Table of Contents

City of Muscatine, Iowa

Annual Budget

Fiscal Year 2021/2022

ANNUAL BUDGET
CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2021 - JUNE 30, 2022

CITY OFFICIALS

Diana Broderson
Mayor

City Council

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

BUDGET PREPARED BY:

Carol Webb, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor

COVER:

The new Roundabout at the intersection of 2nd Street and Mulberry Avenue was completed in the fall of 2020. This was the 2nd phase of the Mississippi Drive/Grandview Avenue Corridor Reconstruction Project. Construction on Grandview Avenue, the 3rd and final phase of the Corridor project, began in the spring of 2021.

City of Muscatine

Mayor and City Council

Left to Right:

Councilmembers DeWayne Hopkins, Dennis Froelich, Osmond Malcolm, and Peggy Gordon, Mayor Diana Broderson, 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, 2020

Christopher P. Morrill

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, 2020. This was the 36th 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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Jon Koch, Director of Water Pollution Control	jkoch@muscatineiowa.gov	563-263-2752

Introduction to the City of Muscatine

Pearl of the Mississippi

www. muscatineiowa.gov

Early History

Benjamin Nye is credited with having made the first settlement within the present county of Muscatine. This was in the spring of 1834. Mr. Nye laid out a town at the mouth of Pine Creek, situated about 12 miles northeast of Muscatine and named it **Montpelier**. Mr. Nye built a store and three separate mills with his last one, Pine Creek Grist Mill, still standing today in Wildcat Den State Park. Pine Creek offered perfect water power and for many years the early residents of the county brought their grain to his mill but the town itself was a failure.

Colonel George Davenport, who lived at the time in Rock Island, brought a stock of goods and established a trading post in what is now **Muscatine**, erecting a small log cabin and leaving the post in charge of an agent.

The year 1835 saw a number of new settlers in this area. **James W. Casey** started a trading post below that of Colonel Davenport, known as *"Casey's Wood Yard"* of Newburg. **Colonel John Vanater** who had been here several years before, returned and bought Colonel Davenport's post. The town of Bloomington was laid out in 1836 by Colonel Vanater who named the town for his hometown Bloomington, Indiana. This was the first survey by an act of the Wisconsin Territorial Legislature. Approved in January 8, 1837, Bloomington was made the county seat.

Bloomington was incorporated as a town of the second class on January 23, 1839 and on May 6th, its first president, **Joseph Williams** was elected. The population of Bloomington in January 1839 was 71 and there were 33 buildings in the town. In November, there were 84 houses in the city.

How Muscatine got its name

Historians differ in their ideas of how Muscatine got its name. Some claim it was taken from the Mascoutin Indians who lived in this area in the 18th century. The name *"Mascoutin"* means *"Fiery Nation"*. Other historians claim the name came from the Indian name for what is now known as Muscatine Island. Because of the great difficulty in getting mail, (it was often sent to Bloomington, Illinois or Bloomington, Indiana and sometimes Burlington, Iowa), in 1850 the new name of **Muscatine** was adopted for both the town and county.

The name Muscatine is unique in that it is not used by any other city in the United States or the world.

Railroad Development

The period from 1854 to 1875 was marked by the coming of the railroads and the rapid settlement and development of the State of Iowa. The Chicago, Rock Island and Pacific Railroads were the first railroads to be built in Iowa reaching Rock Island, Illinois, in August 1854 and connecting with Iowa by ferry crossing the Mississippi River. On November 20, 1855, the Mississippi and Missouri Railroad, which later became part of the Rock Island System, operated the first passenger train between Davenport and Muscatine. This was also the first passenger train operated in the State of Iowa.

Early Muscatine Industry

Lumbering, saw and planing mills, sash and door factories and other forms of woodworking were a major industry in Muscatine. When the nearby forests were cut off, lumber operators moved up the Mississippi River and brought the logs downstream by water. With the coming of the railroad, lumber was shipped in, but through all these changes various types of woodworking continued to be Muscatine's major industry. Muscatine businessmen acquired forest lands and continued to operate saw mills in various parts of the county.

Pearl Button Industry

John Fred Boepple, a German immigrant with a flair for making buttons, came to Muscatine in 1887. By mistake, Boepple found that fresh water mussel shells, instead of animal horns, made a stronger button that more closely resembled the fashionable buttons made of expensive import marine shells. Nicholas Barry and his sons invented a machine

which turned out better buttons with less labor. Muscatine soon became the world's largest pearl button manufacturer, its factories employing half of the Muscatine workforce during the turn of the century, earning it the name of ***"Pearl Button Capital of the World."*** In 1905 over 1.5 billion pearl buttons were made in Muscatine. Today nearly all buttons are made from plastic.

Other Industrial Development

In 1892, after a nationwide investigation, **H.J. Heinz Company** decided to locate one of their principal canning plants in Muscatine, being the first expansion outside of Pittsburgh. Numerous additions have been made to this plant. This plant is now part of the Kraft Heinz Company which was formed by the merger of Kraft Foods and Heinz.

The fertile soils of Muscatine make the area well known for producing some the highest quality agricultural products in the world with the famous Muscatine Melon being perhaps the most recognized.

Muscatine is home to the world headquarters of HNI (HON Corporation) that began here as a small businesses. Other companies have major facilities in Muscatine and a number of small and medium sized companies have become known nationally and internationally for their products.

Incorporation and Government

Muscatine acquired its present name in 1850. On February 21, 1851 Muscatine was incorporated by a special act of the Iowa State Legislature and is one of four lowa cities that continues to operate under such special authority.

The city is the county seat of Muscatine County and has a mayor-council form of government. Day-to-day operations of the city are carried out under the supervision of a City Administrator.

We remain proud of our heritage and the strong industrial base present today. **Mark Twain,** who lived in Muscatine in 1854, once wrote *"I remember Muscatine for its summer sunsets. I have never seen any on either side of the ocean that equaled them."* Our noted sunsets, joined together with the rolling terrain, quiet neighborhoods and strong sense of family values gives Muscatine a special personality all its own.

TABLE OF CONTENTS

	Page
Introductory Section	1
Budget Message	2
Financial Management Policies	31
General Fund Balance Policy	36
Fund Structure Overview and Basis of Accounting and Budgeting	38
Budget Calendar	41
Budget Preparation and Amendment Process	43
City Organizational Chart	46
Entity-Wide Budget Overview	47
Budget Summary Schedules – Individual Major Funds and Non-Major Funds Combined	52
Budget Summary Schedules for City Operating Funds	57
Budget Summary	58
Fund Statement	59
Revenue and Expenditure Summaries	60
Revenue and Expenditure Comparisons	62
Matrix of 2021/2022 Operating Budget by Function	69
Employee Authorization History	71
Property Tax Schedules	74
Property Tax Levy Comparison	75
Schedules of Taxable Valuation	76
Tax Levies By Entity - Historical Comparison	79
Major Revenue Sources Schedules	80
Long Term Financial Plans – Major Funds	102
Department Organizational Charts	117
General Fund	126
Fund Statement	137
Revenue and Expenditure Comparisons	138
Summary of Revenues By Type	141
Revenue Detail	142
Summary of Expenditures By Type	148
Expenditure Detail	149

Page

General Government Function

Mayor and Council 151
Legal Services 156
City Administrator 159
Human Resources 167
Wellness Program 171
Finance and Records 175
Information Technology 183
Risk Management 188
Buildings and Grounds 193

Public Safety Function

Police Operations 198
Animal Control 205
Fire Operations 209

Culture and Recreation Function

Library 216
Cable Television Operations 221
Art Center 225
Parks and Recreation
- Administration 232
- Park Maintenance 237
- Kent Stein Park Operations 242
- Soccer Complex Operations 246
- Aquatic Center 250
- Recreation 254
- Cemetery 259

Health and Social Services Function

Economic Well-Being 263

Community and Economic Development Function

Community Development 265
Economic Development 272

Public Works Function

Public Works Administration 276
Roadway Maintenance 281
Traffic Control Operations 285
Snow and Ice Control 288

Page

Street Cleaning 291
Engineering Operations 294

Transfers and Assigned Funding

Equipment Replacement Subsidy 299
Transit Subsidy 302
Airport Subsidy 304
Assigned Funding Allocations 307

Business-Type/Enterprise Funds 309

Airport Operations 310

Transit Operations 315

Parking System 322

Golf Course 329

Boat Harbor Operations 341

Marina Operations 346

Soccer Events 350

Ambulance Operations 354

Convention and Visitors Bureau 360

Solid Waste Management

Refuse Collection 363
Landfill Operations 371
Transfer Station Operations 383

Water Pollution Control 390

Reserve Funds 399
Operations
Fund Statement 402
Revenue and Expenditure Summaries 403
Administration 405
Plant Operations 406
Pumping Stations 407
Laboratory Operations 408
Biosolids Operations 409
High Strength Waste Operations 410

Collection and Drainage 411

Storm Water Operations 418

Page

Special Revenue Funds 421

Employee Benefits 422

Emergency Tax Levy/Emergency Fund 427

Road Use Tax 430

Local Option Sales Tax 434

Equipment Replacement 439

Computer Replacement 443

Tax Increment Fund - Downtown 446

Tax Increment Fund - South End 449

Tax Increment Fund – Cedar Development 455

Tax Increment Fund – Industrial (Heinz) 457

Tax Increment Fund – Highway 38 Northeast 459

Tax Increment Fund – Fridley Theaters 462

Tax Increment Fund – Riverview Hotel 464

Tax Increment Fund – North University Area 466

Tax Increment Fund – WDS Urban Renewal 468

Tax Increment Fund – Hershey Building Project 470

Riverview Reinvestment District 472

Community Development Block Grant Fund 474

Small Business Forgivable Loan Programs 476

Police Forfeiture Fund 481

Municipal Housing Programs 483

Debt Service Funds 511

Debt Service Fund 512

Page

Capital Improvement Program 524

Capital Improvements Program 525
Project Information 2020/2021 530
Project Information 2021/2022 542
Project Budget Summary 2020/2021 550
Project Budget Summary 2021/2022 551
Capital Outlay Items in Department Operating Budgets 552
Five Year Capital Improvement Program Summary 556

Other Funds 561

Trust Funds

Perpetual Care Trust 562
Perpetual Care Interest Trust 564
Special Cemetery Trusts 566
Library Trust Funds 568
Art Center Trust Funds 570

Internal Service Funds

Equipment Services 575
Health Insurance 580
Dental Insurance 584

Supplemental Information 586

Appendix A - Community Background 587
Appendix B - Community Profile 594
Appendix C - Glossary 596
Appendix D - Acronyms and Abbreviations 601

INTRODUCTORY SECTION

MUSCATINE

Carol Webb
City Administrator
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Cwebb@muscatineiowa.gov
(563) 264-1550 Voice

TO: Mayor Diana Broderson and Members of City Council

SUBJECT: Budget Message - FY 2021/2022

DATE: March 31, 2021

The budget for fiscal year 2021/2022 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 36th consecutive Distinguished Budget Presentation Award for the fiscal year 2020/2021 City Budget. The budget for fiscal year 2021/2022 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2021/2022 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 October 13, 2020 to discuss and establish goals and objectives for 2021/2022. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2021/2022 and future years as adopted and prioritized by City Council are as follows:

Core Values

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

Vision

Muscatine is a vibrant river community where a rich tradition of community pride and entrepreneurial spirit has created an outstanding environment to live and work. Muscatine values its history, has a strong sense of community, is rich in cultural and economic diversity, and has strong global connections. Muscatine residents, businesses, and its local government are engaged and achieve goals through valued partnerships.

Mission

Provide effective municipal services, excellent customer service, and sound fiscal management that improves quality of life and ensures a sustainable economy.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022 AND FUTURE YEARS

City Council adopted a 2021 Strategic Plan in December 2020 that outlines strategic goals for the City in the next two (2) to five (5) years. The adopted goals and strategies are as follows:

EXCELLENT CUSTOMER SERVICE

Provide excellent customer service to our residents, businesses, and visitors through effective citizen outreach and engagement, employee training and improved organizational processes.

1. Conduct proactive outreach to citizens by providing timely and accurate information to the public through a variety of communication channels (e.g. website, social media, print newspaper, etc.).
2. Evaluate and modernize the City's tools and systems that customers use to interact with the City.
3. Empower employees with the tools needed to address customer needs at the lowest organizational level.
4. Provide customer service training to employees and ensure that customer service principles are integrated into employee performance goals and evaluations.
5. Develop and support a culture of process improvement within the City organization with a focus on LEAN principles.
6. Implement and capitalize on advanced technology to improve customer service.
7. Solicit input from the community to determine needs and desired services and facilities.

VIBRANT COMMUNITY

Enhance and improve the vitality of our community core and gateways including the Grandview Avenue Corridor, Park Avenue Corridor, Riverfront, and Downtown areas to support a thriving economy, vibrant neighborhoods, and a high quality of life and place.

1. Develop and implement subarea community plans for the Grandview Avenue Corridor, the Park Avenue Corridor and the downtown in collaboration with key stakeholders, including residents, businesses, and industries with a focus on revitalization and place making.
2. Complete planned roadway improvements, including the Grandview Avenue Corridor Revitalization Project and the 2nd Street Streetscape Project.

3. Initiate planning for the Park Avenue Corridor Revitalization Project.
4. Continue to implement components of the Riverfront Master Plan.
5. Support multi-jurisdictional cooperation for improvements to the Muscatine-Louisa County Levee projects.
6. Evaluate opportunities to leverage the Muscatine Municipal Airport and its location in the community.
7. Serve as a catalyst for a thriving downtown economy by partnering with downtown businesses and the Greater Muscatine Chamber of Commerce and Industry (GMCCI).
8. Develop wayfinding throughout the community to enable residents and visitors to locate assets and businesses throughout the community.
9. Create quality places that people want to work, live, and play in and that contribute to community health, happiness, and well-being.

HEALTHY COMMUNITY

Support a healthy community through the availability of quality affordable housing, outstanding recreational and cultural amenities, collaboration with community and healthcare partners, and opportunities for lifelong learning.

1. Complete and implement the Housing Plan in collaboration with a broad group of stakeholders and partners (including the Housing Collaborative and based on the Housing Demand Study), the HUD-approved Public Housing Plan, and other available documents and data.
2. Support the provision of a full range of housing types to meet the needs of a demographically diverse population.
3. Address vacant and nuisance properties to create new opportunities for housing and to support a vibrant community.
4. Support housing projects that increase the availability of quality housing that is affordable to a broad range of income levels by leveraging Tax Increment Financing and other incentives.
5. Leverage City-owned land to support affordable housing goals.
6. Explore innovative approaches to affordable housing development including land banking, revolving loan funds, and other tools.
7. Collaborate with community and healthcare partners to enhance services and improve the health and well-being of the community.
8. Continue to invest in and develop community recreational amenities that contribute to a healthy community and attract visitors.
9. Create and implement strategies to increase access to healthy food in the Grandview Avenue Corridor.

SAFE COMMUNITY

Provide exceptional public safety and community services to ensure a safe community in which residents may live, work, and play.

1. Meet or exceed community expectations regarding the quality of level of police, fire, and emergency services.
2. Invest in critical public safety infrastructure and equipment to maintain the expected level of service while managing capital costs.
3. Develop and implement master plans for public safety based on facility needs, call volume, population, and increasing demands for service.

4. Implement effective recruitment, training, and succession planning programs to ensure staff remain current in their fields and service levels are maintained or improved.
5. Implement technology tools, data collection, and assessment to streamline activities and improve efficiency and effectiveness of routine and emerging activities.
6. Continue to implement community policing principles and programs to build positive police-community relations
7. Continue to invest in active fire and injury prevention public education and code enforcement programs.
8. Continue active participation in state-level EMS and Fire organizations and partner with training institutions to further the quality of EMS practitioners and future employees.

RELIABLE PUBLIC INFRASTRUCTURE

The City will continue to update and implement its Capital Improvement Plan to ensure reliable, safe public infrastructure that meets community needs.

1. Continue to evaluate and prioritize capital investments utilizing multiple criteria such as fiscal wellbeing, desired service levels, state and federal mandates or legal requirements, and asset condition and operation.
2. Invest in master plans when appropriate and implement those plans as funding becomes available and is approved by City Council.
3. Implement asset management practices to maintain and replace aging assets while maintaining service levels.
4. Integrate placemaking into capital projects when feasible to create quality community spaces that are safe, attractive, and support community connectivity.
5. Implement capital projects and programs as identified in the Capital Improvement Plan.

Other Mayor and Council objectives include:

- Meet jointly with the County Board of Supervisors to discuss issues of shared interest.
- Conduct an annual planning meeting.
- Develop and implement an annual State of the City address.
- Continue to address policy issues of Council and community interest.

KEY BUDGET ISSUES

In developing the fiscal year 2021/2022 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.

Impacts of the COVID-19 Pandemic – Fiscal Year 2019/2020 and 2020/2021

In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. The City continued to provide essential services to the public, but City facilities were closed to the public.

At the April 16, 2020 meeting, City Council authorized the expansion of the City's existing Forgivable Loan Program for Small Businesses to include a new "Economic Assistance for Muscatine Small Businesses" program for small business impacted by the COVID-19 public health crisis. The program provided up to $2,500 to assist small businesses in managing decreases in income or increases in expenses to address health and safety measures. Funds were provided as forgivable loans that could be used for normal business expenses such as rent or mortgage payments, business insurance premiums, commercial property taxes, utilities, personnel expenses, and inventory. Forgivable loans totaling $231,267 were provided to 94 small businesses with the goal of assisting the businesses to survive and to recover as quickly as possible.

The City Council met several times in May and June to review and discuss the projected impacts of the COVID-19 pandemic on City revenues in both the 2019/2020 fiscal year and the 2020/2021 year, 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 were not expected to have immediate impacts 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 the 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).

At the end of the 2019/2020 fiscal year, there were reductions in revenues as projected at the meetings. Significant General Fund revenue reductions were in hotel/motel taxes, construction permits, and Parks and Recreation facility usage and program fees. These reductions, however, were offset by expenditure reductions in most departments. While a decrease in General Fund balance was anticipated due to the revenue reductions, the City was able to maintain the unreserved General Fund balance at the same approximate level as budgeted.

COVID-19 Pandemic Update – Fiscal Year 2020/2021 Revised Estimate and 2021/2022 Budget

The six budget revisions listed above assisted in maintaining City services and allowed time for reconsideration of these actions as more information became available. The status of these items for the 2021/2022 budget is as follows:

Pavement Management Program - as the 2020/2021 fiscal year progressed, it was found that Road Use Tax and Local Option Sales Tax revenues were not impacted to the extent originally projected. The $1 million in Pavement Management Projects that were deferred in calendar year 2020 are scheduled to be completed in the spring of 2021.

New Positions Deferred – hiring of two of the three new firefighter positions is still being deferred through the 2021/2022 budget. One of the new firefighter positions was authorized to be filled effective

April 1, 2021. The Human Resources Generalist position is still being deferred through the 2021/2022 budget.

Assigned Funding for Merit Pay – merit pay for fulltime non-union employees that normally would have been implemented July 1, 2020 was deferred until January 1, 2021.

Department Expenditure Reductions – while the City's Aquatic Center did not open for the 2020 season which resulted in reduced expenditures, the facility will re-open in 2021. Due to the Governor's proclamations, several Park facilities were delayed in opening in 2020, but were opened as allowed (Soccer Complex, Kent-Stein Park, etc.). The 2021/2022 budget is based on all facilities being open and available to the public.

Review of Positions and Capital Outlay - while hiring for positions that become vacant are still being evaluated as they occur, all of these positions have been filled to date. The 2021/2022 budget also allows for capital outlay purchases by departments.

State COVID-19 Relief Funding – in October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy/ Emergency Fund, which had a balance of $84,989. This brought the total in this fund to $646,617. Due to continuing concerns with revenue reductions in hotel/motel taxes, construction permits, interest, and other sources, the 2020/2021 revised estimate is based on transferring $100,000 of funds to the General Fund in the current fiscal year and $300,000 in the 2021/2022 fiscal year. This will leave a balance of approximately $246,700 in this fund for 2022/2023 or future years.

Due to the team effort of the City Council and City staff, as well as the recovering economy and CARES (Coronavirus Aid, Relief, and Economic Security) Act and other funding, the financial impacts of COVID-19 have not been as significant as originally projected. There are still, however, revenue concerns going forward. City Council and City staff plan to use caution going forward in fiscal year 2021/2022 due to the uncertainty of these revenues as well as the economy.

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 4 and March 18, 2021 and the budget was adopted on March 18. Due to the COVID-19 pandemic which restricted access to public buildings for public hearings, these hearings were held using a virtual format. 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 2021/2022 budget is based on the City continuing to receive the State reimbursement for the commercial and industrial rollback. There is, however, discussion in the State legislature for phasing out this reimbursement.

2. A taxable valuation growth reduction for agricultural and residential property from the previous 4% to 3%. This will limit the annual increase in taxable valuations for those properties.
3. While the rollback factor for residential property is expected to incrementally increase in upcoming years from the current 56.4094%, 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, 75.00% in 2019/2020, 71.25% in 2020/2021, and it will decrease to 67.50% in 2021/2022. The rollback factor will decrease by 3.75% to 63.75% in 2022/2023 and in 2023/2024 the rollback 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 $550,000 loss of revenue to the General fund. This amount would be equivalent to $.58 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 $.13 per $1,000. The City levied approximately $.14 of the maximum $.27 per $1,000 from the Emergency Levy in 2021/2022. This leaves the $.13 difference (approximately $121,020) available to be levied in future years. 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 2021/2022 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 2021/2022 budget. The total property tax rate for the 2021/2022 budget is $15.67209 per $1,000 of taxable valuation, which is the same total rate as the nine previous years. While the tort liability and emergency tax levies increased for the upcoming year, these increases were offset by decreases in the employee benefits, debt services, and transit levies. The transit tax levy

was eliminated for the 2021/2022 budget. This was possible due to the accumulated balance in the Transit Fund and the CARES Act funding received for the Transit system in 2020/2021 and 2021/2022. With the elimination of the transit levy, the City was able to maintain the same total tax levy rate as the current (and last nine) fiscal years.

While the tax rate will not change for 2021/2022, rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a 2.43% increase in city property taxes since the rollback factor applied to residential property increased from 55.0743% to 56.4094% (by 2.43%) for the upcoming year. The average residential property in the City of Muscatine has an assessed value of $115,540. The owner of the average residential property will see an increase of $22.00 in their city property taxes for 2021/2022. With the rollback decreasing from 71.25% to 67.50% for multi-residential properties, the owner of a multi-residential property with a value of $100,000 will see a decrease of $59.00 in their city property taxes. The 90% rollback for commercial and industrial properties will continue in 2021/2022. These rollbacks are mandated by the State of Iowa and result in shifting the tax burden between different categories of property.

It was noted in the previous paragraph that the owner of the average home will have an increase of $22.00 in their City property taxes in 2021/2022 due to the residential rollback increase. The 2021/2022 budget maintains the utility franchise fee at 5%, which is the same rate as the 2020/2021 fiscal year. The typical Muscatine home owner had an annual gas costs of $569 for the last 12 months. The 5% utility franchise fee calculates to $28.45 for the year for that typical home owner. This calculates to $2.37 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 30.41% in 2014/2015, 27.77% in 2015/2016, 25.92% in 2016/2017, 25.68% in 2017/2018, 26.02% in 2018/2019, 24.41% in 2019/2020, 25.31% in 2020/2021, and will be 26.18% for 2021/2022. Annual pension contributions for the fiscal years from 2014/2015 through 2019/2020 were $1,374,746, $1,301,930, $1,314,218, $1,338,422, $1,395,138, and $1,347,594 respectively. The estimated contributions for 2020/2021 and 2021/2022 are $1,475,275 and $1,615,458. 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 $1,615,458 for 2021/2022 with the 26.18% contribution rate. This is an $961,424 increase and an increase of 147.0% over this 13-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 in past several years which placed the City in a better financial position for 2021/2022 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 had not been levied again until the upcoming 2021/2022 budget.

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 generated $81,400. 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. In 2019/2020, ATE revenues were $479,861 for a full year ATE operations. The 2020/2021 revised estimate and 2021/2022 budget both include $550,000 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 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 remained at 5%. This allowed for the property tax rate to remain unchanged and allowed for the addition of three new firefighter positions and a new Human Resources Generalist in the original 2020/2021 budget. Due to reductions in other General Fund revenues due to the COVID-19 pandemic, hiring those four new positions was put on hold.

For the 2021/2022 budget, the Utility Franchise Fee remained at 5% which will assist in maintaining the current service levels to residents while revenue reductions due to the COVID-19 pandemic continue. At the end of the budget discussions for 2021/222, City Council members indicated that they would like to reduce the use of the utility franchise fee in future year budgets.

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 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 2021/2022 and future years. One of the City's goals for the upcoming year is to continue to develop a 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 2021/2022 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 opposition 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 $74,110,147 in 2021/2022 for all of the TIF areas. This value would generate $600,292 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 $1,161,461 – essentially lost city revenue that could

be used to fund and maintain city operations and services. If that $74.1 million was allocated toward regular valuations for all taxing entities, the county would generate over $664,000 in taxes and the school over $1,001,000 (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 2021/2022 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 2021/2022 the City is claiming $2,364,400 in incremental taxes and approximately $1,464,300 of incremental taxes were not claimed by the city for 2021/2022. 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 2021/2022 the City is claiming $74,110,147 of incremental valuation which is 61.8% of the total increment of approximately $119,919,300 in all active TIF districts. The amount the City did not claim of $45,809,153 (38.2%) has gone back to regular taxable valuations for each taxing entity. The increment claimed includes approximately 50% of the increment for Wal-View Project #1 which was added to the increment beginning in the 2015/2016 budget, approximately 60% 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 Wal-View #1 project for 2021/2022 is $9,812,152 (at 50%), the increment for Wal-View #2 is $5,617,658 (at 60%), and the increment for the Riverview Hotel Development is $20,857,000 (at 100%). The increment claimed for these three recent significant projects totals $36,286,810, which is 49.0% of the total increment claimed.

For the 2011/2012 through 2021/2022 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, $159,000 for 2020/2021, and $170,400 in 2021/2022, 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, Assistant 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, $38,000 in 2015/2016 through 2019/2020, and $43,000 in 2020/2021 and 2021/2022, 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 2021/2022 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.

Other Issues and Changes for 2021/2022

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 1.77% between December 2019 and December 2020. Over the past 10 years the MCI increased a total of 20.97% or an average of 2.10% per year. The property tax rate for 2021/2022 is .63% lower than the rate 10 years ago and the 2021/2022 property tax revenues are 21.63% higher than 10 years ago (which is slightly higher than the increase in the MCI over the last ten years).

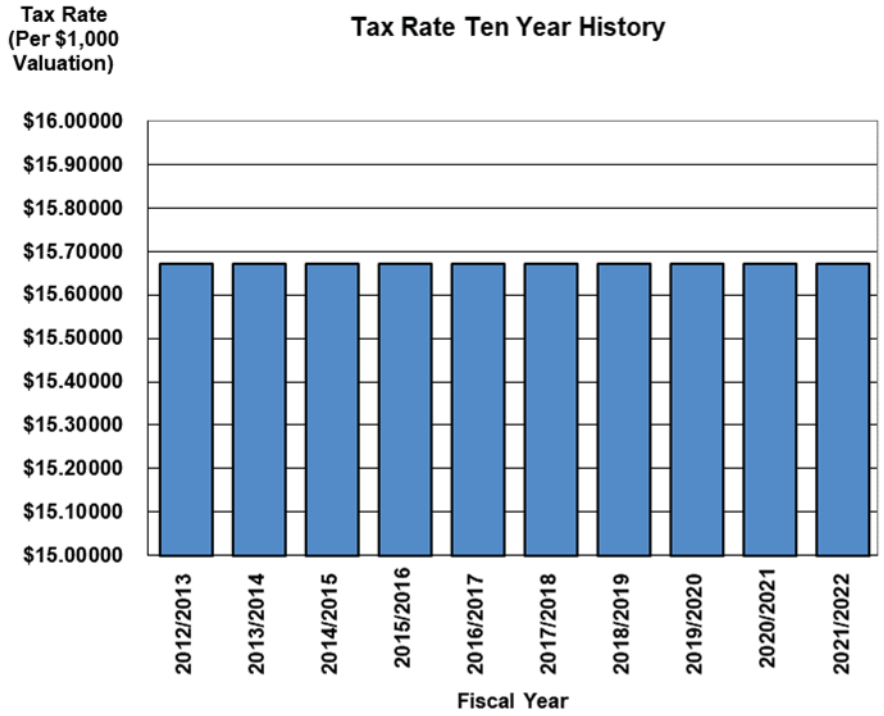
In future years, a tax rate increase may need to be considered to fund the increasing costs of providing city services.

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, 2020/2021, and 2021/2022 budgets have each included $50,000 to allow for merit increases in the non-union pay plan of up to 3% based on

performance. While the 2020/2021 original budget included an allocation of $50,000 for merit pay of up to 3%, this allocation was put on hold until midway through the fiscal year due to concerns with reduced revenue to the General Fund due to the COVID-19 pandemic.

TAX RATE AND BASE

Property taxes continue to be the major revenue source for the City of Muscatine. In 2021/2022, property taxes will represent 32.5% of total city operating revenues. This is a slight decrease from the 31.8% in fiscal year 2020/2021. The total tax levy rate for fiscal year 2021/2022 of $15.67209 per $1,000 of valuation is the same as the total tax rate for the last nine years. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2021/2022:



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 $15.77146 for 2010/2011 and that rate was maintained for 2011/2012. As shown above, in 2012/2013 the rate was $15.67209 and that rate has now been maintained for ten years. This rate is significantly lower than the $16.19095 rate in fiscal year 2008/2009.

There are categories that make up the 2021/2022 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 was eliminated for the 2021/2022 budget. This was a reduction of $.11987/$1,000 of valuation compared to the previous year. Elimination of this levy was possible due to the accumulated balance in the Transit Fund and the CARES Act funding received in 2020/2021 and 2021/2022.

3. The Tort Liability levy will be $.33769 per $1,000, which is an increase of 6.8% in this levy (a $.02161/$1,000 increase). This is based on estimated insurance costs for the upcoming year.

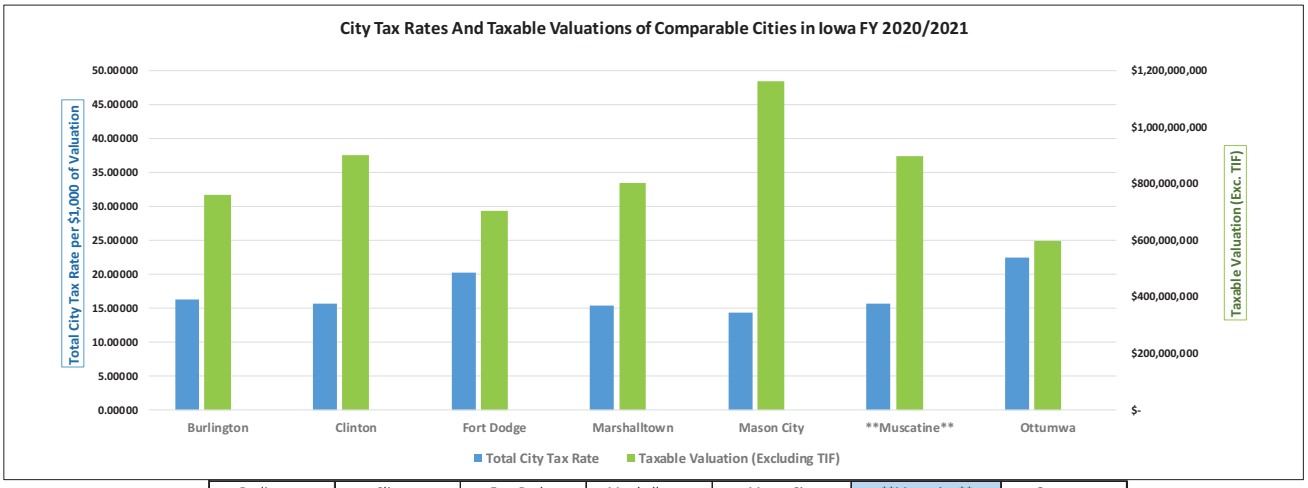
4. The Special Revenue Employee Benefits Levy is budgeted to decrease .4% to $4.76979 (a decrease of $.01680/$1,000). This reflects funding 100% of General Fund employee benefits from this levy and the use of $169,279 in beginning fund balance in this special revenue fund.

5. The Debt Service Levy will decrease by 1.2% to $2.32232 (a decrease of $.02723/$1,000). This decrease is due to decreasing debt service requirements on the City's current outstanding debt.

6. A levy for Levee Improvements has not been included in the 2019/2020, 2020/2021, or 2021/2022 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 2020/2021 and 2021/2022.

7. The Emergency Tax Levy is being used for the 2021/2022 budget. This levy has been set at $.14229 per $1,000 of valuation. The City last used the Emergency Levy in the 2010/2011 budget. This levy was added without increasing the City's total tax levy due to elimination of the Transit Tax Levy for the upcoming year. Revenues from this tax were needed to balance the General Fund budget due to reductions in several General Fund revenue sources due to the COVID-19 pandemic.

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 2020/2021 fiscal year. The information is not yet available for other cities for 2021/2022. City tax levies for this group range from $14.38701 per $1,000 of valuation for Mason City to $22.45650 for Ottumwa. The City of Muscatine's rate of $15.67209 is the third lowest in this group. Taxable valuations range from $596,732,156 for Ottumwa to $1,161,735,218 for Mason City. The City of Muscatine's taxable valuation of $897,459,666 is the third highest in this group. Each city sets their own tax rate based on their taxable valuation and the services provided to their residents.



	Burlington	Clinton	Fort Dodge	Marshalltown	Mason City	**Muscatine**	Ottumwa
Total City Tax Rate	$ 16.33632	$ 15.69149	$ 20.17395	$ 15.38434	$ 14.38701	$ 15.67209	$ 22.45650
Taxable Valuation (Exc. TIF)	$ 759,833,843	$ 901,354,414	$ 702,884,879	$ 801,812,996	$ 1,161,735,218	$ 897,459,666	$ 596,732,156
Population (2010)	25,663	26,885	25,206	27,552	28,079	22886*	25,023

*23,819 with annexations

Tax Rates from Lowest to Highest:

	Tax Rate	Taxable Valuation
Mason City	$ 14.38701	$ 1,161,735,218
Marshalltown	$ 15.38434	$ 801,812,996
****Muscatine****	$ 15.67209	$ 897,459,666
Clinton	$ 15.69149	$ 901,354,414
Burlington	$ 16.33632	$ 759,833,843
Fort Dodge	$ 20.17395	$ 702,884,879
Ottumwa	$ 22.45650	$ 596,732,156

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 polices and incentives include tax abatement incentives for improvements to properties in the City's two historical districts and in designated blighted areas of the City, and tax abatement incentives for new residential home construction in designated areas approved by City Council. 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, 2020/2021, and 2021/2022 for this program. This program is targeted for small businesses and the maximum forgivable loan is $25,000. In May of 2020, the Small Business Forgivable Loan program was expanded to include an "Economic Assistance for Muscatine Small Business" program for small businesses impacted by the COVID-19 public health crisis. Local businesses could apply for a one-time forgivable loan up to $2,500. Ninety-four (94) loans were approved for a total of $231,257.

In December of 2016 the City created two new Urban Revitalization Areas – the Park Avenue area and the Grandview Avenue area. In 2019/2020 a new forgivable loan program for Code Compliance and ADA Improvements was added with an annual allocation of $50,000. Another Forgivable Loan Program for Façade Improvements on 2nd Street was added beginning in 2020/2021with an annual funding allocation of $100,000.

In addition, the City Council continues to provide financial support to the Muscatine Chamber of Commerce & Industry. For fiscal year 2021/2022 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 2021/2022 taxable property valuations increased by a 4.88% 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 2021/2022. 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, to 68.50% for 2021/2022, and will continue to be rolled back over the next two years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2021/2022 is $27,176,056, a 4.37% decrease from the previous year. Industrial property valuations increased by 3.78% for 2021/2022 and commercial values increased by 4.50%. Residential property taxable values increased by 6.02%. Actual valuations for residential property increased by 3.26% and there was a 2.43% increase in the residential rollback (from 55.0743% to 56.4094%). The other smaller categories of properties are railroads, which increased in valuation by 4.09%, and utilities, which decreased by 16.69%. Overall, these factors combined to result in the 4.88% overall increase in taxable valuations. It should be noted the taxable valuation increase of 4.88% this year is the 2nd highest increase in the last ten years and higher than the 10-year average increase of 2.09%.

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 2021/2022 the State reimbursement to the General Fund is estimated at $316,992 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $5,465 for the Emergency levy, $13,215 for the Tort Liability levy, $186,768 for the Employee Benefits levy, and $90,883 for the Debt Service levy, total to an estimated total reimbursement of $613,323 for 2021/2022. 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 2021/2022 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 2021/2022. 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 2021/2022 other State funding includes $252,000 in Transit operating funds and $200,000 in Iowa Reinvestment District funds.

The fiscal year 2021/2022 budget includes an estimated $6,163,054 in federal funding for both operating and capital project costs. This includes the following: $1,914,754 in funding for the Section 8 Housing rental assistance program; $464,900 for operating and capital funding for the city's Public Housing Program; $19,000 for the Home Ownership Education Program; $878,200 in federal funding for the Transit operation; $1,775,000 for street improvements, $978,400 for airport improvement projects, $3,100 for Airport operations, and $129,700 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2021/2022, budgeted charges for services total $16,125,400 and comprise 30.3% of total operating revenues of the city. Charges for services were 30.7% of the total operating revenues in the 2020/2021 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 2021/2022.

Sewer revenues including the separate collection and drainage charges are estimated at $7,062,500 for 2021/2022. 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 2017/2018 the City contracted for a new rate study and the resolution adopting the recommended rates was approved by City Council in July of 2018 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 $161,000 for 2021/2022.

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 were 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 2021.

Golf course fees and sales are estimated at $845,700 for 2021/2022. Golf fees were increased for the 2021 golf season by $1.00 per round for all categories of greens fees. There was no change in season pass fees. The greens fee increase was needed to provide funds for capital improvements and equipment at the course. The 2021 season is the 15th 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 $2,113,400 for 2021/2022 based on an estimated 40,000 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 2021/2022 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 then were subsequently extended through June 30, 2020. Under those 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. The City successfully negotiated 5-year extensions (through June 30, 2025) for one of the regular industrial waste contracts at $42.50 per ton and two of the negotiated contracts with no change in the rate per ton. At the time the budget is being published, the City is still working with the remaining industry for extensions of their two regular industrial waste contracts and one negotiated contract.

Budgeted landfill charges for services total $1,160,800 for 2021/2022. 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 regular industrial contract rate and $25.00 of the $42.50 rate for the one extended contract) 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. Staff continues to work with the remaining industry for extensions of their two regular industrial waste contracts and one negotiated contract. All of the revenue from the negotiated industrial contracts continues to be credited to the Landfill fund.

The Refuse Collection budget is charged on a tonnage basis for waste collected and disposed of at the transfer station. Refuse Collection charges for services total $2,369,500 for 2021/2022. 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, and these rates are continued through the 2021/2022 budget. The rate increases were needed in order to generate sufficient funds to replace refuse collection vehicles and 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. The current 5-year curbside recycling contract with Republic Services was scheduled to end on March 31, 2021 and the City reached an agreement with Republic Services for a one-year extension which maintained the $3.86 per-customer per-month rate through March 31, 2022.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at $1,950,000 for the 2021/2022 budget. This revenue estimate includes an estimated $250,000 in revenues from GEMT (Ground Emergency Medical Transportation) funding. This funding has increased the reimbursements for Medicaid patients beginning in the 2019/2020 fiscal year. The fee for the basic ambulance service is currently $620, the rate for ALS 1 calls is $735, the rate for ALS 2 calls is $1,065, and the rate for SCT (Skilled Care Transports) is $1,258. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at $121,000 for 2021/2022. 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 2021/2022.

PROGRAMS AND SERVICES

The 2021/2022 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 232.93 for 2021/2022. This is a net decrease of 1.29 in full-time equivalent positions compared to the original budget of 234.22 for 2020/2021. Changes in authorized positions for the original 2020/2021 budget, the 2020/2021 revised estimate, and the 2021/2022 budget are as follows:

2020/2021 (Original Prior Year Budget)

- The 2020/2021 budget included the addition of 3 firefighter positions. These positions were 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 included 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 department resulted in a 1.25 FTE reduction in staffing. A portion of this change was 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.

2020/2021 (Revised Estimate)

- Hiring of the 3 additional firefighters included in the original 2020/2021 budget was put on hold as a result of revenue shortfalls due to the COVID-19 pandemic. One of those positions was authorized to be filled as of April 1, 2021 (2.75 FTE reduction).

- Hiring of the new Human Resources Generalist position added in the original 2020/2021 budget was put on hold as a result of revenue shortfalls due to the COVID-19 pandemic (1.00 FTE reduction).
- There was a reduction in part-time staff at the Library due in part to the COVID-19 pandemic (1.34 FTE reduction).
- There was a reduction in part-time staff in the Community Development department (.19 FTE reduction).
- There was an increase in part-time custodian hours in Public Housing due to additional cleaning needed due to the COVID-19 pandemic (.17 FTE increase)
- These changes resulted in a net decrease of 5.11 in FTE positions compared to the original budget.

2021/2022 (Budget)

- A full year for the new firefighter position authorized to be hired April 1, 2021 (.75 FTE increase).
- A new Senior Engineer position was added replacing a portion of the currently contracted project managers/inspectors (1.00 FTE increase).
- There was an increase in part-time staff at the Library due to reauthorizing several positions that were reduced due to the COVID-19 pandemic (.88 FTE increase).
- There was a small increase in part-time hours in the Community Development department (.19 FTE increase).
- A new fulltime Housing Specialist position was added in the Housing department with partial funding from CARES Act funds (1.00 FTE increase).
- These changes resulted in a 3.82 increase in FTE positions compared to the 2020/2021 revised estimate.

The projected level of expenditures for the General Fund of $22,437,800 for 2021/2022 is 3.6% ($774,174) above the 2020/2021 budget of $21,663,626. The overall increase in expenditures consists of (1) an increase of $381,400 (3.2%) in salaries and wages, (2) an increase of $169,000 (3.2%) in employee benefit costs, (3) an increase of $16,700 (1.6%) in commodity costs, (4) an increase of $95,000 (3.7%) in contractual services costs, (5) an increase of $231,500 (47.6%) in capital outlay costs, and (6) a decrease of $119,426 (22.1%) in transfers and assigned funding.

The 2021/20221 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.

One significant item added in the 2021/2022 budget was a $56,500 allocation in the Information Technology (IT) budget to implement a Security Information and Event Management (SIEM) and Managed Security Service Provider (MSSP) solution. A SIEM/MSSP solution is software that constantly analyzes activity from multiple devices across the entire IT infrastructure and forwards that information to both IT staff and the MSSP, which includes a highly trained staff that provides 24x7x365 monitoring of the city's network infrastructure and can respond to incidents that include, but is not limited to, security breach, malware, etc. This will be an annual cost. The 2021/2022 IT budget also continues the increased allocations for capital outlay and contracted staff augmentation services in the IT budget to reduce the risks of another ransomware or other attack similar to the one that occurred in October of 2018..

The 2021/2022 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 school, 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 2021/2022. 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 2021/2022. Major Public Works projects scheduled for construction in 2021/2022 include completion of the conversion of a portion of Park Avenue from a 4-lane to a 3-lane configuration; continuation of the 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.

Recreation and cultural 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 2021/2022 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 2021/2022 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. These contributions will all continue at their current funding levels of $43,000 for the Chamber, $80,000 for the Muscatine Humane Society, and $25,000 for Senior Resources.

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, 2020/2021, and 2021/2022. The subsidy, however, will be reduced if any grant funding is secured for this program.

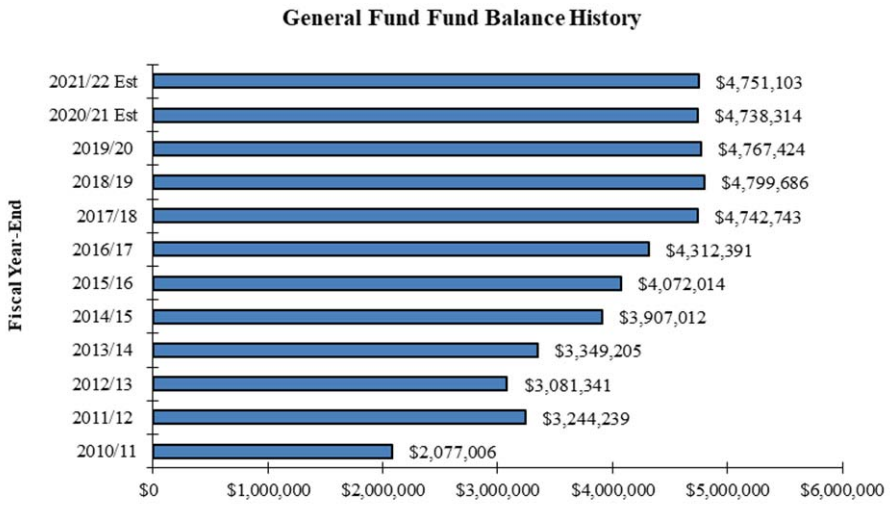
Operating expenditures budgeted for all city operations for 2021/2022 total $49,243,112, which is an increase of $1,088,079 (2.3%) from the fiscal year 2020/2021 level of $48,155,033. Operating revenues for the city total $53,163,412 for 2021/2022 compared to $52,841,372 for 2020/2021, an increase of $322,040 (.6%). Capital project expenditures are estimated at $17,163,500 for the 2020/2021 revised estimate and $17,919,400 for the 2021/2022 budget.

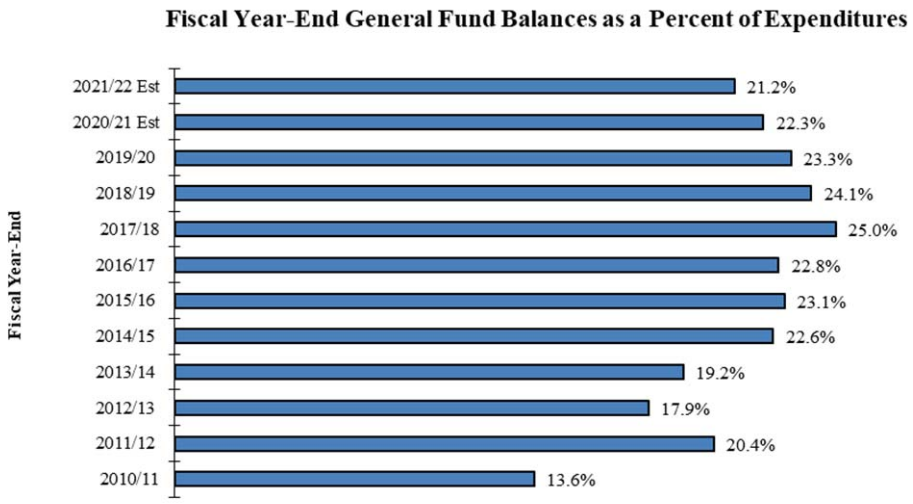
FUND BALANCE AND BUDGET POLICY ISSUES

The 2021/2022 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 2021/2022, balanced budgets were presented to and approved by Council for all funds with the exception of the Marina Enterprise fund. The deficit in the Marina fund is due to the fuel inventory in that operation.

As in prior years, one of the key components of the City's budget process is developing a General Fund balance that provides the city with the necessary funds to carry it through its first three months of operation of each fiscal year before property tax collections are disbursed by the county as well as provides adequate reserves for unforeseen circumstances or events. This is necessary for the fiscal integrity of the General Fund. In 2013 the City's minimum General Fund balance policy was updated from the previous 10% of General Fund expenditures level to two months of General Fund expenditures, which is equivalent to 16.7%. The City Council has made efforts in recent years to incrementally increase the General Fund balance as shown in the following graph.





The 2010/201 General Fund ending balance was 13.6% of expenditures and this percentage has increased significantly since that year. 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 $4,742,508 when the 2020/2021 budget was developed was 21.9% of budgeted General Fund expenditures which met the 16.7% minimum amount in the new policy. The 2020/2021 revised estimate ending fund balance of $4,738,314 is 22.3% of expenditures. The City made a number of revisions during the 2020/2021 fiscal year to address General Fund revenue reductions due to the COVID-19 pandemic. Revenues and transfers in were reduced by $412,441 and expenditures were reduced by $378,663. The beginning balance for the year was $29,584 higher than the estimated beginning balance when the budget was originally adopted. These changes resulted in a revised estimate ending balance of $4,738,314, which is only $4,194 less than the originally estimated ending fund balance. The increase from the 21.9% to 22.3% in the calculation of ending fund balance as a percentage of expenditures, is primarily due to revised estimate expenditures being lower than the originally budgeted expenditures.

The estimated ending balance for 2021/2022 of $4,751,103 is 21.2% 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 2021/2022 budget. The 2021/2022 budget is "balanced" with budgeted revenues $12,789 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 2021/2022 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 $613,323 (with $522,440 directly impacting the General Fund and $90,883 impacting the Debt Service Fund). If the ATEs would be prohibited by the State, there would be an additional $550,000 revenue reduction to the General Fund. These total to a potential $1,163,323 reduction in revenues to the City with $1,072,440 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 2020/2021 revised estimate and 2021/2022 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 2020/2021 and those to be initiated in 2021/2022. 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 2021/2022 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.

Pavement Management Program/Street and Sidewalk Projects

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 was extended in the 2018 referendum and is currently estimated at approximately $640,000 annually. In 2021/2022, the Local Option Sales Tax funding for pavement management projects of $641,800 will be supplemented with a $365,700 allocation of Road Use Tax funds bringing the total to a $1,007,500 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 $2.4 million. Muscatine Power & Water will fund an estimated $285,500 of the project costs for utility work. The May 2020 bond issue included $425,000 of funding for this project and the balance of the local share, estimated at $400,000, will be included in the spring 2022 bond issue. Engineering design began in 2019/2020 and was completed in the summer of 2020. Construction began in the summer of 2020 and is expected to be completed by the fall of 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 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. Construction began in 2019/2020 for the 2nd Street and Mulberry Avenue roundabout, which is phase two of the Corridor project.

Budgeted project costs in 2020/2021 include the final contract work on the 2nd and Mulberry roundabout and the start of construction on Grandview Avenue, which is the third and final phase of the Corridor improvement project. Grandview Avenue construction is scheduled to begin in the spring of 2021 and continue through the end of the 2022 calendar year.

Second Street Streetscape Project - Construction for the Downtown Streetscape Project is also underway and includes street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. 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 is being done in the non-winter months of calendar years 2020 and 2021. Available tax increment financing (TIF) funds were used to fund the engineering design costs. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from future tax increment funds.

Sewer Improvement Projects

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 seven 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 consisted of three work areas to be constructed during the next three calendar years (2018, 2019, and 2020). Bids for Phase 5 were received in March of 2021 and this phase of the project will be completed over two years (2021 and 2022). The 2020/2021 funding amount reflects the final work on Phase 4-C and

a portion of the work on Phase 5-A. The 2021/2022 funding amount reflects the final work on Phase 5-A and a portion of the work on Phase 5-B.

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 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 the remaining project costs and the projected debt service costs for the remaining phases of the West Hill Sewer Separation project

Other Projects

Other significant capital projects budgeted for 2020/2021 and 20212022 include:

Former IDOT Maintenance Building Site - An engineering study was completed to evaluate alternatives for the conversion of the former Iowa Department of Transportation Maintenance building for use as a future 3rd fire station, a police substation, and some Public Works department functions. In 2020/2021 the City contracted for consultant services to assist in evaluating uses of this property including preliminary cost estimates of alternatives. The cost of this study was $63,475. The 2020/2021 revised estimate and 2021/2022 budget allow for the remaining $232,600 of funds from the 2020 bond issue to be used towards the design of a new fire station, if the decision is made to proceed with this project.

Park Improvements – Park improvement projects include replacement of the Soccer Fields 1-6 irrigation system and playground repair projects at Musser Park and Fuller Park.

Legal Settlement Projects - A legal settlement in 2020/2021 will provide $2 million in funding for projects in designated areas of Muscatine's Southend. Specific projects have not yet been determined; however, the 2020/2021 revised estimate allows for the expenditure of $200,000 for engineering design for these projects and the balance of the funds is expected to be expended for project costs in 2021/2022.

Deferred Building Maintenance Projects – The budget continues to allocate funds for deferred maintenance projects for city buildings. New projects for 2021/2022 include replacement of the commercial hood system at the Fire department, replacement of airport hangar roofs, replacement of an electronic gate at the airport, and remodeling of the 3rd floor restrooms at the Fire department.

Fire Engine and Ambulance – The 2021/2022 budget includes $660,000 for a new Fire Engine and $210,000 for a new ambulance, both to be funded from the 2022 bond issue.

Airport - Reconstruction of Taxiway A at the Muscatine Municipal Airport is scheduled to be completed in calendar year 2021.

Transfer Station Tipping Floor - The tipping floor at the Transfer Station dates back to 1995 when the Transfer Station opened. Approximately six inches has worn off the floor exposing the reinforcing bars in the concrete, which results in a possible safety hazard for employees and customers. This project will add ultra-high performance cementitious topping to the existing floor.

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. 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.

Long-Term Financing Plans for the City's Major Funds

The 2021/2022 budget for the first time includes long-term financial plans for the City's General Fund and other major funds. Other major funds are the Debt Service, Employee Benefits, Local Option Sales Tax, Road Use Tax, Debt Service, Water Pollution Control, Transfer Station, and Refuse Collection funds. These plans include estimated revenues and expenditures for the four fiscal years following the upcoming budget year (2022/2023 through 2025/2026). The long-term financial plan for the General Fund was the basis for planning for the use of the City's approximately $3.2 million allocation from the American Rescue Plan Act announced in April of 2021, after the budget was adopted.

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 2021/2022 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 2021/2022 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/ Carol Webb
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 2021/2022 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 Funds, 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 2020/2021 and upcoming 2021/2022 fiscal years.

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

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

	Operating Budget	Capital Improvements Budget
April		Community Development Department prepares guidelines and forms for revision to 5-year Capital Improvements Program
		Procedures for adding or revising capital improvement projects distributed to departments
May	Proposed budget amendments presented to City Council	
	Public hearing on proposed amendments	Capital Improvement requests submitted to Community Development Department
	City Council approval of amendments to current year budget by resolution	
June		Proposed Capital Improvement package including possible funding sources forwarded to Planning & Zoning Commission
		Discussion and review of proposed program by Commission
July		Meetings of Planning & Zoning Commission and departments regarding projects, i.e., scope, need, and available funding
		Planning & Zoning Commission recommendation to City Council
August		City Council discussion of proposed program
		Public hearing by City Council regarding capital improvement program
September		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 October 13, 2020 to discuss their overall goals and objectives and Strategic Plan for the operation of the City. The new Strategic Plan was formally adopted on December 17, 2020. Department directors incorporated funding in their department budgets or in related capital project funds to achieve the goals and objectives in the Strategic Plan.

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 six advisory commissions consisting of fifty-seven 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 10th. 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 28, 2021. 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 2021/2022. 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. Due to the COVID-19 pandemic, public access to the budget meetings was through a virtual format.

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 left the current tax levy categories in place but established 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 4 and March 18, 2021 and the budget was adopted on March 18. Due to the COVID-19 pandemic, which restricted access to public buildings, those hearings were held virtually. 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 adopted the budget on March 18, 2021 and authorized the City Clerk by resolution to certify the budget to the County Auditor by March 31, which is the State's 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:

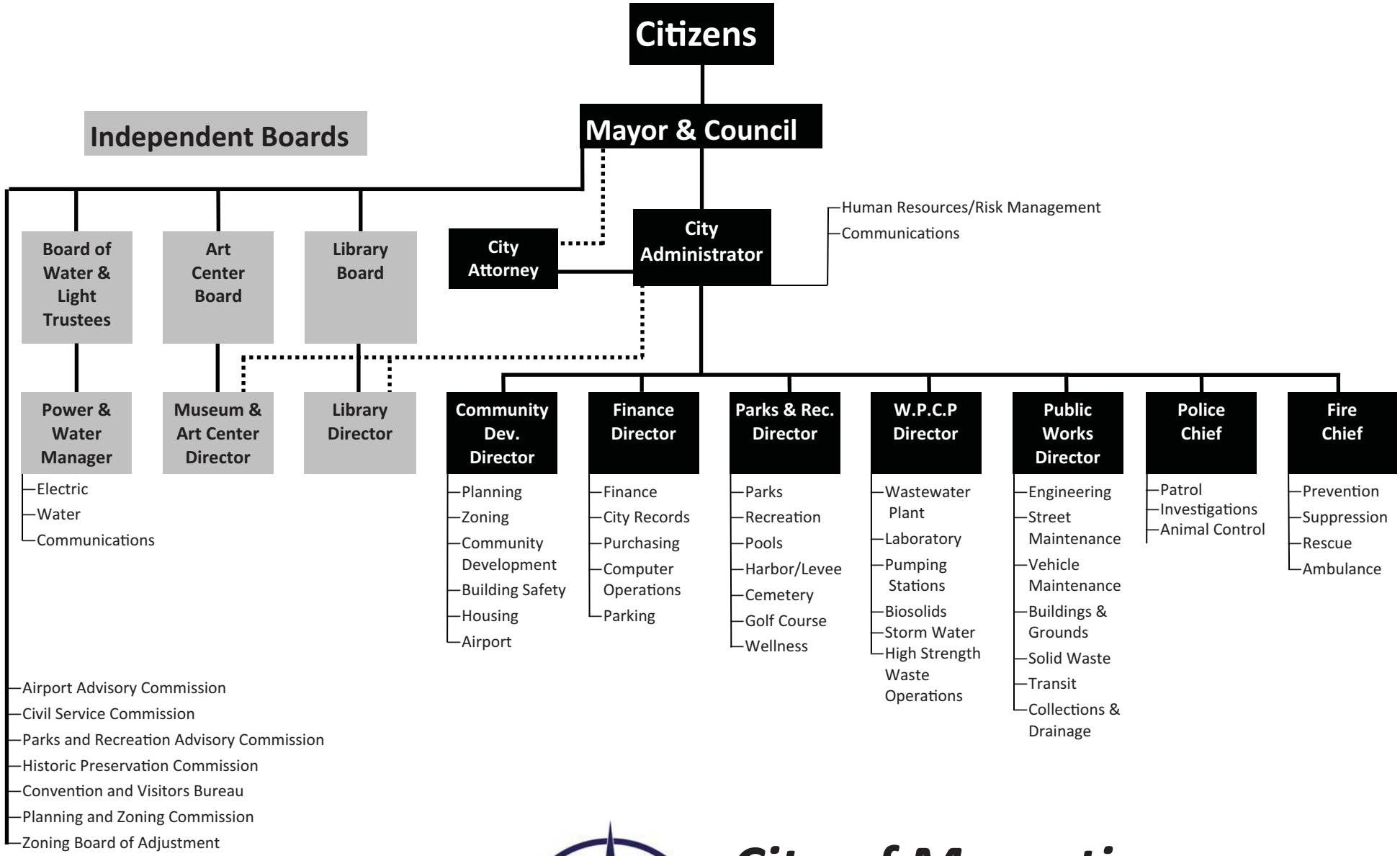
1. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

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

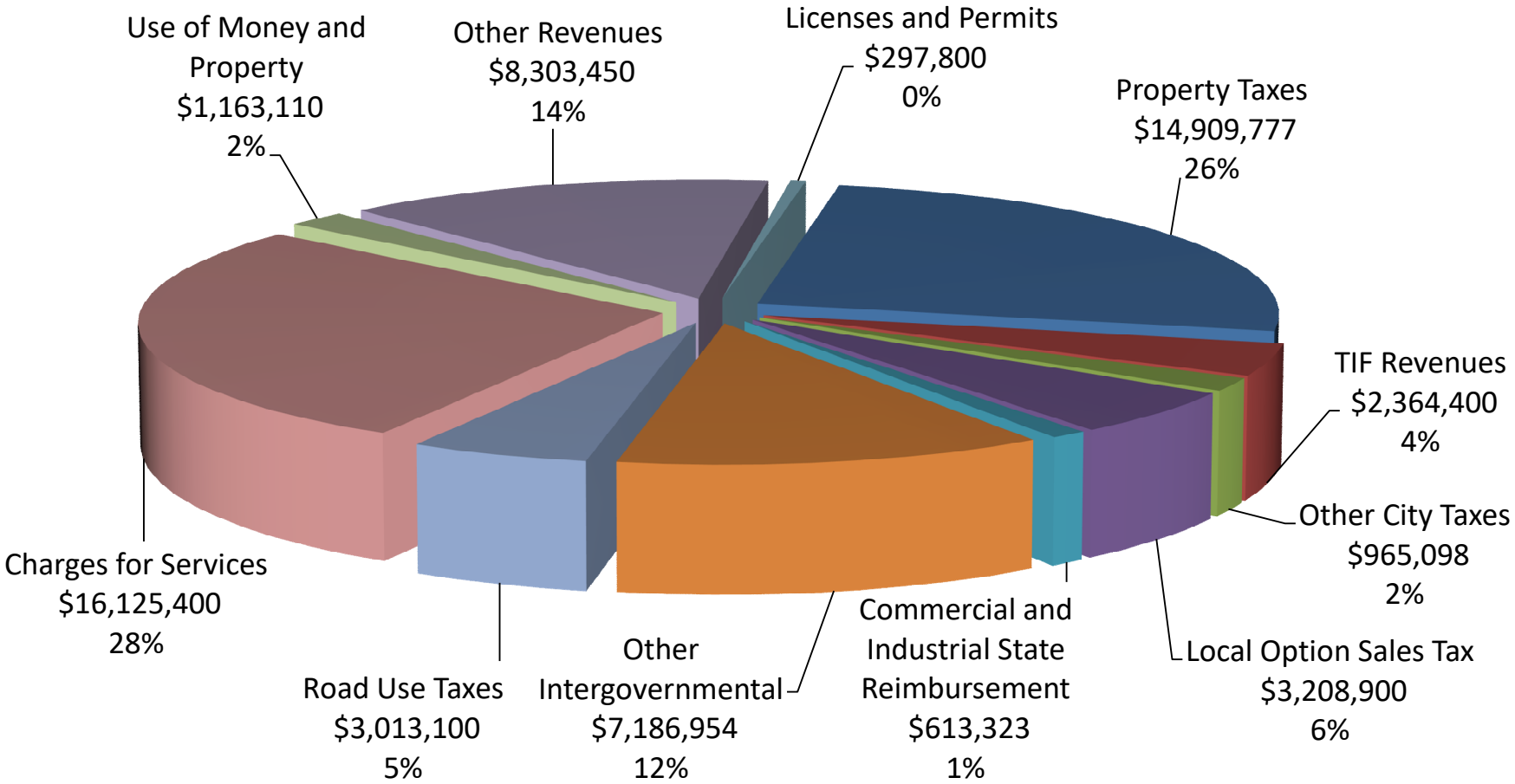
ENTITY-WIDE BUDGET OVERVIEW 2021/2022

ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

PROPERTY TAX RATE INFORMATION

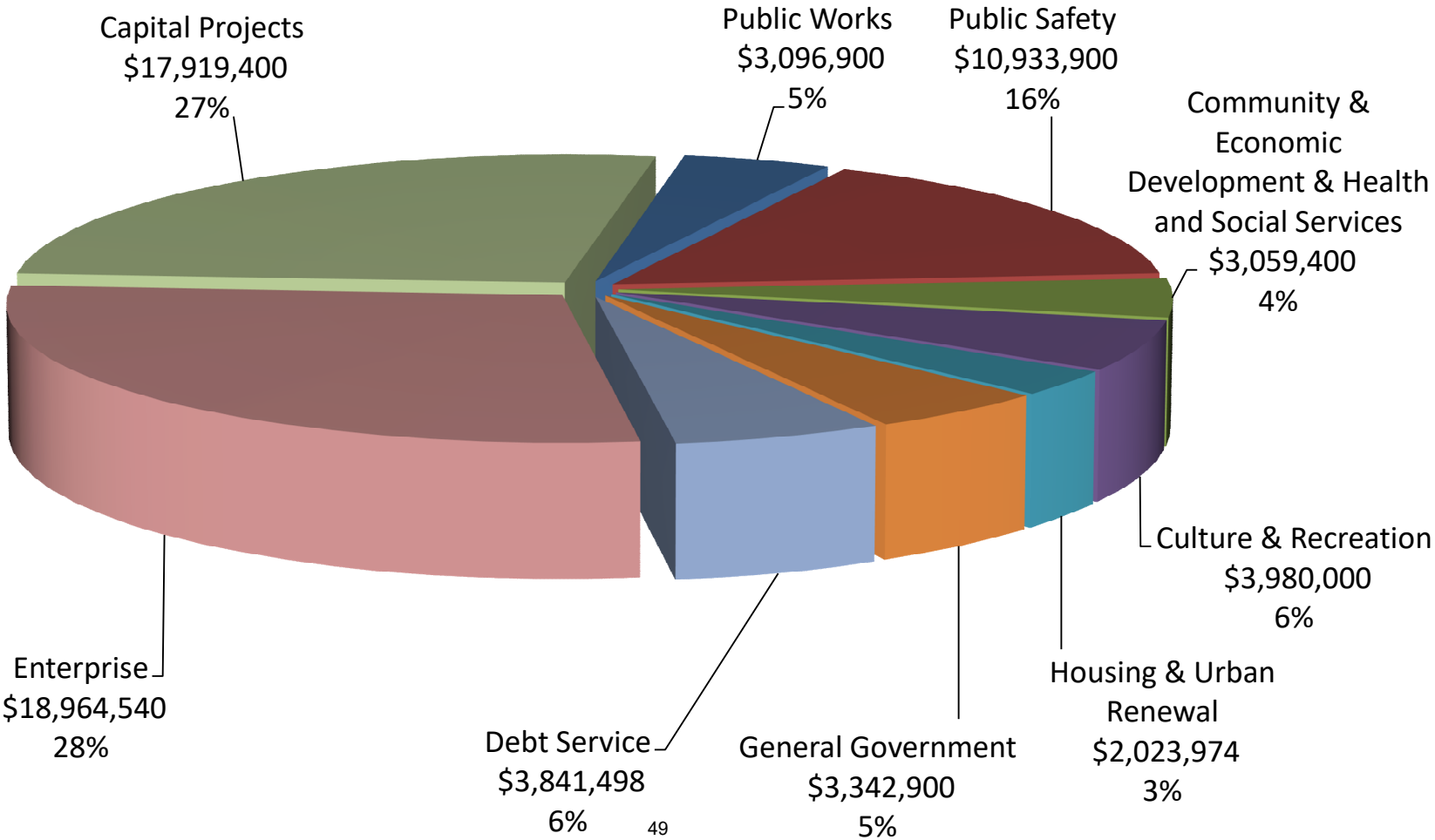
Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)
Budget 2021/2022 - $58,151,312



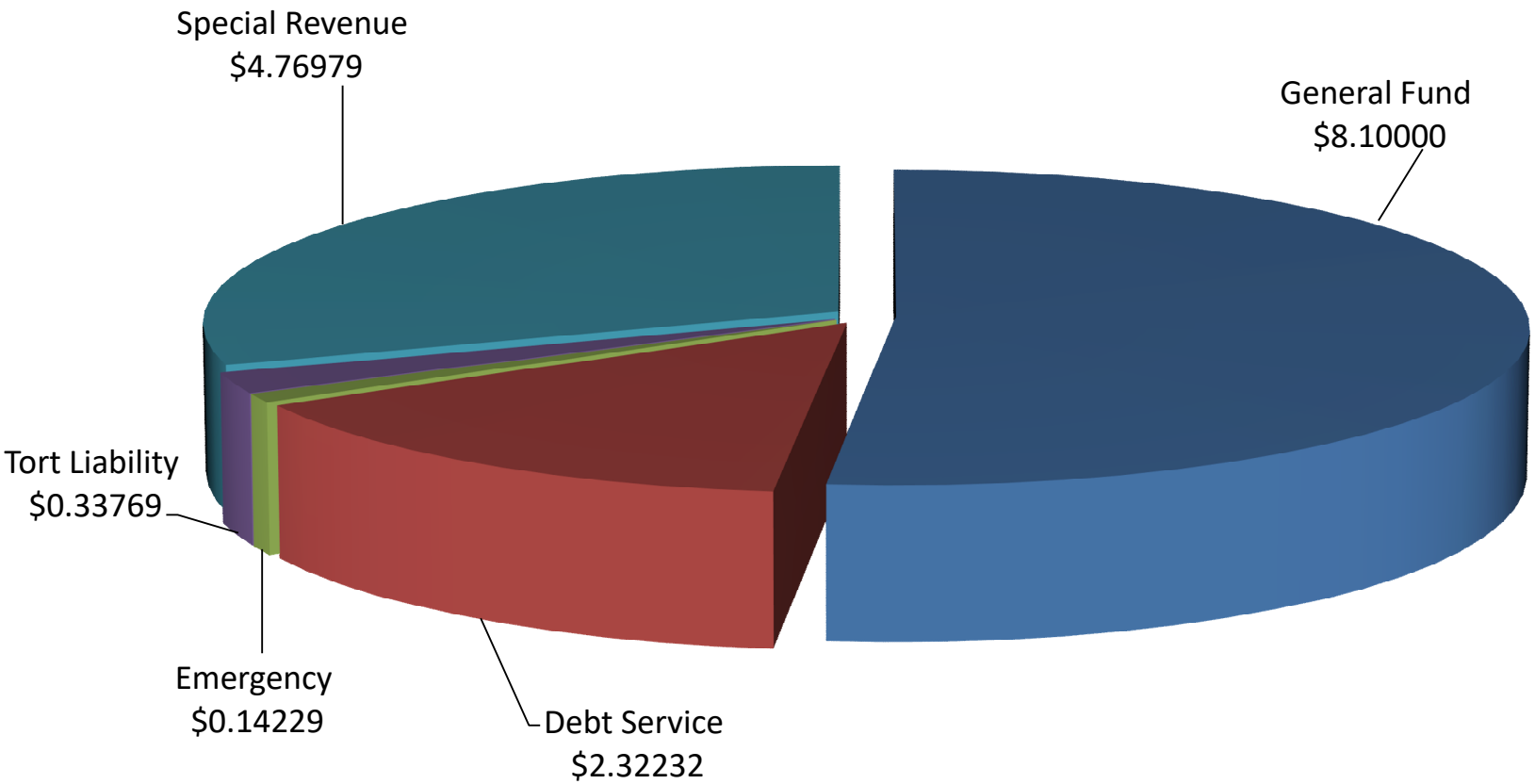
How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)
Budget 2021/2022 - $67,162,512



City Tax Levy Rates by Type

FY 2021/2022
Total $15.67209/$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?

$0.411
City of Muscatine

$0.354
Muscatine Schools

$0.235
Muscatine County

Above tax levy allocation reflects fiscal year 2020/2021 rates which total $38.15439 per $1,000 valuation. Tax levy rates for fiscal year 2021/2022 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 2019/2020 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				
	General	Employee Benefits	Local Option Sales Tax	Road Use Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection	Other Non-Major Funds	Total
Projected Beginning Balance, July 1, 2021	$ 4,738,314	$ 169,279	$ 258,278	$ 1,203,329	$ 78,363	$ 2,005,720	$ 327,210	$ 144,729	$ 18,399,259	$ 27,324,481
Revenues and Other Sources										
Property Taxes	$ 7,936,998	$ 4,483,824	$ -	$ -	$ 2,355,196	$ -	$ -	$ -	$ 2,498,159	$ 17,274,177
Other City Taxes	939,202	17,076	3,208,900	-	8,309	-	-	-	511	4,173,998
Licenses and Permits	277,400	-	-	-	-	2,400	-	-	18,000	297,800
Intergovernmental	834,207	186,768	-	3,013,100	90,883	-	-	-	3,935,019	8,059,977
Charges for Services	850,500	-	-	-	-	5,585,000	2,113,400	2,369,500	6,546,300	17,464,700
Use of Money and Property	147,300	-	500	-	500	8,000	62,000	-	944,810	1,163,110
Other Revenue	1,479,000	-	-	-	-	73,500	8,300	6,800	4,501,350	6,068,950
Other Financing Sources										
Transfers In	9,985,982	-	641,800	-	445,850	-	42,000	-	3,039,815	14,155,447
Total Revenues and Other Sources	$ 22,450,589	$ 4,687,668	$ 3,851,200	$ 3,013,100	$ 2,900,738	$ 5,668,900	$ 2,225,700	$ 2,376,300	$ 21,483,964	$ 68,658,159
Funds Available	$ 27,188,903	$ 4,856,947	$ 4,109,478	$ 4,216,429	$ 2,979,101	$ 7,674,620	$ 2,552,910	$ 2,521,029	$ 39,883,223	$ 95,982,640
Expenditures and Other Uses										
Public Safety	$ 10,803,900	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 130,000	$ 10,933,900
Public Works	3,096,900	-	-	-	-	-	-	-	-	3,096,900
Health and Social Services	50,000	-	-	-	-	-	-	-	-	50,000
Culture and Recreation	3,760,100	-	-	-	-	-	-	-	219,900	3,980,000
Community and Economic Development	1,030,500	-	-	-	-	-	-	-	4,002,874	5,033,374
General Government	3,292,900	-	-	-	-	-	-	-	50,000	3,342,900
Debt Service	-	-	-	-	2,900,738	-	-	-	940,760	3,841,498
Business Type/Internal Service	-	-	-	-	-	3,776,400	2,191,500	2,400,300	11,933,340	20,301,540
Other Financing Uses										
Transfers Out	403,500	4,856,947	3,850,700	3,445,500	-	1,634,465	200,000	-	3,698,935	18,090,047
Total Expenditures and Other Uses	$ 22,437,800	$ 4,856,947	$ 3,850,700	$ 3,445,500	$ 2,900,738	$ 5,410,865	$ 2,391,500	$ 2,400,300	$ 20,975,809	$ 68,670,159
Projected Ending Balance, June 30, 2022	$ 4,751,103	$ -	$ 258,778	$ 770,929	$ 78,363	$ 2,263,755	$ 161,410	$ 120,729	$ 18,907,414	$ 27,312,481
Increase (Decrease) in Fund Balance	$ 12,789	$ (169,279)	$ 500	$ (432,400)	$ -	$ 258,035	$ (165,800)	$ (24,000)	$ 508,155	$ (12,000)
Percent Change in Fund Balance	0.3%	-100.0%	0.2%	-35.9%	0.0%	12.9%	-50.7%	-16.6%	2.8%	0.0%
Percent Ending Fund Balance of Expenditures	21.2%	0.0%	6.7%	22.4%	2.7%	41.8%	6.7%	5.0%	90.1%	39.8%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to increase by $12,789 (.3%) during fiscal year 2021/2022. The budgeted ending balance is 21.2% of expenditures for the year. In November of 2013 the City Council adopted a new General Fund balance policy which provides that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget for 2021/2022 with the ending balance of 21.2% of General fund expenditures more than meets this new minimum fund balance target amount.

Employee Benefits Special Revenue Fund:

This fund accounts for a separate tax levy which funds employee pension and benefit costs for General Fund employees. Each year the City projects employee benefit costs when setting this levy. Due to prior year employee benefit costs being less than budgeted, there will be an estimated $169,279 beginning fund balance for 2021/2022. The Employee Benefits tax levy for 2021/2022 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2021/2022. This resulted in the zero balance budgeted in this fund at the end of 2021/2022, 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 increase by $500 (.2%) for 2021/2022. 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 5-A of the West Hill Sewer Separation project is scheduled for construction in calendar year 2021 and Phase 5-B is scheduled to begin in calendar year 2022. 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 $432,400 (35.9%) to $770,929 at the end of 2021/2022. This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2021/2022.

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 balance in the Debt Service fund is budgeted to be maintained at $78,363 for 2021/2022.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to increase by $258,035 (12.9%) in 2021/2022. This increase in fund balance is partially due to an increase in revenues from the new High Strength Waste operation. The 2021/2022 budgeted ending balance is 41.8% 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 $327,210 in 2021/2022 and that balance is budgeted to decrease by $165,800 to $161,410 by the end of 2021/2022. This fund has had deficit ending balances in recent years due to capital outlay purchases. Capital purchases are critical to the efficient operation of the Transfer Station and the 2021/2022 budget includes $78,000 for a transfer trailer, $30,000 for a replacement pickup, and $34,000 to replace four lift station pumps. The 2021/2022 budget also allows for $200,000 of the fund balance to be used towards the cost of replacing the tipping floor. The remaining costs of $450,000 for the tipping floor will be funded from the spring 2022 bond issue.

Refuse Collection:

The Refuse Collection fund is budgeted to decrease by $24,000 (16.6%) in 2021/2022. The decrease in fund balance is due capital outlay purchases. The 2021/2022 budget includes $170,000 for a rear-load refuse vehicle while the 2020/2021 budget included $260,000 for an additional automated 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 refuse vehicles. Those rates will remain in effect in 2021/2022.

Non-Major Funds:

The fund balance of non-major funds combined is expected to increase by $508,155 (2.8%) during 2021/2022. 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 $402,000 increase in the West Hill Sewer Reserve.

BUDGET SUMMARY SCHEDULES -

OPERATING FUNDS

City of Muscatine
Operating Funds
Budget Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 24,805,841	$ 27,614,482	$ 24,573,641	$ 27,974,524	$ 27,324,481
Revenues and Other Sources					
Property Taxes	$ 15,900,251	$ 16,504,174	$ 16,805,772	$ 16,757,172	$ 17,274,177
Other City Taxes	4,275,606	4,036,376	4,187,228	4,612,628	4,173,998
Licenses and Permits	463,112	323,073	463,300	266,600	297,800
Intergovernmental	7,639,412	8,348,473	7,921,912	9,012,295	8,059,977
Charges for Services	16,085,667	16,301,108	17,558,000	16,917,600	17,464,700
Use of Money and Property	1,468,903	1,540,904	1,374,410	1,135,010	1,163,110
Other Revenue	5,962,070	5,902,288	5,862,450	6,027,600	6,068,950
Other Financing Sources					
Transfers In	12,118,965	11,895,356	13,271,551	13,320,124	14,155,447
Total Revenues and Other Sources	$ 63,913,986	$ 64,851,752	$ 67,444,623	$ 68,049,029	$ 68,658,159
Funds Available	$ 88,719,827	$ 92,466,234	$ 92,018,264	$ 96,023,553	$ 95,982,640
Expenditures and Other Uses					
Public Safety	$ 10,187,755	$ 9,886,458	$ 10,632,700	$ 10,677,900	$ 10,933,900
Public Works	2,778,826	3,006,259	3,015,500	2,756,300	3,096,900
Health and Social Services	50,000	50,000	50,000	50,000	50,000
Culture and Recreation	3,591,987	3,568,254	3,711,100	3,760,600	3,980,000
Community and Economic Development	4,399,258	4,836,175	4,896,670	4,798,040	5,033,374
General Government	2,738,483	3,108,383	3,129,900	3,025,170	3,342,900
Debt Service	4,031,649	4,058,775	3,975,933	3,977,237	3,841,498
Business Type/Internal Service	17,664,850	17,652,282	20,070,930	20,160,360	20,301,540
Other Financing Uses					
Transfers Out	15,662,537	18,325,124	17,006,688	19,493,465	18,090,047
Total Expenditures and Other Uses	$ 61,105,345	$ 64,491,710	$ 66,489,421	$ 68,699,072	$ 68,670,159
Ending Balance, June 30	$ 27,614,482	$ 27,974,524	$ 25,528,843	$ 27,324,481	$ 27,312,481

City of Muscatine
Operating Funds
Fund Statement

Fund	Estimated Balance (Deficit) 7/1/21	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/222
General	$ 4,738,314	$ 22,450,589	$ 22,437,800	$ 4,751,103
Enterprise:				
Airport Operations	7,100.00	139,400	146,500	0
Transit System	457,998	1,293,700	1,328,200	423,498
Parking System	13,729	173,300	180,700	6,329
Golf Course	(24,652)	845,700	800,500	20,548
Boat Harbor Operations	100	22,800	22,800	100
Marina Operations	(4,551)	12,100	11,700	(4,151)
Ambulance Operations	366,247	1,981,900	2,220,300	127,847
Convention & Visitors Bureau	139,879	62,600	128,900	73,579
Soocer Events	87,756	74,200	70,800	91,156
Refuse Collection	144,729	2,376,300	2,400,300	120,729
Landfill Operations	1,605,470	1,303,000	1,166,500	1,741,970
Landfill Surcharge Reserve Part I	0	20,000	20,000	0
Landfill Surcharge Reserve Part II	0	42,000	42,000	0
Landfill Post-Closure Reserve	1,119,215	49,900	0	1,169,115
Landfill Closure Reserve	1,496,741	159,400	0	1,656,141
Transfer Station Operations	327,210	2,225,700	2,391,500	161,410
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	2,005,720	5,668,900	5,410,865	2,263,755
Collection and Drainage	723,511	1,483,600	1,558,900	648,211
WPCP Replacement Reserve	1,056,816	402,000	0	1,458,816
West Hill Sewer Reserve	4,191,241	415,000	0	4,606,241
Sewer Revenue Bond Sinking Fund	129,713	943,515	940,760	132,468
Sewer Extension and Improvement Reserve	1,326,171	370,000	0	1,696,171
Special Revenue:				
Employee Benefits	169,279	4,687,668	4,856,947	0
Emergency Levy	546,689	139,735	439,735	246,689
Road Use Tax	1,203,329	3,013,100	3,445,500	770,929
Community Block Grant	29,221	100	3,500	25,821
Tax Increment - Downtown	9,782	213,500	213,400	9,882
Tax Increment - Southend	554,022	1,151,500	1,106,800	598,722
Tax Increment - Cedar Development	66,346	200	0	66,546
Tax Increment - Highway 38 NE	14,997	44,000	44,000	14,997
Tax Increment - Heinz	4,784	0	0	4,784
Tax Increment - Fridley Theatre	37,582	68,100	68,000	37,682
Tax Increment - Riverview Hotel Dev.	1,018	680,000	680,000	1,018
Tax Increment - North University	7,869	80,000	80,000	7,869
Tax Increment - White Distribution & Supply	5,100	54,000	54,000	5,100
Tax Increment - Hershey Building	0	75,000	75,000	0
Downtown Reinvestment District	0	200,000	200,000	0
Small Business Forgivable Loan Program	0	100,000	100,000	0
Small Business Forgive Loan Code Compliance	0	50,000	50,000	0
Small Business Forgive Loan 2nd St. Facade Program	0	100,000	100,000	0
Local Option Sales Tax	258,278	3,851,200	3,850,700	258,778
Equipment Replacement	77,390	257,600	239,000	95,990
Computer Replacement	23,340	50,000	65,000	8,340
Public Housing Operations	509,955	911,660	983,740	437,875
Section 8 Voucher Program	210,452	1,918,854	1,972,674	156,632
Home Ownership Program	45,374	41,100	41,700	44,774
Sunset Park Education Center	5,577	9,600	9,600	5,577
Police Forfeiture Fund	5,930	5,000	5,000	5,930
Trust and Agency:				
Perpetual Care Fund	896,890	5,000	0	901,890
Perpetual Care Interest Trust	0	4,500	4,500	0
Cemetery Special Trusts	51,982	1,000	1,800	51,182
Library Trusts	26,394	42,200	27,100	41,494
Art Center Trusts	482,154	16,100	86,000	412,254
Debt Service:				
General Obligation	78,363	2,900,738	2,900,738	78,363
Internal Service/Other:				
Equipment Services	113,553	1,339,300	1,337,000	115,853
Dental Insurance	86,099	165,800	165,200	86,699
Health Insurance	1,860,450	3,966,000	4,184,500	1,641,950
Total *	$ 27,324,481	$ 68,658,159	$ 68,670,159	$ 27,312,481

*Includes interfund transactions.

City of Muscatine
Operating Funds
Revenue Summary

Fund	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
General	$ 19,996,405 *	$ 20,443,793 *	$ 21,668,294	$ 21,255,853	$ 22,450,589
Enterprise:					
Airport Operations	104,746	102,903	122,100	133,500	139,400
Transit System	979,384	1,098,485	1,163,826	1,503,263	1,293,700
Parking System	198,892	169,316	210,700	151,300	173,300
Golf Course	683,472 *	765,776	818,400	837,500	845,700
Boat Harbor Operations	20,800	20,034	22,000	83,400	22,800
Marina Operations	7,302	6,472	12,100	12,100	12,100
Ambulance Operations	1,642,380	2,175,208	1,867,000	1,954,000	1,981,900
Convention & Visitors Bureau	135,194	127,424	127,200	99,700	62,600
Soccer Events Fund	61,885	14,535 *	75,300	70,200	74,200
Refuse Collection	2,344,343	2,440,302	2,364,500	2,418,900	2,376,300
Landfill Operations	1,542,375	1,362,155	1,376,400	1,303,000	1,303,000
Landfill Surcharge Reserve Part I	22,223	19,819	21,000	20,000	20,000
Landfill Surcharge Reserve Part II	46,669	41,619	44,100	42,000	42,000
Landfill Post-Closure Reserve	47,288	49,940	47,300	49,900	49,900
Landfill Closure Reserve	155,233	159,393	155,200	159,400	159,400
Transfer Station Operations	2,434,628	2,288,662	2,339,000	2,225,400	2,225,700
Water Pollution Control	5,018,441 *	5,338,572	5,830,000	5,466,900	5,668,900
Collection and Drainage	1,408,516	1,495,159	1,490,600	1,458,000	1,483,600
WPCP Replacement Reserve	769,328	458,888	415,000	405,000	402,000
West Hill Sewer Reserve	464,179	466,271	450,000	415,000	415,000
Sewer Revenue Bond Sinking Fund	988,680	931,909	939,516	934,016	943,515
Sewer Extension and Improvement Reserve	398,303	391,218	380,000	371,000	370,000
Special Revenue:					
Employee Benefits	4,315,681	4,259,847	4,513,291	4,494,807	4,687,668
Emergency Levy	1,708	1,575	1,200	561,700	139,735
Road Use Tax	3,078,675	3,122,915	3,013,100	3,013,100	3,013,100
Community Block Grant	627	578	300	100	100
Tax Increment - Downtown	210,196	205,210	245,800	241,500	213,500
Tax Increment - Southend	1,564,124	1,531,467	1,445,000	1,410,500	1,151,500
Tax Increment - Cedar Development	267,987	1,226	500	200	200
Tax Increment - Highway 38 NE	16,070	56,847	42,100	41,500	44,000
Tax Increment - Heinz	12,078	7,847	100	0	0
Tax Increment - Fridley Theatre	73,833	73,718	70,100	69,100	68,100
Tax Increment - Riverview Hotel Dev.	0	600,421	660,000	639,500	680,000
Tax Increment - North University	0	81,242	72,000	70,900	80,000
Tax Increment - White Distribution & Supply	0	0	54,000	53,200	54,000
Tax Increment - Hershey Building	0	0	0	0	75,000
Downtown Reinvestment District	110,274	162,673	300,000	175,000	200,000
Small Business Forgivable Loan Program	120,766	337,114	100,000	100,300	100,000
Small Business Forgive Loan Code Compliance	0	50,000	50,100	50,100	50,000
Small Business Forgive Loan 2nd St. Facade Program	0	0	100,100	100,000	100,000
Local Option Sales Tax	3,316,123	2,968,743	3,524,100	4,432,800	3,851,200
Equipment Replacement	486,826	264,411	209,700	221,700	257,600
Computer Replacement	81,482	77,202	50,000	50,000	50,000
Public Housing Operations	869,795	1,120,557	961,760	1,003,730	911,660
Section 8 Voucher Program	1,928,159	1,865,585	1,886,870	1,848,700	1,918,854
Home Ownership Program	39,300	27,912	37,500	37,600	41,100
Sunset Park Education Center	19,091	108	9,100	4,150	9,600
Police Forfeiture Fund	36,067	6	5,000	0	5,000
Trust and Agency:					
Perpetual Care Fund	7,516	4,580	5,000	5,000	5,000
Perpetual Care Interest Trust	17,873	19,326	16,700	11,000	4,500
Cemetery Special Trusts	1,245	1,632	1,000	1,000	1,000
Library Trusts	130,996	34,422	23,000	28,100	42,200
Art Center Trusts	62,897	20,240	14,800	13,000	16,100
Debt Service:					
General Obligation	2,817,654	2,929,619	2,845,166	2,827,910	2,900,738
Internal Service/Other:					
Equipment Services	1,225,920	1,036,961	1,331,700	1,325,800	1,339,300
Dental Insurance	168,156	163,510	169,600	161,900	165,800
Health Insurance	3,462,201	3,456,405	3,746,400	3,685,800	3,966,000
Total **	$ 63,913,986	$ 64,851,752	$ 67,444,623	$ 68,049,029	$ 68,658,159

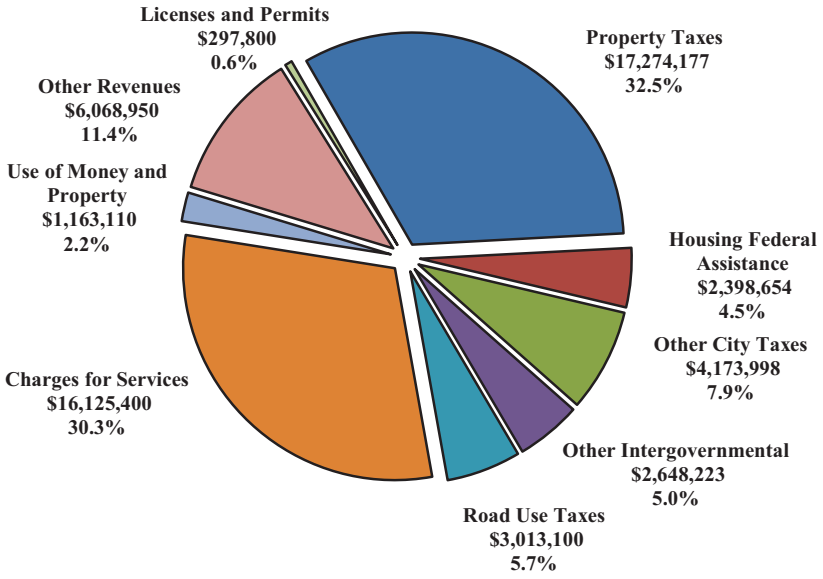
* Includes encumbrance adjustments.
** Includes interfund transactions.

City of Muscatine
Operating Funds
Expenditure Summary

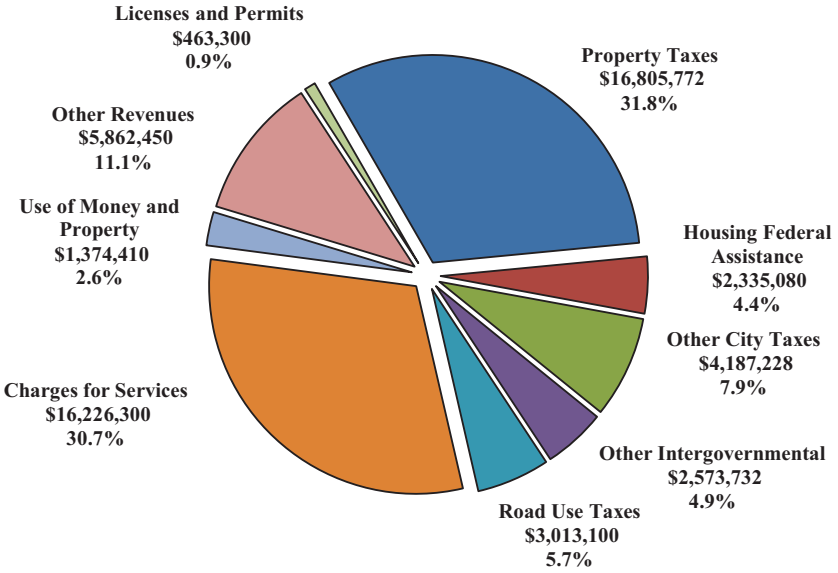
Fund	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Estimate 2020/2021	Budget 2021/2022
General	$ 19,939,462	$ 20,476,055	$ 21,663,626	$ 21,284,963	$ 22,437,800
Enterprise:					
Airport Operations	104,746	102,903	122,100	126,400	146,500
Transit System	1,287,897	976,845	1,300,900	1,423,700	1,328,200
Parking System	208,822	197,258	230,600	183,100	180,700
Golf Course	754,467	783,556	775,000	817,700	800,500
Boat Harbor Operations	20,800	20,034	22,200	83,300	22,800
Marina Operations	5,978	9,297	12,200	12,000	11,700
Ambulance Operations	1,609,677	1,884,313	2,129,200	2,223,600	2,220,300
Convention & Visitors Bureau	115,123	105,767	132,000	128,800	128,900
Soccer Event Fund	49,953	49,441	108,400	21,400	70,800
Refuse Collection	2,184,550	2,281,394	2,414,100	2,479,800	2,400,300
Landfill Operations	1,037,731	1,111,857	1,272,200	1,253,800	1,166,500
Landfill Surcharge Reserve I	22,223	19,819	21,000	20,000	20,000
Landfill Surcharge Reserve II	46,669	41,619	44,100	42,000	42,000
Transfer Station Operations	2,377,985	2,111,985	2,134,037	2,071,041	2,391,500
Water Pollution Control	5,078,655	5,034,378	5,466,366	5,538,966	5,410,865
Collection and Drainage	1,449,053	1,420,241	1,503,000	1,491,300	1,558,900
WPCP Replacement Reserve	0	2,315,109	0	1,185,000	0
West Hill Sewer Reserve	0	0	0	0	0
Sewer Revenue Bond Sinking Fund	987,461	922,220	931,220	931,220	940,760
Sewer Extension and Improvement Reserve	0	30,401	0	498,500	0
Special Revenue:					
Employee Benefits	4,311,411	4,131,873	4,614,941	4,529,461	4,856,947
Emergency Levy	0	0	0	100,000	439,735
Road Use Tax	3,030,657	3,159,658	3,333,400	3,138,800	3,445,500
Community Block Grant	0	100	3,000	2,000	3,500
Tax Increment - Downtown	207,100	246,250	245,000	245,000	213,400
Tax Increment - Southend	1,470,131	1,861,195	1,514,218	1,510,734	1,106,800
Tax Increment - Cedar Development	270,088	0	0	0	0
Tax Increment - Muscatine Mall	32,467	0	0	0	0
Tax Increment - Highway 38 NE	24,616	54,945	42,000	39,900	44,000
Tax Increment - Heinz	11,008	7,262	4,000	3,600	0
Tax Increment - Fridley Theatre	66,978	66,089	70,000	62,300	68,000
Tax Increment - Riverview Hotel Development	0	599,403	660,000	639,500	680,000
Tax Increment - North University	0	77,473	72,000	66,800	80,000
Tax Increment - White Distribution & Supply	0	0	54,000	48,100	54,000
Tax Increment - Hershey Building	0	0	0	0	75,000
Riverview Reinvestment District	110,274	162,673	300,000	175,000	200,000
Small Business Forgivable Loan Program	124,642	306,056	100,000	218,890	100,000
Small Business Forgive Loan Code Compliance	0	20,000	50,100	80,100	50,000
Small Business Forgive Loan 2nd St. Facade Program	0	0	100,100	100,000	100,000
Local Option Sales Tax	3,016,946	3,277,456	3,524,400	4,432,300	3,850,700
Equipment Replacement	623,300	199,306	212,500	235,500	239,000
Computer Replacement	32,974	110,540	50,000	83,170	65,000
Public Housing Operations	793,314	857,095	865,330	915,860	983,740
Section 8 Voucher Program	1,860,699	1,759,633	1,895,070	1,849,650	1,972,674
Home Ownership Program	51,825	34,458	38,500	30,300	41,700
Sunset Education Center	12,875	4,754	10,200	4,100	9,600
Police Forfeiture Fund	29,481	3,808	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Interest Trust	17,873	19,326	16,700	11,000	4,500
Cemetery Special Trusts	1,075	1,154	2,800	1,800	1,800
Library Trusts	103,649	41,469	17,000	57,700	27,100
Art Center Trusts	90,863	4,247	55,500	9,500	86,000
Debt Service:					
General Obligation	2,879,383	2,974,590	2,886,013	2,887,317	2,900,738
Internal Service/Other:					
Equipment Services	1,197,437	1,048,012	1,327,700	1,315,800	1,337,000
Dental Insurance	150,072	145,023	170,200	160,000	165,200
Health Insurance	3,302,955	3,423,370	3,967,500	3,923,300	4,184,500
Total *	$ 61,105,345	$ 64,491,710	$ 66,489,421	$ 68,699,072	$ 68,670,159

* Includes interfund transactions.

All City Operating Revenues By Source
Budget 2021/2022
$53,163,412



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

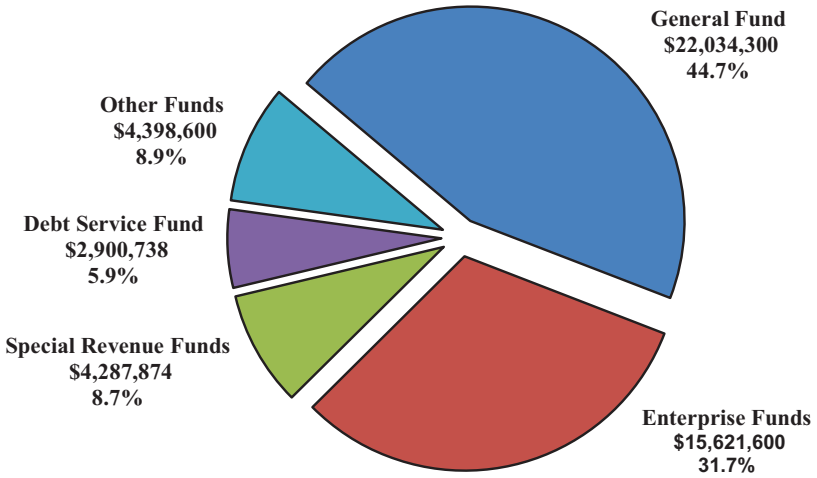


All City Funds Operating Revenues
Reconciliation Information

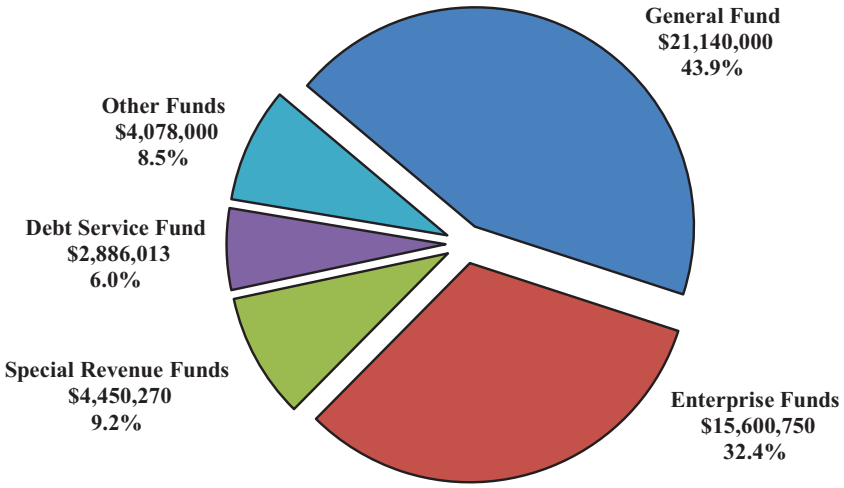
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2020/2021 Budget	2021/2022 Budget
Revenues per Summary Statement	$ 67,444,623	$ 68,658,159
Transfers In:		
General Fund		
Trust and Agency Funds	$ 16,700	$ 4,500
Special Revenue Funds	7,435,541	8,216,482
Health Insurance Fund	64,000	66,000
Tax Increment Funds	202,000	213,400
Enterprise Funds	1,337,800	1,485,600
Debt Service Fund		
Enterprise Funds	90,550	92,950
Tax Increment Funds	346,418	352,900
Equipment Replacement Fund		
General Fund	202,000	250,000
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	1,500
Small Business Forgiveable Loan Programs		
Tax Increment Funds	250,000	250,000
Convention and Visitors Bureau		
General Fund	125,000	62,500
Airport Operations Fund		
General Fund	33,600	41,000
Transit Operations Fund		
General Fund	113,026	0
Landfill Operations		
Landfill Surcharge Reserve	21,000	20,000
Landfill Surcharge Reserves		
Landfill Operations	65,100	62,000
Landfill Closure and Post-Closure Reserves		
Landfill Operations	202,500	209,300
Transfer Station		
Landfill Surcharge Reserve	44,100	42,000
Sewer Reserves		
Water Pollution Control Fund	400,000	400,000
Collection & Drainage Fund	350,000	350,000
Sewer Sinking Fund	932,016	941,515
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	587,200	641,800
Total Transfers In	13,271,551	14,155,447
Non-Budgeted Fund		
Equipment Services Operations	1,331,700	1,339,300
Budgeted Revenues Net of Transfers	$ 52,841,372	$ 53,163,412

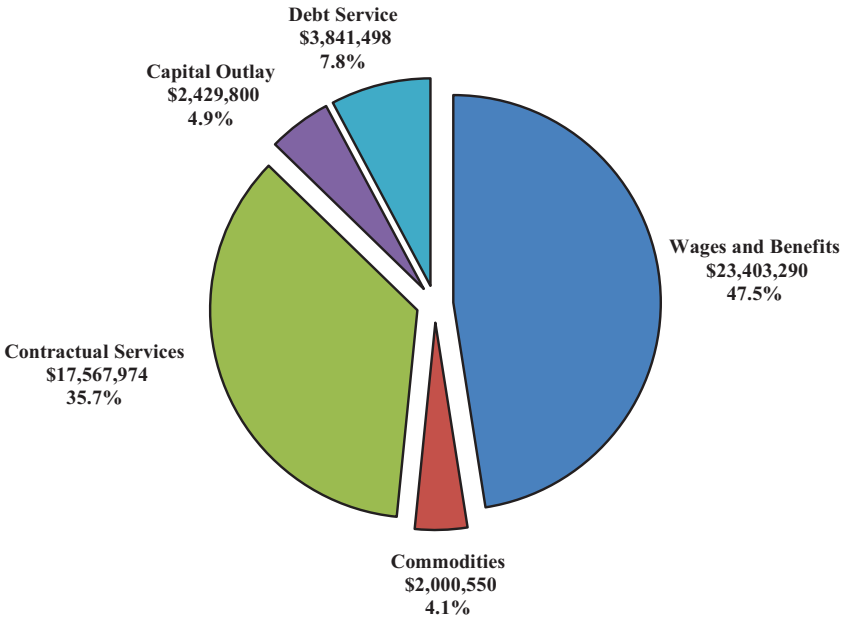
All City Operating Expenditures By Fund
Budget 2021/2022
$49,243,112



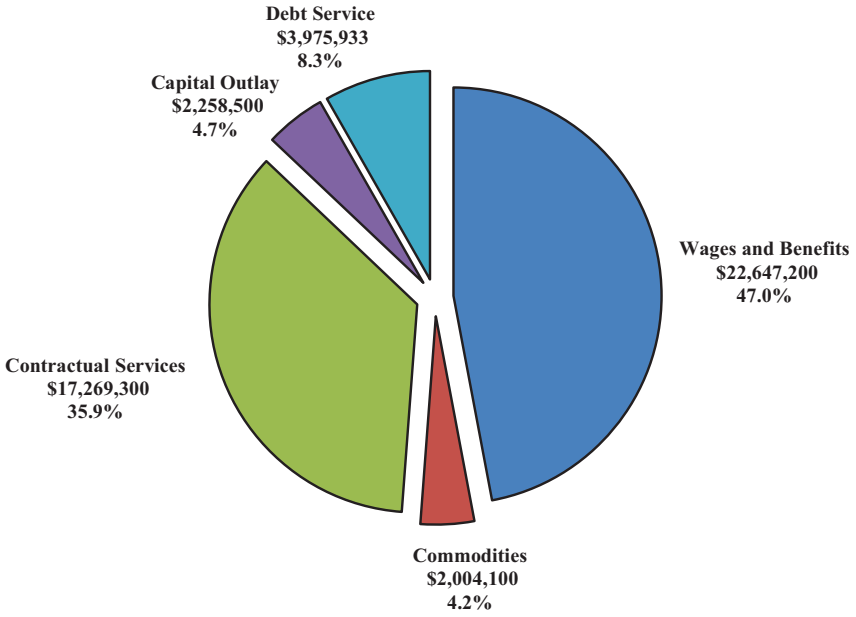
All City Operating Expenditures By Fund
Budget 2020/2021
$48,155,033



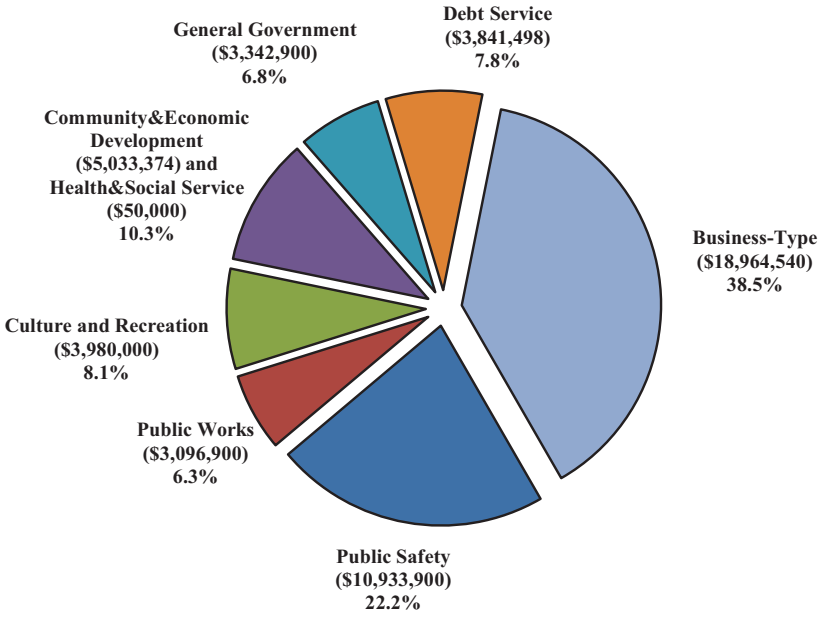
All City Operating Expenditures By Type
Budget 2021/2022
$49,243,112



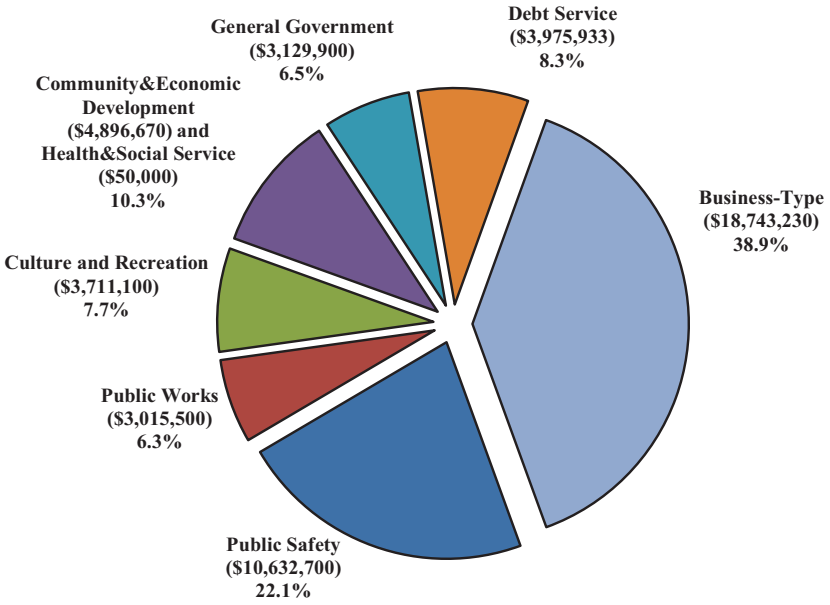
All City Operating Expenditures By Type
Budget 2020/2021
$48,155,033



All City Operating Expenditures By Function *
Budget 2021/2022
$49,243,112



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



* Function descriptions and a matrix of expenditures by function follow these charts.

