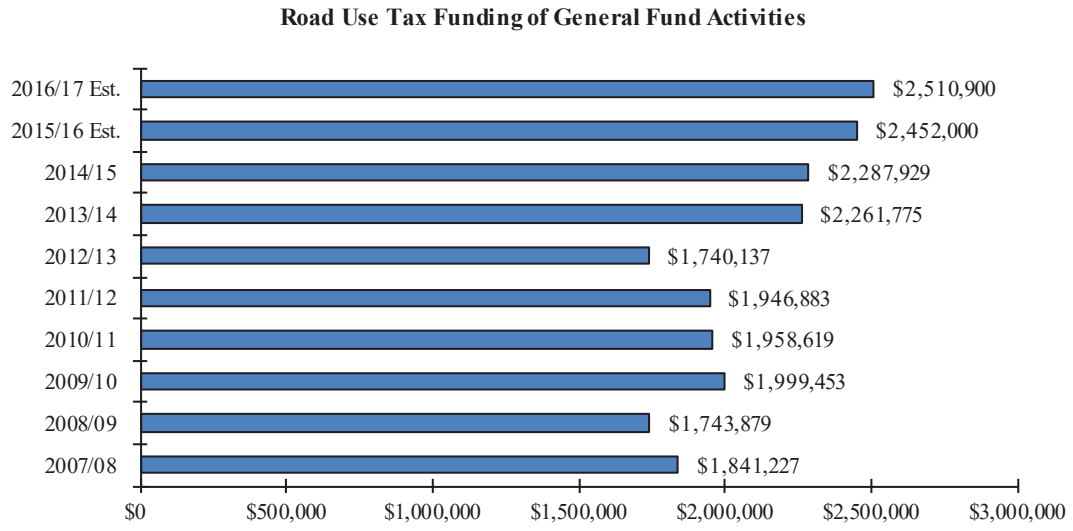
This fund accounts for all revenues received from the State of Iowa from gasoline taxes, license fees and weight taxes. These funds are returned to the City as road use taxes and are distributed to cities on a per capita formula basis. The following chart shows road use taxes received over the past eight (8) years and estimated amounts for the current year and 2016/2017. As noted in the footnotes to the table, road use tax revenue increased in 2012/2013 and 2013/2014 due to annexations which increased the City's population. Road use tax revenue further increased beginning March 1, 2015 due to the $.10 per gallon increase in the gas tax.

Road Use Tax Revenue History



1. The 2009/2010 amount reflects an accounting change which involved accruing two months of road use tax receipts at the end of the fiscal year as recommended by the City's auditors. As such, the 2009/2010 amount reflects 13 months of Road Use Tax receipts. Subsequent years again reflect twelve months of receipts.
2. The 2012/2013 revenues include increased Road Use Taxes from two voluntary annexations. The Heatherlynn/Irish Ivy annexation added 68 and the Ripley's annexation added 865 to the U.S. 2010 Census population of 22,886. The increased population from the Heatherlynn/Irish Ivy area was used for the full fiscal year; the added population for the Ripley's area was effective for the last five months of the year.
3. The 2013/2014 Road Use Tax increase was in part due to a full year with the increased population from the two recent annexations.
4. After the 2015/2016 budget was adopted, the State legislature approved a $.10 per gallon increase in the gas tax effective March 1, 2015. This is expected to generate an additional $416,700 in road use tax revenue each year.

A major use of road use taxes is an appropriation to the General Fund to support the Public Works Administration, Engineering, Roadway Maintenance, Traffic Control, Snow and Ice Control, Street Cleaning and Right-of-Way Mowing activities. The appropriations to the General Fund over the past eight (8) years and amounts estimated for 2015/2016 and 2016/2017 are shown in the following chart:



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at $2,858,300 in 2015/2016. This is based on the Iowa Department of Transportation (IDOT) estimate of $120.50 per capita, which has been reduced by $.50 to $120.00 for a conservative budget estimate.

The road use tax distribution for 2016/2017 was estimated by the IDOT at $121.00 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2016/2017 budget includes a more conservative estimate of $120.50 per capita which would generate $2,870,200.

The per capita road use tax estimates are based on the current law regarding revenue to and disbursements from the State's Road Use Tax fund. Any changes in the law could change the per capita amount to be distributed to cities.

The 2015/2016 revised estimate and the 2016/2017 budget include $2,452,000 and $2,510,900, respectively, to fund General Fund street-related costs. These transfers will fund the total costs (net of related revenues) for the street activities of the General Fund previously listed.

Through 2010/2011 road use tax revenue was not sufficient. to fund street-related capital projects and the City has been funding those costs from the 20% portion of Local Option Taxes approved to be used for the pavement management program. This includes railroad crossing, curb and gutter, full depth patching, and street resurfacing work. For 2011/2012 and 2012/2013, however, road use tax funds totaling approximately $595,300 were used to complete the Harrison Street Extension project. In 2014/2015 road use taxes funded $450,000 of the cost of the Cedar Street Improvement project and $50,000 for the first year of the new sidewalk development program. The City also received a $50,000 grant from the Wellmark Foundation for new sidewalk construction. There is an additional $297,000 road use tax allocation for Cedar Street in the 2015/2016 revised estimate which should close out this project, and a $28,100 allocation for the sidewalk program which funded the sidewalk improvements completed in calendar year 2015.

The 2016/2017 road use tax budget includes $100,000 for the new sidewalk development program, $150,000 towards the local share of the Mulberry Avenue Improvement project, and $700,000 for asphalt overlay or other street improvements. Based on the engineer's estimate for the Mulberry Avenue project, the $800,000 in bond funding for the local share of this project may need to be supplemented with $150,000 of road use tax funding to complete the financing for the local share of the project. Bids will be received this spring for this project and the estimate will be updated when the bid amounts are available. The $700,000 in road use tax funding for asphalt overlays and other street improvements will be combined with the $500,000 in local option sales tax (20%) dedicated for the pavement management program. This will allow the City to complete a significant amount of street resurfacing and related improvements. The $.10 per gallon increase in the fuel tax effective March 1, 2015 has resulted in the additional funds that are now available for these improvements.

The estimated fund balance on June 30, 2017 is projected at $334,958 based on estimated road use taxes of $120.00 per capita for 2015/2016 and $120.50 per capita for 2016/2017. With accruing two months of road use tax receipts at fiscal year-end, a minimum of $300,000 in fund balance is generally needed in order to keep the actual cash balance in a positive position at year end. If road use tax receipts are less than the budget estimates or operating expenditures significantly higher than projected, street-related expenditures may need to be reduced in a like amount to maintain a positive cash balance in this fund at the end of the 2016/2017 fiscal year.

Road Use Tax Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 892,055	$ 1,035,737	$ 410,737	$ 844,458	$ 925,658
Revenues					
Road Use Tax (1)	$ 2,405,457 (2)	$ 2,596,650 (4)	$ 2,358,100	$ 2,858,300 (4)	$ 2,870,200 (4)
Funds Available	$ 3,297,512	$ 3,632,387	$ 2,768,837	$ 3,702,758	$ 3,795,858
Expenditures					
Transfers Out:					
General Fund	$ 2,261,775	$ 2,287,929	$ 2,432,600	$ 2,452,000	$ 2,510,900
Asphalt Overlay/Other Street Improvements	0	0	0	0	700,000
Cedar Street Improvements	0	450,000	0	297,000	0
Mulberry Avenue Improvements	0	0	0	0	150,000 (3)
New Sidewalk Program	0	50,000	50,000	28,100	100,000
Total Expenditures	$ 2,261,775	$ 2,787,929	$ 2,482,600	$ 2,777,100	$ 3,460,900
Ending Balance, June 30	$ 1,035,737	$ 844,458	$ 286,237	$ 925,658	$ 334,958
Increase (Decrease) in Fund Balance	**$ 143,682**	**$ (191,279)**	**$ (124,500)**	**$ 81,200**	**$ (590,700)**
Per Capita Road Use Taxes (Actual and Estimated)	$ 103.18 (2)	$ 109.02	$ 99.00	$ 120.00 (1)	$ 120.50 (1)

1. Revenues for both the Revised Estimate and 2016/2017 are based on the IDOT estimates for road use taxes. Actual revenues can vary from these estimates due to changes in fuel consumption or if there would be any changes in the distribution formula by the State.The IDOT estimate has been reduced by $.50 per capita for both the Revised Estimate and 2016/2017 for budgeting purposes.
2. The actual 2013/2014 road use tax revenues reflect the first full year of road use taxes with the increased population from the Heatherlyn/Irish Ivy (68) and Ripley area (865) annexations
3. Estimated local share of Mulberry Avenue Improvements in excess of bond proceeds and other funding. Project to be bid in the Spring of 2016.
4. After the 2015/2016 budget was adopted, the State legislature approved a $.10 per gallon increase in the fuel tax. This resulted in increased road use tax revenue to the City beginning March 1, 2015.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

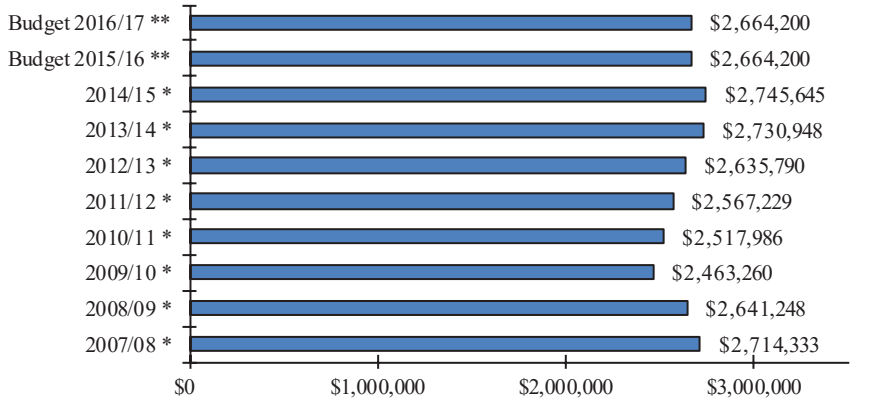
GENERAL INFORMATION:

In May of 1994, voters in the City of Muscatine approved a 1% local option sales and service tax for a five year period beginning July 1, 1994. All of the proceeds from the tax were required by the referendum to be used for City storm and sanitary sewer projects. In August of 1998, voters approved the extension of the local option tax for an additional five years to continue the storm and sanitary sewer improvements. In January 2003, voters approved using up to 10% of the proceeds from the local option sales tax for the "Pearl of the Mississippi" improvement projects effective April 30, 2003. On January 27, 2004 voters approved extending this tax for an additional five years with 90% of the tax to be used for sewer improvements and up to 10% for "Pearl of the Mississippi" projects.

In August, 2008 voters again approved the extension of the local option tax for a period of ten years with up to 20% of the tax to be used for the City's Pavement Management Program and the remainder to be used for storm and sanitary sewer projects. The focus of the sewer improvements over this ten year period will be on projects mandated in the E.P.A. Consent Order.

Each fiscal year the Iowa Department of Revenue and Finance makes estimated local option sales tax payments to the City. The following fiscal year, the City receives an additional payment which reconciles actual local option sales tax amounts to the estimates previously remitted to the City. The following chart shows the local option sales taxes earned by the City each fiscal year. These amounts include the reconciliation amounts received the following year. The amounts shown for both 2015/2016 and 2016/2017 have been estimated conservatively at the State's projected levels without any estimated reconciling amounts to be received in the succeeding years.

Local Option Sales Tax Revenue by Fiscal Year
(* Includes Reconciling Amounts Received in Succeeding Fiscal Year)



** Both the 2015/16 and 2016/17 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

CURRENT TRENDS AND ISSUES:

For the revised estimate for 2015/2016 and the 2016/2017 budget, the estimated local option sales tax revenues are $2,787,000 and $2,664,200, respectively. The 2016/2017 amount is projected conservatively using the State's estimate for the current year without any prior year reconciliation amount. Transfers out of the Local Option Sales Tax Fund for qualifying City storm and sanitary sewer projects are estimated for the current and upcoming year as follows:

Local Option Sales Tax-Funded Sewer Projects
Revised Estimate 2015/2016 and Estimated 2016/2017

	Estimated 2015/2016	Projected 2016/2017
Projects:		
West Hill Sewer Separation - Completion of Phase 3-A; Start of Phase 3-B	$ 2,289,436	$ -
West Hill Sewer Separation - Completion of Phase 3-B; Start of Phase 3-C	-	2,131,860
Totals	$ 2,289,436	$ 2,131,860

The West Hill Sewer Separation project is a $50+ million project mandated by an E.P.A. Consent Order to be completed by 2028. Plans are to complete this project in multiple phases with the overall project scheduled for completion by the Consent Order deadline. In January of 2012, City staff working with PFM, the City's financial consultant, completed a long-term plan for financing the West Hill Sewer Separation project. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 local option taxes will need to be supplemented with other resources to complete the scheduled work on the project. As part of the long-term financing plan, the "West Hill Sewer Separation Long-Term Financing Plan Reserve" fund was established to accumulate funds to supplement the local option tax funding for this project. The 2011/2012 through 2016/2017 budgets each included $200,000 in transfers from the Water Pollution Control fund to this reserve fund. Like amounts for those same years are being transferred from the Collection and Drainage fund. Annual allocations from both of these funds are proposed to continue to be set aside each year throughout the project. Based on the assumptions used in the long-term financial plan, the Local Option Sales Tax funds and funds from the new reserve are expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project. Phase 3-A of this project began in the spring of 2015 and the contract is expected to be closed out in the spring of 2016. Phase 3-B is scheduled for construction in calendar year 2016 and Phase 3-C in calendar year 2017

As authorized by the sales tax referendum, funding transfers of $557,400 in the revised estimate and $532,840 in 2016/2017 have been included to fund ongoing costs of the Pavement Management program. This represents the 20% allocation of the local option tax allowed for this program in the 2008 voter referendum. A separate sub-fund has been established to account for the portion of the local option tax allocated for the pavement management program. Transfers out of the Local Option Sales Tax Fund for qualifying pavement management projects are estimated for the current and upcoming fiscal year as follows:

Local Option Sales Tax-Funded Pavement Management Projects
Revised Estimate 2015/2016 and Estimated 2016/2017

Project:	Estimated Estimated 2015/2016	Projected Projected 2016/2017
Pavement Management Program	$ 590,900	$ 500,000
Diana Queen Drive Extension	330,300	-
Railroad Crossing Improvements	-	35,000
Totals	$ 921,200	$ 535,000

The $500,000 Local Option Sales Tax allocation for the Pavement Management program in 2016/2017 and the $900,000 allocation of Road Use Taxes for asphalt overlay or other street improvement projects will allow for a significant amount of street improvements to be completed in 2016/2017. The increased allocation of Road Use Taxes is due in part to the $.10 per gallon increase in the fuel tax which began March 1, 2015. The specific projects to be completed will be determined based on results of the most recent pavement condition index study. The estimated balance in the Pavement Management sub-fund on June 30, 2017 is $23,343.

Local Option Sales Tax Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 1,210,098	$ 0	$ 0	$ 59,336	$ 0
Revenues					
Local Option Sales Tax	$ 2,677,348	$ 2,796,188	$ 2,622,900	$ 2,787,000 (1)	$ 2,664,200 (2)
Interest	872	473	0	500	500
Total Revenues	$ 2,678,220	$ 2,796,661	$ 2,622,900	$ 2,787,500	$ 2,664,700
Funds Available	$ 3,888,318	$ 2,796,661	$ 2,622,900	$ 2,846,836	$ 2,664,700
Expenditures					
Transfers Out:					
West Hill Sewer Project	$ 3,352,848	$ 2,178,087	$ 2,098,320	$ 2,289,436	$ 2,131,860
Pavement Management Program (3)	535,470	559,238	524,580	557,400	532,840
Total Expenditures	$ 3,888,318	$ 2,737,325	$ 2,622,900	$ 2,846,836	$ 2,664,700
Ending Balance, June 30	$ 0	$ 59,336	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (1,210,098)**	**$ 59,336**	**$ -**	**$ (59,336)**	**$ 0**

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate ($2,664,247.18) plus a prior year reconciliation amount of $122,760.71.
2. The FY 2016/2017 Local Option Tax revenue amount is estimated conservatively at the States's projected 2015/2016 level of $2,664,247.18.
3. Effective July 1, 2009 up to 20% of Local Option Tax revenue is being used for the Pavement Management Program per the voter referendum. This 20% allocation is transferred to a subfund to separately account for this portion of the tax.

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 684,442	$ 723,295	$ 399,235	$ 388,303	$ 25,003
Revenues					
Transfers In:					
Local Option Sales Tax (1)	$ 535,470	$ 559,238	$ 524,580	$ 557,400 (2)	$ 532,840 (3)
Interest	674	550	700	500	500
Total Revenues	$ 536,144	$ 559,788	$ 525,280	$ 557,900	$ 533,340
Funds Available	$ 1,220,586	$ 1,283,083	$ 924,515	$ 946,203	$ 558,343
Expenditures					
Transfers Out:					
Pavement Management (Curb and (Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	$ 473,222	$ 587,912	$ 500,000	$ 590,900	$ 500,000
Diana Queen Drive Extension	0	5,373	0	330,300	0
Highway 38/61 Connector Study	0	6,495	0	0	0
Railroad Crossing Improvements	24,069	0	35,000	0	35,000
Cedar Street Supplemental Funding	0	145,000	0	0	0
Colorado Street Supplemental Funding	0	150,000	0	0	0
Total Expenditures	$ 497,291	$ 894,780	$ 535,000	$ 921,200	$ 535,000
Ending Balance, June 30	$ 723,295	$ 388,303	$ 389,515	$ 25,003	$ 23,343
Increase (Decrease) in Fund Balance	**$ 38,853**	**$ (334,992)**	**$ (9,720)**	**$ (363,300)**	**$ (1,660)**

1. Beginning July 1, 2009 up to 20% of Local Option Tax revenue has been allocated to the Pavement Management Program per the voter referendum.
2. The Revised Estimate Local Option Tax revenue amount is 20% of the total of the State's estimate for the year of $2,664,247.18 and the prior year reconciliation amount of $122,760.71.
3. The 2016/2017 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2015/2016 amount of $2,664,247.18.

SPECIAL REVENUE FUNDS

EQUIPMENT REPLACEMENT FUND

GENERAL INFORMATION:

This fund was established in an effort to provide a more systematic method of replacing equipment and leveling the costs of replacing such equipment. This activity provides funding for vehicle and equipment replacements in the General Fund with the exception of those for the Public Works department which are funded from Road Use Taxes. Equipment to be replaced in the Enterprise Funds is funded from each Enterprise activity.

A comprehensive inventory of all equipment currently owned by the City including automobiles, pickup trucks, dump trucks, heavy equipment, and other miscellaneous equipment has been completed in an effort to assess the overall condition of the City's inventory. Replacement and cost schedules have been developed by staff for each piece of equipment. This information is maintained on the City's computer system. Equipment maintenance cost records are also on this system. This information is used in conjunction with the replacement schedules to determine the most cost effective and economical time to replace City equipment.

In an effort to properly fund this program, an appropriation has generally been made annually from the General Fund to the Equipment Replacement Fund. The transfers have varied from year by year due to equipment replacement needs and General Fund funding limitations. The 2006/2007 allocation was $100,000. Due to revenue shortfalls in the General Fund, no allocation to the Equipment Replacement Fund was budgeted for 2007/2008 and replacements of vehicles and equipment for 2007/2008 were funded from the city's June, 2008 general obligation bond issue. A funding allocation was reinstated in 2008/2009 in the amount of $75,000. The funding allocation for 2009/2010 was increased to $152,300 and further increased to $200,000 for 2010/2011. The funding allocation for 2011/2012 was $168,900 and for 2012/2013 it was increased to $245,000. The 2013/2014 funding transfer was $117,000 and the funding transfer for 2014/2015 was $200,000. The 2015/2016 regular funding transfer is $188,000 with an additional $148,500 one-time transfer to be used for replacement of an ambulance. Sufficient funds were not available in the Ambulance fund and a portion of the General Fund balance in excess of the minimum balance required by the City's fund balance policy was budgeted to be used as a one-time transfer for this purchase.

CURRENT TRENDS AND ISSUES:

For 2015/2016 the funding allocation from the General Fund to the Equipment Replacement Fund totals $336,500 which includes $188,000 as the regular transfer and a $148,500 transfer specifically for the purchase of an ambulance. Regular vehicles and equipment items budgeted to be purchased in 2015/2016 total $115,200 which includes a supervisor vehicle for the Police Department ($42,000), and a mower ($41,000) and a pickup truck ($32,200) for Park Maintenance. The 2015/2016 budget also includes $148,500 for the replacement of an ambulance. The balance in this fund is estimated at $169,785 as of June 30, 2016. This balance will assist in funding 2016/2017 and future year vehicle and equipment purchases.

For 2016/2017 the funding allocation from the General Fund to the Equipment Replacement Fund is budgeted at $200,000. Vehicles and equipment items budgeted to be purchased in 2016/2017 total $310,700 which includes four new squad cars ($151,000) and 4-wheel drive vehicle ($51,700) for the Police department, a zero turn mower ($10,000) for the Cemetery, a one ton truck ($60,000) for Park Maintenance, and a truck with a plow and lift gate ($38,000) for Building and Grounds. The balance in this fund is estimated at $66,385 as of June 30, 2017.

Equipment Replacement Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 87,429	$ 132,869	$ 67,969	$ 89,685	$ 169,785
Revenues					
Interest	$ 128	$ 158	$ 100	$ 100	$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	5,445	1,611	0	0	0
Reimbursement of Damages	0	6,247	0	0	0
Transfers In					
General Fund Allocation	117,000	200,000	188,000	188,000	200,000
General Fund Allocation for Ambulance	0	0	148,500	148,500	0
Total Revenues	$ 129,773	$ 215,216	$ 343,800	$ 343,800	$ 207,300
Funds Available	$ 217,202	$ 348,085	$ 411,769	$ 433,485	$ 377,085
Expenditures					
Equipment Purchases	84,333	258,400	260,500	263,700	310,700
Ending Balance, June 30	$ 132,869	$ 89,685	$ 151,269	$ 169,785	$ 66,385
Increase (Decrease) in Fund Balance	**$ 45,440**	**$ (43,184)**	**$ 83,300**	**$ 80,100**	**$ (103,400)**

Functions:
General Government
Public Safety
Culture and Recreation

Departments:
Buildings and Grounds
Police
Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Building and Grounds:			
Truck with Lift Gate	1	Yes	$ 38,000
Police:			
Squad Cars	4	Yes	151,000
Police 4-Wheel Drive Vehicle	1	Yes	51,700
Park Maintenance:			
One-Ton Truck	1	Yes	60,000
Cemetery:			
Zero-Turn Mower	1	Yes	10,000
			$ 310,700

SPECIAL REVENUE FUNDS

COMPUTER REPLACEMENT FUND

GENERAL INFORMATION:

The 2000/2001 budget for the first time included funding for a Computer Replacement Fund to be used for the purchase of computer hardware for General Fund departments. All computer hardware purchases are coordinated by the city's Information Technology Manager. The allocations to this fund were $40,000 in 2000/2001 through 2003/2004. Due to funding limitations, the allocation for 2004/2005 was reduced to $35,800 and further reduced to $30,000 for 2005/2006. The allocation for 2006/2007 was $35,000.

Due to limitations in General Fund revenues in 2007/2008, no funds were budgeted to be transferred to this reserve. In 2007/2008 computer-related purchases totaling $59,100 were included in the City's capital projects fund budget with funding from the City's June, 2008 general obligation bond issue.

The 2008/2009 budget reinstated the allocation to the Computer Replacement Fund in the amount of $40,000 and that same allocation was made in 2009/2010. The 2010/2011 budget included a reduced allocation of $30,000 and the 2011/2012 budget allocation was $32,500. The 2012/2013, 2013/2014, 2014/2015, and 2015/2016 budgets each included $40,000 funding allocations. The 2016/2017 budget continues the $40,000 funding allocation.

Beginning in the 2010/2011 budget, a separate Computer Replacement sub-fund was established to set aside moneys from the Library budget for future computer replacement needs. In prior years grants and donations provided a significant portion of the Library's funding for computers. These funds, however, have become more limited. Any unspent funds in the Library budget at the end of each fiscal year are budgeted to be set aside in this fund to accumulate funding for computer replacement needs. These funds could be supplemented with funds from the Library Trust fund at the direction of the Library Board of Trustees. In 2010/2011, a transfer of $20,066 was made to the Library Computer Replacement sub-fund. In 2011/2012, the transfer was $23,591, in 2012/2013 $9,740, in 2013/2014 $11,868, and in 2014/2015 $21,865. The Library made purchases from this fund of $23,567 in 2012/2013 and no purchases were made from this fund in 2013/2014. In 2014/2015, $17,216 was expensed from this fund. In 2015/2016, $5,000 is budgeted to be expended from this fund and $21,000 is budgeted for 2016/2017.

Computer Replacement Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 42,721	$ 13,683	$ 0	$ 28,051	$ 0
Revenues					
Interest	$ 43	$ 20	$ 0	$ 0	$ 0
Transfers In					
General Fund	40,000	40,000	40,000	40,000	40,000
Total Revenues	$ 40,043	$ 40,020	$ 40,000	$ 40,000	$ 40,000
Funds Available	$ 82,764	$ 53,703	$ 40,000	$ 68,051	$ 40,000
Expenditures					
Equipment Purchases	69,081	25,652	40,000	68,051	40,000
Ending Balance, June 30	$ 13,683	$ 28,051	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (29,038)**	**$ 14,368**	**$ 0**	**$ (28,051)**	**$ 0**

Computer Replacement Fund - Library

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 11,688	$ 23,573	$ 8,573	$ 28,242	$ 23,242
Revenues					
Interest	$ 17	$ 20	$ 0	$ 0	$ 0
Transfers In					
General Fund Library Budget	11,868	21,865	0	0	0
Total Revenues	$ 11,885	$ 21,885	$ 0	$ 0	$ 0
Funds Available	$ 23,573	$ 45,458	$ 8,573	$ 28,242	$ 23,242
Expenditures					
Equipment Purchases	0	17,216	5,000	5,000	21,000
Ending Balance, June 30	$ 23,573	$ 28,242	$ 3,573	$ 23,242	$ 2,242
Increase (Decrease) in Fund Balance	**$ 11,885**	**$ 4,669**	**$ (5,000)**	**$ (5,000)**	**$ (21,000)**

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - DOWNTOWN

GENERAL INFORMATION:

This fund was first established in order to separately account for the incremental taxes collected and debt service payments on an April 1980 bond issue for $780,000. This issue represented the permanent financing of a downtown project known as Urban Renewal Project No. 2, which incorporated one-half of a City block. Debt service requirements on the Tax Increment Revenue Bonds were funded from incremental taxes received from the property benefited from the project. The incremental tax levy is the total current levy of the City, County, and School less the total debt service levy for those governmental units. The tax levy is applied to the additional value of the property above the initial frozen value as determined at the beginning of the project. In November of 1995 the balance in the Downtown Tax Increment Fund was sufficient to call all outstanding bonds relating to the 1980 tax increment bond issue.

In August of 1994 the City expanded the Downtown Urban Renewal Area originally created for Project No. 2, to incorporate a much larger area including most of the downtown and the riverfront. As a result of state mandated reductions in commercial property values, the Downtown TIF was restructured in 1996. The current Downtown TIF includes most city owned properties in the immediate downtown area and only those private properties that produce a significant increment.

Improvement costs were incurred by the City beginning in 1995 for the acquisition of property, demolition costs, and the development of a public parking lot across from City Hall. The new parking lot opened in 1996. Interim financing notes were used to finance the improvement costs until the long term bonds were issued June 26, 1997 in the amount of $1,795,000. This issue funded the Downtown Parking Lot Project previously mentioned as well as the Downtown Streetscaping Project, City Hall building improvements, and improvements to the heating, ventilation and air conditioning (HVAC) system at the City's Public Safety Building. The final payment on this issue was made in 2010/2011.

In 1995 the City entered into a Development Agreement with HON Industries which provided for a rebate of two-thirds of the incremental taxes from their construction of a new warehouse and manufacturing facility on Orange Street. The final payment on this rebate agreement was made in 2011/2012.

In September of 1998 the Council amended the Downtown TIF to include new increment-producing properties. This action was consistent with the direction and intent that the City Council established in August of 1994 when they first amended the Downtown TIF area.

In 2003/2004 the City acquired the Hawkeye Lumber property located in the riverfront area. Downtown tax increment funds were used to finance the purchase with $10,878 of project costs funded from the available balance in this fund and $420,000 funded from Tax Increment revenue bonds sold in April of 2004. The final payment on this issue was made in 2011/2012.

CURRENT TRENDS AND ISSUES:

In 2009/2010 the City completed a number of capital projects in the Downtown Tax Increment area which were funded from the TIF portion of the June 2010 general obligation bond issue. The TIF portion of the bond issue totaled $1,535,000. These bonds will be repaid with future incremental taxes from the downtown area. Improvements funded from this issue included improvements to the 3rd and Chestnut parking lot, resurfacing of other downtown parking lots, downtown handicapped ramps, Cedar Street resurfacing,

improvements on the Riverfront related to the 2008 flood, and funds to replace the boiler at City Hall. The debt service payments on this issue are $208,450 in 2015/2016 and $203,050 in 2016/2017.

Since 2008/2009 the City has not claimed the full amount of incremental taxes due to the balance which had accumulated in the Downtown Tax Increment Fund. The amount claimed for the 2008/2009 year was approximately $100,000 less than the total that would have been available. This allowed a portion of the incremental values to go back to regular taxable valuations for all the local taxing entities. In 2009/2010 the City claimed approximately $172,600 less than the amount that would have been available. In 2010/2011 a property tax appeal reduced the increment available from this area and the increment claimed was approximately $140,000 less than the amount available. For 2011/2012 the amount claimed was $125,000 less than the amount available, for 2012/2013 $126,000 less, for 2013/2014 $125,000 less, and for 2014/2015 $115,000 less. For 2015/2016 the amount claimed was $126,600 less than the amount available. The amount claimed for 2016/2017 is $210,000 which is approximately $150,000 less than the amount available.

The balance in the Downtown TIF fund is estimated at $41,852 at the end of the 2016/2017 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 75,973	$ 29,454	$ 31,829	$ 31,852	$ 34,802
Revenues					
Incremental Taxes	$ 199,910 (1)	$ 210,145 (2)	$ 210,000 (3)	$ 211,300	$ 210,000 (4)
Interest	210	78	100	100	100
Total Revenues	$ 200,120	$ 210,223	$ 210,100	$ 211,400	$ 210,100
Funds Available	$ 276,093	$ 239,677	$ 241,929	$ 243,252	$ 244,902
Expenditures:					
Transfers:					
Bonds	$ 170,000	$ 175,000	$ 180,000	$ 180,000	$ 180,000
Interest	36,225	32,825	28,450	28,450	23,050
City Hall Boiler Project	40,414	0	0	0	0
Total Expenditures	$ 246,639	$ 207,825	$ 208,450	$ 208,450	$ 203,050
Ending Balance, June 30	$ 29,454	$ 31,852	$ 33,479	$ 34,802	$ 41,852
Increase (Decrease) in Fund Balance	**$ (46,519)**	**$ 2,398**	**$ 1,650**	**$ 2,950**	**$ 7,050**

1. For the 2013/2014 year, the City certified approximately $125,000 less than the total available increment.
2. For the 2014/2015 year, the City certified approximately $115,000 less than the total available increment.
3. For the 2015/2016 year, the City certified approximately $126,600 less than the total available increment.
4. For the 2016/2017 year, the City certified approximately $150,000 less than the total available increment.

TAX INCREMENT FUND - DOWNTOWN

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Bonds Funded from Downtown Urban Renewal Tax Increment Revenues 3rd and Chestnut Parking Lot Reconstruction, Downtown Parking Lots, Street and Alley Resurfacing, Riverfront Flood Repairs, and City Hall Boiler Replacement $1,535,000 of $7,425,000 Issue Dated June 1, 2010

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 180,000	$ 28,450	$ 208,450
2016/17	180,000	23,050	203,050
2017/18	185,000	17,650	202,650
2018/19	195,000	12,100	207,100
2019/20	200,000	6,250	206,250
Total	$ 940,000	$ 87,500	$ 1,027,500

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Incremental taxes from the Downtown TIF area will fund principal and interest requirements on this issue as they become due.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - SOUTH END

GENERAL INFORMATION:

In August of 1994 the City created an Urban Renewal/Tax Increment area in the south end of the City. For 1994 there was only $300 of expenditures qualifying for tax increment revenue funding. In 1995/96 an additional $85,000 of expenditures were incurred in the form of an economic development grant to Musco Sports Lighting Inc. In 1995/96 and 1996/97 south end incremental tax revenues of $9,912 and $42,642, respectively, were received which funded a portion of the $85,300 project costs. The balance of the $85,300 project costs ($32,563) was funded from TIF revenues in the 1997/98 fiscal year. The remaining portion of the 1997/98 TIF revenues ($31,811) were used to fund a portion of the costs of Phase I of the Southend Sewer Project. The 1998/99 revenues of $81,975 were used to fund a portion of the $92,931 cost of the Briar's Ditch Drainage Improvement Project. The balance of the project cost ($10,956) was funded from 1999/2000 incremental taxes. The remainder of the 1999/2000 incremental taxes ($79,521) were used to fund a portion of the cost of Phase I of the Southend Sewer Project. TIF revenues for 2000/2001 totaled $123,297, for 2001/2002 $141,756, and for 2002/2003 $194,442. These funds were also used for Phase I of the Southend Sewer Project.

