



CITY OF MUSCATINE
215 SYCAMORE STREET
MUSCATINE, IA 52761
PH. (563) 264-1550 • FAX (563) 264-0750

CITY OF MUSCATINE PRESS RELEASE

For more information contact:

Kevin Jenison
Communication Manager
E-Mail: kjenison@muscatineiowa.gov
Phone: (563) 264-1550 • Fax: (563) 264-0750

FOR IMMEDIATE RELEASE
JUNE 3, 2020

COUNCIL TO HEAR MORE ON COVID-19 FINANCIAL IMPACTS

Estimated impact to City from government shutdown of businesses to be discussed

MUSCATINE, Iowa – The picture is becoming a little clearer on the financial impacts created by the government shutdown of businesses during the COVID-19 health crisis, and the anticipated effects to the current and next City budgets will be presented to the Muscatine City Council Thursday night.

The Muscatine City Council will again meet in a virtual session at 7 p.m. Thursday, June 4. Details on attending the virtual meeting are listed below.

Finance Director Nancy Lueck will provide information to the Council on the potential impacts on estimated revenues for the Fiscal Year 2020 and Fiscal Year 2021 budgets as well as potential expenditure revisions that may need to be made in response to the estimated revenue impacts.

“The City was in good financial shape going into this health crisis,” Lueck said. “We have had balanced budgets in recent years and have been able to increase the General Fund balance. The reason for the General Fund Balance Policy and for maintaining a healthy General Fund balance (currently at 22.3 percent of general expenditures) is for unforeseen circumstances such as we are experiencing.”

The assumptions in revenue reduction are likely to change several times, Lueck said.

“The full impact of COVID-19 will depend on the duration of the impact, and the time it will take to recover economically,” Lueck said.

The information being presented has been updated since May 14 to include actual revenues through May 2020, the closure of the Aquatic Center for 2020, the most recent hotel/motel tax receipt (for January through March), and estimated impacts on the City’s enterprise fund revenues.

The anticipated revenue losses are estimated at \$1.1 million for FY 20 and \$1.8 million for FY 21. One of the biggest losses may come from the Hotel/Motel Tax with an estimated reduction of \$185,000 for FY 20 and \$175,000 for FY 21. Other aspects of the General Fund that may see losses in revenue include franchise fees, Parks and Recreation programs, and licenses and permits. Road Use Taxes, Local Option Sales Taxes, and fees from transit, parking, and sewer will also see reductions.

A number of expenditure reductions/deferrals have been proposed to address the projected revenue shortfalls. These include deferring the FY 21 Pavement Management program (a savings of \$1 million) due to the expected reductions in Road Use Tax and Local Option Sales Tax that is used to fund the program. Also proposed is deferring the hiring of the Human Resource Generalist position (a savings of \$73,700) that was added in the FY 21 budget, and defer hiring three new firefighters (a savings of \$234,000), that were also added to the FY 21 budget.

“The items currently identified for deferral or elimination will assist in maintaining the financial integrity of the city’s funds,” Lueck said. “And will generally not have a direct impact on services the residents expect from the City.”

Additional financial assistance from the state and/or federal government may also play a part in future budget discussions, as will any future changes to anticipated revenues.

The Council is also expected to hear from Human Resource Manager Stephanie Romagnoli on the progress of preparing City Hall to be reopened to the public as early as Monday, June 8. Most aspects of the plan have already been put into place including daily sanitizing of all touchable surfaces inside the building, installation of partitions in areas where the public will be interacting with staff (Finance, Human Resource, Housing, Community Development, Parks and Recreation), availability of hand wipes at each entrance, and the continued availability for the public to conduct most business activities through electronic means.

Click [AGENDA](#) to download the June 4, 2020, City Council agenda and/or attachments.

How to attend, speak at virtual meeting –

Meetings of the Muscatine City Council have been held by conference call since Iowa Governor Kim Reynolds proclaimed a State of Public Health Disaster Emergency on March 19, 2020. To join the conference call by computer, laptop, tablet, or smartphone click on the following link <https://global.gotomeeting.com/join/369247157>. Citizens can also listen to the meeting with their phone by dialing [+1 \(872\) 240-3311](tel:+18722403311) and use the access code 369-247-157.

Please mute your computer or phone while listening to the proceedings (**press *6 when using phone or mute button on computer**). A chat window is available when you use your computer, laptop, tablet, or smartphone. Those wishing to speak or to ask a question are asked to use the chat box to post a message that will be seen by the Mayor who will address the questions or call on the speaker in turn. Those using their phones must wait until the Mayor asks for additional comments. The Mayor will recognize you prior to you addressing the Council.



CITY OF MUSCATINE
215 SYCAMORE STREET
MUSCATINE, IA 52761
PH. (563) 264-1550 • FAX (563) 264-0750

Muscatine City Council Regular Meeting June 4, 2020

Thu, Jun 4, 2020 7:00 PM - 9:00 PM (CDT)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/369247157>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3311](tel:+18722403311)

Access Code: 369-247-157

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/369247157>