BUDGET FUNCTIONS

GENERAL GOVERNMENT:

Provides for the operation of the government and assures general administration of the municipality.

PUBLIC SAFETY:

Provides for services to reduce the amount and effects of external harm to individuals and damage to property, and in general to promote an atmosphere of personal security from external events.

CULTURE AND RECREATION:

Promotes the general well being of the City and encourages the fullest development of cultural and educational potentials of the citizens in the community. This function includes the activities of library, art center, parks and recreation, and cemetery.

PUBLIC WORKS:

Provides for safe and well-maintained infrastructure for the City. Activities include public works administration, roadway maintenance, snow and ice control, street cleaning, traffic control, and engineering.

COMMUNITY AND ECONOMIC DEVELOPMENT:

Provides for planning and development of the City including the social, physical, and economic needs of the City. Activities include Community Development, Economic Development, the Section 8 Housing Program, and Tax Increment Funds.

HEALTH AND SOCIAL SERVICES:

Provides for assistance to service agencies involved in providing health and social services to the community. The Economic Well Being activity is the only budget in this function.

DEBT SERVICE:

Provides for the accumulation of resources for and the payment of principal and interest on long-term debt of the City.

BUSINESS TYPE ACTIVITIES:

Provides for activities of the City that are financed in whole, or in part, by fees charged for goods or services. For budget purposes, these activities include the City's enterprise funds and internal service funds.

All City Funds Operating Expenditures
Reconciliation Information

The expenditure charts on the preceding pages are shown net of interfund transfers. The following ia a reconciliation of expenditures per the summary statement to expenditures net of transfers.

	2020/2021 Budget	2021/2022 Budget
Expenditures per Summary Statement	$ 66,489,421	$ 68,670,159
Transfers Out:		
General Fund		
Transit Operations Fund	$ 113,026	$ 0
Airport Operations Fund	33,600	41,000
Equipment Replacement Fund	202,000	250,000
Computer Replacement Fund	50,000	50,000
Convention & Visitors Bureau	125,000	62,500
Trust and Agency Funds		
General Fund	16,700	4,500
Community Block Grant		
Sunset Park Education Center	1,000	1,500
Homeownership Program	2,000	2,000
Special Revenue Funds		
General Fund	7,948,341	8,742,182
Capital Projects Fund	3,524,400	3,850,700
Tax Increment Funds	1,043,418	816,300
Ambulance Fund		
General Fund	1,337,800	1,485,600
Landfill Operations Fund		
Landfill Surcharge Reserve	65,100	62,000
Landfill Closure/Post-Closure Reserve	202,500	209,300
Landfill Surcharge Reserve		
Landfill Operations Fund	21,000	20,000
Transfer Station Fund	44,100	42,000
Transfer Station Operations Fund		
Capital Projects Fund	40,137	200,000
Water Pollution Control Fund		
Debt Service Fund	90,550	92,950
Sewer Reserves	1,532,016	1,541,515
Collection & Drainage		
Sewer Reserves	550,000	550,000
Health Insurance Fund		
General Fund	64,000	66,000
Total Transfers Out	$ 17,006,688	$ 18,090,047
Non-Budgeted Fund		
Equipment Services Operations	1,327,700	1,337,000
Budgeted Expenditures Net of Transfers	$ 48,155,033	$ 49,243,112

City of Muscatine

Matrix of 2021/2022 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	$ 97,800	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 97,800
Legal Services	110,000	0	0	0	0	0	0	0	110,000
City Administrator	447,800	0	0	0	0	0	0	0	447,800
Human Resources	196,700	0	0	0	0	0	0	0	196,700
Wellness Program	66,000	0	0	0	0	0	0	0	66,000
Finance and Records	786,400	0	0	0	0	0	0	0	786,400
Computer Operations	413,400	0	0	0	0	0	0	0	413,400
Risk Management	351,300	0	0	0	0	0	0	0	351,300
Building and Grounds	823,500	0	0	0	0	0	0	0	823,500
Police Operations	0	5,376,300	0	0	0	0	0	0	5,376,300
Animal Control	0	165,200	0	0	0	0	0	0	165,200
Fire Operations	0	5,262,400	0	0	0	0	0	0	5,262,400
Library	0	0	1,204,700	0	0	0	0	0	1,204,700
Cable Television Operations	0	0	25,000	0	0	0	0	0	25,000
Art Center	0	0	436,100	0	0	0	0	0	436,100
Park Administration	0	0	223,100	0	0	0	0	0	223,100
Park Maintenance	0	0	826,100	0	0	0	0	0	826,100
Kent Stein Park	0	0	266,500	0	0	0	0	0	266,500
Soccer Complex	0	0	261,700	0	0	0	0	0	261,700
Swimming Pools	0	0	184,500	0	0	0	0	0	184,500
Recreation	0	0	137,800	0	0	0	0	0	137,800
Cemetery	0	0	194,600	0	0	0	0	0	194,600
Community Development	0	0	0	967,500	0	0	0	0	967,500
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	230,600	0	0	230,600
Roadway Maintenance	0	0	0	0	0	1,523,400	0	0	1,523,400
Traffic Control	0	0	0	0	0	198,400	0	0	198,400
Snow and Ice Control	0	0	0	0	0	448,000	0	0	448,000
Street Cleaning	0	0	0	0	0	202,900	0	0	202,900
Engineering	0	0	0	0	0	493,600	0	0	493,600

(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	146,500	146,500
Transit Operations	0	0	0	0	0	0	0	1,328,200	1,328,200
Parking System	0	0	0	0	0	0	0	180,700	180,700
Golf Course	0	0	0	0	0	0	0	800,500	800,500
Boat Harbor Operations	0	0	0	0	0	0	0	22,800	22,800
Marina Operations	0	0	0	0	0	0	0	11,700	11,700
Ambulance Operations	0	0	0	0	0	0	0	734,700	734,700
Convention and Visitors Bureau	0	0	0	0	0	0	0	128,900	128,900
Soccer Events Operations	0	0	0	0	0	0	0	70,800	70,800
Public Housing	0	0	0	0	0	0	0	983,740	983,740
Refuse Collection	0	0	0	0	0	0	0	2,400,300	2,400,300
Landfill Operations	0	0	0	0	0	0	0	895,200	895,200
Transfer Station	0	0	0	0	0	0	0	2,191,500	2,191,500
Collection and Drainage	0	0	0	0	0	0	0	1,008,900	1,008,900
Water Pollution Control	0	0	0	0	0	0	0	3,776,400	3,776,400
Sewer Sinking Fund	0	0	0	0	0	0	940,760	0	940,760
Special Revenue Funds:									
Equipment Replacement	0	125,000	90,000	24,000	0	0	0	0	239,000
Southend Tax Increment	0	0	0	503,900	0	0	0	0	503,900
Highway 38 NE Tax Increment	0	0	0	44,000	0	0	0	0	44,000
Fridley Theatre Tax Increment	0	0	0	68,000	0	0	0	0	68,000
Riverview Hotel Development Tax Increme	0	0	0	680,000	0	0	0	0	680,000
North Univeristy Tax Increment	0	0	0	80,000	0	0	0	0	80,000
White Distribution & Supply Tax Increment	0	0	0	54,000	0	0	0	0	54,000
Hershey Building Tax Increment	0	0	0	75,000	0	0	0	0	75,000
Riverview Reinvestment District	0	0	0	200,000	0	0	0	0	200,000
Small Business Forgiveable Loan	0	0	0	100,000	0	0	0	0	100,000
Small Business - Code Compliance	0	0	0	50,000	0	0	0	0	50,000
Small Business - 2nd Street Façade	0	0	0	100,000	0	0	0	0	100,000
Section 8 Housing	0	0	0	1,972,674	0	0	0	0	1,972,674
Home Ownership Program	0	0	0	41,700	0	0	0	0	41,700
Sunset Park Children's Education Program	0	0	0	9,600	0	0	0	0	9,600
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	50,000	0	15,000	0	0	0	0	0	65,000
Debt Service Fund	0	0	0	0	0	0	2,900,738	0	2,900,738
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	4,118,500	4,118,500
Dental Insurance Fund	0	0	0	0	0	0	0	165,200	165,200
Trust and Agency Funds:									
Library Trusts	0	0	27,100	0	0	0	0	0	27,100
Cemetery Trust	0	0	1,800	0	0	0	0	0	1,800
Art Center Trusts	0	0	86,000	0	0	0	0	0	86,000
Total	$ 3,342,900	$ 10,933,900	$ 3,980,000	$ 5,033,374	$ 50,000	$ 3,096,900	$ 3,841,498	$ 18,964,540	$ 49,243,112

City of Muscatine
Fulltime Employee Trends

General Fund

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Budget 2020-21	Actual 2020-21	Budget 2021-22	
City Administrator	2.00	2.00	2.00	3.00	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	2.25	1.25	1.25	(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	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.83	5.95	(2)
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	6.23	6.73	6.73	6.73	6.73	6.73	
Police	44.88	44.73	43.73	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	37.50	37.50	37.50	37.50	41.50	41.50	41.50	43.00	47.50	44.75	45.50	(3)
Library (FTE)	15.51	14.95	14.71	14.33	13.76	14.19	13.62	13.22	14.13	12.79	13.66	(4)
Art Center (FTE)	4.25	4.25	4.52	4.70	4.70	4.70	4.70	4.97	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	5.80	5.80	5.80	5.80	5.80	5.80	5.93	6.05	(5)
Kent Stein Park *	1.12	1.12	1.12	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	
Soccer Complex *	1.13	1.13	1.13	1.23	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	6.92	6.92	6.93	7.44	7.42	7.42	7.42	7.58	8.00	7.81	8.00	
Street Cleaning	1.75	1.90	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	2.13	2.19	2.75	2.75	3.75	(6)
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	154.32	153.81	152.85	154.16	157.57	159.88	160.94	162.53	169.92	164.90	167.95	

City of Muscatine
Fulltime Employee Trends

Enterprise / Other Funds

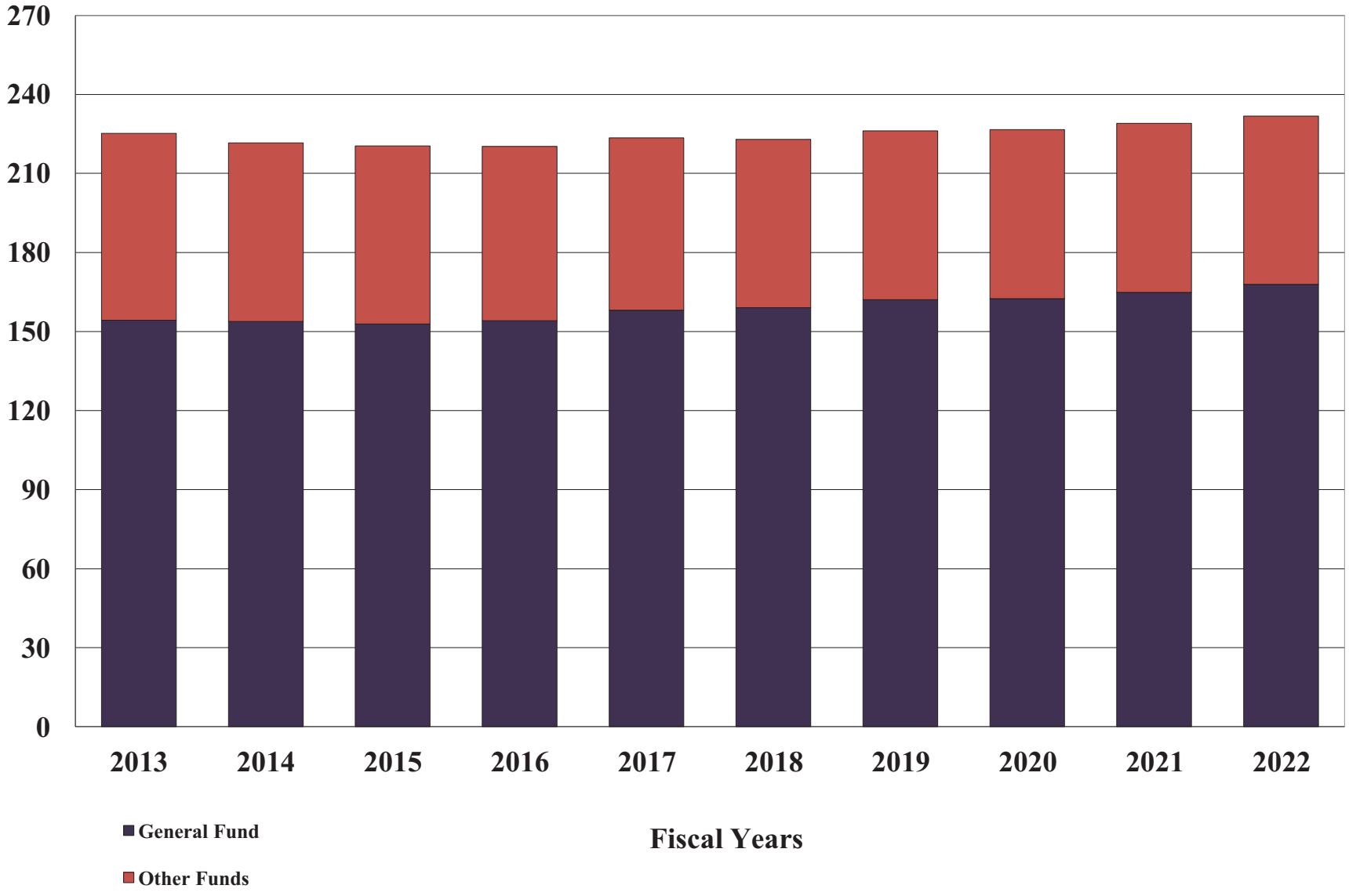
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Actual 2019-20	Budget 2020-21	Actual 2020-21	Budget 2021-22	
Parking System	3.10	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.65	2.40	(7)
Golf Course *	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Boat Harbor Operations	0.25	0.25	0.25	0.25	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	9.56	9.56	9.56	8.98	8.98	9.84	10.02	10.07	10.02	10.07	
Landfill	0.25	0.25	0.25	0.25	0.60	0.60	0.60	0.60	0.60	0.60	0.60	
Transfer Station	3.42	3.42	3.42	3.42	3.15	3.15	3.11	3.08	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	9.75	8.75	8.75	8.75	8.48	8.48	7.48	7.48	7.48	7.48	
Pumping Stations	3.00	3.00	3.00	2.00	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	2.00	2.00	2.00	2.00	
Collection and Drainage	6.53	6.53	6.53	6.53	6.53	6.53	6.28	6.03	6.28	6.28	6.28	
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)	12.25	11.50	12.25	11.77	10.71	10.28	10.28	9.10	9.03	9.24	10.21	(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	70.82	67.77	67.52	66.04	64.48	63.78	64.35	64.07	64.30	64.21	64.98	
Grand Total	225.14	221.58	220.37	220.20	222.05	223.66	225.29	226.60	234.22	229.11	232.93	

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

Position Changes for the 2020/2021 Revised Estimate and 2021/2022 Budget:

1. The 2020/2021 Human Resources budget included a new Human Resources Generalist position; hiring this position was deferred through the 2021/2022 budget due to General Fund financial constraints due to the COVID-19 pandemic.
2. The Finance Office Assistant allocation increased from 25% to 50% effective January, 2021. This 25% allocation was previously in the Parking fund, however, Parking revenues were reduced due to the COVID-19 pandemic.
3. The 2020/2021 Fire department budget included three new Firefighter positions. Hiring of the three new firefighter positions was deferred due to General Fund financial constraints due to the COVID-19 pandemic. The 2021/2022 budget includes one of the three firefighter positions (added as of 4-1-21) but continues to defer hiring the other two positions.
4. The 2020/2021 Library revised estimate reflects reduced part time staff due to the COVID-19 pandemic. The 2021/2022 budget includes a reorganization that resulted in a .47 FTE decrease.
5. The 2020/2021 Park Maintenance budget reflects an increase in the Groundskeeper allocation from 50% to 75%. This position was allocated to the 50% to the Parking fund, however, Parking revenues were reduced due to the COVID-19 pandemic. This allocation also better reflects actual time spent in the park maintenance area.
6. The 2021/2022 Engineering budget includes a new Senior Engineer position.
7. The Parking fund allocations were adjusted due to revenue shortfall from the COVID-19 pandemic. Effective January, 2021, position allocation changes were made, reducing the FTE in this fund by .50. The 2021/2022 budget continues these reduced allocations
8. The 2020/2021 Housing budget allows for additional part time custodial hours for additional cleaning. The 2021/2022 budget includes an additional Housing Specialist. The additional positions are in part funded from CARES Act funds.

Fulltime Employee Trends
Ten Year History



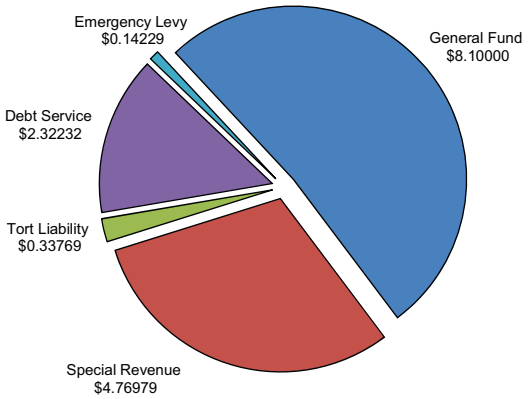
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Year 2020/2021 and 2021/2022

	2020/2021 Budget		2021/2022 Budget				
	Collections	Levy Per $1,000 of Assessed Valuation	Collections	Levy Per $1,000 of Assessed Valuation	Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
General Fund	$ 7,259,768	$ 8.10000	$ 7,614,377	$ 8.10000	0.00%	$ 354,609	4.88%
Transit System	107,436	0.11987	-	-	(100.00%)	(107,436)	(100.00%)
Tort Liability	283,292	0.31608	317,444	0.33769	6.84%	34,152	12.06%
Special Revenue:							
Emergency Levy	-	-	133,759	0.14229		133,759	
Special Revenue:							
Police and Fire Retirement	$ 1,460,387	1.62941	$ 1,609,331	1.71197	5.07%	$ 148,944	10.20%
FICA/IPERS	767,564	0.85640	799,904	0.85092	(0.64%)	32,340	4.21%
Other Employee Benefits	2,062,115	2.30078	2,074,589	2.20690	(4.08%)	12,474	0.60%
Reductions (None)	-	-	-	-		-	
Subtotal	$ 4,290,066	$ 4.78659	$ 4,483,824	$ 4.76979	(0.35%)	$ 193,758	4.52%
Debt Service	2,288,629	2.34955	2,355,196	2.32232	(1.16%)	66,567	2.91%
Levee Improvements	-	-	-	-		-	
Total	$14,229,191	$ 15.67209	$ 14,904,600	$ 15.67209	(0.00%)	$ 675,409	4.75%
Agricultural Land	3,581	3.00375	5,177	3.00355	-0.01%	1,596	44.57%
Grand Total	$14,232,772	$ 15.67209	$ 14,909,777	$ 15.67209	(0.00%)	$ 677,005	4.76%
		$ 3.00375		$ 3.00355			

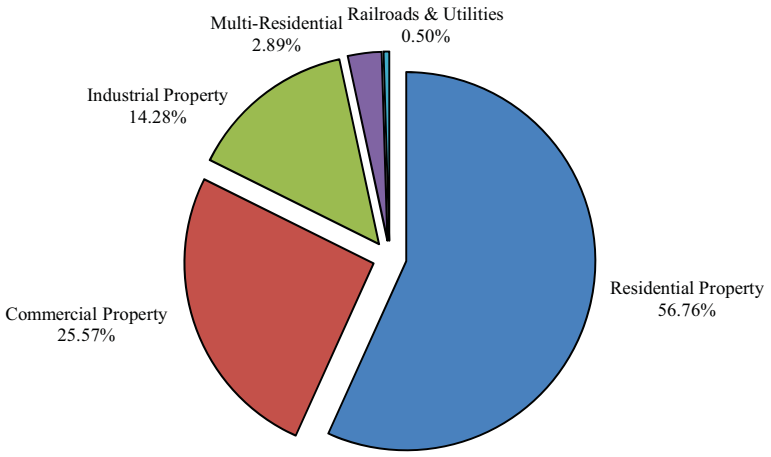
City Tax Levy Rates By Type
Budget 2021/2022
$15.67209
per $1,000 Valuation



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

	January 1, 2019	January 1, 2020	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value	MEMO ONLY Percent Increase (Decrease) in Actual Value
Residential Property (1)	$ 504,040,953	$ 534,375,402	$ 30,334,449	6.02%	3.26%
Commercial Property (2)	230,377,751	240,751,289	10,373,538	4.50%	4.26%
Industrial Property (3)	129,529,216	134,421,623	4,892,407	3.78%	3.75%
Multi-Residential (4)	28,419,164	27,176,056	(1,243,108)	-4.37%	3.00%
Railroads (5)	1,073,088	1,116,979	43,891	4.09%	4.09%
Utilities (6)	4,292,368	3,576,142	(716,226)	-16.69%	-15.46%
Total Valuations	$ 897,732,540	$ 941,417,491	$ 43,684,951	4.87%	3.44%
Less Military Exemptions	1,464,932	1,370,986	(93,946)	-6.41%	
Total Net Valuation	$ 896,267,608	$ 940,046,505	$ 43,778,897	4.88%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	$ 900,098,379	$ 943,626,341	$ 43,527,962	4.86%	

1. Residential taxable valuations realized an increase in the rollback factor from 55.0743% to 56.4094% for January 1, 2020 (an increase of 2.43% 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, January 1, 2019, and January 1, 2020 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, January 1, 2019, and January 1, 2020.
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, 2020 valuations is 67.50%.
5. Railroad property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations remained at 90% for January 1, 2015 and continued at 90% for January 1, 2016 through January 1, 2020.
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.

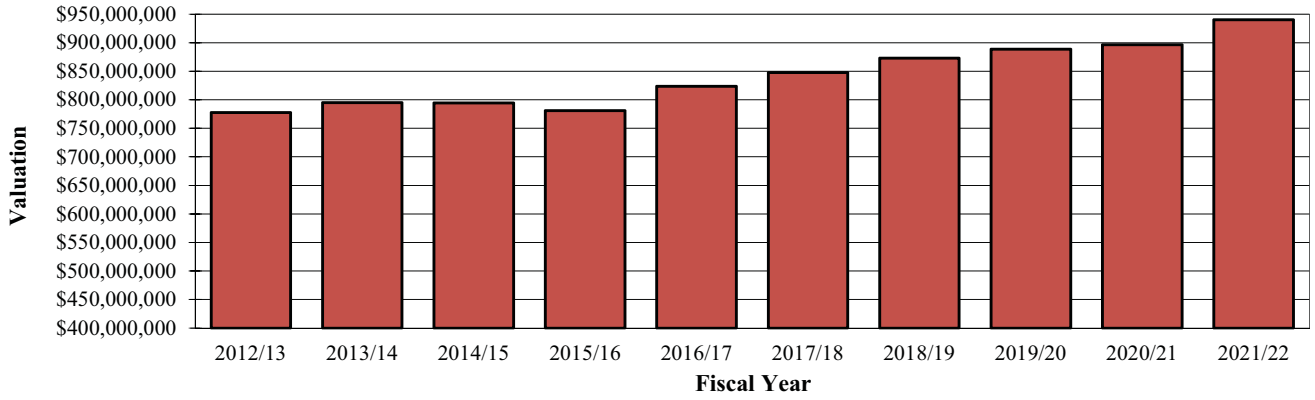


2020 Taxable Valuations by Type
(Valuations Used for 2021/2022 Tax Levy)

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

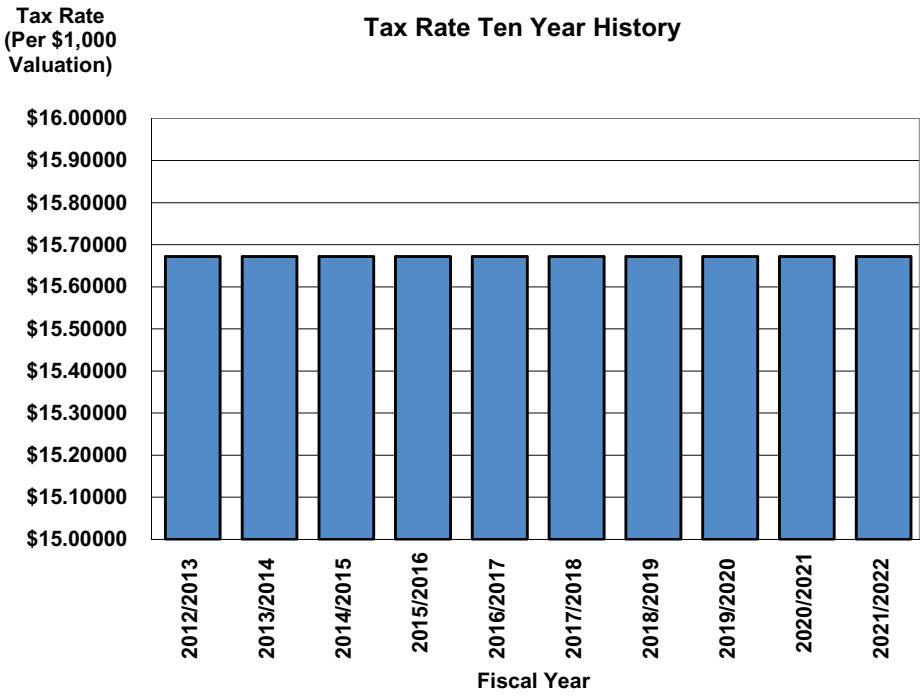
Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
2012/13	772,604,519	7,085,446	2,001,533	777,688,432	878,503
2013/14	790,521,876	6,629,974	1,946,036	795,205,814	908,805
2014/15	790,306,586	5,786,469	1,871,992	794,221,063	1,085,900
2015/16	777,854,524	5,032,917	1,812,242	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
2021/22	936,724,370	4,693,121	1,370,986	940,046,505	1,723,626

Taxable Property Valuation
Ten Year History



City of Muscatine
City Tax Rate History
Fiscal Years 2012/2013 through 2021/2022

Fiscal Year	Tax Rate (Per $1,000 Valuation)	Percent Change
2012/2013	$ 15.67209	0.00%
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%
2021/2022	15.67209	0.00%



Tax Levies by Entity

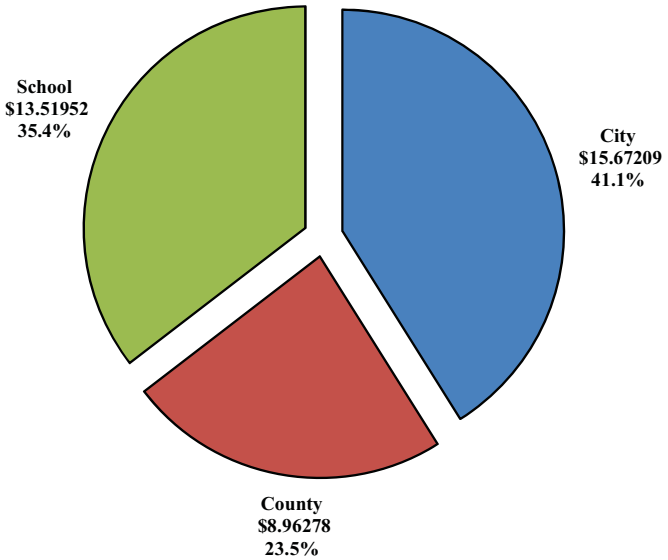
Historical Comparison

Certified Levies Per $1,000 of Valuation

	City	County	School	Total
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
2020/2021	15.67209	8.96278	13.51952	38.15439
Percent of 2020/2021 Total Levy	41.1%	23.5%	35.4%	100.0%
2021/2022 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2021/2022 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity
Fiscal Year 2020/2021
$38.15439 per $1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

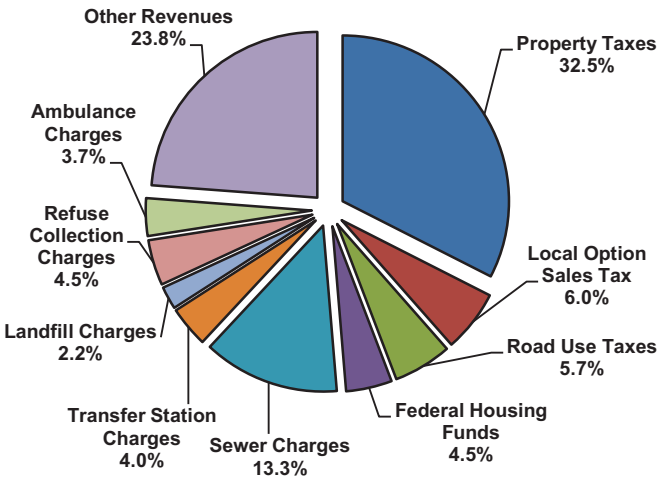
City of Muscatine
Major Revenue Sources
Fiscal Year 2021/2022 Budget

General Information

The City of Muscatine budgeted operating revenues of $53,163,412 for 2021/2022 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 2021/2022 budgeted operating revenues, 76.2% 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.

	2021/2022 Budget	Percent of Total
Property Taxes	$ 17,274,177	32.5%
Local Option Sales Tax	3,208,900	6.0%
Road Use Taxes	3,013,100	5.7%
Federal Housing Funds	2,379,654	4.5%
Sewer Charges	7,047,500	13.3%
Transfer Station Charges	2,109,400	4.0%
Landfill Charges	1,160,800	2.2%
Refuse Collection Charges	2,369,500	4.5%
Ambulance Charges	1,950,000	3.7%
Other Revenues	12,650,381	23.8%
Total Operating Revenues	$ 53,163,412	100.0%

Operating Revenues
Budget 2021/2022



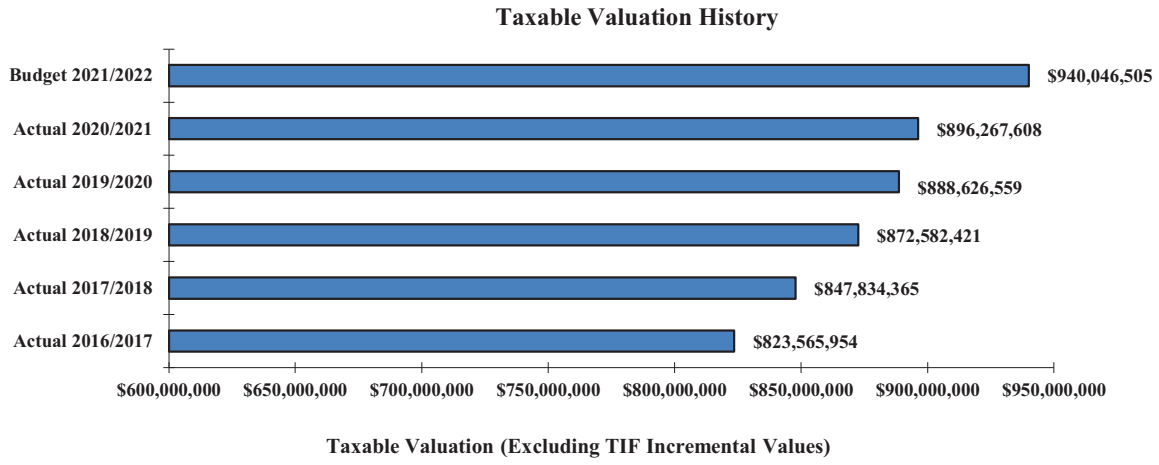
Property Taxes
FY 2021/2022 Budget $17,274,177

General Information

Property taxes comprise 32.5% 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 2021/2022. 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

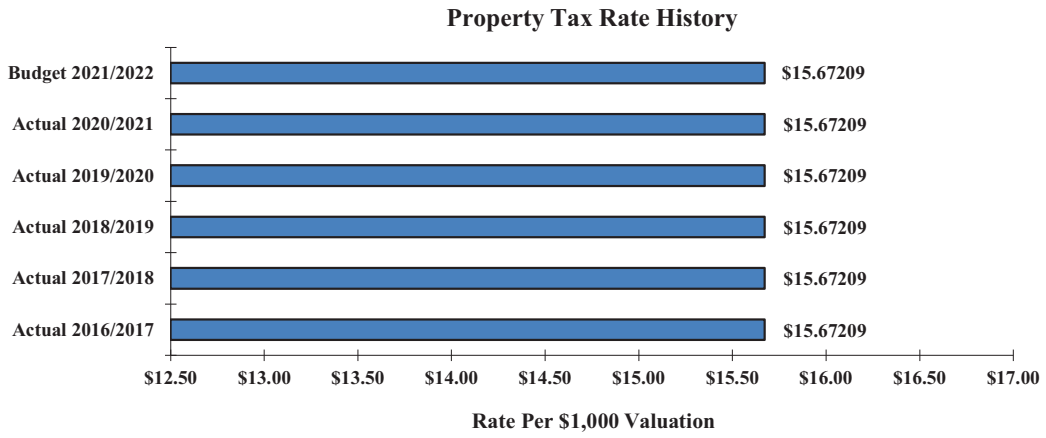


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2021/2022 is $940,046,505, which is $43,778,897 (4.88%) more than the fiscal year 2020/2021 valuation of $896,267,608. 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 2021/2022. 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, rolled back to 67.50% in 2021/2022 and will continue to be rolled back over the next two years until the rollback is equal to the rollback on residential properties. The taxable value

for multi-residential properties for 2021/2022 is $27,176,056, which reflects the 67.50% rollback. Industrial property valuations increased by 3.78%, commercial values increased by 4.50%, and residential property values increased by 6.02% for 2021/2022. The other smaller categories of properties are railroads, which increased in valuation by 4.09%, and utilities, which decreased by 16.69%. Overall, these factors combined to result in the 4.88% overall increase in taxable valuations.

Property Tax Rates



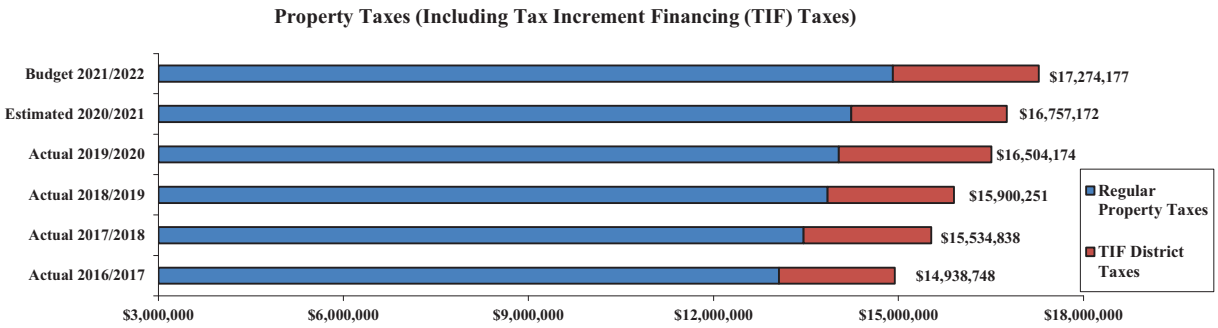
The City's tax rate for 2021/2022 is comprised of five different categories as provided for by the State of Iowa. These include the General Fund, Emergency, Tort Liability, Employee Benefits, and Debt Service.

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 $.27 for the Emergency tax levy. The City is at the maximum rate for the General Fund, but is at less than the maximum for the Emergency 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 2021/2022 was maintained at the same rate as the previous nine years. The increases in the emergency and tort liability levies were offset by decreases in the transit, employee benefits, and debt service tax levy rates.

Property Tax Revenue



Property taxes estimated for 2021/2022 total $17,274,177, including $14,909,777 from regular property tax and $2,364,400 from tax increment financing (TIF) taxes. This is a 4.76% increase in regular property taxes and a 3.09% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2021/2022 Budget $3,208,900

General Information

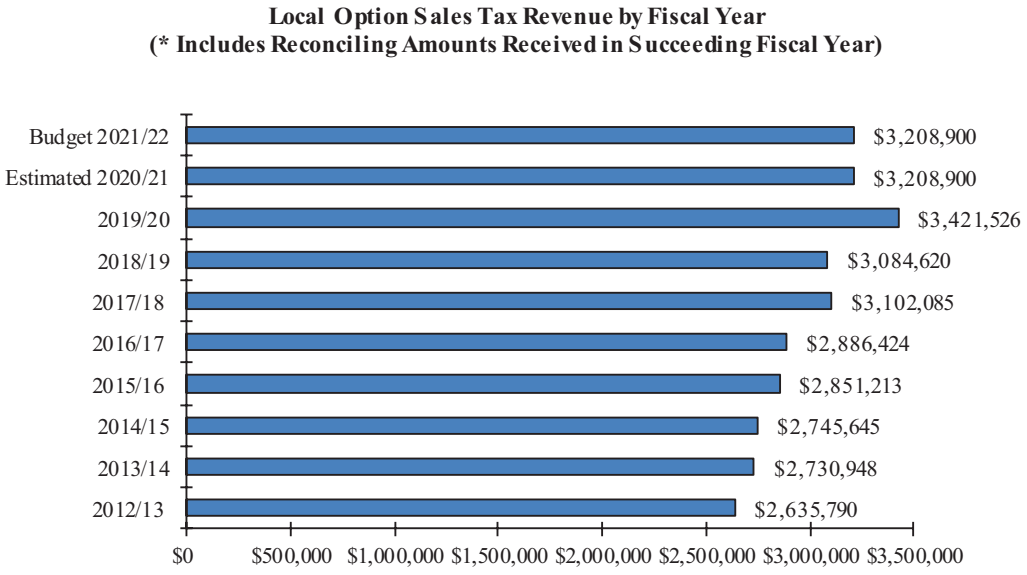
Voters in the City of Muscatine first approved the 1% local option sales tax in 1994 for a five year period from July 1, 1994 through June 30, 1999. Proceeds from this tax were required by the referendum to be used for storm and sanitary sewer projects in the City. In 1998 voters approved the extension 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 2020/2021 and 2021/2022 at the State's most recent projection without a reconciliation amount.

Local Option Tax Revenue Trends



* Both the 2020/21 and 2021/22 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2021/2022 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 disbursements from the State's Road Use Tax Fund.

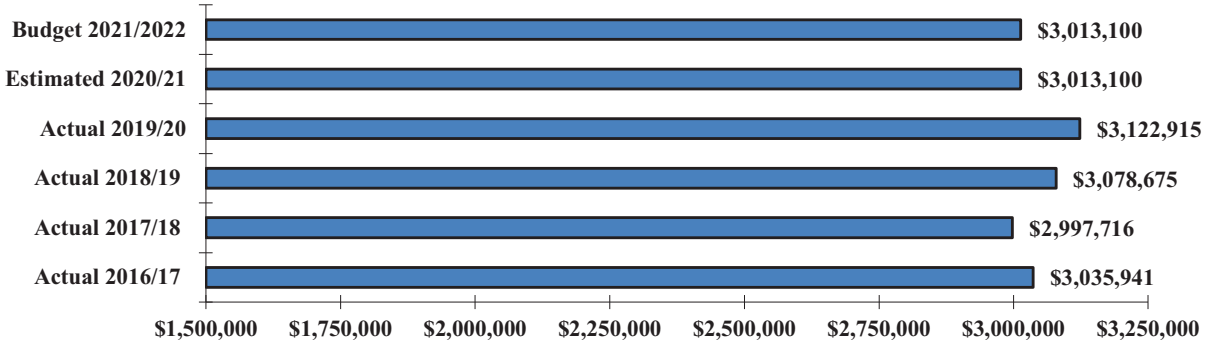
Road Use Tax Revenue Trends

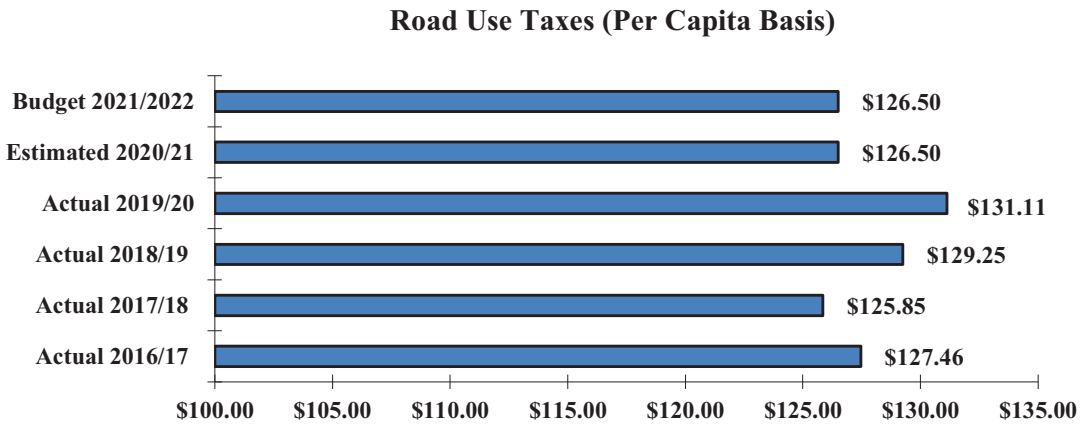
The first chart below shows actual Road Use Tax revenues for the previous four fiscal years and the estimated amounts for the current year and 2021/2022. The second chart shows the actual and estimated per capita tax distribution rates for the same years. The per capita estimate is based on the current 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 $3,013,100 in 2020/2021. This is based on the Iowa Department of Transportation (IDOT) estimate of $127.00 per capita, which has been reduced by $.50 to $126.50 for a conservative budget estimate.

The road use tax distribution for 2021/2022 is 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 2021/2022 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)
Budget 2021/2022
$126.50
Estimated 2020/21
$126.50
Actual 2019/20
$131.11
Actual 2018/19
$129.25
Actual 2017/18
$125.85
Actual 2016/17
$127.46
$100.00
$105.00
$110.00
$115.00
$120.00
$125.00
$130.00
$135.00

Federal Housing Funds
FY 2021/2022 Budget $2,379,654

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 2021 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.

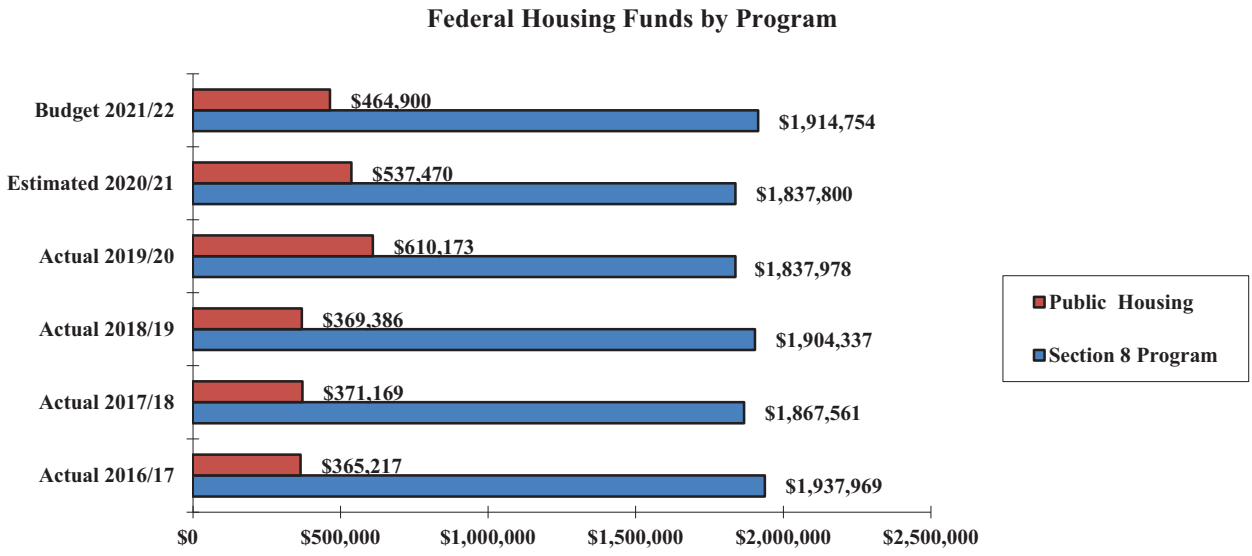
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In 2016/2017 $201,974 of HUD operating subsidy was received, in 2017/2018 the amount was $214,050, in 2018/2019 the amount was $206,938, and in 2019/2020 the amount was $348,041. The subsidies have been estimated at $220,000 for 2020/2021 and $215,000 for 2021/2022.

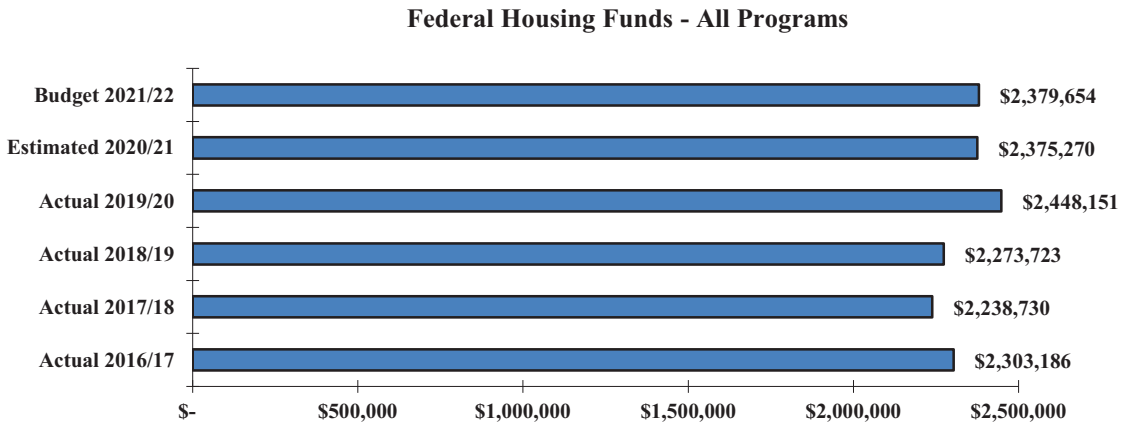
Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City drew down the 2015 allocation of $163,243 in 2016/2017, the 2016 allocation of

$157,119 in 2017/2018, the 2017 allocation of 162,448 in 2018/2019, and the 2018 allocation of $254,018 in 2019/2020. Housing agencies are given two years to obligate each year's capital funding allocation. The 2020/2021 revised estimate reflects drawing down the 2019 grant, which totals $281,200. The 2021/2022 budget reflects drawing down the 2020 allocation of approximately $249,900.

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 2020/2021 and the budgeted amounts for 2021/2022. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.





Sewer Charges for Services
FY 2021/2022 Budget $7,047,500

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 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.

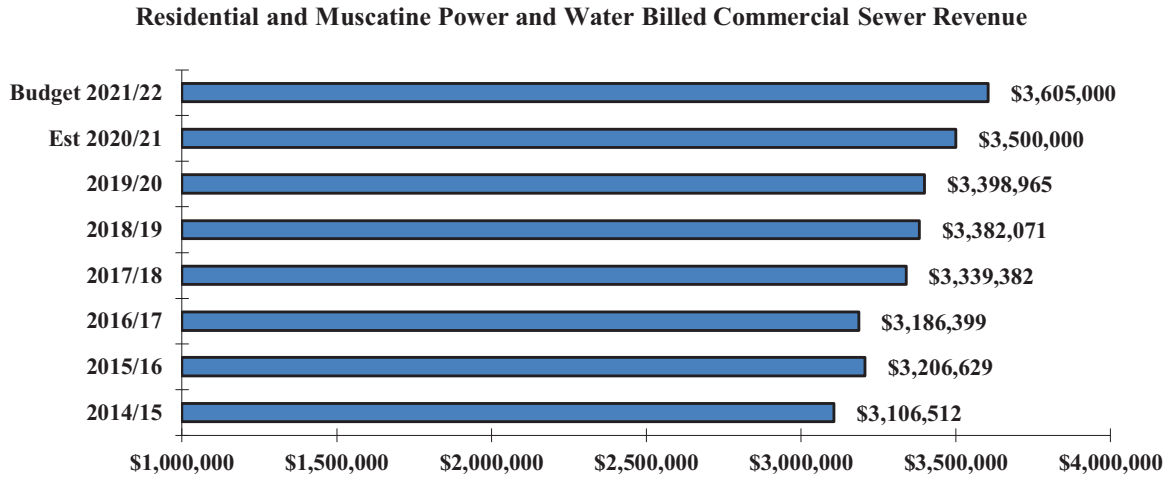
There were several multi-year sewer rate increases since the revised rate structure was implemented. The most recent rate study was completed in 2018. The recommended rates were adopted by ordinance which set rates to be effective July 1, 2018 and annually thereafter for the next four years (through July 1, 2022). 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.

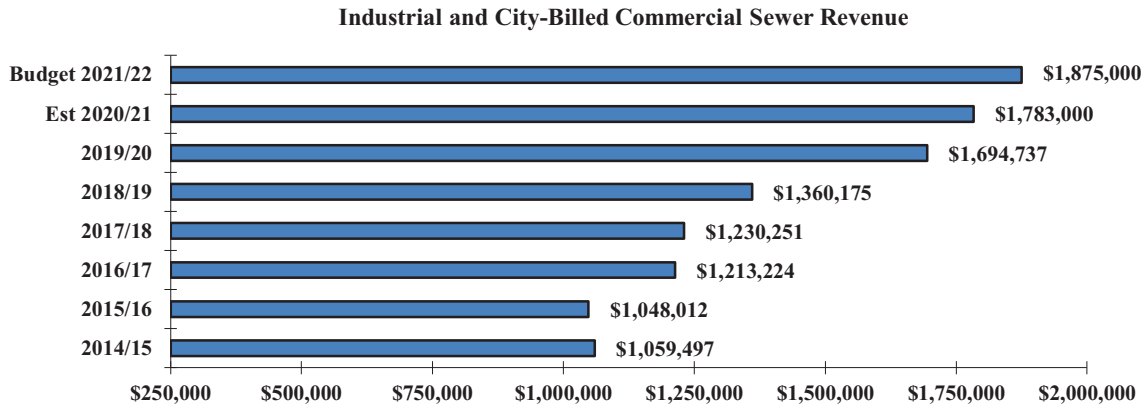
Basis of Revenue Estimates

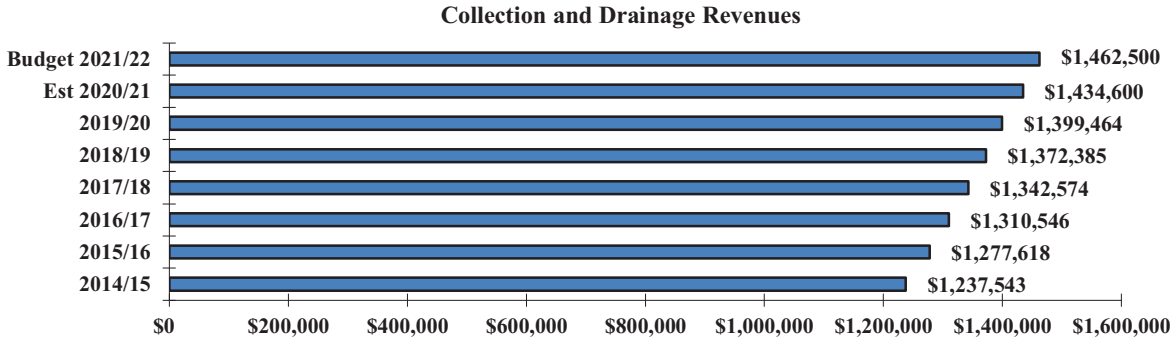
Staff at the Water Pollution Control department reviews historical residential and commercial customer usage to estimate the expected volumes to be received from these classes of customers for the upcoming year. For industrial customers, historical usage is reviewed and staff also contacts the City's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

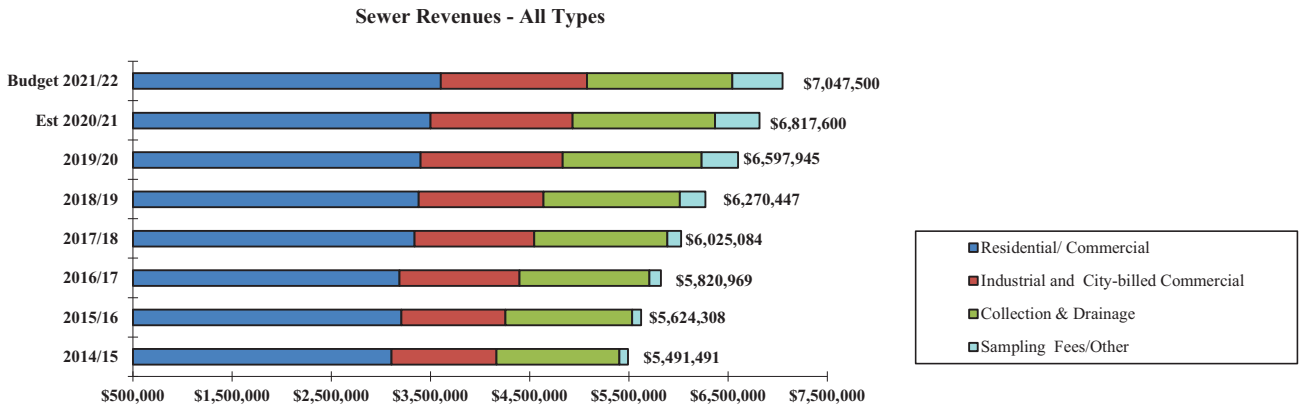
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). As noted above, under the current rate structure the City contracts with Heinz for a guaranteed minimum of sewer revenue. This began in 2003/2004 and will continue through December 31, 2023 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 2020/2021 and the projections for 2021/2022. The High Strength Waste Facility was completed in 2019/2020. Revenues from this operation are estimated at $100,000 for 2020/2021 and $150,000 for 2021/2022.

Sewer Revenue Trends








Sewer Revenues - All Types
Budget 2021/22
Est 2020/21
2019/20
2018/19
2017/18
2016/17
2015/16
2014/15
$7,047,500
$6,817,600
$6,597,945
$6,270,447
$6,025,084
$5,820,969
$5,624,308
$5,491,491
$500,000
$1,500,000
$2,500,000
$3,500,000
$4,500,000
$5,500,000
$6,500,000
$7,500,000
Residential/ Commercial
Industrial and City-billed Commercial
Collection & Drainage
Sampling Fees/Other

Transfer Station Charges for Services
FY 2021/2022 Budget $2,109,400

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

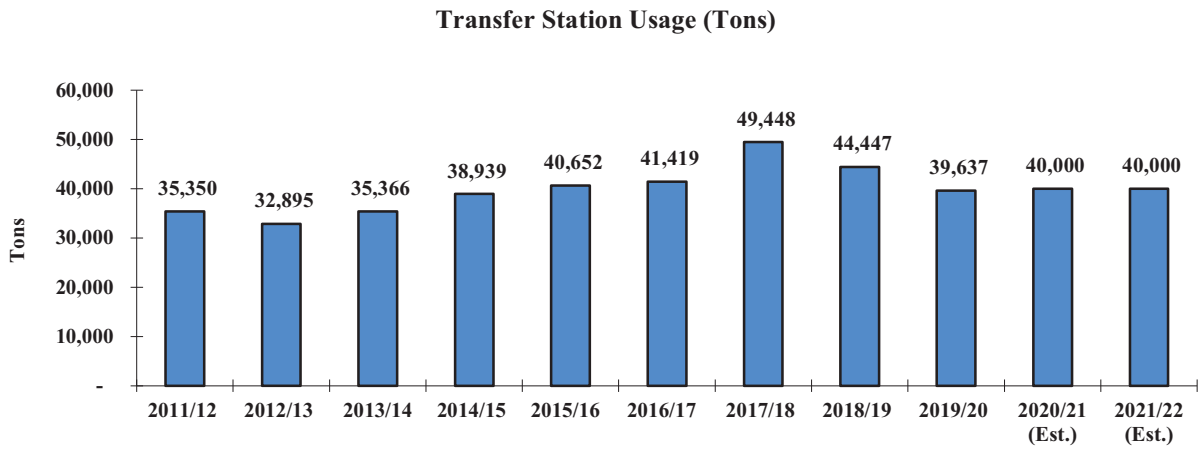
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse and estimated operating and capital expenditure needs. Consideration is also given when setting rates, to the potential loss of customers to Illinois landfills if the rates are increased significantly from their current levels.

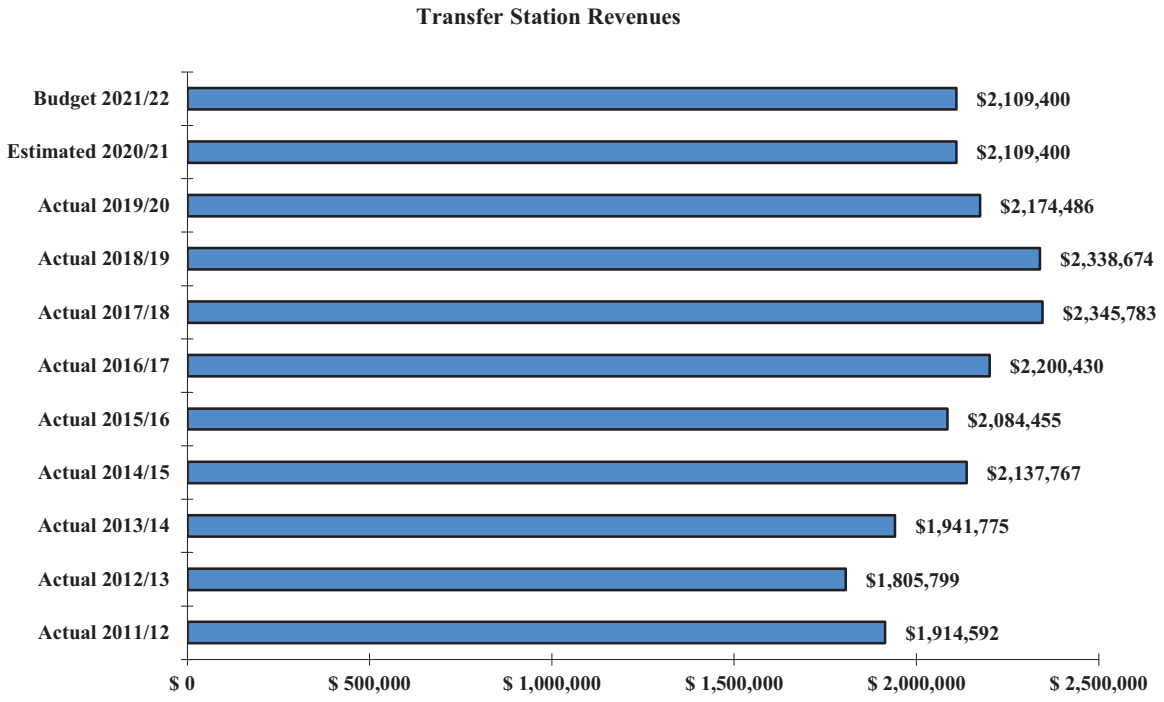
The transfer station rate was increased from $41.00 per ton to $60.00 per ton for 2009/2010 and that rate will continue through 2020/2021. The Landfill fund had a deficit balance of over $2.5 million at the end of 2009/2010 primarily due to the significant costs of developing new cells at the Landfill. 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. Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements; however, discussions are continuing. Under the new agreements the regular industrial contracts will decrease by $2.50 per ton to $42.50 per ton and the rates for the negotiated agreements will not change.

The actual Transfer Station waste tonnage was 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, 44,447 in 2018/2019, and 39,637 in 2019/2020. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2020/2021 revised estimate and 2021/2022 budget are each based on a projected 40,000 tons of waste.

Transfer Station Revenue Trends

The following charts show Transfer Station usage and revenues since 2011/2012:





Landfill Fees
FY 2021/2022 Budget $1,160,800

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.

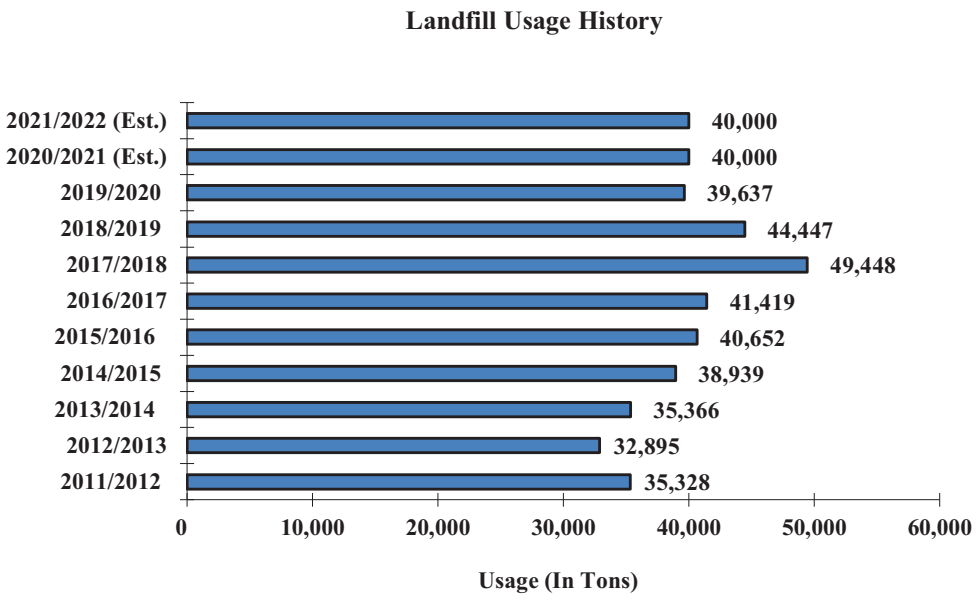
Basis of Revenue Estimate

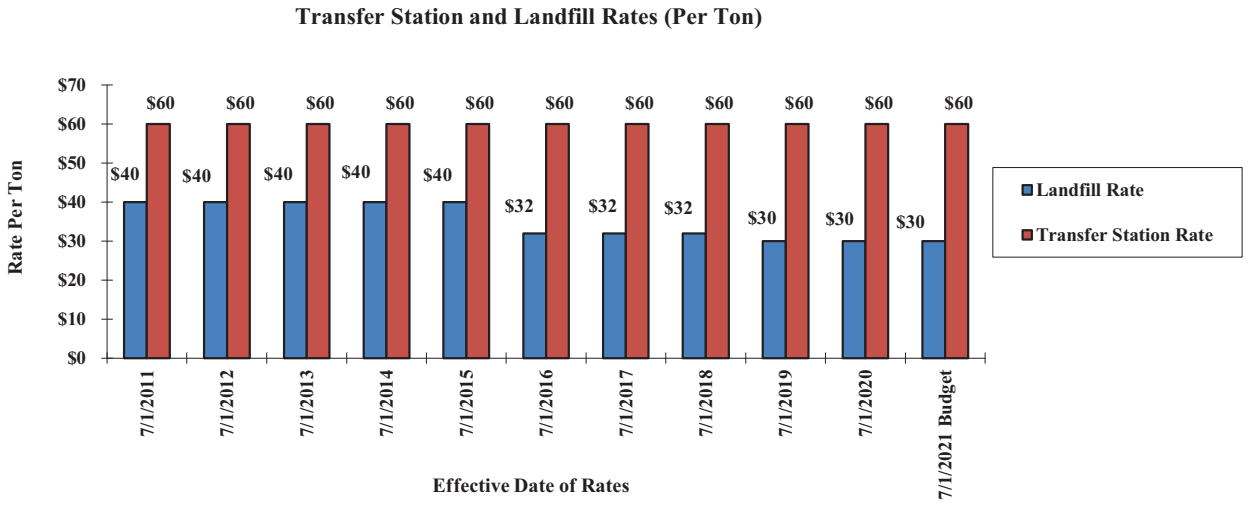
The landfill waste volume was 35,350 in 2011/2012, 32,895 in 2012/2013, 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, 44,447 in 2018/2019, and 39,637 in 2019/2020. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2020/2021 revised estimate and the 2021/2022 budget are each based on 40,000 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 and 2021/2022 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. All of the industrial contracts were first extended through June 30, 2015 and were further extended through June 30, 2020. Under those contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton and the negotiated contracts were each reduced by $2.50/ton. Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements; however, discussions are continuing. Under the new agreements the regular industrial contracts will decrease by $2.50 per ton to $42.50 per ton and the rates for the negotiated agreements will not change.

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
2021/2022 (Est.)
2020/2021 (Est.)
2019/2020
2018/2019
2017/2018
2016/2017
2015/2016
2014/2015
2013/2014
2012/2013
2011/2012
40,000
40,000
39,637
44,447
49,448
41,419
40,652
38,939
35,366
32,895
35,328
0
10,000
20,000
30,000
40,000
50,000
60,000
Usage (In Tons)


Transfer Station and Landfill Rates (Per Ton)
Rate Per Ton
$70
$60
$50
$40
$30
$20
$10
$0
$40
$60
$32
$30
7/1/2011
7/1/2012
7/1/2013
7/1/2014
7/1/2015
7/1/2016
7/1/2017
7/1/2018
7/1/2019
7/1/2020
7/1/2021 Budget
Effective Date of Rates
Landfill Rate
Transfer Station Rate

Refuse Collection Charges for Services
FY 2021/2022 Budget $2,369,500

General Information

The Refuse Collection activity involves the pickup of solid waste by refuse trucks in the City of Muscatine. Refuse at residential dwellings is collected once each week. The department also collects refuse from some apartment complexes, commercial businesses, and industrial customers. Non-residential refuse collection is made only upon request, as many businesses contract with private haulers for this service.

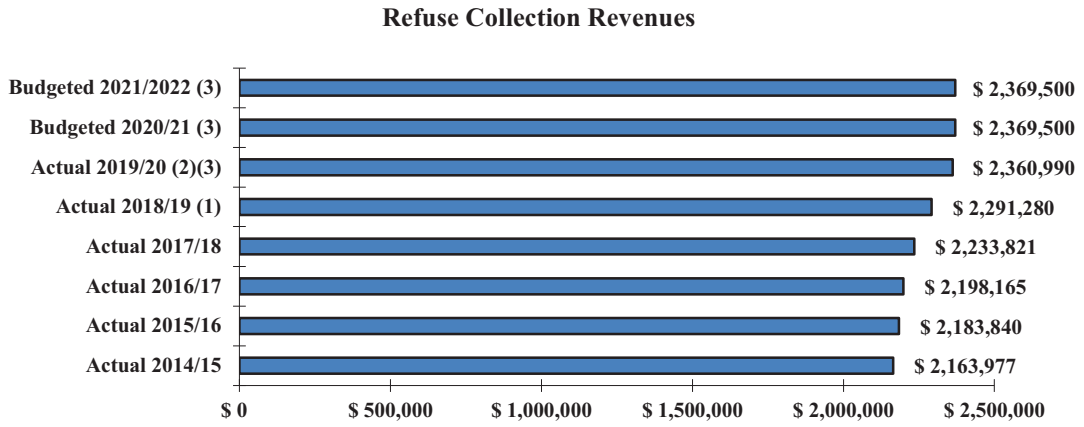
Basis of Revenue Estimate

The 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 2021/2022.

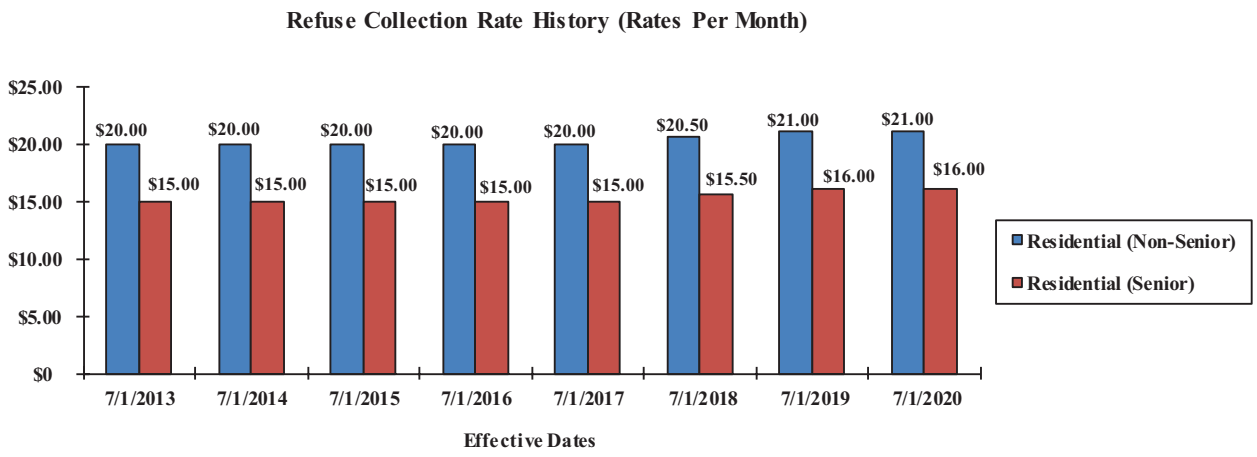
Revenue estimates are developed by a review of the average number of senior and regular residential customers, as well as commercial customers, multiplied by the respective rates. Revenues from commercial customers, however, can vary from the estimates since those customers have the option of using private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

Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2020/2021, and the budgeted revenue for 2021/2022 are shown in the following chart. The second chart shows the refuse collection rates since 2014/2015.



1. Includes a rate increase of $.50 per month for regular and senior citizens effective July 1, 2018.
2. Includes a rate increase of $.50 per month for regular and senior citizens effective July 1, 2019.
3. A non-resident fee was implemented at the Compost Site in November, 2019. The 2020/2021 and the 2021/2022 budget includes $11,500 for this service.



Ambulance Charges for Services
FY 2021/2022 Budget $1,950,000

General Information

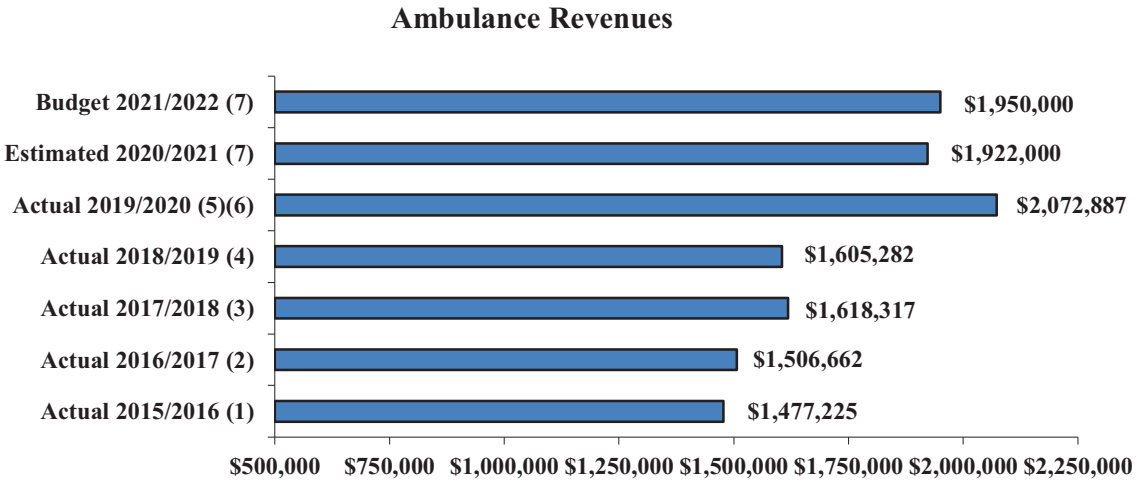
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

In August of 1998 the City contracted with an outside consultant to provide a thorough analysis of the City's system of pre-hospital care involving the Muscatine Fire Department and Muscatine Ambulance, Inc. The consultant's report was used as a basis for development of specifications and a request for proposals (RFP) for potential providers of ambulance services upon the expiration of the ambulance contract on June 30, 2000. Two proposals to provide ambulance service were received and evaluated by the Emergency Medical Services (EMS) Review Team. After review and analysis of the proposals received and interviews with each potential provider, the EMS Review Team recommended the Muscatine Fire Department be awarded the contract to provide ambulance services beginning July 1, 2000.

Basis of Revenue Estimate

Ambulance fees frequently take several months or longer to collect. Based on actual revenue results from past years, collection rates have been in the range of 50-55% of total billed charges and 80-85% of collectible charges. Collectible charges are the charges remaining after the mandated reductions for Medicare patients. At the end of each fiscal year, staff estimates the amount expected to be collected on the current year charges and accrues this amount to the year in which the service was provided. Conservative estimates are used which generally result in collections on prior year accounts exceeding the amounts accrued. These additional amounts or any reductions to the accrued amounts are reflected in the revenue amount the following year. These are detailed in the footnotes to the chart below. The City also has made incremental changes in the ambulance fee schedule based on surveys from other regional providers as well as amounts allowed by medical insurance providers.

Ambulance Revenue Trends



1. The 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.
2. 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.
3. 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.
4. 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.
5. Additional ambulance revenues were received in calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding increased reimbursements for Medicaid patients. The amount received in 2019/2020 was $373,880. This amount has been estimated at $247,000 for 2020/2021 and $250,000 for 2021/2022.
6. 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.
7. Effective July 1, 2020 the BLS rate was increased to $620, the ALS1 rate to $735 the ALS2 to $1,065, and the Skilled Care Transport to $1,258. The mileage rate increased to $17 per loaded mile in 2020.

LONG-TERM FINANCIAL PLANS -

MAJOR FUNDS

City of Muscatine
Long-Term Financial Plans for Major Funds

The 2021/2022 Budget is the first budget that has included long-term financial plans for each of the City's major funds.

For the City's most recently completed fiscal year (2019/2020), the City's major operating funds were determined to be the funds listed below and these funds are expected to continue to be the City's major funds in upcoming years:

Governmental Funds:
- General Fund
- Debt Service Fund
- Employee Benefits Special Revenue Fund
- Local Option Sales Tax Special Revenue Fund
- Road Use Tax Fund

Business-Type/Enterprise Funds:
- Water Pollution Control Fund
- Transfer Station Fund
- Refuse Collection

Long-Term Financial Plans – General Information

1. Each of the long-term financial plans include two years of actual historical information (fiscal years 2018/2019 and 2019/2020), the revised estimate for the current year (2020/2021), the approved budget for 2021/2022, and projections for the following four years (2022/2023 through 2025/2026).
2. The assumptions used for each fund are listed in the footnotes to these schedules.
3. The General, Debt Service, and Employee Benefits Fund long-term plans have been updated to reflect action taken by the State legislature to phase out the State reimbursement for the Commercial and Industrial Rollback that the City had been receiving each year. These reimbursements will be reduced by 12.5% each year over the next eight years until they are eliminated. The first year of the phase-out period is fiscal year 2022/2023, so this legislation did not have an impact on the approved budget for 2021/2022.
4. The American Rescue Plan Act (ARPA) was enacted and effective on March 11, 2021, after the City's budget was adopted, and a portion of these funds has been included in the future budget years in the General Fund schedule. The City of Muscatine's ARPA allocation is estimated at over $3.2 million and the General Fund long-term plan reflects using a portion of those funds to offset revenue losses in the General fund due to the COVID-19 pandemic in fiscal years 2021/2022, 2022/2023, and 2023/2024.
5. These schedules generally reflect current tax rates for governmental funds and current (or already approved) rates for enterprise funds for the future years in these schedules. The City contracts for multi-year sewer rates studies and reviews all rates for enterprise funds as part of the annual budget process. Future year sewer rate increases will be based on the rate study scheduled to be completed in 2022/2023.
6. While the General Fund and Employee Benefits Fund show funding gaps in future years based on the assumptions used in these schedules, actual results will likely vary based on actual increases in taxable valuations, and actual changes in other revenues and expenditures.
7. The Transfer Station enterprise fund shows an operating deficit beginning in 2023/2024 based on assumptions used in the Plan. One of the significant assumptions is that revenues are based on 40,000 tons of waste each year. Waste volumes vary each year and waste volumes were impacted by the

pandemic in 2019/2020 and 2020/2021. It is anticipated that waste volumes should begin to increase in upcoming years, but the amount of the increases and timing is not easily determined.

8. The Refuse Collection enterprise fund shows operating deficits for the last two years of the Plan, primarily due to capital outlay items in the department's replacement schedule. The need and timing of these purchases will be reviewed as part of upcoming budgets and refuse rates can be adjusted, if needed, to provide funds for needed capital purchases.
9. These Long-Term Financial Plans are for planning purposes only and do not represent budgets for the upcoming years. These schedules include numerous assumptions and estimates that will vary from year to year. These schedules will be updated as part of each future annual budget.
10. Special Note on the Utility Franchise Fee – the City can change the Utility Franchise Fee rate (the maximum rate is 5%) by giving a 90-day notice to Alliant Energy, the provider of natural gas service to the community. The franchise fee rate has been at the 5% maximum rate for fiscal years 2019/2020, 2020/2021, and 2021/2022. While several City Council members have indicated they would like the rate to be reduced in future budgets, this Plan still reflects the 5% rate. Reductions in this rate are proposed to be considered as part of each upcoming budget.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

General Fund

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projection 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Revenue/ Expenditure/ Other Footnotes
General Fund										
Revenues and Transfers In										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	$ 7,125,421	$ 7,198,681	$ 7,314,878	$ 7,314,878	$ 7,669,050	$ 7,707,400	$ 7,823,000	$ 7,979,500	$ 8,139,100	(1)
Tort Liability Levy	240,999	283,477	284,500	284,500	318,650	328,200	338,000	348,100	358,500	(2)
Transit System Levy	50,183	50,575	107,895	107,895	0	50,000	50,000	50,000	50,000	(3)
Hotel/Motel Taxes	494,951	398,588	500,000	250,000	300,000	300,000	300,000	300,000	300,000	(4)
Cable Franchise Tax	158,717	143,166	155,600	138,500	138,500	138,500	138,500	138,500	138,500	(5)
Utility Franchise Fees	220,448	440,654	514,200	450,000	450,000	450,000	450,000	450,000	450,000	(6)
ST - Taxes	**8,290,719**	**8,515,141**	**8,877,073**	**8,545,773**	**8,876,200**	**8,974,100**	**9,099,500**	**9,266,100**	**9,436,100**	
Licenses and Permits:										
Construction Permits	308,175	168,177	310,000	150,000	150,000	150,000	150,000	150,000	150,000	(7)
Other Licenses and Permits	134,946	137,519	132,900	96,200	127,400	127,400	127,400	127,400	127,400	
ST - Licenses and Permits	**443,121**	**305,696**	**442,900**	**246,200**	**277,400**	**277,400**	**277,400**	**277,400**	**277,400**	
Fines and Forfeitures:										
Automated Traffic Enforcement Fines	286,939	479,861	500,000	550,000	550,000	550,000	550,000	550,000	550,000	
Court Fines	169,746	135,565	170,000	100,000	150,000	150,000	150,000	150,000	150,000	
Other Fines and Forfeitures	44,030	34,966	42,300	24,800	28,800	28,800	28,800	28,800	28,800	
ST - Fines and Forfeitures	**500,715**	**650,392**	**712,300**	**674,800**	**728,800**	**728,800**	**728,800**	**728,800**	**728,800**	
Intergovernmental:										
State Commercial and Industrial Reimbursement	325,287	330,880	365,380	332,419	330,207	330,207	330,207	330,207	330,207	(8)
Phase-Out of Backfill (FY 23 through FY 30)	-	-	-	-	-	(41,300)	(82,600)	(123,900)	(165,200)	(8)
Library County and Illinois Contracts	131,390	134,729	135,000	135,100	135,800	139,900	144,100	148,400	152,900	
Police Grants	291,947	285,945	312,800	347,100	322,600	322,600	322,600	322,600	322,600	
Art Center State Grant	10,000	13,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Housing - Payment in Lieu of Taxes	31,743	33,140	34,500	34,500	35,600	36,700	37,800	38,900	40,100	
Non-Recurring Grants/Reimbursements										
FEMA and State Match Reimbursements	0	113,149	0	6,900	0	0	0	0	0	
Federal Grant - SCBAs	0	0	0	242,200	0	0	0	0	0	
Other Grants and Reimbursements	9,623	4,814	0	0	0	0	0	0	0	
ST - Intergovernmental	**799,990**	**915,657**	**857,680**	**1,108,219**	**834,207**	**798,107**	**762,107**	**726,207**	**690,607**	
Charges for Essential Services										
Nuisance Reimbursements/Administrative Fees	74,957	75,688	80,000	87,000	85,000	85,000	85,000	85,000	85,000	
Cemetery Burial Charges	44,675	45,790	45,000	45,000	45,000	45,000	45,000	45,000	45,000	
Engineering Services	96,420	112,710	122,500	122,500	208,700	215,000	221,500	228,100	234,900	
Police Services Agreement	52,104	53,276	54,600	54,600	56,100	57,700	59,400	60,900	62,400	
Fire Department - Various Fees	104,289	103,871	103,300	100,800	101,300	101,300	101,300	101,300	101,300	
Housing Accounting Fees	62,700	64,600	66,800	66,500	68,400	70,500	72,600	74,800	77,000	

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	Revenue/ Expenditure/ Other Footnotes
Housing Management Fee	10,589	4,494	16,300	13,500	13,500	13,500	13,500	13,500	13,500	
Various Other Fees	37,169	40,017	37,000	34,500	35,500	35,500	35,500	35,500	35,500	
ST - Charges for Essential Services	**482,903**	**500,446**	**525,500**	**524,400**	**613,500**	**623,500**	**633,800**	**644,100**	**654,600**	
Charges for Optional Services (Parks, Art Center, Misc.)	**219,317**	**137,414**	**246,700**	**170,700**	**240,700**	**240,700**	**240,700**	**240,700**	**240,700**	
Use of Money and Property:										
Interest Income	$ 106,130	$ 97,991	$ 60,000	$ 20,000	$ 20,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	(10)
Parks Shelters, Riverview Center, Pearl City St.	29,175	24,725	39,000	28,500	40,500	40,500	40,500	40,500	40,500	
Lease - Cemetery Cell Towers	19,595	21,558	22,400	22,500	23,900	23,900	23,900	23,900	23,900	
Lease - Public Safety Cell Tower	26,946	26,946	26,900	26,900	26,900	26,900	26,900	26,900	26,900	
Other - Commissions, Rentals, etc.	34,307	22,115	29,600	34,200	36,000	36,000	36,000	36,000	36,000	
ST - Use of Money and Property	**216,153**	**193,335**	**177,900**	**132,100**	**147,300**	**132,300**	**132,300**	**132,300**	**132,300**	
Other Revenues:										
Cemetery Lot and Niche Sales	$ 27,424	$ 16,516	$ 17,000	$ 19,000	$ 19,000	$ 19,000	$ 19,000	$ 19,000	$ 19,000	
Parks Administrative Fees	26,100	26,900	27,700	27,700	12,200	12,600	13,000	13,400	13,800	
Public Works Administrative Fees	68,300	70,300	72,400	72,400	74,500	76,700	79,000	81,400	83,800	
General Administrative Fees	387,600	399,200	410,800	398,000	397,300	409,200	421,500	434,100	447,100	
Information Technology Administrative Fee	31,000	39,000	41,000	41,000	43,000	44,300	45,600	47,000	48,400	
Communications Admin Fee (Exc. TIF Portion)	54,000	59,600	62,800	62,900	65,500	67,500	69,500	71,600	73,700	
Support Foundation Contributions	21,837	22,585	24,000	23,700	24,900	25,600	26,400	27,200	28,000	
Friends of the Art Center Contributions	23,305	22,259	26,000	25,800	27,000	27,800	28,600	29,500	30,400	
Various Other Contributions and Reimbursements	112,456	255,300	90,500	171,500	83,100	83,100	83,100	83,100	83,100	
ST - Other Revenue	**752,022**	**911,660**	**772,200**	**842,000**	**746,500**	**765,800**	**785,700**	**806,300**	**827,300**	
Transfers In:										
Employee Benefits Fund	$ 4,311,411	$ 4,131,873	$ 4,614,941	$ 4,529,461	$ 4,856,947	$ 5,002,700	$ 5,152,800	$ 5,307,400	$ 5,466,600	
Emergency Levy	0	0	0	0	139,735	0	0	0	0	
Road Use Tax	2,660,045	2,709,941	2,820,600	2,644,600	2,919,800	3,007,400	3,097,600	3,190,500	3,286,200	
Perpetual Care Interest	17,873	19,326	16,700	11,000	4,500	1,000	1,000	1,000	1,000	(10)
Health Insurance Fund (Wellness)	54,673	54,842	64,000	64,000	66,000	68,000	70,000	72,100	74,300	
Ambulance Enterprise Fund	1,047,200	1,195,700	1,337,800	1,437,800	1,485,600	1,530,200	1,576,100	1,623,400	1,672,100	
Tax Increment/Economic Dev Admin and Legal	161,566	164,200	159,000	159,000	170,400	175,500	180,800	186,200	191,800	
Tax Increment Economic Development	38,000	38,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	
Transfer from Capital Project - Fire Equipment	0	0	0	22,800	0	0	0	0	0	
ST - Transfers	**8,290,768**	**8,313,882**	**9,056,041**	**8,911,661**	**9,685,982**	**9,827,800**	**10,121,300**	**10,423,600**	**10,735,000**	
Total Revenues and Transfers In	**$ 19,995,706**	**$ 20,443,623**	**$ 21,668,294**	**$ 21,155,853**	**$ 22,150,589**	**$ 22,368,507**	**$ 22,781,607**	**$ 23,245,507**	**$ 23,722,807**	(9)
Expenditures and Transfers Out										
Salaries and Wages	$ 10,650,893	$ 10,877,634	$ 11,792,700	$ 11,344,700	$ 12,174,100	$ 12,539,300	$ 12,915,500	$ 13,303,000	$ 13,702,100	(1)
Employee Benefits - Pension and Insurance	4,735,083	4,583,475	5,215,600	4,994,100	5,384,600	5,546,100	5,712,500	5,883,900	6,060,400	(2)
Commodities	909,658	960,329	1,050,850	951,600	1,067,550	1,030,000	1,060,900	1,092,700	1,125,500	(3)

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projection 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Revenue/ Expenditure/ Other Footnotes
Contractual Services	2,456,573	2,469,190	2,578,450	2,585,900	2,673,450	2,678,000	2,758,300	2,841,000	2,926,200	(4)
Capital Outlay	572,229	1,115,859	486,700	928,800	718,200	700,000	700,000	700,000	700,000	(5)
Transfers Out:										
Computer Replacement Fund	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	(6)
Equipment Replacement Fund	250,000	200,000	202,000	202,000	250,000	250,000	250,000	250,000	250,000	(7)
Transit Tax Levy	52,386	51,982	113,026	112,563	0	50,000	50,000	50,000	50,000	(8)
Airport Subsidy	28,251	200	33,600	0	41,000	30,000	30,000	30,000	30,000	(9)
CVB Fund Transfer	130,498	123,738	125,000	99,600	62,500	75,000	75,000	75,000	75,000	(10)
Other	113,891	43,648	15,700	15,700	16,400	16,900	17,400	17,900	18,400	(11)
Total Expenditures and Transfers Out	**$ 19,939,462**	**$ 20,476,055**	**$ 21,663,626**	**$ 21,284,963**	**$ 22,437,800**	**$ 22,965,300**	**$ 23,619,600**	**$ 24,293,500**	**$ 24,987,600**	
Fund Balance Increase/(Funding Gap) before State and Federal Funding for COVID Relief	**$ 56,244**	**$ (32,432)**	**$ 4,668**	**$ (129,110)**	**$ (287,211)**	**$ (596,793)**	**$ (837,993)**	**$ (1,047,993)**	**$ (1,264,793)**	
State COVID Relief Funds	0	0	0	100,000	0 *	126,000 *	335,600 *	0	0	(1)
American Rescue Plan Federal Funding (Estimate)	0	0	0	0	471,100	471,100	471,100	0	0	(2)
Fund Balance Increase/(Funding Gap) with State and Federal Funding	**$ 56,244**	**$ (32,432)**	**$ 4,668**	**$ (29,110)**	**$ 183,889**	**$ 307**	**$ (31,293)**	**$ (1,047,993)**	**$ (1,264,793)**	(3)

* $300,000 from State COVID Relief funds was originally budgeted to be used in FY 22; it is now proposed American Rescue Plan funds be claimed in FY 22 through FY 24 due to General Fund revenue losses. The State COVID Relief amounts shown for FY 21, FY 23, and FY 24 total to the $561,600 in State Relief funds the City received in FY 20.

Note Deficits based on assumptions used

Revenue Footnotes and Assumptions:

1. The City of Muscatine is at the General Fund tax levy limit of $8.10 per $1,000 of valuation. As a result, any growth in general property tax revenue will be due to new growth or increases in taxable valuation. The growth in property tax revenue shown is based on an estimated 0.5% increase in taxable valuation for FY 23, 1.50% for FY 24, and 2% for FY 25 and FY 26 (taxable valuations for many hospitality-related businesses were lowered due to the COVID-19 pandemic).
2. Tort Liability Tax Levy - assumes 3% annual increases in this levy.
3. Transit Tax Levy - will be based on funding needs in the Transit fund; passed through General Fund to Transit
4. Hotel/motel tax - leisure travel expected to return to close to prior normal; business travel expected to be slower to recover.
5. Cable Franchise Fee - no annual increase or decrease is expected
6. Utility Franchise Fee - for this plan it is shown as remaining at 5%; actual to be determined by City Council.
7. Building Permit revenues were negatively impacted by the COVID-19 pandemic. Left as flat for now; American Rescue Plan proposed to make up the difference
8. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over the next eight years (FY 23 - FY 30) at 12.5% per year.
9. Most other revenue sources are shown as either flat amounts for 2022/2023 through 2026/2026 or with 3% annual increases.
10. The highlighted items above are the revenue sources most impacted by the COVID-19 pandemic. This includes hotel/motel taxes, building permits, interest on the General Fund balance, and Perpetual Care interest. While future year projections show these revenue sources at the reduced levels used for the 2021/2022 budget, increases in these revenues will likely occur during the 2022/2023 through 2025/2026 fiscal years. The reduction in the State Commercial and Industrial Reimbursement, while not directly linked to the pandemic, is also highlighted since it will have an impact on future year budgets.

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	Revenue/ Expenditure/ Other Footnotes

Expenditure Footnotes and Assumptions:

1. Salaries and Wages - allows for 3% annual increase which includes union increases and step changes.
2. Employee Benefits and Insurance - allows for 3% annual increase; pension based on increased wages, health insurance increase, etc.
3. Commodities - average of recent years and projections increased by approximately 3% annually.
4. Contractual Services - average of recent years and projections increased by approximately 3% annually.
5. Estimated annual capital from operating budgets; excludes any extraordinary purchases
6. Computer Replacement Fund - no annual increase reflected; actual to be determined.
7. Equipment Replacement Fund - no annual increase expected; actual to be determined.
8. Transit Tax Levy Transfer - will equal Transit Tax levy revenues above; no net impact on General Fund balance.
9. Airport Subsidy - average of 5 years prior to the CARES Act funding in FY 20 and FY 21.
10. CVB Fund Transfer - 25% of estimated Hotel/Motel taxes; transfer to CVB Enterprise fund.
11. Other Transfers - primarily Communications Admin fee for Public Works - assumes 3% annual increase.

Funding Gaps and State and Federal Funding (Preliminary Estimates)

1. In October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy / Emergency Fund. The original budget was based on transferring $100,000 to the General Fund in 2020/2021 and $300,000 in 2021/2022. With the new American Recovery Plan funds allocation, it is now proposed to use these funds in FY 21, FY 23, and FY 24.
2. On March 11, 2021, after the City's budget was adopted, the American Rescue Plan of 2021 was signed into law. This Act provides funding to all cities, counties, and States to assist the country in recovering from the impacts of the COVID-19 pandemic. The estimated allocation for the City of Muscatine is $3,277,725. These funds can be used for any of the following:

   - Revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency
   - Premium pay for essential workers
   - Assistance to small businesses, households, and hard-hit industries, and economic recovery
   - Investments in water, sewer and broadband infrastructure

   At the time the budget is being prepared for publication, staff is still reviewing the methods to calculate the City-wide "reduction in revenue", however, the following General Fund revenues have been negatively impacted by the pandemic and this preliminary long-term plan reflected using the American Rescue Plan funds to offset these reductions. These revenue sources are also highlighted above.

   The annual revenue reductions use the actual 2018/2019 revenue amounts as the base year and for this analysis uses the 2021/2022 budgeted amounts for all years in this long-term plan.

   a. $194,951 reduction in Hotel/Motel Tax compared to FY 19 (actual FY 19 was $494,951 and the re-estimated Hotel/Motel Tax for FY 22 and future years is $300,000).
   b. $158,175 reduction in building and related permits. In FY 19 these permits totaled $308,175 and the re-estimated amounts for FY 22 and future years is $150,000.
   c. $101,130 reduction in interest. In FY 19 General Fund interest totaled $106,130 and the re-estimated amounts for FY 22 and future years is $5,000.
   d. $16,873 reduction in the Cemetery Perpetual Care fund interest transfer. In FY 19 Perpetual Care interest was $17,873 and the re-estimated amounts for FY 22 and future years is $1,000.
   e. These reductions total to $471,129 annually and are reflected in the above schedule as "balancing amounts" for FY 22, FY 23, and FY 24. Per the American Rescue Plan Act, all funds must be expended (or obligated) by December 31, 2024.

3. While significant deficits are shown in fiscal years 2024/2025 and 2025/2026, it is expected that revenues impacted by the pandemic should be well on their way to recovery by those years. Property tax and other revenue are also estimated conservatively for this Plan, and are expected to be more than the amounts shown.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Debt Service Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projection 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	
Debt Service Fund									
Revenues									
Taxes:									
General, Ag Land, & Mobile Home Property Taxes	$ 2,387,744	$ 2,507,287	$ 2,297,626	$ 2,363,505	$ 2,375,300	$ 2,410,900	$ 2,459,100	$ 2,508,300	(1)
Intergovernmental:									
State Commercial and Industrial Reimbursement	102,819	106,112	91,500	90,883	90,883	90,883	90,883	90,883	
Phase-Out of Backfill (FY 23 through FY 30)	-	-	-	-	(11,360)	(22,720)	(34,080)	(45,440)	(2)
Interest	24,886	17,471	500	500	500	500	500	500	
Transfers In:									
Tax Increment Funds	207,100	206,250	347,734	352,900	357,000	355,900	354,700	353,400	(3)
Water Pollution Control Fund	95,105	92,500	90,550	92,950	95,150	91,400	92,650	93,650	(3)
Total Revenues	**$ 2,817,654**	**$ 2,929,620**	**$ 2,827,910**	**$ 2,900,738**	**$ 2,907,473**	**$ 2,926,863**	**$ 2,963,753**	**$ 3,001,293**	
Expenditures									
Paying Agent Costs	$ 2,600	$ 2,900	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	(4)
Bonds	2,470,000	2,630,000	2,475,000	2,555,000	1,860,000	1,910,000	1,555,000	1,600,000	(4)
Interest	406,783	341,691	409,317	342,738	281,368	228,318	175,463	128,213	(4)
Estimated Costs for New Issues:									
Bonds and Interest - Estimated Spring 2022 Issue	-	-	-	-	758,165	790,926	792,691	793,375	(5)
Bonds and Interest - Estimated Spring 2024 Issue	-	-	-	-	-	-	500,000	500,000	(6)
Total Expenditures	$ 2,879,383	$ 2,974,591	$ 2,887,317	$ 2,900,738	$ 2,902,533	$ 2,932,244	$ 3,026,154	$ 3,024,588	
Fund Balance Increase/(Funding Gap)	**$ (61,729)**	**$ (44,971)**	**$ (59,407)**	**$ -**	**$ 4,940**	**$ (5,381)**	**$ (62,401)**	**$ (23,295)**	(7)
Beginning Fund Balance	244,470	182,741	137,770	78,363	78,363	83,303	77,922	15,521	
Ending Fund Balance (Actual or Estimated)	**$ 182,741**	**$ 137,770**	**$ 78,363**	**$ 78,363**	**$ 83,303**	**$ 77,922**	**$ 15,521**	**$ (7,774)**	(7)

Footnotes and Assumptions:

1. Growth in property tax revenue assuming the Debt Service Tax Levy rate would remain the same. Growth in taxable valuation assumptions based on an estimated 0.5% increase for FY 23, 1.50% for FY 24, and 2% for FY 25 and FY 26 (taxable valuations for many hospitality-related businesses were lowered due to the COVID-19 pandemic).
2. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over the next eight years (FY 23 - FY 30) at 12.5% per year.
3. Transfers from Tax Increment and Water Pollution Control funds are based on currently outstanding debt issues.
4. Principal and interest on currently outstanding bond issues.
5. Preliminary estimate of debt service requirements based on a $7 million 10-year bond issue in May of 2022.
6. Information not yet available for the bond issue in May of 2024; amounts shown for 2024/2025 and 2025/2026 are place-holders for actual bond issue debt requirement costs.
7. While funding gaps are shown each fiscal year from 2023/2024 through 2025/2026, cities in Iowa can increase the Debt Service tax levy to fund actual general obligation bond and interest costs. The actual funding gaps will be based on actual taxable valuations, the actual bond issue amounts, and the actual interest rates on those bond issues.

Comments:

While fiscal years 2024/2025 and 2025/2026 show operating deficits based on the assumptions used in this schedule, actual results will likely vary based on actual increases in taxable valuations, the actual amount of the 2024 bond issue, and the interest rates for the 2022 and 2024 bond issues. The City can offset increases in the debt service tax levy rate with decreases in other levy rates.

City of Muscatine
Major Governmental Funds Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Employee Benefits Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	
Employee Benefits Fund									
Revenues									
Taxes:									
General, Ag Land, & Mobile Home Property Taxes	$ 4,134,194	$ 4,080,502	$ 4,308,401	$ 4,500,900	$ 4,523,400	$ 4,591,300	$ 4,683,100	$ 4,776,800	(1)
Intergovernmental:									
State Commercial and Industrial Reimbursement	181,487	179,345	186,406	186,768	186,768	186,768	186,768	186,768	
Phase-Out of Backfill (FY 23 through FY 30)	-	-	-	-	(23,346)	(46,692)	(70,038)	(93,384)	(2)
Total Revenues	**$ 4,315,681**	**$ 4,259,847**	**$ 4,494,807**	**$ 4,687,668**	**$ 4,686,822**	**$ 4,731,376**	**$ 4,799,830**	**$ 4,870,184**	
Expenditures and Transfers Out:									
Transfers Out for General Fund Employee Benefit Costs	$ 4,311,411	$ 4,131,873	$ 4,529,461	$ 4,856,947	$ 5,002,655	$ 5,152,735	$ 5,307,317	$ 5,466,537	(3)
Total Expenditures and Transfers Out	$ 4,311,411	$ 4,131,873	$ 4,529,461	$ 4,856,947	$ 5,002,655	$ 5,152,735	$ 5,307,317	$ 5,466,537	
Fund Balance Increase/(Funding Gap)	**$ 4,270**	**$ 127,974**	**$ (34,654)**	**$ (169,279)**	**$ (315,833)**	**$ (421,359)**	**$ (507,487)**	**$ (596,353)**	(5)
Beginning Fund Balance	71,689	75,959	203,933	169,279	-	-	-	-	(4)
Ending Fund Balance (Deficit) (Actual/Estimated)	**$ 75,959**	**$ 203,933**	**$ 169,279**	**$ -**	**$ (315,833)**	**$ (421,359)**	**$ (507,487)**	**$ (596,353)**	(5)

Footnotes and Assumptions:

1. Growth in property tax revenue assuming the Employee Benefits Tax Levy rate would remain the same. Growth in taxable valuation assumptions based on estimated 0.5% increase for FY 23, 1.5% for FY 24, and 2% for FY 25 and FY 26 (taxable valuations for many hospitality-related businesses were lowered due to the COVID-19 pandemic).
2. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over the next eight years (FY 23 - FY 30) at 12.5% per year.
3. Assumes 3% annual increases in General Fund employee benefits for fiscal years 2022/2023 through 2025/2026.
4. While zero beginning balances are shown for each of the years from 2022/2023 through 2025/2026, there would normally be a beginning balance due to savings in employee benefits due to vacancies. These amounts would reduce the annual funding gaps.
5. While increasing funding gaps are shown each fiscal year from 2022/2023 through 2025/2026, cities in Iowa can increase the Employee Benefits tax levy to fund actual General Fund employee benefit costs. The actual funding gaps will be based on actual pension and insurance rates which can vary significantly from year to year (especially Police & Fire pension contribution rates and health insurance rates).

Comments:

While fiscal years 2022/2023 through 2025/2026 show operating deficits based on the assumptions used in this schedule, actual results will likely vary based on actual increases in taxable valuations, actual pension contribution and health insurance rates, and any beginning balances that would be available due to prior year vacancies. The City can consider offsetting increases in the employee benefit tax levy rate with decreases in other levy rates.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Local Option Sales Tax Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	
Local Option Sales Tax Fund									
Revenues									
Taxes:									
Local Option Sales Tax - State Scheduled Payments	$ 3,057,910	$ 2,936,861	$ 3,208,935	$ 3,208,900	$ 3,257,000	$ 3,305,900	$ 3,355,500	$ 3,405,800	(1)
Local Option Sales Tax - Prior Year Reconciliation	253,497	28,658	484,665	-	-	-	-	-	(1)
Use of Money and Property:									
Interest	4,716	3,224	500	500	500	500	500	500	
Total Revenues	**$ 3,316,123**	**$ 2,968,743**	**$ 3,694,100**	**$ 3,209,400**	**$ 3,257,500**	**$ 3,306,400**	**$ 3,356,000**	**$ 3,406,300**	
Expenditures and Transfers Out									
Transfers Out:									
West Hill Sewer Separation Project	$ 2,355,054	$ 2,684,352	$ 2,954,900	$ 2,567,100	$ 2,606,000	$ 2,645,100	$ 2,684,800	$ 2,725,000	(2)
Pavement Management Projects	661,892	593,104	738,700	641,800	651,500	661,300	671,200	681,300	(2)
Total Expenditures	$ 3,016,946	$ 3,277,456	$ 3,693,600	$ 3,208,900	$ 3,257,500	$ 3,306,400	$ 3,356,000	$ 3,406,300	
Fund Balance Increase/(Funding Gap)	**$ 299,177**	**$ (308,713)**	**$ 500**	**$ 500**	**$ -**	**$ -**	**$ -**	**$ -**	
Beginning Fund Balance	267,314	566,491	257,778	258,278	258,278	258,278	258,278	258,278	(3)
Ending Fund Balance (Actual or Estimated)	**$ 566,491**	**$ 257,778**	**$ 258,278**	**$ 258,778**	**$ 258,278**	**$ 258,278**	**$ 258,278**	**$ 258,278**	(3)

Footnotes and Assumptions:

1. Each fiscal year the Iowa Department of Revenue 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 2021/2022 budget amount is the State's estimate for the 2020/2021 year without a reconciliation amount. Projected local option tax revenue for 2022/2023 through 2025/2026 reflect estimated annual 1.5% increases with no reconciliation amounts, for conservative estimates.
2. The most recent local option sales tax referendum was held on March 6, 2018 and voters approved the extension of this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The 15 year extension (through June 30, 2034) was again approved by voters with 88% voting in favor of the extension. Transfers out are based on 80% of the local option tax being transferred to the West Hill Sewer Separation project and 20% to the Pavement Management project fund.
3. A $250,000 ending balance is the approximate amount of the accrued Local Option Tax at the end of each fiscal year. (If this would be transferred to the West Hill Sewer project or Pavement Management project, there would be a deficit cash balance at fiscal year end.)