In 2003/2004 incremental taxes of $200,151 were received. In 2003/2004 $8,915 of Southend TIF funds were used for the wetlands relocation project and $115,000 was used for the Southend Water Extension Project.

Two TIF rebate agreements were entered into by the City Council in 2003; one with Robison Logistics and one with Musco Sports Lighting. The Robison Logistics TIF rebated 100% of taxes received for 10 years and the Musco Sports Lighting TIF will rebate 67% of taxes received for 15 years.

Tax increment revenue bonds in the amount of $1,885,000 were sold in June of 2004 to fund the Airport Terminal Building project ($900,000) and the Southend Water Extension project ($985,000). Debt service payments on this issue began in 2004/2005 and will continue through 2020/2021.

A TIF rebate agreement with Musser Street Investments L.C. was entered into in 2004. This agreement provided for the rebate of 100% of the incremental taxes on this property for a 5-year period up to a maximum of $275,000. The final payment on this rebate agreement was made in 2010/2011.

The City entered into Agreement #2 with Musco Sports Lighting for a potential new site on Musser Street. This agreement provided for the rebate of 50% of the incremental taxes on this property for a 10-year period up to a maximum of $325,000. This agreement was to take effect in the 2010/2011 fiscal year; however, construction on the new facility has been postponed.

In 2009 the City entered into two TIF rebate agreements; one with Curry's Transportation Services Inc. and the other with Newcomb Properties LLC. These agreements will rebate 50% of the incremental taxes to these businesses over a ten-year period. The first payments on these agreements were in 2010/2011. A new TIF rebate agreement with A & E Convenience, LLC was approved in January, 2011. The first rebate under this agreement was made in the 2012/2013 fiscal year. This is also a 50%, ten year agreement.

In June of 2013 the City entered into a TIF rebate agreement with Wal-View Developments for construction of a new warehousing and distribution facility. This 10-year agreement provides for the rebate of 100% of the incremental taxes in the first five years of the agreement and 50% of the incremental taxes in the last five

years. The first rebate under this agreement is in the 2015/2016 fiscal year in the amount of $541,800. The rebates under this agreement are subject to annual appropriation according to the terms in the development agreement.

In 2012 the City Council approved $12,500 in matching funds to the Bi-State Economic Development Loan program which provided assistance to a local business. This was funded from Southend TIF funds in 2013/2014 as well as $62,536 in funds to complete the Museum Boiler project.

In December of 2014 the City entered into another agreement with Wal-View Developments for a 2nd warehouse and distribution facility. This will also be a 10-year agreement with the rebate percentages in the first four years decreasing by 10% annually from 100% the first year to 70% the fourth year. Thereafter the rebates will be 60% in the fifth and sixth year, 50% in the seventh and eighth year, and 40% in the ninth and tenth year. Rebate payments for this agreement will begin in 2017/2018. These rebates will also be subject to annual appropriations.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2015/2016 is estimated at $1,150,000. In 2015/2016 Southend TIF funds will be used to fund debt requirements on the June 2004 bond issue ($165,065), the TIF rebate to Musco ($86,700), the Curry's Transportation Services, Inc. rebate ($20,300), the Newcomb Properties LLC rebate ($6,800), and the A&E Convenience rebate ($2,700). Incremental taxes will also be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of $116,500 and $38,000, respectively. Southend TIF funds are also being used to fund the Small Business Forgivable Loan program. The $200,000 funding amount for this program in 2015/2016 is for the $100,000 allocations in both 2014/2015 and 2015/2016.

For 2015/2016 the City chose to continue to not claim the full amount of incremental taxes available due to the balance which had accumulated in the Southend Tax Increment Fund. The amount claimed for the year is approximately $230,000 less than the total that would have been available. This allowed a portion of the incremental values to go back to regular taxable valuations for the various local taxing entities.

In 2016/2017 incremental taxes will fund $163,705 in debt requirements, the TIF rebate to Musco (estimated at $86,500), the Curry's Transportation rebate (estimated at $23,500), the Newcomb Properties rebate (estimated at $9,500), the A &E Convenience rebate (estimated at $3,700), and the 2nd rebate under Wal-View Development Agreement #1 (estimated at $665,000). In 2016/2017 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of $142,100 and $38,000, respectively. Funding for the Small Business Forgivable Loan program will also continue in 2016/2017 in the amount of $100,000.

For 2016/2017 the City is claiming approximately $334,800 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2016/2017 is $802,555.

Tax Increment Fund - Southend

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 983,960	$ 845,576	$ 828,946	$ 830,425	$ 803,560
Revenues					
Incremental Taxes	$ 405,769 (1)	$ 425,467 (2)	1,150,000 (3)	$ 1,150,000	$ 1,230,000 (4)
Commercial and Industrial State Reimbursement	0	715	0	0	0
Interest	1,542	1,042	1,000	1,000	1,000
Total Revenues	$ 407,311	$ 427,224	$ 1,151,000	$ 1,151,000	$ 1,231,000
Funds Available	$ 1,391,271	$ 1,272,800	$ 1,979,946	$ 1,981,425	$ 2,034,560
Expenditures:					
Bonds	$ 110,000	$ 115,000	$ 120,000	$ 120,000	$ 125,000
Interest	56,320	50,930	45,065	45,065	38,705
Tax Rebate-Robinson Logistics	24,474	0	0	0	0
Tax Rebate-Musco	96,711	91,558	88,000	86,700	86,500
Tax Rebate - Curry's Transportation Services	23,703	22,053	21,500	20,300 (5)	23,500 (5)
Tax Rebate - Newcomb Properties LLC	7,898	8,214	8,700	6,800	9,500
Tax Rebate - A & E Convenience, LLC	3,464	3,120	3,200	2,700	3,700
Tax Rebate - Wal-View Project #1	0	0	545,000	541,800	665,000
Transfers Out:					
TIF Administrative and Professonal Support Costs	113,089	116,500	116,500	116,500	142,100
TIF Economic Development Grant (GMCCI)	35,000	35,000	38,000	38,000	38,000
Art Center Boiler Project	62,536	0	0	0	0
Economic Development Grant (Bi-State)	12,500	0	0	0	0
Small Business Forgivable Loan Program	0	0	200,000	200,000	100,000
Total Expenditures	$ 545,695	$ 442,375	$ 1,185,965	$ 1,177,865	$ 1,232,005
Ending Balance, June 30	$ 845,576	$ 830,425	$ 793,981	$ 803,560	$ 802,555
Increase (Decrease) in Fund Balance	**$ (138,384)**	**$ (15,151)**	**$ (34,965)**	**$ (26,865)**	**$ (1,005)**

1. For the 2013/2014 year, the City certified approximately $396,000 less than the total available in incremental taxes.
2. For the 2014/2015 year, the City certified approximately $335,000 less than the total available in incremental taxes.
3. For the 2015/2016 year, the City certified approximately $230,000 less than the total available in incremental taxes.
4. For the 2016/2017 year, the City certified approximately $334,800 less than the total available in incremental taxes.
5. Rebate payments to Curry's Transportation are on hold until resurfacing requirements are met.

TAX INCREMENT FUND - SOUTHEND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

Urban Renewal Tax Increment Revenue Bonds
Airport Terminal Building and Southend Water Extension Project

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 120,000	$ 45,065	$ 165,065
2016/17	125,000	38,705	163,705
2017/18	130,000	31,955	161,955
2018/19	140,000	24,805	164,805
2019/20	145,000	16,965	161,965
2020/21	150,000	8,700	158,700
Total	$ 810,000	$ 166,195	$ 976,195

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - CEDAR DEVELOPMENT

GENERAL INFORMATION:

In January, 2004, the City entered into an agreement with Cedar Development L.L.C. for their planned development in the northeast area of the City. The development agreement provides for a rebate of 50% of the incremental taxes from this area for a 10-year period up to a maximum total of $4,719,000. Under the provisions of the agreement, the Developer could choose when this rebate would begin. Cedar Development filed the appropriate notification to the City in the fall of 2008 to "trigger" this rebate to begin in 2009/2010.

The incremental taxes from this property for 2009/2010 were $292,401 and the rebate $146,201. The incremental taxes the City claimed and received for the year were $161,035. This is less than the total amount of incremental taxes available from this area. This allowed a portion of the incremental values to be considered as regular values for the various local taxing entities. Incremental taxes from this property for 2010/2011 were $295,308 and the rebate $147,654; incremental taxes for 2011/2012 were $314,880 and the rebate $157,440; incremental taxes for 2012/2013 were $343,877 and the rebate $171,939; incremental taxes for 2013/2014 were $385,172 and the rebate $192,586; and incremental taxes for 2014/2015 were $392,518 and the rebate was $196,259. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this area for 2015/2016 were $365,916 and the rebate $182,958. The incremental taxes for 2016/17 are estimated at $490,000 with the rebate estimated at $245,000. The City will receive $190,000 of the incremental taxes in 2015/2016 and is claiming $245,000 in 2016/2017 which continues to allow a portion of the incremental taxes to be considered as regular values for the various local taxing entities.

Tax Increment Fund - Cedar Development

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 22,149	$ 23,729	$ 37,529	$ 37,741	$ 44,741
Revenues					
Incremental Taxes	$ 194,107 (1)	$ 210,185 (2)	$ 190,000	$ 190,000	$ 245,000
Interest	59	86	0	0	0
Total Revenues	$ 194,166	$ 210,271	$ 190,000	$ 190,000	$ 245,000
Funds Available	$ 216,315	$ 234,000	$ 227,529	$ 227,741	$ 289,741
Expenditures:					
Tax Rebate - VMI Northport Commons	$ 192,586	$ 196,259	$ 188,200	$ 183,000	$ 245,000
Total Expenditures	$ 192,586	$ 196,259	$ 188,200	$ 183,000	$ 245,000
Ending Balance, June 30	$ 23,729	$ 37,741	$ 39,329	$ 44,741	$ 44,741
Increase (Decrease) in Fund Balance	**$ 1,580**	**$ 14,012**	**$ 1,800**	**$ 7,000**	**$ 0**

1. For the 2013/2014 year the City certified approximately $201,000 less than the total available increment.
2. For the 2014/2015 year the City certified approximately $208,000 less than the total available increment.
3. For the 2015/2016 year the City certified approximately $228,000 less than the total available increment.
4. For the 2016/2017 year the City certified approximately $244,000 less than the total available increment.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - MUSCATINE MALL

GENERAL INFORMATION:

In January, 2008, the City entered into an agreement with new owners of the Muscatine Mall to assist in their plan to redevelop, renovate, and improve this mall. The agreement provides for a rebate of 50% of the incremental taxes for a 20-year period up to a maximum total of $5,325,000. In 2009 the Development Agreement for the Muscatine Mall was amended to specifically include the construction of student housing and town homes on the southeast corner of the Mall property. As of the date the budget was approved, no work has been done on this project.

Fiscal year 2009/2010 was the first year of this TIF rebate agreement and the rebate was $5,317. For 2010/2011 the TIF rebate increased to $14,106. For 2011/2012, however, there was a revaluation of the taxable value of this property which decreased the incremental value of this property. This resulted in a decrease in the rebate to $12,489. The rebate for 2012/2013 increased to $13,152, in 2013/2014 it increased to $17,560, in 2014/2015 it increased to $46,080, and in 2015/2016 it decreased to $42,033. The rebate is estimated to decrease to $38,000 in 2016/2017 due to revaluation of properties in this TIF area.

Tax Increment Fund - Muscatine Mall

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 5,136	$ 5,673	$ 9,573	$ 9,640	$ 12,540
Revenues					
Incremental Taxes	$ 18,087 (1)	$ 50,035 (2)	$ 45,000 (3)	$ 45,000	$ 38,000 (4)
Interest	9	12	0	0	0
Total Revenues	$ 18,096	$ 50,047	$ 45,000	$ 45,000	$ 38,000
Funds Available	$ 23,232	$ 55,720	$ 54,573	$ 54,640	$ 50,540
Expenditures:					
Tax Rebate - Muscatine Mall	$ 17,559	$ 46,080	$ 45,000	$ 42,100	$ 38,000
Ending Balance, June 30	$ 5,673	$ 9,640	$ 9,573	$ 12,540	$ 12,540
Increase (Decrease) in Fund Balance	**$ 537**	**$ 3,967**	**$ 0**	**$ 2,900**	**$ 0**

1. For the 2013/2014 year the City certified approximately $17,000 less than the total available increment.
2. For the 2014/2015 year the City certified approximately $42,000 less than the total available increment.
3. For the 2015/2016 year the City certified approximately $39,000 less than the total available increment.
4. For the 2016/2017 year the City certified approximately $38,000 less than the total available increment.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – INDUSTRIAL URBAN RENEWAL AREA

GENERAL INFORMATION:

In June of 2010 the City entered into an agreement with H.J. Heinz Company LP to assist in their construction of new facilities at their Muscatine plant. The agreement provided for a rebate of 50% of the incremental taxes for a 15-year period up to a maximum total of $425,000.

Fiscal year 2011/2012 was the first year for a rebate under this agreement. The incremental value for 2011/2012 was $636,760. Based on that value, incremental taxes were $22,724 and the 50% rebate was $11,362. For 2012/2013 the incremental taxes were $28,631 and the rebate was $14,316. For both 2011/2012 and 2012/2013 the City claimed less than the total of incremental taxes available from this area which allowed a portion of the incremental taxes to be considered regular taxable values for other taxing entities.

For the 2013/2014 year the taxable valuation for Heinz was reduced to an amount lower than the frozen base value used to compute the incremental value for this property. This resulted in no increment, incremental taxes, or rebate for 2013/2014. The reduction in valuation resulted from Heinz submitting an appeal of their taxable valuation to the County Assessor. According to the development agreement with Heinz, since Heinz appealed their taxable valuation, previous year rebates were required to be returned to the City. These funds were credited to the City's General Fund. For both 2014/2015 and 2015/2016 there was no increment and no incremental taxes on this property.

CURRENT TRENDS AND ISSUES:

In February 2014 the City entered into another development agreement with H.J. Heinz Company, LP for expansion of their manufacturing facilities, operations, and workforce. This agreement provides for five years of rebates with the first year at 75%, and subsequent years at 60%, 45%, 30%, and 15% to a maximum total of $880,000. The first rebate under this agreement will be paid in 2016/2017 and is estimated at $20,000. The rebates under the agreement are subject to annual appropriation.

Tax Increment Fund - H.J. Heinz 2014 Project

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Incremental Taxes	$ 0	$ 0	$ 0	$ 0	$ 21,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 0	$ 0	$ 21,000
Funds Available	$ 0	$ 0	$ 0	$ 0	$ 21,000
Expenditures:					
Tax Rebate - H.J. Heinz	$ 0	$ 0	$ 0	$ 0	$ 20,000 (1)
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 20,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 1,000
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 1,000**

1. Fiscal year 2016/2017 will be the first year of a 5-year TIF rebate agreement for H.J. Heinz. Rebate percentages under this agreement will be 75%, 60%, 45%, 30%, and 15%, respectively, for each of the five years.

Tax Increment Fund - H.J. Heinz 2010 Project

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 3,874	$ 3,879	$ 3,879	$ 3,883	$ 3,883
Revenues					
Incremental Taxes	$ 0 (1)	$ 0 (1)	$ 0	$ 0	$ 0
Interest	5	4	0	0	0
Total Revenues	$ 5	$ 4	$ 0	$ 0	$ 0
Funds Available	$ 3,879	$ 3,883	$ 3,879	$ 3,883	$ 3,883
Expenditures:					
Tax Rebate - Heinz	$ 0 (1)	$ 0 (1)	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 3,879	$ 3,883	$ 3,879	$ 3,883	$ 3,883 (2)
Increase (Decrease) in Fund Balance	**$ 5**	**$ 4**	**$ 0**	**$ 0**	**$ 0**

1. Due to a revaluation downward by the County Assessor, there are no incremental taxes or TIF rebates beginning in 2013/2014.
2. The remaining balance in this fund can be used for other economic development-related costs.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST AS AMENDED

(INCLUDES VILLAS AT MCC AND OTHER IMPROVEMENTS IN THE COLORADO STREET AREA)

GENERAL INFORMATION:

In April of 2009 the original Highway 38 Northeast Urban Renewal Area was amended to include the Clay and Colorado Street right-of-ways. This area has been further expanded to include specific properties along Colorado Street.

In January of 2011 the City entered into an agreement with the Villas at MCC, LLC to assist in their construction of new student housing facilities off of Colorado Street near Muscatine Community College (MCC). The agreement provides for a rebate of 50% of the incremental taxes for a 10-year period up to a maximum total of $425,000. Fiscal year 2013/2014 was the first year of the rebate under this agreement. The incremental value for 2013/2014 was $1,331,140, the incremental taxes were $44,851, and the first year rebate was $22,426. For 2014/2015 the increment was $1,264,583, incremental taxes were $42,638, and the rebate $21,319. For 2015/2016 the increment was $1,198,026, incremental taxes were $40,655, and the rebate $20,328. For 2016/2017 the increment is $1,119,525, the incremental taxes are estimated at $38,000, and the rebate is estimated at $19,500.

In 2012, as part of the planning for the Colorado Street Improvement project, the City acquired a portion of the Pierce Furniture property on Colorado Street. The City used the proceeds from the sale of the former Armory facility to fund a portion of the land acquisition costs. The remaining $80,284 of the land costs was funded from incremental taxes from this TIF district. The City Council approved an internal advance in November of 2012 to finance this portion of the project costs. This loan was repaid over two years with incremental taxes from this TIF area in the amount of $34,227 in 2013/2014 and $46,057 in 2014/2015.

Incremental taxes from this area are also being used to fund construction of a new Park Maintenance building at Weed Park. Project costs include $19,900 for architectural services and $392,200 for building construction for a total cost of $412,100. An internal advance funded the project costs with this loan to be repaid over three years from 2014/2015 through 2016/2017.

For both 2014/2015 and 2015/2016 the City claimed the full amount of incremental taxes available from this TIF area which was $180,138 in 2014/2015 and is estimated at $283,600 in 2015/2016. This funded the rebates to the Villas at MCC, the final payment on the internal loan for the Pierce Furniture property acquisition, and the first two payments on the internal loan for the Weed Park Maintenance building.

The 2016/2017 budget includes the final payment of $37,200 on the internal loan for the Weed Park Maintenance Building project. With the smaller loan payment in 2016/2017 the City is claiming less than the full amount of incremental taxes from this TIF area. The incremental taxes not claimed in 2016/2017 is estimated at $231,400.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 7,477	$ 2,940	$ 1,240
Revenues					
Incremental Taxes	$ 56,638	$ 180,138	$ 281,000	$ 283,600	$ 60,000
Interest	15	78	0	100	50
Total Revenues	$ 56,653	$ 180,216	$ 281,000	$ 283,700	$ 60,050
Funds Available	$ 56,653	$ 180,216	$ 288,477	$ 286,640	$ 61,290
Expenditures:					
Tax Rebate - Villas at MCC	$ 22,426 (1)	$ 21,319	$ 20,500	$ 20,400	$ 19,500
Transfer Out:					
Internal Loan - Pierce Acquisition	34,227 (2)	46,057 (2)	0	0	0
Internal Loan - Weed Park Maintenance Design	0	19,900	0	0	0
Internal Loan - Weed Park Maintenance Bldg	0	90,000 (3)	265,000	265,000 (3)	37,200 (3)
Total Expenditures	$ 56,653	$ 177,276	$ 285,500	$ 285,400	$ 56,700
Ending Balance, June 30	$ 0	$ 2,940	$ 2,977	$ 1,240	$ 4,590
Increase (Decrease) in Fund Balance	**$ 0**	**$ 2,940**	**$ (4,500)**	**$ (1,700)**	**$ 3,350**

1. Fiscal year 2013/2014 was the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC.
2. An internal loan for the balance of the Pierce property acquistion was entered into in November, 2012. This loan was estimated at $83,000 to be repaid over two years ($36,800 in 2013/2014 and $46,200 in 2014/2015). The actual loan was less than the estimate at $80,283.57.
3. The Weed Park Maintenance Building project total cost was approximately $412,000. An internal advance funded this project with the advance to be repaid in fiscal years 2014/2015 through 2016/2017.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – FRIDLEY THEATERS

GENERAL INFORMATION:

In June of 2012, the City entered into an agreement with R.L. Fridley Theaters, Inc. and Fridley Properties, LLC to develop a new multiplex theater facility in the City. The agreement provides for 15 years of incremental tax rebates on this property up to a maximum total of $1,500,000. In the first two years the rebate percentage is 95%, the next two 90%, then two years at 85%, two years at 80%, two years at 60%, one year at 55%, and the final four years at 50%.

The first rebate payment under this agreement is in fiscal year 2015/2016. The incremental value for 2015/2016 is $2,222,820, incremental taxes are $75,432, and the rebate is $67,760. Incremental taxes for 2016/2017 are estimated at $81,600 and the rebate is estimated at $77,500.

Tax Increment Fund - Fridley Theatres

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 7,200
Revenues					
Incremental Taxes	$ 0	$ 0	$ 75,000	$ 75,000	$ 75,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 75,000	$ 75,000	$ 75,000
Funds Available	$ 0	$ 0	$ 75,000	$ 75,000	$ 82,200
Expenditures:					
Tax Rebate - Fridley Theatres	$ 0	$ 0	$ 72,000	$ 67,800	$ 77,500
Total Expenditures	$ 0	$ 0	$ 72,000	$ 67,800	$ 77,500
Ending Balance, June 30	$ 0	$ 0	$ 3,000	$ 7,200	$ 4,700
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 3,000**	**$ 7,200**	**$ (2,500)**

1. Fiscal year 2015/2016 is the first year of a 15-year TIF rebate agreement with Fridley Theatres, Inc. Rebate percentages under this agreement decline from 95% to 50% over the rebate period.

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

GENERAL INFORMATION:

The Community Development Block Grant Fund was established to account for the monies received under the Community Development Block Grant Program (CDBG). Historically, Community Development Block Grant funds have been used for code enforcement, housing rehabilitation, assistance to senior citizen projects, long-range planning, acquisition and demolition of substandard housing, and numerous capital improvements. Prior to State administration of Community Development funds, entitlement monies were allocated throughout the community. Improvements funded by discretionary monies, however, were directed toward six (6) target areas. The areas were the Franklin School Area, Mad Creek Area, Madison School neighborhood, Garfield School neighborhood, the Midtown Heart and Tree of Hope neighborhood, and the Riverbend neighborhood. The last CDBG grant, which funded housing rehabilitation projects in the Riverbend target area, was closed out in fiscal year 2010/2011.

CURRENT TRENDS AND ISSUES:

The City has not had an active CDBG grant for housing rehabilitation since 2010/2011. Provisions of prior CDBG grants, however, included requirements for home owners to repay a prorated portion of the cost of their grant-funded housing improvements if they did not remain in their homes for the specified number of years after their homes were rehabilitated. The balance in this fund reflects the cumulative balance of the repayments received from these property owners. The City may use these funds for housing-related purposes as specified in the City's CDBG Revenue Reuse Plan. In both 2015/2016 and 2016/2017 $3,000 of these funds will be used in the City's Home Ownership program to assist with down payment and closing costs for individuals meeting income requirements that complete this program and purchase a home. An additional $1,000 in both 2015/2016 and 2016/2017 will be used for educational materials for the Sunset Park Children's Afterschool Education program. The balance in this fund is estimated at $23,602 on June 30, 2017.

Community Block Grant Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 39,688	$ 35,564	$ 26,564	$ 31,602	$ 27,602
Revenues					
Reimbursements of Housing Rehabilitation Costs	$ 0	$ 5,000	$ 0	$ 0	$ 0
Interest	56	38	0	0	0
Total Revenues	$ 56	$ 5,038	$ 0	$ 0	$ 0
Funds Available	$ 39,744	$ 40,602	$ 26,564	$ 31,602	$ 27,602
Expenditures					
Transfers Out:					
Homeownership Program	$ 4,180	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Sunset Park Children's Education Program	0	6,000	1,000	1,000	1,000
Total Expenditures	$ 4,180	$ 9,000	$ 4,000	$ 4,000	$ 4,000
Ending Balance, June 30	$ 35,564	$ 31,602	$ 22,564	$ 27,602	$ 23,602
Increase (Decrease) in Fund Balance	**$ (4,124)**	**$ (3,962)**	**$ (4,000)**	**$ (4,000)**	**$ (4,000)**

SPECIAL REVENUE FUNDS

SMALL BUSINESS FORGIVABLE LOAN PROGRAM

GENERAL INFORMATION:

In 2013/2014 the City of Muscatine started a Small Business Forgivable Loan program in order to promote in-fill and redevelopment in targeted areas throughout Muscatine. The loans under this program are for building improvements and startup costs associated with the creation of a new business or to existing businesses significantly expanding into a new market, product, or service. Businesses can obtain a loan for up to $25,000 for the business for a term of 5 years with 20% of the original loan forgiven annually on the anniversary of the origination of the loan. Funds are allocated up to $15,000 for startup costs and up to $10,000 for code compliance. Businesses receiving funding must be new businesses or be significantly expanding business operations to be eligible. Applicants must meet one-to-one (applicant investment v. grant funding which may be waived in whole or in part by the City Administrator upon recommendation of the committee). Inventory is not an eligible grant funded expense but does count toward the match. The loan program objectives are to:

- Improve Building Infrastructure
- Assist with Capital Equipment Purchases
- Offset Cost of Historic Building Preservation
- Offset Cost to Address ADA Access Issues
- Offset Cost of Fire Code Compliance, Sprinkler Systems, Egress Issues
- Allow Businesses to Allocate Additional Funds to Grow and Expand Business

CURRENT TRENDS AND ISSUES:

The City has allocated $100,000 in annual funding for this program. Funding for the program is from incremental taxes received in the Southend Tax Increment fund (TIF). The $200,000 funding amount in the 2015/2016 revised estimate is for the loan program allocations for both 2014/2015 and 2015/2016. In 2016/2017 the Southend TIF funding of $100,000 will fund the loan program allocation for that year. Funds are awarded to qualifying businesses based on the availability of funds.

Small Business Forgivable Loan Program

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ -	$ (99,790)	$ 210
Revenues					
Reimbursement of Expenses	$ 0	$ 260	$ 0	$ 0	$ 0
Transfers In:					
Southend TIF	0	0	200,000	200,000	100,000
Total Revenues	$ 0	$ 260	$ 200,000	$ 200,000	$ 100,000
Funds Available	$ 0	$ 260	$ 200,000	$ 100,210	$ 100,210
Expenditures					
Small Business Loans	$ 0	$ 100,000	$ 0	$ 100,000	$ 100,000
Miscellaneous	0	50	0	0	0
Total Expenditures	$ 0	$ 100,050	$ 0	$ 100,000	$ 100,000
Ending Balance, June 30	$ 0	$ (99,790)	$ 200,000	$ 210	$ 210
Increase (Decrease) in Fund Balance	**$ 0**	**$ (99,790)**	**$ 200,000**	**$ 100,000**	**$ 0**

SPECIAL REVENUE FUNDS

POLICE FORFEITURE FUND

GENERAL INFORMATION:

Under guidelines from the U.S. Department of Justice and provisions of the State Code of Iowa, the City of Muscatine Police Department may receive proceeds from seized and forfeited money and property. Various procedures are required to be followed before a determination is made as to whether the proceeds from the seized property are awarded to the various law enforcement agencies. Additionally, if more than one law enforcement agency is involved in the seizure of property, proceeds are distributed to each agency involved on a percentage basis.

Local law enforcement agencies are specifically required to use these funds to supplement and not supplant the existing funding for law enforcement activities. In effect, these funds are required to be used for purchases outside the department's operating budget and may not be used to fund purchases included in the police department's annual budget.

This fund was established as a budgeted fund for the first time in fiscal year 1995/96 at the recommendation of the City's auditors in order to comply with provisions in the State Code of Iowa.

CURRENT TRENDS AND ISSUES:

Forfeiture fund revenues are estimated at $3,000 for 2015/2016 with expenditures estimated at $7,000. The 2016/2017 budget includes an estimated $5,000 in forfeiture fund revenues and $5,000 of expenditures. The actual expenditures, however, will be dependent on the amount of funds received from seized and forfeited property.

Police Forfeitures Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 41,579	$ 59,411	$ 47,311	$ 44,274	$ 40,274
Revenues					
Forfeiture Funds	$ 38,371	$ 3,133	$ 5,000	$ 3,000	$ 5,000
Interest	20	27	0	0	0
Total Revenues	$ 38,391	$ 3,160	$ 5,000	$ 3,000	$ 5,000
Funds Available	$ 79,970	$ 62,571	$ 52,311	$ 47,274	$ 45,274
Expenditures	20,559	18,297	5,000	7,000	5,000
Ending Balance, June 30	$ 59,411	$ 44,274	$ 47,311	$ 40,274	$ 40,274
Increase (Decrease) in Fund Balance	**$ 17,832**	**$ (15,137)**	**$ 0**	**$ (4,000)**	**$ 0**

1. Amounts for 2016/2017 reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.

SPECIAL REVENUE FUNDS

POLICE GRANT FUTURE FUNDING COMMITMENT RESERVE

GENERAL INFORMATION:

In 2011 the City was awarded a U.S. Department of Justice COPS grant which funded 100% of the cost of two new police officers for three years. The addition of these two positions allowed the City to reactivate the Street Crimes Unit and also fund a second School Resource Officer to be used in the City's middle schools for nine months of each year. A condition of the grant was that the City must retain these two positions at City cost for a minimum of one year after the three year grant period. This reserve was established with the 2012/2013 budget to set aside sufficient funds in each of the three grant years so that funds would be available to fund the required fourth year costs of these positions. The City set aside $40,000 in this reserve in both 2012/2013 and 2013/2014, and an additional $9,000 in 2014/2015 to fund the fourth year cost of the position for the Street Crimes Unit and 25% of the School Resource Officer position. The Muscatine Schools have agreed to fund 75% of the costs for one of the officers for the required fourth year.

CURRENT TRENDS AND ISSUES:

The first two $40,000 funding assignments were made in 2012/2013 and 2013/2014. The original 3-year grant period ended in March 2015. The Police budget for 2014/2015 included approximately $31,000 to fund the City's share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years was $9,000. This resulted in $89,000 being set aside for funding these officers through the required 4th year which ended in March, 2016. These funds will be transferred to the General Fund Police department budget in 2015/2016. The 2015/2016 budget included city and school funding for these two positions to continue through the end of the 2015/2016 fiscal year. The 2016/2017 budget continues funding for these two positions with funding from the City and the School.

Police Grant Future Funding Commitment Reserve

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 40,000	$ 80,000	$ 89,100	$ 89,000	$ 0
Revenues					
Transfer In:					
General Fund	$ 40,000	$ 9,000	$ 0	$ 0	$ 0
Interest	0	0	0	0	0
Total Revenues	$ 40,000	$ 9,000	$ 0	$ 0	$ 0
Funds Available	$ 80,000	$ 89,000	$ 89,100	$ 89,000	$ 0
Expenditures	0	0	89,100	89,000	0
Ending Balance, June 30	$ 80,000	$ 89,000	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 40,000**	**$ 9,000**	**$ (89,100)**	**$ (89,000)**	**$ 0**

SPECIAL REVENUE FUNDS

MUNICIPAL HOUSING AGENCY

GENERAL INFORMATION:

The Muscatine Municipal Housing Agency (MMHA) is the HUD sanctioned Housing Authority for the County of Muscatine. The Agency is administered by the City's Housing department with City Council acting as the Agency Board of Commissioners with the advice of the Public Housing Resident Advisory Board. The Housing department is responsible for managing City and not-for-profit public housing, rental assisted privately owned housing, the home ownership program, and assisting with the Housing Code Enforcement program. The Municipal Housing funds support staff and operational expenses which are incurred to implement the housing programs.

All code and rehabilitation activities of the Community Development department complement the Housing department goals and objectives. These goals and objectives are to assure that the citizens of the City have a safe, decent, sanitary, and energy efficient place to live in a stable, vital, and secure neighborhood of their choice, at a price they can afford, and within reasonable access to employment, recreation, cultural opportunities, and goods and services.

PUBLIC HOUSING

The City's Public Housing units consist of the eleven (11) story, 100 unit Clark House for near-elderly and elderly citizens and the fifty (50) unit very low income Sunset Park family project. The City also provides management services for the Hershey Board, a not-for-profit organization, for Hershey Manor, a fifty (50) unit elderly/handicapped citizen project. This facility is managed by the City through a contractual agreement with the Hershey Board.

CLARK HOUSE - An eleven (11) story apartment complex consisting of ninety-eight (98) one-bedroom and two (2) two-bedroom units for the near-elderly and elderly was opened in May of 1977. Debt service on the construction of the building was funded by the federal government with annual operating expenditures funded from project revenues. Generations Area Agency on Aging has a meal site in the building. The Clark House also serves as a community-wide elderly activity center. Funding for improvements at this facility has been provided from Department of Housing and Urban Development (HUD) grants under the Capital Funds Program. Over the past several years, funding from this program has provided for renovation and replacement of various structural and mechanical items in this facility.

HUD in most years has provided an annual operating subsidy for the City's public housing program which includes the Clark House and Sunset Park. For calendar year 2012, however, HUD changed how the subsidy was calculated. For 2012 HUD factored in each Public Housing agency's operating reserve as of June 30, 2010 when determining the operating subsidy for calendar year 2012. Based on the Public Housing operating reserve on that date, the operating subsidy was reduced from $160,010 in calendar year 2011 to zero for calendar year 2012. Housing staff was unsuccessful in the appeal of this funding reduction. The housing budgets in 2011/2012 and 2012/2013 were adjusted due to this funding reduction. The operating subsidy was reinstated beginning in calendar year 2013.

