

*City of Muscatine,
Iowa*



*Annual Budget
Fiscal Year 2020/2021*

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

**FOR THE FISCAL YEAR
JULY 1, 2020 - JUNE 30, 2021**

CITY OFFICIALS

**Diana Broderson
Mayor**

City Council

Dennis Froelich	Osmond Malcolm
Peggy Gordon	Nadine Brockert
John Jindrich	Kelcey Brackett
DeWayne Hopkins	

BUDGET PREPARED BY:

**Greg Jenkins, Interim City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor**

COVER:

Full double rainbow Downtown Muscatine, May 2020

Photo by Dr. Brad Bark



Budget Preface

Budget Revisions Subsequent to the Adoption of the Budget

The City Council adopted the budget for the City of Muscatine on April 16, 2020. After the adoption of the budget, the COVID-19 pandemic resulted in projected City revenue reductions due to the economic impacts from the temporary closure of businesses, reductions in travel, and reductions in fees for City services.

Prior to publication of the budget, the City Council met several times to review and discuss the projected impacts to City revenues in both the revised 2019/2020 budget and the upcoming 2020/2021 budget, as well as budget revisions to address the revenue shortfalls. At their June 18, 2020 meeting, the City Council formally approved the following six budget revisions, which are not expected to have an immediate impact on essential services provided to the residents of the community.

1. The \$1 million allocation for the FY 2020/2021 Pavement Management program and the \$100,000 allocation for the New Sidewalk program, be deferred due to the projected reductions in Road Use Tax and Local Option Sales Tax revenues until such time as funds are determined to be available for all or a portion of these projects.
2. Hiring of the three new firefighter positions and the new Human Resources Generalist position, all added in the FY 2020/2021 budget, be deferred until funding is determined to be available.
3. The \$50,000 assigned funding allocation for merit pay for fulltime non-union employees be deferred until funding is determined to be available.
4. Various department budgeted expenditures be reduced as previously identified which includes, but is not limited to Aquatic Center expenditures due to that facility not opening in 2020.
5. All permanent fulltime and permanent part-time positions that become vacant be reviewed by the City Administrator before being authorized to be re-filled.
6. All budgeted capital outlay items be reviewed by the City Administrator before purchasing (any over \$5,000 will also require City Council approval).

Also at that meeting, it was noted that there is still uncertainty in the duration and extent of the revenue impacts to the City and the City Council may in the future determine that additional budget revisions may be necessary.

City of Muscatine

Mayor and City Council



Left to Right:

**Councilmembers DeWayne Hopkins, Dennis Froelich, Osmond Malcolm,
and Peggy Gordon, Mayor Diana Broderon, Councilmembers
Nadine Brockert, John Jindrich, and Kelcey Brackett**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Muscatine

Iowa

For the Fiscal Year Beginning

July 1, 2019

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, 2019. This was the 35th 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

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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.

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INTRODUCTORY SECTION



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City Administrator
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TO: Mayor Diana Broderson and Members of City Council

SUBJECT: Budget Message - FY 2020/2021

DATE: April 16, 2020

The budget for fiscal year 2020/2021 is hereby presented as adopted by City Council subsequent to the informational review process and required public hearings. 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 35th consecutive Distinguished Budget Presentation Award for the fiscal year 2019/2020 City Budget. The budget for fiscal year 2020/2021 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2020/2021 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 25, 2019 to discuss and establish goals and objectives for 2020/2021. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2020 and future years as adopted and prioritized by City Council are as follows:

Core Values

- Integrity
- Respect
- Innovation
- Excellence
- Professionalism
- Customer Service
- Fiscal Responsibility

**"I remember Muscatine for its sunsets. I have never seen any
on either side of the ocean that equaled them" — Mark Twain**

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 2020/2021 AND FUTURE YEARS</i></p>
--

Ongoing Opportunities

- Develop and implement strategies to grow Muscatine’s population by attracting employees that work in Muscatine to choose to live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Provide programs, services, and projects that support and improve the quality of life for current and future Muscatine residents, and enhance the experience for visitors to Muscatine.
- Ensure that the City has the necessary staff and funding levels to sustain and improve core services while also improving quality of life.
- Promote positive community engagement, positive civil discourse, and community pride.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, work to retain Tax Increment Financing (TIF) as a municipal economic development tool, and continually work towards maintaining or increasing the City’s General Fund balance.

Council and Management Agenda 2020-21

Community and Economic Development

- Promote and market economic development programs.
 - Monitor the City’s Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
 - Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Determine disposition of the “old” library.
- Adopt and implement policies or guidelines on public art and communications on city-owned land and rights-of-way (Public Art Advisory Commission).
- Develop a vision for community gateways.
 - Park Avenue - Bypass to Colorado
 - Grandview Avenue - Dick Drake Way to Houser
 - Highway 22 (East and West)

Housing

- Promote quality housing through the adoption of a revised rental housing code.
- Create a list of vacant properties and identify opportunities and funding for re-use or demolition.
- Identify partnerships to address infill opportunities identified in the Housing Demand Study.
- Review potential for low income assistance for property maintenance (i.e. CDBG).

Programs and Services

- Continue to review and assess Information Technology (IT) security needs.
- Maintain and adapt programs, activities, and facilities to serve all segments of the community (LENA, Sunset Park After-School, Housing Self-Sufficiency Program, Juvenile Diversion Program, free recreation special events, free Art Center programming, etc.).
- Implement sidewalk inspection program targeting safe routes to schools.
- Evaluate and implement replacing Spring Cleanup Week with regularly scheduled bulk pick up days.
- Develop Organics Recovery (food waste) Program (2021).

Marketing, Communication, and Engagement

- Participate with the Convention & Visitors Bureau (CVB) and Greater Muscatine Chamber of Commerce and Industry (GMCCI) to develop and implement a marketing plan.
- Continue to explore technology based opportunities to improve communications between the City and Muscatine residents.
- Implement and promote the use of calendar year metrics in OpenGov.
- Create social media campaign to promote #hometownmuscatine and/or additional hashtags.
- Encourage citizen participation in Muscatine's future, whether in local government or with any of the other numerous opportunities available.

Continuous Service Improvement (Processes, Technology and Efficiency)

- Pursue organizational effectiveness, efficiency, cooperation, transparency, and customer service.
- Bring technology to the field (drive efficiency).
- Support Continuous Service Improvement (i.e., LEAN initiatives).

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.
- 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

- 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.
- Create master plan for the former Iowa Department of Transportation (IDOT) maintenance facility for public safety and public works needs.
- Create a storm water management plan for the former IDOT maintenance facility area.
- Implement the Capital Improvements Plan (CIP) with a focus on existing infrastructure.

- Explore, develop, and implement placemaking strategies with a focus on projects to enhance the Muscatine experience for residents and visitors, and attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, and appropriate trees).
- Grandview Avenue (2020-21).
- Park Avenue from Highway 92 bridge to Colorado Street (2020).
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020.
- Prioritize and identify partners and funding sources for implementation of Riverfront Master Plan.
- WRRF (Water Resource and Recovery Facility) 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.
- Negotiate with multiple partners to determine feasibility of a demountable flood wall on the riverfront.
- Mandated redundant force main from Musser Park to WRRF (must be completed by 2026).
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts, banquet activities, and other programming.
- City Hall HVAC and building envelop plan.

KEY BUDGET ISSUES

In developing the fiscal year 2020/2021 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 their 2019 session, the State legislature approved a property tax bill affecting local governments beginning with the fiscal year 2020/2021 budget. 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 requires all cities to hold two public hearings each year with the first being on the maximum property tax dollars for certain levies and the other for the final property tax levy and adoption of the budget. The City held those hearings on March 5 and April 16, 2020 and the budget was adopted on April 16. The original budget filing deadline of March 31, 2020 was extended by the State to April 30 due to the COVID-19 pandemic which restricted access to public buildings for public hearings. For the final public hearing, residents were able to call in to the meeting and speak if they had comments or concerns on the budget.

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 2020/2021 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 55.0743%, 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 75.00% in 2019/2020, and it will decrease to 71.25% in 2020/2021. 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 has impacted the City’s taxable property valuations since fiscal year 2014/2015 and will continue to impact taxable valuations in future years.

The 2020 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 \$.27 per \$1,000 which is the maximum rate for the Emergency Levy. This \$.27 per \$1,000 of valuation Emergency tax levy would have generated \$241,992 in 2020/2021 if it would have been levied. In the event the State prohibits the use of ATE cameras, 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 2020/2021 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 2020/2021 budget. The total property tax rate for the 2020/2021 budget is \$15.67209 per \$1,000 of taxable valuation, which is the same total rate as the eight previous years. While the transit and employee benefits levies increased for the upcoming year, the City was able to reduce the tort liability and debt service levies in an amount which offset the transit and employee benefits levy increases.

While the tax rate will not change for 2020/2021, rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a 3.23%

decrease in city property taxes since the rollback factor applied to residential property decreased from 56.9180% to 55.0743% (by 3.23%) for the upcoming year. The average residential property in the City of Muscatine has an assessed value of \$105,235. The owner of the average residential property will see a decrease of \$31.00 in their city property taxes for 2020/2021. With the rollback decreasing from 75.00% to 71.25% for multi-residential properties, the owner of a multi-residential property with a value of \$100,000 will see a decrease of \$58.00 in their city property taxes. The 90% rollback for commercial and industrial properties will continue in 2020/2021. 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 a decrease of \$31.00 in their City property taxes in 2020/2021 due to the residential rollback increase. The 2020/2021 budget maintains the utility franchise fee at 5%, which is the same rate as the 2019/2020 fiscal year. For a home owner with the average annual gas costs of \$783, the utility franchise fee would remain at \$39.15 which calculates to \$3.26 per month for the average home owner with an average gas usage.

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 24.41% in 2019/2020, and will be 25.31% for 2020/2021. Annual pension contributions for the fiscal years from 2013/2014 through 2018/2019 were \$1,327,925, \$1,374,746, \$1,301,930, \$1,314,218, \$1,338,422, and \$1,395,138, respectively. The estimated contributions for 2019/2020 and 2020/2021 are \$1,354,347 and \$1,466,632. 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 \$1,466,632 for 2020/2021 with the 25.31% contribution rate. This is an \$812,598 increase and an increase of 124.2% over this 12-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.

Significant Changes Implemented

A number of changes were implemented over the past several years which placed the City in a better financial position for 2020/2021 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 has not been levied since that year.

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 were \$286,939 due to the five plus month period in which no notifications of violations were sent. The 2019/2020 revised estimate and 2020/2021 budget both include \$500,000 in estimated ATE revenues.

The 2019/2020 budget included an increase in the Utility Franchise Fee from the previous 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. The additional 3% on the franchise fee was 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 included 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 was 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.

For the 2020/2021 budget, the Utility Franchise Fee is budgeted to continue at 5%. This allowed for the property tax rate to remain unchanged and allowed for the addition of three new firefighter positions in 2020/2021.

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 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.

Departments will continue to look for efficiencies and cost savings in their operations in 2020/2021 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 2020/2021 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 \$77,803,787 in 2020/2021 for all of the TIF areas. This value would generate \$630,211 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 \$1,219,348 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that \$77.8 million was allocated toward regular valuations for all taxing entities, the county would generate over \$724,000 in taxes and the school over \$1,076,000 (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 2020/2021 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 2020/2021 the City is claiming \$2,573,000 in incremental taxes and approximately \$796,500 of incremental taxes were not claimed by the city for 2020/2021. 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 2020/2021 the City is claiming \$77,803,787 of incremental valuation which is 76.4% of the total increment of approximately \$101,837,400 in all active TIF districts. The amount the City did not claim of \$24,033,600 (23.6%) has gone back to regular taxable valuations for each taxing entity. The increment claimed includes approximately 50% of the increment for the Wal-View Project #1 which was added to the increment beginning in the 2015/2016 budget, approximately 70% 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 2020/2021 is \$9,912,498 (at 50%), the increment for Wal-View #2 is \$6,622,617 (at 70%), and the increment for the Riverview Hotel Development is \$20,084,900 (at 100%). The increment claimed for these three recent significant projects totals \$36,620,015, which is 47.1% of the total increment claimed.

For the 2011/2012 through 2020/2021 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, \$164,200 for 2019/2020, and \$159,000 for 2020/2021, 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 2020/2021, 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 2020/2021 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 and Transfer Station 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. Negotiations are in progress to extend these agreements for an additional five years.

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 increased to \$1,305,972 at the end of the 2018/2019 fiscal year, and is estimated to increase to \$1,397,372 at the end of 2019/2020 and to \$1,501,572 at the end of 2020/2021. With the cell completed in 2017/2018, the Landfill is in a good position with sufficient waste capacity for the next 6 to 7 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. While a deficit fund balance of \$25,968 was projected for June 30, 2019, the actual deficit was \$3,826.

The 2019/2020 budget included 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 projected to have a positive fund balance of \$77,674 at the end of 2019/2020.

The 2020/2021 budget continues the allocation of the full rate waste fee of \$30 Landfill and \$30 Transfer Station and the Transfer Station fund is projected to have a \$282,637 balance on June 30, 2021.

Other Issues and Changes for 2020/2021

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 were 2.25%. Non-union employees received 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 in the pay schedule 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 unit 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 (2019/2020, 2020/2021, and 2021/2022) provide for 2.25%, 2.50%, and 2.75% increases.

In the late winter of 2020, the Fire bargaining unit agreed to a 4-year contract. For the first year of the contract (2020/2021), the pay scale structure was changed to reduce the number of years it would take to get to the top step in the pay schedule from 18 years to 10 years. This was in part to address the turnover in recent years. For the 2nd year of the contract (2021/2022) there is a 2.75% increase to each step. For the 3rd year of the contract the pay scale was again changed to reduce the number of years to get to the top step from 10 to 9 years and there were varying levels of increases to each step. For the 4th year there are again varying increases to each step of the pay schedule.

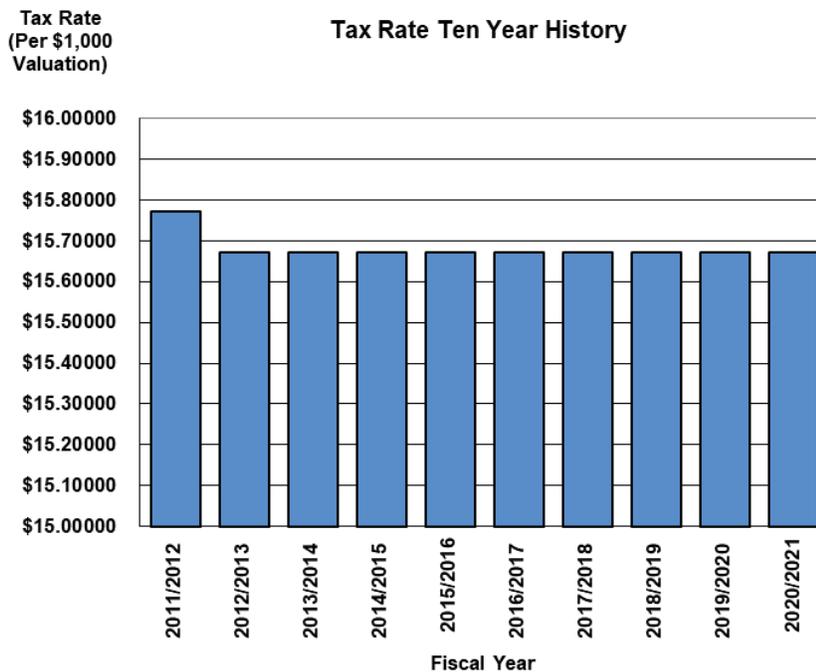
Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel (typically), utilities, asphalt, other materials, and construction costs all affect the City. With the increased cost of providing basic services, there continues to 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 1.17% between December 2018 and December 2019. Over the past 10 years the MCI increased a total of 23.36% or an average of 2.34% per year. The property tax rate for 2020/2021 is .63% lower than the rate 10 years ago and the 2020/2021 property tax revenues are 21.72% higher than 10 years ago (which is lower than the MCI 10 year increase of 23.36%).

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, 2019/2020, and 2020/2021 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 2020/2021, property taxes will represent 31.8% of total city operating revenues. This is a slight decrease from the 31.9% in fiscal year 2019/2020. The total tax levy rate for fiscal year 2020/2021 of \$15.67209 per \$1,000 of valuation is the same as the total tax rate for the last eight years. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2020/2021:



The tax rate for 2008/2009 was \$16.15095 per \$1,000 of valuation, it was lowered to \$15.55353 in 2009/2010, and it increased slightly to \$15.67209 for 2010/2011. As shown above, in 2011/2012 the rate was \$15.77146 and for the last nine years the rate has been maintained at \$15.67209, which is significantly lower than the \$16.19095 rate in fiscal year 2008/2009.

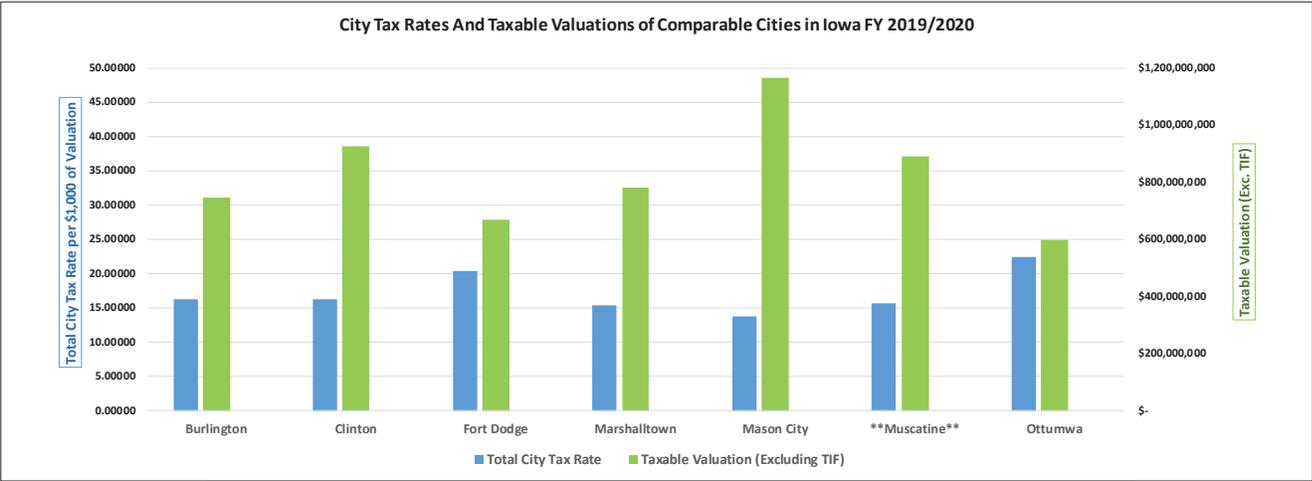
There are five categories that make up the 2020/2021 tax rate:

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 \$.11987, which is a 113.8% increase in the levy rate (\$.064/\$1,000 increase). This will provide the local match funding for capital purchases, primarily for buses, and will also reduce the use of the Transit fund balance during the year.
3. The Tort Liability levy will be \$.31608, which is a decrease of 1.5% in this levy (a \$.005/\$1,000 decrease). This is based on estimated insurance costs for the upcoming year.
4. The Special Revenue Employee Benefits Levy is budgeted to increase 4.2% to \$4.78659 (an increase of \$.192/\$1,000). This reflects funding 100% of General Fund employee benefits from this levy and the use of \$101,650 in beginning fund balance in this special revenue fund.
5. The Debt Service Levy will decrease by 9.6% to \$2.34955 (a decrease of \$.251/\$1,000). This decrease is due to decreasing debt service requirements on the City's current outstanding debt and the estimated debt service costs on the new May 2020 bond issue.
6. A levy for Levee Improvements has not been included in either the 2019/2020 or 2020/2021 budgets. In 2017/2018 this levy was set at the maximum rate allowed of \$.06750. There are currently no known Levee projects and the remaining balance of the 2017/2018 levy collections will provide funds for routine levee maintenance in both 2019/2020 and 2020/2021.

The City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2020/2021. 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 2020/2021. If the Emergency levy would be needed in future years, it would generate approximately \$242,000 at the maximum rate of \$.27 per \$1,000 based on the 2020/2021 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 (\$670,842).

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 2019/2020 fiscal year. The information is not yet available for other cities for 2020/2021. City tax levies for this group range from \$13.72143 per \$1,000 of valuation for Mason City to \$22.45648 for Ottumwa. The City of Muscatine's rate of \$15.67209 is the third lowest in this group. Taxable valuations range from \$597,685,496 for Ottumwa to \$1,166,343,311 for Mason City. The City of Muscatine's taxable valuation of \$890,138,612 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	\$ 16.31584	\$ 20.42025	\$ 15.38434	\$ 13.72143	\$ 15.67209	\$ 22.45648
Taxable Valuation (Exc. TIF)	\$ 746,533,335	\$ 924,241,290	\$ 669,225,756	\$ 782,981,497	\$ 1,166,343,311	\$ 890,138,612	\$ 597,685,496
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	\$ 13.72143	\$ 1,166,343,311
Marshalltown	\$ 15.38434	\$ 782,981,497
Muscatine	\$ 15.67209	\$ 890,138,612
Clinton	\$ 16.31584	\$ 924,241,290
Burlington	\$ 16.33632	\$ 746,533,335
Fort Dodge	\$ 20.42025	\$ 669,225,756
Ottumwa	\$ 22.45648	\$ 597,685,496

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, 2019/2020, and 2020/2021 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 2020/2021 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 2020/2021 taxable property valuations increased by a modest .86% 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 2020/2021. 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, to 75.00% in 2019/2020, to 71.25% in 2020/2021, and will continue to be rolled back over the next three years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2020/2021 is \$28,419,164, a 5.75% decrease from the previous year. Industrial property valuations increased by 2.86% for 2020/2021 and commercial values increased by 2.92%. Residential property taxable values decreased by .16%. Actual valuations for residential property increased by 3.57% and there was a 3.24% reduction in the residential rollback (from 56.9180% to 55.0743%). The other smaller categories of properties are railroads, which increased in valuation by 30.16%, and utilities, which decreased by 6.07%. Overall, these factors combined to result in the .86% overall increase in taxable valuations. It should be noted the taxable valuation increase of .86% this year is lower than the 10-year average increase of 1.85%.

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 2020/2021 the State reimbursement to the General Fund is estimated at \$346,719 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$5,131 for the Transit levy, \$13,530 for the Tort Liability levy, \$204,890 for the Employee Benefits levy, and \$100,572 for the Debt Service levy, total to an estimated total reimbursement of \$670,842 for 2020/2021. 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 2020/2021 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 \$3,013,100 in 2020/2021. 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 2020/2021 other State funding includes \$262,000 in Transit operating funding, \$300,000 in Iowa Reinvestment District funds, and an estimated \$37,800 in State matching funds for FEMA projects.

The fiscal year 2020/2021 budget includes an estimated \$9,357,070 in federal funding for both operating and capital project costs. This includes the following: \$1,884,370 in funding for the Section 8 Housing rental assistance program; \$479,000 for operating and capital funding for the city's Public Housing Program; \$18,000 for the Home Ownership Education Program; \$610,700 in federal funding for the Transit operation; \$3,350,000 for street improvements, an estimated \$284,000 for FEMA flood repair projects, \$2,600,400 for airport improvement projects, and \$130,600 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2020/2021 budgeted charges for services total \$16,226,300 and comprise 30.7% of total operating revenues of the city. Charges for services were 30.3% of the total operating revenues in the 2019/2020 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, and the golf course for fiscal year 2020/2021.

Sewer revenues including the separate collection and drainage charges are estimated at \$7,184,700 for 2020/2021. 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 \$170,000 for 2020/2021.

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 2020.

Golf course fees and sales are estimated at \$818,400 for 2020/2021. Golf fees were increased for the 2020 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 2020 season is the 14th 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 \$2,222,900 for 2020/2021 based on an estimated 42,000 tons of waste being processed at this facility. The current tipping fee is \$60.00 per ton and this rate will not change for the 2020/2021 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. At the time the budget is being published, the City is working with the industries to extend these contracts for an additional five years.

Budgeted landfill charges for services total \$1,217,100 for 2020/2021. The landfill rates are incorporated in the transfer station rates. Currently, \$30.00 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. The allocation of the full tipping fee rate between the Landfill and the Transfer Station has varied in recent years in order to provide 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. Negotiations are in progress for extending these contracts for an additional five years.

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 \$2,358,000 for 2020/2021. 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 were increased 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 \$3.75 rate went 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 \$1,832,600 for the 2020/2021 budget. This revenue estimate includes an estimated \$232,600 in revenues from GEMT (Ground Emergency Medical Transportation) funding. This funding is expected to increase reimbursements for Medicaid patients beginning in calendar year 2020. The fee for the basic ambulance service is currently \$607, the rate for ALS 1 calls is \$720, the rate for ALS 2 calls is \$1,043, and the rate for SCT (Skilled Care Transports) is \$1,232. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at \$154,600 for 2020/2021. 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 2020/2021.

PROGRAMS AND SERVICES

The 2020/2021 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 234.22 for 2020/2021. This is a net increase of 5.79 in full-time equivalent positions compared to the original budget of 228.43 for 2019/2020. Changes in authorized positions for 2020/2021 and the previous year are as follows:

2020/2021 (Including Changes in the 2019/2020 Revised Estimate)

- The 2020/2021 budget includes the addition of 3 firefighter positions. These positions are in addition to the 3 firefighter positions added January 1, 2020. These positions were added due to the continued high call volume for Ambulance services especially requests for inter-facility transfers (4.5 FTE increase from the 2019/2020 budget).
- The 2020/2021 budget includes a new Human Resources Generalist position (1.0 FTE increase).
- The Right-of-Way Inspector position budgeted as a part-time employee in 2019/2020 was increased to a fulltime employee for 2020/2021 with 75% of this position in the Engineering budget in the General Fund and 25% in the Collection and Drainage enterprise fund (.21 FTE increase in the Engineering budget and a .25 FTE increase of Collection and Drainage).
- A Library staff reorganization resulted in a .59 FTE increase in the 2020/2021 budget compared to the original budget for 2019/2020 (.59 FTE increase).
- Staff allocation changes in the Community Development department resulted in a .20 FTE increase.
- A reorganization in the Refuse Collection department added a .75 FTE Refuse Truck Driver for the new curbside bulky waste pickup program which replaced the annual Spring Cleanup Week. This increase was partially offset by a reduction in part-time hours for the Compost Site Attendant. These changes resulted in a .29 FTE increase.

- Staff allocation changes in the Housing budgets resulted in a 1.25 FTE reduction in staffing. A portion of this change is due to the Housing Administration being promoted to Community Development Director with that position now being partially allocated to the Community Development budget (1.25 FTE decrease).
- These changes resulted in a net increase of 5.79 in FTE positions.

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

- The 2019/2020 budget included the addition of 3 firefighter positions effective January 1, 2020. These positions were 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).

The projected level of expenditures for the General Fund of \$21,663,626 for 2020/2021 is 2.6% (\$548,866) above the 2019/2020 budget of \$21,114,760. The overall increase in expenditures consists of (1) an increase of \$551,400 (4.9%) in salaries and wages, (2) an increase of \$323,000 (6.6%) in employee benefit costs, (3) an increase of \$30,350 (3.0%) in commodity costs, (4) an increase of \$22,550 (.9%) in contractual services costs, (5) a decrease of \$427,600 (46.8%) in capital outlay costs, and (6) an increase of \$49,166 (10.0%) in transfers and assigned funding.

The 2020/2021 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 2020/2021 budget are (1) a \$73,700 increase in the Human Resources (HR) budget for a new HR Generalist position, and (2) a \$234,400 increase for three additional firefighter positions due to the increase in ambulance runs including inter-facility transfers. The 2020/2021 budget also continues the increased allocations for capital outlay and contracted staff augmentation services in the Information Technology (IT) budget to reduce the risks of another ransomware or other attack similar to the one that occurred in October of 2018. The utility franchise fee was increased from 2% to 5% for the prior year (2019/2020) budget and the 5% rate has been continued in the 2020/2021 budget. This has allowed for the addition of the four new positions noted above.

The 2020/2021 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 2020/2021. 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 2020/2021. Major Public Works projects scheduled for construction in 2020/2021 include the conversion of a portion of Park Avenue from a 4-lane to a 3-lane configuration; the start of construction on the Grandview Avenue phase 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 the contracted single sort curbside recycling program which began in April, 2011. The City has also transitioned to an automated refuse collection program for residential waste. This program included 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. Beginning in the spring of 2020, this division also eliminated the annual Spring Cleanup Week and replaced it with a year-round bulky waste pickup program on a call-in basis.

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 July 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 2020/2021 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 as they can. These agencies provide valuable services to the entire community. For 2020/2021 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 continue at their current \$43,000 funding level. The subsidy to the Muscatine Humane Society will increase from their current \$70,000 to \$75,000. The subsidy for Senior Resources will continue at their current \$25,000 funding level.

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, 2019/2020, and 2020/2021. The subsidy, however, will be reduced if any grant funding is secured for this program.

Operating expenditures budgeted for all city operations for 2020/2021 total \$48,155,033, which is an increase of \$752,537 (1.6%) from the fiscal year 2019/2020 level of \$47,402,496. Operating revenues for the city total \$52,841,372 compared to \$51,969,354 for 2019/2020, an increase of \$872,018 (1.7%). Capital project expenditures are estimated at \$18,335,100 for the 2019/2020 revised estimate and \$18,957,700 for the 2020/2021 budget.

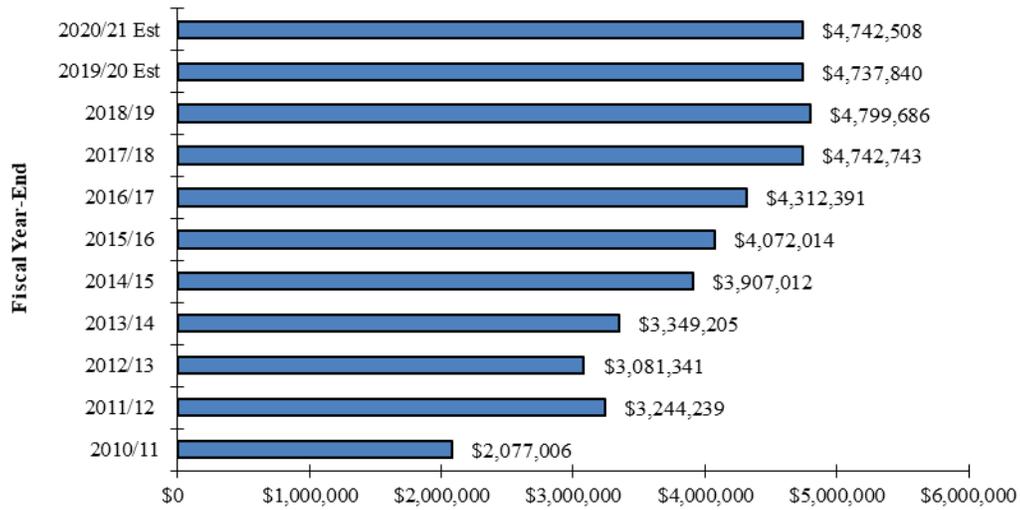
FUND BALANCE AND BUDGET POLICY ISSUES

The 2020/2021 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 2020/2021, 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, 25.00% at the end of 2017/2018, and 24.1% at the end of 2018/2019. 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 \$4,680,492 when the 2019/2020 budget was developed was 22.2% of budgeted General Fund expenditures which met the 16.7% minimum amount in the new policy. The 2019/2020 revised estimate ending fund balance of \$4,737,840 is 22.3% of expenditures. The increase in the revised estimate is primarily due to the beginning fund balance for the year being \$139,345 higher than the estimated beginning balance in the original budget.

The ending balance for 2020/2021 of \$4,742,508 is 21.9% of General Fund expenditures which again meets the minimum fund balance provision in the updated General Fund Balance Policy. There are no one-time uses of fund balance in excess of the minimum amount in the 2020/2021 budget. The 2020/2021 budget is “balanced” with budgeted revenues \$4,668 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 2020 for the city’s May 2020 general obligation bond issue was Aa2 under Moody’s rating scale. This was the same rating as assigned for the 2018, 2016, and 2014 bond issues.

As discussed during the budget review process, the 2020/2021 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 \$670,842 (with \$565,139 directly impacting the General Fund, \$5,131 the Transit system, and \$100,572 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 \$1,170,842 reduction in revenues to the City with \$1,065,049 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 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 July of 2019 the City Council approved the resolution to adopt the current Five Year Capital Improvement Plan for fiscal years 2019/2020 through 2023/2024. 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 2019/2020 revised estimate and 2020/2021 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 2019/2020 and those to be initiated in 2020/2021. 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 2020/2021 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.

Annual Pavement Management Program - 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 2020/2021, the Local Option Sales Tax funding for pavement management projects of \$587,200 will be supplemented with a \$.....412,800 allocation of Road Use Tax funds that total to a \$1 million 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.

Park Avenue Conversion of a Portion from 4-Lane to 3-Lane - 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 \$2.3 million. Muscatine Power & Water will fund an estimated \$285,500 of the project costs for utility work and the City's share is estimated at \$725,000. The May 2020 bond issue included \$425,000 of funding for this project and the balance of the local share, estimated at \$300,000, will be included in the spring 2022 bond issue. Engineering design is nearing completion in 2019/2020 and construction is scheduled to begin in the summer of 2020 and continue in 2021.

Mississippi Drive/Grandview Avenue Corridor Reconstruction Project - 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 through 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 has been completed. The Canadian Pacific 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.

Budgeted project costs in 2019/2020 for the Mississippi Drive Corridor project 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. After the budget was adopted, a decision was made to defer the start of construction on Grandview Avenue to fiscal year 2020/2021. The Grandview Avenue construction is expected to begin in 2021 and continue in 2022. Federal grants will supplement the Transfer of Jurisdiction and other funding for the Grandview Avenue phase of this project.

West Hill Sewer Separation Project - 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 eight 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 bids for Phase 5 of this project are scheduled to be received in the late winter or spring of 2021.

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. Voters again approved the extension of this tax 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 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 in March of 2019 and those 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. Bids were received in May 2019 and the contract with Leander Construction was approved in June of 2019. There is a list of items that will be done outside of the construction contract and the total cost is expected to be within the total project budget. This project is currently under construction and is scheduled to be completed in fiscal year 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 completed in the fall of 2018. The West Side Trail and County Deep Lakes Park Cabin projects are scheduled for construction in calendar year 2020.

Other Projects - Other significant capital projects budgeted for 2019/2020 and 2020/2021 include the 2nd Street Streetscape project, playground resurfacing at Fuller Park, Soccer Field #3 improvements, replacement of a portion of the Riverfront Fence, the engineering study for the renovation of the former Iowa Department of Transportation maintenance facility, continuation of deferred maintenance projects on city buildings, and the new hangar construction and Airport Taxiway A reconstruction projects 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, the zoning ordinance update, and the Five Year Capital Improvement Plan.

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 issued \$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 also included 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 2020/2021 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 has been our 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 2020/2021 budget together. A special thank you to LeAnna McCullough, Accounting Supervisor, and the rest of the Finance team, for their work on the budget preparation, compilation, and assistance with the publication of this document.

Respectfully submitted,

/s/ Greg Jenkins
Interim City Administrator

/s/ Nancy A Lueck
Finance Director

**CITY OF MUSCATINE
FINANCIAL MANAGEMENT POLICIES**

The following financial policies have been developed to provide guidance to the City's financial management system. The 2020/2021 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 2019/2020 and upcoming 2020/2021 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 hearings 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 25, 2019 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on December 5, 2019. 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. 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 11th. 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 30, 2020. The City Council received a budget notebook 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 2020/2021. 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. 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 hearings for the budget.

In their 2019 session, the State legislature approved a property tax bill affecting local governments beginning with the fiscal year 2020/2021 budget. 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 requires all cities to hold two public hearings each year with the first being on the maximum property tax dollars for certain levies and the other for the final property tax levy and adoption of the budget. The City held those hearings on March 5 and April 16, 2020 and the budget was adopted on April 16. The original budget filing deadline of March 31, 2020 was extended by the State to April 30 due to the COVID-19 pandemic, which restricted access to public buildings for public hearings. For the final public hearing, residents were able to call in to the meeting and speak if they had comments or concerns on the budget.

Notices of the hearings were made in the local newspaper. The notice for the 2nd public hearing included a summary of proposed expenditures and revenues and the proposed property tax rate. According to State law, the tax rate and the total expenditures cannot be increased after publication of the public hearing notice. During the public hearings, 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.

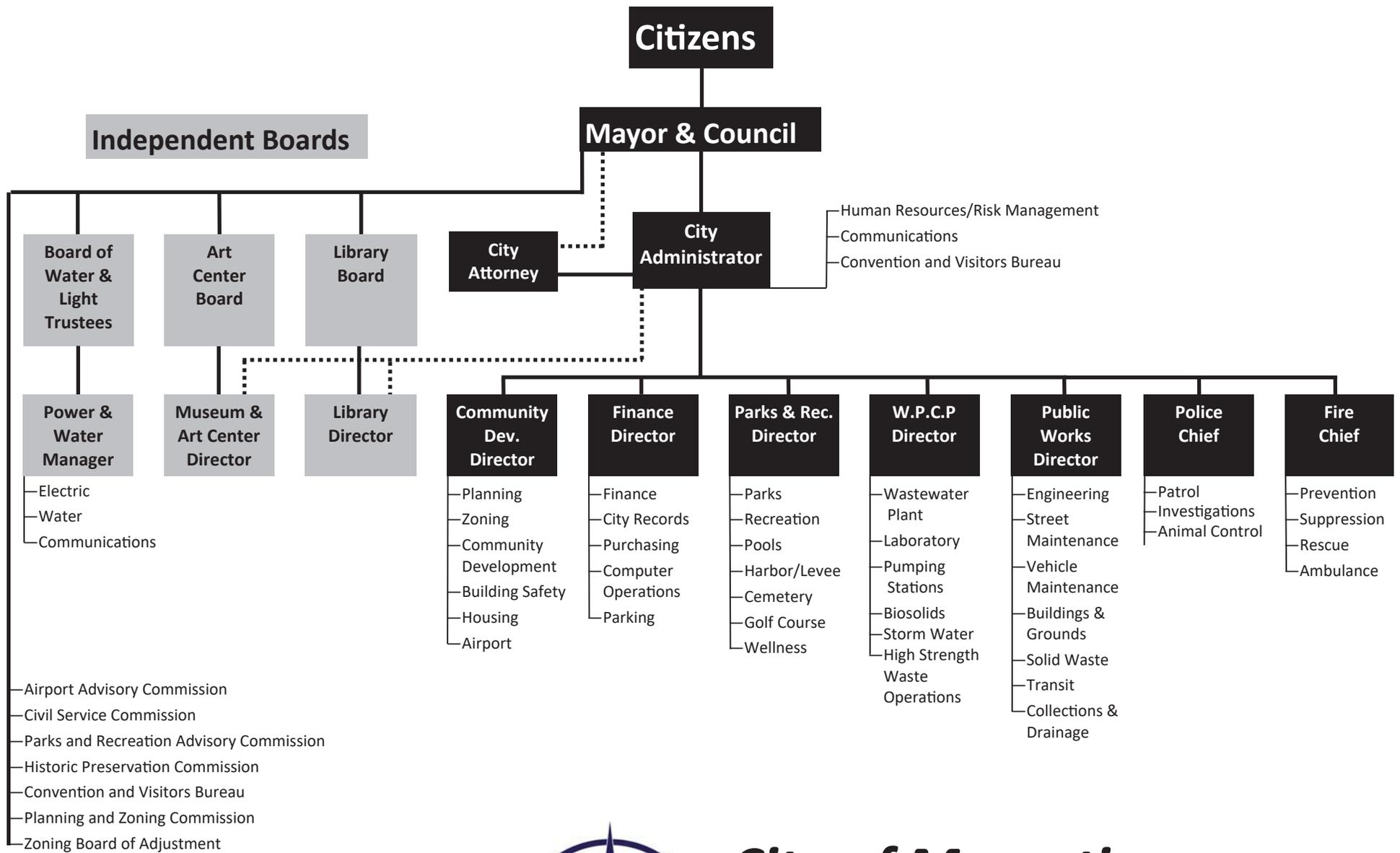
The City Council officially approved the budget on April 16, 2020 and authorized the City Clerk by resolution to certify the budget to the County Auditor by April 30, which was the State's extended filing deadline. After certification, the budget was reviewed by staff and detailed information changed 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 2020/2021

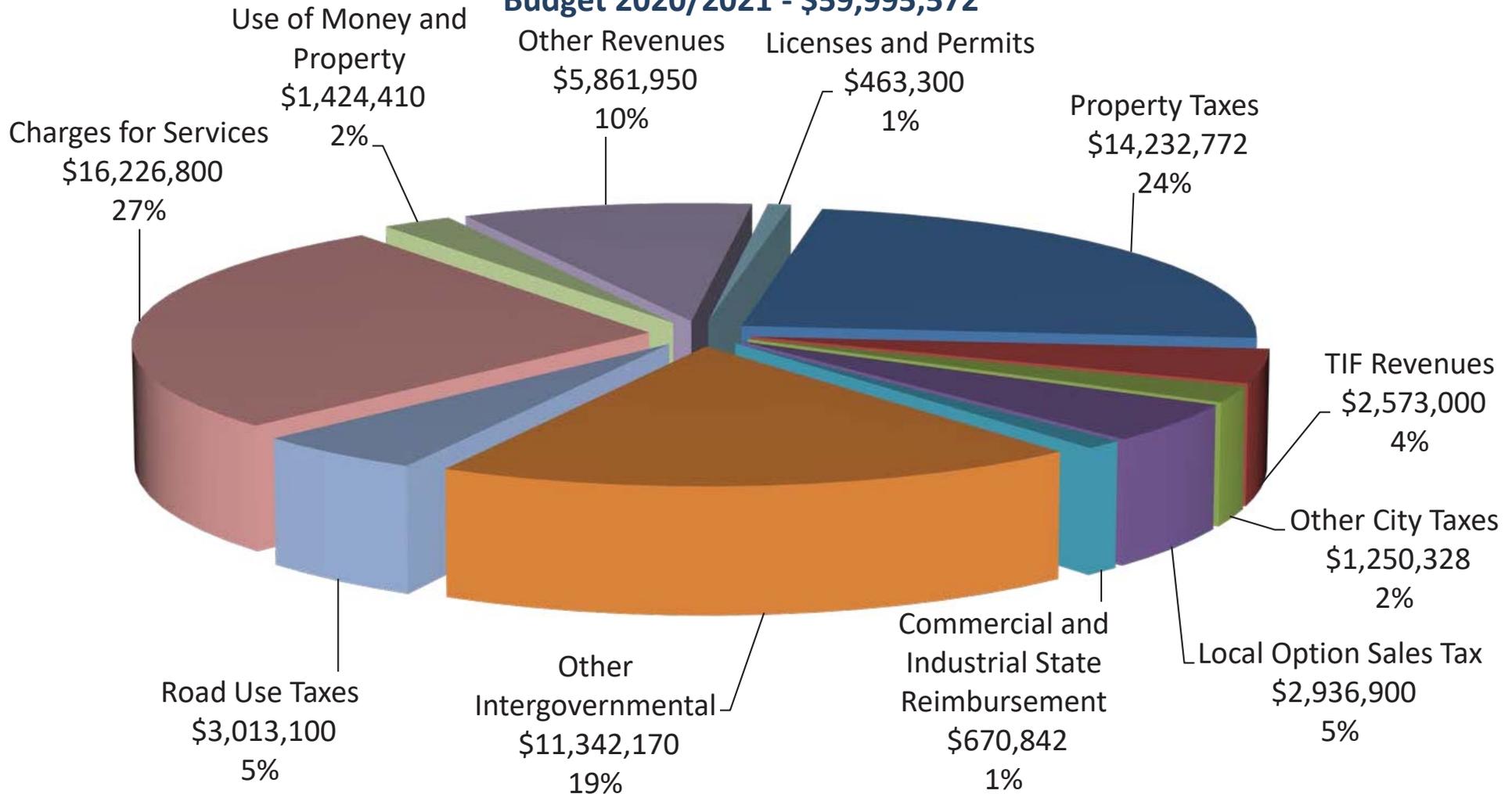
**ALL CITY REVENUES AND EXPENDITURES -
INCLUDING CAPITAL PROJECTS**

PROPERTY TAX RATE INFORMATION

Where Does the Money Come From?

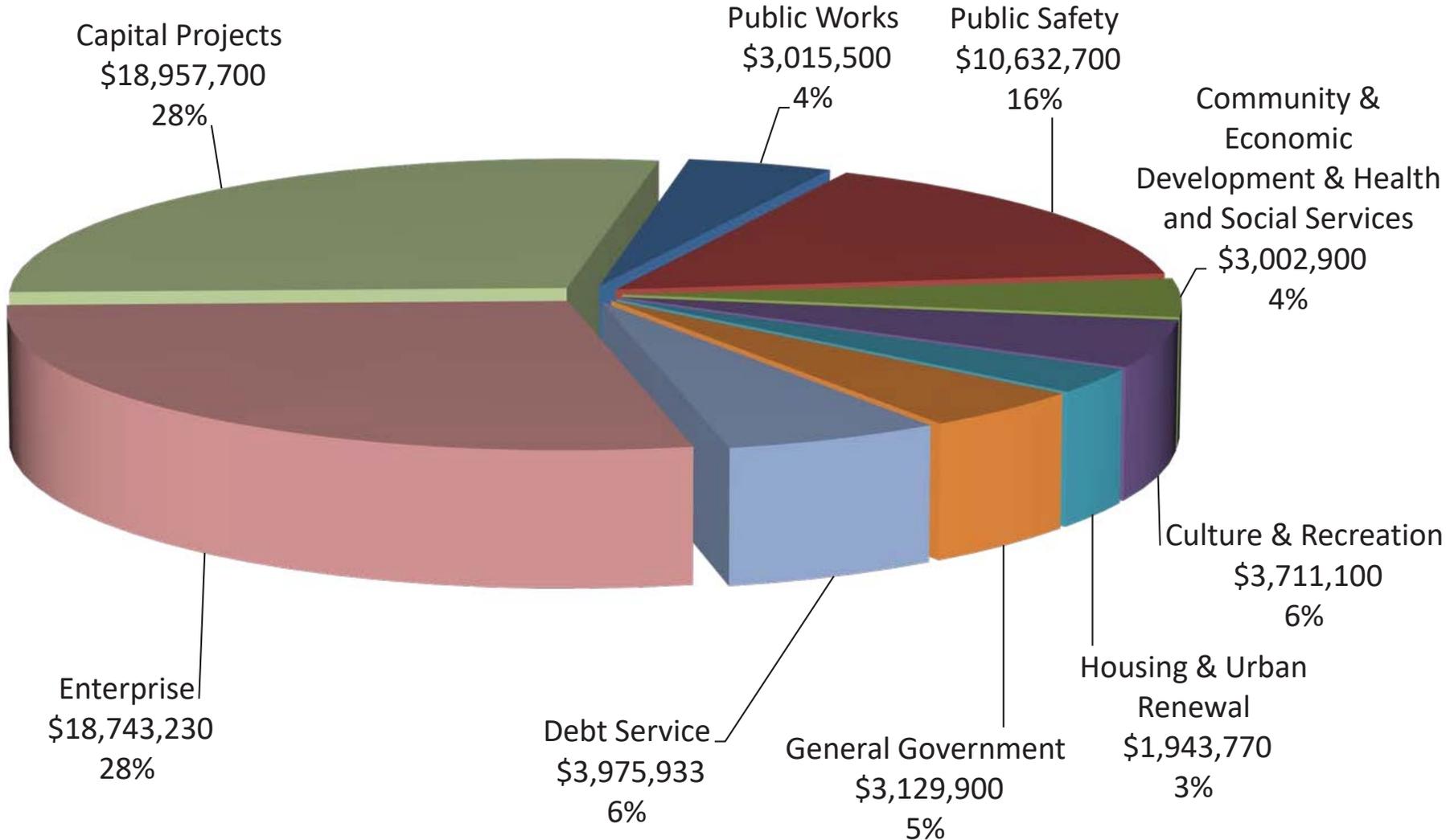
All City Funds Revenue Sources (Including Capital Projects)

Budget 2020/2021 - \$59,995,572



How are the Funds Used?

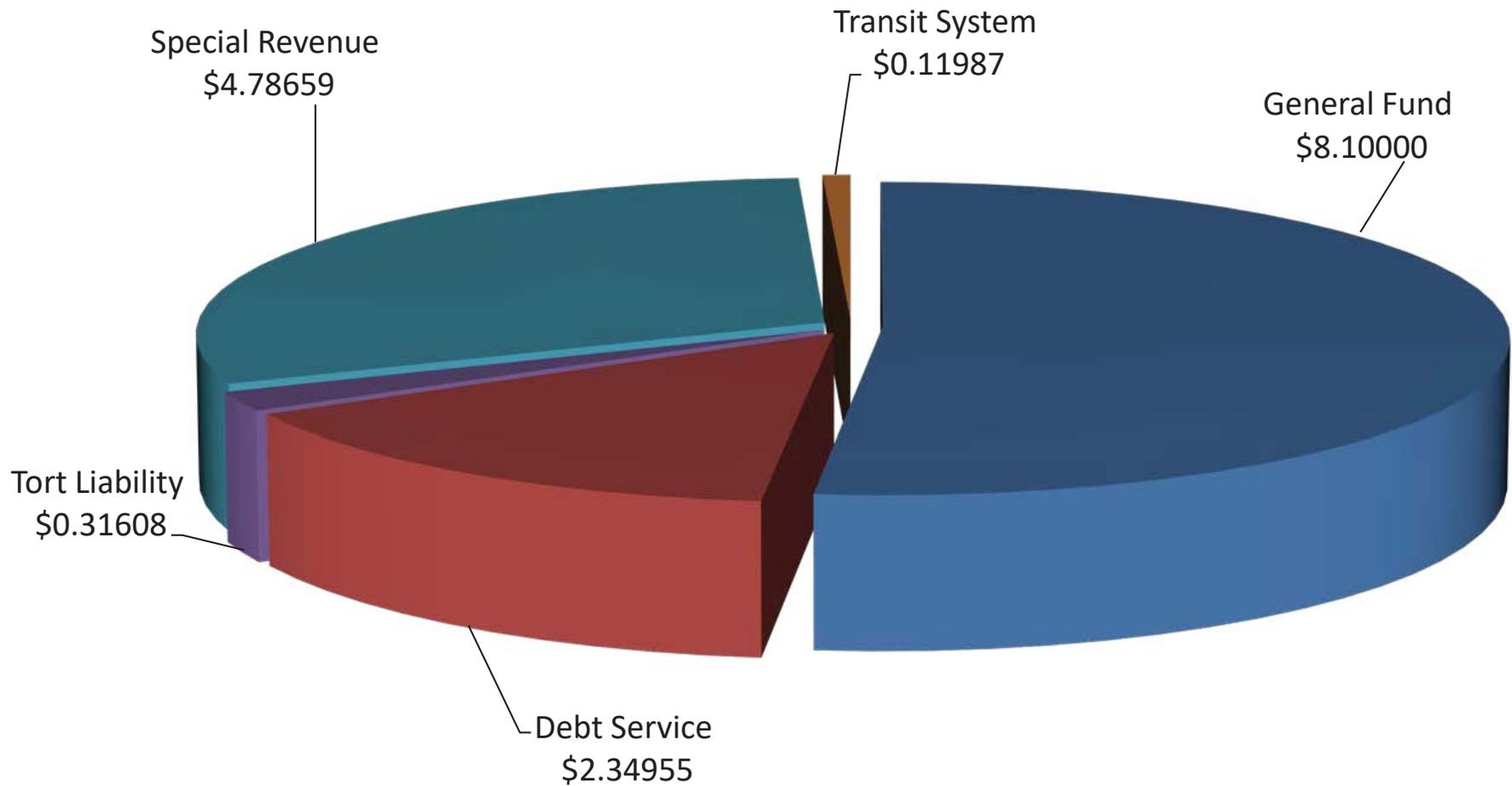
All City Expenditures by Function (Including Capital Projects) Budget 2020/2021 - \$67,112,733



City Tax Levy Rates by Type

FY 2020/2021

Total \$15.67209/\$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?



\$0.404
City of Muscatine

\$0.356
Muscatine Schools

\$0.240
Muscatine County

Above tax levy allocation reflects fiscal year 2019/2020 rates which total \$38.81059 per \$1,000 valuation. Tax levy rates for fiscal year 2020/2021 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 2018/2019 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, 2020	\$ 4,737,840	\$ 101,650	\$ 279,891	\$ 645,772	\$ 142,142	\$ 1,893,922	\$ 77,674	\$ 156,421	\$ 16,538,329	\$ 24,573,641
Revenues and Other Sources										
Property Taxes	\$ 7,654,077	\$ 4,290,066	\$ -	\$ -	\$ 2,288,629	\$ -	\$ -	\$ -	\$ 2,573,000	\$ 16,805,772
Other City Taxes	1,222,996	18,335	2,936,900	-	8,997	-	-	-	-	4,187,228
Licenses and Permits	442,900	-	-	-	-	2,400	-	-	18,000	463,300
Intergovernmental	857,680	204,890	-	3,013,100	100,572	-	-	-	3,745,670	7,921,912
Charges for Services	772,200	-	-	-	-	5,740,300	2,222,900	2,358,000	6,464,600	17,558,000
Use of Money and Property	177,900	-	-	-	10,000	17,000	60,000	-	1,109,510	1,374,410
Other Revenue	1,484,500	-	-	-	-	70,300	12,000	6,500	4,289,150	5,862,450
Other Financing Sources										
Transfers In	9,056,041	-	587,200	-	436,968	-	44,100	-	3,147,242	13,271,551
Total Revenues and Other Sources	\$ 21,668,294	\$ 4,513,291	\$ 3,524,100	\$ 3,013,100	\$ 2,845,166	\$ 5,830,000	\$ 2,339,000	\$ 2,364,500	\$ 21,347,172	\$ 67,444,623
Funds Available	\$ 26,406,134	\$ 4,614,941	\$ 3,803,991	\$ 3,658,872	\$ 2,987,308	\$ 7,723,922	\$ 2,416,674	\$ 2,520,921	\$ 37,885,501	\$ 92,018,264
Expenditures and Other Uses										
Public Safety	\$ 10,480,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,000	\$ 10,632,700
Public Works	3,015,500	-	-	-	-	-	-	-	-	3,015,500
Health and Social Services	50,000	-	-	-	-	-	-	-	-	50,000
Culture and Recreation	3,602,300	-	-	-	-	-	-	-	108,800	3,711,100
Community and Economic Development	943,600	-	-	-	-	-	-	-	3,953,070	4,896,670
General Government	3,047,900	-	-	-	-	-	-	-	82,000	3,129,900
Debt Service	-	-	-	-	2,886,013	-	-	-	1,089,920	3,975,933
Business Type/Internal Service	-	-	-	-	-	3,843,800	2,093,900	2,414,100	11,719,130	20,070,930
Other Financing Uses										
Transfers Out	523,626	4,614,941	3,524,400	3,333,400	-	1,622,566	40,137	-	3,347,618	17,006,688
Total Expenditures and Other Uses	\$ 21,663,626	\$ 4,614,941	\$ 3,524,400	\$ 3,333,400	\$ 2,886,013	\$ 5,466,366	\$ 2,134,037	\$ 2,414,100	\$ 20,452,538	\$ 66,489,421
Projected Ending Balance, June 30, 2021	\$ 4,742,508	\$ -	\$ 279,591	\$ 325,472	\$ 101,295	\$ 2,257,556	\$ 282,637	\$ 106,821	\$ 17,432,963	\$ 25,528,843

Increase (Decrease) in Fund Balance	\$ 4,668	\$ (101,650)	\$ (300)	\$ (320,300)	\$ (40,847)	\$ 363,634	\$ 204,963	\$ (49,600)	\$ 894,634	\$ 955,202
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Percent Change in Fund Balance	0.1%	-100.0%	-0.1%	-49.6%	-28.7%	19.2%	263.9%	-31.7%	5.4%	3.9%
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Percent Ending Fund Balance of Expenditures	21.9%	0.0%	7.9%	9.8%	3.5%	41.3%	13.2%	4.4%	85.2%	38.4%
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Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to increase by \$4,668 (.1%) during fiscal year 2020/2021. The budgeted ending balance is 21.9% 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 2020/2021 with the ending balance of 21.9% 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 \$101,650 beginning fund balance for 2020/2021. The Employee Benefits tax levy for 2020/2021 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2020/2021. This resulted in the zero balance budgeted in this fund at the end of 2020/2021, 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. In 2018 voters approved continuation of this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. Voters approved the extension of this tax with 88% voting in favor of the extension.

The balance in the Local Option Sales Tax fund is budgeted to decrease by \$300 (.1%) for 2020/2021. 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-C of the West Hill Sewer Separation project is scheduled for construction in calendar year 2020 and Phase 5-A is scheduled to begin in calendar year 2021. 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 \$320,300 (49.6%) to \$325,472 at the end of 2020/2021. This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2020/2021.

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 \$40,874 (28.7%) 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 \$363,634 (19.2%) in 2020/2021. This increase in fund balance is partially due to an increase in revenues from the new High Strength Waste operation. The 2020/2021 budgeted ending balance is 41.3% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance of \$77,674 in 2020/2021 and that balance is budgeted to increase by \$204,963 to \$282,637 by the end of 2020/2021. This fund has had deficit ending balances in recent years due to capital outlay purchases. As capital purchases are critical to the efficient operation of the Transfer Station, the increased balance will be used for future capital outlay needs.

Refuse Collection:

The Refuse Collection fund is budgeted to decrease by \$49,600 (31.7%) in 2020/2021. The decrease in fund balance is due capital outlay purchases. The 2020/2021 budget includes \$260,000 for an additional automated refuse vehicle while the 2019/2020 budget included \$140,000 for a new rear-loading refuse vehicle.

The rates for both regular residential customers and the senior rates were increased by \$.50 per month effective July 1, 2019. That rate increase was needed in order to generate sufficient funds to replace one of the regular refuse collection vehicles. Those rates will remain in effect in 2020/2021.

Non-Major Funds:

The fund balance of non-major funds combined is expected to increase by \$894,634 (5.4%) during 2020/2021. There are increases and decreases in the balances of the various non-major funds. The overall increase, however, is primarily due to the \$415,000 increase in the Water Pollution Control Plant Replacement Reserve and a \$450,000 increase in the West Hill Sewer Reserve.

**BUDGET SUMMARY SCHEDULES -
OPERATING FUNDS**

**City of Muscatine
Operating Funds
Budget Summary**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 22,898,442	\$ 24,805,841	\$ 22,712,795	\$ 27,614,482	\$ 24,573,641
Revenues and Other Sources					
Property Taxes	\$ 15,534,838	\$ 15,900,251	\$ 16,565,421	\$ 16,620,521	\$ 16,805,772
Other City Taxes	3,873,633	4,275,606	4,264,266	4,205,866	4,187,228
Licenses and Permits	582,039	463,112	455,100	431,800	463,300
Intergovernmental	7,261,783	7,639,412	7,975,457	8,015,170	7,921,912
Charges for Services	16,063,650	16,085,667	17,025,300	16,957,000	17,558,000
Use of Money and Property	1,236,442	1,468,903	1,331,060	1,393,180	1,374,410
Other Revenue	6,215,998	5,962,070	5,647,350	5,935,390	5,862,450
Other Financing Sources					
Transfers In	11,026,455	12,118,965	12,594,638	12,646,581	13,271,551
Total Revenues and Other Sources	\$ 61,794,838	\$ 63,913,986	\$ 65,858,592	\$ 66,205,508	\$ 67,444,623
Funds Available	\$ 84,693,280	\$ 88,719,827	\$ 88,571,387	\$ 93,819,990	\$ 92,018,264
Expenditures and Other Uses					
Public Safety	\$ 9,295,417	\$ 10,187,755	\$ 10,166,100	\$ 10,050,900	\$ 10,632,700
Public Works	2,437,454	2,778,826	3,074,900	3,116,100	3,015,500
Health and Social Services	55,000	50,000	50,000	50,000	50,000
Culture and Recreation	3,376,790	3,591,987	3,724,400	3,834,771	3,711,100
Community and Economic Development	4,362,625	4,399,258	5,220,680	5,027,633	4,896,670
General Government	2,744,997	2,738,483	3,015,200	3,269,478	3,129,900
Debt Service	4,032,455	4,031,649	4,058,876	4,058,876	3,975,933
Business Type/Internal Service	17,964,526	17,664,850	19,375,440	19,400,710	20,070,930
Other Financing Uses					
Transfers Out	15,618,175	15,662,537	16,235,438	20,437,881	17,006,688
Total Expenditures and Other Uses	\$ 59,887,439	\$ 61,105,345	\$ 64,921,034	\$ 69,246,349	\$ 66,489,421
Ending Balance, June 30	\$ 24,805,841	\$ 27,614,482	\$ 23,650,353	\$ 24,573,641	\$ 25,528,843

**City of Muscatine
Operating Funds
Fund Statement**

Fund	Estimated Balance (Deficit) 7/1/20	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/21
General	\$ 4,737,840	\$ 21,668,294	\$ 21,663,626	\$ 4,742,508
Enterprise:				
Airport Operations	0	122,100	122,100	0
Transit System	285,595	1,163,826	1,300,900	148,521
Parking System	63,371	210,700	230,600	43,471
Golf Course	(38,871)	818,400	775,000	4,529
Boat Harbor Operations	400	22,000	22,200	200
Marina Operations	(1,726)	12,100	12,200	(1,826)
Ambulance Operations	329,852	1,867,000	2,129,200	67,652
Convention & Visitors Bureau	146,221	127,200	132,000	141,421
Soccer Events	72,062	75,300	108,400	38,962
Refuse Collection	156,421	2,364,500	2,414,100	106,821
Landfill Operations	1,397,372	1,376,400	1,272,200	1,501,572
Landfill Surcharge Reserve Part I	0	21,000	21,000	0
Landfill Surcharge Reserve Part II	0	44,100	44,100	0
Landfill Post-Closure Reserve	1,066,675	47,300	0	1,113,975
Landfill Closure Reserve	1,333,148	155,200	0	1,488,348
Transfer Station Operations	77,674	2,339,000	2,134,037	282,637
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	1,893,922	5,830,000	5,466,366	2,257,556
Collection and Drainage	657,293	1,490,600	1,503,000	644,893
WPCP Replacement Reserve	1,143,037	415,000	0	1,558,037
West Hill Sewer Reserve	3,759,970	450,000	0	4,209,970
Sewer Revenue Bond Sinking Fund	125,478	939,516	931,220	133,774
Sewer Extension and Improvement Reserve	1,125,854	380,000	0	1,505,854
Special Revenue:				
Employee Benefits	101,650	4,513,291	4,614,941	0
Emergency Levy	84,614	1,200	0	85,814
Road Use Tax	645,772	3,013,100	3,333,400	325,472
Community Block Grant	26,842	300	3,000	24,142
Tax Increment - Downtown	11,772	245,800	245,000	12,572
Tax Increment - Southend	838,719	1,445,000	1,514,218	769,501
Tax Increment - Cedar Development	65,420	500	0	65,920
Tax Increment - Highway 38 NE	8,299	42,100	42,000	8,399
Tax Increment - Heinz	13,095	100	4,000	9,195
Tax Increment - Fridley Theatre	30,453	70,100	70,000	30,553
Tax Increment - Riverview Hotel Dev.	0	660,000	660,000	0
Tax Increment - North University	3,700	72,000	72,000	3,700
Tax Increment - White Distribution & Supply	0	54,000	54,000	0
Downtown Reinvestment District	0	300,000	300,000	0
Small Business Forgivable Loan Program	0	100,000	100,000	0
Small Business Forgive Loan Code Compliance	0	50,100	50,100	0
Small Business Forgive Loan 2nd St. Facade Program	0	100,100	100,100	0
Local Option Sales Tax	279,891	3,524,100	3,524,400	279,591
Equipment Replacement	77,185	209,700	212,500	74,385
Computer Replacement	15,000	50,000	50,000	15,000
Public Housing Operations	253,173	961,760	865,330	349,603
Section 8 Voucher Program	109,880	1,886,870	1,895,070	101,680
Home Ownership Program	48,920	37,500	38,500	47,920
Sunset Park Education Center	9,673	9,100	10,200	8,573
Police Forfeiture Fund	6,232	5,000	5,000	6,232
Trust and Agency:				
Perpetual Care Fund	892,310	5,000	0	897,310
Perpetual Care Interest Trust	0	16,700	16,700	0
Cemetery Special Trusts	50,504	1,000	2,800	48,704
Library Trusts	48,041	23,000	17,000	54,041
Art Center Trusts	473,210	14,800	55,500	432,510
Debt Service:				
General Obligation	142,142	2,845,166	2,886,013	101,295
Internal Service/Other:				
Equipment Services	129,204	1,331,700	1,327,700	133,204
Dental Insurance	66,412	169,600	170,200	65,812
Health Insurance	1,776,115	3,746,400	3,967,500	1,555,015
Total *	<u>\$ 24,573,641</u>	<u>\$ 67,444,623</u>	<u>\$ 66,489,421</u>	<u>\$ 25,528,843</u>

*Includes interfund transactions.

**City of Muscatine
Operating Funds
Revenue Summary**

Fund	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
General	\$ 19,406,973 *	\$ 19,996,405 *	\$ 21,134,911	\$ 21,193,754	\$ 21,668,294
Enterprise:					
Airport Operations	109,574	104,746	138,400	143,900	122,100
Transit System	1,003,268	979,384	1,093,260	1,219,300	1,163,826
Parking System	221,861	198,892	219,000	210,700	210,700
Golf Course	764,742 *	683,472 *	823,300	804,000	818,400
Boat Harbor Operations	120,281	20,800	22,000	22,200	22,000
Marina Operations	9,304	7,302	12,100	12,100	12,100
Ambulance Operations	1,678,297	1,642,380	1,702,600	1,891,500	1,867,000
Convention & Visitors Bureau	112,033	135,194	116,500	126,300	127,200
Soccer Events Fund	67,865	61,885	98,700	67,000	75,300
Refuse Collection	2,292,621	2,344,343	2,329,400	2,360,700	2,364,500
Landfill Operations	1,666,522 *	1,542,375	1,428,700	1,376,500	1,376,400
Landfill Surcharge Reserve Part I	24,724	22,223	22,000	21,000	21,000
Landfill Surcharge Reserve Part II	51,920	46,669	46,200	44,100	44,100
Landfill Post-Closure Reserve	31,449	47,288	31,500	47,300	47,300
Landfill Closure Reserve	124,724	155,233	124,800	155,200	155,200
Transfer Station Operations	2,459,746 *	2,434,628	2,433,500	2,339,000	2,339,000
Water Pollution Control	4,798,685 *	5,018,441 *	5,422,200	5,475,200	5,830,000
Collection and Drainage	1,369,033	1,408,516	1,427,600	1,487,600	1,490,600
WPCP Replacement Reserve	726,834	769,328	425,000	450,000	415,000
West Hill Sewer Reserve	428,972	464,179	428,000	450,000	450,000
Sewer Revenue Bond Sinking Fund	1,067,030	988,680	925,470	930,470	939,516
Sewer Extension and Improvement Reserve	214,446	398,303	372,000	383,000	380,000
Special Revenue:					
Employee Benefits	3,964,037	4,315,681	4,291,179	4,277,052	4,513,291
Emergency Levy	739	1,708	800	1,200	1,200
Road Use Tax	2,997,716	3,078,675	2,882,100	2,989,300	3,013,100
Community Block Grant	303	627	0	400	300
Tax Increment - Downtown	204,861	210,196	205,800	203,700	245,800
Tax Increment - Southend	1,518,009	1,564,124	1,480,000	1,485,000	1,445,000
Tax Increment - Cedar Development	266,874	267,987	500	500	500
Tax Increment - Muscatine Mall	327	0	0	0	0
Tax Increment - Highway 38 NE	14,280	16,070	57,200	56,600	42,100
Tax Increment - Heinz	15,628	12,078	7,900	7,800	100
Tax Increment - Fridley Theatre	72,989	73,833	74,100	73,400	70,100
Tax Increment - Riverview Hotel Dev.	0	0	540,000	599,400	660,000
Tax Increment - North University	0	0	82,000	81,200	72,000
Tax Increment - White Distribution & Supply	0	0	0	0	54,000
Downtown Reinvestment District	4,124	110,274	400,000	300,000	300,000
Small Business Forgivable Loan Program	125,873	120,766	100,000	106,000	100,000
Small Business Forgive Loan Code Compliance	0	0	0	50,100	50,100
Small Business Forgive Loan 2nd St. Facade Program	0	0	0	0	100,100
Local Option Sales Tax	2,988,029	3,316,123	3,667,200	3,558,600	3,524,100
Equipment Replacement	250,151	486,826	207,700	257,700	209,700
Computer Replacement	53,687	81,482	50,000	51,300	50,000
Public Housing Operations	1,087,060	869,795	927,310	979,460	961,760
Section 8 Voucher Program	1,881,468	1,928,159	2,012,410	1,876,030	1,886,870
Home Ownership Program	40,895	39,300	49,000	43,700	37,500
Sunset Park Education Center	23,621	19,091	10,100	7,600	9,100
Police Forfeiture Fund	13	36,067	5,000	0	5,000
Trust and Agency:					
Perpetual Care Fund	3,941	7,516	5,000	5,000	5,000
Perpetual Care Interest Trust	13,701	17,873	19,300	20,400	16,700
Cemetery Special Trusts	746	1,245	1,000	1,000	1,000
Library Trusts	50,578	130,996	26,500	32,900	23,000
Art Center Trusts	41,017	62,897	14,700	19,550	14,800
Debt Service:					
General Obligation	2,796,302	2,817,654	2,932,952	2,934,092	2,845,166
Internal Service/Other:					
Equipment Services	1,105,574	1,225,920	1,294,600	1,314,100	1,331,700
Dental Insurance	160,289	168,156	170,000	165,700	169,600
Health Insurance	3,361,102	3,462,201	3,567,100	3,495,900	3,746,400
Total **	\$ 61,794,838	\$ 63,913,986	\$ 65,858,592	\$ 66,205,508	\$ 67,444,623

* Includes encumbrance adjustments.

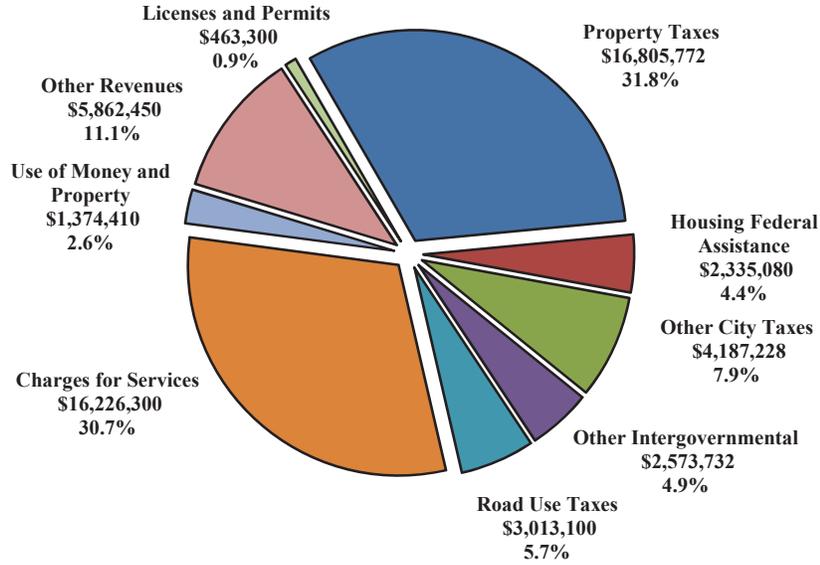
** Includes interfund transactions.

**City of Muscatine
Operating Funds
Expenditure Summary**

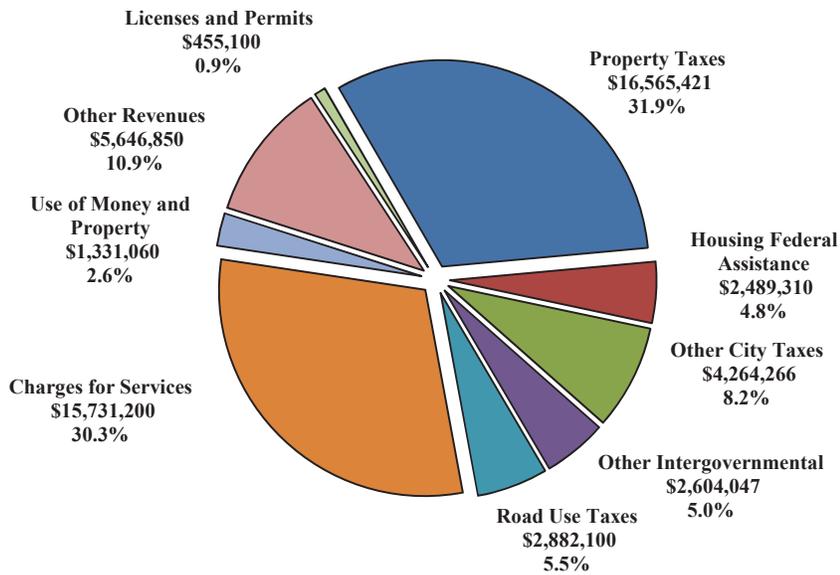
Fund	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Estimate 2019/2020	Budget 2020/2021
General	\$ 18,976,621	\$ 19,939,462	\$ 21,114,760	\$ 21,255,600	\$ 21,663,626
Enterprise:					
Airport Operations	109,574	104,746	138,400	143,900	122,100
Transit System	1,026,842	1,287,897	1,290,200	1,190,500	1,300,900
Parking System	216,843	208,822	229,200	220,800	230,600
Golf Course	769,176	754,467	831,700	816,200	775,000
Boat Harbor Operations	21,719	20,800	21,800	21,800	22,200
Marina Operations	8,824	5,978	11,900	12,000	12,200
Ambulance Operations	1,651,212	1,609,677	1,893,900	1,906,600	2,129,200
Convention & Visitors Bureau	102,871	115,123	125,900	127,400	132,000
Soccer Event Fund	5,935	49,953	72,200	68,800	108,400
Refuse Collection	2,168,785	2,184,550	2,284,200	2,251,000	2,414,100
Landfill Operations	1,858,258	1,037,731	1,267,500	1,285,100	1,272,200
Landfill Surcharge Reserve I	24,724	22,223	22,000	21,000	21,000
Landfill Surcharge Reserve II	51,920	46,669	46,200	44,100	44,100
Transfer Station Operations	2,686,633	2,377,985	2,303,200	2,257,500	2,134,037
Water Pollution Control	4,696,655	5,078,655	5,358,470	5,354,870	5,466,366
Collection and Drainage	1,276,373	1,449,053	1,463,800	1,512,200	1,503,000
WPCP Replacement Reserve	0	0	0	3,000,000	0
West Hill Sewer Reserve	0	0	0	0	0
Sewer Revenue Bond Sinking Fund	1,061,495	987,461	922,220	922,220	931,220
Sewer Extension and Improvement Reserve	711,141	0	0	350,000	0
Special Revenue:					
Employee Benefits	3,949,453	4,311,411	4,368,558	4,251,361	4,614,941
Road Use Tax	2,934,751	3,030,657	3,352,000	3,709,300	3,333,400
Community Block Grant	1,021	0	3,000	4,200	3,000
Tax Increment - Downtown	202,650	207,100	246,250	246,250	245,000
Tax Increment - Southend	1,546,378	1,470,131	1,475,165	1,630,265	1,514,218
Tax Increment - Cedar Development	255,399	270,088	0	0	0
Tax Increment - Muscatine Mall	0	32,467	0	0	0
Tax Increment - Highway 38 NE	8,808	24,616	57,200	55,000	42,000
Tax Increment - Heinz	14,764	11,008	7,800	7,300	4,000
Tax Increment - Fridley Theatre	66,777	66,978	74,000	66,100	70,000
Tax Increment - Riverview Hotel Development	0	0	540,000	599,400	660,000
Tax Increment - North University	0	0	80,000	77,500	72,000
Tax Increment - White Distribution & Supply	0	0	0	0	54,000
Riverview Reinvestment District	4,124	110,274	400,000	300,000	300,000
Small Business Forgivable Loan Program	116,254	124,642	100,000	193,533	100,000
Small Business Forgive Loan Code Compliance	0	0	0	50,100	50,100
Small Business Forgive Loan 2nd St. Facade Program	0	0	0	0	100,100
Local Option Sales Tax	2,958,474	3,016,946	3,522,200	3,845,200	3,524,400
Equipment Replacement	163,013	623,300	214,000	206,600	212,500
Computer Replacement	68,414	32,974	50,000	126,149	50,000
Public Housing Operations	1,049,631	793,314	863,140	884,910	865,330
Section 8 Voucher Program	1,956,864	1,860,699	2,024,180	1,871,600	1,895,070
Home Ownership Program	56,323	51,825	53,700	39,400	38,500
Sunset Education Center	21,829	12,875	10,100	8,100	10,200
Police Forfeiture Fund	5,076	29,481	5,000	8,500	5,000
Trust and Agency:					
Perpetual Care Interest Trust	13,701	17,873	19,300	20,400	16,700
Cemetery Special Trusts	1,086	1,075	2,800	2,800	2,800
Library Trusts	155,784	103,649	39,300	47,900	17,000
Art Center Trusts	22,919	90,863	10,200	9,000	55,500
Debt Service:					
General Obligation	2,809,005	2,879,383	2,974,691	2,974,691	2,886,013
Internal Service/Other:					
Equipment Services	1,064,654	1,197,437	1,283,100	1,299,500	1,327,700
Dental Insurance	140,734	150,072	170,700	165,000	170,200
Health Insurance	2,873,952	3,302,955	3,577,100	3,784,700	3,967,500
Total *	<u>\$ 59,887,439</u>	<u>\$ 61,105,345</u>	<u>\$ 64,921,034</u>	<u>\$ 69,246,349</u>	<u>\$ 66,489,421</u>

* Includes interfund transactions.

**All City Operating Revenues By Source
Budget 2020/2021
\$52,841,372**



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

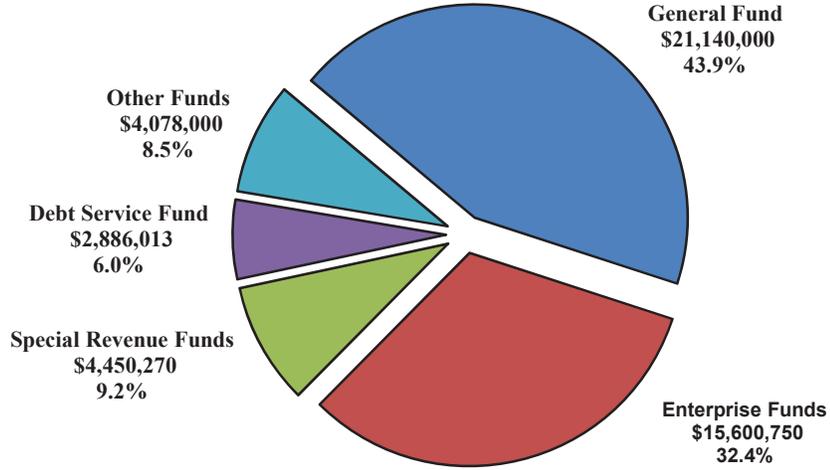


**All City Funds Operating Revenues
Reconciliation Information**

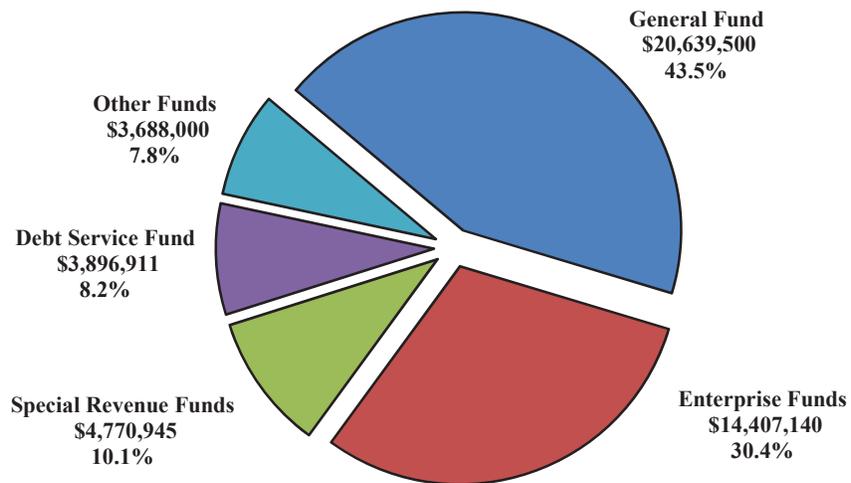
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2019/2020 Budget	2020/2021 Budget
Revenues per Summary Statement	\$ 65,858,592	\$ 67,444,623
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 19,300	\$ 16,700
Special Revenue Funds	7,260,958	7,435,541
Health Insurance Fund	62,600	64,000
Tax Increment Funds	202,200	202,000
Enterprise Funds	1,195,700	1,337,800
Debt Service Fund		
Enterprise Funds	92,500	90,550
Tax Increment Funds	206,250	346,418
Equipment Replacement Fund		
General Fund	200,000	202,000
Computer Replacement Fund		
General Fund	50,000	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 Programs		
Tax Increment Funds	100,000	250,000
Convention and Visitors Bureau		
General Fund	115,000	125,000
Airport Operations Fund		
General Fund	57,900	33,600
Transit Operations Fund		
General Fund	52,360	113,026
Landfill Operations		
Landfill Surcharge Reserve	22,000	21,000
Landfill Surcharge Reserves		
Landfill Operations	68,200	65,100
Landfill Closure and Post-Closure Reserves		
Landfill Operations	156,300	202,500
Transfer Station		
Landfill Surcharge Reserve	46,200	44,100
Sewer Reserves		
Water Pollution Control Fund	400,000	400,000
Collection & Drainage Fund	350,000	350,000
Sewer Sinking Fund	922,970	932,016
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	611,200	587,200
Total Transfers In	<u>12,594,638</u>	<u>13,271,551</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,294,600</u>	<u>1,331,700</u>
Budgeted Revenues Net of Transfers	<u>\$ 51,969,354</u>	<u>\$ 52,841,372</u>

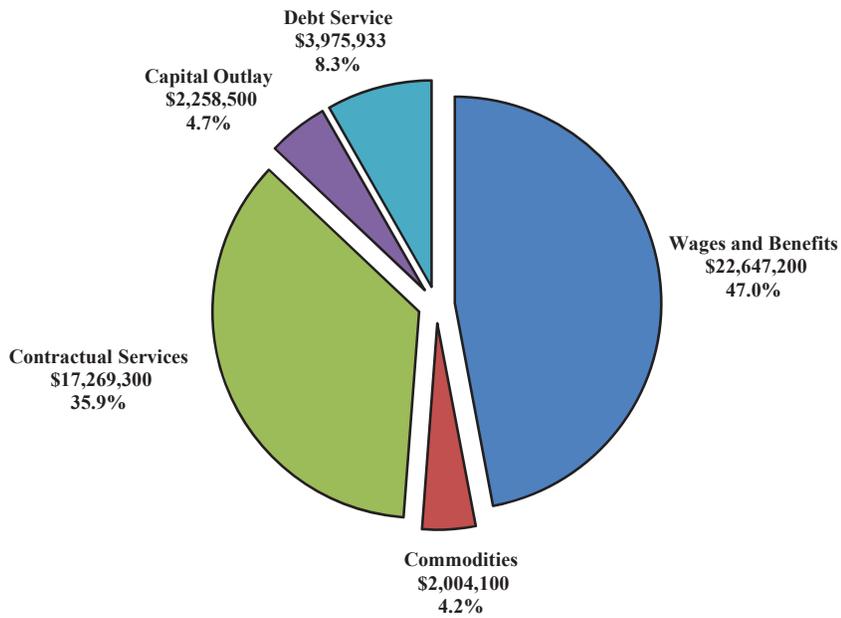
**All City Operating Expenditures By Fund
Budget 2020/2021
\$48,155,033**



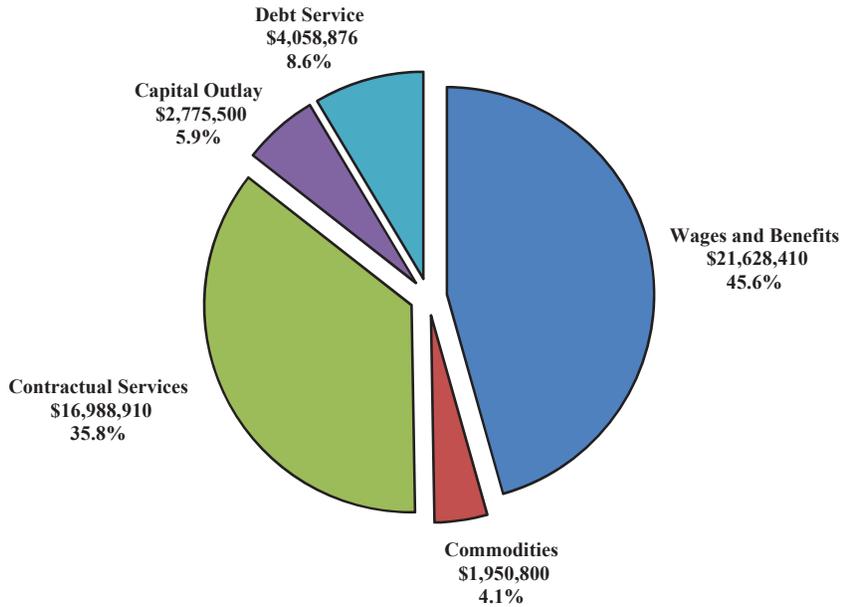
**All City Operating Expenditures By Fund
Budget 2019/2020
\$47,402,496**



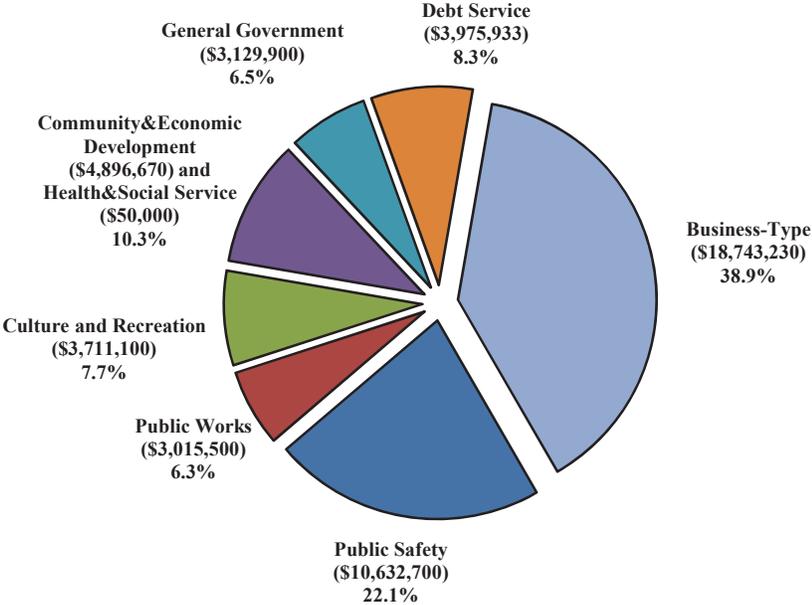
**All City Operating Expenditures By Type
Budget 2020/2021
\$48,155,033**



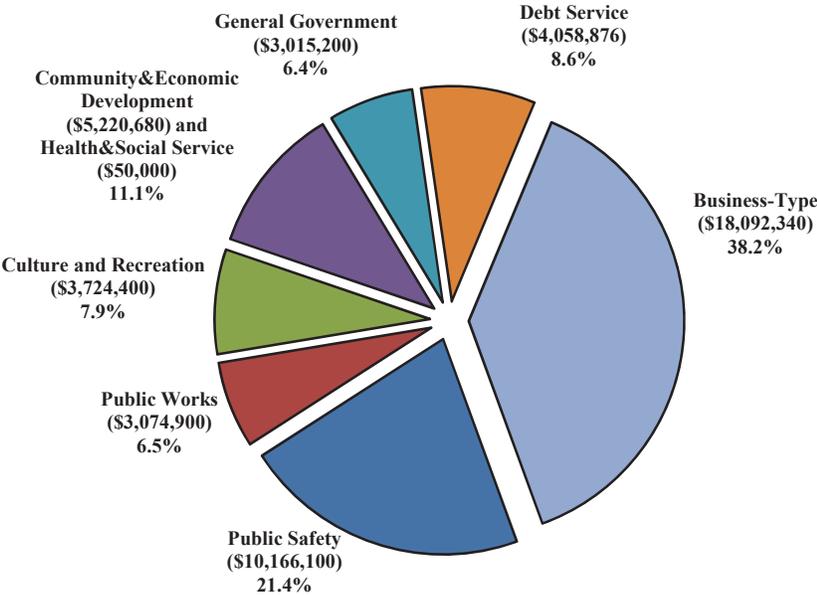
**All City Operating Expenditures By Type
Budget 2019/2020
\$47,402,496**



All City Operating Expenditures By Function *
Budget 2020/2021
\$48,155,033



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



* 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>2019/2020 Budget</u>	<u>2020/2021 Budget</u>
Expenditures per Summary Statement	\$ 64,921,034	\$ 66,489,421
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 52,360	\$ 113,026
Airport Operations Fund	57,900	33,600
Equipment Replacement Fund	200,000	202,000
Computer Replacement Fund	50,000	50,000
Convention & Visitors Bureau	115,000	125,000
Trust and Agency Funds		
General Fund	19,300	16,700
Community Block Grant		
Sunset Park Education Center	1,000	1,000
Homeownership Program	2,000	2,000
Special Revenue Funds		
General Fund	7,720,558	7,948,341
Capital Projects Fund	3,522,200	3,524,400
Tax Increment Funds	615,950	1,043,418
Ambulance Fund		
General Fund	1,195,700	1,337,800
Landfill Operations Fund		
Landfill Surcharge Reserve	68,200	65,100
Landfill Closure/Post-Closure Reserve	156,300	202,500
Landfill Surcharge Reserve		
Landfill Operations Fund	22,000	21,000
Transfer Station Fund	46,200	44,100
Transfer Station Operations Fund		
Capital Projects Fund	72,700	40,137
Water Pollution Control Fund		
Debt Service Fund	92,500	90,550
Sewer Reserves	1,522,970	1,532,016
Capital Projects Fund	90,000	0
Collection & Drainage		
Sewer Reserves	550,000	550,000
Health Insurance Fund		
General Fund	<u>62,600</u>	<u>64,000</u>
Total Transfers Out	<u>\$ 16,235,438</u>	<u>\$ 17,006,688</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,283,100</u>	<u>1,327,700</u>
Budgeted Expenditures Net of Transfers	<u><u>\$ 47,402,496</u></u>	<u><u>\$ 48,155,033</u></u>

City of Muscatine
Matrix of 2020/2021 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	\$ 95,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,300
Legal Services	110,000	0	0	0	0	0	0	0	110,000
City Administrator	438,100	0	0	0	0	0	0	0	438,100
Human Resources	248,700	0	0	0	0	0	0	0	248,700
Wellness Program	64,000	0	0	0	0	0	0	0	64,000
Finance and Records	687,100	0	0	0	0	0	0	0	687,100
Computer Operations	387,700	0	0	0	0	0	0	0	387,700
Risk Management	317,100	0	0	0	0	0	0	0	317,100
Building and Grounds	699,900	0	0	0	0	0	0	0	699,900
Police Operations	0	5,134,400	0	0	0	0	0	0	5,134,400
Animal Control	0	162,500	0	0	0	0	0	0	162,500
Fire Operations	0	5,183,800	0	0	0	0	0	0	5,183,800
Library	0	0	1,170,800	0	0	0	0	0	1,170,800
Cable Television Operations	0	0	20,000	0	0	0	0	0	20,000
Art Center	0	0	424,600	0	0	0	0	0	424,600
Park Administration	0	0	214,200	0	0	0	0	0	214,200
Park Maintenance	0	0	781,200	0	0	0	0	0	781,200
Kent Stein Park	0	0	235,500	0	0	0	0	0	235,500
Soccer Complex	0	0	252,000	0	0	0	0	0	252,000
Swimming Pools	0	0	186,300	0	0	0	0	0	186,300
Recreation	0	0	134,000	0	0	0	0	0	134,000
Cemetery	0	0	183,700	0	0	0	0	0	183,700
Community Development	0	0	0	880,600	0	0	0	0	880,600
Economic Development	0	0	0	63,000	0	0	0	0	63,000
Economic Well-Being	0	0	0	0	50,000	0	0	0	50,000
Public Works Administration	0	0	0	0	0	217,000	0	0	217,000
Roadway Maintenance	0	0	0	0	0	1,496,100	0	0	1,496,100
Traffic Control	0	0	0	0	0	187,400	0	0	187,400
Snow and Ice Control	0	0	0	0	0	439,000	0	0	439,000
Street Cleaning	0	0	0	0	0	255,200	0	0	255,200
Engineering	0	0	0	0	0	420,800	0	0	420,800

(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	122,100	122,100
Transit Operations	0	0	0	0	0	0	0	1,300,900	1,300,900
Parking System	0	0	0	0	0	0	0	230,600	230,600
Golf Course	0	0	0	0	0	0	0	775,000	775,000
Boat Harbor Operations	0	0	0	0	0	0	0	22,200	22,200
Marina Operations	0	0	0	0	0	0	0	12,200	12,200
Ambulance Operations	0	0	0	0	0	0	0	791,400	791,400
Convention and Visitors Bureau	0	0	0	0	0	0	0	132,000	132,000
Soccer Events Operations	0	0	0	0	0	0	0	108,400	108,400
Public Housing	0	0	0	0	0	0	0	865,330	865,330
Refuse Collection	0	0	0	0	0	0	0	2,414,100	2,414,100
Landfill Operations	0	0	0	0	0	0	0	1,004,600	1,004,600
Transfer Station	0	0	0	0	0	0	0	2,093,900	2,093,900
Collection and Drainage	0	0	0	0	0	0	0	953,000	953,000
Water Pollution Control	0	0	0	0	0	0	0	3,843,800	3,843,800
Sewer Sinking Fund	0	0	0	0	0	0	931,220	0	931,220
Special Revenue Funds:									
Equipment Replacement	32,000	147,000	33,500	0	0	0	0	0	212,500
Southend Tax Increment	0	0	0	557,100	0	0	158,700	0	715,800
Highway 38 NE Tax Increment	0	0	0	42,000	0	0	0	0	42,000
Heinz Tax Increment 2014	0	0	0	4,000	0	0	0	0	4,000
Fridley Theatre Tax Increment	0	0	0	70,000	0	0	0	0	70,000
Riverview Hotel Development Tax Increment	0	0	0	660,000	0	0	0	0	660,000
North Univeristy Tax Increment	0	0	0	72,000	0	0	0	0	72,000
White Distribution & Supply TIF	0	0	0	54,000	0	0	0	0	54,000
Riverview Reinvestment District	0	0	0	300,000	0	0	0	0	300,000
Small Business Forgiveable Loan	0	0	0	100,000	0	0	0	0	100,000
Small Business - Code Compliance	0	0	0	50,100	0	0	0	0	50,100
Small Business - 2nd Street Façade	0	0	0	100,100	0	0	0	0	100,100
Section 8 Housing	0	0	0	1,895,070	0	0	0	0	1,895,070
Home Ownership Program	0	0	0	38,500	0	0	0	0	38,500
Sunset Park Children's Education Program	0	0	0	10,200	0	0	0	0	10,200
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	2,886,013	0	2,886,013
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	3,903,500	3,903,500
Dental Insurance Fund	0	0	0	0	0	0	0	170,200	170,200
Trust and Agency Funds:									
Library Trusts	0	0	17,000	0	0	0	0	0	17,000
Cemetery Trust	0	0	2,800	0	0	0	0	0	2,800
Art Center Trusts	0	0	55,500	0	0	0	0	0	55,500
Total	\$ 3,129,900	\$ 10,632,700	\$ 3,711,100	\$ 4,896,670	\$ 50,000	\$ 3,015,500	\$ 3,975,933	\$ 18,743,230	\$ 48,155,033

**City of Muscatine
Fulltime Employee Trends**

General Fund

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Budget 2019-20	Actual 2019-20	Budget 2020-21
City Administrator	2.00	2.00	2.00	2.00	3.00	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	2.25 (1)
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	5.70	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	6.23	6.73	6.73	6.73	6.73
Police	43.88	44.88	44.73	43.73	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	37.50	37.50	37.50	37.50	41.50	41.50	41.50	43.00	43.00	47.50 (2)
Library (FTE)	15.74	15.51	14.95	14.71	14.33	13.76	14.19	13.62	13.54	13.22	14.13 (3)
Art Center (FTE)	4.54	4.25	4.25	4.52	4.70	4.70	4.70	4.70	4.97	4.97	4.97
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 *	6.00	6.00	6.00	6.00	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Kent Stein Park *	1.12	1.12	1.12	1.12	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Soccer Complex *	1.13	1.13	1.13	1.13	1.23	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	6.72	6.92	6.92	6.93	7.44	7.42	7.42	7.42	7.80	7.58	8.00 (4)
Street Cleaning	1.75	1.75	1.90	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	2.13	2.54	2.19	2.75 (5)
Public Works Administration	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Total General Fund	152.64	154.32	153.81	152.85	154.16	157.57	159.88	160.94	163.42	162.53	169.92

**City of Muscatine
Fulltime Employee Trends**

Enterprise / Other Funds

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Budget 2019-20	Actual 2019-20	Budget 2020-21
Parking System	3.10	3.10	2.90	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	10.66	10.66	9.56	9.56	9.56	8.98	8.98	9.84	9.78	10.02	10.07 (6)
Landfill	0.25	0.25	0.25	0.25	0.25	0.60	0.60	0.60	0.60	0.60	0.60
Transfer Station	3.42	3.42	3.42	3.42	3.42	3.15	3.15	3.11	3.08	3.08	3.08
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	9.75	8.75	8.75	8.75	8.48	8.48	7.48	7.48	7.48
Pumping Stations	3.00	3.00	3.00	3.00	2.00	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	2.00	2.00	2.00
Collection and Drainage	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.28	6.03	6.03	6.28 (7)
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)	12.13	12.25	11.50	12.25	11.77	10.71	10.28	10.28	10.28	9.10	9.03 (8)
Equipment Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Enterprise/Other Funds	70.70	70.82	67.77	67.52	66.04	64.48	63.78	64.35	65.01	64.07	64.30
Grand Total	223.34	225.14	221.58	220.37	220.20	222.05	223.66	225.29	228.43	226.60	234.22

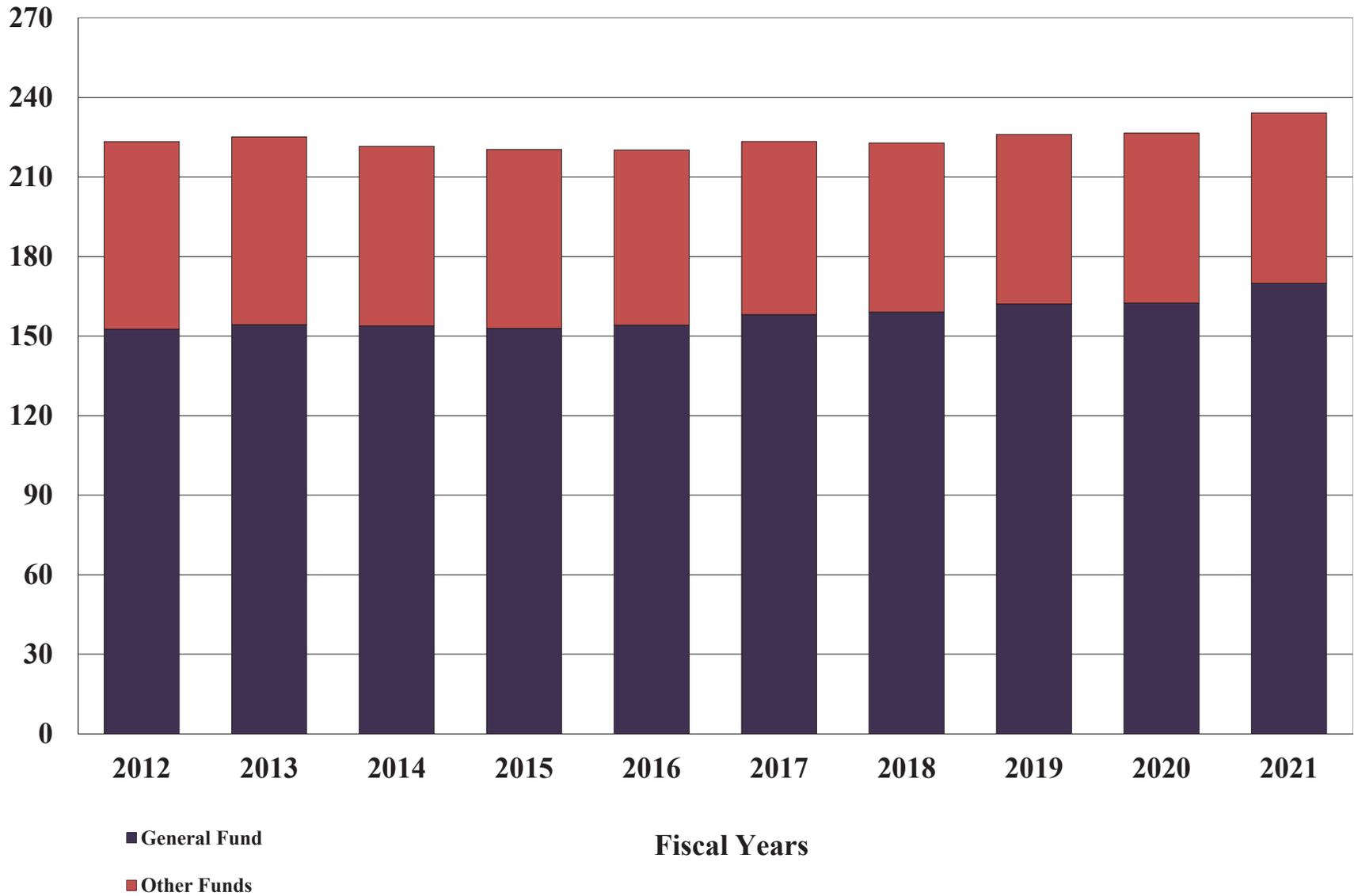
* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2019/2020 Revised Estimate and 2020/2021 Budget:

1. The 2020/2021 Human Resources budget includes a new Human Resources Generalist position.
2. The 2019/2020 Fire department budget included three new Firefighter positions added January 1, 2020. Funding from Ground Emergency Medical Transport (GEMT) reimbursements for Medicaid patients is expected to offset the cost of these positions. The 2020/2021 budget includes three additional Firefighter positions.
3. The 2019/2020 Library revised estimate reflects a reorganization that resulted in a .32 FTE decrease. The 2020/2021 library budget moves a .7 FTE position to a full time position. The reorganization for 2020/2021 also resulted in an increase of .61 FTE in part time hours.
4. The 2019/2020 Community Development department reorganization included the new director being allocated 60% to Community Development with the other 40% to Housing programs. Other positions were realigned which resulted in an overall decrease of .22 FTE for 2019/2020. The 2020/2021 budget increases the Director's allocation to 70%, a half time clerical position was added, and the allocation for as-needed clerical assistance was eliminated.
5. The 2019/2020 decrease in Engineering is due to the part time ROW Inspector position not being filled. The Right-of-Way Inspector position has been increased to a full time position beginning in March of 2020, with 75% allocated to Engineering and 25% to Collection and Drainage.
6. The 2019/2020 Refuse revised estimate includes a new 3/4 time Refuse Truck Driver effective 3/2/20 for the new year-round call-in service for residential bulky waste pickup which replaced the annual Spring Cleanup Week. The 2020/2021 budget reflects a full year of the new 3/4 time position. There was also a reduction of Compost Site Attendant hours and a change in the allocation of the fulltime Community Services Officer to Refuse.
7. The 2020/2021 Collection and Drainage budget includes a 25% allocation of a fulltime Row-of-Way Inspector beginning in March of 2020.
8. The 2019/2020 revised estimate and 2020/2021 Housing budget decreases are due to combining the Housing Director position with the Community Development Director position and reallocating one Housing Specialist between Community Development and Refuse for code enforcement.

