

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 fulltime supervisor and three fulltime mechanics. The hourly charge for labor including overhead costs was \$ \$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 increased to \$88.00 per hour in 2019/2020 and is proposed to increase to \$92.00 per hour in 2020/2021.

In addition to the labor rate charge there is a 3% surcharge on parts, outside services, oil, and tires. 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 2020/2021.

CURRENT TRENDS AND ISSUES:

The 2019/2020 revised estimate expenditures are \$16,400 more than the original budget. This overall increase is due to the net effect of (1) a \$700 decrease in personal services costs, (2) an \$8,700 increase in commodities, (3) a \$9,900 increase contractual services, and (4) a \$1,500 decrease in capital outlay. Actual repair costs are billed out to each department on a monthly basis.

The 2020/2021 budget is \$44,600 (3.5%) more than the original 2019/2020 budget. The budget includes an increase of \$11,500 in personal services costs, an \$8,500 increase in commodities, a \$10,000 increase in contractual services, a \$14,000 increase in capital outlay, and a \$600 increase in administrative transfers.

For the 2020/2021 budget, the Public Works department submitted a \$100,000 capital outlay request to replace the vehicle lift in the garage. Due to funding restrictions, the proposed budget includes a \$20,000 down payment on this equipment with the balance proposed to be funded with an internal loan to be repaid over the following four years. Alternately, the City could consider bonding for this equipment. This purchase is subject to further review prior to the department proceeding with bids on the project in 2020/2021.

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 had been decreasing in prior years resulting in the budgeted labor rate to increase from \$74.00 per hour to \$85.00 per hour in 2017/2018 and to \$88.00 per hour for 2019/2020. This rate is proposed to increase to \$92.00 per hour in 2020/2021 to fund the down payment on the vehicle lift requested to be purchased. The Equipment Services operation is expected to have a balance (before inventory) of \$28,308 on June 30, 2021.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Autos, Pickups, Flatbeds Serviced	201	202	181	195	195
Trucks, Buses, Garbage Trucks Serviced	124	128	114	122	122
Heavy Equipment/Tractors Serviced	29	31	25	29	29
Gallons of Gasoline Dispensed	91,130	110,993	110,671	110,000	110,000
Gallons of Diesel Fuel Dispensed	68,674	60,400	59,668	60,000	60,000
Preventative Maintenance Work Orders	1,174	1,204	1,193	1,200	1,200
Emergency Maintenance Work Orders	741	722	749	730	730
Work Orders Completed	1,757	1,926	1,942	1,950	1,950
Total Miles Driven (all vehicles)	1,174,821	1,085,420	966,504	1,000,000	1,000,000

RECENT ACCOMPLISHMENTS:

The Equipment Services staff started using the new PubWorks software system in April of 2019 for vehicle repair work orders, monthly billings to departments, and inventory control. There were issues identified during implementation of this system and staff worked with the software company to resolve those issues.

Staff also successfully started using a new fuel dispensing system, Fuelmaster. The system is used for tracking fuel usage, monthly billings, inventory, and service work notifications.

One Public Surplus auction was held in the summer of 2019 to dispose of surplus items for all departments. The plan is to hold one auction each year and special auctions as needed. Departments have cleaned up most of their surplus items and are now selling items only as they are being replaced.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To train mechanics on the PubWorks software.
- To implement a bar code scanning system for all of the parts and supplies that are in inventory. Mechanics would then be able to scan parts and supplies used on work orders directly into the work order, and not need to write anything down. This system will also maintain a more accurate inventory.
- To continue to look for ways to make the shop viable for the future by looking for new tools and technology to help in the everyday work routine.
- To complete a study on how many technicians are required to maintain the City's fleet using a formula based on Vehicle Equivalency Units. This formula will calculate the number of employees needed to maintain the fleet based on the different types and quantities of City vehicles.