The 2015/2016 revised estimate expenditures for the Clark House are over the budgeted amount by $46,700. This increase is primarily due to a $56,000 increase in capital outlay. The capital outlay revised estimate

includes $71,000 for the replacement of the remaining hot water boilers and $33,000 for apartment rehabilitation. The original budgets for these purchases were $30,000 and $18,000, respectively. The capital outlay increase was partially offset by decreases in personal services ($4,970), commodities ($3,560), and contractual services ($770).

The Clark House budgeted expenditures for fiscal year 2016/2017 total $564,410 which is $1,690 (.3%) more than the original 2015/2016 budget. Increases in personal services of $18,670 and contractual services of $70 were partially offset by decreases of $4,050 in commodities and $13,000 in capital outlay. The personal services increase is due to the department reorganization in the summer of 2015. The Clark House staff now includes a fulltime Housing Specialist position which replaced a 25 hour per week part-time Housing Specialist and an allocation of the Assistant Housing Administrator position. The capital outlay allocation of $35,000 is for apartment rehabilitation including appliance replacements as needed.

The 2015/2016 revised estimate revenues for the Clark House are $3,690 more than the original budget. The increase is due to a $1,600 increase in the HUD operating subsidy and a $2,690 increase in HUD capital funding. These increases have been partially offset by decreases totaling $600 in tenant cable and laundry fees.

The 2016/2017 budgeted revenues for the Clark House total $552,050 which is $3,950 higher than the original 2015/2016 budget. The 2016/2017 budget includes an estimated $92,600 in HUD operating subsidy and $93,200 in HUD capital funds. The 2016/2017 budgeted revenues also include $325,000 in rents, $31,000 in cable fees, and $10,250 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2015/2016 revised estimate the combined Clark House and Sunset Park revenues are $835,520 and the combined expenditures are $868,200. This will result in an estimated $32,680 decrease in the operating reserve to $42,993 at the end of 2015/2016.

The 2016/2017 budgeted expenditures for the Clark House and Sunset Park total $830,650 and revenues are budgeted at $832,070. This will increase the operating reserve by $1,420 to $44,413 at the end of 2016/2017. The combined public housing revenue estimate includes a total of $163,200 of HUD Capital Funds, $187,600 in HUD operating subsidy, and $438,000 in rents.

SUNSET PARK - The Sunset Park Housing units are located on Houser Street north of the Muscatine Slough. The Sunset Park facility is a 50-unit apartment complex consisting of two, three, and four bedroom units for very low income families. The facility is funded similar to the Clark House. The federal government funded the debt service for the construction. Rental income is used to provide funds for the operation and maintenance of the facility.

The 2015/2016 revised estimate expenditures for Sunset Park are $1,660 less than the original budget. Personal services costs are $3,580 more than budgeted primarily due to allocating 12.5% of the Family Self-Sufficiency (FSS) Housing Specialist position to Sunset Park beginning January 1, 2016. The FSS program in prior years was only for Section 8 tenants; beginning January 1, 2016 it will also include public housing tenants. Commodities are over the original budget by $700, contractual services are under by $3,440, and capital outlay is under by $2,500.

The 2016/2017 Sunset Park budgeted expenditures are $5,800 (2.2%) more than the original 2015/2016 budget. This overall increase is due to increases in personal services costs ($7,990) and commodities ($1,290). These increases were partially offset by a decrease in contractual services ($3,480). The personal

services increase includes $8,300 for the 12.5% allocation of the FSS Housing Specialist. There was also a .22 full-time equivalent (FTE) decrease in Sunset Park with the elimination of the HUD Section 3 program worker. The budgeted capital outlay allocation of $25,000 is for apartment rehabilitation which includes funds for appliance replacements as needed.

Revised estimate revenues for Sunset Park are $17,710 more than the original budget primarily due to a $13,000 increase in rents, $1,000 increase in HUD Operating Subsidy, and a $3,210 increase in HUD Capital Funds. Rents are based on tenant income and can fluctuate throughout the year.

Revenues for Sunset Park for 2016/2017 are estimated at $280,020 which includes $113,000 in rents, $95,000 in HUD operating subsidy, and $70,000 in HUD Capital Funds.

HERSHEY MANOR - The site for this project was formerly occupied by the Hershey Nursing Home near the intersection of Parham Street and Mulberry Avenue. The site was rezoned by the City in 1982 to accommodate this elderly/handicapped citizen project. The Hershey Board, a non-profit organization, discontinued the nursing home operation and the structure was demolished in 1983. This project, unlike the Clark House and Sunset Park projects, requires that the payment of principal and interest for the construction of the facility be paid by the housing program.

Since 1983, the City has provided management services for this facility at the request of the Hershey Board. All costs associated with the operation of the project are charged directly to the Hershey Manor Housing fund, including a payment to the City of 5% of the operating revenues of the project as a management fee according to the City's current agreement with the Hershey Board. From this management fee, the City funds 10% of the Housing Administrator's wages and benefit costs with the remainder of the management fee credited to the General Fund to fund accounting and general administrative costs. In addition to the allocation of the Housing Administrator, staff consists of a half-time Custodian, 50% of a Housing Specialist, 25% of the Maintenance Repairperson, and 10% of the Housing Maintenance Supervisor/Inspector.

The loan on the Hershey Manor project was refinanced as of December 1, 2014 under HUD's interest rate reduction program, which reduced the interest rate from 6.0% to 4.25%. With the refinanced loan, the monthly payments decreased from $11,969.43 to $10,266.34 which is a $1,703.09 monthly savings or $20,437.08 annually.

The revised estimate expenditures are $1,560 less than the original budget. This is due to (1) an $8,080 decrease in personal services costs, (2) a $200 increase in commodities, (3) a $1,600 increase in contractual services, (4) a $5,000 increase in capital outlay, and (5) a $280 decrease in mortgage insurance on the loan for the property. The personal services decrease is due to a staff reorganization in the summer of 2015. The original budget included a 62% allocation of the former Assistant Housing Administrator. This position was not filled when it became vacant. The budget now includes an allocation of 50% of a Housing Specialist position.

The budgeted expenditures for fiscal year 2016/2017 of $332,740 are $390 (.1%) less than the original 2015/2016 budget. Personal services are $8,410 less than the original budget for 2015/2016 due to the staff reorganization in 2015. There was also a decrease of $2,510 in interest and mortgage insurance. These decreases were partially offset by increases in commodities ($400), contractual services ($5,130), and capital outlay ($5,000).

Revenues for 2016/2017 include $175,600 in rental payments from the tenants and an estimated $257,400 through HUD Section 8 housing assistance payments. The apartments rent for a fair market value established

by HUD. Tenants pay 30% of their income for rent with the difference between the tenant rent and the fair market rent subsidized by Section 8 funds. Effective June 1, 2009 the fair market rent was set at $682. It increased to $708 June 1, 2010, was maintained at $708 on June 1, 2011, increased to $716 on June 1, 2012, increased to $724 June 1, 2013, increased to $733 June 1, 2014, and further increased to $744 June 1, 2015. The fair market rent for 2016/2017 will be determined as part of the renewal of the Section 8 housing contract. The budgeted amount reflected continuation of the $744 rate until the HUD contract renewal rate was determined. At the time of budget publication, there was preliminary HUD approval for an increase in the fair market rent to $760.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The City's Section 8 Housing Choice Voucher Program enables the City to assist up to three hundred seventy-six (376) very low-income individuals and families, who reside in Muscatine County, to live in standard privately owned housing of their choice, suitable to their needs, and within their ability to pay. The program assists families, elderly, and eligible handicapped whose incomes do not exceed 50% of the area's median income at the time of admission (very low income families). The program participants seek their own housing within the County and are free to move to more desirable units at the end of the lease period.

Under the Section 8 program, tenants and landlords enter into a lease agreement establishing the terms and conditions of the lease and the landlords enter into a contract with the City for the rental assistance. The property owners retain control over their property and approve the tenants. Rents including utilities are established for various bedroom sized units by HUD. HUD provides funding for the program including the housing assistance payment (difference between the amount the eligible families and individuals pay toward rent, 30% to 40% of income, and the rent) and administration of the program.

In calendar year 2012 HUD made changes to how the Section 8 Voucher program funds are distributed to housing agencies. Housing agencies are required to separately account for the housing assistance payments (HAPS) funds and HUD funds for administration of the program. As part of the HUD funding for 2012, housing agencies were required to use previous year unspent HAP funds to fund a portion of that year's HAP payments. HUD now holds each housing authority's HAPS reserve (net restricted assets). HUD funds for administration of the program have been decreasing in recent years. The Administrative Reserve was $73,225 at the end of 2012/2013 fiscal year and it decreased to $47,861 at the end of 2013/2014. The reserve at the end of 2014/2015 increased slightly to $49,544. At the time the budget was completed the Administrative Reserve was expected to be reduced to $46,594 at the end of 2015/2016 and to $30,614 at the end of 2016/2017. These amounts were based on funding estimates available when the budget was prepared. Housing staff will continue to closely monitor HUD funding and expenditures for this program.

Federal contributions for fiscal year 2016/2017 are estimated at $1,936,080 for the Section 8 Voucher Program which includes $1,744,500 for housing assistance payments (HAPS) and $191,580 for administration of the program. These are budget estimates based on information available at the time the budget was prepared. The Section 8 Voucher Program budget for housing assistance payments will be adjusted if the HUD funds are lower or higher than the budget estimates. It is uncertain whether the HUD administrative fee will remain the same or increase in calendar years 2016 and 2017. Depending on the amount of HUD administrative funds allowed, reductions in administrative costs, including staffing, would need to be considered. Based on the current average rent subsidy and the estimated calendar year 2016 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (376). The goal of the Housing staff is to maximize usage of the allowed HUD funds and to strive to obtain increased funding for housing assistance payments each year.

SECTION 8 FAMILY SELF-SUFFICIENCY PROGRAM

In 2010/2011, the Housing department was notified that funding had been awarded to begin a Family Self-Sufficiency (FSS) program for the Section 8 Housing Choice Voucher Program. FSS is a HUD program that encourages communities to develop local strategies to help voucher families obtain employment that will lead to economic independence and self-sufficiency. Public Housing Authorities (PHA's) work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives FSS family members the skills and experience to enable them to obtain employment that pays a living wage. Under this program, low-income families enter into an agreement with the PHA. The families are provided opportunities for education, job training, counseling, and other forms of social skills necessary to achieve self-sufficiency and in exchange agree to successfully complete the program and abide by the program rules.

In addition to the family receiving education, training, and other skills, the PHA establishes an escrow account and credits the families for the change in family paid rent as a result of any increase in earned income during the family's participation in the FSS program. Upon successful completion of the program, the family then receives the funds that have been deposited into their escrow account.

HUD funding was available to fund 100% of the wages and benefits of a fulltime FSS Coordinator position through calendar year 2015. Any costs for training or other incidental expenses have been funded from the Section 8 Housing Voucher Program administrative funding. Through calendar year 2015 it was possible to carryforward unused funds from prior year grants. Due to vacancies in the FSS Coordinator position, the annual grants and the carryforward amounts were sufficient to fund 100% of the cost of this position through calendar year 2015. Beginning in 2016, however, funds cannot be carried forward from previous year grants.

The FSS grant funding for calendar year 2016 is $55,310 which is less than what is needed to fund 100% of the cost of the FSS Coordinator. However, public housing tenants are now eligible to participate in this program and beginning January 1, 2016 and continuing through 2016/2017, 12.5% of the FSS Coordinator position will be charged to the Sunset Park public housing program.

The 2016/2017 budget includes funding of $57,240 for 87.5% of the fulltime FSS Coordinator position with the other 12.5% ($8,300) allocated to the Sunset Park budget. The HUD grant will fund $55,310 of this amount with the remaining $1,930 funded from the HUD funds for administration of the regular Section 8 Voucher program. Incidental expenses are estimated at $2,040 in 2016/2017 and will also be funded from Section 8 Housing Voucher Program administrative funding.

HOUSING INSPECTIONS

As part of the City's Housing Assistance Program, the City is also required to inspect each of the units receiving a rent subsidy to assure that it meets minimum housing standards. Housing inspections are the responsibility of the Housing Maintenance Supervisor/Inspector. Section 8 housing inspections will account for 10% of the Housing Maintenance Supervisor/Inspector's position for the 2016/2017 year. This allocation was reduced from 25% to 10% in 2014/2015. Due to HUD regulation changes, inspections are now required biennially instead of annually. Housing inspection violations are required to be corrected within a specified time period.

HOME OWNERSHIP PROGRAM

The Housing department reestablished the Home Ownership Program in January of 2008. This program assists first time home buyers in purchasing their own homes. This includes persons eligible and interested in purchasing a home through the Section 8 Voucher Program Home Ownership program. HUD approved the

transfer of $65,277 from the sale of the last scattered site house in 2011 to provide funding to continue this program. The Housing Specialist position that manages this program was increased from part-time to fulltime in 2010/2011 with 50% of the cost of that position charged to the Home Ownership Program. This allocation was increased to 62% beginning in 2013/2014.

The 2015/2016 revised estimate includes an estimated $56,000 in expenditures for this program and the budgeted expenditures for 2016/2017 increased to $60,300. The 2015/2016 budget and the 2016/2017 budget each include $3,000 for down payment and closing cost assistance for those completing this program if they meet the income eligibility requirements for this assistance. These allocations are being funded with funds repaid to the City according to provisions of prior year housing rehabilitation agreements funded from Community Development Block Grant (CDBG) funds.

The Local Housing Trust will provide $19,300 of funding for the Home Ownership Program in 2015/2016 and $18,600 is expected in 2016/2017. HUD Comprehensive Housing Counseling grant funding has also been received for this program. This funding was $7,240 in 2013/2014 and $11,376 in 2014/2015. The estimated grant amounts are $9,800 for both the 2015/2016 revised estimate and 2016/2017 budget. The Housing department will continue to pursue other outside funding for this program with the goal of making the Home Ownership program self-sustaining in future years.

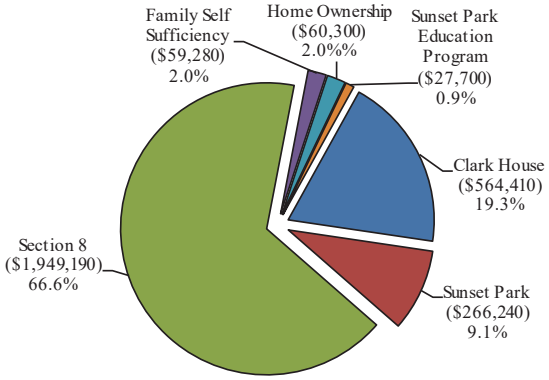
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program is operated every day school is in session. The program is sustained by grants and donations from the community. The 2016/2017 budget totals $27,700 which includes $24,000 for the instructor and the assistant instructor as well as $3,700 for education materials, supplies, and related costs. Local grants and donations are expected to fund 100% of the cost of this program.

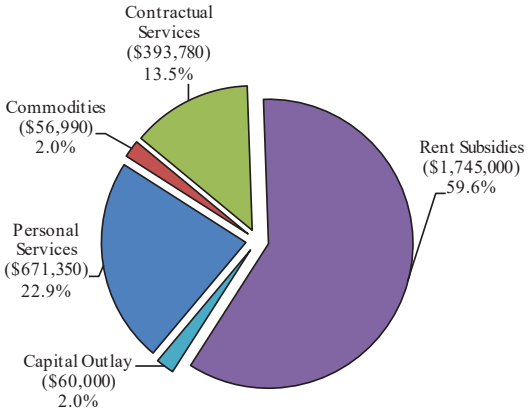
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total $2,927,120 for 2016/2017 with budgeted revenues of $2,883,160. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:

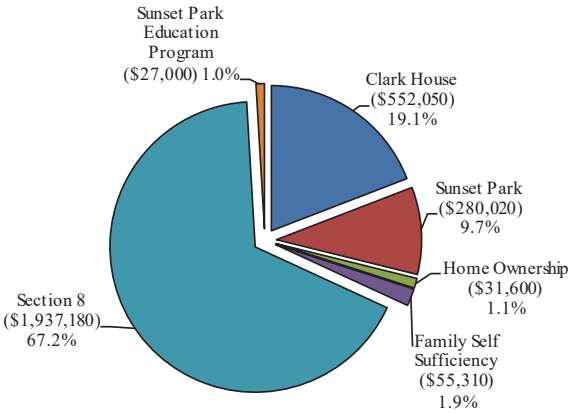
FY 2016/2017 Budgeted Expenditures by Program - All City Housing Programs $2,927,120



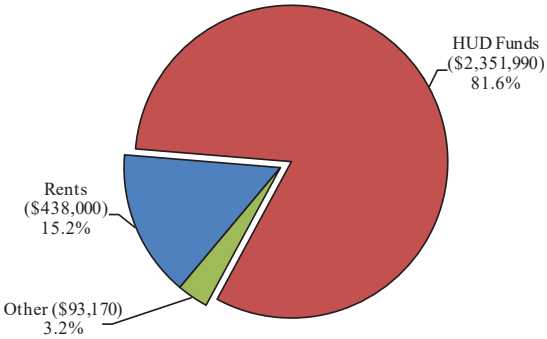
FY 2016/2017 Budgeted Expenditures by Type - All City Housing Programs $2,927,120



FY 2016/2017 Budgeted Revenues by Program - All City Housing Programs $2,883,160



FY 2016/2017 Budgeted Revenues by Type - All City Housing Programs $2,883,160



The various housing budgets for 2016/2017 continue to include funds for accounting services provided by the City for the respective housing programs. These fees are based on actual staff time involved in housing accounting activities. The fees for 2016/2017 total $59,000 and are allocated as follows:

Clark House	$24,600
Sunset Park	12,100
Section 8 Voucher Program	22,300
	$59,000

Hershey Manor currently pays the City a management fee and consequently has not been included in the above allocation.

GOAL STATEMENT:

To formulate, implement and administer programs in a nondiscriminatory manner that strive to provide to low and moderate income households who reside and/or expect to reside in the Muscatine area the opportunity to reside in a healthy, safe dwelling and neighborhood of their choice, free of major harmful environmental influences, convenient to social, cultural, educational, commercial, recreational, and economic opportunities, within a reasonable expense to income ratio.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Public Housing:					
Clark House					
Units Available	100	100	100	100	100
Days Unit Vacant	397	805	426	458	730
Percent Days Vacant	1.09%	2.21%	1.17%	1.25%	2.00%
Sunset Park					
Units Available	50	50	50	50	50
Days Unit Vacant	224	286	310	360	365
Percent Days Vacant	1.23%	1.57%	1.70%	1.97%	2.00%
Combined					
Units Available	150	150	150	150	150
Total Days Unit Available	54,750	54,750	54,750	54,750	54,750
Days Unit Vacant	621	1,091	736	818	1,095
Percent Days Vacant	1.13%	1.99%	1.34%	1.49%	2.00%
Hershey Manor:					
Units Available	50	50	50	50	50
Days Units Available	18,250	18,250	18,250	18,250	18,250
Days Units Vacant	160	553	63	550	550
Percent Days Vacant	0.88%	3.03%	0.35%	3.01%	3.01%
Section 8 Voucher Program:					
Unit Months Under Lease	4,315	4,165	3,998	4,098	4,320
Average Units Under Lease	360	347	333	342	360
Earned Administrative Fees	$ 192,243	$ 161,512	$ 192,037	$ 192,530	$ 191,580
Housing Assistance Payments	$ 1,636,939	$ 1,588,091	$ 1,603,086	$ 1,712,920	$ 1,744,500
Family Self Sufficiency:					
Total Participants	40	31	20	25	35
Participants with Escrow Balance	15	20	8	10	15
Participants enrolled in Education	20	15	13	14	15
Participants Becoming Employed	9	11	10	18	10

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Homeownership:					
Clients Completing 8 Hour Class	60	52	61	60	60
HUD (9902) Individual Counseling	145	135	148	140	140
Clients < 80% Median Income	110	109	112	100	100
Clients Purchasing Housing	26	19	30	20	20
Section 8 Homeownership Clients Purchasing Housing	0	1	0	0	1
Clients Completing Renter Counseling	0	0	0	0	60
Sunset Park Education:					
Afterschool Program					
Number of Days in Operation	172	174	175	170	170
Number of Students Registered	25	29	31	31	30
Average Participating Students	12	19	19	22	17
Number of Instructional Hours	3,026	5,569	5,398	5,300	5,300
Total Books Read by Students	2,075	3,574	3,326	3,000	3,000
Average Books Read per Student	150	123	107	93	100
Summer Program					
Meals Served	983	930	874	812	800
Kids Registered	15	43	31	34	30
Off-Site Activities	12	12	14	25	15

RECENT ACCOMPLISHMENTS:

Clark House and Sunset Park

The Housing Department has been adjusting to a number of staffing changes during the past year, fortunately this has created opportunities to cross-train, improve communication, and recognize areas for improvement. Weekly staff meetings have allowed Public Housing Managers to identify similarities and differences in the operation of their facilities as well as develop trusting relationships for asking for help or guidance. These meetings are also used to review documents and procedures to ensure compliance with regulations and develop consistent approaches to issues that commonly arise, such as a response to requests for reasonable accommodations, requirements to authorize a live-in aide, etc.

While work orders are completed quickly, maintenance staff continues its efforts to reduce the turnover time for vacated units. Replacement of the domestic hot water heaters at the Clark House has been initiated and the project is expected to be completed by April 2016.

Staff continues to look for opportunities to improve communication with tenants and develop stronger communities at each site. Clark House has seen some success, which is facilitated by the enclosed structure of the development, but Sunset Park has been more difficult due to both the design of the project and population served.

Hershey Manor

Following the departure of staff previously assigned to Hershey Manor, Housing department staff was reorganized to assign an existing Housing Specialist as a half-time property manager for the project. As a Section 202 project including a contract for project based Section 8 rental assistance, use of existing staff provided a smoother transition due to the knowledge of income determination and overlapping HUD requirements. This allowed the assigned staff member to take over property management prior to the availability of appropriate training in mid-August.

Section 8 Housing Voucher

The Housing Choice Voucher Program was designated as a High Performer again for 2014/2015. The designation lessens the amount of HUD oversight the agency incurs, but it does not increase the resources available for program administration or assistance to clients.

Changes to the program in the first half of 2015/2016 have created opportunities to look at the program and identify both necessary and desirable operational changes. Such changes have included increasing client compliance in an effort to reduce turnover, as it is time and resource intensive to process new admissions. This effort has included working more closely with the Homeless Prevention Advocate at the Muscatine Center for Social Action (MCSA). The position is jointly funded by the City, MCSA, and the United Way with the goal to stabilize precariously housed families. Working together, MMHA Housing Specialists and the Advocate have kept families from being evicted, re-housed some very difficult families, and assisted some to secure housing to allow them to utilize their voucher.

Due to limited federal funding and the continued proration of administrative fees it is necessary to maximize efficiencies in program implementation as well as minimize client turnover and the resulting resource drain. As a result, in addition to relying on partnerships, staff is reviewing opportunities to streamline activities through technology (e.g. better utilization of software), identifying and eliminating duplicative processes or unnecessary time steps, and other appropriate changes.

In addition, staff continues to evaluate opportunities to support City-wide goals to support the development of quality housing in desirable locations. Toward that end, an RFP (Request for Proposals) for developments to utilize project-based vouchers was issued and two awards were made contingent upon the receipt of Low-Income Tax Credits from the Iowa Finance Authority. This not only supports the development of quality affordable housing, it reduces long-term administrative costs.

Family Self Sufficiency (FSS)

The FSS program has been in transition over the past year, and staff is currently focused on rebuilding the program from the foundation. In early 2015/2016 the FSS Coordinator attended training regarding regulations and best practices and is now working with the Administrator to create the FSS Action Plan and reestablish the PCC (Program Coordinating Committee). This process will result in clarifying appropriate participant criteria, requirements of participation, and guidelines for graduating. The FSS Coordinator has been able to use this information and the draft plan in evaluating tenants for participation in the program and establishing contracts for participation allowing her to identify areas that require clarification and modification. In addition, the PCC will focus on external partnerships and services that enhance MMHA's ability to assist clients in accessing services that enhance their ability to obtain the highest degree of personal self-sufficiency possible.

Homeownership Program

The Housing department continues to receive both HUD Housing Counseling and Local Housing Trust funds to support the Housing Counseling Program. The program was monitored by HUD representatives in late 2015; the positive results will allow the program to continue to be a certified counseling agency and eligible for federal funding. Staff has begun to look for additional funding resources to support program operations.

Staff continues to participate in the Local Housing Trust Fund Cluster. This group has allocated $18,600 to support the administration of the Housing Counseling Program in 2016/2017. The Cluster also provides $18,600 to the Greater Muscatine Chamber of Commerce for down payment assistance to qualified families who have completed the 8 hour homebuyer course.

Due to a number of issues with clients understanding both their rights and responsibilities as tenants, staff began to investigate options to educate renters in the community. As a result, the Homeownership Housing Specialist received a scholarship and attended Rental Housing Counseling training in November. He is now in the process of designing a rental housing counseling course to be implemented locally. This is an eligible use of HUD counseling funds and an activity supported by the Housing Cluster. As with Homeownership Counseling, rental counseling will be open to the public. Staff is evaluating options for making attendance mandatory for MMHA clients or giving those that have completed the course a preference for rental assistance. Other agencies are interested in having their clients and/or case managers attend as well.

Sunset Park Afterschool Program

Fiscal year 2015/2016 has been a year of change in the Sunset Park Education Programs. While daily attendance has stabilized, a number of factors have forced adapting the on-going day-to-day operations. The Summer Program was threatened with the loss of the lunch program, which is critical for children in extremely low-income families. Attendance at the Afterschool Program appears to have stabilized, but staff changes have impacted operations.

The Summer Program continues to support student learning with on-site educational activities, as well as off-site events exposing children to cultural and community resources. Program staff worked with the Untied Way to ensure attendees could continue to receive the important free meal though the Center, even though it was no longer designated as a meal site. In addition, staff continue to look for opportunities to engage community groups by having them present to the class or otherwise engage with the students. The Pilot Club made another donation this year, allowing the children to attend additional off-site activities. Again, none of the excursions would be possible without the support of Muscabus in transporting the children and program staff.

After five years of operations some students from the previous years have reached middle school, but a few re-registered for the program and attend regularly. At this point in program operations, in-house tracking and standardized testing illustrate the program is successful at improving reading and math proficiency. Program staff continues to engage community groups in classroom activities, connecting education to life opportunities.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

Clark House and Sunset Park

* To collect at minimum 98% of all rent due.

* To maintain at minimum a 98% occupancy rate.

* To revise and update the Public Housing Agency Continued Occupancy Plan (ACOP).

* To review public housing policies and procedures and incorporate appropriate measures to improve efficiencies and effectiveness.

Hershey Manor

* To collect at minimum 99% of all rent due.

* To maintain at minimum a 97% occupancy rate.

* To continue to monitor policies and practices to ensure compliance with regulations and maximize efficiencies.

Section 8 Voucher Program

* To maintain an average of 360 vouchers under lease throughout the fiscal year.

* To expend 100% of housing assistance funding awarded.

* To revise and update the administrative plan.

* To maintain High Performer status on SEMAP (Section 8 Management Assessment Program).

* To review this program's policies and procedures and incorporate appropriate efficiency measures.

Family Self-Sufficiency (FSS) Program

* To serve a minimum of 35 participants throughout the fiscal year.

* To maintain a positive escrow balance for at least 40% of participants.

* To secure continued funding for the FSS program.

* To strengthen existing resource sharing relationships with local service providers and build relationships with at least three additional providers

Homeownership Program

* To offer seven Home Ownership classes in the fiscal year.

* To have 60 students complete the home ownership class and receive a certificate of completion.

* To offer four renter counseling classes in the fiscal year with a minimum of 15 participants each.

* To schedule a minimum of 100 hours of one-on-one counseling and case management in areas such as Credit Awareness, Money Management, Loan Qualification, and Foreclosure Counseling.

* To have 20 Home Ownership graduates successfully close on a home purchase.

* To issue one Housing Choice Home Ownership Voucher to a current Section 8 participant that completes this program.

* To identify two (2) new sources of funding to pursue for program operations.

Sunset Park Education Center

* To have the Sunset Park Afterschool Program open a minimum of 170 days during the school year.

* To have a minimum of 25 students registered for the program.

* To have an average attendance of at least 17 students per day.

* To conduct a minimum of 3,000 hours of student instruction.

* To have students read a minimum of 1,000 books.

* To improve student proficiency in Math and Reading to support the on-going development of a qualified workforce.

Sunset Park Summer Program

* To have a minimum of 25 children registered.

* To serve a minimum of 800 lunches.

* To expand children's knowledge of the community by accessing at least 10 off-site activities.

