

*City of Muscatine,
Iowa*



*Annual Budget
Fiscal Year 2019/2020*

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

**FOR THE FISCAL YEAR
JULY 1, 2019 - JUNE 30, 2020**

CITY OFFICIALS

**Diana Broderson
Mayor**

City Council

Philip Fitzgerald	Osmond Malcolm
Tom Spread	Nadine Brockert
Allen Harvey	Kelcey Brackett
Santos Saucedo	

BUDGET PREPARED BY:

Gregg Mandsager, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor

COVER:

**Portion of the recently reconstructed Mississippi Drive which
runs between Downtown Muscatine and the Mississippi River**

City of Muscatine

Mayor and City Council



Left to Right:

**Councilmembers Santos Saucedo, Allen Harvey, Tom Spread,
and Nadine Brockert, Mayor Diana Broderson, Councilmembers Kelcey
Brackett, Phil Fitzgerald, and Osmond Malcolm**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Muscatine
Iowa**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

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, 2018. This was the 34th 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

<u>Director/Department</u>	<u>E-mail Address</u>	<u>Telephone</u>
Gregg Mandsager City Administrator	<u>gmandsager@muscatineiowa.gov</u>	563-264-1550
Melanie Alexander Art Center Director	<u>malexander@muscatineiowa.gov</u>	563-263-8282
Jodi Royal-Goodwin, Community Development Director	<u>jroyal-goodwin@muscatineiowa.gov</u>	563-262-4141
Nancy A. Lueck, Finance Director	<u>nlueck@muscatineiowa.gov</u>	563-264-1550
Jerry Ewers, Fire Chief	<u>jewers@muscatineiowa.gov</u>	563-263-9233
Pam Collins Library Director	<u>pcollins@muscatineiowa.gov</u>	563-263-3065
Richard Klimes, Director of Parks and Recreation	<u>rklimes@muscatineiowa.gov</u>	563-263-0241
Brett Talkington, Police Chief	<u>btalkington@muscatineiowa.gov</u>	563-263-9922
Brian Stineman, Public Works Director	<u>bstineman@muscatineiowa.gov</u>	563-263-8933
Jon Koch, Director of Water Pollution Control	<u>jkoch@muscatineiowa.gov</u>	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 of 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 business. 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 Iowa 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
<u>Introductory Section</u>	1
<u>Budget Message</u>	2
<u>Financial Management Policies</u>	32
<u>General Fund Balance Policy</u>	37
<u>Fund Structure Overview and Basis of Accounting and Budgeting</u>	39
<u>Budget Calendar</u>	42
<u>Budget Preparation and Amendment Process</u>	44
<u>City Organizational Chart</u>	47
<u>Entity-Wide Budget Overview</u>	48
<u>Budget Summary Schedules – Individual Major Funds and Non-Major Funds Combined</u>	49
<u>Budget Summary Schedules for City Operating Funds</u>	58
<u>Budget Summary</u>	59
<u>Fund Statement</u>	60
<u>Revenue and Expenditure Summaries</u>	61
<u>Revenue and Expenditure Comparisons</u>	63
<u>Matrix of 2019/2020 Operating Budget by Function</u>	70
<u>Employee Authorization History</u>	72
<u>Property Tax Schedules</u>	75
<u>Property Tax Levy Comparison</u>	76
<u>Schedules of Taxable Valuation</u>	77
<u>Tax Levies By Entity - Historical Comparison</u>	80
<u>Major Revenue Sources Schedules</u>	81
<u>Department Organizational Charts</u>	105
<u>General Fund</u>	115
<u>Fund Statement</u>	124
<u>Revenue and Expenditure Comparisons</u>	125
<u>Summary of Revenues By Type</u>	128
<u>Revenue Detail</u>	129
<u>Summary of Expenditures By Type</u>	135
<u>Expenditure Detail</u>	136

General Government Function

[Mayor and Council](#) 138

[Legal Services](#) 143

[City Administrator](#) 146

[Human Resources](#) 153

[Wellness Program](#) 157

[Finance and Records](#) 161

[Information Technology](#) 167

[Risk Management](#) 171

[Buildings and Grounds](#) 176

Public Safety Function

[Police Operations](#) 182

[Animal Control](#) 190

[Fire Operations](#) 194

Culture and Recreation Function

[Library](#) 201

[Cable Television Operations](#) 207

[Art Center](#) 210

[Parks and Recreation](#)

[Administration](#) 216

[Park Maintenance](#) 221

[Kent Stein Park Operations](#) 225

[Soccer Complex Operations](#) 228

[Aquatic Center](#) 232

[Recreation](#) 237

[Cemetery](#) 241

Health and Social Services Function

[Economic Well-Being](#) 245

Community and Economic Development Function

[Community Development](#) 247

[Economic Development](#) 255

Public Works Function

[Public Works Administration](#) 259

[Roadway Maintenance](#) 264

[Traffic Control Operations](#) 269

[Snow and Ice Control](#) 272

	Page
<u>Street Cleaning</u>	275
<u>Engineering Operations</u>	278
 Transfers and Assigned Funding	
<u>Equipment Replacement Subsidy</u>	282
<u>Transit Subsidy</u>	285
<u>Airport Subsidy</u>	287
<u>Levee Project Subsidy</u>	289
<u>Assigned Funding Allocations</u>	291
 <u>Business-Type/Enterprise Funds</u>	 293
<u>Airport Operations</u>	294
<u>Transit Operations</u>	299
<u>Parking System</u>	306
<u>Golf Course</u>	313
<u>Boat Harbor Operations</u>	324
<u>Marina Operations</u>	329
<u>Soccer Events</u>	333
<u>Ambulance Operations</u>	337
<u>Convention and Visitors Bureau</u>	343
 Solid Waste Management	
<u>Refuse Collection</u>	349
<u>Landfill Operations</u>	357
<u>Transfer Station Operations</u>	369
 <u>Water Pollution Control</u>	 378
<u>Reserve Funds</u>	387
Operations	
<u>Fund Statement</u>	390
<u>Revenue and Expenditure Summaries</u>	391
<u>Administration</u>	393
<u>Plant Operations</u>	394
<u>Pumping Stations</u>	395
<u>Laboratory Operations</u>	396
<u>Biosolids Operations</u>	397
<u>High Strength Waste Operations</u>	398
 <u>Collection and Drainage</u>	 399
 <u>Storm Water Operations</u>	 406

	Page
<u>Special Revenue Funds</u>	410
<u>Employee Benefits</u>	411
<u>Emergency Tax Levy</u>	416
<u>Road Use Tax</u>	418
<u>Local Option Sales Tax</u>	422
<u>Equipment Replacement</u>	427
<u>Computer Replacement</u>	431
<u>Tax Increment Fund - Downtown</u>	434
<u>Tax Increment Fund - South End</u>	438
<u>Tax Increment Fund – Cedar Development</u>	443
<u>Tax Increment Fund – Muscatine Mall</u>	445
<u>Tax Increment Fund – Industrial (Heinz)</u>	447
<u>Tax Increment Fund – Highway 38 Northeast</u>	449
<u>Tax Increment Fund – Fridley Theaters</u>	452
<u>Tax Increment Fund – Riverview Hotel</u>	454
<u>Tax Increment Fund – North University Area</u>	456
<u>Riverview Reinvestment District</u>	458
<u>Community Development Block Grant Fund</u>	460
<u>Small Business Forgivable Loan Program</u>	462
<u>Police Forfeiture Fund</u>	464
<u>Municipal Housing Programs</u>	466
<u>Debt Service Funds</u>	495
<u>Debt Service Fund</u>	496

<u>Capital Improvement Program</u>	508
<u>Capital Improvements Program</u>	509
<u>Project Information 2018/2019</u>	513
<u>Project Information 2019/2020</u>	524
<u>Project Budget Summary 2018/2019</u>	532
<u>Project Budget Summary 2019/2020</u>	533
<u>Capital Outlay Items in Department Operating Budgets</u>	534
<u>Five Year Capital Improvement Program Summary</u>	538
<u>Other Funds</u>	544
Trust Funds	
<u>Perpetual Care Trust</u>	545
<u>Perpetual Care Interest Trust</u>	547
<u>Special Cemetery Trusts</u>	549
<u>Library Trust Funds</u>	551
<u>Art Center Trust Funds</u>	553
Internal Service Funds	
<u>Equipment Services</u>	558
<u>Health Insurance</u>	563
<u>Dental Insurance</u>	567
<u>Supplemental Information</u>	569
<u>Appendix A - Community Background</u>	570
<u>Appendix B - Community Profile</u>	577
<u>Appendix C - Glossary</u>	579
<u>Appendix D - Acronyms and Abbreviations</u>	584

INTRODUCTORY

SECTION



TO: Mayor Diana Broderson and Members of City Council

SUBJECT: Budget Message - FY 2019/2020

DATE: March 15, 2019

The budget for fiscal year 2019/2020 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 34th consecutive Distinguished Budget Presentation Award for the fiscal year 2018/2019 City Budget. The budget for fiscal year 2019/2020 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2019/2020 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 8, 2018 to discuss and establish goals and objectives for 2019/2020. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2019 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.

<p><i>OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020 AND FUTURE YEARS</i></p>
--

Ongoing Opportunities

- Attract employees that work in Muscatine, but do not live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate. Explore opportunities for joint meetings.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, and increase the City's General Fund balance.
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Increase community awareness and engagement (Tell Muscatine's story).

Council and Management Agenda 2019-2020

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development
- Monitor the City's Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
- Evaluate the new Federal Opportunity Zones rules and potential to participate
- Industrial Park (South End) – Create new TIF District
- Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Create a downtown façade program
- Market economic development programs
- Budget for and create/review website and signage opportunities.
- Work with local banks, real estate companies and others to promote plans and incentives
- Monitor Port opportunities based upon feasibility study results
- Monitor infrastructure grant opportunities
- Review final feasibility and partnership opportunities
- Develop vision and prepare RFP for the redevelopment of the “Carver Corner” area and “old” library
- Adopt policies or guidelines on public art and communications on city-owned land and right-of-ways (CIAT (Community Improvement Action Team) or Council Subcommittee)
- Develop a comprehensive plan or vision for the downtown and our gateways
- Design and construct 2nd Street “Streetscape” project addressing stormwater at the same time

Housing

- Promote and communicate 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 potential for low income assistance for property maintenance (i.e. CDBG)
- Budget for or identify grants for building demolition and/or acquisition
- Work with community and neighborhood stakeholders to develop plans to improve and revitalize specifically targeted areas in partnership with community stakeholders to leverage infrastructure improvements, aesthetic enhancements, incentives, and land use regulations processes
- Review and sell, redevelop, repurpose or demolish nuisance and city-owned properties (create assets versus liabilities)
- Market the Housing Demand Study (Downtown, Single Family, Multi Family, Pocket Neighborhoods, etc.)
- Identify public, private and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Monitor and review the youth diversion program for at risk youth in cooperation with the Police Department, School District, Juvenile Probation and other parties. Educate and train staff. Review opportunities to incorporate a high risk youth program.
- Continue to educate staff and council on security issues (active killer, etc.). Review and complete security upgrades at City Hall and all City facilities.
- Review and assess IT staffing and security needs, including the potential to outsource additional staffing needs.

Marketing, Communication, and Engagement

- Review (make it our own), prioritize, and implement 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, Muscatine Power and Water, Unity Point - Trinity Muscatine, and the Convention and Visitors Bureau (CVB)
- Enhance the City's website, expand the use of social media tools for public communication, and explore opportunities for a city mobile application (app)
- 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).
- Market the many good things happening in Muscatine
- Work to create strong community and neighborhood events with active participants
- Encourage participation in Muscatine, whether it be in local government or with any of the other numerous opportunities
- Create or improve public gathering places
- Work to create a strong sense of community
- Work to have more people calling Muscatine their "hometown"
- Strengthen community service partnerships
- Continuous Service Improvement (Processes, Technology and Efficiency)
- Improve organizational effectiveness, efficiency, cooperation, transparency and customer service
- Bring technology to the field (drive efficiency)
- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment downtown and other areas in need (i.e. gateways and major corridors)

- Continue to support LEAN initiatives and city-wide process improvements
- Rework and present training to employees (ongoing process)
- Identify employees across departments who have an interest in training and reinvigorating the program
- Benchmark with local businesses and the Iowa Lean Consortium
- Sustainability
- Develop a Sustainable Muscatine program and the associated policies 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, facilities and operations locally and regionally.

Key Projects, Programs and Placemaking

- 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 CIP with focus on existing infrastructure
- Mississippi Drive
- Construct 2nd and Mulberry, Carver Corner (at time of redevelopment), and review options for Broadway to Carver Corner.
- Grandview Avenue (2019-20)
- Park Avenue reconstruction from the bridge to Colorado Street.
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, appropriate trees)
- Complete implementation of Pearls of Progress CAT Grant projects (West Side Trail)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020
- City Hall HVAC and building envelope plan
- Riverfront Master Plan – Develop Implementation Strategy
- Construct 2nd Street “Streetscape” Plan and scope
- WRRF (Water Resource and Recovery Facility) Phase 2 Waste to Energy Project
- Reforestation (Grants, CSO, Downtown, Riverfront, Grandview, right-of-ways, Emerald Ash Borer)
- Review and discuss options for city-wide Stormwater and Sewer opportunities
- Create master plan for the former IDOT maintenance facility for public safety and public works needs as well as to implement a regional stormwater management area (infiltration and retention)
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts and banquet activities and programming
- Review budget and funding opportunities to allow street repair and maintenance (i.e. full depth patch work) to begin in March or April.

The 2019/2020 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 2019/2020 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, was capped at the 2016/2017 funding level. The 2019/2020 budget is based on the City continuing to receive the State reimbursement for the commercial and industrial rollback. There is, however, discussion in the State legislature for phasing out this reimbursement.
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 56.9180%, 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, 82.50% in 2017/2018, 78.75% in 2018/2019, and it will decrease to 75.00% in 2019/2020. The rollback factor will continue to decrease by 3.75% each year until 2023/2024 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, 2017/2018, 2018/2019, and 2019/2020, and will continue to impact taxable valuations in future years.

The 2019 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 ATEs, 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 \$500,000 loss of revenue to the General fund. This amount would be equivalent to \$.56 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 only be able to increase the levy by approximately \$.33 per \$1,000 which would fund the remaining balance of \$54,215 (\$.061 per \$1,000 of valuation) for employee benefits and \$239,929 (\$.27 per \$1,000 of valuation) for the Emergency tax levy. These total to \$294,144 and the City would need to consider other means to make up the remaining shortfall – other revenue enhancements and/or service level reductions.

The City’s 2019/2020 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 2019/2020 budget. The total property tax rate for the 2019/2020 budget is \$15.67209 per \$1,000 of taxable valuation, which is the same total rate as the seven previous years. While the tort liability and debt service tax levies increased for the upcoming year, the City was able to reduce the transit and employee benefits levies in an amount which offset the tort liability and debt service levy 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 2019/2020.

While the tax rate will not change for 2019/2020, rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a 2.29% increase in city property taxes since the rollback factor applied to residential property increased from 55.62097% to 56.9180% (by 2.34%) for the upcoming year. The average residential property in the City of Muscatine has an assessed value of \$110,000. The owner of the average residential property will see an increase of \$22.00 in their city property taxes for 2019/2020. With the rollback decreasing from 78.75% to 75.00% 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 2019/2020. These rollbacks are mandated by the State of Iowa and result in shifting the tax burden between different categories of property.

It was noted in the previous paragraph that the owner of the average home will have an increase of \$22.00 in their City property taxes in 2019/2020 due to the residential rollback increase. The 2019/2020 budget also includes an increase in the utility franchise fee from 2% to 5%. For a home owner with the average annual gas costs of \$783, this would be a \$23.50 increase for the year. These increases total to \$45.50 which calculates to an increase of \$3.79 per month for the average home owner with an average gas usage.

Legislative Changes for Future Year Budgets

After the City's budget for 2019/2020 was adopted, the State legislature approved a property tax bill affecting local governments for future year budgets. This bill leaves the current tax levy categories in place but establishes a "maximum property tax dollars" which is equal to 102% of the prior year's budget for certain levies. The bill allows cities to exceed the 2% with a two-thirds majority vote of the Council after notice, public hearing, and a 20 day wait as laid out in the bill. The ability to exceed the 2% tax revenue increase is still limited by the current caps on the General Fund, Emergency, Levee, and other tax levies.

This legislation was enacted without input from local governments and the Muscatine City Council, as well as numerous other city councils in the State, adopted resolutions opposing this legislation. Provisions of the City of Muscatine's resolution included (1) in the spirit of Home Rule, that city budgeting and spending decisions are best done by local elected officials, (2) the City Council of the City of Muscatine holds at least eight budget review meetings each year which involve numerous hours for review of the proposed budget, making decisions on the levels of City services to be provided to residents, and the

resources necessary to fund those services including an in-depth review of assessed and taxable property valuations, the proposed property tax rate, and property tax revenues, (3) City services include the critical public safety services, including police, fire, and ambulance services, as well as for providing facilities, services, and programs for the benefit of the community including parks, recreation, library, and art center facilities, (4) while costs of providing the same levels of City services increase each year, that the City of Muscatine has not increased their portion of the property tax levy rate for the last 10 years, (5) increasing taxes are often the result of State mandates including Police & Fire pension and IPERS contributions and commercial, multi-residential, and residential property rollbacks, (6) each City has its own unique needs, goals, and priorities for the levels of City services to be provided to its residents that do not fit within the framework of a State-wide uniform cap on property tax revenues, and (7) limitations on the authority of locally elected officials are unnecessary, may have unintended consequences, and would have the potential for a negative impact on the City and its residents.

While the City of Muscatine has maintained approximately the same total property tax rate for the last ten years, tax revenues have increased due to growth, changes in taxable valuations, and changes in the State rollback factors for the various categories of property. This growth has allowed the City to fund the increasing costs each year to continue to provide the same basic levels of services to our residents. Property tax revenue increases in seven of the past ten years have increased between 2.11% and 3.03% (with all of these years increasing more than the 2% cap in the new legislation). In two of the years (2014/2015 and 2015/2016), tax revenues were impacted by the State rollback on commercial and industrial valuations and tax revenues increased by .02% in 2014/2015 and decreased by 1.09% in 2015/2016. Reimbursements from the State provide funds to offset a portion of the decreases in tax revenues from these rollbacks. There was an unusually high (5.42%) increase in taxable valuations in 2016/2017. Tax revenues for 2016/2017 increased by 5.31% with the budget for that year including four new firefighter positions needed due to the increased number of ambulance runs including inter-facility transfers. This increased tax revenue also allowed for deferred maintenance projects to be completed and needed equipment to be replaced without incurring debt.

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 30.12% in 2013/2014, 30.41% in 2014/2015, 27.77% in 2015/2016, 25.92% in 2016/2017, 25.68% in 2017/2018, 26.02% in 2018/2019, and will be 24.41% for 2019/2020. Pension contributions for 2013/2014, 2014/2015, 2015/2016, 2016/2017, and 2017/2018 were \$1,327,925, \$1,374,746, \$1,301,930, \$1,314,218, and \$1,338,422, respectively. The estimated contributions for 2018/2019 and 2019/2020 are \$1,388,229 and \$1,382,170. 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. 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 \$1,382,170 for 2019/2020 with the 24.41% contribution rate. This is a \$728,136 increase and an increase of 111.3% over this 11-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 2019/2020 the tax levy rate needed to fund Police and Fire pension costs is \$1.52906 per \$1,000 of taxable valuation. In addition 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 2019/2020 is \$3.06575 which brings the total Employee Benefits tax levy for 2019/2020 to \$4.59481 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, 2017/2018, 2018/2019, and 2019/2020, \$192,637, \$230,218, \$31,230, and \$54,215, 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, increases in the City's total tax levy rate will be unavoidable. The MFPRSI contributions 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 2019/2020 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 varied 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, 2017/2018, 2018/2019, or 2019/2020.

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, it allowed flexibility 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 has generated \$81,400 in recent years. This reduction was possible since there had been strong revenues in other areas of the General Fund budget, specifically Automated Traffic Enforcement (ATE) fines. The 1% franchise fee rate was maintained for the 2013/2014, 2014/2015, 2015/2016, 2016/2017, and 2017/2018 budgets. During prior year budget discussions, the City Council identified the Utility Franchise Fee as a potential revenue source to offset any legislative action to reduce annual ATE revenues.

At the time the 2018/2019 budget was adopted revenue from automated traffic enforcement (ATE) cameras was estimated at \$350,000 compared to the previous amounts of over \$650,000 each year. This ATE revenue reduction was due to the IDOT and court ruling ordering the ATE cameras at the Highway 61 and University Avenue intersection to be turned off. The City successfully appealed this ruling and the cameras at that intersection were turned back on June 18, 2018. The 2018/2019 budget originally included an increase in the utility franchise fee from the previous 1% to 5% to fund this projected ATE revenue shortfall. The City adopted the ordinance increasing the utility franchise fee rate to 5%, but after the successful appeal of the IDOT ruling allowed the ATE cameras at that intersection to be reactivated, City Council reduced the franchise fee rate back to 2%.

A Supreme Court ruling, however, in September, 2018 resulted in the City temporarily suspending the issuance of notices to violators at all ATE locations. This ruling provides that cities can no longer find the recipient of an ATE citation liable for the violation because they have failed to pay, failed to appeal, or failed to request the issuance of a citation. If an individual does not voluntarily pay for and admit liability for the citation, cities must either file a municipal infraction proceeding or let the citation be. This required the City to amend its ATE ordinance and to change the language in the notices of violation to comply with the updated ordinance and Supreme Court ruling. The updated ordinance was adopted at the December 20, 2018 meeting. City staff and the City Attorney worked with representatives of GATSO (the automated traffic camera company), and other affected cities, to finalize the updated language for the notices of violation. The cameras were placed back in operation on March 1, 2019.

Collection rates using the municipal infractions process are expected to be less than the previous amounts when all of the cameras were operational, at least initially. Previously, unpaid violations were forwarded to the City's collection agency after the due date of the 2nd notice from GATSO. The collection agency then contacted the vehicle owners by letter and phone calls, and also listed unpaid violations on the State's Income Offset program for collection. The revenues from the ATE fines for 2018/2019 are estimated at \$350,000 due to the five plus month period in which no notifications of violations were sent. The 2019/2020 budget includes an estimated \$500,000 from ATE fines

The 2019/2020 budget includes an increase in the Utility Franchise Fee from the current 2% to the maximum rate allowed of 5%. This increase was recommended in order for the City to maintain its current level of services and provide the necessary capital equipment to departments (although significant reductions were made to capital requests from departments). The additional 3% on the franchise fee is projected to generate \$308,500 annually. This increase was necessary in order to (1) fund increased Information Technology (IT) capital outlay and operating costs to reduce the risks of a future ransomware or similar attack, (2) capital outlay for the police department including replacing the current squad car video system with a system that will include body-worn cameras, and (3) the expected reduction in revenue from ATE fines. The Utility Franchise Fee increase may be preferred over a property tax increase as this fee is paid by a larger class of users including government buildings, churches, etc. that are exempt from property tax as well as rental units where tenants pay the utilities. A property tax increase of \$.32805 per \$1,000 of valuation would have been needed in order to generate the same approximate amount of additional revenues as the franchise fee increase is expected to generate. If the property tax levy would be increased, this would have required the City once again to levy the Emergency tax levy at the rate of \$.27 per \$1,000 of valuation.

There have been numerous structural, operational, and other changes over the last eight 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 \$180,000 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.

For the 2019/2020 budget, fulltime equivalent (FTE) staffing in the General Fund is budgeted to increase by 2.10 FTE positions compared to the 2018/2019 revised estimate. The 2019/2020 budget includes the

addition of three firefighter positions budgeted to begin midway through the 2019/2020 year (January 2020). This accounts for 1.50 FTE positions added. The additional staffing is requested due to the continued high call volume for Ambulance services including requests for inter-facility transfers. This staffing increase is budgeted to be funded from ambulance services fees from “Ground Emergency Medical Transport” (GEMT) funds which are expected to increase reimbursements for Medicaid patients beginning in calendar year 2020. The \$116,300 cost of these positions is budgeted to be funded from an additional transfer in that amount from the Ambulance fund. The addition of these firefighter positions is subject to the receipt of this additional funding. Fire department staffing was last increased by four firefighter positions in the 2016/2017 budget. There is also a part-time Right-of-Way Inspector budgeted to be added in the spring of 2018. This accounts for an increase of .54 FTE from the original budget and a .41 FTE increase from the 2018/2019 revised estimate. The 29-hour per week Art Center Aide position was increased to fulltime for 2019/2020 (a .27 FTE increase) and there was a .08 FTE reduction in the Library which represents a full fiscal year with the Library staffing changes. There is also a net of one fulltime position added in the Water Pollution Control fund with the opening of the High Strength Waste Receiving Station in 2019/2020. One currently vacant position in the Plant Operations budget will not be filled and two positions will be added for this operation.

Departments will continue to look for efficiencies and cost savings in their operations in 2019/2020 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 2019/2020 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.

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 \$76,280,306 in 2019/2020 for all of the TIF areas. This value would generate \$617,870 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 \$1,195,472 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that \$76.28 million was allocated toward regular valuations for all taxing entities, the county would generate over \$662,000 in taxes and the school over \$1,131,000 (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 2019/2020 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. For 2019/2020 the City is claiming \$2,435,900 in incremental taxes and approximately \$996,100 of incremental taxes were not claimed by the city for 2019/2020. 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 2019/2020 the City is claiming \$76,280,306 of incremental valuation which is 71.0% of the total increment of approximately \$107,472,700 in all active TIF districts. The amount the City did not claim of \$31,192,400 (29.0%) has gone back to regular taxable valuations for each taxing entity. The increment 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, nearly 80% of the increment for Wal-View Project #2 added beginning in 2017/2018, and 100% of the increment for the Riverview Hotel project added in 2019/2020. The increment for the Wal-View #1 project for 2019/2020 is \$19,666,172 (at 100%), the increment for Wal-View #2 is \$7,302,945 (at 80%), and the increment for the Riverview Hotel Development is \$16,037,202 (at 100%). The increment claimed for these three recent significant projects totals \$43,006,319, which is 56.4% of the total increment claimed.

For the 2011/2012 through 2019/2020 budgets, the City Council approved two resolutions in each of these years for internal advances of funds which 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, \$148,900 in 2017/2018, \$173,800 for 2018/2019, and \$164,200 for 2019/2020, 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 2019/2020 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 2019/2020 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 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 were expected to have 298,800 tons of waste capacity, which was expected to 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 further increased to \$993,064 at the end of the 2016/2017 year. This balance plus the revenues received in 2017/2018 were sufficient to fund construction costs of \$739,800 for the next landfill cell and still maintain a positive balance of \$801,328 as of June 30, 2018. The fund balance is projected to increase to \$1,341,728 at the end of the 2018/2019 fiscal year and to \$1,502,928 at the end of fiscal year 2019/2020. With the cell completed in 2017/2018, the Landfill is in a good position with sufficient waste capacity for the next 7 to 8 years based on an average waste volume of 42,000 tons.

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 did 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 were further deficits in the Transfer Station budget of \$21,449 at the end of 2014/2015 and \$57,857 at the end of 2015/2016. 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, eliminated the deficit in this fund, and there was a positive \$166,418 fund balance at the end of 2016/2017.

In 2017/2018 there was a total of \$219,732 in capital outlay expenditures including \$150,382 to replace the wheel loader and \$69,350 for improvements to the tunnel scale and tunnel door. There was deficit fund balance of \$60,468 in the Transfer Station fund on June 30, 2018.

Due to continuing capital outlay and deferred maintenance needs at the Transfer Station, the allocation of the full rate waste fee was continued at the \$32 Landfill/\$28 Transfer Station allocation rate for the 2018/2019 fiscal year. This allocation rate allowed funds to be included in the 2018/2019 budget for replacement of the exterior scale. Based on revised estimate revenues and expenditures, a deficit fund balance of \$25,968 is projected for June 30, 2019.

The 2019/2020 budget includes a change in the allocation of the full rate waste fee to \$30 Landfill and \$30 Transfer Station (changed from \$32 Landfill/\$28 Transfer Station). Based on an estimated 28,300 tons at the full \$60 per ton rate, this \$2 per ton change results in an expenditure reduction of \$56,600 in the Transfer Station fund and a revenue reduction of that same amount in the Landfill fund. With this change, the Transfer Station is expected to have a positive ending balance on June 30, 2020 of \$104,332 and the Landfill fund is projected to have a \$1,502,928 fund balance.

Refuse Collection Fund Balance (Deficit). The Refuse Collection fund had a \$323,715 deficit fund balance at the end of 2015/2016 and this deficit decreased by \$86,807 to \$236,908 at the end of 2016/2017. The deficit decreased by \$123,836 to \$113,072 at the end of 2017/2018. These deficits were planned deficits 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 collection vehicle was purchased from the 2014/2015 budget and the 2nd from the 2015/2016 budget. With the long lead time on the orders, 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 being incurred in 2016/2017, the operational savings from this program began to be fully realized. The deficit is expected to be eliminated in the 2018/2019 year and a positive fund balance of \$43,328 is projected for June 30, 2019.

Refuse collection rates for both regular residential customers and the senior rates were increased by \$.50 per month effective July 1, 2018 and the residential rates are budgeted to increase by an additional \$.50 per month effective July 1, 2019. These rate increases were needed in order to generate sufficient funds to replace one of the regular refuse collection vehicles in 2019/2020. The rate increases were also needed since the monthly rate for the curbside recycling program increases each year, which impacts the funds available for the regular refuse collection operation. Residential refuse collection rates had not been increased since April 1, 2011. The rate increases for 2018/2019 and 2019/2020 are each projected to generate \$53,500 in additional revenues and a positive ending balance of \$88,528 is projected for June 30, 2020. This balance will be needed in order to fund future refuse collection vehicle replacements.

Other Issues and Changes for 2019/2020

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. Early in 2019 the City negotiated new 5-year contracts with the police and blue/white collar bargaining units and a one-year contract with the fire bargaining unit. For 2019/2020, the first year of all of the contracts, the wage rate increases are 2.25%. Non-union employees are budgeted to receive the same across-the-board increase for 2019/2020 as the union groups (2.25%).

The last four years of the contract with the police bargaining unit (fiscal years 2020/2021 through 2023/2024) provide for increases of 2.50%, 2.75%, 2.90%, and 3.00%. Additionally, fiscal years 2020/2021 and 2022/2023 include \$1,250 annual lump sum increases to each step to keep the City of Muscatine's police wage scale comparable to those of the group of comparable-sized cities in the State of Iowa.

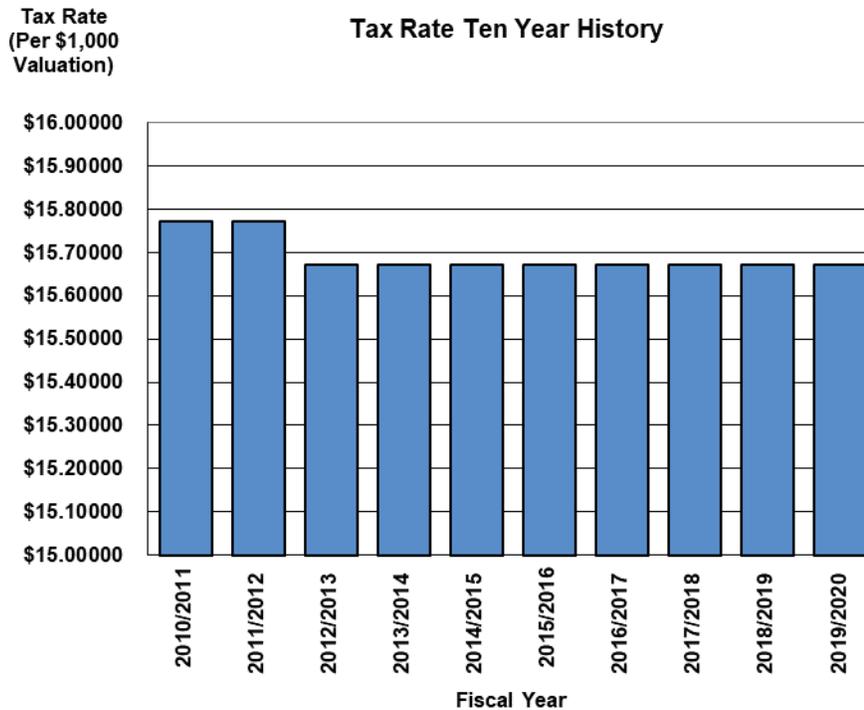
While the Blue/White Collar bargaining agreed to a 5-year contract, the wage scale was only set for the first three years of the contract and the contract will be open only for wage rates in years four and five. The first three years of the contract provide for 2.25%, 2.50%, and 2.75% increases.

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 had an increase of 2.63% between December 2017 and December 2018. Over the past 10 years the MCI increased a total of 19.79% or an average of 1.98% per year. The property tax rate for 2019/2020 is .63% lower than the rate 10 years ago and the 2019/2020 property tax revenues are 20.84% higher than 10 years ago (which is slightly higher than the MCI 10 year increase of 19.79%). In future years, a tax rate increase may need to be considered to fund the increasing costs of providing city services.

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, 2018/2019, and 2019/2020 budgets have each included \$50,000 to allow for merit increases in the non-union pay plan of up to 3% based on performance.

TAX RATE AND BASE

Property taxes continue to be the major revenue source for the City of Muscatine. In 2019/2020, property taxes will represent 31.9% of total city operating revenues. This is a slight decrease from the 32.1% in fiscal year 2018/2019. The total tax levy rate for fiscal year 2019/2020 of \$15.67209 per \$1,000 of valuation is the same as the total tax rate for the last seven years. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2019/2020:



The tax rate for 2008/2009 was \$16.19095 per \$1,000 of valuation and it was lowered to \$15.55353 in 2009/2010. As shown above, in 2010/2011 and 2011/2012 the rates were \$15.77146 and for the last eight years the rate has been maintained at \$15.67209, which is significantly lower than the \$16.19095 rate in fiscal year 2008/2009.

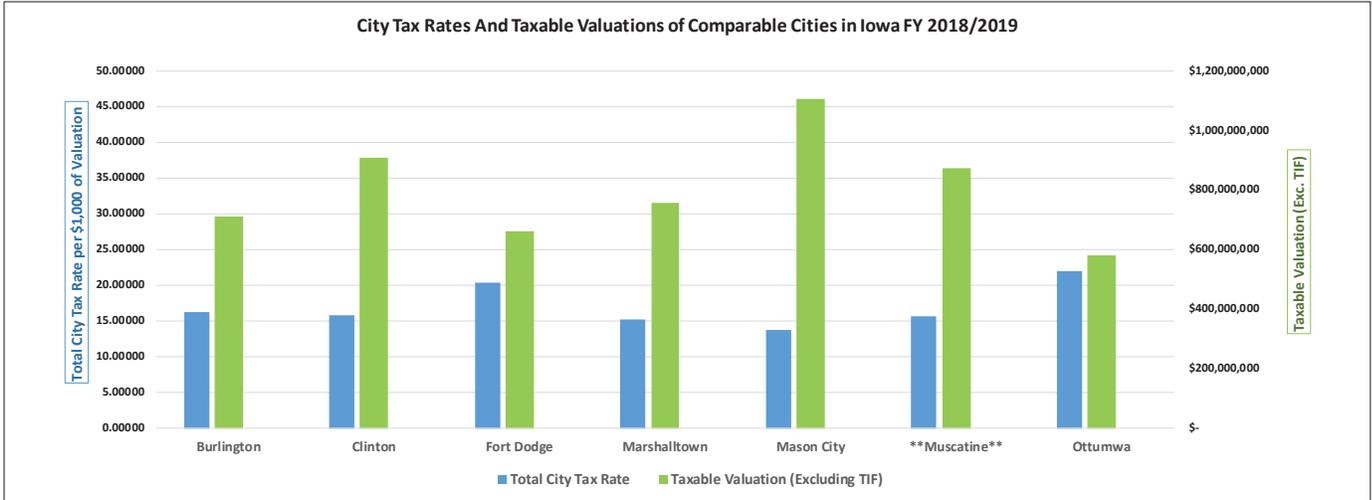
There are five categories that make up the 2019/2020 tax rate:

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 \$.05607, which is a 1.8% decrease in the levy rate (\$.001/\$1,000 decrease). These rates are lower than previous years due to the available fund balance in the Transit fund from increased federal and state grant funding, reduced bus maintenance costs, and the transit fare increase effective July 1, 2015. The Transit fund balance will be sufficient to fund the local share of bus and other capital purchases.
3. The Tort Liability levy will be \$.32103, which is an increase of 17.1% in this levy (a \$.047/\$1,000 increase). The increase in the Tort Liability tax levy is due to projected increases in the City's insurance premium for the upcoming year.
4. The Special Revenue Employee Benefits Levy is budgeted to decrease 2.3% to \$4.59481 (a decrease of \$.109/\$1,000). This would have been higher if \$54,215 in employee benefits had been funded from the tax levy instead of the General Fund balance. There is also projected to be a \$77,379 beginning balance in the Employee Benefits fund at the beginning of 2019/2020. The beginning balance is due to savings in employee insurance and pension costs due to employee turnover.

5. The Debt Service Levy will increase by 2.5% to \$2.60018 (an increase of \$.063/\$1,000). This increase was due to the debt services requirements on the May 2018 bond issue which was partially offset by the use of approximately \$41,700 in the debt service fund balance. The goal is to keep the debt service levy at or less than the \$2.89/\$1,000 of valuation in the debt service model prepared by Public Financial Management, Inc., the City's Financial Advisor. The debt service payments for the 2018 bond issue were structured to meet this goal.
6. A levy for Levee Improvements has not been included in either the 2018/2019 or 2019/2020 budgets. In 2017/2018 this levy was set at the maximum rate allowed of \$.06750. There are currently no known Levee projects and the collections of the 2017/2018 levy will provide funds for routine levee maintenance in both 2018/2019 and 2019/2020.

The City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2019/2020. 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 2019/2020. If the Emergency levy would be needed in future years, it would generate approximately \$239,900 at the maximum rate of \$.27 per \$1,000 based on the 2019/2020 valuations. This levy, however, would only offset a portion of revenue shortfalls if there would be legislation eliminating automated traffic enforcement cameras (\$500,000) and/or if the State backfill funding would be fully eliminated (\$659,747).

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 2018/2019 fiscal year. The information is not yet available for other cities for 2019/2020. City tax levies for this group range from \$13.82774 per \$1,000 of valuation for Mason City to \$21.94517 for Ottumwa. The City of Muscatine's rate of \$15.67209 is the third lowest in this group. Taxable valuations range from \$579,806,370 for Ottumwa to \$1,106,627,327 for Mason City. The City of Muscatine's taxable valuation of \$873,761,857 is the 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	\$ 16.33632	\$ 15.84852	\$ 20.42015	\$ 15.28158	\$ 13.82774	\$ 15.67209	\$ 21.94517
Taxable Valuation (Exc. TIF)	\$ 709,347,025	\$ 907,200,819	\$ 660,065,236	\$ 755,090,477	\$ 1,106,627,327	\$ 873,761,857	\$ 579,806,370
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	\$ 13.82774	\$ 1,106,627,327
Marshalltown	\$ 15.28158	\$ 755,090,477
Muscatine	\$ 15.67209	\$ 873,761,857
Clinton	\$ 15.84852	\$ 907,200,819
Burlington	\$ 16.33632	\$ 709,347,025
Fort Dodge	\$ 20.42015	\$ 660,065,236
Ottumwa	\$ 21.94517	\$ 579,806,370

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. In May of 2011 the City Council also 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 policies 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. The tax abatement area and incentives were amended in March of 2018. 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, 2017/2018, 2018/2019, and 2019/2020 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 2019/2020 the City Council included \$40,000 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 2019/2020 taxable property valuations increased by 1.84% 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 2019/2020. 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, to 78.75% in 2018/2019, and to 75.00% in 2019/2020, and will continue to be rolled back over the next four years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2019/2020 is \$30,151,651, a 9.4 % decrease from the previous year. In addition to the increase in the rollback for multi-residential properties, a large former multi-residential complex changed from the multi-residential classification to a cooperative which qualified for the residential rollback. Industrial property valuations increased by .99% for 2019/2020 and commercial values increased by .86%. Residential property values increased by 3.15%. Actual valuations for residential property increased by .83% and there was a 2.34% reduction in the residential rollback (from 55.6209% to 56.9180%). The other smaller categories of properties are railroads, which increased in valuation by 2.27%, and utilities, which increased by 12.00%. Overall, these factors combined to result in the 1.84% overall increase in taxable valuations. It should be noted the taxable valuations increase of 1.84% this year is lower than the 10-year average increase of 2.06%.

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 commercial and industrial rollback. For 2019/2020 the State reimbursement to the General Fund is estimated at \$340,986 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$2,360 for the Transit levy, \$13,514 for the Tort Liability levy, \$193,427 for the Employee Benefits levy, and \$109,460 for the Debt Service levy, total to an estimated total reimbursement of

\$659,747 for 2019/2020. 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. The 2019/2020 budget is based on the City continuing to receive the State reimbursement for the commercial and industrial rollback; however, there is discussion in the State legislature for phasing out this reimbursement.

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 \$2,882,100 in 2019/2020. 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 recent and future years. Road Use Taxes are distributed to cities on a per-capita basis.

In 2019/2020 other State funding includes \$255,200 in Transit operating funding, \$418,300 for street and trail projects, \$200,000 in Community Attractions and Tourism (CAT) grant funds, and \$400,000 in Iowa Reinvestment District funds.

The fiscal year 2019/2020 budget includes an estimated \$5,265,010 in federal funding for both operating and capital project costs. This includes the following: \$2,010,310 in funding for the Section 8 Housing rental assistance program; \$455,000 for operating and capital funding for the city's Public Housing Program; \$24,000 for the Home Ownership Education Program; \$600,600 in federal funding for the Transit operation; \$550,000 in federal funding for the West Side Trail project; \$1,500,000 for street improvements, and \$125,100 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2019/2020 budgeted charges for services total \$15,731,200 and comprise 30.3% of total operating revenues of the city. Charges for services were also 30.3% of the total operating revenues in the 2018/2019 budget. These charges primarily involve programs and activities in the city's Enterprise Funds. Fee increases are budgeted for sanitary sewer services, collection and drainage, refuse collection, and the golf course for fiscal year 2019/2020.

Sewer revenues including the separate collection and drainage charges are estimated at \$6,708,000 for 2019/2020. 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 a 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 sewer rates reflected 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 included funds for a new rate study with those rates to be effective July 1, 2018 and annually thereafter for the next four years. The rate study

recommended 3% annual increases in sewer rates and 2% annual increases in collection and drainage rates to be effective each July 1 from 2018 to 2022.

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 \$180,000 for 2019/2020.

Boat harbor slip rental rates are based on boat length. In 2017 the long dock was 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 with completion of the dock renovation project. A fee survey was done by the Parks department early in 2018. Based on the survey results, annual fees were increased by \$50 for the 2018 season. Those rates will continue in 2019.

Golf course fees and sales are estimated at \$823,300 for 2019/2020. Golf fees were increased for the 2019 golf season by \$1.00 per round for all categories of greens fees. All categories of season pass fees were increased by \$25.00. This fee increase was needed to provide funds for capital improvements and equipment at the course. The 2019 season is the 13th 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.

Budgeted transfer station charges for services total \$2,286,500 for 2019/2020 based on an estimated 44,000 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 2019/2020 year. 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 \$1,269,500 for 2019/2020. The landfill rates are incorporated in the transfer station rates. Currently, \$32.00 of the \$60.00 per ton transfer station rate (\$25.00 of the \$45.00 for the regular industrial contracts) is paid to the landfill for material disposed of at that facility. In 2019/2020, the landfill portion of the full \$60.00 per ton rate will decrease to \$30.00. This allocation change will assist in providing funding to address capital and deferred maintenance needs at the Transfer Station. Additional negotiated industrial contracts were approved in the fall of 2010 and have been extended through June 30, 2020 with those revenues all directed to the Landfill fund.

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 \$2,323,400 for 2019/2020. For the 2018/2019 budget, the rates for both regular residential customers and the senior rates increased by \$.50 per month effective July 1, 2018 to \$20.50 and \$15.50, respectively. Rates are budgeted to increase by an additional \$.50 for regular and senior customers effective July 1, 2019 to \$21.00 and \$16.00, respectively. The rate increases were needed in order to generate sufficient funds to replace one of the regular refuse collection

vehicles in 2019/2020. The rate increases were also needed since the monthly rates for the contracted curbside recycling program increase each year, which impacts the funds available for the regular refuse collection operation. Residential refuse collection rates had not been increased since April 1, 2011 when the single sort curbside recycling program was implemented. The final year of the original contract with Allied Waste (now Republic Services) for the curbside recycling program 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 remained at \$3.43 per customer per month. For the 2nd through the 5th year of the new contract the per-customer per-month rate increases to \$3.53, \$3.64, \$3.75, and \$3.86. The \$3.64 rate went into effect April 1, 2018, the \$3.75 rate will go into effect April 1, 2019, and the \$3.86 rate will go into effect April 1, 2020.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at \$1,550,000 for both the 2018/2019 revised estimate and the 2019/2020 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 \$595, the rate for ALS 1 calls is \$706, the rate for ALS 2 calls is \$1,023, and the rate for SCT (Skilled Care Transports) is \$1,208. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at \$156,000 for 2019/2020. 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 2019/2020.

PROGRAMS AND SERVICES

The 2019/2020 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 228.05 for 2019/2020. This is a net increase of 1.91 in full-time equivalent positions compared to the original budget of 226.14 for 2018/2019. Changes in authorized positions for 2019/2020 and the previous year are as follows:

2019/2020 (Including Changes in the 2018/2019 Revised Estimate)

- The 2019/2020 budget includes the addition of 3 firefighter positions effective January 1, 2020. These positions are subject to the receipt of additional revenue from GEMT (Ground Emergency Medical Transport) payments which are expected to increase the revenue for Medicaid patients starting in 2020 (1.50 FTE increase).
- A Library staff reorganization resulted in a 1.28 FTE decrease in the 2018/2019 revised estimate. One fulltime position was eliminated and part-time positions were restructured with the move to the new building. The 2019/2020 budget shows a further decrease of .08 FTE for a full year of the restructured staffing (1.36 FTE decrease).
- The 29 hour per week Art Center Aide position was increased to fulltime (.27 FTE increase).
- A part-time Right-of-Way Inspector position was added in the Engineering division starting in May of 2019 as part of a Public Works reorganization (.54 FTE increase).
- A Public Works reorganization resulted in changes in positions and position allocations in the Refuse Collection, Transfer Station, and Collection and Drainage funds (net .23 FTE increase).
- There was a .27 FTE decrease in the Housing budgets.
- One vacant position was eliminated in the Water Pollution Control Plant Operations budget and two fulltime positions were added for the High Strength Waste Receiving Station budget (addition of 1.00 FTE)..

2018/2019 (Including Changes in the 2017/2018 Revised Estimate)

- The 2018/2019 budget included a new fulltime Assistant City Engineer position with 75% of this position expected to be funded from hours charged out to capital projects.
- The Building and Grounds budget included a new half-time Custodian I position for the Public Safety Building. This position replaced the previously contracted cleaning service for that building.
- Library staffing increased by .71 fulltime equivalent positions. This increase was in part-time hours and was implemented as part of the move to the new Musser Public Library and HNI Community Center.
- The 2017/2018 revised estimate and 2018/2019 budget for the Water Pollution Control Plant staffing was reduced by .27 in fulltime equivalent positions when a fulltime Maintenance Worker position was replaced with a 29-hour per week Custodian II position.
- The Housing budget for 2018/2019 included increasing a 29-hour per week Custodian II position to fulltime (increase of .27 in fulltime equivalents).

The projected level of expenditures for the General Fund of \$21,114,760 for 2019/2020 is 4.7% (\$949,260) above the 2018/2019 budget of \$20,165,500. The overall increase in expenditures consists of (1) an increase of \$399,800 (3.7%) in salaries and wages, (2) an increase of \$81,100 (1.7%) in employee benefit costs, (3) an increase of \$46,950 (4.8%) in commodity costs, (4) an increase of \$115,350 (4.7%) in contractual services costs, (5) an increase of \$323,300 (54.7%) in capital outlay costs, and (6) a decrease of \$17,240 (3.4%) in transfers and assigned funding.

The 2019/2020 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. Two significant items included in the 2019/2020 budget are (1) a \$122,700 increase in the Information Technology (IT) budget for capital outlay and contracted staff augmentation services to reduce the risks of another ransomware or other attack similar to the one that occurred in October of 2018, and (2) a \$148,000 capital outlay allocation in the police department budget for the replacement of the current squad car video system with a system that will also include body-worn cameras. These two items, as well as an expected reduction in automated traffic enforcement camera fines, were the primary reasons for the budgeted increase in the Utility Franchise Fee from the current 2% to the maximum rate allowed of 5%. This franchise fee is on Alliant Energy, the natural gas provider in the City. This increase was recommended in order for the City to maintain its current level of services and provide the necessary capital equipment to departments.

Although there are no full-time staff reductions in General Fund departments planned for 2019/2020, 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 7 from 170 in 2001/2002 to 163 in 2019/2020. 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 eighteen years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2019/2020 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 Automated Traffic Enforcement (ATE) cameras at five intersections in the community. The Police department added a mobile ATE unit in November of 2016.

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 2019/2020. 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 2019/2020. Major Public Works projects scheduled for construction in 2019/2020 include the next phases of the Mississippi Drive Corridor project, 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. The 2014/2015 budget included funding to begin the transition to an automated refuse collection program for residential waste. This program involved 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. In 2014/2015 the first automated refuse collection vehicle was ordered and it 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. With the 2nd automated truck in service and all of the carts purchased, the savings from this program continue to be realized.

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 (CIP) and this plan was adopted by City Council in February of 2016. The next update to the Five Year CIP is underway and is expected to be completed by the summer of 2019.

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.

For fiscal year 2019/2020 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 2019/2020 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 contribution to the Chamber will increase from their current level of \$38,000 to \$43,000 in 2019/2020. The subsidy to the Muscatine Humane Society will increase from their current

\$65,000 to \$70,000. The 2017/2018 budget included 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 to Senior Resources was set at \$25,000 for 2018/2019 and the \$25,000 funding level was continued for 2019/2020.

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, 2017/2018, 2018/2019, and 2019/2020. The subsidy, however, will be reduced if any grant funding is secured for this program.

Operating expenditures budgeted for all city operations for 2019/2020 total \$47,402,496, which is an increase of \$2,499,460 (5.6%) from the fiscal year 2018/2019 level of \$44,903,036. Operating revenues for the city total \$51,969,354 compared to \$49,673,227 for 2018/2019, an increase of \$2,296,127 (4.6%). Capital project expenditures are estimated at \$13,597,800 for the 2018/2019 revised estimate and \$15,326,000 for the 2019/2020 budget.

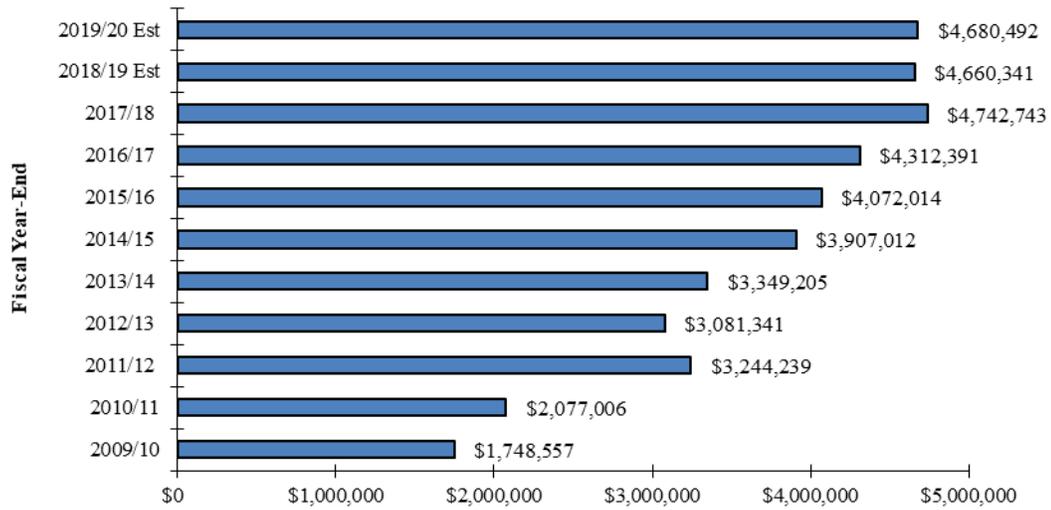
FUND BALANCE AND BUDGET POLICY ISSUES

The 2019/2020 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 2019/2020 balanced budgets were presented to and approved by Council for all funds with the exception of the Marina Enterprise fund and the Equipment Services Internal Service fund. 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.

General Fund Fund Balance History



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, 23.1% at the end of 2015/2016, 22.8% at the end of 2016/2017, and 25.00% at the end of 2017/2018. The fund balance 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 estimated ending General Fund balance of \$4,299,690 when the 2018/2019 budget was developed was 21.3% of budgeted General Fund expenditures which met the 16.7% minimum amount in the new policy. The 2018/2019 revised estimate ending fund balance of \$4,660,341 is 23.0% of expenditures. The increase in the revised estimate is primarily due to the beginning fund balance for the year being \$529,855 higher than the estimated beginning balance in the original budget.

The ending balance for 2019/2020 of \$4,680,492 is 22.2% of General Fund expenditures which again meets the minimum fund balance provision in the updated General Fund Balance Policy. The 2019/2020 budget includes an increase in the utility franchise fee from the current 2% to 5% effective July 1, 2019. This increase is expected to generate \$308,500 in additional revenues, which is the approximate amount of the increased Information Technology (IT) allocation for the upcoming year, the cost of the new police squad car video system including body cameras, and the expected reduction in automated traffic enforcement fines. There are no one-time uses of fund balance in excess of the minimum amount in the 2019/2020 budget. The 2019/2020 budget is “balanced” with budgeted revenues \$20,151 higher than budgeted expenditures. This demonstrates that the operating budget is sustainable and that fund balance does not need to be used to fund current operating expenditures.

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 most recent bond rating received in April 2018 for the city's May 2018 general obligation bond issue was Aa2 under Moody's rating scale. This was the same rating as assigned for the 2016 and 2014 bond issues.

As discussed during the budget review process, the 2019/2020 budget is based on factors known at the time the budget was scheduled for a public hearing. As such, the budget reflects the City continuing to receive the State backfill for the Commercial and Industrial rollbacks and also the revenue from the automated traffic enforcement (ATE) cameras. If the backfill would be fully eliminated by the State, there would be a total revenue reduction of \$659,747 (with \$547,927 directly impacting the General Fund, \$2,360 the Transit system, and \$109,460 the Debt Service Fund). If the ATEs would be prohibited by the State, there would be an additional \$500,000 revenue reduction to the General Fund. These total to a potential \$1,159,747 reduction in revenues to the City with \$1,047,927 directly impacting General Fund services.

If the State backfill funding is reduced or eliminated or 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 automated 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 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 2018/2019 revised estimate and 2019/2020 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 2018/2019 and those to be initiated in 2019/2020. 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 2019/2020 and upcoming years will continue to be upgrading of the City's streets and sewer systems, airport improvements, building and facility improvements, park 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 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 currently estimated at approximately \$600,000 annually. In 2019/2020 the Local Option Sales Tax funding for pavement management projects of \$611,200 will be supplemented with a \$359,600 allocation of Road Use Tax funds which total to a \$970,800 allocation for pavement management projects. 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. In January of 2018 the City received notification that its applications for a Traffic Safety Improvement Program (TSIP) grant to fund the conversion of a portion of Park Avenue from a 4-lane to a 3-lane configuration was approved by the Iowa Department of Transportation. The original grant provided \$325,000 of funding for the project. The scope of this project has since been expanded with the total cost now estimated at \$1,818,600. Grant funding is now estimated \$1,297,714, reimbursements from Muscatine Power & Water estimated at \$103,500, and the local share at \$417,392, which will be funded from the May 2020 bond issue. Construction of this project is scheduled for fiscal years 2019/2020 and 2020/2021.

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, began in the late spring of 2017 and was substantially completed in 2018. The CP Railroad contributed a total of \$4 million (\$2 million in 2016/2017, \$1 million in 2017/2018, and \$1 million in 2018/2019) for this project. Muscatine Power & Water is also contributing funding for utility relocation work required by this project. The balance of the project costs will be funded from the Transfer of Jurisdiction funds. Future phases of this project in 2018/2019, 2019/2020, and 2020/2021 include engineering design and construction of a roundabout at the 2nd Street and Mulberry Avenue intersection and the reconstruction of Grandview Avenue.

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 nine years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. Bids for Phase 4 of the project were received in March of 2018. Phase 4 also consists of three work areas to be constructed during the next three calendar years (2018, 2019, and 2020).

The current 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The extension of this tax was again approved by voters with 88% voting in favor of the extension. The 80% allocation of the local option sales tax for sewer improvements will fund project costs and anticipated debt service costs for the remaining phases of the West Hill Sewer Separation project

Engineering design is nearing completion for the High Strength Waste Receiving Station for the Water Pollution Control Plant. The scope of this project has been revised and this operation has been relocated to the former recycling area of the Transfer Station. This project involves facilities and equipment to receive hauled waste including food waste, FOG (Fats, Oils, and Grease) waste from local restaurants, and septic, recreational vehicle, and City jet/vac material disposal. 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 is scheduled to be completed in 2019/2020.

Pearls of Progress Projects - The HNI Corporation donated their former headquarters building in downtown Muscatine to the City to be used as the new Musser Public Library and HNI Community Center. The cost to convert this building into the new library and community center was \$1,357,700. This is one of the four projects in the City's Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The other projects include the Community Dog Park, construction of the West Side Trail to connect Kent Stein Park to Discovery Park, and the Muscatine County project to construct cabins at Deep Lakes Park. The estimated total cost of these projects is over \$8.1 million. Funding will be from grants, donations (including the donation of the library building), City bond proceeds, County Conservation Board funds, and the CAT grant. The Library project was completed in the spring of 2018 and the Dog Park was substantially completed in the fall of 2018. The West Side Trail and County Deep Lakes Park Cabin projects are scheduled for construction in 2019-2020.

Other significant capital projects budgeted for 2019-2020 include the 2nd Street Streetscape project, playground resurfacing at Fuller Park, Soccer Field #3 improvements, replacement of a portion of the Riverfront Fence, the start of the renovation of the former Iowa Department of Transportation building, continuation of deferred maintenance projects on city buildings, and the new hangar construction project at the airport.

More information on individual capital projects can be found in the Capital Projects Fund section of the budget document.

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 comprehensive plan. The City's zoning ordinance update was also recently completed. Public forums were held to receive input from the community on the comprehensive plan and the Five Year Capital Improvement Program and will also be held for the new Five Year Capital Improvement Plan currently in progress.

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 planning to issue \$3,000,000 in property tax funded debt in May of 2020 with this portion of the bond issue funding the local share of the cost of various street, parks, public building, and airport improvement projects. This issue will also include funding for the 2nd Street Streetscaping project with debt service requirements on that portion of the issue to be funded from future incremental tax funds. A list of the specific projects and their currently estimated bonding requirements is included in the Debt Service Fund section of this budget.

The City traditionally issues 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 2019/2020 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 services 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 services 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 2019/2020 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,

A handwritten signature in black ink that reads "Gregg Mandsager". The signature is written in a cursive, flowing style.

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 2019/2020 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 accounting 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 automated 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, Riverview Reinvestment District Fund, 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, Soccer Events, 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, Soccer Events, 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 2018/2019 and upcoming 2019/2020 fiscal years.

**CITY OF MUSCATINE
BUDGET PREPARATION CALENDAR
Fiscal Year July 1 - June 30**

	<u>Operating Budget</u>	<u>Capital Improvements Budget</u>
October	<p>Finance Department prepares budget guidelines and preparation packet</p> <p>Goal setting session by City Council</p>	
November	<p>Finance Department distributes to departments budget manual and other materials</p>	
December	<p>Departments meet with Boards and Commissions and develop budget requests</p> <p>Budget requests submitted to Finance Department</p> <p>Budget discussions with City Administrator, Finance Director, and department heads begin</p>	
January	<p>Discussions with department heads, Finance Director, and City Administrator continue</p>	
February	<p>Proposed City Budget presented to City Council</p> <p>City Council in-depth review of department operating budgets</p>	
March	<p>Public hearing on proposed operating budgets</p> <p>City Council approval of operating budget by resolution</p> <p>Certification of City Budget to County Auditor</p>	

**Operating
Budget**

**Capital Improvements
Budget**

April

Community Development
Department prepares guidelines and
forms for revision to 5-year Capital
Improvements Program

May

Proposed budget amendments
presented to City Council

Procedures for adding or revising
capital improvement projects
distributed to departments

Public hearing on proposed
amendments

Capital Improvement requests
submitted to Community
Development Department

City Council approval of
amendments to current year budget
by resolution

Proposed Capital Improvement
package including possible funding
sources forwarded to Planning &
Zoning Commission

June

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 8, 2018 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on December 6, 2018. 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 and posted on the City's website.

Department requests for appropriations were submitted to the Finance Department for initial review by December 12th. 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 25, 2018. 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 2018/2019. 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.

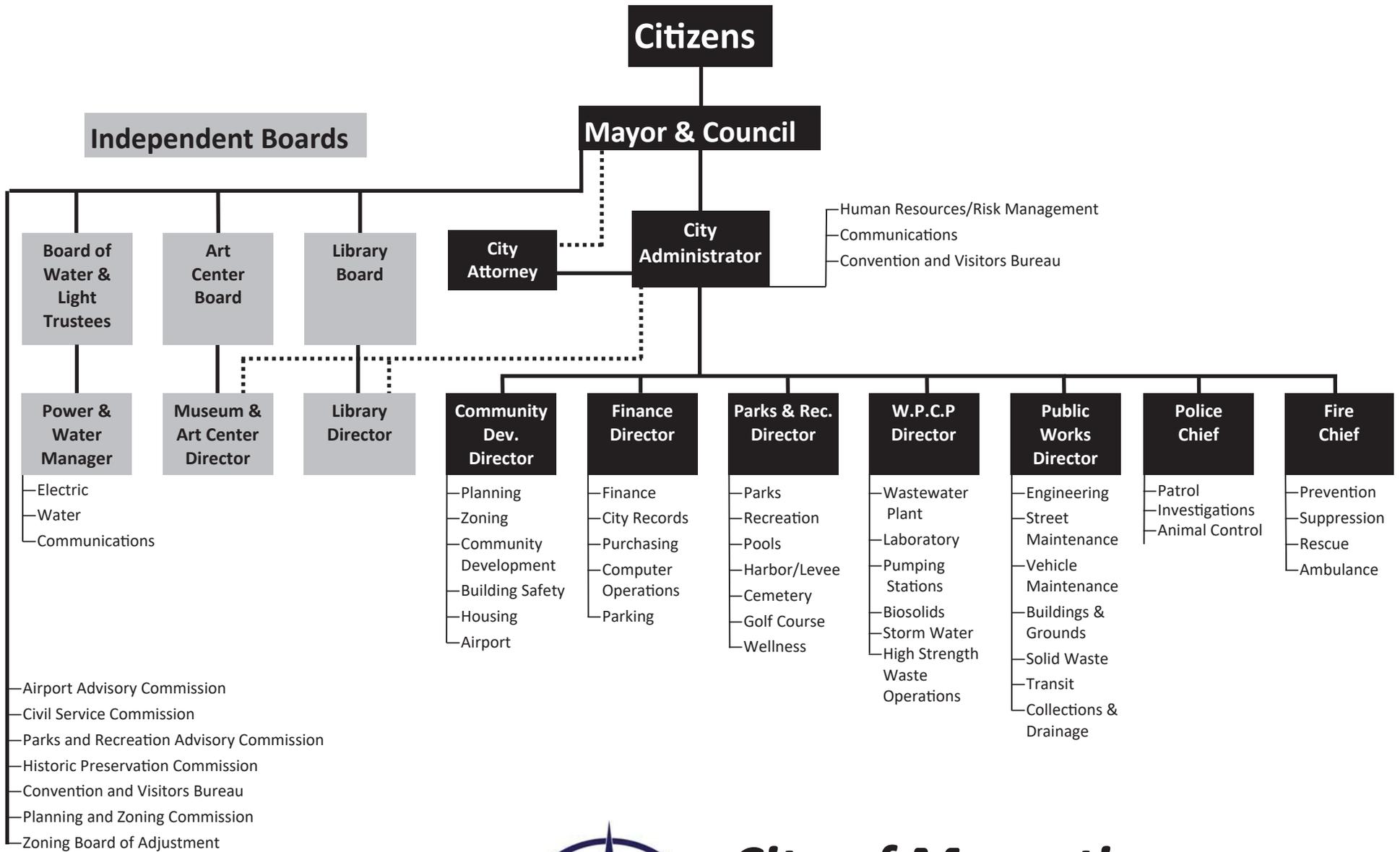
The City Council officially approved the budget on March 7, 2019 and authorized the City Clerk by resolution to certify the budget to the County Auditor by March 15, which is the State filing deadline. After certification, the budget was reviewed by staff and detailed information changed in light of 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.



City of Muscatine *Organizational Structure*

CITY OF MUSCATINE

ENTITY-WIDE BUDGET OVERVIEW 2019/2020

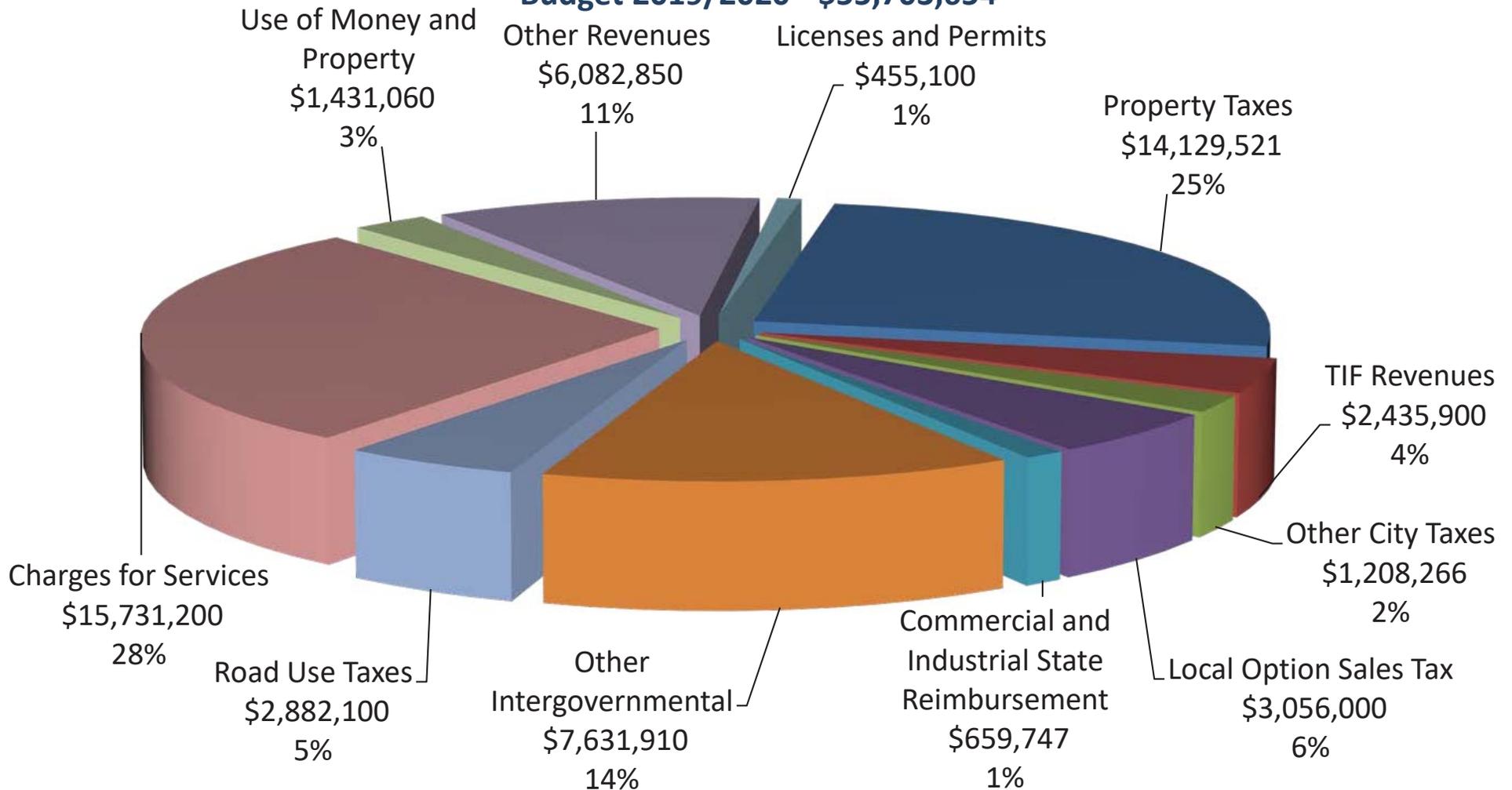
**ALL CITY REVENUES AND EXPENDITURES -
INCLUDING CAPITAL PROJECTS**

PROPERTY TAX RATE INFORMATION

Where Does the Money Come From?

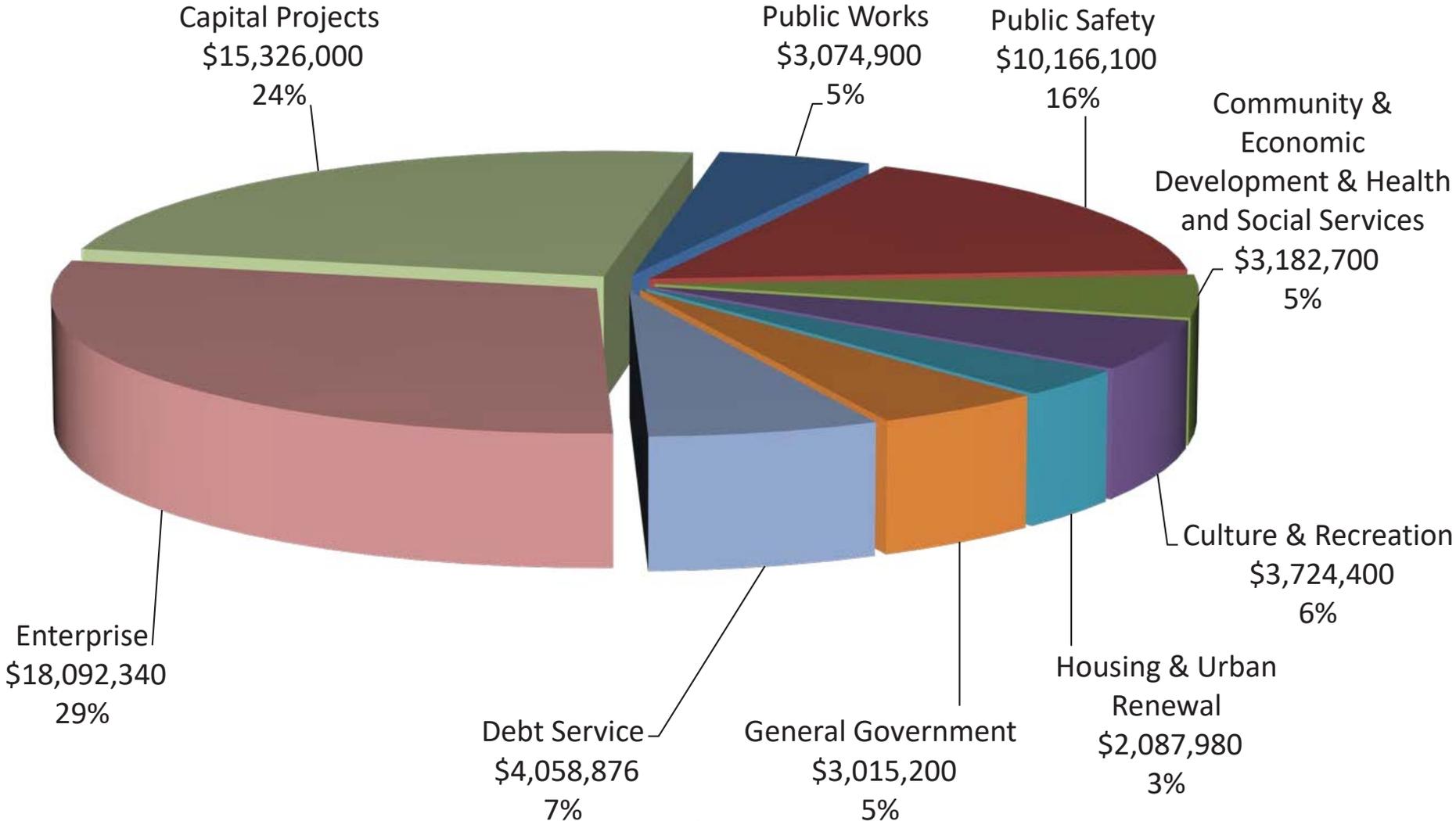
All City Funds Revenue Sources (Including Capital Projects)

Budget 2019/2020 - \$55,703,654



How are the Funds Used?

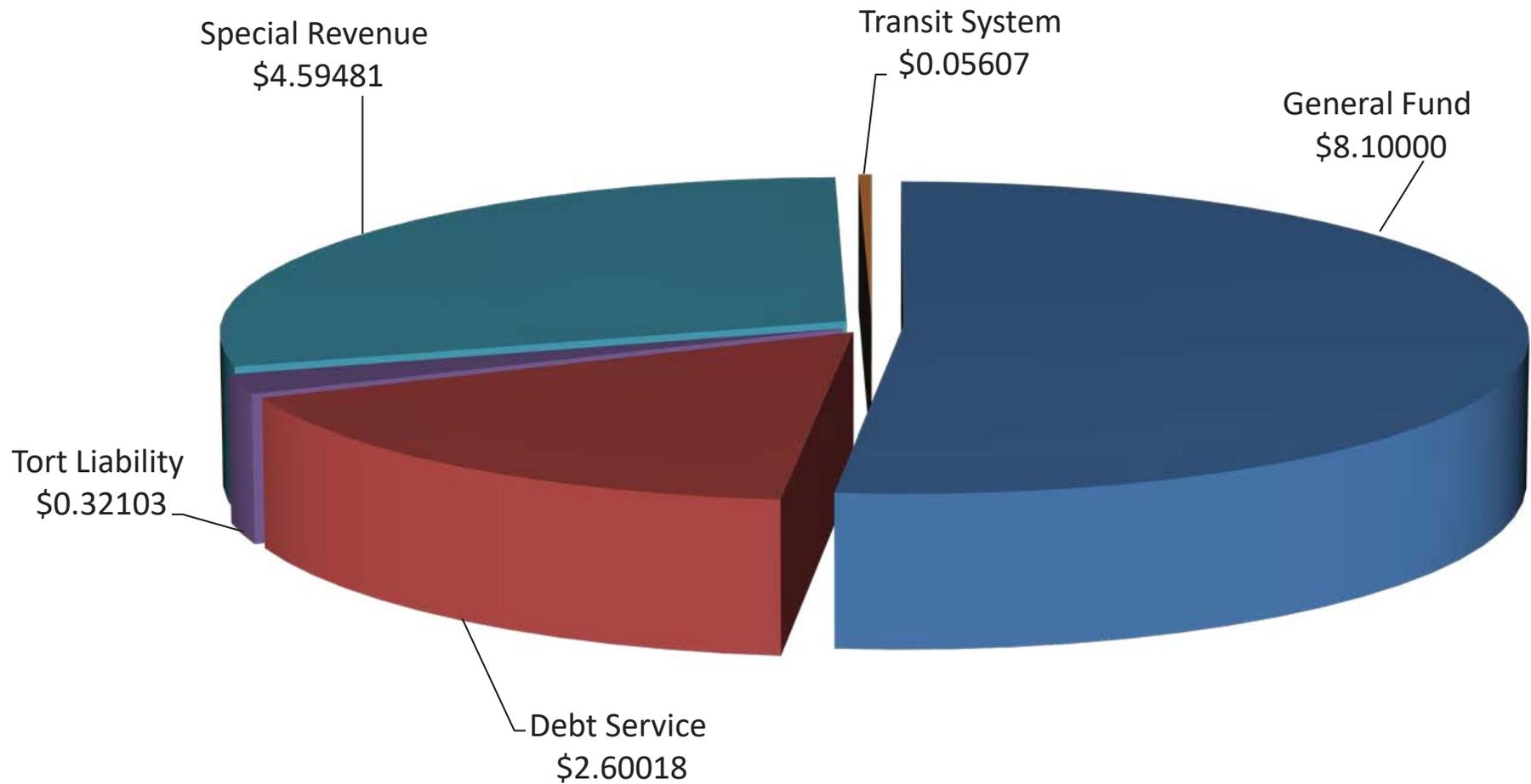
All City Expenditures by Function (Including Capital Projects) Budget 2019/2020 - \$62,728,496



City Tax Levy Rates by Type

FY 2019/2020

Total \$15.67209/\$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?



\$0.400
City of Muscatine

\$0.378
Muscatine Schools

\$0.222
Muscatine County

Above tax levy allocation reflects fiscal year 2018/2019 rates which total \$39.18035 per \$1,000 valuation. Tax levy rates for fiscal year 2019/2020 for the School and 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 2017/2018 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.

City of Muscatine
Operating Funds - Major Funds and Non-Major Funds Combined
Budget Summary

	Major Governmental Funds					Major Business-Type/ Enterprise Funds			Other Non-Major Funds	Total
	General	Employee Benefits	Local Option Sales Tax	Road Use Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection		
Projected Beginning Balance, July 1, 2019	\$ 4,660,341	\$ 77,379	\$ 250,014	\$ 815,654	\$ 157,440	\$ 1,635,962	\$ (25,968)	\$ 43,328	\$ 15,098,645	\$ 22,712,795
Revenues and Other Sources										
Property Taxes	\$ 7,537,518	\$ 4,083,071	\$ -	\$ -	\$ 2,508,932	\$ -	\$ -	\$ -	\$ 2,435,900	\$ 16,565,421
Other City Taxes	1,185,275	14,681	3,056,000	-	8,310	-	-	-	-	4,264,266
Licenses and Permits	431,200	-	-	-	-	5,900	-	-	18,000	455,100
Intergovernmental	840,260	193,427	-	2,882,100	109,460	-	-	-	3,950,210	7,975,457
Charges for Services	770,000	-	-	-	-	5,295,000	2,315,300	2,323,000	6,322,000	17,025,300
Use of Money and Property	187,300	-	-	-	7,500	15,000	60,000	-	1,061,260	1,331,060
Other Revenue	1,442,600	-	-	-	-	106,300	12,000	6,400	4,080,050	5,647,350
Other Financing Sources										
Transfers In	8,740,758	-	611,200	-	298,750	-	46,200	-	2,897,730	12,594,638
Total Revenues and Other Sources	\$ 21,134,911	\$ 4,291,179	\$ 3,667,200	\$ 2,882,100	\$ 2,932,952	\$ 5,422,200	\$ 2,433,500	\$ 2,329,400	\$ 20,765,150	\$ 65,858,592
Funds Available	\$ 25,795,252	\$ 4,368,558	\$ 3,917,214	\$ 3,697,754	\$ 3,090,392	\$ 7,058,162	\$ 2,407,532	\$ 2,372,728	\$ 35,863,795	\$ 88,571,387
Expenditures and Other Uses										
Public Safety	\$ 10,091,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 10,166,100
Public Works	3,074,900	-	-	-	-	-	-	-	-	3,074,900
Health and Social Services	50,000	-	-	-	-	-	-	-	-	50,000
Culture and Recreation	3,528,100	-	-	-	-	-	-	-	196,300	3,724,400
Community and Economic Development	930,200	-	-	-	-	-	-	-	4,290,480	5,220,680
General Government	2,965,200	-	-	-	-	-	-	-	50,000	3,015,200
Debt Service	-	-	-	-	2,974,691	-	-	-	1,084,185	4,058,876
Business Type/Internal Service	-	-	-	-	-	3,653,000	2,230,500	2,284,200	11,207,740	19,375,440
Other Financing Uses										
Transfers Out	475,260	4,368,558	3,522,200	3,352,000	-	1,705,470	72,700	-	2,739,250	16,235,438
Total Expenditures and Other Uses	\$ 21,114,760	\$ 4,368,558	\$ 3,522,200	\$ 3,352,000	\$ 2,974,691	\$ 5,358,470	\$ 2,303,200	\$ 2,284,200	\$ 19,642,955	\$ 64,921,034
Projected Ending Balance, June 30, 2020	\$ 4,680,492	\$ -	\$ 395,014	\$ 345,754	\$ 115,701	\$ 1,699,692	\$ 104,332	\$ 88,528	\$ 16,220,840	\$ 23,650,353

Increase (Decrease) in Fund Balance	\$ 20,151	\$ (77,379)	\$ 145,000	\$ (469,900)	\$ (41,739)	\$ 63,730	\$ 130,300	\$ 45,200	\$ 1,122,195	\$ 937,558
--	-----------	-------------	------------	--------------	-------------	-----------	------------	-----------	--------------	------------

Percent Change in Fund Balance	0.4%	-100.0%	58.0%	-57.6%	-26.5%	3.9%	501.8%	104.3%	7.4%	4.1%
---	------	---------	-------	--------	--------	------	--------	--------	------	------

Percent Ending Fund Balance of Expenditures	22.2%	0.0%	11.2%	10.3%	3.9%	31.7%	4.5%	3.9%	82.6%	36.4%
--	-------	------	-------	-------	------	-------	------	------	-------	-------

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to increase by \$20,151 (.4%) during fiscal year 2019/2020. The budgeted ending balance is 22.2% 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 2019/2020 with the ending balance of 22.2% of General fund expenditures more than meets this new minimum fund balance target amount.

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 \$77,379 beginning fund balance for 2019/2020. The Employee Benefits tax levy for 2019/2020 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2019/2020. This resulted in the zero balance budgeted in this fund at the end of 2019/2020, 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 current 10-year local option sales tax period will end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The extension of this tax was again approved by voters with 88% voting in favor of the extension.

The balance in the Local Option Sales Tax fund is budgeted to increase by \$145,000 (58%) for 2019/2020. 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 \$55 million, is the final sewer separation project mandated in the City's Consent Order with the Environmental Protection Agency (EPA). Phase 4-B of the West Hill Sewer Separation project is scheduled for construction in calendar year 2019 and Phase 4-C is scheduled for calendar year 2020. Transfers from this fund are made as needed to fund actual costs of the sewer projects.

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 \$469,900 (57.6%). This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2019/2020.

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 \$41,739 (26.5%) 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 increase by \$63,730 (3.9%) in 2019/2020. This increase in fund balance is partially due to a decrease in the transfer to the Plant Replacement Reserve. The 2019/2020 budgeted ending balance is 31.7% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance deficit of \$25,969 in 2019/2020. The fund balance deficit is due to capital outlay purchases including \$79,400 to replace the exterior scale and \$40,000 for new floors on two transfer trailers. Capital purchases are critical to the efficient operation of the Transfer Station. The balance is budgeted to increase by \$130,300 to \$104,331 by the end of 2019/2020.

Refuse Collection:

The Refuse Collection fund is budgeted to increase by \$45,200 (104.3%) in 2019/2020. The deficit balance in recent years has been due to the implementation of 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 are now being fully realized.

The rates for both regular residential customers and the senior rates are budgeted to increase by \$.50 per month effective July 1, 2019. The rate increase is needed in order to generate sufficient funds to replace one of the regular refuse collection vehicles in 2019/2020.

Non-Major Funds:

The fund balance of non-major funds combined is expected to increase by \$1,122,195 (7.4%) during 2019/2020. There are increases and decreases in the balances of the various non-major funds. The overall increase, however, is primarily due to the \$425,000 increase in the Water Pollution Control Plant Replacement Reserve and a \$428,000 increase in the West Hill Sewer Reserve.

**BUDGET SUMMARY SCHEDULES -
OPERATING FUNDS**

**City of Muscatine
Operating Funds
Budget Summary**

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 21,134,677	\$ 22,898,442	\$ 21,758,712	\$ 24,805,841	\$ 22,712,795
Revenues and Other Sources					
Property Taxes	\$ 14,961,957	\$ 15,534,838	\$ 15,928,957	\$ 15,913,057	\$ 16,565,421
Other City Taxes	3,715,827	3,873,633	3,855,428	4,206,128	4,264,266
Licenses and Permits	447,081	582,039	466,200	471,600	455,100
Intergovernmental	7,626,465	7,261,783	7,793,482	8,095,712	7,975,457
Charges for Services	15,509,653	16,063,650	16,349,500	16,521,000	17,025,300
Use of Money and Property	1,057,456	1,236,442	1,155,310	1,292,773	1,331,060
Other Revenue	5,347,186	6,215,998	5,405,750	5,823,800	5,647,350
Other Financing Sources					
Transfers In	11,055,850	11,026,455	12,396,446	12,743,492	12,594,638
Total Revenues and Other Sources	\$ 59,721,475	\$ 61,794,838	\$ 63,351,073	\$ 65,067,562	\$ 65,858,592
Funds Available	\$ 80,856,152	\$ 84,693,280	\$ 85,109,785	\$ 89,873,403	\$ 88,571,387
Expenditures and Other Uses					
Public Safety	\$ 9,215,450	\$ 9,295,417	\$ 9,972,700	\$ 10,210,500	\$ 10,166,100
Public Works	2,751,312	2,437,454	2,829,300	2,853,100	3,074,900
Health and Social Services	45,000	55,000	50,000	50,000	50,000
Culture and Recreation	3,456,490	3,376,790	3,500,700	3,723,100	3,724,400
Community and Economic Development	3,924,561	4,362,625	4,823,900	4,976,626	5,220,680
General Government	2,658,719	2,744,997	2,893,600	2,845,140	3,015,200
Debt Service	3,876,920	4,032,455	4,062,966	4,032,050	4,058,876
Business Type/Internal Service	16,317,275	17,964,526	18,054,770	18,476,200	19,375,440
Other Financing Uses					
Transfers Out	15,711,983	15,618,175	18,450,246	19,993,892	16,235,438
Total Expenditures and Other Uses	\$ 57,957,710	\$ 59,887,439	\$ 64,638,182	\$ 67,160,608	\$ 64,921,034
Ending Balance, June 30	\$ 22,898,442	\$ 24,805,841	\$ 20,471,603	\$ 22,712,795	\$ 23,650,353

**City of Muscatine
Operating Funds
Fund Statement**

Fund	Estimated Balance (Deficit) 7/1/19	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/20
General	\$ 4,660,341	\$ 21,134,911	\$ 21,114,760	\$ 4,680,492
Enterprise:				
Airport Operations	0	138,400	138,400	0
Transit System	449,208	1,093,260	1,290,200	252,268
Parking System	80,101	219,000	229,200	69,901
Golf Course	26,924	823,300	831,700	18,524
Boat Harbor Operations	700	22,000	21,800	900
Marina Operations	(2,850)	12,100	11,900	(2,650)
Ambulance Operations	280,349	1,702,600	1,893,900	89,049
Convention & Visitors Bureau	138,249	116,500	125,900	128,849
Soccer Events	98,930	98,700	72,200	125,430
Refuse Collection	43,328	2,329,400	2,284,200	88,528
Landfill Operations	1,341,728	1,428,700	1,267,500	1,502,928
Landfill Surcharge Reserve Part I	0	22,000	22,000	0
Landfill Surcharge Reserve Part II	0	46,200	46,200	0
Landfill Post-Closure Reserve	1,003,587	31,500	0	1,035,087
Landfill Closure Reserve	1,147,515	124,800	0	1,272,315
Transfer Station Operations	(25,969)	2,433,500	2,303,200	104,331
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	1,635,961	5,422,200	5,358,470	1,699,691
Collection and Drainage	605,530	1,427,600	1,463,800	569,330
WPCP Replacement Reserve	648,709	425,000	0	1,073,709
West Hill Sewer Reserve	3,273,791	428,000	0	3,701,791
Sewer Revenue Bond Sinking Fund	109,389	925,470	922,220	112,639
Sewer Extension and Improvement Reserve	916,551	372,000	0	1,288,551
Special Revenue:				
Employee Benefits	77,379	4,291,179	4,368,558	0
Emergency Levy	82,506	800	0	83,306
Road Use Tax	815,654	2,882,100	3,352,000	345,754
Community Block Grant	28,015	0	3,000	25,015
Tax Increment - Downtown	48,326	205,800	246,250	7,876
Tax Increment - Southend	922,987	1,480,000	1,475,165	927,822
Tax Increment - Cedar Development	75,321	500	0	75,821
Tax Increment - Heinz	7,629	7,900	7,800	7,729
Tax Increment - Highway 38 NE	10,334	57,200	57,200	10,334
Tax Increment - Fridley Theatre	22,898	74,100	74,000	22,998
Tax Increment - Riverview Hotel Dev.	0	540,000	540,000	0
Tax Increment - North University	0	82,000	80,000	2,000
Downtown Reinvestment District	0	400,000	400,000	0
Small Business Forgivable Loan Program	0	100,000	100,000	0
Local Option Sales Tax	250,014	3,667,200	3,522,200	395,014
Equipment Replacement	72,459	207,700	214,000	66,159
Computer Replacement	0	50,000	50,000	0
Public Housing Operations	57,682	927,310	863,140	121,852
Section 8 Voucher Program	55,840	2,012,410	2,024,180	44,070
Home Ownership Program	51,745	49,000	53,700	47,045
Sunset Park Education Center	10,257	10,100	10,100	10,257
Police Forfeiture Fund	14,746	5,000	5,000	14,746
Trust and Agency:				
Perpetual Care Fund	884,794	5,000	0	889,794
Perpetual Care Interest Trust	0	19,300	19,300	0
Cemetery Special Trusts	50,334	1,000	2,800	48,534
Library Trusts	73,194	26,500	39,300	60,394
Art Center Trusts	460,426	14,700	10,200	464,926
Debt Service:				
General Obligation	157,440	2,932,952	2,974,691	115,701
Internal Service/Other:				
Equipment Services	70,021	1,294,600	1,283,100	81,521
Dental Insurance	50,128	170,000	170,700	49,428
Health Insurance	1,896,769	3,567,100	3,577,100	1,886,769
Total *	<u>\$ 22,712,795</u>	<u>\$ 65,858,592</u>	<u>\$ 64,921,034</u>	<u>\$ 23,650,353</u>

*Includes interfund transactions.

**City of Muscatine
Operating Funds
Revenue Summary**

Fund	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
General	\$ 19,121,492 *	\$ 19,406,973 *	\$ 20,252,302	\$ 20,155,298	\$ 21,134,911
Enterprise:					
Airport Operations	97,286	109,574	118,300	120,200	138,400
Transit System	1,453,717	1,003,268	1,068,900	1,248,700	1,093,260
Parking System	218,110	221,861	211,100	219,000	219,000
Golf Course	748,405	764,742 *	839,200	816,300	823,300
Boat Harbor Operations	15,244	120,281	30,000	22,000	22,000
Marina Operations	7,489	9,304	12,100	12,100	12,100
Ambulance Operations	1,548,505	1,678,297	1,581,900	1,586,300	1,702,600
Convention & Visitors Bureau	96,588	112,033	120,300	133,600	116,500
Soccer Events Fund	0	67,865	0	98,700	98,700
Refuse Collection	2,248,221	2,292,621	2,280,400	2,277,300	2,329,400
Landfill Operations	1,402,988	1,666,522 *	1,409,700	1,524,000	1,428,700
Landfill Surcharge Reserve Part I	20,710	24,724	21,000	22,700	22,000
Landfill Surcharge Reserve Part II	43,490	51,920	44,100	47,800	46,200
Landfill Post-Closure Reserve	28,083	31,449	28,500	31,500	31,500
Landfill Closure Reserve	101,817	124,724	102,000	124,800	124,800
Transfer Station Operations	2,296,026	2,459,746 *	2,258,500	2,463,600	2,433,500
Water Pollution Control	4,595,572	4,798,685 *	5,136,200	4,980,700	5,422,200
Collection and Drainage	1,344,236 *	1,369,033	1,455,600	1,460,300	1,427,600
WPCP Replacement Reserve	706,097	726,834	701,000	725,000	425,000
West Hill Sewer Reserve	411,031	428,972	412,000	428,000	428,000
Sewer Revenue Bond Sinking Fund	1,062,962	1,067,030	1,064,596	980,841	925,470
Sewer Extension and Improvement Reserve	200,284	214,446	197,500	372,000	372,000
Special Revenue:					
Employee Benefits	3,704,214	3,964,037	4,309,336	4,309,336	4,291,179
Emergency Levy	258	739	200	800	800
Road Use Tax	3,035,941	2,997,716	2,882,100	2,894,000	2,882,100
Community Block Grant	98	303	0	0	0
Tax Increment - Downtown	214,231	204,861	205,400	204,200	205,800
Tax Increment - Southend	1,232,884	1,518,009	1,507,500	1,503,500	1,480,000
Tax Increment - Cedar Development	244,730	266,874	280,200	278,400	500
Tax Increment - Muscatine Mall	37,987	327	0	33	0
Tax Increment - Heinz	20,977	15,628	12,000	12,000	7,900
Tax Increment - Highway 38 NE	60,056	14,280	15,100	15,000	57,200
Tax Increment - Fridley Theatre	74,881	72,989	74,000	73,600	74,100
Tax Increment - Riverview Hotel Dev.	0	0	0	0	540,000
Tax Increment - North University	0	0	0	0	82,000
Downtown Reinvestment District	0	4,124	366,000	400,000	400,000
Small Business Forgivable Loan Program	103,070	125,873	100,000	110,000	100,000
Local Option Sales Tax	2,934,066	2,988,029	3,318,000	3,971,300	3,667,200
Equipment Replacement	211,499	250,151	257,700	533,200	207,700
Computer Replacement	40,644	53,687	40,000	40,000	50,000
Public Housing Operations	797,403	1,087,060	786,210	837,640	927,310
Section 8 Voucher Program	1,943,357	1,881,468	1,935,080	2,020,160	2,012,410
Home Ownership Program	40,821	40,895	45,100	45,500	49,000
Sunset Park Education Center	26,707	23,621	24,800	21,100	10,100
Police Forfeiture Fund	25	13	5,000	37,800	5,000
Trust and Agency:					
Perpetual Care Fund	4,021	3,941	5,000	5,000	5,000
Perpetual Care Interest Trust	14,357	13,701	14,500	15,500	19,300
Cemetery Special Trusts	806	746	800	1,000	1,000
Library Trusts	60,025	50,578	31,500	127,800	26,500
Art Center Trusts	38,935	41,017	11,100	61,600	14,700
Debt Service:					
General Obligation	2,783,272	2,796,302	2,788,949	2,792,754	2,932,952
Internal Service/Other:					
Equipment Services	1,049,132	1,105,574	1,281,400	1,281,400	1,294,600
Dental Insurance	155,724	160,289	166,000	167,700	170,000
Health Insurance	3,123,001	3,361,102	3,542,900	3,456,500	3,567,100
Total **	<u>\$ 59,721,475</u>	<u>\$ 61,794,838</u>	<u>\$ 63,351,073</u>	<u>\$ 65,067,562</u>	<u>\$ 65,858,592</u>

* Includes encumbrance adjustments.

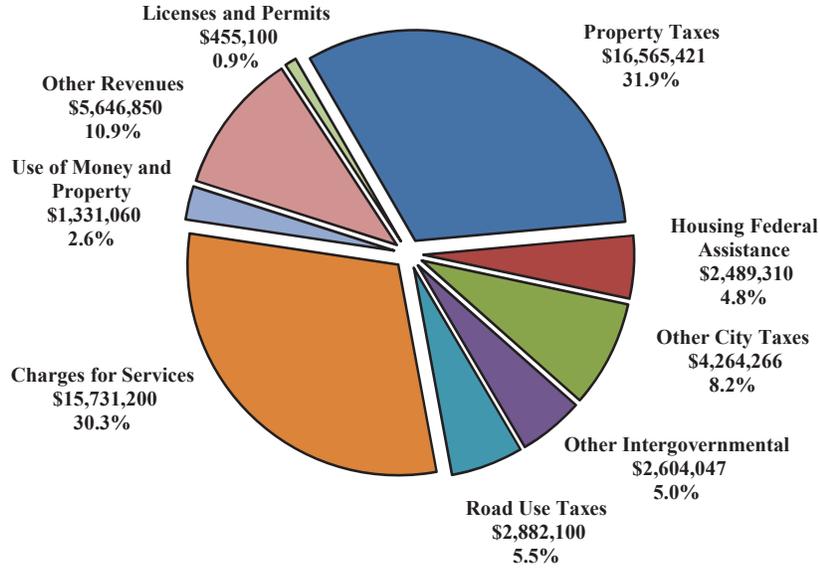
** Includes interfund transactions.

**City of Muscatine
Operating Funds
Expenditure Summary**

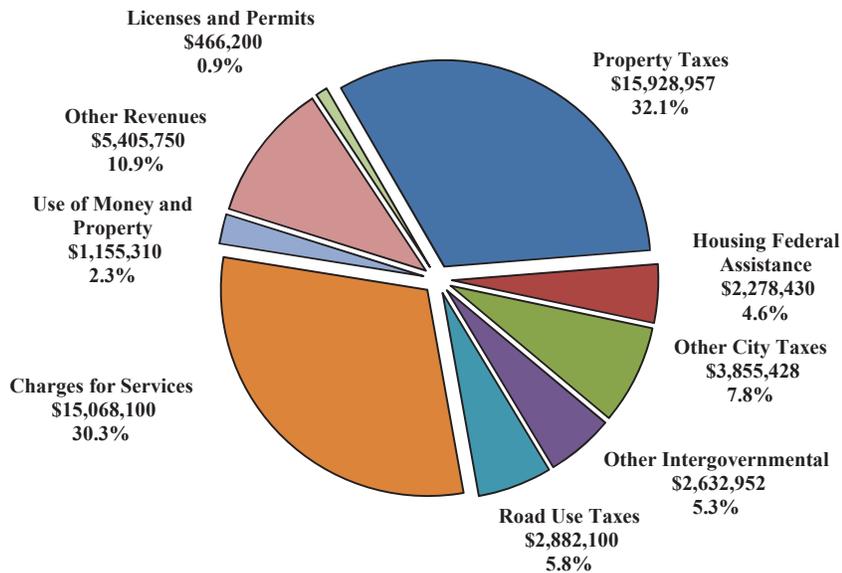
Fund	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Estimate 2018/2019	Budget 2019/2020
General	\$ 18,881,115	\$ 18,976,621	\$ 20,165,500	\$ 20,237,700	\$ 21,114,760
Enterprise:					
Airport Operations	97,286	109,574	118,300	120,200	138,400
Transit System	1,231,792	1,026,842	1,251,800	1,364,800	1,290,200
Parking System	208,382	216,843	223,700	222,300	229,200
Golf Course	753,613	769,176	861,400	833,700	831,700
Boat Harbor Operations	116,870	21,719	27,100	21,300	21,800
Marina Operations	6,113	8,824	11,900	11,800	11,900
Ambulance Operations	1,527,439	1,651,212	1,621,400	1,618,200	1,893,900
Convention & Visitors Bureau	86,831	102,871	119,100	122,600	125,900
Soccer Event Fund	0	5,935	0	61,700	72,200
Refuse Collection	2,161,415	2,168,785	2,095,700	2,120,900	2,284,200
Landfill Operations	1,045,115	1,858,258	902,500	983,600	1,267,500
Landfill Surcharge Reserve I	20,710	24,724	21,000	22,700	22,000
Landfill Surcharge Reserve II	43,490	51,920	44,100	47,800	46,200
Transfer Station Operations	2,071,751	2,686,633	2,322,000	2,429,100	2,303,200
Transfer Station Closure Reserve	4,570	0	0	0	0
Water Pollution Control	4,804,102	4,696,655	5,269,796	5,178,546	5,358,470
Collection and Drainage	1,400,792	1,276,373	1,319,900	1,577,200	1,463,800
WPCP Replacement Reserve	242,233	0	2,500,000	3,000,000	0
West Hill Sewer Reserve	0	0	0	0	0
Sewer Revenue Bond Sinking Fund	1,061,165	1,061,495	1,061,143	987,461	922,220
Sewer Extension and Improvement Reserve	200,000	711,141	0	150,000	0
Special Revenue:					
Employee Benefits	3,760,223	3,949,453	4,320,150	4,303,646	4,368,558
Road Use Tax	3,058,784	2,934,751	3,343,000	3,396,100	3,352,000
Community Block Grant	0	1,021	3,000	2,000	3,000
Tax Increment - Downtown	203,050	202,650	207,100	207,100	246,250
Tax Increment - Southend	1,198,100	1,546,378	1,504,405	1,470,505	1,475,165
Tax Increment - Cedar Development	235,257	255,399	285,000	270,100	0
Tax Increment - Muscatine Mall	18,781	0	32,100	32,500	0
Tax Increment - Highway 38 NE	66,126	8,808	16,500	24,707	57,200
Tax Increment - Heinz	19,000	14,764	12,000	11,100	7,800
Tax Increment - Fridley Theatre	72,525	66,777	74,000	67,000	74,000
Tax Increment - Riverview Hotel Dev.	0	0	0	0	540,000
Tax Increment - North University	0	0	0	0	80,000
Riverview Reinvestment District	0	4,124	366,000	400,000	400,000
Small Business Forgivable Loan Program	62,700	116,254	100,000	201,409	100,000
Local Option Sales Tax	3,181,633	2,958,474	3,318,000	3,988,600	3,522,200
Equipment Replacement	306,875	163,013	377,600	623,300	214,000
Computer Replacement	54,994	68,414	40,000	81,340	50,000
Public Housing Operations	843,152	1,049,631	787,170	862,100	863,140
Section 8 Voucher Program	1,894,043	1,956,864	1,949,700	2,002,310	2,024,180
Home Ownership Program	52,802	56,323	51,700	50,900	53,700
Sunset Education Center	29,270	21,829	24,800	14,800	10,100
Police Forfeiture Fund	20,056	5,076	5,000	31,200	5,000
Trust and Agency:					
Perpetual Care Interest Trust	14,357	13,701	14,500	15,500	19,300
Cemetery Special Trusts	3,340	1,086	2,800	2,800	2,800
Library Trusts	65,757	155,784	31,400	90,300	39,300
Art Center Trusts	187,699	22,919	9,200	91,800	10,200
Debt Service:					
General Obligation	2,652,050	2,809,005	2,837,018	2,879,784	2,974,691
Internal Service/Other:					
Equipment Services	1,025,686	1,064,654	1,284,900	1,297,500	1,283,100
Dental Insurance	140,187	140,734	165,200	165,200	170,700
Health Insurance	2,826,479	2,873,952	3,539,600	3,465,400	3,577,100
Total *	\$ 57,957,710	\$ 59,887,439	\$ 64,638,182	\$ 67,160,608	\$ 64,921,034

* Includes interfund transactions.