Comments:

In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. The West Hill Sewer Separation project is the final project mandated by the Consent Order and it is being done in multiple phases to meet the mandated deadline. The Pavement Management Program provides for street and alley resurfacing projects and full depth concrete patching projects each fiscal year. Local option taxes are the primarily funding source for the West Hill Sewer Separation project. Road Use Taxes supplement the local option sales tax allocation for the annual Pavement Management program.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Road Use Tax Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	
Road Use Tax									
Revenues									
Intergovernmental:									
Road Use Tax	$ 3,078,675	$ 3,122,915	$ 3,013,100	$ 3,013,100	$ 3,048,800	$ 3,072,700	$ 3,072,700	$ 3,072,700	(1)
Total Revenues	**$ 3,078,675**	**$ 3,122,915**	**$ 3,013,100**	**$ 3,013,100**	**$ 3,048,800**	**$ 3,072,700**	**$ 3,072,700**	**$ 3,072,700**	
Per Capita Road Use Tax Actual/Estimated	$ 129.25	$ 131.11	$ 126.50	$ 126.50	$ 128.00	$ 129.00	$ 129.00	$ 129.00	(1)
Expenditures and Transfers Out									
Transfers Out:									
General Fund Public Works Operations	$ 2,660,045	$ 2,709,941	$ 2,644,600	$ 2,919,800	$ 2,870,800	$ 2,928,200	$ 2,986,800	$ 3,046,500	(2)
Pavement Management Capital Project	119,897	449,262	271,600	365,700	300,000	200,000	150,000	150,000	(3)
New Sidewalk Program	135,595	-	140,000	160,000	100,000	100,000	100,000	100,000	(4)
Other Capital Projects	115,120	455	82,600	-	-	-	-	-	(5)
Total Expenditures	$ 3,030,657	$ 3,159,658	$ 3,138,800	$ 3,445,500	$ 3,270,800	$ 3,228,200	$ 3,236,800	$ 3,296,500	
Fund Balance Increase/(Funding Gap)	**$ 48,018**	**$ (36,743)**	**$ (125,700)**	**$ (432,400)**	**$ (222,000)**	**$ (155,500)**	**$ (164,100)**	**$ (223,800)**	
Beginning Fund Balance	1,317,754	1,365,772	1,329,029	1,203,329	770,929	548,929	393,429	229,329	
Ending Fund Balance (Actual or Estimated)	**$ 1,365,772**	**$ 1,329,029**	**$ 1,203,329**	**$ 770,929**	**$ 548,929**	**$ 393,429**	**$ 229,329**	**$ 5,529**	

Footnotes and Assumptions:

1. Road Use Tax revenues are based on Iowa Department of Transportation (IDOT) per capita estimates. Cities are cautioned to be conservative with revenue estimates and the per capital IDOT estimates shown for 2022/2023 and 2023/2024 are $.50 per capita less than the IDOT estimate. The IDOT has not yet provided estimates for 2024/2025 and 2025/2026 and the revenue projections for those years have been estimated at the same amount as 2023/2024. These estimates may vary when the 2020 Census information is released and begins to be used to allocate Road Use Taxes to cities and counties in Iowa.
2. Road Use Tax transfers to the General Fund for Public Works operations have generally been increased by 2.0% annually for 2022/2023 through 2025/2026. Since the 2021/2022 transfer included $105,300 in extraordinary Public Works site improvements, the base amount for 2021/2022 was reduced by that amount prior to computing increases for future years.
3. Transfers for the Pavement Management Program are amounts estimated to be available based on the revenue assumptions used.
4. Assumes the annual $100,000 allocation for new sidewalks continues in upcoming years.
5. Any additional Road Use Tax funding for other street projects not yet known.

Comments:

Based on revenue and expenditure assumptions, the Road Use Taxes available for the Pavement Management Program are expected to decrease over the upcoming years as shown above.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Water Pollution Control Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projections: Preliminary Projection 2023/2024	Preliminary Projections: Preliminary Projection 2024/2025	Preliminary Projections: Preliminary Projection 2025/2026	
Water Pollution Control Fund									
Revenues									
Charges for Services:									
Sewer Charges - Residential and Commercial	$ 3,382,071	$ 3,398,965	$ 3,500,000	$ 3,605,000	$ 3,713,200	$ 3,713,200	$ 3,713,200	$ 3,713,200	(1)
Sewer Charges - Industrial	1,257,230	1,433,375	1,433,000	1,475,000	1,519,300	1,519,300	1,519,300	1,519,300	(1)
Charges for Fats, Oils, and Grease (FOG)	102,945	245,436	250,000	250,000	250,000	250,000	250,000	250,000	(2)
Charges for High Strength Waste	-	15,926	100,000	150,000	150,000	150,000	150,000	150,000	(2)
Wastewater Discharge Permits	2,475	2,375	2,400	2,400	2,400	2,400	2,400	2,400	(2)
Analytical (Lab) Charges	155,816	104,779	100,000	105,000	105,000	105,000	105,000	105,000	(2)
Use of Money and Property:									
Interest	29,535	29,725	8,000	8,000	1,000	1,000	1,000	1,000	(2)
Other Revenues:									
Miscellaneous Revenue	88,273	107,991	73,500	73,500	73,500	73,500	73,500	73,500	(2)
Total Revenues	**$ 5,018,345**	**$ 5,338,572**	**$ 5,466,900**	**$ 5,668,900**	**$ 5,814,400**	**$ 5,814,400**	**$ 5,814,400**	**$ 5,814,400**	
Expenditures and Transfers Out									
Operating Budgets									
Operating Expenditures	$ 2,649,451	$ 2,926,670	$ 3,216,000	$ 3,259,800	3,357,600	3,458,300	3,562,000	3,668,900	(3)
Capital Outlay	260,264	178,349	465,500	298,600	400,000	400,000	400,000	400,000	(4)
Transfers Out:									
Administrative Fees	195,400	204,500	211,200	$ 218,000	224,500	231,200	238,100	245,200	(5)
Plant Replacement Reserve	700,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	(6)
Sewer Bond Sinking Fund	978,341	922,970	932,016	941,515	950,618	960,240	970,360	980,875	(6)
West Hill Sewer Long-Term Financing Reserve	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	(6)
Debt Service Fund	95,105	92,500	90,550	92,950	95,150	91,400	92,650	93,650	(6)
Project Funds	-	109,389	23,700	-	-	-	-	-	
Total Expenditures	$ 5,078,561	$ 5,034,378	$ 5,538,966	$ 5,410,865	$ 5,627,868	$ 5,741,140	$ 5,863,110	$ 5,988,625	
Fund Balance Increase/(Funding Gap)	**$ (60,216)**	**$ 304,194**	**$ (72,066)**	**$ 258,035**	**$ 186,532**	**$ 73,260**	**$ (48,710)**	**$ (174,225)**	(7)
Beginning Fund Balance	1,833,808	1,773,592	2,077,786	2,005,720	2,263,755	2,450,287	2,523,547	2,474,837	
Ending Fund Balance (Actual or Estimated)	**$ 1,773,592**	**$ 2,077,786**	**$ 2,005,720**	**$ 2,263,755**	**$ 2,450,287**	**$ 2,523,547**	**$ 2,474,837**	**$ 2,300,612**	

Footnotes and Assumptions:

1. The most recent sewer rate study was completed in 2018 and sewer rates were set for the following five years (FY 2018/2019 through 2022/2023) with 3% annual increases. The 2022/2023 revenue amounts reflect the 3% increase. The City is planning to have a new rate study completed in 2022/2023 which would set the rates for the following 3 to 5 years. For purposes of this long-term financial plan, no rate increases have been included for the 2023/2024 through 2025/2026 fiscal years.
2. The remaining revenue amounts have been continued at the 2021/2022 budgeted amounts; actual changes to be determined, if any.
3. Assumes 3% annual increases in operating expenditures for 2022/2023 through 2025/2026.
4. Allows for $400,000 of annual capital outlay purchases from operating budgets in 2022/2023 through 2025/2026.
5. Assumes 3% annual increases in administrative fees for 2022/2023 through 2025/2026.
6. The remaining transfers are either flat or reflect actual debt service-related amounts.
7. Based on revenue and expenditure assumptions, operating deficits are projected for 2024/2025 and 2025/2026.

Comments:

This long-term financial plan reflects the assumptions listed above for revenues, expenditures, and transfers. The next rate study will be an in-depth planning document and will identify specific capital outlay needs for upcoming years, updated operating expenditure estimates, and include any recommended changes in transfers to Reserve funds.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Transfer Station Fund

	Actual 2018/2019	Actual 2019/2020	Revised Estimate 2020/2021	Budget 2021/2022	Preliminary Projections: Preliminary Projection 2022/2023	Preliminary Projection 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	
Transfer Station Fund									
Revenues and Transfers In									
Charges for Services:									
Transfer Station Tipping Fees - Regular Waste	$ 2,318,615	$ 2,151,697	$ 2,084,600	$ 2,084,600	$ 2,084,600	$ 2,084,600	$ 2,084,600	$ 2,084,600	(1)
Transfer Station Other Waste fees	20,059	22,789	24,800	24,800	24,800	24,800	24,800	24,800	(1)
Use of Money and Property:									
Recycling Center Rental Fees	22,021	60,000	60,000	60,000	60,000	60,000	60,000	60,000	(1)
Interest	144	536	-	-	-	-	-	-	(1)
Other Revenues:									
Miscellaneous Revenue	27,120	12,021	14,000	14,300	14,300	14,300	14,300	14,300	(1)
Transfers In:									
Landfill Surcharge Reserve	46,669	41,619	42,000	42,000	42,000	42,000	42,000	42,000	(1)
Total Revenues	**$ 2,434,628**	**$ 2,288,662**	**$ 2,225,400**	**$ 2,225,700**	**$ 2,225,700**	**$ 2,225,700**	**$ 2,225,700**	**$ 2,225,700**	
Expenditures and Transfers Out									
Operating Budgets									
Operating Expenditures	$ 2,180,105	$ 1,941,050	$ 2,021,600	$ 2,045,400	2,106,800	2,170,000	2,235,100	2,302,200	(2)
Capital Outlay	118,981	94,539	5,400	142,000	100,000	100,000	100,000	100,000	(3)
Transfers Out:									
Administrative Fees	3,100	3,700	3,900	$ 4,100	4,200	4,300	4,400	4,500	(4)
Payments on Internal Loan for Capital Purchases	75,800	72,696	40,141	-	-	-	-	-	
Capital Project Fund - Tipping Floor Resurfacing	-	0	-	200,000	-	-	-	-	
Total Expenditures	$ 2,377,986	$ 2,111,985	$ 2,071,041	$ 2,391,500	$ 2,211,000	$ 2,274,300	$ 2,339,500	$ 2,406,700	
Fund Balance Increase/(Funding Gap)	**$ 56,642**	**$ 176,677**	**$ 154,359**	**$ (165,800)**	**$ 14,700**	**$ (48,600)**	**$ (113,800)**	**$ (181,000)**	(5)
Beginning Fund Balance (Deficit)	(60,468)	(3,826)	172,851	327,210	161,410	176,110	127,510	13,710	
Ending Fund Balance (Actual or Estimated)	**$ (3,826)**	**$ 172,851**	**$ 327,210**	**$ 161,410**	**$ 176,110**	**$ 127,510**	**$ 13,710**	**$ (167,290)**	(5)

Footnotes and Assumptions:

1. Revenue estimates based on 40,000 tons of waste annually at the current $60 per ton regular rate and the current industrial waste contract rates; actual tonnage has varied in recent years.
2. Assumes 3% annual increases in operating expenditures for 2022/2023 through 2025/2026.
3. Allows for $100,000 of annual capital outlay purchases from operating budgets in 2022/2023 through 2025/2026.
4. Assumes 3% annual increases in administrative fees for 2022/2023 through 2025/2026.
5. Based on the estimated waste volume and revenue and expenditure assumptions, operating deficits are projected for 2023/2024, 2024/2025, and 2025/2026.

Comments:

This long-term financial plan reflects the assumptions listed above including 40,000 tons of waste annually at the current rates. Waste volumes vary from year to year with the actual waste volumes at 44,447 tons for 2018/2019 and 39,637 tons for 2019/2020. The waste volume decrease in 2019/2020 was partially due to the COVID-19 pandemic. It is anticipated that the waste volumes will increase over the years shown in this plan; however, it is difficult to project these increases on an annual basis.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2018/2019 and 2019/2020, Revised Estimate 2020/2021, Budget 2021/2022, and Projected 2022/2023 through 2025/2026

Refuse Collection Fund

					Preliminary Projections				
Refuse Collection Fund	**Actual 2018/2019**	**Actual 2019/2020**	**Revised Estimate 2020/2021**	**Budget 2021/2022**	**Preliminary Projection 2022/2023**	**Preliminary Projection 2023/2024**	**Preliminary Projection 2024/2025**	**Preliminary Projection 2025/2026**	
Revenues and Transfers In									
Charges for Services:									
Refuse Collection Charges	$ 2,274,887	$ 2,340,676	$ 2,342,200	$ 2,342,200	$ 2,342,200	$ 2,342,200	$ 2,342,200	$ 2,342,200	(1)
Yard Waste Bag Sales	16,309	15,395	15,800	15,800	15,800	15,800	15,800	15,800	(1)
Compost Site Non-Resident and Commercial Fees	84	4,919	11,500	11,500	11,500	11,500	11,500	11,500	(1)
Use of Money and Property:									
Interest	-	1,153	-	-	-	-	-	-	
Other Revenues:									
Miscellaneous Revenue	6,394	36,540	49,400	6,800	6,800	6,800	6,800	6,800	(1)
Transfers In:									
Landfill Surcharge Reserve	46,669	41,619	-	-	-	-	-	-	
Total Revenues	**$ 2,344,343**	**$ 2,440,302**	**$ 2,418,900**	**$ 2,376,300**	**$ 2,376,300**	**$ 2,376,300**	**$ 2,376,300**	**$ 2,376,300**	
Expenditures and Transfers Out									
Operating Budgets									
Operating Expenditures	$ 2,033,741	$ 1,963,079	$ 2,109,600	$ 2,109,200	2,172,500	2,237,700	2,304,800	2,373,900	(2)
Capital Outlay	16,840	185,696	276,100	194,000	74,000	24,000	282,000	182,000	(3)
Transfers Out:									
Administrative Fees	87,300	91,000	94,100	$ 97,100	100,000	103,000	106,100	109,300	(4)
Forward Surcharge Funds to Transfer Station	46,669	41,619	-	-	-	-	-	-	
Total Expenditures	$ 2,184,550	$ 2,281,394	$ 2,479,800	$ 2,400,300	$ 2,346,500	$ 2,364,700	$ 2,692,900	$ 2,665,200	
Fund Balance Increase/(Funding Gap)	**$ 159,793**	**$ 158,908**	**$ (60,900)**	**$ (24,000)**	**$ 29,800**	**$ 11,600**	**$ (316,600)**	**$ (288,900)**	(5)
Beginning Fund Balance (Deficit)	(113,072)	46,721	205,629	144,729	120,729	150,529	162,129	(154,471)	
Ending Fund Balance (Actual or Estimated)	**$ 46,721**	**$ 205,629**	**$ 144,729**	**$ 120,729**	**$ 150,529**	**$ 162,129**	**$ (154,471)**	**$ (443,371)**	(5)

Footnotes and Assumptions:

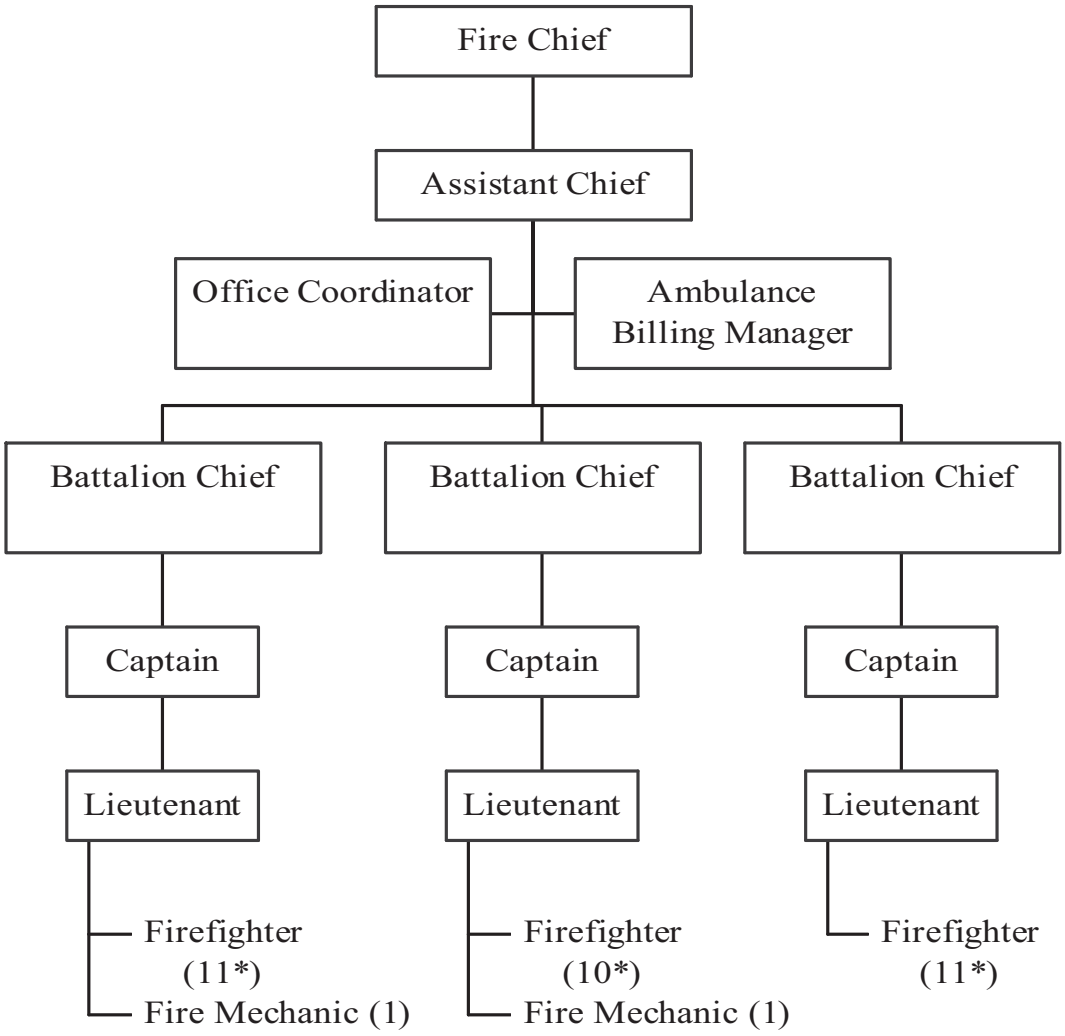
1. Revenue estimates based on current residential, senior, and commercial rates and customers. It is anticipated that these rates will need to be periodically increased to cover increased operating costs and future capital outlay needs.
2. Assumes 3% annual increases in operating expenditures for 2022/2023 through 2025/2026.
3. Capital outlay amounts from department Future Capital Outlay Projections budget schedule.
4. Assumes 3% annual increases in administrative fees for 2022/2023 through 2025/2026.
5. Based on above assumptions, including capital outlay items projected to be needed in 2024/2025 and 2025/2026, operating deficits and deficit fund balances are projected for 2024/2025 and 2025/2026 if rates would not be adjusted.

Comments:

This long-term financial plan reflects the assumptions listed above including annual increases in operating expenditures and projected future capital outlay needs. While revenues are shown for all years in this schedule using the current rates, it is expected that periodic rate adjustments will be needed.

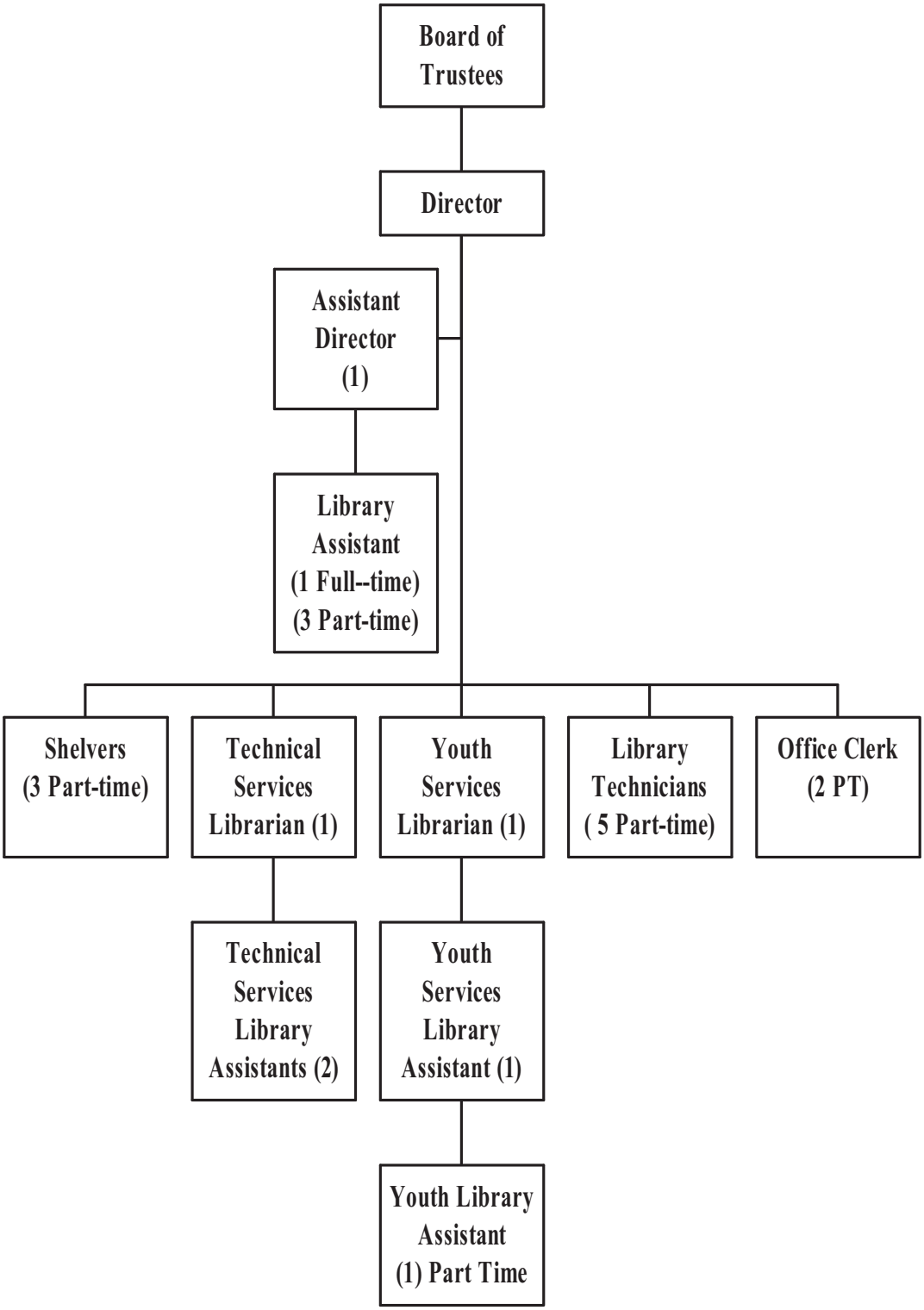
DEPARTMENT ORGANIZATIONAL CHARTS

CITY OF MUSCATINE
FIRE DEPARTMENT

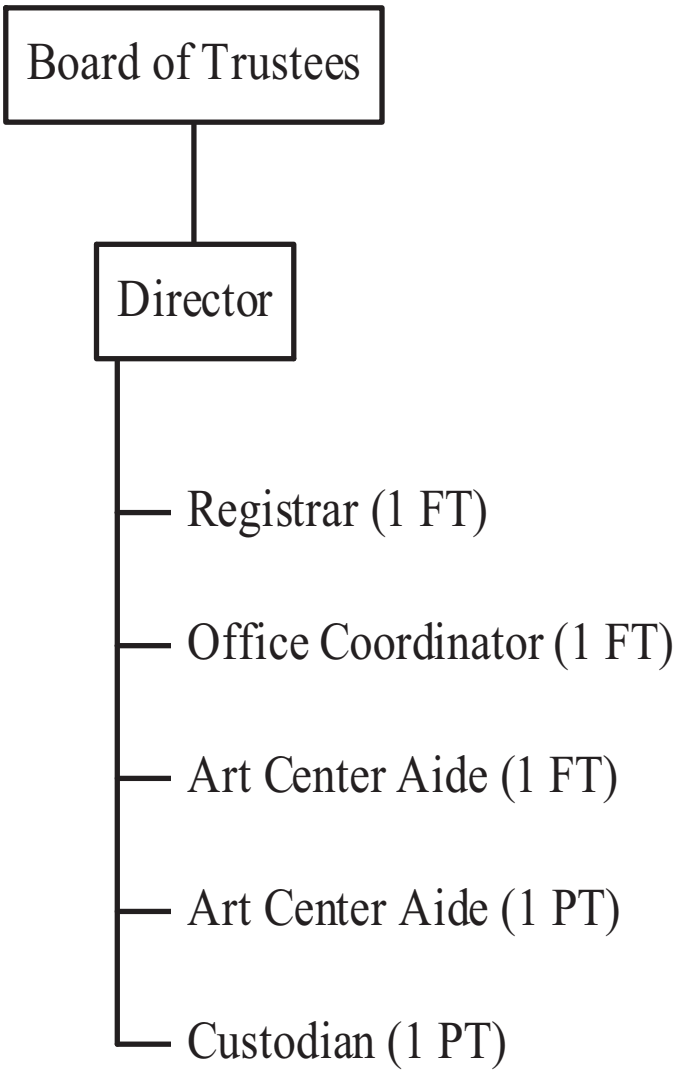


* Three additional Firefighter positions were added in the original 2020/2021 budget due to the continued high number of ambulance runs including inter-facility transfers. Hiring of the new positions was deferred due to General Fund revenue shortfalls due to the COVID-19 pandemic. One of these positions is budgeted to be filled effective April 1, 2021, with two positions continuing to be deferred.

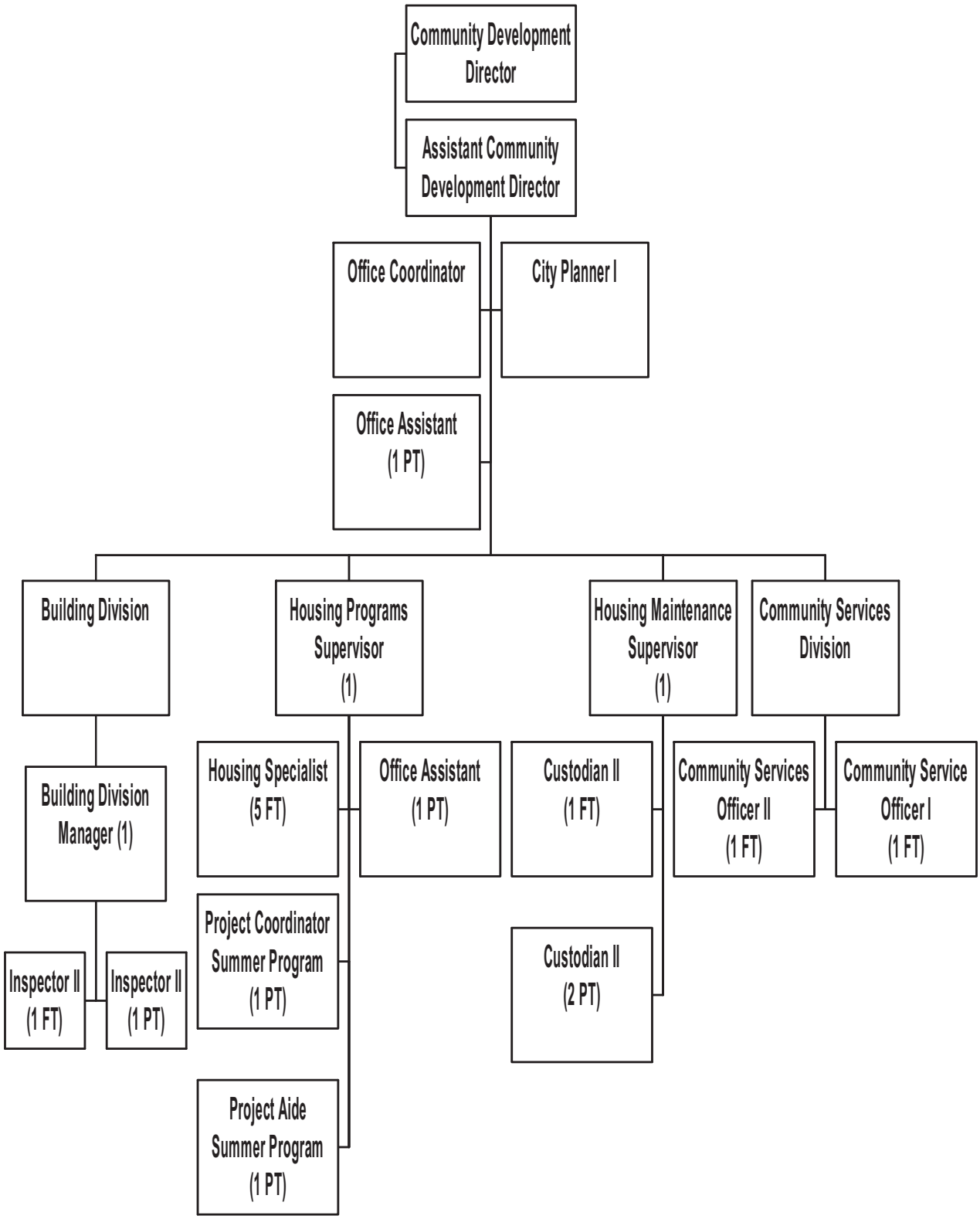
CITY OF MUSCATINE LIBRARY



CITY OF MUSCATINE
ART CENTER



CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



CITY OF MUSCATINE
FINANCE DEPARTMENT

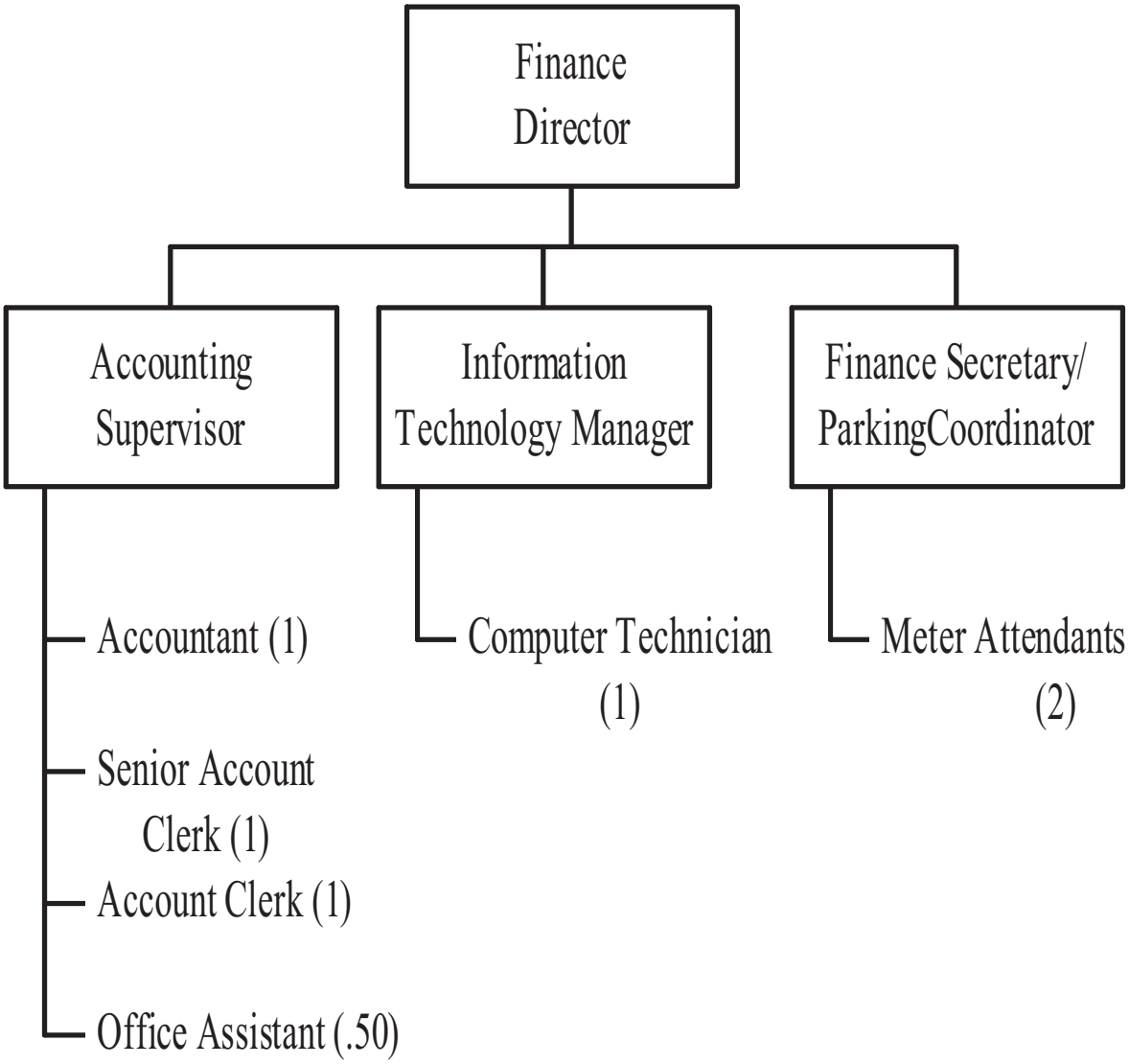
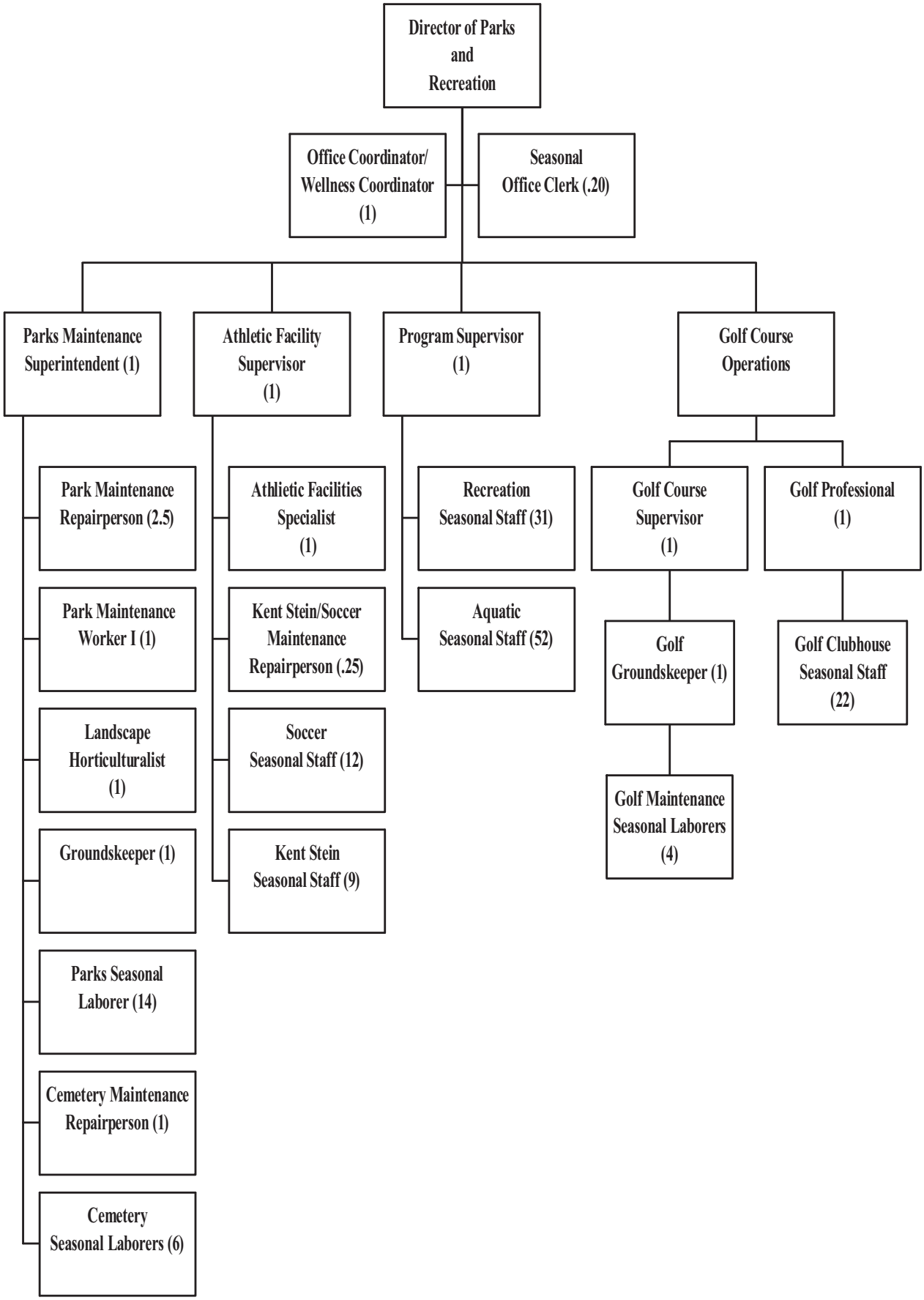
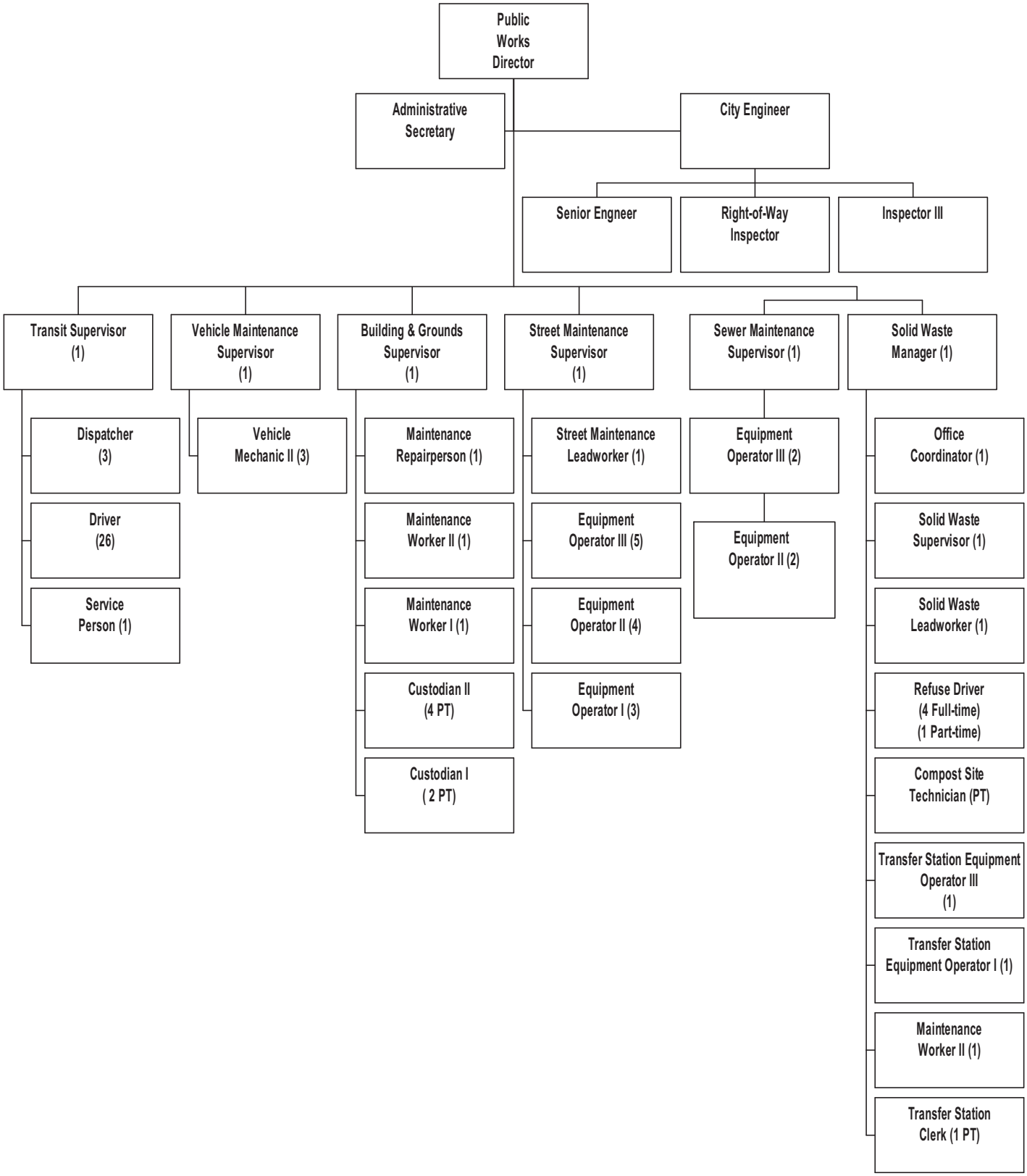


Table of Contents

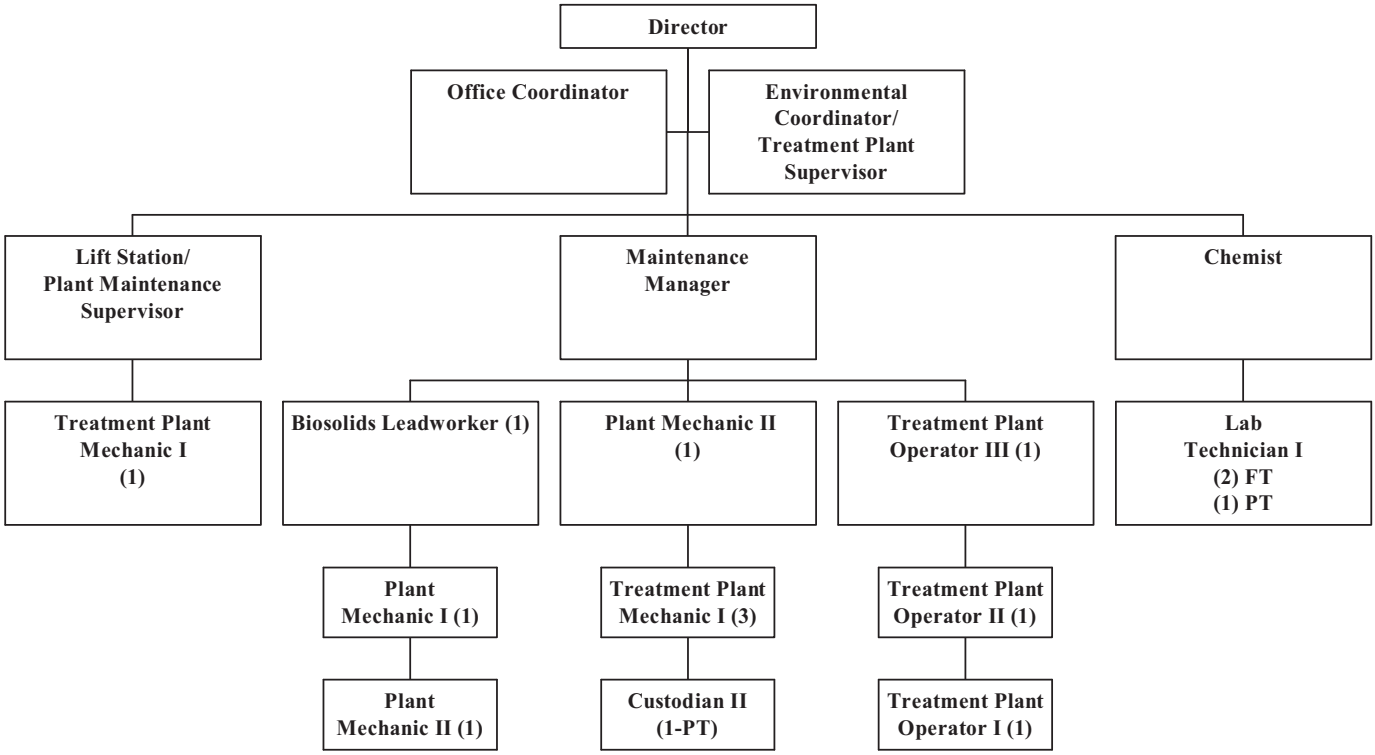
CITY OF MUSCATINE
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE
PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE
WATER POLLUTION CONTROL DEPARTMENT



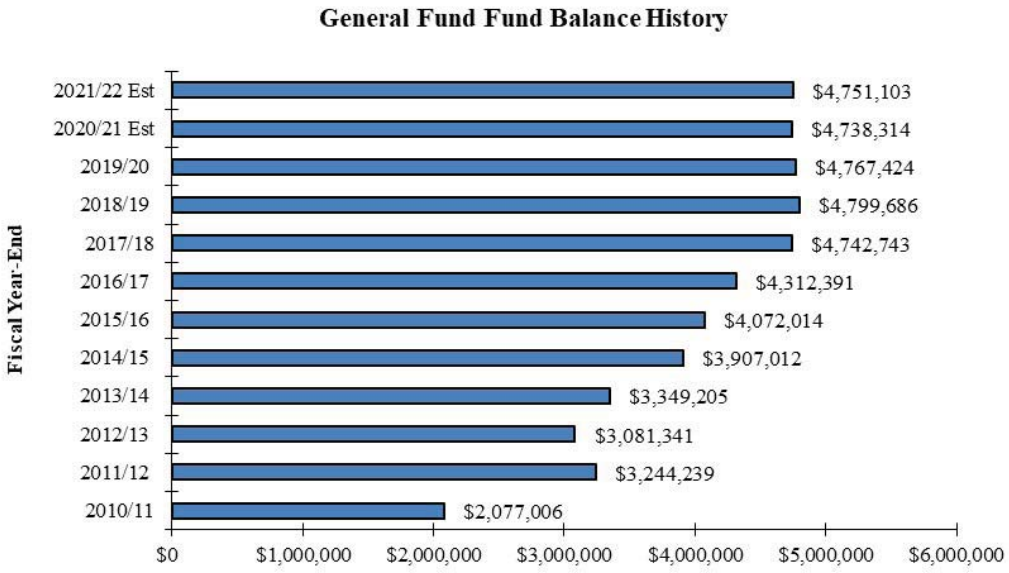
GENERAL FUND

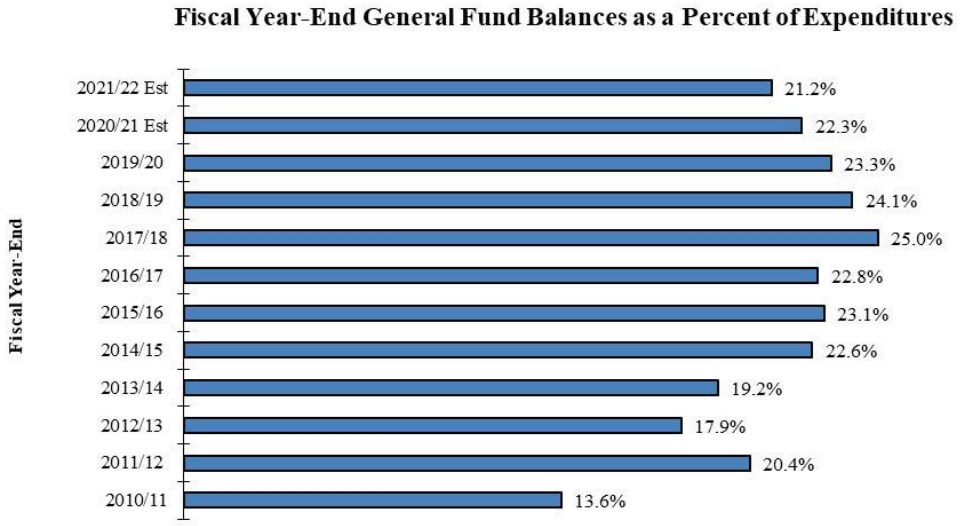
GENERAL FUND

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 2021/2022 is budgeted at $4,751,103 which is 21.2% of budgeted General Fund expenditures. The new policy and the recent year budgets demonstrate City Council's commitment towards the goal of increasing and maintaining the General Fund balance. Additionally, General Fund revenues are budgeted conservatively and department expenditures are generally less than their approved budgets and it is expected that the actual ending balance should exceed the amount budgeted. The following is a history of the General Fund balances:





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 updated General Fund Balance Policy provides that City Council, as part of the budget process, can choose to use f.und 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 $4,742,508 when the 2020/2021 budget was developed was 21.9% of budgeted General Fund expenditures which met the 16.7% minimum amount in the updated policy. The 2020/2021 revised estimate ending fund balance of $4,738,314 is 22.3% of expenditures. The City made a number of revisions during the 2020/2021 fiscal year to address General Fund revenue reductions due to the COVID-19 pandemic. Revenues and transfers in were reduced by $412,441 and expenditures were reduced by $378,663. The beginning balance for the year was $29,584 higher than the estimated beginning balance when the budget was originally adopted. These changes resulted in the revised estimate ending balance of $4,738,314, which is only $4,194 less than the originally estimated ending fund balance. The increase from the 21.9% to 22.3% in the calculation of ending fund balance as a percentage of expenditures, is primarily due to revised estimate expenditures being lower than the originally budgeted expenditures.

The estimated ending balance for 2021/2022 of $4,751,103 is 21.2% 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 2021/2022 budget. The 2021/2022 budget is "balanced" with budgeted revenues $12,789 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 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, 2020/2021, and 2021/2022 budgets have each included $50,000 to allow for merit increases in the non-union pay plan of up to 3% based on performance. While the original 2020/2021 budget included an allocation of $50,000 for merit pay of up to 3%, this allocation was put on hold until midway through the fiscal year due to concerns with reduced revenue to the General Fund due to the COVID-19 pandemic.

Impacts of the COVID-19 Pandemic – Fiscal Year 2019/2020 and 2020/2021

In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. The City continued to provide essential services to the public, but City facilities were closed to the public.

The City Council met several times in May and June of 2020 to review and discuss the projected impacts of the COVID-19 pandemic on City revenues in both the 2019/2020 and 2020/2021 fiscal years, 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 were not expected to have immediate impacts on essential services provided to the residents of the community. While the first item impacts capital improvement projects, the remaining five items primarily impact the City's General Fund.

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 the 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).

At the end of the 2019/2020 fiscal year, there were reductions in revenues as projected at the meetings. Significant General Fund revenue reductions were in hotel/motel taxes, construction permits, and Parks and Recreation facility usage and program fees. These reductions, however, were offset by expenditure reductions in most departments. While a decrease in General Fund balance was anticipated due to the revenue reductions, the City was able to maintain the unreserved General Fund balance at the same approximate level as budgeted.

COVID-19 Pandemic Update – Fiscal Year 2020/2021 Revised Estimate and 2021/2022 Budget

The six budget revisions listed above assisted in maintaining City services and allowed time for reconsideration of these actions as more information became available. The status of these items for the 2021/2022 budget is as follows:

Pavement Management Program - as the 2020/2021 fiscal year progressed, it was found that Road Use Tax and Local Option Sales Tax revenues were not impacted to the extent originally projected. The $1 million in Pavement Management Projects that were deferred in calendar year 2020 are scheduled to be completed in the spring of 2021.

New Positions Deferred – hiring of two of the three new firefighter positions is still being deferred through the 2021/2022 budget. One of the new firefighter positions was authorized to be filled effective April 1, 2021. The Human Resources Generalist position is still being deferred through the 2021/2022 budget.

Assigned Funding for Merit Pay – merit pay for fulltime non-union employees that normally would have begun July 1, 2020 was deferred until January 1, 2021.

Department Expenditure Reductions – while the City's Aquatic Center did not open for the 2020 season which resulted in reduced expenditures, the facility will re-open in 2021. Due to the Governor's proclamations, several Park facilities were delayed in opening in 2020, but were opened as allowed (Soccer Complex, Kent-Stein Park, etc.). The 2021/2022 budget is based on all facilities being open and available to the public.

Review of Positions and Capital Outlay - while hiring for positions that become vacant are still being evaluated as they occur, all of these positions have been filled to date. The 2021/2022 budget also allows for capital outlay purchases by departments.

State COVID-19 Relief Funding – in October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy/ Emergency Fund, which had a balance of $84,989. This brought the total in this fund to $646,617. Due to continuing concerns with revenue reductions in hotel/motel taxes, construction permits, interest, and other sources, the 2020/2021 revised estimate is based on transferring $100,000 of these funds to the General Fund in the current fiscal year and $300,000 in the 2021/2022 fiscal year. This will leave a balance of approximately $246,700 in this fund for 2022/2023 or future years.

Due to the team effort of the City Council and City staff, as well as the recovering economy and CARES (Coronavirus Aid, Relief, and Economic Security) Act and other funding, the financial impacts of COVID-19 have not been as significant as originally projected. There are still, however, revenue concerns going forward. City Council and City staff plan to use caution going forward in fiscal year 2021/2022 due to the uncertainty of these revenues as well as the economy.

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 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 2021/2022 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 2021/2022 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 2021/2022 in the General Fund total $22,450,589, which is a 3.6% increase from the 2020/2021 budget of $21,668,294. General property taxes comprise 34.0% of total revenue sources for 2021/2022 compared to 33.6% for 2020/2021. 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 and 2021/2022 budgets, the Employee Benefits levy will fund 100% of General Fund employee benefit costs while still maintaining the same overall tax rate of $15.67209.

The total property tax rate for the 2021/2022 budget is $15.67209 per $1,000 of taxable valuation, which is the same total rate as the nine previous years. While the tort liability and emergency tax levies increased for the upcoming year, these increases were offset by decreases in the employee benefits, debt service, and transit levies. The transit tax levy was eliminated for the 2021/2022 budget. This was possible due to the accumulated balance in the Transit Fund and the CARES Act funding received for the Transit system in 2020/2021 and 2021/2022.

In 2021/2022 taxable property valuations increased by a 4.88% 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 2021/2022. 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, to 68.50% for 2021/2022, and will continue to be rolled back over the next two years until the rollback is equal to the rollback on residential properties. The taxable value for multi-residential properties for 2021/2022 is $27,176,056, a 4.37% decrease from the previous year. Industrial property valuations increased by 3.78% for 2021/2022 and commercial values increased by 4.50%. Residential property taxable values increased by 6.02%. Actual valuations for residential property increased by 3.26% and there was a 2.43% increase in the

residential rollback (from 55.0743% to 56.4094%). The other smaller categories of properties are railroads, which increased in valuation by 4.09%, and utilities, which decreased by 16.69%. Overall, these factors combined to result in the 4.88% overall increase in taxable valuations. It should be noted the taxable valuation increase of 4.88% this year is the 2nd highest increase in the last ten years and higher than the 10-year average increase of 2.09%.

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 2021/2022 the State reimbursement to the General Fund is estimated at $316,992 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $5,465 for the Emergency levy, $13,215 for the Tort Liability levy, $186,768 for the Employee Benefits levy, and $90,883 for the Debt Service levy, total to an estimated total reimbursement of $613,323 for 2021/2022. 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 2021/2022 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.

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 had not been levied again until the upcoming 2021/2022 budget.

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 generated $81,400. 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 provided 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. In 2019/2020, ATE revenues were $479,861 for a full year ATE operations. The 2020/2021 revised estimate and 2021/2022 budget both include $550,000 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 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 to once again levy the Emergency tax levy at the rate of $.27 per $1,000 of valuation.

For the 2020/2021 budget, the Utility Franchise Fee remained at 5%. This allowed for the property tax rate to remain unchanged and allowed for the addition of three new firefighter positions and a new Human Resources Generalist in the original 2020/2021 budget. Due to reductions in other General Fund revenues due to the COVID-19 pandemic, hiring of those four new positions was put on hold.

For the 2021/2022 budget, the Utility Franchise Fee remained at 5% which will assist in maintaining the current service levels to residents while revenue reductions due to the COVID-19 pandemic continue.

As in prior years, Road Use Taxes from the State will be utilized to fund street maintenance expenses. For the 2021/2022 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at $2,919,800, an increase of $99,200 (3.5%) from the 2020/2021 budget of $2,820,600.

Revenue sources identified in the General Fund for 2021/2022 also include charges for services, licenses and permits, and other fees. Construction permits for 2021/2022 are estimated at $150,000 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 $397,300 for 2021/2022 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 $12,200 has been charged to the Golf Course and Boat Harbor Operations budgets for 2021/2022. 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 $74,500 for 2021/2022. In 2021/2022 the Ambulance enterprise fund will transfer $1,485,600 to the General Fund for a prorated portion (30.2%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of $22,437,800 for 2021/2022 is 3.6% ($774,174) above the 2020/2021 budget of $21,663,626. Of the total expenditures, $17,558,700 (78.3%) 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 2021/2022 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. Fulltime equivalent (FTE) year-round budgeted positions in the General Fund were 162.53 in fiscal year 2019/2020, 169.92 in the original 2020/2021 budget, 164.90 in the 2020/2021 revised estimate, and 167.95 in the 2021/2022 budget. Changes in General Fund authorized positions for the original 2020/2021 budget, the 2020/2021 revised estimate, and the 2021/2022 budget are as follows:

2020/2021 Original Budget

- The original 2020/2021 budget included the addition of 3 firefighter positions. These positions were 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 original 2020/2021 budget included 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 6.50 in FTE positions.

2020/2021 Revised Estimate

- Hiring of the 3 additional firefighters included in the original 2020/2021 budget was put on hold as a result of revenue shortfalls due to the COVID-19 pandemic. One of those positions was authorized to be filled as of April 1, 2021 (2.75 FTE reduction).
- Hiring of the new Human Resources Generalist position added in the original 2020/2021 budget was put on hold as a result of revenue shortfalls due to the COVID-19 pandemic (1.00 FTE reduction).
- There was a reduction in part-time staff at the Library due in part to the COVID-19 pandemic (1.34 FTE reduction).

- There was a reduction in part-time staff in the Community Development department (.19 FTE reduction).
- There were staff allocation changes between the Parking Fund and the General Fund midway through the fiscal year due to parking revenue reductions as a result of the pandemic (.26 FTE increase).
- These changes resulted in a net decrease of 5.02 in General Fund FTE positions compared to the original budget.

2021/2022 Budget

- A full year for the new firefighter position authorized to be hired April 1, 2021 (.75 FTE increase).
- A new Senior Engineer position was added replacing a portion of the currently contracted project managers/inspectors (1.00 FTE increase).
- There was an increase in part-time staff at the Library due to reauthorizing several positions that were reduced due to the COVID-19 pandemic (.87 FTE increase).
- There was a small increase in part-time hours in the Community Development department (.19 FTE increase).
- Staff allocation changes between the Parking Fund and the General Fund continued in 2021/2022 due to parking revenue reductions as a result of the pandemic (additional .24 FTE increase over the 2020/2021 revised estimate).
- These changes resulted in a 3.05 increase in FTE positions compared to the 2020/2021 General Fund revised estimate.

The 2021/2022 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 2021/2022 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 2021/2022 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. These contributions will all continue at their current funding levels of $43,000 for the Chamber, $80,000 for the Muscatine Humane Society, and $25,000 for Senior Resources.

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, 2020/2021, and 2021/2022. The subsidy, however, will be reduced if any grant funding is secured for this program.

The 2021/2022 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of $250,000 and $50,000, respectively.

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 2021/2022. Accordingly, funding for any emergency or non-budgeted items will generally require City Council to follow established budget amendment procedures. In October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy/ Emergency Fund, which had a balance of $84,989. This brought the total in this fund to $646,617. Due to continuing concerns with revenue reductions in hotel/motel taxes, construction permits, interest, and other sources, the 2020/2021

revised estimate is based on transferring $100,000 of these funds to the General Fund in the current fiscal year and $300,000 in the 2021/2022 fiscal year. This will leave a balance of approximately $246,700 in this fund for 2022/2023 or future years.

Departments in the General Fund continue to strive to improve the efficiency of their operations to negate the necessity for any service level reductions. Programs of the General Fund and changes associated with them are outlined in the respective departmental activity budgets which follow.

General Fund

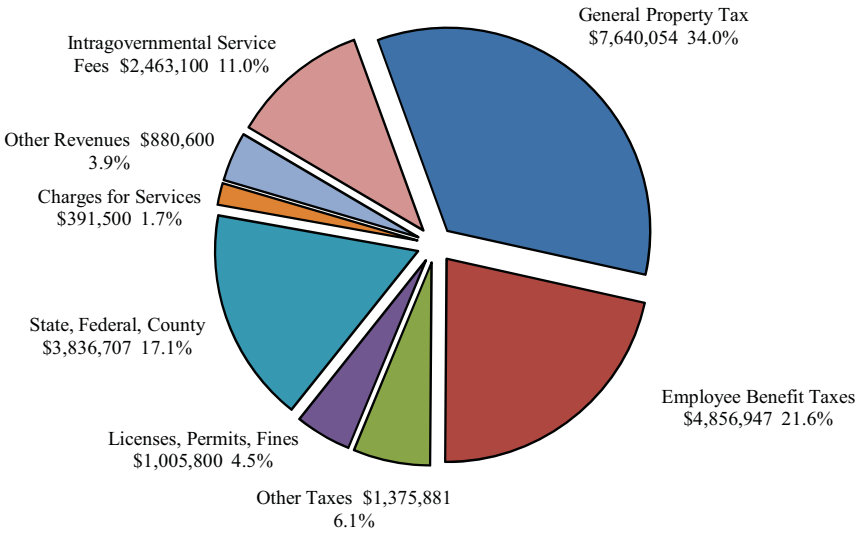
Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 4,742,743	$ 4,799,686	$ 4,737,840	$ 4,767,424	$ 4,738,314
Revenues	19,995,706	20,443,623	21,668,294	21,155,853	22,150,589
Transfer from State COVID Relief/ Emergency Fund	0	0	0	100,000	300,000
Encumbrance Variance	699	170	0	0	0
Funds Available	$ 24,739,148	$ 25,243,479	$ 26,406,134	$ 26,023,277	$ 27,188,903
Expenditures	19,939,462	20,476,055	21,663,626	21,284,963	22,437,800
Ending Balance, June 30	$ 4,799,686	$ 4,767,424	$ 4,742,508	$ 4,738,314	$ 4,751,103
Increase (Decrease) in Fund Balance	**$ 56,943**	**$ (32,262)**	**$ 4,668**	**$ (29,110)**	**$ 12,789**
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	**$ 3,330,000**	**$ 3,420,000**	**$ 3,618,000**	**$ 3,555,000**	**$ 3,747,000**
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	**$ 1,469,686**	**$ 1,347,424**	**$ 1,124,508**	**$ 1,183,314**	**$ 1,004,103**
Ending Balance as a Percent of General Fund Expenditures	**24.1%**	**23.3%**	**21.9%**	**22.3%**	**21.2%**

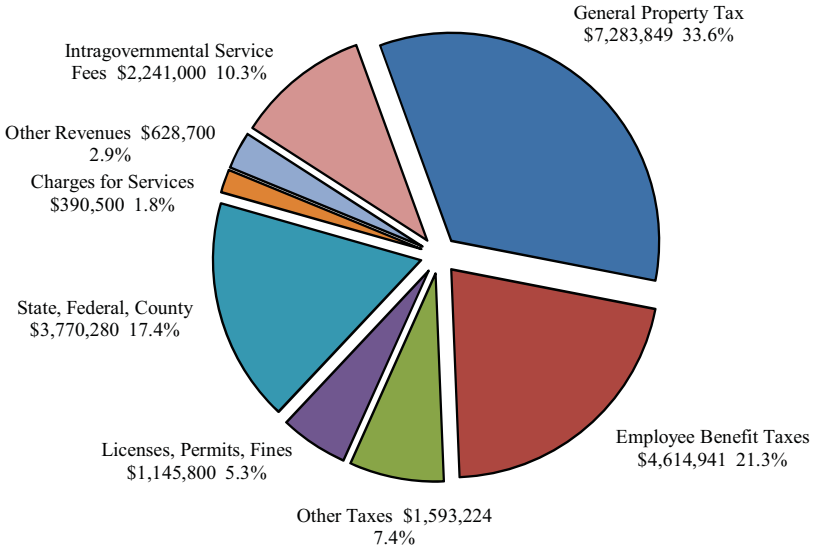
Explanation of Increases or Decreases in Fund Balances:

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 2018/2019, 2019/2020, 2020/2021, or the 2021/2022 budget.

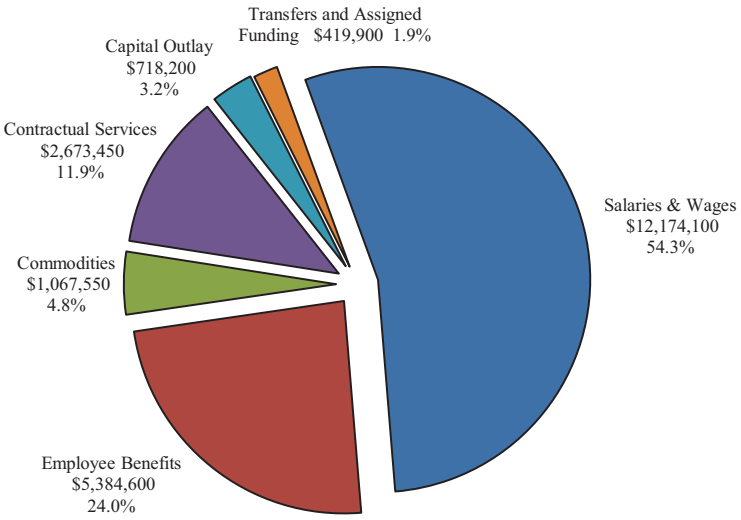
General Fund Revenues By Source
Budget 2021/2022
$22,450,589



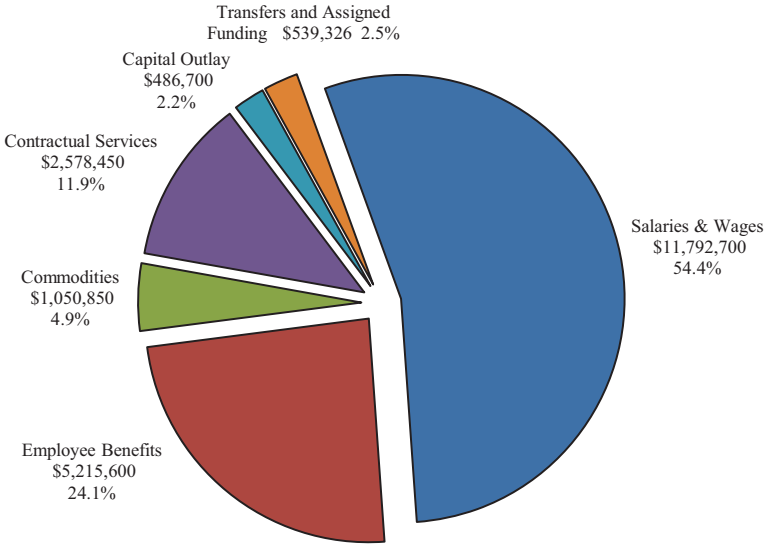
General Fund Revenues By Source
Budget 2020/2021
$21,668,294



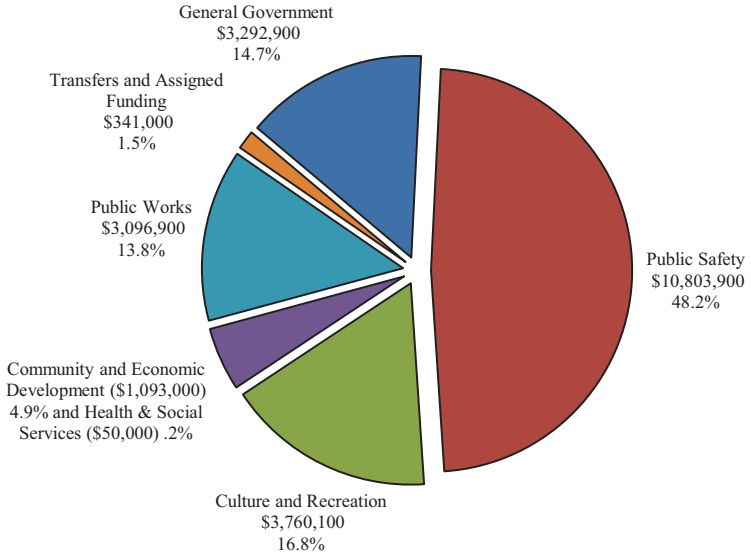
General Fund Expenditures By Type
Budget 2021/2022
$22,437,800



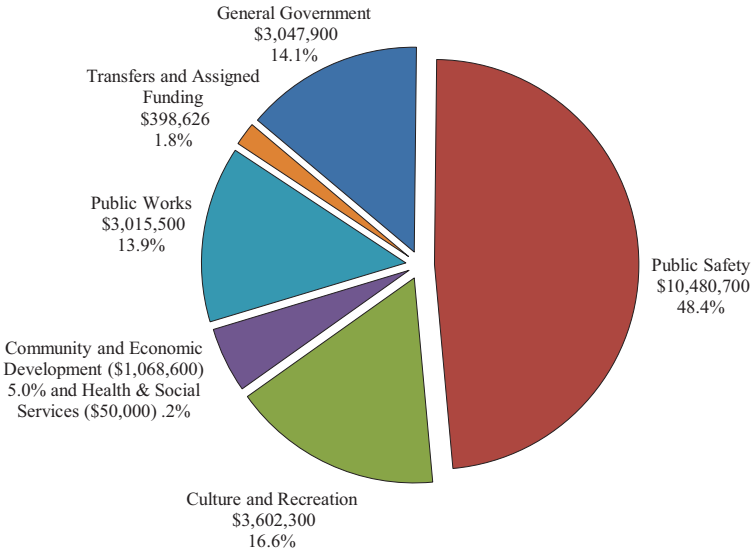
General Fund Expenditures By Type
Budget 2020/2021
$21,663,626



General Fund Expenditures By Function
Budget 2021/2022
$22,437,800



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



General Fund

Revenues by Type

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change from 2020/2021 Budget
Taxes	$ 8,290,718	$ 8,515,141	$ 8,877,073	$ 8,545,773	$ 8,876,200	0.0%
Licenses and Permits	443,121	305,696	442,900	246,200	277,400	-37.4%
Fines and Forfeitures	500,715	650,392	712,300	674,800	728,800	2.3%
Intergovernmental Revenue	799,990	915,657	857,680	1,108,219	834,207	-2.7%
Charges for Services	702,218	637,860	772,200	695,100	854,200	10.6%
Use of Money and Property	216,153	193,335	177,900	132,100	147,300	-17.2%
Miscellaneous Revenues	752,023	911,660	772,200	842,000	746,500	-3.3%
Transfers In	8,290,768	8,313,882	9,056,041	9,011,661	9,985,982	10.3%
Total	$ 19,995,706	$ 20,443,623	$ 21,668,294	$ 21,255,853	$ 22,450,589	3.6%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	$ 7,075,720	$ 7,147,634	$ 7,259,768	$ 7,259,768	$ 7,614,377	4.88%
Ag Land Tax	3,543	4,495	3,581	3,581	5,177	44.57%
Transit System Levy	50,004	283,285	107,436	107,436	0	-100.00%
Tort Liability Levy	240,141	49,477	283,292	283,292	317,444	12.06%
Mobile Home Tax	20,807	18,838	20,500	20,500	20,500	0.00%
Special Revenue:						
Emergency Levy	0	0	0	0	139,735	
Police Retirement	703,842	666,908	722,931	735,684	795,724	10.07%
Fire Retirement	691,296	680,686	743,701	742,313	819,734	10.22%
Police and Fire Medical Insurance	56,698	56,698	56,698	56,698	62,368	10.00%
Police and Fire Retiree Medical Costs	79,124	14,147	45,000	45,000	45,000	0.00%
Long-term Disability Insurance	12,382	12,548	13,370	13,249	13,772	3.01%
Workers Compensation Insurance	49,250	25,733	28,242	38,503	37,606	33.16%
Unemployment Insurance	32,857	54,894	60,338	57,263	54,731	-9.29%
Health Insurance	1,870,284	1,844,858	2,046,612	1,973,145	2,124,136	3.79%
Life Insurance	14,555	14,623	15,969	13,221	13,415	-15.99%
Dental Insurance	48,430	47,155	54,299	50,333	51,965	-4.30%
Deferred Compensation	1,200	600	1,200	0	0	-100.00%
Post Employment Health Plan	73,855	39,528	55,737	60,774	35,541	-36.23%
FICA/IPERS	677,637	673,495	770,844	743,278	802,955	4.17%
Subtotal	$ 11,701,625	$ 11,635,602	$ 12,289,518	$ 12,204,038	$ 12,954,180	5.41%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	$ 494,951	$ 398,588	$ 500,000	$ 250,000	$ 300,000	-40.00%
Cable Franchise Tax	158,717	143,166	155,600	138,500	138,500	-10.99%
Utility Franchise Fees	220,448	440,654	514,200	450,000	450,000	-12.49%
Utility Tax Replacement Excise Tax:						
General	25,351	27,714	31,029	31,029	28,996	-6.55%
Tort Liability	858	1,098	1,208	1,208	1,206	-0.17%
Transit	179	192	459	459	0	-100.00%
Commercial/Industrial State Reimbursement:						
General	312,505	316,161	346,719	315,442	316,992	-8.57%
Tort Liability	10,580	12,530	13,530	12,309	13,215	-2.33%
Transit	2,203	2,189	5,131	4,668	0	-100.00%
Other State Contributions - Moneys & Credits	0	3,814	0	0	0	
Subtotal	$ 1,225,791	$ 1,346,106	$ 1,567,876	$ 1,203,615	$ 1,248,909	-20.34%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Intergovernmental Revenues						
Road Use Tax	$ 2,660,045	$ 2,709,941	$ 2,820,600	$ 2,644,600	$ 2,919,800	3.52%
Subtotal	$ 2,660,045	$ 2,709,941	$ 2,820,600	$ 2,644,600	$ 2,919,800	3.52%
Licenses and Permits						
Beer, Liquor, and Cigarettes	$ 39,307	$ 36,555	$ 39,300	$ 36,500	$ 36,500	-7.12%
Animal	3,475	2,318	3,000	2,500	2,500	-16.67%
Miscellaneous	5,050	6,395	5,000	5,000	5,000	0.00%
Subtotal	$ 47,832	$ 45,268	$ 47,300	$ 44,000	$ 44,000	-6.98%
Cemetery Fees						
Lot and Niche Sales	$ 27,424	$ 16,516	$ 17,000	$ 19,000	$ 19,000	11.76%
Lease of Property-Cell Towers	19,594	21,558	22,400	22,500	23,900	6.70%
Burial Fees	44,675	45,790	45,000	45,000	45,000	0.00%
Miscellaneous Charges	11,301	15,049	11,000	11,000	11,000	0.00%
Commissions	21,592	14,099	15,000	15,000	15,000	0.00%
Perpetual Care Interest	17,873	19,326	16,700	11,000	4,500	-73.05%
Maintenance Fees (Cemetery Steps)	400	400	400	400	400	0.00%
Subtotal	$ 142,860	$ 132,738	$ 127,500	$ 123,900	$ 118,800	-6.82%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	$ 59,077	$ 68,855	$ 60,000	$ 30,000	$ 60,000	0.00%
Section 8 Housing Inspection Fees	11,660	9,175	12,000	12,000	12,000	0.00%
Construction Permits	308,175	168,177	310,000	150,000	150,000	-51.61%
Health Licenses	4,452	6,057	4,000	4,000	4,000	0.00%
Zoning Fees	4,200	2,150	2,500	1,000	1,000	-60.00%
Board of Adjustment Fees	1,000	2,500	1,000	1,000	1,000	0.00%
Site Plan Review Fees	800	700	1,000	1,000	1,000	0.00%
Sale of Code Books	400	0	0	0	0	
Municipal Infractions Penalties	0	0	500	500	500	0.00%
Nuisance Reimbursements/Administrative Fees	74,957	75,688	80,000	87,000	85,000	6.25%
Sale of Property	2,900	12,078	10,000	1,000	1,000	-90.00%
State Grant - Historic Preservation	8,623	0	0	0	0	
State Reimbursement - Asbestos	6,857	0	0	0	0	
Miscellaneous	844	1,701	1,000	500	500	-50.00%
Subtotal	$ 483,945	$ 347,081	$ 482,000	$ 288,000	$ 316,000	-34.44%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	$ 8,750	$ 5,335	$ 9,000	$ 7,500	$ 10,500	16.67%
Pearl City Station Rentals	5,185	5,715	10,000	7,000	10,000	0.00%
Riverview Center Rentals	15,240	13,675	20,000	14,000	20,000	0.00%
Dog Park Permits	5,785	3,734	6,700	4,500	4,500	-32.84%
Maintenance Fees	235	130	100	300	200	100.00%
Equipment/Miscellaneous Sales	300	0	0	1,900	0	
Concession Commission	343	303	700	300	300	-57.14%
FEMA - Federal Share	0	41,991	0	900	0	
FEMA - State Share (2019 Flood)	0	0	0	6,000	0	
Reimbursement of Damages	1,878	28,453	0	32,800	0	
Donations	500	7,470	0	4,200	0	
Other	36	100	0	0	0	
Transfers In						
Administration Fees	26,100	26,900	27,700	27,700	12,200	-55.96%
Subtotal	$ 64,352	$ 133,806	$ 74,200	$ 107,100	$ 57,700	-22.24%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	$ 17,983	$ 17,184	$ 19,000	$ 19,000	$ 19,000	0.00%
Maintenance Fees (Special Services)	0	0	0	11,000	11,000	
Commission on Concessions	3,045	2,768	3,000	10,000	10,000	233.33%
Mowing Reimbursement - Housing	7,500	7,750	7,500	7,500	7,500	0.00%
Storage Building Rental	1,200	1,600	1,200	1,600	1,600	33.33%
Insurance Reimbursements	0	0	0	11,900	0	
Other	0	38	0	0	0	
Subtotal	$ 29,728	$ 29,340	$ 30,700	$ 61,000	$ 49,100	59.93%
Soccer Complex Operations						
Maintenance Fees	$ 25,148	$ 10,393	$ 29,000	$ 25,000	$ 20,500	-29.31%
Commission on Concessions	3,083	511	3,100	3,000	3,000	-3.23%
Insurance Reimbursements	0	0	0	30,500	0	
Other	89	58	0	0	0	
Subtotal	$ 28,320	$ 10,962	$ 32,100	$ 58,500	$ 23,500	-26.79%
Recreation						
Entry Fees/Admissions	$ 775	$ 1,461	$ 1,400	$ 600	$ 1,500	7.14%
Lessons	31,691	18,542	36,000	16,000	34,000	-5.56%
League and Tournament Fees	6,610	4,902	6,800	5,000	6,800	0.00%
Sales Tax	455	343	500	300	500	0.00%
Commissions	512	0	500	500	500	0.00%
Donations	1,315	1,919	1,300	2,000	1,500	15.38%
Other	88	447	300	300	300	0.00%
Subtotal	$ 41,445	$ 27,614	$ 46,800	$ 24,700	$ 45,100	-3.63%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Aquatic Center						
Admissions	$ 74,313	$ 56,913	$ 88,000	$ 42,000	$ 82,000	-6.82%
Season Passes	9,740	1,285	12,000	10,000	11,000	-8.33%
Lessons	10,954	849	12,000	8,500	12,000	0.00%
Group Sales	17,590	4,830	19,000	12,000	19,000	0.00%
Room Rental	250	125	800	300	700	-12.50%
Locker Rental	398	233	500	300	500	0.00%
Commission on Concessions	3,695	2,616	4,200	3,000	4,200	0.00%
Miscellaneous Sales	180	91	200	100	200	0.00%
Other	90	63	100	100	100	0.00%
Subtotal	$ 117,210	$ 67,005	$ 136,800	$ 76,300	$ 129,700	-5.19%
Subtotal - Parks and Recreation	$ 281,056	$ 268,727	$ 320,600	$ 327,600	$ 305,100	-4.83%
Library Revenues						
Fines and Charges	$ 8,531	$ 4,668	$ 7,000	$ 3,500	$ 3,500	-50.00%
County Contributions	120,489	123,512	123,500	123,600	124,000	0.40%
Illinois Contracts	10,901	11,217	11,500	11,500	11,800	2.61%
Printing Charges	3,228	3,035	3,200	3,300	3,000	-6.25%
Other	38	34	100	100	100	0.00%
Subtotal	$ 143,187	$ 142,466	$ 145,300	$ 142,000	$ 142,400	-2.00%
Art Center Revenues						
Building Rentals	$ 190	$ (140)	$ 400	$ 0	$ 0	-100.00%
Class Fees	4,715	3,429	4,000	1,800	4,500	12.50%
State Grant	10,000	13,000	10,000	10,000	10,000	0.00%
Support Foundation Contributions	21,837	22,585	24,000	23,700	24,900	3.75%
Friends of the Art Center Contributions	23,305	22,259	26,000	25,800	27,000	3.85%
Other Contributions	2,198	150	1,000	0	0	-100.00%
Other	1,705	360	300	300	300	0.00%
State Grant-Other	171	0	0	0	0	
Subtotal	$ 64,120	$ 61,643	$ 65,700	$ 61,600	$ 66,700	1.52%
Public Works Services						
Repair and Maintenance Services	$ 16,558	$ 16,558	$ 17,000	$ 17,000	$ 17,000	0.00%
Rental of Equipment	0	0	200	200	200	0.00%
Sale of Equipment	0	0	1,000	3,000	1,000	0.00%
Miscellaneous Sales	2,215	8	2,500	2,500	2,500	0.00%
FEMA Reimbursement - Federal Share	0	71,158	0	0	0	
Reimbursement for Salt	5,838	7,700	4,000	4,000	4,000	0.00%
Reimbursement of Damages	11,557	0	0	0	0	
Other	2,224	7,247	500	3,900	0	-100.00%
Transfers In:						
Engineering Services	96,420	112,710	122,500	122,500	208,700	70.37%
Administrative Fees	68,300	70,300	72,400	72,400	74,500	2.90%
Subtotal	$ 203,112	$ 285,681	$ 220,100	$ 225,500	$ 307,900	39.89%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Police Operations:						
Police Grants	$ 291,947	$ 285,945	$ 312,800	$ 347,100	$ 322,600	3.13%
Court Fines	169,746	135,565	170,000	100,000	150,000	-11.76%
Automated Traffic Enforcement Fines	286,939	479,861	500,000	550,000	550,000	10.00%
Parking Violations	21,317	16,120	22,000	17,000	21,000	-4.55%
Tobacco Checks/Violations	3,150	2,100	2,000	2,000	2,000	0.00%
Alarm System Charges	3,700	1,900	3,700	3,700	3,700	0.00%
Alarm Permits	715	755	600	600	600	0.00%
False Alarm Charges	1,150	1,200	2,000	2,000	2,000	0.00%
Police Services Agreement	52,104	53,276	54,600	54,600	56,100	2.75%
Animal Ordinance Fees and Fines	2,160	1,860	2,500	1,500	2,500	0.00%
Printing Charges	4,179	4,011	4,500	4,500	4,500	0.00%
Contributions - Mentor Program	4,029	3,131	5,000	0	0	-100.00%
Contributions - Tactical Robot	0	40,000	0	0	0	
Other Contributions	150	3,750	0	0	0	
Lease - Public Safety Cell Tower	26,946	26,946	26,900	26,900	26,900	0.00%
Reimbursements/Miscellaneous Income	42,677	53,178	45,000	45,000	45,000	0.00%
Subtotal	$ 910,908	$ 1,109,598	$ 1,151,600	$ 1,154,900	$ 1,186,900	3.07%
Fire Operations						
Fire Hazmat Agreements	26,623	26,623	$ 26,600	$ 26,600	$ 26,600	0.00%
Fire Open Burn Permits	1,225	1,275	1,100	1,100	1,100	0.00%
Fire Inspection Fees	13,555	12,475	15,000	15,000	15,000	0.00%
Fire Plan Review Fees	4,489	4,708	5,000	2,500	2,500	-50.00%
Fire Assessment Fees	180	330	200	200	200	0.00%
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.00%
Fireworks Fees	4,200	2,400	1,200	0	1,200	0.00%
Fire Protection Contracts	20,167	20,460	20,500	20,500	21,000	2.44%
Federal Grant - SCBAs	0	0	0	242,200	0	
Fire Reports	556	800	500	500	500	0.00%
Fire Citations	1,275	0	800	800	800	0.00%
Alarm Permits	1,350	450	600	600	600	0.00%
False Alarm Charges	2,600	0	1,200	600	600	-50.00%
Donations	0	1,050	0	1,000	0	
Reimbursement of Expenses/Other	7,576	7,345	3,500	3,500	3,500	0.00%
Transfer from Aerial Project Fund	0	0	0	22,800	0	
Subtotal	$ 123,070	$ 117,191	$ 112,200	$ 373,900	$ 109,600	-2.32%

General Fund
Revenue Summary

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change From 2020/2021 Budget
Other General Revenues						
Interest Income	$ 106,130	$ 97,991	$ 60,000	$ 20,000	$ 20,000	-66.67%
Payment in Lieu of Taxes	31,743	33,140	34,500	34,500	35,600	3.19%
Housing Accounting Fees	62,700	64,600	66,800	66,500	68,400	2.40%
Housing Management Fee	10,589	4,494	16,300	13,500	13,500	-17.18%
Long-Term Lease of Right-of-Way	0	50,230	0	0	0	
ICAP Grant	1,000	1,000	0	0	0	
Other Charges	18,954	16,595	19,000	19,000	19,000	0.00%
Insurance Reimbursement	0	19,989	0	0	0	
Transfers In:						
Administrative Fees	387,600	399,200	410,800	398,000	397,300	-3.29%
Health Insurance Fund (Wellness)	54,673	54,842	64,000	64,000	66,000	3.13%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.00%
Information Technology Administrative Fee	31,000	39,000	41,000	41,000	43,000	4.88%
Communications Admin Fee (Exc. TIF Portion)	54,000	59,600	62,800	62,900	65,500	4.30%
Ambulance Enterprise Fund	1,047,200	1,195,700	1,105,200	1,205,200	1,253,000	13.37%
Ambulance Enterprise Fund - Additional	0	0	232,600	232,600	232,600	0.00%
Tax Increment/Economic Dev Admin Fees	149,966	158,060	159,000	159,000	170,400	7.17%
Tax Increment Economic Development	38,000	38,000	43,000	43,000	43,000	0.00%
Tax Increment - Legal Services	11,600	6,140	0	0	0	
Emergency Fund - State COVID Relief	0	0	0	100,000	300,000	
Subtotal	$ 2,008,155	$ 2,241,581	$ 2,318,000	$ 2,462,200	$ 2,730,300	17.79%
Total	$ 19,995,706	$ 20,443,623	$ 21,668,294	$ 21,255,853	$ 22,450,589	3.61%

General Fund

Expenditures by Type

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change from 2020/2021 Budget
Personal Services	$ 15,385,976	$ 15,461,109	$ 17,008,300	$ 16,338,800	$ 17,558,700	3.2%
Commodities	909,658	960,329	1,050,850	951,600	1,067,550	1.6%
Contractual Services	2,456,573	2,469,190	2,578,450	2,585,900	2,673,450	3.7%
Capital Outlay	572,229	1,115,859	486,700	928,800	718,200	47.6%
Transfers and Assigned Funding	615,026	469,568	539,326	479,863	419,900	-22.1%
Total	$ 19,939,462	$ 20,476,055	$ 21,663,626	$ 21,284,963	$ 22,437,800	3.6%

General Fund

Summary of Expenditures

Function/Activity	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change from FY 2021 Budget
General Government						
Mayor and Council	$ 99,579	$ 91,039	$ 95,300	$ 95,100	$ 97,800	2.6%
Legal Services	106,180	104,775	110,000	110,000	110,000	0.0%
City Administrator	409,928	603,329	438,100	422,200	447,800	2.2%
Human Resources	195,509	250,168	248,700	197,900	196,700	-20.9%
Wellness Program	55,409	55,304	64,000	64,000	66,000	3.1%
Finance and Records	629,091	657,550	687,100	698,900	736,400	7.2%
Information Technology	320,059	403,745	387,700	386,900	463,400	19.5%
Risk Management	260,922	269,535	317,100	282,100	351,300	10.8%
Building and Grounds	668,833	641,034	699,900	717,900	823,500	17.7%
Subtotal	$ 2,745,509	$ 3,076,479	$ 3,047,900	$ 2,975,000	$ 3,292,900	8.0%
Public Safety						
Police Operations	$ 4,929,108	$ 5,095,651	$ 5,134,400	$ 5,168,500	$ 5,376,300	4.7%
Animal Control	144,098	152,280	162,500	161,500	165,200	1.7%
Fire Operations	4,569,791	4,571,962	5,183,800	5,195,900	5,262,400	1.5%
Subtotal	$ 9,642,996	$ 9,819,893	$ 10,480,700	$ 10,525,900	$ 10,803,900	3.1%
Culture and Recreation						
Library	$ 1,160,600	$ 1,140,600	$ 1,170,800	$ 1,170,800	$ 1,204,700	2.9%
Cable Television Operations	16,787	17,385	20,000	20,000	25,000	25.0%
Art Center	396,087	401,902	424,600	426,200	436,100	2.7%
Park Administration	197,234	202,864	214,200	214,500	223,100	4.2%
Park Maintenance	815,974	767,303	781,200	820,500	826,100	5.7%
Kent Stein Park	202,130	217,675	235,500	279,000	266,500	13.2%
Soccer Complex	190,388	221,360	252,000	281,900	261,700	3.8%
Aquatic Center	159,864	130,155	186,300	109,200	184,500	-1.0%
Recreation	103,693	100,766	134,000	110,700	137,800	2.8%
Cemetery	171,012	184,938	183,700	187,300	194,600	5.9%
Subtotal	$ 3,413,769	$ 3,384,948	$ 3,602,300	$ 3,620,100	$ 3,760,100	4.4%
Health and Social Services						
Economic Well-Being	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	0.0%
Subtotal	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	0.0%

General Fund

Summary of Expenditures

Function/Activity	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change from FY 2021 Budget
Community and Economic Development						
Community Development	$ 809,227	$ 719,556	$ 880,600	$ 880,500	$ 967,500	9.9%
Economic Development	168,498	166,738	188,000	162,600	125,500	-33.2%
Subtotal	$ 977,725	$ 886,294	$ 1,068,600	$ 1,043,100	$ 1,093,000	2.3%
Public Works						
Public Works Administration	$ 199,487	$ 212,983	$ 217,000	$ 219,200	$ 230,600	6.3%
Roadway Maintenance	1,496,318	1,628,320	1,496,100	1,465,300	1,523,400	1.8%
Traffic Control	114,593	181,259	187,400	203,000	198,400	5.9%
Snow and Ice Control	512,334	476,769	439,000	340,200	448,000	2.1%
Street Cleaning	177,737	176,159	255,200	190,800	202,900	-20.5%
Engineering	278,357	330,769	420,800	337,800	493,600	17.3%
Subtotal	$ 2,778,826	$ 3,006,259	$ 3,015,500	$ 2,756,300	$ 3,096,900	2.7%
Transfers and Assigned Funding						
Transit System Subsidy	$ 52,386	$ 51,982	$ 113,026	$ 112,563	$ 0	-100.0%
Airport Subsidy	28,251	200	33,600	0	41,000	22.0%
Levee Project Subsidy	0	0	0	0		
Equipment Replacement Allocation	250,000	200,000	202,000	202,000	250,000	23.8%
Assigned Funding - Non-Union Merit	0	0	50,000	0	50,000	0.0%
Subtotal	$ 330,637	$ 252,182	$ 398,626	$ 314,563	$ 341,000	-14.5%
Total	$ 19,939,462	$ 20,476,055	$ 21,663,626	$ 21,284,963	$ 22,437,800	3.6%

.Function:	Department:
General Government	Legislative and Council

Activity:

Mayor and Council

GENERAL INFORMATION

The City Council is the legislative branch of the Muscatine City government. All policy-making decisions affecting City government are determined by the City Council and are adopted by formal ordinance, resolution, or motion. The presiding officer of the City Council is the Mayor. The City Council is responsible for appointing the Boards and Advisory Commissions of the City. There are ten (10) different Boards and Advisory Commissions who assist the City Council in formulating the programs and services provided to the citizens of Muscatine. The City Council hires the City Administrator to carry out the day-to-day administration of the City and to administer and implement the policy directions as adopted by the City Council.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $200 less than the original budget primarily due to a small decrease in employee benefit costs.

The 2021/2022 budget is $2,500 (2.6%) higher than the 2020/2021 budget. This increase is primarily due to a $2,400 capital outlay request for iPads for the Mayor and City Council. Other increases and decreases in this budget resulted in a net $100 increase.

PERFORMANCE MEASURES

	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	11	11	10	12	12
Budget Meetings	8	8	8	8	8
Other Meetings	5	2	2	2	2
Joint Meetings:					
County Board of Supervisors	0	0	0	1	1

RECENT ACCOMPLISHMENTS

- Completed a strategic planning retreat in October 2020.
- Conducted a team development workshop in October 2020 to develop trust and facilitate communication between the Mayor, City Councilmembers, and the City Administrator.
- Addressed numerous policy issues of community interest.

- Provided financial and policy support to businesses during the COVID-19 pandemic.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022 AND FUTURE YEARS

City Council adopted a 2021 Strategic Plan in December 2020 that outlines strategic goals for the City in the next two (2) to five (5) years. The adopted goals and strategies are as follows:

EXCELLENT CUSTOMER SERVICE

Provide excellent customer service to our residents, businesses, and visitors through effective citizen outreach and engagement, employee training and improved organizational processes.

1. Conduct proactive outreach to citizens by providing timely and accurate information to the public through a variety of communication channels (e.g. website, social media, print newspaper, etc.).
2. Evaluate and modernize the City's tools and systems that customers use to interact with the City.
3. Empower employees with the tools needed to address customer needs at the lowest organizational level.
4. Provide customer service training to employees and ensure that customer service principles are integrated into employee performance goals and evaluations.
5. Develop and support a culture of process improvement within the City organization with a focus on LEAN principles.
6. Implement and capitalize on advanced technology to improve customer service.
7. Solicit input from the community to determine needs and desired services and facilities.

VIBRANT COMMUNITY

Enhance and improve the vitality of our community core and gateways including the Grandview Avenue Corridor, Park Avenue Corridor, Riverfront, and Downtown areas to support a thriving economy, vibrant neighborhoods, and a high quality of life and place.

1. Develop and implement subarea community plans for the Grandview Avenue Corridor, the Park Avenue Corridor and the downtown in collaboration with key stakeholders, including residents, businesses, and industries with a focus on revitalization and place making.
2. Complete planned roadway improvements, including the Grandview Avenue Corridor Revitalization Project and the 2nd Street Streetscape Project.
3. Initiate planning for the Park Avenue Corridor Revitalization Project.
4. Continue to implement components of the Riverfront Master Plan.
5. Support multi-jurisdictional cooperation for improvements to the Muscatine-Louisa County Levee projects.
6. Evaluate opportunities to leverage the Muscatine Municipal Airport and its location in the community.
7. Serve as a catalyst for a thriving downtown economy by partnering with downtown businesses and the Greater Muscatine Chamber of Commerce and Industry (GMCCI).
8. Develop wayfinding throughout the community to enable residents and visitors to locate assets and businesses throughout the community.
9. Create quality places that people want to work, live, and play in and that contribute to community health, happiness, and well-being.

HEALTHY COMMUNITY

Support a healthy community through the availability of quality affordable housing, outstanding recreational and cultural amenities, collaboration with community and healthcare partners, and opportunities for lifelong learning.

1. Complete and implement the Housing Plan in collaboration with a broad group of stakeholders and partners (including the Housing Collaborative and based on the Housing Demand Study), the HUD-approved Public Housing Plan, and other available documents and data.
2. Support the provision of a full range of housing types to meet the needs of a demographically diverse population.
3. Address vacant and nuisance properties to create new opportunities for housing and to support a vibrant community.
4. Support housing projects that increase the availability of quality housing that is affordable to a broad range of income levels by leveraging Tax Increment Financing and other incentives.
5. Leverage City-owned land to support affordable housing goals.
6. Explore innovative approaches to affordable housing development including land banking, revolving loan funds, and other tools.
7. Collaborate with community and healthcare partners to enhance services and improve the health and well-being of the community.
8. Continue to invest in and develop community recreational amenities that contribute to a healthy community and attract visitors.
9. Create and implement strategies to increase access to healthy food in the Grandview Avenue Corridor.

SAFE COMMUNITY

Provide exceptional public safety and community services to ensure a safe community in which residents may live, work, and play.

1. Meet or exceed community expectations regarding the quality of level of police, fire, and emergency services.
2. Invest in critical public safety infrastructure and equipment to maintain the expected level of service while managing capital costs.
3. Develop and implement master plans for public safety based on facility needs, call volume, population, and increasing demands for service.
4. Implement effective recruitment, training, and succession planning programs to ensure staff remain current in their fields and service levels are maintained or improved.
5. Implement technology tools, data collection, and assessment to streamline activities and improve efficiency and effectiveness of routine and emerging activities.
6. Continue to implement community policing principles and programs to build positive police-community relations
7. Continue to invest in active fire and injury prevention public education and code enforcement programs.
8. Continue active participation in state-level EMS and Fire organizations and partner with training institutions to further the quality of EMS practitioners and future employees.

RELIABLE PUBLIC INFRASTRUCTURE

The City will continue to update and implement its Capital Improvement Plan to ensure reliable, safe public infrastructure that meets community needs.

1. Continue to evaluate and prioritize capital investments utilizing multiple criteria such as fiscal wellbeing, desired service levels, state and federal mandates or legal requirements, and asset condition and operation.
2. Invest in master plans when appropriate and implement those plans as funding becomes available and is approved by City Council.
3. Implement asset management practices to maintain and replace aging assets while maintaining service levels.
4. Integrate placemaking into capital projects when feasible to create quality community spaces that are safe, attractive, and support community connectivity.
5. Implement capital projects and programs as identified in the Capital Improvement Plan.

Other Mayor and Council objectives include:

- Meet jointly with the County Board of Supervisors to discuss issues of shared interest.
- Conduct an annual planning meeting.
- Develop and implement an annual State of the City address.
- Continue to address policy issues of Council and community interest.

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 41,401	$ 41,577	$ 42,000	$ 41,800	$ 41,700	-0.71%
Commodities	844	1,433	1,800	2,200	2,200	22.22%
Contractual Services	50,287	48,030	51,500	51,100	51,500	0.00%
Capital Outlay	7,047	-	-		2,400	
Transfers	-	-	-	-	-	
Total Expenditures	$ 99,579	$ 91,040	$ 95,300	$ 95,100	$ 97,800	2.62%
Funding Sources						
General Revenues	$ 99,579	$ 91,040	$ 95,300	$ 95,100	$ 97,800	2.62%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	7	7	7	7	7	
Total	8	8	8	8	8	$ 37,800
Employee Benefits						3,900
Total Personal Services						$ 41,700

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
iPads	8	No	$ 2,400

Function:	*Department:*
General Government	**Legislative and Council**

Activity:

Legal Services

GENERAL INFORMATION

The City Attorney is retained by the City on a part-time basis and paid on an hourly basis. The City's previous long-serving City Attorney retired at the end of October, 2010. After soliciting proposals from interested attorneys, Matt Brick of the Brick Gentry Law Firm was selected to serve as the City Attorney at a rate of $150 per hour. The part-time City Attorney is available to the City Administrator and City staff on an "as needed" basis for legal assistance.

With the change in City Attorneys, the City's prosecution function was separated from the City Attorney function. The previous City Prosecutor left her position in 2014 and the City entered into an agreement with the County Attorney's office for city prosecutor services effective July 1, 2014 at an annual cost of $40,000. Having the County Attorney prosecute City cases allowed for a structural change in how these cases are prosecuted and with that change additional court fine revenue is being received by the City.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate for Legal Services of $110,000 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.

The 2021/2022 legal services budget is $110,000 is the same as the original 2020/2021 budget. Actual legal costs can vary from this estimate since many projects and issues that need legal assistance cannot be anticipated. Legal services costs for capital projects and enterprise funds are charged to those projects or funds. 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
City Attorney (excluding Human Resources legal services) *	1,807	1,207	784	900	900

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

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

* To continue to assist the City in a variety of legal matters including labor and employment issues, contracts, preparation of City Council documents, periodic attendance at City Council meetings, real estate transactions, zoning/annexation matters, and other issues as they arise.

Function:
General Government

Department:
Legislative and Council

Activity:

Legal Services

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	106,180	104,775	110,000	110,000	110,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 106,180	$ 104,775	$ 110,000	$ 110,000	$ 110,000	0.00%
Funding Sources						
General Revenues	$ 106,180	$ 104,775	$ 110,000	$ 110,000	$ 110,000	0.00%

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

Activity:

City Administrator

GENERAL INFORMATION

The City Administrator is responsible for the overall management and administrative coordination of activities of the City of Muscatine. All departments under the City Council report to and are responsible to the City Administrator. All Council matters from the various departments, boards, and commissions are presented by the City Administrator to the City Council with specific recommendations. Upon approval by the City Council of various programs and policies, it is the responsibility of the City Administrator for their implementation according to Council direction.

The City Administrator is also responsible for the preparation of the annual budget for review and adoption by the City Council. Additionally, the City Administrator interacts with both public and private entities to promote community-based projects.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $15,900 less than the original budget. Personal services costs are $52,200 less than the original budget. The original budget had allowed funding for the new City Administrator to begin work on or before July 1, 2020. The new City Administrator's actual start date was August 24. The personal services cost savings, was partially offset by a $36,300 increase in contractual services. This increase includes (1) $21,900 for the interim City Administrator, (2) $12,000 for relocation costs for the new Administrator, and (3) a net $2,400 increase in other line items.

The 2021/2022 budget is $9,700 (2.2%) higher than the original 2020/2021 budget. This increase is primarily due to a $14,000 allocation for a community survey. Reductions in other line items offset a portion of this cost. 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, workforce, 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
City Council Agenda Items Presented for Approval	343	396	471	425	425
City Council Agenda Items Approved	N/A	394	470	425	425
Staff Meetings Held	23	23	20	40	48
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	5	2	0	3	4
Quad City Area Managers Meetings (Bi-State)	5	5	0	4	4
State Association Meetings (IaCMA)	1	1	0	1	1
International City/County Management Association (ICMA)	1	1	0	1	1
Municipal Management Institute (IMMI)	1	1	0	1	1
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	4	2	0	3	4
GMCCI Committee Meetings	18	3	0	12	12

Communications Metrics

	January 1-December 31, 2018	January 1 – December 31, 2019	January 1 – December 31, 2020	2021 Estimated
City of Muscatine				
Facebook Page Likes	5,715	6,782	7,813	8,800
Facebook Average Weekly Reach	27,542	31,565	28,681	30,000
Twitter Followers	1,300	1,419	1,505	1,800
Twitter Average Weekly Impressions	4,504	6,655	5,302	6,000
Instagram Followers	627	1,100	1,392	1,600
Instagram Average Weekly Impressions	850	3,570	3,549	6,000
YouTube Subscriptions	137	197	307	400
YouTube Average Weekly Watch Time	8:27	11:43	9:49	12:00
Linked-In Followers	83	126	185	250

RECENT ACCOMPLISHMENTS

A new City Administrator was hired in late August, 2020. She developed a one year work plan focused on five key pillars: Learn, Network, Align, Plan, and Implement. A companion quarterly report was developed to inform the City Council regarding progress on the one year work plan and will be submitted to Council on a quarterly basis. Highlights include learning city operations, reviewing key documents, building networks within the community, and seeking opportunities for continuous improvement.