Fulltime Employee Trends Ten Year History

Number of Employees



PROPERTY TAX SCHEDULES

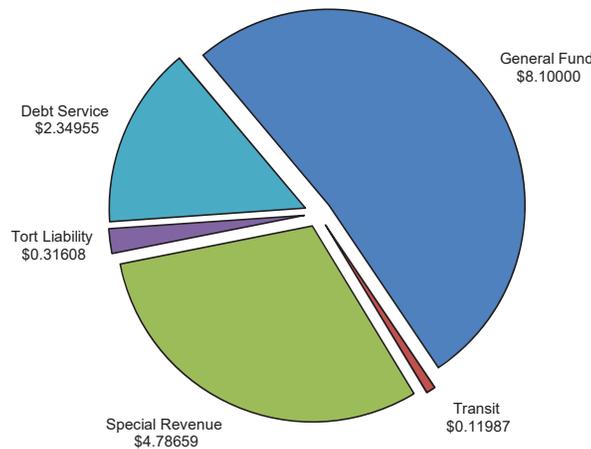
City of Muscatine

Property Tax Levies by Type - Fiscal Year 2019/2020 and 2020/2021

	<u>2019/2020 Budget</u>		<u>2020/2021 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	\$ 7,197,875	\$ 8.10000	\$ 7,259,768	\$ 8.10000	0.00%	\$ 61,893	0.86%
Transit System	49,825	0.05607	107,436	0.11987	113.79%	57,611	115.63%
Tort Liability	285,276	0.32103	283,292	0.31608	(1.54%)	(1,984)	(0.70%)
Special Revenue:							
Police and Fire Retirement	\$ 1,358,763	\$ 1.52906	\$ 1,460,387	1.62941	6.56%	\$ 101,624	7.48%
FICA/IPERS	737,009	0.82938	767,564	0.85640	3.26%	30,555	4.15%
Other Employee Benefits	2,041,514	2.29738	2,062,115	2.30078	0.15%	20,601	1.01%
Reduction *	(54,215)	(0.06101)	-	-	100.00%	54,215	100.00%
Subtotal	<u>\$ 4,083,071</u>	<u>\$ 4.59481</u>	<u>\$ 4,290,066</u>	<u>\$ 4.78659</u>	4.17%	<u>\$ 206,995</u>	5.07%
Debt Service	2,508,932	2.60018	2,288,629	2.34955	(9.64%)	(220,303)	(8.78%)
Levee Improvements	-	-	-	-		-	
Total	\$ 14,124,979	\$ 15.67209	\$ 14,229,191	\$ 15.67209	0.00%	\$ 104,212	0.74%
Agricultural Land	4,542	3.00375	3,581	3.00375	0.00%	(961)	(21.16%)
Grand Total	<u>\$ 14,129,521</u>	<u>\$ 15.67209</u>	<u>\$ 14,232,772</u>	<u>\$ 15.67209</u>	0.00%	<u>\$ 103,251</u>	0.73%
		\$ 3.00375		\$ 3.00375			

* The Employee Benefits Levy for 2019/2020 was reduced from the amount necessary to fund 100% of General Fund employee benefits costs by the amount shown in order to keep the City's total tax rate the same as the prior year. This resulted in \$54,215 of General Fund benefits being funded from the General Fund in 2019/2020. For the 2020/2021 budget, 100% of the General Fund employee benefits are being funded from the Employee Benefits fund.

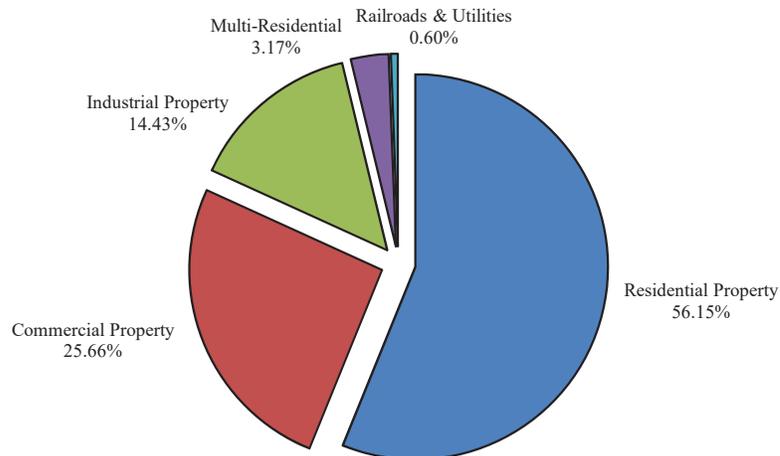
**City Tax Levy Rates By Type
Budget 2020/2021
\$15.67209
per \$1,000 Valuation**



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

	<u>January 1, 2018</u>	<u>January 1, 2019</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)	\$ 504,858,389	\$ 504,040,953	\$ (817,436)	-0.16%	3.57%
Commercial Property (2)	223,837,935	230,377,751	6,539,816	2.92%	2.74%
Industrial Property (3)	125,927,119	129,529,216	3,602,097	2.86%	2.79%
Multi-Residential (4)	30,151,651	28,419,164	(1,732,487)	-5.75%	-0.14%
Railroads (5)	824,469	1,073,088	248,619	30.16%	30.15%
Utilities (6)	4,569,712	4,292,368	(277,344)	-6.07%	-6.07%
Total Valuations	\$ 890,169,275	\$ 897,732,540	\$ 7,563,265	0.85%	3.20%
Less Military Exemptions	1,542,716	1,464,932	(77,784)	-5.04%	
Total Net Valuation	\$ 888,626,559	\$ 896,267,608	\$ 7,641,049	0.86%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	<u>\$ 891,821,062</u>	<u>\$ 900,098,379</u>	<u>\$ 8,277,317</u>	0.93%	

1. Residential taxable valuations realized a decrease in the rollback factor from 56.9180% to 55.0743% for January 1, 2019 (a decrease of 3.23% 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, January 1, 2018, and January 1, 2019 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, January 1, 2018, and January 1, 2019.
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, 2019 valuations is 71.25%.
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, 2019.
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.

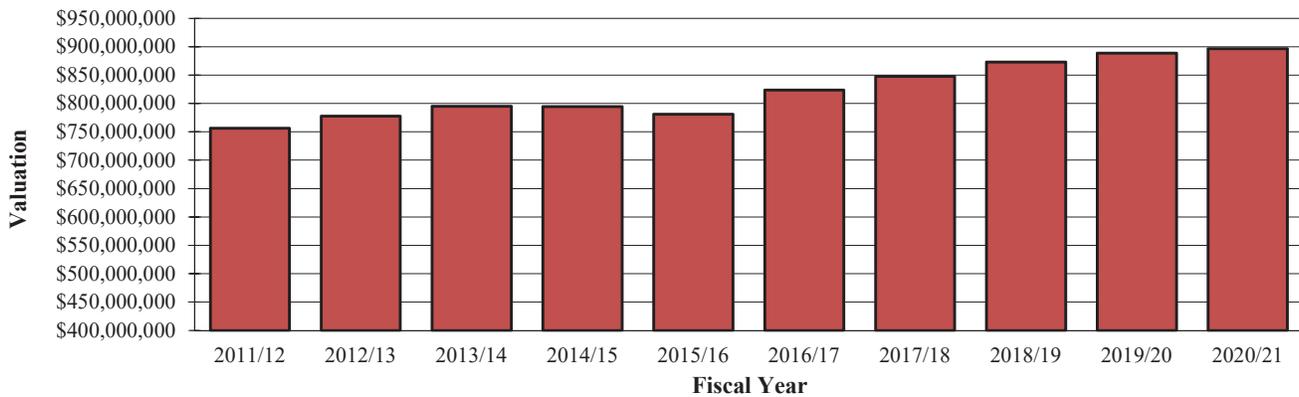


2019 Taxable Valuations by Type
(Valuations Used for 2020/2021 Tax Levy)

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

Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
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
2020/21	892,367,084	5,365,456	1,464,932	896,267,608	1,192,058

Taxable Property Valuation
Ten Year History

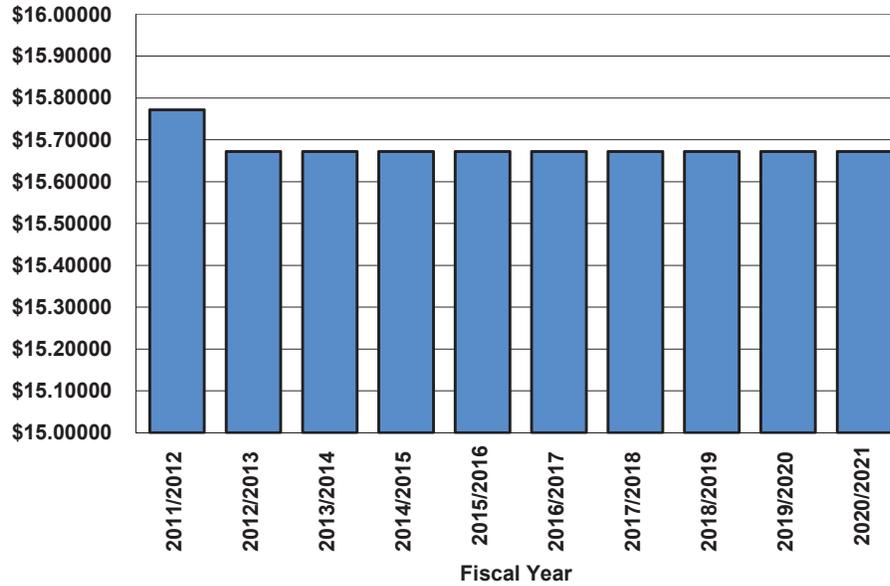


**City of Muscatine
City Tax Rate History
Fiscal Years 2011/2012 through 2020/2021**

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
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%
2020/2021	15.67209	0.00%

**Tax Rate
(Per \$1,000
Valuation)**

Tax Rate Ten Year History



Tax Levies by Entity

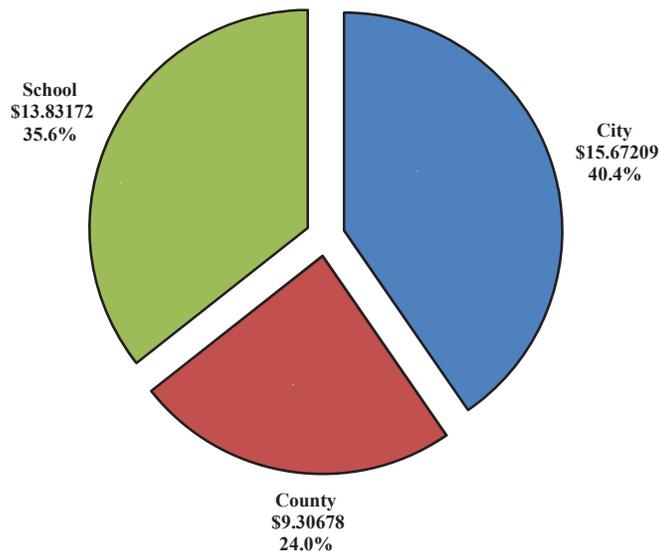
Historical Comparison

Certified Levies Per \$1,000 of Valuation

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
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
2019/2020	15.67209	9.30678	13.83172	38.81059
Percent of 2019/2020 Total Levy	40.4%	24.0%	35.6%	100.0%
2020/2021 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2020/2021 for Muscatine County and the Muscatine Community School district are not yet available.

**Tax Levy Rates By Entity
Fiscal Year 2019/2020
\$38.81059 per \$1,000 Valuation**



MAJOR REVENUE SOURCES SCHEDULES

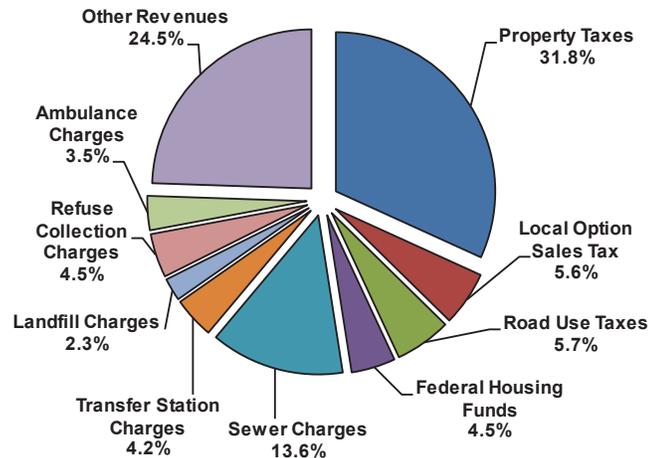
**City of Muscatine
Major Revenue Sources
Fiscal Year 2020/2021 Budget**

General Information

The City of Muscatine budgeted operating revenues of \$52,841,372 for 2020/2021 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 2020/2021 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>2020/2021 Budget</u>	<u>Percent of Total</u>
Property Taxes	\$ 16,805,722	31.8%
Local Option Sales Tax	2,936,900	5.6%
Road Use Taxes	3,013,100	5.7%
Federal Housing Funds	2,363,370	4.5%
Sewer Charges	7,169,700	13.6%
Transfer Station Charges	2,215,900	4.2%
Landfill Charges	1,217,100	2.3%
Refuse Collection Charges	2,358,000	4.5%
Ambulance Charges	1,832,600	3.5%
Other Revenues	<u>12,928,980</u>	<u>24.5%</u>
Total Operating Revenues	<u>\$ 52,841,372</u>	<u>100.0%</u>

**Operating Revenues
Budget 2020/2021**



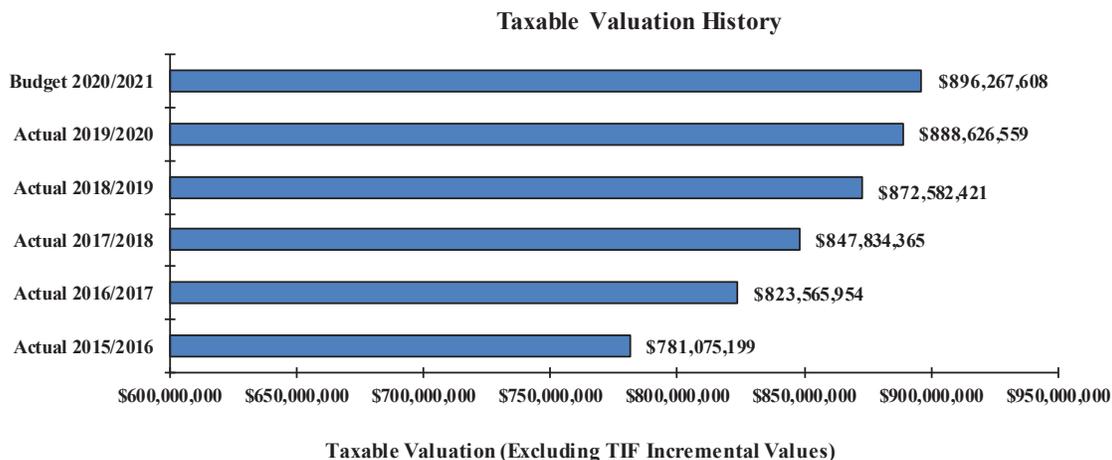
Property Taxes
FY 2020/2021 Budget \$16,805,722

General Information

Property taxes comprise 31.8% 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 2020/2021. 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

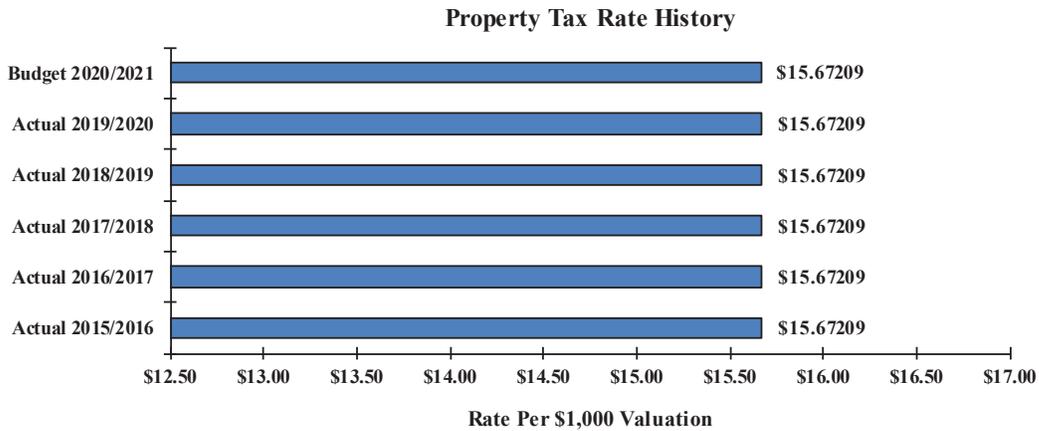


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State “rollback” factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2020/2021 is \$896,267,608, which is \$7,641,049 (.86%) more than the fiscal year 2019/2020 valuation of \$888,626,559. 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 2020/2021. 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, rolled back to 71.25% in 2020/2021 and will continue to be rolled back over the next three years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2020/2021 is \$28,419,164,

which reflects the 71.25% rollback. Industrial property valuations increased by 2.86 %, commercial values increased by 2.92%, and residential property values decreased by .16% for 2020/2021. Actual valuations for residential property increased by 3.57%, however there was a 3.23% decrease in the residential rollback (from 56.9180% to 55.0743%). The other smaller categories of properties are railroads, which increased in valuation by 30.16%, and utilities, which decreased by 6.07%. Overall, these factors combined to result in the .86% overall increase in taxable valuations.

Property Tax Rates



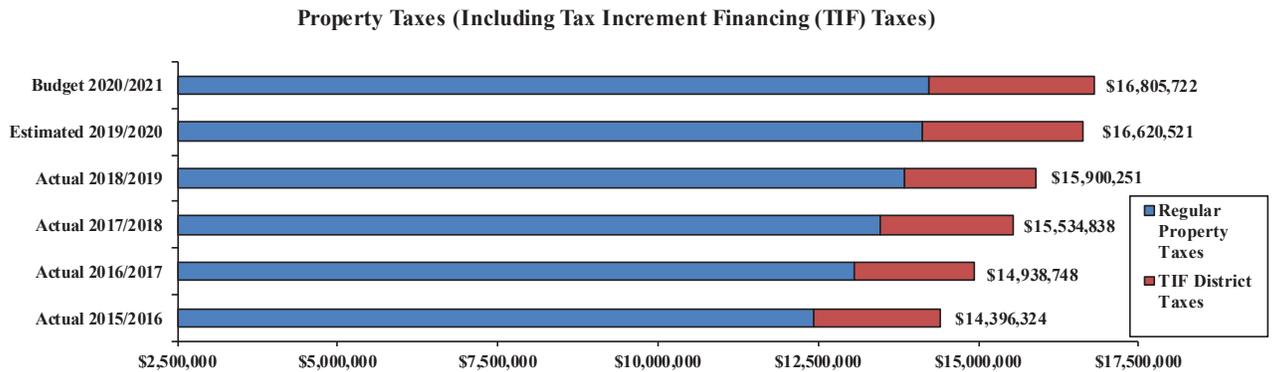
The City’s tax rate for 2020/2021 is comprised of five different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, and Debt Service.

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 2020/2021 was maintained at the same rate as the previous eight years. The increases in the transit and employee benefit rates were offset by decreases in the tort liability and debt service tax levy rates.

Property Tax Revenue



Property taxes estimated for 2020/2021 total \$16,805,722, including \$14,232,722 from regular property tax and \$2,573,000 from tax increment financing (TIF) taxes. This is a .73% increase in regular property taxes and a 1.11% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2020/2021 Budget \$2,936,900

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 previous 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 for an additional fifteen years (through June 30, 2034) with 80% of the tax proceeds to be used for storm and sanitary sewer projects and 20% for the City’s pavement management program. 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 2019/2020 and 2020/2021 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 2019/20 and 2020/21 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2020/2021 Budget \$3,013,100

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 2020/2021. 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.

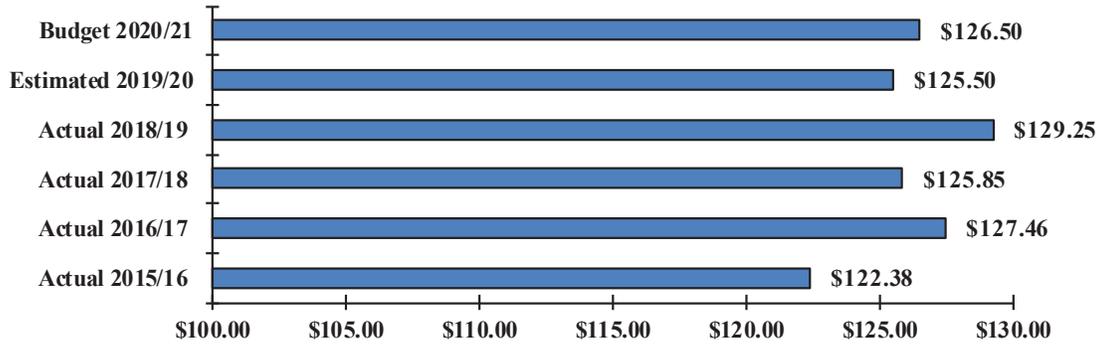
Road use tax revenues are estimated at \$2,989,300 in 2019/2020. This is based on the Iowa Department of Transportation (IDOT) estimate of \$126.00 per capita, which has been reduced by \$.50 to \$125.50 for a conservative budget estimate.

The road use tax distribution for 2020/2021 was estimated by the IDOT at \$127.00 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2020/2021 budget includes a more conservative estimate of \$126.50 per capita which would generate \$3,013,100.

Road Use Tax Revenue



Road Use Taxes (Per Capita Basis)



Federal Housing Funds
FY 2020/2021 Budget \$2,363,370

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. 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 2020 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 computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In 2015/2016 \$188,985 of HUD operating subsidy was received, in 2016/2017 the amount was \$201,974, in 2017/2018 the amount was \$214,050, and in 2018/2019 the amount was \$206,938. The subsidies have been estimated at \$247,500 for 2019/2020 and \$215,000 for 2020/2021.

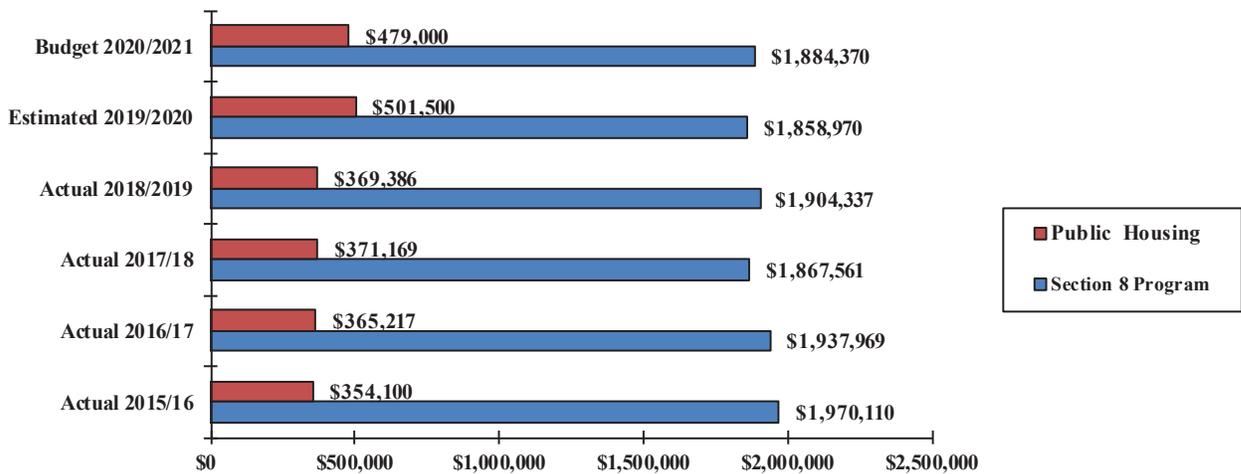
Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City drew down the 2014 allocation of \$160,589 in 2015/2016, the 2015 allocation of

\$163,243 in 2016/2017, the 2016 allocation of \$157,119 in 2017/2018, and the 2017 allocation of 162,448 in 2018/2019. Housing agencies are given two years to obligate each year’s capital funding allocation. The 2019/2020 revised estimate reflects drawing down the 2018 grant which totals \$254,000. The 2020/2021 budget reflects drawing down the 2019 allocation of approximately \$264,000.

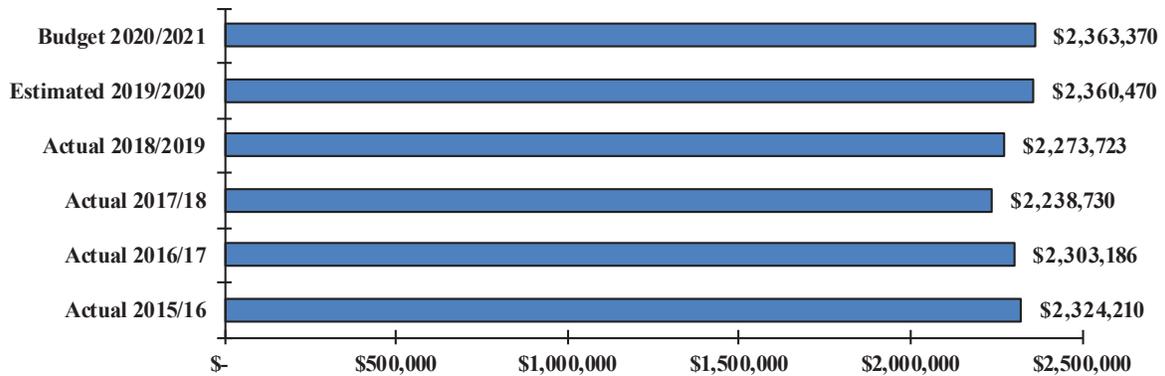
Federal Housing Funds Revenue Trends

The first chart below shows the revenue trends by housing program for the last four fiscal years, the estimated amounts for 2019/2020 and the budgeted amounts for 2020/2021. 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 by Program



Federal Housing Funds - All Programs



Sewer Charges for Services
FY 2020/2021 Budget \$7,169,700

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 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.

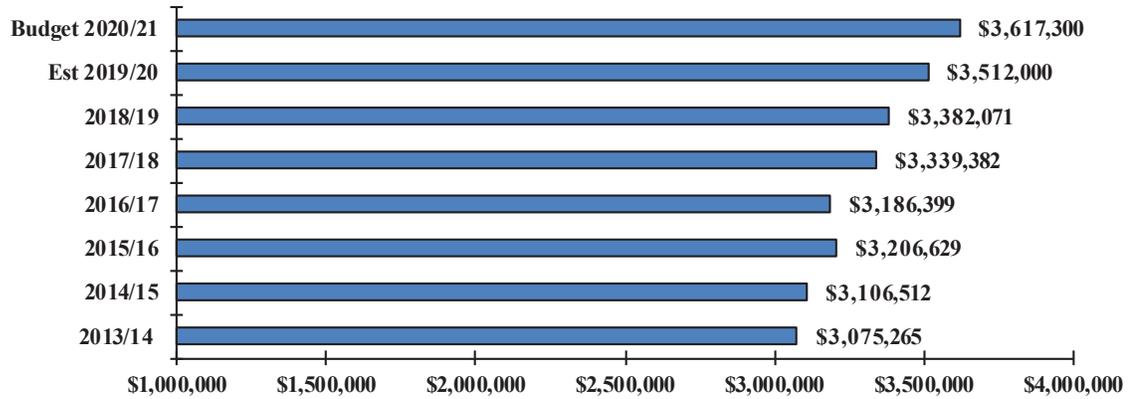
Basis of Revenue Estimates

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.

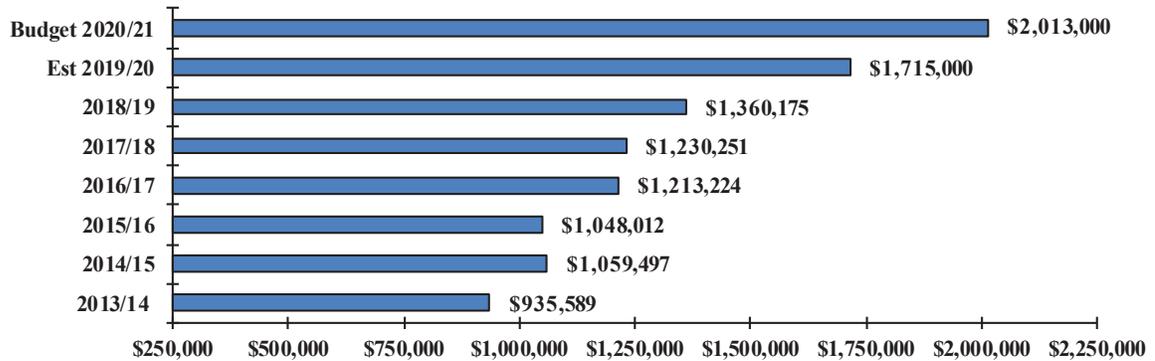
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). As noted above, under the current 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 2019/2020 and the projections for 2020/2021. The High Strength Waste Facility was completed in 2019/2020. Revenues are expected to increase by \$75,000 in 2019/200 and \$300,000 in 2020/2021 due to revenues from this facility.

Sewer Revenue Trends

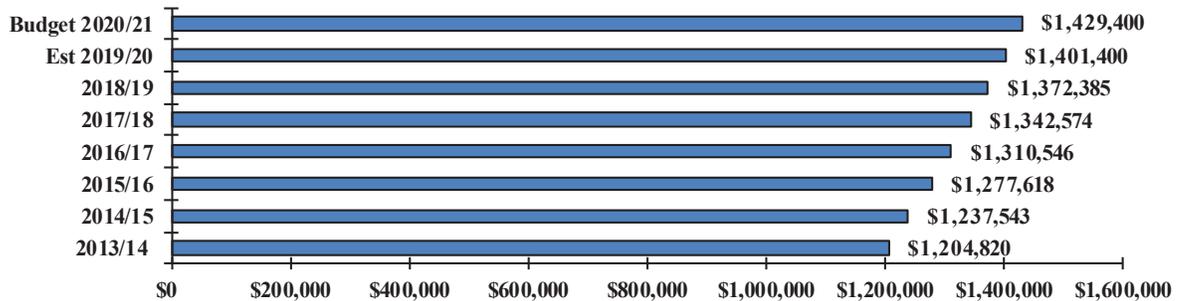
Residential and Muscatine Power and Water Billed Commercial Sewer Revenue



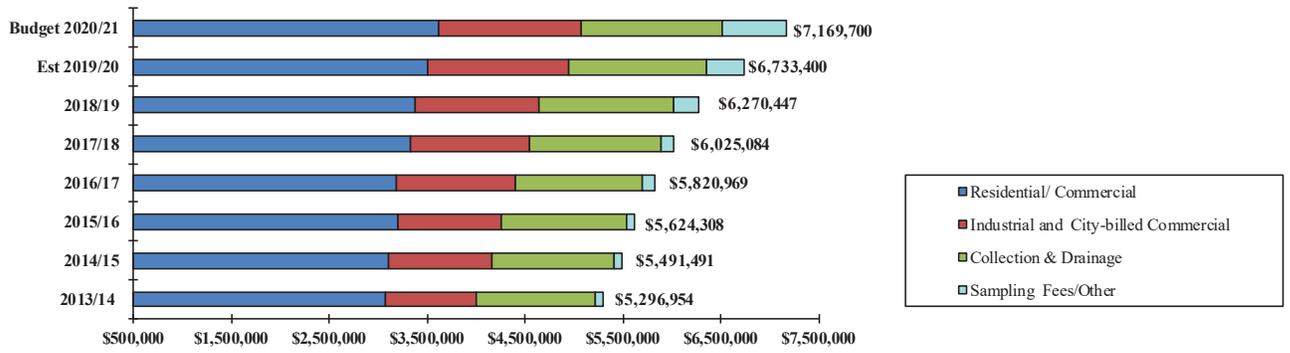
Industrial and City-Billed Commercial Sewer Revenue



Collection and Drainage Revenues



Sewer Revenues - All Types



**Transfer Station Charges for Services
FY 2020/2021 Budget \$2,215,900**

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 and estimated operating and capital expenditure needs. 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.

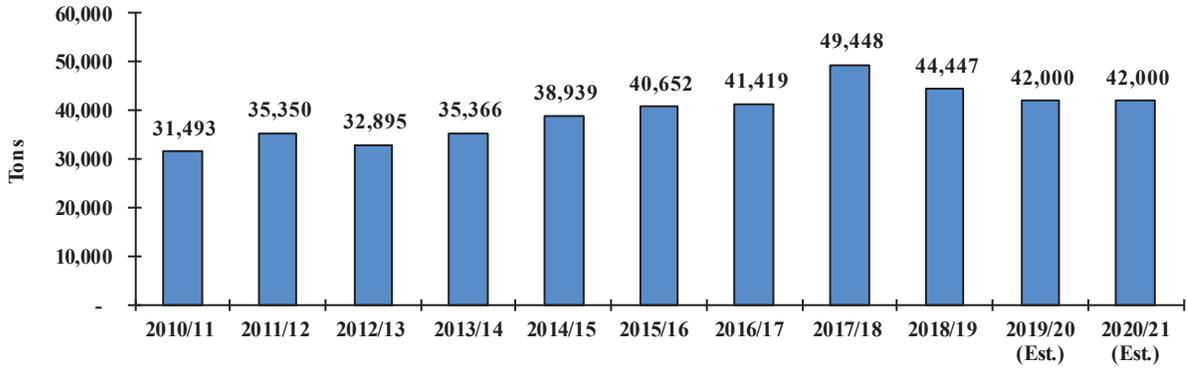
The transfer station rate was increased from \$41.00 per ton to \$60.00 per ton for 2009/2010 and that rate will continue through 2020/2021. The Landfill fund had a deficit balance of over \$2.5 million at the end of 2009/2010 primarily due to the significant costs of developing new cells at the Landfill. 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. At the time this budget is being published, the City is working with the industries to extend these contracts for an additional five years.

The actual Transfer Station waste tonnage was 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, 49,448 in 2017/2018, and 44,447 in 2018/2019. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2019/2020 revised estimate and 2020/2021 budget are each based on a projected 42,000 tons of waste.

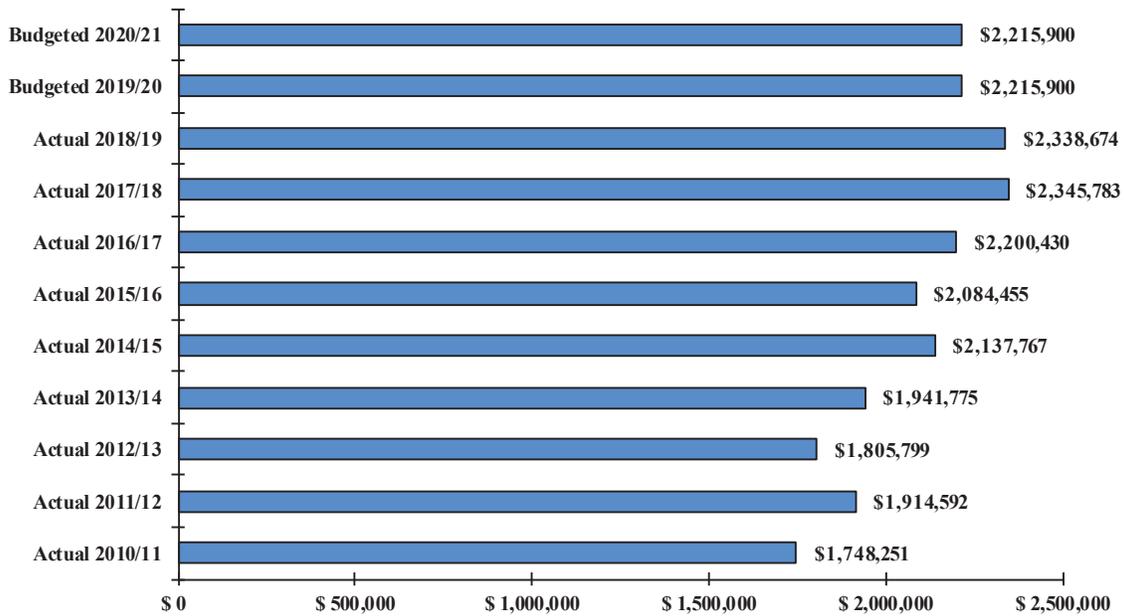
Transfer Station Revenue Trends

The following charts show Transfer Station usage and revenues since 2010/2011:

Transfer Station Usage (Tons)



Transfer Station Revenues



Landfill Fees
FY 2020/2021 Budget \$1,217,100

General Information

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

Basis of Revenue Estimate

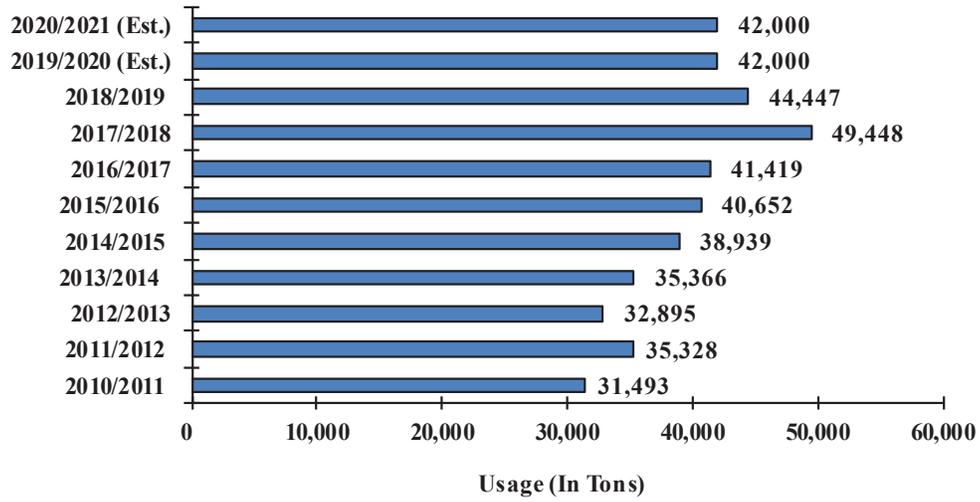
The landfill waste volume was 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, and 44,447 in 2018/2019. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2019/2020 revised estimate and the 2020/2021 budget are each based on 42,000 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 had been accumulated for the next landfill cell. For 2019/2020 the landfill portion of the Transfer Station rate decreased to \$30.00 per ton for the full rate tonnage and the \$30.00 rate has been continued in the 2020/2021 budget. This change was 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. At the time this budget is being published, the City is working with the industries to extend these contracts for an additional five years.

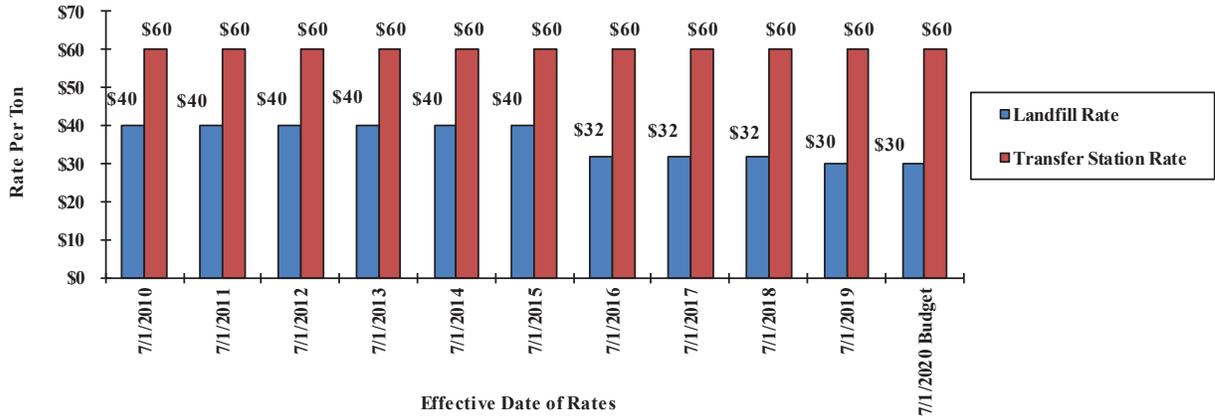
Landfill Revenue Trends

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 2020/2021 Budget \$2,358,000**

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.

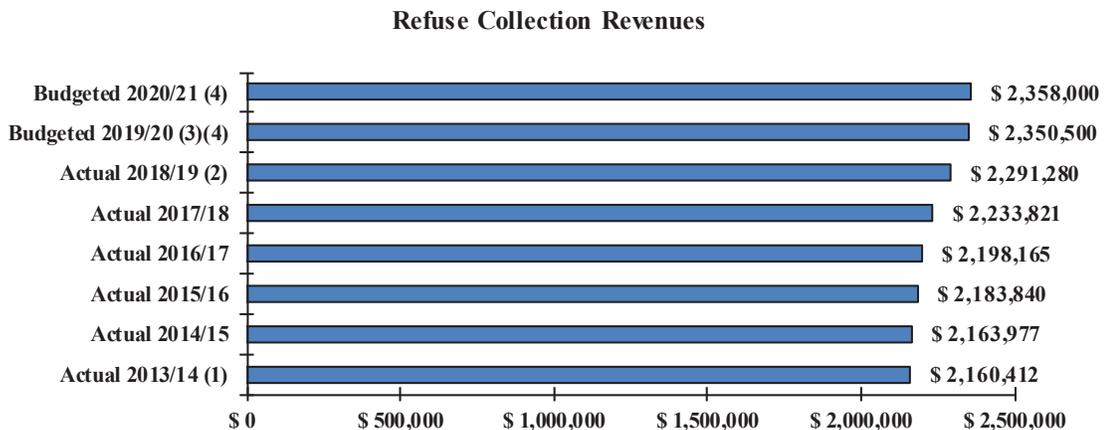
Basis of Revenue Estimate

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 increased by another \$.50 per customer per month effective July 1, 2019. This increase was needed to accumulate funds for another automated refuse collection vehicle in 2020/2021. The rate increases were 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. No rate increase is budgeted for 2020/2021.

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.

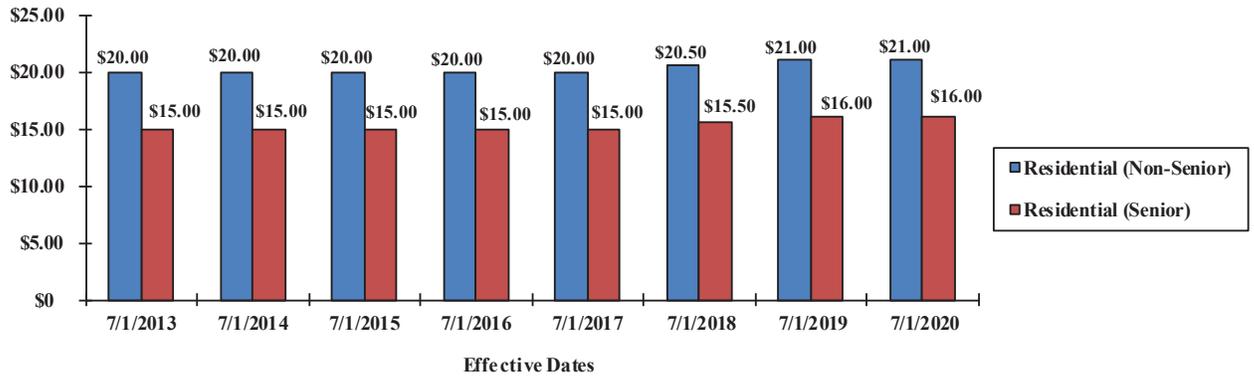
Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2019/2020, and the budgeted revenue for 2020/2021 are shown in the following chart. The second chart shows the refuse collection rates since 2013/2014.



1. Includes the first full year of refuse collection services for Ripley's Mobile Home Court for 2013/2014 totaling \$73,028.
2. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2018.
3. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2019.
4. A non-resident fee was implemented at the Compost Site in November, 2019. The 2019/2020 budget includes \$7,500 and the 2020/2021 budget includes \$15,000 for this service.

Refuse Collection Rate History (Rates Per Month)



Ambulance Charges for Services
FY 2020/2021 Budget \$1,832,600

General Information

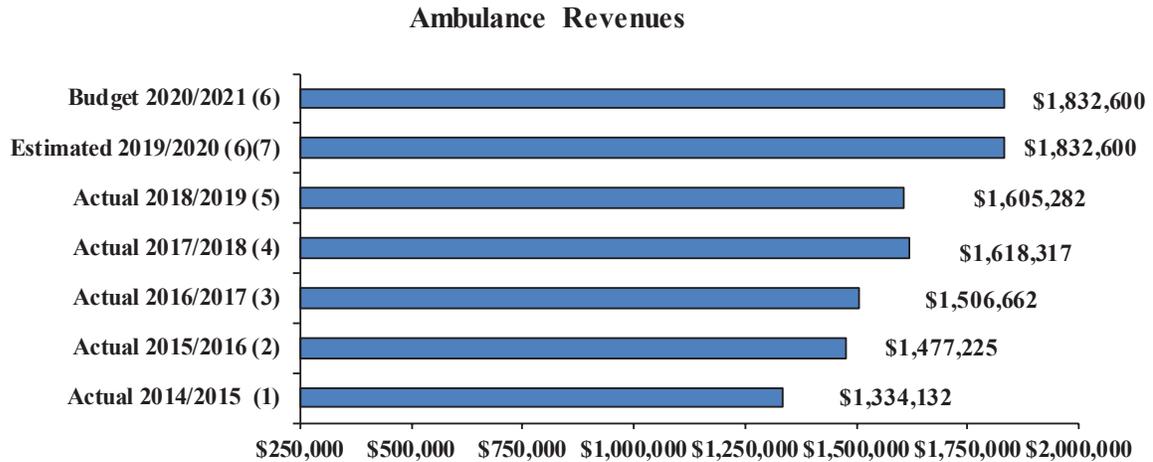
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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.

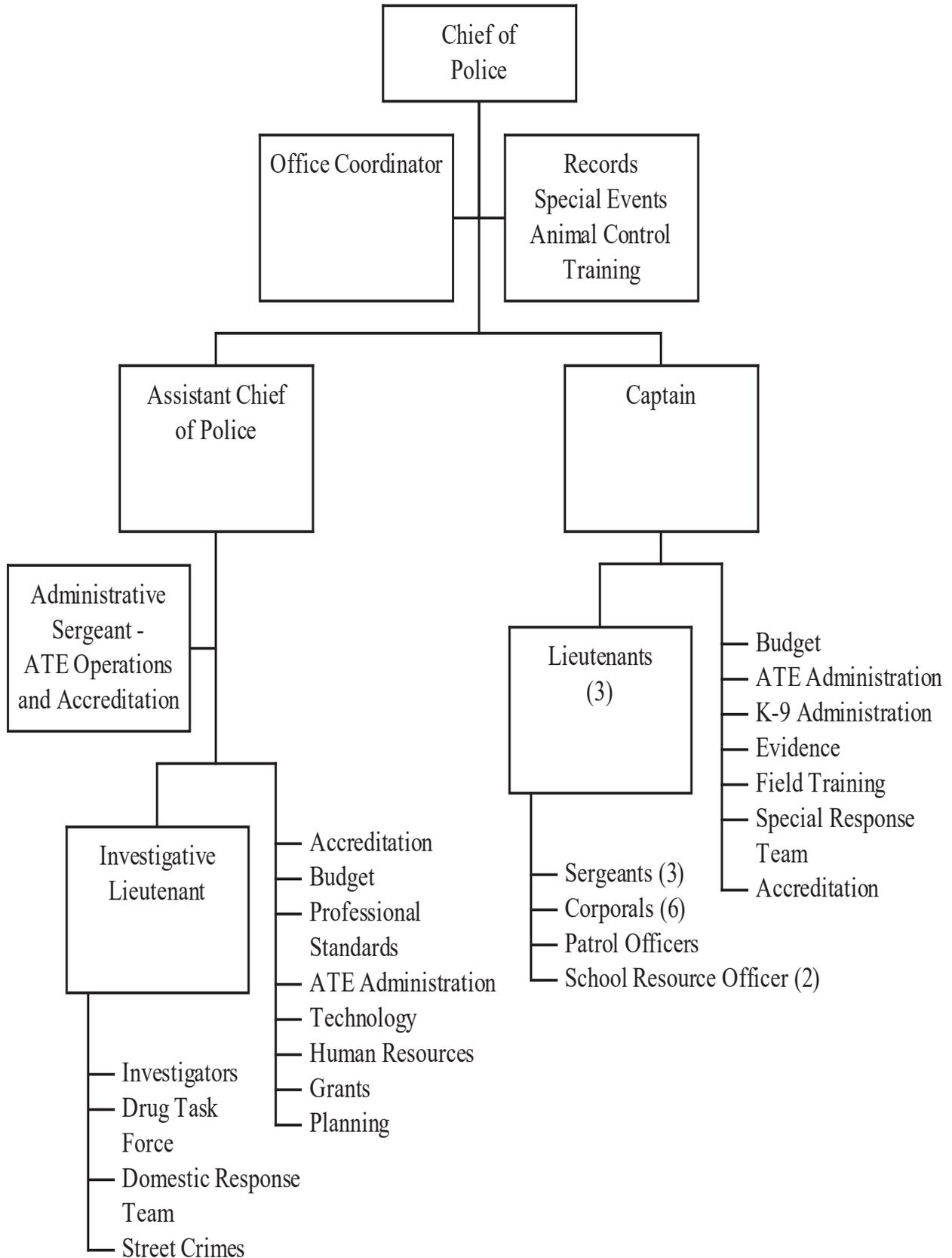
Ambulance Revenue Trends



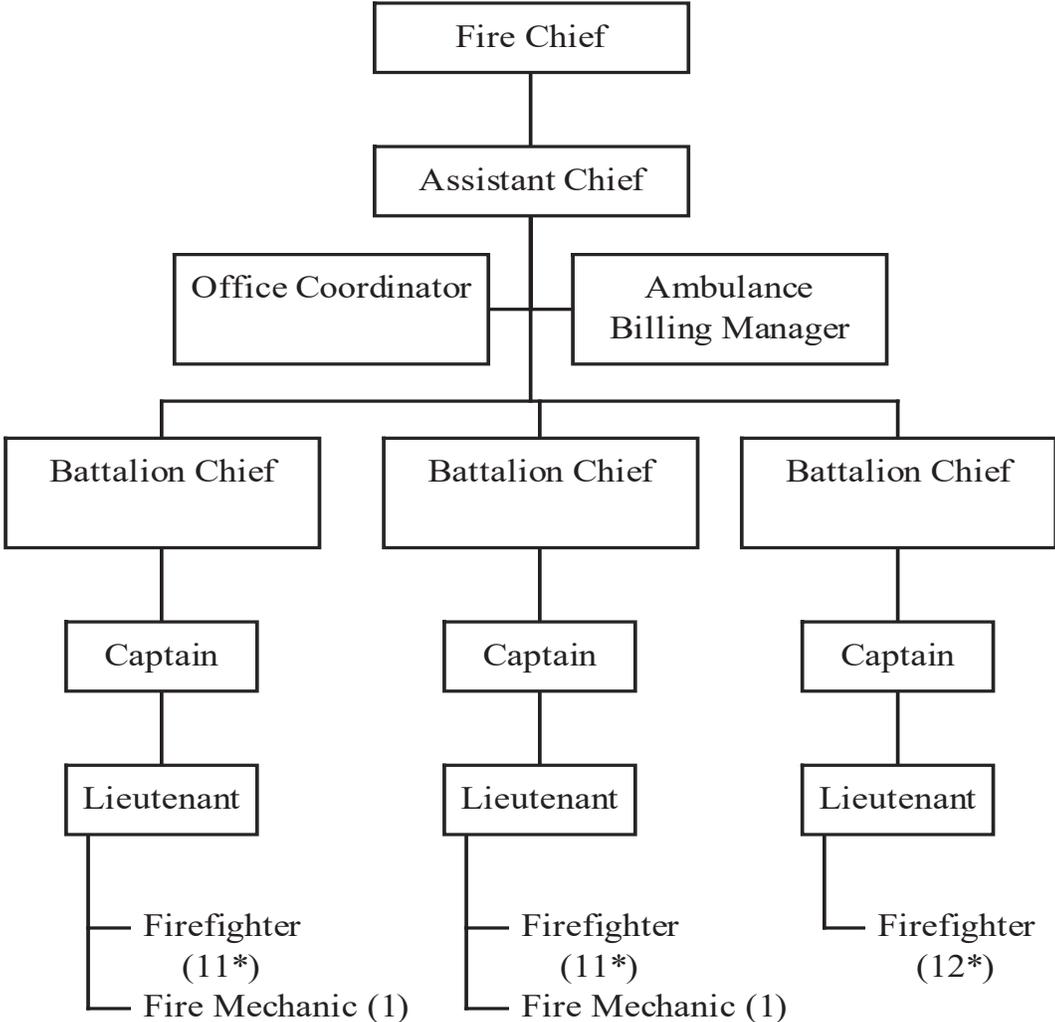
1. Effective July 1, 2014 the BLS rate was increased to \$565, the ALS1 rate to \$672, the ALS2 to \$972 and the Skilled Care Transport to \$1,149. The mileage rate was also increased to \$14 per loaded mile.
2. The 2015/2016 revenues include a \$60,400 adjustment to increase the amount accrued on prior 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.
3. 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.
4. 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.
5. 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.
6. 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 \$232,600 which is shown as revenue in 2019/2020 & 2020/2021.
7. Effective July 1, 2019 the BLS rate was increased to \$607, the ALS1 rate to \$720 the ALS2 to \$1,043, and the Skilled Care Transport to \$1,232. The mileage rate was maintained at \$16 per loaded mile.

DEPARTMENT ORGANIZATIONAL CHARTS

CITY OF MUSCATINE POLICE DEPARTMENT

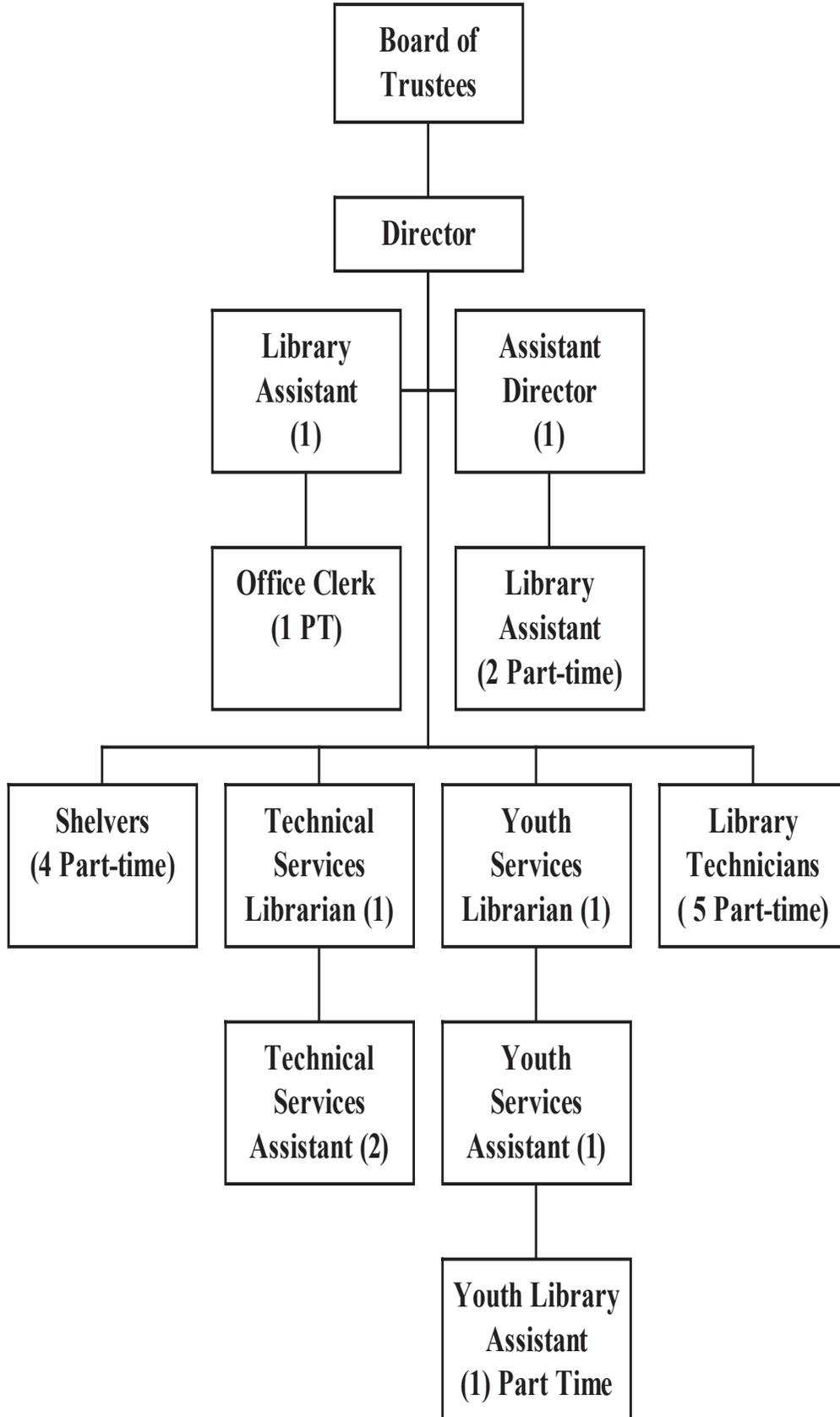


CITY OF MUSCATINE FIRE DEPARTMENT

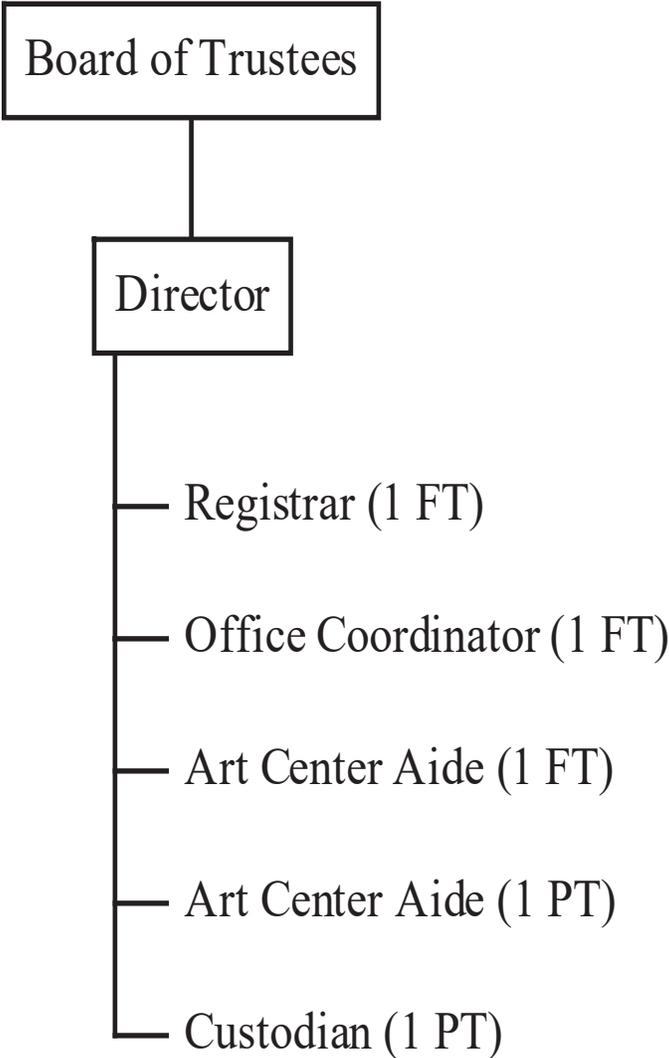


* Firefighter positions in this chart include three new Firefighter positions added January 1, 2020. These positions were subject to receipt of additional ambulance funding from GEMT (Ground Emergency Medical Transportation) funds which increased the reimbursements for Medicaid patients. This chart also includes an additional three Firefighter positions budgeted to begin July, 2020.

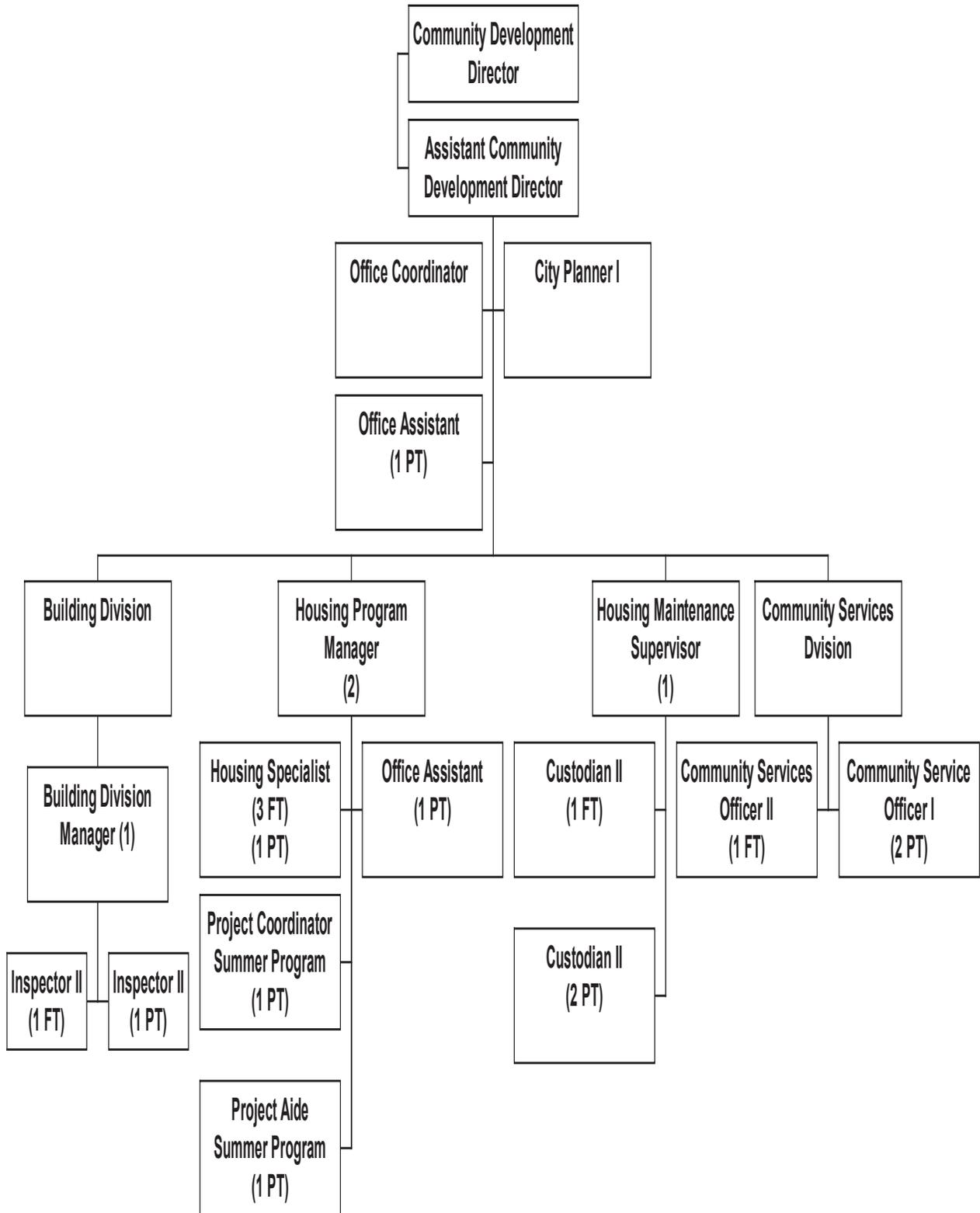
CITY OF MUSCATINE LIBRARY



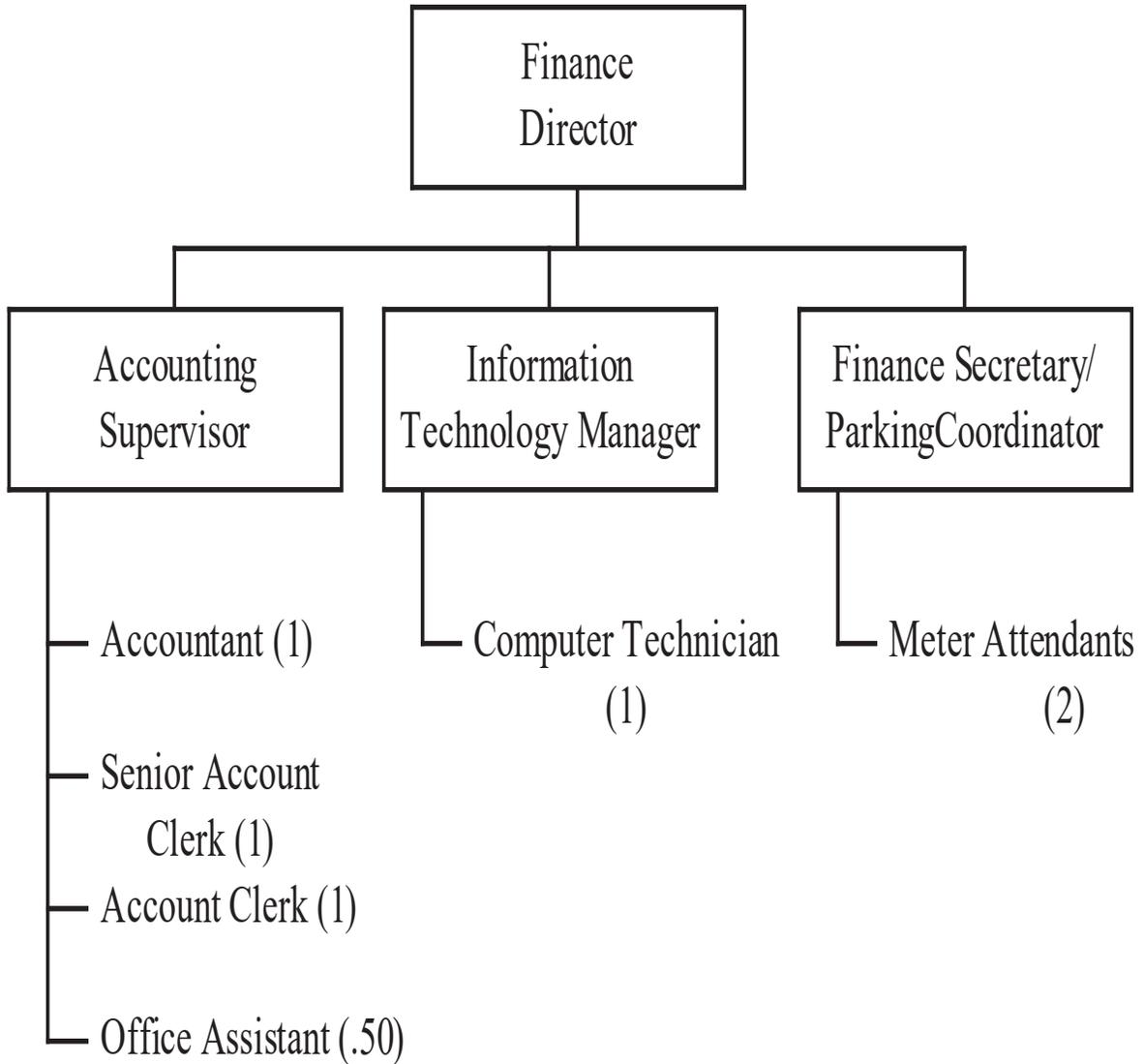
CITY OF MUSCATINE ART CENTER



CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT

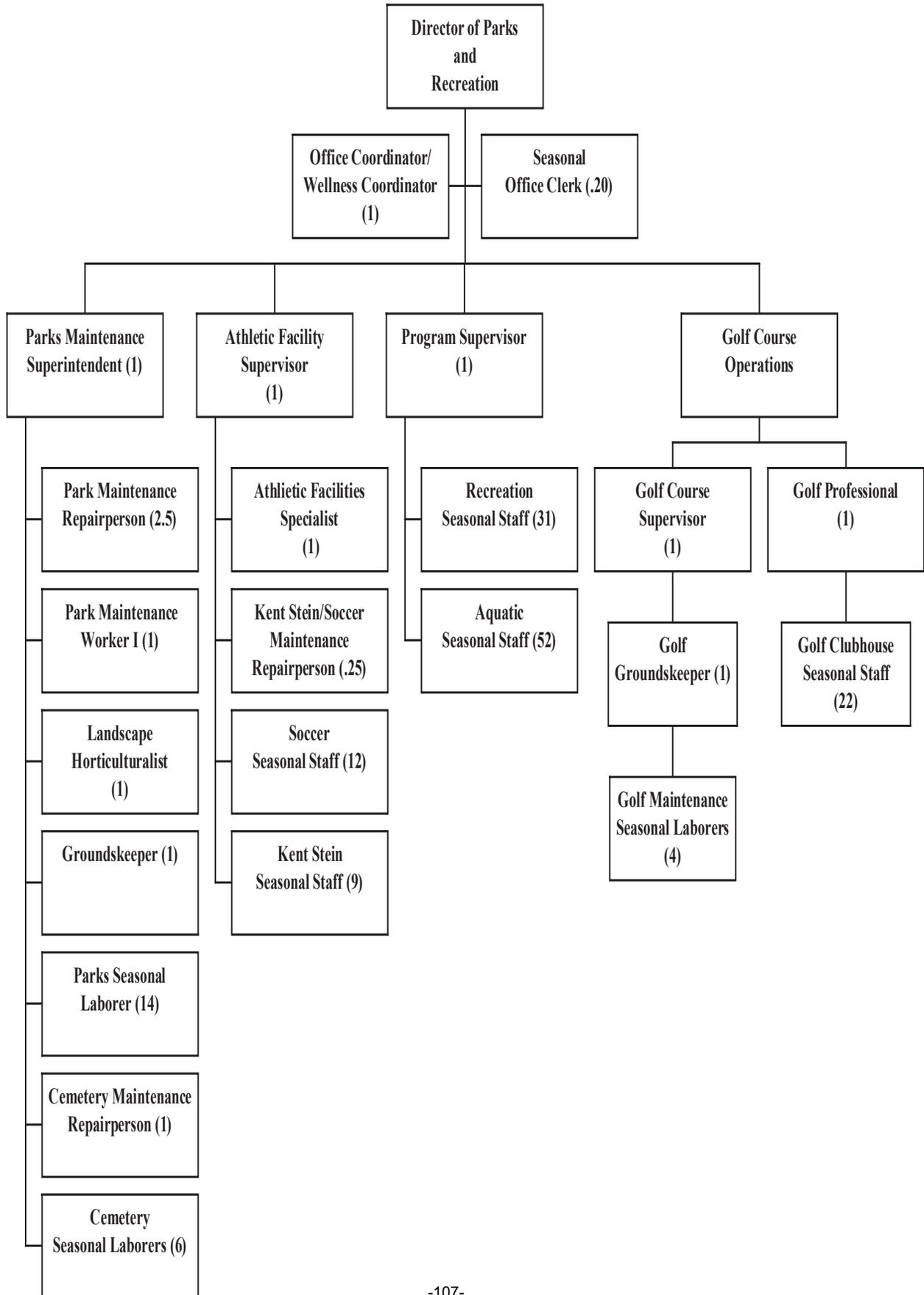


CITY OF MUSCATINE FINANCE DEPARTMENT

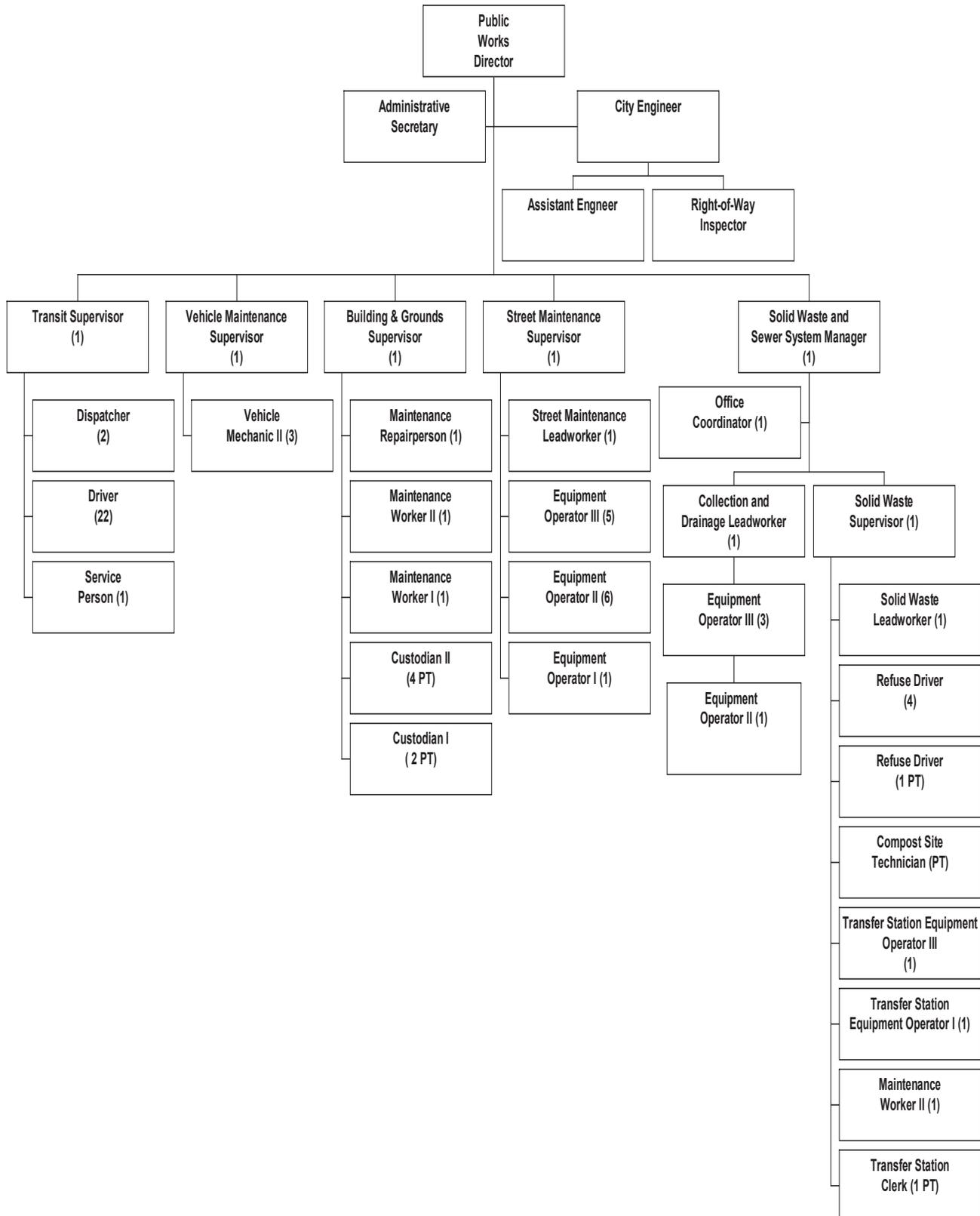


CITY OF MUSCATINE

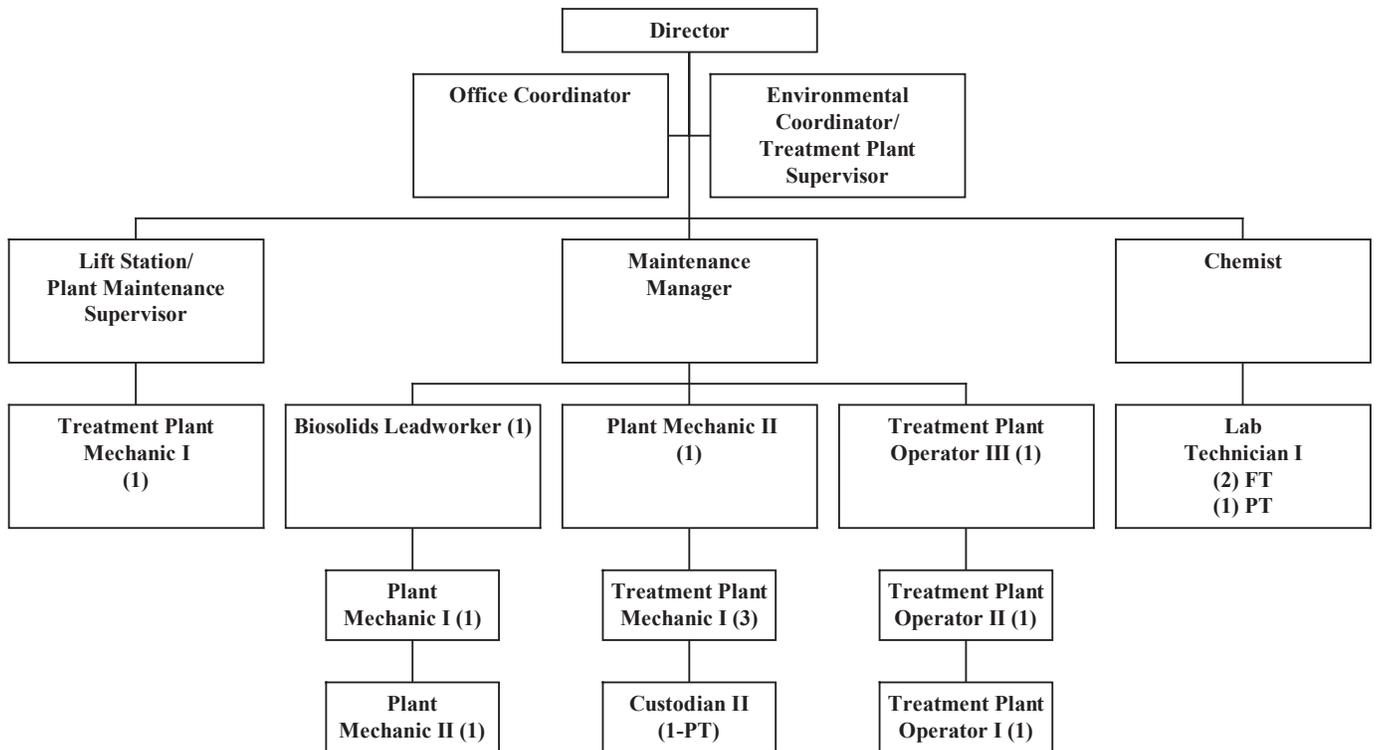
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



GENERAL FUND

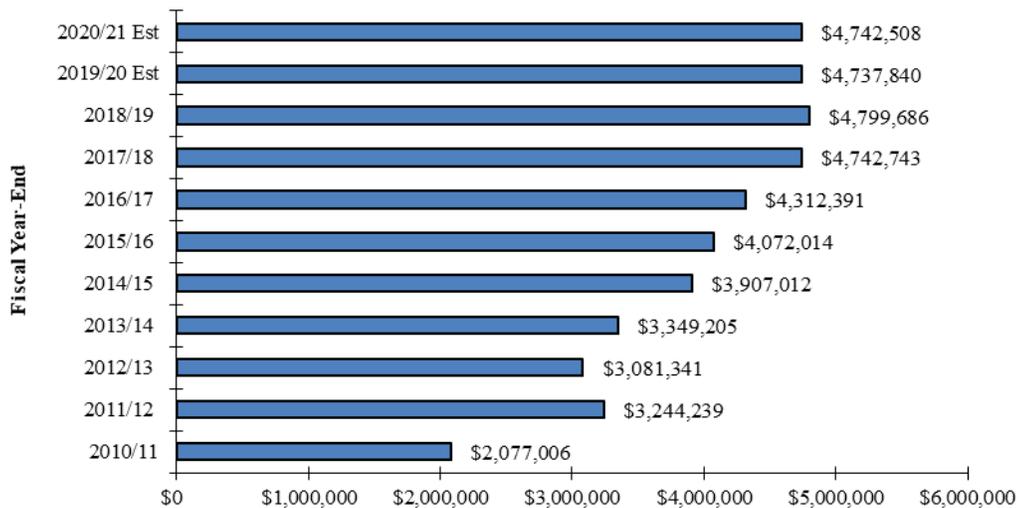
GENERAL FUND

The General Fund for the City of Muscatine accounts for all transactions of the City which pertain to the general administration and services traditionally provided to citizens, except those specifically accounted for elsewhere. Services within the General Fund include police and fire protection, street maintenance, cemetery operations, library and art center, parks and recreation, engineering, building and grounds maintenance, and general administration. The General Fund is the primary source of appropriations to fund costs of providing these services. Consequently, considerable importance is placed upon the fund's financial condition. The City Council and staff's objective is to maintain an acceptable level of services for its citizens within the limitations of revenue sources available to support these activities.

General Fund Balance

To attain the objective of maintaining the General Fund as a self-funding entity, revenues and/or available balances must be provided to support expenditures during the entire fiscal year. Additionally, the City's budget policies in prior years required the ending balance for the year to be at least 10% of the budgeted expenditures in the General Fund. The City Council in recent budgets has made efforts to increase the General Fund balance over the previous minimum of 10% level and in November 2013 City Council formally adopted a new General Fund Balance Policy which provides for the ending General Fund balance to be at least two months of General Fund expenditures or 16.7%. The effort to increase the fund balance was in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considers the 10% fund balance requirement to be "relatively narrow" and that higher reserve levels may be appropriate for challenges to the city's financial operations. The ending balance for 2020/2021 is budgeted at \$4,742,508 which is 21.9% 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, the 2017/2018 ending balance of \$4,742,743 was 25.0% of expenditures; and the 2018/2019 ending balance of \$4,799,686 was 24.1% of General Fund expenditures.

The new General Fund Balance Policy provides that City Council, as part of the budget process, can choose to use fund balances above the minimum level for one-time capital purchases to reduce the amount of debt and resulting interest costs to be incurred by the City. This provision of the policy was used to purchase a new fire engine (\$497,000) and new financial software (\$160,000) in 2012/2013. In the 2015/2016 budget \$148,500 of the General Fund balance above the policy minimum was used to purchase a new ambulance.

The estimated ending General Fund balance of \$4,680,492 when the 2019/2020 budget was developed was 22.2% of budgeted General Fund expenditures, which met the 16.7% minimum amount in the new policy. The 2019/2020 revised estimate ending fund balance of \$4,737,840 is 22.3% of expenditures. The increase in the revised estimate is primarily due to the beginning fund balance for the year being \$139,345 higher than the estimated beginning balance in the original budget.

The ending balance for 2020/2021 of \$4,742,508 is 21.9% of General Fund budgeted expenditures which again meets the minimum fund balance provision in the updated General Fund Balance Policy. There are no one-time uses of fund balance in excess of the minimum amount in the 2020/2021 budget. The 2020/2021 budget is "balanced" with budgeted revenues \$4,668 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 also included \$50,000 in assigned funding for merit increases. The \$50,000 allocation for merit increases has been continued in the 2020/2021 budget.

Recent Structural and Efficiency Changes in General Fund Departments

There have been numerous structural, operational, and other changes over the last ten 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 \$202,000 for 2020/2021), (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 2019/2020 totaled 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). The 2019/2020 changes are further discussed in the Expenditure Trends section below.

There were several additional changes in the 2019/2020 revised estimate including (1) a .32 FTE decrease in Library staffing, (2) a .22 FTE reduction in staffing in the Community Development department due to a staff reorganization, and (3) a .35 FTE reduction in the Engineering division. These total to a .89 FTE reduction.

For the 2020/2021 budget, staffing in the General Fund is budgeted to increase by 7.39 FTE positions compared to the 2019/2020 revised estimate. The 2020/2021 budget includes the first full fiscal year of the three firefighter positions added midway through the 2019/2020 fiscal year (+1.50 FTE). The 2020/2021 budget also adds three additional firefighter positions due to the continued high call volume for Ambulance services especially requests for inter-facility transfers (+3.0). A new fulltime Human Resources Generalist position was also added. The Right-of-Way Inspector position budgeted as a part-time employee in 2019/2020 was increased to a fulltime employee for 2020/2021 (+.56 FTE). Allocation changes in the Community Development budget resulted in a .42 FTE increase. A staff reorganization at the Library resulted in an increase of .91 FTE.

Departments will continue to look for efficiencies and cost savings in their operations in 2020/2021 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 2020/2021 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 2020/2021 in the General Fund total \$21,668,294, which is a 2.5% increase from the 2019/2020 budget of \$21,134,911. General property taxes comprise 33.6% of total revenue sources for 2020/2021 compared to 34.2% for 2019/2020. 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 was able to maintain the City's total property tax rate at \$15.67209/\$1,000 of taxable property valuation since 2012/2013. For the

2020/2021 budget, the Employee Benefits levy will fund 100% of General Fund employee benefit costs while still maintaining the same overall tax rate of \$15.67209. Increases in other General Fund revenues and decreases in other tax levies allowed for these funding changes to be implemented while still maintaining a strong ending fund balance.

In 2020/2021 taxable property valuations increased by .85% (compared to a 1.84% increase for 2019/2020). This modest increase was 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 2020/2021. 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, to 71.25% in 2020/2021, and will continue to be rolled back over the next three years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2020/2021 is \$28,419,164 which reflects the 71.25% rollback. Taxable valuations for industrial property increased by 2.86% for 2020/2021 and commercial valuations increased by 2.92%. Taxable residential property valuations decreased by .16% due to the increased roll back of residential property valuations. Actual valuations for residential property increased by 3.57%; however there was a 3.23% change in the residential rollback (from 56.9180% to 55.0743%) which offset the increase in actual residential property valuations. The other smaller categories of properties are railroads, which increased in valuation by 30.16%, and utilities, which decreased by 6.07%. Overall, these factors combined to result in the .85% 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 2020/2021 the State reimbursement to the General Fund is estimated at \$346,719 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$5,131 for the Transit levy, \$13,530 for the Tort Liability levy, \$204,890 for the Employee Benefits levy, and \$100,572 for the Debt Service levy, total to an estimated total reimbursement of \$670,842 for 2020/2021. 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 2020/2021 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, 2019/2020, and 2020/2021 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 included an increase in the Utility Franchise Fee from the previous 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 was 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 was expected to generate. If the property tax levy would have been 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.

For 2020/2021, the Utility Franchise Fee is budgeted to continue at 5%. This allowed for the property tax rate to remain unchanged (even with only a .85% increase in taxable valuations) and also allowed for the addition of three new firefighter positions and a new Human Resources Generalist position.

Revenue from automated traffic enforcement (ATE) cameras are estimated at \$500,000 in both the revised estimate and the 2020/2021 budget. This revenue has fluctuated in recent years as discussed below.

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 were \$286,939 due to the five plus month period in which no notifications of violations were sent. As noted above, the 2019/2020 revised estimate and 2020/2021 budget each include an estimated \$500,000 from ATE fines

The City's hotel/motel tax rate has been 7% since April 1, 1992. The 2019/2020 revised estimate and 2020/2021 budget each include an estimated \$500,000 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 allocations 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 \$123,800 for 2019/2020 and \$125,000 is the estimated allocation for 2020/2021. The actual allocation for 2020/2021 will be 25% of actual hotel/motel taxes earned in 2019/2020. 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 2020/2021 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at \$2,820,600, a decrease of \$71,800 (2.5%) from the 2019/2020 budget of \$2,892,400.

Revenue sources identified in the General Fund for 2020/2021 also include charges for services, licenses and permits, and other fees. Construction permits for 2020/2021 are estimated at \$310,000 and rental housing 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 \$410,800 for 2020/2021 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 \$27,700 has been charged to the Golf Course and Boat Harbor Operations budgets for 2020/2021. 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 \$72,400 for 2020/2021. In 2020/2021 the Ambulance enterprise fund will transfer \$1,337,800 to the General Fund for a prorated portion (27.4%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of \$21,663,626 for 2020/2021 is 2.6% (\$548,866) above the 2019/2020 budget of \$21,114,760. Of the total expenditures, \$17,008,300 (78.5%) 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 2020/2021 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 previous 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 increased to approximately 161. For 2019/2020 fulltime equivalent employees were budgeted to increase to approximately 163 and for 2020/2021

fulltime equivalent positions are budgeted to increase to approximately 168. Changes in General Fund authorized positions for 2020/2021, 2019/2020, 2018/2019, 2017/2018, and 2016/2017, are as follows:

2020/2021 (Including Changes in the 2019/2020 Revised Estimate)

- The 2020/2021 budget includes the addition of 3 firefighter positions. These positions are in addition to the 3 firefighter positions added January 1, 2020. These positions were added due to the continued high call volume for Ambulance services especially requests for inter-facility transfers (4.50 FTE increase).
- The 2020/2021 budget includes a new Human Resources Generalist position (1.0 FTE increase).
- The Right-of-Way Inspector position budgeted as a part-time employee in 2019/2020 was increased to a fulltime employee for 2020/2021 with 75% of this position in the Engineering budget in the General Fund and 25% in the Collection and Drainage enterprise fund (.21 FTE increase).
- A Library staff reorganization resulted in a .59 FTE increase in the 2020/2021 budget compared to the original budget for 2019/2020 (.59 FTE increase).
- Staff allocation changes in the Community Development department resulted in a .20 FTE increase.
- These changes resulted in a net increase of 6.5 in FTE positions.

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

- The 2019/2020 budget included the addition of 3 firefighter positions effective January 1, 2020. These positions were added subject to the receipt of additional revenue from GEMT (Ground Emergency Medical Transport) payments which were 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 previous 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.

The 2020/2021 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 2020/2021 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 2020/2021 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 remain at \$43,000 in 2020/2021. The subsidy to the Muscatine Humane Society will increase from their current \$75,000 to \$80,000. 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 2019/2020, and the \$25,000 funding allocation was continued for 2020/2021.

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, 2019/2020, and 2020/2021. The subsidy, however, will be reduced if any grant funding is secured for this program.

