City of Muscatine, Iowa

Annual Budget

Fiscal Year 2017/2018

ANNUAL BUDGET
CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2017 - JUNE 30, 2018

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:

The HNI Corporation donated their former headquarters building on Second Street to the City to be used for the new HNI Community Center and Musser Public Library.

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, 2016

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, 2016. This was the 32nd 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

City Administrator and Department Directors

Director/Department	E-mail Address	Telephone
Gregg Mandsager City Administrator	gmandsager@muscatineiowa.gov	563-264-1550
Melanie Alexander Art Center Director	malexander@muscatineiowa.gov	563-263-8282
Dave Gobin, Community Development Director	dgobin@muscatineiowa.gov	563-262-4141
Nancy A. Lueck, Finance Director	nlueck@muscatineiowa.gov	563-264-1550
Jerry Ewers, Fire Chief	jewers@muscatineiowa.gov	563-263-9233
Pam Collins Library Director	pcollins@muscatineiowa.gov	563-263-3065
Richard Klimes, Director of Parks and Recreation	rklimes@muscatineiowa.gov	563-263-0241
Brett Talkington, Police Chief	btalkington@muscatineiowa.gov	563-263-9922
Brian Stineman, Public Works Director	bstineman@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.

TABLE OF CONTENTS

	Page
Introductory Section	1
Budget Message	2
Financial Management Policies	30
General Fund Balance Policy	35
Fund Structure Overview and Basis of Accounting and Budgeting	37
Budget Calendar	40
Budget Preparation and Amendment Process	42
City Organizational Chart	45
Entity-Wide Budget Overview	46
Budget Summary Schedules – Individual Major Funds and Non-Major Funds Combined	47
Budget Summary Schedules for City Operating Funds	56
Budget Summary	57
Fund Statement	58
Revenue and Expenditure Summaries	59
Revenue and Expenditure Comparisons	61
Matrix of 2017/2018 Operating Budget by Function	68
Employee Authorization History	70
Property Tax Schedules	73
Property Tax Levy Comparison	74
Schedules of Taxable Valuation	75
Tax Levies By Entity - Historical Comparison	78
Major Revenue Sources Schedules	79
Department Organizational Charts	102
General Fund	113
Fund Statement	121
Revenue and Expenditure Comparisons	122
Summary of Revenues By Type	125
Revenue Detail	126
Summary of Expenditures By Type	132
Expenditure Detail	133

Page

General Government Function

Mayor and Council 135
Legal Services 140
City Administrator 143
Human Resources 149
Wellness Program 153
Finance and Records 157
Information Technology 163
Risk Management 166
Buildings and Grounds 171

Public Safety Function

Police Operations 176
Animal Control 182
Fire Operations 186

Culture and Recreation Function

Library 193
Cable Television Operations 198
Art Center 201
Parks and Recreation
- Administration 207
- Park Maintenance 212
- Kent Stein Park Operations 217
- Soccer Complex Operations 221
- Swimming Pools 225
- Recreation 229
- Cemetery 233

Health and Social Services Function

Economic Well-Being 238

Community and Economic Development Function

Community Development 240
Economic Development 247

Public Works Function

Public Works Administration 251
Roadway Maintenance 255
Traffic Control Operations 259
Snow and Ice Control 263

Page

Street Cleaning 266
Engineering Operations 269

Transfers and Assigned Funding

Equipment Replacement Subsidy 273
Transit Subsidy 276
Airport Subsidy 278
Levee Project Subsidy 280
Assigned Funding Allocations 282

Business-Type/Enterprise Funds 284

Airport Operations 285

Transit Operations 291

Parking System 299

Golf Course 305

Boat Harbor Operations 317

Marina Operations 322

Ambulance Operations 326

Convention and Visitors Bureau 332

Solid Waste Management

Refuse Collection 339
Landfill Operations 347
Transfer Station Operations 359

Water Pollution Control 367

Reserve Funds 376
Operations
Fund Statement 379
Revenue and Expenditure Summaries 380
Administration 382
Plant Operations 383
Pumping Stations 384
Laboratory Operations 385
Biosolids Operations 386

Collection and Drainage 387

Storm Water Operations 394

Page

Special Revenue Funds 398

Employee Benefits 399

Emergency Tax Levy 403

Road Use Tax 405

Local Option Sales Tax 409

Equipment Replacement 414

Computer Replacement 417

Tax Increment Fund - Downtown 420

Tax Increment Fund - South End 424

Tax Increment Fund – Cedar Development 426

Tax Increment Fund – Muscatine Mall 430

Tax Increment Fund – Industrial (Heinz) 432

Tax Increment Fund – Highway 38 Northeast 435

Tax Increment Fund – Fridley Theaters 438

Community Development Block Grant Fund 440

Small Business Forgivable Loan Program 442

Police Forfeiture Fund 444

Municipal Housing Programs 446

Debt Service Funds 475

Debt Service Fund 476

Capital Improvement Program 487

Capital Improvements Program 488
Project Information 2016/2017 491
Project Information 2017/2018 503
Project Budget Summary 2016/2017 508
Project Budget Summary 2017/2018 511
Capital Outlay Items in Department Operating Budgets 512
Five Year Capital Improvement Program Summary 515

Page

Other Funds 521

Trust Funds

Perpetual Care Trust 522
Perpetual Care Interest Trust 524
Special Cemetery Trusts 526
Library Trust Funds 528
Art Center Trust Funds 530

Internal Service Funds

Equipment Services 535
Health Insurance 540
Dental Insurance 544

Supplemental Information 546

Appendix A - Community Background 547
Appendix B - Community Profile 553
Appendix C - Glossary 555
Appendix D - Acronyms and Abbreviations 560

INTRODUCTORY SECTION

MUSCATINE

Gregg Mandsager
City Administrator
City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
(563) 264-1550 Voice/TT
Fax (563) 264-0750

TO: Mayor Diana Broderson and Members of City Council

SUBJECT: Budget Message - FY 2017/2018

DATE: March 15, 2017

The budget for fiscal year 2017/2018 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 32nd consecutive Distinguished Budget Presentation Award for the fiscal year 2016/2017 City Budget. The budget for fiscal year 2017/2018 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2017/2018 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 November 3, 2016 to discuss and establish goals and objectives for 2017/2018. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2017 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 2017/2018 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 2017-2018

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development -
  - Industrial Park (South End)
  - Highway 38-61 Industrial Park/Mixed Use Development
  - Additional tax abatement areas
  - Downtown façade program
  - Review additional areas for housing or commercial tax abatement
- Market economic development programs -
  - Create and review signage opportunities
  - Work with local banks, real estate companies and others to promote plans and incentives
- Develop Mississippi River Port based upon feasibility study results -
  - Submitted LIFTS Grant: Awarded 2016
  - Feasibility Study: Complete 12/2016
  - Grants 2016/17: USEDA/TIGER, USDOT, & others
  - Permitting 2017
  - Engineering/Design: 2017
  - Tentative Construction: 2018-19
- Begin long-term planning and redevelopment of the "Carver Corner" area
- Adopt policies on public art and communications on city-owned land and rights-of-way.

Housing

- Promote infill opportunities and evaluate opportunities to improve current housing stock (voluntary and involuntary opportunities), including the adoption of a property maintenance code and non-residential design guidelines
- Review and redevelop nuisance and city-owned properties
- Conduct a housing demand study (April 2017)
- Market the study, communicate the need -
  - Community presentations - public, banks, real estate agents, developers
  - Web and social media
- Identify public, private and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance
- First Wave: Currently under legal review, targeted adoption (January/February 2017)
- Second Wave: Will be comprised of new sign regulations, wind turbine regulations, and updates to all existing zoning districts (Adoption in Fall 2017)
- Third Wave: Begin work of form based zoning, starting with the Grandview Avenue corridor (Late 2017)
- Develop a youth diversion program for at risk youth in cooperation with the Police Department and County Attorney's Office

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 2016/17, GMCCI Hires Northstar Fall/Winter 2016)
- Enhance the City's website, expand the use of social media tools for public communication and improve Channel 2 public programming/information
- Participate in the National Citizen Survey (see if, where and how we have "moved the needle") and review the use of online departmental surveys to measure performance and citizen satisfaction
- Continue communication efforts with a focus on increasing transparency and ease of use. Investigate and develop dashboards (visual metrics) for public, council and staff use (i.e. Opengov.com or internal program)

Continuous Service Improvement (Processes, Technology and Efficiency)

- Improve organizational effectiveness and efficiency
- Bring technology to the field (drive efficiency)
- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment (2017)

Sustainability

- Develop a Sustainable Muscatine program to incorporate community sustainability principles of economic prosperity, environmental integrity and cultural vibrancy into the City Comprehensive Plan. This will integrate public, private and non-profit groups as well as individuals to build sustainability practices into planning, budgeting and operations locally and regionally.

Projects, Programs and Placemaking

- Develop a plan for the renewal of the Local Option Sales Tax continuing its focus on sewer separation and streets
- Infrastructure: Maximize current resources, look for operational efficiencies, focus on preventive and deferred maintenance, and look for "green" initiatives that are feasible and demonstrate long-term benefits.
- Implement the Capital Improvements Program (CIP) with focus on existing infrastructure
- Mississippi Drive (2016-18) and Grandview Avenue (Funding 2019) -
  - Preliminary design and public meetings (2015-2016)
  - Property acquisition (2016-2017)
  - Bid Phase I (February or March 2017)
  - Construction (2017-2018)
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Update financial plan in 2017
- City Hall HVAC and building envelope plan
- Riverfront Master Plan (Winter 2016-2017)
- WPCP Receiving Station and Waste to Energy Project
- Library Transition to the new HNI Community Center and Musser Public Library
- Review opportunities for reuse of the "old" Musser Public Library
- Reforestation
- Solid Waste Operations Review/Evaluation
- Review and discuss options for the Allen Street Storm Sewer issues

The 2017/2018 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 2017/2018 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 56.9391%, 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 is being phased in beginning in the 2016/2017 fiscal year. The rollback factor for these properties was 86.25% in 2016/2017 and it will decrease to 82.50% in 2017/2018. The rollback factor will continue to decrease by 3.75% each year until 2023/2014 when it will be equal 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, 2016/2017, and 2017/2018, 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 2.1% over the past ten years.

The 2017 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. If there would be ATE legislation that in the worst case would prohibit use of ATE cameras, this would be a $700,000 loss of revenue to the General fund. This amount would be equivalent to $.83 per $1,000 of valuation if the tax rate could be increased in an amount to fully offset this loss of revenue. With tax levy limits, however, the City would not have the ability to increase the tax levy to that extent and would need to consider other means to make up this shortfall – revenue enhancements (including increasing the utility franchise fees rate, levying the emergency levy, etc.) and service reductions.

The City's 2017/2018 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 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 City Council again tried to achieve in the 2017/2018 budget. The total property tax rate for the 2017/2018 budget is $15.67209 per $1,000 of taxable valuation, which is the same total rate as the five previous years. While the employee benefits and levee tax levies increased for the upcoming year, the City was able to reduce the tort liability, transit, and debt service tax levies in an amount which offset the employee benefits and levee increases. 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 2017/2018.

While the tax rate will not change for 2017/2018, rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a 2.36% increase in city property taxes since the rollback factor applied to residential property increased from 55.6259% to 56.9391% (by 2.36%) for the upcoming year. The average residential property in the City of

Muscatine has an assessed value of $108,000. The owner of the average residential property will see an increase of $22.00 in their city property taxes for 2017/2018. With the rollback decreasing from 86.25% to 82.50% for multi-residential properties, the owner of a multi-residential property with a value of $100,000 will see a decrease of $59.00 in their city property taxes. The 90% rollback for commercial and industrial properties will continue in 2017/2018. 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, 25.92% in 2016/2017, and will decrease to 25.68% in 2017/2018. Pension contributions for 2012/2013, 2013/2014, 2014/2015, and 2015/2016 were $1,116,080, $1,327,925, $1,374,746, and $1,301,930, respectively. The estimated contributions for 2016/2017 and 2017/2018 are $1,310,690, and $1,352,865. The decrease in 2015/2016 was due to the contribution rate decrease. The increase for 2016/2017 was 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, 2016/2017, and 2017/2018 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 $1,352,865 for 2017/2018 with the 25.68% contribution rate. This is a $698,831 increase and an increase of 106.9% over this 9-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 2017/2018 the tax levy rate needed to fund Police and Fire pension costs is $1.52359 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 2017/2018 is $2.90741 which brings the total Employee Benefits tax levy for 2017/2018 to $4.43100 per $1,000 of valuation.

For the 2013/2014 budget the City chose to fund $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 $355,005 and in 2015/2016 $192,959 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 rates for those years to remain unchanged. In 2016/2017 and 2017/2018, $192,637, and $230,218, 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 2017/2018 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, 2016/2017, or 2017/2018.

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 $85,000 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, 2016/2017, and 2017/2018 budgets. The City Council identified the Utility Franchise Fee as a potential revenue source to offset any legislative action to reduce annual ATE revenues.

There have been numerous structural, operational, and other changes over the last seven budget years which have placed the City's General fund in a more stable and sustainable financial condition going forward. Several of these were (1) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of over $150,000 annually), (2) transferring the dredge operation to the Water Pollution Control fund ($42,000 in annual General Fund savings), (3) changing from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in annual savings of $128,600 in General Fund insurance costs and a City-wide savings of $173,900, (4) 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, and (5) transitioning away from City participation in the Carver Swim Center generated an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period was completed. Departments have also made numerous operational changes which resulted in cost savings and improved efficiency.

Department reorganizations in the 2017/2018 budget include (1) adding three 25-hour per week custodians for City Hall and the new HNI Community Center and Musser Public Library which will replace the contracted cleaning services at City Hall and the current library, (2) a Library staff reorganization in conjunction with the move to the new building and technology enhancements, and (3) a staff reorganization in the Housing department to address reduced funding for the public housing program.

Departments will continue to look for efficiencies and cost savings in their operations in 2017/2018 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 $62,544,436 in 2016/2017 for all of the TIF areas. This value would generate $506,610 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 $980,202 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that $62.54 million was allocated toward regular valuations for all taxing entities, the county would generate over $590,000 in taxes and the school over $971,000 (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 2017/2018 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 $1,161,400 of incremental taxes was not claimed by the city for 2017/2018. 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 2017/2018 the City is claiming $62,544,436 of incremental valuation which is 63.9% of the total increment of $97,883,279 in all TIF districts. The amount the City did not claim of $35,338,843 (36.1%) has gone back to regular taxable valuations for each taxing entity. The percentage claimed includes nearly 100% of the increment for the Wal-View Project #1 which was added to the increment beginning in the 2015/2016 budget and nearly 100% of the increment for Wal-View Project #2 added beginning in 2017/2018. The increment for the Wal-View #1 project for 2017/2018 is $19,733,103 and the increment for Wal-View #2 is $9,407,862. Since these are recent projects which had significant amounts of increment, it should be noted that if these projects were excluded from the total increment and increment claimed, the City would be claiming only 49.8% of the total increment for prior projects.

For the 2011/2012 through 2017/2018 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, $142,100 in 2016/2017, and $148,900 in 2017/2018 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 Communication Manager positions. 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 through 2017/2018 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 2017/2018 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)

Landfill Fund Balance (Deficit). 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. The fund balance increased to $635,191 at the end of the 2015/2016 fiscal year and is estimated at $716,191 at the end of the 2016/2017 year.

The 2017/2018 budget includes $550,000 for the construction of the next landfill cell with construction scheduled to begin in the summer of 2017. The Committee and City Council goal was to have the deficit eliminated and have a sufficient fund balance available to fund construction of future landfill cells. Based on estimated landfill revenues and expenditures, including the $550,000 for the next landfill cell, the landfill fund balance is sufficient to fund construction of the next cell and there is a projected fund balance at the end of 2017/2018 of $638,691.

Transfer Station Fund Balance (Deficit). 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. There have again been deficits in the Transfer Station budget of $21,449 at the end of 2014/2015, $57,857 at the end of 2015/2016, and the original 2016/2017 budget projected a $110,649 deficit at the end of that year. These deficits were again primarily due to all of the revenue from the negotiated industrial contracts being credited to the Landfill fund.

After the 2016/2017 budget was adopted the City Council approved a change in the portion of the Transfer Station fee paid to the landfill to address the deficit in the Transfer Station fund and to address equipment replacement needs at that facility. This was reviewed with the Chamber Landfill Committee at their May 13, 2016 meeting and the Committee recommended that the allocation of the $60 full rate tipping fee be changed from $40 Landfill/$20 Transfer Station to $32 Landfill/$28 Transfer Station for a two-year period (2016/2017 and 2017/2018). This allocation change allowed for the purchase of a new track loader funded from a separate internal loan and was also expected to eliminate the budget deficit in the Transfer Station fund. Based on an estimated 21,800 of transfer station tonnage at the full $60 per ton rate, this resulted in an expenditure reduction of $174,400 in the Transfer Station fund and a revenue reduction of that same amount in the Landfill fund. With this change the Landfill fund is still projected to have sufficient funding for development of the next cell. For the Transfer Station this change resulted in an estimated positive $93,743 fund balance at the end of 2016/2017 compared to the originally budgeted deficit of $110,649. The Transfer Station budget for 2017/2018 includes a $251,000 capital outlay allocation for replacement of equipment and there is a minimal $843 fund balance projected at the end of that year.

Refuse Collection Fund Balance (Deficit). The Refuse Collection fund is projected to have a $260,615 deficit fund balance at the end of 2016/2017 and this deficit in projected to decrease to $99,915 at the end of 2017/2018. 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 were needed for the program as well as containers for each residential customer. The first automated refuse vehicle was purchased from the 2014/2015 budget and the 2nd from the 2015/2016 budget. With the long lead time on the order, however, even with the order placed in the 2015/2016 fiscal year, the vehicle was not delivered until December of 2016. These capital outlay purchases resulted in the deficit fund balances in recent years. With the final capital costs of implementing the automated refuse collection program all being incurred in 2016/2017, the operational savings from this program will begin to be fully realized. The projected $99,915 deficit fund balance in the Refuse Collection fund at the end of 2017/2018 is projected to be eliminated by the end of the 2018/2019 fiscal year.

Other Issues and Changes for 2017/2018

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 2017/2018 as the union groups (2.90%).

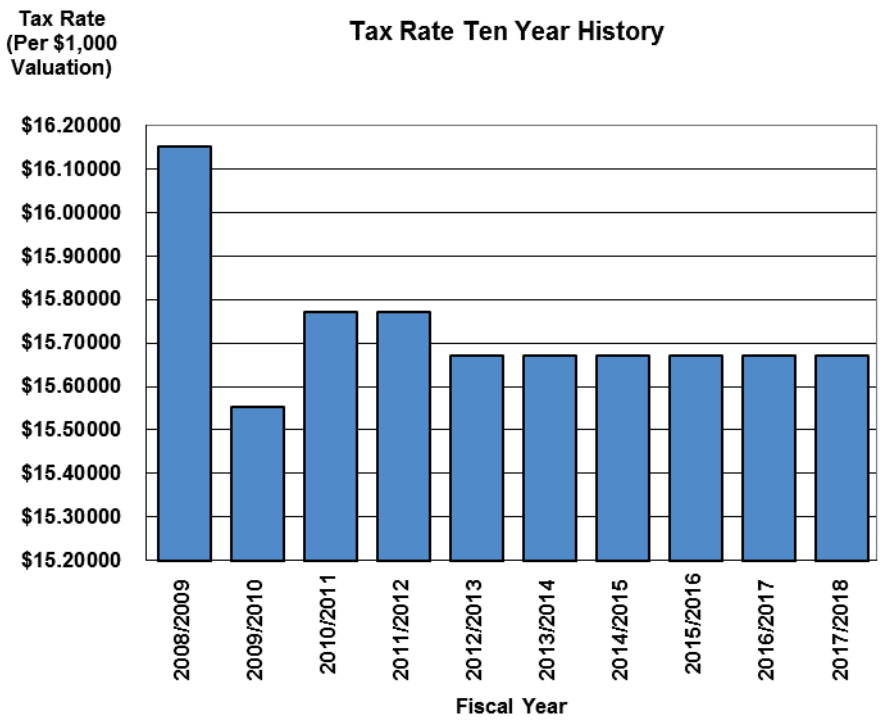
Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel (typically), utilities, asphalt, other materials, and construction costs all affect the City. With the increased cost of providing basic services, there continues to 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 increased 2.74% between December 2015 and December 2016. Over the past 10 years, the MCI increased a total of 24.26% or an average of 2.43% per year. The property tax rate for 2017/2018 is 5.20% lower than the rate 10 years ago and the 2017/2018 property tax revenues are 21.01% higher than 10 years ago (which is less than the MCI 10 year increase of 24.26%).

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 included $12,300 for the 2nd year of this program. The budget amount was 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 2017/2018 budget includes an estimated $50,000 to allow for pay increases in the non-union pay plan. This amount includes funds to allow for several positions to be placed on different grades in the pay plan based on market surveys and allows for merit increases of up to 3% based on performance.

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 previous $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 previous 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 2017/2018, property taxes will represent 32.3% of total city operating revenues. This is a slight decrease from the 32.4% in fiscal year 2016/2017. The total tax levy rate for fiscal year 2017/2018 of $15.67209 per $1,000 of valuation is the same as the total tax rate for 2016/2017, 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 2017/2018:



The tax rate decrease for 2009/2010 was due to the unusually high increase in taxable property valuations of 3.8% for that year. The increase for the prior year (2008/2009) was 4.6%, also significant higher than prior years. These increases 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, 2016/2017, and 2017/2018 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 2017/2018 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 $.11240 per $1,000 of valuation, which is a 51.3% decrease in the levy rate ($.118/$1,000 decrease). This is primarily due to reduced fuel costs and reduced bus maintenance costs, increased federal and state funding, and having a sufficient fund balance to use for the local share of bus and other capital purchases. An increase in transit fares was 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 $.26661, which is a decrease of 4.9% in this levy ($.014/$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.

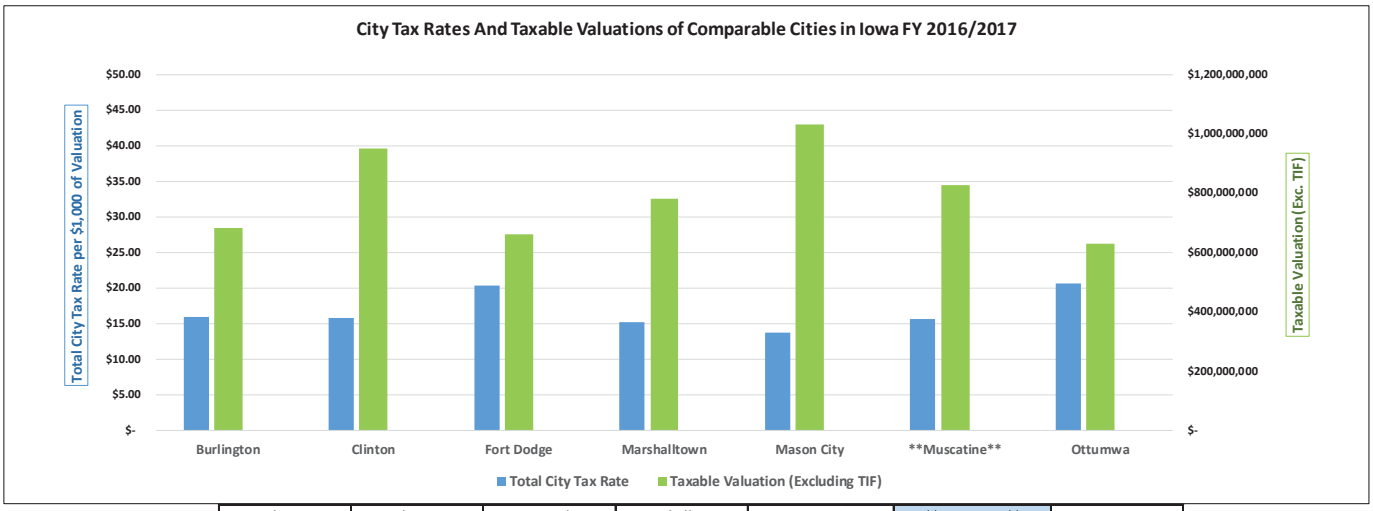
4. The Special Revenue Employee Benefits Levy is budgeted to increase 4.1% to $4.43100 (an increase of $.174/$1,000). This would have been much higher if $230,218 in employee benefits had been funded from the tax levy instead of the General Fund balance. There was also a $54,337 beginning balance in 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 .3.2% to $2.69458 (a decrease of $.090/$1,000).

6. The Levee tax levy will increase by 251.0% to the maximum rate allowed of $.06750 (an increase of $.048/$1,000). For the 2016/2017 budget the City lowered the levee tax rate in order to maintain the same overall City tax rate. In prior years through 2015/2016 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.

As noted previously, the City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2017/2018. 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 2017/2018.

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 2016/2017 fiscal year. The information is not yet available for other cities for 2017/2018. City tax levies for this group range from $13.71268 per $1,000 of valuation for Mason City to $20.72679 for Ottumwa. The City of Muscatine's rate of $15.67209 is the third lowest in this group. Taxable valuations range from $628,367,444 for Ottumwa to $1,032,560,178 for Mason City. The City of Muscatine's taxable valuation of $826,763,643 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	15.88101	20.42200	15.28158	13.71268	$15.67209	20.72679
Taxable Valuation (Exc. TIF)	$682,266,063	$951,478,815	$662,434,271	$783,206,162	$1,032,560,178	$826,763,643	$628,367,444
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	$13.71268	$1,032,560,178
Marshalltown	$15.28158	$783,206,162
Muscatine	$15.67209	$826,763,643
Clinton	$15.88101	$951,478,815
Burlington	$15.93632	$682,266,063
Fort Dodge	$20.42200	$662,434,271
Ottumwa	$20.72679	$628,367,444

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 annually beginning in 2015/2016 and continuing in 2016/2017 and 2017/2018 for this program. This program is targeted for small businesses and the maximum forgivable loan is $25,000. In December of 2016 the City created two new Urban Revitalization Areas – the Park Avenue area and the Grandview Avenue area.

In addition, the City Council continues to provide financial support to the Muscatine Chamber of Commerce & Industry. For fiscal year 2017/2018 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 2017/2018 taxable property valuations increased by 2.95% 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 2017/2018. 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, are now a separate property class. Those valuations were rolled back from 90% to 86.25% in 2016/2017, to 82.50% in 2017/2018, and will continue to be rolled back over the next six years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2017/2018 is $32,996,982, a 2.48% decrease from the previous year, due to the decrease in the rollback to 82.50%. Industrial property valuations increased by 3.44% for 2017/2018 and commercial values increased by 3.54%. Residential property values increased by 2.99%. Actual valuations for residential property increased by .63% and there was a 2.36% increase in the residential rollback (from 55.6259% to 56.9391%). The other smaller categories of properties are railroads, which increased in valuation by 19.56%, and utilities, which decreased by 4.26%. Overall, these factors combined to result in the 2.95% overall increase in taxable valuations. It should be noted, however, that while the taxable valuations increased this year by 2.95%, this increase is somewhat of an anomaly as it is the third highest increase in 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 2017/2018 the State reimbursement to the General Fund is estimated at $314,128 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $4,359 for the Transit levy, $10,340 for the Tort Liability levy, $171,839 for the Employee Benefits levy, $104,499 for the Debt Service levy, and $2,617 for the Levee levy total to an estimated total reimbursement of $607,782 for 2017/2018. The estimated reimbursement for 2016/2017 is

$628,915. 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 $2,834,500 in 2017/2018. Road Use Tax revenues continue to reflect the $.10 per gallon increase in fuel taxes approved by the state legislature effective March 1, 2015. The fuel tax increase was expected to increase the City's allocation of Road Use Taxes by approximately $400,000 annually. This increase has allowed the City to accelerate the street improvements planned for 2017/2018 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 2017/2018 an estimated $278,400 in State funding will also be received for the Transit operation, $10,700 for Airport improvement projects, and $247,700 in State funding is budgeted to be received for the Kent Stein Park to Deep Lakes Park Trail project.

The fiscal year 2017/2018 budget includes an estimated $3,752,630 in federal funding for both operating and capital project costs. This includes the following: $1,948,330 in funding for the Section 8 Housing rental assistance program; $344,700 for operating and capital funding for the city's Public Housing Program; $16,300 for the Home Ownership Education Program; $400,500 in FAA funds for airport projects; $623,300 in federal funding for the Transit operation; $298,000 in federal funding for the Kent Stein Park to Deep Lakes Park Trail project; and $121,500 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2017/2018 budgeted charges for services total $14,671,300 and comprise 30.4% of total operating revenues of the city compared to 30.0% for 2016/2017. 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 the golf course for fiscal year 2017/2018.

Sewer revenues including the separate collection and drainage charges are estimated at $6,179,000 for 2017/2018. 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 $240,000 for 2017/2018.

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 2017/2018.

Golf course fees and sales are estimated at $841,900 for 2017/2018. Golf fees are budgeted to increase for the 2017 golf season by $1.00 per round for adult and senior greens fees. Adult and senior season pass fees will also increase by $25.00. The greens fee and season pass rates for juniors will remain the same in order to encourage interest in the game of golf by young people. The fee increase was needed to provide funds for capital improvements and equipment at the course. The 2017 season is the 11th 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 $2,184,000 for 2017/2018 based on an estimated 42,000 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 2017/2018 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 $1,255,400 for 2017/2018. The landfill rates are incorporated in the transfer station rates with $32.00 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 $2,221,500 for 2017/2018. 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 $1,425,000 for the 2016/2017 revised estimate and $1,450,000 for the 2017/2018 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 $582, the rate for ALS 1 calls is $691, the rate for ALS 2 calls is $1,001 and the rate for SCT (Skilled Care Transports) is $1,182. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at $143,500 for 2017/2018. 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 2017/2018.

PROGRAMS AND SERVICES

The 2017/2018 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 223.93 for 2017/2018. This is a net increase of .47 in full-time equivalent positions compared to the original budget for 2016/2017. Changes in authorized positions for 2017/2018 and the three previous years are as follows:

2017/2018 (Including Changes in the 2016/2017 Revised Estimate)

- The 2017/2018 budget includes two new 25-hour per week custodian positions and one new 25-hour per week janitor position. The two custodian positions will replace the current contracted cleaning service at City Hall and the current Library. The janitor position is expected to be needed to maintain the expanded space at the new HNI Community Center and Musser Public Library. Adding these positions resulted in an increase of 1.88 FTE positions.
- Library staff reorganizations resulted in a net .14 FTE reduction in Library staffing compared to the original 2016/2017 budget. Part of the 2017/2018 reorganization is due to moving to the new library.
- The 2016/2017 revised estimate and 2017/2018 budget reflect staff reorganizations in the Housing department that resulted in a 1.27 FTE reduction in staffing. The most significant reduction was elimination of the fulltime Housing Maintenance Supervisor/Inspector position in December of 2016 due to funding shortfalls in the housing budgets.

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

- The 2016/2017 budget included 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 was eliminated when the 2nd automated refuse collection vehicle was placed in service. This was in late December of 2016 which resulted in a reduction of .50 FTE positions in 2016/2017.
- The Lift Station Supervisor position in the Water Pollution Control fund 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.

The projected level of expenditures for the General Fund of $19,412,851 for 2017/2018 is 3.4% ($628,551) above the 2016/2017 budget of $18,784,300. The overall increase in expenditures consists of (1) an increase of $331,100 (3.3%) in salaries and wages, (2) an increase of $312,400 (7.2%) in employee benefit costs, (3) an increase of $56,200 (6.0%) in commodity costs, (4) an increase of $63,700 (2.8%) in contractual services costs, (5) a decrease of $72,700 (12.1%) in capital outlay costs, and (6) a decrease of $62,149 (10.4%) 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 was used in 2015/2016 to meet the 4th year requirement of the grant agreement.

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 was budgeted for 2016/2017. The 2017/2018 budget includes an estimated $50,000 to allow for pay increases in the non-union pay plan. This amount includes funds to allow for several positions to be placed in different grades in the pay plan based on market surveys and also allows for merit increases of up to 3%. The assigned funding for merit increases allows fulltime employees in the non-union pay plan to progress above the midpoint of their pay grades based on job performance.

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; and (4) The assigned funding allocation for non-union pay increases allows for these funds to be budgeted in one area until it is determined which department budgets will be impacted by these increases.

The 2017/2018 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 2017/2018, 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 10 from 170 in 2001/2002 to 160 in 2017/2018. 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 sixteen years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2017/2018 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 2017/2018. 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 2017/2018. Major Public Works projects scheduled for construction in 2017/2018 include Phase I of the Mississippi Drive Corridor project, the Kent Stein Park to Deep Lakes Park Trail, the annual pavement management program, the annual new sidewalk construction program, 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 regular 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 regular 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 was ordered in 2015/2016 and it was delivered and placed in service in late December of 2016. Additional refuse bins were included in both the 2015/2016 and 2016/2017 budgets which completed the capital purchases needed to fully implement this program. With the 2nd automated truck now in service and all of the carts purchased, the savings from this program will begin to be fully realized. Fiscal year 2017/2018 will be the first full fiscal year using both automated refuse collection vehicles.

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 also completed the updated Five Year Capital Improvements Plan and this plan was adopted by City Council in February of 2016. This department is also nearing completion of the first phase of the update to 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. Planning is underway for the referendum to continue the local option tax after the current tax period expires June 30, 2019, with the uses continuing to be focused on sewer separation and streets. 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) and Iowa Department of Transportation (IDOT) grants, completed numerous projects and improvements at the airport. Grant applications for all airport projects are made in accordance with the city's overall Master Plan for the airport. A major project to reconstruct the main runway 6-24 was substantially completed in 2016 at a total cost of approximately $4.2 million and an FAA grant will fund 90% of the cost of the project. The update of the Airport Layout Plan currently in progress will also receive 90% FAA funding. In October of 2016 the City was awarded funding for the design of a new T-Hangar and for hangar apron expansion. The design work for this project is underway and will receive 85% State funding with a 15% local match. Construction of this project will follow and will be funded from a separate grant. The airport will continue to serve the community for both recreational and business-related activities in 2017/2018.

For fiscal year 2017/2018 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 2017/2018 the City Council chose to continue financial contributions for the Greater Muscatine Chamber of Commerce and Industry (GMCCI), the Muscatine Humane Society, and Senior Resources. The subsidies to GMCCI and the Muscatine Humane Society were maintained at the same levels as 2016/2017. The 2017/2018 budget includes a one-time increase in the subsidy to Senior Resources from $20,000 to $30,000 due to their loss of funding from other sources. The subsidy for the CVB is budgeted at $90,500 for 2017/2018; the actual subsidy however, will be 25% of actual hotel/motel tax receipts for 2016/2017 per the City's agreement with the CVB. The 2015/2016 budget for the first time included a $25,000 allocation to the Muscatine Center for Social Action's (MCSA's) Homeless Prevention Program. This same funding amount was included in the 2016/2017 budget and has also been included in the 2017/2018 budget. The subsidy, however, will be reduced if any grant funding is secured for this program.

Operating expenditures budgeted for all city operations for 2017/2018 total $44,195,966, which is an increase of $2,204,879 (5.3%) from the fiscal year 2016/2017 level of $41,991,087. Operating revenues for the city total $48,301,244 compared to $46,130,232 for 2016/2017, an increase of $2,171,012 (4.7%). Capital project expenditures are estimated at 17,328,500 for the 2016/2017 revised estimate and $17,865,500 for 2017/2018.

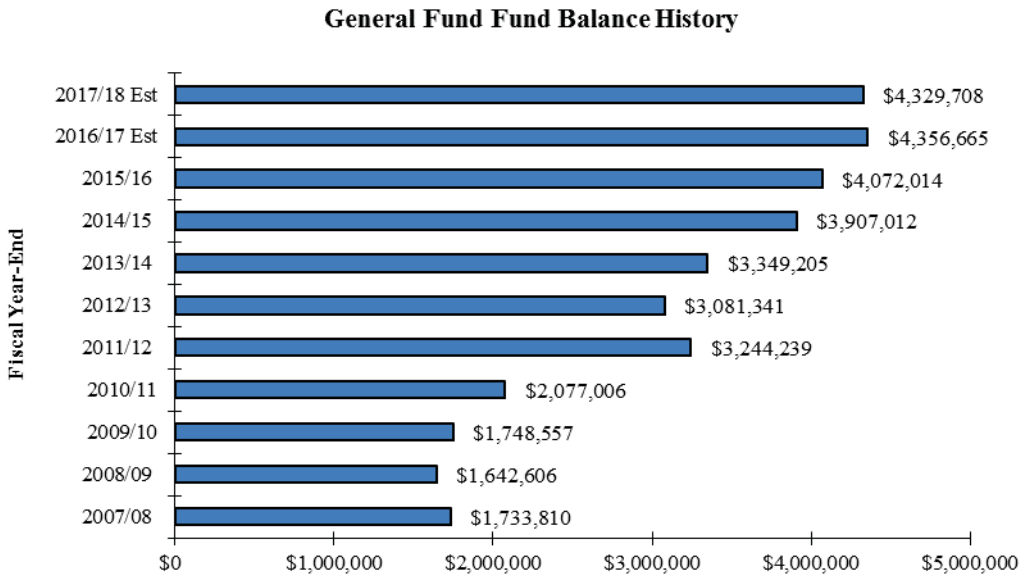
FUND BALANCE AND BUDGET POLICY ISSUES

The 2017/2018 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 2017/2018 balanced budgets were presented to and approved by Council for all funds with the exception of the Refuse Collection 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 2018/2019 when the savings from the automated refuse collection program is fully realized. The deficits in the Marina and Equipment Services funds are due to inventories in those operations.

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.



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, 22.6% at the end of 2014/2015, and 23.1% at the end of 2015/2016. 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 2016/2017 budget was developed was 19.5%. The 2016/2017 revised estimate ending fund balance is 23.0%. The ending balance for the 2017/2018 budget is 22.3%, which more than meets the new minimum General Fund balance policy. While the 2017/2018 budget was "balanced" by using $26,957 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 2016 bond issuance was Aa2 under Moody's current rating scale. This was the same rating as assigned for the 2014 bond issue. The Moody's rating will again be reviewed prior to the May 2018 bond issue.

As discussed during the budget review process, an ongoing multi-agency lawsuit with the IDOT or other IDOT or Legislative rules may impact future Automatic Traffic Enforcement revenues (or restrict the use of these revenues) which are budgeted at $700,000 for 2017/2018. If ATE restrictions are implemented that negatively impact General fund revenues, the following interim plan is proposed to be used:

- Provisions in the General Fund Balance Policy provide that "except for extraordinary circumstances, unassigned fund balance should not be used to fund any portion of ongoing and routine operating expenditures of the City".
- The policy then provides that: "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."
- Having a strong General Fund balance and the Fund Balance Policy in place will allow time for staff and City Council to plan for how to address revenue reductions if they occur.
- The recommended next step after the legislative session – Staff, Council, and public discussion of future revenues, expenditures, and City services for future years. The fund balance and the Utility Franchise Fee could be used in the short-term to backfill a portion of any lost revenues.

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 2016/2017 revised estimate and 2017/2018 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 2016/2017 and those to be initiated in 2017/2018. 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 2017/2018 and upcoming years will continue to be upgrading of the City's streets and sewer systems, 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 $550,000 annually and this amount has been included in the budget for 2017/2018. 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 is nearly completed on Mulberry Avenue improvements from Houser Street to the Bypass. This project is being funded from a federal grant, bond proceeds, and Road Use Taxes. Engineering design is also underway for the Mississippi Drive Corridor reconstruction from the Mississippi River Bridge to Grandview Avenue with construction on phase one of the project scheduled to begin in the spring of 2017. 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 eleven 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 the 2017 calendar year. Funding for this project will be from the Plant Replacement Reserve.

Several significant building and facility improvements were included in the 2015/2016 and 2016/2017 budgets. These included 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 funded a substantial portion of the cost of these projects with $200,000 in contributions from the Roy J. Carver Charitable Trust and $360,000 from the Muscatine Art Center Support Foundation assisting in funding the Art Center improvements. These projects were nearing completion at the time the budget was being prepared. The 2017/2018 budget includes $500,000 to complete additional deferred maintenance projects for public buildings and $260,000 to complete lighting replacement projects at Weed Park and the Soccer Complex. These deferred maintenance projects will be funded from the spring 2018 bond issue.

The Airport Runway 6-24 Rehabilitation project was substantially completed in calendar year 2016 with the final project work to be completed this spring. Other airport projects in 2016/2017 and 2017/2018 include the T-Hangar design and construction project, the update of the Airport Master Plan, and the update of the Airport Zoning ordinance.

Other capital projects included in the 2016/2017 and 2017/2018 budgets include the Kent Stein Park to Deep Lakes Park Trail project, the annual new sidewalk construction project, and funding for the renovation of the former HNI headquarters building given to the City to be used as the new HNI Community Center and Musser Public Library. 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 were accumulated in 2015/2016 and 2016/2017 to fund construction of the next landfill cell in the 2017/2018 budget. The 2017/2018 budget includes $550,000 for construction of the next landfill cell with construction scheduled to begin in the summer of 2017. The Committee and City Council goal was to have the deficit eliminated and have a sufficient fund balance available to fund construction of future landfill cells. Based on estimated landfill revenues and expenditures, including the $550,000 for the next landfill cell, the landfill fund balance is sufficient to fund construction of the next cell and there is a projected fund balance at the end of 2017/2018 of $638,691.

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 2017. Public forums were held to receive input from the community on the new comprehensive plan and the Five Year Capital Improvement Program and are also being 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 an estimated $3,100,000 in property tax funded debt in May of 2018 with this bond issue funding replacement of the aerial fire truck ($1.2 million), the local share of Airport improvement projects ($221,000), the local share of the Kent Stein Park to Deep Lakes Park Trail project ($400,000), deferred building maintenance projects ($500,000), park lighting replacement projects ($260,000), and a preliminary local share of the cost to renovate the former HNI headquarters building into the new HNI Community Center and Musser Public Library ($100,000). These estimated bond funding amounts will be updated as bids for the projects are received and outside funding contributions are determined. 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 2017/2018 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 our elected representatives and the citizens of Muscatine.

It is my honor and pleasure 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 2017/2018 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 2017/2018 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, and Police Forfeiture Fund. While the City continues to budget several of these funds as Special Revenue funds, the Emergency Tax Levy, Equipment Replacement, and Computer Replacement 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 special revenue funds. 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.

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 2016/2017 and upcoming 2017/2018 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 November 3, 2016 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on November 17, 2016. 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 9th. 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 26, 2017. 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 2017/2018. 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 upcoming 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 2, 2017 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.

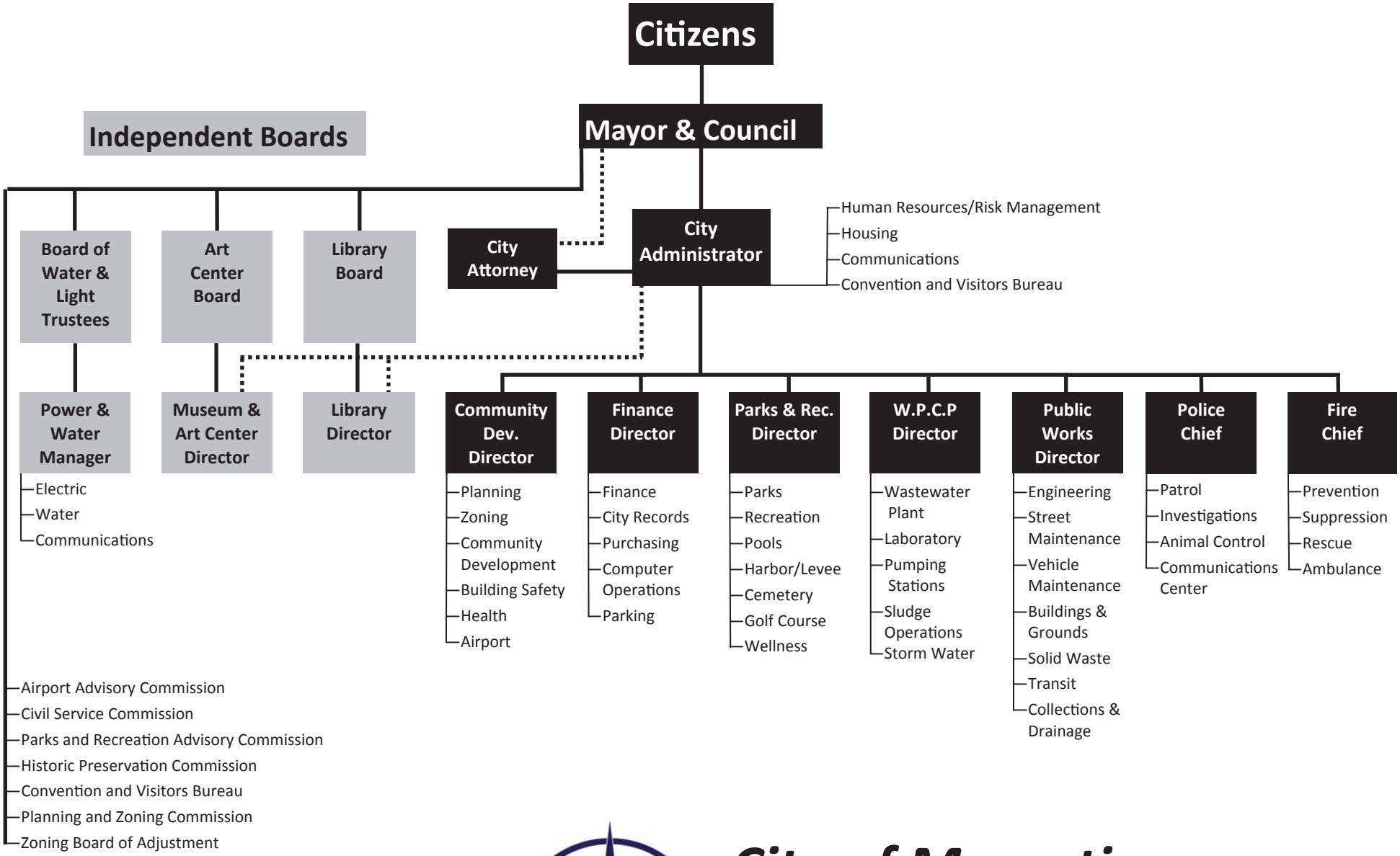
2. To permit the appropriation and expenditures of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.

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.

Table of Contents



City of Muscatine Organizational Structure

CITY OF MUSCATINE

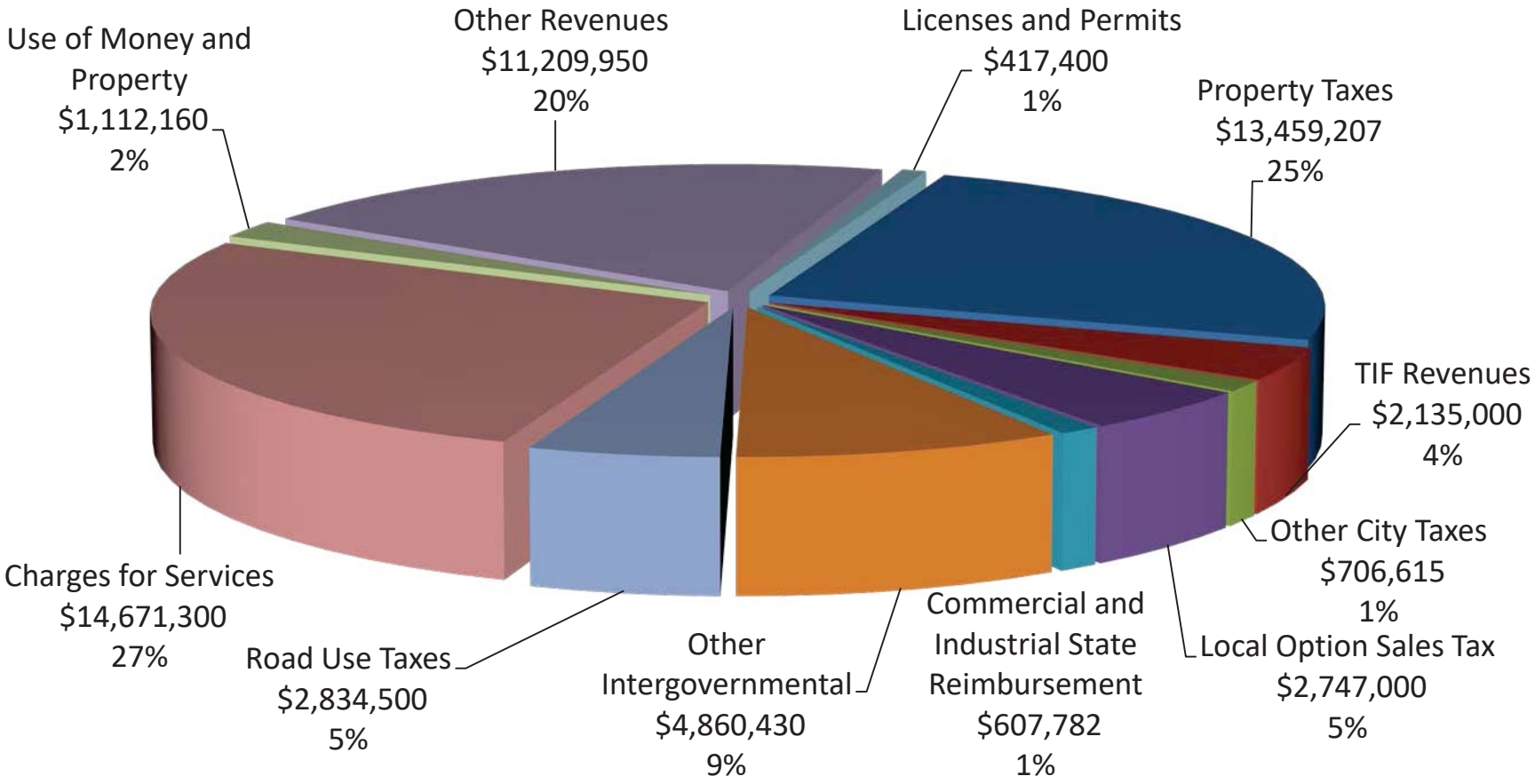
ENTITY-WIDE BUDGET OVERVIEW 2017/2018

ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

PROPERTY TAX RATE INFORMATION

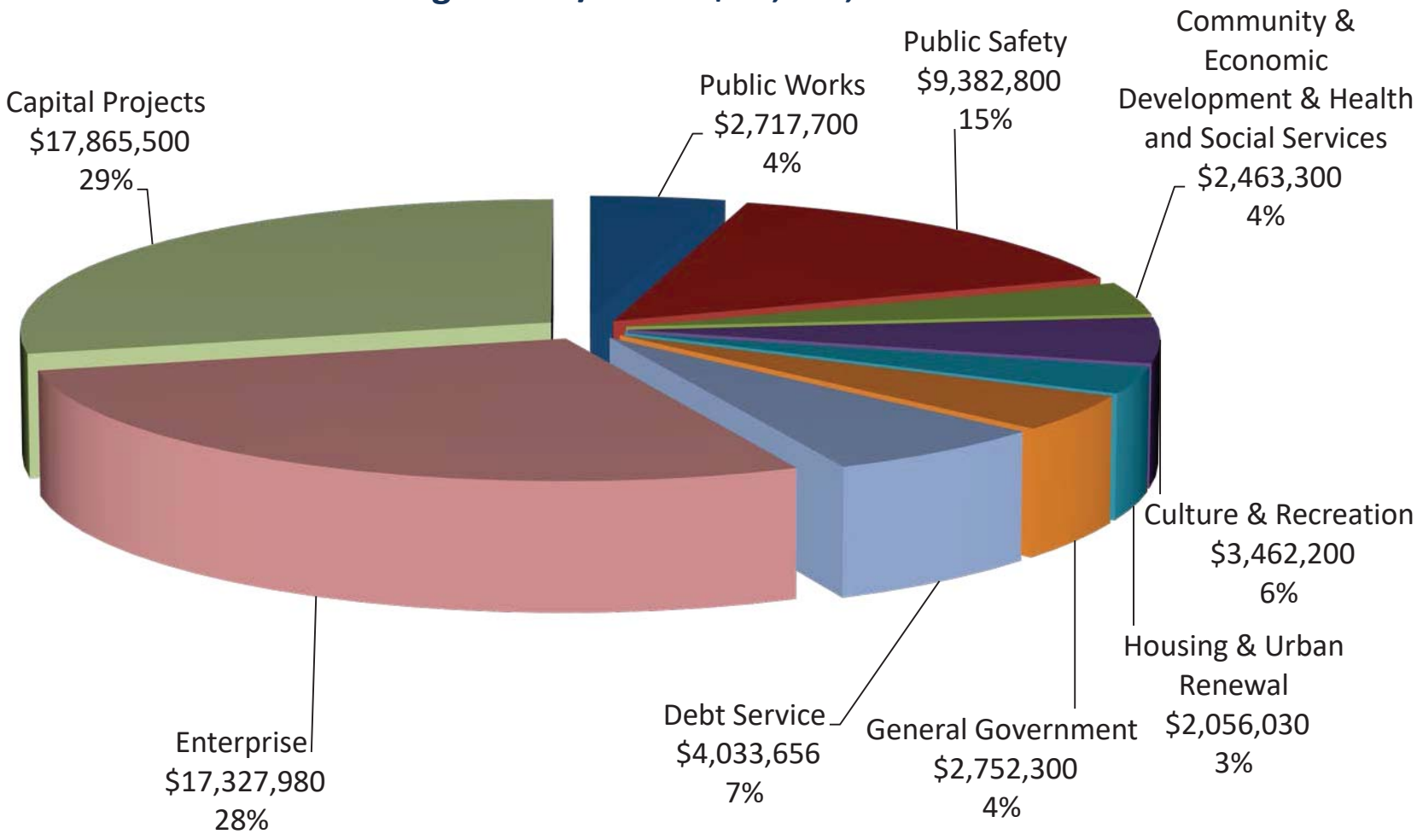
Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)
Budget 2017/2018 - $54,761,344



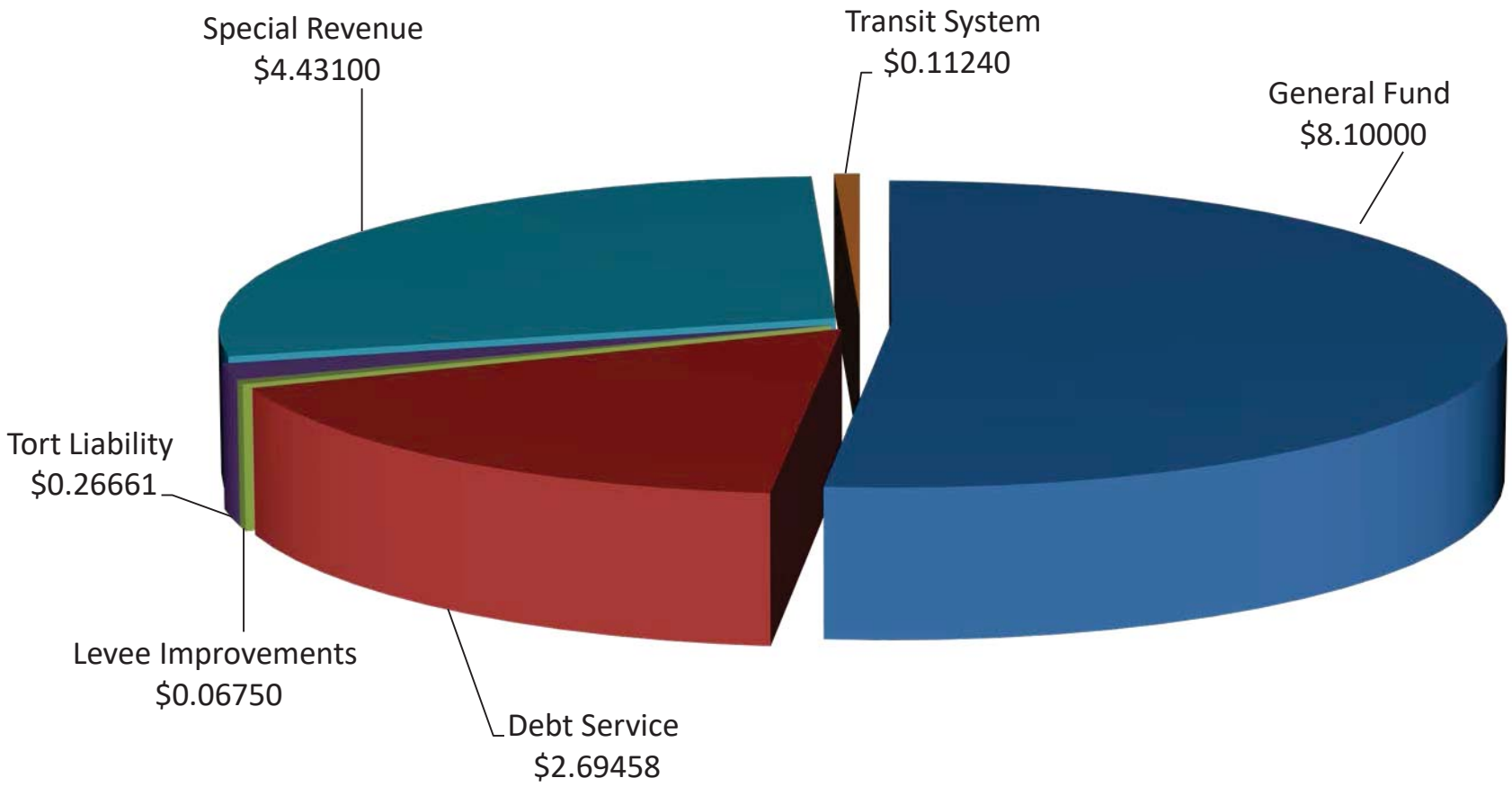
How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)
Budget 2017/2018 - $62,061,466



City Tax Levy Rates by Type

FY 2017/2018
Total $15.67209/$1,000 Valuation



Where Do Your Property Taxes Go?

Above tax levy rates reflect fiscal year 2016/2017 rates totaling $40.65482 per $1,000 valuation
Tax levy rates for fiscal year 2017/2018 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 2015/2016 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
- Road Use Tax 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.

Table of Contents

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	Road Use Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection	Other Non-Major Funds	Total
Projected Beginning Balance, July 1, 2017	$ 4,356,665	$ 54,337	$ 460,062	$ 868,932	$ 242,950	$ 1,553,682	$ 93,743	$ (260,615)	$ 13,285,501	$ 20,655,257
Revenues and Other Sources										
Property Taxes	$ 7,249,364	$ 3,756,754	$ -	$ -	$ 2,453,089	$ -	$ -	$ -	$ 2,135,000	$ 15,594,207
Other City Taxes	684,787	13,569	2,747,000	-	8,259	-	-	-	-	3,453,615
Licenses and Permits	397,900	-	-	-	-	1,500	-	-	18,000	417,400
Intergovernmental	803,044	171,839	-	2,834,500	104,499	-	-	-	3,431,930	7,345,812
Charges for Services	713,700	-	-	-	-	4,834,000	2,184,000	2,221,500	6,004,000	15,957,200
Use of Money and Property	162,600	-	400	-	500	1,500	21,000	-	896,160	1,082,160
Other Revenue	1,580,100	-	-	-	-	67,300	12,000	4,500	4,073,350	5,737,250
Other Financing Sources										
Transfers In	7,794,399	-	549,400	-	202,650	-	44,100	-	3,128,803	11,719,352
Total Revenues and Other Sources	$ 19,385,894	$ 3,942,162	$ 3,296,800	$ 2,834,500	$ 2,768,997	$ 4,904,300	$ 2,261,100	$ 2,226,000	$ 19,687,243	$ 61,306,996
Funds Available	$ 23,742,559	$ 3,996,499	$ 3,756,862	$ 3,703,432	$ 3,011,947	$ 6,457,982	$ 2,354,843	$ 1,965,385	$ 32,972,744	$ 81,962,253
Expenditures and Other Uses										
Public Safety	$ 9,337,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,000	$ 9,382,800
Public Works	2,717,700	-	-	-	-	-	-	-	-	2,717,700
Health and Social Services	55,000	-	-	-	-	-	-	-	-	55,000
Culture and Recreation	3,242,700	-	-	-	-	-	-	-	219,500	3,462,200
Community and Economic Development	820,700	-	-	-	-	-	-	-	3,643,630	4,464,330
General Government	2,712,300	-	-	-	-	-	-	-	40,000	2,752,300
Debt Service	-	-	-	-	2,810,206	-	-	-	1,223,450	4,033,656
Business Type/Internal Service	-	-	-	-	-	3,087,000	2,278,200	2,065,300	11,171,080	18,601,580
Other Financing Uses										
Transfers Out	526,651	3,996,499	3,296,800	3,360,200	-	1,971,603	75,800	-	4,485,050	17,712,603
Total Expenditures and Other Uses	$ 19,412,851	$ 3,996,499	$ 3,296,800	$ 3,360,200	$ 2,810,206	$ 5,058,603	$ 2,354,000	$ 2,065,300	$ 20,827,710	$ 63,182,169
Projected Ending Balance, June 30, 2018	$ 4,329,708	$ -	$ 460,062	$ 343,232	$ 201,741	$ 1,399,379	$ 843	$ (99,915)	$ 12,145,034	$ 18,780,084
Increase (Decrease) in Fund Balance	$ (26,957)	$ (54,337)	$ -	$ (525,700)	$ (41,209)	$ (154,303)	$ (92,900)	$ 160,700	$ (1,140,467)	$ (1,875,173)
Percent Change in Fund Balance	-0.6%	-100.0%	0.0%	-60.5%	-17.0%	-9.9%	-99.1%	61.7%	-8.6%	-9.1%
Percent Ending Fund Balance of Expenditures	22.3%	0.0%	14.0%	10.2%	7.2%	27.7%	N/A	N/A	58.3%	29.7%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to decrease by $26,957 (.6%) during fiscal year 2017/2018. The budgeted ending balance is 22.3% 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 2017/2018 with the ending balance of 22.3% of General fund expenditures more than meets this new minimum fund balance target amount.

While the General Fund budget for 2017/2018 shows the General Fund balance at 22.3% of expenditures, the budget is being "balanced" with $26,957 of General Fund balance. This is the amount that the estimated 2017/2018 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 $54,337 beginning fund balance for 2017/2018. The Employee Benefits tax levy for 2017/2018 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2017/2018. This resulted in the zero balance budgeted in this fund at the end of 2017/2018, 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 be maintained at $460,062 for 2017/2018. 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-C of the West Hill Sewer Separation project is scheduled for construction in calendar year 2017 and Phase 4-A is scheduled for calendar year 2018.

Road Use Tax Fund:

Road Use Taxes are 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 Road Use Tax fund balance is projected to decrease by $525,700 (60.5%). This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2017/2018.

Debt Service Fund:

The City generally sets the debt service tax levy at a level to fund annual debt service requirements on tax-supported general obligation bond issues. The Debt Service fund balance has been increasing in recent years due to interest rates on new bond issues being less than budgeted and interest savings from the refunding of prior year bond issues. The fund balance decrease of $41,209 (17.0%) is due to the budgeted use of a portion of the accumulated balance.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by $154,303 (9.9%) in 2017/2018. The fund balance decrease is due to an additional $500,000 transfer to the Plant Replacement Reserve to provide sufficient funding for the High Strength Waste Receiving Station project. The 2017/2018 budgeted ending balance is 27.7% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance of $93,743 in 2017/2018 and that balance is budgeted to decrease by $92,900 to $843 by the end of 2017/2018. The fund balance decrease is due to several major capital outlay purchases including $200,000 to replace the wheel loader and $45,000 to replace the tunnel scale. These items are critical to the efficient operation of the Transfer Station.

Refuse Collection:

The Refuse Collection fund is projected to have a $260,615 deficit fund balance at the end of 2016/2017 and this deficit in projected to be reduced to a $99,915 deficit at the end of 2017/2018. 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 were 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 2nd automated truck was purchased in 2015/2016. With the long lead time on the order, however, even with the order placed in 2015/2016, the vehicle was not delivered until December 2016. With the 2nd automated truck now in service and all of the carts purchased, 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 by the end of the 2018/2019 fiscal year.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by $1,140,467 (8.6%) during 2017/2018. There are increases and decreases in the balances of the various non-major funds. The overall decrease, however, is due to the $1,299,000 decrease in the Water Pollution Control Plant Replacement Reserve which includes the use of $2,000,000 of accumulated funds to fund the High Strength Waste Receiving Station project.

BUDGET SUMMARY SCHEDULES -

OPERATING FUNDS

City of Muscatine
Operating Funds
Budget Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 18,834,831	$ 19,167,414	$ 18,832,257	$ 21,134,677	$ 20,655,257
Revenues and Other Sources					
Property Taxes	$ 13,640,542	$ 14,396,324	$ 14,942,348	$ 14,938,748	$ 15,594,207
Other City Taxes	3,526,245	3,514,232	3,384,509	3,642,609	3,453,615
Licenses and Permits	370,783	407,259	372,400	416,400	417,400
Intergovernmental	6,517,410	7,271,328	7,368,405	7,429,745	7,345,812
Charges for Services	15,206,825	14,860,042	15,105,250	15,429,140	15,957,200
Use of Money and Property	817,186	1,060,018	1,078,870	1,065,945	1,082,160
Other Revenue	4,801,892	5,329,159	5,122,350	5,401,300	5,737,250
Other Financing Sources					
Transfers In	9,613,910	7,972,798	11,414,292	11,841,703	11,719,352
Refunding Bond Proceeds	0	1,343,448	0	0	0
Total Revenues and Other Sources	$ 54,494,793	$ 56,154,608	$ 58,788,424	$ 60,165,590	$ 61,306,996
Funds Available	$ 73,329,624	$ 75,322,022	$ 77,620,681	$ 81,300,267	$ 81,962,253
Expenditures and Other Uses					
Public Safety	$ 8,515,580	$ 8,617,230	$ 9,391,400	$ 9,238,400	$ 9,382,800
Public Works	2,329,527	2,225,526	2,610,800	2,804,500	2,717,700
Health and Social Services	20,000	45,000	45,000	45,000	55,000
Culture and Recreation	3,196,397	3,226,003	3,391,450	3,536,700	3,462,200
Community and Economic Development	3,268,849	3,813,665	4,167,170	4,156,732	4,464,330
General Government	2,159,977	2,346,786	2,499,500	2,637,595	2,752,300
Debt Service	2,902,161	5,310,608	3,895,317	3,878,420	4,033,656
Business Type/Internal Service	17,428,584	16,720,028	17,240,750	17,644,160	18,601,580
Other Financing Uses					
Transfers Out	14,341,135	11,882,499	17,689,852	16,703,503	17,712,603
Total Expenditures and Other Uses	$ 54,162,210	$ 54,187,345	$ 60,931,239	$ 60,645,010	$ 63,182,169
Ending Balance, June 30	$ 19,167,414	$ 21,134,677	$ 16,689,442	$ 20,655,257	$ 18,780,084

Table of Contents

City of Muscatine
Operating Funds
Fund Statement

Fund	Estimated Balance (Deficit) 7/1/17	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/18
General	$ 4,356,665	$ 19,385,894	$ 19,412,851	$ 4,329,708
Enterprise:				
Airport Operations	0	115,800	115,800	0
Transit System	418,257	1,247,900	1,317,600	348,557
Parking System	55,955	207,600	222,900	40,655
Golf Course	47,266	841,900	861,000	28,166
Boat Harbor Operations	2,665	25,200	26,300	1,565
Marina Operations	(4,606)	12,100	11,800	(4,306)
Ambulance Operations	186,498	1,481,500	1,616,300	51,698
Convention & Visitors Bureau	91,932	103,100	123,400	71,632
Refuse Collection	(260,615)	2,226,000	2,065,300	(99,915)
Landfill Operations	716,191	1,404,600	1,482,100	638,691
Landfill Surcharge Reserve Part I	0	21,000	21,000	0
Landfill Surcharge Reserve Part II	0	44,100	44,100	0
Landfill Post-Closure Reserve	952,555	40,000	0	992,555
Landfill Closure Reserve	886,674	90,500	0	977,174
Transfer Station Operations	93,743	2,261,100	2,354,000	843
Transfer Station Closure Reserve	33,795	0	0	33,795
Water Pollution Control	1,553,682	4,904,300	5,058,603	1,399,379
Collection and Drainage	566,425	1,354,100	1,257,800	662,725
WPCP Replacement Reserve	1,693,011	701,000	2,000,000	394,011
West Hill Sewer Reserve	2,407,788	402,000	228,000	2,581,788
Sewer Revenue Bond Sinking Fund	109,337	1,062,103	1,061,495	109,945
Sewer Extension and Improvement Reserve	1,182,062	191,000	0	1,373,062
Special Revenue:				
Employee Benefits	54,337	3,942,162	3,996,499	0
Emergency Levy	80,809	100	0	80,909
Road Use Tax	868,932	2,834,500	3,360,200	343,232
Community Block Grant	26,636	0	4,000	22,636
Tax Increment - Downtown	44,384	205,100	202,650	46,834
Tax Increment - Southend	892,571	1,551,000	1,612,255	831,316
Tax Increment - Cedar Development	55,273	274,000	274,000	55,273
Tax Increment - Muscatine Mall	32,151	0	0	32,151
Tax Increment - Heinz	5,888	16,000	15,400	6,488
Tax Increment - Highway 38 NE	14,389	15,000	18,500	10,889
Tax Increment - Fridley Theatre	10,030	75,000	73,300	11,730
Small Business Forgivable Loan Program	0	100,000	100,000	0
Local Option Sales Tax	460,062	3,296,800	3,296,800	460,062
Equipment Replacement	49,597	207,300	106,000	150,897
Computer Replacement	22,722	40,000	61,000	1,722
Public Housing Operations	4,702	796,860	799,980	1,582
Section 8 Voucher Program	57,022	1,949,380	1,964,930	41,472
Home Ownership Program	57,554	34,700	62,700	29,554
Sunset Park Education Center	1,778	26,700	28,400	78
Police Forfeiture Fund	13,240	5,000	5,000	13,240
Trust and Agency:				
Perpetual Care Fund	876,832	5,000	0	881,832
Perpetual Care Interest Trust	0	14,300	14,300	0
Cemetery Special Trusts	53,008	800	2,800	51,008
Library Trusts	121,732	36,100	121,700	36,132
Art Center Trusts	482,491	11,100	8,000	485,591
Debt Service:				
General Obligation	242,950	2,768,997	2,810,206	201,741
Internal Service/Other:				
Equipment Services	3,555	1,286,400	1,273,600	16,355
Dental Insurance	12,335	160,500	160,400	12,435
Health Insurance	1,020,997	3,531,400	3,529,200	1,023,197
Total *	$ 20,655,257	$ 61,306,996	$ 63,182,169	$ 18,780,084

*Includes interfund transactions.

City of Muscatine
Operating Funds
Revenue Summary

Fund	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
General	$ 17,822,142 *	$ 15,789,767 *	$ 18,716,668	$ 19,260,251	$ 19,385,894
Enterprise:					
Airport Operations	113,314	104,038	119,700	116,700	115,800
Transit System	1,075,799	1,095,295	1,243,400	1,366,500	1,247,900
Parking System	204,549	218,536	197,100	207,600	207,600
Golf Course	763,944 *	770,586	794,900	818,800	841,900
Boat Harbor Operations	20,088	21,295	24,200	25,200	25,200
Marina Operations	12,623	12,061	15,100	12,100	12,100
Ambulance Operations	1,367,478	1,549,538	1,412,500	1,466,400	1,481,500
Convention & Visitors Bureau	106,372	94,206	91,100	98,900	103,100
Refuse Collection	2,213,961	2,235,332	2,177,700	2,219,000	2,226,000
Landfill Operations	1,567,892 *	1,557,541	1,447,800	1,404,600	1,404,600
Landfill Surcharge Reserve Part I	19,470	20,325	19,000	21,000	21,000
Landfill Surcharge Reserve Part II	40,886	42,665	39,900	44,100	44,100
Landfill Post-Closure Reserve	31,170	39,770	32,000	40,000	40,000
Landfill Closure Reserve	85,363	90,382	86,000	90,500	90,500
Transfer Station Operations	2,231,289	2,167,729	2,015,650	2,268,200	2,261,100
Water Pollution Control	4,388,793 *	4,412,695	4,551,300	4,504,200	4,904,300
Collection and Drainage	1,258,062	1,294,939	1,308,200	1,332,600	1,354,100
WPCP Replacement Reserve	201,859	201,830	700,800	701,000	701,000
West Hill Sewer Reserve	401,518	401,973	401,800	402,000	402,000
Sewer Revenue Bond Sinking Fund	1,062,189	1,061,838	1,061,825	1,061,825	1,062,103
Sewer Extension and Improvement Reserve	194,904	192,204	194,000	191,100	191,000
Special Revenue:					
Employee Benefits	3,160,084	3,407,029	3,690,482	3,690,482	3,942,162
Emergency Levy	86	108	100	100	100
Road Use Tax	2,596,650	2,915,003	2,870,200	2,846,400	2,834,500
Community Block Grant	5,038	34	0	0	0
Tax Increment - Downtown	210,223	214,432	210,100	209,600	205,100
Tax Increment - Southend	427,224	1,210,592	1,231,000	1,228,600	1,551,000
Tax Increment - Cedar Development	210,271	191,290	245,000	244,500	274,000
Tax Increment - Muscatine Mall	50,047	45,326	38,000	38,000	0
Tax Increment - Heinz	4	5	21,000	24,888	16,000
Tax Increment - Highway 38 NE	180,216	303,027	60,050	59,950	15,000
Tax Increment - Fridley Theatre	0	75,490	75,000	74,900	75,000
Small Business Forgivable Loan Program	260	200,280	100,000	100,000	100,000
Local Option Sales Tax	2,797,211	2,787,454	3,198,040	3,521,115	3,296,800
Equipment Replacement	215,216	343,874	207,300	207,300	207,300
Computer Replacement	61,904	59,441	40,000	40,000	40,000
COPS Grant Future Commitment Reserve	9,000	0	0	0	0
Public Housing Operations	798,985	847,331	832,070	794,300	796,860
Section 8 Voucher Program	1,865,738	1,984,828	1,992,490	1,974,080	1,949,380
Home Ownership Program	34,598	31,231	31,600	33,200	34,700
Sunset Park Education Center	28,060	26,483	27,000	28,150	26,700
Police Forfeiture Fund	3,160	22	5,000	0	5,000
Trust and Agency:					
Insurance Trust	61	31	0	0	0
Perpetual Care Fund	4,178	11,654	5,000	5,000	5,000
Perpetual Care Interest Trust	14,275	14,322	14,300	14,300	14,300
Cemetery Special Trusts	830	831	800	800	800
Library Trusts	47,283	42,012	36,100	36,100	36,100
Art Center Trusts	41,757	230,561 *	16,200	26,300	11,100
Debt Service:					
General Obligation	2,751,484	4,114,747	2,770,549	2,770,549	2,768,997
Internal Service/Other:					
Equipment Services	1,163,475 *	910,484	1,243,900	1,237,300	1,286,400
Dental Insurance	141,240	150,947	161,800	157,700	160,500
Health Insurance	2,492,570	2,661,194	3,014,700	3,149,400	3,531,400
Total **	$ 54,494,793	$ 56,154,608	$ 58,788,424	$ 60,165,590	$ 61,306,996

* Includes encumbrance adjustments.
** Includes interfund transactions.

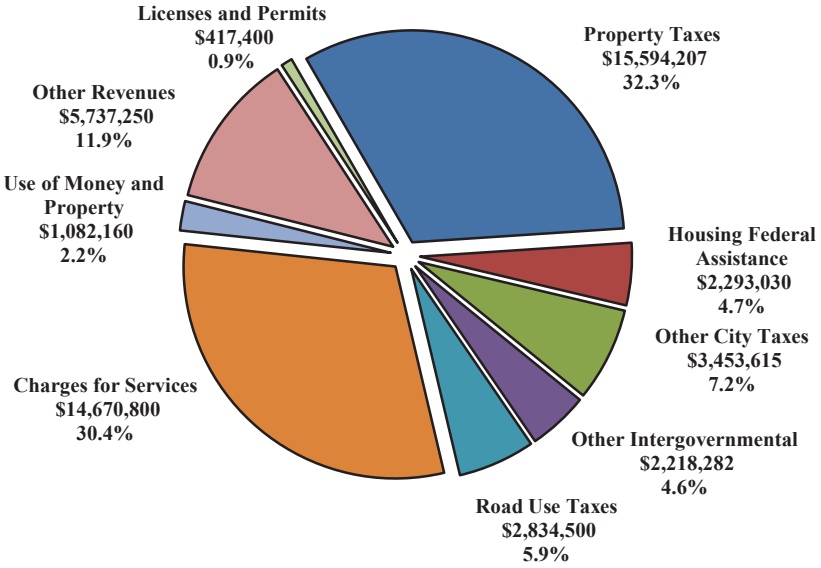
Table of Contents

City of Muscatine
Operating Funds
Expenditure Summary

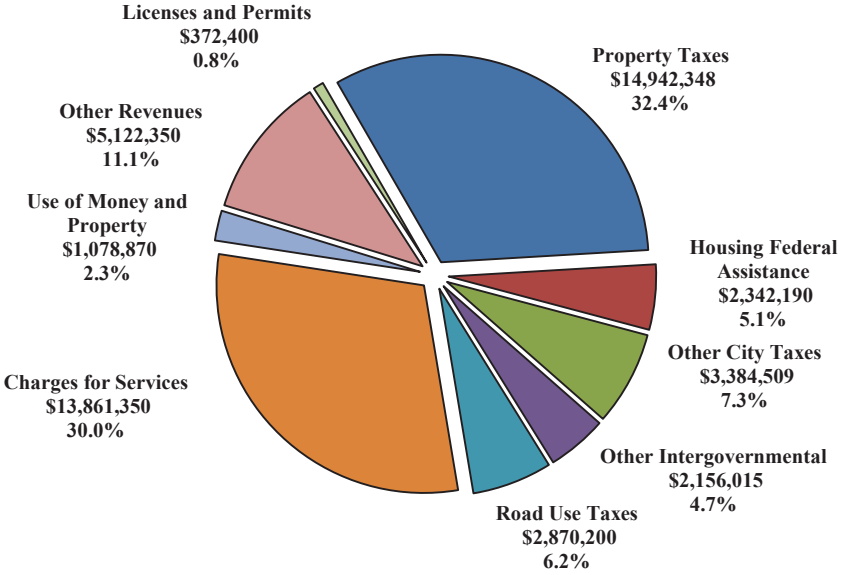
Fund	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Estimate 2016/2017	Budget 2017/2018
General	$ 17,264,335	$ 15,624,765	$ 18,784,300	$ 18,975,600	$ 19,412,851
Enterprise:					
Airport Operations	113,314	104,038	119,700	116,700	115,800
Transit System	975,708	944,837	1,335,300	1,315,200	1,317,600
Parking System	189,586	201,830	209,800	220,300	222,900
Golf Course	712,116	723,624	838,800	825,500	861,000
Boat Harbor Operations	23,670	24,281	25,800	25,600	26,300
Marina Operations	12,628	12,563	14,700	11,700	11,800
Ambulance Operations	1,390,349	1,386,361	1,413,100	1,544,000	1,616,300
Convention & Visitors Bureau	82,830	84,722	113,800	115,300	123,400
Refuse Collection	2,431,104	2,530,640	2,090,600	2,155,900	2,065,300
Landfill Operations	958,291	1,022,926	1,208,100	1,323,600	1,482,100
Landfill Surcharge Reserve I	19,470	20,325	19,000	21,000	21,000
Landfill Surcharge Reserve II	40,886	42,665	39,900	44,100	44,100
Transfer Station Operations	2,277,076	2,204,137	2,060,200	2,116,600	2,354,000
Transfer Station Closure Reserve	0	0	0	4,600	0
Water Pollution Control	4,349,189	4,359,615	4,910,625	4,890,825	5,058,603
Collection and Drainage	1,579,345	1,457,988	1,421,200	1,452,500	1,257,800
WPCP Replacement Reserve	356,568	53,007	2,000,000	741,000	2,000,000
West Hill Sewer Reserve	0	0	0	0	228,000
Sewer Revenue Bond Sinking Fund	1,061,587	1,061,185	1,061,165	1,061,165	1,061,495
Sewer Extension and Improvement Reserve	0	0	200,000	200,000	0
Special Revenue:					
Employee Benefits	3,162,202	3,424,752	3,768,777	3,749,260	3,996,499
Road Use Tax	2,787,929	2,481,829	3,460,900	3,255,100	3,360,200
Community Block Grant	9,000	1,000	4,000	4,000	4,000
Tax Increment - Downtown	207,825	208,450	203,050	203,050	202,650
Tax Increment - Southend	442,375	1,157,441	1,232,005	1,219,605	1,612,255
Tax Increment - Cedar Development	196,259	182,958	245,000	235,300	274,000
Tax Increment - Muscatine Mall	46,080	42,033	38,000	18,782	0
Tax Increment - Highway 38 NE	177,276	285,328	56,700	66,200	18,500
Tax Increment - Heinz	0	0	20,000	22,888	15,400
Tax Increment - Fridley Theatre	0	67,760	77,500	72,600	73,300
Small Business Forgivable Loan Program	100,050	59,070	100,000	141,420	100,000
Local Option Sales Tax	3,072,867	2,749,767	3,199,700	3,546,380	3,296,800
Equipment Replacement	258,400	262,762	310,700	328,500	106,000
Computer Replacement	42,866	45,316	61,000	87,695	61,000
COPS Grant Commitment Reserve	0	89,000	0	0	0
Public Housing Operations	795,021	832,542	830,650	880,060	799,980
Section 8 Voucher Program	1,864,055	1,970,300	2,008,470	1,981,130	1,964,930
Home Ownership Program	52,415	53,409	60,300	60,200	62,700
Sunset Education Center	25,874	27,808	27,700	31,100	28,400
Police Forfeiture Fund	18,297	11,056	5,000	20,000	5,000
Trust and Agency:					
Insurance Trust	0	57,299	0	0	0
Perpetual Care Interest Trust	14,275	14,322	14,300	14,300	14,300
Cemetery Special Trusts	3,242	3,342	2,850	2,800	2,800
Library Trusts	114,327	66,616	30,000	61,000	121,700
Art Center Trusts	51,680	86,158	116,300	165,100	8,000
Debt Service:					
General Obligation	2,736,231	4,084,358	2,670,447	2,653,550	2,810,206
Internal Service/Other:					
Equipment Services	1,182,057	938,344	1,250,300	1,255,500	1,273,600
Dental Insurance	143,563	139,641	160,600	157,900	160,400
Health Insurance	2,819,992	2,985,175	3,110,900	3,250,400	3,529,200
Total *	$ 54,162,210	$ 54,187,345	$ 60,931,239	$ 60,645,010	$ 63,182,169

* Includes interfund transactions.

All City Operating Revenues By Source
Budget 2017/2018
$48,301,244



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

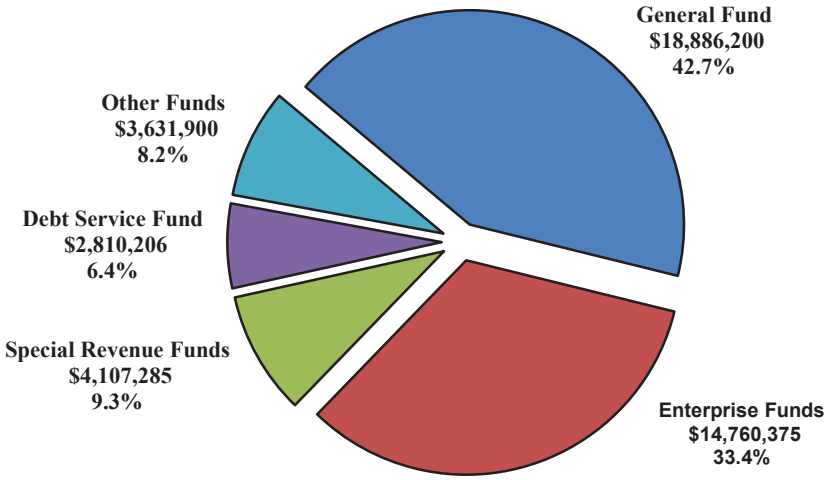


All City Funds Operating Revenues
Reconciliation Information

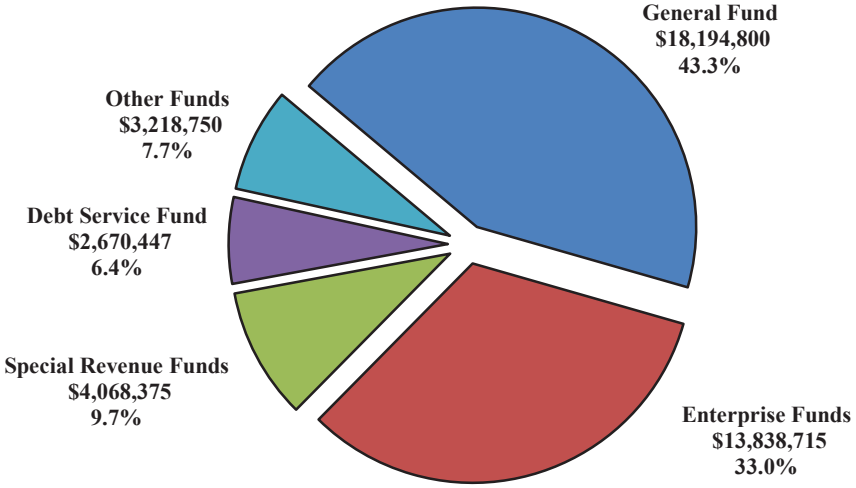
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2016/2017 Budget	2017/2018 Budget
Revenues per Summary Statement	$ 58,788,424	$ 61,306,996
Transfers In:		
General Fund		
Trust and Agency Funds	$ 14,300	$ 14,300
Special Revenue Funds	6,279,677	6,606,699
Health Insurance Fund	58,600	60,500
Tax Increment Funds	180,100	186,900
Enterprise Funds	891,000	926,000
Debt Service Fund		
Tax Increment Funds	203,050	202,650
Equipment Replacement Fund		
General Fund	200,000	200,000
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 Funds	100,000	100,000
Convention and Visitors Bureau		
General Fund	88,500	90,500
Airport Operations Fund		
General Fund	45,100	36,100
Transit Operations Fund		
General Fund	200,000	100,000
Landfill Operations		
Landfill Surcharge Reserve	19,000	21,000
Landfill Surcharge Reserves		
Landfill Operations	58,900	65,100
Landfill Closure and Post-Closure Reserves		
Landfill Operations	118,000	130,500
Transfer Station		
Landfill Surcharge Reserve	39,900	44,100
Sewer Reserves		
Water Pollution Control Fund	700,000	700,000
Collection & Drainage Fund	180,000	180,000
Sewer Sinking Fund	1,061,325	1,061,603
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	532,840	549,400
Total Transfers In	11,414,292	11,719,352
Non-Budgeted Fund		
Equipment Services Operations	1,243,900	1,286,400
Budgeted Revenues Net of Transfers	$ 46,130,232	$ 48,301,244

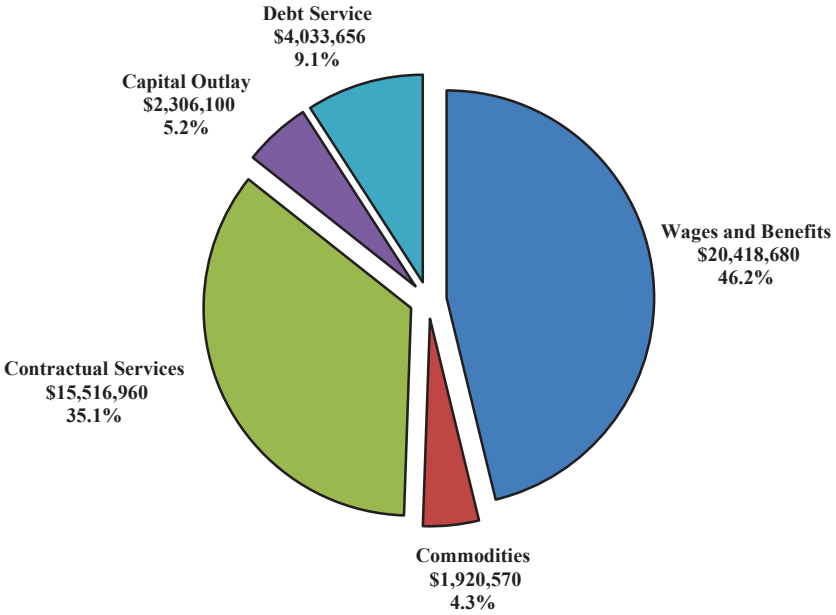
All City Operating Expenditures By Fund
Budget 2017/2018
$44,195,966



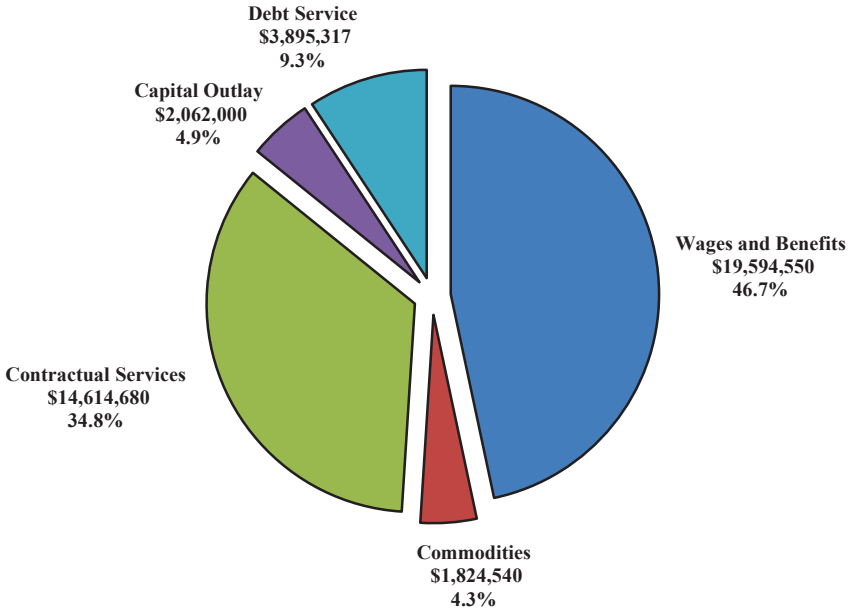
All City Operating Expenditures By Fund
Budget 2016/2017
$41,991,087



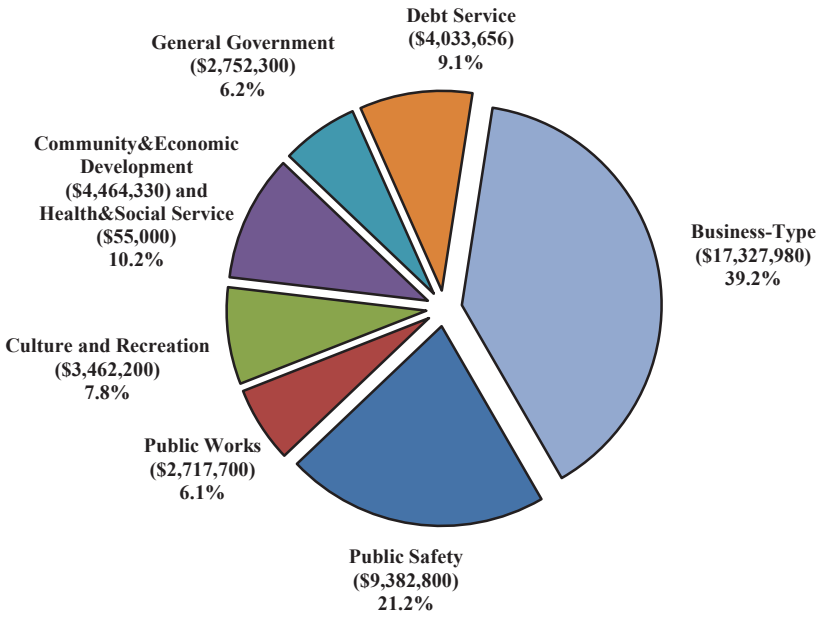
All City Operating Expenditures By Type
Budget 2017/2018
$44,195,966



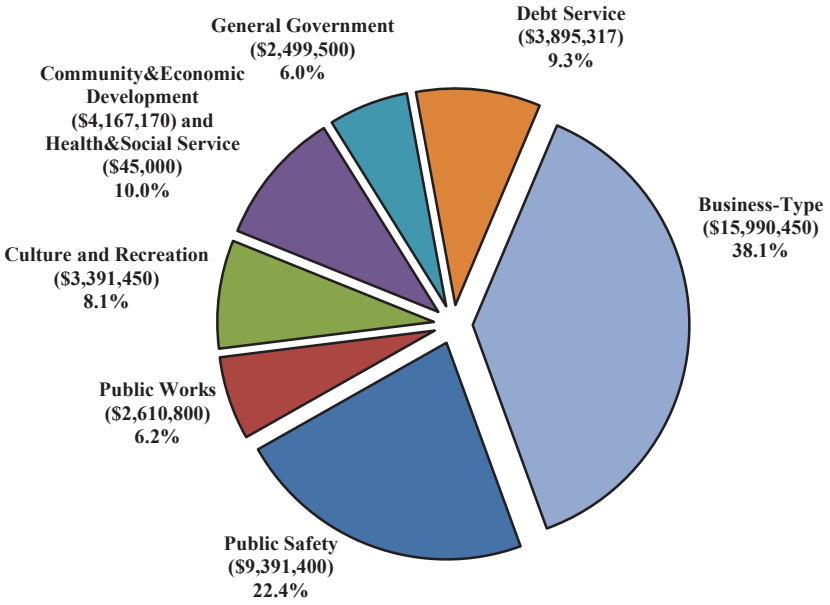
All City Operating Expenditures By Type
Budget 2016/2017
$41,991,087



All City Operating Expenditures By Function *
Budget 2017/2018
$44,195,966



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



* 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.