Other departmental activities include:

- Continued records management activities including digitizing and indexing of historic records.
- Worked with City leadership to provide accurate and timely information to the citizens of Muscatine in regards to the COVID-19 Health Crisis.
- Worked with staff in coordinating use of GoToMeeting as an alternative to in-house meetings during the COVID-19 Health Crisis. Muscatine City Council and various boards and commissions have met since March in virtual sessions in adherence to CDC (Centers for Disease Control and Prevention) and State Public Health Department guidelines and recommendations.
- Published 211 City of Muscatine press releases promoting the positives of living and working in Muscatine while also keeping the public informed of key issues facing the city, updates on construction and weather, the success of various programs offered by the City, and the success of our staff.
- Assisted Fire Department (4 releases), Police Department (18 releases), and Parks & Recreation (83 releases) in the promotion of their information and programs. Additionally, assisted the Art Center (13 releases), Musser Library (3 releases), and the Muscatine County Public Health Department (12 releases) in editing and distribution of releases.
- Published blogs and newsletters highlighting various departments and/or information regarding city services, city development, and city goals.
- Posted 16 articles on LinkedIn geared to a more professional reader.
- Assisted staff members with press releases, interviews, and other communication needs.
- Continued increased use of video on the various social media channels including using short five-second videos to introduce stories.
- Page likes, follows, views, and reach continued to increase across all City of Muscatine social media platforms.
- Developed YouTube page for Our City Muscatine and for the Paris Fire Department. These two pages join the Muscatine Communication channel to provide additional information through short videos for the Muscatine community. When in production, Our City Muscatine also shows the Our City talk show with the Mayor of Muscatine live.
- Digitalized and organized public documents back to 2010.
- Prepared 35 agendas and minutes for 2020.
- Managed complex scheduling for the City Administrator, including facility tours, regular meetings with City Council, City Executive Leadership, and other staff members.
- Updated Agenda, Minutes, Ordinance, etc. on City Website.
- Assisted in Budget preparation.
- Created and managed the Council 6 month Planning calendar.
- Scheduled Local Non-Profit Organizations to present at In-Depth Council meetings.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022 AND FUTURE YEARS

City Council adopted a 2021 Strategic Plan in December 2020 that outlines strategic goals for the City in the next two (2) to five (5) years. The adopted goals and strategies are as follows:

EXCELLENT CUSTOMER SERVICE

Provide excellent customer service to our residents, businesses, and visitors through effective citizen outreach and engagement, employee training, and improved organizational processes.

1. Conduct proactive outreach to citizens by providing timely and accurate information to the public through a variety of communication channels (e.g. website, social media, print newspaper, etc.)
2. Evaluate and modernize the City's tools and systems that customers use to interact with the City.
3. Empower employees with the tools needed to address customer needs at the lowest organizational level.
4. Provide customer service training to employees and ensure that customer service principles are integrated into employee performance goals and evaluations.
5. Develop and support a culture of process improvement within the City organization with a focus on LEAN principles.
6. Implement and capitalize on advanced technology to improve customer service.
7. Solicit input from the community to determine needs and desired services and facilities.

VIBRANT COMMUNITY

Enhance and improve the vitality of our community core and gateways including the Grandview Avenue Corridor, Park Avenue Corridor, Riverfront, and Downtown areas to support a thriving economy, vibrant neighborhoods, and a high quality of life and place.

1. Develop and implement subarea community plans for the Grandview Avenue Corridor, the Park Avenue Corridor, and the downtown in collaboration with key stakeholders, including residents, businesses, and industries with a focus on revitalization and place making.
2. Complete planned roadway improvements, including the Grandview Avenue Corridor Revitalization Project and the 2nd Street Streetscape Project.
3. Initiate planning for the Park Avenue Corridor Revitalization Project.
4. Continue to implement components of the Riverfront Master Plan.
5. Support multi-jurisdictional cooperation for improvements to the Muscatine-Louisa County Levee projects.
6. Evaluate opportunities to leverage the Muscatine Municipal Airport and its location in the community.
7. Serve as a catalyst for a thriving downtown economy by partnering with downtown businesses and the Greater Muscatine Chamber of Commerce and Industry (GMCCI).
8. Develop wayfinding throughout the community to enable residents and visitors to locate assets and businesses throughout the community.
9. Create quality places that people want to work, live, and play in and that contribute to community health, happiness, and well-being.

HEALTHY COMMUNITY

Support a healthy community through the availability of quality affordable housing, outstanding recreational and cultural amenities, collaboration with community and healthcare partners, and opportunities for lifelong learning.

1. Complete and implement the Housing Plan in collaboration with a broad group of stakeholders and partners (including the Housing Collaborative and based on the Housing Demand Study), the HUD-approved Public Housing Plan, and other available documents and data.
2. Support the provision of a full range of housing types to meet the needs of a demographically diverse population.
3. Address vacant and nuisance properties to create new opportunities for housing and to support a vibrant community.
4. Support housing projects that increase the availability of quality housing that is affordable to a broad range of income levels by leveraging Tax Increment Financing and other incentives.
5. Leverage City-owned land to support affordable housing goals.
6. Explore innovative approaches to affordable housing development including land banking, revolving loan funds, and other tools.
7. Collaborate with community and healthcare partners to enhance services and improve the health and well-being of the community.
8. Continue to invest in and develop community recreational amenities that contribute to a healthy community and attract visitors.
9. Create and implement strategies to increase access to healthy food in the Grandview Avenue Corridor.

SAFE COMMUNITY

Provide exceptional public safety and community services to ensure a safe community in which residents may live, work, and play.

1. Meet or exceed community expectations regarding the quality of level of police, fire, and emergency services.
2. Invest in critical public safety infrastructure and equipment to maintain the expected level of service while managing capital costs.
3. Develop and implement master plans for public safety based on facility needs, call volume, population, and increasing demands for service.
4. Implement effective recruitment, training, and succession planning programs to ensure staff remain current in their fields and service levels are maintained or improved.
5. Implement technology tools, data collection, and assessment to streamline activities and improve efficiency and effectiveness of routine and emerging activities.
6. Continue to implement community policing principles and programs to build positive police-community relations
7. Continue to invest in active fire and injury prevention public education and code enforcement programs.
8. Continue active participation in state-level EMS and Fire organizations and partner with training institutions to further the quality of EMS practitioners and future employees.

RELIABLE PUBLIC INFRASTRUCTURE

The City will continue to update and implement its Capital Improvement Plan to ensure reliable, safe public infrastructure that meets community needs.

1. Continue to evaluate and prioritize capital investments utilizing multiple criteria such as fiscal wellbeing, desired service levels, state and federal mandates or legal requirements, and asset condition and operation.
2. Invest in master plans when appropriate and implement those plans as funding becomes available and is approved by City Council.
3. Implement asset management practices to maintain and replace aging assets while maintaining service levels.
4. Integrate place making into capital projects when feasible to create quality community spaces that are safe, attractive, and support community connectivity.
5. Implement capital projects and programs as identified in the Capital Improvement Plan.

The City Administrator will also continue to implement her work plan in 2021/2022 in alignment with the five identified pillars, including the following:

- Build a foundation of trust between City Council, City staff, and the community
- Implement team building activities across the Leadership Team
- Align resource allocation with City Council priorities and strategic objectives
- Address urgent issues
- Identify and implement quick win projects that provide immediate, low cost value to the City organization in alignment with City Council priorities.
- Identify and begin to implement long term projects and initiatives.

Other department goals and objectives include:

Excellent Customer Service

- Complete Iowa City Clerk training for City Administrator and City Council Administration support,
- Continue implementation of records management and digitization and indexing of records.
- Conduct a community survey to collect feedback from residents on community strengths, opportunities, and priorities.
- Continue to explore technology based opportunities to improve communications between the City and Muscatine residents.
- Explore opportunities to implement and promote the use of calendar year metrics in OpenGov.
- Create social media campaigns 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.
- Respond in a timely manner to all traditional media requests for information and interviews.
- Connect the traditional media reporter with the correct spokesperson in each department depending on the topic.
- Answer all public questions in a timely manner and/or direct the questions to the appropriate department. Also follow up to ensure that the public question was answered in a timely manner.
- Continue to enhance available tools for interaction with the public.

Vibrant Community

- Promote public meetings on upcoming projects and keep the public informed on the progress of these projects.
- Work with our partners to promote all aspects of Muscatine life through press releases and social media posts.

Healthy Community

- Work with our partners to promote healthy living through use of trails, parks, and other recreational activities.
- Work with Healthy Hometown to promote all efforts for a healthier Muscatine.

Safe Community

- Continue to use social media to promote safety in cooperation with the Fire and Police Departments including the use of the Fire Department YouTube channel.

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 370,978	$ 475,004	$ 400,800	$ 348,600	$ 401,200	0.10%
Commodities	3,175	3,740	3,400	3,400	3,400	0.00%
Contractual Services	26,314	124,585	33,900	70,200	43,200	27.43%
Capital Outlay	9,461	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 409,928	$ 603,329	$ 438,100	$ 422,200	$ 447,800	2.21%
Funding Sources						
Funding Transfers for Communications Manager	$ 67,500	$ 74,500	$ 78,500	$ 78,500	$ 82,000	4.46%
General Revenues	342,428	528,829	359,600	343,700	365,800	1.72%
Total	$ 409,928	$ 603,329	$ 438,100	$ 422,200	$ 447,800	2.21%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	$ 286,400
Employee Benefits						114,800
Total Personal Services						$ 401,200

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

Activity:

Human Resources

GENERAL INFORMATION

The Human Resources division consists of an allocation of 75% of the Human Resources Manager position and a 50% allocation of the Office Assistant position. The other 25% of the Human Resources Manager position is included in the Risk Management activity budget. The Human Resources division is responsible for the development of a uniform program for all City departments in the areas of hiring, training, risk management, and other personnel related issues. This division also assists departments with the administration of labor contracts and personnel guidelines. The City operates under the Iowa Civil Service Code, which encompasses all employees except department heads, supervisors, confidential and library employees, and part- time employees as specified by the State Code.

Continued updating of the City's Equal Employment Opportunity Plan and Employee Personnel Manual, as well as the sponsoring of workshops and training sessions are responsibilities of the Human Resources Manager. The Human Resources Manager also serves as secretary to the Civil Service Commission and assists the Commission with the implementation of the State Code on Civil Service requirements.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is under the original budget by $50,800. Personal services costs are $67,900 less than the original budget and contractual services are $17,100 more than the original budget. The original budget for 2020/2021 included $73,700 for a new Human Resources Generalist position. Due to the impacts the COVID-19 pandemic has had on General Fund revenues, filling this position was deferred for both the 2020/2021 and 2021/2022 fiscal year budgets. The 2020/2021 revised estimate also reflects family health insurance coverage for the new Office Assistant while the original budget included single coverage for the former employee.

The 2021/2022 budget is $52,000 less than the original 2020/2021 budget. This overall decrease is due to (1) a $61,700 reduction in wages and benefits, which includes continuing to defer hiring of a new Human Resources Generalist position, (2) a $10,300 increase in labor attorney costs, and (3) a $600 net decrease in other line items. 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Full-time Positions Hired	13	16	25	20	20
Permanent Part-time Positions Hired	7	17	18	17	15
Retirements	6	10	9	12	10
Personnel Actions Processed	358	439	374	400	400
Employment Applications Received	233	393	341	350	350
Civil Service Examinations Administered	9	9	13	10	10
Employee Training Programs	10	5	6	10	10
Civil Service Commission Meetings	4	4	5	7	4

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RECENT ACCOMPLISHMENTS

This year has been a challenge in a variety of ways. Human Resources staff has spent a great deal of time navigating COVID-19 policies and activities. The department also assisted the City Council with the process of hiring a new City Administrator and assisted the new administrator in becoming familiar with the organization.

Prior to COVID-19, HR staff started a process in the transit department related to communication improvements between the dispatchers and their communications with the drivers. The focus was on improvements in the processes in the office to make the transition from one dispatcher to the next easier and more consistent. Some good progress was made in updating the filing system and in standardizing work for some specific tasks. With COVID, however, there were several leaves of absence and the process has not yet been restarted, but can be easily picked up where it was left off.

HR staff worked this year to review and improve the processes used for handling medical billing and drug testing. Prior to the current Office Assistant's employment, processing and payment of the medical bills was cumbersome. The new employee has created a tracking system and set of notes that allows her to process the bills in a timely and more organized manner. HR also revamped the drug testing record keeping to more easily find needed records and track the completion of the testing processes.

Currently underway is a process improvement review with the Community Development department. With the combining of the Housing department with the Community Development department, the HR Manager and Community Development Director are working with a "coach" and trainer to review the departments' needs in terms of workflow and training. The focus is on the physical layout of the office to ensure the best functionality possible. This includes customer service needs and will include training designed specifically for the type of work each staff member does. This began in December and there is some activity scheduled for January.

HR staff worked with the Public Works department this year as they reviewed/updated the structure of the engineering division. Public Works has begun the process of transitioning from outside project managers to internal project managers.

Over 100 employees attended a customer service training in January of 2020. This was conducted by Brenda Clark Hamilton and built upon training she had previously done for the City. The HR Department coordinated appropriate content, and worked to coordinate schedules and attendance.

HR staff worked this year to coordinate the City's COVID-19 response efforts to consistently apply requirements to all departments, and to coordinate the purchase and distribution of needed safety gear and cleaning materials. This required coordination between HR, Building and Grounds, and various supervisory staff. The Communications Manager was also involved in helping create avenues for meeting virtually and helping communicate city policies to the community. Also included in this was drafting of a COVID-19 policy for purposes of leave and pay, and drafting a policy for expectations related to working from home.

The City and the HR department have taken the lead in the Healthy Hometown project. This is a Wellmark sponsored program that is a spin-off of the Blue Zones project. Various entities in town, including public health, the Y, the school district, Unity Point, New Horizons, Muscatine Diabetes project, and others are involved in this effort. Much of the groundwork has been laid to move this project forward and in the coming months activities will become more visible.

Human Resources is responsible for all HR related issues throughout the City and assisting 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 filter through the HR department. The level of involvement in this depends on the seriousness of the issue; but HR assists in review of the issues, helps write the discipline notices (as needed), and processes any follow up actions such as the Civil Service appeal process.

Questions about employment policy and union contract language interpretation and application are handled in HR. Questions about benefits, all benefit enrollment, changes, and requests for assistance from employees are also handled by HR staff. The HR area additionally processes 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. HR also maintains the personnel files for all employees, answers requests for employment verification, handles unemployment claims, COBRA requirements, requests for FMLA leave, LTD claims, and other similar matters.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To implement an ongoing training calendar to improve consistency in training. **(Strategic Plan – Excellent Customer Service)**

- To develop plans for career growth opportunities/succession planning.

- To focus initiatives on continuous service improvement and LEAN activity. **(Strategic Plan – Excellent Customer Service)**

- To continue to work with various entities to implement Healthy Hometown initiatives. **(Strategic Plan - Healthy Community)**

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 119,487	$ 125,892	$ 203,000	$ 135,100	$ 141,300	-30.39%
Commodities	458	628	1,400	1,400	1,400	0.00%
Contractual Services	75,564	123,648	44,300	61,400	54,000	21.90%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 195,509	$ 250,168	$ 248,700	$ 197,900	$ 196,700	-20.91%
Funding Sources						
General Revenues	$ 195,509	$ 250,168	$ 248,700	$ 197,900	$ 196,700	-20.91%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Human Resources Generalist	-	-	1.00	- *	- *	
Office Assistant	0.50	0.50	0.50	0.50	0.50	
Total	1.25	1.25	2.25	1.25	1.25	$ 97,400
Employee Benefits						43,900
Total Personal Services						$ 141,300

* Due to financial constraints due to the COVID-19 pandemic, hiring of the Human Resources Generalist position was deferred in 2020/2021 and continues to be deferred in the 2021/2022 budget.

Function:	*Department:*
General Government	**Parks and Recreation**

Activity:

Wellness Program

GENERAL INFORMATION

The City's Employee Wellness Program has been funded annually from the City's Health Insurance Fund. Wellness program activities vary a great deal and have included blood screening, physical fitness evaluations, flu shots, recreational activities, and alcohol and drug awareness programs. All full-time and part-time employees are eligible to participate. Spouses are also encouraged to participate. Other programs initiated by the Wellness Program include Smoke Stoppers, Weight Watchers, personal safety classes, stress management, and other health-related seminars and clinics. An ongoing emphasis of the wellness program is to promote a healthy lifestyle for employees and their families.

The program also provides ongoing employee blood pressure screenings as well as the Employee Fitness Scholarship program. This particular program offers partial reimbursement to employees who participate in local fitness centers.

CURRENT TRENDS AND ISSUES

Responsibility for the Wellness Program has been assigned to the Parks and Recreation department. The Program Supervisor is currently leading this program with the assistance of other Parks staff. One-half of the Parks Office Coordinator position is charged to this budget which represents time spent on this program by various park staff. The Wellness Program is also coordinated with 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 2020/2021 is the same as the original budget. The budget for 2021/2022 is $2,000 (3.1%) more than the 2020/2021 budget primarily due to increased personal services costs. The budget for 2021/2022 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 2018	Actual 2019	Actual 2020	Estimated 2021	Estimated 2022
Employee Wellness Opportunities	11	10	14	15	16
Employee Wellness Participants	290	234	285	300	315
Employee Assistance Program Participation Levels	6.48%	8.04%	8.04%	9%	9.5%
Condition Support Program (previously called Disease Management Program) Participants	47	59	60	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	Misc. Challenges	Wellness Scholarships	Turkey Trot	Blood Drive
Participants	51	90	57	24	25	14	6	0	22

The Biometric Screening program continues to be one of the most popular programs offered through the Wellness Program. Participation has stayed relatively consistent with a slight increase in 2020. Employees and their spouses receive exams and consultations that give them the information they need to make proactive choices to positively impact their health. Trinity/UnityPoint nursing staff provided the screenings early in the year. The comprehensive screenings included reporting on weight, BMI, waist circumference, body fat percentage, blood pressure, total cholesterol, HDL, LDL, triglycerides, and glucose levels. For a nominal fee, employees could opt to be tested for prostate-specific antigen, comprehensive metabolic paneling, and complete blood count. Employees who have established a baseline can track their health and wellness in these categories from year to year with their preferred healthcare provider or during follow-up consultations with Trinity/UnityPoint nurses.

The data compiled from these Wellness Screenings was provided to Wellness staff by Trinity/UnityPoint representatives. The information was used to better understand employee demographics and biometrics, and assisted staff in designing the following semesters' activities in the Thrive Wellness Center as well as in the implementation of new employee wellness programs.

Three new programs were offered to employees in 2020. The Employee Blood Drives occurred in March and November with a total of 22 participants. A November Kindness Challenge engaged employees in considering their gratitude, an activity that is related to stress reduction. The 100K Your Way Challenge replaced the Weigh-to-Go Challenge, as wellness trends urge programmers to focus more on increasing physical activity as opposed to losing weight. This change brought a significant increase in participation compared to the Weigh-to-Go Challenge in 2019.

Participation in the Wellness Center increased by 10 employees. Daily Habits, a new module to assist employees with health and wellness goals based on behavior science, was added to the Wellness Center in June. Twelve Lifestyle and Condition Management programs including six new plans became available.

Recipes, health tracking, articles, and condition-specific messaging are also available to employees through the Wellness Center.

Wellness Wednesday newsletters were introduced to employees in March. These weekly communications remind employees of upcoming wellness programs, happenings around their workplace and in the community, as well as provide fresh and timely information on Personal Wellness, Financial Health, Mental Wellbeing, Nutrition, and more.

Fitness reimbursement scholarships, hearing tests, quadrivalent flu vaccines, Employee Assistance Program, and Condition Support Program also continue to be offered.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- 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.
- To continue to promote THRIVE, the employee wellness incentive program, by 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. **(Strategic Plan - Healthy Community)**
- To develop and offer at least one new wellness program to increase employee participation.
- To analyze trends in Employee Wellness to expand program offerings and diversify activities.
- To meet with employees to promote the Employee Assistance Program (EAP), the employee counseling program, by educating employees about the program and responding to inquiries.
- To provide more education and correspondence to employees about the Condition Support Program and how to participate in the program.

Function:
General Government

Department:
Parks and Recreation

Activity:

Wellness Program

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 36,269	$ 37,630	$ 38,800	$ 39,000	$ 40,800	5.15%
Commodities	1,107	415	2,300	2,100	2,300	0.00%
Contractual Services	17,333	17,259	22,900	22,900	22,900	0.00%
Capital Outlay	700	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 55,409	$ 55,304	$ 64,000	$ 64,000	$ 66,000	3.13%
Funding Sources						
Health Insurance Funds	$ 55,409	$ 55,304	$ 64,000	$ 64,000	$ 66,000	3.13%

Personnel Schedule	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	$ 25,700
Employee Benefits						15,100
Total Personal Services						$ 40,800

Function:	*Department:*
General Government	**Finance**

Activity:

Finance and Records

GENERAL INFORMATION

The Finance department is responsible for managing all financial operations of the City of Muscatine. The primary function of the department is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, the City Administrator, and department heads. The Finance Director oversees all Finance activities as well as the Information Technology and Parking divisions. Separate budgets are prepared for Information Technology and Parking.

CURRENT TRENDS AND ISSUES

The 2020/2021 Revised Estimate for the Finance department is over the original budget by $11,800. Personal services costs increased by $13,500. This increase includes $7,700 due to changing the allocation of the Office Assistant from 25% to 50% effective January 4, 2021. This 25% allocation was previously in the Parking fund, however, Parking revenues were reduced due to the COVID-19 pandemic. The balance of the increase in personal services was due to merit increases mid-way through the fiscal year and the new Office Assistant opting for family health insurance instead of the single insurance budgeted for the previous employee. Contractual services decreased by $1,700 which offset a portion of the increase in personal services costs.

The 2021/2022 budget is 7.2% ($49,300) more than the original 2020/2021 budget. This overall increase includes (1) $16,600 for continuing the additional 25% allocation of the Office Assistant position to this budget, (2) a $32,100 increase in other employee wage and benefit costs, (3) a $4,000 increase for the bi-annual election in 2021/2022, (4) a $3,800 decrease since there is no bi-annual OPEB actuarial study in 2021/2022, (5) a $1,400 increase in the annual maintenance costs of the financial software, and (6) a $1,000 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
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	4,877	4,756	4,810	4,800	4,800
City Vendor ACH Payments	189	189	192	200	200
Housing Programs Checks Issued	1,708	1,657	1,616	1,650	1,650
Housing Vendor ACH Payments	540	538	491	550	550
Payroll Checks Issued	1,983	1,651	1,427	1,430	1,430
Payroll Direct Deposit Transactions	7,312	7,653	7,902	8,000	8,000
Accounts Payable Transactions	25,272	26,771	25,191	25,200	25,200
City Receipt Transactions	13,303	13,963	12,626	12,650	12,650
Housing Receipt Transactions	2,494	2,403	2,407	2,500	2,500
Interest Earned	$423,261	$788,260	$657,132	$100,000	$100,000
Records:					
Public Documents Recorded	343	396	471	450	450
Council Minutes Prepared	44	47	52	44	44
Notices Published	29	51	40	40	40
Purchasing:					
Purchase Orders Processed	2,413	2,576	2,657	2,900	2,900

RECENT ACCOMPLISHMENTS

Awards. The City received GFOA's Distinguished Budget Presentation Award for the 2020/2021 Budget. This was the 36th consecutive year the City received this award. The City was awarded its 26th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019.

City Bond Issue May 2020. At the March 5, 2020 meeting, City Council approved the resolution setting the date and time for receiving bids on the estimated $6,310,000 in General Obligation Corporate Purpose Bonds Series 2020 for April 2, 2020. The bond issue included funding for the former IDOT property purchase, as well as funds for various street and sidewalk, parks, building improvements, trails, and airport projects. Of the total bond issue amount, the debt service requirements for $3,000,000 of project costs and an allocation of bond issuance costs will be funded from future debt service tax levy proceeds. Debt service requirements on the remaining $3,200,000 plus allocated issuance costs for the 2nd Street streetscape project will be funded from future incremental tax (TIF) funds.

The bond rating process with Moody's Investor Services was completed and we were pleased that the City maintained its Aa2 rating for this bond issue. The City received eight bids on the bond issue and the successful bidder was UMB Bank, N.A., Kansas City, Missouri and Community Bank & Trust of Muscatine, with the lowest true interest rate of 1.7137%.

COVID-19 Pandemic Financial Impact Analysis. In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. The City continued to provide essential services to the public, but City facilities were closed to the public beginning in mid-March of 2020. City facilities re-opened on June 8, 2020.

At the April 16, 2020 meeting, City Council authorized the expansion of the City's existing Forgivable Loan Program for Small Businesses to include a new "Economic Assistance for Muscatine Small Businesses" program for small business impacted by the COVID-19 public health crisis. The program provided up to $2,500 to assist small businesses in managing decreases in income or increases in expenses to address health and safety measures. Funds were provided as forgivable loans that could be used for normal business expenses such as rent or mortgage payments, business insurance premiums, commercial property taxes, utilities, personnel expenses, and inventory. Forgivable loans totaling $231,267 were provided to 94 small businesses with the goal of assisting the businesses to survive and to recover as quickly as possible.

The City Council met several times in May and June to review and discuss the projected impacts of the COVID-19 pandemic on City revenues in both the 2019/2020 and 2020/2021 fiscal years, 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 were not expected to have immediate impacts 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 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).

At the June 18 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.

At the end of the 2019/2020 fiscal year, there were reductions in revenues as projected at the meetings. Significant General Fund revenue reductions were in hotel/motel taxes, construction permits, and Parks and Recreation facility usage and program fees. These reductions, however, were offset by expenditure reductions in most departments. While a decrease in General Fund balance was anticipated due to the

revenue reductions, the City was able to maintain the unreserved General Fund balance at the same approximate level as budgeted.

Due to the team effort of the City Council and City staff, as well as the recovering economy and CARES (Coronavirus Aid, Relief, and Economic Security) Act funding, the financial impacts of COVID-19 have not been as significant as originally projected for fiscal year 2019/2020. There are still however, revenue concerns going forward. City Council and City staff plan to use caution going forward in fiscal year 2020/2021 due to the uncertainty of these revenues as well as the economy.

Iowa COVID-19 Local Government Relief Fund. On August 4, 2020, the Iowa Governor announced the availability of $125 million in federal CARES Act funding for the purpose of reimbursing Iowa's city and county governments' COVID 19 response expenses. The Governor allocated $60 million to reimburse city governments, $40 million to reimburse county governments, and $25 million to reimburse local cost-share requirements associated with FEMA Public Assistance funding. Finance staff worked to complete the necessary applications and cost documentation to be eligible to receive these funds.

FEMA Matching Portion of Funding - for the FEMA matching portion of the application, costs not covered by specific grants include costs in the Building and Grounds, Roadway Maintenance, Parks (including the Golf Course), Library, Art Center, WPCP, Transfer Station, IT, and general City administration budgets. Finance staff worked with staff of these departments to identify eligible costs, and also worked with FEMA on the application and cost documentation processes. Costs identified in these departments totaled $21,278. FEMA will fund 75% of eligible costs ($15,959), and the 25% non-federal share ($5,319) will be funded from the State's allocation.

General Allocation Funding – the other portion of the funding allocation (totaling $100,000,000) was allocated to cities and counties based on 2019 estimated populations. For the City of Muscatine, this amount is $561,627.69. This allocation is specifically to fund costs not covered by FEMA. Per the guidance for this funding allocation, local governments may presume that 25% of payroll costs for public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Since public safety payroll costs during the specified period of time, (March 1, 2020 through July 31, 2020), exceeded the $561,627.69 allocation, Finance staff submitted documentation of those costs to claim the City's funding amount. These funds have been received.

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 included 33 items. The Finance Director worked 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.

As of this writing (December 28, 2020), most of the projects have been completed with the exception of (1) the Spillway Lane Fence – contractor is waiting for some of the required wood materials, (2) Riverfront Fence – in progress and should be completed in the next few weeks, and (3) Gas Dock section replacement – contractor is waiting on wood materials. An alternate site is being considered for the Police Pistol Range that

will delay completion of this project. The Range project only has a small amount of FEMA funding as this facility was covered by flood insurance.

FEMA – 2020 Windstorm. On August 10, 2020, a widespread area of Iowa and neighboring states were hit with a major derecho windstorm. While the City of Muscatine did not receive as much destruction as areas to the north, there were still trees damaged or destroyed, and several City buildings and park structures were damaged. Finance staff is working with FEMA representatives and the Risk Management staff is working with the insurance company for cost reimbursements for these damages.

Community Attraction and Tourism (CAT) Grant – Pearls of Progress Projects. In November of 2017, the City was awarded a $500,000 Community Attractions and Tourism (CAT) Grant from the State of Iowa for the Pearls of Progress Project. This project has four component projects including (1) renovation of the former HNI headquarters building to be used for the new Musser Public Library and HNI Community Center, (2) the Community Dog Park, (3) the new West Side Trail, and (4) the Muscatine County project to construct cabins at Deep Lakes Park. The estimated total cost of these projects is over $8.1 million. Funding is from grants, donations (including the donation of the library building by HNI Corporation), City bond proceeds, County Conservation Board funds, and the CAT grant. The Library building renovation was completed in 2017/2018 and the Dog Park was completed in 2018/2019. The West Side Trail and Deep Lakes Park cabins (a Muscatine County project) are under construction but have been delayed, and construction is now scheduled to be completed in the spring of 2021. The Finance department compiled the documentation required to request and receive the CAT grant funds for the Library and Dog Park projects. Finance staff also managed the contributions and pledged contribution for this project. The pledged contributions could be made over a 3-year period and all have now been received. Finance staff will submit the requests for the final CAT grant funds when the West Side Trail and Deep Lakes Park Cabins are completed.

Economic Development Incentive Programs (TIF and Tax Abatement). The City approved several new economic development agreements during the past year and several additional agreements are in the planning stage for approval in early 2021. These include:

a. 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.

b. 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.

c. 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 was originally a 10 year, 100% rebate, to a maximum total of $515,000. The developer requested an increase in the maximum rebate to $675,000 due to a higher valuation of the property and the developer not being awarded a portion of the tax credits they were anticipating. City Council formally amended the development agreement to the higher maximum amount in March of 2021.

d. A development agreement/TIF rebate agreement 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.

e. Three new housing-related development agreements are expected to be finalized in early 2021 including (1) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Grandview Avenue; (2) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Colorado Street; and (3) JNB Family 1 LP and the Ales Foundation - TIF assistance to construct 42 units of rental housing units on Steamboat Way for low and moderate income individuals and families.

The Housing Demand Study completed in September of 2017, demonstrated a need for the new multi-residential housing project, the new housing development, the conversion of a portion of the Hershey Building into downtown multi-residential units, and the three additional multi-family housing projects. Finance staff has assisted in projecting TIF proceeds and rebates based on cost estimates from developers.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

* To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA). **(Strategic Plan – Excellent Customer Service – Outreach to Citizens)**

* To submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA. **(Strategic Plan – Excellent Customer Service – Outreach of Citizens)**

* To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued May 2020 and the provisions of this statement were effective immediately upon issuance. The objective of this Statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statements Nos. 83, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3. The GASB Statement expected to have the most significant impact to the City of Muscatine is GASB Statement No. 87*, Leases.* This Statement was originally scheduled to be effective for the year ended June 30, 2021 and it will now be effective for the City beginning with its fiscal year ending June 30, 2022. Finance staff has attended some training on Statement 87 *Lease*s, as this statement will have a significant impact on how leases are accounted for in fiscal year-end statements. **(Strategic Plan – Excellent Customer Service – Outreach to Citizens)**

* To assist in determining funding sources for capital projects identified in the Five Year Capital Improvement Plan. Major projects for the upcoming year include the Park Avenue 4 to 3 Lane Conversion, the annual Pavement Management Program, the next phase of the West Hill Sewer Separation project, Grandview Avenue reconstruction, and the 2nd Street Streetscape Project. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**

* To continue to manage and then close out the Enhance Iowa Community Attractions and Tourism (CAT) grant 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 spring of 2021. **(Strategic Plan – Vibrant Community)**

* To continue to act as the City's Primary Point of Contact with FEMA for the 2019 flood, the 2020 Windstorm, and the COVID-19 assistance. **(Strategic Plan – Reliable Public Infrastructure)**

* 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. **(Strategic Plan – Vibrant Community and Healthy Community)**

* To maintain and enhance the OpenGov transparency tool implemented in 2017 with enhancements to include metrics and dashboards for all City departments. **(Strategic Plan – Excellent Customer Service – Outreach to Citizens)**

* To review and draft proposed updates to various City policies including the Purchasing Manual, change order policy, and vacation/sick leave policies. **(Strategic Plan – Excellent Customer Service – Process Improvements)**

Function:
General Government

Department:
Finance

Activity:

Finance and Records

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 531,067	$ 561,867	$ 580,900	$ 594,400	$ 629,600	8.38%
Commodities	9,643	8,994	11,200	11,200	11,300	0.89%
Contractual Services	88,381	86,689	95,000	93,300	95,500	0.53%
Capital Outlay	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	$ 629,091	$ 657,550	$ 687,100	$ 698,900	$ 736,400	7.18%
Funding Sources						
Licenses and Permits	$ 47,832	$ 45,268	$ 47,300	$ 44,000	$ 44,000	-6.98%
Housing Accounting Fees	62,700	64,600	66,800	66,500	68,400	2.40%
General Revenues	518,559	547,682	573,000	588,400	624,000	8.90%
Total Funding Sources	$ 629,091	$ 657,550	$ 687,100	$ 698,900	$ 736,400	7.18%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.38	0.50	
Total Full Time	5.70	5.70	5.70	5.83	5.95	$ 448,100
Employee Benefits						181,500
Total Personal Services						$ 629,600

Function:	*Department:*
General Government	**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 revised estimate for 2020/2021 is $800 less in total than the original budget. Personal services costs in the revised estimate increased by $1,400 primarily due to a merit increase; contractual services decreased by $800; and capital outlay decreased by $1,400.

The 2021/2022 budget is $75,700 more than the original 2020/2021 budget. The overall increase includes (1) an increase of $10,700 (4.9%) in personal services costs, (2) an increase of $7,600 in contractual services costs, and (3) an increase of $57,400 in capital outlay. The contractual services increase is due to increases in annual software subscription and maintenance costs.

The capital outlay increase includes $56,500 to implement a Security Information and Event Management (SIEM) and Managed Security Service Provider (MSSP) solution. A SIEM/MSSP solution is software that constantly analyzes activity from multiple devices across the entire IT infrastructure and forwards that information to both IT staff and the MSSP, which includes a highly trained staff that provides 24x7x365 monitoring of the city's network infrastructure and can respond to incidents that include, but is not limited to, security breach, malware, etc. This will be an annual cost.

The contracted IT staff augmentation service continues to be included in this budget at an estimated cost of $33,600. The budget also continues funding for the annual costs of the enhanced malware software.

The 2021/2022 budget continues to include a $50,000 transfer to the Computer Replacement Fund to fund computer hardware replacements including networking systems in General Fund departments. All computer-related purchases are coordinated by the Information Technology Manager. Computer-related purchases in enterprise funds are funded from those funds.

GOAL STATEMENT

To provide maintenance, support, education, and training for the efficient and productive operation of all the computer systems throughout the City organization; to increase the computer literacy of all City employees; and to aggressively pursue using computer technology to enhance communications with citizens.

PERFORMANCE MEASURES

	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Personal Computers Maintained *	284	297	212	215	215
Network Maintained *	4	4	3	3	3
Training Sessions	5	8	6	25	52

* Beginning in 2020, the MUSCOM network and related computers are maintained by an MSP (Managed Service Provider) hired by MUSCOM.

RECENT ACCOMPLISHMENTS

A new switched network backbone has been completed that incorporates 23 unique VLANs with appropriate access control lists, for segmented traffic and enhanced security. A RADIUS server has been established and necessary cabling has been replaced. This includes all servers and storage in our new VM cluster being connected via fiber optic cabling running at 10Gbps.

All servers at both City Hall and the Public Safety Building (PSB) have been moved to virtual servers on the new VM cluster. There are still two servers that will continue to reside on an independent virtual appliance at PSB which includes a domain controller and a RemoteApp server which is advantageous for them to continue to reside at that location.

A backup server for disaster recovery has been located in Muscatine Power and Water's (MP&W) hardened server facility. All backups of the VM cluster are initiated by a server located at City Hall. After the backups are completed, they are then copied to this server at MP&W. This is significantly less expensive than using commercially available cloud storage.

After meeting with multiple MSP's, it was recommended to have MUSCOM sign an agreement with Winsor Consulting for all future IT consulting, engineering services, installation, and ongoing support. This recommendation was approved by the MUSCOM board and these responsibilities have been slowly moved from City IT staff to Winsor. IT staff is still occasionally meeting with MUSCOM staff and Winsor Consulting as all parties continue to move forward. Overall this has been a positive experience but there have been some issues with the transition.

When the COVID-19 global pandemic hit in early 2020, IT was tasked with quickly and cost effectively providing remote access to a large percentage of city staff. This challenge was met using a service that allows staff members to use their own remote computers to control their workstations as if the user was sitting at their desks. This solution has worked and continues to work well for a large number of staff members.

For some users that do take their laptops off-site while out of the office, the original solution for remote access that was identified in the initial stages of the work from home initiative (for the COVID-19 pandemic) proved to be unsatisfactory. For these users a VPN tunnel was created that allows certain city owned equipment to operate as if their laptops are still connected to the network. This was created using equipment that was highlighted in the first paragraph of the Recent Accomplishment section above.

One of the performance measures for the Musser Public Library is the number of WIFI sessions that are connected to the Library's wireless infrastructure. This report can be captured directly from the WIFI but the

reporting function of the existing hardware is lacking in scope and ease of use. An interface has now been established at the library that allows this information to be exported to the WhoFi solution which better fulfills the state reporting requirements. This has been provided to the Musser Public Library at no cost.

The removable media network attached storage (NAS) device that previously held the City Hall backup media was returned to service. When the backup jobs of the new VM cluster are completed the snapshots are copied from a local backup server to the co-located server at MPW as well as the NAS. Once a week the media from the NAS is removed and kept offline for additional redundant security. This was completed with no additional capital cost.

Three additional exterior wireless access points were added to the WIFI infrastructure at the Musser Public Library. This was completed to provide the ability for patrons to access the public WIFI while on or near the Library grounds while the building was closed due to the COVID-19 global pandemic.

The City's subscription has been renewed with KnowBe4. This service provides for end user training and testing for security skills, as well as many other things. When the initial baseline test was sent to all users with a city email address (8/10/2020) our phish-prone percentage finished at 54.8% compared to an industry average of 15.1%. Since the initial training has been completed our on-going percentage has dropped to 3.3%.

The point-to-point (P2P) wireless system between City Hall and the Public Safety Building has been upgraded to new hardware. This new system provides significantly better performance than the old solution. This upgrade was required due to the fact that many resources that were originally housed at the Public Safety Building are now served by the new VM cluster. This called for a massive increase in the amount of data transferred across this connection.

An additional computer was placed in the structure at the compost site entrance which allows the user to input an address and declares if the property is located within city limits. This required a P2P connection and an on-line app developed in coordination with MAGIC (Muscatine Area Geographical Information Consortium).

A video security system has been installed at the Muscatine Organic Recycling Center (MORC). Among other things, the camera system can be viewed via an internet connection that allows industrial customers of the MORC to document the proper destruction of their organic material. Due to login requirements this also required a digital certificate and utilization of SSL.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

* To implement a Security Information and Event Management (SIEM) and Managed Security Service Provider (MSSP) solution. A SIEM/MSSP solution is software that constantly analyzes activity from multiple devices across the entire IT infrastructure and forwards that information to both IT staff and the MSSP, which includes a highly trained staff that provides 24x7x365 monitoring of the city's network infrastructure and can respond to incidents that include, but is not limited to, security breach, malware, etc.

* To implement Two Factor Authentication (2FA) across all city network devices. Passwords are no longer sufficient to protect city IT resources. 2FA requires both a password as well as a hardware device to authenticate with the network.

* To utilize the KnowBe4 system to send weekly testing and training programs to all end users of the city's computer systems. These will typically be short in duration but can include training modules, videos, newsletters, posters, and assessments and will include topics such as cybersecurity, social engineering, working from home, phishing, incident reporting, and many more.

* To create a team of city staff to actively consult with MUSCOM, and their chosen E911 telephone system vendor, and approve any required changes, to interface the new E911 system with the Public Safety Building administrative telephone network. **(Strategic Plan – Safe Community)**

* To evaluate the city's current malware protection against other products available on the market. The agreement for the current software runs through November 2021 and will need to be renewed or transitioned to a different vendor prior to that time.

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 206,589	$ 213,680	$ 219,900	$ 221,300	$ 230,600	4.87%
Commodities	983	1,218	1,800	1,800	1,800	0.00%
Contractual Services	59,807	68,791	107,600	106,800	115,200	7.06%
Capital Outlay	12,680	70,056	8,400	7,000	65,800	683.33%
Transfers	40,000	50,000	50,000	50,000	50,000	0.00%
Total Expenditures	$ 320,059	$ 403,745	$ 387,700	$ 386,900	$ 463,400	19.53%
Funding Sources						
IT Administrative Fees	$ 31,000	$ 39,000	$ 41,000	$ 41,000	$ 43,000	4.88%
General Revenues	289,059	364,745	346,700	345,900	420,400	21.26%
Total Funding Sources	$ 320,059	$ 403,745	$ 387,700	$ 386,900	$ 463,400	19.53%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions:						
Information Technology Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 159,400
Employee Benefits						71,200
Total Personal Services						$ 230,600

Capital Outlay

Item:	*Replacement*	*Amount*
Two Factor Authentication (2FA)	No	$ 9,200
Security Information and Event Management (SIEM) and Managed Security Service Provider (MSSP)	No	56,600
		$ 65,800

Capital Outlay Funding Transfer

Item:	*Amount*
Funding Transfer to Computer Replacement Fund	$ 50,000

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

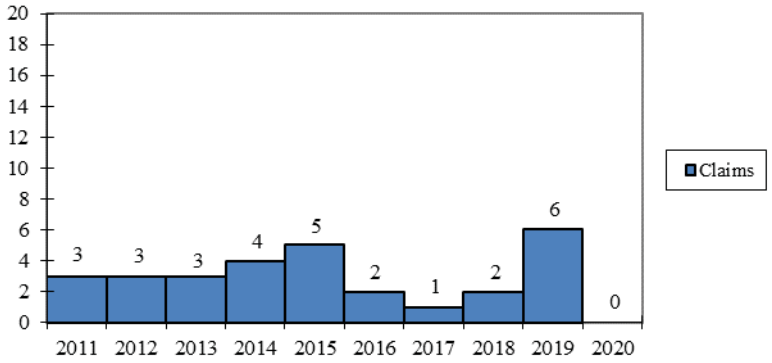
Activity:

Risk Management

GENERAL INFORMATION

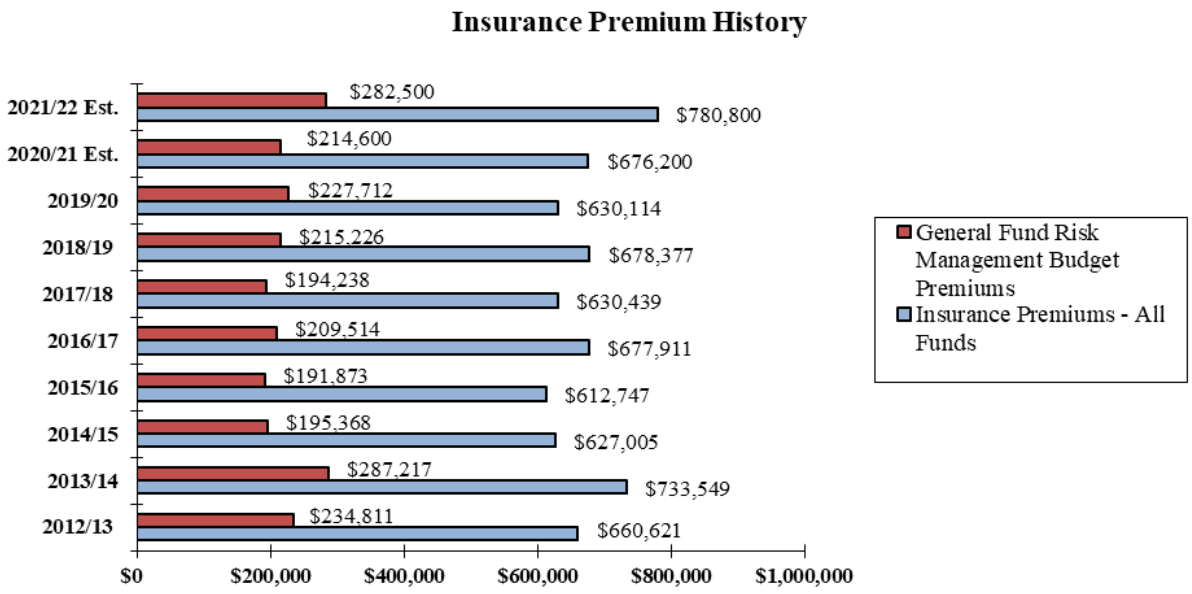
This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. For the first time, there were no lost time workers compensation claims recorded for the City during calendar year 2020. The history of lost time claims for the past ten years is as follows:

Lost Time Workers Compensation Claims



The goal for 2021/2022 is to continue to have no recordable injuries.

The City's Risk Management Program involves the administration of the City's overall insurance program. A Citizen Insurance Advisory Committee consisting of representatives from various major industries in the community provides a substantial amount of assistance to the City in administering this program. Insurance costs included in this budget for fiscal years 2012/2013 through the budgeted costs for 2021/2022 as well as total City insurance premiums are shown in the following graph:



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 2021/2022.

The 2020/2021 revised estimate for the Risk Management budget is $35,000 less than the original budget primarily due to a decrease in insurance costs.

The 2021/2022 Risk Management budget is $34,200 (10.8%) higher than the original 2020/2021 budget due to (1) a $32,800 increase in insurance costs, and (2) a $1,400 increase in personal services costs.

The estimated insurance costs included in the Risk Management budget total $282,500 for 2021/2022. This is a $32,800 (13.1%) increase from the original 2020/2021 budget of $249,700. The City's Insurance Agent of Record provided the insurance projections for the upcoming year. Increases of 10% are projected for the ICAP policies and no ICAP dividend is projected to be returned to the City in 2021/2022. The increases are directly related to the claims of governmental entities covered by ICAP from the August 10 derecho windstorm that resulted in significant damages through a wide area of the state. An increase is also projected for police liability coverage.

The total insurance premiums (excluding employee health, dental, and life insurance) for the entire City are estimated at $780,800 for 2021/2022. This is a $105,000 (15.5%) increase from the original 2020/2021 budget of $675,800 and a $104,600 (15.5%) increase from the 2020/2021 revised estimate of $676,200. Of the $780,800 total budgeted insurance costs, $282,600 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 2021/2022 budget includes an estimated $20,600 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 budget for 2021/2022 includes a $.33769 per $1,000 valuation Tort Liability tax levy which is a 6.8% increase from the 2020/2021 tax rate of $.31608. The Tort Liability tax levy provides funding of $36,200 for the fine arts insurance premiums 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 2017/2018	**Actual 2018/2019**	**Actual 2019/2020**	**Estimated 2020/2021**	**Estimated 2021/2022**
Workers Compensation Experience Modification Factor	.89	.90	.72	.89	.89
Insurance Premiums Paid - All Funds	$630,419	$678,377	$630,114	$676,200	$780,800
Risk Management Insurance Premiums	$194,238	$215,226	$227,712	$214,600	$282,600
Accident Review Committee Meetings	11	11	11	11	11

RECENT ACCOMPLISHMENTS

The Human Resources department is responsible for much of the City’s risk management activity.

The Human Resources Manager is the chairperson of the Safety Awareness Team (SAT). This group meets monthly to review accidents and make recommendations for corrective action. This is a committee of approximately 10 employees from various departments and organizational levels. The SAT is currently in the process of completing an assessment of gaps in the risk management program and working to develop an action plan based on these findings.

The risk management function has responsibility for 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.

The risk management function also includes loss control activities such as 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.

The drug testing process under the Federal Transit Administration rules was recently audited by the Iowa Department of Transportation. All records and processes related to the random drug-testing program were found to be in order and no corrective feedback was received. The HR department also oversees the random drug testing under the Federal Motor Carrier Safety Association rules and for the police department.

Another important activity related to risk management 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.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To continue work on the safety assessments for all departments to determine where gaps may still exist in the City's risk management program. **(Strategic Plan – Safe Community)**

- To develop an action plan to address issues raised in the safety assessments. **(Strategic Plan – Safe Community)**

- To conduct an in-house OSHA 10 Hour Certification program to increase the number of employees holding this certification. **(Strategic Plan – Safe Community)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 31,865	$ 33,642	$ 34,600	$ 34,700	$ 36,000	4.05%
Commodities	4,814	3,558	11,600	11,100	11,100	-4.31%
Contractual Services	224,243	232,335	270,900	236,300	304,200	12.29%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 260,922	$ 269,535	$ 317,100	$ 282,100	$ 351,300	10.79%
Funding Sources						
Tort Liability Taxes	$ 215,226	$ 227,712	$ 249,700	$ 214,600	$ 282,600	13.18%
General Revenues	45,696	41,823	67,400	67,500	68,700	1.93%
Total Funding Sources	$ 260,922	$ 269,535	$ 317,100	$ 282,100	$ 351,300	10.79%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	$ 26,000
Employee Benefits						10,000
Total Personal Services						$ 36,000

Function:	*Department:*
General Government	**Public Works**

Activity:

Building and Grounds

GENERAL INFORMATION

The Building and Grounds division is responsible for the maintenance of most City buildings including City Hall, Public Safety Building, Southend Fire Station, Library, Art Center and Museum, the Public Works Building, and certain maintenance functions at the Municipal Airport. The division is responsible for maintaining these buildings by providing both day-to-day and preventive maintenance. The division is located in the Public Works building, which offers the necessary space for supply storage and maintenance activities. Costs of maintaining these City buildings are incorporated in this budget including utilities, day-to-day maintenance, and preventive maintenance.

CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 is $18,000 more than the original budget due to (1) a $3,200 increase in personal services costs which includes a merit increase and increased employee insurance costs, (2) an $800 increase in contractual services due to an increase in the allocation of the annual cost for the PubWorks software, and (3) a $14,000 increase in capital outlay. The capital outlay increase was for the purchase of a mower for Public Works which was carried forward from the 2019/2020 budget.

The 2021/2022 budget is $123,600 (17.7%) more than the original 2020/2021 budget. This overall increase is due to (1) a personal services increase of $21,300 (4.5%), (2) an $800 increase in contractual services due to an increase in the allocation of the annual cost for the PubWorks software, and (3) a capital outlay increase of $101,500. Of the capital outlay allocation of $117,400, $105,300 will be funded from Road Use Tax funds. The Road Use Tax funded items include $62,100 for Public Works parking lot lighting, $15,500 for Public Works carpet replacement, and $27,700 for an electronic gate for the lower lot at Public Works.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Buildings Maintained	9	9 (2)	9	8 (3)	8
Heating, Ventilation, and Air Conditioning (HVAV) and Other Service Contracts	13	13	13	8 (4)	8
Staff Custodians (Full Time and Part Time)	6	6	6	6	6
Contract Custodians	1	0	0	0	0
Grounds Maintained	4	5	5	4	4
Janitorial Supplies Purchased	$17,152	$16,956	$16,607	$17,000	$17,000
Major Maintenance Projects (Above $2,000) (1)	16	20	26	25	25

1. Major maintenance projects include those accounted for in the Deferred Maintenance Capital Project fund.
2. The former Iowa Department of Transportation building was added in 2018/2019 and the former Safe Streets building at 614 Mulberry Avenue was removed.
3. The old Library was sold in 2020/2021.
4. Building and Grounds staff is looking to combine the contracts for generators and security/alarm systems in 2020/2021.

RECENT ACCOMPLISHMENTS

This year has been challenging for everyone including the Building and Grounds division due to the COVID-19 pandemic. Buildings and Grounds staff not only supplied regular supplies to departments, but also have been keeping each facility supplied with hand sanitizer, disinfectant wipes, and disinfectant spray. Staff built disinfectant wipe stands, plexiglass partitions, and continues to do extra sanitizing and cleaning of each building.

Building and Grounds staff completed numerous projects in-house this year including painting the City Administrator's office, painting in the Public Safety Building, and staff are currently working on Public Works indoor beautification. Staff continues to wash City Hall and Library windows in-house. Other projects completed include (1) remodeled the Mayor's office restroom and the women's restroom, (2) fixed parking lot lighting at Public Works, (3) replaced the starter on the generator at South Fire Station, (4) replaced batteries and the starter generator at Central Fire, (5) removed and replaced several bus shelter windows changing them from tinted to clear, (6) wired the new vehicle lift and lights for the Vehicle Maintenance division at Public Works, (7) completed wash bay water line repairs, (8) repaired the sewer line at the Public Safety Building, (9) installed outlets and electricity to Council desks, (10) fabricated and installed steel safety barriers at the Library, and (11) ground out and repaired cracks and sealed columns at City Hall.

Building and Grounds staff has implemented a good chemical treatment program for the heating and cooling systems at the Public Safety Building, City Hall, and the Art Center. Staff does all of the pesticide, herbicide, and fertilizer applications in-house and has done lock repairs and cut keys for all departments. This division continued outdoor beautification work including edging sidewalks and curbs at City buildings, trimming

trees, and removing approximately 40 trees and grinding the stumps. These are just a few of the items that have showcased the many talents of Building and Grounds staff.

There were numerous capital improvement and deferred maintenance projects completed this year including (1) replacing windows at the Public Safety Building, the Public Works Engineering office, and the Public Works office, (2) the Art Center gallery roof and elevator roofs have been replaced, (3) elevator upgrades were completed, (4) garage doors have been replaced at Public Works and the White House, (5) the Fire department porch coating and sealing were done, and (6) oak security doors were installed off of the Council Chambers. Several other projects are scheduled for this winter and spring including the Morgan Building tuck-pointing and sealing; siding, soffits and fascia, radiant and hanging heaters at Public Works; improvements to the Art Center plumbing; and repairs to the Public Works wash bay.

Staff has been entering assets into the PubWorks Asset Management and Supply software and staff continues to work on full implementation of the software. On the supply side, staff are looking to input supplies and get a scanner to use for data tracking for supplies coming in and going out.

This division continues to work to get the City's buildings in the best mechanical shape they have ever been in. Efforts also continue to make the buildings more visually appealing and to have less maintenance needed with the various landscaping projects.

These are a few of this division's accomplishments in the last year. Staff will continue to work to save the City money by using the many talents of staff, working with other departments, and by overseeing and holding contractors accountable for repairs.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To input and start using the Asset Management software for the supply inventory. **(Strategic Plan – Reliable Public Infrastructure)**
- To complete the deferred maintenance projects. **(Strategic Plan – Reliable Public Infrastructure)**
- To maintain current staff certifications and continue finding training opportunities for staff.
- To continue to work with other departments to maximize efficiencies and resources.
- To continue working on landscaping and beautifying City buildings.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 430,837	$ 451,285	$ 468,400	$ 471,600	$ 489,700	4.55%
Commodities	44,857	50,758	52,500	52,500	52,500	0.00%
Contractual Services	162,866	127,991	163,100	163,900	163,900	0.49%
Capital Outlay	30,273	11,000	15,900	29,900	117,400	638.36%
Transfers	-	-	-	-	-	
Total Expenditures	$ 668,833	$ 641,034	$ 699,900	$ 717,900	$ 823,500	17.66%
Funding Sources						
Charges for Supplies	$ 4,894	$ 5,583	$ 5,000	$ 5,000	$ 5,000	0.00%
Insurance Reimbursement	-	19,989	-	-	-	
Sale of Equipment	-	221	-	-	-	
Road Use Taxes	-	-	-	14,000	105,300	
General Revenues	663,939	615,241	694,900	698,900	713,200	2.63%
Total Funding Sources	$ 668,833	$ 641,034	$ 699,900	$ 717,900	$ 823,500	17.66%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	1.00	1.00	
Custodian II	1.00	-	-	-	-	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian II	2.10	2.07	2.11	2.13	2.11	
Custodian I	1.13	1.12	1.13	1.13	1.13	
Total	6.73	6.69	6.74	6.76	6.74	$ 343,900
Employee Benefits						145,800
Total Personal Services						$ 489,700

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Window Air Conditioners	3	Yes	$ 1,200
Carpet - City Hall Housing and Community Development Offices		Yes	10,900
Public Works Parking Lot Lighting Improvements (Road Use Tax Funded)		Yes	62,100
Carpet - Public Works Main Office and Breakroom (Road Use Tax Funded)		Yes	15,500
Electronic Gate - Public Works Lower Lot (Road Use Tax Funded)	1	Yes	27,700
			$ 117,400

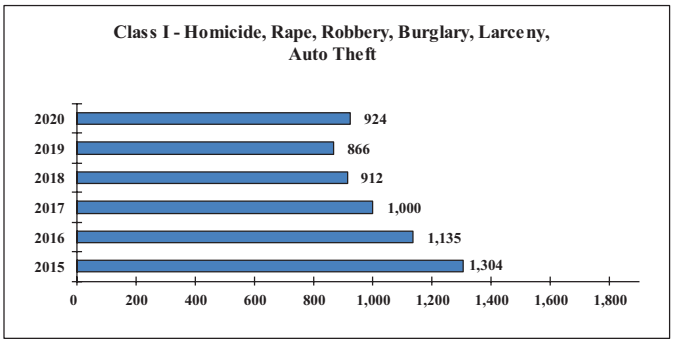
Function:	*Department:*
Public Safety	**Police**

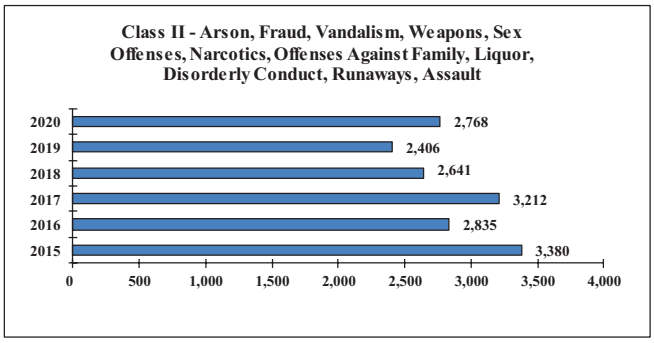
Activity:

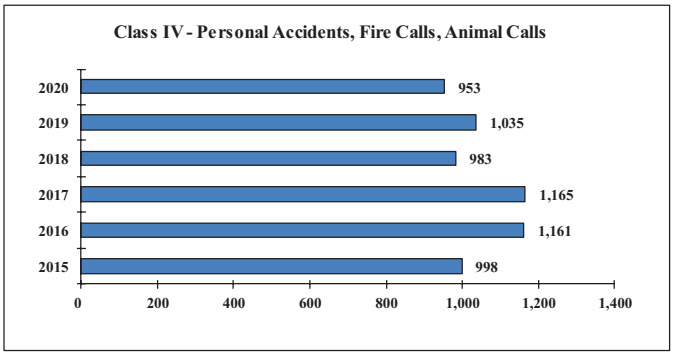
Police Operations

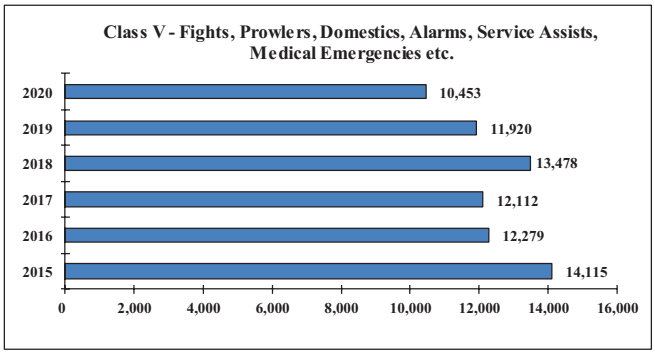
GENERAL INFORMATION

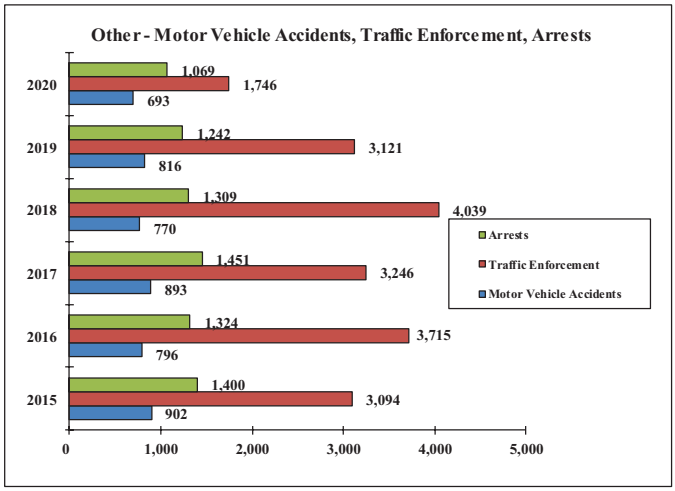
The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one 29 hours per week civilian clerk position. The department is responsible for the protection of lives and property for all individuals within the City. The department currently 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:

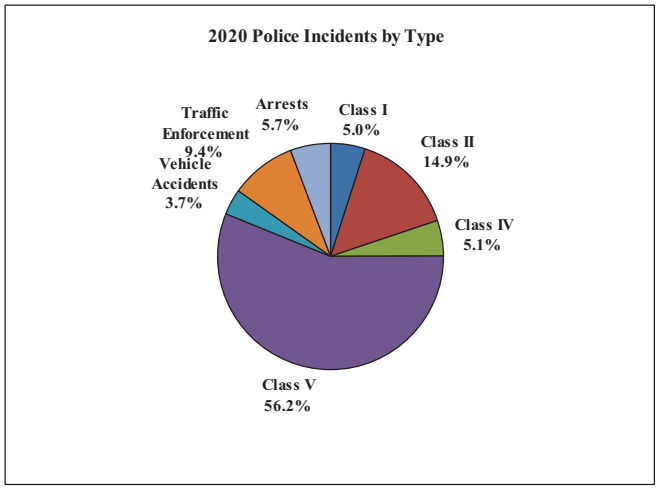












CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 is $34,100 more than the original budget. This overall increase is due to the net effect of the following: (1) personal services costs are projected to be $21,200 more than the original budget primarily due to retirement pay for two employees, (2) commodities are projected to be $17,000 less than the original budget primarily due to a reduced allocation for fuel costs and a reduction in maintenance supplies for the former Police Pistol Range, (3) contractual services are $2,000 higher than the original budget due to increased maintenance and repair costs, and (4) capital outlay is $27,900 more than the original budget due to equipment purchases funded from the COVID Supplemental Emergency Funding Justice Assistance (JAG) grant.

The 2021/2022 budget is $241,900 (4.7%) more than the original 2020/2021 budget. Personal services costs increased by $255,400 (5.5%), commodities remained the same, contractual services decreased by $1,900, and capital outlay decreased by $11,600. While capital outlay in the Police operating budget decreased, the Equipment Replacement fund includes $125,000 of funding for two new police patrol vehicles (Tahoes) and one new administrative vehicle.

The 2021/2022 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 2021/2022 with grant expenditures of $80,600; $22,000 of Governor's Highway Safety funds are budgeted to be expended; $10,700 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 school. These positions are 75% ($156,300) 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 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
Police Calls for Service	20,830	20,806	19,472	18,019	19,500
Overtime Hours Worked	3,211	3,042	3,634	1,949	3,200
Traffic Enforcement	3,246	4,039	3,121	1,746	3,000
Arrests	1,451	1,390	1,242	1,069	1,300
Parking Tickets Issued	1,945	2,343	1,689	1,285	1,700
Uniform Crime Report Clearance Rate	46%	45%	45%	54%	45%
Investigations Assigned	186	221	184	190	200
Investigations Cleared	62%	68%	71%	72%	70%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	2,454	1,943	2,450	3,052	2,500
Speed on Green Violation Citations	8,558	5,979	7,541	9,681	7,400
ATE Violations – City Residents	4,405	2,882	3,229	3,686	3,200
ATE Violations – Non-Residents	6,607	5,040	6,762	9,047	6,700
Department Revenue – Fiscal Year Basis	$1,155,175 (FY 17/18)	$908,748 (FY18/19)	$1,107,738 (FY19/20)	$1,133,600 (FY20/21)	$1,134,400 (FY21/22)

RECENT ACCOMPLISHMENTS

The Muscatine Special Operations Response Team (MSORT) has expanded its involvement with other agencies and now includes the Louisa County Sheriff's department and Cedar County Sheriff's department. MSORT trains on a monthly basis throughout the city and county and tries to meet the National Tactical Officers Association (NTOA) standard of 192 hours of training per year. MSORT is currently on track to train 170 hours this year. Due to COVID-19, MSORT had to cut training days back to mitigate the spread of this virus. MSORT was able to train approximately 114 hours. This included a tactical school that was brought to Muscatine and put on by Tactical 88. The department had planned to send 14 team members to NTOA 40 hour training outside of the state as well, although this year it was cancelled due to COVID-19. MSORT continues to do active shooter training throughout the city with businesses and other public entities.

The department was successful in securing requested grant monies for upgrading equipment and maintaining necessary positions. The department was again awarded the 2020 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 retained funding through the State of Iowa Drug Control Policy's Byrne Justice Assistance Program to maintain personnel and operations for the Muscatine County Drug Task Force for another fiscal year. The department was awarded a COVID Emergency Supplemental Funding JAG grant in the amount of $60,827 to help fund COVID-related expenses including equipment, PPE (personal protective equipment), and other expenses which includes overtime to backfill for any COVID-related illnesses.

The department has attempted to have an increased 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 had a presence at several community events in order to maintain a positive image within the community. Due to COVID-19, however, numerous events that

were scheduled were cancelled. Police officers worked other events within the community, such as the Almost Friday Fest for two events before the pandemic shut things down again. The officers also had a pumpkin carving event in October at one of the City's apartment complexes. The kids were treated to hot dogs and drinks by the officers.

The School Resource Officers (SRO) have attempted to be a contributor to the quality of life for citizenry. The SRO(s) participated in the National Night Out and Family Night through the YMCA in addition to attending numerous school events throughout the school year.

The patrol division has officers assigned as liaisons in housing complexes 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 an officer assigned to Muscatine Community College as a liaison for any issues on campus or off campus.

The department also participated in several events collaborating with local businesses in order to build relationships with community members. The department participated in the "Coffee with a Cop" program for several months until the pandemic. The annual "Shop with a Cop" program was done in a completely different way this year. Officers provided gifts to kids but did not shop with them in person due to the pandemic. The annual Holiday Stroll event was done over a three day period with extended hours instead of the first Friday in December. Officers attended the event as security, but the department did not have a booth set up due to the pandemic. Officers also participated in the Red Kettle Campaign to raise money for the Salvation Army. The Chief of Police was co-chair for the 2nd consecutive year.

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, the Muscatine Police department, the Muscatine County Sheriff's Office, the Wilton Police department, and the West Liberty Police department.

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

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

From January 2020 through October 2020, twenty-two (22) juveniles were referred to the program. Of the referrals, nine (9) have attended. Thirteen (13) of the referrals failed to attend due to COVID. Overall, the success of the Juvenile Diversion Program has been high. Collectively, there has been a total of one hundred thirty-one (131) referrals since inception of the program (in August of 2018); one hundred and four (104) have attended with only twenty one (21) becoming reoffenders. This is an 80% non-recidivism rate. At the national level, the non-recidivism rate for juvenile diversion rate is also 80%.

The department started a program called Code Blue. When a family experiences a traumatic event (unexpected death, house fire, etc.), the department will assist in providing a meal to the immediate family at no cost to them. Often a family or individual will feel alone and feel that no one cares anymore after some time has passed and life moves on. The goal of the program is to show that the officers still remember and

still care about what took place in their life. The department hopes to create strong relationships through this program that will strengthen the bond with the community we serve.

The startup funds for the Code Blue program will initially come from the generosity of officers from the Muscatine Police department. Local restaurants will be contacted and given a brief presentation on what the Code Blue program is, and what the goals of the program are. When a restaurant agrees to partner with the Muscatine Police department, a window decal that they can proudly display at the front of their business will be provided. The goal of the decal is to generate talk about the program by patrons that are dining at the restaurants. An informational pamphlet will also be generated and provided to the restaurants to give detailed information on the program.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- 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. **(Strategic Plan – Safe Community)**

- 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. **(Strategic Plan – Safe Community)**

- 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. **(Strategic Plan – Safe Community)**

Function:
Public Safety

Department:
Police

Activity:

Police Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 4,381,056	$ 4,383,570	$ 4,659,100	$ 4,680,300	$ 4,914,500	5.48%
Commodities	133,928	138,662	158,400	141,400	158,400	0.00%
Contractual Services	331,674	302,056	297,500	299,500	295,600	-0.64%
Capital Outlay	57,450	271,363	19,400	47,300	7,800	-59.79%
Transfers	25,000	-	-	-	-	
Total Expenditures	$ 4,929,108	$ 5,095,651	$ 5,134,400	$ 5,168,500	$ 5,376,300	4.71%
Funding Sources						
Grants	$ 291,947	$ 285,945	$ 312,800	$ 347,100	$ 322,600	3.13%
Parking Violations	21,317	16,120	22,000	17,000	22,000	0.00%
Court Fines	169,746	135,565	170,000	100,000	170,000	0.00%
Automated Traffic Enforcement Fines	286,939	479,861	500,000	550,000	550,000	10.00%
Fruitland Agreement	52,104	53,276	54,600	54,600	56,100	2.75%
False Alarm Charges	3,700	1,900	3,700	3,700	3,700	0.00%
Utility Franchise Fees	110,224	220,327	257,100	225,000	225,000	-12.49%
General Revenues	3,993,131	3,902,657	3,814,200	3,871,100	4,026,900	5.58%
Total Funding Sources	$ 4,929,108	$ 5,095,651	$ 5,134,400	$ 5,168,500	$ 5,376,300	4.71%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 3,052,400
Employee Benefits						1,862,100
Total Personal Services						$ 4,914,500

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Rifles (2)	2	Yes	$ 3,000
Stop Sticks	10	Yes	4,800
			$ 7,800

Additional Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Police Patrol Vehicles (Tahoes)	2	Yes	$ 100,000
Staff Vehicle	1	Yes	25,000
			$ 125,000

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

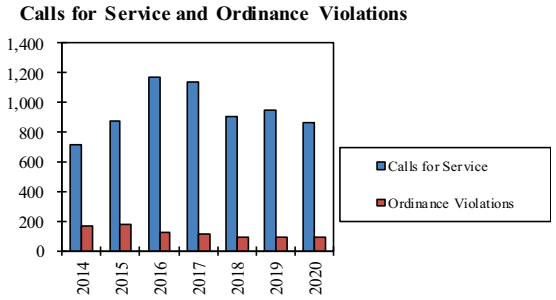
Activity:

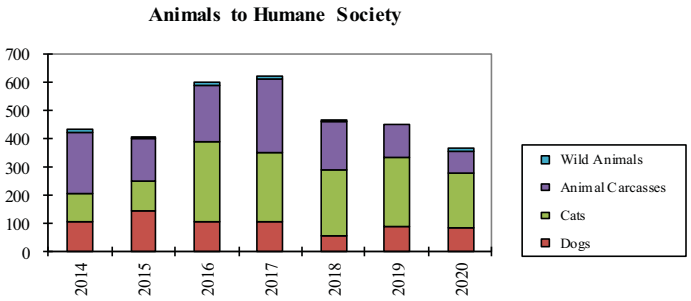
Animal Control

GENERAL INFORMATION

The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals which are housed by citizens. The Muscatine Humane Society provides shelter facilities for animals picked up by the City.

In 1995 the City Council adopted an animal control ordinance requiring City licensing of all dogs and cats, established fines for unlicensed animals, and increased fines for animals at large. In 2003 City Council amended the animal control ordinances as follows: (1) Title 4 General Provisions adding Chapter 2 "Keeping of Pit Bull Dogs" to allow citizens to follow required procedures of the ordinance in order to keep their dog and also prohibiting any new pit bull dogs from coming into the City limits, and (2) Title 4 General Provisions, Chapter 1, Animal Regulation, Section 8 Animal Care, Section F requiring that owners of animals that have "invisible fences" are required to notify the U.S. Postal Service and utility companies with the City Clerk's office at City Hall to receive copies of the notifications sent to the U.S. Postal Service and utility companies. The City Code provisions can now be found in Title 6, Chapters 8 and 9 in the updated City Code which was effective July 1, 2015.



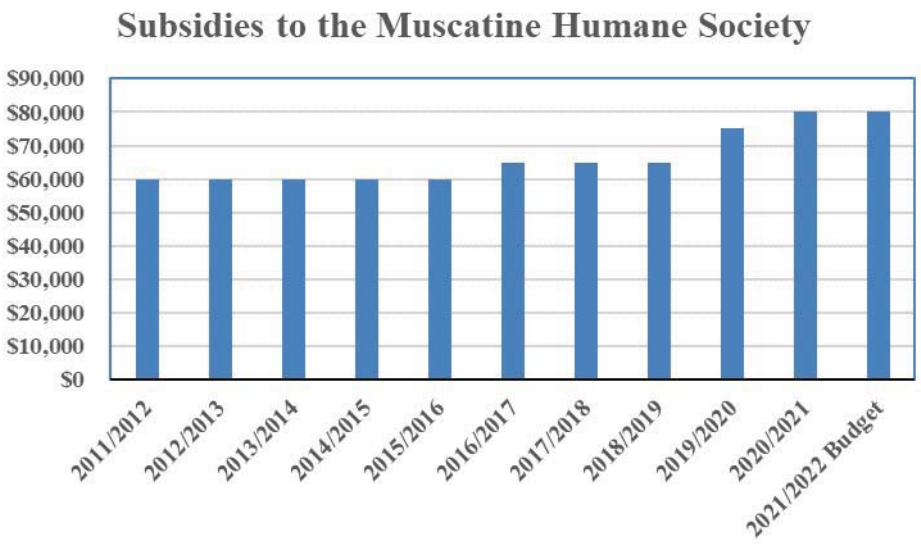


CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $1,000 less than the original budget due to a slight decrease in personal services costs ($100) and a $900 decrease in travel and education. The training planned for the Animal Control Officer this year was not held due to the COVID-19 pandemic.

The 2021/2022 budget is $2,700 (1.7%) more than the 2020/2021 budget due to increased personal services costs. This budget continues to include a subsidy allocation to the Muscatine Humane Society for housing animals picked up by the Animal Control Officer. The subsidy for 2020/2021 is $80,000 and that same amount was requested by the Humane Society for 2021/2022 and has been included in this budget.

Following is a history of the City's 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 2017	**Actual 2018**	**Actual 2019**	**Actual 2020**	**Estimated 2021**
Calls for Service	1,136	906	941	860	950
Ordinance Violations	116	93	95	100	95
Bite Cases	60	68	72	80	90
Animals taken to Humane Society:					
Dogs	105	59	90	83	100
Cats	243	233	243	204	234
Animal Carcasses	265	168	119	83	150
Wild Animals	7	5	0	0	6
County Calls for Service	2	0	0	1	1
Fruitland Calls for Service	16	12	11	11	20
Animal Control Revenue – Fiscal Year Basis	$2,865 (FY 17/18)	$2,160 (FY 18/19)	$1,860 (FY 19/20)	$1,500 Est. (FY 20/21)	$2,500 Est. (FY 21/22)

RECENT ACCOMPLISHMENTS

When Muscatine and Fruitland are combined, the Animal Control Officer (ACO) responded to 871 calls for service in 2020. The COVID-19 pandemic seems to have had an impact on animal control operations. There was a decrease in animal collection numbers across all categories with the exception of wild animals, which saw an increase. With more people staying home and providing direct supervision for their pets, there were fewer calls to the Animal Control Officer. The pandemic also resulted in the cancellation of the Chip Your Pet Day, which the ACO was trying to organize for a third year.

The ACO remains interactive with the public through social media. There were 63 incidents where the ACO was able to reunite a lost pet with its owner. Social media has been vital to identifying pets and pet owners and facilitating getting them reunited.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To continue to provide the same level of enforcement service as in the past and work with the residents of the community to safeguard both the health and security of people and animals alike. This is to be accomplished through the use of proactive patrol and enforcement along with community education efforts. **(Strategic Plan – Safe Community)**

- To have the Animal Control Officer complete the National Animal Control and Care Association training by attending the final training Module C and complete all courses of instruction.

- To continue to support positive working relationships with every agency that the ACO interacts with and relies upon for support.

- To continue to explore opportunities for public interaction, utilize social media to its full potential, and encourage the community's involvement in helping control the animal population and safeguarding the community. **(Strategic Plan – Safe Community)**

- To explore the possibility of streamlining the city animal licensing process, making it more user friendly and achieving a higher rate of compliance.

- To evaluate the current animal control ordinance and identify opportunities for improvement in alignment with animal control best practices. **(Strategic Plan – Safe Community)**

Function:
Public Safety

Department:
Police

Activity:

Animal Control

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 70,008	$ 71,535	$ 75,000	$ 74,900	$ 77,700	3.60%
Commodities	2,563	2,105	3,500	3,500	3,500	0.00%
Contractual Services	71,527	78,640	84,000	83,100	84,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 144,098	$ 152,280	$ 162,500	$ 161,500	$ 165,200	1.66%
Funding Sources						
Animal Enforcement Fines	$ 2,160	$ 1,860	$ 2,500	$ 1,500	$ 2,500	0.00%
General Revenues	141,938	150,420	160,000	160,000	162,700	1.69%
Total Funding Sources	$ 144,098	$ 152,280	$ 162,500	$ 161,500	$ 165,200	1.66%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	$ 47,400
Employee Benefits						30,300
Total Personal Services						$ 77,700

Function:	*Department:*
Public Safety	**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.

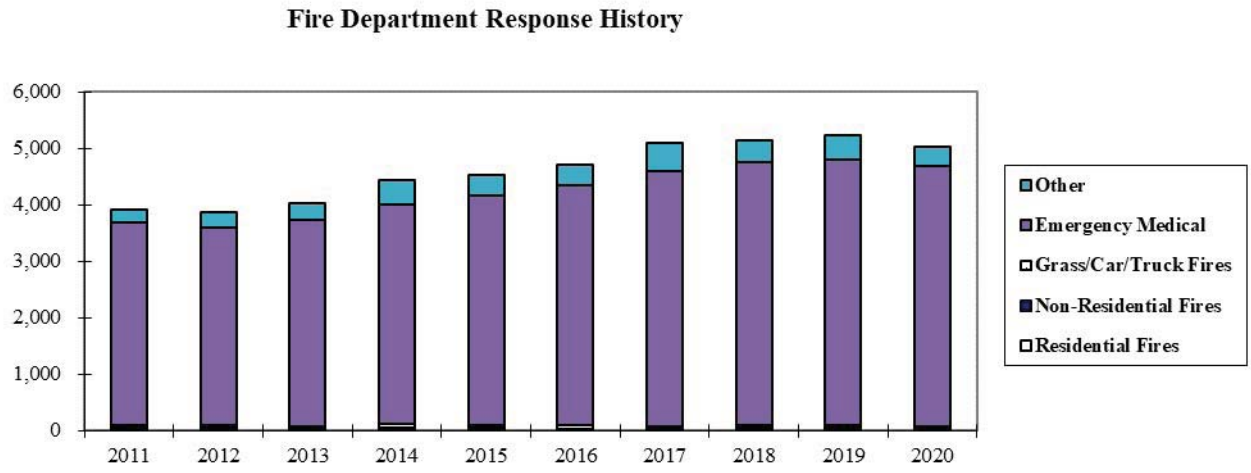
The Fire department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

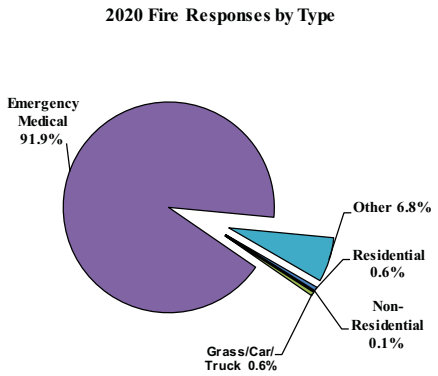
The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget.

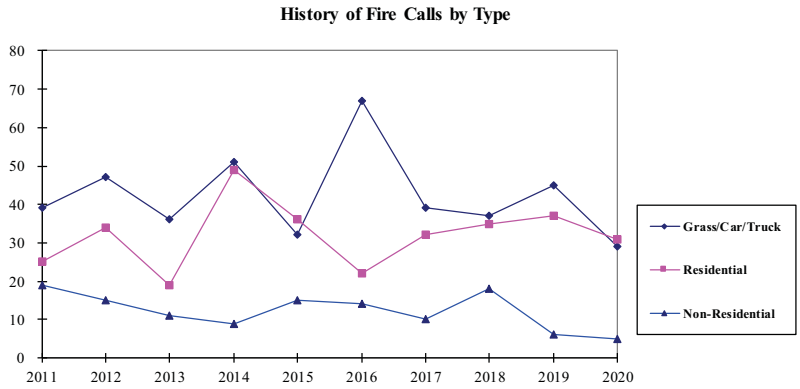
Following are charts and graphs showing fire department responses over the last ten years.

Fire Department Responses

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percent of Total
Residential Fires	25	34	19	49	36	22	32	35	37	31	0.62%
Non-Residential Fires	19	15	11	9	15	14	10	18	6	5	0.10%
Grass/Car/Truck Fires	39	47	36	51	32	67	39	37	45	29	0.58%
Emergency Medical	3,593	3,487	3,674	3,897	4,079	4,239	4,510	4,653	4,710	4,625	91.88%
Other	240	281	282	427	364	364	509	393	440	344	6.83%
Totals	3,916	3,864	4,022	4,433	4,526	4,706	5,100	5,136	5,238	5,034	100.00%







CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 is over the original budget in total by $12,100. This overall increase is due to the net effects of (1) a decrease of $271,300 in personal services costs due to deferring the hiring of the three new firefighter positions added in the 2020/2021 budget, (2) a $15,500 increase in commodities primarily for uniforms and protective equipment for new firefighters, (3) a $100 decrease in contractual services, and (4) a $268,000 increase in capital outlay. Hiring of the three new fire fighter positions was deferred due to General Fund financial constraints due to the COVID-19 pandemic. The capital outlay increase is due to the purchase of new SCBAs (Self Contained Breathing Apparatuses) for the department at a total cost of $269,000. The Fire department was awarded an Assistance to Firefighters Grant which funded 90% ($242,200) of the cost of the SCBA equipment.

The 2021/2022 Fire department budget is $78,600 (1.5%) higher than the 2020/2021 budget. Personal services costs increased by $34,800 (.7%) compared to the original prior year budget. The 2021/2022 budget includes one of the three firefighter positions added in the original 2020/2021 budget but continues to defer hiring the other two positions. This continues to be due to General Fund financial constraints from the COVID-19 pandemic. One of the firefighter positions has been included in the budget with a start date of April 1, 2021.

Commodities in the 2021/2022 budget are $15,600 more than the original 2020/2021 budget primarily due to uniforms and protective equipment for new firefighters. Contractual services for 2021/2022 are $2,600 less than the prior year budget and capital outlay is $30,800 more than the previous year's original budget. The capital outlay allocation of $49,000 for 2021/2022 includes $32,000 for voice amplifiers for the new SCBA equipment that was not eligible for grant funding.

The 2021/2022 budget continues to include a transfer from the Ambulance Fund to the Fire department budget to fund an allocation of the fire positions used in providing ambulance services. The original 2020/2021 budget included a funding transfer of $1,337,800, which was 27.35% of the personal services costs in the original budget. Due to additional revenues in the Ambulance fund from the GEMT (Ground Emergency Medical Transportation) funds, the transfer has been increased to $1,437,800 in the 2020/2021 revised estimate, which is 31.1% of the revised estimate personal services costs. The funding transfer from the Ambulance Fund in the 2021/2022 budget is $1,485,600, which is 30.2% of the Fire department personal services costs budgeted for 2021/2022. As approximately 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.

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 2017	**Actual 2018**	**Actual 2019**	**Actual 2020**	**Estimated 2021**
All Calls for Services	5,100	5,027	5,238	5,034	5,400
Fire Training Hours	4,683	3,871	4,461	5,490	4,500
False Alarms	156	169	151	129	150
Fire Education Presentation Hours	138	118	250	97	150
Number of Residents Attending Public Education Programs	2,231	1,933	2,180	199 *	2,000
Fire Inspections - Total	592	568	514	433	500
Inspections - Initial	316	298	268	213	260
Re-inspections	215	250	246	220	240
Additional Re-inspections	61	20	Included Above	Included Above	Included Above
Burn Permits Issued	1,090	989	1,113	1,238	1,200
Outdoor Fireplace Permits	1,014	930	1,051	1,175	1,150
Open and Other Burning Permit	76	59	62	63	50
Fireworks Operational Permits Issued	10	12	9	12	11
Fireworks Permit Fees Collected	$2,000	$4,600	$1,800	$2,400	$2,200

* The reduction in attendance at public education programs in 2020 is due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

The Fire department (1) hosted and instructed State certification training and testing for Driver/Operator certification at the IFSAC/ProBoard standard; this was done in-house and done at no cost, (2) hosted a HazMat IQ class with increased focus on training due to COVID-19 restrictions, and increased training hours by approximately 23% over 2019, (3) held two probationary academies for five new hires, including over 800 hours of recruit training, (4) held two entry-level firefighter application/assessment processes to maintain a current Civil Service list for new hires and held a promotional assessment to replace expired promotional lists with Civil Service lists that are active until 2022.

The department also (1) updated various equipment from self-contained breathing apparatus to in-vehicle computers, utilizing grants and funds outside of City sources, (2) began implementing a nationally recognized and utilized Wellness/Fitness Initiative to ensure Fire staff are in good health and able to meet or exceed required physical demands, (3) with the assistance of local videographers and the City Communications Manager, taped and developed a You Tube channel for ongoing educational offerings, and (4) coordinated and implemented a 'virtual' Open House, utilizing the live burn demonstration to illustrate kitchen fires and providing a video tour of the fire station

The department saw a decrease in run volume of 5.7% from 2019; this is still 1.3% over the 5 year average. There was a 7.0% decrease in building fires and a 10.2% decrease in all fires compared to 2019; based on a 5 year average there was an increase of 11.0% in building fires and a decrease of 15.9% in all fires. Fire permits issued increased by 9.6% from 2019 and 10.7% over the 5 year average.

The Fire department began the process of developing a peer support program to provide additional support to our members. The group includes specially trained fire staff, local fire chaplains and ministers, and is coordinated with local social service resources.

The Fire department created a robust COVID-19 policy when the pandemic first developed. This included not only extensive review and research of CDC (Center for Disease Control) and Iowa Public Health recommendations but also an assessment and partial adoption of policies obtained from other fire departments. This included some in the Washington state area where the virus impacted responders early in the pandemic. The department obtained PPE (personal protective equipment) through Muscatine County Emergency Management, Trinity Muscatine, and Muscatine County Public Health sources as well as traditional supply lines. The Fire department served as a key player in the virtual Emergency Operations Center when active in response to COVID -19, providing leadership for all fire and medical responders in the county.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To complete a review of the City Code to determine the need for any changes or improvements. This will include a plan for updating the International Fire Code to the version the Iowa State Fire Marshal will be using. Additionally there will be an assessment of City Code and of the need to provide for the safety of mobile food vendors and their operations within the City. **(Strategic Plan - Safe Community - Professionalism)**

- To continue to develop integrated planning and assessment tools and activities in concert with the Community Development department in order to improve communication and support to local business owners. The planning and assessment will include providing better education on the topic of Code and permitting requirements, looking toward opportunities to support infrastructure improvements, and utilizing feedback from the public in order to better meet their needs while maintaining the safety and integrity of adopted Codes. **(Strategic Plan - Excellent Customer Service)**

- To complete a review of permitting with a focus on improving the present open burning system with an eye toward improved public education, streamlining and communicating special permits, and integrating with other City departments (such as IT and Community Development) to improve communications and provide a more user-friendly process. **(Strategic Plan - Excellent Customer Service)**

Function:
Public Safety

Department:
Fire

Activity:

Fire Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 4,253,008	$ 4,263,408	$ 4,891,000	$ 4,619,700	$ 4,925,800	0.71%
Commodities	98,555	118,731	96,200	111,700	111,800	16.22%
Contractual Services	206,982	155,014	178,400	178,300	175,800	-1.46%
Capital Outlay	11,246	34,809	18,200	286,200	49,000	169.23%
Transfers	-	-	-	-	-	
Total Expenditures	$ 4,569,791	$ 4,571,962	$ 5,183,800	$ 5,195,900	$ 5,262,400	1.52%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	$ 46,790	$ 47,083	$ 47,100	$ 47,100	$ 47,600	1.06%
Ambulance Staff Funding Transfer	1,047,200	1,079,400	1,105,200	1,205,200	1,253,000	13.37%
Additional Ambulance Funding Transfer (GEMT) *	-	116,300	232,600	232,600	232,600	0.00%
Confined Space Fees	39,275	39,275	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	24,999	21,188	23,100	18,800	20,000	-13.42%
Other Fees	4,431	1,250	2,500	2,500	2,500	0.00%
Donations	-	1,050	-	1,000	-	
Federal Grant	-	-	-	242,200	-	
Other Reimbursements	7,576	7,345	3,500	3,500	3,500	0.00%
Utility Franchise Fees	110,224	220,327	257,100	225,000	225,000	-12.49%
Transfer from Aerial Project	-	-	-	22,800	-	
General Revenues	3,289,296	3,038,744	3,476,700	3,159,200	3,442,200	-0.99%
Total Funding Sources	$ 4,569,791	$ 4,571,962	$ 5,183,800	$ 5,195,900	$ 5,262,400	1.52%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	29.50 *	34.00 **	31.25 **	32.00 **	
Total Full Time	41.00	42.50	47.00	44.25	45.00	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	41.50	43.00	47.50	44.75	45.50	$ 3,033,900
Employee Benefits						1,891,900
Total Personal Services						$ 4,925,800

* Three new Firefighter positions were added January 1, 2020. This addition was subject to receipt of additional ambulance funding from GEMT (Ground Emergency Medical Transportation) funds which increased the reimbursements for Medicaid patients.

** An additional three Firefighter positions were added in the original 2020/2021 budget due to the continued high number of ambulance runs including inter-facility transfers. Hiring of the new positions was deferred due to General Fund revenue shortfalls due to the COVID-19 pandemic. One of these positions is budgeted to be filled effective April 1, 2021, with two positions continuing to be deferred.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Voice Amplifiers for Self Contained Breathing Apparatuses	45	Yes	$ 32,000
Hose Washer	1	Yes	14,000
Diesel Diagnostic Laptop Kit	1	No	3,000
			$ 49,000

Function:	*Department:*
Culture and Recreation	**Library**

Activity:

Library Operations

GENERAL INFORMATION

The Musser Public Library provides the following services to help community residents meet their informational, recreational, educational, and professional needs:

- Circulating collections of current high-demand, high-interest materials in a variety of formats.
- Collections representing a broad spectrum of knowledge on a variety of subjects and in a variety of formats.
- Reference services providing timely and accurate information in a variety of formats with access from diverse locations.
- Programs and services for all ages that encourage reading, learning, and cultural enrichment.
- Public computers and a wireless network to provide access to technology, information, and entertainment.

The materials and services include but are not limited to books, eBooks, audiobooks, large print books, magazines, eMagazines, CDs, eMusic, DVDs, video games, computers, Internet access (Wi-Fi), meeting rooms, audio-visual equipment, photocopier, recorded books on CDs, tax forms and publications, genealogical and local history material, telephone and city directories, information service, home delivery service, children and adult programming, newspapers, maps, RiverShare (consortium) inter-library loan of materials, technology classes, and census data.

Musser Public Library is currently part of RiverShare, an 8 member Quad City area library consortium that shares a catalog. Patrons may request to borrow material from any of the 8 libraries. Items are exchanged through a daily van delivery.

The Friends of the Library provide financial and volunteer support for the Library's operation.

Muscatine County provides a subsidy to the City that allows County residents to use the Library without an additional fee. The amount approved by the County for 2020/2021 is $120,325. An additional $3,267 was received from the contract with the City of Fruitland in 2020/2021. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated $11,497 in revenues. The Library budget for 2021/2022 reflects continuing these agreements with estimated revenues totaling $135,800.

CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 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 $51,800 decrease in personal services costs, (2) a $2,300 increase in commodities, (3) a $1,800 decrease in contractual services, and (4) a $51,300 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 2021/2022 is $1,204,700, which is $33,900 (2.9%) more than the 2020/2021 budget. This increase is all due to an increase in personal services costs.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
LIBRARY PATRONS	21,288	21,860	21,387	20,000	20,000
CIRCULATION					
Adult Books	45,296	52,556	38,721	38,000	38,000
Young Adult	3,082	3,575	2,493	2,500	2,500
Juvenile Books	33,112	54,436	42,004	30,000	30,000
Magazines	3,325	3,512	2,392	2,000	2,000
DVDs	57,414	58,595	44,513	40,000	40,000
Audio	14,020	13,003	7,428	5,000	5,000
Video Games	3,362	2,571	1,473	1,000	1,000
Other	499	495	700	500	500
Internet	15,976	14,332	10,776	6,000	6,000
WiFi Usage	11,409	51,751	72,674	120,000	120,000
Databases	244,452	201,144	204,741	150,000	150,000
E Audio	2,267	3,388	5,205	5,000	5,000
E Book	11,601	11,762	13,542	10,000	10,000

PERFORMANCE MEASURES (CONTINUED)

E Magazines	7,276	10,549	11,750	12,000	12,000
E Music	24,385	18,223	13,736	13,000	13,000
TOTAL	477,476	499,892	472,148	435,000	435,000
PROGRAMMING					
Juvenile Programs	485	427	273 in-person; 93 virtual	Dependent on COVID restrictions	Dependent on COVID restrictions
Juvenile Audience	16,516	18,448	8,775 in-person; 3,208 virtual	Dependent on COVID restrictions	Dependent on COVID restrictions
Young Adult Programs	34	31	13	3	3
Young Adults Audience	2,180	1,769	158	200	200
Adult Programs	15	32	18	20	20
Adult Audience	167	654	538	600	600
Technology Classes	16	13	7	0	15
Tech Audience	17	13	7	50	50
OTHER MEASURES					
Facebook Likes	5,348	5,489	5,681	5,686	5,686
Website Visits	40,866	35,000	58,422	37,000	38,000
Rivershare Holds	41,250	36,378	32,182	20,000	20,000
Inter-Library Loans	642	876	693	700	700
Homebound Visits	452	460	296	500	500
Homebound Circulation	5,910	5,912	3,221	2,800	2,800
Reference Questions	4,069	2,177	2,455	1,300	1,300
Building Usage	154,010	179,484	140,692	76,714	76,714
Meeting Room Usage	1,026	9,763	9,215	6,000	11,000

RECENT ACCOMPLISHMENTS

Overall, many of the regular Library activities were delayed due to the COVID-19 pandemic. The pandemic significantly impacted the library's ability to carry out services particularly in the first days of the virus. The Library was forced to close to the public on March 18, 2020 and there has been a phased reopening beginning on June 1. The Library is currently in Phase III of the reopening plan, which is available to the public on the library website (www.musserpubliclibrary.org).

Library staff immediately set out to determine what services could continue to be offered as well as what new services could be implemented to compensate to the best of our abilities while maintaining a safe work environment for staff.

The children's department began filming their programs and posting them to Facebook and within a few weeks of closing, began professionally recording and broadcasting the programs via Channel 5. The Library also filmed a series on Tai Chi aimed at adults.

The Library also implemented Contactless Curbside Service for library materials and this continues to be available as an option for patrons who are not able to come into the Library building.

Additionally, the Library redirected collection development towards eMaterials (eBooks & eAudiobooks) in order to reach the broadest audience possible given the new social distancing requirements.

More recently (October 2020) the Library opened select meeting rooms at limited capacity to accommodate small groups and students who need a location to study. The meeting rooms have also been opened to City departments for training purposes.

Library staff continue to deaccession those parts of the collection that are no longer used in order to make room for new, popular material purchases.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

* To develop a new long-term Strategic Plan as part of the Library accreditation process with the State Library of Iowa. (**Strategic Plan – Excellent Customer Service)**

* Over three years, to develop and implement a LEAN Daily Management System to improve communication and customer service on a tight budget and in a rapidly changing environment. (**Strategic Plan – Excellent Customer Service)**

* To incorporate LEAN/Value Stream Mapping to refine and improve existing services across the entire spectrum of library offerings. Identify LEAN partners to assist in this process. (**Strategic Plan – Excellent Customer Service)**

* Using a new piece of software (LibraryIQ), analyze the library materials collection and determine the most efficient and cost-effective purchasing process for items. (**Strategic Plan – Excellent Customer Service)**

* To develop a branded brochure to share with new patrons and the broader community, show-casing the Library's services, especially new technologies and amenities (room reservations, tablets, etc.). (**Strategic Plan – Excellent Customer Service)**

* To add some materials in French for the growing number of French-speaking African immigrants. (**Strategic Plan – Excellent Customer Service)**

* To move annual database and maintenance agreements to a July 1 fiscal year basis to synchronize the billing process.

* To initiate local cable Channel 5 production to develop and produce programs to broadcast to the public and that are in the public interest with regards to Library services.

* To broadcast programming for the community via Channel 5 and provide informational, cultural, educational, and entertainment services to the community through that same channel. (**Strategic Plan – Excellent Customer Service)**

* To continue to locate additional sources for LENA (Learning ENvironment Analysis) funding. (**Strategic Plan – Excellent Customer Service)**

* To continue to expand programming across age groups, including Children, Teens, and Adults. (**Strategic Plan – Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 855,036	$ 835,191	$ 915,100	$ 863,300	$ 949,000	3.70%
Commodities	5,636	4,253	9,900	12,200	10,400	5.05%
Contractual Services	124,346	121,492	128,500	126,700	128,000	-0.39%
Capital Outlay	119,162	153,783	117,300	168,600	117,300	0.00%
Transfers	56,420	25,881	-	-	-	
Total Expenditures	$ 1,160,600	$ 1,140,600	$ 1,170,800	$ 1,170,800	$ 1,204,700	2.90%
Funding Sources						
Library Revenues	$ 22,698	$ 18,954	$ 21,800	$ 18,400	$ 18,400	-15.60%
County Contributions	120,489	123,512	123,500	123,600	124,000	0.40%
Hotel/Motel Tax	123,738	99,647	125,000	62,500	75,000	-40.00%
General Revenues	893,675	898,487	900,500	966,300	987,300	9.64%
Total Funding Sources	$ 1,160,600	$ 1,140,600	$ 1,170,800	$ 1,170,800	$ 1,204,700	2.90%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	3.00	3.00	4.00	4.00	4.00	
Total Full Time	7.00	7.00	8.00	8.00	8.00	
Part Time Positions:						
Library Technician	1.68	1.54	1.33	1.80	1.95	
Library Assistant	2.59	2.83	2.84	1.81	1.94	
Library Shelvers	1.11	0.82	1.28	0.81	0.78	
Other Technicians	0.25	0.45	0.31	0.04	0.25	
Security Guard	0.49	0.22	0.00	-	0.00	
Other Assistant	0.50	0.35	0.38	0.33	0.75	
Total Part Time	6.62	6.22	6.13	4.79	5.66	
Total	13.62	13.22	14.13	12.79	13.66	$ 728,800
Employee Benefits						220,200
Total Personal Services						$ 949,000

Capital Outlay

Item	*Amount*
Library Books, Videos, Serials, Database Subscriptions, etc.	$ 117,300

Function:	*Department:*
Culture and Recreation	**City Administrator**

Activity:

Cable Television Operations

GENERAL INFORMATION

In July 1979 the City Council awarded a 15 year cable television franchise to ATC and Muscatine Cablevision Corporation. In 1984 the City approved the transfer of the franchise from ATC and Muscatine Cablevision to Heritage Cablevision. This franchise was later transferred to TCI, then AT&T and then Mediacom. The original franchise required a franchise fee to be paid to the City of Muscatine in the amount of 3% of its annual gross receipts. The original franchise agreement expired in 1994 and it was renewed for another 15 years on September 7, 1994. The new agreement provided for an increase in the franchise fee paid to the City to 5% of the annual gross receipts. In addition, Muscatine Power & Water (MP&W) began offering cable television services in 1999. MP&W also pays a cable franchise fee to the City. In December 2002, MP&W purchased the local Mediacom operation and became the sole cable provider in the City. Under the current arrangement with Muscatine Power & Water, the City receives approximately $138,000 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 2020/2021 is the same as the original budget.

The 2021/2022 budget is $25,000 which is $5,000 (25.0%) more than the 2020/2021 budget. This increase is due to the $5,000 capital outlay allocation for Council Chambers video equipment upgrades. 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Cable Franchise Fees	$165,004	$158,717	$143,166	$138,500	$138,500
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.

Muscatine Community College provided significant support to the City Council to offer hybrid meetings (a combination of in-person and virtual meetings) in order to maintain open public meetings throughout the COVID-19 pandemic. This support has been critical to supporting transparency and to maintain compliance with open meetings laws.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

* 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. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**

Function:
Culture and Recreation

Department:
City Administrator

Activity:
Cable Television Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	16,787	17,385	20,000	20,000	20,000	0.00%
Capital Outlay	-	-	-	-	5,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 16,787	$ 17,385	$ 20,000	$ 20,000	$ 25,000	25.00%
Funding Sources						
Cable Franchise Fees	$ 16,787	$ 17,385	$ 20,000	$ 20,000	$ 25,000	25.00%

Capital Outlay

Item	*Replacement*	*Amount*
Council Chamber Video Equipment Upgrades	Yes	$ 5,000

Function:	*Department:*
Culture and Recreation	**Art Center**

Activity:

Art Center Operations

GENERAL INFORMATION

The Muscatine Art Center consists of the Laura Musser Museum and the Stanley Art Gallery, which are open and free to the public. A joint building connects the Art Gallery and Musser Museum. Elevators in both the museum and art gallery provide access for the elderly and handicapped.

The Muscatine Art Center Support Foundation continues to provide support to the Art Center. The interest from the Foundation provides an annual appropriation which the Art Center may use only for acquisitions (purchases of objects for the collection), conservation, and exhibitions. The Friends of the Muscatine Art Center also provide funding to support the education department including busing for school field trips and scholarships, Art Center staff hours, and volunteer participation in fundraising events and special programs.

One part-time custodian is charged to this budget, with costs over the regularly scheduled hours reimbursed by the Art Center Support Foundation. These additional hours are primarily related to assisting staff in the set-up and removal of displays and other non-routine labor duties. One part-time custodian is also included in the Buildings and Grounds budget for general maintenance of the facility. The Parks and Recreation department has the responsibility of maintaining the grounds adjacent to the Art Center and Museum due to the nature of the grounds.

CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 is $1,600 more than the original budget. Personal services costs are $900 more than the original budget primarily due to a merit adjustment. Commodities are $300 more than the original budget and contractual services increased by $400 from the original budget.

The 2021/2022 budget is $11,500 (2.7%) higher than the 2020/2021 budget. Personal services costs increased by $13,100 (3.6%), commodities increased by $1,000, contractual services increased by $1,700 primarily due to increased fine arts insurance costs, and capital outlay decreased by $4,300. The 2021/2022 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 2020/2021 and 2021/2022 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total $49,500 in 2020/2021 and $51,900 in 2021/2022.

Again in 2021/2022 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at $75,000.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Attendance	13,653	15,654	12,451	10,000	25,000
Number of Classes Offered	150	169	165	125	170
Art Center Events Hosted	26	24	21	15	30
Exhibitions	26	28	24	20	22
Group Tours & Outreach	59	61	64	20	120
City Calendar Website Posts	138	140	74	50	145
Facebook Posts	2,419	2,438	2,458	2,500	2,600
Newspaper Stories - Muscatine Papers and Quad City Times	48	60	74	65	80

RECENT ACCOMPLISHMENTS

The Muscatine community has great reason to be proud of the quality of collections, exhibitions, and educational programs of the Muscatine Art Center. The staff strives to provide memorable experiences for the public and visitors and is devoted to the ongoing care of the collection which is held in trust for future generations. Despite the challenges presented by COVID-19, the Muscatine Art Center staff continues to manage a large number of changing exhibitions and displays and presents an assortment of educational programs both in-person and online. Staffing at the Muscatine Art Center includes four full-time employees and six part-time employees, some of whom work as few as two hours per week. The budget takes into account a combination of funding sources to continue staffing at this level in 2021/2022. The Muscatine Art Center Support Foundation Fund provides 25% of the salary and 50% of the benefits for the Registrar. Another 10 hours per week of the Registrar's time and 10 hours per week of the Program Coordinator's time are funded through the Friends of the Muscatine Art Center.