Equipment Services Operations

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Department Revised Estimate 2019/2020	Revised Estimate 2019/2020	Department Budget Request 2020/2021	City Admin. Recommendation Budget 2020/2021	Budget 2020/2021
Beginning Balance (Deficit), July 1	\$ (60,351)	\$ (22,670)	\$ (38,770)	\$ 9,708	\$ 9,708	\$ 24,308	\$ 24,308	
Revenues								
Charges for Services - City Departments	\$ 1,101,997	(2) \$ 1,225,707	(2) \$ 1,294,100	(3) \$ 1,338,600	(3) \$ 1,313,600	(3) \$ 1,328,600	\$ 1,331,200	(4)
Miscellaneous	3,577	213	500	500	500	500	500	
Total Revenues	\$ 1,105,574	\$ 1,225,920	\$ 1,294,600	\$ 1,339,100	\$ 1,314,100	\$ 1,329,100	\$ 1,331,700	\$ 0
Funds Available	\$ 1,045,223	\$ 1,203,250	\$ 1,255,830	\$ 1,348,808	\$ 1,323,808	\$ 1,353,408	\$ 1,356,008	\$ -
Expenditures (1)	1,067,893	1,193,542	1,283,100	1,324,500	1,299,500	1,422,700	1,327,700	
Ending Balance (Deficit), June 30	\$ (22,670)	\$ 9,708	\$ (27,270)	\$ 24,308	\$ 24,308	\$ (69,292)	\$ 28,308	\$ 0
Allowance for Inventory	108,791	104,896	108,791	104,896	104,896	104,896	104,896	
Net Balance, June 30	\$ 86,121	\$ 114,604	\$ 81,521	\$ 129,204	\$ 129,204	\$ 35,604	\$ 133,204	\$ 0

Increase (Decrease) in Net Balance	\$ 37,681	(2) \$ 32,378	(2) \$ 11,500	\$ 14,600	\$ 14,600	\$ (93,600)	\$ 4,000	\$ -
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Note Decrease
with Capital Outlay
Requested
and Current
Labor Rate

With \$20,000
Downpayment on
Vehicle Lift and
Labor Rate
Increase to \$92/hr

- Expenditures include changes in compensated absences and other postemployment benefits.
- 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.
- For 2019/2020, the labor rate was increased to \$88.00 per hour.
- The labor rate for 2020/2021 is proposed to increase to \$92.00 per hour.

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 346,707	\$ 361,717	\$ 358,600	\$ 357,900	\$ 370,100	3.21%
Commodities	476,152	522,242	572,400	581,100	580,900	1.48%
Contractual Services	243,908	274,790	326,800	336,700	336,800	3.06%
Capital Outlay	-	24,551	6,500	5,000	20,500	215.38%
Transfers	17,800	18,300	18,800	18,800	19,400	3.19%
Total Expenditures	\$ 1,084,567	\$ 1,201,600	\$ 1,283,100	\$ 1,299,500	\$ 1,327,700	3.48%
Funding Sources						
Charges for Services	\$ 1,101,998	\$ 1,225,707	\$ 1,294,100	\$ 1,313,600	\$ 1,331,200	2.87%
Other	3,577	213	500	500	500	0.00%
Total Funding Sources	\$ 1,105,575	\$ 1,225,920	\$ 1,294,600	\$ 1,314,100	\$ 1,331,700	2.87%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
<i>Full Time:</i>						
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	\$ 239,900
Employee Benefits						130,200
Total Personal Services						\$ 370,100

Capital Outlay			
Item	Quantity	Replacement	Amount
Tool Cart for the Shop	1	No	\$ 500
Vehicle Lift (\$100,000 Total Cost; \$20,000 Downpayment with Balance from Internal Loan)	1	Yes	20,000
Total			\$ 20,500