**All City Operating Revenues By Source
Budget 2019/2020
\$51,969,354**



**All City Operating Revenues By Source
Budget 2018/2019
\$49,673,227**

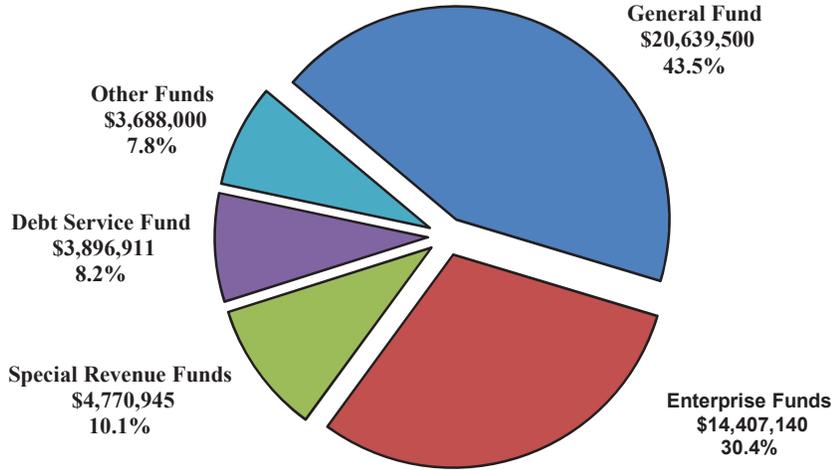


**All City Funds Operating Revenues
Reconciliation Information**

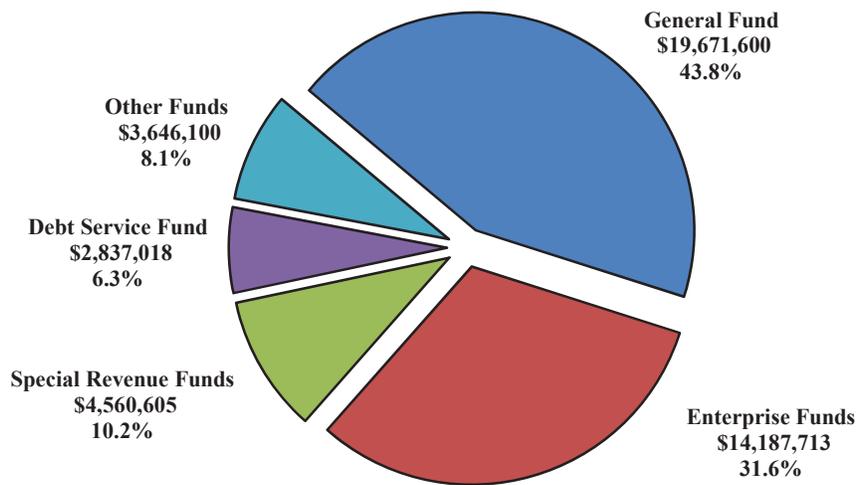
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	<u>2018/2019 Budget</u>	<u>2019/2020 Budget</u>
Revenues per Summary Statement	\$ 63,351,073	\$ 65,858,592
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 14,500	\$ 19,300
Special Revenue Funds	7,014,550	7,260,958
Health Insurance Fund	61,500	62,600
Tax Increment Funds	199,600	202,200
Enterprise Funds	1,047,200	1,195,700
Debt Service Fund		
Enterprise Funds	97,800	92,500
Tax Increment Funds	207,100	206,250
Equipment Replacement Fund		
General Fund	250,000	200,000
Computer Replacement Fund		
General Fund	40,000	50,000
Homeownership Program		
Community Block Grant	2,000	2,000
Sunset Park Education Center		
Community Block Grant	1,000	1,000
Small Business Forgivable Loan Program		
Tax Increment Funds	100,000	100,000
Convention and Visitors Bureau		
General Fund	120,000	115,000
Airport Operations Fund		
General Fund	33,900	57,900
Transit Operations Fund		
General Fund	50,000	52,360
Landfill Operations		
Landfill Surcharge Reserve	21,000	22,000
Landfill Surcharge Reserves		
Landfill Operations	65,100	68,200
Landfill Closure and Post-Closure Reserves		
Landfill Operations	130,500	156,300
Transfer Station		
Landfill Surcharge Reserve	44,100	46,200
Sewer Reserves		
Water Pollution Control Fund	700,000	400,000
Collection & Drainage Fund	180,000	350,000
Sewer Sinking Fund	1,063,596	922,970
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	553,000	611,200
Total Transfers In	<u>12,396,446</u>	<u>12,594,638</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,281,400</u>	<u>1,294,600</u>
Budgeted Revenues Net of Transfers	<u>\$ 49,673,227</u>	<u>\$ 51,969,354</u>

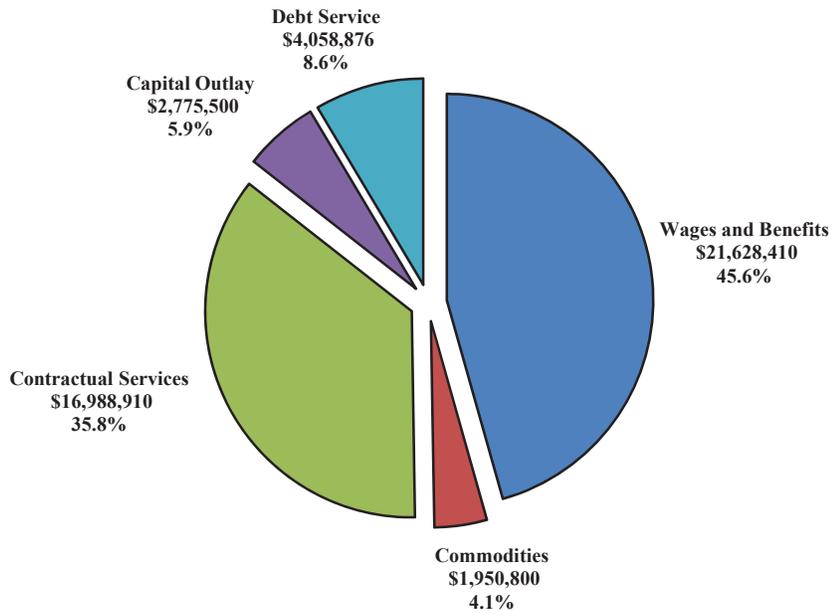
**All City Operating Expenditures By Fund
Budget 2019/2020
\$47,402,496**



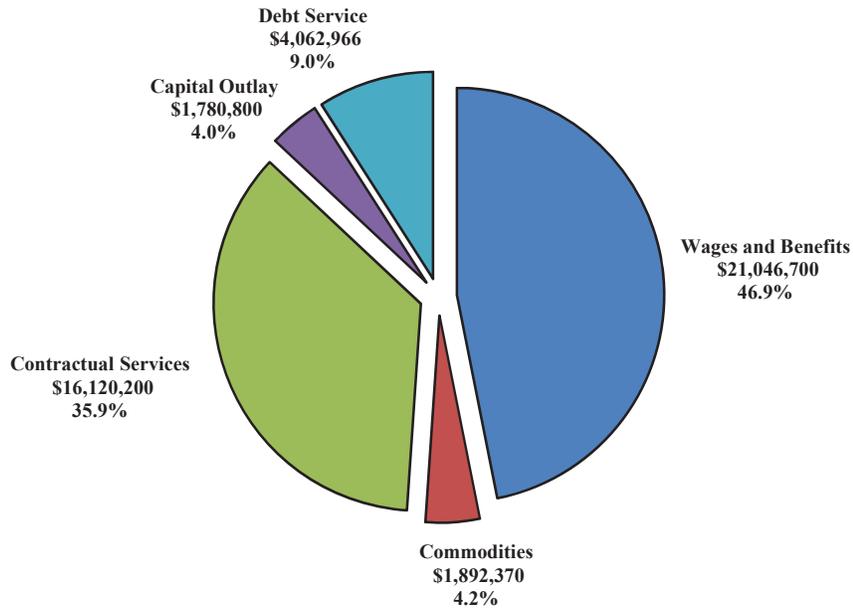
**All City Operating Expenditures By Fund
Budget 2018/2019
\$44,903,036**



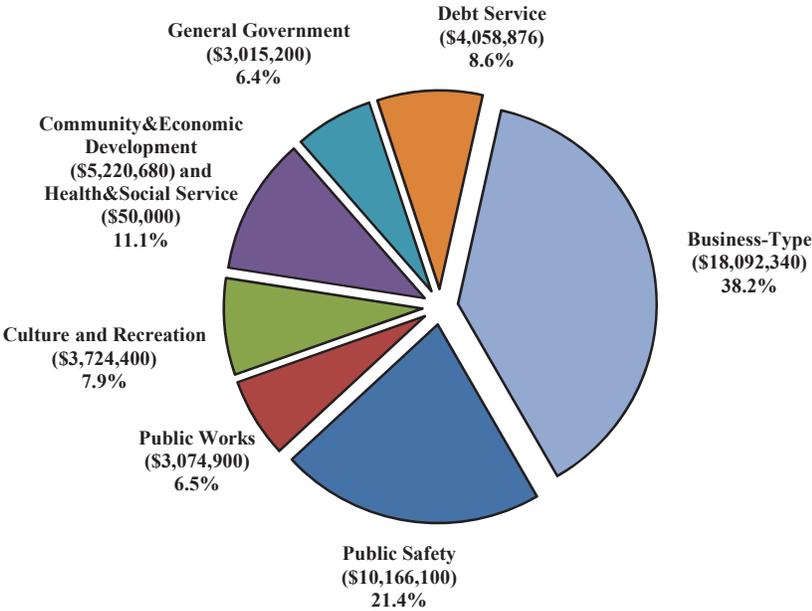
**All City Operating Expenditures By Type
Budget 2019/2020
\$47,402,496**



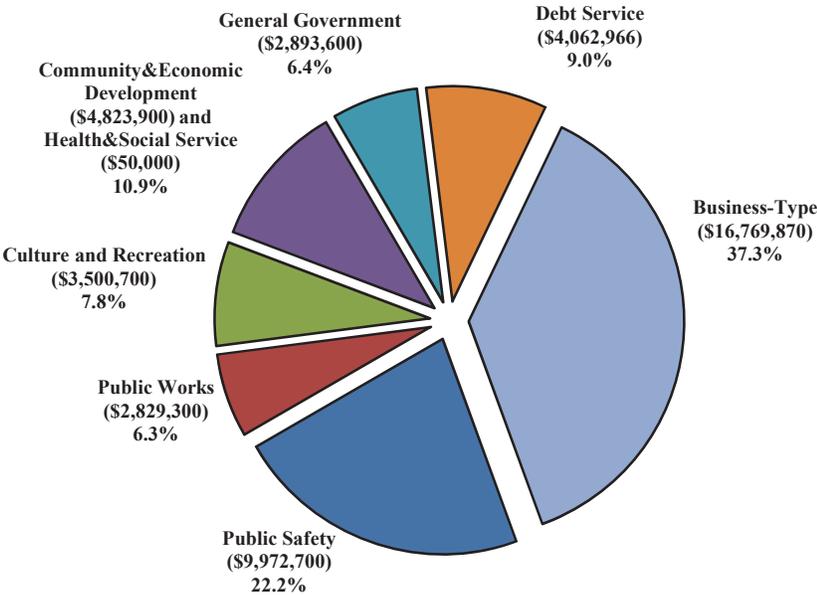
**All City Operating Expenditures By Type
Budget 2018/2019
\$44,903,036**



All City Operating Expenditures By Function *
Budget 2019/2020
\$47,402,496



All City Operating Expenditures By Function *
Budget 2018/2019
\$44,903,036



* 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 is a reconciliation of expenditures per the summary statement to expenditures net of transfers.

	<u>2018/2019</u> <u>Budget</u>	<u>2019/2020</u> <u>Budget</u>
Expenditures per Summary Statement	\$ 64,638,182	\$ 64,921,034
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 50,000	\$ 52,360
Airport Operations Fund	33,900	57,900
Equipment Replacement Fund	250,000	200,000
Computer Replacement Fund	40,000	50,000
Convention & Visitors Bureau	120,000	115,000
Trust and Agency Funds		
General Fund	14,500	19,300
Community Block Grant		
Sunset Park Education Center	1,000	1,000
Homeownership Program	2,000	2,000
Special Revenue Funds		
General Fund	7,663,150	7,720,558
Capital Projects Fund	3,318,000	3,522,200
Tax Increment Funds	525,900	615,950
Golf Course Fund		
Capital Projects Fund	45,200	0
Ambulance Fund		
General Fund	1,047,200	1,195,700
Landfill Operations Fund		
Landfill Surcharge Reserve	65,100	68,200
Landfill Closure/Post-Closure Reserve	130,500	156,300
Landfill Surcharge Reserve		
Landfill Operations Fund	21,000	22,000
Transfer Station Fund	44,100	46,200
Transfer Station Operations Fund		
Capital Projects Fund	75,800	72,700
Water Pollution Control Fund		
Debt Service Fund	97,800	92,500
Sewer Reserves	1,963,596	1,522,970
Capital Projects Fund	0	90,000
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	2,500,000	0
Collection & Drainage		
Sewer Reserves	380,000	550,000
Health Insurance Fund		
General Fund	<u>61,500</u>	<u>62,600</u>
Total Transfers Out	<u>\$ 18,450,246</u>	<u>\$ 16,235,438</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,284,900</u>	<u>1,283,100</u>
Budgeted Expenditures Net of Transfers	<u><u>\$ 44,903,036</u></u>	<u><u>\$ 47,402,496</u></u>

City of Muscatine
Matrix of 2019/2020 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	\$ 112,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,100
Legal Services	120,000	0	0	0	0	0	0	0	120,000
City Administrator	423,800	0	0	0	0	0	0	0	423,800
Human Resources	164,900	0	0	0	0	0	0	0	164,900
Wellness Program	62,600	0	0	0	0	0	0	0	62,600
Finance and Records	662,600	0	0	0	0	0	0	0	662,600
Computer Operations	430,500	0	0	0	0	0	0	0	430,500
Risk Management	316,300	0	0	0	0	0	0	0	316,300
Building and Grounds	672,400	0	0	0	0	0	0	0	672,400
Police Operations	0	5,230,600	0	0	0	0	0	0	5,230,600
Animal Control	0	155,200	0	0	0	0	0	0	155,200
Fire Operations	0	4,705,300	0	0	0	0	0	0	4,705,300
Library	0	0	1,160,600	0	0	0	0	0	1,160,600
Cable Television Operations	0	0	20,700	0	0	0	0	0	20,700
Art Center	0	0	412,000	0	0	0	0	0	412,000
Park Administration	0	0	204,500	0	0	0	0	0	204,500
Park Maintenance	0	0	758,400	0	0	0	0	0	758,400
Kent Stein Park	0	0	221,100	0	0	0	0	0	221,100
Soccer Complex	0	0	237,900	0	0	0	0	0	237,900
Swimming Pools	0	0	213,200	0	0	0	0	0	213,200
Recreation	0	0	124,800	0	0	0	0	0	124,800
Cemetery	0	0	174,900	0	0	0	0	0	174,900
Community Development	0	0	0	852,200	0	0	0	0	852,200
Economic Development	0	0	0	78,000	0	0	0	0	78,000
Economic Well-Being	0	0	0	0	50,000	0	0	0	50,000
Public Works Administration	0	0	0	0	0	216,500	0	0	216,500
Roadway Maintenance	0	0	0	0	0	1,581,600	0	0	1,581,600
Traffic Control	0	0	0	0	0	192,700	0	0	192,700
Snow and Ice Control	0	0	0	0	0	505,000	0	0	505,000
Street Cleaning	0	0	0	0	0	217,300	0	0	217,300
Engineering	0	0	0	0	0	361,800	0	0	361,800

(Continued)

(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	138,400	138,400
Transit Operations	0	0	0	0	0	0	0	1,290,200	1,290,200
Parking System	0	0	0	0	0	0	0	229,200	229,200
Golf Course	0	0	0	0	0	0	0	831,700	831,700
Boat Harbor Operations	0	0	0	0	0	0	0	21,800	21,800
Marina Operations	0	0	0	0	0	0	0	11,900	11,900
Ambulance Operations	0	0	0	0	0	0	0	698,200	698,200
Convention and Visitors Bureau	0	0	0	0	0	0	0	125,900	125,900
Soccer Events Operations	0	0	0	0	0	0	0	72,200	72,200
Public Housing	0	0	0	0	0	0	0	863,140	863,140
Refuse Collection	0	0	0	0	0	0	0	2,284,200	2,284,200
Landfill Operations	0	0	0	0	0	0	0	1,043,000	1,043,000
Transfer Station	0	0	0	0	0	0	0	2,230,500	2,230,500
Collection and Drainage	0	0	0	0	0	0	0	913,800	913,800
Water Pollution Control	0	0	0	0	0	0	0	3,653,000	3,653,000
Sewer Sinking Fund	0	0	0	0	0	0	922,220	0	922,220
Special Revenue Funds:									
Equipment Replacement	0	70,000	144,000	0	0	0	0	0	214,000
Southend Tax Increment	0	0	0	1,011,000	0	0	161,965	0	1,172,965
Highway 38 NE Tax Increment	0	0	0	57,200	0	0	0	0	57,200
Heinz Tax Increment 2014	0	0	0	7,800	0	0	0	0	7,800
Fridley Theatre Tax Increment	0	0	0	74,000	0	0	0	0	74,000
Riverview Hotel Development Tax Increme	0	0	0	472,500	0	0	0	0	472,500
North Univeristy Tax Increment	0	0	0	80,000	0	0	0	0	80,000
Downtown Reinvestment District	0	0	0	400,000	0	0	0	0	400,000
Small Business Forgivable Loan	0	0	0	100,000	0	0	0	0	100,000
Section 8 Housing	0	0	0	2,024,180	0	0	0	0	2,024,180
Home Ownership Program	0	0	0	53,700	0	0	0	0	53,700
Sunset Park Children's Education Program	0	0	0	10,100	0	0	0	0	10,100
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	50,000	0	0	0	0	0	0	0	50,000
Debt Service Fund	0	0	0	0	0	0	2,974,691	0	2,974,691
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	3,514,500	3,514,500
Dental Insurance Fund	0	0	0	0	0	0	0	170,700	170,700
Trust and Agency Funds:									
Library Trusts	0	0	39,300	0	0	0	0	0	39,300
Cemetery Trust	0	0	2,800	0	0	0	0	0	2,800
Art Center Trusts	0	0	10,200	0	0	0	0	0	10,200
Total	\$ 3,015,200	\$ 10,166,100	\$ 3,724,400	\$ 5,220,680	\$ 50,000	\$ 3,074,900	\$ 4,058,876	\$ 18,092,340	\$ 47,402,496

**City of Muscatine
Fulltime Employee Trends**

General Fund

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Budget 2018-19	Actual 2018-19	Budget 2019-20
City Administrator	2.00	2.00	2.00	2.00	2.00	3.00	3.00	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	5.70	5.70	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	4.35	4.35	4.35	4.35	4.35	4.35	4.35	6.23	6.73	6.73	6.73
Police	41.88	43.88	44.88	44.73	43.73	43.73	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	37.50	37.50	37.50	37.50	41.50	41.50	41.50	41.50	43.00 (1)
Library (FTE)	15.91	15.74	15.51	14.95	14.71	14.33	13.76	14.19	14.90	13.62	13.54 (2)
Art Center (FTE)	4.57	4.54	4.25	4.25	4.52	4.70	4.70	4.70	4.70	4.70	4.97 (3)
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 *	6.08	6.00	6.00	6.00	6.00	5.80	5.80	5.80	5.80	5.80	5.80
Kent Stein Park *	1.12	1.12	1.12	1.12	1.12	1.22	1.22	1.22	1.22	1.22	1.22
Soccer Complex *	1.13	1.13	1.13	1.13	1.13	1.23	1.23	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 *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	6.67	6.72	6.92	6.92	6.93	7.44	7.42	7.42	7.42	7.42	7.42
Street Cleaning	1.75	1.75	1.75	1.90	1.90	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	2.00	2.13	2.54 (4)
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	150.87	152.64	154.32	153.81	152.85	154.16	157.57	159.88	162.09	160.94	163.04

**City of Muscatine
Fulltime Employee Trends**

Enterprise / Other Funds

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Budget 2018-19	Actual 2018-19	Budget 2019-20
Parking System	3.10	3.10	3.10	2.90	2.90	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	10.45	10.66	10.66	9.56	9.56	9.56	8.98	8.98	8.98	9.84	9.78 (5)
Landfill	0.30	0.25	0.25	0.25	0.25	0.25	0.60	0.60	0.60	0.60	0.60
Transfer Station	3.58	3.42	3.42	3.42	3.42	3.42	3.15	3.15	3.15	3.11	3.08 (5)
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	10.75	10.75	10.75	9.75	8.75	8.75	8.75	8.48	8.48	8.48	7.48 (6)
Pumping Stations	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Laboratory Operations	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
High Strength Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00 (6)
Collection and Drainage	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.28	6.03 (5)
Storm Water Operations	0.58	0.58	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)	12.50	12.13	12.25	11.50	12.25	11.77	10.71	10.28	10.55	10.28	10.28 (7)
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	71.07	70.70	70.82	67.77	67.52	66.04	64.48	63.78	64.05	64.35	65.01
Grand Total	221.94	223.34	225.14	221.58	220.37	220.20	222.05	223.66	226.14	225.29	228.05

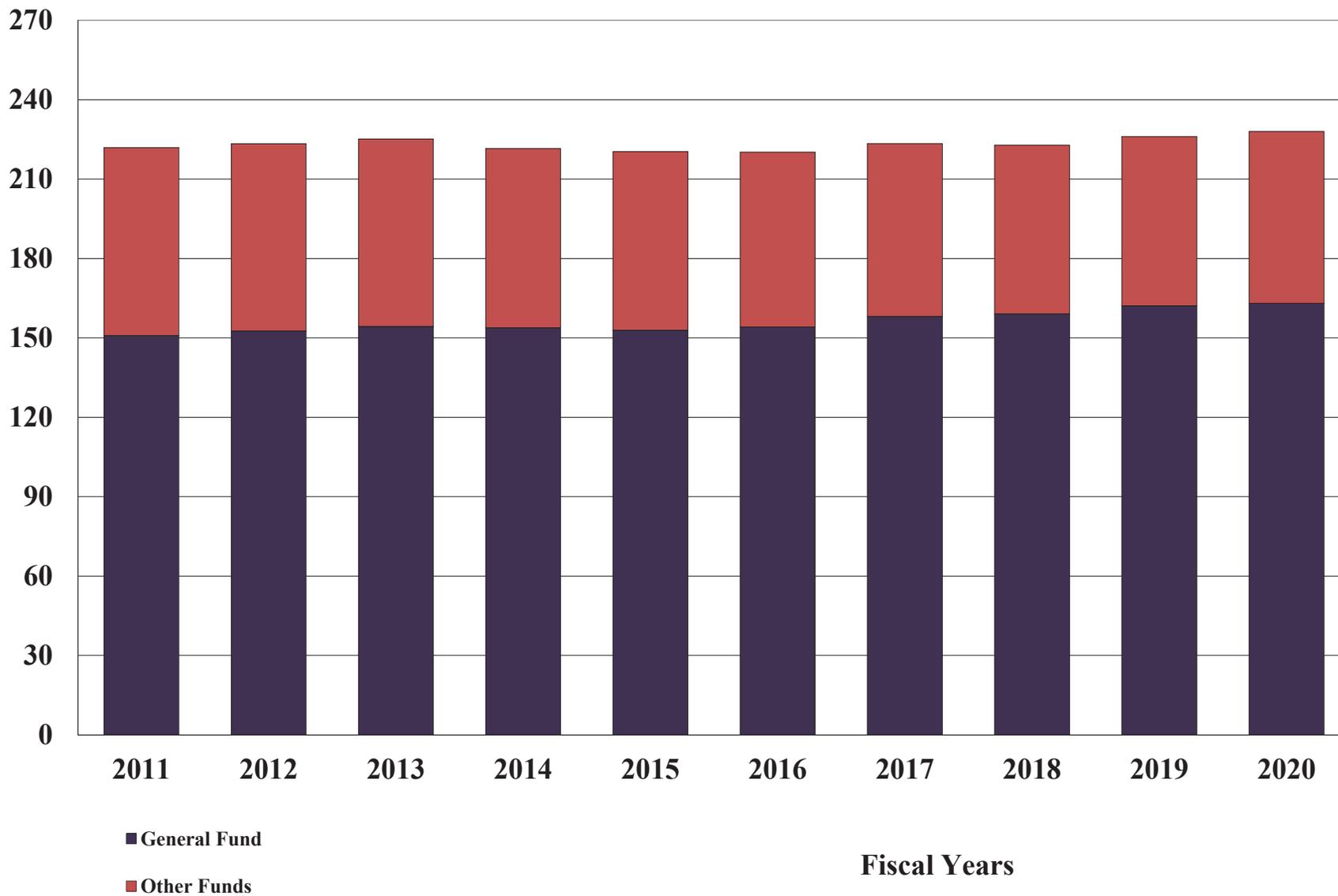
* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2018/2019 Revised Estimate and 2019/2020 Budget:

1. The 2019/2020 Fire department budget shows an increase of 3 firefighter positions effective January 1, 2020. These positions are subject to the receipt of additional revenue from GEMT (Grounds Emergency Medical Transport) payments which are expected to increase the reimbursements for Medicaid patients starting in 2020.
2. A Library staff reorganization resulted in a 1.28 FTE decrease in the 2018/2019 revised estimate. One full time position was eliminated and part time positions were restructured with the move to the new library building. The 2019/2020 budget shows a further decrease of .08 FTE for a full year of the restructured staffing.
3. The Art Center Aide position will increase from a 29 hours/week position to a fulltime position effective July 1, 2019.
4. A part-time Right-of-Way Inspector position was added in the Engineering division starting in May of 2019 as part of a Public Works reorganization.
5. A Public Works staff reorganization resulted in changes in positions and position allocations in the Refuse Collection, Transfer Station, and Collection and Drainage funds.
6. One vacant position was eliminated in the Water Pollution Control Plant Operations budget and two were added for the new High Strength Waste Receiving Station.
7. Housing reorganization resulted in a .27 FTE decrease.

Fulltime Employee Trends Ten Year History

Number of Employees



PROPERTY TAX SCHEDULES

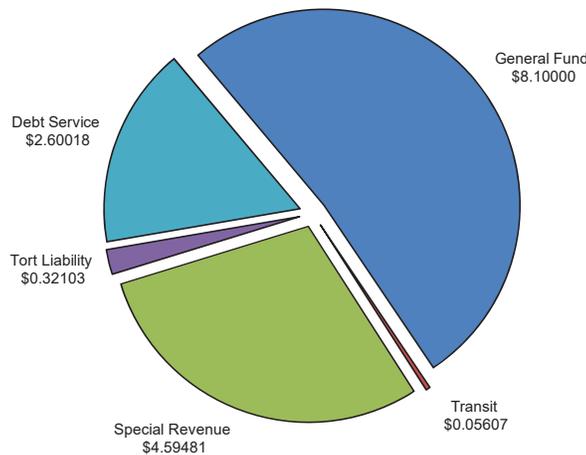
City of Muscatine

Property Tax Levies by Type - Fiscal Years 2018/2019 and 2019/2020

	<u>2018/2019 Budget</u>		<u>2019/2020 Budget</u>		<u>Percent of Levy Increase (Decrease)</u>	<u>Change in Dollars Levied</u>	<u>Percent Change in Dollars Levied</u>
	<u>Collections</u>	<u>Levy Per \$1,000 of Assessed Valuation</u>	<u>Collections</u>	<u>Levy Per \$1,000 of Assessed Valuation</u>			
General Fund	\$ 7,067,918	\$ 8.10000	\$ 7,197,875	\$ 8.10000	0.00%	\$ 129,957	1.84%
Transit System	49,824	0.05710	49,825	0.05607	(1.80%)	1	0.00%
Tort Liability	239,280	0.27422	285,276	0.32103	17.07%	45,996	19.22%
Special Revenue:							
Police and Fire Retirement	\$ 1,397,764	\$ 1.60187	\$ 1,358,763	\$ 1.52906	(4.55%)	\$ (39,001)	(2.79%)
FICA/IPERS	711,312	0.81518	737,009	0.82938	1.74%	25,697	3.61%
Other Employee Benefits	2,026,852	2.32282	2,041,514	2.29738	(1.10%)	14,662	0.72%
Reduction *	(31,230)	(0.03579)	(54,215)	(0.06101)	(70.47%)	(22,985)	(73.60%)
Subtotal	<u>\$ 4,104,698</u>	<u>\$ 4.70408</u>	<u>\$ 4,083,071</u>	<u>\$ 4.59481</u>	(2.32%)	<u>\$ (21,627)</u>	(0.53%)
Debt Service	2,372,694	2.53669	2,508,932	2.60018	2.50%	136,238	5.74%
Levee Improvements	-	-	-	-		-	
Total	\$ 13,834,414	\$ 15.67209	\$ 14,124,979	\$ 15.67209	0.00%	\$ 290,565	2.10%
Agricultural Land	3,543	3.00375	4,542	3.00375	0.00%	999	28.20%
Grand Total	<u>\$ 13,837,957</u>	<u>\$ 15.67209</u>	<u>\$ 14,129,521</u>	<u>\$ 15.67209</u>	0.00%	<u>\$ 291,564</u>	2.11%
		\$ 3.00375		\$ 3.00375			

* The Employee Benefits Levies for both 2018/2019 and 2019/2020 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 \$31,230 of General Fund balance being used for employee benefits in 2018/2019 and \$54,215 being used in the 2019/2020 budget.

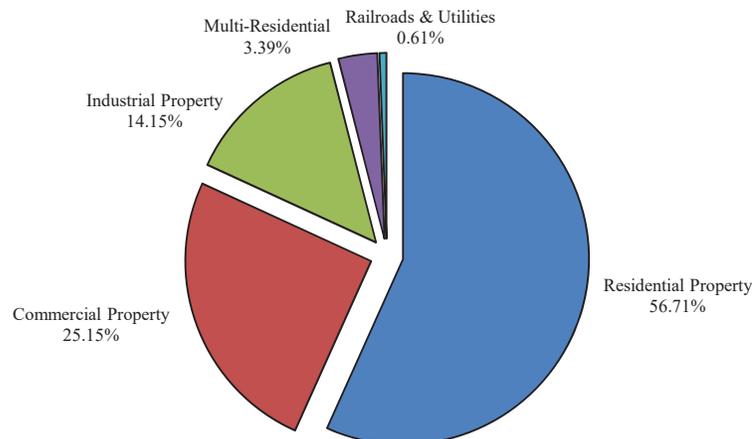
**City Tax Levy Rates By Type
Budget 2019/2020
\$15.67209
per \$1,000 Valuation**



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

	<u>January 1, 2017</u>	<u>January 1, 2018</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	<u>MEMO ONLY Percent Increase (Decrease) in Actual Value</u>
Residential Property (1)	\$ 489,430,931	\$ 504,858,389	\$ 15,427,458	3.15%	0.83%
Commercial Property (2)	221,925,876	223,837,935	1,912,059	0.86%	1.24%
Industrial Property (3)	124,695,505	125,927,119	1,231,614	0.99%	1.29%
Multi-Residential (4)	33,261,173	30,151,651	(3,109,522)	-9.35%	-4.64%
Railroads (5)	806,188	824,469	18,281	2.27%	2.27%
Utilities (6)	4,080,084	4,569,712	489,628	12.00%	12.00%
Total Valuations	\$ 874,199,757	\$ 890,169,275	\$ 15,969,518	1.83%	0.82%
Less Military Exemptions	<u>1,617,336</u>	<u>1,542,716</u>	<u>(74,620)</u>	-4.61%	
Total Net Valuation	<u>\$ 872,582,421</u>	<u>\$ 888,626,559</u>	<u>\$ 16,044,138</u>	1.84%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	<u>\$ 875,583,081</u>	<u>\$ 891,821,062</u>	<u>\$ 16,237,981</u>	1.86%	

1. Residential taxable valuations realized an increase in the rollback factor from 55.6209% to 56.9180% for January 1, 2018 (an increase of 2.34% in taxable valuations).
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, January 1, 2017, and January 1, 2018 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, January 1, 2016, January 1, 2017, and January 1, 2018.
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 3.75% each year until 2023/2024 when the rollback will be equal to the rollback for residential properties. The rollback for the January 1, 2018 valuations is 75.00%. The decrease in multi-residential taxable valuations in 2018 includes the decrease from Sycamore Estates, now Sycamore Ridge, changing from multi-residential to a cooperative which is taxed as residential property. This property had a multi-residential taxable valuation of \$1,905,372 in 2017.
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 through January 1, 2018.
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.

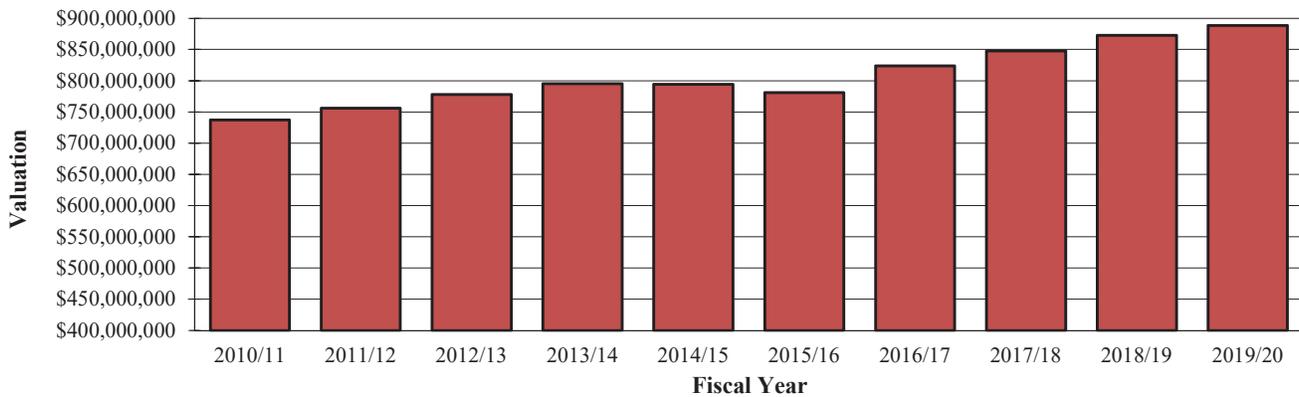


**2018 Taxable Valuations by Type
(Valuations Used for 2019/2020 Tax Levy)**

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

Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
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
2018/19	869,313,485	4,886,272	1,617,336	872,582,421	1,179,436
2019/20	884,775,094	5,394,181	1,542,716	888,626,559	1,512,053

**Taxable Property Valuation
Ten Year History**

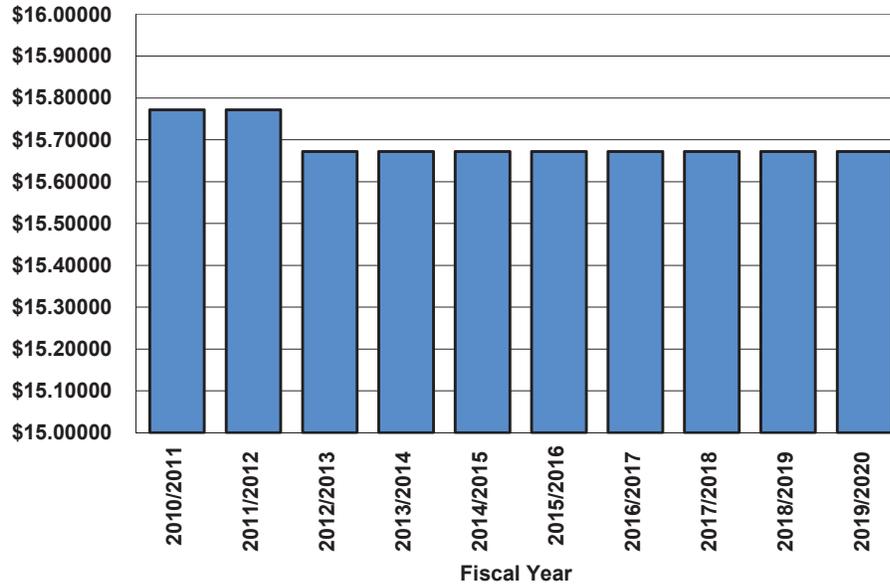


**City of Muscatine
City Tax Rate History
Fiscal Years 2010/2011 through 2019/2020**

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
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%
2018/2019	15.67209	0.00%
2019/2020	15.67209	0.00%

Tax Rate
(Per \$1,000
Valuation)

Tax Rate Ten Year History



Tax Levies by Entity

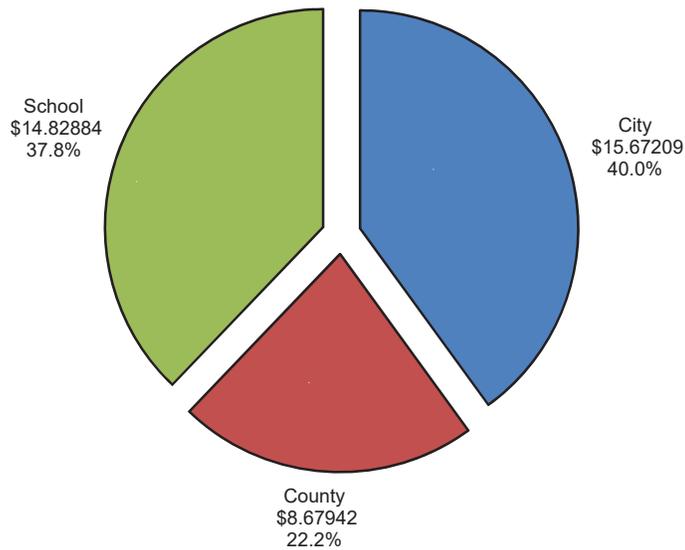
Historical Comparison

Certified Levies Per \$1,000 of Valuation

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
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
2017/2018	15.67209	9.07348	14.91989	39.66546
2018/2019	15.67209	8.67942	14.82884	39.18035
Percent of 2018/2019 Total Levy	40.0%	22.2%	37.8%	100.0%
2019/2020 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2019/2020 for Muscatine County and the Muscatine Community School district are not yet available.

**Tax Levy Rates By Entity
Fiscal Year 2018/2019
\$39.18035 per \$1,000 Valuation**



MAJOR REVENUE SOURCES SCHEDULES

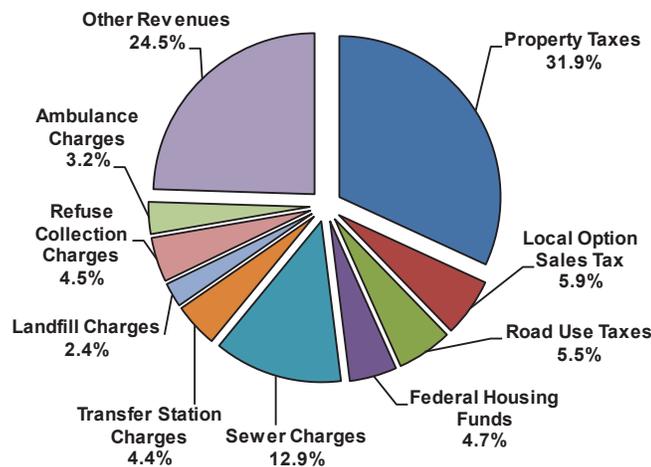
**City of Muscatine
Major Revenue Sources
Fiscal Year 2019/2020 Budget**

General Information

The City of Muscatine budgeted operating revenues of \$51,969,354 for 2019/2020 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 2019/2020 budgeted operating revenues, 75.5% 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.

	<u>2019/2020 Budget</u>	<u>Percent of Total</u>
Property Taxes	\$ 16,565,421	31.9%
Local Option Sales Tax	3,056,000	5.9%
Road Use Taxes	2,882,100	5.6%
Federal Housing Funds	2,465,310	4.7%
Sewer Charges	6,698,000	12.9%
Transfer Station Charges	2,308,300	4.4%
Landfill Charges	1,269,500	2.4%
Refuse Collection Charges	2,323,400	4.5%
Ambulance Charges	1,666,300	3.2%
Other Revenues	<u>12,735,023</u>	<u>24.5%</u>
Total Operating Revenues	<u>\$ 51,969,354</u>	<u>100.0%</u>

**Operating Revenues
Budget 2019/2020**



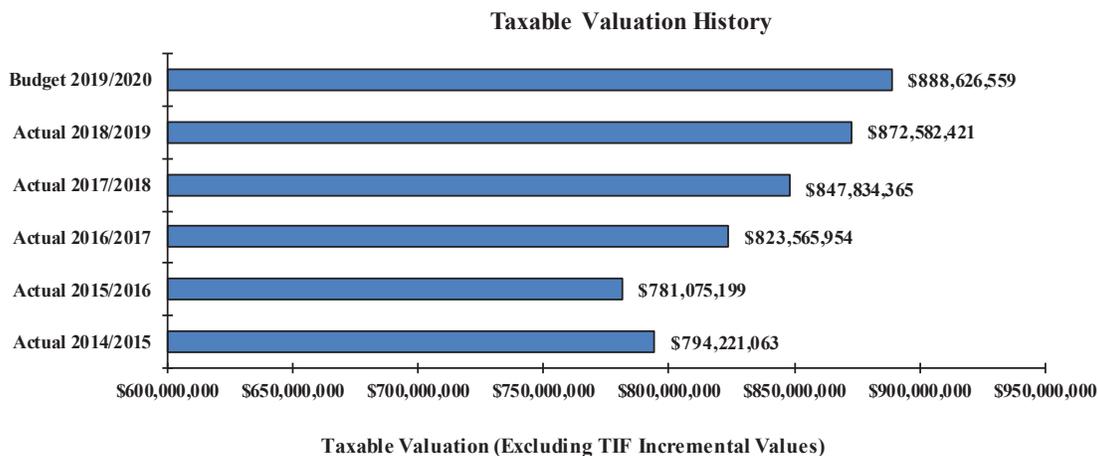
Property Taxes
FY 2019/2020 Budget \$16,565,421

General Information

Property taxes comprise 31.9% 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 2019/2020. 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

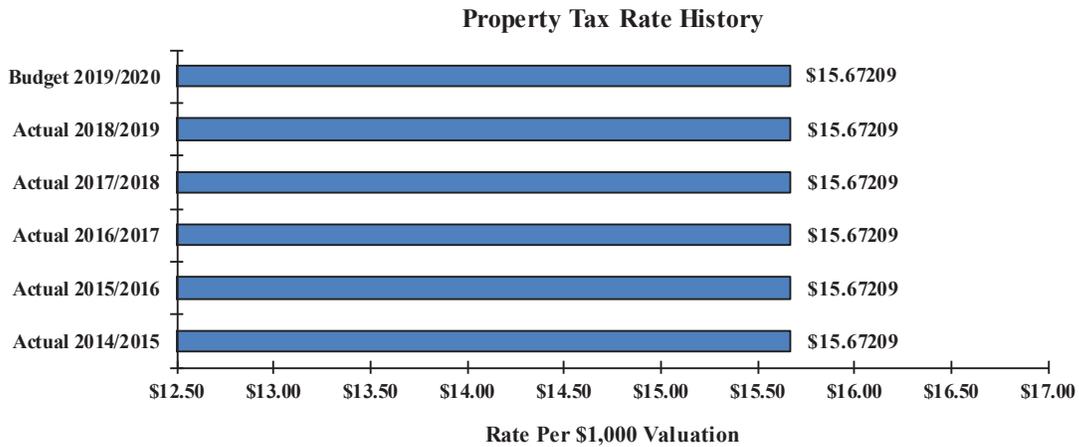


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State “rollback” factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2019/2020 is \$888,626,559, which is \$16,044,138 (1.84%) more than the fiscal year 2018/2019 valuation of \$872,582,421. 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 commercial and industrial valuations remained at 90% for 2019/2020. 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, rolled back to 78.75% in 2018/2019, rolled back to 75% in 2019/2020, and will continue to be rolled back over the next four years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2019/2020 is \$30,151,651, which

reflects the 75% rollback. Industrial property valuations increased by .99%, commercial values increased by .86%, and residential property values increased by 3.15% for 2019/2020. Actual valuations for residential property increased by .83% and there was a 2.34% increase in the residential rollback (from 55.6209% to 56.9180%). The other smaller categories of properties are railroads, which increased in valuation by 2.27%, and utilities, which increased by 12.00%. Overall, these factors combined to result in the 1.84% overall increase in taxable valuations.

Property Tax Rates



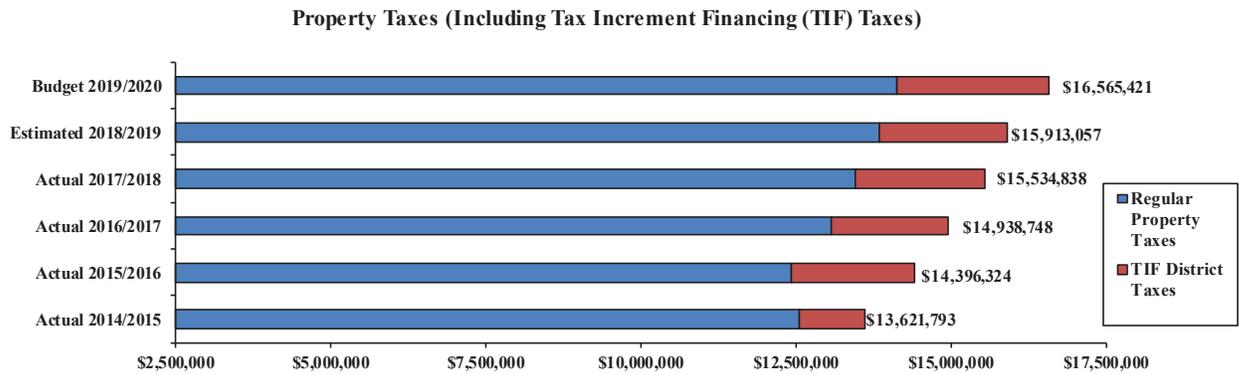
The City’s tax rate for 2019/2020 is comprised of five different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, and Debt Service.

Two 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 and \$.95 for Transit. The City is at the maximum rate for the General Fund, 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 2019/2020 was maintained at the same rate as the previous seven years. The increases in the debt service and tort liability rates were offset by decreases in the transit and employee benefits tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefits levy funding \$54,215 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 2019/2020.

Property Tax Revenue



Property taxes estimated for 2019/2020 total \$16,565,421, including \$14,129,521 from regular property tax and \$2,435,900 from tax increment financing (TIF) taxes. This is a 2.11% increase in regular property taxes and a 4.1% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2019/2020 Budget \$3,056,000

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.

The current 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 to extend the tax. Voters again approved the extension of this tax with 88% voting in favor of the extension.

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 2018/2019 and 2019/2020 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 2018/19 and 2019/20 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2019/2020 Budget \$2,882,100

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 2019/2020. 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 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 \$2,894,000 in 2018/2019. This is based on the Iowa Department of Transportation (IDOT) estimate of \$122.00 per capita, which has been reduced by \$.50 to \$121.50 for a conservative budget estimate.

The road use tax distribution for 2019/2020 was estimated by the IDOT at \$121.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2019/2020 budget includes a more conservative estimate of \$121.00 per capita which would generate \$2,882,100.

Road Use Tax Revenue



1. Increased Road Use Tax revenues in 2014/2015 through 2019/2020 are due to the \$.10 increase in the gas tax effective March 1, 2015.

Road Use Taxes (Per Capita Basis)



Federal Housing Funds
FY 2019/2020 Budget \$2,465,310

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 2019 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.

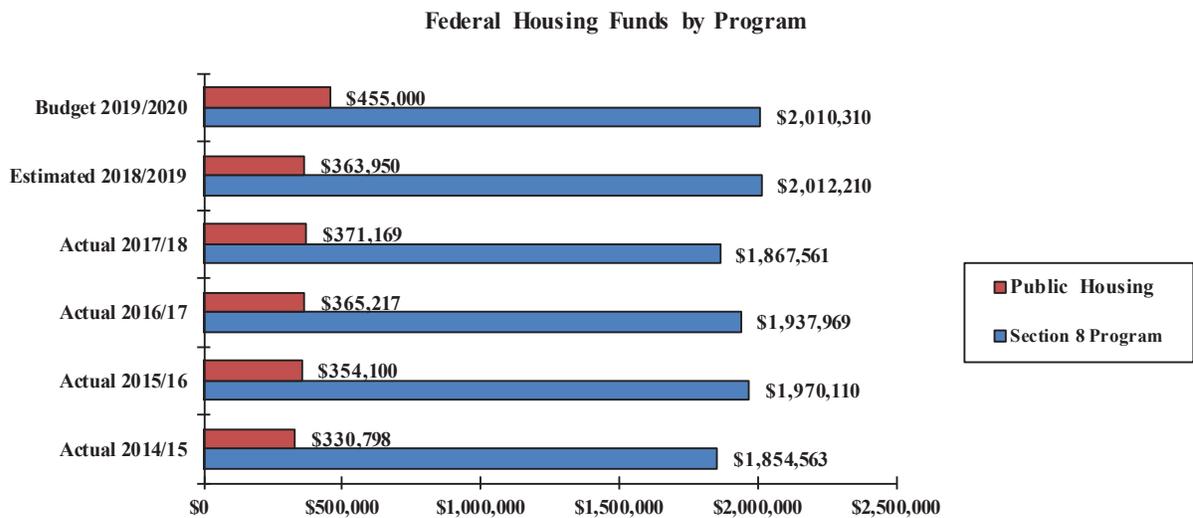
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense 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, in 2015/2016 \$188,985 was received, in 2016/2017 the amount was \$201,974, and in 2017/2018 the amount was \$214,050. The subsidies have been estimated at \$201,000 for both 2018/2019 and 2019/2020.

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, the 2014 allocation of \$160,589 in 2015/2016, the 2015 allocation of \$163,243 in 2016/2017, and the 2016 allocation of \$157,119 in 2017/2018. Housing agencies are given two years to obligate each year’s capital funding allocation. The 2018/2019 revised estimate reflects drawing down the 2017 grant which totals \$162,950. The 2019/2020 budget reflects drawing down the 2018 allocation of approximately \$254,000.

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 2018/2019 and the budgeted amounts for 2019/2020. 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



Sewer Charges for Services
FY 2019/2020 Budget \$6,698,000

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. 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 sewer rates reflected 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 included \$15,000 for a new five year rate study with those rates to be effective July 1, 2018 and annually thereafter. The rate study recommended 3% annual increases in sewer rates and 2% annual increases in collection and drainage rates to be effective each July 1 from 2018 to June 30, 2023.

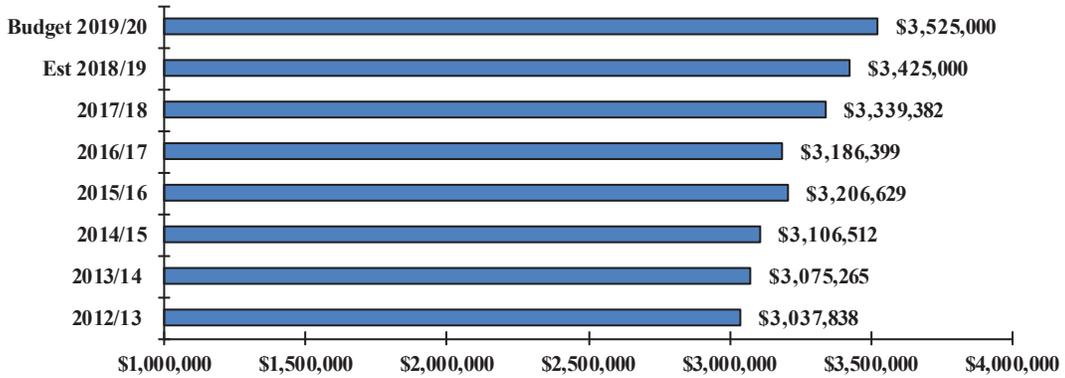
Basis of Revenue Estimates

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.

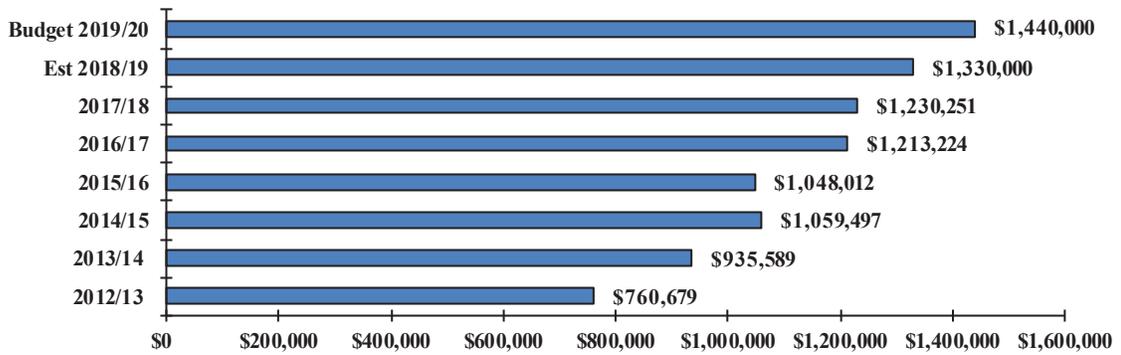
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). 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 June 30, 2021 per the most recent contract extension with Kraft-Heinz. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2018/2019 and the projections for 2019/2020. When the High Waste Strength Waste Facility is completed, which is expected to be in 2019/2020, revenues are expected to increase by an estimated \$225,000 annually.

Sewer Revenue Trends

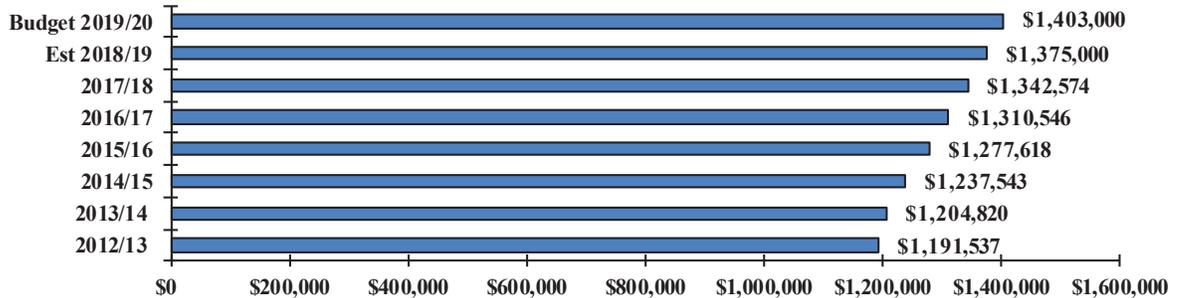
Residential and Muscatine Power and Water Billed Commercial Sewer Revenue



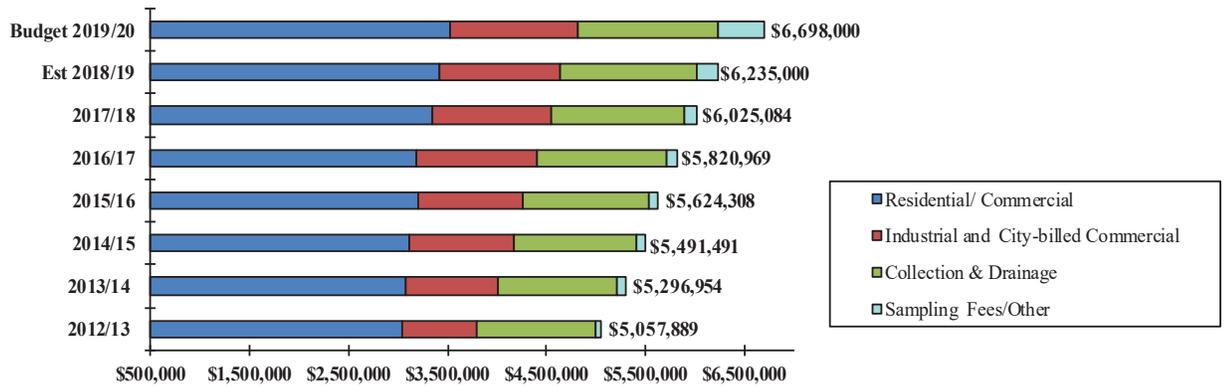
Industrial and City-Billed Commercial Sewer Revenue



Collection and Drainage Revenues



Sewer Revenues - All Types



Transfer Station Charges for Services
FY 2019/2020 Budget \$2,308,300

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

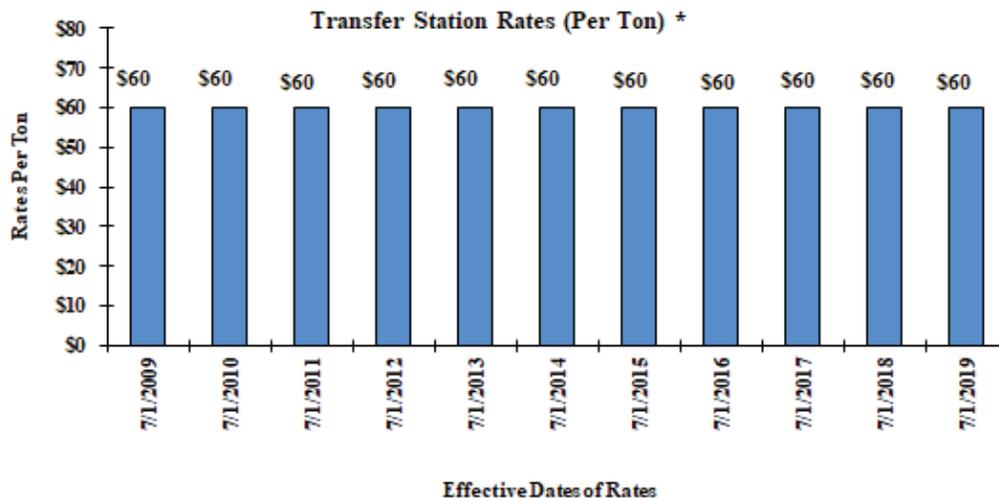
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt 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 increased from \$41.00 per ton to \$60.00 per ton for 2009/2010 and that rate will continue through 2019/2020. 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.

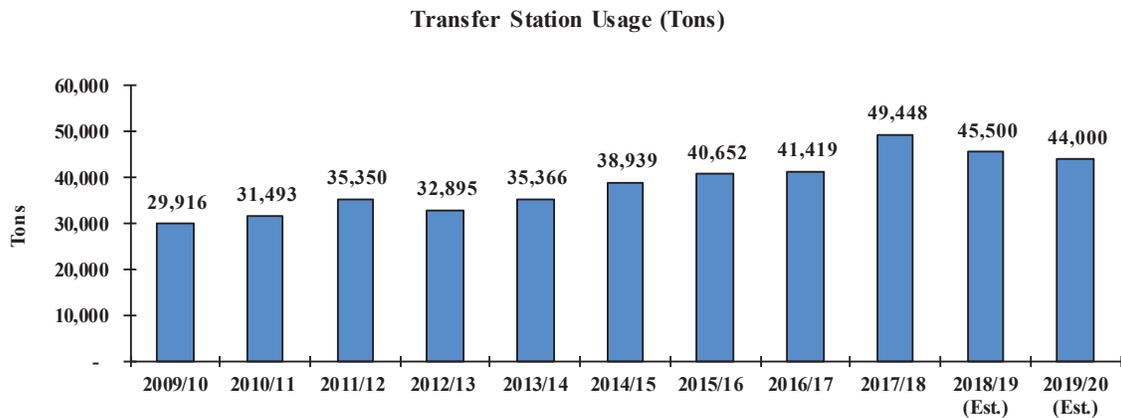
The actual Transfer Station waste tonnage was 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, and 49,448 in 2017/2018. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2018/2019 revised estimate is 45,500 tons and the 2019/2020 budget is based on a projected 44,000 tons of waste.

Transfer Station Revenue Trends

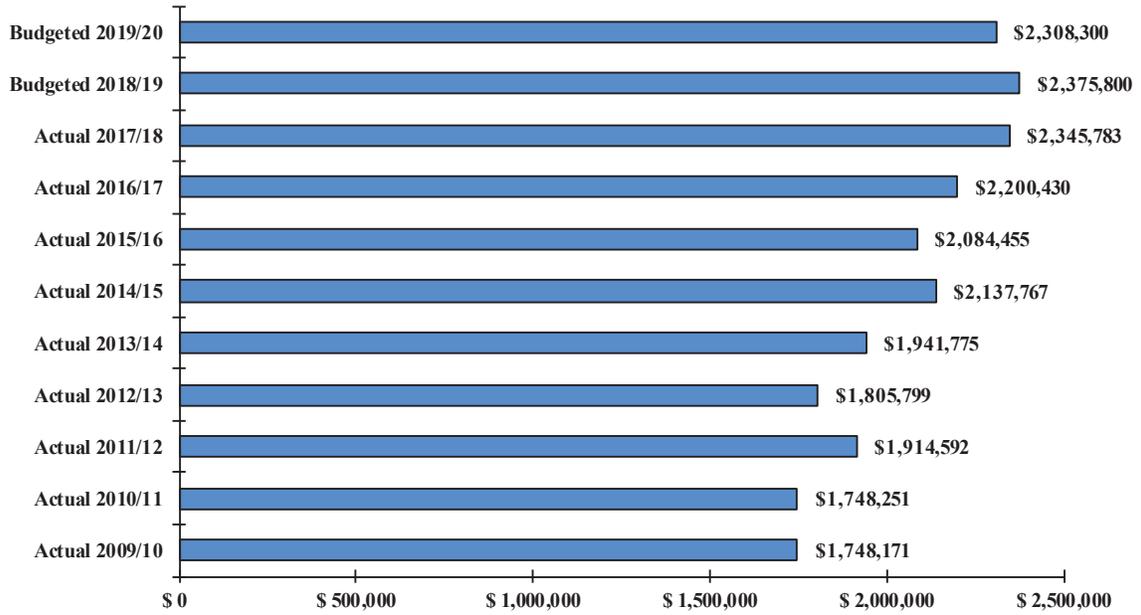
The following charts show Transfer Station rates, usage, and revenues since 2009/2010:



*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



Landfill Fees
FY 2019/2020 Budget \$1,269,500

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

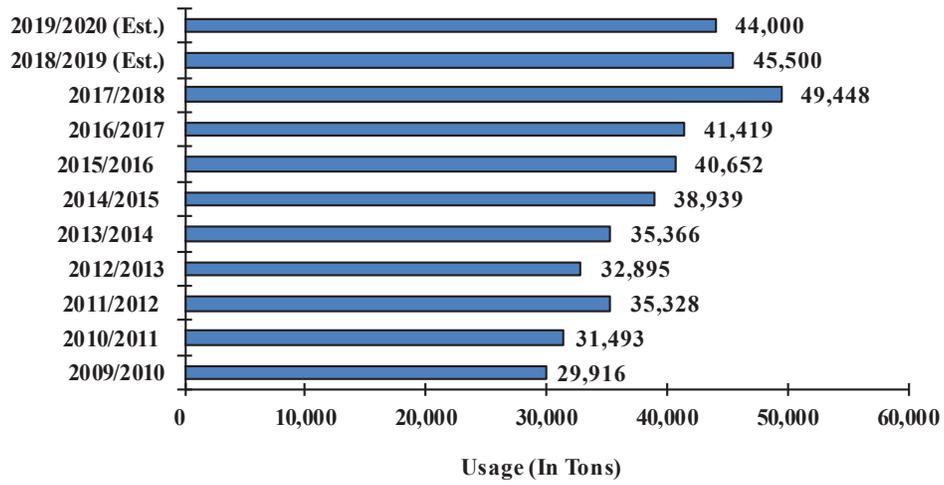
The landfill waste volume was 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017 and 49,448 in 2017/2018. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2018/2019 revised estimate is based on 45,500 tons of waste. The 2019/2020 budget is based on a projected 44,000 tons of waste. The Transfer Station rate increased from \$41 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, 2017/2018, and 2018/2019, \$32.00 of the full \$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. For 2019/2020 the landfill portion of the Transfer Station rate is budgeted to decrease to \$30 per ton for the full rate tonnage. This is needed to continue to fund capital expenditures at the Transfer Station.

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.

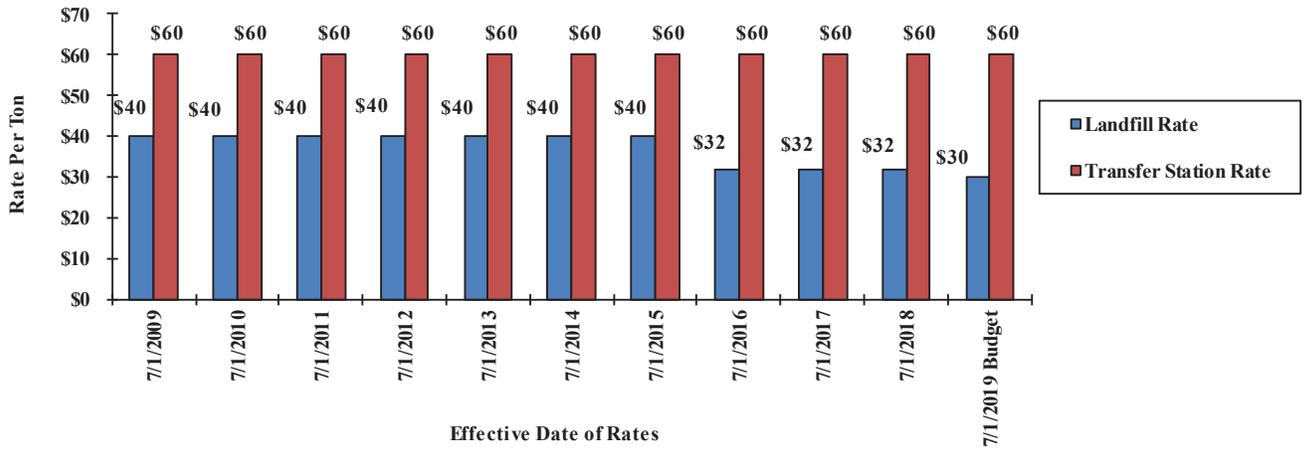
Landfill Revenue Trends

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.

Landfill Usage History



Transfer Station and Landfill Rates (Per Ton)



**Refuse Collection Charges for Services
FY 2019/2020 Budget \$2,323,400**

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.

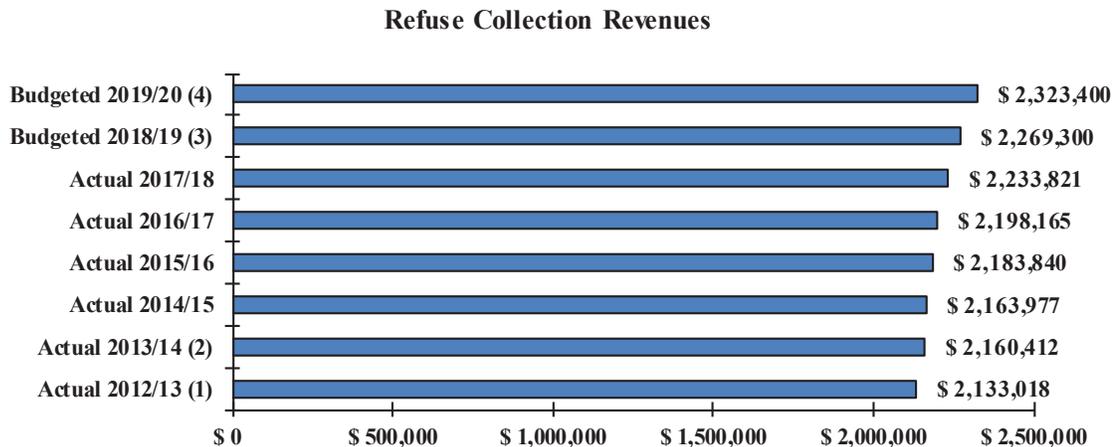
Basis of Revenue Estimate

The monthly residential refuse rates were set at \$20.00 for regular residential and \$15.00 for senior citizens on April 1, 2011 when the contracted single sort curbside recycling program was implemented. Commercial account charges are based on the frequency of pickups and the amount of refuse collected. The rates for both regular residential customers and the senior rates increased by \$.50 per month effective July 1, 2018. The rate increase was needed in order to generate funds to replace one of the regular refuse collection vehicles in 2019/2020. The rates for residential customers are budgeted to increase by another \$.50 per residential customer per month effective July 1, 2019. This increase is needed to begin to accumulate funds for another automated refuse collection vehicle in 2020/2021 or the following year. The rate increase is also necessary since the monthly rate for the curbside recycling program increases each year, which impacts the funds available for the regular refuse collection service.

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.

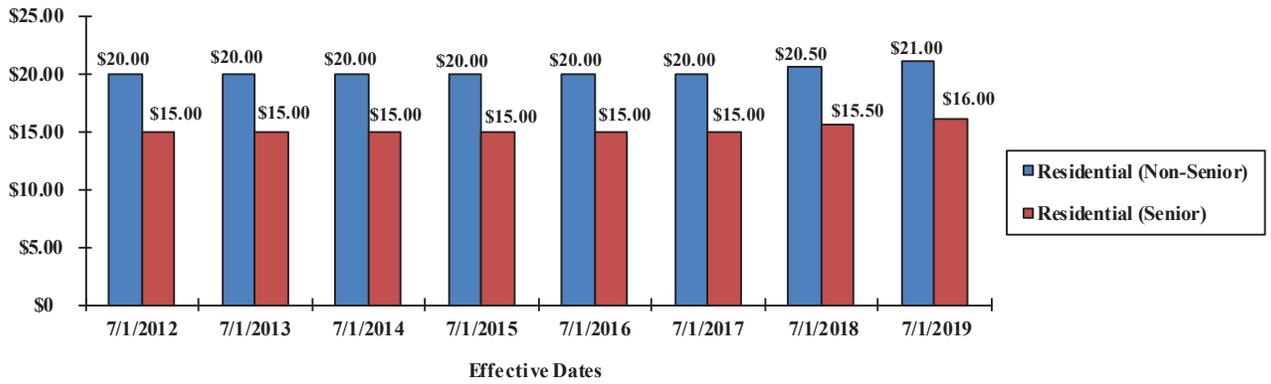
Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2018/2019 and the budgeted revenue for 2019/2020 are shown in the following chart. The second chart shows the refuse collection rates since 2012/2013.



1. 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.
2. Includes the first full year of refuse collection services for Ripley's Mobile Home Court for 2013/2014 totaling \$73,028.
3. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2018.
4. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2019.

Refuse Collection Rate History (Rates Per Month)



**Ambulance Charges for Services
FY 2019/2020 Budget \$1,666,300**

General Information

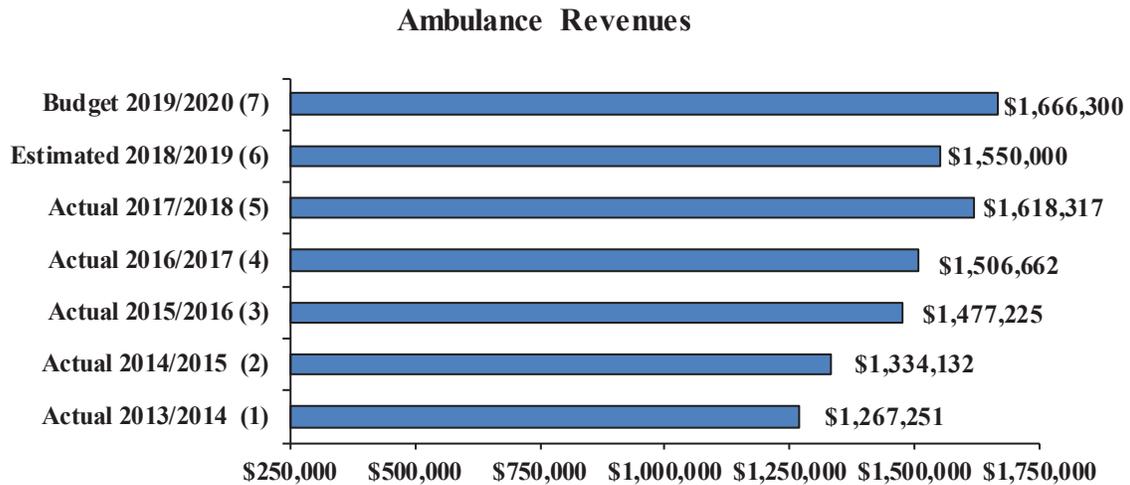
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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. Conservative estimates are used which generally result in collections on prior year accounts exceeding the amounts accrued. 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.

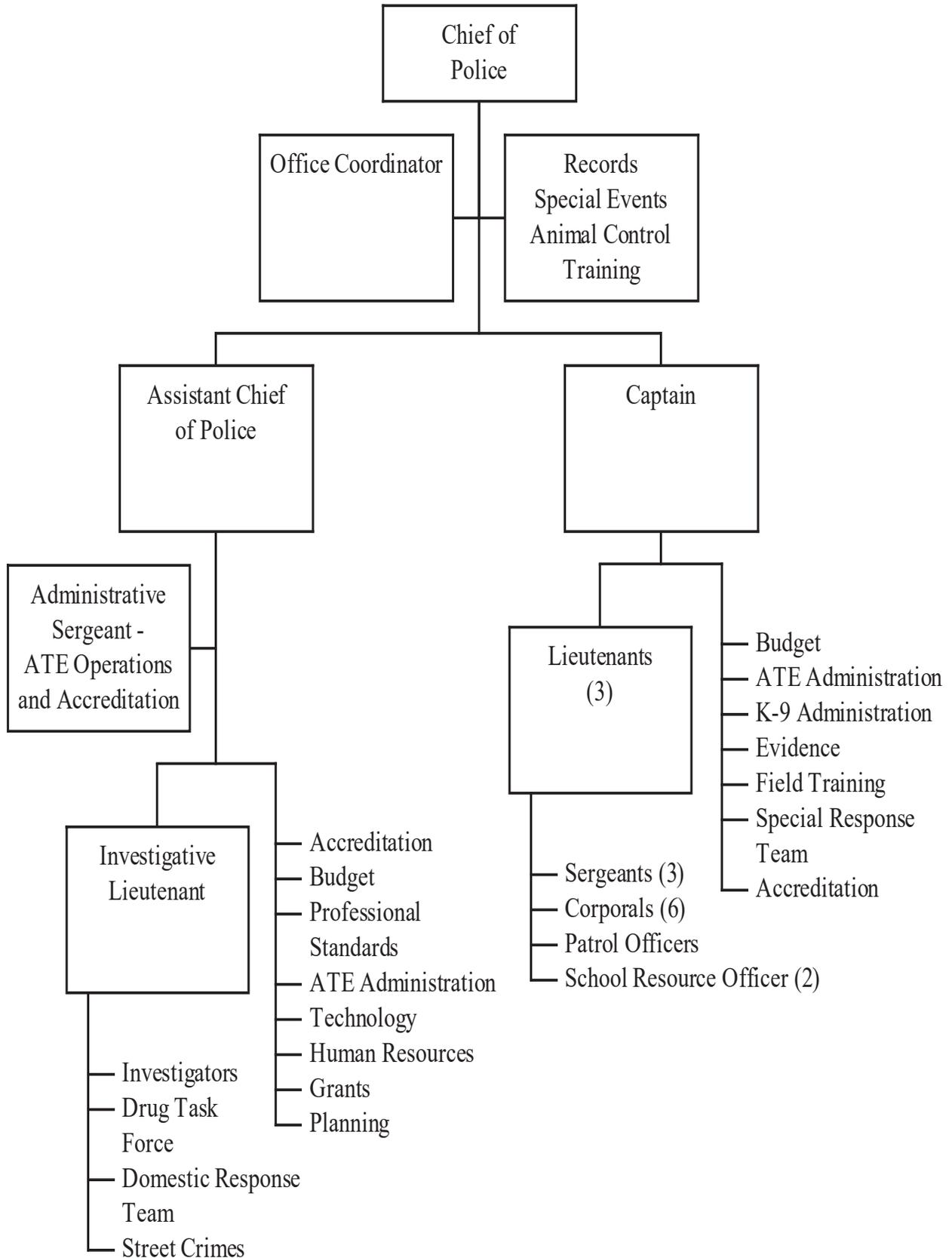
Ambulance Revenue Trends



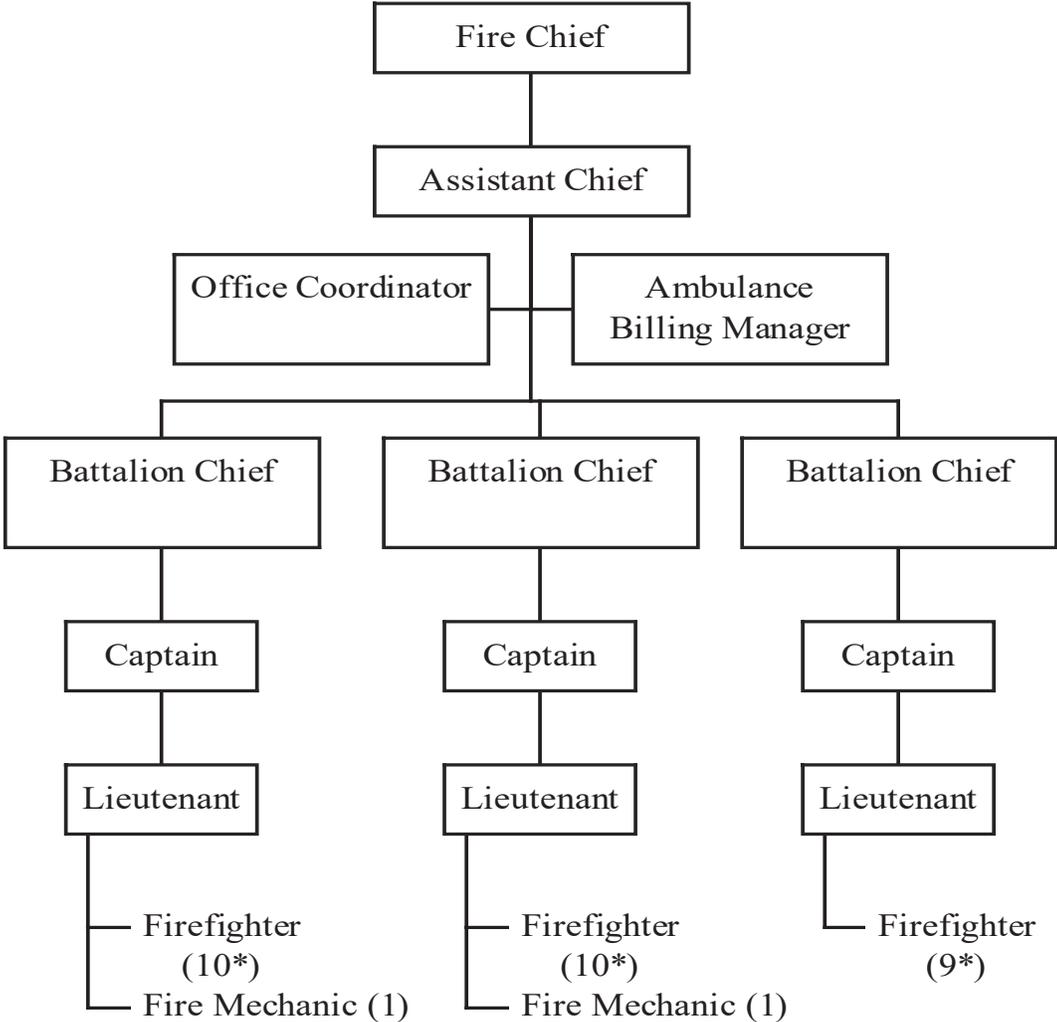
1. The 2013/2014 revenues include a \$6,603 adjustment to increase the amount accrued on prior year accounts. There were no rate changes in 2013/2014.
2. Effective July 1, 2014 the BLS rate was increased to \$565, the ALS1 rate to \$672, the ALS2 to \$972 and the Skilled Care Transport to \$1,149. The mileage rate was also increased to \$14 per loaded mile.
3. 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 remained at \$14 per loaded mile.
4. 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 remained at \$14 per loaded mile.
5. Effective July 1, 2017 the BLS rate was increased to \$588, the ALS1 rate to \$698 the ALS2 to \$1,011, and the Skilled Care Transport to \$1,194. The mileage rate increased to \$15 per loaded mile.
6. Effective July 1, 2018 the BLS rate was increased to \$595, the ALS1 rate to \$706 the ALS2 to \$1,023, and the Skilled Care Transport to \$1,208. The mileage rate increased to \$16 per loaded mile.
7. Additional ambulance revenues are expected beginning in calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding is expected to increase reimbursements for Medicaid patients. This amount has been estimated at \$116,300 which is shown as revenue in 2019/2020.

DEPARTMENT ORGANIZATIONAL CHARTS

CITY OF MUSCATINE POLICE DEPARTMENT

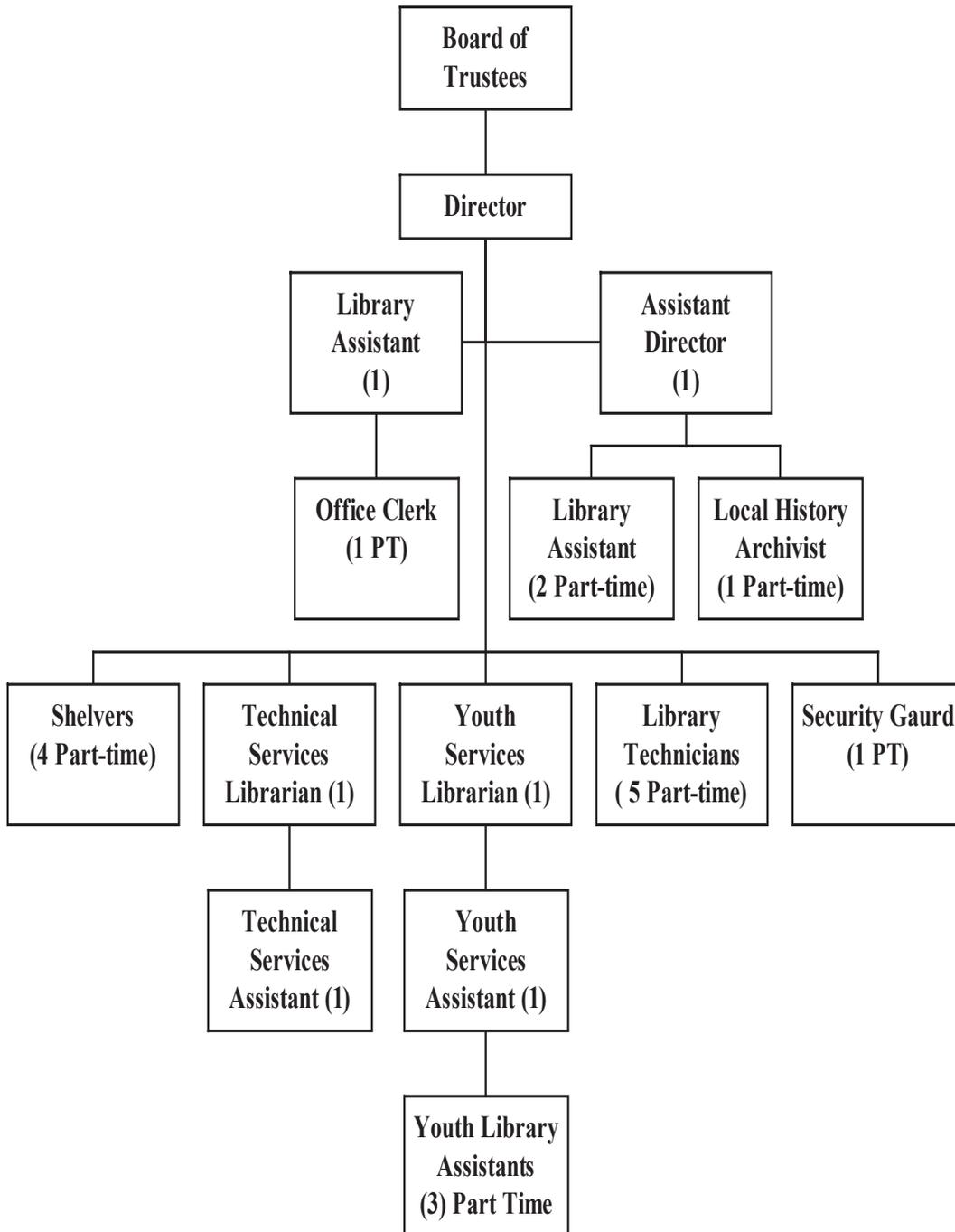


CITY OF MUSCATINE FIRE DEPARTMENT

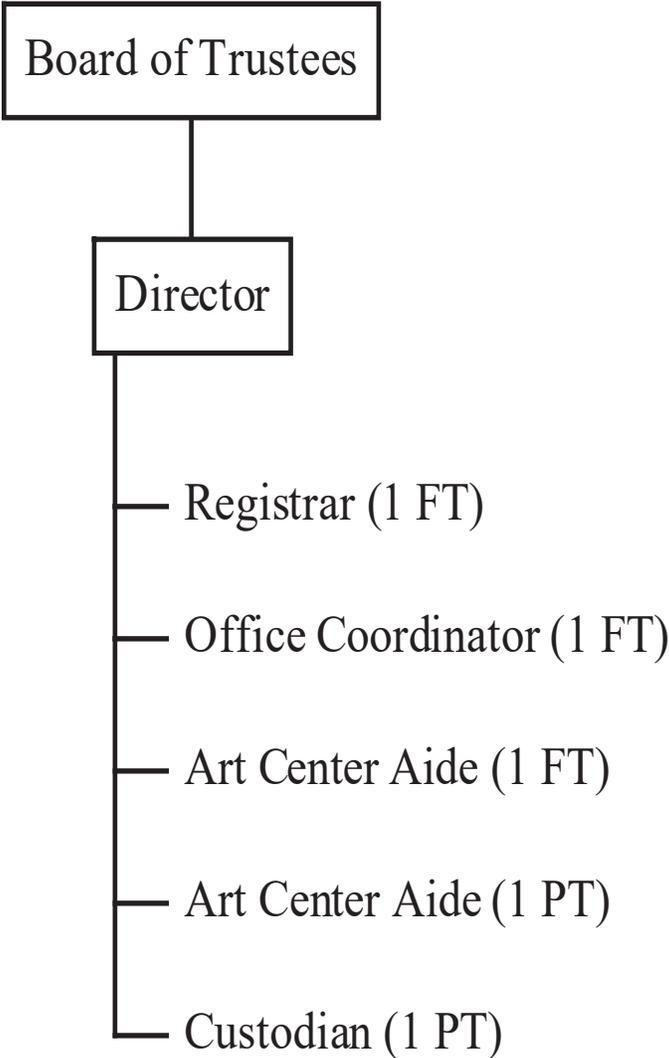


* Firefighter positions in this chart include three new Firefighter positions budgeted to be added January 1, 2020. These positions are subject to receipt of additional ambulance funding from GEMT (Ground Emergency Medical Transportation) funds which is expected to increase the reimbursements for Medicaid patients.

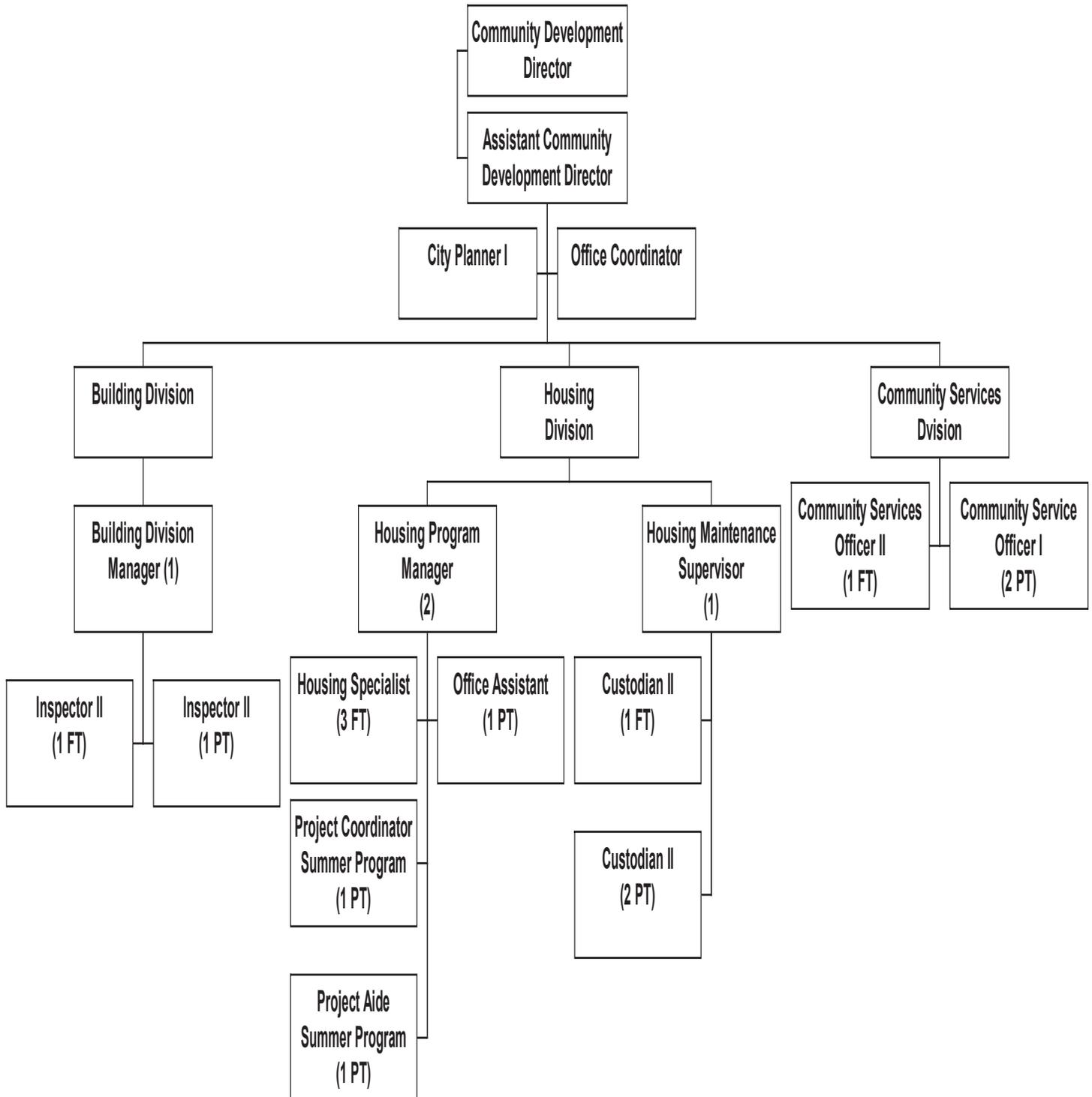
CITY OF MUSCATINE LIBRARY



CITY OF MUSCATINE ART CENTER

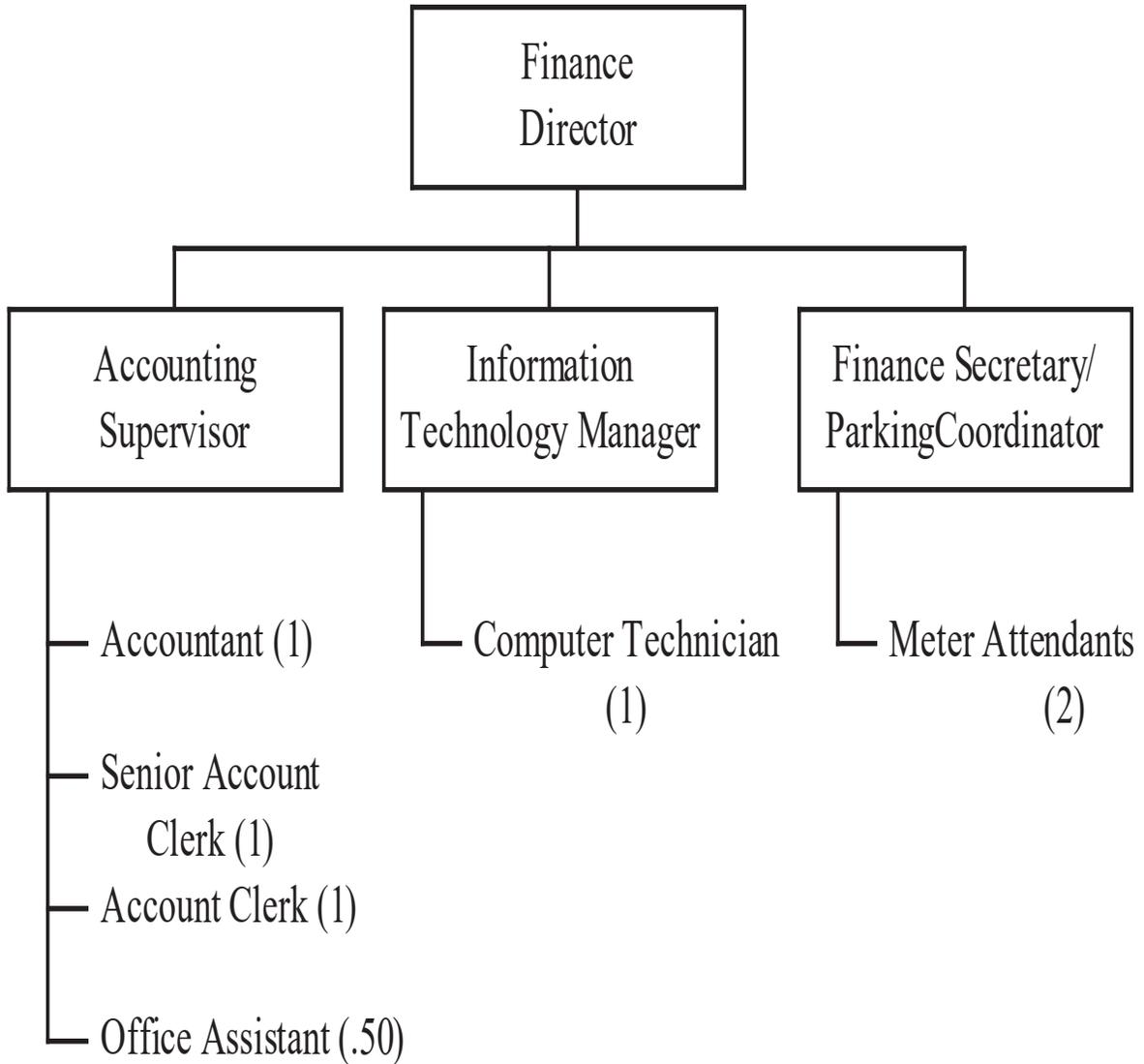


CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



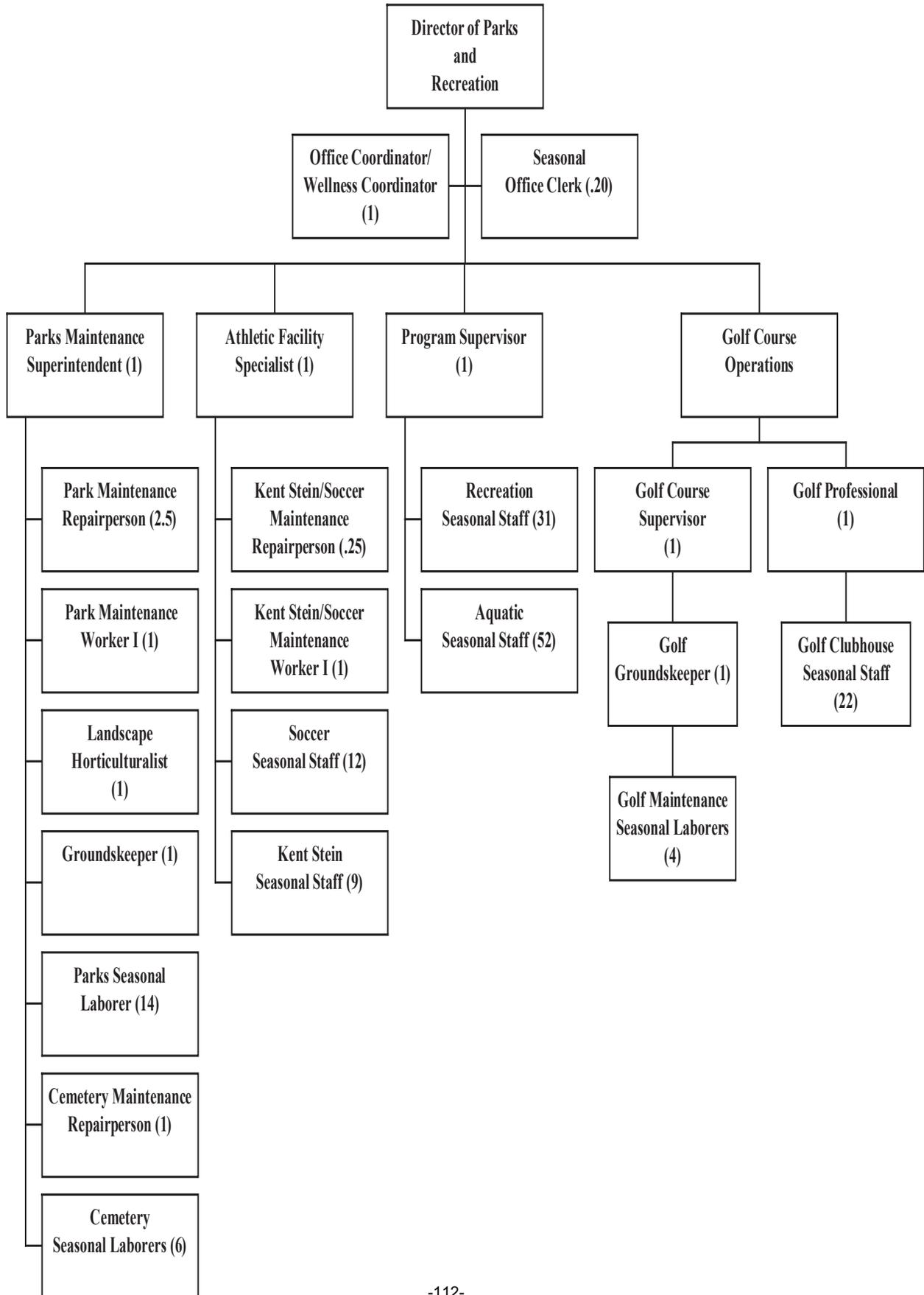
Reflects department reorganization approved in March of 2019

CITY OF MUSCATINE FINANCE DEPARTMENT

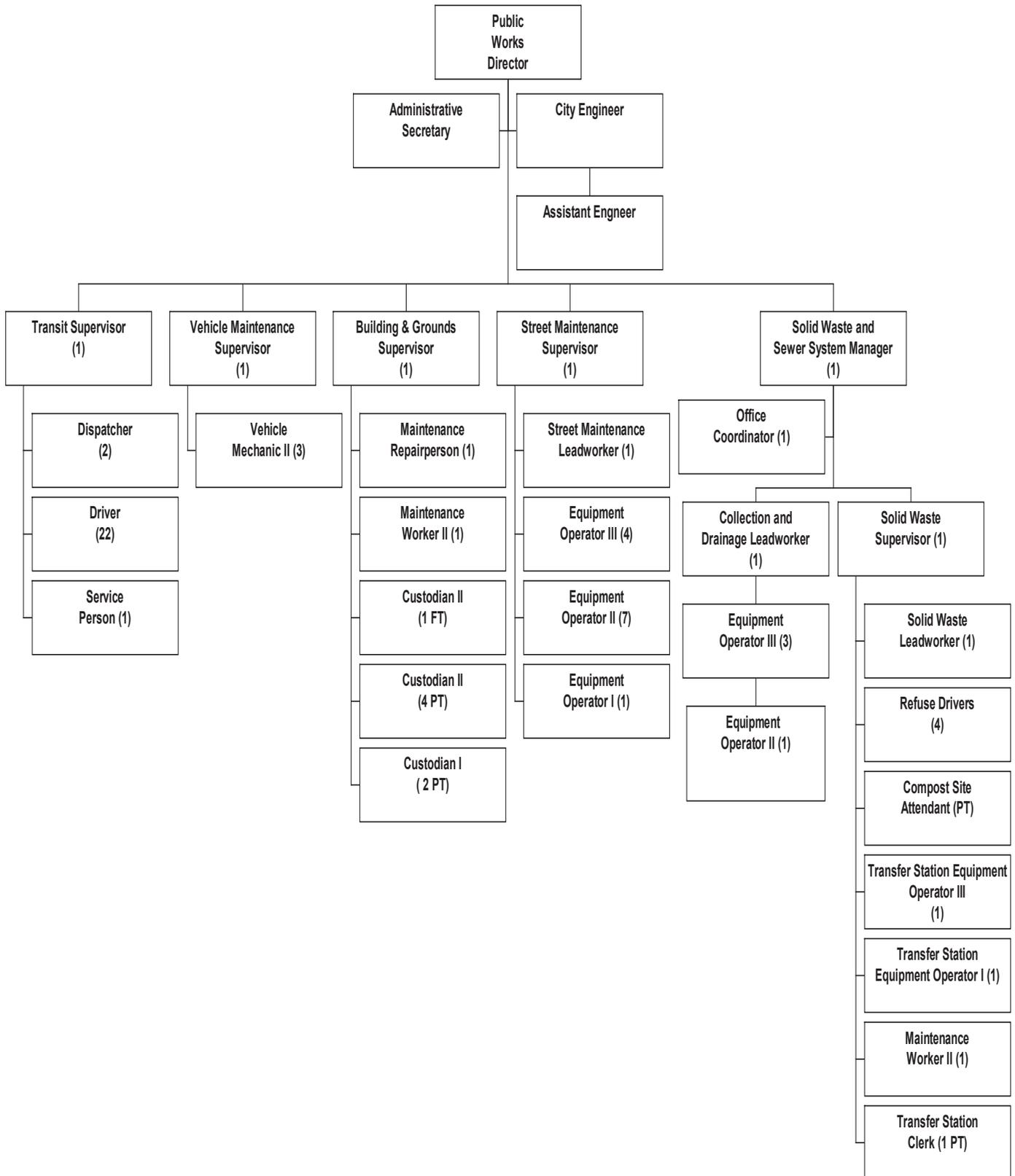


CITY OF MUSCATINE

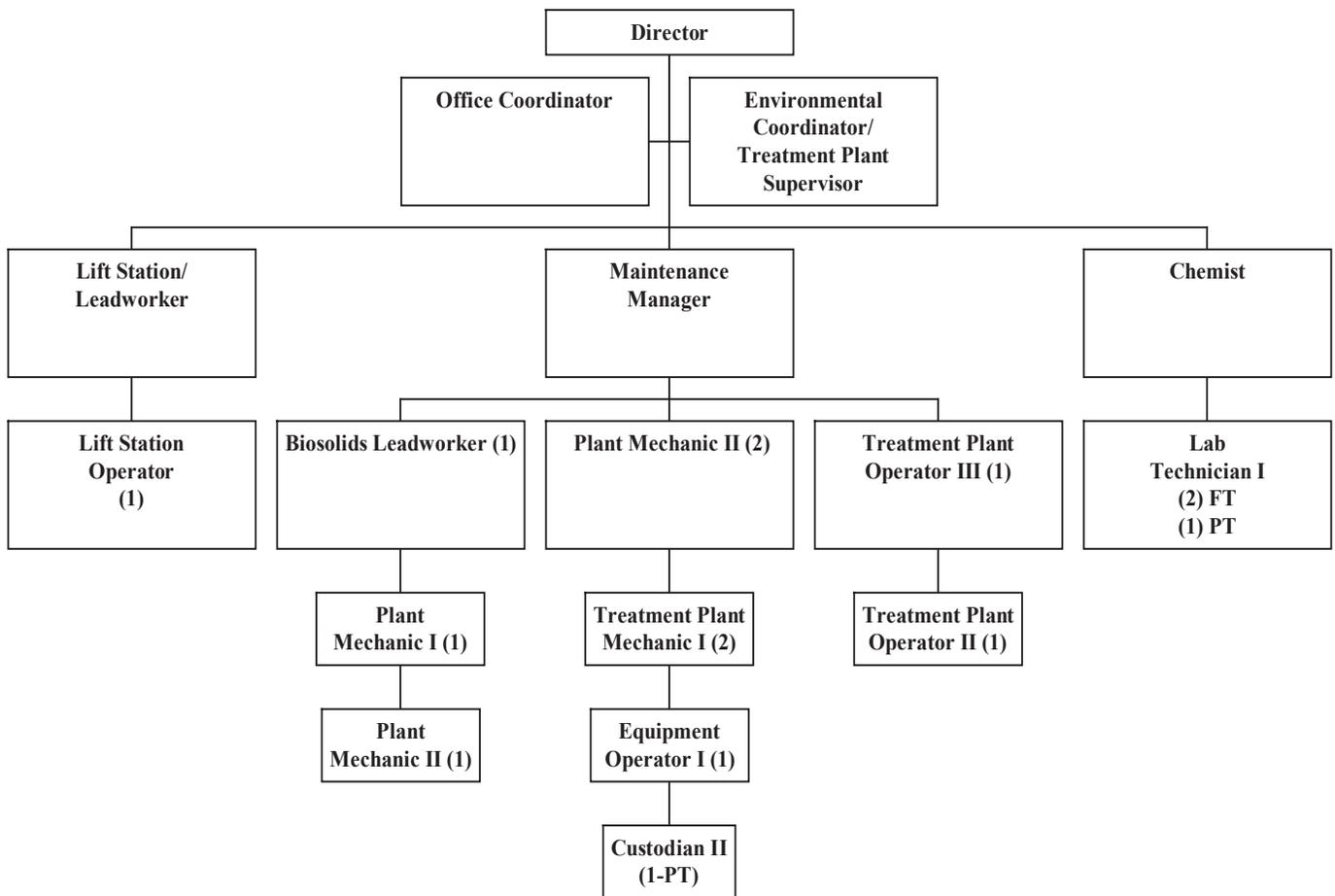
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



GENERAL FUND

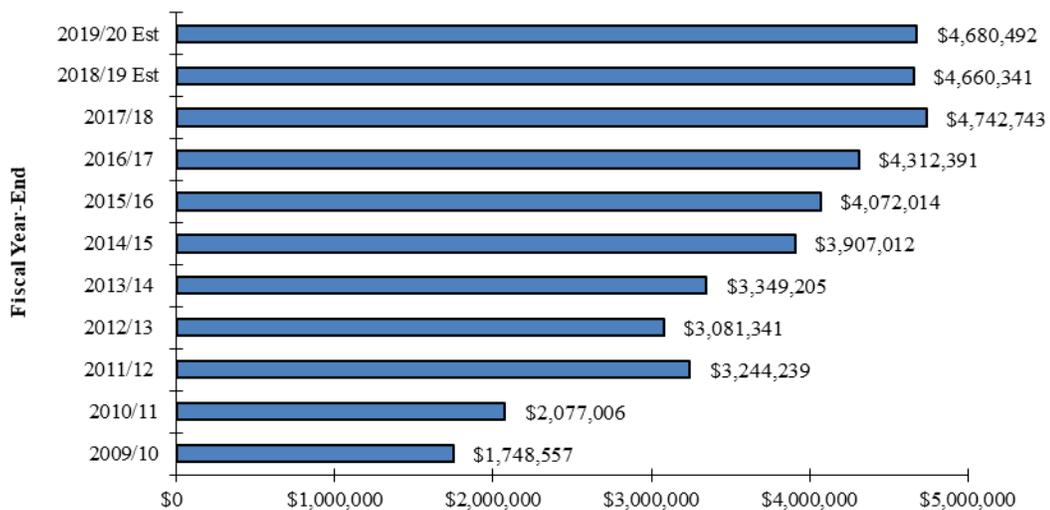
GENERAL FUND

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 2019/2020 is budgeted at \$4,680,492 which is 22.2% of budgeted 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:

General Fund Fund Balance History



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 automated 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, the 2015/2016 ending balance of \$4,072,014 was 23.1% of expenditures, the 2016/2017 ending balance of \$4,312,391 was 22.8% of expenditures, and the 2017/2018 ending balance of \$4,742,743 was 25.0% 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 used to purchase a new ambulance.

The estimated ending General Fund balance of \$4,299,690 when the 2018/2019 budget was developed was 21.3% of budgeted General Fund expenditures which met the 16.7% minimum amount in the new policy. The 2018/2019 revised estimate ending fund balance of \$4,660,341 is 23.0% of expenditures. The increase in the revised estimate is primarily due to the beginning fund balance for the year being \$529,855 higher than the estimated beginning balance in the original budget.

The ending balance for 2019/2020 of \$4,680,492 is 22.2% of General Fund budgeted expenditures which again meets the minimum fund balance provision in the updated General Fund Balance Policy. The 2019/2020 budget includes an increase in the utility franchise fee from the current 2% to 5% effective July 1, 2019. This increase is expected to generate \$308,500 in additional revenues, which is the approximate amount of the increased Information Technology (IT) allocation for the upcoming year, the cost of the new police squad car video system including body cameras, and the expected reduction in automated traffic enforcement fines. There are no one-time uses of fund balance in excess of the minimum amount in the 2019/2020 budget. The 2019/2020 budget is "balanced" with budgeted revenues \$20,151 higher than budgeted expenditures. This demonstrates that the operating budget is sustainable and that fund balance does not need to be used to fund current operating expenditures.

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 included \$50,000 of assigned funding which allowed 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. The 2018/2019 and the 2019/2020 budgets again include \$50,000 in assigned funding for merit increases.

Recent Structural and Efficiency Changes in General Fund Departments

There have been numerous structural, operational, and other changes over the last nine 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 and legal costs and the Chamber economic development allocation with TIF funds (a total of \$202,200 for 2019/2020), (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.

Staffing changes in the General Fund budget for 2018/2019 totaled to a 2.21 increase in fulltime equivalent positions. The budget included a new Assistant City Engineer position with 75% of the costs of this position expected to be charged out to capital projects, with the balance funded from Road Use Tax. The budget also included a 20 hour per week (.50 FTE) Custodian I position for the Public Safety Building with that position to replace the previously contracted cleaning service. There was also a .71 FTE increase in the Library budget due to anticipated part-time staffing changes related to the library's move to the new Musser Public Library and HNI Community Center building in the spring of 2018.

Staffing changes in the General Fund budget for 2019/2020 total to a net increase of .95 in fulltime equivalent (FTE) positions including (1) the addition of three new firefighter positions effective January 1, 2020 (1.50 FTE addition), (2) the addition of a part-time Right-of-Way Inspector position in the Engineering division (.54 FTE addition), (3) increasing the current 29-hour per week Art Center Aide position to fulltime (.27 FTE addition), and (4) eliminating one fulltime position and restructuring part-time positions at the new Library (1.36 FTE reduction). These are further discussed in the Expenditure Trends section below.

Departments will continue to look for efficiencies and cost savings in their operations in 2019/2020 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 2019/2020 budget are aimed at positioning the city to continue to address economic challenges, continue to provide existing services to the community, and to position the city to meet new challenges and ever growing demands.

Revenue Trends

Budgeted revenues for 2019/2020 in the General Fund total \$21,134,911, which is a 4.4% increase from the 2018/2019 budget of \$20,252,302. General property taxes comprise 34.2% of total revenue sources for 2019/2020 compared to 35.0% for 2018/2019. 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, \$230,218 less in 2017/2018, \$31,230 less in 2018/2019 and \$54,215 less in 2019/2020. 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 and decreases in other tax levies allowed for this funding change to be implemented while still maintaining a strong ending fund balance.

In 2019/2020 taxable property valuations increased by 1.84% 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 2019/2020. 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, to 82.50% in 2017/2018, to 78.75% in 2018/2019, to 75.00% in 2019/2020, and will continue to be rolled back over the next four years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2019/2020 is \$30,151,651 which reflects the 75.00% rollback. Industrial property valuations increased by .99% for 2019/2020 and commercial values increased by .86%. Residential property values increased by 3.15% due to the increase in the residential rollback. Actual valuations for residential property increased by .83% and there was a 2.34% increase in the residential rollback (from 55.6209% to 56.9180%). The other smaller categories of properties are railroads, which increased in valuation by 2.27%, and utilities, which increased by 12.00%. Overall, these factors combined to result in the 1.84% overall increase in taxable valuations.