Prior to COVID-19, the Muscatine Art Center was on track to have a truly exceptional year for programs in 2019-2020. By focusing on numbers from July 1 through February 28 for each fiscal year, it is evident that staff was working diligently to offer more programs and classes. For the 2019-2020 fiscal year through February, programs and classes were up 30% compared to the five year average. By mid-March 2020, the Muscatine Art Center had closed to the public, and classes/programs/events were cancelled, postponed, or offered virtually. By April 2020, the staff transitioned to presenting content online, focusing first on programming for kids. In May 2020, virtual receptions and online programs for adults were added. The Muscatine Art Center re-opened to the public on June 9, 2020, but programs remained online with the exception of adult studio classes with a participation cap of 10 and a requirement to wear a face covering. Over summer and into the fall, the staff slowly introduced more in-person classes while still presenting online content.

Despite reductions to both the quantity of classes and the number of participants per class in the second half of March of 2020 through the end of the fiscal year, the Muscatine Art Center's overall program numbers for 2019-2020 are still strong. For the period July 1, 2019 through June 30, 2020, the staff offered 165 classes (169 classes were offered in 2018-19) and served 7,282 individuals through programs compared to 6,246 in 2018-19 and 5,390 in 2017-18. In 2019-20 (prior to COVID), the Program Coordinator led an ambitious schedule of programs. During this period, many new re-occurring programs were introduced.

The staff is currently managing 14 contracts/agreements with exhibition firms, artists, and other organizations for exhibitions that occur through fall of 2023. For each exhibition, staff schedules payments of deposits, determines appropriate shipping arrangements, works with city staff to insure the exhibition, determines how to promote the exhibition, and addresses any special concerns such as installation needs. Between July 1, 2021 and June 30, 2022, the Muscatine Art Center is hosting four different national traveling exhibitions – "Alterations" by Nancy Judd of Recycle Runway, "Frida Kahlo: Through the Lens of Nickolas Muray", "Sean Kenney's Nature Connects Made with LEGO Bricks", and "Where Children Sleep". The Nature Connects LEGO exhibition is particularly challenging as it has involved making substantial annual deposits for three years, lengthy advanced planning for installation and shipping, and securing additional grants to fund a marketing plan and graduate assistants to assist with programs.

The Muscatine Art Center is one of approximately thirty organizations in Iowa to have earned accreditation from the American Alliance of Museums. In 2020-21, the Accreditation Commission will review the Muscatine Art Center's operations. To prepare for the review, several core documents have been updated or adopted by the Muscatine Art Center Board of Trustees. The Muscatine Art Center's Code of Ethics and Disaster Response plan were updated. An Education Plan was created and adopted by the Board of Trustees. A new Interim Strategic Plan was adopted - it was a requirement for reaccreditation that the strategic plan include the Muscatine Art Center's response to COVID-19. In the process of completing the workbook and supporting documents for reaccreditation, the staff and Board of Trustees devoted additional time to discussing the priorities of the organization and reflecting on the progress that has been made since the last reaccreditation review. As the staff and board prepares for the virtual site visit, these conversations will continue. Feedback from the assessors' reports will be incorporated into the next Strategic Plan.

Funding

In 2019-20, the Friends of the Muscatine Art Center contributed $22,585 and the Support Foundation Fund contributed $22,259 towards reimbursement of wages for the Program Coordinator and wages and benefits for the Registrar. In addition, the Muscatine Art Center's annual grant of $10,000 through the Cultural Leadership Partner (CLP) program is almost entirely applied towards part-time wages. Beyond these funds, the Muscatine Art Center staff has a track record of obtaining, managing, and reporting on multiple grants each year. Other grants secured since July 1, 2019 include $4,500 from the Department of Cultural Affairs for online programming in response to COVID-19, $1,600 from Quad City Arts for a Visiting Artists Summer Series for Kids, and $5,000 from Travel Iowa for marketing the upcoming exhibition, "Sean Kenney's Nature Connects Made with LEGO Bricks." In December 2020, the staff reviewed the Iowa Department of Cultural Affairs' application for the Arts and Culture Recovery Program and determined that very few expenses would be considered eligible. The potential size of the grant award compared to amount of time for preparing, managing, and reporting the grant was found to be insufficient.

Project Updates

In 2018-19, staff completed a lengthy application process to participate in the Collections Assessment for Preservation (CAP) program. In October 2019, the CAP program brought two professional assessors to evaluate the condition of the facilities and the collection. The value of this grant, paid directly from CAP to the assessors, was $7,400. The assessors completed a formal report with recommended next steps. From this

report, the staff, Collections Committee, and Board of Trustees identified several priorities. The Muscatine Art Center Support Foundation Advisory Commission approved a request to direct $15,000 towards expenses associated with implementing the recommendations from the report. These expenses included purchasing additional temperature/humidity dataloggers, UV blocking film for windows in the historic house, and a device to measure light levels. Medium and long-term projects were also identified but a funding source has not been secured. A few projects involve work that could be completed with assistance from Building and Grounds.

In 2019-2020, the Muscatine Art Center staff worked with Iowa State University landscape architect professor, Heidi Hohmann. The goal of the partnership was to gather documentation pertaining to the historic Japanese Garden and to create a plan for the garden. The Japanese Garden was installed by Laura Musser-McColm in 1929 and is a contributing feature for the property's National Register of Historic Places listing. The plan balances the historic features of the garden with its current use as a public space, including ADA-accessibility. Hohmann's report includes a timeline of the historic garden, analysis of existing conditions, and proposed treatment with three options for the entry sequence. Muscatine Art Center staff intends to apply for a grant to implement the plan. The deadline is February 1, 2021, and grant awards range from $75,000 to $125,000.

The staff is also working with two landscape firms to develop proposals for the area north of the Music Room and between the foundation of the Jayne House and Mulberry Avenue. This is the future location for a 7.5 foot bronze sculpture created by David Zahn. The sculpture and landscape work are being funded by a bequest to the Muscatine Art Center Support Foundation Fund. The sculpture is in memory of Mary Jo Stanley. Over winter and into spring 2021, Public Works will remove the old sidewalk and driveway concrete from the site. Landscape work is planned to take place in summer 2021. The sculpture is currently in offsite storage.

Visitation has been low compared to other years, and the staff has made use of this opportunity to tackle issues in a second floor exhibit space in the historic house. The room had been in need of new carpet on the walls for the last eight or more years. Using funds available from the McWhirter-Gilmore Trust, the carpeting was replaced in October 2020. The Facilities Technician at the Muscatine Art Center devoted many hours to removing trim around the carpeted sections, making repairs where needed, repainting the entire room and the trim, and re-installing the trim after the new carpet was applied to the panels. Other improvement projects are planned for the first quarter of 2021 including reorganizing the art reference library and renovating the studio classroom.

In spring 2020, a group of Leadership Muscatine students was preparing to renovate the studio classroom space on the lower floor of the Stanley Gallery. Funds from the Muscatine Art Center Support Foundation were to be used and other sources of funding were also being pursued. COVID-19 brought the project to a halt. Currently, fewer classes are scheduled in the studio and fewer participants are able to be accommodated for classes that do take place in person. Muscatine Art Center staff has blocked off two weeks in February 2021 for completing renovation projects in the studio classroom. This space had previously lost storage areas when the HVAC equipment was replaced in 2016-2017 and required a larger footprint than the old mechanicals.

In spring 2020, the Muscatine Art Center staff led efforts to secure Muscatine as the location for the 2022 Iowa Museum Association Conference. For the first time in the history of the Iowa Museum Association, the conference will be held in Muscatine. Hosting the conference will involve 18 months of planning as well as securing grants and sponsorship funds to offset conference costs. Muscatine Art Center staff will lead a local team of staff and volunteers from other museums, cultural groups, and attractions as well as staff from the CVB, the Chamber, and the Merrill Hotel.

Public Art

The Public Art Advisory Commission received a grant from the Community Foundation of Greater Muscatine to hold public sessions, "IdeaDashes," to engage in dialogue about public art. The Greater Muscatine Chamber of Commerce and Industry agreed to partner in this endeavor by matching the amount of the grant. Creative Adventure Labs of Dubuque was contracted to run the 3.5 hour sessions – a morning session and an early evening session taking place on the same day with approximately 50 people at each session. The sessions were scheduled for April 30, 2020 but postponed before invitations were even sent due to COVID-19. A date in October was selected but was also cancelled. The grant from the Community Foundation of Greater Muscatine is now being spent to provide stipends for up to three artists to develop concepts for art in or near the roundabout at Second and Mulberry. Muscatine Art Center staff developed a Request for Qualifications for the project and worked with other City department heads and the Public Art Advisory Commission to fine tune the RFQ. The public art installation for the roundabout has a target completion date of summer 2022. The more lengthy process will allow the Public Art Advisory Commission to gather input from City Council, the public, and community stakeholders. Muscatine Art Center staff has posted the RFQ on several websites and is fielding questions.

Staff also worked with the Advisory Commission and other City leaders to develop a "Call for Organizations" to participate in up to five mural projects on the retaining walls on Houser between Hershey and Lucas. Selected organizations will be awarded a $300 stipend to purchase supplies to complete a mural. Mural painting is scheduled to begin over summer 2021 with a target completion date of October 1, 2021.

Muscatine Art Center staff also made arrangements for six sculptures to be displayed on public property in Muscatine from June 2019 through July 2020. The sculptures were 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 over summer 2019. The outdoor sculptures were on view at Muscatine City Hall, Musser Public Library and HNI Community Center, Discovery Park, and the Muscatine Art Center. Staff and volunteers of the Muscatine Art Center assisted in the installation and de-installation of each of the six pieces.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To incorporate feedback from the reaccreditation process through the American Alliance of Museum into the Muscatine Art Center's Strategic Plan, core documents, policies, and procedures. **(Strategic Plan – Excellent Customer Service)**
- To provide continuity in services and remain engaged with the Muscatine community for the duration of the public health crisis and beyond, meeting the community's needs as those needs evolve. **(Strategic Plan – Excellent Customer Service)**
- To host a significant national, touring exhibition and measure / evaluate the cost-benefit for investing heavily in this scale of temporary exhibition. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To enhance the grounds of the Muscatine Art Center with the installation of a new permanent sculpture. **(Strategic Plan – Vibrant Community)**

- To develop a plan for implementing the recommendation to reconstruct and restore key features of the historic Japanese Garden and to communicate the plan to the public and stakeholders. **(Strategic Plan – Vibrant Community)**
- To launch the online collection feature on muscatineartcenter.org. **(Strategic Plan – Excellent Customer Service)**
- To organize and lead efforts for hosting the Iowa Museum Association Conference in Muscatine in October 2022.

Function:
Culture and Recreation

Department:
Art Center

Activity:

Art Center Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 318,630	$ 344,055	$ 359,300	$ 360,200	$ 372,400	3.65%
Commodities	9,113	9,873	8,300	8,600	9,300	12.05%
Contractual Services	51,728	47,973	52,700	53,100	54,400	3.23%
Capital Outlay	16,616	-	4,300	4,300	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 396,087	$ 401,901	$ 424,600	$ 426,200	$ 436,100	2.71%
Funding Sources						
Art Center Revenues	$ 5,076	$ 3,289	$ 4,400	$ 1,800	$ 4,500	2.27%
Art Center Grant	10,000	13,000	10,000	10,000	10,000	0.00%
Support Foundation Contribution	21,837	22,585	24,000	23,700	24,900	3.75%
Friends of the Art Center Contribution	23,305	22,259	26,000	25,800	27,000	3.85%
Other Contributions	3,902	510	1,300	300	300	-76.92%
Hotel/Motel Tax	123,738	99,647	125,000	62,500	75,000	-40.00%
General Revenues	208,229	240,611	233,900	302,100	294,400	25.87%
Total Funding Sources	$ 396,087	$ 401,901	$ 424,600	$ 426,200	$ 436,100	2.71%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	1.00	
Total Full Time	3.00	4.00	4.00	4.00	4.00	
Part Time Positions:						
Art Center Aide	1.38	0.67	0.65	0.65	0.65	
Custodian	0.32	0.29	0.32	0.32	0.32	
Total Part Time	1.70	0.96	0.97	0.97	0.97	
Total	4.70	4.96	4.97	4.97	4.97	$ 285,600
Employee Benefits						86,800
Total Personal Services						$ 372,400

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

Activity:

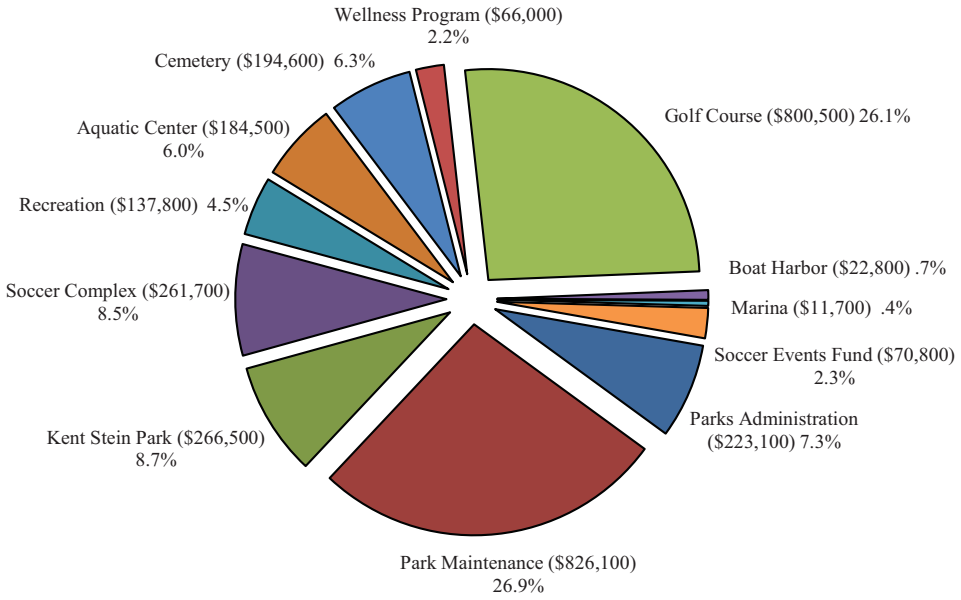
Park Administration

GENERAL INFORMATION

The Parks and Recreation department is responsible for providing leisure time activities and maintaining green space and facilities for the citizens of Muscatine. The department administers programs for outdoor and indoor recreation activities that occur in the City's park facilities, the Weed Park Aquatic Center, and in various buildings owned by the public school system.

The Parks and Recreation Administration budget includes the costs related to the overall coordination of the parks and recreation programs. The office staff includes the positions of director and office coordinator. A part-time clerk 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 $12,200 for 2021/2022. 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 2021/2022 budget expenditures by activity for the Parks and Recreation department.

Parks and Recreation Department
Fiscal Year 2021/2022 Budget by Activity ($3,066,100)



CURRENT TRENDS AND ISSUES

The 2020/2021 budgets for all of the Park divisions includes increased wage rates for seasonal employees. An updated Seasonal Pay Plan was approved and went into effective April 1, 2020. The goal of the seasonal pay plan update was to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2020/2021 revised estimate is $300 more than the original budget primarily due to fulltime wage adjustments. The $1,300 increase in personal services costs was partially offset by a $1,000 decrease in contractual services.

The 2021/2022 budget is $8,900 (4.2%) higher than the 2020/2021 budget. Personal services costs increased by $8,700 (4.4%) and contractual services increased by $200.

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 2017/2018	**Actual 2018/2019**	**Actual 2019/2020**	**Estimated 2020/2021**	**Estimated 2021/2022**
Recreation Advisory Commission Meetings	8	7	4	8	8
Department Expenditures - All Divisions	$2,604,711	$2,724,717	$2,737,602	$3,001,500	$3,066,100
Internet Receipts Issued	618	719	435	600	700
Office Receipts Issued	1,785	1,647	1,024	1,200	1,700
Pearl City Station Rentals *	110	69	72	70	100
Riverview Center Rentals *	85	63	68	60	80
Shelters/Rose Garden Rentals *	378	355	204	250	350
Parks Adopted (Calendar Year Basis)	23 (2018)	29 (2019)	29 (2020)	29 (2021)	29 (2022)
Dog Park Passes	N/A	385	246	300	300

* Fluctuation in rentals of riverfront facilities is due to floods.
* Fluctuation in rentals of riverfront facilities and shelters in 2019/2020 is due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

There continues to be strong citizen interest in conducting special events on public property; however, due to the COVID-19 pandemic in 2020, the number of groups using public property for non-sports related events was down. Building rentals for the Pearl City Station, Riverview Center, and park shelters were affected by COVID-19 as restrictions were put in place limiting the number of persons allowed in a group. As restrictions are relaxed, the department is seeing a higher number of requests for building rentals for 2021.

Due to the COVID-19 pandemic, revenues from several divisions were adversely affected. Expenditures were adjusted throughout all divisions where possible. Due to the pandemic, the College Search Kickoff was cancelled in 2020. This event will again be planned for 2021. Due to the nature of activity allowed during the COVID-19 pandemic, usage and revenues at the Golf Course, Boat Harbor and Kent Stein Park budgets exceeded projections in several categories.

City-wide recreation programs traditionally conducted were difficult to do this year due to COVID-19. Many new programs were offered virtually with great success. The Employee Wellness Program started several new programs and continued several existing ones. The Wellness Wednesday newsletter was started and the department has received many positive comments.

Soccer-West opened in 2020 with encouraging feedback. Staff continued efforts to work collaboratively with Adopt-A-Park groups with good success. The parks department continues to assist other city departments as needed.

The collapsed culvert was replaced in Weed Park and the Weed Park restroom projects were completed and landscaped. Staff continues to look for opportunities to replace lost trees in parks, public property, and street right-of-ways.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To continue to recruit, retain, and train quality seasonal and full-time staff. **(Strategic Plan - Excellent Customer Service)**

- To work cooperatively and jointly with area associations and agencies to deliver efficient and appropriate services to the community. **(Strategic Plan - Excellent Customer Service)**

- To continue to facilitate special event requests for use of public property. **(Strategic Plan - Excellent Customer Service and Healthy Community)**

- To continue to provide quality and efficient services to the community through the parks and recreation system. **(Strategic Plan - Excellent Customer Service and Healthy Community)**

- To continue to administer the City Deer Management Program. **(Strategic Plan - Excellent Customer Service and Safe Community)**

- To operate within approved budgets.

- To continue to administer the Kent Stein Park, Soccer Complex, Aquatic Center, Golf Course, Boat Harbor, and Marina operations. **(Strategic Plan - Excellent Customer Service, Healthy Community, and Reliable Public Infrastructure)**

- To continue to assist other City departments as requested. **(Strategic Plan - Excellent Customer Service)**

- To continue to develop and promote the Adopt-A-Park and volunteer recruitment programs. **(Strategic Plan - Excellent Customer Service and Healthy Community)**

- To continue to work on the Weed Park Master Plan. **(Strategic Plan - Reliable Public Infrastructure)**

- To assist with City projects as requested and needed. **(Strategic Plan - Excellent Customer Service)**
- To continue to promote a positive and active Employee Wellness Program. **(Strategic Plan - Healthy Community)**
- To meet regularly with the Parks and Recreation Advisory Commission. **(Strategic Plan - Excellent Customer Service)**
- To continue the community Reforestation and Tree Management Plans. **(Strategic Plan - Reliable Public Infrastructure)**
- To continue to administer the City-wide Recreation programs. **(Strategic Plan - Excellent Customer Service and Healthy Community)**
- To administer the Soccer Events program. **(Strategic Plan - Excellent Customer Service and Vibrant Community)**
- To continue to look for ways to address the need for additional indoor passive recreation space. **(Strategic Plan - Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 184,351	$ 191,236	$ 199,100	$ 200,400	$ 207,800	4.37%
Commodities	755	1,547	1,600	1,600	1,600	0.00%
Contractual Services	12,128	10,081	13,500	12,500	13,700	1.48%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 197,234	$ 202,864	$ 214,200	$ 214,500	$ 223,100	4.15%
Funding Sources						
Park Revenues	$ 36,374	$ 78,453	$ 46,500	$ 40,600	$ 45,500	-2.15%
Administrative Fee	26,100	26,900	27,700	27,700	12,200	-55.96%
General Revenues	134,760	97,511	140,000	146,200	165,400	18.14%
Total Funding Sources	$ 197,234	$ 202,864	$ 214,200	$ 214,500	$ 223,100	4.15%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 148,200
Employee Benefits						59,600
Total Personal Services						$ 207,800

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

Activity:

Park Maintenance

GENERAL INFORMATION

The function of the Park Maintenance operation is to provide parks and facilities for the recreational pursuit of the citizens of Muscatine. 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 2020/2021 revised estimate is over the original budget by $39,300. Personal services costs are $8,400 more than the original budget due to an employee allocation change midway through the fiscal year. The previous 50% allocation of the Groundskeeper position to the Parking Fund was reduced to 25% effective in January of 2021. Revenues in the Parking fund were negatively impacted by reduced traffic in the downtown area due to the COVID-19 pandemic. This allocation also better reflects actual time spent by this employee in the park maintenance area. Commodities increased by $11,400, which includes increases for building repair supplies and operating supplies. Contractual services increased by $18,000 for repair and maintenance services and capital outlay increased by $1,500.

The 2021/2022 budget is $44,900 (5.8%) more than the original 2020/2021 budget. This increase is all due to increased personal services costs. The 2021/2022 budget continues the allocation of the Groundskeeper position at 75% to the Park Maintenance budget and 25% to Parking. This allocation change accounts for $21,400 of the personal services cost increase. The personal service increase without this additional allocation would have been $23,500 (3.7%) and the total increase in the Park Maintenance budget would have been $23,500 (3.0%). The 2021/2022 budget also includes a $65,000 allocation for capital outlay items to be purchased from the Equipment Replacement fund. This includes $40,000 to replace a truck and $25,000 for a zero-turn mower.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Parks (A)	18	18	18	18	18
Park Acres	247	247	247	247	247
Park Shelters	18	18	18	18	18
Miles of Trail	13.8	13.8	15 (1)	15	15
Playgrounds (B)	12	12	12	12	12
Buildings	12	12	13	13	13
Basketball Courts (C)	6	6	6	6	6
Tennis Courts (D)	8	8	8	8	8
Skate Parks (E)	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	15.4	15.4	16.6 (2)	16.6	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. The West Side Trail from Kent Stein Park to Discovery Park was added in 2019/2020.
2. 1.2 miles of right-of-way mowing was added in 2020 with the completion of the West Side Trail.

According to the National Recreation and Park Association general standards:

A. 62.9% of all agencies operate a Dog Park. A typical community our size (20,000-49,999 residents) operates one dog park per 28,132 residents while Muscatine Parks and Recreation operates one dog park for 23,817 residents.
B. 93.9% of all agencies operate and maintain playgrounds. A typical community our size (20,000-49,999 residents) operates one playground per 3,157 residents while Muscatine Parks and Recreation operates one playground per 1,985 residents.
C. 86.5% of all agencies operate and maintain basketball courts. A typical community our size (20,000-49,999 residents) operates one court per 7,067 residents while Muscatine Parks and Recreation operates one court per 3,970 residents.
D. 81.1% of all agencies operate and maintain tennis courts. A typical community our size (20,000-49,999 residents) operates one court per 4,347 residents while Muscatine Parks and Recreation operates one court per 2,977 residents.
E. 38.2% of all agencies operate a Skate Park. A typical community our size (20,000-49,999 residents) operates one skate park per 29,491 residents while Muscatine Parks and Recreation operates one skate park for 23,817 residents.

RECENT ACCOMPLISHMENTS

The COVID-19 pandemic allowed the Park Maintenance staff to complete several infrastructure and facility repair projects which include repairs to park buildings, restrooms, shelters, and the Mississippi Mist fountain, while they were closed due to the pandemic. The pumps at the fountain were rebuilt and reinstalled this year. Several shelters, restrooms, picnic tables and trashcans were repainted throughout city parks. A new restroom was installed near the lagoon at Weed Park and the Rose Garden restroom was remodeled during the closure of the facilities.

The City of Muscatine received an Alliant Energy Branching Out grant for $5,000 for the purchase of trees for the community and the Parks and Recreation department worked with an Eagle Scout to complete the planting of 32 trees. Over 80 ash trees were treated for the emerald ash borer throughout the parks and athletic facilities. The Parks and Recreation department is currently working with HNI Corporation on their donation and planting of 500 trees throughout the City's parks. The planting was originally scheduled to take place in 2020, but due to the pandemic, the planting is now planned to take place in the spring of 2021.

Department staff made significant progress on the completion of the 2019 FEMA flood projects. The Long Dock, Transient Dock, Boat Ramp, Rip-Rap Replacement, Courtesy Dock and Riverfront Restroom projects have all been completed. The electrical work around the Mississippi Harvest sculpture has also been completed. The Riverfront fence, Spillway Lane fence and Gas Dock projects are all scheduled to be completed by the end of the fiscal year.

Two unbudgeted projects were also completed this year with outside funding. With the assistance of Musco Sports Lighting, Muscatine Power & Water, and Keep Muscatine Beautiful, lights were installed on the open greenspace on the Muscatine Riverfront. The installation of the lights provides adequate lighting for events that take place in this area, and also provides colorful LED lighting for the riverfront. The Almost Friday Fest was able to host events in August and September, and the lights were used for these events. Musco Sports Lighting, with financial assistance from other organizations, donated the infrastructure for a new Mini-Pitch facility that was placed on the back side of the Muscatine Skate Park.

The derecho windstorm in August caused significant damage throughout the City's park facilities. Several park and street trees were damaged from the storm. Parks staff was able to clean up the parks in a timely manner but broken tree limbs are still being found throughout the parks.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- 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. **(Strategic Plan - Excellent Customer Service and Vibrant Community)**

- To coordinate with the community in an effort to build additional park amenities (subject to funding).

- To build a corporate shelter in Weed Park (subject to funding).

- To continue to provide the downtown streets with quality hanging flower baskets and banners. **(Strategic Plan - Vibrant Community)**

- To continue to provide quality maintenance to current Park facilities, while also taking on additional maintenance responsibilities for new parks, trails, and other properties. **(Strategic Plan - Excellent Customer Service)**

- To complete the repairs to the playgrounds at the Weed Park Rose Garden and Fuller Park. **(Strategic Plan - Safe Community and Vibrant Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 590,683	$ 600,614	$ 638,900	$ 647,300	$ 683,800	7.03%
Commodities	69,858	71,734	72,800	84,200	72,800	0.00%
Contractual Services	70,391	92,088	69,500	87,500	69,500	0.00%
Capital Outlay	66,071	-	-	1,500	-	
Transfers	18,971	2,867	-	-	-	
Total Expenditures	$ 815,974	$ 767,303	$ 781,200	$ 820,500	$ 826,100	5.75%
Funding Sources						
General Revenues	$ 751,625	$ 717,167	$ 756,000	$ 756,200	$ 800,600	5.90%
Insurance Reimbursement	1,878	28,453	-	38,800	-	
Road Use Taxes	62,471	21,683	25,200	25,500	25,500	1.19%
Total Funding Sources	$ 815,974	$ 767,303	$ 781,200	$ 820,500	$ 826,100	5.75%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.63	0.75	
Landscape Horticulturalist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	5.80	5.80	5.80	5.93	6.05	
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	2.14	2.14	2.14	2.14	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.75	0.75	0.75	0.75	0.75	
Total Seasonal Part Time	4.95	5.53	5.53	5.53	5.53	
Total	10.75	11.33	11.33	11.46	11.58	$ 477,800
Employee Benefits						206,000
Total Personal Services						$ 683,800

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Truck	1	Yes	$ 40,000
Zero Turn Mower	1	Yes	25,000
			$ 65,000

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

Activity:

Kent Stein Park Operations

GENERAL INFORMATION

The Kent Stein Park operation consists of a high-density use area for baseball and softball activities. There are a total of 17 diamonds that are available for these activities in Kent Stein Park. The City is responsible for the maintenance and scheduling of the Kent Stein Park operations. Working with the City for operational programming are private groups which organize girls softball and Little League baseball activities. Also available at Kent Stein Park are regulation horseshoe pits and picnic facilities.

CURRENT TRENDS AND ISSUES

The 2020/2021 budgets for all of the Park divisions included increased wage rates for seasonal employees. An updated Seasonal Pay Plan was approved and went into effective April 1, 2020. The goal of the seasonal pay plan update was to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The revised estimate for 2020/2021 is over the original budget by $43,500. There was a $14,600 increase in personal services costs which includes $10,300 for additional seasonal staff hours to offer tournament teams additional ball diamond preparation services throughout their tournaments. These teams are being charged an additional fee which covers the cost of these services. This arrangement has been well received by ball teams. The $28,900 increase in capital outlay is due to (1) purchasing a used utility vehicle for $5,000 that was not in the original budget, (2) $11,300 for fence and roof repairs needed due to the August windstorm that caused significant damage, with these costs expected to be reimbursed by insurance, (3) $8,000 for repairs to the Oneida Street gate that was damaged by a vehicle accident which is expected to be paid by insurance, and (4) $4,600 for diamond #9 and #10 renovations to be funded by windstorm insurance reimbursements.

The 2021/2022 budget is $31,000 (13.2%) more than the original 2020/2021 budget due to increased personal services costs of $21,500 and increased capital outlay of $9,500. The increase in personal services costs includes $11,000 to continue to offer tournament teams additional ball diamond preparation services throughout their tournaments. These teams are being charged an additional fee which covers the cost of these services. The 2021/2022 capital outlay increase is due to a $12,000 allocation for an infield-grooming machine.

GOAL STATEMENT

To provide the citizens of the community with softball and baseball facilities for recreational and school participation and to provide these facilities for regional events to promote economic development activity.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2018	Actual 2019	Actual 2020	Estimated 2021	Estimated 2022
Ball Diamonds Maintained (A)	20	20	20	20	20
Total Hours of Usage (1)	6,292	5,711	5,564	6,500	6,500
Number of Tournaments (2)	14	17	29	30	30
Number of Leagues/Camps	26	26	21	25	25
Concession Revenue	$4,507	$2,729	$7,383	$10,000	$10,000
Total Revenues	$38,479	$29,556	$37,497	$38,000	$38,000

1. Total hours of usage are scheduled usage only and does not account for drop-in usage.
2. The number of tournaments reflects the number of days that tournaments are held.

A. According to National Recreation and Park Association general standards:
   a. 78.3% of all agencies maintain Youth Baseball Diamonds. A typical community our size (20,000-49,999 residents) maintains one youth baseball diamond per 5,132 residents while Muscatine Parks and Recreation maintains one diamond per 3,402 residents
   b. 52.8% of all agencies maintain Adult Baseball Diamonds. A typical community our size maintains one diamond per 17,185 residents while Muscatine Parks and Recreation maintains one diamond per 11,909 residents
   c. 59% of all agencies maintain Youth Softball Diamonds. A typical community our size maintains one youth softball diamond per 9,785 residents while Muscatine Parks and Recreation maintains one diamond per 3,402 residents
   d. 65.8% of all agencies maintain Adult Softball Diamonds. A typical community our size maintains one adult softball diamond per 10,849 residents while Muscatine Parks and Recreation maintains one diamond per 5,954 residents

RECENT ACCOMPLISHMENTS

Kent Stein Park was closed until June 1, 2020 due to the Governor's COVID-19 pandemic restrictions. The park still had an increase in usage from June 1 to October 31. Additional signage was added and sanitation practices were enhanced to provide a safe atmosphere for the users of the facility and maintenance staff.

Staff was able to contract with a new concession vendor on short notice for the 2020 season. Staff established a positive working relationship with the concession vendor and all the users groups.

Despite the COVID-19 pandemic, several new tournaments were added to the schedule. Staff was able to accommodate additional tournaments by adding additional maintenance practices. Staff provided enhanced maintenance services throughout the tournaments for several of the new tournaments, with an additional charge added for these enhancements. Staff prepared the ball diamonds prior to the first games taking place each day, drug and chalked the fields every other game, provided clean-up of the site, and provided additional sanitation practices to the restrooms and other facilities throughout the tournaments. With the increase in service provided, the maintenance fee associated with this service increased from $30 a ball diamond a day to $100 a ball diamond per day for those organizations that requested the full maintenance service.

This past fall, the City participated in a Leadership Muscatine Kent Stein Park Appreciation Day program and approximately 30 volunteers participated. As part of this program, staff and volunteers painted the west concession restrooms, replaced white pipe on entrance cables, and spread mulch around trees and in the

parking lot islands throughout the park. With the support of the Leadership Muscatine group, staff plans to continue this program on an annual basis.

Parks staff re-sodded in front of all baseball pitching mounds due to seasonal wear and tear. Staff also replaced sod in front of dugout entrances on all grass infield fields, filled in the area infield and common areas with dirt, and re-seeded for better drainage. The center median in the park was completely mulched this past summer and six trees from the tree nursery behind the pollinator park were transplanted. The east concession restrooms and all shelters were painted.

Kent Stein Park was fortunate to be one of the several parks that participated in an Eagle Scout project, which planted new trees around the shop area and mulched around them.

Staff is currently working on the renovation of Diamonds #9 and #10 to convert them from grass infields to all dirt infields. This will allow for both baseball and softball usage to take place. As part of this project, portable mounds were purchased for baseball activities.

Staff worked closely with Musco Sports Lighting to identify and replace ball diamond lights that were out throughout the seventeen ball diamonds located in the park. Staff also worked this past season to clean up Musser Park and make the ball diamond and park available for usage.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- 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. **(Strategic Plan - Excellent Customer Service)**

- 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. **(Strategic Plan - Vibrant Community)**

- To continue to support and assist other departments and city divisions as requested. **(Strategic Plan - Excellent Customer Service)**

- To continue to recruit and train quality seasonal and full-time staff as needed. **(Strategic Plan - Excellent Customer Service)**

- To improve the parking area by Diamonds 16 and 17 working with the Public Works department. **(Strategic Plan - Reliable Public Infrastructure)**

- To improve the safety of the ball diamonds by adding material to the bottom of all fence lines **(Strategic Plan - Safe Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 159,246	$ 171,543	$ 176,200	$ 190,800	$ 197,700	12.20%
Commodities	34,891	38,683	48,600	46,400	48,600	0.00%
Contractual Services	6,493	5,706	8,200	10,400	8,200	0.00%
Capital Outlay	1,500	1,743	2,500	31,400	12,000	380.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 202,130	$ 217,675	$ 235,500	$ 279,000	$ 266,500	13.16%
Funding Sources						
Park Revenues	$ 22,228	$ 21,590	$ 23,200	$ 41,600	$ 41,600	79.31%
Housing Reimbursement	7,500	7,750	7,500	7,500	7,500	0.00%
Insurance Reimbursement	-	-	-	11,900	-	
General Revenues	172,402	188,335	204,800	218,000	217,400	6.15%
Total Funding Sources	$ 202,130	$ 217,675	$ 235,500	$ 279,000	$ 266,500	13.16%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.50	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	0.25	-	-	-	
Total Full Time	1.22	1.22	1.22	1.22	1.22	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	1.98	1.98	1.98	2.46	2.46	
Total Seasonal Part Time	2.73	2.73	2.73	3.21	3.21	
Total	3.95	3.95	3.95	4.43	4.43	$ 147,600
Employee Benefits						50,100
Total Personal Services						$ 197,700

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Infield Grooming Machine	1	Yes	$ 12,000

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

Activity:

Soccer Complex Operations

GENERAL INFORMATION

In 1992 the City Council was approached by the Muscatine Civic Improvement Foundation which shared with them their intent to privately develop a six-field soccer complex within the City of Muscatine. Further, it was their intention that once the field was developed, it would be given to the City of Muscatine who in turn would be responsible for the scheduling and ongoing maintenance of the facility.

Following a number of public hearings and reviews of this proposal, the City Council agreed to accept the gift and the responsibility for maintenance and scheduling of the facility. The original soccer complex consisted of six fields, two with lighting; administration, concession, and locker room facilities; a separate maintenance facility and storage area; and adequate parking to accommodate users. Two additional fields located adjacent to the original complex were developed and given to the City in 1994. In 2020, the Houser Street Expansion project was completed, which added four fields and a parking lot on the other side of Houser Street. 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. In 2019/2020, a new Athletic Facilities Supervisor position was added and allocated 50% to Kent Stein Park and 50% to the Soccer Complex. This new supervisory position oversees both of these operations as well as the Dog Park. With the addition of this position, the Maintenance Worker I position that was allocated 50% to each of these budgets was eliminated. A 12.5% allocation of the Maintenance Repairperson to Soccer continues to be included in this budget. A seasonal Lead Groundskeeper and two part-time seasonal employees are also involved in the maintenance of the soccer complex and additional part-time employees serve as on-site supervisors during special events at the complex.

The 2020/2021 revised estimate is $29,900 more than the original budget due to a $3,200 increase in personal services costs, a $1,000 decrease in commodities, a $1,200 increase in contractual services, and a $26,500 increase in capital outlay. The personal services cost increase is due to wage and insurance benefit adjustments. The capital outlay increase includes $17,500 to install a drainage system at Soccer West along fields eleven and twelve and $9,000 to replace the air conditioning unit in the Soccer maintenance building. The drainage project will be funded from an insurance reimbursement.

The 2021/2022 budget is $9,700 (3.9%) more than the 2020/2021 budget due to increased personal services costs.

The Soccer Complex is entering its 28th 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 2018	Actual 2019	Actual 2020 (4)	Estimated 2021	Estimated 2022
Number of Fields Maintained (2)	8	8	12	12	12
Hours of Use for Games	2,585	1,821	617	1,800	1,800
Number of Tournaments (1)	21	16	3	13	13
Concession Commissions	$4,239	$2,311	$810	$3,000	$3,000
Total Revenues	$36,757	$23,343	$13,362	$28,000	$28,000
Number of Leagues/Camps	23	23	11	23	23
Soccer West Usage (3)	0	0	343	500	500

1. The number of tournaments reflects the number of days that tournaments are held.
2. The number of soccer fields maintained increased by four with the addition of the Houser Street Expansion project in the spring of 2020.
3. Four fields were added in 2020; they are now known as Soccer West.
4. In 2020 the Soccer Complex was not opened to the public until June due to the Governor's proclamations related to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

The COVID-19 pandemic had a major impact on the usage of the Soccer Complex in 2020. The facility was not opened to the public until June due to the Governor's proclamations. Additional signage was added and sanitation practices were enhanced to provide a safe atmosphere for the users of the facility and maintenance staff.

The Houser Expansion project was completed and opened to the public in August of 2020. Staff completed the irrigation system and replaced valve boxes on the entire system prior to opening the park. Following the irrigation installation, staff worked on backfilling low areas and completing final grading on all areas including the fields and rough areas. All rough areas have been seeded and the drainage and erosion control continues to be evaluated and improved. The rough areas will be seeded again this spring to encourage rapid growth and promote high quality turf for the user groups. Staff will be installing a drainage system along the east and west sides of fields 11 and 12 this fall and next spring.

Musco Sports Lighting installed field lights at Soccer West and this lighting system was used for a Halloween event, which had attendance of more than 600 people. At this event, the new field lighting system was used to perform a light show for attendees.

This past season was another interesting season for growing turf on athletic fields. Even with the high volume of rainfall in the spring, followed by drought conditions in the summer, staff was able to sustain quality turf throughout the season. All of the fields were aerified, deep tined, seeded, and fertilized this fall to help promote quality turf and a safe playing environment.

New trees were planted near the Soccer Complex maintenance building this fall as part of an Eagle Scout project. Trees and shrubs were replanted along the Soccer West parking lot, and the entire bed was re-mulched this past summer. There are several dead ash trees within Soccer East that will be removed this winter when the ground freezes so that they can be removed safely and limit damages to the surrounding areas.

Maintenance tasks were also completed to the administration building this year. Staff painted the restrooms, the sprinkler room, and the walls upstairs.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To complete the Fields #1-#6 irrigation system replacement capital project. **(Strategic Plan - Reliable Public Infrastructure)**

- To continue to improve the quality of turf on Soccer West while maintaining the excellent quality of turf at Soccer East while maximizing usage. **(Strategic Plan – Excellent Customer Service, Safe Community)**

- To continue to strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations. **(Strategic Plan - Excellent Customer Service)**

- To continue to support and assist other departments as requested. **(Strategic Plan - Excellent Customer Service)**

- To continue to recruit and train quality seasonal and full-time staff as needed. **(Strategic Plan - Excellent Customer Service)**

- To continue to re-evaluate the field maintenance and turf care programs to strive for them to be the best quality and the safest for play. **(Strategic Plan – Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 124,089	$ 143,456	$ 160,600	$ 163,800	$ 170,300	6.04%
Commodities	61,555	72,401	86,300	85,300	86,300	0.00%
Contractual Services	4,744	5,504	5,100	6,300	5,100	0.00%
Capital Outlay	-	-	-	26,500	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 190,388	$ 221,361	$ 252,000	$ 281,900	$ 261,700	3.85%
Funding Sources						
Park Revenues	$ 28,320	$ 10,962	$ 32,100	$ 28,000	$ 23,500	-26.79%
Insurance Reimbursement	-	-	-	30,500	-	
General Revenues	162,068	210,399	219,900	223,400	238,200	8.32%
Total Funding Sources	$ 190,388	$ 221,361	$ 252,000	$ 281,900	$ 261,700	3.85%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.50	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	0.25	-	-	-	
Total Full Time	1.23	1.23	1.23	1.23	1.23	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.27	0.60	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	1.77	2.10	2.10	2.10	2.10	
Total	3.00	3.33	3.33	3.33	3.33	$ 123,400
Employee Benefits						46,900
Total Personal Services						$ 170,300

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

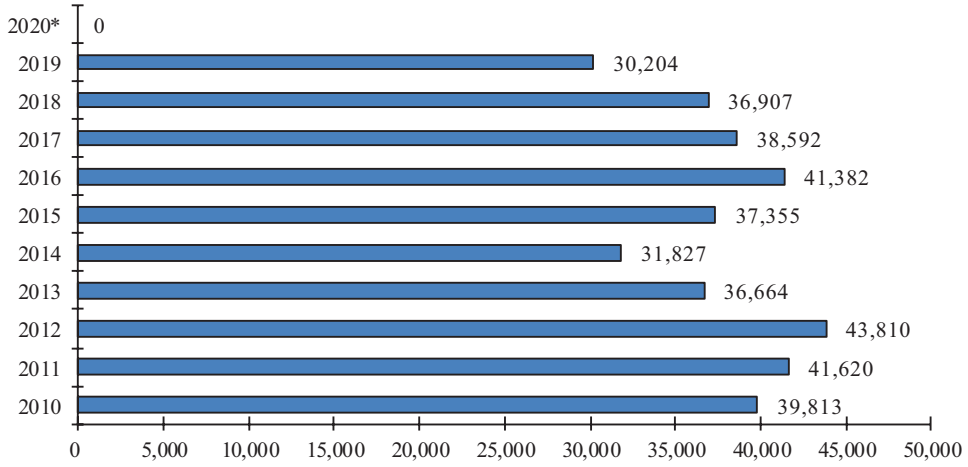
Activity:

Aquatic Center

GENERAL INFORMATION

The Muscatine Aquatic Center at Weed Park first opened on June 3, 2004. Total attendance for the 2004 season was 46,576. In 2005 it increased to 55,948 and in 2006 it decreased to 45,891. Since then it has varied from approximately 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. The Aquatic Center did not open for the 2020 season due to the COVID-19 pandemic. 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



* The Aquatic Center was not open for the 2020 season due to the COVID-19 pandemic.

CURRENT TRENDS AND ISSUES

The revised estimate for 2020/2021 is $77,100 less than the original budget. The revised estimate reductions are due to the COVID-19 pandemic, which resulted in the Aquatic Center not being open in 2020. Personal services are $74,300 less than the original budget, commodities $10,600 less, and contractual services $8,300 less. The revised estimate for capital outlay is over the original budget by $16,100. The capital outlay

increase includes $3,600 to paint the shallow area play structures and $12,500 to replace the original canopies. These capital outlay requests were carried forward from the 2019/2020 budget. The revised estimate includes funding for the personal services, commodities, and contractual services needed for the Aquatic Center to open in May of 2021.

The 2021/2022 budget is $1,800 (1.0%) less than the original 2020/2021 budget. Personal services costs are $1,900 lower than the original 2020/2021 budget and capital outlay is $100 higher. The 2021/2022 budget includes a $4,800 capital outlay allocation to replace a lifeguard chair.

The 2021/2022 year will be the 18th 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 2018	Actual 2019	Actual 2020*	Estimated 2021	Estimated 2022
Aquatic Center Attendance	36,907	30,204	0	37,000	38,000
Swim Lesson Enrollment	310	346	0	390	400
Season Passes Sold	77	71	0	80	85
Number of Pool Rentals	88	76	0	85	90
Special Events Attendance	1,519	1,040	0	1,300	1,500
Scholarship Pass Recipients	402	339	0	400	425

According to National Recreation and Park Association general standards, 50.9% of all agencies have an outdoor aquatic center. A typical community of 20,000-49,999 residents has one facility per 25,107 residents while Muscatine has one facility for 23,819 residents.

* The Aquatic Center did not open for the 2020 season due the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

While the Muscatine Aquatic Center was closed for the 2020 season due to the COVID-19 pandemic, preventative and routine maintenance scheduled for the facility was still completed. The Program Supervisor completed weekly facility walk-throughs and Park Maintenance staff continued to complete the regular turf and grounds maintenance tasks. Mechanical maintenance, such as pump flushing and lubrication, continued to be completed on schedule to ensure proper future operation of this equipment. Other repairs and maintenance to the facility buildings, such as ceiling patching, were completed as needed. The slide

refinishing and repair project was completed in the spring of 2020. Interior slide path refinishing, slide waxing, fiberglass repair, and joint re-caulking of all water slides at the facility were also completed.

Because the concession stand equipment was not in use at the Aquatic Center in 2020, the ice cream machine was transitioned to Kent Stein Park for use during the summer season. Other minor equipment transitions were made as needed to accommodate the shift in needs department-wide.

Aquatic Center staff recruitment continues year-round. Contact was made with each returning staff member throughout the spring and early summer of 2020 to inform them of the shift in processes and the eventual facility closure, as well as to assist them with transition to other open seasonal positions if possible. Plans to host and attend community job fairs in 2021 are in place. Communications to returning staff and applications will be sent out on schedule in January.

The pre-season staff training regimen and schedule is currently being restructured due to the increased need for staff training due to the 2020 season closure. Returning staff will have had no instruction or facility experience for 20 months compared to the usual 9 months between seasons. Additional training sessions will be necessary to reorient returning staff and onboard new staff members.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To continue to evaluate the implications of a new proposed Public Bathing Code, and prepare for possible changes and adjustments in daily operations. **(Strategic Plan - Healthy Community)**

- 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. **(Strategic Plan – Excellent Customer Service, Safe Community)**

- To maintain staff excellence by implementing extensive training regiments that adhere to American Red Cross lifesaving standards. **(Strategic Plan – Excellent Customer Service, Safe Community)**

- To add one new community special event at the Aquatic Center. **(Strategic Plan - Vibrant Community)**

- To continue to meet the requirements to receive a satisfactory report from the Health Inspector. **(Strategic Plan - Healthy Community)**

- 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. **(Strategic Plan - Reliable Public Infrastructure)**

- 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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 113,129	$ 75,451	$ 142,500	$ 68,200	$ 140,600	-1.33%
Commodities	15,764	11,628	22,700	12,100	22,700	0.00%
Contractual Services	11,438	6,145	16,400	8,100	16,400	0.00%
Capital Outlay	19,533	36,891	4,700	20,800	4,800	2.13%
Transfers	-	-	-	-	-	
Total Expenditures	$ 159,864	$ 130,115	$ 186,300	$ 109,200	$ 184,500	-0.97%
Funding Sources						
Swimming Pool Revenues	$ 117,210	$ 67,005	$ 136,800	$ 76,300	$ 129,700	-5.19%
General Revenues	42,654	63,110	49,500	32,900	54,800	10.71%
Total Funding Sources	$ 159,864	$ 130,115	$ 186,300	$ 109,200	$ 184,500	-0.97%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Seasonal Part Time Positions:						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Lifeguard	27	27	27	27	27	
Lesson Coordinator	1	1	1	1	1	
Swimming Instructor	8	8	8	8	8	
Cashier	4	4	4	4	4	
Slide Attendants	5	5	5	5	5	
Pool Maintenance	2	2	2	2	2	
Total	50	50	50	50	50	$ 127,600
Employee Benefits						13,000
Total Personal Services						$ 140,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Lifeguard Chair	1	Yes	$ 4,800

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

Activity:

Recreation

GENERAL INFORMATION

The Recreation division provides leisure time activity programs for the residents of Muscatine. Many of the programs are taught by special instructors and are designed to be self-supporting. Most children's programs, however, are not self-supporting in order to encourage children from all economic and social sectors of the community to participate. The recreation activities are supervised by the Program Supervisor.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $23,300 less than the original budget. This decrease is due to the COVID-19 pandemic and the restrictions that were put in place by the Governor's proclamations. Personal services costs are $19,200 less than the original budget, commodities are $1,850 less, and contractual services are $2,250 less.

The 2021/2022 budget is $3,800 (2.8%) more than the original 2020/2021 budget due to increased personal services costs. The budget is based on recreation program offerings and participation in recreation programs returning to near the levels as in the years prior to the pandemic.

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 2018	**Actual 2019**	**Actual 2020**	**Estimated 2021**	**Estimated 2022**
Adult Programs Offered (Including Leagues)	20	23	30	25	26
Children's Programs Offered	41	42	47	45	45
Adult Program Participants (1)	1,686	1,632	1,095	1,700	1,800
Children's Programs Participants (2)	1,962	2,256	1,550	2,300	2,400
New Programs Offered * (3-B)	1	1	13	5	3
Volleyball League Teams	38	45	20	45	50

* Virtual Recreation Resource Center visits were not included in estimated Adult Program Participants or Children's Program Participants, but were included in the New Programs Offered category. The Virtual Recreation Resource Center saw 1,502 total visits and 1,213 unique visits.

1. Adult Program participants include those in the Muscatine Walking Club, Snowpile Treasure Hunt, Job Fair, Guess the Muscatine Landmark Contest, Good Things are Happening in Muscatine Contest, Sand Volleyball League, Family Bike Ride, Coed Sand Volleyball Tournament, Sport Starters, Cemetery Walk, Treasure on the Trails, Healthiest State Walk, Fall Festival, Trunk or Treat, Recreational Volleyball League, Love to Seniors, and Holiday Display Map.

2. Children's Program participants include those in Soccer Skills Clinic, Boys Basketball Clinic, Snowpile Treasure Hunt, Baseball Fundamentals, Softball Skills Clinic, Winter Blastball, Job Fair, Chalk Your Walk Contest, Muscatine Mystery Mail, Tee-Ball, Tennis Lessons, Summer Blastball, Tot Lot, Family Bike Ride, Sport Shorts, Muskie Youth Soccer Camp, Virtual Fishing Derby, Sport Starters, Little Muskies Football, Gymnastics, Fall Tee-Ball, Snail Mail Club, Treasure on the Trails, Healthiest State Walk, Fall Festival, Trunk or Treat, Girls Basketball Clinic, Basketball Shooting Camp, and Holiday Display Map.

3. New Programs Offered in 2021 – Virtual Recreation Resource Center, Good Things are Happening in Muscatine Contest, Guess the Muscatine Landmark Contest, Chalk Your Walk Contest, Muscatine Mystery Mail, Virtual Fishing Derby, Fall Tee-Ball, Snail Mail Club, Treasure on the Trails, Healthiest State Walk, Trunk or Treat, Sending Love to Seniors, and Holiday Display Map.

   A. According to the National Recreation and Park Association Youth Sports Report, 10% of agencies offer Gymnastics, which accounts for about 45% of Muscatine's youth sports programming participation.
   B. According to National Recreation and Park Association general standards, 59% of all agencies offer Nature and Cultural History activities. The Treasure on the Trails Program and the Muscatine Mystery Mail program were both new activities in 2020 that were based on elements of Muscatine cultural history.

RECENT ACCOMPLISHMENTS

Developing programs to keep the community involved throughout the COVID-19 pandemic, mandatory shutdowns, facility closures, and the economic downturn was crucial. Thirteen new activities were implemented in 2020 to include virtual contests while citizens were sheltering in place, mail programs when weather rendered it more difficult to enjoy the outdoors, as well as self-led activities that encouraged citizens to use local parks, waterways, and the trail systems while social distancing. The Virtual Recreation Resource Center was unveiled in March, giving citizens fitness, indoor, outdoor and monthly activity ideas throughout the year. The page has had 1,502 visits since mid-March.

Special events and one-day programs continued to be well-attended activities in 2020, despite some being cancelled due to gathering restrictions. One new community special event was hosted; the "Trunk or Treat Under the Lights" event garnered 700 participants. Volunteers from city departments and Muscatine organizations as well as local citizens helped make the event possible. A costume parade under the new Soccer West lights concluded the evening. The Snowpile Treasure Hunt more than doubled in attendance from the previous year with 102 participants in 2020. The Fall Festival event safely hosted 183 attendees in the Muscatine Mall. History buffs of all ages enjoyed the Cemetery Walk, which saw one of its highest participation years with 83 attendees. Muscabus tours could still be provided with an extra bus, social distancing enforced, and masks required.

Many summer outdoor programs could be held with safety modifications. Tennis lessons, Tee-Ball, Summer Blastball, the Family Bike Ride, Sport Shorts, the Sand Volleyball League, and the Muskie Youth Soccer Camp had interest from the community. Indoor programs could not be held as the Muscatine Community School District facilities were closed to the public through August.

The Parks and Recreation department received a $500 mini grant from the Iowa Park and Recreation Association and the Healthiest State Initiative for its Walking Club Fall Kickoff event. The event saw 67 registrants and 41 day-of participants as Muscatine joined thousands of other Iowans in walking for 30 minutes on October 7. Shirts, refreshments, Running River Trail Maps, and Walking Club information were provided for event attendees. The event helped grow the Walking Club membership to 1,092 participants in 2020.

The Virtual Fishing Derby encouraged children and their families to venture out into local parks and waterways and submit pictures of their catches for a chance to win prizes. Eighteen anglers submitted over 170 catches during the month of September. The Treasure on the Trails program provided participants with a long-lost pirate's map and riddles. When deciphered, the clues led the 23 families to six Muscatine landmarks located steps off paved City trails.

Mail programs became very popular options for local residents. The Muscatine Mystery Mail program challenged 67 household detectives to discover who stole the plans for John Boepple's new pearl button machine invention. During the four-week *Clue*-like program, participants were able to read suspect interviews, decipher cryptic riddles, and solve the mystery about one of Muscatine's most influential historical residents. The Snail Mail Club sends craft supplies, puzzles, paper activities, and more to subscribers who register monthly. The program has seen 40 participants and will look for more subscribers through March 2021. The Parks and Recreation department brought holiday cheer to local elders through cards and letters in the Sending Love to Seniors program.

The Parks and Recreation department continues to offer Boys Basketball, Baseball Pitching, Baseball Fundamentals, Softball Skills, Sport Starters, Football programs, Youth Volleyball, the Basketball Shooting Camp, Adult Volleyball Leagues, Disc Golf Leagues, Pickleball Leagues, and Gymnastics in addition to the previously highlighted activities.

OBJECTIVES TO BE ACOMPLISHED IN 2021/2022

- To continue to look at alternative programming and adjusting programming to fit the community's needs. **(Strategic Plan - Excellent Customer Service)**

- To evaluate and review new programs that have been implemented and make adjustments as needed. **(Strategic Plan - Excellent Customer Service)**

- To increase revenue by focusing on improved quality so that this may limit any negative impacts to participation numbers. **(Strategic Plan - Healthy Community)**

- 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. **(Strategic Plan - Healthy Community)**

- To seek out and take advantage of networking and training opportunities. **(Strategic Plan – Excellent Customer Service)**

- To continue to hire and train qualified youth recreation program leaders and aides. **(Strategic Plan - Excellent Customer Service)**

- To continue to cross train for continuation of office and golf course operations services. **(Strategic Plan - Excellent Customer Service)**

- To continue to look for new and different technological ways to market programs. **(Strategic Plan - Excellent Customer Service)**

- To create and develop one new community special event. **(Strategic Plan - Vibrant Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 91,119	$ 90,263	$ 119,500	$ 100,300	$ 123,300	3.18%
Commodities	5,506	5,426	6,750	4,900	6,750	0.00%
Contractual Services	7,068	5,077	7,750	5,500	7,750	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 103,693	$ 100,766	$ 134,000	$ 110,700	$ 137,800	2.84%
Funding Sources						
Recreation Fees	$ 41,445	$ 27,614	$ 46,800	$ 24,700	$ 45,100	-3.63%
General Revenues	62,248	73,152	87,200	86,000	92,700	6.31%
Total Funding Sources	$ 103,693	$ 100,766	$ 134,000	$ 110,700	$ 137,800	2.84%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions:						
Program Supervisor	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Various Instructors, Supervisors and Program Directors	23.00	23.00	23.00	23.00	23.00	
Total	24.00	24.00	24.00	24.00	24.00	$ 96,700
Employee Benefits						26,600
Total Personal Services						$ 123,300

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

Activity:

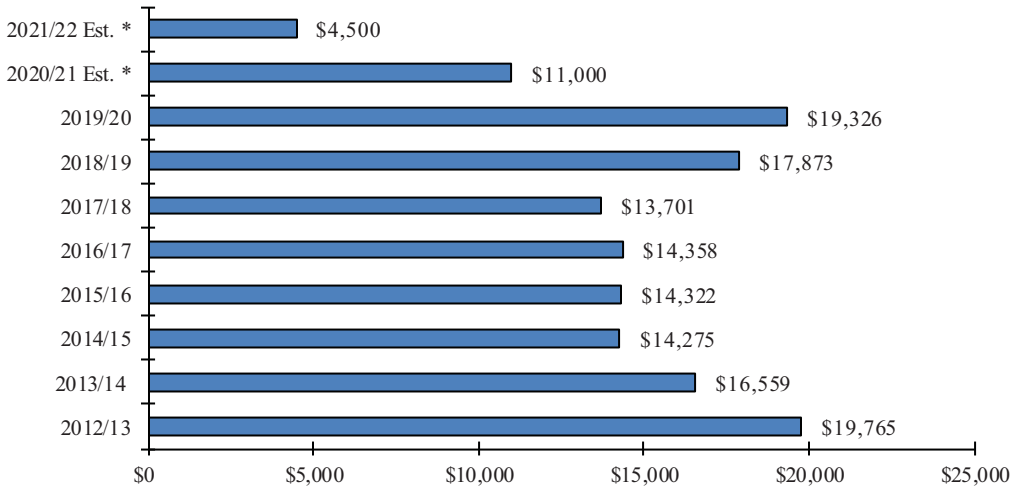
Cemetery

GENERAL INFORMATION

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

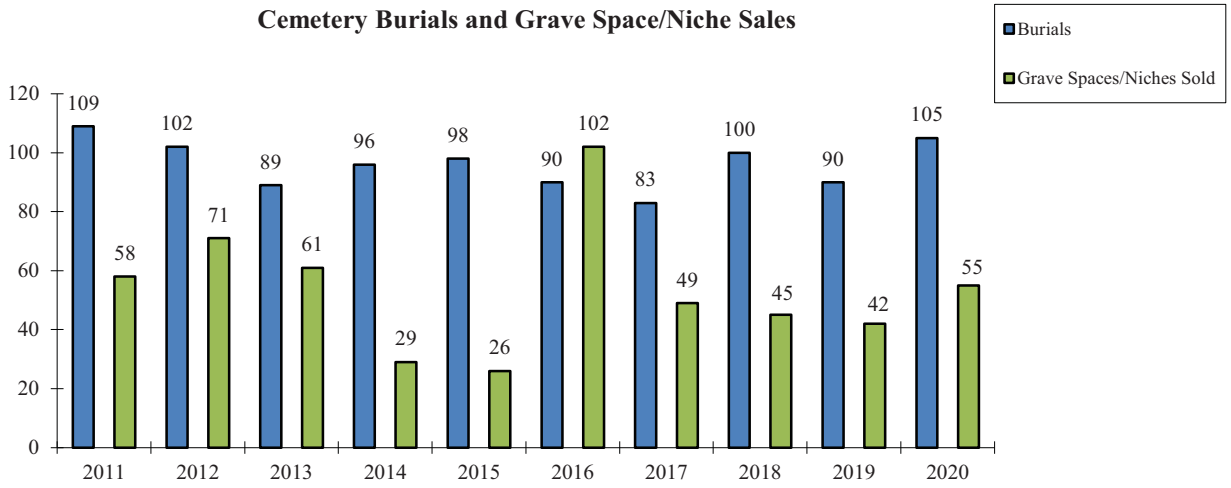
Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2012/2013 through 2019/2020 and the estimated amounts for 2020/2021 and 2021/2022 are follows:

Perpetual Care Interest Revenue



* The Perpetual Care interest revenue decreases in 2020/2021 and 2021/2022 are due to the significant decrease in interest rates since the start of the COVID-19 pandemic.

The principal balance in the Perpetual Care Fund on June 30, 2020 was $897,310 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 $63,400 is expected to be needed to cover the operating costs of the cemetery for 2020/2021 and $75,800 is the estimated subsidy for 2021/2022. The decline in interest rates since the start of the COVID-19 pandemic has reduced interest revenue in the Perpetual Care Fund, which is a contributing factor for these increased subsidies.

The 2020/2021 revised estimate is over the budgeted amount by $3,600. This overall increase includes (1) an increase of $100 in personal services costs, (2) an increase in commodities of $1,200 for repair, maintenance and operating supplies, and (3) a $2,300 increase in contractual services.

The 2021/2022 budget is $10,900 (5.9%) higher than the 2020/2021 budget due to a $3,900 increase in personal services costs and a $7,000 increase in capital outlay. The 2021/2022 capital outlay allocation of $7,000 is for improvements to the maintenance building. The Equipment Replacement fund also includes an allocation of $25,000 for the purchase of a wide area mower.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Burials:					
Casket	55	50	56	55	55
Cremains	30	43	26	35	35
County	3	4	2	3	3
Total Burials	88	97	84	93	93
Grave Spaces Sold	30	39	34	34	34
Columbarium Niches Sold	1	13	2	4	4
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	$13,701	$17,873	$19,326	$11,000	$4,500
General Fund Subsidy (Fiscal Year Ended June 30)	$45,978	$28,152	$52,200	$63,400	$75,800

RECENT ACCOMPLISHMENTS

The windstorm in August caused significant tree damage throughout the Cemetery. Cleanup of fallen trees and hanging limbs was completed by staff shortly after the storm.

Several gravestones were vandalized with graffiti at the Cemetery in May. Staff used cleaning chemicals and power washed the stones to remove the graffiti. A vandalism report was completed and the Police department was able to identify the vandals.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To provide maintenance for the cemetery steps for the safety of users. **(Strategic Plan - Healthy Community, Safe Community, Reliable Public Infrastructure)**
- To continue to improve the sidewalks in front of the cemetery. **(Strategic Plan - Healthy Community, Safe Community, Reliable Public Infrastructure)**
- To complete the internet connection to the shop.
- To continue foundation repairs in the old sections of the cemetery. **(Strategic Plan - Excellent Customer Service)**
- To continue improving working relationships with volunteers and community groups. **(Strategic Plan - Excellent Customer Service, Vibrant Community)**
- To continue cross training of other park division staff in the Cemetery operation. **(Strategic Plan - Excellent Customer Service)**
- To continue to recruit and train quality seasonal and full-time staff as needed. **(Strategic Plan - Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 128,749	$ 138,056	$ 144,700	$ 144,800	$ 148,600	2.70%
Commodities	22,147	18,481	21,400	22,600	21,400	0.00%
Contractual Services	20,116	27,426	17,600	19,900	17,600	0.00%
Capital Outlay	-	975	-	-	7,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 171,012	$ 184,938	$ 183,700	$ 187,300	$ 194,600	5.93%
Funding Sources						
Cemetery Revenues	$ 124,987	$ 113,412	$ 110,800	$ 112,900	$ 114,300	3.16%
Perpetual Care Interest	17,873	19,326	16,700	11,000	4,500	-73.05%
General Revenues	28,152	52,200	56,200	63,400	75,800	34.88%
Total Funding Sources	$ 171,012	$ 184,938	$ 183,700	$ 187,300	$ 194,600	5.93%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 107,800
Employee Benefits						40,800
Total Personal Services						$ 148,600

Capital Outlay

Item	*Amount*
Maintenance Building Renovations	$ 7,000

Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Wide Area Mower	1	Yes	$ 25,000

Function:	*Department:*
Health and Social Services	**Legislative and Council**

Activity:

Economic Well-Being

GENERAL INFORMATION

The function of the Economic Well-Being activity has been to provide financial support to promote social and economic opportunities for certain citizens in Muscatine, including senior citizens, the mentally and physically handicapped, and certain low income individuals and families.

As the federal and state governments have reduced subsidies for social programs, the City has experienced increases in requests for assistance from local agencies that provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidies for 2021/2022 are as follows:

Agency	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Senior Resources*	$ 20,000	$ 30,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
MCSA Homeless Prevention Program	25,000	25,000	25,000	25,000	25,000	25,000
	$ 45,000	$ 55,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000

* The allocations to Senior Resources include Meals on Wheels.

CURRENT TRENDS AND ISSUES

Due to reductions in funding to the City's General Fund, the subsidies to Senior Resources including the Meals on Wheels program have been held in check in recent years. In fiscal year 2011/2012 $17,800 was budgeted for Senior Resources and the funding was increased to $20,000 beginning in 2012/2013 and continuing through 2016/2017. Senior Resources requested a $30,000 subsidy for 2017/2018. The originally proposed budget for 2017/2018 included a $20,000 allocation to Senior Resources. The final 2017/2018 budget, however, 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 fiscal years 2018/2019 through 2020/2021. Senior Resources requested their subsidy be increased to $30,000 for 2021/2022. City Council, however, maintained their subsidy at $25,000 for 2021/2022.

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, 2019/2020, and 2020/2021. For 2021/2022 MCSA again requested $25,000 and that amount has been included in the budget.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	50,000	50,000	50,000	50,000	50,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	0.00%
Funding Sources						
General Revenues	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	0.00%

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

Activity:

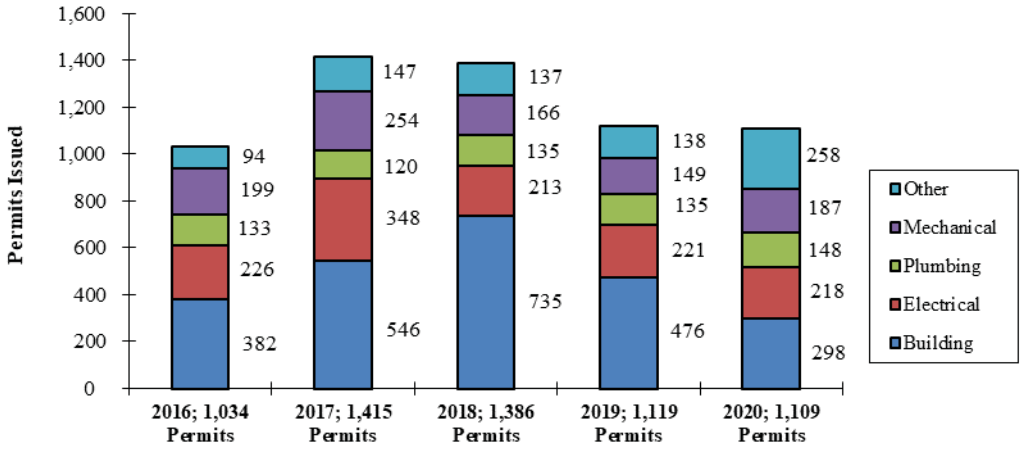
Community Development

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 normally 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 $100 less in total than the original budget. The revised estimate includes (1) a decrease in personal services of $70,000 due to staff vacancies during the year, (2) a $500 increase in commodities, (3) a $45,700 increase in contractual services, and (4) a $23,700 increase in capital outlay. The increase in contractual services is primarily due to an increase in nuisance abatement costs. The increase in capital outlay is for the purchase of the new SmartGov software for the department. City Council previously approved the software purchase with the cost funded from personal services cost savings.

The 2021/2022 budget is $86,900 (9.9%) more than the original 2020/2021 budget. This overall increase is due to the net effect of: (1) personal services costs are $5,100 (.7%) less than the original 2020/2021 budget, (2) commodities are $500 less than the prior year budget, (3) contractual services increased by $98,700, and (4) there is a $6,200 decrease in capital outlay. The contractual services increase includes a $12,500 increase for contracted nuisance abatement costs, a new $50,000 allocation for tree removal services to address dead or dying ash (or other) trees in the City right-of-way, an $8,700 increase for the annual maintenance cost for the new software, and a new request for $25,000 for contracted grant-writing services. Nuisance abatement 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	2,363	1,105	1,139	1,000	1000
Building Permit Fees	$446,379	$308,175	$168,177	$150,000	$150,000
Building Inspections - Electrical, Building, Plumbing, and HVAC	1,922	1,890	1,947	1,600	1,500
Site and Building Plan Reviews	135	219	173	150	150
Certificates of Occupancy	28	34	11	3	15
Rental Housing Inspections	2,047	1,780	1,362	750	1,000
Rental Housing Inspection Fees	$59,686	$70,737	$78,030	$42,000	$72,000
Other Health Permits - Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	28	25	28	25	25
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	1,546	1,226	1,398	1,200	1,200
Nuisance Citations/Assessment Fees	$78,543	$74,957	$75,688	$87,000	$85,000
Planning & Zoning Commission Meetings	8	11	9	8	8
Zoning Board of Adjustment Meetings	7	5	8	8	8
Rezoning Requests Processed	3	2	3	1	5
Subdivision Requests Processed	7	7	5	2	5
Community Development and Airport Grants Administered	7	4	3	5	3

RECENT ACCOMPLISHMENTS

Calendar year 2020 was challenging for everyone, and the pandemic had significant impacts on how the Community Development department operates. Day-to-day operations have historically involved substantial interaction with the contractors, landlords, and residents. However, to maintain the safety of staff and the community members, many services had to be altered or suspended.

Following the Governor's first public health proclamation, the Community Development office was closed to the public for a period of time and closed again this fall. As a result, there has been much more reliance on electronic processes, including online applications for building permits and the use of email for document submittal. Where possible, staff has also implemented procedures to conduct virtual inspections. These are typically allowed for uncomplicated building code regulations or straightforward repairs to rental units. Rental inspections of occupied units have been deferred except when there are imminent threats to health and safety, which are typically identified by public safety or another third-party. When implementing such actions staff has also evaluated options that may be more permanent process adaptations providing more efficient service delivery.

A significant impact of the pandemic on operations has been the type of activity and the revenue generated. There has been limited commercial construction initiated in 2020, but residents have undertaken higher rates of residential improvements. Operationally this means the number of permits issued has remained about the same, but the value of this activity has been about half of previous years.

While normal day-to-day operations have been altered and delayed, the department has used this time to initiate other priorities, including improving the internal organization, initiating the vacant properties list, processes to more efficiently dispose of surplus properties, and, most significantly, identifying and working to implement new software that will streamline internal operations and provide a user-friendly customer interface for permitting, building inspections, and rental facilities. Through this transition staff is reviewing processes, letters, and notices, to provide residents clear and complete information.

Staff has also initiated Code rewrites to clarify property maintenance expectations and nuisance violations, because one aspect of operations that has seen an increase in activity has been nuisance reports and violations. Unfortunately, this increase has also led to a number of questions and concerns from residents regarding the rules. While these Codes primarily address conditions of the lot, staff feels they are the basis of a comprehensive property maintenance code.

At the direction of Council during the early days of the public health crisis, the department spearheaded the Economic Assistance for Muscatine Small Businesses program. In less than 90 days a process was established, 2 rounds of applications received and awards approved, and all loan documents were prepared and delivered to awardees. The program provided $220,767 in financial assistance to 94 local businesses. For obvious reasons there was little activity in the City's traditional small business loan programs during this time; however in recent months the department has begun to receive inquiries and applications for new businesses.

Staff also continues to work with housing developers that applied for low-income housing tax credits and tax increment financing for three new housing developments. All three developers were notified that their low-income housing tax credit awards were approved. The tax increment financing agreements will be finalized this spring. Planning staff has processed an annexation, established terms for development agreements, and initiated individual project site plan reviews.

This year staff was able to complete the construction and leasing of three new box hangars at the Muscatine Municipal Airport, the first hangars built in more than 50 years. The City has received a grant from the Federal Aviation Administration for the reconstruction of the taxiway, which will begin in the spring of 2021. The pandemic has delayed efforts to promote the facility within the aviation community and to Muscatine residents, but the department is looking for opportunities to do this once the public health crisis is controlled.

The planned Fair Oaks Historic District Walk to Celebrate Historic Preservation Month in May was also cancelled due to the pandemic. Due to the uncertainty of on-going conditions, the Historic Preservation Commission and Friends of Muscatine Historic Preservation are collaborating to plan an event for May 2021 that can be conducted while maintaining social distancing and other safety recommendations.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To work with community partners to develop vision and plans for neighborhoods and gateways. **(Strategic Plan - Vibrant Community)**

- To implement a "neighborhood" revitalization program to improve quality of life and promote the community as a place families want to live, work, and play. **(Strategic Plan - Customer Service; Vibrant Community; Healthy Community; Public Safety; Public Infrastructure)**

- To develop a plan to utilize the low and moderate income set-aside portion of the Tax Increment Financing (TIF) from the Arbor Commons development. **(Strategic Plan - Vibrant Community; Healthy Community)**

- To pursue funding to address community needs and support planning and implementation initiatives. **(Strategic Plan - Vibrant Community; Healthy Community)**

- To update the Capital Improvement Plan. **(Strategic Plan - Public Infrastructure)**

- To partner with other departments and organizations to implement revitalization plans. **(Strategic Plan - Vibrant Community; Healthy Community; Public Infrastructure)**

- To refine the vacant properties list to support community needs and goals. **(Strategic Plan - Vibrant Community; Healthy Community)**

- To pursue the disposal of surplus properties. **(Strategic Plan - Healthy Community)**

- To work with community partners for the reuse of identified vacant properties and infill opportunities. **(Strategic Plan - Vibrant Community; Healthy Community)**

- To update the Bike and Pedestrian Master Plan. **(Strategic Plan - Customer Service; Vibrant Community; Healthy Community; Public Infrastructure)**

- To evaluate the building permit process and the fee schedule for possible revisions. **(Strategic Plan - Customer Service)**

- To promote housing and economic investment programs and tools, including tax abatements, small business loans, State Code Chapter 657 provisions, etc. **(Strategic Plan - Vibrant Community; Healthy Community)**

- To partner with community organizations to develop information packets for new or potential new employees to consider for living in the community. **(Strategic Plan - Vibrant Community)**

- To adopt the 2021 International Building Code. **(Strategic Plan - Vibrant Community)**

- To revise City Code Title 9 – Health and Sanitary Regulations: Nuisance. **(Strategic Plan - Customer Service; Vibrant Community)**

- To revise City Code Title 9 – Health and Sanitary Regulations: Weeds. **(Strategic Plan - Customer Service; Vibrant Community)**

- To utilize inspection services to promote safe and healthy housing and neighborhoods. **(Strategic Plan - Vibrant Community; Healthy Community; Safe Community)**

- To evaluate 2020 Census data and create summary reports for City Council and the Leadership Team to use in policy and programming decisions. **(Strategic Plan - Customer Service)**

- To utilize 2020 Census data to redraw precinct maps. **(Strategic Plan - Customer Service)**

Function:
Community and Economic Development

Department:
Community Development

Activity:

Community Development

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 634,478	$ 561,625	$ 713,900	$ 643,900	$ 708,800	-0.71%
Commodities	6,071	8,135	10,300	10,800	9,800	-4.85%
Contractual Services	166,316	149,796	150,200	195,900	248,900	65.71%
Capital Outlay	2,362	-	6,200	29,900	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 809,227	$ 719,556	$ 880,600	$ 880,500	$ 967,500	9.87%
Funding Sources						
Community Development Revenues	$ 475,322	$ 347,081	$ 482,000	$ 288,000	$ 316,000	-34.44%
Historic Preservation Grant	8,623	-	-	-	-	0.00%
General Revenues	325,282	372,475	398,600	592,500	651,500	63.45%
Total Funding Sources	$ 809,227	$ 719,556	$ 880,600	$ 880,500	$ 967,500	9.87%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions/Position Allocations:						
Community Development Director	1.00	0.60	0.70	0.70	0.70	
Assistant Community Development Director	0.00	1.00	1.00	1.00	1.00	
City Planner	1.00	-	-	-	-	
Building Division Manager	1.00	1.00	1.00	-	1.00	
Inspector II	0.67	0.67	0.67	1.67	0.67	
Community Development Coordinator	1.00	0.00	0.00	0.00	0.00	
City Planner I	0.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer II	1.00	1.00	1.00	1.00	1.00	
Comm Services Officer/Hsg Specialist	0.00	0.15	0.25	0.06	0.00	
Community Services Officer I	0.00	0.00	0.00	0.25	0.50	
Total Full Time	6.67	6.42	6.62	6.68	6.87	
Part-Time Positions:						
Community Services Officer	1.00	0.55	0.50	0.00	0.00	
Allocation of PT Community Services Officer to Refuse Collection Fund	(0.75)	(0.27)	(0.25)	0.00	0.00	
Inspector II	0.50	0.63	0.63	0.62	0.63	
Office Assistant	0.00	0.25	0.50	0.51	0.50	
Total	7.42	7.58	8.00	7.81	8.00	$ 511,300
Employee Benefits						197,500
Total Personal Services						$ 708,800

Additional Capital Outlay - Equipment Replacement Fund

Item	*Quantity*	*Replacement*	*Amount*
Code Enforcement Vehicle	1	Yes	$ 24,000

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

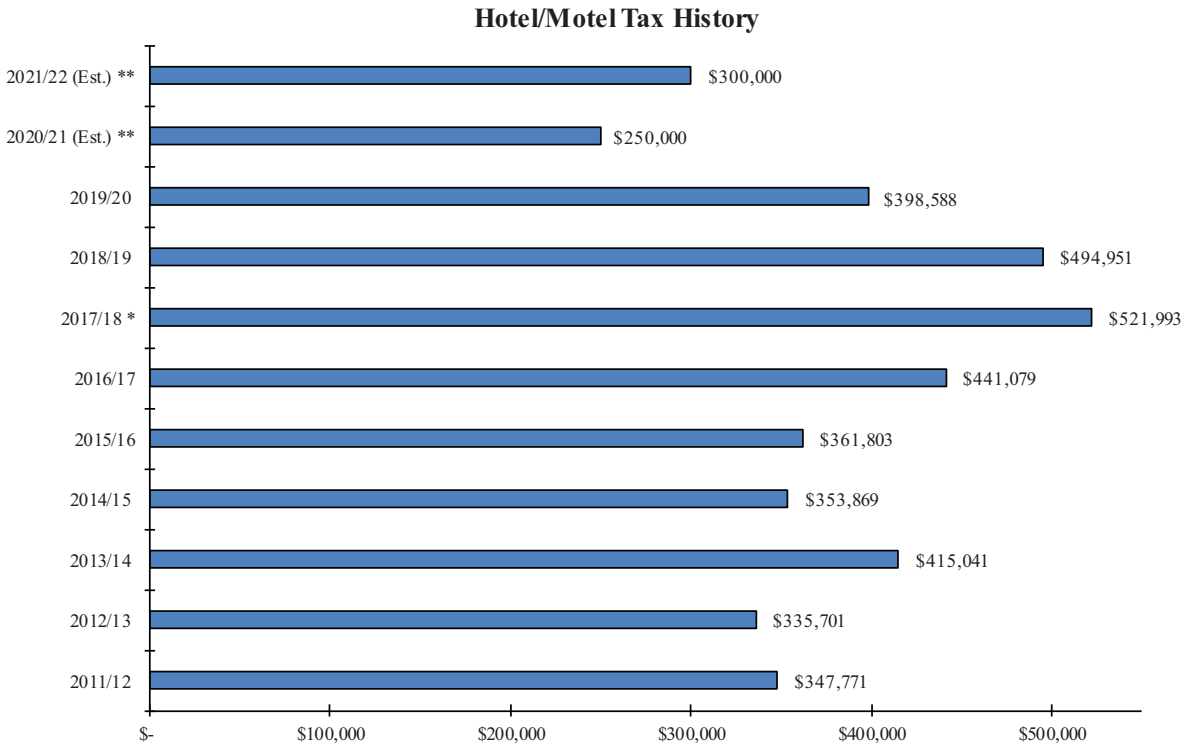
Activity:

Economic Development

GENERAL INFORMATION

The budget for this activity provides financial support for the Greater Muscatine Chamber of Commerce and Industry (GMCCI) and for the Convention and Visitors Bureau (CVB).

In 1981 the City first began to collect a hotel/motel tax of 4%. In 1991 voters approved increasing the hotel/motel tax to 7% effective April 1, 1992. The following chart shows the hotel/motel tax revenue for the last nine years as well as the estimated amounts for 2020/2021 and 2021/2022:



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

** The lower amounts estimated for 2020/2021 and 2021/2022 are due to the COVID-19 pandemic.

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 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

In 2020, the City and Greater Muscatine Chamber of Commerce and Industry (GMCCI) entered into an agreement for GMCCI to provide the City with Tourism and Marketing services. This agreement assigns to GMCCI the responsibility for enhancing the economic development of the City and County of Muscatine by marketing and promoting it as a destination for visitors and tourism. Specific tactics are outlined in the agreement that is being implemented in the 2020/2021 fiscal year and continuing into 2021/2022. Per this agreement, the City will pay GMCCI $125,000 in each of these two fiscal years for these services. The City will continue to maintain its CVB enterprise fund and these payments will be made to GMCCI from the CVB enterprise fund. The City will continue to transfer 25% of the prior year hotel/motel tax receipts from the Economic Development budget into the CVB enterprise fund. The transfer for 2020/2021 is $99,600 based on 25% of actual 2019/2020 hotel/motel taxes. The transfer for 2021/2022 is estimated at $62,500, 25% of the $250,000 in estimated hotel/motel taxes for 2020/2021. Hotel/motel tax estimates are lower beginning in Mid-March of 2020 due to reduced travel as a result of the COVID-19 pandemic.

The 2020/2021 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. This allocation is for general economic development services and is in addition to the allocation for the CVB. The original budget also included an estimated $10,000 for TIF-related legal and professional services and $10,000 for economic development marketing costs. The revised estimate maintains these allocations.

The revised estimate for the Economic Development budget is $25,400 less than the original budget due to the reduced transfer to the CVB fund.

The 2021/2022 Economic Development budget totals $125,500. This include a $62,500 transfer to the CVB enterprise fund and a $43,000 allocation to the Greater Muscatine Chamber of Commerce and Industry (GMCCI) for general economic development services. 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.

RECENT ACCOMPLISHMENTS

In May and June of 2020 the City provided $231,267 for short-term forgivable loans to small businesses directly impacted by the COVID-19 pandemic. The City also partnered with the Greater Muscatine Chamber of Commerce and Industry (GMCCI) to support a COVID-compliant Holiday Stroll and Holiday Open House. A curbside parking program was developed in collaboration with GMCCI to offer free, short-term parking to restaurants offering take-out orders.

The City's new City Administrator began work in August of 2020 and she has been focusing on developing relationships with GMCCI and other agencies who play a role in economic development.

City staff have also partnered with current and future residential developers to leverage Tax Increment Financing (TIF) to support affordable and workforce housing projects.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

Strategic Plan - Vibrant Community

- To continue to support businesses impacted by the COVID-19 pandemic.
- To collaborate with the Greater Muscatine Chamber of Commerce and Industry to foster economic activity in Muscatine, including development and implementation of a downtown plan.
- To develop key performance indicators for economic activity in Muscatine.
- To continue to work with the CIAT (Community Improvement Action Team) to complete community projects that support economic growth and place-making.
- To continue to invest in infrastructure that supports economic growth and place-making, including Phase II of the 2nd Street Streetscape project and the Riverfront Master Plan.
- To develop and initiate implementation of a Grandview Corridor Revitalization project that aligns with the Grandview Avenue Reconstruction project to promote economic growth and development.
- To continue to leverage Tax Increment Financing tools to promote economic development.
- To investigate options to leverage the Federal Opportunity Zone Designation in the Grandview Corridor.

Function:
Community and Economic Development

Department:
Legislative and Council

Activity:
Economic Development

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	38,000	43,000	63,000	63,000	63,000	0.00%
Capital Outlay	-	-	-		-	
Transfers	130,498	123,738	125,000	99,600	62,500	-50.00%
Total Expenditures	$ 168,498	$ 166,738	$ 188,000	$ 162,600	$ 125,500	-33.24%
Funding Sources						
Hotel/Motel Tax	$ 130,498	$ 123,738	$ 125,000	$ 99,600	$ 62,500	-50.00%
Tax Increment Funds for Economic Development	38,000	43,000	63,000	63,000	63,000	0.00%
Total Funding Sources	$ 168,498	$ 166,738	$ 188,000	$ 162,600	$ 125,500	-33.24%

Function:	*Department:*
Public Works	**Public Works**

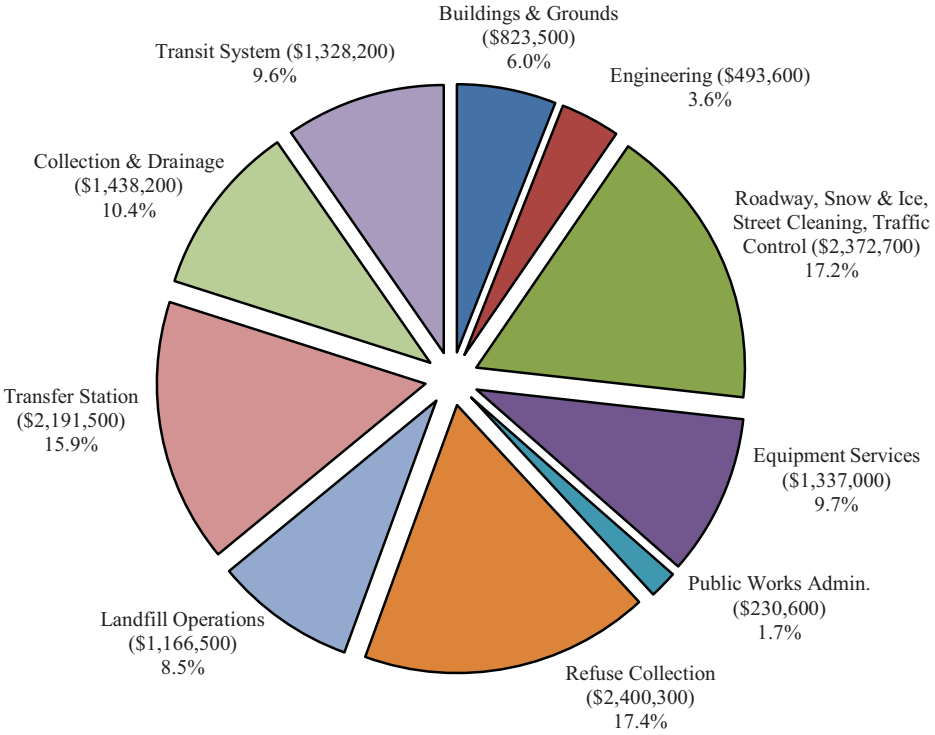
Activity:

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 2021/2022 fiscal year.

2021/2022 Public Works Budgets by Activity
$13,782,100



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 2021/2022 these fees total $74,500 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $2,200 higher than the original budget. Personal services costs are $2,000 higher due to wage adjustments and commodities increased by $200.

The 2021/2022 budget is $13,600 (6.3%) higher in total than the 2020/2021 budget. This increase includes (1) an increase of $9,700 in personal services costs, (2) a $200 increase in commodities, (3) a $3,000 increase in capital outlay, and (4) a $700 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 2017/2018	**Actual 2018/2019**	**Actual 2019/2020**	**Estimated 2020/2021**	**Estimated 2021/2022**
Operating Expenditures - All Public Works Activities	$13,053,794	$12,919,218	$13,579,437	$13,426,800	$13,782,100
Full Time Employees - All Public Works Activities	44	44	44	45	45
Part Time Employees - All Public Works Activities	30	36	36	36	36
Infrastructure Projects Under Construction	3	2	5	4	3
Infrastructure Projects Completed	2	1	2	2	1

RECENT ACCOMPLISHMENTS

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

The Public Works department, like most others, had an interesting year. Projects went on without incident; snow removal was done as needed, and there was no spring flood this past year, which was a welcome relief.

Public Works implemented a new bulky waste pickup service to replace the Spring Clean Up Week. Overall, the department was able to keep up with the demand for services. When the COVID-19 pandemic hit in March, there were minimal changes to the services that Public Works provides. Staff were determined to be essential workers and because of that designation, staff reported for work every day and continued to perform their duties as normal. The Transit division was affected the most by the coronavirus outbreak. Since many of their drivers are considered high risk, they were excused from work. This required a reduction in route services for several months and only scheduled shuttle service was provided. Eventually, COVID restrictions were lifted and most of the drivers returned to work. The department was able to reestablish route service and to date are still providing full transit services. Many changes were implemented city-wide due to COVID including disinfecting work surfaces, mandating face coverings, reducing meeting sizes, and social distancing. Through all of this the Public Works department is persevering and maintaining our professionalism as we work day in and day out to keep the community moving.

The former City Engineer retired in September of 2020 and the Assistant City Engineer was promoted to City Engineer. This reorganization allowed for the hiring of a construction inspector, which is part of the long-range plan for the Engineering division to bring construction inspection services back "in-house". The Engineering division oversaw the completion of Phase 4-C of the West Hill Sewer Separation project and continues to meet with the designer to move closer to the final plan for Phase 5 of this project.

Due to concerns about Road Use Tax funding because of the COVID-19 pandemic, efforts to implement the full-depth concrete patch, street asphalt overlay, and asphalt alley overlay projects were temporarily put on hold in the fall of 2020. The department, however, was able to ensure repairs were done on high priority streets. It now appears that funding will be available for these programs and work on these projects will resume in the spring of 2021.

Construction was completed on the 2nd and Mulberry roundabout. Work has begun on the Park Avenue four-lane to three-lane conversion project and the 2nd Street Streetscape project.

The Public Works department has hired new staff to replace retiring personnel and the department continues to work on a succession plan for retiring staff.

As always, Public Works continues to take the lead on multiple infrastructure improvement projects throughout the community in addition to overseeing day to day operations of the Solid Waste divisions, 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. Our goal is to be proactive to prevent things from going wrong, and when a problem does arise, we strive to resolve the issue as soon as possible.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To fully implement the PubWorks asset management software across all public works divisions. **(Strategic Plan – Excellent Customer Service)**

- To complete and implement a lane closure and barricade policy. **(Strategic Plan – Excellent Customer Service)**

- To facilitate implementation of components of the Riverfront Master Plan. **(Strategic Plan – Vibrant Community)**

- To complete five-year plans for facilities maintenance, sewer maintenance, and the sidewalk program. **(Strategic Plan – Reliable Public Infrastructure)**

- To receive bids and manage construction of the Grandview Avenue Reconstruction Project. **(Strategic Plan – Reliable Public Infrastructure)**

- To oversee the completion of construction of the 2nd Street Streetscape Project. **(Strategic Plan – Reliable Public Infrastructure, Vibrant Community)**

- To continue to work with partner organizations to design, fund, and construct a demountable flood wall for the riverfront from Mulberry to Broadway Streets. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To complete construction for conversion of a portion of Park Avenue from a 4-lane to a 3-lane roadway. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To seek grant funding for the design and construction of green infrastructure projects. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To continue succession planning for the replacement of retirement or close to retirement age staff. **(Strategic Plan – Excellent Customer Service)**

- To implement a plan for usage of the recently acquired former Iowa DOT facility on Lake Park Blvd. **(Strategic Plan – Excellent Customer Service)**

- To implement and evaluate the brine making system for snow removal. **(Strategic Plan – Excellent Customer Service)**

- To devise a better way to provide leaf pickup. **(Strategic Plan – Excellent Customer Service)**

- To implement work scheduling improvements in the Roadway Maintenance, Collection and Drainage, and Vehicle Maintenance divisions. **(Strategic Plan – Excellent Customer Service)**

- To review and evaluate the current customer request process, and evaluate options for making improvements to this process. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 171,754	$ 178,729	$ 183,500	$ 185,500	$ 193,200	5.29%
Commodities	2,214	1,686	3,800	4,000	4,000	5.26%
Contractual Services	10,720	12,022	14,000	14,000	14,000	0.00%
Capital Outlay	1,299	5,645	-	-	3,000	
Transfers	13,500	14,900	15,700	15,700	16,400	4.46%
Total Expenditures	$ 199,487	$ 212,982	$ 217,000	$ 219,200	$ 230,600	6.27%
Funding Sources						
Road Use Taxes	$ 131,187	$ 142,682	$ 144,600	$ 146,800	$ 156,100	7.95%
Administrative Fees	68,300	70,300	72,400	72,400	74,500	2.90%
Total Funding Sources	$ 199,487	$ 212,982	$ 217,000	$ 219,200	$ 230,600	6.27%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total Full Time	1.33	1.33	1.33	1.33	1.33	$ 142,300
Employee Benefits						50,900
Total Personal Services						$ 193,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
TV/Computer for Small Conference Room	1	No	$ 3,000

Function:	*Department:*
Public Works	**Public Works**

Activity:

Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 128 miles of streets within the City limits. In addition, the Roadway Maintenance division maintains alleys, parking lots, and traffic signs. The division is also involved in various other projects including cleaning and replacing culverts, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

CURRENT TRENDS AND ISSUES

The 2020/2021 revised estimate is $30,800 less than the original budget. This overall decrease is due to a $20,300 decrease in personal services, a $700 increase in contractual services, and an $11,200 decrease in capital outlay. The reduction in personal services costs is due to savings from vacancies during the year, the new hires starting at lower steps in the pay plan, and employee insurance changes. The decrease in capital outlay was due to the department not purchasing a saw trailer budgeted for $11,000.

The 2021/2022 budget is $27,300 (1.8%) higher than the 2020/2021 budget. Personal services costs increased by $22,900 (2.5%); contractual services decreased by $1,600; and capital outlay increased by $6,000.

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 $3,122,400 for 2021/2022. The 2021/2022 budget includes an additional amount of $105,300 for capital expenditures in the Building & Grounds budget for the Public Works building and grounds improvements. Of this amount, $2,919,800 will be funded from Road Use Taxes and $307,900 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 2018	Actual 2019	Actual 2020	Estimated 2021	Estimated 2022
Miles of Streets Maintained	128	128	128	128	128
Hot Mix/Cold Mix Used	35,000	35,000	30,000	35,000	35,000
Annual Street Resurfacing Program	.5 miles 1,200 Tons	0 miles	740 ft 338 Tons	1 mile 2,400 tons	1 mile 2,400 tons
Curb & Gutter Repair (Lineal Feet)	100 LF	0	1,603	1,500	1,500
Full Depth Concrete Repair in Square Yards (SY)	6,000 SY	5,862 SY	17,202 SY	17,000 SY	17,000 SY
Number of ADA Sidewalks Installed	106	30	38	66	60
Associated Sidewalks (SY)	56,756 SF	N/A	5,918	6,000	6,000
Modified Subbase supplied (City Projects)	21,649 SY	25,372 SY	30,400 SY	20,000	20,000

RECENT ACCOMPLISHMENTS

Public Works employees started cleaning up equipment and city streets in late April of 2020. Tasks were started later than usual due to a late winter storm. Crews washed and treated winter snow equipment, rocked roadway shoulders, and graded alleys. Spring leaf pickup occurred concurrently with these activities. In May, crews patched potholes in city streets and hard surfaced alleys.

The paint crew was busy this year restriping the on-street parking stalls, the parking lots, and the numbered parking spaces. Crews also touched up yellow "No Parking" areas, and painted stop bars and crosswalks throughout the City. Crews rebuilt a portion of 25th Street South, cleaned around the drainage culvert at the low point of Amherst Street, and built a small retention area at the outfall of the pipe to handle large rain events.

Due to the COVID-19 pandemic, many summer activities were cancelled which enabled staff to allocate their time to grade and widen rock alleys and rebuild rock shoulders.

Fall activities included hauling salt, setting up the brine machine and tanks, and leaf pickup. Crews also prepared equipment for use during the winter season.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To continue the full depth concrete patching program and the asphalt overlay of streets and alleys. **(Strategic Plan – Reliable Public Infrastructure)**

- To utilize the crack sealing machine to maintain 20-25 city blocks per year. **(Strategic Plan – Reliable Public Infrastructure)**

- To utilize the road hog machine to rebuild rock alleys in need of repair. **(Strategic Plan – Reliable Public Infrastructure)**

- To fully implement the PubWorks asset management software in the Roadway Maintenance division. **(Strategic Plan – Reliable Public Infrastructure)**

- To implement a plan for usage of the recently acquired Iowa DOT facility on Lake Park Boulevard. **(Strategic Plan – Reliable Public Infrastructure)**

- To implement work scheduling improvements. (**Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:

Roadway Maintenance

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 927,117	$ 893,129	$ 921,200	$ 900,900	$ 944,100	2.49%
Commodities	123,881	91,804	147,100	147,100	147,100	0.00%
Contractual Services	310,026	280,789	238,800	239,500	237,200	-0.67%
Capital Outlay	135,294	362,598	189,000	177,800	195,000	3.17%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,496,318	$ 1,628,320	$ 1,496,100	$ 1,465,300	$ 1,523,400	1.82%
Funding Sources						
Road Use Taxes	$ 1,463,764	$ 1,533,357	$ 1,474,900	$ 1,438,700	$ 1,502,700	1.88%
Street Revenues	18,773	16,558	20,500	22,500	20,500	0.00%
Insurance Reimbursement	11,557	-	-	-	-	
FEMA Reimbursement	-	71,158	-	-	-	
Other	2,224	7,247	700	4,100	200	-71.43%
Total Funding Sources	$ 1,496,318	$ 1,628,320	$ 1,496,100	$ 1,465,300	$ 1,523,400	1.82%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Position/Position Allocations:						
Street Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Street Maintenance Leadworker	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	3.00	3.00	4.00	4.00	4.00	
Equipment Operator II	5.00	5.00	4.00	2.00	2.00	
Equipment Operator I	1.00	1.00	1.00	3.00	3.00	
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	$ 595,900
Employee Benefits						348,200
Total Personal Services						$ 944,100

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Asphalt/Concrete Grinding			$ 75,000
4 x 4 Extended Boom Backhoe	1	Yes	120,000
			$ 195,000

Function:	*Department:*
Public Works	**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 2020/2021 is $15,600 more than the original budget. Personal services costs are $400 higher, commodities are $2,300 higher and capital outlay purchases are $12,900 higher than the original budget. The increase in capital outlay is being funded with a savings in the Street Cleaning budget. This allowed for an increased allocation of $15,600 for traffic sign replacements.

The 2021/2022 budget is $11,000 (5.9%) higher than the original 2020/2021 budget. Personal services costs increased by $3,600 (4.1%) and capital outlay increased by $7,400. The capital outlay allocation for 2021/2022 includes a core drill ($3,200) and replacing approximately 820 traffic signs ($16,000).

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 collaborate with Muscatine Power and Water to develop, maintain, and operate the street and traffic light system.

PERFORMANCE MEASURES

	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Number of Street Signs Maintained	6,167	6,297	6,298	6,324	6,324
Number of New Signs Installed	74	32	274	533	500
Lineal Feet of Street Striping	335,611	339,394	341,754	341,750	341,750
Number of Stop Bars Painted	303	305	340	340	340
Number of Arrows Painted	413	413	442	442	442
Number of Handicapped Stalls Marked	93	96	97	100	100
Number of Regular Parking Stalls Painted	2,636	2,679	2,656	2,650	2,650
Number of Crosswalks Painted	232	228	250	250	250
Number of Railroad Crossings Painted	37	37	36	36	36
Traffic Committee Meetings	17	14	16	16	16
Number of Signs Removed	2	8	1	0	0
Number of Sign Posts Maintained	4,363	4,398	4,436	4,396	4,400
Number of Speed Humps Painted	2	2	2	2	2
Number of Yellow No Parking Curbs	140	140	140	140	140

RECENT ACCOMPLISHMENTS

The annual street striping program got underway in late July and concluded in mid-September. Ostrom Painting and Sandblasting was awarded the contract for the first time. City crews painted crosswalks and stop bars throughout the city. Crews also painted parking stalls, yellow "No Parking" curbs, and parking lots, including numbering the parking stalls. Crews completed the painting in mid-October.

Sign replacement continues all year long, along with replacing damaged signs and posts. Crews also remove and replace signs and posts in construction areas. Crews placed all new signage and posts in the Arbor Oaks subdivision and the new East 2nd Street/Mulberry Avenue roundabout. The employee assigned to Traffic Control monitors tree limbs blocking signs, faded and worn out signs, and signage and barricades for events that take place on city property (i.e. Central Business District, Weed Park events, and street closures around community events throughout the City). This division is also called upon to assist the Fire department for street closures for fires, the Police department for emergency situations, and to support traffic control for water main breaks/power outages as requested by Muscatine Power and Water.

Public Works meets bi-monthly to review and discuss current traffic issues, to review projects for proper traffic control, and to address requests for street closures.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To create a list of outdated/worn out traffic signs and implement a plan to replace them. The average time a traffic sign meets current FHWA standards is 15 years. **(Strategic Plan – Reliable Public Infrastructure)**

- To continue to update Geographic Information System (GIS) layers to include culverts cleaned, signs replaced, signs repaired, street painting/striping, and street cleaning. **(Strategic Plan – Reliable Public Infrastructure)**

Function:
Public Works

Department:
Public Works

Activity:

Traffic Control

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 79,093	$ 81,350	$ 87,200	$ 87,600	$ 90,800	4.13%
Commodities	13,433	9,472	14,400	16,700	14,400	0.00%
Contractual Services	3,318	71,029	74,000	74,000	74,000	0.00%
Capital Outlay	18,749	19,408	11,800	24,700	19,200	62.71%
Transfers	-	-	-	-	-	
Total Expenditures	$ 114,593	$ 181,259	$ 187,400	$ 203,000	$ 198,400	5.87%
Funding Sources						
Road Use Taxes	$ 114,593	$ 181,259	$ 187,400	$ 203,000	$ 198,400	5.87%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	$ 56,400
Employee Benefits						34,400
Total Personal Services						$ 90,800

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Replace Traffic Signs	820	Yes	$ 16,000
Core Drill	1	Yes	3,200
			$ 19,200

Function:	*Department:*
Public Works	**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 2020/2021 revised estimate is $98,800 less than the original budget. The original budget allowed for three barge loads of salt to be purchased. However, due to the fairly mild winter in 2019/2020, there was salt left over from the prior year and a third barge load was not needed.

The 2021/2022 budget is $9,000 (2.1%) more than the original 2020/2021 budget due primarily to an increased allocation for capital outlay. Capital outlay purchases include a 4-way snow plow ($8,100) and a 9' salt box ($7,000). The 2021/2022 budget includes funds for three 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:

	Cost	Snow Events
2000/2001	$41,503	24
2001/2002	17,250	10
2002/2003	10,560	12
2003/2004	27,976	13
2004/2005	9,200	9
2005/2006	14,038	9
2006/2007	17,615	9
2007/2008	55,805	23
2008/2009	60,225	25
2009/2010	37,870	21
2010/2011	64,670	15
2011/2012	12,120	12
2012/2013	25,245	11
2013/2014	51,495	26
2014/2015	48,455	14
2015/2016	26,075	11
2016/2017	8,833	11
2017/2018	39,570	19
2018/2019	84,630	20
2019/2020	30,580	17

The 2020/2021 revised estimate and 2021/2022 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Number of Storms	19	20	17	18	18
Tons of Salt Used (includes 50/50 mix)	3,565	4,000	2,000	3,000	3,000
Tons of Sand Used	400	1,500	200	200	200
Gallons Calcium Chloride Used	1,500	2,000	2,000	1,500	1,500

RECENT ACCOMPLISHMENTS

Snowfall for the 2019/2020 season totaled 43.9 inches. The first winter storm occurred on October 28, 2019 with 2.25 inches of snow and temperatures in the low 30s. October produced two storms totaling 7.25 inches of snow and November only had one storm with 2.8 inches. December had three storms totaling 5.1 inches and January had six storms totaling 12 inches. In February there were two more storms totaling 5 inches, in March there was one storm with 3 inches, and in April there were two storms totaling 6.5 inches. The crews performed excellent work during the 2019-2020 season. The addition of wing plows and underbody scrapers helped the department open up the emergency routes sooner, which allowed staff to more quickly address snow removal on the side streets.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To establish a salt brine pre-treat route that encompasses bridges, steep hills and known slick areas, and intersections that are known to become slick very quickly after the snow starts falling. **(Strategic Plan – Safe Community)**

- To continue to meet with staff, the Police department, and the school system to discuss winter operations and planning for snow emergency events. **(Strategic Plan – Excellent Customer Service)**

- To implement and evaluate the brine making system for snow removal. (**Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:

Snow and Ice Control

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 146,749	$ 75,728	$ 84,300	$ 84,700	$ 84,700	0.47%
Commodities	230,645	277,993	239,800	139,800	239,800	0.00%
Contractual Services	124,165	52,012	108,400	108,400	108,400	0.00%
Capital Outlay	10,775	71,036	6,500	7,300	15,100	132.31%
Transfers	-	-	-	-	-	
Total Expenditures	$ 512,334	$ 476,769	$ 439,000	$ 340,200	$ 448,000	2.05%
Funding Sources						
Road Use Taxes	$ 506,496	$ 469,069	$ 435,000	$ 336,200	$ 444,000	2.07%
Reimbursement of Expenses	5,838	7,700	4,000	4,000	4,000	0.00%
Total Funding Sources	$ 512,334	$ 476,769	$ 439,000	$ 340,200	$ 448,000	2.05%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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						39,700
Total Personal Services						$ 84,700

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
4-way Snow Plow	1	Yes	$ 8,100
9' Salt Box	1	Yes	7,000
			$ 15,100

Function:	*Department:*
Public Works	**Public Works**

Activity:

Street Cleaning

GENERAL INFORMATION

The Street Cleaning activity involves the operation of the City's street sweepers and the leaf collection program. The street cleaning operation functions primarily on streets with curbs and gutters and in the downtown commercial areas. Two (2) employees are involved in the operation utilizing two (2) machines. One machine is operated in the Central Business District, alleys, and narrow locations with the other machine used in other areas of the City. During the winter season the equipment operators supplement the snow and ice removal crews. The City's Street Cleaning operation is hindered substantially in its effectiveness as a result of the amount of on-street parking permitted throughout the City and the elimination of the night sweeping program because of machine noise. Further, the addition of new curb and guttered hard surface streets adds to the miles of streets which require street sweeping.

