



FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: April 30, 2018

Re: Resolution to set Public Hearing on Amending the 2017/2018 City Budget
(Amendment #2)

Introduction and Background:

Attached is the Resolution Setting a Public Hearing on Amendment #2 to the current year City budget. City Council approved the first amendment to the 2017/2018 budget on March 1, 2018. That action amended the budget to the Revised Estimate levels established at the budget review sessions.

This second amendment includes additional proposed amendments since that time. This proposed amendment will increase total budgeted expenditures for the City by \$405,300 and transfers out will increase by \$73,700. Budgeted revenues are proposed to be amended by \$113,900 and transfers in by \$73,700. The revenue amendment includes a total of \$44,600 in grants and contributions received after the 2017/2018 revised estimate was approved, \$41,300 in insurance reimbursements, and \$28,000 in HUD funds for the Section 8 Housing Voucher Program. Of the overall requested expenditure increase, General fund amendments total \$61,700, enterprise fund amendments total \$230,700, special revenue \$103,700, and trust funds \$9,200.

General Fund expenditures are proposed to be amended by a total of \$61,700. This is lower than the increases in the 2nd amendments for most recent years. The 2nd amendment in 2016/2017 totaled \$327,600 (tornado damage repairs), the 2nd amendment to the 2015/2016 budget was \$81,900, it was \$13,000 for 2014/2015, and it was \$160,100 for 2013/2014. The 2017/2018 amendments include: (1) an increase of \$15,000 in the Fire department budget which includes \$10,000 for disability retiree medical costs and \$5,000 for increased vehicle and equipment repair and maintenance costs, (2) a \$19,000 increase in the Park Maintenance budget for trees which is 100% funded from grants, (3) a \$73,200 increase in the Roadway Maintenance budget primarily due to increased vehicle and equipment maintenance costs, and (4) an overall decrease of \$45,500 in the Snow & Ice Control budget based on actual costs this winter. The Roadway Maintenance increase was partially offset by the Snow & Ice Control budget decrease for a net increase of \$27,700.

Enterprise fund expenditure amendments total \$230,700 and include (1) a \$52,400 increase in the Refuse Collection budget primarily for increases in fuel, equipment maintenance, and personal services which includes the allocated portion of the retirement pay for the Solid Waste Manager and also allows for a 3-week overlap with the new Manager, (2) an increase of \$37,000 in the Landfill budget for increased leachate hauling, repair and maintenance services, and personal services for the allocated portion of the retirement pay for the Solid Waste Manager and also allows for a 3-week overlap with the new Manager,

(3) an increase of \$60,300 in the Transfer Station budget for increased repair and maintenance costs and personal services for the allocated portion of the retirement pay for the Solid Waste Manager and also allows for a 3-week overlap with the new Manager, (4) an increase of \$30,500 for vacation and retirement pay for the WPCP Plant Manager, (5) a total of \$38,500 in the Ambulance budget which includes \$25,600 reimbursed by grants and donations, and (6) an increase of \$12,000 in the Public Housing budget for increased operating costs.

The balance of the amendments are (1) \$71,200 in the Equipment Replacement budget which includes \$46,300 to replace a damaged Police vehicle with \$41,300 paid by insurance and \$23,900 for a Building and Grounds van which was moved from the 2018/2019 budget, (2) a \$32,500 increase in the Section 8 Housing Voucher Program budget with HUD funds increasing by \$28,000, and (3) an increase of \$9,200 in the Library Trust Fund. The total amendment of \$405,300 is \$197,200 less than the total of amendment #2 for the 2016/2017 fiscal year of \$602,500.

The proposed General Fund expenditure amendments would result in a decrease in fund balance of only \$5,000 since most of the amendments will be funded from grants or transfers from other funds. It is, however, expected that there should be savings in various General Fund department budgets which will offset this amount. For the City's Governmental Funds (primarily the General Fund), expenditures are required to be within the budget for each functional area. This amendment allows for somewhat of a "cushion" for increased costs so the budgets for the various functions are not exceeded at year end.

