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CITY OF MUSCATINE PRESS RELEASE

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GOOD NEWS! CITY FINANCIAL RESERVE CONTINUES TO GROW

Finance report one of five presentations at October 10 In-Depth City Council session

MUSCATINE, Iowa – The City of Muscatine General Fund balance continues to grow as almost all city departments finished the 2018-2019 Fiscal Year under budget and that is good news for the citizens of Muscatine.

Finance Director Nancy Lueck provided the Muscatine City Council with an overview of the Budget Basis Financial Statement for the year ending June 30, 2019 on Thursday (October 10) and noted that the fund balance was at nearly \$4.8 million or 24.1 percent of FY2018/2019 expenditures.

“It has been a very good year for the City of Muscatine,” Lueck said. “Having this fund balance is important to have on hand in case of emergencies. And you do not know what the future backfill payments from the state will be or what changes there may be in ATE revenue.”

The General Fund balance has increased from \$1.7 million on June 30, 2010 to \$4.8 million on June 30, 2019.

“This safety net is a good indication of the strength of the General Fund and is something that bond rating agencies look at,” Lueck said.

The General Fund policy adopted November 2013 provides that the minimum balance be at least 16.7 percent of General Fund expenditures which amounts to two months of expenditures. The policy adds that balances of 25 percent or higher would add to the financial stability of the City while allowing more flexibility in addressing revenue or expenditure fluctuations and disaster situations.

That goal has been met in each of the last eight years with six of those years finishing above 20 percent of expenditures.

“I want to thank the finance department staff and every department head for their stewardship of their budgets,” City Administrator Gregg Mandsager said. “Situations arise that make it very difficult to stay within the budget but we have a tremendous staff that can find solutions where many would find none. It is a great pleasure to be working with people who are dedicated to fiscal responsibility of the people’s money.”

The original budget for Fiscal Year 2018-2019 had an ending fund balance of \$4.3 million with the revised estimate increasing that to \$4.6 million, and the actual ending balance ending higher than either estimate at \$4.8 million. The estimate projected percentage was 21.6 percent and that increased to 24.1 percent at the end of the fiscal year.

Lueck noted that there were positive fund balances in all of the City’s operating funds with the exception of the Transfer Station fund that had a deficit of \$3,826. That is less than the \$60,468 deficit from FY2017-2018 and less than the revised estimate deficit of \$25,968.

Weather also played a big part in the generation of revenue and in expenditures during the past fiscal year. Parks and Recreation was under their estimated revenue by \$55,444 due to the spring flood along with wet conditions and cool temperatures that reduced income at the Riverview Center and Pearl City Station in Riverside Park, the Aquatic Center, Kent Stein Park, and the Soccer Complex.

The snow and ice of last winter resulted in the Public Works Department spending \$30,426 more than their revised estimate.

“Overall it was a good year for the budget,” Lueck said. “And that is a good thing considering the uncertainties of future revenue sources.”

See [Financial Presentation \(PDF\)](#).

ECONOMIC INCENTIVE PROGRAM EXPANDING

City planner Lindsay Whitson presented to the City Council on the success and expansion of the Small Business Forgivable Loan program.

The City of Muscatine allocates \$100,000 each year for the Small Business Forgivable Loan (SBFL) program which seeks to promote and incentivize in-fill and redevelopment in targeted areas throughout Muscatine with new or expanding districts. There are three eligible districts including Downtown Muscatine, Grandview Avenue, and Park Avenue.

“The maximum award is \$25,000 with \$15,000 for startup costs and \$10,000 for code compliance,” Whitson said. “A one to one match is also required of the applicant.”

Whitson also reviewed the award process and noted that \$482,940 has been awarded in the six year history of the program. Private contributions over the course of the program’s history have exceeded \$2.5 million.

The City is now looking to expand the SBFL program include code compliance and ADA (Americans with Disabilities Act) improvements targeting older areas in Muscatine. Existing businesses would be able to use this new program to comply with code requirements and to meet ADA requirements for their establishment. It will not be available to expanding businesses, however, is limited to \$10,000, and requires a one-to-one match.

Another program that is being developed by the Community Development Department is a Façade Grant Program. This program is for establishments on 2nd Street from Pine to Mulberry that have frontage on 2nd Street. A maximum of \$15,000 per award, with a one-to-one match,

would be available to business owners along with a binding commitment to maintain the improvements.

See [Small Business Presentation \(PDF\)](#).

PUBLIC WORKS DISCUSSION

Public Works Director Brian Stineman presented two discussions to the Muscatine City Council Thursday including a discussion on the ongoing pavement problems on 25th Street and 47th Avenue on the south side of Muscatine, and the flooding issues on Lake Park Boulevard near the Mad Creek bridge.

Several options were presented on both subjects with the Council asking for more information on gravel versus seal coating on 25th Street and 47th Avenue, and whether to add these two street sections to the asphalt street matrix. Stineman did note that adding the streets to the matrix may extend the time before they meet the criteria for the repair work.

The Council also sought more information on two options for reducing the impact of flash flooding on Lake Park Boulevard.

See [25th Street and 47th Street Discussion \(PDF\)](#).

See [Lake Park Boulevard Discussion \(PDF\)](#).

PAPOOSE CREEK LIFT STATION

Water Resource and Recovery Facility Director Jon Koch presented to the Muscatine City Council a discussion on the Papoose Creek Lift Station and flooding of downtown basements. Koch described the operation of the Lift Station, the requirements of the Iowa Department of Natural Resources (DNR) to the operation of the facility, and how the operation of the facility could impact businesses located near the Mississippi River.



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“We do as much as we can to prevent water backing up into Papoose Creek and causing flooding issues to these businesses,” Koch said. “But we cannot pump the Mississippi River and in times of high water, we close the sluice gate to limit the backflow.”

Koch also noted that the City is working with the IDNR to ensure that they are kept informed on any Combined Sewer Overflows (CSO) as the City works around the problem.

See [Papoose Creek Presentation \(PDF\)](#).