The City has four leaf vacuum units in addition to four leaf boxes that 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 2020/2021 revised estimate is under the original budget by $64,400. There was a $2,600 increase in personal services costs which was offset by a $19,000 decrease in contractual services and a $48,000 decrease in capital outlay. The decrease in contractual services is due to a reduction in temporary employment agency services for the leaf pick-up program. Instead, Parks seasonal employees were used in the 2020 season to assist Public Works crews. The original $48,000 capital outlay allocation was for a new leaf box and a leaf vacuum. It was determined that these purchases can be deferred to future years and $15,600 of the budgeted funds will be transferred to the Traffic Control division to fund replacement of worn out traffic signs.

The 2021/2022 budget is $52,300 less than the 2020/2021 budget. Personal services costs increased by $7,700, contractual services decreased by $12,000, and capital outlay decreased by $48,000. The 2021/2022 budget continues using temporary part time employees to assist crews with the leaf pick-up program instead of using temporary employment agency services.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for Leaf Program	761	789	926	1,742	1,750
Temporary Employee Hours for Leaf Program	1,319	1,286	1,345	0	0
Seasonal City Employees	0	0	0	217	220
Fall Leaf Loads	228	248	220	250	250
Spring Leaf Loads	10	10	10	10	10

RECENT ACCOMPLISHMENTS

Spring street sweeping went well in 2020. Two sweepers were used and crews were able to finish the first round of sweeping by the middle of May. Due to the COVID-19 pandemic, traffic was not as heavy as it had been in previous years. Public Works crews were able to complete three rounds of sweeping on city streets.

Spring leaf pick up was shorter than usual in 2020. There was not a significant amount of leaves to be picked up since crews were able to collect leaves through most of December in 2019.

Fall leaf pick up began October 19 and the first round went very well. One truck with a crew of three employees kept on schedule. As round two was underway, the weather changed, and the leaves started to fall quickly. Due to COVID-19, staff made the decision not to use temporary employment agency employees for leaf collection. Public Works staff, with help from Parks and Recreation and Water Pollution Control employees, completed all leaf zones on December 3rd. Leaf crews were able to complete four passes through all zones. Public works crews then helped Parks and Recreation employees finish the leaf pick-up the parks.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To review the leaf pick up program in order to determine if it could be done more efficiently. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:

Street Cleaning

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 129,283	$ 135,703	$ 148,000	$ 150,600	$ 155,700	5.20%
Commodities	5,419	5,730	7,900	7,900	7,900	0.00%
Contractual Services	43,035	34,726	51,300	32,300	39,300	-23.39%
Capital Outlay	-	-	48,000	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 177,737	$ 176,159	$ 255,200	$ 190,800	$ 202,900	-20.49%
Funding Sources						
Road Use Taxes	$ 177,737	$ 176,159	$ 255,200	$ 190,800	$ 202,900	-20.49%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions/Position Allocations:						
Equipment Operator I	0.45	-	-	-	-	
Equipment Operator II	1.45	1.90	1.90	1.90	1.90	
Total Full Time	1.90	1.90	1.90	1.90	1.90	
						$ 103,200
Employee Benefits						52,500
Total Personal Services						$ 155,700

Function:	*Department:*
Public Works	**Public Works**

Activity:

Engineering Operations

GENERAL INFORMATION

Through most of the 2019/2020 fiscal year, the Engineering division consisted of the City Engineer and the Assistant City Engineer. The City contracts for outside engineering services for the design of major projects and has been contracting for project management and 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 also charged a portion of their time to the City's various capital projects. Road Use Taxes funds the time not directly charged to projects. In prior years this budget also included seasonal intern positions with a portion of their hours charged to the capital projects they work on.

Beginning in April of 2020, the Engineering budget has included a fulltime ROW Inspector position 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 2020/2021 is $83,000 less in total than the original budget. Personal services costs are $65,700 less than the original budget due to (1) the retirement of the former City Engineer and his successor being on a lower step in the pay plan, (2) the elimination of the engineering intern positions since a full-time Right-of-Way Inspector position was hired, and (3) the Assistant Engineer position being replaced with an Inspector III position. There was also an increase in contractual services of $1,600 and a decrease of $18,900 in capital outlay due to purchases being less than budgeted.

The budget for 2021/2022 is $72,800 (17.3%) higher than the 2020/2021 budget. Personal services costs are $58,200 (16.6%) higher than the original 2020/2021 budget. This increase is primarily due to adding a Senior Engineer position to manage construction projects. Currently the City uses independent contractors as Construction Project Managers/Inspectors and this is proposed to be phased out and replaced with staff positions. Approximately 80% of the new position will be charged out to capital projects. Commodities decreased by $100, contractual services increased by $1,800, and capital outlay increased by $12,900. The capital outlay allocation includes $23,700 to replace a current department vehicle and $23,700 to purchase a vehicle for the Senior Inspector.

The City Engineer is responsible for managing the contractual project managers/inspectors until those contractual arrangements are phased out. The costs of those managers/inspectors are charged directly to the capital projects that they are working on. The new Senior Engineer positon will work with project managers over the next construction season. In the future, the plan is to have the project management/inspections done in-house.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Right of Way Permits Processed	0	95	254	275	275
Utility Locates Processed	N/A	N/A	4,908	5,300	5,300
Percent and Amount of Billed Time to Projects (City Engineer)	39.7% $52,643	28.1% $39,481	29.1% $42,148	30%	30%
Percent and Amount of Billed Time to Projects (Assistant City Engineer/Senior Engineer)	N/A	49.7% $55,827	58.2% $66,389	80%	80%
Percent and Amount of Billed Time to Projects (Inspector III)	N/A	N/A	N/A	80%	80%

RECENT ACCOMPLISHMENTS

There were several major construction projects in design, in progress, or completed this past year. The consultant has completed the final design for the Grandview Avenue Reconstruction project and has submitted the plans to the Iowa DOT for review. Property acquisition and easement acquisitions are complete. The Project Management Team anticipates a 2021 spring start to construction.

The 2nd Street and Mulberry Avenue Roundabout is complete and open to traffic. The Park Avenue 4 to 3 Lane Conversion Project is under construction with an anticipated completion date of mid-summer 2021.

The 2nd Street Streetscape Project is under construction. The project has been on hold for the holiday business season and the contractor plans to start construction as soon as weather permits in 2021.

Engineering staff assisted Musco Sports Lighting and Muscatine Power & Water with repairs to the Norbert F. Beckey Bridge lights. The color changing LED lights are now working again.

As the sponsor for the Mississippi River levee, staff assisted GPC and Muscatine Power and Water in USACE (U.S. Army Corps of Engineers) permit requests as well as participated in the annual levee inspections. Staff also assisted other city departments with addressing items the USACE deemed deficient.

Engineering staff has continued to have a positive working relationship with the new Muscatine Power & Water management team by continuing to meet on a regular basis to discuss potential issues before they become problems.

Staff has provided construction management for the Phase 4-C of the West Hill Sewer Separation Project and served as city leads for the design of Phase 5 of this project.

The Engineering division also oversaw construction of the new Westside Trail, assisted the Water and Resource Recovery Facility (WRRF) with construction of the Muscatine Organic Recycling Center (MORC) project, and assisted the street department with the full depth concrete patching bid documents and construction.

The department has begun implementing Statewide Urban Design and Specifications (SUDAS) as the City's design and construction standards.

During the past year, the department has tracked contractors performing work within the city's rights-of-way by reviewing permit applications and inspecting open permits as well as tracking contractors who did not request a permit by comparing permit requests with Utility Locate Requests. During the 2019/2020 fiscal year, the Engineering division inspected and closed 254 permits within the city's rights of way. Most of these were trenches cut into the street that otherwise, would have been repaired without inspection.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022

- To complete and close out the Park Avenue Project. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To complete and close out the 2nd Street Streetscape Project. **(Strategic Plan – Reliable Public Infrastructure, Vibrant Community)**

- To serve as liaison for the Project Management Team for:
    - Park Avenue Project - 2021
    - 2nd Street Streetscape Project - 2021
    - West Hill Sewer Separation Project, Phase 5 Construction – 2021-2022
    - West Hill Sewer Separation Project, Phase 6 Design – 2021-2022
    - Grandview Avenue Reconstruction Project – 2021-2022
    - Redundant Force Main Project, Musser Park to Water and Resource Recovery Facility (WRRF), Design – 2021
    - Police Department Shooting Range and Training Facility – 2021-2022
    - Street Maintenance Full Depth Concrete Patching Project – 2021
    - Street Maintenance Asphalt Overlay Project – 2021
    - Street Maintenance Asphalt Alley Overlay Project – 2021
    - Street Maintenance Sidewalk Program – 2021
    - Fulliam Reconstruction Project, Houser to Green Acres, Design – 2021
    - East Hill Multiuse Facility, Design – 2021-2022

  (Strategic Plan – Reliable Public Infrastructure)

- To continue to attend the Traffic Staff Meetings.

- To be 25% to 30% chargeable to Capital Improvement Projects for the City Engineer.

- To be 80% chargeable to Capital Improvement Projects for the Construction Inspector.

- To continue to monitor excavation within the City's Rights of Way.

- To implement SUDAS (Statewide Urban Design and Specifications) as the City standard for all public improvements.

- To maintain the good working relationship with Muscatine Power & Water by continuing to meet with key individuals from each organization to discuss current and potential projects.

- To continue to mark all of the Utility Locates for the City.

- To coordinate with Canadian Pacific Railroad on a potential demountable floodwall along Mississippi Drive that would span between the two levee systems. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To continue to coordinate the Levee inspections and necessary repairs. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- To address the traffic congestion on Isett Avenue by utilizing a traffic study of the Isett corridor from Washington and Cypress to Isett and Lake Park Boulevard to pursue funding. (**Strategic Plan – Reliable Public Infrastructure, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:

Engineering Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 259,907	$ 285,890	$ 350,800	$ 285,100	$ 409,000	16.59%
Commodities	1,843	1,241	5,100	5,100	5,000	-1.96%
Contractual Services	14,596	17,086	30,400	32,000	32,200	5.92%
Capital Outlay	2,011	26,552	34,500	15,600	47,400	37.39%
Transfers	-	-	-	-	-	
Total Expenditures	$ 278,357	$ 330,769	$ 420,800	$ 337,800	$ 493,600	17.30%
Funding Sources						
Engineering Fees	$ 96,420	$ 112,710	$ 122,500	$ 122,500	$ 208,700	70.37%
Road Use Tax	181,937	218,059	298,300	215,300	284,900	-4.49%
Total Funding Sources	$ 278,357	$ 330,769	$ 420,800	$ 337,800	$ 493,600	17.30%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Assistant City Engineer	1.00	1.00	1.00	0.00	0.00	
Senior Engineer	0.00	0.00	0.00	0.00	1.00	
Right-of-Way Inspector	0.00	0.19	0.75	0.75	0.75	
Inspector III	0.00	0.00	0.00	1.00	1.00	
Total	2.00	2.19	2.75	2.75	3.75	$ 277,800
Employee Benefits						131,200
Total Personal Services						$ 409,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Truck for Inspector III	1	No	$ 23,700
Truck Replacement	1	Yes	23,700
			$ 47,400

Function:	*Department:*
Transfers	**City Administrator**

Activity:

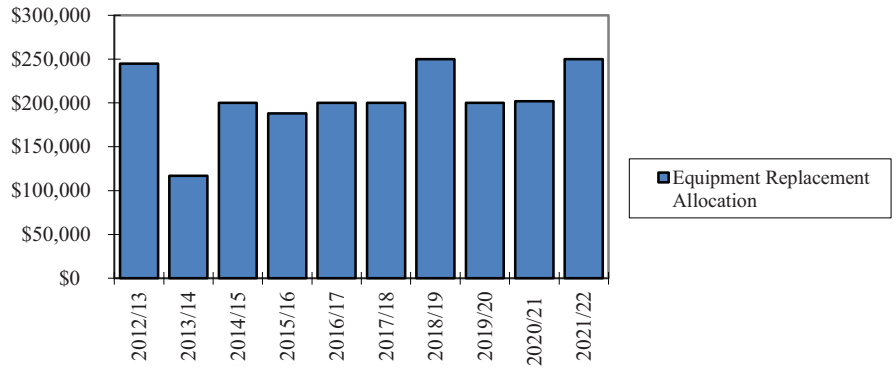
Equipment Replacement Transfer

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 2012/2013 a funding allocation of $245,000 was included in the budget and the funding transfer 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, increased to $250,000 for 2018/2019, and decreased to $200,000 for 2019/2020. The budgeted transfer for 2020/2021 is $202,000 and for the 2021/2022 budget, the transfer increased to $250,000.

Purchases from the Equipment Replacement Fund in 2020/2021 total $235,500. This 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, $18,000 for three used utility vehicles for the Soccer Complex, and $25,000 for a used truck for Park Maintenance.

Purchases from the Equipment Replacement Fund in the 2021/2022 budget total $239,000 which includes $100,000 for two new Police patrol vehicles (Tahoes), $25,000 for a police staff vehicle, $24,000 for a new code enforcement vehicle for Community Development, $25,000 for a wide area mower for the cemetery, $40,000 for a Park Maintenance truck, and $25,000 for a zero-turn mower for Park Maintenance. The balance in the Equipment Replacement Fund on June 30, 2022 is estimated at $95,990.

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	250,000	200,000	202,000	202,000	250,000	23.76%
Total Expenditures	$ 250,000	$ 200,000	$ 202,000	$ 202,000	$ 250,000	23.76%
Funding Sources						
General Revenues	$ 250,000	$ 200,000	$ 202,000	$ 202,000	$ 250,000	23.76%

Function:	*Department:*
Transfers	**City Administrator**

Activity:

Transit Subsidy

GENERAL INFORMATION

The Muscatine City Transit System has provided public transportation for all citizens of the community since 1981. State law permits the City to levy up to $.95 per $1,000 of assessed valuation for Public Transportation outside the $8.10 General Fund limitation. Tax monies are transferred to the Transit System Enterprise Fund to support transit operations.

CURRENT TRENDS AND ISSUES

The 2020/2021 budget included a tax levy of $.11987 per $1,000 of valuation for public transportation which will generate $112,563 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

For 2021/2022, the transit tax levy was eliminated. Elimination of the transit levy for 2021/2022 was due to the accumulated balance in the Transit Fund and the CARES Act funding received in 2020/2021 and 2021/2022. With the elimination of the transit levy, the City was able to maintain the same total tax levy rate as the current (and last nine) fiscal years.

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	52,386	51,982	113,026	112,563	-	-100.00%
Total Expenditures	$ 52,386	$ 51,982	$ 113,026	$ 112,563	$ -	-100.00%
Funding Sources						
Transit Tax Levy	$ 50,004	$ 49,601	$ 107,436	$ 107,436	$ -	-100.00%
Utility Tax Replacement Excise Tax	179	192	459	459	-	-100.00%
Commercial and Industrial State Reimbursement	2,203	2,189	5,131	4,668	-	-100.00%
Total Funding Sources	$ 52,386	$ 51,982	$ 113,026	$ 112,563	$ -	-100.00%

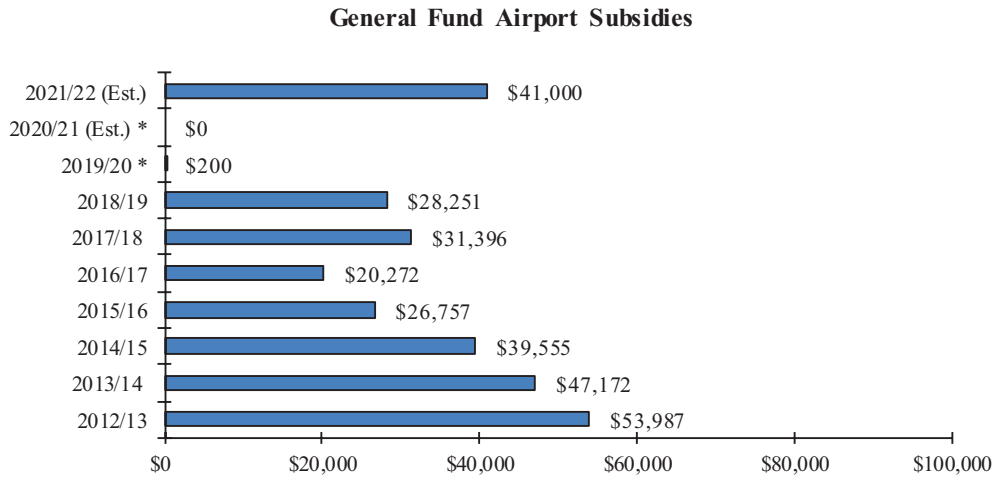
Function:	*Department:*
Transfers	**City Administrator**

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 2012/2013 follows:



* The small subsidy for 2019/2020 and zero subsidy for 2020/2021 are due to $69,000 in CARES (Coronavirus, Aid, Relief, and Economic Security) Act funding awarded to the Airport to fund operating costs.

The General Fund subsidy has ranged from approximately $20,300 to $54,000 during the past ten years with the exception of 2019/2020 and 2020/2021. The subsidies for 2019/2020 and 2020/2021 were $200 and zero, respectively, due to $69,000 in CARES (Coronavirus Aid, Relief, and Economic Security) Act funding the Airport was awarded to be used for Airport operating costs. The fluctuations in the subsidies for the other years was 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 2020/2021 revised estimate subsidy is zero compared to the original budget of $33,600. This is due to the CARES Act funding awarded to the Airport.

The budgeted subsidy for fiscal year 2021/2022 is $41,000, which is a $7,400 (22.0%) increase from the original 2020/2021 budgeted subsidy. The Airport budget for 2021/2022 includes a total of $20,000 to paint the exterior of the former HNI hangar.

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	28,251	200	33,600	-	41,000	22.02%
Total Expenditures	$ 28,251	$ 200	$ 33,600	$ -	$ 41,000	22.02%
Funding Sources						
General Revenues	$ 28,251	$ 200	$ 33,600	$ -	$ 41,000	22.02%

Function:	*Department:*
Transfers	**City Administrator**

Activity:

Assigned Funding Allocations

GENERAL INFORMATION

Governmental Accounting Standards Board Statement 54 was effective for the City's fiscal year ended June 30, 2011. This Statement provided for clearer, more structured fund balance classifications and clarified the definitions of each fund classification. 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, 2019/2020 and 2020/2021 budgets again included $50,000 to allow for merit increases up to 3% for employees in the non-union pay plan. While these funds were budgeted in the Assigned Funding allocation in 2020/2021, the revised estimate in this budget is zero since actual merit increases have been reflected in the respective department budgets. Due to concerns with General Fund revenues due to the COVID-19 pandemic, City Council deferred the 2020/2021 merit funding allocation until mid-way through the fiscal year. With the merit increases not effective until January 4, 2021, approximately $25,000 of the $50,000 merit allocation was used in the 2020/2021 fiscal year.

The 2021/2022 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 2021/2022.

Function:
Transfers

Department:
Non-Department

Activity:

Assigned Funding Allocations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	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, three (3) new box 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, LLC for both the Airport Management and FBO activities. The amount paid to Carver Aero for airport management fees for both 2020/2021 and 2021/2022 is $46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of $12,200 in 2020/2021 and $12,600 in 2021/2022.

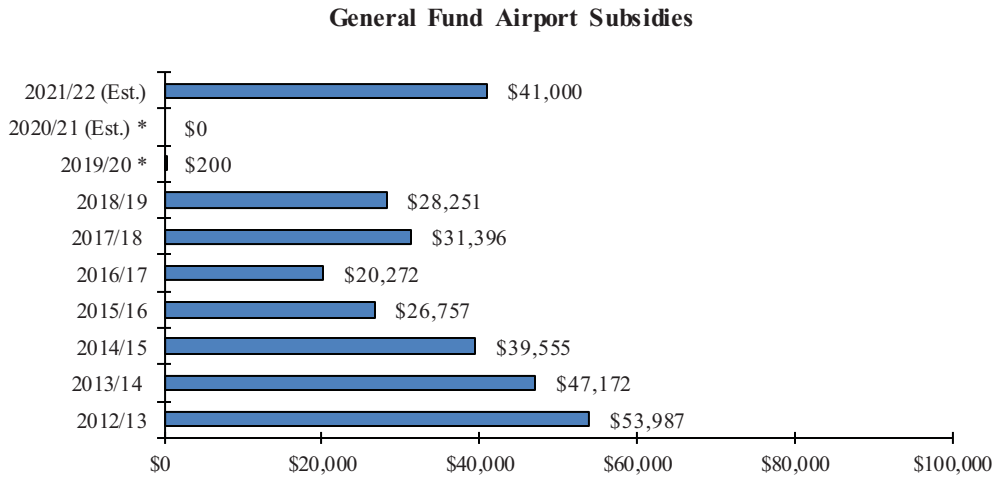
The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In 2013/2014 the petrographic analysis of the pavement on runway 6/24 and the parallel 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 is partially from two State grants and the balance of $346,000 was funded from the May 2020 bond issue. This project was completed in October of 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:



* The small subsidy for 2019/2020 and zero subsidy for 2020/2021 are due to $69,000 in CARES (Coronavirus, Aid, Relief, and Economic Security) Act funding awarded to the Airport to fund operating costs.

The subsidies for 2019/2020 and 2020/2021 were $200 and zero, respectively, due to $69,000 in CARES (Coronavirus Aid, Relief, and Economic Security) Act funding the Airport was awarded to be used for Airport operating costs. The fluctuations in the subsidies for the other years was 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.

The original 2020/2021 budget included a $33,600 General Fund subsidy and the actual subsidy will be zero due to the CARES Act funding.

The budgeted subsidy for fiscal year 2021/2022 is $41,000, which is a $7,400 (22.0%) increase from the original 2020/2021 budgeted subsidy. The Airport budget for 2021/2022 includes a $20,000 allocation to paint the exterior of the former HNI hangar. There are no other capital outlay items in the Airport operating budget in 2021/2022.

Airport expenditures for 2021/2022 are budgeted at $146,500. This is a $24,400 increase from the original 2020/2021 budget. The increase is primarily due to the $20,000 allocation to paint the former HNI hangar and a $4,500 increase in electrical supplies for the runway and taxiway lights. Airport revenues are budgeted at $98,400 for 2021/2022 which is a $9,900 increase from the original budget for 2020/2021. The revenue increase includes an $8,400 increase in hangar rental fees which includes the rental fees for the three new box hangars.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Hangars Maintained	20	20	20	23	23
Hangar Spaces Rented	20	20	20	23	23
Airport Advisory Meetings	7	9	8	6	6
Hangar Rentals	$22,244	$22,512	$28,861	$33,100	$40,000
FBO Lease	$11,139	$11,473	$11,817	$12,200	$12,600
Fuel Commissions	$9,668	$7,416	$7,385	$6,500	$7,500
Farm Lease Revenue	$34,000	$34,000	$34,000	$34,000	$34,000
General Fund Subsidy	$31,396	$28,251	$200	$0	$41,000

RECENT ACCOMPLISHMENTS:

There has been less activity at the airport this year due to the COVID-19 pandemic, however staff continues to move development and maintenance projects forward. This year the damaged windcone was replaced, runway lighting issues and volunteer tree growth were addressed, and the three new box hangars were completed. This past spring the Airport Commission had begun to look at hosting an open house and other activities to promote the facility as a community asset when the hangars were completed. Unfortunately, public health concerns prevented any such activities from proceeding, however during the spring school closure there were several tours for small groups from a local daycare. Groups were shown the facility and allowed to tour two planes. Each group was limited to no more than 10 individuals including the daycare center and airport staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To complete the reconstruction of Taxiway A. **(Strategic Plan – Reliable Public Infrastructure)**
- To promote awareness of the airport and the benefit it provides to the community. **(Strategic Plan - Vibrant Community)**

Airport Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 7,100
Revenues					
Fixed Base Operator Fee	$ 11,473	$ 11,817	$ 12,200	$ 12,200	$ 12,600
Hangar Rentals	22,512	28,861	31,600	33,100	40,000
Reimbursement of Costs	1,094	1,265	1,000	1,200	1,200
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	7,416	7,385	9,700	6,500	7,500
Federal FAA Grant - CARES Act	0	19,375	0	46,500	3,100
Transfers In					
General Fund Subsidy	28,251	200	33,600	0	41,000
Total Revenues	$ 104,746	$ 102,903	$ 122,100	$ 133,500	$ 139,400
Funds Available	$ 104,746	$ 102,903	$ 122,100	$ 133,500	$ 146,500
Expenditures	104,746	102,903	122,100	126,400	146,500
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 7,100	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 7,100**	**$ (7,100)**

Function:
Business Type

Department:
Community Development

Activity:

Airport Operations

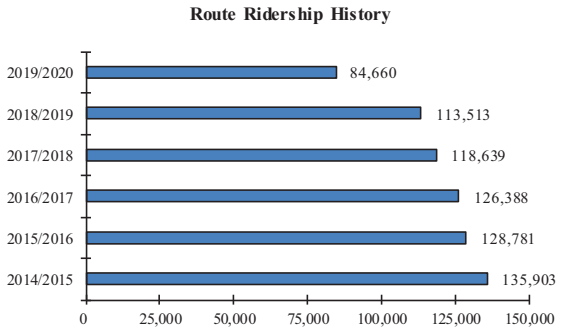
	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	2,881	1,170	4,650	10,900	8,250	77.42%
Contractual Services	92,165	91,733	107,150	105,200	107,650	0.47%
Capital Outlay	-	-	-	-	20,000	
Transfers	9,700	10,000	10,300	10,300	10,600	2.91%
Total Expenditures	$ 104,746	$ 102,903	$ 122,100	$ 126,400	$ 146,500	19.98%
Funding Sources						
Airport Revenues	$ 76,495	$ 102,703	$ 88,500	$ 126,400	$ 105,500	19.21%
General Fund Operating Subsidy	28,251	200	33,600	-	41,000	22.02%
Total Funding Sources	$ 104,746	$ 102,903	$ 122,100	$ 126,400	$ 146,500	19.98%

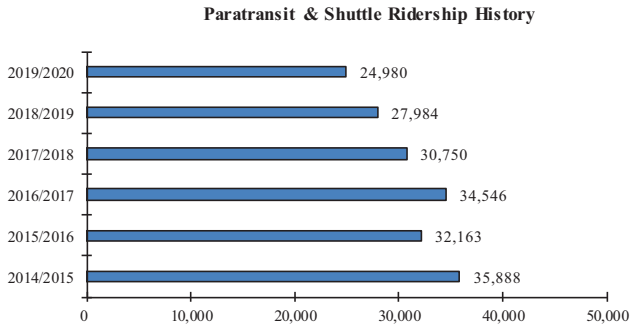
TRANSIT SYSTEM

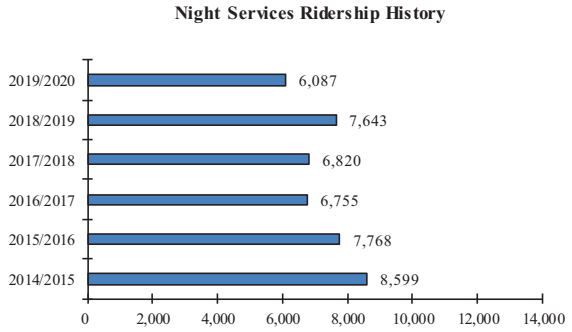
GENERAL INFORMATION:

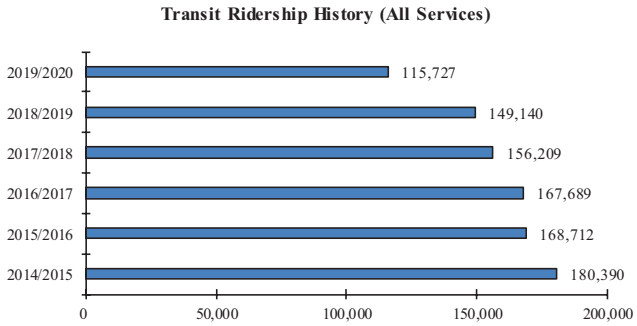
The City Transit System (MuscaBus) operates with eleven (11) small buses, all equipped with wheelchair lifts and one conversion van. Personnel supporting the transit system are a full-time Transit Supervisor, 3 part-time dispatchers, 18 part-time drivers, and one part-time vehicle service worker. The 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 2014/2015 on a fiscal year basis is in the following graphs. The decreases in 2019/2020 are primarily due to the COVID-19 pandemic which reduced ridership demand and transit services offered beginning in March of 2020.









The City receives both Federal and State funding for the transit operation. Federal operating assistance is received annually and is estimated at $423,100 for 2020/2021. That amount is estimated to increase to $427,000 in 2021/2022. The 2020/2021 revised estimate and the 2021/2022 budget also include federal funding from the Coronavirus Aid, Relief and Economic Security (CARES) Act for transit operations. The 2020/2021 revised estimate and the 2021/2022 budget each includes $270,000 in CARES Act funding for operating expenses.

Federal capital support has also been used, primarily to purchase buses. The 2020/2021 revised estimate includes $86,300 in federal capital grants, which is the estimated federal share (85%) of the cost of one new bus. The CARES Act has also provided funds for capital purchases. The 2020/2021 revised estimate includes $202,500 in CARES Act funds for transit vehicle purchases. This funding amount is the estimated federal share (75%) of two "mini" transit buses. The mini-buses have a lower floor and a wheelchair ramp to better suit passengers with mobility devices. The 2021/2022 budget also includes $181,200 in federal funding for two regular buses, which is 85% of their $213,200 estimated total cost. These 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 $256,200 in State operating funding for the Transit operation and in 2021/2022 an estimated $252,000 is expected.

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 2020/2021 the City's transit levy rate was set at $.11987/$1,000 of valuation which will generate $112,563 (including the State reimbursement for the commercial and industrial property rollback). For 2021/2022, the transit tax levy was eliminated. Elimination of the transit levy for 2021/2022 was due to the accumulated balance in the Transit Fund and the CARES Act funding received in 2020/2021 and 2021/2022. With the elimination of the transit levy, the City was able to maintain the same total tax levy rate as the current (and last eight) fiscal years.

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 2021/2022 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 2020/2021 are $122,800 more than the original budget. There is an increase of $175,300 in capital outlay which is partially offset by decreases throughout the budget due to reduced operating costs resulting from the COVID-19 pandemic. The original 2020/2021 budget included capital outlay funding of $196,200 for two light duty buses (85% grant funded) and $12,400 to replace bus shelter panels. The revised estimate totals $383,900 and includes $101,500 for one bus with 85% grant funding, $270,000 for two mini-buses that are 75% funded from CARES Act funds, and $12,400 for bus shelter panel replacements. Other changes in the revised estimate include a decrease of $8,400 in personal services costs, a $20,200 decrease in commodities, and a $23,900 decrease in contractual services.

The 2021/2022 budget is $27,300 (2.1%) more than the original 2020/2021 budget. This increase is due to (1) a $17,100 increase in personal services costs, (2) a $500 increase in commodities, (3) a $1,500 increase in contractual services, (4) a $700 increase in administrative fees, and (5) a $7,500 increase in capital outlay. The capital outlay allocation of $216,100 includes $1,400 for a bus stop bench at Muscatine Community College, $1,500 for a laptop computer, and $213,200 for the purchase of two buses. The bus purchases are subject to grant funding which is estimated at $181,200 (85%) in federal funding.

Transit charges for services which includes fares, passes, and waivers, is estimated at $161,000 for 2021/2022. The fares have fluctuated in recent years due to changes in payments from Managed Care Organizations (MCO's), insurance providers in the state of Iowa. There were many changes that were 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 COVID-19 pandemic also contributed to lower fares and ridership in 2019/2020 and 2020/2021. Ridership and fares are expected to start increasing again in 2021/2022.

The Transit fund shows a balance at the end of 2021/2022 of $423,498. The Transit division plans to submit a grant application for partial funding for a new Public Works Vehicle Wash Bay. If the grant is approved, the Transit division would be responsible for half of the cost of the project. The grant funding would be 80% of the Transit half of the estimated $580,000 total cost of the project. The local match for the 50% Transit portion of the wash bay would be $58,000 and would be funded from the Transit fund balance. This ending balance would also be needed if there are increases in fuel or bus maintenance costs, and 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Buses Used and Maintained	11	11	12	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	118,639	113,513	84,660	74,060	89,000
Paratransit Passengers	30,750	27,984	24,980	14,500	17,500
JARC for Work (Night Service)	5,758	6,685	5,384	5,130	5,700
New Freedom (Night Service)	1,062	958	703	500	600
Total Passengers (1)	156,209	149,140	115,727	94,190	112,800

1. The decrease in passengers in 2019/2020 and 2020/2021 is due to the COVID-19 pandemic. Passenger numbers are expected to start increasing in 2021/2022.

RECENT ACCOMPLISHMENTS:

From July 2019 through February 2020, MuscaBus had an increase in ridership compared to the previous year. The fixed route was up 4.5% and paratransit/shuttle was up 1%. The Transit division was on target to see a 3.6% increase in ridership. Beginning in the month of March 2020, however, the COVID-19 pandemic caused many businesses to close. This lead to a 26% drop in fixed route rides and 39% decrease in paratransit/shuttle rides for March 2020. Beginning April 6, 2020, MuscaBus suspended fixed route service and only ran three shuttle buses. The shuttle rides provided were limited to those in need of transportation to the doctor, grocery store, and work. The reduction was due to low ridership demand, limited staff available

to work during the pandemic, and mandated provisions for group sizes and social distancing. Ridership from April 2020 to July 2020 was down 84% (33,134 rides) from the prior year. MuscaBus returned to full service on June 29, 2020, with the majority of staff returning but there is still a decrease in demand for transit rides.

The COVID-19 pandemic has brought many changes to the bus system operation. As of April 9, 2020, all passengers were required to wear a mask while riding the bus. Drivers were also required to wear a mask if another person was on the bus. MuscaBus installed movable plastic barriers around the drivers to decrease exposure to those entering or exiting the bus. A new cleaning routine was implemented, requiring drivers to wipe down the driver area before and after their shift. The Transit service person also began spraying the passenger area every night with disinfectant and wiping down the entry and exit surfaces. Staff have increased the use of disinfectant wipes, spray, masks, and gloves. Thermometers were purchased for drivers to check their temperature before each shift.

Before the pandemic, MuscaBus was able to participate in a few community events. Free rides were provided for the Community Block Party on September 6, 2019 and the Parks & Recreation Cemetery Walk on September 22, 2019. Volunteers for the United Way's Day of Caring helped clean the buses and bus shelters on September 25, 2019. These events help expose MuscaBus to the community, some who might not otherwise be aware of the MuscaBus service in Muscatine. In the fall of 2019, the police department used buses to assist in training.

The Transit Supervisor has continued to participate in the coordinated services and AIM (Adult Education) meetings, and continues to utilize the MuscaBus Facebook page to communicate with passengers and the community. The Transit Supervisor attended the Midwest Transit Conference, the Iowa Public Transit Association mid-year meeting, and participated in the Frontline Leadership Series offered by Muscatine Community College.

MuscaBus drivers went through wheelchair securement training and finished the Defensive Driver trainings, resulting in a reduced number of incident reports. The Transit division has experienced higher than normal turnover in the past few years. Three drivers retired and five drivers have left the department. There have been seven new drivers hired. This turnover was in part due to the COVID-19 pandemic with high-risk employees opting not to work during the health crisis.

MuscaBus has started utilizing the PubWorks software used by other Public Works divisions. The software has assisted staff in reporting necessary bus repairs to the vehicle maintenance division. The dispatchers are able to send service notices immediately when an issue is reported. The dispatcher does not need to leave their desk to get the notice to the Vehicle Maintenance Supervisor.

In the fall of 2019, MuscaBus received three new buses to replace aging buses. The new buses were a welcome addition as the department lost two buses due to accidents.

OBJECTIVES TO BE ACCOMPLISHED 2021/2022:

- To continue the Fixed Route Passenger survey and evaluate results to determine if any changes to improve services should be implemented. **(Strategic Plan - Excellent Customer Service)**

- To research having a professional evaluation of the route system to determine the optimal coverage of the community. **(Strategic Plan - Excellent Customer Service)**

Transit System

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 565,308	$ 256,795	$ 285,595	$ 378,435	$ 457,998
Revenues	979,384 (2)	1,098,485 (3)	1,163,826	1,503,263 (4)	1,293,700 (5)
Funds Available	$ 1,544,692	$ 1,355,280	$ 1,449,421	$ 1,881,698	$ 1,751,698
Expenditures (1)	1,287,897	976,845	1,300,900	1,423,700	1,328,200
Ending Balance, June 30	$ 256,795	$ 378,435	$ 148,521	$ 457,998	$ 423,498 (6)
Increase (Decrease) in Fund Balance	**$ (308,513)**	**$ 121,640**	**$ (137,074)**	**$ 79,563**	**$ (34,500)**

1. Expenditures include changes in compensated absences.
2. The 2018/2019 Transit tax levy was $50,000.
3. The Transit tax levy for 2019/2020 was $52,360 including utility taxes and the State commercial and industrial reimbursement.
4. The Transit tax levy for 2020/2021 is $113,026 including utility taxes and the State commercial and industrial reimbursement.
5. The 2021/2022 budget does not include a Transit tax levy; this reduction was possible due to the available fund balance.
6. The Transit division plans to submit a grant application for partial funding for a new Vehicle Wash Bay. If the grant is approved, the grant funding would fund 80% of approximately 50% of the $580,000 total cost of the project. The 20% local match for the grant is estimated at $58,000 and will be funded from the Transit fund balance. The other 50% of the cost of the project would need to be funded from other City funds.

Explanation of Decrease in Fund Balance:

The balance in this fund has been fluctuating primarily due to capital purchases, primarily transit buses, and bus maintenance costs.

Transit System

Summary of Revenues

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Transit Charges	$ 174,929	$ 127,830	$ 170,000	$ 147,500	$ 161,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	$ 392,462	$ 419,164	$ 443,900	$ 423,100	$ 427,000
Federal Job Access Grant	27,526	0	0	0	0
New Freedoms Grant	4,954	0	0	0	0
State Vehicle Use Tax	240,705	265,187	262,000	256,200	252,000
Federal CARES Act Funding	0	0	0	270,000	270,000
Other Operating Grants	986	673	0	3,600	0
Capital Grants:					
Federal Funds - Buses	0	221,913	166,800	86,300 (1)	181,200 (3)
Federal Funds CARES Act - Buses	0	0	0	202,500 (2)	0
Prior Year Federal Operating Grant for Conversion Van	49,774	0	0	0	0
Subtotal - Grants	$ 716,407	$ 906,937	$ 872,700	$ 1,241,700	$ 1,130,200
General Fund Support:					
Transit Tax Levy	52,386	51,983	113,026	112,563	0 (4)
Sale of Vehicles	0	135	5,000	1,000	2,000
Interest	10,492	6,597	3,000	500	500
Donations	0	0	100	0	0
Insurance Reimbursement	25,139	5,000	0	0	0
Other	31	3	0	0	0
Total Revenues	$ 979,384	$ 1,098,485	$ 1,163,826	$ 1,503,263	$ 1,293,700

1. Federal funds approved for one bus ($101,500 with 85% grant funding)
2. Federal CARES Act funds would fund 100% of 2 regular buses or approximately 75% of two "mini-buses" ($135,000 each). The mini-buses have been included in the Revised Estimate and are subject to IDOT approval.
3. Federal funds requested for two buses. Approximate cost is $106,600 each; with 85% grant funding.
4. The 2021/2022 budget does not include a Transit tax levy; this reduction was possible due to the available fund balance.

Function:
Business Type

Department:
Public Works

Activity:

Transit System

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 725,215	$ 694,326	$ 759,800	$ 751,400	$ 776,900	2.25%
Commodities	92,737	70,486	104,100	83,900	104,600	0.48%
Contractual Services	182,263	186,828	207,000	183,100	208,500	0.72%
Capital Outlay	269,746	5,596	208,600	383,900	216,100	3.60%
Transfers	19,700	20,700	21,400	21,400	22,100	3.27%
Total Expenditures	$ 1,289,661	$ 977,936	$ 1,300,900	$ 1,423,700	$ 1,328,200	2.10%
Funding Sources						
Transit Charges	$ 174,930	$ 127,830	$ 170,000	$ 147,500	$ 161,000	-5.29%
Transit Grants	716,407	906,937	872,700	769,200	860,200	-1.43%
CARES Act Funding	-	-	-	472,500	270,000	
Transit Tax Levy	52,386	51,983	113,026	112,563	51,313	-54.60%
Sale of Vehicles	-	135	5,000	1,000	2,000	-60.00%
Interest	10,492	6,597	3,000	500	500	-83.33%
Donations	-	-	100	-	-	-100.00%
Insurance Reimbursement	25,139	5,000	-	-	-	
Other	31	3	-	-	-	
Total Funding Sources	$ 979,385	$ 1,098,485	$ 1,163,826	$ 1,503,263	$ 1,345,013	15.57%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	11.08	11.10	11.19	11.06	
Transit Dispatcher	2.02	2.02	2.09	1.98	2.11	
Transportation Serviceperson	0.64	0.64	0.63	0.63	0.63	
Total Part Time	13.80	13.74	13.82	13.80	13.80	
Total	15.00	14.94	15.02	15.00	15.00	$ 618,200
Employee Benefits						158,700
Total Personal Services						$ 776,900

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Light Duty Buses	2	Yes	$ 213,200
Bench at Muscatine Community College	1	No	1,400
Laptop	1	No	1,500
			$ 216,100

PARKING SYSTEM

GENERAL INFORMATION:

The Parking System Enterprise Fund accounts for all metered, leased, and free parking provided by the City of Muscatine in the central business district. These parking spaces are located both on and off-street and involve four (4) specific activities including parking operations, parking enforcement, downtown landscaping, and development of new parking. The City maintains 1,399 parking spaces in the downtown commercial area distributed as follows:

	On-Street		Lot #1	Lot #2	Lot #4	Lot #6	Lot #7	Lot #8		
	General	Sycamore 4th to 5th St.	Chestnut Street	W. 2nd Street	Sycamore Street	W. 3rd Street	E. 3rd Street	Cedar Street	Levee	Totals
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 L	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 had been allocated to this budget and this allocation has been reduced to 25% beginning midway through the 2020/2021 fiscal year. This reduced allocation is due to reduced revenues to the Parking fund beginning in March of 2020 due to the COVID-19 pandemic. The Parks department will continue to have responsibilities for maintenance and landscaping in the downtown area.

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:

Revenues in the Parking fund have seen significant reductions due to the COVID-19 pandemic. While the 2019/2020 budget reflected a $10,100 decrease in the Parking fund balance to $63,371, the actual fund balance decrease was $27,942 to $45,529. This decrease was due to the impacts from the pandemic beginning in March of 2020. Most downtown businesses were mandated to be closed temporarily or have had their businesses significantly impacted by the pandemic. The pandemic also resulted in a significant number of downtown workers working from home, which has impacted leased parking revenues.

Parking revenues continue to be significantly impacted by the COVID-19 pandemic in 2020/2021. This impact is likely to continue in the 2021/2022 year, although some recovery is expected. Revised estimate parking revenues are expected to be $59,400 less than the original 2020/2021 budget. While the 2021/2022 budget reflects some revenue increases, revenues are still expected to be $37,400 less than the original 2020/2021 budget.

During the budget review, it was noted that significant structural changes or expenditure reductions needed to be made to respond to the revenue reductions due to the pandemic. Without those changes, the Parking fund balance was expected to decrease by $72,243 to a deficit of $26,714 in the Revised Estimate and decrease by an additional $80,800 to a deficit of $107,514 in the 2021/2022 budget.

The final Revised Estimate and the 2021/2022 Budget reflect the following cost allocation reductions to address the revenue shortfalls.

	Rev. Estimate Exp. Impact	2021/2022 Exp. Impact
Eliminate the 25% allocation of the Office Assistant to the Parking budget beginning 1-4-21	$ (7,700)	$ (16,600)
Reduce the allocation of the Parks Groundskeeper to the Parking budget from 50% to 25% beginning 1-4-21	(9,900)	(21,300)
Reduce the General Administrative Fee (both fiscal years)	(12,800)	(13,500)
Eliminate the allocation of the contracted snow removal contract (both fiscal years)	(7,500)	(7,500)
Eliminate the allocation of the parking lot striping contract (both fiscal years)	(1,000)	(1,000)
Other expenditures reductions	(1,600)	(1,500)
	$ (40,500)	$ (61,400)

With the above revisions, the Parking fund balance is still projected to decrease by $31,800 to $13,729 in the Revised Estimate and to further decrease by $7,400 to $6,329 in the 2021/2022 budget.

Eliminating the allocation of the Office Assistant and reducing the allocation of the Parks Groundskeeper to this budget will result in those costs being reflected in the General Fund in both fiscal years. Reducing the administrative fee in both years will result in less revenue to the General Fund.

Eliminating the allocations of the contracted snow removal and street striping from this budget will result in those costs being funded from Road Use Tax in both fiscal years. It should be noted that these types of parking lot maintenance costs are an eligible use of Road Use Tax funds.

The COVID-19 pandemic has had a significant impact on the Parking operation. While a parking rate increase can be considered, it does not seem to be an appropriate time to consider rate increases while businesses are trying to recover from the pandemic. Finance and parking staff will continue to monitor both revenues and expenditures in the Parking fund.

PERFORMANCE MEASURES:

	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Metered Parking Spaces	399	399	399	399	399
Leased Parking Spaces	186	186	193 (2)	193	193
Reserved Parking Spaces (1)	107	107	100 (2)	100	100
Free Parking Spaces	666	666	666	666	666
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,399	1,399	1,399	1,399	1,399
Overtime Parking Tickets Issued (3)	8,498	7,561	7,456	6,500	7,000
Overtime Tickets Paid or Dismissed	6,770	6,006	5,644	4,875	5,250
Percent Paid or Dismissed	79.67%	79.43%	75.70%	75%	75%
Handicapped Tickets Issued (3)	26	20	7	20	20
Handicapped Tickets Paid or Dismissed	23	19	5	19	19
Percent Paid or Dismissed	88.46%	95%	71.43%	95%	95%
Other Parking Tickets Issued (3)	2,343	1,703	1,344	1,500	1,550
Other Tickets Paid or Dismissed	1,547	1,247	898	1,125	1,162
Percent Paid or Dismissed	66.03%	73.22%	66.82%	75%	75%
Overall Collection Rate	76.75%	78.33%	74.34%	75%	75%
Leased Parking Spaces Available	186	186	193	193	193
Spaces Leased	177	180	193	157	164
Percentage Leased	95.16%	96.77%	100%	85%	85%
Fines Collected by County Treasurer	$25,430	$23,757	$19,150	$18,000	$20,000
Courtesy Tickets Issued	721	773	386	200	200
Tickets for Over 2-Hour Once per Day in Each Block Time Limit on 2nd Street	550	389	716	500	500

1. Reserved spaces include those reserved for the Clark House and CBI Bank and Trust.
2. The seven spaces in Lot 1 reserved for staff at the former library were changed to leased spaces beginning in 2019/2020.
3. The number of parking tickets issued decreased beginning in mid-March of 2020 due to the COVID-19 pandemic.

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/ISSUES:

The COVID-19 pandemic has had a significant impact on downtown businesses and downtown parking. In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. While most businesses were allowed to re-open in early June,

the Governor has had restrictions on indoor seating in food and beverage establishments. There also continues to be less traffic in the downtown area, which may be due in part to the number of individuals continuing to work from home.

With minimal traffic and vehicle parking in the downtown area, the City suspended issuing parking tickets for expired meters from mid-March through June 5, 2020. The City, however, continued to enforce the time limits on 2nd Street and in other areas so downtown residents or workers would not park their vehicles for extended time periods in these areas. One of the Meter Attendant positions was vacant at that time, and a decision was made to not fill the vacant position until mid-September.

Parking fund revenues were negatively impacted beginning in mid-March and this impact is expected to continue in 2021. Revenues impacted include meter fees, parking fines, and leased parking fees. A major downtown business is continuing to have many of their employees work from home until at least the end of March, which has impacted the leased parking occupancy rate.

Working with the Muscatine Chamber of Commerce and Industry, downtown businesses have been able to designate certain parking spaces as free short-term parking for "Curbside Pickup Only" to assist businesses with take-out orders. This program is currently in place through August 31, 2021.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

* 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. **(Strategic Plan – Excellent Customer Service – Process Improvements)**

* To continue to monitor the impacts of COVID-19 on revenues and expenditures of the Parking fund. When downtown businesses return to more "normal" operations, the goal is to increase the occupancy of leased parking spaces to at least 90% of the leased spaces available.

* To meet with parking meter vendors to gather information on meter enhancements which would allow for acceptance of debit/credit card payments at the meters. Cost of new meters, transaction costs for accepting these payments, and impact on meter rates would be evaluated. **(Strategic Plan – Excellent Customer Service – Process Improvements)**

* To review Parking processes for additional "Lean" efficiencies. **(Strategic Plan – Excellent Customer Service – Process Improvements)**

Parking System

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 83,401	$ 73,471	$ 63,371	$ 45,529	$ 13,729
Revenues					
Parking Fees (2)	$ 95,233	$ 72,988	$ 102,000	$ 60,000	$ 75,000
Parking Permits	46,290	45,366	48,000	40,000	45,000
Meter Hoods	3,584	1,953	3,600	1,000	1,000
Fines	51,012	46,743	56,000	50,000	52,000
Interest	2,668	2,235	1,000	200	200
Miscellaneous	105	31	100	100	100
Total Revenues	$ 198,892	$ 169,316 (3)	$ 210,700	$ 151,300 (3)	$ 173,300 (4)
Funds Available	$ 282,293	$ 242,787	$ 274,071	$ 196,829	$ 187,029
Expenditures (1)	208,822	197,258	230,600	183,100 (5)	180,700 (5)
Ending Balance, June 30	$ 73,471	$ 45,529	$ 43,471	$ 13,729	$ 6,329
Increase (Decrease) in Fund Balance	**$ (9,930)**	**$ (27,942)**	**$ (19,900)**	**$ (31,800)**	**$ (7,400)**

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 2021/2022 budget.
3. Parking revenues were impacted by the COVID-19 pandemic beginning in March of 2020 and continuing in the 2020/2021 revised estimate.
4. The 2021/2022 budget allows for parking revenues to begin to recover; however, not to the levels before the pandemic.
5. The 2020/2021 revised estimate and 2021/2022 budget reflect employee allocation reductions, administrative fee reductions, and other allocated cost reductions to address the reductions in parking revenues due to the COVID-19 pandemic.

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 had been decreasing beginning in 2018/2019 primarily due to decreased revenues, primarily parking fees and fines.

Beginning in March of 2020 parking revenues were significantly impacted due to temporary business closures beginning in March of 2020. While many businesses have re-opened, parking revenues continue at a reduced level due to reduced traffic in the downtown area. This includes a significant number of individuals still continuing to work from home at least through the end of the 2020 calendar year and first quarter of 2021. The budget reflects cost allocation reductions to address the revenue decreases.

Function:
Business Type

Department:
Finance

Activity:

Parking System

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 164,659	$ 155,904	$ 180,700	$ 155,700	$ 152,700	-15.50%
Commodities	1,787	2,142	2,500	2,500	2,500	0.00%
Contractual Services	16,146	12,236	19,000	9,300	9,700	-48.95%
Capital Outlay	3,138	-	1,900	1,900	1,900	0.00%
Transfers	24,600	25,600	26,500	13,700	13,900	-47.55%
Total Expenditures	$ 210,330	$ 195,882	$ 230,600	$ 183,100	$ 180,700	-21.64%
Funding Sources						
Parking Fees	$ 145,108	$ 120,307	$ 153,600	$ 101,000	$ 121,000	-21.22%
Parking Fines	51,012	46,743	56,000	50,000	52,000	-7.14%
Interest	2,668	2,235	1,000	200	200	-80.00%
Miscellaneous	105	31	100	100	100	
Total Funding Sources	$ 198,893	$ 169,316	$ 210,700	$ 151,300	$ 173,300	-17.75%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.38	0.25	
Finance Secretary/Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.13	-	
Total Full Time	1.40	1.40	1.40	1.16	0.90	
Part Time Positions:						
Meter Attendant	1.46	1.46	1.46	1.26	1.46	
Total	2.86	2.86	2.86	2.42	2.36	$ 113,400
Employee Benefits						39,300
Total Personal Services						$ 152,700

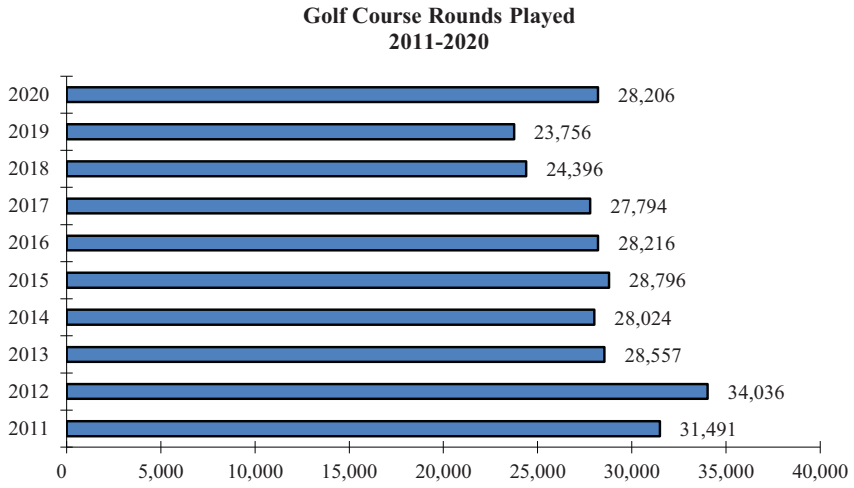
Capital Outlay

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, has fluctuated during the last 10 years. There were 31,491 rounds played in 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 deceased to 23,756 (2.6%) in 2019. Play increased in 2020 to 28,206 (18.7%). The following is a summary of the rounds during the past ten years:

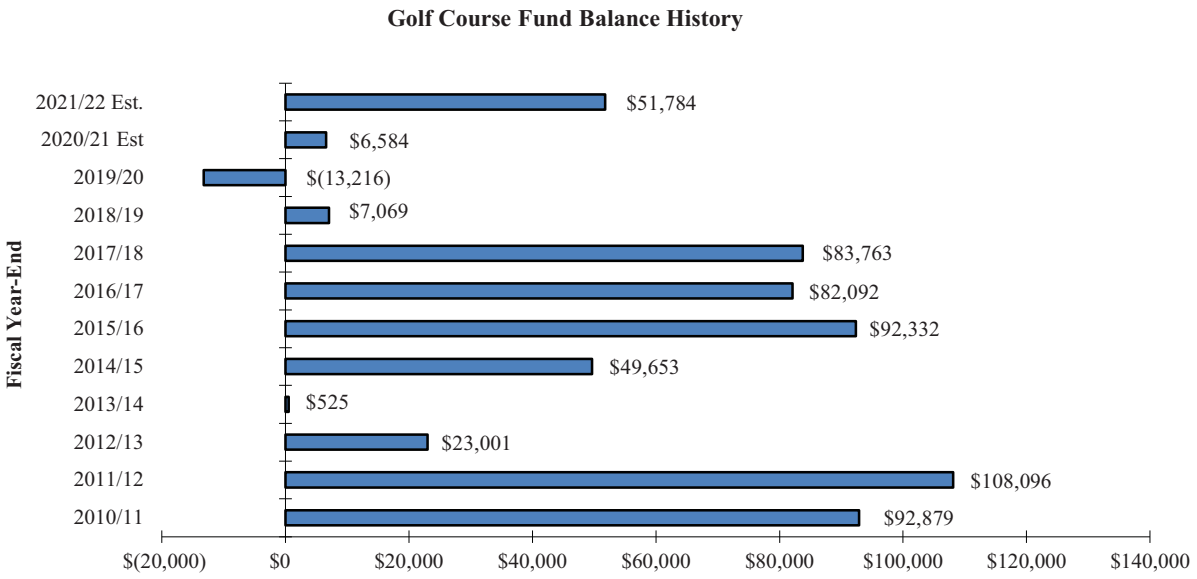


The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Rates were increased for the 2014 season and those rates were maintained for the 2015 and 2016 golf seasons. Rates increased 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 were again increased for the 2020 golf season by $1.00 per round and by $25 for season passes. Greens fee rates are budgeted to increase by $1.00 per round for the 2021 season; no change in the season pass fees is budgeted for 2021.

WEEK DAYS	2014-2016	2017-2018	2019	2020	Budget 2021
Adults					
9 holes	$ 15.00	$ 16.00	$ 17.00	$ 18.00	$19.00
18 holes	$ 19.00	$ 20.00	$ 21.00	$ 22.00	$23.00
Senior Citizens					
9 holes	$ 14.00	$ 15.00	$ 16.00	$ 17.00	$18.00
18 holes	$ 17.00	$ 18.00	$ 19.00	$ 20.00	$21.00
Junior					
9 holes	$ 5.00	$ 5.00	$ 6.00	$ 7.00	$8.00
18 holes	$ 5.00	$ 5.00	$ 6.00	$ 7.00	$8.00

WEEK DAYS	2014-2016	2017-2018	2019	2020	Budget 2021
Adults 1-3 p.m.					
9 holes	$ 10.00	$ 11.00	$ 12.00	$ 13.00	$14.00
18 holes	$ 12.00	$ 13.00	$ 14.00	$ 15.00	$16.00
Senior Citizens 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
WEEKENDS AND HOLIDAYS					
18 Holes					
Adult	$ 21.00	$ 22.00	$ 23.00	$ 24.00	$25.00
Senior Citizens	$ 19.00	$ 20.00	$ 21.00	$ 22.00	$23.00
Juniors	$ 6.00	$ 6.00	$ 7.00	$ 8.00	$8.00
SEASON PASSES					
Adults	$ 580.00	$ 605.00	$ 630.00	$ 655.00	$655.00
Juniors	$ 90.00	$ 90.00	$ 115.00	$ 140.00	$140.00
Senior Citizens	$ 490.00	$ 515.00	$ 540.00	$ 565.00	$565.00
College Student Pass	$ 300.00	$ 325.00	$ 350.00	$ 375.00	$375.00
Family Pass	$ 960.00	$ 985.00	$1,010.00	$1,035.00	$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. 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.



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 2020/2021 budgets for all of the Park divisions included increased wage rates for seasonal employees. An updated Seasonal Pay Plan was approved and went into effective April 1, 2020. The goal of the seasonal pay plan update was to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

Revised estimate expenditures for the Golf Clubhouse are $2,700 more in total than the original budget. This overall increase is due to (1) a $6,200 decrease in personal services costs, (2) a $4,600 increase in commodities which includes items for resale, and (3) a $4,300 increase in contractual services.

The budgeted expenditures for 2021/2022 are $14,300 (3.9%) more than the original 2020/2021 budget. Personal services costs increased by $1,600, commodities increased by $6,600, and contractual services increased by $6,100. 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 2020/2021 revised estimate is $40,000 more than the original budget. This overall increase is due to (1) a $200 increase in personal services costs, (2) a $2,300 increase in commodities, (3) a $5,000 increase in contractual services, and (4) a $32,500 increase in capital outlay. The increase in capital outlay is for the

purchase of a used fairway mower ($32,500) that was initially requested for the 2021/2022 budget. The request was moved to the 2020/2021 revised estimate since funds were available and the department had the opportunity to purchase a used fairway mower in very good condition.

The 2021/2022 budget is $11,200 (2.8%) more than the original 2020/2021 budget. Personal services costs increased by $7,500, commodities increased by $2,300, contractual services increased by $3,000, capital outlay increased by $25,000, and transfers decreased by $26,600. The capital outlay allocation of $25,000 is for the purchase of a used tractor. The decrease in transfers is due to reductions in both the General and Parks administrative fees. These reductions allowed funding for the capital outlay allocation for the tractor.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2020/2021 will be $6,584 and the fund balance at the end of 2021/2022 is estimated to increase to $51,784. A number of factors can continue to impact revenues at the course, especially the weather.

Fees were last increased for the 2020 golf season. As noted previously, for the 2021 season, daily greens fee rates are budgeted to increase by $1.00 per round and season passes are budgeted to be maintained at the current rates.

The 2021 season will be the 16th 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 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
Golf Maintenance Operations:					
Top Dressed Greens	9	8	8	9	8
Stimped Greens	15	15	18	17	17
Aerified Greens	3	3	3	2	3
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	260	257	257	257	254
New Trees Planted	6	3	2	9	30
Bluebirds Fledged	14	13	11	12	12
Rolled Greens	27	40	42	40	40
Verti-cut Greens	7	6	6	6	6

	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
Clubhouse Operations:					
Rounds Played	27,794	24,396	23,756	28,206	28,000
Events	44	53	54	24	53
Leagues	10	10	9	7	9
Season Passes Sold	220	246	220	185	200
Driving Range Tokens Sold	4,180	3,812	3,908	4,580	4,000
Gift Cards Sold ($)	$40,563	$41,378	$41,976	$49,284	$50,000
Lesson Hours	77	82	111	72	110
Total Beer Sales (Units)	39,789	36,896	34,491	37,436	38,000
Total Food and Beverage (Units)	25,119	22,838	23,498	22,492	23,000
Simulator Usage ($)	$2,548	$1,270	$1,160	$775	$2,000
Merchandise Sales ($)	$41,581	$37,752	$43,558	$47,547	$50,000

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The course opened on March 4th as the winter was moderate with average snow. The course had no damage from snow or wind during the winter months. April and May were nice months for golf and play was strong due in part to numerous golf courses in the surrounding area being shut down because of COVID-19 mandates. June had good weather for golf, but July was hot and wet which made for tough growing conditions. August was very hot and dry and the irrigation system was used more than normal. Fall was nice and the golf course stayed open until December 13th.

Due to the COVID-19 pandemic, golf procedures were changed because of restrictions mandated by the State of Iowa. The cups on the greens were lifted a half inch above the ground to try to alleviate golfers from touching the flagsticks or reaching in the cup with their hand to retrieve their ball. Daily sanitation was done on all of the flagsticks and restrooms on the golf course. Ball washers, bunker rakes, and benches were not put out on the course until June due to mandated restrictions and additional sanitation that had to take place. In August the derecho windstorm hit the golf course and knocked down several trees and left a lot of debris. The Golf Course closed for a day and a half on the front nine and 2 days on the back nine for cleanup.

The new irrigation system continues to be a success as water usage was more efficient and more precise with targeting specific areas. 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 the number two green and behind six tee. Staff continues to work on clearing timber and keeping the underbrush and scrub trees mowed down to allow more air movement and visibility in the corner of the course. This has been well received by the golfers and work will continue on this area as time allows.

The driving range mats continue to be a success, as does mowing the front of the driving range tee 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 preferred the mat and some 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. Several trees were taken down this summer and fall and staff planted fifteen new trees. The nursery has been restocked with trees and those trees will be used on the course next year. Staff will continue to take down dead trees. Due to overplanting of trees on the course over the years, one tree will be replanted for every two taken down.

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

Staff is considering the possibility of moving some tee boxes to make the golf course more enjoyable to seniors and ladies. Four potential tee boxes have been identifies for movement. Staff will get user input this coming year as to whether these tees need to be moved permanently.

Golf Course Clubhouse

The Golf Course opened approximately two weeks earlier than in 2019, and stayed open about a week later than in 2019. The 2020 season was more mild and drier than 2019, which helped increase rounds in eight of the ten months that the course was open. With the onset of the COVID-19 pandemic at the beginning of the golf season, the golf season seemed to be in jeopardy, however, that was not the case. With the Governor's proclamation in March of 2020, staff had to alter operations to ensure the proclamations were followed. Some of the mandated changes included no more than ten people in the clubhouse, single rider in carts, sanitization of the golf carts in between uses, as well as enhanced sanitation in all public areas. Due to the COVID-19 pandemic, numerous golf courses in the surrounding area remained closed. The Muscatine Municipal Golf Course was able to capitalize on those closures. In the early days of the season, with a cart fleet of forty-five golf and single rider carts, two-hundred or more rounds of golf was played on weekend days while maintaining sanitization plans and getting carts turned around in a timely manner.

Despite a loss of approximately thirty events this year, the golf course was able to increase the rounds played in 2020 by over 4,400 rounds, an 18.7% increase. Additional play also had a positive effect on other revenues, with those sales increasing by 15% over calendar year 2019.

The Golf Course did host some events in 2020 after some of the COVID restrictions were lifted in June 2020. The course hosted the first tournament in the Iowa Section PGA with the PGA Junior tour event on June 1, 2020. This event had one hundred fourteen (114) kids from across Iowa and Illinois play in the season long Iowa Section Junior Tour.

The George Lohman Muscatine City Golf Tournament was held on June 10-11, and had one hundred and eight (108) participants. The event is being planned for July 10-11, 2021, with a private group taking over the operation of the event.

In August, play continued to be strong with 4,679 rounds played and two major events. Staff hosted the Three Rivers Delta Water Fowl tournament on August 8, 2020 with 152 players, and the Muscatine Softball Booster Association with 248 players.

Play continued to be strong in the fall months. The course offered a fall rate special for all greens fee customers and continued the special into the month of December.

OBJECTIVES TO BE COMPLETED IN 2021/2022:

Golf Course Operations

- To continue renovation of the #9 and #15 greens. **(Strategic Plan – Excellent Customer Service)**
- To repair some existing cart paths and add continuous cart paths to #3, #15, and #17. **(Strategic Plan – Excellent Customer Service)**
- To continue to pursue bunker repairs and/or renovations as needed. **(Strategic Plan – Excellent Customer Service)**
- To continue to work on the #3 tee box to improve the soil conditions and playability. **(Strategic Plan – Excellent Customer Service)**
- 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. **(Strategic Plan – Excellent Customer Service)**
- To replace trees that die that may impact the playability of the golf course. **(Strategic Plan – Excellent Customer Service)**
- To continue to clean out the wooded areas around #2 green and #6 back tee boxes. **(Strategic Plan – Excellent Customer Service)**
- To add nature areas to rough areas. **(Strategic Plan – Excellent Customer Service)**
- 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. **(Strategic Plan – Excellent Customer Service)**
- To build new tees on #1, #10, #11, and #18 to make the holes more enjoyable. **(Strategic Plan – Excellent Customer Service)**
- To look at replacing the mat on the #3 tee with a more permanent solution. **(Strategic Plan – Excellent Customer Service)**

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 by increasing 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, and to increase participation in the golfer development programs by offering more structured programs for all ages and skill levels. **(Strategic Plan – Excellent Customer Service)**

- To utilize the golf course Point of Sale and Tee Time Reservation systems to their greatest potential to enhance the customer experience which drives competitive golf markets, and targeting golfers and lapsed golfers to come back due to the customer service experience. **(Strategic Plan – Excellent Customer Service)**

- To adhere to the approved budget by staffing the clubhouse (Clubhouse Supervisors, Food & Beverage Cashiers, and Outside Service Personnel) in a cost-effective manner which includes recruiting, retention, training, outreach programs, and customer experiences which provide the best service to golfers and non-golfers alike. **(Strategic Plan – Excellent Customer Service)**

- To promote and encourage use of the facility by a variety of people, not just the avid golfer and to continue to work with local businesses and organizations to promote the game of golf and the facility. **(Strategic Plan - Vibrant Community, Healthy Community, Excellent Customer Service)**

Golf Course Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ 44,324	$ (26,671)	$ (38,871)	$ (44,452)	$ (24,652)
Revenues	683,187	765,776	818,400 (3)	837,500 (4)	845,700 (5)
Funds Available	$ 727,511	$ 739,105	$ 779,529	$ 793,048	$ 821,048
Expenditures:					
Golf Course Maintenance Operations	$ 436,586 (2)	$ 432,186	$ 403,600	$ 443,600	$ 414,800
Golf Clubhouse Operations	317,596	351,371	371,400	374,100	385,700
Total Expenditures (1)	$ 754,182	$ 783,557	$ 775,000	$ 817,700	$ 800,500
Ending Balance (Deficit), June 30	$ (26,671)	$ (44,452)	$ 4,529	$ (24,652)	$ 20,548
Allowance for Inventory	33,740	31,236	33,740	31,236	31,236
Net Balance (Deficit), June 30	$ 7,069	$ (13,216)	$ 38,269	$ 6,584	$ 51,784
Increase (Decrease) in Fund Balance	**$ (70,995)**	**$ (17,781)**	**$ 43,400**	**$ 19,800**	**$ 45,200**

1. Expenditures include changes in compensated absences.
2. The 2018/2019 expenditures included the final irrigation project payment of $45,200.
3. Golf fees increased for the 2020 golf season by $1.00 per round for greens fees and by $25 for season passes. Cart rental fee rates also increased by $1.00 for both 9 holes and 18 holes for the 2020 golf season.
4. Golf fees are budgeted to increase for the 2021 golf season by $1.00 per round for greens fees. No changes in season passes or cart rentals are budgeted.
5. The 2021/2022 budget reflects a full fiscal year with the rate increase budgeted to begin in the 2021 golf season.

Golf Course

Summary of Revenues

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Season Passes	$ 110,554	$ 95,963 (2)	$ 120,500 (3)	$ 115,000	$ 115,000
Greens Fees	177,106	223,033 (2)	218,000 (3)	240,500 (4)	248,200 (5)
Interest	2,005	967	900	0	0
Rental of Buildings	0	285	500	0	0
Lessons	3,055	3,185	4,000	3,000	3,000
Golf Cart Rental	175,572 (1)	207,540	220,000 (3)	220,000	220,000
Pull Cart Rental	593	1,140	800	900	900
Driving Range Fees	15,681	17,536	18,000	20,000	20,000
Simulator Fees	820	392	1,000	1,000	1,000
Catering Fee	458	278	300	300	300
Beer Sales	91,173	96,386	110,000	110,000	110,000
Food and Beverage Sales	41,328	45,180	50,000	46,000	46,000
Merchandise Sales	38,839	46,633	45,000	50,000	50,000
Miscellaneous Sales	1,865	1,036	2,000	2,000	2,000
Rebate - Soft Drink Supplier	2,000	2,000	2,000	2,000	2,000
Cashier Overages	361	0	0	0	0
Sales Tax	21,291	23,585	25,000	26,400	26,900
Miscellaneous	486	637	400	400	400
Total Revenues	$ 683,187	$ 765,776	$ 818,400	$ 837,500	$ 845,700

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. The original 2020/2021 budget reflected a full fiscal year with the rate increases effective for the 2020 golf season.
4. Golf fees are budgeted to increase for the 2021 golf season by $1.00 per round for greens fees.
5. The 2021/2022 budget reflects a full fiscal year with the rate increase budgeted to begin in the 2021 golf season.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Maintenance Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 205,985	$ 209,256	$ 231,700	$ 231,900	$ 239,200	3.24%
Commodities	62,915	63,298	69,500	71,800	71,800	3.31%
Contractual Services	34,662	46,036	40,400	45,400	43,400	7.43%
Capital Outlay	27,233	47,850	-	32,500	25,000	
Transfers	103,064	60,200	62,000	62,000	35,400	-42.90%
Total Expenditures	$ 433,859	$ 426,640	$ 403,600	$ 443,600	$ 414,800	2.78%
Funding Sources						
Golf Funds	$ 433,859	$ 426,640	$ 403,600	$ 443,600	$ 414,800	2.78%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	2.56	2.56	2.56	2.56	2.56	
Total	4.56	4.56	4.56	4.56	4.56	$ 178,400
Employee Benefits						60,800
Total Personal Services						$ 239,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tractor (Used)	1	Yes	$ 25,000

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 153,646	$ 164,676	$ 175,300	$ 169,100	$ 176,900	0.91%
Commodities	83,809	98,204	102,000	106,600	108,600	6.47%
Contractual Services	81,057	84,644	94,100	98,400	100,200	6.48%
Capital Outlay	398	4,204	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 318,910	$ 351,728	$ 371,400	$ 374,100	$ 385,700	3.85%
Funding Sources						
Golf Fees and Sales	$ 318,910	$ 351,728	$ 371,400	$ 374,100	$ 385,700	3.85%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.47	1.47	1.35	1.35	1.35	
Cashier	1.09	1.09	0.77	0.77	0.77	
Laborer/Ranger	0.71	0.71	0.35	0.35	0.35	
Total Part Time	3.27	3.27	2.47	2.47	2.47	
Total	4.27	4.27	3.47	3.47	3.47	$ 134,600
Employee Benefits						42,300
Total Personal Services						$ 176,900

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 2020/2021 revised estimate is $61,100 more than the original budget. This increase is primarily due to $59,600 to repair damages to the anchoring system on the houseboat dock from the August windstorm. This cost will be reimbursed by insurance. There was also a $100 increase in personal services costs and a $1,400 increase in contractual services.

The 2021/2022 budget is $600 (2.7%) more than the 2020/2021 budget. Personal services costs increased $500 (3.0%) and contractual services increased $100.

The Boat Harbor continues to see fluctuations in slip rentals each year. The river conditions, including multiple floods in 2018 and 2019, as well as other factors contributed to the decline in those years. 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. There was an increase in slip rentals in the 2019/2020 season partly due to favorable river levels in the summer of 2020 and indoor recreational activities being cancelled due to the COVID-19 pandemic. However, a general fund subsidy of $638 was still needed to eliminate the deficit in 2019/2020. A minimal fund balance of $100 is projected for both June 30, 2021 and June 30, 2022.

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. In 2020 twenty-nine (29) boat slips were rented.

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 2021 and 2022 boating seasons. The history of rates are shown in the following chart:

TYPE OF BOAT

	2010-2014	2015-2017 Residents	2015-2017 Non-Residents	2018-2021 Residents	2018-2021 Non-Residents
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 2018	Actual 2019	Actual 2020	Estimated 2021	Estimated 2022
Boat Slips Rented*	26	22	29	29	29
Rented Boat Slips Available*	58	58	58	58	58
Percent Rented	45%	38%	50%	50%	50%
Courtesy Boat Slips Available **	12	13	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 financial assistance from FEMA, several projects were completed in the Boat Harbor in 2020. The 2019 flood caused a break in the anchoring chain on the long dock which was repaired as part of a FEMA project. The transient dock experienced significant damage from the 2019 flood when a large tree lodged under the dock causing damage to the dock and the anchoring system. As part of a FEMA mitigation project, the dock was repaired and the spud pole anchoring system was moved from the interior of the dock to the exterior. This will allow staff to safely move the dock prior to future large flood events and secure it in a location that will not be as affected by flooding. The interior and exterior of the jetty wall that separates the Boat Harbor from the river was also rip-rapped as part of a FEMA project.

In coordination with the Water Pollution Control Plant staff, the Boat Harbor was dredged this past fall. The majority of the dredging took place near the mouth of the harbor, in and around the transient and houseboat docks, and in the center section leading up to the long dock. In working with the contractor performing the repairs and mitigation project of the transient dock, the dock was moved from its location and a contractor was brought in to mechanically dredge underneath and behind the transient dock.

During the windstorm in August, the houseboat dock broke free from the anchoring system, causing damage to the dock, gangway leading to the dock, and the anchoring system. A spud pole anchoring system was approved by the insurance carrier and is scheduled to be replaced in late fall/early winter.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To continue to improve weed control along the banks of the harbor.
- To better educate harbor users and enforce Boat Harbor usage policies. **(Strategic Plan - Excellent Customer Service)**
- To continue to market the boat harbor and increase the number of slip rentals. **(Strategic Plan - Excellent Customer Service)**
- To continue to provide support to the Water Pollution Control Plant staff for the harbor dredging operation. **(Strategic Plan - Excellent Customer Service)**
- To continue to provide safe and secure docks for the users of the harbor. **(Strategic Plan - Safe Community)**

Boat Harbor Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ -	$ 0	$ 400	$ 0	$ 100
Revenues					
Boat Slip Rentals	$ 3,890 (2)	$ 19,331	$ 22,000	$ 23,600	$ 22,600
Overnight Slip Rentals	0	0	0	200	200
Interest	0	48	0	0	0
Insurance Reimbursement	0	0	0	59,600	0
Other	0	18	0	0	0
Transfer from General Fund: Subsidy to Eliminate Deficit	16,910 (3)	638 (3)	0	0	0
Total Revenues	$ 20,800	$ 20,034	$ 22,000	$ 83,400	$ 22,800
Funds Available	$ 20,800	$ 20,034	$ 22,400	$ 83,400	$ 22,900
Expenditures (1)	20,800	20,034	22,200	83,300 (4)	22,800
Ending Balance, June 30	$ 0	$ 0	$ 200	$ 100	$ 100
Increase (Decrease) in Fund Balance	**$ -**	**$ 0**	**$ (200)**	**$ 100**	**$ 0**

1. Expenditures include changes in compensated absences.
2. Boat slip rental rates were increased for the 2018 boating season, however this did not materially increase boat harbor revenues.
3. Transfers from the General Fund eliminated the deficit balances at the end of 2018/2019 and 2019/2020. The deficit balances were in part due to record flooding in 2019.
4. The 2020/2021 revised estimate includes $59,600 to replace the anchoring system on the house boat dock that was damaged during the August windstorm. This cost will be reimbursed by insurance.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Boat Harbor Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 15,793	$ 16,096	$ 16,500	$ 16,600	$ 17,000	3.03%
Commodities	556	380	800	800	800	0.00%
Contractual Services	2,464	2,194	3,400	4,800	3,500	2.94%
Capital Outlay	-	-	-	59,600	-	
Transfers	1,500	1,500	1,500	1,500	1,500	0.00%
Total Expenditures	$ 20,313	$ 20,170	$ 22,200	$ 83,300	$ 22,800	2.70%
Funding Sources						
Boat Harbor Revenues	$ 3,890	$ 19,119	$ 22,000	$ 23,600	$ 22,600	2.73%
Ovvernight Slip Rentals	-	212	-	200	200	
Insurance Reimbursement	-	-	-	59,600	-	
Other	-	66	-	-	-	
Transfer from General Fund	16,910	638	-	-	-	
Total Revenues	$ 20,800	$ 20,035	$ 22,000	$ 83,400	$ 22,800	3.64%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	$ 14,100
Employee Benefits						2,900
Total Personal Services						$ 17,000

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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, 2017/2018, and 2018/2019 to eliminate deficit balances of $436, $400, $620, $1,224, $1,217, and $2,061 respectively. The General Fund subsidy transfer in 2019/2020 was $2,230.

CURRENT TRENDS AND ISSUES:

The 2020/2021 revised estimate and 2021/2022 budget allow for fuel purchases and fuel sales to continue at recent year levels. The 2020/2021 revised estimate is $200 less than the original budget. A decrease is commodities of $800 is partially offset by a $600 increase in contractual services. The 2021/2022 budget is $500 (4.1%) less than the original 2020/2021 budget due to a decrease in commodities. The budget projection shows this operation having a minimal fund balance of $500 as of June 30, 2022. 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 2018	Actual 2019	Actual 2020	Estimated 2021	Estimated 2022
Gallons of Gasoline Sold	2,122	822*	2,136	2,100	2,100
Gallons of Diesel Fuel Sold	858	0*	255	500	500
Hours Open	168	112*	165	180	180

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

RECENT ACCOMPLISHMENTS:

The gas dock was operational from Memorial Day to Labor Day in 2020. Staff continues to look at hiring and properly training seasonal staff for the operations of the gas dock. Staff was available at the gas dock to provide services to boaters during scheduled hours for the gas dock operation, as well as at appointments that were made through the Parks office.

A section of the gas dock was broken off from the high river levels in 2019. This section will be replaced with funding from FEMA. The fuel tanks were inspected for water this past season and water absorbing filters were once again used to insure that water was not being dispensed.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To continue to search for quality seasonal staff and provide training for both the safe operation of the gas dock and the proper documentation of fuel sales. Staff hosted a job fair last spring that helped to fill seasonal positions. **(Strategic Plan – Excellent Customer Service)**

- To provide services to boaters during regular gas dock hours, as well as providing services by appointments made through the Parks office. **(Strategic Plan – Excellent Customer Service)**

- To continue to operate within state and federal regulations. The Spill Prevention, Control, and Countermeasures Plan was updated and has been implemented.

- To complete the repair of the gas dock damaged during the flood of 2019.

- To continue to market the gas dock using social media and through press releases.

Marina Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ (3,150)	$ (1,826)	$ (1,726)	$ (4,651)	$ (4,551)
Revenues					
Fuel Sales	$ 5,234	$ 4,116	$ 12,000	$ 12,000	$ 12,000
Miscellaneous	7	126	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	2,061	2,230	0	0	0
Total Revenues	$ 7,302	$ 6,472	$ 12,100	$ 12,100	$ 12,100
Funds Available	$ 4,152	$ 4,646	$ 10,374	$ 7,449	$ 7,549
Expenditures	5,978	9,297	12,200	12,000	11,700
Ending Balance (Deficit), June 30	$ (1,826)	$ (4,651)	$ (1,826)	$ (4,551)	$ (4,151)
Allowance for Inventory	1,826	4,651	3,150	4,651	4,651
Net Balance, June 30	$ 0	$ 0	$ 1,324	$ 100 (1)	$ 500 (1)
Increase (Decrease) in Net Fund Balance	**$ 1,324**	**$ (2,825)**	**$ (100)**	**$ 100**	**$ 400**

1. Athough minimul fund balances are projected with the allowance for inventory, any shortfalls are proposed to to be funded from transfers from the General Fund on an anuual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Marina Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 1,100	$ 1,800	$ 2,100	$ 2,100	$ 2,100	0.00%
Commodities	4,308	6,753	9,100	8,300	8,600	-5.49%
Contractual Services	570	744	1,000	1,600	1,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 5,978	$ 9,297	$ 12,200	$ 12,000	$ 11,700	-4.10%
Funding Sources						
Fuel Sales	$ 5,234	$ 4,116	$ 12,000	$ 12,000	$ 12,000	0.00%
Miscellaneous Revenue	7	126	100	100	100	0.00%
Subsidy to Eliminate Deficit	2,061	2,230	-	-	-	
Total Funding Sources	$ 7,302	$ 6,472	$ 12,100	$ 12,100	$ 12,100	0.00%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	$ 1,900
Employee Benefits						200
Total Personal Services						$ 2,100

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. In 2020, the event was cancelled due to the COVID-19 pandemic.

The 2020/2021 revised estimate is $87,000 less than the original budget. Decreases in the budget were due to the event cancellation. The revised estimate of $21,400 will cover the ongoing website fees and expenses that will be incurred before June 30th for the 2021 event. The original budget included an allocation of $38,000 for a GPS Field Painter. With the 2020 CSK event cancelled, there are not sufficient funds for this purchase.

The 2021/2022 budget totals $70,800 and is $37,600 (34.7%) less than the 2020/2021 original budget. The overall decrease is due to the decrease in capital outlay. Personal services costs increased by $100 and commodities increased by $300. Revenues include $70,200 in event fees and $4,000 in merchandise sales.

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 2018 (1)	Actual 2019	Actual 2020 (2)	Estimated 2021	Estimated 2021
Boys Teams Registered	28	22	0	36	36
Girls Teams Registered	44	38	0	36	36
College Coaches Registered	157	163	63	175	175

1. 2018 was the first year this event was run by the City.
2. The 2020 College Search Kickoff was cancelled due to mandates from the Governor related to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS:

Coaches and teams reached out to the Parks and Recreation staff showing interest in this event in 2020; however, the College Search Kickoff was canceled due to COVID-19 and traveling restrictions.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To administer the College Search Kickoff Showcase soccer event. **(Strategic Plan - Excellent Customer Service)**

- To obtain all necessary permits and sanctioning documents from the Iowa Soccer Association. **(Strategic Plan - Excellent Customer Service)**

- To recruit boys and girls teams. **(Strategic Plan - Excellent Customer Service)**

- To recruit college coaches to come to the event. **(Strategic Plan - Excellent Customer Service)**

Soccer Events (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 61,930	$ 73,862	$ 72,062	$ 38,956	$ 87,756
Revenues					
Event Fees (2)	$ 56,458	$ 9,524 (4)	$ 70,200	$ 70,200	$ 70,200
Merchandise Sales	4,569	3,923	4,000	0	4,000
Interest	858	1,009	1,100	0	0
Total Revenues	$ 61,885	$ 14,456	$ 75,300	$ 70,200	$ 74,200
Funds Available	$ 123,815	$ 88,318	$ 147,362	$ 109,156	$ 161,956
Expenditures	$ 49,953	$ 49,362	108,400 (3)	$ 21,400 (3)	70,800
Ending Balance, June 30	$ 73,862 (2)	$ 38,956 (2)	$ 38,962	$ 87,756 (2)	$ 91,156 (2)
Increase (Decrease) in Fund Balance	**$ 11,932**	**$ (34,906)**	**$ (33,100)**	**$ 48,800**	**$ 3,400**

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 original 2020/2021 budget included $38,000 for a GPS Field Painter. This equipment will not be purchased due to cancellation of this event in 2020.
4. The 2020 tournament was cancelled due to the COVID-19 pandemic.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Soccer Events

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 2,174	$ 2,257	$ 9,700	$ 7,200	$ 9,800	1.03%
Commodities	5,622	12,090	14,700	8,700	14,700	0.00%
Contractual Services	42,157	35,094	46,000	5,500	46,300	0.65%
Capital Outlay	-	-	38,000	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 49,953	$ 49,441	$ 108,400	$ 21,400	$ 70,800	-34.69%
Funding Sources						
Entry Fees	$ 56,458	$ 9,524 (1)	$ 70,200	$ 70,200	$ 70,200	0.00%
Merchandise Sales	4,569	3,923	4,000	-	4,000	0.00%
Interest	858	1,009	1,100	-	-	-100.00%
Total Funding Sources	$ 61,885	$ 14,456	$ 75,300	$ 70,200	$ 74,200	-1.46%

1. The 2020 tournanment was cancelled due to the COVID-19 pandemic.

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Part Time:						
Program Aides	0.40	0.40	0.40	0.00	0.40	$ 8,900
Employee Benefits						900
Total Personal Services						$ 9,800

AMBULANCE OPERATIONS FUND

GENERAL INFORMATION:

Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000. This agreement provided for a City subsidy to the ambulance service of $90,500 per year and subsidies from the townships that totaled $24,500 per year.

In August of 1998, the City contracted with an outside consultant to provide a thorough analysis of the City's system of pre-hospital care involving the Muscatine Fire Department and Muscatine Ambulance, Inc. The consultant's report was used as a basis for development of specifications and a request for proposals (RFP) for potential providers of ambulance services upon the expiration of the ambulance contract on June 30, 2000. After reviewing two proposals, the City Council selected the Muscatine Fire Department to provide this service. In order to account for revenues and expenditures of the Fire Department Ambulance Service, this operation was established as an enterprise fund of the City.

In 1999/2000, $289,690 was expended for purchasing and equipping three (3) new ambulances and purchasing the necessary supplies to begin providing services effective July 1, 2000. The original budget for the 2000/2001 fiscal year included costs and cost allocations to fund this new operation. Five new firefighter positions, one-half of a Fire Mechanic position, and a half-time equivalent clerical position were included in this budget. Additionally, as part of the Ambulance Operation's administrative fee, 50% of an Assistant Fire Chief and 25% of the Fire Chief's costs were also charged to this budget. The budget also included funds for supplies and services associated with this service including funds to contract for ambulance billing services.

Since the ambulance service became a city operation in 2000, the city has been able to allocate the cost of firefighters and administrative positions to this operation. This amount has varied based upon revenues generated and fund balances at the end of each fiscal year. This allows the city to relieve the General Fund of these costs.

Effective for the 2007/2008 year, the City made a number of changes to employee allocations to address the decrease 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 and then annually on July 1 in each of the years from 2010 through 2020. The rates effective July 1, 2019 were set at $607 for BLS calls, $720 for ALS1 calls, $1,043 for ALS2 calls, and $1,232 for SCT (Skilled Care Transport) calls. The mileage rate was $16 per loaded mile. The rates effective July 1, 2020 were set at $620 for BLS calls, $735 for ALS1 calls, $1,065 for ALS2 calls, and $1,258 for SCT

(Skilled Care Transport) calls. The mileage rate increased to $17 per loaded mile in 2020. 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 2021/2022, 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 22.5% for 2017/2018, it increased to 24.5% for 2018/2019, and further increased to 25% for 2019/2020.

The 2020/2021 and 2021/2022 budgets continue 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 original 2020/2021 budget included a funding transfer of $1,337,800, which was 27.4% of the personal services costs in the original budget. Due to additional revenues in the Ambulance fund from the GEMT (Ground Emergency Medical Transportation) funds, the transfer has been increased to $1,437,800 in the 2020/2021 revised estimate, which is 31.1% of the revised estimate personal services costs. The funding transfer from the Ambulance Fund in the 2021/2022 budget is $1,485,600, which is 30.2% of the Fire department personal services costs budgeted for 2021/2022. As approximately 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.

Effective July 1, 2019, additional revenues from GEMT (Ground Emergency Medical Transportation) funds are being received for Medicaid patients. This allowed for three new firefighter positions to be added in the Fire department budget in January of 2020. 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. The GEMT revenues are estimated at $247,000 for the 2020/2021 revised estimate and $250,000 for the 2021/2022 budget.

The revised estimated expenditures for 2020/2021 are $94,400 more than the original budget. Of this overall increase, $100,000 is for the increased transfer to the Fire department budget to fund personnel costs used for the ambulance operation. Capital outlay in the revised estimate increased by $3,500 for the purchase of seven (7) bilateral splints. These were requested by the department for purchase in 2021/2022, but were moved to the revised estimate. Decreases in other areas of the budget offset a portion of these increases.

The budgeted expenditures for 2021/2022 are $91,100 (4.3%) more than the original 2020/2021 budget. This overall increase is due to the net effect of (1) a $14,800 decrease in personal services costs which includes a decrease in part-time ambulance attendant hours and a fulltime reduction due to the current billing manager retiring and a new employee taking his place, (2) a $2,900 decrease in commodities, (3) a $5,600 increase in contractual services, (4) a $46,000 decrease in capital outlay, and (5) a $149,200 increase in transfers. The increase in transfers is due to the increase in the transfer for fire personal service costs. The capital outlay allocation for 2021/2022 of $160,000 is for refurbishment of an ambulance. An additional request for a new ambulance for $210,000 is budgeted to be funded from the May 2022 bond issue.

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 90% of all response requests within the “Urban Zone” and less than 15 minutes on not less than 90% of all response requests within the “Suburban/Rural Zone.”

PERFORMANCE MEASURES

	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
Urban Zone Medical Responses	2,703	2,800	2,737	2,675	2,750
Suburban/Rural Zone Medical Responses	474	512	514	432	500
Out of Territory Medical Responses	32	72	60	69	60
Interfacility Transfers	1,301	1,269	1,429	1,449	1,500
Total EMS Calls	4,510	4,653	4,740	4,625	4,810
EMS Calls as % of Total Fire Calls	88.4%	92.5%	90.5%	91.9%	90.5%
EMS Training Hours	1,911	1,733	1,481	2,473	1,750
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	91.0%	91.4%	90.7%	90.1%	91.0%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls	94.3%	95.7%	94.6%	94.6%	94.5%

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.

Department staff created specifications, purchased, and put into service a Type II (van style) ambulance to provide better service and improved comfort for patients; updated medical report laptops on all six ambulances and began the process to update cardiac monitor transmission hardware; and replaced Mobile Data Computers (MDCs) in the ambulances with new models, with funding provided by MUSCOM.

The department also worked with the local hospital, public health, and emergency management in providing the proper response and obtaining proper PPE (Personal Protective Equipment) in response to the COVID-19 pandemic; researched and purchased equipment to disinfect vehicles and equipment in order to improve safety to customers and staff; and based on research and information provided by subject matter experts, developed policies and procedures to combat issues caused by the pandemic and adjusted those as new information became available

The Muscatine Ambulance Service hosted the 11th Annual EMS Saturday conference at Discovery Park; this event draws participants from throughout Eastern Iowa as well as serving Muscatine staff.

The Ambulance service saw a decrease of 5.0% in total medical calls, and a decrease of 13.5% for out of town drop-offs compared to 2019. Medical call volume was down 1.6% and out of town drop offs were 8.2% below the five-year average. During the 6-month period starting in March, the Ambulance Service experienced a COVID-related decrease in run volume of 7.4 %. During the 3-month period beginning in March there was a 15% decrease in medical calls.

During the past year, the department began the educational process to transition three department EMT Basic staff members to the Paramedic level certification.

The department continued as a partner in the updated county EMS mutual aid agreement, with an eye toward review and improvement of subsequent agreement documents.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

* To evaluate and review the Department response to the COVID-19 pandemic, and utilize the information gathered and lessons learned as a basis for a plan for quality improvement and improved safety for customers and staff. **(Strategic Plan - Safe Community and Excellent Customer Service)**

* To review the present formal and informal agreements with neighboring ambulance services and EMS providers. The information gathered from the review will be used to improve and clarify existing agreements, identify proper roles for support and coverage, and identify any needed changes to coverage areas or response procedures. **(Strategic Plan - Excellent Customer Service)**

* To complete a review of EMS operations related to vehicles and equipment purchasing and maintenance. Information gathered will be used to assist in purchasing based on the best value, elimination of unneeded equipment costs, more cost-effective maintenance, and improved efficiency in supply chain management. **(Strategic Plan - Excellent Customer Service)**

Ambulance Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 312,250	$ 344,952	$ 329,852	$ 635,847	$ 366,247
Revenues					
Ambulance Fees	$ 1,589,022	$ 1,675,286	$ 1,600,000	$ 1,675,000	$ 1,700,000
Ambulance Fees - GEMT Funds (Began in 2019/2020)	0	373,880	232,600	247,000 (2)	250,000 (2)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	16,260	23,721	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Donations	0	24,455	0	0	0
Interest	3,798	3,938	3,000	600	500
Local Grants	1,900	0	0	0	0
Federal Grant - COVID Relief	0	41,928	0	0	0
Other	0	599	0	0	0
Total Revenues	$ 1,642,380	$ 2,175,207	1,867,000	$ 1,954,000	1,981,900
Funds Available	$ 1,954,630	$ 2,520,159	2,196,852	$ 2,589,847	2,348,147
Expenditures (1)	1,609,678	1,884,312	2,129,200	2,223,600	2,220,300
Ending Balance, June 30	$ 344,952	$ 635,847	$ 67,652	$ 366,247	$ 127,847
Increase (Decrease) in Fund Balance	**$ 32,702**	**$ 290,895**	**$ (262,200)**	**$ (269,600)**	**$ (238,400)**

1. Expenditures include changes in compensated absences.
2. The GEMT (Ground Emergency Medical Transportation) funds for Medicaid paitients began in 2019/2020. Estimated revenues are shown for 2020/2021 and 2021/2022.

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 178,432	$ 157,738	$ 168,800	$ 159,700	$ 154,000	-8.77%
Commodities	117,057	123,829	125,400	117,500	122,500	-2.31%
Contractual Services	195,210	201,863	246,500	254,400	252,100	2.27%
Capital Outlay	30,797	159,863	206,000	209,500	160,000	-22.33%
Transfers	1,087,100	1,239,000	1,382,500	1,482,500	1,531,700	10.79%
Total Expenditures	$ 1,608,596	$ 1,882,293	$ 2,129,200	$ 2,223,600	$ 2,220,300	4.28%
Funding Sources						
Ambulance Fees	$ 1,605,282	$ 2,072,887	$ 1,832,600	$ 1,922,000	$ 1,950,000	6.41%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	3,798	3,938	3,000	600	500	-83.33%
Local Grants/Donations	1,900	24,455	-	-	-	
CARES Act Funds	-	41,928	-	-		
Other	-	599	-	-	-	
Total Funding Sources	$ 1,642,380	$ 2,175,207	$ 1,867,000	$ 1,954,000	$ 1,981,900	6.15%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	0.73	0.48	0.48	0.43	0.42	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	1.98	1.73	1.73	1.68	1.67	$ 105,400
Employee Benefits						48,600
Total Personal Services						$ 154,000

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Refurbish Ambulance	1	Yes	$ 160,000

MUSCATINE CONVENTION AND VISITORS BUREAU (CVB)

GENERAL INFORMATION/HISTORY:

There have been a number of changes in the operation of the Convention and Visitors Bureau (CVB) since 2013. The 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 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 was then 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 2020, the City and Greater Muscatine Chamber of Commerce and Industry (GMCCI) entered into an agreement for GMCCI to provide the City with Tourism and Marketing services. This agreement assigns to GMCCI the responsibility for enhancing the economic development of the City and County of Muscatine by marketing and promoting it as a destination for visitors and tourism. Specific tactics are outlined in the agreement that is being implemented in the 2020/2021 fiscal year and continuing into 2021/2022. Per this agreement, the City will pay GMCCI $125,000 in each of these two fiscal years for these services.

The City will continue to maintain its CVB enterprise fund and the $125,000 payments to GMCCI in 2020/2021 and 2021/2022 will be made from the CVB enterprise fund. The City will continue to transfer 25% of the prior year hotel/motel tax receipts from the Economic Development budget into the CVB enterprise fund. The transfer for 2020/2021 is $99,600 based on 25% of actual 2019/2020 hotel/motel taxes. The transfer for 2021/2022 is estimated at $62,500, 25% of the $250,000 in estimated hotel/motel taxes for 2020/2021. Hotel/motel tax estimates are lower beginning in mid-March of 2020 due to reduced travel as a result of the COVID-19 pandemic.

The fund balance in the CVB fund is unspent funds from prior years. The estimated fund balance as of June 30, 2022 is $73,578.

Muscatine Convention and Visitors Bureau (CVB)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 127,249	$ 147,321	$ 146,221	$ 168,978	$ 139,878
Revenues					
Travel Iowa Grant	$ 1,592	$ 0	$ 0	$ 0	$ 0
Reimbursement of Expenses	0	425	0	0	0
Interest	3,104	3,261	2,200	100	100
Transfers In					
General Fund - Hotel/Motel Tax (1)	130,498	123,738	125,000	99,600 (2)	62,500 (3)
Total Revenues	$ 135,194	$ 127,424	$ 127,200	$ 99,700	$ 62,600
Funds Available	$ 262,443	$ 274,745	$ 273,421	$ 268,678	$ 202,478
Expenditures	115,122	105,767	132,000	128,800	128,900
Ending Balance, June 30	$ 147,321	$ 168,978	$ 141,421	$ 139,878	$ 73,578
Increase (Decrease) in Fund Balance	**$ 20,072**	**$ 21,657**	**$ (4,800)**	**$ (29,100)**	**$ (66,300)**

1. The City hotel/motel tax allocation is budgeted to be 25% of the actual hotel/motel tax receipts from the previous fiscal yea
2. The actual hotel/motel tax transfer from the General Fund for 2020/2021 is 25% of the actual 2019/2020 hotel/motel tax revenue of $398,588 which calculates to $99,647.
3. The estimated hotel/motel tax transfer from the General Fund for 2021/2022 is 25% of the estimated 2020/2021 hotel/mote tax revenue of $250,000 which calculates to $62,500. The lower hotel/motel tax estimate is due to the COVID-19 pandemic which has reduced travel, especially business travel

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	289	311	2,900	-	-	-100.00%
Contractual Services	106,884	101,757	125,300	125,000	125,000	-0.24%
Capital Outlay	3,750	-	-	-	-	
Transfers	4,200	3,700	3,800	3,800	3,900	2.63%
Total Expenditures	$ 115,123	$ 105,768	$ 132,000	$ 128,800	$ 128,900	-2.35%
Funding Sources						
City Hotel/Motel Tax Allocation	$ 130,498	$ 123,738	$ 125,000	$ 99,600	$ 62,500	-50.00%
Special Program Donation	1,592	-	-	-	-	
Other Including Interest	3,104	3,686	2,200	100	100	-95%
Total Funding Sources	$ 135,194	$ 127,424	$ 127,200	$ 99,700	$ 62,600	-50.79%

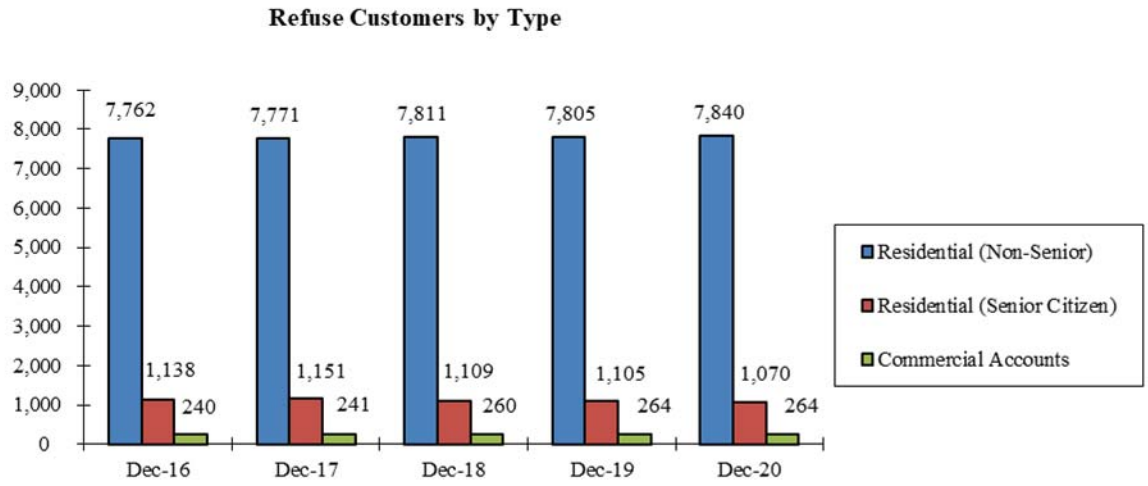
SOLID WASTE MANAGEMENT FUNDS

REFUSE COLLECTION

GENERAL INFORMATION:

The Solid Waste Management functions of the City are accounted for in three (3) separate funds - Landfill Operations, Transfer Station Operations, and Refuse Collection. Separating the three activities is required to properly analyze the fee structure and costs within each of the operations. The Landfill operation and Transfer Station operation are detailed in separate budgets which follow.

The Refuse Collection activity involves the pickup of solid waste by refuse trucks in the City of Muscatine. Refuse at residential dwellings is collected once each week. The department also collects refuse from some apartment complexes, commercial businesses, and industrial customers. Non-residential refuse collection is made only upon request, as many businesses contract with private haulers for this service. The breakdown of the number of customers in December for the last five years is as follows:



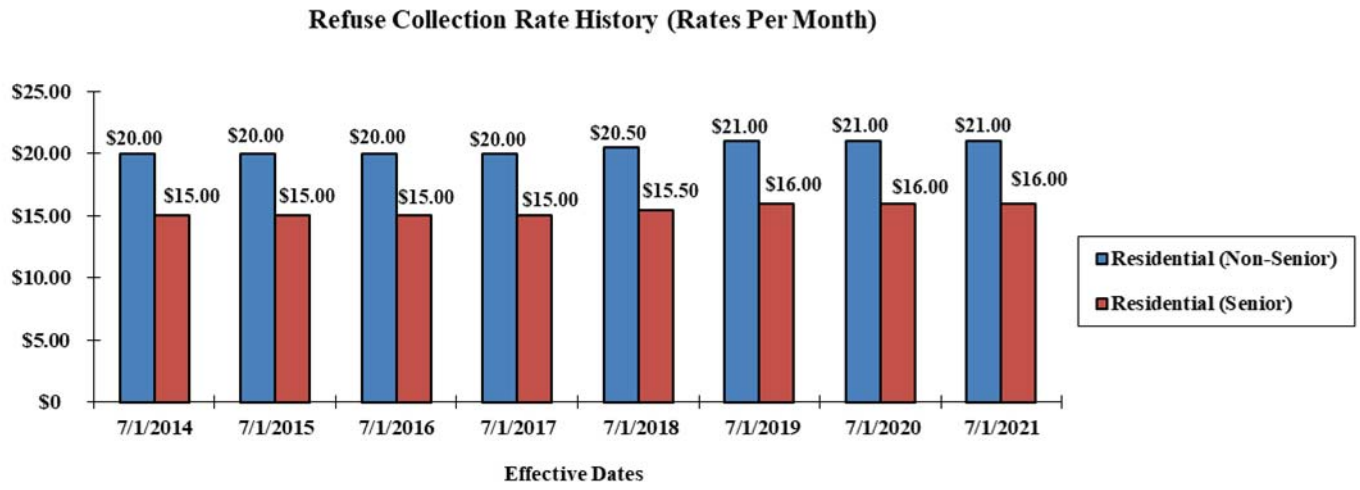
In April 2011 the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside recycling program has been incorporated into the refuse collection rates. The cost per customer per month for the curbside recycling program was $3.05 in the first year of the contract. The contract provided for increases to $3.14, $3.23, $3.33, and $3.43, respectively, for the 2nd through the 5th years of the contract. Allied Waste provided the containers for each customer as part of that fee.