	2016/2017 Budget	2017/2018 Budget
Expenditures per Summary Statement	$ 60,931,239	$ 63,182,169
Transfers Out:		
General Fund		
Transit Operations Fund	$ 200,000	$ 100,000
Airport Operations Fund	45,100	36,100
Equipment Replacement Fund	200,000	200,000
Computer Replacement Fund	40,000	40,000
Convention & Visitors Bureau	88,500	90,500
Capital Projects Fund	15,900	60,051
Trust and Agency Funds		
General Fund	14,300	14,300
Community Block Grant		
Sunset Park Education Center	1,000	1,000
Homeownership Program	3,000	3,000
Special Revenue Funds		
General Fund	7,229,677	7,356,699
Capital Projects Fund	3,199,700	3,296,800
Tax Increment Funds	520,350	546,550
Golf Course Fund		
Capital Projects Fund	45,000	45,000
Ambulance Fund		
General Fund	891,000	926,000
Landfill Operations Fund		
Landfill Surcharge Reserve	58,900	65,100
Landfill Closure/Post-Closure Reserve	118,000	130,500
Landfill Surcharge Reserve		
Landfill Operations Fund	19,000	21,000
Transfer Station Fund	39,900	44,100
Transfer Station Operations Fund		
Capital Projects Fund	35,600	75,800
Water Pollution Control Fund		
Sewer Reserves	1,961,325	1,961,603
Capital Projects Fund	105,000	10,000
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	2,000,000	2,000,000
West Hill Sewer Reserve		
Capital Projects Fund	0	228,000
Collection & Drainage		
Sewer Reserves	380,000	380,000
Capital Projects Fund	220,000	20,000
Sewer Extention and Improvement Reserve		
Capital Projects Fund	200,000	0
Health Insurance Fund		
General Fund	58,600	60,500
Total Transfers Out	$ 17,689,852	$ 17,712,603
Non-Budgeted Fund		
Equipment Services Operations	1,250,300	1,273,600
Budgeted Expenditures Net of Transfers	$ 41,991,087	$ 44,195,966

Table of Contents

City of Muscatine

Matrix of 2017/2018 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	$ 76,500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 76,500
Legal Services	150,700	0	0	0	0	0	0	0	150,700
City Administrator	436,300	0	0	0	0	0	0	0	436,300
Human Resources	162,300	0	0	0	0	0	0	0	162,300
Wellness Program	60,500	0	0	0	0	0	0	0	60,500
Finance and Records	648,000	0	0	0	0	0	0	0	648,000
Computer Operations	267,700	0	0	0	0	0	0	0	267,700
Risk Management	289,500	0	0	0	0	0	0	0	289,500
Building and Grounds	620,800	0	0	0	0	0	0	0	620,800
Police Operations	0	4,852,100	0	0	0	0	0	0	4,852,100
Animal Control	0	131,300	0	0	0	0	0	0	131,300
Fire Operations	0	4,354,400	0	0	0	0	0	0	4,354,400
Library	0	0	1,120,700	0	0	0	0	0	1,120,700
Cable Television Operations	0	0	32,400	0	0	0	0	0	32,400
Art Center	0	0	342,100	0	0	0	0	0	342,100
Park Administration	0	0	190,700	0	0	0	0	0	190,700
Park Maintenance	0	0	702,000	0	0	0	0	0	702,000
Kent Stein Park	0	0	210,800	0	0	0	0	0	210,800
Soccer Complex	0	0	196,800	0	0	0	0	0	196,800
Swimming Pools	0	0	157,100	0	0	0	0	0	157,100
Recreation	0	0	121,100	0	0	0	0	0	121,100
Cemetery	0	0	169,000	0	0	0	0	0	169,000
Community Development	0	0	0	765,700	0	0	0	0	765,700
Economic Development	0	0	0	55,000	0	0	0	0	55,000
Economic Well-Being	0	0	0	0	55,000	0	0	0	55,000
Public Works Administration	0	0	0	0	0	195,400	0	0	195,400
Roadway Maintenance	0	0	0	0	0	1,502,600	0	0	1,502,600
Traffic Control	0	0	0	0	0	175,000	0	0	175,000
Snow and Ice Control	0	0	0	0	0	478,200	0	0	478,200
Street Cleaning	0	0	0	0	0	205,300	0	0	205,300
Engineering	0	0	0	0	0	161,200	0	0	161,200

(Continued)

Table of Contents

(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	115,800	115,800
Transit Operations	0	0	0	0	0	0	0	1,317,600	1,317,600
Parking System	0	0	0	0	0	0	0	222,900	222,900
Golf Course	0	0	0	0	0	0	0	816,000	816,000
Boat Harbor Operations	0	0	0	0	0	0	0	26,300	26,300
Marina Operations	0	0	0	0	0	0	0	11,800	11,800
Ambulance Operations	0	0	0	0	0	0	0	690,300	690,300
Convention and Visitors Bureau	0	0	0	0	0	0	0	123,400	123,400
Public Housing	0	0	0	0	0	0	0	799,980	799,980
Refuse Collection	0	0	0	0	0	0	0	2,065,300	2,065,300
Landfill Operations	0	0	0	0	0	0	0	1,286,500	1,286,500
Transfer Station	0	0	0	0	0	0	0	2,278,200	2,278,200
Collection and Drainage	0	0	0	0	0	0	0	857,800	857,800
Water Pollution Control	0	0	0	0	0	0	0	3,087,000	3,087,000
Sewer Sinking Fund	0	0	0	0	0	0	1,061,495	0	1,061,495
Special Revenue Funds:									
Equipment Replacement	0	40,000	66,000	0	0	0	0	0	106,000
Southend Tax Increment	0	0	0	1,106,400	0	0	161,955	0	1,268,355
Cedar Development Tax Increment	0	0	0	274,000	0	0	0	0	274,000
Highway 38 NE Tax Increment	0	0	0	18,500	0	0	0	0	18,500
Heinz Tax Increment 2014	0	0	0	15,400	0	0	0	0	15,400
Fridley Theatre Tax Increment	0	0	0	73,300	0	0	0	0	73,300
Small Business Forgiveable Loan	0	0	0	100,000	0	0	0	0	100,000
Section 8 Housing	0	0	0	1,964,930	0	0	0	0	1,964,930
Home Ownership Program	0	0	0	62,700	0	0	0	0	62,700
Sunset Park Children's Education Program	0	0	0	28,400	0	0	0	0	28,400
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	2,810,206	0	2,810,206
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	3,468,700	3,468,700
Dental Insurance Fund	0	0	0	0	0	0	0	160,400	160,400
Trust and Agency Funds:									
Library Trusts	0	0	121,700	0	0	0	0	0	121,700
Cemetery Trust	0	0	2,800	0	0	0	0	0	2,800
Art Center Trusts	0	0	8,000	0	0	0	0	0	8,000
Total	$ 2,752,300	$ 9,382,800	$ 3,462,200	$ 4,464,330	$ 55,000	$ 2,717,700	$ 4,033,656	$ 17,327,980	$ 44,195,966

Table of Contents

City of Muscatine
Fulltime Employee Trends

General Fund

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Actual 2016-17	Budget 2017-18
City Administrator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	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	5.70	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	5.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	6.23 (1)
Police	41.88	42.88	41.88	43.88	44.88	44.73	43.73	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	37.50	37.50	37.50	37.50	41.50	41.50	41.50
Library (FTE)	15.77	15.93	15.91	15.74	15.51	14.95	14.71	14.33	14.33	13.76 (2)	14.19 (2)
Art Center (FTE)	4.33	4.04	4.57	4.54	4.25	4.25	4.52	4.70	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	6.08	6.00	6.00	6.00	6.00	5.80	5.80	5.80	5.80
Kent Stein Park *	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.22	1.22	1.22	1.22
Soccer Complex *	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.23	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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	6.33	6.17	6.67	6.72	6.92	6.92	6.93	7.44	7.44	7.42	7.42
Street Cleaning	1.75	1.75	1.75	1.75	1.75	1.90	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	1.00	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	152.42	152.83	150.87	152.64	154.32	153.81	152.85	154.16	158.16	157.57	159.88

Table of Contents

City of Muscatine
Fulltime Employee Trends

Enterprise / Other Funds

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Actual 2016-17	Budget 2017-18
Parking System	3.10	3.10	3.10	3.10	3.10	2.90	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	11.30	10.45	10.66	10.66	9.56	9.56	9.56	8.98	8.98	8.98
Landfill	0.33	0.33	0.30	0.25	0.25	0.25	0.25	0.25	0.60	0.60	0.60
Transfer Station	3.67	3.67	3.58	3.42	3.42	3.42	3.42	3.42	3.15	3.15	3.15
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	10.75	10.75	10.75	9.75	8.75	8.75	8.75	8.75	8.75
Pumping Stations	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Laboratory Operations	4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Collection and Drainage	6.78	6.78	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53
Storm Water Operations	1.00	0.33	0.58	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	10.75	12.50	12.13	12.25	11.50	12.25	11.77	11.55	10.71 (3)	10.28 (3)
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	70.46	71.04	71.07	70.70	70.82	67.77	67.52	66.04	65.32	64.48	64.05
Grand Total	222.88	223.87	221.94	223.34	225.14	221.58	220.37	220.20	223.48	222.05	223.93

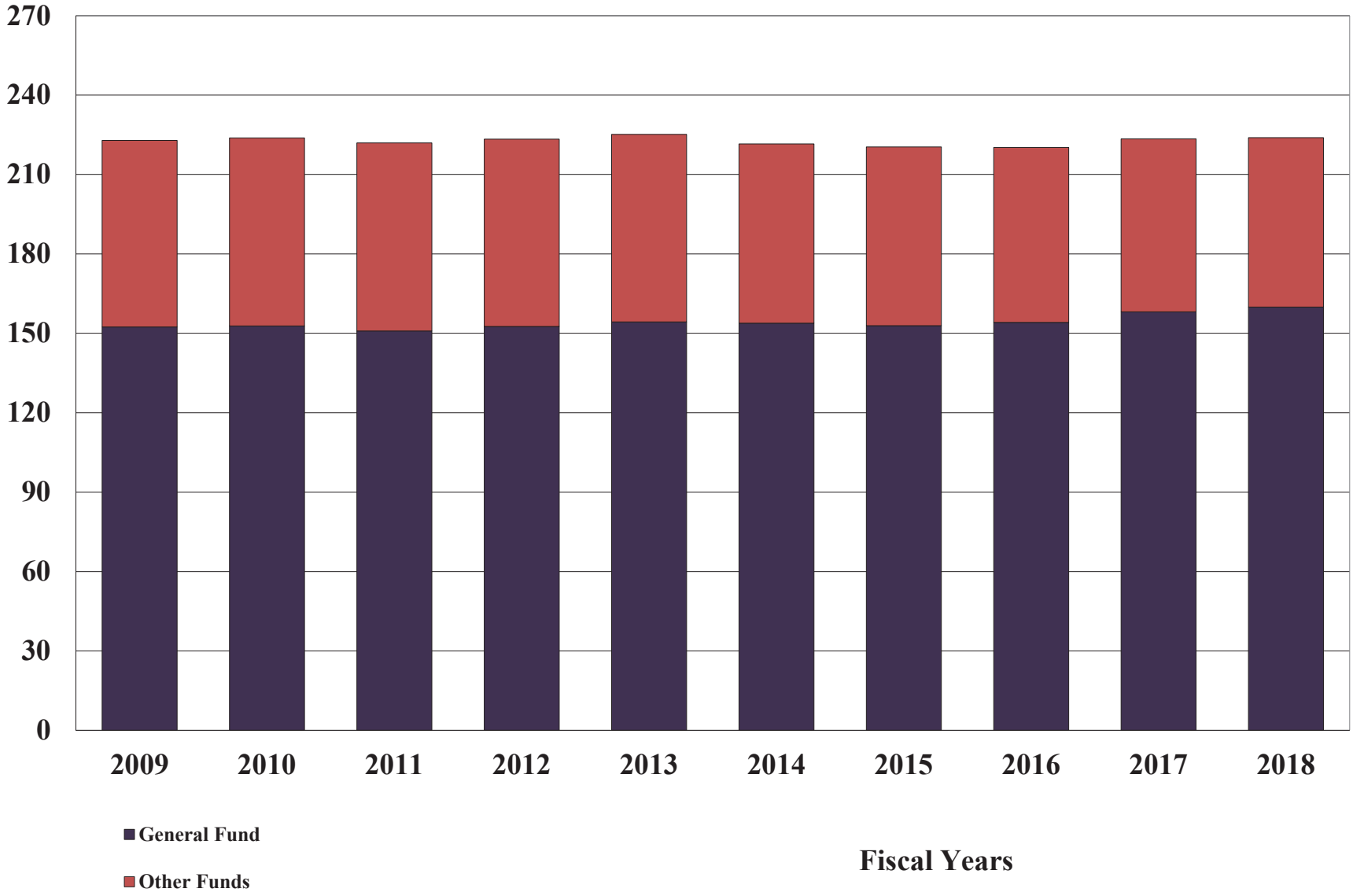
* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2016017 Revised Estimate and 2017/2018 Budget:

1. The 2017/2018 budget includes 3 new 25 hour per week janitor/custodian positions. Two of these positions are in place of the currently contracted cleaning services at City Hall and the current library. With the additional space in the new library, the third position is expected to be needed to maintain the new building.
2. Library staff reorganizations resulted in a .57 FTE reduction in actual 2016/2017 positions and a .14 FTE reduction in 2017/2018 compared to the original 2016/2017 budget. Part of the 2017/2018 reorganization is due to moving to the new library building.
3. The 2016/2017 and 2017/2018 Housing budgets include a reorganization that resulted in an overall decrease in staff. The full-time Housing Maintenance Supervisor position was eliminated in December of 2016 as part of the reorganization.

Table of Contents

Fulltime Employee Trends
Ten Year History



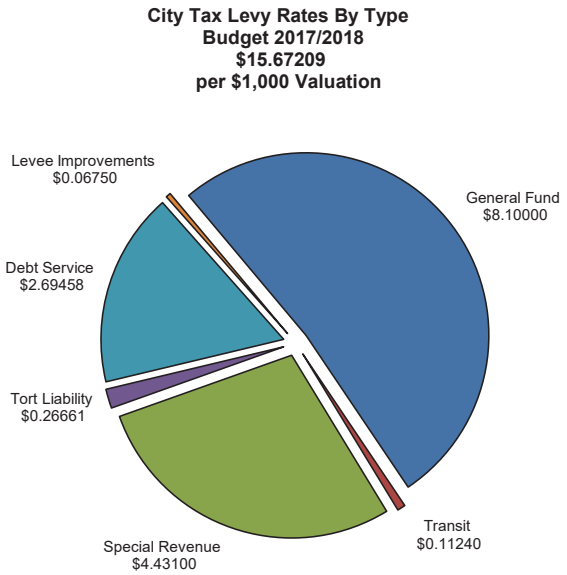
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Year 2016/2017 and 2017/2018

	2016/2017 Budget		2017/2018 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	$ 6,670,884	$ 8.10000	$ 6,867,458	$ 8.10000	0.00%	$ 196,574	2.95%
Transit System	190,005	0.23071	95,297	0.11240	(51.28%)	(94,708)	(49.85%)
Tort Liability	230,854	0.28031	226,041	0.26661	(4.89%)	(4,813)	(2.08%)
Special Revenue:							
Police and Fire Retirement	$ 1,289,087	$ 1.56525	$ 1,291,752	$ 1.52359	(2.66%)	$ 2,665	0.21%
FICA/IPERS	637,613	0.77421	626,100	0.73847	(4.62%)	(11,513)	(1.81%)
Other Employee Benefits	1,771,973	2.15159	2,047,067	2.41447	12.22%	275,094	15.52%
Reduction *	(192,637)	(0.23391)	(208,165)	(0.24553)	(4.97%)	(15,528)	(8.06%)
Subtotal	$ 3,506,036	$ 4.25714	$ 3,756,754	$ 4.43100	4.08%	$ 250,718	7.15%
Debt Service	2,446,349	2.78470	2,453,089	2.69458	(3.24%)	6,740	0.28%
Levee Improvements	15,837	0.01923	57,229	0.06750	251.01%	41,392	261.36%
Total	$ 13,059,965	$ 15.67209	$ 13,455,868	$ 15.67209	0.00%	$ 395,903	3.03%
Agricultural Land	3,383	3.00375	3,339	3.00375	0.00%	(44)	(1.30%)
Grand Total	$ 13,063,348	$ 15.67209	$ 13,459,207	$ 15.67209	0.00%	$ 395,859	3.03%
		$ 3.00375		$ 3.00375			

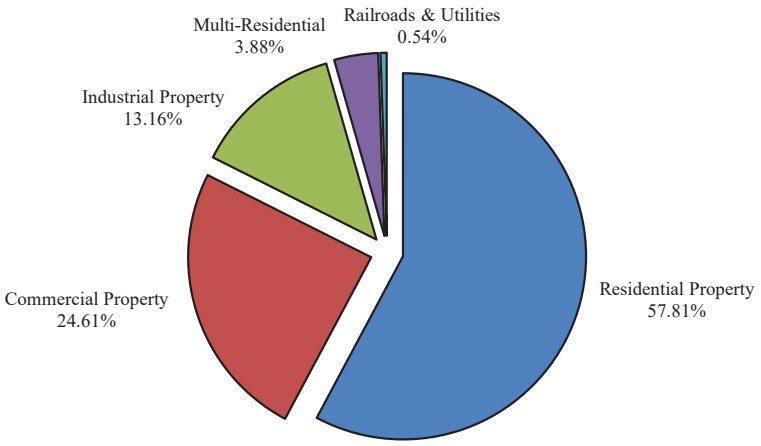
* The Employee Benefits Levies for both 2016/2017 and 2017/2018 have been reduced from the amount necessary to fund 100% of General Fund employee benefits costs by the amounts shown in order to keep the City's total tax rate the same as the prior year. This resulted in $192,637 of General Fund balance being used for employee benefits in 2016/2017 and $208,165 being used in the proposed 2017/2018 budget.



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

	January 1, 2015	January 1, 2016	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value	MEMO ONLY Percent Increase (Decrease) in Actual Value
Residential Property (1)	$ 476,813,707	$ 491,066,816	$ 14,253,109	2.99%	0.63%
Commercial Property (2)	201,892,371	209,041,414	7,149,043	3.54%	3.89%
Industrial Property (3)	108,073,772	111,796,825	3,723,053	3.44%	3.30%
Multi-Residential (4)	33,837,709	32,996,982	(840,727)	-2.48%	2.00%
Railroads (5)	596,886	713,620	116,734	19.56%	19.56%
Utilities (6)	4,073,104	3,899,544	(173,560)	-4.26%	-4.64%
Total Valuations	$ 825,287,549	$ 849,515,201	$ 24,227,652	2.94%	1.52%
Less Military Exemptions	1,721,595	1,680,836	(40,759)	-2.37%	
Total Net Valuation	$ 823,565,954	$ 847,834,365	$ 24,268,411	2.95%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	$ 826,763,643	$ 850,898,093	$ 24,134,450	2.93%	

1. Residential taxable valuations realized a decrease in the rollback factor from 55.6259% to 56.9391% for January 1, 2016 (an increase of 2.36%).
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 were 90% for January 1, 2015, but they no longer include multi-residential properties which are now reported in a separate class. The commercial rollback remained at 90% for the January 1, 2016 valuations.
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 remained at 90% for January 1, 2015 and January 1, 2016.
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. The rollback for January 1, 2016 valuations is 82.50%.
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 remained at 90% for January 1, 2015 and continued at 90% for January 1, 2016.
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.

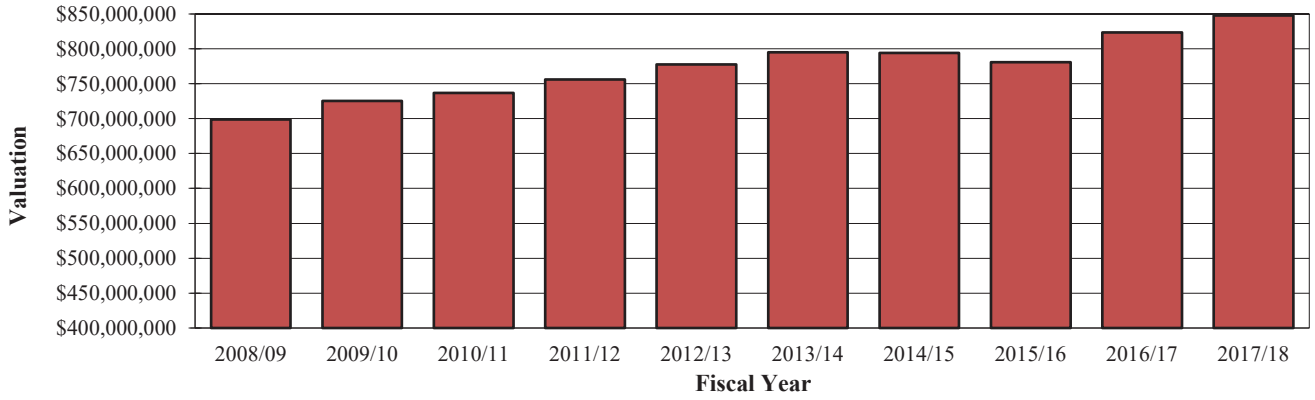


2016 Taxable Valuations by Type
(Valuations Used for 2017/2018 Tax Levy)

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

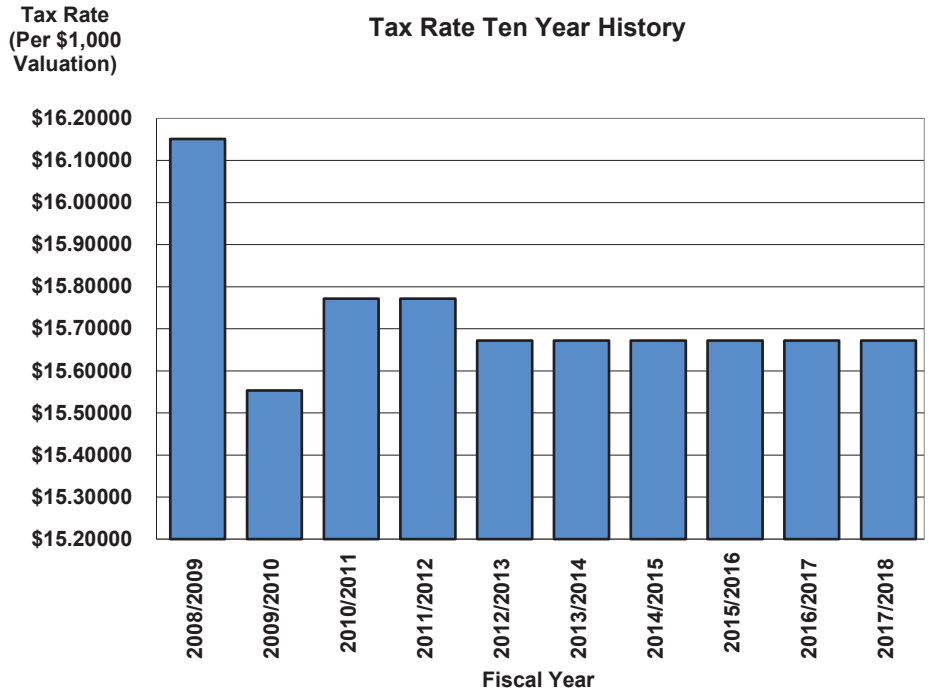
Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
2008/09	$ 694,284,386	$ 6,926,265	$ 2,278,038	$ 698,932,613	$ 1,109,792
2009/10	720,403,370	7,312,791	2,215,335	725,500,826	984,243
2010/11	731,822,753	7,233,428	2,126,455	736,929,726	828,855
2011/12	750,941,861	7,339,282	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
2017/18	844,902,037	4,613,164	1,680,836	847,834,365	1,111,462

Taxable Property Valuation
Ten Year History



City of Muscatine
City Tax Rate History
Fiscal Years 2008/2009 through 2017/2018

Fiscal Year	Tax Rate (Per $1,000 Valuation)	Percent Change
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%
2017/2018	15.67209	0.00%



Tax Levies by Entity

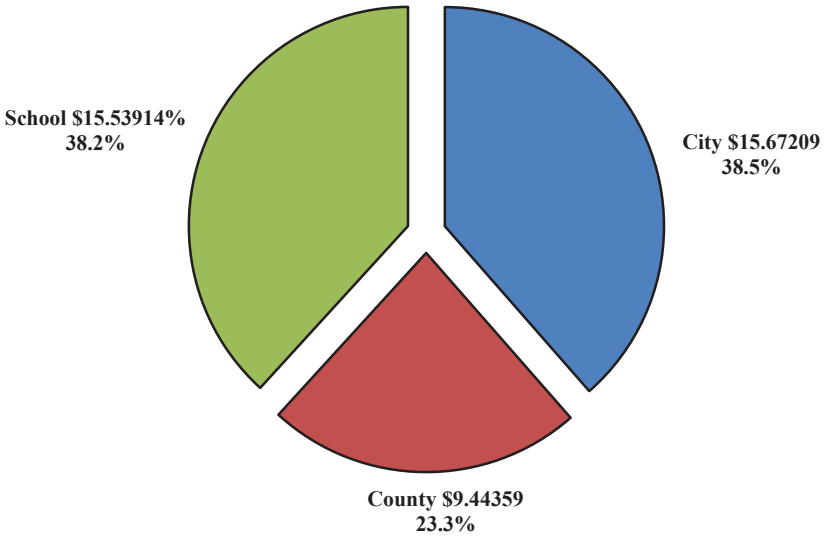
Historical Comparison

Certified Levies Per $1,000 of Valuation

	City	County	School	Total
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
2016/2017	15.67209	9.44359	15.53914	40.65482
Percent of 2016/2017 Total Levy	38.5%	23.3%	38.2%	100.0%
2017/2018 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2017/2018 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity
Fiscal Year 2016/2017
$40.65482 per $1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

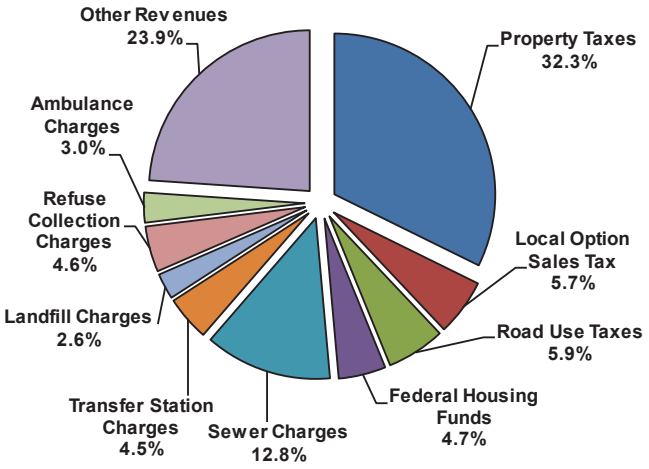
City of Muscatine
Major Revenue Sources
Fiscal Year 2017/2018 Budget

General Information

The City of Muscatine budgeted operating revenues of $48,301,244 for 2017/2018 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 2017/2018 budgeted operating revenues, 76.1% 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.

	2017/2018 Budget	Percent of Total
Property Taxes	$ 15,594,207	32.3%
Local Option Sales Tax	2,747,000	5.7%
Road Use Taxes	2,834,500	5.9%
Federal Housing Funds	2,293,030	4.8%
Sewer Charges	6,169,000	12.8%
Transfer Station Charges	2,177,000	4.5%
Landfill Charges	1,255,400	2.6%
Refuse Collection Charges	2,221,500	4.6%
Ambulance Charges	1,450,000	3.0%
Other Revenues	11,559,607	23.9%
Total Operating Revenues	$ 48,301,244	100.0%

Operating Revenues
Budget 2017/2018



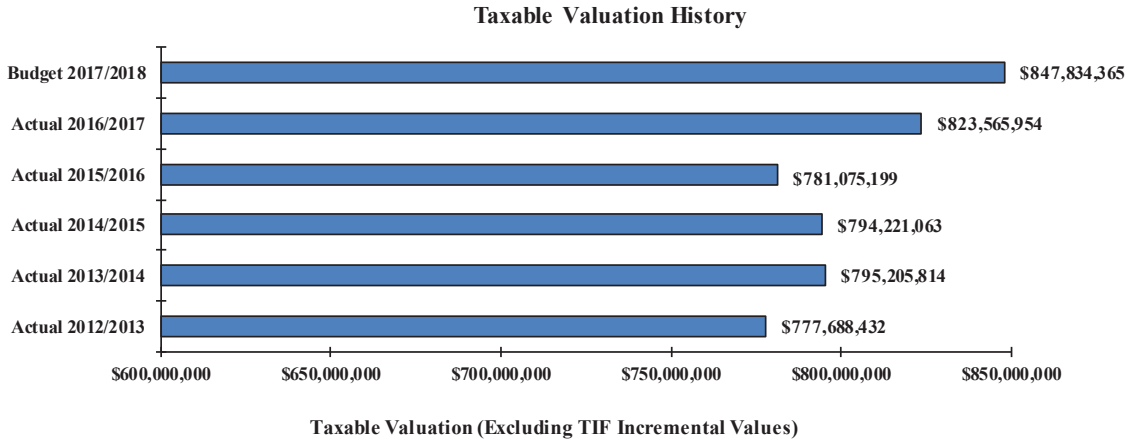
Property Taxes
FY 2017/2018 Budget $15,594,207

General Information

Property taxes comprise 32.3% 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 2017/2018. 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

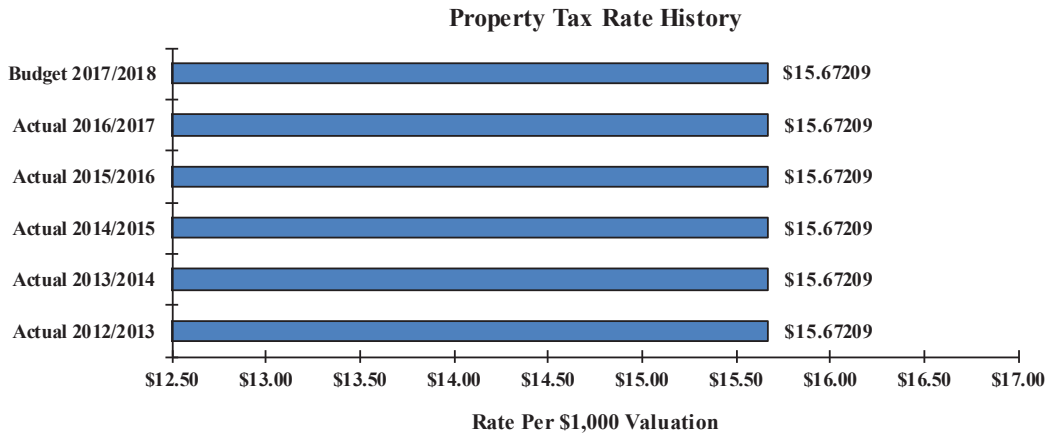


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2017/2018 is $847,834,365, which is $24,268,411 (2.95%) more than the fiscal year 2016/2017 valuation of $823,565,954. 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 2017/2018. 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 in 2016/2017. Those valuations were rolled back from 90% to 86.25% in 2016/2017, rolled back to 82.50% in 2017/2018 and will continue to be rolled back over the next six years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2017/2018 is $32,996,982 which reflects the 82.50% rollback. Industrial property valuations increased by 3.44%,

commercial values increased by 3.54%, and residential property values increased by 2.99% for 2017/2018. Actual valuations for residential property increased by .63% and there was a 2.36% increase in the residential rollback (from 55.6259% to 56.9391%). The other smaller categories of properties are railroads, which increased in valuation by 19.56%, and utilities, which decreased by 4.26%. Overall, these factors combined to result in the 2.95% overall increase in taxable valuations.

Property Tax Rates



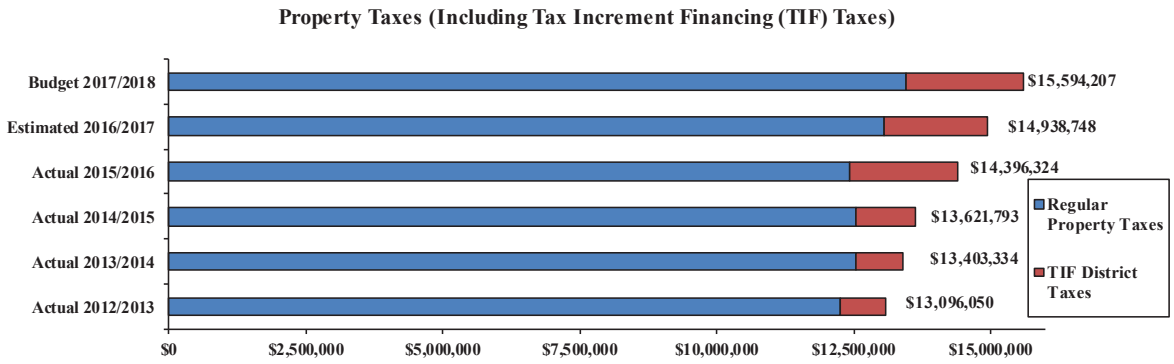
The City's tax rate for 2017/2018 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, Debt Service, and Levee Improvement levies.

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 and Levee Improvements categories, but is less than the maximum for the Transit levy.

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 2017/2018 was maintained at the same rate as the previous five years. The increases in the employee benefits and levee improvements rates were offset by decreases in the transit, tort liability, and debt service tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefits levy funding $230,218 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 2017/2018.

Property Tax Revenue



Property taxes estimated for 2017/2018 total $15,594,207, including $13,459,207 from regular property tax and $2,135,000 from tax increment financing (TIF) taxes. This is a 3.03% increase in regular property taxes and a 4.4% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2017/2018 Budget $2,747,000

General Information

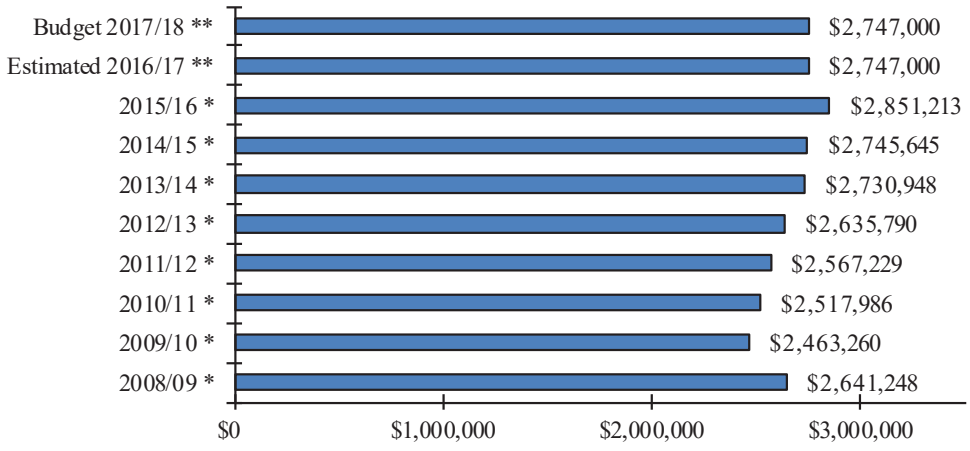
Voters in the City of Muscatine first approved the 1% local option sales tax in 1994 for a five year period from July 1, 1994 through June 30, 1999. Proceeds from this tax were required by the referendum to be used for storm and sanitary sewer projects in the City. In 1998 voters approved the extension 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 2016/2017 and 2017/2018 at the State's most recent projection without a reconciliation amount.

Local Option Tax Revenue Trends

Local Option Sales Tax Revenue by Fiscal Year
(* Includes Reconciling Amounts Received in Succeeding Fiscal Year)



** Both the 2016/17 and 2017/18 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2017/2018 Budget $2,834,500

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

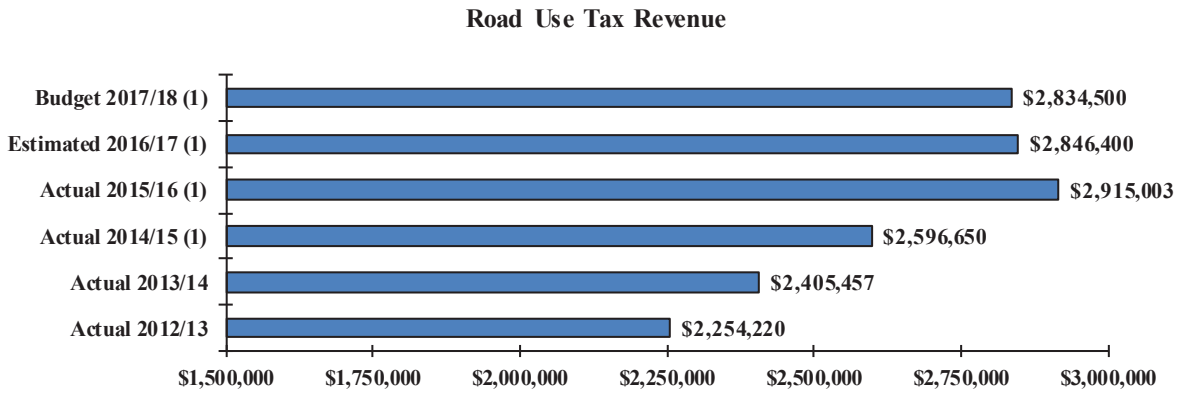
The estimated per capita rate of distribution of the Road Use Tax is provided by the Iowa Department of Transportation based on current laws regarding specific revenue to and disbursement from the State's Road Use Tax Fund.

Road Use Tax Revenue Trends

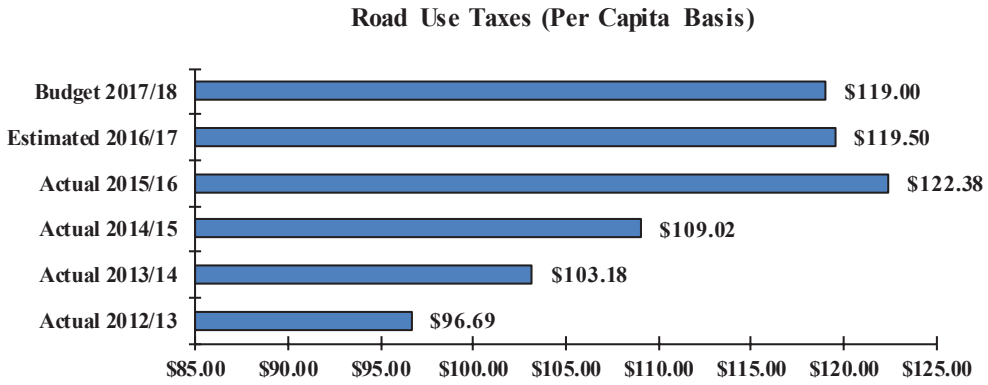
The first chart below shows actual Road Use Tax revenues for the previous four fiscal years and the estimated amounts for the current year and 2017/2018. The second chart shows the actual and estimated per capita tax distribution rates for the same years. The per capita estimate is based on the current 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 2012/2013 are in part due to population increases from two voluntary annexations in 2012 and 2013. 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 $2,846,400 in 2016/2017. This is based on the Iowa Department of Transportation (IDOT) estimate of $120.00 per capita, which has been reduced by $.50 to $119.50 for a conservative budget estimate.

The road use tax distribution for 2017/2018 was estimated by the IDOT at $119.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2017/2018 budget includes a more conservative estimate of $119.00 per capita which would generate $2,834,500.



1. Increased Road Use Tax revenues in 2014/2015 through 2017/2018 are due to the $.10 increase in the gas tax effective March 1, 2015.



Federal Housing Funds
FY 2017/2018 Budget $2,293,030

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 2017 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.

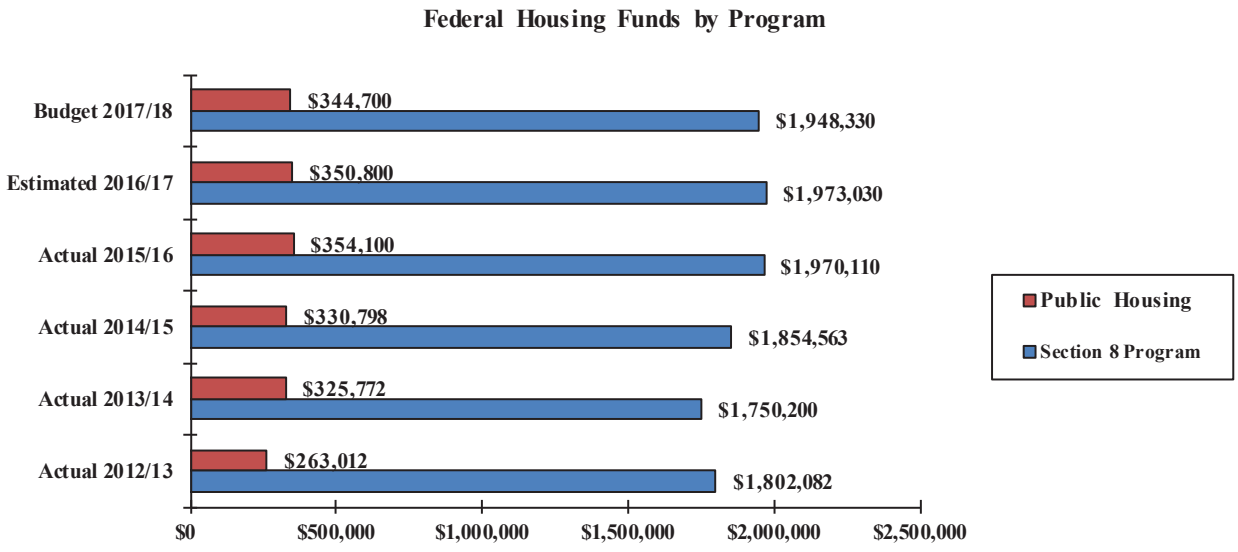
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense 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

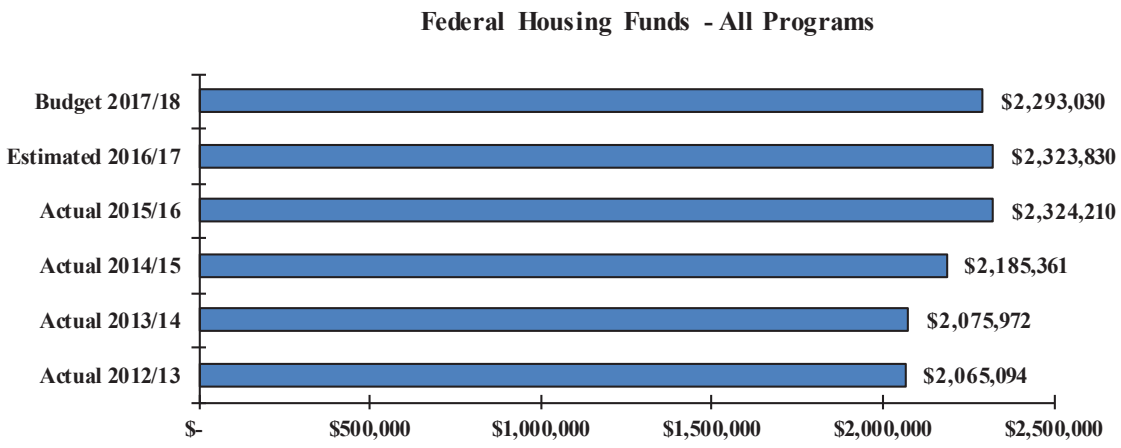
six months of the 2011/2012 fiscal year was $83,133 and no funding was received in the last six months of the year. In 2012/2013 $92,006 in Operating Subsidy was received for the last six months of the fiscal year (January-June, 2013). A full fiscal year of Operating Subsidy was received in fiscal year 2013/2014 in the amount of $173,897, in 2014/2015 $180,628 was received, and in 2015/2016 the amount was $188,985. The subsidies have been estimated at $187,600 for both 2016/2017 and 2017/2018.

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 and the 2014 allocation of $160,589 in 2015/2016. Housing agencies are given two years to obligate each year's capital funding allocation. The 2016/2017 revised estimate reflects drawing down the 2015 grant which totals $163,200. The 2017/2018 budget reflects drawing down the 2016 allocation of approximately $157,100.

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 2016/2017 and the budgeted amounts for 2017/2018. 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 2017/18
$2,293,030
Estimated 2016/17
$2,323,830
Actual 2015/16
$2,324,210
Actual 2014/15
$2,185,361
Actual 2013/14
$2,075,972
Actual 2012/13
$2,065,094
$-
$500,000
$1,000,000
$1,500,000
$2,000,000
$2,500,000

Sewer Charges for Services
FY 2017/2018 Budget $6,169,000

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.

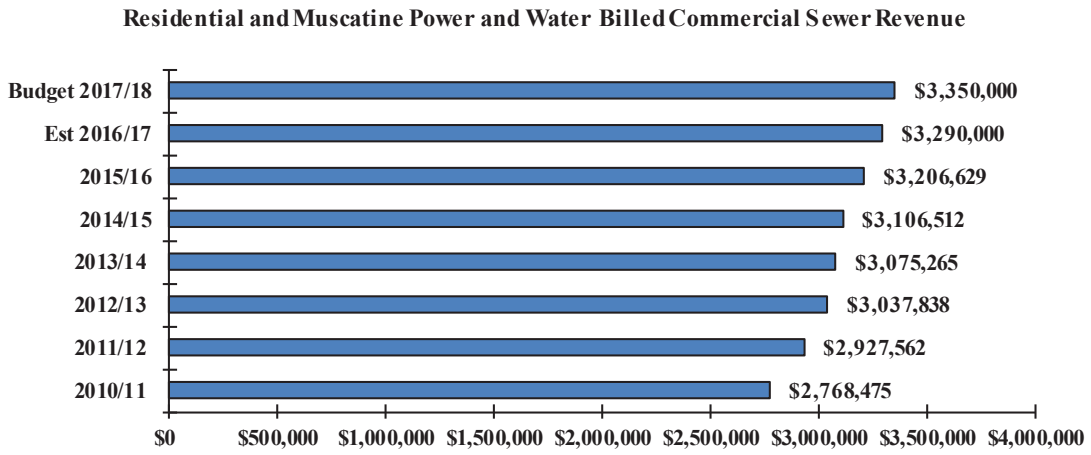
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new structure was to provide a multi-year contract with the City's major industrial sewer customer (Heinz USA) to provide a guaranteed minimum of industrial sewer revenues. Another 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.

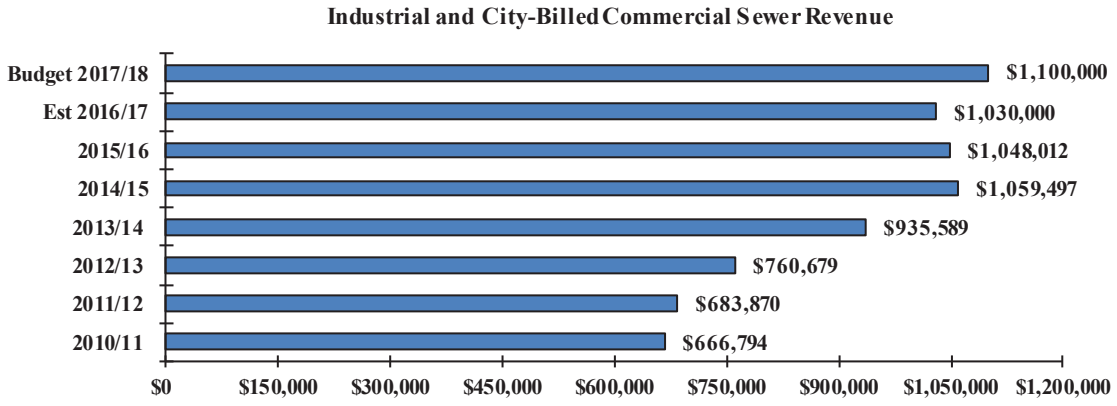
Basis of Revenue Estimates

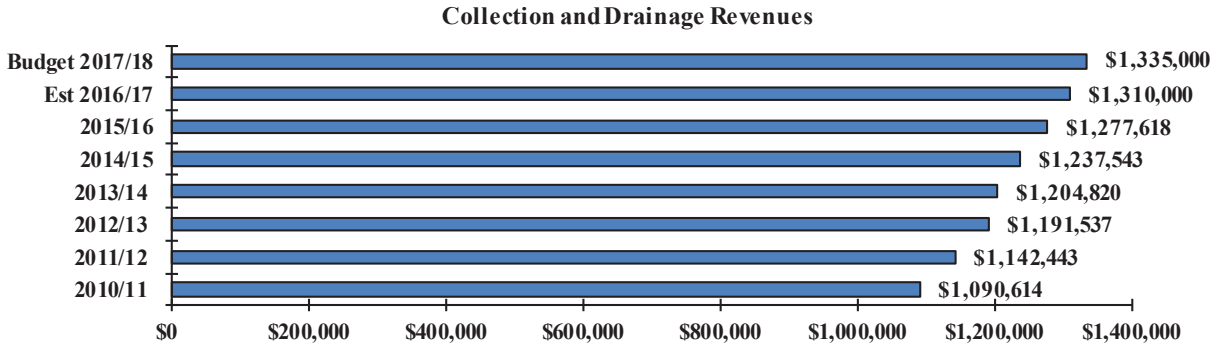
Staff at the Water Pollution Control department reviews historical residential and commercial customer usage to estimate the expected volumes to be received from these classes of customers for the upcoming year. For industrial customers, historical usage is reviewed and staff also contacts the City's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

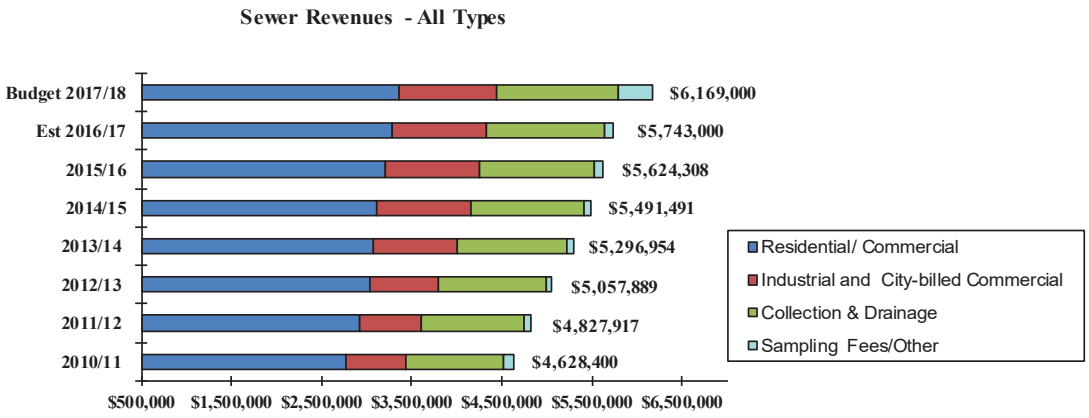
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz USA. 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 2016/2017 and the projections for 2017/2018. The budgeted sewer rates for 2016/2017 and 2017/2018 reflect annual approximately 3% rate increases per the 2013 rate study.

Sewer Revenue Trends








Sewer Revenues - All Types
Budget 2017/18
Est 2016/17
2015/16
2014/15
2013/14
2012/13
2011/12
2010/11
$6,169,000
$5,743,000
$5,624,308
$5,491,491
$5,296,954
$5,057,889
$4,827,917
$4,628,400
$500,000
$1,500,000
$2,500,000
$3,500,000
$4,500,000
$5,500,000
$6,500,000
Residential/ Commercial
Industrial and City-billed Commercial
Collection & Drainage
Sampling Fees/Other

Transfer Station Charges for Services
FY 2017/2018 Budget $2,177,000

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

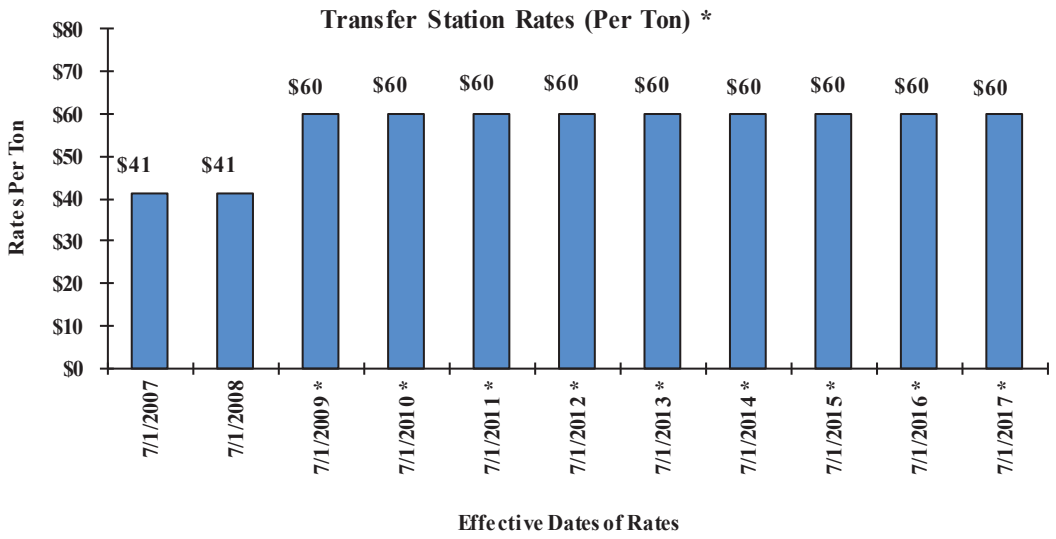
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt 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 2017/2018. 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 and 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.

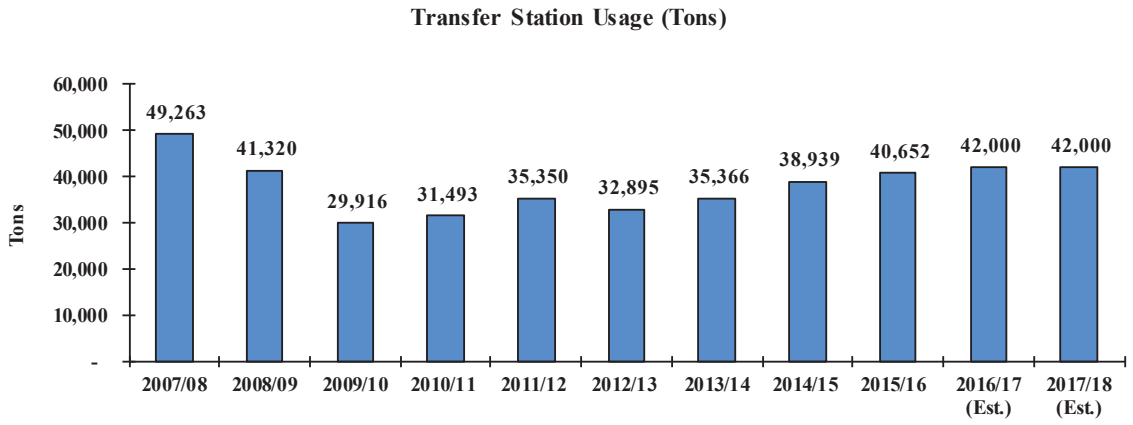
The actual Transfer Station waste volume was 49,263 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, and 40,652 in 2015/2016. The 2016/2017 revised estimate and the 2017/2018 budget are each based on a projected 42,000 tons of waste.

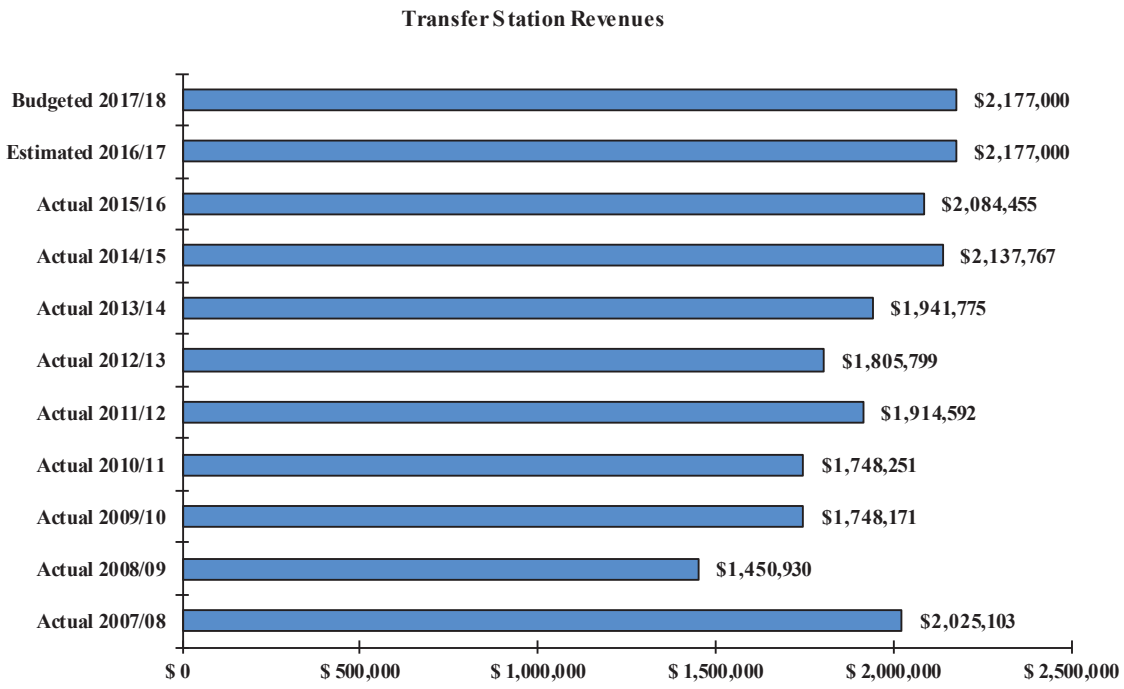
Transfer Station Revenue Trends

The following charts show Transfer Station rates, usage, and revenues since 2007/2008:



***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 2017/18
$2,177,000
Estimated 2016/17
$2,177,000
Actual 2015/16
$2,084,455
Actual 2014/15
$2,137,767
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
$ 0
$ 500,000
$ 1,000,000
$ 1,500,000
$ 2,000,000
$ 2,500,000

Landfill Fees
FY 2017/2018 Budget $1,255,400

General Information

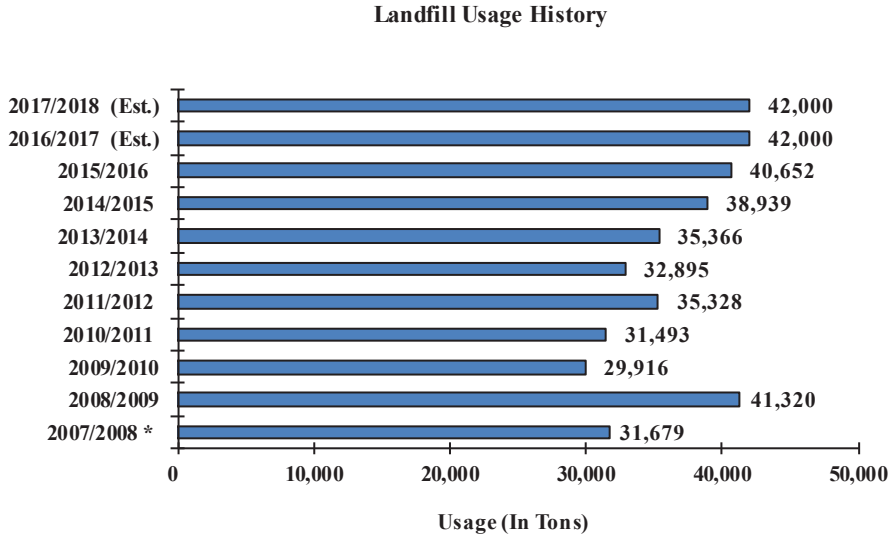
The City's Transfer Station fees include funding for the Landfill. The Transfer Station pays the Landfill on a per-ton basis for waste disposed of at the Landfill. This rate has varied in recent years due to operational and capital requirements at both the Landfill and Transfer Station.

Basis of Revenue Estimate

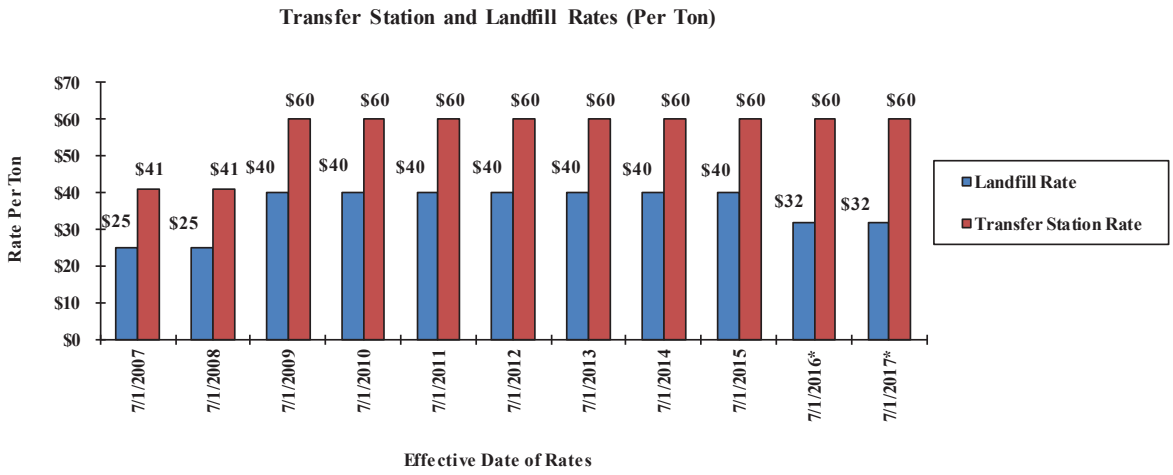
The landfill waste volume was 31,679 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, and 40,652 in 2015/2016. The waste volume was reduced in 2007/2008 due to landfill capacity issues which required waste to be hauled to the Scott County Landfill for portions of the year. The 2016/2017 revised estimate and the 2017/2018 budget are each based on a projected 42,000 tons of waste. The rate per ton paid to the Landfill was $25 (of the $41 Transfer Station rate) for 2007/2008 and 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. This rate increase was needed due to the significant cost of developing new cells at the landfill. For 2016/2017 and 2017/2018 $32.00 of the $60.00 Transfer Station rate will be paid to the Landfill. This change was possible since the Landfill deficit has been eliminated and sufficient funds have been accumulated for the next landfill cell. 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. 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.

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 17,584 in 2007/08 due to landfill capacity issues.


Transfer Station and Landfill Rates (Per Ton)
Rate Per Ton
$70
$60
$50
$40
$30
$20
$10
$0
$25
$41
$25
$41
$40
$60
$40
$60
$40
$60
$40
$60
$40
$60
$40
$60
$40
$60
$32
$60
$32
$60
7/1/2007
7/1/2008
7/1/2009
7/1/2010
7/1/2011
7/1/2012
7/1/2013
7/1/2014
7/1/2015
7/1/2016*
7/1/2017*
Effective Date of Rates
Landfill Rate
Transfer Station Rate

Refuse Collection Charges for Services
FY 2017/2018 Budget $2,221,500

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.

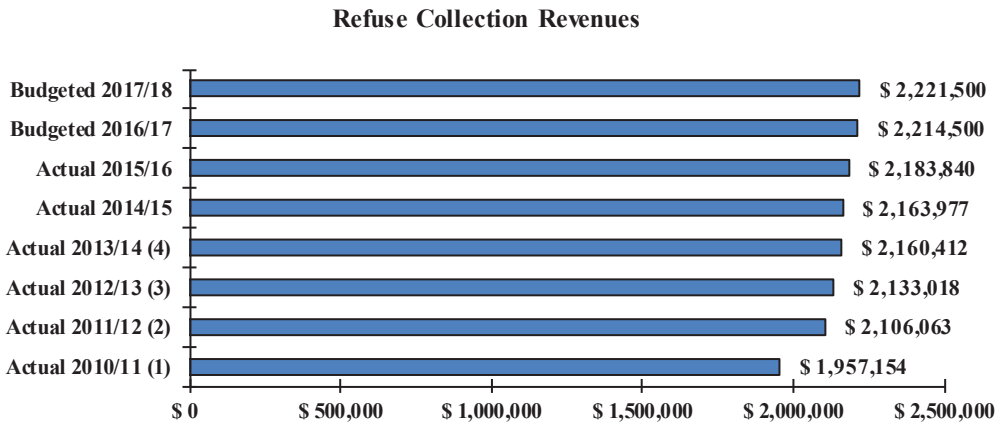
Basis of Revenue Estimate

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 2017/2018. 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.

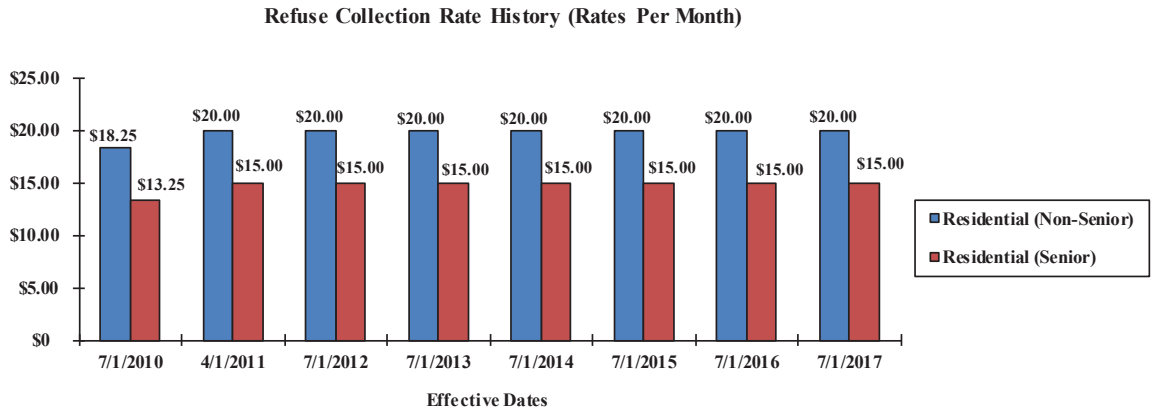
Revenue estimates are developed by a review of the average number of senior and regular residential customers, as well as commercial customers, multiplied by the respective rates. Revenues from commercial customers, however, can vary from the estimates since those customers have the option of using private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

Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2016/2017 and the budgeted revenue for 2017/2018 are shown in the following chart. The second chart shows the refuse collection rates since 2010/2011.



1. Includes $70,000 for charges for City of Fruitland services beginning in 2009/2010.
2. 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, 2016/2017, and 2017/2018.
3. 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.
4. 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 2017/2018 Budget $1,450,000

General Information

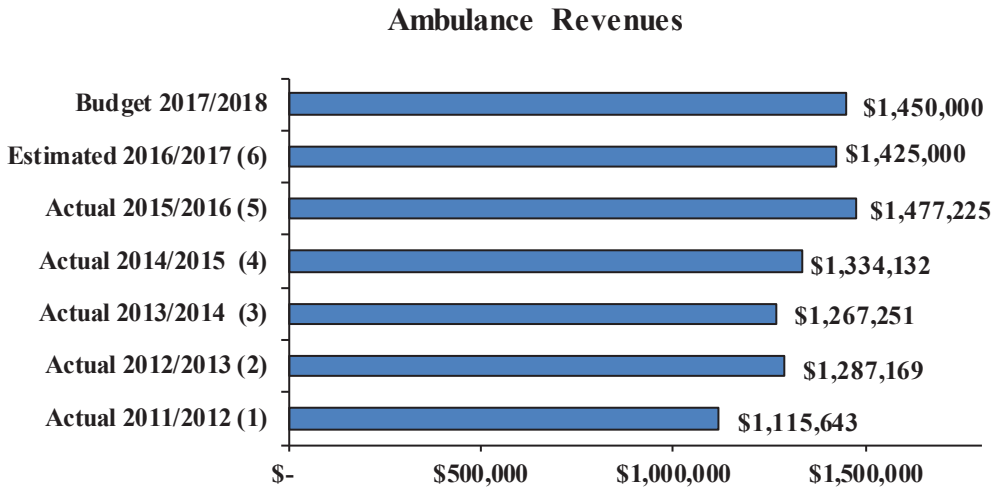
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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.

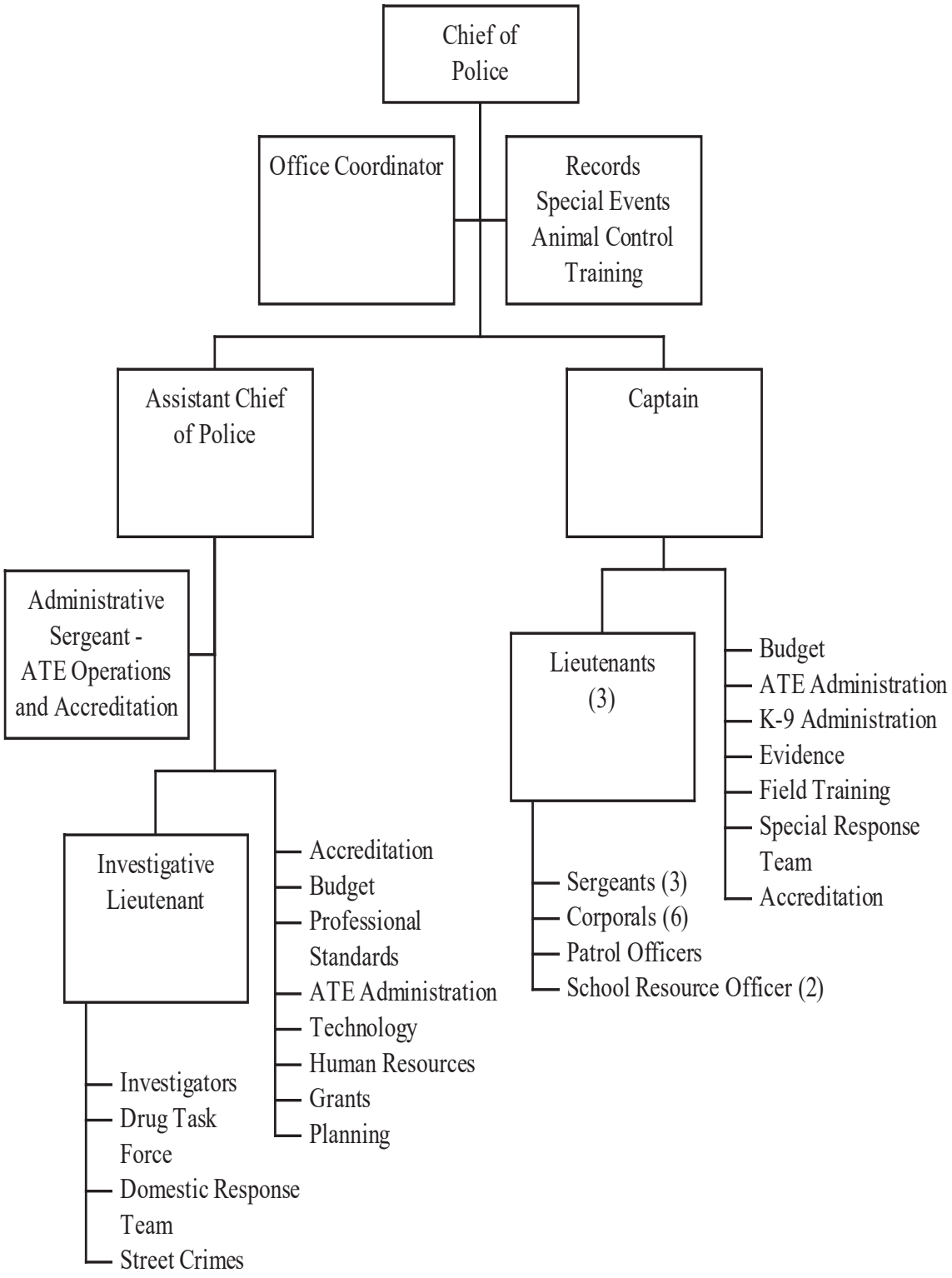
Ambulance Revenue Trends



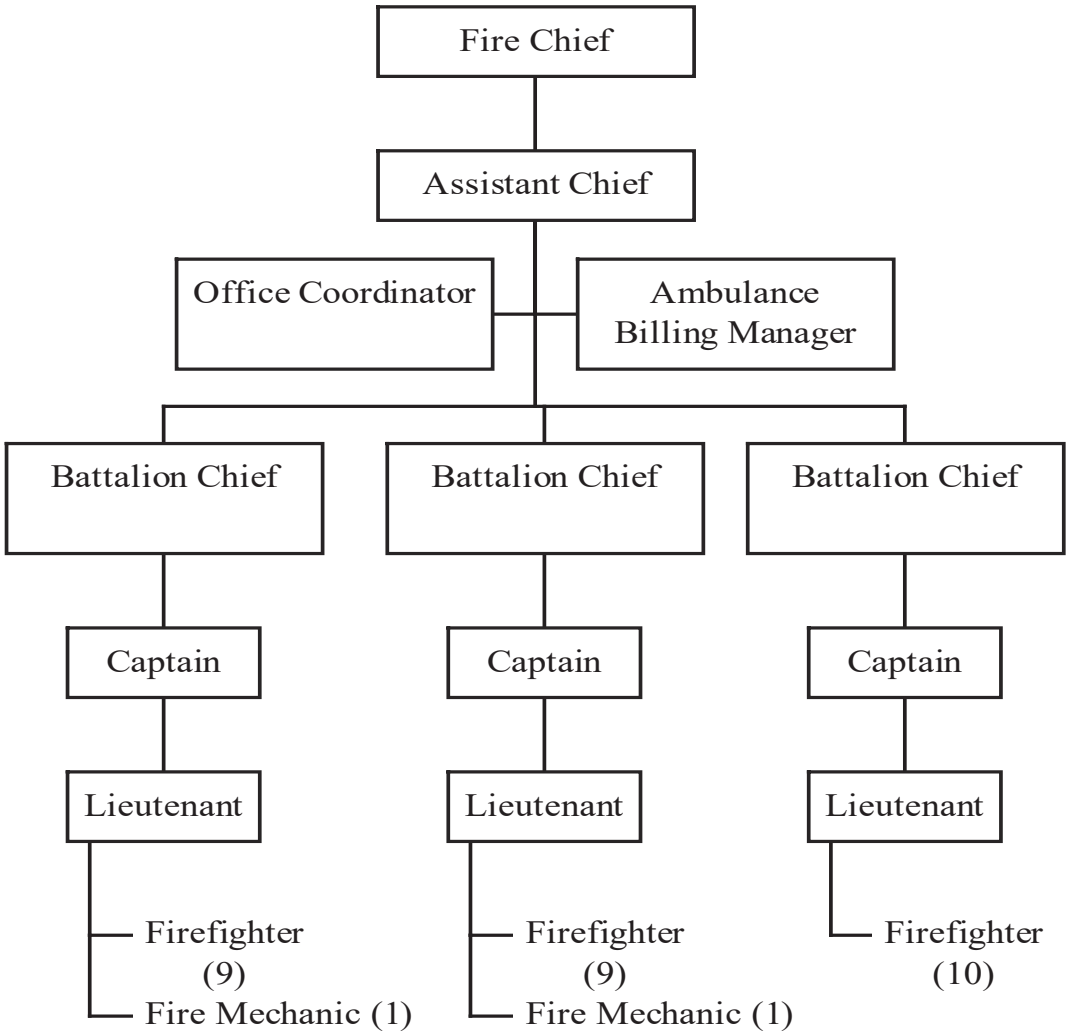
1. FY 2011/2012 revenues include a $24,789 adjustment to decrease the amount accrued on prior year accounts. The ALS1 ambulance rate increased to $665, the ALS2 to $962 and the Skilled Care Transport to $1,137 for 2011/2012. The BLS rate was increased to $560 in 2011/2012.
2. The 2012/2013 revenues include 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.
3. 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.
4. 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.
5. 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.
6. Effective July 1, 2016 the BLS rate was increased to $582, the ALS1 rate to $691 the ALS2 to $1,001 and the Skilled Care Transport to $1,182. The mileage rate ramained at $14 per loaded mile.

DEPARTMENT ORGANIZATIONAL CHARTS

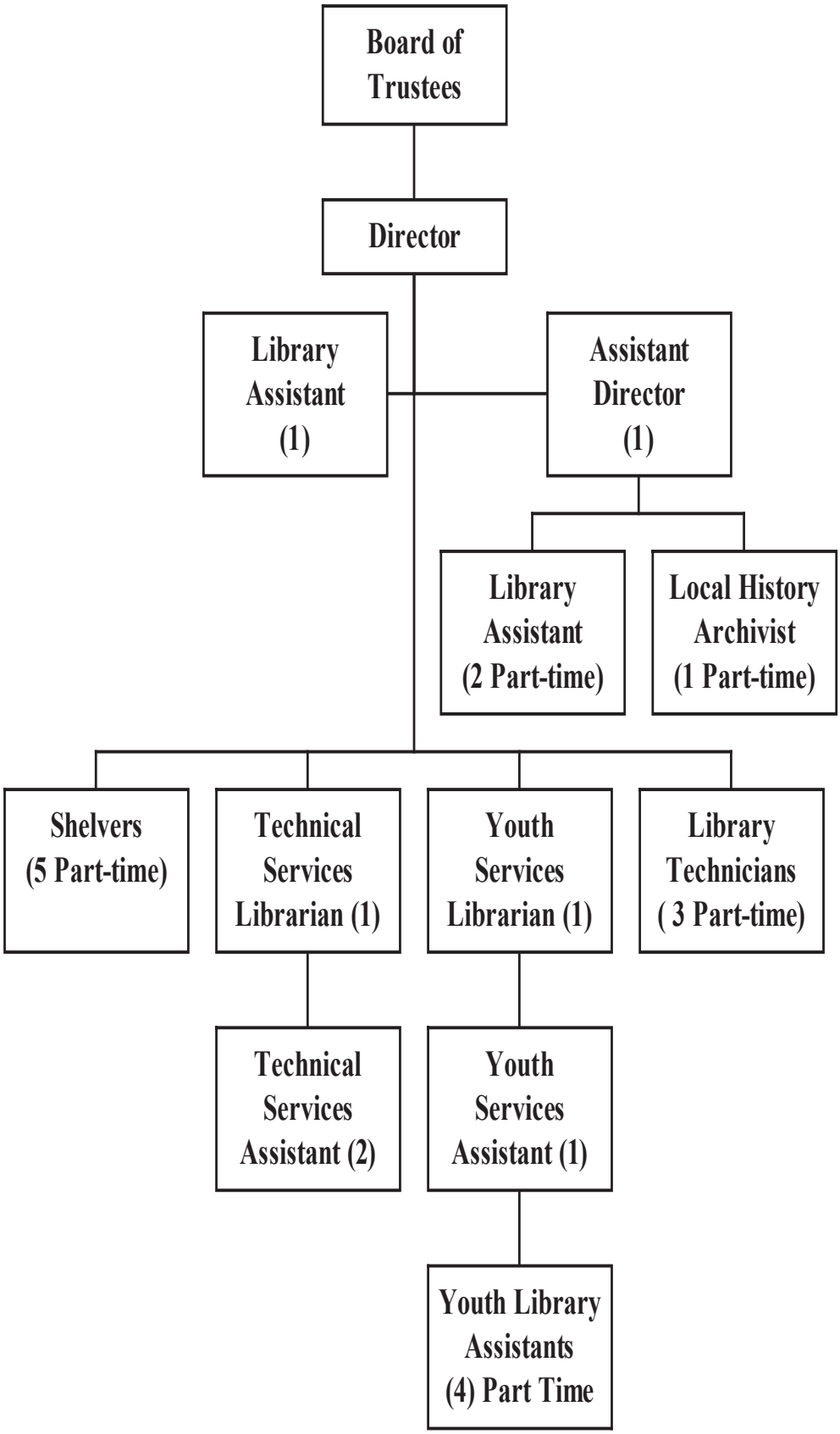
CITY OF MUSCATINE POLICE DEPARTMENT



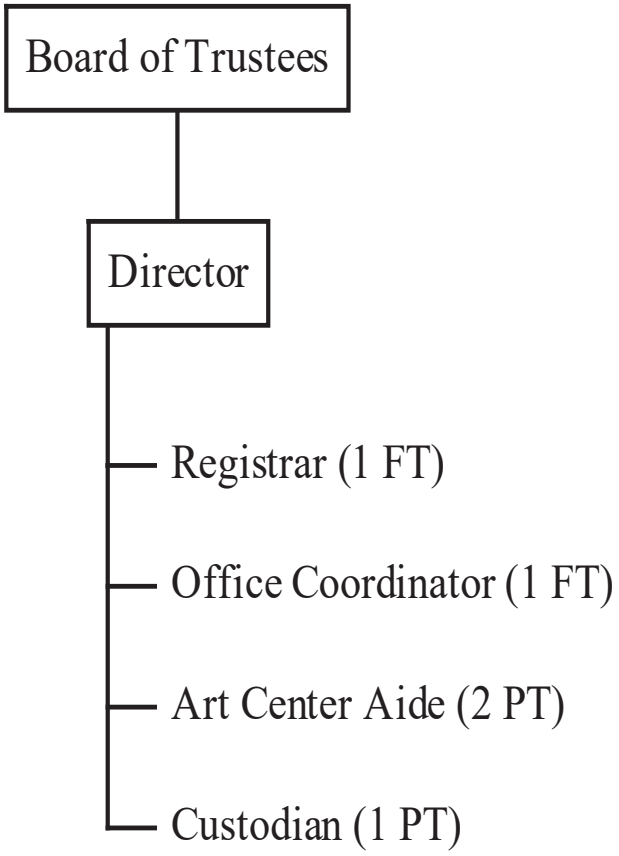
CITY OF MUSCATINE
FIRE DEPARTMENT



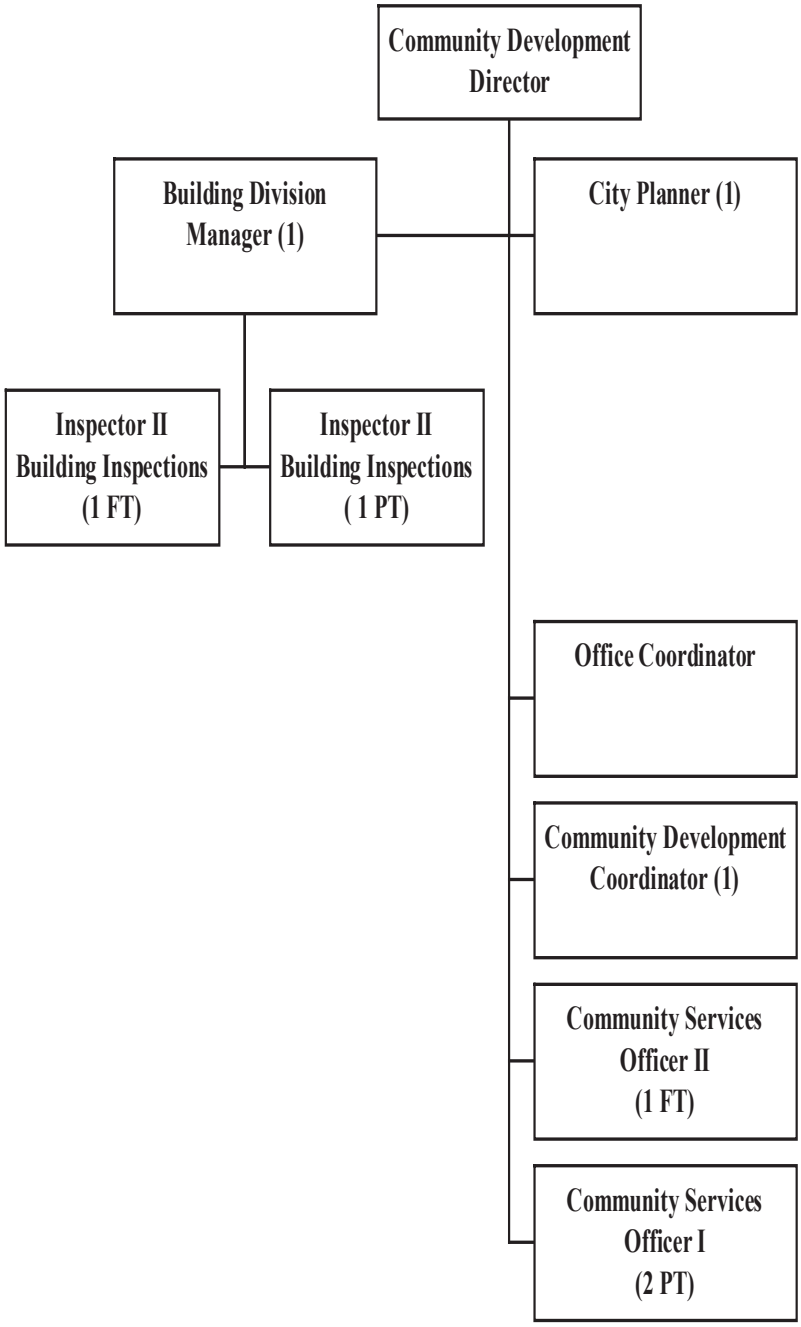
CITY OF MUSCATINE LIBRARY



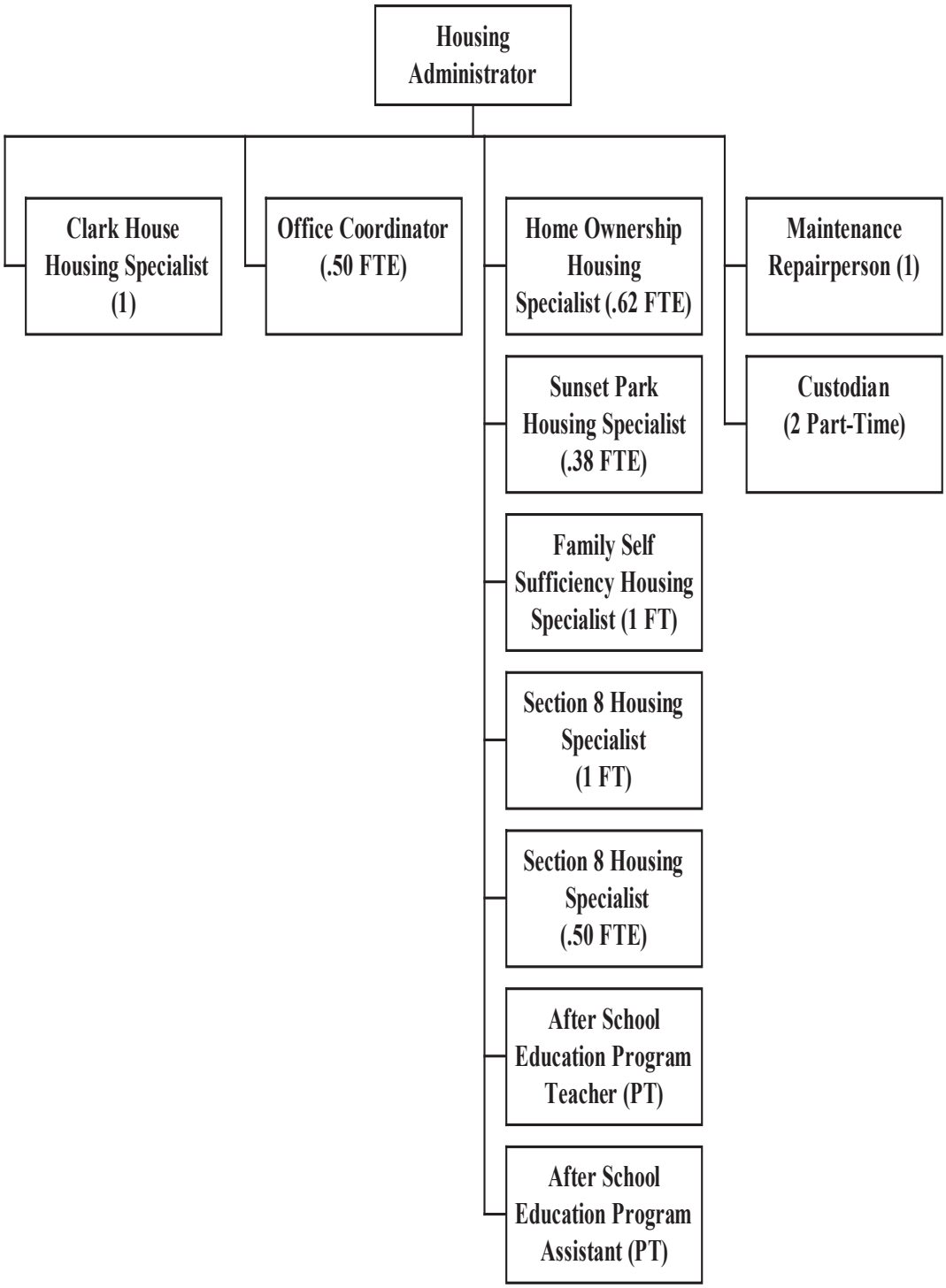
CITY OF MUSCATINE
ART CENTER



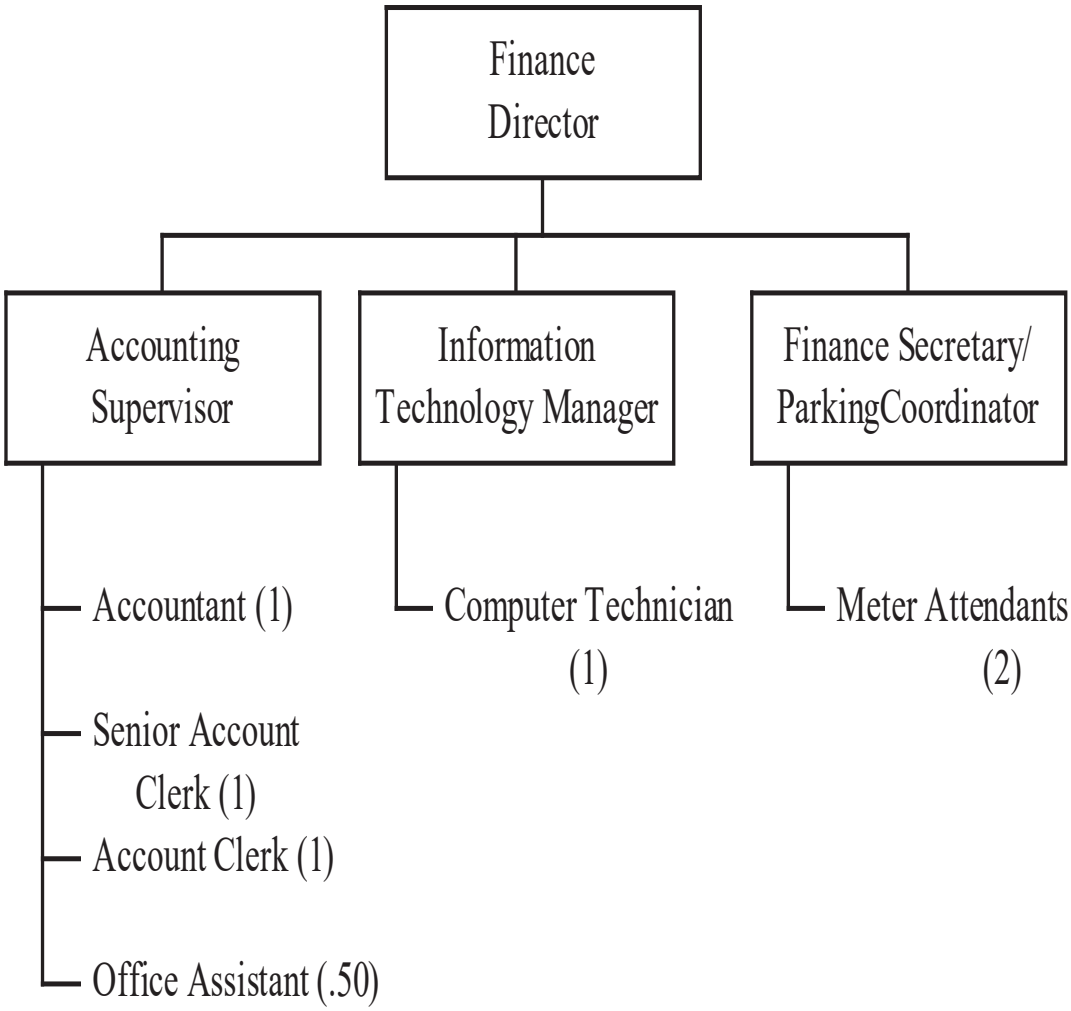
CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



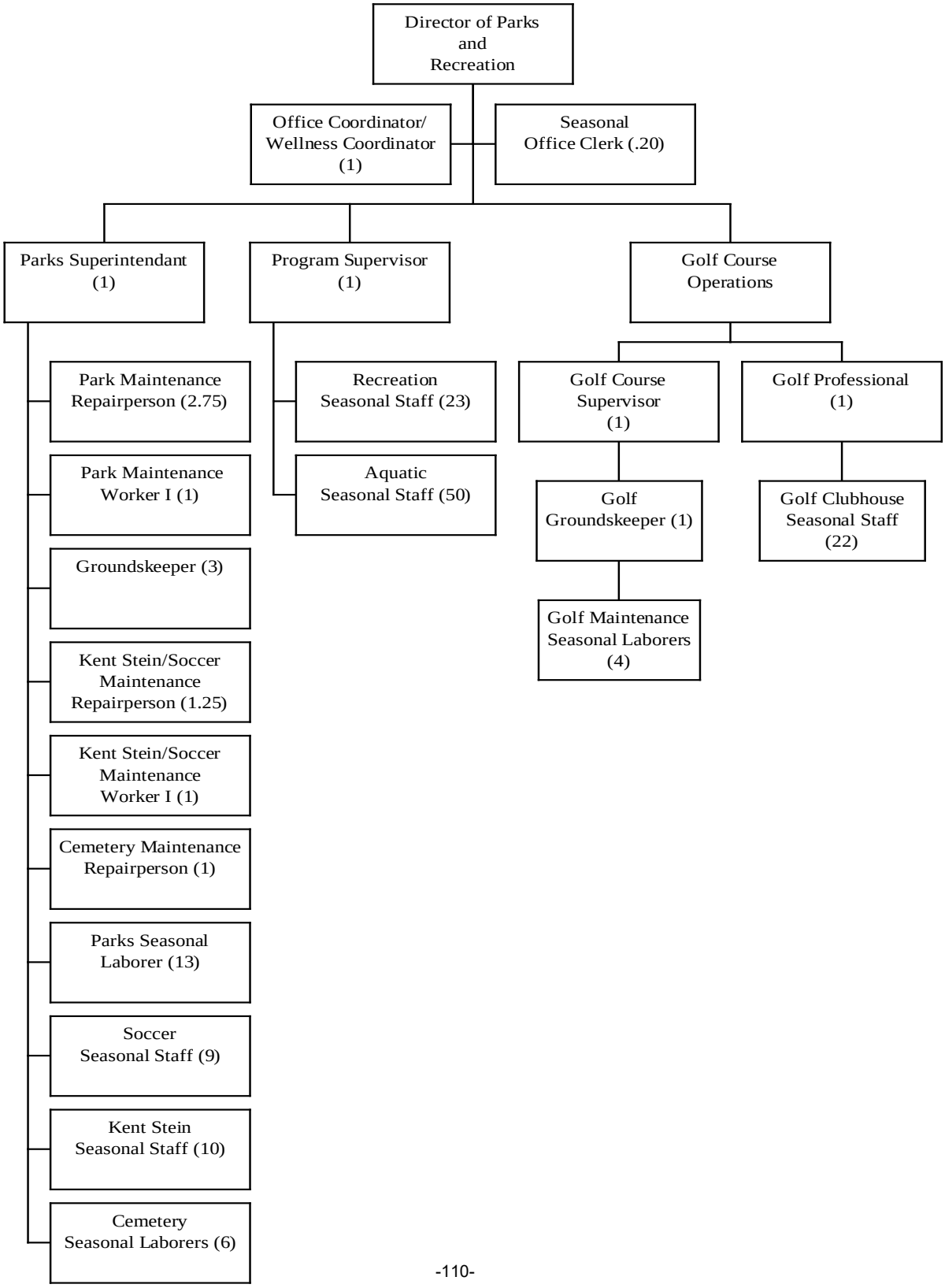
CITY OF MUSCATINE
HOUSING DEPARTMENT



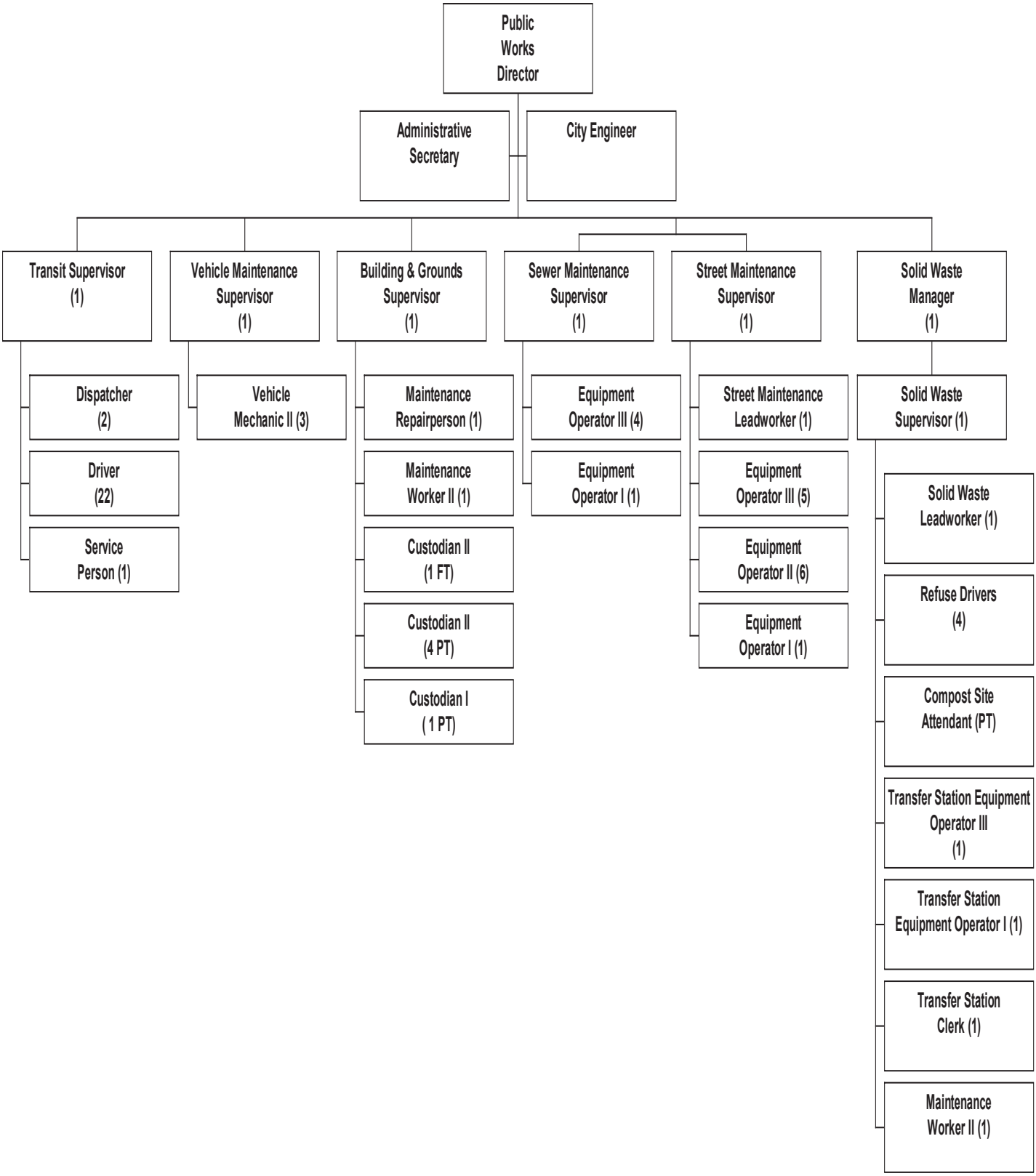
CITY OF MUSCATINE
FINANCE DEPARTMENT



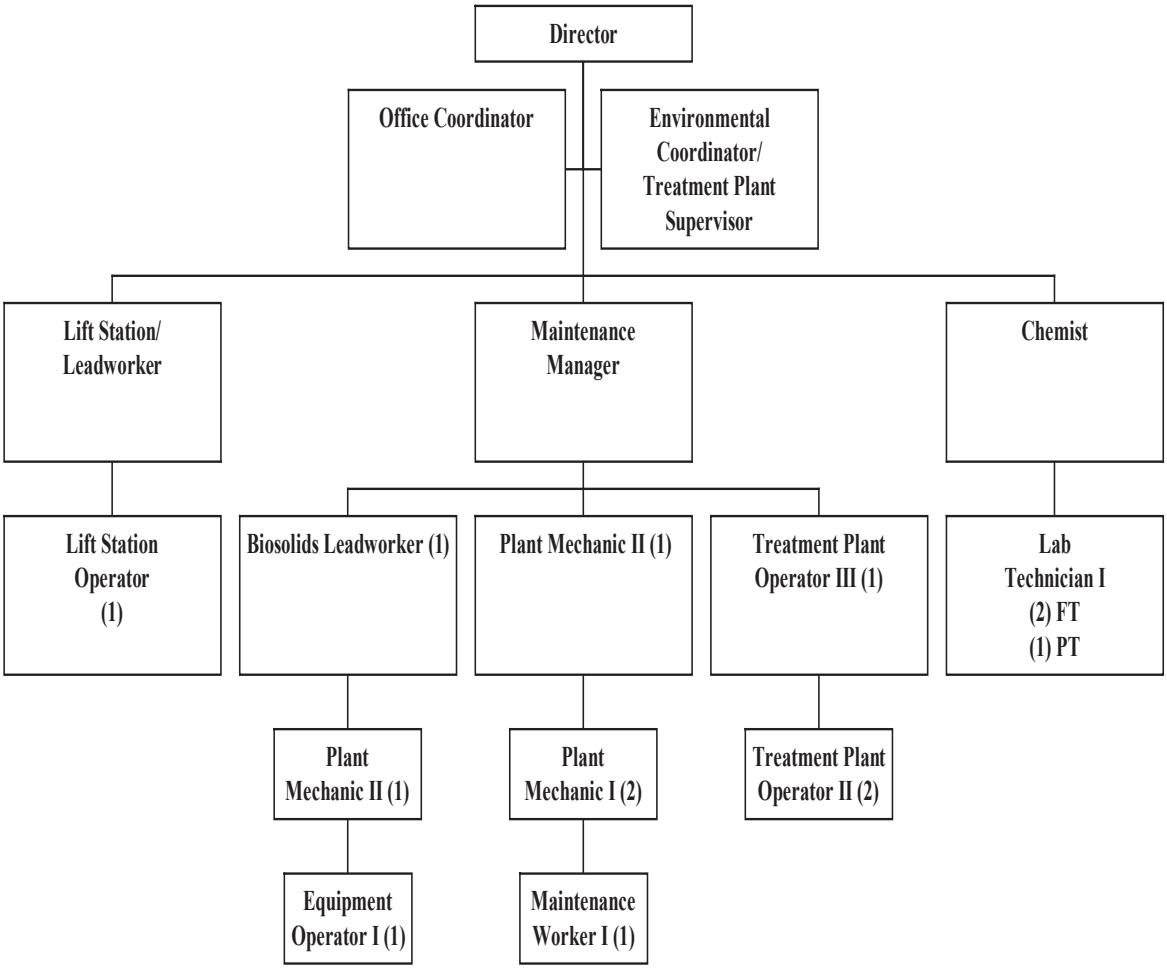
CITY OF MUSCATINE
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE
PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE
WATER POLLUTION CONTROL DEPARTMENT



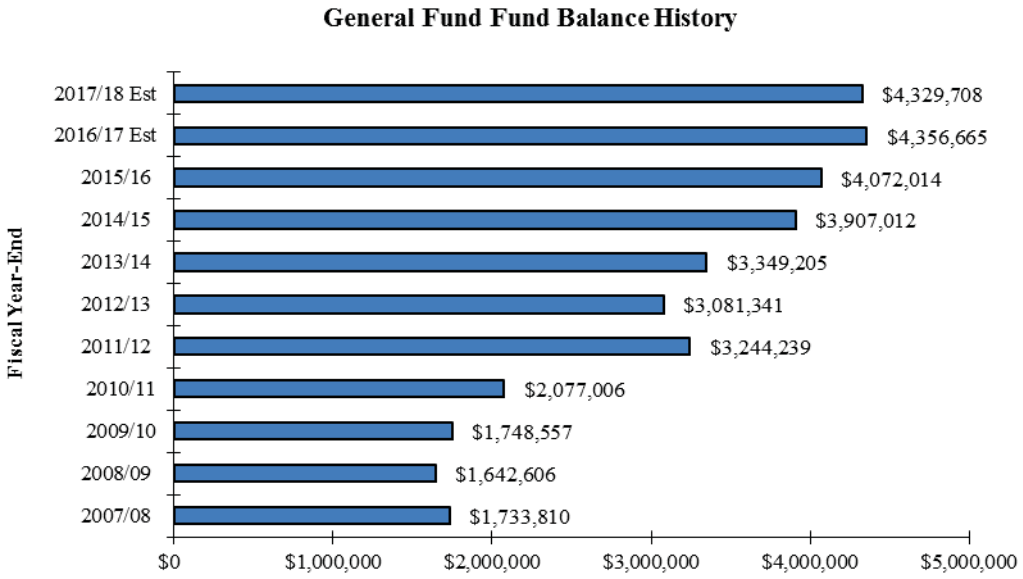
GENERAL FUND

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 services 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 2017/2018 is budgeted at $4,329,708 which is 22.3% 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; the 2014/2015 ending balance of $3,907,012 was 22.6% of expenditures, and the 2015/2016 ending balance of $4,072,014 was 23.1% 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 2017/2018 of $4,329,708 is 22.3% of General Fund expenditures. While the budget for 2017/2018 was "balanced" by using $26,957 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 of up to 1% for non-union employees and that same amount was included as assigned funding for merit increases in the 2016/2017 budget. The 2017/2018 budget includes $50,000 of assigned funding which will allow for merit increases up to 3% as well as funds to allow for several positions to be placed on different grades in the pay plan based on market surveys.