The 2020/2021 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of \$202,000 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 2019/2020 is \$63,400 and the subsidy for 2020/2021 is budgeted at \$33,600. 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 2020/2021. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2020/2021, 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 4,312,391	\$ 4,742,743	\$ 4,660,341	\$ 4,799,686	\$ 4,737,840
Revenues	19,406,504	19,995,706	21,134,911	21,193,754	21,668,294
Encumbrance Variance	<u>470</u>	<u>699</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 23,719,365	\$ 24,739,148	\$ 25,795,252	\$ 25,993,440	\$ 26,406,134
Expenditures	<u>18,976,622</u>	<u>19,939,462</u>	<u>21,114,760</u>	<u>21,255,600</u>	<u>21,663,626</u>
Ending Balance, June 30	<u>\$ 4,742,743</u>	<u>\$ 4,799,686</u>	<u>\$ 4,680,492</u>	<u>\$ 4,737,840</u>	<u>\$ 4,742,508</u>

Increase (Decrease) in Fund Balance	\$ 430,352	\$ 56,943	\$ 20,151	\$ (61,846)	\$ 4,668
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Minimum Fund Balance

**per policy adopted in November,
2013 (16.7% of General Fund
Expenditures)**

<u>\$ 3,169,000</u>	<u>\$ 3,330,000</u>	<u>\$ 3,526,000</u>	<u>\$ 3,550,000</u>	<u>\$ 3,618,000</u>
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Amount Over (Under) Fund Balance

Policy Minimum of 16.7%

<u>\$ 1,573,743</u>	<u>\$ 1,469,686</u>	<u>\$ 1,154,492</u>	<u>\$ 1,187,840</u>	<u>\$ 1,124,508</u>
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Ending Balance as a Percent

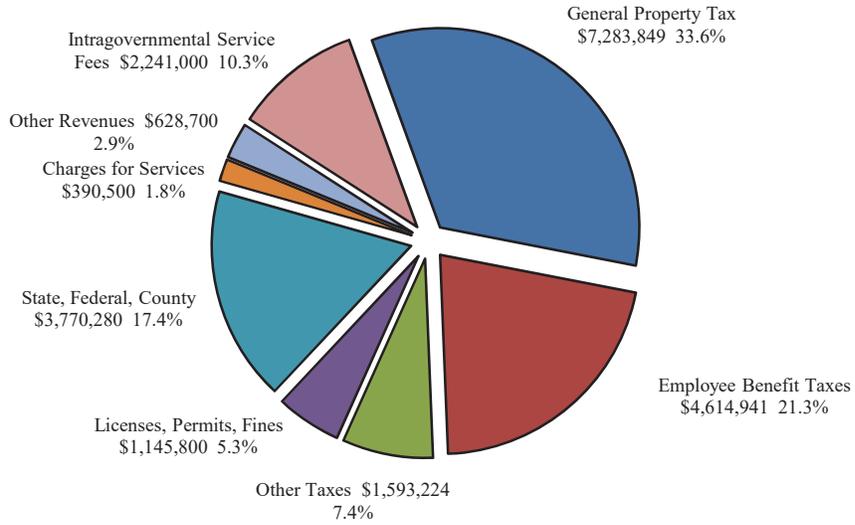
of General Fund Expenditures

<u>25.0%</u>	<u>24.1%</u>	<u>22.2%</u>	<u>22.3%</u>	<u>21.9%</u>
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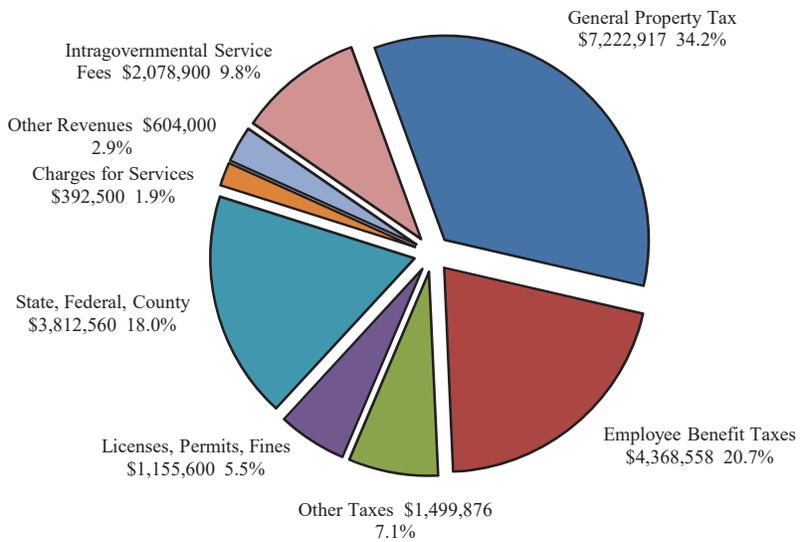
Explanation of Increases or Decreases in Fund Balances:

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 2017/2018, 2018/2019, 2019/2020, or the 2020/2021 budget.

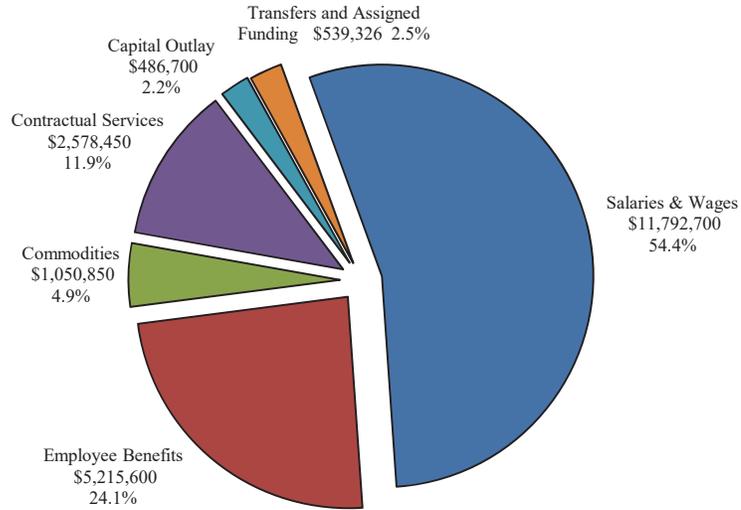
**General Fund Revenues By Source
Budget 2020/2021
\$21,668,294**



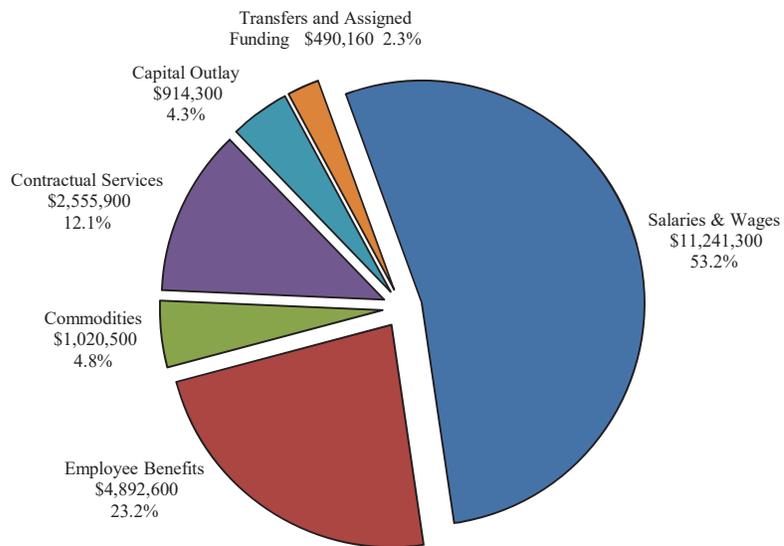
**General Fund Revenues By Source
Budget 2019/2020
\$21,134,911**



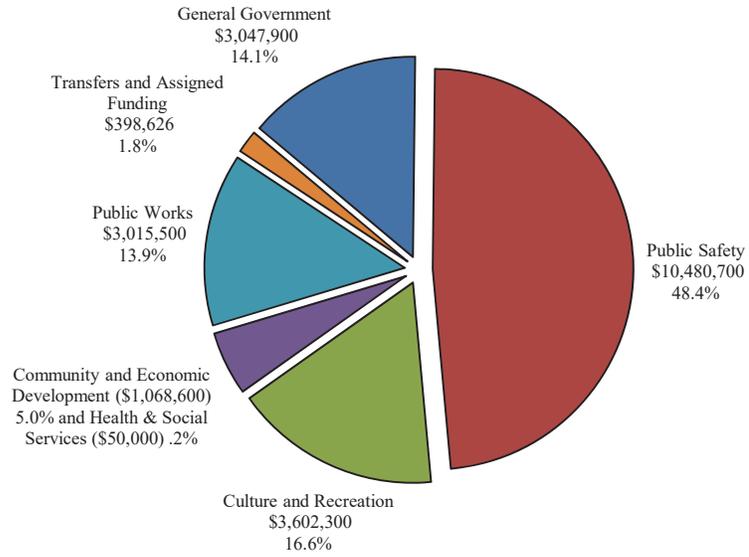
**General Fund Expenditures By Type
Budget 2020/2021
\$21,663,626**



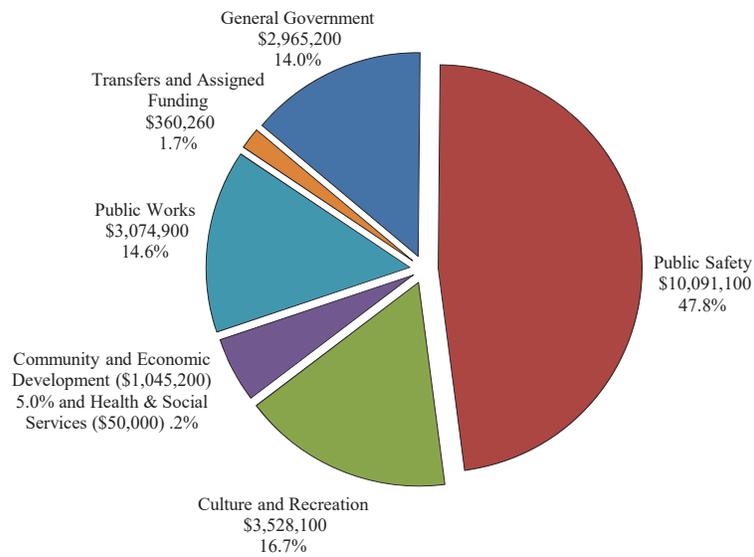
**General Fund Expenditures By Type
Budget 2019/2020
\$21,114,760**



**General Fund Expenditures By Function
Budget 2020/2021
\$21,663,626**



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



General Fund
Revenues by Type

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change from 2019/2020 Budget</u>
Taxes	\$ 8,093,736	\$ 8,290,718	\$ 8,722,793	\$ 8,754,893	\$ 8,877,073	1.8%
Licenses and Permits	564,133	443,121	431,200	407,900	442,900	2.7%
Fines and Forfeitures	722,743	500,715	719,300	714,300	712,300	-1.0%
Intergovernmental Revenue	759,389	799,990	840,260	816,800	857,680	2.1%
Charges for Services	726,049	702,218	770,000	751,500	772,200	0.3%
Use of Money and Property	185,807	216,153	187,300	166,800	177,900	-5.0%
Miscellaneous Revenues	830,999	752,023	723,300	876,000	772,200	6.8%
Transfers In	<u>7,523,648</u>	<u>8,290,768</u>	<u>8,740,758</u>	<u>8,705,561</u>	<u>9,056,041</u>	3.6%
Total	<u><u>\$ 19,406,504</u></u>	<u><u>\$ 19,995,706</u></u>	<u><u>\$ 21,134,911</u></u>	<u><u>\$ 21,193,754</u></u>	<u><u>\$ 21,668,294</u></u>	2.5%

**General Fund
Revenue Summary**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change From 2019/2020 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	\$ 6,869,227	\$ 7,075,720	\$ 7,197,875	\$ 7,197,875	\$ 7,259,768	0.9%
Ag Land Tax	3,352	3,543	4,542	4,542	3,581	-21.2%
Transit System Levy	95,553	50,004	49,825	49,825	107,436	115.6%
Tort Liability Levy	226,649	240,141	285,276	285,276	283,292	-0.7%
Levee Tax Levy	57,383	0	0	0	0	
Mobile Home Tax	19,873	20,807	20,500	20,500	20,500	0.0%
Taxes Rebated on Voluntary Annexation	(11,112)	0	0	0	0	
Special Revenue:						
Police Retirement	671,716	703,842	696,119	684,059	722,931	3.9%
Fire Retirement	666,706	691,296	686,051	670,288	743,701	8.4%
Police and Fire Medical Insurance	54,000	56,698	56,800	56,698	56,698	-0.2%
Police and Fire Retiree Medical Costs	82,618	79,124	45,000	45,000	45,000	0.0%
Long-term Disability Insurance	12,210	12,382	13,060	12,835	13,370	2.4%
Workers Compensation Insurance	46,626	49,250	36,097	25,733	28,242	-21.8%
Unemployment Insurance	21,967	32,857	25,460	61,453	60,338	137.0%
Health Insurance	1,859,161	1,870,284	2,011,967	1,875,035	2,046,612	1.7%
Life Insurance	14,441	14,555	15,075	14,672	15,969	5.9%
Dental Insurance	47,308	48,430	52,905	50,613	54,299	2.6%
Deferred Compensation	1,200	1,200	1,200	600	1,200	0.0%
Post Employment Health Plan	41,023	73,855	41,059	37,108	55,737	35.7%
FICA/IPERS	660,694	677,637	741,980	717,267	770,844	3.9%
Employee Benefit Levy Reduction (1)	(230,218)	0	(54,215)	0	0	
Subtotal	<u>\$ 11,210,377</u>	<u>\$ 11,701,625</u>	<u>\$ 11,926,576</u>	<u>\$ 11,809,379</u>	<u>\$ 12,289,518</u>	3.0%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	\$ 521,993	\$ 494,951	\$ 460,000	\$ 500,000	\$ 500,000	8.7%
Cable Franchise Tax	165,004	158,717	163,500	155,600	155,600	-4.8%
Utility Franchise Fees	102,859	220,448	514,200	514,200	514,200	0.0%
Utility Tax Replacement Excise Tax:						
General	30,180	25,351	25,876	25,876	31,029	19.9%
Tort Liability	993	858	1,024	1,024	1,208	18.0%
Transit	419	179	175	175	459	162.3%
Levee	251	0	0	0	0	
Commercial/Industrial State Reimbursement:						
General	330,269	312,505	340,986	316,200	346,719	1.7%
Tort Liability	10,871	10,580	13,514	12,500	13,530	0.1%
Transit	4,583	2,203	2,360	2,200	5,131	117.4%
Levee	2,752	0	0	0	0	
Subtotal	<u>\$ 1,170,174</u>	<u>\$ 1,225,791</u>	<u>\$ 1,521,635</u>	<u>\$ 1,527,775</u>	<u>\$ 1,567,876</u>	3.0%

**General Fund
Revenue Summary**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change From 2019/2020 Budget</u>
Intergovernmental Revenues						
Road Use Tax	\$ 2,394,237	\$ 2,660,045	\$ 2,892,400	\$ 2,973,300	\$ 2,820,600	-2.5%
Subtotal	<u>\$ 2,394,237</u>	<u>\$ 2,660,045</u>	<u>\$ 2,892,400</u>	<u>\$ 2,973,300</u>	<u>\$ 2,820,600</u>	-2.5%
Licenses and Permits						
Beer, Liquor, and Cigarettes	\$ 38,560	\$ 39,307	\$ 38,000	\$ 39,300	\$ 39,300	3.4%
Animal	1,896	3,475	2,200	3,000	3,000	36.4%
Miscellaneous	6,960	5,050	7,000	5,000	5,000	-28.6%
Subtotal	<u>\$ 47,416</u>	<u>\$ 47,832</u>	<u>\$ 47,200</u>	<u>\$ 47,300</u>	<u>\$ 47,300</u>	0.2%
Cemetery Fees						
Lot and Niche Sales	\$ 14,884	\$ 27,424	\$ 17,000	\$ 17,000	\$ 17,000	0.0%
Lease of Property-Cell Towers	18,976	19,594	19,800	21,100	22,400	13.1%
Burial Fees	44,145	44,675	45,000	45,000	45,000	0.0%
Miscellaneous Charges	8,282	11,301	9,000	11,000	11,000	22.2%
Commissions	15,033	21,592	13,500	15,000	15,000	11.1%
Perpetual Care Interest	13,701	17,873	19,300	20,400	16,700	-13.5%
Maintenance Fees (Cemetery Steps)	0	400	400	400	400	0.0%
Subtotal	<u>\$ 115,021</u>	<u>\$ 142,860</u>	<u>\$ 124,000</u>	<u>\$ 129,900</u>	<u>\$ 127,500</u>	2.8%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	\$ 42,786	\$ 59,077	\$ 60,000	\$ 60,000	\$ 60,000	0.0%
Section 8 Housing Inspection Fees	16,900	11,660	12,000	12,000	12,000	0.0%
Construction Permits	446,379	308,175	300,000	275,000	310,000	3.3%
Health Licenses	6,252	4,452	4,000	4,000	4,000	0.0%
Zoning Fees	2,700	4,200	2,500	2,500	2,500	0.0%
Board of Adjustment Fees	800	1,000	1,000	1,600	1,000	0.0%
Site Plan Review Fees	1,700	800	1,500	1,000	1,000	-33.3%
Sale of Code Books	700	400	200	0	0	-100.0%
Municipal Infractions Penalties	0	0	500	500	500	0.0%
Nuisance Reimbursements/Administrative Fees	78,543	74,957	80,000	75,000	80,000	0.0%
Sale of Property	1,263	2,900	10,000	12,000	10,000	0.0%
State Grant - Historic Preservation	0	8,623	0	0	0	
State Reimbursement - Asbestos	0	6,857	0	0	0	
Miscellaneous	2,428	844	1,000	1,000	1,000	0.0%
Transfer In:						
Staff Services Airport/CDBG	28,068	0	0	0	0	
Subtotal	<u>\$ 628,519</u>	<u>\$ 483,945</u>	<u>\$ 472,700</u>	<u>\$ 444,600</u>	<u>\$ 482,000</u>	2.0%

**General Fund
Revenue Summary**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change From 2019/2020 Budget</u>
Parks and Recreation Revenues						
Parks - General						
Shelters	\$ 9,340	\$ 8,750	\$ 9,500	\$ 9,000	\$ 9,000	-5.3%
Pearl City Station Rentals	10,735	5,185	11,500	5,200	10,000	-13.0%
Riverview Center Rentals	20,070	15,240	22,000	15,300	20,000	-9.1%
Dog Park Permits	0	5,785	4,500	6,700	6,700	48.9%
Maintenance Fees	785	235	700	100	100	-85.7%
Equipment/Miscellaneous Sales	93	300	200	0	0	-100.0%
Concession Commission	1,211	343	900	400	700	-22.2%
Reimbursement of Damages	3,158	1,878	0	28,500	0	
Donations	11,335	500	0	0	0	
Iowa DNR Tree Grant	12,081	0	0	0	0	
Iowa DNR Tree Sales	5,475	0	0	0	0	
Other	841	36	0	0	0	
Transfers In						
Administration Fees	24,400	26,100	26,900	26,900	27,700	3.0%
Subtotal	<u>\$ 99,524</u>	<u>\$ 64,352</u>	<u>\$ 76,200</u>	<u>\$ 92,100</u>	<u>\$ 74,200</u>	-2.6%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	\$ 27,112	\$ 17,983	\$ 21,000	\$ 19,000	\$ 19,000	-9.5%
Commission on Concessions	4,237	3,045	6,500	3,000	3,000	-53.8%
Mowing Reimbursement - Housing	7,250	7,500	7,300	7,500	7,500	2.7%
Storage Building Rental	800	1,200	1,200	1,200	1,200	0.0%
Insurance Reimbursements	6,133	0	0	0	0	
Other	645	0	0	0	0	
Subtotal	<u>\$ 46,177</u>	<u>\$ 29,728</u>	<u>\$ 36,000</u>	<u>\$ 30,700</u>	<u>\$ 30,700</u>	-14.7%
Soccer Complex Operations						
Maintenance Fees	\$ 32,978	\$ 25,148	\$ 36,500	\$ 29,000	\$ 29,000	-20.5%
Commission on Concessions	6,229	3,083	6,500	3,100	3,100	-52.3%
Insurance Reimbursements	18,102	0	0	0	0	
Other	40	89	0	0	0	
Subtotal	<u>\$ 57,349</u>	<u>\$ 28,320</u>	<u>\$ 43,000</u>	<u>\$ 32,100</u>	<u>\$ 32,100</u>	-25.3%
Recreation						
Entry Fees/Admissions	\$ 1,070	\$ 775	\$ 1,400	\$ 1,400	\$ 1,400	0.0%
Lessons	34,975	31,691	36,000	36,000	36,000	0.0%
League and Tournament Fees	6,390	6,610	6,800	6,800	6,800	0.0%
Sales Tax	450	455	500	500	500	0.0%
Commissions	0	512	500	500	500	0.0%
Donations	2,056	1,315	1,300	1,300	1,300	0.0%
Other	1,020	88	300	300	300	0.0%
Subtotal	<u>\$ 45,961</u>	<u>\$ 41,445</u>	<u>\$ 46,800</u>	<u>\$ 46,800</u>	<u>\$ 46,800</u>	0.0%

**General Fund
Revenue Summary**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change From 2019/2020 Budget
Aquatic Center						
Admissions	\$ 87,391	\$ 74,313	\$ 88,000	\$ 88,000	\$ 88,000	0.0%
Season Passes	11,785	9,740	13,000	12,000	12,000	-7.7%
Lessons	9,375	10,954	9,500	12,000	12,000	26.3%
Group Sales	20,093	17,590	20,000	19,000	19,000	-5.0%
Room Rental	850	250	800	800	800	0.0%
Locker Rental	502	398	500	500	500	0.0%
Commission on Concessions	5,603	3,695	6,000	4,200	4,200	-30.0%
Miscellaneous Sales	246	180	300	200	200	-33.3%
Other	117	90	500	100	100	-80.0%
Subtotal	<u>\$ 135,962</u>	<u>\$ 117,210</u>	<u>\$ 138,600</u>	<u>\$ 136,800</u>	<u>\$ 136,800</u>	-1.3%
Subtotal - Parks and Recreation	<u>\$ 384,973</u>	<u>\$ 281,056</u>	<u>\$ 340,600</u>	<u>\$ 338,500</u>	<u>\$ 320,600</u>	-5.9%
Library Revenues						
Fines and Charges	\$ 9,458	\$ 8,531	\$ 10,000	\$ 7,000	\$ 7,000	-30.0%
County Contributions	118,099	120,489	122,900	123,500	123,500	0.5%
Illinois Contracts	10,594	10,901	11,100	11,200	11,500	3.6%
Printing Charges	3,823	3,228	3,000	3,200	3,200	6.7%
Other	109	38	100	100	100	0.0%
Subtotal	<u>\$ 142,083</u>	<u>\$ 143,187</u>	<u>\$ 147,100</u>	<u>\$ 145,000</u>	<u>\$ 145,300</u>	-1.2%
Art Center Revenues						
Building Rentals	\$ 415	\$ 190	\$ 1,000	\$ 400	\$ 400	-60.0%
Class Fees	4,660	4,715	2,500	3,500	4,000	60.0%
State Grant	10,000	10,000	10,000	10,000	10,000	0.0%
Support Foundation Contributions	20,501	21,837	23,500	23,700	24,000	2.1%
Friends of the Art Center Contributions	20,742	23,305	25,100	25,500	26,000	3.6%
Other Contributions	5,000	2,198	2,200	1,000	1,000	-54.5%
Other	0	1,705	0	300	300	
State Grant-Other	751	171	300	0	0	-100.0%
Subtotal	<u>\$ 62,069</u>	<u>\$ 64,120</u>	<u>\$ 64,600</u>	<u>\$ 64,400</u>	<u>\$ 65,700</u>	1.7%
Public Works Services						
Repair and Maintenance Services	\$ 17,198	\$ 16,558	\$ 17,000	\$ 17,000	\$ 17,000	0.0%
Rental of Equipment	701	0	200	200	200	0.0%
Sale of Equipment	6,000	0	1,000	1,000	1,000	0.0%
Miscellaneous Sales	1,326	2,215	2,500	2,500	2,500	0.0%
Reimbursement for Salt	7,938	5,838	4,000	4,000	4,000	0.0%
Reimbursement of Damages	10,536	11,557	0	0	0	
Other	954	2,224	500	5,000	500	0.0%
Transfers In:						
Engineering Services	52,643	96,420	122,500	122,500	122,500	0.0%
Administrative Fees	66,300	68,300	70,300	70,300	72,400	3.0%
Subtotal	<u>\$ 163,596</u>	<u>\$ 203,112</u>	<u>\$ 218,000</u>	<u>\$ 222,500</u>	<u>\$ 220,100</u>	1.0%

**General Fund
Revenue Summary**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change From 2019/2020 Budget</u>
Police Operations						
Police Grants	\$ 229,351	\$ 291,947	\$ 305,400	\$ 306,800	\$ 312,800	2.4%
Court Fines	176,178	169,746	170,000	170,000	170,000	0.0%
Automated Traffic Enforcement Fines	500,746	286,939	500,000	500,000	500,000	0.0%
Parking Violations	25,623	21,317	26,000	22,000	22,000	-15.4%
Tobacco Checks/Violations	8,250	3,150	2,000	2,000	2,000	0.0%
Alarm System Charges	3,325	3,700	4,000	3,700	3,700	-7.5%
Alarm Permits	650	715	600	600	600	0.0%
False Alarm Charges	4,425	1,150	3,000	2,000	2,000	-33.3%
Police Services Agreement	50,041	52,104	53,300	53,300	54,600	2.4%
Animal Ordinance Fees and Fines	2,865	2,160	2,500	2,500	2,500	0.0%
Printing Charges	5,111	4,179	4,500	4,500	4,500	0.0%
Contributions - Mentor Program	5,740	4,029	5,000	6,000	5,000	0.0%
Contributions - Tactical Robot	0	0	0	48,000	0	
Other Contributions	0	150	0	4,200	0	
Lease - Public Safety Cell Tower	26,946	26,946	26,900	26,900	26,900	0.0%
Insurance Reimbursements (Hail Storm)	71,069	0	0	0	0	
Reimbursements/Miscellaneous Income	47,720	42,677	20,000	35,000	45,000	125.0%
Subtotal	<u>\$ 1,158,040</u>	<u>\$ 910,908</u>	<u>\$ 1,123,200</u>	<u>\$ 1,187,500</u>	<u>\$ 1,151,600</u>	2.5%
Fire Operations						
Fire Hazmat Agreements	\$ 26,623	26,623	\$ 26,600	\$ 26,600	\$ 26,600	0.0%
Fire Open Burn Permits	1,150	1,225	1,100	1,100	1,100	0.0%
Fire Inspection Fees	14,008	13,555	15,000	15,000	15,000	0.0%
Fire Plan Review Fees	5,153	4,489	4,000	4,000	5,000	25.0%
Fire Assessment Fees	300	180	100	300	200	100.0%
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.0%
Fireworks Fees	2,600	4,200	1,200	1,200	1,200	0.0%
Fire Protection Contracts	19,692	20,167	20,100	20,500	20,500	2.0%
Fire Reports	483	556	400	500	500	25.0%
Fire Citations	1,225	1,275	800	800	800	0.0%
Alarm Permits	0	1,350	600	600	600	0.0%
False Alarm Charges	350	2,600	1,200	1,200	1,200	0.0%
Donations	0	0	0	1,000	0	
Insurance Reimbursement	4,997	0	0	0	0	
Reimbursement of Expenses/Other	4,279	7,576	2,500	3,500	3,500	40.0%
Subtotal	<u>\$ 120,135</u>	<u>\$ 123,070</u>	<u>\$ 109,600</u>	<u>\$ 112,300</u>	<u>\$ 112,200</u>	2.4%

**General Fund
Revenue Summary**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change From 2019/2020 Budget
Other General Revenues						
Interest Income	\$ 53,499	\$ 106,130	\$ 60,000	\$ 60,000	\$ 60,000	0.0%
Payment in Lieu of Taxes	30,789	31,743	34,000	34,400	34,500	1.5%
Housing Accounting Fees	60,800	62,700	64,600	64,600	66,800	3.4%
Housing Management Fee	11,482	10,589	11,500	4,900	16,300	41.7%
Lease - Clark House Cell Towers	10,660	0	0	0	0	
Long-Term Lease of Right-of-Way	0	0	0	50,200	0	
ICAP Grant	0	1,000	0	0	0	
Other Charges	19,526	18,954	16,200	16,200	19,000	17.3%
Transfers In:						
Administrative Fees	377,350	387,600	398,900	398,900	410,800	3.0%
Health Insurance Fund (Wellness)	53,358	54,673	62,600	62,600	64,000	2.2%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	30,100	31,000	39,000	39,000	41,000	5.1%
Communications Admin Fee (Exc. TIF Portion)	46,400	54,000	59,600	59,600	62,800	5.4%
Ambulance Enterprise Fund	926,000	1,047,200	1,079,400	1,079,400	1,105,200	2.4%
Ambulance Enterprise Fund - Additional	0	0	116,300	116,300	232,600	100.0%
Tax Increment/Economic Dev Admin Fees	142,100	149,966	158,000	158,000	159,000	0.6%
Tax Increment Economic Development	38,000	38,000	38,000	38,000	43,000	13.2%
Tax Increment - Legal Services	6,800	11,600	6,200	6,200	0	-100.0%
Subtotal	<u>\$ 1,809,864</u>	<u>\$ 2,008,155</u>	<u>\$ 2,147,300</u>	<u>\$ 2,191,300</u>	<u>\$ 2,318,000</u>	7.9%
Total	<u><u>\$ 19,406,504</u></u>	<u><u>\$ 19,995,706</u></u>	<u><u>\$ 21,134,911</u></u>	<u><u>\$ 21,193,754</u></u>	<u><u>\$ 21,668,294</u></u>	2.5%

- 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. For the 2019/2020 revised estimate and 2020/2021 budget, the Employee Benefits levy will fund 100% of General Fund employee benefit costs.

General Fund
Expenditures by Type

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change from 2019/2020 Budget</u>
Personal Services	\$ 14,596,769	\$ 15,385,976	\$ 16,133,900	\$ 15,823,800	\$ 17,008,300	5.4%
Commodities	714,123	909,658	1,020,500	1,107,250	1,050,850	3.0%
Contractual Services	2,489,241	2,456,573	2,555,900	2,782,850	2,578,450	0.9%
Capital Outlay	542,936	572,229	914,300	1,037,400	486,700	-46.8%
Transfers and Assigned Funding	<u>633,553</u>	<u>615,026</u>	<u>490,160</u>	<u>504,300</u>	<u>539,326</u>	10.0%
Total	<u>\$ 18,976,622</u>	<u>\$ 19,939,462</u>	<u>\$ 21,114,760</u>	<u>\$ 21,255,600</u>	<u>\$ 21,663,626</u>	2.6%

General Fund
Summary of Expenditures

Function/Activity	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change from FY 2020 Budget
General Government						
Mayor and Council	\$ 74,848	\$ 99,579	\$ 112,100	\$ 94,300	\$ 95,300	-15.0%
Legal Services	182,932	106,180	120,000	120,000	110,000	-8.3%
City Administrator	389,395	409,928	423,800	610,200	438,100	3.4%
Human Resources	140,955	195,509	164,900	251,800	248,700	50.8%
Wellness Program	54,298	55,409	62,600	62,600	64,000	2.2%
Finance and Records	611,171	629,091	662,600	667,400	687,100	3.7%
Information Technology	297,835	320,059	430,500	430,200	387,700	-9.9%
Risk Management	422,023	260,922	316,300	301,800	317,100	0.3%
Building and Grounds	559,383	668,833	672,400	681,000	699,900	4.1%
Subtotal	<u>\$ 2,732,840</u>	<u>\$ 2,745,509</u>	<u>\$ 2,965,200</u>	<u>\$ 3,219,300</u>	<u>\$ 3,047,900</u>	2.8%
Public Safety						
Police Operations	\$ 4,776,248	\$ 4,929,108	\$ 5,230,600	\$ 5,204,900	\$ 5,134,400	-1.8%
Animal Control	128,152	144,098	155,200	154,800	162,500	4.7%
Fire Operations	4,291,540	4,569,791	4,705,300	4,612,700	5,183,800	10.2%
Subtotal	<u>\$ 9,195,940</u>	<u>\$ 9,642,996</u>	<u>\$ 10,091,100</u>	<u>\$ 9,972,400</u>	<u>\$ 10,480,700</u>	3.9%
Culture and Recreation						
Library	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	\$ 1,170,800	0.9%
Cable Television Operations	32,998	16,787	20,700	19,700	20,000	-3.4%
Art Center	335,703	396,087	412,000	408,800	424,600	3.1%
Park Administration	188,790	197,234	204,500	209,000	214,200	4.7%
Park Maintenance	736,642	815,974	758,400	817,000	781,200	3.0%
Kent Stein Park	206,719	202,130	221,100	227,200	235,500	6.5%
Soccer Complex	202,276	190,388	237,900	246,600	252,000	5.9%
Aquatic Center	152,238	159,864	213,200	219,300	186,300	-12.6%
Recreation	95,777	103,693	124,800	125,700	134,000	7.4%
Cemetery	160,999	171,012	174,900	178,600	183,700	5.0%
Subtotal	<u>\$ 3,232,842</u>	<u>\$ 3,413,769</u>	<u>\$ 3,528,100</u>	<u>\$ 3,612,500</u>	<u>\$ 3,602,300</u>	2.1%
Health and Social Services						
Economic Well-Being	\$ 55,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Subtotal	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.0%

General Fund
Summary of Expenditures

Function/Activity	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change from FY 2020 Budget
Community and Economic Development						
Community Development	\$ 775,799	\$ 809,227	\$ 852,200	\$ 782,900	\$ 880,600	3.3%
Economic Development	154,410	168,498	193,000	186,800	188,000	-2.6%
Subtotal	<u>\$ 930,209</u>	<u>\$ 977,725</u>	<u>\$ 1,045,200</u>	<u>\$ 969,700</u>	<u>\$ 1,068,600</u>	2.2%
Public Works						
Public Works Administration	\$ 190,681	\$ 199,487	\$ 216,500	\$ 218,300	\$ 217,000	0.2%
Roadway Maintenance	1,533,339	1,496,318	1,581,600	1,593,000	1,496,100	-5.4%
Traffic Control	178,926	114,593	192,700	190,700	187,400	-2.8%
Snow and Ice Control	194,280	512,334	505,000	558,700	439,000	-13.1%
Street Cleaning	174,261	177,737	217,300	201,500	255,200	17.4%
Engineering	165,967	278,357	361,800	353,900	420,800	16.3%
Subtotal	<u>\$ 2,437,454</u>	<u>\$ 2,778,826</u>	<u>\$ 3,074,900</u>	<u>\$ 3,116,100</u>	<u>\$ 3,015,500</u>	-1.9%
Transfers and Assigned Funding						
Transit System Subsidy	\$ 100,555	\$ 52,386	\$ 52,360	\$ 52,200	\$ 113,026	115.9%
Airport Subsidy	31,396	28,251	57,900	63,400	33,600	-42.0%
Levee Project Subsidy	60,386	0	0	0	0	
Equipment Replacement Allocation	200,000	250,000	200,000	200,000	202,000	1.0%
Assigned Funding - Non-Union Merit	0	0	50,000	0	50,000	0.0%
Subtotal	<u>\$ 392,337</u>	<u>\$ 330,637</u>	<u>\$ 360,260</u>	<u>\$ 315,600</u>	<u>\$ 398,626</u>	10.6%
Total	<u><u>\$ 18,976,622</u></u>	<u><u>\$ 19,939,462</u></u>	<u><u>\$ 21,114,760</u></u>	<u><u>\$ 21,255,600</u></u>	<u><u>\$ 21,663,626</u></u>	2.6%

.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 2019/2020 revised estimate is \$17,800 less than the original budget primarily due to an \$18,500 reduction in consultant services. This decrease was partially offset by increases totaling \$700 in other line items. The original 2019/2020 budget included funds to participate in the National Citizen Survey (estimated at \$16,000) and this has been deferred to a future year. The original budget also included \$17,500 in professional services to update the City Administrator evaluation process. A portion of this cost was charged to the previous fiscal year leaving \$15,000 for this process in the 2019/2020 revised estimate.

The 2020/2021 budget is \$16,800 (15.0%) less than the 2019/2020 budget. The 2020/2021 budget decrease is due to the net effect of a decrease of \$18,500 in consultant services, an \$800 increase in allocated audit costs, a \$600 increase in employee benefit costs, and a \$300 increase in other line items. The 2020/2021 budget includes \$15,000 for continuing a city administrator evaluation process, but does not include funding for the National Citizens Survey. It is proposed that participation in this survey be deferred until the city administrator position has been filled. Audit costs allocated to this budget are budgeted at \$22,300 which is \$600 more than the 2019/2020 budget.

PERFORMANCE MEASURES

	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	11	11	11	10	11
Budget Meetings	9	8	8	8	8
Other Meetings	2	5	2	2	2
Joint Meetings:					
County Board of Supervisors	0	0	0	1	2

***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
2020/2021 AND FUTURE YEARS***

Ongoing Opportunities

- Develop and implement strategies to grow Muscatine's population by attracting employees that work in Muscatine to choose to live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Provide programs, services, and projects that support and improve the quality of life for current and future Muscatine residents, and enhance the experience for visitors to Muscatine.
- Ensure that the City has the necessary staff and funding levels to sustain and improve core services while also improving quality of life.
- Promote positive community engagement, positive civil discourse, and community pride.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, work to retain Tax Increment Financing (TIF) as a municipal economic development tool, and continually work towards maintaining or increasing the City's General Fund balance.

Council and Management Agenda 2020-21

Community and Economic Development

- Promote and market economic development programs.
 - Monitor the City’s Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
 - Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Determine disposition of the “old” library.
- Adopt and implement policies or guidelines on public art and communications on city-owned land and rights-of-way (Public Art Advisory Commission).
- Develop a vision for community gateways.
 - Park Avenue - Bypass to Colorado
 - Grandview Avenue - Dick Drake Way to Houser
 - Highway 22 (East and West)

Housing

- Promote quality housing through the adoption of a revised rental housing code.
- Create a list of vacant properties and identify opportunities and funding for re-use or demolition.
- Identify partnerships to address infill opportunities identified in the Housing Demand Study.
- Review potential for low income assistance for property maintenance (i.e. CDBG).

Programs and Services

- Continue to review and assess Information Technology (IT) security needs.
- Maintain and adapt programs, activities, and facilities to serve all segments of the community (LENA, Sunset Park After-School, Housing Self-Sufficiency Program, Juvenile Diversion Program, free recreation special events, free Art Center programming, etc.).
- Implement sidewalk inspection program targeting safe routes to schools.
- Evaluate and implement replacing Spring Cleanup Week with regularly scheduled bulk pick up days.
- Develop Organics Recovery (food waste) Program (2021).

Marketing, Communication, and Engagement

- Participate with the Convention & Visitors Bureau (CVB) and Greater Muscatine Chamber of Commerce and Industry (GMCCI) to develop and implement a marketing plan.
- Continue to explore technology based opportunities to improve communications between the City and Muscatine residents.
- Implement and promote the use of calendar year metrics in OpenGov.
- Create social media campaign to promote #hometownmuscatine and/or additional hashtags.
- Encourage citizen participation in Muscatine’s future, whether in local government or with any of the other numerous opportunities available.

Continuous Service Improvement (Processes, Technology and Efficiency)

- Pursue organizational effectiveness, efficiency, cooperation, transparency, and customer service.
- Bring technology to the field (drive efficiency).
- Support Continuous Service Improvement (i.e., LEAN initiatives).

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.
- 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

- 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.
- Create master plan for the former Iowa Department of Transportation (IDOT) maintenance facility for public safety and public works needs.
- Create a storm water management plan for the former IDOT maintenance facility area.
- Implement the Capital Improvements Plan (CIP) with a focus on existing infrastructure.
- Explore, develop, and implement placemaking strategies with a focus on projects to enhance the Muscatine experience for residents and visitors, and attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, and appropriate trees).
- Grandview Avenue (2020-21).
- Park Avenue (2020) from Highway 92 bridge to Colorado Street (2020).
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020.
- Prioritize and identify partners and funding sources for implementation of Riverfront Master Plan.
- WRRF (Water Resource and Recovery Facility) 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.
- Negotiate with multiple partners to determine feasibility of a demountable flood wall on the riverfront.
- Mandated redundant force main from Musser Park to WRRF (must be completed by 2026).
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts, banquet activities, and other programming.
- City Hall HVAC and building envelop plan.

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change</u>
Expenditure Summary						
Personal Services	\$ 41,322	\$ 41,401	\$ 41,400	\$ 41,800	\$ 42,000	1.45%
Commodities	1,034	844	1,700	1,800	1,800	5.88%
Contractual Services	32,492	50,287	69,000	50,700	51,500	-25.36%
Capital Outlay	-	7,047	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 74,848</u>	<u>\$ 99,579</u>	<u>\$ 112,100</u>	<u>\$ 94,300</u>	<u>\$ 95,300</u>	-14.99%
Funding Sources						
General Revenues	<u>\$ 74,848</u>	<u>\$ 99,579</u>	<u>\$ 112,100</u>	<u>\$ 94,300</u>	<u>\$ 95,300</u>	-14.99%

Personnel Schedule						
	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Budget Amount 2020/2021</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						4,200
Total Personal Services						<u>\$ 42,000</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 being received by the City.

CURRENT TRENDS AND ISSUES

The 2019/2020 revised estimate for Legal Services of \$120,000 is the same as the original budget. Actual legal costs vary from year to year due to projects and issues that arise. Based on actual legal costs for the first six months of the year, it appears that the original budget will be sufficient for general legal services of the City. 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 2020/2021 legal services budget is \$110,000, which is \$10,000 (8.3%) less than the original 2019/2020 budget and the same approximate amount as the actual 2018/2019 legal services costs. 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. Legal costs for employment-related projects or issues, including union negotiations, are accounted for in the Human Resources budget.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
City Attorney (excluding Human Resources legal services) *	2,220	1,807	1,207	1,200	1,200

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

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

* 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	182,932	106,180	120,000	120,000	110,000	-8.33%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 182,932</u>	<u>\$ 106,180</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 110,000</u>	-8.33%
Funding Sources						
General Revenues	<u>\$ 182,932</u>	<u>\$ 106,180</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 110,000</u>	-8.33%

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 2019/2020 revised estimate is \$186,400 more than the original budget. Personal services costs are \$90,300 more than the original budget primarily due to severance pay to the former city administrator. Professional services also increased by \$97,000 for the contracted services of the Interim City Administrator. The budget assumes a permanent city administrator will not begin until July of the next fiscal year. There were minor adjustments in several other line items which totaled to a \$900 reduction.

The 2020/2021 budget is \$14,300 (3.4%) higher than the original 2019/2020 budget due to increased personal services costs. This budget includes the City Administrator, Communications Manager, and an Administrative Secretary. 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
City Council Agenda Items Presented	351	343	396	350	350
Staff Meetings Held	23	23	23	23	23
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	5	5	2	5	5
Quad City Area Managers Meetings (Bi-State)	5	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)	4	4	2	2	2
GMCCI Committee Meetings	6	18	3	0	0

Communications Metrics

	2017 January 1- December 31, 2017	2018 January 1- December 31, 2018	2019 January 1 – December 31, 2019	2020 Estimated
City of Muscatine				
Facebook Page Likes	4,695	5,715	6,782	7,700
Facebook Average Weekly Reach	27,436	27,542	31,565	35,000
Twitter Followers	1,169	1,300	1,419	1,600
Twitter Average Weekly Impressions	4,009	4,504	6,655	7,500
Instagram Followers	277	627	1,100	1,700
Instagram Average Weekly Impressions	410	850	3,570	4,500
YouTube Subscriptions	106	137	197	250
YouTube Average Weekly Watch Time	9:18	8:27	11:43	15:00
Linked-In Followers	61	83	126	200

	2017 January 1- December 31	2018 January 1- December 31	2019 January 1- December 31	2020 Estimated
(Continued)				
Linked-In Average Weekly Impressions	93	75	29	100
Press Releases*	159	203	211	225
Blog Posts	16	11	10	12
Blog Views	4,669	4,797	3,034	6,000
Newsletter Subscribers	427	437	489	500
Newsletters Published	11	10	6	12
OpenGov Visits**	323	229	160	300
Our City Muscatine				
Facebook Page Likes	NA	326	465	600
Facebook Average Weekly Reach	NA	2,142	2,030	2,500
YouTube Subscriptions	NA	3	8	50
YouTube Average Weekly Watch Time	NA	4:02	1:55	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>
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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 2020/2021 AND FUTURE YEARS</i></p>
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Ongoing Opportunities

- Develop and implement strategies to grow Muscatine’s population by attracting employees that work in Muscatine to choose to live in Muscatine. Focus on new employees entering the Muscatine workforce.
- Provide programs, services, and projects that support and improve the quality of life for current and future Muscatine residents, and enhance the experience for visitors to Muscatine.
- Ensure that the City has the necessary staff and funding levels to sustain and improve core services while also improving quality of life.
- Promote positive community engagement, positive civil discourse, and community pride.
- Position the City to address potential shortfalls in revenue due to state and federal mandates, work to leverage local funding with grants, work to retain Tax Increment Financing (TIF) as a municipal economic development tool, and continually work towards maintaining or increasing the City’s General Fund balance.

Council and Management Agenda 2020-21

Community and Economic Development

- Promote and market economic development programs.
 - Monitor the City’s Urban Renewal and Revitalization Areas (TIF and Tax Abatement)
 - Highway 38-61 Industrial Park/Mixed Use development and infrastructure
- Determine disposition of the “old” library.
- Adopt and implement policies or guidelines on public art and communications on city-owned land and rights-of-way (Public Art Advisory Commission).
- Develop a vision for community gateways.
 - Park Avenue - Bypass to Colorado
 - Grandview Avenue - Dick Drake Way to Houser
 - Highway 22 (East and West)

Housing

- Promote quality housing through the adoption of a revised rental housing code.
- Create a list of vacant properties and identify opportunities and funding for re-use or demolition.
- Identify partnerships to address infill opportunities identified in the Housing Demand Study.
- Review potential for low income assistance for property maintenance (i.e. CDBG).

Programs and Services

- Continue to review and assess Information Technology (IT) security needs.
- Maintain and adapt programs, activities, and facilities to serve all segments of the community (LENA, Sunset Park After-School, Housing Self-Sufficiency Program, Juvenile Diversion Program, free recreation special events, free Art Center programming, etc.).
- Implement sidewalk inspection program targeting safe routes to schools.
- Evaluate and implement replacing Spring Cleanup Week with regularly scheduled bulk pick up days.
- Develop Organics Recovery (food waste) Program (2021).

Marketing, Communication, and Engagement

- Participate with the Convention & Visitors Bureau (CVB) and Greater Muscatine Chamber of Commerce and Industry (GMCCI) to develop and implement a marketing plan.
- Continue to explore technology based opportunities to improve communications between the City and Muscatine residents.
- Implement and promote the use of calendar year metrics in OpenGov.
- Create social media campaign to promote #hometownmuscatine and/or additional hashtags.
- Encourage citizen participation in Muscatine's future, whether in local government or with any of the other numerous opportunities available.

Continuous Service Improvement (Processes, Technology and Efficiency)

- Pursue organizational effectiveness, efficiency, cooperation, transparency, and customer service.
- Bring technology to the field (drive efficiency).
- Support Continuous Service Improvement (i.e., LEAN initiatives).

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.
- 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

- 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.
- Create master plan for the former Iowa Department of Transportation (IDOT) maintenance facility for public safety and public works needs.
- Create a storm water management plan for the former IDOT maintenance facility area.
- Implement the Capital Improvements Plan (CIP) with a focus on existing infrastructure.

- Explore, develop, and implement placemaking strategies with a focus on projects to enhance the Muscatine experience for residents and visitors, and attract and retain a quality workforce (aesthetics, pocket parks, native plantings, low maintenance, and appropriate trees).
- Grandview Avenue (2020-21).
- Park Avenue (2020) from Highway 92 bridge to Colorado Street (2020).
- Combined Sewer Overflow (CSO) (Multiple phases through 2028), Phase 4 2018-2020.
- Prioritize and identify partners and funding sources for implementation of Riverfront Master Plan.
- WRRF (Water Resource and Recovery Facility) 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.
- Negotiate with multiple partners to determine feasibility of a demountable flood wall on the riverfront.
- Mandated redundant force main from Musser Park to WRRF (must be completed by 2026).
- Community needs and feasibility assessment on indoor infrastructure for youth, adult, family, recreation, performing arts, banquet activities, and other programming.
- City Hall HVAC and building envelop plan.

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 355,480	\$ 370,978	\$ 385,300	\$ 475,600	\$ 400,800	4.02%
Commodities	3,855	3,175	3,400	4,000	3,400	0.00%
Contractual Services	16,435	26,314	35,100	130,600	33,900	-3.42%
Capital Outlay	13,625	9,461	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 389,395</u>	<u>\$ 409,928</u>	<u>\$ 423,800</u>	<u>\$ 610,200</u>	<u>\$ 438,100</u>	3.37%
Funding Sources						
Funding Transfers for						
Communications Manager	\$ 58,000	\$ 54,000	\$ 74,500	\$ 74,500	\$ 78,500	5.37%
General Revenues	<u>331,395</u>	<u>355,928</u>	<u>349,300</u>	<u>535,700</u>	<u>359,600</u>	2.95%
Total	<u>\$ 389,395</u>	<u>\$ 409,928</u>	<u>\$ 423,800</u>	<u>\$ 610,200</u>	<u>\$ 438,100</u>	3.37%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 289,400
Employee Benefits						<u>111,400</u>
Total Personal Services						<u>\$ 400,800</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 2019/2020 revised estimate is over the original budget by \$86,900 primarily due to increased professional services costs. Labor attorney costs are estimated to exceed the original budget by \$60,000 due to a number of personnel issues during the year. This increase also includes legal fees for negotiation of the Fire union contract. At the time the 2019/2020 budget was prepared, multi-year agreements were anticipated to be reached with all three of the City's bargaining units. Five-year agreements were reached with the Police and Blue/White bargaining units; however, only a one-year agreement was reached with the Fire union. The professional services increase also includes an estimated \$30,000 for a search firm for the hiring of a new city administrator. The professional services increase was partially offset by reductions totaling \$3,100 in other line items.

The 2020/2021 budget is \$83,800 more than the original 2019/2020 budget. This overall increase is due to (1) \$73,700 for wages and benefits for a new Human Resources Generalist position, (2) a \$5,100 increase in other personal services costs, and (3) a \$5,000 increase in labor attorney costs. 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Full-time Positions Hired	18	13	16	20	15
Permanent Part-time Positions Hired	10	7	17	10	10
Retirements	8	6	10	12	10
Personnel Actions Processed	418	358	439	400	400
Employment Applications Received	420	233	393	350	350
Civil Service Examinations Administered	10	9	9	10	10
Employee Training Programs	3	10	5	5	5
Civil Service Commission Meetings	3	4	4	4	4

RECENT ACCOMPLISHMENTS

Human Resources is responsible for all HR related issues throughout the City and assists departments with posting open positions, accepting applications, helping to screen applications, scheduling and giving Civil Service tests, assisting in coordinating interviews (and sometimes participating), scheduling pre-employment physicals, and conducting payroll sign up.

Issues related to discipline and discharge also pass through the HR department. The level of HR involvement depends on the seriousness of the issue; but HR assists in review of the issues, helps write discipline notices (as needed), and facilitates any follow up processes such as the Civil Service appeal process.

Other responsibilities of this department include coordination of City-wide training such as sexual harassment training, customer service training, and other topics as needed/requested by departments. The department also assists with individual departmental training. During the past year, as an example, the HR Manager worked closely with Fire department staff on leadership and team building training.

Questions about employment policy and union contract language interpretation and application are handled in HR. All benefit enrollment, changes, and requests for assistance from employees are also handled by HR staff. The HR staff process all action forms for personnel changes, with the exception of those for seasonal employees. This includes input for new hires, terminations, promotions, reclassifications, and scheduled pay increases.

The HR department maintains the personnel files for all employees, answers requests for employment verification, handles unemployment claims, COBRA requirements, requests for FMLA leave, long-term disability claims, and other similar matters.

Human Resources also functions as the main contact for all union negotiations, works closely with the City's legal counsel, attends all negotiation sessions, communicates on negotiation topics with affected departments, Finance, the City Administrator, and the City Council.

The employee handbook is written and distributed to all employees by the HR staff. Responsibility for the administrative manual updates, Civil Service Handbook, and general safety policies also fall to the HR department.

The Human Resources department handles many of the City's risk management activities as well as HR functions. Risk management activities are further discussed in the narrative of the Risk Management budget.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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 conduct a review and update of non-union employee job descriptions. **(Council and Management Continuous Service Improvement Goal)**
- To conduct a compensation survey. **(Council and Management Continuous Service Improvement Goal)**
- To continue efforts to implement other Continuous Service Improvements. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 117,592	\$ 119,487	\$ 124,200	\$ 124,100	\$ 203,000	63.45%
Commodities	278	458	1,400	1,400	1,400	0.00%
Contractual Services	23,085	75,564	39,300	126,300	44,300	12.72%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 140,955</u>	<u>\$ 195,509</u>	<u>\$ 164,900</u>	<u>\$ 251,800</u>	<u>\$ 248,700</u>	50.82%
Funding Sources						
General Revenues	<u>\$ 140,955</u>	<u>\$ 195,509</u>	<u>\$ 164,900</u>	<u>\$ 251,800</u>	<u>\$ 248,700</u>	50.82%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Human Resources Generalist	-	-	-	-	1.00	
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	2.25	\$ 139,400
Employee Benefits						<u>63,600</u>
Total Personal Services						<u>\$ 203,000</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 2019/2020 is the same as the original budget. The budget for 2020/2021 is \$1,400 (2.2%) more than the 2019/2020 budget due to increased personal services costs. The budget for 2020/2021 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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Employee Wellness Opportunities	11	11	10	12	12
Employee Wellness Participants	324	290	234	300	315
Employee Assistance Program Participation Levels	6.43%	6.48%	8.04%	9%	10%
Condition Support Program (previously called Disease Management Program) Participants	41	47	59	65	70

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	41	81	55	18	25	2	9	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 a new website 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 2020/2021

- To continue to examine the top four categories of insurance claims and tailor wellness programs and activities to help employees better understand ways to stay healthy and safe. **(Council and Management Continuous Service Improvement Goal)**
- To continue to promote THRIVE, the employee wellness incentive program, by visiting with each department at least once a year and 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. **(Council and Management Continuous Service Improvement Goal).....**
- To meet with employees to promote the Employee Assistance Program (EAP), the employee counseling program, by visiting with each department at least once a year to educate and remind employees about the program.
- To provide more education and correspondence to employees about the Condition Support Program and how to participate in the program. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Percent Change</u>
Expenditure Summary						
Personal Services	\$ 35,101	\$ 36,269	\$ 37,400	\$ 37,700	\$ 38,800	3.74%
Commodities	1,705	1,107	2,300	2,000	2,300	0.00%
Contractual Services	17,492	17,333	22,900	22,900	22,900	0.00%
Capital Outlay	-	700	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 54,298</u>	<u>\$ 55,409</u>	<u>\$ 62,600</u>	<u>\$ 62,600</u>	<u>\$ 64,000</u>	2.24%
Funding Sources						
Health Insurance Funds	<u>\$ 54,298</u>	<u>\$ 55,409</u>	<u>\$ 62,600</u>	<u>\$ 62,600</u>	<u>\$ 64,000</u>	2.24%

Personnel Schedule						
	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	<u>Budget Amount 2020/2021</u>
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 24,500
Employee Benefits						14,300
Total Personal Services						<u>\$ 38,800</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 2019/2020 Revised Estimate for the Finance department is over the original budget by \$4,800. Personal services costs increased by \$11,800 primarily due to merit increases. This increase was partially offset by a \$6,900 decrease in contractual services and a \$100 decrease in commodities. The decrease in contractual services includes a \$5,700 decrease in election costs and a \$1,100 decrease in copier/printer lease costs under the new lease. The November 2019 election was the first election to include both the City and School Board positions and the election costs were allocated to each entity by the County Auditor. There were increases and decreases in various budget line items in commodities and contractual services, but those amounts remained substantially the same in total.

The 2020/2021 budget is 3.7% (\$24,500) more than the original 2019/2020 budget. This overall increase is due to (1) a \$30,100 increase in employee wage and benefit costs, (2) a \$9,600 decrease since there is no city election in 2020/2021, (3) a \$4,800 increase for the bi-annual OPEB actuarial study, (4) a \$1,400 increase in the annual maintenance costs of the financial software, (5) a \$2,000 decrease in copier/printer lease costs under the new lease, and (6) 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
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)	6,101	4,877	4,756	5,100	5,100
City Vendor ACH Payments	194	189	189	190	190
Housing Programs Checks Issued	1,806	1,708	1,657	1,700	1,700
Housing Vendor ACH Payments	517	540	538	540	540
Payroll Checks Issued	2,100	1,983	1,651	1,800	1,800
Payroll Direct Deposit Transactions	7,556	7,312	7,653	7,700	7,700
Accounts Payable Transactions	26,935	25,272	26,771	26,800	26,800
City Receipt Transactions	12,703	13,303	13,963	14,000	14,000
Housing Receipt Transactions	2,406	2,494	2,403	2,500	2,500
Interest Earned	\$209,942	\$423,261	\$788,260	\$500,000	\$500,000
Records:					
Public Documents Recorded	351	343	396	380	380
Council Minutes Prepared	47	44	47	45	45
Notices Published	37	29	51	50	50
Purchasing:					
Purchase Orders Processed	2,479	2,413	2,576	2,700	2,700

1. The higher number of 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 2019/2020 Budget. This was the 35th consecutive year the City received this award. The City was awarded its 28th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018.

FEMA – 2019 Flood. The Finance Director is serving as the Primary Point of Contact (POC) with FEMA for the damages to City facilities and cleanup from the spring 2019 flood (a record of 99 days the Mississippi River was above flood stage). A required FEMA Damage Inventory report was prepared which includes 33 items. The Finance Director is working with our FEMA representatives, department heads, and other staff, to provide the information needed for each of these items. Major items and damages include flood cleanup (staff time, equipment, and supplies are included); removing debris from Mad Creek; Rip Rap replacement from the mouth of Mad Creek to the Harbor; Rip Rap replacement near the 5th Street bridge over Mad Creek; Pearl City Station damages/cleanup; Riverview Center damages/cleanup; damages to the Police Pistol Range; damages to the Courtesy Boat Dock, Transient Boat Dock, Long Dock, Gas Dock, etc.; electrical repairs for

the lights near the Mississippi Harvest sculpture; concrete around the Riverfront Restrooms; fence replacement along the trail near Spillway Lane; and fence replacement from Cedar to Mad Creek.

The City has made several “Mitigation” requests for FEMA to consider which may lessen the impacts from future floods. These include structurally reinforcing the lower floor of Riverview Center and moving the spud poles for the Transient Boat Dock. These projects will be evaluated by FEMA for their eligibility for FEMA Mitigation funding. The Police Range had up to 5 feet of water for an extended period of time resulting in mold and significant other damages. Since the City was required to carry flood insurance on this building, FEMA does not provide any Mitigation or other funding (except the flood insurance deductible). The City plans to build a new facility on higher ground on the MP&W property. This facility has been flooded multiple times in recent years and it will likely continue to be flooded if the Range remains at its current location.

FEMA requires three quotes (if possible) for all of the damages, maintenance records for each facility damaged, DNR forms for any work impacting waterways, and various other documentation. Finance staff has access to the FEMA grants portal which includes a full list of damages, costs approved for funding, the status of each project, and a summary report of the FEMA, State, and local costs for each project. In general, FEMA funding is 75% of the cost of the damage repairs, with 10% State funding, and local funding of 15%.

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 and the Dog Park project have been completed and the Finance department submitted the documentation required to request the CAT grant funds for these two projects. Finance staff also recently sent letters and invoices for the 3rd and final 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 and it increased to \$1,305,972 at the end of 2018/2019. This balance is being accumulated to fund any DNR mandated costs that may be needed and to accumulate funds for the construction of the next landfill cell.

Economic Development Incentive Programs (TIF and Tax Abatement). The City approved several new economic development agreements during the past year including:

A TIF rebate agreement with 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. The developer is investing approximately \$8.1 million in this project. This is a 15 year, 70% rebate, up to a maximum total of \$497,445.

A TIF rebate agreement with NPSW for the infrastructure for the Arbor Commons new housing development that will include up to 62 new homes. The development agreement provides for up to 3 phases with 10 years of rebates for each phase. The rebate percentage is 75%, which includes a 39.91% LMI (Low and Moderate Income) set-aside amount. The rebate maximum is \$750,000 or the actual cost of the public infrastructure, whichever is lower.

A TIF rebate agreement with Bush Development LLC and Hershey Property LLC for the conversion of the upper floors of the Hershey Building into 25 market rate multi-residential units and the lower floors into commercial/retail space. The developer is investing approximately \$6.6 million in this project. This is a 10 year, 100% rebate, to a maximum total of \$515,000.

The most recent development agreement/TIF rebate agreement is with Musco Sports Lighting, LLC for expansion of their facilities, operations, and workforce in Muscatine. The developer plans to invest approximately \$7 million in this project and create 40-50 new high quality jobs. This is a 10 year, 50% rebate, up to a maximum total of \$515,000.

The recently completed Housing Demand Study demonstrated a need for the new multi-residential housing project, the new housing development, and the conversion of a portion of the Hershey Building into downtown multi-residential units. Finance staff has assisted in projecting TIF proceeds and rebates based on cost estimates from developers.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- * 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. 84, *Fiduciary Activities*, issued January 2017, will be effective for the City beginning with its fiscal year ending June 30, 2020, (2) GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021, (3) GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the City beginning with its fiscal year ending June 30, 2021, (4) GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the City beginning with its fiscal year ending June 30, 2020, and (5) GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning with its fiscal year ending June 30, 2022.

- * 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 roundabout and the Grandview Avenue corridor; the 2nd Street Streetscape project; Park Avenue improvements; creating the master plan for the former Iowa Department of Transportation (IDOT) facility for converting this facility into space for the public works, fire, and police departments; completion of phase 4 and the start of phase 5 of the West Hill Sewer Separation project; 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 (completed), the new West Side Trail, the new Community Dog Park (completed), and the new Deep Lakes Park Cabins. The West Side Trail and Muscatine County project for Cabins at Deep Lakes Park are scheduled to be completed in the 2020 calendar year. **(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 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)**

Function:
General Government

Department:
Finance

Activity:
Finance and Records

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 497,659	\$ 531,067	\$ 550,800	\$ 562,600	\$ 580,900	5.46%
Commodities	9,888	9,643	11,300	11,200	11,200	-0.88%
Contractual Services	102,784	88,381	100,500	93,600	95,000	-5.47%
Capital Outlay	840	-	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	\$ 611,171	\$ 629,091	\$ 662,600	\$ 667,400	\$ 687,100	3.70%
Funding Sources						
Licenses and Permits	\$ 47,416	\$ 47,832	\$ 47,200	\$ 47,300	\$ 47,300	0.21%
Housing Accounting Fees	60,800	62,700	64,600	64,600	66,800	3.41%
General Revenues	502,955	518,559	550,800	555,500	573,000	4.03%
Total Funding Sources	\$ 611,171	\$ 629,091	\$ 662,600	\$ 667,400	\$ 687,100	3.70%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions/Position Allocations:						
Finance Director	0.95	0.95	0.95	0.95	0.95	
Accounting Supervisor	1.00	1.00	1.00	1.00	1.00	
Accountant	1.00	1.00	1.00	1.00	1.00	
Senior Account Clerk	1.00	1.00	1.00	1.00	1.00	
Account Clerk	1.00	1.00	1.00	1.00	1.00	
Finance Secretary/ Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	5.70	5.70	5.70	5.70	5.70	\$ 417,800
Employee Benefits						163,100
Total Personal Services						\$ 580,900

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.

CURRENT TRENDS AND ISSUES

The original 2019/2020 budget included increases in contractual services, capital outlay, and transfers 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. This was a priority item in the 2019/2020 budget due to the ransomware attack on the City's computer systems on October 17, 2018. One of the significant items in the 2019/2020 budget was an allocation of \$25,000 for contracted IT staff augmentation. IT staff developed a Request for Proposals (RFP) for the staff augmentation services to ensure it would accomplish the higher level services and systems overview desired including 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 was not equipped for. The budget also included funding for enhanced malware security software and computer-related capital outlay items.

The revised estimate for 2019/2020 is \$300 less in total than the original budget. Personal services costs in the revised estimate increased by \$3,300 primarily due to a wage adjustment; commodities decreased by \$200; and capital outlay decreased by \$3,400.

The 2020/2021 budget is \$42,800 less than the original 2019/2020 budget. The overall decrease includes (1) an increase of \$9,300 in personal services costs, (2) an increase of \$16,500 in contractual services costs, and (3) a decrease of \$68,600 in capital outlay. The contracted IT staff augmentation services are included in the budget at an estimated cost of \$33,600. The budget also continues funding for the annual costs of the enhanced malware software.

The 2019/2020 budget included 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. The 2020/2021 budget continues this \$50,000 allocation. 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Personal Computers Maintained (Includes Tablets beginning in 2015/2016)	247	284	297	300	217*
Network Maintained	4	4	4	4	3
Training Sessions	7	5	8	14	10

* This assumes that the MUSCOM (Muscatine City-County Joint Communications) board fully funds a MSP (Managed Service Provider).

RECENT ACCOMPLISHMENTS

Accomplishments by IT staff in the past year include (1) The Envisionware server for the library automation system at the Musser Public Library has been migrated to new hardware; (2) Fully implemented the KnowBe4 system for end user anti-phishing, training, simulation, and reporting. This system was wholly funded as part of the City’s cyber insurance policy; (3) Hershey Manor, Clark House and the Juniper Street construction office have been migrated to a fiber connection utilizing Muscatine Power and Water’s FTTH (Fiber to the Home) initiative; (4) An additional exterior camera has been added to City Hall’s surveillance system (this camera overlooks the City Hall parking lot and portions of the west lawn); (5) All of Musser Public Library’s online public access catalog (OPAC) computers have been transitioned to new hardware; and (6) The point-to-point wireless antennas that connect City Hall to the Public Safety Building have been replaced (the new system provides considerably higher full-duplex performance than the old system allowed).

An IT consultant was hired after a rigorous RFP and interview process. To date the consultant has worked with IT staff on multiple projects and engineering tasks that will be put into service in the coming months. These include:

1. The preliminary project with Winsor Group included an initial network discovery and deep Nessus scan. The first scan identified numerous reportable issues including 53 that are considered critical. IT staff has been working through the reportable issues and many have already been resolved.
2. With the Winsor Group’s assistance, the switch upgrade project that was approved by City Council in the current fiscal year budget has been finalized and the hardware has been purchased. Funding of \$77,000 was budgeted for this capital project. Thanks to the consultation with Winsor Group it is now expected this project cost will be approximately \$47,500 which allowed funding for some additional security that was not in the original design.

3. Winsor has provided staff with a final design for server virtualization. Thanks to the financial savings in the switch upgrade project and the IT staff being frugal with the Computer Equipment Replacement Fund, City Council has authorized this project to proceed near the beginning of the 2020 calendar year.
4. Winsor Group has recommended that the City enter an agreement for ConnectWise Automate and Control. This allows for full inventory of IT resources, updating operating systems and third party software, monitoring processes, etc. This is a tool that can assist in mitigating many of the reportable issues that were outlined in bullet point 1. When this system is implemented, Winsor Group will provide 24-hour remote monitoring of the city network.

This package also allows IT staff (or the Windsor Group) to remotely access city computer systems, with the end users approval. Tools, applications, and scripts can be run in a remote sandbox that will protect the IT resources and the support staff can chat with the end user. The FY2020/2021 budget includes funding to implement this solution.

The PubWorks software system has been implemented and is currently in use by multiple city departments for tracking preventative maintenance tasks, inventory, expenditures, as well as many other tasks. Some of the outlying facilities that have either small VPN bandwidths or high data latency need to run the application as a RemoteApp. This was also implemented by IT staff.

The Muscatine Art Center's website was redesigned and migrated to a new site hosted by Applied Art & Technology. Although IT staff did not assist with the design of the site, staff did contribute with reviewing the RFP responses and remapping DNS for connectivity to the new site.

New copiers have been purchased, installed, and configured at both the Public Works Facility and the Water and Resource Recovery Facility. An upgraded WatchGuard system including body cameras has been implemented for the Muscatine Police Department.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- * To fully implement new switched network architecture including new VLAN schema, virtual switch stacks, access control lists, RADIUS server, digital certificate authority, DHCP scopes, evaluate and replace cabling that is deemed necessary, etc. **(City Programs and Services Goal for IT Security Needs)**
- * To migrate all existing City owned servers at City Hall and the Public Safety Building to new virtual server infrastructure. **(City Programs and Services Goal for IT Security Needs)**
- * To complete a thorough execution of the features of ConnectWise Automate and Control. Some of the major highlights of ConnectWise Automate include full system inventory, Windows Update, and 3rd party software and firmware patching. The system will also monitor numerous network functions and will attempt to remediate many issues. If automatic remediation fails, it will notify IT staff as well as the City's IT partners at the Winsor Group who can respond to critical issues 24 x 7 x 365. ConnectWise Control allows IT staff, and the Winsor Group, remote access to any server or workstation that the service is installed on; run tools, applications, and scripts; to reboot machines in safe mode; save user credentials for after-hours work; etc. **(City Programs and Services Goal for IT Security Needs)**

- * To co-locate a disaster recovery/backup server at Muscatine Power and Water's hardened server facility. **(City Programs and Services Goal for IT Security Needs)**

- * To interview and assist in the selection of an independent Managed Services Provider (MSP) for MUSCOM (Muscatine City-County Joint Communications Operation). The City IT staff has been providing MUSCOM with IT consulting, engineering services, installation and ongoing support since their inception. This is no longer a viable option. Current plans include the MUSCOM board providing funding for the MSP. City IT will need to assist the selected MSP in the initial discovery and documentation of MUSCOM's network. A number of changes on the City network will be required for continued shared data with MUSCOM and other county agencies. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 195,594	\$ 206,589	\$ 210,600	\$ 213,900	\$ 219,900	4.42%
Commodities	1,132	983	1,800	1,600	1,800	0.00%
Contractual Services	48,911	59,807	91,100	91,100	107,600	18.11%
Capital Outlay	12,198	12,680	77,000	73,600	8,400	-89.09%
Transfers	<u>40,000</u>	<u>40,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	0.00%
Total Expenditures	<u>\$ 297,835</u>	<u>\$ 320,059</u>	<u>\$ 430,500</u>	<u>\$ 430,200</u>	<u>\$ 387,700</u>	-9.94%
Funding Sources						
IT Administrative Fees	\$ 30,100	\$ 31,000	\$ 39,000	\$ 39,000	\$ 41,000	5.13%
General Revenues	<u>267,735</u>	<u>289,059</u>	<u>391,500</u>	<u>391,200</u>	<u>346,700</u>	-11.44%
Total Funding Sources	<u>\$ 297,835</u>	<u>\$ 320,059</u>	<u>\$ 430,500</u>	<u>\$ 430,200</u>	<u>\$ 387,700</u>	-9.94%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions:						
Information Technology						
Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	<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	\$ 152,300
Employee Benefits						<u>67,600</u>
Total Personal Services						<u>\$ 219,900</u>

Capital Outlay		
Item:	Replacement	Amount
ConnectWise Automate and Control System	No	<u>\$ 8,400</u>

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

Function:
General Government

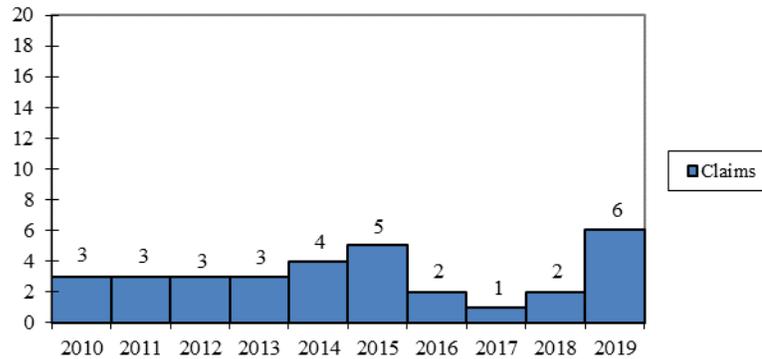
Department:
City Administrator

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 six lost time workers compensation claims recorded for the City during calendar year 2019. The history of lost time claims for the past ten years is as follows:

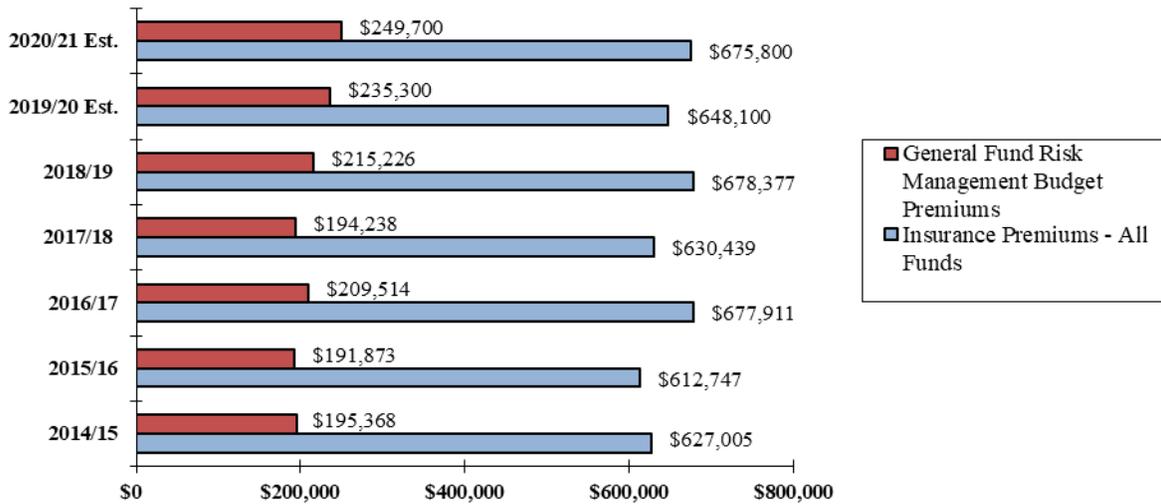
Lost Time Workers Compensation Claims



The goal for 2020/2021 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 2014/2015 through the budgeted costs for 2020/2021 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 2020/2021.

The 2019/2020 revised estimate for the Risk Management budget is \$14,500 less than the original budget primarily due to a decrease in insurance costs. The 2020/2021 Risk Management budget is \$800 (.3%) higher than the original 2019/2020 budget.

The estimated insurance costs included in the Risk Management budget total \$249,700 for 2020/2021. This is an \$800 (.3%) decrease from the original 2019/2020 budget of \$250,500.

The total insurance premiums (excluding employee health, dental, and life insurance) for the entire City are estimated at \$675,800 for 2020/2021. This is a \$59,300 (8.1%) decrease from the original 2019/2020 budget of \$735,100 and a \$27,700 (4.3%) increase from the 2019/2020 revised estimate of \$648,100. Of the \$675,800 total budgeted insurance costs, \$249,700 is charged directly to the General Fund Risk Management budget with the remainder allocated to various Enterprise and other funds. Worker's Compensation insurance is allocated based on payroll costs to each of the City's departments. The 2020/2021 budget includes an estimated \$20,100 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 2020/2021 fiscal year were provided by the City’s Insurance Agent. The projections reflect 3.5% to 5.5% increases for the ICAP insurance policies and 5% to 6% increases for the other policies.

The budget for 2020/2021 includes a \$.31608 per \$1,000 valuation Tort Liability tax levy which is a 1.5% decrease from the 2019/2020 tax rate of \$.32103. The Tort Liability tax levy provides funding of \$34,800 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Workers Compensation Experience Modification Factor	.94	.89	.90	.72	.72
Insurance Premiums Paid - All Funds	\$677,911	\$630,419	\$678,377	\$648,100	\$675,800
Risk Management Insurance Premiums	\$209,514	\$194,238	\$215,226	\$235,300	\$249,700
Accident Review Committee Meetings	11	11	11	10	12

RECENT ACCOMPLISHMENTS

The Human Resources Department is responsible for the City’s risk management activity. The Human Resources Manager serves as chairperson for the Safety Awareness Team (SAT). This group meets monthly to review accidents and make recommendations for corrective actions. This is a committee of approximately 10 people from various departments and includes representatives at different organizational levels.

The Safety Awareness Team plans to complete an assessment of gaps and work to develop an action plan based on these findings. This process is in its initial phase and will continue until an action plan is completed.

The risk management function includes handling all claims for the City. This includes worker’s compensation claims, as well as liability claims made against the City. Worker’s compensation claims include coordinating care for the injured employee, working with the insurance carrier, and assisting departments with making appropriate light duty assignments. In addition, the risk management function works with the insurance company and relevant staff when additional legal action is involved.

Loss control activities are also made available to employees which includes providing departments monthly safety topics, working with the insurance carrier’s loss control staff, helping ensure safety gear is available, and other matters related to this function.

Another important activity is the completion of annual insurance renewal forms. This involves providing the insurance company the information needed to quote the upcoming premiums for all lines of coverage.

Other day-to-day risk management work includes responding to the various needs of departments. Ongoing goals are 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 2020/2021

- To continue work on the safety assessments for all departments to determine where gaps may still exist in the City's risk management program. **(Council and Management Continuous Service Improvement Goal)**
- To develop an action plan to address issues raised in the safety assessments. **(Council and Management Continuous Service Improvement Goal)**
- To conduct an in-house OSHA 10 Hour Certification program to increase the number of employees holding this certification.

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 30,216	\$ 31,865	\$ 33,000	\$ 33,700	\$ 34,600	4.85%
Commodities	3,547	4,814	11,600	11,600	11,600	0.00%
Contractual Services	388,260	224,243	271,700	256,500	270,900	-0.29%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 422,023	\$ 260,922	\$ 316,300	\$ 301,800	\$ 317,100	0.25%
Funding Sources						
Tort Liability Taxes	\$ 194,238	\$ 215,226	\$ 250,500	\$ 235,300	\$ 249,700	-0.32%
General Revenues	227,785	45,696	65,800	66,500	67,400	2.43%
Total Funding Sources	\$ 422,023	\$ 260,922	\$ 316,300	\$ 301,800	\$ 317,100	0.25%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 25,000
Employee Benefits						9,600
Total Personal Services						\$ 34,600

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 2019/2020 is \$8,600 more than the original budget due to the net effect of (1) a \$1,700 savings in personal services costs, (2) a \$6,200 increase in commodities for increased grounds maintenance and building maintenance supplies, and (3) a \$4,100 increase in contractual services primarily due to increased building maintenance services.

The 2020/2021 budget is \$27,500 (4.1%) more than the original 2019/2020 budget. This overall increase is due to (1) a personal services increase of \$14,000 (3.1%), (2) a commodities increase of \$6,200, (3) a contractual services increase of \$4,100, and (3) a capital outlay increase of \$3,200.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Buildings Maintained	9 (1)	9	9 (4)	9	9
Heating, Ventilation, and Air Conditioning (HVAC) and Other Service Contracts	14	13	13	13	13
Staff Custodians (Full Time and Part Time) (3)	5	6	6	6	6
Contract Custodians (3)	3	1	0	0	0
Grounds Maintained	3	4	5	5	5
Janitorial Supplies Purchased	\$15,173	\$17,152	\$16,956	\$17,000	\$17,000
Major Maintenance Projects (Above \$2,000) (2)	31	16	20	20	20

1. Buildings increased in 2016/2017 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 and the former Safe Streets building at 614 Mulberry Avenue was removed.

RECENT ACCOMPLISHMENTS

Building and Grounds staff have handled numerous projects in-house this year that saved the City money including washing windows at City Hall and the new Library; cutting out old caulking and re-caulking the windows at the new Library; scraping, priming, and painting the metal flashing around doors, planters, headers, around garage doors, etc. at the Public Safety building, South Fire Station, and at the Art Center. Staff also landscaped around the statue at City Hall and the Public Safety Building planter. Over a dozen trees were removed at several facilities with the stumps ground out, then backfilled with dirt, and seeded. The office furniture from the old Library was removed and used to furnish four (4) city offices. Staff installed lights on the Art Center porch; replaced a furnace in the Morgan Building; upgraded and replaced lighting in the Public Works lower lot; cut, replaced, welded, and painted the Art Center fence; replaced sections of sewer line at City Hall; completed Biocell electrical work; and tore off and replaced the roof of the Police department garage. Backflow preventers were tested at all of the city buildings as well as at the Transfer Station and all of the Park facilities. This division replaced several bus shelter windows and cleaned the shelter glass. In addition to snow removal at the City's buildings, this division also now clears snow from the bus shelters.

There were many capital improvement and deferred maintenance projects completed this year including: Public Works office roof replacements, Art Center lighting, some Public Works garage door replacements, Airport soffit and fascia, Art Center parking area concrete replacement, Fire department concrete apron replacement, Art Center track lighting, carpet in Police department offices, carpet and tile in the Public Works sewer department, and tile replacement in the Fire department day room. Finished insurance work included the Airport fuel building roof replacement. A rooftop HVAC unit was replaced at the new Library with

power exhaust attached; a chiller was repaired at the Art Center; and steel plates were installed in the City Council desks. Several projects were started including the Fire department porch clean coat and seal; elevator 2020 mandated upgrades; and Public Works and White House garage door replacements. More projects are scheduled to be started in the spring including the Art Center gallery roof replacement; Morgan building tuckpoint and seal; Morgan building siding, soffit, and facing; Public Works Engineering and office window replacements; Public Safety window replacements; City Hall oak security doors; and Public Works radiant heaters and hanging heater replacements.

The Asset Management and supply-ordering software has been purchased. Staff has been working to compile a complete inventory of all building systems to enter into the software system. This will be a time-consuming process as everything is currently on paper.

This division is working hard to get all City buildings in the best mechanical shape they have ever been in, making buildings more visually appealing, and looking to have less maintenance time with landscaping projects. These are a just few of this division's accomplishments in the last year.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- * To fully implement the Asset Management software.
- * To continue to complete the deferred maintenance projects.
- * To maintain current staff certifications and continue training for employees in this division.
- * To continue to work with Alliant Energy and Muscatine Power & Water to receive energy rebates.
- * To continue to work with other departments to maximum efficiencies and resources.
- * To continue working on landscaping improvements at City buildings.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 383,664	\$ 430,837	\$ 454,400	\$ 452,700	\$ 468,400	3.08%
Commodities	43,713	44,857	46,300	52,500	52,500	13.39%
Contractual Services	127,933	162,866	159,000	163,100	163,100	2.58%
Capital Outlay	4,073	30,273	12,700	12,700	15,900	25.20%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 559,383</u>	<u>\$ 668,833</u>	<u>\$ 672,400</u>	<u>\$ 681,000</u>	<u>\$ 699,900</u>	4.09%
Funding Sources						
Charges for Supplies	\$ 4,917	\$ 4,894	\$ 7,200	\$ 5,000	\$ 5,000	-30.56%
Insurance Reimbursement	1,563	-	-	-	-	
Sale of Equipment	2,245	-	-	-	-	
General Revenues	<u>550,658</u>	<u>663,939</u>	<u>665,200</u>	<u>676,000</u>	<u>694,900</u>	4.46%
Total Funding Sources	<u>\$ 559,383</u>	<u>\$ 668,833</u>	<u>\$ 672,400</u>	<u>\$ 681,000</u>	<u>\$ 699,900</u>	4.09%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	
Maintenance Worker I	-	-	-	1.00	1.00	
Custodian II	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>-</u>	<u>-</u>	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian II	2.10	2.10	2.10	2.07	2.11	
Custodian I	<u>0.63</u>	<u>1.13</u>	<u>1.13</u>	<u>1.12</u>	<u>1.13</u>	
Total	6.23	6.73	6.73	6.69	6.74	\$ 330,400
Employee Benefits						<u>138,000</u>
Total Personal Services						<u>\$ 468,400</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Window Air Conditioners	3	Yes	\$ 1,200
Mower - Library	1	No	6,200
Commercial Range - Fire Department	1	Yes	8,500
			<u>\$ 15,900</u>

Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
One Ton Cargo Van	1	Yes	<u>\$ 32,000</u>

Function:
Public Safety

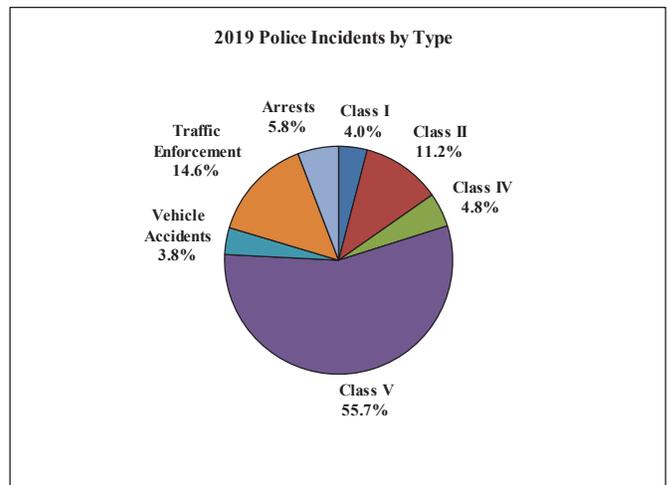
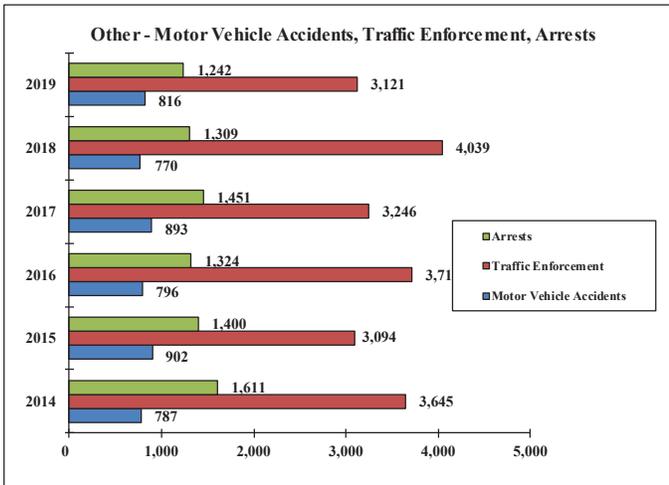
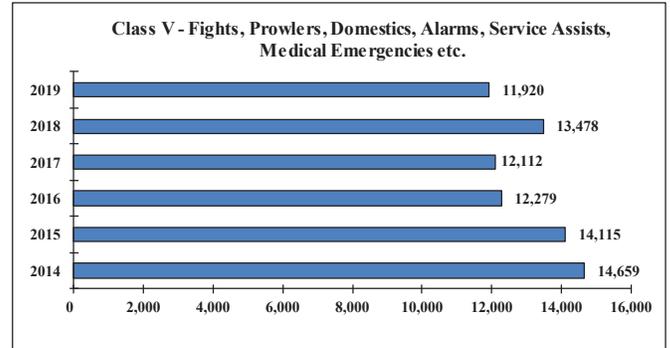
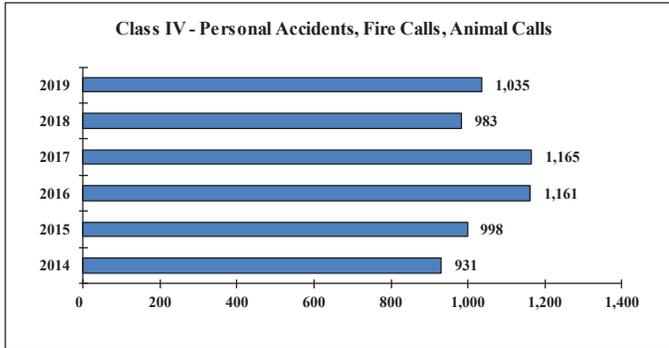
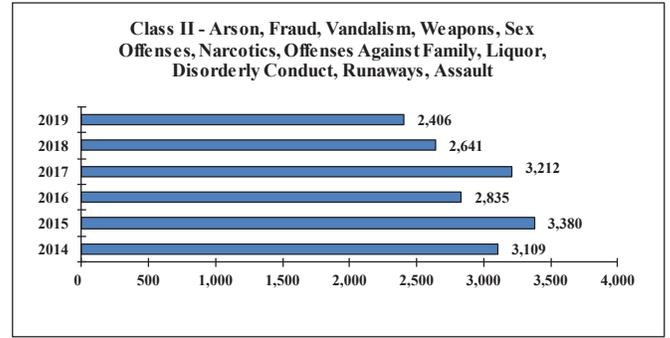
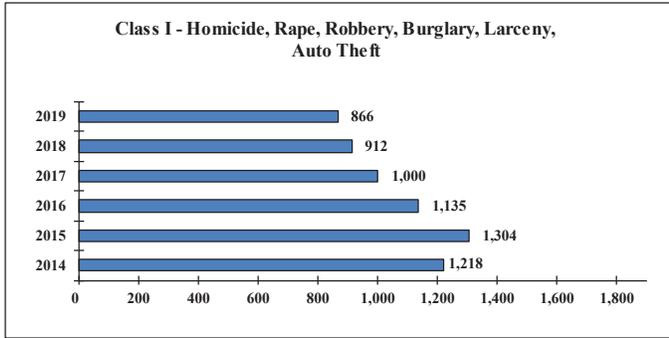
Department:
Police

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 2019/2020 is \$25,700 less than the original budget. Personal services costs are projected to be \$164,500 less than the original budget due to vacancy savings and new employees being hired at lower wage rates. Contractual services are projected to be \$57,700 higher than the original budget primarily due to increased travel and education costs for new hires attending the police academy (\$55,000). Capital outlay costs are \$81,100 higher than the original budget and this increase includes \$48,000 for a tactical robot with this cost reimbursed by outside contributions; \$20,000 for a new K-9 unit; \$8,400 for grant-funded equipment, and \$3,400 for gun and vest purchases to be reimbursed by the officers. The Police department requested the new K-9 unit for the upcoming 2020/2021 budget due to the previous canine officer resigning. The K-9 unit was moved to the revised estimate since there were savings in personal services costs which could fund the new dog and training.

The 2020/2021 budget is \$96,200 (1.8%) less than the original 2019/2020 budget. Personal services costs increased by \$34,200 (.7%), commodities increased by \$6,500, contractual services increased by \$5,200, and capital outlay decreased by \$142,100. While capital outlay in the Police operating budget decreased, the Equipment Replacement fund includes \$147,000 of funding for three new police patrol vehicles (Tahoes).

The 2020/2021 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 2020/2021 with grant expenditures of \$80,600; \$21,000 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 \$34,600 is estimated to be received for the City/County Drug Task Force. The budget continues 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% (\$147,700) 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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
Police Calls for Service	21,798	20,830	20,806	19,472	21,000
Overtime Hours Worked	3,151	3,211	3,042	3,634	3,500
Traffic Enforcement	3,715	3,246	4,039	3,121	3,300
Arrests	1,324	1,451	1,390	1,242	1,400
Parking Tickets Issued	1,886	1,945	2,343	1,598	1,975
Uniform Crime Report Clearance Rates	45%	46%	45%	45%	45%
Investigations Assigned	154	186	221	184	185
Investigations Cleared	79%	62%	68%	71%	72%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	3,062	2,454	1,943	2,450	2,450
Speed on Green Violation Citations	10,259	8,558	5,979	7,541	7,500
ATE Violations – City Residents	2,658	4,405	2,882	3,229	3,225
ATE Violations – Non-Residents	10,574	6,607	5,040	6,762	6,725
Department Revenue – Fiscal Year Basis	\$1,311,071 (FY 16/17)	\$1,155,175 (FY 17/18)	\$908,748 (FY18/19)	\$1,185,000 (FY19/20)	\$1,149,100 (FY20/21)

RECENT ACCOMPLISHMENTS

The Police department recently joined with the Muscatine County Sheriff's department to form a county-wide special response team called MSORT (Muscatine Special Operations Response Team). MSORT trains on a monthly basis throughout the city and county. This group attempts to meet National Tactical Officers Association (NTOA) standard of 192 hours of training per year, but are currently training approximately 142 hours per year. The Police department has sent many police officers to the NTOA 40 hour training outside of the state as well, although this year we did not due to personnel restraints. The Police department continues to do active shooter training throughout the city with businesses and other city entities. The active killer training was also done at the Muscatine High School.

The department was successful in securing requested grant monies for upgrading equipment and maintaining necessary positions. The department was again awarded the 2019 Justice Assistance Grant (JAG). The department was also able to maintain grant funding reimbursing officers up to 50% of body armor purchases. In addition, the department was able to retain funding through the State of Iowa Drug Control Policy's Byrne Justice Assistance Program to maintain personnel and operations of the Muscatine County Drug Task Force for another fiscal year.

The department continues its emphasis on community policing. Officers 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 in the community. 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) have made efforts 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 a liaison with 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 been a participant in several community events collaborating with local businesses in order to build relationships with community members. The department hosts 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 giving away winter hats and gloves to children in need. The department also started holding self-defense classes for women and children. The YMCA collaborated with the Police department in this training.

The Muscatine Police department is involved in the Diversion Program for youths. This is 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. The goal of the 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 youth 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.

The Muscatine Diversion Program instructs students in corrective thinking methods, goal setting, and behavior chain 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 to the training sessions. Parental support is a pillar of the diversion program and a parent or guardian must be present for the student to graduate.

From January 2019 to September 2019, forty-eight (48) juveniles were involved with the program. Of all referrals in this period, thirty-five (35) have attended, five (5) of the referrals failed to attend, and there are currently eight (8) students awaiting the next diversion meeting.

Overall, the success of the Juvenile Diversion Program has been high. Collectively, the total referrals the program has received is ninety-seven (97); seventy-seven (77) have attended with only thirteen (13) reoffenders. This is an 83% non-recidivism rate. At the national level, non-recidivism rate for diversion programs is at 80%.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To continue supporting existing positions that receive funding from outside sources: one Drug Task Force Officer funded by the Office of Drug Control Policy; one Drug Task Force Officer funded by the High Intensity Drug Trafficking Area (HIDTA) program; and two School Resource Officers, both being funded 75% by the school system.
- To continue to pursue in a proactive manner, grants that are compatible with department goals and objectives as well as the needs of the community.
- To continue moving the Police department forward by utilizing problem and community oriented policing strategies and re-inventing patrol dispersions to maximize effectiveness by incorporating the most efficient use of manpower and allocation. **(City Council and Management Continuous Service Improvement Goal).**
- To continue efforts to recruit, hire and maintain a diversified workforce while hiring the most qualified candidates.
- To maintain a highly effective Investigative Unit including the Major Crimes Unit, Street Crimes Unit, and the detectives assigned to the Muscatine County Drug Task Force.

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 4,259,733	\$ 4,381,056	\$ 4,624,900	\$ 4,460,400	\$ 4,659,100	0.74%
Commodities	130,145	133,928	151,900	151,900	158,400	4.28%
Contractual Services	344,845	331,674	292,300	350,000	297,500	1.78%
Capital Outlay	41,525	57,450	161,500	242,600	19,400	-87.99%
Transfers	-	25,000	-	-	-	
Total Expenditures	\$ 4,776,248	\$ 4,929,108	\$ 5,230,600	\$ 5,204,900	\$ 5,134,400	-1.84%
Funding Sources						
Grants	\$ 229,351	\$ 291,947	\$ 305,400	\$ 306,800	\$ 312,800	2.42%
Parking Violations	25,623	21,317	26,000	22,000	22,000	-15.38%
Court Fines	176,178	169,746	170,000	170,000	170,000	0.00%
Automated Traffic Enforcement Fines	500,746	286,939	500,000	500,000	500,000	0.00%
Fruitland Agreement	50,041	52,104	53,300	53,300	54,600	2.44%
False Alarm Charges	4,425	3,700	3,000	3,700	3,700	23.33%
Utility Franchise Fees	51,430	110,224	257,100	257,100	257,100	0.00%
Insurance Reimbursement	71,069	-	-	-	-	
General Revenues	3,667,385	3,993,131	3,915,800	3,892,000	3,814,200	-2.59%
Total Funding Sources	\$ 4,776,248	\$ 4,929,108	\$ 5,230,600	\$ 5,204,900	\$ 5,134,400	-1.84%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	1.00	1.00	1.00	1.00	1.00	
Captain	1.00	1.00	1.00	1.00	1.00	
Lieutenant	4.00	4.00	4.00	4.00	4.00	
Sergeant	4.00	4.00	4.00	4.00	4.00	
Corporal	6.00	6.00	6.00	6.00	6.00	
Patrol Officer	24.00	24.00	24.00	24.00	24.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Clerk	1.00	1.00	1.00	1.00	1.00	
Total Full Time	43.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	0.73	0.73	0.73	0.73	0.73	
Total	43.73	43.73	43.73	43.73	43.73	\$ 2,881,700
Employee Benefits						<u>1,777,400</u>
Total Personal Services						<u>\$ 4,659,100</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Lights Bars (2)	2	Yes	\$ 7,000
Radar Units (2)	2	Yes	6,400
Interrogation Room Camera System	1	Yes	6,000
			<u>\$ 19,400</u>

Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police Patrol Vehicles (Tahoes)	3	Yes	\$ 147,000

Function:
Public Safety

Department:
Police

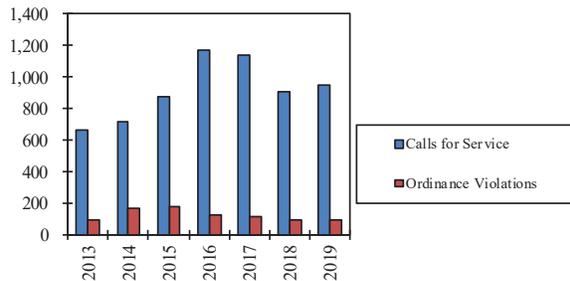
Activity:
Animal Control

GENERAL INFORMATION

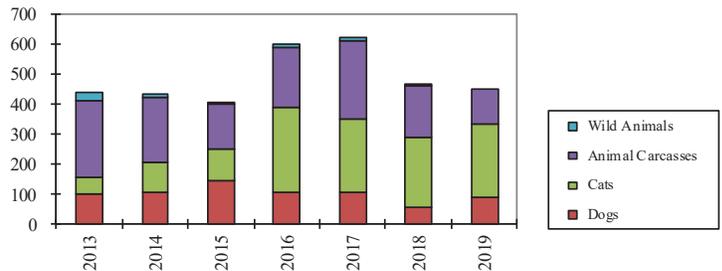
The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals 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 2019/2020 revised estimate is \$400 less than the original budget due to a slight decrease in personal services costs.