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 2019/2020 the State reimbursement to the General Fund is estimated at \$340,986 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$2,360 for the Transit levy, \$13,514 for the Tort Liability levy, \$193,427 for the Employee Benefits levy, and \$109,460 for the Debt Service levy, total to an estimated total reimbursement of \$659,747 for 2019/2020. The State's allocation for reimbursements has been frozen at the 2016/2017 funding level. There is no reimbursement for the rollback on multi-residential properties. The 2019/2020 budget is based on the City continuing to receive the State reimbursement for the commercial and industrial rollback; however, there is discussion in the State legislature for phasing out this reimbursement in future years.

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, 2017/2018, 2018/2019, and 2019/2020 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. The Utility Franchise Fee rate was increased to 2% for the 2018/2019 budget. The Utility Franchise Fee can be increased (up to 5%) or decreased with 90 days' notice to the utility company.

The 2019/2020 budget includes an increase in the Utility Franchise Fee from the current 2% to the maximum rate allowed of 5%. This increase was recommended in order for the City to maintain its current level of services and provide the necessary capital equipment to departments (although significant reductions were made to capital requests from departments). The additional 3% on the franchise fee is projected to generate \$308,500 annually. This increase was necessary in order to (1) fund increased Information Technology (IT) capital outlay and operating costs to reduce the risks of a future ransomware or similar attack, (2) capital outlay for the police department including replacing the current squad car video system with a system that will also include body-worn cameras, and (3) the expected reduction in revenue from Automated Traffic Enforcement (ATE) fines. The Utility Franchise Fee increase may be preferred over a property tax increase

as this fee is paid by a larger class of users including government buildings, churches, etc. that are exempt from property tax as well as rental units where tenants pay the utilities. A property tax increase of \$.32805 per \$1,000 of valuation would have been needed in order to generate the same approximate amount of additional revenues as the franchise fee increase is expected to generate. If the property tax levy would be increased, this would have required the City once again to levy the Emergency tax levy at the rate of \$.27 per \$1,000 of valuation.

At the time the 2018/2019 budget was adopted revenue from automated traffic enforcement (ATE) cameras was estimated at \$350,000 compared to the previous amounts of over \$650,000 each year. This ATE revenue reduction was due to the IDOT and court ruling ordering the ATE cameras at the Highway 61 and University Avenue intersection to be turned off. The City successfully appealed this ruling and the cameras at that intersection were turned back on June 18, 2018. The 2018/2019 budget originally included an increase in the utility franchise fee from the previous 1% to 5% to fund this projected ATE revenue shortfall. The City adopted the ordinance increasing the utility franchise fee rate to 5%, but after the successful appeal of the IDOT ruling allowed the ATE cameras at that intersection to be reactivated, City Council reduced the franchise fee rate back to 2%.

A Supreme Court ruling, however, in September, 2018 resulted in the City temporarily suspending the issuance of notices to violators at all ATE locations. This ruling provides that cities can no longer find the recipient of an ATE citation liable for the violation because they have failed to pay, failed to appeal, or failed to request the issuance of a citation. If an individual does not voluntarily pay for and admit liability for the citation, cities must either file a municipal infraction proceeding or let the citation be. This required the City to amend its ATE ordinance and to change the language in the notices of violation to comply with the updated ordinance and Supreme Court ruling. The updated ordinance was adopted at the December 20, 2018 meeting. City staff and the City Attorney worked with representatives of GATSO (the automated traffic camera company), and other affected cities, to finalize the updated language for the notices of violation. The cameras were placed back in operation on March 1, 2019.

Collection rates using the municipal infractions process are expected to be less than the previous amounts when all of the cameras were operational, at least initially. Previously, unpaid violations were forwarded to the City's collection agency after the due date of the 2nd notice from GATSO. The collection agency then contacted the vehicle owners by letter and phone calls, and also listed unpaid violations on the State's Income Offset program for collection. The revenues from the ATE fines for 2018/2019 are estimated at \$350,000 due to the five plus month period in which no notifications of violations were sent. The 2019/2020 budget includes an estimated \$500,000 from ATE fines

The City's hotel/motel tax rate has been at 7% since April 1, 1992. The 2018/2019 revised estimate and 2019/2020 budget each include an estimated \$460,000 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%, annual allocation were 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 \$130,500 for 2018/2019 and \$115,000 is the estimated allocation for 2019/2020. The actual allocation for 2019/2020 will be 25% of actual hotel/motel taxes earned in 2018/2019. 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 2019/2020 fiscal year, the amount transferred to the General Fund to support street-related maintenance

activities (including capital purchases), is budgeted at \$2,892,400, an increase of \$198,000 (7.4%) from the 2018/2019 budget of \$2,694,400.

Revenue sources identified in the General Fund for 2019/2020 also include charges for services, licenses and permits, and other fees. Construction permits for 2019/2020 are estimated at \$300,000 and rental housing registration and inspection fees are estimated at \$72,000.

A fee for administrative services performed by activities within the General Fund continues to be charged to enterprise funds. The budgeted amount of \$398,900 for 2019/2020 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 \$26,900 has been charged to the Golf Course and Boat Harbor Operations budgets for 2019/2020. 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 \$70,300 for 2019/2020. In 2019/2020 the Ambulance enterprise fund will transfer \$1,195,700 to the General Fund for a prorated portion (27.1%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of \$21,114,760 for 2019/2020 is 4.7% (\$949,260) above the 2018/2019 budget of \$20,165,500. Of the total expenditures, \$16,133,900 (76.4%) 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 2019/2020 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 increased 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 Musser Public Library and HNI Community Center. For 2018/2019 fulltime equivalent employees were budgeted to increase to approximately 162. For 2019/2020 fulltime equivalent employees are budgeted to increase to approximately 163. Changes in General Fund authorized positions for 2019/2020, 2018/2019, 2017/2018, 2016/2017, and 2015/2016, are as follows:

2019/2020 (Including Changes in the 2018/2019 Revised Estimate)

- The 2019/2020 budget includes the addition of 3 firefighter positions effective January 1, 2020. These positions are subject to the receipt of additional revenue from GEMT (Ground Emergency Medical Transport) payments which are expected to increase the revenue for Medicaid patients starting in 2020 (1.50 FTE increase).
- A Library staff reorganization resulted in a 1.28 FTE decrease in the 2018/2019 revised estimate. One fulltime position was eliminated and part-time positions were restructured with the move to the new building. The 2019/2020 budget shows a further decrease of .08 FTE for a full year of the restructured staffing (1.36 FTE decrease).
- The 29 hour per week Art Center Aide position was increased to fulltime (.27 FTE increase).
- A part-time Right-of-Way Inspector position was added in the Engineering division starting in May of 2019 as part of a Public Works reorganization (.54 FTE increase).

- These changes resulted in a net increase of .95 FTE positions.

2018/2019 (Including Changes in the 2017/2018 Revised Estimate)

- The 2018/2019 budget included a new fulltime Assistant City Engineer position with 75% of this position expected to be funded from hours charged out to capital projects.
- The Building and Grounds budget included a new half-time Custodian I position for the Public Safety Building. This position replaced the previously contracted cleaning service for that building.
- Library staffing was budgeted to increase by .71 fulltime equivalent positions. This increase was in part-time hours anticipated to be needed as part of the move to the new Musser Public Library and HNI Community Center.
- Adding these positions resulted in an increase of 2.21 FTE positions.

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

- The 2017/2018 budget included two new 25-hour per week Custodian II positions and one new 25-hour per week Custodian I position. Two of the custodian positions replaced the previously contracted cleaning services at City Hall and the current Library. The other custodian position is needed to maintain the expanded space at the new Musser Public Library and HNI Community Center. 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 in the Community Development department. The primary responsibility of this position was to oversee the new rental housing registration and inspection program. Fees for rental housing registrations were 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).

The 2019/2020 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 2019/2020 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 2019/2020 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 contribution to the Chamber will increase from their current level of \$38,000 to \$43,000 in 2019/2020. The subsidy to the Muscatine Humane Society will increase from their current \$65,000 to \$70,000. The 2017/2018 budget included 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 to Senior Resources was set at \$25,000 for 2018/2019 and the \$25,000 funding allocation was continued for 2019/2020.

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, 2017/2018, 2018/2019, and 2019/2020. The subsidy, however, will be reduced if any grant funding is secured for this program.

The 2019/2020 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of \$200,000 and \$50,000, respectively.

The General Fund annually makes subsidy payments to the Airport Operations fund. These subsidies have ranged from approximately \$20,000 to \$90,000 during the past ten years. The revised estimate subsidy for 2018/2019 is \$41,200 with the subsidy for 2019/2020 budgeted at \$57,900. 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 2019/2020. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2019/2020, 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

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 4,072,014	\$ 4,312,391	\$ 4,212,888	\$ 4,742,743	\$ 4,660,341
Revenues	19,121,436	19,406,504	20,252,302	20,155,298	21,134,911
Encumbrance Variance	<u>55</u>	<u>470</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 23,193,505	\$ 23,719,365	\$ 24,465,190	\$ 24,898,041	\$ 25,795,252
Expenditures	<u>18,881,114</u>	<u>18,976,622</u>	<u>20,165,500</u>	<u>20,237,700</u>	<u>21,114,760</u>
Ending Balance, June 30	<u>\$ 4,312,391</u>	<u>\$ 4,742,743</u>	<u>\$ 4,299,690</u>	<u>\$ 4,660,341</u>	<u>\$ 4,680,492</u>

Increase (Decrease) in Fund Balance	\$ 240,377	\$ 430,352	\$ 86,802	\$ (82,402)	\$ 20,151
--	-------------------	-------------------	------------------	--------------------	------------------

Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	\$ 3,153,000	\$ 3,169,000	\$ 3,368,000	\$ 3,380,000	\$ 3,526,000
---	---------------------	---------------------	---------------------	---------------------	---------------------

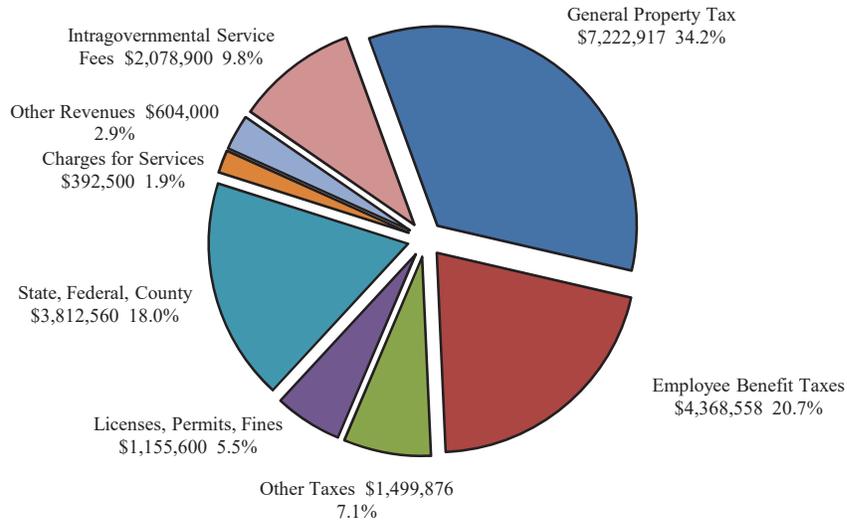
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	\$ 1,159,391	\$ 1,573,743	\$ 931,690	\$ 1,280,341	\$ 1,154,492
---	---------------------	---------------------	-------------------	---------------------	---------------------

Ending Balance as a Percent of General Fund Expenditures	<u>22.8%</u>	<u>25.0%</u>	<u>21.3%</u>	<u>23.0%</u>	<u>22.2%</u>
---	---------------------	---------------------	---------------------	---------------------	---------------------

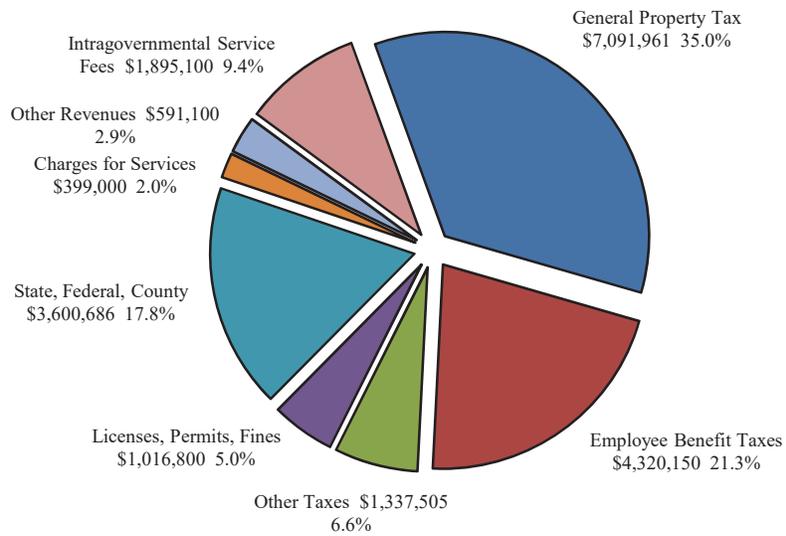
Explanation of Increases or Decreases in Fund Balances:

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 were no one-time expenditures budgeted to be funded from the General Fund balance in 2016/2017, 2017/2018, 2018/2019, or 2019/2020.

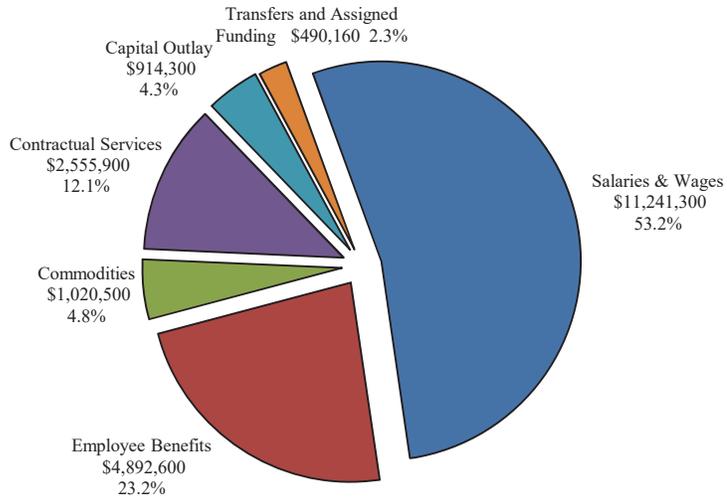
**General Fund Revenues By Source
Budget 2019/2020
\$21,134,911**



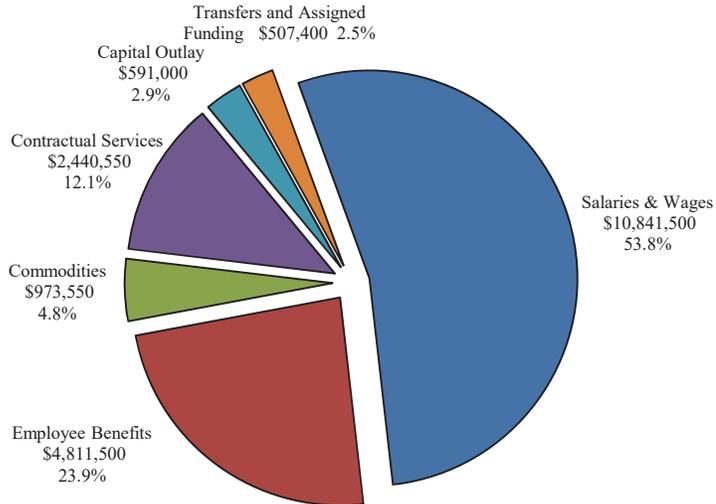
**General Fund Revenues By Source
Budget 2018/2019
\$20,252,302**



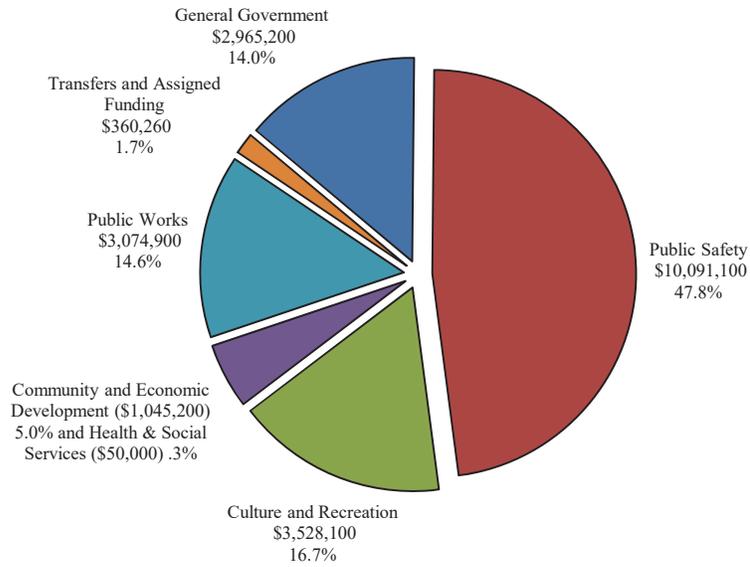
**General Fund Expenditures By Type
Budget 2019/2020
\$21,114,760**



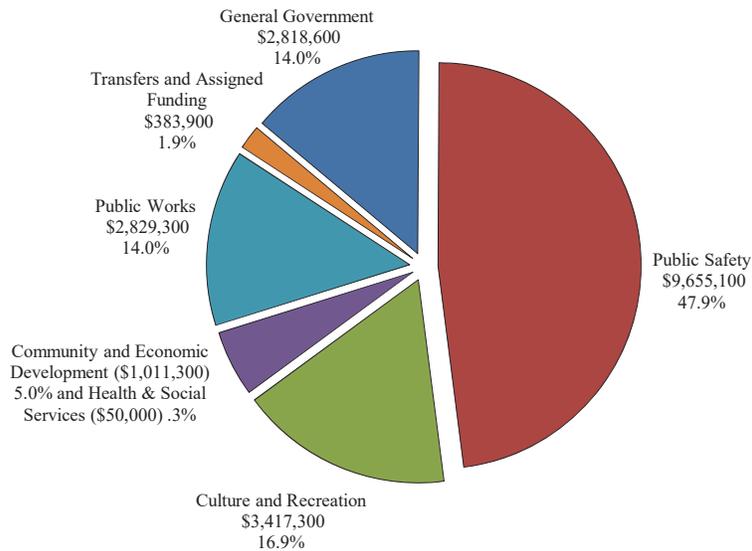
**General Fund Expenditures By Type
Budget 2018/2019
\$20,165,500**



**General Fund Expenditures By Function
Budget 2019/2020
\$21,114,760**



**General Fund Expenditures By Function
Budget 2018/2019
\$20,165,500**



General Fund
Revenues by Type

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change from 2018/2019 Budget</u>
Taxes	\$ 7,857,846	\$ 8,093,736	\$ 8,429,466	\$ 8,235,566	\$ 8,722,793	3.5%
Licenses and Permits	426,838	564,133	446,800	452,200	431,200	-3.5%
Fines and Forfeitures	857,617	722,743	553,300	569,300	719,300	30.0%
Intergovernmental Revenue	810,592	759,389	827,586	842,386	840,260	1.5%
Charges for Services	701,767	726,049	777,700	760,500	770,000	-1.0%
Use of Money and Property	185,845	185,807	186,700	184,900	187,300	0.3%
Miscellaneous Revenues	689,126	830,999	693,400	720,400	723,300	4.3%
Transfers In	7,591,804	7,523,648	8,337,350	8,390,046	8,740,758	4.8%
Total	<u>\$ 19,121,435</u>	<u>\$ 19,406,504</u>	<u>\$ 20,252,302</u>	<u>\$ 20,155,298</u>	<u>\$ 21,134,911</u>	4.4%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	\$ 6,683,668	\$ 6,869,227	\$ 7,067,918	\$ 7,067,918	\$ 7,197,875	1.8%
Ag Land Tax	3,368	3,352	3,543	3,543	4,542	28.2%
Transit System Levy	190,279	95,553	49,824	49,824	49,825	0.0%
Tort Liability Levy	231,186	226,649	239,280	239,280	285,276	19.2%
Levee Tax Levy	15,860	57,383	0	0	0	
Mobile Home Tax	20,488	19,873	20,500	20,500	20,500	0.0%
Taxes Rebated on Voluntary Annexation	(11,654)	(11,112)	0	0	0	
Special Revenue:						
Police Retirement	654,399	671,716	698,767	707,785	696,119	-0.4%
Fire Retirement	659,819	666,706	703,801	680,444	686,051	-2.5%
Police and Fire Medical Insurance	54,000	54,000	58,400	56,800	56,800	-2.7%
Police and Fire Retiree Medical Costs	47,609	82,618	45,000	100,000	45,000	0.0%
Long-term Disability Insurance	11,766	12,210	12,727	12,469	13,060	2.6%
Workers Compensation Insurance	54,321	46,626	50,591	49,250	36,097	-28.6%
Unemployment Insurance	14,730	21,967	24,238	35,075	25,460	5.0%
Health Insurance	1,719,925	1,859,161	1,953,740	1,888,842	2,011,967	3.0%
Life Insurance	13,950	14,441	14,784	14,515	15,075	2.0%
Dental Insurance	46,239	47,308	51,434	49,908	52,905	2.9%
Deferred Compensation	1,200	1,200	1,200	1,200	1,200	0.0%
Post Employment Health Plan	43,462	41,023	16,657	29,721	41,059	146.5%
FICA/IPERS	631,439	660,694	720,041	708,867	741,980	3.0%
Employee Benefit Levy Reduction (1)	(192,637)	(230,218)	(31,230)	(31,230)	(54,215)	
Subtotal	<u>\$ 10,893,417</u>	<u>\$ 11,210,377</u>	<u>\$ 11,701,215</u>	<u>\$ 11,684,711</u>	<u>\$ 11,926,576</u>	1.9%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	\$ 441,079	\$ 521,993	\$ 440,000	\$ 460,000	\$ 460,000	4.5%
Cable Franchise Tax	176,095	165,004	176,100	163,500	163,500	-7.2%
Utility Franchise Fees	81,399	102,859	407,000	205,700	514,200	26.3%
Utility Tax Replacement Excise Tax:						
General	24,476	30,180	24,305	24,305	25,876	6.5%
Tort Liability	847	993	820	820	1,024	24.9%
Transit	697	419	176	176	175	-0.6%
Levee	58	251	0	0	0	
Commercial/Industrial State Reimbursement:						
General	323,752	330,269	328,067	328,067	340,986	3.9%
Tort Liability	11,204	10,871	11,106	11,106	13,514	21.7%
Transit	9,221	4,583	2,313	2,313	2,360	2.0%
Levee	769	2,752	0	0	0	
Subtotal	<u>\$ 1,069,597</u>	<u>\$ 1,170,174</u>	<u>\$ 1,389,887</u>	<u>\$ 1,195,987</u>	<u>\$ 1,521,635</u>	9.5%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Intergovernmental Revenues						
Road Use Tax	\$ 2,646,464	\$ 2,394,237	\$ 2,694,400	\$ 2,762,600	\$ 2,892,400	7.3%
Subtotal	<u>\$ 2,646,464</u>	<u>\$ 2,394,237</u>	<u>\$ 2,694,400</u>	<u>\$ 2,762,600</u>	<u>\$ 2,892,400</u>	7.3%
Licenses and Permits						
Beer, Liquor and Cigarettes	\$ 34,943	\$ 38,560	\$ 35,000	\$ 38,000	\$ 38,000	8.6%
Animal	1,942	1,896	2,000	2,200	2,200	10.0%
Miscellaneous	6,935	6,960	7,000	7,000	7,000	0.0%
Subtotal	<u>\$ 43,820</u>	<u>\$ 47,416</u>	<u>\$ 44,000</u>	<u>\$ 47,200</u>	<u>\$ 47,200</u>	7.3%
Cemetery Fees						
Lot and Niche Sales	\$ 15,094	\$ 14,884	\$ 17,000	\$ 20,000	\$ 17,000	0.0%
Lease of Property-Cell Towers	23,786	18,976	19,000	19,800	19,800	4.2%
Burial Fees	42,710	44,145	45,000	45,000	45,000	0.0%
Miscellaneous Charges	9,558	8,282	9,000	9,000	9,000	0.0%
Commissions	13,189	15,033	13,500	13,500	13,500	0.0%
Perpetual Care Interest	14,357	13,701	14,500	15,500	19,300	33.1%
Maintenance Fees (Cemetery Steps)	0	0	0	400	400	
Other	0	0	0	0	0	
Subtotal	<u>\$ 118,694</u>	<u>\$ 115,021</u>	<u>\$ 118,000</u>	<u>\$ 123,200</u>	<u>\$ 124,000</u>	5.1%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	\$ 68,902	\$ 42,786	\$ 90,000	\$ 60,000	\$ 60,000	-33.3%
Section 8 Housing Inspection Fees	4,600	16,900	9,000	12,000	12,000	33.3%
Construction Permits	306,841	446,379	300,000	320,000	300,000	0.0%
Health Licenses	275	6,252	2,000	4,000	4,000	100.0%
Zoning Fees	3,525	2,700	2,500	2,500	2,500	0.0%
Board of Adjustment Fees	1,450	800	1,000	1,000	1,000	0.0%
Site Plan Review Fees	1,200	1,700	1,500	1,500	1,500	0.0%
Sale of Code Books	150	700	200	300	200	0.0%
Municipal Infractions Penalties	525	0	500	500	500	0.0%
Nuisance Reimbursements/Administrative Fees	97,737	78,543	90,000	80,000	80,000	-11.1%
Sale of Property	0	1,263	0	10,000	10,000	
State Grant - Historic Preservation	0	0	0	17,300	0	
State Reimbursement - Asbestos	0	0	0	5,200	0	
Miscellaneous	659	2,428	1,000	1,000	1,000	0.0%
Transfer In:						
Staff Services Airport/CDBG	9,592	28,068	0	0	0	
Subtotal	<u>\$ 495,456</u>	<u>\$ 628,519</u>	<u>\$ 497,700</u>	<u>\$ 515,300</u>	<u>\$ 472,700</u>	-5.0%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Parks and Recreation Revenues						
Parks - General						
Shelters	\$ 9,940	\$ 9,340	\$ 10,500	\$ 9,500	\$ 9,500	-9.5%
Pearl City Station Rentals	12,025	10,735	11,500	11,500	11,500	0.0%
Riverview Center Rentals	26,020	20,070	25,000	20,000	22,000	-12.0%
Dog Park Permits	0	0	0	4,500	4,500	
Maintenance Fees	1,040	785	700	700	700	0.0%
Equipment/Miscellaneous Sales	0	93	200	200	200	0.0%
Concession Commission	913	1,211	900	900	900	0.0%
Reimbursement of Damages	10,752	3,158	0	1,900	0	
Donations	0	11,335	0	500	0	
Iowa DNR Tree Grant	0	12,081	0	0	0	
Iowa DNR Tree Sales	0	5,475	0	0	0	
Other	139	841	0	0	0	
Transfers In						
Administration Fees	27,300	24,400	28,900	26,100	26,900	-6.9%
Subtotal	<u>\$ 88,129</u>	<u>\$ 99,524</u>	<u>\$ 77,700</u>	<u>\$ 75,800</u>	<u>\$ 76,200</u>	-1.9%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	\$ 26,260	\$ 27,112	\$ 28,000	\$ 21,000	\$ 21,000	-25.0%
Commission on Concessions	9,523	4,237	10,000	6,500	6,500	-35.0%
Mowing Reimbursement - Housing	7,000	7,250	7,500	7,300	7,300	-2.7%
Storage Building Rental	1,200	800	1,200	1,200	1,200	0.0%
Insurance Reimbursements	1,895	6,133	0	0	0	
Other	0	645	0	0	0	
Subtotal	<u>\$ 45,878</u>	<u>\$ 46,177</u>	<u>\$ 46,700</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	-22.9%
Soccer Complex Operations						
Maintenance Fees	\$ 34,623	\$ 32,978	\$ 35,000	\$ 34,000	\$ 36,500	4.3%
Commission on Concessions	7,088	6,229	7,500	6,500	6,500	-13.3%
Insurance Reimbursements	1,500	18,102	0	0	0	
Other	64	40	0	0	0	
Subtotal	<u>\$ 43,275</u>	<u>\$ 57,349</u>	<u>\$ 42,500</u>	<u>\$ 40,500</u>	<u>\$ 43,000</u>	1.2%
Recreation						
Entry Fees/Admissions	\$ 1,358	\$ 1,070	\$ 1,400	\$ 1,200	\$ 1,400	0.0%
Lessons	34,829	34,975	36,000	36,000	36,000	0.0%
League and Tournament Fees	7,273	6,390	7,300	6,800	6,800	-6.8%
Sales Tax	507	450	500	500	500	0.0%
Commissions	0	0	0	500	500	
Donations	920	2,056	1,300	1,300	1,300	0.0%
Adventureland Ticket Commissions	306	0	0	0	0	
Other	1,284	1,020	300	300	300	0.0%
Subtotal	<u>\$ 46,477</u>	<u>\$ 45,961</u>	<u>\$ 46,800</u>	<u>\$ 46,600</u>	<u>\$ 46,800</u>	0.0%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Aquatic Center						
Admissions	\$ 88,405	\$ 87,391	\$ 90,000	\$ 88,000	\$ 88,000	-2.2%
Season Passes	14,249	11,785	14,000	13,000	13,000	-7.1%
Lessons	9,201	9,375	9,000	9,500	9,500	5.6%
Group Sales	16,703	20,093	18,000	19,000	20,000	11.1%
Room Rental	600	850	500	800	800	60.0%
Locker Rental	457	502	800	500	500	-37.5%
Commission on Concessions	6,624	5,603	7,800	6,000	6,000	-23.1%
Miscellaneous Sales	324	246	500	300	300	-40.0%
Other	551	117	500	500	500	0.0%
Subtotal	<u>\$ 137,114</u>	<u>\$ 135,962</u>	<u>\$ 141,100</u>	<u>\$ 137,600</u>	<u>\$ 138,600</u>	-1.8%
Subtotal - Parks and Recreation	<u>\$ 360,873</u>	<u>\$ 384,973</u>	<u>\$ 354,800</u>	<u>\$ 336,500</u>	<u>\$ 340,600</u>	-4.0%
Library Revenues						
Fines and Charges	\$ 13,334	\$ 9,458	\$ 14,000	\$ 10,000	\$ 10,000	-28.6%
County Contributions	118,014	118,099	121,600	120,500	122,900	1.1%
Illinois Contracts	10,295	10,594	10,900	10,900	11,100	1.8%
Printing Charges	4,582	3,823	4,000	3,000	3,000	-25.0%
Other	126	109	0	100	100	
Subtotal	<u>\$ 146,351</u>	<u>\$ 142,083</u>	<u>\$ 150,500</u>	<u>\$ 144,500</u>	<u>\$ 147,100</u>	-2.3%
Art Center Revenues						
Building Rentals	\$ 360	\$ 415	\$ 1,000	\$ 600	\$ 1,000	0.0%
Class Fees	4,477	4,660	2,500	2,300	2,500	0.0%
State Grant	10,000	10,000	10,000	10,300	10,000	0.0%
Support Foundation Contributions	20,436	20,501	22,700	22,700	23,500	3.5%
Friends of the Art Center Contributions	21,502	20,742	24,100	24,200	25,100	4.1%
Other Contributions	0	5,000	1,700	7,200	2,200	29.4%
Other	574	751	300	300	300	0.0%
Subtotal	<u>\$ 57,349</u>	<u>\$ 62,069</u>	<u>\$ 62,300</u>	<u>\$ 67,600</u>	<u>\$ 64,600</u>	3.7%
Public Works Services						
Repair and Maintenance Services	\$ 16,558	\$ 17,198	\$ 17,000	\$ 17,000	\$ 17,000	0.0%
Rental of Equipment	14	701	200	200	200	0.0%
Sale of Equipment	429	6,000	1,000	0	1,000	0.0%
Miscellaneous Sales	101	1,326	2,500	2,500	2,500	0.0%
Reimbursement for Salt	3,939	7,938	4,000	4,000	4,000	0.0%
Reimbursement of Damages	0	10,536	0	11,600	0	
Other	1,400	954	500	1,000	500	0.0%
Transfers In:						
Engineering Services	36,635	52,643	114,700	120,000	122,500	6.8%
Administrative Fees	64,400	66,300	68,300	68,300	70,300	2.9%
Subtotal	<u>\$ 123,476</u>	<u>\$ 163,596</u>	<u>\$ 208,200</u>	<u>\$ 224,600</u>	<u>\$ 218,000</u>	4.7%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Police Operations						
Police Grants	\$ 296,371	\$ 229,351	\$ 311,100	\$ 304,700	\$ 305,400	-1.8%
Court Fines	156,658	176,178	160,000	170,000	170,000	6.3%
Automated Traffic Enforcement Fines	652,016	500,746	350,000	350,000	500,000	42.9%
Parking Violations	27,759	25,623	26,000	26,000	26,000	0.0%
Tobacco Checks/Violations	4,200	8,250	2,000	2,000	2,000	0.0%
Alarm System Charges	4,050	3,325	4,400	4,000	4,000	-9.1%
Alarm Permits	750	650	300	600	600	100.0%
False Alarm Charges	3,100	4,425	3,000	3,000	3,000	0.0%
Police Services Agreement	49,707	50,041	52,100	52,100	53,300	2.3%
Animal Ordinance Fees and Fines	1,615	2,865	2,500	2,500	2,500	0.0%
Printing Charges	4,512	5,111	4,500	4,500	4,500	0.0%
Contributions - Mentor Program	5,063	5,740	5,000	5,000	5,000	0.0%
Other Contributions	4,357	0	0	0	0	
Lease - Public Safety Cell Tower	26,946	26,946	26,900	26,900	26,900	0.0%
Insurance Reimbursements (Hail Storm)	0	71,069	0	0	0	
Sale of Equipment	9,412	0	0	0	0	
Reimbursements/Miscellaneous Income	24,604	47,720	16,000	22,000	20,000	25.0%
Transfers In:						
Transfer from COPS Grant Reserve	41,565	0	0	0	0	
Subtotal	<u>\$ 1,312,685</u>	<u>\$ 1,158,040</u>	<u>\$ 963,800</u>	<u>\$ 973,300</u>	<u>\$ 1,123,200</u>	16.5%
Fire Operations						
Fire Hazmat Agreements	\$ 26,597	\$ 26,623	\$ 26,600	\$ 26,600	\$ 26,600	0.0%
Fire Open Burn Permits	1,650	1,150	1,500	1,100	1,100	-26.7%
Fire Inspection Fees	12,997	14,008	15,000	15,000	15,000	0.0%
Fire Plan Review Fees	6,802	5,153	4,000	4,000	4,000	0.0%
Fire Assessment Fees	360	300	100	100	100	0.0%
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.0%
Fireworks Fees	2,400	2,600	1,200	2,200	1,200	0.0%
Fire Protection Contracts	19,330	19,692	19,300	20,100	20,100	4.1%
Fire Reports	578	483	600	400	400	-33.3%
Fire Citations	3,125	1,225	800	800	800	0.0%
Alarm Permits	0	0	0	600	600	
False Alarm Charges	1,700	350	1,200	1,200	1,200	0.0%
Insurance Reimbursement	0	4,997	0	0	0	
Reimbursement of Expenses/Other	9,865	4,279	2,500	6,000	2,500	0.0%
Subtotal	<u>\$ 124,679</u>	<u>\$ 120,135</u>	<u>\$ 108,800</u>	<u>\$ 114,100</u>	<u>\$ 109,600</u>	0.7%

**General Fund
Revenue Summary**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change From 2018/2019 Budget</u>
Other General Revenues						
Interest Income	\$ 21,955	\$ 53,499	\$ 25,000	\$ 60,000	\$ 60,000	140.0%
Payment in Lieu of Taxes	30,966	30,789	32,500	32,000	34,000	4.6%
Housing Accounting Fees	59,000	60,800	62,600	62,600	64,600	3.2%
Housing Management Fee	11,921	11,482	11,500	11,500	11,500	0.0%
Lease - Clark House Cell Towers	25,205	10,660	25,400	0	0	-100.0%
ICAP Grant	1,000	0	0	0	0	
Other Charges	15,673	19,526	16,000	16,000	16,200	1.3%
Transfers In:						
Administrative Fees	367,350	377,350	389,400	387,300	398,900	2.4%
Health Insurance Fund (Wellness)	53,278	53,358	61,500	61,500	62,600	1.8%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	29,300	30,100	31,000	31,000	39,000	25.8%
Communications Admin Fee (Exc. TIF Portion)	43,600	46,400	54,000	54,000	59,600	10.4%
Ambulance Enterprise Fund	891,000	926,000	1,047,200	1,047,200	1,079,400	3.1%
Ambulance Enterprise Fund - Additional	0	0	0	0	116,300	
Tax Increment/Economic Dev Admin Fees	132,100	142,100	150,000	150,000	158,000	5.3%
Tax Increment Economic Development	38,000	38,000	38,000	38,000	38,000	0.0%
Tax Increment - Legal Services	5,226	6,800	11,600	11,600	6,200	-46.6%
Subtotal	<u>\$ 1,728,574</u>	<u>\$ 1,809,864</u>	<u>\$ 1,958,700</u>	<u>\$ 1,965,700</u>	<u>\$ 2,147,300</u>	9.6%
Total	<u>\$ 19,121,435</u>	<u>\$ 19,406,504</u>	<u>\$ 20,252,302</u>	<u>\$ 20,155,298</u>	<u>\$ 21,134,911</u>	4.4%

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.

General Fund
Expenditures by Type

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change from 2018/2019 Budget</u>
Personal Services	\$ 14,063,595	\$ 14,596,769	\$ 15,653,000	\$ 15,387,900	\$ 16,133,900	3.1%
Commodities	826,149	714,123	973,550	999,300	1,020,500	4.8%
Contractual Services	2,476,141	2,489,241	2,440,550	2,647,400	2,555,900	4.7%
Capital Outlay	878,392	542,936	591,000	644,600	914,300	54.7%
Transfers and Assigned Funding	<u>636,836</u>	<u>633,553</u>	<u>507,400</u>	<u>558,500</u>	<u>490,160</u>	-3.4%
Total	<u>\$ 18,881,113</u>	<u>\$ 18,976,622</u>	<u>\$ 20,165,500</u>	<u>\$ 20,237,700</u>	<u>\$ 21,114,760</u>	4.7%

General Fund
Summary of Expenditures

Function/Activity	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change from FY 2019 Budget
General Government						
Mayor and Council	\$ 72,249	\$ 74,848	\$ 94,800	\$ 94,600	\$ 112,100	18.2%
Legal Services	346,552	182,932	175,000	120,000	120,000	-31.4%
City Administrator	341,345	389,395	403,500	414,500	423,800	5.0%
Human Resources	147,567	140,955	168,500	170,500	164,900	-2.1%
Wellness Program	54,067	54,298	61,500	61,500	62,600	1.8%
Finance and Records	593,787	611,171	631,000	637,200	662,600	5.0%
Information Technology	281,085	297,835	307,800	336,400	430,500	39.9%
Risk Management	254,250	422,023	293,700	289,200	316,300	7.7%
Building and Grounds	533,976	559,383	682,800	679,900	672,400	-1.5%
Subtotal	<u>\$ 2,624,878</u>	<u>\$ 2,732,840</u>	<u>\$ 2,818,600</u>	<u>\$ 2,803,800</u>	<u>\$ 2,965,200</u>	5.2%
Public Safety						
Police Operations	\$ 4,643,947	\$ 4,776,248	\$ 4,982,100	\$ 4,982,100	\$ 5,230,600	5.0%
Animal Control	124,522	128,152	137,500	148,300	155,200	12.9%
Fire Operations	4,245,810	4,291,540	4,535,500	4,512,700	4,705,300	3.7%
Subtotal	<u>\$ 9,014,279</u>	<u>\$ 9,195,940</u>	<u>\$ 9,655,100</u>	<u>\$ 9,643,100</u>	<u>\$ 10,091,100</u>	4.5%
Culture and Recreation						
Library	\$ 1,116,300	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	0.0%
Cable Television Operations	18,380	32,998	21,300	20,200	20,700	-2.8%
Art Center	327,410	335,703	363,400	398,200	412,000	13.4%
Park Administration	181,275	188,790	197,400	199,600	204,500	3.6%
Park Maintenance	673,929	736,642	804,700	816,700	758,400	-5.8%
Kent Stein Park	209,014	206,719	219,000	217,100	221,100	1.0%
Soccer Complex	194,205	202,276	198,800	217,900	237,900	19.7%
Aquatic Center	165,227	152,238	158,000	174,700	213,200	34.9%
Recreation	102,747	95,777	120,600	120,600	124,800	3.5%
Cemetery	162,028	160,999	173,500	175,500	174,900	0.8%
Subtotal	<u>\$ 3,150,515</u>	<u>\$ 3,232,842</u>	<u>\$ 3,417,300</u>	<u>\$ 3,501,100</u>	<u>\$ 3,528,100</u>	3.2%
Health and Social Services						
Economic Well-Being	\$ 45,000	\$ 55,000	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Subtotal	<u>\$ 45,000</u>	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.0%

General Fund
Summary of Expenditures

Function/Activity	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change from FY 2019 Budget
Community and Economic Development						
Community Development	\$ 716,937	\$ 775,799	\$ 818,300	\$ 841,900	\$ 852,200	4.1%
Economic Development	140,443	154,410	193,000	203,500	193,000	0.0%
Subtotal	\$ 857,380	\$ 930,209	\$ 1,011,300	\$ 1,045,400	\$ 1,045,200	3.4%
Public Works						
Public Works Administration	\$ 183,168	\$ 190,681	\$ 206,000	\$ 204,700	\$ 216,500	5.1%
Roadway Maintenance	1,499,071	1,533,339	1,467,300	1,475,700	1,581,600	7.8%
Traffic Control	173,462	178,926	192,900	198,500	192,700	-0.1%
Snow and Ice Control	378,832	194,280	486,200	486,200	505,000	3.9%
Street Cleaning	371,855	174,261	210,100	198,600	217,300	3.4%
Engineering	144,924	165,967	266,800	289,400	361,800	35.6%
Subtotal	\$ 2,751,312	\$ 2,437,454	\$ 2,829,300	\$ 2,853,100	\$ 3,074,900	8.7%
Transfers and Assigned Funding						
Transit System Subsidy	\$ 200,745	\$ 100,555	\$ 50,000	\$ 50,000	\$ 52,360	4.7%
Airport Subsidy	20,272	31,396	33,900	41,200	57,900	70.8%
Levee Project Subsidy	16,732	60,386	0	0	0	
Equipment Replacement Allocation	200,000	200,000	250,000	250,000	200,000	-20.0%
Assigned Funding - Non-Union Merit Pay	0	0	50,000	0	50,000	0.0%
Subtotal	\$ 437,749	\$ 392,337	\$ 383,900	\$ 341,200	\$ 360,260	-6.2%
Total	\$ 18,881,113	\$ 18,976,622	\$ 20,165,500	\$ 20,237,700	\$ 21,114,760	4.7%

Function:
General Government

Department:
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 2018/2019 revised estimate is \$200 less than the original budget. The 2019/2020 budget is \$17,300 (18.3%) more than the 2018/2019 budget. The 2019/2020 budget increase is primarily due to the net effect of an increase of \$33,500 in consultant services and a \$17,200 decrease in capital outlay. The consultant services increase includes funds to participate in the National Citizen Survey (estimated at \$16,000) and for professional services to update the City Administrator evaluation process (estimated at \$17,500). Audit costs allocated to this budget are budgeted to be \$500 more than the 2018/2019 budget and there was a net \$500 increase in various other line items.

PERFORMANCE MEASURES

	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	11	11	11	11	11
Budget Meetings	9	9	8	9	9
Other Meetings	1	2	5	3	3
Joint Meetings:					
County Board of Supervisors	1	0	0	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
2019/2020 AND FUTURE YEARS***

Ongoing Opportunities

- Attract employees that work in Muscatine, but do not live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate. Explore opportunities for joint meetings.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, and increase the City's General Fund balance.
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Increase community awareness and engagement (Tell Muscatine's story).

Council and Management Agenda 2019-2020

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development
- Monitor the City's Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
- Evaluate the new Federal Opportunity Zones rules and potential to participate
- Industrial Park (South End) – Create new TIF District
- Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Create a downtown façade program
- Market economic development programs
- Budget for and create/review website and signage opportunities.
- Work with local banks, real estate companies and others to promote plans and incentives
- Monitor Port opportunities based upon feasibility study results
- Monitor infrastructure grant opportunities

- Review final feasibility and partnership opportunities
- Develop vision and prepare RFP for the redevelopment of the “Carver Corner” area and “old” library
- Adopt policies or guidelines on public art and communications on city-owned land and rights-of-way (CIAT (Community Improvement Action Team) or Council Subcommittee)
- Develop a comprehensive plan or vision for the downtown and our gateways
- Design and construct 2nd Street “Streetscape” project addressing stormwater at the same time

Housing

- Promote and communicate 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 potential for low income assistance for property maintenance (i.e. CDBG)
- Budget for or identify grants for building demolition and/or acquisition
- Work with community and neighborhood stakeholders to develop plans to improve and revitalize specifically targeted areas in partnership with community stakeholders to leverage infrastructure improvements, aesthetic enhancements, incentives, and land use regulations processes
- Review and sell, redevelop, repurpose or demolish nuisance and city-owned properties (create assets versus liabilities)
- Market the Housing Demand Study (Downtown, Single Family, Multi Family, Pocket Neighborhoods, etc.)
- Identify public, private and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Monitor and review the youth diversion program for at risk youth in cooperation with the Police Department, School District, Juvenile Probation and other parties. Educate and train staff. Review opportunities to incorporate a high risk youth program.
- Continue to educate staff and council on security issues (active killer, etc.). Review and complete security upgrades at City Hall and all City facilities.
- Review and assess IT staffing and security needs, including the potential to outsource additional staffing needs.

Marketing, Communication, and Engagement

- Review (make it our own), prioritize, and implement 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, Muscatine Power and Water, Unity Point - Trinity Muscatine, and the Convention and Visitors Bureau (CVB)
- Enhance the City’s website, expand the use of social media tools for public communication, and explore opportunities for a city mobile application (app)
- 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).
- Market the many good things happening in Muscatine
- Work to create strong community and neighborhood events with active participants
- Encourage participation in Muscatine, whether it be in local government or with any of the other numerous opportunities
- Create or improve public gathering places
- Work to create a strong sense of community

- Work to have more people calling Muscatine their “hometown”
- Strengthen community service partnerships
- Continuous Service Improvement (Processes, Technology and Efficiency)
- Improve organizational effectiveness, efficiency, cooperation, transparency and customer service
- Bring technology to the field (drive efficiency)
- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment downtown and other areas in need (i.e. gateways and major corridors)
- Continue to support LEAN initiatives and city-wide process improvements
- Rework and present training to employees (ongoing process)
- Identify employees across departments who have an interest in training and reinvigorating the program
- Benchmark with local businesses and the Iowa Lean Consortium
- Sustainability
- Develop a Sustainable Muscatine program and the associated policies 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, facilities and operations locally and regionally.

Key Projects, Programs and Placemaking

- 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 CIP with focus on existing infrastructure
- Mississippi Drive
- Construct 2nd and Mulberry, Carver Corner (at time of redevelopment), and review options for Broadway to Carver Corner.
- Grandview Avenue (2019-20)
- Park Avenue reconstruction from the bridge to Colorado Street.
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, appropriate trees)
- Complete implementation of Pearls of Progress CAT Grant projects (West Side Trail)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020
- City Hall HVAC and building envelope plan
- Riverfront Master Plan – Develop Implementation Strategy
- Construct 2nd Street “Streetscape” Plan and scope
- WRRF (Water Resource and Recovery Facility) Phase 2 Waste to Energy Project
- Reforestation (Grants, CSO, Downtown, Riverfront, Grandview, right-of-ways, Emerald Ash Borer)
- Review and discuss options for city-wide Stormwater and Sewer opportunities
- Create master plan for the former IDOT maintenance facility for public safety and public works needs as well as to implement a regional stormwater management area (infiltration and retention)
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts and banquet activities and programming
- Review budget and funding opportunities to allow street repair and maintenance (i.e. full depth patch work) to begin in March or April.

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change</u>
Expenditure Summary						
Personal Services	\$ 41,374	\$ 41,322	\$ 41,500	\$ 41,400	\$ 41,400	-0.24%
Commodities	686	1,034	1,650	1,600	1,700	3.03%
Contractual Services	30,190	32,492	34,450	34,400	69,000	100.29%
Capital Outlay	-	-	17,200	17,200	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 72,250</u>	<u>\$ 74,848</u>	<u>\$ 94,800</u>	<u>\$ 94,600</u>	<u>\$ 112,100</u>	18.25%
Funding Sources						
General Revenues	<u>\$ 72,250</u>	<u>\$ 74,848</u>	<u>\$ 94,800</u>	<u>\$ 94,600</u>	<u>\$ 112,100</u>	18.25%

Personnel Schedule						
	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Budget Amount 2019/2020</u>
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	
Total	8	8	8	8	8	\$ 37,800
Employee Benefits						<u>3,600</u>
Total Personal Services						<u>\$ 41,400</u>

Function:
General Government

Department:
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 2018/2019 revised estimate for Legal Services of \$120,000 is \$55,000 less than the original budget. Actual legal costs vary from year to year due to projects and issues that arise. The reduction in the revised estimate is based on actual legal services costs for the first six months of the fiscal year. Higher legal services costs in prior years have included those for 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 2019/2020 legal services budget is projected at \$120,000 which is \$55,000 (31.4%) less than the original 2018/2019 budget and the same as the 2018/2019 revised estimate. 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
City Attorney (excluding Human Resources legal services) *	1,367	2,220	1,807	1,400	1,400

* City Attorney hours include those charged to capital projects and enterprise funds.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

* 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).

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	346,551	182,932	175,000	120,000	120,000	-31.43%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 346,551</u>	<u>\$ 182,932</u>	<u>\$ 175,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	-31.43%
Funding Sources						
General Revenues	<u>\$ 346,551</u>	<u>\$ 182,932</u>	<u>\$ 175,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	-31.43%

Function:
General Government

Department:
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 2018/2019 revised estimate is \$11,000 more than the original budget. Personal services costs are \$6,600 more than the original budget primarily due to wage adjustments and \$4,400 was carried forward from the prior year budget for technology improvements for the Communications Manager and City Administrator.

The 2019/2020 budget is \$20,300 (5.0%) higher than the original 2018/2019 budget due to increased personal services costs. Personal services costs for 2019/2020 are \$13,700 (3.7%) higher than the 2018/2019 revised estimate. This budget continues to include \$10,900 for the annual cost of the OpenGov software.

This budget again includes 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 provide 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.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
City Council Agenda Items Presented	336	351	343	350	350
Staff Meetings Held	23	23	23	23	24
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	5	5	5	5	5
Quad City Area Managers Meetings (Bi-State)	6	5	5	5	5
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)	12	4	4	4	4
GMCCI Committee Meetings	24	6	18	12	12

Communications Metrics

	2016 January 1- December 31	2017 January 1- December 31	2018 January 1- December 31	2019 Estimated
City of Muscatine				
Facebook Page Likes	3,598	4,695	5,715	6,800
Facebook Average Weekly Reach	18,345	27,436	27,542	28,500
Twitter Followers	977	1,169	1,300	1,600
Twitter Average Weekly Impressions	4,096	4,009	4,504	4,750
Instagram Followers	161	277	627	1,000
Instagram Average Weekly Impressions	Data Not Available	410	850	1,200
YouTube Subscriptions	21	106	137	200
YouTube Average Weekly Watch Time	6:59	9:18	8:27	10:00
Linked-In Followers	Data Not Available	61	83	125

	2016 January 1- December 31	2017 January 1- December 31	2018 January 1- December 31	2019 Estimated
(Continued)				
Linked-In Average Weekly Impressions	Data Not Available	93	75	100
Press Releases*	44	159	203	225
Blog Posts	31	16	11	12
Blog Views	5,686	4,669	4,797	6,000
Newsletter Subscribers	340	427	437	500
Newsletters Published	12	11	10	12
OpenGov Visits**	N/A	323	229	500
Our City Muscatine				
Facebook Page Likes	NA	NA	326	400
Facebook Average Weekly Reach	NA	NA	2,142	2,500
YouTube Subscriptions	NA	NA	3	50
YouTube Average Weekly Watch Time	NA	NA	4:02	10:00

* Does not include rewrites for Parks & Recreation, Police, and Fire.

**Open Gov launched June 2017.

<i>CITY OF MUSCATINE CORE VALUES, VISION, AND MISSION</i>
--

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.

<p><i>OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020 AND FUTURE YEARS</i></p>
--

Ongoing Opportunities

- Attract employees that work in Muscatine, but do not live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate. Explore opportunities for joint meetings.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, and increase the City's General Fund balance.
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Increase community awareness and engagement (Tell Muscatine's story).

Council and Management Agenda 2019-2020

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development
- Monitor the City's Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
- Evaluate the new Federal Opportunity Zones rules and potential to participate
- Industrial Park (South End) – Create new TIF District
- Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Create a downtown façade program
- Market economic development programs
- Budget for and create/review website and signage opportunities.
- Work with local banks, real estate companies and others to promote plans and incentives
- Monitor Port opportunities based upon feasibility study results
- Monitor infrastructure grant opportunities
- Review final feasibility and partnership opportunities
- Develop vision and prepare RFP for the redevelopment of the "Carver Corner" area and "old" library
- Adopt policies or guidelines on public art and communications on city-owned land and rights-of-way (CIAT (Community Improvement Action Team) or Council Subcommittee)
- Develop a comprehensive plan or vision for the downtown and our gateways
- Design and construct 2nd Street "Streetscape" project addressing stormwater at the same time

Housing

- Promote and communicate 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 potential for low income assistance for property maintenance (i.e. CDBG)
- Budget for or identify grants for building demolition and/or acquisition
- Work with community and neighborhood stakeholders to develop plans to improve and revitalize specifically targeted areas in partnership with community stakeholders to leverage infrastructure improvements, aesthetic enhancements, incentives, and land use regulations processes
- Review and sell, redevelop, repurpose or demolish nuisance and city-owned properties (create assets versus liabilities)
- Market the Housing Demand Study (Downtown, Single Family, Multi Family, Pocket Neighborhoods, etc.)
- Identify public, private and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Programs and Services

- Monitor and review the youth diversion program for at risk youth in cooperation with the Police Department, School District, Juvenile Probation and other parties. Educate and train staff. Review opportunities to incorporate a high risk youth program.
- Continue to educate staff and council on security issues (active killer, etc.). Review and complete security upgrades at City Hall and all City facilities.
- Review and assess IT staffing and security needs, including the potential to outsource additional staffing needs.

Marketing, Communication, and Engagement

- Review (make it our own), prioritize, and implement 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, Muscatine Power and Water, Unity Point - Trinity Muscatine, and the Convention and Visitors Bureau (CVB)
- Enhance the City's website, expand the use of social media tools for public communication, and explore opportunities for a city mobile application (app)
- 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).
- Market the many good things happening in Muscatine
- Work to create strong community and neighborhood events with active participants
- Encourage participation in Muscatine, whether it be in local government or with any of the other numerous opportunities
- Create or improve public gathering places
- Work to create a strong sense of community
- Work to have more people calling Muscatine their "hometown"
- Strengthen community service partnerships
- Continuous Service Improvement (Processes, Technology and Efficiency)
- Improve organizational effectiveness, efficiency, cooperation, transparency and customer service
- Bring technology to the field (drive efficiency)
- Work with GMCCI, downtown businesses and residents to create a clean and inviting environment downtown and other areas in need (i.e. gateways and major corridors)
- Continue to support LEAN initiatives and city-wide process improvements

- Rework and present training to employees (ongoing process)
- Identify employees across departments who have an interest in training and reinvigorating the program
- Benchmark with local businesses and the Iowa Lean Consortium
- Sustainability
- Develop a Sustainable Muscatine program and the associated policies 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, facilities and operations locally and regionally.

Key Projects, Programs and Placemaking

- 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 CIP with focus on existing infrastructure
- Mississippi Drive
- Construct 2nd and Mulberry, Carver Corner (at time of redevelopment), and review options for Broadway to Carver Corner.
- Grandview Avenue (2019-20)
- Park Avenue reconstruction from the bridge to Colorado Street.
- Explore Placemaking projects – develop and maintain local amenities for residents that attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, appropriate trees)
- Complete implementation of Pearls of Progress CAT Grant projects (West Side Trail)
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020
- City Hall HVAC and building envelope plan
- Riverfront Master Plan – Develop Implementation Strategy
- Construct 2nd Street “Streetscape” Plan and scope
- WRRF (Water Resource and Recovery Facility) Phase 2 Waste to Energy Project
- Reforestation (Grants, CSO, Downtown, Riverfront, Grandview, right-of-ways, Emerald Ash Borer)
- Review and discuss options for city-wide Stormwater and Sewer opportunities
- Create master plan for the former IDOT maintenance facility for public safety and public works needs as well as to implement a regional stormwater management area (infiltration and retention)
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts and banquet activities and programming
- Review budget and funding opportunities to allow street repair and maintenance (i.e. full depth patch work) to begin in March or April.

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 317,550	\$ 355,480	\$ 365,000	\$ 371,600	\$ 385,300	5.56%
Commodities	2,346	3,855	3,400	3,400	3,400	0.00%
Contractual Services	18,340	16,435	35,100	35,100	35,100	0.00%
Capital Outlay	3,109	13,625	-	4,400	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 341,345</u>	<u>\$ 389,395</u>	<u>\$ 403,500</u>	<u>\$ 414,500</u>	<u>\$ 423,800</u>	5.03%
Funding Sources						
Funding Transfers for						
Communications Manager	\$ 54,400	\$ 58,000	\$ 67,500	\$ 67,500	\$ 74,500	10.37%
General Revenues	<u>286,945</u>	<u>331,395</u>	<u>336,000</u>	<u>347,000</u>	<u>349,300</u>	3.96%
Total	<u>\$ 341,345</u>	<u>\$ 389,395</u>	<u>\$ 403,500</u>	<u>\$ 414,500</u>	<u>\$ 423,800</u>	5.03%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	1.00	
Administrative Secretary	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	3.00	3.00	3.00	3.00	3.00	\$ 277,200
Employee Benefits						<u>108,100</u>
Total Personal Services						<u>\$ 385,300</u>

Function:
General Government

Department:
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 2018/2019 revised estimate is over the budgeted amount by \$2,000 due to increased personal services costs for a wage adjustment.

The 2019/2020 budget is \$3,600 (2.1%) less than the original 2018/2019 budget. This overall decrease is due to the net effect of (1) a \$6,400 increase in personal services costs, and (2) a \$10,000 decrease in labor attorney costs. The 2018/2019 budget was increased by \$10,000 for labor attorney costs to assist in union negotiations since fiscal year 2018/2019 is the fifth year of five-year contracts with each of the City's three bargaining units. At the time the budget was being prepared, it was anticipated that multi-year contracts would again be negotiated with each of the unions and the labor attorney costs could be reduced to the previous level. After the budget was adopted 5-year contracts were negotiated with the Police and Blue/White Collar bargaining units and a one-year contract was negotiated with the Fire bargaining unit. This budget continues to include funds for city-wide employee 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Full-time Positions Hired	15	18	13	15	15
Permanent Part-time Positions Hired	7	10	7	8	8
Retirements	6	8	6	10	10
Personnel Actions Processed	410	418	358	390	390
Employment Applications Received	252	420	233	300	300
Civil Service Examinations Administered	8	10	9	9	9
Employee Training Programs	3	3	10	15	15
Civil Service Commission Meetings	4	3	4	4	4

RECENT ACCOMPLISHMENTS

The Human Resources (HR) division has been actively working on accomplishing goals set out for this year including providing training sessions for employees, working with the Continuous Service Improvement Committee, and preparing for union negotiations. In addition to working on these goals, there are many other activities where HR is actively involved.

This division handles and distributes all applications for employment with the city. This includes advertising open positions, processing the applications, conducting applicable Civil Service processes, assisting as needed in the interview process, conducting pre-employment checks, scheduling required physicals, and completing payroll-related paperwork with employees.

HR is also responsible for completing all personnel action forms. These are created for all changes related to employees including hiring, termination, pay increases, promotions, and reclassifications. The HR division also tracks and notifies departments when pay increases and performance evaluations are due.

The HR Manager chairs the Employee Recognition Committee. This committee is comprised of employee volunteers who organize a variety of social and recognition activities throughout the year. This includes the annual employee recognition breakfast. Over this past several years, this committee has worked to broaden its approach to focus more on the “recognition” portion. In addition to the social activities, the committee has worked to bring smaller, more frequent support and appreciation to employees. A few examples include delivering water and/or popsicles to employees working in extreme heat, providing treats on designated “National Days” (i.e. suckers on National Lollipop Day), and having “contests” for community participation. For example, the department that collected the most food-drive donations won a taco party. Also implemented over this last year was the “Bravo Board”. This is an opportunity for employees to recognize each other for a job well done. These are shared publicly, and there is a quarterly drawing for gift cards. This has been well received and is growing in popularity. This committee has also focused on encouraging more participation in community activities such as food and coat drives.

Other day to day activities of the HR division include handling worker’s compensation claims, benefit enrollments and changes, working with supervisors and department heads on policy, contract, and general management questions, maintaining personnel files, medical files, and some general training records. The HR staff is also available to answer employee questions and assist with benefit issues. Employees order uniforms through Human Resources and HR staff track and distribute these purchases and code associated invoices for

payment. HR also assists with the weekly review of payroll and tracks the various types of leave not trackable through the payroll software. There are a variety of other miscellaneous tasks associated with supporting departments and their activities.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To continue efforts for consistent and meaningful training; ensure opportunities for all employees to receive training and updates at regular intervals. **(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)**
- To continue preparation for and participate in union negotiations. This includes ensuring up to date job descriptions, pay plans, and benefits reviews.
- To create metrics that provide useful and meaningful information to City Council and to the public using the OpenGov software system. **(Council and Management Marketing, Communication, and Engagement Goal)**

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 116,036	\$ 117,592	\$ 117,800	\$ 119,800	\$ 124,200	5.43%
Commodities	463	278	1,400	1,400	1,400	0.00%
Contractual Services	31,069	23,085	49,300	49,300	39,300	-20.28%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 147,568</u>	<u>\$ 140,955</u>	<u>\$ 168,500</u>	<u>\$ 170,500</u>	<u>\$ 164,900</u>	-2.14%
Funding Sources						
General Revenues	<u>\$ 147,568</u>	<u>\$ 140,955</u>	<u>\$ 168,500</u>	<u>\$ 170,500</u>	<u>\$ 164,900</u>	-2.14%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total	1.25	1.25	1.25	1.25	1.25	\$ 90,000
Employee Benefits						<u>34,200</u>
Total Personal Services						<u>\$ 124,200</u>

Function:
General Government

Department:
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 Human Resources staff 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 2018/2019 is the same as the original budget. The budget for 2019/2020 is \$1,100 (1.8%) more than the 2018/2019 budget due to increased personal services costs. The budget for 2019/2020 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Employee Wellness Opportunities	12	11	11	12	12
Employee Wellness Participants	300	324	290	325	350
Employee Assistance Program Participation Levels	7.2%	6.43%	6.48%	10%	10%
Condition Support Program (previously called Disease Management Program) Participants	70	41	47	60	60

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	Flu Shots	Wellness Screenings	Weight Loss programs	Hearing Tests	Walk the Big Muddy	Wellness Scholarships	Turkey Trot
Participants	38	94	56	43	16	13	23	3

The Wellness Screenings Program continues to be one of the most popular programs offered through the Wellness Program. Employees and their spouses receive exams and consultations that give them the information they need to make proactive choices to positively impact their health. The data compiled from these Wellness Screenings was provided to staff by Trinity/Unity Point representatives. The information was used to better understand employee demographics and their biometrics, which assisted staff in the restructuring of the THRIVE Wellness Program.

The restructuring of the THRIVE program proved a successful venture for the Wellness Program. The Program Supervisor, along with Human Resources, held in-person meetings and quarterly conference calls with the Trinity/Unity Point representatives to determine relevant activities and new site structure. The ultimate goals were to increase participation by lessening the quantity and improving the quality of activities to create a more impactful THRIVE program; utilizing the site features to promote ease and enjoyment of participating; and overhauling the incentive structure to make participating more attractive to employees.

Several features were incorporated into the Wellmark Wellness Center which is coupled with the THRIVE program. “Doctor on Demand” telehealth conferencing can be found in the Wellness Center, which gives employees and their families the opportunity to connect face-to-face with a board-certified doctor from a smartphone, tablet, or computer from the comfort of their own home. THRIVE online health coaching helps employees set goals and track their progress in several health categories including exercise, eating better, losing weight, stress management, feeling happier, and smoking cessation.

The Wellness Program has continued to explore incorporating weight loss programs and “Walk the Big Muddy” into the Wellness Center to utilize technological features such as fitness device syncing to more easily track and increase participation.

Competitive bids were solicited from interested pharmacies for the City Employee Flu Shot Clinic. Staff was able to work with the low bidder to ensure costs were less than insurance costs would be from a direct care provider. The use of vouchers ensured that every employee had the opportunity to get vaccinated at their convenience.

Wellness scholarships continue to be offered to employees in the form of fitness reimbursements. Employees are encouraged to become a member at a fitness establishment of their choice. Participants receive a scholarship to cover a portion of their fitness memberships at the time of enrollment, and another scholarship every six months thereafter with a log detailing at least 36 visits to their chosen fitness facility.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To continue to examine the top four categories of insurance claims and bring in educational speakers or classes to help employees better understand ways to stay healthy and safe.
- To continue to promote THRIVE, the employee wellness incentive program, by visiting with each department at least once a year and offering 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 one new wellness program to increase employee participation.
- To meet with the Wellness Committee quarterly to receive feedback on new programs and modifications to current programs, and brainstorming for new wellness programs.
- 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 correspondence to employees about the Condition Support Program and how to participate in the program.

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Percent Change</u>
Expenditure Summary						
Personal Services	\$ 33,654	\$ 35,101	\$ 36,300	\$ 36,400	\$ 37,400	3.03%
Commodities	886	1,705	2,300	2,300	2,300	0.00%
Contractual Services	19,528	17,492	22,900	22,100	22,900	0.00%
Capital Outlay	-	-	-	700	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 54,068</u>	<u>\$ 54,298</u>	<u>\$ 61,500</u>	<u>\$ 61,500</u>	<u>\$ 62,600</u>	1.79%
Funding Sources						
Health Insurance Funds	<u>\$ 54,068</u>	<u>\$ 54,298</u>	<u>\$ 61,500</u>	<u>\$ 61,500</u>	<u>\$ 62,600</u>	1.79%

Personnel Schedule						
	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Budget Amount 2019/2020</u>
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 23,800
Employee Benefits						13,600
Total Personal Services						<u>\$ 37,400</u>

Function:
General Government

Department:
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 2018/2019 Revised Estimate for the Finance department is over the original budget by \$6,200. This increase is in the personal services area due to wage adjustments. While there are increases and decreases in various budget line items in commodities and contractual services, those amounts remained the same in total.

The 2019/2020 budget is 5.0% (\$31,600) higher than the original 2018/2019 budget. This overall increase is due to (1) a \$25,100 increase in employee wage and benefit costs, (2) a \$9,600 increase for the biannual election in the fall of 2019, (3) a \$4,400 decrease since there will be no bi-annual OPEB actuarial study in 2019/2020, (4) a \$1,500 increase in the annual maintenance costs of the financial software, and (5) a \$200 net overall decrease in other line items.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
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 (1)	4,984	6,101	4,877	4,900	4,900
City Vendor ACH Payments	164	194	189	190	190
Housing Programs Checks Issued	2,224	1,806	1,708	1,700	1,700
Housing Vendor ACH Payments	36	517	540	540	540
Payroll Checks Issued	2,293	2,100	1,983	1,820	1,800
Payroll Direct Deposit Transactions	6,813	7,556	7,312	7,680	7,700
Accounts Payable Transactions	28,667	26,935	25,272	25,500	25,500
City Receipt Transactions	12,623	12,703	13,303	13,300	13,300
Housing Receipt Transactions	2,466	2,406	2,494	2,500	2,500
Interest Earned	\$167,561	\$209,942	\$423,261	\$680,000	\$700,000
Records:					
Public Documents Recorded	324	351	343	350	350
Council Minutes Prepared	44	47	44	45	45
Notices Published	43	37	29	35	35
Purchasing:					
Purchase Orders Processed	2,296	2,479	2,413	2,500	2,500

1. The increase in City vendor checks in 2016/2017 was due to 1,112 in traffic camera ticket refund checks issued due to a traffic signal calibration issue.

RECENT ACCOMPLISHMENTS

Awards. The City received GFOA's Distinguished Budget Presentation Award for the 2018/2019 Budget. This was the 34th 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, 2018.

Local Option Sales Tax Renewal. The current 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The extension of this tax was again approved by voters with 88% voting in favor of the extension. The 80% allocation of the local option sales tax for sewer improvements will fund project costs and anticipating debt service costs for the remaining phases of the West Hill Sewer Separation project. The Finance department prepared educational information on the local option tax which was shared with the public prior to the referendum. This

information included a summary of the projects completed since the tax was first implemented in 1994 and the planned uses during the 15-year continuation period.

Community Attraction and Tourism (CAT) Grant – Pearls of Progress Projects. The City received notification on October 12, 2017 that this project had been awarded a \$500,000 grant from the Enhance Iowa Community Attractions and Tourism (CAT) program subject to meeting the local match requirements for the grant by November 30, 2017. The Pearls of Progress project includes four projects: the Musser Public Library and HNI Community Center building renovation, the new West Side Trail, the new Community Dog Park, and the new Deep Lakes Park Cabins (a Muscatine County project). Fund-raising efforts by the Community Improvement Action Team were successful and the CAT grant was officially awarded on November 28, 2017. Finance staff worked with the City Planner to compile documentation of the contributions and pledges for the local match requirement of this grant.

The Musser Public Library and HNI Community Center Renovation project has been completed and the Dog Park project is substantially complete. In December the Finance department submitted the documentation required to request the CAT grant funds for the Library Project and those funds have been received. The documentation for the Dog Park will be submitted when the remaining invoices are received and processed. Finance staff also sent letters and invoices for 2nd payments to contributors that pledged to make their donations over 3 years.

Landfill Deficit Reduction/Elimination. Finance staff continues 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 increased to \$635,191 at the end of the 2015/2016 fiscal year and further increased to \$993,064 at the end of 2016/2017. The next landfill cell was constructed in 2017/2018 at a cost of \$775,007. There were sufficient funds available to construct this cell without an interim loan or deficit balance. This was one of the goals of the long-term plan. The fund balance at the end of 2017/2018 was \$801,328.

Economic Development, TIF, and Tax Abatement. The City approved several new economic development agreements during the past year and several others are in the planning stage for future consideration. Development agreements approved in the last year include (1) TIF Oak Park for the development of approximately 48 units of multi-residential housing in 16 triplexes for housing affordable to seniors of low and moderate income, (2) a TIF rebate agreement with White Distribution & Supply LLC for expansion of their existing manufacturing and warehousing facilities, and (3) a TIF rebate agreement with a developer requesting funding assistance for the infrastructure needed for the development of property with up to 62 new homes. The agreements in the planning stage include TIF rebate assistance to the new owner of the Hershey Building across from City Hall who is converting the upper floors into market rate rental units. Kent Corporation is also requesting TIF funding assistance to expand their headquarters building near the Highway 61 and Highway 38 intersection. The recently completed Housing Demand Study demonstrated a need for the new multi-residential housing project and the project to develop new housing in the community.

2018 City Bond Issue. In May of 2018 the City issued \$4,090,000 of general obligation bonds to finance or complete the financing of numerous capital projects including the purchase of a new aerial fire truck, the local share of several airport improvement projects, the local share of the Kent Stein Park to Deep Lakes Park Trail, the local share of the Pearls of Progress projects, deferred maintenance projects in various City buildings and facilities, improvements in the City's park facilities, and funding for the digester conversion portion of the new High Strength Waste Receiving Station at the Water Pollution Control Plant. Seven bids were received for the bonds. The bid with the lowest true interest rate of 2.5931% was from Robert W. Baird & Co. Inc.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * 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 upcoming years are: (1) GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending June 30, 2019, (2) GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the City beginning with its fiscal year ending June 30, 2020, (3) *GASB Statement No. 87, Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021, and (4) GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the City beginning with its fiscal year ending June 30, 2019.
- * To assist in determining funding sources for capital projects identified in the Five Year Capital Improvement Plan. Major projects include the remaining phases of the Mississippi Drive Corridor project including the 2nd and Mulberry intersection, the Carver Corner intersection, and Grandview Avenue; the 2nd Street Streetscape Plan; Park Avenue improvements; components of the Riverfront Master Plan; building and facility deferred maintenance projects; the Water Pollution Control Plant Receiving Station and Waste to Energy projects; and improvements at the Airport. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- * To continue to manage the Enhance Iowa Community Attractions and Tourism (CAT) grant and local match contributions and pledges for the Pearls of Progress project which includes the Musser Public Library and HNI Community Center building renovation, the new West Side Trail, the new Community Dog Park, and the new Deep Lakes Park Cabins. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- * To continue to assist in the evaluation of economic development project incentive programs including tax increment financing and tax abatement programs for new or expanding commercial and industrial projects, new housing developments, and rehabilitation of existing housing. **(Council and Management Community and Economic Development Goals)**

- * To continue to monitor and review the long-term financial plan which eliminated the previous accumulated deficit in the landfill fund and assist in efforts to extend the industrial waste contracts which currently have expiration dates of June 30, 2020. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- * To maintain and enhance the OpenGov transparency tool implemented in 2017 with enhancements to include metrics and dashboards for all City departments. **(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)**
- * To implement the remaining features of the financial software system including the Fire Fair Labor Standards Act (FLSA) computations and project/grant reporting features. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Finance

Activity:
Finance and Records

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 496,405	\$ 497,659	\$ 525,700	\$ 531,900	\$ 550,800	4.77%
Commodities	7,497	9,888	11,300	11,300	11,300	0.00%
Contractual Services	89,883	102,784	94,000	94,000	100,500	6.91%
Capital Outlay	-	840	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	<u>\$ 593,785</u>	<u>\$ 611,171</u>	<u>\$ 631,000</u>	<u>\$ 637,200</u>	<u>\$ 662,600</u>	5.01%
Funding Sources						
Licenses and Permits	\$ 43,820	\$ 47,416	\$ 44,000	\$ 47,200	\$ 47,200	7.27%
Housing Accounting Fees	59,000	60,800	62,600	62,600	64,600	3.19%
General Revenues	<u>490,965</u>	<u>502,955</u>	<u>524,400</u>	<u>527,400</u>	<u>550,800</u>	5.03%
Total Funding Sources	<u>\$ 593,785</u>	<u>\$ 611,171</u>	<u>\$ 631,000</u>	<u>\$ 637,200</u>	<u>\$ 662,600</u>	5.01%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total Full Time	5.70	5.70	5.70	5.70	5.70	\$ 396,500
Employee Benefits						<u>154,300</u>
Total Personal Services						<u>\$ 550,800</u>

Function:
General Government

Department:
Finance

Activity:
Information Technology

GENERAL INFORMATION

The Information Technology (IT) 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 2018/2019 is \$28,600 more than the original budget. Personal services costs in the revised estimate increased by \$4,500 primarily due to a wage adjustment and overtime for the Computer Technician during the ransomware recovery; contractual services costs increased by \$24,800; and capital outlay decreased by \$700. A significant part of the overall increase was related to the ransomware attack on October 17, 2018. The contractual services increase includes funds for advanced malware protection software, funds for computer consulting services to install the new malware protection systems and review the current systems, and funds to begin staff augmentation for the IT operation. Costs related to recovery from the ransomware attack are expected to be fully funded from insurance while costs for enhanced security and systems have been included in the IT budget to be paid by the City.

The 2019/2020 budget is \$122,700 higher than the original 2018/2019 budget. The overall increase includes (1) an increase of \$8,100 in personal services costs, (2) an increase of \$41,000 in contractual services costs, (3) an increase of \$63,600 in capital outlay, and (4) a \$10,000 increase in the transfer to the Computer Replacement fund. The increases in the contractual services, capital outlay, and transfers are directly related to enhancing the security and improving the City's computer systems in an effort to reduce the risks for future ransomware or related attacks. The contractual services increase includes \$11,000 for the 2nd year of the enhanced malware security software and an estimated \$25,000 for contracted staff augmentation. IT staff will be developing a Request for Proposals (RFP) for the staff augmentation services to ensure it accomplishes the higher level services and systems overview desired which includes the review of advanced IT projects, security audits, training for the City's IT staff, software and security recommendations, and other tasks that the current two-person IT division is not equipped for.

The budget includes an increased transfer of \$50,000 (increased from the previous \$40,000) to the Computer Replacement fund to fund computer hardware replacements including networking systems 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Personal Computers Maintained (Includes Tablets beginning in 2015/2016)	248	247	284	285	285
Network Maintained	4	4	4	4	4
Training Sessions	11	7	5	8	12

RECENT ACCOMPLISHMENTS

The new Musser Public Library and HNI Community Center opened on June 15, 2018. As part of the transition, City IT staff consulted with and/or implemented the entire building network including, but not limited to, servers, desktops computers for both staff and patrons, a unified wireless mesh network, wireless client computers for patron use, telephone, surveillance system, and many other library processes.

A surveillance system was designed and installed at City Hall by IT staff. This system will integrate with the unified wireless mesh network that has been engineered and the equipment has been acquired for this facility as well.

The IT Manager has attended numerous meetings to discuss automation plans for the Vehicle Maintenance and Building and Grounds divisions. A proposal was submitted for the purchase of the PubWorks software system which was approved by City Council and the initial training on the software was held in early January, 2019. After viewing the potential of the system the Finance, Information Technology, Public Housing, Solid Waste, Water Pollution Control, as well as additional Public Works divisions have joined in this project. IT staff is optimistic that the system will be operational by the end of the 2018/2019 fiscal year.

The Musser Public Library has been outfitted with a new self-checkout system. This allows the patrons to complete many tasks without the assistance of library staff. The system required the conversion of all library collection items to migrate from bar codes to RFID. This system enhanced security by using RFID gates to alert the patron and staff if all materials are not correctly checked out. Credit card processing is fully integrated for easy transactions and many tasks that require payment such as printing, adding funds to patron accounts, paying fees, etc. are completed by the patron at one of several library document stations.

The Community Development and Public Housing departments have exchanged locations. This project required the IT staff to facilitate the move of all computers and related equipment, telephone system, credit card terminals, etc.

A unified wireless mesh system has been fully implemented at the Public Safety Building.

The IT staff worked diligently to recover the City's computer systems from the ransomware attack on October 17, 2018. Once the malware was removed from the system, the IT Manager worked with the various software vendors to reinstall the various software systems and restored data from backups. Priority systems (Public Safety and the financial software) were restored and operational within a week with other systems restored in the following weeks.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To complete the migration to the Cisco Advanced Malware Protection (AMP) and Umbrella cloud security platform. Although no anti-malware package is 100% effective, these packages will provide more effective malware protection than the city's previous suite. **(Council and Management Programs and Services Goal)**
- * To complete the phase out of soon-to-be unsupported Network Operation System (NOS) servers.
- * To install a fully integrated unified wireless mesh network system at City Hall.
- * To continue to shift to a newer desktop operating system. A large number of city workstations are running a nine-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 separate network domain controllers and related services (AD DS, DHCP DNS) from file servers. This is considered best practices and will enhance network security. **(Council and Management Programs and Services Goal)**
- * To Implement 802.1X port-based network access control. This process will allow control of which network resources the device is able to access based on a set of policies. This also will provide the ability to isolate a device by shutting off the network switch port if malware is detected on a device and can prevent malware from spreading across multiple devices on the network. **(Council and Management Programs and Services Goal)**
- * To prepare a Request for Proposals (RFP) for staff augmentation services, evaluate proposals received, and enter into a contract for this service. **(Council and Management Programs and Services Goal)**

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 186,741	\$ 195,594	\$ 202,500	\$ 207,000	\$ 210,600	4.00%
Commodities	2,069	1,132	1,800	1,800	1,800	0.00%
Contractual Services	52,276	48,911	50,100	74,900	91,100	81.84%
Capital Outlay	-	12,198	13,400	12,700	77,000	474.63%
Transfers	40,000	40,000	40,000	40,000	50,000	25.00%
Total Expenditures	<u>\$ 281,086</u>	<u>\$ 297,835</u>	<u>\$ 307,800</u>	<u>\$ 336,400</u>	<u>\$ 430,500</u>	39.86%
Funding Sources						
IT Administrative Fees	\$ 28,500	\$ 30,100	\$ 31,000	\$ 32,200	\$ 39,000	25.81%
General Revenues	252,586	267,735	276,800	304,200	391,500	41.44%
Total Funding Sources	<u>\$ 281,086</u>	<u>\$ 297,835</u>	<u>\$ 307,800</u>	<u>\$ 336,400</u>	<u>\$ 430,500</u>	39.86%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 146,400
Employee Benefits						64,200
Total Personal Services						<u>\$ 210,600</u>

Capital Outlay		
<i>Item:</i>	<i>Replacement</i>	<i>Amount</i>
Network Switches	No	\$ 34,300
Network Access Control	No	42,700
		<u>\$ 77,000</u>

Capital Outlay Funding Transfer	
<i>Item:</i>	<i>Amount</i>
Funding Transfer to Computer Replacement Fund	<u>\$ 50,000</u>

Function:
General Government

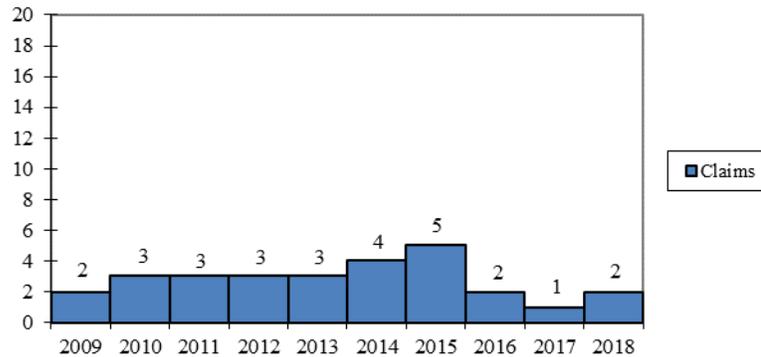
Department:
City Administrator

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 2018. The history of lost time claims for the past ten years is as follows:

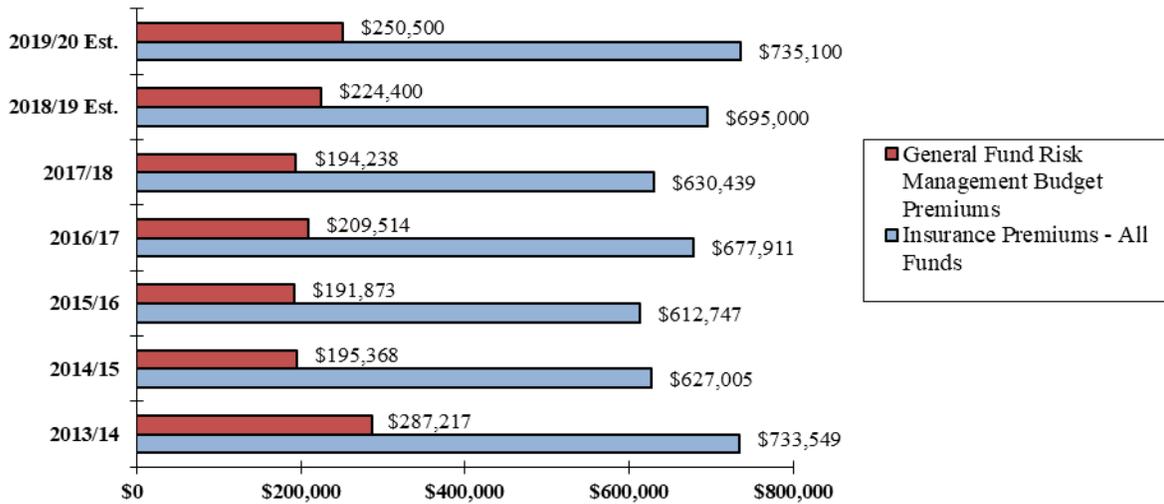
Lost Time Workers Compensation Claims



The goal for 2019/2020 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 2012/2013 through the budgeted costs for 2019/2020 as well as total City insurance premiums are shown in the following graph:

Insurance Premium History



CURRENT TRENDS AND ISSUES

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. The City changed Workers Compensation carriers to the Iowa Municipalities Workers’ Compensation Association beginning July 1, 2015. These policies have remained in effect since that time and will continue in 2019/2020.

The 2018/2019 revised estimate for the Risk Management budget is \$4,500 less than the original budget primarily due to a decrease in insurance costs.

The estimated insurance costs included in the Risk Management budget total \$250,500 for 2019/2020. This is a \$20,900 (9.1%) increase from the original 2018/2019 budget of \$229,600.

The total insurance premiums (excluding employee health, dental, and life insurance) for the entire City are estimated at \$735,100 for 2019/2020. This is a \$59,000 (8.7%) increase from the original 2018/2019 budget of \$676,100 and a \$40,100 (5.8%) increase from the 2018/2019 revised estimate of \$695,000. Of the \$735,100 total budgeted insurance costs, \$250,500 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 2019/2020 budget includes an estimated \$19,700 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 2019/2020 fiscal year were provided by the City’s Insurance Agent. The projections reflect 10% to 12% increases for the ICAP insurance policies and varying lower percentage increases for the other policies.

The budget for 2019/2020 includes a \$.32103 per \$1,000 valuation Tort Liability tax levy which is a 17.1% increase from the 2018/2019 tax rate of \$.27422. The Tort Liability tax levy provides funding of \$35,800 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Workers Compensation Experience Modification Factor	.75	.94	.89	.90	.72
Insurance Premiums Paid - All Funds	\$612,747	\$677,911	\$630,419	\$695,000	\$735,100
Risk Management Insurance Premiums	\$191,873	\$209,514	\$194,238	\$224,400	\$250,500
Accident Review Committee Meetings	10	11	11	12	12

RECENT ACCOMPLISHMENTS

A citywide safety assessment is in progress, and following the results of this assessment, the Safety Awareness Team will be working to identify action plans to address any areas of concern.

Training was provided for employees in how to react to a workplace violence/active killer situation. In addition to providing training, the facilities will be evaluated to see how they can be better secured. Improvements to date include installation of a camera system in City Hall and all City Hall entrance doors have been re-keyed and a better system implemented to track who has keys.

Employees covered by Department of Transportation (DOT) and Federal Transit Authority (FTA) drug testing programs received required training in the fall of 2018. Staff has been working with the Bi-State Regional Commission in regard to the drug testing program. The HR Manager participated in the steering committee to select a new vendor to manage the testing pools. In addition, the City's drug testing program was audited this year and an updated policy was drafted to comply with the FTA's requirements.

All worker's compensation claims are handled through the Human Resources/Risk Management office. All accidents, liability claims, and matters related to litigation are also handled through this office. This includes reporting to the insurance company, coordinating communications, gathering necessary data, and associated record keeping.

Other day to day risk management work continues and is an ongoing process of responding to the various needs of departments. The goal is to be sure the City's exposures are adequately covered and employees have the knowledge and tools to safely perform their jobs.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To conduct safety assessments for all departments to determine where gaps may still exist in the City's risk management program.
- To develop an action plan to address issues raised in the safety assessments.
- To conduct updated job safety analysis, beginning with positions that have the highest accident rates.
- To update and improve metrics in order to provide meaningful information for internal purposes and that can also be used to populate the OpenGov software system. **(Council and Management Marketing, Communication, and Engagement Goal)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 28,831	\$ 30,216	\$ 31,300	\$ 32,000	\$ 33,000	5.43%
Commodities	3,238	3,547	11,600	11,600	11,600	0.00%
Contractual Services	222,179	388,260	250,800	245,600	271,700	8.33%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 254,248</u>	<u>\$ 422,023</u>	<u>\$ 293,700</u>	<u>\$ 289,200</u>	<u>\$ 316,300</u>	7.69%
Funding Sources						
Tort Liability Taxes	\$ 209,514	\$ 194,238	\$ 229,600	\$ 224,400	\$ 250,500	9.10%
General Revenues	<u>44,734</u>	<u>227,785</u>	<u>64,100</u>	<u>64,800</u>	<u>65,800</u>	2.65%
Total Funding Sources	<u>\$ 254,248</u>	<u>\$ 422,023</u>	<u>\$ 293,700</u>	<u>\$ 289,200</u>	<u>\$ 316,300</u>	7.69%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 23,800
Employee Benefits						<u>9,200</u>
Total Personal Services						<u>\$ 33,000</u>

Function:
General Government

Department:
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 2018/2019 is \$2,900 less than the original budget due to the net effect of (1) a \$14,100 reduction in personal services costs due to staffing changes, (2) a \$1,500 increase in commodities, (3) a \$20,200 increase in contractual services primarily for building repair projects, and (4) a \$10,500 decrease in capital outlay since the PubWorks software costs were less than the original budget.

The 2019/2020 budget is \$10,400 (1.5%) less than the original 2018/2019 budget. This overall decrease is due to the net effects of (1) a personal services cost increase of \$8,000, (2) a commodities increase of \$1,500, (3) a contractual services increase of \$6,800, and (3) a capital outlay decrease of \$26,700.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Buildings Maintained	8	9 (1)	9	10 (4)	8 (5)
Heating, Ventilation, and Air Conditioning (HVAC) and Other Service Contracts	14	14	13	13	13
Staff Custodians (Full Time and Part Time) (3)	5	5	6	6	6
Contract Custodians (3)	3	3	1	0	0
Grounds Maintained	3	3	4	5	5
Janitorial Supplies Purchased	\$17,822	\$15,173	\$17,152	\$17,000	\$17,000
Major Maintenance Projects (Above \$2,000)	14	31 (2)	16 (2)	30 (2)	15 (2)

1. Increase in 2016/2017 is due to adding the new Musser Public Library and HNI Community Center.
2. Major maintenance projects include those accounted for in the Deferred Maintenance Capital Project fund.
3. The City added staff custodians to replace the previously contracted cleaning services in 2017/2018 and 2018/2019.
4. The former Iowa Department of Transportation building was added in 2018/2019.
5. The reduction in 2019/2020 is due to the anticipated disposal of the former Musser Public Library building and the Mulberry substation.

RECENT ACCOMPLISHMENTS

Building and Grounds has had another busy year. This division has numerous responsibilities including HVAC systems (boilers, furnaces, geothermal, heat pumps, and AC units), plumbing, electrical, garage doors, carpentry, painting, and yard care. This division is the first contact for fixing and maintaining everything in the various city facilities.

Staff is responsible for ordering and distributing supplies to all buildings. This includes everything from different toilet papers, paper towels, garbage bags, mops, gloves, cleaners, flags, and anything else needed to maintain and operate the city buildings. There are many contract service providers this division works with that oversee various mechanical systems and this division also facilitates and monitors the City General Contractor.

Division staff have showcased their many talents on projects handled in-house that save the City money including tearing out the courtyard at the new Library which involved hauling away dirt, landscaping, and hauling in rock to fix the Library water issues from the courtyard. This division assisted the Library with their move from their previous facility to their new building. This included moving staff offices, unloading semis of office furniture, assembling new office furniture, moving shelving units, and moving the Grossheim and Bamford photo collections. Staff also built a maintenance room, installed doors, installed a water dam around water mains, installed extra light fixtures and electric hand dryers, fixed contractor-related sewer issues, installed an outside water hydrant, and washed the outside windows at the new Library and City Hall. Outdoor beautification work was also done on the Public Safety Building planters. Staff also moved the

Housing and Community Development offices in City Hall which included assembling used office furniture from both the old and new Library buildings, stripping and refinishing woodwork, and painting these offices. Division staff also removed all unused shelving that was being scrapped from the old Library and sold unused items and cleaned out all remaining items to prepare for the sale of the old Library. These are only a few of the projects completed this year.

There were several deferred maintenance projects accounted for as capital projects completed this year including: the Art Center HVAC, Geothermal, and window upgrades; Public Safety Building Boiler and Chiller project; and the Public Safety Building apparatus floor roof project. Several other projects have been started including the Public Works roof replacement, Art Center parking lot lighting, Public Works garage door replacement, and the Airport soffit and fascia project. Carpets and tile are scheduled to be replaced in the Fire Department Day Room and in Police Department offices, with more projects scheduled to start in the spring including elevator upgrades, Morgan Building tuck-pointing and sealing, soffit and windows, Fire department porch sealing, Art Center indoor track lighting, concrete apron repair at the Fire department, insulated windows at the Public Safety Building, Art Center parking area concrete, and Public Works Engineering office carpet. Staff attended many meetings and checked on contractors while they were performing their work. This takes a lot of time and will continue to do so in the upcoming year.

This division has also worked with Alliant Energy and Muscatine Power & Water to receive rebates on building-related projects. This helps maximize budget dollars. The City has received \$24,332 in rebates over the last 12 months.

There was a lot of storm damage last year that did major damage to City buildings. This division worked with the insurance company and contractors to get the damaged areas replaced. These included replacing the old Library front and rear roofs, Morgan Building roof, Airport Terminal roof, and several others are yet to be done.

Asset management and supply-ordering software has been purchased. In the coming years, staff will be working on an inventory of the buildings and equipment and inputting the information. This will be a time-consuming process as everything is currently on paper.

Staff is diligently working to get the City buildings in the best mechanical shape they have ever been in and making them more visually appealing. These are a few of this division's accomplishments in the last year.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To implement the asset management and supply ordering software system.
- * To maintain current staff certifications and provide more training for staff.
- * To continue outside Building and Grounds beautifications projects.
- * To continue to complete capital improvement deferred maintenance projects.
- * To continue to identify and repair any issues at the new Library and to maintain the old Library building until the City determines how it will be used.
- * To complete insurance repair work for all city buildings affected by last year's storms.

- * To continue working with Alliant Energy and Muscatine Power & Water on energy efficiencies and rebates.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 310,203	\$ 383,664	\$ 446,400	\$ 432,300	\$ 454,400	1.79%
Commodities	37,461	43,713	44,800	46,300	46,300	3.35%
Contractual Services	174,440	127,933	152,200	172,400	159,000	4.47%
Capital Outlay	11,873	4,073	39,400	28,900	12,700	-67.77%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 533,977</u>	<u>\$ 559,383</u>	<u>\$ 682,800</u>	<u>\$ 679,900</u>	<u>\$ 672,400</u>	-1.52%
Funding Sources						
Charges for Supplies	\$ 6,296	\$ 4,917	\$ 7,200	\$ 7,200	\$ 7,200	0.00%
Insurance Reimbursement	-	1,563	-	-	-	
Sale of Equipment	-	2,245	-	-	-	
General Revenues	<u>527,681</u>	<u>550,658</u>	<u>675,600</u>	<u>672,700</u>	<u>665,200</u>	-1.54%
Total Funding Sources	<u>\$ 533,977</u>	<u>\$ 559,383</u>	<u>\$ 682,800</u>	<u>\$ 679,900</u>	<u>\$ 672,400</u>	-1.52%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian II	0.85	2.10	2.10	2.09	2.10	
Custodian I	<u>-</u>	<u>0.63</u>	<u>1.13</u>	<u>1.12</u>	<u>1.13</u>	
Total	4.35	6.23	6.73	6.71	6.73	\$ 320,900
Employee Benefits						<u>133,500</u>
Total Personal Services						<u>\$ 454,400</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Mower for Public Works Grounds	1	Yes	\$ 12,700

Function:
Public Safety

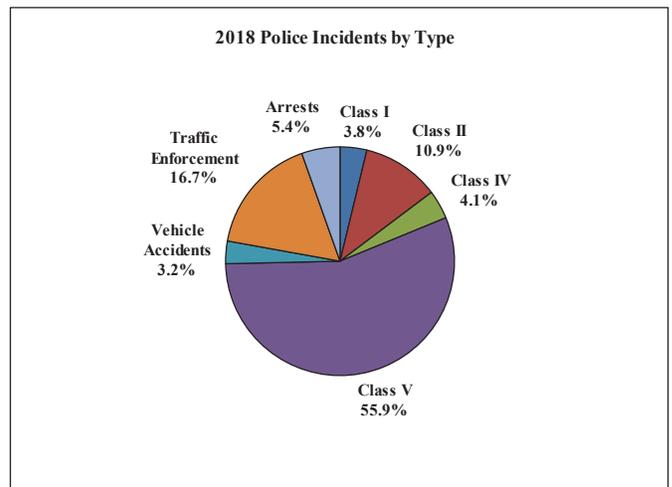
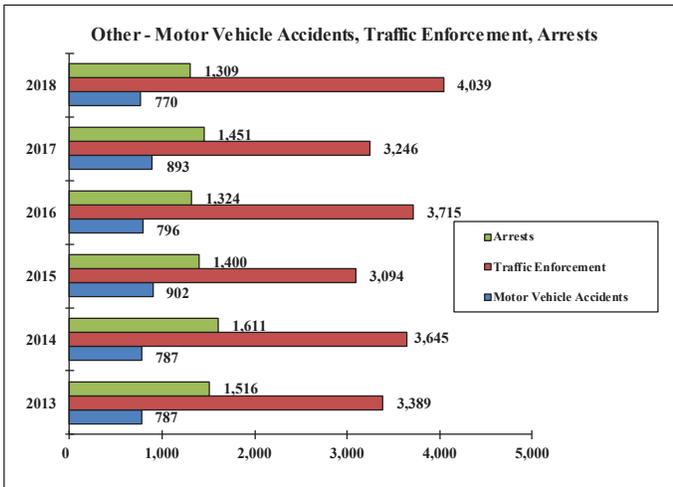
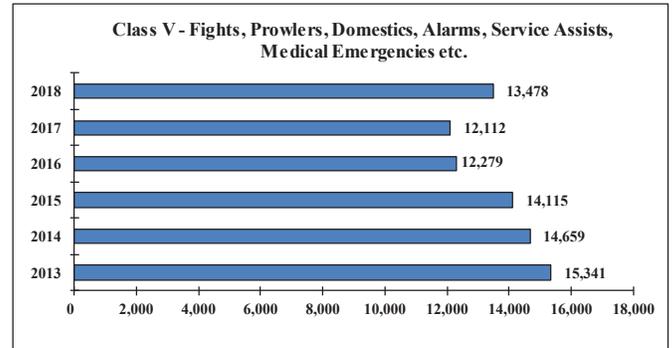
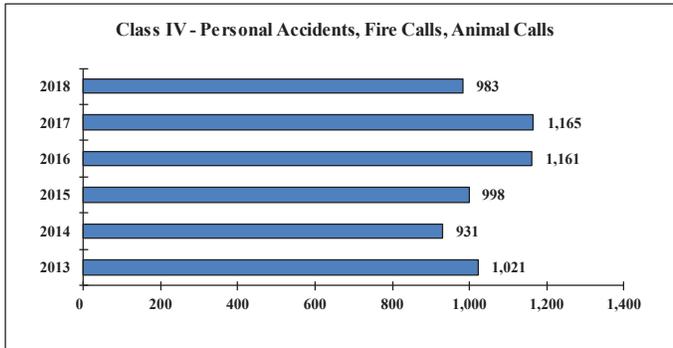
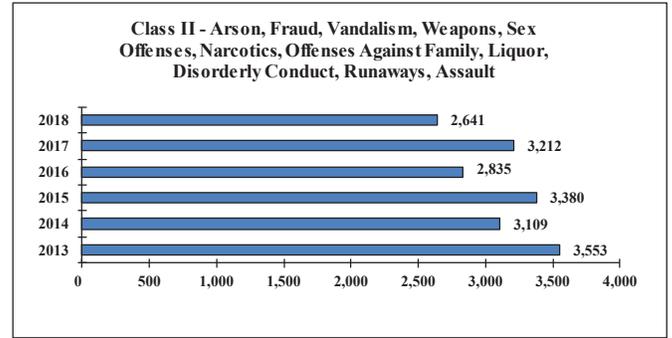
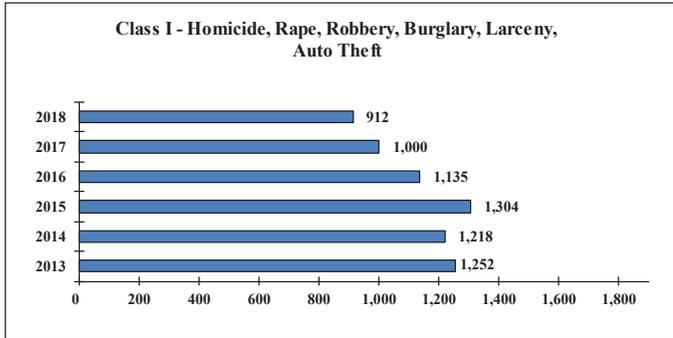
Department:
Police

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 2018/2019 is the same in total as the budgeted amount. Personal services costs are projected to be \$93,400 less than the original budget due to vacancy savings and new employees being hired at lower wage rates. Contractual services are projected to be \$44,300 higher than the original budget primarily due to increased travel and education costs for new hires attending the police academy (\$19,500), increased repair and maintenance costs (\$16,000), and increased payments to Muscatine County for their portion of two JAG grants instead of the one normally received each year (\$9,300) Capital outlay costs are \$15,800 higher than the original budget and this increase is in part due to purchases funded from the two JAG grants this fiscal year. A funding transfer of \$33,300 to the Equipment Replacement fund was approved by the City Council at the January 17, 2019 meeting and this amount has been added to the revised estimate bringing the total revised estimate to the amount of the original budget. Those funds plus an estimated \$16,700 from the Police Forfeitures fund total to \$50,000. The Muscatine Special Operations Response Team

(MSORT) is a joint City-County operation which has requested authorization to purchase a Ballistic Armored Tactical Transport vehicle at a cost of \$200,000. Outside contributions totaling \$100,000 were secured and the City and County are each contributing \$50,000 to complete the financing for this purchase.

The 2019/2020 budget is \$248,500 (5.0%) more than the 2018/2019 budget. Personal services costs increased by \$111,900 (2.5%), capital outlay increased by \$120,200, and repair and maintenance services increased by \$14,000, which accounts for most of the overall budget increase. The most significant capital outlay request is \$148,000 for the replacement of the squad car video system with a new system that also includes body worn cameras. The personal services increase includes pay grade increases for Police Sergeants, Lieutenants, and the Captain, so these positions are comparable to Fire department supervisory positions.

At the time the 2018/2019 budget was adopted revenue from automated traffic enforcement (ATE) cameras was estimated at \$350,000 compared to the previous amounts of over \$650,000 each year. This ATE revenue reduction was due to the IDOT and court ruling ordering the ATE cameras at the Highway 61 and University Avenue intersection to be turned off. The City successfully appealed this ruling and the cameras at that intersection were turned back on June 18, 2018.

A Supreme Court ruling, however, in September, 2018 resulted in the City temporarily suspending the issuance of notices to violators at all ATE locations. This ruling provides that cities can no longer find the recipient of an ATE citation liable for the citation because they have failed to pay, failed to appeal, or failed to request the issuance of a citation. If an individual does not voluntarily pay for and admit liability for the citation, cities must either file a municipal infraction proceeding or let the citation be. This required the City to amend its ATE ordinance and to change the language of the notices of violation to comply with the updated ordinance and Supreme Court ruling. The updated ordinance was adopted at the December 20, 2018 meeting. City staff and the City Attorney have been working with representatives of GATSO, the automated traffic enforcement company, to finalize the updated language for the notices of violation. The cameras were placed back in operation on March 1, 2019.

Collection rates using the municipal infractions process are expected to be less than the previous amounts when all of the cameras were operational, at least initially. The revised estimate revenues from the ATE fines for 2018/2019 are estimated at \$350,000 due to the five plus month period in which no notifications of violations were sent. The 2019/2020 budget includes an estimated \$500,000 from ATE fines.

Automated Traffic Enforcement cameras have been shown to improve traffic safety in Muscatine and ATE revenue is reflected as a funding source for the police department budget. ATE cameras enabled Muscatine to retain one Street Crimes Unit (SCU) Officer and one School Resource Officer (SRO) once grant funding ended for these positions. These funds also allowed for one firefighter position to be added in 2012/2013 and four fire fighter positions in 2016/2017. Other factors such as ambulance revenues, property valuations, etc. figure into the equation, but without ATE revenue these seven positions may not have been added without an increase in the City's tax levy rate or reductions in services in other General Fund departments. One fire engine and one ambulance were also acquired without having to incur additional debt. These funds also help to meet annual departmental equipment needs.

ATEs also act as a force multiplier, improving officer safety and allowing officers to respond to important calls within the community. There are at least two separate occasions that the ATEs have helped resolve local shootings. The video from the cameras also helps with criminal investigations as well as crash investigations that occur in or near the approaches. Tickets are reviewed and approved by a police officer prior to being issued. In Muscatine, a ticket is not issued unless the driver is going 11mph over the speed limit (school zones and construction zones have different minimums).

The 2019/2020 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 2019/2020 with grant expenditures of \$80,600; \$19,000 of Governor’s Highway Safety funds are budgeted to be expended; \$8,000 of Domestic Violence grant funding is expected to be received and expended; and funding of \$32,400 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% (\$147,900) 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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Police Calls for Service	22,626	21,798	20,830	20,806	22,000
Overtime Hours Worked	2,881	3,151	3,211	3,042	3,200
Traffic Enforcement	3,094	3,715	3,246	4,039	3,300
Arrests	1,400	1,324	1,451	1,390	1,400
Parking Tickets Issued	2,030	1,886	1,945	2,343	2,000
Uniform Crime Report Clearance Rates	44%	45%	46%	45%	45%
Investigations Assigned	156	154	186	221	165
Investigations Cleared	83%	79%	62%	68%	70%
Automated Traffic Enforcement (ATE):					
Red Light Violation Citations	2,823	3,062	2,454	1,943	2,800
Speed on Green Violation Citations	11,624	10,259	8,558	5,979	10,000
ATE Violations – City Residents	2,737	2,658	4,405	2,882	3,000
ATE Violations – Non-Residents	11,710	10,574	6,607	5,040	9,800
Department Revenue – Fiscal Year Basis	\$1,323,000 (FY 15/16)	\$1,311,070 (FY 16/17)	\$1,155,175 (FY 17/18)	\$970,800 (FY18/19 Est.)	\$1,120,700 (FY19/20 Est.)

RECENT ACCOMPLISHMENTS

The department entered into an agreement with the Muscatine County Sheriff’s department to form a county-wide special response team called MSORT (Muscatine Special Operations Response Team). Members of this team train on a monthly basis throughout the city and county and attempt to meet the National Tactical Officers Association (NTOA) standard of 192 hours of training per year. Currently MSORT trains approximately 142 hours per year. Many of the officers have attended the NTOA 40 hour training outside of the State as well. This team continues to do active killer training throughout the city with businesses and other city departments.

The Police department has been successful in securing grant funds for upgrading equipment and maintaining necessary positions. The department was awarded the 2017 and 2018 Justice Assistance Grants (JAG) within a month or so of each other. Both were awarded during this fiscal year. Funds were utilized to replace aging forensic equipment and office furniture as well as to pay for equipment and installation costs for two K-9 vehicles. The department was also able to maintain grant funding which reimburses officers up to 50% of the cost of body armor purchases. In addition, the department was able to retain funding through the State of Iowa Office of Drug Control Policy's Byrne Justice Assistance Program to maintain personnel and operations within the Muscatine County Drug Task Force for another fiscal year.

The department strives to have an increased emphasis on community policing. Officers are assigned to do "park-and-walks" during their tour of duty. This duty requires officers to exit their patrol vehicles in their assigned areas for a minimum of a half hour in an attempt to build relationships and foster community relations (schools have been a primary target of this effort). The department has had a presence at several community events in order to maintain a positive image within the community. The Bike Patrol worked many events throughout the year including the Melon City Criterium, Fourth of July events, and other events in the community.

