



FINANCE & RECORDS**MEMO**

To: Gregg Mandsager, City Administrator
From: Nancy A. Lueck, Finance Director
Date: May 10, 2013
Re: Resolution Approving Amendment #2 to the 2012/2013 City Budget

Introduction and Background:

At the May 2, 2013 meeting, City Council set a public hearing for May 16, 2013 on Amendment #2 to the 2012/2013 City budget. City Council approved the first amendment to the 2012/2013 budget on March 7, 2013. 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 \$370,700 with budgeted transfers to increase by \$5,000 for a total expenditure change of \$375,700. City budgeted revenues are proposed to be amended by \$172,800, which includes \$5,000 of funding transfers in. Of the overall requested expenditure increase, \$176,000 is for purchasing two new transit vehicles this fiscal year. These vehicles were budgeted to be purchased in 2013/2014, but the City was notified that grant funding for these vehicles had become available in the current year. The grant will fund 85% of the cost of the transit vehicles or \$149,600. City Council authorized this purchase at the April 4, 2013 Council meeting.

General Fund expenditures are proposed to be amended by a total of \$93,300. The amendments include: (1) an increase of \$40,000 in the Building and Grounds budget for repairs of building equipment, primarily at the Art Center and Library, (2) an increase of \$27,400 in the Fire department for increased fuel and vehicle maintenance costs, retiree medical costs, and various other increases, (3) an increase of \$6,500 in the Human Resources budget for increased labor attorney costs; (4) an increase of \$13,500 in the Legal Services budget for increased City Attorney and City Prosecutor costs based on actual hours on City legal issues; (5) an increase of \$5,000 in the Risk Management budget for increased deductibles paid on insurance claims, and (6) an increase of \$900 in the IT budget for a billing correction reflecting the actual number of email addresses used by City staff. General Fund revenues and transfers in are being amended by \$11,700.

The net effect of the proposed General Fund expenditure and revenue amendments shows a decrease in fund balance of \$81,600. It is, however, expected that there should be savings in various General Fund department budgets which will offset all or a portion of 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. Increased revenues in several departments are also expected which will offset a portion of the expenditure increase.

It should also be noted that although it currently appears that several departments will be well under their budget amounts, we traditionally have not amended those budgets downward to offset increases in other departments. With more than a month 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.

Enterprise Fund amendments are proposed for the Transit, Parking, Golf Course, Refuse Collection, and Transfer Station funds totaling \$246,900. The enterprise fund amendments include \$176,000 for the purchase of two new transit buses discussed above. Enterprise fund amendments also reflect increased vehicle and equipment repair and maintenance costs in the Transit, Refuse Collection, and Transfer Station budgets. Increases in the Parking budget include meter rate change costs and other meter repair costs. The Golf amendment is for increased insurance costs and increased merchandise for resale costs. The actual merchandise costs will be based on actual sales of these items.

There are also proposed amendments in the Special Revenue funds totaling \$35,500 which include \$1,500 in the Home Ownership Program, \$25,000 for the Library Donations Trust, \$5,000 in transfers from the Employee Benefit Fund, \$2,500 in the Library's Computer Replacement Fund, and \$1,500 in the Parks Recreation Program Trust.

The total expenditure amendments for 2012/2013 of \$370,700 with \$93,300 in the General Fund (excluding transfers), compares favorably to the 2nd amendment totals in the last two budget years. For 2010/2011 the 2nd amendment totaled \$374,200 with \$202,100 in the General Fund, and for 2011/2012 it totaled \$945,360 with \$65,500 in the General Fund. In each of those years the actual balances for the General Fund and most other funds exceeded the revised estimate projected fund balances at year end.

Recommendation:

Please include the attached resolution approving Amendment #2 to the 2012/2013 budget on the agenda for the May 16, 2013 meeting. Please contact me if you have any questions.

70-653

CITY BUDGET AMENDMENT AND CERTIFICATION RESOLUTION

To the Auditor of MUSCATINE County, Iowa:

The City Council of Muscatine in said County/Countries met on May 16, 2013, at the place and hour set in the notice, a copy of which accompanies this certificate and is certified as to publication. Upon taking up the proposed amendment, it was considered and taxpayers were heard for and against the amendment.

The Council, after hearing all taxpayers wishing to be heard and considering the statements made by them, gave final consideration to the proposed amendment(s) to the budget and modifications proposed at the hearing, if any. Thereupon, the following resolution was introduced.

RESOLUTION No. _____

A RESOLUTION AMENDING THE CURRENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2013
(AS AMENDED LAST ON March 7, 2013 .)

