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City Administrator Report to Mayor & City Council

December 28, 2012, Edition No. 71

REPORT:

1. Hotel/Motel: The attached spreadsheet has been updated for the hotel/motel tax we just received for the quarter ended 9-30-12.
2. Valuation: Please see the attached spreadsheet with our valuations for next FY. The first three tabs in the attached file have been updated - actual valuations, taxable, and the comparison of the two.
3. Goals: Attached are pdf versions of the goals adopted by Council at the December 20, 2012 Council meeting.
4. WPCP: A retirement party will be held for Roger Kirby this coming Monday (12/31) at 11am at the WPCP. Monday will be Roger's last day with the City. Jon Koch will officially take over as Director on Tuesday.
5. Holiday: Short week, short report. Enjoy the Holiday on Tuesday and Happy New Year!

City of Muscatine
Hotel/Motel Tax Receipts
1981 Through the Quarter Ended September 30, 2012
Calendar Year Basis
(Reflects Sales Tax for the Quarter Indicated Received by the City in the Following Quarter)

Quarter Ended:	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
March 31	N/A	\$ 19,232.96	\$ 18,681.98	\$ 20,297.13	\$ 18,009.11	\$ 16,709.02	\$ 17,009.89	\$ 17,569.02	\$ 23,469.48	\$ 26,448.19
June 30	22,524.49	21,870.19	21,848.36	21,360.82	20,456.33	16,722.85	17,434.77	20,999.14	24,891.65	30,498.07
September 30	22,943.58	22,440.75	22,663.46	22,541.57	21,131.85	20,424.40	17,824.69	26,701.15	29,046.75	32,003.03
December 31	20,019.16	17,739.93	20,000.55	18,367.11	15,842.84	14,163.27	21,787.58	21,108.93	23,155.62	22,971.37
Totals	\$ 65,487.23	\$ 81,283.83	\$ 83,194.35	\$ 82,566.63	\$ 75,440.13	\$ 68,019.54	\$ 74,056.93	\$ 86,378.24	\$ 100,563.50	\$ 111,920.66

Quarter Ended:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
March 31	\$ 24,305.78	\$ 27,711.87	\$ 60,894.40	\$ 24,483.42	\$ 44,578.12	\$ 51,405.94	\$ 54,742.68	\$ 61,102.75	\$ 67,404.48	\$ 59,417.74
June 30	31,847.41	54,074.28	56,858.82	82,397.18	76,758.21	68,952.70	74,099.44	82,774.25	73,742.69	74,119.67
September 30	34,881.63	62,854.35	67,253.12	79,392.19	70,042.93	78,281.78	76,141.18	86,567.88	96,915.22	76,958.27
December 31	25,472.90	33,368.49	55,666.56	42,913.95	66,771.86	60,657.31	66,553.96	71,106.50	63,865.01	78,280.53
Totals	\$ 116,507.72	\$ 178,008.99	\$ 240,672.90	\$ 229,186.74	\$ 258,151.12	\$ 259,297.73	\$ 271,537.26	\$ 301,551.38	\$ 301,927.40	\$ 288,776.21

Quarter Ended:	2001 (#3)	2002	2003	2004	2005	2006	2007	2008	2009	2010
March 31	\$ 69,292.78	\$ 58,990.57	\$ 57,351.91	\$ 69,710.27	\$ 79,835.21	\$ 72,552.48	\$ 71,768.06	\$ 67,766.16	\$ 66,267.81	\$ 61,255.18
June 30	106,317.92	77,900.53	80,745.70	91,181.51	93,847.60	90,337.59	100,316.37	91,518.91	78,997.38	92,787.24
September 30	76,274.37	72,877.04	81,699.38	84,352.24	75,707.03	92,400.28	108,581.41	122,708.53	89,635.77	92,418.76
December 31	63,041.37	63,679.21	68,206.60	69,540.31	67,478.39	74,333.00	98,387.80	76,380.57	58,594.48	73,512.88
Totals	\$ 314,926.44	\$ 273,447.35	\$ 288,003.59	\$ 314,784.33	\$ 316,868.23	\$ 329,623.35	\$ 379,053.64	\$ 358,374.17	\$ 293,495.44	\$ 319,974.06

Quarter Ended:	2011 (#4)	2012
March 31	\$ 97,259.96	\$ 65,312.80
June 30	100,472.96	88,516.82
September 30	78,823.22 *	89,285.49
December 31	115,118.50 *	
Totals	\$ 391,674.64	\$ 243,115.11