The 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 went into effect April 1, 2020. Republic Services has agreed to a one-year extension to this contract at the current rate of $3.86 per customer per month. Negotiations for a longer-term contract will occur during the upcoming year.

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 has increased each year, which impacts the funds available for the regular refuse collection service. No rate increase is budgeted for the 2021/2022 fiscal year.



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 2020/2021 and 2021/2022 budgets each include $540,000 for Transfer Station fees for disposal of an estimated 9,000 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. The Refuse Collection fund balance increased to $205,629 at the end of the 2019/2020 fiscal year.

There were two significant changes in the Refuse Collection budget beginning in the 2019/2020 fiscal 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 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 involved the elimination of Spring Cleanup Week starting in 2020. Cleanup Week has been replaced by a year-round bulky waste pickup program on a call-in basis. This required a ¾ time Refuse Driver position to be added for this service. This position works with the fulltime Refuse Driver assigned to the previous curbside bulky waste pickup operation.

Revised estimate expenditures for 2020/2021 are $65,700 more than the original budget. This overall increase is due to the net effect of (1) personal services costs are $14,600 less than the original budget, and (2) contractual services are $80,300 more than the original budget. The contractual services increase includes $42,600 of chipping costs at the Compost Site due to the debris from the August 10, 2020 windstorm. This amount is expected to be reimbursed by insurance. There is also an increase of $42,000 in Transfer Station charges since the waste volume from residential/commercial customers has increased from an estimated 8,300 tons to 9,000 tons. Reductions in other line items offset a portion of these increases.

The budgeted expenditures for 2021/2022 are $13,800 (.6%) less than the original 2020/2021 budget. This overall decrease is due to the net effect of (1) personal services costs are $26,300 more than the prior year budget, (2) contractual services are $39,000 more than the original prior year budget, (3) capital outlay is $82,100 less, and (4) transfers are $3,000 more. The contractual services increase is primarily due to increased Transfer Station charges since the expected waste volume from residential/commercial customers increased from 8,300 tons to 9,000. The capital outlay decrease is primarily due to the 2020/2021 budget including $260,000 for an additional automated refuse vehicle while the 2021/2022 budget includes $170,000 for a new rear-loading refuse vehicle.

The 2021/2022 budget includes $419,000 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 $2,342,200 for both the 2020/2021 revised estimate and 2021/2022 budget. As noted previously, no rate increase is budgeted for 2021/2022 and rates will continue at $21.00 per month for regular residential customers and $16.00 per month for senior customers.

The 2020/2021 and 2021/2022 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 Community Development department staff changes, 50% of a fulltime position will be allocated to Refuse Collection when this position is filled in the spring of 2021. 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Tons of Refuse Collected	8,164	8,436	8,559	9,000	9,000
Regular Residential Customers - December	7,150	7,190	7,316	7,232	7,250
Senior Residential Customers - December	1,151	1,109	1,055	1,070	1,100
Commercial and Industrial Customers - December	241	260	241	264	265
Ripley's Mobile Home Court – Residential Units	285	285	265	263	263
Fruitland Residential Customers – December	336	336	344	345	345
Cleanup Week Collections (Tons) (1)	876	542	0 (1)	0	0
Single Sort Curbside Recycling (Tons)	1,267	1,255	1,323	1,500	1,500
Curbside Pickups - Includes the Year-Round Bulky Waste Pickup Program(1)	1,686	1,628	3,676 (1)	7,500	7,500

1. Spring Cleanup Week was discontinued beginning in 2020. It was replaced with a year-round bulky waste pickup program on a call-in basis, implemented in the Spring of 2020.

RECENT ACCOMPLISHMENTS:

Refuse Collection employees continue to provide curbside residential and commercial trash collection services in a safe and timely manner. With the changes made with Spring Cleanup now being a year round service, a new ¾ time employee was hired and this service appears to be going better that anticipated. Employee injuries and accidents are still being kept to a minimum. A mandatory curbside mattress bag program has been implemented to ensure employee safety while handling mattresses.

Equipment breakdowns appear to be on the decline through monitoring, research on best practices, and employee training. A new rear load commercial truck has been purchased and is a tremendous addition to the aging fleet.

The daily challenges of working with equipment issues and the Midwest weather, are being overcome with teamwork and the dedication that the employees demonstrate in their job performance.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To complete a review of how the new curbside bulky waste program is going and recommend any needed changes to City Council. **(Strategic Plan - Excellent Customer Service)**

- To continue to search for community beautification projects and programs. **(Strategic Plan – Vibrant Community)**

- To continue to improve equipment maintenance and operation practices. **(Strategic Plan - Excellent Customer Service)**

- To implement any curbside recycling program changes. This could include reopening a cardboard and recycling drop-off area at the Transfer Station for Muscatine residents. **(Strategic Plan - Excellent Customer Service)**

- To explore ways to market wood waste processed at the Compost Facility. After the August derecho storm, this will be a challenge with an overburdened market in the mulch industry.

- To provide education and outreach in the refuse and recycling programs offered by the City to its residents and industries. **(Strategic Plan - Excellent Customer Service)**

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Refuse Collection Fund

Fund Statement

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	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ (113,072) (2)	$ 46,721	$ 156,421	$ 205,629	$ 144,729
Revenues					
Charges for Services	$ 2,274,887 (3)	$ 2,340,676 (4)	$ 2,327,000	$ 2,342,200	$ 2,342,200
Sales - Yard Waste Bags	16,309	15,395	16,000	15,800	15,800
Compost Site Fees	84	4,919 (5)	15,000 (5)	11,500 (5)	11,500 (5)
Interest	0	1,153	0	0	0
Sales Tax	6,394	6,815	6,500	6,800	6,800
Insurance Reimbursement (Windstorm)	0	0	0	42,600	
Miscellaneous	0	4,975	0	0	0
Sale of Equipment	0	24,750	0	0	0
Transfers In:					
Surcharge Part II	46,669	41,619	0	0	0
Total Revenues	$ 2,344,343	$ 2,440,302	$ 2,364,500	$ 2,418,900	$ 2,376,300
Funds Available	$ 2,231,271	$ 2,487,023	$ 2,520,921	$ 2,624,529	$ 2,521,029
Expenditures (1)	2,184,550	2,281,394	2,414,100	2,479,800	2,400,300
Ending Balance (Deficit), June 30	$ 46,721 (2)	$ 205,629	$ 106,821 (4)	$ 144,729	$ 120,729
Increase (Decrease) in Fund Balance	**$ 159,793**	**$ 158,908**	**$ (49,600)**	**$ (60,900)**	**$ (24,000)**

1. Expenditures include changes in compensated absences.
2. The fund balance deficit at the end 2017/2018 was planned 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 ito 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-houshold 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 2019/2020 amount reflects a partial year of revenues from this fee. The 2020/2021 and 2021/2022 budgets reflect estimated amounts for the first two full fiscal years.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 673,822	$ 623,336	$ 711,400	$ 696,800	$ 737,700	3.70%
Commodities	59,486	46,181	65,900	65,900	65,900	0.00%
Contractual Services	1,302,065	1,290,168	1,266,600	1,346,900	1,305,600	3.08%
Capital Outlay	16,840	185,696	276,100	276,100	194,000	-29.74%
Transfers	133,969	132,619	94,100	94,100	97,100	3.19%
Total Expenditures	$ 2,186,182	$ 2,278,000	$ 2,414,100	$ 2,479,800	$ 2,400,300	-0.57%
Funding Sources						
Charges for Services	$ 2,274,887	$ 2,340,676	$ 2,327,000	$ 2,342,200	$ 2,342,200	0.65%
Sales - Yard Waste Bags	16,309	15,395	16,000	15,800	15,800	-1.25%
Compost Site Fees	84	4,919	15,000	11,500	11,500	-23.33%
Sales Tax	6,394	6,394	6,500	6,800	6,500	0.00%
Interest	-	1,153	-	-	-	
Sale of Equipment	-	24,750	-	-	-	
Insurance Reimbursement	-	-	-	42,600	-	
Miscellaneous	-	4,975	-	-	-	
Total Funding Sources	$ 2,297,674	$ 2,398,262	$ 2,364,500	$ 2,418,900	$ 2,376,000	0.49%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Solid Waste Manager	0.25 (1)	- (1)	-	-	-	
Solid Waste & Sewer Systems Manager	0.04 (1)	0.08 (1)	0.08	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	0.50	0.50	
Office Coordinator	0.25	0.50	0.50	0.50	0.50	
Clerk	0.25	-	-	-	-	
Total Full Time	7.04	6.98	7.08	7.33	7.33	
Part Time:						
Compost Site Attendant	1.05	0.06	-	-	-	
Compost Site Technicians	-	0.34	0.84	0.78	0.84	
Community Service Officers (2)	0.75	0.27	0.25	-	-	
Refuse Driver I (3)	-	0.24	0.73	0.73	0.73	
Refuse Collection Laborers	0.81	0.81	0.81	0.81	0.81	
Clerk	0.18	0.37	0.36	0.38	0.36	
Total	9.83	9.08	10.07	10.02	10.07	$ 487,100
Employee Benefits						250,600
Total Personal Services						$ 737,700

1. A Public Works administrative staff reorganization was effective January 1, 2019.
2. Effective 1-1-21, 50% of a fulltime Community Services Officer position will be allocated to Refuse Collection and the part time position allocations were eliminated.
3. The 2019/2020 revised estimate included a 3/4 time Refuse Collection Driver for the year-round bulky waste program which replaced Spring Cleanup Week. The 2020/2021 and 2021/2022 budgets continue this position.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Rear Load Refuse Truck	1	Yes	$ 170,000
Dumpsters	16	Yes	12,000
Curbside Rollout Refuse Containers	224	Yes	12,000
			$ 194,000

SOLID WASTE MANAGEMENT FUNDS

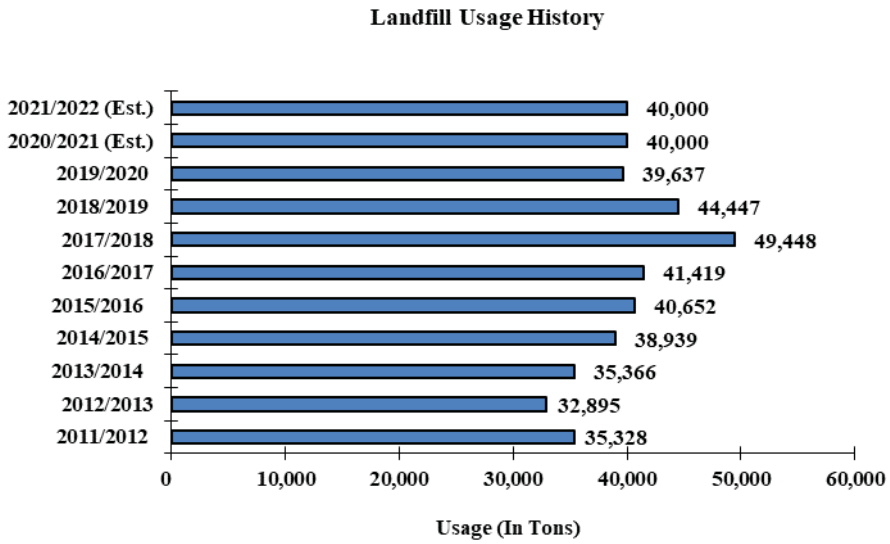
LANDFILL OPERATIONS

GENERAL INFORMATION:

The Solid Waste Management funds consist of three (3) operations, Refuse Collection, Landfill Operations, and Transfer Station Operations. The City is a member of the Muscatine County Solid Waste Management Agency. This agency contracts with the City of Muscatine to operate the landfill. The Agency is responsible for the disposal of solid waste in Muscatine County. The Transfer Station opened in August of 1995. This facility is used as a staging area for recycling, refuse collection, and the transfer of non-recyclable items to the landfill.

Under the terms of the agreement between the Solid Waste Management Agency and the City, the City is responsible for the costs incurred in the operation of the sanitary landfill, the maintenance of the entrance road, the cost of purchasing the landfill site, and certain special engineering fees. The City establishes an annual price per ton for waste disposal at the landfill. Beginning in 2008/2009 the Agency reinstated an annual assessment to each of its members in a total annual amount of $117,200. This was to assist in reducing the accumulated deficit in this fund.

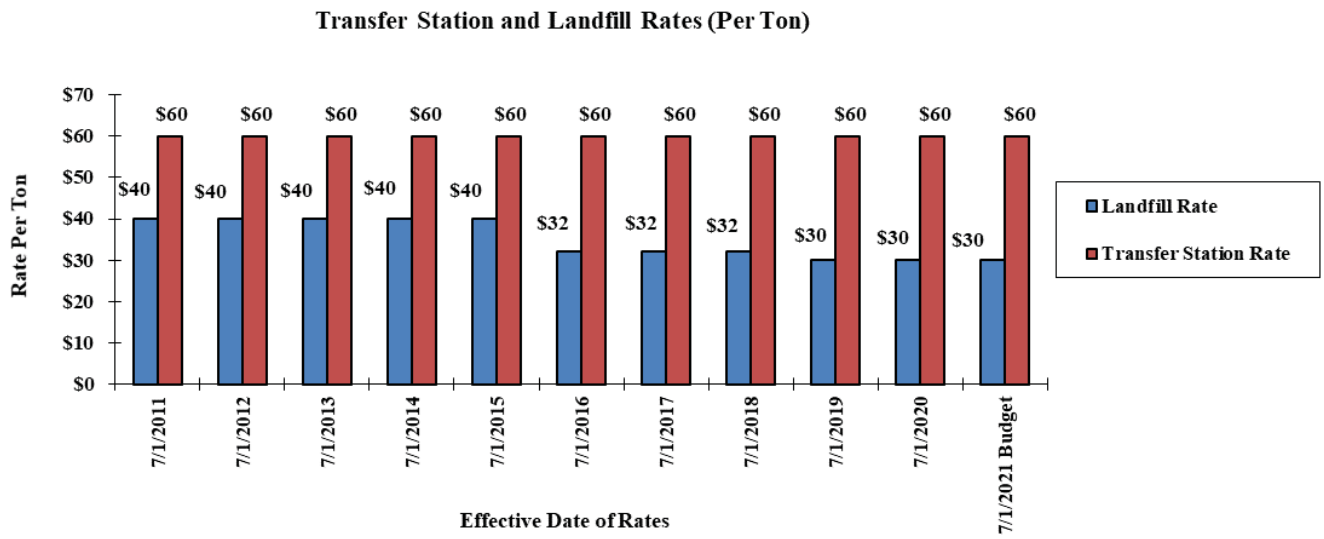
The following chart shows the tons of waste disposed of at the landfill since 2011/2012 as well as the projected waste volumes for 2020/2021 and 2021/2022.



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.

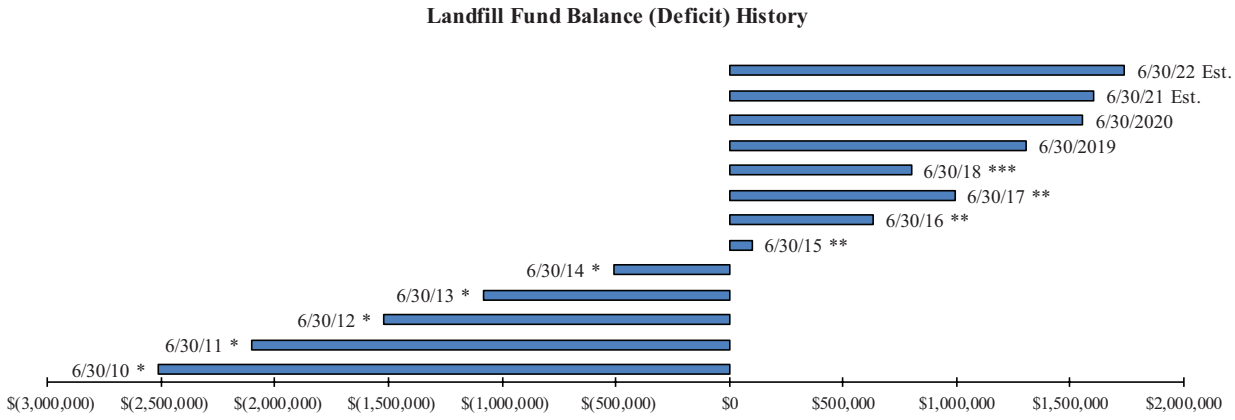
The following chart shows the Transfer Station regular rates since the 2011/2012 year and the portion of the transfer station fee paid to the Landfill fund. The regular Transfer Station rate has been $60.00 per ton since July 1, 2009 and that rate includes the portion of the rate the Transfer Station 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 and 2021/2022 budgets. This change was needed to continue to fund capital expenditures at the Transfer Station.



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 those contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton and the negotiated contracts were each reduced by $2.50/ton. Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements; however, discussions are continuing. Under the new agreements the regular industrial contracts will decrease by $2.50 per ton to $42.50 per ton and the rates for the negotiated agreements will not change.

The fund balance for the Landfill Operation has varied over the past ten (11) years. The following is a summary of actual and projected fund balances (deficits).



* Beginning June 30, 2003 there were interim loans to fund cell closure costs, costs to develop new cells, and other landfill capital and operating costs.

** The deficit was eliminated in 2014/2015 and funds 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 a $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 to $1,556,270 as of June 30, 2020. The fund balance is estimated to increase to $1,605,470 at the end of fiscal year 2020/2021, and further increase to $1,741,970 at the end of the 2021/2022 fiscal year. This balance will be available to fund future capital costs, including costs to develop the next landfill cell.

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 that 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 2020/2021 are $18,400 less than the original budget. This overall decrease is due to the net effect of (1) a $200 increase in personal services costs, (3) a $5,000 increase in commodities, (3) an $11,700 decrease in contractual services, (4) a $15,600 decrease in capital outlay, and (5) a $3,700 increase in transfers. The decrease in capital outlay is due to costs for the groundwater remediation work being less than budgeted. 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 $1,160,800, which is $56,300 less than the originally budgeted amount of $1,217,100. This reduction is due to a projected decrease in waste volume from 42,000 tons in the original budget to 40,000 tons based on actual waste volume for the first half of the fiscal year.

The budgeted expenditures for 2021/2022 for the Landfill are $105,700 (8.3%) less than the original 2020/2021 budget. The overall decrease in expenditures is due to the net effect of (1) a $4,100 increase in personal services costs, (2) a $12,300 decrease in contractual services, (3) a $103,000 decrease in capital outlay, and (4) a $5,500 increase in transfers. The capital outlay allocation for 2021/2022 totals $17,000 and includes (1) $7,000 to replace two tarps, and (2) $10,000 for a trash fence to control windblown trash at the Landfill.

The waste volume for 2021/2022 is estimated at 40,000 tons which is 2,000 tons less than the original 2020/2021 budget and the same as the 2020/2021 revised estimate.

Landfill fees for 2021/2022 are budgeted at $1,160,800 based on an estimated 40,000 tons. This is $56,300 less than the original budget for 2020/2021 and the same as the 2020//2021 revised estimate. This 40,000 ton waste estimate includes 27,200 tons at the full $30 rate ($816,000), 5,400 tons at the $25 industrial contract rate ($135,000), and 7,400 tons at the negotiated industrial rates ($209,600). The waste tonnage and revenue estimates for 2021/2022 are based on revenues from the three industrial contracts which have been extended through June 30, 2025 and based on successfully re-negotiating and extending the other three industrial contracts. The revenue from the negotiated contracts is all credited to the Landfill fund.

With the projected landfill revenues and expenditures, the landfill fund balance is projected to increase by $49,200 to $1,605,470 at the end of the 2020/2021 fiscal year. The fund balance at the end of the 2021/2022 fiscal year is estimated to increase by $136,500 to $1,741,970. 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 previous contract with Dick Doyle Excavating was terminated May 15, 2020. The current contract is with Rittmer Inc. at a rate of $36,500 per month ($438,000 annually) which runs through June 30, 2021. Rittmer Inc. has indicated they would be willing to extend this contract at the same rate for an additional three years. 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 $84,000 for both the 2020/2021 revised estimate and 2021/2022 budget based on an estimated 40,000 tons of waste each year. The surcharge funds retained by the City are estimated at $62,000 for both 2020/2021 and 2021/2022. 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 2020/2021 and 2021/2022 it is estimated that there will be $20,000 in Part I funds each year which will be transferred to the Landfill fund for qualifying expenditures and an estimated $42,000 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 2020/2021 and 2021/2022 is $159,400 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at $49,900.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Tons of Waste Disposed	49,448 *	44,447	39,637	40,000	40,000
Estimated Landfill Capacity Remaining (Tons)	350,751 **	306,304	266,667	225,667	183,667
Years of Current Landfill Space Remaining (Estimate)	7 **	6.5	5.5	4.5	3.5
Leachate Collected in Gallons	2,246,828	4,312,136	3,506,579	3,000,000	2,500,000

* The higher waste volume in 2017/2018 includes tonnage from the disposal of debris and damaged building materials from the 2017 tornado, wind storm, and hail storm.

** The Landfill capacity increased in December of 2017 with the opening of Cell 5.

RECENT ACCOMPLISHMENTS:

The Landfill operation continues to fill cell 5. Most of the trees that the IDNR noted on prior inspections that needed to be removed, have now been removed. Leachate seeps have been corrected when identified. Interior haul roads have been graded and have had slag hauled in and applied. The mowing of fill areas at the Landfill have mostly been completed and the borrow area for cover soil has been regraded to shed water away from the neighbor's property. An automated leachate pumping system has been installed to help insure leachate is contained to the tanks and lagoon during rain events.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To continue to identify areas to reduce leachate generation and work with the contract operator to remedy these areas.

- To continue to explore methods to reduce operating costs and extend the life of the landfill. **(Strategic Plan - Reliable Public Infrastructure)**

Landfill Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 801,328	$ 1,305,972	$ 1,397,372	$ 1,556,270	$ 1,605,470
Revenues					
Charges for Services	$ 1,334,760	$ 1,151,011	$ 1,217,100	$ 1,160,800 (3)	$ 1,160,800 (3)
Agency Assessment (2)	117,652	117,177	117,200	117,200	117,200
Interest	67,739	72,512	21,100	5,000	5,000
Other	0	1,636	0	0	0
Transfers In:					
Landfill Surcharge Reserve	22,223	19,819	21,000	20,000 (4)	20,000 (4)
Total Revenues	$ 1,542,374	$ 1,362,155	$ 1,376,400	$ 1,303,000	$ 1,303,000
Funds Available	$ 2,343,702	$ 2,668,127	$ 2,773,772	$ 2,859,270	$ 2,908,470
Expenditures (1)	1,037,730	1,111,857	1,272,200	1,253,800	1,166,500
Ending Balance, June 30	$ 1,305,972	$ 1,556,270	$ 1,501,572	$ 1,605,470	$ 1,741,970
Increase (Decrease) in Fund Balance	**$ 504,644**	**$ 250,298**	**$ 104,200**	**$ 49,200**	**$ 136,500**

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 2020/2021 revised estimate and 2021/2022 budget are each based on an estimated 40,000 tons of waste.
4. The 2020/2021 and 2021/2022 transfers from the Landfill Surcharge Reserve are based on 40,000 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. Funds are again being accumulated for future landfill capital costs.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	22,223	19,819	21,000	20,000 (1)	20,000 (1)
Funds Available	$ 22,223	$ 19,819	$ 21,000	$ 20,000	$ 20,000
Expenditures					
Transfers to Landfill Fund	22,223	19,819	21,000	20,000	20,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 40,000 tons for the 2020/2021 Revised Estimate and the 2021/2022 Budget at $.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	46,669	41,619	44,100	42,000 (1)	42,000 (1)
Funds Available	$ 46,669	$ 41,619	$ 44,100	$ 42,000	$ 42,000
Expenditures					
Transfers to Transfer Station Fund	46,669	41,619	44,100	42,000	42,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 40,000 tons for the 2020/2021 Revised Estimate and the 2021/2022 Budget at $1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 1,022,715	$ 1,177,948	$ 1,333,148	$ 1,337,341	$ 1,496,741
Revenues					
Transfers In					
Landfill Fund	155,233	159,393	155,200	159,400 (2)	159,400 (2)
Funds Available	$ 1,177,948	$ 1,337,341	$ 1,488,348	$ 1,496,741	$ 1,656,141
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 1,177,948	$ 1,337,341	$ 1,488,348	$ 1,496,741	$ 1,656,141
Increase (Decrease) in Fund Balance	**$ 155,233**	**$ 159,393**	**$ 155,200**	**$ 159,400**	**$ 159,400**

1. This reserve is required to be established to pay for the closure costs for the currently permitted landfill area.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. Estimated amounts are reflected since the actual amounts have not yet been determlned.

Landfill Post-Closure Reserve (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 972,087	$ 1,019,375	$ 1,066,675	$ 1,069,315	$ 1,119,215
Revenues					
Transfers In					
Landfill Fund	47,288	49,940	47,300	49,900 (2)	49,000 (2)
Funds Available	$ 1,019,375	$ 1,069,315	$ 1,113,975	$ 1,119,215	$ 1,168,215
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 1,019,375	$ 1,069,315	$ 1,113,975	$ 1,119,215	$ 1,168,215
Increase (Decrease) in Fund Balance	**$ 47,288**	**$ 49,940**	**$ 47,300**	**$ 49,900**	**$ 49,000**

1. Landfill owners are required to monitor and maintain landfill sites for 30 years after landfills are closed. Funds are required to be set aside annually in order to accumulate funds for this purpose.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. Estimated amounts are reflected since the actual amounts have not yet been determlned.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 63,325	$ 66,163	$ 69,700	$ 69,900	$ 73,800	5.88%
Commodities	6,351	9,215	17,400	22,400	17,400	0.00%
Contractual Services	623,450	626,881	736,200	724,500	723,900	-1.67%
Capital Outlay	15,928	79,184	120,000	104,400	17,000	-85.83%
Transfers	329,113	330,271	328,900	332,600	334,400	1.67%
Total Expenditures	$ 1,038,167	$ 1,111,714	$ 1,272,200	$ 1,253,800	$ 1,166,500	-8.31%
Funding Sources						
Charges for Services	$ 1,334,760	$ 1,151,011	$ 1,217,100	$ 1,160,800	$ 1,160,800	-4.63%
Agency Assessment	117,653	117,177	117,200	117,200	117,200	0.00%
Industry Contribution	-	-	-	-	-	
Interest	67,739	72,512	21,100	5,000	5,000	-76.30%
Other	-	1,636	-	-	-	
Transfers In:						
Surcharge Reserve	22,223	19,819	21,000	20,000	20,000	-4.76%
Total Funding Sources	$ 1,542,375	$ 1,362,155	$ 1,376,400	$ 1,303,000	$ 1,303,000	-5.33%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Solid Waste Manager	0.18 *	-	-	-	-	
Solid Waste & Sewer Sstem Manager	0.18 *	0.35	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	$ 51,100
Employee Benefits						22,700
Total Personal Services						$ 73,800

* Public Works reorganization effective January 1, 2019.

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tarps	2	Yes	$ 7,000
Trash Fence	1	No	10,000
			$ 17,000

SOLID WASTE MANAGEMENT FUNDS

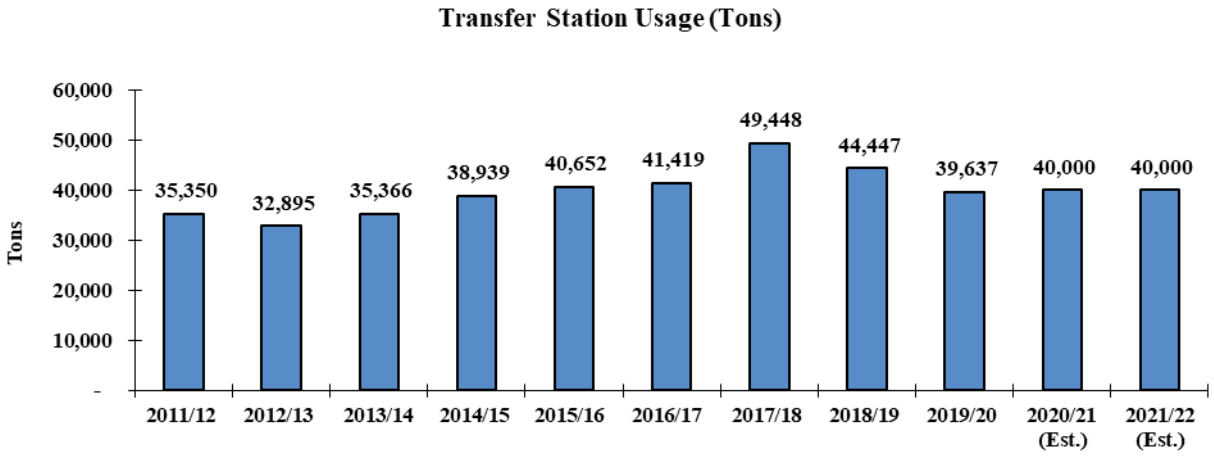
TRANSFER STATION OPERATIONS

GENERAL INFORMATION:

The Transfer Station opened in August of 1995. Project costs totaled approximately $10,128,000. 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 2020/2021 revised estimate and 2021/2022 budget have each been based on 40,000 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.

Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements; however, discussions are continuing. Under the new agreements the regular industrial contracts will decrease by $2.50 per ton to $42.50 per ton and the rates for the negotiated agreements will not change.

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. 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 had 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 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). With the allocation change, the balance at the end of the 2019/2020 fiscal year increased to $172,851. The allocation of the full rate tipping fee at $30 Landfill and $30 Transfer Station was continued in the 2020/2021 and 2021/2022 budgets.

The 2020/2021 revised estimate expenditures are $63,000 less than the original budget. This overall decrease is due to the net effects of (1) an increase in personal services costs of $1,200, (2) a $64,100 decrease in contractual services, and (3) a $100 decrease in capital outlay. The contractual services decrease is primarily due to reductions in landfill fees and waste hauling services, both due to the currently estimated 40,000 tons of waste compared to the 42,000 ton estimate in the original budget.

Revised estimate tipping fee revenue is estimated at $2,084,600, which is $109,500 less than the original budget. This decrease is due to the estimated decrease in tonnage from the 42,000 in the original budget to 40,000 in the revised estimate. Based on revised estimate revenues and expenditures, a positive fund balance of $327,210 is projected for June 30, 2021.

The budgeted expenditures for 2021/2022 are $257,463 (12.1%) higher than the original 2020/2021 budget. The 2021/2022 budget is based on 40,000 tons of waste, which is a 2,000 ton decrease from the original 2020/2021 budget and the same as the 2020/2021 revised estimate. The $257,463 overall expenditure increase is due to the net effect of (1) a $10,800 increase in personal services costs, (2) a $49,900 decrease in contractual services primarily due to reduced landfill and hauling fees with the reduced waste volume, (3) a $136,500 increase in capital outlay, and (4) a $160,063 increase in transfers. The capital outlay allocation of $142,000 includes $78,000 to replace a transfer trailer, $30,000 to replace a pickup truck, and $34,000 for four lift station pumps. The increase in transfers is due to the net effect of (1) a new $200,000 transfer to fund a portion of the $650,000 capital project to replace the tipping floor at the Transfer Station, and (2) a $39,937 decrease in transfers since the final payment on the prior year internal loan for transfer station equipment is being made in 2020/2021. The remaining $450,000 allocation to replace the tipping floor of the Transfer Station is budgeted to be funded from the May 2022 bond issue.

The 2021/2022 budgeted tipping fees are estimated at $2,084,600 based on the 40,000 tonnage estimate. This is a decrease of $109,500 from the original budget and the same as the 2020/2021 revised estimate. Other revenue for both 2020/2021 and 2021/2022 includes $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 Transfer Station fund balance is estimated at $161,410 at the end of the 2021/2022 fiscal year.

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 2021/2022. 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 2020/2021 revised estimate and 2021/2022 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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Tons of Waste Processed	49,448	44,447	39,637	40,000	40,000
Tons Recycled (Contractor) – Republic Services	1,411	1,256	1,323	1,500	1,500
Gallons of Waste Oil Collected	6,440	5,200	5,200	5,200	5,200

RECENT ACCOMPLISHMENTS:

Transfer Station staff have improved the process for loading trailers that haul waste to the Landfill. Loading weights are being monitored with the understanding that ensuring each load is at the maximum weight as much as possible helps reduce hauling costs. The purchase of a new aluminum trailer, which is lighter that the steel trailers typically used, has allowed for more trash to be hauled per load.

Staff has worked on cross training with machines and equipment to help ensure that operations can continue if illness or injury absences become an issue for staffing at the Transfer Station.

Safe working practices have been key in keeping the Transfer Station open to the fullest extent possible during the COVID-19 pandemic with as little interruption as possible, while at the same time keeping employees safe.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To continue to improve operating efficiencies and identify maintenance practices that will reduce repair costs and prolong the useful lives of equipment. **(Strategic Plan - Excellent Customer Service)**

- To continue to explore options for materials that can be diverted from the landfill and methods to achieve this objective.

- To work towards providing a customer convenience/drop-off area for comingled recycling and cardboard. **(Strategic Plan - Excellent Customer Service)**

- To review the transfer trailer hauling contract and make any recommendations for renewal in July of 2022.

Transfer Station Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ (60,468)	$ (3,826)	$ 77,674	$ 172,851	$ 327,210
Revenues					
Charges for Services	$ 2,318,615	$ 2,151,697	$ 2,194,100 (2)	$ 2,084,600 (3)	$ 2,084,600 (3)
Household Hazardous Waste	35	0	300	300	300
Recycling Commissions	10,264	4,876	7,000	4,000	4,000
Recycling Center Rental Fees	22,021	60,000	60,000	60,000	60,000
Sales Tax	11,960	3,819	12,000	8,300	8,300
Electronic Waste Disposal Fees	11,749	13,645	13,000	15,500	15,500
Appliance Disposal Fees	8,275	9,144	8,500	9,000	9,000
Sale of Equipment	1,161	0	0	0	0
Interest	144	536	0	1,700	2,000
Other	3,735	3,326	0	0	0
Transfers In:					
Surcharge Reserve	46,669	41,619	44,100	42,000	42,000
Total Revenues	$ 2,434,628	$ 2,288,662	$ 2,339,000	$ 2,225,400	$ 2,225,700
Funds Available	$ 2,374,160	$ 2,284,836	$ 2,416,674	$ 2,398,251	$ 2,552,910
Expenditures (1)	2,377,986	2,111,985	2,134,037	2,071,041	2,391,500 (4)
Ending Balance (Deficit), June 30	$ (3,826)	$ 172,851	$ 282,637	$ 327,210	$ 161,410
Increase (Decrease) in Fund Balance	**$ 56,642**	**$ 176,677**	**$ 204,963 (3)**	**$ 154,359**	**$ (165,800)**

1. Expenditures include changes in compensated absences.
2. The revenue estimate for the 2020/2021 budget was 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.
3. The revenue estimates for the 2020/2021 revised estimate and the 2021/2022 budget are based on a total of 40,000 tons with 27,200 tons at $60/ton plus 5,400 tons at the industrial rate of $42.50/ton, plus $209,610 from the negotiated industrial contracts which is passed through to the Landfill.
4. The 2021/2022 expenditures include a $200,000 transfer to the Tipping Floor capital project.

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 265,778	$ 280,034	$ 279,700	$ 280,900	$ 290,500	3.86%
Commodities	27,396	31,143	32,300	32,300	32,300	0.00%
Contractual Services	1,885,263	1,635,298	1,772,500	1,708,400	1,722,600	-2.82%
Capital Outlay	118,981	94,539	5,500	5,400	142,000	2481.82%
Transfers	78,900	76,396	44,037	44,041	204,100	363.47%
Total Expenditures	$ 2,376,318	$ 2,117,410	$ 2,134,037	$ 2,071,041	$ 2,391,500	12.06%
Funding Sources						
Charges for Services	$ 2,318,615	$ 2,151,697	$ 2,194,100	$ 2,084,600	$ 2,084,600	-4.99%
Recycling Commissions	10,264	4,876	7,000	4,000	4,000	-42.86%
Recycling Center Rental	22,021	60,000	60,000	60,000	60,000	0.00%
Sales Tax	11,960	3,819	12,000	8,300	8,300	-30.83%
Tire, E-Waste, Appliance Charges	20,024	22,789	21,800	24,500	24,500	12.39%
Miscellaneous Sales	1,161	-	-	-	-	
Other	3,914	3,862	-	2,000	2,300	
Transfer from Surcharge Reserve	46,669	41,619	44,100	42,000	42,000	-4.76%
Total Funding Sources	$ 2,434,628	$ 2,288,662	$ 2,339,000	$ 2,225,400	$ 2,225,700	-4.84%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Solid Waste Manager	0.15 *	-	-	-	-	
Solid Waste & Sewer System Manager	- *	0.08	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	3.08	3.08	3.08	3.08	
Part Time:						
Clerk	0.19 *	0.38	0.36	0.36	0.36	
Total	3.34	3.46	3.44	3.44	3.44	$ 176,600
Employee Benefits						113,900
Total Personal Services						$ 290,500

* Public Works staff reorganization effective January 1, 2019.

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Transfer Trailer	1	Yes	$ 78,000
Pickup Truck	1	Yes	30,000
Lift Station Pumps	4	Yes	34,000
			$ 142,000

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 through 2021/2022 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. In 2019/2020 $2,315,109 from this Reserve funded the final engineering costs and contract and equipment costs for this project. An additional $700,000 has been included in the 2020/2021 revised estimate to complete the final work on 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 seven years. The 80% allocation of Local Option Sales Tax 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 2021/2022 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 2020/2021 and 2021/2022 are $932,016 and $941,515, respectively. Interest payments are $208,220 in 2020/2021 and $193,760 in 2021/2022. The principal payments on this loan are $723,000 in 2020/2021 and $747,000 in 2021/2022.

CONSTRUCTION FUNDS

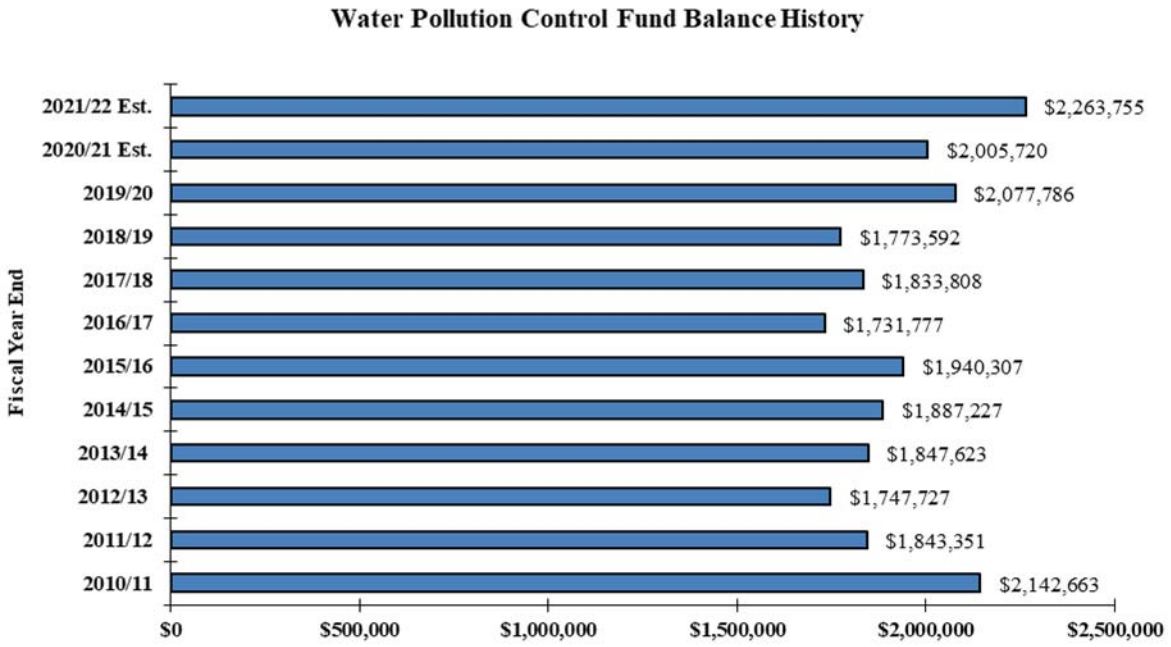
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project 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 of the High Strength Waste Receiving Station for the WPCP was completed in 2020. 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 was 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.

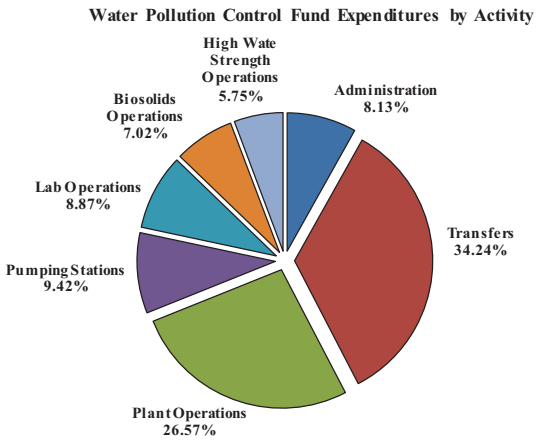


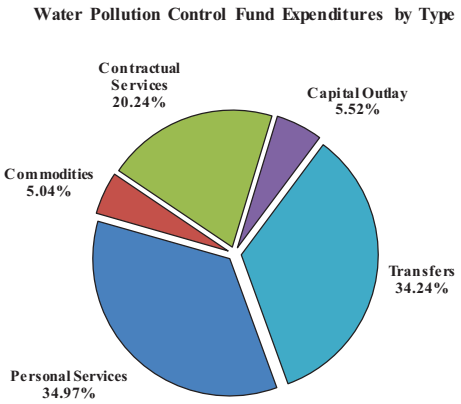
The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements 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.

There were several multi-year sewer rate increases since the revised rate structure was implemented. The most recent rate study was completed in 2018. The recommended rates were adopted by ordinance which set rates to be effective July 1, 2018 and annually thereafter for the next four years (through July 1, 2022). 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 2021/2022. 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 2021/2022:





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 2020/2021 revised estimate expenditures are $72,600 more in total than the original budget. There were increases or decreases in each of the individual activity budgets including (1) a $4,200 increase in the Water Pollution Control Administration budget, (2) a $48,700 increase in the Plant Operations budget primarily due to installation of the sluice gate at the Papoose Station, (3) an $8,400 increase in the Pumping Stations budget, (4) a $6,000 decrease in the Lab budget, (5) a $14,800 increase in the Biosolids budget, and (6) a $2,500 increase in the High Strength Waste Operations budget.

The 2021/2022 budgeted expenditures of $5,410,865 are $55,501 (1.0%) less than the original 2020/2021 budget. This overall decrease is due to (1) a $67,200 (3.7%) increase in personal services costs, (2) a $25,600 (8.6%) decrease in commodities, (3) a $9,600 (.9%) increase in contractual services, (4) a $125,400 decrease in capital outlay, and (5) an $18,699 increase in transfers.

As noted previously, the 2018 sewer rate study recommended a 3% increase in sewer rates to be effective July 1, 2021.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Million Cubic Feet of Wastewater Treated		171.4 (1)	318.7	185.1	221.5	235
Biological Oxygen Demand Treated (1,000 lbs/yr.)		2,673 (1)	3,633	3,630	4,128 (2)	3,512
Total Suspended Solids Treated (1,000 lbs/yr.)		1,983 (1)	2,739	2,268	2,605	2,585
Number of Customer Bills	Industrial	105	115	96 (3)	96 (3)	96
	HSW (3)	N/A	N/A	81	180	200
	Non-Industrial	110,735	110,956	110,833	111,400	111,500
	Total	110,840	111,071	111,010	111,676	111,796

1. There was a bypass of the papoose Lift Station in 2017/2018 due to a force main break.
2. The Biological Oxygen Demand Treated in 2020/2021 is higher since Heinz is loading heavily this year; reduced loads are expected in future years.
3. High Strength Waste (HSW) is being reported separately in the calendar year measures starting in 2019/2020.

Calendar Year Measures	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
High Strength Solid Waste Received in Tons	N/A	N/A	406	1,569	4,000
HSW Liquid Waste Received in Gallons (1)	844,639	2,730,813	3,444,052	3,306,364	3,500,000
Gallons of Sludge/Number of Acres	4,850,293/ 438	3,591,746/ 311 (2)	5,976,114/ 460	5,956,106 438	6,500,000 465
Lift Station Preventive Maintenance Tasks	9,454	9,259	4,500 (3)	6,000	6,000
Lift Station Corrective Work Orders	119	102	110	130	130
Plant Preventive Maintenance Tasks	12,362	11,277	4,272 (3)	11,207	12,000
Plant Corrective Work Orders	125	115	229 (3)	219	220

1. The volume of HSW liquid and solid waste can vary if large loads come in from sources that do not have consistent needs 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.

RECENT ACCOMPLISHMENTS:

The Water and Resource Recovery Facility (WRRF) is the proposed new name of what was once the Water Pollution Control Plant (WPCP), the Wastewater Treatment Plant, and the Sewer Plant. This evolution is important as it better describes 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 department has completed the long awaited High Strength Waste Receiving Station Project. This project allows for greater capacity to receive, store and process industrial liquid and organic wastes for conversion to natural fertilizer and renewable energy. With multiple redesigns and bids to bring the project under budget, it was finally completed in February of 2020 and began receiving materials in May. The new division is under the umbrella of the Biosolids division and is called the High Strength Waste Operations (HSWO) and incorporates solid and liquid processing. The solid processing is done at the former Recycling Center located at the Transfer Station now named the Muscatine Organics Recycling Center (MORC). It is being utilized by industrial customers from over 200 miles away and is growing every month. A new digester system, scheduled for completion in the fall of 2021, will allow more material to be brought in, as the demand for this processing is growing. No other municipality in the Midwest operates a facility of this kind and there are fewer than 10 facilities in the nation that can receive and process packaged food waste for beneficial reuse. This project was submitted as the *Converting Organic Waste into "Liquid Gold"* project and received the Grand Prize along with Grand Conceptor Award in the Water or Wastewater Category for the 2021 Engineering Excellence Awards Competition of ACEC/Iowa, and will be submitted to the national group in January.

The WPCP has been conducting multiple studies this year including the Municipal Wastewater Resource Recovery and Energy Generation pilot study funded by the Iowa Economic Development Authority. This pilot program will study a wide range of innovative options for energy and water enhancement measures while providing a proof of concept analysis for next steps, cost/benefit recommendations, and potential funding partners.

The Nutrient Reduction Alternatives Study is underway to study ways to meet the City's permit requirements of reducing nitrogen and phosphorus at the treatment plant by alternate means in order to save money and remove more of these pollutants from the environment. Options being studied include using the plant effluent for irrigation, diverting urban storm water runoff to wetlands, and using wetlands further up in the watershed to capture agricultural discharges. The study is scheduled to be completed in the spring of 2021.

The Lift Station crews have rebuilt multiple systems in the 21 stations pumping wastewater to the treatment facility. The department petitioned the IDNR and EPA to partially close the Papoose Station main intake valve to avoid backing up sewage into downtown riverfront basements. Once this approval was granted, the floodwaters and sewage backups no longer affect these properties and should keep basements dry into the future. This original gate, installed in the 1960's, is scheduled to be replaced to ensure the protection of these properties.

The Muscatine Environmental Laboratory (MEL) provides testing of drinking water for county residents for the Grants to Counties Drinking Water program. Water is tested for Nitrates/Nitrites and Total Coliforms for private wells. The test is provided free to the resident once per year and the County pays the City for the tests. The MEL is also testing the biogas produced by the digesters that will eventually be converted into renewable energy. The laboratory continues to test for total coliforms in public pools at Muscatine High School, Parks and Recreation, Wilton pool, hotel pools, fountains, and spas for coliform and pseudomonas testing.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To join with local groups to expand the MARRVE (Muscatine Area Resource Recovery for Vehicles and Energy) movement for food waste reduction. **(Strategic Plan – Excellent Customer Service)**

- 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.

- To complete the Nutrient Reduction Alternatives Study. **(Strategic Plan – Excellent Customer Service)**

- To complete the Digester Rehabilitation Project. **(Strategic Plan – Reliable Public Infrastructure)**

- To continue to work on the Sustainable Muscatine Plan. **(Strategic Plan – Excellent Customer Service)**

- To continue to integrate Lean planning into all aspects of work in this department. **(Strategic Plan – Excellent Customer Service)**

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
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	$ 10,411,000	$ 1,432,560	$ 11,843,560

* This schedule reflects the interest rate reduction that was effective December 1, 2018.

WATER POLLUTION CONTROL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

Water Pollution Control Plant Digester Conversion Project

$755,000 of $4,550,000 Total Issue Dated May 23, 2018

Fiscal Year	Principal	Interest	Total Requirements
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	$ 625,000	$ 114,300	$ 739,300

Water Pollution Control Fund

Water Pollution Control Plant Replacement Reserve

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 2,923,709	$ 3,693,037	$ 1,143,037	$ 1,836,816	$ 1,056,816
Revenues					
Interest	$ 69,328	$ 58,888	$ 15,000	$ 5,000	$ 2,000
Transfers In					
Water Pollution Control Operations Fund	700,000 (1)	400,000 (2)	400,000 (2)	400,000	400,000
Total Revenues	$ 769,328	$ 458,888	$ 415,000	$ 405,000	$ 402,000
Funds Available	$ 3,693,037	$ 4,151,925	$ 1,558,037	$ 2,241,816	$ 1,458,816
Expenditures					
Transfers Out:					
High Strength Waste Receiving Station	0	2,315,109 (3)	0	1,185,000 (4)	0
Total Expeditures	$ 0	$ 2,315,109	$ 0	$ 1,185,000	$ 0
Ending Balance, June 30	$ 3,693,037	$ 1,836,816	$ 1,558,037	$ 1,056,816	$ 1,458,816
Increase (Decrease) in Fund Balance	**$ 769,328**	**$(1,856,221)**	**$ 415,000**	**$ (780,000)**	**$ 402,000**

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 (HSWRS) project.
2. The funding transfer into this fund is $400,000 beginning in 2019/2020 which was the amount recommended in the 2018 rate study
3. The funding transfers to the High Strength Waste Receiving Station capital project in 2019/2020 and 2020/2021 for constructing and equipping this facility totaled $3,015,000 based on the original budget.
4. Costs are now projeced to be higher for the digestor conversion portion of the HSWRS project. An additional $485,000 is currently projected to be needed for that portion of the project. Engineering design for connecting the digestors to the plant operation is underway, however, and costs may exceed this amount.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 2,845,791	$ 3,309,970	$ 3,759,970	$ 3,776,241	$ 4,191,241
Revenues:					
Interest	$ 64,179	$ 66,271	$ 50,000	$ 15,000	$ 15,000
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	$ 464,179	$ 466,271	$ 450,000	$ 415,000	$ 415,000
Funds Available	$ 3,309,970	$ 3,776,241	$ 4,209,970	$ 4,191,241	$ 4,606,241
Expenditures:					
Transfer to West Hill Sewer Projec	0	0	0	0	0
Ending Balance, June 30	$ 3,309,970	$ 3,776,241	$ 4,209,970	$ 4,191,241	$ 4,606,241
Increase (Decrease) in Fund Balance	**$ 464,179**	**$ 466,271**	**$ 450,000**	**$ 415,000**	**$ 415,000**

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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 116,009	$ 117,228	$ 125,478	$ 126,916	$ 129,712
Revenues:					
Interest	$ 10,339	$ 8,939	$ 7,500	$ 2,000	$ 2,000
Transfers In:					
Water Pollution Control Fund	978,341	922,970	932,016	932,016	941,515
Total Revenues	$ 988,680	$ 931,909	$ 939,516	$ 934,016	$ 943,515
Funds Available	$ 1,104,689	$ 1,049,137	$ 1,064,994	$ 1,060,932	$ 1,073,227
Expenditures:					
Bonds (1)	$ 678,000	$ 700,000	$ 723,000	$ 723,000	$ 747,000
Interest and Fees (1)	309,461	222,221	208,220	208,220	193,700
Total Expenditures	$ 987,461	$ 922,221	$ 931,220	$ 931,220	$ 940,700
Ending Balance, June 30	$ 117,228	$ 126,916	$ 133,774	$ 129,712	$ 132,527
Increase (Decrease) in Fund Balance	**$ 1,219**	**$ 9,688**	**$ 8,296**	**$ 2,796**	**$ 2,815**

1. Interest and fees since 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 1,833,808	$ 1,773,592	$ 1,893,922	$ 2,077,786	$ 2,005,720
Revenues	5,018,345	5,338,572	5,830,000	5,466,900	5,668,900
Funds Available	$ 6,852,153	$ 7,112,164	$ 7,723,922	$ 7,544,686	$ 7,674,620
Expenditures (1) (2)	5,078,561 (3)	5,034,378 (4) (5)	5,466,366	5,538,966	5,410,865
Ending Balance, June 30	$ 1,773,592	$ 2,077,786	$ 2,257,556	$ 2,005,720	$ 2,263,755
Increase (Decrease) in Fund Balance	**$ (60,216) (3)**	**$ 304,194**	**$ 363,634**	**$ (72,066)**	**$ 258,035**

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 2018/2019 budget 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

	Actual 2018/2019		Actual 2019/2020		Budget 2020/2021		Revised Estimate 2020/2021		Budget 2021/2022	
Sewer Charges-Residential and Commercial (Billed by MP&W)	$ 3,382,071	(1)	$ 3,398,965	(1)	$ 3,617,300	(1)	$ 3,500,000	(1)	$ 3,605,000	(1)
Industrial and City-billed Commercial Sewer Charges	1,257,230	(1)	1,433,375	(1)	1,463,000	(1)	1,433,000	(1)	1,475,000	(1)
Charges for Fats, Oils, and Grease (FOG)	102,945		245,436		250,000		250,000		250,000	
Charges for High Strength Waste	0		15,926	(2)	300,000	(2)	100,000	(2)	150,000	(2)
Wastewater Discharge Permits	2,475		2,375		2,400		2,400		2,400	
Interest	29,535		29,725		17,000		8,000		8,000	
Sale of Equipment/Other Sales	3,647		1,197		0		0		0	
Analytical Income	155,816		104,779		110,000		100,000		105,000	
Sales Tax	66,470		63,649		70,000		64,500		64,500	
FEMA Reimbursement	0		15,185		0		0		0	
Insurance Reimbursement	0		18,893		0		0		0	
Equipment Rental	18,000		0		0		0		0	
Miscellaneous	156		9,067		300		9,000		9,000	
Total Revenues	$ 5,018,345		$ 5,338,572		$ 5,830,000		$ 5,466,900		$ 5,668,900	

1. A sewer rate study was completed in the spring of 2018 which set rates for the next five years. Per the rate study, 3% rate increases were implemented July 1, 2018, July 1, 2019, and July 1 ,2020. Additional 3% increases will be implemented July 1, 2021, and July 1, 2022.
2. The High Strength Waste operation opened in the spring of 2020. The 2020/2021 year will be the first full fiscal year for this operation. The COVID-19 pandemic resulted in reduced usage in FY21.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Administration (1)	$ 2,563,171 (2)	$ 2,215,142 (3)	$ 2,249,966	$ 2,254,166	$ 2,292,165
Plant Operations	1,319,850	1,417,142	1,489,800	1,538,500	1,437,800
Pumping Stations	477,211	438,020	625,600	634,000	509,800
Laboratory Operations	416,327	424,926	438,600	432,600	479,900
Biosolids Operations	306,175	337,713	380,200	395,000	380,000
High Strength Waste Operations	N/A	193,875	282,200	284,700	311,200
Total Expenditures	$ 5,082,734	$ 5,026,818	$ 5,466,366	$ 5,538,966	$ 5,410,865

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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 205,525	$ 212,640	$ 218,900	$ 220,400	$ 229,300	4.75%
Commodities	3,760	4,600	4,700	4,700	4,700	0.00%
Contractual Services	175,384	177,932	192,600	195,300	205,700	6.80%
Capital Outlay	9,653	-	-	-	-	
Transfers	2,168,846	1,819,970	1,833,766	1,833,766	1,852,465	1.02%
Total Expenditures	$ 2,563,168	$ 2,215,142	$ 2,249,966	$ 2,254,166	$ 2,292,165	1.88%
Funding Sources						
Sewer Charges	$ 2,546,302	$ 2,429,684	$ 2,328,800	$ 2,232,500	$ 2,453,400	5.35%
Interest	29,535	29,725	17,000	8,000	8,000	-52.94%
Total Funding Sources	$ 2,575,837	$ 2,459,409	$ 2,345,800	$ 2,240,500	$ 2,461,400	4.93%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions:						
Director of Water Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 167,900
Employee Benefits						61,400
Total Personal Services						$ 229,300

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 659,409	$ 662,306	$ 685,400	$ 668,800	$ 706,600	3.09%
Commodities	88,174	98,399	116,800	116,800	117,800	0.86%
Contractual Services	481,855	485,828	548,600	540,200	536,800	-2.15%
Capital Outlay	90,412	61,220	139,000	189,000	76,600	-44.89%
Transfers	-	109,389	-	23,700	-	
Total Expenditures	$ 1,319,850	$ 1,417,142	$ 1,489,800	$ 1,538,500	$ 1,437,800	-3.49%
Funding Sources						
Sewer Charges	$ 1,229,102	$ 1,306,776	$ 1,417,100	$ 1,462,600	$ 1,361,900	-3.90%
Sales Tax	66,470	63,649	70,000	64,500	64,500	-7.86%
Other Revenues	2,631	11,442	2,700	11,400	11,400	322.22%
Insurance Reimbursement	-	18,893	-	-	-	
FEMA Reimbursement	-	15,185	-	-	-	
Sale of Equipment	3,647	1,197	-	-	-	
Equipment Rental	18,000	-	-		-	
Total Funding Sources	$ 1,319,850	$ 1,417,142	$ 1,489,800	$ 1,538,500	$ 1,437,800	-3.49%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	0.72	0.68	0.73	0.73	0.73	
Total	7.47	7.43	7.48	7.48	7.48	$ 478,500
Employee Benefits						228,100
Total Personal Services						$ 706,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Replace Soft Check Valves	2	Yes	$ 8,000
Plant Drainage Pump #1	1	Yes	40,000
Roughing Filter Pump #1 Rebuild	1	Yes	20,000
New Windows 10 Computers	7	No	8,600
			$ 76,600

Function:
Business Type

Department:
Water Pollution Control

Activity:

Pumping Stations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 145,734	$ 139,876	$ 172,200	$ 172,000	$ 181,300	5.28%
Commodities	11,449	35,748	28,300	29,800	32,200	13.78%
Contractual Services	20,460	183,146	176,400	186,000	179,300	1.64%
Capital Outlay	119,568	79,250	248,700	246,200	117,000	-52.96%
Transfers	-	-	-	-	-	
Total Expenditures	$ 297,211	$ 438,020	$ 625,600	$ 634,000	$ 509,800	-18.51%
Funding Sources						
Sewer Charges	$ 297,211	$ 438,020	$ 625,600	$ 634,000	$ 509,800	-18.51%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Lift Station/Plant Maintenance Supervisor	-	0.58	1.00	1.00	1.00	
Ttreatment Plant Mechanic I	-	1.00	1.00	1.00	1.00	
Lift Station Leadworker	1.00	0.17	-	-	-	
Lift Station Operator	1.00	-	-	-	-	
Total	2.00	1.75	2.00	2.00	2.00	$ 125,100
Employee Benefits						56,200
Total Personal Services						$ 181,300

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Papoose #1 Pump Rotating Assembly	1	No	$ 35,000
Cannon Lift Station #1 Pump Replacement	1	Yes	42,000
Papoose Drywell Pipe Supports	1	Yes	20,000
Progress Park #2 Pump VFD	1	No	20,000
			$ 117,000

Function:
Business Type

Department:
Water Pollution Control

Activity:

Laboratory Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 304,803	$ 312,827	$ 321,700	$ 322,200	$ 334,100	3.85%
Commodities	58,156	60,733	63,300	63,300	63,300	0.00%
Contractual Services	27,778	32,971	33,000	33,600	35,200	6.67%
Capital Outlay	25,590	18,395	20,600	13,500	47,300	129.61%
Transfers	-	-	-	-	-	
Total Expenditures	$ 416,327	$ 424,926	$ 438,600	$ 432,600	$ 479,900	9.42%
Funding Sources						
Sewer Charges	$ 260,511	$ 320,147	$ 328,600	$ 332,600	$ 374,900	14.09%
Analytical Charges	155,816	104,779	110,000	100,000	105,000	-4.55%
Total Funding Sources	$ 416,327	$ 424,926	$ 438,600	$ 432,600	$ 479,900	9.42%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	2.00	2.00	2.00	2.00	2.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	0.73	0.73	0.73	0.73	0.73	
Total	3.73	3.73	3.73	3.73	3.73	$ 236,000
Employee Benefits						98,100
Total Personal Services						$ 334,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Sampler	2	Yes	$ 14,000
Glassware Oven	1	Yes	3,300
pH Meter	1	Yes	1,700
UV Spectrophotometer	1	Yes	12,100
Flask Washer	1	Yes	16,200
			$ 47,300

Function:
Business Type

Department:
Water Pollution Control

Activity:

Biosolids Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 249,339	$ 263,605	$ 265,900	$ 167,600	$ 269,800	1.47%
Commodities	21,296	42,807	65,700	69,200	40,300	-38.66%
Contractual Services	20,499	16,217	32,900	41,400	32,200	-2.13%
Capital Outlay	15,041	15,084	15,700	16,800	37,700	140.13%
Transfers	-	-	-	-	-	
Total Expenditures	$ 306,175	$ 337,713	$ 380,200	$ 295,000	$ 380,000	-0.05%
Funding Sources						
Sewer Charges	$ 306,175	$ 337,713	$ 380,200	$ 295,000	$ 380,000	-0.05%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 168,700
Overtime						15,400
Employee Benefits						85,700
Total Personal Services						$ 269,800

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
6" Supply Hose (660 feet)	1	Yes	$ 7,500
5" Drag Hose (660 feet)	1	No	8,200
Dredge Rebuild Kit	1	Yes	7,000
Hose Humper	1	No	6,500
Hose Cart	1	No	8,500
			$ 37,700

Function:
Business Type

Department:
Water Pollution Control

Activity:

High Strength Waste Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ -	$ 99,508	$ 160,800	$ 161,300	$ 171,000	6.34%
Commodities	-	12,669	19,600	17,200	14,500	-26.02%
Contractual Services	-	77,298	101,800	106,200	105,700	3.83%
Capital Outlay	-	4,400	-	-	20,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ -	$ 193,875	$ 282,200	$ 284,700	$ 311,200	10.28%
Funding Sources						
Fats, Oils, & Grease (FOG) Fees	$ 102,945	$ 245,436	$ 250,000	$ 250,000	$ 250,000	0.00%
High Strength Waste Fees	-	15,926	300,000	100,000	150,000	-50.00%
Total Funding Sources	$ 102,945	$ 261,362	$ 550,000	$ 350,000	$ 400,000	-27.27%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Treatment Plant Mechanic I	-	1.34 *	2.00	2.00	2.00	
Total	-	1.34	2.00	2.00	2.00	$ 107,700
Employee Benefits						63,300
Total Personal Services						$ 171,000

* Budgeted hire dates were July; actual hire dates were in October, 2019

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Trench Drain	1	No	$ 20,000

COLLECTION AND DRAINAGE

GENERAL INFORMATION:

The Collection and Drainage operation is a division of the Public Works department with links to the Water Pollution Control Plant (WPCP). Since the 2003/2004 fiscal year this operation has been budgeted as a separate Enterprise Fund. This was done for a number of reasons. Federal regulations pertaining primarily to collection of storm and sanitary water will be requiring additional collection procedures. The additional costs associated with these regulations need to be specifically identified and tracked. Towards that end, beginning in 2003 the Collection and Drainage portion of the total sewer bill has been shown as a separate line item on customer bills. So while the Collection and Drainage function will remain associated with the WPCP, the revenues and expenditures of this enterprise 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, Phase 4-B was substantially completed in 2019, and Phase 4-C was substantially completed in 2020. Engineering design for Phase 5 is scheduled to be completed in 2020/2021 and bids will be received in March of 2021.

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 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 2020/2021 revised estimate for the Collection and Drainage operations activity is under the original budget by $6,600. Personal services costs are estimated to be $11,500 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. The revised estimate for contractual services is over the original budget by $4,900.

The 2021/2022 budget is $23,100 (1.6%) higher than the 2020/2021 budget. This increase is due to (1) a $13,900 (2.5%) increase in personal services costs, (2) a $3,500 increase in contractual services, (3) a $4,500 increase in capital outlay, and (4) a $1,200 increase in transfers. The capital outlay allocation includes $3,000 for a new computer, $50,000 for a one-ton dump truck, and sewer maintenance projects estimated at $50,000.

The budgeted transfers for 2021/2022 include the transfer of $350,000 to the Sewer Extension Reserve based on the most recent rate study. Transfers also include $200,000 to the reserve for the West Hill Sewer Separation project, $16,400 for the cost allocation of the Communications Manager position, and a total of $17,500 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently $12.90 per customer per month. This fee was effective July 1, 2020 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 $13.15 per customer per month effective July 1, 2021.

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 2017	Actual 2018	Actual 2019	Actual 2020	Estimated 2021
Sewers Cleaned and Flushed (Miles)	15.8	19.7	16	24	20
CCTV Inspections (Feet)	1,008 *	1,375 *	1,000	1,000	1,000
Inspections at Combined Sewer Overflows (CSO)	13	12	12	12	12
Inspections of Blockage Prone Manholes (Various Locations)	12	10	12	12	12
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	19	13	12	12	12
Inspection of Off Road Sanitary Sewers (Man Hours)	111	154	150	155	150
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	58	79	56	78	80
Cleaning Storm Structures (Man Hours)	1,238	1,231	1,135	1,246	1,500
Corrective Repairs – Sewers	15	14	10	11	15
Corrective Repairs – Structures	50	19	8	6	10
Corrective Repairs – Force Mains	1	7	1	0	5
Utility Locates	2,854	3,372	4,975	4,935	5,000
After Hours	13	12	15	12	12
Request for Service Responses – Total	82	70	56	22	40
After Hours	13	16	7	11	15
Sanitary Sewer Overflows (SSO)	1	5	5	8	5
Backups Due to City Lines	2	7	6	4	6
Routine Equipment Operation/Maintenance (Man Hours)	765	544	600	580	580
Work for Other Departments (Man Hours)	366	475	325	600	400
Work on Capital Improvement Projects (Man Hours)	658	946	250	550	500

* 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 upgraded sewer utility locates to an all mobile system in conjunction with Iowa One Call requirement to eliminate faxes.

Staff completed work for the Parks department at Weed Park which included removing the speed bump and replacing a storm sewer from the Aquatic Center to the lagoon. There was a significant savings in having this work done in-house by city staff.

Staff provided information on infrastructure conditions in areas of full depth patching projects for the engineering division. This division is also responsible for responding to sewer utility locate requests, both during and after hours.

Staff completed cleaning of the sanitary sewer in zone 1 for this year's maintenance program.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To complete zone two of the sanitary collection system flushing and inspection program. **(Strategic Plan - Reliable Public Infrastructure)**

- To work on identifying inflow and infiltration issues in areas that need to be addressed. **(Strategic Plan - Reliable Public Infrastructure)**

- To work on planning future capital projects such as slip lining or infrastructure replacement. **(Strategic Plan - Reliable Public Infrastructure)**

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 694,551	$ 1,092,854	$ 1,125,854	$ 1,453,671	$ 1,326,171
Revenues					
Interest	$ 18,823	$ 24,171	$ 15,000	$ 6,000	$ 5,000
Sewer Connection Fees	29,480	17,047	15,000	15,000	15,000
Transfers In					
Collection and Drainage Fund	350,000	350,000	350,000	350,000	350,000
Total Revenues	$ 398,303	$ 391,218	$ 380,000	$ 371,000	$ 370,000
Funds Available	$ 1,092,854	$ 1,484,072	$ 1,505,854	$ 1,824,671	$ 1,696,171
Expenditures					
Transfers Out:					
Papoose Force Main Redundant Line - Design	$ 0	$ 30,401	$ 0	$ 200,000 (2)	$ 0
Arbor Commons Sewer Benefit District	0	0	0	298,500 (3)	0
Total Expenditures	$ 0	$ 30,401	$ 0	$ 498,500	$ 0
Ending Balance, June 30	$ 1,092,854	$ 1,453,671	$ 1,505,854	$ 1,326,171	$ 1,696,171
Increase (Decrease) in Fund Balance	**$ 398,303**	**$ 360,817**	**$ 380,000**	**$ (127,500)**	**$ 370,000**

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 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 2020/2021 revised estimate. The cost estimate for project construction is $3,154,800. Construction will be completed in a future fiscal year.
3. As part of the Arbor Commons new housing development, a sewer benefit district was created where the developer installed the new sewer and the City has reimbursed them for a portion of the costs. The City will receive sewer connection fees to recoup these costs as individual homes tie on to the sewer.

Collection and Drainage
(Including Stormwater Operations)
Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 722,430	$ 681,893	$ 657,293	$ 756,811	$ 723,511
Revenues					
Collection and Drainage Fees	$ 1,372,385 (1)	$ 1,399,464 (1)	$ 1,429,400 (1)	$ 1,434,600 (1)	$ 1,462,500 (1)
Grease Discharge Permits	20,360	16,940	18,000	18,000	18,000
Interest	15,771	14,089	8,100	3,800	3,000
State Grant	0	60,000	0	0	0
Donations/Grant - Pollinator Park Sculpture (purchase subject to this outside funding)	0	0	10,000	0	0
Donation/Grant - Pollinator Park Bridge Railing (purchase subject to this outside funding)	0	0	25,000	0	0
FEMA Reimbursement	0	2,645	0	0	0
Miscellaneous	0	2,021	100	1,600	100
Total Revenues	$ 1,408,516	$ 1,495,159	$ 1,490,600	$ 1,458,000	$ 1,483,600
Funds Available	$ 2,130,946	$ 2,177,052	$ 2,147,893	$ 2,214,811	$ 2,207,111
Expenditures:					
Collection and Drainage (2)	$ 1,379,631	$ 1,290,629	$ 1,415,100	$ 1,408,500	$ 1,438,200
Stormwater Operations	69,422	129,612	87,900	82,800	120,700
Total Expenditures	$ 1,449,053	$ 1,420,241	$ 1,503,000	$ 1,491,300	$ 1,558,900
Ending Balance, June 30	$ 681,893	$ 756,811	$ 644,893	$ 723,511	$ 648,211
Increase (Decrease) in Fund Balance	**$ (40,537)**	**$ 74,918**	**$ (12,400)**	**$ (33,300)**	**$ (75,300)**

1. Monthly collection and drainage charges on sewer bills were $12.40 in 2018/2019. The rate increased to $12.65 in 2019/2020 and increased again to $12.90 per customer per month in 2020/2021. This rate will increase to $13.15 per customer per month in 2021/2022 and to $13.40 per customer per month in 2022/2023 based on the rate study.
2. Beginning in 2011/2012 Collection and Drainage expenditures include $200,000 in annual transfers to the reserve established to accumulate funds for the West Hill Sewer Separation project. Like amounts have also been budgeted to be transferred from the WPCP budget to this reserve. The transfer to the Sewer Extension Reserve was increased to $350,000 annually beginning in 2018/2019 based on the sewer rate study.

Function:
Business Type

Department:
Public Works

Activity:

Collection and Drainage

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 556,111	$ 504,538	$ 561,600	$ 550,100	$ 575,500	2.48%
Commodities	27,659	37,022	50,000	50,000	50,000	0.00%
Contractual Services	141,808	104,129	122,300	127,200	125,800	2.86%
Capital Outlay	75,054	63,540	98,500	98,500	103,000	4.57%
Transfers	579,000	581,400	582,700	582,700	583,900	0.21%
Total Expenditures	$ 1,379,632	$ 1,290,629	$ 1,415,100	$ 1,408,500	$ 1,438,200	1.63%
Funding Sources						
Collection & Drainage Fees	$ 1,379,632	$ 1,290,629	$ 1,415,100	$ 1,408,500	$ 1,438,200	1.63%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time Positions/Position Allocations:						
Sewer Maintenance Supervisor *	0.50	-	0.00	0.00	0.00	
Solid Waste and Sewer System Manager *	0.25	0.50	0.50	0.50	0.50	
Collection & Drainage Leadworker	0.00	1.00	1.00	1.00	1.00	
Equipment Operator III	4.00	3.58	3.00	3.00	3.00	
Equipment Operator II	1.00	-	0.00	0.00	0.00	
Equipment Operator I	0.00	0.33	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Right-of-Way Inspector	0.00	0.06	0.25	0.25	0.25	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total	6.28	6.00	6.28	6.28	6.28	$ 374,300
Employee Benefits						201,200
Total Personal Services						$ 575,500

*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
One Ton Dump Truck	1	Yes	50,000
Computer (Desktop)	1	Yes	3,000
			$ 103,000

STORM WATER OPERATIONS

GENERAL INFORMATION:

The Storm Water activity budget was first established January 1, 2005 in order to address federal regulations which are placing additional demands on cities to monitor, regulate, and treat storm water. Funding for this program has been from the Collection and Drainage fund.

This budget currently includes an allocation of 1/3 of the Community Development Inspector II position and 1/4 of the Environmental Coordinator position. The Water Pollution Control department oversees the Storm Water operations program.

CURRENT TRENDS AND ISSUES:

The 2020/2021 revised estimate is $5,100 less than the original budget. The overall decrease is due to a $200 decrease in personal services, a $3,000 decrease in commodities, and a $1,900 decrease in contractual services.

The 2021/2022 budget is $32,800 (37.3%) more than the original budget for 2020/2021. This overall increase includes (1) a $4,600 decrease in personal services costs due to a new Inspector II allocated 1/3 to this division at a lower rate and with single health insurance, (2) a $12,500 increase in contractual services, and (3) a $24,900 increase in capital outlay. The increase is contractual services is due to slough channel improvements and the 2021/2022 capital outlay allocation of $28,000 is for the Pollinator Park bridge railing.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Grease Discharge Permits Issued	146	147	121	140	140
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	28	37	25	30	30
Permitted Significant Industrial Users	14	14	14	14	14
Significant Industrial Users Inspected	14	14	14	14	14
Commercial Waste Hauling Permits Issued	17	18	18	18	18
Construction Site Inspections	3	26	32	30	30
River and Creek Samples Taken	110 (1)	1 (2)	13	21	21
Tests Performed on River and Creek Samples	360 (1)	6 (2)	364	670 (3)	588

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.
3. Tests in 2020/2021 are looking at sources of metals and chlorides (1 test creates 20+ results, 670 are the results).

RECENT ACCOMPLISHMENTS:

The Storm Water division continues to look for new areas to target for storm water practices installations. These storm water practices ease flooding, treat pollutants, create habitat, and beautify the community. The division has had success with the Sycamore Alley Basin, the Mulberry Habitat Basin, and the newly planted City Hall biocell, and these projects have been well-received by the community. The plant species and insects the improvements attract help sustain native habitats in an urban setting.

In conjunction with the Nutrient Reduction Alternatives (NRA) Study, the storm water division is looking to reduce flooding in the Iowa Field area. The study is expected to be completed early in 2021 and identify ways to protect property and improve the area for storm water diversion while maintaining beneficial use for the public. The NRA will also target use of the wetlands in the Pollinator Park to treat pollutants and reduce the flow downstream.

The Slough past Houser Street was excavated this past summer to allow for storm water flow from the Slough Lift Station. The cost of this excavation was paid from the Water Pollution Control Pumping Stations budget as it directly affected the Sunset Lift Station. This area is included in the planning being done with the NRA Study. Work will need to continue in this section of the Slough to keep it flowing as it has become choked with trees, vegetation, and sediment.

Testing of Mad Creek, the Muscatine Slough and Mississippi River for particular pollutants helps identify sources of the pollution. The Water Pollution Control Plant lab has been sampling to see where reductions of pollutants can be found. So far, no single source has been identified and levels are not creating stream impairments for metals or nutrients.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To continue work on invasive species removal in the Pollinator Park, Sampson Prairie, Biosolids lagoons, and existing storm water practices.

- To develop new storm water practices on City property.

- To draft an ordinance for consideration that would provide for stronger inspection requirements of construction sites.

- To look for storm water practices in conjunction with the Grandview Avenue Reconstruction project. **(Strategic Plan – Reliable Public Infrastructure)**

- To develop a strategy for stream reconstruction along the Muscatine Slough from west of Houser Street to the entrance of the Transfer Station.

- To work on a channel diversion for flood mitigation along the soccer complex expansion area.

Function:
Business Type

Department:
Water Pollution Control

Activity:

Storm Water Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 55,120	$ 57,694	$ 60,700	$ 60,500	$ 56,100	-7.58%
Commodities	5,188	6,056	8,800	5,800	8,800	0.00%
Contractual Services	9,114	2,204	15,300	13,400	27,800	81.70%
Capital Outlay	-	63,658	3,100	3,100	28,000	803.23%
Transfers	-	-	-	-	-	
Total Expenditures	$ 69,422	$ 129,612	$ 87,900	$ 82,800	$ 120,700	37.32%
Funding Sources						
Grease Discharge Permits	$ 20,360	$ 16,940	$ 18,000	$ 18,000	$ 18,000	0.00%
Collection & Drainage Funds	49,062	112,672	69,900	64,800	102,700	46.92%
Total Funding Sources	$ 69,422	$ 129,612	$ 87,900	$ 82,800	$ 120,700	37.32%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 40,400
Employee Benefits						15,700
Total Personal Services						$ 56,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Pollinator Park Bridge Railing	1	No	$ 28,000

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

EMPLOYEE BENEFITS FUND

GENERAL INFORMATION:

The Employee Benefits Special Revenue Fund was established by State law to allow for the levying of taxes for certain employee benefits. For the City of Muscatine, the Employee Benefits levy includes funding for costs of police and fire pension contributions, police and fire medical insurance costs for on-the-job injuries, worker's compensation, unemployment, health insurance, life insurance, dental insurance, FICA, IPERS, long-term disability insurance, and post-employment health plan costs.

When the General Fund levy of a city reaches the legal limit of $8.10 per $1,000 of assessed valuation, the employer's share of Social Security, Medicare, and IPERS may be levied from the Employee Benefits Special Revenue Fund levy. The City of Muscatine has been at the $8.10 General Fund levy limit for many years. The cost of Social Security, Medicare, and IPERS for General Fund employees is estimated at $743,278 for 2020/2021 and it is budgeted to increase to $802,955 for 2021/2022. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2021/2022. The IPERS rate will remain at 9.44% in 2021/2022.

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. The rate increased to 25.31% in 2020/2021 and further increased to 26.18% for 2021/2022. Property tax funding for police and fire pension will increase from the $1,466,632 budgeted for 2020/2021 to $1,615,458 budgeted for 2021/2022.

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, $79,125 in 2018/2019, and 14,147 in 2019/2020. The retiree medical costs are estimated at $45,000 for both the 2020/2021 and the 2021/2022 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. The premium is budgeted to increase to $62,368 for 2021/2022.

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 $2,124,136 for 2021/2022. 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 5% to $623.87 and $1,659.53 respectively, for single and family coverage and the employee contribution was maintained at 8%. Effective January 1, 2021, rates were increased by 7.5% to $670.66 and $1,783.99 respectively, for single and family coverage and the employee contribution was increased to 9%.

Employee benefit costs for life insurance will decrease from the $15,969 budgeted in 2020/2021 to $13,415 in 2021/2022. 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. This rate was further decreased in October 2020 to 12.5 cents per month per $1,000 of coverage. Basic provisions for coverage for each employee remain the same for 2021/2022.

The dental insurance rate for City employees in 2015 was $30.85 per month 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. The dental insurance rate decreased to $31.94 effective January 2021 primarily due to lower claims in recent years. Effective in January of 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 2021/2022, the cost of dental insurance for General Fund employees is budgeted at $51,965 compared to the $54,299 budgeted for 2020/2021.

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. For 2020/2021, the experience modification rate increased to .89 and it is projected to remain at .89 for 2021/2022. The tax funding amount for General Fund employee workers' compensation budgeted for 2020/2021 was $28,242 and it is expected to increase to $37,606 for 2021/2022.

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 rate effective January 1, 2021 is 1% of $32,400. The 2021/2022 budget provides funding for this rate to continue at 1.0% of applicable wages of $33,200 as of January 1, 2022. The tax funding amount for 2021/2022 is estimated at $54,731 compared to the $60,338 originally budgeted for 2020/2021.

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. Effective October 2020, the long-term disability rates again decreased to .34% of base wages for blue/white collar bargaining unit employees. The rate of .26% of base wages for non-union employees was maintained. The estimated cost for General Fund employees is $13,772 for 2021/2022 compared to $13,370 budgeted for 2020/2021.

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 2021/2022 is budgeted at $35,541.

CURRENT TRENDS AND ISSUES:

The 2020/2021 and 2021/2022 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 2021/2022.

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 2021/2022 beginning fund balance of $169,279, the Employee Benefit tax levy for 2021/2022 is $4,500,900 compared to the $4,308,401 budgeted for 2020/2021 (an increase of 4.5%). This requires a tax levy rate of $4.76979 per $1,000 of valuation compared to $4.78659 for the 2020/2021 budget year, a decrease of .4% 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 $186,406 for 2020/2021 and $186,768 for 2021/2022. These amounts have been included as revenue to this fund each year.

Employee Benefits Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 71,689	$ 75,959	$ 101,650	$ 203,933	$ 169,279
Revenues					
Property Tax	4,119,471	4,064,781	$ 4,290,066	$ 4,290,066	$ 4,483,824
Utility Tax Replacement Excise Tax	14,723	15,721	18,335	18,335	17,076
Commercial/Industrial State Reimbursemen	181,487	179,345	204,890	186,406	186,768
Total Revenues	$ 4,315,681	$ 4,259,847	$ 4,513,291	$ 4,494,807	$ 4,687,668
Funds Available	$ 4,387,370	$ 4,335,806	$ 4,614,941	$ 4,698,740	$ 4,856,947
Expenditures					
Transfers Out					
Police Retirement	$ 703,842	$ 666,908	$ 722,931	$ 735,684	$ 795,724
Fire Retirement	691,296	680,686	743,701	742,313	819,734
Police & Fire Retiree Medical	79,125	14,147	45,000	45,000	45,000
Health Insurance	1,870,284	1,844,858	2,046,612	1,973,145	2,124,136
Dental Insurance	48,430	47,155	54,299	50,333	51,965
Life Insurance	14,555	14,623	15,969	13,221	13,415
Police and Fire Medical Insurance	56,698	56,698	56,698	56,698	62,368
Long-term Disability Insurance	12,382	12,548	13,370	13,249	13,772
Post-Employment Health Plan	73,855	39,528	55,737	60,774	35,541
Workers Compensation	49,250	25,733	28,242	38,503	37,606
Unemployment	32,857	54,894	60,338	57,263	54,731
Deferred Compensation	1,200	600	1,200	0	0
FICA/IPERS	708,867	673,495	770,844	743,278	802,955
Employee Benefit Levy Reduction	(31,230) (1)	0 (2)	0 (2)	0 (2)	0 (2)
Total Expenditures	$ 4,311,411	$ 4,131,873	$ 4,614,941	$ 4,529,461	$ 4,856,947
Ending Balance, June 30	$ 75,959	$ 203,933	$ 0	$ 169,279	$ 0
Increase (Decrease) in Fund Balance	**$ 4,270**	**$ 127,974**	**$ (101,650)**	**$ (34,654)**	**$ (169,279)**

1. 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 allowed for the City to maintain the same total tax rate for 2018/2019.
2. The actual 2019/2020 and estimated 2020/2021 and 2021/2022 Employee Benefits tax levies will fund 100% of the General Fund employee benefit costs.

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 2018/2019 and 2019/2020 were due to savings in employee benefit costs due to vacancies and changes in insurance coverage for employees. The balance in this fund at the end of 2020/2021 is estimated at $169,279 compared to the zero balance originally budgeted for similar reasons. That balance will be used for employee benefit costs in 2021/2022.

SPECIAL REVENUE FUNDS

EMERGENCY TAX LEVY / EMERGENCY FUND

GENERAL INFORMATION/HISTORY:

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 2021/2022 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 was budgeted to remain in the Emergency Tax Levy fund in 2020/2021.

CURRENT TRENDS AND ISSUES:

In October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy / Emergency Fund, which had a balance of $84,989. This brought the total in this fund to $646,617.

The 2021/2022 budget includes levying $134,270 ($139,735 including the State Commercial and Industrial Reimbursement) from the Emergency Tax levy, which required an Emergency Tax levy of $.14229 per $1,000 of valuation. These funds will be transferred to the General Fund. This levy was added without increasing the City's total tax levy by eliminating the Transit Tax levy for 2021/2022. Transit received a significant amount of CARES Act funding that allowed for the Transit levy to be eliminated for 2021/2022. At the maximum rate of $.27/$1,000, this levy would generate $254,779 in 2021/2022.

The Emergency Tax Levy / Emergency Fund budget is based on transferring $100,000 of funds to the General Fund in the current fiscal year and a total of $439,735 in the 2021/2022 fiscal year. This transfer includes $139,735 from the 2021/2022 Emergency Tax levy plus $300,000 from the State COVID Relief funds. This will leave a balance of approximately $246,700 in this fund for 2022/2023 or future years. As a result of the COVID-19 pandemic, there continues to be uncertainty in General Fund revenues going forward, and these funds can be used to assist in any revenue shortfalls in future years.

Emergency Tax Levy Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 81,706 (1)	$ 83,414	$ 84,614	$ 84,989	$ 546,689
Revenues					
Property Tax (2)	$ 0	$ 0	$ 0	$ 0	$ 133,759 (3)
Utility Tax Replacement Excise Tax	0	0	0	0	511 (3)
Commercial/Industrial State Reimbursement	0	0	0	0	5,465 (3)
COVID - Local Government Relief Funds	0	0	0	561,600 (4)	0
Interest	1,708	1,575	1,200	100	0
Total Revenues	$ 1,708	$ 1,575	$ 1,200	$ 561,700	$ 139,735
Funds Available	$ 83,414	$ 84,989	$ 85,814	$ 646,689	$ 686,424
Expenditures					
Transfers Out					
General Fund:					
Emergency Tax Levy	$ 0	$ 0	$ 0	$ 0	$ 139,735 (3)
COVID- Local Government Relief Funds	0	0	0	100,000 (4)	300,000 (4)
Total Expenditures	$ 0	$ 0	$ 0	$ 100,000	$ 439,735
Ending Balance, June 30	$ 83,414 #	$ 84,989	$ 85,814	$ 546,689	$ 246,689
Increase (Decrease) in Fund Balance	**$ 1,708**	**$ 1,575**	**$ 1,200**	**$ 461,700**	**$ (300,000)**

1. For the 2009/2010 budget, City Council chose to transfer all except $80,000 of this levy to the General Fund. This was due to economic uncertainties in the national, state, and local economies. These funds have been set aside for future General Fund needs or for future emegency events. These funds are budgeted to remain in this fund in the 2021/2022 budget.
2. The City did not levy an Emergency Levy in any of the fiscal years from 2011/2012 through 2020/2021.
3. In 2021/2022, the City levied a portion of the Emergency Tax levy (approximately $.14/$1,000 of the $.67/$1,000 maximum) to assist in offsetting the reductions in other General Fund revenue sources due to the COVID-19 pandemic.
4. The COVID Local Government Relief funds received from the State in 2020/2021 are budgeted to be transferred to the General Fund as needed in fiscal year 2020/2021, 2021/2022, and future years.

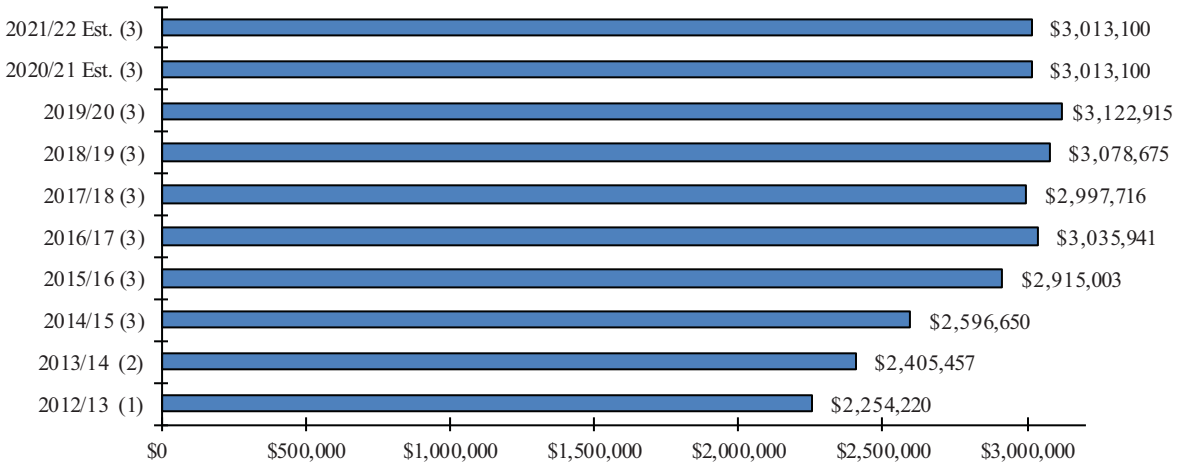
SPECIAL REVENUE FUNDS

ROAD USE TAX FUND

GENERAL INFORMATION:

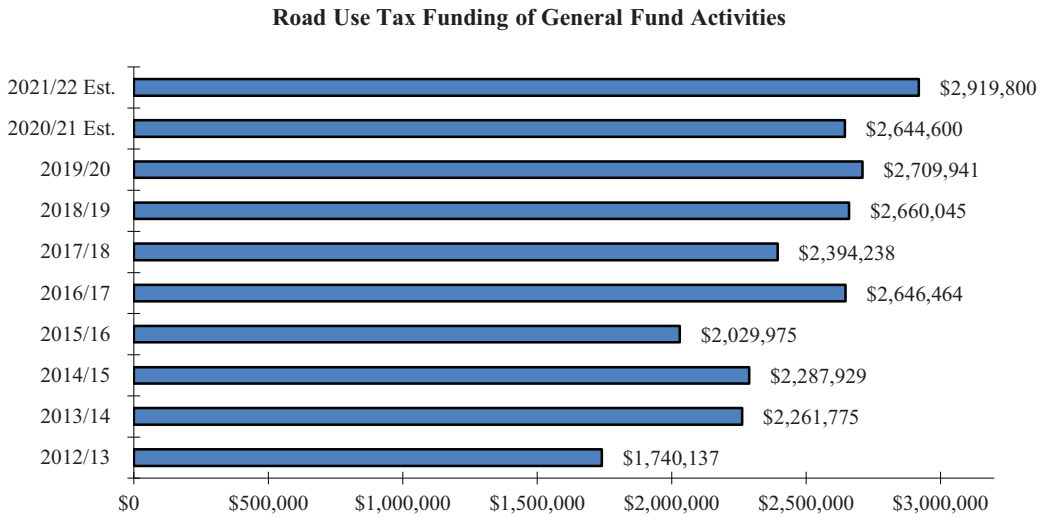
This fund accounts for all revenues received from the State of Iowa from gasoline taxes, license fees, and weight taxes. These funds are returned to the City as road use taxes and are distributed to cities on a per capita formula basis. The following chart shows road use taxes received over the past eight (8) years and estimated amounts for the current year and 2021/2022. 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 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 2020/2021 and 2021/2022 are shown in the following chart:



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at $3,013,100 for both the 2020/2021 revised estimate and the 2021/2022 budget. This is equivalent to the $126.50 per capita revenue estimate used for the original 2020/2021 budget. The Iowa Department Transportation (IDOT) has indicated that revenues for the first four months of the 2020/2021 year were expected to be reduced by 8% to 10% from the previously estimated $127.50 per capita estimate. The City's actual Road Use Tax revenues for the first four months of the fiscal year, however, were higher than those same months in 2019 (before the COVID-19 pandemic). The City is cautiously estimating Road Use Tax revenue at the originally budgeted amount for both the revised estimate and fiscal year 2021/2022

The IDOT's 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 2020/2021 revised estimate and the 2021/2022 budget include $2,644,600 and $2,919,800 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.

In recent years road use tax funds have also been used for street-related capital projects. These funds combined with the 20% allocation of Local Option Taxes approved by voters to be used for the pavement management program, have allowed for approximately $1 million each year to be available for various pavement management projects. These projects include full depth concrete patching, street resurfacing work, alley resurfacing, and curb and gutter projects.

In addition to the 2020/2021 revised estimate transfer of $2,644,600 to the General Fund for Public Works operating activities, a total of $494,200 will be used for capital projects. The capital project allocation includes $271,600 for the Pavement Management program, $82,400 for railroad crossing improvements, $200 for the Mulberry Avenue project, $100,000 for new sidewalks which are part of the Grandview Avenue reconstruction project, and $40,000 to design the new sidewalks planned for 67th Street. Local option tax funds in 2020/2021 will also provide $738,700 in funding for the Pavement Management program bringing the total to $1,010,300 in funding for this program.

The 2021/2022 budget includes a transfer of $2,919,800 to the General Fund for Public Works operating activities. The budget also includes $365,700 for the Pavement Management program and $160,000 for the new sidewalk program. The $365,700 road use tax allocation for the Pavement Management program will be combined with $641,800 of local option sales tax funding to bring the total allocation to $1,007,500 for this program. This total funding allocation will allow the City to complete a significant amount of pavement management work in 2021/2022. 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, 2022 is projected at $770,929 based on estimated road use taxes of $126.50 per capita for 2020/2021 and 2021/2022. 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 2021/2022 fiscal year.

Road Use Tax Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 1,317,754	$ 1,365,772	$ 645,772	$ 1,329,029	$ 1,203,329
Revenues					
Road Use Tax	$ 3,078,675	$ 3,122,915	$ 3,013,100	$ 3,013,100 (1)	$ 3,013,100 (1)
Funds Available	$ 4,396,429	$ 4,488,687	$ 3,658,872	$ 4,342,129	$ 4,216,429
Expenditures					
Transfers Out:					
General Fund	$ 2,660,045	$ 2,709,941	$ 2,820,600	$ 2,644,600	$ 2,919,800
Capital Projects Funds:					
Asphalt Overlay/Other Street Improvements	119,897	449,262	412,800	271,600	365,700
Railroad Crossing Improvements	104,207	0	0	82,400	0
Mulberry Avenue Improvements	1,718	455	0	200	0
Houser/Fulliam Intersection	9,195	0	0	0	0
New Sidewalk Program	135,595	0	100,000	40,000	160,000
New Sidewalk - Grandview	0	0	0	100,000	0
Total Expenditures	$ 3,030,657	$ 3,159,658	$ 3,333,400	$ 3,138,800	$ 3,445,500
Ending Balance, June 30	$ 1,365,772	$ 1,329,029	$ 325,472	$ 1,203,329	$ 770,929
Increase (Decrease) in Fund Balance	**$ 48,018**	**$ (36,743)**	**$ (320,300)**	**$ (125,700)**	**$ (432,400)**
Per Capita Road Use Taxes (Actual and Estimated)	$ 129.25	$ 131.11	$ 126.50	$ 126.50 (1)	$ 126.50 (1)

1. Revenues for both the Revised Estimate and the upcoming budget have normally been based on IDOT estimates for road use taxes. Actual revenue 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 has indicated that revenues for the first four months of 2020/2021 year were expected to be reduced by 8% to 10% from the previously estimated $127.00 per capita. The City's actual Road Use Tax revenues for the first four months of the year, however, were higher than the same months in 2019 (before COVID-19). The City is cautiously estimating Road Use Tax revenues for both the Revised Estimate and 2021/2022 at the originally budgeted amount for 2020/2021 of $3,013,100 ($126.50. per capita).

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

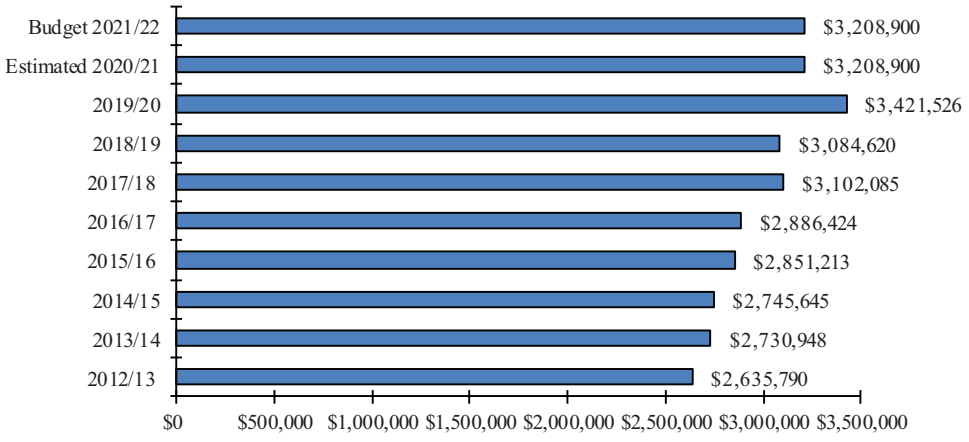
GENERAL INFORMATION:

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 2020/2021 and 2021/2022 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 2020/21 and 2021/22 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 2020/2021 and the 2021/2022 budget, the estimated local option sales tax revenues are $3,693,600 and $3,208,900, respectively. The 2021/2022 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 2020/2021 and Estimated 2021/2022

	Estimated 2020/2021	Projected 2021/2022
Projects:		
West Hill Sewer Separation - Completion of Phase 4-C and Start of Phase 5-A	$ 2,954,900	$ -
West Hill Sewer Separation - Completion of Phase 5-A and Start of Phase 5-B	-	2,567,100
Totals	$ 2,954,900	$ 2,567,100

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-C 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 and B), 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 $2.5 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 $738,700 in the revised estimate and $641,800 in the 2021/2022 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 2020/2021 and Estimated 2021/2022

	Estimated 2020/2021	Projected 2021/2022
Project:		
Pavement Management Program	$ 738,700	$ 641,800

The $641,800 Local Option Sales Tax allocation for the Pavement Management program in 2021/2022 and the $365,700 allocation of Road Use Taxes for the Pavement Management program will allow for $1,007,500 in street improvements to be completed in 2021/2022. 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 267,314	$ 566,491	$ 279,891	$ 257,778	$ 258,278
Revenues					
Local Option Sales Tax	$ 3,311,407	$ 2,965,519	$ 2,936,900	$ 3,693,600 (1)	$ 3,208,900 (2)
Interest	4,716	3,224	0	500	500
Total Revenues	$ 3,316,123	$ 2,968,743	$ 2,936,900	$ 3,694,100	$ 3,209,400
Funds Available	$ 3,583,437	$ 3,535,234	$ 3,216,791	$ 3,951,878	$ 3,467,678
Expenditures					
Transfers Out:					
West Hill Sewer Project	$ 2,355,054	$ 2,684,352	$ 2,350,000	$ 2,954,900	$ 2,567,100
Pavement Management Program (3)	661,892	593,104	587,200	738,700	641,800
Total Expenditures	$ 3,016,946	$ 3,277,456	$ 2,937,200	$ 3,693,600	$ 3,208,900
Ending Balance, June 30	$ 566,491	$ 257,778	$ 279,591 (4)	$ 258,278 (4)	$ 258,778 (4)
Increase (Decrease) in Fund Balance	**$ 299,177**	**$ (308,713)**	**$ (300)**	**$ 500**	**$ 500**

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate ($3,208,926.43) plus a prior year reconciliation amount of $484,664.90.
2. The 2021/2022 Local Option Tax revenue amount is estimated conservatively at the States's projected 2020/2021 level of $3,208,926.43.
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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In:					
Local Option Sales Tax (1)	661,892	593,104	$ 587,200	$ 738,700 (2)	$ 641,800 (3)
Interest	0	0	0	0	0
Total Revenues	$ 661,892	$ 593,104	$ 587,200	$ 738,700	$ 641,800
Funds Available	$ 661,892	$ 593,104	$ 587,200	$ 738,700	$ 641,800
Expenditures					
Transfers Out:					
Pavement Management (Street and Alley Resurfacing, Full Depth Patching, Crack Sealing, etc.)	$ 661,892	$ 593,104	$ 587,200	$ 738,700	$ 641,800
Total Expenditures	$ 661,892	$ 593,104	$ 587,200	$ 738,700	$ 641,800
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Beginning July 1, 2009 up to 20% of Local Option Tax revenue has been allocated to the Pavement Management Program per the voter referendums.
2. The Revised Estimate Local Option Tax revenue amount is 20 % of the State's estimate ($3,208,926.43) plus a prior year reconciliation amount of $484,664.90.
2. The 2021/2022 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2020/2021 level of $3,208,926.43.

SPECIAL REVENUE FUNDS

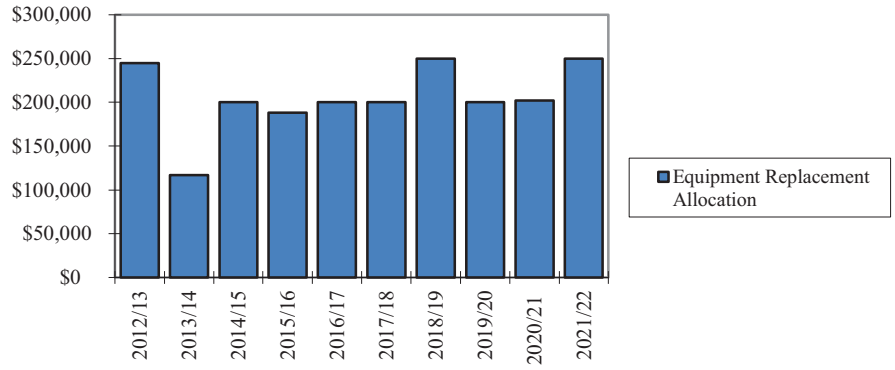
EQUIPMENT REPLACEMENT FUND

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 2012/2013 was set at $245,000. The funding allocation for 2013/2014 was decreased to $117,000 and for 2014/2015 it was increased to $200,000. The 2015/2016 regular funding transfer was $188,000 and 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 increased slightly to $202,000 and it is budgeted to increase to $250,000 in 2021/2022.



CURRENT TRENDS AND ISSUES:

For 2020/2021 the funding allocation from the General Fund to the Equipment Replacement Fund was $202,000. This will fund a total of $235,500 of vehicle and equipment purchases including $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, $18,000 for three used utility vehicles for the Soccer Complex, and $25,000 for a used truck for Park Maintenance.

The budgeted funding transfer for 2021/2022 is $250,000 and there is a total of $239,000 budgeted for vehicles and equipment purchases. Purchases from the Equipment Replacement Fund in the 2021/2022 budget include $100,000 for two new Police patrol vehicles, $25,000 for a police staff vehicle, $24,000 for a new code enforcement vehicle for Community Development, $25,000 for a wide area mower for the cemetery, $40,000 for a Park Maintenance truck, and $25,000 for a zero-turn mower for Park Maintenance. The balance in the Equipment Replacement Fund on June 30, 2022 is estimated at $95,990.

Equipment Replacement Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 162,559	$ 26,085	$ 77,185	$ 91,190	$ 77,390
Revenues					
Interest	$ 2,815	$ 4,676	$ 500	$ 500	$ 400
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	76,811	2,535	0	12,000	0
Donations for Armored Vehicle	100,000	50,000	0	0	0
Transfers In					
General Fund Allocation	250,000	200,000	202,000	202,000	250,000
Police Budget for Armored Vehicle	25,000	0	0	0	0
Police Forfeitures for Armored Vehicle	25,000	0	0	0	0
Total Revenues	$ 486,826	$ 264,411	$ 209,700	$ 221,700	$ 257,600
Funds Available	$ 649,385	$ 290,496	$ 286,885	$ 312,890	$ 334,990
Expenditures					
Equipment Purchases	623,300	199,306	212,500	235,500	239,000
Ending Balance, June 30	$ 26,085	$ 91,190	$ 74,385	$ 77,390	$ 95,990
Increase (Decrease) in Fund Balance	**$ (136,474)**	**$ 65,105**	**$ (2,800)**	**$ (13,800)**	**$ 18,600**

Functions:
Public Safety
Community & Economic Development
Culture and Recreation

Departments:
Police
Community Development
Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Police:			
Police Vehicles (Tahoes)	2	Yes	$ 100,000
Staff Vehicle	1	Yes	25,000
Community Development			
Code Enforcement Vehicle	1	Yes	24,000
Park Maintenance:			
Truck	1	Yes	40,000
Zero Turn Mower	1	Yes	25,000
Cemetery:			
Wide Area Mower	1	Yes	25,000
			$ 239,000

SPECIAL REVENUE FUNDS

COMPUTER REPLACEMENT FUND

GENERAL INFORMATION:

The 2000/2001 budget for the first time included funding for a Computer Replacement Fund to be used for the purchase of computer hardware for General Fund departments. All computer hardware purchases are coordinated by the city's Information Technology Manager. The allocations to this fund were $40,000 in 2000/2001 through 2003/2004. Due to funding limitations, the allocation for 2004/2005 was reduced to $35,800 and further reduced to $30,000 for 2005/2006. The allocation for 2006/2007 was $35,000.