Public Housing Program
Clark House and Sunset Park
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Operating Reserve, July 1	$ 145,483	$ 71,709	$ 42,689	$ 75,673	$ 42,993
Revenues					
Dwelling Rentals	$ 430,703	$ 422,403	$ 425,000	$ 438,000	$ 438,000
Cable Fees	30,970	30,936	31,000	30,500	31,000
Federal Grants:					
Operating Subsidy	173,897	180,628	185,000	187,600	187,600
HUD Capital Funds:					
2012 Grant	151,875	0	0	0	0
2013 Grant	0	150,170	0	5,900	0
2014 Grant	0		160,600	160,600	0
2015 Grant	0	0	0	0	163,200
Interest Income	420	400	320	320	320
Laundry Fees	9,109	8,796	9,200	9,100	9,100
Miscellaneous	4,113	5,652	3,000	3,500	2,850
Total Revenues	$ 801,087	$ 798,985	$ 814,120	$ 835,520	$ 832,070
Funds Available	$ 946,570	$ 870,694	$ 856,809	$ 911,193	$ 875,063
Expenditures					
Clark House	$ 621,168	$ 534,995	$ 562,720	$ 609,420	$ 564,410
Sunset Park	253,693	260,026	260,440	258,780	266,240
Total Expenditures (1)	$ 874,861	$ 795,021	$ 823,160	$ 868,200	$ 830,650
Operating Reserve, June 30	$ 71,709	$ 75,673	$ 33,649	$ 42,993	$ 44,413
Increase (Decrease) in Operating Reserve	**$ (73,774)**	**$ 3,964**	**$ (9,040)**	**$ (32,680)**	**$ 1,420**

1. Expenditures include changes in compensated absences and other post-employment benefits.

Public Housing Program
Clark House and Sunset Park
Summary of Revenues

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Clark House:					
Dwelling Rentals	$ 318,160	$ 318,268	$ 325,000	$ 325,000	$ 325,000
Cable Fees	30,970	30,936	31,000	30,500	31,000
Federal Grants:					
Operating Subsidy	85,490	88,000	91,000	92,600	92,600
HUD Capital Funds:					
2012 Grant	82,875	0	0	0	0
2013 Grant	0	83,003	0	2,690	0
2014 Grant	0	0	90,600	90,600	0
2015 Grant	0	0	0	0	93,200
Interest Income	402	332	300	300	300
Laundry Fees	9,109	8,796	9,200	9,100	9,100
Miscellaneous	772	843	1,000	1,000	850
Subtotal	$ 527,778	$ 530,178	$ 548,100	$ 551,790	$ 552,050
Sunset Park:					
Dwelling Rentals	$ 112,543	$ 104,135	$ 100,000	$ 113,000	$ 113,000
Federal Grants:					
Operating Subsidy	88,407	92,628	94,000	95,000	95,000
HUD Capital Funds:					
2012 Grant	69,000	0	0	0	0
2013 Grant	0	67,166	0	3,210	0
2014 Grant	0	0	70,000	70,000	0
2015 Grant	0	0	0	0	70,000
Interest Income	18	69	20	20	20
Miscellaneous	3,341	4,809	2,000	2,500	2,000
Subtotal	$ 273,309	$ 268,807	$ 266,020	$ 283,730	$ 280,020
Total	$ 801,087	$ 798,985	$ 814,120	$ 835,520	$ 832,070

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 223,842	$ 212,479	$ 220,420	$ 215,450	$ 239,090	8.47%
Commodities	33,120	30,560	34,800	31,240	30,750	-11.64%
Contractual Services	270,851	257,618	259,500	258,730	259,570	0.03%
Capital Outlay	96,836	42,420	48,000	104,000	35,000	-27.08%
Transfers	-	-	-	-	-	
Total Expenditures	$ 624,649	$ 543,077	$ 562,720	$ 609,420	$ 564,410	0.30%
Funding Sources						
Dwelling Rentals	$ 318,160	$ 318,268	$ 325,000	$ 325,000	$ 325,000	0.00%
Tenant Cable Fees	30,970	30,936	31,000	30,500	31,000	0.00%
Interest Income	402	332	300	300	300	0.00%
Federal Grants:						
Operating Subsidy	85,490	88,000	91,000	92,600	92,600	1.76%
HUD Capital Funds	82,875	83,003	90,600	93,290	93,200	2.87%
Miscellaneous	9,881	9,639	10,200	10,100	9,950	-2.45%
Total Funding Sources	$ 527,778	$ 530,178	$ 548,100	$ 551,790	$ 552,050	0.72%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Administrator	0.45	0.45	0.45	0.45	0.45	
Assistant Housing Administrator	-	0.38	0.38	-	-	
Housing Maintenance Supervisor/Inspector	0.45	0.55	0.55	0.55	0.55	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Housing Specialist	1.00	-	-	1.00	1.00	
Housing Coordinator	0.10	-	-	-	-	
Total Full Time	2.50	1.88	1.88	2.50	2.50	
Part Time:						
Office Coordinator	0.11	0.06	0.05	0.05	0.05	
Custodian	0.74	0.76	0.78	0.77	0.71	
Housing Specialist	-	0.62	0.62	0.11	-	
Office Assistant	-	0.16	0.16	0.13	0.14	
Total Part Time	0.85	1.60	1.61	1.06	0.90	
Total	3.35	3.48	3.49	3.56	3.40	$ 169,580
Employee Benefits						69,510
Total Personal Services						$ 239,090

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	3	Yes	$ 30,000
Appliances	10	Yes	5,000
			$ 35,000

Function:
Business Type

Department:
Housing

Activity:

Sunset Park Housing

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 141,722	$ 144,970	$ 140,960	$ 144,540	$ 148,950	5.67%
Commodities	16,056	17,033	15,400	16,100	16,690	8.38%
Contractual Services	81,325	75,439	79,080	75,640	75,600	-4.40%
Capital Outlay	14,590	22,584	25,000	22,500	25,000	0.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 253,693	$ 260,026	$ 260,440	$ 258,780	$ 266,240	2.23%
Funding Sources						
Dwelling Rentals	$ 112,543	$ 104,135	$ 100,000	$ 113,000	$ 113,000	13.00%
Interest Income	18	69	20	20	20	0.00%
Federal Grants:						
Operating Subsidy	88,407	92,628	94,000	95,000	95,000	1.06%
HUD Capital Funds	69,000	67,166	70,000	73,210	70,000	0.00%
Miscellaneous	3,341	4,809	2,000	2,500	2,000	0.00%
Total Funding Sources	$ 273,309	$ 268,807	$ 266,020	$ 283,730	$ 280,020	5.26%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Administrator	0.30	0.30	0.30	0.30	0.30	
Housing Maintenance Supervisor/Inspector	0.20	0.25	0.25	0.25	0.25	
Housing Specialist	0.38	0.38	0.38	0.38	0.38	
Housing Specialist-FSS Program	0.38	0.38	-	0.06	0.12	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	0.10	-	-	-	-	
Total Full Time	1.61	1.56	1.18	1.24	1.30	
Part Time:						
Office Coordinator	-	0.06	0.05	0.05	0.05	
Custodian	0.70	0.68	0.75	0.71	0.75	
HUD Section 3 Program Worker	0.30	0.38	0.29	0.22	-	
Total Part Time	1.00	1.12	1.09	0.98	0.80	
Total	2.61	2.68	2.27	2.22	2.10	$ 109,150
Employee Benefits						39,800
Total Personal Services						$ 148,950

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	4	Yes	$ 20,000
Appliances	10	Yes	5,000
			$ 25,000

Hershey Manor

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Revenues					
Dwelling Rentals	$ 181,581	$ 183,375	$ 178,000 (1)	$ 175,600 (1)	$ 175,600
Housing Assistance Payments - HUD	249,775	256,975	268,400	270,800	270,800
HUD Payment Reduction for Vacancies	(15,332)	(5,836)	(13,400)	(13,400)	(13,400)
Residual Receipts Used for Portion of HUD HAP Payments	3,494	0	0	0	0
Interest Income	530	422	500	400	400
Cable Fees	16,104	16,281	16,500	16,000	16,000
Laundry Income	4,845	4,370	4,800	4,700	4,800
Other Income	14	0	0	0	0
Total Revenues	$ 441,011	$ 455,587	$ 454,800	$ 454,100	$ 454,200
Operating Expenditures	400,442	348,758	333,130	331,570	332,740
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	$ 40,569	$ 106,829	$ 121,670	$ 122,530	$ 121,460
Additional Budget Items:					
Principal Retirement	(36,904)	(40,826)	(51,178)	(51,178)	(53,396)
Replacement Reserve Transfers	(29,910)	(29,994)	(30,000)	(30,072)	(30,072)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,668)	(49,668)	(49,668)
Portion of Above Interest from Reserve Funds	(401)	(381)	(350)	(350)	(350)
Transfers from Replacement Reserve (3)	65,497	7,486	7,500	12,500	12,500
Net Surplus (Deficit)	$ (10,817)	$ (6,554)	$ (2,026)	$ 3,762	$ 474
Surplus (Deficit) per Unit Month	$ (18.03)	$ (10.92)	$ (3.38)	$ 6.27	$ 0.79

1. The FY 2015/2016 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent of $744 with 3% allowed for vacancies.
2. The FY 2016/2017 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent amount of $744 with 3% allowed for vacancies. The actual fair market rent will be determined as part of the renewal of the Section 8 Housing contract.
3. Reflects the portion of the operating expenditures funded from the Replacement Reserve regardless of the timing of the actual funding transfer.

Function:
Community and Economic Development

Department:
Housing

Activity:

Hershey Manor Housing

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 84,986	$ 90,431	$ 95,110	$ 87,030	$ 86,700	-8.84%
Commodities	13,012	15,938	15,300	15,500	15,700	2.61%
Contractual Services	120,657	139,462	135,500	137,100	140,630	3.79%
Capital Outlay	67,279	7,486	7,500	12,500	12,500	66.67%
Interest/Mortgage Insurance	114,508	95,441	79,720	79,440	77,210	-3.15%
Total Expenditures	$ 400,442	$ 348,758	$ 333,130	$ 331,570	$ 332,740	-0.12%
Funding Sources						
Dwelling Rentals	$ 181,581	$ 183,375	$ 178,000	$ 175,600	$ 175,600	-1.35%
Housing Assistance Payments - HUD	234,443	251,139	255,000	257,400	257,400	0.94%
Residual Receipts Used for Portion of HUD HAPs	3,494	-	-	-	-	
Interest Income	530	422	500	400	400	-20.00%
Cable Fees	16,104	16,281	16,500	16,000	16,000	-3.03%
Other Income	4,859	4,370	4,800	4,700	4,800	0.00%
Total Funding Sources	$ 441,011	$ 455,587	$ 454,800	$ 454,100	$ 454,200	-0.13%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Administrator (Included in Management Fee)	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor/Inspector	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	-	0.62	0.62	-	-	
Housing Specialist	-	-	-	0.50	0.50	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.45	1.07	1.07	0.95	0.95	
Part Time:						
Housing Specialist	0.63	-	-	-	-	
Custodian	0.56	0.51	0.53	0.57	0.53	
Total	1.64	1.58	1.60	1.52	1.48	$ 61,720
Employee Benefits						24,980
Total Personal Services						$ 86,700

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 10,000
Appliance Replacements	5	Yes	2,500
			$ 12,500

Section 8 Voucher Program

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 127,618	$ 47,861	$ 32,211	$ 49,544	$ 46,594
Revenues:					
HUD Contributions-Housing Assistance Payments	$ 1,528,314	$ 1,603,085	$ 1,727,080	$ 1,712,920	$ 1,744,500
HUD Contributions-Administration	161,512	192,037	186,500	192,530	191,580
HUD Contributions-Family Self-Sufficiency	60,374	59,440	63,260	64,660	55,310
Administrative Fees-Portability	72	70	0	0	0
FSS Escrow Forfeiture	412	8,512	0	1,180	0
Fraud Recovery - HUD Portion	3,293	1,234	700	700	500
Fraud Recovery - Admin Portion	3,293	1,234	700	700	500
Interest - HAP Reserve	47	7	20	0	0
Interest - Admin Reserve	90	119	130	100	100
Total Revenues	$ 1,757,407	$ 1,865,738	$ 1,978,390	$ 1,972,790	$ 1,992,490
Funds Available	$ 1,885,025	$ 1,913,599	$ 2,010,601	$ 2,022,334	$ 2,039,084
Expenditures:					
Housing Assistance Payments	$ 1,588,091	$ 1,613,090	$ 1,727,800	$ 1,714,800	$ 1,745,000
Voucher Program Administration	186,644	189,506	188,090	195,780	204,190
Family Self-Sufficiency Coordinator:					
Grant Funded Portion	60,374	59,440	63,260	60,950	55,310
Non-Grant Funded Portion	0	0	0	0	1,930
Family Self-Sufficiency Other Costs	2,055	2,019	2,270	4,210	2,040
Total Expenditures	$ 1,837,164	$ 1,864,055	$ 1,981,420	$ 1,975,740	$ 2,008,470
Ending Balance, June 30	$ 47,861	$ 49,544	$ 29,181	$ 46,594	$ 30,614
Ending Balance Reserved for:					
Housing Assistance Payments (1)	$ 0	$ 0	$ 0	$ 0	$ 0
Administration	47,861	49,544	29,181	46,594	30,614
Total Ending Balance	$ 47,861	$ 49,544	$ 29,181	$ 46,594	$ 30,614
Increase (Decrease) in Fund Balance	**$ (79,757)**	**$ 1,683**	**$ (3,030)**	**$ (2,950)**	**$ (15,980)**

1. Beginning in 2012 HUD changed how the funding for Section 8 Housing Assistance payments was distributed to Housing agencies. This change required Housing agencies to utilize their Housing Assistance Payment Reserve (Net Restricted Assets - NRA) to fund housing assistance payments in calendar years 2012 and 2013. The City-held reserve was depleted at the end of 2013/2014. HUD now holds each housing authority's Net Restricted Assets.

Function:
Community and Economic Development

Department:
Housing

Activity:

Section 8 Voucher Program

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 142,842	$ 148,272	$ 139,590	$ 144,450	$ 151,370	8.44%
Commodities	3,993	3,622	5,450	5,180	5,440	-0.18%
Contractual Services	1,627,901	1,650,703	1,770,850	1,760,950	1,792,380	1.22%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,774,736	$ 1,802,597	$ 1,915,890	$ 1,910,580	$ 1,949,190	1.74%
Funding Sources						
HUD Contribution	$ 1,689,826	$ 1,795,122	$ 1,913,580	$ 1,905,450	$ 1,936,080	1.18%
Repayment Agreements	6,586	2,468	1,400	1,400	1,000	-28.57%
Interest	137	126	150	100	100	-33.33%
Other Income	484	8,582	-	1,180	-	
Total Funding Sources	$ 1,697,033	$ 1,806,298	$ 1,915,130	$ 1,908,130	$ 1,937,180	1.15%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	0.80	0.20	0.20	-	-	
Housing Maintenance Supervisor/Inspector	0.25	0.10	0.10	0.10	0.10	
Housing Specialist	-	1.00	1.00	1.50	1.50	
Total Full Time	1.15	1.40	1.40	1.70	1.70	
Part Time:						
Office Coordinator	0.43	0.35	0.35	0.39	0.40	
Housing Specialist	0.78	0.56	0.56	0.09	-	
Office Assistant	-	0.11	0.11	0.11	0.11	
Total	2.36	2.42	2.42	2.29	2.21	$ 104,340
Employee Benefits						47,030
Total Personal Services						$ 151,370

Function:
Community and Economic Development

Department:
Housing

Activity:

Family Self Sufficiency Program

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 60,375	$ 59,440	$ 63,260	$ 60,950	$ 57,240	-9.52%
Commodities	466	841	150	230	210	40.00%
Contractual Services	1,588	1,178	2,120	3,980	1,830	-13.68%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 62,429	$ 61,459	$ 65,530	$ 65,160	$ 59,280	-9.54%
Funding Sources						
HUD Contribution	$ 60,374	$ 59,440	$ 63,260	$ 64,660	$ 55,310	-12.57%
Section 8 HUD Admin Funds	2,055	2,019	2,270	500	3,970	74.89%
Total Funding Sources	$ 62,429	$ 61,459	$ 65,530	$ 65,160	$ 59,280	-9.54%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Specialist	1.00	1.00	1.00	0.94	0.88	$ 43,180
Employee Benefits						14,060
Total Personal Services						$ 57,240

Public Housing
Home Ownership Program
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	145,013	124,549	$ 101,649	$ 106,732	$ 83,132
Revenues:					
HUD Counseling Grant	$ 7,240	$ 11,376	$ 9,800	$ 9,800	$ 9,800
Local Housing Trust Funds	18,842	20,000	20,000	19,300	18,600
IHOEP State Grant	4,820	0	0	0	0
Contributions	60	0	0	0	0
Interest	175	116	50	50	50
Other	20	106	150	250	150
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	4,180	3,000	3,000	3,000	3,000
Total Revenues	$ 35,337	$ 34,598	$ 33,000	$ 32,400	$ 31,600
Funds Available	$ 180,350	$ 159,147	$ 134,649	$ 139,132	$ 114,732
Expenditures	55,801	52,415	57,000	56,000	60,300
Ending Balance, June 30	124,549	106,732	77,649	$ 83,132	54,432
Increase (Decrease) in Fund Balance (1)	**$ (20,464)**	**$ (17,817)**	**$ (24,000)**	**$ (23,600)**	**$ (28,700)**

1. The Housing department will be pursuing other outside funding for this program with the goal of making the Home Ownership program self-sustaining in future years.

Function:
Community and Economic Development

Department:
Housing

Activity:

Home Ownership Program

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 45,298	$ 46,249	$ 47,400	$ 47,700	$ 50,700	6.96%
Commodities	1,003	383	1,000	750	850	-15.00%
Contractual Services	7,523	5,783	8,600	7,550	8,750	1.74%
Capital Outlay	1,977	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 55,801	$ 52,415	$ 57,000	$ 56,000	$ 60,300	5.79%
Funding Sources						
HUD Counseling Grant	$ 7,240	$ 11,376	$ 9,800	$ 9,800	$ 9,800	0.00%
Local Housing Trust Fund	18,842	20,000	20,000	19,300	18,600	-7.00%
IHOEP Technology Grant	4,820	-	-	-	-	
Transfer from CDBG Fund - Housing Rehab Reimb.	4,180	3,000	3,000	3,000	3,000	0.00%
Interest	175	116	150	50	150	0.00%
Other	80	106	50	250	50	0.00%
Total Funding Sources	$ 35,337	$ 34,598	$ 33,000	$ 32,400	$ 31,600	-4.24%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Housing Specialist	0.62	0.62	0.62	0.62	0.62	
Housing Administator	0.05	0.05	0.05	0.05	0.05	
Total	0.67	0.67	0.67	0.67	0.67	$ 33,500
Employee Benefits						17,200
Total Personal Services						$ 50,700

Public Housing
Sunset Park Education Program
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	9,379	3,867	767	$ 6,053	7,653
Revenues:					
Contributions - United Way	$ 15,375	$ 20,659	$ 24,800	$ 23,800	$ 24,800
Contributions - Kids First (Snacks)	1,200	1,200	1,200	1,200	1,200
Other Contributions	0	200	0	900	0
Interest	12	1	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	6,000	1,000	1,000	1,000
Total Revenues	$ 16,587	$ 28,060	$ 27,000	$ 26,900	$ 27,000
Funds Available	$ 25,966	$ 31,927	$ 27,767	$ 32,953	$ 34,653
Expenditures	22,099	25,874	27,100	25,300	27,700
Ending Balance, June 30	3,867	6,053	$ 667	$ 7,653	$ 6,953
Increase (Decrease) in Fund Balance	**$ (5,512)**	**$ 2,186**	**$ (100)**	**$ 1,600**	**$ (700)**

Function:
Community and Economic Development

Department:
Housing

Activity:

Sunset Park Education Program

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 19,647	$ 22,028	$ 23,300	$ 18,900	$ 24,000	3.00%
Commodities	1,956	2,063	3,000	2,800	3,050	1.67%
Contractual Services	496	469	800	3,600	650	-18.75%
Capital Outlay	-	1,314	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 22,099	$ 25,874	$ 27,100	$ 25,300	$ 27,700	2.21%
Funding Sources						
Donations	$ 16,575	$ 22,059	$ 26,000	$ 25,900	$ 26,000	0.00%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	6,000	1,000	1,000	1,000	0.00%
Interest	12	1	-	-	-	
Other	-	-	-	-	-	
Total Funding Sources	$ 16,587	$ 28,060	$ 27,000	$ 26,900	$ 27,000	0.00%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Part Time:						
Program Coordinator	0.30	0.30	0.30	0.33	0.42	
Program Assistant	0.14	0.25	0.25	0.18	0.27	
Total	0.44	0.55	0.55	0.51	0.69	$ 21,100
Employee Benefits						2,900
Total Personal Services						$ 24,000

DEBT SERVICE FUND

DEBT SERVICE FUND

GENERAL INFORMATION:

Bond and interest payments on outstanding long-term debt are basically made from two (2) types of debt repayment funds: the Debt Service Fund and Revenue Sinking Funds. Revenue Sinking Funds are considered part of the Enterprise Fund structure and consequently are included in that section of the budget document.

The Debt Service Fund accounts for general obligation (G.O.) bonds, which are backed by the full faith and credit of the City of Muscatine. As of July 1, 2016, the City's G.O. bonds outstanding will total $15,135,000 which includes $11,855,000 of existing debt and the portion of the May 26, 2016 bond issue for new projects of $3,280,000. The total amount of the May 26, 2016 bond issue is $4,590,000 which includes the $3,280,000 for new projects and $1,310,000 for refunding the final two years of the June 1, 2008 bond issue for that same amount.

A list of the projects to be funded from the 2016 issue and the estimated bond funding requirements are in the chart below.

City of Muscatine
Projects to be Funded from May 26, 2016 Bond Issue

Mulberry Avenue (Estimated Local Share)	$	800,000
Airport Hangar Access/Security - Prior Year Project (Balance to be Funded)		2,600
Airport Runway Replacement Project Design (Estimated Local Share)		40,000
Airport Runway Replacement Project Construction (Estimated Local Share)		425,000
Airport T-Hangar Connector Road (Estimated Local Share)		25,000
Airport Zoning Ordinance Update (Estimated Local Share)		3,800
Airport Electrical Upgrades (Estimated Local Share)		8,000
Art Center - Mechanical and Electrical (Engineer's Full Estimate)		1,350,000
Amount Provided by an Art Center Grant		(200,000)
Art Center - Windows/Building Envelope		225,000
Other City Building Improvements:		
Library Roof Replacement		70,000
Less 2014 Bond Proceeds for Library Elevator (Deferred)		(35,000)
Reduce Library Roof to Allow for City Hall Roof		(45,370)
City Hall Roof Replacement		45,370
Fire Apparatus Floor Roof Replacement		37,000
Art Center Music Room Tuckpointing		23,800
Additional Roof/Building Improvements; specific projects to be determined		219,200
Parks Improvements:		
Musser Playground Surface Replacement		70,000
Rip Rap Along Trail from Pearl City Station to Stone Edge		70,000
Rip Rap Slough Bank		50,000
Added Amount for Rip Rap		7,000
Building Demolition Projects (Prior Years)		8,600
Total Estimated Bond Funding Requirements	$	3,200,000
Estimated Issuance Costs/Allowance for Discount		80,000
Total for New Projects	$	3,280,000
Amount for Refunding June 1, 2008 Issue		1,310,000
Total Bond Issue	$	4,590,000

CURRENT TRENDS AND ISSUES:

The debt service tax rate for the current year 2015/2016 is $2.79677 per $1,000 of valuation. This rate will decrease slighlty to $2.78470 for 2016/2017. The City's financial consultant, Public Financial Management Inc. (PFM), assists the City with debt analysis as well as debt issuance. In planning for the May 2016 bond issue, PFM did an analysis of the amount of debt that the City can issue without increasing the debt service tax levy over the $2.89/$1,000 rate in previous financial models. Based on their assumptions for interest rates and assuming the State reimbursement for the commercial and industrial rollback continues, PFM's model shows the City can issue $3,200,000 in bonds for project costs (with an additional $80,000 allowed for issuance costs), and still be able to maintain a debt service tax levy rate estimated at $2.78/$1,000 which is below the $2.89/$1,000 levy rate in previous debt models. PFM also structures the debt repayment schedules for new issues to enhance the marketability of the bonds.

Revenues from property taxes, utility tax replacement funds, the State commercial and industrial property tax replacement funds, and interest total $2,567,499 which is the amount necessary to support estimated debt service payments of $2,467,397 (the total estimated requirement for property tax supported debt in 2016/2017), and assign $100,000 of funding so that amount of principal can be paid on the new debt in 2017/2108. This is part of the debt structuring recommendation by PFM to enhance the marketability of the bonds and at the same time keeps the debt service tax levy rate at approximately the same level in 2017/2018.

The 2015/2016 revised estimate also allows for the refunding of the remaining two years of the June 1, 2008 bond issue. The principal amount remaining on this bond issue as of June 1, 2016 totals $1,310,000 for those two years. The May 26, 2016 bond issue will be increased by $1,310,000 to replace the debt refunded. The new debt is expected to be at a much lower interest rate estimated at 1.0% to 1.5%, compared to the 3.5% on the June 1, 2008 issue resulting in an estimated $30,000 in savings over those two years. The actual amount of the savings, however, will not be determined until after the May 26, 2016 bonds are sold. Since this amount is not known, it has not yet been reflected in the 2016/2017 budget.

The State of Iowa limits the amount of general obligation bonds which a city may issue. This limitation amounts to 5% of actual valuation of all property within the city limits. The computation for the legal debt margin for the City of Muscatine as of July 1, 2016 is as follows:

City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2016

Actual Valuation January 1, 2015			**$ 1,321,461,933**
State Limit (5%)			0.05
Debt Limit			**$ 66,073,097**
Bonded Debt:			
Current General Obligation Debt July 1, 2016	$ 11,855,000		
May 26, 2016 General Obligation Bonds	3,280,000		
Tax Increment Bond Debt July 1, 2016	690,000	$ 15,825,000	
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		**24.0%**	
Estimated Tax Increment Rebate Obligations July 1, 2016:			
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of $1.8 million	$ 978,825		
Cedar Development - 50% for 10 years to maximum of $4,719,000 (final year 2018/2019)	3,523,961		
Musco Sports Lighting (Musser Street) - 50% for 10 years to maximum of $325,000 (ten year period; beginning date not yet determined)	325,000		
Muscatine Mall - 50% for 20 years to estimated maximum of $5,325,000 (twenty year period began in 2009/2010)	5,174,263		
Curry's Transportation - 50% for 10 years to maximum of $350,000 (began in 2010/2011)	208,967		
Newcomb Properties - 50% for 10 years to maximum of $100,000 (began in 2010/2011)	51,872		
Heinz - 50% for 15 years to a maximum of $425,000 (began in 2011/2012)	399,322		
A & E Convenience - 50% for 10 years to maximum of $40,000 (began in 2012/2013)	27,097		
The Villas at MCC, LLC - 50% for 10 years to maximum of $425,000 (began in 2013/2014)	360,927		
R.L. Fridley Theatres Inc. - 15 years to maximum of $1,500,000; declining percentages 95% to 50% (began in 2015/2016)	1,432,240		
Wal-View Developments Project #1 - 10 years to maximum of $5,000,000; 100% for five years; 50% for five years (began in 2015/2016) Subject to annual appropriation; only next year considered debt for legal debt margin computation; Annual appropriation for FY 17 is listed.	665,000		
H.J. Heinz - Agreement dated 2-20-14; 5 years to maximum of $880,000; declining percentages 75%, 60%, 45%, 30%, and 15%; begins in 2016/2017; Subject to annual appropriation. Annual appropriation for FY 17 is listed	20,000		
Wal-View Developments Project #2 - 10 years to maximum of $2,000,000; declining percentages 100%, 90%, 80%, 70%, 60%, 60%, 50%, 50%, 40%, 40%; (begins in 2017/2018). Subject to annual appropriation	-		
Riverview Hotel Development - 20 years to maximum of $6,000,000; declining percentages Years 1-5 100%, Years 6-15 75%, Years 16-20 50%; (expected to begin in 2018/2019). Subject to annual appropriation	-		
Union Tank Development Agreement - 10 years 50% to maximum of $45,000; (expected to begin in 2017/2018). Subject to annual appropriation	-		
		$ 13,167,474	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		**19.9%**	
Total Debt Subject to Debt Limit			**28,992,474**
Legal Debt Margin			**$ 37,080,623**
Percent of Legal Debt Limit Used			**43.9%**

The City's debt policy provides that 40% of the legal debt limit is to be reserved for emergency purposes. Following is a computation of the City's debt margin using the self-imposed debt limit:

City's Self-Imposed Limit - 60% of the Legal Limit	**$**	**39,643,858**
Total Debt Subject to Debt Limit		**28,992,474**
Debt Margin Using Self-Imposed Limit	**$**	**10,651,384**
Percent of Self-Imposed Debt Limit Used		**73.1%**

It should be noted that the policy reserving 40% of the legal debt limit for emergency purposes was put in place before TIF rebates were required to be counted as debt subject to the debt limit. If the TIF rebates were excluded from the debt in the above calculation there would be $23,818,858 of the self-imposed limit remaining and only 39.9% of the self-imposed limit would be used. The full amounts of the TIF rebate agreements subject to annual appropriations are not required to be included as debt in the computation of the legal debt margin, only the payments for the fiscal year after the annual appropriation is approved. Annual appropriation resolutions were approved by City Council in October of 2015 for the 2016/2017 annual appropriation rebates for Wal-View for their first project in the amount of $665,000 and for H.J. Heinz for $20,000. Future development agreements are also proposed to be subject to annual appropriations. These includes the recent agreements with Wal-View Developments for their 2nd project, Riverview Hotel Development, and Union Tank. It is proposed that future TIF rebate agreements continue to be subject to annual appropriations to limit the amount of debt that is required to be considered for the legal debt limit computation.

Although tax increment bonds and tax increment rebate obligations are required by State law to be included in the computation of the debt subject to the debt limit, these obligations are totally financed by incremental taxes received from the benefited property. Additionally, although certain portions of the general obligation debt are funded solely from user fees and sources other than property taxes, these issues are also required by State law to be considered in the computation of the City of Muscatine's legal debt margin.

Debt Service Fund
General Obligation Bonds
Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 93,347	$ 80,309	$ 84,845	$ 95,562	$ 96,062
Revenues					
Property Tax	$ 2,376,161	$ 2,397,381	$ 2,345,415	$ 2,345,415	$ 2,446,349 (2)
Utility Tax Replacement Excise Tax	10,406	9,761	9,421	9,421	8,901
Commercial and Industrial Replacement Funds	0	56,143	115,006	115,006	111,749
Interest	1,448	1,078	500	500	500
Refunding Bond Proceeds	0	0	0	1,310,000 (4)	0
Transfers In:					
Refuse Collection	99,946	0	0	0	0
Landfill	80,128	79,296	79,711	79,711	0
Downtown Tax Increment Fund	206,225	207,825	208,450	208,450	203,050
Total Revenues	$ 2,774,314	$ 2,751,484	$ 2,758,503	$ 4,068,503	$ 2,770,549
Funds Available	$ 2,867,661	$ 2,831,793	$ 2,843,348	$ 4,164,065	$ 2,866,611
Expenditures					
Charges for Services	$ 2,250	$ 2,000	$ 3,500	$ 3,500	$ 3,500
Bonds	2,385,000	2,340,000	2,410,000	2,410,000	2,305,000
Bonds Called for Refuding	0	0	0	1,310,000 (4)	0
Interest	400,102	394,231	344,503	344,503	286,578
Estimated Debt Requirements New Issue:					
Principal	0	0	0	0	0
Interest	0	0	0	0	75,369
Total Expenditures	$ 2,787,352	$ 2,736,231	$ 2,758,003	$ 4,068,003	$ 2,670,447
Ending Balance, June 30	$ 80,309	$ 95,562	$ 85,345	$ 96,062	$ 196,164 (3)
Amount of Fund Balance Assigned for Debt Principal Payment in 2017/2018					100,000 (3)
Unassigned Ending Balance, June 30					$ 96,164
Increase (Decrease) in Fund Balance	**$ (13,038)**	**$ 15,253**	**$ 500**	**$ 500**	**$ 100,102**
Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation)	$ 2.90388	$ 2.89056	$ 2.79677 (1)	$ 2.79677 (1)	2.78470 (2)

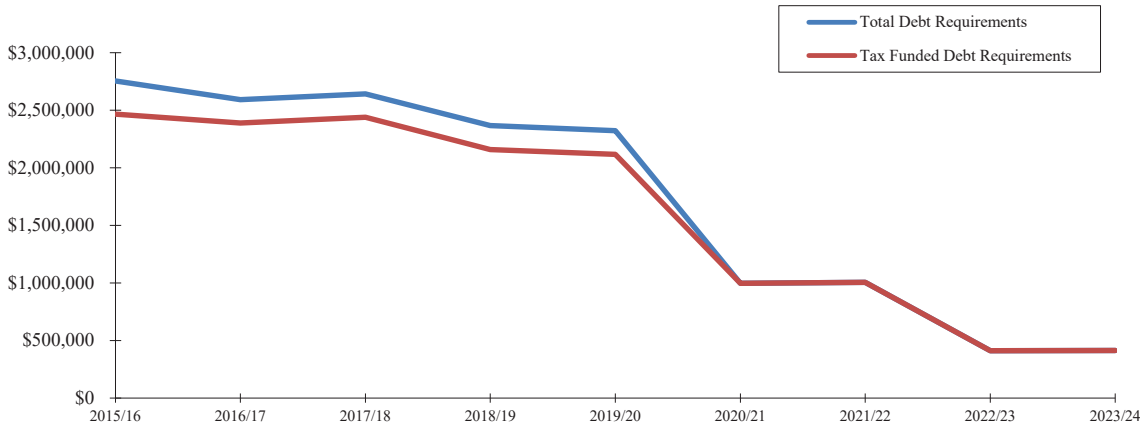
1. The 2015/2016 Debt service tax levy rate was lower than the $2.89 target rate for future years due to actual interest rates on June 2014 bond issue being lower than projected.
2. The 2016/2017 Debt Service tax levy rate was based on not exceeding the $2.89 target level. The debt repayment schedule on the May 2016 issue was structured to not exceed this rate in 2016/2017 and future years.
3. The City's financial consultant structured the debt repayment schedule on the 2016 bond issue to enhance the marketability of the bonds while maintaining the debt service tax rate in future years. This involved crediting the debt service portion of the 2016/2017 State reimbursement to the Debt Service fund in the current year with $100,000 of this amount to be assigned to be used in 2017/2018 to fund that amount of principal on the 2016 issue.
4. The 2015/2016 revised estimate allows for the refunding of the two remaining years on the 2008 bond issue. The principal amount of the current bonds totals $1,310,000 for those two years. The May 26, 2016 regular bond issue will be increased by $1,310,000 to replace the debt refunded. The new debt is expected to be at a lower interest rate than the interest rate on the 2008 bonds. This is expected to result in an interest savings of $30,000 over the next two years. The actual amount of the savings will not be known until the bonds are sold in May. Since the interest savings is not yet known, the reduction in interest has not yet been reflected in the 2016/2017 budget.

DEBT SERVICE FUND

SUMMARY OF BOND AND INTEREST REQUIREMENTS

CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	TIF Funded Debt Requirements	Expected Tax Funded Debt Requirements
2015/16	$ 2,410,000	$ 344,503	$ 2,754,503	$ 288,161	$ 2,466,342
2016/17	2,305,000	286,578	2,591,578	203,050	2,388,528
2017/18	2,415,000	226,193	2,641,193	202,650	2,438,543
2018/19	2,205,000	161,928	2,366,928	207,100	2,159,828
2019/20	2,215,000	108,453	2,323,453	206,250	2,117,203
2020/21	945,000	52,415	997,415	-	997,415
2021/22	970,000	35,225	1,005,225	-	1,005,225
2022/23	395,000	16,405	411,405	-	411,405
2023/24	405,000	8,505	413,505	-	413,505
Total	$ 14,265,000	$ 1,240,205	$ 15,505,205	$ 1,107,211	$ 14,397,994



Annual Bond and Interest Requirements
(Current Debt)

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds
Pavement Management Program, Other Street and Bridge Improvements, Building Improvements, Airport Improvements, Cemetery Columbarium, and General Fund Vehicle, Equipment and Technology Improvements
$5,120,000 Issue Dated June 1, 2008 (Series A)

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 620,000	$ 67,550	$ 687,550
2016/17 *	645,000	45,850	690,850
2017/18 *	665,000	23,275	688,275
Total	$ 1,930,000	$ 136,675	$ 2,066,675

* Final two years of this issue to be refunded June 1, 2016

General Obligation Corporate Purpose Bonds

Pavement Management Program, Other Street Improvements, Mad Creek Flood Control Project, Weed Park Tennis Courts, Public Safety Geothermal Project, Airport, and Trail Projects ($5,890,000 General Obligation Portion of Issue)

Downtown Urban Renewal Tax Increment Revenue-Funded Projects 3rd and Chestnut Parking Lot Reconstruction, Downtown Parking Lot, Street and Alley Resurfacing, Riverfront Flood Repairs, and City Hall Boiler Replacement ($1,535,000 Portion of Issue)

$7,425,000 Total Issue Dated June 1, 2010

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 980,000	$ 172,763	$ 1,152,763
2016/17	1,055,000	143,363	1,198,363
2017/18	1,085,000	111,713	1,196,713
2018/19	1,295,000	79,163	1,374,163
2019/20	1,290,000	40,313	1,330,313
Total	$ 5,705,000	$ 547,315	$ 6,252,315

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Clay Street Bridge Improvements, Cedar Street Improvements Phase I, Colorado Street Improvements Phase I, Hershey Street Improvements, Mississippi Drive Corridor Environmental Impact Study, Southend Fire Station, Mad Creek Levee Project, Various Airport Improvements Projects, and Refunding of 2003 Bond Issue

$4,715,000 Total Issue Dated June 1, 2012

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 410,000	$ 50,510	$ 460,510
2016/17	530,000	47,435	577,435
2017/18	540,000	42,400	582,400
2018/19	550,000	36,460	586,460
2019/20	555,000	29,035	584,035
2020/21	570,000	20,710	590,710
2021/22	580,000	11,020	591,020
Total	$ 3,735,000	$ 237,570	$ 3,972,570

General Obligation Refunding Bonds
Refunding of Remaining Obligations of June 1, 2006 Issue
$1,115,000 Issue Dated March 7, 2013

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 375,000	$ 3,375	$ 378,375

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Cedar Street Improvements Series B, Colorado Street Series B, Airport Improvements, Library Building Improvements, and Ambulance Equipment

$2,575,000 Total Issue Dated June 2, 2014

Fiscal Year	Principal	Interest	Total Requirements
2015/16	$ 25,000	$ 50,305	$ 75,305
2016/17	75,000	49,930	124,930
2017/18	125,000	48,805	173,805
2018/19	360,000	46,305	406,305
2019/20	370,000	39,105	409,105
2020/21	375,000	31,705	406,705
2021/22	390,000	24,205	414,205
2022/23	395,000	16,405	411,405
2023/24	405,000	8,505	413,505
Total	$ 2,520,000	$ 315,270	$ 2,835,270

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENTS PROGRAM

GENERAL INFORMATION:

The City has established a Comprehensive Capital Improvements Program as a separate document from the Annual Operating Budget. The Annual Operating Budget includes funding estimates on a fiscal year basis for various capital improvement projects to be funded in part or in whole from such funding sources as: bond issues supported by general property taxes or other revenues of the City; Local Option Sales Taxes; Community Development Block Grant funds; various State or federal grants; or available balances of the various Enterprise Funds which support improvements associated with those activities. Capital improvements include acquisition and construction of buildings, additions to structures, and construction or improvements to parks, streets, bridges, sidewalks, storm sewers, sanitary sewers and other infrastructure. The City of Muscatine has limited the classification of these improvements to major non-recurring expenditures or improvements of physical facilities in excess of $25,000.