The 2020/2021 budget is \$7,300 (4.7%) more than the 2019/2020 budget due to a \$2,300 increase in personal services costs and a \$5,000 increase in contractual services. The contractual services increase is for a \$5,000 increase (to \$80,000) in the subsidy to the Muscatine Humane Society.

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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
Calls for Service	1,136	1,136	906	941	1,000
Ordinance Violations	124	116	93	95	100
Bite Cases	67	60	68	72	65
Animals taken to Humane Society:					
Dogs	105	105	59	90	90
Cats	283	243	233	243	254
Animal Carcasses	198	265	168	119	188
Wild Animals	12	7	5	0	6
County Calls for Service	1	2	0	1	1
Fruitland Calls for Service	38	16	12	11	20
Animal Control Revenue – Fiscal Year Basis	\$1,615 (FY 16/17)	\$2,865 (FY 17/18)	\$2,160 (FY 18/19)	\$2,500 Est. (FY 19/20)	\$2,500 Est. (FY 20/21)

RECENT ACCOMPLISHMENTS

There were 941 calls for animal control service in 2019, which resulted in 95 violations being issued. The city of Fruitland accounted for an additional 11 calls for service and the Animal Control Officer assisted the County with one call. There were 243 cats and 90 dogs taken to the Humane Society. These numbers are consistent when compared to recent years. There were 119 animal carcasses picked up for a total of 452 transports in 2019.

The Animal Control Officer (ACO) maintains a presence on social media through the Muscatine Animal Control Facebook page. She interacts with residents and posts notices about events and lost or recovered pets. She also responds to questions and helps residents work through problems with their pets.

The winter pet supply drive for 2018 met with success. There were fewer recipients in need, which resulted in an overabundance of supplies. After careful consideration, the ACO decided to suspend the drive this year. The overabundance created some storage issues and the ACO anticipated that even fewer people would be in need of supplies this year.

The ACO is planning on trying to revitalize the “Chip Your Pet Day” program and is looking for ways to overcome the hurdles that have prevented it in the past. The goal was to get this done in 2019 but finding a location for the event was again an issue. One of the ideas being explored is holding the event outdoors under a tent.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To continue to meet or exceed the number of enforcement actions taken within the city in 2019 by being proactive in enforcement efforts and sensitive to residents’ 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/services are offered to the public. Organizing a “Chip Your Pet Day” would be part of this objective.

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 57,628	\$ 70,008	\$ 72,700	\$ 72,300	\$ 75,000	3.16%
Commodities	2,364	2,563	3,500	3,500	3,500	0.00%
Contractual Services	68,160	71,527	79,000	79,000	84,000	6.33%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 128,152	\$ 144,098	\$ 155,200	\$ 154,800	\$ 162,500	4.70%
Funding Sources						
Animal Enforcement Fines	\$ 2,865	\$ 2,160	\$ 2,500	\$ 2,500	\$ 2,500	0.00%
General Revenues	125,287	141,938	152,700	152,300	160,000	4.78%
Total Funding Sources	\$ 128,152	\$ 144,098	\$ 155,200	\$ 154,800	\$ 162,500	4.70%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 46,100
Employee Benefits						28,900
Total Personal Services						\$ 75,000

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.

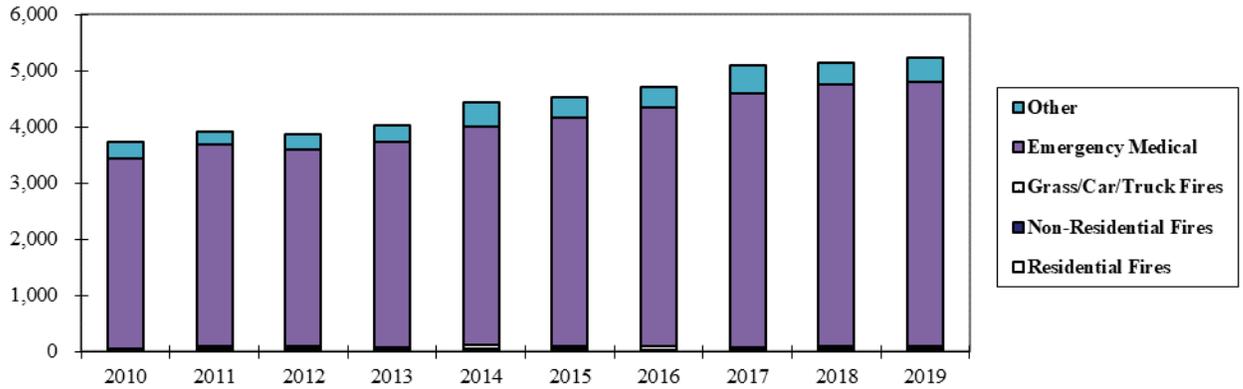
The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget.

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

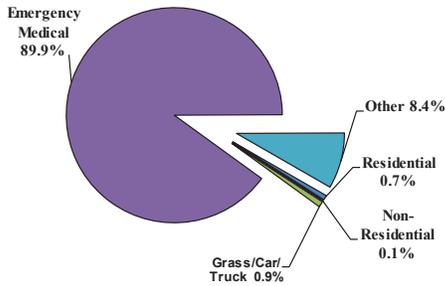
Fire Department Responses

	<u>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>	<u>2019</u>	Percent of Total
Residential Fires	20	25	34	19	49	36	22	32	35	37	0.71%
Non-Residential Fires	6	19	15	11	9	15	14	10	18	6	0.11%
Grass/Car/Truck Fires	30	39	47	36	51	32	67	39	37	45	0.86%
Emergency Medical	3,367	3,593	3,487	3,674	3,897	4,079	4,239	4,510	4,653	4,710	89.92%
Other	298	240	281	282	427	364	364	509	393	440	8.40%
Totals	<u>3,721</u>	<u>3,916</u>	<u>3,864</u>	<u>4,022</u>	<u>4,433</u>	<u>4,526</u>	<u>4,706</u>	<u>5,100</u>	<u>5,136</u>	<u>5,238</u>	<u>100.00%</u>

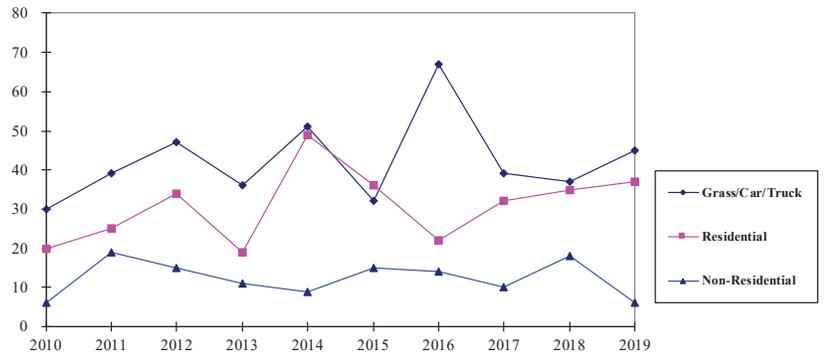
Fire Department Response History



2019 Fire Responses by Type



History of Fire Calls by Type



CURRENT TRENDS AND ISSUES

The revised estimate for 2019/2020 is under the original budget by \$92,600. The most significant decrease is \$102,800 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 an \$11,300 increase in commodities (primarily due to increases in clothing purchases for new employees and increased operating supplies) and a \$2,500 increase in contractual services. There was also a \$3,600 decrease in capital outlay.

The 2020/2021 Fire department budget is \$478,500 (10.2%) higher than the 2019/2020 budget. Personal services costs increased by \$477,500 (10.8%) compared to the prior year budget. This increase includes \$234,400 for three new firefighter positions added due to the increase in ambulance runs including inter-facility transfers. There were also increases of \$6,300 in commodities and \$15,500 in contractual services. Capital outlay costs decreased by \$20,800.

A future year capital outlay need was identified during the current year budget process. This is for replacement of the department’s 40 SCBA (Self Contained Breathing Apparatus) Airpack Harnesses for a

cost of \$425,000. The Fire department has submitted several grant requests to seek funding to assist in the purchase of this equipment, but to date none have been successful. The Fire department is planning to submit another grant request to assist in funding this equipment. If the grant application is not successful, this will be a future year budget request.

Personal services costs for the current 2019/2020 budget included \$116,300 for the addition of three firefighter positions budgeted to begin midway through the 2019/2020 year (January 2020). Those three additional fire fighters have been hired. The additional staffing was needed due to the continued high call volume for Ambulance services including requests for inter-facility transfers. This staffing increase was 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. The \$116,300 cost of these positions was 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.

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 2020/2021 revenues from these permits and fees are estimated at \$61,600. An additional \$26,600 is budgeted to be received from Haz Mat agreements with area counties and \$20,500 from fire protection agreements with businesses outside the city limits.

The 2020/2021 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. 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 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 was budgeted at \$1,079,400, which was 25.0% of Fire department personal services costs for the previous staffing level. As noted above, the 2019/2020 budget included an additional transfer of \$116,300 which is the amount needed to fund the three new firefighter positions added midway through the 2019/2020 fiscal year. The regular transfer for 2020/2021 is \$1,105,200 and there is an additional transfer of \$232,600 of the GEMT funding, which is the estimated amount for a full fiscal year. These total to \$1,337,800, which is 27.4% of the Fire department budgeted personal services costs for 2020/2021.

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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
All Calls for Services	4,706	5,100	5,027	5,238	5,528
Fire Training Hours	5,370	4,683	3,871	3,812	4,500
False Alarms	180	156	169	151	150
Fire Education Presentation Staff Hours	135	138	118	250	75
Number of Residents Attending Public Education Programs	2,060	2,231	1,933	2,180	1,900
Fire Inspections - Total	418	592	568	514	500
Inspections - Initial	245	316	298	268	275
Re-Inspections	140	215	250	246	225
Additional Re-inspections	33	61	20	Included Above	Included Above
Fire Marshal Site Visits	111	216	220	185	200
Burn Permits Issued	1,104	1,090	989	1,122	1,250
Outdoor Fireplace Permits	1,026	1,014	930	1,051	1,180
Open Burning Permit	61	63	48	62	60
Commercial Burn Permits	3	1	0	0	0
Other Special Fire Permits	14	13	11	9	10
Citations Issued - All	40	31	20	8	15
Fireworks Operational Permits Issued	0	10	12	10	8
Fireworks Permit Fees Collected	0	\$2,000	\$4,600	\$2,200	\$2,400

RECENT ACCOMPLISHMENTS

The Fire department hosted and instructed State certification training and testing for Fire Inspector I certifications at the IFSAC/ProBoard standard. This was done in-house with Muscatine Fire department and guest instructors, and done at no cost. A total of 10 department and 2 mutual aid organization partners took advantage of the training. **(Continuous Service Improvement)**

The department also took advantage of out-of-department federally funded training, including 11 persons receiving training at the National Fire Academy in Emmitsburg, MD (an 83% increase); staff also attended Hazardous Materials training in Anniston, AL and Pueblo, CO; Company Officer training in Kansas City, MO; as well as training and conferences within the state – for a total of over 2,800 hours of outside training. **(Continuous Service Improvement)**

The Fire department updated, improved, and held three probationary academies for ten new hires, resulting in over 1,300 hours of new recruit training

The department utilized non-traditional training locations to provide real-world experiences, including onsite HazMat training at Muscatine Power & Water, 700+ hours of training at the old Holiday Inn property, used donated (Rich Metals) real vehicles for extrication training, and mobile homes donated (Ripley’s) for use as live fire training aids

Implementation and adjustment of a leadership training program for formal department leaders and developing leaders was also completed. Captain June Anne Gaeta completed the Executive Fire Officer post-graduate program at the National Fire Academy. This is a four-year, multiple research paper program designed for department leaders and is recognized on a national and international basis.

The department also 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 the live fire ‘burn cell’ was used to illustrate this point.

The Fire department saw an increase in run volume of 3.4% over 2018 and 14.8% over the 2015 volume; saw an 11.9% increase in building fires, and a 27.7% decrease in all fires as compared to 2018 and an increase of 9.3% but decrease of 2.2% respectively in comparison to 2015. There were nine fireworks sales permits issued which resulted in \$1,800 in permitting fees and \$900 in State reimbursements. Fire permits issued increased by 11.1% from 2017 and 16.5% from 2015.

The department continued social media outreach using Facebook and Twitter, which have reached more than 472,000 people in the past year (a 48.4% increase over 2018), has “engaged” about 290 people per day on average; and the page presently has about 4,550 “likes” (24.3% increase). **(Marketing Goal)**

A safety stand-down day was held to focus on cancer prevention strategies which included suggestions for improvement. Those suggestions lead to better cleaning procedures, better separation of soiled and clean gear, and reinforced items already being addressed.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To continue looking at software and technological tools in order to streamline activities and improve efficiency and effectiveness of both emergent and routine activities. The Department will work with other agencies in order to coordinate efforts and learn from each other. This will include items related to the computer aided dispatch system and vehicle tracking and information. Implementation will be done after the review and assessment of options. **(Council and Management Continuous Service Improvement Goal)**
- To hold a minimum of two multi-agency drills. This will include a combination of mutual aid partners and local facilities. At least one will cover special operations – either hazardous materials or confined spaces. **(Council and Management Continuous Service Improvement Goal)**
- To complete training tailored to help department staff prepare for fire fighter II certification, with the intent to encourage testing and completion of certification requirements.

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 3,998,981	\$ 4,253,008	\$ 4,413,500	\$ 4,310,700	\$ 4,891,000	10.82%
Commodities	81,195	98,555	89,900	101,200	96,200	7.01%
Contractual Services	194,110	206,982	162,900	165,400	178,400	9.52%
Capital Outlay	17,254	11,246	39,000	35,400	18,200	-53.33%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 4,291,540	\$ 4,569,791	\$ 4,705,300	\$ 4,612,700	\$ 5,183,800	10.17%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	\$ 46,315	\$ 46,790	\$ 46,700	\$ 47,100	\$ 47,100	0.86%
Ambulance Staff Funding Transfer	926,000	1,047,200	1,079,400	1,079,400	1,105,200	2.39%
Additional Ambulance Funding Transfer (GEMT) *	-	-	116,300	116,300	232,600	100.00%
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	23,211	24,999	21,800	22,200	23,100	5.96%
Other Fees	2,058	4,431	2,600	2,500	2,500	-3.85%
Donations	-	-	-	1,000	-	
Insurance Reimbursement	4,997	-	-	-	-	
Other Reimbursements	4,279	7,576	2,500	3,500	3,500	40.00%
Utility Franchise Fees	51,430	110,224	257,100	257,100	257,100	0.00%
General Revenues	3,193,976	3,289,296	3,142,900	3,047,600	3,476,700	10.62%
Total Funding Sources	\$ 4,291,540	\$ 4,569,791	\$ 4,705,300	\$ 4,612,700	\$ 5,183,800	10.17%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	29.50 *	29.50 *	34.00 **	
Total Full Time	41.00	41.00	42.50	42.50	47.00	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	41.50	41.50	43.00	43.00	47.50	\$ 2,991,500
Employee Benefits						1,899,500
Total Personal Services						\$ 4,891,000

* Three new Firefighter positions were 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.

** An additional three Firefighter positions were added for 2020/2021 due to the continued high number of ambulance runs including inter-facility transfers.

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Gas Monitor	1	Yes	\$ 3,000
Rescue Randy 165 lb Rescue Dummy	1	No	1,600
Dayroom Furniture		Yes	4,000
Rescue Ropes for Specialized Rescues	1	Yes	5,100
Gym Equipment		Yes	4,500
			<u>\$ 18,200</u>

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 2019/2020 is \$120,325. An additional \$3,187 has been received from the contract with the City of Fruitland in 2019/2020. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$11,217 in revenues. The Library budget for 2020/2021 reflects requested 2.0% increases in these agreements.

CURRENT TRENDS AND ISSUES

The revised estimate for 2019/2020 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 \$12,500 decrease in personal services costs, (2) a \$1,000 increase in commodities, (3) a \$3,900 increase in contractual services, and (4) a \$7,600 increase in capital outlay.

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 2020/2021 is \$1,170,800, which is \$10,200 (.9%) more than the 2019/2020 budget. There were increases and decreases for the 2020/2021 budget including (1) an increase of \$29,600 in personal services costs, (2) a decrease of \$500 in commodities, (3) an increase of \$3,300 in contractual services, and (4) a decrease of \$22,200 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
LIBRARY PATRONS	20,581	21,288	21,860	22,000	22,500
CIRCULATION					
Adult Books	51,562	45,296	52,556	54,400	55,000
Young Adult	3,785	3,082	3,575	3,700	4,000
Juvenile Books	44,820	33,112	54,436	60,000	65,000
Magazines	3,416	3,325	3,512	3,500	3,500
DVDs	74,147	57,414	58,595	55,000	50,000
Audio	18,542	14,020	13,003	12,000	11,000
Video Games	4,329	3,362	2,571	2,300	3,000
Other	781	499	495	200	100
Internet	20,536	15,976	14,332	12,000	18,000
WiFi Usage	12,043	11,409	51,751	55,000	58,000
Databases	176,496	244,452	201,144	200,000	175,000
E Audio	1,563	2,267	3,388	3,000	2,500
E Book	9,868	11,601	11,762	13,000	15,000
E Magazines	9,199	7,276	10,549	10,500	10,500
E Music	34,493	24,385	18,223	19,000	20,000
TOTAL	465,580	477,476	499,892	503,600	490,600
PROGRAMMING					
Juvenile Programs	568	485	427	420	430
Juvenile Audience	21,077	16,516	18,448	19,000	19,500
Young Adult Programs	36	34	31	25	25
Young Adults Audience	2,041	2,180	1,769	1,700	1,750
Adult Programs	30	15	32	50	55
Adult Audience	399	167	654	700	800
Technology Classes	26	16	13	15	15
Tech Audience	27	17	13	25	40
OTHER MEASURES					
Facebook Likes	5,172	5,348	5,489	5,500	5,500
Website Visits	57,549	40,866	35,000	37,000	38,000
Rivershare Holds	45,759	41,250	36,378	35,000	34,000
Inter-Library Loans	1,048	642	876	700	750
Homebound Visits	486	452	460	450	450
Homebound Circulation	5,344	5,910	5,912	5,700	5,600
Reference Questions	5,800	4,069	2,177	2,500	3,000
Building Usage	167,405	154,010	179,484	180,000	185,000
Meeting Room Usage	2,635	1,026	9,763	10,000	11,000

RECENT ACCOMPLISHMENTS

During the past year the Library transitioned to a new Envisionware server and replaced five online public access computers. The Library also installed sixteen additional interior security cameras to bring the total to 32. The theft detection gates were relocated closer to the east entrance to avoid accidental alarms.

The Library formally began Day Break, a series of daytime programs for adults and completed the 2nd LENA (Learning ENvironment Analysis) Early Talk series. Two Library staff members attended the Iowa Lean Consortium's two-day conference in Des Moines.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

To complete a strategic planning process by April, 2021 which will include:

- Over three-years, the Library will develop and implement a LEAN Daily Management System to improve communication and customer service on a tight budget and in a rapidly changing environment.
- First year goals for the management team will include identifying mentors, clarifying values, and developing leadership, trust, and accountability. The initial all-staff focus will include documenting procedures, learning policies, and emphasizing accountability while improving communication via daily huddles, and visual communication.
- Regular tasks will include spending considerable time observing front-line staff.
- Revising job descriptions along with the employees holding specific jobs.
- Developing a master calendar for annual events/activities/goals and deadlines.
- Documenting and implementing revised opening and closing procedures.
- Outlining a procurement system.
- Identifying ownership for tasks.
- Cross training.
- Rewriting standard work to reflect current situation.

Other goals include:

- To integrate the new State Library's shared delivery option (IA Shares) to reduce shipping costs and improve delivery efficiencies for inter-library loan among Iowa public libraries.
- To develop a branded brochure to share with new patrons and the broader community, showcasing the Library's services, especially new technologies and amenities (room reservations, tablets, etc.).
- To work to re-activate the Friends of the Library.

- To assist the Library Board to rewrite the Board's Bylaws.
- To add some materials in French for the growing number of French-speaking African immigrants.
- To secure the \$20,000 per annum needed to provide LENA (Learning ENvironment Analysis) in 2021/2022 and beyond.
- To develop off-site collections for weeded juvenile and large-type materials.
- To continue to expand Day-Break by adding a non-fiction book group, a monthly local history round table, a drum circle, a business book group, a knitting circle, some genealogy classes, and some computer classes.
- To offer the monthly Day-Break lecture/activity at 7:00 p.m. on the same day to provide the same activity for working adults.
- To bring back an annual major Friday and Saturday night education/entertainment event for elementary age children and their families at the end of spring break.
- To offer more Saturday afternoon/evening family movies.
- To continue to monitor the meeting room policy as demand for rooms becomes more competitive.
- To work with the Davenport Public Library's Scott County History Librarian to develop standards for housing and indexing local history material.
- To finish planning and begin offering the three eBook Pop-Ups at various locations throughout the community. These secure Wi-Fi devices will allow anyone to check out eBooks for two weeks, regardless of residence or library card status.

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 841,238	\$ 855,036	\$ 885,500	\$ 873,000	\$ 915,100	3.34%
Commodities	9,188	5,636	10,400	11,400	9,900	-4.81%
Contractual Services	127,840	124,346	125,200	129,100	128,500	2.64%
Capital Outlay	78,040	119,162	139,500	147,100	117,300	-15.91%
Transfers	64,394	56,420	-	-	-	
Total Expenditures	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	\$ 1,170,800	0.88%
Funding Sources						
Library Revenues	\$ 23,984	\$ 22,698	\$ 24,200	\$ 21,500	\$ 21,800	-9.92%
County Contributions	118,099	120,489	122,900	123,500	123,500	0.49%
Hotel/Motel Tax	130,498	123,738	115,000	125,000	125,000	8.70%
General Revenues	848,119	893,675	898,500	890,600	900,500	0.22%
Total Funding Sources	\$ 1,120,700	\$ 1,160,600	\$ 1,160,600	\$ 1,160,600	\$ 1,170,800	0.88%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	
Library Assistant	4.00	3.00	3.00	3.00	4.00	
Total Full Time	8.00	7.00	7.00	7.00	8.00	
Part Time Positions:						
Library Technician	1.50	1.68	1.75	1.54	1.33	
Library Assistant	2.40	2.59	2.68	2.83	2.84	
Library Shelves	1.54	1.11	1.00	0.82	1.28	
Other Technicians	0.25	0.25	0.25	0.45	0.31	
Security Guard	0.00	0.49	0.50	0.22	0.00	
Other Assistant	0.50	0.50	0.36	0.35	0.38	
Total Part Time	6.19	6.62	6.54	6.22	6.13	
Total	14.19	13.62	13.54	13.22	14.13	\$ 694,100
Employee Benefits						221,000
Total Personal Services						\$ 915,100

Capital Outlay	
Item	Amount
Library Books, Videos, Serials, Database Subscriptions, etc.	\$ 117,300

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 \$155,000 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 2019/2020 is \$1,000 less than the original budget. Based on expenditures to date in 2019/2020, special programming fees are expected to be less than the original budget.

The 2020/2021 budget is \$20,000 which is \$700 (3.4%) less than the 2019/2020 budget. No capital outlay items have been requested in the 2020/2021 budget. The budget includes \$19,100 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Cable Franchise Fees	\$176,095	\$165,004	\$158,717	\$155,600	\$155,600
City Council Meetings Broadcast	35	35	35	35	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 2020/2021

- * 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	19,315	16,787	20,700	19,700	20,000	-3.38%
Capital Outlay	13,683	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 32,998	\$ 16,787	\$ 20,700	\$ 19,700	\$ 20,000	-3.38%
Funding Sources						
Cable Franchise Fees	<u>\$ 32,998</u>	<u>\$ 16,787</u>	<u>\$ 20,700</u>	<u>\$ 19,700</u>	<u>\$ 20,000</u>	-3.38%

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 2019/2020 is \$3,200 less than the original budget. Personal services costs are \$2,400 less than the original budget due to a vacancy in the part-time custodian position and the new employee starting at a lower step in the pay plan. Commodities are \$300 more than the original budget and contractual services are \$1,100 less than the original budget, primarily due to reduced insurance costs.

The 2020/2021 budget is \$12,600 (3.1%) higher than the 2019/2020 budget. Personal services costs increased by \$8,100 (2.3%), commodities increased by \$200, and capital outlay increased by \$4,300 for a new copier. The 2020/2021 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 2019/2020 and 2020/2021 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$49,200 in 2019/2020 and \$50,000 in 2020/2021.

Again in 2020/2021 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$125,000.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Attendance	9,346 *	13,653	15,654	17,000	18,000
Number of Classes Offered	148	150	169	175	175
Art Center Events Hosted	22	18	24	27	27
Exhibitions	15	26	28	29	25
Group Tours & Programs	62	59	61	75	75
City Calendar Website Posts	111	138	140	145	145
Facebook Posts	2,073	2,419	2,438	2,460	2,475
Newspaper Stories - Muscatine Journal and Quad City Times	68	48	60	65	65

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

RECENT ACCOMPLISHMENTS

Fiscal Responsibility

Muscatine Art Center staff secured several grants in 2018-2019 and continued to work with the Friends of the Muscatine Art Center and the Muscatine Art Center Support Foundation to offset Muscatine Art Center expenses. Grants secured in 2018-2019 include \$46,500 from the Roy J. Carver Charitable Trust for lighting projects in the Stanley Gallery, \$10,000 from the Iowa Department of Cultural Affairs through the Cultural Leadership Partner (CLP) program for operating support, \$5,000 from the Iowa Department of Cultural Affairs for participation in ArtsLab, \$4,270 from the State Historical Society of Iowa’s Historic Resource Development Program (HRDP) grant to launch a Civil War outreach program, \$3,000 from Humanities Iowa for scholarly research on the exhibition “Perspectives on Childhood: Photographs by Oscar Grossheim, 1900-1925,” \$2,197 from the Community Foundation of Greater Muscatine to deliver programs for school-aged children, and \$1,705 from the Iowa Department of Cultural Affairs for Arts Learning in Libraries to deliver studio art programs to older adults in partnership with the Keck Public Library in Wapello. Staff also successfully applied to the Collections Assessment for Preservation (CAP) program to bring two professional assessors to evaluate the condition of the facilities and the collection. The value of this grant, which is paid directly from CAP to the assessors, is \$7,400. During the 2018/2019 fiscal year, the Friends of the Muscatine Art Center paid \$23,305 in wage and benefit reimbursements to the City of Muscatine and the Muscatine Art Center Support Foundation Fund paid \$21,837. Between the two organizations, this covers 10 hours per week for the Program Coordinator, 10 hours per week for the Registrar, and 50% of the benefits for the Registrar.

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 are now used for changing exhibitions. In addition, exhibitions are changing more quickly in the Stanley Gallery. Between July 1, 2018 and June 30, 2019, the Muscatine Art Center presented the following changing exhibitions:

- Pulled Pressed & Screened: Important American Art Prints
- Mauricio Lasansky: The Mr. & Mrs. Harold Rayburn Collection
- Gerb's Gadgetry
- Jon Fasanelli-Cawelti: Atlas
- Kirk Hovenga: Iowa Landscapes
- Elementary Student Art Show
- David Hayes: The Ventana Series
- Norman Baker
- Alexander Clark
- Muscatine & the Civil War
- Art of Beth van Hoesen
- Recent Acquisitions
- Iowa Watercolor Society Juried Exhibition
- Nancy Purington: Ode to the Upper Mississippi River, Pearl and Her Mother
- Molly Wood: Omnia Vanitas
- Artistically Exploring Wood Vessels – Steve Sinner and Joe Meirhaeghe
- Peter Mar Toys
- Iowa Regionalist Artists from the Permanent Collection
- Stanley Family Collection
- Alma Held from the Permanent Collection
- Muscatine Art Center Adult Studio Display
- Heartfelt & Handmade Ornament Competition
- Holiday Pop-Up Shop
- Highlights from the Music Collection
- Oceania and African Collections
- Elk's Chanters
- 4H Projects
- Iowa State Pottery – Recent Acquisitions

Community Engagement

The Muscatine Art Center works with the following local partners to present programs and provide services: Friends of the Muscatine Art Center, Muscatine Art Center Support Foundation Fund Advisory Committee, the Community Foundation of Greater Muscatine, local 4-H groups, Muscatine Community School District, Saints Mary and Mathias Catholic School, Louisa-Muscatine Community School District, West Liberty School District, Muscatine County Arts Council, Alexander Clark Foundation, Muscatine County Conservation Board, Muscatine County Homeschool Association, Muscatine Community YMCA, Keep Muscatine Beautiful's Almost Friday Festival, the Nature Conservancy, Optimae Life Services, Big Brothers/Big Sisters, Sunny Brook, United Way of Muscatine, Keck Memorial Library in Wapello, Boy Scouts, Parents as Teachers, League of Women Voters, Sunset Park, Leadership Muscatine, the Muscatine

Convention and Visitors Bureau, Salvation Army, Questers, and A Child's Place. The Muscatine Art Center also works with state-wide organizations such as Humanities Iowa, the State Historical Society of Iowa, the Iowa Arts Council, the Iowa Department of Cultural Affairs, the Iowa Museum Association, Iowa State University, Iowa Watercolor Society, and regional organizations such as the Figge Art Museum, Living Proof Exhibit, and the Brunner at Iowa State University.

The Muscatine Art Center offered 169 classes to the general public, provided 61 group tours/programs/outreach, and presented 24 events between July 1, 2018 and June 30, 2019. Between these offerings and regular drop-in visits, the organization served 15,654 individuals.

Numerous volunteers participate in guiding and assisting the Muscatine Art Center. A nine-member Board of Trustees oversees the Muscatine Art Center's operations while the Friends of the Muscatine Art Center consists of five board members who organize fundraisers to support the educational mission of the Muscatine Art Center. The Friends organization also includes 100+ paid household members. The Muscatine Art Center Support Foundation Advisory Commission includes five members who approve and review the annual budget for exhibitions, object conservation projects, and acquisitions to the collection. The newly formed Public Art Advisory Commission is a five member advisory commission with the Muscatine Art Center Director as staff liaison. The Muscatine Art Center staff also supervises multiple interns each year. These unpaid interns range from high school students through students pursuing a master's degree in museum studies. Finally, the Muscatine Art Center engages approximately 90 volunteers each year who contribute approximately 2,000 hours for activities such as scanning archival documents, greeting the public at the front desk, organizing the scrapbook, gardening, repairing historic clothing/textiles, assisting with exhibitions, proof reading exhibition text, leading students and young learners in activities during fieldtrip experiences, working special events, and helping with marketing.

Staff developed a new outreach program on Muscatine and the Civil War targeted to middle school and upper elementary school students. The program is funded by a grant from the State Historical Society of Iowa's Historic Resource Development Program. Staff selected passages from the letters written by Muscatine Civil War soldier, Daniel Parvin, to his wife. Two men and two women were hired and trained to portray the couple and to present information about the Civil War in general and the specific battles fought by Parvin's unit. Staff also selected and purchased reproduction clothing and daily objects for use during the presentation. These materials were put into a kit to travel with the actors. In addition, staff selected primary source materials from the permanent collection to reproduce for use in a resource trunk available to teachers. Civil War PowerPoint presentations developed by staff and evaluation tools were added to the resource trunk. The program has been piloted at West Liberty Middle School, Louisa-Muscatine Middle School, and Franklin Elementary 5th grade classrooms. Two public presentations were offered at the Muscatine Art Center, and the actors also appeared in costume and with their kit and the traveling trunk at the Annual Ice Cream Social. Additional schools will be part of the pilot during the 2019-2020 school year. Evaluations from students, teachers, and actors are being collected. Once the pilot phase has concluded, the staff will make modifications as needed but plans to continue to offer the outreach program and resources.

Marketing and Communication

The Muscatine Art Center website, www.muscatineartcenter.org, was overhauled in 2018-2019. In July 2018, the Muscatine Art Center staff began the process of selecting a design firm for www.muscatineartcenter.org. Three companies submitted proposals in response to the RFP. Applied Art and Design of Des Moines was

selected. The Muscatine Art Center staff worked with the firm to redesign the website, add content, and improve features and functions. The new www.muscatineartcenter.org went live in July 2019. The online collections database feature will be added at a later date.

The Muscatine Art Center posted 12 agendas, 12 minutes, and 105 posts to the City of Muscatine's website and 70 subscribers follow the Art Center through the City's website. The Muscatine Art Center has developed a presence on social media with 2,025 followers on Facebook and 2,438 posts on Facebook during the 2018/2019 fiscal year. A Friends of the Muscatine Art Center Facebook page was created in 2016 and now has 139 followers and 525 posts occurring in the 2018/2019 fiscal year. The Instagram account was set up in June of 2015 and now has 386 followers and 389 posts in fiscal year 2018/2019. These posts also show on Facebook, Tumblr and Twitter. The Twitter account has 398 followers with 1,254 tweets in the 2018/2019 fiscal year. There are 458 followers of the Muscatine Art Center's Pinterest board with average monthly views of 12,100.

Staff also updates the Muscatine Art Center's page at Google Maps, Google Business, Yelp, and Winnie. Events are placed on the Visit Quad Cities CVB calendar, Experience Quad Cities calendar, City of Muscatine calendar, WVIK, Travel Iowa, and Yelp. Other websites must be kept up-to-date and these include the page for the Muscatine Art Center on Muscatine CVB, Blue Star Museums, and the Smithsonian Museum Day website. The Office Coordinator attended one meeting of the Eastern Iowa Tourism Association (EITA) in 2018/2019.

Constant Contact is used to distribute the e-newsletter. There are 854 subscribers to the e-newsletter which was distributed 26 times during fiscal year 2018/2019. Staff drafted and distributed 23 press releases, and the Muscatine Art Center was covered 60 times in local and regional print media.

Staff appeared on air (radio and television) six times to promote Muscatine Art Center activities. This includes working with the Muscatine Convention and Visitors Bureau on the community spotlight "Our Quad Cities" which aired on September 11, 2018. Staff went on live radio for the Voice of Muscatine and on camera for the Hy-Vee morning show. WQAD aired a video and web content about the Muscatine Art Center exhibition of work by Jon Fasanelli-Cawelti. WVIK also aired a radio interview and created web content about the Jon Fasanelli-Cawelti exhibition. David Hayes, son of the late artist David Hayes, joined staff on video for the cable show "Muscatine Arts" with Chad Bishop.

Public Art

Muscatine Art Center staff worked with a group of seven community volunteers to research how other communities support public art. Six meetings were held between February and October 2018, resulting in an in-depth session presentation to the Muscatine City Council on January 10, 2019. Muscatine Art Center staff drafted the ordinance to establish the Public Art Advisory Commission and assisted in forming the new Advisory Commission. The members of the new commission began their terms on July 1, 2019. Since that time, a Muscatine Art Center staff member has served as liaison to the Advisory Commission, setting the agenda, reminding members of meetings, and facilitating discussion. The group was set up to meet quarterly and has now held two official meetings and one working meeting. The group intends to have a draft public art policy, application form, and process outlined by spring of 2020.

Muscatine Art Center staff also made arrangements for five sculptures to be displayed on public property in Muscatine from June 2019 through late spring/early summer 2020. The sculptures are part of the body of work created by David Hayes (deceased). Staff worked with the David Hayes Foundation to bring an exhibition of sculpture, maquettes, and studies on paper to the Muscatine Art Center. The exhibition was on view in the Stanley Gallery from May 9 through August 25, 2019. To open the exhibition, the Muscatine Art Center hosted Business After Hours and a large crowd greeted the son of David Hayes who made public remarks pertaining to public art. The Muscatine Art Center also organized an exhibition closing presentation by the son of David Hayes to take a more detailed look at art in public places. While the exhibition has closed, the outdoor sculptures can be viewed at Muscatine City Hall, Musser Public Library and HNI Community Center, and Discovery Park. Staff and volunteers of the Muscatine Art Center assisted in the installation of each of the five pieces. As a bonus, the David Hayes Foundation extended a loan of one sculpture to be exhibited on the grounds of the Muscatine Art Center from September 2019 through late spring/early summer 2020.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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 rotate programs to include local history, art, music, performance, other cultural, and family-based experiences. Offer a minimum of 6 experiences between them touching at least 3 of the listed categories over each quarter. (Not included in the count are adult studio, kids studio, tots, and other structured classes.) Connects to City of Muscatine Goal: provide programs, services, and projects that support and improve the quality of life for current and future Muscatine residents, and enhance the experience for visitors to Muscatine. **(Council and Management Ongoing Opportunity)**
- To curate one exhibition from the permanent collection in the Stanley Gallery at least once every two years. Connects to City of Muscatine Goal: promote positive community engagement, positive civil discourse, and community pride. **(Council and Management Ongoing Opportunity)**
- To host an exhibition exploring themes of importance to an under-served audience a minimum of once every two years and to strengthen relationships with organizations and community leaders who represent and/or serve under-served audiences. Connects to City of Muscatine Goal: maintain and adapt programs, activities, and facilities to serve all segments of the community. **(Council and Management Agenda 2020-2021)**
- To launch the online collection feature on a newly developed Muscatine Art Center website. Connects to City of Muscatine Goal: support the City's social media campaign to promote #hometownmuscatine and/or additional hashtags. **(Council and Management Agenda 2020-2021)**
- To use metrics to highlight impact of Program Coordinator's position turning fulltime. Connects to the City of Muscatine Goal: pursue organizational effectiveness, efficiency, cooperation, transparency, and customer service. **(Council and Management Agenda 2020-2021)**
- To enhance the grounds of the Muscatine Art Center with the installation of a new permanent sculpture. Connects to City of Muscatine Goal: explore, develop, and implement placemaking strategies with a focus on projects to enhance the Muscatine experience for residents and visitors, and attract and retain a quality workforce. **(Council and Management Agenda 2020-2021)**

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 304,270	\$ 318,630	\$ 351,200	\$ 348,800	\$ 359,300	2.31%
Commodities	7,979	9,113	8,100	8,400	8,300	2.47%
Contractual Services	22,804	51,728	52,700	51,600	52,700	0.00%
Capital Outlay	650	16,616	-	-	4,300	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 335,703	\$ 396,087	\$ 412,000	\$ 408,800	\$ 424,600	3.06%
Funding Sources						
Art Center Revenues	\$ 5,826	\$ 5,076	\$ 3,800	\$ 3,900	\$ 4,400	15.79%
Art Center Grant	10,000	10,000	10,000	10,000	10,000	0.00%
Support Foundation Contribution	20,501	21,837	23,500	23,700	24,000	2.13%
Friends of the Art Center Contribution	20,742	23,305	25,100	25,500	26,000	3.59%
Other Contributions	5,000	3,902	2,200	1,300	1,300	-40.91%
Hotel/Motel Tax	130,498	123,738	115,000	125,000	125,000	8.70%
General Revenues	143,136	208,229	232,400	219,400	233,900	0.65%
Total Funding Sources	\$ 335,703	\$ 396,087	\$ 412,000	\$ 408,800	\$ 424,600	3.06%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	1.00	1.00	
Total Full Time	3.00	3.00	4.00	4.00	4.00	
Part Time Positions:						
Art Center Aide	1.38	1.38	0.65	0.67	0.65	
Custodian	0.32	0.32	0.32	0.29	0.32	
Total Part Time	1.70	1.70	0.97	0.96	0.97	
Total	4.70	4.70	4.97	4.96	4.97	\$ 275,800
Employee Benefits						83,500
Total Personal Services						\$ 359,300

Capital Outlay			
Item	Quantity	Replacement	Amount
Color Copy Machine	1	Yes	\$ 4,300

Function:
Culture and Recreation

Department:
Parks and Recreation

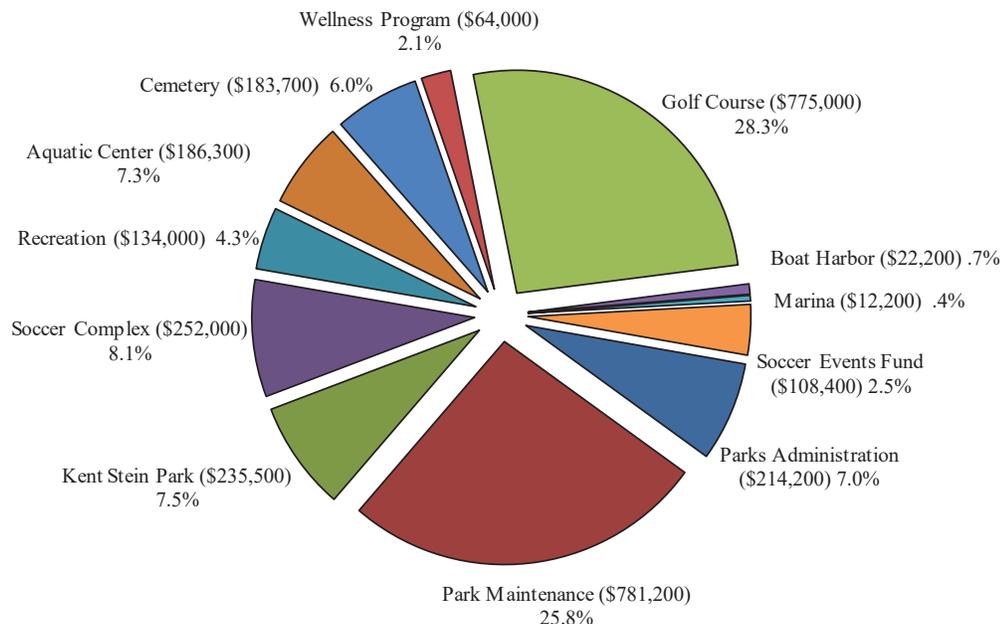
Activity:
Park Administration

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 \$27,700 for 2020/2021. 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 2020/2021 budgeted expenditures by activity for the Parks and Recreation department.

**Parks and Recreation Department
Fiscal Year 2020/2021 Budget by Activity (\$2,968,700)**



CURRENT TRENDS AND ISSUES

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and it is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2019/2020 revised estimate is \$4,500 more than the original budget primarily due to fulltime wage adjustments and a \$500 impact from the new seasonal pay plan.

The 2020/2021 budget is \$9,700 (4.7%) higher than the 2019/2020 budget primarily due to increased personal services costs. Of this increase, \$600 is due to the new seasonal pay plan.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Recreation Advisory Commission Meetings	9	8	7	8	8
Department Expenditures - All Divisions	\$2,616,532	\$2,604,711	\$2,714,704	\$3,004,800	\$2,968,700
Internet Receipts Issued	638	618	719	700	700
Office Receipts Issued	1,753	1,785	1,647	1,750	1,750
Pearl City Station Rentals*	126	110	69	70	100
Riverview Center Rentals*	114	85	63	85	85
Shelters/Rose Garden Rentals	424	378	355	400	400
Parks Adopted (Calendar Year Basis)	20 (2017)	23 (2018)	29 (2019)	29 (2020)	29 (2021)
Dog Park Passes	N/A	N/A	385	450	450

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

RECENT ACCOMPLISHMENTS

There continues to be strong citizen interest in conducting special events on public property. The number of groups collaborated with and the number of special events conducted on public property both increased this year.

The quality of the soccer complex was negatively impacted by the extremely wet weather conditions that were experienced during large tournament play in 2019. The Soccer Parking Expansion project was completed and the new lighted fields should be ready for usage in the spring of 2020. The lengthy

Mississippi River flooding negatively impacted the Muscatine Riverfront and the usage venues in 2019. The Fuller Park Playground Safety Surfacing bid was awarded but the project has not yet been completed due to poor weather. The Muscatine Municipal Golf Course Irrigation Project Internal Loan was paid off in fiscal year 2018/2019.

The Muscatine Kiwanis Club is working with the Parks department to create an all-inclusive playground for Muscatine. The Parks department is also collaborating with the Muscatine Community School district on a concept plan and location for an indoor recreation facility.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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, Communication, 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 continue to administer the Kent Stein Park operation, the Soccer Complex, the Aquatic Center, the Municipal Golf Course, the Municipal Boat Harbor, and Marina.
- 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, Communication, 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 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 City-wide Recreation programs. **(Council and Management Marketing, Communication, and Engagement Goal)**
- To administer the Soccer Events program. **(Council and Management Marketing, Communication, 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 176,080	\$ 184,351	\$ 189,500	\$ 193,900	\$ 199,100	5.07%
Commodities	922	755	1,800	1,600	1,600	-11.11%
Contractual Services	11,788	12,128	13,200	13,500	13,500	2.27%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 188,790	\$ 197,234	\$ 204,500	\$ 209,000	\$ 214,200	4.74%
Funding Sources						
Park Revenues	\$ 75,124	\$ 38,252	\$ 49,300	\$ 36,700	\$ 46,500	-5.68%
Administrative Fee	24,400	26,100	26,900	26,900	27,700	2.97%
General Revenues	89,266	132,882	128,300	145,400	140,000	9.12%
Total Funding Sources	\$ 188,790	\$ 197,234	\$ 204,500	\$ 209,000	\$ 214,200	4.74%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 142,700
Employee Benefits						56,400
Total Personal Services						\$ 199,100

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 2019/2020 revised estimate is over the original budget by \$58,600. Personal services costs are \$13,800 more than the original budget primarily due to retirement pay for an employee. The revised estimate also includes an increase of \$5,200 in seasonal wages from the new seasonal pay plan which will be effective April 1, 2020. Commodities increased by \$18,700, which includes increases for chemicals, building repair supplies, and operating supplies. Contractual services increased by \$26,100 for repair and maintenance services and a \$10,000 increase in tree removal services for trees in the City right-of-ways, primarily Ash trees impacted by the Emerald Ash Borer. A portion of the commodity and contractual services increases were due to the multiple floods that occurred in 2019. Flood insurance has reimbursed the City for \$28,500 of the costs for the repairs of Pearl City Station and Riverview Center.

The 2020/2021 budget is \$22,800 (3.0%) more than the original 2019/2020 budget. Personal services costs increased by \$22,100. This increase includes \$8,200 for increased seasonal wages from the new seasonal pay plan. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff. Commodities increased by \$9,700 for increased operating and repair and maintenance supplies, and contractual services increased by \$3,000. These increases were partially offset by a capital outlay decrease of \$12,000.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Parks	17	18 (1)	18	18	18
Park Acres	241	247 (2)	247	247	247
Park Shelters	17	18 (3)	18	18	18
Miles of Trail	9.3	13.8 (4)	13.8	15.8 (5)	15.8
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	3	3	3	3	3
Disc Golf Course	1	1	1	1	1
Right-of-Way Miles	10.9	15.4 (6)	15.4	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 2019/2020.
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 2020 with the completion of the West Side Trail extension.

RECENT ACCOMPLISHMENTS

With Muscatine experiencing the third and fourth highest Mississippi River floods in history in 2019, flood cleanup was a huge priority for the parks department. After the flood, Pearl City Station, Riverview Center, and the restroom building were completely cleaned and sanitized so that rentals could continue as quickly as possible. With the assistance of Public Works and the Muscatine Fire department, all of the sediment on the parking areas was removed and the lot was washed off. The playground was also completely cleaned and sanitized following the flood. All of the landscape beds affected by the flood were cleaned and re-mulched. All materials and supplies were removed from Pearl City Station and the basement of Riverview Center before the flood, and had to be returned following the flood. The high river levels caused the locks in the lower level of the Riverview Center to be under water for an extended time and had to be replaced, and the

elevator shaft had damages that were repaired. The Mississippi Mist fountain also had to be cleaned and sanitized before it was re-opened on July 29, 2019.

The City received flood insurance reimbursements for a portion of the cleanup and repairs of Pearl City Station and Riverview Center. The City was declared a disaster area due to the flooding and expects to receive FEMA reimbursements for a portion of the cost of flood repairs. FEMA will fund 75% of approved repair costs, the State will fund 10%, and the local share is 15%. Following are the projects that were submitted to FEMA due to flood damage: (1) Rip Rap replacement along the Mississippi River from the Boat Harbor to the mouth of Mad Creek; (2) Chain replacement on the Long Dock; (3) repair of the Transient Dock and a mitigation proposal to move the spud poles; (4) repair of the Courtesy Dock, repair of a boat ramp section, and replacement of a missing float on the Gas Dock; (5), replacing the chain link fence on the Riverfront from Cedar Street to the trail at Mad Creek; (6) replacement of the wooden fence on the trail by Spillway Lane; (7) repair of the concrete around the Riverfront restroom; (7) replacing the upstairs flooring at Riverview Center due to the power outage that would not allow the air conditioner and dehumidifier to operate causing upheaval of the floor; (8) replacement of the concrete floor in the basement of Riverview Center that settled due to flooding; and (9) fixing the lights around the Clam Man Statue that were damaged by the flood. The evaluations by FEMA for funding of these projects is still in progress.

The Parks and Recreation staff participated in the United Way's Day of Caring. Several projects were completed in both the spring and fall events including: (1) Mulching all trees and landscape beds in Weed Park, (2) painting the Musser Park interior restroom walls, (3) painting the Eversmeyer Park shelter, (4) cleaning the Rose Garden beds, and (5) assisting the Zoo Garden Committee with cleanup. The Eversmeyer Bridge was replaced this past season with funding and installation assistance from an Eagle Scout project. The sidewalk leading up to the bridge and the sidewalk between the bridge and shelter at the Park were also replaced.

The Muscatine Dog Park opened its gates to the public on November 1, 2018. Since its opening, drinking fountains, signs, and mutt mitt stations have been installed in all three areas. The Rotary Club of Muscatine donated thirteen benches to be installed, eleven at the Dog Park and two at the Pollinator Park. Staff is currently working on the installation of the concrete pads for these benches, as well as adding a pad to the entrance of the large dog area.

Bid requests were sent for the installation of a new restroom facility to be placed by the Lagoon Shelter in Weed Park. Bids have been received for the purchase of a modular restroom that will include two stalls in the women's restroom and a stall and a urinal in the men's restroom. Staff is currently working with contractors and getting prices for the installation of the restroom facility.

The Fuller Playground resurfacing project will be completed this spring when weather is favorable. A total of sixty-five ash trees were treated throughout the parks, including the Golf Course. Thirty-seven trees were identified for transplanting and nineteen of those trees have been transplanted with the use of the new tree spade. The remaining trees will be transplanted this coming spring. During the past year, thirty-five dead street trees were removed.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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 restroom installation project in Weed Park.
- To complete the Fuller Park Playground Resurfacing project.
- 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.
- To complete the drainage improvement project in Weed Park from the Aquatic Center to the upper loop of the lagoon.
- To complete the approved FEMA projects from the 2019 flood.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 556,567	\$ 590,683	\$ 616,800	\$ 630,600	\$ 638,900	3.58%
Commodities	95,179	69,858	63,100	81,800	72,800	15.37%
Contractual Services	52,620	70,391	66,500	92,600	69,500	4.51%
Capital Outlay	17,324	66,071	12,000	12,000	-	-100.00%
Transfers	14,952	18,971	-	-	-	
Total Expenditures	<u>\$ 736,642</u>	<u>\$ 815,974</u>	<u>\$ 758,400</u>	<u>\$ 817,000</u>	<u>\$ 781,200</u>	3.01%
Funding Sources						
General Revenues	\$ 712,995	\$ 751,625	\$ 735,600	\$ 763,800	\$ 756,000	2.77%
Insurance Reimbursement	3,158	1,878	-	28,500	-	
Road Use Taxes	20,489	62,471	22,800	24,700	25,200	10.53%
Total Funding Sources	<u>\$ 736,642</u>	<u>\$ 815,974</u>	<u>\$ 758,400</u>	<u>\$ 817,000</u>	<u>\$ 781,200</u>	3.01%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	
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	1.56	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	<u>4.95</u>	<u>4.95</u>	<u>5.53</u>	<u>5.53</u>	<u>5.53</u>	
Total	10.75	10.75	11.33	11.33	11.33	\$ 452,400
Employee Benefits						186,500
Total Personal Services						<u>\$ 638,900</u>

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 2019/2020 revised estimates and 2020/2021 budgets for both Kent Stein Park and the Soccer Complex include a new Athletic Facilities Supervisor position that will be allocated 50% to Kent Stein Park and 50% to the Soccer Complex. This new supervisory position will oversee both of these operations as well as the Dog Park. With the addition of this position, the currently vacant Maintenance Worker I position that is allocated 50% to each of these budgets will be eliminated. The net additional cost of this change will total \$6,400 in the Revised Estimate and \$13,000 in the 2020/2021 budget. These increases will be 50% in the Kent Stein Park and 50% in the Soccer Complex budgets (\$3,200 and \$6,500, respectively, for the revised estimate and 2020/2021 budget).

The budgets for all of the Park divisions also include increases in the hourly wage rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The revised estimate for 2019/2020 is over the original budget by \$6,100 due to a \$6,300 increase in personal services costs and a \$200 decrease in capital outlay. The personal services cost increase includes the net increase of \$3,200 for the addition of the new Athletic Facilities Supervisor position and the elimination of the Maintenance Worker I position, and \$2,200 for increased seasonal employee costs with the new Seasonal Pay Plan. There was also retirement pay for the former employee which was partially offset by savings from the vacancy in that position.

The 2020/2021 budget is \$14,400 (6.5%) more than the original 2019/2020 budget due to increased personal services costs of \$13,900 and increased capital outlay of \$500. The increase in personal services includes \$6,500 from the staffing change adding the new Athletic Facilities Supervisor position and eliminating the Maintenance Worker I position and a \$4,000 increase due to the new Seasonal Pay Plan.

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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage (1)	7,329	6,292	5,711	6,500	6,500
Number of Tournaments	20	14	17	17	17
Number of Leagues/Camps	26	26	26	26	26
Concession Revenue	\$8,680	\$4,507	\$2,729	\$3,000	\$3,000
Total Revenues (2)	\$47,399	\$38,479	\$29,556	\$30,700	\$30,700

1. Total hours of usage are scheduled usage only and does not account for drop-in usage.
2. Reduction in revenue from Bruner Field agreement.

RECENT ACCOMPLISHMENTS

In the fall of 2019, the City participated in the United Way’s Day of Caring program. One of the projects was edging, leveling, and re-sodding the baselines on all of the baseball infields. Sod was placed in the worn areas on the ball diamonds, including around the dugout entrances and in front of the mounds on the baseball fields. Also this fall, all of the dead ash trees throughout the entire park were removed. Three new trees were donated by the ELA program at Central Middle School and planted near Diamond #15.

The center median in the park was completely mulched this past summer and six trees were transplanted from the tree nursery behind the pollinator park.

The Muscatine Community School District paid for the replacement of the infield on Diamond #4. The old infield material was removed and new ag-lime was put in place and laser graded to the proper level. The infield/outfield border line was also laser graded to help improve the safety of the ball diamond.

Staff worked closely with Musco Sports Lighting to identify and replace ball diamond lights throughout the seventeen ball diamonds located within the park.

Staff worked hard this past year to clean up Musser Park and make the ball diamond and park available for usage following the lengthy floods that occurred this past spring and summer. The outfield of the ball diamond was inaccessible for several months due to the high flood waters, causing grass to grow excessively. The entire park was cleaned and the ball diamond and park were usable this fall.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 155,089	\$ 159,246	\$ 162,300	\$ 168,600	\$ 176,200	8.56%
Commodities	45,402	34,891	48,600	48,600	48,600	0.00%
Contractual Services	6,228	6,493	8,200	8,200	8,200	0.00%
Capital Outlay	-	1,500	2,000	1,800	2,500	25.00%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 206,719	\$ 202,130	\$ 221,100	\$ 227,200	\$ 235,500	6.51%
Funding Sources						
Park Revenues	\$ 32,794	\$ 22,228	\$ 28,700	\$ 23,200	\$ 23,200	-19.16%
Housing Reimbursement	7,250	7,500	7,300	7,500	7,500	2.74%
Insurance Reimbursement	6,133	-	-	-	-	
General Revenues	160,542	172,402	185,100	196,500	204,800	10.64%
Total Funding Sources	\$ 206,719	\$ 202,130	\$ 221,100	\$ 227,200	\$ 235,500	6.51%

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 Positions/Position Allocations:</i>						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Supervisor	-	-	-	0.25	0.50	
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	0.25	-	
Total Full Time	1.22	1.22	1.22	1.22	1.22	
<i>Seasonal Part Time Positions:</i>						
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	\$ 131,000
Employee Benefits						45,200
Total Personal Services						\$ 176,200

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Popcorn Machine	1	Yes	\$ 2,500

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 has included 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 and it is now nearing completion. This project added four additional playing fields and a parking lot. With this expansion, additional seasonal staff was needed to maintain the increased area. The 2019/2020 budget included a new seasonal Lead Groundkeeper position. This position has been continued in the 2020/2021 budget.

The 2019/2020 revised estimates and 2020/2021 budgets for both Kent Stein Park and the Soccer Complex include a new Athletic Facilities Supervisor position that will be allocated 50% to Kent Stein Park and 50% to the Soccer Complex. This new supervisory position will oversee both of these operations as well as the Dog Park. With the addition of this position, the currently vacant Maintenance Worker I position that was allocated 50% to each of these budgets will be eliminated. The net additional cost of this change will total \$6,400 in the Revised Estimate and \$13,000 in the 2020/2021 budget. These increases will be 50% in the Kent Stein Park and 50% in the Soccer Complex budgets (\$3,200 and \$6,500, respectively, for the revised estimate and 2020/2021 budget).

The budgets for all of the Park divisions also include increases in the hourly wage rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an

impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2019/2020 revised estimate is \$8,700 more than the original budget due to a \$6,800 increase in personal services costs, a \$400 increase in commodities, and a \$1,500 increase in contractual services. The personal services cost increase includes the net increase of \$3,200 for the addition of the Athletic Facilities Supervisor position and the elimination of the Maintenance Worker I position, and \$2,900 for increased seasonal employee costs with the new Seasonal Pay Plan. There was also retirement pay for the former employee which was partially offset by savings from the vacancy in that position.

The 2020/2021 budget is \$14,100 (5.9%) more than the 2019/2020 budget primarily due to increased personal services costs. The personal services increase includes \$6,500 from the staffing change which added the Athletic Facilities Supervisor position and eliminated the Maintenance Worker I position, and a \$4,000 increase due to the new Seasonal Pay Plan.

The Soccer Complex is entering its 27th 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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Number of Fields Maintained	8	8	8	12 (2)	12
Hours of Use for Games	2,663	2,585	1,821	3,000	3,000
Number of Tournaments (1)	25	21	16	19	19
Concession Commissions	\$6,854	\$4,239	\$2,311	\$3,100	\$3,100
Total Revenues	\$48,117	\$36,757	\$23,343	\$32,100	\$32,100
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 addition of the Houser Street Expansion project in the spring of 2020.

RECENT ACCOMPLISHMENTS

The Houser Street Expansion project is nearing completion. Staff installed irrigation systems on all four new soccer fields. Following the irrigation installation, staff worked on backfilling the irrigation lines and completing final grading on all areas including the fields and rough. All areas have been seeded and the drainage and erosion control continues to be evaluated and improved. The fields will be seeded again this spring to encourage rapid growth and promote high quality and safe playing surfaces for the usage groups. The plan is to install Bermuda grass on Field #9 this spring. Musco Sports Lighting has completed the field and parking lot light installation and the electrician has completed the installation of the power source to the site. The lights will be tested this winter.

The City received a \$2,500 grant from Alliant Energy Branching Out for the purchase of trees for the landscape bed that runs parallel to the parking lot. With the assistance of an Eagle Scout performing his Eagle Scout project, 120 plants were planted in the landscape bed this past summer.

This past season was another interesting one for growing turf on athletic fields. The fields started out slow 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. The fields were all aerified, seeded, and fertilized in the fall to help shorten the length of recovery.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To complete the capital project for the renovation of Field #3 including replacing the sod and irrigation system.
- To complete the Houser Street Expansion project and open it for use.
- To re-establish a safe and high-quality turf on all eight soccer fields while maximizing usage.
- To continue to strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations.
- To continue to support and assist other departments 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 121,979	\$ 124,089	\$ 146,700	\$ 153,500	\$ 160,600	9.48%
Commodities	62,739	61,555	86,300	86,700	86,300	0.00%
Contractual Services	4,398	4,744	4,900	6,400	5,100	4.08%
Capital Outlay	13,160	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 202,276	\$ 190,388	\$ 237,900	\$ 246,600	\$ 252,000	5.93%
Funding Sources						
Park Revenues	\$ 39,247	\$ 28,320	\$ 43,000	\$ 32,100	\$ 32,100	-25.35%
Insurance Reimbursement	18,102	-	-	-	-	
General Revenues	144,927	162,068	194,900	214,500	219,900	12.83%
Total Funding Sources	\$ 202,276	\$ 190,388	\$ 237,900	\$ 246,600	\$ 252,000	5.93%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Supervisor	-	-	-	0.25	0.50	
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	0.25	-	
Total Full Time	1.23	1.23	1.23	1.23	1.23	
Seasonal Part Time Positions:						
Lead Groundskeeper	0	0.27	0.60	0.60	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	1.77	2.10	2.10	2.10	
Total	2.73	3.00	3.33	3.33	3.33	\$ 117,100
Employee Benefits						43,500
Total Personal Services						\$ 160,600

Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Topdresser	1	No	\$ 20,000

Capital Outlay - Soccer Events Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
GPS Field Painter	1	No	\$ 38,000

Function:
Culture and Recreation

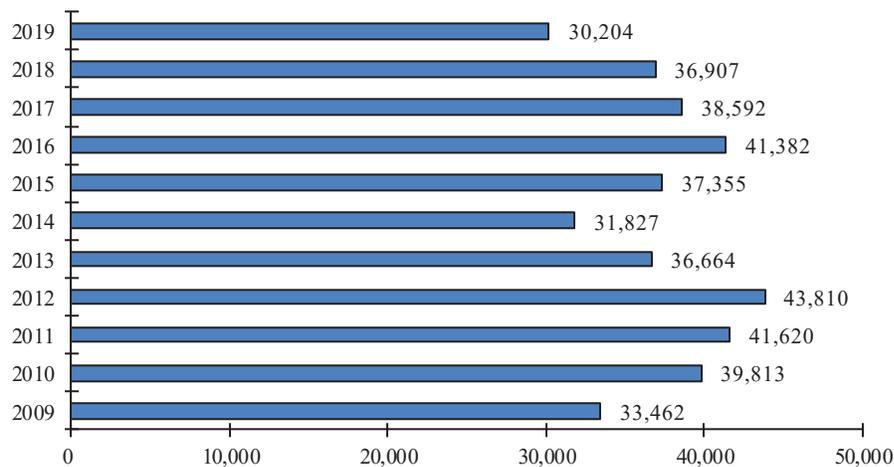
Department:
Parks and Recreation

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 30,200 to 43,800 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. The attendance further decreased to 30,204 in 2019 due to a very cool summer. 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 budgets for all of the Park divisions include increases in the hourly wage rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The revised estimate for 2019/2020 is \$6,100 higher than the original budget primarily due to increased personal services costs due to the new seasonal pay plan. Commodities are under the original budget by \$1,200, contractual services are over by \$100, and capital outlay is over by \$1,100. The 2019/2020 budget

included \$30,000 for painting the pool. This came in under budget at \$27,500. The revised estimate includes a new capital outlay request of \$3,600 to paint the shallow area pay structures.

The 2020/2021 budget is \$26,900 (12.6%) less than the 2019/2020 budget. Personal services costs are \$20,900 more than the 2019/2020 budget due to the new seasonal pay plan, and capital outlay decreased by \$47,800 from the prior year budget. The 2020/2021 budget includes a \$4,700 capital outlay allocation to replace the pool vacuum.

The 2020/2021 year will be the 17th 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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Aquatic Center Attendance	38,592	36,907	30,204	38,000	38,000
Swim Lesson Enrollment	316	310	346	380	380
Season Passes Sold	101	77	71	85	90
Number of Pool Rentals	81	88	76	85	90
Special Events Attendance	1,272	1,519	1,040	1,500	1,600
Scholarship Pass Recipients	502	402	339	450	500

RECENT ACCOMPLISHMENTS

Special events and exclusive swim times continue to be well-attended activities at the Aquatic Center. A total of 1,040 patrons attended the Fantastic Father’s Day, Christmas in July, and National Friendship Day events. Deck games, contests, and unique activities are incorporated into daily operations with the goal of creating a new experience to boost attendance. Infant/Toddler swim times were held on three occasions to encourage parents to introduce their young children to the aquatic environment without the commotion of typical open swim traffic.

The Swim Lesson program continued its upward participation trend in 2019 with an increase to 346 swimmers. Semi-private lessons were the most popular class with 141 enrollments out of a possible 144. Preschool lessons followed closely with only one enrollment left unclaimed. American Red Cross Learn-to-Swim levels continue to be a popular activity in both morning and evening 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.

The standard of extensive high level training carried over to the 2019 season for Aquatic Center staff. Six in-service sessions were held in collaboration with the Muscatine Community YMCA that adhered to American Red Cross standards and covered all material included in the Lifeguard and CPR/First Aid courses. Slide Attendants continued to be certified at the same professional level as Lifeguards in CPR and First Aid. All training sessions incorporated lifesaving response time testing, skill competency evaluation, Emergency Action Plan execution, and teamwork. The Golf Course Clubhouse staff were also certified in the American Red Cross Adult and Child AED course.

Staff retention is vital to continuing seamless operation of the facility from season to season. The Pool Manager returned for her fourth year as manager and ninth year on staff. Three of five assistant managers returned to the management team. An overall staff retention rate of 56% was achieved from the 2018 season which was an 11% increase from the previous year. Thirteen new lifeguards were hired which resulting from year-round recruitment efforts.

The diving board and diving stand were replaced before the opening of the 2019 season as the original equipment broke at the end of the 2018 season. The pool was painted in the fall of 2019 after six years to meet the Iowa State Code. A new robotic pool vacuum was purchased in order to continue use of the vacuum cleaning system that assists in assuring water clarity throughout the season. Other improvements scheduled to take place during the current fiscal year include refinishing and repair of the water slides and replacing the original canopies from 2004.

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

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- 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. **(Programs and Services Goal)**
- 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. **(Programs and Services Goal)**
- 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. **(Key Projects, Programs, and Placemaking Goal)**
- To maintain a staff retention rate of at least 55%.
- 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 122,680	\$ 113,129	\$ 121,600	\$ 127,700	\$ 142,500	17.19%
Commodities	16,248	15,764	22,800	21,600	22,700	-0.44%
Contractual Services	13,310	11,438	16,300	16,400	16,400	0.61%
Capital Outlay	-	19,533	52,500	53,600	4,700	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 152,238	\$ 159,864	\$ 213,200	\$ 219,300	\$ 186,300	-12.62%
Funding Sources						
Swimming Pool Revenues	\$ 135,962	\$ 117,210	\$ 138,600	\$ 136,800	\$ 136,800	-1.30%
General Revenues	16,276	42,654	74,600	82,500	49,500	-33.65%
Total Funding Sources	\$ 152,238	\$ 159,864	\$ 213,200	\$ 219,300	\$ 186,300	-12.62%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
<i>Seasonal Part Time Positions:</i>						
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	\$ 129,500
Employee Benefits						13,000
Total Personal Services						\$ 142,500

Capital Outlay			
Item	Quantity	Replacement	Amount
Pool Vacuum	1	Yes	\$ 4,700

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 budgets for all of the Park divisions include increases in hourly wage rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2019/2020 revised estimate is \$900 more than the original budget. This increase is due to the new seasonal pay plan.

The 2020/2021 budget is \$9,200 (7.4%) more than the 2019/2020 budget due to increased personal services costs. The personal services increase includes \$4,400 due to the new Seasonal Pay Plan. The remaining portion of the overall increase is due to step increases and benefit cost increases.

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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Adult Programs Offered (Including Leagues)	22	20	23	24	24
Children's Programs Offered	42	41	42	43	43
Adult Program Participants (1)	1,803	1,686	1,632	1,800	1,900
Children's Programs Participant (2)	2,660	1,962	2,256	2,500	2,600
New Programs Offered (3)	1	1	1	1	1
Volleyball League Teams	50	38	45	50	50

1. Adult Program participants include those in Walking Club, Job Fair, Easter Egg Hunt, Family Bike Ride, Sand Volleyball, Sport Starters parents, Cemetery Walk, Fall Festival, Adult Recreation Volleyball, Adult Power Volleyball, Turkey Trot, Candy Cane Hunt, and Elves Workshop.

2. Children's Program participants include those in Snowpile Treasure Hunt, Soccer Skills, Boys Basketball Skills, Winter BlastBall, Baseball Pitching, Baseball Fundamentals, Softball Skills Clinic, Job Fair, Easter Egg Hunt, Summer BlastBall, Family Bike Ride, Tee Ball, Gymnastics, Tennis Lessons, Skate Park Beginners Camp, Tot Lot, Sport Shorts, Girls Volleyball, Cemetery Walk, Muskie Youth Soccer Camp, Muskie Punt, Pass & Kick, Sport Starters, Flag Football, Little Muskies Football, Fall Festival, Girls Basketball, Smart Start Basketball, Youth Volleyball, Turkey Trot, Candy Cane Hunt, Elves Workshop and Basketball Shooting Camp.

3. New Program Offered in 2020 – Weed Park Group Scavenger Hunt.

RECENT ACCOMPLISHMENTS

Special events and one-day programs continued to be well-attended activities in 2019. The Easter Egg Hunt had over 600 attendees with the classic egg hunt and the new Group Scavenger Hunt activity. The Fall Festival had an increase in participation from 2018 with 330 attendees. The Snowpile Treasure Hunt, Candy Cane Hunt, and Elves Workshop contributed to a total special event attendance of over 1,500 participants.

The Family Bike Ride was held in June and had 32 cyclists biking a new route from Musser Park to Deep Lakes Park. The change was due to riverfront flooding. The Cemetery Walk drew 45 history buffs despite of a downpour. Two full Muscabus tours and one large walking tour were led through the Cemetery. The Turkey Trot had a very successful year with 87 competitors in 2019 compared to 55 in 2018.

Winter/Spring programs continued with strong numbers in 2019. The Soccer Skills Clinic and BlastBall programs experienced increases in participation with Gymnastics continuing to be a popular activity into the summer months.

Many summer programs saw substantial increases in participation during the 2019 session. The Sand Pit Volleyball League increased by seven teams compared to the 2018 season and 83 matches were played. The Intern League increased by two teams with the Recreation B League increasing by five teams. Extra time slots were added to the Sand Volleyball schedule to accommodate the 192-game season.

The Muskie Youth Soccer Camp nearly doubled its enrollment in the second year it was offered with 63 participants. Over 20 Muscatine High School Girls Soccer players volunteered to assist 2nd through 7th graders improve their playing skills over the three-day camp. Tennis, Tee Ball, Girls Volleyball Clinic, Skate Park Beginners Camp, and Tot Lot all saw increases in participation this summer.

The Walking Club increased to 1,017 registered participants with over 12,910 miles walked. Participants recorded their minutes walked to work toward group and individual goals in the Walk the Appalachian Trail Challenge, the 90-Day Challenge, and the 1,000 miles in 100 Days Challenge.

Fall football programs were successful with 45 children participating in Little Muskies Football and 24 players in the Flag Football League. The Muskie Punt, Pass, & Kick program hosted 10 competitors who vied for the most accurate kicks and throws in their age groups. Volunteer coaches assisted with all three of the fall football activities.

The Parks and Recreation department continues to offer Boys Basketball, Baseball Pitching, Baseball Fundamentals, Sport Shorts, Sport Starters, Girls Basketball, Smart Start Basketball, Youth Volleyball, Basketball Shooting Camp, Adult Power Volleyball, and Adult Recreation Volleyball in addition to the previously highlighted activities.

OBJECTIVES TO BE ACOMPLISHED IN 2020/2021

- To continue to look at alternative programming and adjusting programming to fit the community's needs. **(Programs and Services Goal)**
- To evaluate and review new programs that have been implemented and make adjustments as needed. **(Programs and Services Goal)**
- 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. **(Marketing, Communication, and Engagement Goal)**
- 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. **(Continuous Service Improvement Goal)**
- To continue to look for new and different technological ways to market programs. **(Marketing, Communication, and Engagement Goal)**
- To create and develop one new community special event. **(Programs and Services Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 83,724	\$ 91,119	\$ 110,300	\$ 111,200	\$ 119,500	8.34%
Commodities	6,781	5,506	7,600	6,750	6,750	-11.18%
Contractual Services	5,272	7,068	6,900	7,750	7,750	12.32%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 95,777</u>	<u>\$ 103,693</u>	<u>\$ 124,800</u>	<u>\$ 125,700</u>	<u>\$ 134,000</u>	7.37%
Funding Sources						
Recreation Fees	\$ 45,961	\$ 41,445	\$ 46,800	\$ 46,800	\$ 46,800	0.00%
General Revenues	<u>49,816</u>	<u>62,248</u>	<u>78,000</u>	<u>78,900</u>	<u>87,200</u>	11.79%
Total Funding Sources	<u>\$ 95,777</u>	<u>\$ 103,693</u>	<u>\$ 124,800</u>	<u>\$ 125,700</u>	<u>\$ 134,000</u>	7.37%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
Total	24.00	24.00	24.00	24.00	24.00	\$ 94,300
Employee Benefits						<u>25,200</u>
Total Personal Services						<u>\$ 119,500</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

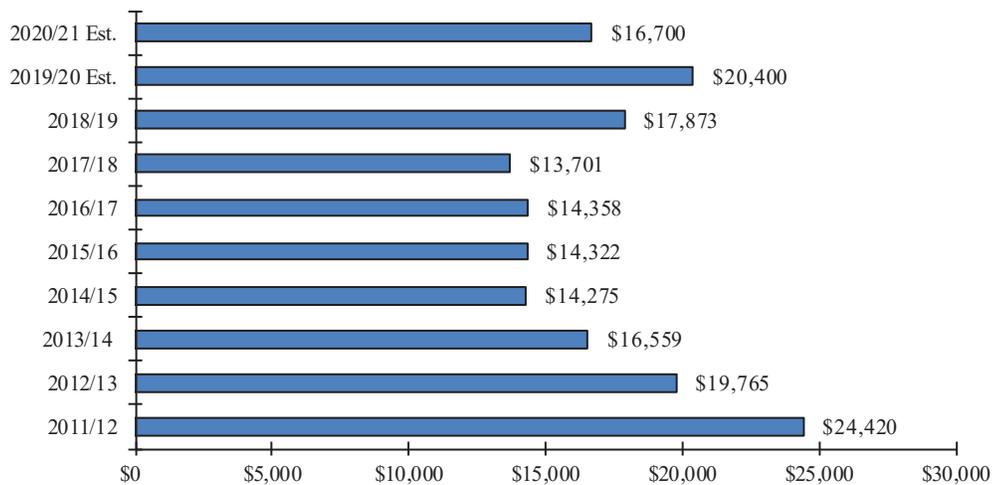
Activity:
Cemetery

GENERAL INFORMATION

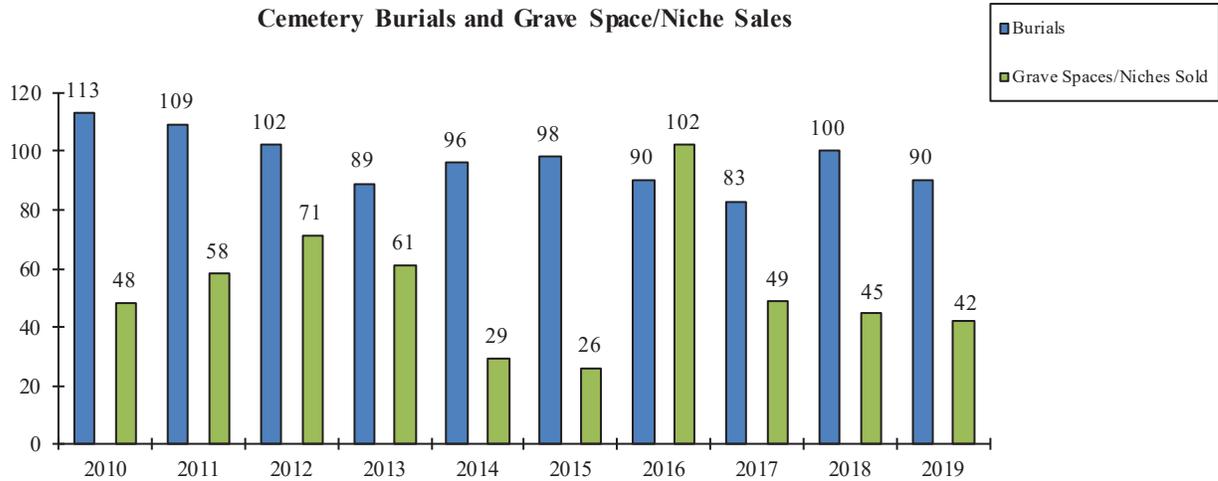
Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

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 2011/2012 through 2018/2019 and the estimated amounts for 2019/2020 and 2020/2021 are follows:

Perpetual Care Interest Revenue



The principal balance in the Perpetual Care Fund on June 30, 2019 was \$887,310 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 \$48,700 is expected to be needed to cover the operating costs of the cemetery for 2019/2020 and \$56,200 is the estimated subsidy for 2020/2021. 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 budgets for all of the Park divisions include increases in hourly wage rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2019/2020 revised estimate is over the budgeted amount by \$3,700. This overall increase includes (1) an increase in commodities of \$1,900 for repair and maintenance and operating supplies, (2) a \$200 increase in the management fee, and (3) an increase of \$1,600 in personal services costs. The personal services increase includes \$2,700 from the new Seasonal Pay Plan. Savings in employee pension and insurance costs offset a portion of this increase.

The 2020/2021 budget is \$8,800 (5.0%) higher than the 2019/2020 budget primarily due to a \$6,900 increase in personal services costs. The personal services increase includes \$4,600 due to the new Seasonal Pay Plan. The 2020/2021 budget also includes a \$1,700 increase in commodities for repair and maintenance and operating supplies, and a \$200 increase in the management fee.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Burials:					
Casket	54	55	50	50	50
Cremains	34	30	43	35	35
County	3	3	4	3	3
Total Burials	91	88	97	88	88
Grave Spaces Sold	33	30	39	34	34
Columbarium Niches Sold	2	1	13	5	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$14,358	\$13,701	\$17,873	\$20,400	\$16,700
General Fund Subsidy (Fiscal Year Ended June 30)	\$43,334	\$45,978	\$28,152	\$48,700	\$56,200

RECENT ACCOMPLISHMENTS

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

This past spring, staff converted all of the lights in the maintenance building to LED. Staff has also begun replacing the chandelier lights in the Cemetery Chapel with LED lights. Staff continues to look for ways to operate cost efficiently. Staff has begun painting the inside of the Chapel building and is currently working on putting together cost estimates for tuck-pointing the perimeter of the building.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To complete the leveling of stones in the Veterans plot.
- To provide maintenance for the cemetery steps for the safety of users.
- To continue to improve the sidewalks in front of the cemetery.
- To complete the internet connection to the shop.
- To continue foundation repairs in the old sections of the cemetery.
- To continue improving working relationships with volunteers and community groups.
- To continue cross training of other park division staff in the Cemetery operation.
- To continue to recruit and train quality seasonal and full-time staff as needed.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 125,893	\$ 128,749	\$ 137,800	\$ 139,400	\$ 144,700	5.01%
Commodities	17,887	22,147	19,700	21,600	21,400	8.63%
Contractual Services	17,219	20,116	17,400	17,600	17,600	1.15%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 160,999	\$ 171,012	\$ 174,900	\$ 178,600	\$ 183,700	5.03%
Funding Sources						
Cemetery Revenues	\$ 101,320	\$ 124,987	\$ 104,700	\$ 109,500	\$ 110,800	5.83%
Perpetual Care Interest	13,701	17,873	19,300	20,400	16,700	-13.47%
General Revenues	45,978	28,152	50,900	48,700	56,200	10.41%
Total Funding Sources	\$ 160,999	\$ 171,012	\$ 174,900	\$ 178,600	\$ 183,700	5.03%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 106,200
Employee Benefits						38,500
Total Personal Services						\$ 144,700

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Zero Turn Mower	1	Yes	\$ 13,500

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 2020/2021 are as follows:

<u>Agency</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>Budget 2020/2021</u>
Senior Resources*	\$ 20,000	\$ 20,000	\$ 30,000	\$ 25,000	\$ 25,000	\$ 25,000
MCSA Homeless Prevention Program	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 55,000</u>	<u>\$ 50,000</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 allocations to Senior Resources were \$25,000 for both 2018/2019 and 2019/2020. Senior Resources requested their subsidy be increased to \$27,500 for 2020/2021. City Council, however, maintained their subsidy at \$25,000 for 2020/2021.

For the 2015/2016 budget, the City received a request for funding from the Muscatine Center for Social Action (MCSA) for their 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, 2018/2019, and 2019/2020. For 2020/2021 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	55,000	50,000	50,000	50,000	50,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	0.00%

Function:
Community and Economic Development

Department:
Community Development

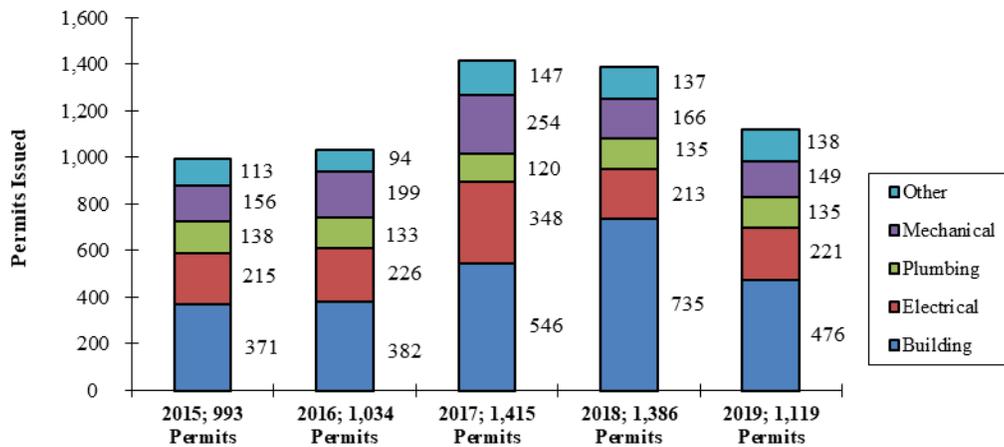
Activity:
Community Development

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 2020/2021 revised estimate is \$69,300 less than the original budget primarily due to a reduction in personal services costs. After the 2019/2020 budget was adopted there was a reorganization of staffing in this department. As part of this reorganization (1) the former Housing Administrator was promoted to the Community Development Director position; however, the new CD Director will continue to oversee the Housing division and a portion of her position is being allocated to the various housing programs, (2) the former City Planner was promoted to Assistant Community Development Director, (3) the Community Development Coordinator position was changed to a City Planner I, and (4) a 20 hour/week Office Assistant position was added replacing the temporary clerical assistance that was allowed for in the original budget.

The 2020/2021 budget is \$28,400 (3.3%) more than the original 2019/2020 budget. This increase includes: (1) Personal services costs are \$11,600 (1.7%) higher than the original 2019/2020 budget, (2) contractual services increased by \$10,500 which includes a \$5,300 increase in training costs for staff as well as training opportunities for members of the Historic Preservation Commission; and increases in various other contractual services line items, and (3) an increase of \$6,200 in capital outlay. 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

The goal of the Community Development department is to improve conditions where the residents of Muscatine live, work, and shop through implementation of planning and community development processes and initiatives that address the social, physical, and economic needs of the City's residents through programs that establish minimum standards to safeguard health, safety, and public welfare through building design and construction, promote quality housing options, foster economic opportunity, and encourage positive community engagement.

PERFORMANCE MEASURES

	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	1,268	2,363	1,105	1,200	1,200
Building Permit Fees	\$306,841	\$446,379	\$308,175	\$275,000	\$310,000
Building Inspections - Electrical, Building, Plumbing, and HVAC	1,483	1,922	1,890	1,750	1,750
Site and Building Plan Reviews	203	135	219	150	150
Certificates of Occupancy	28	28	34	25	25
Rental Housing Inspections	1,199	2,047	1,780	1,750	1,750
Rental Housing Inspection Fees	\$68,902	\$59,686	\$70,737	\$72,000	\$72,000
Other Health Inspections –Tanning Salons, Swimming Pools, and Tattoo Parlors	14	28	25	25	25
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	1,611	1,546	1,226	1,500	1,500
Writ of Possessions	8	11	9	5	5
Properties Posted	117	103	148	100	100
Vehicles Towed/Impounded	9	25	3	5	5
Nuisance Citations/Assessment Fees Paid	\$97,737	\$78,543	\$74,957	\$75,000	\$75,000
Planning & Zoning Commission Meetings	9	8	11	8	8
Zoning Board of Adjustment Meetings	9	7	5	4	6
Rezoning Requests Processed	10	3	2	2	2
Subdivision Requests Processed	5	7	7	5	5
Community Development and Airport Grants Administered	14	7	4	4	5

RECENT ACCOMPLISHMENTS

Calendar year 2019 has been one of many changes for the Community Development department, with 3 of 10 staff positions becoming vacant including the Director position. The departure of the Community Development Director allowed the City Administrator to evaluate internal capacity and opportunities for organizational efficiencies, resulting in the merging of the Community Development and Housing Departments with the Housing Administrator assuming the Director position and some repositioning of existing staff. These efficiencies resulted in more than \$50,000 in savings with limited loss of capacity.

Throughout this transition, the Department has continued to provide the core services, including inspections, planning, and economic development, while evaluating concerns with customer service and improving the flow of information. To this end, a customer survey was created and distributed to solicit feedback on the permitting and building inspection process while administrative staff continues to work on improving the on-line application process. Feedback received through the surveys has been positive, and staff continues to work with external entities on resolving rubs between code requirements and proposals received.

Staff has also worked to promote economic development and tax abatement programs by updating the website, creating brochures explaining the benefits of the programs and how to apply, and promoting these programs at community and individual meetings. Last year \$537,167 in private capital was leveraged through the investment of \$74,562 for three new businesses and 20 properties were assisted with \$62,763 in reduced taxes after \$1,622,580 of improvements. However, it was recognized that before rehabilitation, seriously dilapidated buildings were not often assessed higher than market value resulting in the abatement being reduced and/or delaying projects. As an operating expenses, higher than anticipated taxes due to the lower abatement can impact the long-term viability of a project. Working with the County Assessor, a modified process has been established for determining the abatement value on such properties.

When evaluating projects to pursue, City staff is always balancing community benefit with operational goals, including addressing identified needs, removing obstacles to participation, reducing on-going costs, and increasing revenue. In this vain two new programs have been developed, Façade Improvements and Code/ADA Compliance. The Façade program provides financial assistance to downtown property owners for visual improvements to their 2nd Street frontages between Mulberry Avenue and Pine Street with the goal of creating a downtown that attracts quality businesses and customers. The compliance program allows businesses within the Urban Revitalization Area to offset costs often triggered when improving their premises.

Supporting revitalization through the reuse of underutilized and vacant buildings and properties has been a focus of the Department. The use of tax increment financing to support the redevelopment of the Hershey Building into much needed housing units and providing a grant to support the redevelopment of 500 Mulberry are visible examples of this focus. Support of three TIF districts this year will result in the development of 136 new housing units by the end of 2020, including the first new subdivision in the City in more than a decade. A portion of this \$1,747,445 investment will also be available for future use on projects benefiting low and moderate income households. All of these projects address needs identified in the Housing Demand Study.

Offering City-owned properties to non-profit entities and adjacent property owners is another mechanism the Department has employed to return vacant properties to active use, either to provide additional, quality housing opportunities or to improve lots for property owners. This year the Department staff took the lead for the sale of nine City-owned properties to adjacent property owners which also decreased maintenance costs incurred by the City.

Community Development also oversees the Muscatine Municipal Airport and Historic Preservation Commission. In 2019, an extension to grants from the Iowa Department of Transportation were secured, allowing the City to pursue the construction of the first new hangars at the airport in more than 50 years. Development of the Fair Oaks District nomination to the National Historic Register was completed in October when the Commission hosted a public meeting and historic tax credits seminar. The nomination has been approved by the Iowa Department of Cultural Affairs and submitted to the Department of Interior for consideration.

In partnership with other departments and community organizations, Community Development staff has participated in efforts to provide a positive experience for residents and visitors, including designing wayfinding signs for the trail system, incorporating trail extensions into private development activity, and design and construction of the dog park. Work has also been done for the 2020 Census address process and the complete count planning initiative. Additionally, the Planning Division managed the creation of a new Capital Improvement Plan for the City. Listing the capital projects and associated funding requirements will help guide investment of City resources over the next five years.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To support economic development with six (6) small business forgivable loans. **(Community and Economic Development Goal)**
- To pursue disposal of four (4) surplus properties. **(Community and Economic Development Goal)**
- To work with community partners to develop a vision for gateways. **(Community and Economic Development Goal)**
- To complete the update of the rental housing code. **(Housing and Continuous Service Improvement Goals)**
- To create a vacant properties list. **(Housing Goal)**
- To work with community partners for the reuse of identified vacant properties and infill opportunities. **(Housing Goal)**
- To update the Bike and Pedestrian Master Plan. **(Programs and Services Goal)**
- To implement a process for evaluating and recording sidewalk conditions. **(Programs and Services Goal)**
- To apply for two (2) grants to support increasing or maintaining homeownership. **(Programs and Services Goal)**
- To evaluate the building permit process and the fee schedule for possible revisions. **(Programs and Services Goal)**
- To promote the tax abatement program. **(Marketing, Communication, and Engagement Goal)**
- To partner with community organizations to develop information packets for new or potential new employees to consider for living in the community. **(Marketing, Communication, and Engagement Goal)**
- To utilize technology to more accurately document inspections and for training purposes. **(Continuous Service Improvement Goal)**
- To create more readable abatement and inspection notices. **(Continuous Service Improvement Goal)**
- To identify and implement computer programs to fully support rental housing and nuisance abatement operations. **(Continuous Service Improvement Goal)**
- To revise City Code Title 9 – Health and Sanitary Regulations: Nuisance. **(Continuous Service Improvement Goal)**

- To revise City Code Title 9 – Health and Sanitary Regulations: Weeds. **(Continuous Service Improvement Goal)**
- To implement a pilot neighborhood revitalization project to improve quality of life. **(Key Projects, Programs, and Placemaking Goal)**
- To apply for a catalyst grant to support the redevelopment of 500 Mulberry. **(Key Projects, Programs, and Placemaking Goal)**
- To partner with other departments and organizations to implement the Riverfront Master Plan. **(Key Projects, Programs, and Placemaking Goal)**

Function:
Community and Economic Development

Department:
Community Development

Activity:
Community Development

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 636,532	\$ 634,478	\$ 702,300	\$ 633,100	\$ 713,900	1.65%
Commodities	8,570	6,071	10,200	9,100	10,300	0.98%
Contractual Services	129,533	166,316	139,700	140,700	150,200	7.52%
Capital Outlay	1,164	2,362	-	-	6,200	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 775,799	\$ 809,227	\$ 852,200	\$ 782,900	\$ 880,600	3.33%
Funding Sources						
Community Development Revenues	\$ 600,451	\$ 475,322	\$ 472,700	\$ 444,600	\$ 482,000	1.97%
Historic Preservation Grant	-	8,623	-	-	-	0.00%
Project Administrative Fees	28,068	-	-	-	-	
General Revenues	147,280	325,282	379,500	338,300	398,600	5.03%
Total Funding Sources	\$ 775,799	\$ 809,227	\$ 852,200	\$ 782,900	\$ 880,600	3.33%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions/Position Allocations:						
Community Development Director	1.00	1.00	1.00	0.60	0.70	
Assistant Community Development Director	-	-	-	1.00	1.00	
City Planner	1.00	1.00	1.00	-	-	
Building Division Manager	1.00	1.00	1.00	1.00	1.00	
Inspector II	0.67	0.67	0.67	0.67	0.67	
Community Development Coordinator	1.00	1.00	1.00	-	-	
City Planner I	-	-	-	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer II	1.00	1.00	1.00	1.00	1.00	
Comm Services Officer/Hsg Specialist	0.00	0.00	0.00	0.15	0.25	
Total Full Time	6.67	6.67	6.67	6.42	6.62	
Part-Time Positions:						
Community Services Officer	1.00	1.00	1.00	0.55	0.50	
Allocation of PT Community Services Officer to Refuse Collection Fund	(0.75)	(0.75)	(0.75)	(0.27)	(0.25)	
Inspector II	0.50	0.50	0.50	0.63	0.63	
Office Assistant	0.00	0.00	0.00	0.25	0.50	
Office Clerk (as needed)	0.38	0.00	0.38	0.00	0.00	
Total	7.80	7.42	7.80	7.58	8.00	\$ 510,600
Employee Benefits						203,300
Total Personal Services						\$ 713,900

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Ipads (6)	6	No	\$ 4,500
Body Cameras (4)	4	No	1,700
			<u>\$ 6,200</u>

Function:
Community and Economic Development

Department:
Legislative and Council

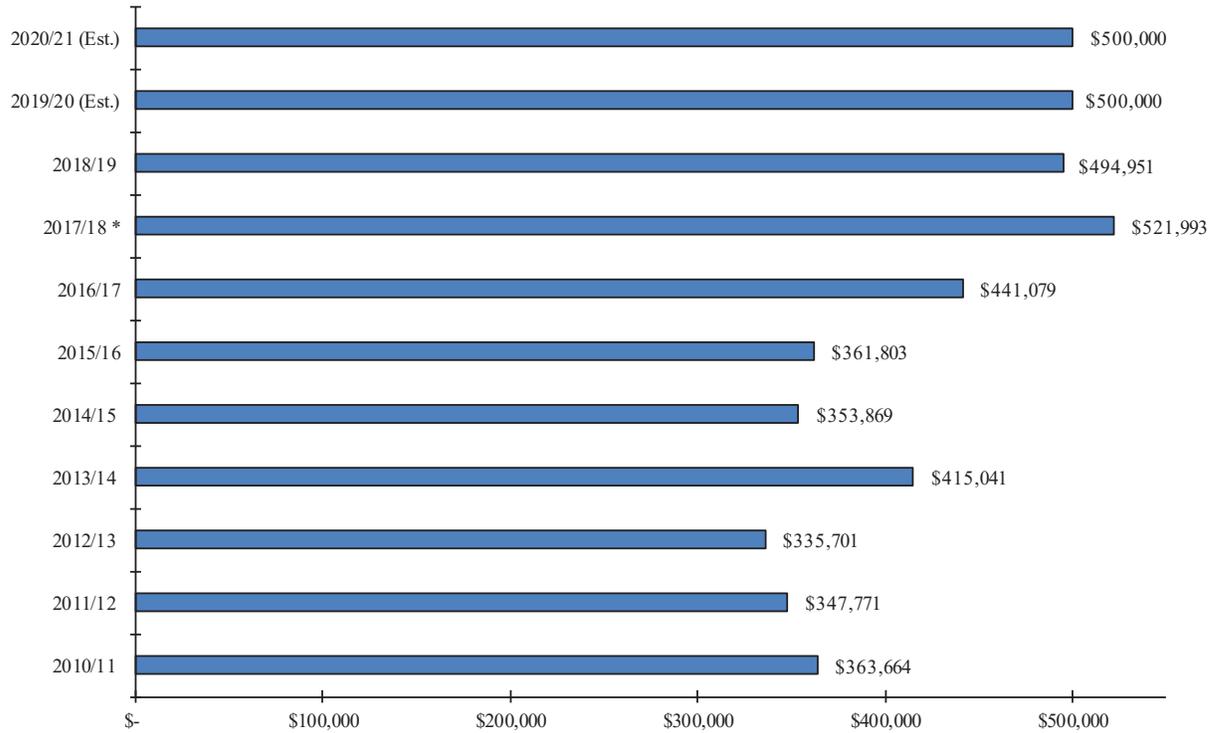
Activity:
Economic Development

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 2019/2020 and 2020/2021:

Hotel/Motel Tax History



* 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 2019/2020 budget included \$43,000 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 \$115,000 which was 25% of the estimated 2018/2019 Hotel/Motel taxes. Actual 2018/2019 hotel/motel taxes, however, were more than budgeted and the revised estimate allocation to the CVB has been increased to \$123,800 (25% of actual 2018/2019 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. The revised estimate maintains the \$10,000 for legal costs, but has decreased the allocation for marketing to \$10,000. The revised estimate allocations total to \$186,800 which is \$6,200 less than the original budget of \$193,000. This overall decrease was due to the net effect of the marketing allocation decrease and the CVB allocation increase due to the higher hotel/motel tax revenues in 2018/2019.