Hampton Inn
opened late in
2010

* One permit had not
finished processing for
the 9/30/11 quarter; funds were
included in the next quarter

Notes:

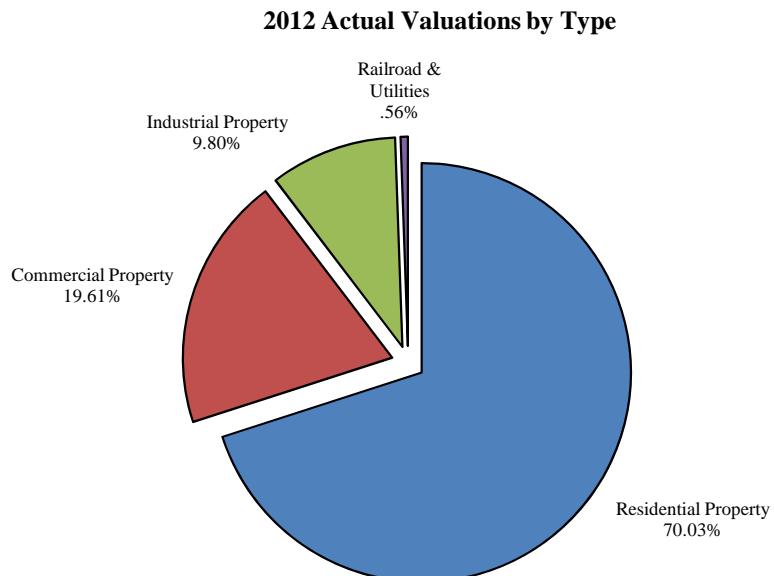
1. Hotel/motel tax implemented 4-1-81 at a rate of 4%.
2. Hotel/motel tax increased to 7% effective 4-1-92
3. Hotel/motel tax for quarter ended June 30, 2001 included \$21,705.23 for prior quarters per State (late payments plus interest).
4. Hotel/motel tax for quarter ended March 31, 2011 includes \$5,345.83 for the prior quarter.

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

	<u>January 1, 2011</u>	Percent of Total	<u>January 1, 2012</u>	Percent of Total	Increase (Decrease)	Percent Change
Residential Property	\$ 826,440,451	69.59%	\$ 834,660,717	70.04%	\$ 8,220,266	0.99%
Commercial Property	236,549,608	19.92%	233,677,171	19.61%	(2,872,437)	-1.21%
Industrial Property	117,483,923	9.89%	116,856,275	9.80%	(627,648)	-0.53%
Railroads	628,206	0.05%	648,208	0.05%	20,002	3.18%
Utilities *	6,457,240	0.54%	5,981,766	0.50%	(475,474)	-7.36%
Total Valuations	<u>\$ 1,187,559,428</u>	<u>100.00%</u>	<u>\$ 1,191,824,137</u>	<u>100.00%</u>	<u>\$ 4,264,709</u>	<u>0.36%</u>

* Beginning with the 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.

Commercial and industrial property total to 29.41% of Actual Valuations for the City of Muscatine in FY 2013/2014



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

	<u>January 1, 2011</u>	<u>January 1, 2012</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	MEMO ONLY
	<u>January 1, 2011</u>	<u>January 1, 2012</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	Percent Increase (Decrease) in Actual Value
Residential Property (1)	\$ 418,570,988	\$ 439,988,430	\$ 21,417,442	5.12%	0.99%
Commercial Property (2)	236,549,608	233,677,171	(2,872,437)	-1.21%	-1.21%
Industrial Property (3)	117,483,923	116,856,275	(627,648)	-0.53%	-0.53%
Railroads	628,206	648,208	20,002	3.18%	3.18%
Utilities (4)	<u>6,457,240</u>	<u>5,981,766</u>	<u>(475,474)</u>	<u>-7.36%</u>	<u>-7.36%</u>
Total Valuations	\$ 779,689,965	\$ 797,151,850	\$ 17,461,885	2.24%	0.36%
Less Military Exemptions	<u>2,001,533</u>	<u>1,946,036</u>	<u>(55,497)</u>	<u>-2.77%</u>	
Total Net Valuation	<u><u>\$ 777,688,432</u></u>	<u><u>\$ 795,205,814</u></u>	<u><u>\$ 17,517,382</u></u>	<u><u>2.25%</u></u>	