Recent Structural and Efficiency Changes in General Fund Departments

There have been numerous structural, operational, and other changes over the last seven budget years which have placed the City's General Fund in a more stable and sustainable financial condition going forward. Several of these were (1) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of over $150,000 annually), (2) transferring the dredge operation to the Water Pollution Control Fund ($42,000 in annual General Fund savings), (3) changing from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in annual savings of $128,600 in General Fund insurance costs and a City-wide savings of $173,900, (4) 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, and (5) transitioning away from City participation in the Carver Swim Center generated an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period was completed. Departments have also made numerous operational changes which resulted in cost savings and improved efficiency.

Department reorganizations in the 2017/2018 General Fund budget include (1) adding three 25-hour per week custodians for City Hall and the new HNI Community Center and Musser Public Library which will replace the contracted cleaning services at City Hall and the current library, and (2) a Library staff reorganization in conjunction with the move to the new building and technology enhancements.

Departments will continue to look for efficiencies and cost savings in their operations in 2017/2018 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 recommendations included in the 2017/2018 budget 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.

Revenue Trends

Budgeted revenues for 2017/2018 in the General Fund total $19,385,894, which is a 3.6% increase from the 2016/2017 budget of $18,716,668. General property taxes comprise 35.5% of total revenue sources for 2017/2018 compared to 35.7% for 2016/2017. 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, $192,637 less in 2016/2017, and $230,218 less in 2017/2018. 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 2017/2018 taxable property valuations increased by 2.95% 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 2017/2018. 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% in 2016/2017 and to 82.50% in 2017/2018, and will continue to be rolled back over the next six years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2017/2018 is $32,996,982 which reflects the 82.50% rollback. Industrial property valuations increased by 3.44% for 2017/2018 and commercial values increased by 3.54%. Residential property values increased by 2.99%. Actual valuations for residential property increased by .63% and there was a 2.36% increase in the residential rollback (from 55.6259% to 56.9391%). The other smaller categories of properties are railroads, which increased in valuation by 19.56%, and utilities, which decreased by 4.26%. Overall, these factors combined to result in the 2.95% overall increase in taxable valuations. It should be noted, however, that while the taxable valuations increased this year by 2.95%, this increase is the third highest in 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 commercial and industrial rollback. For 2017/2018 the State reimbursement to the General Fund is estimated at $314,128 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $4,359 for the Transit levy, $10,340 for the Tort Liability levy, $171,839 for the Employee Benefits levy, $104,499 for the Debt Service levy, and $2,617 for the Levee levy total to an estimated total reimbursement of $607,782 for 2017/2018. 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, 2016/2017, and 2017/2018 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, 2016/2017, and 2017/2018, and is expected to generate $85,000 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 2016/2017 revised estimate and 2017/2018 budget each include an estimated $365,000 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 $90,500 for 2016/2017 and that same amount has been budgeted for 2017/2018. 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 2017/2018 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at $2,610,200, an increase of $99,300 (4.0%) from the 2016/2017 budget of $2,510,900.

Revenue sources identified in the General Fund for 2017/2018 also include charges for services, licenses and permits, and other fees. Construction permits for 2017/2018 are estimated at $260,000 and rental housing registration and inspection fees are estimated at $90,000.

A fee for administrative services performed by activities within the General Fund continues to be charged to enterprise funds. The budgeted amount of $378,100 for 2017/2018 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 $28,100 has been charged to the Golf Course and Boat Harbor Operations budgets for 2017/2018. 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 $66,300 for 2017/2018. In 2017/2018 the Ambulance enterprise fund will transfer $926,000 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 $19,412,851 for 2017/2018 is 3.3% ($628,551) above the 2016/2017 budget of $18,784,300. Of the total expenditures, $14,979,800 (77.2%) 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 2017/2018 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 154 for 2015/2016. In 2016/2017 four new firefighter positions were added due to the increased number of ambulance transport calls bringing the total to 158 fulltime equivalent positions in 2016/2017. For 2017/2018 fulltime equivalent employees will increase to approximately 160 primarily due to changing from contracted cleaning services for City Hall and the current Library to hiring three part-time employees to clean and maintain City Hall and the new HNI Community Center and Musser Public Library.

Changes in General Fund authorized positions for 2017/2018, 2016/2017, 2015/2016, 2014/2015, and 2013/2014, are as follows:

2017/2018 (Including Changes in the 2016/2017 Revised Estimate)

- The 2017/2018 budget includes two new 25-hour per week custodian positions and one new 25-hour per week janitor position. The two custodian positions will replace the current contracted cleaning service at City Hall and the current Library. The janitor position is expected to be needed to maintain the expanded space at the new HNI Community Center and Musser Public Library. Adding these positions resulted in an increase of 1.88 FTE positions.

- Library staff reorganizations resulted in a net .14 FTE reduction in Library staffing compared to the original 2016/2017 budget. Part of the 2017/2018 reorganization is due to moving to the new library.

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

- The 2016/2017 budget included 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.

- 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%.

The 2017/2018 budget continues funding for the two police officer positions assigned to the Drug Task Force. One of these positions is partially 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 2017/2018 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 2017/2018 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 Muscatine Humane Society will remain at their current levels of $38,000 and $60,000. Senior Resources requested a $10,000 increase in their subsidy to $30,000 for 2017/2018. The originally proposed budget for 2017/2018 included a $20,000 allocation to Senior Resources. The final 2017/2018 budget, however, includes a one-time increase in the subsidy to Senior Resources from $20,000 to $30,000 due to their loss of funding from other sources. The 2015/2016 budget for the first time included an allocation of $25,000 to the Muscatine Center for Social Action (MCSA) for their Homeless Prevention Program. This $25,000 funding allocation was continued in 2016/2017 and 2017/2018.

The 2017/2018 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 2016/2017 is $39,700 with the subsidy for 2017/2018 budgeted at $36,100. 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 2017/2018. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2017/2018, 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

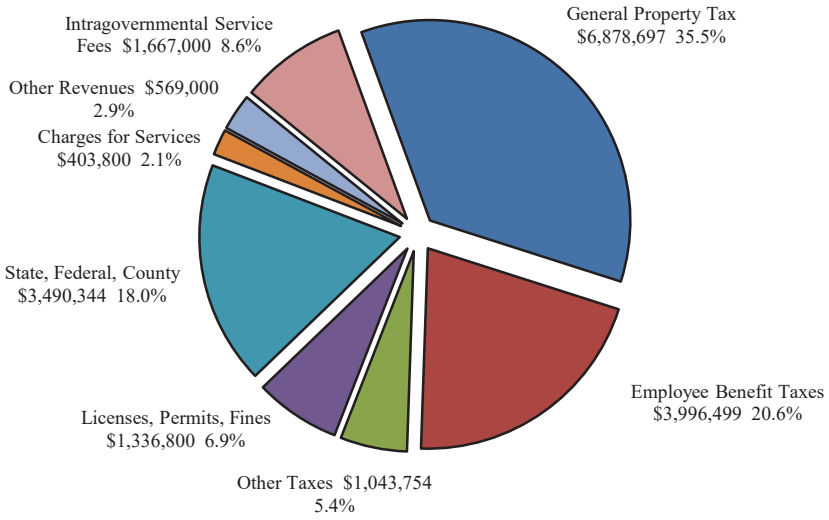
Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 3,349,205	$ 3,907,012	$ 3,734,593	$ 4,072,014	$ 4,356,665
Revenues	17,821,716	17,813,345	18,716,668	19,260,251	19,385,894
Encumbrance Variance	426	6,397	0	0	0
Funds Available	$ 21,171,347	$ 21,726,754	$ 22,451,261	$ 23,332,265	$ 23,742,559
Expenditures	17,264,335	17,654,740	18,784,300	18,975,600	19,412,851
Ending Balance, June 30	$ 3,907,012	$ 4,072,014	$ 3,666,961	$ 4,356,665	$ 4,329,708
Increase (Decrease) in Fund Balance	**$ 557,807**	**$ 165,002**	**$ (67,632)**	**$ 284,651**	**$ (26,957)**
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	**$ 2,883,000**	**$ 2,948,000**	**$ 3,137,000**	**$ 3,169,000**	**$ 3,242,000**
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	**$ 1,024,012**	**$ 1,124,014**	**$ 529,961**	**$ 1,187,665**	**$ 1,087,708**
Ending Balance as a Percent of General Fund Expenditures	**22.6%**	**23.1%**	**19.5%**	**23.0%**	**22.3%**

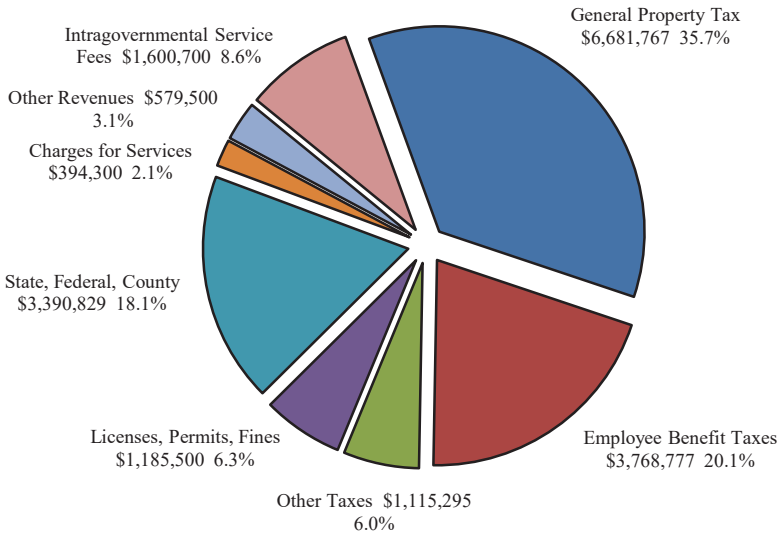
Explanation of Increases or Decreases in Fund Balances:

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. There are no one-time expenditures budgeted to be funded from the General Fund balance in 2016/2017 or 2017/2018.

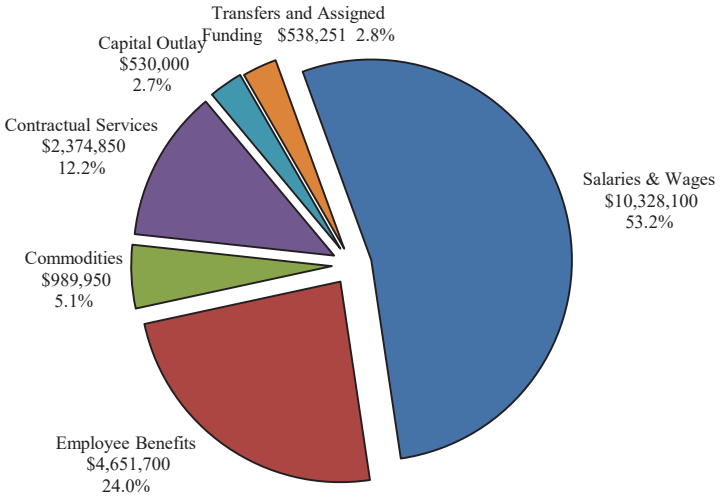
General Fund Revenues By Source
Budget 2017/2018
$19,385,894



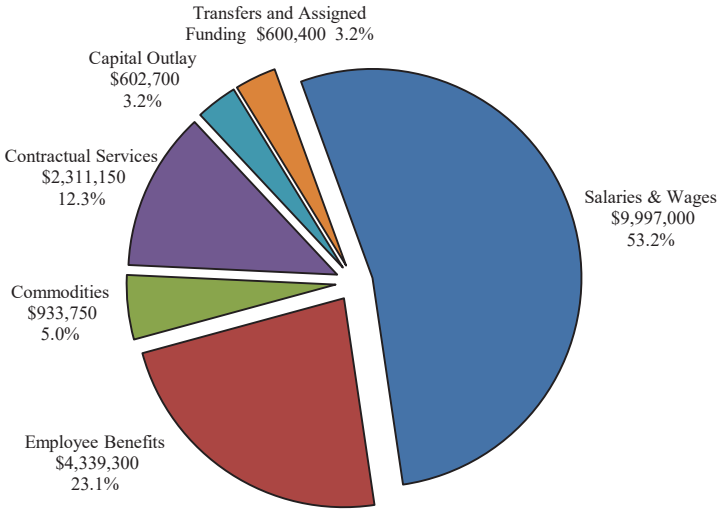
General Fund Revenues By Source
Budget 2016/2017
$18,716,668



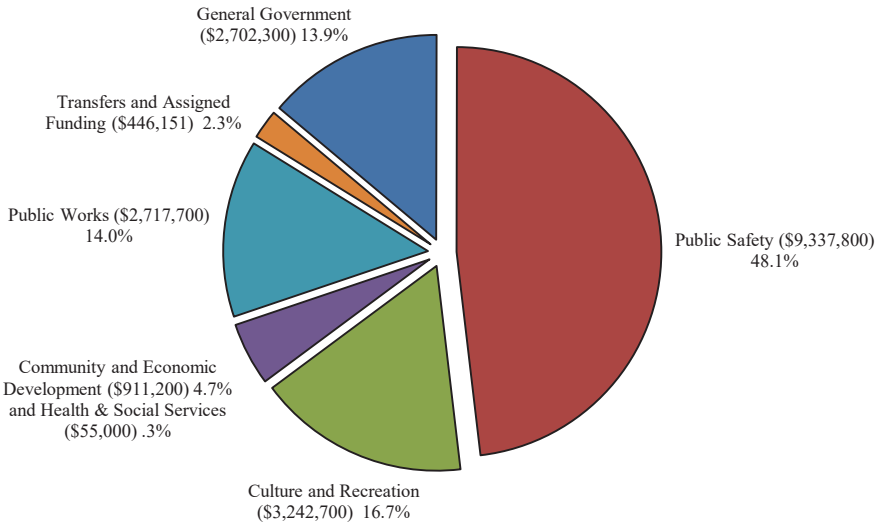
General Fund Expenditures By Type
Budget 2017/2018
$19,412,851



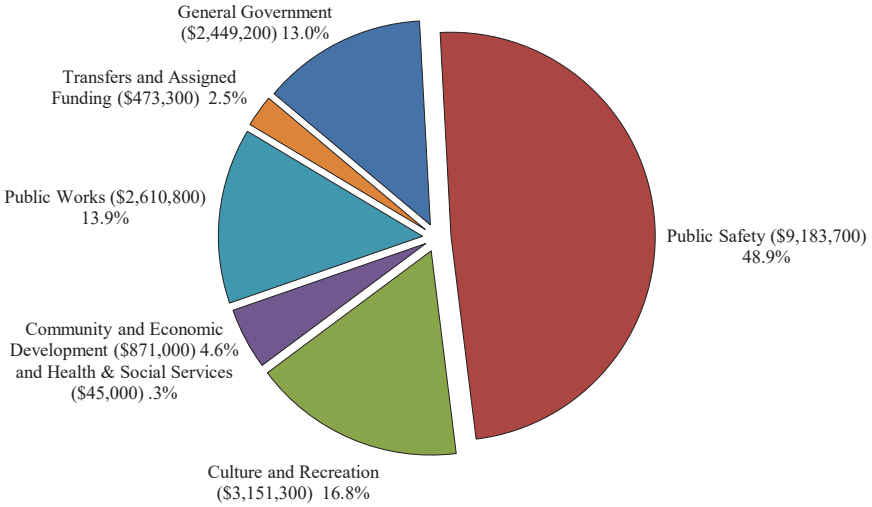
General Fund Expenditures By Type
Budget 2016/2017
$18,784,300



General Fund Expenditures By Function
Budget 2017/2018
$19,412,851



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



General Fund

Revenues by Type

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change from 2016/2017 Budget
Taxes	$ 7,789,653	$ 7,536,399	$ 7,797,062	$ 7,785,462	$ 7,922,451	1.6%
Licenses and Permits	349,228	389,596	353,900	397,900	397,900	12.4%
Fines and Forfeitures	1,010,939	995,268	818,500	916,500	914,500	11.7%
Intergovernmental Revenue	671,927	741,647	798,529	805,129	803,044	0.6%
Charges for Services	640,885	664,350	685,800	711,400	713,700	4.1%
Use of Money and Property	150,324	160,060	155,600	162,100	162,600	4.5%
Miscellaneous Revenues	620,713	803,894	683,600	714,600	677,300	-0.9%
Transfers In	6,588,047	6,522,131	7,423,677	7,767,160	7,794,399	5.0%
Total	$ 17,821,716	$ 17,813,345	$ 18,716,668	$ 19,260,251	$ 19,385,894	3.6%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	$ 6,445,272	$ 6,342,998	$ 6,670,884	$ 6,670,884	$ 6,867,458	2.9%
Ag Land Tax	3,085	2,942	3,383	3,383	3,339	-1.3%
Transit System Levy	293,293	237,760	190,005	190,005	95,297	-49.8%
Tort Liability Levy	315,287	226,824	230,854	230,854	226,041	-2.1%
Levee Tax Levy	53,849	52,998	15,837	15,837	57,229	261.4%
Mobile Home Tax	19,170	19,639	19,200	19,600	19,600	2.1%
Taxes Rebated on Voluntary Annexation	(12,470)	(11,706)	(11,700)	(11,700)	(11,700)	0.0%
Special Revenue:						
Police Retirement	709,917	676,825	686,935	658,818	689,345	0.4%
Fire Retirement	664,829	625,105	648,090	651,872	663,520	2.4%
Police and Fire Medical Insurance	36,000	54,000	54,000	54,000	54,000	0.0%
Police and Fire Retiree Medical Costs	38,657	36,855	46,000	46,000	36,000	-21.7%
Long-term Disability Insurance	11,621	12,326	12,707	11,803	12,256	-3.5%
Workers Compensation Insurance	42,234	36,185	42,715	54,496	54,223	26.9%
Unemployment Insurance	33,258	19,907	28,633	15,469	19,180	-33.0%
Health Insurance	1,305,740	1,429,821	1,698,399	1,721,588	1,945,383	14.5%
Life Insurance	15,232	15,932	16,419	13,851	14,398	-12.3%
Dental Insurance	39,706	43,818	50,141	47,982	50,334	0.4%
Deferred Compensation	1,200	1,200	1,200	1,200	1,200	0.0%
Post Employment Health Plan	48,664	52,161	34,292	33,379	16,730	-51.2%
FICA/IPERS	570,148	613,576	641,883	631,439	670,148	4.4%
Employee Benefit Levy Reduction (1)	(355,005)	(192,959)	(192,637)	(192,637)	(230,218)	
Subtotal	$ 10,279,687	$ 10,296,207	$ 10,887,240	$ 10,868,123	$ 11,253,763	3.4%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	$ 353,869	$ 361,803	$ 360,000	$ 365,000	$ 365,000	1.4%
Cable Franchise Tax	191,331	189,044	191,000	189,000	189,000	-1.0%
Utility Franchise Fees	96,810	81,308	100,000	85,000	85,000	-15.0%
Utility Tax Replacement Excise Tax:						
General	27,353	30,321	25,902	25,902	24,817	-4.2%
Tort Liability	1,335	1,081	897	897	819	-8.7%
Transit	1,241	1,134	737	737	344	-53.3%
Levee	228	253	63	63	207	228.6%
Commercial/Industrial State Reimbursement:						
General	157,153	314,529	325,049	325,049	314,128	-3.4%
Tort Liability	7,668	11,218	11,249	11,249	10,340	-8.1%
Transit	7,133	11,758	9,258	9,258	4,359	-52.9%
Levee	1,310	2,621	773	773	2,617	238.6%
Subtotal	$ 845,431	$ 1,005,070	$ 1,024,928	$ 1,012,928	$ 996,631	-2.8%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Intergovernmental Revenues						
Road Use Tax	$ 2,287,929	$ 2,029,975	$ 2,510,900	$ 2,873,900	$ 2,610,200	4.0%
Subtotal	$ 2,287,929	$ 2,029,975	$ 2,510,900	$ 2,873,900	$ 2,610,200	4.0%
Licenses and Permits						
Beer, Liquor and Cigarettes	$ 35,309	$ 33,962	$ 35,300	$ 34,000	$ 34,000	-3.7%
Animal	1,903	1,754	2,000	2,000	2,000	0.0%
Miscellaneous	6,201	6,850	6,200	6,500	6,500	4.8%
Subtotal	$ 43,413	$ 42,566	$ 43,500	$ 42,500	$ 42,500	-2.3%
Cemetery Fees						
Lot and Niche Sales	$ 13,192	$ 42,656	$ 18,200	$ 20,000	$ 20,000	9.9%
Lease of Property-Cell Towers	16,318	17,255	16,300	18,900	18,900	16.0%
Burial Fees	44,740	47,900	45,000	45,000	45,000	0.0%
Miscellaneous Charges	8,731	7,360	9,000	9,000	9,000	0.0%
Commissions	10,994	14,591	12,000	15,000	15,000	25.0%
Perpetual Care Interest	14,275	14,322	14,300	14,300	14,300	0.0%
Grant - Trees for Kids	0	4,675	0	0	0	
Other	62	8	0	0	0	
Subtotal	$ 108,312	$ 148,767	$ 114,800	$ 122,200	$ 122,200	6.4%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	$ 21,702	$ 109,935	$ 45,000	$ 90,000	$ 90,000	100.0%
Section 8 Housing Inspection Fees	0	0	0	4,500	9,000	
Construction Permits	233,909	222,762	260,000	260,000	260,000	0.0%
Electricians Licenses	80	0	0	0	0	
Health Licenses	47,524	11,358	2,500	2,500	2,500	0.0%
Health Class Fees	4,990	34	0	0	0	
Zoning Fees	2,025	3,675	2,500	3,000	3,000	20.0%
Board of Adjustment Fees	4,100	2,450	2,000	2,000	2,000	0.0%
Site Plan Review Fees	700	1,400	1,500	1,500	1,500	0.0%
Sale of Code Books	150	0	0	200	200	
Municipal Infractions Penalties	1,075	0	1,000	1,000	1,000	0.0%
Nuisance Reimbursements/Administrative Fees	88,941	87,868	95,000	100,000	100,000	5.3%
Miscellaneous	1,270	1,248	500	1,200	1,200	140.0%
Transfer In:						
Staff Services Airport/CDBG	0	0	2,500	10,200	2,500	0.0%
Subtotal	$ 406,466	$ 440,730	$ 412,500	$ 476,100	$ 472,900	14.6%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	$ 11,165	$ 10,544	$ 11,000	$ 11,000	$ 11,000	0.0%
Pearl City Station Rentals	10,840	10,980	10,800	10,800	10,800	0.0%
Riverview Center Rentals	20,100	22,050	19,500	20,000	20,000	2.6%
Maintenance Fees	970	500	500	700	700	40.0%
Equipment/Miscellaneous Sales	777	632	500	500	500	0.0%
Concession Commission	1,063	851	800	800	800	0.0%
Reimbursement of Damages	0	0	0	10,700	0	
Donations	0	890	0	0	0	
Iowa DNR Tree Grant	7,965	0	0	0	0	
Iowa DNR Tree Sales	5,325	0	0	0	0	
Other	55	230	0	0	0	
Transfers In						
Administration Fees	25,700	26,500	27,300	27,300	28,100	2.9%
Subtotal	$ 83,960	$ 73,177	$ 70,400	$ 81,800	$ 71,900	2.1%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	$ 34,179	$ 27,872	$ 29,000	$ 24,700	$ 24,700	-14.8%
Commission on Concessions	10,650	9,829	10,500	10,000	10,000	-4.8%
Mowing Reimbursement - Housing	7,250	7,850	7,500	7,500	7,500	0.0%
Storage Building Rental	800	1,200	1,200	1,200	1,200	0.0%
Other	72	50	0	0	0	
Subtotal	$ 52,951	$ 46,801	$ 48,200	$ 43,400	$ 43,400	-10.0%
Soccer Complex Operations						
Maintenance Fees	$ 35,357	$ 37,735	$ 36,000	$ 37,000	$ 37,000	2.8%
Commission on Concessions	7,529	6,375	7,500	7,500	7,500	0.0%
Other	238	0	0	1,500	0	
Subtotal	$ 43,124	$ 44,110	$ 43,500	$ 46,000	$ 44,500	2.3%
Recreation						
Entry Fees/Admissions	$ 1,879	$ 1,143	$ 1,800	$ 1,300	$ 1,500	-16.7%
Lessons	40,869	32,502	41,000	41,000	41,000	0.0%
League and Tournament Fees	6,187	6,047	6,500	6,500	6,500	0.0%
Sales Tax	433	423	500	500	500	0.0%
Donations	900	1,060	900	900	1,000	11.1%
Adventureland Ticket Commissions	0	0	300	300	0	-100.0%
Other	895	955	300	300	300	0.0%
Subtotal	$ 51,163	$ 42,130	$ 51,300	$ 50,800	$ 50,800	-1.0%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Swimming Pools						
Admissions	$ 70,566	$ 102,675	$ 85,000	$ 95,000	$ 95,000	11.8%
Season Passes	12,450	12,065	15,000	12,500	12,500	-16.7%
Lessons	7,217	8,357	7,700	8,500	8,500	10.4%
Group Sales	18,300	18,793	18,000	18,500	18,500	2.8%
Room Rental	530	430	500	500	500	0.0%
Locker Rental	501	889	700	800	800	14.3%
Commission on Concessions	5,569	7,796	7,000	7,800	7,800	11.4%
Miscellaneous Sales	379	635	500	500	500	0.0%
Other	920	660	500	500	500	0.0%
Subtotal	$ 116,432	$ 152,300	$ 134,900	$ 144,600	$ 144,600	7.2%
Subtotal - Parks and Recreation	$ 347,630	$ 358,518	$ 348,300	$ 366,600	$ 355,200	2.0%
Library Revenues						
Fines and Charges	$ 15,634	$ 14,576	$ 15,000	$ 15,000	$ 15,000	0.0%
County Contributions	112,327	115,136	118,000	118,000	121,400	2.9%
Illinois Contracts	9,799	10,044	10,300	10,300	10,600	2.9%
Printing Charges	4,882	5,889	3,000	4,000	4,000	33.3%
Other	115	46	0	100	0	
Subtotal	$ 142,757	$ 145,691	$ 146,300	$ 147,400	$ 151,000	3.2%
Art Center Revenues						
Building Rentals	$ 1,420	$ 958	$ 1,200	$ 500	$ 1,000	-16.7%
Class Fees	4,557	3,918	4,500	4,500	4,700	4.4%
State Grant	13,540	10,000	10,000	10,000	10,000	0.0%
Support Foundation Contributions	19,368	18,945	21,200	21,500	22,100	4.2%
Friends of the Art Center Contributions	23,193	18,945	21,700	21,500	22,700	4.6%
Other	20	210	300	400	400	33.3%
Subtotal	$ 62,098	$ 52,976	$ 58,900	$ 58,400	$ 60,900	3.4%
Public Works Services						
Repair and Maintenance Services	$ 17,188	$ 16,758	$ 20,000	$ 20,000	$ 20,000	0.0%
Rental of Equipment	71	150	300	300	300	0.0%
Sale of Equipment	0	57	5,000	5,000	5,000	0.0%
Miscellaneous Sales	1,333	1,587	2,500	2,500	2,500	0.0%
Reimbursement for Salt	7,434	3,817	5,000	5,000	5,000	0.0%
Other	3,681	9,969	500	500	500	0.0%
Transfers In:						
Engineering Services - City Engineer	16,891	30,286	25,000	30,000	30,000	20.0%
Administrative Fees	60,800	62,600	64,400	64,400	66,300	3.0%
Subtotal	$ 107,398	$ 125,224	$ 122,700	$ 127,700	$ 129,600	5.6%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Police Operations						
Police Grants	$ 320,741	$ 229,431	$ 280,400	$ 289,500	$ 298,400	6.4%
Court Fines	180,553	167,402	175,000	170,000	170,000	-2.9%
Automatic Traffic Enforcement Fines	776,436	783,470	600,000	700,000	700,000	16.7%
Parking Violations	33,191	26,220	25,000	26,000	26,000	4.0%
Tobacco Checks/Violations	1,800	2,100	2,000	2,000	2,000	0.0%
Alarm Permits	1,075	1,025	1,400	1,400	1,400	0.0%
False Alarm Charges	3,535	4,400	3,000	3,000	3,000	0.0%
Police Services Agreement	46,678	47,845	49,100	49,100	50,500	2.9%
Animal Ordinance Fees and Fines	2,300	1,600	3,000	2,500	2,500	-16.7%
Printing Charges	3,960	4,014	3,700	4,000	4,000	8.1%
Contributions - Mentor Program	5,000	5,197	5,000	5,000	5,000	0.0%
Other Contributions	19,590	160	0	4,400	0	
Lease - Public Safety Cell Tower	23,431	26,067	26,900	26,900	26,900	0.0%
Reimbursements/Miscellaneous Income	17,224	26,694	16,000	20,000	16,000	0.0%
Transfers In:						
Insurance Trust for Range Improvements	0	14,555	0	0	0	
Transfer from COPS Grant Reserve	0	89,000	0	0	0	
Subtotal	$ 1,435,514	$ 1,429,180	$ 1,190,500	$ 1,303,800	$ 1,305,700	9.7%
Fire Operations						
Fire Hazmat Agreements	$ 10,800	$ 7,200	$ 32,300	$ 26,600	$ 26,600	-17.6%
Fire Open Burn Permits	1,525	1,950	1,500	1,500	1,500	0.0%
Fire Inspection Fees	17,707	10,007	13,000	13,000	15,000	15.4%
Fire Assessment Fees	420	120	100	200	100	0.0%
Confined Space Fees (Fire Department)	37,875	39,275	36,000	36,000	36,000	0.0%
Fire Protection Contracts	16,698	16,718	17,000	19,300	19,300	13.5%
Donations	0	5,483	30,000	30,000	0	-100.0%
Fire Reports	975	513	600	600	600	0.0%
Fire Citations	2,250	1,500	500	2,500	500	0.0%
False Alarm Charges	2,050	1,600	1,500	1,800	1,800	20.0%
Reimbursement - State	0	17,987	0	0	0	
Reimbursement of Expenses/Other	6,405	14,644	2,000	9,300	3,800	90.0%
Subtotal	$ 96,705	$ 116,997	$ 134,500	$ 140,800	$ 105,200	-21.8%
Other General Revenues						
Interest Income	$ 4,364	$ 4,966	$ 4,500	$ 5,000	$ 5,000	11.1%
Payment in Lieu of Taxes	34,229	36,902	33,500	31,000	31,200	-6.9%
Housing Accounting Fees	55,800	57,400	59,000	59,000	60,800	3.1%
Housing Management Fee	11,018	12,181	11,000	11,000	11,000	0.0%
Lease - Clark House Cell Towers	24,979	25,129	24,900	25,100	25,100	0.8%
Insurance Reimbursement/Restitutions	11,645	0	0	0	0	
Other Charges	15,749	18,539	16,000	16,000	16,000	0.0%

Table of Contents

General Fund
Revenue Summary

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change From 2016/2017 Budget
Transfers In:						
Administrative Fees	346,250	356,700	367,100	367,100	378,100	3.0%
Health Insurance Fund (Wellness)	49,742	51,530	58,600	58,600	60,500	3.2%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	27,700	28,500	29,300	29,300	30,100	2.7%
Communications Admin Fee (Exc. TIF Portion)	0	39,600	43,600	43,600	46,400	6.4%
Ambulance Enterprise Fund	922,400	833,200	891,000	891,000	926,000	3.9%
Tax Increment/Economic Dev Admin Fees	112,500	111,023	132,100	132,100	142,100	7.6%
Tax Increment Economic Development	35,000	38,000	38,000	38,000	38,000	0.0%
Tax Increment - Legal Services	4,000	4,774	10,000	10,000	6,800	-32.0%
Subtotal	$ 1,658,376	$ 1,621,444	$ 1,721,600	$ 1,719,800	$ 1,780,100	3.4%
Total	$ 17,821,716	$ 17,813,345	$ 18,716,668	$ 19,260,251	$ 19,385,894	3.6%

1. The Employee Benefits levies in recent years have been less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This resulted in the General Fund balance being used for a portion of the cost of employee benefits. This allowed the City to maintain the same overall property tax rate ($15,67209 per $1,000 of valuation) in recent years.

Table of Contents

General Fund

Expenditures by Type

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change from 2016/2017 Budget
Personal Services	$ 12,983,223	$ 13,291,411	$ 14,336,300	$ 14,154,300	$ 14,979,800	4.5%
Commodities	863,704	753,865	933,750	876,100	989,950	6.0%
Contractual Services	2,227,243	2,224,791	2,311,150	2,483,300	2,374,850	2.8%
Capital Outlay	522,291	457,452	602,700	864,900	530,000	-12.1%
Transfers and Assigned Funding	667,874	927,221	600,400	597,000	538,251	-10.4%
Total	$ 17,264,335	$ 17,654,740	$ 18,784,300	$ 18,975,600	$ 19,412,851	3.3%

Table of Contents

General Fund

Summary of Expenditures

Function/Activity	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change from FY 2017 Budget
General Government						
Mayor and Council	$ 68,325	$ 66,664	$ 72,700	$ 75,400	$ 76,500	5.2%
Legal Services	96,922	123,009	96,700	200,700	150,700	55.8%
City Administrator	261,680	327,835	350,300	355,600	386,300	10.3%
Human Resources	130,888	153,260	157,000	162,200	162,300	3.4%
Wellness Program	50,465	52,535	58,600	58,600	60,500	3.2%
Finance and Records	543,163	574,521	599,300	606,800	648,000	8.1%
Information Technology	273,440	274,705	277,900	288,000	307,700	10.7%
Risk Management	245,550	233,460	287,200	276,800	289,500	0.8%
Building and Grounds	503,893	539,404	549,500	553,600	620,800	13.0%
Subtotal	$ 2,174,326	$ 2,345,393	$ 2,449,200	$ 2,577,700	$ 2,702,300	10.3%
Public Safety						
Police Operations	$ 4,408,090	$ 4,503,183	$ 4,791,000	$ 4,642,400	$ 4,852,100	1.3%
Animal Control	117,730	118,788	126,900	126,800	131,300	3.5%
Fire Operations	3,779,177	3,893,610	4,265,800	4,246,500	4,354,400	2.1%
Subtotal	$ 8,304,997	$ 8,515,581	$ 9,183,700	$ 9,015,700	$ 9,337,800	1.7%
Culture and Recreation						
Library	$ 1,079,400	$ 1,090,300	$ 1,116,300	$ 1,116,300	$ 1,120,700	0.4%
Cable Television Operations	14,926	16,053	19,700	19,700	32,400	64.5%
Art Center	305,843	320,851	339,300	331,300	342,100	0.8%
Park Administration	166,390	172,324	183,200	184,400	190,700	4.1%
Park Maintenance	636,113	610,170	656,900	678,800	702,000	6.9%
Kent Stein Park	180,015	186,258	200,400	209,300	210,800	5.2%
Soccer Complex	165,850	205,387	191,900	196,900	196,800	2.6%
Swimming Pools	157,462	157,696	160,500	172,200	157,100	-2.1%
Recreation	107,446	96,176	117,800	117,700	121,100	2.8%
Cemetery	152,639	157,652	165,300	167,600	169,000	2.2%
Subtotal	$ 2,966,084	$ 3,012,867	$ 3,151,300	$ 3,194,200	$ 3,242,700	2.9%
Health and Social Services						
Economic Well-Being	$ 20,000	$ 45,000	$ 45,000	$ 45,000	$ 55,000	22.2%
Subtotal	$ 20,000	$ 45,000	$ 45,000	$ 45,000	$ 55,000	22.2%

Table of Contents

General Fund

Summary of Expenditures

Function/Activity	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change from FY 2017 Budget
Community and Economic Development						
Community Development	$ 705,323	$ 709,050	$ 729,500	$ 737,400	$ 765,700	5.0%
Economic Development	158,469	131,540	141,500	145,500	145,500	2.8%
Subtotal	$ 863,792	$ 840,590	$ 871,000	$ 882,900	$ 911,200	4.6%
Public Works						
Public Works Administration	$ 166,574	$ 197,630	$ 178,800	$ 185,400	$ 195,400	9.3%
Roadway Maintenance	1,184,354	1,294,039	1,246,600	1,465,700	1,502,600	20.5%
Traffic Control	172,446	160,512	184,200	182,700	175,000	-5.0%
Snow and Ice Control	494,452	239,465	435,700	433,500	478,200	9.8%
Street Cleaning	218,404	201,015	420,400	392,100	205,300	-51.2%
Engineering	93,297	132,866	145,100	145,100	161,200	11.1%
Subtotal	$ 2,329,527	$ 2,225,527	$ 2,610,800	$ 2,804,500	$ 2,717,700	4.1%
Transfers and Assigned Funding						
Transit System Subsidy	$ 301,667	$ 250,653	$ 200,000	$ 200,000	$ 100,000	-50.0%
Airport Subsidy	39,555	26,757	45,100	39,700	36,100	-20.0%
Levee Project Subsidy	55,387	55,872	15,900	15,900	60,051	277.7%
Equipment Replacement Allocation	200,000	188,000	200,000	200,000	200,000	0.0%
Equipment Replacement - Ambulance Allocation	0	148,500	0	0	0	
Assigned Funding Non-Union Merit Pay	0	0	12,300	0	50,000	306.5%
COPS Grant Future Commitment	9,000	0	0	0	0	
Subtotal	$ 605,609	$ 669,782	$ 473,300	$ 455,600	$ 446,151	-5.7%
Total	$ 17,264,335	$ 17,654,740	$ 18,784,300	$ 18,975,600	$ 19,412,851	3.3%

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 are adopted by formal ordinance, resolution, or motion. The presiding officer of the City Council is the Mayor. The City Council is responsible for appointing the Boards and Advisory Commissions of the City. 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 2016/2017 revised estimate is over the budgeted amount by $2,700 due to an increased allocation of audit costs. This budget includes the General Fund portion of audit costs, and the portion allocated to grant funds and enterprise funds decreased compared to the prior year.

The 2017/2018 budget is $3,800 (5.2%) more than the original 2016/2017 budget. Audit costs allocated to this budget are budgeted to be $3,700 more than the original 2016/2017 budget ($900 more than the 2016/2017 revised estimate). The actual audit costs charged to this budget, however, will be based on the audit cost allocation each year. This allocation varies from year to year primarily due to audit time spent on major federal grant programs. This budget maintains the salaries of the Mayor and Council that were effective January 1, 2016. As of that date, 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 was the first full fiscal year with the increased salaries.

PERFORMANCE MEASURES

	Actual 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	10	9	11	11	11
Budget Meetings	9	8	9	9	9
Other Meetings	2	0	1	1	1
Joint Meetings:					
County Board of Supervisors	0	0	1	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 2017/2018 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 2017-18

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development -
  - Industrial Park (South End)
  - Highway 38-61 Industrial Park/Mixed Use Development
  - Additional tax abatement areas
  - Downtown façade program
  - Review additional areas for housing or commercial tax abatement

- Market economic development programs -
  - Create and review signage opportunities
  - Work with local banks, real estate companies and others to promote plans and incentives
- Develop Mississippi River Port based upon feasibility study results -
  - Submitted LIFTS Grant: Awarded 2016
  - Feasibility Study: Complete 12/2016
  - Grants 2016/17: USEDA/TIGER, USDOT, & others
  - Permitting 2017
  - Engineering/Design: 2017
  - Tentative Construction: 2018-19
- Begin long-term planning and redevelopment of the "Carver Corner" area
- Adopt policies on public art and communications on city-owned land and rights-of-way

Housing

- Promote infill opportunities and evaluate opportunities to improve current housing stock (voluntary and involuntary opportunities), including the adoption of a property maintenance code and non-residential design guidelines
- Review and redevelop nuisance and city-owned properties
- Conduct a housing demand study (April 2017)
- Market the study, communicate the need -
  - Community presentations - public, banks, real estate agents, developers
  - Web and social media
- Identify public, private, and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance
- First Wave: Currently under legal review, targeted adoption (January/February 2017)
- Second Wave: Will be comprised of new sign regulations, wind turbine regulations, and updates to all existing zoning districts (Adoption in Fall 2017)
- Third Wave: Begin work of form based zoning, starting with the Grandview Avenue corridor (late 2017)
- Develop a youth diversion program for at risk youth in cooperation with the Police Department and County Attorney's Office

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 2016/17, GMCCI Hires Northstar Fall/Winter 2016)
- Enhance the City's website, expand the use of social media tools for public communication and improve Channel 2 public programming/information
- Participate in the National Citizen Survey (see if, where and how we have "moved the needle") and review the use of online departmental surveys to measure performance and citizen satisfaction
- Continue communication efforts with a focus on increasing transparency and ease of use. Investigate and develop dashboards (visual metrics) for public, council and staff use (i.e. Opengov.com or internal program)

Continuous Service Improvement (Processes, Technology and Efficiency)

- Improve organizational effectiveness and efficiency

- Bring technology to the field (drive efficiency)
- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment (2017)

Sustainability

- Develop a Sustainable Muscatine program to incorporate community sustainability principles of economic prosperity, environmental integrity and cultural vibrancy into the City Comprehensive Plan. This will integrate public, private and non-profit groups as well as individuals to build sustainability practices into planning, budgeting and operations locally and regionally

Projects, Programs and Placemaking

- Develop a plan for the renewal of the Local Option Sales Tax continuing its focus on sewer separation and streets
- Infrastructure: Maximize current resources, look for operational efficiencies, focus on preventive and deferred maintenance, and look for "green" initiatives that are feasible and demonstrate long-term benefits.
- Implement the Capital Improvements Program (CIP) with focus on existing infrastructure
- Mississippi Drive (2016-18) and Grandview Avenue (Funding 2019) -
  - Preliminary design and public meetings (2015-2016)
  - Property acquisition (2016-2017)
  - Bid Phase I (February or March 2017)
  - Construction (2017-2018)
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Update financial plan in 2017
- City Hall HVAC and building envelope plan
- Riverfront Master Plan (Winter 2016-2017)
- WPCP Receiving Station and Waste to Energy Project
- Library Transition to the new HNI Community Center and Musser Public Library
- Review opportunities for reuse of the "old" Musser Public Library
- Reforestation
- Solid Waste Operations Review/Evaluation
- Review and discuss options for the Allen Street Storm Sewer issues

Table of Contents

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 38,209	$ 39,780	$ 41,500	$ 41,400	$ 41,400	-0.24%
Commodities	2,118	912	2,050	2,050	2,050	0.00%
Contractual Services	27,999	25,972	29,150	31,950	33,050	13.38%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 68,326	$ 66,664	$ 72,700	$ 75,400	$ 76,500	5.23%
Funding Sources						
General Revenues	$ 68,326	$ 66,664	$ 72,700	$ 75,400	$ 76,500	5.23%

Personnel Schedule	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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						3,600
Total Personal Services						$ 41,400

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 2016/2017 revised estimate for Legal Services of $200,700 is $104,000 more than the original budget. Actual legal costs vary from year due to projects and issues that arise. During the 2016/2017 year additional legal services were needed for City Code changes, the lawsuit with the Iowa Department of Transportation for ATE (automated traffic enforcement cameras), and other legal services as requested by the City Council and City staff.

The 2017/2018 legal services budget is projected at $150,700 which is $54,000 (55.8%) higher than the original 2016/2017 budget. Actual legal costs can vary from this estimate since many projects and issues that need legal assistance cannot be anticipated. Legal services costs 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
City Attorney (excluding Human Resources legal services) *	580	1,013	1,367	1,500	1,500
City Prosecutor **	275	N/A	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 2017/2018

* 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	96,922	123,009	96,700	200,700	150,700	55.84%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 96,922	$ 123,009	$ 96,700	$ 200,700	$ 150,700	55.84%
Funding Sources						
General Revenues	$ 96,922	$ 123,009	$ 96,700	$ 200,700	$ 150,700	55.84%

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 2016/2017 revised estimate is $5,300 more than the original budget primarily due to increased personal services costs due to salary adjustments and the increase in health insurance costs effective January 1, 2017.

The 2017/2018 budget is $36,000 (10.3%) higher than the original 2016/2017 budget primarily due to increased personal services costs of $19,800, increased travel and training costs of $400, increased dues and memberships of $600, and increased capital outlay of $15,000 for OpenGov software. The increases in travel and training and dues and memberships are for the Communications Manager, which was a 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.

City staff has been looking at systems which would allow for metrics and dashboards of key City statistics to be communicated to the public. After staff review, the City selected OpenGov, which also integrates with the City's financial software system. The $15,000 budget allocation includes a one-time charge to implement the system and the first year's annual fee.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
City Council Agenda Items Presented	293	234	336	300	300
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	6	7	7
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	12	12	12
GMCCI Committee Meetings	18	18	24	24	24

Communications Metrics for 2017/2018 Budget

	June 30, 2015	July 1, 2015 – December 31, 2015	January 1 – December 21, 2016	Estimate 2017
Facebook Page Likes	1,326	2,254	3,598	3,500
Average Weekly Post Reach on Facebook	1,282	12,819 (July – December. 27, 2015)	18,345 (Dec. 28, 2015 – December 18, 2016)	18,000
Twitter Followers	651	779	977	950
Instagram Followers	11	104	161	200
City of Muscatine eNewsletter Subscribers	0	191	340	400
City of Muscatine eNewsletters Sent	0	0	12	12
Press Releases Sent	0	26	44	45
Blog Posts Published	0	21	31	45
Blog Views	0	4,328	5,686	7,000

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 2017/2018 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 2017-18

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development -
  - Industrial Park (South End)
  - Highway 38-61 Industrial Park/Mixed Use Development
  - Additional tax abatement areas
  - Downtown façade program
  - Review additional areas for housing or commercial tax abatement

- Market economic development programs -
  - Create and review signage opportunities
  - Work with local banks, real estate companies and others to promote plans and incentives
- Develop Mississippi River Port based upon feasibility study results -
  - Submitted LIFTS Grant: Awarded 2016
  - Feasibility Study: Complete 12/2016
  - Grants 2016/17: USEDA/TIGER, USDOT, & others
  - Permitting 2017
  - Engineering/Design: 2017
  - Tentative Construction: 2018-19
- Begin long-term planning and redevelopment of the "Carver Corner" area
- Adopt policies on public art and communications on city-owned land and rights-of-way

Housing

- Promote infill opportunities and evaluate opportunities to improve current housing stock (voluntary and involuntary opportunities), including the adoption of a property maintenance code and non-residential design guidelines
- Review and redevelop nuisance and city-owned properties
- Conduct a housing demand study (April 2017)
- Market the study, communicate the need -
  - Community presentations - public, banks, real estate agents, developers
  - Web and social media
- Identify public, private, and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance
- First Wave: Currently under legal review, targeted adoption (January/February 2017)
- Second Wave: Will be comprised of new sign regulations, wind turbine regulations, and updates to all existing zoning districts (Adoption in Fall 2017)
- Third Wave: Begin work of form based zoning, starting with the Grandview Avenue corridor (late 2017)
- Develop a youth diversion program for at risk youth in cooperation with the Police Department and County Attorney's Office

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 2016/17, GMCCI Hires Northstar Fall/Winter 2016)
- Enhance the City's website, expand the use of social media tools for public communication and improve Channel 2 public programming/information
- Participate in the National Citizen Survey (see if, where and how we have "moved the needle") and review the use of online departmental surveys to measure performance and citizen satisfaction
- Continue communication efforts with a focus on increasing transparency and ease of use. Investigate and develop dashboards (visual metrics) for public, council and staff use (i.e. Opengov.com or internal program)

Continuous Service Improvement (Processes, Technology and Efficiency)

- Improve organizational effectiveness and efficiency
- Bring technology to the field (drive efficiency)

- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment (2017)

Sustainability

- Develop a Sustainable Muscatine program to incorporate community sustainability principles of economic prosperity, environmental integrity and cultural vibrancy into the City Comprehensive Plan. This will integrate public, private and non-profit groups as well as individuals to build sustainability practices into planning, budgeting and operations locally and regionally

Projects, Programs and Placemaking

- Develop a plan for the renewal of the Local Option Sales Tax continuing its focus on sewer separation and streets
- Infrastructure: Maximize current resources, look for operational efficiencies, focus on preventive and deferred maintenance, and look for "green" initiatives that are feasible and demonstrate long-term benefits.
- Implement the Capital Improvements Program (CIP) with focus on existing infrastructure
- Mississippi Drive (2016-18) and Grandview Avenue (Funding 2019) -
  - Preliminary design and public meetings (2015-2016)
  - Property acquisition (2016-2017)
  - Bid Phase I (February or March 2017)
  - Construction (2017-2018)
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Update financial plan in 2017
- City Hall HVAC and building envelope plan
- Riverfront Master Plan (Winter 2016-2017)
- WPCP Receiving Station and Waste to Energy Project
- Library Transition to the new HNI Community Center and Musser Public Library
- Review opportunities for reuse of the "old" Musser Public Library
- Reforestation
- Solid Waste Operations Review/Evaluation
- Review and discuss options for the Allen Street Storm Sewer issues

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 238,248	$ 308,000	$ 323,900	$ 328,600	$ 343,700	6.11%
Commodities	4,225	2,818	3,100	3,300	3,400	9.68%
Contractual Services	17,196	14,050	23,300	23,700	24,200	3.86%
Capital Outlay	2,011	2,967	-	-	15,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 261,680	$ 327,835	$ 350,300	$ 355,600	$ 386,300	10.28%
Funding Sources						
Funding Transfers for Communications Manager	$ -	$ 49,600	$ 54,400	$ 54,400	$ 58,000	6.62%
General Revenues	261,680	278,235	295,900	301,200	328,300	10.95%
Total	$ 261,680	$ 327,835	$ 350,300	$ 355,600	$ 386,300	10.28%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions:						
City Administrator	1.00	1.00	1.00	1.00	1.00	
Communications Manager	-	1.00	1.00	1.00	1.00	
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	3.00	3.00	3.00	3.00	$ 260,700
Employee Benefits						83,000
Total Personal Services						$ 343,700

Capital Outlay

Item:	***Replacement***	***Amount***
OpenGov Software	No	$ 15,000

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 2016/2017 revised estimate is over the budgeted amount by $5,200 due to increased legal and personal services costs. Legal services costs increased by $5,000 due to a Civil Service hearing and other personnel matters that required additional legal assistance. The personal services increase of $700 includes the increase in health insurance costs effective January 1, 2017 and a wage adjustment. These increases were partially offset by decreases in other line items.

The 2017/2018 budget is $5,300 (3.4%) more than the original 2016/2017 budget due to increased personal services costs. This includes increased wages as well as the projected increase in health insurance costs effective January 1, 2018. The 2017/2018 budget continues the lower budget allocation for the labor attorney since 2017/2018 is the fourth 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Full-time Positions Hired	11	14	15	13	12
Permanent Part-time Positions Hired	3	5	7	6	5
Retirements	6	5	6	7	5
Personnel Actions Processed	471	408	410	400	400
Employment Applications Received	450	603	252	300	300
Civil Service Examinations Administered	12	12	8	8	10
Employee Training Programs	3	2	3	3	4
Civil Service Commission Meetings	9	9	4	8	8

RECENT ACCOMPLISHMENTS

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

The Human Resources staff worked with the newly formed Nominations Committee to create an application process for citizens interested in serving on a board or commission. An updated application form was created and a process for reviewing applications has been created. The Human Resources Manager also worked with the Communications Manager to promote this to the public.

Supervisory training continued in the 2016 calendar year. Topics selected were based on areas of need and areas the supervisors are interested in. Upcoming topics will include proper documentation of employee performance issues. In addition, training for non-supervisory employees is being planned. The Human Resources division is also in the process of setting up online training options that employees can access.

The Human Resources staff has been working closely with Parks and Recreation and the Wellness Committee to continue enhancements of and participation in the THRIVE wellness 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. A goal for the upcoming year is to increase employee participation in the program.

Finally, the division has continued working to implement the Human Resources part of the new financial software. Employee records such as disciplinary actions, performance evaluations, and accident reports are being added to the electronic records. This will continue to be an ongoing activity.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To begin preparation for union negotiations. This will include ensuring up to date job descriptions, pay plans, and benefits reviews.

* To implement a regular training schedule for employees to access online. Employees can then be scheduled to take required training at regular intervals (i.e. sexual harassment, diversity, etc.). **(Council and Management Continuous Service Improvement Goal)**

* To continue efforts to embed CSI (Continuous Service Improvement) principles in work processes throughout the City and find ways to measure efficiency improvements. **(Council and Management Continuous Service Improvement Goal)**

Table of Contents

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 105,320	$ 110,023	$ 115,700	$ 116,400	$ 121,600	5.10%
Commodities	375	583	2,000	1,500	1,400	-30.00%
Contractual Services	24,804	42,654	39,300	44,300	39,300	0.00%
Capital Outlay	390	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 130,889	$ 153,260	$ 157,000	$ 162,200	$ 162,300	3.38%
Funding Sources						
General Revenues	$ 130,889	$ 153,260	$ 157,000	$ 162,200	$ 162,300	3.38%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 83,200
Employee Benefits						38,400
Total Personal Services						$ 121,600

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 2016/2017 is the same as the budgeted amount. The budget for 2017/2018 is $1,900 (3.2%) more than the 2016/2017 budget due to increased personal services costs. The budget for 2017/2018 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 2014	Actual 2015	Actual 2016	Estimated 2017	Estimated 2018
Employee Wellness Opportunities	10	10	12	11	13
Employee Wellness Participants	302	300	300	325	350
Employee Assistance Program Participation Levels	7.7%	8.8%	7.2%	10%	10%
Condition Support Program (previously called Disease Management Program) Participants	147	70	70	80	90

RECENT ACCOMPLISHMENTS

Employee wellness continues to be important to City employees as demonstrated through their participation and continued interest in the wellness offerings as follows:

	THRIVE	Blood Drive	Flu Shots	Wellness Screenings	Weight Loss Programs	Hearing Tests	Walk the Big Muddy	Wellness Scholarships
Participants	34	8	97	57	38	23	20	23

The City of Muscatine became a designated Blue Zones worksite in July 2014. Designated Blue Zones worksites are committed to empowering employees to be happier, healthier, and more productive by creating healthier work environments by offering immunization clinics, providing literature on healthy lifestyles, and encouraging employees to be more active on a daily basis.

Walk the Big Muddy, a new walking wellness program, was developed where employees self-report either minutes walked or steps walked and earn prizes at checkpoints as they "walk" the length of the Mississippi River. There are currently 23 employees participating who have already walked nearly 2,000 miles since the beginning of November 2016.

Trinity/Unity Point continues to provide health screenings. Those who have participated for multiple years are given comparative results from year to year that allows them to track their progress. Continuing these tests is important as typically they are not performed by a doctor until there are symptoms present that can be 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.

As an extra incentive to lose weight through diet and exercise, the wellness program again ran a Biggest Loser contest this summer. Twenty employees lost a combined 196 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, Blood Borne Pathogens training, and hearing tests. The THRIVE program was re-evaluated and has continued. This program utilizes employee self-reporting to Wellmark of healthy lifestyles based on the Blue Zones philosophy of mental, physical, and emotional wellbeing. Points are earned for reported positive wellness activities. Points can then be converted into gift card prizes.

The wellness offerings for city employees continue to be evaluated to best 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 2017/2018

* To research the top four insurance claims and bring in educational speakers or classes to help employees better understand ways to stay healthy and safe. **(Council and Management Continuous Service Improvement Goal)**

* To continue to promote THRIVE, the employee wellness incentive program, by visiting with each department at least once a year and to offer one-on-one appointments to help employees sign up and participate.

* To more actively promote participation in Trinity/Unity Point wellness screenings to increase participation by employees and their spouses.

* To develop and offer at least two new wellness programs to increase employee participation.

* To meet with the Wellness Committee quarterly to receive feedback on new programs, modifications for current programming, and brainstorming for new wellness programs. **(Council and Management Continuous Service Improvement Goal)**

* To meet with employees to promote the Employee Assistance Program (EAP), the employee counseling program, by visiting with each department at least once a year to educate and remind employees about the program.

* To provide more education and written materials to employees about the Condition Support Program and how to participate in the program. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Parks and Recreation

Activity:

Wellness Program

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 29,890	$ 31,870	$ 33,400	$ 33,700	$ 35,300	5.69%
Commodities	581	425	2,300	2,000	2,300	0.00%
Contractual Services	19,994	20,240	22,900	22,900	22,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 50,465	$ 52,535	$ 58,600	$ 58,600	$ 60,500	3.24%
Funding Sources						
Health Insurance Funds	$ 50,465	$ 52,535	$ 58,600	$ 58,600	$ 60,500	3.24%

Personnel Schedule	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	$ 22,000
Employee Benefits						13,300
Total Personal Services						$ 35,300

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 2016/2017 is $7,500 more than the original budget. While there are minor increases and decreases in various budget line items, the overall increase is due to the increase in personal services. The personal services increase includes (1) wage adjustments for Finance employees of $1,600, and (2) increased health insurance costs, which reflects the rate increase effective January 1, 2017 and an employee changing from single to family coverage during the year.

The 2017/2018 budget is 8.1% ($48,700) higher than the original 2016/2017 budget. This increase is due to (1) a $14,100 increase in employee wage and benefit costs (excluding health insurance), (2) a $24,800 increase in health insurance costs, which includes the projected rate increase as well as two employees (1.5 full-time equivalent) changing from single to family health insurance, (3) $6,900 for the bi-annual election, (4) $6,900 for the local option tax referendum, (5) a decrease of $4,400 since the bi-annual GASB 45 actuarial update is not needed in 2017/2018, and (6) a net overall increase of $400 in other accounts.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
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
Moody's Investor Services Bond Rating	Aa2	Aa2	Aa2	Aa2	Aa2
City Vendors Checks Issued	5,187	5,107	4,984	5,100	4,900
City Vendor ACH Payments	N/A	N/A	164	170	370
Housing Programs Checks Issued	2,456	2,241	2,224	1,800	1,800
Housing Vendor ACH Payments	N/A	N/A	36	500	500
Payroll Checks Issued	2,974	2,678	2,293	2,400	2,400
Payroll Direct Deposit Transactions	6,090	6,383	6,813	6,800	6,800
Accounts Payable Transactions	28,000 (1)	31,012	28,667	28,900	28,900
City Receipt Transactions	12,955	12,706	12,623	12,900	12,900
Housing Receipt Transactions	2,465	2,501	2,466	2,500	2,500
Interest Earned	$49,183	$136,377	$170,095	$190,000	$150,000
Records:					
Public Documents Recorded	293	234	324	290	290
Council Minutes Prepared	42	44	44	45	45
Notices Published	37	35	43	35	35
Purchasing:					
Purchase Orders Processed	2,013	2,155	2,296	2,400	2,400

1. The number of accounts payable transactions in 2013/2014 is an estimated number since the first 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 in the new software.

RECENT ACCOMPLISHMENTS

The City received GFOA's Distinguished Budget Presentation Award for the 2016/2017 Budget. This was the 32nd 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 fund balance further increased to $635,191 at the end of the 2015/2016 fiscal year. It is expected there will continue to be a positive balance in the Landfill fund that will be sufficient to fund construction of the next landfill cell in 2017/2018.

In the spring of 2016, the Finance department coordinated the issuance of $4,550,000 in general obligation bonds that financed the local share of projects currently under construction. The City maintained its Aa2 bond rating from Moody's Investor Services. The net interest cost for the issue from the successful bidder was 1.437286%. This issue funded the local share of the Mulberry Avenue project, the local share of the Airport Runway Reconstruction and other Airport projects, the Art Center HVAC project, several Parks projects, and $315,000 for deferred maintenance items on City buildings. This issue sold for a premium of $211,712 which allowed additional funds to be allocated for deferred maintenance projects on City buildings (a total of $526,700 is available from the bond issue for these projects).

The 2016 bond issue also included refunding the final two years of the 2008 bond issue. This resulted in a net present value of interest savings of $34,835.

A major initiative of the Finance department in 2013 and 2014 was implementation of a new financial software system that replaced a system which had been in place since the early 1990's. Most features of the new system have been implemented. During the past year, the Finance department began implementing electronic payments to vendors. The Section 8 Housing program monthly rent payment vendors were the initial vendors to be able to request their payments be made electronically. For the most recent month, 36 of the 101 (35.6%) of housing landlords have opted for direct deposit of their monthly rent payments. In dollar amounts, however, this percentage is at 58.0% of the payments to landlords.

Beginning in the spring and continuing through the fall of 2016, Finance staff did in depth reviews of sewer and refuse collection accounts and billings. Billings and collections are done by Muscatine Power & Water (MP&W) on behalf of the City. Finance staff worked with MP&W staff to complete (1) a review of senior discounts on refuse and sewer bills, (2) a review of accounts being charged or not charged for sewer services, and (3) an in depth review of commercial refuse collection accounts and rates for customers with dumpsters.

From the review of senior discounts, it was found that 117 customers were receiving discounts in error. With the $5.00/month discount for Refuse Collection and the $1.00 per month discount on sewer bills, this totals to $7,020 annually in additional revenues to the Refuse Collection fund and $1,404 annually to the Water Pollution Control Fund. From the review it appeared that discounts may have been carried forward to new owners of homes in error or discounts were not removed if homes were passed down to family members that were not eligible for the discounts. This review will be done more frequently going forward.

The review of sewer accounts looked at customers being billed for water service by MP&W but that did not have sewer and collection and drainage charges. From the initial report, MP&W staff identified 34 residential accounts and one commercial account that should have been being billed for sewer service but were not. Based on average residential usage, revenue from the 34 residential accounts is approximately $11,000 annually. Billings began immediately after identifying these accounts. Sewer billings for the one commercial account were found to have been discontinued beginning in July 2010 when this customer changed their water meters. MP&W staff and the City Finance Director met with this customer and as a result of this meeting, this customer agreed that they should have been paying for sewer services and agreed to pay the retroactive charges totaling $92,850.

The review of City Refuse Collection commercial accounts with dumpsters began with tracking actual waste volume, staff time, and miles driven for a one-week period. Based on the week tracked, it was found that

while dumpster pickup stops were 1.93% of the total refuse collection stops, the waste picked up from the dumpster accounts accounted for an estimated 16% of the total waste volume picked up by the Refuse division. From the week tracked, it was also estimated that direct costs for tipping fees, staff time, and fuel exceeded revenues from these accounts. Several proposed new rate structures were reviewed with the City Council and a Chamber Committee which assisted in determining the final rate structure approved by City Council in July of 2016. Prior to the rate schedule being implemented, the City provided 60-90 days' notice to the current customers and worked with customers to "right-size" their dumpsters and frequency of pickup. The new rates were effective on the October MP&W bills for these customers. Even with the loss of several customers and the changes in pickup frequency or dumpster sizes, revenues will increase by approximately $2,415 monthly ($28,980 annually) based on the current customer accounts. Customers have the option of discontinuing or adding commercial dumpster services at any time. Staff will perform another review in the spring of 2017 to determine the final impacts of the initial review.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures,* GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14, issued January 2016.*

* 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 and Grandview Avenue Corridor Project, Riverfront Master Plan Update projects, building and facility deferred maintenance projects, the Water Pollution Control Plant Receiving Station and Waste to Energy project, and the new Airport T-Hangar construction project. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To update the long-term financing plan for the West Hill Sewer Separation project being done in multiple phases to meet the 2028 deadline in the Consent Order with the Environmental Protection Agency (EPA). **(Council and Management Projects, Programs, and Placemaking Goals)**

* To work with other staff to develop a plan for the renewal of the Local Option Sales Tax which is currently in place through June 30, 2019 and being used for sewer (80%) and street (20%) projects. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To perform a follow-up review of the impacts of the new rate schedule for commercial refuse collection accounts with dumpsters. **(Council and Management Continuous Service Improvement Goals)**

* To implement the remaining features of the new financial software system including the Fire Fair Labor Standards Act (FLSA) computations 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)**

Table of Contents

Function:
General Government

Department:
Finance

Activity:

Finance and Records

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 447,888	$ 468,584	$ 489,600	$ 497,100	$ 528,500	7.95%
Commodities	7,796	7,545	13,300	12,200	12,200	-8.27%
Contractual Services	87,054	98,394	96,400	97,500	107,300	11.31%
Capital Outlay	425	-	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	$ 543,163	$ 574,523	$ 599,300	$ 606,800	$ 648,000	8.13%
Funding Sources						
Licenses and Permits	$ 43,413	$ 42,566	$ 43,500	$ 42,500	$ 42,500	-2.30%
Housing Accounting Fees	55,800	57,400	59,000	59,000	60,800	3.05%
General Revenues	443,950	474,557	496,800	505,300	544,700	9.64%
Total Funding Sources	$ 543,163	$ 574,523	$ 599,300	$ 606,800	$ 648,000	8.13%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 367,500
Employee Benefits						161,000
Total Personal Services						$ 528,500

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 2016/2017 is $10,100 more than the original budget. Personal services costs in the revised estimate increased by $3,600 due to a wage adjustment and the increase in health insurance premiums. Software maintenance costs increased by $6,500 due to the need to purchase additional security software in response to the increase in ransomware attacks.

The 2017/2018 budget is $29,800 (10.7%) higher than the original 2016/2017 budget. This increase includes (1) an increase of $6,800 in wage and benefit costs excluding health insurance, (2) an increase of $4,200 in health insurance costs due to the recent increases, (3) an increase of $6,500 for the additional security software added in 2016/2017, and (4) a capital outlay request of $12,300 for network operating system upgrades. 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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Personal Computers Maintained (includes tablets beginning in 2015/2016)	223	241	248	250	250
Networks Maintained	3	3	4	4	4
AS/400's Maintained	1	1	1	1	1
Training Sessions	8	9	11	12	12

RECENT ACCOMPLISHMENTS

The building construction taking place at the Muscatine Art Center required that the network server and all related equipment be relocated to a new physical location.

The IT department implemented a zero-day security software to thwart a new type of malware that had plagued City computers. Since this software was put in place the City has not been hit with a successful ransomware attack. The department also (1) established a multimedia presentation system (MPS) at the Muscatine Police department similar in function to the MPS in the Lower Level Conference Room at City Hall; (2) installed a new plotter at City Hall for the output of large format material such as GIS maps, charts, banners, etc.; (3) established a policy to require two-factor authentication on the City's e-mail system; and (4) migrated the Transfer Station scale program to new hardware. Due to the critical nature of the scale program to the operation of the Transfer Station, the new machine was outfitted with redundant storage.

Using funding provided by MUSCOM (Muscatine City/Council Joint Communications System), a new network backbone router was configured and installed to handle all network traffic flow throughout the Public Safety Building.

One of the Muscatine Fire department's ambulances was outfitted with a new Surface tablet for the ambulance billing/reporting software. These tablets have a significantly lower acquisition cost than the current Toughbooks in use in the other ambulances. Testing of this hardware is ongoing.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To seamlessly transition the Musser Public Library into their new location. During this task continue to seek techniques to increase efficiency for both staff and library patrons. Examples include but are not limited to different digital communications topology, security camera systems, network server operating system upgrades, etc. **(Council and Management Continuous Service Improvement Goal)**

* To begin to migrate to a newer server operating system. The bulk of the City's servers are running a nine-year-old operating system that is scheduled to be obsolete by the manufacturer in January of 2020 and need to be updated prior to that date.

* To continue to transfer to a newer desktop operating system. The bulk of the workstations are running a seven-year-old operating system that is scheduled to be obsolete in January of 2020 and need to be updated prior to that date. This task began in 2016 and will continue until completed.

* To transform the digital connection between City Hall and the Public Safety Building to fifth generation 802.11ac. The newer connection will provide additional bandwidth to provide for future growth and will maintain a high level of security for the City's network and telephone (VoIP) infrastructure.

* To enter into negotiations with Muscatine Power and Water in an attempt to modify the parameters of the existing contract between the City and MP&W. Objectives for this renegotiation would be an increased level of digital communications, lower monthly cost, or both.

Table of Contents

Function:
General Government

Department:
Finance

Activity:

Information Technology

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 169,734	$ 177,997	$ 183,800	$ 187,400	$ 194,800	5.98%
Commodities	1,360	1,182	1,800	1,800	1,800	0.00%
Contractual Services	43,338	55,526	52,300	58,800	58,800	12.43%
Capital Outlay	19,008	-	-	-	12,300	
Transfers	40,000	40,000	40,000	40,000	40,000	0.00%
Total Expenditures	$ 273,440	$ 274,705	$ 277,900	$ 288,000	$ 307,700	10.72%
Funding Sources						
IT Administrative Fees	$ 27,700	$ 23,900	$ 29,300	$ 29,300	$ 30,100	2.73%
General Revenues	245,740	250,805	248,600	258,700	277,600	11.67%
Total Funding Sources	$ 273,440	$ 274,705	$ 277,900	$ 288,000	$ 307,700	10.72%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 131,300
Employee Benefits						63,500
Total Personal Services						$ 194,800

Capital Outlay

Item:	***Replacement***	***Amount***
Network Operating System Upgrades	Yes	$ 12,300

Capital Outlay Funding Transfer

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

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

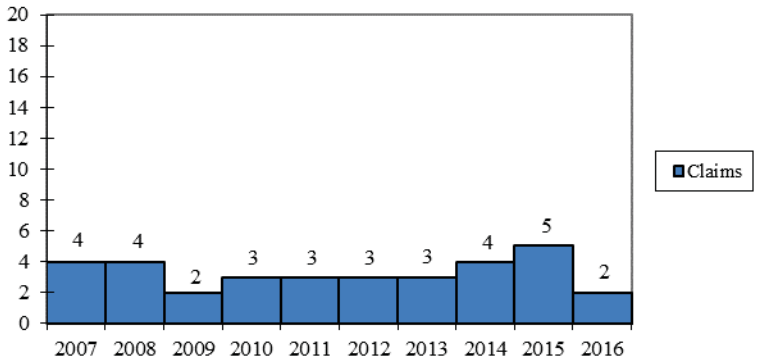
Activity:

Risk Management

GENERAL INFORMATION

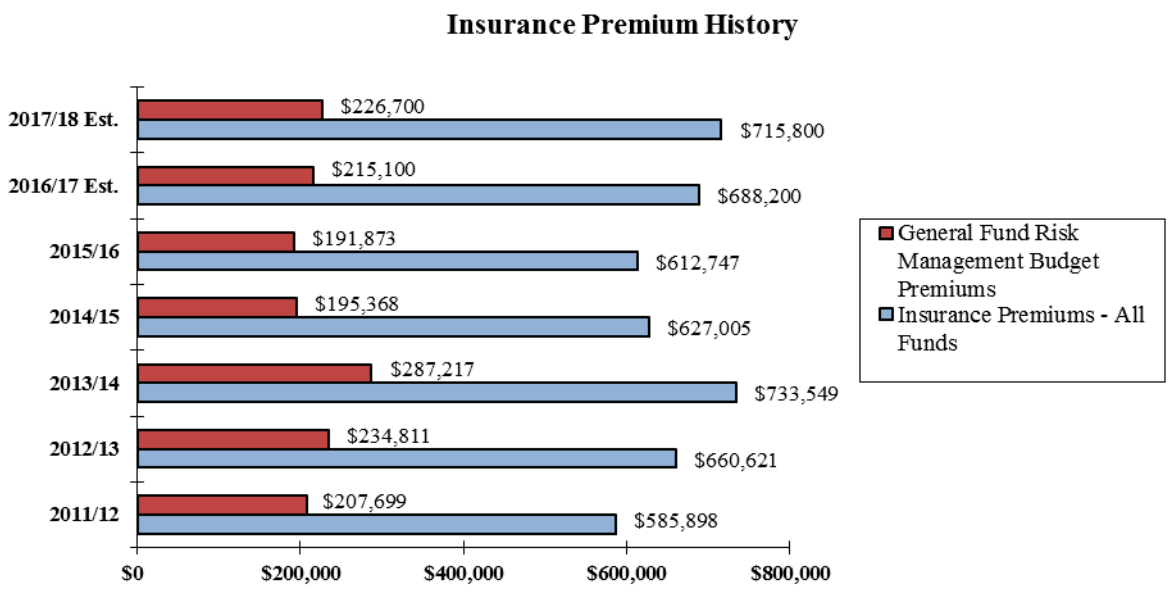
This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were two lost time workers compensation claims recorded for the City during calendar year 2016. The history of lost time claims for the past ten years is as follows:

Lost Time Workers Compensation Claims



The goal for 2017/2018 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 2011/2012 through the budgeted costs for 2017/2018 as well as total City insurance premiums are shown in the following graph:



CURRENT TRENDS AND ISSUES

The revised estimate for 2016/2017 for the Risk Management budget is $10,400 less than the original budget primarily due to reduced insurance premiums. Insurance premiums in this budget total $215,100 for the revised estimate, which is $9,900 less than the original budget of $225,000. 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 have remained in effect through 2017/2018.

The estimated insurance costs included in the Risk Management budget total $226,700 for 2017/2018. This is a $1,700 (.8%) increase from the original 2016/2017 budget.

The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at $715,800 for 2017/2018. This is a $39,800 (5.9%) increase from the original 2016/2017 budget of $676,000 and a $27,600 (4.0%) increase from the 2016/2017 revised estimate of $688,200. Of the $715,800 total budgeted insurance costs, $226,700 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 2017/2018 budget includes an estimated $18,800 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 insurance costs for the 2017/2018 fiscal year were provided by the City's Insurance Agent. The projections reflect 3% to 7.5% increases for the various policies.

The budget for 2017/2018 includes a $.26661 per $1,000 valuation Tort Liability tax levy which is a 4.9% decrease from the 2016/2017 tax rate of $.28031. The Tort Liability tax levy provides funding of $10,500 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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Workers Compensation Experience Modification Factor	.72	.73	.75	.94 *	.94 *
Insurance Premiums Paid - All Funds	$733,549	$627,005	$612,747	$688,200	$715,800
Risk Management Insurance Premiums	$287,217	$195,368	$191,873	$215,100	$226,700
Accident Review Committee Meetings	10	11	10	12	12

* The change in the experience modification factor was based on the three year period that is used to calculate the rate. A year of low experience was replaced by a year with a higher number of losses resulting in the increase in the modification rate. There is no one factor that can be pinpointed to explain the increase.

RECENT ACCOMPLISHMENTS

While the City's Workers Compensation Experience Modification factor increased in 2016/2017 as shown in the above table, it is the ongoing goal of the risk management function to reduce both the frequency and cost of employee injuries. In order to continue toward this goal, the City has added some online training options to facilitate consistency in safety training. Supervisors can use this tool to provide easy access to training for their various departments. In addition, employees can be assigned training individually. Select employees will also be attending an OSHA 10-hour training course in the near future. Finally, the City has done a good job of providing light duty assignments to injured workers which helps to reduce the cost of claims. The risk management department continues to work to ensure that all injured workers find light duty assignments as quickly as possible.

The City transitioned to a new insurance broker this year and efforts to build new relationships are continuing. The new broker has attended several safety committee meetings and has been complimentary of the process used to review accidents/injuries. A number of sites were visited to allow the new agent to better understand the City. The City continues to receive praise for their risk management efforts, and efforts will continue to ensure a safe working environment for all employees.

With assistance from the Office Assistant, a much-improved process of tracking and paying bills related to worker's compensation was established. This allows for much easier information gathering on the status of bills and for tracking claim costs when needed. The process has reduced the amount of time spent in dealing with workers compensation issues.

The transition to the Human Resources software has allowed for easier tracking of accident/injury history. These records are being stored electronically making recall of the information quicker and easier to share. This also saves time at the end of each year when OSHA reporting is required to be prepared.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete an update of the City's safety policies.

* To continue to assist with the wellness program in order to take a holistic approach to health, safety, and wellness.

* To continue the process of scheduling online training for employees and improve the system for tracking completed training.

Table of Contents

Function:
General Government

Department:
City Administrator

Activity:

Risk Management

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 26,634	$ 27,614	$ 28,700	$ 28,900	$ 30,000	4.53%
Commodities	4,370	4,910	11,600	11,600	11,600	0.00%
Contractual Services	214,547	200,936	246,900	236,300	247,900	0.41%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 245,551	$ 233,460	$ 287,200	$ 276,800	$ 289,500	0.80%
Funding Sources						
Tort Liability Taxes	$ 195,368	$ 191,873	$ 219,500	$ 215,100	$ 226,700	3.28%
General Revenues	50,183	41,587	67,700	61,700	62,800	-7.24%
Total Funding Sources	$ 245,551	$ 233,460	$ 287,200	$ 276,800	$ 289,500	0.80%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	$ 21,400
Employee Benefits						8,600
Total Personal Services						$ 30,000

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 2016/2017 is over the budgeted amount by $4,100 primarily due to (1) increased personal services costs of $3,100, which includes the increase in health insurance rates, and (2) a $1,900 increase in grounds maintenance services for the new library. The City took possession of the new library in January of 2017 and the City will be maintaining the grounds beginning this calendar year. These increases were partially offset by a $900 decrease in capital outlay.

The 2017/2018 budget is $71,300 (13.0%) higher than the original 2016/2017 budget. The budget includes eliminating the current cleaning services contracts for City Hall and the current library (a $54,500 reduction) and replacing these services with three 25 hour/week employees (an increase of $84,400) to clean and maintain City Hall and the new, larger library. The $71,300 overall increase includes (1) an increase of $104,400 in personal services costs which includes $84,400 for the three new part-time employees, (2) a $54,500 reduction in contracted cleaning services, (3) a $7,700 increase in grounds maintenance services for the new library, (4) a $12,600 increase in building repair and maintenance services for service contracts for the new library, and (5) a net $1,100 increase in other accounts. Building maintenance needs for the new library will be further reviewed once the new facility is open.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Buildings Maintained	8	8	8	8	9 (1)
Heating, Ventilation, and Air Conditioning (HVAC) and Other Service Contracts	3	14	14	14	17 (1)
Staff Custodians (Full Time and Part Time)	5	5	5	5	8
Contract Custodians	3	3	3	3	1
Grounds Maintained	3	3	3	3	4
Janitorial Supplies Purchased	$14,811	$11,108	$17,822	$15,000	$15,000
Major Maintenance Projects (Above $2,000)	14	14	14	15	30 (2)

1. Increases due to adding the new library building.
2. Major maintenance projects include those funded from the Deferred Maintenance Capital Project fund.

RECENT ACCOMPLISHMENTS

The Building and Grounds division has had a very busy year. Staff members have adapted to their new positions and have been able to maintain the city's buildings and complete many projects.

Building and Grounds' diverse responsibilities include: HVAC systems including boilers and furnaces, Geothermal systems, heat pumps and air conditioning units, and plumbing, electrical, garage doors, carpentry, painting, and yard care. Division employees perform numerous building repairs when possible. There are also contract service providers staff works with and oversees from mechanical services to cleaning services. The department facilitates and monitors the City General Contractor. Staff is responsible for ordering and distributing cleaning and maintenance supplies to all buildings.

Staff members were able to complete a number of projects in-house that saved the City money. These included: (1) the Public Safety Building (PSB) old dispatch area was remodeled and made into a new conference and interview room, (2) entered into a lighting agreement with Muscatine Power & Water (MP&W) which allowed the City to get new lights and ballasts at no cost, which have been installed at the Public Safety Building, (3) refueled the PSB generator, (4) installed the wiring for the Morgan Building garage doors and heaters, (5) handled City Hall window washing in-house this year, (6) moved offices, cleaned, painted, and installed new carpet at Public Works, (7) repaired and re-landscaped the planters at Public Works, (8) remodeled the Mayor's office at City Hall, (9) stripped and painted the Human Resources Manager's office before new carpet was installed, and (10) completed several projects at the airport.

There have also been many contracted improvements completed that were accounted for in capital project funds including the Art Center HVAC, Geothermal, and window upgrades as well as painting, gutter and drain tile replacement, tuckpointing and sealing and roofing. City Hall had a roof replacement, painting, tuckpointing and sealing. The Airport and Transfer Station had tuckpointing and sealing work done. The Public Safety Building had a roof replacement, tuckpointing, and sealing.