The School Resource Officers (SRO) and Street Crimes Unit (SCU) strive to be contributors to the quality of life for citizenry. The SRO(s) participated in the National Night Out and Family Night through the YMCA in addition to attending numerous school events throughout the school year.

The patrol division has officers assigned as liaisons to housing facilities throughout the city. The purpose of this project is to establish goodwill with the residents and management of these facilities in order to provide improved customer service.

The department also has taken part in several events collaborating with local businesses in order to build relationships with community members. The department participates in the "Coffee with a Cop" program as well as the annual "Shop with a Cop" program. The department also established a booth at the annual Holiday Stroll event where, in a partnership with a local business (Menards), officers were able to give away one hundred pairs of winter hats and gloves to children in need. The department started self-defense classes for approximately 250 women and children. The YMCA collaborated with the Police department in this training.

One of the City Council goals for 2018-2019 was to "Develop a youth diversion program for at risk youth in cooperation with the Police department, School District, Juvenile Probation and other parties". Through a collaborative effort involving Juvenile Court Services, the Muscatine Community School District, Muscatine Police department, Muscatine County Sheriff's Office, Wilton Police department, and West Liberty Police department, this goal was achieved.

The Muscatine Diversion Program was founded upon a national Georgetown University Center for Juvenile Justice Reform model. The goal of the Juvenile Diversion Program is to bring together individuals and teams of law enforcement officers, probation staff, prosecutors, school officials, judges, policy-makers, and other local leaders who are committed to strengthening their diversion efforts. Personnel who are involved in the diversion program receive in-depth training and guidance from national experts on innovative juvenile diversion policies, practices, and programs while also benefiting from networking and learning across jurisdictions.

Starting in August of 2018, the Muscatine Diversion Program hosted its first monthly class at the Musser Public Library. During each class students are instructed in corrective thinking methods, goal setting, and behavior change strategies, just to name a few topics. Participants are required to actively participate in classroom activities and take personal responsibility for their actions. A parent or guardian must also

accompany them. Parental support is a pillar of the diversion program and a parent or guardian must be present for the student to graduate.

In the first five months of the program, fifty-three (53) students have participated in diversion classes. The success of the local program has been high with a 90% attendance and a 96% non-recidivism rate. The national non-recidivism rate for diversion programs is approximately 80%. At the one-year anniversary, the success of the program will be truly evident. In a perfect world, the program would experience few participants with a 100% non-recidivism rate. Because few people have the luxury of living in such a climate, we as law enforcement, school officials, and policy makers will continue to strive toward providing a safer environment for juveniles as well as offering programs to guide them toward a more productive adult life.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- 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. **(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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 4,112,714	\$ 4,259,733	\$ 4,513,000	\$ 4,419,600	\$ 4,624,900	2.48%
Commodities	126,428	130,145	151,900	151,900	151,900	0.00%
Contractual Services	308,086	344,845	275,900	320,200	292,300	5.94%
Capital Outlay	96,720	41,525	41,300	57,100	161,500	291.04%
Transfers	-	-	-	33,300	-	
Total Expenditures	<u>\$ 4,643,948</u>	<u>\$ 4,776,248</u>	<u>\$ 4,982,100</u>	<u>\$ 4,982,100</u>	<u>\$ 5,230,600</u>	4.99%
Funding Sources						
Grants	\$ 296,371	\$ 229,351	\$ 311,100	\$ 304,700	\$ 305,400	-1.83%
Parking Violations	27,759	25,623	26,000	26,000	26,000	0.00%
Court Fines	156,658	176,178	160,000	170,000	170,000	6.25%
Automated Traffic Enforcement Fines	652,016	500,746	350,000	350,000	500,000	42.86%
Fruitland Agreement	49,707	50,041	52,100	52,100	53,300	2.30%
False Alarm Charges	3,100	4,425	3,000	3,000	3,000	0.00%
Utility Franchise Fees	40,700	51,430	203,500	102,850	257,100	26.34%
Insurance Reimbursement	-	71,069	-	-	-	
General Revenues	<u>3,417,637</u>	<u>3,667,385</u>	<u>3,876,400</u>	<u>3,973,450</u>	<u>3,915,800</u>	1.02%
Total Funding Sources	<u>\$ 4,643,948</u>	<u>\$ 4,776,248</u>	<u>\$ 4,982,100</u>	<u>\$ 4,982,100</u>	<u>\$ 5,230,600</u>	4.99%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	43.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	
Total	43.73	43.73	43.73	43.73	43.73	\$ 2,870,800
Employee Benefits						<u>1,754,100</u>
Total Personal Services						<u>\$ 4,624,900</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Squad Car Video System and Body Worn Cameras (Replacement of current squad car video system and adding body cameras)	1	Yes/No	\$ 148,000
Lights Bars (2)	2	Yes	7,000
Radar Units (2)	2	Yes	6,500
			<u>\$ 161,500</u>

Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Administrative Vehicle	1	Yes	<u>\$ 25,000</u>

Function:
Public Safety

Department:
Police

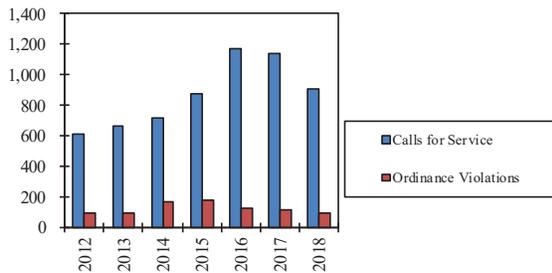
Activity:
Animal Control

GENERAL INFORMATION

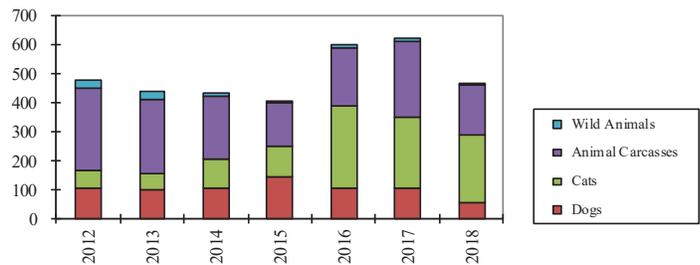
The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals 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.

Calls for Service and Ordinance Violations



Animals to Humane Society



CURRENT TRENDS AND ISSUES

The 2018/2019 revised estimate is \$10,800 more than the original budget due to increased personal services costs from the Animal Control Officer changing from single health insurance to family.

The 2019/2020 budget is \$17,700 (12.9%) more than the original 2018/2019 budget and \$6,900 (4.7%) more than the 2018/2019 revised estimate which included family health insurance for the Animal Control Officer. The 2019/2020 budget includes an allocation of \$75,000 to the Muscatine Humane Society, which is a \$5,000 increase from the 2018/2019 allocation of \$70,000.

Following is a history of the City’s subsidies to the Muscatine Humane Society:

Subsidies to the Muscatine Humane Society



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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Calls for Service	857	1,136	1,136	906	1,000
Ordinance Violations	182	124	116	93	120
Bite Cases	58	67	60	68	63
Animals taken to Humane Society:					
Dogs	144	105	105	59	100
Cats	105	283	243	233	219
Animal Carcasses	152	198	265	168	197
Wild Animals	4	12	7	5	7
County Calls for Service	1	1	2	0	1
Fruitland Calls for Service	15	38	16	12	15
Animal Control Revenue – Fiscal Year Basis	\$1,600 (FY 15/16)	\$1,615 (FY 16/17)	\$2,865 (FY 17/18)	\$2,500 (FY 18/19 Est.)	\$2,500 (FY 19/20 Est.)

RECENT ACCOMPLISHMENTS

Throughout 2018 animal control has been active in the community while maintaining positive interactions with the public. There were 906 calls for service within the city, with an additional 12 calls for service in Fruitland. Both of these numbers are slightly lower than last year but remain consistent with previous years. The total animal transports break down into the following, 59 dogs, 233 cats, and 173 dead animal pick-ups. This adds up to 465 total transports for the year.

In 2017 the department began offering the use of DNA testing of Pit Bull breed dogs for those wishing to contest whether their dog was a mix of the Pit Bull breed. Animal control has enforced that stance in 2018 and has seen a reduction in the number of people wanting to contest citations.

Last winter, the animal control officer (ACO) collaborated with an individual in the community to gather winter pet supplies for pet owners that cannot afford such items. Throughout the ACO's daily contacts, she would offer these various supplies when she encountered a situation that warranted it. The ACO has duplicated this project for 2018 and is currently collecting items such as doghouses, straw bales, cedar chips, heated water bowls, and other items. She will again look to distribute these items as she comes across animals in need, to help them have a safe winter.

The ACO attempted to organize a "Chip Your Pet Day" for the citizens of Muscatine. The goal was to offer free RFID chips for the purpose of tracking and identifying pets. This aids in reuniting lost pets with their owners. At the last minute, questions came up about sanitation issues and people bringing in unvaccinated pets so the location that was planning to host the event backed out. The department believes these issues can be worked out, and this idea may be revisited in 2019.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To continue to meet or exceed the amount of enforcement actions taken within the city in 2018 by being proactive in enforcement efforts and sensitive to citizen's complaints.
- To have the Animal Control Officer continue the educational and certification process by attending the next module of training offered through the National Animal Control and Care Association.
- To continue to maintain positive working relationships with those agencies in which the Animal Control Officer interacts.
- To continue to look for opportunities for public interaction in a non-enforcement setting where pet education and/or services can be provided to the public.

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 55,323	\$ 57,628	\$ 60,000	\$ 70,800	\$ 72,700	21.17%
Commodities	2,366	2,364	3,500	3,500	3,500	0.00%
Contractual Services	66,835	68,160	74,000	74,000	79,000	6.76%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 124,524	\$ 128,152	\$ 137,500	\$ 148,300	\$ 155,200	12.87%
Funding Sources						
Animal Enforcement Fines	\$ 1,615	\$ 2,865	\$ 2,500	\$ 2,500	\$ 2,500	0.00%
General Revenues	122,909	125,287	135,000	145,800	152,700	13.11%
Total Funding Sources	\$ 124,524	\$ 128,152	\$ 137,500	\$ 148,300	\$ 155,200	12.87%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 45,200
Employee Benefits						27,500
Total Personal Services						\$ 72,700

Additional Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Animal Control Truck and Transport Unit	1	Yes	\$ 45,000

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.

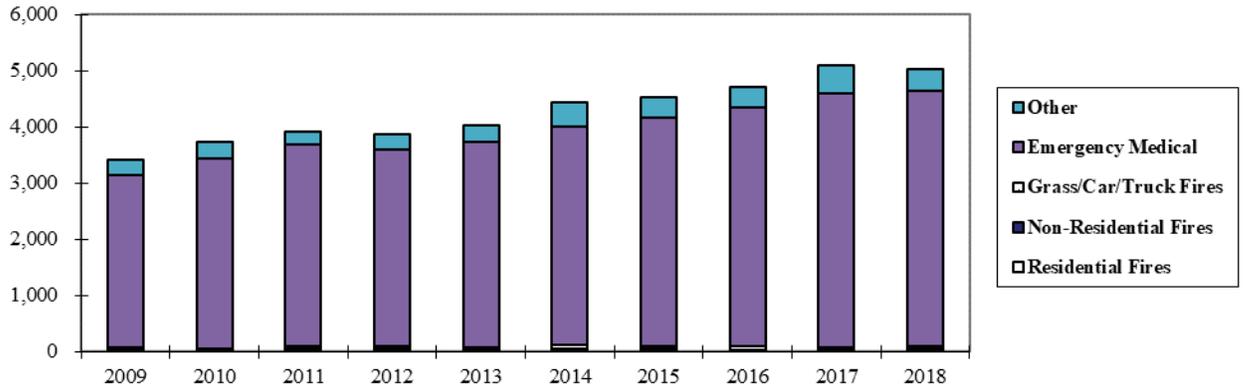
The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget.

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

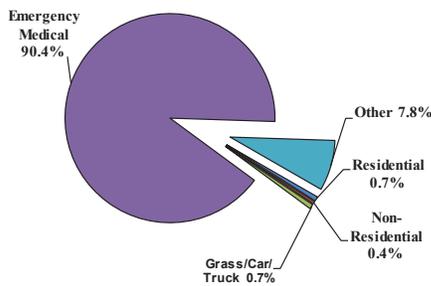
Fire Department Responses

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Percent of Total
Residential Fires	22	20	25	34	19	49	36	22	32	35	0.70%
Non-Residential Fires	9	6	19	15	11	9	15	14	10	18	0.36%
Grass/Car/Truck Fires	33	30	39	47	36	51	32	67	39	37	0.74%
Emergency Medical	3,066	3,367	3,593	3,487	3,674	3,897	4,079	4,239	4,510	4,544	90.39%
Other	284	298	240	281	282	427	364	364	509	393	7.82%
Totals	3,414	3,721	3,916	3,864	4,022	4,433	4,526	4,706	5,100	5,027	100.00%

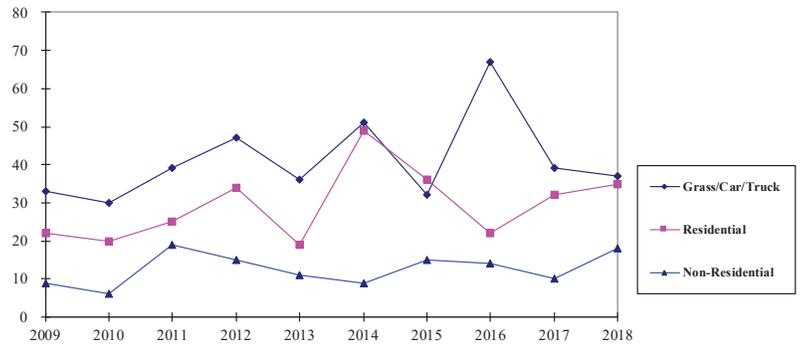
Fire Department Response History



2018 Fire Responses by Type



History of Fire Calls by Type



CURRENT TRENDS AND ISSUES

The revised estimate for 2018/2019 is under the original budget by \$22,800. The most significant decrease is \$88,800 in personal services costs due to vacancy savings and new employees starting at lower steps in the pay plan. This decrease was partially offset by a \$9,600 increase in commodities (primarily due to increases in fuel costs and clothing purchases for new employees) and a \$57,500 increase in contractual services. The contractual services increase includes a \$55,000 increase in medical services costs for former firefighters that retired as a result of work-related injuries or illnesses. Under the State Code the City continues to be responsible for these costs. There was also a \$1,100 decrease in capital outlay.

The 2019/2020 Fire department budget is \$169,800 (3.7%) higher than the 2018/2019 budget. Personal services costs increased by \$139,400 (3.3%) compared to the previous year. There were also increases of \$4,600 in commodities, \$2,200 in contractual services, and \$23,600 in capital outlay.

Personal services costs for 2019/2020 include \$116,300 for the addition of three firefighter positions budgeted to begin midway through the 2019/2020 year (January 2020). The additional staffing is needed due

to the continued high call volume for Ambulance services including requests for inter-facility transfers. This staffing increase is budgeted to be funded from the expected additional ambulance services fees from “Ground Emergency Medical Transport” (GEMT) funds that are expected to increase reimbursements for Medicaid patients beginning in calendar year 2020. The \$116,300 cost of these positions is budgeted to be funded from the additional revenue from GEMT funds included in the Ambulance fund with those funds then transferred to the General fund as funding for these new positions. The addition of these firefighter positions is subject to the receipt of this additional funding. Fire department staffing was last increased by four firefighter positions for the 2016/2017 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 2019/2020 revenues from these permits and fees are estimated at \$60,400. An additional \$26,600 is budgeted to be received from Haz Mat agreements with area counties and \$20,100 from fire protection agreements with businesses outside the city limits.

The 2019/2020 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, the transfer for 2017/2018 was budgeted at \$926,000, 22.6% of budgeted Fire department personal services costs, and the transfer for 2018/2019 was budgeted at \$1,047,200 which was 24.5% of budgeted Fire department personal services costs. The regular transfer for 2019/2020 has been budgeted at \$1,079,400 which is 25.0% of Fire department personal services costs for the current staffing level. As noted above, the 2019/2020 budget includes an additional transfer of \$116,300 which is the amount needed to fund the three new firefighter positions budgeted to be added midway through the upcoming year.

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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
All Calls for Services	4,526	4,706	5,100	5,027	5,150
Fire Training Hours	2,022	5,370	4,683	3,871	4,200
False Alarms	197	180	156	169	140
Fire Education Presentation Staff Hours	119	135	138	118	140
Number of Residents Attending Public Education Programs	2,640	2,060	2,231	1,933	2,400
Fire Inspections - Total	377	418	592	568	500
Inspections - Initial	210	245	316	298	300
Re-inspections	149	140	215	250	175
Additional Re-inspections	15	33	61	20	25
Fire Marshal Site Visits	103	111	216	220	225
Burn Permits Issued	944	1,104	1,090	989	1,000
Outdoor Fireplace Permits	858	1,026	1,014	930	950
Open Burning Permit	76	61	63	48	50
Commercial Burn Permits	1	3	1	0	0
Other Special Fire Permits	9	14	13	11	10
Citations Issued - All	33	40	31	20	25
Fireworks Operational Permits Issued	0	0	10	12	8
Fireworks Permit Fees Collected	0	0	\$2,000	\$4,600	\$1,600

RECENT ACCOMPLISHMENTS

The Fire department continued their social media outreach using Facebook and Twitter, which have reached more than 318,000 people in the last year (56.2% increase over 2017) and has “engaged” about 2,500 people per month on average; the page presently has about 3,550 “likes” (16.4% increase). **(Marketing, Communication, and Engagement Goal)**

The department obtained a rescue boat, motor, and water protective gear through a community donation of \$10,000 and continued annual public education classes, focusing on grades 1, 3, and 5 **(Continuous Service Improvement Goal)**

In 2018 there was a 52.6% increase in building fires and 22.2% increase in all fires as compared to 2017; but these are still decreases of 27.5% and 9.2% respectively in comparison to 2014.

In 2018 the Fire department referred seven youth to the department Juvenile Firesetter program and at this point none have re-offended; car seat technicians inspected 18 child safety car seats; placed 37 smoke detectors through an in-house program and in cooperation with the United Way Day of Caring; coordinated and implemented another successful Public Safety Open House, utilizing the “Close before you Doze” message to encourage participants to close their doors while sleeping and used the live fire ‘burn cell’ to illustrate this point; and conducted six HazMat outreach/training sessions with a total attendance in excess of 180 participants. **(Continuous Service Improvement)**

The department revised, updated, and completed the new hire two-week training academy for a total of eight new members. This program has been retained and 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. The academy accounted for 640 hours of new hire training. In coordination with Ripley Manufactured Homes, the department obtained five used mobile homes for use as live fire training tools. The training was held with all three shifts and heavily utilized by the eight new hires during their initial academy training.

The Fire department saw an increase in the number of people participating in public education offerings, up 16.5% from 2017 and 10.5% above the five-year average. The department hosted State certification training and testing for Driver/Operator certifications at the Pumper and Aerial levels, which certified 8 staff to the IFSAC/ProBoard standards. **(Continuous Service Improvement)**

In 2018 the department also took advantage of out-of-department training, most of which was federally or grant funded. This included multiple persons (6) attending National Fire Academy classes on campus in Emmitsburg, MD.; fire investigation and fire code conferences and classes in Ames and West Des Moines; Hazardous Materials training (5 members) in Anniston, AL; and additional Hazardous Materials training in crude oil response and Hazard Material Technician Training (6 members). **(Continuous Service Improvement)**

The department issued 10 fireworks sales permits, collecting \$2,000 in permitting fees and \$1,000 in State reimbursements; performed 66 inspections at fireworks retailers estimated at 45 hours of staff time; performed 27 fire system plan reviews which yielded over \$5,500 in permit fees; conducted over 200 fire marshal visits to new and existing locations to answer questions and ensure Fire Code compliance; and performed nearly 50 acceptance tests of fire systems, which had a failure rate of more than 30%. **(Continuous Service Improvement)**

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To implement and follow a revised inspection program, including the categorization of hazards for frequency of visits, beginning of inspections in factory and high hazard occupancies, and full integration of new inspection and pre-planning software. **(Continuous Service Improvement Goal)**
- * To assess the most current International Code Council model codes, including the full integration of the 2018 International Fire Code.
- * To host a regional training event that includes area mutual aid departments.

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 3,895,958	\$ 3,998,981	\$ 4,274,100	\$ 4,185,300	\$ 4,413,500	3.26%
Commodities	82,640	81,195	85,300	94,900	89,900	5.39%
Contractual Services	215,623	194,110	160,700	218,200	162,900	1.37%
Capital Outlay	51,589	17,254	15,400	14,300	39,000	153.25%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 4,245,810	\$ 4,291,540	\$ 4,535,500	\$ 4,512,700	\$ 4,705,300	3.74%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	\$ 45,927	\$ 46,315	\$ 45,900	\$ 46,700	\$ 46,700	1.74%
Ambulance Staff Funding Transfer	891,000	926,000	1,047,200	1,047,200	1,079,400	3.07%
Additional Ambulance Funding Transfer (GEMT) *	-	-	-	-	116,300	
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	24,209	23,211	21,800	23,000	21,800	0.00%
Other Fees	5,403	2,058	2,600	2,400	2,600	0.00%
Insurance Reimbursement	-	4,997	-	-	-	
Other Reimbursements	9,865	4,279	2,500	6,000	2,500	0.00%
Utility Franchise Fees	40,700	51,430	203,500	102,850	257,100	26.34%
General Revenues	3,189,432	3,193,976	3,176,000	3,248,550	3,142,900	-1.04%
Total Funding Sources	\$ 4,245,810	\$ 4,291,540	\$ 4,535,500	\$ 4,512,700	\$ 4,705,300	3.74%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	28.00	28.00	28.00	28.00	29.50 *	
Total Full Time	41.00	41.00	41.00	41.00	42.50	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	41.50	41.50	41.50	41.50	43.00	\$ 2,727,100
Employee Benefits						1,686,400
Total Personal Services						\$ 4,413,500

* Three new Firefighter positions are budgeted to be added January 1, 2020 subject to receipt of additional ambulance funding from GEMT (Ground Emergency Medical Transportation) funds which is expected to increase the reimbursements for Medicaid patients.

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Hose Tester	1	Yes	\$ 3,000
5 Inch Large Diameter Hose	8	Yes	4,400
1 3/4 Inch Nozzles	6	Yes	4,500
2 1/2 Inch Nozzles	8	Yes	8,300
Blitz Monitor	1	No	3,500
Fire Investigation Trailer	1	No	4,000
Personal Flotation Devices	2	No	500
Fire Station Management Software	1	No	6,000
Time Clock Program	1	Yes	4,800
			\$ 39,000

Function:
Culture and Recreation

Department:
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 2018/2019 is \$117,391. An additional \$3,098 has been received from the contract with the City of Fruitland in 2018/2019. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$10,900 in revenues. The Library budget for 2019/2020 reflects requested 2.0% increases in these agreements to \$119,739 from Muscatine County, \$3,160 from the City of Fruitland, and \$11,118 from the townships in Illinois.

CURRENT TRENDS AND ISSUES

The revised estimate for 2018/2019 is the same in total 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 realignments of costs within the overall budget. The revised estimate includes (1) a \$59,800 decrease in personal services costs, (2) a \$900 decrease in

commodities, (3) a \$27,900 increase in contractual services, and (4) a \$32,800 increase in capital outlay. The original Library budget included a .71 fulltime equivalent (FTE) increase in personnel due to staff realignments expected to be needed for the library's move to the new Musser Public Library and HNI Community Center building in the spring of 2018. In the 2018/2019 revised estimate, however, Library staffing has been reduced by 1.28 in FTE positions compared to the original 2018/2019 budget. Once the Library relocated to their new facility it was found that some of the positions anticipated to be needed were not needed due to the increased technology available in the new facility and from purchasing pre-processed library materials. A fulltime employee resigned and this fulltime position was not replaced. Within a month of operation at the new Library, it was found that 95% of all circulation was being done at the self-checkout stations. Scheduling of meeting rooms was also found not to take as much staff time as originally anticipated.

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 2019/2020 is \$1,160,000, the same amount as the budget and revised estimate for 2018/2019. There were offsetting increases and decreases for the 2019/2020 budget including (1) a reduction of \$41,200 in personal services costs, (2) a decrease of \$900 in commodities, (3) an increase of \$25,400 in contractual services, and (4) an increase of \$16,700 in capital outlay for library materials.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
LIBRARY PATRONS	19,861	20,581	21,288	22,000	22,000
CIRCULATION					
Adult Books	59,502	51,562	45,296	48,000	48,000
Young Adult	5,253	3,785	3,082	3,500	3,500
Juvenile Books	52,610	44,820	33,112	45,000	45,000
Magazines	4,495	3,416	3,325	3,200	3,200
DVDs	87,532	74,147	57,414	55,000	55,000
Audio	21,503	18,542	14,020	12,000	12,000
Video Games	5,517	4,329	3,362	3,400	3,400
Other	1,043	781	499	200	200
Internet	24,869	20,536	15,976	15,000	15,000
Wi-Fi Usage	13,631	12,043	11,409	14,000	14,000
Databases	137,565	176,496	244,452	200,000	200,000
E Audio	2,648	1,563	2,267	2,400	2,400
E Book	10,845	9,868	11,601	12,000	12,000
E Magazines	10,400	9,199	7,276	7,000	7,000
E Music	47,856	34,493	24,385	20,000	20,000
TOTAL	485,269	465,580	477,476	440,700	440,700
PROGRAMMING					
Juvenile Programs	432	568	485	600	600
Juvenile Audience	21,777	21,077	16,516	18,000	18,000
Young Adult Programs	36	36	34	40	40
Young Adults Audience	2,565	2,041	2,180	2,200	2,200
Adult Programs	36	30	15	40	40
Adult Audience	560	399	167	400	400
Technology Classes	46	26	16	15	15
Tech Audience	48	27	17	30	30
OTHER MEASURES					
Facebook Likes	4,906	5,172	5,348	5,600	5,600
Website Visits	77,600	57,549	40,866	45,000	45,000
Rivershare Holds	52,901	45,759	41,250	43,000	43,000
Inter-Library Loans	1,323	1,048	642	500	500
Homebound Visits	516	486	452	500	500
Homebound Circulation	5,735	5,344	5,910	6,000	6,000
Reference Questions	6,409	5,800	4,069	5,600	5,600
Building Usage	171,305	167,405	154,010	170,000	170,000
Meeting Room Usage	2,729	2,635	1,026	4,000	4,000

RECENT ACCOMPLISHMENTS

Early in 2017 HNI Corporation donated their former headquarters building on 2nd Street in downtown Muscatine to the City to be used as the new Musser Public Library and HNI Community Center. Remodeling of the building was completed in the spring of 2018 and the new Library opened to the public in June, 2018. The old Library was closed for approximately one month to prepare for the relocation. Some furniture was moved from the former library but much of the furniture and furnishings in the new Library are new and were required to be assembled. The City's Building and Grounds staff did much of the assembly work for the furniture and furnishings. The City IT's staff consulted with and/or implemented the entire building network including, but not limited to, servers, desktops computers for both staff and patrons, a unified wireless mesh network, wireless client computers for patron use, telephone, surveillance system, and many other library processes.

New technology was also implemented as part of the move to the new building. The Library purchased the RFID (Radio Frequency Identification) system in the late spring and tagged all material from the former building not weeded before the move to the new building. During the month prior to opening, the new technologies were set up and staff was trained on the use of the new RFID system, 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.

Library staff members have been adjusting to the new building, have mastered the new technology, and continue to assist patrons with the new technology as necessary.

The ransomware virus in mid-October impacted the Library operation and the Library was without various portions of the new technology including Wi-Fi for over a month, but the technology was restored and is all working again.

The Library has received funding to provide LENA (Learning ENvironment Analysis) to young children and families in the area. LENA is an early talk program that has demonstrated success in developing the language learning part of the brains of young children.

The Library has also received funding to provide two lighted outdoor signs for the new building as well as a window sign on the 2nd Street side of the Library.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * Along with the other RiverShare Libraries, to drop fines for youth materials to increase circulation (target date for this new policy is July).
- * To participate in Iowa's public library accreditation process. Since the new building is handicapped accessible, the Library will now be able to earn a higher level, qualifying for more funding from the State.
- * To develop a long-range plan as part of the accreditation process (goal is to finish the plan in October of 2019). **(Council and Management Continuous Service Improvement Goal)**

- * As part of the AIM project, to develop an educational/social program for Muscatine High School graduates who are planning on enrolling in a post-secondary program. The goal will be to reduce “summer melt” and encourage graduates to start an educational path. The program will start in June and continue through the second week of August.
- * To continue to work with Library Systems & Services to simplify the acquisitions process and ensure that the Library is purchasing what the community wants. **(Council and Management Continuous Service Improvement Goal)**
- * To offer a monthly afternoon program for seniors in conjunction with Senior Resources, the assisted living facilities, and independent seniors.
- * As customers get used to the new technology, to move the second desk person to a floating position to provide better customer service. **(Council and Management Continuous Service Improvement Goal)**
- * One of the biggest projects is for refining the way library staff work in the building and identifying what patrons want from their library. This will involve surveys, both online and in person, as well as just chatting with clients and listening to their ideas. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 861,305	\$ 841,238	\$ 926,700	\$ 866,900	\$ 885,500	-4.45%
Commodities	7,807	9,188	11,300	10,400	10,400	-7.96%
Contractual Services	93,275	127,840	99,800	127,700	125,200	25.45%
Capital Outlay	108,660	78,040	122,800	155,600	139,500	13.60%
Transfers	45,253	64,394	-	-	-	
Total Expenditures	\$ 1,116,300	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	0.00%
Funding Sources						
Library Revenues	\$ 28,337	\$ 23,984	\$ 28,900	\$ 24,000	\$ 24,200	-16.26%
County Contributions	118,014	118,099	121,600	120,500	122,900	1.07%
Hotel/Motel Tax	110,270	130,498	110,000	115,000	115,000	4.55%
General Revenues	859,679	848,119	900,100	901,100	898,500	-0.18%
Total Funding Sources	\$ 1,116,300	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	0.00%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	2.00	2.00	2.00	2.00	2.00	
Office Coordinator	1.00	0.00	0.00	0.00	0.00	
Library Assistant	3.00	4.00	4.00	3.00	3.00	
Total Full Time	8.00	8.00	8.00	7.00	7.00	
Part Time Positions:						
Library Technician	1.83	1.50	1.80	1.68	1.75	
Library Assistant	2.13	2.40	1.42	2.59	2.68	
Library Shelves	1.55	1.54	1.43	1.11	1.00	
Other Technicians	0.25	0.25	1.25	0.25	0.25	
Security Guard	0.00	0.00	0.50	0.49	0.50	
Other Assistant	0.00	0.50	0.50	0.50	0.36	
Total Part Time	5.76	6.19	6.90	6.62	6.54	
Total	13.76	14.19	14.90	13.62	13.54	\$ 675,100
Employee Benefits						210,400
Total Personal Services						\$ 885,500

Capital Outlay	
Item	Amount
Library Books, Videos, Serials, Database Subscriptions, etc.	<u>\$ 139,500</u>

Function:
Culture and Recreation

Department:
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 \$165,000 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's) 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 2018/2019 is \$1,100 less than the original budget. Based on expenditures to date in 2018/2019, special programming fees are expected to be less than the original budget.

The 2019/2020 budget is \$20,700 which is \$600 (2.8%) less than the 2018/2019 budget. No capital outlay items have been requested in the 2019/2020 budget. The budget includes \$19,800 in estimated 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Cable Franchise Fees	\$189,044	\$176,095	\$165,004	\$163,500	\$163,500
City Council Meetings Broadcast	35	35	35	36	35

RECENT ACCOMPLISHMENTS

Muscatine Community College continues to broadcast regular and In Depth Council meetings and other special programs as requested by the City. In the fall of 2017 the cable and recording equipment in the City Hall Council Chambers was upgraded, in cooperation with Muscatine Community College (MCC), with YouTube Live and Facebook Live now available.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To continue providing cable television access to Muscatine’s residents 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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	18,380	19,315	21,300	20,200	20,700	-2.82%
Capital Outlay	-	13,683	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 18,380</u>	<u>\$ 32,998</u>	<u>\$ 21,300</u>	<u>\$ 20,200</u>	<u>\$ 20,700</u>	-2.82%
Funding Sources						
Cable Franchise Fees	<u>\$ 18,380</u>	<u>\$ 32,998</u>	<u>\$ 21,300</u>	<u>\$ 20,200</u>	<u>\$ 20,700</u>	-2.82%

Function:
Culture and Recreation

Department:
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 2018/2019 is over the budgeted amount by \$34,800. This increase is primarily due to a \$26,400 increase in fine arts insurance premiums charged to this budget and a \$7,200 increase in capital outlay. The fine arts insurance coverage is included in the City's Iowa Communities Assurance Pool (ICAP) insurance package and the revised estimate amount reflects the actual allocation of those premiums for the fine arts coverage. The increase in capital outlay is for the Art Center's new website. The original budget included \$7,800 to fund a portion of this project. The \$7,200 in additional costs will be funded from a \$5,000 donation from the Art Center Support Foundation and a \$2,200 carryforward from the prior year budget. There was also a \$1,600 increase in personal services costs due to wage adjustments.

The 2019/2020 budget is \$48,600 (13.4%) higher than the original 2018/2019 budget. Personal services costs increased by \$31,500 (9.9%), fine arts insurance charged to this budget increased by \$25,300 due to the premium allocation change, capital outlay decreased by \$7,800, and there was a net \$400 decrease in other line items. The personal services increase includes \$20,600 in wages and benefits to increase the 29 hour/week Art Center Aide to a fulltime position. The 2019/2020 budgeted expenditures again include those funded from the \$10,000 annual 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 2018/2019 and 2019/2020 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$46,900 in 2018/2019 and \$48,600 in 2019/2020.

Again in 2018/2019 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$115,000.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Attendance	14,186	9,346 *	13,653	14,250	15,000
Number of Classes Offered	157	148	150	155	160
Art Center Events Hosted	20	22	26	25	27
Exhibitions	10	15	26	24	25
Group Tours and Programs	33	62	59	68	75
City Calendar Website Posts	179	111	138	140	145
Facebook Posts	1,914	2,073	2,419	2,450	2,500
Newspaper Stories - Muscatine Journal and Quad City Times	66	68	48	50	50

* The attendance reduction in 2016/2017 was due to the HVAC and Window replacement project.

RECENT ACCOMPLISHMENTS

Exhibitions

Since the historic Musser McColm house reopened to the public in April 2017, the staff has taken on a more aggressive exhibition schedule. Spaces in the house that were permanently installed in the past are now used for changing exhibitions. In addition, exhibitions are changing more quickly in the Stanley Gallery. Between July 2017 and June 2018, the Muscatine Art Center presented the following exhibitions:

- Not So Ordinary: Iowa Regionalists and Scenes of Rural Life
- The Art of Carol Steinmetz, Iowa Watercolorist
- Go Figure!
- Norman Rockwell’s Home for the Holidays
- Peter Norton Christmas Project
- Kimble Bromley: Moby Dick Series
- Faces of Iowa State
- Muscatine Middle and High School Art Exhibition
- Pulled Pressed & Screened: Important American Art Prints

- Mauricio Lasansky: The Mr. & Mrs. Harold Rayburn Collection
- Spring Motor Phonographs, Circa 1900
- The Art of James Henry
- Norman Baker
- 4H Projects
- Elks Chanters Revisited
- Muscatine Art Center Recent Acquisitions 2017-2018
- Featured Collections from the Muscatine Art Center: Animals and Figures
- Prints by Beth Van Hoesen
- Peter Mar Toys
- Mississippi River Towns - Pre Black-Hawk Purchase
- Oceania, Africa & Fiji exhibition
- Alexander Clark
- Modernist Pottery from the Permanent Collection
- Recent Acquisition of Iowa Art Pottery
- Heartfelt & Handmade Ornament Competition

The Muscatine Art Center worked with the Musser Public Library to present the exhibition, "Go Figure!", at the library in December 2017 - January 2018. The staff selected and prepared works for a mini exhibition at the Merrill Hotel that was on view from March through October 2018.

Behind-the-Scenes / Collections Management

Following the 2016-2017 facility improvement project, it was necessary for the staff to re-organize and develop new areas to properly house collections. This required updating the collections database, building physical storage structures, re-organizing sections of the permanent collection, re-housing select collections, and inspecting objects for conservation needs. Progress continued to be made on long-term projects such as digitizing records, photographing the collection, updating insurance values, cataloguing new additions to the collection, reviewing the historic toy collection, and managing numerous volunteer projects (15+ volunteers plus interns are trained to handle objects or records) related to collections management. Staff continued to work with other institutions and researchers to provide loans and/or access to collections or information. In 2017 – 2018, the staff provided the following collections assistance to others:

- Assisted Curator at Iowa State University to identify Iowa artists represented in the Muscatine Art Center's collection for a future exhibition
- Prepared and packed loan items for Mississippi Museum of Art loan, Jackson, MS
- Processed loan paperwork and packed in a custom crate *White Lotus* by Georgia O'Keeffe to New York Botanical Garden and the Memphis Brooks Museum of Art, Memphis, TN
- Prepared and packed painting for Moline Public Library loan
- Provided digital content for the Iowa Museum Association's Iowa History online project
- Worked with CBI bank staff to identify architectural mural
- Assisted staff at Lutheran Living with exhibition of Lutheran Living Resident artwork
- Removed objects on loan to the Musser Public Library prior to library's move
- Assisted Musser Public Library staff with historic content stored at the Transfer Station
- Worked with Secretary of 20th Century Club to scan collections for archive
- Assisted Daughters of the American Revolution with display at the Muscatine Art Center
- Assisted researcher working on Prisoner of War book
- Provided research materials for the book, "Iowa Gardens of the Past: Ornamental Horticulture and Landscaping in Iowa: 1850-1980"

- Provided digital content and access to space for filming for the Man in Purple documentary and film
- Provided content for the Paperweight Collectors Association newsletter
- Provided digital reproduction pertaining to the pearl button industry for the upcoming bicentennial exhibition at the Illinois State Museum
- Provided content for the “Compendium Resource Guide” related to Civil War letters and diaries for a PhD dissertation at Princeton University
- Provided digital images and information for the book, *Grant Wood’s Secrets*, University of Delaware Press
- Provided research for the story, "Brave Hearts - A San Francisco Story"
- Provided research pertaining to the Civil War collection
- Provided images and content to Iowa Public Television on Peter Mar Toys
- Provided content pertaining to local historic pottery for Pine Creek Grist Mill newsletter
- Provided digital image of O’Keeffe painting for the Poetic Society of America program
- Provided images and archival content for the Tire Vulcanizing, Filling Stations and Garages research
- Provided images and information for the exhibition, *Grant Wood: American Gothic and Other Fables*, on view at the Whitney Museum of American Art
- Quarterly Muscatine Magazine submissions
- 6 ad content submissions to the magazine, The Iowan
- 26 submission to The Muscatine Journal to highlight local history collection
- Updated content on the Smithsonian American Art Museum database

Other Accomplishments

The Muscatine Art Center took the lead in organizing the December 2017 visit for the Iowa Department of Cultural Affairs. This involved working with several staff members from the department, local State Representatives (Carlson and Lofgren), Muscatine area community leaders, and those involved with cultural, historic, and economic development organizations. Six staff members from the department toured Muscatine’s downtown and riverfront with multiple stops along the way. The group was joined by another 20 Muscatine area leaders for lunch at the Muscatine Art Center followed by a community meeting with nearly 50 people attending.

The Muscatine Art Center also hosted the new President of Iowa State University during the run of the “Faces of Iowa State” exhibition. This also involved many layers of communication and logistics. Nearly 100 people attended the event with 20 individuals traveling by charter bus from Ames.

The Muscatine Art Center staff also worked alongside the Friends of the Muscatine Art Center to develop a new fundraiser, the “Heartfelt & Handmade Ornament Competition”, which launched in November 2017 and returned in November 2018 with the addition of an Artists’ Pop-Up Shop.

Several important objects and collections were acquired by the Muscatine Art Center including Marvin Cone’s “Cloud Study”, a collection of 21 objects of Iowa Art Pottery, a commissioned portrait by Maquoketa artist Rose Frantzen of one of the Muscatine Art Center’s long-time volunteers, several dozen items made by (or belonging to) Ida Block of Muscatine, items from Laura Musser McColm’s estate including 100 pieces of china, an important addition to the Mississippi River collection (painting dating to 1871), many local history objects from multiple donors, and approximately 100 objects from the estate of Cliff Larson (former Director of the Muscatine Art Center).

The Muscatine Art Center must plan far in advance to book exhibitions. Currently, the staff is managing contracts, working directly with artists, researching content for in-house exhibitions, or coordinating with

other organizations on 24 exhibitions that will occur between 2019 and the end of 2022. Another four exhibitions are pending, and the staff continuously seeks out information and makes inquiries regarding potential exhibitions. Seven exhibitions are planned for the Stanley Gallery alone in 2019.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To complete preparations 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. **(Council and Management Long-Term Goal)**
- To increase community awareness and engagement through the redeveloped of www.muscatineartcenter.org and to train staff to fully utilize the functions of the new website. **(Council and Management Marketing, Communication, and Engagement Goal)**
- To utilize the city's website to improve marketing and other networks to communicate to the public. **(Council and Management Marketing, Communication, and Engagement Goal)**
- To make steady progress on the goals and objectives outlined in the Strategy Roadmap and the Strategic Plan adopted by the Muscatine Art Center Board of Trustees.
- To stabilize the Program Coordinator's position which is critical to driving attendance by offering high quality, relevant, and engaging programs, classes, fieldtrip experiences, and events for a wide range of audiences.
- To encourage community pride by showcasing Muscatine's history, cultural treasures, artistic spirit, and the positive activities taking place at the Muscatine Art Center and throughout the community. **(Council and Management Long-Term Goal)**
- To continue seeking grant funds and other income sources for appropriate projects.
- To work with the Community Improvement Action Team (CIAT) and other community groups to explore potential place making projects. **(Council and Management Marketing, Communications, and Engagement Goal)**
- To improve organizational effectiveness, efficiency, cooperation, transparency, and customer service. **(Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 291,743	\$ 304,270	\$ 319,700	\$ 321,300	\$ 351,200	9.85%
Commodities	7,998	7,979	8,300	8,300	8,100	-2.41%
Contractual Services	24,885	22,804	27,600	53,600	52,700	90.94%
Capital Outlay	600	650	7,800	15,000	-	
Transfers	2,184	-	-	-	-	
Total Expenditures	\$ 327,410	\$ 335,703	\$ 363,400	\$ 398,200	\$ 412,000	13.37%
Funding Sources						
Art Center Revenues	\$ 5,411	\$ 5,826	\$ 3,800	\$ 3,200	\$ 3,800	0.00%
Art Center Grant	10,000	10,000	10,000	10,300	10,000	0.00%
Support Foundation Contribution	20,436	20,501	22,700	22,700	23,500	3.52%
Friends of the Art Center Contribution	21,502	20,742	24,100	24,200	25,100	4.15%
Other Contributions	-	5,000	1,700	7,200	2,200	29.41%
Hotel/Motel Tax	110,270	130,498	110,000	115,000	115,000	4.55%
General Revenues	159,791	143,136	191,100	215,600	232,400	21.61%
Total Funding Sources	\$ 327,410	\$ 335,703	\$ 363,400	\$ 398,200	\$ 412,000	13.37%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	
Art Center Aide	-	-	-	-	1.00	
Total Full Time	3.00	3.00	3.00	3.00	4.00	
Part Time Positions:						
Art Center Aide	1.35	1.38	1.38	1.38	0.65	
Custodian	0.32	0.32	0.32	0.32	0.32	
Total Part Time	1.67	1.70	1.70	1.70	0.97	
Total	4.67	4.70	4.70	4.70	4.97	\$ 271,100
Employee Benefits						80,100
Total Personal Services						\$ 351,200

Function:
Culture and Recreation

Department:
Parks and Recreation

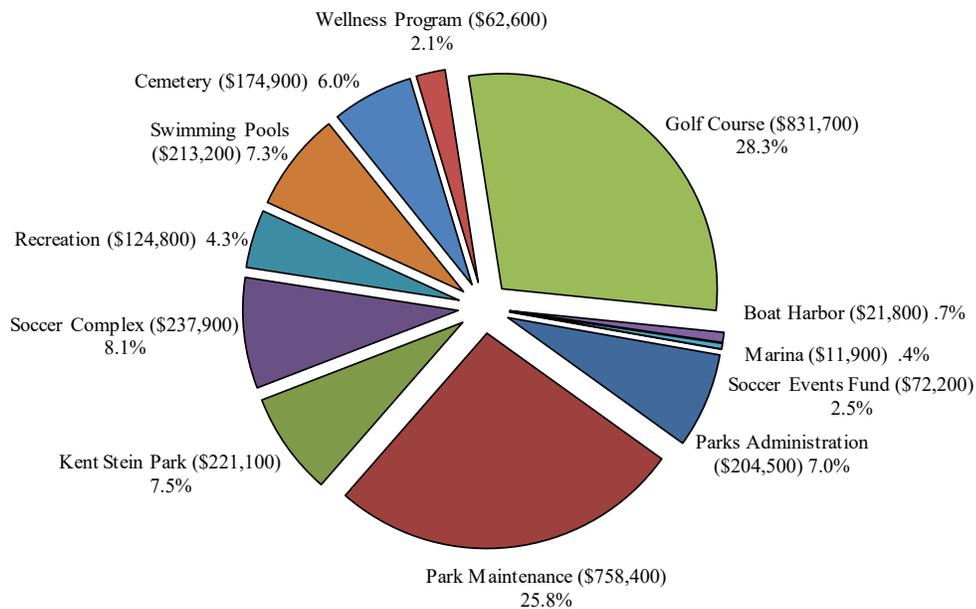
Activity:
Park Administration

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 is also utilized during peak times of the year. The Director also supervises the Boat Harbor, Marina, Golf Course, and Soccer Events enterprise fund 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 operations. The amount of the administrative fee is \$26,900 for 2019/2020. The Director also initiates and oversees capital improvements in the City's parks, golf course, and cemetery and provides administrative support for the Recreation Advisory Commission. Following is a chart of the 2019/2020 budgeted expenditures by activity for the Parks and Recreation department.

**Parks and Recreation Department
2019/2020 Budget by Activity (\$2,935,000)**



CURRENT TRENDS AND ISSUES

The 2018/2019 revised estimate is \$2,200 more than the original budget primarily due to wage adjustments.

The 2019/2020 budget is \$7,100 (3.6%) higher than the 2018/2019 budget primarily due to increased personal services costs.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Recreation Advisory Commission Meetings	9	9	8	9	9
Department Expenditures - All Divisions	\$2,397,177	\$2,616,532	\$2,604,711	\$2,912,100	\$2,935,000
Internet Receipts Issued	584	638	618	620	620
Office Receipts Issued	1,703	1,753	1,785	1,800	1,800
Pearl City Station Rentals*	118	126	110	125	125
Riverview Center Rentals*	115	114	85	100	100
Shelters/Rose Garden Rentals	429	424	378	400	400
Parks Adopted (Calendar Year Basis)	19 (2016)	20 (2017)	23 (2018)	23 (2019)	23 (2020)

*The fluctuation in rentals of riverfront facilities is due to floods.

RECENT ACCOMPLISHMENTS

The Parks and Recreation department hired a new Program Supervisor and new Athletic Facilities Specialist in 2018. Both positions were successfully filled with qualified candidates that have strong customer service skills.

There continues to be strong citizen interest in conducting special events on public property. The department continues to see strong rentals of park shelters, the Pearl City Station, and Riverview Center.

The Soccer Parking Expansion Project was started in the summer of 2018 and will be completed in 2019. The Security Light Project at the Soccer complex was completed in 2018.

The department was given the opportunity to run the College Search Kickoff Soccer Event in July of 2018. The owner of the event gifted the event to the Parks and Recreation department to coordinate and run going forward. An enterprise fund was set up to track expenses and revenues for this event. The department has started preparations for the 2019 event.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To continue to recruit, retain, and train quality seasonal and full-time staff. **(Council and Management Continuous Service Improvement Goal)**
- 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. **(Council and Management Marketing, Communications and Engagement Goal)**
- To continue to provide quality and efficient services to the community through the park and recreation system. **(Council and Management Continuous Service Improvement Goal)**
- To continue to administer the City Deer Management Program.
- To operate within approved budgets. **(Council and Management Sustainability Goal)**
- To administer Kent Stein Park operations.
- To administer the Soccer Complex.
- To administer the Aquatic Center operations.
- To administer the Municipal Golf Course.
- To continue to assist other City departments as requested.
- To continue to develop and promote the Adopt-A-Park and volunteer recruitment program. **(Council and Management Marketing, Communications, and Engagement Goal)**
- To continue to work on the development of the Weed Park Master Plan. **(Council and Management Key Projects, Programs and Placemaking Goal)**
- To assist with other City projects as requested. **(Council and Management Key Projects, Programs and Placemaking Goal)**
- To continue to promote a positive and active Employee Wellness Program.
- To meet regularly with the Parks and Recreation Advisory Commission.
- To continue the community Reforestation and Tree Management Plans. **(Council and Management Key Projects, Programs and Placemaking Goal)**
- To continue to administer the Municipal Boat Harbor and Marina.
- To continue to administer the City-Wide Recreation Programs. **(Council and Management Marketing, Communications, and Engagement Goal)**

- To administer the Soccer Events Program. (**Council and Management Marketing, Communications and Engagement Goal**)
- To conduct a community needs and feasibility assessment for indoor recreation spaces. (**Council and Management Key Projects, Programs and Placemaking Goal**)

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 169,130	\$ 176,080	\$ 182,600	\$ 184,600	\$ 189,500	3.78%
Commodities	570	922	1,600	1,800	1,800	12.50%
Contractual Services	11,575	11,788	13,200	13,200	13,200	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 181,275	\$ 188,790	\$ 197,400	\$ 199,600	\$ 204,500	3.60%
Funding Sources						
Park Revenues	\$ 60,829	\$ 75,124	\$ 48,800	\$ 49,700	\$ 49,300	1.02%
Administrative Fee	27,300	24,000	28,900	26,100	26,900	-6.92%
General Revenues	93,146	89,666	119,700	123,800	128,300	7.18%
Total Funding Sources	\$ 181,275	\$ 188,790	\$ 197,400	\$ 199,600	\$ 204,500	3.60%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 135,800
Employee Benefits						53,700
Total Personal Services						\$ 189,500

Function:
Culture and Recreation

Department:
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. Fifteen (15) of the City's sixteen (16) 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, Weed Park and the recent addition of the Dog 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 2018/2019 revised estimate is over the original budget by \$12,000. Commodities increased by \$3,700 which includes increases for building repair supplies, recreational supplies, and tools. Contractual services increased by \$14,900 which includes \$6,500 in repairs to the Park Maintenance building after it was hit by a vehicle and \$8,400 in other repairs to vehicles, equipment, and facilities. The Park Maintenance building repair was reimbursed by insurance. Capital outlay costs are under the original budget by \$6,000 since the right-of-way mower cost was less than budgeted. Personal services costs are \$600 less than the original budget.

The 2019/2020 budget is \$46,300 (5.8%) less than the original 2018/2019 budget. Personal services costs increased by \$10,300; commodities increased by \$1,200; and contractual services increased by \$2,200. These increases were more than offset by a capital outlay decrease of \$60,000. The capital outlay allocation of \$12,000 for 2019/2020 is for concrete work around the Riverfront restrooms.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Parks	17	17	18 (1)	18	18
Park Acres	241	241	247 (2)	247	247
Park Shelters	18	17	18 (3)	18	18
Miles of Trail	9.3	9.3	13.8 (4)	15(5)	15
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	3	3	3	3
Disc Golf Course	1	1	1	1	1
Right-of-Way Miles	10.9	10.9	15.4 (6)	16.6 (7)	16.6
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

1. Muscatine Dog Park – added as an additional park in 2017/2018
2. Muscatine Dog Park – added to additional park acres in 2017/2018
3. Shelter at the Muscatine Dog Park – added in 2017/2018
4. The Kent Stein Park to Deep Lakes Park Trail was added in 2017/2018.
5. The West Side Trail from Kent Stein Park to Discovery Park will be added in 2019.
6. 4.5 miles of right of way was added in 2017/2018 for the Kent Stein Park to Discovery Park trail.
7. 1.2 miles of right-of-way mowing will be added in 2019 with the completion of the West Side Trail extension.

RECENT ACCOMPLISHMENTS

Parks and Recreation staff participated in the United Way’s Day of Caring again this year. Several projects were completed in both the spring and fall events including removal of weeds and unwanted trees on the hillsides at Weed Park and Mark Twain Overlook; re-sodding the hillside of the Aquatic Center; Zoo Garden fall cleanup; re-painting the Monsanto Shelter; and mulching trees near the Lagoon in Weed Park.

Four Eagle Scout projects were completed this year with several volunteers lending a hand on each project. The first of the four projects took place in the spring, and all of the trees in the upper loop of Weed Park were re-mulched. Also this spring, the City was awarded two Alliant Energy Branching Out grants. One of the grants was for the purchase of trees for the Dog Park and the Houser Street Expansion. The other grant was for planting trees on Cedar Street, Mulberry Avenue, and the Downtown side streets. All of these trees were planted as part of an Eagle Scout project in May. The third project took place in August and consisted of removing the Rose Garden Gazebo and replacing it with a new 10’ gazebo. The final project took place in October and involved the installation of four mini shelters at the Muscatine Dog Park.

The Muscatine Dog Park opened its gates to the public on November 1, 2018. Staff put in many hours preparing the facility for its opening. The Dog Park consists of three fenced sections, a small dog area, a large dog area, and a shy and timid dog area. A large entrance shelter was donated by a local business and was installed by staff. Three drinking fountains and four dog waste systems were also installed throughout the facility. Trees funded from the Branching Out grant were installed in the fall, with ten being located inside the fences and sixteen located between the parking lot and the compost site. Four mini shelters were also purchased and installed. A new parking lot was installed this summer and a gate was put in to allow staff vehicles to enter.

Weed Park saw a few changes throughout the park and will continue to see improvements this upcoming year. The Entrance shelter in Weed Park got a face lift with the removal of the broken concrete sidewalk and aprons around the shelter and the installation of two new sidewalks leading up to the shelter. A bench was also donated to Weed Park and will be placed near the Zoo Garden overlooking the river. Staff is continuing to put together plans and specifications for both the Weed Park lighting project and the replacement of the Rose Garden restroom.

The Riverfront and downtown areas also had improvements and general maintenance completed by Parks staff. The hanging basket program on 2nd Street had a very successful year with many positive comments. The banners on 2nd Street were also replaced throughout the year to coincide with activities and the seasons of the year. Five security cameras were installed in two locations in Riverside Park to help provide extra security to the Boat Harbor, Gas Dock, and parking lot on the Riverfront. Four floods took place throughout the year, and staff worked hard to provide rapid and quality cleanup.

This spring the Parks and Recreation department participated in the Iowa DNR's Operation ReLeaf program. The City sold 10 varieties of trees with a total of 225 trees sold. The trees were all distributed at the Muscatine Aquatic Center in April

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- 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 complete the light replacement project in 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.
- To continue to provide the downtown streets with quality hanging flower baskets and banners.
- To continue to provide quality maintenance to current Park facilities, while also taking on additional maintenance responsibilities for new parks, trails, and other properties.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 529,588	\$ 556,567	\$ 606,500	\$ 605,900	\$ 616,800	1.70%
Commodities	62,254	95,179	61,900	65,600	63,100	1.94%
Contractual Services	58,275	52,620	64,300	79,200	66,500	3.42%
Capital Outlay	15,629	17,324	72,000	66,000	12,000	-83.33%
Transfers	620	14,952	-	-	-	
Total Expenditures	\$ 666,366	\$ 736,642	\$ 804,700	\$ 816,700	\$ 758,400	-5.75%
Funding Sources						
General Revenues	\$ 633,988	\$ 712,995	\$ 731,400	\$ 747,200	\$ 735,600	0.57%
Insurance Reimbursement	1,985	3,158	-	1,900	-	
Road Use Taxes	30,393	20,489	73,300	67,600	22,800	-68.89%
Total Funding Sources	\$ 666,366	\$ 736,642	\$ 804,700	\$ 816,700	\$ 758,400	-5.75%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions:						
Park Maintenance Superintendent	0.80	0.80	0.80	0.80	0.80	
Maintenance Repairperson	2.50	2.50	2.50	2.50	2.50	
Maintenance Worker I	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	0.50	0.50	0.50	0.50	0.50	
Landscape Horticulturalist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	5.80	5.80	5.80	5.80	5.80	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	1.61	1.61	1.61	1.61	1.61	
Seasonal Groundskeeper	1.03	1.03	1.03	1.03	1.03	
Seasonal Lead Groundskeeper	1.06	1.56	2.14	2.14	2.14	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.75	0.75	0.75	0.75	0.75	
Total Seasonal Part Time	4.45	4.95	5.53	5.53	5.53	
Total	10.25	10.75	11.33	11.33	11.33	\$ 437,400
Employee Benefits						179,400
Total Personal Services						\$ 616,800

Capital Outlay		
Item	Replacement	Amount
Resurface Concrete Around Riverfront Restrooms	Yes	\$ 12,000

Function:
Culture and Recreation

Department:
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 2018/2019 is under the original budget by \$1,900. Personal services costs are \$3,300 less than the original budget due to hiring a new Athletic Facilities Specialist at a lower step in the pay plan. Commodities increased by \$1,500 due to increased repair and maintenance supplies; contractual services increased by \$400; and capital outlay decreased by \$500.

The 2019/2020 budget is \$2,100 (1.0%) more than the original 2018/2019 budget due to increased personal services costs (\$600) and increased repair and maintenance supplies (\$1,500). A capital outlay allocation of \$2,000 is budgeted to replace two hot chocolate machines in the concession stands.

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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Ball Diamonds Maintained	20	20	20	19 **	19
Total Hours of Usage *	6,976	7,329	6,292	6,900	6,900
Number of Tournament Days	22	20	14	20	20
Number of Leagues/Camps	26	26	26	26	26
Concession Revenue	\$9,937	\$8,680	\$4,507	\$6,500	\$6,500
Total Revenues	\$46,237	\$47,399	\$38,479	\$35,950	\$39,950

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

** Reduction in ball diamonds maintained is due to the School expected to take over the maintenance of Bruner Field.

RECENT ACCOMPLISHMENTS

All of the diamonds at Kent Stein Park have now been updated with the Musco Control Link system. The Control Link system allows staff to set the light schedules via communication devices and allows staff to better track the usage on the diamonds. It is also an energy efficient system that allows staff to better control usage.

This fall the City participated in the United Way's Day of Caring program and one of the projects was re-sodding in front of the dugouts and in front of the mounds on the ball diamonds. As part of this project, the landscape beds in Kent Stein Park were trimmed and mulch.

A reforestation plan was completed for Kent Stein Park. All of the dead ash trees from the EAB (Emerald Ash Borer) have been removed. A drawing for the planting of new trees has been completed and a grant application has been submitted to the Alliant Energy Branching Out program for funding.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- 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 improve the safety of the ball diamonds by adding material to the bottom of all fence lines.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 152,483	\$ 155,089	\$ 161,700	\$ 158,400	\$ 162,300	0.37%
Commodities	39,978	45,402	47,100	48,600	48,600	3.18%
Contractual Services	9,984	6,228	8,200	8,600	8,200	0.00%
Capital Outlay	6,570	-	2,000	1,500	2,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 209,015	\$ 206,719	\$ 219,000	\$ 217,100	\$ 221,100	0.96%
Funding Sources						
Park Revenues	\$ 36,983	\$ 32,794	\$ 39,200	\$ 28,700	\$ 28,700	-26.79%
Housing Reimbursement	7,000	7,250	7,500	7,300	7,300	-2.67%
Insurance Reimbursement	1,895	6,133	-	-	-	
General Revenues	163,137	160,542	172,300	181,100	185,100	7.43%
Total Funding Sources	\$ 209,015	\$ 206,719	\$ 219,000	\$ 217,100	\$ 221,100	0.96%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Specialist	0.50	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	1.22	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	1.98	1.98	1.98	1.98	1.98	
Total Seasonal Part Time	2.73	2.73	2.73	2.73	2.73	
Total	3.95	3.95	3.95	3.95	3.95	\$ 120,200
Employee Benefits						42,100
Total Personal Services						\$ 162,300

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Hot Chocolate Machines	2	Yes	\$ 2,000

Function:
Culture and Recreation

Department:
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 Maintenance 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.

In the late summer of 2018 the Houser Street Expansion project construction began. This project will add four additional playing fields and a parking lot. With this expansion, additional seasonal staff will be needed to maintain the increased area. The 2018/2019 revised estimate and 2019/2020 budget include a new seasonal Lead Groundkeeper position starting in the spring of 2019.

The revised estimate for 2018/2019 is \$19,100 more than the original budget. A significant part of this increase is due to additional supplies and personnel needed for the Houser Street Expansion area. Personal services increased by \$4,300 for the new seasonal Lead Groundskeeper position that will be hired in the Spring of 2019 to maintain the new fields added with the expansion. Commodities increased by \$14,800 which includes \$8,800 for additional operating and maintenance supplies for the expansion area and \$6,000 in funds carried forward from the prior year to install Bermuda grass on Field #9.

The 2019/2020 budget is \$39,100 (19.7%) more than the 2018/2019 budget due to increased personal services and operating costs for the Houser Street Expansion discussed above. The personal services increase of \$17,800 includes \$16,600 for the first full year of the seasonal Lead Groundskeeper position for the expanded area. Funds are also included in the Equipment Replacement Fund for a new mower (\$82,000) and new utility vehicle (\$20,000). This equipment will be used to maintain the current facility, the expansion area, and the new Dog Park located adjacent to the expansion area.

The Soccer Complex is entering its 26th 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Number of Fields Maintained	8	8	8	12 (2)	12
Hours of Use	2,654	2,663	2,585	2,650	3,500
Number of Tournaments (1)	24	25	21	25	25
Concession Commissions	\$6,733	\$6,854	\$4,239	\$6,500	\$6,500
Total Revenues	\$41,488	\$48,117	\$36,757	\$40,500	\$43,000
Number of Leagues/Camps	23	23	23	23	23

1. The number of tournaments reflects the number of days that tournaments are held.
2. The number of soccer fields maintained will increase by 4 with the completion of the Houser Street Expansion project in the spring of 2019.

RECENT ACCOMPLISHMENTS

This past season was an interesting season for growing turf on athletic fields. The fields started out slowly with cool, wet weather in the spring, but then grew exceptionally well in late spring and into the middle of the summer. A late summer drought put a strain on the growth throughout this time frame, but was followed by significant rainfalls. A few of these large rainfalls took place prior to large events on the fields, causing excessive wear and tear. The fields were all aerified, seeded, and fertilized this fall to help shorten the length of time for recovery.

In the fall of 2018 the Soccer sidewalk and parking lot light replacement project was completed. The previous fiberglass poles were replaced with metal poles with an LED light system. Additional sidewalk light poles were added on the sidewalk along Field #8 for additional security. The lights are operated using the Musco Control Link system which will allow the lights to be controlled through communication devices.

In the summer of 2018 the Houser Street Expansion project began and it is getting close to completion. The initial plan called for a large playing surface, a parking lot, and a trail along Houser Street. The project

evolved into four individually graded and irrigated fields. Funds originally designated for the Field #3 renovation project were redirected and used to offset the cost for grading and the purchase of irrigation parts for the new fields. The Parks and Recreation staff began installing the main line for the irrigation system in the fall and has completed the main line installation on Fields 9 and 10. The plan is to complete the main line installation on Fields 11 and 12 this winter.

The grading for all four fields was set for early September, but excessive rainfall pushed the project back an entire month. Fields 10, 11, and 12 were seeded in mid to late October, but cool temperatures kept the seed from germinating. This spring, funds have been allocated to install Bermuda grass on Field #9.

The parking lot portion of the Houser Street Expansion project is nearly complete with backfilling and parking lot striping needed to finish the project. The rough grading for the trail that will be installed has been completed and is ready for the asphalt trail to be poured. Trees will be planted between the trail and the parking lot with funding from the Alliant Energy Branching Out grant.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To complete the capital project for the renovation of Field #3 including replacing the sod and irrigation system (subject to funding).
- To complete the Houser Street Expansion project and open it for use.
- To re-establish a safe and high-quality turf on the current 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 as requested.
- To continue to recruit and train quality seasonal and full-time staff as needed.
- To install Bermuda grass on Field #9

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 121,335	\$ 121,979	\$ 128,900	\$ 133,200	\$ 146,700	13.81%
Commodities	61,499	62,739	65,000	79,800	86,300	32.77%
Contractual Services	6,696	4,398	4,900	4,900	4,900	0.00%
Capital Outlay	4,675	13,160	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 194,205	\$ 202,276	\$ 198,800	\$ 217,900	\$ 237,900	19.67%
Funding Sources						
Park Revenues	\$ 41,775	\$ 39,247	\$ 42,500	\$ 40,500	\$ 43,000	1.18%
Insurance Reimbursement	1,500	18,102	-	-	-	
General Revenues	150,930	144,927	156,300	177,400	194,900	24.70%
Total Funding Sources	\$ 194,205	\$ 202,276	\$ 198,800	\$ 217,900	\$ 237,900	19.67%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Specialist	0.50	0.50	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	1.23	1.23	1.23	1.23	1.23	
Seasonal Part Time Positions:						
Lead Groundskeeper	0	0	0	0.27	0.60	
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	1.77	2.10	
Total	2.73	2.73	2.73	3.00	3.33	\$ 106,300
Employee Benefits						40,400
Total Personal Services						\$ 146,700

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Mower	1	Yes	\$ 82,000
Utility Vehicle	1	Yes	20,000
			\$ 102,000

Function:
Culture and Recreation

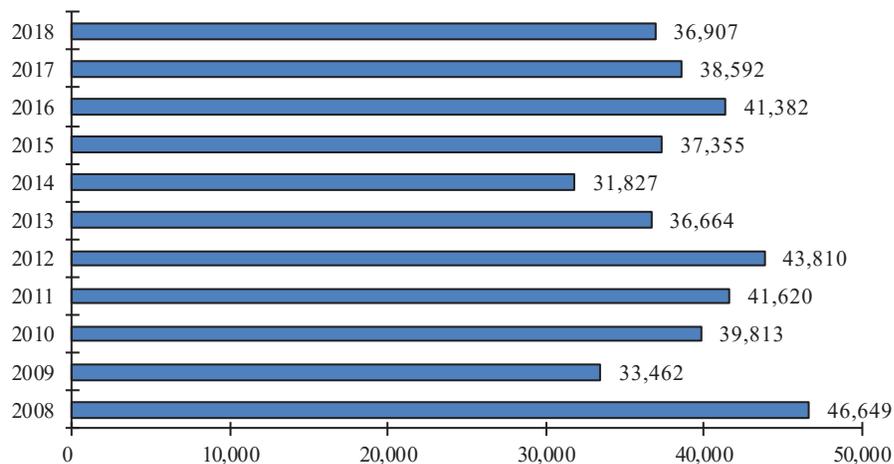
Department:
Parks and Recreation

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 as shown in the following graph. 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 2016 attendance increased to 41,382 due to minimal rain days. Attendance decreased to 38,592 in 2017 due to a cool summer and decreased again to 36,907 in 2018. 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.

Weed Park Aquatic Center Attendance



CURRENT TRENDS AND ISSUES

The revised estimate for 2018/2019 is \$16,700 higher than the original budget. This includes an increase of \$1,700 in personal services costs due to part time rates being higher than estimated due to returning seasonal staff. The revised estimate includes a new capital outlay request of \$15,000 to replace the diving board and stand due deterioration of the current board and stand. The diving board could not be used at the end of the 2018 season.

The 2019/2020 budget is \$55,200 (34.9%) more than the 2019/2020 budget due to increased personal services (\$2,700) and increased capital outlay (\$52,500) costs. The capital outlay allocations includes

\$30,000 to repaint the pool. To meet Iowa State Code, the pool must be repainted when the lines become faded and the paint begins to chip which occurs about every five years. The pool was last painted in October of 2013. Also included in capital outlay is \$10,000 to refinish and repair the water slides. The water slides are part of the original construction in 2004. To maintain the longevity and safety of the structures, professional maintenance is required to prolong the life of the facility while keeping it safe and looking its best. The final item included in capital outlay is \$12,500 to replace the canopies that are showing severe wear. The canopies to be replaced are also part of the original construction of the Aquatic Center.

The 2019/2020 year will be the 16th 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Aquatic Center Attendance	41,382	38,592	36,907	39,900	40,000
Swim Lesson Enrollment	254	316	310	320	320
Season Passes Sold	88	101	77	90	90
Number of Pool Rentals	79	81	88	85	90
Special Events Attendance	1,357	1,272	1,519	1,600	1,700
Scholarship Pass Recipients	752	502	402	500	500

RECENT ACCOMPLISHMENTS

Special events continued to be a popular draw for the Aquatic Center in 2018. Attendance at special events hit a record of 1,519 in 2018. Santa Claus entertained 465 patrons at Christmas in July where children were able to participate in crafts, trivia, and other deck games. National Friendship Day was celebrated at the Aquatic Center by 355 friends, while 694 patrons attended on Father's Day.

The Swim Lesson program continued with consistent numbers. Evening lessons continued to provide a much-needed service to the public, while 260 children learned the lifelong skill of swimming during morning sessions. Morning Lap Swim took place every Monday, Wednesday, and Friday in June and July, providing a consistent fitness opportunity for adults throughout the summer. Infant/Toddler Swim times were held on three different occasions to encourage parents and young children to play together without the commotion of normal open swim traffic.

Two monthly in-service trainings were held in collaboration with the Muscatine Community YMCA aquatic staff. Challenge stations were planned which graded lifeguards on response time, skill competency,

teamwork, and effectiveness. Teams were compiled with a mix of staff members from both facilities to encourage communication and to better simulate a real emergency where rescue scenarios are not routine. The Muscatine Fire department attended the July in-service where they showed staff when and where they would step in to take over victim care in the Emergency Action Plan process. Aquatic staff performed a rescue, extricated the victim from the water, and began CPR, then Fire department staff took over care using their LUCAS machine. Fire Department staff then assisted aquatics staff with tips for ensuring that their CPR is most effective.

The Pool Manager returned for her third year as manager and eighth year as an Aquatic Center staff member. Two Assistant Managers returned for their second year as assistants, while two other assistants were hired during their fourth season as Aquatic Center staff. Two newer assistants were hired toward the end of the season to prepare them to return as Assistant Managers in the 2019 season.

The Aquatic Center Slide Attendants continued to become certified in American Red Cross First Aid/CPR to meet the recently adopted Iowa State Code mandate. Because the Program Supervisor is an American Red Cross certified instructor, all Slide Attendants were able to be trained to the same level as lifeguards in First Aid and CPR. Training took place in-house before the start of the season.

The listing of lifeguard classes in the State, published by the Iowa Park and Recreation Association (IPRA), was used to aid in matching existing and potential employees with training opportunities in the area. College students were better able to find courses in their college town, while local employees were given a list of classes taking place around eastern Iowa. Current employees were contacted throughout the off-season to ensure certifications were kept from lapsing and new hires were more easily recruited with the class resources provided by the IPRA Aquatics Committee.

Changes to the Public Bathing Code are still pending with no potential effective date published. Possible changes to this code could affect daily operations as well as staff and facility standards for the Aquatic Center.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To continue to evaluate the implications of a new proposed 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 maintain staff excellence by implementing extensive training regiments that adhere to American Red Cross lifesaving standards.
- To add one new community special event at the Aquatic Center.
- To continue to meet the requirements to receive a satisfactory report from the Health Inspector.
- To increase the number of after-hours private rentals and Multi-Purpose Room rentals.
- To continue with pre- and post-season facility management plans while implementing daily, weekly and monthly facility management plans.

- To increase staff retention by ten percent.
- To continue to evaluate admissions trends in an effort to maximize attendance and increase revenue.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Aquatic Center

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 125,013	\$ 122,680	\$ 118,900	\$ 120,600	\$ 121,600	2.27%
Commodities	14,366	16,248	22,900	22,800	22,800	-0.44%
Contractual Services	19,387	13,310	16,200	16,300	16,300	0.62%
Capital Outlay	6,461	-	-	15,000	52,500	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 165,227	\$ 152,238	\$ 158,000	\$ 174,700	\$ 213,200	34.94%
Funding Sources						
Swimming Pool Revenues	\$ 137,114	\$ 135,962	\$ 141,100	\$ 137,600	\$ 138,600	-1.77%
General Revenues	28,113	16,276	16,900	37,100	74,600	341.42%
Total Funding Sources	\$ 165,227	\$ 152,238	\$ 158,000	\$ 174,700	\$ 213,200	34.94%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 110,400
Employee Benefits						11,200
Total Personal Services						\$ 121,600

Capital Outlay		
Item:	Replacement	Amount
Pool Painting	Yes	\$ 30,000
Canopies	Yes	12,500
Refinish Water Slides	Yes	10,000
		\$ 52,500

Function:
Culture and Recreation

Department:
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 2018/2019 revised estimate is the same in total as the original budget. The 2019/2020 budget is \$4,200 (3.5%) more than the 2018/2019 budget due to increased personal services costs.

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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Adult Programs Offered (Including Leagues)	21	22	20	23	23
Children's Programs Offered	42	42	41	43	43
Adult Program Participants (1)	1,558	1,803	1,686	1,700	1,800
Children's Programs Participants (2)	2,294	2,660	1,962	2,500	2,600
New Programs Offered (3)	4	1	1	1	1
Volleyball League Teams	40	50	38	45	45

(1) Adult Program Participants include those in Walking Club, Job Fair, Easter Egg Hunt, Sand Volleyball, Sport Starters parents, Cemetery Walk, Fall Festival, Adult Recreation Volleyball, Adult Power Volleyball and Turkey Trot.

(2) Children's Program Participants include those in Soccer Skills, Boys Basketball Skills, Baseball Pitching, Softball Skills, Job Fair, Easter Egg Hunt, Blastball, Tee-Ball, Gymnastics, Tennis lessons, Tot Lot, Sport Shorts, Girls Volleyball, Muskie Youth Soccer Camp, Muskie Punt, Pass & Kick, Sport Starters, Flag Football, Little Muskies Football, Fall Festival, Girls Basketball, Smart Start Basketball, Youth Volleyball, Winter Festival, Candy Cane Hunt, Elves Workshop, and Basketball Shooting Camp.

(3) The new program offered in 2018 was the Muskie Youth Soccer Camp

RECENT ACCOMPLISHMENTS

Several of the Parks and Recreation department activities are offered to the community free of cost. These special events continue to be well-attended. The warm January 2018 weather required staff to change the plan for the Winter Festival, but the alternative activities provided fun in the sun for participants. Unfortunately, winter weather returned and there were blizzard conditions for the planned Easter Egg Hunt in March.

Due to October flooding, the Fall Festival was moved from the riverfront to the Muscatine Mall which allowed staff to easily accommodate the 310 individuals who participated in the six fall-themed activities. The Candy Cane Hunt and the Elves Workshop both saw excellent attendance with those programs contributing to a total of over 1,000 participants being served in 2018 at the community special events.

Sand Volleyball continued as a popular adult activity this summer. The Intern League saw an increase of 25 registered participants over 2017 participation. The Weed Park sand volleyball courts hosted 109 matches during the 2018 summer season which included HNI Intern League games, Recreation A League games, and Recreation B League games.

More than 50 youths improved their tennis game this summer at the Weed Park courts, a 14-participant increase from 2017. Instructor consistency allowed for excellent skill-building opportunities for players, with several registering for multiple class sessions.

Sport Shorts participation increased to 22 for this three, four, and five year-old program which is in its second year. Activities offered varied from the previous year to keep the program interesting for all participants.

In August, the Muskie Youth Soccer Camp was introduced at the Muscatine Soccer Complex. In partnership with the Muscatine High School (MHS) Girls Soccer Team, 33 youth participants in grades 2 through 7 were taught soccer skills in individual and team formats. The three-day program involved over 15 MHS players and coaches who volunteered their time to help fill this programming need for Muscatine youth.

The Cemetery “Walk Through History” at Greenwood Cemetery saw an increase in participation from 80 attendees in 2017 to nearly 130 attendees in 2018. Participants enjoyed the colorful stories about former Muscatine residents that had a common theme of inventions and business ventures that impacted the community.

The volunteer-led fall football programs all saw increases in participation in 2018. Youth Flag Football expanded to include third through sixth grade children and was well attended with 23 players this season. Coaches instructed children in skills and drills at Tuesday practices, while participants experienced team play at Thursday night games under the lights of Kent Stein Park. The Little Muskies Football program gained a new organizational partnership with the Muscatine River Hawks, a locally-based semi-professional football team. With the assistance of the volunteer coaches, the program was able to accommodate 11 more children than full enrollment, for a total of 61 participants. The free Muskie Punt, Pass, and Kick activity more than doubled from last year’s participation. There were 27 children aged six to fourteen who vied for the most accurate kicks and throws in their age group.

The Parks and Recreation department continues to offer Boys Basketball, Soccer Skills, Baseball Pitching lessons, Baseball Skills, Softball Skills, Winter and Summer BlastBall!, Tee-Ball, Summer Gymnastics, Volleyball Skills, Sport Starters, Girls Basketball, and a Basketball Shooting Camp in addition to the previously highlighted youth programs.

OBJECTIVES TO BE ACOMPLISHED IN 2019/2020

- To continue to look at alternative programming and adjusting programming to fit the community's needs.
- To evaluate and review new programs that have been implemented and make adjustments as needed.
- To increase revenue by focusing on improved quality so that this may limit any negative impacts to participation numbers.
- 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.
- To create and develop one new community special event.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 90,713	\$ 83,724	\$ 106,100	\$ 106,300	\$ 110,300	3.96%
Commodities	6,510	6,781	7,600	7,400	7,600	0.00%
Contractual Services	5,523	5,272	6,900	6,900	6,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 102,746	\$ 95,777	\$ 120,600	\$ 120,600	\$ 124,800	3.48%
Funding Sources						
Recreation Fees	\$ 46,477	\$ 45,961	\$ 46,800	\$ 46,800	\$ 46,800	0.00%
General Revenues	56,269	49,816	73,800	73,800	78,000	5.69%
Total Funding Sources	\$ 102,746	\$ 95,777	\$ 120,600	\$ 120,600	\$ 124,800	3.48%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 87,000
Employee Benefits						23,300
Total Personal Services						\$ 110,300

Function:
Culture and Recreation

Department:
Parks and Recreation

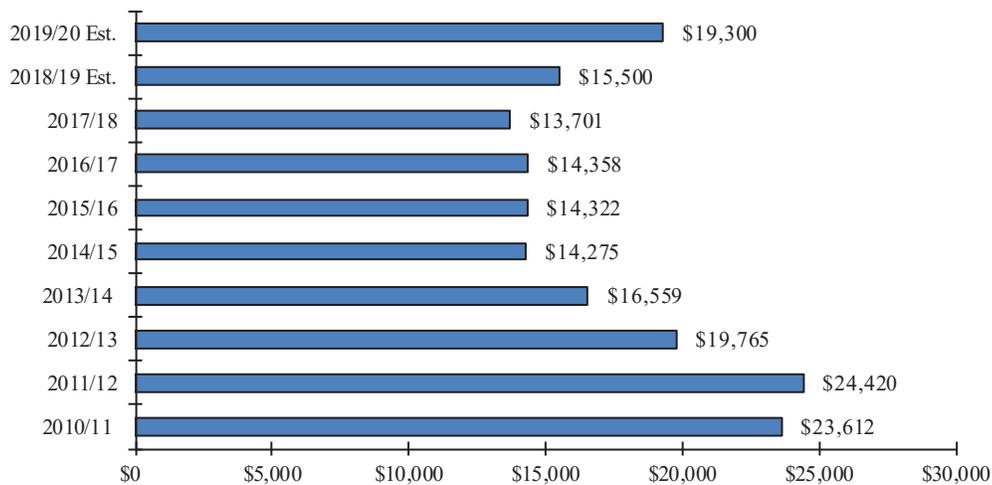
Activity:
Cemetery

GENERAL INFORMATION

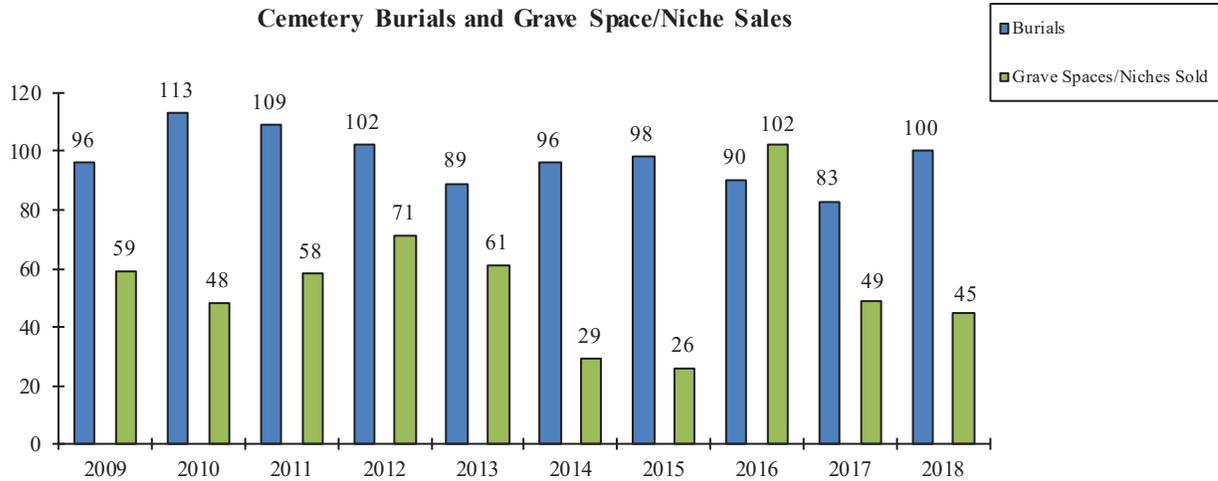
Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

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 2010/2011 through 2017/2018 and the estimated amounts for 2018/2019 and 2019/2020 are follows:

Perpetual Care Interest Revenue



The principal balance in the Perpetual Care Fund on June 30, 2018 was \$879,794 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 \$52,300 is expected to be needed to cover the operating costs of the cemetery for 2018/2019 and \$50,900 is the estimated subsidy for 2019/2020. 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 2018/2019 revised estimate is over the budgeted amount by \$2,000. This overall increase includes (1) an increase in commodities of \$800 for repair and maintenance supplies, (2) a \$1,200 increase in engraving services for columbarium niches sold, (3) an increase of \$1,000 in vehicle and equipment repair services, and (4) a \$1,000 decrease in personal services costs.

The 2019/2020 budget is \$1,400 (.8%) higher than the 2018/2019 budget due to an increase in 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Burials:					
Casket	61	54	55	56	56
Cremains	24	34	30	30	30
County	8	3	3	4	4
Total Burials	93	91	88	90	90
Grave Spaces Sold	80	33	30	30	30
Columbarium Niches Sold	9	2	1	10	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$14,322	\$14,358	\$13,701	\$15,500	\$19,300
General Fund Subsidy (Fiscal Year Ended June 30)	\$8,885	\$43,334	\$45,978	\$52,300	\$50,900

RECENT ACCOMPLISHMENTS

The Cemetery Steps Project was completed in 2018 and the steps were opened to the public. Staff has worked hard this past season maintaining the steps and creating a safe environment.

A new drainage line was installed in an area of the Cemetery that water sits after large rains. The installation was a success with very little water now standing in this area after large storms. Several water hydrants were also replaced this past year throughout the Cemetery.

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

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To complete the leveling of stones in the Veterans plot.
- To continue to provide maintenance for the safety of users of the cemetery steps.
- 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 operations.
- To continue to recruit and train quality seasonal and full-time staff as needed.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 127,521	\$ 125,893	\$ 136,400	\$ 135,400	\$ 137,800	1.03%
Commodities	21,069	17,887	19,700	20,500	19,700	0.00%
Contractual Services	13,438	17,219	17,400	19,600	17,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 162,028</u>	<u>\$ 160,999</u>	<u>\$ 173,500</u>	<u>\$ 175,500</u>	<u>\$ 174,900</u>	0.81%
Funding Sources						
Cemetery Revenues	\$ 104,336	\$ 101,320	\$ 103,500	\$ 107,700	\$ 104,700	1.16%
Perpetual Care Interest	14,358	13,701	14,500	15,500	19,300	33.10%
General Revenues	43,334	45,978	55,500	52,300	50,900	-8.29%
Total Funding Sources	<u>\$ 162,028</u>	<u>\$ 160,999</u>	<u>\$ 173,500</u>	<u>\$ 175,500</u>	<u>\$ 174,900</u>	0.81%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 100,900
Employee Benefits						36,900
Total Personal Services						<u>\$ 137,800</u>

Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tractor	1	Yes	<u>\$ 42,000</u>

Function:
Health and Social Services

Department:
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 2019/2020 are as follows:

<u>Agency</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>Budget 2019/2020</u>
Senior Resources*	\$ 20,000	\$ 20,000	\$ 20,000	\$ 30,000	\$ 25,000	\$ 25,000
MCSA Homeless Prevention Program	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
	<u>\$ 20,000</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

* 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, included 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 budget allocation to Senior Resources was \$25,000 for 2018/2019. Senior Resources requested their subsidy to remain at \$25,000 for 2019/2020 and that amount has been included in the budget.

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 of \$25,000 in 2016/2017, 2017/2018, and 2018/2019. For 2019/2020 MCSA again requested \$25,000 and that amount has been included in the budget. The City's funding, however, may be reduced by any grant funding that may be received for this program.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	45,000	55,000	50,000	50,000	50,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 45,000</u>	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 45,000</u>	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.00%

Function:
Community and Economic Development

Department:
Community Development

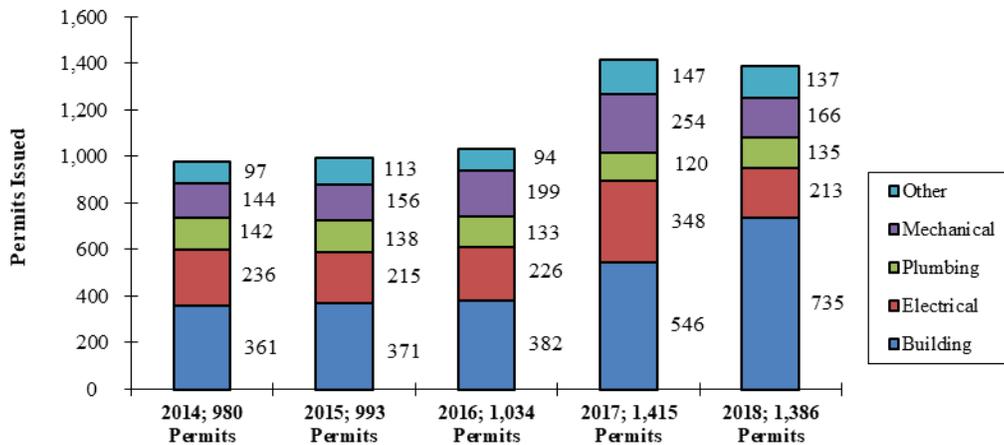
Activity:
Community Development

GENERAL INFORMATION

The 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:

Building-Related Permits by Year



Two (2) full time and one (1) part-time inspector in this department perform on-site building and zoning inspections. The rental housing inspection program results in approximately 2,000 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 2018/2019 revised estimate is \$23,600 more than the original budget. This overall increase reflects increases and decreases in various areas of the budget including (1) personal services costs are \$7,500 less than budgeted due to savings from a vacancy and the new hire expected to start at a lower rate, (2) commodities are \$700 more than budgeted, (3) contractual services are \$30,100 more than the original budget, and (4) capital outlay is \$300 more than the original budget. The contractual services increase includes (1) an increase of \$17,300 for professional services for the nomination of the Fair Oaks Historic District to the National Register of Historic Places which is 100% funded from a grant from the Iowa Department of Cultural Affairs, (2) an \$8,000 increase in consulting services with the former Community Development Director, and (3) a \$3,800 increase for pro-rated taxes on properties the City acquired for sale to private individuals (the largest parcel is 500 Mulberry).

The 2019/2020 budget is \$33,900 (4.1%) more than the 2018/2019 budget. Personal services costs are \$25,800 (3.8%) higher than the original 2018/2019 budget. There were several wage adjustments that were effective July 1, 2018 which carried forward to the upcoming fiscal year. Commodities increased by \$1,400, contractual services increased by \$8,700, and capital outlay decreased by \$2,000. The most significant item in the contractual services increase is a \$7,000 increase for consulting services compared to the original budget for 2018/2019. Nuisance abatement costs accounted for in this budget are estimated at \$65,000. These costs are billed to property owners, and if not paid are assessed as a lien on the properties.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	1,027	1,268	2,363	1,500	1,500
Building Permit Fees	\$222,762	\$306,841	\$446,379	\$320,000	\$300,000
Building Inspections - Electrical, Building, Plumbing, and HVAC ¹	4,212	1,483	1,922	1,750	1,750
Site and Building Plan Reviews	30	203	135	100	100
Certificates of Occupancy	23	28	28	25	25
Rental Housing Inspections	2,232	1,199	2,047	2,150	2,150
Rental Housing Inspection Fees	\$109,935	\$73,502	\$59,686	\$72,000	\$72,000
Other Health Permits - Tanning Salons, Swimming Pools, and Tattoo Parlors	42	26	26	25	25
Other Health Permit & Citation Fees	\$1,248	\$275	\$6,252	\$4,000	\$4,000
Other Health Inspections - Tanning Salons, Swimming Pools, and Tattoo Parlors	32	14	28	25	25
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	2,000	1,611	1,546	1,500	1,500
Writ of Possessions	17	8	11	10	10
Properties Posted	54	117	103	100	100
Vehicles Towed/Impounded	15	9	25	29	20
Nuisance Citations/Assessment Fees	\$87,868	\$97,737	\$78,543	\$90,000	\$90,000
Planning & Zoning Commission Meetings	8	9	8	5	5
Zoning Board of Adjustment Meetings	12	9	7	5	5
Rezoning Requests Processed	4	10	3	5	5
Subdivision Requests Processed	5	5	7	5	5
Vacated Property Requests Processed	1	4	3	4	4
Community Development and Airport Grants Administered	10	14	7	10	10

1. For fiscal year 2015/2016, the number of building inspections in this table were based on a formula for inspections for a new construction permit (residential 4, commercial 12) and for a remodel permit (residential 1, commercial 2). Beginning in 2016/2017 the number of inspections reflect the actual number of inspections.

RECENT ACCOMPLISHMENTS

Economic Development, TIF, and Tax Abatement. The City approved several new economic development agreements during the past year and several others are in the planning stage for future consideration. Development agreements approved in the last year include (1) TIF Oak Park for the development of approximately 48 units of multi-residential housing in 16 triplexes for housing affordable to seniors of low and moderate income, (2) a TIF rebate agreement with White Distribution & Supply LLC for expansion of their existing manufacturing and warehousing facilities, and (3) a TIF rebate agreement

with a developer requesting funding assistance for the infrastructure needed for the development of property with up to 62 new homes. The agreements in the planning stage include TIF rebate assistance to the new owner of the Hershey Building across from City Hall who is converting the upper floors into market rate rental units. Kent Corporation is also requesting TIF funding assistance to expand their headquarters building near the Highway 61 and Highway 38 intersection. The recently completed Housing Demand Study demonstrated a need for the new multi-residential housing project and the project to develop new housing in the community.

The Community Development department continues to manage the business incentive programs developed over the last five years. The Small Business Forgivable Loan Program (SBFL) and Building Improvement Program (BIP) have been very successful. The City has also expanded the use of tax abatement programs to include additional areas in the City. The Tax Increment Financing (TIF) districts have also been expanded in recent years. Following is a summary of the tax abatements during the 2017/2018 fiscal year:

<u>Tax Abatement Program</u>	<u>Number of Properties</u>	<u>Taxes Abated</u>	<u>Valuation Abated</u>
New Residential Homes	22	\$ 64,678	\$ 1,650,000
New Multi-Residential Development	1	14,700	375,000
New Garages	1	332	8,460
Residential Home Improvements	2	3,104	79,190
New Commercial Buildings	1	8,603	219,470
Commercial Improvements	2	1,814	46,280
	<u>29</u>	<u>\$ 93,231</u>	<u>\$ 2,378,400</u>

Tax Increment Financing (TIF) rebate agreements managed during the 2017/2018 fiscal year are as follows:

<u>Developer</u>	<u>Type of Development/Purpose</u>	<u>Fiscal Years of Rebates</u>		<u>Taxes Rebated/ Abated 2017/2018</u>
		<u>First Year</u>	<u>Final Year</u>	
Musco Sports Lighting - 67% for 15 Years	Industrial/Economic Development	2005/2006	2019/2020	\$ 82,308
Cedar Development - 50% for 10 Years	Commercial/Economic Development	2009/2010	2018/2019	255,399
Curry's Transportation - 50% for 10 Years (Suspended Beginning in 2015/2016)	Commercial/Economic Development	2010/2011	2019/2020	-
Newcomb Properties - 50% for 10 Years	Commercial/Economic Development	2010/2011	2019/2020	8,171
A & E Convenience - 50% for 10 Years	Commercial/Economic Development	2012/2013	2021/2022	3,892
The Villas at MCC, LLC - 50% for 10 Years	Commercial/Student Housing	2013/2014	2022/2023	8,808
R.L. Fridley Theatres Inc. - 15 Years (Declining Percentages)	Commercial/Economic Development	2015/2016	2029/2030	66,777
Wal-View Developments #1 - 10 Years (Declining Percentages)	Warehousing/Economic Development	2015/2016	2024/2025	642,970
H.J. Heinz - 5 Years Declining Percentages	Industrial/Economic Development	2016/2017	2020/2021	14,764
Wal-View Developments #2 - 10 Years (Declining Percentages)	Warehousing/Economic Development	2017/2018	2026/2027	299,237
Riverview Hotel Development - 20 years (Declining Percentages)	Hotel/Economic Development	2019/2020	2038/2039	-
Union Tank Car - 10 Years 50%	Industrial/Economic Development	2017/2018	2026/2027	3,945
Harrison Lofts LLC - 15 years (Varying Percentages)	Commercial/Affordable Housing	2019/2020	2033/2034	-
HNI Corporation - 50% for 10 Years	Industrial/Economic Development	2019/2020	2028/2029	-
White Distribution & Supply, LLC - 10 Years 50%	Commercial/Economic Development	2020/2021	2029/2030	-
Total				<u>\$ 1,386,271</u>

Community Attraction and Tourism (CAT) Grant – Pearls of Progress Projects. The City received notification on October 12, 2017 that this project had been awarded a \$500,000 grant from the Enhance Iowa Community Attractions and Tourism (CAT) program subject to meeting the local match requirements for the grant by November 30, 2017. The Pearls of Progress project includes four projects: the Musser Public Library and HNI Community Center building renovation, the new West Side Trail, the new Community Dog Park, and the new Deep Lakes Park Cabins (a Muscatine County project). Fund-raising efforts by the Community Improvement Action Team were successful and the CAT grant was officially awarded on November 28, 2017. The City Planner worked with the Finance department to compile documentation of the contributions and pledges for the local match requirement of this grant.

The Musser Public Library and HNI Community Center Renovation project has been completed and the Dog Park project is substantially complete. The West Side Trail project is on schedule to be completed in calendar year 2019. The Muscatine County project to construct cabins at Deep Lakes Park is also scheduled for 2019.

Iowa Department of Cultural Affairs Grant. Community Development staff submitted and was awarded a grant in the amount of \$17,245 for consultant services to nominate the Fair Oaks Historic District to the National Register of Historic Places.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

Council and Management Goals 2019-2020

Community and Economic Development

- Evaluate areas, programs and opportunities for economic development
- Monitor the City’s Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
- Evaluate the new Federal Opportunity Zones rules and potential to participate
- Industrial Park (South End) – Create new TIF District
- Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Create a downtown façade program
- Market economic development programs
- Budget for and create/review website and signage opportunities.
- Work with local banks, real estate companies and others to promote plans and incentives
- Monitor Port Opportunities based upon feasibility study results
- Monitor infrastructure grant opportunities
- Review final feasibility and partnership opportunities
- Develop vision and prepare RFP for the redevelopment of the “Carver Corner” area and “old” library
- Adopt policies or guidelines on public art and communications on city-owned land and rights-of-way (CIAT or Council Subcommittee)

Housing

- Promote and communicate 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 potential for low income assistance for property maintenance (i.e. CDBG).
- Budget for or identify grants for building demolition and/or acquisition
- Work with community and neighborhood stakeholders to develop plans to improve and revitalize specifically targeted areas in partnership with community stakeholders to leverage infrastructure improvements, aesthetic enhancements, incentives, and land use regulations processes
- Review and sell, redevelop, repurpose or demolish nuisance and city-owned properties (create assets versus liabilities)
- Market the Housing Demand Study (Downtown, Single Family, Multi Family, Pocket Neighborhoods, etc.)
- Identify public, private and partnership opportunities
- Identify infrastructure needs and code changes to implement study

Other Objectives

- Review the current building permit fee schedule that has been in place since 2005.
- Begin evaluating a citywide “Green Alley” program, including funding sources, policies, etc.

- Work with the Chamber to investigate creating a Business Accelerator program for Muscatine.
- Explore adding “Green” to the City’s Complete Streets Policy.
- Continue to oversee the projects in the Pearls of Project and the Community Attractions and Tourism (CAT) grant that was awarded for those projects.

Function:
Community and Economic Development

Department:
Community Development

Activity:
Community Development

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 585,473	\$ 636,532	\$ 676,500	\$ 669,000	\$ 702,300	3.81%
Commodities	7,338	8,570	8,800	9,500	10,200	15.91%
Contractual Services	121,144	129,533	131,000	161,100	139,700	6.64%
Capital Outlay	2,982	1,164	2,000	2,300	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 716,937</u>	<u>\$ 775,799</u>	<u>\$ 818,300</u>	<u>\$ 841,900</u>	<u>\$ 852,200</u>	4.14%
Funding Sources						
Community Development Revenues	\$ 485,864	\$ 600,451	\$ 497,700	\$ 498,000	\$ 472,700	-5.02%
Historic Preservation Grant	-	-	-	17,300	-	0.00%
Project Administrative Fees	9,592	28,068	-	-	-	
General Revenues	<u>221,481</u>	<u>147,280</u>	<u>320,600</u>	<u>326,600</u>	<u>379,500</u>	18.37%
Total Funding Sources	<u>\$ 716,937</u>	<u>\$ 775,799</u>	<u>\$ 818,300</u>	<u>\$ 841,900</u>	<u>\$ 852,200</u>	4.14%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	1.00	1.00	1.00	1.00	
Senior Inspector	1.00	0.00	0.00	0.00	0.00	
Inspector II	0.67	0.67	0.67	0.67	0.67	
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	1.00	1.00	1.00	1.00	
Community Services Officer	1.00	0.00	0.00	0.00	0.00	
Total Full Time	<u>6.67</u>	<u>6.67</u>	<u>6.67</u>	<u>6.67</u>	<u>6.67</u>	
Part-Time Positions:						
Community Services Officer	1.00	1.00	1.00	1.00	1.00	
Allocation of Community Services Officers to Refuse Collection Fund	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	
Inspector II	0.50	0.50	0.50	0.57	0.50	
Office Clerk (as needed)	0.36	0.38	0.38	0.27	0.38	
Total	<u>7.78</u>	<u>7.80</u>	<u>7.80</u>	<u>7.76</u>	<u>7.80</u>	\$ 503,900
Employee Benefits						<u>198,400</u>
Total Personal Services						<u>\$ 702,300</u>

Function:
Community and Economic Development

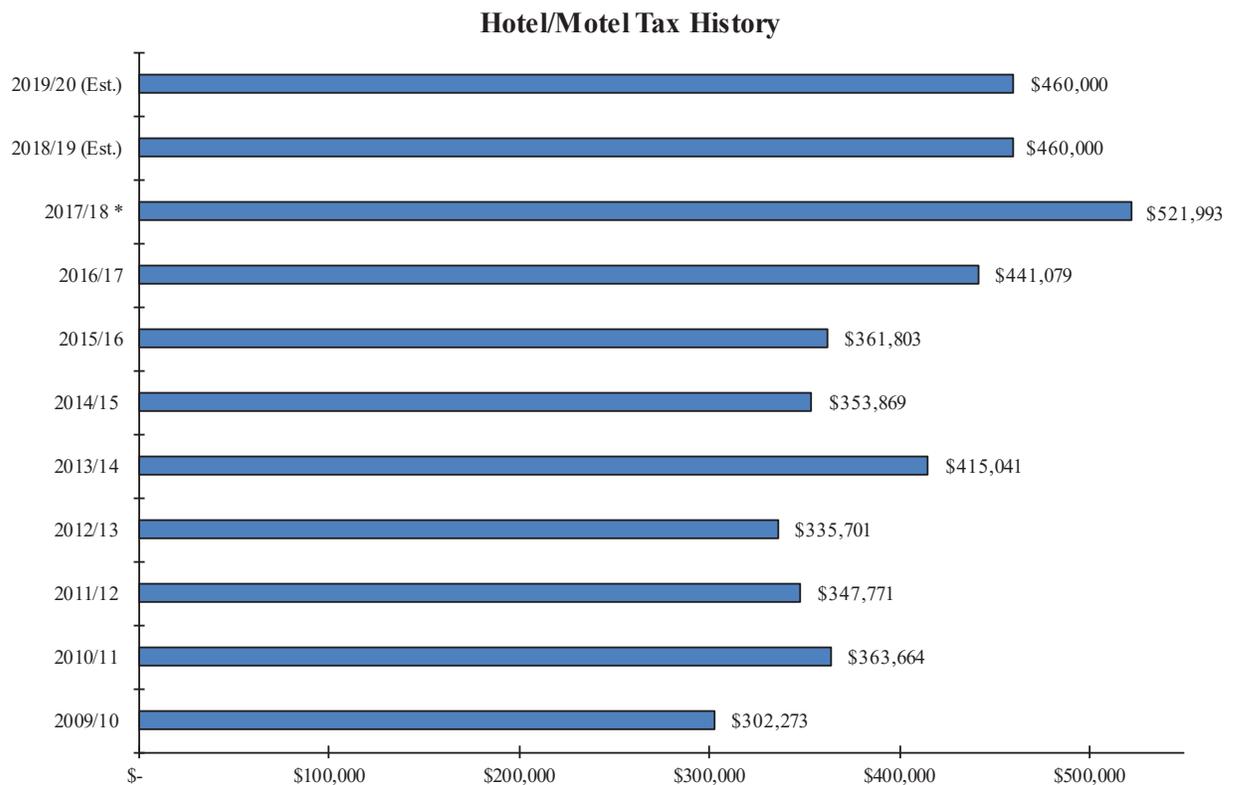
Department:
Legislative and Council

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 2018/2019 and 2019/2020:



* Hotel/motel tax receipts in 2017/2018 included \$46,907 received for prior years.

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 provided 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 2018/2019 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 \$120,000 which was 25% of the estimated 2017/2018 Hotel/Motel taxes. Actual 2017/2018 hotel/motel taxes, however, were more than budgeted and the revised estimate allocation to the CVB has been increased to \$130,500 (25% of actual 2017/2018 hotel/motel taxes). The original budget included an estimated \$10,000 for TIF-related legal and professional services and \$25,000 for economic development marketing costs. These same allocations have been included in the 2018/2019 revised estimate. The revised estimate allocations total to \$203,500 which is \$10,500 more than the original budget of \$193,000 due to the CVB allocation increase due to the higher hotel/motel tax revenues in 2017/2018.

The 2019/2020 Economic Development budget of \$193,000 includes \$115,000 in estimated funding to the Convention and Visitors Bureau and \$43,000 to the Greater Muscatine Chamber of Commerce and Industry (GMCCI). GMCCI requested and was granted a \$5,000 increase in their allocation for 2019/2020 from the current \$38,000 to \$43,000. The budget also includes an estimated \$10,000 for economic development-related legal services and \$25,000 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 2019/2020

- * To work with the Chamber, Convention and Visitors Bureau, the Community Improvement Action Team (CIAT), and others to promote economic development in the City. **(Council and Management Marketing, Communications, and Engagement Goal)**

Function:
Community and Economic Development

Department:
Legislative and Council

Activity:
Economic Development

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	49,992	44,140	73,000	73,000	78,000	6.85%
Capital Outlay	-	-	-	-	-	
Transfers	90,451	110,270	120,000	130,500	115,000	-4.17%
Total Expenditures	\$ 140,443	\$ 154,410	\$ 193,000	\$ 203,500	\$ 193,000	0.00%
Funding Sources						
Hotel/Motel Tax	\$ 90,451	\$ 110,270	\$ 120,000	\$ 130,500	\$ 115,000	-4.17%
Tax Increment Funds for Economic Development	49,992	44,140	73,000	73,000	78,000	6.85%
Total Funding Sources	\$ 140,443	\$ 154,410	\$ 193,000	\$ 203,500	\$ 193,000	0.00%

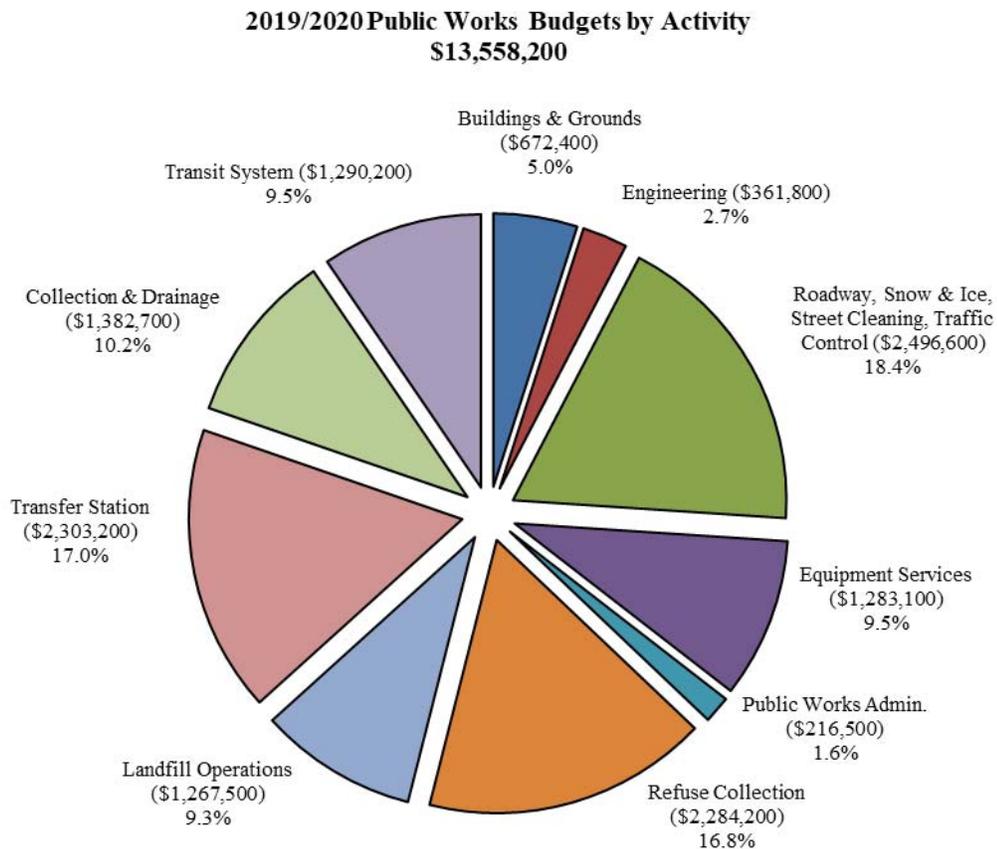
Function:
Public Works

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 budget expenditures for the various public works activities for the 2019/2020 fiscal year.