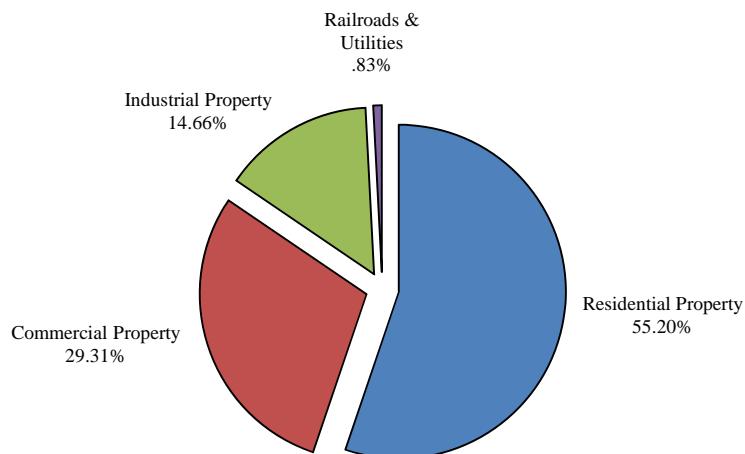
MEMO ONLY

Total if Gas and Electric Utilities were Included

<u>\$ 781,443,576</u>	<u>\$ 798,621,557</u>	<u>\$ 17,177,981</u>	2.21%
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1. Residential taxable valuations realized an increase in the rollback factor from 50.7518% to 52.8166% for January 1, 2012 (an increase of 4.06%).
2. Commercial valuations for January 1, 2012 are at 100%, the same as in 2011 (0% change).
3. Industrial property continues to be valued at 100% of assessed value.
4. 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.

Commercial and industrial property total to 44.08% of Taxable Valuations for the City of Muscatine in FY 2013/2014

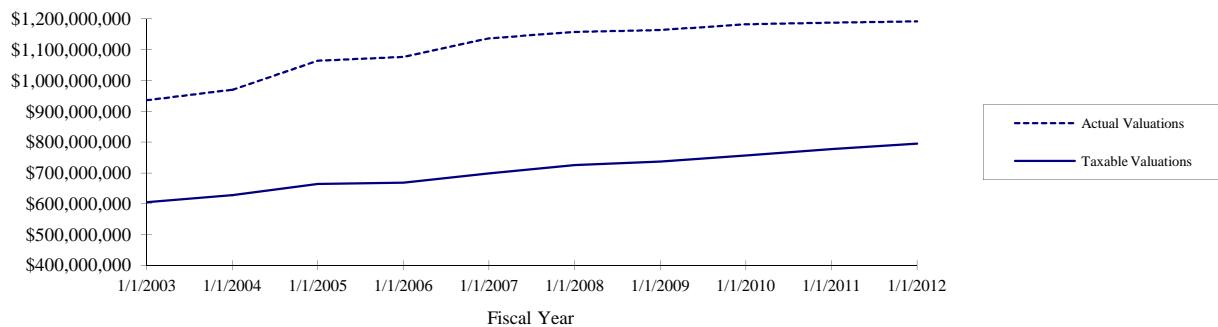


2012 Taxable Valuations by Type
(Valuations Used for 2013/2014 Tax Levy)

City of Muscatine
History of Actual and Taxable Property Valuations
FY 2003/2004 through FY 2013/2014
(Excludes Tax Increment Values)

Valuation Date	Fiscal Year	Actual Valuations (1)		Taxable Valuations		Percent Taxable of Actual (2)
		Valuation	Percent Change	Valuation	Percent Change	
January 1, 2003	2004/2005	\$ 935,583,731	2.30%	\$ 604,400,974	-1.46%	64.60%
January 1, 2004	2005/2006	969,948,931	3.67%	627,619,359	3.84%	64.71%
January 1, 2005	2006/2007	1,063,565,913	9.65%	663,934,140	5.79%	62.43%
January 1, 2006	2007/2008	1,076,411,985	1.21%	668,075,323	0.62%	62.07%
January 1, 2007	2008/2009	1,136,242,003	5.56%	698,932,613	4.62%	61.51%
January 1, 2008	2009/2010	1,157,482,324	1.87%	725,500,826	3.80%	62.68%
January 1, 2009	2010/2011	1,163,419,885	0.51%	736,929,726	1.58%	63.34%
January 1, 2010	2011/2012	1,182,251,155	1.62%	756,210,500	2.62%	63.96%
January 1, 2011	2012/2013	1,187,559,428	0.45%	777,688,432	2.84%	65.49%
January 1, 2012	2013/2014	1,191,824,137	0.36%	795,205,814	2.25%	66.72%
Increase in Values - 10 Year Period		\$ 256,240,406		\$ 173,287,458		
Percent Increase - 10 Year Period			27.39%		28.67%	