Staff is working to get everything in place for the new library including evaluating cleaning needs, mechanical contractors, and yard care services to make sure there is a trouble-free transition. The new library will take a large part of this division's time in 2017.

These are a few of the department's accomplishments this past year. Staff will continue to do everything it can to save the City money by using its many talents and by overseeing and holding contractors accountable for repairs.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To maintain current certifications and get staff pesticide and herbicide applicator certifications.

* To continue outside Building and Grounds beautifications projects.

* To continue to complete deferred maintenance capital improvement projects in City facilities.

* To continue to identify and put a plan in place to keep buildings in the best possible condition.

* To ensure a smooth transition from the old library to the new library, and also to maintain the old library until the future use of that facility is determined. .

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 286,190	$ 303,663	$ 307,800	$ 310,900	$ 412,200	33.92%
Commodities	29,546	38,584	41,800	41,800	42,800	2.39%
Contractual Services	177,875	194,994	196,200	198,100	164,200	-16.31%
Capital Outlay	10,282	2,163	3,700	2,800	1,600	-56.76%
Transfers	-	-	-	-	-	
Total Expenditures	$ 503,893	$ 539,404	$ 549,500	$ 553,600	$ 620,800	12.98%
Funding Sources						
Charges for Supplies	$ 6,210	$ 6,948	$ 7,200	$ 7,200	$ 9,000	25.00%
Sale of Equipment	94	-	-	-	-	
General Revenues	497,589	532,456	542,300	546,400	611,800	12.82%
Total Funding Sources	$ 503,893	$ 539,404	$ 549,500	$ 553,600	$ 620,800	12.98%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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 II	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 II	0.85	0.85	0.85	0.85	2.10	
Custodian I	-	-	-	-	0.63	
Total	4.35	4.35	4.35	4.35	6.23	$ 283,700
Employee Benefits						128,500
Total Personal Services						$ 412,200

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
City Hall Window Air Conditioner Units	2	Yes	$ 1,000
Public Safety Building Snowblower	1	Yes	600
Total			$ 1,600

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

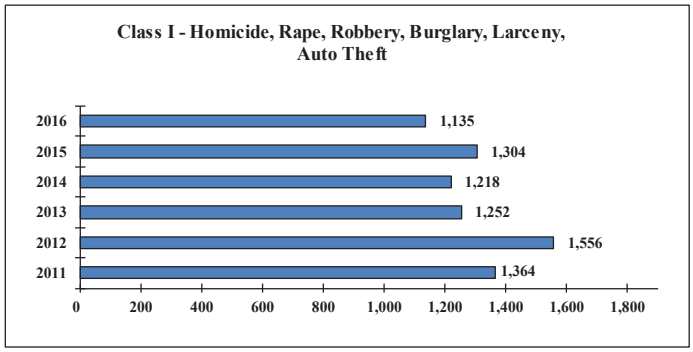
Activity:

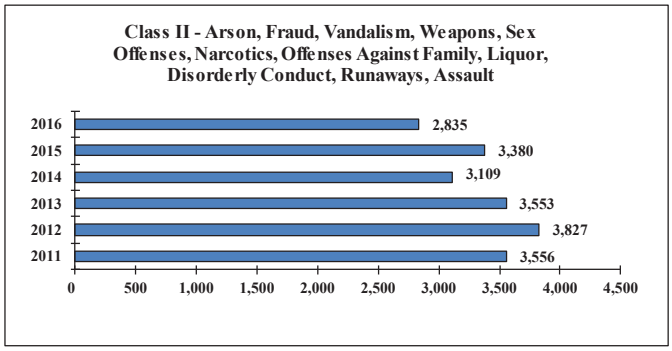
Police Operations

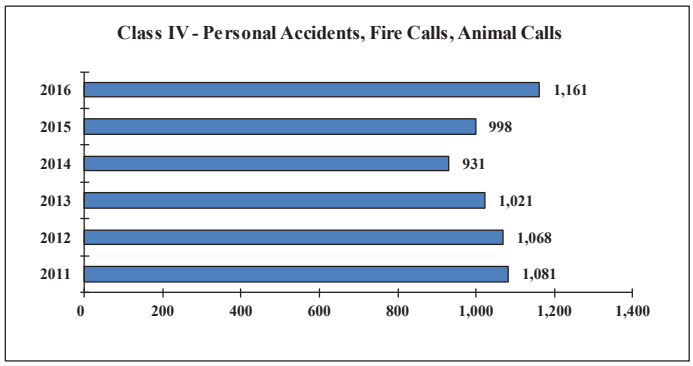
GENERAL INFORMATION

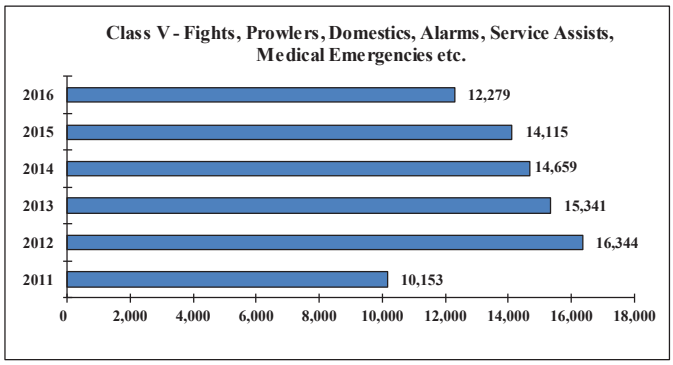
The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one 29 hours per week civilian clerk position. In 2011 the department was awarded funding from a U.S. Department of Justice COPS grant for two additional police officer positions 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.

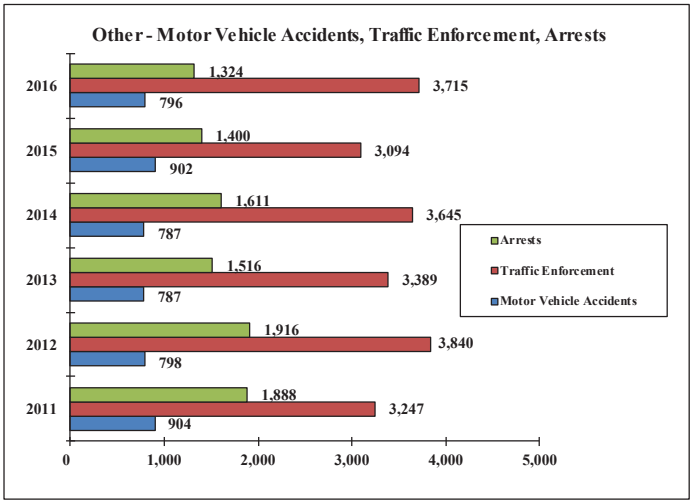
The department is responsible for the protection of lives and property for all individuals within the City. The department currently consists of five (5) divisions: patrol, investigation, general administration, street crimes, and a canine unit. The patrol division operates on three (3) shifts. Following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

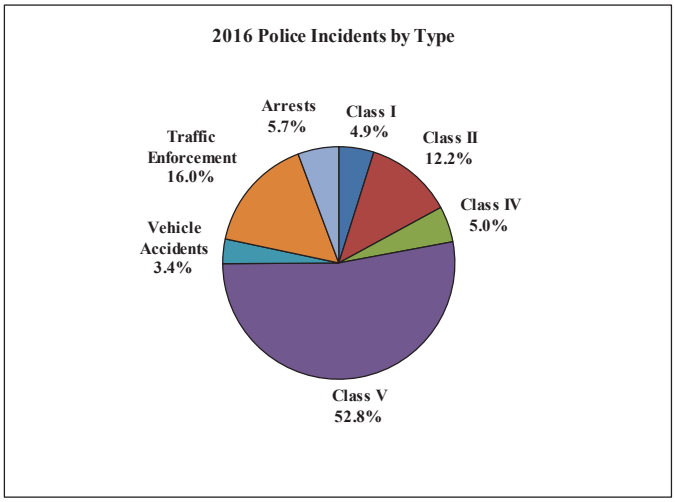












CURRENT TRENDS AND ISSUES

The revised estimate for 2016/2017 is $148,600 less than the original budget primarily due to personal services savings from staff vacancies and the new hires at lower pay rates.

The 2017/2018 budget is $61,100 (1.3%) more than the 2016/2017 budget. Personal services costs increased by $101,100, an increase of 2.4%. This increase was partially offset by decreases in commodities ($4,000), contractual services ($34,400), and capital outlay ($1,600). The decrease in contractual services is due to eliminating one of the two contracted evidence technicians and a reduction in expected medical costs for a former employee that retired due to job-related injuries.

The 2017/2018 budget continues to include expenditures which will be funded from various police grants. The HIDTA (High Intensity Drug Trafficking Area) grant is budgeted to continue in 2017/2018 with grant

expenditures of $80,600; $15,900 of Governor's Highway Safety funds are budgeted to be expended; $4,000 of Domestic Violence grant funding is expected to be received and expended; and funding of $33,400 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% ($143,600) 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 2013	**Actual 2014**	**Actual 2015**	**Actual 2016**	**Estimated 2017**
Police Calls for Service	21,954	22,535	22,626	21,798	22,000
Overtime Hours Worked	3,173	2,916	2,881	3,151	3,000
Traffic Enforcement	3,484	3,645	3,094	3,715	3,500
Arrests	1,506	1,611	1,400	1,324	1,500
Parking Tickets Issued	1,595	2,060	2,030	1,886	2,000
Uniform Crime Report Clearance Rates	44%	44%	44%	45%	45%
Investigations Assigned	170	168	156	154	160
Investigations Cleared	75%	72%	83%	79%	75%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	2,517	2,350	2,823	3,062	2,800
Speed on Green Violation Citations	10,601	11,500	11,624	10,259	10,500
ATE Violations – City Residents	2,464	2,360	2,737	2,658	2,500
ATE Violations – Non-Residents	10,546	11,500	11,710	10,574	10,800
Department Revenue – Fiscal Year Basis	$1,316,150 (FY13/14)	$1,433,244 (FY14/15)	$1,324,025 (FY 15/16)	$1,301,300 (Est. 16/17)	$1,303,200 (Est. 17/18)

RECENT ACCOMPLISHMENTS

In partnership with the Iowa Department of Narcotics Enforcement and the Muscatine County Sheriff's Office, the Police Department continues to partner with the Muscatine County Drug Task Force (DTF) which also includes Louisa and Cedar counties. The program receives funding from federal (HIDTA) and state (ODCP) grants. 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 the department continues to look for ways to battle the drug problem in our area.

The department continues to maintain as well as revise its efforts for Problem Oriented Policing. Operation POP can and the officer park and walks continue as has 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

the department's interaction with the community as well as receive concerns and information from the public. The department looks forward to expanding its efforts in the coming fiscal year.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

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

* To maintain a highly effective Investigative unit including the Major Crimes Unit, Street Crimes Unit and the detectives assigned to the Muscatine County Drug Task force.

Function:
Public Safety

Department:
Police

Activity:

Police Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 3,917,339	$ 3,926,528	$ 4,283,600	$ 4,137,500	$ 4,384,700	2.36%
Commodities	139,305	135,255	156,400	144,400	152,400	-2.56%
Contractual Services	277,340	282,141	306,100	309,700	271,700	-11.24%
Capital Outlay	74,106	60,182	44,900	50,800	43,300	-3.56%
Transfers	-	99,076	-	-	-	
Total Expenditures	$ 4,408,090	$ 4,503,182	$ 4,791,000	$ 4,642,400	$ 4,852,100	1.28%
Funding Sources						
Grants	$ 320,741	$ 229,431	$ 280,400	$ 289,500	$ 289,400	3.21%
Parking Violations	33,191	26,220	25,000	26,000	26,000	4.00%
Court Fines	180,553	167,402	175,000	170,000	170,000	-2.86%
Automatic Traffic Enforcement Fines	776,436	783,470	600,000	700,000	700,000	16.67%
Fruitland Agreement	46,678	47,845	49,100	49,100	50,500	2.85%
False Alarm Charges	3,535	4,400	3,000	3,000	3,000	0.00%
Utility Franchise Fees	48,405	40,654	50,000	42,500	42,500	-15.00%
Transfers:						
COPS Grant Reserve	-	89,000	-	-	-	
Insurance Trust	-	14,555	-	-	-	
General Revenues	2,998,551	3,100,205	3,608,500	3,362,300	3,570,700	-1.05%
Total Funding Sources	$ 4,408,090	$ 4,503,182	$ 4,791,000	$ 4,642,400	$ 4,852,100	1.28%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	24.00	24.00	24.00	24.00	24.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Clerk	1.00	1.00	1.00	1.00	1.00	
Total Full Time	43.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	0.73	0.73	0.73	0.73	0.73	
Total	43.73	43.73	43.73	43.73	43.73	$ 2,690,700
Employee Benefits						1,694,000
Total Personal Services						$ 4,384,700

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Lightbars	2	Yes	$ 7,000
Radar Units	2	Yes	6,000
Scanners	2	Yes	5,000
ToughPad Computers	2	Yes	7,000
Ballistics Shield	1	Yes	7,000
Chemical Munitions		Yes	3,300
JAG Grant-Funded Equipment (Subject to Grant Award)			8,000
			$ 43,300

Additional Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Detective Vehicles (Used)	2	Yes	$ 40,000
			$ 40,000

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

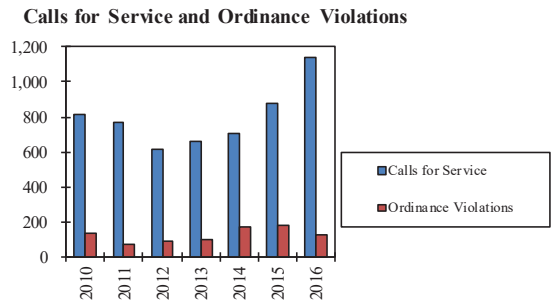
Activity:

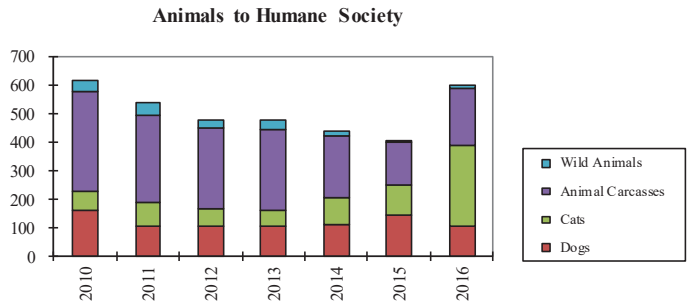
Animal Control

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 updated City Code which was effective July 1, 2015.





CURRENT TRENDS AND ISSUES

The 2016/2017 revised estimate is $100 less than the original budget. There were increases and decreases in various budget line items which resulted in the overall $100 decrease.

The 2017/2018 budget is $4,400 (3.5%) more than the 2016/2017 budget. There were increases of $2,900 in personal services costs, $300 in commodities, and $1,200 in vehicle repair and maintenance costs. The budget again includes a $65,000 subsidy to the Muscatine Humane Society, which was the amount requested by that organization, and the same amount as the current year.

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 2013	**Actual 2014**	**Actual 2015**	**Actual 2016**	**Estimated 2017**
Calls for Service	638	687	857	1,136	1,000
Ordinance Violations	95	168	182	124	140
Bite Cases	41	51	58	67	70
Animals taken to Humane Society:					
Dogs	102	107	144	105	100
Cats	52	97	105	283	200
Animal Carcasses	256	216	152	198	200
Wild Animals	29	12	4	12	10
County Calls for Service	1	2	1	1	1
Fruitland Calls for Service	20	27	15	38	35
Fine Revenue – Fiscal Year Basis	$2,375 (FY 13/14)	$2,300 (FY 14/15)	$1,600 (FY 15/16)	$2,500 (FY 16/17)	$2,500 (FY 17/18)

RECENT ACCOMPLISHMENTS

During the past year, the Animal Control Officer (ACO) transported 388 cats and dogs to the Humane Society. There has been a large increase in the number of cats transported since the ACO has been very active in setting live traps for citizens that request this service to help combat the growing feral cat population. The ACO has dealt with three separate cat hoarding incidents where the number of cats had outgrown the owner's ability to properly care for them, resulting in large confiscations.

The ACO had one live trap stolen this year that was never recovered. Three more live traps were purchased to help meet the increasing number of requests for traps, as well as to replace the stolen trap. All traps are marked as being owned by the City's Animal Control unit with a number to call if they are located.

The number of animal calls and follow-ups to Fruitland have also increased this year from 15 last year to 38 this year. One of the cat hoarders lived in Fruitland, which accounts for some of the increased activities in that community. The ACO will continue to monitor calls received from Fruitland to see if this increase in demand continues.

The ACO has also seen an increase in requests for assistance during search warrant executions. It is becoming a more common practice that if there are animals at a known search warrant location, the ACO is put on standby as the search warrant is being executed to help deal with these animals.

The enforcement of the Pit Bull ordinance has seen some challenges. The ACO continues to explore avenues which may help with the prosecution of these cases.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To continue to meet or exceed the number of citations issued in 2016 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 ACO is to complete one module of the training annually or as time and location of the training permits, until certification is obtained.

* To continue to maintain positive relations with all of the various agencies the Animal Control Officer interacts with and continue to assist the Humane Society and the Muscatine County Sheriff's Office in the common goals of animal control.

* To explore ways to streamline the city pet licensing process making it more accessible to citizens thereby gaining greater compliance with this ordinance.

* To improve the enforcement process for the city's ordinance on the Pit Bull ban by using DNA technology to help strengthen the prosecution of these cases in court.

* To continue to explore opportunities for public interaction by examining various public events that may pose an opportunity for involvement with the public, such as the Health Fair.

Table of Contents

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 51,632	$ 53,072	$ 55,900	$ 56,000	$ 58,800	5.19%
Commodities	2,797	1,997	3,200	3,500	3,500	9.38%
Contractual Services	63,301	63,719	67,800	67,300	69,000	1.77%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 117,730	$ 118,788	$ 126,900	$ 126,800	$ 131,300	3.47%
Funding Sources						
Animal Enforcement Fines	$ 2,300	$ 1,600	$ 3,000	$ 2,500	$ 2,500	-16.67%
General Revenues	115,430	117,188	123,900	124,300	128,800	3.95%
Total Funding Sources	$ 117,730	$ 118,788	$ 126,900	$ 126,800	$ 131,300	3.47%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	$ 42,900
Employee Benefits						15,900
Total Personal Services						$ 58,800

Function:
Public Safety

Department:
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.

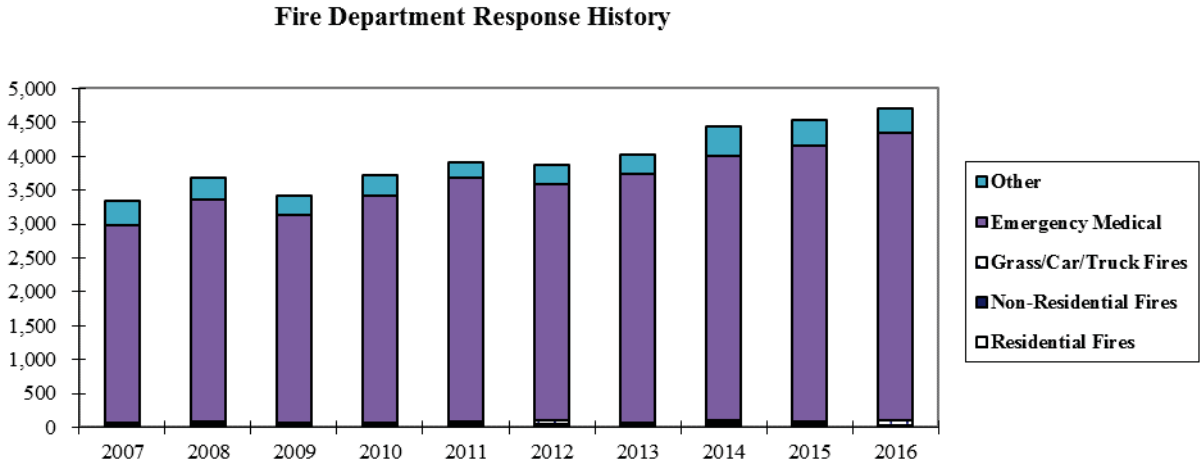
The Fire department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

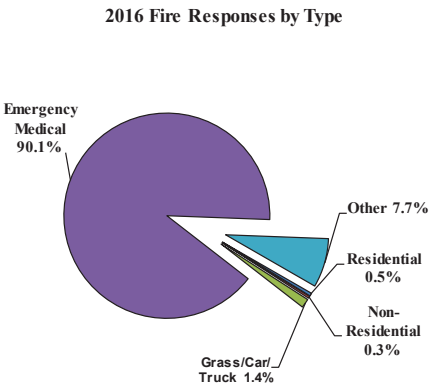
The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget.

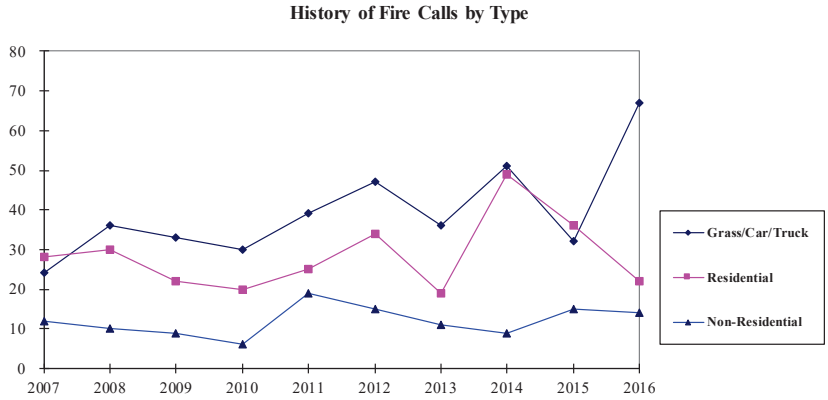
Following are charts and graphs showing fire department responses over the last ten years.

Fire Department Responses

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Percent of Total
Residential Fires	28	30	22	20	25	34	19	49	36	22	0.47%
Non-Residential Fires	12	10	9	6	19	15	11	9	15	14	0.30%
Grass/Car/Truck Fires	24	36	33	30	39	47	36	51	32	67	1.42%
Emergency Medical	2,925	3,276	3,066	3,367	3,593	3,487	3,674	3,897	4,079	4,239	90.08%
Other	361	324	284	298	240	281	282	427	364	364	7.73%
Totals	3,350	3,676	3,414	3,721	3,916	3,864	4,022	4,433	4,526	4,706	100.00%







CURRENT TRENDS AND ISSUES

The revised estimate for 2016/2017 is under the original budget by $19,300. Personal services costs are under the original budget by $39,600 primarily due to savings from vacancies and new employees starting at lower rates. A portion of this savings has been offset by increases in other areas of the budget.

The 2017/2018 Fire department budget is $88,600 (2.1%) higher than the 2016/2017 budget. Personal services costs increased by $133,700 (3.4%) compared to the previous year which includes increases in wages and health insurance costs. There were also increases of $500 in commodities and $3,100 in contractual services. These increases were partially offset by a $48,700 decrease in capital outlay. Fire department staff increased by four firefighter positions for the 2016/2017 budget and these positions have been continued in the 2017/2018 budget.

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 2017/2018 revenues from these permits and fees are estimated at $53,200. An additional $26,000 is budgeted to be

received from Haz Mat agreements with area counties and $19,300 from fire protection agreements with businesses outside the city limits.

The 2017/2018 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 reduced to $833,200 which was 21.3% of budgeted personal services costs. The transfer reduction in 2015/2016 was due to the limited funds available in the Ambulance budget. The transfer for 2016/2017 was budgeted at $891,000, 22.5% of Fire department personal services costs and the transfer for 2017/2018 is budgeted at $926,000 which is 22.6% of budgeted Fire department personal services costs.

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 2013	**Actual 2014**	**Actual 2015**	**Actual 2016**	**Estimated 2017**
All Calls for Services	4,022	4,433	4,526	4,706	4,850
Fire Training Hours	3,909	2,436	2,022	5,370	5,250
False Alarms	138	190	197	180	175
Fire Education Presentation Staff Hours	211	135	119	135	200
Number of Residents Attending Public Education Programs	3,119	4,228	2,640	2,060	3,000
Fire Inspections - Total	568	782	374	418	550
Inspections - Initial	314	412	210	245	325
Re-inspections	217	319	149	140	200
Additional Re-inspections	37	51	15	33	25
Fire Marshal Site Visits	84	85	103	111	125
Burn Permits Issued	747	814	944	1,104	1,110
Outdoor Fireplace Permits	668	737	858	1,026	1,025
Open Burning Permit	60	66	76	61	75
Commercial Burn Permits	1	0	1	3	0
Other Special Fire Permits	18	11	9	14	10
Citations Issued - All	25	25	33	40	30

RECENT ACCOMPLISHMENTS

The Fire Department continues its social media outreach using Facebook and Twitter. The Facebook outreach has been averaging roughly 26,000 people reached per month, an increase of about 18%. The page presently has more than 2,500 'likes', and has increased the number of 'likes' by more than 20% during 2016.

The department continued its annual public education classes focusing on grades 1, 3, and 5 and obtained a portable doorway prop to be used for forcible entry training. This device is designed to be mobile so that it can be shared with other fire departments and response agencies.

The department reviewed service delivery in regards to work schedules. From this review, it was decided to split up project responsibilities more evenly among the shifts so that requests for service could be met regardless of which shift is working.

The department referred six youth to the Department Juvenile Firesetter program. At this point, none have re-offended.

The department's car seat technicians inspected 42 child safety car seats during the past year. The department also installed approximately 110 smoke detectors through an in-house program and in cooperation with the Red Cross and the United Way Day of Caring.

The department hosted a Fire Instructor I course in partnership with the Iowa Fire Service Training Bureau. It also developed and implemented a revised, updated, and job specific two-week training academy for the group of new firefighters hired in July. This program has been retained and will be utilized as the initial training for all new firefighters. The academy covers the basics of the emergency medical response and is heavily geared toward getting the new recruit prepared for firefighting activities, including several days of live fire training.

In coordination with Ripley Manufactured Homes, the department obtained three used mobile homes for use as live fire training. The training was held with all three shifts and was heavily utilized by new hires. The department also obtained and utilized six vehicles for extrication training for all shifts. The vehicles were also used to help determine which extrications tools would best meet department needs prior to the fiscal year 2016/2017 purchase of new extrication equipment.

The department hosted and utilized the two-county fire training trailer.

The department took advantage of out-of-department training which was mostly federally or grant funded. This includes four persons attending National Fire Academy classes on campus in Emmitsburg, Maryland, fire investigation and fire code conferences and classes in Council Bluffs and Ankeny, Hazardous Materials training for eight members in Anniston, Alabama, and flammable liquids training for eight firefighters conducted at Monsanto's training grounds.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete the project reorganization within the Fire department, focusing on improved service delivery for all programs. Coupled with this reorganization will be a review of the effectiveness of all programs and the impact this change has on service delivery. **(Council and Management Continuous Service Improvement Goals)**

* To develop and implement a 'Lessons Learned' program into fire and large event critiques to ensure the entire department gains knowledge from real life events rather than just one shift. **(Council and Management Continuous Service Improvement Goals)**

* To update, re-organize, and formalize all training programs so they are easily referenced to national standards and requirements. **(Council and Management Continuous Service Improvement Goals)**

Function:
Public Safety

Department:
Fire

Activity:

Fire Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 3,566,291	$ 3,592,920	$ 3,968,600	$ 3,929,000	$ 4,102,300	3.37%
Commodities	65,448	69,698	82,900	88,300	83,400	0.60%
Contractual Services	130,791	151,317	145,300	151,200	148,400	2.13%
Capital Outlay	16,647	79,675	69,000	78,000	20,300	-70.58%
Transfers	-	-	-	-	-	
Total Expenditures	$ 3,779,177	$ 3,893,610	$ 4,265,800	$ 4,246,500	$ 4,354,400	2.08%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	$ 27,498	$ 23,918	$ 49,300	$ 45,900	$ 45,900	-6.90%
Ambulance Staff Funding Transfer	922,400	833,200	891,000	891,000	926,000	3.93%
Confined Space Fees	37,875	39,275	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	19,652	12,077	14,600	14,700	16,700	14.38%
Other Fees	11,680	5,293	2,600	6,200	4,100	57.69%
Donations	-	5,483	30,000	30,000	-	
Reimbursements	-	30,951	2,000	8,000	2,500	25.00%
Utility Franchise Fees	48,405	40,654	50,000	42,500	42,500	-15.00%
General Revenues	2,711,667	2,902,759	3,190,300	3,172,200	3,280,700	2.83%
Total Funding Sources	$ 3,779,177	$ 3,893,610	$ 4,265,800	$ 4,246,500	$ 4,354,400	2.08%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	28.00	28.00	28.00	
Total Full Time	37.00	37.00	41.00	41.00	41.00	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	37.50	37.50	41.50	41.50	41.50	$ 2,510,100
Employee Benefits						1,592,200
Total Personal Services						$ 4,102,300

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Replace Knox Security Boxes	10	Yes	$ 9,500
Replace Ice Rescue Suits	6	Yes	6,200
Air Cart	1	Yes	4,600
			$ 20,300

Additional Capital Outlay - Bond Issue Funding			
Item	***Quantity***	***Replacement***	Amount
Aerial Ladder Truck	1	Yes	$ 1,200,000

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, an 8 member Quad City area library consortium that shares a catalog. Patrons may request to borrow material from any of the 8 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 County residents to use the Library without an additional fee. The amount approved by the County for 2016/2017 is $115,089. An additional $2,925 has been received from the contract with the City of Fruitland in 2016/2017. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated $10,295 in revenues. The Library budget for 2017/2018 reflects requested 2.90% increases in these agreements to $118,400 from Muscatine County, $3,000 from the City of Fruitland, and $10,600 from the townships in Illinois.

CURRENT TRENDS AND ISSUES

The revised estimate for 2016/2017 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, and the commodities,

contractual services, and capital outlay allocations 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 2017/2018 is $4,400 (.4%) higher than the 2016/2017 budget. The 2017/2018 budget includes budget realignments between personal services, commodities, contractual services, and capital outlay. These include anticipated changes related to the move to the new HNI Community Center and Musser Public Library building. There may be additional budget realignments after moving to the new building. Costs of remodeling the new building are being accounted for in a separate capital project fund. Costs for additional janitorial and custodial needs is included in the Building and Grounds budget.

Library staff is currently working with consultants to determine the remodeling requirements and the cost estimate to convert the former HNI headquarters into the new HNI Community Center and Musser Public Library. Once the remodeling requirements and cost estimate have been determined, Library staff will be submitting grant applications to local trusts for funding assistance to complete the project. The City has also allowed for a portion of the needed funding to be included in the 2018 bond issue (preliminary estimate of $100,000).

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
LIBRARY PATRONS	20,204	20,620	19,861	20,000	22,000
CIRCULATION					
Adult Books	76,077	62,590	59,502	50,000	53,000
Young Adult	6,400	5,394	5,253	5,000	5,500
Juvenile Books	55,437	50,851	52,610	52,000	53,000
Magazines	4,439	4,869	4,495	4,000	4,000
DVDs	93,960	83,948	87,532	80,000	80,000
Audio	31,163	23,814	21,503	18,000	18,000
Video Games	6,884	6,408	5,517	5,000	5,500
Other	1,489	490	1,043	300	0
Internet Usage	31,163	25,603	24,869	20,000	25,000
WiFi Usage	13,601	15,790	13,631	12,000	16,000
Databases	67,096	52,751	137,565	145,000	145,000
E Audio	2,756	2,768	2,648	2,500	2,500
E Book	7,554	10,025	10,845	11,000	11,500
E Magazines	4,621	6,054	10,400	10,800	11,500
E Music	5,294	8,551	47,856	49,000	52,000
TOTAL	407,934	359.906	485,269	464,600	482,500
PROGRAMMING					
Juvenile Programs	527	405	432	400	425
Juvenile Audience	21,972	20,360	21,777	20,000	22,000
Young Adult Programs	52	37	36	30	40
Young Adults Audience	1,950	2,260	2,565	2,250	3,000
Adult Programs	38	28	36	25	50
Adult Audience	928	402	560	450	1,000
Technology Classes	64	44	46	12	50
Tech Audience	154	44	48	20	75
OTHER MEASURES					
Facebook Likes	4,543	4,535	4,906	4,900	4,900
Website Visits	55,277	60,000	77,600	80,000	85,000
Rivershare Holds	57,594	56,689	52,901	50,000	51,000
Inter-Library Loans	1,740	1,258	1,323	1,400	1,400
Homebound Visits	482	562	516	500	515
Homebound Circulation	6,022	6,328	5,735	5,000	6,000
Reference Questions	5,827	8,005	6,409	7,000	8,000
Building Usage	175,679	169,641	171,305	165,000	200,000
Meeting Room Usage	2,241	2,691	2,729	2,400	5,000

RECENT ACCOMPLISHMENTS

HNI Corporation donated their previous corporate headquarters building, located at 408 East 2nd Street, to be used for the new HNI Community Center and Musser Public Library. All of Library staff's efforts, above normal operations, have gone into transitioning this facility into a fully functional library and community center.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete remodeling work on the former HNI Headquarters building, move in, and open to the public (fall of 2017).
  - Purchase RFID (Radio Frequency Identification) system in the late spring and tag all material not being weeded (prior to moving to new building).
  - Cease all library operations up to a month prior to opening the new library in order to move, train all staff on new technology, and prepare the new building for opening to the public (late spring to early fall)
  - Vacate current library - move furniture and materials to the new building, have City departments identify furniture they would like to take, release photos and information to public works about furniture that we will surplus (during the time the Library is closed, late spring to early fall)
  - Set up and train staff on all new technologies including; RFID, self-check stations, payment stations, wireless printing on new WiFi printers, scanning and printing document/business stations, new microfilm reader/printer, self-service laptop and tablet dispensing kiosk, new computers, new room reservation software and electronic event signage, new phone system, and security system (during the time the Library is closed to the public)
  - Increase new building hours by 5 hours per week, from 62 to 67 hours, and "right size" staffing for the new building without increasing personnel costs (beginning with the opening of the new building)

    (Council and Management Continuous Service Improvement Goals)

* To continue to develop children's programing.
  - Prepare an interactive children's department environment in the new building by providing supplemental activities to reflect a variety of learning modes and by taking advantage of additional children's desk staffing (when new building opens).
  - Secure LENA (Learning ENvironment Analysis) grant funding in order to begin LENA cohort. (spring of 2018).

* To continue outreach efforts as part of the Farmer's Market and with visits to the Aquatic Center and Kent-Stein ballpark to promote the library as a whole (summer of 2018).

* To provide semi-dedicated working space for Genealogy Society members to facilitate volunteer opportunities at the library and improve Local History Resources available to the public. Strive to increase partnership with the local genealogy society and improve local historical resources to the public.

* To work closely with downtown organizations and businesses to support activities and partnerships.

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 847,993	$ 856,071	$ 885,500	$ 864,900	$ 890,900	0.61%
Commodities	12,953	12,832	13,300	13,550	13,300	0.00%
Contractual Services	91,503	103,939	88,200	90,650	90,600	2.72%
Capital Outlay	105,086	98,082	129,300	147,200	125,900	-2.63%
Transfers	21,865	19,376	-	-	-	
Total Expenditures	$ 1,079,400	$ 1,090,300	$ 1,116,300	$ 1,116,300	$ 1,120,700	0.39%
Funding Sources						
Library Revenues	$ 30,430	$ 30,555	$ 28,300	$ 29,400	$ 29,600	4.59%
County Contributions	112,327	115,136	118,000	118,000	121,400	2.88%
Hotel/Motel Tax	88,467	90,451	90,000	91,250	91,250	1.39%
General Revenues	848,176	854,158	880,000	877,650	878,450	-0.18%
Total Funding Sources	$ 1,079,400	$ 1,090,300	$ 1,116,300	$ 1,116,300	$ 1,120,700	0.39%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	2.00	2.00	
Office Coordinator	1.00	1.00	1.00	1.00	0.00	
Library Assistant	2.00	2.00	2.00	3.00	4.00	
Total Full Time	8.00	8.00	8.00	8.00	8.00	
Part Time Positions:						
Library Technician	2.76	1.91	1.79	1.83	1.50	
Library Assistant	2.76	2.26	2.06	2.13	2.40	
Library Shelvers	0.94	1.91	2.23	1.55	1.54	
Other Technicians	0.25	0.25	0.25	0.25	0.25	
Office Assistant	0.00	0.00	0.00	0.00	0.50	
Total Part Time	6.71	6.33	6.33	5.76	6.19	
Total	14.71	14.33	14.33	13.76	14.19	$ 665,200
Employee Benefits						225,700
Total Personal Services						$ 890,900

Capital Outlay

Item	***Amount***
Library Books, Videos, Serials, Database Subscriptions, etc.	$ 125,900

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 $189,000 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 2016/2017 is the same as the original budget at $19,700. The 2017/2018 budget is $32,400, which is a $12,700 (64.5%) increase from the 2016/2017 budget. The increase is primarily due to the $11,700 capital outlay allocation to upgrade the broadcasting equipment in the City Council Chambers which would include High Definition cameras and add Live streaming capabilities. The budget also includes $19,800 in fees to be paid to Muscatine Community College (MCC) for cable broadcasting services as specified in the agreement between the City and MCC, $400 for the City’s portion of the Government Access Channel program listing on the cable channel guide, and $500 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Cable Franchise Fees	$212,286	$191,331	$189,044	$189,000	$189,000
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 2017/2018

* 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	14,926	16,053	19,700	19,700	20,700	5.08%
Capital Outlay	-	-	-	-	11,700	
Transfers	-	-	-	-	-	
Total Expenditures	$ 14,926	$ 16,053	$ 19,700	$ 19,700	$ 32,400	64.47%
Funding Sources						
Cable Franchise Fees	$ 14,926	$ 16,053	$ 19,700	$ 19,700	$ 32,400	64.47%

Capital Outlay

Item	*Replacement*	*Amount*
Cable Equipment Upgrades	Yes	$ 11,700

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 2016/2017 is under the budgeted amount by $8,000. While there are minor increases and decreases in various budget line items, the overall reduction is due to an $8,000 reduction in fine arts insurance premiums.

The 2017/2018 budget is $2,800 (.8%) higher than the original 2016/2017 budget. Personal services costs increased by $10,400 and commodities increased by $600. These increases have been partially offset by an $8,200 reduction in contractual services. The contractual services decrease is primarily due to the reduction in fine arts insurance premium. The 2017/2018 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 2016/2017 and 2017/2018 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total $43,000 in 2016/2017 and $44,800 in 2017/2018.

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 $91,250.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Attendance	13,868	13,194	14,186	14,500	15,500
Number of Classes Offered	137	142	157	160	165
Art Center Events Hosted	45	35	20	35	35
Exhibitions	9	11	10	12	14
Tours	34	23	33	35	40
City Calendar Website Posts	131	99	179	180	190
Facebook Posts	751	1,191	1,914	2,000	2,200
Newspaper Stories – Muscatine Journal and Quad City Times	64	68	66	70	70

RECENT ACCOMPLISHMENTS

In 2015, the Muscatine Art Center, originally named the Laura Musser Art Gallery and Museum, celebrated its 50th anniversary. The booklet, "Muscatine Art Center: A Lasting Legacy", was produced, along with a 50th anniversary logo and banners to display on Second Street. The Art Center received a grant from the Iowa Arts Council/ Iowa Department of Cultural Affairs to commemorate the anniversary by commissioning artwork and offering concerts and programs. Jon Fasanelli-Cawelti of Muscatine completed the commission, "The Lady of the House", which was unveiled during one of two concerts performed by University of Iowa faculty member Katherine Eberle. During the opening weekend in August, members of the Musser and McWhirter families joined in the festivities. The 50th Anniversary Acquisition, *Vegetable Garden, Moret*, by Grant Wood, was unveiled. The "$50 for 50 Years" campaign was announced and funds received enabled the Art Center to purchase the painting, *Iowa Landscape*, 1931 by Iowa artist John Bloom. A three-part series about the Musser family was presented, and the anniversary theme carried into programs for children and families.

The staff and Board of Directors of the Muscatine Art Center continue to work with Public Works and Building and Grounds staff to ensure that the HVAC project meets the needs of the Art Center and its collection. Plans for HVAC and other facility improvements were completed, and numerous building-related projects are currently in various stages of completion. Art Center staff has been involved throughout the process, working with Public Works, Building & Grounds, A & J Associates, Crawford Company (the HVAC contractor), and various other contractors. Representatives from these organizations meet twice each month with at least two Art Center employees participating in the meetings. The Art Center secured a $360,000 grant from the Roy J. Carver Charitable Trust and other smaller grants at the state and local levels.

The Art Center facilitated a gift from the Muscatine Art Center Support Foundation to cover the unfunded portion of the project up to $360,000 and launched a capital campaign to backfill the funds committed by the Support Foundation. An anonymous donor provided a cash match up to $100,000 towards the campaign, and the goal of $350,000 was reached in October 2016.

The staff secured a grant from the State Historical Society of Iowa's Historical Resource Development Program (HRDP) to hire a consultant to complete the National Register of Historic Places nomination for the Laura Musser McColm Historic District. The nomination has passed several rounds of review with the state team and the Muscatine Historic Preservation Commission. The nomination received its final review at the state level on October 14, 2016 and is currently being reviewed by the National Park Service. Listing is expected in early 2017.

Art Center staff curated multiple "in-house" exhibitions and hosted traveling exhibitions in the Stanley Gallery and in the Laura Musser Mansion as follows:

1. "Pedal Power: Bicycles from the Collection of Charlie Harper" included artifacts from Harper's Cycling & Fitness and the Art Center's permanent collection. (On View in the Stanley Gallery)
2. "Celebrating 50 Years of Art and Local History: Musser Museum Anniversary", highlights the many areas in which the Art Center collects including original works of art, local history collections, and collections belonging to the Musser family. (On View in the Stanley Gallery, Musser Mansion Gallery, and throughout the Musser Home)
3. "Framed: Step into Art" from the Minnesota Children's Museum (Stanley Gallery)
4. "100 Years of Service: The Muscatine Fire Department" (Stanley Gallery)
5. "Older than the State of Iowa: Muscatine Journal 175th Anniversary" (Musser Mansion Gallery)
6. "Mary Musser Gilmore Collection of the Muscatine Art Center" (Musser Mansion Gallery)
7. "John Conner Glass Collection" (Linkage Display Cases)
8. "Glass from the Collection of Donna Kitchell" (Musser Mansion Display Case)
9. "American Art Pottery" (Musser Mansion Library)
10. "Daughters of the American Revolution" (Display Case in Studio Hallway)

The Education Department presented 199 classes and programs during the 2015/2016 fiscal year, reaching 5,690 individuals.

Friends of the Muscatine Art Center events and activities included Home with the Mussers Holiday Open House, Boonies Night, Annual Ice Cream Social, New Teachers' Orientation Lunch, Sunday with Santa, Little Elf Workshop, Kids Pajama Party, and receptions for various exhibition openings

Staff exported and cleaned data fields for use in the two technology components being developed by Applied Arts. The technology components are touch screen devices for visitors to obtain information about the collections on view on the main floor of the historic house and other select collections. The technology project is funded by a portion of the grant from the Roy J. Carver Charitable Trust and a grant from the State Historical Society of Iowa's Historic Resource Development Program (HRDP).

The Muscatine Art Center received the following grants in 2015/2016:

- **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 a technology component 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. Artist Jon Fasanelli-Cawelti was paid a total of $8,500. The remaining sum is for framing and collections care of the finished piece.
- **Iowa Department of Cultural Affairs/Cultural Leadership Partner Operational Support** - $10,000 was awarded for fiscal year 2015/2016.
- **Roy J. Carver Charitable Trust** – A grant in the amount of $360,000 was awarded with $200,000 of the award for the Art Center's portion of the HVAC project and $160,000 for improvements in the Laura Musser Mansion for exhibition spaces, related technology, and 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.
- **Ascentra Credit Union –** A grant in the amount of $500 was received to offset the cost of supplies and staff hours for programming in coordination with United Way during the summer meal program.

Art Center staff regularly posts to the City's website. During fiscal year 2015/2016, the Muscatine Art Center made 179 posts to the City calendar page. An additional 12 agendas and 12 sets of minutes were posted to the City website in fiscal year 2015/2016. The Art Center also uses the News Flash section in case of a class cancellation or other late notice event.

The Art Center has developed a presence on social media with 1,378 followers on Facebook and 1,914 posts on Facebook during the 2015/16 fiscal year. A Friends of the Muscatine Art Center Facebook page was created in 2016 with 70 followers and 346 posts occurring before the end of the 2015/2016 fiscal year. The Instagram account was set up in June of 2015 with 115 followers and 66 posts which also show on Facebook, Flickr, and Twitter. 240 photos were posted to Flickr and 101 items shared on Tumblr. The Twitter account has 283 followers with 1,524 tweets in the 2015/16 fiscal year. 4,913 Pins were added to the Pinterest board during the fiscal year. 129 boards are managed with 344 followers. The average monthly views for the Pinterest board is 20,854 with an average of 218 engaged each month. (Average daily impressions are 833; average daily viewers are 660.)

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To prepare for the American Alliance of Museum's re-accreditation process by updating core documents, policies, job descriptions, and the long-range plan.

* 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. **(Long-Term Goal)**

* To increase community awareness and engagement by re-developing **www.muscatineartcenter.org**, making the Muscatine Art Center's collection searchable online, and continuing to develop social media. **(Marketing, Communication, and Engagement 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. **(Marketing, Communication, and Engagement Goal)**

* To improve organizational effectiveness and efficiency through the use of technology and concepts presented through Continuous Service Improvement (CSI). **(Continuous Service Improvement Goal)**

* To work with the Community Improvement Action Team (CIAT) and other community groups to explore Placemaking projects and create policies for public art and processes for developing ideas and working with City departments/commissions and property owners. **(Community and Economic Development and Projects, Programs, and Placemaking Goals)**

* To tell Muscatine's story using the Muscatine Art Center's collections, historic house, and historic Japanese garden by developing a Teaching with Historic Places lesson plan and taking advantage of other opportunities offered through the National Register of Historic Places. **(Long-Term Goals)**

* To continue seeking grant funds for appropriate projects.

Function:
Culture and Recreation

Department:
Art Center

Activity:

Art Center Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 262,969	$ 278,740	$ 295,800	$ 295,800	$ 306,200	3.52%
Commodities	10,241	9,316	7,700	10,000	8,300	7.79%
Contractual Services	31,317	32,795	35,800	25,500	27,600	-22.91%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 304,527	$ 320,851	$ 339,300	$ 331,300	$ 342,100	0.83%
Funding Sources						
Art Center Revenues	$ 5,997	$ 5,086	$ 6,000	$ 5,400	$ 6,100	1.67%
Art Center Grant	13,540	10,000	10,000	10,000	10,000	0.00%
Support Foundation Contribution	19,368	18,945	21,200	21,500	22,100	4.25%
Friends of the Art Center Contribution	23,193	18,945	21,700	21,500	22,700	4.61%
Hotel/Motel Tax	88,467	82,951	90,000	91,250	91,250	1.39%
General Revenues	153,962	184,924	190,400	181,650	189,950	-0.24%
Total Funding Sources	$ 304,527	$ 320,851	$ 339,300	$ 331,300	$ 342,100	0.83%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	1.20	1.38	1.38	1.35	1.38	
Custodian	0.32	0.32	0.32	0.32	0.32	
Total Part Time	1.52	1.70	1.70	1.67	1.70	
Total	4.52	4.70	4.70	4.67	4.70	$ 239,900
Employee Benefits						66,300
Total Personal Services						$ 306,200

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

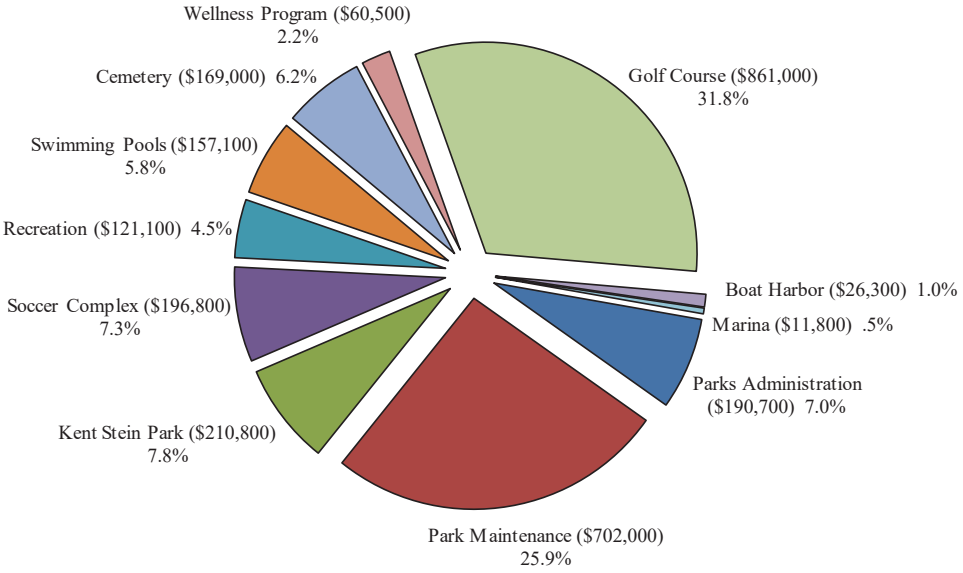
Park Administration

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 $28,100 for 2017/2018. 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 2017/2018 budgeted expenditures by activity for the Parks and Recreation Department.

Parks and Recreation Department
2017/2018 Budget by Activity ($2,707,100)



CURRENT TRENDS AND ISSUES

The 2016/2017 revised estimate is $1,200 more than the original budget due to a wage adjustment and the increase in health insurance rates effective January 1, 2017.

The 2017/2018 budget is $7,500 (4.1%) higher than the 2016/2017 budget due to increased personal services costs including wages, the health insurance increase, and an increase in workers compensation insurance.

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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Recreation Advisory Commission Meetings	9	9	9	9	9
Department Expenditures – All Divisions	$2,520,940	$2,372,889	$2,397,177	$2,648,300	$2,707,100
Internet Receipts Issued	553	536	584	600	600
Office Receipts Issued	2,086	2,058	1,703	1,600	1,600
Pearl City Station Rentals	102	98	118	100	100
Riverview Center Rentals	90	85	115	90	90
Shelters/Rose Garden Rentals	420	395	429	400	400
Parks Adopted (Calendar Year Basis)	18 (2014)	18 (2015)	19 (2016)	20 (2017)	20 (2018)

RECENT ACCOMPLISHMENTS

The department has been actively involved in the update of the Master Plan for the Riverfront as well as riverfront projects funded from the REAP (Resource Enhancement and Protection) grant. Work continues on the final two phases of the REAP grant projects, the rip-rap and long dock phases, which should be completed this spring.

The department has seen strong rentals of park shelters, the Pearl City Station, and the Riverview Center. These rentals continue to be a priority of the department and require more maintenance time.

Staff has met with the Public Works and Housing departments to coordinate snow route responsibilities. This was necessary since new responsibilities were added with the Mulberry Avenue project.

The street tree and public property tree inventories were completed. Emerald ash borer treatments were done on all trees on City property, and the department is now in the tree maintenance phase where routine tree inspections are conducted and documented.

The Cemetery Steps Committee reached their funding goal and has started a phased repair of the cemetery steps. The Recreation Advisory Commission has requested a committee be formed to review what could be done to give the Aquatic Center a fresh look. The department put together a Pickleball Committee to make a recommendations for a facility that could be added in Weed Park. The Committee is made up of two (2) members from the Pickleball Committee, two (2) members from the Tennis Association, and staff members.

Musco Sports Lighting donated athletic field lights for Field #2 at the Soccer Complex and Fields #3 and #4 at Kent Stein Park. New driving range distance markers were set up at the golf course with many positive comments received. Several new programs were tried at the golf course to increase participation including a Business of the Week Promotion, City FootGolf Tournament, a Members Only Fall Tournament, and a Cross Country Meet.

The department needs to make a decision concerning the fees associated with maintaining Tom Bruner Field now that the Community College no longer has a baseball program.

An enhanced maintenance program at the Veterans area in the Cemetery was started this year. Staff will be leveling and cleaning all stones and restoring the grounds. The Soccer roof painting project was completed this fall and repairs were completed to the leaks at the Aquatic Center.

The department created and implemented the "Thrive" active lifestyle wellness program for City employees with limited success and created four new recreation programs with good success. The four programs were Sports Starters, Intern Volleyball League, Pickleball Doubles, and Horseshoe Pitching League, with these programs designed to meet the recreational needs of different demographic groups.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To continue to work on improving the recruitment and retainage of 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 quality and efficient service delivery of our park and recreation system to the residents 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 complete the REAP (Resource Enhancement and Protection) grant improvements to the boat docks and riverbank areas.

* To evaluate and adjust Aquatic Center usage for efficient cost effective operations.

* To continue to assist other City departments as requested.

* To evaluate golf services for efficient and cost effective outcomes while increasing facility utilization. **(Council and Management Continuous Service Improvement Goal)**

* To continue to develop and promote the Adopt-A-Park and volunteer recruitment programs.

* To continue to work on the development of the Central Weed Park Corridor project.

* To assist in the advancement of the Phase III Soccer Development, Sister Cities Park, Dog Park, Riverfront Development Plan, and the 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 positive steps with the community's Reforestation and Tree Management Plans. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work with and support the community Blue Zones initiatives.

* To continue to manage the Boat Harbor and Marina for cost effective and efficient results.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Park Administration

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 153,329	$ 159,449	$ 168,200	$ 169,400	$ 175,700	4.46%
Commodities	748	856	1,600	1,600	1,600	0.00%
Contractual Services	12,313	12,019	13,400	13,400	13,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 166,390	$ 172,324	$ 183,200	$ 184,400	$ 190,700	4.09%
Funding Sources						
Park Revenues	$ 44,970	$ 46,677	$ 43,100	$ 43,800	$ 43,800	1.62%
Administrative Fee	12,500	26,500	27,300	27,300	28,100	2.93%
General Revenues	108,920	99,147	112,800	113,300	118,800	5.32%
Total Funding Sources	$ 166,390	$ 172,324	$ 183,200	$ 184,400	$ 190,700	4.09%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 123,900
Employee Benefits						51,800
Total Personal Services						$ 175,700

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 2016/2017 revised estimate is over the budgeted amount by $21,900. Commodities increased by $4,700 which includes $1,000 for chemicals to treat the emerald ash borer, $1,000 for playground equipment items, and $2,500 for paint supplies used to paint the skate park, riverfront basketball courts, and the Musser shelter. Contractual services increased by $16,500, primarily due to $10,300 in repairs to a tractor that was involved in an accident with a vehicle and $4,500 for spraying of the river wall from Mad Creek to Pearl City Station. The City received an insurance reimbursement that funded the tractor repairs.

The Equipment Replacement Fund revised estimate also includes $25,000 to replace a 1997 truck that is no longer operational. This revised estimate allocation is for a used truck that will be used at the Riverfront and also used for snow removal and other purposes throughout the parks.

The 2017/2018 budget is $45,100 (6.9%) more than the original 2016/2017 budget. Personal services costs increased by $25,800 due to wages and benefit increases including the increase in health insurance premiums. Commodities increased by $100 and contractual services increased by $1,700. Capital outlay increased by $17,500 due to the allocation to replace broken playground equipment.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Parks	17	17	17	18	18
Park Acres	241	241	241	241	241
Park Shelters	17	17	17	16	16
Miles of Trail	8.3	9.3	10	10	13 *
Playgrounds	12	12	12	12	12
Buildings	12	12	12	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

∗ The increase in miles of trails maintained is due to the addition of the Kent Stein Park to Deep Lakes Park Trail.

RECENT ACCOMPLISHMENTS

Parks and Recreation staff participated in the United Way's Day of Caring. Several projects were completed in both the spring and fall events. These included painting of the structures at the Skate Park, painting of the Musser shelter, painting the lines on the basketball court on the Riverfront, planting 39 trees on Cedar Street which were funded from an Alliant Energy grant, removing pine needles from the Rose Garden, and mulching all the trees in Oak Park.

This fall staff completed the treatment for the emerald ash borer on all trees in Weed Park, the Riverfront, the Cemetery, City Hall, and all other parks. Seventy trees were treated, and the treatment will last for approximately three years. With costs funded from donations to the City, staff has planted and transplanted 200 trees into Air Pots in the nursery. There are currently approximately 300 trees in the nursery at Park Maintenance and 25 trees in the nursery at the Golf Course. The department plans to plant these trees throughout the parks system as they continue to grow and develop.

This fall staff cleared two viewing areas at Weed Park that had become overgrown with scrub trees and plants. The first area was by the two cannons in the park. The scrub trees were removed and wildflowers were planted along the hillside. The second area was a viewing deck at the end of the Zoo Garden. Trees in this area were removed all the way down to Highway 22, helping to produce a great view of the river.

With the high temperatures and timely rains this past season, weeds thrived throughout the parks and community. Staff worked throughout the season to remove weeds in beds, cracks in sidewalks, alleys, right-of-ways, river walls, and levees. In coordination with Public Works, staff hired a company to spray the entire

levee wall from Millennium Plaza to the GPC property. The majority of the weeds and small trees were killed from the spray and the remainder will be sprayed again this spring.

The Rose Garden in Weed Park had another outstanding season. This past spring staff leveled all of the retaining walls in the garden and fixed the irrigation system throughout the beds. The Zoo Garden also had a great season with the help of the Master Gardeners. This summer staff filled in, leveled, and seeded a ditch on the hillside of the garden, and staff was able to mow this area for the first time. Staff also fixed all of the speaker systems in the garden this year.

The Parks and Recreation staff hosted a job fair this past spring to try to recruit seasonal staff prior to the season. The job fair gave all supervisors the opportunity to meet and interview potential seasonal staff members. Several positions within Park Maintenance were filled due to the fair.

Last year the City was awarded a REAP (Resource Enhancement and Protection) grant from the IDNR (Iowa Department of Natural Resources) for $125,000 for three projects. The first project was completed this spring and it consisted of adding rip-rap to the river wall along the trail from Pearl City Station to Millennium Plaza. The second project for rip-rapping of the harbor wall was delayed due to high water levels throughout the year, but it should be completed in the near future. The third project is replacing the long dock system in the boat harbor. Staff is currently working on removing the barrels and boards from the current dock system and replacing them with new materials.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete the lagoon bank stabilization project to include: dredging the lagoon, adding rip-rap along the banks and island, repairing drainage pipes, and repairing the viewing deck (subject to funding).

* To continue improving working relationships with volunteers and community groups that use the City's parks.

* To replace the lights around Weed Park and help create a safer environment for all users of the park.

* To replace the restroom at the Rose Garden and consider additional restrooms in Weed Park (subject to funding).

* To work with the Leadership Muscatine group to place a drinking fountain at the Cannon Street parking area.

* To install a pickleball facility in Weed Park (subject to funding).

* To continue improvements to the Disc Golf Course.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 458,975	$ 473,392	$ 532,500	$ 533,200	$ 558,300	4.85%
Commodities	57,508	62,254	61,800	66,500	61,900	0.16%
Contractual Services	55,220	58,275	62,600	79,100	64,300	2.72%
Capital Outlay	64,010	15,629	-	-	17,500	
Transfers	436	620	-	-	-	
Total Expenditures	$ 636,149	$ 610,170	$ 656,900	$ 678,800	$ 702,000	6.87%
Funding Sources						
General Revenues	$ 553,425	$ 587,532	$ 634,100	$ 636,000	$ 679,900	7.22%
Grants	13,290	-	-	-	-	
Insurance Reimbursement	-	-	-	10,700	-	
Road Use Taxes	69,434	22,638	22,800	32,100	22,100	-3.07%
Total Funding Sources	$ 636,149	$ 610,170	$ 656,900	$ 678,800	$ 702,000	6.87%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions:						
Park Maintenance Superintendent	0.25	0.80	0.80	0.80	0.80	
Park Maintenance Supervisor	0.75	-	-	-	-	
Maintenance Repairperson	2.50	2.50	2.50	2.50	2.50	
Maintenance Worker I	1.67	1.00	1.00	1.00	1.00	
Groundskeeper	0.83	1.50	1.50	1.50	1.50	
Total Full Time	6.00	5.80	5.80	5.80	5.80	
Seasonal Part Time Positions:						
Seasonal Laborer	0.72	-	-	-	-	
Seasonal Equipment Operator	1.12	1.61	1.61	1.61	1.61	
Seasonal Groundskeeper	1.56	1.23	1.03	1.03	1.03	
Seasonal Lead Groundskeeper	-	0.62	1.06	1.06	1.06	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.78	0.75	0.75	0.75	0.75	
Total Seasonal Part Time	4.18	4.21	4.45	4.45	4.45	
Total	10.18	10.01	10.25	10.25	10.25	$ 383,500
Employee Benefits						174,800
Total Personal Services						$ 558,300

Capital Outlay - Equipment Replacement Fund		
Item	***Replacement***	***Amount***
Playground Equipment	Yes	$ 17,500

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.

CURRENT TRENDS AND ISSUES

The revised estimate for 2016/2017 is over the original budget by $8,900. Personal services increased by $5,200 primarily due to increased employee health insurance costs which includes the premium increase as well as an employee allocated 50% to this budget changing from single to family health insurance. Commodities increased by $1,500 due to the purchase of new fencing for the batting cages and repair parts for mowers. Contractual services increased by $2,200 due to increased vehicle repair services.

The 2017/2018 budget is $10,400 (5.2%) more than the 2016/2017 budget due to increased personal services costs for wage and benefit increases including the health insurance rate increase and the increase for the employee changing from single to family coverage.

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 2014**	**Actual 2015**	**Actual 2016**	**Estimated 2017**	**Estimated 2018**
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage*	6,634	6,762	6,976	6,800	6,800
Number of Days of Tournaments	23	23	22	22	22
Number of Leagues/Camps	26	26	26	26	26
Concession Revenue	$10,351	$10,626	$9,937	$10,000	$10,000
Total Revenues	$47,867	$48,181	$46,237	$43,400	$43,400

* Total hours of usage is scheduled usage only and does not account for drop-in usage

RECENT ACCOMPLISHMENTS

This was another great year for the turf stand throughout the park. Timely rainfalls helped to keep the turf growing throughout the summer months, and a late fall helped the turf to recover from heavy fall usage. The ball diamonds were once again used this fall for soccer practices.

Diamonds #3 and #4 were re-lamped this fall with the Musco LED lighting system. This new system uses less fixtures to adequately light the ball diamonds with much less light loss. The new system also helps to bring out the green color in the grass. Diamond #3 was also updated with the Control Link computerized operating system.

This past winter, staff upgraded Diamond #1 from a soil infield to an ag-lime infield. This was the only diamond left which had a soil infield. With it being a dirt infield in the past, any time there was a significant amount of rain, it would be extremely difficult to prepare and have ready for safe play. Now with extending the infield out, staff will be able to put in 80' bases, which is very beneficial for user groups so they have more options at different diamonds. This fall staff installed a drainage system in the infield to promote quicker drainage for the diamond.

The rip-rap project of the slough bank behind Bruner field was completed last winter. Several tons of rip-rap were brought in to stabilize the bank behind Bruner field and to help protect the bank from eroding into the fence. A reclaim trail was also installed on top of the rip-rap.

An electric outlet was installed on Diamond #9 this fall. This will allow the user groups to use pitching machines for both games and practices throughout the year. It is a similar setup to Diamond #10.

The two batting cages in Kent Stein were showing signs of severe wear this fall. Staff replaced the fencing on both ends of the batting cage between Diamonds #2 and #3 and added support bars to help limit the damage in the future. Staff is also working on wire tying the fences on both cages and continuing to add support bars. Park staff will also be adjusting the nets next season to help limit the amount of balls hitting the fences.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* 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 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 work with the Hinman family property donation to develop a multi-use open green space (subject to funding).

* To work with the Muscatine Community School District on a maintenance plan for Bruner Field.

* To treat all ash trees in Kent Stein Park for the emerald ash borer.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 131,322	$ 138,551	$ 145,100	$ 150,300	$ 155,500	7.17%
Commodities	40,808	40,435	47,100	48,600	47,100	0.00%
Contractual Services	7,885	6,131	8,200	10,400	8,200	0.00%
Capital Outlay	-	1,141	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 180,015	$ 186,258	$ 200,400	$ 209,300	$ 210,800	5.19%
Funding Sources						
Park Revenues	$ 45,701	$ 38,951	$ 40,700	$ 35,900	$ 35,900	-11.79%
Housing Reimbursement	7,250	7,850	7,500	7,500	7,500	0.00%
General Revenues	127,064	139,457	152,200	165,900	167,400	9.99%
Total Funding Sources	$ 180,015	$ 186,258	$ 200,400	$ 209,300	$ 210,800	5.19%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.03	0.10	0.10	0.10	0.10	
Athletic Facilities Manager	0.38	-	-	-	-	
Athletic Facilities Specialist	0.17	0.50	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	1.20	1.22	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	1.98	1.98	1.98	1.98	
Seasonal Laborer	1.60	-	-	-	-	
Total Seasonal Part Time	2.73	2.73	2.73	2.73	2.73	
Total	3.93	3.95	3.95	3.95	3.95	$ 113,100
Employee Benefits						42,400
Total Personal Services						$ 155,500

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Truck (Used)	1	Yes	$ 20,000

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. The Park Superintendent has oversight responsibilities for this facility and 10% of his wages and benefit costs are allocated to this budget. Other staffing includes 50% of the Athletic Facilities Specialist and 50% of a Maintenance Worker I with the other 50% of these positions allocated to the Kent Stein Park budget. 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 2016/2017 is $5,000 more than the original budget primarily due to increased health insurance costs. This increase reflects the premium increase as well as an employee allocated 50% to this budget changing from single to family health insurance.

The 2017/2018 budget is $4,900 (2.6%) more than the 2016/2017 budget. The $10,400 increase in personal services costs has been partially offset by a decrease of $5,500 in capital outlay. The personal services increase includes costs for wage and benefit increases including the health insurance rate increase and the increase for the employee changing from single to family coverage.

The Soccer Complex is entering its 24th 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 2014	Actual 2015	Actual 2016	Estimated 2017	Estimated 2018
Number of Fields Maintained	8	8	8	8	8
Hours of Use for Games	2,832	2,750	2,654	2,750	2,750
Number of Tournaments *	21	23	24	24	24
Concession Commissions	$7,608	$7,131	$6,733	$7,500	$7,500
Total Revenues	$42,683	$43,696	$41,488	$42,500	$42,500
Number of Leagues/Camps	23	23	23	23	23

* The number of tournaments reflects the number of days that tournaments are held.

RECENT ACCOMPLISHMENTS

With hot and wet conditions this summer, the turf at the complex began to wear severely after several large events during the summer and early fall. The shallow rooting system caused by excessive moisture and heat, was easily torn by players during these large events. The fields will make a partial recovery in the fall and will continue to recover in the early spring.

The roof painting project, which consisted of painting the roofs of the maintenance building, administration building, and both shelters within the complex, was completed this fall. Staff also painted the shelter posts and the interior walls of the men's and women's restrooms.

Musco Sports Lighting installed a new LED field lighting system on Field #2. This will allow for another field to be used later into the evening hours, in addition to Fields #3 and #4. This new system uses less fixtures to adequately light the field with much less light loss than the previous lighting system of Fields #3 and #4. The new system also helps to bring out the green color in the grass. This system is also on the Control Link computerized operating system which will allow for lights to be turned on by phone or computer.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* 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 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 finish treating all ash trees inside and outside of the complex for the emerald ash borer.

* To research and implement a program for the control of poa annua throughout the facility.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 99,416	$ 110,777	$ 116,500	$ 121,900	$ 126,900	8.93%
Commodities	59,446	59,436	65,000	65,400	65,000	0.00%
Contractual Services	4,060	6,797	4,900	4,900	4,900	0.00%
Capital Outlay	2,928	28,377	5,500	4,700	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 165,850	$ 205,387	$ 191,900	$ 196,900	$ 196,800	2.55%
Funding Sources						
Park Revenues	$ 43,124	$ 44,110	$ 43,500	$ 46,000	$ 44,500	2.30%
General Revenues	122,726	161,277	148,400	150,900	152,300	2.63%
Total Funding Sources	$ 165,850	$ 205,387	$ 191,900	$ 196,900	$ 196,800	2.55%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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 Seasonal Part Time	1.50	1.50	1.50	1.50	1.50	
Total	2.63	2.71	2.73	2.73	2.73	$ 87,900
Employee Benefits						39,000
Total Personal Services						$ 126,900

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Utility Vehicle	1	Yes	$ 16,000

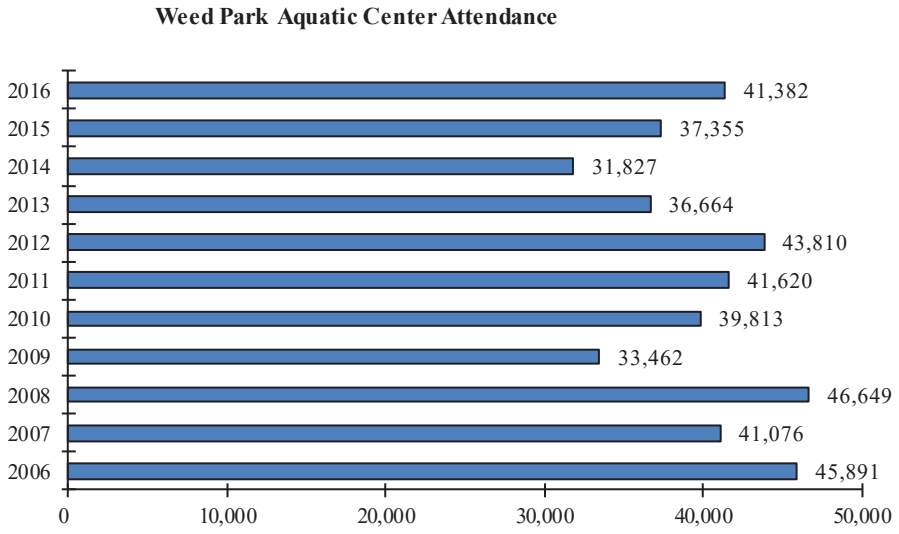
Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Aquatic Center

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 and in the 2016 season attendance increased to 41,382 due to minimal rain days. 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 2016/2017 is $11,700 more than the original budgeted. This includes (1) an $8,900 increase in contractual services primarily for repairs to pool play structures and PA system repairs, (2) a $500 increase in employee workers compensation insurance costs, and (3) a $2,300 increase in capital outlay which will allow for replacement of the Alarm/PA system prior to the facility opening in May of 2017.

The 2017/2018 budget is $3,400 (2.1%) less than the 2016/2017 budget. The budget includes (1) a $100 increase in personal services costs, (2) a $500 increase in various contractual services accounts, and (3), a$4,000 decrease in capital outlay. The 2017/2018 year will be the 14th 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 2014	**Actual 2015**	**Actual 2016**	**Estimated 2017**	**Estimated 2018**
Aquatic Center Attendance	31,827	37,355	41,382	38,500	39,000
Swim Lesson Enrollment	270	254	254	275	290
Season Passes Sold	118	98	88	100	100
Number of Pool Rentals	92	104	79	100	100
Special Events Attendance	704	817	1,357	1,000	1,000
Scholarship Pass Recipients	708	618	752	750	800

RECENT ACCOMPLISHMENTS

The summer of 2016 was an unusually dry summer and the Aquatic Center was closed for only 35 hours during the season. This resulted in the assistant managers and the manager working more hours than budgeted. However, because the facility was able to be open to the public more than expected, revenues exceeded budget estimates.

The Swim Lesson program at the Aquatic Center continued to have strong numbers, with 254 participants this season. 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 in order to promote Parent/Child swim lessons.

Youth, adult, and senior participation is always under evaluation for the Aquatic Center. Senior Swim was offered Monday through Friday throughout the season. From 5:00 p.m. through 8:00 p.m., those age 55 and over, were 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 were able to come in 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 Program Supervisor who is a certified instructor, which meant the in-service staff trainings were able to be more interactive for all staff.

Team building and staff ownership continued at the Aquatic Center in the summer of 2016. 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. Behavior expectations were discussed as a group of what behavior others could expect from co-workers. A drawing of the pool was created for lifeguards to mark where they made a save. It also served as a constant visual reminder of the facility's high risk areas. During

in-service training, the facility's Emergency Action Plan (EAP) was reviewed as was the role each individual plays in the EAP.

As the season ended, research was started on the changes that may come with a new Public Bathing Code expected to be released in May of 2017.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To evaluate the implications of a proposed new Public Bathing Code and prepare for possible changes and adjustments in daily operations.

* To evaluate the swim lesson program and make changes as necessary to meet the demands and needs of the community, in an effort to increase swim lesson participation.

* To constantly work to build staff ownership at the Aquatic Center to ensure that, as the facility continues to age, maintenance and repair issues are reported and addressed in a timely manner.

* To conduct a pool fee survey and provide a recommendation on any adjustments.

* To promote a feeling of family and belonging by having an Aquatic Center staff holiday potluck, partnering with other area pools.

* To 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 Aquatic Center season passes sold by 5%.

* To hold at least one staff training each month of operation throughout the season at the Aquatic Center.

* To continue to support and assist other departmental and city divisions by conducting specialized training.

* To recruit, train, and retain certified and qualified seasonal pool staff for all programs.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Aquatic Center

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 105,215	$ 121,239	$ 117,900	$ 118,400	$ 118,000	0.08%
Commodities	14,920	17,872	22,900	22,900	22,900	0.00%
Contractual Services	16,427	13,746	15,700	24,600	16,200	3.18%
Capital Outlay	20,900	4,839	4,000	6,300	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 157,462	$ 157,696	$ 160,500	$ 172,200	$ 157,100	-2.12%
Funding Sources						
Swimming Pool Revenues	$ 116,432	$ 152,300	$ 134,900	$ 144,600	$ 144,600	7.19%
General Revenues	41,030	5,396	25,600	27,600	12,500	-51.17%
Total Funding Sources	$ 157,462	$ 157,696	$ 160,500	$ 172,200	$ 157,100	-2.12%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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						11,700
Total Personal Services						$ 118,000

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

Recreation

GENERAL INFORMATION

The Recreation division provides leisure time activity programs for the residents 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 2016/2017 revised estimate is $100 less than the original budget. There was a $400 increase in personal services primarily due to the health insurance premium increase. This increase was more than offset by a $500 decrease in contractual services line items.

The 2017/2018 budget is $3,300 (2.8%) higher than the 2016/2017 budget. The $3,800 increase in personal services costs was partially offset by a $500 decrease in contractual services.

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 2014	**Actual 2015**	**Actual 2016**	**Estimated 2017**	**Estimated 2018**
Adult Programs Offered (Including Leagues)	20	17	21	23	23
Children's Programs Offered	41	41	42	42	42
Adult Program Participants	1,688	1,550	1,558	1,600	1,700
Children's Programs Participants	2,779	1,712	2,294	2,350	2,450
New Programs Offered	2	3	4	2	2
Volleyball League Teams	36	35	40	40	42

RECENT ACCOMPLISHMENTS

In 2016 the Recreation division had strong participation levels in programs offered. Youth participation numbers increased 34% from 1,712 in 2015 to 2,294 in 2016. This increase was primarily from the free special events that are offered to the community. These events include the Fall Festival, Candy Cane Hunt, Elves Workshop, and Winter Festival and Progressive Fire Pit Dinner.

A new sand volleyball league was started in 2016. The HNI/HON Company has a large group of interns each year so an intern sand volleyball league was created. There were four teams with 8 interns on each team. That increased the number of sand volleyball teams from 17 in 2015 to 21 in 2016. Along with an increase in sand volleyball teams, the winter adult volleyball league increased by one team.

The largest adult program continues to be the Walking Club. There are currently nearly 900 registered. These walkers were challenged in 2014 to walk around the world. They have walked 19,436 of the 25,000-mile journey.

BlastBall! and youth gymnastics continue to be the most popular programs. Just over 100 pre-school age children participated in winter and summer BlastBall! Exactly 700 children registered for and participated in the youth gymnastics program.

In February, the department held its first Parks and Recreation department job fair at the Muscatine Municipal Golf Course. The Park Maintenance, Golf Course Clubhouse, and Recreation supervisors offered brief on the spot interviews or set up appointments for longer interviews.

Sport Starters, a new program designed for 2 and 3 year olds and their parents was started. This is an outdoor sports-based program where parents participate with their children as they are lead through a brief sampling of a variety of sports, games, and other fun activities. There were 30 children registered for this new fall program.

The Football Skills clinic was revamped into Little Muskies Football. This re-designed program focuses on utilizing skill stations to allow participants time to focus on learning and improving one skill at a time. At the end of each class, participants play a fun game where they can practice all the skills they worked on that day. There were 44 children age 4 to 7 in this program.

Youth Flag Football was offered for the first time in several years. This is a volunteer coach lead program where participants learn actual plays, teamwork, and respect. Seventeen boys were registered and participated in Youth Flag Football.

The Parks and Recreation department continues to offer Boys Basketball, Girls Basketball, Basketball Shooting Camp, Softball, Baseball Fundamentals, Baseball Pitching lessons, Soccer Skills, Sports Shorts, Tee Ball, Tot Lot, Tennis lessons, Girls Volleyball, and Youth Volleyball along with the previously highlighted programs.

OBJECTIVES TO BE ACOMPLISHED IN 2017/2018

* To continue to look at alternative programming and adjusting current programming to fit the community's needs.

* To evaluate and review new programs that were implemented and make adjustments as needed.

* To increase revenue by increasing gymnastics and other program fees, focusing on improved quality so that this will not negatively impact participation numbers. **(Council and Management Continuous Service Improvement Goals)**

* To continue to keep a positive relationship and maintain good communication with area agencies and associations to offer quality recreational leisure services to the community.

* To seek out and take advantage of networking and training opportunities.

* To continue to hire and train qualified youth recreation program leaders and aides.

* To continue to cross train for continuation of office and golf course operations services.

* To continue to look for new and different technological ways to market programs. **(Council and Management Marketing, Communication, and Engagement Goal)**

* To create and develop one new community special event.

* To develop a recreation program marketing plan. **(Council and Management Marketing, Communication, and Engagement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 92,795	$ 85,439	$ 103,300	$ 103,700	$ 107,100	3.68%
Commodities	7,720	5,875	7,600	7,600	7,600	0.00%
Contractual Services	6,931	4,861	6,900	6,400	6,400	-7.25%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 107,446	$ 96,175	$ 117,800	$ 117,700	$ 121,100	2.80%
Funding Sources						
Recreation Fees	$ 51,163	$ 42,130	$ 51,300	$ 50,800	$ 50,800	-0.97%
General Revenues	56,283	54,045	66,500	66,900	70,300	5.71%
Total Funding Sources	$ 107,446	$ 96,175	$ 117,800	$ 117,700	$ 121,100	2.80%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 83,600
Employee Benefits						23,500
Total Personal Services						$ 107,100

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

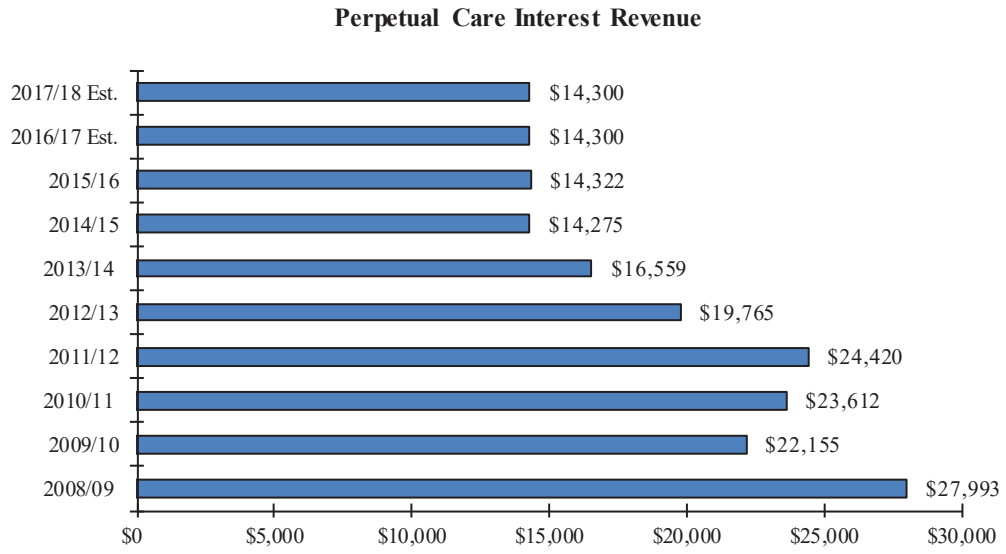
Activity:

Cemetery

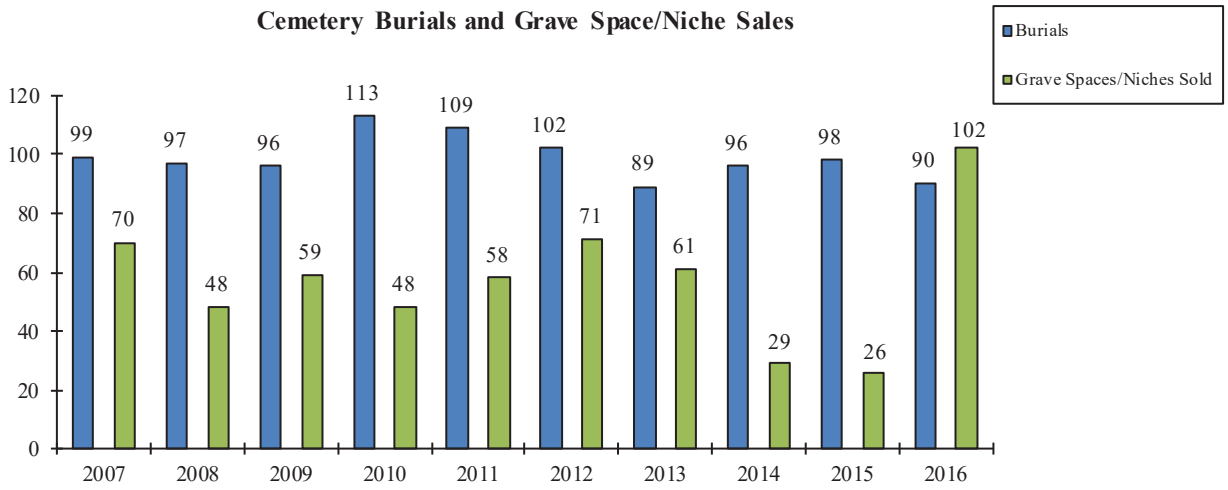
GENERAL INFORMATION

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 2008/2009 through 2015/2016 and the estimated amounts for 2016/2017 and 2017/2018 are follows:



The principal balance in the Perpetual Care Fund on June 30, 2016 was $871,832, 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 $45,400 is expected to be needed to cover the operating costs of the cemetery for 2016/2017 and $46,800 is the estimated subsidy for 2017/2018. 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 2016/2017 revised estimate is over the budgeted amount by $2,300. This increase is primarily due to a $3,100 increase commodities which includes replacement of the furnace in the chapel, replacement of two water hydrants, and an increased allocation for concrete. An $800 decrease in personal services costs offset a portion of the other increases.

The 2017/2018 budget is $3,700 (2.2%) higher than the 2016/2017 budget due to increased personal 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Burials:					
Casket	62	59	61	61	61
Cremains	29	31	24	28	28
County	9	5	8	8	8
Total Burials	100	95	93	97	97
Grave Spaces Sold	42	23	80	35	35
Columbarium Niches Sold	2	3	9	5	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	$16,559	$14,275	$14,322	$14,300	$14,300
General Fund Subsidy (Fiscal Year Ended June 30)	$30,038	$44,327	$8,885	$45,400	$46,800

RECENT ACCOMPLISHMENTS

The mowing schedules and patterns were improved this past season to reduce clippings on the gravestones. With the addition of the new mower, the entire Cemetery was mowed on a weekly basis and trimmed every 10 days. Even with the heavy growth throughout the year, the change in clipping dispersal from side discharge to rear discharge helped keep clippings off of gravestones

This past spring, staff re-landscaped the columbarium bed. Older overgrown plants were removed and new plants were brought in to upgrade the columbarium site. All of the ash trees in the Cemetery were treated this fall for the emerald ash borer.

This fall staff began re-leveling and cleaning the stones in the Veterans plot of the Cemetery. The stones were pulled out and cleaned and then leveled to the standards of the National Cemetery. Work will continue in the fall and into winter.

The Muscatine Silver Chord high school group once again assisted the staff in the cemetery cleanup. The group assisted staff with cleanup of grave decorations in both the spring and fall.

The Friends of Greenwood Cemetery developed a concept plan and cost estimate for the replacement of the cemetery steps that was approved by City Council. The project started in the fall with the removal of trees and the pouring of concrete for step replacement. They also began putting in the handrail system and placing bricks at the top for the walkway.

This fall two driveway entrances were repaired in the Carver section of the Cemetery. The two entrances previously required driving over a curb to enter the drive. The curbs were cut out and the driveways were cut back around 10 feet, and softer concrete entrances were installed. This is a heavily utilized area in the Cemetery for new burials.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete the leveling of stones in the Veterans plot.
* To complete the Cemetery steps project.
* 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 continue foundation repairs in the old sections of the cemetery.
* To continue improving working relationships with volunteers and community groups.
* 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.

Table of Contents

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:

Cemetery Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 117,437	$ 119,580	$ 128,900	$ 128,100	$ 132,600	2.87%
Commodities	17,554	16,045	19,000	22,100	19,000	0.00%
Contractual Services	14,678	17,035	17,400	17,400	17,400	0.00%
Capital Outlay	2,970	4,992	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 152,639	$ 157,652	$ 165,300	$ 167,600	$ 169,000	2.24%
Funding Sources						
Cemetery Revenues	$ 94,037	$ 129,770	$ 100,500	$ 107,900	$ 107,900	7.36%
Perpetual Care Interest	14,275	14,322	14,300	14,300	14,300	0.00%
Grants	-	4,675	-	-	-	
General Revenues	44,327	8,885	50,500	45,400	46,800	-7.33%
Total Funding Sources	$ 152,639	$ 157,652	$ 165,300	$ 167,600	$ 169,000	2.24%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions:						
Maintenance Repairperson	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	3.46	3.46	3.46	3.46	3.46	$ 95,700
Employee Benefits						36,900
Total Personal Services						$ 132,600

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
11-Foot Mower (Used)	1	Yes	$ 30,000

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 2017/2018 are as follows:

Agency	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Senior Resources*	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 30,000
MCSA Homeless Prevention Program	0	0	0	25,000	25,000	25,000
	$ 20,000	$ 20,000	$ 20,000	$ 45,000	$ 45,000	$ 55,000

* 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 including the Meals on Wheels program have been held in check in recent years. In fiscal year 2011/2012 $17,800 was budgeted for Senior Resources and the funding was increased to $20,000 beginning in 2012/2013 and continuing through 2016/2017. Senior Resources requested a $30,000 subsidy for 2017/2018. The originally proposed budget for 2017/2018 included a $20,000 allocation to Senior Resources. The final 2017/2018 budget, however, includes a one-time increase in the subsidy to Senior Resources from $20,000 to $30,000 due to their loss of funding from other sources.

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 and received continued funding for this program in 2016/2017 in the same amount of $25,000. For 2017/2018 MCSA again requested $25,000 and that amount has been included in the budget. The City's funding, however, will be reduced by any grant funding that may be received for this program.

Table of Contents

Function:
Health and Social Services

Department:
Legislative and Council

Activity:

Economic Well-Being

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	20,000	45,000	45,000	45,000	55,000	22.22%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 20,000	$ 45,000	$ 45,000	$ 45,000	$ 55,000	22.22%
Funding Sources						
General Revenues	$ 20,000	$ 45,000	$ 45,000	$ 45,000	$ 55,000	22.22%

Function:	*Department:*
Community and Economic Development	**Community Development**

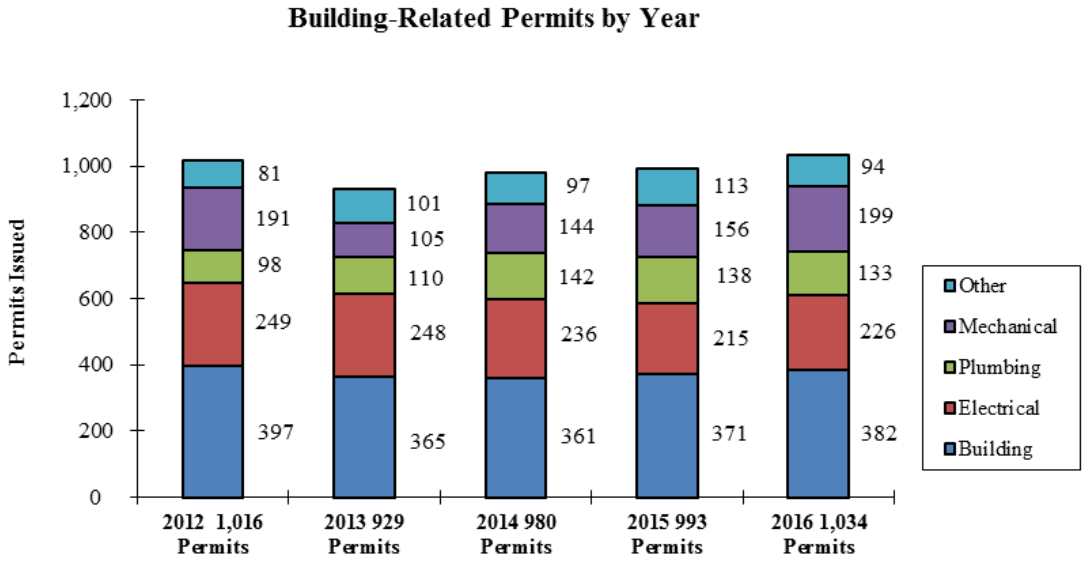
Activity:

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:



Two (2) full time and one (1) part-time inspector 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.

CURRENT TRENDS AND ISSUES

The 2016/2017 revised estimate is $7,900 more than the original budget. This overall increase reflects increases and decreases in various areas of the budget including (1) Personal services costs are $2,600 less than budgeted due to savings from vacancies in the department, (2) commodities are $1,800 less than budgeted, (3) contractual services are $12,400 higher than the original budget, and (4) capital outlay is $100 less than the original budget. The contractual services increase includes $7,000 for professional services from the former Community Development Director to address dilapidated structures in the community and assist with other projects in the department, and an increase of $6,000 in contracted nuisance abatement costs. The former Community Development Director is also assisting with the property acquisitions related to the "Carver Corner" area of the Mississippi Drive Corridor project. Those hours are charge directly to that project.

Community development staff responsibilities changed in the last two years due in part to 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 this position was reclassified as an Inspector II when those inspections were no longer needed. This Inspector II position was eliminated when the person in this position passed away in August of 2016. The subsequent reorganization included increasing one of the part-time Community Services Officers to fulltime with this position's primary responsibility being rental and other inspections. Two part-time (20 hour per week) positions will be used for nuisance abatement and assisting with other inspections in the department. In prior years, 50% of the wage and benefit costs for the Health and Housing Coordinator were allocated to the Refuse Collection fund since this position was also responsible for the nuisance abatement program. With the reorganization, 75% of the two 20 hour per week Community Services Officers will be allocated to the Refuse Collection fund for their work on the nuisance abatement program. The overall fulltime equivalent staffing in the department did not change significantly with the reorganization.

The 2017/2018 budget is $36,200 (5.0%) more than the 2016/2017 budget. Personal services costs are $28,700 higher than the original 2016/2017 budget, which includes increased wage and health insurance cots. Contractual services are $11,500 higher than the prior year with this increase including $5,000 for professional services related to addressing dilapidated properties and a $6,000 increase in contracted nuisance abatement services. These increases were partially offset by decreases in other areas of the budget. Nuisance abatement costs are billed to property owners, and if not paid are assessed as a lien on the properties. The interim Clerk position is budgeted to continue in 2017/2018 at 15 hours per week or as needed.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	987	1,007	1.027	1,000	1,000
Building Permit Fees	$243,806	$233,909	$222,762	$260,000	$260,000
Building Inspections - Electrical, Building, Plumbing, and HVAC (1)	4,045	4,522	4,212	4,500	4,500
Site and Building Plan Reviews	13	13	30	100	75
Certificates of Occupancy	4	17	23	30	35
Rental Housing Inspections	858	458	2,232	1,000	1,100
Rental Housing Inspection Fees	$29,380	$21,702	$109,935	$90,000	90,000
Health Permits - Food Service (Restaurants), Retail Food Establishments (Grocery), and Hotel/Motels *	209	262	62	0	0
Health Permit and Citation Fees *	$34,657	$44,341	$11,358	0	0
Health Inspections - Food Service (Restaurants), Food Establishments (Grocery), Pre-Opening, Complaints, and Hotel/Motels *	180	100	33	0	0
Other Health Permits - Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	95	48	42	40	40
Other Health Permit and Citation Fees	$1,685	$2,200	$1,248	$2,500	$2,500
Other Health Inspections –Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	30	23	32	30	30
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	2,829	2,110	2,000	2,000	2,000
Writ of Possessions	18	5	17	10	10
Properties Posted	156	50	54	35	50
Vehicles Towed/Impounded	20	7	15	15	20
Nuisance Citations/Assessment Fees	$77,136	$88,941	$87,868	$100,000	$100,000
Planning & Zoning Commission Meetings	5	6	8	8	8
Zoning Board of Adjustment Meetings	8	12	12	12	12
Rezoning Requests Processed	0	1	4	4	4
Subdivision Requests Processed	5	5	5	5	5

	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Vacated Property Requests Processed	1	0	1	1	10
Community Development and Airport Grants Administered	4	6	10	6	5

* The responsibility for health permits and the related inspections and fees was transferred to the State of Iowa in the fall of 2015.