Be it Resolved by the Council of the City of Muscatine

Section 1. Following notice published May 4, 2013

and the public hearing held, May 16, 2013 the current budget (as previously amended) is amended as set out herein and in the detail by fund type and activity that supports this resolution which was considered at that hearing:

	Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources			
Taxes Levied on Property 1	12,258,743	0	12,258,743
Less: Uncollected Property Taxes-Levy Year 2	0	0	0
Net Current Property Taxes 3	12,258,743	0	12,258,743
Delinquent Property Taxes 4	0	0	0
TIF Revenues 5	836,170	0	836,170
Other City Taxes 6	3,253,454	0	3,253,454
Licenses & Permits 7	323,000	0	323,000
Use of Money and Property 8	1,062,870	0	1,062,870
Intergovernmental 9	6,682,000	149,600	6,831,600
Charges for Services 10	13,029,550	0	13,029,550
Special Assessments 11	0	0	0
Miscellaneous 12	5,483,100	18,200	5,501,300
Other Financing Sources 13	17,608,063	5,000	17,613,063
Total Revenues and Other Sources 14	60,536,950	172,800	60,709,750
Expenditures & Other Financing Uses			
Public Safety 15	8,634,030	27,400	8,661,430
Public Works 16	2,316,300	0	2,316,300
Health and Social Services 17	20,000	0	20,000
Culture and Recreation 18	3,240,950	29,000	3,269,950
Community and Economic Development 19	3,197,887	1,500	3,199,387
General Government 20	2,142,958	65,900	2,208,858
Debt Service 21	4,089,815	0	4,089,815
Capital Projects 22	3,063,400	0	3,063,400
Total Government Activities Expenditures 23	26,705,340	123,800	26,829,140
Business Type / Enterprises 24	21,337,843	246,900	21,584,743
Total Gov Activities & Business Expenditures 25	48,043,183	370,700	48,413,883
Transfers Out 26	16,488,063	5,000	16,493,063
Total Expenditures/Transfers Out 27	64,531,246	375,700	64,906,946
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year 28	-3,994,296	-202,900	-4,197,196
29			
Beginning Fund Balance July 1 30	21,337,570	0	21,337,570
Ending Fund Balance June 30 31	17,343,274	-202,900	17,140,374

Passed this 16 day of May, 2013
(Day) (Month/Year)

Signature
City Clerk/Finance Officer

Signature
Mayor

City of Muscatine
FY 2012/2013 Proposed Budget Amendments
(Budget Amendment #2)
April 29, 2013

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
General Fund				
Legal Services:				
Court Costs	1000.1121.61210	\$ 500	Based on actual to date and estimated for April - June	-
City Attorney	1000.1121.61220	9,000	Based on actual to date and estimated for April - June	-
City Prosecutor	1000.1121.61225	4,000	Based on actual to date and estimated for April - June	-
Human Resources:				
Legal Services	1000.1132.61240	10,000	Labor attorney based on actual to date and estimated April-June	-
Advertising	1000.1132.65100	1,000	Employment advertising based on actual to date and estimated	-
Books, Magazines, etc.	1000.1132.51200	(1,000)	Reduction to partially offset other increases	-
Consultant Services	1000.1132.61630	(2,000)	Reduction to partially offset other increases	-
Registrations	1000.1132.64200	(1,500)	Reduction to partially offset other increases	-
Risk Management:				
Judgements and Damages	1000.1144.69500	5,000	Insurance deductibles; based on actual and estimated thru 6-30-13	-
IT:				
Data Processing Services	1000.1146.61310	900	Billing correction for number of City email addresses used	-
Building and Grounds:				
Building Equip Repair Services	1000.1151.67330	40,000	Based on actual to date and estimated through 6-30-13; includes power surge repairs at Art Center (MP&W to reimburse); elevator repairs at Library; HVAC repairs at Library; etc.	6,700
Fire Operations:				
Clothing Purchases	1000.1321.52300	5,000	Based on actual to date; includes buy-back purchases	-
Unleaded Gasoline	1000.1321.52720	1,000	Based on actual to date and estimated through 6-30-13	-
First Aid/Safety Supplies	1000.1321.52840	1,600	Based on actual to date and estimated through 6-30-13 includes Haz Mat supplies	-
Sign Materials	1000.1321.52860	1,000	Based on actual to date and estimated through 6-30-13	-
Retiree Medical Costs	1000.1321.61520	5,000	Based on actual to date; funded from Employee Benefits Levy	5,000
Vehicle Maint - Outside Services	1000.1321.67130	6,000	Based on actual to date including Engine #2 repairs	-
Operating Equipment Repairs	1000.1321.67320	4,300	Based on actual to date; repairs to radios, SCBA's, monitors, etc.	-
Operating Equipment Purchases	1000.1321.74200	3,500	Additional costs to put Water Tender vehicle in service	-
Total - General Fund		\$ 93,300		\$ 11,700
Enterprise/Internal Service Funds				
Transit Operations:				
Outside Services	5211.5211.67130	\$ 10,000	Bus maintenance costs; based on actual to date and estimated additional through 6-30-13	\$ -
Vehicle Purchases	5211.5211.74100	176,000	Two new buses; grant funds available yet this fiscal year	149,600
Subtotal		<u>\$ 186,000</u>		<u>\$ 149,600</u>
Parking Operations:				
Misc. Operating Supplies	5311.5311.52890	\$ 1,000	Additional allocation for meter battery replacements	\$ -
Non-Inventory Repair Supplies	5311.5311.53220	900	Rate plates for all meters (new rates)	-
Operating Equipment Repairs	5211.5211.74100	1,100	Meter display repairs (will be sent in for repairs in batches)	-
Subtotal		<u>\$ 3,000</u>		<u>\$ -</u>
Golf Clubhouse Operations:				
Merchandise for Resale	5451.5452.52853	\$ 10,000	Based on actual to date and estimated through 6-30-13	\$ 10,000
Liability Insurance	5451.5452.66100	2,900	Increased coverage for liquor liability	-
Subtotal		<u>\$ 12,900</u>		<u>\$ 10,000</u>