The 2020/2021 Economic Development budget of \$188,000 includes \$125,000 in estimated funding to the Convention and Visitors Bureau and \$43,000 to the Greater Muscatine Chamber of Commerce and Industry (GMCCI). The budget also includes an allocation of \$10,000 for economic development-related legal services and \$10,000 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 2020/2021

- * 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	44,140	38,000	78,000	63,000	63,000	-19.23%
Capital Outlay	-	-	-	-	-	
Transfers	<u>110,270</u>	<u>130,498</u>	<u>115,000</u>	<u>123,800</u>	<u>125,000</u>	8.70%
Total Expenditures	<u>\$ 154,410</u>	<u>\$ 168,498</u>	<u>\$ 193,000</u>	<u>\$ 186,800</u>	<u>\$ 188,000</u>	-2.59%
Funding Sources						
Hotel/Motel Tax	\$ 110,270	\$ 130,498	\$ 115,000	\$ 123,800	\$ 125,000	8.70%
Tax Increment Funds for Economic Development	<u>44,140</u>	<u>38,000</u>	<u>78,000</u>	<u>63,000</u>	<u>63,000</u>	-19.23%
Total Funding Sources	<u>\$ 154,410</u>	<u>\$ 168,498</u>	<u>\$ 193,000</u>	<u>\$ 186,800</u>	<u>\$ 188,000</u>	-2.59%

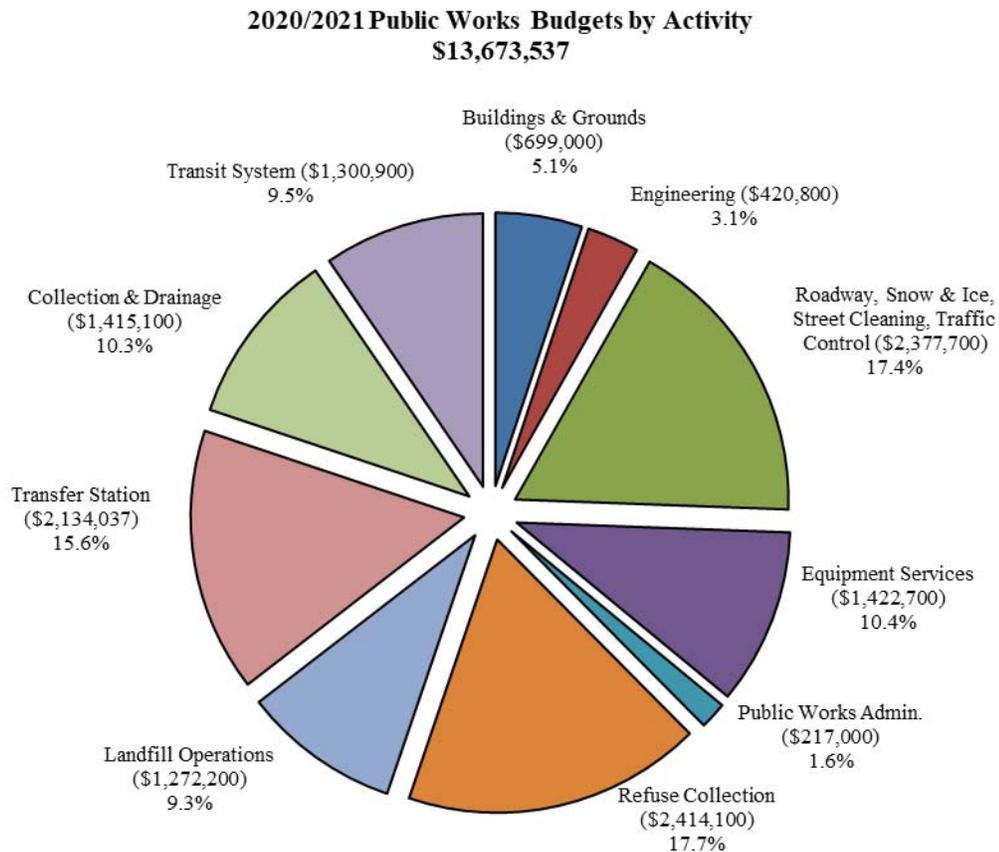
Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

GENERAL INFORMATION

The Public Works Administration budget includes the costs of administrative coordination of all Public Works related activities. These activities are Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, Traffic Control, Collection and Drainage, Building and Grounds, Equipment Services, Refuse Collection, Transfer Station Operations, Landfill Operations, and the Transit System. The Public Works department performs a variety of functions, many seemingly unrelated but virtually all related to the City's physical infrastructure and contribution to the quality of the urban environment. The following chart shows the budgeted operating expenditures for the various public works activities for the 2020/2021 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 2020/2021 these fees total \$72,400 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2019/2020 revised estimate is \$1,800 higher than the original budget. Personal services costs are \$2,800 higher due to wage adjustments, contractual services increased by \$800, commodities decreased by \$100, and capital outlay decreased by \$1,700.

The 2020/2021 budget is \$500 (.2%) higher in total than the 2019/2020 budget. This increase includes (1) an increase of \$7,300 in personal services costs, (2) a \$100 decrease in commodities, (3) a \$100 decrease in contractual services, (4) a \$7,400 decrease in capital outlay, and (5) a \$800 increase in transfers.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Operating Expenditures - All Public Works Activities	\$12,161,834	\$13,053,794	\$13,407,664	\$13,473,100	\$13,673,537
Full Time Employees - All Public Works Activities	44	44	44	44	45
Part Time Employees - All Public Works Activities	30	30	36	36	36
Infrastructure Projects Under Construction	5	3	2	2	4
Infrastructure Projects Completed	4	2	1	1	2

RECENT ACCOMPLISHMENTS

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

In the 2018/2019 fiscal year the Solid Waste and Collection and Drainage divisions were reorganized and are

now under the leadership of the Solid Waste and Sewer System Manager. The former Solid Waste Manager moved into this new position and the Collection and Drainage Supervisor position was eliminated. A lead worker position was created in the Collection and Drainage division with one of the Equipment Operators moving into this position. These changes appear to be working well.

In the fall of 2019 the Solid Waste division implemented a Compost Site policy which requires non-City residents and tree removal companies to pay a fee to dispose of brush and yard waste at the Compost Site. The goals of this policy are to lead to either increased revenue or a reduction in the amount of material to be ground each year which will reduce compost site costs.

The Engineering division oversaw the completion of Phase 4B of the West Hill Sewer Separation Project and continues to meet with the design engineer to move closer to the final plan for Phase 5.

Public Works completed a stormwater management project in the parking lot across from City Hall which features a bio-retention cell and permeable pavers. This project was done using in-house labor and equipment. A State grant assisted in funding this project.

The department continued with the second years of the full-depth concrete patch repair program and the asphalt alley overlay project. Other projects either recently bid or soon to be bid include the 2nd and Mulberry Roundabout, the 2nd Street Streetscape Project, Grandview Avenue Reconstruction, and Park Avenue 4 to 3 lane conversion.

Public Works staff also fought the second highest Mississippi River flood on record for this area and dealt with flood water for over 100 days this summer. The Building and Grounds division continues to maintain most of the city-owned buildings and grounds. Public Works management staff continues to hire new staff to replace retiring personnel and continues to work on a succession plan for retiring staff as well.

As always, the Public Works department 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 the department's goals is to prevent things from going wrong and fix them as soon as possible when they do.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To fully implement the PubWorks asset management software across all public works divisions.
- To update the city flood management plan and provide copies to all partners and the community.
- 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 receive bids and manage construction of the Grandview Avenue Reconstruction Project.
- To manage construction of the 2nd Street Streetscape Project.
- To manage construction of the 2nd and Mulberry Roundabout Project.
- To continue to work with partner organizations to design, fund, and construct a demountable floodwall for the riverfront from Mulberry Avenue to Broadway Street.
- 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 former DOT facility on Lake Park Boulevard.
- To evaluate a brine making system for snow removal.
- To implement a better way to provide Spring Clean-Up Week. **(Council and Management Key Projects, Programs, and Placemaking Goals)**

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 163,769	\$ 171,754	\$ 176,200	\$ 179,000	\$ 183,500	4.14%
Commodities	3,034	2,214	3,900	3,800	3,800	-2.56%
Contractual Services	10,979	10,720	14,100	14,900	14,000	-0.71%
Capital Outlay	1,299	1,299	7,400	5,700	-	-100.00%
Transfers	<u>11,600</u>	<u>13,500</u>	<u>14,900</u>	<u>14,900</u>	<u>15,700</u>	5.37%
Total Expenditures	<u>\$ 190,681</u>	<u>\$ 199,487</u>	<u>\$ 216,500</u>	<u>\$ 218,300</u>	<u>\$ 217,000</u>	0.23%
Funding Sources						
Road Use Taxes	\$ 124,381	\$ 131,187	\$ 146,200	\$ 148,000	\$ 144,600	-1.09%
Administrative Fees	<u>66,300</u>	<u>68,300</u>	<u>70,300</u>	<u>70,300</u>	<u>72,400</u>	2.99%
Total Funding Sources	<u>\$ 190,681</u>	<u>\$ 199,487</u>	<u>\$ 216,500</u>	<u>\$ 218,300</u>	<u>\$ 217,000</u>	0.23%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 135,700
Employee Benefits						<u>47,800</u>
Total Personal Services						<u>\$ 183,500</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, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

CURRENT TRENDS AND ISSUES

The 2019/2020 revised estimate is \$11,400 higher in total than the original budget. This overall increase is due to the \$60,400 increase in capital outlay. This increase has been partially offset by a decrease of \$43,600 in personal services costs and a net decrease of \$5,400 in various commodity and contractual services line items. The reduction in personal services costs is due to savings from several vacancies during the year and the new hires starting at lower steps in the pay plan. The increase in capital outlay was for the asphalt recycling equipment, which was originally budgeted at \$50,000, and the revised estimate for this equipment is \$109,100. After Public Works staff researched this equipment, it was determined that functionality of the asphalt recycling equipment would be much greater with a different type of equipment that would include a hot box reclaimer in addition to the asphalt recycler. City Council authorized this purchase at the December 19, 2019 meeting. Public Works deferred several other capital outlay purchases to assist in funding the additional cost for this equipment.

The 2020/2021 budget is \$85,500 (5.4%) less than the 2019/2020 budget. Personal services costs increased by \$4,700; contractual services decreased by \$5,500; and capital outlay decreased by \$84,700.

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 and the right-of-way mowing program in the Park Maintenance budget, are budgeted at \$3,040,700 for 2020/2021. Of this amount, \$2,820,600 will be funded from Road Use Taxes and \$220,100 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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
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	2.1 miles 5,424 Tons	.5 miles 1,200 Tons	0 miles	1.3 miles	1.3 miles
Curb and Gutter Repair (Lineal Feet)	200 LF	100 LF	0	0	0
Full Depth Concrete Repair (SY)	1,812 SY	6,000 SY	5,862 SY	5,500 SY	5,500 SY
Number of ADA Sidewalks Installed	63	106	30	30	30
Associated Sidewalks (SY)	0	56,756 SF	N/A	N/A	N/A
Modified Subbase Supplied (City Projects)	N/A	21,649 SY	25,372 SY	20,000 SY	20,000 SY

RECENT ACCOMPLISHMENTS

Public Works employees started cleaning up equipment and City streets in April. This included street sweeping, pothole patching, rocking roadway shoulders, grading alleys, spring leaf pickup, and assisting with Spring Cleanup Week. Cleanup Week was completed early in May. Spring rains and flooding issues kept this division busy through June and early July.

The Public Works crew built the storm water retention area in the parking lot across from City Hall. Other work during the summer included trail work around the Transfer Station, grading and repair at the compost site, sweeping city streets, sign repair and replacements, grading alleys and roadways, delivering barricades to the Central Business District for special events, asphalt repairs in nine alleys, and repairs of bad plumber ditches.

This summer the City experience major flooding of the Mississippi River. Water remained very high through most of the summer. The Public Works crew filled and used 8,000 sand bags, walked the levee 24 hours/day for a month, set up road closures, set up flood gates, and experienced three major crests. Two of the flood crests set records in the top five. With all the flooding along Mississippi Drive, road crews were able to install all of the flood gates, including the upper flood wall along Mulberry and the #1 flood gate.

Fall activities including hauling three barge loads of salt, leaf pickup, prepping all of the salt boxes, snow plows, road grader, and trucks. Winter came early and there were three snow events in the month of October. Leaves fell later this fall which extended the leaf pickp program

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To develop a matrix list for cracksealing.
- To continue the asphalt alley overlay program.
- To continue to use green infrastructure practices for storm water management.

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 881,882	\$ 927,117	\$ 916,500	\$ 872,900	\$ 921,200	0.51%
Commodities	110,501	123,881	147,100	147,200	147,100	0.00%
Contractual Services	282,356	310,026	244,300	238,800	238,800	-2.25%
Capital Outlay	258,600	135,294	273,700	334,100	189,000	-30.95%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 1,533,339	\$ 1,496,318	\$ 1,581,600	\$ 1,593,000	\$ 1,496,100	-5.41%
Funding Sources						
Road Use Taxes	\$ 1,496,624	\$ 1,463,764	\$ 1,560,400	\$ 1,567,300	\$ 1,474,900	-5.48%
Street Revenues	24,524	18,773	20,500	20,500	20,500	0.00%
Insurance Reimbursement	10,536	11,557	-	-	-	
Other	1,655	2,224	700	5,200	700	0.00%
Total Funding Sources	\$ 1,533,339	\$ 1,496,318	\$ 1,581,600	\$ 1,593,000	\$ 1,496,100	-5.41%

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 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	\$ 580,000
Employee Benefits						341,200
Total Personal Services						\$ 921,200

Capital Outlay			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
14,000 GVW One Ton Dually Truck	1	Yes	\$ 45,000
Saw Trailer (Drop Down Style)	1	No	11,000
Asphalt/Concrete Grinding			75,000
4 x 4 One Ton Dump Truck	1	Yes	50,000
HotBox	1	No	8,000
			<u>\$ 189,000</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 2019/2020 is \$2,000 less than the original budget. Personal services costs are \$800 less and capital outlay purchases \$1,200 less than the original budget.

The 2020/2021 budget is \$5,300 (2.8%) less than the original 2019/2020 budget. Personal services costs increased by \$2,000 (2.4%) and capital outlay decreased by \$7,300.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Number of Street Signs Maintained	6,016	6,167	6,297	6,300	6,300
Number of New Signs Installed	36	74	32	50	50
Lineal Feet of Street Striping	332,973	335,611	339,394	339,400	339,400
Number of Stop Bars Painted	298	303	305	305	305
Number of Arrows Painted	413	413	413	413	413
Number of Handicapped Stalls Marked	93	93	96	96	96
Number of Regular Parking Stalls Painted	2,741	2,636	2,679	2,679	2,679
Number of Crosswalks Painted	232	232	228	228	228
Number of Railroad Crossings Painted	37	37	37	37	37
Traffic Committee Meetings	18	17	14	18	18
Number of Signs Removed	18	2	8	10	10
Number of Sign Posts Maintained	4,386	4,363	4,398	4,398	4,398
Number of Speed Humps Painted	2	2	2	2	2
Number of Yellow No Parking Curb	140	140	140	140	140

RECENT ACCOMPLISHMENTS

The annual street striping program got underway July 9, 2019 and concluded in mid-October. Weikert Contracting was awarded the street striping contract again this year. City crews painted crosswalks and stop bars throughout the city. Crews also painted handicapped parking stalls, loading zones, parking stalls, yellow “No Parking” curbs, and repainted parking stalls in the parking lot across from City Hall.

Sign replacements continue all year long, along with replacing damaged signs and posts. Crews also remove and replace signs and posts in construction areas. The employee assigned to Traffic Control also monitors tree limbs blocking signs, faded and worn out signs, and signs for events that take place on city property (i.e. Central Business District events, Weed Park events, and street closures for events in other areas of the City). This division is also called upon to assist the Fire department for street closures for fires, Police department for emergency situations, and water main breaks/power outages as requested by Muscatine Power & Water.

Public Works staff meet bi-monthly to review and discuss traffic issues that arise, to review projects for proper traffic control, and requests for street closures.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- * To change over to Uni-Strut Tubing posts from green u-channel posts to have the capability of attaching multiple signs to both sides of the post.
- * To complete Year #5 of the five-year plan for replacement of street name signs that do not meet current FHWA (Federal Highway Administration) standards.

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 78,438	\$ 79,093	\$ 85,200	\$ 84,400	\$ 87,200	2.35%
Commodities	18,906	13,433	14,400	14,400	14,400	0.00%
Contractual Services	73,109	3,318	74,000	74,000	74,000	0.00%
Capital Outlay	8,473	18,749	19,100	17,900	11,800	-38.22%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 178,926</u>	<u>\$ 114,593</u>	<u>\$ 192,700</u>	<u>\$ 190,700</u>	<u>\$ 187,400</u>	-2.75%
Funding Sources						
Road Use Taxes	<u>\$ 178,926</u>	<u>\$ 114,593</u>	<u>\$ 192,700</u>	<u>\$ 190,700</u>	<u>\$ 187,400</u>	-2.75%

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 Positions:</i>						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	\$ 54,800
Employee Benefits						32,400
Total Personal Services						<u>\$ 87,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Air Operated Post Pounder	1	Yes	\$ 6,000
27" Traffic Cones	250	Yes	5,800
			<u>\$ 11,800</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.

CURRENT TRENDS AND ISSUES

The 2019/2020 revised estimate is \$53,700 higher than the original budget. The original budget allowed for two barge loads of salt to be purchased. However, due to the extreme winter in 2018/2019, little was left of the prior year inventory and three barge loads were needed.

The 2020/2021 budget is \$66,000 (13.1%) less than the original 2019/2020 budget due to a reduced allocation for capital outlay. The 2020/2021 budget again includes funds for two barge loads of salt.

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
2018/2019	84,630	20

The 2019/2020 revised estimate and 2020/2021 budget each include \$50,000 for contracted snow removal in the downtown area.

GOAL STATEMENT

To provide a safe street system during the winter months through efficient and effective snow and ice removal and control procedures.

PERFORMANCE MEASURES

	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Number of Storms	11	19	20	15	15
Tons of Salt Used (includes 50/50 mix)	1,200	3,565	4,000	3,000	3,000
Tons of Sand Used	0	400	1,500	500	500
Gallons Calcium Chloride Used	1,200	1,500	2,000	1,500	1,500

RECENT ACCOMPLISHMENTS

The first winter storm of the 2018-2019 winter took place on November 17, 2018 with two inches of snow and temperatures were in the mid 20's. Crews started salt runs around 3 a.m. Saturday morning and worked all day to salt it away. November produced two storms totaling 15.1 inches of snow. The November 25 storm had 13.1 inches which kept the crews busy for a week. December had two storms which totaled 2 inches. January had 8 storms which totaled to 29 inches. February produced another 6 storms which totaled to 14.8 inches. March came in like a lamb with 1 inch of snow on March 8 and another 1.5 inches on March 17. Snowfall for the season was 64.4 inches. The crews performed really well during the 2018-2019 winter season.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- Once the LAS (Liquid Application System) is delivered, to train the employees in all of its uses and determine how it will best work in the winter operations.
- To devise a plan for the best use of the former IDOT property for winter operations (i.e. salt storage, 50/50 storage, and salt brine making/using).

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 92,780	\$ 146,749	\$ 84,300	\$ 84,300	\$ 84,300	0.00%
Commodities	26,394	230,645	239,800	289,800	239,800	0.00%
Contractual Services	71,878	124,165	108,400	114,100	108,400	0.00%
Capital Outlay	3,228	10,775	72,500	70,500	6,500	-91.03%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 194,280	\$ 512,334	\$ 505,000	\$ 558,700	\$ 439,000	-13.07%
Funding Sources						
Road Use Taxes	\$ 186,342	\$ 506,496	\$ 501,000	\$ 554,700	\$ 435,000	-13.17%
Reimbursement of Expenses	7,938	5,838	4,000	4,000	4,000	0.00%
Total Funding Sources	\$ 194,280	\$ 512,334	\$ 505,000	\$ 558,700	\$ 439,000	-13.07%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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 Snow Plow	1	Yes	\$ 6,500

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 2019/2020 revised estimate is under the original budget by \$15,800, primarily due to a \$15,000 reduction in capital outlay. The \$15,000 allocation was for a new leaf box. This purchase was deferred to the 2020/2021 budget in order to assist in funding the additional cost for asphalt recycling equipment included in the Roadway Maintenance budget.

The 2020/2021 budget is \$37,900 (17.4%) more than the 2019/2020 budget. Personal services costs increased by \$4,900 and capital outlay increased by \$33,000. The capital outlay allocation of \$48,000 includes \$15,000 for the new leaf box deferred from the 2019/2020 budget and \$33,000 for a new leaf vacuum unit.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for the Leaf Program	648	761	789	775	775
Temporary Employee Hours for the Leaf Program	1,105	1,319	1,286	1,046	1,050
Fall Leaf Loads	117	228	248	260	260
Spring Leaf Loads	10	10	10	10	10

RECENT ACCOMPLISHMENTS

Spring street sweeping took longer than usual due to Spring rains keeping everything wet for a longer period of time. It took the crew three months to complete the first round of sweeping all of the city streets. Due to the long winter and more snow than in recent years, over 700 tons of debris was collected and hauled to the landfill.

Spring leaf pickup was shorter than usual since staff was able to collect leaves through most of December in 2018. Spring leaf pickup started April 1 and concluded April 17. With the flooding this spring, crews were not able to pick up leaves every day.

Fall leaf pickup started October 14 and it was slow the first two weeks. Warm weather lasted most of October, delaying the first heavy frost. The last regular pass for leaf collection was on schedule. The crews will continue to pick up leaves until they are finished or until the weather turns bad and everything gets covered with snow.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- * To work with the Transfer Station to finish the compost area, building the new roadway along the fence line, and hauling away the excess debris left behind from previous years.
- * To continue to train and educate operators so they can alternate throughout the summer to accommodate scheduled time off for the employees.

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 125,291	\$ 129,283	\$ 143,100	\$ 142,300	\$ 148,000	3.42%
Commodities	4,480	5,419	7,900	7,900	7,900	0.00%
Contractual Services	44,490	43,035	51,300	51,300	51,300	0.00%
Capital Outlay	-	-	15,000	-	48,000	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 174,261</u>	<u>\$ 177,737</u>	<u>\$ 217,300</u>	<u>\$ 201,500</u>	<u>\$ 255,200</u>	17.44%
Funding Sources						
Road Use Taxes	<u>\$ 174,261</u>	<u>\$ 177,737</u>	<u>\$ 217,300</u>	<u>\$ 201,500</u>	<u>\$ 255,200</u>	17.44%

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 Positions/Position Allocations:</i>						
Equipment Operator I	0.45		-	-	-	
Equipment Operator II	<u>1.45</u>	<u>1.90</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	\$ 98,500
Employee Benefits						<u>49,500</u>
Total Personal Services						<u>\$ 148,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Leaf Vacuum	1	Yes	\$ 33,000
Leaf Box	1	Yes	<u>15,000</u>
			<u>\$ 48,000</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 City 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. This budget also allows for two seasonal intern positions with a portion of their hours charged to the capital projects they work on.

A new part-time Right-of-Way (ROW) Inspector position was added to the 2018/2019 revised estimate and 2019/2020 budget and was authorized to start in May of 2019 as part of the Public Works reorganization approved by City Council in December of 2018. However, the City was not successful in finding a part-time ROW Inspector. The 2019/2020 revised estimate and 2020/2021 budget include a fulltime ROW Inspector beginning in April of 2020 with 75% of this position allocated to the Engineering budget and 25% to the Collection and Drainage budget.

CURRENT TRENDS AND ISSUES

The revised estimate for 2019/2020 is \$7,900 less than the original budget. Personal services costs are \$10,800 less than the original budget due to the net effect of (1) not finding a suitable candidate for the part-time ROW Inspector position, (2) additional hours for the engineering interns since the part-time ROW Inspector position was not filled, and (3) the cost of a fulltime ROW Inspector requested to start in April of 2020. The budget is based on 75% of the fulltime ROW Inspector being charged to the Engineering budget and 25% to Collection and Drainage since this position will be doing the utility locate work formerly done by the Collection and Drainage staff. There were increases in commodities of \$200 and contractual services of \$2,700 that offset a portion of the decrease in personal services.

The budget for 2020/2021 is \$59,000 (16.3%) higher than the 2019/2020 budget. Personal services costs are \$44,400 (14.5%) higher than the original 2019/2020 budget. Of this increase, \$36,100 is due to the 75% allocation of a fulltime ROW Inspector position compared to the cost of a part-time Inspector. Commodities increased by \$1,400, contractual services increased by \$9,100, and capital outlay increased by \$4,100. The contractual services increase includes \$5,700 for travel and education, including ROW Inspector training, and \$2,900 in vehicle and equipment maintenance with the additional vehicle for the ROW Inspector.

The City Engineer is also responsible for managing the three contractual project managers/inspectors. The cost of those managers/inspectors is 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Right of Way Permits Processed	0	0	95	300	350
Utility Services Digitally Located and Uploaded into MAGIC	0	0	0	150	200
Percent and Amount of Billed Time to Projects (City Engineer)	29.2% \$36,635	39.7% \$52,643	28.1% \$39,481	30% \$45,000	30% \$45,000
Percent and Amount of Billed Time to Projects (Assistant City Engineer)	N/A	N/A	49.7% \$55,827	70% \$77,500	70% \$77,500

RECENT ACCOMPLISHMENTS

Final design for the Grandview Avenue Reconstruction Project – the consultant has completed the final design and has submitted the plans to the Iowa DOT (Department of Transportation) for review. Property and easement acquisitions have been completed.

Park Avenue 4 to 3 Lane Conversion - after extensive negotiations with the Iowa DOT the project has increased in scope for items the Iowa DOT wanted to address with the project. This has grown the project to an estimated \$2.0 million with the DOT finding funding assistance for approximately \$1.3 million. The consultant is approximately 75% complete with the design. The City is working with Muscatine Power & Water (MP&W) on the traffic signal design which will be incorporated into the construction documents prior to the IDOT submittal.

The City Engineer served as City Lead for the 2nd Street Streetscape Project design. The consultant has completed the design and bids on the project were received in January of 2020. Construction is anticipated to begin in the spring of 2020 and is expected to go through fall of 2021.

The 2nd Street and Mulberry Roundabout Project - construction began in January of 2020. The project was delayed due to property acquisitions necessary to construct the roundabout.

As the sponsor for the Mississippi River levee, engineering staff assisted GPC and MP&W in USACE (Army Corps of Engineers) permit requests as well as participated in the annual levee inspections; staff also assisted City departments with addressing items the USACE deemed deficient.

Engineering staff continues to have a positive working relationship with the new MP&W management team and have implemented the model for cost sharing on future projects that was established with the Mississippi Drive Corridor Project.

Staff continues to provide construction management for Phase IV of the West Hill Sewer Separation Project and is also working with the design engineer for planning of Phase 5 of this project. Phase 5 planning also involves MP&W.

The proposed Lane Closure Policy utilizing SUDAS standards will be presented to Council for adoption in the spring of 2020. This is also being coordinated with MP&W and their conversion to SUDAS standards.

Construction of the Westside Trail project began in the fall of 2019. It is anticipated that construction will continue through the winter and be completed in the spring of 2020.

Engineering staff assisted the Water and Resource Recovery Facility (WRRF) staff with the bidding and construction management of the High Strength Waste Receiving Station project; assisted the WRRF with the Nutrient Reduction Study; and spearheaded the Sanitary Sewer Study for the Grandview and Highway 61 drainage area.

Engineering staff coordinated with Community Development on the permitting process with respect to permits within the City rights-of-way including review of permit applications and inspection of open permits. Staff also participated in all site review meetings for new developments in the City and within a two-mile radius.

Staff is also providing construction observation for public infrastructure being constructed within private developments (Oak Park, Arbor Commons, and the HNI Pump Station); assisted with the design and construction management of the Biocell project in the parking lot across the street from City Hall; acted as liaison between the City and Canadian Pacific Railroad for permits needed by Public Works or other City departments; attended Staff Traffic Committee meetings; and assisted the Street division with the PCC Full Depth Patching bid documents and construction.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021

- To complete construction of the 2nd Street and Mulberry Avenue Roundabout. **(Council and Management Key Projects, Programs, and Placemaking Goal)**
- To serve as liaison for the Project Management Team for:
 - Mulberry/2nd Intersection – Construction 2020
 - Construction of Phase 4C of the West Hill Sewer Separation project - 2020
 - Planning and Design for Phase 5 of the West Hill Sewer Separation project – 2020
 - Phase 5-A of the West Hill Sewer Separation project - 2021
 - Grandview Avenue Design Completion and Bidding –2020
 - Park Avenue 4 to 3-lane conversion – Construction 2020
 - West Side Trail – 2019-2020

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

- To assist the Street division with the annual pavement management projects.
- To continue to serve as a member of the Staff Traffic Committee.

- To implement SUDAS (Statewide Urban Design and Specifications) as the City standard for all public improvement projects.
- To maintain a good working relationship with Muscatine Power & Water staff by creating a group of key individuals from each organization that meet regularly to discuss current and potential projects.
- To begin construction on the Grandview Avenue Reconstruction project. **(Council and Management Key Projects, Programs, and Place-Making Goal)**
- To begin construction on the Park Avenue 4-Lane to 3-Lane Conversion project. **(Council and Management Key Projects, Programs, and Place-Making Goal)**
- To begin construction on the 2nd Street Streetscape project. **(Council and Management Key Projects, Programs, and Place-Making Goal)**
- To start construction on Phase 4-C of the West Hill Sanitary Sewer Separation project as well as complete the design for Phase 5 and issue for bids.
- To continue to work with the Building division to implement a coordinated inspection program between the Right-of-Way Inspector and building division staff for work done in the City right-of-way.
- To coordinate with the Canadian Pacific Railroad on a study for a potential demountable flood wall along Mississippi Drive that would span between the two levee systems.
- To begin the design of the Redundant Force Main from Musser Park to the Water and Resource Recovery Facility. This force main has been mandated by the Iowa Department of Natural Resources to be completed by 2026.
- To address the traffic congestion on Isett Avenue by initiating a traffic study of the Isett corridor from Washington and Cypress to Isett and Lake Park Boulevard.

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 157,587	\$ 259,907	\$ 306,400	\$ 295,600	\$ 350,800	14.49%
Commodities	1,057	1,843	3,700	3,900	5,100	37.84%
Contractual Services	4,523	14,596	21,300	24,000	30,400	42.72%
Capital Outlay	2,800	2,011	30,400	30,400	34,500	13.49%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 165,967	\$ 278,357	\$ 361,800	\$ 353,900	\$ 420,800	16.31%
Funding Sources						
Engineering Fees	\$ 52,643	\$ 96,420	\$ 122,500	\$ 122,500	\$ 122,500	0.00%
Road Use Tax	113,324	181,937	239,300	231,400	298,300	24.66%
Total Funding Sources	\$ 165,967	\$ 278,357	\$ 361,800	\$ 353,900	\$ 420,800	16.31%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Assistant City Engineer	0.00	1.00	1.00	1.00	1.00	
Right-of-Way Inspector*	0.00	0.00	0.00	0.19	0.75	
Total Full Time	1.00	2.00	2.00	2.19	2.75	
Part Time Positions:						
Right-of-Way Inspector*	0.00	0.00	0.54	0.00	0.00	
Total	1.00	2.00	2.54	2.19	2.75	\$ 249,700
Employee Benefits						101,100
Total Personal Services						\$ 350,800
* A part- time ROW Inspector position was included in the 2019/2020 budget but was not filled. A fulltime ROW Inspector has been budgeted as of April 1, 2020 with 75% of the position in Engineering and 25% in Collection and Drainage.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Laptop for ROW Inspector	1	No	\$ 4,500
GPS Rover Unit	1	No	30,000
			\$ 34,500

Function:
Transfers

Department:
City Administrator

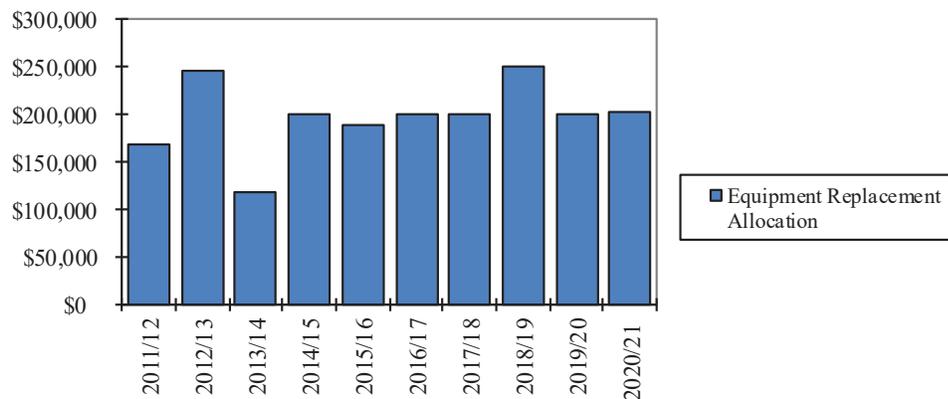
Activity:
Equipment Replacement Transfer

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 2011/2012 a funding allocation of \$168,900 was included in the budget and the funding transfer 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, remained at \$200,000 for 2017/2018, and increased to \$250,000 for 2018/2019. The budgeted transfer for 2019/2020 is \$200,000 and for the 2020/2021 budget, the transfer increased slightly to \$202,000.

Regular purchases from the Equipment Replacement Fund in 2019/2020 total \$206,600. This includes \$25,000 for a Police administrative vehicle, \$45,000 for a new animal control truck and transport unit, \$44,100 for a new tractor for the cemetery, \$73,400 for a new mower for the Soccer Complex including the expanded area, and \$19,100 for a new utility vehicle for the Soccer Complex.

Budgeted purchases from the Equipment Replacement Fund in the 2020/2021 budget total \$212,500 which includes \$147,000 for three new Police patrol vehicles (Tahoes), \$32,000 for a new one-ton cargo van for Building and Grounds, \$13,500 for a new zero-turn mower for the cemetery, and \$20,000 for a topdresser for the Soccer Complex. The balance in the Equipment Replacement Fund on June 30, 2021 is estimated at \$74,385.

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>200,000</u>	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>	<u>202,000</u>	1.00%
Total Expenditures	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 202,000</u>	1.00%
Funding Sources						
General Revenues	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 202,000</u>	1.00%

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 2019/2020 budget included a tax levy of \$.05607 per \$1,000 of valuation for public transportation which will generate \$52,200 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

The transit tax levy rate for 2020/2021 has been increased to \$.11987 per \$1,000 of valuation which will generate \$113,026 (including the utility replacement excise tax and the commercial/industrial State reimbursement). The tax rates for 2018/2019, 2019/2020, and 2020/2021 are lower than most 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>100,555</u>	<u>52,386</u>	<u>52,360</u>	<u>52,200</u>	<u>113,026</u>	115.86%
Total Expenditures	<u>\$ 100,555</u>	<u>\$ 52,386</u>	<u>\$ 52,360</u>	<u>\$ 52,200</u>	<u>\$ 113,026</u>	115.86%
Funding Sources						
Transit Tax Levy	\$ 95,553	\$ 50,004	\$ 49,825	\$ 49,825	\$ 107,436	115.63%
Utility Tax Replacement Excise Tax	419	179	175	175	459	162.29%
Commercial and Industrial State Reimbursement	<u>4,583</u>	<u>2,203</u>	<u>2,360</u>	<u>2,200</u>	<u>5,131</u>	117.42%
Total Funding Sources	<u>\$ 100,555</u>	<u>\$ 52,386</u>	<u>\$ 52,360</u>	<u>\$ 52,200</u>	<u>\$ 113,026</u>	115.86%

Function:
Transfers

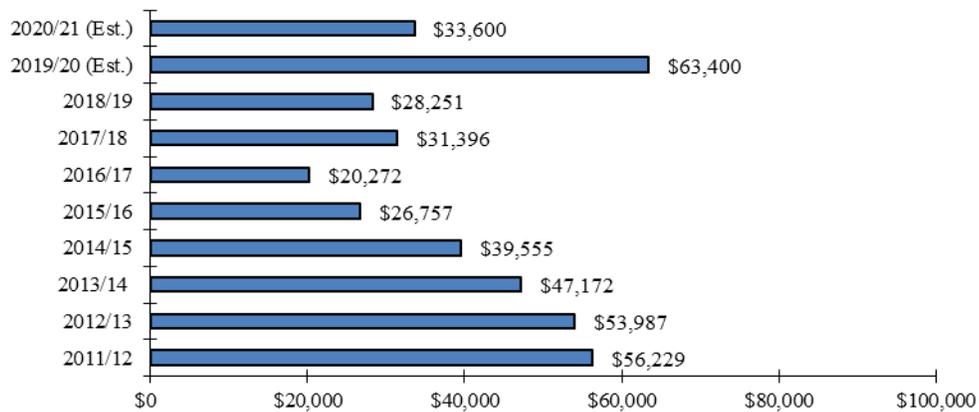
Department:
City Administrator

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 2011/2012 follows:

General Fund Airport Subsidies



The General Fund subsidy has ranged from approximately \$20,300 to \$63,400 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 2019/2020 revised estimate subsidy of \$63,400 is \$5,500 more than the original budget. Revised estimate Airport expenditures are \$5,500 more than the original budget. The increase is primarily due to the increase in repair and maintenance services which includes \$4,250 to repair a runway blowup.

The budgeted subsidy for fiscal year 2020/2021 is \$33,600, which is a \$24,300 (42.0%) decrease from the original 2019/2020 budgeted subsidy. The Airport budget for 2019/2020 included a total of \$20,000 to paint the exterior of the former HNI hangar and renovate the interior of that building and there are no capital outlay items in the Airport operating budget in 2020/2021.

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>31,396</u>	<u>28,251</u>	<u>57,900</u>	<u>63,400</u>	<u>33,600</u>	-41.97%
Total Expenditures	<u>\$ 31,396</u>	<u>\$ 28,251</u>	<u>\$ 57,900</u>	<u>\$ 63,400</u>	<u>\$ 33,600</u>	-41.97%
Funding Sources						
General Revenues	<u>\$ 31,396</u>	<u>\$ 28,251</u>	<u>\$ 57,900</u>	<u>\$ 63,400</u>	<u>\$ 33,600</u>	-41.97%

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 was used 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, 2019/2020, and 2020/2021 the City was able to eliminate this levy since there were no known levee projects and the collections from the 2017/2018 levy will allow funds for routine levee maintenance through 2020/2021.

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>60,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>\$ 60,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Funding Sources						
Levee Tax Levy	\$ 57,383	\$ -	\$ -	\$ -	\$ -	
Utility Tax Replacement Excise Tax	251	-	-	-	-	
Commercial/Industrial State Reimbursement	<u>2,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 60,386</u>	<u>\$ -</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.

The 2019/2020 budget continued the \$50,000 allocation 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 2020/2021 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 2020/2021.

Function:
Transfers

Department:
Non-Department

Activity:
Assigned Funding Allocations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	50,000	-	50,000	0.00%
Total Expenditures	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	0.00%
Funding Sources						
General Revenues	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	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 currently 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. The amount paid to Carver Aero for airport management fees for both 2019/2020 and 2020/2021 is \$46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$11,800 in 2019/2020 and \$12,200 in 2020/2021.

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. 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. The Airport Layout Plan update was completed in 2018/2019 with 90% FAA and 10% local funding.

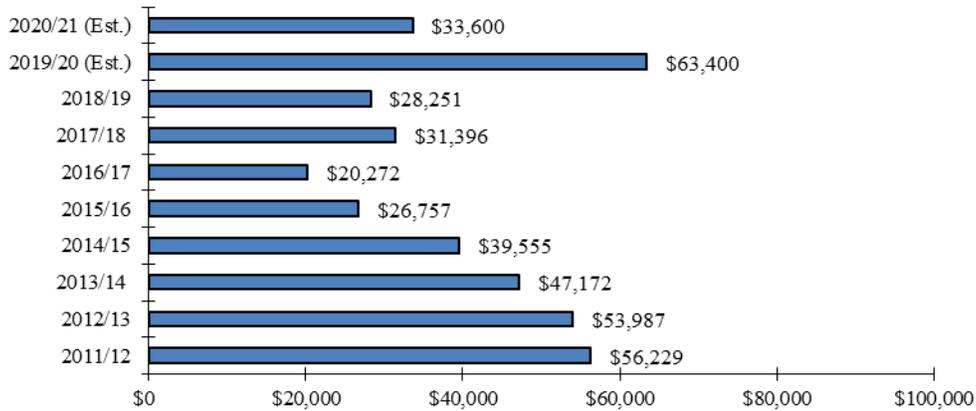
In October of 2016 the City was awarded funding for the design of new hangars and for apron expansion. The design work and phase one of the apron expansion project was completed in the 2017/2018 fiscal year. In August of 2019, the City awarded the contract for three (3) box hangars and phase two of the apron expansion. Funding will be partially from two State grants with the balance, estimated at \$346,000, funded from the May 2020 bond issue. This project is expected to be completed by June 30, 2020. The Airport Zoning Ordinance update is also in progress with 85% State funding and 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. The final debt payments on this bond issue will be made in fiscal year 2020/2021.

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 2019/2020 revised estimate subsidy of \$63,400 is \$5,500 more than the original budget. Revised estimate Airport expenditures are \$5,500 more than the original budget. The increase is primarily due to the increase in repair and maintenance services, which includes \$4,250 to repair a runway blowup.

The budgeted subsidy for fiscal year 2020/2021 is \$33,600, which is a \$24,300 (42.0%) decrease from the original 2019/2020 budgeted subsidy. The Airport budget for 2019/2020 included a total of \$20,000 to paint the exterior of the former HNI hangar and renovate the interior of that building and there are no capital outlay items in the Airport operating budget in 2020/2021.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Hangars Maintained	20	20	20	20	23
Hangar Spaces Rented	20	20	20	20	23
Airport Advisory Meetings	7	7	9	6	6
Hangar Rentals	\$22,226	\$22,244	\$22,512	\$24,000	\$31,600
FBO Lease	\$10,815	\$11,139	\$11,473	\$11,800	\$12,200
Fuel Commissions	\$8,911	\$9,668	\$7,416	\$9,700	\$9,700
Farm Lease Revenue	\$34,100	\$34,000	\$34,000	\$34,000	\$34,000
General Fund Subsidy	\$20,272	\$31,396	\$28,251	\$63,400	\$33,600

RECENT ACCOMPLISHMENTS:

The City received an extension from the Iowa Department of Transportation for the hangar and apron construction grants. The project was redesigned to include three box hangars that will be constructed by June 30, 2020. These will be the first new general aviation hangars to be developed in 50 years.

In addition, the Federal Aviation Administration has notified the City that the reconstruction of Taxiway A has been approved for funding. Previously this had been anticipated to be a three-phase project spanning 10 years. Construction on this project is anticipated to begin in August, 2020.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To complete the reconstruction of Taxiway A.
- To evaluate and pursue funding opportunities to upgrade the fuel system and for reconstruction of the T-hangar taxilanes.

Airport Operations

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 11,139	\$ 11,473	\$ 11,800	\$ 11,800	\$ 12,200
Hangar Rentals	22,244	22,512	24,000	24,000	31,600
Reimbursement of Costs	1,127	1,094	1,000	1,000	1,000
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	9,668	7,416	9,700	9,700	9,700
Transfers In					
General Fund Subsidy	31,396	28,251	57,900	63,400	33,600
Total Revenues	<u>\$ 109,574</u>	<u>\$ 104,746</u>	<u>\$ 138,400</u>	<u>\$ 143,900</u>	<u>\$ 122,100</u>
Funds Available	\$ 109,574	\$ 104,746	\$ 138,400	\$ 143,900	\$ 122,100
Expenditures	<u>109,574</u>	<u>104,746</u>	<u>138,400</u>	<u>143,900</u>	<u>122,100</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				
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Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	3,918	2,881	4,500	4,600	4,650	3.33%
Contractual Services	85,660	92,165	103,900	109,300	107,150	3.13%
Capital Outlay	10,596	-	20,000	20,000	-	
Transfers	<u>9,400</u>	<u>9,700</u>	<u>10,000</u>	<u>10,000</u>	<u>10,300</u>	3.00%
Total Expenditures	<u>\$ 109,574</u>	<u>\$ 104,746</u>	<u>\$ 138,400</u>	<u>\$ 143,900</u>	<u>\$ 122,100</u>	-11.78%
Funding Sources						
Airport Revenues	\$ 78,178	\$ 76,495	\$ 80,500	\$ 80,500	\$ 88,500	9.94%
General Fund Operating Subsidy	<u>31,396</u>	<u>28,251</u>	<u>57,900</u>	<u>63,400</u>	<u>33,600</u>	-41.97%
Total Funding Sources	<u>\$ 109,574</u>	<u>\$ 104,746</u>	<u>\$ 138,400</u>	<u>\$ 143,900</u>	<u>\$ 122,100</u>	-11.78%

TRANSIT SYSTEM

GENERAL INFORMATION:

The City Transit System (MuscaBus) operates with eleven (11) small buses, all equipped with wheelchair lifts and one conversion van. Personnel supporting the transit system are a full-time Transit Supervisor, 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 weekday 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 2013/2014 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 \$443,900 for 2020/2021. Federal capital support has also been used, primarily to purchase buses. The 2020/2021 budget includes \$166,800 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 2020/2021 it is anticipated that the City will receive \$262,000 in State operating funding for the Transit operation.

The State of Iowa allows cities to levy up to \$.95 per \$1,000 of assessed value to support a transportation system. For fiscal year 2019/2020 the City's transit levy rate was set at \$.005607 per \$1,000 of valuation

which will generate \$52,200 (including the State reimbursement for the commercial and industrial property rollback). For 2020/2021 the transit tax levy rate is \$.11987/\$1,000 of valuation which will generate \$113,026 (including the State reimbursement). In prior years, the transit tax levy was higher than the levy rates for 2019/2020 and 2020/2021. 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 2020/2021 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 2019/2020 are under the original budget by \$99,700 primarily due to a \$102,100 decrease in capital outlay. The original 2019/2020 budget included \$212,400 for two light duty buses (85% grant funded). The revised estimate includes \$104,500 in funding for only one bus with 85% grant funding. Other capital items included in the revised estimate are two computers for \$2,500, \$5,000 to replace panels in two bus shelters, and \$3,100 for make-ready costs for the buses purchased late in the 2018/2019 fiscal year. Other changes in the revised estimate include a decrease of \$2,800 in personal services costs, a \$4,300 decrease in commodities, and a \$9,500 increase in contractual services, primarily for bus maintenance costs.

The 2020/2021 budget is \$10,700 (.8%) more than the original 2019/2020 budget. This increase is due to the net effect of (1) a \$20,400 increase in personal services costs, (2) a \$200 decrease in commodities, (3) a \$1,600 decrease in contractual services, (4) a \$700 increase in administrative fees, and (5) a \$8,600 decrease in capital outlay. The capital outlay allocation of \$208,600 includes \$12,400 to replace panels in the bus shelters and \$196,200 for the purchase of two buses. The bus purchases are subject to grant funding which is estimated at \$166,800 (85%) in federal funding.

Transit charges for services which includes fares, passes, and waivers, is estimated at \$170,000 for 2020/2021. 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 2020/2021 of \$148,5211. 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
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	126,388	118,639	113,513	120,300	126,000
Paratransit Passengers	34,546	30,750	27,984	28,500	29,000
JARC for Work (Night Service)	5,759	5,758	6,685	7,000	7,300
New Freedom (Night Service)	996	1,062	958	1,200	1,300
Total Passengers	167,689	156,209	149,140	157,000	163,600

RECENT ACCOMPLISHMENTS:

MuscaBus saw an increase in ridership in the Jobs Access and Reverse Commute night program with a 16% (927) increase compared to last year. Route ridership has declined in recent years, but has started to pick up again. There was an increase in ridership in the summer on the route system. In June, July, and August, MuscaBus provided free rides to kids from kindergarten to 12th grade on the route buses. During that same time period, the Blue Route was diverted to go to the Aquatic Center once an hour. There was an increase of 984 (20%) in free rides compared to the previous year.

MuscaBus participated in several community events by providing transportation. Free rides were provided to those attending the Community Block Party on July 18, 2018 and the Walk for Diabetes at Discovery Park on May 3, 2019. MuscaBus gave complementary guided rides to those not able to walk at the Greenwood Cemetery Walk through History on September 23, 2018. Transportation was provided from the dinner held for the Muscatine Symphony to their performance at Central Middle School on February 16, 2019. Again this year, MuscaBus assisted the Junior Achievement Biz town program at Central Middle School with fixed route rides in October. There was a very positive response from the kids. For many of them, this was the first time riding the MuscaBus. Due to the flooding on the Riverfront, rides were provided for a Chamber of Commerce event held at the Merrill Hotel on March 28, 2019. Staff plans to continue providing rides to community events.

The transit supervisor was able to provide information to the community about MuscaBus through presentations to the Early Education Group and attending meetings with Coordinated Services and AIM (Adult Ed). Staff has begun utilizing Facebook to communicate with passengers and the community. Transit staff attended the Future Ready Iowa Summit, FTA Drug and Alcohol Training, 2019 Passenger Transit Summit, Bi-State Transit Summit, and Leadercast Live Women. Staff also attended trainings offered by IPTA (Iowa Public Transit Association) including a Legislative meeting in Washington DC.

MuscaBus drivers have gone through a series of Defensive Driver Trainings. After the completion of the training, incidents have decreased. The department has experienced higher than normal turnover this past year. Five drivers retired and two service personnel have left the department. There have been seven new drivers hired and two new service personnel. Drivers participated in the Iowa Public Transit Rodeo, held in Newton at the Iowa Speedway.

MuscaBus lost two buses to accidents, one on October 1, 2018 and the other on March 27, 2019. Both buses were totaled, but there were no major injuries. In both cases, the drivers were not at fault. Staff ordered two

new buses through the DOT replacement funded program. The department received its first conversion van on April 8, 2019 and it has been a very positive addition.

OBJECTIVES TO BE ACCOMPLISHED 2020/2021:

- * To continue the Fixed Route Passenger survey and evaluate results to determine any changes to improve services. **(Council and Management Marketing, Communication, and Engagement Goal)**
- * To research having a professional evaluation of the route system to determine the optimal coverage of the community. **(Council and Management Continuous Service Improvement Goal)**
- * To improve the appearance of bus shelters by replacing the current panels with polycarbonate panels.
- * To continue to comply with new directives implemented by the Managed Care Organizations for providing transportation services to their clients. **(Council and Management Continuous Service Improvement Goal)**
- * To continue to seek and receive grant funding to cover costs of new vehicles and operations. **(Council and Management Sustainability Goal)**

Transit System

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 588,882	\$ 565,308	\$ 449,208	\$ 256,795	\$ 285,595
Revenues	<u>1,003,268</u> (2)	<u>979,384</u> (3)	<u>1,093,260</u> (4)	<u>1,219,300</u>	<u>1,163,826</u> (5)
Funds Available	\$ 1,592,150	\$ 1,544,692	\$ 1,542,468	\$ 1,476,095	\$ 1,449,421
Expenditures (1)	<u>1,026,842</u>	<u>1,287,897</u>	<u>1,290,200</u>	<u>1,190,500</u>	<u>1,300,900</u>
Ending Balance, June 30	<u>\$ 565,308</u>	<u>\$ 256,795</u>	<u>\$ 252,268</u>	<u>\$ 285,595</u>	<u>\$ 148,521</u>

Increase (Decrease) in Fund Balance	\$ (23,574)	\$ (308,513)	\$ (196,940)	\$ 28,800	\$ (137,074)
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1. Expenditures include changes in compensated absences.
2. The 2017/2018 Transit tax levy was \$100,000.
3. The 2018/2019 Transit tax levy was \$50,000.
4. The Transit tax levy for 2019/2020 was \$52,360 including utility taxes and the State commercial and industrial reimbursement.
5. The Transit tax levy for 2020/2021 is \$113,026 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>2017/2018</u>	<u>Actual</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>	<u>Revised</u> <u>Estimate</u> <u>2019/2020</u>	<u>Budget</u> <u>2020/2021</u>
Transit Charges	\$ 243,530	\$ 174,929	\$ 180,000	\$ 170,000	\$ 170,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	\$ 346,942	\$ 392,462	\$ 420,200	\$ 422,800	\$ 443,900
Federal Job Access Grant	51,969	27,526	0	0	0
New Freedoms Grant	9,746	4,954	0	0	0
State Vehicle Use Tax	235,026	240,705	255,200	249,600	262,000
Other Operating Grants	1,282	986	0	700	0
Capital Grants:					
Federal Funds - Buses	0	0	180,400	310,400	166,800
Prior Year Federal Operating Grant for Conversion Van	0	49,774	0	0	0
Subtotal - Grants	<u>\$ 644,965</u>	<u>\$ 716,407</u>	<u>\$ 855,800</u>	<u>\$ 983,500</u>	<u>\$ 872,700</u>
General Fund Support:					
Transit Tax Levy	100,555	52,386	52,360	52,200	113,026
Sale of Vehicles	7,500	0	2,000	5,000	5,000
Interest	5,780	10,492	3,000	3,500	3,000
Donations	753	0	100	100	100
Insurance Reimbursement	0	25,139	0	5,000	0
Other	185	31	0	0	0
Total Revenues	<u>\$ 1,003,268</u>	<u>\$ 979,384</u>	<u>\$ 1,093,260</u>	<u>\$ 1,219,300</u>	<u>\$ 1,163,826</u>

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 707,313	\$ 725,215	\$ 739,400	\$ 736,600	\$ 759,800	2.76%
Commodities	90,344	92,737	104,300	100,000	104,100	-0.19%
Contractual Services	159,438	182,263	208,600	218,100	207,000	-0.77%
Capital Outlay	61,481	269,746	217,200	115,100	208,600	-3.96%
Transfers	19,100	19,700	20,700	20,700	21,400	3.38%
Total Expenditures	\$ 1,037,676	\$ 1,289,661	\$ 1,290,200	\$ 1,190,500	\$ 1,300,900	0.83%
Funding Sources						
Transit Charges	\$ 243,530	\$ 174,930	\$ 180,000	\$ 170,000	\$ 170,000	-5.56%
Transit Grants	644,965	716,407	855,800	983,500	872,700	1.97%
Transit Tax Levy	100,555	52,386	52,360	52,200	113,026	115.86%
Sale of Vehicles	7,500	-	2,000	5,000	5,000	150.00%
Interest	5,780	10,492	3,000	3,500	3,000	0.00%
Donations	753	-	100	100	100	0.00%
Insurance Reimbursement	-	25,139	-	5,000	-	
Other	185	31	-	-	-	
Total Funding Sources	\$ 1,003,268	\$ 979,385	\$ 1,093,260	\$ 1,219,300	\$ 1,163,826	6.45%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	11.13	11.13	11.08	11.08	11.08	
Transit Dispatcher	2.02	2.02	2.09	2.09	2.09	
Transportation Serviceperson	0.64	0.64	0.63	0.63	0.63	
Total Part Time	13.80	13.80	13.80	13.80	13.80	
Total	15.00	15.00	15.00	15.00	15.00	\$ 606,700
Employee Benefits						153,100
Total Personal Services						\$ 759,800

Capital Outlay			
Item	Quantity	Replacement	Amount
Light Duty Buses	2	Yes	\$ 196,200
Bus Shelter Panel Replacements		Yes	12,400
			\$ 208,600

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 (Lot 7), adjacent to Mississippi Drive at Sycamore (Lot 4), 2nd and Pine streets (Lot 2), and at the corner of 3rd and Cedar streets (Lot 8). 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 \$8,400. This overall decrease is due to (1) a \$6,000 decrease in personal services costs due to vacancy savings from changes in meter attendants and the new employees starting at a lower step in the pay plan, (2) a \$400 decrease in commodities, and (3) a \$2,000 decrease in contractual services.

Fiscal year 2019/2020 revenues are projected to be \$8,300 less in total than the original budget. This overall decrease includes estimated decreases of \$8,000 in parking meter fees, \$400 in meter hood rentals, and \$6,000 in parking fines. These decreases have been partially offset by a \$6,000 increase in leased parking fees.

The 2020/2021 expenditures are \$1,400 (.6%) higher than the original budget for 2019/2020. This is due to (1) a \$4,600 increase in personal services costs, (4) a \$700 decrease in commodities, (3) a \$3,400 decrease in contractual services, and (4) a \$900 increase in administrative transfers.

Parking revenues for 2020/2021 are projected at \$210,700, which is the same as the 2019/2020 revised estimate revenues.

The 2020/2021 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 2020/2021 is estimated at \$43,471.

PERFORMANCE MEASURES:

	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Metered Parking Spaces	426 (2)	399 (2)	399	399	399
Leased Parking Spaces	168 (3)	186 (4)	186	193 (5)	193
Reserved Parking Spaces (1)	107	107	107	100 (5)	100
Free Parking Spaces	659	666	666	666	666
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,401	1,399	1,399	1,399	1,399
Overtime Parking Tickets Issued	9,046	8,498	7,561	7,700	7,700
Overtime Tickets Paid or Dismissed	7,573	6,770	6,006	6,160	6,160
Percent Paid or Dismissed	83.72%	79.67%	79.43%	80.00%	80.00%
Handicapped Tickets Issued	59	26	20	25	25
Handicapped Tickets Paid or Dismissed	50	23	19	24	24
Percent Paid or Dismissed	84.75%	88.46%	95%	96.0%	96.0%
Other Parking Tickets Issued	1,654	2,343	1,703	1,800	1,800
Other Tickets Paid or Dismissed	1,233	1,547	1,247	1,350	1,350
Percent Paid or Dismissed	74.55%	66.03%	73.22%	75.00%	75.00%
Overall Collection Rate	82.31%	76.75%	78.33%	79.10%	79.10%
Leased Parking Spaces Available	168 (3)	186	186	193	193
Spaces Leased	154	177	180	193	193
Percentage Leased	91.67%	95.16%	96.77%	100%	100%
Fines Collected by County Treasurer	\$23,587	\$25,430	\$23,757	\$24,000	\$24,000
Courtesy Tickets Issued	436	721	773	750	750
Tickets for Over 2-Hour Once per Day in Each Block Time Limit on 2 nd Street	N/A	550	389	350	350

1. Reserved spaces include those reserved for the 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.
5. The seven spaces in Lot 1 reserved for staff at the former library were changed to leased spaces beginning in 2019/2020.

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 7,561 expired meter tickets issued in 2018/2019. This was 937 (11.0%) less than the prior year number of 8,498. This decrease may partially be 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 was in part due to construction of the new Merrill Hotel, which displaced some private downtown parking. 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 19 new leased spaces added on Sycamore Street between 4th and 5th Street. The number of spaces leased increased to 180 in 2018/2019, which was 96.77% of the 186 leased spaces available. An additional seven (7) leased spaces were added in 2019 bringing the total available to 193. These spaces were formerly reserved for Library staff parking before the Library moved to their new location. At the time the budget was prepared 100% of the 193 leased spaces were filled. This can be attributed to the recent opening of the Hershey Lofts Apartments which added 25 new downtown housing rental units.

During the late spring and summer of 2019 parking staff was able to re-locate individuals with leased parking spaces in Lot 4 that were displaced due to the record-long 2019 Mississippi River flood.

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, to \$25,430 in 2017/2018, and decreased to \$23,757 in 2018/2019. Efforts will continue to look for other “Lean” initiatives in the Parking division.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- * 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 efforts to maintain a high occupancy level for the leased parking 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 is 95.21% of the 186 available spaces. In 2018/2019 180 of the 186 available spaces were leased (96.8%). At the time the budget was prepared 100% of the 193 available leased spaces were filled. This can be attributed to the recent opening of the Hershey Lofts Apartments, which added 25 new downtown housing rental units. The goal is to maintain, at a minimum, a 95% 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. The cost of new meters, transaction costs for accepting these payments, and the 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 78,383	\$ 83,401	\$ 80,101	\$ 73,471	\$ 63,371
Revenues					
Parking Fees (2)	\$ 109,106	\$ 95,233	\$ 110,000	\$ 102,000	\$ 102,000
Parking Permits	41,657	46,290	42,000	48,000	48,000
Meter Hoods	5,846	3,584	4,000	3,600	3,600
Fines	60,256	51,012	62,000	56,000	56,000
Interest	1,326	2,668	1,000	1,000	1,000
Insurance Reimbursement	3,435	0	0	0	0
Miscellaneous	235	105	0	100	100
Total Revenues	<u>\$ 221,861</u>	<u>\$ 198,892</u>	<u>\$ 219,000</u>	<u>\$ 210,700</u>	<u>\$ 210,700</u>
Funds Available	\$ 300,244	\$ 282,293	\$ 299,101	\$ 284,171	\$ 274,071
Expenditures (1)	<u>216,843</u>	<u>208,822</u>	<u>229,200</u>	<u>220,800</u>	<u>230,600</u>
Ending Balance, June 30	<u><u>\$ 83,401</u></u>	<u><u>\$ 73,471</u></u>	<u><u>\$ 69,901</u></u>	<u><u>\$ 63,371</u></u>	<u><u>\$ 43,471</u></u>

Increase (Decrease) in Fund Balance	\$ 5,018	\$ (9,930)	\$ (10,200)	\$ (10,100)	\$ (19,900)
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1. Expenditures include changes in compensated absences.
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 2020/2021 budget.

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. The Parking fund balance has been decreasing beginning in 2018/2019 primarily due to decreased revenues, primarily parking fees and fines.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 164,242	\$ 164,659	\$ 176,100	\$ 170,100	\$ 180,700	2.61%
Commodities	2,506	1,787	3,200	2,800	2,500	-21.88%
Contractual Services	18,121	16,146	22,400	20,400	19,000	-15.18%
Capital Outlay	8,469	3,138	1,900	1,900	1,900	0.00%
Transfers	23,900	24,600	25,600	25,600	26,500	3.52%
Total Expenditures	\$ 217,238	\$ 210,330	\$ 229,200	\$ 220,800	\$ 230,600	0.61%
Funding Sources						
Parking Fees	\$ 156,609	\$ 145,108	\$ 156,000	\$ 153,600	\$ 153,600	-1.54%
Parking Fines	60,256	51,012	62,000	56,000	56,000	-9.68%
Interest	1,326	2,668	1,000	1,000	1,000	0.00%
Insurance Reimbursement	3,435	-	-	-	-	
Miscellaneous	235	105	-	100	100	
Total Funding Sources	\$ 221,861	\$ 198,893	\$ 219,000	\$ 210,700	\$ 210,700	-3.79%

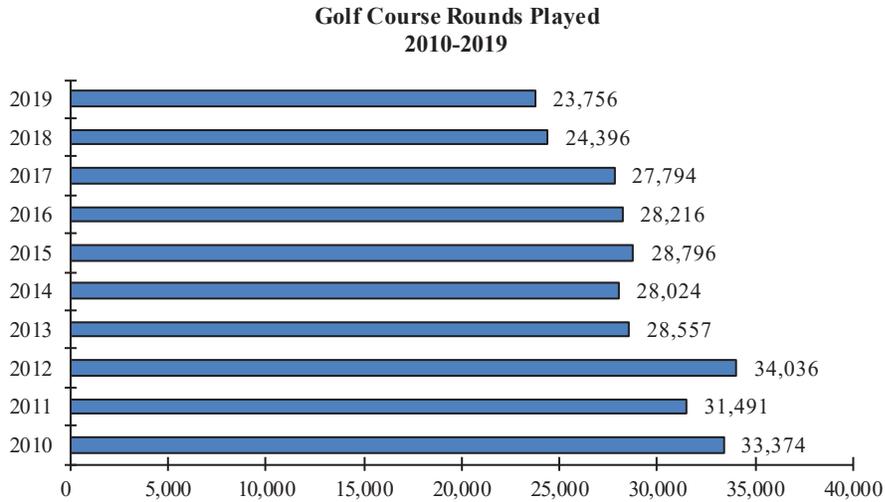
Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions/Position Allocations:						
Finance Director	0.05	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.10	0.10	0.10	0.10	0.10	
Groundskeeper	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	\$ 132,400
Employee Benefits						48,300
Total Personal Services						\$ 180,700

Capital Outlay			
Item:	Quantity	Replacement	Amount
Electronic Meters	12	Yes	\$ 1,900

GOLF COURSE FUND

GENERAL INFORMATION:

The Golf Course Enterprise Fund was established July 1, 1977. This fund functions as a self-supporting operation without General Fund tax support. Play at the 18-hole Municipal Golf Course, located north of the City limits, decreased in the years from 1998 through 2007. This decreased play followed a national trend and competition from other area courses may also have had an impact. Play, however, increased 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, decreased to 24,396 (by 12.2%) in 2018, and decreased to 23,756 (2.6%) in 2019. The following is a summary of the rounds during the past ten years:



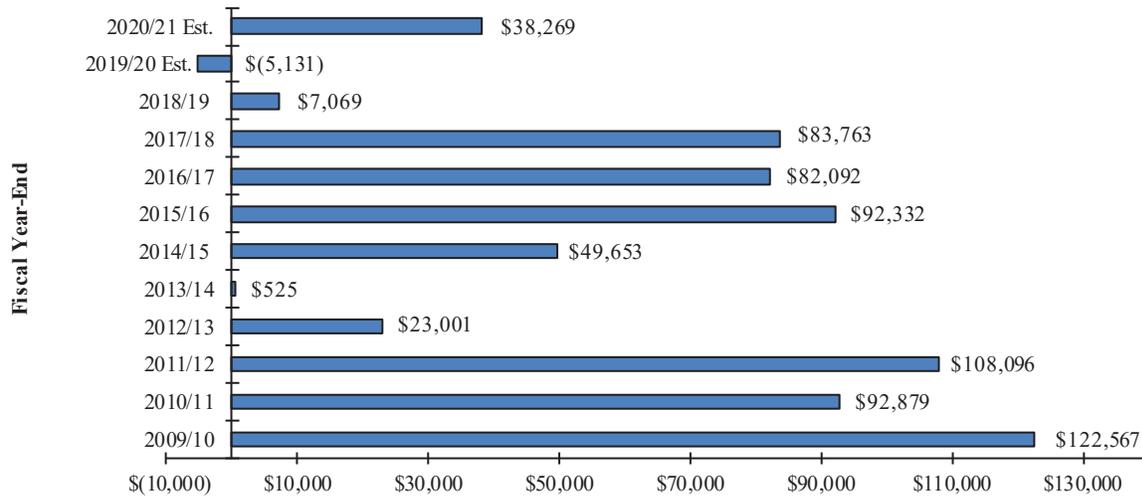
The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Rates were increased for 2012 and those rates were continued in 2013. Rates were increased for the 2014 season and those rates 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 increased by \$1.00 per round for greens fees and by \$25 for season passes for the 2019 season. Rates are again budgeted to increase for the 2020 golf season by \$1.00 per round and by \$25 for season passes for the 2020 season.

<u>WEEK DAYS</u>	<u>2012-2013</u>	<u>2014-2016</u>	<u>2017-2018</u>	<u>2019</u>	<u>Budget 2020</u>
Adults					
9 holes	\$ 14.00	\$ 15.00	\$ 16.00	\$ 17.00	\$ 18.00
18 holes	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00	\$ 22.00
Senior Citizens					
9 holes	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00	\$ 17.00
18 holes	\$ 16.00	\$ 17.00	\$ 18.00	\$ 19.00	\$ 20.00
Junior					
9 holes	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 7.00
18 holes	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 7.00

<u>WEEK DAYS</u>	<u>2012-2013</u>	<u>2014-2016</u>	<u>2017-2018</u>	<u>2019</u>	<u>Budget 2020</u>
Adults 1-3 p.m.					
9 holes	\$ 9.00	\$ 10.00	\$ 11.00	\$ 12.00	\$ 13.00
18 holes	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00	\$ 15.00
Senior Citizens 1-3 p.m.					
9 holes	\$ 8.00	\$ 9.00	\$ 10.00	\$ 11.00	\$ 12.00
18 holes	\$ 10.00	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00
 <u>WEEKENDS AND HOLIDAYS</u>					
18 Holes					
Adult	\$ 20.00	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00
Senior Citizens	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00	\$ 22.00
Juniors	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 8.00
 <u>SEASON PASSES</u>					
Adults	\$ 550.00	\$ 580.00	\$ 605.00	\$ 630.00	\$ 655.00
Juniors	\$ 90.00	\$ 90.00	\$ 90.00	\$ 115.00	\$ 140.00
Senior Citizens	\$ 465.00	\$ 490.00	\$ 515.00	\$ 540.00	\$ 565.00
College Student Pass	\$ 300.00	\$ 300.00	\$ 325.00	\$ 350.00	\$ 375.00
Family Pass	\$ 915.00	\$ 960.00	\$ 985.00	\$1,010.00	\$1,035.00

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 was 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.

The budgets for all of the Park divisions include increases in the hourly rates for seasonal employees. An updated Seasonal Pay Plan is budgeted to be effective April 1, 2020. As such, it will have an impact on both the 2019/2020 revised estimate and 2020/2021 budget. The goal of the updated pay plan is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

Revised estimate expenditures for the Golf Clubhouse are \$13,900 less in total than the original budget. This overall decrease is due to (1) a \$12,700 decrease in personal services costs due to restructuring the clubhouse staffing schedule and reducing part time hours, (2) a \$5,200 decrease in commodities which includes items for resale, and (3) a \$4,000 increase in capital outlay to purchase four new computers.

The budgeted expenditures for 2020/2021 are \$3,500 (.9%) less than the original 2019/2020 budget. Personal services costs decreased by \$2,600, which continues the new staffing schedule with reduced part time hours and includes the wage rates in the new seasonal pay plan. Commodities decreased by \$5,900 and contractual services increased by \$5,000 which includes a changeover in the point of sale (POS) system. 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 2019/2020 revised estimate is \$1,600 less than the original budget. This overall decrease is due to the net effect of (1) a \$4,300 increase in personal services costs, (2) an \$1,800 increase in commodities, (3) a \$4,400 increase in contractual services, and (4) a \$12,100 decrease in capital outlay. The personal services increase includes \$4,000 from the implementation of the new Seasonal Pay Plan. The decrease in capital outlay is due to the bids for the fairway mower coming in under budget.

The 2020/2021 budget is \$53,200 (11.7%) less than the original 2019/2020 budget. Personal services costs increased by \$10,300. The personal services increase includes \$5,500 due to the new Seasonal Pay Plan. Commodities decreased by \$1,700, contractual services decreased by \$3,600, capital outlay decreased by \$60,000, and transfers increased by \$1,800.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2019/2020 will be a deficit \$5,131. The deficit is primarily due to reduced revenues. The fund balance at the end of 2020/2021 is estimated to increase to \$38,269. A number of factors can continue to impact revenues at the course, especially the weather.

Fees were last increased for the 2019 golf season. As noted previously, rates are budgeted to increase again for the 2020 golf season. Daily greens fees are budgeted to increase by \$1.00 per round and season passes are budgeted to increase by \$25.00 for all categories of passes.

The 2020 season will be the 15th 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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
Golf Maintenance Operations:					
Top Dressed Greens	9	9	8	8	9
Stimped Greens	15	15	15	18	20
Aerified Greens	2	3	3	3	3
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	260	260	257	257	254
New Trees Planted	0	6	3	2	7
Bluebirds Fledged	14	14	13	11	14
Rolled Greens	20	27	40	42	42
Verti-cut Greens	7	7	6	6	7

Clubhouse Operations:					
Rounds Played	28,216	27,794	24,396	23,756	26,000
Events	45	44	53	54	55
Leagues	10	10	10	9	9
Season Passes Sold	241	220	246	220	240
Driving Range Tokens Sold	4,175	4,180	3,812	3,908	4,500
Gift Cards Sold (\$)	\$38,200	\$40,563	\$41,378	\$41,976	\$45,000
Lesson Hours	74	77	82	111	120
Total Beer Sales (Units)	39,748	39,789	36,896	34,491	38,000
Total Food and Beverage (Units)	28,478	25,119	22,838	23,498	26,000
Simulator Usage (\$)	\$2,410	\$2,548	\$1,270	\$1,160	\$2,500
Merchandise Sales (\$)	\$47,429	\$41,581	\$37,752	\$43,658	\$50,000

RECENT ACCOMPLISHMENTS:**Golf Course Operations**

The course was able to open for the 2019 season on March 21 as the winter was very cold with lots of snow but there was no damage due to snow or wind. April had good weather for golf, but May was almost a complete lost month with the amount of rain and below-average temperatures. June had favorable weather, but July thru early August were very hot and dry. The irrigation system was used more than normal during this time period. Fall again had good weather for golf and the golf course remained open until December 8. The new irrigation system continues to be a success as staff are able to be more efficient with the water and more specific with the target watering. This has been, and will continue to be, very helpful. The conditions this year on the course were very good all season long. The course was in great shape at the end of the season and should be in great shape starting next spring.

Staff continues to make progress behind #2 green and behind #6 tee as work is done to clear the timber and keep the underbrush and scrub trees mowed down. This will allow more air movement and visibility in the corner of the course. These changes have been well received by the golfers and work will continue on this area as time allows.

Driving range mats continue to be a success, as does mowing the front of the driving range tee out farther to give golfers a potential area to hit when the regular driving range tee is too wet. The grass tee only closed a few days this past year because of wetness. Some golfers prefer the mat and others did not. This worked out well as it took some of the pressure off the turf from a long season. The mats will be utilized in the spring if conditions are wet or frosty in the early mornings or until the turf starts to grow.

Staff continues to work on removing dead or dying trees. Twelve trees were removed this fall and two new trees were planted. The tree nursery has been restocked and those trees will be used on the course as they get bigger. Staff continues to take down dead trees with the hope of replanting one tree for every two taken down.

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

Golf Course Clubhouse

Throughout the year, staff hosted events and supported the community in various ways. In 2019, the Golf course hosted the Iowa PGA in a Pro-Series event and a PGA Jr. League event. Programs hosted in the clubhouse included family themed Bingo, birthday parties, retirements, and events that were unable to be held on the Riverfront due to flooding. Staff held the first Footgolf outing at the golf course in August with thirty-two (32) players. Despite the cold weather last winter and spring, the Parks and Recreation department was able to have the Winterfest at the golf course, a very successful Job Fair in March, and Turkey Trot in November.

Staff continues to work with Junior programs to get more golfers out onto the golf course. This was the third year staff worked with the Excel Program at St. Mary and Mathias Catholic School. Staff was able to get golf clubs into the hands of eighteen (18) sixth graders and teach them the basics of golf. This year's class was the largest class held to date. The Golf Course also had the largest class for Junior Summer Camps this year with twenty-five students.

The golf course staff worked with the GIVE Foundation (Golf for Injured Veterans Everywhere). Disabled veterans were able to use the course with a guest, and through the generosity of members, staff was able to donate shoes, golf bags, clubs, and balls to those veterans who cannot get out without adaptive needs addressed, to play golf. In 2019, the course held the VA National Disabled Veteran Tournament and hosted seventy-one Veterans and their aides.

During July and August 2019, staff was able to re-implement the Business of the Week program that was originally started in 2016. The golf course offered one hundred and fifty (150) cards to more than forty local businesses in the Muscatine community. Four hundred sixty-five (465) rounds were played from those cards, which generated revenues in cart rentals, Pro Shop merchandise sales, and food and beverage sales from the snack bar.

Despite the poor weather in the early part of the year, the Golf Course hosted fifty-four events (not including golf leagues). Only one event was rained out and had to be re-scheduled. Staff continues to work with coordinators of tournament events and daily golfers to be able to create as much play as possible. Staff also continues to look for cost efficiencies without affecting service to the public.

OBJECTIVES TO BE COMPLETED IN 2020/2021:

Golf Course Operations

- To continue renovation of the #9 and #15 greens.
- To repair some existing cart paths and add continuous cart paths to #3, #15, 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 as the old ones are starting to show age and deterioration.
- To build new tees on #1, #10, #11, and #18 to make the holes more enjoyable.
- To look at replacing the mat on the #3 tee with a more permanent solution.

Golf Course Clubhouse

- To continue to improve and enhance products and services available to 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance (Deficit), July 1	\$ 48,758	\$ 44,324	\$ 26,924	\$ (26,671)	\$ (38,871)
Revenues	<u>763,482</u>	<u>683,187</u>	<u>823,300</u> (3)	<u>804,000</u> (4)	<u>818,400</u> (4)
Funds Available	<u>\$ 812,240</u>	<u>\$ 727,511</u>	<u>\$ 850,224</u>	<u>\$ 777,329</u>	<u>\$ 779,529</u>
Expenditures:					
Golf Course Maintenance Operations	\$ 428,261 (2)	\$ 436,586 (2)	\$ 456,800	\$ 455,200	\$ 403,600
Golf Clubhouse Operations	<u>339,655</u>	<u>317,596</u>	<u>374,900</u>	<u>361,000</u>	<u>371,400</u>
Total Expenditures (1)	<u>\$ 767,916</u>	<u>\$ 754,182</u>	<u>\$ 831,700</u>	<u>\$ 816,200</u>	<u>\$ 775,000</u>
Ending Balance (Deficit), June 30	\$ 44,324	\$ (26,671)	\$ 18,524	\$ (38,871)	\$ 4,529
Allowance for Inventory	<u>39,439</u>	<u>33,740</u>	<u>39,439</u>	<u>33,740</u>	<u>33,740</u>
Net Balance (Deficit), June 30	<u><u>\$ 83,763</u></u>	<u><u>\$ 7,069</u></u>	<u><u>\$ 57,963</u></u>	<u><u>\$ (5,131)</u></u>	<u><u>\$ 38,269</u></u>
Increase (Decrease) in					
Fund Balance	\$ (4,434)	\$ (70,995)	\$ (8,400)	\$ (12,200)	\$ 43,400

1. Expenditures include changes in compensated absences.
2. The 2017/2018 expenditures included a \$45,000 payment on the internal loan for the irrigation system.
The 2018/2019 expenditures included the final irrigation project payment of \$45,200.
3. Golf fees were increased for the 2019 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
4. Golf fees are budgeted to increase for the 2020 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>2017/2018</u>	<u>Actual</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>	<u>Revised</u> <u>Estimate</u> <u>2019/2020</u>	<u>Budget</u> <u>2020/2021</u>
Season Passes	\$ 112,422	\$ 110,554	\$ 120,000 (2)	\$ 120,500 (3)	\$ 120,500 (5)
Greens Fees	203,403	177,106	224,000 (2)	211,500 (3)	218,000 (5)
Interest	1,155	2,005	900	900	900
Rental of Buildings	50	0	200	500	500
Lessons	2,803	3,055	5,000	4,000	4,000
Golf Cart Rental	201,164	175,572 (1)	210,000	212,500 (4)	220,000 (5)
Pull Cart Rental	786	593	1,000	800	800
Driving Range Fees	17,059	15,681	20,000	18,000	18,000
Simulator Fees	2,019	820	3,000	1,000	1,000
Catering Fee	25	458	300	300	300
Beer Sales	104,502	91,173	110,000	110,000	110,000
Food and Beverage Sales	46,508	41,328	50,000	50,000	50,000
Merchandise Sales	42,848	38,839	50,000	45,000	45,000
Miscellaneous Sales	1,807	1,865	2,500	2,000	2,000
Rebate - Soft Drink Supplier	2,000	2,000	2,000	2,000	2,000
Cashier Overages	437	361	0	0	0
Sales Tax	23,443	21,291	24,000	24,600	25,000
Miscellaneous	1,050	486	400	400	400
Total Revenues	<u>\$ 763,481</u>	<u>\$ 683,187</u>	<u>\$ 823,300</u>	<u>\$ 804,000</u>	<u>\$ 818,400</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 were increased for the 2019 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
3. Golf fees are budgeted to increase for the 2020 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
4. Cart rental fee rates are budgeted to increase by \$1.00 for both 9 holes and 18 holes for the 2020 golf season.
5. The 2020/2021 budget reflects a full fiscal year with the rate increases budgeted to begin in the 2020 golf season.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 200,652	\$ 205,985	\$ 221,400	\$ 225,700	\$ 231,700	4.65%
Commodities	66,819	62,915	71,200	73,000	69,500	-2.39%
Contractual Services	42,824	34,662	44,000	48,400	40,400	-8.18%
Capital Outlay	19,900	27,233	60,000	47,900	-	-100.00%
Transfers	<u>101,200</u>	<u>103,064</u>	<u>60,200</u>	<u>60,200</u>	<u>62,000</u>	2.99%
Total Expenditures	<u>\$ 431,395</u>	<u>\$ 433,859</u>	<u>\$ 456,800</u>	<u>\$ 455,200</u>	<u>\$ 403,600</u>	-11.65%
Funding Sources						
Golf Funds	<u>\$ 431,395</u>	<u>\$ 433,859</u>	<u>\$ 456,800</u>	<u>\$ 455,200</u>	<u>\$ 403,600</u>	-11.65%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 173,700
Employee Benefits						<u>58,000</u>
Total Personal Services						<u>\$ 231,700</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Clubhouse Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 150,729	\$ 153,646	\$ 177,900	\$ 165,200	\$ 175,300	-1.46%
Commodities	107,312	83,809	107,900	102,700	102,000	-5.47%
Contractual Services	81,613	81,057	89,100	89,100	94,100	5.61%
Capital Outlay	-	398	-	4,000	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 339,654</u>	<u>\$ 318,910</u>	<u>\$ 374,900</u>	<u>\$ 361,000</u>	<u>\$ 371,400</u>	-0.93%
Funding Sources						
Golf Fees and Sales	<u>\$ 339,654</u>	<u>\$ 318,910</u>	<u>\$ 374,900</u>	<u>\$ 361,000</u>	<u>\$ 371,400</u>	-0.93%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.47	1.47	1.47	1.35	1.35	
Cashier	1.09	1.09	1.09	0.77	0.77	
Laborer/Ranger	<u>0.71</u>	<u>0.71</u>	<u>0.71</u>	<u>0.35</u>	<u>0.35</u>	
Total Part Time	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>2.47</u>	<u>2.47</u>	
Total	4.27	4.27	4.27	3.47	3.47	\$ 134,400
Employee Benefits						<u>40,900</u>
Total Personal Services						<u>\$ 175,300</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 2019/2020 revised estimate is the same as the original budget. The 2020/2021 budget is \$400 (1.8%) more than the 2019/2020 budget. Personal services costs increased \$300 (1.9%) and contractual services increased \$100.

The Boat Harbor continues to see a decline in slip rentals. The river conditions, including multiple floods in 2018 and 2019, 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 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 General Fund subsidy was again needed to eliminate the deficit balance of \$16,910 in 2018/2019. A fund balance of \$200 is projected for June 30, 2021.

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. In 2019, twenty-two (22) slips were rented. 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. The 2019 season saw record floods again, with the river levels being above flood stage for over ninety days.

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 2020 and 2021 boating seasons. The history of rates are shown in the following chart:

TYPE OF BOAT

	<u>2010-2014</u>	<u>2015-2017</u>		<u>2018-2020</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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Boat Slips Rented*	31	26	22	30	30
Rented Boat Slips Available*	58	58	58	58	58
Percent Rented	53%	45%	38%	52%	52%
Courtesy Boat Slips Available **	12	12	13	13	13

* Includes the Long Dock and House Boat slips.

** The Courtesy Dock near Pearl City Station was added in 2019.

RECENT ACCOMPLISHMENTS:

With the river being above major flood stage for over 90 days this past spring and summer, boat slip rentals were down significantly. The high water levels caused damages to the Transient and Long Docks. The City qualified for FEMA support and is currently awaiting approval from FEMA to begin the repairs of both docks. The harbor wall was sprayed for weeds several times this summer and fall when the river level dropped.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- 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 complete the repairs of the Transient and Long Docks that were damaged from the 2019 floods.
- 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance (Deficit), July 1	\$ (98,562) (3)	\$ 0	\$ 700	\$ 0	\$ 400
Revenues					
Boat Slip Rentals	\$ 16,866 (2)	\$ 3,890	\$ 22,000	\$ 22,000	\$ 22,000
Overnight Slip Rentals	0	0	0	200	0
Interest	16	0	0	0	0
Insurance Reimbursement	88,724	0	0	0	0
Other	941	0	0	0	0
Transfer from General Fund: Subsidy to Eliminate Deficit	13,734 (4)	16,910 (5)	0	0	0
Total Revenues	\$ 120,281	\$ 20,800	\$ 22,000	\$ 22,200	\$ 22,000
Funds Available	\$ 21,719	\$ 20,800	\$ 22,700	\$ 22,200	\$ 22,400
Expenditures (1)	21,719	20,800	21,800	21,800	22,200
Ending Balance, June 30	\$ 0	\$ 0	\$ 900	\$ 400	\$ 200
Increase (Decrease) in Fund Balance	\$ 98,562	\$ -	\$ 200	\$ 400	\$ (200)

1. Expenditures include changes in compensated absences.
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.
5. A transfer from the General Fund eliminated the deficit balance at the end of 2018/2019. The deficit balance was in part due to record level flooding in 2019.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 15,103	\$ 15,793	\$ 16,200	\$ 16,200	\$ 16,500	1.85%
Commodities	1,100	556	800	800	800	0.00%
Contractual Services	3,460	2,464	3,300	3,300	3,400	3.03%
Capital Outlay	-	-	-	-	-	
Transfers	1,500	1,500	1,500	1,500	1,500	0.00%
Total Expenditures	\$ 21,163	\$ 20,313	\$ 21,800	\$ 21,800	\$ 22,200	1.83%
Funding Sources						
Boat Harbor Revenues	\$ 16,882	\$ 3,890	\$ 22,000	\$ 22,000	\$ 22,000	0.00%
Overnight Slip Rentals	-	-	-	200	-	
Insurance Reimbursement	88,724	-	-	-	-	
Sale of Old Docks	941	-	-	-	-	
Transfer from General Fund	13,734	16,910	-	-	-	
Total Revenues	\$ 120,281	\$ 20,800	\$ 22,000	\$ 22,200	\$ 22,000	0.00%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 13,700
Employee Benefits						2,800
Total Personal Services						\$ 16,500

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, 2016/2017, and 2017/2018 to eliminate deficit balances of \$436, \$400, \$620, \$1,224, and \$1,217 respectively. The General Fund subsidy transfer in 2018/2019 was \$2,061.

CURRENT TRENDS AND ISSUES:

The 2019/2020 revised estimate and 2020/2021 budget allow for fuel purchases and fuel sales to continue at recent year levels. The 2019/2020 revised estimate is \$100 higher than the original budget due to an inspection for possible water in the fuel tanks after the floods. The 2020/2021 budget is \$300 (2.5%) higher than the original 2019/2020 budget due to an increase in personal services costs. The budget projection shows this operation having a minimal fund balance of \$1,324 as of June 30, 2021. 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 2017	Actual 2018	Actual 2019	Estimated 2020	Estimated 2021
Gallons of Gasoline Sold	2,750	2,122	882 *	2,500	2,500
Gallons of Diesel Fuel Sold	0	858	0 *	500	500
Hours Open	178	168	112*	180	180

* Fuel sales and hours open were down due to the spring and summer floods in 2019.

RECENT ACCOMPLISHMENTS:

Due to multiple floods there was a delay in opening the marina in 2019. The gas dock, however, was opened prior the Fourth of July holiday. Staff was available at the gas dock to serve boaters during scheduled hours and outside these hours; appointments were available through the parks office.

In 2019, the Marina operation was impacted by the third and fourth highest floods in history. A section of the gas dock was broken off due to the high river levels. The City has been approved for FEMA reimbursements due to flooding and a request to fix the dock has been submitted.

After the floods, the fuel tanks were inspected for water and it was determined that there was no water in the fuel dispensed to boaters. Water absorbing filters were added to both the gas and diesel fuel dispensers.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance (Deficit), July 1	\$ (3,630)	\$ (3,150)	\$ (2,850)	\$ (1,826)	\$ (1,726)
Revenues					
Fuel Sales	\$ 7,966	\$ 5,234	\$ 12,000	\$ 12,000	\$ 12,000
Miscellaneous	121	7	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>1,217</u>	<u>2,061</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 9,304</u>	<u>\$ 7,302</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>
Funds Available	\$ 5,674	\$ 4,152	\$ 9,250	\$ 10,274	\$ 10,374
Expenditures	<u>8,824</u>	<u>5,978</u>	<u>11,900</u>	<u>12,000</u>	<u>12,200</u>
Ending Balance (Deficit), June 30	\$ (3,150)	\$ (1,826)	\$ (2,650)	\$ (1,726)	\$ (1,826)
Allowance for Inventory	<u>3,150</u>	<u>1,826</u>	<u>3,150</u>	<u>3,150</u>	<u>3,150</u>
Net Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 1,424 (1)</u>	<u>\$ 1,324 (1)</u>
Increase (Decrease) in Net Fund Balance	\$ 480	\$ 1,324	\$ 200	\$ 100	\$ (100)

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 1,935	\$ 1,100	\$ 1,800	\$ 1,800	\$ 2,100	16.67%
Commodities	6,292	4,308	9,100	9,100	9,100	0.00%
Contractual Services	597	570	1,000	1,100	1,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 8,824</u>	<u>\$ 5,978</u>	<u>\$ 11,900</u>	<u>\$ 12,000</u>	<u>\$ 12,200</u>	2.52%
Funding Sources						
Fuel Sales	\$ 7,966	\$ 5,234	\$ 12,000	\$ 12,000	\$ 12,000	0.00%
Miscellaneous Revenue	121	7	100	100	100	0.00%
Subsidy to Eliminate Deficit	<u>1,217</u>	<u>2,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 9,304</u>	<u>\$ 7,302</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 12,100</u>	0.00%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 1,900
Employee Benefits						<u>200</u>
Total Personal Services						<u>\$ 2,100</u>

SOCCER EVENTS FUND

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 revenues 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. Seventy-two (72) teams participated in the event and one hundred and fifty-seven (157) college coaches were registered for the event. 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. In 2019, sixty (60) teams participated, which was twelve less than the prior year. One hundred sixty-three (163) college coaches were registered, up six from the prior year.

The 2019/2020 revised estimate is \$3,400 less than the original budget. Personal services costs are \$1,200 more than the original budget due to the updated seasonal pay plan effective April 1, 2020. Commodities are \$500 less than budgeted and contractual services are \$4,100 less than budgeted. Revenues are estimated at \$67,000 and include \$62,000 in event fees, \$3,900 in merchandise sales, and \$1,100 in interest.

The 2020/2021 budget totals \$108,400 and is \$36,200 (50.1%) more than 2019/2020 budget. The overall increase is due to a \$38,000 capital outlay allocation for the purchase of a GPS field painter. Funding for this purchase will be from the balance accumulated in this fund from prior year events. Personal services costs increased by \$1,300 due to the new seasonal pay plan. Commodities decreased by \$1,000 and contractual services decreased by \$2,100. Revenues include \$70,200 in event fees, \$4,000 in merchandise sales, and \$1,100 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 2017	Actual 2018 *	Actual 2019	Estimated 2020	Estimated 2021
Boys Teams Registered	42	28	22	36	36
Girls Teams Registered	42	44	38	36	36
College Coaches Registered	153	157	163	175	175

* 2018 was the first year this event was run by the City.

RECENT ACCOMPLISHMENTS:

The Parks and Recreation department enhanced advertising for the 2019 event in an effort to increase participation of teams and college coaches. The total teams for girls and boys, however, declined while the total number of coaches increased.

The Parks and Recreation department has started the process of preparing for the 2020 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.

Once again, all divisions of the Parks and Recreation department will work together to bring this event together.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- 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

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 0	\$ 61,930	\$ 98,930	\$ 73,862	\$ 72,062
Revenues					
Event Fees	\$ 67,748	\$ 56,458	\$ 93,600	\$ 62,000	\$ 70,200
Merchandise Sales	0	4,569	4,500	3,900	4,000
Interest	117	858	600	1,100	1,100
Total Revenues	\$ 67,865	\$ 61,885	\$ 98,700	\$ 67,000	\$ 75,300
Funds Available	\$ 67,865	\$ 123,815	\$ 197,630	\$ 140,862	\$ 147,362
Expenditures	\$ 5,935	\$ 49,953	72,200	\$ 68,800	108,400 (3)
Ending Balance, June 30 (2)	\$ 61,930	\$ 73,862	\$ 125,430	\$ 72,062	\$ 38,962
Increase (Decrease) in Fund Balance	\$ 61,930	\$ 11,932	\$ 26,500	\$ (1,800)	\$ (33,100)

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.
3. The 2020/2021 budget includes \$38,000 for a GPS Field Painter. Funding for this purchase is from the balance accumulated in this fund from prior year events. As of January 1, 2020 there was \$45,241 in this fund. This is prior to receiving registrations and incurring any costs for the 2020 event.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Soccer Events

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ 2,174	\$ 8,400	\$ 9,600	\$ 9,700	15.48%
Commodities	5,935	5,622	15,700	15,200	14,700	-6.37%
Contractual Services	-	42,157	48,100	44,000	46,000	-4.37%
Capital Outlay	-	-	-	-	38,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 5,935	\$ 49,953	\$ 72,200	\$ 68,800	\$ 108,400	50.14%
Funding Sources						
Entry Fees	\$ 67,748	\$ 56,458	\$ 93,600	\$ 62,000	\$ 70,200	-25.00%
Merchandise Sales	-	4,569	4,500	3,900	4,000	-11.11%
Interest	117	858	600	1,100	1,100	83.33%
Total Funding Sources	\$ 67,865	\$ 61,885	\$ 98,700	\$ 67,000	\$ 75,300	-23.71%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Part Time:						
Program Aides	0.00	0.40	0.40	0.40	0.40	\$ 8,800
Employee Benefits						900
Total Personal Services						\$ 9,700

Capital Outlay			
Item:	Quantity	Replacement	Amount
GPS Field Painter	1	No	\$ 38,000

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. Effective July 1, 2019 rates were set at \$607 for BLS calls, \$720 for ALS1 calls, \$1,043 for ALS2 calls, and \$1,232 for SCT calls. The mileage rate was maintained at \$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 2020/2021, 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 2019/2020, the budget allocation increased to 25% of the Fire department personal services costs for the base staffing level which totaled \$1,079,400. The base transfer for 2020/2021 at the allocation rate of 25% is \$1,105,200 which is a \$25,800 (2.4%) increase from the 2019/2020 budget.

Additional revenues from GEMT (Ground Emergency Medical Transportation) funds are expected to increase reimbursements for Medicaid patients beginning in 2020. This allowed for three new firefighter positions to be added in the Fire department budget beginning in January 2020 at a cost of \$116,300. The 2019/2020 Ambulance budget included 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 was 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 in 2019/2020 total \$1,195,700 which is 27.1% of Fire department personal services costs. The additional transfer of the GEMT funds is estimated at \$232,600 for the 2020/2021 budget. 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 2019/2020 are \$12,700 more than the original budget. Personal services costs are \$24,600 less than budgeted due to a reduction in part time ambulance drivers. Commodities are \$10,700 more than budgeted for increased operating and repair and maintenance supplies. Contractual services are \$5,600 more than budgeted and capital outlay \$21,000 more than budgeted. The capital outlay increase is for the purchase of a LifePak defibrillator which was 100% funded from a grant from the Community Foundation.

The budgeted expenditures for 2020/2021 are \$235,300 (12.4%) more than the original 2019/200 budget. This overall increase is due to the net effect of (1) a \$19,400 decrease in personal services costs for reduced part time ambulance attendant hours, (2) a \$10,700 increase in commodities, (3) a \$33,800 increase in contractual services, (4) a \$66,700 increase in capital outlay, and (5) a \$143,500 increase in transfers. The increase in transfers includes the \$232,600 in expected GEMT reimbursements, which will be used to fund the three firefighter positions added in January of 2020. The capital outlay allocation for 2020/2021 is \$206,000 and includes an ambulance replacement (\$200,000) and six Surface Pro Computers (\$6,000).

Ambulance service fees are estimated at \$1,600,000 for 2019/2020 and that is also the estimate for 2020/2021 (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 are expected beginning in calendar year 2020 from GEMT (Ground Emergency Medical Transportation) funding. This funding is expected to increase reimbursements for Medicaid patients. The GEMT funding for 2020/2021 is estimated at \$232,600. Based on the projected revenues and expenditures, the fund balance at the end of 2020/2021 is projected at \$67,652.

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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
Urban Zone Medical Responses	2,705	2,703	2,800	2,781	2,750
Suburban/Rural Zone Medical Responses	401	474	512	514	600
Out of Territory Medical Responses	49	32	72	81	125
Interfacility Transfers	1,084	1,301	1,269	1,334	1,500
Total EMS Calls	4,239	4,510	4,653	4,710	4,975
EMS Calls as % of Total Fire Calls	90.0%	88.4%	92.5%	90.5%	90.0%
EMS Training Hours	1,677	1,911	1,733	2,130	1,500
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	89.7% *	91.0%	91.4%	90.7%	91.0%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	93.2%	94.3%	91.4%	94.6%	90.0%

* The lower 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 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.

Staff has created specifications as well as purchased and put into service a power stair chair and a power load cot and system to provide better service and improve the safety and health of employees.

Staff has implemented strategies to decrease EMS costs, including changes in purchasing and vendors in order to save costs on supplies, and provided no-cost in-house training for Pediatric Advanced Life Support and Advanced Cardiac Life Support

The ambulance operation saw a slight increase in total medical calls in 2019. There was a 3.8% increase in out of town drop-offs compared to 2018. The medical call volume was 4.3% and out of town drop offs were 6.0% above the five year average. Staff expect more than a 17% increase in medical calls from 2016 to 2020. This includes an estimated 155% increase in out-of-district calls. This is based on the recent trend of increasing call volume north of the City.

The department hosted the 21st Annual Muscatine County EMS Day at Farm & Fleet. The department also hosted the 10th Annual EMS Saturday conference at Discovery Park. This event draws participants from throughout Eastern Iowa as well as serving Muscatine Fire department personnel.