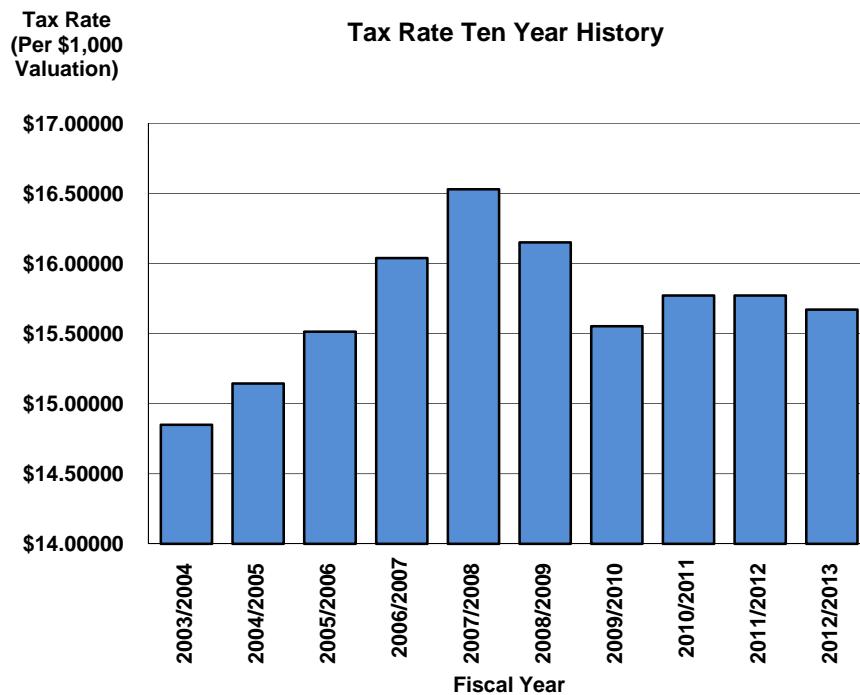
1. Changes in actual valuations reflect equalization orders, re-valuations by the County Assessor as well as new growth. Growth in TIF districts is not included in the actual valuations in this schedule.
2. Reductions of taxable value as a percent of actual value are due to increases in the State rollback factors, primarily for residential property.



10 Year History of Actual and Taxable Property Valuations

City of Muscatine
City Tax Rate History
Fiscal Years 2003/2004 through 2012/2013

Fiscal Year	Tax Rate (Per	Percent	Memo Only	
	\$1,000 Valuation)		Residential	% Change in
			Rollback	Residential
2003/2004	\$ 14.84915	3.43%	51.3874	
2004/2005	15.14549	2.00%	48.4558	-5.70%
2005/2006	15.51344	2.43%	47.9642	-1.01%
2006/2007	16.03891	3.39%	45.9960	-4.10%
2007/2008	16.52993	3.06%	45.5596	-0.95%
2008/2009	16.15095	-2.29%	44.0803	-3.25%
2009/2010	15.55353	-3.70%	45.5893	3.42%
2010/2011	15.77146	1.40%	46.9094	2.90%
2011/2012	15.77146	0.00%	48.5299	3.45%
2012/2013	15.67209	-0.63%	50.7518	4.58%



City of Muscatine
History of Property Tax Levies by Type (Per \$1,000 of Valuation)