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
Refuse Collection:				
Inside Service - Labor	5642.5642.67110	\$ 2,000	Based on actual to date and estimated through 6-30-13	\$ -
Outside Services Mat'l/Labor	5642.5642.67130	25,000	Based on actual to date and estimated through 6-30-13	-
Tires/Tire Repairs	5642.5642.67140	1,500	Based on actual to date and estimated through 6-30-13	-
Outside Parts	5642.5642.67150	1,500	Based on actual to date and estimated through 6-30-13	-
Subtotal		<u>\$ 30,000</u>		<u>\$ -</u>
Transfer Station:				
Legal Services	5658.5658.61220	\$ 5,000	City Attorney hours for collection issues; actual and estimated	\$ -
Outside Services Mat'l/Labor	5658.5658.67130	10,000	Based on actual to date and estimated through 6-30-13	-
Subtotal		<u>\$ 15,000</u>		<u>\$ -</u>
Total Enterprise Funds		<u>\$ 246,900</u>		<u>\$ 159,600</u>
Special Revenue Funds				
Library General Trust:				
Office Supplies	3981.3981.51100	\$ 12,500	Based on actual year-to-date and department request	\$ -
Office Furniture/Fixtures	3981.3981.74400	12,500	Based on actual year-to-date and department request	-
Subtotal		<u>\$ 25,000</u>	(Funded from available trust balance)	<u>\$ -</u>
Employee Benefit Fund:				
Transfer to General Fund	8350.3935.90400	\$ 5,000	Transfer for Fire Disability Retiree Medical Costs	\$ -
Parks Trust - Special Recreation Programs				
Recreation Supplies	3960.1431.52810	1,500	Special recreation program supplies; funded from donations	\$ 1,500
		<u>\$ 1,500</u>		<u>\$ 1,500</u>
Library Computer Replacement Fund:				
Computer Hardware	8451.8451.74250	2,500	Based on actual year-to-date and estimated through 6-30-13	-
Home Ownership Program				
Fulltime Wages	8180.8180.41100	\$ 1,000	Increased allocation of Hsg Specialist from 50% to 62% 5-1-13	\$ -
FICA	8180.8180.45100	100	Increased allocation of Hsg Specialist from 50% to 62% 5-1-13	-
IPERS	8180.8180.45200	100	Increased allocation of Hsg Specialist from 50% to 62% 5-1-13	-
Health Insurance	8180.8180.45200	300	Increased allocation of Hsg Specialist from 50% to 62% 5-1-13	-
		<u>\$ 1,500</u>		<u>\$ -</u>
Total Special Revenue Funds		<u>\$ 35,500</u>		<u>\$ 1,500</u>
Total Budgeted Funds (Including Transfers Out)		<u>\$ 375,700</u>		<u>\$ 172,800</u>
Expenditure Breakout:			Revenue Breakout:	
Expenditure Increase		\$ 370,700	Increased Revenues	\$ 167,800
Funding Transfer Increase		5,000	Increased Transfers In	5,000
Total		<u>\$ 375,700</u>		<u>\$ 172,800</u>
Non-Budgeted Fund:				
Equipment Services Operations:				
Unleaded Fuel	7625.7625.52720	\$ 13,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35440	\$ 13,000
Outside Services-Material/Labor	7625.7625.67130	40,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35450	40,000
		<u>\$ 53,000</u>		<u>\$ 53,000</u>
Total Budgeted and Non-Budgeted Funds		<u>\$ 428,700</u>		<u>\$ 225,800</u>