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 2019/2020 these fees total \$70,300 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2018/2019 revised estimate is \$1,300 less than the original budget. Personal services costs decreased by \$400 and capital outlay decreased by \$1,500. These decreases were partially offset by a \$600 increase in contractual services.

The 2019/2020 budget is \$10,500 (5.1%) more than the 2018/2019 budget. This increase includes (1) an increase of \$4,100 in personal services costs, (2) an increase of \$600 in contractual services, (3) a \$4,400 increase in capital outlay, and (4) a \$1,400 increase in transfers. The capital outlay allocation includes a new computer (\$1,500) for the Public Works Secretary, and a new copier/printer (\$5,900).

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Operating Expenditures - All Public Works Activities	\$11,793,448	\$12,161,834	\$13,053,794	\$13,171,100	\$13,558,200
Full Time Employees - All Public Works Activities	43	44	44	44	44
Part Time Employees - All Public Works Activities	28	30	30	32	32
Infrastructure Projects Under Construction	7	5	3	8	9
Infrastructure Projects Completed	4	4	2	5	7

RECENT ACCOMPLISHMENTS

Summaries of Public Works Department activities are more specifically described in the separate division narratives.

The Public Works department has had a busy year. The department hired a new Solid Waste Manager, cleaned up and improved the compost site, and completed construction of a new landfill cell and began placing waste in it. The Public Works department also oversaw final construction of phase one of the Mississippi Drive Corridor project, completed Phase 3C of the West Hill Sewer Separation project, and the design, bid, and completion of Phase 4A of the West Hill Sewer Separation project. Emergency repairs were also completed on a 30-inch force main sewer. Staff implemented the first year of a full-depth concrete patch repair program and an asphalt alley overlay project. The department is in the process of completing the design for the 2nd and Mulberry roundabout, Grandview Avenue reconstruction, and Park Avenue 4-lane to 3-lane conversion. Staff also fought a late-season river flood and a major winter storm in 2018, and continues to maintain most of the city-owned buildings and grounds.

As always, Public Works continues to take the lead on multiple infrastructure improvement projects throughout the community in addition to overseeing day to day operations of the Transfer Station, Landfill, Refuse Collection, Building and Grounds, MuscaBus, 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 our goals is to prevent things from going wrong and fix them as soon as possible when they do.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To fully implement the PubWorks asset management software across all public works divisions.
- To update the city flood management plan.
- To improve security at the Transfer Station buildings.
- To complete and implement a lane closure and barricade policy.
- To work with Water Pollution Control Plant staff to implement an inspection and maintenance program to maintain native plants and monitor storm water management practices.
- To identify a system that will show where crews are working in real-time.
- To facilitate the design of Phase 5 of the West Hill Sewer Separation project. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- To facilitate implementation of components of the Riverfront Master Plan. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- To complete five-year plans for facilities maintenance, sewer maintenance, and the sidewalk program. **(Council and Management Key Projects, Programs, and Placemaking Goals)**
- To implement an ADA accessible ramp replacement program.
- To complete the design and bid process for conversion of a portion of Park Avenue from a 4-lane to a 3-lane roadway.
- To seek grant funding for the design and construction of green infrastructure projects.

- To continue succession planning for the replacement of retirement or close to retirement age staff.
- To devise a plan for usage of the newly acquired Iowa DOT facility on Lake Park Blvd.
- To evaluate a brine making system for snow removal.
- To find a better way to obtain hot mix asphalt, either through the purchase of equipment or other means.
- To devise a better way to provide Spring Clean-Up Week.

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 157,468	\$ 163,769	\$ 172,100	\$ 171,700	\$ 176,200	2.38%
Commodities	2,474	3,034	3,900	3,900	3,900	0.00%
Contractual Services	9,407	10,979	13,500	14,100	14,100	4.44%
Capital Outlay	2,919	1,299	3,000	1,500	7,400	146.67%
Transfers	<u>10,900</u>	<u>11,600</u>	<u>13,500</u>	<u>13,500</u>	<u>14,900</u>	10.37%
Total Expenditures	<u>\$ 183,168</u>	<u>\$ 190,681</u>	<u>\$ 206,000</u>	<u>\$ 204,700</u>	<u>\$ 216,500</u>	5.10%
Funding Sources						
Road Use Taxes	\$ 118,768	\$ 124,381	\$ 137,700	\$ 136,400	\$ 146,200	6.17%
Administrative Fees	<u>64,400</u>	<u>66,300</u>	<u>68,300</u>	<u>68,300</u>	<u>70,300</u>	2.93%
Total Funding Sources	<u>\$ 183,168</u>	<u>\$ 190,681</u>	<u>\$ 206,000</u>	<u>\$ 204,700</u>	<u>\$ 216,500</u>	5.10%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
Total Full Time	1.33	1.33	1.33	1.33	1.33	\$ 130,300
Employee Benefits						<u>45,900</u>
Total Personal Services						<u>\$ 176,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Computer for Public Works Secretary	1	Yes	\$ 1,500
Copier/Printer	1	Yes	<u>5,900</u>
			<u>\$ 7,400</u>

Function:
Public Works

Department:
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 2018/2019 revised estimate is \$8,400 higher in total than the original budget. This increase includes (1) an increase of \$7,300 in commodities which includes materials needed to upgrade the former IDOT building for city use; (2) repair services increased by \$10,000 due to additional sidewalk, alley, and street repairs; (3) building repair services are \$11,400 higher due to repairs on the gate for the lower lot that will be partially reimbursed by insurance; (4) a \$15,900 decrease in personal services, primarily for decreased employee health insurance costs; (5) a decrease of \$4,800 in capital outlay, and (6) a \$400 increase from the net effect of other line item increases and decreases.

The 2019/2020 budget is \$114,300 (7.8%) more than the 2018/2019 budget. Personal services costs increased by \$10,900; commodities increased by \$19,500; contractual services increased by \$200; and capital outlay increased by \$83,700. The capital outlay allocation of \$273,700 includes a single axle truck (\$135,000), a saw trailer (\$11,000), an asphalt recycler (\$50,000), concrete grinding (\$75,000), a new computer (\$2,000), and an Ipad (\$700).

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, the right-of-way mowing program in the Park Maintenance budget, and a mower for Public Works in the Building and Grounds budget are budgeted at \$3,110,400 for 2019/2020. Of this amount, \$2,892,400 will be funded from Road Use Taxes and \$218,000 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
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	2.3 miles 6,800 Tons	2.1 miles 5,424 Tons	.5 miles 1,200 Tons	2.0 miles 5,000 Tons	2.0 miles 5,000 Tons
Curb and Gutter Repair (Lineal Feet)	300 LF	200 LF	100 LF	100 LF	100 LF
Full Depth Concrete Repair (SY)	17,808 SY	1,812 SY	6,000 SY	6,000 SY	6,000 SY
Associated Driveways (SY)	3,604 SY	0	0	N/A	N/A
Number of ADA Sidewalks Installed	43	63	106	75	60
Associated Sidewalks (SY)	3,958 SY	0	56,756 SF	2,000 SF	1,000 SF
Modified Subbase Supplied (City Projects)	N/A	N/A	21,649 SY	10,000 SY	10,000 SY

RECENT ACCOMPLISHMENTS

Public Works street crews were busy again this year. April is a month that staff devotes to pothole patching due to the winter weather with freezes and thaws. Crews also start street sweeping, re-rocking roadway shoulders, rock alleys, spring leaf pickup, and Cleanup Week. Cleanup Week took 2 ½ weeks to complete. May is a transition month and the weather plays a major role in what can be done. Activities include pothole patching, finishing rock shoulder repairs, street sweeping, sign replacements, alley grading, and cleaning up of snow and ice equipment.

In June through December public works crews started cleaning up and repairing the compost area at the Transfer Station. Crews removed and hauled debris to the landfill and stockpiled material that could be screened and used for city projects. Once the area was prepared, crews hauled in modified subbase and compacted and leveled the area. Crews worked on this project throughout the summer. Approximately 14,000 tons of modified subbase from the Public Works stock piles was used for the base and 3,000 tons of crushed asphalt was used for the surface.

City crews set out traffic cones and barricades numerous times throughout the summer and fall for events in the Central Business District. Crews worked on potholes, grading and reworking alleys, ditches, hot asphalt patching of alleys, and asphalt streets. Staff continues to keep the Public Works GIS (geographical information system) layers updated. Public Works staff also continues to replace worn out street signs, keeps records of work done by city crews, updates sweeping records, the sign inventory, paint striping, and mapping of street repairs.

Staff continued the pavement management program which included asphalt overlays of alleys and full depth concrete patching this year. Also continued was concrete and asphalt crushing, street striping, and the fall leaf pickup. Crews have been working on the recently acquired IDOT building which will be used for salt storage. Winter operations began with the Public Works crews preparing the snow and ice equipment for the winter season.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To implement the crack sealing plan/program.
- To continue the full-depth patch repair program - Year #2.
- To continue the Asphalt Overlay Alley program for alleys in disrepair – Year #2.
- To implement the Asphalt Overlay Program of roadways
- To use green infrastructure practices for storm water management.
- To implement an alley reconstruction program using the road hog grinding machine.
- To define usages of the newly acquired IDOT facility.
- To find a way to improve asphalt patching with the purchase of equipment or new products to enhance productivity.
- To focus on working on street and alley repairs vs. “special projects”.

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 879,533	\$ 881,882	\$ 905,600	\$ 889,700	\$ 916,500	1.20%
Commodities	91,793	110,501	127,600	134,900	147,100	15.28%
Contractual Services	289,353	282,356	244,100	265,900	244,300	0.08%
Capital Outlay	238,393	258,600	190,000	185,200	273,700	44.05%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,499,072</u>	<u>\$ 1,533,339</u>	<u>\$ 1,467,300</u>	<u>\$ 1,475,700</u>	<u>\$ 1,581,600</u>	7.79%
Funding Sources						
Road Use Taxes	\$ 1,480,570	\$ 1,496,624	\$ 1,446,100	\$ 1,446,900	\$ 1,560,400	7.90%
Street Revenues	17,088	24,524	20,500	20,500	20,500	0.00%
Insurance Reimbursement	-	10,536	-	7,600	-	
Other	1,414	1,655	700	700	700	0.00%
Total Funding Sources	<u>\$ 1,499,072</u>	<u>\$ 1,533,339</u>	<u>\$ 1,467,300</u>	<u>\$ 1,475,700</u>	<u>\$ 1,581,600</u>	7.79%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
<i>Full Time Position/Position Allocations:</i>						
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	4.00	3.00	4.00	
Equipment Operator II	5.00	5.00	4.00	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	\$ 572,700
Employee Benefits						343,800
Total Personal Services						<u>\$ 916,500</u>

Capital Outlay			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
36,200 GVW Single Axle Truck	1	Yes	\$ 135,000
Drop Down Saw Trailer	1	No	11,000
Asphalt Recycler	1	No	50,000
Asphalt/Concrete Grinding	1	Yes	75,000
Computer (Supervisor)	1	Yes	2,000
Ipad	1	Yes	700
			<u>\$ 273,700</u>

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 2018/2019 is over the budgeted amount by \$5,600. The annual street paint-striping cost is expected to be \$6,000 higher than the original budget amount based on last year's actual contract. Personal services costs are estimated at \$400 less than the original budget.

The 2019/2020 budget is \$200 (.1%) less in total than the 2018/2019 budget. Personal services costs increased by \$1,400 (1.7%), contractual services increased by \$6,000 for the increased cost for paint striping, and capital outlay decreased by \$7,600. Capital outlay items include 560 street name signs (\$9,600), 100 channelizer cones (\$6,800), and a new computer (\$2,700).

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Number of Street Signs Maintained	5,960	6,016	6,167	6,167	6,167
Number of New Signs Installed	96	36	74	74	74
Lineal Feet of Street Striping	316,816	332,973	335,611	335,611	335,611
Number of Stop Bars Painted	311	298	303	303	303
Number of Arrows Painted	421	413	413	413	413
Number of Handicapped Stalls Marked	92	93	93	93	93
Number of Regular Parking Stalls Painted	2,741	2,741	2,636	2,636	2,636
Number of Crosswalks Painted	249	232	232	232	232
Number of Railroad Crossings Painted	37	37	37	37	37
Traffic Committee Meetings	13	18	17	18	18
Number of Signs Removed	24	18	2	2	2
Number of Sign Posts Maintained	4,273	4,386	4,363	4,363	4,363
Number of Speed Humps Painted	4	2	2	2	2
Number of Yellow No Parking Curb	140	140	140	140	140

RECENT ACCOMPLISHMENTS

The street striping contract work started in July of 2018 and was completed in mid-October. Weikert Contracting was again awarded the contract to paint stripe the City streets. City crews painted crosswalks and stop bars throughout the City. Crosswalk and stop bars around the Muscatine schools were completed by the end of August. Crews also painted handicapped parking stalls, loading zones, parking stalls, and yellow “No Parking” curbs.

Sign replacement continues as this division replaces worn out and damaged street signs and broken posts. Staff also replaces or reinstalls signs that are removed for construction projects and trims tree limbs and shrubs that block road signs. The Traffic Control division is also responsible for placing and picking up barricades for projects and special events throughout the City.

Public Works meets semi-monthly for traffic issues that arise to review projects for proper traffic control and to review requests for street closures.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To complete Year #4 of the 5-year plan for replacement of street name signs that do not meet current FHWA (Federal Highway Administration) standards.
- * To implement Year #5 of the street name sign replacement program. This will be the last year of this program.

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 77,384	\$ 78,438	\$ 83,800	\$ 83,400	\$ 85,200	1.67%
Commodities	9,031	18,906	14,400	14,400	14,400	0.00%
Contractual Services	66,726	73,109	68,000	74,000	74,000	8.82%
Capital Outlay	20,321	8,473	26,700	26,700	19,100	-28.46%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 173,462</u>	<u>\$ 178,926</u>	<u>\$ 192,900</u>	<u>\$ 198,500</u>	<u>\$ 192,700</u>	-0.10%
Funding Sources						
Road Use Taxes	<u>\$ 173,462</u>	<u>\$ 178,926</u>	<u>\$ 192,900</u>	<u>\$ 198,500</u>	<u>\$ 192,700</u>	-0.10%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
<i>Full Time Positions:</i>						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	\$ 53,700
Employee Benefits						31,500
Total Personal Services						<u>\$ 85,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Street Name Signs (Year 5 of 5-Year Program)	560	Yes	\$ 9,600
42" Channelizer Cones	100	Yes	6,800
Computer	1	Yes	2,700
			<u>\$ 19,100</u>

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 2018/2019 revised estimate is the same in total as the original budget.

The 2019/2020 budget is \$18,800 (3.9%) more than the original 2018/2019 budget. This overall increase includes (1) a \$300 decrease in personal services costs, (2) a \$3,400 decrease in commodities (3) a \$12,000 decrease in contractual services, and (4) a \$34,500 increase in capital outlay. Capital outlay items total \$72,500 and include a 4-way nine-foot plow (\$6,500), a 2-way ten-foot plow (\$18,000), a 10-foot stainless steel salt box (\$28,000), and a 10-foot under body scraper (\$20,000).

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:

	<u>Cost</u>	<u>Snow Events</u>
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
2016/2017	8,833	11
2017/2018	39,570	19

The 2018/2019 revised estimate includes \$75,000 (increased from the original budget of \$50,000) for contracted snow removal in the downtown area due to the early snow in November. The 2019/2020 budget includes \$50,000 for this service.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Number of Storms	11	11	19	12	12
Tons of Salt Used (includes 50/50 mix)	1,672	1,200	3,565	2,000	2,000
Tons of Sand Used	34	0	400	500	500
Gallons Calcium Chloride Used	1,600	1,200	1,500	1,500	1,500

RECENT ACCOMPLISHMENTS

The first winter storm of the 2017-2018 winter took place on December 24, 2017. It snowed 1.6 inches and was 10 degrees in the daytime and 3 degrees overnight. Streets turned very slick. Even with the late start to winter, December had five storm events and 9.9 inches of snow fell during these storms. January produced four storm events which totaled to 10 inches of snow, along with a quarter of an inch of ice. February added another eight storm events totaling 20.5 inches. March produced only one storm with 6.3 inches of snow. April added one storm with one inch of blowing snow and required a salt run which finished up the winter season. The snowfall total for this winter was 57.65 inches.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * To use the new LAS (Liquid Application System) to pre-treat arterial and collector streets, bridge decks, and hills.
- * 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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 40,197	\$ 92,780	\$ 84,600	\$ 84,700	\$ 84,300	-0.35%
Commodities	217,362	26,394	243,200	229,800	239,800	-1.40%
Contractual Services	40,253	71,878	120,400	133,400	108,400	-9.97%
Capital Outlay	81,021	3,228	38,000	38,300	72,500	90.79%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 378,833	\$ 194,280	\$ 486,200	\$ 486,200	\$ 505,000	3.87%
Funding Sources						
Road Use Taxes	\$ 374,894	\$ 186,942	\$ 482,200	\$ 482,200	\$ 501,000	3.90%
Reimbursement of Expenses	3,939	7,338	4,000	4,000	4,000	0.00%
Total Funding Sources	\$ 378,833	\$ 194,280	\$ 486,200	\$ 486,200	\$ 505,000	3.87%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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						39,300
Total Personal Services						\$ 84,300

Capital Outlay			
Item	Quantity	Replacement	Amount
4-way 9-Foot Plow	1	Yes	\$ 6,500
2-way 10-Foot Plow	1	No	18,000
10-Foot Stainless Steel Salt Box	1	No	28,000
10-Foot Under Body Scraper	1	No	20,000
			\$ 72,500

Function:
Public Works

Department:
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.

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 2018/2019 revised estimate is under the budgeted amount by \$11,500. Personal services costs are \$2,200 less than the original budget and contractual services are \$9,300 less. The reduction in contractual services is due to this division no longer renting extra street sweepers in the spring each year. An allocation of \$9,500 had been included in the original budget for 2018/2019 for these rentals.

The 2019/2020 budget is \$7,200 (3.4%) more than the 2018/2019 budget. There were increases in personal services costs of \$1,700 and capital outlay costs of \$15,000. A decrease in contractual services of \$9,500 from eliminating the additional sweeper rental offset a portion of the other budget increases. The 2019/2020 capital outlay allocation is for a new leaf box for \$15,000.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for the Leaf Program	875	648	761	760	760
Temporary Employee Hours for the Leaf Program	1,534	1,105	1,319	1,372	1,350
Fall Leaf Loads	340	117	228	235	240
Spring Leaf Loads	9	10	10	10	10

RECENT ACCOMPLISHMENTS

The spring street sweeping went well using both of the City’s sweepers. Crews collected 500 tons of debris from city streets. Crews were able to sweep every street three times this past year, taking four weeks to complete each round.

Spring leaf pickup went well and crews were able to finish in just eight days. This service helps keep leaves from plugging storm inlets.

Fall leaf pickup started October 15, 2018. Leaves fell late this year and leaf pickup was hampered due to a lot of rain. Crews were able to stay on schedule until it snowed and leaf pickup was delayed until the snow cleared. Cold temperatures and frozen leaf piles further slowed the process. Leaf pick up was finally completed on December 21.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- * With the Mississippi Drive roadway now open and the E. 2nd Street corridor completed to the Mad Creek Bridge, to develop a plan to sweep this area. With single lanes in both directions, it is difficult to sweep since it holds back traffic. Staff will monitor traffic flow and work to develop a plan for keeping this corridor clean.
- * To work with the Transfer Station to further streamline use of the compost area for dumping leaves in the spring and fall and for snow dumping during the winter months.

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 124,765	\$ 125,291	\$ 141,400	\$ 139,200	\$ 143,100	1.20%
Commodities	4,746	4,480	7,900	7,900	7,900	0.00%
Contractual Services	45,343	44,490	60,800	51,500	51,300	-15.63%
Capital Outlay	197,000	-	-	-	15,000	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 371,854</u>	<u>\$ 174,261</u>	<u>\$ 210,100</u>	<u>\$ 198,600</u>	<u>\$ 217,300</u>	3.43%
Funding Sources						
Road Use Taxes	<u>\$ 371,854</u>	<u>\$ 174,261</u>	<u>\$ 210,100</u>	<u>\$ 198,600</u>	<u>\$ 217,300</u>	3.43%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
<i>Full Time Positions/Position Allocations:</i>						
Equipment Operator I	0.90	0.45	-	-	-	
Equipment Operator II	<u>1.00</u>	<u>1.45</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	
Total Full Time	1.90	1.90	1.90	1.90	1.90	\$ 95,300
Employee Benefits						<u>47,800</u>
Total Personal Services						<u>\$ 143,100</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Leaf Box	1	Yes	<u>\$ 15,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

GENERAL INFORMATION

The Engineering division currently consists of the City Engineer and the Assistant City Engineer position that was added in the 2018/2019 budget. The City contracts for outside engineering services for the design of major projects and also for engineering inspection services for specific projects. The costs of the contracted engineering services are charged directly to each project. The City Engineer and Assistant Engineer charge a portion of their time to the City's various capital projects and Road Use Taxes fund the time not directly charged to projects. The 2018/2019 revised estimate and the 2019/2020 budget also include seasonal engineering intern positions. A new part-time Right-of-Way Inspector position was added starting in May 2019 as part of the Public Works reorganization approved by City Council in December of 2018.

CURRENT TRENDS AND ISSUES

The revised estimate for 2018/2019 is \$22,600 more than the original budget. Personal services were \$31,600 more than the original budget due to (1) the addition of \$14,000 for engineering interns previously hired through a temp agency; the hours interns spend on capital projects are charged out to those projects on a monthly basis, (2) the addition of \$6,000 for the part-time Right-of-Way Inspector expected to begin work in May 2019, (3) a wage adjustment, and (4) the Assistant City Engineer starting above the entry step for that position. Contractual services were \$11,500 less than budgeted which included reductions in contracted engineering services and elimination of the allocation for interns budgeted through temporary employment agencies. Capital outlay increased by \$2,200 for a computer for the new Assistant City Engineer with this added to the Engineering budget and the computer budgeted for the Public Works Administrative Secretary delayed for a year. There was also a \$300 increase in commodities.

The budget for 2019/2020 is \$95,000 (35.6%) higher than the 2018/2019 budget. Personal services are \$68,500 higher than the 2018/2019 original budget. This increase includes \$28,000 for the first full fiscal year of the new part-time Right-of-Way Inspector position and \$19,200 for two engineering interns. The intern hours used for capital projects will be charged out to those projects on a monthly basis. Commodities increased by \$300 and contractual services decreased by \$4,200. The capital outlay allocation for 2019/2020 increased by \$30,400 with that amount funding a new computer for the Right-of-Way Inspector (\$1,500), a truck for the Right-of-Way Inspector (\$22,400), and the Autocad software license (\$6,500).

The City Engineer is also responsible for managing the three contractual engineering inspectors. The cost of those inspectors are charged directly to the 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
New Sidewalks Constructed (SY)	1,400	1,400	503 (1)	1,500	1,300
Percent and Amount of Billed Time to Projects (City Engineer)	25.2% \$30,286	29.2% \$36,635	39.7% \$52,643	25% \$35,000	25% \$36,000
Percent and Amount of Billed Time to Projects (Assistant City Engineer)	N/A	N/A	N/A	70% \$75,000	70% \$80,000

(1) Remainder of the 2018 Sidewalk work was diverted to build a trail at the Dollar General store as part of the Grandview Avenue reconstruction project.

RECENT ACCOMPLISHMENTS

There were several major construction projects in progress this past year. Phase one of the Mississippi Drive Corridor project is essentially complete and open to traffic. There is a punch list of work to be done and some minor contract work left to be completed in the spring of 2019. Engineering staff has developed a positive working relationship with the new Muscatine Power and Water management team and have developed a model for cost sharing for future phases of the Mississippi Drive Corridor project.

As the sponsor for the Mississippi River levee, engineering staff assisted Grain Processing Corporation and Muscatine Power and Water in their USACE (Army Corps of Engineers) permit requests.

Phase 4-A of the West Hill Sewer Separation project was constructed in 2018 and is substantially complete. Planning is underway for future phases of this project.

Final design for the Grandview Avenue Reconstruction project - the selected consultant is at 95% completion of the final design and has submitted plans to the Iowa DOT for final review. Property acquisition and easement acquisitions are progressing. However, the combination of the coordination of the design, the property work, and the SWAP funding may push this project into the next construction season. The Project Management Team is evaluating options for the bidding and the construction schedule taking these factors into account.

Park Avenue 4 to 3 lane conversion - after extensive negotiations with the Iowa DOT the project has increased in scope to address items the Iowa DOT wanted to include with this project. This has resulted in the total cost of this project now estimated \$1.8 million with the IDOT providing funding assistance of approximately \$1.4 million. The city's share will be approximately \$425,000.

Planning has started for phase 5 of the West Hill Sewer Separation project with the design consultant, Muscatine Power & Water, and the Project Management Team.

Engineering work is in progress for the Westside Trail project to be constructed in the summer of 2019. The project scope is being revised through the Bi-State Regional Planning Commission, the NEPA work has been completed and submitted in advance of when it was needed, and the design consultant is close to having the final design completed and ready to submit to the city for review and then to the Iowa DOT for review.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020

- To complete and close out phase one of the Mississippi Drive Corridor Reconstruction contract.
- To bid and award the contract for the Mulberry Avenue and 2nd Street roundabout and start construction.
- To serve as liaison for the Project Management Team for:
 - Mulberry/2nd Intersection – Construction 2019
 - Construction of Phase 4B of the West Hill Sewer Separation project - 2019
 - Planning and Design for Phase 5 of the West Hill Sewer Separation project - 2021
 - Grandview Avenue Design Completion - 2019
 - Grandview Avenue right-of-way acquisition process completion - 2020
 - Park Avenue 4 to 3-lane conversion – Construction 2020
 - West Side Trail – Construction 2019

(Council & Management Key Projects, Programs, and Place-Making Goals)

- To assist the Street division with the annual pavement management projects.
- To be 25% to 30% chargeable to Capital Improvements for City Engineer.
- To be 70% chargeable to Capital Improvements for Assistant City Engineer.
- To continue to attend Traffic Staff Meetings.
- To implement SUDAS as the City standard for all public improvements.
- To develop with the Street division a standard for city street lane closure.
- To maintain the good working relationship with Muscatine Power & Water.
- To close out the Mulberry Avenue reconstruction project.
- To close out the Kent Stein Park to Deep Lakes Park Trail project.
- To start to develop an overweight/oversized truck permitting process.
- To facilitate implementation of components of the Riverfront Master Plan. **(Council & Management Key Projects, Programs, and Place-making Goal)**

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 135,156	\$ 157,587	\$ 237,900	\$ 269,500	\$ 306,400	28.79%
Commodities	831	1,057	3,400	3,700	3,700	8.82%
Contractual Services	8,936	4,523	25,500	14,000	21,300	-16.47%
Capital Outlay	-	2,800	-	2,200	30,400	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 144,923	\$ 165,967	\$ 266,800	\$ 289,400	\$ 361,800	35.61%
Funding Sources						
Engineering Fees	\$ 36,635	\$ 52,643	\$ 114,700	\$ 120,000	\$ 122,500	6.80%
Road Use Tax	108,288	113,324	152,100	169,400	239,300	57.33%
Total Funding Sources	\$ 144,923	\$ 165,967	\$ 266,800	\$ 289,400	\$ 361,800	35.61%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Assistant Engineer	-	-	1.00	1.00	1.00	
Total Full Time	1.00	1.00	2.00	2.00	2.00	
Part Time Positions:						
Right-of-Way Inspector	-	-	-	0.13	0.54	
Total	1.00	1.00	2.00	2.13	2.54	\$ 227,500
Employee Benefits						78,900
Total Personal Services						\$ 306,400

Capital Outlay			
Item	Quantity	Replacement	Amount
Autocad Software License	1	No	\$ 6,500
Computer for Right-of-Way Inspector	1	No	1,500
Truck for Right-of-Way Inspector	1	No	22,400
			\$ 30,400

Function:
Transfers

Department:
City Administrator

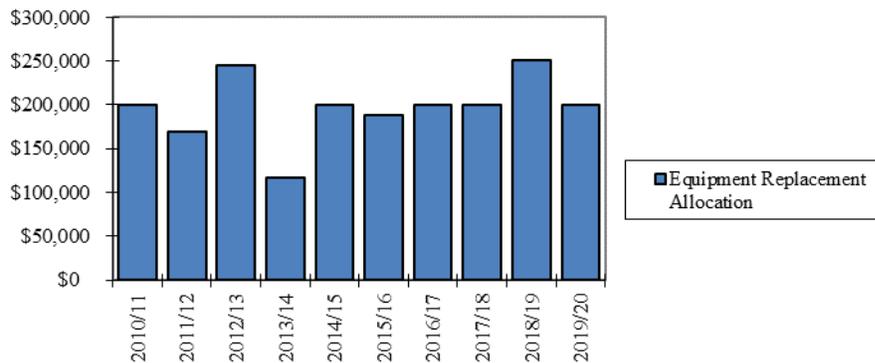
Activity:
Equipment Replacement Transfer

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 \$117,000 in 2013/2014 to \$250,000 for 2018/2019. 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 2010/2011 a funding allocation of \$200,000 was included in the budget and the funding transfer decreased to \$168,900 in 2011/2012, increased to \$245,000 for 2012/2013, decreased to \$117,000 for 2013/2014, increased to \$200,000 for 2014/2015, decreased to \$188,000 for 2015/2016, increased to \$200,000 for 2016/2017, and remained at \$200,000 for 2017/2018. The budgeted transfer for 2018/2019 is \$250,000 and for the 2019/2020 budget the transfer is budgeted to decrease to \$200,000.

Regular purchases from the Equipment Replacement Fund in 2018/2019 total \$349,300 which includes \$238,600 for five new Police patrol vehicles (Tahoes), a new Police vehicle for the Drug Task Force funded from monthly payments from the HIDTA grant (\$35,000), a ¾ ton pickup truck for the Fire department (\$38,600), a zero-turn mower for the Cemetery (\$9,500), and a boom lift for Park Maintenance (\$27,600). Other purchases include a Tahoe for \$39,000 and a ½ ton pickup for \$35,000 for the Fire department funded from the sale of the old aerial fire truck. The revised estimate also includes \$200,000 for a Ballistic Armored Tactical Transport vehicle for the Police department. This purchase will be funded from \$100,000 in private donations, \$50,000 from the Muscatine County Sheriff's department, \$33,300 from a transfer from the Police operations budget, and \$16,700 from a transfer from the Police Forfeitures fund. This vehicle will be used by the joint city-county Muscatine Special Operations Response Team.

Purchases from the Equipment Replacement Fund in the 2019/2020 budget total \$214,000 which will provide funding of \$25,000 for a Police administrative vehicle, \$45,000 for a new animal control truck and transport unit, \$42,000 for a new tractor for the cemetery, \$82,000 for a new mower for the Soccer Complex including the expanded area, and \$20,000 for a new utility vehicle for the Soccer Complex. The balance in the Equipment Replacement Fund on June 30, 2020 is estimated at \$66,159.

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

Function:
Transfers

Department:
City Administrator

Activity:
Equipment Replacement Transfer

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>200,000</u>	<u>200,000</u>	<u>250,000</u>	<u>250,000</u>	<u>200,000</u>	-20.00%
Total Expenditures	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>	-20.00%
Funding Sources						
General Revenues	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>	-20.00%

Function:
Transfers

Department:
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 2018/2019 budget included a tax levy of \$.05710 per \$1,000 of valuation for public transportation which will generate \$50,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

The transit tax levy rate for 2019/2020 has been decreased to \$.05607 per \$1,000 of valuation which will generate \$52,360 (including the utility replacement excise tax and the commercial/industrial State reimbursement). The tax rates for both 2018/2019 and 2019/2020 are much lower than previous years. The lower tax rates were 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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>200,745</u>	<u>100,555</u>	<u>50,000</u>	<u>50,000</u>	<u>52,360</u>	4.72%
Total Expenditures	<u>\$ 200,745</u>	<u>\$ 100,555</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 52,360</u>	4.72%
Funding Sources						
Transit Tax Levy	\$ 190,827	\$ 95,553	\$ 47,511	\$ 47,511	\$ 49,825	4.87%
Utility Tax Replacement Excise Tax	697	419	176	176	175	-0.57%
Commercial and Industrial State Reimbursement	<u>9,221</u>	<u>4,583</u>	<u>2,313</u>	<u>2,313</u>	<u>2,360</u>	2.03%
Total Funding Sources	<u>\$ 200,745</u>	<u>\$ 100,555</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 52,360</u>	4.72%

Function:
Transfers

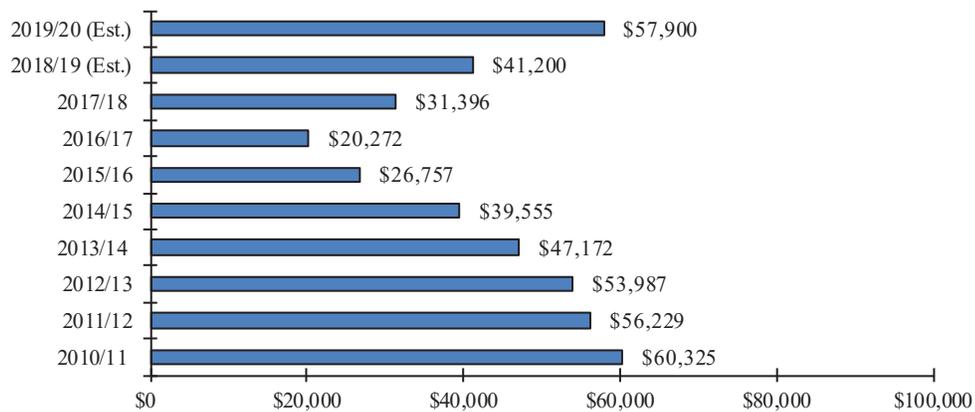
Department:
City Administrator

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 2010/2011 follows:

General Fund Airport Subsidies



The General Fund subsidy has ranged from approximately \$20,300 to \$60,300 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 2018/2019 revised estimate subsidy of \$41,200 is \$7,300 more than the original budget. Revised estimate revenues are \$5,400 less than the original budget and revised estimate expenditures are \$1,900 more than the original budget. There was a \$2,900 increase in legal services for project-related legal assistance. This increase was partially offset by a net decrease in other line items.

The budgeted subsidy for fiscal year 2019/2020 of \$57,900 is \$24,000 (70.8%) more than the original 2018/2019 budget. The Airport budget for 2019/2020 includes a total of \$20,000 to paint the exterior of the former HNI hangar and renovate the interior of that building. 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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>20,272</u>	<u>31,396</u>	<u>33,900</u>	<u>41,200</u>	<u>57,900</u>	70.80%
Total Expenditures	<u>\$ 20,272</u>	<u>\$ 31,396</u>	<u>\$ 33,900</u>	<u>\$ 41,200</u>	<u>\$ 57,900</u>	70.80%
Funding Sources						
General Revenues	<u>\$ 20,272</u>	<u>\$ 31,396</u>	<u>\$ 33,900</u>	<u>\$ 41,200</u>	<u>\$ 57,900</u>	70.80%

Function:

Transfers

Department:

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 generated \$16,932 (including the utility replacement excise tax and the commercial/industrial State reimbursement). The 2017/2018 levee rate was increased to the maximum tax rate of \$.0675 per \$1,000 of valuation which generated \$60,386 (including the utility replacement excise tax and the commercial/industrial State reimbursement). At the time the 2017/2018 budget was prepared, it was thought that a levee toe repair project may be needed. After review of the study for this project, the Corps of Engineers determined the project was not needed. For 2018/2019 and 2019/2020 the City was able to eliminate this levy since there are no known levee projects and the collections from the 2017/2018 levy will allow funds for routine levee maintenance through 2019/2020.

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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>16,732</u>	<u>60,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>\$ 16,732</u>	<u>\$ 60,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Funding Sources						
Levee Tax Levy	\$ 15,905	\$ 57,383	\$ -	\$ -	\$ -	
Utility Tax Replacement						
Excise Tax	58	251	-	-	-	
Commercial/Industrial						
State Reimbursement	<u>769</u>	<u>2,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 16,732</u>	<u>\$ 60,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Function:
Transfers

Department:
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. The 2017/2018 budget included \$50,000 to allow for pay increases in the non-union pay plan. This amount allowed for merit increases of up to 3% and included funds to allow for several positions to be placed on different grades in the pay plan based on market surveys.

The 2018/2019 budget again included \$50,000 to allow for merit increases up to 3% for employees in the non-union pay plan. 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 2019/2020 budget again includes \$50,000 to allow for merit increases up to 3% for employees in the non-union pay plan. Since the employees receiving merit pay have not yet been determined, the budget estimate is again being reflected as an assigned funding allocation for 2019/2020.

Function:
Transfers

Department:
Non-Department

Activity:
Assigned Funding Allocations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	0.00%
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	0.00%
Funding Sources						
General Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	0.00%

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 \$34,000 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 2018/2019 and 2019/2020 is \$46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$11,500 in 2018/2019 and \$11,800 in 2019/2020.

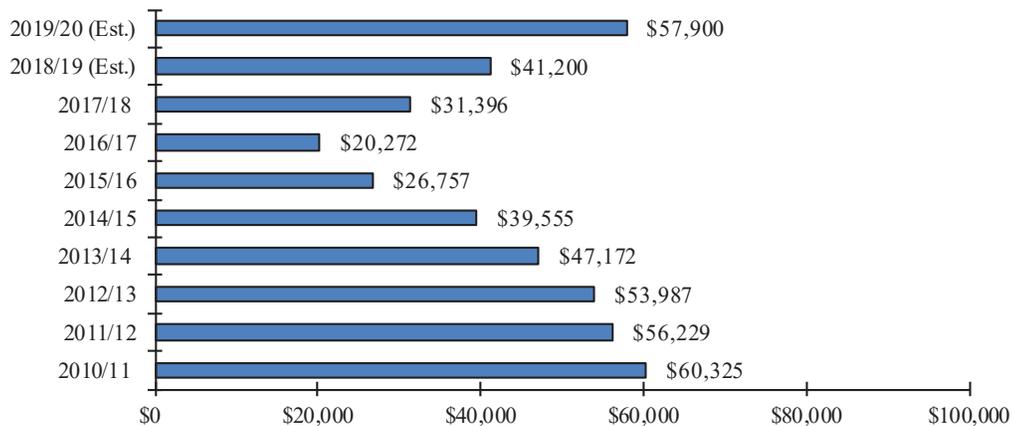
The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In 2013/2014 the petrographic analysis of the pavement on runway 6/24 and the parallel 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 funded 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 completed in 2015/2016 with 85% State and 15% local funding. In October of 2016 the City was awarded funding for the design of new hangars and for apron expansion. The design work and phase one of the apron expansion project was completed in the 2017/2018 fiscal year. At the time the budget was developed the construction of new hangars and phase two of the apron expansion project were on hold due to issues with the expected participation of the private investors. The Airport Layout Plan update is nearing completion with 90% FAA and 10% local funding and the Airport Zoning Ordinance update is in progress with 85% State funding with a 15% local match.

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:

General Fund Airport Subsidies



The 2018/2019 revised estimate subsidy of \$41,200 is \$7,300 more than the original budget. Revised estimate revenues are \$5,400 less than the original budget and revised estimate expenditures are \$1,900 more than the original budget. There was a \$2,900 increase in legal services for project-related legal assistance. This increase was partially offset by a net decrease in other line items.

The budgeted subsidy for fiscal year 2019/2020 of \$57,900 is \$24,000 (70.8%) more than the original 2018/2019 budget. This increase is primarily due to the capital outlay allocation of \$20,000 to paint the exterior of the former HNI hangar and to renovate the interior of that building.

The 2019/2020 budgeted expenditures are \$20,100 (17.0%) more than the original 2018/2019 budget due to the capital outlay allocation for improvements to the former HNI hangar. Airport revenues are projected to be \$3,900 less than the original budget for 2018/2019.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
T-Hangars Maintained	20	20	20	20	21
Hangar Spaces Rented	20	20	20	20	21
Airport Advisory Meetings	8	7	7	9	9
Hangar Rentals	\$21,532	\$22,226	\$22,244	\$22,700	\$24,000
FBO Lease	\$10,500	\$10,815	\$11,139	\$11,500	\$11,800
Fuel Commissions	\$7,990	\$8,911	\$9,668	\$9,700	\$9,700
Farm Lease Revenue	\$34,139	\$34,100	\$34,000	\$34,000	\$34,000
General Fund Subsidy	\$26,757	\$20,272	\$31,396	\$41,200	\$57,900

RECENT ACCOMPLISHMENTS:

Work is nearing completion on the Airport Layout Plan (ALP) update and work is in progress on the Airport Zoning Ordinance update.

The Community Development department submitted a 3-phase grant application for \$3 million to the FAA using Supplemental Funding for updating the parallel taxiway for runway 6/24. Supplemental funding does not require the City to match 10% nor does it affect encumbering future entitlement funds if this funding is awarded.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To re-paint the exterior and renovate the interior of the former HNI hangar building.
- To submit a grant application for a Snow Removal Equipment building using entitlement funds.
- To finalize the plan for the self-fueling aviation system with the Iowa DOT Aviation Division.
- To negotiate new Airport Manager and Fixed Base Operation (FBO) agreements.

Airport Operations

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 10,815	\$ 11,139	\$ 11,400	\$ 11,500	\$ 11,800
Hangar Rentals	22,226	22,244	28,300	22,700	24,000
Reimbursement of Costs	1,062	1,127	1,000	1,100	1,000
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	8,911	9,668	9,700	9,700	9,700
Transfers In					
General Fund Subsidy	20,272	31,396	33,900	41,200	57,900
Total Revenues	<u>\$ 97,286</u>	<u>\$ 109,574</u>	<u>\$ 118,300</u>	<u>\$ 120,200</u>	<u>\$ 138,400</u>
Funds Available	\$ 97,286	\$ 109,574	\$ 118,300	\$ 120,200	\$ 138,400
Expenditures	<u>97,286</u>	<u>109,574</u>	<u>118,300</u>	<u>120,200</u>	<u>138,400</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in Fund Balance	\$ 0				
--	-------------	-------------	-------------	-------------	-------------

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	1,468	3,918	5,700	4,800	4,500	-21.05%
Contractual Services	84,270	85,660	102,900	105,700	103,900	0.97%
Capital Outlay	2,450	10,596	-	-	20,000	
Transfers	9,100	9,400	9,700	9,700	10,000	3.09%
Total Expenditures	\$ 97,288	\$ 109,574	\$ 118,300	\$ 120,200	\$ 138,400	16.99%
Funding Sources						
Airport Revenues	\$ 77,016	\$ 78,178	\$ 84,400	\$ 79,000	\$ 80,500	-4.62%
General Fund Operating Subsidy	20,272	31,396	33,900	41,200	57,900	70.80%
Total Funding Sources	\$ 97,288	\$ 109,574	\$ 118,300	\$ 120,200	\$ 138,400	16.99%

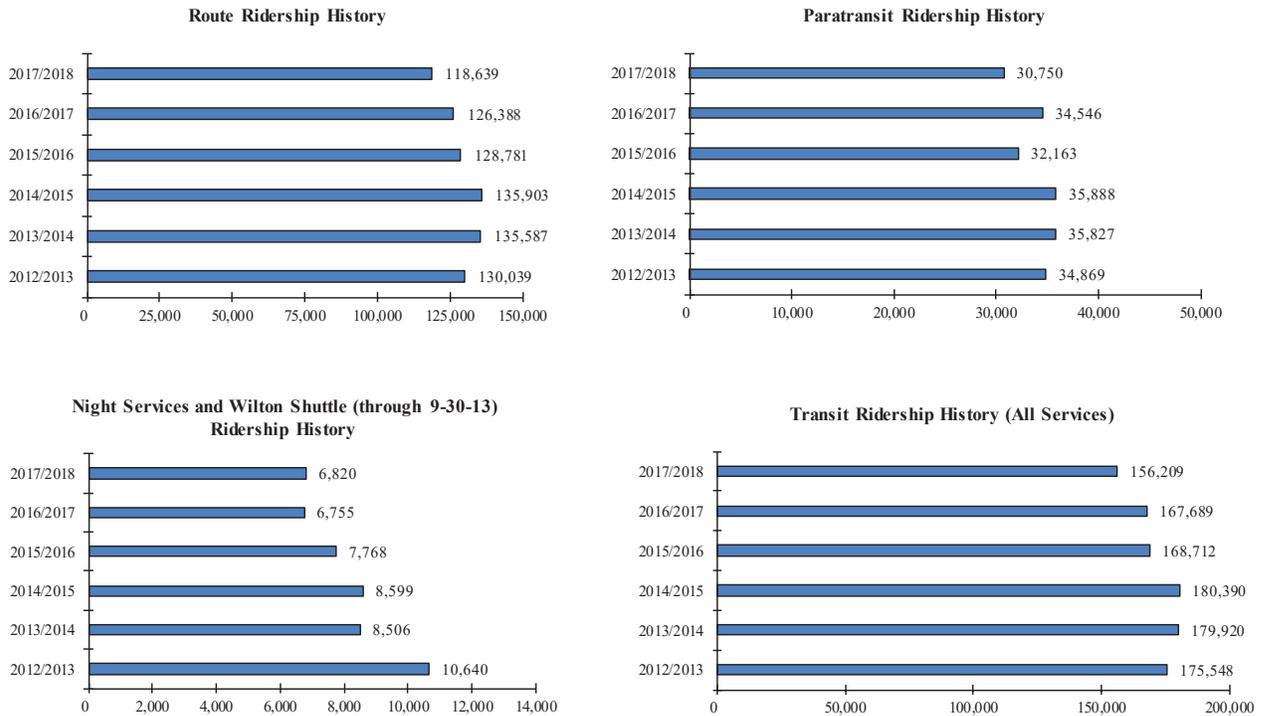
Capital Outlay	
Item	Amount
Paint Exterior and Renovate Interior of Former HNI Hangar	\$ 20,000

TRANSIT SYSTEM

GENERAL INFORMATION:

The City Transit System (MuscaBus) 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 2012/2013 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 \$420,200 for 2019/2020. Additional federal grants were awarded under the Job Access and New Freedoms grant programs in fiscal years 2016/2017 and 2017/2018, and will be received for the first half of the 2018/2019 year in the amounts of \$28,200 for the Job Access service and \$7,000 for the New Freedoms service. Grant funding for these services ended December 31, 2018 and the revised estimate and 2019/2020 budgets allow for these services to continue after expiration of the grants. Federal capital support has also been used, primarily to purchase buses. The 2019/2020 budget includes \$180,400 in federal capital grants, which is the estimated federal share (85%) 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 2019/2020 it is anticipated that the City will receive \$255,200 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. For fiscal year 2018/2019 the City's transit levy rate was set at \$.05710 per \$1,000 of valuation which will generate \$50,000 (including the State reimbursement for the commercial and industrial property rollback). For 2019/2020 the transit tax levy rate is \$.05607/\$1,000 of valuation which will generate \$52,360 (including the State reimbursement). In prior years the transit tax levy was higher than the levy rates for 2018/2019 and 2019/2020. These lower tax rates were 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 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 2019/2020 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 2018/2019 are over the original budget by \$113,000 primarily due to a \$113,700 increase in capital outlay. The original 2018/2019 budget included \$192,300 for two light duty buses (85% grant funded). The revised estimate includes \$306,000 in funding for three buses. Two of the buses will be 80% grant funded and one bus will be 85% grant funded. In the prior year (2017/2018), two buses were included in the budget, however, grant funding was not available and these buses were not purchased. The addition of the 3rd bus in 2018/2019 is for one of the buses originally included in the prior year budget but not purchased. Other changes in the revised estimate include a decrease of \$3,400 in personal services costs and a \$2,700 increase in contractual services.

Revised estimate revenues include an estimated \$50,700 in federal operating grant funds carried forward from last fiscal year's allocation to be used for the local portion of the cost of a conversion van to be used primarily for the Job Access evening service. A purchase order for this van in the amount of \$61,481 was issued at the end of the 2017/2018 fiscal year and this purchase was encumbered against the 2017/2018 budget. The van is expected to be delivered in the spring of 2019 and the grant funds will be requested after the van is delivered.

The 2019/2020 budget is \$38,400 (3.1%) more than the original 2018/2019 budget. This increase is due to (1) a \$9,700 increase in personal services costs, (2) a \$2,800 increase in contractual services, (3) a \$1,000 increase in administrative fees, and (4) a \$24,900 increase in capital outlay. The capital outlay allocation of \$217,200 includes \$5,000 to replace the panels in two bus shelters and \$212,200 for the purchase of two buses. The bus purchases are subject to grant funding which is estimated at \$180,400 (85%) in federal funding.

Transit charges for services which includes fares, passes, and waivers, is estimated at \$180,000 for 2019/2020. The fares have fluctuated due to changes in payments from Managed Care Organizations (MCO's), insurance providers in the state of Iowa. There were many changes effective in November 2017 that lead to changes in ridership beginning in December 2017. The MCO's have changed their authorizations for transportation, removing the funding for passengers living in Supported Community Living (SCL). MuscaBus staff continues to work with the providers of the SCL's to ensure the passengers continue to have transportation and to retain Muscabus ridership.

The Transit fund shows a balance at the end of 2019/2020 of \$252,268. This ending balance would be needed if there are increases in fuel or bus maintenance costs, and it would also allow for 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Buses Used and Maintained	11	11	11	12	12
Fixed Bus Routes (Weekdays)	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)	3 (4 for 9 hrs of the day, M-F)
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	128,781	126,388	118,639	115,400	115,400
Paratransit Passengers	32,163	34,546	30,750	29,200	29,200
JARC for Work (Night Service)	6,311	5,759	5,758	6,900	6,900
New Freedom (Night Service)	1,457	996	1,062	1,000	1,000
Total Passengers	168,712	167,689	156,209	152,500	152,500

RECENT ACCOMPLISHMENTS:

MuscaBus’ night services have been steady even while total ridership has gone down. JARC’s (Job Access and Reverse Commute) ridership in 2017/2018 was down by just one ride compared to 2016/2017 and New Freedoms was up from 996 rides in 2016/2017 to 1,062 for 2017/2018. This is an overall 1% increase in ridership for the night service programs. MuscaBus also saw a 1% increase in Elder rides (passengers 65 and older). In 2016/2017 there were 13,351 and in 2017/2018 there were 13,491 Elder rides.

MuscaBus participated in several community events this past year by providing transportation. MuscaBus provided rides to those attending the Community Block Party and the Walk for Diabetes at Discovery Park and gave complementary rides for the Cemetery Walk Through History held at Greenwood Cemetery. The transit division provided transportation from the dinner held for the Muscatine Symphony to the performance at Central Middle School. In October the transit division assisted the Junior Achievement program at Central Middle School with fixed route rides and this generated a positive response from the kids. For many of them it was the first time riding MuscaBus. In June, July, and August, MuscaBus provided free rides to kids from kindergarten through 12th grade on the route buses. During this time frame, the Blue Route was diverted to go to the Weed Park Aquatic Center once an hour. These special services will continue to be offered at community events.

The transit supervisor was able to provide information to the community about MuscaBus through interviews with the Mayor on “Our City” and the Voice of Muscatine morning show “Moving Forward”. The GTFS system project (the transit routes on Google Maps) is continuing to move forward. This will make it easier for passengers to plan their trips on MuscaBus. The transit supervisor has started attending Aligned Impact Muscatine County meetings and traffic meetings. This past year, she has also attended the Future Ready Iowa

Summit, FTA (Federal Transit Administration) Drug & Alcohol Training, APWA (American Public Works Association) Leadership Training, Beyond the Bus Symposium, Passenger Transit Summit, Bi-State Transit Summit, Leadercast Live Women, and trainings offered by IPTA (Iowa Public Transit Association). The drivers have also continued their required trainings.

New driver training is ongoing. The transit division has had several drivers retire or leave MuscaBus during the past year. The division sent two drivers to participate in the annual Iowa Public Transit Rodeo, held by Lake Okoboji this year.

MuscaBus had a FTA Drug & Alcohol audit on July 9, 2018. The FTA auditors took an in depth look at the drug testing policy and practices, checking all documents and testing sites. In the follow-up to the audit, it was recommended that the policy be updated and the City has complied with this recommendation. On July 18, 2018, the Transit division had an Iowa DOT Facility Assessment. The FTA required the IowaDOT to assess all transit facilities that have had any FTA funding provided to construct these facilities.

MuscaBus has ordered its first conversion van which is expected to arrive in the spring of 2019. In September a group from the United Way Day of Caring replaced all of the benches in the bus shelters. This was a nice improvement to the MuscaBus shelters.

OBJECTIVES TO BE ACCOMPLISHED 2019/2020:

- To continue the Fixed Route passenger survey and evaluate results to determine any changes that will provide improved services. **(Council and Management Continuous Service Improvement Goal)**
- To explore new options to provide transportation services that would be utilized by new passengers, in an effort to increase ridership.
- To continue to comply with new directives implemented by the Managed Care Organizations to provide transportation services to their clients.
- To evaluate possible use of dispatch software and tablets to improve the paratransit service to the public. **(Council and Management Continuous Service Improvement Goal)**

Transit System

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 366,957	\$ 588,882	\$ 614,582	\$ 565,308	\$ 449,208
Revenues	<u>1,453,716</u> (2)	<u>1,003,268</u> (3)	<u>1,068,900</u> (4)	<u>1,248,700</u> (4)	<u>1,093,260</u> (5)
Funds Available	\$ 1,820,673	\$ 1,592,150	\$ 1,683,482	\$ 1,814,008	\$ 1,542,468
Expenditures (1)	<u>1,231,791</u>	<u>1,026,842</u>	<u>1,251,800</u>	<u>1,364,800</u>	<u>1,290,200</u>
Ending Balance, June 30	<u>\$ 588,882</u>	<u>\$ 565,308</u>	<u>\$ 431,682</u>	<u>\$ 449,208</u>	<u>\$ 252,268</u>

Increase (Decrease) in Fund Balance	\$ 221,925	\$ (23,574)	\$ (182,900)	\$ (116,100)	\$ (196,940)
--	-------------------	--------------------	---------------------	---------------------	---------------------

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2016/2017 Transit tax levy was \$200,000.
3. The Transit tax levy for 2017/2018 was \$100,000.
4. The Transit tax levy for 2018/2019 is \$50,000.
5. The Transit tax levy for 2019/2020 is \$52,360 including utility taxes and the State commercial and industrial reimbursement.

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

	<u>Actual</u> <u>2016/2017</u>	<u>Actual</u> <u>2017/2018</u>	<u>Budget</u> <u>2018/2019</u>	<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>
Transit Charges	\$ 373,600	\$ 243,530	\$ 163,000	\$ 180,000	\$ 180,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	\$ 642,833	\$ 409,939	\$ 408,600	\$ 403,700	\$ 420,200
Federal Job Access Grant	0	0	28,200	28,200	0
New Freedoms Grant	0	0	7,000	7,000	0
State Vehicle Use Tax	235,163	235,026	243,800	241,900	255,200
Capital Grants:					
Federal Funds - Buses	0	0	163,400	250,100	180,400
Prior Year Federal Operating Grant for Conversion Van	0	0	0	50,700	0
Subtotal - Grants	<u>\$ 877,996</u>	<u>\$ 644,965</u>	<u>\$ 851,000</u>	<u>\$ 981,600</u>	<u>\$ 855,800</u>
General Fund Support:					
Transit Tax Levy	200,745	100,555	50,000	50,000	52,360
Sale of Vehicles	0	7,500	4,000	5,000	2,000
Interest	1,365	5,780	800	5,000	3,000
Donations	0	753	100	100	100
Insurance Reimbursement	0	0	0	27,000	0
Other	10	185	0	0	0
Total Revenues	<u>\$ 1,453,716</u>	<u>\$ 1,003,268</u>	<u>\$ 1,068,900</u>	<u>\$ 1,248,700</u>	<u>\$ 1,093,260</u>

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 685,691	\$ 707,313	\$ 729,700	\$ 726,300	\$ 739,400	1.33%
Commodities	74,204	90,344	104,300	104,300	104,300	0.00%
Contractual Services	185,678	159,438	205,800	208,500	208,600	1.36%
Capital Outlay	266,635	61,481	192,300	306,000	217,200	12.95%
Transfers	18,600	19,100	19,700	19,700	20,700	5.08%
Total Expenditures	\$ 1,230,808	\$ 1,037,676	\$ 1,251,800	\$ 1,364,800	\$ 1,290,200	3.07%
Funding Sources						
Transit Charges	\$ 373,600	\$ 343,530	\$ 163,000	\$ 180,000	\$ 180,000	10.43%
Transit Grants	877,996	644,965	851,000	981,600	855,800	0.56%
Transit Tax Levy	200,745	100,555	50,000	50,000	52,360	4.72%
Sale of Vehicles	-	7,500	4,000	5,000	2,000	-50.00%
Interest	1,365	5,780	800	5,000	3,000	275.00%
Donations	-	753	100	100	100	0.00%
Insurance Reimbursement	-	-	-	27,000	-	
Other	10	185	-	-	-	
Total Funding Sources	\$ 1,453,716	\$ 1,103,268	\$ 1,068,900	\$ 1,248,700	\$ 1,093,260	2.28%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	11.67	11.13	11.08	11.08	11.08	
Transit Dispatcher	1.48	2.02	2.09	2.09	2.09	
Transportation Serviceperson	0.63	0.64	0.63	0.63	0.63	
Total Part Time	13.78	13.80	13.80	13.80	13.80	
Total	14.98	15.00	15.00	15.00	15.00	\$ 592,400
Employee Benefits						147,000
Total Personal Services						\$ 739,400

Capital Outlay			
Item	Quantity	Replacement	Amount
Light Duty Buses	2	Yes	\$ 212,200
Bus Shelter Panel Replacements	2 Shelters	Yes	5,000
			\$ 217,200

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 1,399 parking spaces in the downtown commercial area distributed as follows:

	On-Street		Lot #1	Lot #2	Lot #4	Lot #6	Lot #7	Lot #8	Levee	Totals
	General	Sycamore 4th to 5th St.	Chestnut Street	W. 2nd Street	Sycamore Street	W. 3rd Street	E. 3rd Street	Cedar Street		
Free Parking	167	0	0	16 (4 hour)	13 (3 hour)	0	0	5 (3 hour)	465 (24 hour)	666
2 Hour Meters	264	0	0	5	0	0	0	0	0	269
Handicapped	15	0	1	1	3	1	0	2	18	41
10 Hour Meters	48	0	19	15	39	0	9	0	0	130
Leased/Reserved	0	19 L	7 R	4 L	40 L	24 R	149 L	50 L	0	293
Totals	494	19	27	41	95	25	158	57	483	1,399

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 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.

At the October 19, 2017 City Council meeting, Council passed a resolution changing parking restrictions on 2nd Street from “Free parking up to 3 hours once per day in each space” to “Free parking up to 2 hours once per day in each block”. The purpose of this change was to increase the turnover of vehicles in on-street parking spaces on 2nd Street.

CURRENT TRENDS AND ISSUES:

The revised estimate expenditures are under the budgeted amount in total by \$1,400. This overall decrease is primarily due to (1) a \$2,900 decrease in personal services costs due to a change in meter attendants with the new employee at a lower step in the pay plan, (2) a \$200 increase in contractual services for the physical and drug screening for the new employees, and (3) a requested \$1,300 increase in capital outlay for 20 replacement meters instead of the 10 originally budgeted.

Fiscal year 2018/2019 revenues are projected to be \$7,900 more in total than the original budget. This overall increase includes estimated increases of \$5,000 in leased parking fees, \$2,000 in meter hood rentals, and \$900 in interest.

The expenditures in the 2019/2020 budget are \$5,500 (2.5%) higher than the original budget for 2018/2019. This is due to (1) a \$4,500 increase in personal services costs, and (2) a \$1,000 increase in administrative transfers.

Parking revenues are projected at \$219,000, which is \$7,900 more than the original 2018/2019 budget. Leased parking revenues are projected to be \$5,000 higher, meter hoods \$2,000 higher, and interest \$900 higher than the prior year budget.

The 2019/2020 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). The Parking fund balance at the end of 2019/2020 is estimated at \$69,901.

PERFORMANCE MEASURES:

	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Metered Parking Spaces	433	426 (2)	399 (2)	399	399
Leased Parking Spaces	174	168 (3)	186 (4)	186	186
Reserved Parking Spaces (1)	107	107	107	107	107
Free Parking Spaces	659	659	666	666	666
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,414	1,401	1,399	1,399	1,399
Overtime Parking Tickets Issued	10,495	9,046	8,498	8,500	8,500
Overtime Tickets Paid or Dismissed	8,598	7,573	6,770	6,970	6,970
Percent Paid or Dismissed	81.92%	83.72%	79.67%	82.00%	82.00%
Handicapped Tickets Issued	67	59	26	30	30
Handicapped Tickets Paid or Dismissed	58	50	23	27	27
Percent Paid or Dismissed	86.57%	84.75%	88.46%	90.00%	90.00%
Other Parking Tickets Issued	1,648	1,654	2,343	2,000	2,000
Other Tickets Paid or Dismissed	1,157	1,233	1,547	1,600	1,600
Percent Paid or Dismissed	70.21%	74.55%	66.03%	80.00%	80.00%
Overall Collection Rate	80.37%	82.31%	76.75%	81.64%	81.64%
Leased Parking Spaces Available	174	168 (3)	186	186	186
Spaces Leased	130	154	177	177	177
Percentage Leased	74.71%	91.67%	95.16%	95.16%	95.16%
Fines Collected by County Treasurer	\$19,856	\$23,587	\$25,430	\$25,000	\$25,000
Courtesy Tickets Issued	505	436	721	725	725

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. In 2017/2018 metered spaces along Mississippi Drive were eliminated as part of the reconstruction of that roadway. The spaces on Mississippi Drive are now free back-in angle parking spaces.

3. In 2016/2017 six leased spaces were eliminated in Lot 4 in conjunction with the CDBG Downtown Revitalization project.
4. Midway through 2017/2018, nineteen (19) leased spaces were added on Sycamore Street between 4th and 5th Street near the new Kum & Go Convenience Store.

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.

RECENT ACCOMPLISHMENTS:

The meter enforcement staff continues to enforce downtown parking ordinance requirements as well as provide parking-related information to those parking in the downtown area. There were 8,498 expired meter tickets issued in 2017/2018. This was 548 (6.1%) less than the prior year number of 9,046. This decrease can be attributed in part to the construction in the downtown area in 2017 and 2018 which included the new hotel and the reconstruction of Mississippi Drive. The decrease in tickets issued may also be partially attributed to the increase in the number of leased spaces leased.

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. The number of spaces leased increased to 154 in 2016/2017 which was 91.67% of the 168 available spaces. Spaces leased further increased to 177 in 2017/2018 which was 95.16% of the 186 available spaces. The number of leased spaces available increased midway through the 2017/2018 year with the leased spaces added on Sycamore Street between 4th and 5th Street. The increases in 2016/2017 and 2017/2018 can be in part attributed to the Mississippi Drive reconstruction project. Efforts will continue to market the availability of leased spaces in the upcoming year.

At the September 21, 2017 meeting, City Council approved the resolution designating the back-in angle parking on Mississippi Drive as free parking and also that the new parking on the east side of Sycamore Street between 4th and 5th Street be designated as leased parking. With the completion of phase one of the Mississippi Drive project the back-in angle parking on Mississippi Drive is now available and in use. Prior to this project, the parallel parking spaces had 2-hour meters.

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, to \$19,856 in 2015/2016, to \$23,587 in 2016/2017, and to \$25,430 in 2017/2018. Efforts will continue to look for other “Lean” initiatives in the Parking division.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- * 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 marketing efforts for leased parking spaces available in the various City lots and other locations. The number of spaces leased increased to 154 in 2016/2017 which was 91.67% of the 168 available spaces. Spaces leased further increased to 177 in 2017/2018 which was 95.21% of the 186 available spaces. In 2018/2019 there continues to be 177 of the 186 spaces leased (95.21%). The number of leased spaces increased to 186 midway through the 2017/2018 year with the leased spaces added on Sycamore Street between 4th and 5th Street. The goal is to maintain a 90% leased rate.
- * To meet with parking meter vendors to gather information on meter enhancements which would allow for acceptance of debit/credit card payments at the meters. Cost of new meters, transaction costs for accepting these payments, and impact on meter rates would be evaluated. **(Council and Management Continuous Service Improvement Goal)**
- * To review Parking processes for additional "Lean" efficiencies. **(Council and Management Continuous Service Improvement Goal)**

Parking System

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 68,655	\$ 78,383	\$ 61,583	\$ 83,401	\$ 80,101
Revenues					
Parking Fees (2)	\$ 113,229	\$ 109,106	\$ 110,000	\$ 110,000	\$ 110,000
Parking Permits (3)	37,914	41,657	37,000	42,000	42,000
Meter Hoods	3,526	5,846	2,000	4,000	4,000
Fines	63,033	60,256	62,000	62,000	62,000
Interest	368	1,326	100	1,000	1,000
Insurance Reimbursement	0	3,435	0	0	0
Miscellaneous	40	235	0	0	0
Total Revenues	<u>\$ 218,110</u>	<u>\$ 221,861</u>	<u>\$ 211,100</u>	<u>\$ 219,000</u>	<u>\$ 219,000</u>
Funds Available	\$ 286,765	\$ 300,244	\$ 272,683	\$ 302,401	\$ 299,101
Expenditures (1)	<u>208,382</u>	<u>216,843</u>	<u>223,700</u>	<u>222,300</u>	<u>229,200</u>
Ending Balance, June 30	<u><u>\$ 78,383</u></u>	<u><u>\$ 83,401</u></u>	<u><u>\$ 48,983</u></u>	<u><u>\$ 80,101</u></u>	<u><u>\$ 69,901</u></u>

Increase (Decrease) in Fund Balance	\$ 9,728	\$ 5,018	\$ (12,600)	\$ (3,300)	\$ (10,200)
--	-----------------	-----------------	--------------------	-------------------	--------------------

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. These rates have been continued in the 2019/2020 budget.
3. A leased parking "special" was offered for 2014/2015 through 2016/2017 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". Leased spaces are nearly at capacity in 2016/2017 through 2018/2019 in part due to the construction in the downtown area. No special was offered for 2017/2018 or 2018/2019.

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.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 161,315	\$ 164,242	\$ 171,600	\$ 168,700	\$ 176,100	2.62%
Commodities	1,987	2,506	3,200	3,200	3,200	0.00%
Contractual Services	14,041	18,121	22,400	22,600	22,400	0.00%
Capital Outlay	4,973	8,469	1,900	3,200	1,900	0.00%
Transfers	23,200	23,900	24,600	24,600	25,600	4.07%
Total Expenditures	\$ 205,516	\$ 217,238	\$ 223,700	\$ 222,300	\$ 229,200	2.46%
Funding Sources						
Parking Fees	\$ 154,669	\$ 156,609	\$ 149,000	\$ 156,000	\$ 156,000	4.70%
Parking Fines	63,033	60,256	62,000	62,000	62,000	0.00%
Interest	368	1,326	100	1,000	1,000	900.00%
Insurance Reimbursement	-	3,435	-	-	-	
Miscellaneous	40	235	-	-	-	
Total Funding Sources	\$ 218,110	\$ 221,861	\$ 211,100	\$ 219,000	\$ 219,000	3.74%

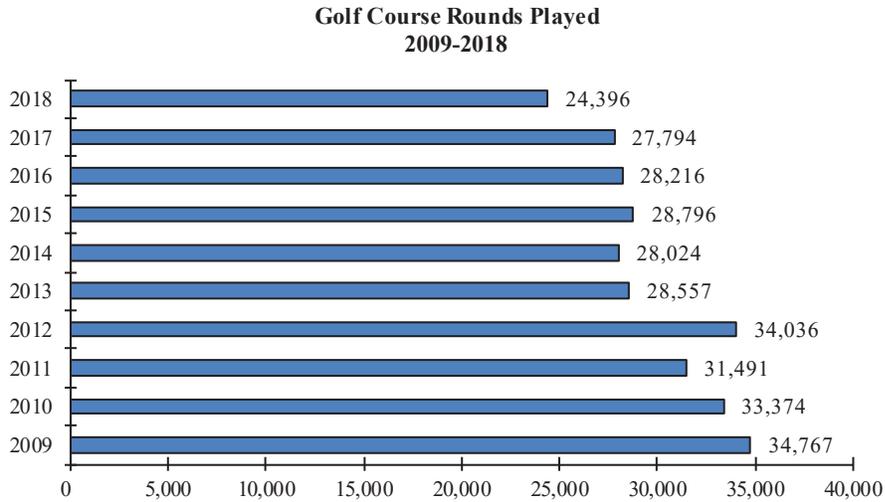
Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions/Position Allocations:						
Finance Director	0.05	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.10	0.10	0.10	0.10	0.10	
Groundskeeper	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	\$ 129,500
Employee Benefits						46,600
Total Personal Services						\$ 176,100

Capital Outlay			
Item:	Quantity	Replacement	Amount
Electronic Meters	10	Yes	<u>\$ 1,900</u>

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 by 6.4% to 34,767 rounds 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, decreased to 28,216 (2.0%) in 2016, decreased to 27,794 (1.5%) in 2017, and decreased to 24,396 (by 12.2%) in 2018. The following is a summary of the rounds during the past ten years:



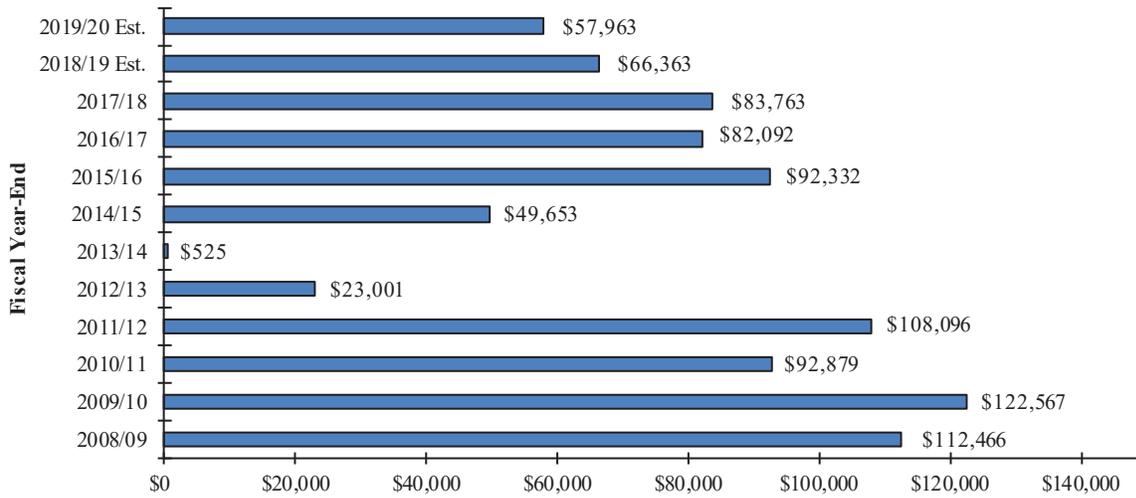
The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Rates were increased for 2012 and those rates were continued in 2013. Rates were increased for the 2014 season and those rates were maintained for the 2015 and 2016 golf seasons. Rates increased for the 2017 golf season and remained the same for the 2018 season. Rates are budgeted to increase by \$1.00 per round for greens fees and by \$25 for seasons passes for the 2019 golf season as shown below.

<u>WEEK DAYS</u>	<u>2012-2013</u>	<u>2014-2016</u>	<u>2017-2018</u>	<u>Budgeted 2019</u>
Adults				
9 holes	\$ 14.00	\$ 15.00	\$ 16.00	\$ 17.00
18 holes	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00
Senior Citizens				
9 holes	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00
18 holes	\$ 16.00	\$ 17.00	\$ 18.00	\$ 19.00
Junior				
9 holes	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00
18 holes	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00

<u>WEEK DAYS</u>	<u>2012-2013</u>	<u>2014-2016</u>	<u>2017-2018</u>	<u>Budgeted 2019</u>
Adults 1-3 p.m.				
9 holes	\$ 9.00	\$ 10.00	\$ 11.00	\$ 12.00
18 holes	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00
Senior Citizens 1-3 p.m.				
9 holes	\$ 8.00	\$ 9.00	\$ 10.00	\$ 11.00
18 holes	\$ 10.00	\$ 11.00	\$ 12.00	\$ 13.00
 <u>WEEKENDS AND HOLIDAYS</u>				
18 Holes				
Adult	\$ 20.00	\$ 21.00	\$ 22.00	\$ 23.00
Senior Citizens	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00
Juniors	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00
 <u>SEASON PASSES</u>				
Adults	\$ 550.00	\$ 580.00	\$ 605.00	\$ 630.00
Juniors	\$ 90.00	\$ 90.00	\$ 90.00	\$ 115.00
Senior Citizens	\$ 465.00	\$ 490.00	\$ 515.00	\$ 540.00
College Student Pass	\$ 300.00	\$ 300.00	\$ 325.00	\$ 350.00
Family Pass	\$ 915.00	\$ 960.00	\$ 985.00	\$1,010.00

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. 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 was 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 continued to include the lower \$45,000 payment on the internal loan. The final loan payment in the amount of \$45,200 will be made in 2018/2019. The fund balance history is shown below.

Golf Course Fund Balance History



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 \$12,500 less in total than the original budget. This overall decrease is due to (1) a \$1,100 decrease in personal services costs, (2) a \$7,100 decrease in commodities which includes items for resale, and (3) a \$4,300 decrease in contractual services which includes decreases in insurance, repair and maintenance services, and sales tax.

The budgeted expenditures for 2019/2020 are \$4,400 (1.2%) less than the original 2018/2019 budget. Personal services increased by \$5,800, commodities decreased by \$7,100, and contractual services decreased by \$3,100 which includes decreases in sales tax and repair and maintenance services. 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 was 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 2018/2019 revised estimate is \$15,200 less than the original budget. This overall decrease is primarily due to (1) an \$800 decrease in personal services costs, (2) an \$11,400 decrease in commodities, (3) a \$2,200 decrease in contractual services, and (4) an \$800 decrease in capital outlay. The decreases were due to Parks staff evaluating prior year actual expenditures and adjusting the current budget to reflect those amounts.

The 2019/2020 budget is \$25,300 (5.3%) less than the original 2018/2019 budget. Personal services costs increased by \$4,200 (1.9%), commodities decreased by \$11,400, contractual services decreased by \$2,200, capital outlay increased by \$27,000, and transfers decreased by \$42,900. The capital outlay allocation of \$60,000 is for a new fairway mower. The decrease in transfers is due to the internal loan for the irrigation system being paid off in 2018/2019.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2018/2019 will be \$66,363 compared to the original budget of \$50,592. The fund balance at the end of 2019/2020 is estimated at \$57,963. As noted previously the 2018/2019 budget includes the final payment of \$45,200 on the internal loan for the irrigation system which has allowed for the purchase of the fairway mower. A number of factors, however, can continue to impact revenues at the course, especially the weather.

Fees were last increased for the 2017 golf season. There were no changes in daily golf fees or season pass fees included for the 2018 golf season; however, there was a \$1.00 increase in the 9-hole and 18-hole cart rental fees effective for the 2018 golf season. As noted previously, rates are budgeted to increase for the 2019 golf season. Daily greens fees are budgeted to increase by \$1.00 and season passes are budgeted to increase by \$25.00.

The 2018 season will be the 13th 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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Golf Maintenance Operations:					
Top Dressed Greens	7	9	9	8	9
Stimped Greens	12	15	15	15	22
Aerified Greens	2	2	3	3	3
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	260	260	257	254
New Trees Planted	0	0	6	3	5
Bluebirds Fledged	31	14	14	13	20
Rolled Greens	20	20	27	40	40
Verti-cut Greens	7	7	7	6	8

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Clubhouse Operations:					
Rounds Played	28,796	28,216	27,794	24,396	28,500
Events	44	45	44	53	55
Leagues	9	10	10	10	10
Season Passes Sold	243	241	220	229	230
Driving Range Tokens Sold	4,631	4,175	4,180	3,812	4,300
Gift Cards Sold (\$)	\$40,890	\$38,200	\$40,563	\$41,378	\$45,000
Lesson Hours	48	74	77	82	110
Total Beer Sales (Units)	36,980	39,748	39,789	36,896	40,500
Total Food and Beverage (Units)	30,223	28,478	25,119	22,838	28,500
Simulator Usage (\$)	\$1,510	\$2,410	\$2,548	\$1,270	\$3,000
Merchandise Sales (\$)	\$48,545	\$47,429	\$41,581	\$37,752	\$50,000

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The course was able to open on March 3 as the winter was mild and the course had no damage due to snow or wind. The weather, however, was cold and rainy through most of the spring. The new irrigation system continues to be a success since it allows more efficient water use and more specific target watering. The conditions this year on the course were very good all season long and the course was in great shape at the end of the season and should be in great shape starting next spring.

Golf maintenance staff continued to make progress behind number 2 green clearing the 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 staff will continue working on this area as time allows.

The driving range mats continue to be a success. The grass tee only closed 5 days this past year because of wetness. Some golfers prefer the pad and some do not. This worked out well as it took some of the pressure off of 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.

Work continues on removing dead or dying trees. There were eight trees taken down this fall and three new trees were planted. The new trees came out of the nursery or were donated. The nursery has been emptied of trees as it was time to get them planted. Golf staff will be replenishing the nursery with trees this spring so they are ready when needed.

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.

The senior tee on #15 has been expanded and the senior/ladies tee on #11 has been leveled out. Due to heavy usage, the grass on the tees was very thin at the end of the year. They have been seeded, topdressed, and a turf blanket put over the top with the hope that the seed will germinate over the winter and the tees will be filled in by the start of the season. Staff will look at building a senior tee to #11 this spring.

Once again this past season it was a 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. Staff will continue to monitor the pay plan to see if more changes need to be made.

Golf Course Clubhouse

The Parks and Recreation department held a Job Fair at the golf course. This was a very successful event. It allowed anyone wanting to apply for a job within the Parks and Recreation department to sit down and talk with any and all Park divisions in one central location.

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

The Golf Course hosted a golf outing for Special Olympics. The City Tournament was very successful with 119 participants. The Junior City Tournament was held in August of 2018 with 13 participants.

The golf course started to work with the Veterans Administration in hosting a National Tee Tournament at the golf course in 2018. This first year 71 disabled Veterans attended and played in the event. The Veterans Administration is interested in hosting more days at Muscatine Municipal Golf Course in the upcoming year.

Golf staff continued to work with St. Mary and Mathias School in teaching golf to kids during school hours with our SNAG (Starting New at Golf) golf kit. This was the second year and the class had 17 kids in 2018, compared to 13 in 2017.

Staff has continued to work closely with the community and partnered with the Iowa Section PGA in bringing events to the golf course. In 2018 there were eight new events at the golf course.

OBJECTIVES TO BE COMPLETED IN 2019/2020:

Golf Course Operations

- To continue renovation of the #9 and #15 greens.
- To repair some existing cart paths (#10, #2, #12, 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 add nature areas to rough areas.
- 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 build a new senior tee on #11 to make the hole more enjoyable.
- 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 utilize the golf course Point of Sale and Tee Time Reservation systems to their greatest potential.
- To increase participation in the golfer development programs by offering more structured programs for all ages and skill levels.
- To expand 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 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 to actively promote the golf simulator and increase usage.
- To increase lesson participation by offering different options that fit the needs of the public.

Golf Course Operations

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 53,965	\$ 48,758	\$ 39,458	\$ 44,324	\$ 26,924
Revenues	<u>748,405</u>	<u>763,482</u>	<u>839,200</u>	<u>816,300</u> (3)	<u>823,300</u> (3)
Funds Available	<u>\$ 802,370</u>	<u>\$ 812,240</u>	<u>\$ 878,658</u>	<u>\$ 860,624</u>	<u>\$ 850,224</u>
Expenditures:					
Golf Course Maintenance Operations	\$ 435,675 (2)	\$ 428,261 (2)	\$ 482,100 (2)	\$ 466,900 (2)	\$ 456,800
Golf Clubhouse Operations	<u>317,937</u>	<u>339,655</u>	<u>379,300</u>	<u>366,800</u>	<u>374,900</u>
Total Expenditures (1)	<u>\$ 753,612</u>	<u>\$ 767,916</u>	<u>\$ 861,400</u>	<u>\$ 833,700</u>	<u>\$ 831,700</u>
Ending Balance, June 30	\$ 48,758	\$ 44,324	\$ 17,258	\$ 26,924	\$ 18,524
Allowance for Inventory	<u>33,334</u>	<u>39,439</u>	<u>33,334</u>	<u>39,439</u>	<u>39,439</u>
Net Balance, June 30	<u>\$ 82,092</u>	<u>\$ 83,763</u>	<u>\$ 50,592</u>	<u>\$ 66,363</u>	<u>\$ 57,963</u>

Increase (Decrease) in Fund Balance	\$ (5,207)	\$ (4,434)	\$ (22,200)	\$ (17,400)	\$ (8,400)
--	-------------------	-------------------	--------------------	--------------------	-------------------

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2016/2017, and 2017/2018 expenditures included \$45,000 payments on the internal loan for the Irrigation System. The 2018/2019 expenditures include the final irrigation payment of \$45,200.
3. Golf fees are budgeted to increase for the 2019 golf season by \$1.00 per round for greens fees and by \$25 for season passes.

Golf Course

Summary of Revenues

	<u>Actual</u> <u>2016/2017</u>	<u>Actual</u> <u>2017/2018</u>	<u>Budget</u> <u>2018/2019</u>	<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>
Season Passes	\$ 100,265	\$ 112,422	\$ 110,000	\$ 120,000 (2)	\$ 120,000 (2)
Greens Fees	207,011	203,403	235,000	217,000 (2)	224,000 (2)
Interest	433	1,155	200	900	900
Rental of Buildings	250	50	200	200	200
Lessons	1,043	2,803	5,000	5,000	5,000
Golf Cart Rental	192,072	201,164 (1)	227,900 (1)	210,000	210,000
Pull Cart Rental	740	786	1,500	1,000	1,000
Driving Range Fees	16,755	17,059	22,000	20,000	20,000
Simulator Fees	2,444	2,019	4,000	3,000	3,000
Catering Fee	25	25	200	300	300
Beer Sales	94,395	104,502	100,000	110,000	110,000
Food and Beverage Sales	47,239	46,508	53,000	50,000	50,000
Merchandise Sales	41,637	42,848	50,000	50,000	50,000
Miscellaneous Sales	1,768	1,807	2,000	2,500	2,500
Rebate - Soft Drink Supplier	2,000	2,000	2,000	2,000	2,000
Cashier Overages	423	437	0	0	0
Sales Tax	22,852	23,443	25,800	24,000	24,000
Donation	590	0	0	0	0
Miscellaneous	16,463	1,050	400	400	400
Total Revenues	<u>\$ 748,405</u>	<u>\$ 763,481</u>	<u>\$ 839,200</u>	<u>\$ 816,300</u>	<u>\$ 823,300</u>

1. Cart rental fee rates increased by \$1.00 for both 9 holes and 18 holes for the 2018 golf season.
2. Golf fees are budgeted to increase for the 2019 golf season by \$1.00 per round for greens fees and by \$25 for season passes.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 194,066	\$ 200,652	\$ 217,200	\$ 216,400	\$ 221,400	1.93%
Commodities	61,399	66,819	82,600	71,200	71,200	-13.80%
Contractual Services	42,087	42,824	46,200	44,000	44,000	-4.76%
Capital Outlay	35,574	19,900	33,000	32,200	60,000	81.82%
Transfers	<u>99,600</u>	<u>101,200</u>	<u>103,100</u>	<u>103,100</u>	<u>60,200</u>	-41.61%
Total Expenditures	<u>\$ 432,726</u>	<u>\$ 431,395</u>	<u>\$ 482,100</u>	<u>\$ 466,900</u>	<u>\$ 456,800</u>	-5.25%
Funding Sources						
Golf Funds	<u>\$ 432,726</u>	<u>\$ 431,395</u>	<u>\$ 482,100</u>	<u>\$ 466,900</u>	<u>\$ 456,800</u>	-5.25%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	
Total	4.56	4.56	4.56	4.56	4.56	\$ 166,400
Employee Benefits						<u>55,000</u>
Total Personal Services						<u>\$ 221,400</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Fairway Mower	1	Yes	<u>\$ 60,000</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Clubhouse Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 145,179	\$ 150,729	\$ 172,100	\$ 171,000	\$ 177,900	3.37%
Commodities	89,834	107,312	115,000	107,900	107,900	-6.17%
Contractual Services	82,923	81,613	92,200	87,900	89,100	-3.36%
Capital Outlay	535	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 318,471</u>	<u>\$ 339,654</u>	<u>\$ 379,300</u>	<u>\$ 366,800</u>	<u>\$ 374,900</u>	-1.16%
Funding Sources						
Golf Fees and Sales	<u>\$ 318,471</u>	<u>\$ 339,654</u>	<u>\$ 379,300</u>	<u>\$ 366,800</u>	<u>\$ 374,900</u>	-1.16%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.47	1.47	1.47	1.47	1.47	
Cashier	1.09	1.09	1.09	1.09	1.09	
Laborer/Ranger	<u>0.71</u>	<u>0.71</u>	<u>0.71</u>	<u>0.71</u>	<u>0.71</u>	
Total Part Time	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	
Total	4.27	4.27	4.27	4.27	4.27	\$ 138,300
Employee Benefits						<u>39,600</u>
Total Personal Services						<u>\$ 177,900</u>

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 2018/2019 revised estimate is \$5,800 less than the original budget. Commodities are \$400 less than the original budget, contractual services are \$500 less, and transfers are \$4,900 less. Due to a revenue shortfall in this fund, the administrative fees transferred to the General Fund have been reduced from \$6,400 to \$1,500.

The 2019/2020 budget is \$5,300 (19.6%) less than the original 2018/2019 budget. Personal services increased \$400 (2.5%), commodities decreased \$400, contractual services decreased \$400, and transfers decreased by \$4,900. The 2019/2020 budget maintains the \$1,500 reduced administrative fee transfer to the General Fund. This reduction is again due to a shortfall in revenues.

The 2018/2019 budget included a boat slip rental fee increase effective for the 2018 boating season. The Boat Harbor continues to see decline in slip rentals. The river conditions, including multiple floods in 2018, as well as other factors contribute to this decline. The Boat Harbor fund ended the 2016/2017 fiscal year with a fund balance deficit of \$6,863 (excluding the storm damages to be reimbursed by insurance). In 2017/2018 a General Fund subsidy transfer of \$13,734 was made to eliminate the deficit balance in this fund. A fund balance of \$900 is projected for June 30, 2020.

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, decreased to 31 in 2017 and further decreased to twenty-six (26) in 2018. The 2013 and 2014 decreases were due to high water levels early in the season. In 2017 the long dock was 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 were expected with completion of the dock renovation project, however, the four floods in 2018 contributed to the continued lower number of rentals.

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. Another fee survey was done by the Parks department early in 2018. Based on the survey results, the fees were increased for the 2018 season. These fees are budgeted to continue for the 2019 boating season. The history of rates are shown in the following chart:

TYPE OF BOAT

	<u>2010-2014</u>	<u>2015-2017</u>		<u>2018-2019</u>	
		<u>Residents</u>	<u>Non-Residents</u>	<u>Residents</u>	<u>Non-Residents</u>
17 feet or less	\$ 338.00	\$350.00	\$ 400.00	\$ 400.00	\$ 450.00
18 to 25 feet	439.00	450.00	500.00	500.00	550.00
26 to 32 feet	539.00	550.00	600.00	600.00	650.00
33 feet and up	887.00*	991.00*	1,040.00 *	1,091.00 *	1,140.00 *

* 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Boat Slips Rented*	39	31	26	35	35
Rented Boat Slips Available*	84	58**	58	58	58
Percent Rented	46%	53%	45%	60%	60%
Courtesy Boat Slips Available	8	12***	12	12	12

* Includes the Long Dock and House Boat slips.

** A REAP grant funded the renovation of 52 boat slips on the Long Dock. A storm in 2017 damaged the house boat dock and 10 new slips were re-built with funding from the insurance reimbursement.

*** Four additional courtesy dock slips were added to the Long Dock as part of the REAP grant.

RECENT ACCOMPLISHMENTS:

In the spring of 2018 security cameras were installed at Riverview Center to provide additional security to the Boat Harbor. One camera was set in place to capture all boats entering and exiting to the river and the transient dock. The other camera was set to capture activities taking place on the House Boat dock. This fall, an additional camera system was installed near the Marina building to capture the Long Dock, Gas Dock, and the parking lot at the new boat ramp.

Following the storm that took place in the spring of 2017, several improvements were added as part of the repairs to the House Boat dock. This included the addition of a security gate and a revamped gangway to help provide security and safety to this dock.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To continue to improve weed control along the banks of the harbor.
- To better educate harbor users and enforce boat harbor usage policies.
- To replace the anchoring system on the house boat dock (subject to funding).
- To continue to market the boat harbor and increase the number of slip rentals.
- To continue to provide support to the Water Pollution Control harbor dredging operation.

Boat Harbor Operations

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance (Deficit), July 1	\$ 3,065	\$ (98,562)	\$ (2,762)	\$ 0	\$ 700
Revenues					
Boat Slip Rentals	\$ 15,197	\$ 16,866 (2)	\$ 30,000	\$ 22,000	\$ 22,000
Overnight Slip Rentals	24	0	0	0	0
Interest	1	16	0	0	0
Insurance Reimbursement	0	88,724	0	0	0
Other	21	941	0	0	0
Transfer from General Fund: Subsidy to Eliminate Deficit	0	13,734 (4)	0	0	0
Total Revenues	\$ 15,243	\$ 120,281	\$ 30,000	\$ 22,000	\$ 22,000
Funds Available	\$ 18,308	\$ 21,719	\$ 27,238	\$ 22,000	\$ 22,700
Expenditures (1)	116,870	21,719	27,100	21,300	21,800
Ending Balance (Deficit), June 30	\$ (98,562) (3)	\$ 0 (4)	\$ 138	\$ 700	\$ 900
Increase (Decrease) in					
Fund Balance	\$ (101,627)	\$ 98,562	\$ 2,900	\$ 700	\$ 200

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. Boat dock rental rates were increased for the 2018 boating season, however this did not materially increase boat harbor revenues.
3. The deficit at the end of the 2016/2017 fiscal year included \$91,699 in encumbrances for storm damage repairs. These repairs were completed in 2017/2018 and reimbursed by insurance. The deficit without the storm damage encumbrance was \$6,863.
4. The accumulated deficit in this fund was eliminated at the end of the 2017/2018 year with a transfer from the General Fund.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 14,699	\$ 15,103	\$ 15,800	\$ 15,800	\$ 16,200	2.53%
Commodities	958	1,100	1,200	800	800	-33.33%
Contractual Services	3,395	3,460	3,700	3,200	3,300	-10.81%
Capital Outlay	91,679	-	-	-	-	
Transfers	<u>6,000</u>	<u>1,500</u>	<u>6,400</u>	<u>1,500</u>	<u>1,500</u>	-76.56%
Total Expenditures	<u>\$ 116,731</u>	<u>\$ 21,163</u>	<u>\$ 27,100</u>	<u>\$ 21,300</u>	<u>\$ 21,800</u>	-19.56%
Funding Sources						
Boat Harbor Revenues	\$ 15,243	\$ 16,882	\$ 30,000	\$ 22,000	\$ 22,000	-26.67%
Insurance Reimbursement	-	88,724	-	-	-	
Sale of Old Docks	-	941	-	-	-	
Transfer from General Fund	<u>-</u>	<u>13,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Revenues	<u>\$ 15,243</u>	<u>\$ 120,281</u>	<u>\$ 30,000</u>	<u>\$ 22,000</u>	<u>\$ 22,000</u>	-26.67%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 13,400
Employee Benefits						<u>2,800</u>
Total Personal Services						<u>\$ 16,200</u>

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, 2015/2016, and 2016/2017 to eliminate deficit balances of \$436, \$400, \$620, and \$1,224, respectively. The General Fund subsidy transfer in 2017/2018 was \$1,217.

CURRENT TRENDS AND ISSUES:

The 2018/2019 revised estimate and 2019/2020 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 \$500 as of June 30, 2020. 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 2016	Actual 2017	Actual 2018	Estimated 2019	Estimated 2020
Gallons of Gasoline Sold	2,365	2,750	2,122	2,400	2,400
Gallons of Diesel Fuel Sold	3	0	858	300	300
Hours Open	173	178	168	180	180

RECENT ACCOMPLISHMENTS:

The Marina operation struggled this past season in part due to the river reaching flood level on four different occasions. The Parks and Recreation department continues to look at hiring and properly training seasonal staff on the maintenance of the gas dock. Staff was available at the gas dock to serve boaters during scheduled hours as well as by appointments scheduled through the Parks office. The replacement of the long dock and house boat dock in the boat harbor should attract more boaters to our area, which in turn should help to increase revenue for the marina operation.

This past spring, the siding and roof on the shed were replaced, helping to create a safer and higher quality operation. A security camera was also installed that will overlook the Gas Dock to help provide security to the site.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- 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 serve 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

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance (Deficit), July 1	\$ (5,006)	\$ (3,630)	\$ (3,330)	\$ (3,150)	\$ (2,850)
Revenues					
Fuel Sales	\$ 6,150	\$ 7,966	\$ 12,000	\$ 12,000	\$ 12,000
Miscellaneous	116	121	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>1,224</u>	<u>1,217</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 7,490</u>	<u>\$ 9,304</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>
Funds Available	\$ 2,484	\$ 5,674	\$ 8,770	\$ 8,950	\$ 9,250
Expenditures	<u>6,114</u>	<u>8,824</u>	<u>11,900</u>	<u>11,800</u>	<u>11,900</u>
Ending Balance (Deficit), June 30	\$ (3,630)	\$ (3,150)	\$ (3,130)	\$ (2,850)	\$ (2,650)
Allowance for Inventory	<u>3,630</u>	<u>3,150</u>	<u>3,630</u>	<u>3,150</u>	<u>3,150</u>
Net Balance (Deficit), June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 300</u>	<u>\$ 500</u>

Increase (Decrease) in Net Fund Balance	\$ 1,376	\$ 480	\$ 200	\$ 300	\$ 200
--	-----------------	---------------	---------------	---------------	---------------

1. Although minimal fund balances are projected with the allowance for inventory, any shortfalls are proposed to be funded from transfers from the General Fund on an annual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Marina Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 1,868	\$ 1,935	\$ 1,800	\$ 1,700	\$ 1,800	0.00%
Commodities	3,523	6,292	9,100	9,100	9,100	0.00%
Contractual Services	723	597	1,000	1,000	1,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 6,114</u>	<u>\$ 8,824</u>	<u>\$ 11,900</u>	<u>\$ 11,800</u>	<u>\$ 11,900</u>	0.00%
Funding Sources						
Fuel Sales	\$ 6,150	\$ 7,966	\$ 12,000	\$ 12,000	\$ 12,000	0.00%
Miscellaneous Revenue	116	121	100	100	100	0.00%
Subsidy to Eliminate Deficit	<u>1,224</u>	<u>1,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 7,490</u>	<u>\$ 9,304</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	0.00%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 1,600
Employee Benefits						<u>200</u>
Total Personal Services						<u>\$ 1,800</u>

SOCCER EVENTS

GENERAL INFORMATION:

The College Search Kickoff (CSK) event was gifted to the City through the Parks and Recreation department in 2018. The event creator and owner gifted this event with the understanding that if the City ever chooses to not run the event, then the event would be returned to the owner. Tournament sanctioning documents were completed and the Iowa Soccer Association approved the event ownership change. An enterprise fund was created in 2018 to track the revenue and expenditures for this event.

CURRENT TRENDS AND ISSUES:

The College Search Kickoff event held in July of 2018 was the first time this event was run by the Parks and Recreation department. A total of seventy-two (72) teams participated in the event and one hundred and fifty-seven (157) college coaches were registered for the event. Team and coach recruitment was delayed until mid-May due to the change in event ownership. Despite the delayed start, the tournament was a successful event. The College Search Kickoff event was held July 27-29, 2018. An event coordinator with a soccer background was hired and all divisions of the Parks and Recreation department worked together to bring this inaugural City-run event together.

The 2018/2019 revised estimate includes \$61,700 in expenses. The expenses include \$6,500 in personal services costs, \$14,100 for various supplies, and \$41,100 in contractual services. Contractual services costs include \$19,200 for referees and field marshals, \$5,700 for tent and related rentals, \$4,000 for advertising, and \$9,700 for lodging for the referees. Revenues are estimated at \$98,700 and include \$93,600 in event fees, \$4,500 in merchandise sales, and \$600 in interest.

The 2019/2020 budget totals \$72,200. Personal services costs are estimated at \$8,400, supplies at \$15,700, and contractual services at \$48,100. Contractual services costs include \$20,000 for referees and field marshals, \$6,300 for tent and related rentals, \$4,000 for advertising, and \$14,500 for lodging for the referees. Revenues include \$93,600 in event fees, \$4,500 in merchandise sales, and \$600 in interest.

As this event is scheduled for late July each year, there will be a fund balance at the end of each fiscal year which represent fees collected in the prior fiscal year for the event to be held in July each year.

GOAL STATEMENT:

To effectively and efficiently manage the College Search Kickoff soccer event for the Muscatine community by utilizing local facilities and attracting state and regional participation.

PERFORMANCE MEASURES:

Calendar Year Basis:	Actual 2016	Actual 2017	Actual 2018*	Estimated 2019	Estimated 2020
Boys Teams Registered	42	42	28	48	48
Girls Teams Registered	48	42	44	48	48
College Coaches Registered	124	153	157	175	175

* 2018 was the first year this event was run by the City.

RECENT ACCOMPLISHMENTS:

The Parks and Recreation department has started the process of preparing for the 2019 College Search Kickoff event. Advertising schedules are in place, past teams have been contacted so they can hold the date, the contract for the referee coordinator has been finalized, hotel contracts are in place, college coach recruitment has started, and all sanctioning papers have been approved.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To administer the College Search Kickoff Showcase soccer event.
- To obtain all necessary permits and sanctioning documents from the Iowa Soccer Association.
- To recruit boys and girls teams.
- To recruit college coaches to come to the event.

Soccer Events (1)

Fund Statement

	<u>Actual</u> <u>2016/2017</u>	<u>Actual</u> <u>2017/2018</u>	<u>Budget</u> <u>2018/2019</u>	<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 61,930	\$ 98,930
Revenues					
Event Fees	\$ 0	\$ 67,748	\$ 0	\$ 93,600	\$ 93,600
Merchandise Sales	0	0	0	4,500	4,500
Interest	0	117	0	600	600
Total Revenues	<u>\$ 0</u>	<u>\$ 67,865</u>	<u>\$ 0</u>	<u>\$ 98,700</u>	<u>\$ 98,700</u>
Funds Available	\$ 0	\$ 67,865	\$ 0	\$ 160,630	\$ 197,630
Expenditures	<u>\$ 0</u>	<u>\$ 5,935</u>	<u>\$ 0</u>	<u>\$ 61,700</u>	<u>72,200</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 61,930</u> (2)	<u>\$ 0</u>	<u>\$ 98,930</u> (2)	<u>\$ 125,430</u> (2)

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 61,930	\$ 0	\$ 37,000	\$ 26,500

1. This fund was established in May 2018 to account for the College Search Kickoff soccer event that was gifted to the City.
2. Event fees are collected in the fiscal year prior to the event which is held in July each year. This results in the fund balance at the end of each fiscal year.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Soccer Events

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ 6,500	\$ 8,400	
Commodities	-	5,935	-	14,100	15,700	
Contractual Services	-	-	-	41,100	48,100	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ 5,935</u>	<u>\$ -</u>	<u>\$ 61,700</u>	<u>\$ 72,200</u>	
Funding Sources						
Entry Fees	\$ -	\$ 67,748	\$ -	\$ 93,600	\$ 93,600	
Merchandise Sales	-	-	-	4,500	4,500	
Interest	-	117	-	600	600	
Total Funding Sources	<u>\$ -</u>	<u>\$ 67,865</u>	<u>\$ -</u>	<u>\$ 98,700</u>	<u>\$ 98,700</u>	

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Part Time:						
Program Aides	0.00	0.00	0.00	0.34	0.40	\$ 7,700
Employee Benefits						700
Total Personal Services						<u>\$ 8,400</u>

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. 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. Effective July 1, 2017 rates were set at \$588 for BLS calls, \$698 for ALS1 calls, \$1,011 for ALS2 calls, and \$1,194 for SCT calls. The mileage rate also increased to \$15 per loaded mile. Effective July 1, 2018 rates were set at \$595 for BLS calls, \$706 for ALS1 calls, \$1,023 for ALS2 calls, and \$1,208 for SCT calls. The mileage rate also increased to \$16 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 2019/2020, 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 25.7% for 2014/2015, it decreased to 23% in 2015/2016, further decreased to 22.5% in 2016/2017, remained at 22.5% for 2017/2018, and increased to 24.5% for 2018/2019. For the 2019/2020 budget it increased to 25% of the Fire department personal services costs for the current staffing level. The transfer for 2018/2019 at the allocation rate of 24.5% was \$1,047,200. The transfer for 2019/2020 at the allocation rate of 25% is \$1,079,400 which is a \$32,200 (3.1%) increase from the 2018/2019 budget. Additional revenues from GEMT (Ground Emergency Medical Transportation) funds are expected to increase reimbursements for Medicaid patients beginning in 2020. This has allowed for three new firefighter positions to be added in the Fire department budget beginning in January 2020 at a cost of \$116,300. Hiring of these positions is subject to receipt of the GEMT funds. The Ambulance budget includes an additional transfer of \$116,300 to the Fire department budget to fund the cost of these positions. The additional staffing in the Fire department budget is needed due to the continued high call volume for ambulance services, especially requests for inter-facility transfers. With the added transfer of the GEMT funds, transfers for fire personnel costs total \$1,195,700 which is 27.1% of Fire department personal services costs. As close to 90% of Fire department calls are medical, this percentage allocation is appropriate and at the same time maintains an adequate balance in the Ambulance fund.

The revised estimated expenditures for 2018/2019 are \$3,200 less than the original budget. Personal services costs are \$900 less than budgeted, commodities \$4,500 more than budgeted, contractual services \$7,600 less than budgeted, and capital outlay \$800 more than budgeted.

The budgeted expenditures for 2019/2020 are \$272,500 (16.8%) more than the original 2018/2019 budget. This overall increase is due to the net effect of (1) a \$10,300 increase in personal services costs, (2) a \$6,500 increase in commodities, (3) a \$5,400 decrease in contractual services, (4) a \$109,200 increase in capital outlay, and (5) a \$151,900 increase in transfers. The increase in transfers includes the \$116,300 in expected GEMT reimbursements which will be used to fund the three new firefighter positions which are budgeted to start in January of 2020. The capital outlay allocation for 2019/2020 is \$139,300 and includes a Type II ambulance to be used for non-emergency inter-facility transfers (\$85,000), a power loading system (\$26,000), powered stair chair (\$7,300), and a power cot (\$21,000).

Ambulance service fees are estimated at \$1,550,000 for 2018/2019 and that is also the estimate for 2019/2020 (before the GEMT funds). 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. Additional ambulance revenues of \$116,300 are expected beginning in calendar year 2020 from GEMT (Ground Emergency Medical Transportation) funding. This funding is

expected to increase reimbursements for Medicaid patients. Based on the projected revenues and expenditures, the fund balance at the end of 2019/2020 is projected at \$89,050.

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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Urban Zone Medical Responses	2,506	2,705	2,703	2,800	2,900
Suburban/Rural Zone Medical Responses	463	401	474	512	500
Out of Territory Medical Responses	43	49	32	72	50
Inter-facility Transfers	1,070	1,084	1,301	1,269	1,300
Total EMS Calls	4,082	4,239	4,510	4,653	4,750
EMS Calls as a % of Total Fire Calls	90.1%	90.0%	88.4%	92.5%	92.2%
EMS Training Hours	1,961	1,677	1,911	1,733	1,750
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	93.3%	89.7% *	91.0%	91.4%	92.0%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	94.4%	93.2%	94.3%	91%	93.0%

* The decrease in response time in 2016 was due to the detour for the Mulberry Avenue reconstruction project.

RECENT ACCOMPLISHMENTS:

The ambulance operation continues 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 staff has created specifications, purchased, and put into service a decontamination system to better maintain cleanliness of the ambulances.

The ambulance operation hosted the 9th Annual EMS (Emergency Medical Services) Saturday conference at Discovery Park. This event draws participants from throughout Eastern Iowa as well as serving Fire department personnel. The department also hosted the 20th Annual Muscatine County EMS Day at Farm & Fleet.

Staff implemented strategies to decrease EMS costs, including in-house training for Pediatric Advanced Life Support, elimination of linen fees from Trinity, and utilization of new diagnostic equipment. Staff also

implemented changes in Intraosseous infusion access equipment and upgraded spinal immobilization equipment.

The department organized and assisted in the annual “Remembering Our Own” memorial at the Iowa EMS Association annual conference. Muscatine’s members are critical to this event from the video production through staffing the honor guard for memorial presentations. Six members were part of this year’s program.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- * To research and determine the best course of action for the most effective response to bedbug exposure.
- * To develop a long-term ambulance fleet replacement plan, including vehicle type, expected lifespan, and the most fiscally responsible long-term answer to ambulance selection and use. **(City Council and Management Continuous Service Improvement Goal)**
- * To perform a comprehensive review of medical response safety measures and activities, compare those with present departmental procedures, and implement additional actions as appropriate in order to improve the safety of department staff. **(City Council and Management Continuous Service Improvement Goal)**

Ambulance Operations

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 264,098	\$ 285,164	\$ 242,064	\$ 312,250	\$ 280,350
Revenues					
Ambulance Fees	\$ 1,506,658	\$ 1,524,490	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
Ambulance Fees - GEMT Funds					
Expected Beginning in 2020	0	0	0	0	116,300 (4)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	4	93,827	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Interest	544	2,953	500	3,000	3,000
Local Grant/Reimbursement	9,899	25,628	0	1,900	1,900
Total Revenues	<u>\$ 1,548,505</u>	<u>\$ 1,678,298</u>	<u>\$ 1,581,900</u>	<u>\$ 1,586,300</u>	<u>1,702,600</u>
Funds Available	\$ 1,812,603	\$ 1,963,462	\$ 1,823,964	\$ 1,898,550	1,982,950
Expenditures (1)	<u>1,527,439 (2)</u>	<u>1,651,212 (3)</u>	<u>1,621,400</u>	<u>1,618,200</u>	<u>1,893,900</u>
Ending Balance, June 30	<u><u>\$ 285,164</u></u>	<u><u>\$ 312,250</u></u>	<u><u>\$ 202,564</u></u>	<u><u>\$ 280,350</u></u>	<u><u>\$ 89,050</u></u>

Increase (Decrease) in					
Fund Balance	\$ 21,066	\$ 27,086	\$ (39,500)	\$ (31,900)	\$ (191,300)

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The expenditures for 2016/2017 included a transfer of \$80,590 to close out the Southend Fire Station capital project.
3. The expenditures for 2017/2018 include an additional \$14,647 for the settlement agreement and legal costs for the Southend Fire Station architect.
4. Additional ambulance revenues are expected beginning in calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding is expected to increase reimbursements for Medicaid patients. This amount has been estimated at \$116,300 which is shown as revenue in 2019/2020. This same amount has been included in transfers to the General Fund to fund three new firefighters in the Fire department budget starting January 1, 2020. Those positions are subject to the receipt of the GEMT funds.