It should also be noted that although it currently appears that several departments will be under their budget amounts, we traditionally have not amended those budgets downward to offset increases in other departments. With two months remaining in the fiscal year, the actual amounts that those budgets may be under budget cannot be determined, especially if those departments have unforeseen costs before year end.

Summary:

As noted previously, the total proposed amendment of \$405,300 is \$197,200 less than the total amendment of \$602,500 in 2016/2017.

The General Fund amendment for 2017/2018 of \$61,700 is \$265,900 less than the 2016/2017 2nd amendment of \$327,600 which included repairs from the March 2017 tornado.

The total 2nd amendments and the General Fund amendments in the past seven years were as follows: (1) 2016/2017 total 2nd amendment of \$602,500 and General Fund amendment of \$327,600, (2) 2015/2016 total 2nd amendment of \$791,200 with \$81,900 in the General Fund, (3) 2014/2015 total 2nd amendment of \$632,500 with \$13,000 in the General Fund, (4) 2013/2014 total 2nd amendment of \$1,115,800 with \$160,100 in the General Fund, (5) 2012/2013 total 2nd amendment of \$370,700 with \$93,300 in the General Fund, (6) for 2011/2012 the amendment totaled \$945,360 with \$65,500 in the General Fund, and (6) in 2010/2011 the 2nd amendment totaled \$374,200 with \$202,100 in the General Fund. In each of those years the actual balances for the General Fund exceeded the revised estimate projected fund balances at year end.

Recommendation:

Please include the attached resolution setting a public hearing for May 17, 2018 on the second amendment to the City's Fiscal Year 2017/2018 budget on the May 3 2018 Council agenda. Please contact me if you have any questions.

RESOLUTION NO. _____

RESOLUTION SETTING TIME AND PLACE FOR A PUBLIC HEARING
CONCERNING AMENDMENT #2 TO THE CITY BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2018
FOR THE CITY OF MUSCATINE, IOWA

WHEREAS, a public hearing is required in order to amend the budget for the City of Muscatine for the fiscal year ending June 30, 2018,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MUSCATINE, IOWA that a public hearing be set for May 17, 2018 at 7:00 p.m. in the City Hall Council Chambers, 215 Sycamore Street, concerning Amendment #2 to the City budget for fiscal year ending June 30, 2018, and that the City Clerk be directed to publish Notice of Public Hearing in the Muscatine Journal, in the form required by the State of Iowa.

PASSED, APPROVED AND ADOPTED this 3rd day of May, 2018.

BY THE CITY COUNCIL OF THE CITY OF
MUSCATINE, IOWA

Diana Broderson, Mayor

ATTEST:

Gregg Mandsager, City Clerk

**NOTICE OF PUBLIC HEARING
AMENDMENT OF FY2017-2018 CITY BUDGET**

The City Council of Muscatine in MUSCATINE County, Iowa
will meet at City Hall Council Chambers
at 7:00 PM on 5/17/2018
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2018
(year)
by changing estimates of revenue and expenditure appropriations in the following functions for the reasons given.
Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

		Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources				
Taxes Levied on Property	1	13,459,207	0	13,459,207
Less: Uncollected Property Taxes - Levy Year	2	0		0
Net Current Property Taxes	3	13,459,207	0	13,459,207
Delinquent Property Taxes	4	0		0
TIF Revenues	5	2,074,000	0	2,074,000
Other City Taxes	6	3,710,215	0	3,710,215
Licenses & Permits	7	537,700	0	537,700
Use of Money and Property	8	1,211,510	0	1,211,510
Intergovernmental	9	8,884,242	37,000	8,921,242
Charges for Services	10	15,050,700	0	15,050,700
Special Assessments	11	0	0	0
Miscellaneous	12	8,285,400	76,900	8,362,300
Other Financing Sources	13	4,090,000	0	4,090,000
Transfers In	14	17,161,797	73,700	17,235,497
Total Revenues and Other Sources	15	74,464,771	187,600	74,652,371
Expenditures & Other Financing Uses				
Public Safety	16	9,444,200	61,300	9,505,500
Public Works	17	2,536,600	27,700	2,564,300
Health and Social Services	18	55,000	0	55,000
Culture and Recreation	19	3,507,600	29,200	3,536,800
Community and Economic Development	20	4,546,430	32,500	4,578,930
General Government	21	2,901,105	23,900	2,925,005
Debt Service	22	2,972,161	0	2,972,161
Capital Projects	23	13,788,000	0	13,788,000
Total Government Activities Expenditures	24	39,751,096	174,600	39,925,696
Business Type / Enterprises	25	22,956,857	230,700	23,187,557
Total Gov Activities & Business Expenditures	26	62,707,953	405,300	63,113,253
Transfers Out	27	17,161,797	73,700	17,235,497
Total Expenditures/Transfers Out	28	79,869,750	479,000	80,348,750
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year	29	-5,404,979	-291,400	-5,696,379
Beginning Fund Balance July 1	30	36,438,541	0	36,438,541
Ending Fund Balance June 30	31	31,033,562	-291,400	30,742,162

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

To appropriate additional revenues and available fund balances for increased expenditures. Increases in expenditures include those for equipment repair and maintenance costs and \$44,600 for purchases funded from grants and donations.

There will be no increase in tax levies to be paid in the current fiscal year named above related to the proposed budget amendment. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget.

Gregg Mandsager

City Clerk/ Finance Officer Name

City of Muscatine
 FY 2017/2018 Proposed Budget Amendments
 (Budget Amendment #2)
 April 30, 2018