In order for the City of Muscatine to meet the community's need for these public facilities and improvements, careful planning is required in order to insure the availability of financial resources when the need for the improvement occurs. The City has developed the Five Year Capital Improvements Program in order to establish a realistic plan of action by balancing the needed capital improvements with available resources. Capital improvements are identified and submitted to the Planning and Zoning Commission for their initial review. Their recommendations, in addition to staff's, are presented to City Council on a priority basis. Available financial resources are identified and Council approves the projects according to the need and availability of resources.

CURRENT TRENDS AND ISSUES:

The operating budget will again be supplemented with an aggressive Five Year Capital Improvement Plan. In February of 2016 the City Council approved a resolution to adopt the Five Year Capital Improvement Plan for fiscal years 2015/2016 through 2019/2020. Elected officials, citizens, and City staff participated in the development of the Plan and a public hearing was held prior to the Plan's adoption. This Plan is a document separate from the City's budget and it can be accessed from the City's website. The Plan's capital project summary schedule, however, listing all Plan projects has been included in this section of this budget document in order to provide a correlation between these two documents. During the annual budget process, this Plan is used to determine capital improvement projects to be included in the budget for the upcoming year. A number of projects in this Plan are subject to the receipt of federal, state, or local grant funding. As such, projects in the Plan may be accelerated or deferred based on funding availability. The projects in the 2015/2016 revised estimate and 2016/2017 budget are projects which have approved funding sources. If outside funding is awarded for projects in the Plan but not yet in the adopted budget, the City will make the appropriate amendments to the current or upcoming budget.

The major emphasis in the City's Capital Improvements Program in the upcoming year will continue to be the upgrading of the City's streets and sewer systems and improvements at the City's Water Pollution Control Plant and airport.

Pavement Management Program/Street Projects

In 2007 the City began a Comprehensive Pavement Management Program to upgrade the City's overall street conditions. Funding allocations totaling $5 million were used in 2007 through 2009 to complete the initial upgrade. These initial costs were funded with general obligation bond proceeds. Thereafter an annual allocation of at least $500,000 is needed to maintain the streets at this higher level. The ongoing annual maintenance of the improved streets began in 2010 with these costs funded from the 20% allocation of local

option sales taxes as provided for in the voter referendum in 2008 for the local option sales tax extension. This 20% allocation is estimated at approximately $500,000 annually. In 2016/2017 the Local Option Sales Tax funding for pavement management projects will be supplemented with a $700,000 allocation of Road Use Tax funds. The additional Road Use Tax funding is available as a result of the State legislature increasing the gasoline tax by $.10 per gallon effective March 1, 2015.

In addition to the ongoing Pavement Management Program, the City continues to use grant funding or other funding sources to complete improvements to heavily-used streets in the community. Major improvements to Cedar Street from Parham to Houser and Colorado Street were recently completed. Federal grants funded a portion of the cost of these projects with bond proceeds, road use taxes, and local option taxes funding the local share. Engineering design is underway and construction is scheduled for 2016 for improvements to Mulberry Avenue from Houser Street to the Highway 61 Bypass. This project will be funded from a federal grant, bond proceeds, and Road Use Tax funds. Engineering design for major improvements to the Mississippi Drive Corridor from the Mississippi River Bridge to Grandview Avenue is underway with construction scheduled to begin in the spring of 2017. This project will be funded from the $13 million in Transfer of Jurisdiction funds from the State of Iowa the City received when the City took over maintenance responsibilities for the portion of Business Route 61 from the Mississippi River Bridge south to the Highway 61 Bypass. The Railroad will also provide funding for a portion of this project.

Sewer Improvement Projects

Sewer improvements continue to be identified as a high priority by City Council. In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. In 2008 voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. The only remaining project in the Consent Order is the separation of the combined sewers in the West Hill area. This project will be constructed in multiple phases over the next twelve years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017.

Water Pollution Control Plant Improvement Projects

Construction on the $18.5 million comprehensive Water Pollution Control Plant improvement project began in 2008/2009 and the contract was closed out in May of 2013. A separate project to expand the lab at the plant was completed in the summer of 2015. Engineering design is currently underway for a High Strength Waste Receiving Station at the Plant with construction scheduled for 2016/2017.

Other Projects

Other significant capital projects budgeted for 2016-2017 include the Art Center HVAC replacement project, various other city building improvements, the CDBG Downtown Revitalization project, the Kent Stein Park to Deep Lakes Park Trail, the Airport Runway Rehabilitation project, and the Port Development study.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2015/2016 as well as those planned for 2016/2017. This section also includes listings of these projects for both 2015/2016 and 2016/2017. Total capital project costs are estimated at $10,932,400 for 2015/2016 and $16,321,600 for 2016/2017. A separate listing of capital outlay items included in department operating budgets in 2016/2017 is also included in this section of the budget for informational purposes. These items total $1,999,000 which brings the total budget for capital outlay and capital projects to

$18,320,600 for 2016/2017. The remaining pages of this section are summary and detail capital projects listings from the City's Five Year Capital Improvements Plan.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2015/2016 PROJECTS UNDER CONSTRUCTION

On-Going Pavement Management Program: In 2009/2010 the city completed the initial 3-year plan to upgrade the condition of city streets. The initial costs were funded with general obligation bond proceeds. Annual allocations to maintain streets at this higher level began in 2010. This ongoing program is being funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. These funds will be used for curb and gutter replacement, full depth patching, joint sealing, and street resurfacing.

Funding Source	FY 2015/2016 Funding Amount
Local Option Sales Tax Funds	$ 590,900

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Cedar Street Improvement Project – Parham to Houser: This project originally involved the resurfacing of this portion of Cedar Street with 80% of project costs funded through the federal STP grant program in the amount of $551,772. The City expanded the scope of the project for this heavily used street to include widening the street to three lanes including turning lanes, constructing a trail on one side of the street for pedestrian use, and constructing a roundabout at the Logan Street intersection. The total cost of the expanded project is approximately $5.9 million. The original STP grant funding of $551,772 was increased to $1,758,271 for the expanded project. The City was awarded an additional $138,000 in grant funds to install a traffic signal at the high school. The project is substantially completed with only the final contract closeout, the final Iowa Department of Transportation (IDOT) audit, and final payment for the traffic signal and related grant yet to be done to close out the project.

Funding Sources	FY 2015/2016 Funding Amount
Prior Year Bond Proceeds	$ 234,600
Federal Grant for Traffic Signals	138,000
Road Use Tax Funds	297,000
Transfer from Colorado Street Project	58,000
	$ 727,600

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Colorado Street Improvement Project: The Colorado Street Improvement project was originally estimated at a total cost of $1.5 million. This project received $1.2 million (80% of the original cost estimate) in funding through the federal STP grant program. The project scope was expanded to include more extensive improvements to this street which increased the total project cost to $3.62 million (excluding the Pierce property acquisition), with the local share increasing to $2.42 million. This project

was substantially completed in 2014/2015 and the contract was closed out in 2015/2016. The required IDOT audit is in progress and once it is completed, the final grant funds can be requested which will close out this project.

Funding Sources	FY 2015/2016 Funding Amount
Federal STP Grant	$ 60,000
Sale of Property	29,300
	$ 89,300

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Mulberry Avenue Improvements – Houser Street to Highway 61 Bypass: This project is in the final design phase with construction scheduled for calendar year 2016. The budget allows for 25% of the construction to be completed by the end of the 2015/2016 fiscal year.

Funding Sources	FY 2015/2016 Funding Amount
Bond Proceeds	$ 800,000
Federal STP Grant	300,000
	$ 1,100,000

Future Impact on Operating Budget: When improvements of this street are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Mississippi Drive Corridor Project – Environmental Study and Preliminary Design: In 2007 the City in conjunction with the Iowa Department of Transportation (IDOT) completed a study on the section of U.S. Highway 61 Business Route from the Mississippi River Bridge to Grandview Avenue. The IDOT provided funding for 80% of the cost of this study. Since that time two additional grants were awarded that allowed this project to move forward to the next step. They included $444,600 through the Transportation and Community System Preservation Fund (TCSP) and $600,000 from the Statewide Transportation Improvement Program (STIP) administered through the Bi-State Regional Commission's Transportation Improvement Plan (TIP). Both of these funding sources required a 20% local match that was funded from the 2012 bond issue. Following a consultant selection process outlined by the Iowa Department of Transportation (IDOT), the city selected Stanley Consultants to provide the environmental study and preliminary design services. This work began in 2009/2010, continued in 2010/2011, 2011/2012, 2012/2013, 2013/2014, and 2014/2015, and is expected to be completed in 2015/2016. This work is needed before the City can proceed with construction of the improvements to this corridor.

Source	FY 2015/2016 Funding Amount
Federal TCSP and STIP Grants	$ 67,300
Prior Year Bond Proceeds	16,900
	$ 84,200

Future Impact on Operating Budget: There is no impact from the environmental study and preliminary design for this project.

Transfer of Jurisdiction/Mississippi Drive and Grandview Avenue Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass in September of 2014. The State provided $13 million of funding that the City can use to reconstruct and improve this corridor. Engineering design began in 2014/2015 and is continuing in 2015/2016 for the portion of this corridor from the Mississippi River Bridge to Grandview Avenue. Construction for the project is scheduled to begin in the spring of 2017.

Funding Sources	FY 2015/2016 Funding Amount
Transfer of Jurisdiction Funds	$ 460,000
Interest on Transfer of Jurisdiction Funds	100,000
	$ 560,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Diana Queen Drive Extension: Infrastructure improvements in this area had slowed due to the change in ownership of the undeveloped property in this subdivision. The City partnered with the current owners to complete the gap between Diana Queen Drive and Steamboat Way. This street extension will make this area more attractive to residential development, connect sidewalks in this area, and allow for a temporary detour route to be constructed for area residents during the Mulberry Avenue Improvement project. This project has been completed and the contract has been closed out.

Funding Sources	FY 2015/2016 Funding Amount
Local Option Sales Tax Funds	$ 330,300
Reimbursement	1,700
	$ 332,000

Future Impact on Operating Budget: There will be a slight increase in snow removal costs for this street extension.

New Sidewalk Program: The 2014/2015 budget included funding to begin a new sidewalk installation program. Annual allocations of $50,000 to $100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. In 2014 the City was also awarded a $50,000 "Safe Routes to School Sidewalk Connections Project" grant from the Wellmark Foundation. A total of $132,500 in new sidewalk construction was completed in the fall of 2015. The first several years of this program will focus on gaps in sidewalks in school areas.

Funding Sources	FY 2015/2016 Funding Amount
Road Use Tax Funds	$ 78,100
Wellmark Foundation Grant	50,000
Available Balance	4,400
	$ 132,500

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

Downtown TIF Area Improvements: TIF bonds issued in 2010 funded alley resurfacing, street resurfacing, and several parking lot improvement projects in the downtown area. A portion of the remaining bond proceeds will be used as part of the funding to update the Riverfront Master Plan.

Source	FY 2015/2016 Funding Amount
Prior Year TIF Bond Proceeds	$ 20,000

Future Impact on Operating Budget: None

Kent Stein Park to Deep Lakes Park Trail: The local Trails Committee secured a federal grant for this trail project and an Iowa Recreational Trails grant will provide additional funding for this project. The grants, however, did not fund preliminary project costs including surveys and trail design services. The Trails Committee requested and received financial assistance from the City in the amount of $50,000 for these costs with this amount funded from the 2010 bond issue. The trail survey and design work began in 2011/2012 and has continued through 2015/2016. The final trail route has now been determined and design and easement acquisitions are underway. Trail construction is scheduled to begin in the spring of 2016.

Funding Source	FY 2015/2016 Funding Amount
Federal and State Grants	$ 251,800
Local Contribution	10,000
Other Funding to be Determined	293,100
	$ 554,900

Future Impact on Operating Budget: There will be an increase in costs for trail maintenance once the trail is constructed. The amount is estimated at $1,500 annually.

CDBG Downtown Revitalization Project: In July of 2013 the City was awarded a Community Development Block Grant (CDBG) in the amount of $500,000 to revitalize approximately 27 buildings in the downtown area. Work will include relocation of electrical lines, building renovation, and other site improvements. While there is no specified matching funds required by the grant, building owners will be funding a portion of actual building improvements costs. This project began in 2013/2014 and will continue in 2015/2016 and 2016/2017.

Source	FY 2015/2016 Funding Amount
Community Development Block Grant	$ 214,400

Future Impact on Operating Budget: There will be no impact on the City's future operating budgets from this project.

Downtown Upper Floor Housing Project: In 2014/2015 the City sold a parcel of property on Clay Street for $49,900 and these funds have been assigned to be used to facilitate the development of upper floor housing in the Downtown area. A portion of these funds are expected to be expended in 2015/2016 with the balance in 2016/2017. This project will be a public-private partnership to enhance housing in the City, specifically in the downtown area.

Source	FY 2015/2016 Funding Amount
Proceeds from Sale of Property	$ 2,500

Future Impact on Operating Budget: Since this project will involve improvements to privately-owned property, there will be no impact to the City's future operating budgets.

Southend Fire Station Project: The previous Fire Station #2 on Oregon Street was no longer physically adequate to house the City's fire trucks and ambulance vehicles. In 2009 the City was awarded a $200,000 grant under the State of Iowa's Rebuild Iowa Infrastructure program. These funds were used to evaluate the previous southend fire station (Station #2) location as well as evaluate other sites for a new facility. The remaining funds were used to design and begin construction of a new station. In 2010 the City was awarded an $850,250 State IJOBS II grant toward construction costs of this new facility. The local share of the project cost was $440,000 and this amount was funded from the June 2012 bond issue. This project is substantially complete and the new station is being used by the Fire department. Several contract issues remain before the contract can be closed out. The 2015/2016 funding amount represents legal costs related to the contract issues.

Funding Source	FY 2015/2016 Funding Amount
Available Balance	$ 11,300

Future Impact on Operating Budget: This project had no impact on future operating budgets as fire station staffing remained the same. While the new station is larger than the previous station, increased utility costs are not expected due to more efficient heating and cooling systems in the new facility.

Police Radio System: The City's previous communications system for the police department was an 800 MHz radio system that was installed in 1996. The system was used by both the police and fire departments until 2009. The fire department submitted a grant application and was awarded a federal grant for a VHF radio system in order to increase interoperability with other county fire agencies. The police department found that a VHF system would have other features which would benefit that department including economical expandability and interoperability with the fire department and County Sheriff's department. Communication with the Muscatine School District would also be enhanced. Funding for the radio system was included in the 2010 bond issue. There were performance issues with

the new system, however, and the City had been holding a portion of the vendor payments. The City incurred significant legal costs due to the dispute with the vendor and the City contracted with a different radio system company that was able to make the system operate to the City's satisfaction. A final settlement agreement was reached with the original vendor in January of 2016.

Funding Source	FY 2015/2016 Funding Amount
Insurance Trust Funds	$ 42,300
Prior Year Bond Proceeds	11,900
Transfer from Police Department	88,500
Transfer from Closed Out Capital Project Funds	5,300
	$ 148,000

Future Impact on Operating Budget: Individual and replacement radios under the new system will cost $980 compared to $2,500 for the previous radios.

Financial Software System Replacement: The City's previous financial software ran on an IBM AS/400 computer and was used for all financial operations including general ledger, payroll, accounts payable, accounts receivable, and purchasing. The 2012/2013 budget included funds to replace and enhance this system with a new software system. Enhancements specifically targeted for the new system included making financial information more accessible to departments for budget monitoring purposes, electronic processing and distribution of purchase orders, electronic input and approval of employee work and leave hours by departments, and various other process enhancements. A staff committee researched several systems and recommended Springbrook Software for the new system. City Council approved the agreement with Springbrook in December 2012 and the software conversion began in the summer of 2013 and was substantially completed in 2013/2014. The remaining workflow items are expected to be fully implemented by the end of the 2015/2016 fiscal year. The total cost of purchasing and implementing the new software is $160,000. Initial payments totaling $99,100 were made in 2012/2013, $54,400 in 2013/2014, $800 in 2014/2015, with the balance of $5,700 budgeted to be expended in 2015/2016.

Funding Source	FY 2015/2016 Funding Amount
Prior Year General Fund Transfer	$ 5,700

Future Impact on Operating Budget: Annual software costs for the new system are approximately $800 higher per year than those for the previous system. The new system, however, includes several applications not included in the previous system.

Art Center HVAC and Other Public Building and Facility Improvements: A number of significant building and facility maintenance and improvement projects were included in department budget requests for 2015/2016. Due to the significant cost of these items, funding for these purchases was included in the 2016 bond issue. The items include the HVAC replacement at the Art Center; Art Center window and other building envelope improvements; roof replacements at City Hall and a portion of the Public Safety Building; tuck-pointing the Music Room at the Art Center; replacement of the playground surface at Musser Park; replacing Rip Rap on a portion of the riverfront; and replacing Rip Rap along the Slough bank in Kent Stein Park. The Art Center HVAC and Art Center windows/building envelope project costs

are estimated at $1,575,000 and the Art Center was requested to provide $200,000 in funding for these projects from Art Center Trust funds or from other contributions. The Art Center was awarded a $200,000 grant from the Roy J. Carver Charitable Trust for the Art Center's share of the project costs. A number of additional deferred building maintenance items were identified during the 2016/2017 budget process and the bond funding was increased by $200,000 from the original estimate which will allow for additional building improvements to be completed. These building improvement projects will begin in 2015/2016 and be completed in 2016/2017.

Funding Source	FY 2015/2016 Funding Amount
Bond Proceeds	$ 1,887,800
Carver Charitable Trust Grant for Art Center Projects	200,000
	$ 2,087,800

Future Impact on Operating Budget: There will be savings in annual maintenance costs when the HVAC system and other building and facility improvements are completed. The amount cannot be determined.

Boat Harbor Long Dock Replacement: In November of 2015 the City was awarded a Resource Enhancement and Protection (REAP) grant from the Iowa Department of Natural Resources (IDNR) to replace the current long dock at the City's boat harbor.

Funding Source	FY 2015/2016 Funding Amount
IDNR REAP Grant	$ 125,000

Future Impact on Operating Budget: There will be a savings in annual maintenance costs with the new dock . The amount cannot be determined.

Downtown Holiday Decorations: A private donor contributed $10,000 in funding to add holiday banners and lighted holiday decorations on Second Street. The donation funded 100% of the project cost.

Funding Source	FY 2015/2016 Funding Amount
Private Donation	$ 10,000

Future Impact on Operating Budget: There will be no impact on the City's operating budget since Muscatine Power & Water will be providing electrical service to the lights, install them each year, and provide any needed maintenance.

Storm and Sanitary Sewer Improvements: In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. In 2008 voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. Construction on the second and final phase of the Hershey

Avenue sewer improvement project was completed in 2011/2012. This was a major project mandated by the Consent Order. The remaining project in the Consent Order is the separation of the combined sewers in the West Hill area. Many of the City's sewer improvement projects have been funded through the one (1) percent local option sales tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. The West Hill Sewer Separation Project is the only sewer project budgeted in 2015/2016.

West Hill Sewer – The City has an agreement with an engineering firm for conceptual and final design services for this major sewer separation project. This project is required to be completed by 2028 under the City's Consent Order with the Environmental Protection Agency. This project will be constructed in multiple phases over the next twelve years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponds with local option sales tax funding available for this project. The 2015/2016 funding amount reflects the final work on Phase 3-A and an estimated 30% of the 2016 portion of the contract work for Phase 3-B.

Funding Source	FY 2015/2016 Funding Amount
Local Option Sales Tax Funds	$ 2,045,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Water Pollution Control Plant High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued in 2014/2015 and 2015/2016 for this project which involves the construction of two large dumping areas to accept hauled waste. One dumping area will be for septic, recreational vehicle, and City jet/vac material disposal. The other site will allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants. This waste helps produce methane gas in the Plant's anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. Design is scheduled to be completed in 2015/2016 with construction scheduled for 2016/2017.

Funding Source	FY 2015/2016 Funding Amount
Water Pollution Control Plant Reserve	$ 250,000

Future Impact on Operating Budget: Energy costs are expected to be reduced by $80,000 annually when this project is completed. No additional personnel will be needed for the new receiving station.

Dredge Line Extension Project: This project involves installation of a permanent dredge line from the Riverfront to the Dredge Spoils Site across Mad Creek. Prior to installing the permanent dredge line, City staff had been using dredge line hose when dredging was in process. This project has been completed and the contract has been closed out.

Funding Source	FY 2015/2016 Funding Amount
Water Pollution Control Fund	$ 95,000

Future Impact on Operating Budget: None

Dredge Spoils Site Relocation Study: The City is evaluating moving the dredge spoil site for the harbor from the former Hawkeye Lumber site on the riverfront to the Public Works property on Washington Street. The 2015/2016 funding amount is for an engineering study for this project. This study will provide a cost estimate for the project with construction to be done in future years.

Funding Source	FY 2015/2016 Funding Amount
Water Pollution Control Fund	$ 10,000

Future Impact on Operating Budget: The engineering study will have no impact on future operating budgets.

Storm Water – Mad Creek Inflow and Infiltration Study: This purpose of this study is to evaluate areas where and ways to control storm water entering the sanitary sewer in the Mad Creek area. The estimated cost of this study is $30,000 with $10,000 in 2015/2016 and $20,000 in 2016/2017.

Funding Source	FY 2015/2016 Funding Amount
Collection and Drainage Storm Water Funds	$ 10,000

Future Impact on Operating Budget: There will be no impact from this study.

Transfer Station Transfer Trailer Replacement: An internal loan will be used to finance replacement of one of the transfer trailers used to haul waste from the Transfer Station to the Landfill. Sufficient funding is not available in the Transfer Station fund and this purchase will be added to the previous internal loan for the crane and cab replacement. Annual payments of $35,600 will be made on this internal loan.

Funding Sources	FY 2015/2016 Funding Amount
Internal Loan for Transfer Trailer	$ 68,800

Future Impact on Operating Budget: Annual maintenance costs are expected to be reduced by $2,500 with the new equipment.

Airport Runway Rehabilitation Project: There have been several concrete blowups on the runways at the airport in recent years. This project involves planning, project design work, and construction to rehabilitate this runway to prevent future similar occurrences. The petrographic analysis for this project was completed in 2013/2014 and the engineering design was completed in 2014/2015. The contract for the project was approved in October of 2015 and construction is scheduled to begin in the spring of 2016

and be completed by the fall of 2016. An FAA grant will fund 90% of project costs with a 10% local match required.

Funding Sources	FY 2015/2016 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 2,820,400
Bond Proceeds	465,000
	$ 3,285,400

Future Impact on Operating Budget: This project will reduce repair costs from any future runway blowups. The amount of savings, however, cannot be determined.

Airport T-Hangar Connector Road: Engineering design began in 2014/2015 and construction is scheduled to be completed in 2015/2016 for this project. A State grant will provide 85% funding for this project with a 15% local match required.

Funding Sources	FY 2015/2016 Funding Amount
State Grant	$ 125,900
Bond Proceeds	25,000
	$ 150,900

Future Impact on Operating Budget: Snow removal for this road will be done by the Airport Manager. No future impact is expected to the City's operating budget.

Airport Electrical Upgrade: Engineering design and construction is scheduled to be completed in 2015/2016 for this project, prior to the start of construction of the Runway Rehabilitation project. A State grant will provide 85% funding for this project with a 15% local match required.

Funding Sources	FY 2015/2016 Funding Amount
State Grant	$ 44,100
Bond Proceeds	8,000
	$ 52,100

Future Impact on Operating Budget: This project will reduce future maintenance costs. The amount of savings cannot be determined.

Airport Layout Plan (ALP): Engineering costs to update the Airport Layout Plan will begin in the spring of 2016 and continue in 2016/2017. The FAA requires the ALP update and will fund 90% of the cost of the plan update.

Funding Sources	FY 2015/2016 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 2,000

Future Impact on Operating Budget: None

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2016/2017 PROJECTS SCHEDULED FOR CONSTRUCTION

On-Going Pavement Management Program: In 2009/2010 the city completed the initial 3-year plan to upgrade the condition of city streets. The initial costs were funded with general obligation bond proceeds. Annual allocations to maintain streets at this higher level began in 2010. This ongoing program has been funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. In 2016/2017 the Local Option Sales Tax funding for pavement management projects will be supplemented with an allocation of Road Use Tax funds. The additional Road Use Tax funding is available as a result of the State legislature increasing the gasoline tax by $.10 per gallon effective March 1, 2015. The Local Option and Road Use Tax funds will be used for curb and gutter replacement, full depth patching, joint sealing, and street resurfacing.

Funding Source	FY 2016/2017 Funding Amount
Local Option Sales Tax Funds	$ 500,000
Road Use Tax Funds	700,000
	$ 1,200,000

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Railroad Crossing Improvements: This project will fund the local share of the cost to upgrade railroad crossings in the City. The City is responsible for 20% of the cost of the upgrades, with the State share at 60%, and the railroad's share 20%. The City's share of the costs is being funded from the 20% allocation of local option sales tax dedicated for the pavement management program. The 2016/2017 funding amount is for installation of a pedestrian crossing at Oregon Street.

Funding Sources	FY 2016/2017 Funding Amount
Local Option Sales Tax Funds	$ 35,000

Future Impact on Operating Budget: None

Transfer of Jurisdiction/Mississippi Drive and Grandview Avenue Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass in September of 2014. The State provided $13 million of funding that the City can use to reconstruct and improve this corridor. Engineering design began in 2014/2015 and continues in 2015/2016 for the portion of this corridor from the Mississippi River Bridge to Grandview Avenue. Design is scheduled to be completed in the fall of 2016 with construction to begin in the spring of 2017.

Funding Sources	FY 2016/2017 Funding Amount
Transfer of Jurisdiction Funds	$ 3,710,000
Contribution from the Railroad	1,500,000
Interest on Transfer of Jurisdiction Funds	60,000
	$ 5,270,000

Future Impact on Operating Budget: When improvements on this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Mulberry Avenue Improvements – Houser Street to Highway 61 Bypass: This project is in the final design stage and bids for the project are scheduled to be received in April 2016. It is estimated that 25% of the construction will be done in 2015/2016 with the remaining 75% in 2016/2017.

Funding Sources	FY 2016/2017 Funding Amount
Federal STP Grant	$ 900,000
Sewer Extension Reserve (for Drainage Portion of Project)	200,000
Road Use Tax Funds	150,000
2016 Bond Proceeds	363,200
	$ 1,613,200

Future Impact on Operating Budget: When improvements of this street are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget included funding to begin a new sidewalk installation program. Annual allocations of $100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. The first years of this program will focus on gaps in sidewalks in school areas.

Funding Sources	FY 2016/2017 Funding Amount
Road Use Tax Funds	$ 100,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

Riverfront Master Plan Update: In conjunction with the Mississippi Drive Corridor project, an engineering services agreement was entered into to update the Riverfront Master Plan. This project will begin in the latter part of 2015/2016 and be completed in 2016/2017 with approximately 50% of the $40,000 cost expected to be incurred in each fiscal year. The 2015/2016 portion of the project will be funded from remaining funds in the Downtown TIF Improvement Fund. The 2016/2017 portion of the project will be funded from transfers from other funds.

Source	FY 2016/2017 Funding Amount
Transfers from Other Funds	$ 20,000

Future Impact on Operating Budget: None

CDBG Downtown Revitalization Project: In July of 2013 the City was awarded a Community Development Block Grant (CDBG) in the amount of $500,000 to revitalize approximately 27 buildings in the downtown area. Work will include relocation of electrical lines, building renovation, and other site improvements. While there is no specified matching funds required by the grant, building owners will be funding a portion of actual building improvements costs. This project began in 2013/2014 and is scheduled for completion in 2016/2017.

Source	FY 2016/2017 Funding Amount
Community Development Block Grant	$ 214,400

Future Impact on Operating Budget: There will be no impact on the City's future operating budgets from this project.

Downtown TIF Area Improvements: TIF bonds issued in 2010 funded alley resurfacing, street resurfacing, and several parking lot improvement projects in the downtown area. The CDBG Downtown Revitalization Project discussed above includes relocation of utility lines in the alley behind the affected properties. The remaining bond proceeds in this fund will be used to resurface the alley after the utility relocations have been completed.

Source	FY 2016/2017 Funding Amount
Prior Year TIF Bond Proceeds	$ 30,000

Future Impact on Operating Budget: None

Downtown Upper Floor Housing Project: In 2014/2015 the City sold a parcel of property on Clay Street for $49,900 and these funds have been assigned to be used to facilitate the development of upper floor housing in the Downtown area. A portion of these funds are expected to be expended in 2015/2016 with the balance in 2016/2017. This project will be a public-private partnership to enhance housing in the City, specifically in the downtown area.

Source	FY 2016/2017 Funding Amount
Proceeds from Sale of Property	$ 47,200

Future Impact on Operating Budget: Since this project will involve improvements to privately-owned property, there will be no impact on the City's future operating budgets from this project.

Kent Stein Park to Deep Lakes Park Trail: The local Trails Committee secured a federal grant for this trail project and an Iowa Recreational Trails grant will provide additional funding for this project. The grants, however, did not fund preliminary project costs including surveys and trail design services. The

Trails Committee requested and received financial assistance from the City in the amount of $50,000 for these costs with this amount funded from the 2010 bond issue. The trail survey and design work began in 2011/2012 and continued in 2015/2016. The final trail route has now been determined and design and easement acquisitions have been completed. Trail construction is scheduled to begin in the spring of 2016 and be completed by the end of 2016/2017.

Funding Source	FY 2016/2017 Funding Amount
Federal and State Grants	$ 587,700
Collection and Drainage Funds`	200,000
Other Sources not yet Determined	106,300
	$ 894,000

Future Impact on Operating Budget: There will be an increase in costs for trail maintenance once the trail is constructed. The amount is estimated at $1,500 annually.

Art Center HVAC and Other Public Building and Facility Improvements: A number of significant building and facility maintenance and improvement projects were included in department budget requests for 2015/2016. Due to the significant cost of these items, funding for these purchases was included in the 2016 bond issue. The items include the HVAC replacement at the Art Center; Art Center window and other building envelope improvements; roof replacements at City Hall and a portion of the Public Safety Building; tuck-pointing the Music Room at the Art Center; replacement of the playground surface at Musser Park; replacing Rip Rap on a portion of the riverfront; and replacing Rip Rap along the Slough bank in Kent Stein Park. The Art Center HVAC and Art Center windows/building envelope project costs are estimated at $1,575,000 and the Art Center was requested to provide $200,000 in funding for these projects from Art Center Trust funds or from other contributions. The Art Center was awarded a $200,000 grant from the Roy J. Carver Charitable Trust for the Art Center's share of the project costs. A number of additional deferred building maintenance items were identified during the 2016/2017 budget process and the bond funding was increased by $200,000 from the original estimate which will allow for additional building improvements to be completed. These building improvement projects will begin in 2015/2016 and be completed in 2016/2017.

Funding Source	FY 2016/2017 Funding Amount
Prior Year Bond Proceeds and Grant Funds	$ 1,322,900

Future Impact on Operating Budget: There will be savings in annual maintenance costs when the Art Center's HVAC system is replaced. The amount cannot be determined.

Port Development Study: In March of 2016 the City was awarded a LIFTS (Linking Iowa's Freight Transportation System) grant from the Iowa Department of Transportation for a study to evaluate constructing an inter-modal port on the Mississippi River in Muscatine. The grant will fund 80% of the cost of the study with the remaining 20% funded by a local industry.