The City purchased and put into service a sixth ambulance. This ambulance is dedicated to lower acuity transfers. The new ambulance is a less expensive unit and designed for longer transports instead of the space and power needs for 911 calls. This unit will improve patient comfort while decreasing maintenance costs to the City and reducing the wear and tear on the 911 ambulances.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- * To evaluate and review the implementation of the new Type II ambulance. The department will evaluate the various ambulance types and their potential future integration into the fleet.
- * To meet with various other emergency responder agencies and determine proper integration of services. This determination will be followed up with training. Once completed, this goal should provide for more efficient care of patients. **(City Council and Management Continuous Service Improvement Goal)**
- * To review new trends in EMS and research their applicability to Muscatine. From there staff will determine if changes can be made to improve services, and prioritize those based on viability and cost. A plan will be developed to implement at least one of these changes into the present system **(City Council and Management Continuous Service Improvement Goal)**

Ambulance Operations

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 285,164	\$ 312,250	\$ 280,350	\$ 344,952	\$ 329,852
Revenues					
Ambulance Fees	\$ 1,524,490	\$ 1,589,022	\$ 1,550,000	\$ 1,600,000	\$ 1,600,000
Ambulance Fees - GEMT Funds					
Expected Beginning in 2020	0	0	116,300 (2)	232,600 (3)	232,600 (4)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	93,827	16,260	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Donations	0	0	0	24,500	0
Interest	2,953	3,798	3,000	3,000	3,000
Local Grant/Reimbursement	25,628	1,900	1,900	0	0
Total Revenues	<u>\$ 1,678,298</u>	<u>\$ 1,642,380</u>	<u>1,702,600</u>	<u>\$ 1,891,500</u>	<u>1,867,000</u>
Funds Available	\$ 1,963,462	\$ 1,954,630	1,982,950	\$ 2,236,452	2,196,852
Expenditures (1)	<u>1,651,212</u>	<u>1,609,678</u>	<u>1,893,900</u>	<u>1,906,600</u>	<u>2,129,200</u>
Ending Balance, June 30	<u><u>\$ 312,250</u></u>	<u><u>\$ 344,952</u></u>	<u><u>\$ 89,050</u></u>	<u><u>\$ 329,852</u></u>	<u><u>\$ 67,652</u></u>

Increase (Decrease) in Fund Balance	\$ 27,086	\$ 32,702	\$ (191,300)	\$ (15,100)	\$ (262,200)
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- Expenditures include changes in compensated absences.
- At the time the 2019/2020 budget was prepared, additional ambulance revenues were 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 was estimated at \$116,300 for the last half of fiscal year 2019/2020. This same amount was included in transfers to the General Fund to fund three new firefighters in the Fire department budget starting January 1, 2020. Those positions were subject to the receipts of the GEMT funds.
- The GEMT reimbursements are now expected to be received retroactively to July 1, 2019 and the Revised Estimate GEMT revenues have been increased to \$232,600, which is the estimated amount for the full fiscal year.
- The GEMT funds for Medicaid patients in 2020/2021 again represents the estimated revenue from a full fiscal year of these reimbursements.

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 175,969	\$ 178,432	\$ 188,200	\$ 163,600	\$ 168,800	-10.31%
Commodities	117,941	117,057	114,700	125,400	125,400	9.33%
Contractual Services	198,649	195,210	212,700	218,300	246,500	15.89%
Capital Outlay	177,108	30,797	139,300	160,300	206,000	47.88%
Transfers	979,447	1,087,100	1,239,000	1,239,000	1,382,500	11.58%
Total Expenditures	\$ 1,649,114	\$ 1,608,596	\$ 1,893,900	\$ 1,906,600	\$ 2,129,200	12.42%
Funding Sources						
Ambulance Fees	\$ 1,618,317	\$ 1,618,317	\$ 1,666,300	\$ 1,832,600	\$ 1,832,600	9.98%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	2,953	2,953	3,000	3,000	3,000	0.00%
Local Grant/Reimbursements	25,628	25,628	1,900	24,500	-	-100.00%
Total Funding Sources	\$ 1,678,298	\$ 1,678,298	\$ 1,702,600	\$ 1,891,500	\$ 1,867,000	9.66%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	0.70	0.73	0.77	0.48	0.48	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	1.95	1.98	2.02	1.73	1.73	\$ 119,000
Employee Benefits						49,800
Total Personal Services						\$ 168,800

Capital Outlay			
Item:	Quantity	Replacement	Amount
Ambulance	1	Yes	\$ 200,000
Surface Pro Computers	6	No	6,000
Total			\$ 206,000

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, increased to \$67,500 for 2019/2020, and is budgeted to remain at \$67,500 for 2020/2021.

The original CVB budget for 2019/2020 was \$125,900 and the revised estimate increased by \$1,500 to \$127,400. Increases in the budget include (1) a \$200 increase in operating supplies, (2) a \$1,000 increase in printing services, and (3) a \$300 increase in travel and education.

The 2020/2021 budget for the CVB totals \$132,000, which is \$6,100 (4.9%) more than the original 2019/2020 budget. The overall increase includes (1) a \$200 increase in promotional supplies, (2) a \$3,000 increase in printing services, (3) a \$300 increase in travel and education, (4) a \$2,500 increase in advertising and marketing, and (5) a \$100 increase in the administrative fee. The marketing budget allocation includes continuing to use the McDaniels Marketing Agency for digital marketing on Facebook and Google.

The 2019/2020 revised estimate hotel/motel tax funding (25% of prior year actual hotel/motel taxes) has been increased from the \$115,000 originally budgeted to \$123,700 since actual 2018/2019 hotel/motel tax revenues were more than budgeted. The 2020/2021 budget reflects an allocation of \$125,000 in hotel/motel tax funding, based on 25% of the estimated \$500,000 in hotel/motel taxes for 2019/2020. The actual funding amount, however, will be 25% of actual 2019/2020 hotel/motel tax revenues. The CVB fund is projected to have a fund balance of \$141,421 as of June 30, 2021.

PERFORMANCE MEASURES

Guides

Metrics Measured	Actual 2017/2018	Actual 2018/2019	Goal 2019/2020	2019/2020 Year to Date	Goal 2020/2021
Requests for Mailings	80	91	500	300	600
Visitor Guides Distributed	8,000	5,000	5,000	3,700	5,000

Social Media

Metrics Measured	Actual 2017/2018	Actual 2018/2019	2019/2020 Year to Date	Goal 2020/2021
Facebook Likes	1,612	2,185	2,460	4,000
Twitter Followers	609	642	670	850
Instagram Followers	367	378	526	600

Other Social Media

Metrics Measured	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	2019/2020 Year to Date	Goal 2020/2021
Highest Facebook Post Reach	5,656	4,645	5,583	6,997	9,000
Highest Tweet Impressions	N/A	1,227	908	2,348	1,400
Most Likes on an Instagram Post	N/A	31	24	21	100

CVB Website

Metrics Measured	Actual 2017/2018	Actual 2018/2019	2019/2020 Year to Date	Goal 2020/2021
Visitors	13,891	98,324	41,258	150,000
Page Views	27,290	139,876	62,180	175,000

E-Newsletter

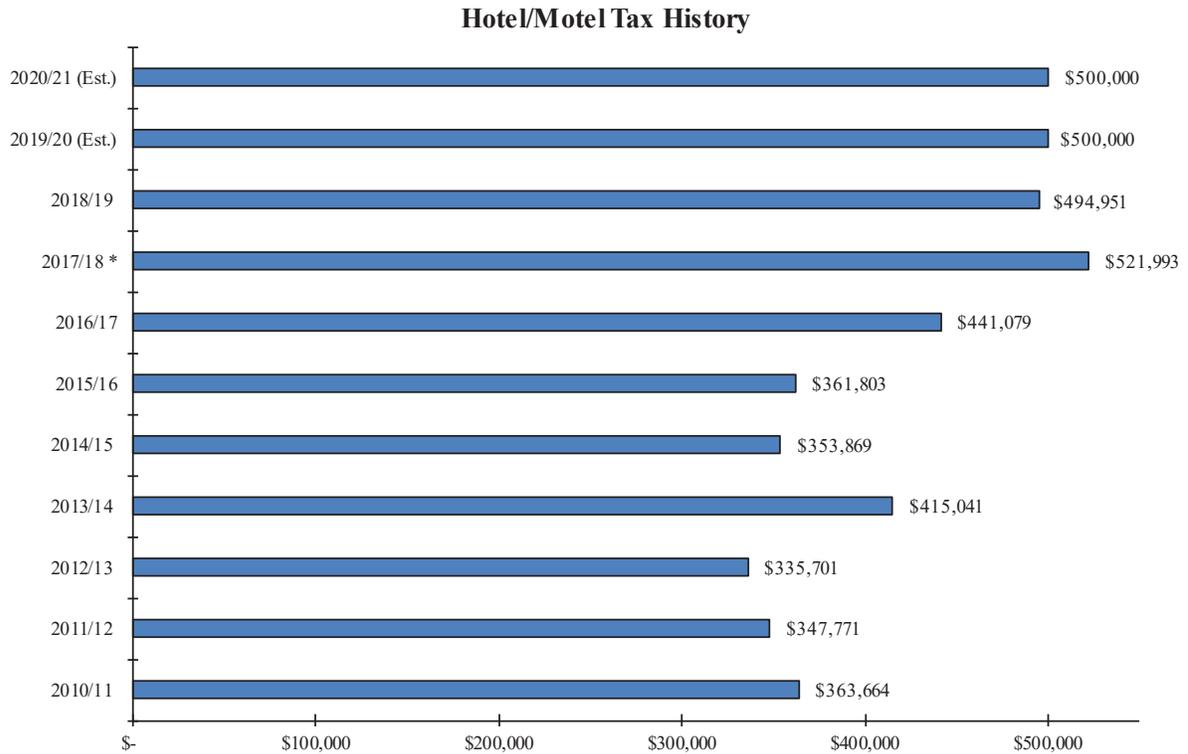
Metrics Measured	Actual 2017/2018	Actual 2018/2019	Goal 2019/2020	2019/2020 Year to Date	Goal 2020/2021
Subscribers	450	352	500	373	500
Open Rate (Average)	38	33	35	33.5	45

Economic Impact of Tourism in Muscatine County

Metrics Measured	Actual 2016	Actual 2017	Actual 2018
Amount Spent in Travel	\$80.39 Million	\$83.74 Million	\$87.58 Million
Travel Tourism Jobs	710	720	To be det.

Hotel/Motel

Metrics Measured	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Total City Hotel/Motel Tax	\$521,993	\$494,951	\$500,000	\$500,000



RECENT ACCOMPLISHMENTS:

The Convention and Visitors Bureau directs the marketing efforts of McDaniel’s Marketing. This consists of staff providing event and attraction information to McDaniel’s to promote the area, approving the content of the ads, and ensuring the website landing page for the event is up to date.

The CVB Director appeared on the Paula Sands Live television show quarterly. Attractions and events promoted include The Old Barn, the National Pearl Button Museum, Almost Friday Fest, Second Saturday, Buckskinners Rendezvous, Greenwood Cemetery Walk Through History, Holiday Open House, the Muscatine Independent Film Festival, and the Holiday Stroll.

The Muscatine CVB received a \$1,592 Travel Iowa grant for video production. Videos were completed in July and are currently being utilized as digital ads.

The Muscatine CVB has started the re-design of its website. The newly designed website will enhance visitors experience and draw more visitors to the community. The new site should launch later this winter.

The CVB staff is working with the President of the United States Bowling Congress (USBC) Muscatine chapter to create materials for the 2020 State Women's Tournament this spring. This includes providing a list for lodging and a map showing lodging facilities. The CVB had lodging information, as well as the CVB website link added to the State Bowling tournament's website.

During the College Search Kickoff Soccer Event, CVB staff handed out maps, visitors guides, and shared community information to out-of-town guests. The CVB staff was also present at the Muscatine County Fair for four days. This was a great way to engage with people who live within 25-50 miles of Muscatine.

Recent groups that have visited Muscatine and received assistance from the Muscatine CVB include a bank group from Geneseo, Illinois, an Eco Bus Trip in August, an Iowa County Conservation Conference in September, and a Corporate Safety Training Conference bus tour that stayed for two days in October.

The CVB Director completed a Guide Training Workshop through Iowa State University Extension to become a certified tour guide. A certification instructor visited Muscatine in August. The CVB Director conducted a tour and was awarded certification.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- 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)

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 118,088	\$ 127,249	\$ 138,249	\$ 147,321	\$ 146,221
Revenues					
Travel Iowa Grant	\$ 0	\$ 1,592	\$ 0	\$ 0	\$ 0
Special Event Vendor Fees	325	0	0	0	0
Miscellaneous	0	0	0	400	0
Interest	1,437	3,104	1,500	2,200	2,200
Transfers In					
General Fund - Hotel/Motel Tax (1)	<u>110,270</u>	<u>130,498 (2)</u>	<u>115,000</u>	<u>123,700</u>	<u>125,000 (3)</u>
Total Revenues	<u>\$ 112,032</u>	<u>\$ 135,194</u>	<u>\$ 116,500</u>	<u>\$ 126,300</u>	<u>\$ 127,200</u>
Funds Available	\$ 230,120	\$ 262,443	\$ 254,749	\$ 273,621	\$ 273,421
Expenditures	<u>102,871</u>	<u>115,122</u>	<u>125,900</u>	<u>127,400</u>	<u>132,000</u>
Ending Balance, June 30	<u>\$ 127,249</u>	<u>\$ 147,321</u>	<u>\$ 128,849</u>	<u>\$ 146,221</u>	<u>\$ 141,421</u>

Increase (Decrease) in Fund Balance	\$ 9,161	\$ 20,072	\$ (9,400)	\$ (1,100)	\$ (4,800)
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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 was higher in 2018/2019 since late payments of prior year hotel/motel taxes were paid by one hotel in 2017/2018.
3. The actual hotel/motel tax allocation for 2020/2021 will be 25% of the actual 2019/2020 hotel/motel tax receipts. The total hotel/motel tax estimate for 2019/2020 is \$500,000 which would mean a \$125,000 allocation for 2020/2021. The actual allocation may be higher or lower than this amount.

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	72	289	2,700	2,900	2,900	7.41%
Contractual Services	98,699	106,884	119,500	120,800	125,300	4.85%
Capital Outlay	-	3,750	-	-	-	
Transfers	4,100	4,200	3,700	3,700	3,800	2.70%
Total Expenditures	\$ 102,871	\$ 115,123	\$ 125,900	\$ 127,400	\$ 132,000	4.85%
Funding Sources						
City Hotel/Motel Tax Allocation	\$ 110,270	\$ 130,498	\$ 115,000	\$ 123,700	\$ 125,000	8.70%
Special Event Revenue	325	-	-	-	-	
Special Program Donation	-	1,592	-	-	-	
Other	1,437	3,104	1,500	2,600	2,200	47%
Total Funding Sources	\$ 112,032	\$ 135,194	\$ 116,500	\$ 126,300	\$ 127,200	9.18%

SOLID WASTE MANAGEMENT FUNDS

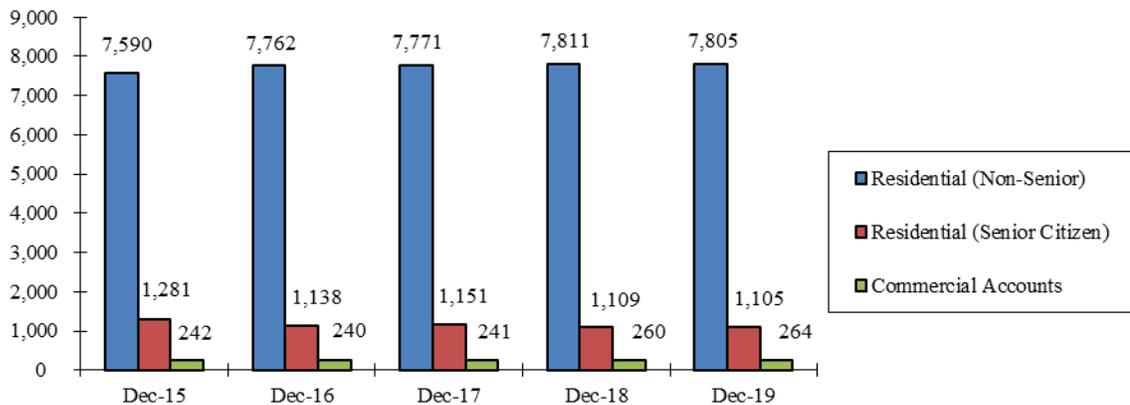
REFUSE COLLECTION

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.

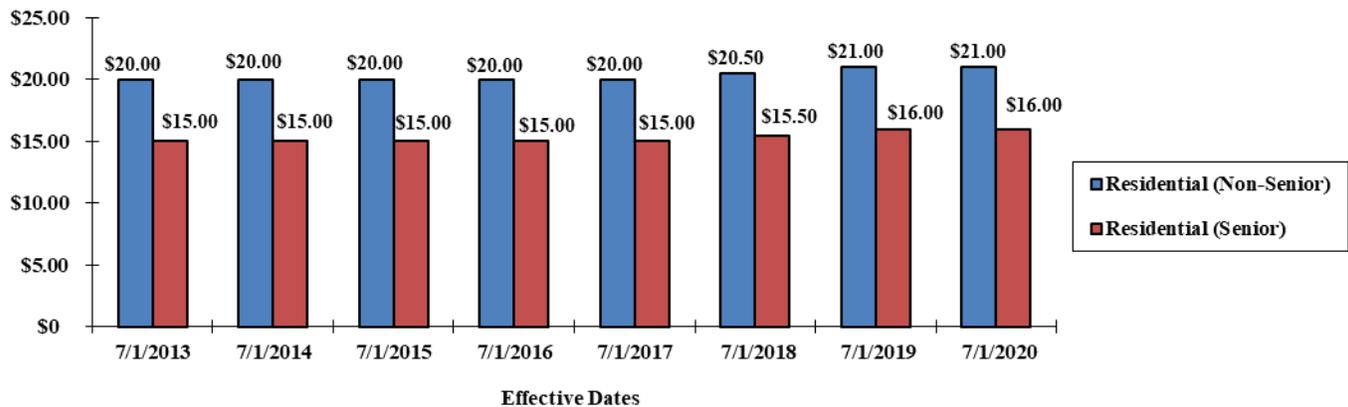
The original contract with Allied Waste (now Republic Services) was scheduled to end on March 31, 2016. In December 2015 City Council approved a 5-year extension to this contract. For the first year of the new contract, the rate remained at \$3.43 per customer per month. For the 2nd through the 5th year of the new contract the per-customer per-month rate 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 went 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 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 were increased by another \$.50 per residential customer per month effective July 1, 2019. This increase was needed to begin to accumulate funds for another automated refuse collection vehicle in 2020/2021. The rate increases were 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. No rate increase is budgeted for the 2020/2021 fiscal year.

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 2019/2020 and 2020/2021 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 December of 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.

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.

The deficit in the Refuse Collection fund was eliminated at the end of the 2018/2019 year and there was a \$46,721 ending balance.

Revised estimate expenditures for 2019/2020 are \$33,200 less than the original budget. This savings is due to the net effect of (1) personal services costs are \$37,000 less than the original budget, (2) commodities are \$2,000 more than the original budget, (3) contractual services are \$20,000 less than the original budget, and (4) capital outlay is \$21,800 more than the original budget. The capital outlay increase is in part due to the actual cost of replacing one of the rear-loading refuse vehicles being \$17,900 over the budget estimate. The revised estimate capital outlay allocation also includes \$5,000 for a shed at the entrance to the Compost Site as further discussed below. The changes in personal services, commodities, and contractual services are primarily related to two significant changes in this operation in the 2019/2020 year.

The first significant change involved changes to the Compost Site operation to only allow City of Muscatine and City of Fruitland residential customers to use the compost facility free of charge. A fee schedule was implemented for non-residents and commercial customers. This required a change of staffing with the former Compost Site Attendant position being eliminated and Compost Site Technicians added. The Technicians will take payments and check identifications (or stickers of residents) to verify whether they are residents of the City of Muscatine or City of Fruitland. This change required a shed to be purchased, with utilities installed, at the entrance to the Compost Site. The primary purpose of this change was to reduce the volume of material required to be chipped each year and/or to generate revenues to assist in paying the chipping costs.

The other significant change involves the elimination of Spring Cleanup Week starting in 2020. Cleanup Week will be replaced by a year-round bulky waste pickup program on a call-in basis. The revised estimate allows for a ¾ time Refuse Driver position to be added for this service. This position will work with the fulltime Refuse Driver assigned to the current curbside bulky waste pickup operation.

The budgeted expenditures for 2020/2021 are \$129,900 (5.7%) more than the original 2019/2020 budget, primarily due to a \$119,200 increase in capital outlay. The 2020/2021 budget includes \$260,000 for an additional automated refuse vehicle while the original 2019/2020 budget included \$140,000 for a new rear-loading refuse vehicle. Other changes in the 2020/2021 budget are primarily related to the operational changes discussed above for staffing at the entrance to the Compost Site and for the year-round bulky waste pickup program with the elimination of Spring Cleanup Week. Personal services for 2020/2021 increased by \$30,200, commodities decreased by \$14,300, contractual services decreased by \$8,300, and administrative fees increased by \$3,100.

The 2020/2021 budget includes \$423,000 for the contracted curbside recycling service. 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).

Refuse collection charges for services revenue is estimated at \$2,327,000 for both the 2019/2020 revised estimate and 2020/2021 budget. As noted previously no rate increase is budgeted for 2020/2021 and rates

will continue at \$21.00 per month for regular residential customers and \$16.00 per month for senior customers. The prior year rate increases that were effective July 1, 2018 and July 1, 2019 were needed in order to accumulate funds to replace refuse collection vehicles. 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.

The 2019/2020 and 2020/2021 budgets continue to include allocated costs of Community Services Officer positions in the Community Development department. Those positions deal with nuisance complaints including garbage and junk removal orders. In recent years 75% of the two half-time Community Services Officer positions in the Community Development department were allocated to Refuse Collection. With a retirement in one of the half-time positions, 50% of a fulltime position replaced one of the two previous half-time positions. With the added costs of a fulltime position, which was effective November 25, 2019, 25% of the fulltime Community Services Officer and 50% of the half-time Community Services Officer are being allocated to Refuse Collection. The dollar amount of this allocation is similar to allocating 75% of the previous two half-time positions to Refuse Collection.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Tons of Refuse Collected	8,235	8,164	8,436	8,300	8,300
Regular Residential Customers - December	7,141	7,150	7,190	7,184	7,190
Senior Residential Customers - December	1,138	1,151	1,109	1,105	1,100
Commercial and Industrial Customers - December	240	241	260	264	265
Ripley’s Mobile Home Court – Residential Units	279	285	285	285	285
Fruitland Residential Customers – December	336	336	336	336	336
Cleanup Week Collections (Tons)	774	876	542	0 (1)	0 (1)
Single Sort Curbside Recycling (Tons)	1,418	1,267	1,255	1,300	1,300
Curbside Pickups (calendar year)	1,458	1,686	1,628	2,500 (1)	3,000 (1)

1. Spring Cleanup Week will be discontinued beginning in 2020. It will be replaced with a year-round bulky waste pickup program on a call-in basis.

RECENT ACCOMPLISHMENTS:

The Refuse Collection employees continue to provide curbside residential and commercial trash collection in a safe and timely manner. Employee injuries are held to a minimum along with vehicle accidents. The daily challenge of this work and the Midwest weather is overcome through teamwork and dedication that the employees demonstrate in their work.

Two new programs were implemented in fiscal year 2019/2020 as discussed above: (1) Establishing non-resident and commercial fees for use of the Compost Site, and (2) Elimination of Spring Cleanup Week with this service replaced by a year-round bulky waste pickup program on a call-in basis.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To continue to monitor and maintain safe and proper equipment operation.
- To complete the implementation, monitor, and evaluate the year-round bulky waste pickup program that has been implemented to replace Spring Cleanup Week.
- To complete the implementation, monitor, and evaluate the new Compost Site operation.
- 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.
- To review the commercial refuse collection rates and propose revisions if determined to be needed.
- To review options for the Curbside Recycling program when the current contract expires March 31, 2021.

Refuse Collection Fund

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance (Deficit), July 1	\$ (236,908) (2)	\$ (113,072)	\$ 43,328	\$ 46,721	\$ 156,421
Revenues					
Charges for Services	\$ 2,219,092	\$ 2,274,887 (3)	\$ 2,307,000 (4)	\$ 2,327,000 (4)	\$ 2,327,000
Sales - Yard Waste Bags	14,652	16,309	16,000	16,000	16,000
Compost Site Fees (4)	77	84	400	7,500 (5)	15,000 (5)
Rental of Dumpsters	57	0	0	0	0
Sales Tax	5,881	6,394	6,000	6,500	6,500
Miscellaneous	941	0	0	3,700	0
Transfers In:					
Surcharge Part II	51,920	46,669	0	0	0
Total Revenues	<u>\$ 2,292,620</u>	<u>\$ 2,344,343</u>	<u>\$ 2,329,400</u>	<u>\$ 2,360,700</u>	<u>\$ 2,364,500</u>
Funds Available	\$ 2,055,712	\$ 2,231,271	\$ 2,372,728	\$ 2,407,421	\$ 2,520,921
Expenditures (1)	<u>2,168,784</u>	<u>2,184,550</u>	<u>2,284,200</u>	<u>2,251,000</u>	<u>2,414,100</u>
Ending Balance (Deficit), June 30	<u>\$ (113,072) (2)</u>	<u>\$ 46,721 (2)</u>	<u>\$ 88,528 (4)</u>	<u>\$ 156,421 (4)</u>	<u>\$ 106,821</u>
Increase (Decrease) in Fund Balance					
	\$ 123,836	\$ 159,793	\$ 45,200	\$ 109,700	\$ (49,600)

1. Expenditures include changes in compensated absences.
2. The fund balance deficits at the end of 2016/2017 and 2017/2018 were planned deficits due to capital costs to implement the automated refuse collection program. The deficit was 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. An additional rate increase of \$.50 per month for all residential customers went into effect July 1, 2019. This increase was needed to fund increases in costs for the contracted curbside recycling contract and for funding of future refuse collection vehicles. This increased the regular residential rate to \$21.00 per month and the senior rate to \$16.00.
5. Non-resident and commercial fees were implemented at the Compost Site beginning in November of 2019. The Revised Estimate for 2019/2020 shows a partial year of revenues from this fee. The 2020/2021 Budget reflects an estimated amount for the first full fiscal year.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 686,074	\$ 673,822	\$ 681,200	\$ 644,200	\$ 711,400	4.43%
Commodities	61,125	59,486	80,200	82,200	65,900	-17.83%
Contractual Services	1,251,086	1,302,065	1,274,900	1,254,900	1,266,600	-0.65%
Capital Outlay	51,167	16,840	156,900	178,700	276,100	75.97%
Transfers	135,120	133,969	91,000	91,000	94,100	3.41%
Total Expenditures	\$ 2,184,572	\$ 2,186,182	\$ 2,284,200	\$ 2,251,000	\$ 2,414,100	5.69%
Funding Sources						
Charges for Services	\$ 2,219,092	\$ 2,274,887	\$ 2,307,000	\$ 2,327,000	\$ 2,327,000	0.87%
Sales - Yard Waste Bags	14,652	16,309	16,000	16,000	16,000	0.00%
Compost Site Fees	134	84	400	7,500	15,000	3650.00%
Sales Tax	5,881	6,394	6,000	6,500	6,500	8.33%
Miscellaneous	941	-	-	3,700	-	
Total Funding Sources	\$ 2,240,700	\$ 2,297,674	\$ 2,329,400	\$ 2,360,700	\$ 2,364,500	1.51%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Solid Waste Manager	0.50	0.25 (1)	- (1)	-	-	
Solid Waste & Sewer Systems Manager	-	0.04 (1)	0.08 (1)	0.08	0.08	
Solid Waste Supervisor	0.75	0.75	0.75	0.75	0.75	
Refuse Truck Driver I	4.00	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	
Community Services Officer (2)	-	-	-	0.15	0.25	
Office Coordinator	-	0.25	0.50	0.50	0.50	
Clerk	0.50	0.25	-	-	-	
Total Full Time	7.25	7.04	6.83	6.98	7.08	
Part Time:						
Compost Site Attendant	0.73	1.05	1.03	0.06	-	
Compost Site Technicians	-	-	-	0.34	0.84	
Community Service Officers (2)	0.75	0.75	0.75	0.27	0.25	
Refuse Driver I (3)	-	-	-	0.24	0.73	
Refuse Collection Laborers	0.72	0.81	0.81	0.81	0.81	
Clerk	-	0.18	0.36	0.37	0.36	
Total	9.45	9.83	9.78	9.08	10.07	\$ 472,800
Employee Benefits						<u>238,600</u>
Total Personal Services						<u>\$ 711,400</u>

1. A Public Works administrative staff reorganization was effective January 1, 2019.
2. 75% of two half-time Community Services Officers were allocated to Refuse Collection to address nuisance complaints in 2017/2018, 2018/2019, and the first 5 months of 2019/2020. Effective November 25, 2019, the allocations changed to 25% of the fulltime Community Services Officer and 50% of one of the half-time Community Services Officers.
3. The 2019/2020 revised estimate and 2020/2021 budget allow for a 3/4 time Refuse Collection Driver for the year-round bulky waste program which will replace Spring Cleanup Week.

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Automated Refuse Collection Vehicle	1	Additional	\$ 260,000
Curbside Refuse Containers	60	Yes	6,000
Dumpsters (2 Yard, 3 Yard, and 4 Yard)	14	Yes	10,100
			<u>\$ 276,100</u>

SOLID WASTE MANAGEMENT FUNDS

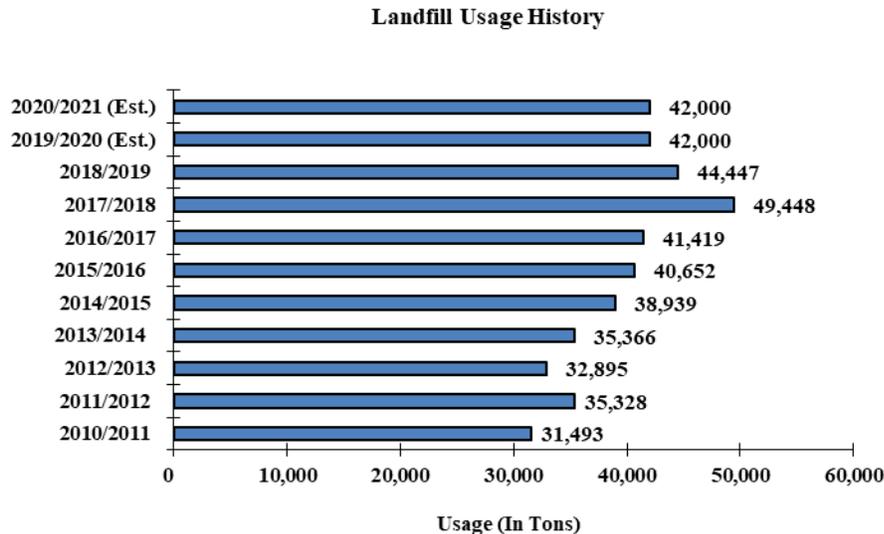
LANDFILL OPERATIONS

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 2010/2011 as well as the projected waste volumes for 2019/2020 and 2020/2021.

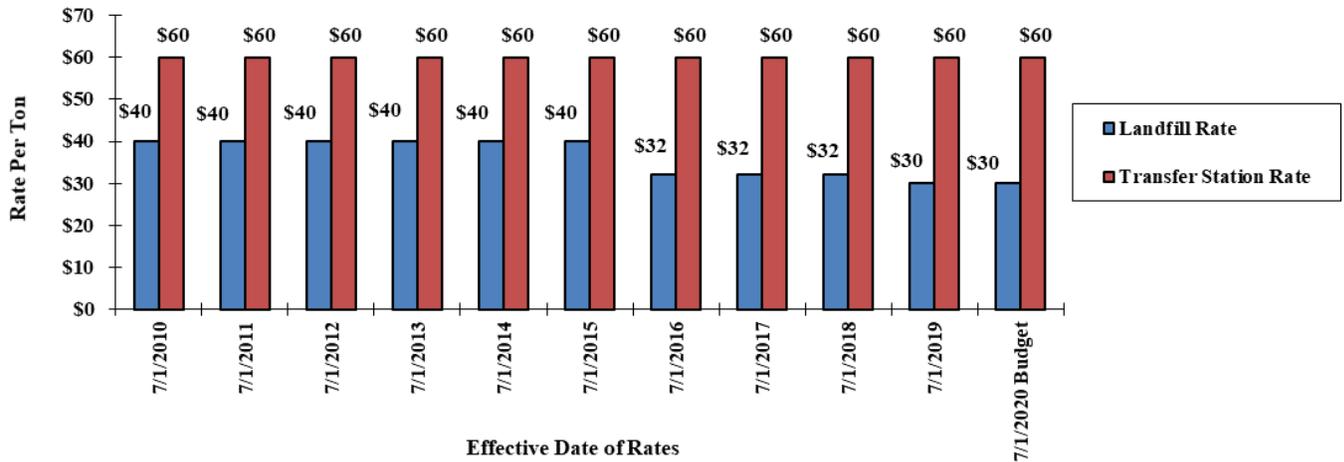


Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. The increase in waste volume in 2017/2018 can be attributed 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 2010/2011 year and the portion of the transfer station fee paid to the Landfill fund. The regular Transfer Station rate has been \$60.00 per ton since July 1, 2009 and that rate includes the portion of the rate the Transfer Station pays the Landfill as disposal fees. 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 decreased to \$30 per ton for the full rate tonnage and that rate has been continued in the 2020/2021 budget. This change was needed to continue to fund capital expenditures at the Transfer Station.

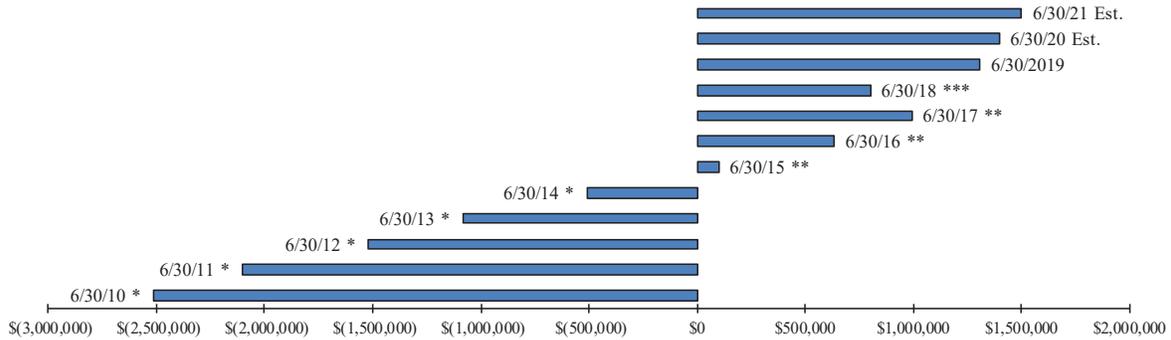
Transfer Station and Landfill Rates (Per Ton)



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 increased to \$1,305,972 as of June 30, 2019 and it is projected to increase to \$1,397,372 at the end of fiscal year 2019/2020, and further increase to \$1,501,572 at the end of the 2020/2021 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 first extended through June 30, 2015 and were 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 2019/2020 are \$17,600 higher than the original budget. This overall increase is primarily due to the net effect of (1) a \$42,500 increase in contractual services which includes an increase in engineering fees and allows for additional contracted landfill operator costs, (2) a \$68,700 decrease in capital outlay with all of the \$250,000 allocation for ground water remediation work in the original budget not expected to be expended this year, and (3) a \$43,100 increase in transfers. The increase in transfers allows for the transfers to the Landfill Closure and Post-Closure Reserves to be at the same level as the prior year.

Revised estimate landfill fees are estimated at \$1,217,100, which is \$52,400 less than the originally budgeted amount of \$1,269,500. This reduction is due to a projected decrease in waste volume from 44,000 tons in the original budget to 42,000 tons based on actual waste volume for the first half of the fiscal year.

Landfill expenditures budgeted for 2020/2021 are \$4,700 (.4%) higher than the original 2019/2020 budget. The waste volume for 2020/2021 is estimated at 42,000 tons which is 2,000 tons less than the original 2019/2020 budget and the same as the 2019/2020 revised estimate. The overall increase in expenditures is due to the net effect of (1) a \$3,000 increase in personal services costs, (2) a \$136,800 increase in contractual services which allows for a \$140,000 increase in landfill operator costs, (3) a \$180,000 decrease in capital outlay, and (4) a \$44,900 increase in transfers.

The capital outlay allocation for 2020/2021 totals \$120,000 and includes (1) \$20,000 to replace two pumps and improve the pump house building, and (2) allows for \$100,000 in ground water remediation improvements that may be required by the IDNR. The original 2019/2020 budget included a \$250,000 allocation for possible ground water remediation improvements. Those funds are not expected to be fully expended in 2019/2020 and \$100,000 of this allocation has been carried forward to fiscal year 2020/2021. For the 2019/2020 budget, the landfill engineer identified a number of potential improvement projects that the IDNR may require. While the 2019/2020 budget allowed 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 2020/2021 are budgeted at \$1,217,100 based on an estimated 42,000 tons. This is \$52,400 less than the original budget for 2019/2020 and the same as the 2019/2020 revised estimate. This 42,000 ton waste estimate includes 28,500 tons at the full \$30 rate (\$855,000), 6,100 tons at the \$25 industrial contract rate (\$152,500), and 7,400 tons at the negotiated industrial rates (\$209,600). The industrial and negotiated industrial contract rates are the rates in the 5-year contracts which began July 1, 2015. The revenue from the negotiated contracts is all credited to the Landfill fund. The waste tonnage and revenue estimates for 2020/2021 are based on successfully re-negotiating and extending the current industrial contracts that run through June 30, 2020.

With the projected landfill revenues and expenditures, the landfill fund balance is projected to increase by \$91,400 to \$1,397,372 at the end of the 2019/2020 fiscal year. The fund balance at the end of the 2020/2021 fiscal year is estimated to increase by \$104,200 to \$1,501,572. 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 Cell #5 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 current contract with Dick Doyle Excavating is for \$25,000 per month (\$300,000 annually) and runs through June 30, 2021. Other significant items in the budget are leachate hauling and analysis, engineering services, and payment of the State surcharge fees.

The State landfill surcharge was reduced from \$3.75 to \$3.65 per ton in 2002/2003 since the area landfills met the State-mandated waste reduction requirements. Of the \$3.65 per ton rate, \$2.10 per ton is required to be paid to the State and the remaining \$1.55 per ton can be retained by the City in special reserves required to be used for specific purposes. Payments to the State are estimated at \$88,200 for both the 2019/2020 revised estimate and 2020/2021 budget based on an estimated 42,000 tons of waste. The surcharge funds retained by the City are estimated at \$65,100 for both 2019/2020 and 2020/2021. 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 and 2020/2021 it is estimated that there will be \$21,000 in Part I funds each year which will be transferred to the Landfill fund for qualifying expenditures and an estimated \$44,100 of Part II funds which will be transferred to the Transfer Station fund for qualifying expenditures.

The IDNR regulations also provide that funds must be set aside annually for Landfill closure and post closure costs. The estimated amount to be transferred to the Closure Reserve in both 2019/2020 and 2020/2021 is \$155,200 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at \$47,300.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Tons of Waste Disposed	41,419	49,448 *	44,447	42,000	42,000
Estimated Landfill Capacity Remaining (Tons)	25,000 **	350,751 ***	306,304	264,304	222,304
Years of Current Landfill Space Remaining (Estimate)	.5 **	7 ***	6.5	5.5	4.5
Leachate Collected in Gallons	1,831,513	2,246,828	4,312,136	2,500,000	2,000,000

* 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.

*** The Landfill capacity increased in December of 2017 with the opening of Cell #5.

RECENT ACCOMPLISHMENTS:

The current landfill cell (#5) continues to be used for debris disposal. A recent airspace analysis shows that there is approximately six and one half years of capacity left in this cell. Leachate compliance issues are being handled and leachate management is going well. A leachate seep presented a challenge in July but an extraction well was installed and is working well.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To identify areas in closed cells that may need to be corrected by filling and grading. This will help reduce the amount of leachate being generated and thus reduce costs to haul and treat leachate.
- To review the operations contract and update where needed; also to begin the Request for Proposals process for selection of a landfill operator (current contract runs through June 30, 2021).
- To continue to explore methods to reduce operating costs and to extend the life of the landfill.

Landfill Operations

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 993,064	\$ 801,328	\$ 1,341,728	\$ 1,305,972	\$ 1,397,372
Revenues					
Charges for Services	\$ 1,485,289	\$ 1,334,760	\$ 1,269,500	\$ 1,217,100 (3)	\$ 1,217,100 (3)
Agency Assessment (2)	116,702	117,652	117,200	117,200	117,200
Interest	28,213	67,739	20,000	20,000	21,100
Industry Contribution	10,000	0	0	0	0
Other	0	0	0	1,200	0
Transfers In:					
Landfill Surcharge Reserve	<u>24,724</u>	<u>22,223</u>	<u>22,000</u>	<u>21,000 (4)</u>	<u>21,000 (4)</u>
Total Revenues	<u>\$ 1,664,928</u>	<u>\$ 1,542,374</u>	<u>\$ 1,428,700</u>	<u>\$ 1,376,500</u>	<u>\$ 1,376,400</u>
Funds Available	\$ 2,657,992	\$ 2,343,702	\$ 2,770,428	\$ 2,682,472	\$ 2,773,772
Expenditures (1)	<u>1,856,664</u>	<u>1,037,730</u>	<u>1,267,500</u>	<u>1,285,100</u>	<u>1,272,200</u>
Ending Balance, June 30	<u>\$ 801,328</u>	<u>\$ 1,305,972</u>	<u>\$ 1,502,928</u>	<u>\$ 1,397,372</u>	<u>\$ 1,501,572</u>
Increase (Decrease) in Fund Balance	\$ (191,736)	\$ 504,644	\$ 161,200	\$ 91,400	\$ 104,200

1. Expenditures include changes in compensated absences.
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 revenue estimates for the 2019/2020 revised estimate and the 2020/2021 budget are each based on an estimated 42,000 tons of waste.
4. The 2019/2020 and 2020/2021 transfers from the Landfill Surcharge Reserve are based on 42,000 tons 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>24,724</u>	<u>22,223</u>	<u>22,000</u>	<u>21,000</u> (1)	<u>21,000</u> (1)
Funds Available	\$ 24,724	\$ 22,223	\$ 22,000	\$ 21,000	\$ 21,000
Expenditures					
Transfers to Landfill Fund	<u>24,724</u>	<u>22,223</u>	<u>22,000</u>	<u>21,000</u>	<u>21,000</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				
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1. Transfers are based on 42,000 tons for the 2019/2020 Revised Estimate and the 2020/2021 Budget at \$.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>51,920</u>	<u>46,669</u>	<u>46,200</u>	<u>44,100</u> (1)	<u>44,100</u> (1)
Funds Available	\$ 51,920	\$ 46,669	\$ 46,200	\$ 44,100	\$ 44,100
Expenditures					
Transfers to Transfer Station Fund	<u>51,920</u>	<u>46,669</u>	<u>46,200</u>	<u>44,100</u>	<u>44,100</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				
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1. Transfers are based on 42,000 tons for the 2019/2020 Revised Estimate and the 2020/2021 Budget at \$1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 897,991	\$ 1,022,715	\$ 1,147,515	\$ 1,177,948	\$ 1,333,148
Revenues					
Transfers In					
Landfill Fund	<u>124,724</u>	<u>155,233</u>	<u>124,800</u>	<u>155,200 (2)</u>	<u>155,200 (2)</u>
Funds Available	\$ 1,022,715	\$ 1,177,948	\$ 1,272,315	\$ 1,333,148	\$ 1,488,348
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 1,022,715</u></u>	<u><u>\$ 1,177,948</u></u>	<u><u>\$ 1,272,315</u></u>	<u><u>\$ 1,333,148</u></u>	<u><u>\$ 1,488,348</u></u>

Increase (Decrease) in					
Fund Balance	\$ 124,724	\$ 155,233	\$ 124,800	\$ 155,200	\$ 155,200

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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 940,638	\$ 972,087	\$ 1,003,587	\$ 1,019,375	\$ 1,066,675
Revenues					
Transfers In					
Landfill Fund	<u>31,449</u>	<u>47,288</u>	<u>31,500</u>	<u>47,300 (2)</u>	<u>47,300 (2)</u>
Funds Available	\$ 972,087	\$ 1,019,375	\$ 1,035,087	\$ 1,066,675	\$ 1,113,975
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 972,087</u>	<u>\$ 1,019,375</u>	<u>\$ 1,035,087</u>	<u>\$ 1,066,675</u>	<u>\$ 1,113,975</u>

Increase (Decrease) in					
Fund Balance	\$ 31,449	\$ 47,288	\$ 31,500	\$ 47,300	\$ 47,300

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 69,108	\$ 63,325	\$ 66,700	\$ 66,400	\$ 69,700	4.50%
Commodities	14,267	6,351	17,400	18,400	17,400	0.00%
Contractual Services	565,508	623,450	599,400	641,900	736,200	22.82%
Capital Outlay	923,949	15,928	300,000	231,300	120,000	-60.00%
Transfers	288,817	329,113	284,000	327,100	328,900	15.81%
Total Expenditures	<u>\$ 1,861,649</u>	<u>\$ 1,038,167</u>	<u>\$ 1,267,500</u>	<u>\$ 1,285,100</u>	<u>\$ 1,272,200</u>	0.37%
Funding Sources						
Charges for Services	\$ 1,485,289	\$ 1,334,760	\$ 1,269,500	\$ 1,217,100	\$ 1,217,100	-4.13%
Agency Assessment	116,702	117,653	117,200	117,200	117,200	0.00%
Industry Contribution	10,000	-	-	-	-	
Interest	28,213	67,739	20,000	20,000	21,100	5.50%
Other	-	-	-	1,200	-	
Transfers In:						
Surcharge Reserve	24,724	22,223	22,000	21,000	21,000	-4.55%
Total Funding Sources	<u>\$ 1,664,928</u>	<u>\$ 1,542,375</u>	<u>\$ 1,428,700</u>	<u>\$ 1,376,500</u>	<u>\$ 1,376,400</u>	-3.66%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Solid Waste Manager	0.35	0.18 *	-	-	-	
Solid Waste & Sewer Sstem Manager	-	0.18 *	0.35	0.35	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	\$ 48,500
Employee Benefits						21,200
Total Personal Services						<u>\$ 69,700</u>
* Public Works reorganization effective January 1, 2019.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Groundwater Remediation Projects (as needed)			\$ 100,000
Replace Ward Avenue Pump	1		5,000
Replace Inside Pump	1		5,000
Replace Inside of Pump House Building	1		10,000
			<u>\$ 120,000</u>

SOLID WASTE MANAGEMENT FUNDS

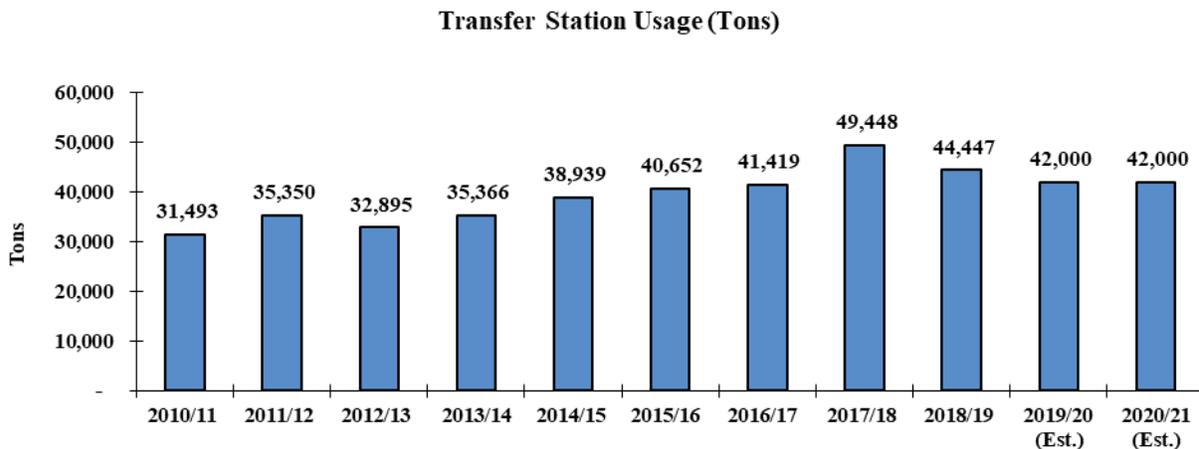
TRANSFER STATION OPERATIONS

GENERAL INFORMATION:

The Transfer Station opened in August of 1995. Project costs totaled approximately \$10,128,000. The Solid Waste and Sewer System Manager oversees the operation of the Transfer Station. The primary responsibilities of this position involve overseeing the transfer station operation as well as the overall coordination of the refuse collection, transfer station, landfill, and collection and drainage functions.

CURRENT TRENDS AND ISSUES:

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 2019/2020 revised estimate and 2020/2021 budget have each been based on 42,000 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 were further extended through June 30, 2020. Under the contract extensions 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 made several operational changes to reduce the deficit in the Transfer Station fund and 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, decreased to \$24,338 at the end of 2013/2014, decreased to a \$21,449 deficit at the end of 2014/2015, and further decreased to a \$57,857 deficit at the end of 2015/2016.

As noted above, all of the revenue from the negotiated industrial contracts was 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 a 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 tipping 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. There was a \$3,826 fund balance deficit at the end of the 2018/2019 fiscal year.

The 2019/2020 revised estimate expenditures are \$45,700 less than the original budget. This overall decrease is due to the net effects of (1) an increase in personal services costs of \$5,100, (2) a \$3,400 increase in commodities, (3) a \$39,000 decrease in contractual services, and (4) a \$15,200 decrease in capital outlay since the actual cost of replacing one of the transfer trailers was less than budgeted. The contractual services decrease includes reductions of \$52,400 in landfill fees and \$25,100 in waste hauling

services, both due to the currently estimated 42,000 tons of waste compared to the 44,000 ton estimate in the original budget. A \$39,500 increase in equipment maintenance costs partially offset the savings in the other areas.

The 2019/2020 budget included a change in the allocation of the full rate tipping fee to \$30 Landfill and \$30 Transfer Station (changed from \$32 Landfill/\$28 Transfer Station). The original 2019/2020 budget was based on 44,000 tons of waste.

Revised estimate tipping fee revenue is estimated at \$2,194,100, which is \$92,400 less than the original budget. This decrease is due to the estimated decrease in tonnage from the 44,000 in the original budget to 42,000 in the revised estimate. Based on revised estimate revenues and expenditures, a positive fund balance of \$77,674 is projected for June 30, 2020.

The budgeted expenditures for 2020/2021 are \$169,163 (7.3%) less than the original 2019/2020 budget. The 2020/2021 budget is based on 42,000 tons of waste, which is a 2,000 ton decrease from the original 2019/2020 budget and the same as the 2019/2020 revised estimate. The \$169,163 overall expenditure decrease is due to the net effect of (1) a \$9,400 increase in personal services costs, (2) a \$66,700 decrease in contractual services primarily due to reduced landfill and hauling fees with the reduced waste volume, (3) a \$79,500 decrease in capital outlay, and (4) a \$32,363 decrease in transfers.

The 2020/2021 budgeted tipping fees are estimated at \$2,194,100 based on the 42,000 tonnage estimate. This is a decrease of \$92,400 from the original budget and the same as the 2019/2020 revised estimate. Other revenue for both 2019/2020 and 2020/2021 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 revenue replaced the lease revenue in previous years from Republic Services for that portion of the building. The Republic lease expired June 30, 2019 and they were not interested in renewing the lease. The Transfer Station fund balance is estimated at \$282,637 at the end of the 2020/2021 fiscal year.

The 2019/2020 revised estimate and 2020/2021 budget include payments of \$72,700 and \$40,137, 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. The payment in 2020/2021 is the final payment on the internal loans.

As noted previously, the allocation of the full Transfer Station tipping fee rate is budgeted to continue at \$30 Landfill and \$30 Transfer Station in 2020/2021. This allocation change has assisted in providing funding to address capital and deferred maintenance needs at the Transfer Station and resulted in the positive fund balances in both the 2019/2020 revised estimate and 2020/2021 budget.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Tons of Waste Processed	41,419	49,448	44,447	42,000	42,000
Tons Recycled (Contractor) – Republic Services	1,418	1,411	1,256	1,300	1,300
Gallons of Waste Oil Collected	4,840	6,440	5,200	5,500	5,500

RECENT ACCOMPLISHMENTS:

Staff at the Transfer Station have been working on improving efficiencies with the loading and hauling of materials. This includes working with the contract hauler and contract operator at the landfill to maximize the weight of loads and better utilize time in the day to ensure the tipping floor is kept as empty as possible.

The diversion of utility poles has started. Utility poles are difficult to manage on the tipping floor, cause damage to transfer trailers when hauled, and take up vital space in the landfill. The diversion of these poles is now taking place at the Compost Site where they will be used in the construction of bunkers for yard waste, compost, and wood mulch.

The recycling side of the transfer station is currently under construction for the addition of the High Strength Waste Receiving Station. This facility will divert food waste from the tipping floor and convert it into natural gas at the treatment plant in a digester currently being refurbished.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To continue to improve operating efficiencies and identify maintenance practices that will reduce costs or extend the life of equipment and repairs to that equipment.
- To continue to look for materials that can be diverted from being landfilled and methods to achieve this goal.
- To continue training employees in proper and safe operating practices

Transfer Station Operations

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance (Deficit), July 1	\$ 166,418	\$ (60,468)	\$ (25,968)	\$ (3,826)	\$ 77,674
Revenues					
Charges for Services	\$ 2,321,391	\$ 2,318,615	\$ 2,286,500 (2)	\$ 2,194,100 (3)	\$ 2,194,100 (3)
Household Hazardous Waste	0	35	300	300	300
Recycling Commissions	9,925	10,264	7,000	7,000	7,000
Recycling Center Rental Fees	21,417	22,021	60,000	60,000	60,000
Sales Tax	27,055	11,960	12,000	12,000	12,000
Electronic Waste Disposal Fees	14,830	11,749	13,000	13,000	13,000
Appliance Disposal Fees	9,562	8,275	8,500	8,500	8,500
Sale of Equipment	0	1,161	0	0	0
Interest	0	144	0	0	0
Other	412	3,735	0	0	0
Transfers In:					
Surcharge Reserve	51,920	46,669	46,200	44,100	44,100
Total Revenues	<u>\$ 2,456,512</u>	<u>\$ 2,434,628</u>	<u>\$ 2,433,500</u>	<u>\$ 2,339,000</u>	<u>\$ 2,339,000</u>
Funds Available	\$ 2,622,930	\$ 2,374,160	\$ 2,407,532	\$ 2,335,174	\$ 2,416,674
Expenditures (1)	<u>2,683,398</u>	<u>2,377,986</u>	<u>2,303,200</u>	<u>2,257,500</u>	<u>2,134,037</u>
Ending Balance (Deficit), June 30	<u>\$ (60,468)</u>	<u>\$ (3,826)</u>	<u>\$ 104,332</u>	<u>\$ 77,674</u>	<u>\$ 282,637</u>

Increase (Decrease) in Fund Balance	\$ (226,886)	\$ 56,642	\$ 130,300 (3)	\$ 81,500	\$ 204,963
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- Expenditures include changes in compensated absences.
- The revenue estimate for the 2019/2020 budget was 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.
- The revenue estimates for the 2019/2020 revised estimate and the 2020/2021 budget are based on a total of 42,000 tons with 28,500 tons at \$60/ton plus 6,100 tons at the industrial rate of \$45/ton, plus \$209,610 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. Beginning in 2019/2020 the Landfill portion of the full \$60/ton rate was decreased to \$30/ton. This allowed for more of the tipping fee funds to remain in the Transfer Station fund for capital outlay and deferred maintenance needs.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825
Transfer to Operations	0	0	0	0	0
Ending Balance, June 30	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825	\$ 33,825

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

1. This reserve is required according to State regulations.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 257,603	\$ 265,778	\$ 270,300	\$ 275,400	\$ 279,700	3.48%
Commodities	35,392	27,396	32,300	35,700	32,300	0.00%
Contractual Services	2,106,270	1,885,263	1,839,200	1,800,200	1,772,500	-3.63%
Capital Outlay	219,732	118,981	85,000	69,800	5,500	-93.53%
Transfers	78,800	78,900	76,400	76,400	44,037	-42.36%
Total Expenditures	<u>\$ 2,697,797</u>	<u>\$ 2,376,318</u>	<u>\$ 2,303,200</u>	<u>\$ 2,257,500</u>	<u>\$ 2,134,037</u>	-7.34%
Funding Sources						
Charges for Services	\$ 2,321,391	\$ 2,318,615	\$ 2,286,500	\$ 2,194,100	\$ 2,194,100	-4.04%
Recycling Commissions	9,925	10,264	7,000	7,000	7,000	0.00%
Recycling Center Rental	21,417	22,021	60,000	60,000	60,000	0.00%
Sales Tax	27,055	11,960	12,000	12,000	12,000	0.00%
Tire, E-Waste, Appliance Charges	24,392	20,024	21,800	21,800	21,800	0.00%
Miscellaneous Sales	-	1,161	-	-	-	
Other	412	3,914	-	-	-	
Transfer from Surcharge Reserve	51,920	46,669	46,200	44,100	44,100	-4.55%
Total Funding Sources	<u>\$ 2,456,512</u>	<u>\$ 2,434,628</u>	<u>\$ 2,433,500</u>	<u>\$ 2,339,000</u>	<u>\$ 2,339,000</u>	-3.88%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Solid Waste Manager	0.15	0.15 *	-	-	-	
Solid Waste & Sewer System Manager	-	- *	0.08	0.08	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	3.08	3.08	3.08	
Part Time:						
Clerk	-	0.19 *	0.38	0.38	0.38	
Total	3.15	3.34	3.45	3.45	3.45	\$ 171,400
Employee Benefits						108,300
Total Personal Services						<u>\$ 279,700</u>
* Public Works staff reorganization effective January 1, 2019.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Printer/Copier/Fax Machine	1	Yes	<u>\$ 5,500</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 transfers for 2019/2020 and 2020/2021 have each 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 was completed in 2019. An estimated \$3 million has been included in the 2019/2020 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 requirements 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 eight 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 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 2020/2021 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 be sufficient 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 2019/2020 and 2020/2021 are \$922,970 and \$932,016, respectively. Interest payments are \$222,220 in 2019/2020 and \$208,220 in 2020/2021. The principal payments on this loan are \$700,000 in 2019/2020 and \$723,000 in 2020/2021.

CONSTRUCTION FUNDS

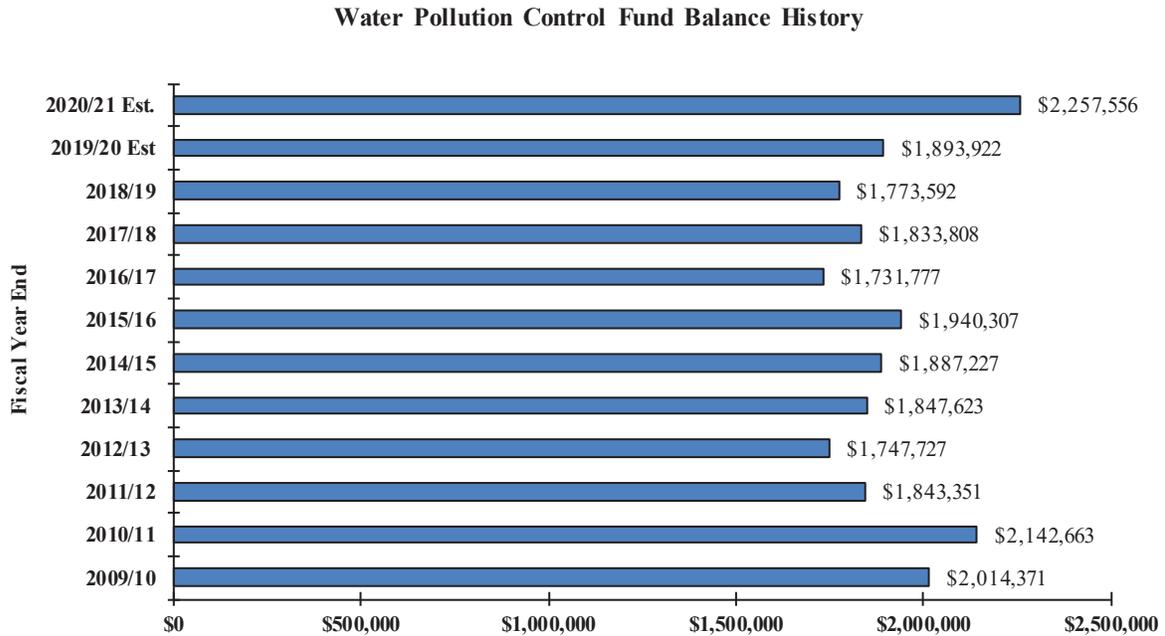
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project 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.

Construction is nearing completion on the 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 is now being constructed in the former recycling area of 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. The City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant.

WATER POLLUTION CONTROL OPERATING FUND

As the Muscatine Water Pollution Control Plant is substantially dependent on the waste from its major industrial customers, their economic growth substantially impacts the fund balance of this fund. The following chart shows the Water Pollution Control fund balance history.



The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on the State Revolving Fund (SRF) Loan. 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 lower fund balances in 2016/2017, 2017/2018, and 2018/2019 were due to \$500,000 increases in the transfers to the Plant Replacement Reserve in these years. Those increased transfers were needed to fund the High Strength Waste Receiving Station project.

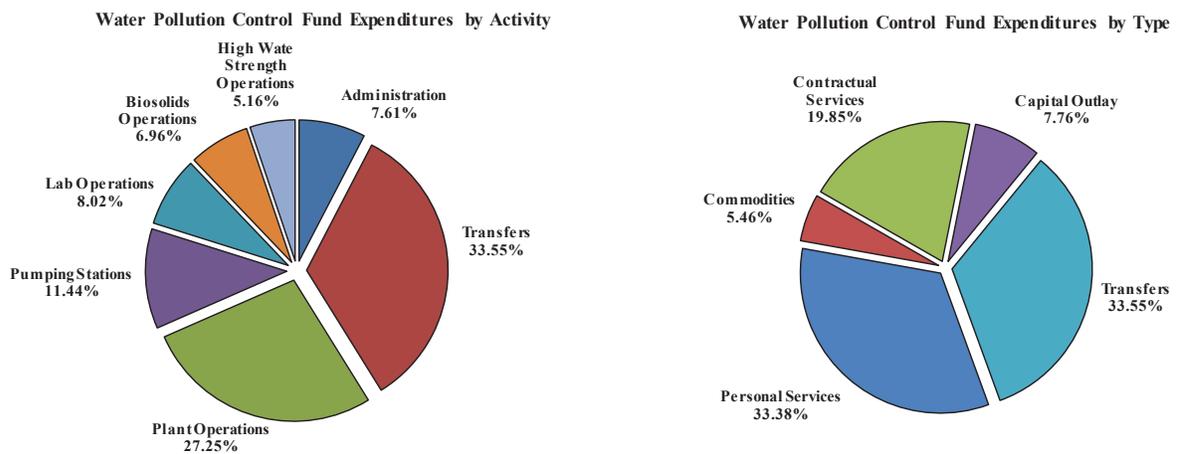
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City’s major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component 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 2020/2021. 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 2020/2021:



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 2019/2020 revised estimate expenditures are \$3,600 less in total than the original budget. There were increases or decreases in each of the individual activity budgets including (1) a \$6,300 increase in the Water Pollution Control Administration budget, (2) a \$52,300 increase in the Plant Operations budget primarily due to an increase in the transfer needed to fund the Nutrient Reduction Alternatives Study, (3) an \$8,200 decrease in the Pumping Stations budget, (4) a \$6,900 increase in the Lab budget, (5) a \$3,700 increase in the Biosolids budget, and (6) a \$64,600 decrease in the High Strength Waste Operations activity due to this operation starting later than allowed for in the original budget.

The 2020/2021 budgeted expenditures of \$5,466,366 are \$107,896 (2.0%) more than the original 2019/2020 budget. This overall increase is due to (1) a \$53,700 (3.0%) increase in personal services costs, (2) a \$34,600 (13.1%) increase in commodities, (3) a \$95,400 (9.6%) increase in contractual services, (4) a \$400 increase in capital outlay, and (5) a \$76,204 decrease in transfers. The increase in commodities includes \$24,000 for the purchase of eight (8) geo bags to be used for the harbor dredging operation and a \$9,900 increase in diesel fuel for the High Strength Waste Receiving Station operation. The increase in contractual services includes a \$35,200 increase in communications and utilities due to the High Strength Waste Operation. The other increases in contractual services are primarily for increased repair and maintenance services. The original budget for the current year included a \$90,000 transfer to fund the Nutrient Reduction Alternate Study. The cost of this study has been increased to \$138,000 in the 2019/2020 revised estimate. This project is scheduled to be completed in 2019/2020, which accounts for the decrease in transfers for 2020/2021.

As noted previously, the 2018 sewer rate study recommended a 3% increase in sewer rates to be effective July 1, 2020.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Million Cubic Feet of Wastewater Treated		234.9	171.4 *	318.7	238.0	240.0
Biological Oxygen Demand Treated (1,000 lbs/yr.)		3,689	2,673 *	3,633	3,440	3,360
Total Suspended Solids Treated (1,000 lbs/yr.)		2,863	1,983 *	2,739	2,470	2,860
Number of Customer Bills	Industrial	100	105	115	120	130
	Non-Industrial	<u>110,396</u>	<u>110,735</u>	<u>110,956</u>	<u>111,000</u>	<u>111,000</u>
	Total	110,496	110,840	111,071	111,120	111,130

* There was a bypass of the Papoose Lift Station in 2017/2018 due to a force main break.

Calendar Year Measures	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
High Strength Solid Waste Received in Tons	N/A	N/A	N/A	N/A	8,000
HSW Liquid Waste Received in Gallons (1)	1,392,925	844,639	2,730,813	2,500,000	3,000,000
Gallons of Sludge/Number of Acres (2)	5,939,290/ 67	4,850,293/ 438	3,591,746/ 311	5,976,114/ 460	6,775,000/ 490
Lift Station Preventive Maintenance Tasks	9,757	9,454	9,259	4,500 (3)	9,000
Lift Station Corrective Work Orders	135	119	102	110	100
Plant Preventive Maintenance Tasks	14,950	12,362	11,277	4,272 (3)	11,000
Plant Corrective Work Orders	136	125	115	229 (3)	140

1. Volumes of HSW liquid and solid waste can vary if large loads come in from one source that does not have a consistent need for services.
2. Crops were not out until late October 2018 and an early freeze shortened the season.
3. Implementation of the new Preventive Maintenance software is not complete. The lower preventative maintenance tasks in 2019 is due to loss of personnel and delays in implementing the new Preventative Maintenance system.

RECENT ACCOMPLISHMENTS:

The Water and Resource Recovery Facility (WRRF) is the proposed new name of what was once the Water Pollution Control Plant, the Wastewater Treatment Plant, and the Sewer Plant. This evolution is important as it describes better what the department does within the community. While wastewater treatment is still the primary function, there is much more going on in this operation. The largest change is the MARRVE movement. MARRVE (Muscatine Area Resource Recovery for Vehicles and Energy) was so named to help people easily recognize the program that will receive food waste from multiple sources and convert it into renewable energy and natural fertilizer. These sources of food waste include school cafeterias, grocery stores, restaurants, manufacturers, and households. It is a movement because it will bring multiple agencies together to tackle the food waste problem and link edible food to those in need.

The High Strength Waste (HSW) Receiving Station Project is the primary work to get the MARRVE program started. The HSW construction started in July of 2019, after three rounds of bidding finally brought the project within budget. This project includes a receiving station for liquid wastes at the WRRF and a solid waste receiving station located in the former Recycling Center at the Transfer Station. The former recycling center will be renamed the Muscatine Organics Recycling Center (MORC) to encourage residents to recycle food waste just as they do other items. This project was substantially completed in January 2020, and will be the only one of its kind anywhere in the Midwest that is operating at a municipal facility. A new High Strength Waste Operations division (HSWO) was formed last year to more accurately track how this program is functioning and to show the cost of this operation.

A lightning strike at the plant, temporarily took out the UV system; an insurance reimbursement is expected to fund the repairs to this equipment.

The maintenance division assisted the lift station crew in getting the Papoose Lift Station operational during historic flooding this year. Multiple electrical issues were handled and no violations were issued.

There is on-going work with the new High Strength Waste Operation (HSWO) division to ensure staff becomes familiar with the systems for this operation.

The Lift Station division (Pumping Stations) had a busy year keeping the twenty-one lift stations running. This was a challenging task given the turnover in the division. Cross-trained staff, however, stepped in and did excellent work on some of the old equipment. All three pumps and drives at the Papoose Lift Station were replaced, the pumps were rebuilt, and multiple other stations received necessary upgrades. The sluice gate at the Papoose Pumping Station was an issue for several downtown property owners as the high flood levels backed up through the gate and into basements. The gate is required to remain fully open so that the maximum amount is pumped to the treatment plant, but during rain events and floods, 99% of what is pumped is rainwater. After petitioning the EPA and DNR, the City was allowed to partially close this gate and keep the levels low enough to prevent these back-ups. A new gate is scheduled to be installed to ensure it can be closed whenever the conditions warrant.

The Muscatine Environmental Laboratory (MEL) has gone through several staffing changes. The lab has certification for clean water and drinking water testing and reporting, which provides a service for county residents who then do not have to travel far for their testing needs. MEL staff also work closely with all other divisions to monitor the health of the biological processes and alert operators when conditions look questionable. MEL staff is working closely with the HSWO as the lab runs the hauled waste permitting program. This allows the lab to set up sampling of material that new customers want to bring in and to evaluate the material to determine whether it is beneficial to the plant processes.

The Biosolids division got a late start this year due to increased rainfall in the spring of 2019 that delayed the planting season. Due to favorable winter conditions, staff was able to apply all of the biosolids that was stored this year. Biosolids staff prepared the Pollinator Park for visitors and was also instrumental in the planting and care of the multiple biocells and native planting areas throughout the city. There was no need to dredge the harbor this year as the flood levels did not allow for it to be done, but dredging will be done in the spring of 2020.

The City will receive a new NPDES (National Pollutant Discharge Elimination System) permit from the DNR early in 2020. The permit application was completed in-house with the assistance of the MEL for the multi-year lab result submissions required. This new permit will again lay out the City's responsibility to reduce nitrogen and phosphorus discharges either through expensive facility upgrades or by credits created by natural processes in the watershed. The City is conducting a study to be an early adopter of a new State program which should save money and remove more pollutants. This study will be completed in March 2020 with a report to the State laying out the proposed implementation of the nutrient reduction plan required by 2022.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To join with local groups to expand the MARRVE (Muscatine Area Resource Recovery for Vehicles and Energy) movement for food waste reduction. **(Council and Management Goal to Increase Community Awareness and Involvement)**
- To begin a school organics collection program for kids to send cafeteria scraps to the Muscatine Organics Recycling Center (MORC).

- 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 to expand on the biogas-to-energy studies for Renewable Natural Gas (RNG) production. **(Council and Management Key Projects, Programs, and Placemaking Goal)**
- To seek grants and other funding opportunities for the Nutrient Reduction project, stormwater projects, and irrigation projects.
- To continue work on the Sustainable Muscatine Plan.
- To continue to integrate Lean planning into all aspects of work in this department. **(Council and Management Continuous Service Improvement Goal)**
- To position Muscatine as a national leader in municipal organics to biogas integration by speaking at national conferences and inviting other leaders, politicians, and experts to visit the facility.

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
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	1,028,000	20,560	1,048,560
Total	<u>\$ 11,111,000</u>	<u>\$ 1,654,780</u>	<u>\$ 12,765,780</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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	 <u>\$ 690,000</u>	 <u>\$ 141,800</u>	 <u>\$ 831,800</u>

Water Pollution Control Fund
Water Pollution Control Plant Replacement Reserve
Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 2,196,875	\$ 2,923,709	\$ 648,709	\$ 3,693,037	\$ 1,143,037
Revenues					
Interest	\$ 26,834	\$ 69,328	\$ 25,000	\$ 50,000	\$ 15,000
Transfers In					
Water Pollution Control					
Operations Fund	700,000 (1)	700,000 (1)	400,000 (3)	400,000	400,000
Total Revenues	<u>\$ 726,834</u>	<u>\$ 769,328</u>	<u>\$ 425,000</u>	<u>\$ 450,000</u>	<u>\$ 415,000</u>
Funds Available	<u>\$ 2,923,709</u>	<u>\$ 3,693,037</u>	<u>\$ 1,073,709</u>	<u>\$ 4,143,037</u>	<u>\$ 1,558,037</u>
Expenditures					
Transfers Out:					
High Strength Waste Receiving Station	0	0	0	3,000,000 (2)	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 2,923,709</u></u>	<u><u>\$ 3,693,037</u></u>	<u><u>\$ 1,073,709</u></u>	<u><u>\$ 1,143,037</u></u>	<u><u>\$ 1,558,037</u></u>
Increase (Decrease) in Fund Balance	\$ 726,834	\$ 769,328	\$ 425,000	\$ (2,550,000)	\$ 415,000

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 to the High Strength Waste Receiving Station capital project is the estimated total for constructing and equipping this facility.
3. The funding transfer into this fund is \$400,000 beginning in 2019/2020 which was the amount recommended in the 2018 rate study.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 2,416,819	\$ 2,845,791	\$ 3,273,791	\$ 3,309,970	\$ 3,759,970
Revenues:					
Interest	\$ 28,972	\$ 64,179	\$ 28,000	\$ 50,000	\$ 50,000
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>\$ 428,972</u>	<u>\$ 464,179</u>	<u>\$ 428,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>
Funds Available	\$ 2,845,791	\$ 3,309,970	\$ 3,701,791	\$ 3,759,970	\$ 4,209,970
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>\$ 2,845,791</u></u>	<u><u>\$ 3,309,970</u></u>	<u><u>\$ 3,701,791</u></u>	<u><u>\$ 3,759,970</u></u>	<u><u>\$ 4,209,970</u></u>
Increase (Decrease) in Fund Balance	\$ 428,972	\$ 464,179	\$ 428,000	\$ 450,000	\$ 450,000

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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 110,474	\$ 116,009	\$ 112,639	\$ 117,228	\$ 125,478
Revenues:					
Interest	\$ 5,427	\$ 10,339	\$ 2,500	\$ 7,500	\$ 7,500
Transfers In:					
Water Pollution Control Fund	<u>1,061,603</u>	<u>978,341</u>	<u>922,970</u>	<u>922,970</u>	<u>932,016</u>
Total Revenues	<u>\$ 1,067,030</u>	<u>\$ 988,680</u>	<u>\$ 925,470</u>	<u>\$ 930,470</u>	<u>\$ 939,516</u>
Funds Available	<u>\$ 1,177,504</u>	<u>\$ 1,104,689</u>	<u>\$ 1,038,109</u>	<u>\$ 1,047,698</u>	<u>\$ 1,064,994</u>
Expenditures:					
Bonds	\$ 657,000	\$ 678,000	\$ 700,000	\$ 700,000	\$ 723,000
Interest and Fees	<u>404,495</u>	<u>309,461</u>	<u>222,220 (1)</u>	<u>222,220 (1)</u>	<u>208,220 (1)</u>
Total Expenditures	<u>\$ 1,061,495</u>	<u>\$ 987,461</u>	<u>\$ 922,220</u>	<u>\$ 922,220</u>	<u>\$ 931,220</u>
Ending Balance, June 30	<u><u>\$ 116,009</u></u>	<u><u>\$ 117,228</u></u>	<u><u>\$ 115,889</u></u>	<u><u>\$ 125,478</u></u>	<u><u>\$ 133,774</u></u>
Increase (Decrease) in Fund Balance	\$ 5,535	\$ 1,219	\$ 3,250	\$ 8,250	\$ 8,296

1. Interest and fees beginning in December of 2018, 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 1,731,777	\$ 1,833,808	\$ 1,635,962	\$ 1,773,592	\$ 1,893,922
Revenues	<u>4,798,486</u>	<u>5,018,345</u>	<u>5,422,200</u>	<u>5,475,200</u>	<u>5,830,000</u>
Funds Available	\$ 6,530,263	\$ 6,852,153	\$ 7,058,162	\$ 7,248,792	\$ 7,723,922
Expenditures (1) (2)	<u>4,696,455 (3)</u>	<u>5,078,561 (3)</u>	<u>5,358,470 (4) (5)</u>	<u>5,354,870</u>	<u>5,466,366</u>
Ending Balance, June 30	<u>\$ 1,833,808</u>	<u>\$ 1,773,592</u>	<u>\$ 1,699,692</u>	<u>\$ 1,893,922</u>	<u>\$ 2,257,556</u>

Increase (Decrease) in Fund Balance	\$ 102,031 (3)	\$ (60,216)	\$ 63,730 (4)	\$ 120,330	\$ 363,634
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1. Expenditures include changes in compensated absences.
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 2017/2018 and 2018/2019 budgets continued the increased Replacement Reserve transfer of \$700,000.
4. Beginning in 2019/2020 the transfer to the Replacement Reserve has been reduced to \$400,000 per the new rate study.
5. Beginning in 2019/2020 expenditures include those for the new High Strength Waste Operations division.

Water Pollution Control Operations Fund

Summary of Revenues

	<u>Actual</u> <u>2017/2018</u>		<u>Actual</u> <u>2018/2019</u>		<u>Budget</u> <u>2019/2020</u>		<u>Revised</u> <u>Estimate</u> <u>2019/2020</u>		<u>Budget</u> <u>2020/2021</u>	
Sewer Charges-Residential and Commercial (Billed by MP&W)	\$ 3,339,382	(1)	\$ 3,382,071	(2)	\$ 3,525,000	(2)	\$ 3,512,000	(2)	\$ 3,617,300	(2)
Industrial and City-billed Commercial										
Sewer Charges	1,205,329	(1)	1,257,230	(2)	1,300,000	(2)	1,440,000	(2)	1,463,000	(2)
Charges for Fats, Oils, and Grease (FOG)	24,922		102,945		140,000	(3)	200,000	(3)	250,000	(3)
Charges for High Strength Waste	0		0		225,000	(4)	75,000	(4)	300,000	(4)
Wastewater Discharge Permits	1,350		2,475		5,900		5,900		2,400	
Interest	15,391		29,535		15,000		17,000		17,000	
Sale of Equipment/Other Sales	864		3,647		0		0		0	
Analytical Income	112,877		155,816		105,000		105,000		110,000	
Sales Tax	66,607		66,470		70,000		70,000		70,000	
Insurance Reimbursement	31,659		0		0		50,000		0	
Equipment Rental	0		18,000	(5)	36,000	(5)	0	(5)	0	
Miscellaneous	105		156		300		300		300	
Total Revenues	<u>\$ 4,798,486</u>		<u>\$ 5,018,345</u>		<u>\$ 5,422,200</u>		<u>\$ 5,475,200</u>		<u>\$ 5,830,000</u>	

1. Rates were increased 3% effective 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 July 1, 2019. Additional 3% increases will be implemented July 1, 2020, July 1, 2021, and July 1, 2022.
3. Estimated revenue from Fats, Oils, and Grease which began in the spring of 2017.
4. The budgeted revenue from High Strength Waste was based on this operation starting July 1, 2019; the actual start date, however, will be in the spring of 2020. The 2020/2021 year will be the first full year of the High Strength Waste Operation.
5. The Water Pollution Control Department began renting out the City's dredge to a private company in October of 2018. At the time the 2019/2020 budget was approved, it was projected that this arrangement would continue; however, that company is no longer interested in continuing this arrangement.

Water Pollution Control Operations Fund

Summary of Expenditures

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Administration (1)	\$ 2,516,289 (2)	\$ 2,563,171 (2)	\$ 2,219,770 (3)	\$ 2,226,070	\$ 2,249,966
Plant Operations	1,251,632	1,319,850	1,579,900	1,632,200	1,489,800
Pumping Stations	304,409	477,211	493,000	484,800	625,600
Laboratory Operations	403,188	416,327	429,200	436,100	438,600
Biosolids Operations	307,731	306,175	372,300	376,000	380,200
High Strength Waste Operations	<u>N/A</u>	<u>N/A</u>	<u>264,300</u>	<u>199,700</u>	<u>282,200</u>
Total Expenditures	<u>\$ 4,783,249</u>	<u>\$ 5,082,734</u>	<u>\$ 5,358,470</u>	<u>\$ 5,354,870</u>	<u>\$ 5,466,366</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 included \$700,000 in transfers to the Plant Replacement Reserve so there would be sufficient funding available for the High Strength Waste Receiving Station project.
3. Beginning in 2019/2020 the 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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 197,379	\$ 205,525	\$ 212,000	\$ 213,100	\$ 218,900	3.25%
Commodities	3,604	3,760	4,700	4,700	4,700	0.00%
Contractual Services	165,504	175,384	183,100	188,300	192,600	5.19%
Capital Outlay	-	9,653	-	-	-	
Transfers	<u>2,149,802</u>	<u>2,168,846</u>	<u>1,819,970</u>	<u>1,819,970</u>	<u>1,833,766</u>	0.76%
Total Expenditures	<u>\$ 2,516,289</u>	<u>\$ 2,563,168</u>	<u>\$ 2,219,770</u>	<u>\$ 2,226,070</u>	<u>\$ 2,249,966</u>	1.36%
Funding Sources						
Sewer Charges	\$ 2,516,135	\$ 2,546,302	\$ 2,131,800	\$ 2,254,100	\$ 2,328,800	9.24%
Interest	<u>15,391</u>	<u>29,535</u>	<u>15,000</u>	<u>17,000</u>	<u>17,000</u>	13.33%
Total Funding Sources	<u>\$ 2,531,526</u>	<u>\$ 2,575,837</u>	<u>\$ 2,146,800</u>	<u>\$ 2,271,100</u>	<u>\$ 2,345,800</u>	9.27%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 160,800
Employee Benefits						<u>58,100</u>
Total Personal Services						<u>\$ 218,900</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 663,706	\$ 659,409	\$ 686,900	\$ 662,800	\$ 685,400	-0.22%
Commodities	95,760	88,174	117,200	117,400	116,800	-0.34%
Contractual Services	455,466	481,855	504,300	538,000	548,600	8.78%
Capital Outlay	36,700	90,412	181,500	176,000	139,000	-23.42%
Transfers	-	-	90,000	138,000	-	-100.00%
Total Expenditures	\$ 1,251,632	\$ 1,319,850	\$ 1,579,900	\$ 1,632,200	\$ 1,489,800	-5.70%
Funding Sources						
Sewer Charges	\$ 1,151,047	\$ 1,229,102	\$ 1,467,700	\$ 1,506,000	\$ 1,417,100	-3.45%
Sales Tax	66,607	66,470	70,000	70,000	70,000	0.00%
Other Revenues	1,455	2,631	6,200	6,200	2,700	-56.45%
Insurance Reimbursement	31,659	-	-	50,000	-	
Sale of Equipment	864	3,647	-	-	-	
Equipment Rental	-	18,000	36,000	-	-	-100.00%
Total Funding Sources	\$ 1,251,632	\$ 1,319,850	\$ 1,579,900	\$ 1,632,200	\$ 1,489,800	-5.70%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	2.00	2.00	2.00	2.00	1.00	
Treatment Plant Operator I	1.00	1.00	-	1.00	1.00	
Treatment Plant Mechanic II	1.00	1.00	2.00	1.00	1.00	
Treatment Plant Mechanic I	1.00	1.00	-	1.00	1.00	
Total Full Time	6.75	6.75	6.75	6.75	6.75	
Part Time:						
Custodian II	0.64	0.72	0.73	0.68	0.73	
Total	7.39	7.47	7.48	7.43	7.48	\$ 466,900
Employee Benefits						218,500
Total Personal Services						\$ 685,400

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Replace Roofs - Office, North Garage, and Effluent Room	3	Yes	\$ 64,000
Scada Server Upgrade	1	Yes	60,000
Portable Air Compressor (Used)	1	Yes	15,000
			\$ 139,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 143,350	\$ 145,734	\$ 144,500	\$ 139,800	\$ 172,200	19.17%
Commodities	31,855	11,449	27,500	27,500	28,300	2.91%
Contractual Services	113,364	20,460	159,000	202,000	176,400	10.94%
Capital Outlay	15,840	119,568	162,000	115,500	248,700	53.52%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 304,409</u>	<u>\$ 297,211</u>	<u>\$ 493,000</u>	<u>\$ 484,800</u>	<u>\$ 625,600</u>	26.90%
Funding Sources						
Sewer Charges	<u>\$ 304,409</u>	<u>\$ 297,211</u>	<u>\$ 493,000</u>	<u>\$ 484,800</u>	<u>\$ 625,600</u>	26.90%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Lift Station/Plant Maintenance						
Supervisor	-	-	-	0.58	1.00	
Treatment Plant Mechanic I	-	-	-	1.00	1.00	
Lift Station Leadworker	1.00	1.00	1.00	0.17	-	
Lift Station Operator	1.00	1.00	1.00	-	-	
Total	2.00	2.00	2.00	1.75	2.00	\$ 119,100
Employee Benefits						53,100
Total Personal Services						<u>\$ 172,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Truck with Utility Box	1	Yes	\$ 43,700
Safety Platforms at Isett Lift Station	1	No	140,000
Pump for Cannon Avenue Lift Station	1	Yes	30,000
Spare Pump	1	Yes	10,000
Pump and Controls for Magnolia Lift Station	1	Yes	25,000
			<u>\$ 248,700</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 296,690	\$ 304,803	\$ 314,000	\$ 309,600	\$ 321,700	2.45%
Commodities	61,656	58,156	62,700	63,300	63,300	0.96%
Contractual Services	24,332	27,778	29,900	37,400	33,000	10.37%
Capital Outlay	20,510	25,590	22,600	25,800	20,600	-8.85%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 403,188</u>	<u>\$ 416,327</u>	<u>\$ 429,200</u>	<u>\$ 436,100</u>	<u>\$ 438,600</u>	2.19%
Funding Sources						
Sewer Charges	\$ 290,311	\$ 260,511	\$ 324,200	\$ 331,100	\$ 328,600	1.36%
Analytical Charges	<u>112,877</u>	<u>155,816</u>	<u>105,000</u>	<u>105,000</u>	<u>110,000</u>	4.76%
Total Funding Sources	<u>\$ 403,188</u>	<u>\$ 416,327</u>	<u>\$ 429,200</u>	<u>\$ 436,100</u>	<u>\$ 438,600</u>	2.19%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 228,700
Employee Benefits						<u>93,000</u>
Total Personal Services						<u>\$ 321,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
DO Probe	1	Yes	\$ 1,100
Balance	1	Yes	6,000
Dessicator	1	Yes	1,000
Flask Washer	1	Yes	12,500
			<u>\$ 20,600</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 241,603	\$ 249,339	\$ 259,300	\$ 258,900	\$ 265,900	2.55%
Commodities	24,820	21,296	32,300	41,300	65,700	103.41%
Contractual Services	15,291	20,499	23,200	25,700	32,900	41.81%
Capital Outlay	26,017	15,041	57,500	50,100	15,700	-72.70%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 307,731</u>	<u>\$ 306,175</u>	<u>\$ 372,300</u>	<u>\$ 376,000</u>	<u>\$ 380,200</u>	2.12%
Funding Sources						
Sewer Charges	<u>\$ 307,731</u>	<u>\$ 306,175</u>	<u>\$ 372,300</u>	<u>\$ 376,000</u>	<u>\$ 380,200</u>	2.12%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 167,800
Overtime						15,300
Employee Benefits						82,800
Total Personal Services						<u>\$ 265,900</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
5" Drag Hose 660 FT	1	No	\$ 8,200
6" Supply Hose 660 FT	1	Yes	7,500
			<u>\$ 15,700</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
High Strength Waste Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ 154,500	\$ 101,200	\$ 160,800	4.08%
Commodities	-	-	19,400	15,100	19,600	1.03%
Contractual Services	-	-	90,400	83,400	101,800	12.61%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,300</u>	<u>\$ 199,700</u>	<u>\$ 282,200</u>	6.77%
Funding Sources						
Fats, Oils, & Grease (FOG) Fees	\$ 24,922	\$ 102,945	\$ 140,000	\$ 200,000	\$ 250,000	78.57%
High Strength Waste Fees	-	-	225,000	75,000	300,000	33.33%
Total Funding Sources	<u>\$ 24,922</u>	<u>\$ 102,945</u>	<u>\$ 365,000</u>	<u>\$ 275,000</u>	<u>\$ 550,000</u>	50.68%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Treatment Plant Mechanic I	-	-	2.00 *	1.34 *	2.00	
Total	-	-	2.00	1.34	2.00	\$ 102,500
Employee Benefits						58,300
Total Personal Services						<u>\$ 160,800</u>
* Budgeted hire dates were July; actual hire dates were in October, 2019						

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 was approximately 35% completed. Phase 4-A of the West Hill project was completed in 2018 and Phase 4-B was substantially completed in 2019. Phase 4-C construction is scheduled for calendar year 2020, which will complete Phase 4.

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 previous 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 required the Local Option Tax be in place from its previous expiration date of June 30, 2019 through June 30, 2034. This required a 15 year Local Option Tax period which is the term approved by voters at the Local Option Tax renewal referendum.

The 2019/2020 revised estimate for the Collection and Drainage operations activity is under the original budget by \$15,300. Personal services are estimated to be \$19,800 less than the original budget. This includes savings from a vacancy in an Equipment Operator III position with this position replaced with an Equipment Operator I at a lower grade in the pay plan. A portion of this savings has been offset by the addition of 25% of a new fulltime Right-of-Way (ROW) Inspector position beginning in April of 2020. The ROW Inspector will be doing the utility locates previously done by the Collection and Drainage staff which is estimated to account for 25% of their time. The other 75% of the ROW Inspector is budgeted to be allocated to the Engineering budget. The revised estimate for capital outlay is over budget by \$4,500 due to the actual cost of replacing a one-ton truck exceeding the original budget.

The 2020/2021 budget is \$32,400 (2.3%) higher than the 2019/2020 budget. This overall increase is due to the net effect of (1) a \$27,800 (5.2%) increase in personal services costs which includes the 25% allocation of the new fulltime Right-of-Way Inspector position discussed in the previous paragraph, (2) a \$200 decrease in contractual services, (3) a \$3,500 increase in capital outlay, and (4) a \$1,300 increase in transfers. The capital outlay allocation includes \$6,500 for four sets of communications headgear, \$27,000 for a ¾ ton pick-up truck, \$15,000 for a used 4" diesel pump, and sewer maintenance projects estimated at \$50,000.

The budgeted transfers for 2020/2021 include the 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, \$15,700 for the cost allocation of the Communications Manager position, and a total of \$17,000 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently \$12.65 per customer per month. This fee was effective July 1, 2019 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 \$12.90 per customer per month effective July 1, 2020.

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 2016	Actual 2017	Actual 2018	Actual 2019	Estimated 2020
Sewers Cleaned and Flushed (Miles)	18.2	15.8	19.7	16	18
CCTV Inspections (Feet)	1,565	1,008 *	1,375 *	1,000	1,200
Inspections at Combined Sewer Overflows (CSO)	20	13	12	12	12
Inspections of Blockage Prone Manholes (Various Locations)	8	12	10	12	12
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	13	19	13	12	12
Inspection of Off Road Sanitary Sewers (Man Hours)	151	111	154	150	150
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	187	58	79	56	100
Cleaning Storm Structures (Man Hours)	1,222	1,238	1,231	1,135	1,300
Corrective Repairs – Sewers	18	15	14	10	15
Corrective Repairs – Structures	71	50	19	8	20
Corrective Repairs – Force Mains	1	1	7	1	2
Utility Locates	2,399	2,854	3,372	4,975	3,000
After Hours	14	13	12	15	12
Request for Service Responses – Total	59	82	70	56	70
After Hours	2	13	16	7	10
Sanitary Sewer Overflows (SSO)	2	1	5	5	5
Backups Due to City Lines	3	2	7	6	5
Routine Equipment Operation/Maintenance (Man Hours)	799	765	544	600	600
Work for Other Departments (Man Hours)	369	366	475	325	400
Work on Capital Improvement Projects (Man Hours)	616	658	946	250	400

* Footage shown for the CCTV Inspections is only for inspections done with the self-propelled camera.

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 public works department with planning of future projects, 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 citywide goals for technology in the field.

The Collection and Drainage staff updated the locate information on construction projects thru ARC geographic information system (GIS).

This division worked with City contractors on several projects including reconstructing the storm water drainage ditch at the intersection of Kindler Street and Fulliam Avenue and replacing a 48" storm water culvert at the intersection of Houser and Musser Streets.

During record length flood events in 2019, staff provided support to other departments and identified improvements and/or changes to implement that will improve services to citizens and businesses affected by the flood waters.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To complete Zone 1 of the Collection and Drainage routine sewer maintenance program.
- To continue planning for the future year construction of a redundant force main from Musser Park to the Waste Water Treatment Plant as required by the DNR. This redundant force main is required to be completed by 2026.
- To continue to restructure and learn the collection system infrastructure during the reorganization period of the Collection and Drainage division of Public Works.
- To continue to evaluate the list of regularly checked trouble spot sanitary manholes to see if a permanent repair can be made to remove them from the list.
- To begin a study of infiltration and inflow of storm water into the sanitary sewer system in the southwest portion of the city near Hershey Avenue and Main Street.

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 1,191,246	\$ 694,551	\$ 916,551	\$ 1,092,854	\$ 1,125,854
Revenues					
Interest	\$ 12,974	\$ 18,823	\$ 12,000	\$ 15,000	\$ 15,000
Sewer Connection Fees	21,472	29,480	10,000	18,000	15,000
Transfers In					
Collection and Drainage Fund	180,000	350,000	350,000	350,000	350,000
Total Revenues	\$ 214,446	\$ 398,303	\$ 372,000	\$ 383,000	\$ 380,000
Funds Available	\$ 1,405,692	\$ 1,092,854	\$ 1,288,551	\$ 1,475,854	\$ 1,505,854
Expenditures					
Transfers Out:					
Papoose Force Main Replacement Project	\$ 711,141 (2)	\$ 0	\$ 0	\$ 0	\$ 0
Papoose Force Main Redundant Line - Engineering	0	0	0	200,000 (4)	0
Arbor Commons Sewer Benefit District (Preliminary Estimate)	0	0	0	150,000 (3)	0
Total Expenditures	\$ 711,141	\$ 0	\$ 0	\$ 350,000	\$ 0
Ending Balance, June 30	\$ 694,551	\$ 1,092,854	\$ 1,288,551	\$ 1,125,854	\$ 1,505,854
Increase (Decrease) in Fund Balance	\$ (496,695)	\$ 398,303	\$ 372,000	\$ 33,000	\$ 380,000

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.
4. The City has a mandate to construct a redundant line from the Papoose Lift Station to the Water Pollution Control Plant. This project is required to be completed by 2026. Engineering design has been included in the 2019/2020 revised estimate for this future year project.

**Collection and Drainage
(Including Stormwater Operations)
Fund Statement**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 629,769	\$ 722,430	\$ 605,530	\$ 681,893	\$ 657,293
Revenues					
Collection and Drainage Fees	\$ 1,342,574 (1)	\$ 1,372,385 (1)	\$ 1,403,000 (1)	\$ 1,401,400 (1)	\$ 1,429,400 (1)
Grease Discharge Permits	18,405	20,360	18,000	18,000	18,000
Interest	7,560	15,771	6,500	8,100	8,100
State Grant for Infiltration Project	0	0	0	60,000 (3)	0
Donations/Grant - Pollinator Park Sculpture (purchase subject to this outside funding)	0	0	0	0	10,000
Donation/Grant - Pollinator Park Bridge Railing (purchase subject to this outside funding)	0	0	0	0	25,000
Miscellaneous	494	0	100	100	100
Total Revenues	<u>\$ 1,369,033</u>	<u>\$ 1,408,516</u>	<u>\$ 1,427,600</u>	<u>\$ 1,487,600</u>	<u>\$ 1,490,600</u>
Funds Available	<u>\$ 1,998,802</u>	<u>\$ 2,130,946</u>	<u>\$ 2,033,130</u>	<u>\$ 2,169,493</u>	<u>\$ 2,147,893</u>
Expenditures:					
Collection and Drainage (2)	\$ 1,190,695	\$ 1,379,631	\$ 1,382,700 (4)	\$ 1,367,400 (4)	\$ 1,415,100 (4)
Stormwater Operations	85,677	69,422	81,100	144,800 (3)	87,900
Total Expenditures	<u>\$ 1,276,372</u>	<u>\$ 1,449,053</u>	<u>\$ 1,463,800</u>	<u>\$ 1,512,200</u>	<u>\$ 1,503,000</u>
Ending Balance, June 30	<u>\$ 722,430</u>	<u>\$ 681,893</u>	<u>\$ 569,330</u>	<u>\$ 657,293</u>	<u>\$ 644,893</u>
Increase (Decrease) in Fund Balance	\$ 92,661	\$ (40,537)	\$ (36,200)	\$ (24,600)	\$ (12,400)

- Monthly collection and drainage charges on sewer bills were \$12.15 in 2017/2018. The rate increased to \$12.40 in 2018/2019 and increased again to \$12.65 per customer per month in 2019/2020. This rate will increase to \$12.90 per customer per month in 2020/2021 based on the rate study.
- 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.
- The Storm Water Revised Estimate for 2019/2020 includes \$63,700 for an infiltration project in the parking lot across from City Hall. This amount will be funded from a \$60,000 grant with the grant match to be from in-kind staff, equipment, and material costs. This project was carried forward from the 2018/2019 budget.
- The 2019/2020 revised estimate and 2020/2021 budget each include transfers of \$350,000 to the Sewer Extension & Improvement Reserve based on the 2018 rate study.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 529,394	\$ 556,111	\$ 533,800	\$ 514,000	\$ 561,600	5.21%
Commodities	29,848	27,659	50,000	50,000	50,000	0.00%
Contractual Services	163,320	141,808	122,500	122,500	122,300	-0.16%
Capital Outlay	61,433	75,054	95,000	99,500	98,500	3.68%
Transfers	406,700	579,000	581,400	581,400	582,700	0.22%
Total Expenditures	\$ 1,190,695	\$ 1,379,632	\$ 1,382,700	\$ 1,367,400	\$ 1,415,100	2.34%
Funding Sources						
Collection & Drainage Fees	\$ 1,190,695	\$ 1,379,632	\$ 1,382,700	\$ 1,367,400	\$ 1,415,100	2.34%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor *	1.00	0.50	0.00	0.00	0.00	
Solid Waste and Sewer						
System Manager *	0.00	0.25	0.50	0.50	0.50	
Collection & Drainage						
Leadworker	0.00	0.00	1.00	1.00	1.00	
Equipment Operator III	4.00	4.00	3.00	3.58	3.00	
Equipment Operator II	0.00	1.00	1.00	0.00	0.00	
Equipment Operator I	1.00	0.00	0.00	0.33	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Right-of-Way Inspector	0.00	0.00	0.00	0.06	0.25	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total	6.53	6.28	6.03	6.00	6.28	\$ 369,300
Employee Benefits						192,300
Total Personal Services						\$ 561,600
*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.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Sewer Maintenance Projects			\$ 50,000
Communications Headgear	4 Sets	No	6,500
3/4 Ton Pick Up	1	Yes	27,000
Used 4" Pump	1	No	15,000
			\$ 98,500

STORM WATER OPERATIONS

GENERAL INFORMATION:

The Storm Water activity budget was first established January 1, 2005 in order to address federal regulations which are placing additional demands on cities to monitor, regulate, and treat storm water. Funding for this program has been from the Collection and Drainage fund.