Note - the number of building inspections in this table are 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 was recently installed and the department began tracking actual inspections in fiscal year 2016/2017.

RECENT ACCOMPLISHMENTS

The Community Development department has been involved with a number of projects that received grant and private funding over the last year. These include airport projects funded from the FAA and the State; a $4,000,000 negotiated agreement with the CP Railroad for the Mississippi Drive Corridor project; nearly $100,000 from the EPA to assist with the design of the Grandview Avenue reconstruction; $1,000,000 in private funding for improvements needed to establish a railroad Quiet Zone in the downtown area; $100,000 from the IDOT for conducting a feasibility study for an intermodal container port in Muscatine, $3,000 FHLB (Federal Home Loan Bank) grant for the small business forgivable loan program; and completing the $500,000 CDBG project in the area of Alley #1 in downtown Muscatine. In addition, the department had the following accomplishments:

* Substantially completed the Airport Runway 6/24 reconstruction project
* Completed the Airport Runway 6/24 electrical upgrades
* Submission and award of IDOT grant for Airport T-Hangar design and apron construction
* Feasibility study in progress for an intermodal container port for Muscatine (LIFTS Grant application and award)
* Updated FEMA and DNR Flood Plain requirements
* Prepared specifications for the Housing Demand Study (HDS)
* Prepared and gained Council adoption of the 5-year Capital Improvement Plan
* Completed EPA Green and Complete Streets application and award

The department completed the installation of a mobile electronic recording process (govQA) to document inspections in the field including the capability of sending it directly to administration in real time. This required a great deal of training and technical adjustments so it would work for the City. The department now has a public portal for permit processing and status.

Staff finished the draft update of Title X Zoning to the City Code and this draft is currently under legal review by the City Attorney.

The department also continues to administer the Small Business Forgivable Loan Program. Since the implementation of this program in January of 2015, twenty-one (21) small businesses have received support from this program and the program has directly assisted in the creation of fourteen (14) new businesses, leveraging $1,665,752 in private financing and $250,700 in public funding. The project has also assisted in the support of seven (7) small businesses that were able to obtain $345,000 in low interest

loans through the Building Improvements Loan Program to improve critical infrastructure to their facilities to improve business operations. In total, the Small Business Program has leveraged over $2.25 million in financing to support the creation and sustainability of small business in the Muscatine community. Many of the small businesses supported with the project are small startups with 1-2 fulltime jobs in the beginning. As the businesses grow and develop, more jobs are created to support the growth. The Small Business Forgivable Loan Program directly assisted in the creation of 28 full-time jobs and 40 part-time jobs. Additionally, approximately 10 constructions jobs (averaged over one year) have been created.

As of December 2016, the department will be doing Section 8 rental housing inspections for the Housing department.

Community Development staff members attended, studied, and achieved ICC certification (building), HUD-HQS training (rental housing), IDPH (pools, spas, and tattoo establishments), IAHO (structural), ISU Extension (bedbug), CLG Historic, FAA rules training, and maintained 28-E Agreement with IDPH.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development -
  Industrial Park (South End)
  Highway 38-61 Industrial Park/Mixed Use Development
  Additional tax abatement areas
  Downtown façade program
  Review additional areas for housing or commercial tax abatement
- Market economic development programs -
  Create and review signage opportunities
  Work with local banks, real estate companies and others to promote plans and incentives
- Develop Mississippi River Port based upon feasibility study results -
  Submitted LIFTS Grant: Awarded 2016
  Feasibility Study: Complete 12/2016
  Grants 2016/17: USEDA/TIGER, USDOT, & others
  Permitting 2017
  Engineering/Design: 2017
  Tentative Construction: 2018-19
- Begin long-term planning and redevelopment of the “Carver Corner” area
- Adopt policies on public art and communications on city-owned land and rights-of-way.

Housing

- Promote infill opportunities and evaluate opportunities to improve current housing stock (voluntary and involuntary opportunities), including the adoption of a property maintenance code and non-residential design guidelines
- Review and redevelop nuisance and city-owned properties
- Conduct a housing demand study (April 2017)
- Market the study, communicate the need -
  Community presentations - public, banks, real estate agents, developers,
  Web and social media
- Identify public, private, and partnership opportunities

- Identify infrastructure needs and code changes to implement study

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance
  First Wave: Currently under legal review, targeted adoption (January/February 2017)
  Second Wave: Will be comprised of new sign regulations, wind turbine regulations, and updates to all existing zoning districts (Adoption in Fall 2017)
  Third Wave: Begin work on form based zoning, starting with the Grandview Avenue corridor (late 2017)

OTHER OBJECTIVES TO BE ACCOMPLISHED IN 2016/2017 and 2017/2018:

* Monetize vacant, abandoned, and posted properties and easements.

* Review the department's building permit process and fees (completion by June 2017).

* Work with area banks, companies, and property owners to develop or upgrade workforce housing.

* To begin evaluating a citywide "Green Alley" program, including funding sources, policies, etc.

* To create a Business Accelerator Program for Muscatine.

* Make all rental inspections consistent between the City inspections and housing department inspections (completion by February 2017).

* Finalize an agreement with Canadian Pacific for the Railroad Quiet Zone.

* Secure grant funding for engineering, soil testing, permitting and design of the multi-modal container port.

* Begin the engineering design of the multi-modal container port.

* Review adding a half-time right-of-way inspector that would also do sidewalk and signage compliance.

* Begin to implement recommendations of the Housing Demand Study.

* Explore adding "Green" to the City's Complete Streets Policy.

Function:
Community and Economic Development

Department:
Community Development

Activity:

Community Development

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 585,878	$ 575,080	$ 597,800	$ 595,200	$ 626,500	4.80%
Commodities	6,584	9,533	9,400	7,600	8,400	-10.64%
Contractual Services	110,625	122,907	119,300	131,700	130,800	9.64%
Capital Outlay	2,236	1,530	3,000	2,900	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 705,323	$ 709,050	$ 729,500	$ 737,400	$ 765,700	4.96%
Funding Sources						
Community Development Revenues	$ 358,942	$ 429,372	$ 407,500	$ 463,400	$ 467,900	14.82%
Health Permits	47,524	11,358	2,500	2,500	2,500	0.00%
Project Administrative Fees	-	-	2,500	10,200	2,500	0.00%
General Revenues	298,857	268,320	317,000	261,300	292,800	-7.63%
Total Funding Sources	$ 705,323	$ 709,050	$ 729,500	$ 737,400	$ 765,700	4.96%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	
Building Division Manager	0.00	0.00	0.00	0.00	1.00	
Senior Inspector	1.00	1.00	1.00	1.00	0.00	
Inspector II	0.67	0.67	1.17	0.67	0.67	
Health and Housing Coordinator	0.50	0.50	0.00	0.00	0.00	
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	
Community Services Officer II	0.00	0.00	0.00	0.00	1.00	
Community Services Officer	0.00	0.00	0.00	1.00	0.00	
Total Full Time	6.17	6.17	6.17	6.67	6.67	
Part-Time Positions:						
Community Services Officer I	0.75	1.27	1.25	1.00	1.00	
Allocation of Community Services Officers to Refuse Collection Fund	0.00	0.00	0.00	(0.75)	(0.75)	
Inspector II	0.00	0.00	0.00	0.50	0.50	
Office Clerk (as needed)	0.09	0.30	0.23	0.36	0.38	
Total	7.01	7.74	7.65	7.78	7.80	$ 465,700
Employee Benefits						160,800
Total Personal Services						$ 626,500

Function:	*Department:*
Community and Economic Development	**Legislative and Council**

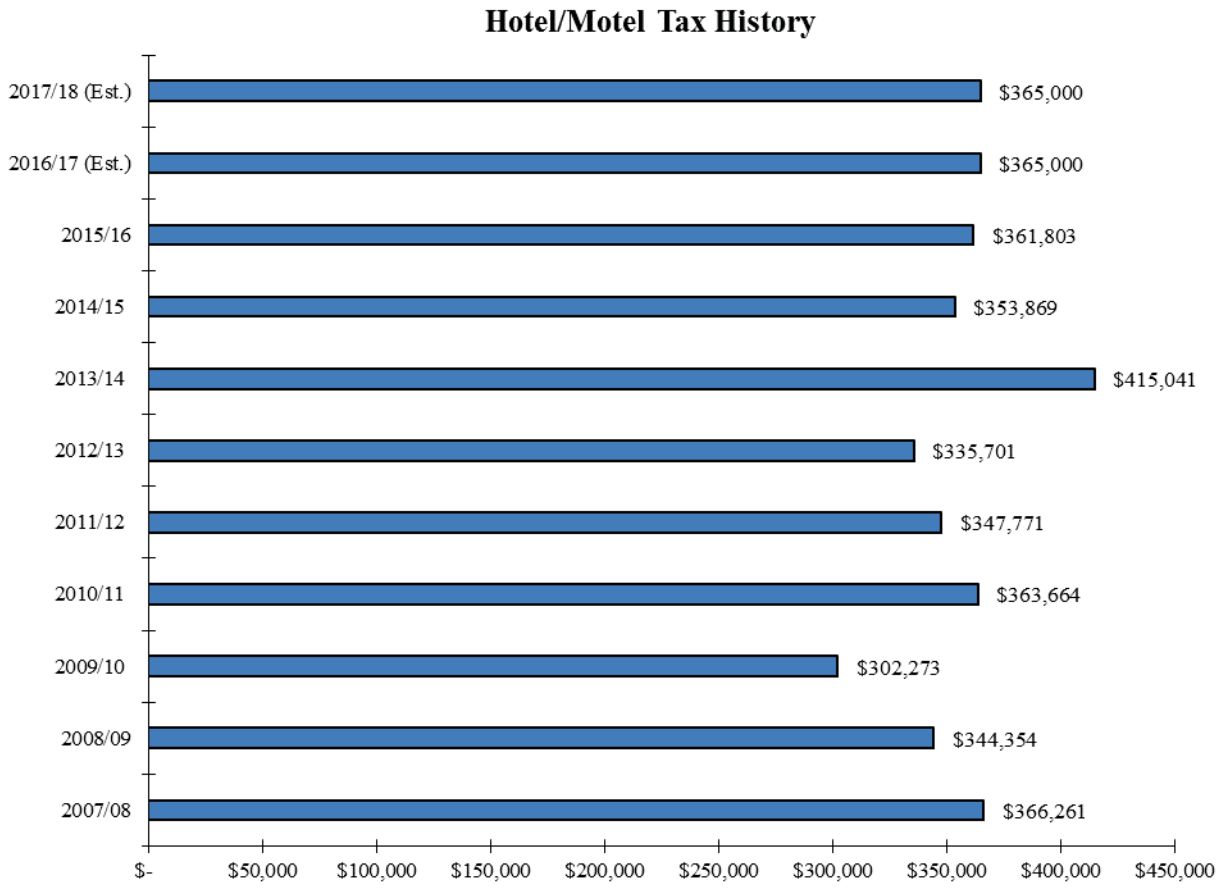
Activity:

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 2016/2017 and 2017/2018:



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 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 2016/2017 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 $88,500 which was 25% of the estimated 2015/2016 Hotel/Motel taxes. Actual 2015/2016 hotel/motel taxes, however, were more than budgeted and the revised estimate allocation to the CVB has been increased to $90,500 (25% of actual 2015/2016 hotel/motel taxes). The original budget included an estimated $10,000 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 $12,000. The revised estimate allocations total to $145,500 which is $4,000 more than the original budget of $141,500 due to the CVB allocation adjustment due to the higher hotel/motel tax revenues in 2015/2016 and the increased allocation for legal services.

The 2017/2018 Economic Development budget of $145,500 includes $90,500 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 $12,000 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 2017/2018

* To work with the Chamber, Convention and Visitors Bureau, and the Community Improvement Action Team (CIAT) to develop a marketing 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	158,469	43,073	53,000	55,000	55,000	3.77%
Capital Outlay	-	-	-	-	-	
Transfers	-	88,467	88,500	90,500	90,500	
Total Expenditures	$ 158,469	$ 131,540	$ 141,500	$ 145,500	$ 145,500	2.83%
Funding Sources						
Hotel/Motel Tax	$ 103,760	$ 88,467	$ 88,500	$ 90,500	$ 90,500	2.26%
Tax Increment Funds for Economic Development	54,709	43,073	53,000	55,000	55,000	3.77%
Total Funding Sources	$ 158,469	$ 131,540	$ 141,500	$ 145,500	$ 145,500	2.83%

Function:
Public Works

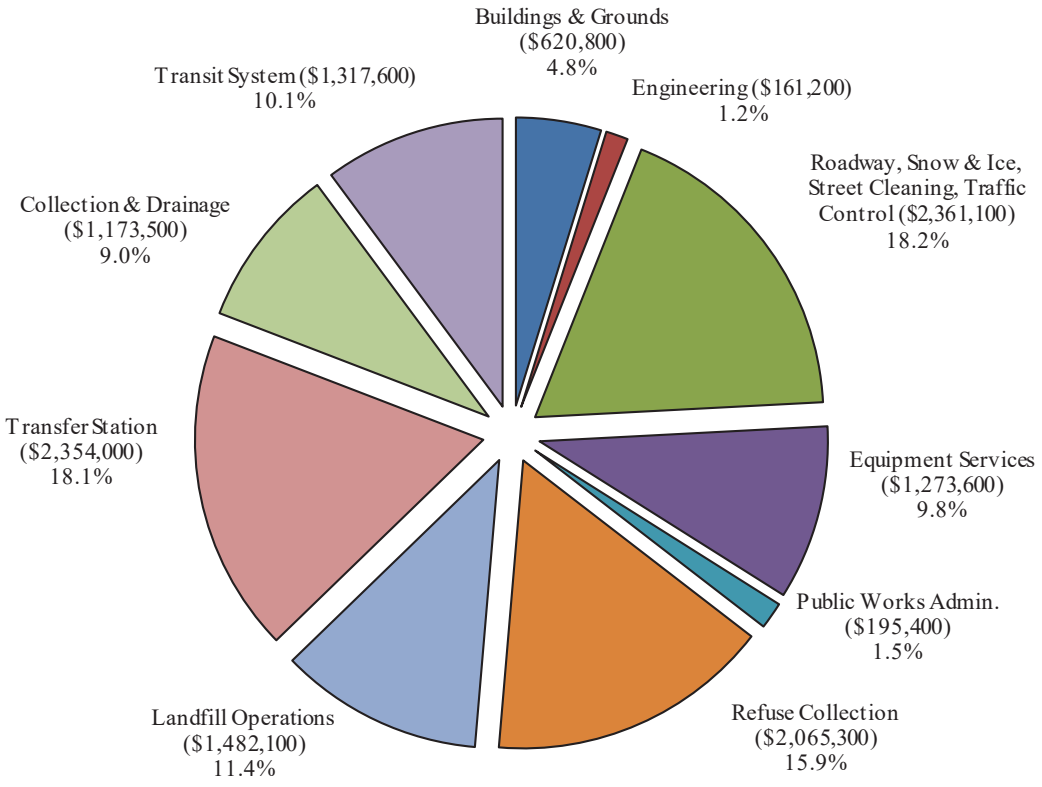
Department:
Public Works

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 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 2017/2018 fiscal year.

2017/2018 Public Works Budgets by Activity
$13,004,600



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 2017/2018 these fees total $66,300 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2016/2017 revised estimate is $6,600 more than the original budget. Contractual services increased by $2,600 due to an allocation for temporary services to cover the office when the administrative secretary is on vacation and a $1,000 increase in office supplies primarily due to the cost of color laser printer cartridges. There is also a $2,900 allocation for capital outlay to furnish the new Public Works Director's office.

The 2017/2018 budget is $16,600 (9.3%) more than the 2016/2017 budget. This increase includes (1) an increase of $7,900 in personal services costs, (2) a $1,000 increase in commodities primarily for printer cartridges, (3) a $5,800 increase in contractual services, (4) a $1,200 increase in capital outlay, and (4) a $700 increase in transfers. The contractual services increase continues the allocation for temporary services to cover absences of the administrative secretary and also includes funds for the Public Works Director to attend conferences.

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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Operating Expenditures - All Public Works Activities	$11,533,382	$12,184,377	$11,793,448	$12,912,200	$13,004,600
Full Time Employees - All Public Works Activities	46	46	43	44	44
Part Time Employees - All Public Works Activities	28	28	28	28	31
Infrastructure Projects Under Construction	4	6	7	12	5
Infrastructure Projects Completed	1	2	4	9	4

RECENT ACCOMPLISHMENTS

Summaries of the Public Works department activities are more specifically described in each division's budget narratives.

The Public Works Director position was filled in June 2016. There has been a learning curve for the new director but overall things are going well.

Public Works continues to take the lead on multiple infrastructure improvement projects throughout the community in addition to overseeing day-to-day operations of Solid Waste and Refuse Collection, Building and Grounds, Transit, Vehicle Maintenance, Collection and Drainage, Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, and Traffic Control. These activities are vital to the community and while often overlooked when done well, are front and center when things go wrong. One of the department's goals is to prevent things from going wrong and fix them as soon as possible when they do.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To implement a prioritization matrix for street repairs. **(Council and Management Continuous Service Improvement Goal)**
* To update the flood plan.
* To create five year plans for streets, alleys, sidewalks, facilities, and sewer projects. **(Council and Management Continuous Service Improvement Goal)**
* To implement a lane closure and barricade policy for private contractors working in city right of way.
* To implement a sidewalk replacement program.
* To implement an ADA accessible ramp replacement program.
* To review and modify Spring Cleanup Week services.
* To implement a full-depth concrete patching program using city staff and equipment.
* To implement a crack sealing program using city staff and equipment.
* To implement an alley repair program using city staff and equipment.
* To devise a solution for traffic control at the Houser and Fulliam intersection.
* To begin succession planning to address future retirements of staff members.
* To devise a solution for storm water issues in the Allen and Houser Street area.
* To implement green infrastructure practices to alleviate localized street flooding.
* To implement data management across all divisions to create detailed reports and performance measures. **(Council and Management Continuous Service Improvement Goal)**

Function:
Public Works

Department:
Public Works

Activity:

Public Works Administration

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 149,979	$ 163,695	$ 157,300	$ 157,400	$ 165,200	5.02%
Commodities	1,252	1,975	2,900	3,900	3,900	34.48%
Contractual Services	8,432	17,131	7,700	10,300	13,500	75.32%
Capital Outlay	6,911	4,929	-	2,900	1,200	
Transfers	-	9,900	10,900	10,900	11,600	6.42%
Total Expenditures	$ 166,574	$ 197,630	$ 178,800	$ 185,400	$ 195,400	9.28%
Funding Sources						
Road Use Taxes	$ 105,774	$ 135,030	$ 114,400	$ 121,000	$ 129,100	12.85%
Administrative Fees	60,800	62,600	64,400	64,400	66,300	2.95%
Total Funding Sources	$ 166,574	$ 197,630	$ 178,800	$ 185,400	$ 195,400	9.28%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 117,600
Employee Benefits						47,600
Total Personal Services						$ 165,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Laptop Computer	1	Yes	$ 1,200

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 2016/2017 revised estimate is $219,100 higher than the original budget. Capital outlay is over the original budget by $196,700. This increase includes $43,900 for a dump truck body carried forward from the 2015/2016 budget, $12,000 for a used joint sealing machine, and $140,000 for an asphalt milling machine. The asphalt milling machine will allow Public Works staff to grind out old asphalt for repairing streets and alleys instead of contracting out this work. The revised estimate increase also includes (1) a $17,600 increase in street and equipment repair costs, and (2) an increase of $4,700 in personal services costs, primarily for increased employee health insurance costs and overtime related to RAGBRAI (Register's Annual Great Bicycle Rid Across Iowa).

The 2017/2018 budget is $225,000 (20.5%) more than the 2016/2017 budget. A significant portion of this increase is the $198,500 increase in capital outlay. Personal services costs also increased by $50,300, which includes an increase of $19,600 in wages, $24,000 in health insurance premiums, $4,600 in workers compensation insurance, and $2,100 for FICA, IPERS, and other employee benefit increases. Contractual services increased by $7,200 primarily due to the $7,000 increase in the Roadway Maintenance portion of the annual cost for MAGIC (geographical information system) operations.

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 $2,739,800 for 2017/2018. Of this amount, $2,610,200 will be funded from Road Use Taxes and $129,600 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 2014	**Actual 2015**	**Actual 2016**	**Estimated 2017**	**Estimated 2018**
Miles of Streets Maintained	128	128	128	128	128
Hot Mix/Cold Mix Used	$35,000	$35,000	$35,000	$35,000	$35,000
Annual Street Resurfacing Program	3.1 mi. 3,067 Tons	1.8 mi. 5,986 Tons	2.3 miles 6,800 Tons	2.0 miles 6,000 Tons	2.0 miles 6,000 Tons
Curb & Gutter Repair (Lineal Feet)	137 LF	200 LF	300 LF	200 LF	200 LF
Full Depth Concrete Repair (SY)	2,135 SY	0	17,808 SY	7,000 SY	7,000 SY
Associated Driveways (SY)	1,910 SY	0	3,604 SY	600 SY	600 SY
Number of ADA Sidewalks Installed	Colorado 10 Cedar 9 Sewer 36	23	43	20	20
Associated Sidewalks (SY)	N/A	N/A	3,958 SY	1,270 SY	1,270 SY

Full Depth Repair - 2016	
Woodcreek	77 SY
Harmony Lane	40 SY
Harrison Street	139 SY
University Drive	234 SY
West Hill Sewer Project	6,947 SY
Mulberry Avenue Project	10,371 SY

Associated Driveways - 2016	
#1 Alley Project	12 SY
West Hill Sewer Project	595 SY
Mulberry Avenue Project	2,997 SY

ADA Ramps - 2016	
Iowa Avenue	1
Sycamore St.	2
West Hill Sewer Project	20
Mulberry Ave. Project	20

Associated Sidewalks - 2016	
#1 Alley Project	20 SY
West Hill Sewer Project	1,268 SY
Mulberry Avenue Project	2,670 SY

RECENT ACCOMPLISHMENTS

This past summer was busy for Roadway Maintenance staff. April began with Spring Leaf Pickup, rock shoulder repair, pothole patching, street sweeping, and Cleanup Week. May work included assisting the Parks department with the Tom Bruner Field/Slough Bank repair project. This work included hauling broken concrete to be placed on the bank, hauling modified subbase for the road base, and hauling and placing the ground-up asphalt for the road surface. Due to the mild winter, flooding was not an issue this year. In June crews were busy hauling broken concrete, ground-up asphalt and modified subbase from the Airport project to the Mulberry Avenue project and the Kent Stein Park to Deep Lakes Park Trail project. During July, the crew continued to haul from the Airport project and loaded and hauled the modified subbase to the Mulberry Avenue Project.

Staff assisted with sawing the #1 alley, removal of excess concrete, dirt, and fill, replacement of ADA ramps, and removal of concrete sidewalks. They also prepared for RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa) and Great River Days. Crews set out barricades numerous times throughout the summer for events in the Central Business District and Riverfront.

In August staff continued to do work in the #1 Alley (CBDG project), loaded and hauled modified subbase to the Mulberry Avenue project, repaired the Green Belt Trail from the washout that happened this spring, and painted crosswalks and stop bars in and around the schools before school started. Crews worked in September with the contractor for the Asphalt Overlay Program with subbase repairs before the new surface was laid down. They also continued to haul asphalt grindings from the airport to various locations. October brought on leaf pickup, several full-depth concrete and asphalt patches, alley reconstruction work, and getting equipment ready for winter activities. The crews were wrapping up summer projects in November and work included cleaning up the Transfer Station Compost Site. Crews hauled over 100 loads off the site and placed over 300 tons of modified subbase to prepare an area for winter snow storage. Leaf pickup continued all month, along with pothole patching, alley grading, and ditch work for water drainage. December concluded the asphalt overlay work, the West Hill Sewer project work, and Mulberry Avenue project work. Crews restored all of the street signage removed for these projects. Winter operations began with the first winter storm on December 4, 2016.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To continue the ongoing maintenance portion of the Pavement Management Program, funded from the 20% allocation of the Local Option Sales Tax, which includes asphalt overlay, full-depth concrete patching, joint sealing, and slurry coating of city streets.

* To continue 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 topcoat treatments.

* To implement a pavement management prioritization matrix to schedule repairs and create a five-year plan and corresponding budget. **(Council and Management Continuous Service Improvement Goal)**

Function:
Public Works

Department:
Public Works

Activity:

Roadway Maintenance

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 765,823	$ 807,100	$ 828,200	$ 832,900	$ 878,500	6.07%
Commodities	93,421	101,021	115,400	115,500	115,400	0.00%
Contractual Services	239,134	237,924	236,500	254,100	243,700	3.04%
Capital Outlay	85,976	147,994	66,500	263,200	265,000	298.50%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,184,354	$ 1,294,039	$ 1,246,600	$ 1,465,700	$ 1,502,600	20.54%
Funding Sources						
Road Use Taxes	$ 1,162,081	$ 1,264,161	$ 1,218,300	$ 1,437,400	$ 1,474,300	21.01%
Street Revenues	18,521	18,402	27,500	27,500	27,500	0.00%
Other	3,752	11,476	800	800	800	0.00%
Total Funding Sources	$ 1,184,354	$ 1,294,039	$ 1,246,600	$ 1,465,700	$ 1,502,600	20.54%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	4.00	
Equipment Operator II	5.00	5.00	5.00	5.00	4.00	
Equipment Operator I	1.00	1.00	1.00	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	$ 532,600
Employee Benefits						345,900
Total Personal Services						$ 878,500

Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Tandem Dump Truck	1	Yes	$ 150,000
Concrete Grinding			75,000
10' Stainless Dump Body	1	Yes	40,000
			$ 265,000

Function:
Public Works

Department:
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 2016/2017 is under the budgeted amount by $1,500. There were increases and decreases throughout the budget, but the overall decrease is due to the actual cost for capital outlay items being less than the budgeted amounts.

The 2017/2018 budget is $9,200 (5.0%) less than the 2016/2017 budget primarily due to a reduced allocation for capital outlay. Increases and decreases in the budget include (1) a $4,400 increase in personal services costs, (2) a $5,000 increase in contractual services, which includes $4,000 for additional street striping and $1,000 for sign repairs, and (3) an $18,600 decrease in capital outlay.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Number of Street Signs Maintained	5,563	5,960	5,960	5,962	5,962
Number of New Signs Installed	34	96	96	18	75
Lineal Feet of Street Striping	320,592	316,816	316,816	327,407	330,000
Number of Stop Bars Painted	317	311	311	296	296
Number of Arrows Painted	313	421	421	396	420
Number of Handicapped Stalls Marked	89	92	92	94	94
Number of Regular Parking Stalls Painted	2,621	2,632	2,741 *	2,741	2,741
Number of Crosswalks Painted	231	249	249	228	232
Number of Railroad Crossings Painted	37	37	37	35	35
Traffic Committee Meetings	20	23	13	20	20
Number of Signs Removed	80	24	24	51	24
Number of Sign Posts Maintained	4,133	4,273	4,273	4,342	4,342
Number of Speed Humps Painted	17	16	4	4	0
Number of Yellow No Parking Curb	N/A	140	140	140	140

* The number of regular parking stalls in 2015/2016 includes:

1. 2,093 in parking lots
2. 522 in the Central Business District
3. 94 Handicap
4. 26 Loading Zones
5. 6 on Halstead

RECENT ACCOMPLISHMENTS

The street striping program began in July of 2016 and was completed in early October. Weikert Contracting was again awarded the contract for this work. A few issues were encountered this year (i.e. turning arrows did not match up and center lines were missed). Some of the mistakes will have to be sandblasted off this spring. City crews painted crosswalks and parking stalls in the Central Business District. Crews also painted all of the crosswalks and stop bars in school areas in early August in time for the start of the school year.

Sign replacement continues as the department replaces worn out street name signs and worn out regulatory, warning, and ground-mounted guide signs. To date, staff has replaced 207 regulatory signs and 57 warning signs to meet the reflectivity guidelines. All stop signs have been replaced to meet the guidelines for reflectivity. Staff has also replaced 30 guide signs and one object marker for a total of 295 replaced signs this year, and added 18 new sign locations. The City maintains a total of 5,962 signs at 4,342 locations.

The Traffic Committee has resumed bi-monthly meetings with the hiring of the new Public Works Director. The Committee addresses issues and problems during the year.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To complete Year #2 of the five-year plan for replacement of street name signs. As Public Works staff replaces the street name signs, the signs are placed on top of stop sign posts when possible, which helps keep costs down.

* To implement year #3 of the street name sign replacement program. Signs need to be replaced in order to comply with the mandate by the FHWA (Federal Highway Administration) regulations.

Function:
Public Works

Department:
Public Works

Activity:

Traffic Control

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 66,993	$ 70,654	$ 77,000	$ 77,600	$ 81,400	5.71%
Commodities	9,751	19,686	14,400	14,400	14,400	0.00%
Contractual Services	56,569	65,220	63,000	66,000	68,000	7.94%
Capital Outlay	39,134	4,952	29,800	24,700	11,200	-62.42%
Transfers	-	-	-	-	-	
Total Expenditures	$ 172,447	$ 160,512	$ 184,200	$ 182,700	$ 175,000	-4.99%
Funding Sources						
Road Use Taxes	$ 172,447	$ 160,512	$ 184,200	$ 182,700	$ 175,000	-4.99%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	$ 50,100
Employee Benefits						31,300
Total Personal Services						$ 81,400

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Street Name Signs - Year 3 of 5	560	Yes	$ 9,400
I-Pads	2	No	1,800
			$ 11,200

Function:
Public Works

Department:
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 2016/2017 revised estimate is $2,200 less in total than the original budget. Commodities were $58,700 less than the original budget due to needing to purchase only one barge load of salt instead of the two loads budgeted. Contractual services were under the original budget by $7,000, which includes a reduced allocation for unloading services with only one barge load of salt purchased. The revised estimate for capital outlay is over the original budget by $63,400 due to carrying forward that amount from the 2015/2016 budget.

The 2017/2018 budget is $42,500 (9.8%) more than the original 2016/2017 budget primarily due to budgeting for two loads of salt. No capital outlay items are budgeted for 2017/2018.

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
2015/2016	26,075	11

The 2016/2017 revised estimate and 2017/2018 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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Number of Storms	26	14	11	17	17
Tons of Salt Used (includes 50/50 mix)	2,887	2,060	1,672	2,000	2,000
Tons of Sand Used	200	187	34	200	200
Tons of Cinders (includes mixed tonnage in 50/50)	808	0	0	0	0
Gallons Calcium Chloride Used	4,400	1,955	1,600	2,000	2,000

RECENT ACCOMPLISHMENTS

The first winter storm event of 2015-2016 was November 20, 2015 which delivered 6.5 inches of snow. There was one storm in November, one in December, three in January, four in February, and two in March. The winter of 2015-2016 was very mild compared to the average Midwest winters. Average snowfall is around 36 inches. Last year there was a total of 22.5 inches. There were 11 storm events, of which 8 were snow events and 3 were a combination of freezing rain with less than one inch of snow.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To continue to use the "Lean" principles to look for better communication flow between the equipment operators, the Muscatine Communications Center, and law enforcement (i.e. Snow Emergency Ordinance, Ticketing/Towing). **(Council and Management Continuous Service Improvement Goal)**

* To continue to hold pre-event and post-event meetings for every winter storm, which will include public safety personnel, city maintenance staff, snowplow drivers, and Muscatine school maintenance staff. **(Council and Management Continuous Service Improvement Goal)**

Function:
Public Works

Department:
Public Works

Activity:

Snow and Ice Control

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 95,719	$ 54,472	$ 84,200	$ 84,300	$ 84,600	0.48%
Commodities	262,590	123,578	212,100	153,400	273,200	28.81%
Contractual Services	101,605	61,415	118,400	111,400	120,400	1.69%
Capital Outlay	34,538	-	21,000	84,400	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 494,452	$ 239,465	$ 435,700	$ 433,500	$ 478,200	9.75%
Funding Sources						
Road Use Taxes	$ 487,018	$ 235,648	$ 430,700	$ 428,500	$ 473,200	9.87%
Reimbursement of Expenses	7,434	3,817	5,000	5,000	5,000	0.00%
Total Funding Sources	$ 494,452	$ 239,465	$ 435,700	$ 433,500	$ 478,200	9.75%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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						39,600
Total Personal Services						$ 84,600

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 2016/2017 revised estimate is under the budgeted amount by $28,300 due to a reduced allocation for capital outlay. The actual cost of the new street sweeper was $28,300 less than the budgeted amount.

The 2017/2018 budget is $215,100 (51.2%) less than the 2016/2017 budget. This overall decrease is primarily due to the prior year budget including a new street sweeper and having no capital outlay budgeted in 2017/2018. Increases and decreases include (1) Personal services costs increased by $8,900 due to increased wage and benefit costs including the increase in health insurance premiums, (2) commodities decreased by $2,000 due to reduced fuel costs, (3) contractual services increased by $4,000 due to an increase in wage rates for temporary services for the leaf collection program, and (4) the $226,000 decrease in capital outlay. The 2017/2018 budget again includes funds for renting one additional street sweeper in the spring of 2018.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Miles of Streets Cleaned with Sweeper	89	89	88	88	88
Employee Hours for Leaf Program	800	904	875	900	900
Temporary Employee Hours for Leaf Program	1,462	1,737	1,534	1,500	1,500
Fall Leaf Loads	227	265	340	277	278
Spring Leaf Loads	N/A	10	9	10	10

RECENT ACCOMPLISHMENTS

The Public Works department again rented additional street sweepers to assist with cleaning up city streets this spring. The cost is shared with the Collection & Drainage division. Staff started spring sweeping the second week of April and finished the first week of May with over 800 tons of debris from the streets hauled to the landfill to use to cover trash. This year it took longer to complete street sweeping due to the rental dates available and Spring Cleanup Week falling the last week of April. Sweeper operators were also busy sweeping streets for the West Hill Sewer project (to help control dust and debris to and from the dump site) and the Mulberry Avenue project as dust and debris were tracked down both Mulberry Avenue and Houser Street.

Spring leaf pickup ran weekdays from April 4 through April 15 and then leaves were picked up on Fridays from a list as residents called in. This service helps keep leaves from plugging storm inlets.

Fall Leaf Pickup began October 17 using only two trucks the first week. The two additional trucks were added the following week. Leaf pickup was scheduled to be completed by the Thanksgiving holiday but was extended due to the leaves falling later this year. Once again, the department struggled to keep temporary employees on the job. The temporary employees who stayed through the fall did a great job.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To sweep all city streets and bridges three to four times during the year.

* To train up to five employees to operate the new sweeper and train one operator to take care of the vacuum sweeper.

* To plan for future Central Business District street cleaning as it complements the Mississippi Drive Corridor project.

Table of Contents

Function:
Public Works

Department:
Public Works

Activity:

Street Cleaning

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 111,927	$ 116,638	$ 127,700	$ 128,100	$ 136,600	6.97%
Commodities	9,704	6,392	9,900	7,400	7,900	-20.20%
Contractual Services	62,040	77,985	56,800	59,600	60,800	7.04%
Capital Outlay	34,733	-	226,000	197,000	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 218,404	$ 201,015	$ 420,400	$ 392,100	$ 205,300	-51.17%
Funding Sources						
Road Use Taxes	$ 218,404	$ 201,015	$ 420,400	$ 392,100	$ 205,300	-51.17%

Personnel Schedule	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions/Position Allocations:						
Equipment Operator I	0.90	0.90	0.90	0.90	-	
Equipment Operator II	1.00	1.00	1.00	1.00	1.90	
Total Full Time	1.90	1.90	1.90	1.90	1.90	
						$ 89,700
Employee Benefits						46,900
Total Personal Services						$ 136,600

Function:
Public Works

Department:
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 2016/2017 is the same as the budgeted amount. The budget for 2017/2018 is $16,100 (11.1%) higher than the 2016/2017 budget. This increase includes (1) a $6,900 increase in wage and benefit costs, which includes the increase in health insurance premiums, (2) a $4,000 increase in professional services, which includes bridge inspection services, and (3) a $5,000 capital outlay allocation for a drone and the related training. While the drone is included in the Engineering budget, it will be available for all City departments to use as needed.

The City Engineer is also responsible for managing the three contractual engineering inspectors. The cost of those inspectors are charged directly to capital projects that they are working on.

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

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Estimated 2016/17	Estimated 2017/18
New Sidewalks Constructed (SY)	N/A	N/A	1,400	1,400	1,000
Percent and Amount of Billed Time to Projects (City Engineer)	N/A	N/A	25.2%/ $30,386	25%/ $30,000	25%/ $30,000

Other Performance Measures for the upcoming year:

1. Close out the Mulberry Avenue and Sidewalk projects from 2016.
2. Monitor the progress of the Mississippi Drive Corridor construction project to ensure the portion needed to provide access to the new hotel is completed in time to meet the hotel's schedule.
3. Regional silt basin with USACE (US Army Corps of Engineers). Do feasibility study.
4. Move three (3) projects to construction - Kent Stein Park to Deep Lakes Park Trail, 2017 Sidewalk Program, and West Hill Sewer Phase 3-C.
5. Coordinate with USACE to complete three (3) levee inspections.
6. Complete the Grandview Avenue environmental work.
7. Begin Grandview Avenue design
8. Perform construction management for all capital projects using the Project Management Team.
9. Develop Iowa Field into a storm water asset working with neighbors, the Water Pollution Control department, and the Parks department. Get to 50% complete to support possible funding requests.

RECENT ACCOMPLISHMENTS

The design and bid letting for the Mulberry Avenue Street Improvement project occurred on schedule and the project was substantially complete by the winter of 2016. The design and bid letting for the 2016 Sidewalk project took place in the fall and this construction was also substantially complete by the winter of 2016.

The Engineering staff completed the necessary requirements to get the Kent Stein Park to Deep Lakes Park Trail project to bid letting. The department coordinated with the Finance department on alternative financing for the trail after CAT grant funding was not awarded for the project.

The City Engineer was the point negotiator with CP Railroad for a $4 million agreement for the railroad to pay the portion of the Mississippi Drive Corridor project necessitated by the railroad raising their tracks during the 2014 flood.

The engineering staff also coordinated with HNI and the new hotel for their construction needs in 2016; applied for four Corps of Engineers permits and coordinated GPC and MP&W requests for modifications to the levee with the USACE; closed out the Cedar Street and Colorado Street projects with IDOT and assisted the Finance department with the final reimbursement paperwork for these projects; assisted with construction management for the Airport Runway project and the Mulberry Avenue project; and continued to develop the levee steering teams from the entities that are most directly affected by the levee.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018

* To monitor construction of the Mississippi Drive Corridor project to ensure the portion in the area of the new hotel is completed in time to meet the hotel's schedule.

* To monitor Muscatine Power & Water's (MP&W's) work on the Mississippi Drive project so that utility work is also completed in time to meet the hotel's needs.

* To continue to serve as liaison with the Project Management Team and the City staff.

* To assist other city departments with engineering for other projects.

* To continue to implement fixes for defects identified in the USACE (US Army Corps of Engineers) levee inspections.

* To complete the 2017 Sidewalk project.

* To provide support for the 2017 Public Works Pavement Management projects.

* To continue efforts to improve the process for identifying extra work and quantity overruns on capital projects so this information can be communicated on a timely basis to the City Administrator and the Finance Director.

* To continue serving as a member of the Traffic Committee.

Function:
Public Works

Department:
Public Works

Activity:

Engineering Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 60,078	$ 120,483	$ 125,600	$ 126,200	$ 132,500	5.49%
Commodities	584	2,850	3,200	3,200	3,200	0.00%
Contractual Services	32,635	9,533	16,300	15,700	20,500	25.77%
Capital Outlay	-	-	-	-	5,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 93,297	$ 132,866	$ 145,100	$ 145,100	$ 161,200	11.10%
Funding Sources						
Engineering Fees	$ 16,891	$ 30,286	$ 25,000	$ 30,000	$ 30,000	20.00%
Road Use Tax	76,406	102,580	120,100	115,100	131,200	9.24%
Total Funding Sources	$ 93,297	$ 132,866	$ 145,100	$ 145,100	$ 161,200	11.10%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	$ 95,600
Employee Benefits						36,900
Total Personal Services						$ 132,500

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Drone (including training)	1	No	$ 5,000

Function:
Transfers

Department:
City Administrator

Activity:

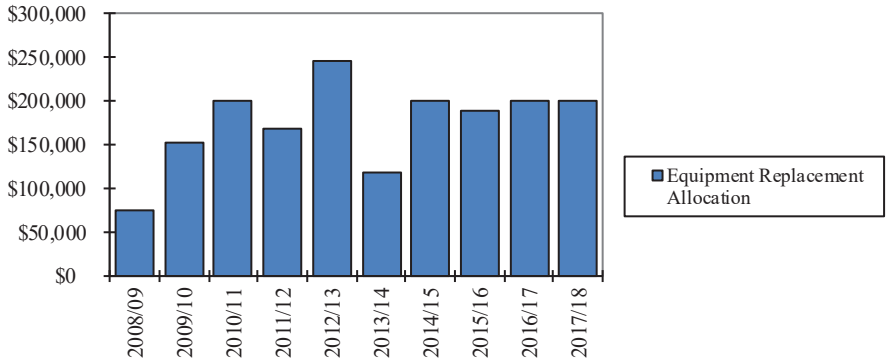
Equipment Replacement Transfer

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 $75,000 in 2008/2009 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 Fund. 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

In 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, increased to $200,000 for 2014/2015 and decreased to $188,000 for 2015/2016. The budgeted transfers for 2016/2017 and 2017/2018 are $200,000 in each year.

The transfer for 2016/2017 provides funding of $151,000 for four new police vehicles, $51,700 for a new police supervisor vehicle, $59,100 for a one-ton pickup and trailer for Park Maintenance, $8,500 for a mower for the Cemetery, $33,200 for a truck with plow for the Building and Grounds division, and $25,000 for a used truck for Park Maintenance.

The transfer for 2017/2018 will provide a total of $106,000 of funding for two used Police detective vehicles ($40,000), a used mower for the Cemetery ($30,000), a used pickup truck for Kent Stein Park ($20,000), and a utility vehicle for soccer ($16,000). The 2017/2018 transfer will also increase the Equipment Replacement fund balance in anticipation of future year vehicle and equipment needs.

Additional information on the Equipment Replacement Fund is included in the Special Revenue Funds section of this document.

Table of Contents

Function:
Transfers

Department:
City Administrator

Activity:

Equipment Replacement Transfer

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	200,000	336,500	200,000	200,000	200,000	0.00%
Total Expenditures	$ 200,000	$ 336,500	$ 200,000	$ 200,000	$ 200,000	0.00%
Funding Sources						
General Revenues	$ 200,000	$ 336,500	$ 200,000	$ 200,000	$ 200,000	0.00%

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 2016/2017 budget included a tax levy of $.23071 per $1,000 of valuation for public transportation which will generate $200,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

The transit tax levy rate for 2017/2018 has been decreased to $.11240 per $1,000 of valuation which will generate $100,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement). This lower tax rate is possible due to (1) increased federal and state grant funding, (2) reduced bus maintenance costs, (3) the transit fare increase effective July 1, 2015, and (4) having a sufficient Transit fund balance to use for the local share of bus and other capital purchases.

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	301,667	250,653	200,000	200,000	100,000	-50.00%
Total Expenditures	$ 301,667	$ 250,653	$ 200,000	$ 200,000	$ 100,000	-50.00%
Funding Sources						
Transit Tax Levy	$ 293,293	$ 237,761	$ 190,005	$ 190,005	$ 95,297	-49.85%
Utility Tax Replacement Excise Tax	1,241	1,134	737	737	344	-53.32%
Commercia/Industrial State Reimbursement	7,133	11,758	9,258	9,258	4,359	-52.92%
Total Funding Sources	$ 301,667	$ 250,653	$ 200,000	$ 200,000	$ 100,000	-50.00%

Function:
Transfers

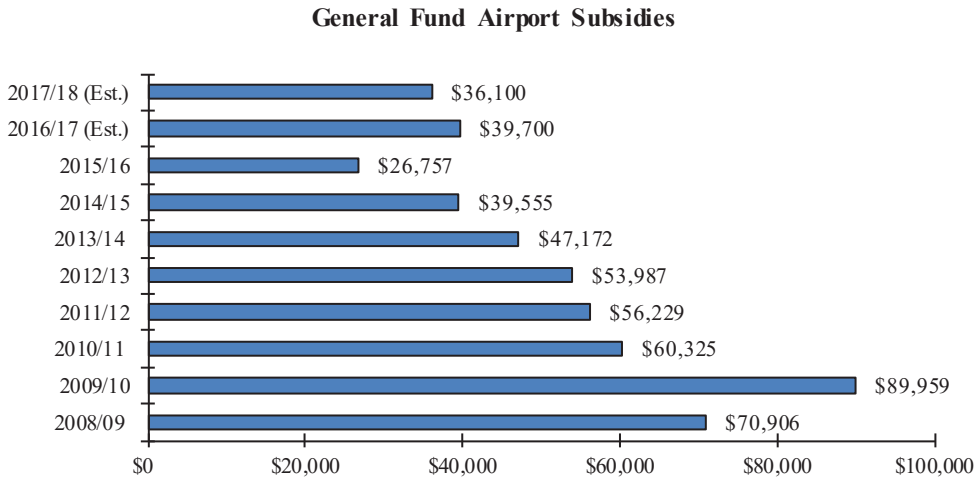
Department:
City Administrator

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 2008/2009 follows:



The General Fund subsidy has ranged from approximately $27,000 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 2016/2017 revised estimate subsidy of $39,700 is $5,400 less than the original budget amount. Revised estimate expenditures are $3,000 less than the original budget and revised estimate revenues are $2,400 more than the original budget.

The budgeted subsidy for fiscal year 2017/2018 of $36,100 is $9,000 (20.0%) less than the original 2016/2017 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	39,555	26,757	45,100	39,700	36,100	-19.96%
Total Expenditures	$ 39,555	$ 26,757	$ 45,100	$ 39,700	$ 36,100	-19.96%
Funding Sources						
General Revenues	$ 39,555	$ 26,757	$ 45,100	$ 39,700	$ 36,100	-19.96%

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 was also 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. 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 2017/2018 levee rate is budgeted to increase to the maximun tax rate of $.0675 per $1,000 of valuation which will generate $60,051 (including the utility replacement excise tax and the commercial/industrial State reimbursement). The 2016/2017 levy is 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. For 2017/2018 this tax levy will be 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	55,387	55,872	15,900	15,900	60,051	277.68%
Total Expenditures	$ 55,387	$ 55,872	$ 15,900	$ 15,900	$ 60,051	277.68%
Funding Sources						
Levee Tax Levy	$ 53,849	$ 52,998	$ 15,064	$ 15,064	$ 57,227	279.89%
Utility Tax Replacement Excise Tax	228	253	63	63	207	228.57%
Commercial/Industrial State Reimbursement	1,310	2,621	773	773	2,617	238.55%
Total Funding Sources	$ 55,387	$ 55,872	$ 15,900	$ 15,900	$ 60,051	277.68%

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. The funding assignments for the COPS grant were expended in fiscal year 2015/2016.

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 was 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, actual merit increases were reflected in the respective department budgets.

The 2016/2017 budget also included $12,300 to allow for merit increases up to 1% for fulltime non-union employees. While these funds were budgeted in the Assigned Funding allocation, the revised estimate in this budget is zero since actual merit increases have been reflected in the respective department budgets.

The 2017/2018 budget includes an estimated $50,000 to allow for pay increases in the non-union pay plan. This amount allows for merit increases of up to 3% and also includes funds to allow for several positions to be placed on different grades in the pay plan based on market surveys. Since the employees receiving merit pay and those affected by pay grade changes have not yet been determined, the budget estimate is again being reflected as an assigned funding allocation for 2017/2018.

Function:
Transfers

Department:
Non-Department

Activity:

Assigned Funding Allocations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ 12,300	$ -	$ 50,000	306.50%
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	9,000	-	-	-	-	
Total Expenditures	$ 9,000	$ -	$ 12,300	$ -	$ 50,000	306.50%
Funding Sources						
General Revenues	$ 9,000	$ -	$ 12,300	$ -	$ 50,000	306.50%

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.

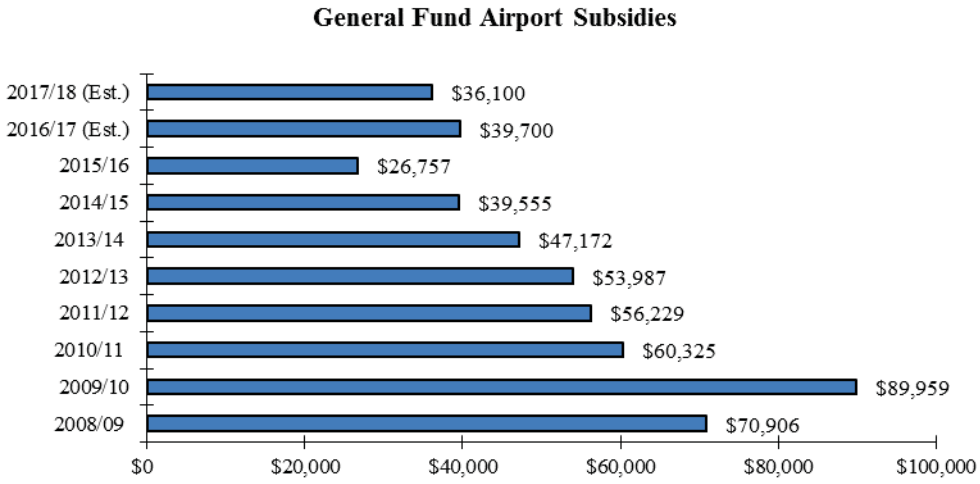
The facility is operated through a contractual agreement by the Airport Manager who oversees the general operation of the facility. The City also has a Fixed Base Operator (FBO) who provides various business functions and services to the users of the Airport. The FBO provides airplane maintenance, charter 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 2016/2017 and 2017/2018 is $46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of $10,800 in 2016/2017 and $11,100 in 2017/2018.

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 substantially completed in 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 was completed in 2015/2016. This project received 85% State funding with a 15% local match. The Airport Electrical Upgrade project was also completed in 2015/2016 with 85% State and 15% local funding. In October of 2016 the City was awarded funding for the design of a new T-Hangar and for apron expansion. The design work for this project is in progress and will be 85% funded by a State grant with a 15% local match. Construction of this project is expected to follow with funding from a separate grant.

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 2016/2017 revised estimate subsidy is under the budgeted amount by $5,400 due to (1) revenue increases of $1,500 in fuel commissions and $900 in a State grant, and (2) expenditure reductions totaling $3,000.

Airport expenditures for 2016/2017 are $3,000 (2.5%) less in total than the 2016/2017 budget. Significant expenditure changes include (1) a $3,400 increase in audit costs since the Airport Runway project was a major federal program in the 2015/2016 audit, (2) a decrease of $5,000 in engineering consulting fees, (3) a $300 decrease in insurance costs, (4) a $100 decrease in drainage and levee district taxes, and (5) a $1,000 decrease in capital outlay.

The 2017/2018 budgeted expenditures are $3,900 (3.3%) less than the 2016/2017 budget. This decrease is primarily due to continuing the lower allocation for engineering consulting fees. Airport revenues are budgeted to increase by $5,100 which includes (1) a $2,900 increase in fuel commissions since there is a full year of commissions in 2017/2018 with the runway project now completed, (2) a $1,900 increase in hangar rents, and (3) a $300 increase in the FBO fee. These changes in revenues and expenditures will result in a General Fund subsidy for 2017/2018 of $36,100 which is $9,000 (20.0%) less than the original 2016/2017 budgeted subsidy.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	10	8	8	8	8
Hangar Rentals	$21,524	$21,641	$21,532	$22,100	$24,000
FBO Lease	$9,900	$9,900	$10,500	$10,800	$11,100
Gallons of Fuel Dispensed by FBO	101,900	98,361	See Breakout Below	See Breakout Below	See Breakout Below
Gal. 100LL Fuel Dispensed by FBO	N/A	N/A	9,479	8,000	12,500
Fuel Commission 100LL ($.08/gal)	N/A	NA	$758	$600	$1,000
Gal. Jet Fuel Dispensed by FBO	N/A	N/A	72,322	75,000	85,000
Fuel Commission Jet Fuel ($.10/gal)	N/A	N/A	$7,232	$7,500	$8,500
Total Fuel Commission	$3,057	$2,634	$7,990	$8,100	$9,500*
Farm Lease Revenue	$34,139	$34,139	$34,139	$34,100	$34,100
General Fund Subsidy	$47,172	$39,555	$26,757	$39,700	$36,100

* The Runway 6/24 Reconstruction Project has been completed and fuel sales should return to normal.

RECENT ACCOMPLISHMENTS:

The Runway 6/24 Reconstruction Project is now substantially complete. It was completed ahead of schedule and came in under budget. The design team and city staff were instrumental in the realized cost savings and quality project outcome. The project received an ACEC (American Council of Engineering Companies) Engineering Excellence award.

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 reconstruction of the runway 6/24 project, the Reconstruction of Taxiway A project, and future T-Hangar construction.

The Electrical Upgrade project was completed and the grant was closed out in 2015/2016. The T-Hangar Design and Apron Expansion project grant was awarded by the Iowa Department of Transportation in October of 2016, and the project is currently under design. An Airport Layout Plan Update grant was awarded by the FAA and the project is underway.

City staff conducted a search for airport engineering services. The firm of Bolton & Menk was selected to provide these services. The hangar inspection program continues with the second round of hangar inspections completed. Staff attended the four states central region conference.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To close out the Runway 6/24 Reconstruction project.

* To adopt a new airport zoning ordinance.

* To complete the ALP (Airport Layout Plan) update project.

* To complete the T-hangar apron expansion project.

* To write the grant application for Phase II of the T-Hangar project.

* To write the grant application for the Taxiway “A” Reconstruction project.

* To complete the design and receive bids for the Phase II T-Hangar project and Taxiway “A” Reconstruction projects. **(Council and Management Projects, Programs, and Placemaking Goals)**

* To discuss airport utilization with the Iowa National Guard and Department of Defense.

* To develop a private hangar construction plan and policy

Airport Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Fixed Base Operator Fee	$ 9,900	$ 10,500	$ 10,800	$ 10,800	$ 11,100
Hangar Rentals	21,641	21,532	22,100	22,100	24,000
Reimbursement of Costs	875	1,043	1,000	1,000	1,000
Farm Leases	34,139	34,139	34,100	34,100	34,100
Gasoline Commission	2,634	7,166 (1)	6,600 (1)	8,100 (1)	9,500
State Grant	4,571	2,901	0	900	0
Transfers In					
General Fund Subsidy	39,555	26,757	45,100	39,700	36,100
Total Revenues	$ 113,315	$ 104,038	$ 119,700	$ 116,700	$ 115,800
Funds Available	$ 113,315	$ 104,038	$ 119,700	$ 116,700	$ 115,800
Expenditures	113,315	104,038	119,700	116,700	115,800
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Gasoline commissions in 2015/2016 and 2016/2017 were lower due to the Runway Reconstruction project in the summer of 2016.

Function:
Business Type

Department:
Community Development

Activity:

Airport Operations

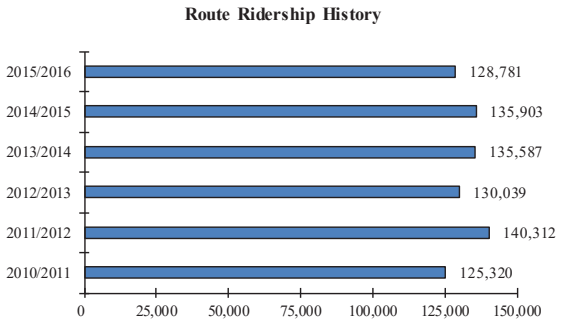
	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	2,672	2,762	5,200	5,200	5,700	9.62%
Contractual Services	92,512	81,966	100,400	98,400	100,700	0.30%
Capital Outlay	9,631	10,510	5,000	4,000	-	-100.00%
Transfers	8,500	8,800	9,100	9,100	9,400	3.30%
Total Expenditures	$ 113,315	$ 104,038	$ 119,700	$ 116,700	$ 115,800	-3.26%
Funding Sources						
Airport Revenues	$ 73,760	$ 77,281	$ 74,600	$ 77,000	$ 79,700	6.84%
General Fund Operating Subsidy	39,555	26,757	45,100	39,700	36,100	-19.96%
Total Funding Sources	$ 113,315	$ 104,038	$ 119,700	$ 116,700	$ 115,800	-3.26%

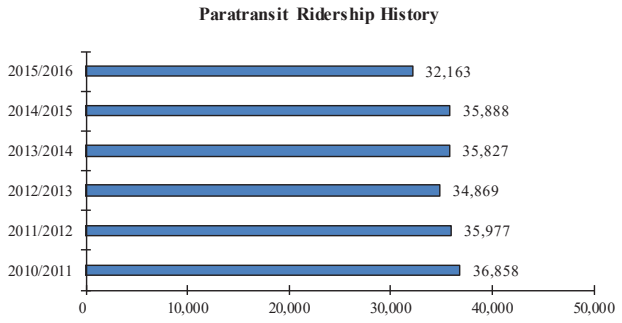
TRANSIT SYSTEM

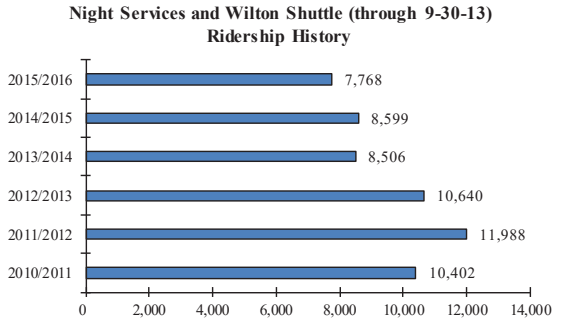
GENERAL INFORMATION:

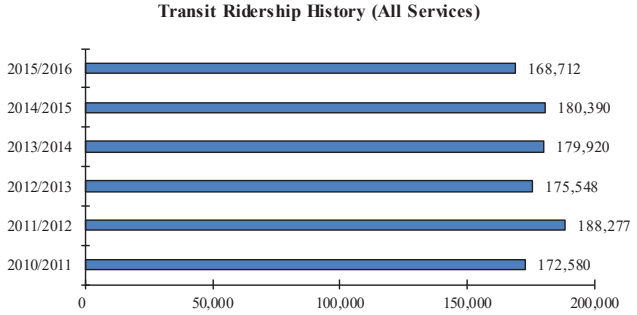
The City Transit System operates with eleven (11) small buses, all equipped with wheelchair lifts. Personnel supporting the transit system are a full-time Transit Supervisor, three (3) part-time dispatchers, 18 part-time drivers, and one part-time vehicle service worker. The system currently consists 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 2010/2011 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 is estimated at $380,000 for 2017/2018. Additional federal grant funds are budgeted to be received in 2017/2018 for special transit services including $56,500 for the Job Access service and $28,000 for the New Freedoms service. Federal capital support has also been used, primarily to purchase buses. The 2017/2018 budget includes $158,800 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 2017/2018 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 2016/2017 the City's transit levy rate was set at $.23071 per $1,000 of valuation which will generate $200,000 (including the State reimbursement for the commercial and industrial property rollback). For 2017/2018 the transit tax levy rate is budgeted to decrease to $.11240/$1,000 of valuation which will generate $100,000 (including the State reimbursement). This lower tax rate is possible due to (1) increased federal and state grant funding, (2) reduced bus maintenance costs, (3) the transit fare increase effective July 1, 2015, and (4) having a sufficient Transit fund balance to use for the local share of bus and other capital purchases. 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. These rates will continue in the 2017/2018 budget.

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 2016/2017 are under the original budget by $20,100. This is primarily due to (1) a $33,200 reduction in personal services costs primarily due to allocating 50% of the Transit Supervisor to Solid Waste Management funds while she is serving as Interim Solid Waste Manager, (2) a $5,000 reduction in fuel costs due to the recent lower prices, (3) a $4,400 increase in contractual services primarily due to bus shelter repair costs, and (4) a $13,700 increase in capital outlay. The original 2016/2017 budget included $233,000 for two flex fueled buses (80% grant funded) and $48,500 for ten new bus shelters, with these purchases subject to grant funding. The revised estimate includes three regular buses for $286,000 (85% grant funded) and $9,200 for dispatch software and tablet computers carried forward from the 2015/2016 budget. Grant funding was not awarded for replacement of the bus shelters.

The 2017/2018 budget is $17,700 (1.3%) less than the original 2016/2017 budget. This overall decrease is primarily due to (1) a $27,400 decrease in capital outlay, (2) a $9,400 (1.3%) increase in personal services, (3) a $200 decrease in contractual services, and (4) a $500 increase in administrative transfers. The capital outlay allocation includes $195,500 for the purchase of two buses, $58,000 to replace eleven bus shelters, and $600 for a sit-to-stand work station for the dispatch office. The bus and bus shelter purchases are subject to grant funding which would be 80% federal funding for the buses and 80% State funding for the bus shelters.

As noted previously, the transit tax levy has been reduced from $200,000 to $100,000 for 2017/2018. Lowering the transit tax levy rate allowed the City to maintain the same overall tax rate for 2017/2018.

The Transit fund shows a balance at the end of 2017/2018 of $348,557. 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
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 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)	3 (4 for 9 hrs of the day, M-F)
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	135,587	135,903	128,781	130,000	135,000
Paratransit Passengers	35,827	35,888	32,163	33,000	35,000
JARC for Work (Night Service)	6,503	6,870	6,311	6,400	6,500
New Freedom (Night Service)	1,575	1,729	1,457	1,500	1,600
Muscatine/Wilton Shuttle*	428*	0	0	0	0
Total Passengers	179,920	180,390	168,712	170,900	178,100

* The Muscatine/Wilton Shuttle was discontinued September 30, 2013. The first quarter service is shown for 2013/2014.

RECENT ACCOMPLISHMENTS:

MuscaBus saw a decrease in rides provided in fiscal year 2015/2016. Ridership was down 11,678 (6.5%) compared to the previous year. A total of 168,712 rides were provided in 2015/2016 compared to the previous year's 180,390. There is no formula to identify the root cause of the decline. It is suspected the fare increase and lower fuel prices affected ridership. Weather and unemployment rates can also contribute. In conjunction with fewer rides provided, there was a slight decrease in revenue miles driven.

MuscaBus participated in a number of community events again in fiscal year 2015/2016. Transportation was provided for Symphony goers since with construction of the new Jefferson School, parking was extremely limited. BuscaBus transported passengers from Unity's parking lot on Cedar Street to Central Middle School. MuscaBus also participated in the July 4th parade, Community Block Party, Senior Expo, and the Transitions Fair held at Muscatine High School. Rides were also provided for the 50th Anniversary celebration of the Muscatine Art Center, and disabled children and teens were transported to KanDo Camp in June/July. Again this year, free route rides were offered for grades K-12 students during the summer months.

RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa) ended in Muscatine on Saturday, July 30, 2016. A total of 305 rides were provided that day for the road weary cyclists. The MuscaBus route ran from the riverfront to the School Administration Center, Mulberry School, and Muscatine High School where vehicles were parked. The department also operated two routes on Friday evening, July 22, 2016. There were 304 rides provided to downtown and Park Avenue venues from the St. Mary/Mathias School parking lot. Cyclists camped for the night at the Muscatine High School prior to their journey to the western side of the state.

New driver training was ongoing in 2015/2016 with several retirements in the department. Two MuscaBus drivers participated in the annual Iowa Public Roadeo, held in Coralville this year in June. Drivers are scored for their precision on the skills course. MuscaBus drivers also attended a Defensive Driving class which was sponsored by the City's insurance carrier in May 2016. The Transit division closed out the year with 268,635 revenue miles driven.

OBJECTIVES TO BE ACCOMPLISHED 2017/2018:

* 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 in an effort to improve scheduling and tallying capabilities. **(Council and Management Continuous Service Improvement Goal)**

Transit System

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 116,408	$ 216,499	$ 224,799	$ 366,957	$ 418,257
Revenues	1,075,799 (2)	1,095,295 (3)	1,243,400 (4)	1,366,500 (4)	1,247,900 (5)
Funds Available	$ 1,192,207	$ 1,311,794	$ 1,468,199	$ 1,733,457	$ 1,666,157
Expenditures (1)	975,708	944,837	1,335,300	1,315,200	1,317,600
Ending Balance, June 30	$ 216,499	$ 366,957	$ 132,899	$ 418,257	$ 348,557
Increase (Decrease) in Fund Balance	**$ 100,091**	**$ 150,458**	**$ (91,900)**	**$ 51,300**	**$ (69,700)**

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 2016/2017 Transit tax levy is $200,000.
5. The Transit tax levy for 2017/2018 is $100,000.

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Transit Charges	$ 188,709	$ 239,599	$ 200,000	$ 240,000	$ 240,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	$ 363,834	$ 376,028	$ 380,000	$ 400,000	$ 380,000
Federal Job Access Grant	0	0	0	28,200	56,500
New Freedoms Grant	0	0	0	14,000	28,000
State Vehicle Use Tax	221,028	227,441	232,000	232,000	232,000
Capital Grants:					
State PTIG Grant - Bus Shelters	0	0	38,800	0	46,400
Federal Funds - Buses	0	0	186,400	243,100	158,800
Subtotal - Grants	$ 584,862	$ 603,469	$ 837,200	$ 917,300	$ 901,700
General Fund Support:					
Transit Tax Levy	301,667	250,653	200,000	200,000	100,000
Sale of Vehicles	0	0	6,000	9,000	6,000
Interest	107	243	100	100	100
Donations	400	0	100	100	100
Other	54	1,331	0	0	0
Total Revenues	$ 1,075,799	$ 1,095,295	$ 1,243,400	$ 1,366,500	$ 1,247,900

Function:
Business Type

Department:
Public Works

Activity:

Transit System

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 682,320	$ 693,878	$ 724,700	$ 691,500	$ 734,100	1.30%
Commodities	101,415	73,859	105,500	100,500	105,500	0.00%
Contractual Services	171,501	155,843	205,000	209,400	204,800	-0.10%
Capital Outlay	390	-	281,500	295,200	254,100	-9.73%
Transfers	17,600	18,100	18,600	18,600	19,100	2.69%
Total Expenditures	$ 973,226	$ 941,680	$ 1,335,300	$ 1,315,200	$ 1,317,600	-1.33%
Funding Sources						
Transit Charges	$ 188,709	$ 239,599	$ 200,000	$ 240,000	$ 240,000	20.00%
Transit Grants	584,862	603,469	837,200	917,300	901,700	7.70%
Transit Tax Levy	301,667	250,653	200,000	200,000	100,000	-50.00%
Sale of Vehicles	-	-	6,000	9,000	6,000	0.00%
Interest	107	243	100	100	100	0.00%
Donations	400	-	100	100	100	0.00%
Other	54	1,331	-	-	-	
Total Funding Sources	$ 1,075,799	$ 1,095,295	$ 1,243,400	$ 1,366,500	$ 1,247,900	0.36%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	11.81	11.79	11.67	11.72	
Transit Dispatcher	1.92	1.38	1.38	1.48	1.45	
Transportation Serviceperson	0.63	0.63	0.63	0.63	0.63	
Total Part Time	13.17	13.82	13.80	13.78	13.80	
Total	14.37	15.02	15.00	14.98	15.00	$ 587,700
Employee Benefits						146,400
Total Personal Services						$ 734,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Light Duty Buses	2	Yes	$ 195,500
Bus Shelters	11	Yes	58,000
Sit-to-Stand Work Station	1	No	600
			$ 254,100

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 1,401 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	282	0	5	0	0	0	0	0	287
Handicapped	15	1	1	3	1	0	2	18	41
10 Hour	54	19	15	43	0	9	0	0	140
Leased/Reserved	0	7 R	4 L	40 L	24 R	149 L	50 L	0	274
Totals	511	27	41	99	25	158	57	483	1,401

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 allocated 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 revised estimate expenditures are over the budgeted amount in total by $10,500. This overall increase is due to (1) a $4,900 increase in personal services costs due to an employee allocated 50% to the Parking fund changing from single to family health insurance, (2) a $2,600 increase in repair and maintenance services which includes $2,300 to repair lights in Lot #4 and increased costs to repair meter displays, and (3) a $3,000 increase in capital outlay. The capital outlay increase includes $2,500 to replace two hand-held printers used by the meter attendants and $500 for new parking meters for the parking spaces added in the fall of 2016.

Fiscal year 2016/2017 revenues are projected to be $10,500 more in total than the original budget. This includes estimated increases of $7,000 in parking fees, $1,000 in leased parking revenues, $500 in meter hood rentals, and $2,000 in fines.

The budgeted expenditures for 2017/2018 are $13,100 (6.2%) higher than the original budget for 2016/2017. This is due to (1) a $12,400 increase in personal services, with $7,700 of this amount due to increased health insurance costs, including the change from single to family coverage for an employee

allocated 50% to the Parking budget, and (2) a $700 increase in administrative transfers. Parking revenues are projected at $207,600, which is $10,500 more than the original 2016/2017 budget.

The 2017/2018 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 2017/2018. The Parking fund balance at the end of 2017/2018 is estimated at $40,655.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Metered Parking Spaces	429	433	433	426 (2)	426 (2)
Leased Parking Spaces	174	174	174	168 (3)	168 (3)
Reserved Parking Spaces (1)	109	107	107	107	107
Free Parking Spaces	659	659	659	659	659
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,412	1,414	1,414	1,401	1,401
Overtime Parking Tickets Issued	10,222	10,098	10,495	10,500	10,500
Overtime Tickets Paid or Dismissed	8,470	8,241	8,598	8,610	8,610
Percent Paid or Dismissed	82.86%	81.61%	81.92%	82.00%	82.00%
Handicapped Tickets Issued	60	51	67	70	70
Handicapped Tickets Paid or Dismissed	50	45	58	60	60
Percent Paid or Dismissed	83.33%	88.24%	86.57%	85.71 %	85.71%
Other Parking Tickets Issued	1,988	2,040	1,648	1,650	1,650
Other Tickets Paid or Dismissed	1,416	1,466	1,157	1,188	1,188
Percent Paid or Dismissed	71.23%	71.86%	70.21%	72.00%	72.00%
Overall Collection Rate	80.98%	80.01%	80.37%	80.67%	80.67%
Leased Parking Spaces Available	174	174	174	168 (3)	168 (3)
Spaces Leased	100	105	130	135	140
Percentage Leased	57.47%	60.34%	74.71%	80.36%	83.33%
Fines Collected by County Treasurer	$14,360	$16,645	$19,856	$19,900	$19,900
Courtesy Tickets Issued	616	815	505	600	600

1. Reserved spaces include those reserved for the Library, Clark House and CBI Bank and Trust.
2. In 2016/2017 as part of the new hotel project, 10 metered spaced were eliminated on Mississippi Drive and on Chestnut Street. Three new metered spaces were added in other areas of the downtown.
3. In 2016/2017 six leased spaces were eliminated in Lot 4 in conjunction with the CDBG Downtown Revitalization project.

RECENT ACCOMPLISHMENTS:

Finance staff continues to send notices and perform other follow-up procedures including forwarding unpaid tickets to the County Treasurer's Office to place holds on vehicle license renewals until parking fines are collected. The overall collection rate for 2015/2016 was 80.37%.

The number of leased spaces rented increased from 105 in 2014/2015 to 130 in 2015/2016 (74.71% of available spaces compared to 60.34% in the prior year). This increase is in part due to construction of the new hotel which displaced some private parking in the downtown area. The number of spaces leased increased by 5 to 135 in 2016/2017, 80.36% of available spaces. 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, to $16,645 in 2014/2015, and to $19,856 in 2015/2016. Efforts will continue to look for other "Lean" initiatives in the Parking division.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* 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 to 75% in 2015/2016. The number of leased spaced available was reduced by 6 in 2016/2017 with the reconfiguration of Lot 4 done in conjunction with the CDBG Downtown Revitalization project. The goal is to increase the number of spaces leased by at least 5 to 140. This would be 83.33% of the reduced number of spaces available.

* To evaluate and determine the type of parking enforcement on Mississippi Drive in conjunction with the Mississippi Drive Corridor reconstruction project. This may include evaluation of alternate parking systems. **(Council and Management Projects, Program, and Placemaking Goal)**

* To review Parking processes for additional "Lean" efficiencies. **(Council and Management Continuous Service Improvement Goal)**

Parking System

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 36,986	$ 51,949	$ 48,049	$ 68,655	$ 55,955
Revenues					
Parking Fees (2)	$ 109,302	$ 113,831	$ 103,000	$ 110,000	$ 110,000
Parking Permits	27,260 (3)	31,797 (3)	31,000	32,000	32,000
Meter Hoods	3,951	1,944	1,000	1,500	1,500
Fines	63,927	66,793	62,000	64,000	64,000
Interest	91	112	100	100	100
Insurance Reimbursement	0	4,014	0	0	0
Miscellaneous	18	45	0	0	0
Total Revenues	$ 204,549	$ 218,536	$ 197,100	$ 207,600	$ 207,600
Funds Available	$ 241,535	$ 270,485	$ 245,149	$ 276,255	$ 263,555
Expenditures (1)	189,586	201,830	209,800	220,300	222,900
Ending Balance, June 30	$ 51,949	$ 68,655	$ 35,349	$ 55,955	$ 40,655
Increase (Decrease) in Fund Balance	**$ 14,963**	**$ 16,706**	**$ (12,700)**	**$ (12,700)**	**$ (15,300)**

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 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 148,101	$ 150,596	$ 159,600	$ 164,500	$ 172,000	7.77%
Commodities	3,364	3,366	3,200	3,200	3,200	0.00%
Contractual Services	14,809	19,877	21,900	24,500	21,900	0.00%
Capital Outlay	1,863	5,559	1,900	4,900	1,900	0.00%
Transfers	21,800	22,500	23,200	23,200	23,900	3.02%
Total Expenditures	$ 189,937	$ 201,898	$ 209,800	$ 220,300	$ 222,900	6.24%
Funding Sources						
Parking Fees	$ 140,513	$ 147,572	$ 135,000	$ 143,500	$ 143,500	6.30%
Parking Fines	63,927	66,793	62,000	64,000	64,000	3.23%
Interest	91	112	100	100	100	0.00%
Miscellaneous	18	45	-	-	-	
Insurance Reimbursement	-	4,014	-	-	-	
Total Funding Sources	$ 204,549	$ 218,536	$ 197,100	$ 207,600	$ 207,600	5.33%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 123,600
Employee Benefits						48,400
Total Personal Services						$ 172,000

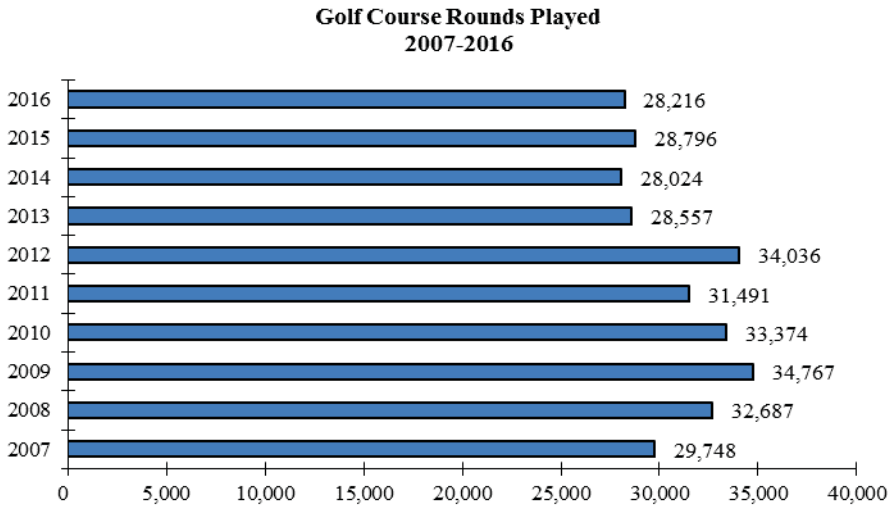
Capital Outlay

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. Play decreased to 28,557 (by 16.1%) in 2013 and further decreased to 28,024 (by 1.9%) in 2014. Play increased to 28,796 (by 2.8%) in 2015 and decreased to 28,216 (2.0%) for 2016. The following is a summary of the rounds during the past ten years:

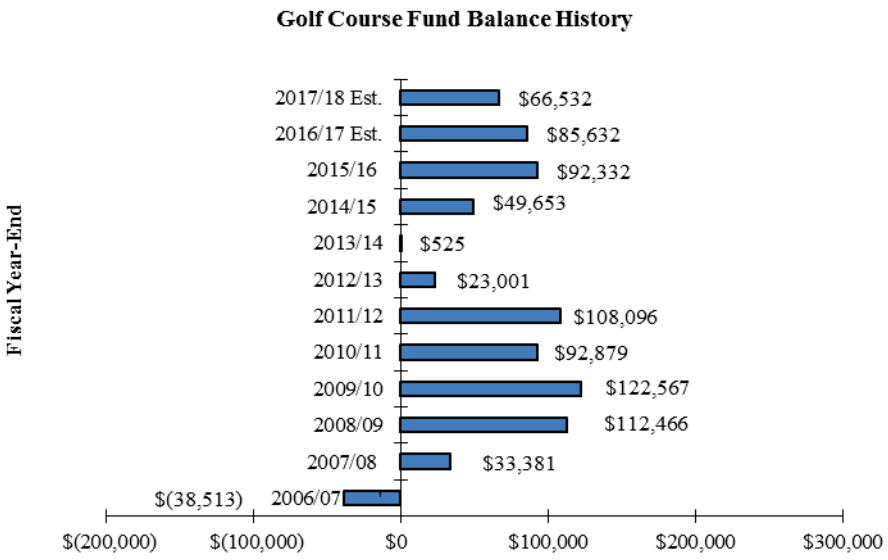


The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Rates were increased for the 2007 and 2008 golf seasons. No increases were budgeted for 2009, 2010 or 2011. Rates were increased for 2012 and those rates were continued in 2013. Rates were last increased for the 2014 season and those rates were maintained for the 2015 and 2016 golf seasons. Rates are budgeted to increase for the 2017 golf season as shown below:

WEEK DAYS	2007	2008-2011	2012-2013	2014-2016	Budget 2017
Adults					
9 holes	$ 13.00	$ 13.00	$ 14.00	$ 15.00	$ 16.00
18 holes	$ 16.00	$ 17.00	$ 18.00	$ 19.00	$ 20.00
Senior Citizens					
9 holes	$ 12.00	$ 12.00	$ 13.00	$ 14.00	$ 15.00
18 holes	$ 14.00	$ 15.00	$ 16.00	$ 17.00	$ 18.00
Junior					
9 holes	$ 11.00	$ 11.00	$ 5.00	$ 5.00	$ 5.00
18 holes	$ 11.00	$ 11.00	$ 5.00	$ 5.00	$ 5.00

WEEK DAYS	2007	2008-2011	2012-2013	2014-2016	Budget 2017
Adults 1-3 p.m.					
9 holes	N/A	N/A	$ 9.00	$ 10.00	$ 11.00
18 holes	N/A	N/A	$ 11.00	$ 12.00	$ 13.00
Senior Citizens 1-3 p.m.					
9 holes	N/A	N/A	$ 8.00	$ 9.00	$ 10.00
18 holes	N/A	N/A	$ 10.00	$ 11.00	$ 12.00
WEEKENDS AND HOLIDAYS					
18 Holes					
Adult	$ 18.00	$ 19.00	$ 20.00	$ 21.00	$ 22.00
Senior Citizens	$ 16.00	$ 17.00	$ 18.00	$ 19.00	$ 20.00
Juniors	$ 13.00	$ 14.00	$ 5.00	$ 6.00	$ 6.00
SEASON PASSES					
Adults	$ 485.00	$ 525.00	$ 550.00	$ 580.00	$ 605.00
Juniors	$ 160.00	$ 160.00	$ 90.00	$ 90.00	$ 90.00
Senior Citizens	$ 405.00	$ 440.00	$ 465.00	$ 490.00	$ 515.00
College Student Pass	N/A	$ 335.00	$ 300.00	$ 300.00	$ 325.00
Family Pass	N/A	$ 875.00	$ 915.00	$ 960.00	$ 985.00

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. There was a deficit balance at the end of 2006/2007 and small balance at the end of 2007/2008 which 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, 2016/2017, and 2017/2018 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 $1,200 less in total than the original budget. This overall decrease is due to (1) a $3,900 decrease in personal services costs, (2) a $200 increase in commodities, and (3) a $2,500 increase in contractual services, primarily for increased sales tax.

The budgeted expenditures for 2017/2018 are $9,600 (2.6%) more than the 2016/2017 budget. Personal services increased by $5,100 (3.0%) due to increased wages and benefits; commodities increased by $200; and contractual services increased by $4,300. The contractual services increase is primarily due to increased sales tax from the fee increase effective for the 2017 golf season. 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 2016/2017 revised estimate is $12,100 less than the original budget. This overall decrease is primarily due to a $17,600 decrease in capital outlay. The revised estimate includes the addition of $22,400 to replace two irrigation pumps. With this addition in the revised estimate, the budgeted replacement of a greens mower for $40,000 was moved to the 2017/2018 budget. There was a $4,400 increase in contractual services which includes $3,000 for tractor repairs and $1,000 for increased electric charges. The $1,000 increase in commodities was due to equipment repair supplies.

The 2017/2018 budget is $12,600 higher than the original 2016/2017 budget. This overall increase is due to (1) a $9,000 increase in personal services costs which includes wage and employee benefits costs, (2) a $1,500 increase in contractual services, primarily increased electric charges, (3) a $500 increase in commodities, and (4) a $1,600 increase in administrative transfers.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2016/2017 will be $85,632 compared to the original budget of $3,453. A portion of this higher balance is from deferring the purchase of the greens mower ($40,000). The estimated fund balance at the end of 2017/2018 is estimated at $66,532. As noted previously both the 2016/2017 revised estimate and 2017/2018 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. The 2016/2017 revised estimate and 2017/2018 budget include a fee increase for the 2017 golf season.

The 2017 season will be the 11th 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 2013	Actual 2014	Actual 2015	Actual 2016	Estimated 2017
Golf Maintenance Operations:					
Top Dressed Greens	7	7	7	9	9
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	260	260
New Trees Planted	20	0	0	0	8
Bluebirds Fledged	20	31	14	14	20
Rolled Greens	15	20	20	20	20
Verti-cut Greens	7	7	9	7	8
Clubhouse Operations:					
Rounds Played	28,557	28,024	28,796	28,180	30,000
Events	45	45	44	45	45
Leagues	9	9	9	10	10
Season Passes Sold	219	228	243	229	235
Driving Range Tokens Sold	7,237	4,057	4,631	4,175	4,700
Gift Cards Sold ($) *	$41,052	$36,587	$40,890	$38,200	$40,000
Lesson Hours	162	150	48	200	200
Total Beer Sales (Units)	34,495	35,693	36,980	36,000	36,000
Total Food and Beverage (Units)	30,314	30,199	30,223	30,000	30,000
Simulator Usage ($)	$4,657	$3,260	$2,313	$1,821	$3,000
Merchandise Sales ($)	$62,188	$48,822	$48,545	$50,000	$55,000

* Gift cards are being used for cart passes beginning in 2013.

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The course was able to open on March 9, 2016 as the winter was mild and there was no damage due to snow or wind. Weather was cold and windy but none of the golfing season was lost. The new irrigation system continues to be a success as staff was able to be more efficient with water and more specific with the target watering. The golf course was able to cut roughly one million gallons of water used compared to the previous season. The conditions this year on the course were 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 the #2 green on clearing timber and keeping the underbrush and scrub trees mowed down 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 on this area as time allows.

Driving range mats continue to be a success. The grass tee only closed three 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 with three trees taken down this fall. The nursery is fully stocked if trees need to be added in the future.

Foot golf continues to be a success. There seemed to be no issues with golfers and foot golfers utilizing the facility at the same time.

Staff installed new driving range yardage signs. Many golfers had positive comments about the appearance and playability of the range.

Once again this past season, staff continued to struggle to find quality seasonal staff throughout the season. The golf course relies heavily on the quality of the staff to provide a safe and quality facility. The department will continue to monitor its pay plan to see if more changes need to be made.

Golf Course Clubhouse

Through the implementation of the marketing plan, a very successful women's clinic was offered with 18 participants. The feedback from these participants was positive. Also, through the marketing plan, staff was able to go out and teach golf to 2nd through 5th grade Physical Education classes at Colorado and Madison Elementary schools. A golf clinic was also held for the *Young Professionals Network* organization.

The Parks and Recreation department held a Job Fair at the golf course. This was very successful since it allowed anyone wanting to apply for a job within the Parks and Recreation department the ability to talk with any and all of the division supervisors in one central location.

A merchandise plan was developed and followed. Following the merchandise plan not only keeps the golf clubhouse operation within the approved budget but it has also allowed the department to allocate funds to purchase the "latest and greatest" products on the market today.

A training manual was created and used each month to train staff. These training manuals were split into three different areas: Clubhouse Supervisor, Food and Beverage, and Outside Services.

Winter simulator leagues and programs were marketed and the winter simulator leagues had a growth from 12 participants to 16.

The department continued to work closely with several local businesses and organizations to help promote the golf course. These include Carver Pump, CBI, Stanley Consultants, Monsanto, Kent, Musco Lighting, Kraft/Heinz, Allsteel, HON, First National Bank, Community Bank, Bridgestone Bandag, Chamber of Commerce, and the YMCA. By doing so, the department was able to generate 297 rounds during slow times. The golf course also hosted a golf outing for Special Olympics. Working closely with Muscatine High School, the golf course was able to coordinate and host a 1,200 person cross-country meet. The City Golf Tournament was very successful with 127 participants in 2016 compared to 114 in 2015. The Junior City Tournament continued to grow as well with 38 participants in 2016 compared to 29 in 2015.

The golf course continues to actively and effectively watch business levels and reduce payroll expenses where necessary.

OBJECTIVES TO BE COMPLETED IN 2017/2018:

Golf Course Operations

* To continue renovation of the #9 and #15 greens.
* To repair some existing cart paths (# 10, #2 and #18) 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 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. The old ones are starting to show deterioration and age.
* To expand the senior tee on #15 to make more room for where the tee blocks can be placed.
* To look at replacing the mat on #3 tee with a more permanent solution.

Golf Course Clubhouse

* To continue to improve and enhance products and services available to our customers, in order to attract the greatest number of guests to the facility.
* To increase merchandise sales through active selling, good selection, and knowledgeable customer service.
* To continually make adjustments to food and beverage offerings based on customer feedback.
* To continue to be price competitive in the marketplace.
* To utilize the city website to promote the golf course and its activities.
* To increase participation in the golfer development programs by offering more structured programs for all ages and skill levels.
* To increase the junior program in order to attract more participation.
* To staff the clubhouse in a cost-effective manner.

* To promote and encourage use of the facility by a variety of groups and people not just the avid golfer.
* To continue to work with local businesses and organizations to promote the game of golf and the facility.
* To continue active promotion of the golf simulator and increase usage.
* To increase lesson participation by offering different options that fit the needs of the public.
* To begin working on the non-alcoholic food and beverage contract.
* To begin working on the golf cart lease contract.

Golf Course Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ (43,932)	$ 11,440	$ 4,704	$ 53,965	$ 47,265
Revenues	763,344	770,586	794,900	818,800	841,900
Funds Available	$ 719,412	$ 782,026	$ 799,604	$ 872,765	$ 889,165
Expenditures:					
Golf Course Maintenance Operations	$ 384,181 (2)	$ 389,656 (2)	$ 466,300 (2)	$ 454,200 (2)	$ 478,900 (2)
Golf Clubhouse Operations	323,791	338,405	372,500	371,300	382,100
Total Expenditures (1)	$ 707,972	$ 728,061	$ 838,800	$ 825,500	$ 861,000
Ending Balance (Deficit), June 30	$ 11,440	$ 53,965	$ (39,196)	$ 47,265	$ 28,165
Allowance for Inventory	42,649	38,367	42,649	38,367	38,367
Net Balance, June 30	$ 54,089	$ 92,332	$ 3,453	$ 85,632	$ 66,532
Increase (Decrease) in Fund Balance	**$ 55,372**	**$ 42,525**	**$ (43,900)**	**$ (6,700)**	**$ (19,100)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2014/2015, 2015/2016, 2016/2017, and 2017/2018 expenditures included $45,000 payments on the internal loan for the Irrigation System.

Golf Course

Summary of Revenues

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Season Passes	$ 104,367	$ 99,468	$ 107,000	$ 111,000	$ 111,000
Greens Fees	218,132	219,486	225,000	241,900	253,700
Trail Fees	64	0	200	0	0
Interest	75	136	100	100	100
Rental of Buildings	0	0	100	100	100
Lessons	1,672	2,420	5,000	5,000	5,000
Golf Cart Rental	187,887	202,878	200,000	205,000	210,000
Pull Cart Rental	2,457	799	2,500	2,000	2,000
Driving Range Fees	16,910	19,187	21,000	22,000	22,000
Simulator Fees	1,935	2,470	4,000	3,000	4,000
Catering Fee	283	16	200	200	200
Beer Sales	90,046	91,047	92,000	92,000	92,000
Food and Beverage Sales	50,753	54,135	55,000	55,000	55,000
Merchandise Sales	57,857	47,543	55,000	50,000	55,000
Miscellaneous Sales	1,512	2,117	2,000	2,000	2,000
Rebate - Soft Drink Supplier	4,000	2,000	2,000	2,000	2,000
Sales Tax	23,884	23,881	23,400	26,500	27,400
Donation	450	2,078	0	600	0
Miscellaneous	1,060	925	400	400	400
Total Revenues	$ 763,344	$ 770,586	$ 794,900	$ 818,800	$ 841,900

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Maintenance Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 184,373	$ 185,611	$ 200,200	$ 200,300	$ 209,200	4.50%
Commodities	69,411	61,822	82,100	83,100	82,600	0.61%
Contractual Services	41,893	38,496	44,400	48,800	45,900	3.38%
Capital Outlay	-	-	40,000	22,400	40,000	
Transfers	96,600	98,100	99,600	99,600	101,200	1.61%
Total Expenditures	$ 392,277	$ 384,029	$ 466,300	$ 454,200	$ 478,900	2.70%
Funding Sources						
Golf Funds	$ 392,277	$ 384,029	$ 466,300	$ 454,200	$ 478,900	2.70%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 156,400
Employee Benefits						52,800
Total Personal Services						$ 209,200

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 131,329	$ 150,720	$ 167,600	$ 163,700	$ 172,700	3.04%
Commodities	109,645	100,345	114,800	115,000	115,000	0.17%
Contractual Services	86,910	84,775	90,100	92,600	94,400	4.77%
Capital Outlay	342	2,671	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 328,226	$ 338,511	$ 372,500	$ 371,300	$ 382,100	2.58%
Funding Sources						
Golf Fees and Sales	$ 328,226	$ 338,511	$ 372,500	$ 371,300	$ 382,100	2.58%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.69	1.47	1.47	1.47	1.47	
Cashier	1.04	1.09	1.09	1.09	1.09	
Laborer/Ranger	0.65	0.71	0.71	0.71	0.71	
Total Part Time	3.38	3.27	3.27	3.27	3.27	
Total	4.38	4.27	4.27	4.27	4.27	$ 133,700
Employee Benefits						39,000
Total Personal Services						$ 172,700

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 2016/2017 revised estimate is $200 less than the original budget. The revised estimate includes a $100 increase in employee insurance costs and a $300 decrease in other insurance costs.

The 2017/2018 budget totals $26,300, which is $500 (1.9%) more than the original 2016/2017 budget. Personal services costs increased by $600, contractual services decreased by $300, and administrative transfers increased by $200. The estimated Boat Harbor fund balance as of June 30, 2017 is $2,665 and $1,565 is the estimated balance for June 30, 2018.

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 decreased to thirty-four (34) in 2015. The number of slip rentals increased to thirty-nine (39) in 2016. The 2013 and 2014 decreases were due to high water levels early in the season. In the spring of 2017 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). 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	2015-2017 Residents	2015-2017 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 2014	Actual 2015	Actual 2016	Estimated 2017	Estimated 2018
House Boat Slips Rented	11	5	7	9	9
House Boat Slips Available	18	18	18	18	18
Percent Rented (House Boats)	61%	27%	39%	50%	50%
Other Slips Rented	34	29	32	40	40
Other Boat Slips Available	66	66	66	52	52
Percent Rented (Other Slips)	52%	44%	48%	77%	77%

RECENT ACCOMPLISHMENTS:

The City was awarded a REAP (Resources Enhancement and Protection) grant from the Iowa Department of Natural Resources to replace the long dock in the boat harbor and to rip-rap the harbor walls. These projects are both being accounted for in capital project funds. The harbor walls will be rip-raped this winter after the ground freezes to avoid as much disruption to the site as possible.