Source	FY 2016/2017 Funding Amount
IDOT LIFTS Grant	$ 80,000
Industry Contribution	20,000
	$ 100,000

Future Impact on Operating Budget: No impact from the study. The study will provide information to evaluate costs and funding for the possible future year construction of a port.

Housing Demand Study: One of the City Council goals for 2016/2017 is to conduct a housing demand study. This study will address housing needs in the community including those for employees of local businesses and industries that work in but do not reside in the City. It will also address the types of housing in demand in the community.

Source	FY 2016/2017 Funding Amount
Future Tax Increment Funding	$ 25,000

Future Impact on Operating Budget: There will be no impact on the operating budget from the study.

Community Marketing Plan: A contingent of local community leaders has proposed that a marketing plan be developed for the community. Funding for the plan would be from contributions from the City, the Convention and Visitors Bureau (CVB), and other entities in the community. The budget includes an estimated $16,000 in contributions for the marketing plan from both the City and the CVB.

Source	FY 2016/2017 Funding Amount
Future Tax Increment Funding	$ 32,000

Future Impact on Operating Budget: There will be no impact on the operating budget from development of the marketing plan.

Storm and Sanitary Sewer Improvements: In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. In 2008 voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. Construction on the second and final phase of the Hershey Avenue sewer improvement project was completed in 2011/2012. This was a major project mandated by the Consent Order. The remaining project in the Consent Order is the separation of the combined sewers in the West Hill area. Many of the City's sewer improvement projects have been funded through the one (1) percent local option sales tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. The West Hill Sewer Separation Project is the only sewer project budgeted in 2016/2017.

West Hill Sewer – The City has an agreement with an engineering firm for conceptual and final design services for this major sewer separation project. This project is required to be completed by 2028 under the City's Consent Order with the Environmental Protection Agency. This project will be constructed in

multiple phases over the next twelve years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponds with local option sales tax funding available for this project. The 2016/2017 funding amount reflects the final work on Phase 3-B and an estimated 30% of the 2017 portion of the contract work for Phase 3-B.

Funding Source	FY 2016/2017 Funding Amount
Local Option Sales Tax Funds	$ 2,050,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Water Pollution Control Plant High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued in 2014/2015 and 2015/2016 for this project which involves the construction of two large dumping areas to accept hauled waste. One dumping area will be for septic, recreational vehicle, and City jet/vac material disposal. The other site will allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants. This waste helps produce methane gas in the Plant's anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. Design is scheduled to be completed in 2015/2016 with construction scheduled for 2016/2017.

Funding Source	FY 2016/2017 Funding Amount
Water Pollution Control Plant Reserve	$ 2,000,000

Future Impact on Operating Budget: Energy costs are expected to be reduced by $80,000 annually when this project is completed. No additional personnel will be needed for the new receiving station.

Water Pollution Control Biogas to Fuel Project Design: This is the design portion of the project that will convert the biogas created as part of the High Strength Waste Receiving Station to fuel that can be used for vehicles or other purposes.

Funding Source	FY 2016/2017 Funding Amount
Water Pollution Control Fund	$ 30,000

Future Impact on Operating Budget: The project design will have no impact on future operating budgets. As the design work proceeds, more information will become available on impacts on future operating budgets.

Water Pollution Control Nutrient Reduction Report to Iowa Department of Natural Resources (IDNR): The WPCP permit requires a report to be submitted to the IDNR on nutrient testing currently being done along with an engineering solution and plan.

Funding Source	FY 2016/2017 Funding Amount
Water Pollution Control Fund	$ 75,000

Future Impact on Operating Budget: The report will have no impact on future operating budgets.

Storm Water – Mad Creek Inflow and Infiltration Study: This purpose of this study is to evaluate areas where and ways to control storm water entering the sanitary sewer in the Mad Creek area. The estimated cost of this study is $30,000 with $10,000 in 2015/2016 and $20,000 in 2016/2017.

Funding Source	FY 2016/2017 Funding Amount
Collection and Drainage Storm Water Funds	$ 20,000

Future Impact on Operating Budget: There will be no impact from this study.

Airport Runway Rehabilitation Project: There have been several concrete blowups on the runways at the airport in recent years. This project involves planning, project design work, and construction to rehabilitate this runway to prevent future similar occurrences. The petrographic analysis for this project was completed in 2013/2014 and the engineering design was completed in 2014/2015. The contract for the project was approved in October of 2015 and construction is scheduled to begin in the spring of 2016 and be completed by the fall of 2016. The amount shown below is the estimated portion of the project (final 25%) to be completed in the 2016/2017 year. An FAA grant will fund 90% of project costs with a 10% local match required.

Funding Sources	FY 2016/2017 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 931,900
Prior Year Bond Proceeds	109,100
	$ 1,041,000

Future Impact on Operating Budget: This project will reduce repair costs from any future runway blowups. The amount of savings, however, cannot be determined.

Airport Zoning Ordinance Update: A State grant will provide 85% funding for the update of the Airport Zoning Ordinance. This work is scheduled for completion in 2016/2017.

Funding Sources	FY 2016/2017 Funding Amount
State Grant	$ 20,200
Prior Year Bond Proceeds	3,700
	$ 23,900

Future Impact on Operating Budget: None

Airport Layout Plan (ALP): Engineering work to update the Airport Layout Plan will begin in the spring of 2016 and continue in 2016/2017. The FAA requires the ALP update and will fund 90% of the cost of the plan update.

Funding Sources	FY 2016/2017 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 146,700
Future Bond Proceeds	16,300
	$ 163,000

Future Impact on Operating Budget: None

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2015/2016

Project	Revised Estimate 2015/2016	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	$ 590,900	Local option sales tax
Corridor Project-Environmental Impact; Prel. Design	84,200	Federal grant (80%) and prior year bond proceeds
Transfer of Jurisdiction-Mississippi Drive/Grandview	560,000	$13 million from State for transfer of jurisdiction; engineering design in FY 16
Cedar Street Improvements - Parham to Houser	727,600	Final project costs and funding; grants, prior year bond proceeds, Road Use Tax and other transfers
Colorado Street Improvements	34,800	Final project costs; final grant funding and sale of property
Mulberry Avenue Improvements	663,400	Estimated FY 16 portion of project costs; federal grant and bond funding
Diana Queen Drive Extension	332,000	Local option funding and misc. reimbursement
New Sidewalk Program	132,500	Road use taxes and prior year Wellmark grant
Prior Year Sidewalk Fund	3,000	Available balance for replacement of flower baskets
Downtown TIF Area Resurfacing Projects (Prior Yr.)	20,000	Available balance for FY 16 portion (50%) of Riverfront Master Plan
Parks Projects:		
Boat Harbor - Long Boat Dock Replacement	125,000	State REAP grant
Other Projects:		
Mark Twain Overlook Restoration	600	Prior year project; available balance
Riverfront Improvement Project	300	Available balance
Building Demolitions	100	Bond issuance costs; bonds to be issued for unreimbursed prior year costs
Southend Fire Station Project	11,300	Estimated legal costs in FY 16
Downtown CDBG Revitalization Project	214,400	Estimated FY 16 portion of project costs; CDBG grant funding
Downtown Upper Floor Housing Project	2,500	Available funding to set up entity to administer project
Downtown Reinvestment Project (Hotel)	1,500	Legal costs; to be reimbursed
Union Tank TIF Project	4,000	Legal costs; to be reimbursed
Heinz TIF Project	5,000	Legal costs; to be reimbursed
Downtown Holiday Decorations	10,000	Donation funded 100% of cost of 2nd Street Holiday decorations
Kent Stein Park to Deep Lakes Park Trail	554,900	Estimated construction costs in FY 16; federal and state grant funds and donation
Financial Software (Prior Year Project)	5,700	Available balance for final project costs
Police Radio System Project	148,000	Final settlement and legal costs; transfers from Police operations $88,500, Insurance Trust $42,300, Other Capital Projects $5,300, and available balance
Public Building Roof and Tuck-pointing Projects	130,800	Prior year and FY 16 bond proceeds for building improvement projects
Parks Playground, Riverfront Rip Rap, Slough Rip Rap	197,000	FY 16 bond proceeds for park and riverfront improvements
Art Center HVAC Project	405,000	Estimated project costs in FY 16; FY 16 bond funding and Carver Trust grant
Art Center Windows/Building Envelope Project	67,500	Estimated project costs in FY 16; FY 16 bond funding
Estimated Bond Issuance Costs/Allowance for Discount	80,000	Per financial consultant estimate; FY 16 bond funding
Subtotal - General Government	$ 5,112,000	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 2,045,000	Estimated project costs in FY 16
WPCP Lab Expansion Project	900	Misc. final project costs; Plant Replacement Reserve
High Strength Waste Receiving Station	250,000	Estimated engineering design in FY 16; Plant Replacement Reserve
Dredge Spoils Site Relocation (Engineering Study)	10,000	Estimated cost of engineering study; funding transfer from Water Pollution Control Operations
Dredge Line Extension Project	95,000	Final project costs in FY 16; Water Pollution Control Operations
Storm Water - Mad Creek I & I Study	10,000	Estimated portion of study in FY 16; Storm Water operations funding
Subtotal - Water Pollution Control	$ 2,410,900	
Transfer Station		
Crane and Cab (Prior Year);Transfer Trailer FY 16	$ 68,800	Transfer trailer purchase added to internal loan in FY 16; Transfer Station annual payments on internal loan
Airport:		
Airport Airfield Repair Project (Design Portion)	$ 8,000	Final design costs in FY 16; FY 16 bond funding for 10% local match
Airport Airfield Repair Project (Construction Portion)	3,129,800	Estimated FY 16 construction costs; 90% FAA funding; FY 16 bond funding for 10% local match
Airport Hangar Access Security and T-Hangar Drainage	100	Additional bond proceeds for prior year project deficit
Airport T-Hangar Connector Road	148,700	Final project costs; 85% State funding, FY 16 bond proceeds for local match
Airport Electrical Upgrade	52,100	Final project costs; 85% State funding, FY 16 bond proceeds for local match
Airport Layout Plan	2,000	Prel. engineering costs; 90% FAA; 10% local match from future bond issue
Subtotal - Airport Projects	$ 3,340,700	
Total	$ 10,932,400	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2016/2017

Project	Budget 2016/2017	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management - Local Option	$ 500,000	Local option sales tax
Ongoing Pavement Management - Road Use Tax	700,000	Road use tax
Railroad Crossing Improvements	35,000	Pedestrian crossing at Oregon Street; local option sales tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	5,270,000	Estimated engineering design and construction in FY 17; Transfer of Jurisdiction funds, railroad reimbursement, and interest
Mulberry Avenue Improvements	1,613,200	Estimated FY 17 portion of project costs; federal grant, road use tax, Sewer Extension Reserve, and bond funding
New Sidewalk Program	100,000	Road use tax
Downtown TIF Area Resurfacing Projects (Prior Yr.)	30,000	Available balance for Downtown alley resurfacing related to CDBG Downtown Revitalization project
Parks Projects:		
Canon Avenue Trailhead Project	10,000	Leadership Muscatine project; prior year and current year donations will fund (subject to outside funding)
Other Projects:		
Riverfront Master Plan	20,000	Remaining 50% of project cost; transfers from other funds
Downtown CDBG Revitalization Project	214,400	Estimated FY 17 portion of project costs; CDBG grant funding
Downtown Upper Floor Housing Project	47,200	Balance of available funding expected to be expended in FY 17
Port Development Project Study	100,000	Estimated study cost; 80% grant and 20% donations
Kent Stein Park to Deep Lakes Park Trail	894,000	Estimated construction costs in FY 17; federal and state grant funds, Collection and Drainage transfer; funding for shortfall to be determined
Southend Fire Station Project	5,000	Estimated legal costs in FY 17
Building and Facilities Deferred Maintenance Projects	220,400	FY 16 bond proceeds for building/facility improvement projects
Art Center HVAC Project	945,000	Estimated FY 17 portion of project costs; FY 16 bond funding
Art Center Windows/Building Envelope Project	157,500	Estimated FY 17 portion of project costs; FY 16 bond funding
Housing Demand Study	25,000	Future TIF Funding
Community Marketing Study	32,000	Future TIF Funding for City and Convention & Visitors portion of project costs
Subtotal - General Government	$ 10,918,700	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 2,050,000	Estimated portion of project costs in FY 17; local option sales tax
High Strength Waste Receiving Station	2,000,000	Estimated project construction costs; Plant Replacement Reserve
WPCP Biogas to Fuel Project - Design	30,000	Estimated design cost; funding transfer from Water Pollution Control Operations
WPCP Nutrient Reduction Report to IDNR	75,000	Estimated cost; funding transfer from Water Pollution Control Operations
Storm Water - Mad Creek I & I Study	20,000	Estimated portion of study in FY 17; Storm Water operations funding
Subtotal - Water Pollution Control	$ 4,175,000	
Airport:		
Airport Airfield Repair Project (Construction Portion)	$ 1,041,000	Estimated FY 17 portion of construction costs; 90% FAA funding and FY 16 bond funding for 10% local match
Airport Zoning Ordinance Update	23,900	Project costs; 85% State funding; FY 16 bond proceeds
Airport Layout Plan	163,000	Estimated project cost; 90% FAA; 10% local match from future bond issue
Subtotal - Airport Projects	$ 1,227,900	
Total	$ 16,321,600	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2016/2017 Budget

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
General Fund						
Information Technology						
Computer Equipment Replacement Fund	$ 40,000	$ 40,000	$ -	$ -	$ -	$ -
Subtotal	$ 40,000	$ 40,000	$ -	$ -	$ -	$ -
Buildings and Grounds						
City Hall-Carpet in Human Resources Office	$ 700	$ 700	$ -	$ -	$ -	$ -
Truck with Liftgate	38,000	-	38,000	-	-	-
City Hall-2 Window Air Conditioners	1,000	1,000	-	-	-	-
Public Safety Old Dispatch Area-Carpet and Paint	2,000	2,000	-	-	-	-
Subtotal	$ 41,700	$ 3,700	$ 38,000	$ -	$ -	$ -
Police Operations						
Squad Cars (4)	$ 151,000	$ -	$ 151,000	$ -	$ -	$ -
Police Vehicle (SUV)	51,700	-	51,700	-	-	-
Target System	14,500	14,500	-	-	-	-
Light Bars (2)	6,800	6,800	-	-	-	-
Radar Units (2)	5,600	5,600	-	-	-	-
Mobile Data Computers for Detectives	10,000	10,000	-	-	-	-
JAG Grant Funded Equipment	8,000	-	-	-	8,000	
Subtotal	$ 247,600	$ 36,900	$ 202,700	$ -	$ 8,000	$ -
Fire Operations						
Fire Hoses (Various Sizes)	$ 9,000	$ 9,000	$ -	$ -	$ -	$ -
Extrication Unit and Tools (2 Sets)	60,000	30,000	-	-	30,000	
Subtotal	$ 69,000	$ 39,000	$ -	$ -	$ 30,000	$ -
Community Development						
Large Format Scanner	$ 2,500	$ 2,500	$ -	$ -	$ -	$ -
Desktop Scanners	500	500	-	-	-	-
Subtotal	$ 3,000	$ 3,000	$ -	$ -	$ -	$ -
Cemetery Operations						
Zero Turn Mower	$ 10,000	$ -	$ 10,000	$ -	$ -	$ -
Subtotal	$ 10,000	$ -	$ 10,000	$ -	$ -	$ -
Park Maintenance						
One-Ton Dump Truck	$ 60,000	$ -	$ 60,000	$ -	$ -	$ -
Subtotal	$ 60,000	$ -	$ 60,000	$ -	$ -	$ -
Soccer Complex						
Welder	$ 5,500	$ 5,500	$ -	$ -	$ -	$ -
Subtotal	$ 5,500	$ 5,500	$ -	$ -	$ -	$ -
Swimming Pools						
Elevated Lifeguard Chair	$ 4,000	$ 4,000	$ -	$ -	$ -	$ -
Subtotal	$ 4,000	$ 4,000	$ -	$ -	$ -	$ -
Library						
Library Materials (Books, CD's, Digital Media, Etc.)	$ 129,300	$ 129,300	$ -	$ -	$ -	$ -
Subtotal	$ 129,300	$ 129,300	$ -	$ -	$ -	$ -
Roadway Maintenance						
Morgan Building Overhead Doors	$ 16,500	$ -	$ -	$ 16,500	$ -	$ -
Concrete Grinding	50,000	-	-	50,000	-	-
Subtotal	$ 66,500	$ -	$ -	$ 66,500	$ -	$ -
Snow & Ice Control						
10-Foot Stainless Steel Salt Box	$ 21,000	$ -	$ -	$ 21,000	$ -	$ -
Subtotal	$ 21,000	$ -	$ -	$ 21,000	$ -	$ -

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
Street Cleaning						
Mechanical Sweeper	$ 226,000	$ -	$ -	$ 226,000	$ -	$ -
Subtotal	$ 226,000	$ -	$ -	$ 226,000	$ -	$ -
Traffic Control						
Street Name Signs-Year 2 of 5	$ 9,200	$ -	$ -	$ 9,200	$ -	$ -
Air-Operated Post Pounder	3,600			3,600		
Blinking LED Stop Signs (3)	10,000			10,000		
Lighted Type II Barricades	7,000			7,000		
Subtotal	$ 29,800	$ -	$ -	$ 29,800	$ -	$ -
Subtotal - General Fund	$ 953,400	$ 261,400	$ 310,700	$ 343,300	$ 38,000	$ -
Enterprise Funds						
Airport						
Pavement Resurfacing around North Fuel Pump	$ 5,000	$ -	$ -	$ -	$ -	$ 5,000
Subtotal	$ 5,000	$ -	$ -	$ -	$ -	$ 5,000
Transit						
Flex Fuel Light Duty Buses (2) (Subject to grant funding)	$ 233,000	$ -	$ -	$ -	$ -	$ 233,000
Bus Shelters (10)	48,500	-	-	-	-	48,500
Subtotal	$ 281,500	$ -	$ -	$ -	$ -	$ 281,500
Parking						
Electronic Meters (10)	$ 1,900	$ -	$ -	$ -	$ -	$ 1,900
Subtotal	$ 1,900	$ -	$ -	$ -	$ -	$ 1,900
Golf						
Greensmower	$ 40,000	$ -	$ -	$ -	$ -	$ 40,000
Subtotal	$ 40,000	$ -	$ -	$ -	$ -	$ 40,000
Ambulance						
Toughbook Computers (2)	$ 6,100	$ -	$ -	$ -	$ -	$ 6,100
Power Cots (2)	31,000	-	-	-	-	31,000
Portable Suction Units (5)	4,600					4,600
Subtotal	$ 41,700	$ -	$ -	$ -	$ -	$ 41,700
Refuse Collection						
Bins for Automated Refuse Collection (2,500)	$ 120,000	$ -	$ -	$ -	$ -	$ 120,000
Subtotal	$ 120,000	$ -	$ -	$ -	$ -	$ 120,000
Landfill						
Maintenance Building	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
Ground Water Remediation	30,000					$ 30,000
Master Plan for Phase V Landfill Cell	175,000					$ 175,000
Subtotal	$ 355,000	$ -	$ -	$ -	$ -	$ 355,000
Transfer Station						
Portable Scales (3)	$ 15,000	$ -	$ -	$ -	$ -	$ 15,000
Subtotal	$ 15,000	$ -	$ -	$ -	$ -	$ 15,000
Water Pollution Control Plant						
Pressure Washer	$ 5,000	$ -	$ -	$ -	$ -	$ 5,000
Fiberglass Doors	6,000	-	-	-	-	6,000
Submersible Pump-Tanglefoot Pump Station	5,000	-	-	-	-	5,000
Submersible Pump-Magnolia Pump Station	2,500	-	-	-	-	2,500
Flask Washer	7,700	-	-	-	-	7,700
Block Digester	2,800	-	-	-	-	2,800
Refrigerated Effluent Sampler	7,600	-	-	-	-	7,600
pH Meter	1,700	-	-	-	-	1,700
Tray Sealer for IDEXX	4,000	-	-	-	-	4,000
6" Dragline Hose	7,000	-	-	-	-	7,000
Portable Total Suspended Solids Analyzer	3,000	-	-	-	-	3,000
Subtotal	$ 52,300	$ -	$ -	$ -	$ -	$ 52,300

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
Collection and Drainage						
10' Box for One Ton Truck	$ 7,500	$ -	$ -	$ -	$ -	$ 7,500
Lift Gate for One Ton Truck	7,000	-	-	-	-	7,000
Portable Generator	1,500	-	-	-	-	1,500
Sewer Maintenance Projects	50,000	-	-	-	-	50,000
Subtotal	$ 66,000	$ -	$ -	$ -	$ -	$ 66,000
Subtotal - Enterprise Funds	$ 978,400	$ -	$ -	$ -	$ -	$ 978,400
Other Funds - Special Revenue and Internal Services						
Public Housing Fund						
Clark House-Apartment Rehabilitation	$ 30,000	$ -	$ -	$ -	$ -	$ 30,000
Clark House-Appliances	5,000	-	-	-	-	5,000
Sunset Park-Apartment Rehabilitation	20,000	-	-	-	-	20,000
Sunset Park-Appliances	5,000					5,000
Subtotal	$ 60,000	$ -	$ -	$ -	$ -	$ 60,000
Equipment Services Internal Services Fund						
Tool Boxes	$ 2,700	$ -	$ -	$ -	$ -	$ 2,700
Utility Box for Service Truck	4,500	-	-	-	-	4,500
Subtotal	$ 7,200	$ -	$ -	$ -	$ -	$ 7,200
Subtotal - Other Funds	$ 67,200	$ -	$ -	$ -	$ -	$ 67,200
Total - All Operating Funds	$ 1,999,000	$ 261,400	$ 310,700	$ 343,300	$ 38,000	$ 1,045,600

City of Muscatine
Five Year Capital Improvement Plan - FY 2016 Through FY 2020
Summary of Projects by Department by Year

Department	FY '16	FY '17	FY '18	FY `19	FY' 20	**Total**
Community Development - Airport	$457,822	$212,750	$27,750	$15,000		$713,322
Community Development		$25,000				$25,000
Parks & Recreation	$150,000	$865,000	$705,000	$335,000	$1,430,000	$3,485,000
Water Pollution Control Plant	$210,000	$4,605,000	$610,000	$375,000		$5,800,000
Fire		$30,800	$40,000	$1,475,000	$1,310,000	$2,855,800
Fire and Police		$110,000				$110,000
Library		$138,000				$138,000
Solid Waste		$100,000	$520,000			$620,000
Public Works—Transit	$38,000	$55,600	$37,800			$131,400
Public Works—Transfer Station	$300,000	$175,000	$25,000			$500,000
Public Works—Roadway Maintenance		$87,500				$87,500
Public Works—Collection and Drainage		$492,000	$710,000	$125,000	$475,000	$1,802,000
Public Works—Street Cleaning	$25,000					$25,000
Public Works—Vehicle Maintenance		$72,000				$72,000
Public Works—Buildings & Grounds	$1,500,000	$50,000	$20,000	$200,000	$1,000,000	$2,770,000
Public Works—Street & Sidewalk Projects	$3,133,600	$6,019,500	$7,550,750	$4,093,750	$1,600,000	$22,397,600
Public Works—Trails & Recreation Projects	$300,000		$37,500	$205,500	$675,000	$1,218,000
Public Works—Sewer Separation	$1,645,093	$1,959,093	$2,500,000	$2,500,000	$2,500,000	$11,104,186
Total	$7,759,515	$14,997,243	$12,783,800	$9,324,250	$8,990,000	$53,854,808

City of Muscatine
Five Year Capital Improvement Plan - FY 2016 Through FY 2020
Project Funding Sources Schedule

Funding Source	FY '16	FY '17	FY '18	FY `19	FY' 20	Total
General Fund	$495,822	$382,850	$65,550	$40,000		$984,222
To Be Determined	$150,000	$1,403,800	$765,000	$2,128,000	$3,740,000	$8,186,800
Water Pollution Control Plant Reserve Fund	$200,000	$1,265,000	$1,300,000	$375,000		$3,140,000
Water Pollution Control Plant Operating Fund	$5,000		$110,000			$115,000
Transfer of Jurisdiction Proceeds	$496,000	$4,094,500	$6,125,750	$2,343,750		$13,060,000
Collection and Drainage Operations Fund	$305,000	$832,500	$710,000	$133,333	$475,000	$2,455,833
Tipping Fees		$100,000	$520,000			$620,000
Internal Loan– Transfer Station Fund Balance		$175,000				$175,000
Road Use Tax Funds	$600,000	$887,500	$600,000	$583,334	$575,000	$3,245,834
Transit Funds				$8,333		$8,333
Internal Services Fund Balance		$72,000				$72,000
One Cent Local Option Sales Tax	$2,170,093	$2,034,093	$1,075,000	$1,075,000	$1,075,000	$7,429,186
Tax Increment Financing (TIF)	$300,000		$25,000	$350,000	$200,000	$875,000
General Obligation Bonds	$2,737,600		$37,500	$37,500	$675,000	$3,487,600
Sewer Rates	$300,000	$750,000	$750,000	$750,000	$750,000	$3,300,000
State Revolving Loan Funds (SRF)			$1,500,000	$1,500,000	$1,500,000	$4,500,000
Sewer Reserve Funds		$2,200,000				$2,200,000
Total	$7,759,515	$14,997,243	$12,783,800	$9,324,250	$8,990,000	$53,854,808

City of Muscatine
Five Year Capital Improvement Plan - FY 2016 Through FY 2020
Detailed Project Listing

Project	Fiscal Year	City Cost	Funding Source
West Hill Sewer Separation Project	'20	$2,500,000	One Cent Local Option Sales Tax , Sewer Rates, & Revolving Loan Funds
West Hill Sewer Separation Project	'19	$2,500,000	One Cent Local Option Sales Tax , Sewer Rates, & Revolving Loan Funds
West Hill Sewer Separation Project	'18	$2,500,000	One Cent Local Option Sales Tax , Sewer Rates, & Revolving Loan Funds
West Hill Sewer Separation Project, Phase IIIC	'17	$1,959,093	One Cent Local Option Sales Tax & Sewer Rates
West Hill Sewer Separation Project, Phase IIIB	'16	$1,625,093	One Cent Local Option Sales Tax , Sewer Rates, & Revolving Loan Funds
Grandview Avenue Corridor Project (Construction)	'19	$2,343,650	Transfer of Jurisdiction Proceeds, Federal STP Funds: $1,406,250
Grandview Avenue Corridor Project (Construction)	'18	$2,343,650	Transfer of Jurisdiction Proceeds, Federal STP Funds: $1,406,250
Grandview Avenue Corridor Project (Planning & Engineering)	'17	$312,500	Transfer of Jurisdiction Proceeds, Federal STP Funds: $187,500
Mississippi Drive Corridor Project (Construction)	'18	$3,782,000	Transfer of Jurisdiction Proceeds, MPW & CPRR (Railroad): $2,318,000
Mississippi Drive Corridor Project (Construction)	'17	$3,782,000	Transfer of Jurisdiction Proceeds, MPW & CPRR (Railroad): $2,318,000
Mississippi Drive Corridor Project (Planning & Engineering)	'16	$496,000	Transfer of Jurisdiction Proceeds, MPW & CPRR: $304,000
Mulberry Avenue Reconstruction (Construction)	'16	$1,237,600	G.O. Bonds, Federal STP Funds: $1,1424,000
Mad Creek Storm Water Management (Planning & Engineering)	'20	$0	Grants: $100,000
Sidewalk Construction Program	'20	$150,000	Road Use Tax Funds, (50%) & One Cent Local Option Tax (50%)
Sidewalk Construction Program	'19	$150,000	Road Use Tax Funds, (50%) & One Cent Local Option Tax (50%)
Sidewalk Construction Program	'18	$150,000	Road Use Tax Funds, (50%) & One Cent Local Option Tax (50%)
Sidewalk Construction Program	'17	$150,000	Road Use Tax Funds, (50%) & One Cent Local Option Tax (50%)
Sidewalk Construction Program	'16	$150,000	Road Use Tax Funds, (50%) & One Cent Local Option Tax (50%)
Houser St/Fulliam Intersection Improvements	'17	$100,000	TBD
2nd Street Enhancement Project (Construction)	'18	$350,000	TIF
2nd Street Enhancement (Planning and Engineering)	'17	$25,000	TIF
Full Depth Patch Street Reconstruction	'20	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	'19	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	'18	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	'17	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	'16	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	'20	$1,000,000	One Cent Local Option Sales Tax (50%) Road User Tax Fund (50%)
Pavement Management Plan	'19	$1,000,000	One Cent Local Option Sales Tax (50%) Road User Tax Fund (50%)
Pavement Management Plan	'18	$1,000,000	One Cent Local Option Sales Tax (50%) Road User Tax Fund (50%)
Pavement Management Plan	'17	$1,000,000	One Cent Local Option Sales Tax (50%) Road User Tax Fund (50%)
Pavement Management Plan	'16	$1,000,000	One Cent Local Option Sales Tax (50%) Road User Tax Fund (50%)
38/61 Connector (Planning & Engineering)	'20	$200,000	TIF, Rise Grant: $600,000

Project	Fiscal Year	City Cost	Funding Source
High Strength Waste & Struvite Project	‘17	$2,200,000	Sewer Reserve Funds
Oregon Street Crossing	‘17	$150,000	Road Use Tax Funds
2nd Street Bridge Channel Restoration	‘17	$50,000	TBD
Lake Park Blvd Bridge Deck Replacement	‘17	$75,000	Road Use Tax Funds
Old Highway 38 Bridge Erosion Control	‘17	$50,000	TBD
Mulberry to Mad Creek Trail (Construction)	‘20	$0	Grants: $1,975,000
Mulberry to Mad Creek Trail (Planning & Engineering)	‘19	$0	Grants: $25,000
Westside Trail	‘19	$168,000	TBD and Federal TAP Funds: $432,000
Musser Park to Wiggens Road Trail (Construction)	‘16	$300,000	Collections & Drainage, Federal & State: $915,000
Aerial Ladder/Platform Replacement	‘18	$1,400,000	TBD
Weed Park Restroom Modernization	‘17	$125,000	TBD
Library RFID Project	‘17	$138,000	TBD, Grant: $60,000
Community Dog Park	‘17	$0	CAT Grant & Donations
Airfield Pavement Management	‘19	$15,000	City, State: $85,000
Runway 12/30 Pavement Maintenance	‘16	$36,000	City, State: $208,916
Runway 6/24 Reconstruction	‘16	$421,822	City, Federal: $3,796,940
Taxiway A Reconstruction	‘17	$212,275	City, Federal: $1,910,479
Boat Harbor & Embankment Restoration Project	‘17	$90,000	City & REAP Grant: $125,000
Muscatine Soccer Complex Phase III Expansion	‘17	$0	Private Donations, $1,818,440
MuscaBus Replacements (FY 2016)	‘16	$38,000	City, Federal $152,000
MuscaBus Replacements FY ‘17	‘17	$55,600	City, Federal: $222,400
MuscaBus Replacements FY ‘18	‘18	$37,800	City, Federal: $151,200
Nutrient Reduction Report	‘17	$75,000	W.C.P.C. Reserve Fund
Nutrient Removal Process Modifications (Planning and Engineering)	‘16	$200,000	W.C.P.C. Reserve Fund
Nutrient Removal Process Modifications (Construction)	‘17	$800,000	W.C.P.C. Reserve Fund
Nutrient Removal Process Modifications (Construction)	‘18	$500,000	W.C.P.C. Reserve Fund
Biogas to Fuel Construction	‘17	$800,000	W.C.P.C. Reserve Fund
2nd Avenue Stormwater Infiltration Project	‘17	$0	Grants $75,000
1 Ton Dump Truck	‘18	$35,000	Collection & Drainage Fund Balance
Backhoe	‘18	$150,000	Collection and Drainage Fund Balance
Heavy Duty Floor Hoist	‘17	$35,000	Internal Services Fund Balance
Jet Vac Truck	‘16	$350,000	Collection & Drainage Operating Fund
Leaf Loader	‘16	$25,000	Road Use Tax Funds
Service Truck With Utility Body	‘17	$37,000	Internal Services Fund Balance
Soccer Complex Light Replacement	‘18	$150,000	TBD
Track Loader	‘16	$300,000	Internal Loan-Transfer Station
Wheel Loader	‘17	$175,000	Internal Loan Transfer Station

Project	Fiscal Year	City Cost	Funding Source
Mad Creek Greenbelt Trail Resurfacing	‘17	$100,000	TBD
Mulberry Avenue Stormwater Infiltration Project	‘17	$0	Grants: $75,000
Cedar Street Stormwater Infiltration Project	‘17	$0	Grants: $75,000
SCADA Server Replacement	‘18	$110,000	WPCP Operating Funds
Art Center Roof Replacement	‘17	$50,000	TBD
Art Center—Lighting Poles Replacement	‘19	$150,000	TBD
Art Center—Music Room Repair	‘18	$20,000	TBD
Phase 5 Landfill Cell	‘18	$520,000	Tipping fees and solid waste agency assessment
South End Air Release Valves Phases 3&4	‘19	$100,000	Collection & Drainage Operating Fund
South End Air Release Valves Phases 3&4	‘18	$100,000	Collection & Drainage Operating Fund
Upgrade Fuel Facility	‘18	$27,750	City, State: $157,250
Art Center Climate Control (HVAC)	‘16	$1,500,000	G.O. Bonds
Kent-Stein Park Lot Surfacing	‘18	$45,000	TBD
½ Ton Pickup	‘18	$25,000	Road Use Tax Funds
¾ Ton Pickup	‘18	$25,000	Collections & Drainage Fund Balance
4 Wheel Drive Truck	‘17	$25,000	General Fund
Heinz Reconstruction Project (Construction)	‘20	$475,000	Collection & Drainage Operating Fund
Heinz Reconstruction Project (Planning & Engineering)	‘19	$25,000	Collection & Drainage Operating Fund
Van	‘19	$25,000	General Funds
Weed Park Lagoon Bank Stabilization	‘17	$300,000	TBD
Weed Park Street Light Replacement	‘16	$150,000	TBD
Weed Park Water Main Replacement	‘20	$100,000	TBD
Cart Path Repairs	‘18	$25,000	TBD
Soccer Field #3 Improvement	‘17	$125,000	TBD
Greenwood Cemetery Erosion Control Project	‘20	$1,000,000	TBD
Pearl City Station Plaza Replacement	‘17	$30,000	TBD
Riverfront Basketball Court Replacement	‘18	$100,000	TBD
Weed Park Large Event Shelter	‘18	$250,000	TBD
Canon Street Lift Station Pump Replacement	‘19	$25,000	W.P.C.P. Reserve Fund
Ionized Odor Control System	‘97	$350,000	W.C.P.C. Reserve Fund
Muscatine Slough Development (Construction)	‘20	$675,000	G.O. Bonds, Grants and Insurance Compensation: $2,035,000
Muscatine Slough Development (Planning and Engineering)	‘19	$37,500	G.O. Bonds, Grants and Insurance Compensation: $112,500
Muscatine Slough Development (Planning and Engineering)	‘18	$37,500	G.O. Bonds, Grants and Insurance Compensation: $112,500
Public Works Roof Repair	‘19	$25,000	Collection and Drainage Fund Balance, Road Use Tax and Transit Funds
Fire Station #3 (East Hill) (Construction)	‘20	$1,310,000	TBD
Fire Station #3 (East Hill) (Planning & Engineering)	‘19	$40,000	TBD
Fire Station #3 (East Hill) (Planning & Engineering)	‘18	$75,000	TBD

Project	Fiscal Year	City Cost	Funding Source
Harbor Dredge Dewater Area Relocation (Construction)	‘17	$680,000	W.P.C.P. Reserve Fund & Collection and Drainage Operation Fund
Harbor Dredge Dewater Area Relocation (Planning & Engineering)	‘16	$10,000	W.P.C.P. Reserve Fund & Collection and Drainage Operation Fund
Harbor Houseboat Anchoring Replacement	‘20	$80,000	TBD
Relief Sanitary Sewer - Allsteel (Construction)	‘18	$400,000	Collection & Drainage Fund Balance
Relief Sanitary Sewer - Allsteel (Planning & Engineering)	‘17	$5,000	Collection & Drainage Fund Balance
Weed Park North Side Parking Lot	‘20	$50,000	TBD
Biogas to Fuel Study	‘17	$50,000	WPCP Reserve Fund
Fuller Park Erosion Control Project	‘19	$300,000	TBD
Greenwood Cemetery Sidewalk Replacement	‘17	$25,000	TBD
Kent-Stein Park Multi-Use Area	‘19	$35,000	TBD
Shop Building at the Landfill	‘17	$100,000	Tipping fees
Fuller Park Parking Lot Expansion	‘17	$30,000	TBD
Golf Course Restroom Replacement	‘20	$100,000	TBD
Golf Course Replacement of #9 & #15 Greens	‘18	$30,000	TBD
Lower Lot Reorganization	‘17	$175,000	Collection and Drainage Fund Balance & Road Use Tax Funds
Swipe Key Access for Public Safety Building	‘17	$80,000	TBD
Weed Park Lagoon Trail	‘17	$100,000	TBD
Jet Vac Dump Site	‘17	$50,000	Collection and Drainage Fund Balance & Road Use Tax Funds
Demolition of Old Army Reserve Building	‘17	$30,800	TBD
Irrigation Pond Expansion	‘18	$30,000	TBD
Kent-Stein Drainage Improvement	‘18	$75,000	TBD
Extension of Sewer & Water to Eagle Ridge	‘19	TBD	TBD
Greenwood Cemetery Barrier Fence	‘20	$100,000	TBD
Kent-Stein Drainage Improvement	‘18	$75,000	TBD
Public Safety Building-Future Needs Assessment	‘17	$30,000	TBD
Kent Stein Control Link System	‘17	$40,000	TBD
City Hall Cooling System	‘20	$1,000,000	TBD

OTHER FUNDS

TRUST AND AGENCY FUNDS

INSURANCE TRUST

GENERAL INFORMATION:

This trust fund was first established in 1979/80 for the purpose of accounting for a premium return on the City of Muscatine's retro-rated insurance policy. Through the years the City has had a number of policies that provided for premium returns or dividends based on favorable claims experience. Several policies also provided that additional premiums would be owed based on unfavorable claims experience.