CITY OF MUSCATINE
 DETAILED EXPENDITURE CLASSIFICATION
 FORM 2

FUNCTION: INTERNAL SERVICE										DEPARTMENT: PUBLIC WORKS										ACTIVITY: EQUIPMENT SERVICES									
ACCT NO.	ACCOUNT CLASSIFICATION	ACTUAL FISCAL YEAR		BUDGET FISCAL YEAR	FIRST 3 MOS FISCAL YEAR		LAST 9 MOS FISCAL YEAR		ESTIMATE FISCAL YEAR	CITY ADMIN ESTIMATE FISCAL YEAR		BUDGET REQUEST FISCAL YEAR		CITY ADMIN REVISION FISCAL YEAR		APPROVED BUDGET 2020/2021													
		2017/2018	2018/2019		2019/2020	2019/2020	2019/2020	2019/2020		2019/2020	2019/2020	2019/2020	2020/2021	2020/2021	2020/2021		2020/2021												
(A)	(B)	(C)	(D)	(E)	(F1)	(F2)	(F)	(G)	(H)	(I)	(J)																		
PERSONAL SERVICES																													
41XXX	REGULAR SALARIES & WAGES	\$220,501	\$222,360	\$233,700	\$56,378	\$177,269	\$233,647	\$233,600	\$239,900	\$239,900	\$239,900	\$0	\$0	\$0	\$0	\$0													
42XXX	PART TIME SALARIES & WAGES	0	310	0	0	0	0	0	0	0	0	0	0	0	0	0													
43XXX	OVERTIME SALARIES & WAGES	8,249	7,618	3,400	447	2,953	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400													
44XXX	OTHER SALARIES & WAGES	2,236	1,675	2,000	455	1,516	1,971	2,000	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100													
45XXX	PENSION & RETIREMENT	37,570	38,830	40,900	9,586	31,059	40,645	40,600	41,900	41,900	41,900	41,900	41,900	41,900	41,900	41,900													
46XXX	INSURANCE	78,151	90,924	78,600	21,027	57,242	78,269	78,300	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800													
	SUBTOTAL	\$346,707	\$361,717	\$358,600	\$87,893	\$270,039	\$357,932	\$357,900	\$370,100	\$370,100	\$370,100	\$370,100	\$370,100	\$370,100	\$370,100	\$370,100													
COMMODITIES																													
51XXX	OFFICE SUPPLIES	\$422	\$464	\$1,400	\$17	\$1,383	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400													
52XXX	OPERATING SUPPLIES	342,739	335,490	400,500	95,448	319,252	414,700	389,700	404,500	404,500	389,500	404,500	389,500	389,500	389,500	389,500													
53XXX	REPAIR & MAINTENANCE SUPPLIES	132,991	186,288	170,500	41,198	148,802	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000													
	SUBTOTAL	\$476,152	\$522,242	\$572,400	\$136,663	\$469,437	\$606,100	\$581,100	\$595,900	\$595,900	\$580,900	\$595,900	\$580,900	\$580,900	\$580,900	\$580,900													
CONTRACTUAL SERVICES																													
61XXX	PROFESSIONAL FEES	\$40	\$196	\$4,200	\$1,467	\$2,733	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200													
62XXX	TECHNICAL SERVICES	3,440	5,913	6,600	764	5,936	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700													
63XXX	RENTALS	340	397	300	0	300	300	300	300	300	300	300	300	300	300	300													
64XXX	TRAVEL AND EDUCATION	572	0	1,000	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000													
65XXX	COMMUNICATIONS & UTILITIES	215	335	1,000	126	774	900	900	900	900	900	900	900	900	900	900													
66XXX	INSURANCE	1,861	1,121	1,200	0	1,100	1,100	1,100	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200													
67XXX	REPAIR & MAINTENANCE SERVICES	237,245	266,633	312,200	65,539	256,661	322,200	322,200	322,200	322,200	322,200	322,200	322,200	322,200	322,200	322,200													
68XXX	AID TO AGENCIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
69XXX	MISCELLANEOUS	195	195	300	0	300	300	300	300	300	300	300	300	300	300	300													
	SUBTOTAL	\$243,908	\$274,790	\$326,800	\$67,896	\$268,804	\$336,700	\$336,700	\$336,800	\$336,800	\$336,800	\$336,800	\$336,800	\$336,800	\$336,800	\$336,800													
CAPITAL OUTLAY																													
71XXX	LAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0													
72XXX	BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
73XXX	IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
74XXX	EQUIPMENT	0	24,551	6,500	4,950	50	5,000	5,000	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500													
	SUBTOTAL	\$0	\$24,551	\$6,500	\$4,950	\$50	\$5,000	\$5,000	\$100,500	\$100,500	\$100,500	\$100,500	\$100,500	\$100,500	\$100,500	\$100,500													
9XXX	TRANSFERS	\$17,800	\$18,300	\$18,800	\$4,700	\$14,100	\$18,800	\$18,800	\$19,400	\$19,400	\$19,400	\$19,400	\$19,400	\$19,400	\$19,400	\$19,400													
	TOTAL EXPENDITURES	\$1,084,567	\$1,201,600	\$1,283,100	\$302,102	\$1,022,430	\$1,324,532	\$1,299,500	\$1,422,700	\$1,422,700	\$1,327,700	\$1,422,700	\$1,327,700	\$1,327,700	\$1,327,700	\$1,327,700													