This fall staff removed the long dock from the boat harbor and pulled it to shore. The barrels have all been removed and staff is currently working on removing all of the deck boards. Bids have been received for new floats and staff will be replacing the deck boards this winter. The docks will be reassembled this spring so they are ready for the 2017 boating season

In 2015 staff was able to reconnect all eight of the anchors on the long dock. Since then, three of the eight chains have again broken off leaving the dock unstable during windy conditions. As part of the long dock replacement, the department will also be looking at ways to improve or replace the mounting system on the new long dock.

Parks and Recreation staff will continue to support Water Pollution Control staff in the dredging operations of the boat harbor. Issues with siltation and the inability for boaters to operate their boats in the harbor were reported several times last season. An effort needs to be made to completely dredge the harbor early next spring.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To continue to improve weed control along the banks of the harbor.

* To complete the long dock replacement project.

* To finalize the rip-rap project on the harbor walls

* 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 harbor dredging operation.

Boat Harbor Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 9,632	$ 6,050	$ 4,450	$ 3,065	$ 2,665
Revenues					
Boat Slip Rentals	$ 19,637	$ 21,287	$ 24,000	$ 25,000	$ 25,000
Overnight Slip Rentals	432	0	200	200	200
Interest	7	2	0	0	0
Other	12	6	0	0	0
Total Revenues	$ 20,088	$ 21,295	$ 24,200	$ 25,200	$ 25,200
Funds Available	$ 29,720	$ 27,345	$ 28,650	$ 28,265	$ 27,865
Expenditures (1)	23,670	24,280	25,800	25,600	26,300
Ending Balance, June 30	$ 6,050	$ 3,065	$ 2,850	$ 2,665	$ 1,565
Increase (Decrease) in Fund Balance	**$ (3,582)**	**$ (2,985)**	**$ (1,600)**	**$ (400)**	**$ (1,100)**

1. Expenditures include changes in compensated absences and other post-employment benefits.

Table of Contents

Function:
Business Type

Department:
Parks and Recreation

Activity:

Boat Harbor Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 13,483	$ 14,064	$ 14,600	$ 14,700	$ 15,200	4.11%
Commodities	1,641	1,144	1,200	1,200	1,200	0.00%
Contractual Services	2,654	2,868	4,000	3,700	3,700	-7.50%
Capital Outlay	-	-	-	-	-	
Transfers	5,600	5,800	6,000	6,000	6,200	3.33%
Total Expenditures	$ 23,378	$ 23,876	$ 25,800	$ 25,600	$ 26,300	1.94%
Funding Sources						
Boat Harbor Revenues	$ 23,378	$ 23,876	$ 25,800	$ 25,600	$ 26,300	1.94%

Personnel Schedule						
	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	$ 12,500
Employee Benefits						2,700
Total Personal Services						$ 15,200

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. 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 transfers were made in 2013/2014, 2014/2015 and 2015/2016 to eliminate deficit balances of $436, $400, and $620 respectively.

CURRENT TRENDS AND ISSUES:

The 2016/2017 revised estimate and 2017/2018 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 $294 as of June 30, 2018. 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 2014	Actual 2015	Actual 2016	Estimated 2017	Estimated 2018
Gallons of Gasoline Sold	1,291	2,487	2,365	2,300	2,300
Gallons of Diesel Fuel Sold	761	579	3*	650	650
Hours Open	95	157	173	180	180

* The Pearl Button paddlewheel boat did not have regular operations in the summer of 2016.

RECENT ACCOMPLISHMENTS:

The Marina operations had a successful year due in part to the low water levels in the spring of 2016. The department continues to look to hire and properly train seasonal staff on the maintenance of the gas dock. Staff was available at the gas dock to help serve the boaters on scheduled hours and by appointments made through the Parks office. The replacement of the long dock in the boat harbor should attract more boaters to the area, which in turn should help to increase revenue for the marina operations.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* 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 operate within state and federal regulations.

* To continue to improve the infrastructure of the gas dock

* To develop a marketing plan and provide public awareness of the Marina operations

Marina Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ (4,499)	$ (4,504)	$ (4,204)	$ (5,006)	$ (4,606)
Revenues					
Fuel Sales	$ 12,222	$ 11,214	$ 15,000	$ 12,000	$ 12,000
Miscellaneous	1	227	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	400	620	0	0	
Total Revenues	$ 12,623	$ 12,061	$ 15,100	$ 12,100	$ 12,100
Funds Available	$ 8,124	$ 7,557	$ 10,896	$ 7,094	$ 7,494
Expenditures	12,628	12,563	14,700	11,700	11,800
Ending Balance (Deficit), June 30	$ (4,504)	$ (5,006)	$ (3,804)	$ (4,606)	$ (4,306)
Allowance for Inventory	4,504	5,006	4,500	4,606	4,600
Net Balance (Deficit), June 30	$ 0	$ 0	$ 696	$ 0	$ 294 (1)
Increase (Decrease) in Net Fund Balance	**$ (5)**	**$ (502)**	**$ 400**	**$ 400**	**$ 300**

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 1,304	$ 1,533	$ 1,700	$ 1,700	$ 1,800	5.88%
Commodities	10,658	10,105	12,100	9,100	9,100	-24.79%
Contractual Services	666	925	900	900	900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 12,628	$ 12,563	$ 14,700	$ 11,700	$ 11,800	-19.73%
Funding Sources						
Fuel Sales	$ 12,222	$ 11,214	$ 15,000	$ 12,000	$ 12,000	-20.00%
Miscellaneous Revenue	1	227	100	100	100	0.00%
Subsidy to Eliminate Deficit	400	620	-	-	-	
Total Funding Sources	$ 12,623	$ 12,061	$ 15,100	$ 12,100	$ 12,100	-19.87%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	$ 1,500
Employee Benefits						300
Total Personal Services						$ 1,800

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 Transports (SCT) from $775 to $1,002. Effective July 1, 2010 the rates for ALS1 increased to $616, ALS2 to $891, and SCT 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. Effective July 1, 2016 rates were set at $582 for BLS calls, $691 for ALS1 calls, $1,001 for ALS2 calls, and $1,182 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 2017/2018, 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, further decreased to 22.5% in 2016/2017, and remains at 22.5% for 2017/2018. The transfer for 2016/2017 at the allocation rate of 22.5% was $891,000. The transfer for 2017/2018 at the allocation rate of 22.5% will be $926,000 which is a $35,000 (3.9%) increase from the original 2016/2017 budget. 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.

The revised estimated expenditures for 2016/2017 are $130,900 higher than the original budget. The most significant increase is in transfers due to the addition of a $94,700 transfer to close out the Southend Fire Station capital project fund. Legal and other costs were incurred due to contract and contractor issues with the construction of the new station. A settlement was reached in August of 2016 and this funding transfer will close out the project. These was also a net increase in other areas of the budget with the most significant (1) a $10,000 increase in medical supplies, (2) a $23,000 increase in ambulance billing services due to increased ambulance runs, (3) an $8,500 increase in vehicle and equipment repair and maintenance costs, and (4) a net $5,300 decrease in other accounts.

The budgeted expenditures for 2017/2018 are $202,800 (14.4%) more than the original 2016/2017 budget. This increase is primarily due to (1) a $124,300 increase in capital outlay due to the new ambulance requested in the 2017/2018 budget, (2) a $35,000 increase in funding transfers for fire personnel costs, (3) a $12,000 increase in medical supplies, (4) a $24,000 increase in ambulance billing services, (5) a $4,900 increase in vehicle and equipment maintenance services, and (6) a $6,600 increase in personal services costs. These increases were partially offset with a net decrease of $4,000 in other accounts.

Ambulance service fees are estimated at $1,425,000 for 2016/2017 and $1,450,000 for 2017/2018. These amounts are based on recent and projected numbers of ambulance runs. Usage and revenues have fluctuated in prior years, however, and staff will continue to monitor trends in the ambulance runs. With the 2017/2018 budget including a new ambulance, the fund balance at the end of 2017/2018 is projected at $51,698. This is a minimal balance, but does allow for the close out of the Southend Fire Station in the 2016/2017 revised estimate and purchase of the new ambulance in 2017/2018.

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 2013	Actual 2014	Actual 2015	Actual 2016	Estimated 2017
Urban Zone Medical Responses	2,252	2,377	2,506	2,705	2,800
Suburban/Rural Zone Medical Responses	285	431	463	401	400
Out of Territory Medical Responses	43	60	43	49	50
Interfacility Transfers	1,096	1,012	1,070	1,084	1,100
Total EMS Calls	3,676	3,880	4,082	4,239	4,350
EMS Calls as % of Total Fire Calls	91.3%	87.9%	90.1%	90.0%	89.7%
EMS Training Hours	1,502	1,932	1,961	1,677	2,000
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	94.5%	93.2%	93.3%	89.7% *	94.5%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls	94.4%	94.4%	94.4%	93.2%	94.4%

* The Urban Response Time in 2016 was impacted by the detour for the Mulberry Avenue Improvement project.

RECENT ACCOMPLISHMENTS:

The Ambulance Operation is continuing 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.

The department was awarded $10,000 in grants to send an additional five (5) paramedics through Critical Care Paramedic training.

The department hosted the 7th Annual EMS Saturday conference at Discovery Park which drew participants from throughout Eastern Iowa as well as serving Muscatine Fire department personnel, and also hosted the 18th Annual Muscatine County EMS Day at Blain's Farm & Fleet.

Staff continued to work with the billing company in an effort to improve cost recovery. They also organized and assisted in the annual "Remembering Our Own" memorial at the Iowa EMS Association annual conference. The Muscatine Fire department staff are critical to this event, from the video production through staffing the honor guard for memorial presentations.

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.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To assess the Tactical Medic program to improve service delivery to tactical law enforcement operations.

* To review purchasing of all medical supplies used on the vehicles so that stocking and use can be evaluated for potential efficiencies. Conclusions developed from this process will be utilized as a basis for curbing costs and improving the budget impact in the future. **(Council and Management Continuous Service Improvement Goal)**

* To continue to develop active shooter response guidelines and training and to continue to work with community members to prepare them for these types of events.

Ambulance Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 194,720	$ 100,921	$ 197,421	$ 264,098	$ 186,498
Revenues					
Ambulance Fees	$ 1,333,711	$ 1,393,764	$ 1,381,000	$ 1,425,000	$ 1,450,000
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	421	83,460	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Donations	1,890	0	0	0	0
Interest	56	133	100	100	100
Local Grant/Reimbursment	0	37,500	0	9,900	0
Other	0	3,280	0	0	0
Total Revenues	$ 1,367,478	$ 1,549,537	$ 1,412,500	$ 1,466,400	$ 1,481,500
Funds Available	$ 1,562,198	$ 1,650,458	$ 1,609,921	$ 1,730,498	$ 1,667,998
Expenditures (1)	1,461,277 (2)	1,386,360 (3)	1,413,100	1,544,000 (4)	1,616,300
Ending Balance, June 30	$ 100,921	$ 264,098	$ 196,821	$ 186,498	$ 51,698
Increase (Decrease) in Fund Balance	**$ (93,799)**	**$ 163,177**	**$ (600)**	**$ (77,600)**	**$ (134,800)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. 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.
3. 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).
4. The revised estimate for 2016/2017 includes a one time tranfer of $94,700 to close out the Southend Fire Station capital project.

Explanation of Changes in Fund Balances:
Fluctuations in the Ambulance fund balance are primarily due to the capital outlay purchases each year.

Function:
Business Type

Department:
Fire

Activity:

Ambulance Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 168,960	$ 194,210	$ 168,000	$ 168,000	$ 174,600	3.93%
Commodities	84,572	93,143	97,200	102,800	103,800	6.79%
Contractual Services	177,568	164,160	177,500	208,500	206,700	16.45%
Capital Outlay	1,402	59,681	41,700	41,300	166,000	298.08%
Transfers	957,900	869,800	928,700	1,023,400	964,800	3.89%
Total Expenditures	$ 1,390,402	$ 1,380,994	$ 1,413,100	$ 1,544,000	$ 1,615,900	14.35%
Funding Sources						
Ambulance Fees	$ 1,334,132	$ 1,477,224	$ 1,381,000	$ 1,425,000	$ 1,450,000	5.00%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Donations	1,890	-	-	-	-	
Interest	56	133	100	100	100	0.00%
Local Grant/Reimbursements	-	37,500	-	9,900	-	
Other	-	3,280	-	-	-	
Total Funding Sources	$ 1,367,478	$ 1,549,537	$ 1,412,500	$ 1,466,400	$ 1,481,500	4.88%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	1.32	1.32	0.88	0.88	0.83	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	2.57	2.57	2.13	2.13	2.08	$ 124,900
Employee Benefits						49,700
Total Personal Services						$ 174,600

Capital Outlay

Item:	***Quantity***	***Replacement***	***Amount***
Ambulance	1	Yes	$ 155,000
Extrication Lift/Harness	1	No	1,800
Tactical Helmets and Vests	3	Yes	9,200
Total			$ 166,000

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 25% of the prior fiscal year's actual hotel/motel tax receipts.

As of July 1, 2015, the CVB dissolved their 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 2016/2017 was $113,800 and the revised estimate increased by $1,500 to $115,300. This overall increase is due to $7,000 in expenditures for the "Muscatine 2nd Saturday" of the month events held in downtown Muscatine. This amount is reimbursed by vendor fees, donations, and miscellaneous sales during those events. The overall net increase of $1,500 reflects (1) a $5,700 decrease in personal services due to a vacancy in the CVB Director position during the year, (2) a $1,200 decrease in promotional supplies, (3) a $14,100 increase in advertising and marketing with $6,500 of this increase to promote the "2nd Saturday" events and is reimbursed by fees, (3) a reduction of $6,600 with the elimination of mini-grants to other organizations, (4) a $500 increase for payments to entertainers for the "2nd Saturday" events, and (5) a $300 increase for the allocation of audit costs. The increase in marketing costs includes the use of McDaniels Marketing Agency for digital marketing on Facebook and Google.

The 2017/2018 budget for the CVB totals $123,400 which is $9,600 (8.4%) higher than the original 2016/2017 budget. The increase includes an estimated $9,500 for the "2nd Saturday" events with this amount to be reimbursed by vendor fees and donations. Significant changes in the budget include (1) an $1,100 increase in personal services costs, (2) a $15,500 increase in advertising and marketing costs which includes $8,500 for the "2nd Saturday" events and will be reimbursed, (3) a reduction of $7,000 with the elimination of the mini-grants to other organizations, and (4) other offsetting increases and decreases. The budget continues to include using the McDaniels Marketing Agency for digital marketing on Facebook and Google.

Revised estimate hotel/motel tax funding (25% of prior year actual hotel/motel taxes) has been increased from the $88,500 originally budgeted to $90,500 since actual 2015/2016 hotel/motel tax revenue was more than budgeted. The 2017/2018 budget again reflects hotel/motel tax funding of $90,500. The actual funding amount, however, will be 25% of actual 2016/2017 hotel/motel tax revenues. This will either increase or decrease the actual 2017/2018 funding allocation. This CVB fund is projected to have a fund balance of $71,632 as of June 30, 2018.

There was a vacancy in the CVB Director position at the time the budget was being developed and alternatives were being evaluated for possible changes in the CVB operation going forward. After the budget was adopted the City entered into an agreement with the Greater Muscatine Chamber of Commerce and Industry (GMCCI) to provide staffing for the CVB. The funding allocation to GMCCI for 2017/2018 is $60,000, which is the same approximate amount as originally budgeted for personal services.

PERFORMANCE MEASURES

Guides

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Requests for Mailings	60	N/A	70	46	80
Visitor Guides Distributed	7,000	6,604	8,000	2,178	8,000
Dining and Lodging Guides Distributed	3,500	2,915	5,000	155	5,000

Social Media

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Facebook Likes	1,300	1,382	1,800	1,511	2,000
Twitter Followers	500	515	625	549	700
Instagram Followers	175	214	250	248	400

Other Social Media

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016	2016/2017 Year to Date	Goal 2017/2018
Highest Facebook Post Reach	3,668	6,824	6,037	5,656	7,000
Highest Tweet Impressions	N/A	N/A	2,348	533	600
Most Likes on an Instagram Post	6	6	21	36	50

Website

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Visitors	14,976	23,058	18,000	11,760	24,000
Page Views	60,000	46,644	80,000	22,906	80,000

E-Newsletter

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Subscribers	350	356	450	365	450
Open Rate (Average)	42	39.1	45	35.3	38
Click Thru Rate (Average)	20	14.6	25	17.3	20

Blog

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Views	750	2,246	1,125	2,889	4,000
Visitors	600	1,400	1,000	1,763	2,000
Posts (Total)	16	11	36	4	20
Posts from Outside Contributors	8	1	16	0	5

Groups

Metrics Measured	Goal 2015/2016	Actual 2015/2016	Goal 2016/2017	2016/2017 Year to Date	Goal 2017/2018
Groups Booked	7	5	10	7	15
Group Leads	10	N/A	25	4	25

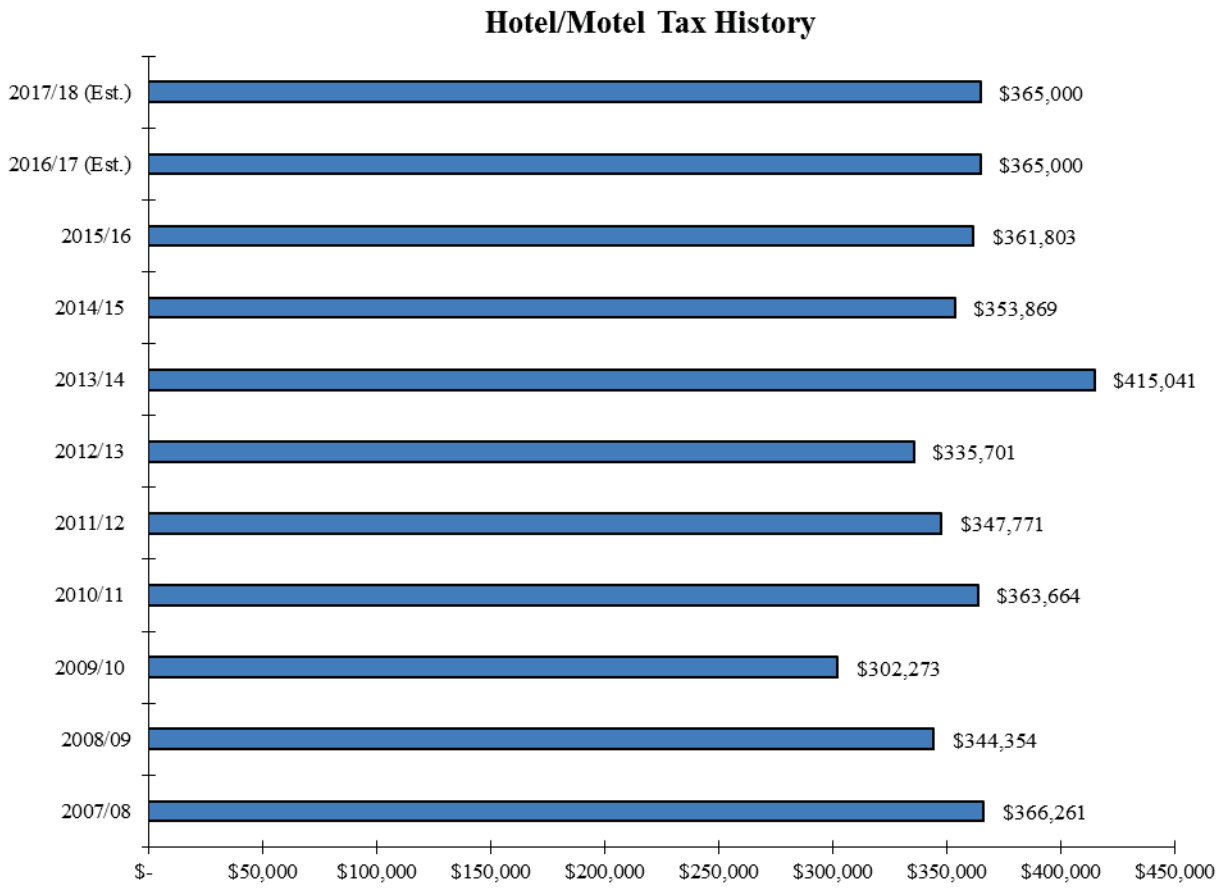
Hotel/Motel

Metrics Measured	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016
Revenue	$6,850,934	$7,453,888	$7,425,590
Occupancy (Average per Month)	51.8	53.3	52.4
Tax	$415,041	$353,869	$361,803

Economic Impact of Tourism in Muscatine County

Metrics Measured	Actual 2013	Actual 2014	Actual 2015
Amount Spent in Travel	$76.95 million	$80.25 million	$79.99 million
Travel Tourism Jobs	670	700	700

Hotel/Motel Tax



RECENT ACCOMPLISHMENTS:

The CVB's new event "Muscatine 2nd Saturday", a monthly arts and music street fest, was held from 5:00 p.m. to 8:00 p.m. on the second Saturday of each month from June through October 2016. The event generated $3,750 in monetary sponsorships and $13,198 in in-kind sponsorships from 13 sponsors. The event received $2,075 in vendor fees over the 2016 season and $370 from t-shirt sales. There were an estimated 4,000 attendees during the 2016 season with at least half from out of the Muscatine zip code. This event received 2nd place for Outstanding New Event from the Iowa Tourism Council.

The CVB also partnered with other community organizations for other events including the Holiday Stroll, Girls Getaway Weekend, the Chinese Broadcasting Chinese Orchestra concert, the 4th of July celebration, and RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa).

The CVB began working with McDaniels Marketing Agency for digital marketing on Facebook and Google.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

Capitalize on visitors while they're here

- Craft materials to guide them including:
  - Visitors Guide for 2017
  - Literature about seasonal itineraries
    - Develop the itineraries and develop deadlines to complete and print them
- Continuously improve materials for visitors including the Visitors Guide, the website, etc.
- Improve tourism infrastructure
  - Partner in wayfinding efforts during the Mississippi Drive Corridor project
- Continue to partner with local merchants and the hospitality industry to empower them to take advantage of visitors
  - Help form a hospitality group with local lodging representatives

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
- 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

- Keep a mind toward destination marketing while doing so

Prepare for Chinese tourism

- Craft and develop seasonal itineraries with community partnerships
- Continue to 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 the Muscatine Soccer Complex and Kent-Stein Park
  - Investigate a permanent wayfinding structure at the Soccer Complex and Kent-Stein Park
  - Improve communication with these visitors

Support CVB Director's efforts through a volunteer network and/or paid staff

- Continue to utilize interns 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

Muscatine Convention and Visitors Bureau (CVB)

Budget Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 75,305	$ 98,847	$ 86,147	$ 108,332	$ 91,932
Revenues					
City Hotel/Motel Tax Allocation (1)	$ 103,760	$ 0 (3)	$ 0	$ 0	$ 0
County Contribution	2,500	1,250	2,500	1,000	2,500
Special Event Contributions	0	3,350	0	4,000	4,500
Special Event Vendor Fees	0	850	0	3,000	5,000
Misc. Sales	0	160	0	300	500
Interest	112	129	100	100	100
Transfers In					
General Fund - Hotel/Motel Tax (1)	0	88,467 (3)	88,500	90,500	90,500
Total Revenues	$ 106,372	$ 94,206	$ 91,100	$ 98,900	$ 103,100
Funds Available	$ 181,677	$ 193,053	$ 177,247	$ 207,232	$ 195,032
Expenditures (2)	$ 82,830	$ 84,721	113,800	$ 115,300	123,400
Ending Balance, June 30	$ 98,847	$ 108,332	$ 63,447	$ 91,932	$ 71,632
Increase (Decrease) in Fund Balance	**$ 23,542**	**$ 9,485**	**$ (22,700)**	**$ (16,400)**	**$ (20,300)**

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 is now 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 45,506	$ 48,009	$ 59,100	$ 53,400	$ 60,200	1.86%
Commodities	1,418	301	4,400	3,200	4,400	0.00%
Contractual Services	32,873	29,655	46,300	54,700	54,700	18.14%
Capital Outlay	-	-	-	-	-	
Transfers	3,800	3,900	4,000	4,000	4,100	2.50%
Total Expenditures	$ 83,597	$ 81,865	$ 113,800	$ 115,300	$ 123,400	8.44%
Funding Sources						
City Hotel/Motel Tax Allocation	$ 103,760	$ 88,467	$ 88,500	$ 90,500	$ 90,500	2.26%
County Contribution	2,500	1,250	2,500	1,000	2,500	0.00%
Special Event Revenue	-	-	-	7,000	9,500	0.00%
Other	112	4,489	100	400	600	500%
General Revenues	$ 106,372	$ 94,206	$ 91,100	$ 98,900	$ 103,100	13.17%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
CVB Director	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Welcome Coordinator	-	-	-	0.10	0.10	
Total	1.00	1.00	1.00	1.10	1.10	$ 45,200
Employee Benefits						15,000
Total Personal Services						$ 60,200

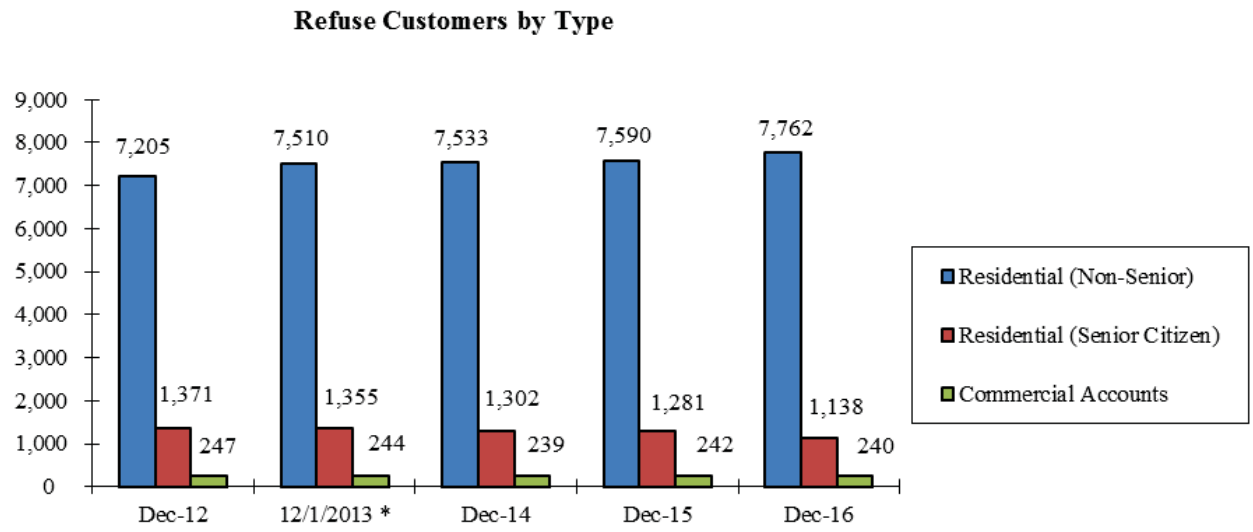
SOLID WASTE MANAGEMENT FUNDS

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:

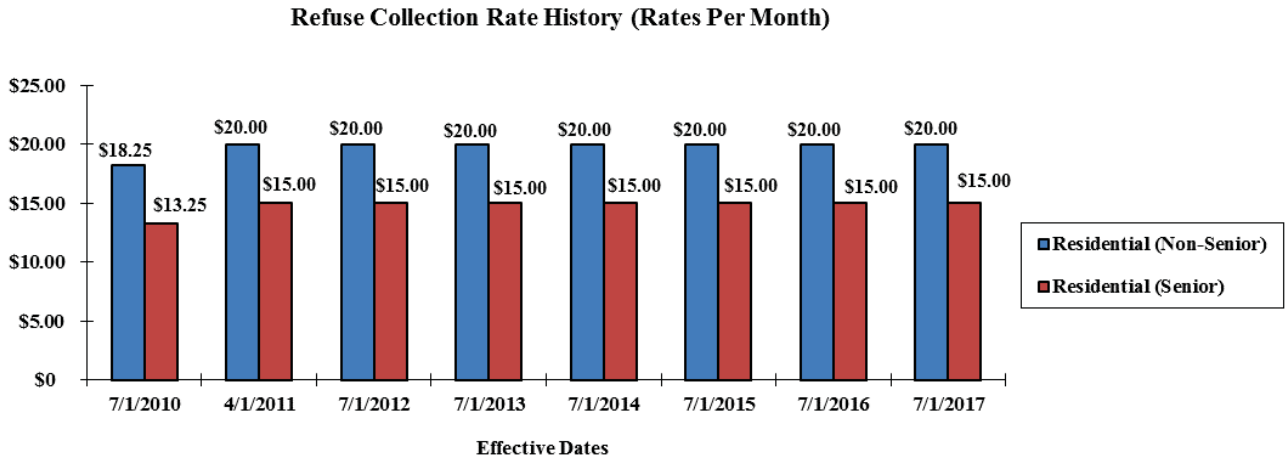


In April 2011 the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside 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.

From July 2016 through December 2016 the Refuse Collection activity was performed by five (5) full-time refuse drivers, one (1) solid waste lead worker, a Solid Waste Supervisor, and temporary refuse collection workers. Effective January 1, 2017 the number of full-time drivers was reduced to four (4). The City's first automated truck was placed in service in December 2015 and the 2nd automated vehicle was placed in service in late December of 2016. With the 2nd automated vehicle, one less fulltime driver is needed. 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 2017/2018.



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 2016/2017 and 2017/2018 budgets each include $504,000 for Transfer Station fees for disposal of an estimated 8,400 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 carts for residential customers. This was the first phase of the transition to the automated refuse collection program. The first automated truck was ordered in April of 2015 and encumbered to the 2014/2015 fiscal year budget. 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 carts, but it did not include funding for the 2nd automated refuse collection vehicle. The 2015/2016 budget, however, was amended to include the 2nd automated truck. Again, with the long lead time on the order, it was not delivered until late December 2016. The remaining capital costs of implementing the automated refuse collection program were incurred in 2016/2017 with the purchase of 2,600 refuse carts at a cost of $117,520. With the 2nd automated truck now in service and all of the carts purchased, the savings from this program will begin to be fully realized.

With ordering the 2nd automated vehicle in the 2015/2016 fiscal year, the revised estimate ending fund balance for 2015/2016 was projected to be a deficit of $232,706 primarily due to the encumbrance for the 2nd automated vehicle ($220,000). The actual fund balance deficit at the end of 2015/2016, however, was

$91,009 higher at $323,715. This was due to (1) $35,214 for chipping services at the compost site, (2) $28,226 for increased vehicle maintenance, (3) $17,985 for increased tipping fees, (4) $13,775 for increased temporary wages, and (5) $13,951 for increased overtime. These increases were partially offset by net decreases in other line items in the budget.

Revised estimate expenditures are $65,300 higher than the original budget. This overall increase is due to the net effect of (1) a $25,000 increase in chipping services at the compost site, (2) an $18,000 increase in Transfer Station tipping fees based on the waste volume estimate of 8,400 tons, (3) a $30,000 increase in repair and maintenance services for the track loader moved from the Transfer Station to the compost site, (4) a $14,400 allocation for the purchase of yard waste bags for resale carried forward from the 2015/2016 budget, (5) a $6,400 allocation for contracted dozer work at the compost site, (6) a personal services cost savings of $28,200 primarily due to savings from not allocating any of the interim Solid Waste Manager to the Refuse Collection fund, and (7) a $300 net decrease in other accounts.

The budgeted expenditures for 2017/2018 are $25,300 (1.2%) less than the original 2016/2017 budget. The 2017/2018 budget will be the first full fiscal year budget with four (4) fulltime refuse driver positions instead of the five (5) included through December 31, 2016. The reduction was possible when the 2nd automated refuse collection vehicle was placed in service in late December 2016. The overall decrease in this budget is due to (1) a $4,200 (.6%) increase in personal services costs, (2) a $25,000 increase for chipping services at the compost site, (3) an $18,000 increase in Transfer Station tipping fees based on an estimated 8,400 tons of waste, (4) a $76,000 reduction in capital outlay, and (5) a net $3,500 increase in other accounts.

Refuse collection charges for services revenue in the revised estimate and 2017/2018 is estimated at $2,200,000 for each year. This is $40,000 higher than the original 2016/2017 budget due to increased revenue from the commercial dumpster customer review and rate adjustments, and the review of customers eligible to receive the senior discount. The 2017/2018 budget includes an increase from $1.00 to $1.50 in the sale price of yard waste bags. This will increase revenues by $7,000 and provide funds to assist in funding collection of those bags.

The original budget for 2016/2017 projected a deficit fund balance at the end of the year of $145,606 due to capital costs to implement the automated refuse collection program The deficit in the revised estimate is higher at $260,615. This is due to actual costs exceeding the budget in both the 2015/2016 and 2016/2017 fiscal years. The reasons for these increases are discussed above. There is still a deficit of $99,915 projected for the end of the 2017/2018 fiscal year. This is a $160,700 reduction in the deficit from the 2016/2017 revised estimate. From a preliminary estimate for the following year (2018/2019), it is expected that the deficit should be eliminated. This however, will depend on the amount of capital purchases budgeted in the following fiscal year.

The 2016/2017 budget included the allocation of 50% of the Inspector II position in the Community Development department. With staffing changes in that department, the revised estimate and 2017/2018 budget include 75% of the two half-time Community Services Officer positions that deal with nuisance complaints include garbage and junk removal orders.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Tons of Refuse Collected	8,204	8,280	8,400	8,400	8,400
Regular Residential Customers - December	6,863	6,982	6,954	7,141	7,150
Senior Residential Customers - December	1,355	1,302	1,281	1,138	1,140
Commercial and Industrial Customers - December	244	239	242	240	240
Ripley's Mobile Home Court – Residential Units	313	305	285	285	285
Fruitland Residential Customers – December	334	336	336	336	336
Cleanup Week Collections (Tons)	609	574	700	750	800
Number of Recycling Trailers	5	5	5	6	6
Recycling Trailer Collections (Tons)	235	230	76 *	82	85
Single Sort Curbside Recycling (Tons)	1,310	1,251	1,325	1,350	1,400
Curbside Pickups (calendar year)	1,140	1,402	1,530	1,600	1,675

* Recycling trailers are now only located at the Transfer Station.

RECENT ACCOMPLISHMENTS:

In September 2016 the former Solid Waste Manager resigned. This position is currently being filled on an interim basis by the Transit Supervisor. Daily activities of the Refuse Collection, Transfer Station and Landfill are being overseen by the Solid Waste Supervisor and the Solid Waste Lead Worker.

Refuse staff and temporary employees assembled the final group of refuse carts in August and September and delivery was completed to the remaining Muscatine neighborhoods in early October 2016. All households in Muscatine and Fruitland now have a standard container. The standard size delivered was a 65-gallon container. Residents could exchange these for either a 35-gallon or 95-gallon container.

Delivery of the second automated truck occurred on December 20, 2016. The truck has a Peterbilt chassis and the same New Way "Sidewinder" equipment as the first automated truck, making operability seamless for the drivers. One of the advantages of the automated collection is that it decreases the risk of injury to employees. Staff continues to evaluate work practices to enhance safety for all employees in this injury prone industry.

With the introduction of automated collection, staff will be proposing changes to services provided during Spring Cleanup Week. The automated trucks cannot pick up bulky items. Solid Waste and Street department staff have also had concerns about the increase in Cleanup Week waste volume over the years and the misuse of the week by individuals that are not residents of Muscatine or Fruitland. A safe solution for employees while continuing to provide an avenue for residents to dispose of unwanted items during Cleanup Week will be evaluated by staff and presented to City Council for their review.

An initiative of Solid Waste staff and the Finance department to review all commercial dumpster accounts was conducted in 2016. Customers were notified of updated rate changes by letter. Solid Waste staff met with many businesses to help determine what size container and number of pickups per week best suited their needs. Services were "right sized" and rates were standardized with the change effective October 1, 2016.

The Solid Waste division continues to serve the residents of Muscatine and Fruitland with refuse collection on a weekly basis. The City contracts with Republic Services to provide recycling services every other week. Residents are offered three curbside pickups per household annually for bulky items. The Compost Site serves as a drop off site for yard waste, brush, and branches. Screened compost and wood mulch are available to residents at no charge.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To continue promoting safe work practices for employees.

* To evaluate Spring Clean Up Week services and to formulate a plan which provides a safe working environment for staff and continues to serve the public. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work with downtown Muscatine business group to address nuisance issues, promote beautification, and promote economic growth.

* To continue public education, outreach, beautification programs, sustainability, and other environmental programs in the community.

Refuse Collection Fund

Fund Statement

.

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ 188,737	$ (28,406)	$ (232,706)	$ (323,715)	$ (260,615)
Revenues					
Charges for Services	$ 2,149,151	$ 2,170,040	$ 2,160,000	$ 2,200,000	$ 2,200,000
Sales - Yard Waste Bags	14,595	13,499	12,000	14,000	21,000
Commercial Brush Fee	231	301	1,000	500	500
Rental of Dumpsters	0	0	100	0	0
Interest	199	70	100	0	0
Sales Tax	4,435	4,317	4,500	4,500	4,500
Miscellaneous	4,464	4,440	0	0	0
Transfers In:					
Surcharge Part II	40,886	42,665	0	0	0
Total Revenues	$ 2,213,961	$ 2,235,332	$ 2,177,700	$ 2,219,000	$ 2,226,000
Funds Available	$ 2,402,698	$ 2,206,926	$ 1,944,994	$ 1,895,285	$ 1,965,385
Expenditures (1)	2,431,104	2,530,641	2,090,600	2,155,900	2,065,300
Ending Balance (Deficit), June 30	$ (28,406)	$ (323,715) (2)	$ (145,606)	$ (260,615) (2)	$ (99,915) (2)
Increase (Decrease) in Fund Balance	**$ (217,143)**	**$ (295,309)**	**$ 87,100**	**$ 63,100**	**$ 160,700**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The fund balance deficits at the end of 2015/2016, 2016/2017, and 2017/2018 are due to capital costs to implement the automated refuse collection program. The deficit was originally expected to be eliminated in 2017/2018 with savings from this program. The deficit is now projected to be eliminated by the end of 2018/2019.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 703,475	$ 715,598	$ 673,500	$ 645,300	$ 677,700	0.62%
Commodities	62,338	47,667	61,200	75,600	61,200	0.00%
Contractual Services	1,196,687	1,273,131	1,155,500	1,235,100	1,199,200	3.78%
Capital Outlay	360,419	372,712	120,000	119,500	44,000	-63.33%
Transfers	106,386	120,065	80,400	80,400	83,200	3.48%
Total Expenditures	$ 2,429,305	$ 2,529,173	$ 2,090,600	$ 2,155,900	$ 2,065,300	-1.21%
Funding Sources						
Charges for Services	$ 2,149,151	$ 2,170,040	$ 2,160,000	$ 2,200,000	$ 2,200,000	1.85%
Sales - Yard Waste Bags	14,595	13,499	12,000	14,000	21,000	75.00%
Other Fees	231	301	1,000	500	500	-50.00%
Sales Tax	4,435	4,317	4,500	4,500	4,500	0.00%
Interest	199	70	100	-	-	-100.00%
Miscellaneous	4,464	4,440	100	-	-	-100.00%
Total Funding Sources	$ 2,173,075	$ 2,192,667	$ 2,177,700	$ 2,219,000	$ 2,226,000	2.22%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Solid Waste Manager	0.50	0.50	0.50	0.50	0.50	
Solid Waste Supervisor	1.00	1.00	0.75	0.75	0.75	
Refuse Truck Driver I	5.00	5.00	4.50	4.50	4.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Health & Housing Coordinator	0.50	0.50	0.00	0.00	0.00	
Inspector II	0.00	0.00	0.50	0.00	0.00	
Maintenance Worker II	0.33	0.33	0.50	0.50	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	8.83	8.83	8.25	7.75	7.25	
Part Time:						
Compost Site Attendant	0.73	0.38	0.73	0.73	0.73	
Community Service Officers*	0.00	0.00	0.00	0.50	0.75	
Refuse Collection Laborers**	1.42	1.05	0.58	1.44	0.72	
Total	10.98	10.26	9.56	10.42	9.45	$ 439,700
Employee Benefits						238,000
Total Personal Services						$ 677,700

* 75% of two part-time Community Services Officers are allocated to Refuse Collection to address nuisance complaints beginning in the 2016/2017 revised estimate. In previous years 50% of a fulltime employee was allocated for this work.

** Refuse collection laborer hours are decreasing due to the 2nd automated refuse collection vehicle.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Flatbed Truck with Liftgate (Used)	1	Yes	$ 34,000
Dumpsters (19-2 yard and 4-3 yard)	23	Yes	10,000
			$ 44,000

SOLID WASTE MANAGEMENT FUNDS

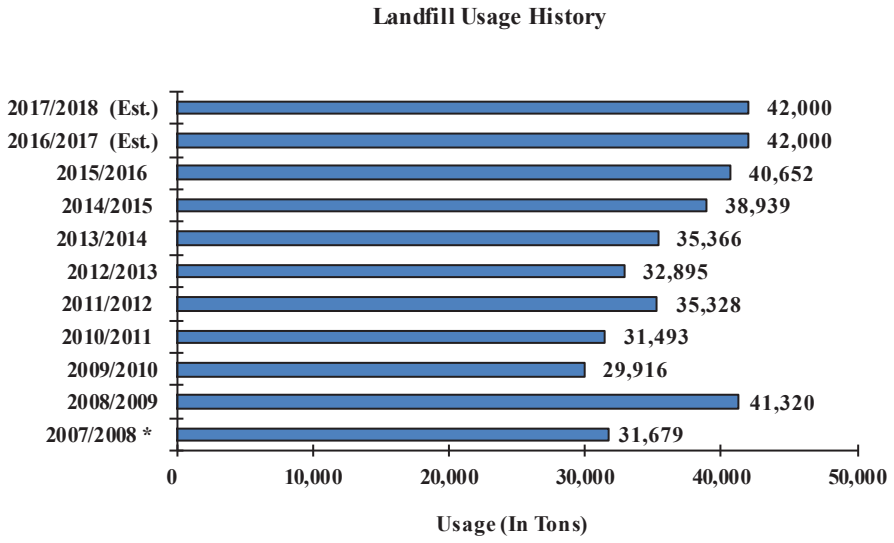
LANDFILL OPERATIONS

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.

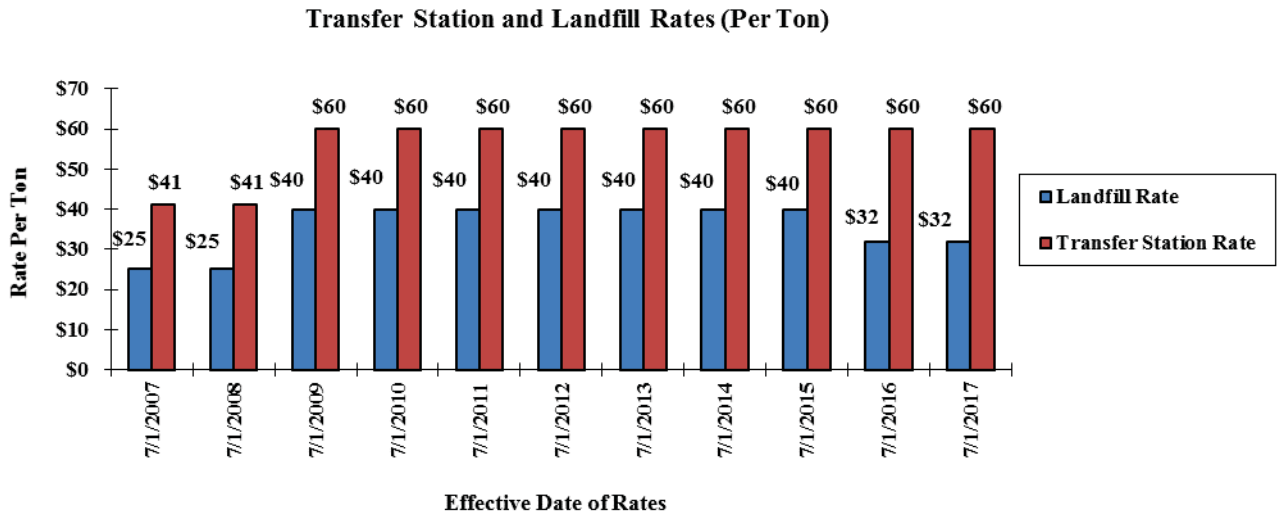
The following chart shows the tons of waste disposed of at the landfill since 2007/2008 as well as the projected waste volumes for 2016/2017 and 2017/2018.



* 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.

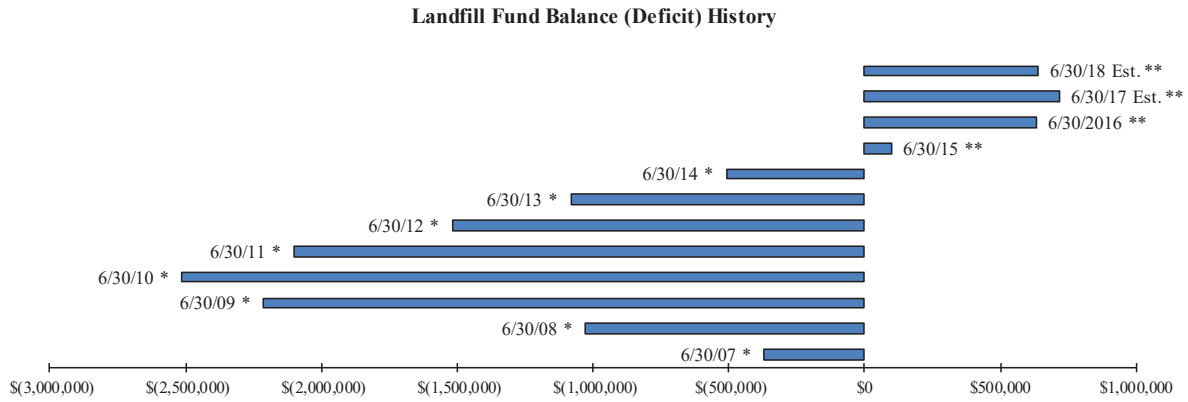
Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. As noted above, capacity issues in 2006/2007 and 2007/2008 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 2007/2008 year and the portion of the transfer station fee paid to the landfill fund. In 2007/2008 $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 increased from $25 to $40/ton July 1, 2009 due to the significant cost of developing the current landfill cells. Effective July 1, 2016 the portion of the transfer station rate paid to the landfill was decreased from $40 to $32 per ton for the full rate tonnage accepted at the Transfer Station. This allowed more funds to remain in the Transfer Station fund for needed capital expenditures for that operation. This reduction was possible due to the elimination of the deficit in the Landfill fund and the funds accumulated for construction of the next landfill cell.



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 first extended through June 30, 2015 and 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 were interim loans to fund cell closure costs, costs to develop new cells, and other landfill capital and operating costs.

** The deficit was eliminated in 2014/2015 and funds are being accumulated for design and construction of the next landfill cell.

The deficit fund balances through June 30, 2014 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. The industrial contracts were a significant factor in the elimination of the deficit. A positive fund balance of $638,691 is projected for the end of 2017/2018.

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 2016/2017 are $115,500 higher than the original budget. This overall increase is due to (1) a $70,000 increase in capital outlay due to funds for the ground water remediation plan carried forward from the prior year budget, (2) a $26,600 increase in contractual services, (3) an $18,700 increase in transfers, and (4) a $200 increase in personal services primarily due to the health insurance premium increase. The contractual services increase includes $16,900 for the City's share of a feasibility study for possible shared services with the Scott County Landfill; $8,400 for an increase in the State Surcharge due to increased waste volume; and a $1,300 increase in insurance. The transfer increase includes $6,200 in increased transfers to the local Surcharge Reserve funds due to the increased waste volume and an estimated $12,500 in increased transfers to the Closure and Post-Closure Reserves.

Landfill expenditures budgeted for 2017/2018 are $274,000 (22.7%) higher than the original 2016/2017 budget. This overall increase includes (1) a $245,000 increase in capital outlay, (2) an $8,400 increase in the State landfill surcharge based on the projected increased waste volume, (3) a $6,200 increase in transfers to the local Surcharge Reserve funds due to increased waste volume, (4) a $12,500 projected increase in the transfers to the Closure and Post-Closure Reserves, (5) and a $1,900 increase in other areas of the budget. The 2017/2018 budget includes a total of $600,000 in capital outlay including $550,000 for construction of the next landfill cell, $15,000 for a well for the new maintenance building, and $35,000 for a new tarp machine.

The revised estimate and 2017/2018 budgeted landfill service charges revenue are both estimated at $1,255,400 based on a total of 42,000 tons of waste each year. Revised estimate service charges revenue is $45,200 less than the original budget due to the net effect of (1) lowering the landfill's share of the transfer station rate from $40 per ton to $32 for full rate tonnage after the 2016/2017 budget was adopted ($174,400 reduction), and (2) revenue from the projected 4,000 ton increase in waste volume over the amount in the original 2016/2017 budget (a $129,200 increase).

This 42,000 ton waste estimate includes 26,000 tons at the full $32 rate ($832,000), 8,600 tons at the $25 industrial contract rate ($215,000), and 7,400 tons at the negotiated industrial rates ($208,400). 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 $81,000 to $716,191 during the 2016/2017 fiscal year and decrease by $77,500 during 2017/2018 to $638,691. As noted above, the 2017/2018 budget includes $550,000 for construction of the next landfill cell. Having sufficient funds available for construction of this cell without an interim loan, shows the success of the long-term deficit reduction/financing plan developed and implemented in 2010.

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 and 2017/2018. 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 $88,200 for 2017/2018 based on an estimated 42,000 tons of waste. The surcharge funds retained by the City are estimated at $65,100 for 2017/2018. 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 2017/2018 it is estimated that there will be $21,000 in Part I funds which will be transferred to the Landfill fund for qualifying expenditures and an estimated $44,100 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 2016/2017 and 2017/2018 is $90,500 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at $40,000.

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 2013/2014	**Actual 2014/2015**	**Actual 2015/2016**	**Estimated 2016/2017**	**Estimated 2017/2018**
Tons of Waste Disposed	35,366	38,949	40,652	42,000	42,000
Estimated Landfill Capacity Remaining (Tons)	154,611	165,643 *	124,991	82,991	40,991
Years of Current Landfill Space Remaining (Estimate)	4.7	4.2 *	3.1	2.0	1.0
Leachate Collected in Gallons	1,488,313	1,829,208	1,600,000	1,600,000	1,600,000

** In the fall of 2014, the City changed engineering firms and the calculation from Barker Lemar Engineering Consultants was 165,643 tons of remaining capacity and 4.2 years.

RECENT ACCOMPLISHMENTS:

In September 2016, the longtime Solid Waste Manager resigned. During the current fiscal year this position is being filled on an interim basis by the Transit Supervisor. The City of Muscatine and the Waste Commission of Scott County have entered into a joint agreement with Barker Lemar Engineering Consultants to conduct a feasibility study for future use of the landfill and Transfer Station. The results of the study are expected by early 2017. Significant decisions will be made regarding the future of the solid waste operation based on this study.

Staff continues to work closely with the landfill contractor on daily operations to ensure the landfill is meeting the Iowa Department of Natural Resources standards. The contract with Dick Doyle Excavation ends June 30, 2021.

The City continues to contract with Barker Lemar Engineering Consultants for sampling and reporting requirements for the landfill permit. This includes monitoring existing wells and installation of new wells and ensuring proper implementation of the three-year Ground Water Remediation Plan. A Master Plan was completed by Barker Lemar in the fall of 2016. This document will supplement data from the feasibility study previously mentioned.

Additional projects that are being worked on with Barker Lemar include (1) Phases 5 and 6 of the Master Plan in order to receive the IDNR permit for additional airspace at the Landfill; an estimated 17 years of life will remain at the Landfill with the permitting requested in the Master Plan, (2) the annual airspace survey, and (3) landfill operations assistance. The annual services include groundwater monitoring and reporting; leachate and landfill gas reporting; landfill inspections; and financial assurance reports.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To continue to monitor the long-term financing plan to assure a positive fund balance in the Landfill fund. **(Council and Management Projects, Programs, and Placemaking Goal)**

* To continue implementation of corrective measures for the remedial action plan with the Iowa Department of Natural Resources.

* To implement the Master Plan for the Muscatine County Landfill.

* To evaluate and implement recommendations of the feasibility study.

* To support the membership of the Muscatine County Area Solid Waste Management Agency.

Landfill Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ (507,698)	$ 100,576	$ 476,565	$ 635,191	$ 716,191
Revenues					
Charges for Services	$ 1,406,132	$ 1,407,713	$ 1,300,600	$ 1,255,400 (3)	$ 1,255,400 (3)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Interest	1,551	2,326	1,000	1,000	1,000
Industry Contribution	15,000	10,000	10,000	10,000	10,000
Other	7,234	0	0	0	0
Transfers In:					
Landfill Surcharge Reserve	19,470	20,325	19,000	21,000 (4)	21,000 (4)
Total Revenues	$ 1,566,564	$ 1,557,541	$ 1,447,800	$ 1,404,600	$ 1,404,600
Funds Available	$ 1,058,866	$ 1,658,117	$ 1,924,365	$ 2,039,791	$ 2,120,791
Expenditures (1)	958,290	1,022,926	1,208,100	1,323,600	1,482,100 (5)
Ending Balance, June 30	$ 100,576	$ 635,191	$ 716,265	$ 716,191	$ 638,691
Increase (Decrease) in Fund Balance	**$ 608,274**	**$ 534,615**	**$ 239,700**	**$ 81,000**	**$ (77,500)**

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 2016/2017 Revised Estimate and 2017/2018 budgeted revenues are based on 26,000 tons at $32/ton plus 8,600 tons at the new industrial rate of $25.00/ton, plus an estimated $208,400 at varying rates for other industrial waste contracts. Note that the Revised Estimate revenues are based on $32/ton of the Transfer Station waste at the $60/ton rate instead of the $40/ton originally budgeted.
4. The 2016/2017 and 2017/2018 transfers from the Landfill Surcharge Reserve are based on 42,000 tons at $.50/ton.
5. The 2017/2018 budget includes $550,000 for construction of the next landfill cell.

Explanation of Changes in Fund Balances:

The accumulated deficit in this fund in previous years was due to the reduced waste volumes being received at the landfill as well as landfill capital costs. This deficit was eliminated during the 2014/2015 year and funds are being accumulated for construction of the next cell which is included in the budget for 2017/2018.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	19,470	20,325	19,000	21,000 (1)	21,000 (2)
Funds Available	$ 19,470	$ 20,325	$ 19,000	$ 21,000	$ 21,000
Expenditures					
Transfers to Landfill Fund	19,470	20,325	19,000	21,000	21,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 42,000 tons for the 2016/2017 Revised Estimate at $.50/ton.
2. Transfers are based on 42,000 tons for the 2017/2018 Budget at $.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	40,886	42,665	39,900	44,100 (1)	44,100 (2)
Funds Available	$ 40,886	$ 42,665	$ 39,900	$ 44,100	$ 44,100
Expenditures					
Transfers to Transfer Station Fund	40,886	42,665	39,900	44,100	44,100
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 42,000 tons at $1.05/ton for the 2016/2017 Revised Estimate.
2. Transfers are based on 42,000 tons at $1.05/ton for the 2017/2018 Budget.

Landfill Closure Reserve (1)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 620,429	$ 705,792	$ 791,792	$ 796,174	$ 886,674
Revenues					
Transfers In					
Landfill Fund	85,363	90,382	86,000	90,500 (2)	90,500 (2)
Funds Available	$ 705,792	$ 796,174	$ 877,792	$ 886,674	$ 977,174
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 705,792	$ 796,174	$ 877,792	$ 886,674	$ 977,174
Increase (Decrease) in Fund Balance	**$ 85,363**	**$ 90,382**	**$ 86,000**	**$ 90,500**	**$ 90,500**

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 841,615	$ 872,785	$ 904,785	$ 912,555	$ 952,555
Revenues					
Transfers In					
Landfill Fund	31,170	39,770	32,000	40,000 (2)	40,000 (2)
Funds Available	$ 872,785	$ 912,555	$ 936,785	$ 952,555	$ 992,555
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 872,785	$ 912,555	$ 936,785	$ 952,555	$ 992,555
Increase (Decrease) in Fund Balance	**$ 31,170**	**$ 39,770**	**$ 32,000**	**$ 40,000**	**$ 40,000**

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 26,753	$ 27,728	$ 65,100	$ 65,300	$ 63,800	-2.00%
Commodities	12,150	13,668	17,400	17,400	17,400	0.00%
Contractual Services	592,001	561,389	539,400	566,000	549,300	1.84%
Capital Outlay	19,751	93,973	355,000	425,000	600,000	
Transfers	307,385	325,553	231,200	249,900	251,600	8.82%
Total Expenditures	$ 958,040	$ 1,022,311	$ 1,208,100	$1,323,600	$ 1,482,100	22.68%
Funding Sources						
Charges for Services	$ 1,406,132	$ 1,407,713	$ 1,300,600	$1,255,400	$ 1,255,400	-3.48%
Agency Assessment	117,177	117,177	117,200	117,200	117,200	0.00%
Industry Contribution	1,551	10,000	10,000	10,000	10,000	0.00%
Interest	15,000	2,326	1,000	1,000	1,000	0.00%
Other	7,234	-	-	-	-	
Transfers In:						
Surcharge Reserve	19,470	20,325	19,000	21,000	21,000	10.53%
Total Funding Sources	$ 1,566,564	$ 1,557,541	$ 1,447,800	$1,404,600	$ 1,404,600	-2.98%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Solid Waste Manager	0.25	0.25	0.35	0.35	0.35	
Solid Waste Supervisor	-	-	0.25	0.25	0.25	
Total Full Time	0.25	0.25	0.60	0.60	0.60	$ 43,600
Employee Benefits						20,200
Total Personal Services						$ 63,800

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tarp Machine	1	Yes	$ 35,000
Landfill Cell Construction			550,000
Well for Maintenance Building			15,000
			$ 600,000

SOLID WASTE MANAGEMENT FUNDS

TRANSFER STATION OPERATIONS

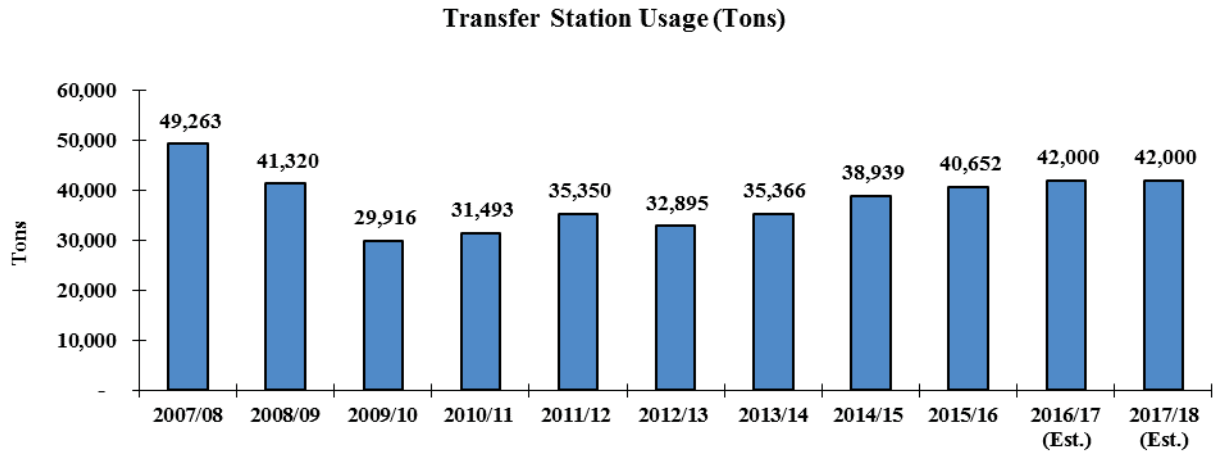
GENERAL INFORMATION:

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. In September 2016, the former Solid Waste Manager resigned. During the current fiscal year this position is being filled on an interim basis by the Transit Supervisor.

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 2016/2017 revised estimate and 2017/2018 budget have been projected based on 42,000 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 and have 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 passes 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 a $57,857 deficit at the end of 2015/2016.

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 has been "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 $272,600 for 2017/2018 and the total waste volume is estimated at 42,000, for an average of $6.49/ton in hauling costs. Applying this rate to the estimated 7,400 tons of waste from the negotiated contracts, results in the Transfer Station "absorbing" hauling costs estimated at $48,026 annually.

After the 2016/2017 budget was adopted the City Council approved a change in the portion of the Transfer Station fee paid to the landfill to address the deficit in the Transfer Station fund and to address equipment replacement needs at that facility. This was reviewed with the Chamber Landfill Committee at their May 13, 2016 meeting and the Committee recommended that the allocation of the $60 full rate tipping fee be changed from $40 Landfill/$20 Transfer Station to $32 Landfill/$28 Transfer Station for a two-year period (2016/2017 and 2017/2018). This allocation change allowed for the purchase of a new track loader funded from a separate internal loan and was also expected to eliminate the budget deficit in the Transfer Station fund. Based on an estimated 21,800 of transfer station tonnage at the full $60 per ton rate, this resulted in an expenditure reduction of $174,400 in the Transfer Station fund and a revenue reduction of that same amount in the Landfill fund. With this change the Landfill fund is still projected to have sufficient funding for development of the next cell. For the Transfer Station this change resulted in a positive $93,743 fund balance at the end of 2016/2017 compared to the originally budgeted deficit of $110,649.

The 2016/2017 revised estimate expenditures are $56,400 more than the original budget. The revised estimate is based on an estimated 42,000 tons of waste instead of the 38,000 tons in the original budget. Significant expenditure changes include (1) a $34,300 increase in waste hauling due to the increased waste volume, (2) a $174,400 savings from lowering the landfill fee on the full rate waste from $40 to $32 per ton, (3) a $129,200 increase in landfill fees based on the increased waste volume, (4) a $40,200 increase in transfers due to the addition of the payment on the internal loan for the new track loader, (5) a $16,100 increase in repair and maintenance services costs primarily to repair a water leak, (6) a $6,400 increase in personal services for increased health insurance and workers compensation insurance, (7) a $5,400 increase in credit card fees, and (8) a net $800 decrease in other accounts.

The budgeted expenditures for 2017/2018 are $293,800 (14.3%) more than the original 2016/2017 budget and $237,400 (11.2%) more than the 2016/2017 revised estimate. The budget is based on 42,000 tons of waste volume, the same as the 2016/2017 revised estimate. This will result in continuing the higher hauling costs included in the revised estimate. The $237,400 expenditure increase compared to the 2016/2017 revised estimate is primarily due to (1) a $235,700 increase in capital outlay, (2) a $14,900 increase in personal services, (3) a $16,100 decrease in repair and maintenance services, (4) and a net $2,900 increase in other accounts. The capital outlay allocation for 2017/2018 totals $251,000 and includes $200,000 for a new wheel loader, $45,000 for a new scale for the tunnel, and $6,000 for a snowplow. The new scale for the tunnel will ensure trailers used to haul waste to the landfill are fully loaded but that they do not exceed weight limits.

The revenue estimate for 2017/2018 is approximately the same as the 2016/2017 revised estimate. Based on the budgeted expenditures for 2017/2018, the fund balance is estimated to be minimal at $843 due to the capital equipment in the budget. Replacing this equipment, however, will reduce future maintenance costs and increase efficiency in this operation.

Both the 2016/2017 revised estimate and 2017/2018 budget include $75,800 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. An additional internal loan for a track loader was added in the spring of 2016. Payments on this internal loan are $40,200 beginning in 2017/2018 and continuing through 2020/2021. These amounts total to the $75,800 in the revised estimate and 2017/2018 budget.

While the change in the allocation of the full rate Transfer Station tipping fee from the $40 Landfill/$20 Transfer Station to $32 Landfill/$28 Transfer Station was initially approved for only a two year period (2016/2017 and 2017/2018), consideration will need to be given to continuing this rate in future years to provide the Transfer Station funds to operate efficiently.

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 2013/14	**Actual 2014/15**	**Actual 2015/16**	**Estimate 2016/17**	**Estimate 2017/18**
Tons of Waste Processed	35,366	38,939	40,652	42,000	42,000
Tons Recycled (Contractor) – Republic	5,548	5,608	1,402 *	1,450	1,500
Gallons of Waste Oil Collected (Est.)	5,900	6,000	4,237	4,500	5,000

* Beginning in 2015/2016 tons recycled include only those from the recycling trailers at the Transfer Station. In previous years the contractor provided recycling services for businesses at the Transfer Station.

RECENT ACCOMPLISHMENTS:

In September 2016, the former Solid Waste Manager resigned. At this time the position is being filled on an interim basis by the Transit Supervisor. Daily activities of Refuse Collection, Transfer Station, and Landfill are being overseen by the Solid Waste Supervisor and the Solid Waste Lead Worker. Since the transition, all aspects of the Solid Waste division have continued to operate smoothly with very few complaints or issues.

The scale in the load out tunnel has not been operational for some time. This requires the load operators to estimate the tonnage on the trailers before they exit the tunnel for weigh out and the trip to the landfill. The Public Works Director met several scale vendors at a recent Iowa Society of Solid Waste Operations (ISOSWO) conference. To date, two vendors have visited the Transfer Station and are working on providing quotes for a new scale. Replacement of the tunnel scale has been requested in the 2017/2018 budget.

The Transfer Station purchased a new track loader in October. The 2008 track loader was then moved to the Compost Site. A request has been included in the Refuse Collection budget for $30,000 for new tracks, pads, and rollers for the old track loader.

In the fall of 2016, the majority of trees and brush at the Compost Site were ground into mulch by Midland Davis and hauled away by Xylem. The remaining mulch and compost on site is available for public use at no charge. The Streets division of Public Works re-graded a large portion of the compost area lot for storage of leaves during fall leaf pick up and snow from winter snow removal operations. In late winter or early spring, excess compost will be pushed into the field north and west of the compost lot and disked into the ground to provide nutrients for native plants to be planted in the fall of 2017. This will remove a large portion of the

compost stockpile which is mainly older material that has accumulated for several years. Pushing it onto the field and applying it to the land will save the cost of hauling it to the landfill for cover.

The City of Muscatine and the Waste Commission of Scott County have entered into a joint agreement with Barker Lemar Engineering Consultants to conduct a feasibility study for future use of the Landfill and Transfer Station. The results of the study are expected by early 2017. Decisions based on the study may change future operations of City owned Solid Waste assets.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To determine the most effective operational plan for the City and members of the Muscatine County Solid Waste Management Agency. **(Council and Management Continuous Service Improvement Goal)**

* To continue safe operational procedures for the safety of employees and customers utilizing the Transfer Station facilities.

* If staff time allows, to conduct public education and outreach programs to promote existing services and continued promotion of recycling and reuse of materials.

Transfer Station Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ 24,338	$ (21,449)	$ (66,099)	$ (57,857)	$ 93,743
Revenues					
Charges for Services	$ 2,117,412	$ 2,065,690	$ 1,916,600	$ 2,155,400 (2)	$ 2,155,400 (2)
Household Hazardous Waste	699	18	350	300	300
Recycling Commissions	7,732	5,364	7,000	7,000	7,000
Recycling Center Rental Fees	21,000	21,000	21,000	21,000	21,000
Rental of Land	1,500	0	0	0	0
Sales Tax	9,866	11,688	9,500	12,000	12,000
Reimbursement of Expenses	9,720	0	0	0	0
Electronic Waste Disposal Fees	13,755	11,522	13,000	13,000	13,000
Appliance Disposal Fees	5,901	7,225	8,300	8,300	8,300
Sale of Equipment	0	0	0	2,500	0
Other	1,268	2,557	0	0	0
Program Contributions	1,550	0	0	0	0
Transfers In:					
Surcharge Reserve	40,886	42,665	39,900	44,100	44,100
Closure Reserve	0	0	0	4,600	0
Total Revenues	$ 2,231,289	$ 2,167,729	$ 2,015,650	$ 2,268,200	$ 2,261,100
Funds Available	$ 2,255,627	$ 2,146,280	$ 1,949,551	$ 2,210,343	$ 2,354,843
Expenditures (1)	2,277,076	2,204,137	2,060,200	2,116,600	2,354,000
Ending Balance (Deficit), June 30	$ (21,449)	$ (57,857)	$ (110,649)	$ 93,743 (3)	$ 843
Increase (Decrease) in Fund Balance	**$ (45,787)**	**$ (36,408)**	**$ (44,550) (3)**	**$ 151,600**	**$ (92,900)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The revenue estimates for 2016/2017 and 2017/2018 are based on 26,000 tons at $60/ton plus 8,600 tons at the industrial rate of $45/ton plus $208,400 from the negotiated industrial contracts which is passed through to the Landfill. The total projected waste volume is 42,000 tons for the 2016/2017 revised estimate and 2017/2018 budget.
3. The revised estimate projects a positive fund balance of $93,743 compared to the projected $110,649 deficit in the original budget. This is due to changing the portion of the $60/ton full rate waste volume paid to the Landfill fund from $40/ton to $32/ton. The total tonnage is also projected at 42,000 tons compared to the 38,000 tons in the original budget.

Explanation of Changes in Fund Balances:

The deficit balances in this fund in recent years were primarily due to reduced waste volume at this facility and crediting all of the revenue from the negotiated industrial contracts to the Landfill fund. Beginning in the 2016/2017 revised estimate, the portion of the full $60/ton rate paid to the Landfill has been decreased from $40/ton to $32/ton. This accounts for the increase in fund balance in the 2016/2017 revised estimate.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 38,395	$ 38,395	$ 38,395	$ 38,395	$ 31,995
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	$ 38,395	$ 38,395	$ 38,395	$ 38,395	$ 31,995
Transfer to Operations	0	0	0	4,600	0
Ending Balance, June 30	$ 38,395	$ 38,395	$ 38,395	$ 33,795	$ 31,995
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ (4,600)**	**$ 0**

1. This reserve is required according to State regulations.

Function:
Business Type

Department:
Public Works

Activity:

Transfer Station

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 245,330	$ 251,228	$ 231,800	$ 238,200	$ 253,100	9.19%
Commodities	47,210	21,893	32,200	31,200	32,200	0.00%
Contractual Services	1,940,527	1,886,185	1,742,700	1,753,200	1,738,900	-0.22%
Capital Outlay	3,200	1,531	15,000	15,300	251,000	
Transfers	38,300	38,400	38,500	78,700	78,800	104.68%
Total Expenditures	$ 2,274,567	$ 2,199,237	$ 2,060,200	$ 2,116,600	$ 2,354,000	14.26%
Funding Sources						
Charges for Services	$ 2,117,412	$ 2,065,690	$ 1,916,600	$ 2,155,400	$ 2,155,400	12.46%
Recycling Commissions	7,732	5,364	7,000	7,000	7,000	0.00%
Recycling Center Rental	21,000	21,000	21,000	21,000	21,000	
Sales Tax	9,866	11,688	9,500	12,000	12,000	26.32%
Tire, E-Waste, Appliance Charges	19,656	18,747	21,300	21,300	21,300	0.00%
Sale of Equipment	-	-	-	2,500	-	
Other	14,737	2,575	350	300	300	-14.29%
Transfer from Closure Reserve Fund	-	-	-	4,600	-	
Transfer from Surcharge Reserve	40,886	42,665	39,900	44,100	44,100	10.53%
Total Funding Sources	$ 2,231,289	$ 2,167,729	$ 2,015,650	$ 2,268,200	$ 2,261,100	12.18%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Solid Waste Manager	0.25	0.25	0.15	0.15	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	0.50	0.50	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	3.42	3.42	3.15	3.15	3.15	$ 148,900
Employee Benefits						104,200
Total Personal Services						$ 253,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Wheel Loader	1	Yes	$ 200,000
Scale for Tunnel	1	Yes	45,000
Snow Plow	1	Yes	6,000
			$ 251,000

Funding Transfers

Item	*Amount*
Annual Payment on Internal Loans for Transfer Trailer and Track Loader	$ 75,800

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 budgeted transfer was increased by $500,000 (to $700,000) so there would be sufficient funds available in this reserve for the High Strength Waste Receiving Station project as further discussed below. The $700,000 funding transfer has been continued in the 2017/2018 budget.

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 2016/2017. Funding for this project will be from this reserve. The total project cost is estimated at $2,814,000 with $3,895 of costs incurred in 2013/2014, $16,605 in 2014/2015, $52,178 in 2015/2016, an estimated $741,000 in 2016/2017, and an estimated $2,000,000 in 2017/2018.

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 eleven 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 2017/2018 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. It is projected that $228,000 of funds from this reserve will be needed to fund project costs in the 2017/2018 year. This long-term financing plan will be updated in 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 2016/2017 and 2017/2018 are $1,061,325 and $1,061,603, respectively. Interest payments are $425,165 in 2016/2017 and $404,495 in 2017/2018. The principal payments on this loan are $636,000 in 2016/2017 and $657,000 in 2017/2018.

CONSTRUCTION FUNDS

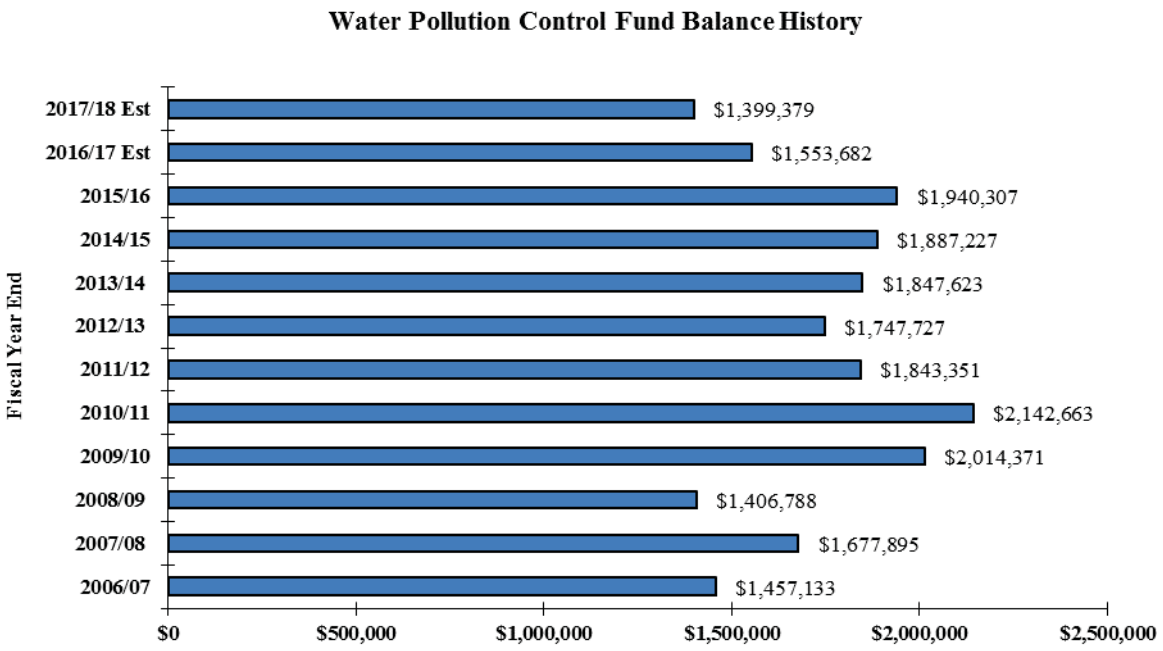
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project 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 early in 2017 and construction is scheduled to begin in the late spring of 2016/2017 and be completed in 2017/2018.

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 decreases in fund balance in 2016/2017 and 2017/2018 are due to $500,000 increases in the transfers to the Plant Replacement Reserve in both years. These increased transfers are needed to fund the High Strength Waste Receiving Station project.

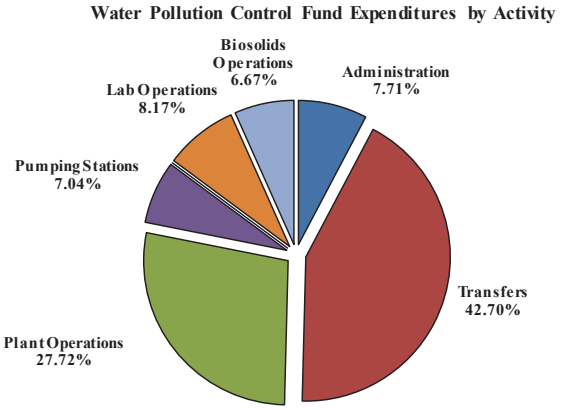
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City's major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component 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.

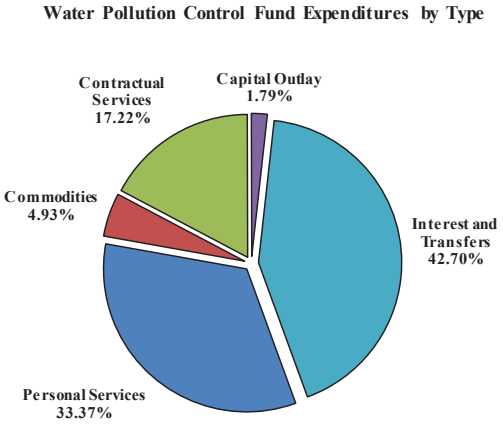
The rate structure adopted in 2003 also included rate adjustments to be effective July 1, 2004 and July 1, 2005. Sewer rates were also adjusted for the 2006/2007 year. This was a single year rate change since the results of the plant review were not yet known. Rates were set for a two-year period for 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 2017/2018 budget includes $15,000 for a new rate study with those rates to be effective July 1, 2018 and annually thereafter for the next three to five years.

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 19.50 for 2017/2018. 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 2017/2018:





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 2016/2017 revised estimate expenditures are $19,800 less than the original budget. There were increases or decreases in each of the individual activity budgets including (1) an $1,800 increase in the Water Pollution Control Administration budget, (2) a $17,100 decrease in the Plant Operations budget, (3) a $9,300 decrease in the Pumping Stations budget, (4) a $6,300 increase in the Lab budget, and (5) a $1,500 decrease in the Biosolids budget.

The 2017/2018 budgeted expenditures of $5,058,603 are $147,978 (3.0%) more than the original 2016/2017 budget. This overall increase is due to (1) a $120,300 (7.7%) increase in personal services costs, (2) a $12,500 increase in commodities, (3) a $65,800 increase in contractual services, (4) a $38,300 increase in capital outlay, and (5) an $88,922 decrease in transfers.

The personal services increase includes (1) $19,300 in the Water Pollution Control Administration budget which includes one employee changing from single to family coverage, (2) a $79,000 increase in the Plant Operations budget which includes $27,600 in retirement pay for the Plant Maintenance Manager and allows

for a 2-month overlap of the new Plant Maintenance Manager with the current manager (approximately $17,000), (3) a $2,300 decrease in the Pumping Stations budget due to one employee changing from family to single health insurance, (4) an $11,900 increase in the Lab budget, and (5) a $12,400 increase in the Biosolids budget.

The $65,800 contractual services increase is primarily due to (1) a $15,000 allocation in the Water Pollution Control Administration budget for the next rate study, and (2) an estimated $49,900 increase in utilities in the Plant Operations budget for the new high strength waste operation. The utilities increase is an estimated amount. The budgeted revenues for 2017/2018 include an estimated $200,000 in fees from the high strength waste operation.

As noted previously, the transfers for 2016/2017 and 2017/2018 each include $500,000 increases (to $700,000) 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 in the 2016/2017 revised estimate include $23,400 to complete the Biogas to Fuel feasibility study and $78,000 to complete the Nutrient Reduction Report to the Iowa Department of Natural Resources. Fiscal year 2017/2018 transfers include $10,000 for a dredge spoils site relocation study. These allocations have been set up as capital projects funds 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 2017/2018 as specified in the sewer rate resolution adopted in August of 2013. This resolution set rates for five years through June 30, 2018. The 2017/2018 budget includes funds for a new rate study.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Million Cubic Feet of Wastewater Treated		231.1	279.0	261.2	244.3	240.3
Carbonaceous Biological Oxygen Demand Treated (CBOD) 1,000 lbs/yr.)		2,394	3,139*	4,039**	3,400**	3,200
Total Suspended Solids Treated (1,000 lbs/yr.)		2,633	2,687	2,992	2,900	2,900
Number of Customer Bills	Industrial	98	101	96	100	100
	Non-Industrial	108,535	108,348	109,471	109,500	109,500
	Total	108,633	108,449	109,567	109,600	109,600

* 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.

** The CBOD increase in 2015/2016 is due to a one-time increase in loading from Heinz. This is expected to level off in future years.

Calendar Year Measures	Actual 2013	Actual 2014	Actual 2015	Estimated 2016	Estimated 2017
Gallons of Sludge/Number of Acres	4,199,424/ 333	4,213,790/ 333.5	7,764,833*/ 493	5,939,290/ 467	6,000,000/ 493
Lift Station Preventive Maintenance Tasks	10,195	10,299	9,732	9,300	9,500
Lift Station Corrective Work Orders	177	203	127	107	150
Plant Preventive Maintenance Tasks	13,645	13,166	13,107	13,559	14,500**
Plant Corrective Work Orders	140	195	150	67	150

* 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.

** An increase in Preventive Maintenance tasks is anticipated for the high strength waste facility.

RECENT ACCOMPLISHMENTS:

The Water Pollution Control Plant (WPCP) staff began work this year getting ready for the next phase of resource recovery. The Water Pollution Control Plant will become a water and resources recovery facility with the completion of the High Strength Waste Receiving Station Project. This facility will allow the City to reduce landfill use by up to 20% while generating new revenues and renewable resources that clean the air and stabilize fleet fuel prices. Naming it MARRVE (for Muscatine Area Resource Recovery for Vehicles and Energy) shows the commitment this community has to building a sustainable future.

This focus on sustainability and resiliency has been demonstrated in many projects this year. An internal electronic and hazardous waste recycling project was started to ensure this harmful material did not reach the landfill. As this waste degrades, it could potentially return to the WPCP in the leachate treated here at the plant. WPCP staff are encouraged to bring in their household waste as well and together has netted nearly 900 pounds of e-waste and 200 pounds of hazardous waste since February 2016. This program will be promoted in a new Muscatine Sustainability Plan to other City departments and local industries to promote proper disposal of this material.

The WPCP received several grants this year. A Trees Forever grant paid for the planting of over 40 trees at the treatment plant, Fire Station 2, the airport, and three lift stations. An IDNR (Iowa Department of Natural Resources) grant paid for most of the seed to be used around the biosolid lagoons. This normally grass covered three acres will be converted to native wildflower and grass species to serve as an island of habitat for pollinators in a sea of corn and soy beans. Tying that to the Mayor's Monarch Pledge, is a move toward more native habitat creation to support the dying diversity of pollinators people depend on for 30% of the food production in the world. The Alternative Fuel Fleet Study grant is being completed and will be incorporated into the Biogas Utilization Study for how best to use the energy created by MARRVE.

Continuous Service Improvement (CSI) and sustainability go together well at the WPCP. New control systems have been installed in all lift stations for faster alarm response and increased operator control. These upgrades happen continuously at the plant and have become a part of everyday work as WPCP staff apply these lean principles to everything from planning, ordering, installing, and maintaining the vital equipment to treat and clean the city's waters. This reduces costs and improves reliability in the most critical systems. The WPCP Environmental Laboratory has increased lab testing services to include pools and spas and is finishing certification for drinking water testing. The new lab is quickly becoming a regional resource for certified testing services. The Maintenance and Operations divisions completed a project in-house slated for the upcoming High Strength Waste Receiving/Struvite project that was under engineering estimates by $30,000, saving money and teaching newer employees valuable skills. This succession planning and knowledge transfer is vital to sustaining the operation of the treatment plant and maintaining efficiency through in-house work.

Many studies are coming to conclusion that will move the plant in new directions. The Biogas Utilization Study will help guide us in best use for this valuable commodity created continuously from the anaerobic digesters. The Nutrient Reduction Study is being completed as required by the IDNR and will become part of Iowa's larger Nutrient Reduction Strategy, a science and technology-based framework to assess and reduce nutrients to Iowa waters and the Gulf of Mexico. The Struvite Study is continuing but will not be completed until new material is added when MARRVE is in operation.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To complete the MARRVE (Muscatine Area Resource Recovery for Vehicles and Energy) project. **(Council Projects, Programs, and Placemaking Goal)**

* To finalize the Waste to Energy strategy. **(Council Continuous Service Improvement and Projects Goal)**

* To complete a CNG (compressed natural gas) fueling station plan and begin the purchase of CNG fleet vehicles. **(Council Long-Term Revenue Generation Goal)**

* 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 Continuous Service Improvement Goal)**

* To integrate a Muscatine Sustainability Plan into the City Comprehensive Plan. **(Council Sustainability Goal)**

* To create a systems dashboard to better track real-time status of key parameters within the plant and for outside users. These should include recovered resource levels of biogas, energy, nutrients, solid wastes (total and by generator), recycled material, water, and biosolids. **(Council Marketing, Communication, and Engagement Goal)**

* To update the performance measures reported to Council and the public that better reflects plant performance in the new resource recovery paradigm. **(Council Marketing, Communication, and Engagement Goal)**

* To address hydrogen sulfide odors and propose final solutions to this ongoing issue.

* To work with local and regional businesses, organizations, and industries in bringing wastes to the MARRVE facility.

* To continue exploring solutions for the struvite issues within the system to ensure continuous process viability.

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
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	$ 13,082,000	$ 3,901,823	$ 16,983,823

Water Pollution Control Fund

Water Pollution Control Plant Replacement Reserve

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,738,897	$ 1,584,188	$ 1,534,788	$ 1,733,011	$ 1,693,011
Revenues					
Interest	$ 1,859	$ 1,830	$ 800	$ 1,000	$ 1,000
Transfers In					
Water Pollution Control Operations Fund	200,000	200,000	700,000 (1)	700,000 (1)	700,000 (1)
Total Revenues	$ 201,859	$ 201,830	$ 700,800	$ 701,000	$ 701,000
Funds Available	$ 1,940,756	$ 1,786,018	$ 2,235,588	$ 2,434,011	$ 2,394,011
Expenditures					
Transfers Out:					
Water Pollution Control Fund	$ 50,800	$ 0	$ 0	$ 0	$ 0
Lab Expansion and Renovation	289,163	830	0	0	0
High Strength Waste Receiving Station	16,605	52,177	2,000,000	741,000	2,000,000
Total Expeditures	$ 356,568	$ 53,007	$ 2,000,000	$ 741,000	$ 2,000,000
Ending Balance, June 30	$ 1,584,188	$ 1,733,011	$ 235,588	$ 1,693,011	$ 394,011
Increase (Decrease) in Fund Balance	**$ (154,709)**	**$ 148,823**	**$ (1,299,200)**	**$ (40,000)**	**$(1,299,000)**

1. Funding transfers in the 2016/2017 and 2017/2018 budgets are based on an estimated $2.5 million in construction costs for the High Strength Receiving Station project. As shown, funding transfers to this reserve were increased to $700,000 in both 2016/2017 and 2017/2018 to fund this project.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,202,297	$ 1,603,815	$ 2,005,315	$ 2,005,788	$ 2,407,788
Revenues:					
Interest	$ 1,518	$ 1,973	$ 1,800	$ 2,000	$ 2,000
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	$ 401,518	$ 401,973	$ 401,800	$ 402,000	$ 402,000
Funds Available	$ 1,603,815	$ 2,005,788	$ 2,407,115	$ 2,407,788	$ 2,809,788
Expenditures:					
Transfer to West Hill Sewer Project	0	0	0	0	228,000
Ending Balance, June 30	$ 1,603,815	$ 2,005,788	$ 2,407,115	$ 2,407,788	$ 2,581,788
Increase (Decrease) in Fund Balance	**$ 401,518**	**$ 401,973**	**$ 401,800**	**$ 402,000**	**$ 174,000**

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. It is projected that $228,000 will be needed to fund 2017/2018 West Hill Sewer Separation project costs.

Sewer Revenue Bond Sinking Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 107,422	$ 108,024	$ 108,651	$ 108,677	$ 109,337
Revenues:					
Interest	$ 511	$ 526	$ 500	$ 500	$ 500
Transfers In:					
Water Pollution Control Fund	1,061,678	1,061,312	1,061,325	1,061,325	1,061,603
Total Revenues	$ 1,062,189	$ 1,061,838	$ 1,061,825	$ 1,061,825	$ 1,062,103
Funds Available	$ 1,169,611	$ 1,169,862	$ 1,170,476	$ 1,170,502	$ 1,171,440
Expenditures:					
Bonds	$ 597,000	$ 616,000	$ 636,000	$ 636,000	$ 657,000
Interest and Fees	464,587	445,185	425,165	425,165	404,495
Total Expenditures	$ 1,061,587	$ 1,061,185	$ 1,061,165	$ 1,061,165	$ 1,061,495
Ending Balance, June 30	$ 108,024	$ 108,677	$ 109,311	$ 109,337	$ 109,945
Increase (Decrease) in Fund Balance	**$ 602**	**$ 653**	**$ 660**	**$ 660**	**$ 608**

Water Pollution Control Operations Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,850,006	$ 1,896,677	$ 1,782,215	$ 1,940,307	$ 1,553,682
Revenues	4,388,331	4,412,695	4,551,300	4,504,200	4,904,300
Funds Available	$ 6,238,337	$ 6,309,372	$ 6,333,515	$ 6,444,507	$ 6,457,982
Expenditures (1) (2)	4,351,110	4,369,065	4,910,625 (3)	4,890,825 (3)	5,058,603 (4)
Ending Balance, June 30	$ 1,887,227	$ 1,940,307	$ 1,422,890	$ 1,553,682	$ 1,399,379
Increase (Decrease) in Fund Balance	**$ 37,221**	**$ 43,630**	**$ (359,325) (3)**	**$ (386,625) (3)**	**$ (154,303)**

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.
3. The 2016/2017 expendiitures included a $500,000 increase to $700,000 in the transfer to the Plant Replacement Reserve so there would be sufficient funding available for the High Strength Waste Receiving Station project. This resulted in the decrease in the fund balance in 2016/2017.
4. The 2017/2108 budget continues the increased Replacement Reserve transfer of $700,000.