Fund/Department	Account	Expenditure Amendment	Comments	Revenues/ Transfers In Amendment
General Fund				
Fire Operations:				
Retiree Medical Services	1000-20-1321-61560	\$ 10,000	Additional retiree medical services for disability retirements	
			Transfer from Emp Ben Fund 1000-20-1321-39500	\$ 10,000
Operating Equipment Repair&Maint.	1000-20-1321-67320	5,000	Based on actual to date and estimated additional to 6-30-18	
Park Maintenance:				
Trees - IDNR Re-Leaf Grant	1000-25-1423-52100	9,000	Trees funded from IDNR Re-Leaf Grant	9,000
Trees - Alliant/Branching Out Grant	1000-25-1427-52100	10,000	Trees funded from Alliant/Branching Out Grant	10,000
Roadway Maintenance:				
Fulltime Wages	1000-40-1621-41100	17,000	Less allocated to Snow & Ice	
IPERS	1000-40-1621-45200	1,700	Less allocated to Snow & Ice	
Inside Services	1000-40-1621-67110	34,500	Based on actual to date and estimated through 6-30-18	
Outside Services - Materials/Labor	1000-40-1621-67130	20,000	Based on actual to date and estimated through 6-30-18	73,200
Snow & Ice Control:				
Fulltime Wages	1000-40-1622-41100	(11,200)	Reduced allocation based on actual Snow & Ice costs	
Overtime	1000-40-1622-43100	17,800	Increased allocation based on actual Snow & Ice costs	
Differential	1000-40-1622-44300	800	Based on actual to date	
FICA	1000-40-1622-45100	200	Based on actual to date	
Medicare	1000-40-1622-45150	100	Based on actual to date	
IPERS	1000-40-1622-45200	600	Based on actual to date	
Unemployment	1000-40-1622-46500	100	Based on actual to date	
Salt	1000-40-1622-52230	(33,500)	Based on actual costs	
Sand	1000-40-1622-53320	(2,500)	Based on actual costs	
Temp Services	1000-40-1622-62410	(2,500)	None used	
Contracted Snow Removal	1000-40-1622-62470	(10,400)	Based on actual costs	
Misc. Technical Services	1000-40-1622-62530	(5,000)	Based on actual costs	(45,500)
Total - General Fund		\$ 61,700		\$ 56,700
Enterprise/Internal Service Funds				
Refuse Collection:				
Fulltime Wages	5642-45-5642-41100	\$ 1,300	Overlap with new Solid Waste Manager	
Temporary Part-Time Wages	5642-45-5642-42200	2,500	Based on actual to date and estimated through 6-30-18	
RHS - Retirement Sickleave Payout	5642-45-5642-46700	5,700	Korpi retirement	
Diesel Fuel	5642-45-5642-52730	5,000	Based on actual to date and estimated through 6-30-18	
Inside Services	5642-45-5642-67110	15,000	Based on actual to date and estimated through 6-30-18	
Outside Services	5642-45-5642-67130	17,500	Based on actual to date and estimated through 6-30-18	
Operating Equipment	5642-45-5642-74200	5,400	Carts omitted during budget process	
Subtotal		<u>\$ 52,400</u>		<u>\$ -</u>
Landfill:				
Fulltime Wages	5652-45-5652-41100	\$ 1,000	Overlap with new Solid Waste Manager	
RHS - Retirement Sickleave Payout	5652-45-5652-46700	4,000	Korpi retirement	
Leachate and Other Hauling	5652-45-5652-62520	16,000	Based on actual to date and estimated through 6-30-18	
Improvement Repair Services	5652-45-5652-67400	16,000	Rain cap repair	
Transfer Out - Surcharge Part I	5652-45-5652-90500	3,300	Updated transfer amount estimate	
Transfer Out - Surcharge Part II	5652-45-5652-90500	6,900	Updated transfer amount estimate	
Transfers Out - Closure Reserve	5652-45-5652-90500	22,800	Additional Transfer Required per Annual Engineering Report	
Transfers Out - Post-Closure Reserve	5652-45-5652-90500	3,000	Additional Transfer Required per Annual Engineering Report	
Transfers In - Surcharge Part I	5653-45-5653-39500		Updated transfer amount estimate	\$ 3,300
Transfers In - Surcharge Part II	5655-45-5655-39500		Updated transfer amount estimate	6,900
Transfers In - Closure Reserve	5656-45-5656-39500		Additional Transfer Required per Annual Engineering Report	22,800
Transfers In - Post-Closure Reserve	5654-45-5654-39500		Additional Transfer Required per Annual Engineering Report	3,000
Subtotal		<u>\$ 73,000</u>		<u>\$ 36,000</u>