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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 179,048	\$ 175,969	\$ 177,900	\$ 177,000	\$ 188,200	5.79%
Commodities	94,975	117,941	108,200	112,700	114,700	6.01%
Contractual Services	202,315	198,649	218,100	210,500	212,700	-2.48%
Capital Outlay	41,147	177,108	30,100	30,900	139,300	362.79%
Transfers	<u>1,009,291</u>	<u>979,447</u>	<u>1,087,100</u>	<u>1,087,100</u>	<u>1,239,000</u>	13.97%
Total Expenditures	<u>\$ 1,526,776</u>	<u>\$ 1,649,114</u>	<u>\$ 1,621,400</u>	<u>\$ 1,618,200</u>	<u>\$ 1,893,900</u>	16.81%
Funding Sources						
Ambulance Fees	\$ 1,506,662	\$ 1,618,317	\$ 1,550,000	\$ 1,550,000	\$ 1,666,300	7.50%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	544	2,953	500	3,000	3,000	500.00%
Local Grant/Reimbursements	<u>9,899</u>	<u>25,628</u>	<u>-</u>	<u>1,900</u>	<u>1,900</u>	
Total Funding Sources	<u>\$ 1,548,505</u>	<u>\$ 1,678,298</u>	<u>\$ 1,581,900</u>	<u>\$ 1,586,300</u>	<u>\$ 1,702,600</u>	7.63%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	0.88	0.70	0.73	0.73	0.77	
Office Coordinator	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total	2.13	1.95	1.98	1.98	2.02	\$ 135,800
Employee Benefits						<u>52,400</u>
Total Personal Services						<u>\$ 188,200</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Type II Ambulance for Non-Emergency Transfers	1	No	\$ 85,000
Power Loading System	1	No	26,000
Powered Stair Chair	1	Yes	7,300
Power Cot	1	Yes	21,000
Total			<u>\$ 139,300</u>

MUSCATINE CONVENTION AND VISITORS BUREAU (CVB)

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 provided 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. In March of 2017 the City contracted with the Greater Muscatine Chamber of Commerce and Industry for staffing of the CVB.

CURRENT TRENDS AND ISSUES:

In December of 2016, the previous CVB Director left her position with the City. In March of 2017, the City entered into an agreement with the Greater Muscatine Chamber of Commerce and Industry (GMCCI) to perform professional and administrative functions involving planning, organizing, coordinating, and directing the activities of the Conventions and Visitor's Bureau (CVB) that market and support the Muscatine area. The GMCCI designated an employee to perform these duties. In 2017/2018 the payment to GMCCI for this service was \$60,000, it increased to \$65,000 for 2018/2019, and is budgeted to increase to \$67,500 for 2019/2020.

The original CVB budget for 2018/2019 was \$119,100 and the revised estimate increased by \$3,500 to \$122,600. Increases in the budget include (1) a \$4,000 capital outlay allocation for the re-design of the CVB website, and (2) an increase in marketing of \$2,000 which includes \$1,600 funded from a Travel Iowa grant for marketing videos. There was a net decrease in other line items which offset a portion of these increases.

The 2019/2020 budget for the CVB totals \$125,900 which is \$6,800 (5.7%) more than the original 2018/2019 budget. The overall increase includes (1) a \$2,500 increase (to \$67,500) in the contractual payment to the GMCCI for staffing the CVB, (2) an \$8,400 increase for marketing, and (3) a net \$4,100 decrease in other line items. The marketing budget allocation includes continuing to use the McDaniels Marketing Agency for digital marketing on Facebook and Google.

The 2018/2019 revised estimate hotel/motel tax funding (25% of prior year actual hotel/motel taxes) has been increased from the \$120,000 originally budgeted to \$130,500 since actual 2017/2018 hotel/motel tax revenues were more than budgeted. The 2017/2018 hotel/motel tax receipts were higher than the original budget since they included late payments received by the State for prior fiscal years. The 2019/2020 budget reflects an allocation of \$115,000 in hotel/motel tax funding, based on 25% of the

estimated \$460,000 in hotel/motel taxes for 2018/2019. The actual funding amount, however, will be 25% of actual 2018/2019 hotel/motel tax revenues. The CVB fund is projected to have a fund balance of \$128,849 as of June 30, 2020.

PERFORMANCE MEASURES

Guides

Metrics Measured	Actual 2016/2017	Actual 2017/2018	Goal 2018/2019	2018/2019 Year to Date	Goal 2019/2020
Requests for Mailings	70	80	80	91	200
Visitor Guides Distributed	8,000	8,000	5,000	4,600	5,000

Social Media

Metrics Measured	Actual 2016/2017	Actual 2017/2018	2018/2019 Year to Date	Goal 2019/2020
Facebook Likes	1,800	1,612	2,185	4,000
Twitter Followers	625	625	642	800
Instagram Followers	250	267	378	500

Other Social Media

Metrics Measured	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	2018/2019 Year to Date	Goal 2019/2020
Highest Facebook Post Reach	6,037	5,656	4,645	5,583	8,000
Highest Tweet Impressions	2,348	N/A	1,227	908	1,300
Most Likes on an Instagram Post	21	N/A	31	24	1,200

CVB Website

Metrics Measured	Actual 2016/2017	Actual 2017/2018	2018/2019 Year to Date	Goal 2019/2020
Visitors	18,000	13,891	50,625	100,000
Page Views	80,000	27,290	72,151	150,000

E-Newsletter

Metrics Measured	Actual 2016/2017	Actual 2017/2018	Goal 2018/2019	2018/2019 Year to Date	Goal 2019/2020
Subscribers	N/A	450	500	363	550
Open Rate (Average)	N/A	38	35.8	40	45

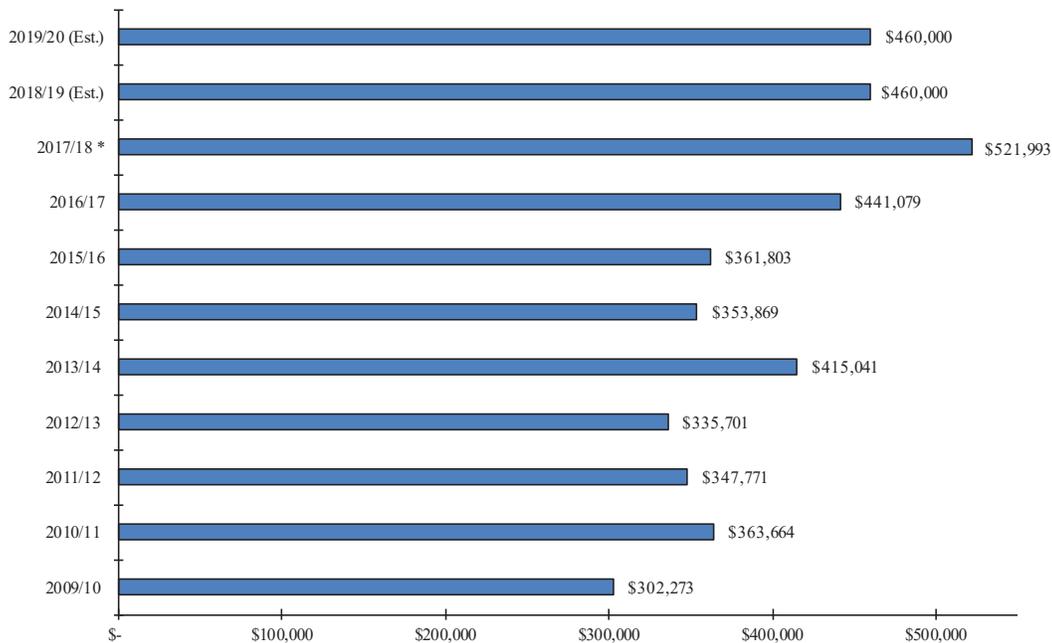
Hotel/Motel

Metrics Measured	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Goal 2019/2020
Revenue	\$7,425,590	N/A	N/A	N/A
Occupancy (Average per Month)	52.4	N/A	N/A	N/A
Tax	\$441,079	\$521,993	\$460,000	\$460,000

Economic Impact of Tourism in Muscatine County

Metrics Measured	Actual 2015	Actual 2016	Actual 2017
Amount Spent in Travel	\$79.99 million	\$80.39 million	\$83.74 million
Travel Tourism Jobs	700	710	720

Hotel/Motel Tax History



RECENT ACCOMPLISHMENTS:

The CVB coordinated interviews for WHBF Channel 4 for their spotlight on Muscatine during the week of September 10, 2018. Attractions and events included the Muscatine History and Industry Center, Muscatine Art Center, Muscatine County Environmental Learning Center, the Old Barn, Second Saturday, Pine Creek Grist Mill, and the Buckskinners Rendezvous.

The CVB submitted an application and was awarded a Travel Iowa grant from the Iowa Economic Development Administration (IEDA) in the amount of \$1,592 for marketing videos.

CVB staff had Muscatine information placed on the State Bowling website for the upcoming Men's Bowling tournament including links for lodging and a link to the Visitors Guide. The CVB participated in two separate visits regarding Alexander Clark history, one with a visiting University of Iowa graduate student and one with the Des Moines Register. Other events included helping coordinate interviews to

highlight Muscatine stories for Big River Magazine, Waterways Journal, and the Voice of America. A Walking Tour Book of Historic Houses of West Hill from 1984 is being revised by Mary Wildermuth and the CVB.

CVB staff worked with a graphic designer to develop a new concept for print ads. Staff also worked with CivicPlus to re-design VisitMuscatine.com. Staff helped coordinate the Downtown Muscatine Holiday Open House and the Girls Getaway weekend again this year.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To develop and disseminate targeted promotional and informational material directed to individuals, groups, networks of hospitality professionals, sports groups, tour companies, local attractions, and event coordinators.
- To ensure maintenance of current and accurate information on the Muscatine CVB website pages, especially the area calendar of events that relate to Muscatine area tourism, conventions, and trade shows.
- To serve as public relations leader to promote all Muscatine CVB activities at the local, regional, and state level.
- To maintain tracking instruments to measure results of marketing efforts.
- To prepare and administer the budget for the Muscatine CVB and report budget information and financial status as required by the Board.
- To capitalize on visitors while they are here (weddings, soccer tournaments, baseball/softball tournaments, business conferences, etc.).
- To increase communication and effectiveness with hospitality professionals in Muscatine.
- To cultivate and maintain relationships with visiting sports teams to ensure they have a quality visit and return to Muscatine in the future.
- To prepare for Chinese tourism by developing itineraries with community partnerships.
- To integrate the new Muscatine branding initiative into Muscatine CVB deliverables.

Muscatine Convention and Visitors Bureau (CVB)

Budget Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 108,332	\$ 118,088	\$ 113,488	\$ 127,249	\$ 138,249
Revenues					
County Contribution	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0
Travel Iowa Grant	0	0	0	1,600	0
Special Event Contributions	2,992	0	0	0	0
Special Event Vendor Fees	1,525	325	0	0	0
Miscellaneous Sales	210	0	0	0	0
Interest	409	1,437	300	1,500	1,500
Transfers In					
General Fund - Hotel/Motel Tax (1)	<u>90,451</u>	<u>110,270</u>	<u>120,000</u>	<u>130,500</u> (2)	<u>115,000</u>
Total Revenues	<u>\$ 96,587</u>	<u>\$ 112,032</u>	<u>\$ 120,300</u>	<u>\$ 133,600</u>	<u>\$ 116,500</u>
Funds Available	\$ 204,919	\$ 230,120	\$ 233,788	\$ 260,849	\$ 254,749
Expenditures	<u>\$ 86,831</u>	<u>\$ 102,871</u>	<u>119,100</u>	<u>\$ 122,600</u>	<u>125,900</u>
Ending Balance, June 30	<u><u>\$ 118,088</u></u>	<u><u>\$ 127,249</u></u>	<u><u>\$ 114,688</u></u>	<u><u>\$ 138,249</u></u>	<u><u>\$ 128,849</u></u>

Increase (Decrease) in Fund Balance	\$ 9,756	\$ 9,161	\$ 1,200	\$ 11,000	\$ (9,400)
--	-----------------	-----------------	-----------------	------------------	-------------------

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. The Hotel/Motel Tax transfer is higher in the Revised Estimate since late payments of prior year hotel/motel taxes were paid by one hotel in 2017/2018.

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 26,826	\$ -	\$ -	\$ -	\$ -	
Commodities	61	72	3,700	2,700	2,700	-27.03%
Contractual Services	58,962	98,699	111,200	111,700	119,500	7.46%
Capital Outlay	-	-	-	4,000	-	
Transfers	4,000	4,100	4,200	4,200	3,700	-11.90%
Total Expenditures	\$ 89,849	\$ 102,871	\$ 119,100	\$ 122,600	\$ 125,900	5.71%
Funding Sources						
City Hotel/Motel Tax						
Allocation	\$ 90,451	\$ 110,270	\$ 120,000	\$ 130,500	\$ 115,000	-4.17%
County Contribution	1,000	-	-	-	-	
Special Event Revenue	4,517	325	-	-	-	
Special Program Donation	-	-	-	1,600	-	
Other	619	1,437	300	1,500	1,500	400%
	\$ 96,587	\$ 112,032	\$ 120,300	\$ 133,600	\$ 116,500	-3.16%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
CVB Director	0.67 *	- *	- *	- *	- *	
Employee Benefits						-
Total Personal Services						\$ -
<p>* On March 2, 2017 the City entered into a contract with the Greater Muscatine Chamber of Commerce and Industry to provide staffing for the CVB; these costs are now reflected as contractual services in the CVB budget.</p>						

SOLID WASTE MANAGEMENT FUNDS

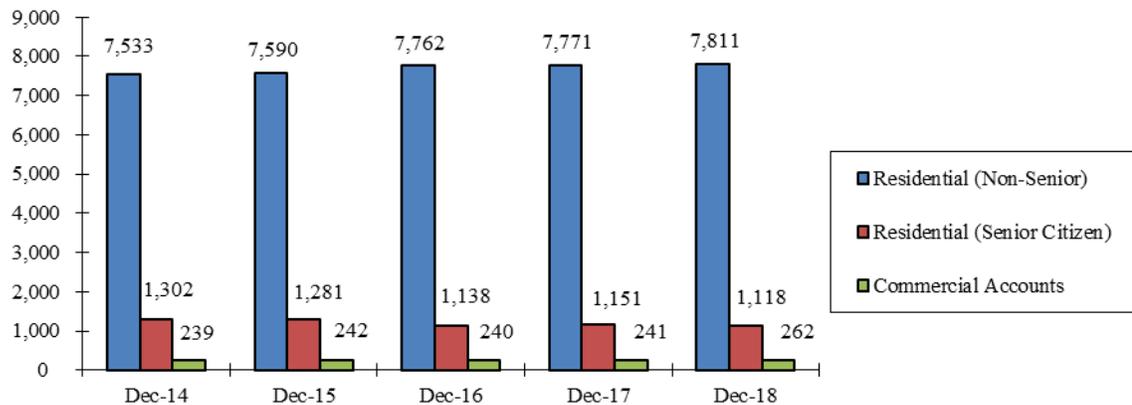
REFUSE COLLECTION

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:

Refuse Customers by Type



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.

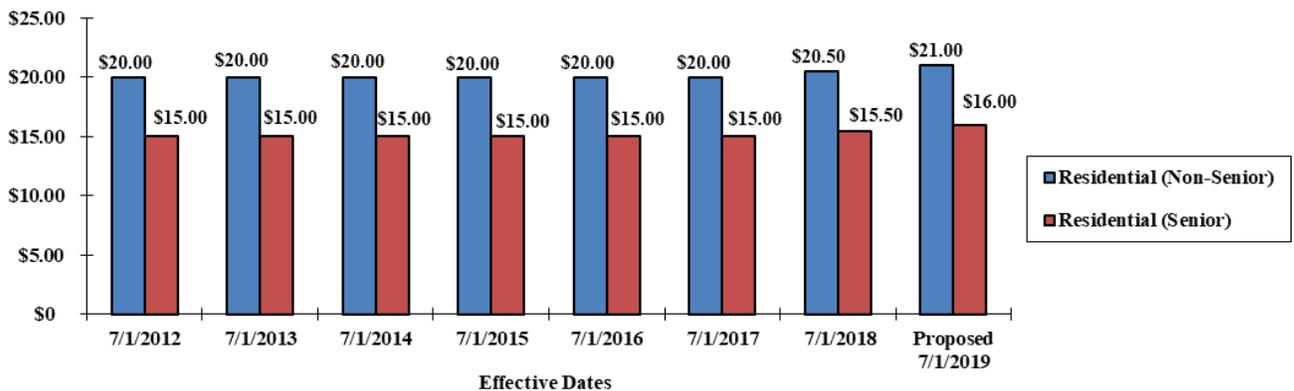
The final year of the original contract with Allied Waste (now Republic Services) was scheduled to end on March 31, 2016. In December 2015 City Council approved a 5-year extension to this contract. For the first year of the new contract the rate remained at \$3.43 per customer per month. For the 2nd 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. The \$3.64 rate went into effect April 1, 2018, the \$3.75 rate will go into effect April 1, 2019, and the \$3.86 rate will go into effect April 1, 2020.

In calendar year 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 (one-

person) 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 was 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. The rates for both regular residential customers and the senior rates increased by \$.50 per month effective July 1, 2018. This rate increase was needed in order to generate funds to replace one of the regular refuse collection vehicles in 2019/2020. The rates for residential customers are budgeted to increase by another \$.50 per residential customer per month effective July 1, 2019. This increase is needed to begin to accumulate funds for another automated refuse collection vehicle in 2020/2021 or the following year. The rate increases are also necessary since the monthly rate for the curbside recycling program increases each year, which impacts the funds available for the regular refuse collection service.

Refuse Collection Rate History (Rates Per Month)



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 2018/2019 and 2019/2020 budgets each include \$498,000 for Transfer Station fees for disposal of an estimated 8,300 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 in service and all of the carts purchased, the savings from this program began to be fully realized beginning in January of 2017.

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.

The revised estimate ending balance for 2016/2017 was projected to be a deficit of \$260,615. This deficit was a planned deficit due to the implementation of the automated refuse collection program. The actual deficit balance was \$236,908, which was \$23,707 less of a deficit than the originally estimated amount.

The revised estimate ending balance for 2017/2018 was projected to be a deficit of \$107,608. This deficit was again a planned deficit due to the implementation of the automated refuse collection program. The actual deficit balance was \$113,072, which was \$5,464 more of a deficit than the originally estimated amount.

Revised estimate expenditures for 2018/2019 are \$25,200 higher than the original budget. There were increases and decreases throughout the budget but the overall increase was due to the net effect of (1) a \$9,500 decrease in personal services costs primarily due to the Public Works staff reorganization, (2) a \$5,600 increase in commodities, primarily for increased fuel costs, (3) a \$23,200 increase in contractual services costs, primarily for refuse collection vehicle repair and maintenance services, and (4) an \$5,900 increase in capital outlay to purchase additional residential refuse containers.

The budgeted expenditures for 2019/2020 are \$188,500 (9.0%) more than the original 2018/2019 budget, primarily due to the capital outlay allocation of \$140,000 for the purchase of a new rear-load refuse collection vehicle. There were increases and decreases throughout the budget but the overall increase is due to the net effect of (1) a \$19,600 reduction in personal services costs due to the Public Works staff reorganization, (2) a \$20,000 increase in commodities which includes \$14,400 for yard waste bags for resale and \$5,000 for increased fuel costs, (3) a \$37,500 increase in contractual services which includes a \$12,000 increase in the curbside recycling services contract and increased refuse collection vehicle repair and maintenance services, (4) a \$146,900 increase in capital outlay which includes the new refuse collection vehicle, and (5) a \$3,700 increase in administrative fee transfers.

Refuse collection charges for services revenue in the revised estimate for 2018/2019 is estimated at \$2,253,500 and it is projected to increase to \$2,307,000 for 2019/2020. As noted above, for the 2019/2020 budget, the rates for both regular and senior residential customers are budgeted to increase by \$.50 per month effective July 1, 2019. This will increase the monthly rate for regular customers to \$21.00 and the rate for senior customers to \$16.00. The rate increase is needed in order to begin to accumulate funds to purchase another automated refuse collection vehicle in 2020/2021 or the following year. The rate increase is also needed since the monthly rate for the curbside recycling program increases each year, which impacts the funds available for the regular refuse collection operation.

The original budget for 2018/2019 projected that the previous deficit would be eliminated and there would be a positive fund balance at the end of the year of \$77,092. The fund balance in the revised estimate is estimated at \$43,328 which is \$33,764 lower than originally estimated due to increased expenditures, primarily the increase in vehicle repair and maintenance costs. As noted previously, the 2019/2020 budget includes \$140,000 to replace one of the rear-loading refuse collection vehicles. The rate increase for 2018/2019 was projected to generate \$53,500 in additional revenues so sufficient funds would be available for this purchase and to still maintain a positive balance in this fund. An additional rate increase is budgeted for July 1, 2019 to begin to accumulate funds for an additional automated refuse vehicle in 2020/2021 or the following year. The estimated balance at the end of 2019/2020 is \$88,528.

The 2018/2019 and 2019/2020 budgets continue to include 75% of the two half-time Community Services Officer positions in the Community Development department that deal with nuisance complaints including garbage and junk removal orders.

The budget also continues to fund the City of Muscatine’s portion of the Solid Waste Management Agency annual 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Tons of Refuse Collected	8,400	8,235	8,164	8,300	8,300
Regular Residential Customers - December	6,954	7,141	7,150	7,190	7,190
Senior Residential Customers - December	1,281	1,138	1,151	1,118	1,118
Commercial and Industrial Customers - December	242	240	241	262	262
Ripley’s Mobile Home Court – Residential Units	285	279	285	285	285
Fruitland Residential Customers – December	336	336	336	336	336
Cleanup Week Collections (Tons)	700	774	876	850	850
Number of Recycling Trailers	5	4	4	4	4
Recycling Trailer Collections (Tons) *	76	98	144	143	143
Single Sort Curbside Recycling (Tons)	1,325	1,418	1,267	1,300	1,300
Curbside Pickups (calendar year)	1,530	1,458	1,686	1,690	1,700

* Recycling trailers are now only located at the Transfer Station.

RECENT ACCOMPLISHMENTS:

The Refuse Collection employees continue to provide curbside residential refuse collection as well as commercial collections in a safe and timely manner. Employee injuries are held to a minimum along with vehicle accidents.

The daily challenge of working with a minimum number of staff, equipment breakdowns, and Midwest weather is overcome through the teamwork and dedication that the employees demonstrate in their job performance.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To continue to monitor and maintain safe and proper equipment operation. With an aging fleet, making sure that equipment is being properly repaired and maintained is a necessity in minimizing down time.
- To continue to work on ways to improve efficiency and costs associated with Spring Cleanup Week.
- To continue with public education efforts, not only with trash and recycling education, but also educating residents on programs offered by the City.
- To continue to search for community beautification, sustainability, and environmental programs.

Refuse Collection Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance (Deficit), July 1	\$ (323,715) (2)	\$ (236,908)	\$ (107,608)	\$ (113,072)	\$ 43,328
Revenues					
Charges for Services	\$ 2,182,931	\$ 2,219,092	\$ 2,253,500 (3)	\$ 2,253,500 (3)	\$ 2,307,000 (4)
Sales - Yard Waste Bags	15,068	14,652	21,000	15,400	16,000
Commercial Brush Fee	166	77	500	400	400
Rental of Dumpsters	0	57	0	0	0
Interest	86	0	0	0	0
Sales Tax	5,371	5,881	5,400	6,000	6,000
Miscellaneous	1,109	941	0	2,000	0
Transfers In:					
Surcharge Part II	43,490	51,920	0	0	0
Total Revenues	\$ 2,248,221	\$ 2,292,620	\$ 2,280,400	\$ 2,277,300	\$ 2,329,400
Funds Available	\$ 1,924,506	\$ 2,055,712	\$ 2,172,792	\$ 2,164,228	\$ 2,372,728
Expenditures (1)	2,161,414	2,168,784	2,095,700	2,120,900	2,284,200
Ending Balance (Deficit), June 30	\$ (236,908) (2)	\$ (113,072) (2)	\$ 77,092 (3)	\$ 43,328 (3)	\$ 88,528
Increase (Decrease) in Fund Balance	\$ 86,807	\$ 123,836	\$ 184,700	\$ 156,400	\$ 45,200

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 were planned deficits due to capital costs to implement the automated refuse collection program. The deficit is expected to be eliminated in 2018/2019 with savings from this program.
3. A rate increase went into effect July 1, 2018 in order to begin to accumulate funds to replace one of the regular refuse collection vehicles (estimated at \$140,000). Rates were increased by \$.50 per month for regular and senior residential customers to \$20.50 and \$15.50, respectively. The per-household bills to the City of Fruitland and to Ripley's Mobile Home Court were also increased by \$.50 per month per household. Commercial account rates are evaluated separately.
4. A rate increase of \$.50 per month for all residential customers is budgeted for fiscal year 2019/2020. This increase is needed to fund increases in costs for the contracted curbside recycling contract and for funding of future refuse collection vehicles. This will increase the regular residential rate to \$21.00 per month and the senior rate to \$16.00.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 638,732	\$ 686,074	\$ 700,800	\$ 691,300	\$ 681,200	-2.80%
Commodities	65,702	61,125	60,200	65,800	80,200	33.22%
Contractual Services	1,230,884	1,251,086	1,237,400	1,260,600	1,274,900	3.03%
Capital Outlay	117,520	51,167	10,000	15,900	156,900	1469.00%
Transfers	123,890	135,120	87,300	87,300	91,000	4.24%
Total Expenditures	\$ 2,176,728	\$ 2,184,572	\$ 2,095,700	\$ 2,120,900	\$ 2,284,200	8.99%
Funding Sources						
Charges for Services	\$ 2,182,931	\$ 2,219,092	\$ 2,253,500	\$ 2,253,500	\$ 2,307,000	2.37%
Sales - Yard Waste Bags	15,068	14,652	21,000	15,400	16,000	-23.81%
Other Fees	166	134	500	400	400	-20.00%
Sales Tax	5,371	5,881	5,400	6,000	6,000	11.11%
Interest	86	-	-	-	-	
Miscellaneous	1,109	941	-	2,000	-	
Total Funding Sources	\$ 2,204,731	\$ 2,240,700	\$ 2,280,400	\$ 2,277,300	\$ 2,329,400	2.15%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Solid Waste Manager	0.50	0.50	0.50	0.25 *	- *	
Solid Waste & Sewer Systems Manager	-	-	-	0.04 *	0.08 *	
Solid Waste Supervisor	0.75	0.75	0.75	0.75	0.75	
Refuse Truck Driver I	4.50	4.00	4.00	4.00	4.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.50	0.50	0.50	0.50	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	7.75	7.25	7.25	7.04	6.83	
Part Time:						
Compost Site Attendant	0.73	0.73	0.73	1.05	1.03	
Community Service Officers**	0.50	0.75	0.75	0.75	0.75	
Refuse Collection Laborers***	1.44	0.72	0.81	0.81	0.81	
Clerk	-	-	-	0.18	0.36	
Total	10.42	9.45	9.54	9.83	9.78	\$ 453,400
Employee Benefits						227,800
Total Personal Services						\$ 681,200
* The Public Works staff reorganization was effective January 1, 2019.						
** 75% of two part-time Community Services Officers are being allocated to Refuse Collection to address nuisance complaints beginning in 2016/2017. In previous years 50% of a fulltime employee was allocated for this work.						
*** Refuse collection laborer hours decreased due to the 2nd automated refuse collection vehicle in 2016/2017; the increase in 2017/2018 is to allow more part-time hours for a 2-person refuse vehicle while the automated trucks are being serviced.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Rear-Load Commercial Refuse Truck	1	Yes	\$ 140,000
Curbside Refuse Containers	55	Yes	7,100
Dumpsters (2 Yard, 3 Yard, and 4 Yard)	14-17	Yes	9,800
			<u>\$ 156,900</u>

SOLID WASTE MANAGEMENT FUNDS

LANDFILL OPERATIONS

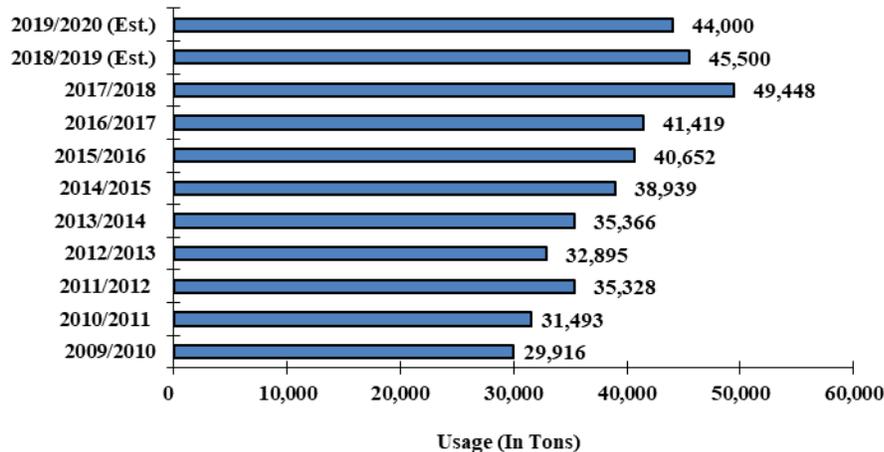
GENERAL INFORMATION:

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 2009/2010 as well as the projected waste volumes for 2018/2019 and 2019/2020.

Landfill Usage History

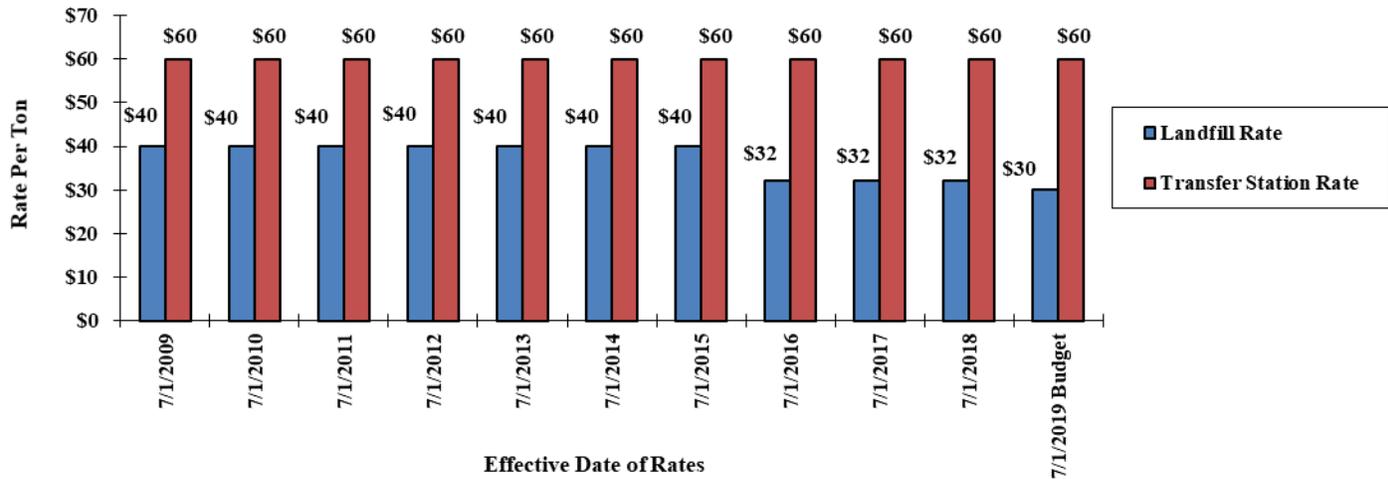


Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. The increase in waste volume in 2017/2018 can be attributed to the June 2017 hailstorm that damaged roofs and siding of numerous homes and businesses in the community.

The following chart shows the Transfer Station regular rates since the 2009/2010 year and the portion of the transfer station fee paid to the landfill fund. In 2008/2009 \$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 next 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. For 2019/2020 the landfill portion of the transfer station rate is budgeted to decrease to \$30 per ton for the full rate tonnage. This is needed to continue to fund capital expenditures at the Transfer Station.

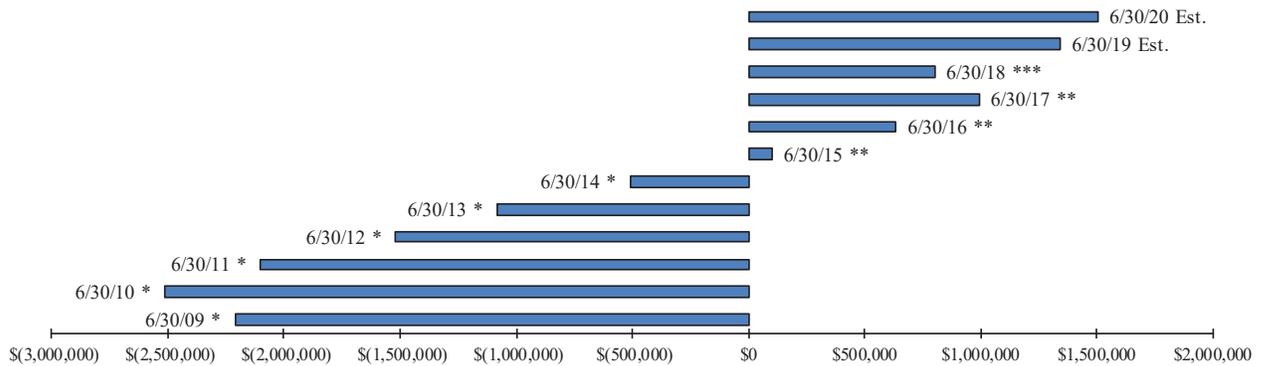
Transfer Station and Landfill Rates (Per Ton)



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 were 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).

Landfill Fund Balance (Deficit) History



- * 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 began to be accumulated for design and construction of the next landfill cell.
- *** There were sufficient funds available to fund construction of the next landfill cell in the 2017/2018 fiscal year and still keep a positive balance in this fund.

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 were 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 those cells was filled. The industrial contracts were a significant factor in the elimination of the deficit. The fund balance at the end of 2016/2017 was \$993,064. This balance plus the revenues received in 2017/2018 were sufficient to fund costs for construction of the next landfill cell and still maintain a positive balance of \$801,328 as of June 30, 2018. The fund balance is projected to increase to \$1,341,728 at the end of 2018/2019 and further increase to \$1,502,928 at the end of the 2019/2020 fiscal year.

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 would need to be constructed. 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 2018/2019 are \$81,100 higher than the original budget with this increase due in part to increased waste volumes estimated for this fiscal year. The original budget was based on an estimated 42,000 tons of waste; the revised estimate is based on 45,500 tons. Increased costs includes (1) a \$7,400 increase in the State Surcharge to be paid to the Iowa Department of Natural Resources (IDNR) and a \$5,400 increase in the required transfers to the Surcharge Reserve funds, both based on the increased waste volume, (2) an increase of \$25,800 in the required transfers to the Closure and Post-Closure Reserves, based on the prior year actual transfers, (3) a \$35,000 increase in leachate hauling costs, (4) an \$11,500 increase in engineering services costs, and (5) a net \$4,000 decrease in other line items.

Revised estimate landfill fees are estimated at \$1,363,600, which is \$104,600 more than the originally budgeted amount of \$1,259,000 due to the increased waste volumes.

Landfill expenditures budgeted for 2019/2020 are \$365,000 (40.4%) higher than the original 2018/2019 budget. The waste volume for 2019/2020 is estimated at 44,000 tons which is 2,000 tons more than the 42,000 tons in the original budget for 2018/2019. The increased expenditures include (1) a \$4,200 increase in the State Surcharge to be paid to the Iowa Department of Natural Resources (IDNR) and a \$3,100 increase in the required transfers to the Surcharge Reserve funds, both based on the increased waste volume, (2) an increase of \$25,800 in the required transfers to the Closure and Post-Closure Reserves, based on the prior year actual transfers, (3) a \$35,000 increase in leachate hauling costs, (4) a \$285,000 increase in capital outlay costs, (5) an \$11,500 increase in engineering services costs, and (5) a net \$400 increase in other line items. The capital outlay allocation for 2019/2020 totals \$300,000 which includes \$50,000 for a leachate recirculation system and allows for \$250,000 in other improvements that may be required by the IDNR. The landfill engineer has identified a number of potential improvement projects that the IDNR may require. While the budget allows for several of these improvements, the improvements may or may not be necessary or mandated by the IDNR based on continued testing and sampling at the Landfill.

Landfill fees for 2019/2020 are budgeted at \$1,269,500 based on the estimated 44,000 tons. This is \$10,500 higher than the original budget for 2018/2019. This 44,000 ton waste estimate includes 28,300 tons at the full \$30 rate which is a decrease from the \$32 rate in 2018/2019 (\$849,000), 8,400 tons at the \$25 industrial contract rate (\$210,000), and 7,300 tons at the negotiated industrial rates (\$210,500). The industrial and negotiated industrial contract rates are the rates in the 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. The industrial contracts will be reviewed and re-negotiated during the 2019/2020 year.

With the projected landfill revenues and expenditures, the landfill fund balance is projected to increase by \$540,400 to \$1,341,728 in the 2018/2019 fiscal year due to limited capital outlay costs. The 2019/2020 fund balance is projected to increase by \$161,200 to \$1,502,928. The fund balance will allow for any IDNR mandated costs that may be needed and also allows sufficient funding for construction of the next landfill cell. Having sufficient funds available for construction of the new cell in 2017/2018 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 2018/2019 and 2019/2020. 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 \$92,400 for 2019/2020 based on an estimated 44,000 tons of waste. The surcharge funds retained by the City are estimated at \$68,200 for 2019/2020. 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 2019/2020 it is estimated that there will be \$22,000 in Part I funds which will be transferred to the Landfill fund for qualifying expenditures and an estimated \$46,200 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 2018/2019 and 2019/2020 is \$124,800 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at \$31,500.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Tons of Waste Disposed	40,652	41,419	49,448 *	45,500	44,000
Estimated Landfill Capacity Remaining (Tons)	124,991	25,000 **	235,000 ***	188,000	141,000
Years of Current Landfill Space Remaining (Estimate)	3.1	.5 **	6	5	4
Leachate Collected in Gallons	1,600,000	1,831,513	2,246,828	1,800,000	1,800,000

* The waste volume increase in 2017/2018 includes disposal of debris and damaged building materials from the 2017 tornado, wind storm, and hail storm.

** The prior year remaining capacity was found to be less than previously anticipated in 2016/2017.

*** The Landfill capacity increased in December of 2017 with the opening of Cell #5.

RECENT ACCOMPLISHMENTS:

In 2018, both the newly constructed cell number five and leachate storage lagoon were placed into service. Both the new cell and the storage lagoon presented a number of challenges but are now fully operational and the lagoon has helped with leachate compliance issues.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To work with the landfill engineering firm on corrective measures needed for compliance with the IDNR Report of Corrective Measures that is due in December of 2019.
- To continue to communicate with the contract landfill operator on the expectations that the department has for the operations at the landfill.
- To explore new methods that would provide operating cost reductions and aid in the life expectancy of the landfill.
- To re-negotiate the industrial waste contracts (all have expiration dates of June 30, 2020).

Landfill Operations

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 635,191	\$ 993,064	\$ 724,614	\$ 801,328	\$ 1,341,728
Revenues					
Charges for Services	\$ 1,246,501	\$ 1,485,289	\$ 1,259,000	\$ 1,363,600 (3)	\$ 1,269,500 (4)
Agency Assessment (2)	117,177	116,702	117,200	117,700	117,200
Interest	8,601	28,213	2,500	20,000	20,000
Industry Contribution	10,000	10,000	10,000	0	0
Transfers In:					
Landfill Surcharge Reserve	20,710	24,724	21,000	22,700 (5)	22,000 (5)
Total Revenues	\$ 1,402,989	\$ 1,664,928	\$ 1,409,700	\$ 1,524,000	\$ 1,428,700
Funds Available	\$ 2,038,180	\$ 2,657,992	\$ 2,134,314	\$ 2,325,328	\$ 2,770,428
Expenditures (1)	1,045,116	1,856,664	902,500	983,600	1,267,500
Ending Balance, June 30	\$ 993,064	\$ 801,328	\$ 1,231,814	\$ 1,341,728	\$ 1,502,928
Increase (Decrease) in Fund Balance	\$ 357,873	\$ (191,736)	\$ 507,200	\$ 540,400	\$ 161,200

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 revised estimate for 2018/2019 is based on 28,300 tons at \$32/ton plus 9,900 tons at the industrial rate of \$25/ton plus \$210,500 from the negotiated industrial contracts which is all passed through to the Landfill. The total projected waste volume is 45,500 tons for the 2018/2019 revised estimate.
4. The budget for 2019/2020 is based on 28,300 tons at \$30/ton plus 8,400 tons at the industrial rate of \$25/ton plus \$210,500 from the negotiated industrial contracts which is all passed through to the Landfill. The total projected waste volume is 44,000 tons for the 2019/2020 budget.
5. The 2018/2019 and 2019/2020 transfers from the Landfill Surcharge Reserve are based on 45,500 and 44,000 tons, respectively, at \$.50 per ton.

Explanation of Changes in Fund Balances:

There was an accumulated deficit in this fund in previous years 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 started to be accumulated for construction of the next cell. The cell construction cost and related engineering totaled \$739,800 which was included in 2017/2018 expenditures. These costs resulted in the fund balance decrease in 2017/2018. Funds are again being accumulated for future landfill capital costs.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>20,710</u>	<u>24,724</u>	<u>21,000</u>	<u>22,700</u> (1)	<u>22,000</u> (1)
Funds Available	\$ 20,710	\$ 24,724	\$ 21,000	\$ 22,700	\$ 22,000
Expenditures					
Transfers to Landfill Fund	<u>20,710</u>	<u>24,724</u>	<u>21,000</u>	<u>22,700</u>	<u>22,000</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 45,500 tons for the 2018/2019 Revised Estimate and 44,000 tons for the 2019/2020 Budget at \$.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>43,490</u>	<u>51,920</u>	<u>44,100</u>	<u>47,800</u> (1)	<u>46,200</u> (1)
Funds Available	\$ 43,490	\$ 51,920	\$ 44,100	\$ 47,800	\$ 46,200
Expenditures					
Transfers to Transfer Station Fund	<u>43,490</u>	<u>51,920</u>	<u>44,100</u>	<u>47,800</u>	<u>46,200</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 45,500 tons for the 2018/2019 Revised Estimate and 44,000 tons for the 2019/2020 Budget at \$1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 796,174	\$ 897,991	\$ 999,991	\$ 1,022,715	\$ 1,147,515
Revenues					
Transfers In					
Landfill Fund	<u>101,817</u>	<u>124,724</u>	<u>102,000</u>	<u>124,800 (2)</u>	<u>124,800 (2)</u>
Funds Available	\$ 897,991	\$ 1,022,715	\$ 1,101,991	\$ 1,147,515	\$ 1,272,315
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 897,991</u>	<u>\$ 1,022,715</u>	<u>\$ 1,101,991</u>	<u>\$ 1,147,515</u>	<u>\$ 1,272,315</u>

Increase (Decrease) in					
Fund Balance	\$ 101,817	\$ 124,724	\$ 102,000	\$ 124,800	\$ 124,800

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 determined.

Landfill Post-Closure Reserve (1)

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 912,555	\$ 940,638	\$ 969,138	\$ 972,087	\$ 1,003,587
Revenues					
Transfers In					
Landfill Fund	<u>28,083</u>	<u>31,449</u>	<u>28,500</u>	<u>31,500 (2)</u>	<u>31,500 (2)</u>
Funds Available	\$ 940,638	\$ 972,087	\$ 997,638	\$ 1,003,587	\$ 1,035,087
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 940,638</u>	<u>\$ 972,087</u>	<u>\$ 997,638</u>	<u>\$ 1,003,587</u>	<u>\$ 1,035,087</u>

Increase (Decrease) in					
Fund Balance	\$ 28,083	\$ 31,449	\$ 28,500	\$ 31,500	\$ 31,500

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 determined.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 65,026	\$ 69,108	\$ 66,400	\$ 63,500	\$ 66,700	0.45%
Commodities	9,421	14,267	17,400	17,400	17,400	0.00%
Contractual Services	537,164	565,508	550,400	602,300	599,400	8.90%
Capital Outlay	180,456	923,949	15,000	15,900	300,000	1900.00%
Transfers	248,400	288,817	253,300	284,500	284,000	12.12%
Total Expenditures	<u>\$ 1,040,467</u>	<u>\$ 1,861,649</u>	<u>\$ 902,500</u>	<u>\$ 983,600</u>	<u>\$ 1,267,500</u>	40.44%
Funding Sources						
Charges for Services	\$ 1,246,501	\$ 1,485,289	\$ 1,259,000	\$ 1,363,600	\$ 1,269,500	0.83%
Agency Assessment	117,177	116,702	117,200	117,700	117,200	0.00%
Industry Contribution	10,000	10,000	10,000	-	-	-100.00%
Interest	8,601	28,213	2,500	20,000	20,000	700.00%
Transfers In:						
Surcharge Reserve	20,710	24,724	21,000	22,700	22,000	4.76%
Total Funding Sources	<u>\$ 1,402,989</u>	<u>\$ 1,664,928</u>	<u>\$ 1,409,700</u>	<u>\$ 1,524,000</u>	<u>\$ 1,428,700</u>	1.35%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Solid Waste Manager	0.35	0.35	0.35	0.18 *	- *	
Solid Waste & Sewer Sstem Manager	-	-	-	0.18 *	0.35 *	
Solid Waste Supervisor	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.60	0.60	0.60	0.60	0.60	\$ 46,300
Employee Benefits						20,400
Total Personal Services						<u>\$ 66,700</u>
* Public Works reorganization effective January 1, 2019.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Potential Ground Water Remediation Projects			\$ 250,000
Leachate Recirculation System	1	No	50,000
			<u>\$ 300,000</u>

SOLID WASTE MANAGEMENT FUNDS

TRANSFER STATION OPERATIONS

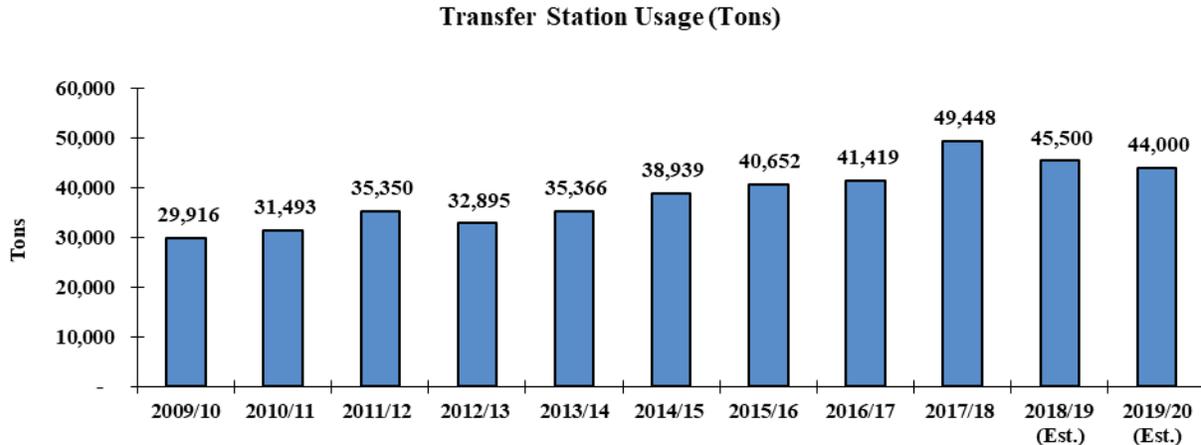
GENERAL INFORMATION:

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.

CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August 1995. Waste volumes at the Transfer Station have varied as shown in the table below. The local economy as well as the July 1, 2009 rate increase impacted the transfer station waste volume. Revenues and expenditures for the 2018/2019 revised estimate have been based on 45,500 tons of waste and the 2019/2020 budget is based 44,000 tons of waste. The higher waste volume in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm.



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 was 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 were 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.

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 also eliminated the budget deficit in the Transfer Station fund with a positive \$166,418 fund balance at the end of 2016/2017.

In 2017/2018 there was a total of \$219,732 in capital outlay expenditures including \$150,382 to replace the wheel loader and \$69,350 for improvements to the tunnel scale and tunnel door. There was deficit fund balance of \$60,468 in the Transfer Station fund on June 30, 2018.

Due to continuing capital outlay and deferred maintenance needs at the Transfer Station, the allocation of the full rate waste fee was continued at the \$32 Landfill/\$28 Transfer Station allocation rate for the 2018/2019 fiscal year. This allocation rate allowed funds to be included in the 2018/2019 budget for replacement of the exterior scale.

The 2018/2019 revised estimate expenditures are \$107,100 more than the original budget. This increase is primarily due to increased Landfill fees of \$104,600 due to increased waste tonnage. The revised estimate is based on an estimated 45,500 tons of waste instead of the 42,000 tons in the original budget.

Revised estimate tipping fee revenue is estimated at \$2,354,000 which is \$201,400 more than the original budget. This increase is due to the estimated increase in tonnage from the 42,000 in the original budget to 44,500 in the revised estimate. Based on revised estimate revenues and expenditures, a deficit fund balance of \$25,968 is projected for June 30, 2019.

The 2019/2020 budget includes a change in the allocation of the full rate waste fee to \$30 Landfill and \$30 Transfer Station (changed from \$32 Landfill/\$28 Transfer Station). Based on an estimated 28,300 tons at the full \$60 per ton rate, this \$2 per ton change results in an expenditure reduction of \$56,600 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 a \$1,502,928 fund balance at the end of 2019/2020.

The budgeted expenditures for 2019/2020 are \$18,800 (.8%) less than the original 2018/2019 budget. The 2019/2020 budget is based on 44,000 tons of waste, which is a 2,000 ton increase from the original 2018/2019 budget. The 44,000 tonnage estimate is based on the revised estimate tonnage of 45,500 with an expected reduction of 1,500 tons from Heinz which is expected to be taken to the Water Pollution Control Plant's new High Strength Waste Receiving Station instead of the landfill when that facility opens. The \$18,800 overall expenditure decrease is primarily due to the net effect of (1) a \$12,300 increase in personal services costs, (2) a \$1,200 increase in commodities, (3) a \$9,800 decrease in contractual services, (4) a \$20,000 decrease in capital outlay, and (5) a \$2,500 decrease in transfers. The decrease in contractual services is due to the change in the allocation of the full rate waste fee between the Landfill and the Transfer Station. The budget includes an \$85,000 capital outlay allocation for a new transfer trailer. In addition to the expenditures included in the operating budget, bond funding in the amount of \$130,000 is budgeted to fund the fire suppression system repairs at the Transfer Station.

The 2019/2020 budgeted tipping fees are estimated at \$2,286,500 based on the 44,000 tonnage estimate. This is an increase of \$133,900 from the original 2018/2019 budget. Revenues for 2019/2020 also include \$60,000 from renting the former recycling portion of the Transfer Station to the Water Pollution Control Plant to be used for the new High Strength Waste Receiving Station. This will replace the current \$21,000 in lease revenues from Republic Services for that portion of the building. The Republic lease expires June 30, 2019 and they are not interested in renewing the lease. The Transfer Station fund balance is estimated at \$104,332 at the end of the 2019/2020 fiscal year.

The 2018/2019 revised estimate and 2019/2020 budget include payments of \$75,800 and \$72,700, respectively, 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 was 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) completed the financing for this equipment. The transfer trailer purchased in 2015/2016 added 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 \$72,700 in the 2018/2019 budget. The final payment on the internal loan of \$40,100 will be in the 2020/2021 fiscal year.

As noted previously, the allocation of the full rate Transfer Station tipping fee rate is \$32 Landfill and \$28 Transfer Station in 2018/2019 and is budgeted to change to \$30 Landfill and \$30 Transfer Station in 2019/2020. This allocation change will assist in providing funding to address capital and deferred maintenance needs at the Transfer Station.

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 2015/2016	Actual 2016/20/17	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Tons of Waste Processed	40,652	41,419	49,448	45,500	44,000
Tons Recycled (Contractor) – Republic *	1,402	1,418	1,411	1,500	1,600
Gallons of Waste Oil Collected	4,237	4,840	6,440	6,500	6,500

* 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:

The Transfer Station staff has been working on being more efficient and diligent in the loading out of material taken in on the tipping floor. Staff has been working with the contract hauler and the contract operator at the Landfill to better utilize time during the day and to minimize the amount of refuse held at the Transfer Station overnight.

The site used for disposal of brush and yard waste has started to see a transformation with the assistance of the Street division. Work is being done to transform the site to a more user friendly area.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- * To continue to work on identifying operating efficiency opportunities at the Transfer Station.
(Council and Management Continuous Service Improvement Goal)
- * To explore opportunities for possible new revenue sources and explore opportunities to divert waste taken in rather than landfilling.
- * To continue to maintain facilities to ensure the longevity of the Transfer Station.
- * To re-negotiate the industrial waste contracts (all have expiration dates of June 30, 2020).

Transfer Station Operations

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance (Deficit), July 1	\$ (57,857)	\$ 166,418	\$ 97,168	\$ (60,468)	\$ (25,968)
Revenues					
Charges for Services	\$ 2,178,078	\$ 2,321,391	\$ 2,152,600	\$ 2,354,000 (2)	\$ 2,286,500 (3)
Household Hazardous Waste	0	0	300	300	300
Recycling Commissions	11,098	9,925	7,000	7,000	7,000
Recycling Center Rental Fees	20,896	21,417	21,000	21,000	60,000
Sales Tax	11,558	27,055	12,000	12,000	12,000
Electronic Waste Disposal Fees	13,958	14,830	13,000	13,000	13,000
Appliance Disposal Fees	8,394	9,562	8,500	8,500	8,500
Sale of Equipment	2,518	0	0	0	0
Other	1,466	412	0	0	0
Transfers In:					
Surcharge Reserve	43,490	51,920	44,100	47,800	46,200
Closure Reserve	4,570	0	0	0	0
Total Revenues	<u>\$ 2,296,026</u>	<u>\$ 2,456,512</u>	<u>\$ 2,258,500</u>	<u>\$ 2,463,600</u>	<u>\$ 2,433,500</u>
Funds Available	\$ 2,238,169	\$ 2,622,930	\$ 2,355,668	\$ 2,403,132	\$ 2,407,532
Expenditures (1)	<u>2,071,751</u>	<u>2,683,398</u>	<u>2,322,000</u>	<u>2,429,100</u>	<u>2,303,200</u>
Ending Balance (Deficit), June 30	<u><u>\$ 166,418</u></u>	<u><u>\$ (60,468)</u></u>	<u><u>\$ 33,668</u></u>	<u><u>\$ (25,968)</u></u>	<u><u>\$ 104,332</u></u>

Increase (Decrease) in Fund Balance	\$ 224,275	\$ (226,886)	\$ (63,500) (3)	\$ 34,500	\$ 130,300
--	-------------------	---------------------	------------------------	------------------	-------------------

- Expenditures include changes in compensated absences and other post-employment benefits.
- The revenue estimate for the 2018/2019 revised estimate is based on a total of 45,500 tons with 28,300 tons at \$60/ton plus 9,900 tons at the industrial rate of \$45/ton plus \$210,500 from the negotiated industrial contracts which is passed through to the Landfill.
- The revenue estimate for the 2019/2020 budget is based on a total of 44,000 tons with 28,300 tons at \$60/ton plus 8,400 tons at the industrial rate of \$45/ton plus \$210,500 from the negotiated industrial contracts which is passed through to the Landfill.

Explanation of Changes in Fund Balances:

The deficit balances in this fund in recent years were primarily due to reduced waste volumes 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 was decreased from \$40/ton to \$32/ton. For 2019/2020 the Landfill portion of the full \$60/ton rate is budgeted to decrease to \$30/ton. This allows for more of the tipping fee funds to remain in the Transfer Station to fund capital outlay and deferred maintenance items.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 38,395	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	\$ 38,395	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825
Transfer to Operations	4,570	0	0	0	0
Ending Balance, June 30	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825
Increase (Decrease) in Fund Balance	\$ (4,570)	\$ 0	\$ 0	\$ 0	\$ 0

1. This reserve is required according to State regulations.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 241,749	\$ 257,603	\$ 258,000	\$ 259,800	\$ 270,300	4.77%
Commodities	27,452	35,392	31,100	32,300	32,300	3.86%
Contractual Services	1,704,473	2,106,270	1,849,000	1,944,200	1,839,200	-0.53%
Capital Outlay	15,077	219,732	105,000	113,900	85,000	-19.05%
Transfers	78,700	78,800	78,900	78,900	76,400	-3.17%
Total Expenditures	\$ 2,067,451	\$ 2,697,797	\$ 2,322,000	\$ 2,429,100	\$ 2,303,200	-0.81%
Funding Sources						
Charges for Services	\$ 2,178,078	\$ 2,321,391	\$ 2,152,600	\$ 2,354,000	\$ 2,286,500	6.22%
Recycling Commissions	11,098	9,925	7,000	7,000	7,000	0.00%
Recycling Center Rental	20,896	21,417	21,000	21,000	60,000	185.71%
Sales Tax	11,558	27,055	12,000	12,000	12,000	0.00%
Tire, E-Waste, Appliance Charges	22,352	24,392	21,500	21,800	21,800	1.40%
Sale of Equipment	2,518	-	-	-	-	
Other	1,466	412	300	-	-	-100.00%
Transfer from Closure Reserve Fund	4,570	-	-	-	-	
Transfer from Surcharge Reserve	43,490	51,920	44,100	47,800	46,200	4.76%
Total Funding Sources	\$ 2,296,026	\$ 2,456,512	\$ 2,258,500	\$ 2,463,600	\$ 2,433,500	7.75%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Solid Waste Manager	0.15	0.15	0.15	0.08 *	- *	
Solid Waste & Sewer System Manager	-	-	-	0.04 *	0.08 *	
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	0.50	0.50	0.50	0.50	0.50	
Clerk	0.50	0.50	0.50	0.50	0.50	
Total Full Time	3.15	3.15	3.15	3.11	3.08	
Part Time:						
Clerk	-	-	-	0.18 *	0.38 *	
Total	3.15	3.15	3.15	3.29	3.45	\$ 165,900
Employee Benefits						104,400
Total Personal Services						\$ 270,300
* Public Works staff reorganization effective January 1, 2019.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Transfer Trailer	1	Yes	<u>\$ 85,000</u>

Funding Transfers	
<i>Item</i>	<i>Amount</i>
Annual Payment on Internal Loans for Transfer Trailer and Track Loader	<u>\$ 72,700</u>

WATER POLLUTION CONTROL FUND

GENERAL INFORMATION:

The Water Pollution Control Fund consists of two reserve funds, one bond sinking fund and six (6) 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 was continued in the 2017/2018 and 2018/2019 budgets to fund the new High Strength Waste Receiving Station. The transfer for 2019/2020 has been set at \$400,000 as recommended in the 2018 sewer rate study.

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. 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 will be completed in 2018/2019. An estimated \$3 million has been included in the 2018/2019 revised estimate to fund the final engineering costs and contract and equipment costs for this project. The \$800,000 cost of the digester conversion portion of the project was included in the May 2018 bond issue. The Water Pollution Control operations budget will fund the annual debt service payments on this portion of the 2018 bond issue.

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. This plan was updated in 2017. Plans are to complete this project in phases over the next nine 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. The referendum to extend this tax from its current expiration date of June 30, 2019 through June 30, 2034 was held on March 6, 2018, and the tax was again approved by voters with 88% voting in favor of the extension.

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 2019/2020 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 long-term financial plan, the Local Option Sales Tax funds and funds from this reserve are expected to cash flow project costs until 2023 when a State Revolving Fund (SRF) loan will be needed to fund the remaining project costs.

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 was at an effective rate of 3.25%. The effective interest rate on this loan was reduced to 2.00% as of December 1, 2018. 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 2018/2019 and 2019/2020 are \$978,341 and \$922,970, respectively. Interest payments are \$309,461 in 2018/2019 and \$222,220 in 2019/2020. The principal payments on this loan are \$678,000 in 2018/2019 and \$700,000 in 2019/2020.

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.

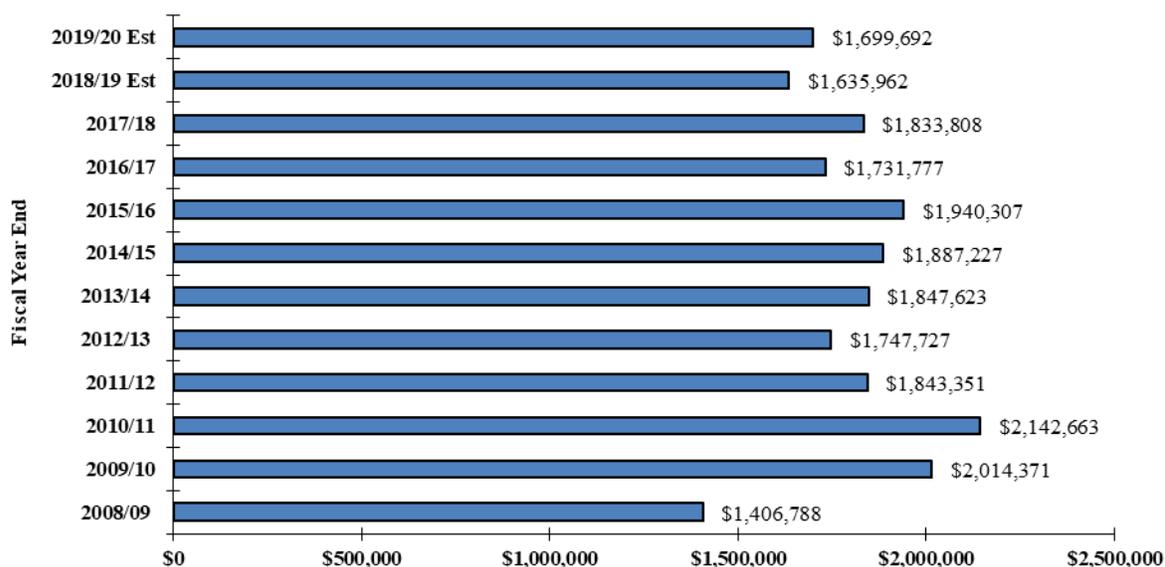
A comprehensive Water Pollution Control Plant review was completed in 2006. Recommendations from this review included reconstruction of existing processes with upgrades directed toward process optimization through equipment upgrades, operational flexibility, and optimizing energy utilization. The total 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 nearing completion for a High Strength Waste Receiving Station for the WPCP. This was originally planned to be a new facility at the Water Pollution Control Plant. The initial bids for the project, however, were significantly higher than originally estimated and this facility will now be located in the former recycling area at the Transfer Station. This facility will accept FOG (Fats, Oils, and Grease) waste from local restaurants and other food waste. 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 scheduled to be completed in the summer of 2019.

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.

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, 2017/2018, and 2018/2019 are due to \$500,000 increases in the transfers to the Plant Replacement Reserve in these years. These increased transfers are needed to fund the High Strength Waste Receiving Station project.

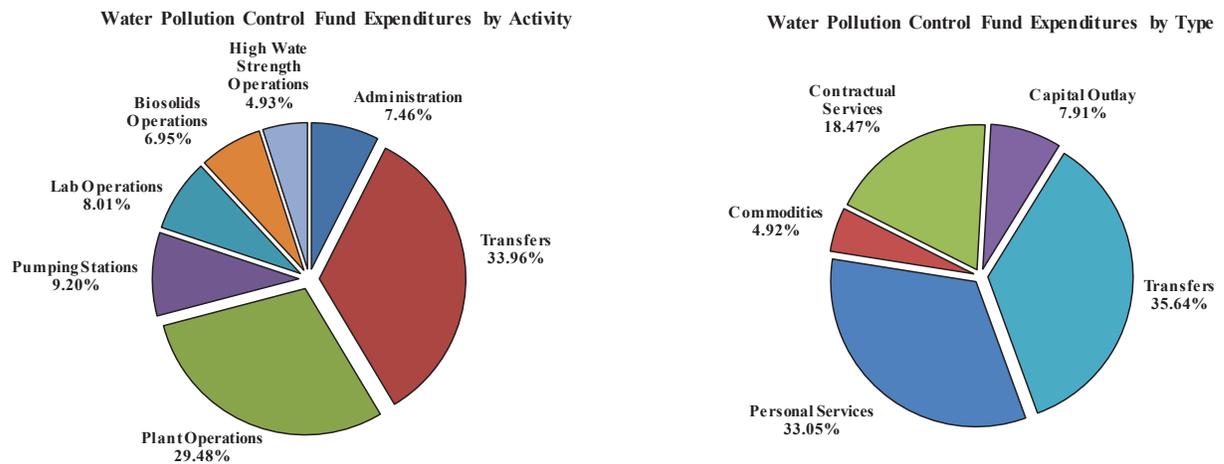
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City’s major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component 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 sewer rates reflected 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 included funds for a new rate study with those rates to be effective July 1, 2018 and annually thereafter for the next four years. The rate study recommended 3% annual increases in sewer rates and 2% annual increases in collection and drainage rates to be effective each July 1 from 2018 to 2022.

The Water Pollution Control Fund consists of six different activities, including administration, plant operations, pumping stations, laboratory operations, biosolids operations, and the new high strength waste receiving station. Full-time equivalent employees for these six activities total 20.25 for 2019/2020. The specific employee allocations are detailed in each of the six (6) activity budgets. The following charts show the distribution of budgeted expenditures by activity and by type for 2019/2020:



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, 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 2018/2019 revised estimate expenditures are \$91,250 less than the original budget. There were increases or decreases in each of the individual activity budgets including (1) an \$80,750 decrease in the Water Pollution Control Administration budget primarily due to the reduction in the interest rate on the State Revolving Fund loan, (2) a \$103,900 decrease in the Plant Operations budget primarily due to setting up a separate activity budget for the new High Strength Waste Receiving Station, (3) a \$100,200 increase in the Pumping Stations budget primarily due to needing to rebuild the pumps at the Papoose Lift Station, (4) a \$4,200 decrease in the Lab budget, (5) an \$8,400 decrease in the Biosolids budget, and (6) a \$5,800 increase by adding the new High Strength Waste Receiving Station activity.

The 2019/2020 budgeted expenditures of \$5,358,470 are \$88,674 (1.7%) more than the original 2018/2019 budget. This overall increase is due to (1) a \$68,100 (4.0%) increase in personal services costs, (2) a \$4,100 (1.6%) increase in commodities, (3) a \$109,900 (12.5%) increase in contractual services, (4) a \$253,400 increase in capital outlay, and (5) a \$346,826 decrease in transfers. The increase in contractual services includes \$90,400 for the new High Strength Waste Receiving Station which includes \$60,000 in rent for the former recycling area of the Transfer Station building. The decrease in transfers includes a \$300,000 reduction (to \$400,000) in the transfer to the Replacement Reserve; this transfer was set at \$700,000 for fiscal years 2016/2017, 2017/2018, and 2018/2019 to fund the High Strength Waste Receiving Station and has been reduced to \$400,000 based on recommendations in the 2018 sewer rate study. There is also a \$140,626 decrease in the transfer to the Sewer Sinking Fund due to the interest rate reduction on the State Revolving Fund Loan and a \$60,000 increase in transfers to fund the Nutrient Reduction Alternate Study accounted for in a capital project fund.

As noted previously, the 2018 sewer rate study recommended a 3% increase in sewer rates to be effective July 1, 2019.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Million Cubic Feet of Wastewater Treated		261.2	234.9	171.4**	260.0	240.0
Biological Oxygen Demand Treated (1,000 lbs/yr.)		4,039 *	3,689	2,673**	3,660	3,660
Total Suspended Solids Treated (1,000 lbs/yr.)		2,992	2,863	1,983**	2,660	2,700
Number of Customer Bills	Industrial	96	100	105	105	105
	Non-Industrial	<u>109,471</u>	<u>110,396</u>	<u>110,735</u>	<u>110,700</u>	<u>110,700</u>
	Total	109,567	110,496	110,840	110,805	110,805

* The CBOD increase in 2015/2016 was due to a one-time increase in loading from Heinz.

** There was a bypass of the Papoose Lift Station in 2017/2018 due to a force main break.

Calendar Year Measures	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Gallons of Sludge/Number of Acres	7,764,833 (1) 493	5,939,2904 67	4,850,293 438	3,591,746 (3) 311	5,400,000 490
Lift Station Preventive Maintenance Tasks	9,732	9,757	9,454	9,259	9,500
Lift Station Corrective Work Orders	127	135	119	102	100
Plant Preventive Maintenance Tasks	13,107	14,950	12,362 (2)	11,727 (2)	13,000 (4)
Plant Corrective Work Orders	150	136	125	115	125

1. 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.
2. Consolidation of tasks and removal of redundant or unnecessary tasks.
3. Crops were not out until late October and an early freeze shortened the season.
4. An increase in preventative measures is anticipated for the High Strength Waste facility.

RECENT ACCOMPLISHMENTS:

The Water Pollution Control Plant officially began the re-naming process to the Water and Resource Recovery Facility (WRRF) this year. With more of an emphasis on clean water recovery, organic solid waste processing for beneficial reuse, and biosolids as natural fertilizer, pollution no longer has a place in the title. As ideas begin to be developed for use of the plant effluent in farm irrigation, using wetlands to clean storm water, and creating clean renewable energy, the focus of resource recovery clearly is the future.

The Muscatine Area Resource Recovery for Vehicles and Energy (MARRVE) project is still on target to transform the mission of this department from mere treatment to creating resources. This year has been filled with opportunities to explore this project to its fullest. With a recent change of location from the Plant to the former Recycling Center portion of the Transfer Station, the project looks to come in under budget and to be in place by the fall of 2019. Interest from industry has not dimmed and companies continue to call regularly to see when they can begin delivery of their waste for beneficial reuse. The subject of zero waste in manufacturing took a hit this year when recycling as a profitable enterprise was seriously threatened. Organic collections will be a larger focus for these businesses as it remains one of the only viable local options for meeting waste goals. Muscatine will be the only location for food waste collection of this kind within 300 miles and should be able to capitalize on the great need for this service for many years to come.

Industrial and commercial wastes being sent to the WRRF continues to rise and is anticipated to help pay for mandated facility improvements without relying entirely on raising residential sewer rates. The City completed the 2018 Rate Study and passed a reasonable 3% annual rate increase ordinance. This supports a healthy and resilient local economy through stable rates supported by diverse revenue streams.

The operation and maintenance of the treatment facility continues to surpass permit requirements even when taxed with heavy rains and floods that seem to be coming more frequently and with greater intensity. The system is running well and work continues toward the next mandate of nutrient reduction within the larger watershed. As the City process begins in 2019 for the 5 year permit renewal, the Iowa Department of Natural Resources (IDNR) emphasizes reducing the larger impact of nitrogen and phosphorus from facilities like Muscatine's outside the boundaries of the plant. This "big picture" strategy is embraced by municipalities and farmers as a way to remove more pollution and reduce overall costs to everyone. Muscatine is exploring sending treated water to irrigate farms and installing edge of field practices on surrounding farm ground to

take more nutrients out of the system with a significant reduction in capital expenditure. A study was completed this year to explore the hydrology of wetlands in the Pollinator Park for nutrient reduction as well. Future studies will follow up on the recommendations made and look at a full watershed approach instead of just treatment plant process changes.

The Pumping Station division was busy this year with challenges at the Papoose Lift Station. It pushed up scheduled pump repairs as reflected in several budget increases this year. As the largest station in town it is imperative that this lift station remain the focus of the maintenance program. Work has continued on the odor control system and the ongoing pilot study should allow for work to be done in the summer of 2019.

The Muscatine Environmental Laboratory (MEL) has been certified for drinking water analysis and reporting. There was a need for this in the community and this analysis work is slowly expanding into the County as small systems have been taking advantage of the lab's proximity. With continued service for pools and spas, the MEL is truly a community asset for certified water testing and reporting.

The Biosolids division has been busy expanding into care and maintenance of the ever growing list of storm water biocells and native areas in the city. These storm water practices serve a vital role in treatment of storm water and creation of urban native habitat to support pollinators and other native species. While remaining a first class application operation, the crews have been able to expand their operations while minimizing overall labor costs.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To expand the Muscatine Area Resource Recovery for Vehicles and Energy (MARRVE) program to include more industries from around the region. **(Council and Management Key Projects, Programs, and Placemaking Goal)**
- To continue and expand on the biogas-to-energy studies for Renewable Natural Gas (RNG) production. **(Council and Management Key Projects, Programs, and Placemaking Goal)**
- To complete the renewal of the City's discharge permit with the Iowa Department of Natural Resources with a plant re-rate request included to allow for more industry to locate in Muscatine.
- To continue the transition of the name from the Water Pollution Control Plant to the Water and Resource Recovery Facility.
- To seek grants and other funding opportunities for the Nutrient Reduction Project, stormwater projects, and irrigation projects.
- To complete the Nutrient Reduction Alternative Study.
- To continue work on the Sustainable Muscatine Plan.
- To upgrade the Papoose Lift Station pumps and VFDs (Variable Frequency Drives).
- To continue to integrate Lean planning into all aspects of work in this department. **(Council and Management Continuous Service Improvement Goal)**

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
2018/19	\$ 678,000	\$ 309,461	\$ 987,461
2019/20	700,000	222,220	922,220
2020/21	723,000	208,220	931,220
2021/22	747,000	193,760	940,760
2022/23	771,000	178,820	949,820
2023/24	796,000	163,400	959,400
2024/25	822,000	147,480	969,480
2025/26	849,000	131,040	980,040
2026/27	876,000	114,060	990,060
2027/28	905,000	96,540	1,001,540
2028/29	934,000	78,440	1,012,440
2029/30	964,000	59,760	1,023,760
2030/31	996,000	40,480	1,036,480
2031/32	<u>1,028,000</u>	<u>20,560</u>	<u>1,048,560</u>
Total	<u>\$ 11,789,000</u>	<u>\$ 1,964,241</u>	<u>\$ 13,753,241</u>

* This schedule reflects the interest rate reduction that was effective December 1, 2018.

WATER POLLUTION CONTROL FUND
STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

Water Pollution Control Plant Digester Conversion Project

\$755,000 of \$4,550,000 Total Issue Dated May 23, 2018

Fiscal Year	Principal	Interest	Total Requirements
2018/19	\$ 65,000	\$ 30,105	\$ 95,105
2019/20	65,000	27,500	92,500
2020/21	65,000	25,550	90,550
2021/22	70,000	22,950	92,950
2022/23	75,000	20,150	95,150
2023/24	75,000	16,400	91,400
2024/25	80,000	12,650	92,650
2025/26	85,000	8,650	93,650
2026/27	85,000	5,250	90,250
2027/28	90,000	2,700	92,700
Total	\$ 755,000	\$ 171,905	\$ 926,905

Water Pollution Control Fund
Water Pollution Control Plant Replacement Reserve
Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 1,733,011	\$ 2,196,875	\$ 2,272,875	\$ 2,923,709	\$ 648,709
Revenues					
Interest	\$ 6,097	\$ 26,834	\$ 1,000	\$ 25,000	\$ 25,000
Transfers In					
Water Pollution Control					
Operations Fund	700,000 (1)	700,000 (1)	700,000 (1)	700,000 (1)	400,000 (3)
Total Revenues	<u>\$ 706,097</u>	<u>\$ 726,834</u>	<u>\$ 701,000</u>	<u>\$ 725,000</u>	<u>\$ 425,000</u>
Funds Available	<u>\$ 2,439,108</u>	<u>\$ 2,923,709</u>	<u>\$ 2,973,875</u>	<u>\$ 3,648,709</u>	<u>\$ 1,073,709</u>
Expenditures					
Transfers Out:					
High Strength Waste Receiving Station	242,233	0	2,500,000	3,000,000 (2)	0
Total Expenditures	<u>\$ 242,233</u>	<u>\$ 0</u>	<u>\$ 2,500,000</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 2,196,875</u></u>	<u><u>\$ 2,923,709</u></u>	<u><u>\$ 473,875</u></u>	<u><u>\$ 648,709</u></u>	<u><u>\$ 1,073,709</u></u>
Increase (Decrease) in Fund Balance	\$ 463,864	\$ 726,834	\$ (1,799,000)	\$ (2,275,000)	\$ 425,000

1. Funding transfers in the 2016/2017, 2017/2018, and 2018/2019 budgets were increased to \$700,000 each year to fund construction of the High Strength Waste Receiving Station project.
2. The funding transfer out to the High Strength Waste Receiving Station capital project is an estimated amount for the new location at the Transfer Station. Bids for this project have not yet been received. This assumes the project is completed by June 30, 2019.
3. The funding transfer of \$400,000 for 2019/2020 was the amount recommended in the 2018 sewer rate study.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 2,005,788	\$ 2,416,819	\$ 2,828,819	\$ 2,845,791	\$ 3,273,791
Revenues:					
Interest	\$ 11,031	\$ 28,972	\$ 12,000	\$ 28,000	\$ 28,000
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	<u>\$ 411,031</u>	<u>\$ 428,972</u>	<u>\$ 412,000</u>	<u>\$ 428,000</u>	<u>\$ 428,000</u>
Funds Available	\$ 2,416,819	\$ 2,845,791	\$ 3,240,819	\$ 3,273,791	\$ 3,701,791
Expenditures:					
Transfer to West Hill Sewer Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 2,416,819</u></u>	<u><u>\$ 2,845,791</u></u>	<u><u>\$ 3,240,819</u></u>	<u><u>\$ 3,273,791</u></u>	<u><u>\$ 3,701,791</u></u>
Increase (Decrease) in Fund Balance	\$ 411,031	\$ 428,972	\$ 412,000	\$ 428,000	\$ 428,000

1. Since 2011/2012 the WPCP and Collection and Drainage funds have each included \$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.

Sewer Revenue Bond Sinking Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 108,677	\$ 110,474	\$ 111,582	\$ 116,009	\$ 112,639
Revenues:					
Interest	\$ 1,637	\$ 5,427	\$ 1,000	\$ 2,500	\$ 2,500
Transfers In:					
Water Pollution Control Fund	<u>1,061,325</u>	<u>1,061,603</u>	<u>1,063,596</u>	<u>978,341</u>	<u>922,970</u>
Total Revenues	<u>\$ 1,062,962</u>	<u>\$ 1,067,030</u>	<u>\$ 1,064,596</u>	<u>\$ 980,841</u>	<u>\$ 925,470</u>
Funds Available	<u>\$ 1,171,639</u>	<u>\$ 1,177,504</u>	<u>\$ 1,176,178</u>	<u>\$ 1,096,850</u>	<u>\$ 1,038,109</u>
Expenditures:					
Bonds	\$ 636,000	\$ 657,000	\$ 678,000	\$ 678,000	\$ 700,000
Interest and Fees	<u>425,165</u>	<u>404,495</u>	<u>383,143</u>	<u>309,461 (1)</u>	<u>222,220 (1)</u>
Total Expenditures	<u>\$ 1,061,165</u>	<u>\$ 1,061,495</u>	<u>\$ 1,061,143</u>	<u>\$ 987,461</u>	<u>\$ 922,220</u>
Ending Balance, June 30	<u><u>\$ 110,474</u></u>	<u><u>\$ 116,009</u></u>	<u><u>\$ 115,035</u></u>	<u><u>\$ 109,389</u></u>	<u><u>\$ 115,889</u></u>

Increase (Decrease) in Fund Balance	\$ 1,797	\$ 5,535	\$ 3,453	\$ (6,620)	\$ 3,250
--	-----------------	-----------------	-----------------	-------------------	-----------------

1. Interest and fees for 2018/2019 and 2019/2020 are based on the amended State Revolving Fund Loan debt schedule that was effective December 1, 2018. The amendment provided for a reduction in the effective interest rate on the loan from 3.25% to 2.00%.

Water Pollution Control Operations Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 1,940,307	\$ 1,731,777	\$ 1,511,074	\$ 1,833,808	\$ 1,635,962
Revenues	<u>4,595,572</u>	<u>4,798,486</u>	<u>5,136,200</u>	<u>4,980,700</u>	<u>5,422,200</u>
Funds Available	\$ 6,535,879	\$ 6,530,263	\$ 6,647,274	\$ 6,814,508	\$ 7,058,162
Expenditures (1) (2)	<u>4,804,102 (3)</u>	<u>4,696,455 (4)</u>	<u>5,269,796 (4)</u>	<u>5,178,546 (4) (6)</u>	<u>5,358,470 (5) (6)</u>
Ending Balance, June 30	<u>\$ 1,731,777</u>	<u>\$ 1,833,808</u>	<u>\$ 1,377,478</u>	<u>\$ 1,635,962</u>	<u>\$ 1,699,692</u>

Increase (Decrease) in Fund Balance	\$ (208,530) (3)	\$ 102,031	\$ (133,596) (4)	\$ (197,846)	\$ 63,730
--	-------------------------	-------------------	-------------------------	---------------------	------------------

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 expenditures 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 2017/2018 and 2018/2019 budgets continued the increased Replacement Reserve transfer of \$700,000.
5. The 2019/2020 transfer to the Replacement Reserve has been reduced to \$400,000 per the new rate study.
6. Includes expenses for a new division of the WPCP fund - High Strength Waste Operations.

Water Pollution Control Operations Fund

Summary of Revenues

	<u>Actual</u> <u>2016/2017</u>		<u>Actual</u> <u>2017/2018</u>		<u>Budget</u> <u>2018/2019</u>		<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>		<u>Budget</u> <u>2019/2020</u>	
Sewer Charges-Residential and Commercial (Billed by MP&W)	\$ 3,186,399	(1)	\$ 3,339,382	(1)	\$ 3,360,000	(2)	\$ 3,425,000	(2)	\$ 3,525,000	(2)
Industrial and City-billed Commercial										
Sewer Charges	1,209,598	(1)	1,205,329	(1)	1,300,000	(2)	1,215,000	(2)	1,300,000	(2)
Charges for Fats, Oils, and Grease (FOG)	3,626		24,922		100,000	(3)	115,000	(3)	140,000	(3)
Charges for High Strength Waste	0		0		200,000	(4)	0	(4)	225,000	(4)
Wastewater Discharge Permits	1,375		1,350		1,400		1,400		5,900	
Interest	5,541		15,391		1,500		15,000		15,000	
Sale of Equipment/Other Sales	3,167		864		0		0		0	
Donation for Pollinator Project	6,000		0		0		0		0	
Analytical Income	110,800		112,877		105,000		105,000		105,000	
Sales Tax	63,430		66,607		68,000		68,000		70,000	
Insurance Reimbursement	3,620		31,659		0		0		0	
Equipment Rental	0		0		0		36,000	(5)	36,000	(5)
Miscellaneous	2,016		105		300		300		300	
	<u>\$ 4,595,572</u>		<u>\$ 4,798,486</u>		<u>\$ 5,136,200</u>		<u>\$ 4,980,700</u>		<u>\$ 5,422,200</u>	
Total Revenues										

1. Rates were increased approximately 3% effective July 1, 2016 and by an additional 3% July 1, 2017.
2. A sewer rate study was completed in the spring of 2018 which set rates for the next five years. Per the rate study, a 3% rate increase was implemented for July 1, 2018 and an additional 3% will be implemented July 1, 2019.
3. Estimated revenue from Fats, Oils, and Grease which began in the spring of 2017.
4. The estimated revenue from High Strength Waste is expected to begin July 1, 2019; the actual start date, however, has not yet been determined.
5. The Water Pollution Control Department began renting out the City's dredge to other entities in October of 2018.

Water Pollution Control Operations Fund

Summary of Expenditures

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Administration (1)	\$ 2,491,894 (2)	\$ 2,516,289 (2)	\$ 2,653,296 (2)	\$ 2,572,546 (2)	\$ 2,219,770 (3)
Plant Operations	1,333,876	1,251,632	1,480,000	1,376,100	1,579,900
Pumping Stations	268,864	304,409	351,700	451,900	493,000
Laboratory Operations	406,357	403,188	431,300	427,100	429,200
Biosolids Operations	284,965	307,731	353,500	345,100	372,300
High Strength Waste Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,800</u>	<u>264,300</u>
Total Expenditures	<u>\$ 4,785,956</u>	<u>\$ 4,783,249</u>	<u>\$ 5,269,796</u>	<u>\$ 5,178,546</u>	<u>\$ 5,358,470</u>

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, 2017/2018, and 2018/2019 Administration budget expenditures include \$700,000 in transfers to the Plant Replacement Reserve so there is sufficient funding available for the High Strength Waste Receiving Station project.
3. The 2019/2020 Administration budgeted expenditures include \$400,000 in transfers to the Plant Replacement Reserve. This is the transfer amount recommended in the 2018 Sewer Rate Study.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Administration

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 195,745	\$ 197,379	\$ 204,200	\$ 206,100	\$ 212,000	3.82%
Commodities	3,327	3,604	4,700	4,700	4,700	0.00%
Contractual Services	149,097	165,504	180,600	188,300	183,100	1.38%
Capital Outlay	-	-	7,000	4,600	-	
Transfers	<u>2,143,725</u>	<u>2,149,802</u>	<u>2,256,796</u>	<u>2,168,846</u>	<u>1,819,970</u>	-19.36%
Total Expenditures	<u>\$ 2,491,894</u>	<u>\$ 2,516,289</u>	<u>\$ 2,653,296</u>	<u>\$ 2,572,546</u>	<u>\$ 2,219,770</u>	-16.34%
Funding Sources						
Sewer Charges	\$ 2,369,141	\$ 2,516,135	\$ 2,518,200	\$ 2,329,500	\$ 2,131,800	-15.34%
Interest	5,541	15,391	1,500	15,000	15,000	900.00%
Donation-Pollinator Project	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 2,380,682</u>	<u>\$ 2,531,526</u>	<u>\$ 2,519,700</u>	<u>\$ 2,344,500</u>	<u>\$ 2,146,800</u>	-14.80%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions:						
Director of Water						
Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 156,500
Employee Benefits						<u>55,500</u>
Total Personal Services						<u>\$ 212,000</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 685,332	\$ 663,706	\$ 786,300	\$ 659,300	\$ 686,900	-12.64%
Commodities	97,625	95,760	109,900	109,900	117,200	6.64%
Contractual Services	428,541	455,466	488,800	518,000	504,300	3.17%
Capital Outlay	23,508	36,700	95,000	88,900	181,500	91.05%
Transfers	98,870	-	-	-	90,000	
Total Expenditures	\$ 1,333,876	\$ 1,251,632	\$ 1,480,000	\$ 1,376,100	\$ 1,579,900	6.75%
Funding Sources						
Sewer Charges	\$ 1,260,268	\$ 1,151,047	\$ 1,410,300	\$ 1,306,400	\$ 1,503,700	6.62%
Sales Tax	63,430	66,607	68,000	68,000	70,000	2.94%
Other Revenues	3,391	1,455	1,700	1,700	6,200	264.71%
Insurance Reimbursement	3,620	31,659	-	-	-	
Sale of Equipment	3,167	864	-	-	-	
Equipment Rental	-	-	-	36,000	36,000	
Total Funding Sources	\$ 1,333,876	\$ 1,251,632	\$ 1,480,000	\$ 1,412,100	\$ 1,615,900	9.18%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	
Treatment Plant Operator II	1.00	2.00	2.00	2.00	2.00	
Treatment Plant Operator I	1.00	1.00	1.00	1.00	-	
Treatment Plant Mechanic II	2.00	1.00	2.00	1.00	2.00	
Treatment Plant Mechanic I	1.00	1.00	-	1.00	-	
Maintenance Worker I	1.00	-	-	-	-	
Equipment Operator I	-	-	1.00	-	-	
Total Full Time	8.75	6.75	7.75	6.75	6.75	
Part Time:						
Custodian II	-	0.64	0.73	0.72	0.73	
Total	8.75	7.39	8.48	7.47	7.48	\$ 457,300
Employee Benefits						229,600
Total Personal Services						\$ 686,900

Capital Outlay			
Item	Quantity	Replacement	Amount
Final Clarifier Launder Cover	1	Yes	\$ 55,000
Recirculation Pump	1	Yes	8,000
Roughing Filter Top Layer	1	Yes	113,000
Final Clarifier Sidewalk	1	Yes	5,500
			\$ 181,500

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 129,160	\$ 143,350	\$ 153,800	\$ 142,400	\$ 144,500	-6.05%
Commodities	13,223	31,855	27,200	27,500	27,500	1.10%
Contractual Services	120,045	113,364	157,700	159,300	159,000	0.82%
Capital Outlay	6,436	15,840	13,000	122,700	162,000	1146.15%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 268,864</u>	<u>\$ 304,409</u>	<u>\$ 351,700</u>	<u>\$ 451,900</u>	<u>\$ 493,000</u>	40.18%
Funding Sources						
Sewer Charges	<u>\$ 268,864</u>	<u>\$ 304,409</u>	<u>\$ 351,700</u>	<u>\$ 451,900</u>	<u>\$ 493,000</u>	40.18%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Lift Station Leadworker	1.00	1.00	1.00	1.00	1.00	
Lift Station Operator	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 106,600
Employee Benefits						<u>37,900</u>
Total Personal Services						<u>\$ 144,500</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Papoose Pump #1 Replacement	1	Yes	\$ 30,000
Papoose #3 Variable Frequency Drive (VFD)	1	Yes	70,000
Papoose #1 Variable Frequency Drive (VFD)	1	Yes	30,000
Engineering and Platform Safety Improvements for Papoose and Isett Lift Stations	2	No	20,000
Odor Control System	1	No	12,000
			<u>\$ 162,000</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 288,019	\$ 296,690	\$ 305,900	\$ 305,100	\$ 314,000	2.65%
Commodities	63,074	61,656	62,800	62,700	62,700	-0.16%
Contractual Services	23,520	24,332	29,900	30,900	29,900	0.00%
Capital Outlay	31,745	20,510	32,700	28,400	22,600	-30.89%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 406,358</u>	<u>\$ 403,188</u>	<u>\$ 431,300</u>	<u>\$ 427,100</u>	<u>\$ 429,200</u>	-0.49%
Funding Sources						
Sewer Charges	\$ 295,558	\$ 290,311	\$ 326,300	\$ 322,100	\$ 324,200	-0.64%
Analytical Charges	<u>110,800</u>	<u>112,877</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	0.00%
Total Funding Sources	<u>\$ 406,358</u>	<u>\$ 403,188</u>	<u>\$ 431,300</u>	<u>\$ 427,100</u>	<u>\$ 429,200</u>	-0.49%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	
Total	3.73	3.73	3.73	3.73	3.73	\$ 224,700
Employee Benefits						<u>89,300</u>
Total Personal Services						<u>\$ 314,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
BOD Incubator	1	Yes	\$ 7,700
Titration	1	Yes	8,500
pH Meter	1	Yes	1,800
Computer	1	Yes	1,500
Portable Sampler	1	Yes	3,100
			<u>\$ 22,600</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 234,065	\$ 241,603	\$ 252,900	\$ 252,000	\$ 259,300	2.53%
Commodities	26,754	24,820	55,100	55,100	32,300	-41.38%
Contractual Services	14,852	15,291	23,000	23,000	23,200	0.87%
Capital Outlay	9,294	26,017	22,500	15,000	57,500	155.56%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 284,965	\$ 307,731	\$ 353,500	\$ 345,100	\$ 372,300	5.32%
Funding Sources						
Sewer Charges	\$ 284,965	\$ 307,731	\$ 353,500	\$ 345,100	\$ 372,300	5.32%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic II	1.00	1.00	1.00	1.00	1.00	
Total	3.00	3.00	3.00	3.00	3.00	\$ 164,300
Overtime						15,300
Employee Benefits						79,700
Total Personal Services						\$ 259,300

Capital Outlay			
Item	Quantity	Replacement	Amount
Dragline Hose 1 Section of 6" (660 Feet)	1	Yes	\$ 7,500
Supply Hose 2 Sections of 5" (660 Feet)	2	Yes	15,000
One-Ton Dump Truck with Lift Gate (Used)	1	Yes	35,000
			\$ 57,500

Function:
Business Type

Department:
Water Pollution Control

Activity:
High Strength Waste Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -		\$ 5,800	\$ 154,500	
Commodities	-	-	-	-	19,400	
Contractual Services	-	-	-	-	90,400	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,800</u>	<u>\$ 264,300</u>	
Funding Sources						
Fats, Grease & Oil (FOG)	\$ -	\$ -	\$ -	\$ -	\$ 140,000	
High Strength Waste	-	-	-	-	225,000	
Total Funding Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,000</u>	

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Treatment Plant Mechanic I *	-	-	-	0.08	2.00	
Total	-	-	-	0.08	2.00	\$ 98,900
Employee Benefits						55,600
Total Personal Services						<u>\$ 154,500</u>
* One new hire expected to start June 1, 2019 and one July 1, 2019; actual hire dates will be based on construction schedule.						

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 fund 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 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. 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.

Construction was substantially completed on Phase 3-C of the West Hill Sewer Separation project in 2017. With the completion of Phase 3, the overall West Hill Sewer Separation project is approximately 35% completed. Phase 4-A of the West Hill project was substantially completed in 2018.

Public Financial Management (PFM), the City's financial consultant, prepared a long-term financing plan for the West Hill project based on the project cost estimates in the schedule prepared by Stanley Consultants. The City has been setting aside \$400,000 each fiscal year since 2011/2012 to assist in financing the West Hill Sewer project (\$200,000 from the WPCP fund and \$200,000 from the Collection and Drainage fund). These funds are available to supplement the 80% allocation of Local Option Sales Tax being used to fund the West Hill Sewer project (approx. \$2 million each year). Local Option Sales Taxes and the set-aside funds are projected to be sufficient to fund project costs for all phases of Phase 4 and Phase 5. The PFM financing plan was based on the proposed 15 year extension of the Local Option Sales Tax. The referendum to extend this tax from its current expiration date of June 30, 2019 through June 30, 2034 was held on March 6, 2018, and the tax was again approved by voters with 88% voting in favor of the extension.

A State Revolving Fund (SRF) Loan is projected to be needed by 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on current project cost estimates, PFM estimates the SRF Loan needed to complete the financing of this project at \$22,800,000. Initial interest on this loan would be based on Loan proceeds drawn down as needed for project costs. The interest rate for the SRF loan is 2.0%. PFM has prepared a preliminary SRF Loan repayment schedule showing principal and interest payments on a 10 year loan with the final year of the loan in 2033/2034.

The PFM financing plan was based on renewal of the Local Option Tax and continuation of the 80% allocation for sewer projects through the SRF loan repayment period (through June 30, 2034). This requires the Local Option Tax be in place from its current expiration date of June 30, 2019 through June 30, 2034. This requires a 15 year Local Option Tax period which is the term approved by voters at the Local Option Tax renewal referendum.

The 2018/2019 revised estimate is over the original budget by \$256,100. The increases include a \$6,400 increase in personal services costs due to the retirement pay for the Sewer Maintenance Supervisor. Some of this increase was offset by lower than estimated costs due to the personnel reorganization in this division. The Supervisor position was replaced with a 50% allocation of the Solid Waste and Sewer System Manager beginning January 1, 2019. Contractual services are \$19,700 higher than the original budget primarily due to \$10,000 for an Administrative Consent Order related to the Papoose Force Main replacement project completed last year, a sewer line repair reimbursement (\$5,650), and a \$4,000 increase in brush control services. Other line item increases and decreases offset some of these increases. Capital outlay is over by \$60,000 for drainage improvements needed in Weed Park. The transfer from Collection and Drainage to the Sewer Extension Reserve was increased from \$180,000 to \$350,000, an increase of \$170,000 based on the recommendations in the recent rate study.

The 2019/2020 budget is \$196,600 (16.6%) higher than the 2018/2019 budget. This overall increase is due to the net effect of (1) a \$16,400 (3.0%) decrease in personal services costs due to the staff reorganization mentioned previously, (2) a \$5,600 increase in contractual services, (3) a \$35,000 increase in capital outlay, and (4) a \$172,400 increase in transfers. The capital outlay allocation is for a one-ton dump truck (\$45,000) and sewer maintenance projects estimated at \$50,000.

The budgeted transfers for 2019/2020 include the higher transfer of \$350,000 to the Sewer Extension Reserve based on a recommendation in the most recent rate study. Transfers also include \$200,000 to the reserve for the West Hill Sewer Separation project, \$14,900 for the cost allocation of the Communications Manager position, and a total of \$16,500 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently \$12.40 per customer per month. This fee was effective July 1, 2018 based on the ordinance approved by City Council in 2018 setting both sewer and collection and drainage fees for five years with the rates effective each July 1 from July 1, 2018 through July 1, 2022. This fee will increase to \$12.65 per customer per month effective July 1, 2019.

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 2015	Actual 2016	Actual 2017	Actual 2018	Estimated 2019
Sewers Cleaned and Flushed (Miles)	15.2	18.2	15.8	19.7	16
CCTV Inspections (Feet)	6,025	1,565	1,008 *	1,375 *	2,000 *
Inspections at Combined Sewer Overflows (CSO)	26	20	13	12	12
Inspections of Blockage Prone Manholes (Various Locations)	12	8	12	10	12
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	13	13	19	13	15
Inspection of Off Road Sanitary Sewers (Man Hours)	131	151	111	154	150
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	0	187	58	78.5	75
Cleaning Storm Structures (Man Hours)	1,156	1,222	1,238	1,231	1,302
Corrective Repairs – Sewers	23	18	15	14	15
Corrective Repairs – Structures	50	71	50	19	30
Corrective Repairs – Force Mains	1	1	1	7	1
Utility Locates	2,378	2,399	2,854	3,372	2,500
After Hours	19	14	13	12	15
Request for Service Responses – Total	94	59	82	70	80
After Hours	11	2	13	16	0
Sanitary Sewer Overflows (SSO)	0	2	1	5	0
Backups Due to City Lines	3	3	2	7	0
Routine Equipment Operation/Maintenance (Man Hours)	868	799	765	544	500
Work for Other Departments (Man Hours)	329	369	366	475	400
Work on Capital Improvement Projects (Man Hours)	281	616	658	946	400

* Footage shown is for self-propelled camera only.

RECENT ACCOMPLISHMENTS:

The Collection and Drainage division continues to meet city-wide goals for improving organizational effectiveness and enhancing interdepartmental cooperation by (1) continuing to provide ongoing investigative (dye testing, televising, etc.) and technical support for the West Hill Sewer Separation Project and other capital improvement projects, (2) working with the Parks and Recreation department to get brush and vegetation removed from the Levee, and (3) using the combination sewer cleaning machine to assist other

departments/divisions in cleaning lift stations, wet wells, wash bay pits, culvert pipes, tree removal, etc. The division has also continued to meet city-wide goals for technology in the field.

The Collection and Drainage staff worked with the project engineers in planning for new sewer construction that will be part of the Grandview Avenue Reconstruction project.

This division has upgraded the process for sewer utility locates to an all mobile system in conjunction with Iowa One Call's requirement to eliminate faxes. Staff has completed caulking and re-caulking of all joints and made repairs to the Mad Creek floodwall per the U.S. Army Corps of Engineers levee inspection. This division has also completed the Willow Street Storm Relief Project that included the installation of 291 feet of 12 inch corrugated metal pipe, two manholes, and one area drain.

The Collection and Drainage division has worked with the City's contractor to complete the replacement of 2,400 feet of 30 inch force main from Musser Park to the Water Pollution Control Plant

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- * To complete Zone 5 (16 miles) of the Collection and Drainage routine sewer maintenance program.
- * To continue planning efforts for the future construction of a secondary forcemain from Musser Park to the Water Pollution Control Plant as required by the IDNR Consent Order.
- * To complete the staff reorganization with new staff gaining knowledge of the sewer infrastructure during the reorganization period.
- * To evaluate a list of regularly checked trouble spot sanitary manholes to see if permanent repairs can be made to shorten the list and time it takes to inspect them. **(Council and Management Continuous Service Improvement Goal)**
- * To begin planning for a secondary forcemain from the Progress Park lift station to Dick Drake Way.

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 1,190,962	\$ 1,191,246	\$ 697,446	\$ 694,551	\$ 916,551
Revenues					
Interest	\$ 7,954	\$ 12,974	\$ 7,500	\$ 12,000	\$ 12,000
Sewer Connection Fees	12,330	21,472	10,000	10,000	10,000
Transfers In					
Collection and Drainage Fund	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>350,000</u>	<u>350,000</u>
Total Revenues	<u>\$ 200,284</u>	<u>\$ 214,446</u>	<u>\$ 197,500</u>	<u>\$ 372,000</u>	<u>\$ 372,000</u>
Funds Available	<u>\$ 1,391,246</u>	<u>\$ 1,405,692</u>	<u>\$ 894,946</u>	<u>\$ 1,066,551</u>	<u>\$ 1,288,551</u>
Expenditures					
Transfers Out:					
Papoose Force Main Replacement Project	\$ 0	\$ 711,141 (2)	\$ 0	\$ 0	\$ 0
Mulberry Improvements - Drainage Portion	200,000	0	0	0	0
Arbor Commons Sewer Benefit District (Preliminary Estimate)	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000 (3)</u>	<u>0</u>
Total Expenditures	<u>\$ 200,000</u>	<u>\$ 711,141</u>	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 1,191,246</u></u>	<u><u>\$ 694,551</u></u>	<u><u>\$ 894,946</u></u>	<u><u>\$ 916,551</u></u>	<u><u>\$ 1,288,551</u></u>

Increase (Decrease) in Fund Balance	\$ 284	\$ (496,695)	\$ 197,500	\$ 222,000	\$ 372,000
--	---------------	---------------------	-------------------	-------------------	-------------------

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 2017/2018 transfer was for emergency repair of the force main from Musser Park to the Water Pollution Control Plant.
3. As part of the Arbor Commons new housing development, a sewer benefit district is proposed to be created where the developer will install the new sewer and the City will reimburse them for a portion of the costs. The City will receive sewer connection fees to recoup these costs as individual homes tie on to the sewer.

**Collection and Drainage
(Including Stormwater Operations)
Fund Statement**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 686,325	\$ 629,769	\$ 651,169	\$ 722,430	\$ 605,530
Revenues					
Collection and Drainage Fees	\$ 1,310,546	\$ 1,342,574 (1)	\$ 1,375,000 (1)	\$ 1,375,000 (1)	\$ 1,403,000 (1)
Grease Discharge Permits	18,859	18,405	18,000	18,000	18,000
Interest	2,715	7,560	2,500	7,200	6,500
Branching Out Grant	4,400	0	0	0	0
State Grant for Infiltration Project	0	0	60,000 (3)	60,000 (3)	0
Miscellaneous	741	494	100	100	100
Total Revenues	<u>\$ 1,337,261</u>	<u>\$ 1,369,033</u>	<u>\$ 1,455,600</u>	<u>\$ 1,460,300</u>	<u>\$ 1,427,600</u>
Encumbrance Variance	<u>\$ 6,975</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 2,030,561</u>	<u>\$ 1,998,802</u>	<u>\$ 2,106,769</u>	<u>\$ 2,182,730</u>	<u>\$ 2,033,130</u>
Expenditures:					
Collection and Drainage (2)	\$ 1,346,633	\$ 1,190,695	\$ 1,186,100 (4)	\$ 1,442,200 (4)	\$ 1,382,700 (4)
Stormwater Operations	54,159	85,677	133,800 (3)	135,000 (3)	81,100
Total Expenditures	<u>\$ 1,400,792</u>	<u>\$ 1,276,372</u>	<u>\$ 1,319,900</u>	<u>\$ 1,577,200</u>	<u>\$ 1,463,800</u>
Ending Balance, June 30	<u><u>\$ 629,769</u></u>	<u><u>\$ 722,430</u></u>	<u><u>\$ 786,869</u></u>	<u><u>\$ 605,530</u></u>	<u><u>\$ 569,330</u></u>

Increase (Decrease) in Fund Balance	\$ (56,556)	\$ 92,661	\$ 135,700	\$ (116,900)	\$ (36,200)
--	--------------------	------------------	-------------------	---------------------	--------------------

1. Monthly collection and drainage charges on sewer bills were \$12.15 in 2017/2018. The rate increased to \$12.40 in 2018/2019 and will increase to \$12.65 per customer per month in 2019/2020 based on the rate study.
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. The transfer to the Sewer Extension Reserve has been increased to \$350,000 beginning in the 2018/2019 revised estimate based on the sewer rate study.
3. The Storm Water budget for 2018/2019 includes \$60,000 for an infiltration project in the parking lot across from City Hall. This amount will be funded from a grant with the grant match to be from in-kind staff, equipment, and material costs.
4. The original budget for 2018/2019 included a transfer of \$180,000 to the Sewer Extension and Improvement Reserve. The revised estimate and 2019/2020 budget include transfers of \$350,000 to this reserve based on the 2018 Sewer Rate Study.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 506,219	\$ 529,394	\$ 550,200	\$ 556,600	\$ 533,800	-2.98%
Commodities	29,302	29,848	50,000	50,000	50,000	0.00%
Contractual Services	133,764	163,320	116,900	136,600	122,500	4.79%
Capital Outlay	71,748	61,433	60,000	120,000	95,000	58.33%
Transfers	605,600	406,700	409,000	579,000	581,400	42.15%
Total Expenditures	\$ 1,346,633	\$ 1,190,695	\$ 1,186,100	\$ 1,442,200	\$ 1,382,700	16.58%
Funding Sources						
Collection & Drainage Fees	\$ 1,346,633	\$ 1,190,695	\$ 1,186,100	\$ 1,442,200	\$ 1,382,700	16.58%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor *	1.00	1.00	1.00	0.50	-	
Solid Waste and Sewer						
System Manager *	-	-	-	0.25	0.50	
Collection & Drainage						
Leadworker	-	-	-	0.50	1.00	
Equipment Operator III	3.00	4.00	4.00	3.50	3.00	
Equipment Operator II	1.00	-	1.00	1.00	1.00	
Equipment Operator I	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	6.28	6.03	\$ 351,500
Employee Benefits						182,300
Total Personal Services						\$ 533,800
<p>*The Sewer Maintenance Supervisor position was eliminated at the time the previous supervisor retired. The Solid Waste Manager was changed to the Solid Waste and Sewer System Manager effective January 1, 2019. This position is allocated 50% to the Collection and Drainage budget and 50% to Solid Waste Management funds.</p>						

Capital Outlay			
Item	Quantity	Replacement	Amount
One-Ton Dump Truck with Lift Gate	1	Yes	\$ 45,000
Sewer Maintenance Projects			50,000
			\$ 95,000

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 2018/2019 revised estimate is \$1,200 more than the original budget. The overall increase includes (1) a \$1,200 increase in travel and education, (2) a \$100 increase in dues and memberships, and (3) a \$100 decrease in personal services. The 2018/2019 budget includes a \$60,000 capital outlay allocation for an infiltration basin project for Parking Lot #7 across from City Hall to assist with drainage after heavy rainfalls. This cost is expected to be funded by a State grant with the grant match to be provided by in-kind labor and equipment.