This budget currently includes an allocation of 1/3 of the Community Development Inspector II position and 1/4 of the Environmental Coordinator position. The Water Pollution Control department oversees the Storm Water operations program.

CURRENT TRENDS AND ISSUES:

The 2019/2020 revised estimate is \$63,700 more than the original budget. The increase is due to the Parking Lot #7 Biocell Project which was carried forward from the 2018/2019 budget. The purpose of this project, located in the parking lot across from City Hall, was to assist with drainage after heavy rainfalls. This project was funded by a \$60,000 State grant with the grant match provided by in-kind labor and equipment.

The 2020/2021 budget is \$6,800 (8.4%) more than the original budget for 2019/2020. This increase includes (1) a \$2,900 increase in personal services costs, (2) an \$800 increase in contractual services, and (3) a \$3,100 increase in capital outlay.

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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Grease Discharge Permits Issued	141	146	147	145	145
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	53	28	37	30	30
Permitted Significant Industrial Users	13	14	14	14	14
Significant Industrial Users Inspected	13	14	14	14	14
Commercial Waste Hauling Permits Issued	16	17	18	20	25
Construction Site Inspections	6	3	26	15	15
River and Creek Samples Taken	24	110 (1)	1 (2)	10	30
Tests Performed on River and Creek Samples	240	360 (1)	6 (2)	100	250

1. The increase in samples and tests in 2017/2018 was due to the river and creek samples required due to the Papoose Force Main bypass.
2. Due to equipment damage from lightning strikes, staff turnover, and other factors, limited sampling and testing was done in 2018/2019.

RECENT ACCOMPLISHMENTS:

The Stormwater division has been involved in the Nutrient Reduction Study that will target watershed projects for nutrient removal to gain credit toward permit requirements. The Water Pollution Control Plant is required by permit to reduce nutrients discharged from the treatment plant, but is allowed to explore watershed projects such as wetland development, sediment basins, or other similar practices to assist in meeting this goal. This will potentially save the City money and reduce the quantity of nutrients in the watershed.

While the City is not permitted for stormwater discharges as other cities in the state are, the department continues to prepare for the eventual designation called MS4 (Municipal Separated Storm Sewer System). This permit will require more staffing and oversight as well as infrastructure costs. Preparation for this potential future designation should make the transition to a permitted community easier.

Working with Public Works staff, the Stormwater division is helping to map out opportunities along the Grandview Avenue corridor for biocell, bioretention, and infiltration practices to reduce flooding, clean polluted waters, and enhance native areas for pollinators.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

- To seek new partners, similar to the Muscatine Pollinator Project, for planting native species in current and developing storm water practices.
- To continue work on invasive species removal in the Pollinator Park, Sampson Prairie, Biosolids lagoons, and existing stormwater practices.
- To develop the area along the Muscatine Slough with hiking trails and educational markers.
- To identify possible stormwater practices in the Iowa Field area for flood mitigation, basement and property flooding, and native habitat establishment.
- To look for potential storm water practices in conjunction with the Grandview Avenue Corridor project.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Storm Water Operations

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 52,199	\$ 55,120	\$ 57,800	\$ 57,800	\$ 60,700	5.02%
Commodities	7,990	5,188	8,800	8,800	8,800	0.00%
Contractual Services	2,488	9,114	14,500	14,500	15,300	5.52%
Capital Outlay	-	-	-	63,700	3,100	
Transfers	23,000	-	-	-	-	
Total Expenditures	\$ 85,677	\$ 69,422	\$ 81,100	\$ 144,800	\$ 87,900	8.38%
Funding Sources						
Grease Discharge Permits	\$ 18,405	\$ 20,360	\$ 18,000	\$ 18,000	\$ 18,000	0.00%
State Grant - Infiltration Project	-	-	-	60,000	-	
Collection & Drainage Funds	67,272	49,062	63,100	66,800	69,900	10.78%
Total Funding Sources	\$ 85,677	\$ 69,422	\$ 81,100	\$ 144,800	\$ 87,900	8.38%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
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	\$ 41,400
Employee Benefits						19,300
Total Personal Services						\$ 60,700

Capital Outlay			
Item	Quantity	Replacement	Amount
Portable Stream Sampler	1	No	\$ 3,100

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 \$717,267 for 2019/2020 and it is budgeted to increase to \$770,844 for 2020/2021. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2020/2021. The IPERS rate will remain at 9.44% in 2020/2021.

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%, and 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 decreased to 24.41% in 2019/2020 and will increase to 25.31% in 2020/2021. Property tax funding for police and fire pension will increase from the \$1,382,170 budgeted for 2019/2020 to \$1,466,632 budgeted for 2020/2021.

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 \$17,840 of medical costs related to several individuals' injuries or illnesses were incurred 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, \$82,618 in 2017/2018, and \$79,125 in 2018/2019. The retiree medical costs are estimated at \$45,000 for both the 2019/2020 and the 2020/2021 budgets.

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 further increased to \$56,698 for 2018/2019 through 2020/2021.

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 \$2,046,612 for 2020/2021. 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%. Effective January 1, 2020, rates increased another 5% to \$623.87 and \$1,659.53 respectively, for single and family coverage and the employee contribution was maintained at 8%. The budgeted tax funding amount for 2020/2021 for General Fund employees is \$2,046,612.

Employee benefit costs for life insurance will increase from the \$15,075 budgeted in 2019/2020 to \$15,969 in 2020/2021. 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 2020/2021.

The dental insurance rate for City employees in 2015 was \$30.85 for single coverage. In January 2016, the rate 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 remained the same for 2019 and 2020. 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 2020/2021, the cost of dental insurance for General Fund employees is budgeted at \$54,299 compared to the \$52,905 budgeted for 2019/2020.

In regard to workers' compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2009/2010 through 2018/2019, the workers' compensation experience modification factors were .89, .87, .82, .77, .72, .73, .75, .94, .89, and .90. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2019/2020 the experience modification decreased to .72 and it is projected to remain at .72 for 2020/2021. The tax funding amount for General Fund employee workers' compensation budgeted for 2019/2020 was \$36,097 and it is expected to decrease to \$28,242 for 2020/2021. 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, 2014 was .9% of \$26,800 of wages and the rate was .8% of \$27,300 of wages effective January 1, 2015. 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 was .7% of \$30,600 of wages. The rate effective January 1, 2020 increased to 1.2% of \$31,600 of wages. The 2020/2021 budget provides funding for this rate to continue at 1.2% of applicable wages of \$31,600 as of January 1, 2021. The tax funding amount for 2020/2021 is estimated at \$60,338 compared to the \$25,460 originally budgeted for 2019/2020.

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 \$13,370 for 2020/2021 compared to \$13,060 budgeted for 2019/2020.

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 2020/2021 is budgeted at \$55,737.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rate for the 2019/2020 budget was set at a rate lower than the rate that would have been needed to fund 100% of the costs of General Fund employee benefits. For 2019/2020 \$54,215 of General Fund employee benefit costs were budgeted to be funded from the General Fund balance instead of the Employee Benefits tax levy. This allowed the overall City property tax rate for 2019/2020 to be maintained at \$15.67209 per \$1,000 of valuation. However, since the 2019/2020 revised estimate was less than expected due to vacancies and coverage changes, there will be no funding needed from the General Fund balance in 2019/2020. The 2020/2021 Employee Benefits tax levy is budgeted to fund 100% of General Fund employee benefits and still allows the overall City tax rate to remain unchanged for 2020/2021.

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 2020/2021 beginning fund balance of \$101,650, the Employee Benefit tax levy for 2020/2021 is \$4,308,401 compared to the \$4,097,752 budgeted for 2019/2020 (an increase of 5.1%). This requires a tax levy rate of \$4.78659 compared to \$4.59481 for the 2019/2020 budget year, an increase of 4.17% 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 \$179,300 for 2019/2020 and \$204,890 for 2020/2021. These amounts have been included as revenue to this fund each year.

Employee Benefits Fund

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 57,105	\$ 71,689	\$ 77,379	\$ 75,959	\$ 101,650
Revenues					
Property Tax	3,766,858	4,119,471	\$ 4,083,071	\$ 4,083,071	\$ 4,290,066
Utility Tax Replacement Excise Tax	16,510	14,723	14,681	14,681	18,335
Commercial/Industrial State Reimbursemen	180,669	181,487	193,427	179,300	204,890
Total Revenues	\$ 3,964,037	\$ 4,315,681	\$ 4,291,179	\$ 4,277,052	\$ 4,513,291
Funds Available	\$ 4,021,142	\$ 4,387,370	\$ 4,368,558	\$ 4,353,011	\$ 4,614,941
Expenditures					
Transfers Out					
Police Retirement	\$ 671,716	\$ 703,842	\$ 696,119	\$ 684,059	\$ 722,931
Fire Retirement	666,707	691,296	686,051	670,288	743,701
Police & Fire Retiree Medical	82,618	79,125	45,000	45,000	45,000
Health Insurance	1,859,161	1,870,284	2,011,967	1,875,035	2,046,612
Dental Insurance	47,308	48,430	52,905	50,613	54,299
Life Insurance	14,441	14,555	15,075	14,672	15,969
Police and Fire Medical Insurance	54,000	56,698	56,800	56,698	56,698
Long-term Disability Insurance	12,210	12,382	13,060	12,835	13,370
Post-Employment Health Plan	41,023	73,855	41,059	37,108	55,737
Workers Compensation	46,626	49,250	36,097	25,733	28,242
Unemployment	21,967	32,857	25,460	61,453	60,338
Deferred Compensation	1,200	1,200	1,200	600	1,200
FICA/IPERS	660,694	708,867	741,980	717,267	770,844
Employee Benefit Levy Reduction	(230,218) (1)	(31,230) (2)	(54,215) (3)	0	0 (4)
Total Expenditures	\$ 3,949,453	\$ 4,311,411	\$ 4,368,558	\$ 4,251,361	\$ 4,614,941
Ending Balance, June 30	\$ 71,689	\$ 75,959	\$ 0	\$ 101,650	\$ 0
Increase (Decrease) in Fund Balance	\$ 14,584	\$ 4,270	\$ (77,379)	\$ 25,691	\$ (101,650)

1. 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 allowed for the City to maintain the same total tax rate for 2017/2018.
2. 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.
3. The 2019/2020 Employee Benefits tax levy was \$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.
4. The 2020/2021 Employee Benefits tax levy will fund 100% of the General Fund employee benefits.

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 2017/2018 and 2018/2019 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 2019/2020 is estimated at \$101,650 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2020/2021.

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 2020/2021 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 2020/2021 budget. At the maximum rate of \$.27/\$1,000, this levy would have generated \$243,027 in 2020/2021. 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 2020/2021.

Emergency Tax Levy Fund

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 80,967 (1)	\$ 81,706	\$ 81,167	\$ 83,414	\$ 84,614
Revenues					
Property Tax (2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	739	1,708	800	1,200	1,200
Total Revenues	\$ 739	\$ 1,708	\$ 800	\$ 0	\$ 0
Funds Available	\$ 81,706	\$ 83,414	\$ 81,967	\$ 84,614	\$ 85,814
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	\$ 81,706	\$ 83,414	\$ 81,967	\$ 84,614	\$ 85,814

Increase (Decrease) in					
Fund Balance	\$ 739	\$ 1,708	\$ 800	\$ 1,200	\$ 1,200

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 2020/2021 budget.
2. The City did not levy an Emergency Levy in any of the fiscal years from 2011/2012 through 2020/2021.

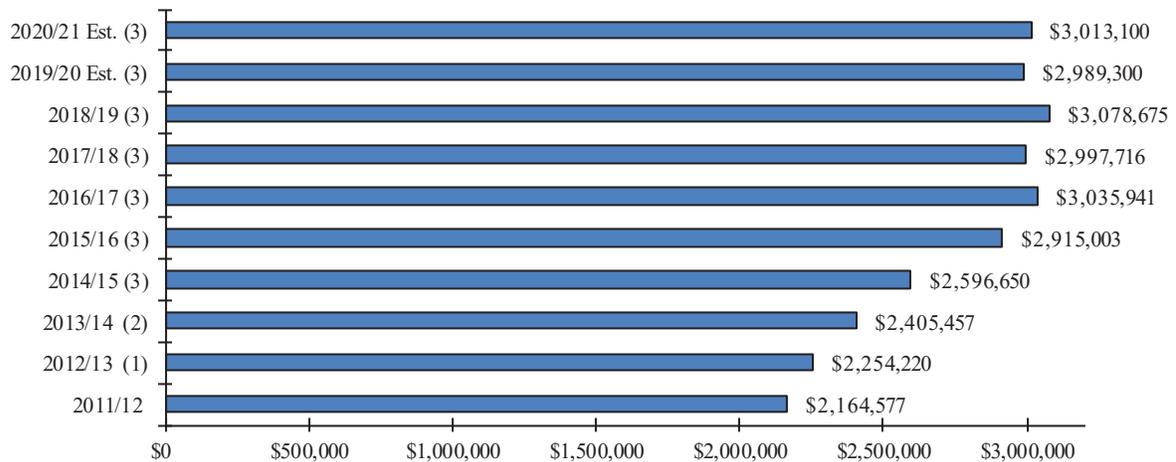
SPECIAL REVENUE FUNDS

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 2020/2021. 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.

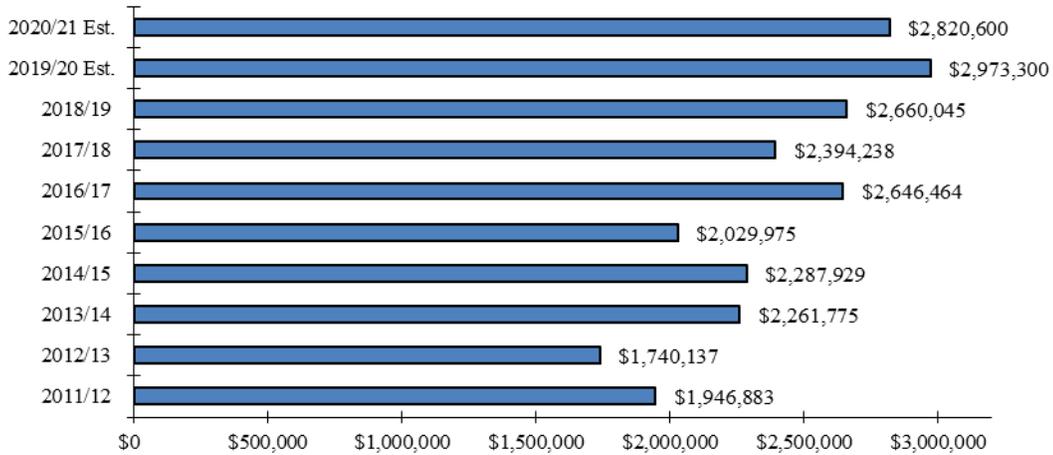
Road Use Tax Revenue History



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 2019/2020 and 2020/2021 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 \$2,989,300 in 2019/2020. This is based on the Iowa Department of Transportation (IDOT) estimate of \$126.00 per capita, which has been reduced by \$.50 to \$125.50 for a conservative budget estimate.

The road use tax distribution for 2020/2021 was estimated by the IDOT at \$127.00 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2020/2021 budget includes a more conservative estimate of \$126.50 per capita which would generate \$3,013,100.

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 2019/2020 revised estimate and the 2020/2021 budget include \$2,973,300 and \$2,820,600, 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.

In 2018/2019 \$119,897 was used for the Pavement Management program, \$104,207 was used for railroad crossing improvements, \$1,718 for the Mulberry Avenue project, \$9,195 for a portion of the engineering design costs for the proposed Houser/Fulliam mini-roundabout project, and \$135,595 for the new sidewalk program.

The 2019/2020 revised estimate includes a transfer of \$2,973,300 to the General Fund for Public Works operating activities, \$436,900 for the Pavement Management program, \$198,100 for railroad crossing improvements, \$1,000 for the Mulberry Avenue project, and \$100,000 for the new sidewalk program. Local option tax funds in 2019/2020 will also provide \$593,100 in funding for the Pavement Management program bringing the total to \$1,030,000 in funding for this program.

The 2020/2021 budget includes a transfer of \$2,820,600 to the General Fund for Public Works operating activities. The budget also includes \$412,800 for the Pavement Management program and \$100,000 for the new sidewalk program. The \$412,800 road use tax allocation for the Pavement Management program will be combined with the \$587,200 local option sales tax funding to bring the total allocation to \$1 million for this program. This total funding allocation will allow the City to complete a significant amount of pavement management work in 2020/21. 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, 2021 is projected at \$325,472 based on estimated road use taxes of \$125.50 per capita for 2019/2020 and \$126.50 per capita for 2020/2021. With accruing two months of road use tax receipts at fiscal year-end, a minimum of \$325,000 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 2020/2021 fiscal year.

Road Use Tax Fund

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 1,254,789	\$ 1,317,754	\$ 815,654	\$ 1,365,772	\$ 645,772
Revenues					
Road Use Tax	<u>\$ 2,997,716</u>	<u>\$ 3,078,675</u>	<u>\$ 2,882,100</u>	<u>\$ 2,989,300</u> (1)	<u>\$ 3,013,100</u> (1)
Funds Available	<u>\$ 4,252,505</u>	<u>\$ 4,396,429</u>	<u>\$ 3,697,754</u>	<u>\$ 4,355,072</u>	<u>\$ 3,658,872</u>
Expenditures					
Transfers Out:					
General Fund	\$ 2,394,238	\$ 2,660,045	\$ 2,892,400	\$ 2,973,300	\$ 2,820,600
Capital Projects Funds:					
Asphalt Overlay/Other					
Street Improvements	425,475	119,897	318,800	436,900	412,800
Railroad Crossing Improvements	58,623	104,207	0	198,100	0
Cleveland Street Project	5,000	0	0	0	0
Mulberry Avenue Improvements	22,198	1,718	0	1,000	0
Houser/Fulliam Intersection	10,725	9,195	40,800	0	0
Park Avenue to 3-Lane	17,550	0	0	0	0
New Sidewalk Program	942	135,595	100,000	100,000	100,000
Total Expenditures	<u>\$ 2,934,751</u>	<u>\$ 3,030,657</u>	<u>\$ 3,352,000</u>	<u>\$ 3,709,300</u>	<u>\$ 3,333,400</u>
Ending Balance, June 30	<u><u>\$ 1,317,754</u></u>	<u><u>\$ 1,365,772</u></u>	<u><u>\$ 345,754</u></u>	<u><u>\$ 645,772</u></u>	<u><u>\$ 325,472</u></u>

Increase (Decrease) in					
Fund Balance	\$ 62,965	\$ 48,018	\$ (469,900)	\$ (720,000)	\$ (320,300)

Per Capita Road Use Taxes (Actual and Estimated)	\$ 125.85	\$ 129.25	\$ 121.00	\$ 125.50 (1)	\$ 126.50 (1)
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1. Revenues for both the Revised Estimate and 2020/2021 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 2019/2020 Revised Estimate and 2020/2021 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. This 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 15-year 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 2019/2020 and 2020/2021 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 2019/20 and 2020/21 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 2019/2020 and the 2020/2021 budget, the estimated local option sales tax revenues are \$2,965,500 and \$2,936,900, respectively. The 2020/2021 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 2019/2020 and Estimated 2020/2021**

	Estimated <u>2019/2020</u>	Projected <u>2020/2021</u>
Projects:		
West Hill Sewer Separation - Completion of Phase 4-B and Start of Phase 4-C	\$ 2,659,000	\$ -
West Hill Sewer Separation - Completion of Phase 4-C and Start of Phase 5-A	-	2,350,000
	\$ 2,659,000	\$ 2,350,000
Totals	\$ 2,659,000	\$ 2,350,000

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-B 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 \$2.3 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 required the Local Option Tax be in place from its previous 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 \$593,100 in the revised estimate and \$587,200 in the 2020/2021 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 2019/2020 and Estimated 2020/2021

	Estimated <u>2019/2020</u>	Projected <u>2020/2021</u>
Project:		
Pavement Management Program	\$ 593,100	\$ 587,200

The \$587,200 Local Option Sales Tax allocation for the Pavement Management program in 2020/2021 and the \$412,800 allocation of Road Use Taxes for the Pavement Management program will allow for \$1,000,000 in street improvements to be completed in 2020/2021. 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 237,751	\$ 267,314	\$ 250,014	\$ 566,491	\$ 279,891
Revenues					
Local Option Sales Tax	\$ 2,988,029	\$ 3,311,407	\$ 3,056,000	\$ 2,965,500 (1)	\$ 2,936,900 (2)
Interest	<u>0</u>	<u>4,716</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 2,988,029</u>	<u>\$ 3,316,123</u>	<u>\$ 3,056,000</u>	<u>\$ 2,965,500</u>	<u>\$ 2,936,900</u>
Funds Available	<u>\$ 3,225,780</u>	<u>\$ 3,583,437</u>	<u>\$ 3,306,014</u>	<u>\$ 3,531,991</u>	<u>\$ 3,216,791</u>
Expenditures					
Transfers Out:					
West Hill Sewer Project	\$ 2,377,631	\$ 2,355,054	\$ 2,299,800	\$ 2,659,000	\$ 2,350,000
Pavement Management Program (3)	<u>580,835</u>	<u>661,892</u>	<u>611,200</u>	<u>593,100</u>	<u>587,200</u>
Total Expenditures	<u>\$ 2,958,466</u>	<u>\$ 3,016,946</u>	<u>\$ 2,911,000</u>	<u>\$ 3,252,100</u>	<u>\$ 2,937,200</u>
Ending Balance, June 30	<u>\$ 267,314</u>	<u>\$ 566,491</u>	<u># \$ 395,014</u> (4)	<u>\$ 279,891</u> (4)	<u>\$ 279,591</u> (4)

Increase (Decrease) in Fund Balance	\$ 29,563	\$ 299,177	\$ 145,000	\$ (286,600)	\$ (300)
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1. The Revised Estimate Local Option Tax revenue amount is the State's estimate (\$2,936,861.63) plus a prior year reconciliation amount of \$28,657.72.
2. The 2020/2021 Local Option Tax revenue amount is estimated conservatively at the States's projected 2019/2020 level of \$2,936,861.63.
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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 8	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In:					
Local Option Sales Tax (1)	580,835	661,892	\$ 611,200	\$ 593,100 (2)	\$ 587,200 (3)
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 580,835</u>	<u>\$ 661,892</u>	<u>\$ 611,200</u>	<u>\$ 593,100</u>	<u>\$ 587,200</u>
Funds Available	<u>\$ 580,843</u>	<u>\$ 661,892</u>	<u>\$ 611,200</u>	<u>\$ 593,100</u>	<u>\$ 587,200</u>
Expenditures					
Transfers Out:					
Pavement Management (Curb and Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	\$ 580,843	\$ 661,892	\$ 611,200	\$ 593,100	\$ 587,200
Total Expenditures	<u>\$ 580,843</u>	<u>\$ 661,892</u>	<u>\$ 611,200</u>	<u>\$ 593,100</u>	<u>\$ 587,200</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	\$ (8)	\$ 0	\$ 0	\$ 0	\$ 0
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- Beginning July 1, 2009 up to 20% of Local Option Tax revenue has been allocated to the Pavement Management Program per the voter referendums.
- The Revised Estimate Local Option Tax revenue amount is 20% of the State's estimate (\$2,936,861.63) plus a prior year reconciliation amount of \$28,657.72.
- The 2020/2021 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2019/2020 level of \$2,936,861.63.

SPECIAL REVENUE FUNDS

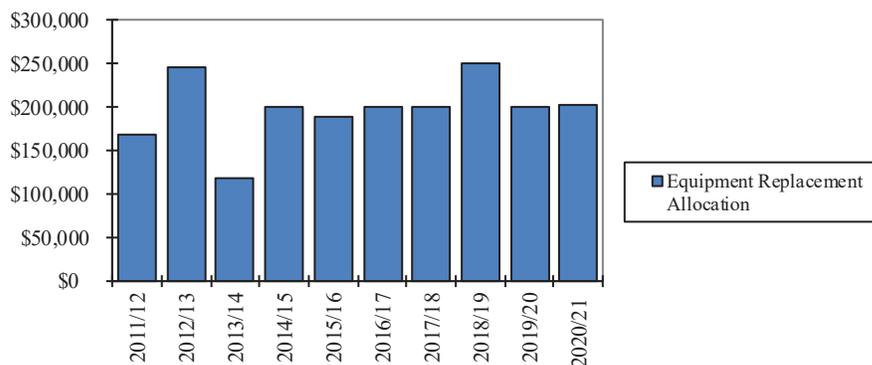
EQUIPMENT REPLACEMENT FUND

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 2011/2012 was set at \$168,900. 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 \$200,000. The 2018/2019 funding transfer was \$250,000 and the transfer decreased to \$200,000 in 2019/2020. The funding level for 2020/2021 will increase slightly to \$202,000.



CURRENT TRENDS AND ISSUES:

For 2019/2020 the funding allocation from the General Fund to the Equipment Replacement Fund was \$200,000. This will fund a total of \$206,600 of vehicle and equipment purchases including \$25,000 for a Police administrative vehicle, \$45,000 for a new animal control truck and transport unit, \$44,100 for a new

tractor for the cemetery, \$73,400 for a new mower for the Soccer Complex including the expanded area, and \$19,100 for a new utility vehicle for the Soccer Complex

The funding transfer for 2020/2021 is budgeted at \$202,000 and there is a total of \$212,500 budgeted for vehicles and equipment purchases. Purchases from the Equipment Replacement Fund in the 2020/2021 budget include \$32,000 for a Cargo Van for the Building and Grounds division, \$147,000 for three new police patrol vehicles, \$13,500 for a new mower for the cemetery, and \$20,000 for a new top dresser for the Soccer Complex. The balance in the Equipment Replacement Fund on June 30, 2021 is estimated at \$74,385.

Equipment Replacement Fund

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 75,421	\$ 162,559	\$ 72,459	\$ 26,085	\$ 77,185
Revenues					
Interest	\$ 1,101	\$ 2,815	\$ 500	\$ 500	\$ 500
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	8,350	76,811	0	0	0
Reimbursement of Damages	33,500	0	0	0	0
Donations for Armored Vehicle	0	100,000	0	50,000	0
Transfers In					
General Fund Allocation	200,000	250,000	200,000	200,000	202,000
Police Budget for Armored Vehicle	0	25,000	0	0	0
Police Forfeitures for Armored Vehicle	0	25,000	0	0	0
	\$ 250,151	\$ 486,826	\$ 207,700	\$ 257,700	\$ 209,700
Total Revenues					
Funds Available	\$ 325,572	\$ 649,385	\$ 280,159	\$ 283,785	\$ 286,885
Expenditures					
Equipment Purchases	163,013	623,300	214,000	206,600	212,500
Ending Balance, June 30	\$ 162,559	\$ 26,085	\$ 66,159	\$ 77,185	\$ 74,385
Increase (Decrease) in Fund Balance	\$ 87,138	\$ (136,474)	\$ (6,300)	\$ 51,100	\$ (2,800)

Functions:

Public Safety
General Government
Culture and Recreation

Departments:

Police
Building and Grounds
Parks and Recreation

Activity:

Equipment Replacement

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police: Police Vehicles (Tahoes)	3	Yes	\$ 147,000
Building and Grounds: Cargo Van (One-Ton)	1	Yes	32,000
Soccer: Top Dresser	1	Yes	20,000
Cemetery: Zero Turn Mower	1	Yes	13,500
			<u>\$ 212,500</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, 2017/2018, and 2018/2019 budgets each included \$40,000 funding allocations. The funding allocation increased to \$50,000 in the 2019/2020 budget and the 2020/2021 budget also includes a \$50,000 allocation.

Beginning in the 2010/2011 budget, a separate Computer Replacement sub-fund was established to set aside moneys from the Library budget for future computer replacement needs. In prior years grants and donations provided a significant portion of the Library's funding for computers. These funds, however, have become more limited. Any unspent funds in the Library budget at the end of each fiscal year are budgeted to be set aside in this fund to accumulate funding for computer replacement needs. These funds could be supplemented with funds from the Library Trust fund at the direction of the Library Board of Trustees. In 2010/2011, a transfer of \$20,066 was made to the Library Computer Replacement sub-fund. In 2011/2012, the transfer was \$23,591, in 2012/2013 \$9,740, in 2013/2014 \$11,868, in 2014/2015 \$21,865, and in 2015/2016 \$19,376. 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. In 2018/2019 a transfer of \$40,571 was made to the Library Computer Replacement 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. An estimated \$25,971 will be expended in 2019/2020. In 2019/2020 and 2020/2021, 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

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 29,205	\$ 41,340	\$ 0	\$ 49,278	\$ 0
Revenues					
Interest	\$ 402	\$ 912	\$ 0	\$ 900	\$ 0
Transfers In					
General Fund	<u>40,000</u>	<u>40,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues	<u>\$ 40,402</u>	<u>\$ 40,912</u>	<u>\$ 50,000</u>	<u>\$ 50,900</u>	<u>\$ 50,000</u>
Funds Available	\$ 69,607	\$ 82,252	\$ 50,000	\$ 100,178	\$ 50,000
Expenditures					
Computer-Related Purchases	<u>28,267</u>	<u>32,974</u>	<u>50,000</u>	<u>100,178</u>	<u>50,000</u>
Ending Balance, June 30	<u>\$ 41,340</u>	<u>\$ 49,278</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 12,135	\$ 7,938	\$ 0	\$ (49,278)	\$ 0

Computer Replacement Fund - Library

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 26,863	\$ 0	\$ 63	\$ 40,571	\$ 15,000
Revenues					
Interest	\$ 217	\$ 0	\$ 0	\$ 400	\$ 0
Insurance Reimbursement	13,067	0	0	0	0
Transfer In:					
Library Remaining Appropriations	0	40,571	0	0	0
Total Revenues	\$ 13,284	\$ 40,571	\$ 0	\$ 400	\$ 0
Funds Available	\$ 40,147	\$ 40,571	\$ 63	\$ 40,971	\$ 15,000
Expenditures					
Computer-Related Purchases	\$ 23,185	\$ 0	\$ 0	\$ 25,971	\$ 0
Transfer Out					
New Library Renovation Project	16,962	0	0	0	0
Total Expenditures	\$ 40,147	\$ 0	\$ 0	\$ 25,971	\$ 0
Ending Balance, June 30	\$ 0	\$ 40,571	\$ 63	\$ 15,000	\$ 15,000
Increase (Decrease) in Fund Balance	\$ (26,863)	\$ 40,571	\$ 0	\$ (25,571)	\$ 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.

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 \$206,250 in 2019/2020. The 2019/2020 payments will retire this bond issue.

CURRENT TRENDS AND ISSUES:

Engineering design started in December of 2018 on the Downtown Streetscaping project, which was 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 \$100,000 of funds which allowed for Downtown TIF funds to be used to fund a portion of the engineering design costs for this project. The 2019/2020 budget included a transfer of \$40,000 of the accumulated balance in this fund to the Downtown Streetscaping capital project fund to fund a portion of the engineering design costs.

In November of 2019 City Council adopted a resolution approving an additional internal advance of \$185,000 to fund the balance of the engineering design costs for this project.

Construction costs for the Downtown Streetscaping project will be financed with proceeds from the May 2020 bond issue with the annual debt service requirements on this issue funded from future incremental taxes. Due to the cost estimate for this project and the annual debt service requirements, annual debt service costs for this project are budgeted to be funded from the Southend TIF fund. This will allow Downtown TIF funds to be available for 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. This has allowed a portion of the incremental values to go back to regular taxable valuations for all of the local taxing entities. 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, for 2017/2018 \$157,000 less, and for 2018/2019 the amount claimed was \$151,000 less than the amount available. For 2019/2020 the amount claimed was \$167,700 less than the amount available. The amount claimed for 2020/2021 is \$245,000 which is approximately \$125,600 less than the amount available.

The balance in the Downtown TIF fund is estimated at \$12,572 at the end of the 2020/2021 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 49,015	\$ 51,226	\$ 48,326	\$ 54,322	\$ 11,772
Revenues					
Incremental Taxes	\$ 199,136 (1)	\$ 203,441 (2)	\$ 205,000 (3)	\$ 202,900	\$ 245,000 (4)
State Commercial/Industrial Property Tax Reimbursement	3,999	3,692	0	0	0
Interest	<u>1,726</u>	<u>3,063</u>	<u>800</u>	<u>800</u>	<u>800</u>
Total Revenues	<u>\$ 204,861</u>	<u>\$ 210,196</u>	<u>\$ 205,800</u>	<u>\$ 203,700</u>	<u>\$ 245,800</u>
Funds Available	<u>\$ 253,876</u>	<u>\$ 261,422</u>	<u>\$ 254,126</u>	<u>\$ 258,022</u>	<u>\$ 257,572</u>
Expenditures:					
Transfers:					
Bonds	\$ 185,000	\$ 195,000	\$ 200,000 (5)	\$ 200,000 (5)	\$ 0
Interest	17,650	12,100	6,250 (5)	6,250 (5)	0
Transfers Out:					
Downtown Streetscape Design	<u>0</u>	<u>0</u>	<u>40,000 (6)</u>	<u>40,000</u>	<u>245,000 (7)</u>
Total Expenditures	<u>\$ 202,650</u>	<u>\$ 207,100</u>	<u>\$ 246,250</u>	<u>\$ 246,250</u>	<u>\$ 245,000</u>
Ending Balance, June 30	<u><u>\$ 51,226</u></u>	<u><u>\$ 54,322</u></u>	<u><u>\$ 7,876</u></u>	<u><u>\$ 11,772</u></u>	<u><u>\$ 12,572</u></u>

Increase (Decrease) in Fund Balance	\$ 2,211	\$ 3,096	\$ (40,450)	\$ (42,550)	\$ 800
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1. For the 2017/2018 year, the City certified approximately \$157,000 less than the total available increment
2. For the 2018/2019 year, the City certified approximately \$151,000 less than the total available increment
3. For the 2019/2020 year, the City certified approximately \$167,700 less than the total available increment
4. For the 2020/2021 year, the City is certifying approximately \$125,600 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. Of this amount, \$40,000 will be repaid in FY 19 and \$60,000 in FY 20.
7. In November 2019 the City Council approved an Internal Advance in the amount of \$185,000 toward the design of the Downtown Streetscape project. This amount plus the \$60,000 balance of the prior year internal advance will fully fund the engineering design costs for this project.

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>
2019/20	\$ 200,000	\$ 6,250	\$ 206,250
Total	<u>\$ 200,000</u>	<u>\$ 6,250</u>	<u>\$ 206,250</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 2019/2020 is estimated at \$1,470,000. In 2019/2020 Southend TIF funds will be used to fund \$161,965 in debt requirements, the TIF rebate to Musco (estimated at \$81,000), the Newcomb Properties rebate (estimated at \$11,200), the A&E Convenience rebate (estimated at \$4,000), the 5th year rebate under Wal-View Developments Agreement #1 (estimated at \$633,300), the 3rd year rebate under Wal-View Agreement #2 (estimated at \$235,200), and the 3rd year rebate for the agreement with Union Tank Car Company (estimated at \$16,400). 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. The 2019/2020 revised estimate also includes \$135,000 for a forgivable loan to rehabilitate the dilapidated property at 500 Mulberry Avenue and \$50,000 for a new forgivable loan program for City Code compliance and ADA improvements for small business owners in designated blighted areas of the City. The 2019/2020 payments to Musco Sports Lighting and Newcomb Properties will be the final year rebates per the development agreements. It is also the final year of the Curry's Transportation agreement. Payments under the Curry's agreements have been withheld for failure to comply with provisions of the development agreement.

For 2019/2020 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 \$498,600 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 2020/2021 the City is claiming \$1,430,000 of incremental taxes from this district which will fund \$158,700 in debt requirements, the TIF rebate to A&E Convenience (estimated at \$3,900), the 6th year rebate under Wal-View Developments Agreement #1 (estimated at \$325,000), the 4th year rebate under Wal-View Agreement #2 (estimated at \$220,000), and the 4th year rebate for the agreement with Union Tank Car Company (estimated at \$8,200). In 2020/2021 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$159,000 and \$43,000, respectively. TIF funding for the Small Business Forgivable Loan program will continue in 2020/2021 in the amount of \$100,000 and the Forgivable Loan for City Code compliance and ADA Improvements in designated blighted areas will continue in the amount of \$50,000. Fiscal year 2020/2021 will be the first year of funding for a forgivable loan program for downtown façade improvements. The annual allocation for this program is \$100,000. The 2020/2021 budget also includes \$346,418 for the

estimated first year debt service requirements for the portion of the May 2020 bond issue that will fund the Downtown Streetscaping project. The 2020/2021 debt payments of \$158,700 will be the final payments on the June 24, 2004 bond issue which funded the new airport terminal building and southend water extension projects.

For 2020/2021 the City is claiming approximately \$538,600 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2020/2021 is \$769,501. 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 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 918,361	\$ 889,992	\$ 922,987	\$ 983,984	\$ 838,719
Revenues:					
Incremental Taxes	\$ 1,506,508 (1)	\$ 1,481,330 (2)	\$ 1,470,000 (3)	\$ 1,470,000 (3)	\$ 1,430,000 (4)
Commercial and Industrial State Reimbursement	0	60,036	0	0	0
Interest	11,501	22,757	10,000	15,000	15,000
Total Revenues	<u>\$ 1,518,009</u>	<u>\$ 1,564,123</u>	<u>\$ 1,480,000</u>	<u>\$ 1,485,000</u>	<u>\$ 1,445,000</u>
Funds Available	<u>\$ 2,436,370</u>	<u>\$ 2,454,115</u>	<u>\$ 2,402,987</u>	<u>\$ 2,468,984</u>	<u>\$ 2,283,719</u>
Expenditures:					
Bonds	\$ 130,000	\$ 140,000	\$ 145,000	\$ 145,000	\$ 150,000 (7)
Interest	31,955	24,805	16,965	16,965	8,700 (7)
Tax Rebate - Musco Sports Lighting	82,308	81,765	83,100	81,000 (6)	0
Tax Rebate - Curry's Transportation Services	0 (5)	0 (5)	0 (5)	0 (5) (6)	0
Tax Rebate - Newcomb Properties LLC	8,171	9,538	13,600	11,200 (6)	0
Tax Rebate - A & E Convenience, LLC	3,891	3,965	4,800	4,000	3,900
Tax Rebate - Wal-View Project #1	642,970	639,903	650,000	633,300	325,000 (8)
Tax Rebate - Wal-View Project #2	299,238	267,328	242,000	235,200	220,000
Tax Rebate - Union Tank Car Company	3,945	16,527	17,500	16,400	8,200
Transfers Out:					
TIF Administrative and Professional Support Costs	148,900	141,300	164,200	164,200	159,000
TIF Economic Development Grant (GMCCI)	38,000	38,000	38,000	38,000	43,000
Small Business Forgivable Loan Program	100,000	100,000	100,000	100,000	100,000
Forgivable Loan Program - Code Improvements	0	0	0	50,000	50,000
Forgivable Loan Program - Façade Improvements	0	0	0	0	100,000
Forgivable Loan - Dilapidated Property	0	0	0	135,000	0
Debt Service Fund - Downtown Streetscape	0	0	0	0	346,418 (9)
Community Marketing Study	32,000	0	0	0	0
Housing Demand Study	25,000	7,000	0	0	0
Total Expenditures	<u>\$ 1,546,378</u>	<u>\$ 1,470,131</u>	<u>\$ 1,475,165</u>	<u>\$ 1,630,265</u>	<u>\$ 1,514,218</u>
Ending Balance, June 30	<u>\$ 889,992</u>	<u>\$ 983,984</u>	<u>\$ 927,822</u>	<u>\$ 838,719</u>	<u>\$ 769,501 (10)</u>

Increase (Decrease) in Fund Balance	\$ (28,369)	\$ 93,992	\$ 4,835	\$ (145,265)	\$ (69,218)
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1. For the 2017/2018 year, the City certified approximately \$366,300 less than the total available in incremental taxes.
2. For the 2018/2019 year, the City certified approximately \$459,900 less than the total available in incremental taxes.
3. For the 2019/2020 year, the City certified approximately \$498,600 less than the total available in incremental taxes.
4. For the 2020/2021 year, the City certified approximately \$538,600 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 is the final year for the Musco Sports Lighting, Curry's, and Newcomb TIF rebates.
7. Fiscal year 2020/2021 will be the final year for bond and interest payments on the June 24, 2004 bond issue.
8. The rebate percentage for Wal-View #1 will change from 100% to 50% in 2020/2021.
9. Funding for the Downtown Streetscaping project will be included in the May 2020 bond issue with debt service payments funded from incremental tax funds. The \$346,418 amount shown is the estimated 2020/2021 debt service requirements on this portion of the bond issue.
10. 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.

TAX INCREMENT FUND - SOUTHEND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

**Urban Renewal Tax Increment Revenue Bonds
Airport Terminal Building and Southend Water Extension Project
June 24, 2004 Issue**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2019/20	\$ 145,000	\$ 16,965	\$ 161,965
2020/21	<u>150,000</u>	<u>8,700</u>	<u>158,700</u>
Total	<u>\$ 295,000</u>	<u>\$ 25,665</u>	<u>\$ 320,665</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 provided 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. 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; for 2017/2018 incremental taxes were \$510,798 and the rebate \$255,399; and for 2018/2019 the incremental taxes from this area were \$540,176 and the rebate \$270,088. The fiscal year 2018/2019 rebate was the final rebate under this agreement.

The amounts claimed for these years were all less than the total incremental taxes available from this area. Further development is expected in this area and the estimated fund balance of \$65,920 at the end of the 2020/2021 year can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 55,546	\$ 67,021	\$ 75,321	\$ 64,920	\$ 65,420
Revenues					
Incremental Taxes	\$ 266,163 (1)	\$ 266,139 (2)	\$ 0 (3)	\$ 0	\$ 0
Interest	711	1,848	500	500	500
Total Revenues	<u>\$ 266,874</u>	<u>\$ 267,987</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>
Funds Available	<u>\$ 322,420</u>	<u>\$ 335,008</u>	<u>\$ 75,821</u>	<u>\$ 65,420</u>	<u>\$ 65,920</u>
Expenditures:					
Tax Rebate - VMI Northport Commons	<u>\$ 255,399</u>	<u>\$ 270,088 (4)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 255,399</u>	<u>\$ 270,088</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 67,021</u></u>	<u><u>\$ 64,920</u></u>	<u><u>\$ 75,821</u></u>	<u><u>\$ 65,420</u></u>	<u><u>\$ 65,920</u></u>

Increase (Decrease) in Fund Balance	\$ 11,475	\$ (2,101)	\$ 500	\$ 500	\$ 500
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1. For the 2017/2018 year the City certified approximately \$317,000 less than the total available increment.
2. For the 2018/2019 year the City certified approximately \$311,000 less than the total available increment.
3. For the 2019/2020 year the City did not certify any of the approximately \$624,200 in available increment.
4. The final year of rebate payments to VMI Northport Commons was in 2018/2019.

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, the 3rd year rebate in 2018/2019 was \$11,008, and the 4th year rebate in 2019/2020 is \$7,262. The estimated rebate for 2020/2021 is \$4,000, and this will be the final rebate under this agreement. The rebates under this agreement were subject to annual appropriation.

Tax Increment Fund - H.J. Heinz 2014 Project

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 5,865	\$ 6,729	\$ 7,629	\$ 7,799	\$ 8,299
Revenues					
Incremental Taxes	\$ 15,542	\$ 11,909	\$ 7,800	\$ 7,700	\$ 0 (2)
Interest	86	169	100	100	100
Total Revenues	<u>\$ 15,628</u>	<u>\$ 12,078</u>	<u>\$ 7,900</u>	<u>\$ 7,800</u>	<u>\$ 100</u>
Funds Available	<u>\$ 21,493</u>	<u>\$ 18,807</u>	<u>\$ 15,529</u>	<u>\$ 15,599</u>	<u>\$ 8,399</u>
Expenditures:					
Tax Rebate - H.J. Heinz	\$ 14,764 (1)	\$ 11,008 (1)	\$ 7,800	\$ 7,300 (1)	\$ 4,000 (1)
Total Expenditures	<u>\$ 14,764</u>	<u>\$ 11,008</u>	<u>\$ 7,800</u>	<u>\$ 7,300</u>	<u>\$ 4,000</u>
Ending Balance, June 30	<u><u>\$ 6,729</u></u>	<u><u>\$ 7,799</u></u>	<u><u>\$ 7,729</u></u>	<u><u>\$ 8,299</u></u>	<u><u>\$ 4,399</u></u>

Increase (Decrease) in					
Fund Balance	\$ 864	\$ 1,070	\$ 100	\$ 500	\$ (3,900)

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.
2. No increment is being claimed for 2020/2021 since the balance in this fund is sufficient to pay the final rebate payment on this development agreement.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST AS AMENDED

(INCLUDES VILLAS AT MCC, OTHER IMPROVEMENTS IN THE COLORADO STREET AREA, AND HARRISON LOFTS)

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 and the rebate was \$22,426. For 2014/2015 it was \$21,319, for 2015/2016 the rebate was \$20,328, and for 2016/2017 the rebate was \$18,959. For 2017/2018 the calculated rebate was \$17,616. Only \$8,808 of this rebate was paid in 2017/2018 since the 2nd half of the property taxes were not paid. For 2018/2019 the rebate was \$15,808. The prior year taxes for 2017/2018 as well as the 2018/2019 taxes were paid in 2018/2019 and the 2nd half of the rebate for 2017/2018 in the amount of \$8,808 was also paid in 2018/2019. For 2019/2020 the rebate is \$14,899, and the estimated rebate for 2020/2021 is \$14,500.

In 2012, as part of the planning for the Colorado Street Improvement project, the City acquired a portion of the Pierce Furniture property on Colorado Street. The City used the proceeds from the sale of the former Armory facility to fund a portion of the land acquisition costs. The remaining \$80,284 of the land cost 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 was made in the 2019/2020 year in the amount of \$40,046.

The 2020/2021 budget includes \$14,500 for the estimated rebate for the Villas at MCC, LLC and \$27,500 for the estimated 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 14,569	\$ 20,041	\$ 10,334	\$ 11,495	\$ 13,095
Revenues					
Incremental Taxes	\$ 13,917	\$ 15,539	\$ 57,100	\$ 56,500	\$ 42,000
Interest	363	531	100	100	100
Total Revenues	<u>\$ 14,280</u>	<u>\$ 16,070</u>	<u>\$ 57,200</u>	<u>\$ 56,600</u>	<u>\$ 42,100</u>
Funds Available	<u>\$ 28,849</u>	<u>\$ 36,111</u>	<u>\$ 67,534</u>	<u>\$ 68,095</u>	<u>\$ 55,195</u>
Expenditures:					
Tax Rebate - Villas at MCC (1)	\$ 8,808	\$ 15,808	\$ 15,200	\$ 14,900	\$ 14,500
Tax Rebate - Villas at MCC - Prior Year Balance (1)	0	8,808	0	0	0
Tax Rebate - Harrison Lofts (2)	0	0	42,000	40,100	27,500
Total Expenditures	<u>\$ 8,808</u>	<u>\$ 24,616</u>	<u>\$ 57,200</u>	<u>\$ 55,000</u>	<u>\$ 42,000</u>
Ending Balance, June 30	<u><u>\$ 20,041</u></u>	<u><u>\$ 11,495</u></u>	<u><u>\$ 10,334</u></u>	<u><u>\$ 13,095</u></u>	<u><u>\$ 13,195</u></u>

Increase (Decrease) in Fund Balance	\$ 5,472	\$ (8,546)	\$ 0	\$ 1,600	\$ 100
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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. In 2018/2019 the balance of the 2017/2018 rebate was paid as well as the rebate for 2018/2019.
2. Fiscal year 2019/2020 is the first year of a 15-year TIF rebate agreement for Harrison Lofts.

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; and for 2018/2019 the incremental taxes were \$79,127 and the rebate was \$66,978.

For 2019/2020 the incremental taxes were \$85,333 and the rebate is \$66,089. For 2020/2021 the incremental taxes are estimated at \$81,869 and the rebate is estimated at \$70,000.

Tax Increment Fund - Fridley Theatres

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 10,086	\$ 16,298	\$ 22,898	\$ 23,153	\$ 30,453
Revenues					
Incremental Taxes	\$ 72,853	\$ 73,436	\$ 74,000	\$ 73,300	\$ 70,000
Interest	<u>136</u>	<u>397</u>	<u>100</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>\$ 72,989</u>	<u>\$ 73,833</u>	<u>\$ 74,100</u>	<u>\$ 73,400</u>	<u>\$ 70,100</u>
Funds Available	<u>\$ 83,075</u>	<u>\$ 90,131</u>	<u>\$ 96,998</u>	<u>\$ 96,553</u>	<u>\$ 100,553</u>
Expenditures:					
Tax Rebate - Fridley Theatres (1)	<u>\$ 66,777</u>	<u>\$ 66,978</u>	<u>\$ 74,000</u>	<u>\$ 66,100</u>	<u>\$ 70,000</u>
Total Expenditures	<u>\$ 66,777</u>	<u>\$ 66,978</u>	<u>\$ 74,000</u>	<u>\$ 66,100</u>	<u>\$ 70,000</u>
Ending Balance, June 30	<u><u>\$ 16,298</u></u>	<u><u>\$ 23,153</u></u>	<u><u>\$ 22,998</u></u>	<u><u>\$ 30,453</u></u>	<u><u>\$ 30,553</u></u>
Increase (Decrease) in Fund Balance	\$ 6,212	\$ 6,855	\$ 100	\$ 7,300	\$ 100

1. Fiscal year 2015/2016 was the first year of a 15-year TIF rebate agreement with Fridley Theatres, Inc. Rebate percentages under this agreement decline from 95% to 50% over the rebate period.

SPECIAL REVENUE FUNDS

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 on July 2, 2015 and 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 is in fiscal year 2019/2020 and is estimated at \$599,400. The amended development agreement provided 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 approximately \$531,900 in 2019/2020 and \$67,500 will be transferred to the City capital project fund to reimburse the City for the matching funds for the loan.

Fiscal year 2020/2021 will be the 2nd year under this agreement and the estimated rebate is \$660,000. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 540,000	\$ 599,400	\$ 660,000
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>\$ 540,000</u>	<u>\$ 599,400</u>	<u>\$ 660,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 540,000</u>	<u>\$ 599,400</u>	<u>\$ 660,000</u>
Expenditures:					
TIF Rebate - Riverview Hotel Developmen	\$ 0	\$ 0	\$ 472,500 (1)	\$ 531,900 (1)	\$ 660,000
Transfer Out:					
Mercer/Muscatine Loan Match					
Reimbursement	<u>0</u>	<u>0</u>	<u>67,500 (2)</u>	<u>67,500 (2)</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 540,000</u>	<u>\$ 599,400</u>	<u>\$ 660,000</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				
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1. Fiscal year 2019/2020 is 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 rebat 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 is being made in fiscal year 2019/2020 in the amount of \$77,473. The estimated rebate for 2020/2021 is \$72,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - North University

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,700
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 82,000	\$ 81,200	\$ 72,000
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>\$ 82,000</u>	<u>\$ 81,200</u>	<u>\$ 72,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,000</u>	<u>\$ 81,200</u>	<u>\$ 75,700</u>
Expenditures:					
TIF Rebate - HNI	\$ 0	\$ 0	\$ 80,000 (1)	\$ 77,500	\$ 72,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,000</u>	<u>\$ 77,500</u>	<u>\$ 72,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ 3,700</u></u>	<u><u>\$ 3,700</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 2,000	\$ 3,700	\$ 0

1. Fiscal year 2019/2020 is the first year of a 10-year 50% TIF rebate agreement with HNI.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – WDS URBAN RENEWAL AREA

GENERAL INFORMATION:

In April of 2018, the City entered into a development agreement with White Distribution & Supply, LLC for the expansion of their manufacturing and warehouse facilities. The agreement provides for 10 years of incremental tax rebates on this property up to a maximum total of \$445,000. 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 2020/2021. The estimated amount of the rebate is \$54,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - WDS Urban Renewal Area

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,000
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>\$ 54,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,000</u>
Expenditures:					
TIF Rebate - White Distribution	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,000</u> (1)
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,000</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 2020/2021 will be the first year of a 10-year 50% TIF rebate agreement for White Distribution & Supply LLC.

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 are 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 Riverview Hotel Development. The Reinvestment District proceeds for 2018/2019 totaled \$110,274 and those funds were also forwarded to Riverview Hotel Development.

The amounts shown as Reinvestment District proceeds and payments to the Riverview Hotel Development for 2019/2020 and 2020/2021 (\$300,000 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 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Reinvestment District Proceeds (1)	\$ 4,124	\$ 110,274	\$ 400,000	\$ 300,000	\$ 300,000
Total Revenues	<u>\$ 4,124</u>	<u>\$ 110,274</u>	<u>\$ 400,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Funds Available	\$ 4,124	\$ 110,274	\$ 400,000	\$ 300,000	\$ 300,000
Expenditures					
Riverview Hotel Development (1)	<u>4,124</u>	<u>110,274</u>	<u>400,000</u>	<u>300,000</u>	<u>300,000</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				
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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 2019/2020 and 2020/2021, \$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 \$2,200 in 2019/2020 and \$1,000 in 2020/2021 will be used for the Sunset Park Children's Education program. The balance in this fund is estimated at \$24,142 on June 30, 2021.

Community Block Grant Fund

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 30,734	\$ 30,015	\$ 28,015	\$ 30,642	\$ 26,842
Revenues					
Reimbursements of Housing					
Rehabilitation Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	302	627	0	400	300
Total Revenues	<u>\$ 302</u>	<u>\$ 627</u>	<u>\$ 0</u>	<u>\$ 400</u>	<u>\$ 300</u>
Funds Available	<u>\$ 31,036</u>	<u>\$ 30,642</u>	<u>\$ 28,015</u>	<u>\$ 31,042</u>	<u>\$ 27,142</u>
Expenditures					
Operating Expenditures	\$ 1,021	\$ 0	\$ 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	2,200	1,000
Total Expenditures	<u>\$ 1,021</u>	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 4,200</u>	<u>\$ 3,000</u>
Ending Balance, June 30	<u><u>\$ 30,015</u></u>	<u><u>\$ 30,642</u></u>	<u><u>\$ 25,015</u></u>	<u><u>\$ 26,842</u></u>	<u><u>\$ 24,142</u></u>
Increase (Decrease) in Fund Balance	\$ (719)	\$ 627	\$ (3,000)	\$ (3,800)	\$ (2,700)

SPECIAL REVENUE FUNDS

SMALL BUSINESS FORGIVABLE LOAN PROGRAMS

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

In 2019 a Small Business Forgivable Loan Program was added for Code Compliance and ADA improvements for small businesses located in designated blighted areas of the City.

A new program for 2020 is a Small Business Forgivable Loan Program for small business owners on Second Street for façade improvements to their buildings.

CURRENT TRENDS AND ISSUES:

The City has allocated \$100,000 in annual funding for the original Small Business Forgivable Loan program since 2014/2015. Funding for this program is from incremental taxes received in the Southend Tax Increment fund (TIF). Any unspent funds from annual allocations for this program are carried forward to the following year. Any loan repayments are also credited back to this fund and are used to supplement the annual TIF allocations for this program.

In 2019 another Small Business Forgivable Loan program was created specifically for City Code compliance and ADA improvements to small businesses in designated blighted areas of the City. The annual allocations for this program are \$50,000 beginning in 2019/2020. These allocations are also funded from Southend TIF funds.

A Small Business Forgivable Loan program for Second Street façade improvements has also been created with \$100,000 in annual funding from Southend TIF funds. Fiscal year 2020/2021 will be the first year for this program.

Small Business Forgivable Loan Program - General

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 81,790	\$ 91,409	\$ 0	\$ 87,533	\$ 0
Revenues					
Reimbursement of Expenses	\$ 25,210	\$ 18,400	\$ 0	\$ 5,000	\$ 0
Interest	663	2,366	0	1,000	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>\$ 125,873</u>	<u>\$ 120,766</u>	<u>\$ 100,000</u>	<u>\$ 106,000</u>	<u>\$ 100,000</u>
Funds Available	<u>\$ 207,663</u>	<u>\$ 212,175</u>	<u>\$ 100,000</u>	<u>\$ 193,533</u>	<u>\$ 100,000</u>
Expenditures					
Small Business Loans	\$ 116,140	\$ 124,562	\$ 100,000	\$ 193,533	\$ 100,000
Miscellaneous	<u>114</u>	<u>80</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 116,254</u>	<u>\$ 124,642</u>	<u>\$ 100,000</u>	<u>\$ 193,533</u>	<u>\$ 100,000</u>
Ending Balance, June 30	<u>\$ 91,409</u>	<u>\$ 87,533</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 9,619	\$ (3,876)	\$ 0	\$ (87,533)	\$ 0

Small Business Forgivable Loan Program - Code Compliance (1)

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	\$ 0	\$ 0	\$ 0	\$ 100	\$ 100
Transfers In:					
Southend Tax Increment Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,100</u>	<u>\$ 50,100</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,100</u>	<u>\$ 50,100</u>
Expenditures					
Small Business Loans	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 50,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,100</u>	<u>\$ 50,100</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. This Small Business Program was created in 2019 to provide forgivable loans to qualifying small business owners in blighted areas of the City for City Code compliance and ADA improvements to their businesses.

Small Business Forgivable Loan Program - Second Street Façade Improvements (1)

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100
Transfers In:					
Southend Tax Increment Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,100</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,100</u>
Expenditures					
Small Business Loans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,100</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. This Small Business Program was created in order to provide forgivable loans to qualifying small business owners on Second Street to make façade improvements to their buildings.

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:

The 2018/2019 expenditures included a \$25,000 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 was funded from \$100,000 in private donations, \$50,000 from the Muscatine County Sheriff's department, \$25,000 from a transfer from the Police operations budget, and \$25,000 from a transfer from the Police Forfeitures fund.

There are no forfeiture fund revenues expected to be received in 2019/2020. Expenditures for the 2019/2020 revised estimate total \$8,500.

The 2020/2021 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 Police Forfeiture fund is \$6,232 on June 30, 2021.

Police Forfeitures Fund

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 13,209	\$ 8,146	\$ 14,746	\$ 14,732	\$ 6,232
Revenues					
Forfeiture Funds	\$ 0	\$ 36,051	\$ 5,000	\$ 0	\$ 5,000 (1)
Misc. Reimbursements	8	0	0	0	0
Interest	5	16	0	0	0
Total Revenues	<u>\$ 13</u>	<u>\$ 36,067</u>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 5,000</u>
Funds Available	\$ 13,222	\$ 44,213	\$ 19,746	\$ 14,732	\$ 11,232
Expenditures					
Forfeiture Expenditures	\$ 5,076	\$ 4,481	\$ 5,000	\$ 8,500	\$ 5,000 (1)
Transfers Out:					
Equipment Replacement Fund (2)	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 5,076</u>	<u>\$ 29,481</u>	<u>\$ 5,000</u>	<u>\$ 8,500</u>	<u>\$ 5,000</u>
Ending Balance, June 30	<u><u>\$ 8,146</u></u>	<u><u>\$ 14,732</u></u>	<u><u>\$ 14,746</u></u>	<u><u>\$ 6,232</u></u>	<u><u>\$ 6,232</u></u>

Increase (Decrease) in Fund Balance	\$ (5,063)	\$ 6,586	\$ 0	\$ (8,500)	\$ 0
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1. Amounts for the 2020/2021 budget reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.
2. The 2018/2019 expenditures included a transfer to the City's Equipment Replacement fund of \$25,000 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 Operation Response Team. The balance of the City's share of the cost was transferred 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's 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 with 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 2019/2020 revised estimate expenditures for the Clark House are over the budgeted amount by \$20,660. This overall increase is due to (1) a \$560 increase in personal services costs, (2) a \$100 decrease in commodities, and (3) a \$20,200 increase in contractual services. The contractual services increase includes a \$10,000 increase in pest control services to address several bedbug infestations, an \$8,000 increase in repair and maintenance services for apartment turnover costs, and a \$5,000 increase in HVAC repairs. Decreases in other line items offset a portion of these increases. The capital outlay allocation for 2019/2020 is \$63,600 and includes funds 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 Clark House budgeted expenditures for fiscal year 2020/2021 total \$575,860 which is \$15,490 (2.6%) less in total than the original 2019/2020 budget. The budget includes an increase of \$19,260 in personal services costs, which includes position allocation changes from a staff reorganization in the spring of 2019. There was a reduction of \$600 in commodities, a decrease of \$17,050 in contractual services, and a decrease of \$17,100 in capital outlay. The capital outlay allocation of \$46,500 includes funds for apartment rehabilitation including appliance replacements as needed (\$36,500), and the purchase of additional bedbug heat treatment equipment (\$10,000). The heat treatment equipment will double the treatment capacity from two to four units.

The 2019/2020 revised estimate revenues for the Clark House are \$33,650 more than the original budget. The HUD operating subsidy of \$117,500 and HUD capital funds of \$170,000 are \$11,500 more in total than the original budget. The revenue increase also includes an increase in estimated rents (\$15,000), an increase in tenant cable fees (\$2,600), an increase in the office space lease (\$4,000), an increase in laundry and late fees (\$2,700), and an increase in interest income (\$1,500). These increases were partially offset by a decrease in the cell tower lease revenue (\$3,650). Tenant rents are based on tenant incomes according to HUD public housing program regulations.

The 2020/2021 budgeted revenues for the Clark House total \$677,250, which is \$24,450 more than the original 2019/2020 budget. The 2020/2021 budget includes an estimated \$110,000 in HUD operating subsidy funding and \$180,000 in HUD capital funds. The 2020/2021 budgeted revenues also include \$310,000 in rents, \$36,800 in cable fees, \$27,200 in cell tower rents, \$4,100 in office space rental income, and \$9,150 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2019/2020 revised estimate the combined Clark House and Sunset Park revenues are \$979,460 and the combined expenditures are \$884,910. This will result in an estimated \$94,550 increase in the operating reserve to \$253,173 at the end of 2019/2020.

The 2020/2021 budgeted expenditures for the Clark House and Sunset Park total \$865,330 and revenues are budgeted at \$961,760. This will increase the operating reserve by \$96,430 to \$349,603 at the end of 2020/2021. The combined public housing revenue estimate includes a total of \$264,000 of HUD capital funds, \$215,000 in HUD operating subsidy, and \$405,000 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 2019/2020 revised estimate expenditures for Sunset Park are \$1,110 more in total than the original budget. Personal services costs are \$22,680 less than the original budget primarily due to changes in personnel allocations as part of a staff reorganization after the 2019/2020 budget was adopted. Commodities are also under the original budget by \$2,450. These decreases were partially offset by an increase in contractual services (\$16,240) and an increase in capital outlay (\$10,000). The contractual services increase includes increases in lawn care and grounds services, HVAC repairs, other maintenance services, and anticipated collections losses. The capital outlay increase is due to repairing a section of the foundation of

one of the apartment buildings. The staff reorganization was done in February of 2019 when the Housing Administrator was promoted to Community Development Director. The Community Development Director will continue to manage and oversee the housing programs and a portion of the salary and benefits of this position continue to be allocated to the housing programs.

The 2020/2021 Sunset Park budgeted expenditures are \$17,680 (6.5%) more than the original 2019/2020 budget. This overall increase is the net result of (1) a \$25,610 decrease in personal services costs, (2) a \$900 decrease in commodities, (3) a \$7,790 increase in contractual services, and (4) a \$36,400 increase in capital outlay. The 2020/2021 capital outlay allocation totals \$66,100 and includes \$25,000 for apartment rehabilitation including appliance replacements as needed, \$15,000 for foundation repairs, \$24,000 for a truck replacement, and \$2,100 for a computer.

Revised estimate revenues for Sunset Park are \$18,500 more than the original budget. Tenant rents decreased by \$17,000, the HUD operating subsidy increased by \$35,000 and other revenues increased by \$500. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

Revenues for Sunset Park for 2020/2021 are estimated at \$284,510, which includes \$95,000 in rents, \$105,000 in HUD operating subsidy, \$84,000 in HUD capital funds, and \$510 in other 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 has funded 10% of the Housing Administrator's wages and benefits through the 2018/2019 year with the remainder of the management fee credited to the General Fund to fund accounting and general administrative costs. With the promotion of the Housing Administrator to Community Development Director, 10% of that new position will be funded from the Hershey management fee through fiscal year 2019/2020 which allows for the completion of the re-financing of the HUD loan for the property. In 2019/2020 10% of the Housing Program Manager's time is also being funded from the management fee. Beginning in 2020/2021, the Community Development Director will no longer be funded from the management fee, only the 10% allocation of the Housing Program Manager. In addition to the allocation of the Housing Program Manager funded from the management fee in 2020/2021, staff will consist of a half-time Custodian, 10% of the Housing Program Manager, 50% of a Housing Specialist, 25% of the Maintenance Supervisor, and 10% of the fulltime Custodian II.

The loan on the Hershey Manor project was last refinanced effective December 1, 2014 under HUD's interest rate reduction program, which reduced the interest rate from 6.0% to 4.25%. Housing staff is currently working with HUD and the mortgage company to arrange for another refinancing in order to have funding to replace the HVAC system in this facility. The 2020/2021 budget includes estimated principal and interest payments on the re-financed loan with a 3.40% interest rate beginning in July of 2020. The actual closing date and interest rate for the loan have not yet been finalized.

The revised estimate expenditures are \$33,480 more than the original budget. There were increases and decreases throughout the budget but the overall increase is in repair and maintenance services which includes a \$27,800 increase in the HVAC line item to rent a temporary chiller for the building until the HVAC system replacement project is completed.

The budgeted expenditures for fiscal year 2020/2021 of \$385,850 are \$14,780 (4.0%) more than the original 2019/2020 budget. Increases and decreases include (1) a \$3,340 decrease in personal services costs, (2) a \$850 decrease in commodities, (3) a \$2,630 increase in contractual services, (4) a \$2,500 increase in capital outlay, and (5) a \$13,840 increase in interest and mortgage insurance. The capital outlay allocation of \$30,000 is for apartment rehabilitation including appliance replacements as needed (\$28,000) and a computer replacement for \$2,000. The debt services principal, interest, and mortgage insurance amounts are the most recent estimates with the refinancing.

Revenues for 2020/2021 include \$196,100 in rental payments from the tenants and an estimated \$279,400 through HUD Section 8 housing assistance payments. The apartments rent for a fair market value established by HUD. Tenants pay 30% of their income for rent with the difference between the tenant rent and the fair market rent subsidized by Section 8 funds. Effective June 1, 2015 the fair market rent was set at \$744. It increased to \$760 effective June 1, 2016, increased to \$771 June 1, 2017, and further increased to \$785 on June 1, 2018. The fair market rent increased again to \$803 effective June 1, 2019 and will increase to \$817 effective June 1, 2020.

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 varied in recent years. The Administrative Reserve was \$73,225 at the end of the 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, a decrease in 2017/2018 to \$37,989, and an increase to \$92,225 in 2018/2019. At the time the budget was completed, the Administrative Reserve was expected to increase slightly to \$94,655 at the end of 2019/2020 and then decrease to \$86,455 at the end of

2020/2021. 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 2020/2021 are estimated at \$1,824,400 for the Section 8 Voucher Program, which includes \$1,614,000 for housing assistance payments (HAPS) and \$210,400 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 2020 and 2021. 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 2020 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 this position was 85% funded by the FSS grant with the remaining 15% funded from the Voucher program. Due to a staff reorganization, the 2019/2020 and 2020/2021 budgets include two positions allocated to the program for a total of 88% funding from FSS funds with the remaining costs funded from the Voucher program.

The 2020/2021 budget includes funding of \$63,980 for 50% of one fulltime Housing Specialist and 38% of a 2nd fulltime Housing Specialist for a total of 88% full time equivalent positions charged to this program. The HUD grant will fund \$59,970 of this amount with the remaining \$5,010 funded from HUD funds for administration of the regular Section 8 Voucher program. Incidental expenses are estimated at \$1,000 in 2020/2021 which 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 2019/2020 revised estimate and the 2020/2021 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 back 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 revised estimate and 2020/2021 budget maintain the 50% allocation, however the position is now a half-time position.

The 2019/2020 revised estimate is \$14,300 less than the original budget primarily due to the Housing Specialist assigned to this program, voluntarily changing from a fulltime position with 50% allocated to this program, to a half time employee. This change resulted in reduced employee benefit costs. The allocation of 5% of the Housing Administrator position to Home Ownership was also discontinued beginning in 2019/2020. The 2020/2021 budget is \$15,200 (28.3%) less than the original budget for 2019/2020. The budget maintains the current half-time Housing Specialist staffing.

The 2019/2020 budget and the 2020/2021 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 \$17,200 of funding for the Home Ownership Program in 2019/2020 and \$17,000 is expected in 2020/2021. 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, \$21,632 in 2017/2018, and \$24,570 in 2018/2019. The grant funding is estimated at \$24,000 in the 2019/2020 revised estimate and \$18,000 in the 2020/2021 budget. The balance in this fund has been decreasing in recent years and is estimated at \$47,920 at the end of 2020/2021. 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.

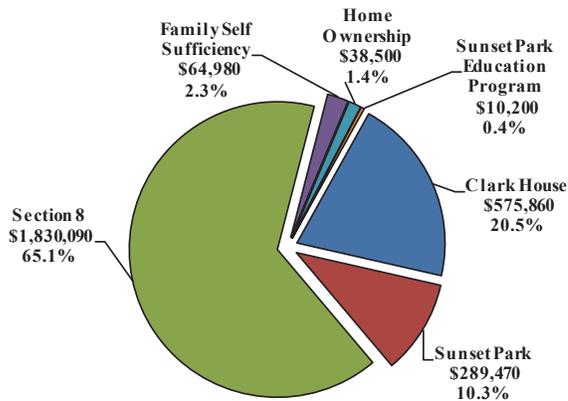
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

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 that program for 2020/2021 totals \$10,200 which includes \$9,800 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 most of the cost of this program.

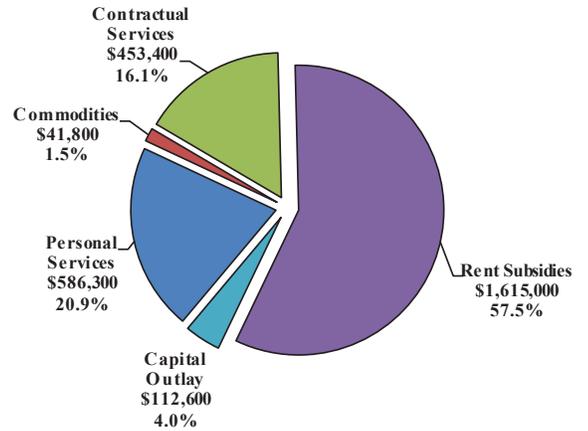
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total \$2,809,100 for 2020/2021 with budgeted revenues of \$2,895,230. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:

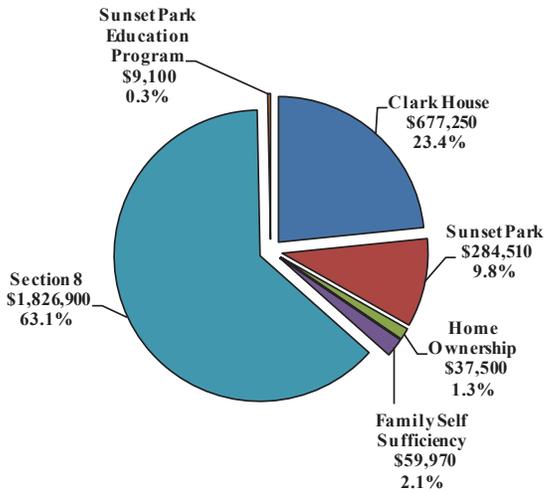
FY 2020/2021 Budgeted Expenditures by Program - All City Housing Programs \$2,809,100



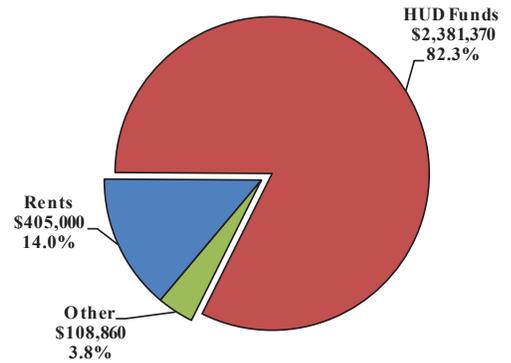
FY 2020/2021 Budgeted Expenditures by Type - All City Housing Programs \$2,809,100



FY 2020/2021 Budgeted Revenues by Program - All City Housing Programs \$2,895,230



FY 2020/2021 Budgeted Revenues by Type - All City Housing Programs \$2,895,230



The various housing budgets for 2020/2021 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 2020/2021 total \$66,800 and are allocated as follows:

Clark House	\$27,800
Sunset Park	13,800
Section 8 Voucher Program	<u>25,200</u>
	<u>\$66,800</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 striving 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Public Housing:					
Clark House					
Units Available	100	100	100	100	100
Days Unit Vacant	394	454	756	400	400
Percent Days Vacant	1.08%	1.24%	2.07%	1.10%	1.10%
Sunset Park					
Units Available	50	50	49 *	49 *	50
Days Unit Vacant	548	434	259	250	250
Percent Days Vacant	3.00%	2.38%	1.42%	1.37%	1.37%
Combined					
Units Available	150	150	149	149	150
Total Days Unit Available	54,750	54,750	54,385	54,385	54,750
Days Unit Vacant	942	888	1,015	650	650
Percent Days Vacant	1.72%	1.62%	1.87%	1.20%	1.19%
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	122	113	266	100	547
Percent Days Vacant	0.67%	0.62%	1.46%	0.55%	3.00%
Section 8 Voucher Program:					
Unit Months Under Lease	3,960	4,212	3,960	3,960	4,020
Average Units Under Lease	330	351	330	330	335
Earned Administrative Fees	\$ 203,635	\$ 185,503	\$ 225,967	\$ 207,300	\$ 210,400
Housing Assistance Payments	\$ 1,669,305	\$ 1,631,192	\$ 1,621,742	\$ 1,596,360	\$ 1,614,000

* 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 2016/2017	Actual 2017/2018	Actual 2018/2019	Estimated 2019/2020	Estimated 2020/2021
Family Self Sufficiency:					
Total Participants	28	27	25	25	30
Participants with Escrow Balance	18	16	14	15	20
Participants Enrolled in Education	14	12	10	10	10
Participants Becoming Employed	20	15	10	10	10
Home ownership:					
Clients Completing 8 Hour Class	54	58	54	50	50
Counseling/Households Served	149	263	263	260	250
Clients < 80% Median Income	144	258	258	250	200
Clients Purchasing Housing	33	18	13	15	15
Section 8 Homeownership Clients					
Purchasing Housing	1	0	0	1	1
Clients Completing Renter					
Counseling	0	149	111	130	100
Sunset Park Summer Program:					
Meals Served	838	475	688	627	550
Kids Registered	23	8	21	23	20
Off-Site Activities	27	33	32	24	20

RECENT ACCOMPLISHMENTS:

Public Housing - Clark House and Sunset Park

The department hired a Housing Specialist to manage Sunset Park which allowed the Public Housing Manager to resume full-time on-site management of the Clark House. The additional staff has allowed the property managers to consider how to connect residents to necessary services to improve their quality of life, including hosting a job ready fair, ensuring young residents receive Christmas presents, resolve resident misunderstandings, and more. There was a high turnover rate in the public housing developments for the first half of the fiscal year, with more than 20% of the units turning over. The majority of these units (22) have been at the Clark House, where aging residents have moved closer to family or to a higher level of care. A number of these residents have lived in their units for many years and the units required more substantial rehabilitation before they could be rented.

One two-bedroom unit at Sunset Park was taken off-line after the tenant was transferred, due to foundation issues that made the unit uninhabitable. Foundation repairs have now been completed and the unit is being prepared to be re-occupied.

Bed bugs continue to be an issue at the senior complex. Treatment equipment was purchased in late 2018, however infestations are often not reported until they have spread to additional units or are identified through quarterly inspection. As a result, contracting for services has continued. These third-party services are often performed in tandem with in-house treatments, but are still costly. The 2020/2021 budget includes additional equipment to expand in-house heat treatment capacity from two units to four.

Hershey Manor

Turnover at Hershey Manor has been higher than normal, with ten units (20%) turning over at some point in the year. All but one of these vacancies was due to the tenant moving to a higher level of care or passing away. The one exception was an individual transferring within the property to a handicapped accessible unit.

Progress has been made on re-financing of the property to provide funds for the replacement of the HVAC system. In spring 2019, HUD finally gave the approval to refinance the property to fund the HVAC project, and staff has been working with an approved company to complete all required reports, develop cost estimates, and finish the multitude of forms and documents. The application was completed and submitted to HUD in early February. Requests for bids will go out during the 60-day HUD review period with work anticipated to begin this spring. A new Housing Specialist has taken over management at Hershey Manor. Reviews have been positive with the HUD contracted Management and Occupancy Review process conducted by the Iowa Finance Authority. At the request of the Hershey Manor Board, the Housing Specialist has begun facilitating monthly tenant meetings to coordinate communication between the Board and tenants.

Section 8 Housing Choice Voucher Program

Leasing under the Voucher program has been difficult this year. About 200 families have been pulled from the wait list but only thirty new families have signed a new lease. Unfortunately, a reduction in the number of vouchers leased reduces the budget authority the Housing department is able to expend providing assistance and will likely affect the program rating at the end of the fiscal year. This also reduces the administrative fees earned to support daily operations, including processing new families. The majority of clients exiting the program have been due to increased income and voluntary withdrawals. However, staff is required to enforce policies and regulations that have led to terminations. In these cases, where families are at risk of losing their assistance, Housing staff works with the Housing Navigators at MCSA (Muscatine Center for Strategic Action) to assist clients in overcoming personal barriers to obtaining and maintaining their housing. The Housing staff also works with MCSA to re-house families experiencing homelessness through the voucher preference.

The Housing operations are routinely reviewed for opportunities to improve program efficiency and strengthen program compliance. An example of the former is reinforcing areas of overlap between the Voucher Program and standard rental requirements. Not only does the Housing department continue to utilize the City rental-housing inspector to inspect assisted units, but staff has also improved the application of City Codes by improving communication with the building inspectors. More importantly, on-going participation in the Landlord Association has allowed staff to improve communication regarding concerns and develop a draft rental housing code update that addresses these needs. This relationship has also resulted in new property owners working with the Voucher Program because they understand staff will provide support in managing difficult tenants as well as provide consistent, on-time rental payments.

From the compliance aspect, there has been a concentrated effort to implement redundancy in creating awareness of tenant requirements. From the time a tenant is invited to the Step Ahead Class, where clients learn about being a responsible tenant as well as tenant-landlord law, to the start of assistance, the tenant is informed of the major program requirements not less than four times, essentially each time they interact with staff. This has registered with some applicants as they remove themselves from the process or disclose situations that would have been violations once the family signs a lease. Unfortunately, the department still sees about three percent of those assisted continue to be terminated for noncompliance.

The Voucher Program has had staff changes this year. One Housing Specialist requested to go part-time and now works only on the Housing Counseling Program. The .5 FTE vacancy left in the Housing Specialist staffing was filled internally, which opened an Office Assistant position. In addition, a second Housing Specialist was identified as the best candidate for the half-time Code Enforcement Official position. To facilitate consistent front-desk coverage the Housing and Community Development Office Assistants will physically be located in the Community Development Office and be trained in both areas of operation.

Family Self-Sufficiency (FSS) Program

The Muscatine Municipal Housing Agency continues to work on programming that will improve client outcomes including establishing guidelines for program referrals. The FSS Coordinator also works with other organizations in the community, such as Aligned Impact Muscatine, Trinity Public Health, Muscatine Center for Strategic Action, and Muscatine Community College to identify or create programming to support improved self-sufficiency for clients served in any program.

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 Housing Counselor is working toward obtaining the mandatory Housing Counselor Certification by the August 2020 deadline. This past year, the counselor attended a week-long training seminar in Portland, OR that focused on updating and maintaining a successful program. The Housing Agency has been awarded a \$17,166 Housing Counseling Grant from the U.S. Department of Housing and Urban Development. The class continues to be offered about every six weeks with ten to fifteen participants in each session.

Ten graduates were assisted to purchase their first home 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 serve more individuals. 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.

Sunset Park Summer Program

In the summer of 2018, twenty-one children registered for the Summer Enrichment Program, with an average daily attendance of eighteen. The program was open forty-seven days and provided almost seven hundred free meals and one-thousand snacks. Children participated in thirty-two off-site activities such as trips to the library, art center, and aquatic center. Children also participated in a cooking and nutrition class at Hy-Vee. The program provides a level of structure similar to school but is very popular among young residents.

OBJECTIVES TO BE ACCOMPLISHED IN 2020/2021:

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 improve the Housing REAC score by 3 points

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.
- To maintain an above average score on the annual Management and Occupancy Review

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 25 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.
- To engage more participants in financing counseling
- To access more education program funding for participants

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 Voucher program participant to pursue homeownership through the Housing Choice Voucher Home Ownership program.
- To provide information on tenant-landlord law to 100 renters in the community

Sunset Park Summer Program

- To have a minimum of 20 children registered.
- To serve a minimum of 500 lunches.
- To expand children's knowledge of the community by accessing at least 10 off-site activities.

**Public Housing Program
Clark House and Sunset Park
Fund Statement**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Operating Reserve, July 1	\$ 44,713	\$ 82,142	\$ 57,682	\$ 158,623	\$ 253,173
Revenues					
Dwelling Rentals	\$ 397,316	\$ 410,957	\$ 400,000	\$ 398,000	\$ 405,000
Cable Fees	34,089	33,594	32,500	35,100	36,800
Federal Grants:					
Operating Subsidy	214,050	206,938	201,000	247,500	215,000
HUD Capital Funds:					
2016 Grant	157,119	0	0	0	0
2017 Grant	0	162,448	0	0	0
2018 Grant	0	0	254,000	254,000	0
2019 Grant	0	0	0	0	264,000
Interest Income	938	2,158	510	2,010	510
Insurance Reimbursements	256,195	0	0	0	0
Contribution - Exercise Program	0	2,400	0	2,400	0
Sale of Equipment	0	3,050	0	0	0
Laundry Fees	7,669	7,202	7,500	7,500	7,500
Cell Tower Leases	14,798	26,388	30,450	26,800	27,200
Miscellaneous	4,886	14,660	1,350	6,150	5,750
Total Revenues	<u>\$ 1,087,060</u>	<u>\$ 869,795</u>	<u>\$ 927,310</u>	<u>\$ 979,460</u>	<u>\$ 961,760</u>
Funds Available	<u>\$ 1,131,773</u>	<u>\$ 951,937</u>	<u>\$ 984,992</u>	<u>\$ 1,138,083</u>	<u>\$ 1,214,933</u>
Expenditures					
Clark House	\$ 483,471	\$ 546,852	\$ 591,350	\$ 612,010	\$ 575,860
Sunset Park	566,160	246,462	271,790	272,900	289,470
Total Expenditures (1)	<u>\$ 1,049,631</u>	<u>\$ 793,314</u>	<u>\$ 863,140</u>	<u>\$ 884,910</u>	<u>\$ 865,330</u>
Operating Reserve, June 30	<u><u>\$ 82,142</u></u>	<u><u>\$ 158,623</u></u>	<u><u>\$ 121,852</u></u>	<u><u>\$ 253,173</u></u>	<u><u>\$ 349,603</u></u>
Increase (Decrease) in Operating Reserve	\$ 37,429	\$ 76,481	\$ 64,170	\$ 94,550	\$ 96,430

1. Expenditures include changes in compensated absences.

**Public Housing Program
Clark House and Sunset Park
Summary of Revenues**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Clark House:					
Dwelling Rentals	\$ 305,720	\$ 310,687	\$ 305,000	\$ 320,000	\$ 310,000
Cable Fees	34,089	33,594	32,500	35,100	36,800
Federal Grants:					
Operating Subsidy	104,883	101,509	106,000	117,500	110,000
HUD Capital Funds:					
2016 Grant	64,148	0	0	0	0
2017 Grant	0	93,496	0	0	0
2018 Grant	0	0	170,000	170,000	0
2019 Grant	0	0	0	0	180,000
Interest Income	927	2,138	500	2,000	500
Laundry Fees	7,669	7,202	7,500	7,500	7,500
Contribution-Exercise Program	0	2,400	0	2,400	0
Cell Tower Lease	14,798	26,388	30,450	26,800	27,200
Miscellaneous	1,749	8,879	850	5,150	5,250
Subtotal	<u>\$ 533,983</u>	<u>\$ 586,293</u>	<u>\$ 652,800</u>	<u>\$ 686,450</u>	<u>\$ 677,250</u>
Sunset Park:					
Dwelling Rentals	\$ 91,596	\$ 100,270	\$ 95,000	\$ 78,000	\$ 95,000
Federal Grants:					
Operating Subsidy	109,167	105,429	95,000	130,000	105,000
HUD Capital Funds:					
2016 Grant	92,971	0	0	0	0
2017 Grant	0	68,952	0	0	0
2018 Grant	0	0	84,000	84,000	0
2019 Grant	0	0	0	0	84,000
Interest Income	11	20	10	10	10
Insurance Reimbursement	256,195	0	0	0	0
Sale of Equipment	0	3,050	0	0	0
Miscellaneous	3,137	5,781	500	1,000	500
Subtotal	<u>\$ 553,077</u>	<u>\$ 283,502</u>	<u>\$ 274,510</u>	<u>\$ 293,010</u>	<u>\$ 284,510</u>
Total	<u><u>\$ 1,087,060</u></u>	<u><u>\$ 869,795</u></u>	<u><u>\$ 927,310</u></u>	<u><u>\$ 979,460</u></u>	<u><u>\$ 961,760</u></u>

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 167,939	\$ 171,521	\$ 194,540	\$ 195,100	\$ 213,800	9.90%
Commodities	20,655	14,409	22,050	21,950	21,450	-2.72%
Contractual Services	277,474	285,060	311,160	331,360	294,110	-5.48%
Capital Outlay	39,301	71,108	63,600	63,600	46,500	-26.89%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 505,369</u>	<u>\$ 542,098</u>	<u>\$ 591,350</u>	<u>\$ 612,010</u>	<u>\$ 575,860</u>	-2.62%
Funding Sources						
Dwelling Rentals	\$ 305,720	\$ 310,687	\$ 305,000	\$ 320,000	\$ 310,000	1.64%
Tenant Cable Fees	34,089	33,594	32,500	35,100	36,800	13.23%
Interest Income	927	2,138	500	2,000	500	0.00%
Federal Grants:						
Operating Subsidy	104,883	101,509	106,000	117,500	110,000	3.77%
HUD Capital Funds	64,148	93,496	170,000	170,000	180,000	5.88%
Cell Tower Lease	14,798	26,388	30,450	26,800	27,200	
Office Space Lease	-	3,696	-	4,000	4,100	
Miscellaneous	9,418	12,386	8,350	11,050	8,650	3.59%
Total Funding Sources	<u>\$ 533,983</u>	<u>\$ 583,894</u>	<u>\$ 652,800</u>	<u>\$ 686,450</u>	<u>\$ 677,250</u>	3.75%
Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Administrator	0.45	0.45	0.45	-	-	
Community Development Director	-	-	-	0.15	0.15	
Housing Maintenance Supervisor	-	-	-	0.50	0.50	
Maintenance Repairperson	0.50	0.50	0.50	-	-	
Custodian II	-	0.20	0.20	0.20	0.20	
Housing Program Manager	-	-	-	1.00	1.00	
Housing Specialist	0.50	0.50	0.50	-	-	
Total Full Time	<u>1.45</u>	<u>1.65</u>	<u>1.65</u>	<u>1.85</u>	<u>1.85</u>	
Part Time:						
Office Coordinator	0.06	-	-	-	-	
Custodian II	0.68	0.68	0.67	0.68	0.66	
Office Assistant	-	0.05	0.06	0.05	0.05	
Total Part Time	<u>0.74</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.71</u>	
Total	2.19	2.38	2.38	2.58	2.56	\$ 147,770
Employee Benefits						66,030
Total Personal Services						<u>\$ 213,800</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	6	Yes	\$ 30,000
Appliances	10	Yes	6,500
Additional Heat Treatment Equipment for Bedbugs	1	No	10,000
			<u>\$ 46,500</u>

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 137,371	\$ 136,007	\$ 151,690	\$ 129,010	\$ 126,080	-16.88%
Commodities	8,317	8,243	16,200	13,750	15,300	-5.56%
Contractual Services	77,470	78,436	74,200	90,440	81,990	10.50%
Capital Outlay	343,002	23,776	29,700	39,700	66,100	122.56%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 566,160</u>	<u>\$ 246,462</u>	<u>\$ 271,790</u>	<u>\$ 272,900</u>	<u>\$ 289,470</u>	6.51%
Funding Sources						
Dwelling Rentals	\$ 91,596	\$ 100,270	\$ 95,000	\$ 78,000	\$ 95,000	0.00%
Interest Income	11	20	10	10	10	0.00%
Federal Grants:						
Operating Subsidy	109,167	105,429	95,000	130,000	105,000	10.53%
HUD Capital Funds	92,971	68,952	84,000	84,000	84,000	0.00%
Insurance Reimbursement	256,195	-	-	-	-	
Miscellaneous	3,137	8,831	500	1,000	500	0.00%
Total Funding Sources	<u>\$ 553,077</u>	<u>\$ 283,502</u>	<u>\$ 274,510</u>	<u>\$ 293,010</u>	<u>\$ 284,510</u>	3.64%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Administrator	0.30	0.30	0.30	-	-	
Community Development Director	-	-	-	0.10	0.10	
Housing Maintenance Supervisor	-	-	-	0.25	0.25	
Housing Specialist	0.38	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.25	0.25	0.25	-	-	
Custodian II	-	0.70	0.70	0.70	0.70	
Total Full Time	<u>0.93</u>	<u>1.75</u>	<u>1.75</u>	<u>1.55</u>	<u>1.55</u>	
Part Time:						
Office Coordinator	0.05	-	-	-	-	
Office Assistant	-	0.05	0.05	0.05	0.05	
Custodian II	0.80	-	-	-	-	
Total Part Time	<u>0.85</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	
Total	1.78	1.80	1.80	1.60	1.60	\$ 84,580
Employee Benefits						41,500
Total Personal Services						<u>\$ 126,080</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 15,000
Foundation Repairs	1	Yes	15,000
Appliances	10	Yes	10,000
Truck	1	Yes	24,000
Computer	1	Yes	2,100
			<u>\$ 66,100</u>

Hershey Manor

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Revenues					
Dwelling Rentals	\$ 187,851	\$ 193,566	\$ 192,700 (1)	\$ 175,000 (1)	\$ 196,100 (2)
Housing Assistance Payments - HUD	274,763	278,334	289,100 (1)	306,800 (1)	294,100 (2)
HUD Payment Reduction for Vacancies	(5,590)	(17,804)	(5,590)	(15,375)	(14,700)
Interest Income	991	1,822	800	1,600	800
Cable Fees	18,913	18,716	18,900	18,800	19,200
Laundry Income	3,595	3,741	3,700	3,700	3,700
Donation for Exercise Program	0	2,400	0	0	0
Benjamin Hershey Memorial Convalescent Home Contribution	0	0	0	20,000	0
Total Revenues	<u>\$ 480,523</u>	<u>\$ 480,775</u>	<u>\$ 499,610</u>	<u>\$ 510,525</u>	<u>\$ 499,200</u>
Operating Expenditures	<u>343,792</u>	<u>372,996</u>	<u>371,070</u>	<u>404,550</u>	<u>385,850 (4)</u>
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	<u>\$ 136,731</u>	<u>\$ 107,779</u>	<u>\$ 128,540</u>	<u>\$ 105,975</u>	<u>\$ 113,350</u>
Additional Budget Items:					
Principal Retirement	(55,710)	(58,124)	(60,643)	(60,643)	(45,700) (4)
Replacement Reserve Transfers	(30,228)	(30,273)	(30,228)	(30,768)	(30,768)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,668)	(49,668)	(49,668)
Portion of Above Interest from Reserve Funds	(938)	(1,775)	(750)	(1,500)	(750)
Transfers from Replacement Reserve (3)	0	2,594	27,500	27,500	30,000
Net Surplus (Deficit)	<u>\$ 187</u>	<u>\$ (29,467)</u>	<u>\$ 14,751</u>	<u>\$ (9,104)</u>	<u>\$ 16,464</u>
Surplus (Deficit) per Unit Month	<u>\$ 0.31</u>	<u>\$ (49.11)</u>	<u>\$ 24.59</u>	<u>\$ (15.17)</u>	<u>\$ 27.44</u>

1. The FY 2019/2020 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market monthly rent of \$803.
2. The FY 2020/2021 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved new fair market rent amount of \$817 per month.
3. Reflects the portion of the operating expenditures funded from the Replacement Reserve regardless of the timing of the actual funding transfer.
4. The FY 2020/2021 expenditures include estimated interest and mortgage insurance for the re-financed loan. Estimated principal retirement payments are also shown. Those estimates are based on a 6-1-20 closing on the loan; the actual date will likely vary from this date.