Fund/Department	Account	Expenditure Amendment	Comments	Transfers In Amendment
Transfer Station:				
Fulltime Wages	5658-45-5658-41100	\$ 500	Overlap with new Solid Waste Manager	
RHS - Retirement Sickleave Payout	5658-45-5658-46700	1,700	Korpi retirement	
Overtime	5658-45-5658-43100	4,600	Based on actual to date and estimated through 6-30-18	
Building Supplies	5658-45-5658-53110	3,000	Based on actual to date and estimated through 6-30-18	
Landfill Charges	5658-45-5658-62240	25,000	Based on actual to date and estimated through 6-30-18	
Building Repair/Maint. Services	5658-45-5658-67200	4,800	Tunnel door replacement	
Building Equipment Repairs	5658-45-5658-67330	8,900	Emergency scale repairs	
Building Improvements	5658-45-5658-74200	11,800	Door replacement - Overhead Door for Recycling Side	
Subtotal		<u>\$ 60,300</u>		<u>\$ -</u>
WPCP - Operations:				
Fulltime Wages	5660-50-5662-41100	\$ 13,000	Beckman retirement - vacation (Moved from FY 19)	
RHS - Retirement Sickleave Payout	5660-50-5662-46700	17,500	Beckman retirement - sick leave (Moved from FY 19)	
Subtotal		<u>\$ 30,500</u>		<u>\$ -</u>
Ambulance:				
Temporary Part-Time Wages	5811-20-5811-42200	\$ 11,000	Based on actual to date and estimated through 6-30-18	
Medical Supplies	5811-20-5811-52840	15,600	Increased for supplies funded from grants	
			5811-20-5811-38520	15,600
Operating Equipment	5811-20-5811-74200	11,900	Rescue boat and trailer: boat funded from a donation	
			5811-20-5811-38520	10,000
Subtotal		<u>\$ 38,500</u>		<u>\$ 25,600</u>
Clark House:				
Cable Fees	9002-90-9020-41913	\$ 1,000	Based on actual to date and estimated through 6-30-18	\$ -
Gas	9002-90-9020-41913	3,000	Based on actual to date and estimated through 6-30-18	
HVAC Services	9002-90-9020-44208	3,000	Based on actual to date and estimated through 6-30-18	
Pest Control Services (Bed Bugs)	9002-90-9020-44303	5,000	Based on actual to date and estimated through 6-30-18	
		<u>\$ 12,000</u>		<u>\$ -</u>
Total Enterprise Funds		<u>\$ 266,700</u>		<u>\$ 61,600</u>
Special Revenue Funds				
Road Use Tax Fund:				
Transfer for Increased Public Works Expenditures	8200-00-8214-90400	\$ 27,700	Increased equipment repair and maintenance costs	\$ -
Subtotal		<u>\$ 27,700</u>		<u>\$ -</u>
Employee Benefit Fund:				
Transfer to General Fund	8350-00-8354-90500	\$ 10,000	Transfer for Fire disability retiree medical costs	\$ -
Equipment Replacement Fund:				
Replacement of Police Tahoe (inc. related equipment)	8400-05-8400-74100	\$ 46,300	Replacement of Totaled Tahoe - Ins Reimb (except for deductible)	
			8400-05-8400-38430	\$ 41,300
Building and Grounds - Utility Van	8400-05-8400-74100	23,900	Moved from FY 19 Budget	
Parks Pickup Truck - Add'l	8400-05-8400-74100	1,000	Based on bids received	
Subtotal	8660-15-8660-74200	<u>\$ 71,200</u>		<u>\$ 41,300</u>
Section 8 Voucher Program:				
IT Services	9007-90-9070-41901	\$ 1,900	Based on actual to date and estimated through 6-30-18	
Hsg Assistance Pmts - Regular	9007-90-9070-47150	8,000	Based on actual to date and estimated through 6-30-18	
Hsg Assistance Pmts - Portability	9007-90-9070-47151	20,000	Based on actual to date and estimated through 6-30-18	
			HUD HAPS funding 9007-90-9070-36903	\$ 28,000
Training - FSS	9007-90-9071-41400	2,600	Moved FSS Training from FY 19	
Subtotal - Section 8 Voucher Program		<u>\$ 32,500</u>		<u>\$ 28,000</u>
Total Special Revenue Funds		<u>\$ 141,400</u>		<u>\$ 69,300</u>

Fund/Department	Account	Expenditure Amendment	Comments	Transfers In Amendment
Trust & Agency Funds				
Library Trust:				
Program Fees	3981.30-3981-62460	\$ 9,200	Library requested \$15,500, however, this amount is the maximum based on the Rev. Est. fund balance (assume some other line items will be under budget)	
Subtotal		<u>\$ 9,200</u>		<u>\$.</u>
Total Trust & Agency Funds		<u>\$ 9,200</u>		<u>\$.</u>
Total Budgeted Funds (Including Transfers Out)		<u>\$ 479,000</u>		<u>\$ 187,600</u>
Expenditure Breakout:			Revenue Breakout:	
Expenditure Increase		\$ 405,300	Increased Revenues	\$ 113,900
Funding Transfer Increase		73,700	Increased Transfers In	73,700
Total		<u>\$ 479,000</u>		<u>\$ 187,600</u>