The 2019/2020 budget is \$52,700 (39.4%) less than the original budget for 2018/2019. Most of the overall decrease is due to the \$60,000 decrease in capital outlay. The budget also includes (1) a \$2,400 increase in personal services costs, (2) a \$1,100 increase in commodities, primarily for plant materials for biocells, and (3) a \$3,800 increase in contractual services which includes an allocation for consulting services. The budget for 2019/2020 again includes the allocation of 25% of the Environmental Coordinator position with the remaining 75% allocated to the Water Pollution Control fund and continues the allocation of 1/3 of the Community Development 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Grease Discharge Permits Issued	153	141	146	146	146
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	44	53	28	50	75
Permitted Significant Industrial Users	13	13	14	14	14
Significant Industrial Users Inspected	13	13	14	14	14
Commercial Waste Hauling Permits Issued	16	16	17	18	20
Construction Site Inspections	5	6	3	5	5
Storm Events Sampled	2	0	0	10	10
River and Creek Samples Taken	80	24	110*	40	40
Tests Performed on River and Creek Samples	600	240	360*	200	200

*Papoose Force Main bypass creek and river sampling

RECENT ACCOMPLISHMENTS:

The Storm Water division continues to evolve as new areas for storm water capture, infiltration, and remediation are developed. With new projects coming for the City Hall Biocell and the Lake Park Boulevard Basin, this division will be working to help with the design of plantings for native habitat development and water infiltration whenever possible.

The Mulberry Basin and Sycamore Alley Biocell are great success stories. These areas were once an eyesore to look at, and now have become well-maintained showcases of urban native habitat development.

With the opening of the Pollinator Park in May of 2018, exposure to the public has increased and the department now has a new tool to educate the public about the importance of storm water management.

The Slough Hydrology Study was completed and is now ready to move to the next phase. The targeted area will take a large portion of the Muscatine watershed and direct it to the wetlands in the Pollinator Park for nutrient reduction.

A study of the Mad Creek area for storm water infiltration was completed this year and will move to a new phase in the near future. The next phase will be to determine where heavy flows are coming from in a system that was supposed to be completely separated.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To complete the Nutrient Reduction Alternative Study.
- To coordinate with the Muscatine Pollinator Project on planting native species in current and developing storm water practices

- To continue work on invasive species removal in the Pollinator Park.
- To work with the Grandview Avenue development team for available storm water practices.
- To complete education work at the Storm Water Congress in Chicago.
- To work with high school student projects to provide education on storm water pollution issues.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Storm Water Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 39,423	\$ 52,199	\$ 55,400	\$ 55,300	\$ 57,800	4.33%
Commodities	5,299	7,990	7,700	7,700	8,800	14.29%
Contractual Services	3,162	2,488	10,700	12,000	14,500	35.51%
Capital Outlay	-	-	60,000	60,000	-	-100.00%
Transfers	6,276	23,000	-	-	-	
Total Expenditures	\$ 54,160	\$ 85,677	\$ 133,800	\$ 135,000	\$ 81,100	-39.39%
Funding Sources						
Grease Discharge Permits	\$ 18,859	\$ 18,405	\$ 18,000	\$ 18,000	\$ 18,000	0.00%
State Grant - Infiltration Project	-	-	-	60,000	-	
Collection & Drainage Funds	35,301	67,272	115,800	57,000	63,100	-45.51%
Total Funding Sources	\$ 54,160	\$ 85,677	\$ 133,800	\$ 135,000	\$ 81,100	-39.39%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 39,400
Employee Benefits						18,400
Total Personal Services						\$ 57,800

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 \$708,867 for 2018/2019 and it is budgeted to increase to \$741,980 for 2019/2020. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2019/2020. The IPERS rate will remain at 9.44% in 2019/2020.

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%, then further decreased 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 decreased slightly to 25.68% in 2017/2018 and increased to 26.02% in 2018/2019. The rate will decrease to 24.41% in 2019/2020. Property tax funding for police and fire pension will decrease from the \$1,402,568 budgeted for 2018/2019 to \$1,382,170 budgeted for 2019/2020.

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 \$22,882 of medical costs related to several individuals' injuries or illnesses were incurred 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, \$36,855 in 2015/2016, \$47,610 in 2016/2017, and \$82,618 in 2017/2018. The retiree medical costs are estimated at \$100,000 for 2018/2019 and \$45,000 for the 2019/2020 budget.

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, the premium increased to \$54,000 for 2015/2016 through 2017/2018. The premium increased to \$56,800 for 2018/2019 and 2019/2020.

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 \$2,011,967 for 2019/2020. 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. Also in 2016, the deductibles increased from \$500 to \$600 for single and from \$1,000 to \$1,200 for family health coverage. In 2017, rates further increased by 15% to \$582.46 and \$1,549.36, respectively, for single and family 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%. Effective January 1, 2018, rates increased by 1% to \$588.28 and \$1,564.85, respectively, for single and family coverage and the employee contribution increased to 7%. Effective January 1, 2019 rates increased another 1% to \$594.16 and \$1,580.50, respectively, for single and family coverage and the employee contribution increased to 8%. The budgeted tax funding amount for 2019/2020 for General Fund employees is \$2,011,967.

Employee benefit costs for life insurance will increase from the \$14,784 budgeted in 2018/2019 to \$15,075 in 2019/2020. In October of 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 that 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 2019/2020.

Dental insurance rates for City employees in 2013 were \$25.69 for single coverage. In January 2014 the rate 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. The dental insurance rate increased to \$33.87 effective January 2018 and this rate will remain the same for 2019. 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 2019/2020, the cost of dental insurance for General Fund employees is budgeted at \$52,905 compared to the \$51,434 budgeted for 2018/2019.

In regard to workers' compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2008/2009 through 2017/2018, the workers' compensation experience modification factors were .84, .89, .87, .82, .77, .72, .73, .75, .94, and .89. These represent the factors applied

to the base rates for each job classification based on the claims history of the employer. For 2018/2019 the experience modification was .90 and it is projected to decrease to .72 for 2019/2020. The tax funding amount for General Fund employee workers' compensation budgeted for 2018/2019 was \$50,591 and it is expected to decrease to \$36,097 for 2019/2020. This decrease is in part due to a good experience bonus discount expected for the upcoming year.

The City's unemployment rate effective January 1, 2013 was .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 was .3% of \$29,300 of wages effective January 1, 2017. The rate effective January 1, 2018 was .5% of \$29,900 of wages and the rate effective January 1, 2019 is .7% of \$30,600 of wages. The 2019/2020 budget provides funding for this rate to be .5% of applicable wages of \$31,300 as of January 1, 2020. The tax funding amount for 2019/2020 is estimated at \$25,460 compared to the \$24,238 originally budgeted for 2018/2019.

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 \$13,060 for 2019/2020 compared to \$12,727 budgeted for 2018/2019.

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 2019/2020 is budgeted at \$41,059.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rates for the 2018/2019 and 2019/2020 budgets 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 2018/2019 \$31,230 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 2018/2019 to be maintained at \$15.67209/\$1,000 of valuation. The 2019/2020 Employee Benefits tax levy is \$54,215 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 the overall City tax rate to remain unchanged for 2019/2020.

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 2019/2020 beginning fund balance of \$77,379 and funding \$54,215 less than the full amount of employee benefits from this levy, the Employee Benefit tax levy for 2019/2020 is \$4,097,752 compared to the \$4,188,811 budgeted for 2018/2019 (a decrease of 2.2%). This requires a tax levy rate of \$4.59481 compared to \$4.70408 for the 2018/2019 budget year, a decrease of 2.3% 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 \$190,525 for 2018/2019 and \$193,427 for 2019/2020. These amounts have been included as revenue to this fund each year.

Employee Benefits Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 113,114	\$ 57,105	\$ 10,814	\$ 71,689	\$ 77,379
Revenues					
Property Tax	3,521,195	3,766,858	\$ 4,104,698	\$ 4,104,698	\$ 4,083,071
Utility Tax Replacement Excise Tax	12,864	16,510	14,113	14,113	14,681
Commercial/Industrial State Reimbursement	170,155	180,669	190,525	190,525	193,427
Total Revenues	\$ 3,704,214	\$ 3,964,037	\$ 4,309,336	\$ 4,309,336	\$ 4,291,179
Funds Available	\$ 3,817,328	\$ 4,021,142	\$ 4,320,150	\$ 4,381,025	\$ 4,368,558
Expenditures					
Transfers Out					
Police Retirement	\$ 654,399	\$ 671,716	\$ 698,767	\$ 707,785	\$ 696,119
Fire Retirement	659,819	666,707	703,801	680,444	686,051
Police & Fire Retiree Medical	47,610	82,618	45,000	100,000	45,000
Health Insurance	1,719,925	1,859,161	1,953,740	1,888,842	2,011,967
Dental Insurance	46,239	47,308	51,434	49,908	52,905
Life Insurance	13,950	14,441	14,784	14,515	15,075
Police and Fire Medical Insurance	54,000	54,000	58,400	56,800	56,800
Long-term Disability Insurance	11,766	12,210	12,727	12,469	13,060
Post-Employment Health Plan	43,462	41,023	16,657	29,721	41,059
Workers Compensation	54,321	46,626	50,591	49,250	36,097
Unemployment	14,730	21,967	24,238	35,075	25,460
Deferred Compensation	1,200	1,200	1,200	1,200	1,200
FICA/IPERS	631,439	660,694	720,041	708,867	741,980
Employee Benefit Levy Reduction	(192,637) (1)	(230,218) (2)	(31,230) (3)	(31,230) (3)	(54,215) (4)
Total Expenditures	\$ 3,760,223	\$ 3,949,453	\$ 4,320,150	\$ 4,303,646	\$ 4,368,558
Ending Balance, June 30	\$ 57,105	\$ 71,689	\$ 0	\$ 77,379	\$ 0
Increase (Decrease) in Fund Balance	\$ (56,009)	\$ 14,584	\$ (10,814)	\$ 5,690	\$ (77,379)

1. The 2016/2017 Employee Benefits tax levy was \$192,637 less than what would be needed to fund 100% of the employee benefit costs of General Fund employees. This allowed for the City to maintain the same total tax rate for 2016/2017.
2. The 2017/2018 Employee Benefits tax levy was \$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.
3. The 2018/2019 Employee Benefits tax levy was \$31,230 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 2018/2019.
4. The 2019/2020 Employee Benefits tax levy is \$54,215 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 2019/2020.

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 2016/2017 and 2017/2018 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 2018/2019 is budgeted to be \$77,379 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2019/2020.

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 2019/2020 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.

The Emergency Tax levy was eliminated beginning in the 2011/2012 budget and continuing through the 2019/2020 budget. At the maximum rate of \$.27/\$1,000, this levy would have generated \$239,929 in 2019/2020. 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 2019/2020

Emergency Tax Levy Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 80,709 (1)	\$ 80,967	\$ 81,167	\$ 81,706	\$ 82,506
Revenues					
Property Tax (2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	258	739	200	800	800
Total Revenues	\$ 258	\$ 739	\$ 200	\$ 0	\$ 0
Funds Available	\$ 80,967	\$ 81,706	\$ 81,367	\$ 82,506	\$ 83,306
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	\$ 80,967	\$ 81,706	\$ 81,367	\$ 82,506	\$ 83,306

Increase (Decrease) in					
Fund Balance	\$ 258	\$ 739	\$ 200	\$ 800	\$ 800

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 emergency events. These funds are budgeted to remain in this fund in the 2019/2020 budget.
2. The City did not levy an Emergency Levy in any of the fiscal years from 2011/2012 through 2019/2020.

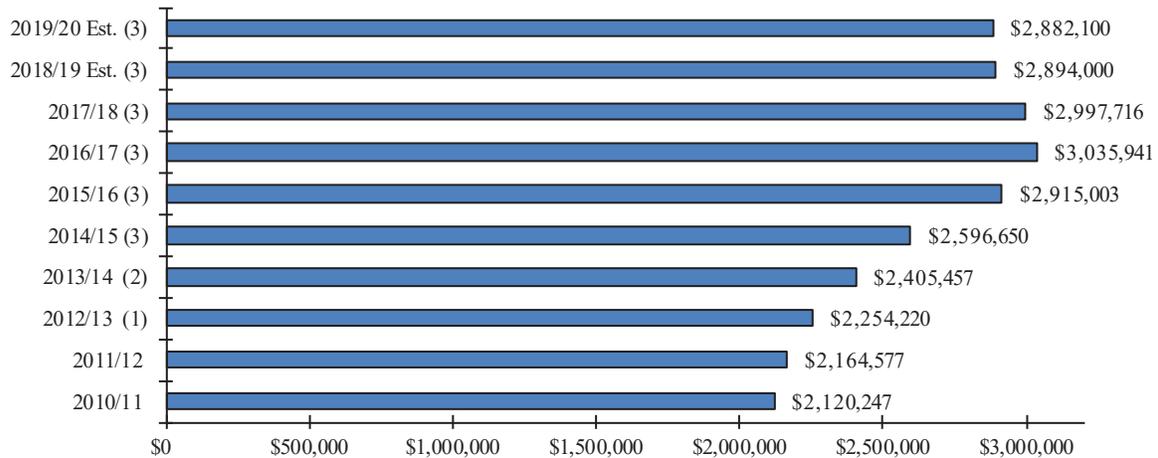
SPECIAL REVENUE FUNDS

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 2019/2020. 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.

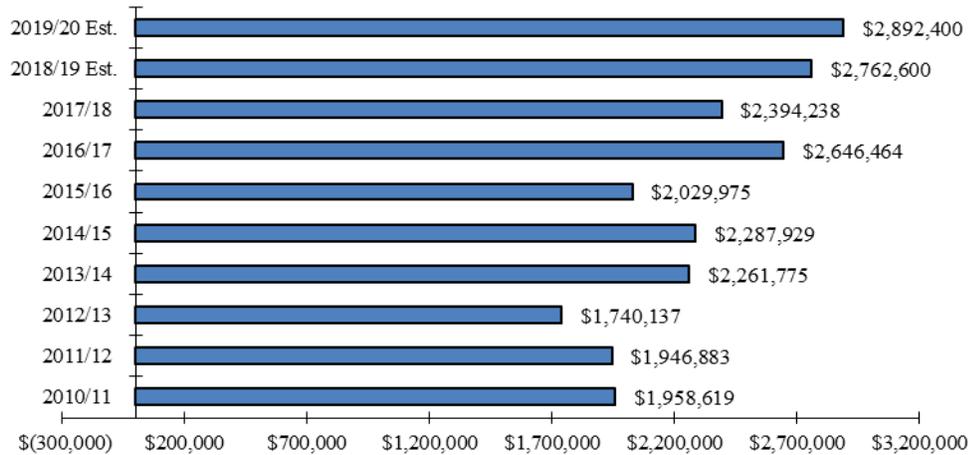
Road Use Tax Revenue History



1. The 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.
2. The 2013/2014 Road Use Tax increase was in part due to a full year with the increased population from the two recent annexations.
3. 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 2018/2019 and 2019/2020 are shown in the following chart:

Road Use Tax Funding of General Fund Activities



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at \$2,894,000 in 2018/2019. This is based on the Iowa Department of Transportation (IDOT) estimate of \$122.00 per capita, which has been reduced by \$.50 to \$121.50 for a conservative budget estimate.

The road use tax distribution for 2019/2020 was estimated by the IDOT at \$121.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2019/2020 budget includes a more conservative estimate of \$121.00 per capita which would generate \$2,882,100.

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 2018/2019 revised estimate and the 2019/2020 budget include \$2,762,600 and \$2,892,400, 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. In 2016/2017 \$177,918 was used to fund a portion of the Mulberry Avenue Improvement project, \$114,649 was used for the new sidewalk program, \$111,791 was used for the Pavement Management program, and \$7,962 was used to close out the Cedar Street and Colorado Street projects. In 2017/2018 \$425,475 was used for the Pavement Management program, \$58,623 was used for railroad crossing improvements, \$5,000 was used for the Cleveland Street project, \$22,198 for

the Mulberry Avenue project, \$10,725 for a portion of the engineering design costs for the proposed Houser/Fulliam mini-roundabout project, \$17,550 for a portion of the engineering design costs for the conversion of a portion of Park Avenue from 4-lanes to 3-lanes, and \$942 for engineering services for the next sidewalk project.

The 2018/2019 revised estimate includes a transfer of \$2,762,600 to the General Fund for Public Works operating activities. This transfer is \$68,200 more than the original budget. The overall increase is primarily due to \$67,500 in funding for the prior year street striping contract work encumbered to the prior year's budget but not completed until the current year.

The 2018/2019 road use tax revised estimate also includes \$138,900 for the new sidewalk program, \$306,400 for railroad crossing improvements, \$2,500 for the estimated final costs for the Mulberry Avenue Improvement project, \$9,000 for a portion of the engineering design costs for the conversion of a portion of Park Avenue from a four-lane to a three-lane roadway, and \$61,700 for engineering design and a portion of the construction costs for the proposed Houser/Fulliam mini-roundabout. Road Use Taxes also funded a portion (\$115,000) of the 2018 Pavement Management projects. Local option tax funds were used to fund the remaining \$661,900 of costs for these projects. These amounts total to \$776,900 in pavement management projects completed in 2018/2019.

The 2019/2020 budget includes a transfer of \$2,892,400 to the General Fund for Public Works operating activities. The budget also includes \$100,000 for the new sidewalk program, \$40,800 for a portion of the local share of the proposed Houser/Fulliam mini-roundabout, and \$318,800 for the 2019 Pavement Management program. The \$318,800 for these improvements will be combined with the \$611,200 in local option sales tax (20%) dedicated for the Pavement Management program to provide \$930,000 in funding for pavement management projects in 2019. The total Pavement Management program funding for 2019/2020 is \$1 million, however \$70,000 of the allocation is for additional concrete work related to the proposed Houser/Fulliam intersection. This will allow the City to complete a significant amount of pavement management work in 2019. It should be noted that in addition to the street improvements funded from Road Use Taxes and Local Option Taxes, streets in the West Hill area are being improved as sewer work is completed for the West Hill Sewer Separation project and construction continues on the Mississippi Drive/Grandview Corridor. With all of these projects combined, there is an unprecedented amount of street reconstruction and improvement work that has been completed in the last few years and scheduled for the current and upcoming years.

The \$.10 per gallon increase in the fuel tax effective March 1, 2015 has resulted in the additional funds that are now available for improvements funded from Road Use Taxes.

The estimated fund balance on June 30, 2020 is projected at \$345,754 based on estimated road use taxes of \$121.50 per capita for 2018/2019 and \$121.00 per capita for 2019/2020. With accruing two months of road use tax receipts at fiscal year-end, a minimum of \$340,000 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 2019/2020 fiscal year.

Road Use Tax Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 1,277,632	\$ 1,254,789	\$ 770,189	\$ 1,317,754	\$ 815,654
Revenues					
Road Use Tax	<u>\$ 3,035,941</u>	<u>\$ 2,997,716</u>	<u>\$ 2,882,100</u>	<u>\$ 2,894,000</u> (1)	<u>\$ 2,882,100</u> (1)
Funds Available	<u>\$ 4,313,573</u>	<u>\$ 4,252,505</u>	<u>\$ 3,652,289</u>	<u>\$ 4,211,754</u>	<u>\$ 3,697,754</u>
Expenditures					
Transfers Out:					
General Fund	\$ 2,646,464	\$ 2,394,238	\$ 2,694,400	\$ 2,762,600	\$ 2,892,400
Capital Projects Funds:					
Asphalt Overlay/Other					
Street Improvements	111,791	425,475	446,800	115,000	318,800
Railroad Crossing Improvements	0	58,623	0	306,400	0
Cedar Street Improvements	5,725	0	0	0	0
Cleveland Project	0	5,000	0	0	0
Colorado Street Improvements	2,237	0	0	0	0
Mulberry Avenue Improvements	177,918	22,198	0	2,500	0
Houser/Fulliam Intersection	0	10,725	0	61,700	40,800
Park Avenue to 3-Lane	0	17,550	96,800	9,000	0
New Sidewalk Program	<u>114,649</u>	<u>942</u>	<u>105,000</u>	<u>138,900</u>	<u>100,000</u>
Total Expenditures	<u>\$ 3,058,784</u>	<u>\$ 2,934,751</u>	<u>\$ 3,343,000</u>	<u>\$ 3,396,100</u>	<u>\$ 3,352,000</u>
Ending Balance, June 30	<u><u>\$ 1,254,789</u></u>	<u><u>\$ 1,317,754</u></u>	<u><u>\$ 309,289</u></u>	<u><u>\$ 815,654</u></u>	<u><u>\$ 345,754</u></u>

Increase (Decrease) in					
Fund Balance	\$ (22,843)	\$ 62,965	\$ (460,900)	\$ (502,100)	\$ (469,900)

Per Capita Road Use Taxes (Actual and Estimated)	\$ 127.46	\$ 125.85	\$ 121.00	\$ 121.50 (1)	\$ 121.00 (1)
--	-----------	-----------	-----------	---------------	---------------

1. Revenues for both the Revised Estimate and 2019/2020 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 2019/2020 for budgeting purposes.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

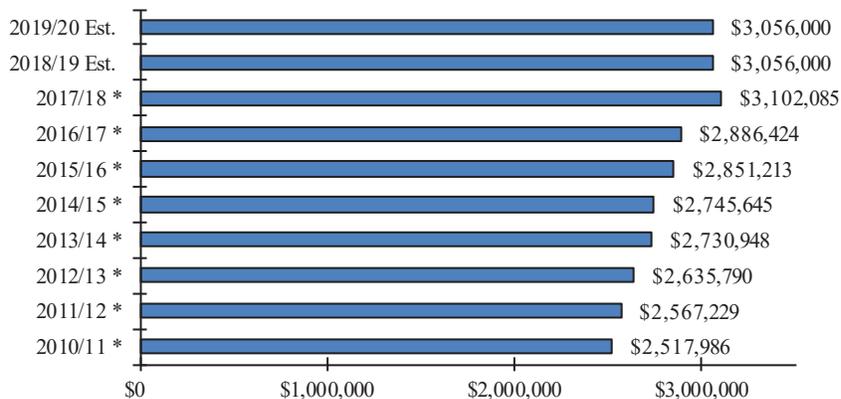
GENERAL INFORMATION:

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 was 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 was scheduled for March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The referendum was held on March 6, 2018 and the extension of this tax was again approved by voters with 88% voting in favor of the extension.

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 2018/2019 and 2019/2020 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 2018/19 and 2019/20 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 2018/2019 and the 2019/2020 budget, the estimated local option sales tax revenues are \$3,309,400 and \$3,056,000, respectively. The 2019/2020 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 2018/2019 and Estimated 2019/2020**

	Estimated <u>2018/2019</u>	Projected <u>2019/2020</u>
Projects:		
West Hill Sewer Separation - Completion of Phase 4-A and Start of Phase 4-B	\$ 2,664,800	\$ -
West Hill Sewer Separation - Completion of Phase 4-B and Start of Phase 4-C	-	2,299,800
	\$ 2,664,800	\$ 2,299,800
Totals	\$ 2,664,800	\$ 2,299,800

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. 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.

Construction is nearing completion on Phase 4-A of the West Hill Sewer Separation project. In 2017 Stanley Consultants prepared a cost estimate for the remaining phases of the West Hill Sewer project. This cost estimate was for Phase 4 (A, B, and C), Phase 5 (A, B, and C), and Phase 6 (A, B, C, D, and E). The total estimated contract costs for these phases is \$32,056,477 and total project costs (including engineering, project management, legal, etc.) are estimated at \$40,070,596. These estimates include a 3% annual escalation factor.

Public Financial Management (PFM), the City’s financial consultant, prepared a long-term financing plan for the West Hill project based on the project cost estimates in the schedule prepared by Stanley Consultants. The City has been setting aside \$400,000 each fiscal year since 2011/2012 to assist in financing the West Hill Sewer project (\$200,000 from the WPCP fund and \$200,000 from the Collection and Drainage fund). These funds are available to supplement the 80% allocation of Local Option Sales Tax being used to fund the West Hill Sewer Separation project (approximately \$2.2 million each year). Local Option Sales Taxes and the set-aside funds are projected to be sufficient to fund project costs for all phases of Phase 4 and Phase 5.

A State Revolving Fund (SRF) Loan is projected to be needed by 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on current project cost estimates, PFM estimates the SRF Loan needed to complete the financing of this project at \$22,800,000. The interest rate for the SRF loan is 2.0%.

The PFM financing plan was based on renewal of the Local Option Tax and continuation of the 80% allocation for sewer projects through the Loan repayment period (through June 30, 2034). This requires the Local Option Tax be in place from its current expiration date of June 30, 2019 through June 30, 2034. This was term requested and approved in the Local Option Tax renewal referendum.

As authorized by the sales tax referendum, funding transfers of \$661,900 in the revised estimate and \$611,200 in the 2019/2020 budget 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 and 2018 voter referendums. A separate sub-fund was 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 2018/2019 and Estimated 2019/2020**

	Estimated <u>2018/2019</u>	Projected <u>2019/2020</u>
Project:		
Pavement Management Program	\$ 661,900	\$ 611,200

The \$611,200 Local Option Sales Tax allocation for the Pavement Management program in 2019/2020 and the \$318,800 allocation of Road Use Taxes for the Pavement Management program will allow for \$930,000 in street improvements to be completed in 2019/2020. The 2019/2020 budget also included \$70,000 for additional work that was planned for the proposed Houser/Fulliam intersection. With that allocation, the total Pavement Management program funding for 2019/2020 is \$1 million. The increased allocation of Road Use Taxes in recent years 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.

It should be noted that in addition to the street improvements funded from Road Use Taxes and Local Option Taxes, streets in the West Hill area are being improved as sewer work is completed for the West Hill Sewer Separation project and construction continues on the Mississippi Drive/Grandview Corridor. With all of these projects combined, there is an unprecedented amount of street reconstruction and improvement work that has been completed in the last few years and scheduled for the current and upcoming years.

Local Option Sales Tax Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 461,242	\$ 237,751	\$ 240,011	\$ 267,314	\$ 250,014
Revenues					
Local Option Sales Tax	\$ 2,933,948	\$ 2,988,029	\$ 2,764,800	\$ 3,309,400 (1)	\$ 3,056,000 (2)
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 2,933,948</u>	<u>\$ 2,988,029</u>	<u># \$ 2,764,800</u>	<u>\$ 3,309,400</u>	<u>\$ 3,056,000</u>
Funds Available	<u>\$ 3,395,190</u>	<u>\$ 3,225,780</u>	<u># \$ 3,004,811</u>	<u>\$ 3,576,714</u>	<u>\$ 3,306,014</u>
Expenditures					
Transfers Out:					
West Hill Sewer Project	\$ 2,570,649	\$ 2,377,631	\$ 2,211,800	\$ 2,664,800	\$ 2,299,800
Pavement Management Program (3)	586,790	580,835	553,000	661,900	611,200
Total Expenditures	<u>\$ 3,157,439</u>	<u>\$ 2,958,466</u>	<u># \$ 2,764,800</u>	<u>\$ 3,326,700</u>	<u>\$ 2,911,000</u>
Ending Balance, June 30	<u>\$ 237,751</u>	<u>\$ 267,314</u>	<u># \$ 240,011</u> (4)	<u>\$ 250,014</u> (4)	<u>\$ 395,014</u>

Increase (Decrease) in					
Fund Balance	\$ (223,491)	\$ 29,563	\$ 0	\$ (17,300)	\$ 145,000

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate (\$3,055,961.76) plus a prior year reconciliation amount of \$253,497.48.
2. The 2019/2020 Local Option Tax revenue amount is estimated conservatively at the States's projected 2018/2019 level of \$3,055,961.76.
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. A \$250,000 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.)

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 24,085	\$ 8	\$ 48	\$ 0	\$ 0
Revenues					
Transfers In:					
Local Option Sales Tax (1)	586,790	580,835	\$ 553,000	\$ 661,900 (2)	\$ 611,200 (3)
Interest	117	0	200		
Total Revenues	<u>\$ 586,907</u>	<u>\$ 580,835</u>	<u>\$ 553,200</u>	<u>\$ 661,900</u>	<u>\$ 611,200</u>
Funds Available	<u>\$ 610,992</u>	<u>\$ 580,843</u>	<u>\$ 553,248</u>	<u>\$ 661,900</u>	<u>\$ 611,200</u>
Expenditures					
Transfers Out:					
Pavement Management (Curb and Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	\$ 610,984	\$ 580,843	\$ 553,200	\$ 661,900	\$ 611,200
Total Expenditures	<u>\$ 610,984</u>	<u>\$ 580,843</u>	<u>\$ 553,200</u>	<u>\$ 661,900</u>	<u>\$ 611,200</u>
Ending Balance, June 30	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 48</u>	<u>\$ 0</u>	<u>\$ 0</u>

Increase (Decrease) in Fund Balance	\$ (24,077)	\$ (8)	\$ 0	\$ 0	\$ 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 State's estimate (\$3,055,961.76) plus a prior year reconciliation amount of \$253,497.48.
3. The 2019/2020 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2018/2019 level of \$3,055,961.76.

SPECIAL REVENUE FUNDS

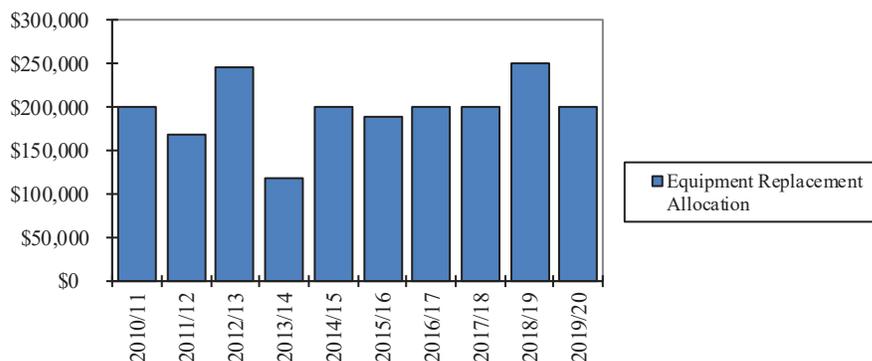
EQUIPMENT REPLACEMENT FUND

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 funding allocation for 2010/2011 was set at \$200,000 and was decreased to \$168,900 for 2011/2012. The funding allocation for 2012/2013 was increased to \$245,000 and for 2013/2014 it was decreased to \$117,000. The 2014/2015 funding transfer was \$200,000 and the regular funding transfer for 2015/2016 was \$188,000. In 2015/2016 an additional \$148,500 one-time transfer was made 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. The 2016/2017 and 2017/2018 funding transfers were each set at \$200,000. The 2018/2019 funding transfer was set at \$250,000. The funding level for 2019/2020 is budgeted to decrease to \$200,000.



CURRENT TRENDS AND ISSUES:

For 2018/2019 the funding allocation from the General Fund to the Equipment Replacement Fund was \$250,000. This will fund a total of \$349,300 of vehicle and equipment purchases including five new police vehicles (\$238,600), a new Police Drug Task Force pickup truck funded from monthly payments from the

HIDTA grant (\$35,000), a new pickup truck for the Fire department (\$38,600), a boom lift for Park Maintenance (\$27,600), and a mower for the cemetery (\$9,500). In addition to General Fund transfers, this fund also received \$75,000 from the sale of the old aerial fire truck. With these funds, a new Tahoe (\$39,000) for the Fire Chief and a new pickup (\$35,000) for the Assistant Fire Chief were purchased.

The revised estimate also includes \$200,000 for a Ballistic Armored Tactical Transport vehicle for the Police department. This purchase will be funded from \$100,000 in private donations, \$50,000 from the Muscatine County Sheriff's department, \$33,300 from a transfers from the Police operations budget, and \$16,700 from a transfer from the Police Forfeitures fund. This vehicle will be used by the joint city-county Muscatine Special Operations Response Team.

The funding transfer for 2019/2020 is budgeted at \$200,000 and there is a total of \$214,000 budgeted for vehicles and equipment purchases. Purchases from the Equipment Replacement Fund in the 2019/2020 budget include \$25,000 for a Police administrative vehicle, \$45,000 for a new animal control truck and transport unit, \$42,000 for a new tractor for the cemetery, \$82,000 for a new mower for the Soccer Complex including the expanded area, and \$20,000 for a new utility vehicle for the Soccer Complex. The balance in the Equipment Replacement Fund on June 30, 2020 is estimated at \$66,159.

Equipment Replacement Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 170,797	\$ 75,421	\$ 179,021	\$ 162,559	\$ 72,459
Revenues					
Interest	\$ 626	\$ 1,101	\$ 500	\$ 1,000	\$ 500
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	3,673	8,350	0	75,000	0
Reimbursement of Damages	0	33,500	0	0	0
Donations for Armored Vehicle	0	0	0	150,000	0
Transfers In					
General Fund Allocation	200,000	200,000	250,000	250,000	200,000
Police Budget for Armored Vehicle	0	0	0	33,300	0
Police Forfeitures for Armored Vehicle	0	0	0	16,700	0
Total Revenues	<u>\$ 211,499</u>	<u>\$ 250,151</u>	<u>\$ 257,700</u>	<u>\$ 533,200</u>	<u>\$ 207,700</u>
Funds Available	\$ 382,296	\$ 325,572	\$ 436,721	\$ 695,759	\$ 280,159
Expenditures					
Equipment Purchases	<u>306,875</u>	<u>163,013</u>	<u>377,600</u>	<u>623,300</u>	<u>214,000</u>
Ending Balance, June 30	<u>\$ 75,421</u>	<u>\$ 162,559</u>	<u>\$ 59,121</u>	<u>\$ 72,459</u>	<u>\$ 66,159</u>

Increase (Decrease) in Fund Balance	\$ (95,376)	\$ 87,138	\$ (119,900)	\$ (90,100)	\$ (6,300)
--	--------------------	------------------	---------------------	--------------------	-------------------

Functions:
Public Safety
Culture and Recreation

Departments:
Police
Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
Item	Quantity	Replacement	Amount
Police: Vehicle (Chief)	1	Yes	\$ 25,000
Animal Control: Truck and Transport Unit	1	Yes	45,000
Soccer: Mower	1	Yes	82,000
Utility Vehicle	1	Yes	20,000
Cemetery: Tractor	1	Yes	42,000
			<u>\$ 214,000</u>

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, 2016/2017, and 2017/2018 budgets each included \$40,000 funding allocations. The 2018/2019 budget continued the \$40,000 funding allocation and the 2019/2020 budget includes an increased allocation of \$50,000.

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. There were no transfers to the Library Computer Replacement fund in 2016/2017 and 2017/2018; instead the library chose to transfer their remaining budget balances of \$45,253 and \$64,394, respectively, to the new Musser Public Library and HNI Community Center building renovation project fund.

The Library made purchases from their computer 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, \$3,924 was expended in 2015/2016, and \$16,990 in 2016/2017. Most of the Library's public computers were damaged during a June, 2017 storm that caused roof damage to the library. Of the amount expended in 2016/2017, \$13,068 was reimbursed by insurance in 2017/2018. In 2017/2018, \$23,185 was expended from this fund for computer equipment. The remaining balance of \$16,962 was transferred to the new library renovation capital project fund. In 2018/2019 and 2019/2020, any unspent funds in the Library budget at the end of each fiscal year will again be set aside for future computer replacement needs.

Computer Replacement Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 26,695	\$ 29,205	\$ 0	\$ 41,340	\$ 0
Revenues					
Interest	\$ 114	\$ 402	\$ 0	\$ 0	\$ 0
Miscellaneous	400	0	0	0	0
Transfers In					
General Fund	40,000	40,000	40,000	40,000	50,000
Total Revenues	\$ 40,514	\$ 40,402	\$ 40,000	\$ 40,000	\$ 50,000
Funds Available	\$ 67,209	\$ 69,607	\$ 40,000	\$ 81,340	\$ 50,000
Expenditures					
Computer-Related Purchases	38,004	28,267	40,000	81,340	50,000
Ending Balance, June 30	\$ 29,205	\$ 41,340	\$ 0	\$ 0	\$ 0
Increase (Decrease) in Fund Balance	\$ 2,510	\$ 12,135	\$ 0	\$ (41,340)	\$ 0

Computer Replacement Fund - Library

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 43,722	\$ 26,863	\$ 63	\$ 0	\$ 0
Revenues					
Interest	\$ 131	\$ 217	\$ 0	\$ 0	\$ 0
Insurance Reimbursement	0	13,067	0	0	0
Total Revenues	\$ 131	\$ 13,284	\$ 0	\$ 0	\$ 0
Funds Available	\$ 43,853	\$ 40,147	\$ 63	\$ 0	\$ 0
Expenditures					
Computer-Related Purchases	\$ 16,990	\$ 23,185	\$ 0	\$ 0	\$ 0
Transfer Out New Library Renovation Project	0	16,962	0	0	0
Total Expenditures	\$ 16,990	\$ 40,147	\$ 0	\$ 0	\$ 0
Ending Balance, June 30	\$ 26,863	\$ 0	\$ 63	\$ 0	\$ 0
Increase (Decrease) in Fund Balance	\$ (16,859)	\$ (26,863)	\$ 0	\$ 0	\$ 0

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 for 15 years 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 are being repaid with annual 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 \$207,100 in 2018/2019 and \$206,250 in 2019/2020. The 2019/2020 payment will retire this bond issue.

Engineering design started in December of 2018 on the 2nd Street Reconstruction project, which has been identified as the next project to be funded from the Downtown Tax Increment fund. In November of 2018 City Council adopted a resolution approving an internal advance of funds which allows for Downtown TIF funds to be used to fund a portion of the engineering design costs for this project. The 2019/2020 budget includes a transfer of \$40,000 of the accumulated balance in this fund to the 2nd Street Reconstruction capital projects fund to fund a portion of the engineering design costs. It is proposed that this project be included in the 2020 bond issue with the annual debt service requirements on this issue funded from future incremental taxes. Based on the preliminary cost estimate for this project, the City may consider using a portion of the Southend TIF fund balance to reduce the amount of bonding that may be needed to complete this project. This would allow for Downtown TIF funds to be available for a downtown façade program or other improvements in the downtown area.

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, for 2015/2016 \$126,600 less, for 2016/2017 \$150,000 less, and for 2017/2018 \$157,000 less. For 2018/2019 the amount claimed was \$151,000 less than the amount available. The amount claimed for 2019/2020 is \$205,000 which is approximately \$162,800 less than the amount available.

The balance in the Downtown TIF fund is estimated at \$7,876 at the end of the 2019/2020 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 37,834	\$ 49,015	\$ 45,865	\$ 51,226	\$ 48,326
Revenues					
Incremental Taxes	\$ 209,587 (1)	\$ 199,136 (2)	\$ 205,000 (3)	\$ 203,400 (3)	\$ 205,000 (4)
State Commercial/Industrial Property Tax Reimbursement	4,243	3,999	0	0	0
Interest	401	1,726	400	800	800
Total Revenues	\$ 214,231	\$ 204,861	\$ 205,400	\$ 204,200	\$ 205,800
Funds Available	\$ 252,065	\$ 253,876	\$ 251,265	\$ 255,426	\$ 254,126
Expenditures:					
Transfers:					
Bonds	\$ 180,000	\$ 185,000	\$ 195,000	\$ 195,000	\$ 200,000 (5)
Interest	23,050	17,650	12,100	12,100	6,250 (5)
Transfers Out:					
Downtown Streetscape Design	0	0	0	0	40,000 (6)
Total Expenditures	\$ 203,050	\$ 202,650	\$ 207,100	\$ 207,100	\$ 246,250
Ending Balance, June 30	\$ 49,015	\$ 51,226	\$ 44,165	\$ 48,326	\$ 7,876

Increase (Decrease) in Fund Balance	\$ 11,181	\$ 2,211	\$ (1,700)	\$ (2,900)	\$ (40,450)
--	------------------	-----------------	-------------------	-------------------	--------------------

1. For the 2016/2017 year, the City certified approximately \$150,000 less than the total available increment.
2. For the 2017/2018 year, the City certified approximately \$157,000 less than the total available increment.
3. For the 2018/2019 year, the City certified approximately \$151,000 less than the total available increment.
4. For the 2019/2020 year, the City certified approximately \$162,800 less than the total available increment.
5. The final payments on the June 2010 bond issue will be in 2019/2020.
6. In November 2018 the City Council approved an Internal Advance in the amount of \$100,000 toward the design of the Downtown Streetscape project. TIF funds claimed in 2019/2020 will fund a portion of this cost.

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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2018/19	\$ 195,000	\$ 12,100	\$ 207,100
2019/20	<u>200,000</u>	<u>6,250</u>	<u>206,250</u>
Total	<u>\$ 395,000</u>	<u>\$ 18,350</u>	<u>\$ 413,350</u>

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 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 is also 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 began in 2017/2018. These rebate are also 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. The first rebate was paid in the 2017/2018 fiscal year. These rebate are also subject to annual appropriations.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2018/2019 is estimated at \$1,493,500. In 2018/2019 Southend TIF funds will be used to fund debt requirements on the June 2004 bond issue (\$164,805), the TIF rebate to Musco (\$81,800), the Newcomb Properties LLC rebate (\$9,600), the A&E Convenience rebate (\$4,000), the 4th year of the Wal-View Project #1 rebate (\$640,000), the 2nd year of the Wal-View Project #2 rebate (\$267,400), and the 2nd year of the Union Tank Car project rebate (\$16,600). Incremental taxes will also be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$141,300 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. In 2018/2019 Southend TIF funds will be also used to fund the balance of the Housing Demand Study (\$7,000). The total cost of the Housing Demand Study was \$32,000 and \$25,000 of this cost was funded from TIF funds in 2017/2018.

For 2018/2019 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 \$459,900 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 2019/2020 the City is claiming \$1,470,000 of incremental taxes from this district which will fund \$161,965 in debt requirements, the TIF rebate to Musco (estimated at \$83,100), the Newcomb Properties rebate (estimated at \$13,600), the A&E Convenience rebate (estimated at \$4,800), the 5th year rebate under Wal-View Development Agreement #1 (estimated at \$650,000), the 3rd year rebate under Wal-View Agreement #2 (estimated at \$242,000), and the 3rd year rebate for the agreement with Union Tank Car Company (estimated at \$17,500). In 2019/2020 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$164,200 and \$38,000, respectively. TIF funding for the Small Business Forgivable Loan program will continue in 2019/2020 in the amount of \$100,000.

For 2019/2020 the City is claiming approximately \$494,900 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2019/2020 is \$927,822. In future years the City will be considering using a portion of the Southend TIF fund balance or future southend incremental tax funds to assist with lowering the bond funding that may be needed for the 2nd Street Streetscaping project,

assisting with the financing of the Grandview Avenue reconstruction project, and/or continuing existing and facilitating new economic development programs and projects.

Tax Increment Fund - Southend

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 883,576	\$ 918,361	\$ 879,906	\$ 889,992	\$ 922,987
Revenues:					
Incremental Taxes Commercial and Industrial State Reimbursement Interest	\$ 1,227,883 (1)	\$ 1,506,508 (2)	\$ 1,505,000 (3)	\$ 1,493,500 (3)	\$ 1,470,000 (4)
	1,480	0	0	0	0
	<u>3,521</u>	<u>11,501</u>	<u>2,500</u>	<u>10,000</u>	<u>10,000</u>
Total Revenues	<u>\$ 1,232,884</u>	<u>\$ 1,518,009</u>	<u>\$ 1,507,500</u>	<u>\$ 1,503,500</u>	<u>\$ 1,480,000</u>
Funds Available	<u>\$ 2,116,460</u>	<u>\$ 2,436,370</u>	<u>\$ 2,387,406</u>	<u>\$ 2,393,492</u>	<u>\$ 2,402,987</u>
Expenditures:					
Bonds	\$ 125,000	\$ 130,000	\$ 140,000	\$ 140,000	\$ 145,000
Interest	38,705	31,955	24,805	24,805	16,965
Tax Rebate - Musco Sports Lighting	84,404	82,308	83,700	81,800	83,100 (6)
Tax Rebate - Curry's Transportation Services	0 (5)	0 (5)	0 (5)	0 (5)	0 (6)
Tax Rebate - Newcomb Properties LLC	6,928	8,171	11,900	9,600	13,600 (6)
Tax Rebate - A & E Convenience, LLC	4,011	3,891	4,800	4,000	4,800
Tax Rebate - Wal-View Project #1	658,951	642,970	660,000	640,000	650,000
Tax Rebate - Wal-View Project #2	0	299,238	275,000	267,400	242,000
Tax Rebate - Union Tank Car Company	0	3,945	17,500	16,600	17,500
Transfers Out:					
TIF Administrative and Professional Support Costs	142,100	148,900	141,700	141,300	164,200
TIF Economic Development Grant (GMCCI)	38,000	38,000	38,000	38,000	38,000
Small Business Forgivable Loan Program	100,000	100,000	100,000	100,000	100,000
Community Marketing Study	0	32,000	0	0	0
Housing Demand Study	<u>0</u>	<u>25,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total Expenditures	<u>\$ 1,198,099</u>	<u>\$ 1,546,378</u>	<u>\$ 1,504,405</u>	<u>\$ 1,470,505</u>	<u>\$ 1,475,165</u>
Ending Balance, June 30	<u>\$ 918,361</u>	<u>\$ 889,992</u>	<u>\$ 883,001</u>	<u>\$ 922,987</u>	<u>\$ 927,822 (7)</u>
Increase (Decrease) in Fund Balance	\$ 34,785	\$ (28,369)	\$ 3,095	\$ 32,995	\$ 4,835

1. For the 2016/2017 year, the City certified approximately \$334,800 less than the total available in incremental taxes.
2. For the 2017/2018 year, the City certified approximately \$366,300 less than the total available in incremental taxes.
3. For the 2018/2019 year, the City certified approximately \$459,900 less than the total available in incremental taxes.
4. For the 2019/2020 year, the City certified approximately \$494,900 less than the total available in incremental taxes.
5. Rebate payments to Curry's Transportation are being withheld until resurfacing requirements are met.
6. Fiscal year 2019/2020 will be the final year for the Musco Sports Lighting, Curry's, and Newcomb TIF rebates.
7. The balance in this fund and future TIF collections are proposed to be designated for city street improvements (which may include Grandview Avenue or the Highway 61/38 Connector), housing developments, or other economic development purposes in future years.

TAX INCREMENT FUND - SOUTHEND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

**Urban Renewal Tax Increment Revenue Bonds
Airport Terminal Building and Southend Water Extension Project**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	<u>\$ 435,000</u>	<u>\$ 50,470</u>	<u>\$ 485,470</u>

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; incremental taxes for 2015/2016 were \$365,916 and the rebate was \$182,958, incremental taxes for 2016/2017 were \$470,514 and the rebate \$235,257, and for 2017/2018 incremental taxes were \$510,798 and the rebate \$255,399. The amounts claimed for these years were all less than the total incremental taxes available from this area.

Incremental taxes from this area for 2018/2019 were \$540,176 and the rebate \$270,088. The fiscal year 2018/2019 rebate is the final rebate under this agreement. Further development is expected in this area and the estimated ending fund balance of \$75,821 can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 46,073	\$ 55,546	\$ 66,546	\$ 67,021	\$ 75,321
Revenues					
Incremental Taxes	\$ 244,518 (1)	\$ 266,163 (2)	\$ 280,000 (3)	\$ 277,900	\$ 0 (4)
Interest	212	711	200	500	500
Total Revenues	<u>\$ 244,730</u>	<u>\$ 266,874</u>	<u>\$ 280,200</u>	<u>\$ 278,400</u>	<u>\$ 500</u>
Funds Available	<u>\$ 290,803</u>	<u>\$ 322,420</u>	<u>\$ 346,746</u>	<u>\$ 345,421</u>	<u>\$ 75,821</u>
Expenditures:					
Tax Rebate - VMI Northport Commons	<u>\$ 235,257</u>	<u>\$ 255,399</u>	<u>\$ 285,000</u>	<u>\$ 270,100 (5)</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 235,257</u>	<u>\$ 255,399</u>	<u>\$ 285,000</u>	<u>\$ 270,100</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 55,546</u></u>	<u><u>\$ 67,021</u></u>	<u><u>\$ 61,746</u></u>	<u><u>\$ 75,321</u></u>	<u><u>\$ 75,821</u></u>

Increase (Decrease) in Fund Balance	\$ 9,473	\$ 11,475	\$ (4,800)	\$ 8,300	\$ 500
--	-----------------	------------------	-------------------	-----------------	---------------

1. For the 2016/2017 year the City certified approximately \$244,000 less than the total available increment.
2. For the 2017/2018 year the City certified approximately \$317,000 less than the total available increment.
3. For the 2018/2019 year the City certified approximately \$311,000 less than the total available increment.
4. For the 2019/2020 year the City did not certify any of the approximately \$624,200 in available increment.
5. The final year of rebate payments to VMI Northport Commons is 2018/2019.

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 had 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 (\$42,033) and the first half of the rebate for the 2016/2017 year (\$18,781) for a total of \$60,814. With this settlement there are no future obligations under the development agreement.

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.

In 2018/2019 the remaining balance in this TIF fund was used to fund a portion of the annual TIF administrative and professional services costs which closed out this TIF fund.

Tax Increment Fund - Muscatine Mall

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 12,933	\$ 32,139	\$ 32,139	\$ 32,467	\$ 0
Revenues					
Incremental Taxes	\$ 37,926 (1)	\$ 0 (3)	\$ 0 (3)	\$ 0	\$ 0
Interest	<u>61</u>	<u>328</u>	<u>0</u>	<u>33</u>	<u>0</u>
Total Revenues	<u>\$ 37,987</u>	<u>\$ 328</u>	<u>\$ 0</u>	<u>\$ 33</u>	<u>\$ 0</u>
Funds Available	<u>\$ 50,920</u>	<u>\$ 32,467</u>	<u>\$ 32,139</u>	<u>\$ 32,500</u>	<u>\$ 0</u>
Expenditures:					
Tax Rebate - Muscatine Mall	\$ 18,781 (2)	\$ 0	\$ 0	\$ 0	\$ 0
Transfer Out:					
TIF Administrative and Professional Support Costs	<u>0</u>	<u>0</u>	<u>32,100</u>	<u>32,500</u>	<u>0</u>
Total Expenditures	<u>\$ 18,781</u>	<u>\$ 0</u>	<u>\$ 32,100</u>	<u>\$ 32,500</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 32,139</u></u>	<u><u>\$ 32,467</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in Fund Balance	\$ 19,206	\$ 328	\$ (32,100)	\$ (32,467)	\$ 0
--	------------------	---------------	--------------------	--------------------	-------------

1. For the 2016/2017 year the City certified approximately \$38,000 less than the total available increment.
2. Due to a change in ownership of the Muscatine Mall, the development 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.
3. No incremental taxes were claimed beginning in 2017/2018 for this area.

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 was paid in 2016/2017 in the amount of \$19,000, the 2nd year rebate for 2017/2018 was \$14,764, and the 3rd year rebate in 2018/2019 is \$11,008. The estimated rebate for 2019/2020 is \$7,800. The rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - H.J. Heinz 2014 Project

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 0	\$ 5,865	\$ 6,565	\$ 6,729	\$ 7,629
Revenues					
Incremental Taxes	\$ 20,959	\$ 15,542	\$ 12,000	\$ 11,900	\$ 7,800
Interest	18	86	0	100	100
Transfers In:					
Heinz 2010 TIF Fund	<u>3,888</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 24,865</u>	<u>\$ 15,628</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 7,900</u>
Funds Available	<u>\$ 24,865</u>	<u>\$ 21,493</u>	<u>\$ 18,565</u>	<u>\$ 18,729</u>	<u>\$ 15,529</u>
Expenditures:					
Tax Rebate - H.J. Heinz	<u>\$ 19,000 (1)</u>	<u>\$ 14,764 (1)</u>	<u>\$ 12,000 (1)</u>	<u>\$ 11,100 (1)</u>	<u>\$ 7,800 (1)</u>
Total Expenditures	<u>\$ 19,000</u>	<u>\$ 14,764</u>	<u>\$ 12,000</u>	<u>\$ 11,100</u>	<u>\$ 7,800</u>
Ending Balance, June 30	<u><u>\$ 5,865</u></u>	<u><u>\$ 6,729</u></u>	<u><u>\$ 6,565</u></u>	<u><u>\$ 7,629</u></u>	<u><u>\$ 7,729</u></u>

Increase (Decrease) in Fund Balance	\$ 5,865	\$ 864	\$ 0	\$ 900	\$ 100
--	-----------------	---------------	-------------	---------------	---------------

1. Fiscal year 2016/2017 was 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 from 2016/2017 through 2020/2021.

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 was \$1,119,525, the incremental taxes were \$37,916, and the rebate was \$18,959. For 2017/2018 the increment was \$1,070,850, the incremental taxes \$35,231, and the calculated rebate was \$17,615. For 2018/2019 the increment is \$968,373, the incremental taxes are \$31,617, and the calculated rebate is \$15,809. For 2019/2020 the increment is \$922,260, the estimated incremental taxes are \$30,400 and the estimated rebate is \$15,200. The rebates have not been paid for the last half of 2017/2018 and 2018/2019 since the property taxes have not been paid.

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 were also used to fund construction of a new Park Maintenance building at Weed Park. Project costs included \$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 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 \$37,167 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 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. 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 repaid in June of 2017. The development 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 rebate under this agreement will be made in the 2019/2020 year. This rebate is estimated at \$42,000.

The revised estimate for 2018/2019 of \$24,707 is for the 2nd half of the 2017/2018 and the 2018/2019 rebate to the Villas at MCC, LLC. These are subject to the taxes being paid of this property. The 2019/2020 budget includes \$15,200 for the 2019/2020 rebate for the Villas at MCC, LLC and \$42,000 for the rebate to Harrison Lofts, LLC. The City continues to claim less than the total of incremental taxes from this area which allows for the balance of the incremental taxes to be considered as regular valuations for each taxing entity.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 20,639	\$ 14,569	\$ 11,569	\$ 20,041	\$ 10,334
Revenues					
Incremental Taxes	\$ 59,873	\$ 13,917	\$ 15,000	\$ 14,900	\$ 57,100
Interest	183	363	100	100	100
Total Revenues	<u>\$ 60,056</u>	<u>\$ 14,280</u>	<u>\$ 15,100</u>	<u>\$ 15,000</u>	<u>\$ 57,200</u>
Funds Available	<u>\$ 80,695</u>	<u>\$ 28,849</u>	<u>\$ 26,669</u>	<u>\$ 35,041</u>	<u>\$ 67,534</u>
Expenditures:					
Tax Rebate - Villas at MCC (1)	\$ 18,959	\$ 8,808	\$ 16,500	\$ 15,900	\$ 15,200
Tax Rebate - Villas at MCC - Prior Year Balance (1)	0	0	0	8,807	0
Tax Rebate - Harrison Lofts	0	0	0	0	42,000
Economic Development Grant - Harrison Lofts LLC	10,000 (3)	0	0	0	0
Transfer Out:					
Internal Loan - Weed Park Maintenance Building	<u>37,167 (2)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 66,126</u>	<u>\$ 8,808</u>	<u>\$ 16,500</u>	<u>\$ 24,707</u>	<u>\$ 57,200</u>
Ending Balance, June 30	<u><u>\$ 14,569</u></u>	<u><u>\$ 20,041</u></u>	<u><u>\$ 10,169</u></u>	<u><u>\$ 10,334</u></u>	<u><u>\$ 10,334</u></u>

Increase (Decrease) in Fund Balance	\$ (6,070)	\$ 5,472	\$ (1,400)	\$ (9,707)	\$ 0
--	-------------------	-----------------	-------------------	-------------------	-------------

1. Fiscal year 2013/2014 was the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC. Property taxes were not paid by The Villas for the 2nd half of 2017/2018 so the rebate was not paid. The 2018/2019 revised estimate allows for the balance of the 2017/2018 rebate to be paid. Property taxes for The Villas have also not been paid for the first half of 2018/2019. The budget for 2019/2020 includes funds to pay this rebate if the taxes are paid.
2. The Weed Park Maintenance Building project total cost was approximately \$412,000. An internal advance funded this project with the advance repaid in fiscal years 2014/2015 through 2016/2017.
3. 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 48 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 \$75,432, and the rebate was \$67,760. Incremental taxes for 2016/2017 were \$81,411 and the rebate was \$72,525. For 2017/2018 incremental taxes were \$79,083 and the rebate was \$66,777.

For 2018/2019 the incremental taxes are \$79,127 and the rebate is \$66,978. For 2019/2020 the incremental taxes are estimated at \$86,230 and the rebate is estimated at \$74,000.

Tax Increment Fund - Fridley Theatres

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 7,730	\$ 10,086	\$ 16,186	\$ 16,298	\$ 22,898
Revenues					
Incremental Taxes	\$ 74,854	\$ 72,853	\$ 74,000	\$ 73,500	\$ 74,000
Interest	27	136	0	100	100
Total Revenues	<u>\$ 74,881</u>	<u>\$ 72,989</u>	<u>\$ 74,000</u>	<u>\$ 73,600</u>	<u>\$ 74,100</u>
Funds Available	<u>\$ 82,611</u>	<u>\$ 83,075</u>	<u>\$ 90,186</u>	<u>\$ 89,898</u>	<u>\$ 96,998</u>
Expenditures:					
Tax Rebate - Fridley Theatres (1)	\$ 72,525	\$ 66,777	\$ 74,000	\$ 67,000	\$ 74,000
Total Expenditures	<u>\$ 72,525</u>	<u>\$ 66,777</u>	<u>\$ 74,000</u>	<u>\$ 67,000</u>	<u>\$ 74,000</u>
Ending Balance, June 30	<u><u>\$ 10,086</u></u>	<u><u>\$ 16,298</u></u>	<u><u>\$ 16,186</u></u>	<u><u>\$ 22,898</u></u>	<u><u>\$ 22,998</u></u>

Increase (Decrease) in Fund Balance	\$ 2,356	\$ 6,212	\$ 0	\$ 6,600	\$ 100
--	-----------------	-----------------	-------------	-----------------	---------------

- 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

TAX INCREMENT FINANCING (TIF) FUND – RIVERVIEW HOTEL

GENERAL INFORMATION:

On March 13, 2014, the Muscatine City Council authorized the submission of a pre-application to the Iowa Economic Development Authority (IEDA) for the establishment of an Iowa Reinvestment District in downtown Muscatine. This pre-application provided that the City would (1) establish the Iowa Reinvestment District, (2) approve the District Plan, and (3) find the area in the District that was suitable for development. These documents were submitted with the final application to the IEDA and on July 2, 2015 the City and the IDEA approved the Iowa Reinvestment District contract.

The Reinvestment District project is for the construction of a hotel, conference center, and parking facility by Riverview Hotel Development. The Reinvestment District award provides that up to \$10,000,000 in proceeds from the State's 5% share of the hotel/motel tax and 4% of the State sales tax from the project, over the twenty-year period from July 1, 2017 through July 1, 2037, will be returned to the developer (through the City) as economic development payments under the Reinvestment District program. The Reinvestment District funds are accounted for in a separate Riverview Reinvestment District Special Revenue fund.

The City of Muscatine and Riverview Hotel Development have also entered into a development agreement which provides tax increment financing (TIF) rebates to the developer. The Merrill Hotel and Conference Center opened in March of 2018.

CURRENT TRENDS AND ISSUES:

The City entered into a development agreement with Muscatine Riverview Hotel Development in December of 2014 and this agreement was amended in June of 2017. The final agreement provides for twenty years of tax increment rebates in an amount not to exceed \$6,150,000. In the first five years of the agreement 100% of the incremental taxes will be rebated, in years six and seven the rebate is 95%, in years eight through fifteen the rebate is 75%, and in years sixteen through twenty the rebate is 50%. The first rebate under this agreement will be in fiscal year 2019/2020 and is estimated at \$540,000. The amended development agreement provides that \$67,500 be deducted from the first year rebate to reimburse the City for the local match for the Mercer Muscatine Revolving Fund loan that the City paid in March of 2015. With this provision, the rebate to Muscatine Hotel Development is estimated at \$472,500 in 2019/2020 and \$67,500 is budgeted to be transferred to the City capital project fund to reimburse the City for the matching funds for the loan. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 540,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 540,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 540,000</u>
Expenditures:					
TIF Rebate -Riverview Hotel Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 472,500 (1)
Transfer Out:					
Mercer/Muscatine Loan Match Reimbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,500 (2)</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 540,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Fiscal year 2019/2020 will be the first year of a 20-year TIF rebate agreement with Riverview Hotel Development.
2. Per the Development Agreement with Riverview Hotel Development, payment for the first year of the rebate will be reduced by \$67,500, which was the local match the City paid for the Mercer/Muscatine Loan for this project.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – NORTH UNIVERSITY AREA

GENERAL INFORMATION:

In February of 2017, the City entered into a development agreement with HNI Corporation to assist HNI in the expansion of their facilities on North University Drive. The agreement provides for 10 years of incremental tax rebates on this property up to a maximum total of \$3,811,000. The rebate percentage is 50% of the incremental taxes for each of the ten years under this agreement.

The first rebate payment under this agreement will be made in fiscal year 2019/2020 and is estimated at \$80,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - North University

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 82,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,000</u>
Expenditures:					
TIF Rebate - HNI	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,000 (1)
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,000</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000
--	-------------	-------------	-------------	-------------	-----------------

1. Fiscal year 2019/2020 will be the first year of a 10-year 50% TIF rebate agreement for HNI.

SPECIAL REVENUE FUNDS

RIVERVIEW REINVESTMENT DISTRICT FUND

GENERAL INFORMATION:

On March 13, 2014, the Muscatine City Council authorized the submission of a pre-application to the Iowa Economic Development Authority (IEDA) for the establishment of an Iowa Reinvestment District in downtown Muscatine. This pre-application provided that the City would (1) establish the Iowa Reinvestment District, (2) approve the District Plan, and (3) find the area in the District that was suitable for development. These documents were submitted with the final application to the IEDA and on July 2, 2015 the City and the IDEA approved the Iowa Reinvestment District contract.

The Reinvestment District project is for the construction of a hotel, conference center, and parking facility by Riverview Hotel Development. The Reinvestment District award provides that up to \$10,000,000 in proceeds from the State's 5% share of the hotel/motel tax and 4% of the State sales tax from the project, over the twenty-year period from July 1, 2017 through July 1, 2037, will be returned to the developer (through the City) as economic development payments under the Reinvestment District program.

The City of Muscatine and Riverview Hotel Development have also entered into a development agreement which provides tax increment financing (TIF) rebates to the developer. Those funds will be accounted for in a separate Tax Increment Fund.

CURRENT TRENDS AND ISSUES:

The Merrill Hotel and Conference Center opened in March of 2018. The Reinvestment District proceeds for 2017/2018 were \$4,124 for the short period of time the hotel was open in that fiscal year and those funds were forwarded to the Riverview Hotel Development. The amounts shown as Reinvestment District proceeds and payments to the Riverview Hotel Development for 2018/2019 and 2019/2020 (\$400,000 each year) are estimated amounts. The actual revenues the City receives from the Iowa Economic Development Authority will be remitted to Riverview Hotel Development as they are received.

Riverview Reinvestment District Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Reinvestment District Proceeds (1)	\$ 0	\$ 4,124	\$ 366,000	\$ 400,000	\$ 400,000
Total Revenues	<u>\$ 0</u>	<u>\$ 4,124</u>	<u>\$ 366,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
Funds Available	\$ 0	\$ 4,124	\$ 366,000	\$ 400,000	\$ 400,000
Expenditures					
Riverview Hotel Development (1)	<u>0</u>	<u>4,124</u>	<u>366,000</u>	<u>400,000</u>	<u>400,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in Fund Balance	\$ 0				
--	-------------	-------------	-------------	-------------	-------------

1. Amounts shown as revenues and expenditures reflect projected amounts for the State's share of hotel/motel tax (5%) and 4% of the State's share of the sales tax. These funds are paid to the City by the State and the City forwards those funds to the hotel developer per the Reinvestment District agreement. The Merrill Hotel and Conference Center opened in March of 2018.

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 2018/2019 and 2019/2020, \$2,000 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 2019/2020 will be used for the Sunset Park Children's Education program. The balance in this fund is estimated at \$25,015 on June 30, 2020.

Community Block Grant Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 30,636	\$ 30,734	\$ 26,934	\$ 30,015	\$ 28,015
Revenues					
Reimbursements of Housing					
Rehabilitation Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	98	302	0	0	0
Total Revenues	<u>\$ 98</u>	<u>\$ 302</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 30,734</u>	<u>\$ 31,036</u>	<u>\$ 26,934</u>	<u>\$ 30,015</u>	<u>\$ 28,015</u>
Expenditures					
Operating Expenditures	\$ 0	\$ 1,021	\$ 0	\$ 0	\$ 0
Transfers Out:					
Home Ownership Program	0	0	2,000	2,000	2,000
Sunset Park Children's Education Program	0	0	1,000	0	1,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 1,021</u>	<u>\$ 3,000</u>	<u>\$ 2,000</u>	<u>\$ 3,000</u>
Ending Balance, June 30	<u><u>\$ 30,734</u></u>	<u><u>\$ 30,015</u></u>	<u><u>\$ 23,934</u></u>	<u><u>\$ 28,015</u></u>	<u><u>\$ 25,015</u></u>
Increase (Decrease) in Fund Balance	\$ 98	\$ (719)	\$ (3,000)	\$ (2,000)	\$ (3,000)

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). A \$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 which were carried forward to the 2016/2017 fiscal year. A total of \$81,790 in unspent funds were carried forward to the 2017/2018 fiscal year and \$91,409 was carried forward to the 2018/2019 fiscal year. Those funds plus the \$100,000 allocation for 2018/2019 are expected to be expended by the end of this fiscal year. In 2019/2020 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

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 41,420	\$ 81,790	\$ 0	\$ 91,409	\$ 0
Revenues					
Reimbursement of Expenses	\$ 3,070	\$ 25,210	\$ 0	\$ 10,000	\$ 0
Interest	0	663	0	0	0
Transfers In:					
Southend Tax Increment Funds	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Revenues	<u>\$ 103,070</u>	<u>\$ 125,873</u>	<u>\$ 100,000</u>	<u>\$ 110,000</u>	<u>\$ 100,000</u>
Funds Available	<u>\$ 144,490</u>	<u>\$ 207,663</u>	<u>\$ 100,000</u>	<u>\$ 201,409</u>	<u>\$ 100,000</u>
Expenditures					
Small Business Loans	\$ 62,700	\$ 116,140	\$ 100,000	\$ 201,409	\$ 100,000
Miscellaneous	<u>0</u>	<u>114</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 62,700</u>	<u>\$ 116,254</u>	<u>\$ 100,000</u>	<u>\$ 201,409</u>	<u>\$ 100,000</u>
Ending Balance, June 30	<u>\$ 81,790</u>	<u>\$ 91,409</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 40,370	\$ 9,619	\$ 0	\$ (91,409)	\$ 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:

Forfeiture fund revenues expected to be received in 2018/2019 total \$37,800. Expenditures for the 2018/2019 revised estimate total \$31,200. This amount includes a \$16,700 transfer to the City's Equipment Replacement Fund for a portion of the City's cost of a Ballistic Armored Tactical Transport Vehicle for the joint City-County Special Response Team. This purchase will be funded from \$100,000 in private donations, \$50,000 from the Muscatine County Sheriff's department, \$33,300 from a transfer from the Police operations budget, and \$16,700 from a transfer from the Police Forfeitures fund.

The 2019/2020 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.

The estimated fund balance in the forfeiture fund is \$14,746 on June 30, 2020.

Police Forfeitures Fund

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 33,240	\$ 13,209	\$ 3,709	\$ 8,146	\$ 14,746
Revenues					
Forfeiture Funds	\$ 0	\$ 0	\$ 5,000	\$ 37,800	\$ 5,000 (1)
Misc. Reimbursements	0	8	0	0	0
Interest	<u>25</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 25</u>	<u>\$ 13</u>	<u>\$ 5,000</u>	<u>\$ 37,800</u>	<u>\$ 5,000</u>
Funds Available	\$ 33,265	\$ 13,222	\$ 8,709	\$ 45,946	\$ 19,746
Expenditures					
Forfeiture Expenditures	\$ 20,056	\$ 5,076	\$ 5,000	\$ 14,500	5000 (1)
Transfers Out:					
Equipment Replacement Fund (2)	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,700</u>	<u>0</u>
Total Expenditures	<u>\$ 20,056</u>	<u>\$ 5,076</u>	<u>\$ 5,000</u>	<u>\$ 31,200</u>	<u>\$ 5,000</u>
Ending Balance, June 30	<u><u>\$ 13,209</u></u>	<u><u>\$ 8,146</u></u>	<u><u>\$ 3,709</u></u>	<u><u>\$ 14,746</u></u>	<u><u>\$ 14,746</u></u>

Increase (Decrease) in Fund Balance	\$ (20,031)	\$ (5,063)	\$ 0	\$ 6,600	\$ 0
--	--------------------	-------------------	-------------	-----------------	-------------

1. Amounts for the 2019/2020 budget reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.
2. The Revised Estimate includes a transfer to the City's Equipment Replacement fund for \$16,700 for a portion of the City's \$50,000 share of the cost of the new Ballistic Armored Tactical Transport Vehicle for the joint City-County Special Operations Response Team. The balance of the City's share of the cost will be from a transfer from the Police operations budget.

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. Milestones 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 also provides an annual operating subsidy for the City's public housing program which includes the Clark House and Sunset Park.

The 2018/2019 revised estimate expenditures for the Clark House are over the budgeted amount by \$57,680. This overall increase is due to (1) a \$1,280 increase in personal services costs, (2) a \$3,500 decrease in commodities, (3) a \$26,560 increase in contractual services, and (4) a \$33,340 increase in capital outlay. The contractual services increase includes a \$10,000 increase in pest control services to address several bed bug infestations, a \$5,310 increase in cleaning services for water extraction on the fifth floor, a \$7,000 increase in repair and maintenance services for apartment turnover costs, a \$2,940 increase in property insurance, and a \$1,870 increase in cable fees. The 2018/2019 capital outlay increase of \$33,340 is for the purchase of a new truck for the maintenance staff.

The Clark House budgeted expenditures for fiscal year 2019/2020 total \$591,350 which is \$69,760 (13.4%) more than the original 2018/2019 budget. The budget includes an increase of \$7,540 in personal services costs, a reduction of \$4,550 in commodities, an increase of \$48,170 in contractual services, and an increase of \$18,600 in capital outlay. Contractual services increases include \$18,370 for elevator repairs, \$16,500 for sprinkler system maintenance, and a \$4,990 increase in property insurance. The capital outlay allocation was increased to \$63,600 and includes funds to be used for apartment rehabilitation including appliance replacements as needed (\$37,000), a new computer (\$1,700), concrete replacement (\$13,300), and the purchase of a new entry system (\$11,600).

The 2018/2019 revised estimate revenues for the Clark House are \$42,230 more than the original budget. Most of this increase is due to new HUD regulations requiring revenue from the cell tower leases located on top of the Clark House be considered revenue for the housing program. The revenue from the cell tower agreements is now accounted for in the Clark House budget and is estimated at \$30,430 for 2018/2019. The HUD operating subsidy of \$106,000 and HUD capital funds of \$93,550 are \$18,900 more in total than the original budget. The revenue increase also includes an increase in interest income (\$900). These increases were partially offset by a decrease in cable fees (\$2,500), a decrease in laundry income (\$500), and a decrease in tenant dwelling rentals (\$5,000). 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 2019/2020 budgeted revenues for the Clark House total \$652,800 which is \$118,000 more than the original 2018/2019 budget. The 2019/2020 budget includes an estimated \$106,000 in HUD operating subsidy and \$170,000 in HUD capital funds. The 2019/2020 budgeted revenues also include \$305,000 in rents, \$32,500 in cable fees, \$30,450 in cell tower rents, and \$8,850 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2018/2019 revised estimate the combined Clark House and Sunset Park revenues are \$837,640 and the combined expenditures are \$862,100. This will result in an estimated \$24,460 decrease in the operating reserve to \$57,682 at the end of 2018/2019.

The 2019/2020 budgeted expenditures for the Clark House and Sunset Park total \$863,140 and revenues are budgeted at \$927,310. This will increase the operating reserve by \$64,170 to \$121,852 at the end of 2019/2020. The combined public housing revenue estimate includes a total of \$254,000 of HUD Capital Funds, \$201,000 in HUD operating subsidy, and \$400,000 in rents.

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 2018/2019 revised estimate expenditures for Sunset Park are \$17,250 more than the original budget. The increase in expenditures is primarily due to the \$10,000 increase in capital outlay for building foundation repairs. Personal services costs are over the original budget by \$4,000, commodities are under by \$220, and contractual services are over by \$3,470.

The 2019/2020 Sunset Park budgeted expenditures are \$6,210 (2.3%) more than the original 2018/2019 budget. This overall increase is the net result of (1) a \$9,650 increase in personal services costs, (2) a \$620 decrease in commodities, and (3) a \$2,820 decrease in contractual services. The 2019/2020 budget includes \$29,700 in capital outlay for apartment rehabilitation including appliance replacements as needed.

Revised estimate revenues for Sunset Park are \$9,200 more than the original budget. Tenant rents increased \$8,500 and miscellaneous revenues increased by \$700. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

Revenues for Sunset Park for 2019/2020 are estimated at \$274,510, which includes \$95,000 in rents, \$95,000 in HUD operating subsidy, \$84,000 in HUD Capital Funds, and \$510 in miscellaneous revenues.

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 consists of a half-time Custodian, 50% of a Housing Specialist, 25% of the Maintenance Repairperson, and 10% of the fulltime Custodian II.

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. Housing staff is currently working with HUD and the mortgage company to arrange for another refinance in order to replace the HVAC system in this facility. The estimated cost for this system is \$750,000.

The revised estimate expenditures are \$56,380 more than the original budget. There were increases and decreases throughout the budget but the overall increase is due to the \$49,000 increase in the HVAC line item to rent and install a temporary chiller in the building until the HVAC system replacement project is completed. Other significant increases include \$5,000 for elevator maintenance, \$1,500 for sprinkler system maintenance, \$1,500 for appliance repair, and \$1,390 in personal services costs.

The budgeted expenditures for fiscal year 2019/2020 of \$371,070 are \$29,930 (8.8%) more than the original 2018/2019 budget. Increases and decreases include (1) a \$4,090 increase in personal services costs, (2) a \$1,550 decrease in commodities, (3) a \$16,620 increase in contractual services, (4) a \$13,300 increase in capital outlay, and (5) a decrease of \$2,530 in interest and mortgage insurance. The capital outlay allocation of \$27,500 is for apartment rehabilitation including appliance replacements as needed.

Revenues for 2019/2020 include \$192,700 in rental payments from the tenants and an estimated \$283,510 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, 2012 the fair market rent was set at \$716. It increased to \$724 June 1, 2013, increased to \$733 June 1, 2014, increased to \$744 June 1, 2015, increased to \$760 June 1, 2016, increased to \$771 June 1, 2017, and further increased to \$785 on June 1, 2018. The fair market rent will increase to \$803 effective June 1, 2019.

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. There was a slight increase in 2016/2017 to \$46,485 and a decrease in 2017/2018 to \$37,989. At the time the budget was completed the Administrative Reserve was expected to increase to \$55,389 at the end of 2018/2019 and then decrease to \$44,069 at the end of 2019/2020. 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 2019/2020 are estimated at \$1,955,000 for the Section 8 Voucher Program which includes \$1,765,400 for housing assistance payments (HAPS) and \$189,600 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, decrease, or increase in calendar years 2019 and 2020. 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 2019 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 carry forward 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. In 2017/2018 FSS grant funds funded approximately 79% of the cost of this position. In 2018/2019 and 2019/2020 this position is 85% funded by the FSS grant with the remaining 15% funded from the Voucher program.

The 2019/2020 budget includes funding of \$60,550 for 85% of the fulltime FSS Coordinator position. The HUD grant will fund \$55,310 of this amount with the remaining \$5,240 funded from HUD funds for administration of the regular Section 8 Voucher program. Incidental expenses are estimated at \$1,150 in 2019/2020 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 are paid by the Section 8 housing program to the City. These amounts are estimated at \$12,000 in both the 2018/2019 revised estimate and the 2019/2020 budget. Using the same inspector for both Section 8 and regular units assures 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. For 2018/2019 the allocation was reduced to 50%. This allocation will be sufficient to maintain the current workload for this program while addressing the needs of the core public housing programs. The 2019/2020 budget maintains the 50% allocation.

The 2018/2019 revised estimate includes an estimated \$50,900 in expenditures. The 2019/2020 budget is \$2,000 (3.9%) higher than the original budget for 2018/2019. The overall increase is due to a \$1,300 (2.9%) increase in personal services, a \$400 (40%) decrease in commodities, and an \$1,100 (20%) increase in contractual services. The 2018/2019 budget and the 2019/2020 budget each include \$2,000 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 budgeted to be 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 \$18,400 of funding for the Home Ownership Program in 2018/2019 and \$20,000 is expected in 2019/2020. 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, \$11,516 in 2015/2016, \$19,125 in 2016/2017, and \$21,632 in 2017/2018. The grant funded is estimated at \$24,600 in the 2018/2019 revised estimate and \$24,000 in the 2019/2020 budget. The fund balance has been decreasing each year and is estimated at \$47,045 at the end of 2019/2020. 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.

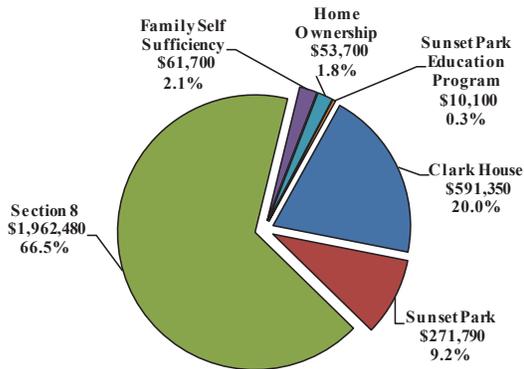
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program operated every day school was in session and had been sustained by grants and donations from the community. Beginning in 2018/2019 Flickinger Learning Center is providing all staff for the Afterschool program. This has decreased expenditures in this budget by approximately \$10,000 each year. The Housing Agency is continuing to operate the Summer Enrichment Program and the budget for the program for 2019/2020 totals \$10,100 which includes \$9,700 for the instructor and the assistant instructor for the summer program as well as \$400 for education materials, supplies, and related costs. Local grants and donations are expected to fund 100% of the cost of this program.

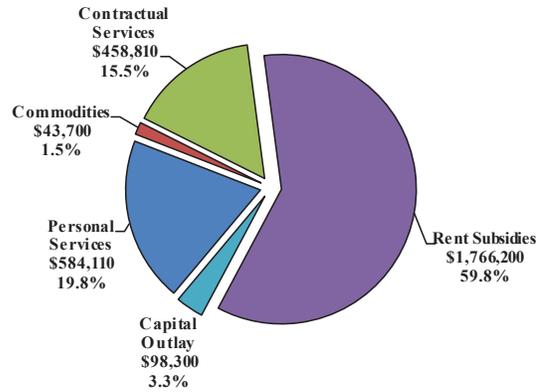
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total \$2,951,120 for 2019/2020 with budgeted revenues of \$3,005,210. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:

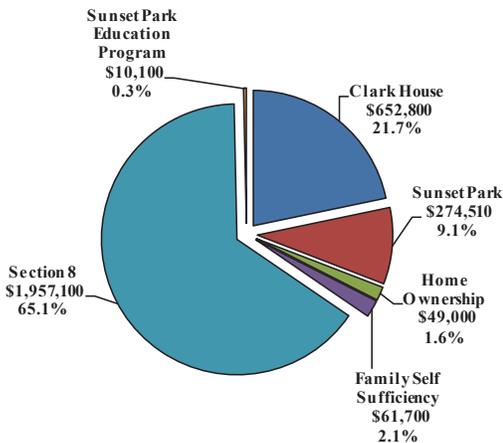
FY 2019/2020 Budgeted Expenditures by Program - All City Housing Programs \$2,951,120



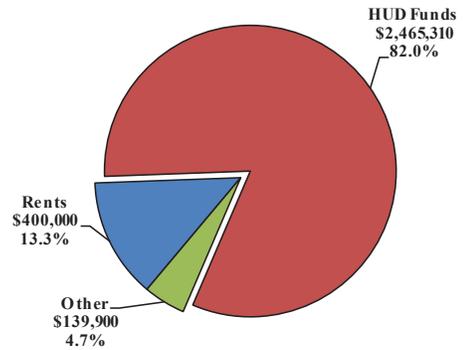
FY 2019/2020 Budgeted Expenditures by Type - All City Housing Programs \$2,951,120



FY 2019/2020 Budgeted Revenues by Program - All City Housing Programs \$3,005,210



FY 2019/2020 Budgeted Revenues by Type - All City Housing Programs \$3,005,210



The various housing budgets for 2019/2020 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 2019/2020 total \$64,600 and are allocated as follows:

Clark House	\$26,900
Sunset Park	13,300
Section 8 Voucher Program	<u>24,400</u>
	<u>\$64,600</u>

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Public Housing:					
Clark House					
Units Available	100	100	100	100	100
Days Unit Vacant	458	394	454	475	730
Percent Days Vacant	1.25%	1.08%	1.24%	1.30%	2.00%
Sunset Park					
Units Available	50	50	50	49*	50
Days Unit Vacant	360	548	434	500	365
Percent Days Vacant	1.97%	3.00%	2.38%	2.74%	2.00%
Combined					
Units Available	150	150	150	149	150
Total Days Unit Available	54,750	54,750	54,750	54,385*	54,750
Days Unit Vacant	818	942	888	975	1,095
Percent Days Vacant	1.49%	1.72%	1.62%	1.79%	2.00%
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	108	122	113	120	300
Percent Days Vacant	0.59%	0.67%	0.62%	0.66%	1.64%
Section 8 Voucher Program:					
Unit Months Under Lease	4,068	3,960	4,212	4,200	4,320
Average Units Under Lease	339	330	351	350	360
Earned Administrative Fees	\$ 201,617	\$ 203,635	\$ 185,503	\$ 201,000	\$ 189,600
Housing Assistance Payments	\$ 1,718,674	\$ 1,669,305	\$ 1,631,192	\$ 1,755,900	\$ 1,765,400

* One unit at Sunset Park is currently off-line until foundation repairs are made.

** 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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Family Self Sufficiency:					
Total Participants	25	28	27	30	32
Participants with Escrow Balance	10	18	16	20	20
Participants enrolled in Education	14	14	12	10	10
Participants Becoming Employed	18	20	15	20	20
Homeownership:					
Clients Completing 8 Hour Class	53	54	58	55	55
Counseling/Households Served	137	149	263	250	250
Clients < 80% Median Income	121	144	258	240	240
Clients Purchasing Housing	28	33	18	20	20
Section 8 Homeownership Clients					
Purchasing Housing	0	1	0	1	1
Clients Completing Renter Counseling	0	0	149	150	150
Sunset Park Education:					
<u>Afterschool Program ***</u>					
Number of Days in Operation	170	159	138	125	N/A
Number of Students Registered	31	22	17	12	N/A
Average Participating Students	20	11	7	7	N/A
Number of Instructional Hours	5,312	3,378	1,932	1,750	N/A
Total Books Read by Students	3,147	1,648	N/A	N/A	N/A
Average Books Read per Student	93	103	N/A	N/A	N/A
<u>Summer Program</u>					
Meals Served	812	838	475	688	800
Kids Registered	34	23	8	21	25
Off-Site Activities	25	27	33	31	25

*** The City will no longer operate the Afterschool Program beginning in FY2019/2020. This program will be done in collaboration with Flickinger Learning Center to continue service to youth residing at Sunset Park.

RECENT ACCOMPLISHMENTS:

Public Housing - Clark House and Sunset Park

The public housing facilities continue to experience a higher than average turnover rate (13%), with 6 and 13 units vacant at Sunset and Clark, respectively, halfway through the fiscal year. One two-bedroom unit at Sunset Park was taken off-line due to foundation issues. It is anticipated repairs will be made this spring. The housing department has incurred significant costs related to pest infestations, but now has purchased the heat treatment equipment and chemicals and are developing protocols to begin in-house treatment. Staff will be unable to treat extreme infestations due to limitations on equipment and electrical service.

A work preference was implemented in 2018 at Sunset Park. This has helped stabilize income by minimizing the utility reimbursements. In addition, the property manager works with residents to understand their needs and supports them in obtaining employment and necessary services.

Hershey Manor

Hershey Manor has had increased turnover this year, with five units vacant at the midpoint of the fiscal year. This is equal to the total number of units turned over in 2017/2018. Staff continues to work on getting the aging HVAC system replaced. The U.S. Department of Housing and Urban Development is requiring the property to be refinanced to fund the project rather than allowing a second mortgage. Due to slow progress with obtaining HUD approval for a financing mechanism and the loan process, a lease for the temporary chiller has been executed for the third cooling season.

The property manager continue to have good reviews under the HUD contracted Management and Occupancy Review process conducted by the Iowa Finance Authority.

Section 8 Housing Choice Voucher Program

The Housing Choice Voucher Program was designated as High Performing again for 2017/2018. 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.

The Agency continues to use the vouchers as an opportunity to increase the supply of quality, affordable housing for our clients. Muscatine Municipal Housing Authority (MMHA) secured \$65,500 in additional budget authority to support the 13 project-based voucher units at Harrison Lofts, which leased up in December 2018. The 4th Street Apartments, a rehabilitation project by Muscatine Center Social Action (MCSA), leased up in October 2018. Another Low-Income Housing Tax Credit project, Oak Park, has been approved by HUD and is anticipated to be completed by December 31, 2020.

Opportunities to improve services and efficiency are routinely reviewed. Utilizing the Community Development inspector to meet the HQS requirements has met the goal of creating consistency of inspections for rental properties city-wide. There have been some difficulties in the scheduling process, and staff continues to look for ways to enhance the process. Staff from Housing and Community Development continue to work with landlords to clarify the process and expectations and will be hosting a landlord meeting in early 2019 on this topic and address any concerns. The Landlord Association has indicated they will be providing a list of concerns they would like addressed at that meeting. Muscatine Municipal Housing Authority's participation in Landlord Association meetings is also used to encourage landlords to actively work with tenants to maintain and improve properties as well as inform landlords of services available to assist tenants in retaining housing.

Staff works with the Housing Navigators at MCSA to assist with the more difficult clients to overcome personal barriers to obtaining and maintaining adequate housing. Working together, MMHA Housing Specialists and the MCSA Navigators have kept families from being evicted and have re-housed families in need. The two agencies worked closely together to place appropriate households in the project-based units on 4th Street as well as through the P2 Vouchers, which gives priority to families experiencing homelessness to be housed with continued services.

The Agency renewed its contract with the Iowa Department of Inspection and Appeals, to provide professional investigative services for households suspected of serious program violations. Many of these investigations are joint investigations for violations in the Voucher and Supplemental Nutrition Assistance Programs. One such case in 2018 resulted in a referral to the County Attorney for prosecution for

fraudulently obtaining more than \$32,000 in benefits. However, the majority of these investigations are completed by department staff and the amount of overpaid assistance is typically less than \$3,000. All collection options are pursued.

Family Self-Sufficiency (FSS) Program

Efforts to rebuild the FSS program were slowed due to the loss of the Housing Office Coordinator. Now that the department is fully staffed, the FSS Coordinator is refocusing on enrolling participants, improving participant outcomes, and building partnerships with community organizations. To encourage participation and reduce meeting redundancy for service providers in the community, the Program Coordinating Committee (PCC) was reestablished utilizing the Adult Education Committee of the Aligned Impact Muscatine (AIM) initiative. In addition, housing staff is working to improve program cross-over to address client needs, such as utilizing the Housing Counseling Program to build budgeting and financial management skills.

Housing Counseling Program

The Housing department continues to receive HUD Housing Counseling grants and Local Housing Trust funds to support the Housing Counseling Program. The program was recertified by HUD through September 2021 and received 12% more in grant funding this year. The Housing Counselor is working toward obtaining the mandatory Housing Counselor Certification by the August 2020 deadline. This past year MMHA received a second grant from the Wells Fargo Foundation to support homeownership education.

The pre-purchase class continues to be offered about every six weeks with 10-15 participants in each session. Ten graduates were assisted to purchase their first home already this year. The Step Ahead Class continues to be offered at least every-other month and is now held at the Library. This change was made to facilitate participation by making transportation easier to access and increasing class size. The class is designed to improve tenant understanding of their rights and responsibilities. Staff continues to review opportunities to grow the program both in the Muscatine community and throughout southeast Iowa.

This fall a learning opportunity was made available to landlords when MMHA hosted a Fair Housing Workshop given by Iowa Civil Rights Commission staff. Staff has been in discussions with landlords about additional training to support a healthy housing market in the community.

Sunset Park Education Center

Participation in the Sunset Park Education Center programming, both the Afterschool and Summer Enrichment programs, has been lower this past year. The primary factor for this appears to be related to family composition of households moving into Sunset Park, namely that the age range of children in the new families is more evenly disbursed from 0 to 18. The lower number of children participating in these programs is roughly 30 percent of those eligible for the programs, which reflects the historical participation rate.

Staff has continued the partnership with Flickinger Learning Center for operation of the Afterschool Program. While program formatting is vastly different, participating children continue to show significant improvements in academic performance with more than 75% of participants performing at or above grade level in reading and math at the end the last school year. Property management and administrative staff encourage families with elementary age children to enroll them and insure consistent attendance.

The Summer Program continues to be popular among resident children in elementary and middle school. Operation of the Enrichment Program is scheduled with the Summer Lunch Program which runs approximately 12 weeks during the summer vacation and is operated by the United Way. This program

supports participants' learning and personal development through exposure to community resources and services, tending a community garden, and engagement in activities typical of middle class families. Programming starts at 11:30 a.m. with a hot lunch followed by four hours of programming in the afternoon. Participants were taken off site for activities four out of five days most weeks, including weekly trips to the aquatic center and library. None of these excursions would be possible without the support of MuscaBus in transporting the children and program staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

Public Housing - Clark House and Sunset Park

- To collect at minimum 98% of all rent due.
- To maintain at minimum a 98% occupancy rate.
- To prepare and submit a 5-year plan approved by HUD.

Hershey Manor

- To collect at minimum 99% of all rent due.
- To maintain at minimum a 97% occupancy rate.
- To complete the replacement of the HVAC system.

Section 8 Housing Choice Voucher Program

- To maintain an average of 360 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 32 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.

Housing Counseling Program

- To offer six Home Ownership classes in the fiscal year with 50 participants receiving certificates of completion.
- To offer six renter counseling classes in the fiscal year with 90 certificates of completion issued.

- To schedule a minimum of 100 hours of one-on-one counseling and case management in areas such as Landlord/Tenant Relationships, Credit Awareness, Money Management, Loan Qualification, and Foreclosure Counseling.
- To have 15 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 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.
- To have participants complete at least one day of volunteering/community service.

**Public Housing Program
Clark House and Sunset Park
Fund Statement**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Operating Reserve, July 1	\$ 90,462	\$ 44,713	\$ 3,263	\$ 82,142	\$ 57,682
Revenues					
Dwelling Rentals	\$ 387,328	\$ 397,316	\$ 396,500	\$ 400,000	\$ 400,000
Cable Fees	31,107	34,089	35,000	32,500	32,500
Federal Grants:					
Operating Subsidy	201,974	214,050	187,600	201,000	201,000
HUD Capital Funds:					
2015 Grant	163,243	0	0	0	0
2016 Grant	0	157,119	0	0	0
2017 Grant	0	0	147,450	162,950	0
2018 Grant	0	0	10,000	0	254,000
Interest Income	279	938	310	1,210	510
Insurance Reimbursements	0	256,195	0	0	0
Contribution for AED	1,325	0	0	0	0
Sale of Equipment	963	0	0	0	0
Laundry Fees	8,035	7,669	8,000	7,500	7,500
Cell Tower Lease	0	14,798	0	30,430	30,450
Miscellaneous	3,149	4,886	1,350	2,050	1,350
Total Revenues	<u>\$ 797,403</u>	<u>\$ 1,087,060</u>	<u>\$ 786,210</u>	<u>\$ 837,640</u>	<u>\$ 927,310</u>
Funds Available	<u>\$ 887,865</u>	<u>\$ 1,131,773</u>	<u>\$ 789,473</u>	<u>\$ 919,782</u>	<u>\$ 984,992</u>
Expenditures					
Clark House	\$ 550,773	\$ 483,471	\$ 521,590	\$ 579,270	\$ 591,350
Sunset Park	292,379	566,160	265,580	282,830	271,790
Total Expenditures (1)	<u>\$ 843,152</u>	<u>\$ 1,049,631</u>	<u>\$ 787,170</u>	<u>\$ 862,100</u>	<u>\$ 863,140</u>
Operating Reserve, June 30	<u><u>\$ 44,713</u></u>	<u><u>\$ 82,142</u></u>	<u><u>\$ 2,303</u></u>	<u><u>\$ 57,682</u></u>	<u><u>\$ 121,852</u></u>
Increase (Decrease) in Operating Reserve	\$ (45,749)	\$ 37,429	\$ (960)	\$ (24,460)	\$ 64,170

1. Expenditures include changes in compensated absences and other post-employment benefits.

**Public Housing Program
Clark House and Sunset Park
Summary of Revenues**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Clark House:					
Dwelling Rentals	\$ 305,583	\$ 305,720	\$ 310,000	\$ 305,000	\$ 305,000
Cable Fees	31,107	34,089	35,000	32,500	32,500
Federal Grants:					
Operating Subsidy	98,966	104,883	92,600	106,000	106,000
HUD Capital Funds:					
2015 Grant	56,240	0	0	0	0
2016 Grant	0	64,148	0	0	0
2017 Grant	0	0	82,550	93,550	0
2018 Grant	0	0	5,500	0	170,000
Interest Income	267	927	300	1,200	500
Laundry Fees	8,035	7,669	8,000	7,500	7,500
Contribution for AED	1,325	0	0	0	
Cell Tower Lease	0	14,798	0	30,430	30,450
Miscellaneous	1,400	1,749	850	850	850
Subtotal	<u>\$ 502,923</u>	<u>\$ 533,983</u>	<u>\$ 534,800</u>	<u>\$ 577,030</u>	<u>\$ 652,800</u>
Sunset Park:					
Dwelling Rentals	\$ 81,745	\$ 91,596	\$ 86,500	\$ 95,000	\$ 95,000
Federal Grants:					
Operating Subsidy	103,008	109,167	95,000	95,000	95,000
HUD Capital Funds:					
2015 Grant	107,003	0	0	0	0
2016 Grant	0	92,971	0	0	0
2017 Grant	0	0	64,900	69,400	0
2018 Grant	0	0	4,500	0	84,000
Interest Income	12	11	10	10	10
Insurance Reimbursement	0	256,195	0	0	0
Sale of Equipment	963	0	0	0	0
Miscellaneous	1,749	3,137	500	1,200	500
Subtotal	<u>\$ 294,480</u>	<u>\$ 553,077</u>	<u>\$ 251,410</u>	<u>\$ 260,610</u>	<u>\$ 274,510</u>
Total	<u><u>\$ 797,403</u></u>	<u><u>\$ 1,087,060</u></u>	<u><u>\$ 786,210</u></u>	<u><u>\$ 837,640</u></u>	<u><u>\$ 927,310</u></u>

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 208,810	\$ 167,939	\$ 187,000	\$ 188,280	\$ 194,540	4.03%
Commodities	24,853	20,655	26,600	23,100	22,050	-17.11%
Contractual Services	295,570	277,474	262,990	289,550	311,160	18.32%
Capital Outlay	20,700	39,301	45,000	78,340	63,600	41.33%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 549,933</u>	<u>\$ 505,369</u>	<u>\$ 521,590</u>	<u>\$ 579,270</u>	<u>\$ 591,350</u>	13.37%
Funding Sources						
Dwelling Rentals	\$ 305,583	\$ 305,720	\$ 310,000	\$ 305,000	\$ 305,000	-1.61%
Tenant Cable Fees	31,107	34,089	35,000	32,500	32,500	-7.14%
Interest Income	267	927	300	1,200	500	66.67%
Federal Grants:						
Operating Subsidy	98,966	104,883	92,600	106,000	106,000	14.47%
HUD Capital Funds	56,240	64,148	88,050	93,550	170,000	93.07%
Cell Tower Lease	-	14,798	-	30,430	30,450	
Miscellaneous	10,760	9,418	8,850	8,350	8,350	-5.65%
Total Funding Sources	<u>\$ 502,923</u>	<u>\$ 533,983</u>	<u>\$ 534,800</u>	<u>\$ 577,030</u>	<u>\$ 652,800</u>	22.06%
Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Administrator	0.45	0.45	0.45	0.45	0.45	
Housing Maintenance Supervisor/Inspector	0.23	-	-	-	-	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Custodian II	-	-	0.20	0.20	0.20	
Housing Specialist	1.00	0.50	0.50	0.50	0.50	
Total Full Time	<u>2.18</u>	<u>1.45</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	
Part Time:						
Office Coordinator	0.06	0.06	0.06	-	-	
Custodian II	0.69	0.68	0.68	0.68	0.67	
Office Assistant	0.04	-	-	0.05	0.06	
Total Part Time	<u>0.79</u>	<u>0.74</u>	<u>0.74</u>	<u>0.73</u>	<u>0.73</u>	
Total	2.97	2.19	2.39	2.38	2.38	\$ 135,740
Employee Benefits						<u>58,800</u>
Total Personal Services						<u>\$ 194,540</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	6	Yes	\$ 30,000
Appliances	10	Yes	7,000
Concrete Slab and Curb Replacement	1	Yes	13,300
Entry System	1	Yes	11,600
Computer	1	Yes	1,700
			<u>\$ 63,600</u>

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 131,516	\$ 137,371	\$ 142,040	\$ 146,040	\$ 151,690	6.79%
Commodities	17,089	8,317	16,820	16,600	16,200	-3.69%
Contractual Services	94,396	77,470	77,020	80,490	74,200	-3.66%
Capital Outlay	49,378	343,002	29,700	39,700	29,700	0.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 292,379</u>	<u>\$ 566,160</u>	<u>\$ 265,580</u>	<u>\$ 282,830</u>	<u>\$ 271,790</u>	2.34%
Funding Sources						
Dwelling Rentals	\$ 81,745	\$ 91,596	\$ 86,500	\$ 95,000	\$ 95,000	9.83%
Interest Income	12	11	10	10	10	0.00%
Federal Grants:						
Operating Subsidy	103,008	109,167	95,000	95,000	95,000	0.00%
HUD Capital Funds	107,003	92,971	69,400	69,400	84,000	21.04%
Insurance Reimbursement	-	256,195	-	-	-	
Miscellaneous	2,712	3,137	500	1,200	500	0.00%
Total Funding Sources	<u>\$ 294,480</u>	<u>\$ 553,077</u>	<u>\$ 251,410</u>	<u>\$ 260,610</u>	<u>\$ 274,510</u>	9.19%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Administrator	0.30	0.30	0.30	0.30	0.30	
Housing Maintenance Supervisor/Inspector	0.10	-	-	-	-	
Housing Specialist	0.38	0.50	0.50	0.50	0.50	
Housing Specialist-FSS Program	0.12	-	-	-	-	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Custodian II	-	-	0.70	0.70	0.70	
Total Full Time	<u>1.15</u>	<u>1.05</u>	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>	
Part Time:						
Office Coordinator	0.05	0.05	0.05	-	-	
Office Assistant	-	-	-	0.05	0.05	
Custodian II	0.80	0.80	-	-	-	
Total Part Time	<u>0.85</u>	<u>0.85</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	
Total	2.00	1.90	1.80	1.80	1.80	\$ 99,230
Employee Benefits						52,460
Total Personal Services						<u>\$ 151,690</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	4	Yes	\$ 20,000
Appliances	10	Yes	9,700
			<u>\$ 29,700</u>

Hershey Manor

Fund Statement

	<u>Actual</u> <u>2016/2017</u>	<u>Actual</u> <u>2017/2018</u>	<u>Budget</u> <u>2018/2019</u>	<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>
Revenues					
Dwelling Rentals	\$ 179,470	\$ 187,851	\$ 180,000	\$ 188,800 (1)	\$ 192,700 (2)
Housing Assistance Payments - HUD	277,080	274,763	282,600	283,100 (1)	289,100 (2)
HUD Payment Reduction for Vacancies	(5,147)	(5,590)	(13,878)	(5,590)	(5,590)
Interest Income	702	991	800	800	800
Cable Fees	16,757	18,913	19,040	18,900	18,900
Laundry Income	3,806	3,595	4,000	3,700	3,700
Donation for AED	1,325	0	0	0	0
Total Revenues	\$ 473,993	\$ 480,523	\$ 472,562	\$ 489,710	\$ 499,610
Operating Expenditures	375,448	343,792	341,140	397,520	371,070
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	<u>\$ 98,545</u>	<u>\$ 136,731</u>	<u>\$ 131,422</u>	<u>\$ 92,190</u>	<u>\$ 128,540</u>
Additional Budget Items:					
Principal Retirement	(53,396)	(55,710)	(58,124)	(58,124)	(60,643)
Replacement Reserve Transfers	(30,228)	(30,228)	(30,228)	(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	(669)	(938)	(750)	(750)	(750)
Transfers from Replacement Reserve (3)	58,941	0	14,200	42,373	27,500
Net Surplus (Deficit)	\$ 23,525	\$ 187	\$ 6,852	\$ (4,207)	\$ 14,751
Surplus (Deficit) per Unit Month	\$ 39.21	\$ 0.31	\$ 11.42	\$ (7.01)	\$ 24.59

1. The FY 2018/2019 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market monthly rent of \$785.
2. The FY 2019/2020 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved new fair market rent amount of \$803 per month.
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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 81,574	\$ 80,645	\$ 92,100	\$ 93,490	\$ 96,190	4.44%
Commodities	12,261	5,846	12,250	10,200	10,700	-12.65%
Contractual Services	169,159	206,425	150,650	207,950	167,270	11.03%
Capital Outlay	58,941	3,173	14,200	14,200	27,500	93.66%
Interest/Mortgage Insurance	76,850	74,351	71,940	71,680	69,410	-3.52%
Total Expenditures	\$ 398,785	\$ 370,440	\$ 341,140	\$ 397,520	\$ 371,070	8.77%
Funding Sources						
Dwelling Rentals	\$ 179,470	\$ 187,851	\$ 180,000	\$ 188,800	\$ 192,700	7.06%
Housing Assistance Payments - HUD	271,933	269,173	268,722	277,510	283,510	5.50%
Interest Income	702	991	800	800	800	0.00%
Cable Fees	16,757	18,913	19,040	18,900	18,900	-0.74%
Other Income	5,131	3,595	4,000	3,700	3,700	-7.50%
Total Funding Sources	\$ 473,993	\$ 480,523	\$ 472,562	\$ 489,710	\$ 499,610	5.72%
Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Administrator (Included in Management Fee)	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor/Inspector	0.04	-	-	-	-	
Custodian II	-	-	0.10	0.10	0.10	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.89	0.85	0.95	0.95	0.95	
Part Time:						
Custodian	0.51	0.53	0.53	0.53	0.53	
Total	1.40	1.38	1.48	1.48	1.48	\$ 66,610
Employee Benefits						29,580
Total Personal Services						\$ 96,190

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 25,000
Appliance Replacements	5	Yes	2,500
			<u>\$ 27,500</u>

Section 8 Voucher Program

Fund Statement

	<u>Actual</u> <u>2016/2017</u>	<u>Actual</u> <u>2017/2018</u>	<u>Budget</u> <u>2018/2019</u>	<u>Revised</u> <u>Estimate</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>
Beginning Balance, July 1	\$ 64,072	\$ 113,386	\$ 117,636	\$ 37,989	\$ 55,839
Revenues:					
HUD Contributions-Housing Assistance Payments	\$ 1,669,305	\$ 1,631,192	\$ 1,694,200	\$ 1,755,900	\$ 1,765,400
HUD Contributions-Administration	203,635	185,503	180,400	201,000	189,600
HUD Contributions-Family Self-Sufficiency	58,919	50,866	58,780	55,310	55,310
HUD Contributions-Prior Year FSS Balance	6,110	0	0	0	0
Administrative Fees-Portability	0	82	0	450	0
FSS Escrow Forfeitures	2,395	10,057	0	5,300	0
Fraud Recovery - HUD Portion	1,413	1,737	800	800	800
Fraud Recovery - Admin Portion	1,413	1,737	800	800	800
Interest - Admin Reserve	167	293	100	600	500
Total Revenues	<u>\$ 1,943,357</u>	<u>\$ 1,881,467</u>	<u>\$ 1,935,080</u>	<u>\$ 2,020,160</u>	<u>\$ 2,012,410</u>
Funds Available	<u>\$ 2,007,429</u>	<u>\$ 1,994,853</u>	<u>\$ 2,052,716</u>	<u>\$ 2,058,149</u>	<u>\$ 2,068,249</u>
Expenditures:					
Housing Assistance Payments	\$ 1,624,458	\$ 1,711,078	\$ 1,695,000	\$ 1,762,000	\$ 1,766,200
Voucher Program Administration	202,960	189,845	193,570	182,080	196,280
Family Self-Sufficiency Coordinator:					
Grant Funded Portion (Current Grant)	58,919	50,866	58,780	55,310	55,310
Grant Funded Portion (Prior Year Grant)	6,110	0	0	0	0
Non-Grant Funded Portion	279	0	0	0	0
Family Self-Sufficiency Other Costs	1,317	5,075	2,350	2,920	6,390
Total Expenditures	<u>\$ 1,894,043</u>	<u>\$ 1,956,864</u>	<u>\$ 1,949,700</u>	<u>\$ 2,002,310</u>	<u>\$ 2,024,180</u>
Ending Balance, June 30	<u>\$ 113,386</u>	<u>\$ 37,989</u>	<u>\$ 103,016</u>	<u>\$ 55,839</u>	<u>\$ 44,069</u>
Ending Balance Reserved for:					
Housing Assistance Payments (1)	\$ 66,901	\$ 0	\$ 66,901	\$ 0	\$ 0
Administration	46,485	37,989	36,115	55,839	44,069
Total Ending Balance	<u>\$ 113,386</u>	<u>\$ 37,989</u>	<u>\$ 103,016</u>	<u>\$ 55,839</u>	<u>\$ 44,069</u>
Increase (Decrease) in Fund Balance					
	\$ 49,314	\$ (75,397)	\$ (14,620)	\$ 17,850	\$ (11,770)

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 on hand are minimal or zero each year.