The purpose of the Insurance Trust has been to maintain a reserve of funds to be utilized to support unanticipated insurance premiums, deductibles, and/or claims. In 2001/2002 the City changed to new insurance carriers for both liability and workers compensation insurance. These new companies did not offer premium return or dividend type policies. The City again changed carriers for Workers Compensation insurance in 2004/2005. Under this Workers Compensation policy, potential premium returns were again available with good claims experience. In 2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013, and 2013/2014 the City received Workers Compensation premium returns of $9,861, $26,782, $25,866, $15,961, $28,982, and $23,536, respectively, which were credited to this trust.

CURRENT TRENDS AND ISSUES:

Since 1991/92, transfers from this trust to the General Fund have been made to fund the cost of the City's risk management program including the employee safety program. In 2011/2012 a transfer of $8,247 was made to the Police Firing Range relocation capital project fund and an additional $16,016 transfer to that project was made in 2012/2013. The former range location was affected by flooding several times in recent years and this project involved relocating the range to higher ground on the same property. In 2015/2016 $15,000 of funds from this trust are budgeted to be used for additional improvements to the Police Firing Range.

In 2013/2014 the insurance premiums accounted for in the City’s General Fund Risk Management budget and the Fine Arts insurance in the Art Center budget increased significantly and $40,000 of funds from this trust were used to assist in funding this increase.

In 2014/2015 the City changed from the previous insurance carrier to the Iowa Communities Assurance Pool (ICAP) for most of the City’s insurance policies. In 2015/2016 the City changed to the Iowa Municipal Workers’ Compensation Association (IMWCA) for that insurance coverage. Since neither the ICAP or the IMWCA programs provide for rebates, no additional funds are expected to be received to be credited to this trust.

The City recently agreed to a settlement with Communications Engineering Company (CEC) for the lawsuit related to the purchase of a police radio system from CEC. The amount of the settlement agreement, a payment to a different vendor to make this system operable, and legal costs resulted in a $130,800 deficit in the Police Radio System capital project fund. The remaining balance of $42,300 in the Insurance Trust is budgeted to be transferred to fund a portion of that deficit which will close out this trust. The balance of the deficit ($88,500) is budgeted to be funded from the Police department budget in 2015/2016.

Insurance Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 73,576	$ 57,207	$ 57,307	$ 57,268	$ 0
Revenues					
Insurance Premium Returns	$ 23,536	$ 0	$ 0	$ 0	$ 0
Interest	95	61	100	32	0
Total Revenues	$ 23,631	$ 61	$ 100	$ 32	$ 0
Funds Available	$ 97,207	$ 57,268	$ 57,407	$ 57,300	$ 0
Expenditures:					
Transfers Out					
General Fund	$ 40,000	$ 0	$ 0	$ 0	$ 0
Police Radio System Project	0	0	0	42,300	0
Police Firing Range Project	0	0	15,000	15,000	0
Total Expenditures	$ 40,000	$ 0	$ 15,000	$ 57,300	$ 0
Ending Balance, June 30	$ 57,207	$ 57,268	$ 42,407	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (16,369)**	**$ 61**	**$ (14,900)**	**$ (57,268)**	**$ 0**

Explanation of Decreases in Fund Balances:

Funds in this trust have been used to fund the City's Risk Management Program, deductibles, or uninsured losses. In 2011/2012 and 2012/2013 approximately $24,300 from this trust was used for the relocation of the Police Firing Range. The former range location was affected by flooding several times in recent years and has been relocated to higher ground at the same location. In 2013/2014 $40,000 was used to fund increased insurance premiums. Additional police range improvements are budgeted to be funded from this trust in 2015/2016. The balance in this trust is budgeted to be used to fund a portion of the deficit in the Police Radio System project, including the final settlement with the vendor. No additional insurance premium returns are expected to be credited to this fund with the recent change in insurance carriers and this fund will be closed out in 2015/2016.

TRUST AND AGENCY FUNDS

PERPETUAL CARE TRUST

GENERAL INFORMATION:

The State Code of Iowa requires that 20% of the proceeds of the sale of a cemetery lot be set aside in a Perpetual Care Trust fund. The trust funds are invested and interest earnings are utilized to support costs associated with the Cemetery operation. The Perpetual Care Trust accounts for the principal of the perpetual care contributions. A separate Perpetual Care Interest Trust has been established to account for the interest earned on the perpetual care funds. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used.

CURRENT TRENDS AND ISSUES:

The Perpetual Care Fund is a non-expendable trust, now considered a Permanent Fund of the City. An estimated $5,000 in perpetual care funds is expected to be received in both 2015/2016 and 2016/2017. The balance in this trust on June 30, 2017 is estimated at $870,178.

Perpetual Care Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 850,274	$ 856,000	$ 862,000	$ 860,178	$ 865,178
Revenues					
Perpetual Care	5,726	4,178	6,000	5,000	5,000
Funds Available	$ 856,000	$ 860,178	$ 868,000	$ 865,178	$ 870,178
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 856,000	$ 860,178	$ 868,000	$ 865,178	$ 870,178
Increase (Decrease) in Fund Balance	**$ 5,726**	**$ 4,178**	**$ 6,000**	**$ 5,000**	**$ 5,000**

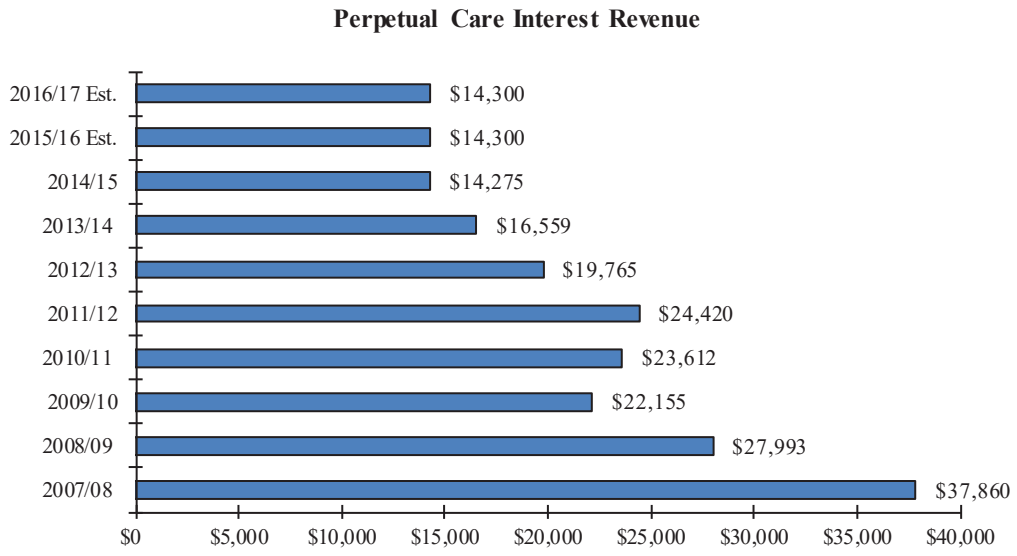
TRUST AND AGENCY FUNDS

PERPETUAL CARE INTEREST TRUST

GENERAL INFORMATION:

This trust fund was established to account for interest earnings on perpetual care funds received by the City of Muscatine through the operation of the municipal cemetery. As required by the State Code of Iowa, 20% of the proceeds of the sale of a cemetery lot must be set aside in a trust account. The trust funds are invested and interest earnings from the funds are utilized to support costs associated with the Cemetery operation. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used. Interest earnings may also fund capital improvements associated with the Cemetery.

Interest earnings have traditionally been utilized to fund all or a portion of the cost of operating the Cemetery. Perpetual Care interest earned and transferred to the General Fund from fiscal year 2007/2008 through the budgeted amount for 2016/2017 is shown in the following graph.



Beginning in 1991/92 and continuing through 2016/2017 (with the exception of 2003/2004, 2007/2008, and 2010/2011), Cemetery revenues plus available interest earnings from this trust have not been sufficient to fund operating expenditures of the Cemetery. This is attributed to several factors including declining cemetery burial and lot sales revenues over the last several years and the decline in interest rates. As a result of these factors, General Fund subsidies were made to the Cemetery in the amounts of $5,175 for 2008/2009, $28,234 for 2009/2010, none for 2010/2011, $5,410 in 2011/2012, $15,279 in 2012/2013, $30,038 in 2013/2014, and $44,327 in 2014/2015. The revised estimate for 2015/2016 projects a General Fund subsidy of $45,700 and $50,500 is budgeted for 2016/2017. Staff will continue marketing efforts in 2016/2017 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	16,559	14,275	14,300	14,300	14,300
Funds Available	$ 16,559	$ 14,275	$ 14,300	$ 14,300	$ 14,300
Expenditures					
Transfers Out					
Cemetery Operations	16,559	14,275	14,300	14,300	14,300
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

TRUST AND AGENCY FUNDS

SPECIAL CEMETERY TRUSTS

GENERAL INFORMATION:

This budget consists of thirteen (13) individual trust funds associated with specific graves or mausoleums at the City's Greenwood Cemetery. The trust agreements provide that interest earned on the trusts be used for specified purposes, generally floral arrangements at specified times each year or for maintenance of mausoleum structures as needed.

CURRENT TRENDS AND ISSUES:

The Special Cemetery Trusts are non-expendable trusts, now considered Permanent Funds of the City. An estimated $800 in interest is expected to be earned on these funds in both 2015/2016 and 2016/2017. Trust expenditures are estimated at $2,850 for both 2015/2016 and 2016/2017.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 61,602	$ 59,931	$ 57,981	$ 57,519	$ 55,469
Revenues					
Interest	1,252	830	900	800	800
Funds Available	$ 62,854	$ 60,761	$ 58,881	$ 58,319	$ 56,269
Expenditures					
Florist Services	$ 2,573	$ 3,242	$ 2,500	$ 2,500	$ 2,500
Mausoleum/Other Repairs	0	0	0	0	0
Transfers Out:					
Administrative Fees	350	0	350	350	350
Total Expenditures	$ 2,923	$ 3,242	$ 2,850	$ 2,850	$ 2,850
Ending Balance, June 30	$ 59,931	$ 57,519	$ 56,031	$ 55,469	$ 53,419
Increase (Decrease) in Fund Balance	**$ (1,671)**	**$ (2,412)**	**$ (1,950)**	**$ (2,050)**	**$ (2,050)**

1. Amounts shown are comprised of thirteen individual trusts associated with specific graves or mausoleums at Greenwood Cemetery.

MUSSER PUBLIC LIBRARY

TRUST FUNDS

GENERAL INFORMATION:

The City of Muscatine currently has one trust fund associated with the operation of the Library. Funds in this trust may only be used according to the provisions of the trust.

The Library Gift and Memorial Trust is comprised of donations from patrons of the Library. These donations are to be used for the benefit of the Library in general. Any gifts for specific purposes are used immediately so that the donor's request can be satisfied. The 2014/2015 expenses included funds for a building study to examine the feasibility of remodeling the existing library building, remodeling another building, or building a new library. Expenditures from this trust are estimated at $80,000 for 2015/2016. The budgeted expenditures for 2016/2017 total $30,000. The estimated balance in this trust on June 30, 2017 is $133,436.

Library Gift and Memorial Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 218,009	$ 239,438	$ 173,880	$ 171,236	$ 127,336
Revenues					
Donations	$ 26,233	$ 17,084	$ 13,000	$ 8,000	$ 8,000
State Grant	23,330	23,998	20,000	25,000	25,000
Miscellaneous Sales	5,424	5,941	3,000	3,000	3,000
Interest	346	260	100	100	100
Total Revenues	$ 55,333	$ 47,283	$ 36,100	$ 36,100	$ 36,100
Funds Available	$ 273,342	$ 286,721	$ 209,980	$ 207,336	$ 163,436
Expenditures					
Library Materials	$ 569	$ 2,077	$ 20,000	$ 0	$ 0
Contractual Services	22,315	94,668	5,000	80,000	30,000
Capital Outlay	12,178	18,740	0	0	0
Total Expenditures	$ 35,062	$ 115,485	$ 25,000	$ 80,000	$ 30,000
Ending Balance, June 30	$ 238,280	$ 171,236	$ 184,980	$ 127,336	$ 133,436
Increase (Decrease) in Fund Balance	**$ 20,271**	**$ (68,202)**	**$ 11,100**	**$ (43,900)**	**$ 6,100**

MUSCATINE ART CENTER

TRUST FUNDS

GENERAL INFORMATION:

The City of Muscatine has established four trust funds which are associated with the operation of the Muscatine Art Center. Funds in these trusts may only be used according to the provisions of the trusts.

The gift of the Musser Mansion in 1965 by the heirs of Laura Musser, Mrs. Mary Musser Gilmore, and Mrs. Mary Catherine McWhirter, was the beginning of an art/museum facility in Muscatine. This building was to be used as a memorial art gallery and museum. In addition to the gift of property, a trust of $100,000 was established by McWhirter and Gilmore to be invested with the interest to be used to assist with the ongoing care and maintenance of the Museum. The principal is to remain intact. Funds from this trust have been used for the general upkeep of the mansion including painting and roofing improvements as well as improvements to the electrical wiring and air conditioning systems. Funding has also been provided for major areas of conservation and preservation of objects owned by Laura Musser which are in the permanent collection. In 2015/2016 $3,000 is budgeted to be expended from this trust and $3,000 is also budgeted for 2016/2017.

The $40,000 Alice Dodge Schaeffer Trust was established in 1976 to accompany a gift of primarily Victorian (c.1850) bedroom furnishings which was given as a memorial to Sarah Eaker Hughes, aunt of the donor. Interest from this trust has been used for the conservation of the initial gift of objects. A major reconstruction of the Sarah Eaker Hughes bedroom was completed in 1991 to more accurately reflect the ambiance of a Victorian bedroom of the 1850-65 period. No funds are budgeted to be expended from this trust in 2015/2016 or 2016/2017.

The Art Center Donations Trust is used for cash donations made by individuals, groups, or businesses to the Art Center. Any part of the Trust or its interest earnings may be used as designated by the Board of Trustees. This trust is traditionally used for the purchase of acquisitions for the permanent collection. A donor may also contribute funds through this trust to be used for designated object(s) to enrich a specific part of the collection or for the promotion of programs relating to Art Center collections or exhibitions. Additionally, funds from the sale of deaccession items from the permanent collection are credited to this trust. Other purchases are made at the direction of the Board of Trustees. In 2015/2016 a total of $210,100 in donations and grants has been received and $98,000 is budgeted to be expended. The projected balance in this trust is $146,865 at the end of 2015/2016. Grants and donations budgeted to be received in 2016/2017 total $13,200 and $113,300 is budgeted to be expended. The projected balance in this trust at the end of 2016/2017 is $46,865.

A bequest of $300,000 was received in 1999/2000 from the estate of Brad Burns and approximately $413,000 of additional funding from this estate was received in 2004/2005. Any part of the bequest or its interest earnings may be used as designated by the Board of Trustees. In 2008/2009 $134,989 was expended from this trust for acquisition of property next to the museum. No funds are budgeted to be expended from this trust in 2015/ 2016 or 2016/2017.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 106,459	$ 107,567	$ 104,967	$ 105,006	$ 102,706
Revenues					
Interest	1,108	788	700	700	700
Funds Available	$ 107,567	$ 108,355	$ 105,667	$ 105,706	$ 103,406
Expenditures					
Contractual Services	0	3,349	4,000	3,000	3,000
Ending Balance, June 30	$ 107,567	$ 105,006	$ 101,667	$ 102,706	$ 100,406
Increase (Decrease) in Fund Balance	**$ 1,108**	**$ (2,561)**	**$ (3,300)**	**$ (2,300)**	**$ (2,300)**

Alice Schaeffer Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 43,186	$ 43,630	$ 43,930	$ 43,946	$ 44,246
Revenues					
Interest	444	316	300	300	300
Funds Available	$ 43,630	$ 43,946	$ 44,230	$ 44,246	$ 44,546
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 43,630	$ 43,946	$ 44,230	$ 44,246	$ 44,546
Increase (Decrease) in Fund Balance	**$ 444**	**$ 316**	**$ 300**	**$ 300**	**$ 300**

Art Center Donations Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 34,866	$ 44,408	$ 44,908	$ 34,665	$ 146,865
Revenues					
Donations	$ 9,463	$ 7,274	$ 5,000	$ 31,000	$ 6,000
Special Project Donations	0	0	0	2,500	0
Interest	59	50	50	50	50
Art Center Grants	0	0	0	176,600	7,200
Other	20	31,265	50	50	50
Total Revenues	$ 9,542	$ 38,589	$ 5,100	$ 210,200	$ 13,300
Funds Available	$ 44,408	$ 82,997	$ 50,008	$ 244,865	$ 160,165
Expenditures					
Art Center Materials	$ 0	$ 0	$ 0	$ 6,000	$ 7,400
Contractual Services	0	15,832	0	50,000	61,700
Capital Outlay	0	32,500	0	42,000	44,200
Total Expenditures	$ 0	$ 48,332	$ 0	$ 98,000	$ 113,300
Ending Balance, June 30	$ 44,408	$ 34,665	$ 50,008	$ 146,865	$ 46,865
Increase (Decrease) in Fund Balance	**$ 9,542**	**$ (9,743)**	**$ 5,100**	**$ 112,200**	**$ (100,000)**

Brad Burns Trust

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 288,309	$ 291,207	$ 293,107	$ 293,271	$ 295,171
Revenues					
Interest	2,898	2,064	1,900	1,900	1,900
Funds Available	$ 291,207	$ 293,271	$ 295,007	$ 295,171	$ 297,071
Expenditures					
Contractual Services	$ 0	$ 0	$ 0	$ 0	$ 0
Capital Outlay	0	0	0	0	0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 291,207	$ 293,271	$ 295,007	$ 295,171	$ 297,071
Increase (Decrease) in Fund Balance	**$ 2,898**	**$ 2,064**	**$ 1,900**	**$ 1,900**	**$ 1,900**

INTERNAL SERVICES FUNDS

EQUIPMENT SERVICES OPERATIONS

GENERAL INFORMATION:

The Equipment Services Operation is accounted for as an Internal Service Fund. This type of fund is established to account for operations which serve other departments of the City. The Equipment Services Operation is responsible for the maintenance and repair of all City vehicles and equipment. Repair and maintenance includes major repairs in addition to routine and preventive maintenance.

Most City departments use the Equipment Services Operation for repair and maintenance of their vehicles in lieu of their own departmental resources. As in a commercial garage enterprise, the Equipment Services Operation is financed by user fees charged to the department for the repair performed. The user fee includes the direct cost of labor, repair parts, and an allowance for overhead costs of the operation. The objective of the operation is to insure that user fees for the fiscal year are sufficient to cover the repair costs incurred.

The operation is located at the City's Public Works Facility and includes a centralized fuel system which has assisted the City in eliminating approximately fifteen (15) different stations located throughout the City's facilities. Accountability and accessibility of fuel consumption data have also improved with this system.

A major expenditure in the Equipment Services budget is the purchase of fuel products including gasoline, diesel fuel, and oil. These fuel costs plus a per gallon surcharge are charged back to departments as inventories are used.

Labor is the other major cost in this activity, which includes a full time supervisor and three full time mechanics. The hourly charge for labor including overhead costs was $67.00 for 2010/2011, 2011/2012 and 2012/2013. The labor rate increased to $69.00 an hour in 2013/2014 and that rate was maintained for 2014/2015. The labor rate was increased to $71.00 per hour in 2015/2016 and is budgeted to increase to $74.00 per hour in 2016/2017.

In addition to the labor rate charge there is a surcharge on parts, outside services, oil, and tires of 8% of the total cost to a maximum of $16.00 per charge. A per gallon surcharge has also been applied to fuel dispensed to City vehicles utilizing this operation. This fee is currently $.30 per gallon. These surcharge fees are budgeted to remain the same for 2016/2017.

CURRENT TRENDS AND ISSUES:

The 2015/2016 revised estimate expenditures are $61,000 more than the original budget. This overall increase is due to the net effect of (1) a $17,300 increase in personal services costs primarily due to the new Equipment Services Supervisor starting at a higher step than budgeted and the increase in health insurance premiums, (2) a $95,000 increase in repair and maintenance services costs, primarily outside services, (3) a $49,000 decrease in fuel costs with the recent lower prices, and (4) a net decrease of $2,300 in other budget line items. The increase in outside services is based on actual costs incurred to date and the estimate for the remainder of the year. Major repairs to date include replacement of an engine in a transit vehicle ($14,819), repairs to a Roadway Maintenance loader ($13,805), and repairs to a loader at the Transfer Station ($6,629). Actual repair costs incurred are charged out to each department on a monthly basis.

The 2016/2017 budget is $78,900 (6.7%) more than the original 2015/2016 budget and $17,900 (1.5%) more than the 2015/2016 revised estimate. The budget continues the increased allocation for repair and maintenance services and the reduced allocation for fuel costs included in the revised estimate. As an internal service fund as fuel costs fluctuate, cost increases or decreases are passed on to the various City departments based on their actual fuel usage. This operation is expected to have a surplus (net of inventory) of $47,916 on June 30, 2016 and $41,516 on June 30, 2017.

GOAL STATEMENT:

To provide for the maintenance of all City vehicles and major equipment including both preventive and emergency maintenance to assure such equipment can be utilized by the City work force in the most productive and cost efficient manner.

PERFORMANCE MEASURES:

	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015	Estimated 2015/2016	Estimated 2016/2017
Autos, Pickups, Flatbeds Serviced	239	234	204	230	230
Trucks, Buses, Garbage Trucks Serviced	142	146	139	145	145
Heavy Equipment/Tractors Serviced	22	28	28	28	28
Gallons of Gasoline Dispensed	77,225	77,977	84,700	80,000	80,000
Gallons of Diesel Fuel Dispensed	72,831	73,526	68,455	72,000	72,000
Preventative Maintenance Work Orders	871	982	1,120	1,050	1,050
Emergency Maintenance Work Orders	389	440	589	550	550
Work Orders Completed	1,260	1,422	1,709	1,600	1,600
Total Miles Driven (all vehicles)	1,200,310	1,165,847	1,172,512	1,175,000	1,175,000

RECENT ACCOMPLISHMENTS:

The vehicle maintenance division went through a transition in early 2015 with the retirement of the long time Vehicle Maintenance Supervisor and subsequent hiring of a new supervisor.

The new supervisor has been successful in organizing the department and disposing of some of the outdated items that had been accumulating. Some of the outdated parts will be included on the next Public Surplus Auction. The supervisor recently had the opportunity to travel to the City of Moline and visit with their Fleet Manager to see how their Municipal Garage is run and to look at the maintenance software used by that department. The Equipment Services Supervisor is working with the IT Manager to find an affordable software system that will track maintenance, inventory, and billing. At this time the department is not requesting any funds for this purchase.

The Public Surplus Auction web site continues to be a viable way to dispose of surplus items that accumulate around the City. The last auction was held in August 2015 and brought in about $4,000. There has been a total of 11 auctions to date. Staff will have another auction in 2016.

OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017:

* To continue to look for Lean initiatives for the operation. **(Council and Management Continuous Service Improvement Goal**)

* To continue to search for a new software tracking system for vehicle maintenance. **(Council and Management Continuous Service Improvement Goal**)

* To organize the parts room and dispose of outdated items through the Public Surplus Auction.

* To research options for bidding fuel through Bi-State Regional Purchasing Commission and other cost saving options.

* To continue to work with the Water Pollution Control staff to do a fleet survey/analysis for the feasibility of using alternative fuels through the Iowa Clean Air Coalition Act (Waste Energy Project). **(Council and Management Continuous Service Improvement Goal**)

Equipment Services Operations

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	
Beginning Balance (Deficit), July 1	$ (35,330)	$ (54,058)	$ (68,170)	$ (68,038)	$ (69,738)	
Revenues						
Charges for Services - City Departments	$ 1,208,325	$ 1,162,219	$ 1,184,200	$ 1,230,200	$ 1,243,400	(2)
Miscellaneous	3,725	1,062	0	500	500	
Total Revenues	$ 1,212,050	$ 1,163,281	$ 1,184,200	$ 1,230,700	$ 1,243,900	
Funds Available	$ 1,176,720	$ 1,109,223	$ 1,116,030	$ 1,162,662	$ 1,174,162	
Expenditures (1)	1,231,890	1,177,261	1,171,400	1,232,400	1,250,300	
Ending Balance (Deficit), June 30	$ (55,170)	$ (68,038)	$ (55,370)	$ (69,738)	$ (76,138)	
Allowance for Inventory	123,367	117,654	123,367	117,654	117,654	
Net Balance, June 30	$ 68,197	$ 49,616	$ 67,997	$ 47,916	$ 41,516	
Increase (Decrease) in Net Balance	**$ (19,840)**	**$ (13,980)**	**$ 12,800**	**$ (1,700)**	**$ (6,400)**	

1. Expenditures include changes in compensated absences and other postemployment benefits.
2. The labor rate charge for vehicle and equipment maintenance is budgeted to increase from $71.00 to $74.00 per hour for 2016/2017.

Function:
Internal Service

Department:
Public Works

Activity:

Equipment Services Operations

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 306,753	$ 326,552	$ 295,000	$ 312,300	$ 328,000	11.19%
Commodities	662,303	516,012	632,400	583,400	583,400	-7.75%
Contractual Services	239,555	324,506	220,800	314,300	314,400	42.39%
Capital Outlay	4,007	185	6,400	5,600	7,200	12.50%
Transfers	15,800	16,300	16,800	16,800	17,300	2.98%
Total Expenditures	$ 1,228,418	$ 1,183,555	$ 1,171,400	$ 1,232,400	$ 1,250,300	6.74%
Funding Sources						
Charges for Services	$ 1,208,325	$ 1,162,219	$ 1,184,200	$ 1,230,200	$ 1,243,400	5.00%
Other	2,725	1,062	0	500	500	
Total Funding Sources	$ 1,211,050	$ 1,163,281	$ 1,184,200	$ 1,230,700	$ 1,243,900	5.04%

Personnel Schedule

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017	Budget Amount 2016/2017
Full Time:						
Vehicle Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Vehicle Mechanic II	3.00	3.00	3.00	3.00	3.00	
Total	4.00	4.00	4.00	4.00	4.00	$ 213,700
Employee Benefits						114,300
Total Personal Services						$ 328,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tool Boxes	3	Yes	$ 2,700
Utility Box for Service Truck	1	Yes	4,500
Total			$ 7,200

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

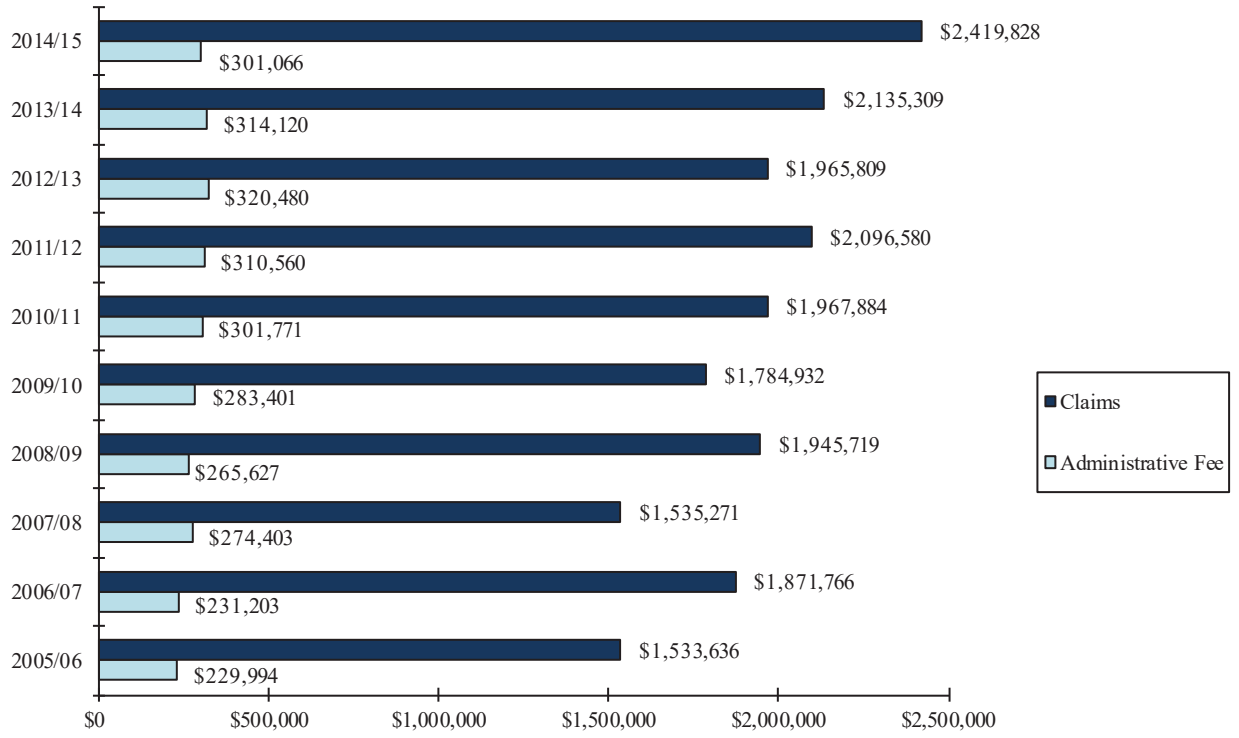
GENERAL INFORMATION:

On January 1, 1985 the City changed its employee medical insurance program to a modified self insurance plan. Blue Cross/Blue Shield continued as the carrier of the plan and also serves as the administrator. As part of the program the Health Insurance Fund was established.