Water Pollution Control Operations Fund

Summary of Revenues

	Actual 2014/2015		Actual 2015/2016		Budget 2016/2017		Revised Estimate 2016/2017		Budget 2017/2018	
Sewer Charges-Residential and Commercial (Billed by MP&W)	$ 3,106,512	(1)	$ 3,206,629	(1)	$ 3,355,000	(2)	$ 3,290,000	(2)	$ 3,350,000	(3)
Industrial and City-billed Commercial Sewer Charges	1,059,497	(1)	1,048,012	(1)	1,030,000	(2)	1,030,000	(2)	1,100,000	(3)
Charges for Fats, Oils, and Grease (FOG)	0		0		0		20,000	(4)	90,000	(4)
Charges for High Strength Waste	0		0		0		0		200,000	(5)
Wastewater Discharge Permits	2,400		1,458		1,500		1,500		1,500	
Interest	1,781		1,836		1,500		1,900		1,500	
Sale of Equipment/Other Sales	0		2,303		0		2,500		0	
Analytical Income	87,939		92,049		92,000		93,000		94,000	
Sales Tax	64,540		60,245		71,000		65,000		67,000	
Insurance Reimbursement	5,359		0		0		0		0	
Miscellaneous	9,503		163		300		300		300	
Transfers In:										
Plant Replacement Reserve	50,800		0		0		0		0	
Total Revenues	$ 4,388,331		$ 4,412,695		$ 4,551,300		$ 4,504,200		$ 4,904,300	

1. Rates were increased approximately 3% effective July 1, 2014 and by an additional 3% July 1, 2015.
2. Rates increased by an additional 3% July 1, 2016.
3. Rates will increase by an additional 3% July 1, 2017
4. Estimated revenue from Fats, Oils, and Grease expected beginning in the spring of 2017.
4. Estimated revenue from High Strength Waste expected beginning in 2017/2018.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Administration (1)	$ 1,966,544	$ 1,994,806	$ 2,495,625 (2)	$ 2,497,425 (2)	$ 2,549,703 (2)
Plant Operations	1,209,123	1,193,757	1,365,500	1,348,400	1,402,100
Pumping Stations	458,644	448,473	328,600	319,300	356,100
Laboratory Operations	369,044	364,350	401,700	408,000	413,400
Biosolids Operations	343,052	372,662	319,200	317,700	337,300
Total Expenditures	$ 4,346,407	$ 4,374,048	$ 4,910,625	$ 4,890,825	$ 5,058,603

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 and 2017/2018 Administration budget expendiitures include $500,000 increases in the transfers 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 174,308	$ 180,789	$ 187,600	$ 197,100	$ 206,900	10.29%
Commodities	4,036	3,340	4,500	4,700	4,700	4.44%
Contractual Services	164,922	155,195	159,800	151,900	178,300	11.58%
Capital Outlay	-	-	-	-	-	
Transfers	1,623,278	1,655,482	2,143,725	2,143,725	2,159,803	0.75%
Total Expenditures	$ 1,966,544	$ 1,994,806	$ 2,495,625	$ 2,497,425	$ 2,549,703	2.17%
Funding Sources						
Sewer Charges	$ 2,006,686	$ 2,006,686	$ 2,134,800	$ 2,109,300	$ 2,393,900	12.14%
Interest	1,781	1,781	1,500	1,500	1,500	0.00%
Total Funding Sources	$ 2,008,467	$ 2,008,467	$ 2,136,300	$ 2,110,800	$ 2,395,400	12.13%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 142,600
Employee Benefits						64,300
Total Personal Services						$ 206,900

Function:
Business Type

Department:
Water Pollution Control

Activity:

Plant Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 637,806	$ 694,334	$ 720,100	$ 699,400	$ 799,100	10.97%
Commodities	72,972	98,350	93,000	94,200	94,500	1.61%
Contractual Services	395,049	391,762	436,400	432,100	483,500	10.79%
Capital Outlay	103,296	9,311	11,000	21,300	25,000	127.27%
Transfers	-	-	105,000	101,400	-	-100.00%
Total Expenditures	$ 1,209,123	$ 1,193,757	$ 1,365,500	$ 1,348,400	$ 1,402,100	2.68%
Funding Sources						
Sewer Charges	$ 1,127,321	$ 1,129,588	$ 1,292,700	$ 1,279,100	$ 1,333,300	3.14%
Sales Tax	64,540	60,245	71,000	65,000	67,000	-5.63%
Other Revenues	11,903	1,621	1,800	1,800	1,800	0.00%
Insurance Reimbursement	5,359	-	-	-	-	
Sale of Equipment	-	2,303	-	2,500	-	
Total Funding Sources	$ 1,209,123	$ 1,193,757	$ 1,365,500	$ 1,348,400	$ 1,402,100	2.68%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	-	1.00	1.00	1.00	2.00	
Treatment Plant Operator I	2.00	1.00	1.00	1.00	-	
Treatment Plant Mechanic II	1.00	1.00	1.00	2.00	2.00	
Treatment Plant Mechanic I	2.00	2.00	2.00	1.00	-	
Maintenance Worker I	1.00	1.00	1.00	1.00	1.00	
Equipment Operator I	-	-	-	-	1.00	
Total	8.75	8.75	8.75	8.75	8.75	$ 511,300
Employee Benefits						287,800
Total Personal Services						$ 799,100

Capital Outlay

Item	***Quantity***	***Replacement***	***Amount***
ADA Sidewalk (Public Area from Office to Lab)	1	Yes	$ 12,000
Plant Drainage Float System	1	Yes	10,000
Arm Retrieval System	1	No	3,000
			$ 25,000

Function:
Business Type

Department:
Water Pollution Control

Activity:

Pumping Stations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 220,531	$ 129,900	$ 140,100	$ 129,800	$ 137,800	-1.64%
Commodities	17,882	17,127	23,100	23,100	35,300	52.81%
Contractual Services	123,722	121,185	157,900	158,900	158,000	0.06%
Capital Outlay	96,509	180,261	7,500	7,500	25,000	233.33%
Transfers	-	-	-	-	-	
Total Expenditures	$ 458,644	$ 448,473	$ 328,600	$ 319,300	$ 356,100	8.37%
Funding Sources						
Sewer Charges	$ 407,844	$ 448,473	$ 328,600	$ 319,300	$ 356,100	8.37%
WPCP Replacement Reserve	50,800	-	-	-	-	
Total Funding Sources	$ 458,644	$ 448,473	$ 328,600	$ 319,300	$ 356,100	8.37%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Lift Station/Plant Maintenance Supervisor	1.00	-	-	-	-	
Lift Station Leadworker	-	-	1.00	1.00	1.00	
Lift Station Operator	2.00	2.00	1.00	1.00	1.00	
Total	3.00	2.00	2.00	2.00	2.00	$ 100,900
Employee Benefits						36,900
Total Personal Services						$ 137,800

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Centrifugal Pump - Canon Pumping Station	1	Yes	$ 25,000

Table of Contents

Function:
Business Type

Department:
Water Pollution Control

Activity:

Laboratory Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 267,813	$ 274,933	$ 287,100	$ 288,200	$ 299,000	4.14%
Commodities	63,779	53,374	62,600	61,600	62,600	0.00%
Contractual Services	24,346	27,129	28,200	27,200	28,200	0.00%
Capital Outlay	13,106	8,914	23,800	31,000	23,600	-0.84%
Transfers	-	-	-	-	-	
Total Expenditures	$ 369,044	$ 364,350	$ 401,700	$ 408,000	$ 413,400	2.91%
Funding Sources						
Sewer Charges	$ 281,105	$ 272,301	$ 309,700	$ 315,000	$ 319,400	3.13%
Analytical Charges	87,939	92,049	92,000	93,000	94,000	2.17%
Total Funding Sources	$ 369,044	$ 364,350	$ 401,700	$ 408,000	$ 413,400	2.91%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 211,700
Employee Benefits						87,300
Total Personal Services						$ 299,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Reverse Osmosis Water System	1	Yes	$ 12,000
Dissolved Oxygen Probe	1	Yes	1,400
Oil and Grease Concentrator	1	No	4,800
Micro Distillation Unit	1	Yes	5,400
			$ 23,600

Function:
Business Type

Department:
Water Pollution Control

Activity:

Biosolids Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 209,922	$ 221,479	$ 232,700	$ 233,400	$ 245,100	5.33%
Commodities	20,956	35,011	53,600	56,600	52,200	-2.61%
Contractual Services	33,739	16,536	22,900	22,900	23,000	0.44%
Capital Outlay	39,865	6,330	10,000	4,800	17,000	70.00%
Transfers	38,571	93,306	-	-	-	
Total Expenditures	$ 343,053	$ 372,662	$ 319,200	$ 317,700	$ 337,300	5.67%
Funding Sources						
Sewer Charges	$ 343,053	$ 372,662	$ 319,200	$ 317,700	$ 337,300	5.67%
Total Funding Sources	$ 343,053	$ 372,662	$ 319,200	$ 317,700	$ 337,300	5.67%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	2.00	2.00	1.00	1.00	1.00	
Treatment Plant Mechanic II	-	-	1.00	1.00	1.00	
Total	3.00	3.00	3.00	3.00	3.00	$ 153,500
Overtime						14,000
Employee Benefits						77,600
Total Personal Services						$ 245,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Dragline Hose	660 ft	Yes	$ 7,000
Total Suspended Solids Analyzer	1	No	10,000
			$ 17,000

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 11 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 2017/2018 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 2017

The 2016/2017 revised estimate is over the original budget by $43,800. This increase is primarily due to legal and other costs for the lawsuit opposing annexation of property into the Louisa-Muscatine Drainage District. Legal services has increased by $24,800 for this lawsuit and the revised estimate also allows $18,000 for a study on southend water drainage related to the lawsuit. The City has partnered with other businesses and entities in opposing this annexation. There was also (1) a $3,100 increase in personal services due to increases in health insurance and workers compensation insurance costs, (2) a $1,600 reduction in other insurance costs, (3) a $700 increase in brush control costs for the levee, and (4) a $1,200 reduction for capital outlay since actual costs were less than the amounts budgeted.

The 2017/2018 budget is $170,000 (12.7%) lower than the 2016/2017 budget. This overall decrease is due to (1) a $198,900 decrease in transfers due to the 2016/2017 budget including a one-time $200,000 transfer for the Kent Stein Park to Deep Lakes Park Trail project, (2) a $26,400 (5.2%) increase in personal services costs which includes $12,400 for increased health insurance costs, (3) a $10,000 increase in legal services estimated for the Lousa-Muscatine Drainage District lawsuit, (4) a $1,200 decrease in other insurance costs,

(5) a $7,200 increase in the allocated costs for the MAGIC geographical information system operation, and (6) a $13,500 decrease in capital outlay.

The Collection and Drainage budget transfers for 2017/2018 include the $200,000 transfer to the reserve for the West Hill Sewer Separation project, $180,000 transfer to the Sewer Extension and Improvement Reserve, $11,600 for the cost allocation of the Communications Manager position, and a total of $15,100 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently $11.90 per customer per month. This fee was effective July 1, 2016 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 $12.15 per customer per month effective July 1, 2017. The rate resolution was adopted based on the professional rate study by Veenstra and Kimm completed in 2013. Another rate study will be completed in the 2017/2018 year for rates to be effective beginning July 1, 2018.

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 2013	Actual 2014	Actual 2015	Actual 2016	Estimated 2017
Sewers Cleaned and Flushed (Miles)	18.6	10.2	15.2	18.2	17
TV Inspections (Feet)	5,182	9,694	6,025	1,565	4,000
Inspections at Combined Sewer Overflows (CSO)	16	17	26	20	18
Inspections of Blockage Prone Manholes (Various Locations)	13	13	12	8	18
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	14	17	13	13	18
Inspection of Off Road Sanitary Sewers (Man Hours)	115	135	131	151	125
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	358	133	0 *	187	150
Cleaning Storm Structures (Man Hours)	1,149	1,111	1,156	1,222	1,000
Corrective Repairs – Sewers	22	33	23	18	20
Corrective Repairs – Structures	48	51	50	71	50
Corrective Repairs – Force Mains	0	0	1	1	0
Utility Locates	2,116	2,582	2,378	2,399	2,300
After Hours	9	27	19	14	10
Request for Service Responses – Total	69	87	94	59	80
After Hours	8	21	11	2	0
Sanitary Sewer Overflows (SSO)	0	0	0	2	0
Backups Due to City Lines	3	10	3	3	0
Routine Equipment Operation/Maintenance (Man Hours)	490	689	868	799	450
Work for Other Departments (Man Hours)	721	498	329	369	400
Work on Capital Improvement Projects (Man Hours)	328	1,874	281	616	500

* None done due to scheduling of other work in calendar year 2015.

RECENT ACCOMPLISHMENTS:

The Collection & Drainage division continues to provide ongoing investigative (dye testing, televising, etc.) and technical support for the West Hill Sewer Separation project.

The division also (1) worked with Parks and Recreation staff to get brush and vegetation removed from the levee, (2) used the combination sewer cleaning machine to assist other departments/divisions in cleaning lift stations, wet wells, wash bay pits, culvert pipes, etc., (3) marked storm water inlets with "No Dumping Drains to Waterway" in an effort to promote public awareness, (4) completed cleaning of the 17 miles of sanitary sewer in this year's maintenance program (Zone 2), (5) completed the Brook Street Storm Sewer Replacement Project that included the installation of 68 feet of 12 inch pipe and modifications to one storm water inlet, and (6) took delivery of the new 2016 Camel combination sewer cleaning machine.

All staff of the Collection and Drainage division completed the required CEU's for renewal of their IAWEA Collection System Operator certificates.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To complete Zone 3 (15.5 miles) of the Collection and Drainage routine sewer maintenance program.

* To continue to assist Stanley Consultants in preparation for design of the upcoming phases of the West Hill Sewer Separation Project, by 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 provide technical support during the construction of the new storm and sanitary sewers on the Mississippi Drive Corridor project. **(Council and Management Projects, Programs, and Placemaking Goal)**

* To implement an SQL reporting service for reporting on annual performance measures, creating a more efficient method of reporting and comprehensive understanding of annual achievements.

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 803,854	$ 998,758	$ 1,192,758	$ 1,190,962	$ 1,182,062
Revenues					
Interest	$ 972	$ 1,194	$ 1,000	$ 1,100	$ 1,000
Sewer Connection Fees	13,932	11,010	13,000	10,000	10,000
Transfers In					
Collection and Drainage Fund	180,000	180,000	180,000	180,000	180,000
Total Revenues	$ 194,904	$ 192,204	$ 194,000	$ 191,100	$ 191,000
Funds Available	$ 998,758	$ 1,190,962	$ 1,386,758	$ 1,382,062	$ 1,373,062
Expenditures					
Transfers Out:					
Mulberry Improvements - Drainage Portion	$ 0	$ 0	$ 200,000	$ 200,000 (2)	$ 0
Total Expenditures	$ 0	$ 0	$ 200,000	$ 200,000	$ 0
Ending Balance, June 30	$ 998,758	$ 1,190,962	$ 1,186,758	$ 1,182,062	$ 1,373,062
Increase (Decrease) in Fund Balance	**$ 194,904**	**$ 192,204**	**$ (6,000)**	**$ (8,900)**	**$ 191,000**

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 is for drainage improvements done as part of the Mulberry Avenue Improvement project.

Collection and Drainage
(Including Stormwater Operations)
Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,170,658	$ 849,375	$ 610,475	$ 686,325	$ 566,425
Revenues					
Collection and Drainage Fees	$ 1,237,543 (1)	$ 1,277,618 (1)	$ 1,290,000 (1)	$ 1,310,000 (1)	$ 1,335,000 (1)
Grease Discharge Permits	19,155	16,205	17,000	17,000	18,000
Interest	1,319	1,080	1,000	1,000	1,000
Sale of Scrap Materials	0	0	100	100	0
Branching Out Grant	0	0	0	4,400	0
Miscellaneous	45	36	100	100	100
Total Revenues	$ 1,258,062	$ 1,294,939	$ 1,308,200	$ 1,332,600	$ 1,354,100
Funds Available	$ 2,428,720	$ 2,144,314	$ 1,918,675	$ 2,018,925	$ 1,920,525
Expenditures:					
Collection and Drainage	$ 1,532,264 (2)	$ 1,412,653 (2)	$ 1,343,500 (2)	$ 1,387,300 (2)	$ 1,173,500 (2)
Stormwater Operations	47,081	45,336	77,700	65,200	84,300
Total Expenditures	$ 1,579,345	$ 1,457,989	$ 1,421,200	$ 1,452,500	$ 1,257,800
Ending Balance, June 30	$ 849,375	$ 686,325	$ 497,475	$ 566,425	$ 662,725
Increase (Decrease) in Fund Balance	**$ (321,283)**	**$ (163,050)**	**$ (113,000)**	**$ (119,900)**	**$ 96,300**

1. Monthly collection and drainage charges on sewer bills were $11.45 for 2014/2015 and $11.70 for 2015/2016. The rate increased to $11.90 per customer per month in 2016/2017 and will increase to $12.15 per customer per month in 2017/2018.
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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 471,495	$ 481,776	$ 506,600	$ 509,700	$ 533,000	5.21%
Commodities	38,812	29,222	50,000	50,000	50,000	0.00%
Contractual Services	107,755	116,556	115,300	157,200	131,300	13.88%
Capital Outlay	2,227	380,898	66,000	64,800	52,500	-20.45%
Transfers	911,975	404,200	605,600	605,600	406,700	-32.84%
Total Expenditures	$ 1,532,264	$ 1,412,652	$ 1,343,500	$ 1,387,300	$ 1,173,500	-12.65%
Funding Sources						
Collection & Drainage Fees	$ 1,532,264	$ 1,412,652	$ 1,343,500	$ 1,387,300	$ 1,173,500	-12.65%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	3.00	3.00	3.00	3.00	4.00	
Equipment Operator II	1.00	1.00	1.00	1.00	0.00	
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	$ 351,100
Employee Benefits						181,900
Total Personal Services						$ 533,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Laptop Computer	1	Yes	$ 2,500
Sewer Maintenance Projects			50,000
			$ 52,500

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 storm water. 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 2016/2017 revised estimate is $12,500 less than the original budget. The revised estimate for the prior year (2015/2016) and original 2016/2017 budget included 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 2015/2016 revised estimate and $20,000 in original 2016/2017 budget. This study was deferred to this year and $10,000 has been included in the 2016/2017 revised estimate and $20,000 in the 2017/2018 budget. This accounts for the $10,000 decrease in transfers in the 2016/2017 revised estimate. Personal services also decreased by $6,900 due to vacancies in the Inspector II position. Commodities increased by $4,400 due to tree purchases funded from a Branching Out grant.

The 2017/2018 budget is $6,600 (8.5%) higher than the original budget for 2016/2017. Personal services costs increased by $6,200 (13.3%). This includes a $1,300 increase in wages, a $4,500 increase in health insurance since both employees currently allocated to this division have family health insurance, and a $400 increase in other benefits. There is also a $400 increase in travel and education. The budget for 2017/2018 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's 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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Grease Discharge Permits Issued	125	123	153	160	160
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	30	43	44	45	45
Permitted Significant Industrial Users	12	13	13	13	13
Significant Industrial Users Inspected	12	13	13	13	13
Commercial Waste Hauling Permits Issued	16	16	16	18	20
Construction Site Inspections	5	2	5	5	5
Storm Events Sampled	2	4	2	4	5
River and Creek Samples Taken	50	50	80	20	20
Tests Performed on River and Creek Samples	500	500	600	200	200

RECENT ACCOMPLISHMENTS:

The Storm Water division is tasked with oversight as well as education. Storm water run-off is a very big topic in Iowa as there is increased scrutiny for nutrient reduction and erosion control from many different groups as well as states to the south. The City of Muscatine continues to work with local groups such as the Iowa Soil and Water Conservation district to monitor and improve the Mad Creek Watershed. New Best Management Practices (BMPs) are being installed throughout the city including the first City installed practice in Alley #1 as part of the CDBG Downtown Revitalization project. Planting of native plants was done this fall and once established, curbs will be cut to allow water in.

Discussions have begun with the YMCA to look at some BMP's to alleviate run off to the Cedar Street drainage area. This runoff has a large impact on the erosion that is occurring there.

A new pollinator park is being planned in the area around the new Dog Park in the area of the new trail. This area was once farmed but has been left to weeds for several years. Since it was not going to be farmed, the Storm Water division asked to work with local volunteers to transform it into a park that WPCP staff will maintain with the help of Public Works as needed. This park will showcase what the prairie looked like before settlement and encourage and education those who visit to plant native species where they live. This park will have several wetland areas to teach about storm water run-off which ties into nutrient reduction strategies.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To work with local groups to plan and develop the new Pollinator Park off of Houser Street.

* To investigate funding sources for storm water projects and native planting areas like the Pollinator Park, Cedar Street drainage area, the Lake Park old IDOT site, and others yet to be determined.

* To enhance ordinance language to include design standards for new construction.

* To increase construction site inspections by 50%.

* To proceed with the Mad Creek I&I (Inflow and Infiltration) study.

* To install two more weather stations closer to the mouth of Mad Creek and at the Municipal Golf Course to track rain and flow through the watershed.

* To implement storm water BMP's (Best Management Practices) along the entire corridor during the Mississippi Drive Corridor Reconstruction project.

* To begin reviews of City facilities for runoff infiltration/mitigation projects.

Function:
Business Type

Department:
Public Works

Activity:

Storm Water Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 43,734	$ 42,418	$ 46,800	$ 39,900	$ 53,000	13.25%
Commodities	362	346	3,100	7,500	3,100	0.00%
Contractual Services	2,985	2,572	7,800	7,800	8,200	5.13%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	20,000	10,000	20,000	0.00%
Total Expenditures	$ 47,081	$ 45,336	$ 77,700	$ 65,200	$ 84,300	8.49%
Funding Sources						
Grease Discharge Permits	$ 19,155	$ 16,205	$ 17,000	$ 17,000	$ 18,000	5.88%
Collection & Drainage Fund	27,926	29,131	60,700	48,200	66,300	9.23%
Total Funding Sources	$ 47,081	$ 45,336	$ 77,700	$ 65,200	$ 84,300	8.49%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 35,300
Employee Benefits						17,700
Total Personal Services						$ 53,000

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 $631,439 for 2016/2017 and it is budgeted to increase to $670,148 for 2017/2018. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2017/2018. The IPERS rate will remain at 8.93% in 2017/2018.

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 systems 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 rate decreased in 2015/2016 to 27.77% and further decreased in 2016/2017 to 25.92%. The rate will decrease slightly to 25.68% in 2017/2018. Property tax funding for police and fire pension will increase from the $1,335,025 budgeted in 2016/2017 to $1,352,685 budgeted for 2017/2018.

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, $38,657 in 2014/2015, and $36,855 in 2015/2016. The retiree medical costs are estimated to be $46,000 for the 2016/2017 revised estimate and $36,000 is budgeted for 2017/2018.

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. The premium will remain at $54,000 for 2016/2017 and 2017/2018.

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 $1,945,383 for 2017/2018. 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 claims of an individual reach 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, 2008 rates were $427.60 and $1,137.42, respectively, increases of 10.2% from the prior year. 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 was $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. In 2017, rates further increased by 15% to $547.51 and $1,456.40, respectively, for single and family coverage. An 8% increase in premiums is budgeted for January 1, 2018. 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. Effective January 1, 2017 the employee contribution increased from 5% to 6% and it will increase to 7% January 1, 2018, and to 8% January 1, 2019. The budgeted tax funding amount for 2017/2018 for General Fund employees is $1,945,383.

Employee benefit costs for life insurance will decrease from the $16,419 budgeted in 2016/2017 to $14,398 in 2017/2018. 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. Effective July 1, 2016, a life insurance rate decrease was negotiated which decreased the rate to 15 cents per month per $1,000 of coverage. Basic provisions in the amount of life insurance coverage for each employee remain the same for 2017/2018.

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 by 5% to $32.39 and this rate was maintained for 2017. 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 2017/2018, the cost of dental insurance for General Fund employees is budgeted at $50,334 compared to the $50,141 budgeted for 2016/2017.

In regard to workers' compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2006/2007 through 2015/2016, the workers' compensation experience modification factors were .88, .87, .84, .89, .87, .82 .77, .72, .73 and .72. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2016/2017 the

experience modification factor increased to .86 and it is projected to increase to .94 for 2017/2018. The tax funding amount for General Fund employee workers' compensation for 2017/2018 is estimated at $54,223 compared to the $42,715 budgeted for 2016/2017.

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 was .4% of $28,300 of wages and the rate is .3% of $29,300 of wages effective January 1, 2017. The 2017/2018 budget provides funding for this rate to be .4% of applicable wages of $30,300 as of January 1, 2018. The tax funding amount for 2017/2018 is estimated at $19,180 compared to the $28,633 originally budgeted for 2016/2017.

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 long-term disability rate was .27% of base wages for non-union employees and .50% of base wages for blue/white collar bargaining unit employees through June of 2016. Effective July 2016, the long-term disability rates were negotiated and decreased to .26% of base wages for non-union employees and .40% of base wages for blue/white collar bargaining unit employees. The estimated cost for General Fund employees is $12,256 for 2017/2018 compared to $12,707 budgeted for 2016/2017.

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 2017/2018 is budgeted at $16,730.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rates for 2016/2017 and the 2017/2018 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 2016/2017 $192,637 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 2016/2017 to be maintained at $15.67209/$1,000 of valuation. The 2017/2018 Employee Benefits tax levy is $230,218 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 2017/2018.

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 2017/2018 beginning fund balance of $54,337 and funding $230,218 less than the full amount of employee benefits from this levy, the Employee Benefit tax levy for 2017/2018 is $3,770,323 compared to the $3,519,645 budgeted for 2016/2017 (an increase of 7.1%). This requires a tax levy rate of $4.4310 compared to $4.25714 for the 2016/2017 budget year, an increase of 4.1% 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 $170,837 for 2016/2017 and $171,839 for 2017/2018. These amounts have been included as revenue to this fund each year.

Employee Benefits Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 132,955	$ 130,837	$ 78,295	$ 113,115	$ 54,337
Revenues					
Property Tax	3,072,360	3,231,790	$ 3,506,036	$ 3,506,036	$ 3,756,754
Utility Tax Replacement Excise Tax	13,005	15,407	13,609	13,609	13,569
Commercial/Industrial State Reimbursement	74,719	159,832	170,837	170,837	171,839
Total Revenues	$ 3,160,084	$ 3,407,029	$ 3,690,482	$ 3,690,482	$ 3,942,162
Funds Available	$ 3,293,039	$ 3,537,866	$ 3,768,777	$ 3,803,597	$ 3,996,499
Expenditures					
Transfers Out					
Police Retirement	$ 709,917	$ 676,825	$ 686,935	$ 658,818	$ 689,345
Fire Retirement	664,829	625,105	648,090	651,872	663,520
Police & Fire Retiree Medical	38,657	36,855	46,000	46,000	36,000
Health Insurance	1,305,740	1,429,821	1,698,399	1,721,588	1,945,383
Dental Insurance	39,706	43,818	50,141	47,982	50,334
Life Insurance	15,232	15,932	16,419	13,851	14,398
Police and Fire Medical Insurance	36,000	54,000	54,000	54,000	54,000
Long-term Disability Insurance	11,621	12,326	12,707	11,803	12,256
Post-Employment Health Plan	48,664	52,161	34,292	33,379	16,730
Workers Compensation	42,234	36,185	42,715	54,496	54,223
Unemployment	33,258	19,907	28,633	15,469	19,180
Deferred Compensation	1,200	1,200	1,200	1,200	1,200
FICA/IPERS	570,149	613,575	641,883	631,439	670,148
Employee Benefit Levy Reduction	(355,005) (1)	(192,959) (2)	(192,637) (3)	(192,637) (3)	(230,218) (4)
Total Expenditures	$ 3,162,202	$ 3,424,751	$ 3,768,777	$ 3,749,260	$ 3,996,499
Ending Balance, June 30	$ 130,837	$ 113,115	$ 0	$ 54,337	$ 0
Increase (Decrease) in Fund Balance	**$ (2,118)**	**$ (17,722)**	**$ (78,295)**	**$ (58,778)**	**$ (54,337)**

1. 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.
2. 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.
3. 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.
4. The 2017/2018 Employee Benefits tax levy is $230,218 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 2017/2018.

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 2014/2015 and 2015/2016 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 2016/2017 is budgeted to be $54,337 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2017/2018.

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 2017/2018 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 beginning in the 2011/2012 budget and continuing through the 2017/2018 budget. 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 2017/2018.

Emergency Tax Levy Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 80,515 (1)	$ 80,601	$ 80,701	$ 80,709	$ 80,809
Revenues					
Property Tax (2)	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	86	108	100	100	100
Total Revenues	$ 86	$ 108	$ 0	$ 0	$ 0
Funds Available	$ 80,601	$ 80,709	$ 80,801	$ 80,809	$ 80,909
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	$ 80,601	$ 80,709	$ 80,801	$ 80,809	$ 80,909
Increase (Decrease) in Fund Balance	**$ 86**	**$ 108**	**$ 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 2017/2018 budget.
2. The City did not levy an Emergency Levy in 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, or 2017/2018.

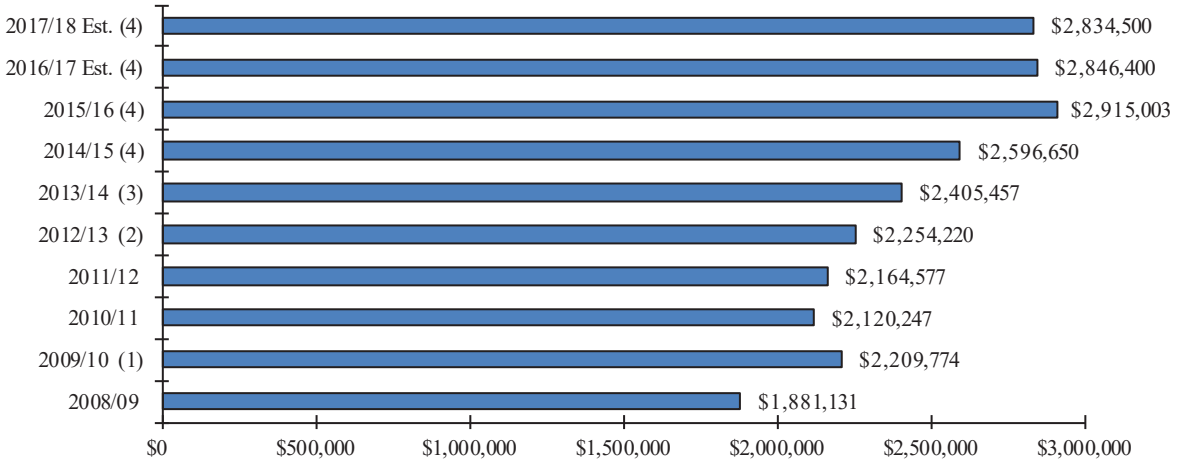
SPECIAL REVENUE FUNDS

ROAD USE TAX FUND

GENERAL INFORMATION:

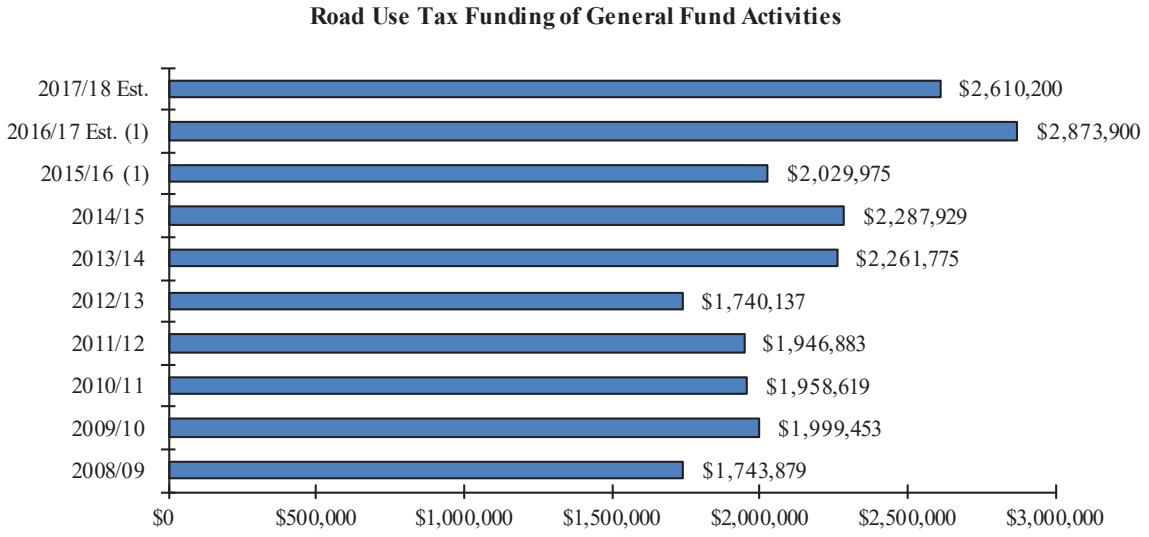
This fund accounts for all revenues received from the State of Iowa from gasoline taxes, license fees and weight taxes. These funds are returned to the City as road use taxes and are distributed to cities on a per capita formula basis. The following chart shows road use taxes received over the past eight (8) years and estimated amounts for the current year and 2017/2018. 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 2016/2017 and 2017/2018 are shown in the following chart:



1. The transfer for 2016/2017 includes $165,000 to fund capital outlay purchases carried forward from the 2015/2016 budget.

CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at $2,846,400 in 2016/2017. This is based on the Iowa Department of Transportation (IDOT) estimate of $120.00 per capita, which has been reduced by $.50 to $119.50 for a conservative budget estimate.

The road use tax distribution for 2017/2018 was estimated by the IDOT at $119.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2017/2018 budget includes a more conservative estimate of $119.00 per capita which would generate $2,834,500.

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 2016/2017 revised estimate and the 2017/2018 budget include $2,873,900 and $2,610,200, 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 was 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. In 2015/2016 there was an additional $423,721 road use tax allocation for Cedar Street and a $28,133 allocation for the sidewalk program.

The 2016/2017 revised estimate includes a transfer of $2,873,900 to the General Fund for Public Works operating activities. This transfer is $363,000 higher than the original budget. The increase is primarily due funding for a new asphalt milling machine ($140,000), a used crack sealing machine ($12,000), equipment carried forward from the 2015/2016 budget ($165,000), and a net increase of $46,000 in other Public Works activity operating expenses.

The 2016/2017 road use tax revised estimate also includes $122,000 for the new sidewalk program, $156,400 towards the local share of the Mulberry Avenue Improvement project, $1,100 for final costs for the Cedar Street project, $1,100 for final costs for the Colorado Street project, and $100,600 to fund a portion of the 2016 asphalt overlay and other street improvement work. Local option tax funds were used to fund $611,100 of the 2016 asphalt overlay and other street improvements.

The 2017/2018 budget includes a transfer of $2,610,200 to the General fund for Public Works operating activities. The budget also includes $150,000 for railroad crossing improvements, $100,000 for new sidewalks, and $500,000 for asphalt overlays and other street improvements. The $500,000 for asphalt overlays and other street improvements will be combined with the $549,600 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 in calendar year 2017. 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, 2018 is projected at $343,232 based on estimated road use taxes of $119.50 per capita for 2016/2017 and $119.00 per capita for 2017/2018. 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 2017/2018 fiscal year.

Road Use Tax Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,035,737	$ 844,458	$ 925,658	$ 1,277,632	$ 868,932
Revenues					
Road Use Tax (1)	$ 2,596,650	$ 2,915,003	$ 2,870,200	$ 2,846,400 (1)	$ 2,834,500 (1)
Funds Available	$ 3,632,387	$ 3,759,461	$ 3,795,858	$ 4,124,032	$ 3,703,432
Expenditures					
Transfers Out:					
General Fund	$ 2,287,929	$ 2,029,975	$ 2,510,900	$ 2,873,900	$ 2,610,200
Capital Projects Funds:					
Asphalt Overlay/Other Street Improvements	0	0	700,000	100,600	0
Asphalt Overlay/Other Street Improvements (2017)	0	0	0	0	500,000
Railroad Crossing Improvements	0	0	0	0	150,000
Cedar Street Improvements	450,000	423,721	0	1,100	0
Colorado Street Improvements	0	0	0	1,100	0
Mulberry Avenue Improvements	0	0	150,000 (2)	156,400 (2)	0
New Sidewalk Program	50,000	28,133	100,000	122,000	100,000
Total Expenditures	$ 2,787,929	$ 2,481,829	$ 3,460,900	$ 3,255,100	$ 3,360,200
Ending Balance, June 30	$ 844,458	$ 1,277,632	$ 334,958	$ 868,932	$ 343,232
Increase (Decrease) in Fund Balance	**$ (191,279)**	**$ 433,174**	**$ (590,700)**	**$ (408,700)**	**$ (525,700)**
Per Capita Road Use Taxes (Actual and Estimated)	$ 109.02	$ 122.38	$ 120.50	$ 119.50 (1)	$ 119.00 (1)

1. Revenues for both the Revised Estimate and 2017/2018 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 2017/2018 for budgeting purposes.
2. Estimated local share of Mulberry Avenue Improvements in excess of bond proceeds and other funding.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

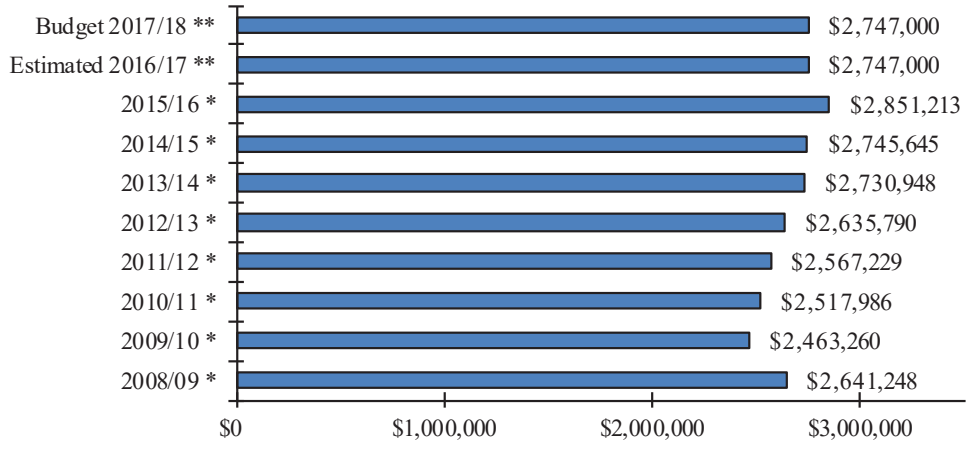
GENERAL INFORMATION:

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 is on projects mandated in the E.P.A. Consent Order. The current 10-year local option sales tax period will end on June 30, 2019 and a referendum is being planned to extend this tax to fund future sewer and street improvement projects.

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 2016/2017 and 2017/2018 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 2016/17 and 2017/18 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 2016/2017 and the 2017/2018 budget, the estimated local option sales tax revenues are $2,933,900 and $2,747,000, respectively. The 2017/2018 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 2016/2017 and Estimated 2017/2018

	Estimated 2016/2017	Projected 2017/2018
Projects:		
West Hill Sewer Separation - Completion of Phase 3-A and Phase 3-B; Start of Phase 3-C	$ 2,348,500	$ -
West Hill Sewer Separation - Completion of Phase 3-C; Start of Phase 4-A	-	2,197,800
Totals	$ 2,348,500	$ 2,197,800

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 2017/2018 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 original long-term financial plan, the Local Option Sales Tax funds and funds from the 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 (SRF) Loan to complete the scheduled work on this project. The long-term financing plan will be updated in the spring of 2017 and from preliminary work on this plan it appears the SRF Loan financing may not be required until 2020/2021 or later. This is based on estimated costs and assumptions for future phases of this project. Phase 3-B of this project began in the spring of 2016 and the contract is expected to be closed out in the spring of 2017. Phase 3-C is scheduled for construction in calendar year 2017 and Phase 4-A in calendar year 2018.

As authorized by the sales tax referendum, funding transfers of $586,780 in the revised estimate and $549,400 in 2017/2018 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 2016/2017 and Estimated 2017/2018

	Estimated 2016/2017	Projected 2017/2018
Project:		
Pavement Management Program	$ 611,100	$ 549,600

The $549,600 Local Option Sales Tax allocation for the Pavement Management program in 2017/2018 and the $500,000 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 2017/2018. 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.

Table of Contents

Local Option Sales Tax Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 59,336	$ 0	$ 461,242	$ 460,062
Revenues					
Local Option Sales Tax	$ 2,796,188	$ 2,787,008	$ 2,664,200	$ 2,933,900 (1)	$ 2,747,000 (2)
Interest	473	188	500	200	200
Total Revenues	$ 2,796,661	$ 2,787,196	$ 2,664,700	$ 2,934,100	$ 2,747,200
Funds Available	$ 2,796,661	$ 2,846,532	$ 2,664,700	$ 3,395,342	$ 3,207,262
Expenditures					
Transfers Out:					
West Hill Sewer Project	$ 2,178,087	$ 1,827,888	$ 2,131,860	$ 2,348,500	$ 2,197,800
Pavement Management Program (3)	559,238	557,402	532,840	586,780	549,400
Total Expenditures	$ 2,737,325	$ 2,385,290	$ 2,664,700	$ 2,935,280	$ 2,747,200
Ending Balance, June 30	$ 59,336	$ 461,242 (4)	$ 0	$ 460,062 (4)	$ 460,062 (4)
Increase (Decrease) in Fund Balance	**$ 59,336**	**$ 401,906**	**$ -**	**$ (1,180)**	**$ 0**

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate ($2,746,982.26) plus a prior year reconciliation amount of $186,966.00.
2. The 2017/2018 Local Option Tax revenue amount is estimated conservatively at the States's projected 2016/2017 level of $2,746,982.26.
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.
4. The $460,000 ending balance is the approximate amount of the accrued Local Option Tax at the end of each fiscal year. (If this was transferred to the West Hill Sewer project, there would be a deficit cash balance at fiscal year end.)

Table of Contents

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 723,295	$ 388,303	$ 25,003	$ 24,085	$ 0
Revenues					
Transfers In:					
Local Option Sales Tax (1)	$ 559,238	557,402	$ 532,840	$ 586,780 (2)	$ 549,400 (3)
Interest	550	258	500	235	200
Total Revenues	$ 559,788	$ 557,660	$ 533,340	$ 587,015	$ 549,600
Funds Available	$ 1,283,083	$ 945,963	$ 558,343	$ 611,100	$ 549,600
Expenditures					
Transfers Out:					
Pavement Management (Curb and (Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	$ 587,912	$ 590,949	$ 500,000	$ 611,100	$ 549,600
Diana Queen Drive Extension	5,373	330,929	0	0	0
Highway 38/61 Connector Study	6,495	0	0	0	0
Railroad Crossing Improvements	0	0	35,000	0	0
Cedar Street Supplemental Funding	145,000	0	0	0	0
Colorado Street Supplemental Funding	150,000	0	0	0	0
Total Expenditures	$ 894,780	$ 921,878	$ 535,000	$ 611,100	$ 549,600
Ending Balance, June 30	$ 388,303	$ 24,085	$ 23,343	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (334,992)**	**$ (364,218)**	**$ (1,660)**	**$ (24,085)**	**$ 0**

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 $2,746,982.26 and the prior year reconciliation amount of $186,966.00.
3. The 2017/2018 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2016/2017 amount of $2,746,982.26.

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 was $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 2016/2017 the funding allocation from the General Fund to the Equipment Replacement Fund was $200,000. The transfer and available fund balance provides funding of $151,000 for four new police vehicles, $51,700 for a new police supervisor vehicle, $59,100 for a one-ton pickup and trailer for Park Maintenance, $8,500 for a mower for the Cemetery, $33,200 for a truck with plow for the Building and Grounds division, and $25,000 for a used truck for Park Maintenance.

The transfer for 2017/2018 will provide a total of $106,000 of funding for two used Police detective vehicles ($40,000), a used mower for the Cemetery ($30,000), a used pickup truck for Kent Stein Park ($20,000), and a utility vehicle for soccer ($16,000). The 2017/2018 transfer will also increase the Equipment Replacement fund balance in anticipation of future year vehicle and equipment needs. The balance in this fund is estimated at $150,897 as of June 30, 2018.

Table of Contents

Equipment Replacement Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 132,869	$ 89,685	$ 169,785	$ 170,797	$ 49,597
Revenues					
Interest	$ 158	$ 174	$ 100	$ 100	$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	1,611	0	0	0	0
Reimbursement of Damages	6,247	0	0	0	0
Transfers In					
General Fund Allocation	200,000	188,000	200,000	200,000	200,000
General Fund Allocation for New Ambulance	0	148,500	0	0	
Total Revenues	$ 215,216	$ 343,874	$ 207,300	$ 207,300	$ 207,300
Funds Available	$ 348,085	$ 433,559	$ 377,085	$ 378,097	$ 256,897
Expenditures					
Equipment Purchases	258,400	262,762	310,700	328,500	106,000
Ending Balance, June 30	$ 89,685	$ 170,797	$ 66,385	$ 49,597	$ 150,897
Increase (Decrease) in Fund Balance	**$ (43,184)**	**$ 81,112**	**$ (103,400)**	**$ (121,200)**	**$ 101,300**

Functions:
Public Safety
Culture and Recreation

Departments:
Police
Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Police:			
Detective Vehicles (Used)	2	Yes	$ 40,000
Kent Stein:			
Pickup Truck (Used)	1	Yes	20,000
Soccer:			
Utility Vehicle	1	Yes	16,000
Cemetery:			
11 Foot Mower	1	Yes	30,000
			$ 106,000

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, 2015/2016 and 2016/2017 budgets each included $40,000 funding allocations. The 2017/2018 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, in 2014/2015 $21,865, and in 2015/2016 $19,376. 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 expended from this fund and $3,924 was expended in 2015/2016. In 2016/2017, $21,000 is budgeted to be expended from this fund and $21,000 is also budgeted for 2017/2018.

Computer Replacement Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 13,683	$ 28,051	$ 0	$ 26,695	$ 0
Revenues					
Interest	$ 20	$ 37	$ 0	$ 0	$ 0
Transfers In					
General Fund	40,000	40,000	40,000	40,000	40,000
Total Revenues	$ 40,020	$ 40,037	$ 40,000	$ 40,000	$ 40,000
Funds Available	$ 53,703	$ 68,088	$ 40,000	$ 66,695	$ 40,000
Expenditures					
Equipment Purchases	25,652	41,393	40,000	66,695	40,000
Ending Balance, June 30	$ 28,051	$ 26,695	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 14,368**	**$ (1,356)**	**$ 0**	**$ (26,695)**	**$ 0**

Computer Replacement Fund - Library

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 23,573	$ 28,242	$ 23,242	$ 43,722	$ 22,722
Revenues					
Interest	$ 20	$ 28	$ 0	$ 0	$ 0
Transfers In					
General Fund Library Budget	21,865	19,376	0	0	0
Total Revenues	$ 21,885	$ 19,404	$ 0	$ 0	$ 0
Funds Available	$ 45,458	$ 47,646	$ 23,242	$ 43,722	$ 22,722
Expenditures					
Equipment Purchases	17,216	3,924	21,000	21,000	21,000
Ending Balance, June 30	$ 28,242	$ 43,722	$ 2,242	$ 22,722	$ 1,722
Increase (Decrease) in Fund Balance	**$ 4,669**	**$ 15,480**	**$ (21,000)**	**$ (21,000)**	**$ (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 $203,050 in 2016/2017 and $202,650 in 2017/2018.

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, for 2014/2015 $115,000 less, and for 2015/2016 $126,600 less. For 2016/2017 the amount claimed was $150,000 less than the amount available. The amount claimed for 2017/2018 is $205,000 which is approximately $162,000 less than the amount available.

The balance in the Downtown TIF fund is estimated at $46,834 at the end of the 2017/2018 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 29,454	$ 31,852	$ 34,802	$ 37,834	$ 44,384
Revenues					
Incremental Taxes	$ 210,145 (1)	$ 211,357 (2)	$ 210,000 (3)	$ 209,500 (3)	$ 205,000 (4)
State Commercial/Industrial Property Tax Reimbursement	0	2,950	0	0	0
Interest	78	125	100	100	100
Total Revenues	$ 210,223	$ 214,432	$ 210,100	$ 209,600	$ 205,100
Funds Available	$ 239,677	$ 246,284	$ 244,902	$ 247,434	$ 249,484
Expenditures:					
Transfers:					
Bonds	$ 175,000	$ 180,000	$ 180,000	$ 180,000	$ 185,000
Interest	32,825	28,450	23,050	23,050	17,650
Total Expenditures	$ 207,825	$ 208,450	$ 203,050	$ 203,050	$ 202,650
Ending Balance, June 30	$ 31,852	$ 37,834	$ 41,852	$ 44,384	$ 46,834
Increase (Decrease) in Fund Balance	**$ 2,398**	**$ 5,982**	**$ 7,050**	**$ 6,550**	**$ 2,450**

1. For the 2014/2015 year, the City certified approximately $115,000 less than the total available increment.
2. For the 2015/2016 year, the City certified approximately $126,600 less than the total available increment.
3. For the 2016/2017 year, the City certified approximately $150,000 less than the total available increment.
4. For the 2017/2018 year, the City certified approximately $162,000 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
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	$ 760,000	$ 59,050	$ 819,050

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.

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 was in the 2015/2016 fiscal year in the amount of $541,755. 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 rebate will also be subject to annual appropriations.

In October of 2015 the City entered into an agreement with Union Tank Car Company to expand their facilities, operations, and workforce in Muscatine. This agreement will rebate 50% of the incremental taxes to Union Tank Car Company over a ten-year period to a maximum rebate total of $45,000. These rebate will also be subject to annual appropriations.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2016/2017 is estimated at $1,227,600. In 2016/2017 Southend TIF funds will be used to fund debt requirements on the June 2004 bond issue ($163,705), the TIF rebate to Musco ($84,500), the Curry's Transportation Services, Inc. rebate ($21,200 subject to their meeting the surfacing requirements in their development agreement), the Newcomb Properties LLC rebate ($7,000), the A&E Convenience rebate ($4,100), and the 2nd year of the Wal-View #1 project rebate ($659,000). Incremental taxes will also 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. Southend TIF funds are also being used to fund the annual allocation to the Small Business Forgivable Loan program in the amount of $100,000.

For 2016/2017 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 $334,800 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 2017/2018 incremental taxes will fund $161,955 in debt requirements, the TIF rebate to Musco (estimated at $86,200), the Curry's Transportation rebate (estimated at $23,000 subject to their meeting the surfacing requirements in their development agreement), the Newcomb Properties rebate (estimated at $10,800), the A&E Convenience rebate (estimated at $4,900), the 3rd rebate under Wal-View Development Agreement #1 (estimated at $665,000), the 1st year rebate under Wal-View Agreement #2 (estimated at $312,000), and the 1st year rebate for the agreement with Union Tank Car Company (estimated at $4,500). In 2017/2018 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of $148,900 and $38,000, respectively. TIF funding for the Small Business Forgivable Loan program will continue in 2017/2018 in the amount of $100,000. In 2017/2018 Southend TIF funds will also be used to fund the Housing Demand Study ($25,000) and the City's share of the Community Marketing Study ($32,000).

For 2017/2018 the City is claiming approximately $366,300 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2017/2018 is $831,316.

Table of Contents

Tax Increment Fund - Southend

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 845,576	$ 830,425	$ 803,560	$ 883,576	$ 892,571
Incremental Taxes	$ 425,467 (1)	$ 1,154,348 (2)	$ 1,230,000 (3)	$ 1,227,600 (3)	$ 1,550,000 (4)
Commercial and Industrial State Reimbursement	715	55,033	0	0	0
Interest	1,042	1,211	1,000	1,000	1,000
Total Revenues	$ 427,224	$ 1,210,592	$ 1,231,000	$ 1,228,600	$ 1,551,000
Funds Available	$ 1,272,800	$ 2,041,017	$ 2,034,560	$ 2,112,176	$ 2,443,571
Expenditures:					
Bonds	$ 115,000	$ 120,000	$ 125,000	$ 125,000	$ 130,000
Interest	50,930	45,065	38,705	38,705	31,955
Tax Rebate - Musco Sports Lighting	91,558	86,653	86,500	84,500	86,200
Tax Rebate - Curry's Transportation Services	22,053	0 (5)	23,500 (5)	21,200 (5)	23,000 (5)
Tax Rebate - Newcomb Properties LLC	8,214	6,788	9,500	7,000	10,800
Tax Rebate - A & E Convenience, LLC	3,120	2,680	3,700	4,100	4,900
Tax Rebate - Wal-View Project #1	0	541,755	665,000	659,000	665,000
Tax Rebate - Wal-View Project #2	0	0	0	0	312,000
Tax Rebate - Union Tank Car Company	0	0	0	0	4,500
Transfers Out:					
TIF Administrative and Professional Support Costs	116,500	116,500	142,100	142,100	148,900
TIF Economic Development Grant (GMCCI)	35,000	38,000	38,000	38,000	38,000
Small Business Forgivable Loan Program	0	200,000	100,000	100,000	100,000
Community Marketing Study	0	0	0	0	32,000
Housing Demand Study	0	0	0	0	25,000
Total Expenditures	$ 442,375	$ 1,157,441	$ 1,232,005	$ 1,219,605	$ 1,612,255
Ending Balance, June 30	$ 830,425	$ 883,576	$ 802,555	$ 892,571	$ 831,316
Increase (Decrease) in Fund Balance	**$ (15,151)**	**$ 53,151**	**$ (1,005)**	**$ 8,995**	**$ (61,255)**

1. For the 2014/2015 year, the City certified approximately $335,000 less than the total available in incremental taxes.
2. For the 2015/2016 year, the City certified approximately $230,000 less than the total available in incremental taxes.
3. For the 2016/2017 year, the City certified approximately $334,800 less than the total available in incremental taxes.
4. For the 2017/2018 year, the City certified approximately $366,300 less than the total available in incremental taxes.
5. Rebate payments to Curry's Transportation are being withheld 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
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	$ 690,000	$ 121,130	$ 811,130

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; incremental taxes for 2014/2015 were $392,518 and the rebate was $196,259; and incremental taxes for 2015/2016 were $365,916 and the rebate was $182,958. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this area for 2016/2017 were $365,916 and the rebate $235,257. The incremental taxes for 2017/18 are estimated at $548,000 with the rebate estimated at $274,000. The City will receive $244,500 of the incremental taxes in 2016/2017 and is claiming $274,000 in 2017/2018 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 23,729	$ 37,741	$ 44,741	$ 46,073	$ 55,273
Revenues					
Incremental Taxes	$ 210,185 (1)	$ 191,227 (2)	$ 245,000 (3)	$ 244,500 (3)	$ 274,000 (4)
Interest	86	63	0	0	0
Total Revenues	$ 210,271	$ 191,290	$ 245,000	$ 244,500	$ 274,000
Funds Available	$ 234,000	$ 229,031	$ 289,741	$ 290,573	$ 329,273
Expenditures:					
Tax Rebate - VMI Northport Commons	$ 196,259	$ 182,958	$ 245,000	$ 235,300	$ 274,000
Total Expenditures	$ 196,259	$ 182,958	$ 245,000	$ 235,300	$ 274,000
Ending Balance, June 30	$ 37,741	$ 46,073	$ 44,741	$ 55,273	$ 55,273
Increase (Decrease) in Fund Balance	**$ 14,012**	**$ 8,332**	**$ 0**	**$ 9,200**	**$ 0**

1. For the 2014/2015 year the City certified approximately $208,000 less than the total available increment.
2. For the 2015/2016 year the City certified approximately $228,000 less than the total available increment.
3. For the 2016/2017 year the City certified approximately $244,000 less than the total available increment.
4. For the 2017/2018 year the City certified approximately $334,500 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 provided for a rebate of 50% of the incremental taxes for a 20-year period up to a maximum total of $5,325,000.

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 three original parties to the development agreement no longer have any ownership interest in the Muscatine Mall and had no ability to make improvements to this property going forward. City staff and the City's bond attorney worked with the three previous owners and their attorney for a settlement and termination of the development agreement. This settlement agreement was approved in July of 2016. The agreement provided that the City would pay the full rebate for fiscal year 2015/2016 ($42,032.83) and the first half of the rebate for the 2016/2017 year ($18,781.10) for a total of $60,813.93. With this settlement there are no future obligations under the development agreement. The revised estimate for 2016/2017 includes $18,781.10 as the final payment and there are no funds budgeted for 2017/2018 or future years.

Unless TIF rebates are subject to annual appropriations, the maximum amount of future year TIF rebates is required to be counted as debt subject to the debt limit for the City. Terminating the development agreement with the former owners of the Muscatine Mall resulted in reducing the debt applicable to the debt limit by $5,155,482. The remaining balance in this TIF fund will be used for future TIF projects.

Tax Increment Fund - Muscatine Mall

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 5,673	$ 9,640	$ 12,540	$ 12,933	$ 32,151
Revenues					
Incremental Taxes	$ 50,035 (1)	$ 45,291 (2)	$ 38,000 (3)	$ 38,000 (3)	$ 0 (5)
Interest	12	35	0	0	0
Total Revenues	$ 50,047	$ 45,326	$ 38,000	$ 38,000	$ 0
Funds Available	$ 55,720	$ 54,966	$ 50,540	$ 50,933	$ 32,151
Expenditures:					
Tax Rebate - Muscatine Mall	$ 46,080	$ 42,033	$ 38,000	$ 18,782 (4)	$ 0 (5)
Ending Balance, June 30	$ 9,640	$ 12,933	$ 12,540	$ 32,151	$ 32,151
Increase (Decrease) in Fund Balance	**$ 3,967**	**$ 3,293**	**$ 0**	**$ 19,218**	**$ 0**

1. For the 2014/2015 year the City certified approximately $42,000 less than the total available increment.
2. For the 2015/2016 year the City certified approximately $39,000 less than the total available increment.
3. For the 2016/2017 year the City certified approximately $38,000 less than the total available increment.
4. Due to a change in ownership of the Muscatine Mall, the previous agreement was terminated. The termination agreement provided that the City would make a final payment of 50% of the calculated 2016/2017 rebate to the former Mall owners which would close out the agreement.
5. No incremental taxes were claimed in 2017/2018 for this area and there are no TIF obligations.

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 $19,000. The rebate for 2017/2018 is estimated at $15,400. The rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - H.J. Heinz 2010 Project

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 3,879	$ 3,883	$ 3,883	$ 3,888	$ 0
Revenues					
Incremental Taxes (1)	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	4	5	0	0	0
Total Revenues	$ 4	$ 5	$ 0	$ 0	$ 0
Funds Available	$ 3,883	$ 3,888	$ 3,883	$ 3,888	$ 0
Expenditures:					
Tax Rebate - Heinz (1)	$ 0	$ 0	$ 0	$ 0	$ 0
Transfer Out:					
Close to Heinz 2014 Project	0	0	0	3,888 (2)	0
Total Expenditures	$ 0	$ 0	$ 0	$ 3,888	$ 0
Ending Balance, June 30	$ 3,883	$ 3,888	$ 3,883	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 4**	**$ 5**	**$ 0**	**$ (3,888)**	**$ 0**

1. Due to a revaluation downward by the County Assessor, there were no incremental taxes or TIF rebates beginning in 2013/2014 for the 2010 agreement.
2. The remaining balance will be transferred to the 2014 Heinz TIF project fund in 2016/2017 to close out this fund.

Table of Contents

Tax Increment Fund - H.J. Heinz 2014 Project

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 5,888
Revenues					
Incremental Taxes	$ 0	$ 0	$ 21,000	$ 21,000	$ 16,000
Transfers In:					
Heinz 2010 TIF Fund	0	0	0	3,888	0
Total Revenues	$ 0	$ 0	$ 21,000	$ 24,888	$ 16,000
Funds Available	$ 0	$ 0	$ 21,000	$ 24,888	$ 21,888
Expenditures:					
Tax Rebate - H.J. Heinz	$ 0	$ 0	$ 20,000 (1)	$ 19,000 (1)	$ 15,400 (1)
Total Expenditures	$ 0	$ 0	$ 20,000	$ 19,000	$ 15,400
Ending Balance, June 30	$ 0	$ 0	$ 1,000	$ 5,888	$ 6,488
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 1,000**	**$ 5,888**	**$ 600**

1. Fiscal year 2016/2017 is the first year of a 5-year TIF rebate agreement for H.J. Heinz. Rebate percentages under this agreement are 75%, 60%, 45%, 30%, and 15%, respectively, for each of the five years.

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 rebates 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 $37,916, and the rebate is $18,958. For 2017/2018 the increment is $1,080,850, the incremental taxes are estimated at $37,000, and the rebate is estimated at $18,500.

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 $283,632 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 included 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 claimed less than the full amount of incremental taxes from this TIF area.

CURRENT TRENDS AND ISSUES:

In October of 2016 the City entered into a new development agreement with Harrison Lofts, LLC for their construction of a new apartment complex with approximately fifty-two (52) units and to price at least 25% of the units at levels that will be affordable to families of low and moderate income. This agreement provides

for 15 years of TIF rebates with the first six (6) years at 75% and the final nine (9) years at 70%. The first rebates under this agreement are expected to be made in the 2019/2020 year. The City also approved an economic development grant to Harrison Lofts, LLC in the amount of $10,000 to assist them in meeting the local match requirements for their tax credit financing for this project. The City approved an internal advance of $10,000 from this TIF fund for this grant with the advance to be repaid in June of 2017.

The revised estimate for 2016/2017 includes $10,000 to repay the internal advance for the Harrison Lofts grant, $19,000 for the rebate to the Villas at MCC, LLC, and the final payment of $37,200 on the internal advance for the Weed Park Maintenance Building project.

The 2017/2018 budget only includes the rebate to the Villas at MCC, LLC which is estimated at $18,500. Due to funds available in this TIF fund the City is claiming only $15,000 of incremental taxes in 2017/2018. This allowed for the balance of the incremental taxes so be considered as regular valuations for each taxing entity.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 2,940	$ 1,240	$ 20,639	$ 14,389
Revenues					
Incremental Taxes (1)	$ 180,138	$ 283,632	$ 60,000	$ 59,900	$ 15,000
State Commercial/Industrial Property Tax Reimbursement	0	19,269	0	0	0
Interest	78	126	50	50	0
Total Revenues	$ 180,216	$ 303,027	$ 60,050	$ 59,950	$ 15,000
Funds Available	$ 180,216	$ 305,967	$ 61,290	$ 80,589	$ 29,389
Expenditures:					
Tax Rebate - Villas at MCC (1)	$ 21,319	$ 20,328	$ 19,500	$ 19,000	$ 18,500
Economic Development Grant - Harrison Lofts LLC	0	0	0	10,000 (4)	0
Transfer Out:					
Internal Loan - Pierce Acquisition	46,057 (2)	0	0	0	0
Internal Loan - Weed Park Maintenance Design	19,900 (3)	0	0	0	0
Internal Loan - Weed Park Maintenance Building	90,000 (3)	265,000 (3)	37,200 (3)	37,200 (3)	0
Total Expenditures	$ 177,276	$ 285,328	$ 56,700	$ 66,200	$ 18,500
Ending Balance, June 30	$ 2,940	$ 20,639	$ 4,590	$ 14,389	$ 10,889
Increase (Decrease) in Fund Balance	**$ 2,940**	**$ 17,699**	**$ 3,350**	**$ (6,250)**	**$ (3,500)**

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.
4. In 2016/2017 the City approved an economic development grant to Harrison Lofts, LLC in the amount of $10,000 to assist in their development of an apartment complex with approximately 52 units.

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 was in fiscal year 2015/2016. The incremental value for 2015/2016 was $2,222,820, incremental taxes were $75,487, and the rebate was $67,760. Incremental taxes for 2016/2017 are $81,411 and the rebate is $72,526. For 2017/2018 the incremental taxes are estimated at $81,400 and the rebate is estimated at $73,300.

Tax Increment Fund - Fridley Theatres

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 7,200	$ 7,730	$ 10,030
Revenues					
Incremental Taxes	$ 0	$ 75,487	$ 75,000	$ 74,900	$ 75,000
Interest	0	3	0	0	0
Total Revenues	$ 0	$ 75,490	$ 75,000	$ 74,900	$ 75,000
Funds Available	$ 0	$ 75,490	$ 82,200	$ 82,630	$ 85,030
Expenditures:					
Tax Rebate - Fridley Theatres	$ 0	$ 67,760 (1)	$ 77,500 (1)	$ 72,600 (1)	$ 73,300 (1)
Total Expenditures	$ 0	$ 67,760	$ 77,500	$ 72,600	$ 73,300
Ending Balance, June 30	$ 0	$ 7,730	$ 4,700	$ 10,030	$ 11,730
Increase (Decrease) in Fund Balance	**$ 0**	**$ 7,730**	**$ (2,500)**	**$ 2,300**	**$ 1,700**

1. Fiscal year 2015/2016 was 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 2016/2017 and 2017/2018 $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 2016/2017 and 2017/2018 will be used for educational materials for the Sunset Park Children's Afterschool Education program. The balance in this fund is estimated at $22,636 on June 30, 2018.

Table of Contents

Community Block Grant Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 35,564	$ 31,602	$ 27,602	$ 30,636	$ 26,636
Revenues					
Reimbursements of Housing Rehabilitation Costs	$ 5,000	$ 0	$ 0	$ 0	$ 0
Interest	38	34	0	0	0
Total Revenues	$ 5,038	$ 34	$ 0	$ 0	$ 0
Funds Available	$ 40,602	$ 31,636	$ 27,602	$ 30,636	$ 26,636
Expenditures					
Transfers Out:					
Home Ownership Program	$ 3,000	$ 0	$ 3,000	$ 3,000	$ 3,000
Sunset Park Children's Education Program	6,000	1,000	1,000	1,000	1,000
Total Expenditures	$ 9,000	$ 1,000	$ 4,000	$ 4,000	$ 4,000
Ending Balance, June 30	$ 31,602	$ 30,636	$ 23,602	$ 26,636	$ 22,636
Increase (Decrease) in Fund Balance	**$ (3,962)**	**$ (966)**	**$ (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 2015/2016 funded the loan program allocations for both 2014/2015 and 2015/2016. There was $41,420 in unspent funds at the end of the 2015/2016 year. Those funds plus the $100,000 allocation for 2016/2017 are expected to be expended by the end of this fiscal year. In 2017/2018 the Southend TIF funding of $100,000 will fund the allocation to continue this program for the upcoming year. Funds are awarded to qualifying businesses based on the availability of funds.

Small Business Forgivable Loan Program

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ (99,790)	$ 210	$ 41,420	$ 0
Revenues					
Reimbursement of Expenses	$ 260	$ 280	$ 0	$ 0	$ 0
Transfers In:					
Southend Tax Increment Funds	0	200,000	100,000	100,000	100,000
Total Revenues	$ 260	$ 200,280	$ 100,000	$ 100,000	$ 100,000
Funds Available	$ 260	$ 100,490	$ 100,210	$ 141,420	$ 100,000
Expenditures					
Small Business Loans	$ 100,000	$ 59,000	$ 100,000	$ 141,420	$ 100,000
Miscellaneous	50	70	0	0	0
Total Expenditures	$ 100,050	$ 59,070	$ 100,000	$ 141,420	$ 100,000
Ending Balance, June 30	$ (99,790)	$ 41,420	$ 210	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (99,790)**	**$ 141,210**	**$ 0**	**$ (41,420)**	**$ 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:

There are no forfeiture fund revenues expected to be received in 2016/2017. Expenditures for 2016/2017 are estimated at $20,000. The 2017/2018 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	
Beginning Balance, July 1	$ 59,411	$ 44,274	$ 40,274	$ 33,240	$ 13,240	
Revenues						
Forfeiture Funds	$ 3,133	$ 0	$ 5,000	$ 0	$ 5,000	(1)
Interest	27	21	0	0	0	
Total Revenues	$ 3,160	$ 21	$ 5,000	$ 0	$ 5,000	
Funds Available	$ 62,571	$ 44,295	$ 45,274	$ 33,240	$ 18,240	
Expenditures	18,297	11,055	5,000	20,000	5,000	(1)
Ending Balance, June 30	$ 44,274	$ 33,240	$ 40,274	$ 13,240	$ 13,240	
Increase (Decrease) in Fund Balance	**$ (15,137)**	**$ (11,034)**	**$ 0**	**$ (20,000)**	**$ 0**	

1. Amounts for 2017/2018 reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.

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 2016/2017 revised estimate expenditures for the Clark House are over the budgeted amount by $18,360. This overall increase is due to (1) a $38,550 increase in contractual services which includes a $27,500

increase in pest control services to address several bed bug infestations and an $11,450 increase in repair and maintenance services including elevator, sprinkler system, plumbing, and vehicle repair services, (2) a $3,430 increase in commodities for plumbing and other repair supplies, (3) a $2,500 increase in capital outlay for apartment rehab work, and (4) a $26,120 decrease in personal services with the elimination of the Housing Maintenance Supervisor position in December 2016. The Housing Maintenance Supervisor position was eliminated due to a decrease in tenant rents and the increase in operating expenses.

The Clark House budgeted expenditures for fiscal year 2017/2018 total $542,360 which is $22,050 (3.9%) less than the original 2016/2017 budget. The budget includes reductions in personal services costs of $37,570 and commodities of $2,350. These decreases are partially offset by an increase of $17,870 in contractual services. The personal services decrease is primarily due to the elimination of the Maintenance Supervisor position. The $35,000 capital outlay allocation is the same as the original 2016/2017 budget with these funds to be used for apartment rehabilitation including appliance replacements as needed.

The 2016/2017 revised estimate revenues for the Clark House are $16,760 less than the original budget primarily due to lower dwelling rents from tenants. Tenant rents are based on tenant incomes according to HUD public housing program regulations. The apartment turnover during the past year resulted in a lower average of rents charged to tenants. The revenue decrease includes decreases in expected rents ($15,000), cable fees ($1,660), and laundry fees ($100).

The 2017/2018 budgeted revenues for the Clark House total $534,850 which is $17,200 less than the original 2016/2017 budget. The 2017/2018 budget includes an estimated $92,600 in HUD operating subsidy and $87,100 in HUD capital funds. The 2017/2018 budgeted revenues also include $315,000 in rents, $30,000 in cable fees, and $10,150 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2016/2017 revised estimate the combined Clark House and Sunset Park revenues are $794,300 and the combined expenditures are $880,060. This will result in an estimated $85,760 decrease in the operating reserve to $4,702 at the end of 2016/2017.

The 2017/2018 budgeted expenditures for the Clark House and Sunset Park total $799,980 and revenues are budgeted at $796,860. This will decrease the operating reserve by $3,120 to $1,582 at the end of 2017/2018. The combined public housing revenue estimate includes a total of $157,100 of HUD Capital Funds, $187,600 in HUD operating subsidy, and $410,000 in rents.

The operating reserve at the end of the 2016/2017 and 2017/2018 fiscal years of $4,702 and $1,582, respectively, are minimal amounts for the public housing operations. If necessary, public housing staff can access funds from the next year's HUD capital fund allocation if there are unexpected expenditures in excess of the amounts included in the budget. Housing staff will continue to monitor average tenant rent levels as well as operating expenditures at both public housing facilities.

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 2016/2017 revised estimate expenditures for Sunset Park are $31,050 more than the original budget. The increase in expenditures is a result of unusually high turnover in the months of July through September of

2016. Commodities are over the original budget by $6,790, contractual services are over by $14,400, and capital outlay is over by $23,500. These increases are a direct result of the apartment turnover. These increases were partially offset by a $13,640 decrease in personal services costs from the elimination of the Housing Maintenance Supervisor position in December 2016.

The 2017/2018 Sunset Park budgeted expenditures are $8,620 (3.2%) less than the original 2016/2017 budget. This overall decrease is due to (1) an $8,390 decrease in personal services costs primarily due to a full year without the Maintenance Supervisor position, (2) a $2,110 decrease in contractual services, and (3) an $1,880 increase in commodities. The $25,000 capital outlay allocation is the same as the original 2016/2017 budget with these funds to be used for apartment rehabilitation including appliance replacements as needed.

Revised estimate revenues for Sunset Park are $21,010 less than the original budget due to a $21,000 decrease in rents, and a $10 decrease in interest revenue. Tenant rents are based on tenant incomes according to HUD public housing program regulations. The apartment turnover during the past year resulted in a lower average of rents charged to tenants.

Revenues for Sunset Park for 2017/2018 are estimated at $262,010 which includes $95,000 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 housing program make principal and interest payments for the construction of the facility.

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 has consisted of a half-time Custodian, 50% of a Housing Specialist, 25% of the Maintenance Repairperson, and 10% of the Housing Maintenance Supervisor. The Housing Maintenance Supervisor position was eliminated in December of 2016.

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 $50,350 more than the original budget. This is due to (1) a $4,080 decrease in personal services costs, (2) a $1,500 decrease in commodities, (3) an $8,120 increase in contractual services, (4) a $48,000 increase in capital outlay, and (5) a $190 decrease in mortgage insurance on the loan for the property. The personal services decrease is due to eliminating the Maintenance Supervisor position in December of 2016. The $48,000 increase in capital outlay is due to the emergency replacement of two water heaters ($36,500) and replacement of the security system ($11,500). These expenditures will be funded from the replacement reserve.

The budgeted expenditures for fiscal year 2017/2018 of $358,340 are $25,600 (7.7%) more than the original 2016/2017 budget. Personal services are $3,850 less than the original budget for 2016/2017 due to elimination of the Maintenance Supervisor position. There was also a decrease of $2,720 in interest and mortgage insurance. Contractual services increased by $7,170 and capital outlay increased by $25,000. The capital outlay budget is $37,500 and includes $12,500 for apartment rehabilitation, which includes funds for appliance replacements as needed, and $25,000 to replace the retaining wall.

Revenues for 2017/2018 include $175,600 in rental payments from the tenants and an estimated $280,400 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, 2011 the fair market rent was set at $708. It increased to $716 on June 1, 2012, increased to $724 June 1, 2013, increased to $733 June 1, 2014, increased to $744 June 1, 2015, and further increased to $760 June 1, 2016. The revenues in the attached budget schedules reflect continuation of the $760 rate since HUD had not yet approved a rent increase at the time the budget was developed. Notification was received in early February that HUD approved an increase in the fair market rent to $771 effective June 1, 2017.

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 units that are more desirable 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 and then decreased to $45,826 at the end of 2015/2016. At the time the budget was completed the Administrative Reserve was expected to be reduced to $38,776 at the end of 2016/2017 and to $23,226 at the end of 2017/2018. The reduction in 2017/2018 is in part due to retirement pay for one of the housing specialists. 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 2017/2018 are estimated at $1,893,020 for the Section 8 Voucher Program which includes $1,694,500 for housing assistance payments (HAPS) and $198,520 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 2017 and 2018. 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 2017 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 HUD funds awarded 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 was $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, a portion of the FSS Coordinator position is being charged to the Sunset Park public housing program.

The 2017/2018 budget includes funding of $62,870 for a fulltime FSS Coordinator position. The HUD grant will fund $55,310 of this amount with the remaining $7,560 funded from HUD funds for administration of the regular Section 8 Voucher program. Incidental expenses are estimated at $2,320 in 2017/2018 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 were the responsibility of the Housing Maintenance Supervisor/Inspector until that position was eliminated in December of 2016. The Section 8 housing inspections are now being done by the rental housing inspector in

the City's Community Development department and costs of these inspections will be paid by the Section 8 housing program to the City These amounts are estimated at $4,500 in the 2016/2017 revised estimate and $9,000 is the 2017/108 budget. Using the same inspector for both Section 8 and regular units will assure consistency in enforcing housing rental standards. Due to HUD regulation changes, inspections for Section 8 units 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 homebuyers 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 2016/2017 revised estimate includes an estimated $60,200 in expenditures for this program and the budgeted expenditures for 2017/2018 increased to $62,700. The 2016/2017 budget and the 2017/2018 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.

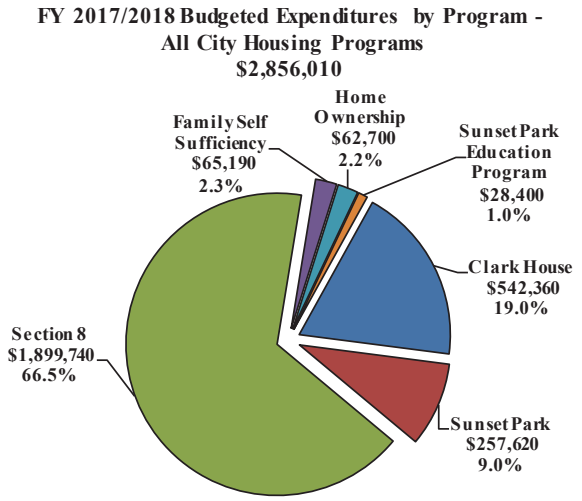
The Local Housing Trust will provide $11,000 of funding for the Home Ownership Program in 2016/2017 and $15,300 is expected in 2017/2018. HUD Comprehensive Housing Counseling grant funding has also been received for this program. This funding was $7,240 in 2013/2014, $11,376 in 2014/2015, and $11,516 in 2015/2016. The estimated grant amounts are $19,100 in the 2016/2017 revised estimate and $16,300 in the 2017/2018 budget. The fund balance has been decreasing each year and is estimated at $29,554 at the end of 2017/2018. This fund balance will likely be depleted or nearly depleted in the following year (2018/2019) unless additional funding becomes available. 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.

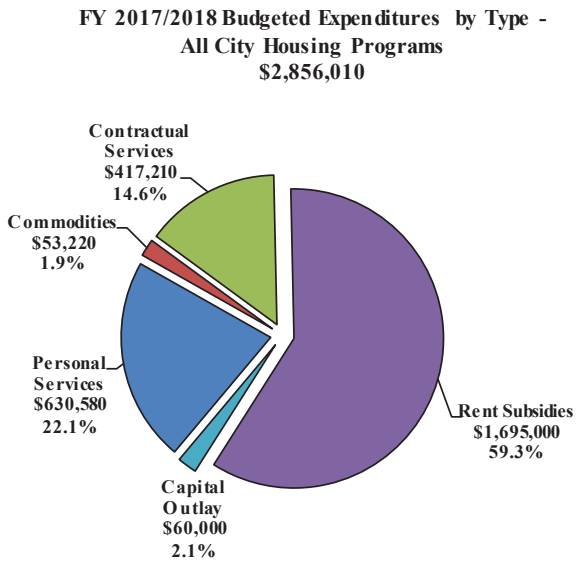
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

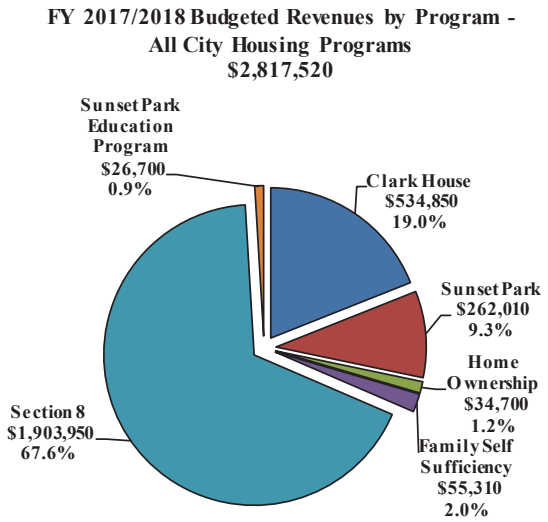
The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program is operated every day school is in session. The program is sustained by grants and donations from the community. The 2017/2018 budget totals $28,400 which includes $26,600 for the instructor and the assistant instructor as well as $1,800 for education materials, supplies, and related costs. Local grants and donations are expected to fund 100% of the cost of this program.

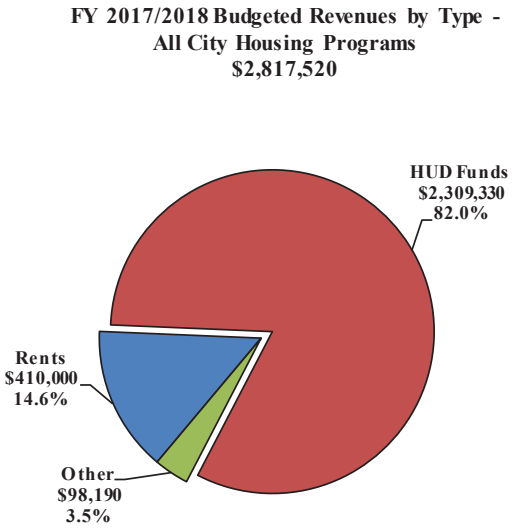
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total $2,856,010 for 2017/2018 with budgeted revenues of $2,817,520. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:









The various housing budgets for 2017/2018 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 2017/2018 total $60,800 and are allocated as follows:

Clark House	$25,300
Sunset Park	12,500
Section 8 Voucher Program	23,000
	$60,800

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Public Housing:					
Clark House					
Units Available	100	100	100	100	100
Days Units Vacant	805	426	458	730	730
Percent Days Vacant	2.21%	1.17%	1.25%	2.0%	2.0%
Sunset Park					
Units Available	50	50	50	50	50
Days Units Vacant	286	310	360	365	365
Percent Days Vacant to Days	1.57%	1.70%	1.97%	2.0%	2.0%
Combined					
Units Available	150	150	150	150	150
Total Days Units Available	54,750	54,750	54,750	54,750	54,750
Total Days Units Vacant	1,091	736	818	1,095	1,095
Total Percent Days Vacant	1.99%	1.34%	1.49%	2.0%	2.0%
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	553	63	108	550	550
Percent Days Vacant	3.03%	.35%	.59%	3%	3%
Section 8 Voucher Program:					
Unit Months Under Lease	4,165	3,998	4,068	4,080	4,080
Average Units Under Lease	347	333	339	340	340
Earned Administrative Fee	$161,512	$192,037	$201,617	$198,520	$198,520
Housing Assistance Payments	$1,588,091	$1,603,085	$1,718,674	$1,713,090	$1,694,500

* It is standard practice in the housing industry to estimate a 5% vacancy rate in projects. Hershey Manor vacancies have fluctuated over the years, topping out with about a 3% vacancy rate. Staff is estimating the lower (3%) vacancy for planning purposes based on this historical information, the lack of additional supply anticipated to be available, and the subsidized rents typically resulting in a more stable residency. The Muscatine Municipal Housing Agency will continue to make every effort to maximize occupancy

	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Family Self Sufficiency:					
Total Participants	31	20	25	30	35
Participants with Escrow Balance	20	8	10	12	15
Participants Enrolled in Education	15	13	14	10	15
Participants Becoming Employed	11	10	18	10	15
Homeownership:					
Clients Completing 8 Hour Class	52	61	53	60	55
HUD (9902) Individual	135	148	N/A	N/A	N/A
Counseling/Households Served	N/A	N/A	137	140	150
Clients <80% Median Income	109	112	121	100	115
Clients Purchasing Housing	19	30	28	20	20
Section 8 Homeownership Clients Purchasing Housing	1	0	0	1	0
Clients Completing Renter Counseling	0	0	0	30	30
Sunset Park Education:					
Afterschool Program					
Number Days of Operation	174	175	170	170	150
Number of Students Registered	29	31	31	22	24
Average Participating Students	19	19	20	18	18
Number of Instructional Hours	5,569	5,398	5,312	5,300	5,300
Total Books Read by Students	3,574	3,326	3,147	3,000	3,000
Average Books Read per Student	123	107	93	100	100
Summer Program					
Meals Served	930	874	812	1,021	900
Kids Registered	43	31	34	30	30
Off-site Activities	12	14	25	29	25

RECENT ACCOMPLISHMENTS:

Clark House and Sunset Park

The public housing facilities have experienced a number of issues this fiscal year including a 26% turnover of units at Sunset Park in the first quarter of the year and the Clark House has had a number of unanticipated maintenance expenses. These circumstances have stretched the program budget and required a reduction of staff to offset these losses. These budgeting issues and staff changes have mandated a review of operations. The department continues to have regular staff meetings to improve communications and streamline operations. These meetings are also used to review policies and procedures and problem solve developing situations.

Staff has attended a number of trainings to develop a better understanding of regulatory compliance, including training on required reporting, scoring inspections, and landlord-tenant law. In addition, the

Housing Administrator has completed Public Housing Management training and the Clark House Manager will be attending this class in February. Completion of this class is required for both positions and not only provides a good foundation for managing the program and projects but interaction with staff from other agencies exposes staff to options for improving operations and meeting program goals.

Hershey Manor

Hershey Manor continues to operate with minimal vacancies or issues. As required, a contract renewal was requested this year and resulted in a new 20-year contract.

The new property manager has continued to participate in training to improve her understanding of the multi-family program regulations and assure the property remains in compliance. Monthly dinners are hosted to get residents out of their units and engaged in peer activities.

This fall the property experienced a catastrophic failure of the hot water system requiring an emergency replacement. Working with a private contractor, a temporary system was installed the same day and the replacement was fully functional within 10 days.

Section 8 Housing Voucher

The Housing Choice Voucher Program was designated as High Performing again for fiscal year 2016. 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.

Opportunities to improve services and efficiency are reviewed frequently, many of which will be included in the next Administrative Plan update. A major operational change that has been implemented is transferring the inspection task to the Community Development department as part of the city-wide rental inspection process. This will insure consistency in standards in all rental housing in the City. Efforts to improve client compliance and reduce turnover continue and staff works closely with the Homeless Prevention Advocate at MCSA (Muscatine Center for Social Action) to overcome any barriers to retaining clients experiencing barriers to stability. Working together, the Muscatine Municipal Housing Agency (MMHA) Housing Specialists and the Advocate have kept families from being evicted and re-housed some very difficult families, including assisting some to secure housing and allowing them to utilize their voucher.

The review process to contract for project-based vouchers in Harrison Lofts has been completed and closing will be completed in December. Additional special program opportunities are being explored with community organizations to meet the needs of City residents, as clients working with community organizations tend to be more stable due to the expanded support network. This maximizes efficiencies in program implementation as well as minimizes client turnover and the resulting resource drain. In addition to developing partnerships, staff continues to review opportunities to streamline activities, identifying and eliminating duplicative or unnecessary processes, and other appropriate changes.

In addition, staff continues to evaluate opportunities to support City-wide goals to support availability of quality housing. The implementation of the Renter Class will enable clients to take better care of their units, and the streamlined rental inspection will insure units are code compliant. Through participation in Landlord Association meetings housing staff encourages landlords to actively work with tenants to maintain and improve properties.

Family Self Sufficiency (FSS)

Staff continues to be focused on progressing the FSS program. Funding was secured to hire a consultant to complete this project, which is currently being finalized. Through this process, brochures and flyers are being developed to assist in promoting the program to eligible tenants. The revised program will result in clarifying appropriate participant criteria, requirements of participation, and guidelines for graduating. To facilitate recruiting public housing tenants the FSS Coordinator position has been split between two Housing Specialists, with one simultaneously serving as the Public Housing Manager at Sunset Park. A new FSS Coordinator was hired for the Housing Choice Voucher participants. The current focus is to reestablish the Program Coordinating Committee (PCC) so that it 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. In addition, the PCC will help identify gaps in services and work collaboratively to fill them.

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 re-certified as a HUD approved Housing Counseling Agency September 21, 2016. The program also received additional counseling funds through the 2016 grant process. Staff is continuing to look for additional funding resources to support program operations.

Staff continues to participate in the Local Housing Trust Fund Cluster. This group has again allocated funds to support the administration of the Housing Counseling Program. The Cluster also provides resources to the Greater Muscatine Chamber of Commerce for down payment assistance to qualified families who have completed the eight-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. Staff has designed a rental counseling course and the first class is anticipated to be held in early 2017. Staff is evaluating options for making attendance mandatory or offering MMHA clients 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.

In December 2016 staff was invited to present MMHA's Homeownership Education services at two CBI Bank and Trust seminars. The seminars targeted realtors and first time homebuyers. As a result of this interaction between MMHA and CBI, groundwork has been laid for incentive-based participation in the Homeownership Program. Preliminary discussion has begun on CBI offering $200 off closing costs for borrowers who have completed MMHA's eight-hour pre-purchase class.

Sunset Park Afterschool Program

Fiscal year 2016/2017 has been a year of change in the Sunset Park Education Program from the student side. Sunset Park had 13 families move out over the summer, some of these families were large with multiple children enrolled in the afterschool program. Many of the new families have children too young to be enrolled in school. This resulted in a reduction in the number of children enrolled in the program at the beginning of the year. Additional families have enrolled children as the year has progressed.

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. A hot lunch was provided five days a

week through the summer lunch program administered by the United Way. Participants in the lunch program also participated in an activity at least once a week.

In addition, the Extension Office supported a community garden at the site. The children enjoyed tending the garden and trying new foods they harvested. In addition, staff continues 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, allowing the children to go bowling and attend the movies. None of the excursions would be possible without the support of Muscabus in transporting the children and program staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

Clark House and Sunset Park

* To collect at minimum 98% of all rent due.

* To maintain at minimum a 98% occupancy rate.

* To review maintenance procedures for opportunities to improve efficiencies, decrease costs, and increase effectiveness.

* To work to improve the sense of community in public housing projects, especially Sunset Park.

* 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 work with the Board and residents to increase resident involvement.

Section 8 Voucher Program

* To maintain an average of 340 vouchers under lease throughout the fiscal year.

* To expend 100% of housing assistance funding awarded.

* To maintain High Performer status on SEMAP (Section 8 Management Assessment Program).

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.

Homeownership Program

* To offer six Home Ownership classes in the fiscal year.

* To have 55 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 10 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 identify and encourage at least one current Section 8 participant to pursue homeownership through the Housing Choice Voucher Home Ownership program.

Sunset Park Education Center

* To have the Sunset Park Afterschool Program open a minimum of 150 days during the school year.

* To have a minimum of 20 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 20 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Operating Reserve, July 1	$ 71,709	$ 75,673	$ 42,993	$ 90,462	$ 4,702
Revenues					
Dwelling Rentals	$ 422,403	$ 447,809	$ 438,000	$ 402,000	$ 410,000
Cable Fees	30,936	30,396	31,000	29,340	30,000
Federal Grants:					
Operating Subsidy	180,628	188,985	187,600	187,600	187,600
HUD Capital Funds:					
2013 Grant	150,170	5,892	0	0	0
2014 Grant	0	160,589	0	0	0
2015 Grant	0	0	163,200	163,200	0
2016 Grant	0	0	0	0	157,100
Interest Income	400	310	320	310	310
Laundry Fees	8,796	8,629	9,100	9,000	9,000
Miscellaneous	5,652	4,721	2,850	2,850	2,850
Total Revenues	$ 798,985	$ 847,331	$ 832,070	$ 794,300	$ 796,860
Funds Available	$ 870,694	$ 923,004	$ 875,063	$ 884,762	$ 801,562
Expenditures					
Clark House	$ 534,995	$ 580,469	$ 564,410	$ 582,770	$ 542,360
Sunset Park	260,026	252,073	266,240	297,290	257,620
Total Expenditures (1)	$ 795,021	$ 832,542	$ 830,650	$ 880,060	$ 799,980
Operating Reserve, June 30	$ 75,673	$ 90,462	$ 44,413	$ 4,702	$ 1,582
Increase (Decrease) in Operating Reserve	**$ 3,964**	**$ 14,789**	**$ 1,420**	**$ (85,760)**	**$ (3,120)**

1. Expenditures include changes in compensated absences and other post-employment benefits.

Public Housing Program
Clark House and Sunset Park
Summary of Revenues

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Clark House:					
Dwelling Rentals	$ 318,268	$ 324,609	$ 325,000	$ 310,000	$ 315,000
Cable Fees	30,936	30,396	31,000	29,340	30,000
Federal Grants:					
Operating Subsidy	88,000	92,603	92,600	92,600	92,600
HUD Capital Funds:					
2013 Grant	83,003	2,685	0	0	0
2014 Grant	0	90,589	0	0	0
2015 Grant	0	0	93,200	93,200	0
2016 Grant	0	0	0	0	87,100
Interest Income	332	309	300	300	300
Laundry Fees	8,796	8,629	9,100	9,000	9,000
Miscellaneous	843	1,509	850	850	850
Subtotal	$ 530,178	$ 551,329	$ 552,050	$ 535,290	$ 534,850
Sunset Park:					
Dwelling Rentals	$ 104,135	$ 123,200	$ 113,000	$ 92,000	$ 95,000
Federal Grants:					
Operating Subsidy	92,628	96,382	95,000	95,000	95,000
HUD Capital Funds:					
2013 Grant	67,166	3,208	0	0	0
2014 Grant	0	70,000	0	0	0
2015 Grant	0	0	70,000	70,000	0
2016 Grant	0	0	0	0	70,000
Interest Income	69	1	20	10	10
Miscellaneous	4,809	3,211	2,000	2,000	2,000
Subtotal	$ 268,807	$ 296,002	$ 280,020	$ 259,010	$ 262,010
Total	$ 798,985	$ 847,331	$ 832,070	$ 794,300	$ 796,860

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 212,479	$ 206,081	$ 239,090	$ 212,970	$ 201,520	-15.71%
Commodities	30,560	26,545	30,750	34,180	28,400	-7.64%
Contractual Services	257,618	257,518	259,570	298,120	277,440	6.88%
Capital Outlay	42,420	85,340	35,000	37,500	35,000	0.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 543,077	$ 575,484	$ 564,410	$ 582,770	$ 542,360	-3.91%
Funding Sources						
Dwelling Rentals	$ 318,268	$ 324,609	$ 325,000	$ 310,000	$ 315,000	-3.08%
Tenant Cable Fees	30,936	30,396	31,000	29,340	30,000	-3.23%
Interest Income	332	309	300	300	300	0.00%
Federal Grants:						
Operating Subsidy	88,000	92,603	92,600	92,600	92,600	0.00%
HUD Capital Funds	83,003	93,274	93,200	93,200	87,100	-6.55%
Miscellaneous	9,639	10,138	9,950	9,850	9,850	-1.01%
Total Funding Sources	$ 530,178	$ 551,329	$ 552,050	$ 535,290	$ 534,850	-3.12%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Housing Administrator	0.45	0.45	0.45	0.45	0.45	
Assistant Housing Administrator	0.38	-	-	-	-	
Housing Maintenance Supervisor/Inspector	0.55	0.55	0.55	0.23	-	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Housing Specialist	-	1.00	1.00	1.00	1.00	
Total Full Time	1.88	2.50	2.50	2.18	1.95	
Part Time:						
Office Coordinator	0.06	0.05	0.05	0.06	0.06	
Custodian	0.76	0.77	0.71	0.69	0.68	
Housing Specialist	0.62	0.11	-	-	-	
Office Assistant	0.16	0.13	0.14	0.04	-	
Total Part Time	1.60	1.06	0.90	0.79	0.74	
Total	3.48	3.56	3.40	2.97	2.69	$ 137,000
Employee Benefits						64,520
Total Personal Services						$ 201,520

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 144,970	$ 146,545	$ 148,950	$ 135,310	$ 140,560	-5.63%
Commodities	17,033	12,204	16,690	23,480	18,570	11.26%
Contractual Services	75,439	75,223	75,600	90,000	73,490	-2.79%
Capital Outlay	22,584	18,101	25,000	48,500	25,000	0.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 260,026	$ 252,073	$ 266,240	$ 297,290	$ 257,620	-3.24%
Funding Sources						
Dwelling Rentals	$ 104,135	$ 123,200	$ 113,000	$ 92,000	$ 95,000	-15.93%
Interest Income	69	1	20	10	10	-50.00%
Federal Grants:						
Operating Subsidy	92,628	96,382	95,000	95,000	95,000	0.00%
HUD Capital Funds	67,166	73,208	70,000	70,000	70,000	0.00%
Miscellaneous	4,809	3,211	2,000	2,000	2,000	0.00%
Total Funding Sources	$ 268,807	$ 296,002	$ 280,020	$ 259,010	$ 262,010	-6.43%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Housing Administrator	0.30	0.30	0.30	0.30	0.30	
Housing Maintenance Supervisor/Inspector	0.25	0.25	0.25	0.10	-	
Housing Specialist	0.38	0.38	0.38	0.38	0.38	
Housing Specialist-FSS Program	0.38	0.06	0.12	0.12	0.12	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Total Full Time	1.56	1.24	1.30	1.15	1.05	
Part Time:						
Office Coordinator	0.06	0.05	0.05	0.05	0.05	
Custodian	0.68	0.71	0.75	0.80	0.78	
HUD Section 3 Program Worker	0.38	0.22	-	-	-	
Total Part Time	1.12	0.98	0.80	0.85	0.83	
Total	2.68	2.22	2.10	2.00	1.88	$ 98,210
Employee Benefits						42,350
Total Personal Services						$ 140,560

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	4	Yes	$ 20,000
Appliances	10	Yes	5,000
			$ 25,000

Table of Contents

Hershey Manor

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Revenues					
Dwelling Rentals	$ 183,375	$ 176,681	$ 175,600	$ 175,600 (1)	$ 175,600 (2)
Housing Assistance Payments - HUD	256,975	270,519	270,800	280,400 (1)	280,400 (2)
HUD Payment Reduction for Vacancies	(5,836)	(5,864)	(13,400)	(13,680)	(13,680)
Interest Income	422	561	400	400	400
Cable Fees	16,281	16,091	16,000	16,000	16,000
Laundry Income	4,370	4,034	4,800	4,000	4,000
Total Revenues	$ 455,587	$ 462,022	$ 454,200	$ 462,720	$ 462,720
Operating Expenditures	348,758	318,643	332,740	383,090	358,340
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	$ 106,829	$ 143,379	$ 121,460	$ 79,630	$ 104,380
Additional Budget Items:					
Principal Retirement	(40,826)	(51,178)	(53,396)	(53,396)	(55,710)
Replacement Reserve Transfers	(29,994)	(30,085)	(30,072)	(30,228)	(30,228)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,668)	(49,668)	(49,668)
Portion of Above Interest from Reserve Funds	(381)	(301)	(350)	(350)	(350)
Transfers from Replacement Reserve (3)	7,486	8,242	12,500	60,500	37,500
Net Surplus (Deficit)	$ (6,554)	$ 20,389	$ 474	$ 6,488	$ 5,924
Surplus (Deficit) per Unit Month	$ (10.92)	$ 33.98	$ 0.79	$ 10.81	$ 9.87

1. The FY 2016/2017 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent of $760 with 3% allowed for vacancies.
2. The FY 2017/2018 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent amount of $760 with 3% allowed for vacancies. An increase in this rent level was requested, but at the time the budget was adopted it had not yet been approved by HUD.
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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 90,431	$ 88,617	$ 86,700	$ 82,620	$ 82,850	-4.44%
Commodities	15,938	9,621	15,700	14,200	15,700	0.00%
Contractual Services	139,462	132,720	140,630	148,750	147,800	5.10%
Capital Outlay	7,486	8,242	12,500	60,500	37,500	200.00%
Interest/Mortgage Insurance	95,441	79,443	77,210	77,020	74,490	-3.52%
Total Expenditures	$ 348,758	$ 318,643	$ 332,740	$ 383,090	$ 358,340	7.69%
Funding Sources						
Dwelling Rentals	$ 183,375	$ 176,681	$ 175,600	$ 175,600	$ 175,600	0.00%
Housing Assistance Payments - HUD	251,139	264,655	257,400	266,720	266,720	3.62%
Interest Income	422	561	400	400	400	0.00%
Cable Fees	16,281	16,091	16,000	16,000	16,000	0.00%
Other Income	4,370	4,034	4,800	4,000	4,000	-16.67%
Total Funding Sources	$ 455,587	$ 462,022	$ 454,200	$ 462,720	$ 462,720	1.88%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	0.04	-	
Assistant Housing Administrator	0.62	-	-	-	-	
Housing Specialist	-	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Total Full Time	1.07	0.95	0.95	0.89	0.85	
Part Time:						
Custodian	0.51	0.57	0.53	0.51	0.53	
Total	1.58	1.52	1.48	1.40	1.38	$ 57,010
Employee Benefits						25,840
Total Personal Services						$ 82,850

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 10,000
Appliance Replacements	5	Yes	2,500
Retaining Wall Replacement	1	Yes	25,000
			$ 37,500

Table of Contents

Section 8 Voucher Program

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 47,861	$ 49,544	$ 46,594	$ 64,072	$ 57,022
Revenues:					
HUD Contributions-Housing Assistance Payments	$ 1,603,085	$ 1,718,674	$ 1,744,500	$ 1,713,090	$ 1,694,500
HUD Contributions-Administration	192,037	201,617	191,580	198,520	198,520
HUD Contributions-Family Self-Sufficiency	59,440	60,507	55,310	55,310	55,310
HUD Contributions-Prior Year FSS Balance	0	0	0	6,110	0
Administrative Fees-Portability	70	0	0	0	0
FSS Escrow Forfeiture	8,512	2,252	0	0	0
Fraud Recovery - HUD Portion	1,234	863	500	500	500
Fraud Recovery - Admin Portion	1,234	863	500	500	500
Interest - HAP Reserve	7	0	0	0	0
Interest - Admin Reserve	119	52	100	50	50
Total Revenues	$ 1,865,738	$ 1,984,828	$ 1,992,490	$ 1,974,080	$ 1,949,380
Funds Available	$ 1,913,599	$ 2,034,372	$ 2,039,084	$ 2,038,152	$ 2,006,402
Expenditures:					
Housing Assistance Payments	$ 1,613,090	$ 1,703,543	$ 1,745,000	$ 1,713,590	$ 1,695,000
Voucher Program Administration	189,506	202,114	204,190	199,770	204,740
Family Self-Sufficiency Coordinator:					
Grant Funded Portion (Current Grant)	59,440	60,507	55,310	55,310	55,310
Grant Funded Portion (Prior Year Grant)	0	0	0	6,110	0
Non-Grant Funded Portion	0	0	1,930	4,090	7,560
Family Self-Sufficiency Other Costs	2,019	4,136	2,040	2,260	2,320
Total Expenditures	$ 1,864,055	$ 1,970,300	$ 2,008,470	$ 1,981,130	$ 1,964,930
Ending Balance, June 30	$ 49,544	$ 64,072	$ 30,614	$ 57,022	$ 41,472
Ending Balance Reserved for:					
Housing Assistance Payments (1)	$ 0	$ 18,246	$ 0	$ 18,246	$ 18,246
Administration	49,544	45,826	30,614	38,776	23,226
Total Ending Balance	$ 49,544	$ 64,072	$ 30,614	$ 57,022	$ 41,472
Increase (Decrease) in Fund Balance	**$ 1,683**	**$ 14,528**	**$ (15,980)**	**$ (7,050)**	**$ (15,550)**

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 and balances are minimal or zero each year.