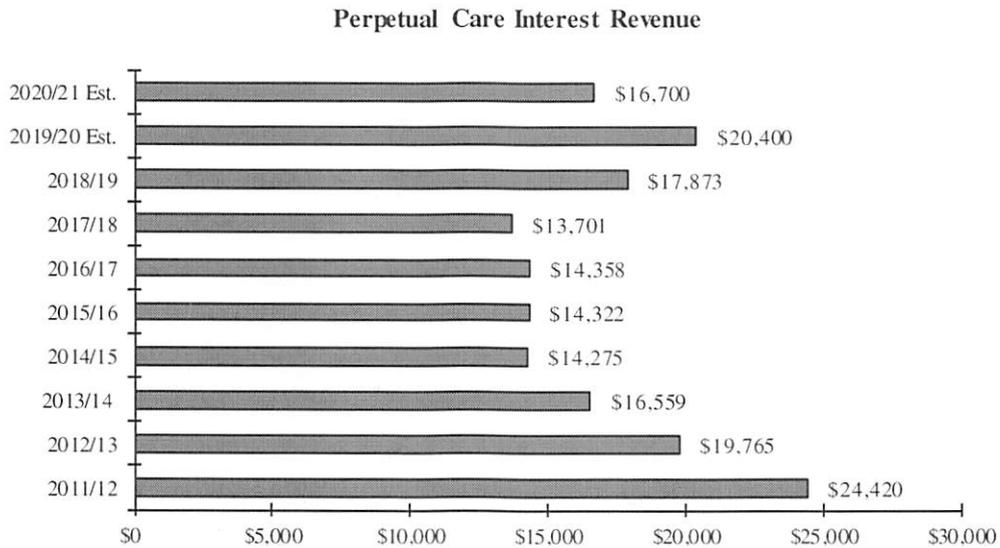
TRUST AND AGENCY FUNDS

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 2011/2012 through the budgeted amount for 2020/2021 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, \$45,978 in 2017/2018, and \$28,152 in 2018/2019. The revised estimate for 2019/2020 projects a General Fund subsidy of \$48,700 and \$56,200 is the estimated subsidy for 2020/2021. Staff will continue marketing efforts in 2020/2021 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Department Revised Estimate 2019/2020	Revised Estimate 2019/2020	Department Budget Request 2020/2021	City Admin. Recommendation Budget 2020/2021	Budget 2020/2021
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues								
Interest	13,701	17,873	19,300	20,400	20,400	16,700	16,700	0
Funds Available	\$ 13,701	\$ 17,873	\$ 19,300	\$ 20,400	\$ 20,400	\$ 16,700	\$ 16,700	\$ -
Expenditures								
Transfers Out								
Cemetery Operations	13,701	17,873	19,300	20,400	20,400	16,700	16,700	
Ending Balance, June 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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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 2019/2020 and 2020/2021. The balance in this trust on June 30, 2021 is estimated at \$897,310.

Perpetual Care Trust

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Department Revised Estimate 2019/2020	Revised Estimate 2019/2020	Department Budget Request 2020/2021	City Admin. Recommendation Budget 2020/2021	Budget 2020/2021
Beginning Balance, July 1	\$ 875,853	\$ 879,794	\$ 884,794	\$ 887,310	\$ 887,310	\$ 892,310	\$ 892,310	
Revenues								
Perpetual Care	3,941	7,516	5,000	5,000	5,000	5,000	5,000	
Funds Available	\$ 879,794	\$ 887,310	\$ 889,794	\$ 892,310	\$ 892,310	\$ 897,310	\$ 897,310	\$ 0
Expenditures	0	0	0	0	0	0	0	0
Ending Balance, June 30	\$ 879,794	\$ 887,310	\$ 889,794	\$ 892,310	\$ 892,310	\$ 897,310	\$ 897,310	\$ 0
Increase (Decrease) in Fund Balance	\$ 3,941	\$ 7,516	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 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 2019/2020 and 2020/2021. Trust expenditures are estimated at \$2,800 for both 2019/2020 and 2020/2021.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Department Revised Estimate 2019/2020	Revised Estimate 2019/2020	Department Budget Request 2020/2021	City Admin. Recommendation Budget 2020/2021	Budget 2020/2021
Beginning Balance, July 1	\$ 52,474	\$ 52,134	\$ 50,334	\$ 52,305	\$ 52,305	\$ 50,505	\$ 50,505	
Revenues								
Interest	746	1,246	1,000	1,000	1,000	1,000	1,000	
Funds Available	\$ 53,220	\$ 53,380	\$ 51,334	\$ 53,305	\$ 53,305	\$ 51,505	\$ 51,505	\$ 0
Expenditures								
Florist Services	\$ 836	\$ 775	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
Transfers Out:								
Administrative Fees	250	300	300	300	300	300	300	
Total Expenditures	\$ 1,086	\$ 1,075	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 0
Ending Balance, June 30	\$ 52,134	\$ 52,305	\$ 48,534	\$ 50,505	\$ 50,505	\$ 48,705	\$ 48,705	\$ 0
Increase (Decrease) in Fund Balance	\$ (340)	\$ 171	\$ (1,800)	\$ (1,800)	\$ (1,800)	\$ (1,800)	\$ (1,800)	\$ 0

1. Amounts shown are comprised of thirteen individual trusts associated with specific graves or mausoleums at Greenwood Cemetery.