	General (\$8.10 Max.)	Transit	Tort Liability	Emergency Management	Emergency	Employee Benefits Levies					Debt Service	Levee	Total
						Police & Fire Pension	P & F Rate	FICA/ IPERS	Other Emp. Benefits	Total Emp. Ben.			
2003/2004	8.10000	0.24223	0.30117	-	0.27000	0.56686	(20.48%)	0.74638	1.72844	3.04168	2.82657	0.06750	14.84915
2004/2005	8.10000	0.35191	0.31838	-	0.27000	0.83149	(24.92%)	0.71284	1.67710	3.22143	2.81627	0.06750	15.14549
2005/2006	8.10000	0.35615	0.35789	-	0.27000	1.31179	(28.21%)	0.59830	1.35344	3.26353	3.09837	0.06750	15.51344
2006/2007	8.10000	0.21753	0.37863	-	0.27000	1.31324	(27.75%)	0.58972	2.16979	4.07275	2.93250	0.06750	16.03891 *
2007/2008	8.10000	0.49418	0.35009	-	0.27000	1.32963	(25.48%)	0.63326	2.50397	4.46686	2.78130	0.06750	16.52993 *
2008/2009	8.10000	0.22751	0.31040	0.14219	0.27000	0.98175	(18.75%)	0.63011	2.46390	4.07576	2.95759	0.06750	16.15095 *
2009/2010	8.10000	0.31516	0.34462	-	0.27000	0.91745	(17%)	0.64102	1.99676	3.55523	2.90101	0.06750	15.55353
2010/2011	8.10000	0.24310	0.34304	-	0.08000	1.06724	(19.90%)	0.67051	2.05671	3.79446	3.14336	0.06750	15.77146 *
2011/2012	8.10000	0.39489	0.29665	-	-	1.34977	(24.760%)	0.69436	2.01778	4.06191	2.85051	0.06750	15.77146 *
2012/2013	8.10000	0.40950	0.31915	-	-	1.43566	(26.120%)	0.71744	1.71896	3.87206	2.90388	0.06750	15.67209

Boxed tax rates indicate the highest rates in that category over the 10 years shown.

* Years with total tax rates higher than 2012/2013.

City of Muscatine
2013 Core Values, Vision and Mission
Adopted, December 20, 2012

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 pride, 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

The City of Muscatine's mission is to provide a full-range of high quality, effective municipal services; excellent customer service; and sound fiscal management. We engage our community, producing results designed to enhance the safety, well-being and quality of life for our residents and business community. We are advocates for our community, valuing our history and working to shape our future.

City of Muscatine
2013 Council and Management Agenda
Adopted December 20, 2012

Long-Term Goals

- Promote in-fill and voluntary annexation opportunities.
- Develop effective economic development strategies to encourage local investment and partnership.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate.

Council Policy Agenda 2012-2013

Top Priority

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Chamber and CVB. 2013
- Work to promote the City of Muscatine as a Blue Zones Community.
- Meet with MPW to redefine annexation policy for the extension of utilities in unincorporated areas
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.
- Update the City's Financial Policies to reflect a new target General Fund fund balance in excess of the present 10% threshold. This policy update will also address conditions for use of reserves, authority over reserves, and replenishment of reserves. 2013
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Develop a citywide comprehensive plan incorporating Iowa's Smart Planning Principles. 2013
- Develop policies/incentives to encourage in-fill opportunities and address blight within the city limits.
 - Adopt housing tax abatement plan.
 - Adopt historical housing tax abatement plan.

High Priority

- Provide for the City's existing levels of service with an emphasis on essential services.
- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan.
- Promote a climate for businesses to thrive in Muscatine and Work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Adopt updated City Code. 2013 (Estimated Cost \$10,000)
- Adopt updated Citywide zoning ordinance. 2013-2014 (Estimated cost \$15,000)

Management Agenda 2012-14

The Management Agenda represents short-term projects for the City Administrator and staff. Included in the Management Agenda are items that are considered major projects that involve significant city resources and may span more than one year for completion

Top Priority

- Focus on continuous improvement and excellence in service throughout the organization.
- Enhance the City's new website and maximize web-based resources as a resource for public communication.
- Complete an update of the City Code and City's 1974 zoning ordinance. 2013
- Prepare a Unified Development Code for City Council review and adoption (Subdivision, Building, Zoning and Health regulations). 2014

High Priority

- Utilize surveys and other tools to enhance policy and budget recommendations.
- Continue to develop the Continuous Service Improvement (CSI) Program and begin Lean training for all City employees in cooperation with HNI.
- Provide a pavement management program and work to develop a sidewalk management policy and plan. 2013
- Continue to review and target means to improve energy efficiency throughout the organization and City facilities.
- Complete the following Capital Projects:
 - Finalize and implement Combined Sewer Overflow (CSO) timeline. 2013
 - Cedar Street Reconstruction and Trail. 2013-2014
 - Colorado Street Reconstruction. 2013-2014
 - Identify Mississippi Drive Corridor funding mechanisms. 2013-2014
 - Provide support to the Phase III Soccer Committee.
 - Evaluate adding HVAC to City Hall and the Art Center. 2013
 - Prepare cost estimates and a construction timeline for inclusion of reconstruction of Mulberry Street (Houser to Bypass) in the City's CIP.