Function:
Community and Economic Development

Department:
Housing

Activity:

Section 8 Voucher Program

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 148,272	$ 149,130	$ 151,370	$ 148,860	$ 145,930	-3.59%
Commodities	3,622	5,646	5,440	3,900	3,700	-31.99%
Contractual Services	1,650,703	1,750,882	1,792,380	1,760,600	1,750,110	-2.36%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,802,597	$ 1,905,658	$ 1,949,190	$ 1,913,360	$ 1,899,740	-2.54%
Funding Sources						
HUD Contribution	$ 1,795,122	$ 1,920,291	$ 1,936,080	$ 1,911,610	$ 1,893,020	-2.22%
Repayment Agreements	2,468	1,726	1,000	1,000	1,000	0.00%
Interest	126	52	100	50	50	-50.00%
Other Income	8,582	2,252	-	-	-	
Total Funding Sources	$ 1,806,298	$ 1,924,321	$ 1,937,180	$ 1,912,660	$ 1,894,070	-2.23%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	0.20	-	-	-	-	
Housing Maintenance Supervisor/Inspector	0.10	0.10	0.10	0.04	-	
Housing Specialist	1.00	1.50	1.50	1.50	1.38	
Total Full Time	1.40	1.70	1.70	1.64	1.48	
Part Time:						
Office Coordinator	0.35	0.39	0.40	0.48	0.50	
Housing Specialist	0.56	0.09	-	-	-	
Office Assistant	0.11	0.11	0.11	0.03	-	
Total	2.42	2.29	2.21	2.15	1.98	$ 96,480
Employee Benefits						49,450
Total Personal Services						$ 145,930

Function:
Community and Economic Development

Department:
Housing

Activity:

Family Self Sufficiency Program

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 59,440	$ 60,507	$ 57,240	$ 59,400	$ 62,870	9.84%
Commodities	841	322	210	210	250	19.05%
Contractual Services	1,178	3,813	1,830	8,160	2,070	13.11%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 61,459	$ 64,642	$ 59,280	$ 67,770	$ 65,190	9.97%
Funding Sources						
HUD Contribution	$ 59,440	$ 60,507	$ 55,310	$ 61,420	$ 55,310	0.00%
Section 8 HUD Admin Funds	2,019	4,135	3,970	6,350	9,880	148.87%
Total Funding Sources	$ 61,459	$ 64,642	$ 59,280	$ 67,770	$ 65,190	9.97%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
Full Time:						
Housing Specialist	1.00	1.00	0.88	0.79	1.00	$ 38,720
Employee Benefits						24,150
Total Personal Services						$ 62,870

Public Housing
Home Ownership Program
Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	124,549	106,732	$ 83,132	$ 84,554	$ 57,554
Revenues:					
HUD Counseling Grant	$ 11,376	$ 11,516	$ 9,800	$ 19,100	$ 16,300
Local Housing Trust Funds	20,000	19,300	18,600	11,000	15,300
Interest	116	98	50	100	100
Other	106	317	150	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	3,000	0	3,000	3,000	3,000
Total Revenues	$ 34,598	$ 31,231	$ 31,600	$ 33,200	$ 34,700
Funds Available	$ 159,147	$ 137,963	$ 114,732	$ 117,754	$ 92,254
Expenditures	52,415	53,409	60,300	60,200	62,700
Ending Balance, June 30	106,732	84,554	54,432	$ 57,554	$ 29,554
Increase (Decrease) in Fund Balance (1)	**$ (17,817)**	**$ (22,178)**	**$ (28,700)**	**$ (27,000)**	**$ (28,000)**

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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 46,249	$ 47,058	$ 50,700	$ 50,800	$ 53,100	4.73%
Commodities	383	341	850	800	1,100	29.41%
Contractual Services	5,783	6,010	8,750	8,600	8,500	-2.86%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 52,415	$ 53,409	$ 60,300	$ 60,200	$ 62,700	3.98%
Funding Sources						
HUD Counseling Grant	$ 11,376	$ 11,516	$ 9,800	$ 19,100	$ 16,300	66.33%
Local Housing Trust Fund	20,000	19,300	18,600	11,000	15,300	-17.74%
Transfer from CDBG Fund - Housing Rehab Reimb.	3,000	-	3,000	3,000	3,000	0.00%
Interest	116	98	150	100	100	-33.33%
Other	106	317	50	-	-	-100.00%
Total Funding Sources	$ 34,598	$ 31,231	$ 31,600	$ 33,200	$ 34,700	9.81%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 34,500
Employee Benefits						18,600
Total Personal Services						$ 53,100

Table of Contents

Sunset Park Education Program
Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	3,867	6,053	7,653	$ 4,728	1,778
Revenues:					
Contributions - United Way	$ 20,659	$ 23,800	$ 24,800	$ 23,800	$ 23,000
Contributions - Kids First (Snacks)	1,200	1,275	1,200	0	0
Other Contributions	200	400	0	200	200
Other Grants	0	0	0	2,500 (1)	2,500 (1)
Interest	0	8	0	0	0
Other	0	0	0	650	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	6,000	1,000	1,000	1,000	1,000
Total Revenues	$ 28,059	$ 26,483	$ 27,000	$ 28,150	$ 26,700
Funds Available	$ 31,926	$ 32,536	$ 34,653	$ 32,878	$ 28,478
Expenditures	25,874	27,808	27,700	31,100 (1)	28,400 (1)
Ending Balance, June 30	6,052	4,728	$ 6,953	$ 1,778	$ 78
Increase (Decrease) in Fund Balance	**$ 2,185**	**$ (1,325)**	**$ (700)**	**$ (2,950)**	**$ (1,700)**

1. The Housing Administrator is applying for additional funding. If no new funding is secured the program will need to be scaled back.

Function:
Community and Economic Development

Department:
Housing

Activity:

Sunset Park Education Program

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2016/2017	Percent Change
Expenditure Summary						
Personal Services	$ 22,028	$ 23,315	$ 24,000	$ 29,400	$ 26,600	10.83%
Commodities	2,063	1,296	3,050	1,200	1,200	-60.66%
Contractual Services	469	3,198	650	500	600	-7.69%
Capital Outlay	1,314	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 25,874	$ 27,809	$ 27,700	$ 31,100	$ 28,400	2.53%
Funding Sources						
Donations	$ 22,059	$ 25,475	$ 26,000	$ 26,500	$ 25,700	-1.15%
Transfer from CDBG Fund - Housing Rehab Reimb.	6,000	1,000	1,000	1,000	1,000	0.00%
Interest	1	-	-	-	-	
Other	-	-	-	650	-	
Total Funding Sources	$ 28,060	$ 26,475	$ 27,000	$ 28,150	$ 26,700	-1.11%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2016/2017	Budget Amount 2016/2017
Part Time:						
Program Coordinator	0.30	0.33	0.42	0.48	0.42	
Program Assistant	0.25	0.18	0.27	0.25	0.26	
Total	0.55	0.51	0.69	0.73	0.68	$ 23,900
Employee Benefits						2,700
Total Personal Services						$ 26,600

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, 2017, the City's G.O. bonds outstanding will total $12,805,000. The City traditionally issues bonds every other year. The City issued $4,550,000 of bonds in May of 2016 which included $3,240,000 for new projects and $1,310,000 for refunding the final two years of the June 1, 2008 bond issue for that same amount. The next bond issue is planned for May of 2018.

A preliminary list of the projects to be funded from the 2018 issue and the estimated bond funding requirements are in the chart below.

City of Muscatine
Preliminary List of Projects to be Funded from the May 2018 Bond Issue

	Preliminary Estimate of Bond Requirements	
Equipment:		
Aerial Fire Truck Replacement	$ 1,200,000	
Airport Projects:		
Airport Layout Plan Update (Estimated Local Share)	16,000	
Airport - T-Hangar Design and Apron Expansion (Estimated Local Share)	37,500	
Airport - T-Hangar Construction (Prelimary Estimate of Local Share)	67,500	*
Airport - Other Projects	100,000	*
Trail Project:		
Musser Park to Deep Lakes Park Trail (Estimated Local Share)	400,000	*
City Building Improvements:		
New Library Building - Allowance for Local Match for Requested Grants	100,000	*
Additional Deferred Maintenance Projects (Estimate; Projects to be Determined)	500,000	*
Parks Improvements:		
Deferred Maintenance - Weed Park Street Light Replacement	200,000	*
Deferred Maintenance - Soccer Sidewalk Lights	60,000	*
Other Projects:		
To be Determined - up to $3,000,000 Bond Issue Estimate	319,000	*
Total Estimated Bond Funding Requirements	$ 3,000,000	
Estimated Issuance Costs/Allowance for Discount	100,000	
Total for New Projects	$ 3,100,000	

* Actual funding for these projects may change based on project bids, outside funding for projects, or if funding is needed for other projects.

CURRENT TRENDS AND ISSUES:

The debt service tax rate for the current year 2016/2017 is $2.78470 per $1,000 of valuation. This rate will decrease to $2.69458 for 2017/2018. This decrease was possible due to higher taxable valuations for 2017/2018 and interest rates on the May 2016 bond issue being lower than projected. 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 City's bond issues, PFM does 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 million in bonds in the spring of 2018 for project costs (with an additional $100,000 allowed for issuance costs), and still be able to maintain a debt service tax levy rate estimated at $2.77/$1,000 in future years which is below the $2.89/$1,000 levy rate in previous debt models.

Revenues from property taxes, utility tax replacement funds, the State commercial and industrial property tax replacement funds, and interest total $2,565,847. This amount plus $41,209 in available debt service fund balance is the amount necessary to support estimated debt service payments of $2,607,556 (the total estimated requirement for property tax supported debt in 2017/2018).

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, 2017 is as follows:

City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2017

Actual Valuation January 1, 2016			**$ 1,349,003,655**
State Limit (5%)			0.05
Debt Limit			**$ 67,450,183**
Bonded Debt:			
Current General Obligation Debt July 1, 2017	$ 12,805,000		
No new issues in 2016/2017	-		
Tax Increment Bond Debt July 1, 2016	565,000	$ 13,370,000	
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		**19.8%**	
Estimated Tax Increment Rebate Obligations July 1, 2017:			
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of $1.8 million	$ 894,421		
Cedar Development - 50% for 10 years to maximum of $4,719,000 (final year 2018/2019)	3,288,704		
Musco Sport Lighting (Musser Street) - 50% for 10 years to maximum of $325,000 (ten year period; beginning date not yet determined)	325,000		
Curry's Transportation - 50% for 10 years to maximum of $350,000 (began in 2010/2011)	187,826		
Newcomb Properties - 50% for 10 years to maximum of $100,000 (began in 2010/2011)	44,944		
Heinz - 50% for 15 years to a maximum of $425,000 (began in 2011/2012; no incremental taxes in recent years)	399,322		
A & E Convenience - 50% for 10 years to maximum of $40,000 (began in 2012/2013)	23,086		
The Villas at MCC, LLC - 50% for 10 years to maximum of $425,000 (began in 2013/2014)	341,969		
R.L. Fridley Theatres Inc. - 15 years to maximum of $1,500,000; declining percentages 95% to 50% (began in 2015/2016)	1,359,715		
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 18 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 18 is listed	16,000		
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. Annual appropriation for FY 18 is listed.	312,000		
Riverview Hotel Development - 20 years to maximum of $6,000,000; declining percentages Years 1-5 100%, Years 6-7 95%, Years 8-15 75%, Years 16-20 50% (expected to begin in 2019/2020) Subject to annual appropriation	-		
Union Tank Development Agreement - 10 years 50% to maximum of $45,000; (begins in 2017/2018). Subject to annual appropriation. Annual appropriation for FY 18 is listed.	4,500		
Harrison Lofts LLC Development Agreement - 15 years with years 1-6 at 75% and years 7-15 at 70% to a maximum of $675,000 (expected to begin in 2019/2020). Subject to annual appropriation.	-		
		$ 7,862,487	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		**11.7%**	
Total Debt Subject to Debt Limit			**21,232,487**
Legal Debt Margin			**$ 46,217,696**
Percent of Legal Debt Limit Used			**31.5%**

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	**$ 40,470,110**
Total Debt Subject to Debt Limit	**21,232,487**
Debt Margin Using Self-Imposed Limit	**$ 19,237,623**
Percent of Self-Imposed Debt Limit Used	**52.5%**

The City's general obligation and tax increment debt on a per capita basis is $561.32 as of June 30, 2017.

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 $27,100,110 of the self-imposed limit remaining and only 33.0% 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 2016 for the 2017/2018 annual appropriation rebates for Wal-View for their first project in the amount of $665,000, for H.J. Heinz for $16,000, for Wal-View for their 2nd project for $312,000, and for Union Tank Car Company for $4,500. Future development agreements are also proposed to be subject to annual appropriations. The recent agreements with Riverview Hotel Development, Harrison Lofts, LLC, and HNI all have annual appropriation provisions. 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.

The portion of the legal debt limit used for TIF rebate agreements decreased from $13,616.474 as of June 30, 2016 to $7,862,487 on June 30, 2017, a decrease of $5,753,987. A significant portion of this decrease ($5,155,482) was due to terminating the development agreement with the former owners of the Muscatine Mall since these former owners had no ability to make improvements to this property going forward. As of June 30, 2016 the portion of the debt limit that was used was 43.9%. As of June 30, 2017 it decreased to 31.5% with a significant part of the decrease due to terminating the Muscatine Mall TIF agreement. The portion of the self-imposed limit used also decreased from 73.1% to 52.5%.

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.

Table of Contents

Debt Service Fund
General Obligation Bonds
Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 80,309	$ 95,562	$ 96,062	$ 125,952	$ 242,951
Revenues					
Property Tax	$ 2,397,381	$ 2,356,436	$ 2,446,349 (2)	$ 2,446,349	$ 2,453,089
Utility Tax Replacement Excise Tax	9,761	10,469	8,901	8,901	8,259
Commercial and Industrial Replacement Funds	56,143	114,968	111,749 (3)	111,749	104,499
Interest	1,078	1,266	500	500	500
Refunding Bond Proceeds	0	1,299,121	0	0	0
Premium on Refunding Bonds	0	44,327	0	0	0
Transfers In:					
Landfill	79,296	79,711	0	0	0
Downtown Tax Increment Fund	207,825	208,450	203,050	203,050	202,650
Total Revenues	$ 2,751,484	$ 4,114,748	$ 2,770,549	$ 2,770,549	$ 2,768,997
Funds Available	$ 2,831,793	$ 4,210,310	$ 2,866,611	$ 2,896,501	$ 3,011,948
Expenditures					
Charges for Services	$ 2,000	$ 2,750	$ 3,500	$ 3,500	$ 3,500
Bonds	2,340,000	2,410,000	2,305,000	2,290,000	2,505,000
Bonds Retired with Refunding	0	1,310,000	0	0	0
Interest	394,231	344,503	286,578	360,050	301,706
Refunding Bond Issuance Costs	0	17,105	0	0	0
Estimated Debt Requirements New Issue:					
Interest	0	0	75,369	0	0
Total Expenditures	$ 2,736,231	$ 4,084,358	$ 2,670,447	$ 2,653,550	$ 2,810,206
Ending Balance, June 30	$ 95,562	$ 125,952	$ 196,164 (3)	$ 242,951	$ 201,742
Amount of Fund Balance Assigned for Debt Principal Payment in Future Years			100,000 (3)	100,000	
Unassigned Ending Balance, June 30			$ 96,164	$ 142,951	
Increase (Decrease) in Fund Balance	**$ 15,253**	**$ 30,390**	**$ 100,102**	**$ 116,999**	**$ (41,209)**
Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation)	$ 2.89056	$ 2.79677 (1)	2.78470 (2)	2.78470	$ 2.69458

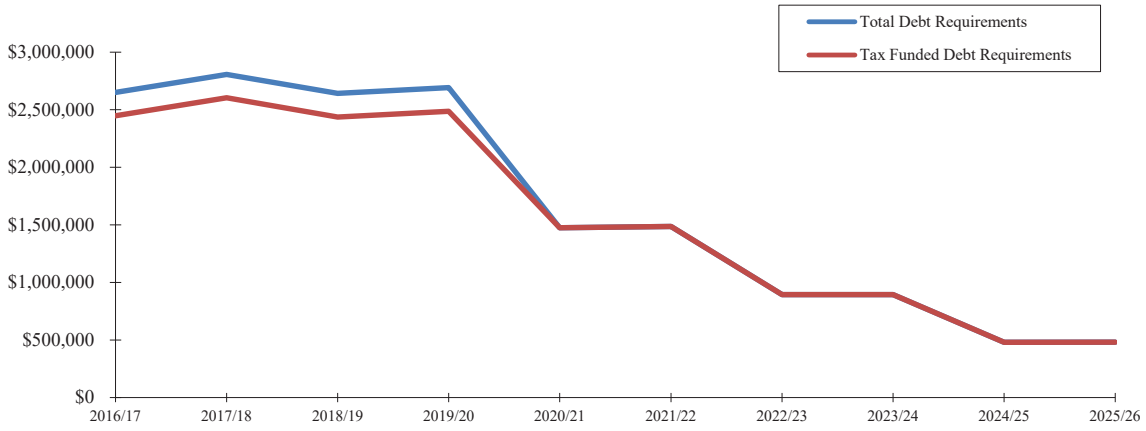
1. The 2015/2016 Debt service tax levy rate was lower than the $2.89 target rate for future years due to actual interest rates on June 2014 bond issue being lower than projected.
2. The 2016/2017 Debt Service tax levy rate was based on not exceeding the $2.89 target level. The debt repayment schedule 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 used for future year debt service costs.

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
2016/17	$ 2,290,000	$ 360,050	$ 2,650,050	$ 203,050	$ 2,447,000
2017/18	2,505,000	301,706	2,806,706	202,650	2,604,056
2018/19	2,405,000	238,066	2,643,066	207,100	2,435,966
2019/20	2,515,000	178,591	2,693,591	206,250	2,487,341
2020/21	1,360,000	115,053	1,475,053	-	1,475,053
2021/22	1,400,000	87,488	1,487,488	-	1,487,488
2022/23	835,000	57,918	892,918	-	892,918
2023/24	855,000	39,018	894,018	-	894,018
2024/25	460,000	21,513	481,513	-	481,513
2025/26	470,000	11,163	481,163	-	481,163
Total	$ 15,095,000	$ 1,410,566	$ 16,505,566	$ 819,050	$ 15,686,516



Annual Bond and Interest Requirements

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

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
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	$ 4,725,000	$ 374,552	$ 5,099,552

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
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	$ 3,325,000	$ 187,060	$ 3,512,060

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
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	$ 2,495,000	$ 264,965	$ 2,759,965

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Mulberry Avenue Street Improvements, Art Center HVAC and Building Envelope, Other Public Building Improvements, Airport Runway and Other Airport Improvements, Parks Improvements, and Building Demolitions

$4,550,000 Total Issue Dated May 26, 2016

Fiscal Year	Principal	Interest	Total Requirements
2016/17	$ 630,000	$ 119,322	$ 749,322
2017/18	755,000	98,788	853,788
2018/19	200,000	76,138	276,138
2019/20	300,000	70,138	370,138
2020/21	415,000	62,638	477,638
2021/22	430,000	52,263	482,263
2022/23	440,000	41,513	481,513
2023/24	450,000	30,513	480,513
2024/25	460,000	21,513	481,513
2025/26	470,000	11,163	481,163
Total	$ 4,550,000	$ 583,989	$ 5,133,989

CAPITAL IMPROVEMENTS 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; Road Use Taxes; 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 2016/2017 revised estimate and 2017/2018 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 $550,000 annually. In 2017/2018 the Local Option Sales Tax funding for pavement management projects will be supplemented with a $500,000 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. A major reconstruction of Mulberry Avenue from Houser Street to the Highway 61 Bypass began in the spring of 2016 and was substantially completed in November of 2016. This project is being funded from a federal grant, bond proceeds, Road Use Tax, and Collection and Drainage funds.

Engineering design for major improvements to the Mississippi Drive Corridor from the Mississippi River Bridge to Broadway (excluding the Mulberry Avenue intersection) has been completed and construction for this phase of the Corridor project is scheduled to begin in the spring of 2017. This project will be funded from a portion of 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 a total of $4 million in funding for this phase of the project and Muscatine Power & Water will provide funding for utility work included in the contract (estimated at $2,093,400). Future phases of the project will include the intersections at Mulberry Avenue and at Carver Corner. The final phase of the project will be from Carver Corner to the Highway 61 Bypass.

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 eleven 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. Phase 4-A is currently under design and is scheduled to be completed in calendar year 2018.

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 2017-2018.

Other Projects

Other significant capital projects budgeted for 2017-2018 include the Kent Stein Park to Deep Lakes Park Trail, purchase of a new aerial fire truck, renovation of the former HNI headquarters building into the new HNI Community Center and Musser Public Library, continuation of deferred maintenance projects on city buildings, street and parking lot lighting improvements in city parks, the Railroad Quiet Zone project, and the new T-Hangar construction project at the airport.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2016/2017 as well as those planned for 2017/2018. This section also includes listings of these projects for both 2016/2017 and 2017/2018. Total capital project costs are estimated at $17,328,500 for 2016/2017 and $17,865,500 for 2017/2018. A separate listing of capital outlay items included in department operating budgets in 2017/2018 is also included in this section of the budget for informational purposes. These items total $2,245,900 which brings the total budget for capital outlay and capital projects to $20,444,400 for 2017/2018. 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 2016/2017 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 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	$ 611,100
Road Use Tax Funds	100,600
	$ 711,700

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 included widening this heavily traveled street to three lanes including turning lanes, constructing a trail on one side of the street for pedestrian use, constructing a roundabout at the Logan Street intersection, and installing a traffic signal at the high school. The total cost of the project was approximately $5.9 million. The project was substantially completed in 2015/2016. The final grant payment was received in 2016/2017 after completion of the Iowa Department of Transportation (IDOT) audit. There were also incidental expenses this year to close out the project.

Funding Sources	FY 2016/2017 Funding Amount
Federal Grant (Final)	$ 43,950
Road Use Tax Funds	1,100
	$ 45,050

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 substantially completed in 2014/2015 and the contract was closed out in 2015/2016. The total project cost was $3.62 million (excluding the Pierce property acquisition). The required IDOT audit was completed in 2016/2017. There were also incidental expenses this year to close out the project.

Funding Sources	FY 2016/2017 Funding Amount
Federal STP Grant (Final)	$ 30,000
Road Use Tax	1,100
	$ 31,100

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: The contract for this project was awarded in May of 2016 and construction began in June 2016. Funding for this project includes $1,200,000 in Federal STP funds, $800,000 from the 2016 bond issue, $200,000 from the Sewer Extension Reserve for related drainage work, and $156,400 from Road Use Tax funds. The total project cost estimate is $2,356,400 which includes the engineering design, right-of-way acquisitions, and related costs incurred in prior fiscal years. This project is expected to be completed and the contract closed out by the end of the 2016/2017 fiscal year.

Funding Sources	FY 2016/2017 Funding Amount
Federal STP Grant	$ 1,200,000
Sewer Extension Reserve (for Drainage Portion of Project)	200,000
Road Use Tax Funds	156,400
2016 Bond Proceeds	407,600
	$ 1,964,000

Future Impact on Operating Budget: When improvements to 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, 2014/2015, 2015/2016, and is expected to be completed in 2016/2017. This work was needed before the City could proceed with construction of the improvements to this corridor.

Source	FY 2016/2017 Funding Amount
Federal TCSP and STIP Grants	$ 7,000
Prior Year Bond Proceeds	1,800
	$ 8,800

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 continued in 2015/2016 and 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, is scheduled to begin in the late spring of 2017. The CP Railroad will contribute a total of $4 million of funding ($2 million in 2016/2017 and $2 million in 2017/2018) for this project. Muscatine Power & Water will also contribute funding for utility relocation work required by this project. The balance of the project costs will be funded from the Transfer of Jurisdiction funds. Project costs in 2016/2017 include property acquisition and demolition costs, engineering design costs, engineering inspection services, and contract costs.

Funding Sources	FY 2016/2017 Funding Amount
Transfer of Jurisdiction Funds	$ 4,096,000
Contribution from the Railroad	2,000,000
Interest on Transfer of Jurisdiction Funds	60,000
	$ 6,156,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget included funding to begin a new sidewalk installation program. Annual allocations of approximately $100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. A total of $115,000 in new sidewalk construction was completed in the fall of 2016. The 2016/2017 funding allocation also includes $7,000 for surveying and design work for the 2017 sidewalk project. The first several years of this program will focus on gaps in sidewalks in school areas.

Funding Sources	FY 2016/2017 Funding Amount
Road Use Tax Funds	$ 122,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

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 2016/2017. The final trail route has now been determined and trail design and easement acquisitions have been completed. Bids for the project were received in March of 2017 and trail construction will begin in the spring of 2017 and is scheduled to be completed by the end of the 2017 calendar year.

Funding Source	FY 2016/2017 Funding Amount
Federal and State Grants	$ 293,800
Local Contribution	10,000
Collection and Drainage Funds	200,000
	$ 503,800

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 included relocation of electrical lines, building renovation, and other site improvements. While there is no specific matching funds required by the grant, building owners funded a portion of actual building improvement costs. This project began in 2013/2014 and was completed in 2016/2017.

Source	FY 2016/2017 Funding Amount
Community Development Block Grant	$ 407,000
Contribution from Property Owner	28,000
	$ 435,000

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 included relocation of utility lines in the alley behind the affected properties. The remaining bond proceeds in this fund will be used to fund the City's portion of utility relocation costs and a portion of the alley resurfacing work for the Downtown Revitalization project.

Source	FY 2016/2017 Funding Amount
Prior Year TIF Bond Proceeds	$ 31,300

Future Impact on Operating Budget: None

Building Demolitions: This activity reflects the cost of demolition of substandard structures under direction of the City. Due to public health and safety concerns it has been necessary for the City to engage a demolition contractor to remove dilapidated structures. Costs for building demolitions are assessed to the property when possible. If costs cannot be assessed or if collection is very unlikely, the City periodically funds these costs with bond proceeds. The 2016/2017 revised estimate includes $200,000 for potential demolition costs for the building located at 5th and Mulberry

Funding Sources	FY 2016/2017 Funding Amount
Assessments or Future Bond Proceeds	$ 200,000

Future Impact on Operating Budget: In the absence of reimbursements from private property owners, this will continue to be a significant cost to the City.

Mad Creek Levee/Other Levee Improvement Projects: In 2008 the Corps of Engineers notified the City that the Mad Creek levee improvement project was approved for federal funding. Funding was awarded on a 65% federal and 35% local share basis. The City had been setting aside proceeds of the Levee tax levy in anticipation of this project. Those funds plus $2 million in proceeds from the 2010 bond issue and an additional $74,000 from the 2012 bond issue funded most of the local share of the overall project costs. The $15,900 funding amount for 2016/2017 will close out the funding for this prior year project and also fund recent levee certification costs. The City will incur $4,500 in costs for the level toe repair study in 2016/2017. This cost will be funded from future year Levee Tax levy funds.

Funding Sources	FY 2016/2017 Funding Amount
Levee Tax Levy	$ 15,900

Future Impact on Operating Budget: There will be reduced costs during flood events as a result of levee improvement projects. The amount of savings cannot be determined.

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 to be used for construction costs of the new facility. The local share of the project cost was $440,000 and this amount was funded from the June 2012 bond issue. This new station was completed in 2012 and is being used by the Fire department. Several contract issues, however, remained before the contract could be closed out. The 2016/2017 funding amount represents legal costs related to the contract issues. The contract has now been closed out.

Funding Source	FY 2016/2017 Funding Amount
Transfer from the Ambulance Fund	$ 94,700

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, utility costs did not increase due to more efficient heating and cooling systems in the new facility.

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 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 2016/2017.

Funding Source	FY 2016/2017 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 projects was included in the 2016 bond issue. The items included 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 were originally 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. Based on the actual bids for the Art Center project, however, the total cost estimate was increased to $2,008,900. The Art Center Support Foundation contributed $360,000 towards the increased project cost which allowed all project bid alternatives to be completed. A number of other deferred building and park maintenance items were identified during recent budget reviews and the 2016 bond issue included a total of approximately $730,000 for these projects. These projects began in 2015/2016 and are scheduled to be completed in 2016/2017. The 2016/2017 project costs include $1,181,000 for the Art Center HVAC and building envelope project, $574,800 for other deferred maintenance projects on city buildings, and $98,900 for riverfront Rip Rap project costs.

Funding Source	FY 2016/2017 Funding Amount
Prior Year Bond Proceeds	$ 1,481,800
Utility Rebates from Building Improvements	12,900
Art Center Support Foundation Contribution	360,000
	$ 1,854,700

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 amounts cannot be determined.

New Library Project: The HNI Corporation donated their former headquarters building in downtown Muscatine to the City to be used as the new HNI Community Center and Musser Public Library. The cost to convert this building into the new community center and library is estimated at $1 million and $500,000 of this cost is estimated to be expended before the end of the 2016/2017 fiscal year with the remaining amount to be expended by the end of the 2017 calendar year. The City will be seeking outside funding to assist with the renovation costs.

Funding Source	FY 2016/2017 Funding Amount
Local Grants, Contributions, and Future Bond Proceeds (Bond funding amount to be determined)	$ 500,000

Future Impact on Operating Budget: There will be increased building and grounds maintenance costs with the larger library facility. The City has budgeted one additional 25-hour per week janitor position for the increased cleaning needs at an estimated annual cost of $25,000; increased building system maintenance contact costs estimated at $7,900; and an estimated $7,700 has been budgeted for grounds maintenance services. These total to $40,600 in increased annual operating costs. Utility costs are not expected to increase with the new building.

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 long dock at the City's boat harbor. This project is scheduled to be completed in the spring of 2017.

Funding Source	FY 2016/2017 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.

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 began in the latter part of 2015/2016 and is scheduled to be completed in 2016/2017. There were $2,000 of project costs in 2015/2016 and the remaining $38,000 is budgeted in 2016/2017. This study is being

funded from transfers from the remaining funds in the Downtown TIF Improvement Fund ($20,000), the Insurance Trust ($10,000), and the Water Pollution Control fund ($10,000). These funding transfers were made in 2015/2016.

Source	FY 2016/2017 Funding Amount
Prior Fiscal Year Funding Transfers	$ 38,000

Future Impact on Operating Budget: None

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 the port.

Railroad Quiet Zone Study/Project: The City has entered into an engineering agreement with Bolton & Menk, Inc. to conduct a Railroad Quiet Zone feasibility study for downtown Muscatine at a cost of approximately $25,000. The City has a funding agreement with the Stanley Howe Revocable Trust to fund the cost of this study. If the project is determined to be feasible, the Howe Foundation has agreed to fund costs up to $1 million for actual project costs.

Source	FY 2016/2017 Funding Amount
Stanley Howe Revocable Trust Funds	$ 25,000

Future Impact on Operating Budget: No impact from the feasibility study.

Housing Demand Study: One of the City Council goals for 2016/2017 was 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	$ 32,000

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 joined together to contract for the development of a marketing plan for the community. Funding for the plan is 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.

Downtown Holiday Decorations: A private donor contributed $17,000 for downtown holiday decorations for the 2016 holiday season. The same donor had also contributed $10,000 in 2015 for holiday banners and lighted holiday decorations on Second Street. The donations funded 100% of the project costs.

Funding Source	FY 2016/2017 Funding Amount
Private Donation	$ 17,000

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 decorations, installing them each year, and providing 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 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 eleven 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 each year. The 2016/2017 funding amount reflects the final work on Phases 3-A and 3-B and an estimated 30% of the 2017 contract work for Phase 3-C.

Funding Source	FY 2016/2017 Funding Amount
Local Option Sales Tax Funds	$ 2,348,500

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, 2015/2016, and 2016/2017 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. The project design is scheduled to be completed in 2016/2017 with construction expected to begin in the early summer of 2017.

Funding Source	FY 2016/2017 Funding Amount
Water Pollution Control Plant Reserve	$ 741,000

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: Work is underway on the preliminary design for 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	$ 23,400

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	$ 78,000

Future Impact on Operating Budget: The report will have no impact on future operating budgets.

Storm Water – Mad Creek Inflow and Infiltration Study: The 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 budgeted in 2016/2017 and $20,000 in 2017/2018.

Funding Source	FY 2016/2017 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 Track Loader Replacement: An internal loan will be used to finance replacement of the track loader used at the Transfer Station. The cost of the track loader was $201,000. Sufficient funding was not available in the Transfer Station fund and this purchase will be added to the previous internal loan for the crane and cab replacement and the transfer trailer. Annual payments of $75,800 will be made on this internal loan.

Funding Sources	FY 2016/2017 Funding Amount
Annual Payment on Internal Loan	$ 75,800

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 were several concrete blowups on the runways at the airport in recent years. This project involves planning, project design work, and construction to rehabilitate the main runway 6/24 to prevent future similar occurrences. The contract for the project was approved in October of 2015, construction began in the spring of 2016, and construction was substantially completed in the fall of 2017. 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	$ 740,700
Prior Year Bond Proceeds	82,300
	$ 823,000

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 to begin in 2016/2017 and to be completed in 2017/2018.

Funding Sources	FY 2016/2017 Funding Amount
State Grant	$ 9,500
Prior Year Bond Proceeds	1,700
	$ 11,200

Future Impact on Operating Budget: None

Airport Layout Plan (ALP): Engineering work to update the Airport Layout Plan began in the spring of 2016 and will continue in 2016/2017 and 2017/2018. The FAA requires the ALP update and will fund 90% of the cost of the update.

Funding Sources	FY 2016/2017 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 123,700
Future Bond Proceeds	13,800
	$ 137,500

Future Impact on Operating Budget: None

Airport T-Hangar Design and Apron Expansion Project: A State grant was awarded which will fund 85% of the cost of the Airport T-Hangar design and the apron expansion project. An additional grant is expected to be awarded which will fund costs to construct the new T-Hangar. The construction contract has been awarded for the apron expansion work and engineering design for the new T-Hangar is in progress. The engineering design work for the new T-Hangar and the apron expansion work is expected to be completed by the end of the 2016/2017 fiscal year.

Funding Sources	FY 2016/2017 Funding Amount
State Grant	$ 212,500
Future Bond Proceeds	37,500
	$ 250,000

Future Impact on Operating Budget: There will be no impact from the apron expansion or the design of the new T-Hangar. The new T-Hangar is expected to generate $22,800 in new hangar rental fees annually. Expenditure are projected to increase by $2,000 annually for increased utility and insurance costs.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2017/2018 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 2017/2018 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 2017/2018 Funding Amount
Local Option Sales Tax Funds	$ 549,600
Road Use Tax Funds	500,000
	$ 1,049,600

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 costs to upgrade the Dick Drake Way railroad crossings.

Funding Sources	FY 2017/2018 Funding Amount
Road Use Tax Funds	$ 150,000

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 continued in 2015/2016 and 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, is scheduled to begin in the late spring of 2017. The 2017/2018 funding amount includes funds to complete construction of phase one of the project as well as engineering design costs for future phases of the project which include the Mulberry Avenue intersection, the Carver Corner intersection, and Grandview Avenue. The CP Railroad will contribute a total of $4 million of funding ($2 million in 2016/2017 and $2 million in 2017/2018) for phase one of this project. Muscatine Power & Water will also contribute funding for utility relocation work required by this project. The balance of the project costs will be funded from the Transfer of Jurisdiction funds.

Funding Sources	FY 2017/2018 Funding Amount
Transfer of Jurisdiction Funds	$ 3,730,600
Contribution from the Railroad	2,000,000
Contribution from Muscatine Power & Water	2,093,400
Interest on Transfer of Jurisdiction Funds	30,000
	$ 7,854,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget first included funding to begin a new sidewalk installation program. Annual allocations of approximately $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 2017/2018 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.

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 through 2016/2017. The final trail route has now been determined and design and easement acquisitions have been completed. Bids for the project were received in March of 2017 and construction is scheduled to begin in the spring of 2017. The project is scheduled to be completed by the end of the 2017 calendar year.

Funding Source	FY 2017/2018 Funding Amount
Federal and State Grants	$ 545,700
Bond Proceeds	400,000
	$ 945,700

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.

Public Building Deferred Maintenance Projects: A number of significant building and facility maintenance and improvement projects were included in department budget requests for 2015/2016 and additional improvements were requested in the 2016/2017 and 2017/2018 department budgets. Due to the significant cost of these items, funding for a portion of the project costs was included in the 2016 bond issue. The 2018 bond issue will include funding to continue deferred maintenance projects on city

buildings. These improvements will include roof replacements, elevator upgrades, parking lot and driveway resurfacing, parking lot lighting upgrades, window replacements, and similar items. Specific projects to be completed will depend on project costs and the bond funding that is available.

Funding Source	FY 2017/2018 Funding Amount
Bond Proceeds	$ 500,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount cannot be determined.

Park Lighting Improvement Projects: The spring 2018 bond issue will also include funds to replace the street lights and the related wiring in Weed Park at an estimated cost of $200,000. The bond issue will also provide funding to replace the sidewalk and parking lot lights at the Soccer Complex at an estimated cost of $60,000.

Source	FY 2017/2018 Funding Amount
Bond Proceeds	$ 260,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these projects are completed. The amount cannot be determined.

New Library Project: The HNI Corporation donated their former headquarters building in downtown Muscatine to the City to be used as the new HNI Community Center and Musser Public Library. The cost to convert this building into the new community center and library is estimated at $1 million and $500,000 of this cost is estimated to be expended before the end of the 2016/2017 fiscal year with the remaining amount to be expended by the end of the 2017 calendar year. The City will be seeking outside funding to assist with the renovation costs.

Funding Source	FY 2017/2018 Funding Amount
Local Grants, Contributions, and Bond Proceeds (Bond funding amount to be determined)	$ 500,000

Future Impact on Operating Budget: There will be increased building and grounds maintenance costs with the larger library facility. The City has budgeted one additional 25-hour per week janitor position for the increased building cleaning needs at an estimated annual cost of $25,000; increased building system maintenance contact costs of $7,900; and an estimated $7,700 for grounds maintenance services. These total to $40,600 in increased annual operating costs. Utility costs are not expected to increase with the new building.

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. The study is expected to be completed in the 2016/2017 fiscal year. The study results will determine the estimated project costs, possible funding sources, and the timetable for developing the proposed port.

Source	FY 2017/2018 Funding Amount
To be determined	To be determined

Future Impact on Operating Budget: No impact from the study. The study will provide information to evaluate costs and potential funding sources for the construction of the port. The impact on future operating budgets will also be a component of this study.

Railroad Quiet Zone Study/Project: The City has entered into an engineering agreement with Bolton & Menk, Inc. to conduct a Railroad Quiet Zone feasibility study for downtown Muscatine at a cost of approximately $25,000. The City has a funding agreement with the Stanley Howe Revocable Trust to fund the cost of this study. If the project is determined to be feasible, the Howe Foundation has agreed to fund up to $1 million for actual project costs.

Source	FY 2017/2018 Funding Amount
Howe Foundation Contribution	$ 975,000

Future Impact on Operating Budget: Once installed the Railroad will maintain the Quiet Zone equipment and there will be no impact on future City operating budgets.

Aerial Fire Truck: The spring 2018 bond issue will include funding to replace the City's current aerial fire truck which was purchased in 1998 and has reached the end of its useful life.

Source	FY 2017/2018 Funding Amount
Bond Proceeds	$ 1,200,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new fire truck. The amount cannot be determined.

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 2017/2018.

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 eleven 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 each year. The 2017/2018 funding amount reflects the final work on Phase 3-C and an estimated 20% of Phase 4-A work which will be done in calendar year 2018.

Funding Source	FY 2017/2018 Funding Amount
Local Option Sales Tax Funds and West Hill Sewer Long-Term Financing Reserve Funds	$ 2,425,000

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, 2015/2016, and 2016/2017 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. Construction is expected to begin in late spring of 2017 and be completed in the 2017/2018 fiscal year.

Funding Source	FY 2017/2018 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.

Dredge Spoils Site Relocation Study: The City is evaluating moving the dredge spoils site for the harbor from the former Hawkeye Lumber site on the riverfront to the Public Works property on Washington Street. The 2017/2018 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 2017/2018 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: The 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 budgeted in 2016/2017 and $20,000 in 2017/2018.

Funding Source	FY 2017/2018 Funding Amount
Collection and Drainage Storm Water Funds	$ 20,000

Future Impact on Operating Budget: There will be no impact from this study.

Airport Zoning Ordinance Update: A State grant will provide 85% funding for the update of the Airport Zoning Ordinance. This work is scheduled to begin in 2016/2017 and be completed in 2017/2018.

Funding Sources	FY 2017/2018 Funding Amount
State Grant	$ 10,700
Prior Year Bond Proceeds	2,000
	$ 12,700

Future Impact on Operating Budget: None

Airport Layout Plan (ALP): Engineering work to update the Airport Layout Plan began in the spring of 2016 and will continue in 2016/2017 and 2017/2018. The FAA requires the ALP update and will fund 90% of the cost of the plan update.

Funding Sources	FY 2017/2018 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 18,000
Bond Proceeds	16,000
	$ 34,000

Future Impact on Operating Budget: None

Airport T-Hangar Design and Construction and Apron Expansion Project: A State grant was awarded to the City in October of 2016 which will fund 85% of the cost of the Airport T-Hangar design and the apron expansion project. An additional grant is expected to be awarded which will fund a portion of the costs to construct the new T-Hangar. The construction contract for the apron expansion work has been awarded and this project is scheduled to be completed in 2016/2017. The engineering design for the new T-Hangar is currently in progress and should be completed in 2016/2017. Construction of the new T-Hangar is subject to the award of grant funding as well as securing contributions to assist with the local share of the project costs. If funding is secured, construction is expected to begin late in the 2016/2017 fiscal year and be completed in 2017/2018.

Funding Sources	FY 2017/2018 Funding Amount
State Grant Estimate	$ 382,500
Bond Proceeds and Local Contributions Estimate	105,000
	$ 487,500

Future Impact on Operating Budget: There will be no impact from the apron expansion or the design of the new T-Hangar. Financing for the local share of the cost of construction of the new hangar is still under review. Contributions from businesses or individuals interested in long-term leases of several of the hangars may be used to fund a portion of the local share of project costs. This will impact annual hangar rental fees for the other new hangars.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2016/2017

Project	Revised Estimate 2016/2017	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	$ 711,700	Local option sales tax and road use tax
Corridor Project-Environmental Impact; Prel. Design	8,800	Federal grant and prior year bond proceeds
Transfer of Jurisdiction-Mississippi Drive/Grandview	6,156,000	Estimated FY 17 portion of project costs; $2 million Railroad contribution, $60,000 estimated interest, balance from Transfer of Jurisdiction funds
Cedar Street Improvements - Parham to Houser	1,100	Final project costs; road use tax funding
Colorado Street Improvements	1,100	Final project costs; road use tax funding
Mulberry Avenue Improvements	1,964,000	Estimated final project costs; $1,200,000 grant funding, $200,000 Collection and Drainage funding, and $156,400 from Road Use Tax
Cemetery Road Resurfacing	900	Available balance from prior year project for misc. expense
New Sidewalk Program	122,000	Road use tax for 2016 New Sidewalk project
Downtown TIF Area Resurfacing Projects (Prior Yr.)	31,300	Available balance for Alley #1 improvements for CDBG project
Parks Projects:		
Canon Avenue Trailhead Project	400	Misc. expense for Leadership Muscatine project
Boat Harbor - Long Boat Dock Replacement	125,000	REAP grant for project costs
Other Projects:		
Mad Creek Flood Control/Other Levee Projects	4,500	Levee tax levy funds for levee toe study
Railroad Quiet Zone Project	25,000	Estimated cost of study; funding from donation
Riverfront Master Plan	38,000	Prior year funding transfers for balance of Master Plan costs
Riverfront Improvement Project	500	Misc. expense from available balance
Building Demolitions	200,000	Estimate of demolition costs for 5th and Mulberry; assessment or bond funding
Southend Fire Station Project	6,000	Final legal costs in FY 17; Ambulance fundin transfer for deficit
Downtown CDBG Revitalization Project	424,700	Final project costs; CDBG grant funding and contribution from property owner
Port Development Feasibility Study	100,000	Study costs; 80% grant funded, 20% local funding
Housing Demand Study	32,000	Study cost; future TIF funding
Community Marketing Study	32,000	City portion of study; future TIF funding
Downtown Holiday Decorations	17,000	Donations for Downtown holiday decorations
Kent Stein Park to Deep Lakes Park Trail	477,000	Estimated project costs in FY 17; federal and state grant funds, donation, Collection & Drainage transfer, and future bond proceeds
Financial Software (Prior Year Project)	5,700	Available balance for final project costs
Public Building Deferred Maintenance	574,800	Prior year bond proceeds and utility rebates for building improvements
New Library Renovation	500,000	FY 17 portion of estimated cost; outside contributions or future bonding
Riverfront aRip Rap Projects	98,900	Estimated balance of Rip Rap costs; prior year bond funding
Art Center HVAC Project	1,181,000	Estimated final project costs in FY 17; final Art Center Support Foundation contribution in FY 17 and prior year bond proceeds
TIF Development Agreement Legal Fees	9,000	Legal fees reimbursed by developers
Subtotal - General Government	$ 12,848,400	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 2,205,000	Estimated project costs in FY 17; local option tax funding
WPCP Biogas to Fuel Project - Prel. Design	23,400	Preliminary design; funding from WPCP Operations
High Strength Waste Receiving Station	741,000	Estimated FY 17 portion of project costs; Plant Replacement Reserve
Nutrient Reduction Report to IDNR	78,000	Estimated cost; funding transfer from Water Pollution Control Operations
Storm Water - Mad Creek I & I Study	10,000	Estimated portion of study in FY 17; Storm Water operations funding
Subtotal - Water Pollution Control	$ 3,057,400	
Transfer Station		
Transfer Station Equipment (Internal Loan Funded)	$ 201,000	Track loader added to internal loan in FY 17; Transfer Station annual payments of $75,800 on internal loan
Airport:		
Airport Runway Rehabilitation Project	$ 823,000	Estimated FY 17 portion of construction costs; 90% FAA funding; prior and future year bond funding for local match
Airport Zoning Ordinance Update	11,200	Estimated FY 17 project costs; State grant and prior year bond funding
Airport T-Hangar Design and Apron Expansion	250,000	Estimated project costs; 85% State grant and future bond funding
Airport Master Plan	137,500	Estimated FY 17 project costs; FAA grant and future year bond funding
Subtotal - Airport Projects	$ 1,221,700	
Total	$ 17,328,500	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2017/2018

Project	Budget 2017/2018	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management	$ 1,049,600	Local option sales tax and road use tax
Railroad Crossing Improvements	150,000	Dick Drake Way crossings; road use tax funding
Transfer of Jurisdiction-Mississippi Drive/Grandview	7,854,000	Estimated FY 18 project costs; $2 million from Railroad, estimated $2,093,400 from MP&W, and estimated $30,000 interest; balance from Transfer of Jurisdiction funds
New Sidewalk Program	100,000	Road use tax annual allocation for new sidewalks
Parks Projects:		
Weed Park Street Light Replacement	200,000	Estimated project cost; bond funding
Soccer Sidewalk Lights	60,000	Estimated project cost; bond funding
Other Projects:		
Railroad Quiet Zone Project	975,000	Estimated project costs; 100% funding from donation
Aerial Fire Truck	1,200,000	Estimated cost of aerial truck; bond funding
Port Development Project Study	To Be Determined	Next step in Port project to be determined based on study and grant funding ; budget will be amended when the next step is determined
Kent Stein Park to Deep Lakes Park Trail	883,900	Estimated project costs in FY 18; federal and state grant funds and estimated bond funding
Public Building Deferred Maintenance Projects	500,000	Bond funding
New Library Renovation	500,000	Estimated FY 18 project costs; potential contributions and estimated bond funding of $100,000
Subtotal - General Government	$ 13,472,500	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 1,880,000	Estimated project costs in FY 18; local option tax and transfer from from the West Hill Sewer Long-Term Financing Reserve
High Strength Waste Receiving Station	2,000,000	Estimated FY 18 project costs; Plant Replacement Reserve
Storm Water - Mad Creek I & I Study	20,000	Estimated portion of study in FY 18; Storm Water operations funding
Dredge Spoils Site Relocation Study	10,000	Estimated study cost; funding transfer from WPCP Operations
Subtotal - Water Pollution Control	$ 3,910,000	
Airport:		
Airport Runway Reconstruction Project	$ 200	Prior year project; estimated additional bond funding needed; allow minimal amount for bond issuance costs
Airport Zoning Ordinance Update	12,700	Estimated FY 18 final costs; 85% State funding; prior year bond funding
Airport Master Plan	20,100	Estimated final project cost; 90% FAA; 10% local match from bond issue
Airport T-Hangar Construction Project	450,000	Estimated FY 18 project cost; bond funding for 15% local share
Subtotal - Airport Projects	$ 483,000	
Total	$ 17,865,500	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2017/2018 Budget

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
General Fund						
City Administrator						
OpenGov Software	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -
Subtotal	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -
Information Technology						
Network Operating System Upgrades	$ 12,300	$ 12,300	$ -	$ -	$ -	$ -
Computer Equipment Replacement Fund	40,000	40,000	-	-	-	-
Subtotal	$ 52,300	$ 52,300	$ -	$ -	$ -	$ -
Buildings and Grounds						
City Hall- Window Air Conditioners (2)	$ 1,000	$ 1,000	$ -	$ -	$ -	$ -
Public Safety Building-Snow Blower	600	600	-	-	-	-
Subtotal	$ 1,600	$ 1,600	$ -	$ -	$ -	$ -
Police Operations						
Light Bars (2)	$ 7,000	$ 7,000	$ -	$ -	$ -	$ -
Radar Units (2)	6,000	6,000	-	-	-	-
Scanners (2)	5,000	5,000	-	-	-	-
ToughPad Computers (2)	7,000	7,000	-	-	-	-
Ballistics Shield	7,000	7,000	-	-	-	-
Chemical Munitions	3,300	3,300	-	-	-	-
Detective Vehicle (Used)	40,000	-	40,000	-	-	-
JAG Grant Funded Equipment	8,000	-	-	-	8,000	-
Subtotal	$ 83,300	$ 35,300	$ 40,000	$ -	$ 8,000	$ -
Fire Operations						
Replace Knox Security Boxes (10)	$ 9,500	$ 9,500	$ -	$ -	$ -	$ -
Replace Ice Rescue Suits (6)	6,200	6,200	-	-	-	-
Air Cart	4,600	4,600	-	-	-	-
Subtotal	$ 20,300	$ 20,300	$ -	$ -	$ -	$ -
Cemetery Operations						
11' Mower (Used)	$ 30,000	$ -	$ 30,000	$ -	$ -	$ -
Subtotal	$ 30,000	$ -	$ 30,000	$ -	$ -	$ -
Park Maintenance						
Playground Equipment Replacement	$ 17,500	$ 17,500	$ -	$ -	$ -	$ -
Subtotal	$ 17,500	$ 17,500	$ 0	$ -	$ -	$ -
Kent-Stein Park						
Truck (Used)	$ 20,000	$ -	$ 20,000	$ -	$ -	$ -
Subtotal	$ 20,000	$ -	$ 20,000	$ -	$ -	$ -
Soccer Complex						
Utility Vehicle	$ 16,000	$ -	$ 16,000	$ -	$ -	$ -
Subtotal	$ 16,000	$ 0	$ 16,000	$ -	$ -	$ -
Library						
Library Materials (Books, CD's, Digital Media, Etc.)	$ 125,900	$ 125,900	$ -	$ -	$ -	$ -
Subtotal	$ 125,900	$ 125,900	$ -	$ -	$ -	$ -
Cable TV Operations						
Equipment for HD Recording/Internet Streaming	$ 11,700	$ 11,700	$ -	$ -	$ -	$ -
Subtotal	$ 11,700	$ 11,700	$ -	$ -	$ -	$ -
Engineering						
Drone (Including Training)	$ 5,000	$ -	$ -	$ 5,000	$ -	$ -
Subtotal	$ 5,000	$ -	$ -	$ 5,000	$ -	$ -
Public Works Administration						
Laptop Computer	$ 1,200	$ -	$ -	$ 1,200	$ -	$ -
	$ 1,200	$ -	$ -	$ 1,200	$ -	$ -

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
Roadway Maintenance						
Tandem Dump Truck	$ 150,000	$ -	$ -	$ 150,000	$ -	$ -
Concrete Grinding	75,000	-	-	75,000	-	-
10' Stainless Dump Body	40,000	-	-	40,000	-	-
Subtotal	$ 265,000	$ -	$ -	$ 265,000	$ -	$ -
Traffic Control						
Street Name Signs-Year 3 of 5	$ 9,400	$ -	$ -	$ 9,400	$ -	$ -
iPads (2)	1,800	-	-	1,800	-	-
Subtotal	$ 11,200	$ -	$ -	$ 11,200	$ -	$ -
Subtotal - General Fund	$ 676,000	$ 279,600	$ 106,000	$ 282,400	$ 8,000	$ -
Enterprise Funds						
Transit						
Light Duty Buses (2)	$ 195,500	$ -	$ -	$ -	$ -	$ 195,500
Sit-to-Stand Workstation	600	-	-	-	-	600
Bus Shelters (10)	58,000	-	-	-	-	58,000
Subtotal	$ 254,100	$ -	$ -	$ -	$ -	$ 254,100
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						
Ambulance	$ 155,000	$ -	$ -	$ -	$ -	$ 155,000
Extrication/Lift Harness	1,800	-	-	-	-	1,800
Tactical Helmets and Vests (3)	9,200	-	-	-	-	9,200
Subtotal	$ 166,000	$ -	$ -	$ -	$ -	$ 166,000
Refuse Collection						
Flatbed Truck with Liftgate (Used)	$ 34,000	$ -	$ -	$ -	$ -	$ 34,000
Dumpsters	10,000	-	-	-	-	10,000
Subtotal	$ 44,000	$ -	$ -	$ -	$ -	$ 44,000
Landfill						
Tarp Machine	$ 35,000	$ -	$ -	$ -	$ -	$ 35,000
Landfill Cell Construction	550,000	-	-	-	-	550,000
Well for Maintenance Building	15,000	-	-	-	-	15,000
Subtotal	$ 600,000	$ -	$ -	$ -	$ -	$ 600,000
Transfer Station						
Wheel Loader	$ 200,000	$ -	$ -	$ -	$ -	$ 200,000
Scale for Tunnel	45,000	-	-	-	-	45,000
Snow Plow	6,000	-	-	-	-	6,000
Subtotal	$ 251,000	$ -	$ -	$ -	$ -	$ 251,000
Water Pollution Control Plant						
ADA Sidewalk (Public Area from Office to Lab)	$ 12,000	$ -	$ -	$ -	$ -	$ 12,000
Plant Drainage Float System	10,000	-	-	-	-	10,000
Arm Retrieval System	3,000	-	-	-	-	3,000
Centrifugal Pump-Canon Pumping Station	25,000	-	-	-	-	25,000
Reverse Osmosis Water System	12,000	-	-	-	-	12,000
Dissolved Oxygen Probe	1,400	-	-	-	-	1,400
Oil and Grease Concentrator	4,800	-	-	-	-	4,800
Micro Distillation Unit	5,400	-	-	-	-	5,400
Dragline Hose	7,000	-	-	-	-	7,000
Total Suspended Solids Analyzer	10,000	-	-	-	-	10,000
Subtotal	$ 90,600	$ -	$ -	$ -	$ -	$ 90,600
Collection and Drainage						
Laptop	$ 2,500	$ -	$ -	$ -	$ -	$ 2,500
Sewer Maintenance Projects	50,000	-	-	-	-	50,000
Subtotal	$ 52,500	$ -	$ -	$ -	$ -	$ 52,500
Subtotal - Enterprise Funds	$ 1,500,100	$ -	$ -	$ -	$ -	$ 1,500,100

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
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						
Software for Vehicle Maintenance & Inventory	$ 9,800	$ -	$ -	$ -	$ -	$ 9,800
Subtotal	$ 9,800	$ -	$ -	$ -	$ -	$ 9,800
Subtotal - Other Funds	$ 69,800	$ -	$ -	$ -	$ -	$ 69,800
Total - All Operating Funds	$ 2,245,900	$ 279,600	$ 106,000	$ 282,400	$ 8,000	$ 1,569,900

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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

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 2016/2017 and 2017/2018. The balance in this trust on June 30, 2018 is estimated at $881,832
.

Perpetual Care Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 856,000	$ 860,178	$ 865,178	$ 871,832	$ 876,832
Revenues					
Perpetual Care	4,178	11,654	5,000	5,000	5,000
Funds Available	$ 860,178	$ 871,832	$ 870,178	$ 876,832	$ 881,832
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 860,178	$ 871,832	$ 870,178	$ 876,832	$ 881,832
Increase (Decrease) in Fund Balance	**$ 4,178**	**$ 11,654**	**$ 5,000**	**$ 5,000**	**$ 5,000**

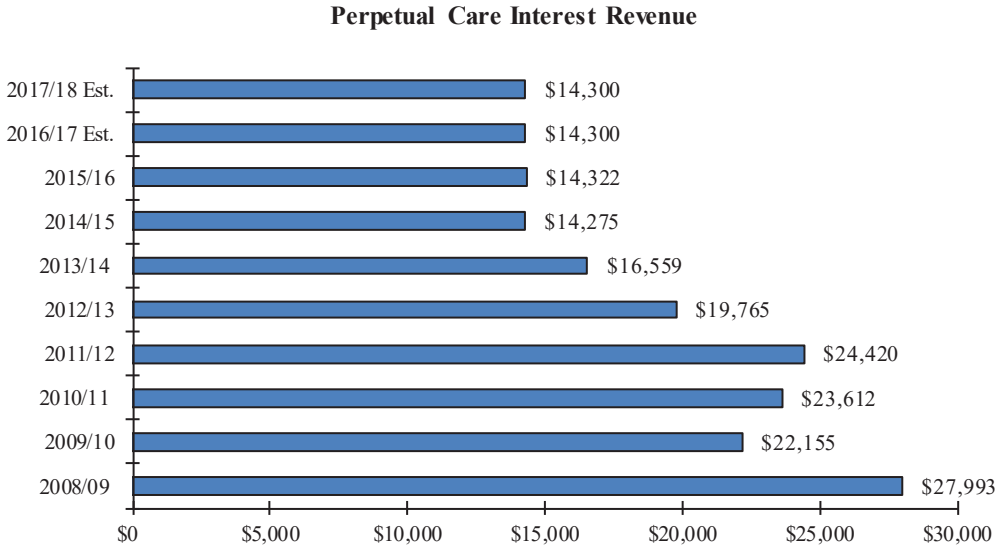
TRUST AND AGENCY FUNDS

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 2008/2009 through the budgeted amount for 2017/2018 is shown in the following graph.



Beginning in 1991/92 and continuing through 20172018 (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, $44,327 in 2014/2015 and $8,885 in 2015/2016. The revised estimate for 2016/2017 projects a General Fund subsidy of $45,400 and $46,800 is budgeted for 2017/2018. Staff will continue marketing efforts in 2017/2018 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	14,275	14,322	14,300	14,300	14,300
Funds Available	$ 14,275	$ 14,322	$ 14,300	$ 14,300	$ 14,300
Expenditures					
Transfers Out					
Cemetery Operations	14,275	14,322	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 2016/2017 and 2017/2018. Trust expenditures are estimated at $2,800 for both 2016/2017 and 2017/2018.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 59,931	$ 57,519	$ 55,469	$ 55,008	$ 53,008
Revenues					
Interest	830	831	800	800	800
Funds Available	$ 60,761	$ 58,350	$ 56,269	$ 55,808	$ 53,808
Expenditures					
Florist Services	$ 2,892	$ 3,042	$ 2,500	$ 2,500	$ 2,500
Transfers Out:					
Administrative Fees	350	300	350	300	300
Total Expenditures	$ 3,242	$ 3,342	$ 2,850	$ 2,800	$ 2,800
Ending Balance, June 30	$ 57,519	$ 55,008	$ 53,419	$ 53,008	$ 51,008
Increase (Decrease) in Fund Balance	**$ (2,412)**	**$ (2,511)**	**$ (2,050)**	**$ (2,000)**	**$ (2,000)**

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 2016/2017 revised estimate includes anticipated expenses related to the move to the new HNI Community Center and Musser Public Library building. Expenditures from this trust are estimated at $61,000 for 2016/2017. The budgeted expenditures for 2017/2018 total $121,700 and also include expenditures related to the move including additional library materials, contract services and remodeling requirements. The 2017/2018 budgeted revenues for this trust total $36,100. The estimated balance in this trust on June 30, 2018 is $36,132.

Library Gift and Memorial Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 239,438	$ 171,236	$ 127,336	$ 146,632	$ 121,732
Revenues					
Donations	$ 17,084	$ 11,063	$ 8,000	$ 8,000	$ 8,000
State Grant	23,998	25,523	25,000	25,000	25,000
Miscellaneous Sales	5,941	5,240	3,000	3,000	3,000
Interest	260	186	100	100	100
Total Revenues	$ 47,283	$ 42,012	$ 36,100	$ 36,100	$ 36,100
Funds Available	$ 286,721	$ 213,248	$ 163,436	$ 182,732	$ 157,832
Expenditures					
Library Materials	$ 2,077	$ 534	$ 0	$ 1,000	$ 26,700
Contractual Services	94,668	48,340	30,000	30,000	50,000
Capital Outlay	18,740	17,742	0	30,000	45,000
Total Expenditures	$ 115,485	$ 66,616	$ 30,000	$ 61,000	$ 121,700
Ending Balance, June 30	$ 171,236	$ 146,632	$ 133,436	$ 121,732	$ 36,132
Increase (Decrease) in Fund Balance	**$ (68,202)**	**$ (24,604)**	**$ 6,100**	**$ (24,900)**	**$ (85,600)**

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 2016/2017 $5,800 is budgeted to be expended from this trust for painting and security cameras. No funds are budgeted to be expended from this trust in 2017/2018.

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 2016/2017 or 2017/2018.

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 2016/2017 a total of $23,400 in donations and grants are budgeted to be received and $139,300 is budgeted to be expended. The projected balance in this trust is $59,987 at the end of 2016/2017. Grants and donations budgeted to be received in 2017/2018 total $8,200 and $8,000 is budgeted to be expended. The projected balance in this trust at the end of 2017/2018 is $60,187.

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. In 2016/2017, $20,000 was transferred from this fund to the Community Foundation of Greater Muscatine. These funds combined with other sources will provide an annual grant for the Muscatine Art Center. No funds are budgeted to be expended from this trust in 2017/2018. The projected balance in this trust at the end of 2017/2018 is $279,145.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 107,567	$ 105,006	$ 102,706	$ 105,795	$ 100,695
Revenues					
Interest	788	789	700	700	700
Funds Available	$ 108,355	$ 105,795	$ 103,406	$ 106,495	$ 101,395
Expenditures					
Contractual Services	3,349	0	3,000	5,800	0
Ending Balance, June 30	$ 105,006	$ 105,795	$ 100,406	$ 100,695	$ 101,395
Increase (Decrease) in Fund Balance	**$ (2,561)**	**$ 789**	**$ (2,300)**	**$ (5,100)**	**$ 700**

Alice Schaeffer Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 43,630	$ 43,946	$ 44,246	$ 44,264	$ 44,564
Revenues					
Interest	316	318	300	300	300
Funds Available	$ 43,946	$ 44,264	$ 44,546	$ 44,564	$ 44,864
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 43,946	$ 44,264	$ 44,546	$ 44,564	$ 44,864
Increase (Decrease) in Fund Balance	**$ 316**	**$ 318**	**$ 300**	**$ 300**	**$ 300**

Art Center Donations Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 44,408	$ 44,565	$ 146,865	$ 175,887	$ 59,987
Revenues					
Donations	$ 7,274	$ 38,211	$ 6,000	$ 10,500	$ 6,000
Special Project Donations	0	160,000	0	10,700	0
Interest	50	161	50	100	100
Art Center Grants	0	16,613	7,200	2,000	2,000
Other	31,265	2,495	50	100	100
Total Revenues	$ 38,589	$ 217,480	$ 13,300	$ 23,400	$ 8,200
Funds Available	$ 82,997	$ 262,045	$ 160,165	$ 199,287	$ 68,187
Expenditures					
Art Center Materials	$ 0	$ 3,052	$ 7,400	$ 1,600	$ 2,000
Contractual Services	15,832	47,762	61,700	12,700	2,000
Capital Outlay	32,500	35,344	44,200	125,000	4,000
Total Expenditures	$ 48,332	$ 86,158	$ 113,300	$ 139,300	$ 8,000
Ending Balance, June 30	$ 34,665	$ 175,887	$ 46,865	$ 59,987	$ 60,187
Increase (Decrease) in Fund Balance	**$ (9,743)**	**$ 131,322**	**$ (100,000)**	**$ (115,900)**	**$ 200**

Brad Burns Trust

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 291,207	$ 293,271	$ 295,171	$ 295,345	$ 277,245
Revenues					
Interest	2,064	2,074	1,900	1,900	1,900
Funds Available	$ 293,271	$ 295,345	$ 297,071	$ 297,245	$ 279,145
Expenditures					
Community Foundation Allocation	0	0	0	20,000	0
Ending Balance, June 30	$ 293,271	$ 295,345	$ 297,071	$ 277,245	$ 279,145
Increase (Decrease) in Fund Balance	**$ 2,064**	**$ 2,074**	**$ 1,900**	**$ (18,100)**	**$ 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 repairs 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 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 increased to $74.00 per hour in 2016/2017. The labor rate is budgeted to increase to $85.00 per hour in 2017/2018.

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 2017/2018.

CURRENT TRENDS AND ISSUES:

The 2016/2017 revised estimate expenditures are $5,200 more than the original budget. This overall increase is due to the net effect of (1) a $2,400 increase in personal services costs primarily due to the increase in health insurance premiums, (2) a $5,700 increase in repair and maintenance services costs, and (3) a $2,900 decrease in capital outlay. The increase in repair and maintenance services is based on actual costs incurred to date and the estimate for the remainder of the year. Actual repair costs are billed out to each department on a monthly basis.

The 2017/2018 budget is $23,300 (1.9%) more than the original 2016/2017 budget. The budget includes an increase of $17,400 in personal services, a $2,800 increase contractual services, a $2,600 increase in capital outlay, and a $500 increase in administrative fee transfers. The personal services increase includes $7,200 in

for increased wages, $8,400 for increased health insurance premiums, and a $1,800 increase in other employee benefits. The capital outlay allocation of $9,800 is for new software for record keeping and inventory control.

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. The fund balance in this operation has been decreasing in the last several years. This has resulted in the budgeted labor rate increase from $74.00 per hour to $85.00 per hour for 2017/2018. The Equipment Services operation is expected to have a small surplus (net of inventory) of $3,555 on June 30, 2017 and with the labor rate increase the fund balance is projected at $16,355 on June 30, 2018.

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 2013/2014	Actual 2014/2015	Actual 2015/2016	Estimated 2016/2017	Estimated 2017/2018
Autos, Pickups, Flatbeds Serviced	234	204	190	220	220
Trucks, Buses, Garbage Trucks Serviced	146	139	131	130	130
Heavy Equipment/Tractors Serviced	28	28	30	30	30
Gallons of Gasoline Dispensed	77,977	84,700	82,920	85,000	85,000
Gallons of Diesel Fuel Dispensed	73,526	68,455	70,155	71,400	71,400
Preventative Maintenance Work Orders	982	1,120	1,058	1,100	1,100
Emergency Maintenance Work Orders	440	589	769	830	830
Work Orders Completed	1,422	1,709	1,827	1,940	1,940
Total Miles Driven (all vehicles)	1,165,847	1,172,512	1,177,943	1,200,000	1,200,000

RECENT ACCOMPLISHMENTS:

During the past year, obsolete parts were removed from the parts room and the room was restocked with parts that fit the current fleet. The department will continue to lean out the parts inventory since there is no reason to stock items that are readily available at any of the area parts stores.

New toolboxes were purchased for the three mechanics in the shop. The new toolboxes have adequate room for staff to organize their tools. The old tool boxes were given to the Roadway Maintenance and Building and Grounds divisions. There were also several new shop jacks purchased since the old ones had stopped working or had become unsafe. A new flatbed utility bed was installed on the 1991 shop truck to replace the old one that was rusted and rotting. When the City looks at replacing the truck, the utility bed will be re-installed on the new truck.

Another Public Surplus Auction was held this past summer which netted $14,363. There were several old vehicles that were sold, as well as a building, an old transfer trailer, and other item. This continues to be a viable way to dispose of old inventory and items no longer needed.

The department looked at several software packages this past summer and staff has preliminarily selected one which best fits this operation.

OBJECTIVES TO BE ACCOMPLISHED IN 2017/2018:

* To install and put into service the maintenance tracking software program. There will be a significant amount of data that will be required to be entered as well as training for the Vehicle Maintenance Supervisor. That training is included in the cost of the software.

* To continue looking for other ways to become more lean and efficient in the vehicle maintenance operation.

* To cross train an employee to perform the duties in the absence of the Vehicle Maintenance Supervisor.

Equipment Services Operations

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance (Deficit), July 1	$ (54,058)	$ (68,038)	$ (69,738)	$ (86,696)	$ (104,896)
Revenues					
Charges for Services - City Departments	$ 1,162,219	$ 909,723	$ 1,243,400	$ 1,233,400	$ 1,285,900 (2)
Miscellaneous	1,062	760	500	3,900	500
Total Revenues	$ 1,163,281	$ 910,483	$ 1,243,900	$ 1,237,300	$ 1,286,400
Funds Available	$ 1,109,223	$ 842,445	$ 1,174,162	$ 1,150,604	$ 1,181,504
Expenditures (1)	1,177,261	929,141	1,250,300	1,255,500	1,273,600
Ending Balance (Deficit), June 30	$ (68,038)	$ (86,696)	$ (76,138)	$ (104,896)	$ (92,096)
Allowance for Inventory	117,654	108,451	117,654	108,451	108,451
Net Balance, June 30	$ 49,616	$ 21,755	$ 41,516	$ 3,555	$ 16,355
Increase (Decrease) in Net Balance	**$ (13,980) (2)**	**$ (18,658) (2)**	**$ (6,400)**	**$ (18,200) (2)**	**$ 12,800**

1. Expenditures include changes in compensated absences and other postemployment benefits.
2. Due to decreasing fund balances in this operation, the labor rate charge is budgeted to increase from $74.00 to $85.00 per hour for 2017/2018.

Table of Contents

Function:
Internal Service

Department:
Public Works

Activity:

Equipment Services Operations

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Percent Change
Expenditure Summary						
Personal Services	$ 326,552	$ 309,368	$ 328,000	$ 330,400	$ 345,400	5.30%
Commodities	516,012	391,582	583,400	583,400	583,400	0.00%
Contractual Services	324,506	197,400	314,400	320,100	317,200	0.89%
Capital Outlay	185	8,314	7,200	4,300	9,800	36.11%
Transfers	16,300	16,800	17,300	17,300	17,800	2.89%
Total Expenditures	$ 1,183,555	$ 923,464	$ 1,250,300	$ 1,255,500	$ 1,273,600	1.86%
Funding Sources						
Charges for Services	$ 1,162,219	$ 909,723	$ 1,243,400	$ 1,233,400	$ 1,285,900	3.42%
Other	1,062	760	500	3,900	500	
Total Funding Sources	$ 1,163,281	$ 910,483	$ 1,243,900	$ 1,237,300	$ 1,286,400	3.42%

Personnel Schedule

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018	Budget Amount 2017/2018
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	$ 220,600
Employee Benefits						124,800
Total Personal Services						$ 345,400

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Software for Vehicle Maintenance and Inventory Tracking	1	No	$ 9,800
Total			$ 9,800

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

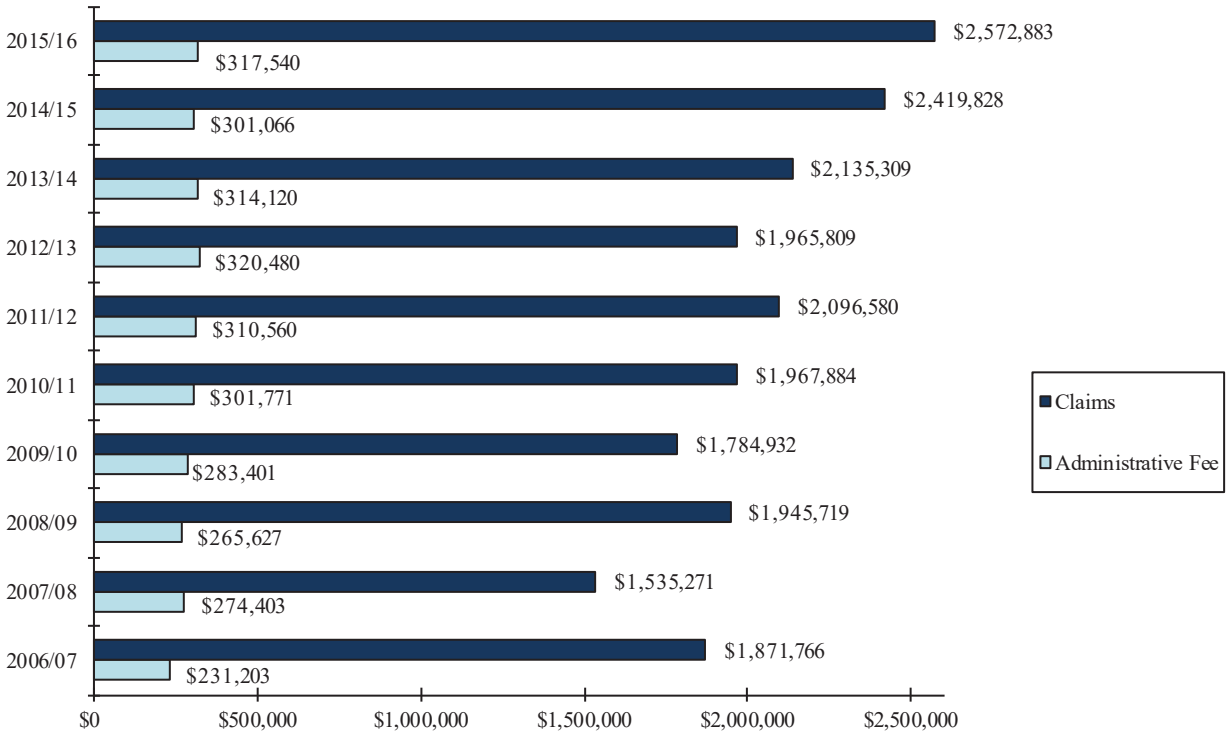
GENERAL INFORMATION:

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 2006/2007.

Health Insurance Claims and Administrative Fees

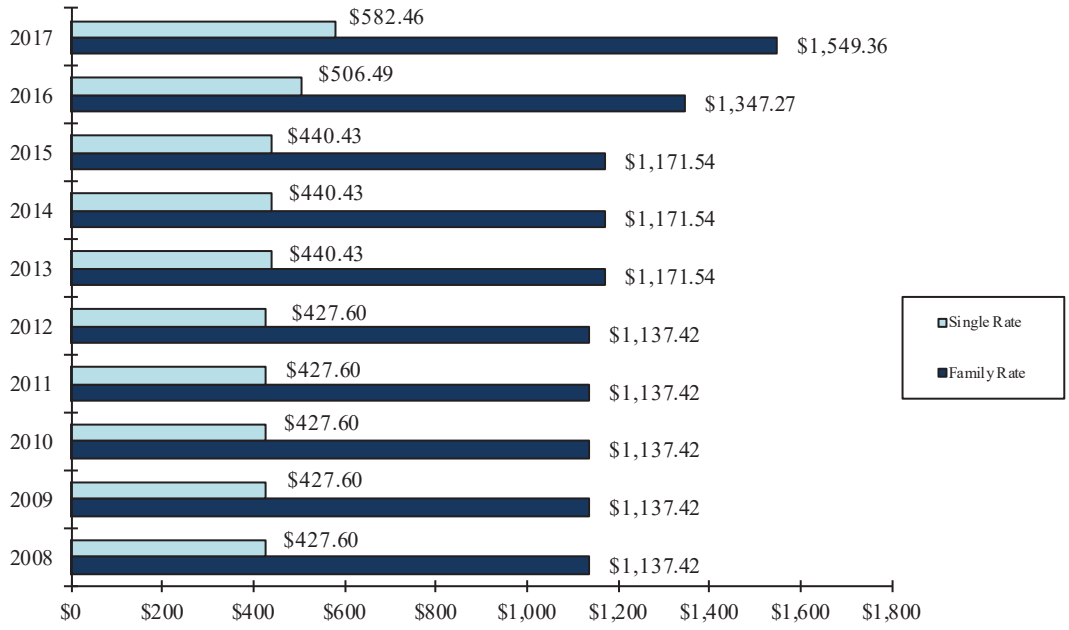


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the following table. For January 1, 2007 rates increased by 11.6% for both single and family coverage. This increase was 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. For January 1 2017, due to continued high levels of claims, rates were again 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. In 2017, the deductibles and out-of-pocket maximums were maintained for both single and 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. Effective January 1, 2017 the City's health insurance rates for both the single and family coverage increased again by 15% to $582.46 and $1,549.36, respectively. As of January 1 2016, the City also increased the individual stop loss limit from $75,000 to $100,000. The individual stop loss limit remained at $100,000 for 2017. The annual aggregate maximum level has been established at $3,660,800 for calendar year 2017 compared to $3,316,700 for

calendar year 2016. The annual aggregate amounts reflect 125% of expected claims for 2016 and 2017 for the City's group. The premium rates for 2016 included an administrative fee of $121.80 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 2017 the monthly administrative fee increased to $132.77 per month.

The 2016/2017 revised estimate and 2017/2018 budget each include $5,400 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 2016/2017 revised estimate and 2017/2018 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 $58,600 for the 2016/2017 revised estimate and $60,500 for the 2017/2018 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 was $2.08 per covered person and the cost was $1,298. The fee increased to $2.17 per covered person ($1,336) in 2016/2017. The fee for 2017/2018 is $2.26 per covered person and is estimated at $1.400. 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 was $27 per covered person for 627 members and the cost was $16,929. Fiscal year 2016/2017 is the final year for the transitional reinsurance fee.

The 2017/2018 budget includes estimated health insurance claims costs of $3,092,000 which is higher than Wellmark Blue Cross/Blue Shield's projected claims of $2,928,591 for our group for calendar year 2017. Based on this claims projection, the Health Insurance fund balance is estimated at $1,023,197 at the end of 2017/2018. 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 $3,660,800 for 2017. In the event the City's actual claims exceed the expected amount of $2,928,591 for calendar year 2017, 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 2017, if claims would reach the 125% maximum level of $3,660,800, the fund balance would decrease by $684,355. This would be the "worst case" scenario. The projected fund balance of $1,023,197 at the end of 2017/2018 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 increased from 5% to 6% effective January 1, 2017. The contribution will increase 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 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 1,773,400	$ 1,445,978	$ 1,147,278	$ 1,121,997	$ 1,020,997
Revenues					
Interest	$ 1,960	$ 1,693	$ 1,500	$ 1,500	$ 1,500
City Contributions	2,149,108	2,337,902	2,650,300	2,788,600	3,112,400
Employee Contributions	154,167	171,413	190,000	199,300	238,400
Retiree Contributions	184,760	142,051	172,900	159,500	179,100
Miscellaneous	2,575	8,134	0	500	0
Total Revenues	$ 2,492,570	$ 2,661,193	$ 3,014,700	$ 3,149,400	$ 3,531,400
Funds Available	$ 4,265,970	$ 4,107,171	$ 4,161,978	$ 4,271,397	$ 4,552,397
Expenditures					
Health Insurance Claims	$ 2,419,828	$ 2,572,883	$ 2,680,000	$ 2,821,500	$ 3,092,000
Administrative Fees	301,066	317,540	337,100	336,400	359,300
Flexible Benefit Plan Fees	4,780	5,377	5,000	5,400	5,400
Audit Fees	1,075	1,075	1,100	1,100	1,100
State Assessment	0	5,554	6,000	6,000	6,000
Wellness Tracking Program	0	77	1,900	200	500
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,252	1,298	1,300	1,300	1,400
Transitional Reinsurance Fee	39,249	26,840	16,900	16,900	0
Transfers Out					
General Fund Wellness Program	49,742	51,530	58,600	58,600	60,500
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	$ 2,819,992	$ 2,985,174	$ 3,110,900	$ 3,250,400	$ 3,529,200
Ending Balance, June 30	$ 1,445,978	$ 1,121,997	$ 1,051,078	$ 1,020,997	$ 1,023,197
Increase (Decrease) in Fund Balance	**$ (327,422)**	**$ (323,981)**	**$ (96,200)**	**$ (101,000)**	**$ 2,200**

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 limit was set at $75,000 through 2015 and it was increased to $100,000 beginning in 2016. The aggregate stop loss limit is set at 125% of expected claims for the City's group. The fund balance has decreased in recent years due to higher claims levels. The 15% premium increases for both 2016 and 2017 were needed to fund the higher claims levels. Based on the budget projections for 2017/2018, revenues from premiums are budgeted at a level which will fund expected claims for the City's group and a minimal change in fund balance is expected. 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 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. These rates, including the administrative fee, were maintained for 2017. The 2017/2018 budget allows for the dental insurance rates to increase by 5% effective January 1, 2018.

For the 2017/2018 year, City, employee, and retiree contributions are estimated at $160,500. The administrative fee is projected at $10,400 and claims at $150,000. An estimated fund balance of $12,435 is projected for June 30, 2018.

Dental Insurance Fund

Fund Statement

	Actual 2014/2015	Actual 2015/2016	Budget 2016/2017	Revised Estimate 2016/2017	Budget 2017/2018
Beginning Balance, July 1	$ 3,552	$ 1,229	$ 2,029	$ 12,535	$ 12,335
Revenues					
City Contributions	$ 65,366	$ 70,889	$ 75,800	$ 74,900	$ 76,500
Employee Contributions	68,452	73,024	77,900	75,700	76,500
Retiree Contributions	7,407	7,016	8,100	7,100	7,500
Interest	15	18	0	0	0
Total Revenues	$ 141,240	$ 150,947	$ 161,800	$ 157,700	$ 160,500
Funds Available	$ 144,792	$ 152,176	$ 163,829	$ 170,235	$ 172,835
Expenditures					
Dental Insurance Claims	$ 134,042	$ 130,142	$ 150,500	$ 148,000	$ 150,000
Administrative Fees	9,521	9,499	10,100	9,900	10,400
Total Expenditures	$ 143,563	$ 139,641	$ 160,600	$ 157,900	$ 160,400
Ending Balance, June 30	$ 1,229	$ 12,535	$ 3,229	$ 12,335	$ 12,435
Increase (Decrease) in Fund Balance	**$ (2,323)**	**$ 11,306**	**$ 1,200**	**$ (200)**	**$ 100**

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.

Major Employers and Major Tax Payers

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.

Major Employers:

Employer	Product/Service	Approximate Number of Employees *
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	189
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	900
Heinz, U.S.A.	Food processing	395
Hy-Vee Food Stores	Grocery store	396
HNI Corporation (HON Company/Industries)	Office furniture and material	3,800
Monsanto Company	Herbicides and ABS plastics	432
Muscatine Community School District	Education	853
Muscatine Community College	Higher education	149
County of Muscatine	County government	195
City of Muscatine	City government	221
Muscatine Power & Water	Utility	280
Musco Sports Lighting, Inc.	Sports lights	320
Stanley Consultants, Inc.	Engineers and architects	254
Raymond-Muscatine Inc.	Industrial trucks and end loaders	370
UnityPoint Health-Trinity Muscatine	Medical services	468
Wal-Mart Superstores	Discount and grocery store	338

* Employment numbers reflect 2016 levels.

Major Tax Payers:

Taxpayer	Taxable Valuation*	Rank	% of Total Taxable Value
Grain Processing/Kent Feed	$ 40,193,439	1	4.7%
HNI Corporation (HON Industries)	29,516,007	2	3.5%
Wal-View Development	29,140,965	3	3.4%
Heinz, U.S.A.	9,797,778	4	1.2%
Menard Inc.	9,725,760	5	1.1%
Wal-Stores, Inc.	9,386,208	6	1.1%
Sodarock Properties	9,071,753	7	1.1%
Bridgestone Bandag LLC	8,417,457	8	1.0%
GRIDCO LLC	6,799,922	9	0.8%
Muscatine Downtown Investors	5,913,522	10	0.7%

(Continued)

(Continued)

Taxpayer	Taxable Valuation*	Rank	% of Total Taxable Value
First National Bank of Muscatine	$ 5,718,807	11	0.7%
SECO Investment Co.	5,533,218	12	0.7%
W I D, Inc.	5,328,045	13	0.6%
Muscatine Mall Management II	5,089,428	14	0.6%
Davenport Farm & Fleet Inc.	5,006,331	15	0.6%
Prime Mover Company	4,894,308	16	0.6%
Central State Bank	4,644,516	17	0.5%
LHV Muscatine LLC (Hy-Vee Inc.)	4,563,810	18	0.5%
Muscatine Medical Associates	4,201,362	19	0.5%
Muscatine Plaza Properties	4,170,941	20	0.5%

*January 1, 2016 valuations for property taxes paid in fiscal year 2017/2018.

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	1,408
Central Middle School	6-8	1938	562
West Middle School	6-8	1960	578
Colorado Elementary	K-5	1962	262
Franklin Elementary	K-5	1954	309
Grant Elementary	K-5	1954	372
Jefferson Elementary	K-5	1928	446
Madison Elementary	K-5	1954	294
McKinley Elementary	K-5	1960	411
Mulberry Elementary	K-5	1962	297
Total			4,939

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:

	2012	2013	2014	2015	2016	
Single Family Homes						
Number of New Homes:	15	10	7	14	5	
Valuation:	$2,144,865	$2,525,540	$1,030,200	$2,517,358	$1,155,280	
Home Remodel & Improvements						
Number of Permits Issued:	325	259	255	288	264	
Valuation:	$2,754,000	$1,784,904	$2,579,082	$3,271,433	$3,008,692	
Multiple-Family Dwelling						
Number of New Buildings:	0	5	8	0	0	
Valuation:	$0	$2,280,540	$1,731,440	$0	$0	
Commercial/Industrial/Other						
Number of New Buildings:	6	5	26	27	11	
Valuation:	$4,387,265	$15,021,973	$22,488,472	$6,548,923	$20,879,176	(1)
Commercial/Industrial/Other Additions & Alterations						
Number of Permits Issued:	47	76	55	38	20	
Valuation:	$30,432,120	$12,490,299	$4,912,011	$6,104,135	$6,494,417	(1)
Total Permits:	393	355	351	367	300	
Total Valuations:	$39,718,250	$34,103,256	$32,741,205	$18,441,849	$31,537,565	

1. 2016 permit values include initial permits for both the Riverfront Hotel and the HNI renovation projects.

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
2016	3.90%	3.70%
2015	3.90%	3.80%
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%

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
2016	$ 420,394,482	732
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

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%

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	224
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	20
Soccer fields	8
Tennis courts	8
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	19,861
Circulation	485,269
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
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