All payments of premiums from the City, employees, and retirees are credited to the Health Insurance Fund. From this fund the City pays all actual medical claims paid by Blue Cross on a monthly basis. The City also pays Blue Cross a monthly administrative fee per employee for this service. This administrative fee includes stop loss insurance to cover catastrophic illnesses. As a result, the City is funding 100% of the exposure up to the level where the individual and aggregate stop loss insurance takes effect. When claims are less than the amount funded, the savings are retained by the City.

The amount of health insurance claims and administrative fees paid for the last ten fiscal years are shown in the table below. As shown, there has been a significant increase in claims for the City's group since 2005/2006.

Health Insurance Claims and Administrative Fees

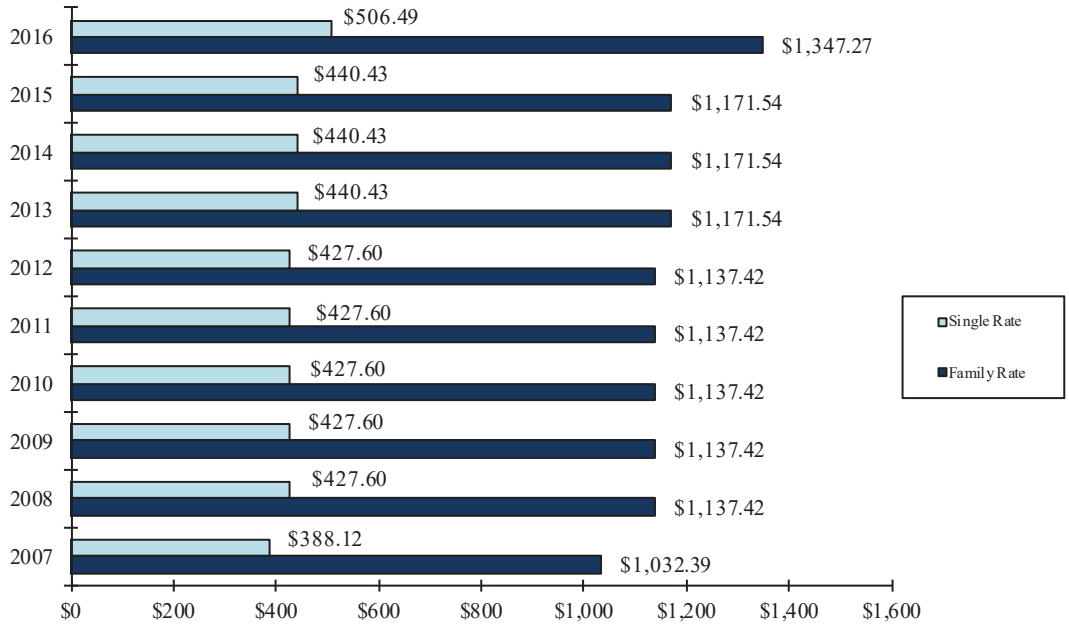


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the following table. For January 1, 2007 rates increased by 11.6% for both single and family coverage. This increase was directly related to the dramatic increase in health insurance claims for the City's group. For January 1, 2008 rates increased by 10.2% for both single and family coverage. Due to a leveling of claim costs in 2008, the 2008 rates were maintained for 2009, 2010, 2011, and 2012. For January 1, 2013 rates increased by 3% for both

single and family coverage. These rates were maintained for 2014 and 2015. For January 1, 2016, due to the significant increase in claims, the rates were increased by 15% for both single and family coverage.

The City made a number of changes in the health insurance plan in past years. In 2003 the City changed to a Preferred Provider Organization (PPO) plan with Blue Cross/Blue Shield. This plan resulted in increased discounts on medical claim costs to the City and its employees when using health care providers on the "preferred providers" list. In 2004 deductibles were increased from $200 to $300 for single coverage and from $500 to $600 for family coverage. Out-of-pocket maximums were increased from $500 to $600 for single and from $1,000 to $1,300 for family coverage. These provisions remained in effect until 2013 when the deductibles were increased from $300 to $400 for single coverage and from $600 to $800 for family coverage. Out-of-pocket maximums were increased from $600 to $800 for single and from $1,300 to $1,600 for family coverage. Deductibles were increased again in 2014 from $400 to $500 for single coverage and from $800 to $1,000 for family coverage. Out-of-pocket maximums were increased from $800 to $1,000 for single and from $1,600 to $2,000 for family coverage. Deductibles were increased again in 2016 from $500 to $600 for single coverage and from $1,000 to $1,200 for family coverage. Out-of-pocket maximums were increased from $1,000 to $1,200 for single and from $2,000 to $2,400 for family coverage. These increases in deductibles and out-of-pocket maximums have assisted the City in maintaining the premium rates shown in the table below.

Monthly Health Insurance Rate History



CURRENT TRENDS AND ISSUES:

As noted previously, effective January 1, 2016 the City's health insurance rates for both the single and family coverage increased by 15% to $506.49 and $1,347.27, respectively. As of that date, the City also increased the individual stop loss limit from $75,000 to $100,000. The annual aggregate maximum level has been established at $3,316,732 for calendar year 2016 compared to $2,880,200 for calendar year 2015. The annual aggregate amounts reflect 125% of expected claims for 2015 and 2016 for the City's group. The premium rates for 2015 included an administrative fee of $118.72 per month per contract. This fee is paid to Wellmark Blue Cross/Blue Shield for claims processing services, as fees for the individual and aggregate stop loss insurance, and the Wellmark network access fee. For 2016 the monthly administrative fee increased to

$121.80 per month. The administrative fee would have been higher ($152.92) if the City had not chosen to increase the individual stop loss amount from the previous $75,000 to $100,000.

The 2015/2016 revised estimate and 2016/2017 budget each include $5,000 to fund administrative costs of the flexible benefit plan implemented in 1997. Savings in the City share of FICA and Medicare costs are expected to offset the fees charged to administer this program.

The Employee Wellness program was established by the City in 1987. The 2015/2016 revised estimate and 2016/2017 budget include transfers to fund 100% of the cost of this program. This program is the responsibility of the Parks and Recreation department. The costs of this program are $56,300 for the 2015/2016 revised estimate and $58,600 for the 2016/2017 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The Affordable Health Care Act has imposed fees that are required to be paid by plan sponsors of self-insured health plans. The Patient-Centered Outcomes Research Institute (PCORI) fee is based on the number of lives covered under the plan. The PCORI fee for 2013/2014 was $1 per covered person ($627) and it increased to $2 per covered person ($1,252) in 2014/2015. The fee for 2015/2016 is $2.08 per covered person and is estimated at $1,300. The fee for 2016/2017 is $2.17 per covered person and is estimated at $1,300. Beginning in 2014/2015, self-funded group health plans are also required to pay a transitional reinsurance fee. This fee will be used to stabilize premiums in the individual market. The contribution rate for 2014/2015 was $63 per member per year or $5.25 per member per month. The contribution for 2014/2015 was $39,249 for 623 covered persons. The contribution rate for 2015/2016 was $44 per member per year. The contribution for 2015/2016 was $26,840 for 610 covered persons. The contribution rate for 2016/2017 is $27 per covered person and is estimated at $16,900.

The 2016/2017 budget includes estimated health insurance claims costs of $2,680,000 which is slightly higher than Wellmark Blue Cross/Blue Shield's projected claims of $2,653,397 for our group for calendar year 2016. Based on this claims projection, the Health Insurance fund balance is estimated at $1,051,078 at the end of 2016/2017. As noted previously, however, the City is responsible for funding up to 125% of Wellmark's expected claims amount if actual claims exceed the expected claims. The 125% of expected claims calculates to $3,316,732 for 2016. In the event the City's actual claims exceed the expected amount of $2,653,397 for calendar year 2016, the amount in excess of the expected claims would result in a decrease in fund balance by that amount. With the rates set by the City for 2016, if claims would reach the 125% maximum level of $3,316,732, the fund balance would decrease by $856,935. This would be the "worst case" scenario. The projected fund balance of $1,051,078 at the end of 2016/2017 would be sufficient to fund claims in excess of the estimated amount.

As specified in the contracts with the City's three bargaining units, the employee contributions toward their health insurance coverage will increase from 5% to 6% effective January 1, 2017, to 7% effective January 1, 2018, and to 8% effective January 1, 2019. These increases will assist in funding future year health insurance costs.

Health Insurance Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 1,772,627	$ 1,773,400	$ 1,471,900	$ 1,445,978	$ 1,147,278
Revenues					
Interest	$ 2,897	$ 1,960	$ 2,000	$ 1,700	$ 1,500
City Contributions	2,198,756	2,149,108	2,242,300	2,347,700	2,650,300
Employee Contributions	149,632	154,167	170,000	176,100	190,000
Retiree Contributions	164,668	184,760	201,800	148,500	172,900
Miscellaneous	0	2,575	0	0	0
Total Revenues	$ 2,515,953	$ 2,492,570	$ 2,616,100	$ 2,674,000	$ 3,014,700
Funds Available	$ 4,288,580	$ 4,265,970	$ 4,088,000	$ 4,119,978	$ 4,161,978
Expenditures					
Health Insurance Claims	$ 2,135,309	$ 2,419,828	$ 2,500,000	$ 2,550,000	$ 2,680,000
Administrative Fees	314,120	301,066	332,600	322,600	337,100
Flexible Benefit Plan Fees	6,191	4,780	5,000	5,000	5,000
Audit Fees	1,075	1,075	1,100	1,100	1,100
State Assessment	8,974	0	17,000	5,600	6,000
Wellness Tracking Program	0	0	1,900	1,000	1,900
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	627	1,252	1,400	1,300	1,300
Transitional Reinsurance Fee	0	39,249	28,600	26,800	16,900
Transfers Out					
General Fund Wellness Program	45,884	49,742	56,300	56,300	58,600
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	$ 2,515,180	$ 2,819,992	$ 2,946,900	$ 2,972,700	$ 3,110,900
Ending Balance, June 30	$ 1,773,400	$ 1,445,978	$ 1,141,100	$ 1,147,278	$ 1,051,078
Increase (Decrease) in Fund Balance	**$ 773**	**$ (327,422)**	**$ (330,800)**	**$ (298,700)**	**$ (96,200)**

Explanation of Changes in Fund Balances:

Under the City's modified self insurance health plan, the City funds health insurance claims up to the individual and aggregate stop loss insurance levels. The individual stop loss amount has been $75,000 and the aggregate amount is 125% of expected claims for the City's group. The individual stop loss was increased to $100,000 effective January 1, 2016. The aggregate stop loss remained at 125% of expected claims. Based on the budgeted levels of claims in the 2015/2016 revised estimate and 2016/2017 budget, the fund balance is budgeted to decrease in each of those years. Actual fund balance changes, however, will depend on the actual health insurance claims each year.

INTERNAL SERVICE FUNDS

DENTAL INSURANCE FUND

GENERAL INFORMATION:

On January 1, 2003 the City changed its employee dental insurance program to a self-insured plan. Wellmark Blue Cross/Blue Shield is the carrier of the plan and also serves as the administrator. As part of the program the Dental Insurance Fund was established.

All payments of premiums from the City, employees, and retirees are credited to the Dental Insurance Fund. From this fund the City pays all actual claims paid by Wellmark on a monthly basis. The City also pays Wellmark a monthly administrative fee per employee for this service. When claims are less than the amount funded, the savings are retained by the City.

CURRENT TRENDS AND ISSUES:

In years prior to 2014, the City paid 100% of the cost of dental insurance for the employee and if employees opted for family coverage, it was paid 100% by the employee. Beginning in 2014 employees pay $1.00 per month toward their single coverage with the City paying the remaining cost. Employees will continue to pay 100% for family coverage if they choose this option. The change in employee participation for single coverage was due to provisions of the Affordable Care Act.

In 2014 dental insurance rates were $27.75 per month for single coverage with an additional $47.45 if employees opted for family coverage. The monthly administrative fee was $3.75 per contract in 2014. In 2015 dental insurance rates increased to $30.85 for single coverage with an additional $52.78 if the employee opted for family coverage. The monthly administrative fee remained at $3.75 per contract. In 2016 dental insurance rates increased to $32.39 for single coverage with an additional $55.42 if the employee opted for family coverage. The monthly administrative fee remained at $3.75 per contract. The 2016/2017 budget allows for the dental insurance rates to increase by 5% effective January 1, 2017.

For the 2016/2017 year, City, employee, and retiree contributions are estimated at $161,800. The administrative fee is projected at $10,100 and claims at $150,500. An estimated fund balance of $3,229 is projected for June 30, 2017.

Dental Insurance Fund

Fund Statement

	Actual 2013/2014	Actual 2014/2015	Budget 2015/2016	Revised Estimate 2015/2016	Budget 2016/2017
Beginning Balance, July 1	$ 17,491	$ 3,552	$ 952	$ 1,229	$ 2,029
Revenues					
City Contributions	$ 61,408	$ 65,366	$ 73,800	$ 72,200	$ 75,800
Employee Contributions	62,516	68,452	73,900	74,200	77,900
Retiree Contributions	5,466	7,407	9,700	7,700	8,100
Interest	25	15	0	0	0
Total Revenues	$ 129,415	$ 141,240	$ 157,400	$ 154,100	$ 161,800
Funds Available	$ 146,906	$ 144,792	$ 158,352	$ 155,329	$ 163,829
Expenditures					
Dental Insurance Claims	$ 133,946	$ 134,042	$ 143,000	$ 143,700	$ 150,500
Administrative Fees	9,408	9,521	10,100	9,600	10,100
Total Expenditures	$ 143,354	$ 143,563	$ 153,100	$ 153,300	$ 160,600
Ending Balance, June 30	$ 3,552	$ 1,229	$ 5,252	$ 2,029	$ 3,229
Increase (Decrease) in Fund Balance	**$ (13,939)**	**$ (2,323)**	**$ 4,300**	**$ 800**	**$ 1,200**

SUPPLEMENTAL INFORMATION

Appendix A

CITY OF MUSCATINE

COMMUNITY BACKGROUND

City Overview

The City of Muscatine, Iowa, the county seat of Muscatine County, is located in southeastern Iowa on the Mississippi River. The City is located 160 miles east of Des Moines, 200 miles west of Chicago, and 30 miles southwest of the Quad Cities. Being located adjacent to the deep channel of the Mississippi River, economical river transportation flourishes.

Muscatine was originally incorporated in 1851 by a special act of the Iowa State Legislature and today is a city of 23,819 people. Major employers located in the Muscatine area include: Grain Processing Corporation/Kent Feeds (corn distillates/feed); Heinz, USA (food processing); HNI (HON Company/Industries, office furniture); Monsanto Company (herbicides and plastics); Raymond-Muscatine, Inc. (front-end loaders, etc.); and Stanley Consultants, Inc. (consulting - engineering and architects).

City Government

The City of Muscatine is a special charter city operating under a mayor and seven council members, one elected from each of five wards plus two at-large. The City has established the appointed post of City Administrator, who acts as chief administrator of the City as directed by the Council. The activities of the City are operated with the assistance of three Boards and seven Advisory Commissions serving the City Council and City Staff.

Population

The official U.S. Census figures for the past eighty years are as follows:

Year	City of Muscatine	Muscatine County
2013*	23,819*	42,745
2010	22,886	42,745
2000	22,697	41,722
1990	22,881	39,907
1980	23,467	40,436
1970	22,405	37,181
1960	20,997	33,840
1950	19,041	32,564
1940	18,286	31,296
1930	16,778	29,385

∗ Voluntary annexations in 2012 and 2013 increased the City of Muscatine's population by 933.

Industries and Major Employers

Due to Muscatine's central location in the Midwest, the community has prospered with industrial development for many years. Presented below is a list of the larger industries and employers located within Muscatine.

Employer	Product/Service	Approximate Number of Employees *
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	200
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	900
Heinz, U.S.A.	Food processing	378
Hy-Vee Food Stores	Grocery store	380
HNI Corporation (HON Company/Industries)	Office furniture and material	3,700
Monsanto Company	Herbicides and ABS plastics	423
Muscatine Community School District	Education	795
Muscatine Community College	Higher education	138
County of Muscatine	County government	190
City of Muscatine	City government	221
Muscatine Power & Water	Utility	290
Musco Sports Lighting, Inc.	Sports lights	320
Stanley Consultants, Inc.	Engineers and architects	260
Raymond-Muscatine Inc.	Industrial trucks and end loaders	305
Trinity-Muscatine	Medical services	462
Wal-Mart Superstores	Discount and grocery store	345

* Employment numbers reflect 2015 levels.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

Facility Name	Grades	Date of Construction	Enrollment
Muscatine High School	9-12	1974	1,521
Central Middle School	6-8	1938	557
West Middle School	6-8	1960	628
Colorado Elementary	K-5	1962	265
Franklin Elementary	K-5	1954	302
Grant Elementary	K-5	1954	336
Jefferson Elementary	K-5	1928	374
Madison Elementary	K-5	1954	296
McKinley Elementary	K-5	1960	328

(Continued)

Facility Name (Continued)	Grades	Date of Construction	Enrollment
Mulberry Elementary	K-5	1962	288
Washington Elementary	K-5	1971	300
Total			5,195

Educational opportunities are also complemented by the Eastern Iowa Community College, Muscatine Campus, a two-year college with an enrollment of approximately 1,800 students. Colleges or universities within commuting distance include: The University of Iowa, Iowa City; St. Ambrose University, Davenport; Iowa Wesleyan College, Mount Pleasant; and Augustana College, Rock Island, Illinois.

Transportation

The rail line serving Muscatine is the CP Railroad, providing daily freight service. There is no scheduled airline serving Muscatine; however, charter service is available. The modern airport has one 5,500 foot main runway and a crosswind runway of 4,000 feet. The nearest scheduled airlines (29 miles) are at the Quad City Airport in Moline, Illinois, 45 minutes away.

The City has both public and private barge facilities. Shipping time on the river has never been closed for more than three months. Because of the location of the deep channel on the Muscatine side of the river, hardly any dredging is needed to keep the river open.

The City is served by U.S. Interstate 80, located 14 miles north; Iowa primary highways No. 38, 22, and 92; U.S. Highway No. 61; and an Interstate Bridge, providing Highway 92 access over the Mississippi River connecting downtown Muscatine to Rock Island County, Illinois.

Medical

The medical needs of Muscatine are served by Trinity-Muscatine, one of four hospitals in the Trinity Regional Health System and part of Des Moines-based UnityPoint Health. Trinity-Muscatine includes an 80 bed acute care hospital providing emergency, general medical and surgical services and a public health agency. Trinity-Muscatine employs approximately 105 nurses and 27 physicians have admitting privileges for the hospital.

Building Permits

Building permits issued in the City for the last 5 calendar years are as follows:

	2011	2012	2013	2014	2015
Single Family Homes					
Number of New Homes:	11	15	10	7	14
Valuation:	$2,244,560	$2,144,865	$2,525,540	$1,030,200	$2,517,358
Home Remodel & Improvements					
Number of Permits Issued:	256	325	259	255	288
Valuation:	$1,983,475	$2,754,000	$1,784,904	$2,579,082	$3,271,433
Multiple-Family Dwelling					
Number of New Buildings:	2	0	5	8	0
Valuation:	$1,638,643	$0	$2,280,540	$1,731,440	$0
Commercial/Industrial/Other					
Number of New Buildings:	4	6	5	26	27
Valuation:	$9,494,636	$4,387,265	$15,021,973	$22,488,472	$6,548,923
Commercial/Industrial/Other Additions & Alterations					
Number of Permits Issued:	127	47	76	55	38
Valuation:	$9,907,203	$30,432,120	$12,490,299	$4,912,011	$6,104,135
Total Permits:	400	393	355	351	367
Total Valuations:	$25,268,517	$39,718,250	$34,103,256	$32,741,205	$18,441,849

Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

Calendar Year	Muscatine County	State of Iowa
2015	3.90%	3.70%
2014	4.40%	4.40%
2013	4.70%	4.60%
2012	5.50%	5.20%
2011	6.40%	5.90%
2010	7.80%	6.30%
2009	8.10%	6.00%
2008	4.30%	4.10%
2007	3.50%	3.80%
2006	3.20%	3.70%

Retail Sales

The following illustrates the growth trend in taxable retail sales for the City of Muscatine as reported by the Iowa Department of Revenue:

Year Ended 3/31	Retail Sales	Number of Permits
2015	$ 401,787,000	708
2014	377,445,272	699
2013	371,978,755	711
2012	386,770,122	695
2011	375,283,095	693
2010	371,429,841	706
2009	378,670,791	708
2008	380,240,483	700
2007	351,046,365	708
2006	335,687,212	651

Population by Age (2010 Census):

Age Group	*City of Muscatine*	*Muscatine County*	*State of Iowa*
Under 5 years	7.7%	7.2%	6.6%
5 to 9 years	4.2%	7.2%	6.6%
10 to 14 years	7.2%	7.3%	6.6%
15 to 19 years	7.0%	7.0%	7.1%
20 to 24 years	5.9%	5.4%	7.0%
25 to 29 years	7.0%	6.1%	6.5%
30 to 34 years	6.5%	6.0%	6.1%
35 to 39 years	6.2%	6.2%	5.8%
40 to 44 years	6.0%	6.5%	6.2%
45 to 49 years	6.8%	7.5%	7.1%
50 to 54 years	7.0%	7.4%	7.3%
55 to 59 years	6.5%	6.8%	6.7%
60 to 64 years	5.4%	5.7%	5.5%
65 to 69 years	3.7%	4.1%	4.1%
70 to 74 years	3.0%	3.1%	3.3%
75 to 79 years	2.4%	2.4%	2.7%
80 to 84 years	2.2%	2.0%	2.3%
85 years and over	2.2%	2.1%	2.5%

Median Family Income (2010 Census):

Household Income	# of Households	% of Households
Under $10,000	597	6.4%
$10,000 to $14,999	666	7.1%
$15,000 to $24,999	1,233	13.1%
$25,000 to $34,999	1,026	10.9%
$35,000 to $49,999	1,490	15.9%
$50,000 to $74,999	2,107	22.4%
$75,000 to $99,999	1,119	11.9%
$100,000 to $149,999	796	8.5%
$150,000 to $199,999	213	2.3%
$200,000 or more	151	1.6%

Median and Mean Household Incomes (2010 Census):

Median	$46,178
Mean	$56,279

Race (2010 Census):

White	20,087
Black or African American	535
Asian	187
American Indian or Alaska Native	108
Native Hawaiian and Other Pacific Islander	4
Some Other Race	1,454
Two or More Race	511
	22,886

Hispanic or Latino and Race (2010 Census):

Hispanic or Latino (of any race)	3,794
Not Hispanic or Latino	19,092
	22,886

Appendix B

CITY OF MUSCATINE

COMMUNITY PROFILE

Date chartered	February 1, 1851
Form of government	Mayor/Council/City Administrator
Population (2010 census with the addition of the 2012 and 2013 voluntary annexations)	23,819
Bond Rating (Moody's Investor Services)	Aa2
Number of employees (excluding seasonal)	
Full-time equivalent	221
Area in square miles	18.5
City of Muscatine facilities and services:	
Miles of streets	144
Parks and Recreation:	
Parks	15
Park acreage	254
Recreation open areas	8
Recreation open area acreage	232
Golf course	1
Swimming pools	1
Softball and baseball diamonds	19
Soccer fields	8
Tennis courts	8
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	20,620
Circulation	359,906
Art Center and Museum	1
Police protection:	
Number of stations	1
Number of sworn officers	41
Fire protection and ambulance service:	
Number of stations	2
Number of fire/ambulance personnel	41
Sewer system:	

Number of treatment plants	1
Daily average treatment in gallons	5.15 million
Maximum daily capacity in gallons	16.9 million
Public transportation system:	1
Buses	11
Fixed routes served	3
Shuttle vehicles operated	3
Municipal airport:	1
Primary runway length	5,500 feet
Crosswind runway length	4,000 feet

Appendix C

GLOSSARY

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Specific or distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

Appropriation: Legal authorization by the City Council to make expenditures and to incur obligations for specific purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Availability Criterion: Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid).

Balanced Budget: A budget in which expenditures will not exceed estimated resources and revenues.

Bond: A written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity dates, together with periodic interest at a specified rate.

Budget: The financial plan for the operation of a program or organization, which includes an estimate of proposed expenditures for a given period, and the proposed means of financing those expenditures.

Budget Message: A general outline of the budget, which includes comments regarding the government's experience during the past period, its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Budgetary Basis of Accounting: The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Business-Type Activities: Activities of the City that are financed in whole, or in part, by fees charged to external parties for goods or services. These activities are accounted for as enterprise funds and include the Airport, Transit, Parking, Golf Course, Boat Harbor, Marina, Ambulance, Refuse Collection, Landfill, Transfer Station, Water Pollution Control, and Collection and Drainage funds.

Capital Improvements Program: An annually updated plan or schedule of projected expenditures for public facilities and improvements which includes estimated project costs, sources of funding, and timing of work over a five-year period. For financial planning and general management, the program is presented as a plan of work and proposed expenditures, and is the basis for appropriation requests and bond issues.

Capital Projects Expenditures: Expenditures for facilities, facility or other improvements, or equipment which are non- recurring in nature and have a total cost in excess of $25,000.

Capital Outlay/Capital Expenditure: Operating budget expenditures for assets which have a value of $300 or more and have a useful economic lifetime of more than one year.

Capital Projects Fund: Fund used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Commodities: Supplies required by the municipality in order to perform services to its citizens.

Community and Economic Development Function: Government function that provides for planning and development of the City including the social, physical and economic needs of the City. Activities included in this function are Community Development, Economic Development and the Municipal Housing Programs.

Contractual Services: Services other than employee services such as contractual arrangements and consultant services, which may be required by the municipality.

Culture and Recreation Function: This function promotes the general well being of the City and encourages the fullest development of cultural and educational potentials of the citizens in the community. This function includes the activities of library, art center, parks and recreation, and cemetery.

Debt Service Fund: A fund established to account for the accumulation of resources for and the payment of general long-term debt, principal, and interest.

Depreciation: An appropriation is expended when a capital asset is acquired or constructed. By definition, a capital asset has a service life expected to extend over more than one fiscal period. The process of allocating the cost of a capital asset to the periods during which the asset is used is called depreciation.

Encumbrances: Obligations in the form of purchase orders, and/or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

Encumbrance Variance: Differences between amounts encumbered to a budget year and the actual amount paid for those obligations in the succeeding year.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of a governing body is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Expendable Trust Funds: A trust fund in which its resources, including principal and earnings, may be expended. These funds are now accounted for as special revenue funds in the City's Comprehensive Annual Financial Report.

Expenditures: The cost of goods received or services rendered for the government unit. For the City of Muscatine, expenditures are charged against an appropriation when incurred, not when paid.

Fiscal Policy: The City of Muscatine's policy with respect to taxes, spending, and debt management as they relate to government services, programs, and capital investments.

Fiscal Year: A twelve-month period to which an annual operating budget applies. The City of Muscatine's fiscal year is from July 1 through June 30.

Fringe Benefits: Benefits paid by the City of Muscatine for social security, retirement, group health, life, dental, and long-term disability insurance. It also includes costs for worker's compensation and unemployment.

Full-time Equivalent: Full-time equivalent employees equal the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis.

Function: A group of related activities aimed at providing a major service or regulatory program for which a government is responsible.

Fund: The fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equity or balances and changes therein which are segregated for the purpose of carrying out specific activities or obtaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: Funds remaining after the application of available revenues and resources to support expenditures for the fund.

General Fund: A fund used to account for all financial resources except those required to be accounted for in another fund.

General Government Function: Function that provides for the operation of the government and assures the general administration of the municipality. Activities included in this function are mayor and council, legal services, city administrator, human resources, wellness program, finance, information technology, risk management, and buildings and grounds.

General Obligation Bonds: Bonds for the payment of which the full faith and credit of the issuing government are pledged.

Goal: Broad statement of desired results for the city, department, and/or activity relating to the quality of services to be provided to the citizens of Muscatine.

Governmental Funds: Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds.

Health and Social Services Function: Government function which provides for assistance to service agencies involved in providing health and social services in the community. For the City, this function includes the Economic Well-Being activity.

Intergovernmental Revenues: Revenue from other governments, primarily in the form of Federal and State grants, but may also be payments from other local governments.

Internal Service Fund: A fund used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government on a cost-reimbursement basis.

Landfill Closure and Postclosure Care Costs: Costs incurred to provide for the protection of the environment that occur near or after the date that a municipal solid-waste landfill stops accepting solid waste and during the postclosure period. Closure and postclosure care costs include the cost of equipment and facilities (e.g., leachate collection systems and final cover) as well as the cost of services (e.g., postclosure maintenance and monitoring costs).

Legal Debt Margin: The excess of the amount of debt legally allowed over the amount of debt outstanding.

Level of Service: Generally used to define the existing or current services, programs, and facilities provided by the government for its citizens. Level of service of any given activity may be increased, decreased, or remain the same depending upon the needs, alternatives, and available resources.

Levy: The total amount of taxes, special assessments, or service charges imposed by a government to support governmental activities.

Major Fund: A fund in which its assets, liabilities, revenues, or expenditures for the fiscal year are 10% or more of the respective governmental of business-type fund totals of assets, liabilities, revenues, or expenditures.

Modified Accrual Basis of Accounting: Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which are recognized when due.

Objectives: Specific measurable achievements that an activity seeks to accomplish within a given time frame, which are directed to a particular goal. An objective should be stated in terms of results, not processes or activities. For the City of Muscatine, departmental objectives are included in the department's budget request.

Ordinance: A formal legislative enactment by the governing body of a municipality.

Performance Measurement: Commonly used term for service efforts and accomplishments reporting.

Permanent Funds: A fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Personal Services: Expenditures for salaries, wages, and related employee benefits for persons employed by the municipality.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Safety Function: Government function that provides for services to reduce the amount and effects of external harm to individuals and damage to property, and in general to promote an atmosphere of personal security from external events. Police, animal control, and fire activities are included in this function.

Public Works Function: Government function that provides for safe and well-maintained infrastructure for the City. Activities included in this function are public works administration, roadway maintenance, snow and ice control, street cleaning, traffic control, and engineering.

Resolution: An order of a legislative body requiring less legal formality than an ordinance; additionally, it has less legal status.

Revenue: Income received by the City of Muscatine to support the government's program of services to the citizens. Income includes such items as property tax, fees, user charges, grants, and fines.

Special Assessment: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Funds: Funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Taxable Valuations: Valuations set upon real estate or other property by a government as the basis for levying taxes.

Taxes: Compulsory charges levied by government for the purpose of financing services performed for the common benefit. This does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.

Trust and Agency Funds: Funds used to account for assets held by a government in a trustee or agent capacity for individuals, private organizations, other governments, and/or other funds.

Working Capital: Current assets less current liabilities. The measure of working capital indicates the relatively liquid portion of total fund capital, which constitutes a margin or buffer for meeting obligations.

APPENDIX D

ACRONYMS AND ABBREVIATIONS

ADA	Americans with Disabilities Act
CAFR	Comprehensive Annual Financial Report
CALEA	Commission on Accreditation of Law Enforcement Agencies
CD	Certificate of Deposit
CD	Community Development
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
CPI	Consumer Price Index
EAP	Employee Assistance Program
EEO	Equal Employment Opportunity
EMS	Emergency Medical Service
EMT	Emergency Medical Technician
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FBO	Fixed Base Operator (Airport)
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation (Bonds)
HIDTA	High Intensity Drug Trafficking Area
HUD	Department of Housing and Urban Development
HVAC	Heating, Ventilation and Cooling System
ICMA	International City Managers Association
IDED	Iowa Department of Economic Development
IDNR	Iowa Department of Natural Resources
IDOT	Iowa Department of Transportation
IPAIT	Iowa Public Agency Investment Trust
IPERS	Iowa Public Employees Retirement System
MCC	Muscatine Community College
MFPRSI	Municipal Fire and Police Retirement System of Iowa
MP&W	Muscatine Power and Water
NLETS	National Law Enforcement Telecommunications System
OSHA	Occupational Health and Safety Administration
P&Z	Planning and Zoning Commission
PC	Personal Computer
PEHP	Post Employment Health Plan

QHWRA	Quality Housing and Work Responsibility Act
RFP	Request for Proposals
RHS	Retirement Health Savings Plan
SAT	Safety Awareness Team
SCADA	Supervisory Control and Data Access System
SRF	State Revolving Fund Loan
SRO	School Resource Officer
TIF	Tax Increment Financing
WPCP	Water Pollution Control Plant