Function:
Community and Economic Development

Department:
Housing

Activity:
Hershey Manor Housing

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 80,645	\$ 93,900	\$ 96,190	\$ 98,390	\$ 92,850	-3.47%
Commodities	5,846	5,966	10,700	9,650	9,850	-7.94%
Contractual Services	206,425	197,473	167,270	200,140	169,900	1.57%
Capital Outlay	3,173	5,048	27,500	27,500	30,000	9.09%
Interest/Mortgage Insurance	<u>74,351</u>	<u>71,668</u>	<u>69,410</u>	<u>68,870</u>	<u>83,250</u>	19.94%
Total Expenditures	<u>\$ 370,440</u>	<u>\$ 374,055</u>	<u>\$ 371,070</u>	<u>\$ 404,550</u>	<u>\$ 385,850</u>	3.98%
Funding Sources						
Dwelling Rentals	\$ 187,851	\$ 193,566	\$ 192,700	\$ 175,000	\$ 196,100	1.76%
Housing Assistance Payments - HUD	269,173	260,530	283,510	291,425	279,400	-1.45%
Benjamin Hershey Memorial Convalescent Home Cont.	-	-	-	20,000	-	
Interest Income	991	1,822	800	1,600	800	0.00%
Cable Fees	18,913	18,716	18,900	18,800	19,200	1.59%
Other Income	<u>3,595</u>	<u>6,141</u>	<u>3,700</u>	<u>3,700</u>	<u>3,700</u>	0.00%
Total Funding Sources	<u>\$ 480,523</u>	<u>\$ 480,775</u>	<u>\$ 499,610</u>	<u>\$ 510,525</u>	<u>\$ 499,200</u>	-0.08%
Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Administrator (Included in Management Fee)	0.10	0.10	0.10	-	-	
Community Development Director (Inc in Management Fee)		-	-	0.10	-	
Housing Program Manager (Included in Management Fee)				0.10	0.10	
Housing Maintenance Supervisor	-	-	-	0.25	0.25	
Custodian II	-	0.10	0.10	0.10	0.10	
Housing Program Manager	-	-	-	0.18	0.10	
Housing Specialist	0.50	0.50	0.50	0.42	0.50	
Maintenance Repairperson	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>-</u>	<u>-</u>	
Total Full Time	<u>0.85</u>	<u>0.95</u>	<u>0.95</u>	<u>1.15</u>	<u>1.05</u>	
Part Time:						
Custodian	<u>0.53</u>	<u>0.53</u>	<u>0.53</u>	<u>0.50</u>	<u>0.50</u>	
Total	1.38	1.48	1.48	1.65	1.55	\$ 67,950
Employee Benefits						<u>24,900</u>
Total Personal Services						<u>\$ 92,850</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 25,000
Appliance Replacements	5	Yes	3,000
Computer	1	Yes	2,000
			<u>\$ 30,000</u>

Section 8 Voucher Program

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 113,386	\$ 37,989	\$ 55,839	\$ 105,450	\$ 109,880
Revenues:					
HUD Contributions-Housing Assistance Payments	\$ 1,631,192	\$ 1,621,742	\$ 1,765,400	\$ 1,596,360	\$ 1,614,000
HUD Contributions-Administration	185,503	225,967	189,600	207,300	210,400
HUD Contributions-Family Self-Sufficiency	50,866	56,628	55,310	55,310	59,970
Administrative Fees-Portability	82	268	0	0	0
FSS Escrow Forfeitures	10,057	18,409	0	13,640	0
Fraud Recovery - HUD Portion	1,737	2,075	800	1,200	1,000
Fraud Recovery - Admin Portion	1,737	2,075	800	1,200	1,000
Interest - Admin Reserve	293	995	500	1,000	500
Interest - HAP Equity	0	0	0	20	0
Total Revenues	\$ 1,881,467	\$ 1,928,159	\$ 2,012,410	\$ 1,876,030	\$ 1,886,870
Funds Available	\$ 1,994,853	\$ 1,966,148	\$ 2,068,249	\$ 1,981,480	\$ 1,996,750
Expenditures:					
Housing Assistance Payments	\$ 1,709,888	\$ 1,629,001	\$ 1,766,200	\$ 1,611,200	\$ 1,615,000
Voucher Program Administration	191,035	173,925	196,280	198,680	215,090
Family Self-Sufficiency Coordinator:					
Grant Funded Portion	50,866	56,628	55,310	53,310	59,970
Family Self-Sufficiency Other Costs	5,075	1,144	6,390	8,410	5,010
Total Expenditures	\$ 1,956,864	\$ 1,860,698	\$ 2,024,180	\$ 1,871,600	\$ 1,895,070
Ending Balance, June 30	\$ 37,989	\$ 105,450	\$ 44,069	\$ 109,880	\$ 101,680
Ending Balance Reserved for:					
Housing Assistance Payments (1)	\$ 0	\$ 13,225	\$ 0	\$ 13,225	\$ 13,225
Administration	37,989	92,225	44,069	94,655	86,455
Total Ending Balance	\$ 37,989	\$ 105,450	\$ 44,069	\$ 107,880	\$ 99,680
Increase (Decrease) in Fund Balance	\$ (75,397)	\$ 67,461	\$ (11,770)	\$ 4,430	\$ (8,200)

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 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 115,824	\$ 101,117	\$ 121,130	\$ 121,130	\$ 140,940	16.35%
Commodities	3,670	2,501	4,400	3,750	4,150	-5.68%
Contractual Services	1,781,429	1,699,308	1,831,950	1,680,000	1,685,000	-8.02%
Capital Outlay	-	-	5,000	5,000	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,900,923</u>	<u>\$ 1,802,926</u>	<u>\$ 1,962,480</u>	<u>\$ 1,809,880</u>	<u>\$ 1,830,090</u>	-6.75%
Funding Sources						
HUD Contributions	\$ 1,816,695	\$ 1,847,709	\$ 1,955,000	\$ 1,803,660	\$ 1,824,400	-6.68%
Repayment Agreements	3,474	4,150	1,600	2,400	2,000	25.00%
Admin. Fees - Portability	82	268	-	-	-	
Interest	293	995	500	1,020	500	0.00%
Other Income	10,057	18,409	-	13,640	-	
Total Funding Sources	<u>\$ 1,830,601</u>	<u>\$ 1,871,531</u>	<u>\$ 1,957,100</u>	<u>\$ 1,820,720</u>	<u>\$ 1,826,900</u>	-6.65%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Administrator	0.10	0.10	0.10	-	-	
Community Development Director	-	-	-	0.05	0.05	
Housing Program Manager	-	-	-	0.80	0.80	
Housing Specialist	1.14	1.14	1.15	0.62	0.62	
Total Full Time	<u>1.24</u>	<u>1.24</u>	<u>1.25</u>	<u>1.47</u>	<u>1.47</u>	
Part Time:						
Office Coordinator	0.50	-	-	-	-	
Office Assistant	-	0.34	0.50	0.40	0.40	
Total	1.74	1.58	1.75	1.87	1.87	\$ 93,100
Employee Benefits						47,840
Total Personal Services						<u>\$ 140,940</u>

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 53,333	\$ 56,895	\$ 60,550	\$ 60,220	\$ 63,980	5.66%
Commodities	28	-	150	-	-	-100.00%
Contractual Services	2,579	877	1,000	1,500	1,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 55,940	\$ 57,772	\$ 61,700	\$ 61,720	\$ 64,980	5.32%
Funding Sources						
HUD Contribution	\$ 50,866	\$ 56,628	\$ 55,309	\$ 55,309	\$ 59,970	8.43%
Section 8 HUD Admin Funds	5,074	1,144	6,391	6,411	5,010	-21.61%
Total Funding Sources	\$ 55,940	\$ 57,772	\$ 61,700	\$ 61,720	\$ 64,980	5.32%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Specialist	0.79	0.85	0.85	0.88	0.88	\$ 39,660
Employee Benefits						24,320
Total Personal Services						\$ 63,980

**Public Housing
Home Ownership Program
Fund Statement**

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	72,573	57,145	\$ 51,745	\$ 44,620	\$ 48,920
Revenues:					
HUD Counseling Grant	\$ 21,632	\$ 24,570	\$ 24,000	\$ 24,000	\$ 18,000
Local Housing Trust Funds	13,071	13,684	20,000	17,200	17,000
Wells Fargo Grant	5,620	0	2,500	0	0
Interest	572	746	500	500	500
Other	0	300	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	2,000	2,000	2,000
Total Revenues	<u>\$ 40,895</u>	<u>\$ 39,300</u>	<u>\$ 49,000</u>	<u>\$ 43,700</u>	<u>\$ 37,500</u>
Funds Available	\$ 113,468	\$ 96,445	\$ 100,745	\$ 88,320	\$ 86,420
Expenditures	<u>56,323</u>	<u>51,825</u>	<u>53,700</u>	<u>39,400</u>	<u>38,500</u>
Ending Balance, June 30	<u><u>57,145</u></u>	<u><u>44,620</u></u>	<u><u>\$ 47,045</u></u>	<u><u>\$ 48,920</u></u>	<u><u>\$ 47,920</u></u>
Increase (Decrease) in Fund Balance (1)	\$ (15,428)	\$ (12,525)	\$ (4,700)	\$ 4,300	\$ (1,000)

Function:
Community and Economic Development

Department:
Housing

Activity:
Home Ownership Program

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 53,668	\$ 49,522	\$ 46,500	\$ 32,600	\$ 31,700	-31.83%
Commodities	434	168	600	600	600	0.00%
Contractual Services	2,221	2,135	6,600	6,200	6,200	-6.06%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 56,323</u>	<u>\$ 51,825</u>	<u>\$ 53,700</u>	<u>\$ 39,400</u>	<u>\$ 38,500</u>	-28.31%
Funding Sources						
HUD Counseling Grant	\$ 21,632	\$ 24,570	\$ 24,000	\$ 24,000	\$ 18,000	-25.00%
Local Housing Trust Fund	13,071	13,684	20,000	17,200	17,000	-15.00%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	2,000	2,000	2,000	0.00%
Wells Fargo Grant	5,620	-	2,500	-	-	
Interest	572	746	500	500	500	0.00%
Other	-	300	-	-	-	
Total Funding Sources	<u>\$ 40,895</u>	<u>\$ 39,300</u>	<u>\$ 49,000</u>	<u>\$ 43,700</u>	<u>\$ 37,500</u>	-23.47%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Full Time:						
Housing Specialist	0.62	0.50	0.50	-	-	
Housing Administrator	0.05	0.05	0.05	-	-	
Part Time:						
Housing Specialist	-	-	-	0.50	0.50	
Total	0.67	0.55	0.55	0.50	0.50	\$ 26,700
Employee Benefits						5,000
Total Personal Services						<u>\$ 31,700</u>

**Public Housing
Sunset Park Education Program
Fund Statement**

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 2,165	\$ 3,957	\$ 10,257	\$ 10,173	\$ 9,673
Revenues:					
Contributions - United Way	\$ 17,004	\$ 16,750	\$ 3,000	\$ 1,750	\$ 2,000
Other Contributions	2,600	200	100	0	0
Community Foundation Grant	4,000	2,000	4,000	2,000	5,000
Interest	17	141	0	150	100
Other	0	0	2,000	1,500	1,000
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	1,000	2,200	1,000
Total Revenues	<u>\$ 23,621</u>	<u>\$ 19,091</u>	<u>\$ 10,100</u>	<u>\$ 7,600</u>	<u>\$ 9,100</u>
Funds Available	\$ 25,786	\$ 23,048	\$ 20,357	\$ 17,773	\$ 18,773
Expenditures	<u>21,829</u>	<u>12,875</u>	<u>10,100</u>	<u>8,100</u>	<u>10,200</u>
Ending Balance, June 30	<u>3,957</u>	<u>10,173</u>	<u>\$ 10,257</u>	<u>\$ 9,673</u>	<u>\$ 8,573</u>
Increase (Decrease) in Fund Balance	\$ 1,792	\$ 6,216	\$ 0	\$ (500)	\$ (1,100)

Function:
Community and Economic Development

Department:
Housing

Activity:
Sunset Park Education Program

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Percent Change
Expenditure Summary						
Personal Services	\$ 14,846	\$ 5,157	\$ 9,700	\$ 7,600	\$ 9,800	1.03%
Commodities	708	142	300	400	300	0.00%
Contractual Services	6,276	7,576	100	100	100	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 21,830</u>	<u>\$ 12,875</u>	<u>\$ 10,100</u>	<u>\$ 8,100</u>	<u>\$ 10,200</u>	0.99%
Funding Sources						
Donations	\$ 23,604	\$ 18,950	\$ 7,100	\$ 3,750	\$ 7,000	-1.41%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	2,000	2,200	1,000	-50.00%
Interest	17	141	-	150	100	
Other	-	-	1,000	1,500	1,000	0.00%
Total Funding Sources	<u>\$ 23,621</u>	<u>\$ 19,091</u>	<u>\$ 10,100</u>	<u>\$ 7,600</u>	<u>\$ 9,100</u>	-9.90%

Personnel Schedule						
	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021	Budget Amount 2020/2021
Part Time:						
Program Coordinator	0.15	0.15	0.17	0.14	0.17	
Program Assistant	0.32	0.06	0.12	0.12	0.14	
Total	<u>0.46</u>	<u>0.21</u>	<u>0.29</u>	<u>0.26</u>	<u>0.32</u>	\$ 8,600
Employee Benefits						<u>1,200</u>
Total Personal Services						<u>\$ 9,800</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, 2020, the City's G.O. bonds outstanding is projected to total \$15,600,000 which includes \$9,290,000 of existing debt plus the estimated \$6,310,000 bond issue scheduled for May 2020. This amount includes debt that will be paid from enterprise and tax increment funds. The May 2020 bond issue includes an estimated \$3,255,000 for the Downtown Streetscaping project. The annual debt service payments on this portion of the bond issue will be funded from tax increment funds.

The City traditionally issues bonds every other year. A 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
Projects to be Funded from the May 2020 Bond Issue

	Bond Requirements
Property Purchase:	
Former IDOT Property	\$ 610,000
Engineering Study/Preliminary Work for Renovation of Former IDOT Maintenance Facility	303,000
Street Improvements:	
Local Share of Conversion of Portion of Park Avenue from 4-Lanes to 3-Lanes (Series A)	425,000
Park Improvements:	
Fence Replacement and/or New Fencing (Riverfront or Soccer Expansion)	76,000
Fuller Park Play ground 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:	
Local Share of New Airport Hangars and Apron Expansion Phase II	346,000
Trail Project:	
West Side Trail - Additional Local Share Funding	625,000
Total General Obligation Portion of Issue (Debt Levy Funded Portion)	\$ 3,000,000
Tax Increment Financing Funding for Downtown Streetscaping Project:	
Estimated Project Costs	3,200,000
Total Bond Issue (Before Issuance Costs)	\$ 6,200,000
Estimated Bond Issuance Costs/Underwriters Discount	110,000
Total Projected Bond Issue	\$ 6,310,000

CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current year 2019/2020 is \$2.60018 per \$1,000 of valuation. This rate will decrease to \$2.34955 (a decrease of 9.6%) for 2020/2021. This reduction was possible due to an estimated \$226,896 decrease in property tax-funded debt payments. The June 1, 2010 bond issue will be retired in fiscal year 2019/2020. A portion of the debt service payments on the May 2020 issue will be funded from tax increments funds. 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 \$2,408,198. This amount plus \$40,847 in available debt service fund balance is the amount necessary to support estimated debt service payments of \$2,449,045 (the total estimated requirement for property tax supported debt in 2020/2021). Funds from the Southend Tax Increment fund will fund an estimated \$346,418 and funds from the Water Pollution Control fund will fund \$90,550 of general obligation debt requirements in 2020/2021.

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, 2020 is as follows:

**City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2020**

Actual Valuation January 1, 2019		\$ 1,453,477,959
State Limit (5%)		0.05
Debt Limit		\$ 72,673,898
Bonded Debt:		
Current General Obligation Debt July 1, 2020	\$ 9,290,000	
New General Obligation Bond Issue in May 2020 (Includes Portion Funded from Tax Increment Funds)	6,310,000	
Tax Increment Bond Issue Debt July 1, 2020	150,000	\$ 15,750,000
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		21.7%
Estimated Tax Increment Rebate Obligations July 1, 2020:		
A & E Convenience - 50% for 10 years to maximum of \$40,000 (began in 2012/2013)	\$ 11,308	
The Villas at MCC, LLC - 50% for 10 years to maximum of \$425,000 (began in 2013/2014)	293,646	
R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (began in 2015/2016)	1,159,871	
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 21 is listed.	325,000	
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 21 is listed	4,000	
Wal-View Developments Project #2 - 10 years to maximum of \$2,000,000; declining percentages 100%, 90%, 80%, 70%, 60%, 60%, 50%, 50%, 40%, 40%; (began in 2017/2018). <u>Subject to annual appropriation</u> . Annual appropriation for FY 21 is listed.	220,000	
Riverview Hotel Development - 20 years to maximum of \$6,150,000; declining percentages Years 1-5 100%, Years 6-7 95%, Years 8-15 75%, Years 16-20 50% (began in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 21 is listed.	660,000	
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 21 is listed.	8,200	
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 (began in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 21 is listed.	27,500	
HNI Corporation Development Agreement - 50% for 10 years to a maximum of \$3,811,000 (began in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 21 is listed.	72,000	
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of \$445,000 (will begin in 2020/2021). <u>Subject to annual appropriation</u> . Annual appropriation for FY 21 is listed.	54,000	
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> .	-	
Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of \$500,000 (expected to begin in 2021/2022). <u>Subject to annual appropriation</u> .	-	
Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of \$515,000 (expected to begin in 2022/2023). <u>Subject to annual appropriation</u> .	-	
		\$ 2,835,525
Percent of Debt Limit Used for Tax Increment Rebate Obligations		3.9%
Total Debt Subject to Debt Limit		18,585,525
Legal Debt Margin		\$ 54,088,373
Percent of Legal Debt Limit Used		25.6%

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	\$ 43,604,339
Total Debt Subject to Debt Limit	<u>18,585,525</u>
Debt Margin Using Self-Imposed Limit	<u>\$ 25,018,814</u>
Percent of Self-Imposed Debt Limit Used	42.6%

The City's general obligation and tax increment debt on a per capita basis is \$661.24 as of June 30, 2020.

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. 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 2019 for the 2020/2021 annual appropriation rebates for Wal-View for their first project in the amount of \$325,000, for H.J. Heinz for \$4,000, for Wal-View for their 2nd project for \$220,000, for Union Tank Car Company for \$8,200, for Riverview Hotel Development for \$660,000, for HNI Corporation for \$72,000, for Harrison Lofts LLC for \$27,500, and for White Distribution & Supply for \$54,000. The recent agreements with TIF Oak Park, NPSW Development, and Bush Development LLC/Hershey Property LLC, 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

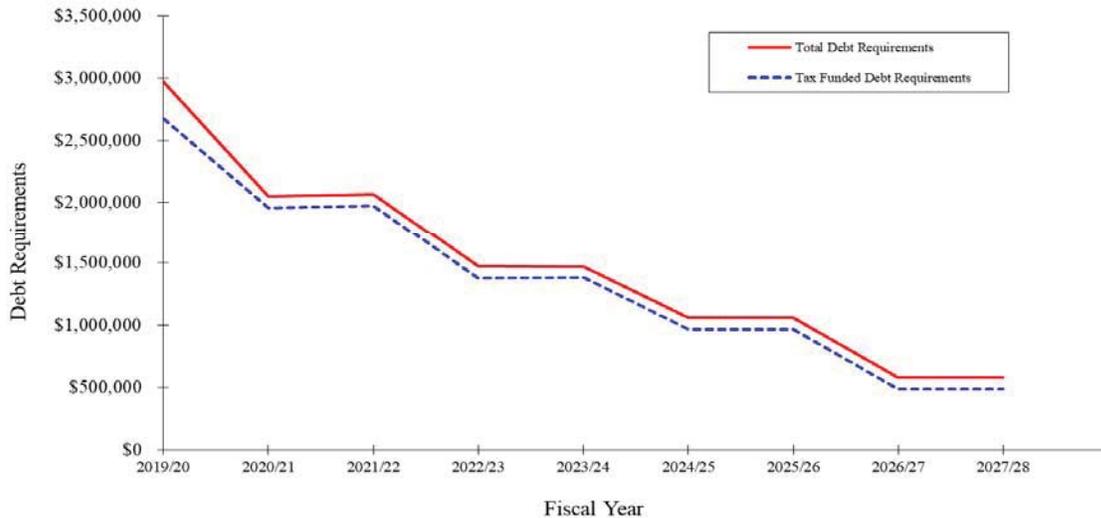
	<u>Actual</u> <u>2017/2018</u>	<u>Actual</u> <u>2018/2019</u>	<u>Budget</u> <u>2019/2020</u>	<u>Revised</u> <u>Estimate</u> <u>2019/2020</u>	<u>Budget</u> <u>2020/2021</u>
Beginning Balance, July 1	\$ 257,173	\$ 244,470	\$ 157,440	\$ 182,741	\$ 142,142
Revenues					
Property Tax	\$ 2,459,180 (1)	\$ 2,379,805 (1)	\$ 2,508,932 (3)	\$ 2,508,932 (3)	\$ 2,288,629 (4)
Utility Tax Replacement Excise Tax	10,040	7,939	8,310	8,310	8,997
Commercial and Industrial Replacement Funds	110,196	102,819	109,460	106,100	100,572
Interest	14,236	24,886	7,500	12,000	10,000
Transfers In:					
Downtown Tax Increment Fund	202,650	207,100	206,250	206,250	0
Southend Tax Increment Fund	0	0	0	0	346,418 (5)
Water Pollution Control Fund	0	95,105	92,500	92,500	90,550
Total Revenues	<u>\$ 2,796,302</u>	<u>\$ 2,817,654</u>	<u>\$ 2,932,952</u>	<u>\$ 2,934,092</u>	<u>\$ 2,845,166</u>
Funds Available	<u>\$ 3,053,475</u>	<u>\$ 3,062,124</u>	<u>\$ 3,090,392</u>	<u>\$ 3,116,833</u>	<u>\$ 2,987,308</u>
Expenditures					
Charges for Services	\$ 2,300	\$ 2,600	\$ 3,000	\$ 3,000	\$ 3,000
Bonds	2,505,000	2,470,000	2,630,000	2,630,000	1,775,000
Interest	301,705	406,783	341,691	341,691	274,703
Estimated Debt Requirements New Issue:					
Bonds	0	0	0	0	715,000 (5)
Interest	0	0	0	0	118,310 (5)
Total Expenditures	<u>\$ 2,809,005</u>	<u>\$ 2,879,383</u>	<u>\$ 2,974,691</u>	<u>\$ 2,974,691</u>	<u>\$ 2,886,013</u>
Ending Balance, June 30	<u>\$ 244,470 (2)</u>	<u>\$ 182,741</u>	<u>\$ 115,701</u>	<u>\$ 142,142</u>	<u>\$ 101,295</u>
Amount of Fund Balance Assigned for Debt Principal Payment in Future Years	<u>100,000</u>				
Unassigned Ending Balance, June 30	<u>\$ 144,470</u>				
Increase (Decrease) in Fund Balance	\$ (12,703)	\$ (61,729)	\$ (41,739)	\$ (40,599)	\$ (40,847)
Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 2.69458	\$ 2.53669	\$ 2.60018	\$ 2.60018	\$ 2.34955

1. The 2017/2018 and 2018/2019 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
2. The City's financial consultant structured the debt repayment schedule for 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
3. The 2019/2020 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 2019/2020 debt service requirements
4. The 2020/2021 debt service tax levy rate was again based on not exceeding the \$2.89 target level.
5. Estimated debt service requirements on the May 2020 bond issue. The estimated portion for the Downtown Streetscape project will be funded with a transfer from the Southend Tax Increment fund.

DEBT SERVICE FUND
SUMMARY OF BOND AND INTEREST REQUIREMENTS
CURRENT GENERAL OBLIGATION BONDS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements Current Debt</u>	<u>Water Pollution Control and TIF Funded Debt Requirements</u>	<u>Expected Tax Funded Debt Requirements</u>
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	\$ 11,920,000	\$ 1,388,344	\$ 13,308,344	\$ 1,038,050	\$ 12,270,294

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2019/20	<u>\$ 1,290,000</u>	<u>\$ 40,313</u>	<u>\$ 1,330,313</u>
Total	<u><u>\$ 1,290,000</u></u>	<u><u>\$ 40,313</u></u>	<u><u>\$ 1,330,313</u></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
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>\$ 1,705,000</u>	<u>\$ 60,765</u>	<u>\$ 1,765,765</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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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>\$ 1,935,000</u>	<u>\$ 119,925</u>	<u>\$ 2,054,925</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>
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>\$ 2,965,000</u>	<u>\$ 289,741</u>	<u>\$ 3,254,741</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
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>\$ 4,025,000</u>	<u>\$ 877,600</u>	<u>\$ 4,902,600</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 (CIP) in order to establish a realistic plan of action by balancing the needed capital improvements with available resources. Capital improvements are identified and submitted to the Planning and Zoning Commission for their initial review. Their recommendations, in addition to staff's, are presented to City Council on a priority basis. Available financial resources are identified and Council approves the projects according to the need and availability of resources.

CURRENT TRENDS AND ISSUES:

The operating budget will again be supplemented with an aggressive Five Year Capital Improvement Plan (CIP). In July of 2019, the City Council approved the resolution adopting the current Five Year Capital Improvement Plan for fiscal years 2019/2020 through 2023/2024. 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 2019/2020 revised estimate and 2020/2021 budget are projects that 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 2020/2021, the Local Option Sales Tax funding for pavement management projects of \$587,200 will be supplemented with a \$412,800 allocation of Road Use Tax funds that total to a \$1 million 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 \$2.3 million. Muscatine Power & Water will fund an estimated \$285,500 of the project costs for utility work and the City's share is estimated at \$725,000. The May 2020 bond issue included \$425,000 of funding for this project and the balance of the local share, estimated at \$300,000 will be included in the spring 2022 bond issue. Engineering design is nearing completion in 2019/2020 and construction is scheduled to begin in the summer of 2020 and continue in 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 through 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 has been completed. 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.

Budgeted project costs in 2019/2020 for the Mississippi Drive Corridor project 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. After the budget was adopted, a decision was made to defer the start of construction on Grandview Avenue to fiscal year 2020/2021. The Grandview Avenue construction is expected to begin in 2021 and continue in 2022. Federal grants will supplement the Transfer of Jurisdiction and other funding for the Grandview Avenue phase of this project.

Improvements to downtown sidewalks and streets have been identified as a needed project in the Five Year Capital Improvement Plan. These improvements will be funded from current and future tax increment funds. Engineering design for this project began in 2018/2019 and was completed in 2019/2020. The contract for this project was approved by City Council in February of 2020 and construction began in April of 2020. Construction will be done in the non-winter months of calendar years 2020 and 2021. Funding for this project will be from the May 2020 bond issue with the debt service on this portion of the bond issue to be repaid by future tax increment funds.

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 eight 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 bids for Phase 5 of this project are scheduled to be received in the late winter or spring of 2021.

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. Voters again approved the extension of this tax 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 in March of 2019 and those 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. Bids were received in May 2019 and the contract with Leander Construction was approved in June of 2019. There is a list of items that will be done outside of the construction contract and the total cost is expected to be within the total project budget. This project is currently under construction and is scheduled to be completed in fiscal year 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 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 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 2020-2021 include (1) the repair of damages from the 2019 flood which included those to the courtesy boat dock, gas dock, boat ramp, transient boater dock, and long boat dock; damages to Riverview Center and Pearl City Station; riverbank Rip Rap replacement needed from the mouth of Mad Creek to the harbor; and riverfront fencing and restroom concrete replacement; (2) an engineering study for the conversion of the former Iowa Department of Transportation Maintenance building to be used as a future 3rd fire station, a police substation, and some Public Works department functions; (3) continuation of deferred maintenance projects on city buildings, and (4) the reconstruction of Taxiway A at the Muscatine Municipal Airport.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2019/2020 as well as those planned for 2020/2021. This section also includes listings of these projects for both 2019/2020 and 2020/2021. Total capital project costs are estimated at \$18,335,100 for 2019/2020 and \$18,957,700 for 2020/2021. A separate listing of capital outlay items included in department operating budgets in 2020/2021 is also included in this section of the budget for informational purposes. These items total \$2,264,000, which brings the total budget for capital outlay and capital projects to \$21,221,700 for 2020/2021. 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 2019/2020 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 due to the State legislature increasing the gasoline tax by \$.10 per gallon effective March 1, 2015. In 2019/2020, the Local Option and Road Use Tax funds are being used for alley resurfacing and full depth concrete patching.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Local Option Sales Tax Funds	\$ 593,100
Road Use Tax Funds	<u>436,900</u>
	<u>\$ 1,030,000</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 2019/2020 Funding Amount</u>
Road Use Tax Funds	\$ 198,100

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 through 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 has been completed. 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.

Budgeted project costs in 2019/2020 included 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. After the budget was adopted, a decision was made to defer the start of construction on Grandview Avenue to fiscal year 2020/2021. The Grandview Avenue construction is expected to begin in 2021 and continue in 2022.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Transfer of Jurisdiction Funds	\$ 3,277,500
Reimbursements from Muscatine Power & Water	200,000
Interest on Transfer of Jurisdiction Funds	<u>85,500</u>
	<u>\$ 3,563,000</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.

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 \$2.3 million. Muscatine Power & Water will fund an estimated \$285,500 of the project costs for utility work and the City’s share is estimated at \$725,000. The May 2020 bond issue included \$425,000 of funding for this project and the balance of the local share, estimated at \$300,000 will be included in the spring 2022 bond issue. Engineering design is nearing completion in 2019/2020 and construction is scheduled to begin in the summer of 2020 and continue in 2021.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Muscatine Power & Water Contributions	20,800
Bond Proceeds – May 2020 Issue	<u>425,000</u>
	<u>\$ 445,800</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 sidewalks 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. The allocation for 2018/2019 totaled \$135,594 which funded the sidewalk extension on Tanglefoot Lane and the trail/sidewalk on Houser Street in front of the new Soccer expansion area and parking lot. The 2019/2020 allocation will fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway.

<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 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 the 2018/2029 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. This project was substantially completed in fiscal year 2018/2019 with the final work completed in the 2019/2020 fiscal year.

<u>Source</u>	<u>FY 2019/2020 Funding Amount</u>
Prior Year Bond Proceeds and Carver Trust Grant	\$ 84,800

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 Restroom Projects: The May 2018 bond issue included funding for improvements in several park facilities including replacement of the Rose Garden restroom in Week Park. After further review, the Parks department recommended and received approval to reallocate the bond funding and construct a new modular restroom at the Lagoon Shelter site with the remaining funds used for refurbishing the restrooms at the Rose Garden. This project is scheduled for completion in 2019/2020.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Prior Year Bond Proceeds	\$ 143,400

Future Impact on Operating Budget: Maintenance costs should be reduced with the new and renovated restrooms. Specific savings 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 2020/2021 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 2020 Issue	\$ 120,000

Future Impact on Operating Budget: Maintenance costs should be reduced with the new field. Specific savings cannot be determined.

Parks Fence Projects: The original Parks Fence project was to replace the chain link fence along the railroad tracks from the Cedar Street railroad crossing up river to the trail. A portion of the original funding allocation (approximately \$32,500) has been redirected to add a fence around the four new soccer field added with the Soccer Expansion project. The balance of the funding allocation will be used for the Riverfront or other park fences. 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 as well as replace the retaining wall around the playground. The current surface is showing considerable wear and breakdown of the upper layer. With favorable bids on the playground project, funds are also available to improve the retaining wall around the Weed Park Playground. 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.

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 needed 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 the 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.

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 \$1,660,000. This trail will connect Kent Stein Park and Discovery Park. The design of the new trail began in the 2018/2019 year and was completed in the late summer of 2019. The contract for the project was approved in September of 2019

and the project is expected to be substantially completed by the end of the 2019/2020 fiscal year. Funding for this project is from a portion of the CAT grant, CAT grant donations, a federal grant, proceeds from the May 2018 bond issue (\$200,000), and proceeds from the May 2020 bond issue (\$625,000).

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
CAT Grant Proceeds	\$ 75,000
Federal STP Grant	550,000
Bond Proceeds – May 2020 Issue	625,000
Donations	32,800
	<u>\$ 1,282,800</u>

Future Impact on Operating Budget: Parks staff will be maintaining the new trail. Annual operating costs are estimated at \$1,500.

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. The City is considering renovation of this facility for (1) use by the Fire department as a 3rd fire station, (2) as a police sub-station, and (3) 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 for an engineering study which will include a cost estimate for improvements to this facility. The May 2020 bond funding amount totals \$913,000, which includes the initial property purchase and related costs which totaled \$613,000 as well as the \$300,000 allocation for the engineering study. The study is scheduled to begin late in the 2019/2020 fiscal year and continue in 2020/2021.

<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 reviewed with the results of the engineering study for this property.

Substandard Building Demolition Projects: The City has identified two substandard buildings that may be required to be removed by the City as nuisance properties. One was the site of a structure fire and for the other, the owner has not taken responsibility for the building. The City can assess the costs of demolition to the properties, but for these two specific properties, it is doubtful that these costs will be recovered. Funds previously set aside for Downtown Upper Floor Housing have been re-allocated to fund the cost of these demolitions.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Available Fund Balances	\$ 35,000

Future Impact on Operating Budget: There should be no future impact on the City’s operating budget once the structures are demolished and the properties are disposed of.

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 to 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>311,700</u>
	<u>\$ 536,700</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.

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 hailstorm 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 and 2018/2019 with the remainder scheduled for completion in the current year.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Insurance Reimbursements	\$ 31,800

Future Impact on Operating Budget: None.

Substandard Building Re-Development Project – 500 Mulberry: The property at 500 Mulberry Avenue has long been identified as a nuisance property in the city. There were difficulties in identifying the owner of the property and the City went through a process to claim ownership using Chapter 657A of the State Code of Iowa, which provides that a city in which an abandoned building is located may petition the court to enter judgment awarding title to the abandoned property to the city. The City considered either demolition of the building or identifying someone to restore and renovate this structure. After an RFP (Request for Proposals) process, the City entered into a Real Estate Purchase and

Development Agreement with Ramiro Vazquez in June of 2019. Under this agreement, this property was deeded to Ramiro Vazquez, Mr. Vazquez agreed to make the required improvements to this property, and the City provided a forgivable loan of \$135,000 to assist in the redevelopment of the property. This loan will be forgiven over the next five years subject to the improvements being made and the property continuing to be maintained in compliance with the City Code. The forgivable loan was provided in July of 2019 and renovation of this property is in progress. Funding for the forgivable loan is from Southend Tax Increment Financing (TIF) funds.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Transfer from Southend TIF Fund	\$ 135,000

Future Impact on Operating Budget: There should be no impact on future City operating budgets once the property renovation is completed.

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 will be funded from current and future tax increment funds. Engineering design for this project began in 2018/2019 and was completed in 2019/2020. The contract for this project was approved by City Council in February of 2020 and construction began in April of 2020. Construction will be done in the non-winter months of calendar years 2020 and 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)	\$ 3,200,000
Transfer from Downtown Tax Increment Fund for a Portion of the Engineering Design Costs	<u>40,000</u>
	<u>\$ 3,240,000</u>

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount cannot be determined.

Former Kum and Go Property Acquisition: With the opening of a new and larger Kum and Go Convenience Store in downtown Muscatine, their former store at the intersection of 5th and Cedar Streets became available to purchase. This property is across the street from the City’s Public Safety Building and there was a need for additional staff parking since some existing parking was being displaced as a result of a Muscatine County project. The City purchased this property in March of 2020. Funding for this purchase will be from the spring 2022 bond issue.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Future Bond Proceeds	\$ 105,000

Future Impact on Operating Budget: Improvements to the parking lot surface and the existing building will be required in future years. Estimated costs of these improvements are not yet available.

Flood Repair Projects (2019 Flood FEMA Projects): The City experienced extended flooding of the Mississippi River in the spring and summer of 2019 with the River above flood stage for a record-long 99 days. Damages included those to the courtesy boat dock, gas dock, boat ramp, transient boater dock, and long boat dock; damages to Riverview Center and Pearl City Station; riverbank Rip Rap replacement needed from the mouth of Mad Creek to the harbor; riverfront fencing and restroom concrete replacement; and debris removal from Mad Creek and the riverfront. The flood cleanup costs were accounted for in the City’s General Fund and the rest of the repairs will be accounted for in this capital project fund. When the budget was being prepared, staff was still working with FEMA representatives to determine the specific damages the City will be eligible for funding assistance for and the funding amounts. Projects that are determined to be eligible for FEMA funding will be 75% funded from FEMA, 10% from the State, and the local share is 15%. At the time the budget was prepared, the total repair costs were estimated at \$957,000 and it was estimated that 50% of the repairs would be completed in fiscal year 2019/2020 and 50% in the 2020/2021 fiscal year.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
FEMA Funding (75% of eligible costs)	\$ 283,900
State FEMA Match (10%)	37,900
City Match and Estimated Costs not Eligible for FEMA Funding (Future Bond Proceeds)	<u>156,700</u>
	<u>\$ 478,500</u>

Future Impact on Operating Budget: There will be some savings in annual maintenance costs when these improvements are completed. The amounts cannot be determined.

Police Pistol Range Building Replacement: Although not located directly on the Mississippi River, the Police Pistol Range was severely damaged by extended flooding in 2019. Since flooding of this building has occurred several times in recent years, it was determined that a new building to be located on higher ground was needed. A flood insurance reimbursement will fund a portion of the cost of the new building. A minimal amount is expected from FEMA toward the flood insurance deductible. No additional FEMA funding will be received since FEMA funds were used for repairs from a previous flood. The balance of the estimated \$100,000 cost for the new building will be included in the spring 2022 bond issue.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Flood Insurance Proceeds	\$ 37,500
FEMA Funding	4,500
Future Bond Proceeds	<u>58,000</u>
	<u>\$ 100,000</u>

Future Impact on Operating Budget: There will be some savings in annual maintenance costs with the new building. The amounts 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 eight 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 corresponded 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	\$ 2,659,000
Muscatine Power & Water Reimbursement	<u>122,100</u>
	<u>\$ 2,781,100</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 in March of 2019 and those 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, bids were received in May 2019, and the contract with Leander Construction was approved in June of 2019. A list of items will be done outside of the construction contract and the total cost is expected to be within the total project budget estimate.

<u>Funding Source</u>	<u>FY 2019/2020 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.

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 wastewater 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. This study is underway and is expected to be completed in the 2019/2020 fiscal year.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Water Pollution Control Operations Fund	\$ 138,000

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.

Papoose Redundant Sewer Line – Project Design: In October of 2017, a sewer leak was discovered in the 30" force main sewer between the Musser Park Lift Station and the Water Pollution Control Plant. The break was located at the intersection of Day, Birch and Nebraska Streets. In order to assess the damage, the line had to be shut down and drained. This process required closing the pipe that flows from the Papoose Creek Lift Station. This closing resulted in a direct discharge of sanitary sewer water to the Mississippi River at Papoose Creek. Due to the condition of the pipe at the break and experience with breakage of this type and age of pipe, the best repair option was to line the existing sewer pipe and this project was completed in the 2017/2018 fiscal year. While the existing force main has been repaired, the Iowa Department of Natural Resources (IDNR) has mandated that the City construct a redundant line by 2026 to prevent future discharges to the Mississippi River. The design for this project is underway in 2019/2020, which will include a cost estimate for this project. The project will be scheduled for construction in future years to meet the mandated deadline.

<u>Funding Source</u>	<u>FY 2019/2020 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 200,000

Future Impact on Operating Budget: The design of this project will not have an impact on future operating budgets.

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 2019/2020 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 from the May 2020 bond issue.

<u>Funding Sources</u>	<u>FY 2019/2020 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 is providing 85% funding for the update of the Airport Zoning Ordinance. This work is scheduled to be completed in 2019/2020.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
State Grant	\$ 5,200
Prior Year Bond Proceeds	<u>900</u>
	<u>\$ 6,100</u>

Future Impact on Operating Budget: None

Airport Hangar Construction Project: A State grant was awarded which was originally intended to fund 42% of the cost for construction of four new hangars at the Airport. A substantial portion of the local match for the original project 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 2019/2020 budget was prepared, it was not known whether the City would proceed with this project. After consideration of several alternatives, the City Council chose to proceed with construction of three (3) new box hangars at the Airport. The City's May 2018 bond issue included \$27,000 for the estimated local share of the original project. The May 2020 bond issue included \$327,000 to complete the local share funding for this project. Construction of the new hangars is expected to be completed by the end of the 2019/2020 fiscal year.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
State Grant	\$ 150,000
Bond Proceeds – May 2020 Issue	<u>327,000</u>
	<u>\$ 477,000</u>

Future Impact on Operating Budget: The new hangars are expected to generate \$7,500 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 original 2019/2020 budget was prepared, it was not known whether the City would proceed with either of these projects. After consideration of several alternatives, the City Council chose to proceed with construction of three (3) new box hangars at the Airport and the revised apron expansion project. The construction contract for the apron project is \$143,276. The City's May 2018 bond issue included \$36,000 for the estimated local share of the original project. The May 2020 bond issue included \$19,000 to complete the local share funding for this project. Construction is scheduled to be completed by the end of the 2019/2020 fiscal year.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Bond Proceeds – May 2020 Issue	\$ 19,000
State Grant	<u>131,600</u>
	<u>\$ 150,600</u>

Future Impact on Operating Budget: Since the contracted Airport Manager provides snow and ice removal, there will be no impact from the apron expansion project.

Airport Reconstruction of Taxiway A: Engineering design will be completed in 2019/2020 for this project with construction scheduled for fiscal year 2020/2021. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the budget was adopted, the City received notification that the 10% local share would be waived due to an increased FAA funding allocation related to the COVID-19 pandemic.

<u>Funding Sources</u>	<u>FY 2019/2020 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 221,200

Future Impact on Operating Budget: Maintenance costs will decrease with a new taxiway. The amount of savings, however, cannot be determined.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2020/2021 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 due to 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 2020/2021 Funding Amount</u>
Local Option Sales Tax Funds	\$ 587,200
Road Use Tax Funds	<u>412,800</u>
	<u>\$ 1,000,000</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 through 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 has been completed. 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.

Budgeted project costs in 2019/2020 included 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. After the budget was adopted, a decision was made to defer the start of construction on Grandview Avenue to fiscal year 2020/2021. The Grandview Avenue construction is expected to begin in 2021 and continue in 2022.

The 2020/2021 budget includes an estimated 70% of the construction costs for the Grandview Avenue reconstruction, which is the final phase of this overall project. This project will continue in fiscal year 2021/2022. Federal grants will supplement the Transfer of Jurisdiction and other funding for this project.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
Transfer of Jurisdiction Funds	\$ 4,765,000
Federal Grant Funds	1,775,000
Reimbursements from Muscatine Power & Water	480,000
Interest on Transfer of Jurisdiction Funds	<u>50,000</u>
	<u>\$ 7,070,000</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 sidewalks 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. The allocation for 2018/2019 totaled \$135,594 which funded the sidewalk extension on Tanglefoot Lane and the trail/sidewalk on Houser Street in front of the new Soccer expansion area and parking lot. The 2019/2020 allocation will fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway. The 2020/2021 allocation will be used to begin construction of sidewalks on 67th Street.

<u>Funding Sources</u>	<u>FY 2020/2021 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.

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 \$2.3 million. Muscatine Power & Water will fund an estimated \$285,500 of the project costs for utility work and the City's share is estimated at \$725,000. The May 2020 bond issue included \$425,000 of funding for this project and the balance of the local share, estimated at \$300,000, will be included in the spring 2022 bond issue. Engineering design is nearing completion in 2019/2020 and construction is scheduled to begin in the summer of 2020 and continue in 2021.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
Federal Grant Funds	\$ 1,297,700
Muscatine Power & Water Contributions	264,700
Future Bond Proceeds – Spring 2022 Issue	<u>300,000</u>
	<u>\$ 1,862,400</u>

Future Impact on Operating Budget: This project will not have an impact on future operating budgets.

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 2020/2021 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 2020/2021 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.

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. The City is considering renovation of this facility for (1) use by the Fire department as a 3rd fire station, (2) as a police sub-station, and (3) to continue to be used by the Public Works department. The scope and cost of the renovation project has not yet been determined. The May 2020 bond-funding amount totaled \$913,000, which included the initial property purchase and related costs which totaled \$613,000 as well as the \$300,000 allocation for the engineering study. The study is scheduled to begin late in the 2019/2020 fiscal year and continue in 2020/2021.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
Prior Year Bond Proceeds	\$ 244,800

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 reviewed with the results of the engineering study for this property.

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. A significant portion of the 2020 bond proceeds are expected to be expended in the 2019/2020 fiscal year with the balance in 2020/2021.

<u>Funding Source</u>	<u>FY 2020/2021 Funding Amount</u>
Prior Year Bond Proceeds	\$ 19,900

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 will be funded from current and future tax increment funds. Engineering design for this project began in 2018/2019 and was completed in 2019/2020. The contract for this project was approved by City Council in February of 2020 and construction began in April of 2020. Construction will be done in the non-winter months of calendar years 2020 and 2021.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
Prior Year Bond Proceeds (to be Funded from Future Tax Increment Funds)	\$ 2,180,200

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.

Flood Repair Projects (2019 Flood FEMA Projects): The City experienced extended flooding of the Mississippi River in the spring and summer of 2019 with the River above flood stage for a record-long 99 days. Damages included those to the courtesy boat dock, gas dock, boat ramp, transient boater dock, and long boat dock; damages to Riverview Center and Pearl City Station; riverbank Rip Rap replacement needed from the mouth of Mad Creek to the harbor; riverfront fencing and restroom concrete replacement; and debris removal from Mad Creek and the riverfront. The flood cleanup costs were accounted for in the City's General Fund and the rest of the repairs will be accounted for in this capital project fund. When the budget was being prepared, staff was still working with FEMA representatives to determine the specific damages the City will be eligible for funding assistance for and the funding amounts. Projects that are determined to be eligible for FEMA funding will be 75% funded from FEMA, 10% from the State, and the local share is 15%. At the time the budget was prepared, the total repair costs were estimated at \$957,000 and it was estimated that 50% of the repairs would be completed in fiscal year 2019/2020 and 50% in the 2020/2021 fiscal year. The total local matching funds for the FEMA projects as well as repair costs not eligible for FEMA funding is estimated at \$325,000 and this amount in the preliminary estimate of the funding to be included in the spring 2022 bond issue.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
FEMA Funding (75% of eligible costs)	\$ 283,900
State FEMA Match (10%)	37,900
City Match and Estimated Costs not Eligible For FEMA Funding (Future Bond Proceeds)	<u>156,700</u>
	<u>\$ 478,500</u>

Future Impact on Operating Budget: There will be some savings in annual maintenance costs when these improvements are completed. The amount of the savings 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 corresponded 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 bids for Phase 5 of this project are scheduled to be received in the late winter or spring of 2021. The 2020/2021 funding amount reflects the final work on Phase 4-C and a portion of the work on Phase 5-A.

<u>Funding Source</u>	<u>FY 2020/2021 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,350,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Airport Reconstruction of Taxiway A: Engineering design will be completed in 2019/2020 for this project with construction scheduled for fiscal year 2020/2021. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the budget was adopted, the City received notification that the 10% local share would be waived due to an increased FAA funding allocation related to the COVID-19 pandemic.

<u>Funding Sources</u>	<u>FY 2020/2021 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 2,899,300

Future Impact on Operating Budget: Maintenance costs will decrease with a new taxiway. The amount of savings, however, cannot be determined.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2019/2020

<u>Project</u>	<u>Revised Estimate 2019/2020</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	\$ 1,030,000	Local option sales tax and road use tax
Railroad Crossing Improvements	198,100	Road use tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	3,563,000	Estimated FY 20 project costs; Transfer of Jurisdiction funds, Muscatine Power and Water (MP&W) reimbursements, interest
Park Avenue Conversion of Portion to 3-Lane	190,000	Engineering design for expanded project; future grants, MP&W reimbursements, and bond proceeds
Mulberry Avenue Improvements	1,000	Estimated final project costs; final grant funding and road use tax
New Sidewalk Program	100,000	Road use tax
Parks Projects:		
Riverfront Development Project	1,500	Available balance for riverfront improvements
Weed Park Restroom Improvement Projects	143,400	Prior year bond proceeds
Houser Expansion Project Including Parking Lot	84,800	Final project costs; prior year bond proceeds and Carver Trust grant
Park Fence Projects	76,000	Bond proceeds
Parks Playground Resurfacing Projects	140,000	Bond proceeds
CAT Grant Projects:		
New Library Renovation	6,000	Final project costs; CAT grant and donations
Community Dog Park	6,300	Final project costs; CAT grant and donations
Deep Lakes Park Cabins (County Project)	500,000	Portion of CAT grant and contributions for County project
West Side Trail	1,303,000	Final project costs; CAT grant, donations, and bond proceeds
Other Projects:		
Former IDOT Property Engineering Study	53,400	FY 20 portion of study; bond proceeds
Carver Corner Area Development - Prel. Planning	1,300	Planning for future urban renewal project; future TIF/other funding
Building Demolition Projects	35,000	Potential project costs; available fund balance
Kent Stein Park to Deep Lakes Park Trail	2,500	Final project costs; federal and state grant funds
Public Building Deferred Maintenance	536,700	Estimated FY 20 project costs; bond proceeds
Public Building Storm Damage Repairs	31,800	2017 storm damages; insurance reimbursements to fund
Arbor Commons Infrastructure Inspections	4,900	Estimated inspection costs; reimbursed by developer
Dilapidated Property Redevelopment Project	135,000	Forgivable loan for property redevelopment; TIF funding
Property Purchase - Former Kum and Go	105,000	Future bond proceeds
Flood Damage Repair Projects	478,500	Flood damages; FEMA, State match, and future bond proceeds
Police Range Building Replacement	100,000	Flood damaged property; Flood insurance, FEMA, and future bond proceeds
TIF Development Agreement Legal Fees	10,000	Legal fees reimbursed by developers or funded from TIF
Downtown Streetscaping Project - Design	1,210,800	Bond proceeds to be repaid with incremental tax funds
Estimated Bond Issuance Costs	110,000	Bond proceeds
Subtotal - General Government	<u>\$ 10,158,000</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 2,925,000	Estimated project costs in FY 20; local option tax
Nutrient Reduction Study	138,000	Water Pollution Control Operating Budget funding
Papoose Redundant Sewer Line Replacement - Design	200,000	Future year project; Sewer Depreciation and Improvement Reserve
High Strength Waste Receiving Station	3,757,600	Final project costs; transfer from WPCP Replacement Reserve; prior year bond proceeds for digester conversion portion of project
Sewer Benefit District - Arbor Commons	150,000	Sewer Extension Reserve funding; reimbursed by connection fees
Subtotal - Water Pollution Control	<u>\$ 7,170,600</u>	
Transfer Station		
Fire Suppression System	<u>\$ 130,000</u>	Bond proceeds
Airport:		
Airport Zoning Ordinance Update	\$ 6,100	Estimated final project costs; State grant and prior year bond proceeds
Airport Apron Expansion Phase II	155,200	Final project costs; State grant and bond proceeds
Airport New Hangar Construction	494,000	Final project costs; State grant and bond proceeds
Airport Taxiway A Reconstruction - Design	221,200	Engineering design in FY 20; construction in FY 21; FAA grant
Subtotal - Airport Projects	<u>\$ 876,500</u>	
Total	<u><u>\$ 18,335,100</u></u>	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2020/2021

<u>Project</u>	<u>Budget 2020/2021</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management	\$ 1,000,000	Local option tax and road use tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	7,070,000	Estimated FY 21 project costs; Transfer of Jurisdiction funds, Muscatine Power and Water (MP&W) reimbursements, interest
New Sidewalk Program	100,000	Road use tax
Park Avenue Conversion of Portion to 3-Lanes	2,450,000	Estimated FY 21 construction costs; grants, MP&W reimbursements, and bond proceeds
Parks Projects:		
Soccer Field #3 Improvements	120,000	Estimated project cost; 2020 bond proceeds
Other Projects:		
Former IDOT Property Engineering Study	244,800	FY 21 portion of study; bond proceeds
Public Building Deferred Maintenance Projects	19,900	Estimated FY 21 project costs; bond proceeds
Downtown Streetscape Improvements	2,180,200	Estimated FY 21 costs; bond proceeds repaid with incremental tax funds
Flood Damage Repair Projects	478,500	Flood damages; FEMA, State match, and future bond proceeds
Subtotal - General Government	<u>\$ 13,663,400</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 2,395,000	Estimated project costs in FY 21; local option tax and MP&W reimbursements
Subtotal - Water Pollution Control	<u>\$ 2,395,000</u>	
Airport:		
Airport Taxiway A Reconstruction	<u>\$ 2,899,300</u>	Final construction costs; FAA grant
Subtotal - Airport Projects	<u>\$ 2,899,300</u>	
Total	<u><u>\$ 18,957,700</u></u>	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2020/2021 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	\$ -	\$ -	\$ -
ConnectWise Automate/Control	8,400	8,400	-	-	-
Subtotal	<u>\$ 58,400</u>	<u>\$ 58,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Buildings and Grounds					
One Ton Cargo Van	\$ 32,000	\$ -	\$ 32,000	\$ -	\$ -
Window Air Conditioners (3)	1,200	1,200	-	-	-
Mower - New Library	6,200	6,200	-	-	-
Commercial Range - Fire Department	8,500	8,500	-	-	-
Subtotal	<u>\$ 47,900</u>	<u>\$ 15,900</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ -</u>
Community Development					
IPad (6)	\$ 4,500	\$ 4,500	\$ -	\$ -	\$ -
Body Cameras (4)	1,700	1,700	-	-	-
Subtotal	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Police Operations					
Patrol Vehicles (Tahoes) (3)	\$ 147,000	\$ -	\$ 147,000	\$ -	\$ -
Lights Bars (2)	7,000	7,000	-	-	-
Radar Units (2)	6,400	6,400	-	-	-
Interrogation Room Camera System	6,000	6,000	-	-	-
Subtotal	<u>\$ 166,400</u>	<u>\$ 19,400</u>	<u>\$ 147,000</u>	<u>\$ -</u>	<u>\$ -</u>
Fire Operations					
Gas Monitor	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Rescue Randy 165 lb. Rescue Dummy	1,600	1,600	-	-	-
Dayroom Furniture	4,000	4,000	-	-	-
Rescue Ropes for Specialized Rescues	5,100	5,100	-	-	-
Gym Equipment	4,500	4,500	-	-	-
Subtotal	<u>\$ 18,200</u>	<u>\$ 18,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cemetery Operations					
Zero-Turn Mower	\$ 13,500	\$ -	\$ 13,500	\$ -	\$ -
Subtotal	<u>\$ 13,500</u>	<u>\$ -</u>	<u>\$ 13,500</u>	<u>\$ -</u>	<u>\$ -</u>
Kent-Stein Park					
Popcorn Machine	\$ 2,500	\$ 2,500	\$ -	\$ -	\$ -
Subtotal	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Soccer Complex					
Top Dresser	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
Subtotal	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>
Aquatic Center					
Replace Pool Vacuum	\$ 4,700	\$ 4,700	\$ -	\$ -	\$ -
Subtotal	<u>\$ 4,700</u>	<u>\$ 4,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fund/Department/Item	Budget	Funding Sources			
		General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
Library					
Library Materials (Books, CDs, Digital Media, etc.)	\$ 117,300	\$ 117,300	\$ -	\$ -	\$ -
Subtotal	\$ 117,300	\$ 117,300	\$ -	\$ -	\$ -
Art Center					
Color Copy Machine	\$ 4,300	\$ 4,300	\$ -	\$ -	\$ -
Subtotal	\$ 4,300	\$ 4,300	\$ -	\$ -	\$ -
Engineering					
Rugger Laptop for Right-of-Way Inspector	\$ 4,500	\$ -	\$ -	\$ 4,500	\$ -
GPS Rover Unit	30,000	-	-	30,000	-
Subtotal	\$ 34,500	\$ -	\$ -	\$ 34,500	\$ -
Roadway Maintenance					
14,000 GVW Dually Truck	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -
Saw Trailer (Drop Down Style)	11,000	-	-	11,000	-
Asphalt/Concrete Grinding	75,000	-	-	75,000	-
4 x 4 One Ton Dump Truck	50,000	-	-	50,000	-
HotBox	8,000	-	-	8,000	-
Subtotal	\$ 189,000	\$ -	\$ -	\$ 189,000	\$ -
Snow & Ice Control					
4-way 9-foot Snow Plow	\$ 6,500	\$ -	\$ -	\$ 6,500	\$ -
Subtotal	\$ 6,500	\$ -	\$ -	\$ 6,500	\$ -
Street Cleaning					
Leaf Box	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -
Leaf Vacuum	33,000	-	-	33,000	-
Subtotal	\$ 48,000	\$ -	\$ -	\$ 48,000	\$ -
Traffic Control					
Air Operated Post Pounder	\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -
27" Traffic Cones (250)	5,800	-	-	5,800	-
Subtotal	\$ 11,800	\$ -	\$ -	\$ 11,800	\$ -
Subtotal - General Fund	\$ 749,200	\$ 246,900	\$ 212,500	\$ 289,800	\$ -
Enterprise Funds					
Transit					
Light Duty Buses (2)	\$ 196,200	\$ -	\$ -	\$ -	\$ 196,200
Polycarbonate Panels for Bus Shelter	12,400	-	-	-	12,400
Subtotal	\$ 208,600	\$ -	\$ -	\$ -	\$ 208,600
Parking					
Electronic Meters (12)	\$ 1,900	\$ -	\$ -	\$ -	\$ 1,900
Subtotal	\$ 1,900	\$ -	\$ -	\$ -	\$ 1,900
Soccer Events Fund					
GPS Field Painter	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000
Subtotal	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000
Ambulance					
Ambulance	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Surface Pro Computers (6)	6,000	-	-	-	6,000
Subtotal	\$ 206,000	\$ -	\$ -	\$ -	\$ 206,000

<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>
Refuse Collection					
Automated Refuse Collection Vehicle	\$ 260,000	\$ -	\$ -	\$ -	\$ 260,000
Curbside Refuse Containers (60)	6,000	-	-	-	6,000
Dumpsters (2 Yard, 3 Yard, and 4 Yard)	10,100	-	-	-	10,100
Subtotal	<u>\$ 276,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,100</u>
Landfill					
Groundwater Remediation Projects (as needed)	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Replace Ward Avenue Pump	5,000	-	-	-	5,000
Replace Inside Pump	5,000	-	-	-	5,000
Replace Inside of Pump House Building	10,000	-	-	-	10,000
Subtotal	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>
Transfer Station					
Printer/Copier/Fax	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500
Subtotal	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,500</u>
Water Pollution Control Plant					
Replace Roofs: Office, North Garage, Effluent Room	\$ 64,000	\$ -	\$ -	\$ -	\$ 64,000
Scada Server Upgrade	60,000	-	-	-	60,000
Portable Air Compressor (Used)	15,000	-	-	-	15,000
Truck with Utility Box	43,700	-	-	-	43,700
Safety Platforms at Isett Lift Station	140,000	-	-	-	140,000
Pump for Cannon Avenue Lift Station	30,000	-	-	-	30,000
Spare Pump	10,000	-	-	-	10,000
Pump and Controls for Magnolia Lift Station	25,000	-	-	-	25,000
DO Probe	1,100	-	-	-	1,100
Balance	6,000	-	-	-	6,000
Desiccator	1,000	-	-	-	1,000
Flask Washer	12,500	-	-	-	12,500
5" Drag Hose 660 FT	8,200	-	-	-	8,200
6" Supply Hose 660 FT	7,500	-	-	-	7,500
Portable Stream Sampler	3,100	-	-	-	3,100
Subtotal	<u>\$ 427,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,100</u>
Collection and Drainage					
Sewer Maintenance Projects	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Communications Headgear (4 sets)	6,500	-	-	-	6,500
3/4 Ton Pick Up	27,000	-	-	-	27,000
Used 4" Pump	15,000	-	-	-	15,000
Subtotal	<u>\$ 98,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,500</u>
Subtotal - Enterprise Funds	<u>\$ 1,381,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,381,700</u>
<u>Other Funds - Special Revenue and Internal Services</u>					
Public Housing Fund					
Clark House - Apartment Rehabilitation	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Clark House - Appliances	6,500	-	-	-	6,500
Clark House - Heat Treatment Equipment	10,000	-	-	-	10,000
Sunset - Apartment Rehabilitation	15,000	-	-	-	15,000
Sunset - Foundation Repair	15,000	-	-	-	15,000
Sunset - Appliances	10,000	-	-	-	10,000
Sunset - Truck Replacement	24,000	-	-	-	24,000
Sunset - Replace Computer	2,100	-	-	-	2,100
Subtotal	<u>\$ 112,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,600</u>

Fund/Department/Item	Budget	Funding Sources			
		General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
Equipment Services Internal Services Fund					
Vehicle Lift for Shop (\$100,000 total cost; \$20,000 Down Payment in FY 20 with Balance from Internal Loan)	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Tool Cart	500	-	-	-	500
Subtotal	<u>\$ 20,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,500</u>
Subtotal - Other Funds	<u>\$ 133,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,100</u>
Total - All Operating Funds	<u>\$ 2,264,000</u>	<u>\$ 246,900</u>	<u>\$ 212,500</u>	<u>\$ 289,800</u>	<u>\$ 1,514,800</u>

City of Muscatine
Five Year Capital Improvement Plan - FY 2020 Through FY 2024
Summary of Projects by Department by Year

Department	FY '20	FY '21	FY '22	FY '23	FY' 24	Total
Community Development - Airport	\$ 1,300,800		\$ 200,000		\$ 620,000	\$ 2,120,800
Housing			250,000			250,000
Parks & Recreation	2,645,000	\$ 1,829,000	457,500	\$ 2,827,000	1,700,000	9,458,500
Water Pollution Control Plant	1,495,000	1,280,000				2,775,000
Fire		650,800				650,800
Solid Waste - Refuse Collection	430,000	250,000	180,000		180,000	1,040,000
Solid Waste - Landfill	75,000	35,000				110,000
Solid Waste - Transfer Station	1,450,000	160,000				1,610,000
Public Works—Transit	198,600	215,800	222,200	228,800	223,000	1,088,400
Public Works—Roadway Maintenance	570,000	475,000				1,045,000
Public Works—Collection and Drainage	240,000	100,000	300,000	1,072,500	3,125,000	4,837,500
Public Works—Buildings & Grounds	2,307,442	580,000				2,887,442
Public Works—Street & Sidewalk Projects	8,180,000	8,990,000	1,100,000	5,050,000	4,750,000	28,070,000
Public Works—Sewer Separation	2,105,175	3,000,000	3,000,000	3,000,000	3,000,000	14,105,175
Totals	\$ 20,997,017	\$ 17,565,600	5,709,700	12,178,300	13,598,000	70,048,617

City of Muscatine
Five Year Capital Improvement Plan - FY 2020 Through FY 2024
Detailed Project Listing

Project	Fiscal Year	Cost	Funding Source
West Hill Sewer Separation Project (6A)	'24	\$ 3,000,000	Local Option Sales Tax and State Revolving Fund Loan
West Hill Sewer Separation Project (5C)	'23	3,000,000	Local Option Sales Tax
West Hill Sewer Separation Project (5B)	'22	3,000,000	Local Option Sales Tax
West Hill Sewer Separation Project (5A)	'21	3,000,000	Local Option Sales Tax
West Hill Sewer Separation Project (4C)	'20	2,105,175	Local Option Sales Tax
Papoose Lift Station Force Main Redundant Line	'23	900,000	TBD
Papoose Lift Station Force Main Redundant Line—Design	'20	100,000	Sewer Extension and Improvement Reserve
Grandview Avenue Corridor Reconstruction	'21	4,500,000	Federal STP Grant and Transfer of Jurisdiction Proceeds
Grandview Avenue Corridor Reconstruction	'20	4,500,000	Federal STP Grant and Transfer of Jurisdiction Proceeds
Old Highway 38 Bridge Erosion Control	'20	80,000	TBD
New Sidewalk Program	'24	100,000	Road Use Tax Funds
New Sidewalk Program	'23	100,000	Road Use Tax Funds
New Sidewalk Program	'22	100,000	Road Use Tax Funds
New Sidewalk Program	'21	100,000	Road Use Tax Funds
New Sidewalk Program	'20	100,000	Road Use Tax Funds
Progress Park Force Main Redundant Line	'24	1,500,000	TBD
Progress Park Force Main Redundant Line	'22	200,000	TBD
2nd Street Streetscaping Project	'21	2,500,000	Tax Increment Funds
2nd Street Streetscaping Project	'20	2,500,000	Tax Increment Funds
Lucas Street Reconstruction Design	'23	300,000	Federal STP Grant, Collection & Drainage Funds, and GO Bonding
Pavement Management Program	'24	1,000,000	Local Option Sales Tax and Road Use Tax
Pavement Management Program	'23	1,000,000	Local Option Sales Tax and Road Use Tax
Pavement Management Program	'22	1,000,000	Local Option Sales Tax and Road Use Tax
Pavement Management Program	'21	1,000,000	Local Option Sales Tax and Road Use Tax
Pavement Management Program	'20	1,000,000	Local Option Sales Tax and Road Use Tax
Public Works Road Saver	'20	100,000	Road Use Tax
Spray Injection Pothole Patcher	'21	300,000	Road Use Tax
38/61 Connector	'24	3,650,000	RISE Grant and Tax Increment Funds
38/61 Connector	'23	3,650,000	RISE Grant and Tax Increment Funds

Project	Fiscal Year	Cost	Funding Source
38/61 Connector	'21	800,000	RISE Grant and Tax Increment Funds
Westside Trail	'20	900,000	Federal TAP Grant, CAT Grant, and Donations
Lake Park Boulevard Bridge Deck Replacement	'21	90,000	Road Use Tax
Rear Load Collection Truck	'24	180,000	Refuse Collection Funds
Rear Load Collection Truck	'22	180,000	Refuse Collection Funds
Rear Load Collection Truck	'20	180,000	Refuse Collection Funds
Side Load Collection Truck	'21	250,000	Refuse Collection Funds
Side Load Collection Truck	'20	250,000	Refuse Collection Funds
Public Building Elevator Upgrades	'21	500,000	TBD
Public Building Elevator Upgrades	'20	500,000	TBD
Mad Creek Storm Water Management	'24	900,000	Watershed Development Grant and 319 Grant
Mad Creek Storm Water Management	'23	100,000	Watershed Development Grant and 319 Grant
Nutrient Removal Process Modifications	'21	600,000	Water Pollution Control Reserve Funds
Nutrient Removal Process Modifications	'20	500,000	Water Pollution Control Reserve Funds
Stove Hood at Fire Department	'20	45,000	TBD
Riverside Park Amphitheater	'21	750,000	TBD
WPCP SCADA Server Replacement	'20	135,000	WPCP Operating Funds
MuscaBus Replacements	'24	223,000	Federal Grant and City Matching Funds
MuscaBus Replacements	'23	228,800	Federal Grant and City Matching Funds
MuscaBus Replacements	'22	222,200	Federal Grant and City Matching Funds
MuscaBus Replacements	'21	215,800	Federal Grant and City Matching Funds
MuscaBus Replacements	'20	198,600	Federal Grant and City Matching Funds
Weed Park Large Event Shelter	'20	300,000	TBD
Clark House Elevator Upgrade	'22	250,000	HUD Capital Grant Funds
Former IDOT Facility - Design	'20	300,000	TBD
Riverfront Basketball Court Replacement	'22	100,000	TBD
Airport Runway 12/30 & Taxiway Maintenance	'22	200,000	State Grant and Local Matching Funds
2nd Avenue Stormwater Infiltration Project	'20	75,000	Grants
Weed Park Lagoon Trail	'20	100,000	TBD
South End Air Release Valves— Phases 3 & 4	'22	100,000	Collection & Drainage Funds
South End Air Release Valves—Phases 3 & 4	'21	100,000	Collection & Drainage Funds
Transfer Station Entrance Road Overlay	'21	30,000	TBD
Upgrade Airport Fuel Facility	'20	200,000	State Grant and Local Matching Funds
Fire Engine Replacement	'21	620,000	GO Bond Funding

Project	Fiscal Year	Cost	Funding Source
Fuller Park Erosion Control	'23	300,000	TBD
Weed Park Lagoon Bank Stabilization	'20	345,000	TBD
Harbor Dredge Dewatering Area Relocation	'21	680,000	Water Pollution Control and Collection and Drainage Funds
Harbor Dredge Dewatering Area Relocation	'20	10,000	Water Pollution Control and Collection and Drainage Funds
Public Works Backup Generator	'20	50,000	TBD
Greenwood Cemetery Erosion Control	'23	1,000,000	TBD
Greenwood Cemetery Sidewalk Replacement	'20	50,000	TBD
Soccer Complex - Houser Expansion Restroom	'20	350,000	TBD
Riverside Terraces	'24	1,700,000	TBD
Riverside Terraces—Design	'21	190,000	TBD
Airport Snow Removal Equipment Building	'24	620,000	Federal Grant and Local Matching Funds
WPCP Biogas to Fuel Project	'20	800,000	WPCP Reserves
Papoose Creek Overlook	'22	27,500	TBD
Weed Park Water Main Replacement	'22	200,000	TBD
Cedar Street Stormwater Infiltration Project	'20	65,000	TBD
Beer Garden Pier	'23	880,000	TBD
Riverside Beer Garden & Restrooms	'21	330,000	TBD
Riverside Site Furniture & Arbored Swings	'21	104,000	TBD
Fuller Park Playground Resurfacing Project	'20	125,000	GO Bond Funding
Heinz Sewer Reconstruction Project	'24	725,000	Collection and Drainage Funds
Heinz Sewer Reconstruction Project—Design	'23	72,500	Collection and Drainage Funds
Transfer Station Customer Convenience Drop-off	'21	30,000	Transfer Station Funds
Transfer Station Tipping Floor	'20	50,000	TBD
Pearl City Station Plaza Replacement	'20	50,000	TBD
Riverside Concession Stand	'23	275,000	TBD
Airport Taxiway A Rehabilitation	'20	1,100,800	Federal Grant and Matching Funds
Landfill Leachate Recirculation System	'20	75,000	Landfill Funds
Weed Park North Side Parking Lot	'23	75,000	TBD
Kent-Stein Parking Lot Resurfacing	'20	90,000	TBD
Railroad Overpass Feasibility Study and Construction	'21	330,000	TBD
City Hall Cooling System	'20	1,114,442	TBD
Lift Station Façade Renovation	'22	55,000	TBD
Houseboat Dock Anchoring Replacement	'20	75,000	TBD
Golf Course Restroom Replacement	'20	120,000	Golf Course Funds

Project	Fiscal Year	Cost	Funding Source
Swipe Key Card Access for Public Safety Building	'21	80,000	TBD
Transfer Station - Material Shredder	'20	800,000	TBD
Fuller Park Parking Lot Expansion	'22	75,000	TBD
Public Works Automatic Gates	'20	120,000	TBD
Transfer Station Windows, Doors, Lights	'21	50,000	TBD
Transfer Station Roof Replacement	'21	50,000	TBD
Public Works Lower Lot Reorganization	'21	175,000	Road Use Tax and Collection and Drainage Funds
Public Works Metal Roof Replacement	'20	225,500	TBD
Kent-Stein Park Multi-Use Area	'20	50,000	TBD
Public Works Vehicle Wash Bay	'20	320,000	TBD
Landfill Leachate Tank Truck	'21	35,000	Landfill Funds
Riverside Fish Cleaning Station	'23	297,000	TBD
Transfer Station Trailer Floor Replacement	'20	600,000	TBD
Kent-Stein Drainage Improvements	'20	90,000	TBD
Public Safety Facility—Future Needs Assessment	'20	30,000	TBD
Used Rubber Tire Wheel Loader for Compost Site	'20	30,000	Refuse Collection Funds
Garage at New Library	'20	42,500	TBD
Demolition of Old Army Reserve Building	'21	30,800	TBD
Greenwood Cemetery Barrier Fence	'21	125,000	TBD
Jet Vac Dump Site	'20	50,000	Water Pollution Control and Collection and Drainage Funds

Total \$ 70,048,617

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 2019/2020 and 2020/2021. The balance in this trust on June 30, 2021 is estimated at \$897,310.

Perpetual Care Trust

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 875,853	\$ 879,794	\$ 884,794	\$ 887,310	\$ 892,310
Revenues					
Perpetual Care	<u>3,941</u>	<u>7,516</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Funds Available	\$ 879,794	\$ 887,310	\$ 889,794	\$ 892,310	\$ 897,310
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 879,794</u>	<u>\$ 887,310</u>	<u>\$ 889,794</u>	<u>\$ 892,310</u>	<u>\$ 897,310</u>
Increase (Decrease) in Fund Balance	\$ 3,941	\$ 7,516	\$ 5,000	\$ 5,000	\$ 5,000

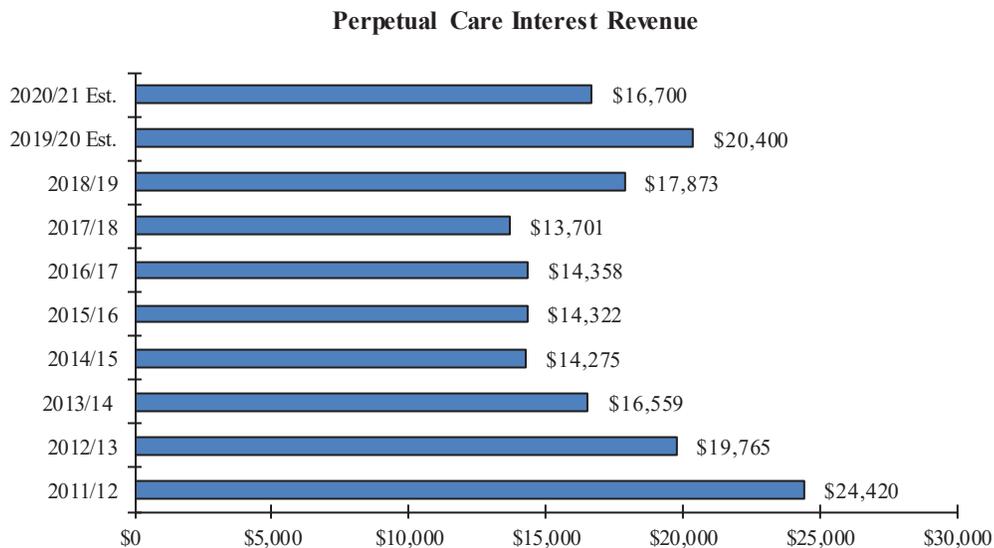
TRUST AND AGENCY FUNDS

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 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

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	<u>13,701</u>	<u>17,873</u>	<u>19,300</u>	<u>20,400</u>	<u>16,700</u>
Funds Available	\$ 13,701	\$ 17,873	\$ 19,300	\$ 20,400	\$ 16,700
Expenditures					
Transfers Out Cemetery Operations	<u>13,701</u>	<u>17,873</u>	<u>19,300</u>	<u>20,400</u>	<u>16,700</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 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	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 52,474	\$ 52,134	\$ 50,334	\$ 52,305	\$ 50,505
Revenues					
Interest	746	1,246	1,000	1,000	1,000
Funds Available	\$ 53,220	\$ 53,380	\$ 51,334	\$ 53,305	\$ 51,505
Expenditures					
Florist Services	\$ 836	\$ 775	\$ 2,500	\$ 2,500	\$ 2,500
Transfers Out:					
Administrative Fees	250	300	300	300	300
Total Expenditures	\$ 1,086	\$ 1,075	\$ 2,800	\$ 2,800	\$ 2,800
Ending Balance, June 30	\$ 52,134	\$ 52,305	\$ 48,534	\$ 50,505	\$ 48,705
Increase (Decrease) in Fund Balance	\$ (340)	\$ 171	\$ (1,800)	\$ (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 2019/2020 revised estimate expenditures total \$47,900. The expenditures include \$26,900 for the second year of the LENA (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 budgeted expenditures for 2020/2021 total \$17,000. The estimated balance in this trust on June 30, 2021 is \$54,042.

Library Gift and Memorial Trust

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 140,900	\$ 35,694	\$ 73,194	\$ 63,042	\$ 48,042
Revenues					
Donations	\$ 14,140	\$ 6,442	\$ 3,000	\$ 6,000	\$ 3,000
State Grant	30,370	27,435	20,000	22,900	16,000
Miscellaneous Sales	4,699	3,366	3,000	3,000	3,000
Interest	1,369	1,572	500	1,000	1,000
Roy J. Carver Trust Grant - Signs	0	32,831	0	0	0
Community Foundation Grant - LENA Program	<u>0</u>	<u>59,350</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 50,578</u>	<u>\$ 130,996</u>	<u>\$ 26,500</u>	<u>\$ 32,900</u>	<u>\$ 23,000</u>
Funds Available	<u>\$ 191,478</u>	<u>\$ 166,690</u>	<u>\$ 99,694</u>	<u>\$ 95,942</u>	<u>\$ 71,042</u>
Expenditures					
Library Materials	\$ 3,382	\$ 5,587	\$ 3,000	\$ 3,000	\$ 3,000
Contractual Services	72,217	42,297	33,300	41,900	4,000
Capital Outlay	55,783	55,764	3,000	3,000	10,000
Transfers Out:					
New Library Renovation Project	<u>24,402</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 155,784</u>	<u>\$ 103,648</u>	<u>\$ 39,300</u>	<u>\$ 47,900</u>	<u>\$ 17,000</u>
Ending Balance, June 30	<u><u>\$ 35,694</u></u>	<u><u>\$ 63,042</u></u>	<u><u>\$ 60,394</u></u>	<u><u>\$ 48,042</u></u>	<u><u>\$ 54,042</u></u>
Increase (Decrease) in Fund Balance	\$ (105,206)	\$ 27,348	\$ (12,800)	\$ (15,000)	\$ 6,000

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. The revised estimate has expenditures of \$1,000 and there is \$1,500 budgeted to be expended from this trust in 2020/2021. The projected balance at the end of 2020/2021 is \$103,686.

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. The revised estimate has expenditures of \$1,000 and there is \$500 budgeted to be expended from this trust in 2020/2021. The projected balance at the end of 2020/2021 is \$45,914.

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 2019/2020 a total of \$13,350 in donations and grants are budgeted to be received and \$7,000 is budgeted to be expended. The projected balance in this trust is \$33,504 at the end of 2019/2020. Grants and donations budgeted to be received in 2020/2021 total \$8,600 and \$3,500 is budgeted to be expended. The projected balance in this trust at the end of 2020/2021 is \$38,604.

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. The 2020/2021 budget includes \$50,000 in expenditures. A 2019 report from the Collections Assessment for Preservations assessors found collection storage concerns at the Art Center. The 2020/2021 budget allocation is for outside evaluation and to begin to address the storage concerns. The projected balance in this trust at the end of 2020/2021 is \$244,306.

McWhirter-Gilmore Trust

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 100,070	\$ 101,344	\$ 102,444	\$ 103,186	\$ 103,686
Revenues					
Interest	<u>1,274</u>	<u>1,842</u>	<u>1,100</u>	<u>1,500</u>	<u>1,500</u>
Funds Available	\$ 101,344	\$ 103,186	\$ 103,544	\$ 104,686	\$ 105,186
Expenditures					
Contractual Services	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 500
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,500</u>
Ending Balance, June 30	<u>\$ 101,344</u>	<u>\$ 103,186</u>	<u>\$ 103,544</u>	<u>\$ 103,686</u>	<u>\$ 103,686</u>
Increase (Decrease) in Fund Balance	\$ 1,274	\$ 1,842	\$ 1,100	\$ 500	\$ 0

Alice Schaeffer Trust

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 44,624	\$ 45,181	\$ 45,681	\$ 46,014	\$ 45,714
Revenues					
Interest	<u>557</u>	<u>833</u>	<u>500</u>	<u>700</u>	<u>700</u>
Funds Available	\$ 45,181	\$ 46,014	\$ 46,181	\$ 46,714	\$ 46,414
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>500</u>
Ending Balance, June 30	<u>\$ 45,181</u>	<u>\$ 46,014</u>	<u>\$ 46,181</u>	<u>\$ 45,714</u>	<u>\$ 45,914</u>
Increase (Decrease) in Fund Balance	\$ 557	\$ 833	\$ 500	\$ (300)	\$ 200

Art Center Donations Trust

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 50,177	\$ 62,953	\$ 28,353	\$ 27,154	\$ 33,504
Revenues					
Donations	\$ 3,283	\$ 2,900	\$ 5,000	\$ 4,000	\$ 5,000
Special Project Donations	28,119	46,500	0	1,750	0
Interest	613	1,028	300	400	400
Art Center Grants	3,680	4,635	5,000	5,000	3,000
Miscellaneous Sales	0	0	0	2,200	200
Total Revenues	<u>\$ 35,695</u>	<u>\$ 55,063</u>	<u>\$ 10,300</u>	<u>\$ 13,350</u>	<u>\$ 8,600</u>
Funds Available	<u>\$ 85,872</u>	<u>\$ 118,016</u>	<u>\$ 38,653</u>	<u>\$ 40,504</u>	<u>\$ 42,104</u>
Expenditures					
Art Center Materials	\$ 375	\$ 1,311	\$ 200	\$ 1,000	\$ 1,000
Contractual Services	4,050	4,781	5,000	5,000	1,500
Carver Trust Grant Expenditures	0	47,770	0	0	0
Capital Outlay	18,494	37,000	5,000	1,000	1,000
Total Expenditures	<u>\$ 22,919</u>	<u>\$ 90,862</u>	<u>\$ 10,200</u>	<u>\$ 7,000</u>	<u>\$ 3,500</u>
Ending Balance, June 30	<u><u>\$ 62,953</u></u>	<u><u>\$ 27,154</u></u>	<u><u>\$ 28,453</u></u>	<u><u>\$ 33,504</u></u>	<u><u>\$ 38,604</u></u>
Increase (Decrease) in Fund Balance	\$ 12,776	\$ (35,799)	\$ 100	\$ 6,350	\$ 5,100

Brad Burns Trust

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 277,657	\$ 281,148	\$ 283,948	\$ 286,306	\$ 290,306
Revenues					
Interest	<u>3,491</u>	<u>5,158</u>	<u>2,800</u>	<u>4,000</u>	<u>4,000</u>
Funds Available	<u>\$ 281,148</u>	<u>\$ 286,306</u>	<u>\$ 286,748</u>	<u>\$ 290,306</u>	<u>\$ 294,306</u>
Expenditures					
Contractual Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
Ending Balance, June 30	<u><u>\$ 281,148</u></u>	<u><u>\$ 286,306</u></u>	<u><u>\$ 286,748</u></u>	<u><u>\$ 290,306</u></u>	<u><u>\$ 244,306</u></u>
Increase (Decrease) in Fund Balance	\$ 3,491	\$ 5,158	\$ 2,800	\$ 4,000	\$ (46,000)

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 ensure 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 budgeted 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 requested a \$100,000 capital outlay allocation to replace the vehicle lift in the garage. Due to funding restrictions, the budget includes a \$20,000 down payment on this equipment with the balance to be funded from an internal loan to be repaid over the next four years.

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 recent years which required the labor rate to be increased 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 budgeted to increase to \$92.00 per hour in 2020/2021 to fund the down payment on the vehicle lift budgeted 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. This 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	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance (Deficit), July 1	\$ (60,351)	\$ (22,670)	\$ (38,770)	\$ 9,708	\$ 24,308
Revenues					
Charges for Services -					
City Departments	\$ 1,101,997	(2) \$ 1,225,707	(2) \$ 1,294,100	(3) \$ 1,313,600	(3) \$ 1,331,200
Miscellaneous	3,577	213	500	500	500
	<u>\$ 1,105,574</u>	<u>\$ 1,225,920</u>	<u>\$ 1,294,600</u>	<u>\$ 1,314,100</u>	<u>\$ 1,331,700</u>
Total Revenues					
Funds Available	\$ 1,045,223	\$ 1,203,250	\$ 1,255,830	\$ 1,323,808	\$ 1,356,008
Expenditures (1)	<u>1,067,893</u>	<u>1,193,542</u>	<u>1,283,100</u>	<u>1,299,500</u>	<u>1,327,700</u>
Ending Balance (Deficit), June 30	\$ (22,670)	\$ 9,708	\$ (27,270)	\$ 24,308	\$ 28,308
Allowance for Inventory	<u>108,791</u>	<u>104,896</u>	<u>108,791</u>	<u>104,896</u>	<u>104,896</u>
Net Balance, June 30	<u>\$ 86,121</u>	<u>\$ 114,604</u>	<u>\$ 81,521</u>	<u>\$ 129,204</u>	<u>\$ 133,204</u>

Increase (Decrease) in Net Balance	\$ 37,681 (2)	\$ 32,378 (2)	\$ 11,500	\$ 14,600	\$ 4,000
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1. Expenditures include changes in compensated absences.
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 was increased to \$88.00 per hour.
4. The labor rate for 2020/2021 is budgeted 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
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	\$ 239,900
Employee Benefits						130,200
Total Personal Services						\$ 370,100

Capital Outlay			
Item	Quantity	Replacement	Amount
Tool Cart	1	No	\$ 500
Vehicle Lift (\$100,000 Total Cost; \$20,000 Downpayment in FY 2020/2021 with Balance from Internal Loan to be repaid over the next 4 years)	1	Yes	20,000
Total			\$ 20,500

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

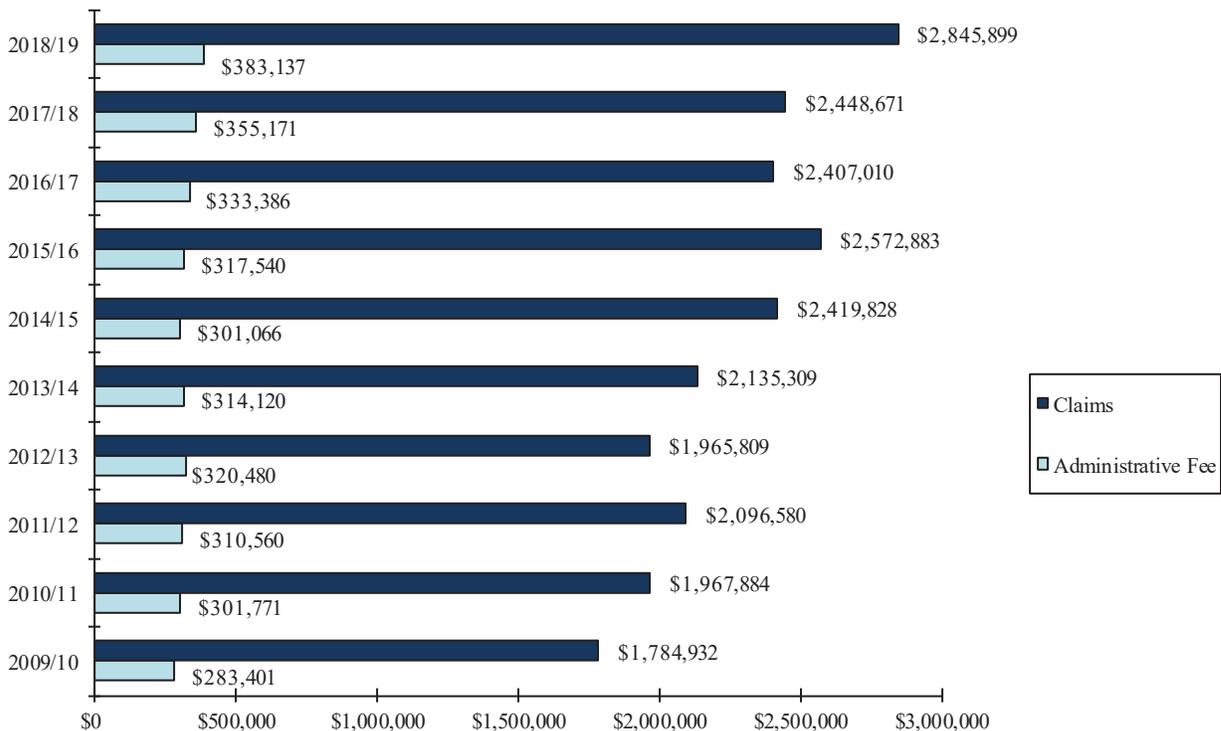
GENERAL INFORMATION:

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 2009/2010.

Health Insurance Claims and Administrative Fees

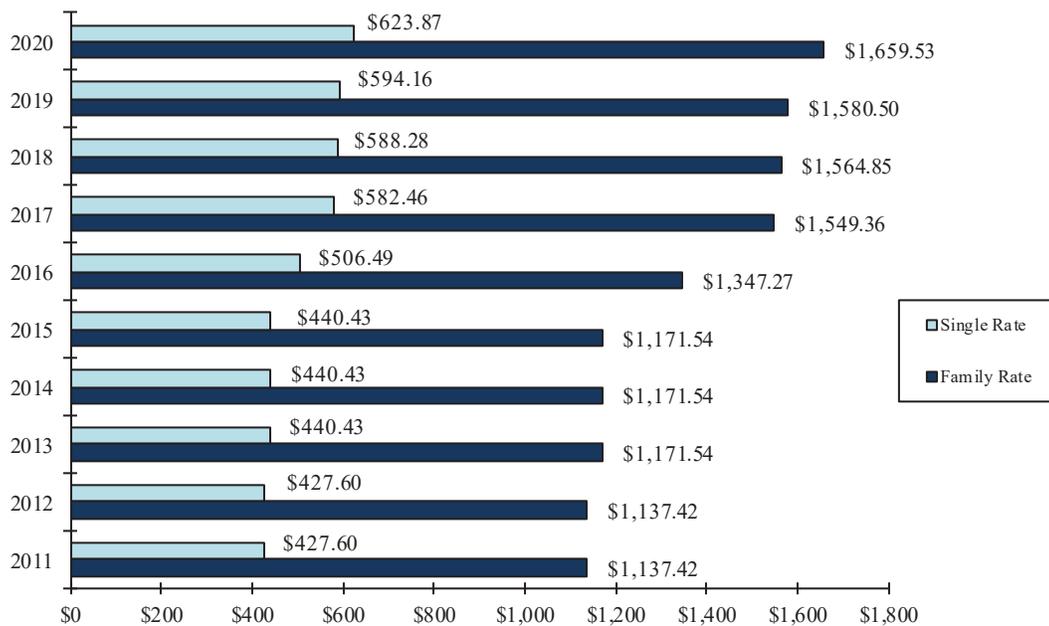


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the table on the next page. For January 1, 2008 rates increased by 10.2% for both single and family coverage. Due to a 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, and for January 1, 2019, rates were increased by an additional 1%. For January 1, 2020, rates were increased by 5%.

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, 2019, and 2020 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 chose to increase the individual stop loss limit to \$120,000 in 2020. 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. This rate was again increased January 1, 2020 by 5%. The annual aggregate maximum level has been

established at \$4,040,720 for calendar year 2020 compared to \$3,673,494 for calendar year 2019. The annual aggregate amounts reflect 125% of expected claims for 2019 and 2020 for the City's group. The premium rates for 2019 included an administrative fee of \$152.71 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 2020, the monthly administrative fee increased to \$156.38 per month.

The 2019/2020 revised estimate and 2020/2021 budget each include \$4,000, 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 2019/2020 revised estimate and 2020/2021 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 \$62,600 for the 2019/2020 revised estimate and \$64,000 for the 2020/2021 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 the cost was \$1,503. 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 is 2019/2020.

The 2020/2021 budget allows for estimated health insurance claims costs of \$3,450,000 which is \$217,434 more than Wellmark Blue Cross/Blue Shield's projected claims of \$3,232,566 for the City's group for calendar year 2020. Based on this claims projection, the Health Insurance fund balance is estimated at \$1,555,015 at the end of 2020/2021. 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 \$4,040,720 for 2020. In the event the City's actual claims exceed the expected amount of \$3,232,566 for calendar year 2020, 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 2020, and the budgeted claims expenditures of \$3,450,000, if claims would reach the 125% maximum level of \$4,040,720, the fund balance would decrease by \$590,720. This would be the "worst case" scenario. The projected fund balance of \$1,555,015 at the end of 2020/2021 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. The 8% rate was maintained for 2020. These increases will assist in funding future year health insurance costs.

Health Insurance Fund

Fund Statement

	<u>Actual 2017/2018</u>	<u>Actual 2018/2019</u>	<u>Budget 2019/2020</u>	<u>Revised Estimate 2019/2020</u>	<u>Budget 2020/2021</u>
Beginning Balance, July 1	\$ 1,458,519	\$ 1,905,669	\$ 1,896,769	\$ 2,064,915	\$ 1,776,115
Revenues					
Interest	\$ 19,774	\$ 46,567	\$ 19,000	\$ 30,000	\$ 20,000
City Contributions	2,949,993	2,982,890	3,089,800	3,005,700	3,228,900
Employee Contributions	230,797	255,953	291,200	283,800	313,500
Retiree Contributions	159,836	175,013	167,100	176,400	184,000
Miscellaneous	702	1,778	0	0	0
Total Revenues	<u>\$ 3,361,102</u>	<u>\$ 3,462,201</u>	<u>\$ 3,567,100</u>	<u>\$ 3,495,900</u>	<u>\$ 3,746,400</u>
Funds Available	<u>\$ 4,819,621</u>	<u>\$ 5,367,870</u>	<u>\$ 5,463,869</u>	<u>\$ 5,560,815</u>	<u>\$ 5,522,515</u>
Expenditures					
Health Insurance Claims	\$ 2,488,671	\$ 2,845,899	\$ 3,074,000	\$ 3,300,000	\$ 3,450,000
Administrative Fees	355,171	383,137	421,300	398,500	431,400
Flexible Benefit Plan Fees	4,924	4,161	5,400	4,000	4,000
Audit Fees	1,075	1,075	1,100	1,100	1,100
State Assessment	4,132	4,404	6,000	6,000	6,000
Wellness Tracking Program	2,206	5,103	2,200	8,000	8,000
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,415	1,503	1,500	1,500	0
Transfers Out					
General Fund Wellness Program	53,358	54,673	62,600	62,600	64,000
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	<u>\$ 2,913,952</u>	<u>\$ 3,302,955</u>	<u>\$ 3,577,100</u>	<u>\$ 3,784,700</u>	<u>\$ 3,967,500</u>
Ending Balance, June 30	<u><u>\$ 1,905,669</u></u>	<u><u>\$ 2,064,915</u></u>	<u><u>\$ 1,886,769</u></u>	<u><u>\$ 1,776,115</u></u>	<u><u>\$ 1,555,015</u></u>
Increase (Decrease) in					
Fund Balance	\$ 447,150	\$ 159,246	\$ (10,000)	\$ (288,800)	\$ (221,100)

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, it was increased to \$100,000 beginning in 2016, and it was increased to \$120,000 beginning in 2020. 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 2019/2020 and 2020/2021, higher claims 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 and 2020.

For the 2020/2021 year, City, employee, retiree contributions, and interest are estimated at \$169,600. The administrative fee is projected to be \$10,200 and claims are estimated at \$160,000 for the year. An estimated fund balance of \$65,812 is projected for June 30, 2021.

Dental Insurance Fund

Fund Statement

	Actual 2017/2018	Actual 2018/2019	Budget 2019/2020	Revised Estimate 2019/2020	Budget 2020/2021
Beginning Balance, July 1	\$ 28,072	\$ 47,628	\$ 50,128	\$ 65,712	\$ 66,412
Revenues					
City Contributions	\$ 73,751	\$ 75,732	\$ 76,900	\$ 75,500	\$ 76,900
Employee Contributions	80,162	85,103	87,400	84,400	86,300
Retiree Contributions	5,866	5,456	5,200	4,800	5,600
Interest	511	1,865	500	1,000	800
Total Revenues	\$ 160,290	\$ 168,156	# \$ 170,000	\$ 165,700	\$ 169,600
Funds Available	\$ 188,362	\$ 215,784	# \$ 220,128	\$ 231,412	\$ 236,012
Expenditures					
Dental Insurance Claims	\$ 131,236	\$ 140,385	\$ 160,000	\$ 155,000	\$ 160,000
Administrative Fees	9,498	9,687	10,700	10,000	10,200
Total Expenditures	\$ 140,734	\$ 150,072	# \$ 170,700	# \$ 165,000	\$ 170,200
Ending Balance, June 30	\$ 47,628	\$ 65,712	# \$ 49,428	\$ 66,412	\$ 65,812
Increase (Decrease) in Fund Balance	\$ 19,556	\$ 18,084	\$ (700)	\$ 700	\$ (600)

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	183
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	968
Kraft-Heinz, U.S.A.	Food processing	368
Hy-Vee Food Stores	Grocery store	433
HNI Corporation (HON Company/Industries)	Office furniture and material	3,800
Bayer (formerly Monsanto Company)	Herbicides and ABS plastics	437
Muscatine Community School District	Education	790
Muscatine Community College	Higher education	149
County of Muscatine	County government	231
City of Muscatine	City government	225
Muscatine Power & Water	Utility	280
Musco Sports Lighting, Inc.	Sports lights	362
Stanley Consultants, Inc.	Engineers and architects	218
Raymond-Muscatine Inc.	Industrial trucks and end loaders	410
UnityPoint Health- Trinity Muscatine	Medical services	495
Wal-Mart Superstores	Discount and grocery store	320

* Employment numbers reflect 2019 levels.

Major Tax Payers:

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Grain Processing Corp	47,459,620	1	5.30%
HNI Corporation (HON Industries)	41,858,332	2	4.70%
Wal-View Development	29,683,431	3	3.30%
MLC Land Company LLC	18,310,536	4	2.00%
Menard Inc	10,056,375	5	1.10%
Heinz, U.S.A	9,787,968	6	1.10%
Wal-Mart Real Estate	9,092,610	7	1.00%
Sodarock Properties LLC	9,023,216	8	1.00%
Muscatine Downtown Investors LLC	8,554,616	9	1.00%
Bridgestone Bandag LLC	8,511,255	10	0.90%

(Continued)

(Continued)

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Gridco LLC	6,803,139	11	0.80%
Store Master Funding XIV LLC (White Distributing)	5,430,240	12	0.60%
WID, Inc	5,416,938	13	0.60%
First National Bank of Muscatine	5,388,876	14	0.60%
Muscatine Plaza Properties LLC	4,988,991	15	0.60%
Davenport Farm & Fleet, Inc.	4,922,631	16	0.50%
SECO Investments	4,681,044	17	0.50%
LHV Muscatine LLC	4,642,362	18	0.50%
Prime Mover Company	4,560,129	19	0.50%
Central State Bank	4,541,350	20	0.50%

*January 1, 2019 valuations for property taxes paid in fiscal year 2020/2021.

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	1,504
Central Middle School	6-8	1938	396
West Middle School	6-8	1960	366
Franklin Elementary	K-5	1954	314
Grant Elementary	K-5	1954	362
Jefferson Elementary	K-5	2016	509
Madison Elementary	K-5	1954	463
McKinley Elementary	K-5	1960	470
Mulberry Elementary	K-5	1962	<u>303</u>
Total			<u>4,687</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Single Family Homes</u>					
Number of New Homes:	14	5	9	3	3
Valuation:	\$2,517,358	\$1,155,280	\$1,409,361	\$352,325	\$728,190
<u>Home Remodel & Improvements</u>					
Number of Permits Issued:	288	264	1,735 (1)	1,044 (1)	763
Valuation:	\$3,271,433	\$3,008,692	\$13,467,685	\$6,994,212	\$4,561,866
<u>Multiple-Family Dwelling</u>					
Number of New Buildings:	0	0	4	1	18 (2)
Valuation:	\$0	\$0	\$5,727,763	\$353,090	\$11,359,863
<u>Commercial/Industrial/Other</u>					
Number of New Buildings:	27	11	20	13	10
Valuation:	\$6,548,923	\$20,879,176	\$18,061,492	\$12,956,615	\$5,015,417
<u>Commercial/Industrial/Other</u>					
<u>Additions & Alterations</u>					
Number of Permits Issued:	38	20	321 (1)	220 (1)	271
Valuation:	\$6,104,135	\$6,494,417	\$35,399,502	\$14,520,256	\$33,318,971
Total Permits:	367	300	2,089	1,281	1,065
Total Valuations:	\$18,441,849	\$31,537,565	\$74,065,803	\$35,176,498	\$54,984,307

1. 2017 remodeling and improvement permits includes those for roof, siding, and other repairs due to the summer wind and hail storms.
2. 2019 new multi-family dwellings consist of sixteen new triplex building for Oak Park, one new duplex condo, and a conversion of the former Hershey Building into apartments.

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>
2019	2.90%	2.70%
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%

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>
2019	\$ 391,048,279	706
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

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	234
Area in square miles	18.5
City of Muscatine facilities and services:	
Miles of streets	144
Parks and Recreation:	
Parks	15
Park acreage	272
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	21,860
Circulation	500,142
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	47

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
GEMT	Ground Emergency Medical Transport
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