Function:
Community and Economic Development

Department:
Housing

Activity:
Section 8 Voucher Program

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 150,966	\$ 115,824	\$ 125,280	\$ 110,030	\$ 121,130	-3.31%
Commodities	2,266	3,670	4,350	4,350	4,400	1.15%
Contractual Services	1,674,186	1,781,429	1,758,940	1,829,700	1,831,950	4.15%
Capital Outlay	-	-	-	-	5,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 1,827,418	\$ 1,900,923	\$ 1,888,570	\$ 1,944,080	\$ 1,962,480	3.91%
Funding Sources						
HUD Contribution	\$ 1,872,940	\$ 1,816,695	\$ 1,874,600	\$ 1,956,900	\$ 1,955,000	4.29%
Repayment Agreements	2,826	3,474	1,600	1,600	1,600	0.00%
Admin. Fees - Portability	-	82	-	450	-	
Interest	167	293	100	600	500	400.00%
Other Income	2,395	10,057	-	5,300	-	
Total Funding Sources	\$ 1,878,328	\$ 1,830,601	\$ 1,876,300	\$ 1,964,850	\$ 1,957,100	4.31%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor/Inspector	0.04	-	-	-	-	
Housing Specialist	1.50	1.14	1.15	1.14	1.15	
Total Full Time	1.64	1.24	1.25	1.24	1.25	
Part Time:						
Office Coordinator	0.48	0.50	0.50	-	-	
Office Assistant	0.03	-	-	0.34	0.50	
Total	2.15	1.74	1.75	1.58	1.75	\$ 82,780
Employee Benefits						38,350
Total Personal Services						\$ 121,130

Capital Outlay			
Item	Quantity	Replacement	Amount
Computers	2	Yes	\$ 5,000

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 59,198	\$ 53,333	\$ 57,380	\$ 57,130	\$ 60,550	5.52%
Commodities	28	28	150	150	150	0.00%
Contractual Services	7,399	2,579	3,600	950	1,000	-72.22%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 66,625</u>	<u>\$ 55,940</u>	<u>\$ 61,130</u>	<u>\$ 58,230</u>	<u>\$ 61,700</u>	0.93%
Funding Sources						
HUD Contribution	\$ 65,029	\$ 50,866	\$ 58,780	\$ 55,310	\$ 55,310	-5.90%
Section 8 HUD Admin Funds	<u>1,596</u>	<u>5,074</u>	<u>2,350</u>	<u>2,920</u>	<u>6,390</u>	171.91%
Total Funding Sources	<u>\$ 66,625</u>	<u>\$ 55,940</u>	<u>\$ 61,130</u>	<u>\$ 58,230</u>	<u>\$ 61,700</u>	0.93%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Specialist	0.79	0.79	0.85	0.85	0.85	\$ 38,050
Employee Benefits						<u>22,500</u>
Total Personal Services						<u>\$ 60,550</u>

**Public Housing
Home Ownership Program
Fund Statement**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	84,554	72,573	\$ 56,873	\$ 57,145	\$ 51,745
Revenues:					
HUD Counseling Grant	\$ 19,125	\$ 21,632	\$ 18,000	\$ 24,600	\$ 24,000
Local Housing Trust Funds	17,470	13,071	21,000	18,400	20,000
Wells Fargo Grant	4,000	5,620	4,000	0	2,500
Interest	224	572	100	500	500
Other	2	0	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Revenues	<u>\$ 40,821</u>	<u>\$ 40,895</u>	<u>\$ 45,100</u>	<u>\$ 45,500</u>	<u>\$ 49,000</u>
Funds Available	\$ 125,375	\$ 113,468	\$ 101,973	\$ 102,645	\$ 100,745
Expenditures	<u>52,802</u>	<u>56,323</u>	<u>51,700</u>	<u>50,900</u>	<u>53,700</u>
Ending Balance, June 30	<u><u>72,573</u></u>	<u><u>57,145</u></u>	<u><u>\$ 50,273</u></u>	<u><u>\$ 51,745</u></u>	<u><u>\$ 47,045</u></u>
Increase (Decrease) in Fund Balance (1)	\$ (11,981)	\$ (15,428)	\$ (6,600)	\$ (5,400)	\$ (4,700)

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 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 49,941	\$ 53,668	\$ 45,200	\$ 45,100	\$ 46,500	2.88%
Commodities	326	434	1,000	500	600	-40.00%
Contractual Services	2,534	2,221	5,500	5,300	6,600	20.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 52,801</u>	<u>\$ 56,323</u>	<u>\$ 51,700</u>	<u>\$ 50,900</u>	<u>\$ 53,700</u>	3.87%
Funding Sources						
HUD Counseling Grant	\$ 19,125	\$ 21,632	\$ 18,000	\$ 24,600	\$ 24,000	33.33%
Local Housing Trust Fund	17,470	13,071	21,000	18,400	20,000	-4.76%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	2,000	2,000	2,000	0.00%
Wells Fargo Grant	4,000	5,620	4,000	-	2,500	
Interest	224	572	100	500	500	400.00%
Other	2	-	-	-	-	
Total Funding Sources	<u>\$ 40,821</u>	<u>\$ 40,895</u>	<u>\$ 45,100</u>	<u>\$ 45,500</u>	<u>\$ 49,000</u>	8.65%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Full Time:						
Housing Specialist	0.62	0.62	0.50	0.50	0.50	
Housing Administrator	0.05	0.05	0.05	0.05	0.05	
Total	0.67	0.67	0.55	0.55	0.55	\$ 30,600
Employee Benefits						15,900
Total Personal Services						<u>\$ 46,500</u>

**Public Housing
Sunset Park Education Program
Fund Statement**

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	4,728	2,165	2,265	\$ 3,957	10,257
Revenues:					
Contributions - United Way	\$ 21,850	\$ 17,004	\$ 20,000	\$ 18,000	\$ 3,000
Other Contributions	849	2,600	300	100	100
Community Foundation Grant	4,000	4,000	2,500	1,500	4,000
Interest	8	17	0	0	0
Other	0	0	1,000	1,500	2,000
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	1,000	0	1,000
Total Revenues	<u>\$ 26,707</u>	<u>\$ 23,621</u>	<u>\$ 24,800</u>	<u>\$ 21,100</u>	<u>\$ 10,100</u>
Funds Available	\$ 31,435	\$ 25,786	\$ 27,065	\$ 25,057	\$ 20,357
Expenditures	<u>29,270</u>	<u>21,829</u>	<u>24,800</u>	<u>14,800</u>	<u>10,100</u>
Ending Balance, June 30	<u>2,165</u>	<u>3,957</u>	<u>\$ 2,265</u>	<u>\$ 10,257</u>	<u>\$ 10,257</u>
Increase (Decrease) in Fund Balance	\$ (2,563)	\$ 1,792	\$ 0	\$ 6,300	\$ 0

Function:
Community and Economic Development

Department:
Housing

Activity:
Sunset Park Education Program

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 27,739	\$ 14,846	\$ 16,800	\$ 7,300	\$ 9,700	-42.26%
Commodities	958	708	800	300	300	-62.50%
Contractual Services	573	6,276	7,200	7,200	100	-98.61%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 29,270</u>	<u>\$ 21,830</u>	<u>\$ 24,800</u>	<u>\$ 14,800</u>	<u>\$ 10,100</u>	-59.27%
Funding Sources						
Donations	\$ 26,699	\$ 23,604	\$ 22,800	\$ 19,600	\$ 7,100	-68.86%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	1,000	-	2,000	100.00%
Interest	8	17	-	-	-	
Other	-	-	1,000	1,500	1,000	0.00%
Total Funding Sources	<u>\$ 26,707</u>	<u>\$ 23,621</u>	<u>\$ 24,800</u>	<u>\$ 21,100</u>	<u>\$ 10,100</u>	-59.27%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
Part Time:						
Program Coordinator	0.48	0.15	0.16	0.15	0.17	
Program Assistant	<u>0.25</u>	<u>0.32</u>	<u>0.32</u>	<u>0.06</u>	<u>0.12</u>	
Total	0.73	0.46	0.48	0.21	0.29	\$ 8,500
Employee Benefits						<u>1,200</u>
Total Personal Services						<u>\$ 9,700</u>

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, 2019, the City's G.O. bonds outstanding will total \$11,920,000. This amount includes debt that will be paid from enterprise funds. The May 2018 bond issue included \$800,000 for the digester conversion portion of the High Strength Waste Receiving Station at the Water Pollution Control Plant. The annual debt service payments on this portion of the bond issue will be funded from the Water Pollution Control fund.

The City traditionally issues bonds every other year. A preliminary list of the projects to be funded from the May 2020 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 2020 Bond Issue

	Estimate of Bond Requirements
Property Purchase:	
Former IDOT Property	\$ 610,000
Start of Renovation of Former IDOT Maintenance Building (Scope of work and cost not yet determined)	303,000
Street Improvements:	
Local Share of Conversion of Portion of Park Avenue from 4-Lanes to 3-Lanes	425,000
Park Improvements:	
Riverfront Fence Replacement	76,000
Fuller Park Playground Resurfacing	140,000
Soccer Field #3 Improvements	120,000
Deferred Building Maintenance Projects:	
Roofs, Windows, Doors, Radiant Heater, etc.	225,000
Transfer Station Project:	
Fire Suppression System Repair	130,000
Airport Projects:	
Potential Local Share of Airport Improvement Projects	50,000
Trail Project:	
West Side Trail - Projected Additional Funding Needed	300,000
Allowance for Additional Projects up to a \$3 Million Bond Issue	621,000 *
<hr/>	
Total General Obligation Portion of Issue (Debt Levy Funded Portion)	\$ 3,000,000
Tax Increment Financing Funding for Downtown Streetscaping Project:	
Preliminary Estimate of Project Costs	3,042,000
<hr/>	
Total Proposed Bond Issue (Before Issuance Costs)	\$ 6,042,000
Estimated Bond Issuance Costs	108,000
<hr/>	
Total Proposed Bond Issue	\$ 6,150,000
<hr/>	

* The \$621,000 allowance for additional projects may include the local share of Airport project costs which were not yet determined at the time the budget was prepared, for project costs higher than estimated after bids are received for projects, or for other projects.

CURRENT TRENDS AND ISSUES:

The debt service tax rate for the current year 2018/2019 is \$2.53669 per \$1,000 of valuation. This rate will increase to \$2.60018 (an increase of 2.5%) for 2019/2020. This increase is due to the debt service requirements on the May 2018 bond issue. 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 has shown that the City can issue \$3.0 million in bonds every other year and still be able to maintain a debt service tax levy rate 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 \$2,634,202. This amount plus \$41,739 in available debt service fund balance is the amount necessary to support estimated debt service payments of \$2,675,941 (the total estimated requirement for property tax supported debt in 2019/2020). Funds from the Downtown Tax Increment fund will fund \$206,250 and funds from the Water Pollution Control fund will fund \$92,500 of general obligation debt requirements in 2019/2020.

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, 2019 is as follows:

**City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2019**

Actual Valuation January 1, 2018	\$ 1,410,686,571
State Limit (5%)	0.05
Debt Limit	\$ 70,534,329
Bonded Debt:	
Current General Obligation Debt July 1, 2019	\$ 11,920,000
Tax Increment Bond Debt July 1, 2019	295,000
	\$ 12,215,000
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)	17.3%
Estimated Tax Increment Rebate Obligations July 1, 2019:	
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of \$1.8 million	\$ 730,348
Curry's Transportation - 50% for 10 years to maximum of \$350,000 (began in 2010/2011)	146,728
Newcomb Properties - 50% for 10 years to maximum of \$100,000 (began in 2010/2011)	27,235
A & E Convenience - 50% for 10 years to maximum of \$40,000 (began in 2012/2013)	15,229
The Villas at MCC, LLC - 50% for 10 years to maximum of \$425,000 (began in 2013/2014)	308,545
R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (began in 2015/2016)	1,225,960
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) <u>Subject to annual appropriation</u> ; only next year considered debt for legal debt margin computation; Annual appropriation for FY 20 is listed.	650,000
H.J. Heinz - Agreement dated 2-20-14; 5 years to maximum of \$880,000; declining percentages 75%, 60%, 45%, 30%, and 15%; began in 2016/2017; <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed	7,800
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%; (began in 2017/2018). <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed.	242,000
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% (will begin in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed.	540,000
Union Tank Development Agreement - 10 years 50% to maximum of \$45,000; (began in 2017/2018). <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed.	17,500
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 (will begin in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed.	42,000
HNI Corporation Development Agreement - 50% for 10 years to a maximum of \$3,811,000 (will begin in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 20 is listed.	80,000
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of \$445,000 (expected to begin in 2020/2021). <u>Subject to annual appropriation</u> .	-
TIF Oak Park Development Agreement - 70% for 15 years to a maximum of \$497,445 (expected to begin in 2021/2022). <u>Subject to annual appropriation</u> .	-
NPSW Development Agreement -75% for up to 3 phases with each phase for 10 years to a maximum of \$750,000 (expected to begin in 2021/2022). <u>Subject to annual appropriation</u> .	-
	\$ 4,033,345
Percent of Debt Limit Used for Tax Increment Rebate Obligations	5.7%
Total Debt Subject to Debt Limit	16,248,345
Legal Debt Margin	\$ 54,285,984
Percent of Legal Debt Limit Used	23.0%

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	\$ 42,320,597
Total Debt Subject to Debt Limit	<u>16,248,345</u>
Debt Margin Using Self-Imposed Limit	<u><u>\$ 26,072,252</u></u>
Percent of Self-Imposed Debt Limit Used	38.4%

The City's general obligation and tax increment debt on a per capita basis is \$512.83 as of June 30, 2019.

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 \$30,105,597 of the self-imposed limit remaining and only 28.9% 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 November of 2018 for the 2019/2020 annual appropriation rebates for Wal-View for their first project in the amount of \$650,000, for H.J. Heinz for \$7,800, for Wal-View for their 2nd project for \$242,000, for Union Tank Car Company for \$17,500, for Riverview Hotel Development for \$540,000, for HNI Corporation for \$80,000, and for Harrison Lofts LLC for \$42,000. The recent agreements with White Distribution & Supply LLC, TIF Oak Park, and NPSW Development 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.

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.

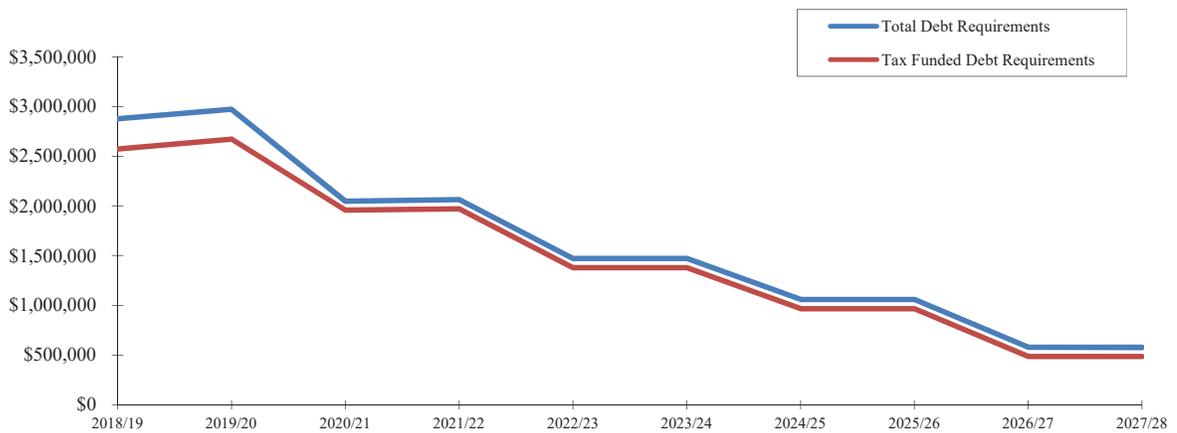
Debt Service Fund
General Obligation Bonds
Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 125,952	\$ 257,173	\$ 215,964	\$ 244,470	\$ 157,440
Revenues					
Property Tax	\$ 2,456,260 (1)	\$ 2,459,180 (1)	\$ 2,372,694 (3)	\$ 2,372,694 (3)	\$ 2,508,932 (4)
Utility Tax Replacement Excise Tax	8,415	10,040	7,614	7,614	8,310
Commercial and Industrial Replacement Funds	111,651	110,196	102,741	102,741	109,460
Interest	3,895	14,236	1,000	7,500	7,500
Transfers In:					
Downtown Tax Increment Fund	203,050	202,650	207,100	207,100	206,250
Water Pollution Control Fund	0	0	97,800	95,105	92,500
Total Revenues	<u>\$ 2,783,271</u>	<u>\$ 2,796,302</u>	<u>\$ 2,788,949</u>	<u>\$ 2,792,754</u>	<u>\$ 2,932,952</u>
Funds Available	<u>\$ 2,909,223</u>	<u>\$ 3,053,475</u>	<u>\$ 3,004,913</u>	<u>\$ 3,037,224</u>	<u>\$ 3,090,392</u>
Expenditures					
Charges for Services	\$ 2,000	\$ 2,300	\$ 2,500	\$ 3,000	\$ 3,000
Bonds	2,290,000	2,505,000	2,405,000	2,470,000	2,630,000
Interest	360,050	301,705	238,066	406,784	341,691
Estimated Debt Requirements New Issue:					
Bonds	0	0	75,000	0	0
Interest	0	0	116,452	0	0
Total Expenditures	<u>\$ 2,652,050</u>	<u>\$ 2,809,005</u>	<u>\$ 2,837,018</u>	<u>\$ 2,879,784</u>	<u>\$ 2,974,691</u>
Ending Balance, June 30	<u>\$ 257,173 (2)</u>	<u>\$ 244,470</u>	<u>\$ 167,895</u>	<u>\$ 157,440</u>	<u>\$ 115,701</u>
Amount of Fund Balance Assigned for Debt Principal Payment in Future Years	<u>100,000</u>				
Unassigned Ending Balance, June 30	<u>\$ 157,173</u>				
Increase (Decrease) in Fund Balance	\$ 131,221	\$ (12,703)	\$ (48,069)	\$ (87,030)	\$ (41,739)
Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 2.78470	\$ 2.69458	\$ 2.53669	\$ 2.53669	\$ 2.60018

- The 2016/2017 and 2017/2018 debt service tax levy rates were lower than the \$2.89 target rate for future years due to actual interest rates on recent bond issues being less than projected
- The City's financial consultant structured the debt repayment schedule on the 2016 bond issue to enhance the marketability of the bond 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
- The 2018/2019 debt service tax levy rate was again based on not exceeding the \$2.89 target level. The budget and revised estimate for the debt service fund were based on using a portion of the 2016/2017 increase in debt service fund balance for 2018/2019 debt service requirements
- The 2019/2020 debt service tax levy rate was again based on not exceeding the \$2.89 target level. The budget for the debt service fund was based on using a portion of the 2016/2017 increase in debt service fund balance for 2019/2020 debt service requirements

DEBT SERVICE FUND
SUMMARY OF BOND AND INTEREST REQUIREMENTS
CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	Water Pollution Control and TIF Funded Debt Requirements	Expected Tax Funded Debt Requirements
2018/19	\$ 2,470,000	\$ 406,784	\$ 2,876,784	\$ 302,205	\$ 2,574,579
2019/20	2,630,000	341,691	2,971,691	298,750	2,672,941
2020/21	1,775,000	274,703	2,049,703	90,550	1,959,153
2021/22	1,835,000	230,538	2,065,538	92,950	1,972,588
2022/23	1,290,000	183,568	1,473,568	95,150	1,378,418
2023/24	1,330,000	141,918	1,471,918	91,400	1,380,518
2024/25	960,000	100,663	1,060,663	92,650	968,013
2025/26	995,000	65,313	1,060,313	93,650	966,663
2026/27	545,000	33,150	578,150	90,250	487,900
2027/28	560,000	16,800	576,800	92,700	484,100
Total	\$ 14,390,000	\$ 1,795,128	\$ 16,185,128	\$ 1,340,255	\$ 14,844,873



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
2018/19	\$ 1,295,000	\$ 79,163	\$ 1,374,163
2019/20	1,290,000	40,313	1,330,313
Total	<u>\$ 2,585,000</u>	<u>\$ 119,476</u>	<u>\$ 2,704,476</u>

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
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	<u>\$ 2,255,000</u>	<u>\$ 97,225</u>	<u>\$ 2,352,225</u>

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
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	<u>405,000</u>	<u>8,505</u>	<u>413,505</u>
Total	<u>\$ 2,295,000</u>	<u>\$ 166,230</u>	<u>\$ 2,461,230</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	<u>\$ 3,165,000</u>	<u>\$ 365,879</u>	<u>\$ 3,530,879</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

**Aerial Fire Truck, Musser Public Library and HNI Community Center
Remodeling, Other Public Building Improvements, Airport Improvement
Projects, New Trail Projects, Various Parks Improvement Projects, and
Water Pollution Control Plan Digester Conversion Project**

\$4,090,000 Total Issue Dated May 23, 2018

Fiscal Year	Principal	Interest	Total Requirements
2018/19	\$ 65,000	\$ 168,718	\$ 233,718
2019/20	115,000	163,100	278,100
2020/21	415,000	159,650	574,650
2021/22	435,000	143,050	578,050
2022/23	455,000	125,650	580,650
2023/24	475,000	102,900	577,900
2024/25	500,000	79,150	579,150
2025/26	525,000	54,150	579,150
2026/27	545,000	33,150	578,150
2027/28	560,000	16,800	576,800
Total	<u>\$ 4,090,000</u>	<u>\$ 1,046,318</u>	<u>\$ 5,136,318</u>

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 ensure the availability of financial resources when the need for the improvement occurs. The City has developed the Five Year Capital Improvements Plan 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. The Community Development department is in the process of developing the new 5-Year CIP for fiscal years 2019/2020 through 2013/2014. This is expected to be completed in the summer of 2019.

CURRENT TRENDS AND ISSUES:

The operating budget will again be supplemented with an aggressive Five Year Capital Improvement Plan (CIP). In February of 2016 the City Council approved a 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 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 2018/2019 revised estimate and 2019/2020 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, park facility improvements, and improvements at the City's Water Pollution Control Plant and airport.

Pavement Management Program/Street and Sidewalk 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 currently estimated at approximately \$600,000 annually. In 2019/2020 the Local Option Sales Tax funding for pavement management projects of \$611,200 will be supplemented with a \$318,800 allocation of Road Use Tax funds which total to a \$930,000 allocation for pavement management projects. 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. In January of 2018 the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to convert a portion of Park Avenue from a 4-lane to a 3-lane configuration was approved by the Iowa Department of Transportation (IDOT). The original grant was for \$325,000. The scope of this project has since been expanded and three additional IDOT grants were awarded that bring the total grant funding for the project to \$1,297,714. The total project cost is currently estimated at \$1,818,600. Muscatine Power & Water will fund an estimated \$103,500 of the project costs for utility work and the City's share is estimated at \$425,000 which will be included in the May 2020 bond issue. Engineering design is underway in 2018/2019 and construction is scheduled to begin in the spring of 2020 and continue in 2020/2021.

The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass to the City 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, began in the late spring of 2017 and this section is now substantially complete. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs were funded from the Transfer of Jurisdiction funds. Project costs in 2019/2020 include final engineering design costs for the Grandview Avenue section of this project, construction of the 2nd and Mulberry roundabout, and the beginning of construction on Grandview Avenue. The Grandview Avenue construction is expected to continue and be completed in the 2020/2021 fiscal year.

The budget also includes funding for the Second Street Streetscape Project. Improvements to downtown sidewalks and streets were identified as needed projects in the Five Year Capital Improvement Plan. These improvements are budgeted to be funded from general obligation bonds to be repaid by future tax increment funds. Engineering design for this project began in 2018/2019 and will continue in 2019/2020. Construction for the project is scheduled to begin in the spring of 2020 and to be completed in fiscal year 2020/2021. The current cost estimate for the project is approximately \$3 million.

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 nine years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. Bids for Phase 4 of the project were received in March of 2018. Phase 4 also consists of three work areas to be constructed during the next three calendar years (2018, 2019, and 2020).

The current 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The extension of this tax was again approved by voters with 88% voting in favor of the extension. The 80% allocation of the local option sales tax for sewer improvements will fund project costs and anticipated debt service costs for the West Hill Sewer Separation project

Water Pollution Control Plant (WPCP) Improvement Projects

Engineering design began in 2013/2014 and continued through 2017/2018 for this project which originally involved the construction of two large dumping areas to accept hauled waste. One dumping area was planned to be used for septic, recreational vehicle, and City jet/vac material disposal. The other site would allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants and other hauled food waste. 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 original construction cost estimate was \$3.8 million. Due to funding limitations in the Water Pollution Control Plant Reserve, the digester conversion portion of the project (estimated at \$800,000) was funded from the May 2018 bond issue with that portion of the issue to be repaid with WPCP funds.

This project was first bid in October of 2018 and all bids were substantially higher than the engineer's estimate and were rejected. The project plans were changed to move the food waste disposal portion of the project to the former Recycling Center at the Transfer Station. Bids were due on the revised project on March 19, 2019. Bids were again substantially higher than the engineer's updated estimate and were rejected. Further revisions were made to the plans and specifications for this project to reduce costs and bids for the further revised project were due on May 10, 2019. With the need to re-bid the project, much of the construction costs for the project will be incurred in the 2019/2020 fiscal year.

Pearls of Progress Projects

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 was \$1,414,322. This project was completed in the spring of 2018. This was one of the four projects in the City's Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The other projects include the Community Dog Park, construction of the West Side Trail to connect Kent Stein Park to Discovery Park, and the Muscatine County project to construct cabins at Deep Lakes Park. The estimated total cost of these projects is over \$8.1 million. The Dog Park was completed in the fall of 2018 and the West Side Trail and Deep Lakes Park Cabins are scheduled to be completed in 2019 and 2020. Funding will be from grants, donations (including the donation of the library building), City bond proceeds, County Conservation Board funds, and the CAT grant.

Other Projects

Other significant capital projects budgeted for 2019-2020 include (1) Park improvement projects including the replacement of a portion of the Riverfront fence, Soccer Field #3 improvements, and Fuller Park playground resurfacing, (2) the beginning of the conversion of the former Iowa Department of Transportation Maintenance building to be used as a 3rd fire station, a police substation, and some Public Works department functions, (3) continuation of deferred maintenance projects on city buildings, and (4) improvements at the Airport including the construction of five new box hangars and expansion of the apron in the area of the new hangars.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2018/2019 as well as those planned for 2019/2020. This section also includes listings of these projects for both 2018/2019 and 2019/2010. Total capital project costs are estimated at \$13,698,900 for 2018/2019 and \$15,326,000 for 2019/2020. A separate listing of capital outlay items included in department operating budgets in 2019/2020 is also included in this section of the budget for informational purposes. These items total \$2,782,000 which brings the total budget for capital outlay and capital projects to \$18,108,000 for 2019/2020. 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 2018/2019 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 recent years, the Local Option Sales Tax funding for pavement management projects has been 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 street and alley resurfacing, full depth concrete patching, and curb and gutter replacement.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Local Option Sales Tax Funds	\$ 661,900
Road Use Tax Funds	115,000
	<u>\$ 776,900</u>

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.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Road Use Tax Funds	\$ 306,400

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, began in the late spring of 2017 and this section is now substantially completed and open to traffic. The CP Railroad contributed a total of \$4 million of funding (\$2 million in 2016/2017, \$1 million in 2017/2018, and \$1 million in 2018/2019) for this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the project costs are being funded from the Transfer of Jurisdiction funds. Project costs in 2018/2019 include property acquisition and demolition costs, engineering design costs for the Grandview Avenue portion of this project, engineering inspection services, and contract costs.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Transfer of Jurisdiction Funds	\$ 1,475,000
Contribution from the Railroad	1,000,000
Reimbursements from Muscatine Power & Water	260,000
Interest on Transfer of Jurisdiction Funds	<u>100,000</u>
	<u>\$ 2,835,000</u>

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Houser/Fulliam Intersection Improvements: In January of 2018 the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to fund construction of a mini-roundabout at the Houser/Fulliam intersection was approved by the Iowa Department of Transportation. The grant would have funded \$167,700 of the estimated construction costs for this project. The City was responsible for funding the engineering design costs and the balance of the construction costs. Engineering design was completed in 2018 with construction originally scheduled for the summer of 2019. Improved traffic flow and safety was expected with this project, especially during the hours before and after school. After the budget was adopted, City Council chose not to proceed with this project and declined the grant funds.

<u>Funding Sources (at Time Budget Adopted)</u>	<u>FY 2018/2019 Funding Amount</u>
Road Use Tax Funds	\$ 61,700
Federal Grant Funds (Original Fiscal Year Estimate)	<u>83,900</u>
	<u>\$ 145,600</u>

Future Impact on Operating Budget: None since City Council chose not to proceed with this project.

Park Avenue Improvements: In January of 2018 the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to convert a portion of Park Avenue from a 4-lane to a 3-lane configuration was approved by the Iowa Department of Transportation (IDOT). The original grant was for \$325,000. The scope of this project has since been expanded and three additional IDOT grants were awarded that bring the total grant funding for the project to \$1,297,714. The total project cost is currently estimated at \$1,818,600. Muscatine Power & Water will fund an estimated \$103,500 of the project costs for utility work and the City's share is estimated at \$425,000 which will be included in the May 2020 bond issue. Engineering design is underway in 2018/2019 for this project with construction scheduled for 2019/2020 and 2020/2021.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Road Use Tax Funds (Preliminary Engineering)	\$ 9,000
Future Bond Proceeds	<u>78,500</u>
	<u>\$ 87,500</u>

Future Impact on Operating Budget: This project will not have an impact on future operating budgets.

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 \$110,042 was expended for new sidewalk in 2014/2015, \$132,640 in 2015/2016, and \$114,649 in 2016/2017. Only preliminary engineering costs of \$942 were expended in 2017/2018 with the balance of the annual allocation carried forward to future years. The allocation for 2018/2019 is \$138,900 which funded the sidewalk extension on Tanglefoot Lane and will fund the trail/sidewalk on Houser Street in front of the new Soccer expansion area and parking lot.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Road Use Tax Funds	\$ 138,900

Future Impact on Operating Budget: None for Tanglefoot Lane since sidewalks in residential areas are the responsibility of the property owners. There will be an increase in costs for trail maintenance for the sidewalk in front of the Soccer expansion area. The amount is estimated at \$1,000 annually

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 provided 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 when the final route was determined, the trail design was completed, and easements secured. The project was substantially completed and the trail was opened in the late fall of 2017. The final work to close out the contract will be completed in the spring of 2019.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Federal and State Grants (Balance)	\$ 36,300

Future Impact on Operating Budget: There will be an increase in costs for trail maintenance. The amount is estimated at \$1,500 annually.

Riverfront Development Project: Funds are available in this prior year capital project fund to add security cameras at the boat harbor.

<u>Source</u>	<u>FY 2018/2019 Funding Amount</u>
Available Balance	\$ 6,700

Future Impact on Operating Budget: This project will not have an impact on future operating budgets.

Park Lighting Improvement Projects: The May 2018 bond issue included funds to replace the street lights and the related wiring in Weed Park at an estimated cost of \$200,000. The bond issue also provided funding to replace the sidewalk and parking lot lights at the Soccer Complex at an estimated cost of \$60,000.

<u>Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 266,600

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these projects are completed. The amount cannot be determined.

Kent Stein Park Control Link Lighting Project: The May 2018 bond issue included funds to install the Control Link Lighting system on the remaining eight ball diamonds at Kent Stein Park. This system controls, monitors, and assists in managing the lighting system in the park.

<u>Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 40,000

Future Impact on Operating Budget: There will be savings in electric usage with this system and also savings in replacement of bulbs since the lights will only be on for programmed usage. Utility usage is not billed for this public facility by Muscatine Power & Water, the municipal utility. Costs savings from less frequent light bulb changes has not been determined.

Houser Street Soccer Expansion and Parking Lot Project: The May 2018 bond issue included funds to construct a parking lot across from the current Soccer Complex. After last year's budget was adopted additional funding became available to expand the scope of this project. The additional funding included a \$140,000 grant from the Roy J. Carver Charitable Trust for the parking lot and pedestrian crossings on Houser Street. The project now includes four soccer fields, an irrigation system for the fields, the parking lot, and lighting for the fields and parking lot.

<u>Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds (Includes Bond Funds Reallocated from Other Parks Projects)	\$ 574,900
Roy J. Carver Charitable Trust Grant (Prior Year)	140,000
Road Use Tax (for Sidewalk/Trail and Flashing Beacons)	101,100
Alliant Energy Grant for Trees	7,000
	<u>\$ 823,000</u>

Future Impact on Operating Budget: Maintenance costs will increase with the expanded soccer fields and parking lot. Annual costs total to an estimated \$56,100 with \$35,500 for seasonal employees and \$20,600 for field maintenance costs.

Weed Park Rose Garden Restroom Replacement Project: The May 2018 bond issue included funding for improvements in several park facilities including replacement of this restroom in Week Park.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 102,600

Future Impact on Operating Budget: Maintenance costs should be reduced with a new restroom. Specific savings cannot be determined.

Community Dog Park Project: The Community Dog Park is one of the four projects in the City’s Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The cost of this project is estimated at \$206,800. The site for the Dog Park is near the City’s Recycling Center and Transfer Station and the Kent Stein Park to Deep Lakes Park Trail.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
CAT Grant Funds	\$ 75,000
Donations	131,800
	<u>\$ 206,800</u>

Future Impact on Operating Budget: Parks staff will be maintaining the new facility and annual operating costs are estimated at \$3,000 for labor and materials. These fees are expected to be offset by Dog Park user permit fees so no net impact on future operating budgets is expected.

West Side Trail Project: The West Side Trail project is also one of the four projects in the City’s Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The total cost of the project is estimated at \$1,122,500. This trail will connect Kent Stein Park and Discovery Park. The design of the new trail is in progress and is expected to be completed in fiscal year 2018/2019. Construction is scheduled to begin in the late summer or fall of 2019 and to be completed by the spring of 2020.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 181,000

Future Impact on Operating Budget: Parks staff will be maintaining the new trail. Annual operating costs are estimated at \$1,500.

Railroad Quiet Zone Project: In 2016/2017 the City 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 had a funding agreement with the Stanley Howe Revocable Trust to reimburse the City for the cost of this study. Based on the results of the study, the project was determined to be feasible and the City entered into an agreement with the Canadian Pacific Railroad to install the necessary equipment for the Quiet Zone. The City also constructed additional improvements for safe pedestrian crossings. The Howe Foundation agreed to fund up to \$1 million of the project costs. This

project is now complete with the final costs and reimbursements being received in the 2018/2019 fiscal year to close out the project.

<u>Source</u>	<u>FY 2018/2019 Funding Amount</u>
Howe Foundation Contribution	\$ 7,900

Future Impact on Operating Budget: The Railroad will maintain the Quiet Zone equipment and there will be no impact on future City operating budgets.

Former Iowa Department of Transportation (IDOT) Building Acquisition Project: The City acquired the former IDOT Maintenance Building on Lake Park Boulevard at the time the IDOT moved to their new facility. The cost of the property was \$610,000 and \$3,000 in related costs were incurred to make the building ready for use by the Public Works department for salt storage for the winter of 2018-2019. In future years the City is planning to renovate this facility for use by the Fire department as a 3rd fire station, as a police sub-station, and to continue to be used by the Public Works department.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 613,000

Future Impact on Operating Budget: As with other city government buildings, Muscatine Power & Water will provide electric and water service to this building free of charge. Annual natural gas charges are estimated at \$6,500. The impacts on future operating budgets from future uses as a possible 3rd fire station or police sub-station have not yet been determined and will be considered as part of the decision to move forward on those projects.

Carver Corner Property Development Project: The City owned several parcels of property in this area and acquired other parcels as part of the Mississippi Drive Corridor project. The Carver Corner property now totals to approximately 7 acres and is located along the riverfront between Mississippi Drive and the Mississippi River. The City is preparing a Request for Proposals (RFP) to solicit firms or individuals interested in developing this property. Administrative costs were incurred this year related to planning for the future uses of this property.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Future Year Incremental Tax Funds (TIF)	\$ 5,000

Future Impact on Operating Budget: Any operating impacts on future year budgets will depend on the proposals received from interested developers.

Mississippi Bridge Lighting Repair Project: The original bridge lighting project was completed in 2008 and involved the installation of decorative LED lighting on the bridge over the Mississippi River. This lighting system can be programmed into a multitude of colors and patterns including those for holidays or other celebrations. Assistance in completing this project was provided by Musco Sports Lighting Inc., Stanley Consultants, Muscatine Power & Water, the Muscatine Chamber of Commerce and Industry and City staff. All direct costs of the original project were funded from a federal grant and a contribution from Musco Sports Lighting, Inc. These lights failed in 2011/2012 and it was determined that \$60,000 in material costs would be needed to replace the malfunctioning lights. Muscatine Power &

Water agreed to pay \$20,000 of this cost and the City funded the remaining \$40,000 from Southend Tax Increment funds. Musco Sports Lighting contributed the design work and installed the new lights. Additional repairs were found to be needed in 2018 at a total cost of \$27,777 and this cost was funded equally by Muscatine Power & Water, the Iowa Department of Transportation, and the City. The City's share was funded from remaining balances in other capital projects funds.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Available Fund Balances	\$ 9,300

Future Impact on Operating Budget: Muscatine Power & Water provides the power and regular ongoing maintenance costs for these lights. There should be no future impact on the City's operating budget from these repairs.

Public Building and Facility Improvements: A number of significant building and facility deferred 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 replacement 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. Most of these projects were completed in the 2016/2017 fiscal year. The May 2018 bond issue included \$360,000 to continue to fund deferred building maintenance projects which include elevator upgrades; insulated windows at the Public Safety Building; siding, soffit, and fascia replacement for the former Morgan Building; roof and garage door replacements at Public Works; roof, parking lot, parking lot lighting, and indoor track lighting at the Art Center; and concrete apron repairs at the Fire department.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 309,400

Future Impact on Operating Budget: There will be savings in annual maintenance costs when the building and facility improvements are completed. The amount of the savings cannot be determined.

Public Building Storm Damage Repair Projects: A tornado on March 3, 2017 resulted in a hole in the roof and related interior damages at the Library and the June 17, 2017 hail storm damaged the roofs of many other City buildings. The estimated repair costs totaled \$287,600 and are expected to be fully reimbursed by insurance. The most critical repairs were completed in 2017/2018 with the remainder scheduled for completion in the current year.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Insurance Reimbursements	\$ 74,900

Future Impact on Operating Budget: None.

Second Street Streetscape Project - Design: Improvements to downtown sidewalks and streets have been identified as a needed project in the Five Year Capital Improvement Plan. These improvements are proposed to be funded from future tax increment funds. The 2018/2019 funding amount is for a portion of the design costs for this future year project.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Future Tax Increment Funds	\$ 100,000

Future Impact on Operating Budget: No impacts on future operating budgets are expected with this project.

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. On March 6, 2018 voters in the City approved the extension of the Local Option Tax for a 15-year period through June 30, 2034 with 80% of the funds to be used for sewer improvements and 20% for street improvements.

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 nine years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided 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. Bids were received in March of 2018 for Phase 4 of the project which will again be done over three years, 2018, 2019, and 2020. The 2018/2019 funding amount reflects the final work on Phase 4-A and a portion of the work on Phase 4-B.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,500,000

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 (WPCP) High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued through 2017/2018 for this project which originally involved the construction of two large dumping areas to accept hauled waste. One dumping

area was planned to be used for septic, recreational vehicle, and City jet/vac material disposal. The other site would allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants and other hauled food waste. 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 original construction cost estimate was \$3.8 million. Due to funding limitations in the Water Pollution Control Plant Reserve, the digester conversion portion of the project (estimated at \$800,000) was funded from the May 2018 bond issue with that portion of the issue to be repaid with WPCP funds.

This project was first bid in October of 2018 and all bids were substantially higher than the engineer’s estimate and were rejected. The project plans were changed to move the food waste disposal portion of the project to the former Recycling Center at the Transfer Station. Bids were due on the revised project on March 19, 2019. Bids were again substantially higher than the engineer’s updated estimate and were rejected. Further revisions were made to the plans and specifications for this project to reduce costs and bids are now due May 10, 2019. At the time the budget was prepared it was anticipated that the bid for the project would be awarded in March and work would begin shortly after the award. As such, the original fiscal year budget amount allowed for much of the work to be completed in the current fiscal year 2018/2019. With the need to re-bid the project, much of the construction costs for the project will actually be incurred in the 2019/2020 fiscal year.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Water Pollution Control Plant Reserve Funds	\$ 3,000,000
Prior Year Bond Proceeds for the Digester Conversion Portion of the Project	<u>757,600</u>
	<u>\$ 3,757,600</u>

Future Impact on Operating Budget: Energy costs are expected to be reduced by \$80,000 annually when this project is completed. There will also be an overall staffing increase of one fulltime position (estimated at \$77,200 including benefits) in the Water Pollution Control fund when the project is completed and placed in operation.

Sewer Benefit District - Arbor Commons Subdivision: NPSW Enterprises, LLC is undertaking the development of a new subdivision with 62 market-rate, single family homes. The City has a Development Agreement with NPSW which provides for tax increment rebates to assist the developer with a portion of the cost of infrastructure for the project. To assist the Developer with the sewer infrastructure costs including a pump station, the City has agreed to create a sewer benefit district for this area. The Developer will construct the sewer infrastructure, the City will reimburse the Developer for a portion of these costs, and these costs will be recouped by sewer connection fees as the lots are sold and developed. The Developer will dedicate the infrastructure for this subdivision to the City when it is completed. Sewer Extension and Improvement Reserve funds will be used to reimburse the developer for a portion of the sewer infrastructure costs and sewer connection fees will be credited to that fund as they are collected.

<u>Funding Source</u>	<u>FY 2018/2019 Funding Amount</u>
Sewer Extension and Improvement Reserve (Estimated Amount)	\$ 150,000

Future Impact on Operating Budget: The City will receive increased property taxes and sewer fees as this area is developed. Operating expenditures are not expected to increase with this project.

Transfer Station Fire Suppression System Project: The fire suppression system at the Transfer Station was part of the original construction of this facility in 1995. This system is in need of replacement and the Transfer Station Fund balance is not sufficient to fund the estimated cost of a new system. Funding for this system will be included in the May 2020 bond issue.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 130,000

Future Impact on Operating Budget: Maintenance costs will decrease with a new fire suppression system. 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 be completed in 2018/2019.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
State Grant	\$ 20,200
Prior Year Bond Proceeds	<u>3,600</u>
	<u>\$ 23,800</u>

Future Impact on Operating Budget: None

Airport Layout Plan (ALP): Engineering work to update the Airport Layout Plan began in the spring of 2016, continued in 2016/2017 and 2017/2018, and the final work on this plan is expected to be completed in 2018/2019. The FAA requires the ALP update and is funding 90% of the cost of the update.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 2,400
Prior Year Bond Proceeds	<u>300</u>
	<u>\$ 2,700</u>

Future Impact on Operating Budget: None

Airport T-Hangar Construction Project: A State grant was awarded which would fund 42% of the cost for construction of four new hangars at the Airport. A substantial portion of the local match for the grant was expected to be paid by three plane owners in exchange for long-term leases of those hangars. After bids were received for the project, agreements could not be reached with these individuals and the project bids were rejected by the City. At the time the budget was prepared it was not known whether the City would proceed with this project. The amounts below represent engineering design costs for the original project. After the budget was adopted, the City Council chose to proceed with the construction of five new box hangars at an estimated cost of \$512,600 and additional engineering fees of \$39,000. The

grant funding is \$150,000 and the local match requirement, estimated at \$400,000, will be included in the May 2020 bond issue. Engineering design is underway in 2018/2019 and construction is scheduled for 2019/2020.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 20,000

Future Impact on Operating Budget: The new hangars are expected to generate \$15,000 to \$20,000 in hangar rental fees annually. Annual expenditure are projected to increase by \$2,000 for increased utility and insurance costs.

Airport Apron Expansion Project: A State grant was awarded which would fund 85% of the cost of Phase 2 of the apron expansion project. This apron expansion will serve the new hangars discussed above. After the initial bids were received for both the new hangars and the apron expansion project, agreements could not be reached with the individuals who originally committed to funding a significant portion of the local match for the new hangars in exchange for long-term leases. The initial bids for both the new hangars and the apron project were rejected by the City. At the time the budget was prepared it was not known whether the City would proceed with either of these projects. The amount listed below represents engineering design costs for the original project. After the budget was adopted, the City Council chose to proceed with the construction of five new box hangars and the revised apron expansion project. The estimated construction cost for the apron project is \$166,100. The State grant will fund 85% of construction and engineering costs. Engineering design is now expected to be completed in 2018/2019 and construction is scheduled for the 2019/2020 fiscal year.

<u>Funding Sources</u>	<u>FY 2018/2019 Funding Amount</u>
Prior Year Bond Proceeds	\$ 29,000

Future Impact on Operating Budget: Since the contract Airport Manager provides snow and ice removal, there will be no impact from the apron expansion project.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2019/2020 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 recent years, the Local Option Sales Tax funding for pavement management projects has been 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 street and alley resurfacing, full depth concrete patching, and curb and gutter replacement.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Local Option Sales Tax Funds	\$ 611,200
Road Use Tax Funds	318,800
	<u>\$ 930,000</u>

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

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, began in the late spring of 2017 and this section is now substantially complete. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs were funded from the Transfer of Jurisdiction funds. Project costs in 2019/2020 include final engineering design costs for the Grandview Avenue section of this project, construction of the 2nd and Mulberry roundabout, and the beginning of construction on Grandview Avenue. The Grandview Avenue construction is expected to continue and be completed in the 2020/2021 fiscal year.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Transfer of Jurisdiction Funds	\$ 5,045,000
Federal Grant	1,500,000
Reimbursements from Muscatine Power & Water	500,000
Interest on Transfer of Jurisdiction Funds	100,000
	<u>\$ 7,145,000</u>

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 \$110,042 was expended for new sidewalk in 2014/2015, \$132,640 in 2015/2016, and \$114,649 in 2016/2017. Only preliminary engineering costs of \$942 were expended in 2017/2018 with the balance of the annual allocation carried forward to future years. The allocation for 2018/2019 is \$138,900 which funded the sidewalk extension on Tanglefoot Lane and will fund the trail/sidewalk on Houser Street in front of the new Soccer expansion area and parking lot. The specific areas for new sidewalk construction in 2019/2020 have not yet been determined.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Road Use Tax Funds	\$ 100,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

Houser/Fulliam Intersection Improvements: In January of 2018 the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to fund construction of a mini-roundabout at the Houser/Fulliam intersection was approved by the Iowa Department of Transportation. The grant would have funded \$167,700 of the estimated construction costs for this project. The City was responsible for funding the engineering design costs and the balance of the construction costs. Engineering design was completed in 2018 with construction originally scheduled for the summer of 2019. Improved traffic flow and safety was expected with this project, especially during the hours before and after school. After the budget was adopted, City Council chose not to proceed with this project and declined the grant funds. The originally budgeted funding amounts below represent the estimated costs at the time the budget was prepared and was based on the project proceeding.

<u>Funding Sources (at Time Budget Adopted)</u>	<u>FY 2019/2020 Funding Amount</u>
Road Use Tax Funds	\$ 40,800
Federal Grant Funds (Original Fiscal Year Estimate)	83,800
	<u>\$ 124,600</u>

Future Impact on Operating Budget: This project would not have had an impact on future operating budgets. Improved traffic flow and safety were expected if this project was constructed, especially during the hours before and after school.

Park Avenue Improvements: In January of 2018 the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to convert a portion of Park Avenue from a 4-lane to a 3-lane configuration was approved by the Iowa Department of Transportation (IDOT). The original grant was for \$325,000. The scope of this project has since been expanded and three additional IDOT grants were awarded that bring the total grant funding for the project to \$1,297,714. The total project cost is currently estimated at \$1,818,600. Muscatine Power & Water will fund an estimated \$103,500 of the project costs for utility work and the City's share is estimated at \$425,000 which will be included in the

May 2020 bond issue. Engineering design is underway in 2018/2019 and construction is scheduled to begin in the spring of 2020 and continue in 2020/2021. Approximately 20% of the estimated project costs and grant funding are reflected in the 2019/2020 budget

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Federal Grant Funds (20% of Grant Total)	\$ 259,500
Muscatine Power & Water Contributions	20,700
Bond Proceeds – May 2020 Issue	<u>425,000</u>
	<u>\$ 705,200</u>

Future Impact on Operating Budget: This project will not have an impact on future operating budgets.

Riverfront Fence Extension Project: This project will replace the chain link fence along the railroad tracks from the Cedar Street railroad crossing up river to the trail. The current fence has severe rust on both the fence and the posts. Funding for this project will be from the May 2020 bond issue.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 76,000

Future Impact on Operating Budget: None

Fuller Park Playground Resurfacing Project: This project will replace the rubber surface at this playground and also replace the retaining wall around the playground. The current surface is showing considerable wear and breakdown of the upper layer. Funding for this project will be from the May 2020 bond issue.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 140,000

Future Impact on Operating Budget: Maintenance costs will decrease with the new playground surface. The amount of savings, however, cannot be determined.

Soccer Field # 3 Improvements: The May 2018 bond issue originally included funding for this project. Those funds, however, were redirected and used for the Soccer Expansion and Parking Lot project completed in 2018/2019. This project is now re-scheduled for the 2019/2020 fiscal year with funding from the May 2020 bond issue. This project involves removing all of the current turf and replacing it with an aggressive species of Kentucky bluegrass to limit infestation of poa annua throughout the field. The project will also include replacement of the current hydraulic irrigation system with an electric irrigation system.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds - May 2018 Issue	\$ 120,000

Future Impact on Operating Budget: Maintenance costs should be reduced with the new field. Specific savings cannot be determined.

West Side Trail Project: The West Side Trail project is one of the four projects in the City’s Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The total cost of the project is estimated at \$1,122,500. This trail will connect Kent Stein Park and Discovery Park. The design of the new trail is in progress and will be completed in 2018/2019 with construction scheduled to begin in the late summer or fall of 2019 and be completed in the spring of 2020.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 300,000
Federal and State Grants	625,000
Donations	32,800
	<u>\$ 957,800</u>

Future Impact on Operating Budget: Parks staff will be maintaining the new trail. Annual operating costs are estimated at \$1,500.

Deep Lakes Park Cabins (County Project): The Deep Lakes Park Cabins project is one of the four projects in the City’s Pearls of Progress Project that was awarded a \$500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa. The total cost of the cabins is estimated at \$1 million. The County Conservation Board is providing \$500,000 of the funds for this project. The City is accounting for the CAT grant proceeds as well as the donations and pledges for the four CAT grant projects. The 2019/2020 budgeted amount represents the portion of the CAT grant and the donations and pledges for County’s Deep Lakes Park Cabins project.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
CAT Grant Proceeds	\$ 200,000
Donations	300,000
	<u>\$ 500,000</u>

Future Impact on Operating Budget: None since this is a County Conservation Board project.

Former Iowa Department of Transportation (IDOT) Building Project: The City acquired the former IDOT Maintenance Building on Lake Park Boulevard at the time the IDOT moved to their new facility. The cost of the property was \$610,000 and \$3,000 in related costs were incurred in 2018/2019 to make the building ready for use by the Public Works department for salt storage for the winter of 2018-2019. In future years the City is planning to renovate this facility for use by the Fire department as a 3rd fire station, as a police sub-station, and to continue to be used by the Public Works department. The scope and cost of the renovation project has not yet been determined. The 2019/2020 budget includes \$300,000 to

begin renovation of this facility. The May 2020 bond funding amount totals \$913,000 which includes the initial property purchase as well as the allocation for the first phase of improvements.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 913,000

Future Impact on Operating Budget: As with other city government buildings, Muscatine Power & Water will provide electric and water service to this building free of charge. Annual natural gas charges are estimated at \$6,500. The impacts on future operating budgets from future uses as a possible 3rd fire station or police sub-station have not yet been determined and will be considered as part of the decision to move forward on those projects.

Public Building Deferred Maintenance Projects: The City’s May 2016 bond issue included funding of \$1,375,000 for Art Center HVAC and window improvements and a total of \$525,000 for deferred maintenance projects and improvements in other city buildings and facilities. The City’s May 2018 bond issue included \$360,000 to continue building deferred maintenance projects. These improvements included roof replacements, elevator upgrades, parking lot resurfacing, parking lot lighting upgrades, and similar items. The May 2020 bond issue includes \$225,000 to continue deferred building maintenance projects. This will provide funding to replace several windows, the radiant heaters, hanging furnaces, and several garage doors at Public Works. It also provides \$15,000 of funding to install new oak security doors at City Hall.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 225,000
Prior Year Bond Proceeds to Complete Projects Funded from the May 2018 Issue	<u>77,700</u>
	<u>\$ 302,700</u>

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount of the savings cannot be determined.

Second Street Streetscape Project: Improvements to downtown sidewalks and streets have been identified as a needed project in the Five Year Capital Improvement Plan. These improvements are proposed to be funded from future tax increment funds. Engineering design for this project began in 2018/2019 and will continue in 2019/2020. Construction for the project is scheduled to begin in the spring of 2020 and to be completed in fiscal year 2020/2021.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue (to be Funded from Future Tax Increment Funds)	\$ 3,042,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. 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. On March 6, 2018 voters in the City approved the extension of the Local Option Tax for a 15-year period through June 30, 2034 with 80% of the funds to be used for sewer improvements and 20% for street improvements.

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 nine years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided 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. Bids were received in March of 2018 for Phase 4 of the project which will again be done over three years - 2018, 2019, and 2020. The 2019/2020 funding amount reflects the final work on Phase 4-B and a portion of the work on Phase 4-C.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,299,800
Reimbursement from Muscatine Power & Water	<u>382,500</u>
	<u>\$ 2,682,300</u>

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 (WPCP) High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued through 2017/2018 for this project which originally involved the construction of two large dumping areas to accept hauled waste. One dumping area was planned to be used for septic, recreational vehicle, and City jet/vac material disposal. The other site would allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants and other hauled food waste. 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 original construction cost estimate was \$3.8 million. Due to funding limitations in the Water Pollution Control Plant Reserve, the digester conversion portion of the project (estimated at \$800,000) was funded from the May 2018 bond issue with that portion of the issue to be repaid with WPCP funds.

This project was first bid in October of 2018 and all bids were substantially higher than the engineer’s estimate and were rejected. The project plans were changed to move the food waste disposal portion of

the project to the former Recycling Center at the Transfer Station. Bids were due on the revised project on March 19, 2019. Bids were again substantially higher than the engineer's updated estimate and were rejected. Further revisions were made to the plans and specifications for this project to reduce costs and bids are now due May 10, 2019. At the time the budget was prepared it was anticipated that the bid for the project would be awarded in March and work would begin shortly after the award. As such, the original fiscal year budget amount allowed for much of the work to be completed in fiscal year 2018/2019. With the need to re-bid the project, much of the construction costs for the project will be incurred in the 2019/2020 fiscal year. The 2018/2019 budgeted amount was based on the project being completed in that year. The 2019/2020 budget will be amended to reflect most of the construction work being done in 2019/2020 due to re-bidding the project.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Water Pollution Control Plant Reserve Funds (The total estimated project costs are reflected in the 2018/2019 budget; the project was delayed due to re-bidding which will move a significant portion of the project costs to 2019/2020)	\$ N/A

Future Impact on Operating Budget: Energy costs are expected to be reduced by \$80,000 annually when this project is completed. There will also be an overall staffing increase of one fulltime position (estimated at \$77,200 including benefits) in the Water Pollution Control fund when the project is completed and placed in operation.

Water Pollution Control – Nutrient Reduction Alternatives Study: The Iowa Department of Natural Resources has issued new rules pertaining to nutrients discharged from the 102 largest waste water plants in the State. The City will be subject to the new rules at the time the new permit is issued. This study will provide nutrient reduction strategies for the area watershed in an effort to reduce the capital cost of any required actions.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Water Pollution Control Operations Fund	\$ 90,000

Future Impact on Operating Budget: There will be no impact on the operating budget from the study. The study will provide alternatives, including estimated costs, for alternative nutrient reduction strategies.

Airport T-Hangar Construction Project: A State grant was awarded which would fund 42% of the cost for construction of four new hangars at the Airport. A substantial portion of the local match for the grant was expected to be paid by three plane owners in exchange for long-term leases of those hangars. After bids were received for the project, agreements could not be reached with these individuals and the project bids were rejected by the City. At the time the budget was prepared it was not known whether the City would proceed with this project. After the budget was adopted, the City Council chose to proceed with the construction of five new box hangars at an estimated cost of \$512,600 and additional engineering fees of \$39,000. The grant funding is \$150,000 and the local match requirements, estimated at \$400,000, will be included in the May 2020 bond issue. Engineering design is underway in 2018/2019 and construction is now scheduled for 2019/2020. The amounts below were determined after the budget was adopted when the decision was made to proceed with the project.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
State Grant	\$ 150,000
Bond Proceeds – May 2020 Issue	400,000
	<u>\$ 550,000</u>

Future Impact on Operating Budget: The new hangars are expected to generate \$15,000 to \$20,000 in hangar rental fees annually. Annual expenditure are projected to increase by \$2,000 for increased utility and insurance costs.

Airport Apron Expansion Project: A State grant was awarded which would fund 85% of the cost of Phase 2 of the apron expansion project. This apron expansion will serve the new hangars discussed above. After the first bids were received for both the new hangars and the apron expansion project, agreements could not be reached with the individuals who originally committed to funding of a significant portion of the local match for the new hangars in exchange for long-term leases. The initial bids for both the new hangars and the apron project were rejected by the City. At the time the budget was prepared it was not known whether the City would proceed with either of these projects. After the budget was adopted, the City Council chose to proceed with the construction of five new box hangars and the revised apron expansion project. . The estimated construction cost for the apron project is \$166,100. The State grant will fund 85% of construction and engineering costs. Engineering design is underway in 2018/2019 and construction is scheduled for the 2019/2020 fiscal year. The amounts below were determined after the budget was adopted when the decision was made to proceed with the project. The local match for this project was included in the May 2018 budget.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
State Grant	\$ 166,100

Future Impact on Operating Budget: Since the contract Airport Manager provides snow and ice removal, there will be no impact from the apron expansion project.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2018/2019

<u>Project</u>	<u>Revised Estimate 2018/2019</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	\$ 776,900	Local option sales tax and road use tax
Railroad Crossing Improvements	306,400	Road use tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	2,835,000	Estimated FY 19 portion of project costs; \$1 million Railroad contribution, \$260,000 MP&W reimbursements, and estimated interest \$100,000
Houser/Fulliam Intersection Improvements	145,600	Budget estimate for FY 19 portion of project; project will not proceed
Park Avenue Portion to 3-Lane (Expanded Project)	87,500	Engineering design for expanded project; future grants, reimbursements, and bond proceeds
Mulberry Avenue Improvements	2,500	Estimated final project costs; final grant funding and road use tax
New Sidewalk Program	138,900	Road use tax
Parks Projects:		
Riverfront Development Project	6,700	Available balance for harbor security cameras
Soccer and Weed Park Light Replacements	266,600	Prior year bond proceeds
Weed Park Rose Garden Restroom Replacement	102,600	Prior year bond proceeds
Control Link System for Kent Stein Lights	40,000	Prior year bond proceeds
Houser Expansion Project Including Parking Lot	823,000	Prior year bond proceeds, Carver Trust grant, and road use tax for trail and flashing beacons
CAT Grant Projects:		
New Library Renovation	4,500	Final project costs; CAT grant, donations, old library surplus sales
Community Dog Park	206,800	Final project costs; CAT grant and donations
West Side Trail	181,000	Trail design; future year construction; future CAT grant, donations, and additional bond proceeds
Other Projects:		
Former IDOT Property Acquisition	613,000	Property acquisition and misc. expenses; future bond funding
Carver Corner Area development - Prel. Planning	5,000	Planning for future urban renewal project; future TIF/other funding
Railroad Quiet Zone Project	7,900	Final project costs; funded from Howe Foundation
Bridge Light Repairs (City Portion)	9,300	City allocation of repair costs; transfers from closed projects will fund
Kent Stein Park to Deep Lakes Park Trail	30,500	Estimated final project costs; federal and state grant funds
Public Building Deferred Maintenance	309,400	Estimated FY 19 project costs; funded from prior year bonds
Public Building Storm Damage Repairs	74,900	2017 storm damages; insurance reimbursements to fund
TIF Development Agreement Legal Fees	11,800	Legal fees reimbursed by developers or funded from TIF
Downtown Streetscaping Project - Design	100,000	Future bond proceeds to be repaid with incremental tax funds
Subtotal - General Government	<u>\$ 7,085,800</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 2,500,000	Estimated project costs in FY 19; local option tax
High Strength Waste Receiving Station	3,757,600	Estimated project costs; transfer from WPCP Replacement Reserve; prior year bond proceeds for digester conversion portion of project
Sewer Benefit District - Arbor Oaks	150,000	Sewer Extension Reserve funding; reimbursed by connection fees
Subtotal - Water Pollution Control	<u>\$ 6,407,600</u>	
Transfer Station		
Fire Suppression System	\$ 130,000	Future bond proceeds
Subtotal - Transfer Station Fund	<u>\$ 130,000</u>	
Airport:		
Airport Zoning Ordinance Update	\$ 23,800	Estimated FY 19 final project costs; State grant and prior year bond proceeds
Airport Apron Expansion Phase II	29,000	Engineering design in FY 19; project on hold when budget adopted
Airport Master Plan	2,700	Estimated final project costs; FAA grant and prior year bond proceeds
Airport T-Hangar Construction	20,000	Engineering design in FY 19; project on hold when budget adopted
Subtotal - Airport Projects	<u>\$ 75,500</u>	
Total	<u><u>\$ 13,698,900</u></u>	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2019/2020

<u>Project</u>	<u>Budget 2019/2020</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management	\$ 930,000	Local option tax and road use tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	7,145,000	Estimated FY 20 project costs; Transfer of Jurisdiction funds, Muscatine Power and Water (MP&W) reimbursements, interest
New Sidewalk Program	100,000	Road use tax
Houser/Fulliam Intersection Improvements	124,600	Budget estimate for FY 20 portion of project; project will not proceed
Park Avenue Conversion of Portion to 3-Lanes	413,100	Est'd 20% in FY 20; balance in FY 21; grants, MP&W, and bond proceeds
Parks Projects:		
Riverfront Fence Extension	76,000	Estimated project cost; 2020 bond proceeds
Fuller Park Playground Resurfacing	140,000	Estimated project cost; 2020 bond proceeds
Soccer Field #3 Improvements	120,000	Estimated project cost; 2020 bond proceeds
CAT Grant Projects:		
West Side Trail	941,500	STP grant, CAT grant, donations
Deep Lakes Park Cabins (County Project)	500,000	Portion of CAT grant and contributions for County project
Other Projects:		
Former IDOT Building - Renovation (Est.)	300,000	Start of renovation of IDOT building; scope and cost not yet determined
Public Building Deferred Maintenance Projects	302,700	Estimated project costs; 2020 bond proceeds
Downtown Streetscape Improvements	1,585,400	Est'd FY 20 costs; other 50% in FY 21; bond proceeds repaid with incremental tax funds
Subtotal - General Government	<u>\$ 12,678,300</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 2,557,700	Estimated project costs in FY 20; local option tax and estimated MP&W reimbursements
Nutrient Reduction Study	<u>90,000</u>	Water Pollution Control Fund transfer
Subtotal - Water Pollution Control	<u>\$ 2,647,700</u>	
Airport:		
Airport Projects to be determined	<u>\$ -</u>	Airport projects and funding were not determined when the budget was adopted
Subtotal - Airport Projects	<u>\$ -</u>	
Total	<u><u>\$ 15,326,000</u></u>	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2019/2020 Budget

<u>Fund/Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Enterprise or Other Funds</u>
<u>General Fund</u>					
Information Technology					
Computer Equipment Replacement Fund	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Network Switches	34,300	34,300	-	-	-
Network Access Control	42,700	42,700	-	-	-
Subtotal	<u>\$ 127,000</u>	<u>\$ 127,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Buildings and Grounds					
Public Works - Mower	\$ 12,700	\$ -	\$ -	\$ 12,700	\$ -
Subtotal	<u>\$ 12,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,700</u>	<u>\$ -</u>
Police Operations					
Squad Car Video System Including					
Body Worn Cameras	\$ 148,000	\$ 148,000	\$ -	\$ -	\$ -
Administrative Vehicle	25,000	-	25,000	-	-
Lights Bars (2)	7,000	7,000	-	-	-
Radar Units (2)	6,500	6,500	-	-	-
Subtotal	<u>\$ 186,500</u>	<u>\$ 161,500</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>
Animal Control					
4 x 4 Truck and Transport Unit	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
Subtotal	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ -</u>
Fire Operations					
Hose Tester	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
5" Large Diameter Hose (8)	4,400	4,400	-	-	-
1 3/4 Inch Nozzles (6)	4,500	4,500	-	-	-
2 1/2 Inch Nozzles (8)	8,300	8,300	-	-	-
Blitz Monitor Deck Gun	3,500	3,500	-	-	-
Fire Investigation Trailer	4,000	4,000	-	-	-
Personal Flotation Devices (2)	500	500	-	-	-
Fire Station Software	6,000	6,000	-	-	-
Time Clock Program	4,800	4,800	-	-	-
Subtotal	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cemetery Operations					
Tractor	\$ 42,000	\$ -	\$ 42,000	\$ -	\$ -
Subtotal	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ -</u>
Park Maintenance					
Replace Concrete Around Riverfront Restroom	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -
Subtotal	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Kent-Stein Park					
Hot Chocolate Machines (2)	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -
Subtotal	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Fund/Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			<u>Enterprise or Other Funds</u>
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	
Soccer Complex					
Mower	\$ 82,000	\$ -	\$ 82,000	\$ -	\$ -
Utility Vehicle	20,000	-	20,000	-	-
Subtotal	<u>\$ 102,000</u>	<u>\$ -</u>	<u>\$ 102,000</u>	<u>\$ -</u>	<u>\$ -</u>
Swimming Pools					
Pool Painting	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -
Canopies	12,500	12,500	-	-	-
Refinish Water Slides	10,000	10,000	-	-	-
Subtotal	<u>\$ 52,500</u>	<u>\$ 52,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library					
Library Materials (Books, CDs, Digital Media, etc.)	\$ 139,500	\$ 139,500	\$ -	\$ -	\$ -
Subtotal	<u>\$ 139,500</u>	<u>\$ 139,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Public Works Administration					
Computer - Public Works Secretary	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -
Copier/Printer	5,900	-	-	5,900	-
Subtotal	<u>\$ 7,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,400</u>	<u>\$ -</u>
Engineering					
Two-Wheel Drive Truck for R-O-W Inspector	\$ 22,400	\$ -	\$ -	\$ 22,400	\$ -
AutoCad License	6,500	-	-	6,500	-
Computer - ROW Inspector	1,500	-	-	1,500	-
Subtotal	<u>\$ 30,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,400</u>	<u>\$ -</u>
Roadway Maintenance					
36,200 GVW Single Axle Truck	\$ 135,000	\$ -	\$ -	\$ 135,000	\$ -
Drop Down Saw Trailer	11,000	-	-	11,000	-
Asphalt Recycler	50,000	-	-	50,000	-
Asphalt/Concrete Grinding	75,000	-	-	75,000	-
Computer (Supervisor)	2,000	-	-	2,000	-
Ipad	700	-	-	700	-
Subtotal	<u>\$ 273,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,700</u>	<u>\$ -</u>
Snow & Ice Control					
4-way 9' Plow	\$ 6,500	\$ -	\$ -	\$ 6,500	\$ -
2-way 10' Plow	18,000	-	-	18,000	-
10' Stainless Steel Salt Box	28,000	-	-	28,000	-
10' Under Body Scraper	20,000	-	-	20,000	-
Subtotal	<u>\$ 72,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,500</u>	<u>\$ -</u>
Street Cleaning					
Leaf Box	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -
Subtotal	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Traffic Control					
Year #5 Street Name Signs	\$ 9,600	\$ -	\$ -	\$ 9,600	\$ -
42" Channelizer Cones	6,800	-	-	6,800	-
Computer	2,700	-	-	2,700	-
Subtotal	<u>\$ 19,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,100</u>	<u>\$ -</u>
Subtotal - General Fund	<u>\$ 1,178,300</u>	<u>\$ 533,500</u>	<u>\$ 214,000</u>	<u>\$ 430,800</u>	<u>\$ -</u>

<u>Fund/Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Enterprise or Other Funds</u>
Enterprise Funds					
Airport					
Paint Exterior/Renovate Interior Former HNI Hangar	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Subtotal	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Transit					
Light Duty Buses (2)	\$ 212,200	\$ -	\$ -	\$ -	\$ 212,200
Bus Shelter Panel Replacements	5,000	-	-	-	5,000
Subtotal	\$ 217,200	\$ -	\$ -	\$ -	\$ 217,200
Parking					
Electronic Meters (10)	\$ 1,900	\$ -	\$ -	\$ -	\$ 1,900
Subtotal	\$ 1,900	\$ -	\$ -	\$ -	\$ 1,900
Golf					
Fairway Mower	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Subtotal	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Ambulance					
Type II Ambulance for Non-Emergency Transfers	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000
Power Loading System	26,000	-	-	-	26,000
Powered Stair Chair	7,300	-	-	-	7,300
Power Cot	21,000	-	-	-	21,000
Subtotal	\$ 139,300	\$ -	\$ -	\$ -	\$ 139,300
Refuse Collection					
Rear-Load Commercial Refuse Truck	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Curbside Refuse Containers	7,100	-	-	-	7,100
Dumpsters (2 Yard, 3 Yard, and 4 Yard)	9,800	-	-	-	9,800
Subtotal	\$ 156,900	\$ -	\$ -	\$ -	\$ 156,900
Landfill					
Potential Ground Water Remediation Projects	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Leachate Recirculation System	50,000	-	-	-	50,000
Subtotal	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Transfer Station					
Transfer Trailer	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000
Subtotal	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000
Water Pollution Control Plant					
Final Clarifier Launder Cover	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
Recirculation Pump	8,000	-	-	-	8,000
Roughing Filter Top Layer Replacement	113,000	-	-	-	113,000
Final Clarifier Sidewalk	5,500	-	-	-	5,500
Papoose Pump #1 Replacement	30,000	-	-	-	30,000
Papoose #3 Variable Frequency Drive (VFD)	70,000	-	-	-	70,000
Papoose #1 Variable Frequency Drive (VFD)	30,000	-	-	-	30,000
Engineering and Platform Safety Improvements for Papoose and Isett Lift Stations	20,000	-	-	-	20,000
Odor Control System	12,000	-	-	-	12,000
BOD Incubator	7,700	-	-	-	7,700
Titration	8,500	-	-	-	8,500
pH Meter	1,800	-	-	-	1,800
Computer	1,500	-	-	-	1,500
Portable Sampler	3,100	-	-	-	3,100

Fund/Department/Item	Budget	Funding Sources			
		General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
Dragline Hose 1 Section of 6" (660 Feet)	7,500	-	-	-	7,500
Supply Hose 2 Sections of 5" (660 Feet)	15,000	-	-	-	15,000
One-Ton Dump Truck with Lift Gate (Used)	35,000	-	-	-	35,000
Subtotal	\$ 423,600	\$ -	\$ -	\$ -	\$ 423,600
Collection and Drainage					
One-Ton Dump Truck with Lift Gate	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000
Sewer Maintenance Projects	50,000	-	-	-	50,000
Subtotal	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000
Subtotal - Enterprise Funds	\$ 1,498,900	\$ -	\$ -	\$ -	\$ 1,498,900
Other Funds - Special Revenue and Internal Services					
Public Housing Fund					
Clark House - Apartment Rehabilitation	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Clark House - Appliances	7,000	-	-	-	7,000
Clark House - Concrete Slab and Curb Replacement	13,300	-	-	-	13,300
Clark House - Entry System	11,600	-	-	-	11,600
Clark House - Computer	1,700	-	-	-	1,700
Sunset - Apartment Rehabilitation	20,000	-	-	-	20,000
Sunset - Appliances	9,700	-	-	-	9,700
Section 8 - Computers	5,000	-	-	-	5,000
Subtotal	\$ 98,300	\$ -	\$ -	\$ -	\$ 98,300
Equipment Services Internal Services Fund					
Air Conditioning Recovery Fill Machine	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500
Subtotal	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500
Subtotal - Other Funds	\$ 104,800	\$ -	\$ -	\$ -	\$ 104,800
Total - All Operating Funds	\$ 2,782,000	\$ 533,500	\$ 214,000	\$ 430,800	\$ 1,603,700

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

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 & CRR (Railroad): \$2,318,000
Mississippi Drive Corridor Project (Construction)	'17	\$3,782,000	Transfer of Jurisdiction Proceeds, MPW & CRR (Railroad): \$2,318,000
Mississippi Drive Corridor Project (Planning & Engineering)	'16	\$496,000	Transfer of Jurisdiction Proceeds, MPW & CRR: \$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

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 Wiggins 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

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

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 2018/2019 and 2019/2020. The balance in this trust on June 30, 2020 is estimated at \$889,794.

Perpetual Care Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 871,832	\$ 875,853	\$ 880,853	\$ 879,794	\$ 884,794
Revenues					
Perpetual Care	<u>4,021</u>	<u>3,941</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Funds Available	\$ 875,853	\$ 879,794	\$ 885,853	\$ 884,794	\$ 889,794
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 875,853</u>	<u>\$ 879,794</u>	<u>\$ 885,853</u>	<u>\$ 884,794</u>	<u>\$ 889,794</u>
Increase (Decrease) in Fund Balance	\$ 4,021	\$ 3,941	\$ 5,000	\$ 5,000	\$ 5,000

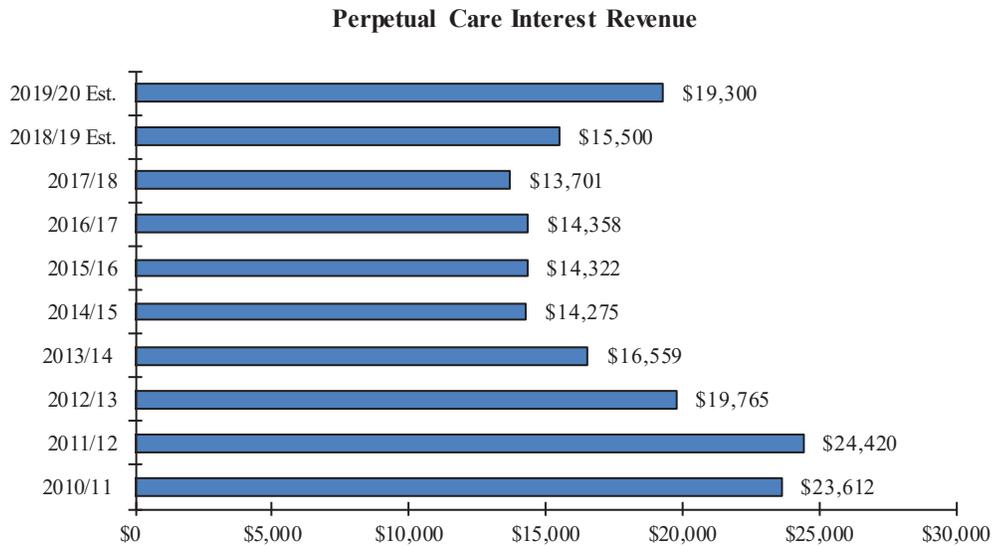
TRUST AND AGENCY FUNDS

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 2010/2011 through the budgeted amount for 2019/2020 is shown in the following graph.



Beginning in 1991/92 and continuing through 2019/2020 (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 \$5,410 in 2011/2012, \$15,279 in 2012/2013, \$30,038 in 2013/2014, \$44,327 in 2014/2015, \$8,885 in 2015/2016, \$43,334 in 2016/2017, and \$45,978 in 2017/2018. The revised estimate for 2018/2019 projects a General Fund subsidy of \$52,300 and \$50,900 is the estimated subsidy for 2019/2020. Staff will continue marketing efforts in 2019/2020 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	<u>14,357</u>	<u>13,701</u>	<u>14,500</u>	<u>15,500</u>	<u>19,300</u>
Funds Available	\$ 14,357	\$ 13,701	\$ 14,500	\$ 15,500	\$ 19,300
Expenditures					
Transfers Out Cemetery Operations	<u>14,357</u>	<u>13,701</u>	<u>14,500</u>	<u>15,500</u>	<u>19,300</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
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 \$1,000 in interest is expected to be earned on these funds in both 2018/2019 and 2019/2020. Trust expenditures are estimated at \$2,800 for both 2018/2019 and 2019/2020.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 55,008	\$ 52,474	\$ 50,474	\$ 52,134	\$ 50,334
Revenues					
Interest	806	746	800	1,000	1,000
Funds Available	\$ 55,814	\$ 53,220	\$ 51,274	\$ 53,134	\$ 51,334
Expenditures					
Florist Services	\$ 3,090	\$ 836	\$ 2,500	\$ 2,500	\$ 2,500
Transfers Out:					
Administrative Fees	250	250	300	300	300
Total Expenditures	\$ 3,340	\$ 1,086	\$ 2,800	\$ 2,800	\$ 2,800
Ending Balance, June 30	\$ 52,474	\$ 52,134	\$ 48,474	\$ 50,334	\$ 48,534
Increase (Decrease) in Fund Balance	\$ (2,534)	\$ (340)	\$ (2,000)	\$ (1,800)	\$ (1,800)

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.

CURRENT TRENDS AND ISSUES:

The 2018/2019 revised estimate expenditures total \$90,300. The expenditures include \$32,400 for the set up and first year program fees for the new LENA Start (Learning ENvironment Analysis) program. The LENA Start program strengthens early learning with parents and their young children throughout the community. The program takes a cost-effective and scalable approach by delivering LENA feedback and strategies to increase talk to groups of parents with their young children, particularly targeting high-need families. Program implementation is delivered through videos and scripted instruction and by continuous data feedback. The program was funded through a donation from the Community Foundation of Greater Muscatine for \$59,350 in 2018/2019. The remaining funds from the grant will be expended in 2019/2020 for the second year of this program. The 2018/2019 revised estimate expenditures also include \$35,000 for signage for the new Musser Public Library and HNI Community Center which will be funded from a grant from the Roy J. Carver Charitable Trust.

The budgeted expenditures for 2019/2020 total \$39,300 which includes \$26,900 for the second year of the LENA Start program. The estimated balance in this trust on June 30, 2020 is \$60,394.

Library Gift and Memorial Trust

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 146,632	\$ 140,900	\$ 9,200	\$ 35,694	\$ 73,194
Revenues					
Donations	\$ 29,170	\$ 14,140	\$ 8,000	\$ 3,000	\$ 3,000
State Grant	24,575	30,370	20,000	27,000	20,000
Miscellaneous Sales	5,770	4,699	3,000	3,000	3,000
Interest	510	1,369	500	500	500
Roy J. Carver Trust Grant - Signs	0	0	0	35,000	0
Community Foundation Grant - LENA Program	0	0	0	59,300	0
	<u>\$ 60,025</u>	<u>\$ 50,578</u>	<u>\$ 31,500</u>	<u>\$ 127,800</u>	<u>\$ 26,500</u>
Total Revenues					
Funds Available	<u>\$ 206,657</u>	<u>\$ 191,478</u>	<u>\$ 40,700</u>	<u>\$ 163,494</u>	<u>\$ 99,694</u>
Expenditures					
Library Materials	\$ 1,688	\$ 3,382	\$ 5,000	\$ 5,200	\$ 3,000
Contractual Services	63,838	72,217	6,400	11,500	6,400
Capital Outlay	231	55,783	20,000	41,200	3,000
LENA Program	0	0	0	32,400	26,900
Transfers Out:					
New Library Renovation Project	0	24,402	0	0	0
	<u>\$ 65,757</u>	<u>\$ 155,784</u>	<u>\$ 31,400</u>	<u>\$ 90,300</u>	<u>\$ 39,300</u>
Total Expenditures					
Ending Balance, June 30	<u>\$ 140,900</u>	<u>\$ 35,694</u>	<u>\$ 9,300</u>	<u>\$ 73,194</u>	<u>\$ 60,394</u>
Increase (Decrease) in Fund Balance	\$ (5,732)	\$ (105,206)	\$ 100	\$ 37,500	\$ (12,800)

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. No funds are budgeted to be expended from this trust in 2018/2019 or 2019/2020.

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 2018/2019 or 2019/2020.

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 2018/2019 a total of \$57,200 in donations and grants are budgeted to be received and \$91,800 is budgeted to be expended. The projected balance in this trust is \$28,353 at the end of 2018/2019. Grants and donations budgeted to be received in 2019/2020 total \$10,300 and \$10,200 is budgeted to be expended. The projected balance in this trust at the end of 2019/2020 is \$28,453.

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 2018/2019 or 2019/2020. The projected balance in this trust at the end of 2019/2020 is \$286,748.

McWhirter-Gilmore Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 105,795	\$ 100,070	\$ 100,970	\$ 101,344	\$ 102,444
Revenues					
Interest	<u>875</u>	<u>1,274</u>	<u>900</u>	<u>1,100</u>	<u>1,100</u>
Funds Available	\$ 106,670	\$ 101,344	\$ 101,870	\$ 102,444	\$ 103,544
Expenditures					
Contractual Services	\$ 2,600	\$ 0	\$ 0	\$ 0	\$ 0
Capital Outlay	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>6,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 100,070</u></u>	<u><u>\$ 101,344</u></u>	<u><u>\$ 101,870</u></u>	<u><u>\$ 102,444</u></u>	<u><u>\$ 103,544</u></u>
Increase (Decrease) in Fund Balance	\$ (5,725)	\$ 1,274	\$ 900	\$ 1,100	\$ 1,100

Alice Schaeffer Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 44,264	\$ 44,624	\$ 45,024	\$ 45,181	\$ 45,681
Revenues					
Interest	<u>360</u>	<u>557</u>	<u>400</u>	<u>500</u>	<u>500</u>
Funds Available	\$ 44,624	\$ 45,181	\$ 45,424	\$ 45,681	\$ 46,181
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 44,624</u>	<u>\$ 45,181</u>	<u>\$ 45,424</u>	<u>\$ 45,681</u>	<u>\$ 46,181</u>
Increase (Decrease) in Fund Balance	\$ 360	\$ 557	\$ 400	\$ 500	\$ 500

Art Center Donations Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 175,887	\$ 50,177	\$ 55,377	\$ 62,953	\$ 28,353
Revenues					
Donations	\$ 13,254	\$ 3,283	\$ 6,000	\$ 4,000	\$ 5,000
Special Project Donations	12,500	28,119	0	46,500	0
Interest	408	613	200	600	300
Art Center Grants	7,044	3,680	1,000	6,100	5,000
Other	0	0	100	0	0
Transfers In:					
CLP Grant Balance	2,183	0	0	0	0
Total Revenues	<u>\$ 35,389</u>	<u>\$ 35,695</u>	<u>\$ 7,300</u>	<u>\$ 57,200</u>	<u>\$ 10,300</u>
Funds Available	<u>\$ 211,276</u>	<u>\$ 85,872</u>	<u>\$ 62,677</u>	<u>\$ 120,153</u>	<u>\$ 38,653</u>
Expenditures					
Art Center Materials	\$ 1,062	\$ 375	\$ 2,000	\$ 600	\$ 200
Contractual Services	30,352	4,050	2,000	5,500	5,000
Carver Trust Grant Expenditures	0	0	0	47,700	0
Capital Outlay	129,685	18,494	5,200	38,000	5,000
Total Expenditures	<u>\$ 161,099</u>	<u>\$ 22,919</u>	<u>\$ 9,200</u>	<u>\$ 91,800</u>	<u>\$ 10,200</u>
Ending Balance, June 30	<u><u>\$ 50,177</u></u>	<u><u>\$ 62,953</u></u>	<u><u>\$ 53,477</u></u>	<u><u>\$ 28,353</u></u>	<u><u>\$ 28,453</u></u>
Increase (Decrease) in Fund Balance	\$ (125,710)	\$ 12,776	\$ (1,900)	\$ (34,600)	\$ 100

Brad Burns Trust

Fund Statement

	<u>Actual 2016/2017</u>	<u>Actual 2017/2018</u>	<u>Budget 2018/2019</u>	<u>Revised Estimate 2018/2019</u>	<u>Budget 2019/2020</u>
Beginning Balance, July 1	\$ 295,345	\$ 277,657	\$ 280,157	\$ 281,148	\$ 283,948
Revenues					
Interest	<u>2,312</u>	<u>3,491</u>	<u>2,500</u>	<u>2,800</u>	<u>2,800</u>
Funds Available	<u>\$ 297,657</u>	<u>\$ 281,148</u>	<u>\$ 282,657</u>	<u>\$ 283,948</u>	<u>\$ 286,748</u>
Expenditures					
Contractual Services	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 277,657</u></u>	<u><u>\$ 281,148</u></u>	<u><u>\$ 282,657</u></u>	<u><u>\$ 283,948</u></u>	<u><u>\$ 286,748</u></u>
Increase (Decrease) in Fund Balance	\$ (17,688)	\$ 3,491	\$ 2,500	\$ 2,800	\$ 2,800

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 \$69.00 per 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 increased to \$85.00 per hour in 2017/2018 and that rate was maintained for 2018/2019. The rate is budgeted to increase to \$88.00 per hour in 2019/2020.

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 2019/2020.

CURRENT TRENDS AND ISSUES:

The 2018/2019 revised estimate expenditures are \$12,600 more than the original budget. This overall increase is due to the net effect of (1) a \$5,300 increase in personal services due to retirement pay for one of the mechanics, (2) a \$1,000 decrease in commodities, (3) a \$200 decrease contractual services, and (4) an \$8,500 increase in capital outlay. The increase in capital outlay was for funds carried forward from the prior year for vehicle maintenance tracking software. Actual repair costs are billed out to each department on a monthly basis.

The 2019/2020 budget is \$1,800 (.1%) less than the original 2018/2019 budget. The budget includes an increase of \$4,500 in personal services costs, a \$1,000 decrease in commodities, a \$4,100 increase in contractual services, a \$9,900 decrease in capital outlay, and a \$500 increase in administrative fee transfers.

The capital outlay allocation of \$6,500 is for a new air conditioning recovery fill machine to be used on newer vehicle models.

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 resulted in the budgeted labor rate increase from \$74.00 per hour to \$85.00 per hour in 2017/2018 and the budgeted increase to \$88.00 per hour for 2019/2020. The Equipment Services operation is expected to have a balance (net of inventory) of \$70,021 on June 30, 2019 and the fund balance is projected at \$81,521 on June 30, 2020.

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 2015/2016	Actual 2016/2017	Actual 2017/2018	Estimated 2018/2019	Estimated 2019/2020
Autos, Pickups, Flatbeds Serviced	190	201	202	200	200
Trucks, Buses, Garbage Trucks Serviced	131	124	128	130	130
Heavy Equipment/Tractors Serviced	30	29	31	30	30
Gallons of Gasoline Dispensed	82,920	91,130	110,993	110,000	110,000
Gallons of Diesel Fuel Dispensed	70,155	68,674	60,400	60,000	60,000
Preventative Maintenance Work Orders	1,058	1,174	1,204	1,200	1,200
Emergency Maintenance Work Orders	769	741	722	720	720
Work Orders Completed	1,827	1,757	1,926	1,900	1,900
Total Miles Driven (all vehicles)	1,177,943	1,174,821	1,085,420	1,100,000	1,100,000

RECENT ACCOMPLISHMENTS:

This year the Equipment Service division had to do some repairs on the fuel island, some were planned repairs and other were not. The current year budget included \$12,500 to replace the aging card reader system for dispensing fuel. Bid requests were sent out, bids have been evaluated, and a purchase order was issued for a new system which is expected to be installed early in calendar year 2019.

Every year the City’s insurance carrier for underground fuel storage does an inspection on the fuel system. This year they found the overfill spill containment tanks cracked. The City was required to replace them immediately or face insurance cancellation. Requests for bids were sent out and a vendor was chosen to do the repairs which were completed in November of 2018. The Street division assisted in the removal of the old concrete and will pour the new concrete when weather permits.

The Equipment Service division has coordinated two Public Surplus auctions this past year and another auction is in progress. All of the surplus items from the old library were sold on one of the auctions, netting \$1,900 in revenue.

OBJECTIVES TO BE ACCOMPLISHED IN 2019/2020:

- To cross train an employee to perform administrative duties in the absence of the Vehicle Maintenance Supervisor.
- To continue to search out new technology and tools to make the shop more independent so staff can work on more things in-house instead of taking vehicles back to the dealers and other outside repair shops.
- To collect all of the vehicle information that has been recorded and enter this information into the new software system to accurately track the maintenance histories of vehicles.
- To work on a new vehicle replacement plan after the software has been installed. The new software will assist with vehicle depreciation and replacement schedules.

Equipment Services Operations

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance (Deficit), July 1	\$ (86,696)	\$ (60,351)	\$ (44,951)	\$ (22,670)	\$ (38,770)
Revenues					
Charges for Services -					
City Departments	\$ 1,044,651	\$ 1,101,997 (2)	\$ 1,280,900 (2)	\$ 1,280,900 (2)	\$ 1,294,100 (3)
Miscellaneous	4,481	3,577	500	500	500
Total Revenues	<u>\$ 1,049,132</u>	<u>\$ 1,105,574</u>	<u>\$ 1,281,400</u>	<u>\$ 1,281,400</u>	<u>\$ 1,294,600</u>
Funds Available	\$ 962,436	\$ 1,045,223	\$ 1,236,449	\$ 1,258,730	\$ 1,255,830
Expenditures (1)	<u>1,022,787</u>	<u>1,067,893</u>	<u>1,284,900</u>	<u>1,297,500</u>	<u>1,283,100</u>
Ending Balance (Deficit), June 30	\$ (60,351)	\$ (22,670)	\$ (48,451)	\$ (38,770)	\$ (27,270)
Allowance for Inventory	<u>105,552</u>	<u>108,791</u>	<u>105,552</u>	<u>108,791</u>	<u>108,791</u>
Net Balance, June 30	<u>\$ 45,201</u>	<u>\$ 86,121</u>	<u>\$ 57,101</u>	<u>\$ 70,021</u>	<u>\$ 81,521</u>
Increase (Decrease) in Net Balance	\$ 26,345 (2)	\$ 37,681 (2)	\$ (3,500)	\$ (16,100)	\$ 11,500

1. Expenditures include changes in compensated absences and other postemployment benefits.
2. Due to decreasing fund balances in this operation, the labor rate increased from \$74.00 to \$85.00 per hour for 2017/2018. The \$85.00 per hour rate was maintained for 2018/2019.
3. For 2019/2020, the labor rate is budgeted to increase to \$88.00 per hour.

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Percent Change
Expenditure Summary						
Personal Services	\$ 328,869	\$ 346,707	\$ 354,100	\$ 359,400	\$ 358,600	1.27%
Commodities	399,776	476,152	573,400	572,400	572,400	-0.17%
Contractual Services	264,229	243,908	322,700	322,500	326,800	1.27%
Capital Outlay	4,285	-	16,400	24,900	6,500	-60.37%
Transfers	17,300	17,800	18,300	18,300	18,800	2.73%
Total Expenditures	\$ 1,014,459	\$ 1,084,567	\$ 1,284,900	\$ 1,297,500	\$ 1,283,100	-0.14%
Funding Sources						
Charges for Services	\$ 1,044,651	\$ 1,101,997	\$ 1,280,900	\$ 1,280,900	\$ 1,294,100	1.03%
Other	4,481	3,577	500	500	500	0.00%
Total Funding Sources	\$ 1,049,132	\$ 1,105,574	\$ 1,281,400	\$ 1,281,400	\$ 1,294,600	1.03%

Personnel Schedule						
	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020	Budget Amount 2019/2020
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	\$ 233,700
Employee Benefits						124,900
Total Personal Services						\$ 358,600

Capital Outlay			
Item	Quantity	Replacement	Amount
Air Conditioning Recovery Fill Machine	1	No	\$ 6,500

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

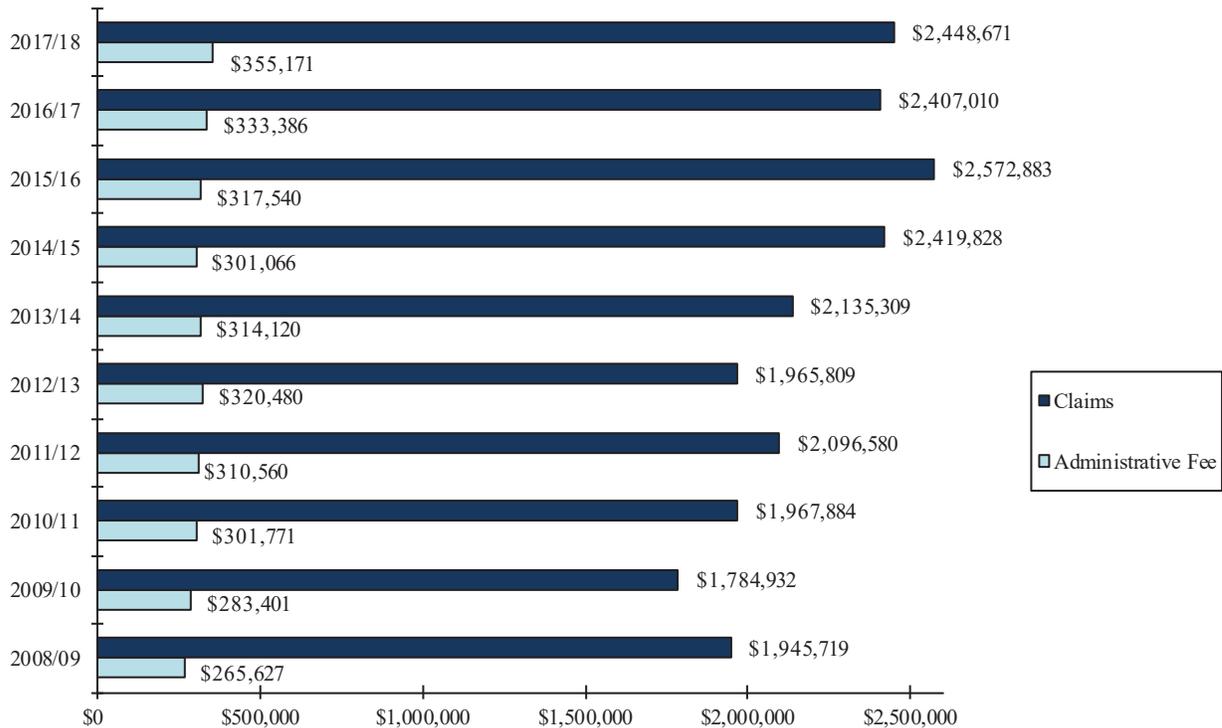
GENERAL INFORMATION:

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 2008/2009.

Health Insurance Claims and Administrative Fees

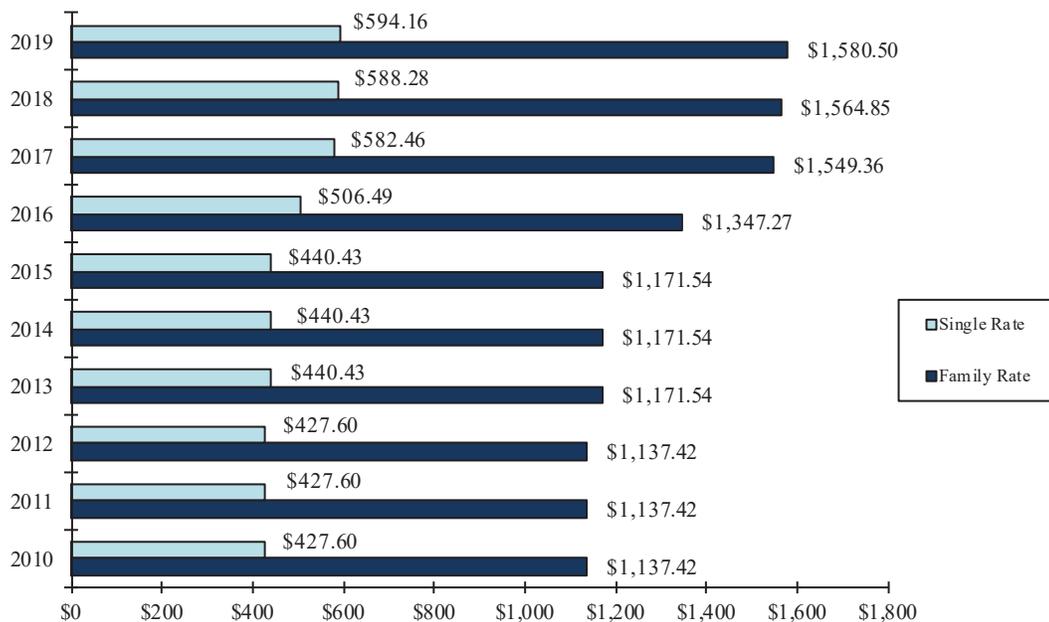


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the following table. For January 1, 2008 rates increased by 10.2% for both single and family coverage. Due to a leveling 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. With the leveling of claims in 2017, January 1, 2018 rates were increased by 1% for both single and family coverage. For January 1, 2019, rates were also increased by 1%.

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. The deductibles and out-of-pocket maximums were maintained in 2017, 2018, and 2019 for both single and family coverage. The rates for single and family coverage for the past ten years are 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. Effective 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, 2018, and 2019. The City’s health insurance rates for single and family coverage increased by 1% effective January 1, 2018, and increased by another 1% January 1, 2019. The annual aggregate maximum level has been established at \$3,673,494 for calendar year 2019 compared to \$3,642,750 for calendar year 2018. The annual aggregate

amounts reflect 125% of expected claims for 2018 and 2019 for the City's group. The premium rates for 2018 included an administrative fee of \$140.80 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 2019, the monthly administrative fee increased to \$152.71 per month.

The 2018/2019 revised estimate and 2019/2020 budget include \$5,000 and \$5,400, respectively, 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 2018/2019 revised estimate and 2019/2020 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 \$61,500 for the 2018/2019 revised estimate and \$62,600 for the 2019/2020 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 (\$1,337) in 2016/2017. The fee for 2017/2018 increased to \$2.26 per covered person and the cost was \$1,415. The fee for 2018/2019 increased to \$2.39 per covered person and is estimated at \$1,500. The fee will again increase in 2019/2020 to \$2.45 per covered person and is estimated at \$1,500. The final year for the PCORI fee will be 2019/2020.

The 2019/2020 budget includes estimated health insurance claims costs of \$3,074,000 which is \$135,229 higher than Wellmark Blue Cross/Blue Shield's projected claims of \$2,938,771 for the City's group for calendar year 2019. Based on this claims projection, the Health Insurance fund balance is estimated at \$1,886,769 at the end of 2019/2020. 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 \$3,673,494 for 2019. In the event the City's actual claims exceed the expected amount of \$2,938,771 for calendar year 2019, 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 2019, if claims would reach the 125% maximum level of \$3,673,494, the fund balance would decrease by \$669,752. This would be the "worst case" scenario. The projected fund balance of \$1,886,769 at the end of 2019/2020 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 increased further to 7% effective January 1, 2018 and increased again to 8% effective January 1, 2019. These increases will assist in funding future year health insurance costs.

Health Insurance Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 1,121,997	\$ 1,458,519	\$ 1,412,587	\$ 1,905,669	\$ 1,896,769
Revenues					
Interest	\$ 4,625	\$ 19,774	\$ 5,000	\$ 19,000	\$ 19,000
City Contributions	2,768,052	2,949,993	3,100,500	3,000,100	3,089,800
Employee Contributions	192,032	230,797	271,600	264,500	291,200
Retiree Contributions	157,526	159,836	165,800	171,100	167,100
Miscellaneous	766	702	0	1,800	0
Total Revenues	<u>\$ 3,123,001</u>	<u>\$ 3,361,102</u>	<u>\$ 3,542,900</u>	<u>\$ 3,456,500</u>	<u>\$ 3,567,100</u>
Funds Available	<u>\$ 4,244,998</u>	<u>\$ 4,819,621</u>	<u>\$ 4,955,487</u>	<u>\$ 5,362,169</u>	<u>\$ 5,463,869</u>
Expenditures					
Health Insurance Claims	\$ 2,407,010	\$ 2,488,671	\$ 3,080,000	\$ 3,000,000	\$ 3,074,000
Administrative Fees	333,386	355,171	381,000	385,100	421,300
Flexible Benefit Plan Fees	5,503	4,924	5,400	5,000	5,400
Audit Fees	1,075	1,075	1,100	1,100	1,100
State Assessment	4,826	4,132	6,000	6,000	6,000
Wellness Tracking Program	135	2,206	200	2,200	2,200
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,337	1,415	1,400	1,500	1,500
Transitional Reinsurance Fee	16,929	0	0	0	0
Transfers Out					
General Fund Wellness Program	53,278	53,358	61,500	61,500	62,600
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	<u>\$ 2,826,479</u>	<u>\$ 2,913,952</u>	<u>\$ 3,539,600</u>	<u>\$ 3,465,400</u>	<u>\$ 3,577,100</u>
Ending Balance, June 30	<u><u>\$ 1,418,519</u></u>	<u><u>\$ 1,905,669</u></u>	<u><u>\$ 1,415,887</u></u>	<u><u>\$ 1,896,769</u></u>	<u><u>\$ 1,886,769</u></u>

Increase (Decrease) in					
Fund Balance	\$ 296,522	\$ 447,150	\$ 3,300	\$ (8,900)	\$ (10,000)

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 increased in recent years due to claims being lower than the expected levels. Based on the budget projections for 2018/2019 and 2019/2020, minimal changes in the fund balance are expected. Actual fund balance changes, however, will depend on actual 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 2015 monthly dental insurance rates were \$30.85 for single coverage with an additional \$52.78 if the employee opted for family coverage. The monthly administrative fee was \$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. In 2018, the dental insurance rates increased to \$33.87 with an additional \$57.94 if the employee opted for family coverage. The monthly administrative fee increased to \$3.93 per contract. The maximum coverage was increased from \$1,000 to \$1,500 in 2018. These rates remained in effect for 2019.

For the 2019/2020 year, City, employee, retiree contributions, and interest are estimated at \$170,000. The administrative fee is projected to be \$10,700 and claims are estimated at \$160,000 for the year. An estimated fund balance of \$49,428 is projected for June 30, 2020.

Dental Insurance Fund

Fund Statement

	Actual 2016/2017	Actual 2017/2018	Budget 2018/2019	Revised Estimate 2018/2019	Budget 2019/2020
Beginning Balance, July 1	\$ 12,535	\$ 28,072	\$ 28,672	\$ 47,628	\$ 50,128
Revenues					
City Contributions	\$ 72,982	\$ 73,751	\$ 76,900	\$ 76,300	\$ 76,900
Employee Contributions	75,925	80,162	82,500	85,600	87,400
Retiree Contributions	6,710	5,866	6,500	5,400	5,200
Interest	107	511	100	400	500
Total Revenues	\$ 155,724	\$ 160,290	# \$ 166,000	\$ 167,700	\$ 170,000
Funds Available	\$ 168,259	\$ 188,362	# \$ 194,672	\$ 215,328	\$ 220,128
Expenditures					
Dental Insurance Claims	\$ 130,767	\$ 131,236	\$ 155,000	\$ 155,000	\$ 160,000
Administrative Fees	9,420	9,498	10,200	10,200	10,700
Total Expenditures	\$ 140,187	\$ 140,734	# \$ 165,200	# \$ 165,200	\$ 170,700
Ending Balance, June 30	\$ 28,072	\$ 47,628	# \$ 29,472	\$ 50,128	\$ 49,428
Increase (Decrease) in Fund Balance	\$ 15,537	\$ 19,556	\$ 800	\$ 2,500	\$ (700)

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); Kraft-Heinz, (formerly Heinz USA; food processing); HNI (HON Company/Industries, office furniture); Bayer U.S., formerly 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:

<u>Year</u>	<u>City of Muscatine</u>	<u>Muscatine County</u>
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:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees *</u>
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	187
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	956
Kraft-Heinz, U.S.A.	Food processing	374
Hy-Vee Food Stores	Grocery store	382
HNI Corporation (HON Company/Industries)	Office furniture and material	3,800
Bayer (formerly Monsanto Company)	Herbicides and ABS plastics	435
Muscatine Community School District	Education	839
Muscatine Community College	Higher education	149
County of Muscatine	County government	203
City of Muscatine	City government	225
Muscatine Power & Water	Utility	280
Musco Sports Lighting, Inc.	Sports lights	331
Stanley Consultants, Inc.	Engineers and architects	221
Raymond-Muscatine Inc.	Industrial trucks and end loaders	398
UnityPoint Health- Trinity Muscatine	Medical services	489
Wal-Mart Superstores	Discount and grocery store	320

* Employment numbers reflect 2018 levels.

Major Tax Payers:

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Grain Processing/Kent Feed	\$ 43,120,358	1	4.9%
HNI Corporation (HON Industries)	42,542,674	2	4.8%
Wal-View Development	29,192,409	3	3.3%
MLC Land Company LLC	17,183,925	4	1.9%
Menard Inc.	10,218,015	5	1.1%
Heinz, U.S.A.	9,798,579	6	1.1%
Wal-Mart Real Estate	9,386,208	7	1.1%
Sodarock Properties	9,121,948	8	1.0%
Bridgestone Bandag LLC	8,478,504	9	1.0%
Muscatine Downtown Investors	7,546,845	10	0.8%

(Continued)

(Continued)

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
GRIDCO LLC	\$ 6,799,937	11	0.8%
First National Bank of Muscatine	5,444,244	12	0.6%
W I D, Inc.	5,408,136	13	0.6%
Davenport Farm & Fleet Inc.	5,007,573	14	0.6%
Prime Mover Company	4,894,308	15	0.6%
LHV Muscatine LLC (Hy-Vee Inc.)	4,721,112	16	0.5%
Muscatine Plaza Properties	4,705,241	17	0.5%
SECO Investment Co.	4,695,219	18	0.5%
Central State Bank	4,608,538	19	0.5%
Muscatine Mall Management II	4,393,215	20	0.5%

*January 1, 2018 valuations for property taxes paid in fiscal year 2019/2020.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

<u>Facility Name</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Enrollment</u>
Muscatine High School	9-12	1974	1,428
Central Middle School	6-8	1938	608
West Middle School	6-8	1960	522
Colorado Elementary	K-5	1962	242
Franklin Elementary	K-5	1954	275
Grant Elementary	K-5	1954	279
Jefferson Elementary	K-5	2016	446
Madison Elementary	K-5	1954	219
McKinley Elementary	K-5	1960	412
Mulberry Elementary	K-5	1962	<u>247</u>
Total			<u>4,678</u>

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.

Building Permits

Building permits issued in the City for the last 5 calendar years are as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Single Family Homes</u>					
Number of New Homes:	7	14	5	9	3
Valuation:	\$1,030,200	\$2,517,358	\$1,155,280	\$1,409,361	\$352,325
<u>Home Remodel & Improvements</u>					
Number of Permits Issued:	255	288	264	1,735 (1)	1,044
Valuation:	\$2,579,082	\$3,271,433	\$3,008,692	\$13,467,685	\$6,994,212
<u>Multiple-Family Dwelling</u>					
Number of New Buildings:	8	0	0	4	1
Valuation:	\$1,731,440	\$0	\$0	\$5,727,763	\$353,090
<u>Commercial/Industrial/Other</u>					
Number of New Buildings:	26	27	11	20	13
Valuation:	\$22,488,472	\$6,548,923	\$20,879,176	\$18,061,492	\$12,956,615
<u>Commercial/Industrial/Other</u>					
<u>Additions & Alterations</u>					
Number of Permits Issued:	55	38	20	321 (1)	220
Valuation:	\$4,912,011	\$6,104,135	\$6,494,417	\$35,399,502	\$14,520,256
Total Permits:	351	367	300	2,089	1,281
Total Valuations:	\$32,741,205	\$18,441,849	\$31,537,565	\$74,065,803	\$35,176,498

1. 2017 remodeling and improvement permits includes those for roof, siding, and other repairs due to the summer wind and hail storms.

Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

<u>Calendar Year</u>	<u>Muscatine County</u>	<u>State of Iowa</u>
2018	2.70%	2.50%
2017	3.30%	3.10%
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%

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:

<u>Year Ended 3/31</u>	<u>Retail Sales</u>	<u>Number of Permits</u>
2018	\$ 429,912,081	699
2017	421,069,443	706
2016	420,394,482	704
2015	401,787,000	701
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

Population by Age (2010 Census):

<i>Age Group</i>	<i>City of Muscatine</i>	<i>Muscatine County</i>	<i>State of Iowa</i>
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):

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
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%

Median and Mean Household Incomes (2010 Census):

Median	\$46,178
Mean	\$56,279

Race (2010 Census):

White	20,087
Black or African American	535
Asian	187
American Indian or Alaska Native	108
Native Hawaiian and Other Pacific Islander	4
Some Other Race	1,454
Two or More Race	<u>511</u>
	<u>22,886</u>

Hispanic or Latino and Race (2010 Census):

Hispanic or Latino (of any race)	3,794
Not Hispanic or Latino	<u>19,092</u>
	<u>22,886</u>

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	225
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:	
Number of acres	80
Library:	
Number of registered borrowers	21,288
Circulation	443,065
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:	
Buses	11
Fixed routes served	3
Shuttle vehicles operated	3
Municipal airport:	
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, Soccer Events, Ambulance, Convention and Visitors Bureau, 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 or 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