Due to limitations in General Fund revenues in 2007/2008, no funds were budgeted to be transferred to this reserve. In 2007/2008 computer-related purchases totaling $59,100 were included in the City's capital projects fund budget with funding from the City's June, 2008 general obligation bond issue.

The 2008/2009 budget reinstated the allocation to the Computer Replacement Fund in the amount of $40,000 and that same allocation was made in 2009/2010. The 2010/2011 budget included a reduced allocation of $30,000 and the 2011/2012 budget allocation was $32,500. The 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019 budgets each included $40,000 funding allocations. The 2019/2020 and 2020/2021 funding allocations were increased to $50,000. The 2021/2022 budget continues the $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 and in 2019/2020 a transfer of $25,881 was made to this 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. No purchases were made from this fund in 2018/2019. In 2019/2020 $28,636 was expended from this fund. The 2020/2021 and 2021/2022 budgets each have an estimated $15,000 of computer related purchases to be expended from this fund. Any remaining fund balance will be used for future computer purchases. In 2020/2021 and 2021/2022, any unspent funds in the Library budget at the end of each fiscal year will again be set aside for future computer replacement needs.

Computer Replacement Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 41,340	$ 49,278	$ 0	$ 18,170	$ 0
Revenues					
Interest	$ 912	$ 796	$ 0	$ 0	
Transfers In					
General Fund	40,000	50,000	50,000	50,000	50,000
Total Revenues	$ 40,912	$ 50,796	$ 50,000	$ 50,000	$ 50,000
Funds Available	$ 82,252	$ 100,074	$ 50,000	$ 68,170	$ 50,000
Expenditures					
Computer-Related Purchases	32,974	81,904	50,000	68,170	50,000
Ending Balance, June 30	$ 49,278	$ 18,170	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 7,938**	**$ (31,108)**	**$ 0**	**$ (18,170)**	**$ 0**

Computer Replacement Fund - Library

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 40,571	$ 15,000	$ 38,340	$ 23,340
Revenues					
Interest	$ 0	$ 524	$ 0	$ 0	$ 0
Transfer In:					
Library Remaining Appropriations	40,571	25,881	0	0	0
Total Revenues	$ 40,571	$ 26,405	$ 0	$ 0	$ 0
Funds Available	$ 40,571	$ 66,976	$ 15,000	$ 38,340	$ 23,340
Expenditures					
Computer-Related Purchases	$ 0	$ 28,636	$ 0	$ 15,000	$ 15,000
Total Expenditures	$ 0	$ 28,636	$ 0	$ 15,000	$ 15,000
Ending Balance, June 30	$ 40,571	$ 38,340	$ 15,000	$ 23,340	$ 8,340
Increase (Decrease) in Fund Balance	**$ 40,571**	**$ (2,231)**	**$ 0**	**$ (15,000)**	**$ (15,000)**

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - DOWNTOWN

GENERAL INFORMATION:

This fund was first established in order to separately account for the incremental taxes collected and debt service payments on an April 1980 bond issue for $780,000. This issue represented the permanent financing of a downtown project known as Urban Renewal Project No. 2, which incorporated one-half of a City block. Debt service requirements on the Tax Increment Revenue Bonds were funded from incremental taxes received from the property benefited from the project. The incremental tax levy is the total current levy of the City, County, and School less the total debt service levy for those governmental units. The tax levy is applied to the additional value of the property above the initial frozen value as determined at the beginning of the project. In November of 1995 the balance in the Downtown Tax Increment Fund was sufficient to call all outstanding bonds relating to the 1980 tax increment bond issue.

In August of 1994 the City expanded the Downtown Urban Renewal Area originally created for Project No. 2, to incorporate a much larger area including most of the downtown and the riverfront. As a result of state mandated reductions in commercial property values, the Downtown TIF was restructured in 1996. The current Downtown TIF includes most city owned properties in the immediate downtown area and only those private properties that produce a significant increment.

Improvement costs were incurred by the City beginning in 1995 for the acquisition of property, demolition costs, and the development of a public parking lot across from City Hall. The new parking lot opened in 1996. Interim financing notes were used to finance the improvement costs until the long term bonds were issued June 26, 1997 in the amount of $1,795,000. This issue funded the Downtown Parking Lot Project previously mentioned as well as the Downtown Streetscaping Project, City Hall building improvements, and improvements to the heating, ventilation and air conditioning (HVAC) system at the City's Public Safety Building. The final payment on this issue was made in 2010/2011.

In 1995 the City entered into a Development Agreement with HON Industries which provided for a rebate of two-thirds of the incremental taxes 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 were 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. This bond issue was retired in 2019/2020.

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 purposes.

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, for 2018/2019 $151,000 less, and for 2019/2020 the amount claimed was $167,700 less than the amount available. For 2020/2021, the amount claimed was $125,600 less than the amount available. The amount claimed for 2021/2022 is $213,400, which is approximately $157,400 less than the amount available. The 2021/2022 budget includes transfers out for the TIF Administrative and Professional Support costs and the TIF Economic Development grant to the Chamber (GMCCI) for $213,400. In prior years these allocations were funded from the Southend TIF fund.

The balance in the Downtown TIF fund is estimated at $9,882 at the end of the 2021/2022 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 51,226	$ 54,322	$ 11,772	$ 13,282	$ 9,782
Revenues					
Incremental Taxes	$ 203,441 (1)	$ 202,867 (2)	$ 245,000 (3)	$ 241,400	$ 213,400 (4)
State Commercial/Industrial Property Tax Reimbursement	3,692	0	0	0	0
Interest	3,063	2,343	800	100	100
Total Revenues	$ 210,196	$ 205,210	$ 245,800	$ 241,500	$ 213,500
Funds Available	$ 261,422	$ 259,532	$ 257,572	$ 254,782	$ 223,282
Expenditures:					
Transfers:					
Bonds	$ 195,000	$ 200,000 (5)	$ 0	$ 0	$ 0
Interest	12,100	6,250 (5)	0	0	0
Transfers Out:					
Downtown Streetscape Design	0	40,000 (6)	245,000 (7)	245,000 (7)	0
TIF Administrative and Professional Support Costs	0	0	0	0	170,400 (8)
TIF Economic Development Grant (GMCCI)	0	0	0	0	43,000 (8)
Total Expenditures	$ 207,100	$ 246,250	$ 245,000	$ 245,000	$ 213,400
Ending Balance, June 30	$ 54,322	$ 13,282	$ 12,572	$ 9,782	$ 9,882
Increase (Decrease) in Fund Balance	**$ 3,096**	**$ (41,040)**	**$ 800**	**$ (3,500)**	**$ 100**

1. For the 2018/2019 year, the City certified approximately $151,000 less than the total available increment.
2. For the 2019/2020 year, the City certified approximately $167,700 less than the total available increment.
3. For the 2020/2021 year, the City certified approximately $125,600 less than the total available increment.
4. For the 2021/2022 year, the City certified approximately $157,400 less than the total available increment.
5. The final payments on the June 2010 bond issue were made 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 funded a portion of this cost. Of this amount, $40,000 was repaid in FY 20 and $60,000 will be repaid in FY 21.
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.
8. For 2021/2022, the TIF Administrative and Professional Support costs and the TIF Economic Development grant to the Chamber (GMCCI) will be funded from the Downtown Tax Increment fund. In prior years these allocations were funded from the Southend TIF fund.

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 rebated 67% of taxes received for 15 years. The final payment on the Musco rebate was made in 2019/2020.

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. The final payment for the 2004 issue will be in 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 provided that 50% of the incremental taxes would be rebated to these businesses over a ten-year period. The first payments on these agreements were in 2010/2011. The 2019/2020 payment to Newcomb Properties was the final rebate payment. It was also the final year of the Curry's Transportation agreement. Payments under the Curry's agreements were withheld for failure to comply with provisions of the development agreement.

A 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 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 rebated 50% of the incremental taxes to Union Tank Car Company to a maximum rebate total of $45,000. The first rebate was paid in the 2017/2018 fiscal year. The maximum rebate amount was reached in the 2020/2021 fiscal year. These rebates were also subject to annual appropriations.

In 2019/2020 TIF funding in the amount of $135,000 was used for a forgivable loan to a private contractor to rehabilitate the dilapidated property at 500 Mulberry Avenue. Also in 2019/2020, City Council approved TIF funds to be used for an "Economic Assistance for Muscatine Small Business" program for small businesses impacted by the COVID-19 public health crisis. Local businesses could apply for a one-time forgivable loan up to $2,500. Ninety-four (94) loans were approved for a total of $231,257.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2020/2021 is estimated at $1,409,000. In 2020/2021 Southend TIF funds will be used to fund $506,434 in debt requirements, including the first debt service requirements of $347,734 for the portion of the May 2020 bond issue that will fund the Downtown Streetscaping project and $158,700 for the final payment on the June 24, 2004 bond issue which funded the airport terminal building and southend water extension projects. The 2020/2021 TIF funds will also be used for the A&E Convenience rebate (estimated at $3,200), the 6th year rebate under Wal-View Developments Agreement #1 (estimated at $314,700), the 4th year rebate under Wal-View Agreement #2 (estimated at $210,200), and the 4th and final 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 $50,000 is allocated for the forgivable loan program for City Code compliance and ADA improvements for small business owners in designated blighted areas of the City. 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 TIF funding also includes $16,000 for the local share of the Riverfront Recreation Area Lighting Improvement Project. Musco Sports Lighting LLC donated the lights for the project and other contributions (including the City's allocation) funded the remaining costs of this project.

For 2020/2021 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 $538,600 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 2021/2022 the City is claiming $1,150,000 of incremental taxes from this district which will fund $352,900 in debt requirements for the bond issue that is funding the Downtown Streetscaping project, the TIF rebate to A&E Convenience (estimated at $3,900), the 7th year rebate under Wal-View Developments Agreement #1 (estimated at $318,000), and the 5th year rebate under Wal-View Agreement #2 (estimated at $182,000). TIF funding for multiple forgivable loan programs will continue in 2021/2022. Those include funding for the Small Business Forgivable Loan program in the amount of $100,000, funding for the Forgivable Loan for City Code compliance and ADA Improvements in designated blighted areas in the amount of $50,000, and funding for the forgivable loan program for downtown façade improvements will continue in the amount of $100,000.

For 2021/2022 the City is claiming approximately $563,300 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2021/2022 is $598,722. 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 889,992	$ 983,984	$ 838,719	$ 654,256	$ 554,022
Revenues:					
Incremental Taxes	$ 1,481,330 (1)	$ 1,451,247 (2)	$ 1,430,000 (3)	$ 1,409,000 (3)	$ 1,150,000 (4)
Commercial and Industrial State Reimbursement	60,036	57,414	0	0	0
Interest	22,757	22,806	15,000	1,500	1,500
Total Revenues	$ 1,564,123	$ 1,531,467	$ 1,445,000	$ 1,410,500	$ 1,151,500
Funds Available	$ 2,454,115	$ 2,515,451	$ 2,283,719	$ 2,064,756	$ 1,705,522
Expenditures:					
Bonds	$ 140,000	$ 145,000	$ 150,000 (7)	$ 150,000 (7)	$ 0
Interest	24,805	16,965	8,700 (7)	8,700 (7)	0
Tax Rebate - Musco Sports Lighting	81,765	80,910 (6)	0	0	0
Tax Rebate - Curry's Transportation Services (5)	0	0 (6)	0	0	0
Tax Rebate - Newcomb Properties LLC	9,538	11,197 (6)	0	0	0
Tax Rebate - A & E Convenience, LLC	3,965	3,921	3,900	3,200	3,900
Tax Rebate - Wal-View Project #1	639,903	633,240	325,000 (8)	314,700 (8)	318,000
Tax Rebate - Wal-View Project #2	267,328	235,151	220,000	210,200	182,000
Tax Rebate - Union Tank Car Company	16,527	16,354	8,200 (7)	8,200 (7)	0
Transfers Out:					
TIF Administrative and Professional Support Costs	141,300	164,200	159,000	159,000	0 (10)
TIF Economic Development Grant (GMCCI)	38,000	38,000	43,000	43,000	0 (10)
Small Business Forgivable Loan Program	100,000	100,000	100,000	100,000	100,000
Small Business COVID Forgivable Loan Program	0	231,257	0	0	0
Forgivable Loan Program - Code Improvements	0	50,000	50,000	50,000	50,000
Forgivable Loan Program - Façade Improvements	0	0	100,000	100,000	100,000
Forgivable Loan - Dilapidated Property	0	135,000	0	0	0
Housing Demand Study	7,000	0	0	0	0
Riverside Park - Local Share of Recreation Area Lighting Project	0	0	0	16,000	0
Debt Service Fund - Downtown Streetscape					
Bonds	0	0	285,000 (9)	280,000 (9)	295,000 (9)
Interest	0	0	61,418 (9)	67,734 (9)	57,900 (9)
Total Expenditures	$ 1,470,131	$ 1,861,195	$ 1,514,218	$ 1,510,734	$ 1,106,800
Ending Balance, June 30	$ 983,984	$ 654,256	$ 769,501	$ 554,022	$ 598,722 (11)
Increase (Decrease) in Fund Balance	**$ 93,992**	**$ (329,728)**	**$ (69,218)**	**$ (100,234)**	**$ 44,700**

1. For the 2018/2019 year, the City certified approximately $459,900 less than the total available in incremental taxes
2. For the 2019/2020 year, the City certified approximately $498,600 less than the total available in incremental taxes
3. For the 2020/2021 year, the City certified approximately $538,600 less than the total available in incremental taxes
4. For the 2021/2022 year, the City certified approximately $563,300 less than the total available in incremental taxes
5. Rebate payments to Curry's Transportation were withheld beginning in 2015/2016 and continuing through the final year of the development agreement (2019/2020) since resurfacing requirements were not met.
6. Fiscal year 2019/2020 was the final year for the Musco Sports Lighting, Curry's, and Newcomb TIF rebates
7. Fiscal year 2020/2021 is the final year for bond and interest payments on the June 24, 2004 bond issue and the Union Tank Car rebate.
8. The rebate percentage for Wal-View #1 changed from 100% to 50% in 2020/2021
9. Funding for the Downtown Streetscaping project was included in the May 2020 bond issue with debt service payment to be funded from incremental tax funds. The original budget for 2020/2021 included an estimated $346,418 in debt service payments on this portion of the bond issue for 2020/2021. The revised estimate and 2021/2022 budget reflect the final debt repayment schedule.
10. For 2021/2022, the TIF Administrative and Professional Support Costs and the TIF Economic Developmen Grant to the Chamber (GMCCI) will be funded from the Downtown Tax Increment fund
11. The balance in this fund and future TIF collections are proposed to be designated for city street improvement (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

Fiscal Year	Principal	Interest	Total Requirements
2020/21	$ 150,000	$ 8,700	$ 158,700
Total	$ 150,000	$ 8,700	$ 158,700

SOUTHEND TAX INCREMENT FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

2nd Street Streetscaping Project

$3,175,000 of $6,310,000 Issue Dated May 7, 2020

Fiscal Year	Principal	Interest	Total Requirements
2020/21	$ 280,000	$ 67,734	$ 347,734
2021/22	295,000	57,900	352,900
2022/23	305,000	52,000	357,000
2023/24	310,000	45,900	355,900
2024/25	315,000	39,700	354,700
2025/26	320,000	33,400	353,400
2026/27	325,000	27,000	352,000
2027/28	335,000	20,500	355,500
2028/29	340,000	13,800	353,800
2029/30	350,000	7,000	357,000
Total	$ 3,175,000	$ 364,934	$ 3,539,934

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 rebates totaled $1,955,781 for this 10-year period. 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 $66,546 at the end of the 2021/2022 year can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 67,021	$ 64,920	$ 65,420	$ 66,146	$ 66,346
Revenues					
Incremental Taxes	$ 266,139 (1)	$ 0 (2)	$ 0	$ 0	$ 0
Interest	1,848	1,226	500	200	200
Total Revenues	$ 267,987	$ 1,226	$ 500	$ 200	$ 200
Funds Available	$ 335,008	$ 66,146	$ 65,920	$ 66,346	$ 66,546
Expenditures:					
Tax Rebate - VMI Northport Commons	$ 270,088 (3)	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 270,088	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 64,920	$ 66,146	$ 65,920	$ 66,346	$ 66,546
Increase (Decrease) in Fund Balance	**$ (2,101)**	**$ 1,226**	**$ 500**	**$ 200**	**$ 200**

1. For the 2018/2019 year the City certified approximately $311,000 less than the total available increment.
2. For the 2019/2020 year the City did not certify any of the approximately $624,200 in available increment.
3. 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 was $7,262. The estimated rebate for 2020/2021 is $3,600, 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 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 6,729	$ 7,799	$ 8,299	$ 8,384	$ 4,784
Revenues					
Incremental Taxes	$ 11,909	$ 7,685	$ 0 (2)	$ 0	$ 0
Interest	169	162	100	0	0
Total Revenues	$ 12,078	$ 7,847	$ 100	$ 0	$ 0
Funds Available	$ 18,807	$ 15,646	$ 8,399	$ 8,384	$ 4,784
Expenditures:					
Tax Rebate - H.J. Heinz	$ 11,008 (1)	$ 7,262 (1)	$ 4,000	$ 3,600 (1)	$ 0
Total Expenditures	$ 11,008	$ 7,262	$ 4,000	$ 3,600	$ 0
Ending Balance, June 30	$ 7,799	$ 8,384	$ 4,399	$ 4,784	$ 4,784
Increase (Decrease) in Fund Balance	**$ 1,070**	**$ 585**	**$ (3,900)**	**$ (3,600)**	**$ 0**

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 was claimed for 2020/2021 since the balance in this fund was sufficient to pay the final rebate payment on this development agreement. The FY 2020/2021 rebate is the final rebate under this 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. The rebate for 2019/2020 was $14,899. The rebate for 2020/2021 is $13,685 and the estimated rebate for 2021/2022 is $15,000.

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 2019/2020 in the amount of $40,046. The rebate for 2021/2022 is $26,140 and the estimated rebate for 2021/2022 is $29,000.

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:

The 2021/2022 budget includes $15,000 for the estimated rebate for the Villas at MCC, LLC and $29,000 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 20,041	$ 11,495	$ 13,095	$ 13,397	$ 14,997
Revenues					
Incremental Taxes	$ 15,539	$ 56,522	$ 42,000	$ 41,400	$ 44,000
Interest	531	325	100	100	0
Total Revenues	$ 16,070	$ 56,847	$ 42,100	$ 41,500	$ 44,000
Funds Available	$ 36,111	$ 68,342	$ 55,195	$ 54,897	$ 58,997
Expenditures:					
Tax Rebate - Villas at MCC (1)	$ 15,808	$ 14,899	$ 14,500	$ 13,700	$ 15,000
Tax Rebate - Villas at MCC - Prior Year Balance (1)	8,808	0	0	0	0
Tax Rebate - Harrison Lofts (2)	0	40,046	27,500	26,200	29,000
Total Expenditures	$ 24,616	$ 54,945	$ 42,000	$ 39,900	$ 44,000
Ending Balance, June 30	$ 11,495	$ 13,397	$ 13,195	$ 14,997	$ 14,997
Increase (Decrease) in Fund Balance	**$ (8,546)**	**$ 1,902**	**$ 100**	**$ 1,600**	**$ 0**

1. Fiscal year 2013/2014 was the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC. Property taxes were not paid by The Villas for the 2nd half of 2017/2018 so the rebate was not paid in full. In 2018/2019 the balance of the 2017/2018 rebate was paid as w as the rebate for 2018/2019.
2. Fiscal year 2019/2020 was 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; 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 was $66,089.

For 2020/2021 the incremental taxes were $80,671 and the rebate is $62,239. For 2021/2022 the incremental taxes are estimated at $82,246 and the rebate is estimated at $68,000.

Tax Increment Fund - Fridley Theatres

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 16,298	$ 23,153	$ 30,453	$ 30,782	$ 37,582
Revenues					
Incremental Taxes	$ 73,436	$ 73,231	$ 70,000	$ 69,000	$ 68,000
Interest	397	487	100	100	100
Total Revenues	$ 73,833	$ 73,718	$ 70,100	$ 69,100	$ 68,100
Funds Available	$ 90,131	$ 96,871	$ 100,553	$ 99,882	$ 105,682
Expenditures:					
Tax Rebate - Fridley Theatres (1)	$ 66,978	$ 66,089	$ 70,000	$ 62,300	$ 68,000
Total Expenditures	$ 66,978	$ 66,089	$ 70,000	$ 62,300	$ 68,000
Ending Balance, June 30	$ 23,153	$ 30,782	$ 30,553	$ 37,582	$ 37,682
Increase (Decrease) in Fund Balance	**$ 6,855**	**$ 7,629**	**$ 100**	**$ 6,800**	**$ 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 was 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 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 was in fiscal year 2019/2020 for $599,403. 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 in 2019/2020 was $531,903 and $67,500 was transferred to the City capital project fund to reimburse the City for the matching funds for the loan.

Fiscal year 2020/2021 is the 2nd year under this agreement and the rebate is $639,450. The 2021/2022 estimated rebate is $680,000. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 1,018	$ 1,018
Revenues					
Incremental Taxes	$ 0	$ 599,403	$ 660,000	$ 639,500	$ 680,000
Interest	0	1,018	0	0	0
Total Revenues	$ 0	$ 600,421	$ 660,000	$ 639,500	$ 680,000
Funds Available	$ 0	$ 600,421	$ 660,000	$ 640,518	$ 681,018
Expenditures:					
TIF Rebate - Riverview Hotel Developmen	$ 0	$ 531,903 (1)	$ 660,000	$ 639,500	$ 680,000
Transfer Out:					
Mercer/Muscatine Loan Match Reimbursement	0	67,500 (2)	0	0	0
Total Expenditures	$ 0	$ 599,403	$ 660,000	$ 639,500	$ 680,000
Ending Balance, June 30	$ 0	$ 1,018	$ 0	$ 1,018	$ 1,018
Increase (Decrease) in Fund Balance	**$ 0**	**$ 1,018**	**$ 0**	**$ 0**	**$ 0**

1. Fiscal year 2019/2020 was 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 was 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 was made in fiscal year 2019/2020 in the amount of $77,473. The rebate for 2020/2021 is $66,706 and for 2021/2022, the estimated rebate is $80,000. Rebates under this agreement are subject to annual appropriation.

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Tax Increment Fund - North University

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 3,700	$ 3,769	$ 7,869
Revenues					
Incremental Taxes	$ 0	$ 81,147	$ 72,000	$ 70,900	$ 80,000
Interest	0	95	0	0	0
Total Revenues	$ 0	$ 81,242	$ 72,000	$ 70,900	$ 80,000
Funds Available	$ 0	$ 81,242	$ 75,700	$ 74,669	$ 87,869
Expenditures:					
TIF Rebate - HNI	$ 0	$ 77,473 (1)	$ 72,000	$ 66,800	$ 80,000
Total Expenditures	$ 0	$ 77,473	$ 72,000	$ 66,800	$ 80,000
Ending Balance, June 30	$ 0	$ 3,769	$ 3,700	$ 7,869	$ 7,869
Increase (Decrease) in Fund Balance	**$ 0**	**$ 3,769**	**$ 0**	**$ 4,100**	**$ 0**

1. Fiscal year 2019/2020 was 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 for $48,023. The estimated rebate for 2021/2022 is $54,000. Rebates under this agreement are subject to annual appropriation.

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Tax Increment Fund - WDS Urban Renewal Area

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 5,100
Revenues					
Incremental Taxes	$ 0	$ 0	$ 54,000	$ 53,200	$ 54,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 54,000	$ 53,200	$ 54,000
Funds Available	$ 0	$ 0	$ 54,000	$ 53,200	$ 59,100
Expenditures:					
TIF Rebate - White Distribution	$ 0	$ 0	$ 54,000 (1)	$ 48,100 (1)	$ 54,000
Total Expenditures	$ 0	$ 0	$ 54,000	$ 48,100	$ 54,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 5,100	$ 5,100
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 5,100**	**$ 0**

1. Fiscal year 2020/2021 is the first year of a 10-year 50% TIF rebate agreement for White Distribution & Supply LLC.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HERSHEY BUILDING PROJECT

GENERAL INFORMATION:

In May of 2019, the City entered into a development agreement with Hershey Property, LLC and Bush Development, LLC for the redevelopment of the Hershey Building located in downtown Muscatine. The Hershey Lofts project was substantially completed in early 2020, and included converting the upper floors of this building into market-rate rental units with the lower floors redeveloped into commercial spaces. The original 10-year agreement provided for the rebate of 100% of the incremental taxes on this property up to a maximum total of $500,000. The developer requested the maximum rebate amount in the development agreement be increased to $700,000 since they did not receive a portion of the tax credits anticipated and the actual taxable value being higher than projected. The City Council formally amended the Development Agreement in March of 2021 to increase the maximum amount of rebates under the agreement to $700,000.

The first rebate payment under this agreement will be made in fiscal year 2021/2022 and is estimated at $75,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - Hershey Building

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Incremental Taxes	$ 0	$ 0	$ 0	$ 0	$ 75,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 0	$ 0	$ 75,000
Funds Available	$ 0	$ 0	$ 0	$ 0	$ 75,000
Expenditures:					
TIF Rebate	$ 0	$ 0	$ 0	$ 0	$ 75,000
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 75,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Fiscal year 2021/2022 is the first year of a 10-year 100% TIF rebate agreement with Bush Development, LLC and Hershey Property, 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 was 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 in 2019/2020 totaled $162,673. Funds for both years were forwarded to Riverview Hotel Development.

The amounts shown as Reinvestment District proceeds and payments to the Riverview Hotel Development for 2020/2021 and 2021/2022 ($175,000 and $200,000, respectively) 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Reinvestment District Proceeds (1)	$ 110,274	$ 162,673	$ 300,000	$ 175,000	$ 200,000
Total Revenues	$ 110,274	$ 162,673	$ 300,000	$ 175,000	$ 200,000
Funds Available	$ 110,274	$ 162,673	$ 300,000	$ 175,000	$ 200,000
Expenditures					
Riverview Hotel Development (1)	110,274	162,673	300,000	175,000	200,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Amounts shown as revenues and expenditures reflect actual and 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 2020/2021 and 2021/2022, $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. In 2021/2022 an additional $1,500 will be used for the Sunset Park Children's Education program. The balance in this fund is estimated at $25,821 on June 30, 2022.

Community Block Grant Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 30,016	$ 30,643	$ 26,842	$ 31,121	$ 29,221
Revenues					
Reimbursements of Housing Rehabilitation Costs	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	627	578	300	100	100
Total Revenues	$ 627	$ 578	$ 300	$ 100	$ 100
Funds Available	$ 30,643	$ 31,221	$ 27,142	$ 31,221	$ 29,321
Expenditures					
Operating Expenditures	$ 0	$ 100	$ 0	$ 0	$ 0
Transfers Out:					
Home Ownership Program	0	0	2,000	2,000	2,000
Sunset Park Children's Education Program	0	0	1,000	0	1,500
Total Expenditures	$ 0	$ 100	$ 3,000	$ 2,000	$ 3,500
Ending Balance, June 30	$ 30,643	$ 31,121	$ 24,142	$ 29,221	$ 25,821
Increase (Decrease) in Fund Balance	**$ 627**	**$ 478**	**$ (2,700)**	**$ (1,900)**	**$ (3,400)**

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 forgivable loan program was created in 2020 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).

The City's November 2018 Urban Renewal Plan Amendment included a total of $600,000 for the Small Business Forgivable Loan Program. The original plan was to use $100,000 per year for the Small Business Forgivable Loan Program from 2018/2019 through 2023/2024. The $100,000 allocations were made for 2018/2019 and 2019/2020. The remaining $400,000 was approved to be re-directed and used for the new "Economic Assistance for Muscatine Small Business" program for small businesses impacted by the COVID-19 public health crisis. Local businesses could apply for a one-time forgivable loan up to $2,500. Ninety-four (94) loans were approved for a total of $231,257. The Urban renewal plan was again amended in 2021 to restore the $100,000 per year in annual funding for the Small Business Forgivable Loan program through 2024. 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.

Separate fund statements for each of the three forgivable loan programs follow.

Small Business Forgivable Loan Program - General

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 91,409	$ 87,533	$ 0	$ 118,590	$ 0
Revenues					
Reimbursement of Expenses	$ 18,400	$ 5,000	$ 0	$ 0	$ 0
Interest	2,366	857	0	300	0
Transfers In:					
Southend Tax Increment Funds	100,000	100,000	100,000	100,000	100,000
Southend Tax Increment Funds - COVID-19 Loans (1)	0	231,257	0	0	.
Total Revenues	$ 120,766	$ 337,114	$ 100,000	$ 100,300	$ 100,000
Funds Available	$ 212,175	$ 424,647	$ 100,000	$ 218,890	$ 100,000
Expenditures					
Small Business Loans	$ 124,562	$ 74,800	$ 100,000	$ 218,890	$ 100,000
Economic Assistance for Small Businesses (1)	0	231,257	0	0	0
Miscellaneous	80	0	0	0	0
Total Expenditures	$ 124,642	$ 306,057	$ 100,000	$ 218,890	$ 100,000
Ending Balance, June 30	$ 87,533	$ 118,590	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (3,876)**	**$ 31,057**	**$ 0**	**$ (118,590)**	**$ 0**

1. In 2020 this forgivable loan program was expanded to allow for one-time forgivable loans of up to $2,500 to be awarded to small businesses impacted by the COVID-19 pandemic. Ninety-four (94) forgivable loans were awarded under this one-time program.

Small Business Forgivable Loan Program - Code Compliance (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 30,000	$ 0
Revenues					
Interest	$ 0	$ 0	$ 100	$ 100	$ 0
Transfers In:					
Southend Tax Increment Funds	0	50,000	50,000	50,000	50,000
Total Revenues	$ 0	$ 50,000	$ 50,100	$ 50,100	$ 50,000
Funds Available	$ 0	$ 50,000	$ 50,100	$ 80,100	$ 50,000
Expenditures					
Small Business Loans	$ 0	$ 20,000	$ 50,000	$ 80,000	$ 50,000
Miscellaneous	0	0	100	100	0
Total Expenditures	$ 0	$ 20,000	$ 50,100	$ 80,100	$ 50,000
Ending Balance, June 30	$ 0	$ 30,000	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 30,000**	**$ 0**	**$ (30,000)**	**$ 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	$ 0	$ 0	$ 100	$ 0	$ 0
Transfers In:					
Southend Tax Increment Funds	0	0	100,000	100,000	100,000
Total Revenues	$ 0	$ 0	$ 100,100	$ 100,000	$ 100,000
Funds Available	$ 0	$ 0	$ 100,100	$ 100,000	$ 100,000
Expenditures					
Small Business Loans	$ 0	$ 0	$ 100,000	$ 100,000	$ 100,000
Miscellaneous	0	0	100	0	0
Total Expenditures	$ 0	$ 0	$ 100,100	$ 100,000	$ 100,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
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 2020/2021. Expenditures for the 2020/2021 revised estimate total $5,000.

The 2021/2022 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 $5,929 on June 30, 2022.

Police Forfeitures Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 8,145	$ 14,731	$ 6,232	$ 10,929	$ 5,929
Revenues					
Forfeiture Funds	$ 36,051	$ 0	$ 5,000	$ 0	$ 5,000
Interest	16	6	0	0	0
Total Revenues	$ 36,067	$ 6	$ 5,000	$ 0	$ 5,000
Funds Available	$ 44,212	$ 14,737	$ 11,232	$ 10,929	$ 10,929
Expenditures					
Forfeiture Expenditures	$ 4,481	$ 3,808	$ 5,000	$ 5,000	$ 5,000
Transfers Out:					
Equipment Replacement Fund (2)	25,000	0	0	0	0
Total Expenditures	$ 29,481	$ 3,808	$ 5,000	$ 5,000	$ 5,000
Ending Balance, June 30	$ 14,731	$ 10,929	$ 6,232	$ 5,929	$ 5,929
Increase (Decrease) in Fund Balance	**$ 6,586**	**$ (3,802)**	**$ 0**	**$ (5,000)**	**$ 0**

1. Amounts for the 2021/2022 budget reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will b 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 budge

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 the near elderly and elderly 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 apartment building for the elderly or handicapped. 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 2020/2021 revised estimate expenditures for the Clark House are over the budgeted amount by $26,990. This overall increase is due to (1) a $4,920 decrease in personal services costs, (2) a $400 decrease in commodities, (3) a $6,770 increase in contractual services, and (4) a $25,540 increase in capital outlay. The decrease in personal services is due to employee turnover and vacancies. The contractual services increase includes a $10,000 increase in pest control services to address several bedbug infestations and a $3,400 increase in repair and maintenance services for apartment turnover costs. Decreases in other line items offset a portion of these increases. The capital outlay increase for 2020/2021 will be funded from the Coronavirus Aid, Relief, and Economic Security (CARES) Act allocation for public housing. The $25,540 increase will fund ADA required updates to the flooring in the common area ($15,540) and $10,000 for additional equipment and improvements as needed.

The Clark House budgeted expenditures for fiscal year 2021/2022 total $693,310 which is $117,450 (20.4%) more than the original 2020/2021 budget. The budget includes an increase of $31,080 in personal services costs, which includes position allocation changes from a staff reorganization. There was a reduction of $2,400 in commodities, a decrease of $19,730 in contractual services, and an increase of $108,500 in capital outlay. The capital outlay allocation of $155,000 includes funds for apartment rehabilitation including appliance replacements as needed ($21,000), funds for repairing the flooring structural system and sprinkler system ($124,000) and $10,000 to replace five of the apartment air conditioner units.

The 2020/2021 revised estimate revenues for the Clark House are $16,240 more than the original budget. The HUD capital funds of $187,500 are $7,500 more than the original budget. The revenue increase also includes $25,740 in CARES Act funds. These increases were partially offset by a decrease in cable revenues from tenants ($17,000). It was no longer feasible for Clark House tenants to purchase cable packages through the housing agency. This option was eliminated in December of 2020. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

The 2021/2022 budgeted revenues for the Clark House total $627,850, which is $49,400 less than the original 2020/2021 budget. The reduction is primarily due to the reduction in cable fees ($36,800) and reduced HUD capital funds ($13,400). The 2021/2022 budget includes an estimated $110,000 in HUD operating subsidy funding and $166,600 in HUD capital funds. The 2021/2022 budgeted revenues also include $310,000 in rents, $28,000 in cell tower rents, $4,000 in office space rental income, and $9,250 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2020/2021 revised estimate the combined Clark House and Sunset Park revenues are $1,003,730 and the combined expenditures are $915,860. This will result in an estimated $87,870 increase in the operating reserve to $509,955 at the end of 2020/2021.

The 2021/2022 budgeted expenditures for the Clark House and Sunset Park total $983,740 and revenues are budgeted at $911,660. This will decrease the operating reserve by $72,080 to $437,875 at the end of 2021/2022. The combined public housing revenue estimate includes a total of $249,900 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 2020/2021 revised estimate expenditures for Sunset Park are $23,540 more in total than the original budget. Personal services costs are $910 more than the original budget, commodities are under the original budget by $400, contractual services increased by $12,500, and capital outlay is $10,530 more than the original budget. The increase in contractual services is due to increased building repair and maintenance services including repairs to the exterior lighting. The capital outlay increase is for flooring repairs in the education center that will be funded with CARES Act funds.

The 2021/2022 Sunset Park budgeted expenditures are $960 (.3%) more than the original 2020/2021 budget. This overall increase is the net result of (1) a $21,910 increase in personal services costs, (2) a $400 decrease in commodities, (3) a $9,550 increase in contractual services, and (4) a $30,100 decrease in capital outlay. The 2021/2022 personal services increase includes position allocation changes from a staff reorganization. The 2021/2022 capital outlay allocation totals $36,000 and includes $21,000 for apartment rehabilitation including appliance replacements as needed and $15,000 for flooring repairs in the office and education center.

Revised estimate revenues for Sunset Park are $25,730 more than the original budget. The HUD operating subsidy and HUD capital funds increased by $14,700, other revenues increased by $500, and Sunset Park also received funding from the CARES Act in the amount of $10,530. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

Revenues for Sunset Park for 2021/2022 are estimated at $283,810, which includes $95,000 in rents, $105,000 in HUD operating subsidy, $83,300 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 housing 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 was funded from the Hershey management fee through fiscal year 2019/2020. 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 is no longer being 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, 50% of a Housing Specialist, 25% of the Maintenance Supervisor, and 10% of the fulltime Custodian II.

The loan for 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 included estimated principal and interest payments on the re-financed loan with a 3.40% interest rate beginning in July of 2020. The refinancing loan, however, was delayed. With this delay, the interest rate is now projected at 2.50%. The final closing date for the loan has not yet been determined.

The revised estimate expenditures are $7,300 more than the original budget. There were increases and decreases throughout the budget but the overall increase is in repair and maintenance supplies which includes a $33,000 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 2021/2022 of $386,970 are $1,120 (.3%) more than the original 2020/2021 budget. Increases and decreases include (1) a $4,420 increase in personal services costs, (2) a $20,950 increase in commodities, (3) a $2,450 decrease in contractual services, (4) a $2,000 decrease in capital outlay, and (5) a $19,800 decrease in interest and mortgage insurance. The capital outlay allocation of $28,000 is for apartment rehabilitation including appliance replacements as needed. The debt service principal, interest, and mortgage insurance amounts are based on the current mortgage. The debt service costs will be updated when the debt payments under the new mortgage are finalized.

Revenues for 2020/2021 include $196,100 in rental payments from the tenants and an estimated $247,900 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, 2016 the fair market rent was set at $760. It increased to $771 June 1, 2017, increased to $785 on June 1, 2018 and further increased to $803 effective June 1, 2019. The fair market rent increased again to $817 effective June 1, 2020 and will increase to $833 effective June 1, 2021.

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 and any unspent HAP funding on hand is considered net restricted assets.

HUD funds for administration of the program have varied in recent years. The Administrative Reserve was $92,225 at the end of 2018/2019 and it increased to $115,089 at the end of 2019/2020. At the time the budget is being completed, the Administrative Reserve is expected to decrease slightly to $114,139 at the end of 2020/2021 and then decrease to $60,319 at the end of 2021/2022. These amounts are based on funding estimates available when the budget is being prepared. Housing staff will continue to closely monitor HUD funding and expenditures for this program.

Federal contributions for fiscal year 2021/2022 are estimated at $1,819,800 for the Section 8 Voucher Program, which includes $1,613,000 for housing assistance payments (HAPS) and $206,800 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 2021 and 2022. 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 2021 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 (PHAs) 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 budget included two positions allocated to the program for a total of 88% funding from FSS funds with the remaining costs funded from the Voucher program. Due to vacancies and employee turnover, the number of FSS participants decreased and HUD only awarded FSS funding for a half-time FSS Coordinator for calendar year 2021. Staff will work to increase the number of FSS participants in 2021 in an effort to restore funding for a fulltime FSS Coordinator position in 2022.

The 2021/2022 budget includes funding of $35,830 for 50% of a fulltime Housing Specialist assigned as the FSS Coordinator. Incidental expenses are estimated at $2,600 in 2021/2022 which will 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 $7,500 in the 2020/2021 revised estimate and $15,000 in the 2021/2022 budget. Due to the COVID-19 pandemic, inspections were suspended for several months in 2020. Using the same inspector for both Section 8 and regular rental 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 Choice Voucher 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 managed 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 has varied since then. In 2019/2020, a half-time Housing Specialist was used for this program. The COVID-19 pandemic and related mandated restrictions, resulted in the classes being cancelled during most of 2020. Beginning in 2021, 50% of a fulltime Housing Specialist will again be used for this program.

The 2020/2021 revised estimate is $8,200 less that the original budget primarily due a personnel vacancy and staff allocation changes. The 2021/2022 budget is $3,200 (8.3%) more than the original budget for 2020/2021. The budget continues the 50% allocation of a full-time Housing Specialist.

The 2020/2021 budget and the 2021/2022 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 $16,500 of funding for the Home Ownership Program in 2020/2021 and $20,000 is budgeted to be received in 2021/2022. 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, $24,570 in 2018/2019, and $14,181 in 2019/2020. The grant funding is estimated at $18,900 in the 2020/2021 revised estimate and $19,000 in the 2021/2022 budget. The balance in this fund has been decreasing in recent years and is estimated at $44,774 at the end of 2021/2022. 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.

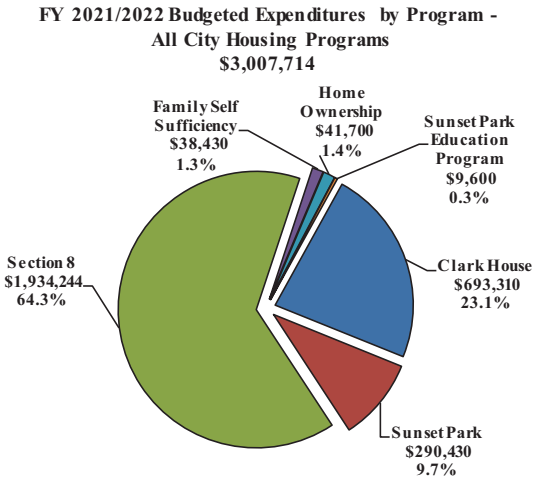
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

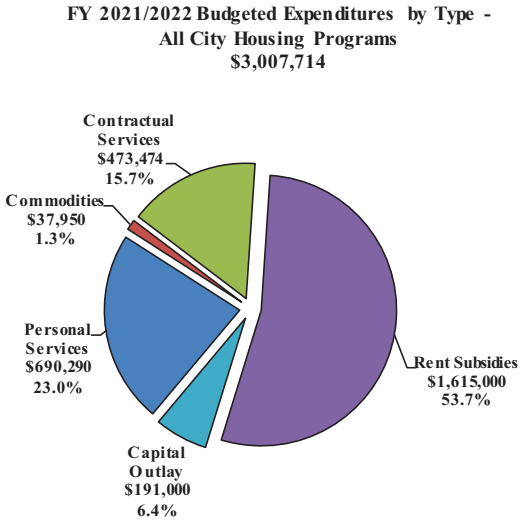
The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program operated every day school was in session and had been sustained by grants and donations from the community. Beginning in 2018/2019, Flickinger Learning Center is providing all staff for the Afterschool program. This has decreased expenditures in this budget by approximately $10,000 each year.

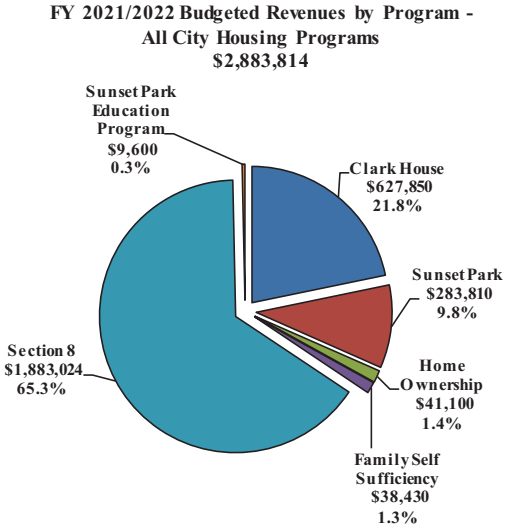
The Housing Agency is continuing to operate the Summer Enrichment Program, however due to the COVID-19 pandemic, this program was cancelled for the summer of 2020. The budget for the Summer Enrichment Program for 2021/2022 totals $9,600 which includes $9,200 for the instructor and the assistant as well as $400 for education materials, supplies, and related costs. Local grants and donations are expected to fund most of the cost of this program.

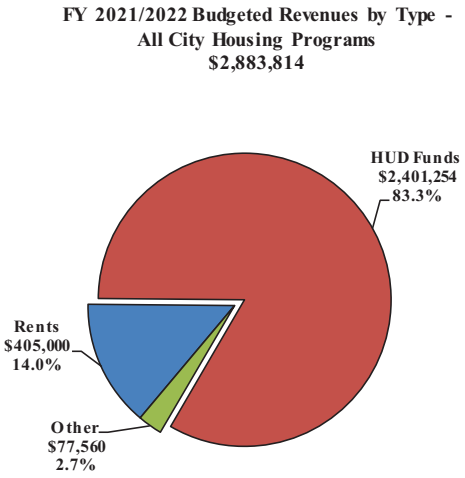
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total $3,007,714 for 2021/2022 with budgeted revenues of $2,883,814. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:









The various housing budgets for 2021/2022 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 2021/2022 total $68,400 and are allocated as follows:

Clark House	$28,500
Sunset Park	14,100
Section 8 Voucher Program	25,800
	$68,400

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Public Housing:					
Clark House					
Units Months Available	1,200	1,200	1,200	1,200	1,200
Months Unit is Leased	1,185	1,175	1,182	1,164	1,164
Vacancy Rate	1.27%	2.13%	1.52%	3.09%	3.09%
Sunset Park					
Units Months Available (1)	600	588	588	600	600
Months Unit is Leased	586	579	562	576	582
Vacancy Rate	2.48%	1.48%	4.63%	4.17%	3.09%
Combined					
Units Months Available	1,800	1,788	1,788	1,800	1,800
Months Unit is Leased	1,771	1,754	1,744	1,740	1,746
Percent Days Vacant	1.67%	1.92%	2.52%	3.45%	3.09%
Hershey Manor: (2)					
Units Months Available	600	600	600	600	600
Months Unit is Leased	596	578	593	549	582
Vacancy Rate	0.63%	3.81%	1.18%	9.29%	3.09%
Section 8 Voucher Program:					
Unit Months Under Lease	4,212	3,960	3,707	3,750	3,840
Average Units Under Lease	351	330	309	313	320
Earned Administrative Fees	$ 185,503	$ 225,967	$ 209,264	$ 202,300	$ 206,800
Housing Assistance Payments	$ 1,631,192	$ 1,621,742	$ 1,572,281	$ 1,557,200	$ 1,613,000
Family Self Sufficiency:					
Total Participants	27	25	26	28	30
Participants with Escrow Balance	16	14	10	12	15
Participants Enrolled in Education	12	10	3	5	5
Participants Becoming Employed	15	10	5	5	5

1. One unit at Sunset Park was off-line for foundation repairs in 2018/2019 and 2019/2020.
2. 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 typically has estimated 3% vacancy based on historical information. However, during the pandemic the occupancy at Hershey Manor has continued to decline. The Muscatine Municipal Housing Agency continues to make every effort to improve and stabilize occupancy.

Performance Measures:

	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Housing Counseling (Homeownership): (3)					
Clients Completing 8 Hour Class	58	54	17	20	40
Counseling/Households Served	263	263	149	100	250
Clients < 80% Median Income	258	258	149	90	200
Clients Purchasing Housing	18	13	4	5	10
Section 8 Homeownership Clients Purchasing Housing	0	0	1	1	1
Clients Completing Renter Counseling	149	111	132	100	100
Sunset Park Summer Program: (4)					
Meals Served	475	688	487	150	550
Kids Registered	8	21	23	15	20
Off-Site Activities	33	32	14	6	20

3. No Housing Counseling classes have been conducted since the declaration of the public health crisis. The new Housing Counselor is expected to start offering services in the first quarter of calendar year 2021.
4. Due to the pandemic, the summer program did not operate during the summer of 2020. For 2019/2020 and 2020/2021, the numbers reflect operations during the summer of 2019 and the summer of 2021. In addition, lower participation is anticipated in the summer of 2021 due to ongoing safety concerns of parents.

RECENT ACCOMPLISHMENTS:

The past year has been challenging for the Housing team as the department worked to maintain the safety of the clients and staff. All housing divisions were impacted by the COVID-19 pandemic. Operating during the pandemic was further complicated by staff turnover with the loss of almost 50 percent of the housing staff, four employees, within four months. At this time, all positions have been filled, and the energy and experience of the new staff members will improve program development and delivery.

Housing staff turnover coincided with the on-going consequences of the COVID-19 public health crisis, which has significantly affected the operations of all Housing programs. The most significant impact of the ongoing health crisis was the cancellation of all in-person classes, including the Summer Enrichment Program and Housing Counseling/Homeownership classes. The day-to-day operations of on-going programs was adjusted to protect the public and staff, and HUD was slow to provide guidance on what were acceptable means of maintaining regulatory compliance.

As staff has continued to adjust to the current conditions, attempts have been made to look at every modification for simplicity of use and opportunities to transition to long-term service efficiency. For example, the use of the drop box for paperwork provides flexibility for clients to respond during times that fit within their schedule and continues to be used by landlords and clients even when the office reopened. In addition, using CARES Act funding, the department has purchased software to transition to online applications and a client portal for individuals to receive and check information regarding their application status.

Leasing in all programs, voucher and public housing properties, has been slower during the pandemic. In June, all families with the highest priority (122 households) on the Voucher waiting list were selected for a virtual briefing. Seventy-eight completed the session, however, the department is just now seeing significant leasing activity from that group. The site-based vouchers like Harrison Lofts and Oak Park properties have been processing more applications than they have vacant units available. All housing properties saw an increase in turnover and higher vacancy rates. Increases in vacancies compounded with maintenance staff shortages and delays in contractor availability almost doubled the turnaround time of units to forty-three days. While Sunset Park and Clark House occupancy appears to be stabilizing, Hershey Manor continues to lose more tenants than staff has been able to replace.

Staff has been working with other community providers and the magistrates on an eviction prevention program to assist those who are at-risk of losing their housing as the government mandated moratorium on evictions ends.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- **Strategic Plan - Vibrant Community** – To create quality places that people want to live, work and play in and that contribute to community health, happiness, and well-being.
- **Strategic Plan - Heathy Community** – To support the provision of a full range of housing types to meet the needs of a demographically diverse population.

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. **(Strategic Plan - Reliable Infrastructure)**

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 320 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 engage participants in self-sufficiency activities, such as financial counseling, continued education, and other programs.

Housing Counseling Program

- To offer six Home Ownership classes in the fiscal year.
- To offer six renter counseling classes in the fiscal year.
- 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 increase participation in the Housing Choice Voucher Home Ownership Program.

Sunset Park Summer Program

- To register 1/3 of elementary and middle school aged children residing at the property.
- To partner with the free lunch program to serve as a daily meal site to community youth.
- To expand children's knowledge of the community by accessing off-site activities or hosting onsite presentations.

Public Housing Program
Clark House and Sunset Park
Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Operating Reserve, July 1	$ 82,142	$ 158,623	$ 253,173	$ 422,085	$ 509,955
Revenues					
Dwelling Rentals	$ 410,957	$ 423,022	$ 405,000	$ 405,000	$ 405,000
Cable Fees	33,594	36,038	36,800	19,800	0
Federal Grants:					
Operating Subsidy	206,938	348,041	215,000	220,000	215,000
CARE Act Grant	0	8,114	0	36,270	0
HUD Capital Funds:					
2017 Grant	162,448	0	0	0	0
2018 Grant	0	254,018	0	0	0
2019 Grant	0	0	264,000	281,200	0
2020 Grant	0	0	0	0	249,900
Interest Income	2,158	4,010	510	510	510
Contribution - Exercise Program	2,400	0	0	0	0
Sale of Equipment	3,050	0	0	0	0
Laundry Fees	7,202	10,175	7,500	7,500	7,500
Cell Tower Leases	26,388	26,819	27,200	27,200	28,000
Miscellaneous	14,660	10,320	5,750	6,250	5,750
Total Revenues	$ 869,795	$ 1,120,557	$ 961,760	$ 1,003,730	$ 911,660
Funds Available	$ 951,937	$ 1,279,180	$ 1,214,933	$ 1,425,815	$ 1,421,615
Expenditures					
Clark House	$ 546,852	$ 574,316	$ 575,860	$ 602,850	$ 693,310
Sunset Park	246,462	282,779	289,470	313,010	290,430
Total Expenditures (1)	$ 793,314	$ 857,095	$ 865,330	$ 915,860	$ 983,740
Operating Reserve, June 30	$ 158,623	$ 422,085	$ 349,603	$ 509,955	$ 437,875
Increase (Decrease) in Operating Reserve	**$ 76,481**	**$ 263,462**	**$ 96,430**	**$ 87,870**	**$ (72,080)**

1. Expenditures include changes in compensated absences.

Public Housing Program
Clark House and Sunset Park
Summary of Revenues

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Clark House:					
Dwelling Rentals	$ 310,687	$ 328,185	$ 310,000	$ 310,000	$ 310,000
Cable Fees	33,594	36,038	36,800	19,800	0
Federal Grants:					
Operating Subsidy	101,509	165,319	110,000	110,000	110,000
CARES Act Grant	0	3,848	0	25,740	0
HUD Capital Funds:					
2017 Grant	93,496	0	0	0	0
2018 Grant	0	143,959	0	0	0
2019 Grant	0	0	180,000	187,500	0
2020 Grant	0	0	0	0	166,600
Interest Income	2,138	3,990	500	500	500
Laundry Fees	7,202	10,175	7,500	7,500	7,500
Contribution-Exercise Program	2,400	0	0	0	0
Cell Tower Lease	26,388	26,819	27,200	27,200	28,000
Miscellaneous	8,879	5,920	5,250	5,250	5,250
Subtotal	$ 586,293	$ 724,253	$ 677,250	$ 693,490	$ 627,850
Sunset Park:					
Dwelling Rentals	$ 100,270	$ 94,837	$ 95,000	$ 95,000	$ 95,000
Federal Grants:					
Operating Subsidy	105,429	182,722	105,000	110,000	105,000
CARES Act Grant	0	4,266	0	10,530	0
HUD Capital Funds:					
2017 Grant	68,952	0	0	0	0
2018 Grant	0	110,059	0	0	0
2019 Grant	0	0	84,000	93,700	0
2020 Grant	0	0	0	0	83,300
Interest Income	20	20	10	10	10
Sale of Equipment	3,050	0	0	0	0
Miscellaneous	5,781	4,400	500	1,000	500
Subtotal	$ 283,502	$ 396,304	$ 284,510	$ 310,240	$ 283,810
Total	$ 869,795	$ 1,120,557	$ 961,760	$ 1,003,730	$ 911,660

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 171,521	$ 188,620	$ 213,800	$ 208,880	$ 244,880	14.54%
Commodities	14,409	11,810	21,450	21,050	19,050	-11.19%
Contractual Services	285,060	331,939	294,110	300,880	274,380	-6.71%
Capital Outlay	71,108	37,046	46,500	72,040	155,000	233.33%
Transfers	-	-	-	-	-	
Total Expenditures	$ 542,098	$ 569,415	$ 575,860	$ 602,850	$ 693,310	20.40%
Funding Sources						
Dwelling Rentals	$ 310,687	$ 328,185	$ 310,000	$ 310,000	$ 310,000	0.00%
Tenant Cable Fees	33,594	36,038	36,800	19,800	-	-100.00%
Interest Income	2,138	3,990	500	500	500	0.00%
Federal Grants:						
Operating Subsidy	101,509	165,319	110,000	110,000	110,000	0.00%
HUD Capital Funds	93,496	143,959	180,000	187,500	166,600	-7.44%
HUD CARES Act Funds	-	3,848	-	25,740	-	
Cell Tower Lease	26,388	26,819	27,200	27,200	28,000	2.94%
Office Space Lease	3,696	4,032	4,100	4,000	4,000	-2.44%
Miscellaneous	12,386	12,063	8,650	8,750	8,750	1.16%
Total Funding Sources	$ 583,894	$ 724,253	$ 677,250	$ 693,490	$ 627,850	-7.29%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Administrator	0.45	-	-	-	-	
Community Development Director	-	0.15	0.15	0.15	0.15	
Housing Maintenance Supervisor	-	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.50	-	-	-	-	
Custodian II	0.20	0.20	0.20	0.20	0.20	
Housing Program Manager	-	1.00	1.00	0.28	-	
Housing Program Supervisor	-	-	-	0.06	0.25	
Housing Specialist	0.50	-	-	0.58	1.00	
Total Full Time	1.65	1.85	1.85	1.77	2.10	
Part Time:						
Custodian II	0.68	0.68	0.66	0.77	0.85	
Office Assistant	0.05	0.05	0.05	0.05	0.05	
Total Part Time	0.73	0.73	0.71	0.82	0.90	
Total	2.38	2.58	2.56	2.59	3.00	$ 167,410
Employee Benefits						77,470
Total Personal Services						$ 244,880

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	6	Yes	$ 15,000
Appliances	10	Yes	6,000
Flooring Structural System and Sprinkler System Repairs		Yes	124,000
Replace PTAC (Apartment Air Conditioning) Units	5	Yes	10,000
			$ 155,000

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 136,007	$ 126,841	$ 126,080	$ 126,990	$ 147,990	17.38%
Commodities	8,243	11,688	15,300	14,900	14,900	-2.61%
Contractual Services	78,436	89,454	81,990	94,490	91,540	11.65%
Capital Outlay	23,776	54,796	66,100	76,630	36,000	-45.54%
Transfers	-	-	-	-	-	
Total Expenditures	$ 246,462	$ 282,779	$ 289,470	$ 313,010	$ 290,430	0.33%
Funding Sources						
Dwelling Rentals	$ 100,270	$ 94,837	$ 95,000	$ 95,000	$ 95,000	0.00%
Interest Income	20	20	10	10	10	0.00%
Federal Grants:						
Operating Subsidy	105,429	182,722	105,000	110,000	105,000	0.00%
HUD Capital Funds	68,952	110,059	84,000	93,700	83,300	-0.83%
HUD CARES Act Funds	-	4,266	-	10,530	-	
Miscellaneous	8,831	4,400	500	1,000	500	0.00%
Total Funding Sources	$ 283,502	$ 396,304	$ 284,510	$ 310,240	$ 283,810	-0.25%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Administrator	0.30	-	-	-	-	
Community Development Director	-	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor	-	0.25	0.25	0.25	0.25	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Housing Program Supervisor	-	-	-	0.04	0.15	
Maintenance Repairperson	0.25	-	-	-	-	
Custodian II	0.70	0.70	0.70	0.70	0.70	
Total Full Time	1.75	1.55	1.55	1.59	1.70	
Part Time:						
Office Assistant	0.05	0.05	0.05	0.05	0.05	
Custodian II (Standby)	-	-	-	0.03	0.03	
Total Part Time	0.05	0.05	0.05	0.07	0.08	
Total	1.80	1.60	1.60	1.66	1.78	$ 98,930
Employee Benefits						49,060
Total Personal Services						$ 147,990

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 15,000
Appliances	10	Yes	6,000
Office and Education Center Flooring Replacement	2	Yes	15,000
			$ 36,000

Hershey Manor

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Revenues					
Dwelling Rentals	$ 193,566	$ 178,163	$ 196,100 (1)	$ 196,100 (1)	$ 196,100 (2)
Housing Assistance Payments - HUD	278,334	304,337	294,100 (1)	294,100 (1)	294,100 (2)
HUD Payment Reduction for Vacancies	(17,804)	(5,989)	(14,700)	(46,200)	(15,200)
Interest Income	1,822	1,967	800	800	500
Cable Fees	18,716	18,527	19,200	5,600	0
Laundry Income	3,741	4,935	3,700	4,400	4,400
Donation for Exercise Program	2,400	0	0	0	0
Benjamin Hershey Memorial Convalescent Home Contribution	0	20,000	0	0	0
CARES Act Funding	0	0	0	12,000	0
Total Revenues	$ 480,775	$ 521,940	$ 499,200	$ 466,800	$ 479,900
Operating Expenditures	372,996	435,380	385,850 (4)	393,150	386,970
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	$ 107,779	$ 86,560	$ 113,350	$ 73,650	$ 92,930
Additional Budget Items:					
Principal Retirement	(58,124)	(60,643)	(45,700) (4)	(63,271)	(66,013)
Replacement Reserve Transfers	(30,273)	(30,768)	(30,768)	(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	(1,775)	(1,769)	(750)	(500)	(450)
Transfers from Debt Service Reserve (3)	0	64,000	0	0	0
Transfers from Replacement Reserve (3)	2,594	5,903	30,000	20,000	28,000
Net Surplus (Deficit)	$ (29,467)	$ 13,615	$ 16,464	$ (50,557)	$ (25,969)
Surplus (Deficit) per Unit Month	$ (49.11)	$ 22.69	$ 27.44	$ (84.26)	$ (43.28)

1. The FY 2020/2021 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved fair market rent amount of $817 per month.
2. The FY 2021/2022 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved fair market rent amount of $833 per month.
3. Reflects the portion of the operating expenditures funded from the Replacement Reserve or Debt Service Reserve regardless of the timing of the actual funding transfer.
4. The originally budgeted 2020/2021 expenditures included estimated interest and mortgage insurance for the expected re-financed loan. Estimated principal retirement payments were also shown. Those estimates were based on a 6-1-20 closing on the loan. The actual closing date has not yet been determined.

Function:
Community and Economic Development

Department:
Housing

Activity:

Hershey Manor Housing

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 93,900	$ 94,559	$ 92,850	$ 85,250	$ 97,270	4.76%
Commodities	5,966	7,554	9,850	43,850	30,800	212.69%
Contractual Services	197,473	194,791	169,900	178,050	167,450	-1.44%
Capital Outlay	5,048	69,906	30,000	20,000	28,000	-6.67%
Interest/Mortgage Insurance	71,668	68,870	83,250	66,000	63,450	-23.78%
Total Expenditures	$ 374,055	$ 435,680	$ 385,850	$ 393,150	$ 386,970	0.29%
Funding Sources						
Dwelling Rentals	$ 193,566	$ 178,163	$ 196,100	$ 196,100	$ 196,100	0.00%
Housing Assistance Payments - HUD	260,530	298,348	279,400	247,900	278,900	-0.18%
HUD-CARES Act Funds	-	-	-	12,000	-	
Benjamin Hershey Memorial Convalescent Home Cont.	-	20,000	-	-	-	
Interest Income	1,822	1,967	800	800	500	-37.50%
Cable Fees	18,716	18,527	19,200	5,600	-	-100.00%
Other Income	6,141	4,935	3,700	4,400	4,400	18.92%
Total Funding Sources	$ 480,775	$ 521,940	$ 499,200	$ 466,800	$ 479,900	-3.87%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Administrator (Included in Management Fee)	0.10	-	-	-	-	
Community Development Director (Inc in Management	-	0.10	-	-	-	
Housing Program Manager (Included in Management Fee)		0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor	-	0.25	0.25	0.25	0.25	
Custodian II	0.10	0.10	0.10	0.10	0.10	
Housing Program Manager	-	0.18	0.10	0.13	-	
Housing Program Supervisor	-	-	-	0.03	0.10	
Housing Specialist	0.50	0.42	0.50	0.50	0.50	
Maintenance Repairperson	0.25	-	-	-	-	
Total Full Time	0.95	1.15	1.05	1.11	1.05	
Part Time:						
Custodian	0.53	0.50	0.50	0.39	0.53	
Total	1.48	1.65	1.55	1.50	1.58	$ 70,660
Employee Benefits						26,610
Total Personal Services						$ 97,270

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 25,000
Appliance Replacements	5	Yes	3,000
			$ 28,000

Section 8 Voucher Program

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 37,989	$ 105,450	$ 109,880	$ 211,402	$ 210,452
Revenues:					
HUD Contributions-Housing Assistance Payments	$ 1,621,742	$ 1,572,281	$ 1,614,000	$ 1,557,200	$ 1,613,000
HUD Contributions-Administration	225,967	209,264	210,400	202,300	206,800
HUD Contributions-Family Self-Sufficiency	56,628	55,082	59,970	47,230	35,830
HUD Contributions-Admin CARES Act	0	1,351	0	31,070	59,124
Administrative Fees-Portability	268	0	0	0	0
FSS Escrow Forfeitures	18,409	19,541	0	4,800	0
Fraud Recovery - HUD Portion	2,075	3,177	1,000	3,000	2,000
Fraud Recovery - Admin Portion	2,075	3,177	1,000	3,000	2,000
Interest - Admin Reserve	995	1,675	500	100	100
Interest - HAP Equity	0	37	0	0	0
Total Revenues	$ 1,928,159	$ 1,865,585	$ 1,886,870	$ 1,848,700	$ 1,918,854
Funds Available	$ 1,966,148	$ 1,971,035	$ 1,996,750	$ 2,060,102	$ 2,129,306
Expenditures:					
Housing Assistance Payments	$ 1,629,001	$ 1,511,911	$ 1,615,000	$ 1,565,000	$ 1,615,000
Voucher Program Administration	173,925	184,761	215,090	205,250	260,120
Family Self-Sufficiency Coordinator					
Grant Funded Portion	56,628	55,082	59,970	47,230	35,830
Non-Grant Funded Portion	1,144	6,403	5,010	1,100	2,600
Voucher Admin - CARES Act	0	1,476	0	31,070	59,124
Total Expenditures	$ 1,860,698	$ 1,759,633	$ 1,895,070	$ 1,849,650	$ 1,972,674
Ending Balance, June 30	$ 105,450	$ 211,402	$ 101,680	$ 210,452	$ 156,632
Ending Balance Reserved for:					
Housing Assistance Payments (1)	$ 13,225	$ 96,313	$ 13,225	$ 96,313	$ 96,313
Administration	92,225	115,089	88,455	114,139	60,319
Total Ending Balance	$ 105,450	$ 211,402	$ 101,680	$ 210,452	$ 156,632
Increase (Decrease) in Fund Balance	**$ 67,461**	**$ 105,952**	**$ (8,200)**	**$ (950)**	**$ (53,820)**

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 HAP Reserve and HAP funds on hand (Net Restricted Assets) are minimal or zero each year.

Function:
Community and Economic Development

Department:
Housing

Activity:

Section 8 Voucher Program

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 101,117	$ 120,410	$ 140,940	$ 155,770	$ 216,590	53.68%
Commodities	2,501	1,526	4,150	2,950	3,000	-27.71%
Contractual Services	1,699,308	1,576,212	1,685,000	1,642,600	1,714,654	1.76%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,802,926	$ 1,698,148	$ 1,830,090	$ 1,801,320	$ 1,934,244	5.69%
Funding Sources						
HUD Contributions	$ 1,847,709	$ 1,778,545	$ 1,824,400	$ 1,759,500	$ 1,819,800	-0.25%
HUD CARES Act Funds	-	1,351	-	31,070	59,124	
Repayment Agreements	4,150	6,354	2,000	6,000	4,000	100.00%
Admin. Fees - Portability	268	-	-	-	-	
Interest	995	1,712	500	100	100	-80.00%
Other Income	18,409	19,541	-	4,800	-	
Total Funding Sources	$ 1,871,531	$ 1,807,503	$ 1,826,900	$ 1,801,470	$ 1,883,024	3.07%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Administrator	0.10	-	-	-	-	
Community Development Director	-	0.05	0.05	0.05	0.05	
Housing Program Manager	-	0.80	0.90	0.60	-	
Housing Program Supervisor	-	-	-	0.13	0.50	
Housing Specialist	1.14	0.60	0.62	0.81	1.00	
Total Full Time	1.24	1.45	1.57	1.59	1.55	
Part Time:						
Office Coordinator	-	-	-	-	-	
Office Assistant	0.34	0.40	0.40	0.36	0.40	
Total	1.58	1.85	1.97	1.95	1.95	$ 138,580
Employee Benefits						78,010
Total Personal Services						$ 216,590

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 56,895	$ 59,471	$ 63,980	$ 47,230	$ 35,830	-44.00%
Commodities	-	1	-	-	-	
Contractual Services	877	2,013	1,000	1,100	2,600	160.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 57,772	$ 61,485	$ 64,980	$ 48,330	$ 38,430	-40.86%
Funding Sources						
HUD Contribution	$ 56,628	$ 55,082	$ 59,970	$ 47,230	$ 35,830	-40.25%
Section 8 HUD Admin Funds	1,144	6,403	5,010	1,100	2,600	-48.10%
Total Funding Sources	$ 57,772	$ 61,485	$ 64,980	$ 48,330	$ 38,430	-40.86%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Specialist	0.79	0.85	0.85	0.70	0.50	$ 21,570
Employee Benefits						14,260
Total Personal Services						$ 35,830

Public Housing
Home Ownership Program
Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	City Admin. Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	57,145	44,620	$ 48,920	$ 38,074	$ 45,374
Revenues:					
HUD Counseling Grant	$ 24,570	$ 14,181	$ 18,000	$ 18,900	$ 19,000
Local Housing Trust Funds	13,684	13,294	17,000	16,500	20,000
Interest	746	437	500	200	100
Other	300	0	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	2,000	2,000	2,000
Total Revenues	$ 39,300	$ 27,912	$ 37,500	$ 37,600	$ 41,100
Funds Available	$ 96,445	$ 72,532	$ 86,420	$ 75,674	$ 86,474
Expenditures	51,825	34,458	38,500	30,300	41,700
Ending Balance, June 30	44,620	38,074	$ 47,920	$ 45,374	$ 44,774
Increase (Decrease) in Fund Balance (1)	**$ (12,525)**	**$ (6,546)**	**$ (1,000)**	**$ 7,300**	**$ (600)**

Function:
Community and Economic Development

Department:
Housing

Activity:

Home Ownership Program

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 49,522	$ 30,259	$ 31,700	$ 24,000	$ 35,800	12.93%
Commodities	168	139	600	400	700	16.67%
Contractual Services	2,135	4,060	6,200	5,900	5,200	-16.13%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 51,825	$ 34,458	$ 38,500	$ 30,300	$ 41,700	8.31%
Funding Sources						
HUD Counseling Grant	$ 24,570	$ 14,181	$ 18,000	$ 18,900	$ 19,000	5.56%
Local Housing Trust Fund	13,684	13,294	17,000	16,500	20,000	17.65%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	2,000	2,000	2,000	0.00%
Wells Fargo Grant	-	-	-	-	-	
Interest	746	437	500	200	100	-80.00%
Other	300	-	-	-	-	
Total Funding Sources	$ 39,300	$ 27,912	$ 37,500	$ 37,600	$ 41,100	9.60%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Full Time:						
Housing Specialist	0.50	-	-	0.25	0.50	
Housing Administator	0.05	-	-	-	-	
Part Time:						
Housing Specialist	-	0.50	0.50	0.12	-	
Total	0.55	0.50	0.50	0.37	0.50	$ 21,600
Employee Benefits						14,200
Total Personal Services						$ 35,800

Public Housing
Sunset Park Education Program
Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 3,957	$ 10,173	$ 9,673	$ 5,527	$ 5,577
Revenues:					
Contributions - United Way	$ 16,750	$ 0	$ 2,000	$ 0	$ 3,000
Other Contributions	200	0	0	0	0
Community Foundation Grant	2,000	0	5,000	2,000	3,000
Interest	141	108	100	0	0
Other	0	0	1,000	2,150	2,100
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	1,000	0	1,500
Total Revenues	$ 19,091	$ 108	$ 9,100	$ 4,150	$ 9,600
Funds Available	$ 23,048	$ 10,281	$ 18,773	$ 9,677	$ 15,177
Expenditures	12,875	4,754	10,200	4,100	9,600
Ending Balance, June 30	10,173	5,527	$ 8,573	$ 5,577	$ 5,577
Increase (Decrease) in Fund Balance	**$ 6,216**	**$ (4,646)**	**$ (1,100)**	**$ 50**	**$ 0**

Function:
Community and Economic Development

Department:
Housing

Activity:

Sunset Park Education Program

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 5,157	$ 4,482	$ 9,800	$ 3,700	$ 9,200	-6.12%
Commodities	142	272	300	300	300	0.00%
Contractual Services	7,576	-	100	100	100	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 12,875	$ 4,754	$ 10,200	$ 4,100	$ 9,600	-5.88%
Funding Sources						
Donations	$ 18,950	$ -	$ 7,000	$ 2,000	$ 6,000	-14.29%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	1,000	-	1,500	50.00%
Interest	141	108	100	-	-	
Other	-	-	1,000	2,150	2,100	110.00%
Total Funding Sources	$ 19,091	$ 108	$ 9,100	$ 4,150	$ 9,600	5.49%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
Part Time:						
Program Coordinator	0.15	0.14	0.17	0.07	0.17	
Program Assistant	0.06	0.12	0.14	0.05	0.13	
Total	0.21	0.26	0.32	0.12	0.30	$ 8,100
Employee Benefits						1,100
Total Personal Services						$ 9,200

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, 2021, the City's G.O. bonds outstanding is projected to total $13,125,000. This amount includes debt that will be funded from enterprise and tax increment funds.

The City traditionally issues bonds every other year. A list of the projects budgeted to be funded from the May 2022 issue and the estimated bond funding requirements are in the chart below. The actual bond funding amounts for each project may vary from these estimates based on the bids received for these projects.

City of Muscatine
Estimated Bond Funding Amounts for Projects to be funded from 2022 Bond Issue

		Estimated 2022 Bond Requirements
Property Purchase:		
Former Kum and Go - Property inc. pro-rated taxes, legal, etc.	$	105,000
Street Improvements:		
Local Share of Conversion of Portion of Park Avenue from 4-Lanes to 3-Lanes (Series B)		400,000
Grandview Avenue Reconstruction		2,500,000 *
Community Development:		
Building Demolition Projects		100,000
Flood Damage Improvements:		
Estimated Local Share of Repair Costs		150,000
Police Range Replacement (net of flood insurance proceeds)		150,000
Parks:		
Playground Repair Projects		112,000
Deferred Building Maintenance Projects:		
Roofs, Windows, Doors, etc.		200,000
Other Building Systems:		
Public Safety Telephone System		50,000
Transfer Station Project:		
Tipping Floor Replacement (Assumes $200,000 from Transfer Station fund balance)		450,000
Fire Department:		
Fire Engine		660,000
Ambulance		210,000
Allowance for Increased Project Costs or Additional Projects		413,000
(Grandview reconstruction costs may be higher than estimate; additional deferred maintenance projects could be considerred; Vehicle Wash Bay (subject to partial funding from Transit grant) ($550,000 estimated total cost; 80% of 50% from Transit Grant if approved; match for Transit Grant from Transit Fund; City portion $275,000)		
Estimated Total Bond Issue (before Issuance Costs)	**$**	**5,500,000**
* Total Debt Service Tax Levy-funded Debt if $2 million for Grandview is funded with Tax Increment Funds	$	3,500,000
Tax Increment Financing-funded Debt for this portion of Grandview:		2,000,000
Total Bond Issue (Before Issuance Costs)	$	5,500,000
Estimated Bond Issuance Costs/Underwriters Discount		110,000
Estimated Total Bond Issue	**$**	**5,610,000**

CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current 2020/2021 fiscal year is $2.34955 per $1,000 of valuation. This rate will decrease to $2.32232 (a decrease of 1.2%) for 2021/2022. This reduction was possible due to the increase in taxable valuations for 2021/2022.

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 to $4.0 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 $2,454,888. This is the amount necessary to support debt service payments of $2,454,888 (the total estimated requirement for property tax supported debt in 2021/2022). Funds from the Southend Tax Increment fund will fund $352,900 and funds from the Water Pollution Control fund will fund $92,950 of general obligation debt requirements in 2021/2022.

The State of Iowa limits the amount of general obligation bonds which a city may issue. This limitation is 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, 2021 is as follows:

City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2021

Actual Valuation January 1, 2020			**$ 1,497,612,094**
State Limit (5%)			0.05
Debt Limit			**$ 74,880,605**
Bonded Debt:			
Current General Obligation Debt July 1, 2021	$ 13,125,000		
		$ 13,125,000	
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		**17.5%**	
Estimated Tax Increment Rebate Obligations July 1, 2021:			
The Villas at MCC, LLC - 50% for 10 years to maximum of $425,000 (began in 2013/2014)	$ 279,961		
R.L. Fridley Theatres Inc. - 15 years to maximum of $1,500,000; declining percentages 95% to 50% (began in 2015/2016)	1,097,632		
Wal-View Developments Project #1 - 10 years to maximum of $5,000,000; 100% for five years; 50% for five years (began in 2015/2016) Subject to annual appropriation; only next year considered debt for legal debt margin computation; Annual appropriation for FY 21 is listed.	318,000		
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). Subject to annual appropriation. Annual appropriation for FY 21 is listed.	182,000		
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). Subject to annual appropriation. Annual appropriation for FY 21 is listed.	680,000		
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). Subject to annual appropriation. Annual appropriation for FY 21 is listed.	29,000		
HNI Corporation Development Agreement - 50% for 10 years to a maximum of $3,811,000 (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 21 is listed.	80,000		
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of $445,000 (will begin in 2020/2021). Subject to annual appropriation. 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). Subject to annual appropriation.			
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 2022/2023). Subject to annual appropriation.	-		
Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of $700,000 (to begin in 2021/2022). Subject to annual appropriation.	75,000		
Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of $515,000 (expected to begin in 2022/2023). Subject to annual appropriation.	-		
MVHA Colorado Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (expected to begin in 2024/2025). Subject to annual appropriation.	-		
MVHA Grandview Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (expected to begin in 2024/2025). Subject to annual appropriation.	-		
JNB Family 1 LP and Ales Foundation Steamboat Apartments Development Agreement - 70% for 15 years to a maximum of $460,000 (expected to begin in in 2024/2025) Subject to annual appropriation.	-		
		$ 2,795,593	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		**3.7%**	
Total Debt Subject to Debt Limit			**15,920,593**
Legal Debt Margin			**$ 58,960,012**
Percent of Legal Debt Limit Used			**21.3%**

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	**$ 44,928,363**
Total Debt Subject to Debt Limit	**15,920,593**
Debt Margin Using Self-Imposed Limit	**$ 29,007,770**
Percent of Self-Imposed Debt Limit Used	**35.4%**

The City's general obligation debt on a per capita basis is $551.03 as of June 30, 2021.

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 2020 for the 2021/2022 annual appropriation rebates for Wal-View for their first project in the amount of $318,000, for Wal-View for their 2nd project for $182,000, for Riverview Hotel Development for $680,000, for HNI Corporation for $80,000, for Harrison Lofts LLC for $29,000, for White Distribution & Supply for $54,000, and for Bush Development LLC/Hershey Property LLC for $75,000. The recent agreements with TIF Oak Park, NPSW Development, and Musco Sports Lighting LLC, all have annual appropriation provisions. There are three new development agreements expected to be approved in March of 2021, which will also be subject to annual appropriation. These are with MVHA for the Colorado Lofts project, MVHA for the Grandview Lofts project, and JNB Family 1 LP and the Ales Foundation for the Steamboat Apartments project. 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

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 244,470	$ 182,741	$ 142,142	$ 137,770	$ 78,363
Revenues					
Property Tax	$ 2,379,805 (1)	$ 2,498,390 (1)	$ 2,288,629	$ 2,288,629 (3)	$ 2,355,196 (4)
Utility Tax Replacement Excise Tax	7,939	8,897	8,997	8,997	8,309
Commercial and Industrial Replacement Funds	102,819	106,112	100,572	91,500	90,883
Interest	24,886	17,471	10,000	500	500
Transfers In:					
Downtown Tax Increment Fund	207,100	206,250	0	0	0
Southend Tax Increment Fund	0	0	346,418	347,734	352,900
Water Pollution Control Fund	95,105	92,500	90,550	90,550	92,950
Total Revenues	$ 2,817,654	$ 2,929,620	$ 2,845,166	$ 2,827,910	$ 2,900,738
Funds Available	$ 3,062,124	$ 3,112,361	$ 2,987,308	$ 2,965,680	$ 2,979,101
Expenditures					
Charges for Services	$ 2,600	$ 2,900	$ 3,000	$ 3,000	$ 3,000
Bonds	2,470,000	2,630,000	1,775,000	2,475,000	2,555,000
Interest	406,783	341,691	274,703	409,317	342,738
Estimated Debt Requirements New Issue:					
Bonds	0	0	715,000	0	0
Interest	0	0	118,310	0	0
Total Expenditures	$ 2,879,383	$ 2,974,591	$ 2,886,013	$ 2,887,317	$ 2,900,738
Ending Balance, June 30	$ 182,741 (2)	$ 137,770	$ 101,295	$ 78,363	$ 78,363
Amount of Fund Balance Assigned for Debt Principal Payment in Future Years	100,000				
Unassigned Ending Balance, June 30	$ 82,741				
Increase (Decrease) in Fund Balance	**$ (61,729)**	**$ (44,971)**	**$ (40,847)**	**$ (59,407)**	**$ 0**
Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation)	$ 2.53669	$ 2.60018	$ 2.34955	$ 2.34955	$ 2.32232

1. The 2018/2019 and 2019/2020 debt service tax levy rates were lower than the $2.89 target rate for future years due to actual interest rates or 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 2020/2021 debt service tax levy rate was again based on not exceeding the $2.89 target level. The budget and revised estimate for the del service fund were based on using a portion of the 2016/2017 increase in debt service fund balance for 2020/2021 debt service requirements
4. The 2021/2022 debt service tax levy rate was again based on not exceeding the $2.89 target level.
5. The adopted budget for 2020/2021 included estimated debt service requirements on the May 2020 bond issue. The estimated portion of the bond issue for the Downtown Streetscap project will be funded with a transfer from the Southend Tax Increment fund. The actual deb service payments and transfer are reflected in the revised estimate. Actual principal and interest requirements for the new bond issue are part of the principal and interest amounts in the revised estimate.

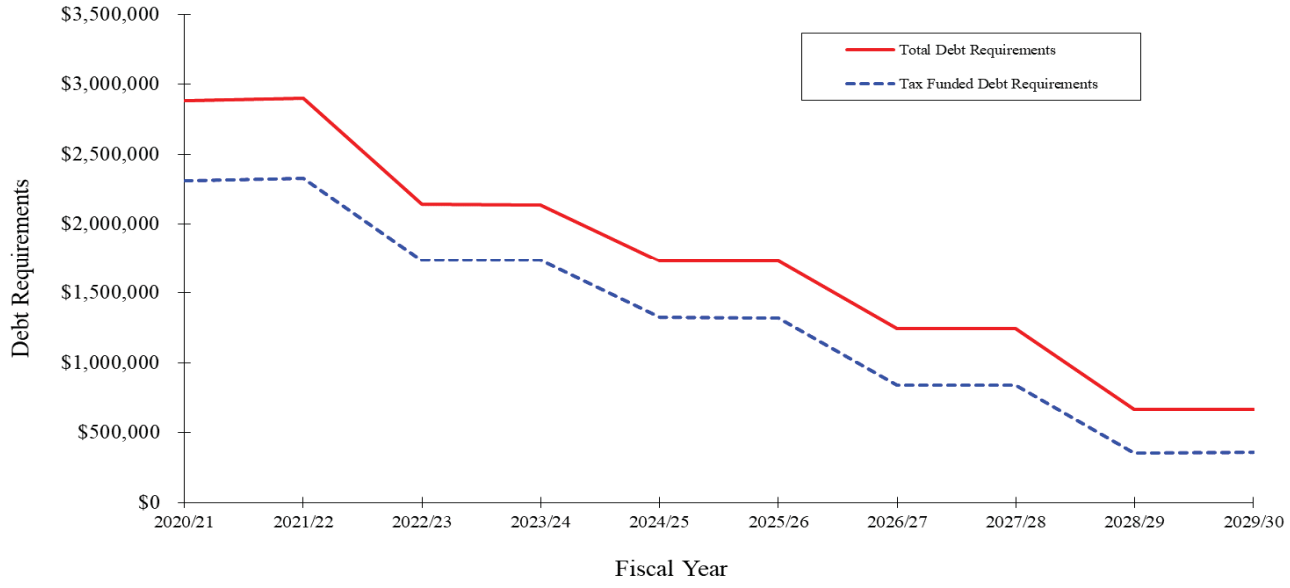
DEBT SERVICE FUND

SUMMARY OF BOND AND INTEREST REQUIREMENTS

CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	Water Pollution Control and TIF Funded Debt Requirements	Expected Tax Funded Debt Requirements
2020/21	$ 2,475,000	$ 409,317	$ 2,884,317	$ 438,284	$ 2,446,033
2021/22	2,555,000	342,738	2,897,738	445,850	2,451,888
2022/23	1,860,000	281,368	2,141,368	452,150	1,689,218
2023/24	1,910,000	228,318	2,138,318	447,300	1,691,018
2024/25	1,555,000	175,463	1,730,463	447,350	1,283,113
2025/26	1,600,000	128,213	1,728,213	447,050	1,281,163
2026/27	1,160,000	83,950	1,243,950	442,250	801,700
2027/28	1,190,000	55,300	1,245,300	448,200	797,100
2028/29	640,000	25,900	665,900	353,800	312,100
2029/30	655,000	13,100	668,100	357,000	311,100
Total	$ 15,600,000	$ 1,743,667	$ 17,343,667	$ 4,279,234	$ 13,064,433

Annual Bond and Interest Requirements



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
2020/21	$ 570,000	$ 20,710	$ 590,710
2021/22	580,000	11,020	591,020
Total	$ 1,150,000	$ 31,730	$ 1,181,730

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Cedar Street Improvements Series B, Colorado Street Series B, Airport Improvements, Library Building Improvements, and Ambulance Equipment

$2,575,000 Total Issue Dated June 2, 2014

Fiscal Year	Principal	Interest	Total Requirements
2020/21	$ 375,000	$ 31,705	$ 406,705
2021/22	390,000	24,205	414,205
2022/23	395,000	16,405	411,405
2023/24	405,000	8,505	413,505
Total	$ 1,565,000	$ 80,820	$ 1,645,820

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Mulberry Avenue Street Improvements, Art Center HVAC and Building Envelope, Other Public Building Improvements, Airport Runway and Other Airport Improvements, Parks Improvements, and Building Demolitions

$4,550,000 Total Issue Dated May 26, 2016

Fiscal Year	Principal	Interest	Total Requirements
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	$ 2,665,000	$ 219,603	$ 2,884,603

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
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	$ 3,910,000	$ 714,500	$ 4,624,500

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

Purchase of IDOT Maintenance Facility Property, Park Avenue 4-Lane to 3-Lane Conversion, Parks Fencing, Playground, and Soccer Field Improvements, Deferred Building Maintenance Projects, West Side Trail, Transfer Station Fire Suppression System, 2nd Street Streetscaping, and New Airport Hangars and Apron Expansion

$6,310,000 Total Issue Dated May 7, 2020

Fiscal Year	Principal	Interest	Total Requirements
2020/21	$ 700,000	$ 134,614	$ 834,614
2021/22	720,000	112,200	832,200
2022/23	570,000	97,800	667,800
2023/24	580,000	86,400	666,400
2024/25	595,000	74,800	669,800
2025/26	605,000	62,900	667,900
2026/27	615,000	50,800	665,800
2027/28	630,000	38,500	668,500
2028/29	640,000	25,900	665,900
2029/30	655,000	13,100	668,100
Total	$ 6,310,000	$ 697,014	$ 7,007,014

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 at https://www.muscatineiowa.gov/DocumentCenter/View/19955/CIP-July_2019?bidId=. 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 2020/2021 revised estimate and 2021/2022 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 was extended in the 2018 referendum and is currently estimated at approximately $640,000 annually. In 2021/2022, the Local Option Sales Tax funding for pavement management projects of $641,800 will be supplemented with a $365,700 allocation of Road Use Tax funds that total to a $1,007,500 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 $2.4 million. Muscatine Power & Water will fund an estimated $285,500 of the project costs for utility work. The May 2020 bond issue included $425,000 of funding for this project and the balance of the local share, estimated at $400,000 will be included in the spring 2022 bond issue. Engineering design began in 2019/2020 and was completed in the summer of 2020. Construction began in the summer of 2020 and is expected to be substantially completed by the fall of 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. Construction began in 2019/2020 for the 2nd Street and Mulberry Avenue roundabout, which is phase two of the Corridor project.

Budgeted project costs in 2020/2021 include the final contract work on the 2nd and Mulberry roundabout and the start of construction on Grandview Avenue, which is the third and final phase of the Corridor improvement project. Grandview Avenue construction is scheduled to begin in the spring of 2021 and continue through the end of the 2022 calendar year.

Construction for the Downtown Streetscape Project is also underway and includes street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. 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 is being done in the non-winter months of calendar years 2020 and 2021. Available tax increment financing (TIF) funds were used to fund the engineering design costs. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from 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 seven 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 consisted of three work areas to be constructed during the next three calendar years (2018, 2019, and 2020). Bids for Phase 5 were received in March of 2021 and this phase of the project will be completed over two years (2021 and 2022). The 2020/2021 funding amount reflects the final work on Phase 4-C and a portion of the work on Phase 5-A. The 2021/2022 funding amount reflects the final work on Phase 5-A and a portion of the work on Phase 5-B.

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 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 the remaining project costs and the projected debt service costs for the remaining phases of 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, the contract with Leander Construction was approved in June of 2019, and the contract was closed out in May of 2020. A number of items were done outside of the construction contract and the total cost is expected to be within the total project budget estimate. The 2020/2021 funding amount includes engineering design and construction to complete the digester conversion portion of the project.

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 the spring of 2021. Funding for the projects is 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 and 2021-2022 include:

2019 Flood Repairs - Damages from the 2019 flood include 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. In 2019/2020, $29,000 of repairs were completed and the remainder of the repairs, estimated at $556,900 are expected to be completed before the end of the 2020/2021 fiscal year. FEMA will fund 75% of the costs determined to be eligible for this funding, the State share is 10%, and the local share is 15%.

Former IDOT Maintenance Building Site - An engineering study was completed to evaluate alternatives for the conversion of the former Iowa Department of Transportation Maintenance building for use as a future 3rd fire station, a police substation, and some Public Works department functions. In 2020/2021 the City contracted for consultant services to assist in evaluating uses of this property including preliminary cost estimates of alternatives. The cost of this study was $63,475. The 2020/2021 revised estimate and 2021/2022 budget allow for the remaining $232,600 of funds from the 2020 bond issue to be used towards the design of a new fire station, if the decision is made to proceed with this project.

Park Improvements – Park improvement projects include replacement of the Soccer Fields 1-6 irrigation system and playground repair projects at Musser Park and Fuller Park.

Legal Settlement Projects - A legal settlement in 2020/2021 will provide $2 million in funding for projects in designated areas of Muscatine's Southend. Specific projects have not yet been determined; however, the 2020/2021 revised estimate allows for the expenditure of $200,000 for engineering design for these projects and the balance of the funds is expected to be expended for project costs in 2021/2022.

Deferred Building Maintenance Projects – The budget continues to allocate funds for deferred maintenance projects for city buildings. New projects for 2021/2022 include replacement of the commercial hood system at the Fire department, replacement of airport hangar roofs, replacement of an electronic gate at the airport, and remodeling of the 3rd floor restrooms at the Fire department.

Fire Engine and Ambulance – The 2021/2022 budget includes $660,000 for a new Fire Engine and $210,000 for a new ambulance, both to be funded from the 2022 bond issue.

Airport - Reconstruction of Taxiway A at the Muscatine Municipal Airport is scheduled to be completed in calendar year 2021.

Transfer Station Tipping Floor - The tipping floor at the Transfer Station dates back to 1995 when the Transfer Station opened. Approximately six inches has worn off the floor exposing the reinforcing bars in the concrete, which results in a possible safety hazard for employees and customers. This project will add ultra-high performance cementitious topping to the existing floor.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2020/2021 as well as those planned for 2021/2022. This section also includes listings of these projects for both 2020/2021 and 2021/2022. Total capital project costs are estimated at $17,163,600 for 2020/2021 and $17,919,400 for 2021/2022. A separate listing of capital outlay items included in department operating budgets in 2021/2022 is also included in this section of the budget for informational purposes. These items total $2,359,800, which brings the total budget for capital outlay and capital projects to $20,279,200 for 2021/2022. 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 2020/2021 PROJECTS UNDER CONSTRUCTION

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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 2020/2021, the Local Option and Road Use Tax funds are being used for street resurfacing, alley resurfacing, and full depth concrete patching.

Funding Source	FY 2020/2021 Funding Amount
Local Option Sales Tax Funds	$ 738,700
Road Use Tax Funds	271,600
	$ 1,010,300

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Railroad Crossing Improvements: This project was originally budgeted to fund the costs to upgrade one of the Dick Drake Way railroad crossings. After reviewing this project, it was determined that this crossing is no longer needed and the funds were used to remove the railroad crossing.

Funding Sources	FY 2020/2021 Funding Amount
Road Use Tax Funds	$ 82,400

Future Impact on Operating Budget: None

Transfer of Jurisdiction/Mississippi Drive and Grandview Avenue Corridor 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. Construction began in 2019/2020 for the 2nd Street and Mulberry Avenue roundabout, which is phase two of the Corridor project.

Budgeted project costs in 2020/2021 include the final contract work on the 2nd and Mulberry roundabout and the start of construction on Grandview Avenue, which is the third and final phase of the Corridor improvement project. Grandview Avenue construction is scheduled to begin in spring of 2021 and continue through the end of the 2022 calendar year.

Funding Sources	FY 2020/2021 Funding Amount
Transfer of Jurisdiction Funds	$ 2,505,300
Reimbursements from Muscatine Power & Water	106,200
Road Use Tax for Grandview Sidewalks	100,000
Interest on Transfer of Jurisdiction Funds	4,500
	$ 2,716,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

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 $2.4 million. Muscatine Power & Water will fund an estimated $285,500 of the project costs for utility work. The May 2020 bond issue included $425,000 of funding for this project and the balance of the local share, estimated at $400,000 will be included in the spring 2022 bond issue. Engineering design began in 2019/2020 and was completed in the summer of 2020. Construction began in the summer of 2020 and is expected to be substantially completed by the end of the 2020/2021 fiscal year.

Funding Sources	FY 2020/2021 Funding Amount
Iowa Department of Transportation Grants	$ 1,297,700
Muscatine Power & Water Contributions	285,500
Bond Proceeds – May 2022 Issue	425,000
Prior Year Bond Proceeds Balance	298,200
	$ 2,306,400

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 was to be used to fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway. With the Grandview Avenue Reconstruction project deferred until 2020/2021, the allocation for the Grandview Avenue

sidewalks was also deferred until 2020/2021. That funding allocation was made directly from the Road Use Tax fund to the Grandview Avenue project fund. The 2020/2021 new sidewalk funding allocation of $40,000 is for the design of the new sidewalk on 67th Street planned for construction in 2021/2022 and 2022/2023.

Funding Sources	FY 2020/2021 Funding Amount
Road Use Tax Funds	$ 40,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

Downtown Streetscape Project: This project is for street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. 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. Available tax increment financing (TIF) funds were used to fund the engineering design costs. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from future tax increment funds.

Funding Sources	FY 2020/2021 Funding Amount
Bond Proceeds – May 2020 Issue (to be funded from future Tax Increment Funds)	$ 1,082,300
Interest	4,200
Transfer from Downtown Tax Increment Fund for a Portion of the Engineering Design Costs	245,000
	$ 1,331,500

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount cannot be determined.

Riverfront Recreation Area Lighting Improvements: In November of 2020, City Council approved an internal advance of $16,000 for the local share of the Riverfront Recreation Area Lighting Improvement Project. Musco Sports Lighting LLC donated the lights for the project and other contributions (including the City's allocation) funded the remaining costs of this project. The Riverside Park Improvement project was included in the March 2018 Urban Renewal Plan Amendment, which makes the lighting project eligible for TIF funding.

Source	FY 2020/2021 Funding Amount
Available Tax Increment Financing (TIF) Funds	$ 16,000

Future Impact on Operating Budget: None

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. Funding of $76,000 was included in the May 2020 bond issue for this project. A portion of the original funding allocation (approximately $32,500) was redirected to add a fence around the four new soccer fields added with the Soccer Expansion project. The balance of the bond funding will be used for the Riverfront and other park fences. These fences include a wooden fence along the trail near Spillway Lane that was damaged from the 2019 flood. FEMA is funding only a small portion of the Spillway Lane fence replacement.

Funding Source	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 29,700

Future Impact on Operating Budget: None

Legal Settlement Projects – Southend: A legal settlement in 2020/2021 will provide $2 million in funding for projects in designated areas of Muscatine's Southend. Specific projects have not yet been determined; however, the 2020/2021 revised estimate allows for the expenditure of $200,000 for engineering design for these projects.

Funding Source	FY 2020/2021 Funding Amount
Legal Settlement Funds	$ 200,000

Future Impact on Operating Budget: Projects have not yet been determined. Any increases in maintenance costs for the new projects will be considered when the projects are selected.

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 2020/2021 budgeted amount represents the portion of the CAT grant and the donations and pledges for the County's Deep Lakes Park Cabins project.

Funding Source	FY 2020/2021 Funding Amount
CAT Grant and Project Donations	$ 500,000

Future Impact on Operating Budget: None since this is a County Conservation Board project.

West Side Trail Project: The West Side Trail project was 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 approximately $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 was substantially completed by the fall of 2020. Funding for this project is from a portion of the 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).

Funding Source	.FY 2020/2021 Funding Amount
CAT Grant Proceeds	$ 75,000
Federal STP Grant	32,600
Donations	32,700
	$ 140,300

Future Impact on Operating Budget: Parks staff will be maintaining the new trail. Annual maintenance 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 or using the property at this site for (1) 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. In 2020/2021, the City contracted for consultant services to assist in evaluating uses of this property including preliminary cost estimates of alternatives. The cost of this study was $63,475. The 2020/2021 revised estimate and 2021/2022 budget allow for the remaining $232,600 of funds from the 2020 bond issue to be used towards the design of a new fire station, if the decision is made to proceed with this project.

Funding Sources	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 113,900

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. If the City proceeds with construction of a new East Hill fire station, the estimated increased annual operating costs would include $441,800 for wages and benefits for five new firefighter positions and the promotion of three current firefighters to Lieutenants. There will also be increased building insurance and maintenance costs estimated at $7,800 annually.

Substandard Building Demolition Projects: The City has identified several 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.

Funding Source	FY 2020/2021 Funding Amount
Available Fund Balances	$ 31,000

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 included $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.

Funding Source	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 262,300

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.

Former Kum and Go Property Acquisition/Sale of Old Library: 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 for $100,000. The final property taxes on this property were due and paid in 2020/2021. Funding for this purchase will be from the spring 2022 bond issue.

Funding Sources	FY 2020/2021 Funding Amount
Bond Proceeds – 2022 Issue	$ 105,000

Future Impact on Operating Budget: Improvements to the parking lot surface and the existing building will be required. Estimated costs of these improvements are not yet available; however, funding for the improvements will be from the sale of the former library ($120,000).

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 and Spillway Lane fencing and riverfront

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 are being accounted for in this capital project fund. In 2019/2020, $29,000 of repairs were completed and the remainder of the repairs, estimated at $556,900 are expected to be completed before the end of the 2020/2021 fiscal year. FEMA will fund 75% of the costs determined to be eligible for this funding, the State share is 10%, and the local share is 15%.

Funding Sources	FY 2020/2021 Funding Amount
FEMA Funding (75% of eligible costs)	$ 417,600
State FEMA Match (10%)	55,700
City Match and Estimated Costs not Eligible for FEMA Funding (Future Bond Proceeds)	150,000
	$ 623,300

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 or at a different site was needed. An asbestos survey was completed and the former building was demolished in 2020/2021 at a cost of $42,000. A flood insurance reimbursement and a small FEMA reimbursement will fund the demolition costs. No additional FEMA funding will be received since FEMA funds were used for repairs from a previous flood. The balance of the estimated $150,000 cost for the new building will be included in the spring 2022 bond issue.

Funding Sources	FY 2020/2021 Funding Amount
Flood Insurance Proceeds	$ 37,500
FEMA Funding	3,700
Future Bond Proceeds for New Range	150,000
	$ 191,200

Future Impact on Operating Budget: There will be some savings in annual maintenance costs with the new building. The amounts cannot be determined.

Equipment Services – Large Vehicle Lift Replacement: The Equipment Services Internal Service Fund needed to replace the vehicle lift for larger City vehicles. The cost of the lift was $107,900. An internal loan funded this purchase. The 2020/2021 Equipment Services budget funded the $20,000 down payment on the internal loan. Four annual payments of approximately $22,000 will complete the financing for this equipment.

Funding Source	FY 2020/2021 Funding Amount
Internal Loan	$ 107,900

Future Impact on Operating Budget: Maintenance costs for the new lift will be reduced; the amount of the savings cannot be determined.

Public Safety Telephone System Replacement: The Muscatine City/County Joint Communications Center (MUSCOM) is located in the City's Public Safety building and the two entities have been sharing a telephone system for over 15 years. MUSCOM is purchasing a new emergency telephone system. At the time the budget was developed, there was discussion of whether the new system for MUSCOM would be compatible with the current system for the Public Safety Building. If a determination is made that a new system is needed, funding is proposed to be from the May 2022 City bond issue.

Funding Source	FY 2020/2021 Funding Amount
Future Bond Proceeds	$ 50,000

Future Impact on Operating Budget: No impact is expected

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 seven 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 was again done over three years, 2018, 2019, and 2020. Bids for Phase 5 were received in March of 2021 and this phase of the project will be completed over two years (2021 and 2022). The 2020/2021 funding amount reflects the final work on Phase 4-C and a portion of the work on Phase 5-A.

Funding Source	FY 2020/2021 Funding Amount
Local Option Sales Tax Funds	$ 3,592,000
Muscatine Power & Water Reimbursement	289,000
	$ 3,881,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Water Pollution Control Plant (WPCP) High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued through 2017/2018 for this project which .originally involved the construction of two large dumping areas to accept hauled waste. One dumping area was planned to be used for septic, recreational vehicle, and City jet/vac material disposal. The other site would allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants and other hauled food waste. This waste helps produce methane gas in the Plant's anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed, the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. The original construction cost estimate was $3.8 million. Due to funding limitations in the Water Pollution Control Plant Reserve, the digester conversion portion of the project (estimated at $800,000) was funded from the May 2018 bond issue with that portion of the issue to be repaid with WPCP funds.

This project was first bid in October of 2018 and all bids were substantially higher than the engineer's estimate and were rejected. The project plans were changed to move the food waste disposal portion of the project to the former Recycling Center at the Transfer Station. Bids were due on the revised project 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, and the contract was closed out in May of 2020. A number of items were done outside of the construction contract and the total cost is expected to be within the total project budget estimate. The 2020/2021 funding amount includes engineering design and construction to complete the digester conversion portion of the project.

Funding Source	FY 2020/2021 Funding Amount
Water Pollution Control Plant Reserve Funds	$ 1,185,000

Future Impact on Operating Budget: There was an overall staffing increase of one fulltime position (estimated at $77,200 including benefits) in the Water Pollution Control fund when the project was completed and placed in service.

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 began in August of 2019 and is expected to be completed by the end of the 2020/2021 fiscal year.

Funding Sources	FY 2020/2021 Funding Amount
Water Pollution Control Operations Fund	$ 23,700

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 pipe 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, experience with breakages of this type, and age of the 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 engineering design for this project began in 2019/2020 and was completed in 2020/2021. The estimated cost of construction for this project is $3,154,800. This project will be scheduled for construction after the Grandview Avenue Reconstruction project is completed. This will still allow construction to be completed by the mandated deadline.

Funding Source	FY 2020/2021 Funding Amount
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 developing 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 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 a portion of these costs will be recouped by the City with 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.

Funding Source	FY 2020/2021 Funding Amount
Sewer Extension and Improvement Reserve	$ 298,500

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 was from the May 2020 bond issue. This project is scheduled to be completed by the end of the 2020/2021 fiscal year.

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Funding Sources	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 131,300

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 2020/2021.

Funding Sources	FY 2020/2021 Funding Amount
State Grant	$ 5,200
Prior Year Bond Proceeds	900
	$ 6,100

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. 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 began in 2019/2020 and the contract was closed out in November of 2020. The 2021/2022 project expenditures also include an estimated $14,000 to extend the natural gas line to serve the new hangars.

Funding Sources	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 48,500

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 will 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. 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 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 began in 2019/2020 and the contract was closed out in November of 2020.

Funding Sources	FY 2020/2021 Funding Amount
Prior Year Bond Proceeds	$ 2,200
State Grant	12,100
	$ 14,300

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 was completed in 2019/2020 for this project with construction scheduled for calendar year 2021. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the fiscal year 2020/2021 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. Bids were received for this project in May of 2020 and the contract was awarded to Langman Construction, Inc. in the amount of $2,497,660.30. Construction is scheduled to begin in the spring of 2021 and be completed in the summer of 2021.

Funding Sources	FY 2020/2021 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 1,804,800

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 2021/2022 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 and full depth concrete patching.

Funding Sources	FY 2021/2022 Funding Amount
Local Option Sales Tax Funds	$ 641,800
Road Use Tax Funds	365,700
	$ 1,007,500

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 Corridor 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. Construction began in 2019/2020 for the 2nd Street and Mulberry roundabout, which is phase two of the Corridor project.

Budgeted project costs in 2020/2021 include the final contract work on the 2nd and Mulberry roundabout and the start of construction on Grandview Avenue, which is the third and final phase of the Corridor improvement project. Grandview Avenue construction is scheduled to begin in the spring of 2021 and continue through the end of the 2022 calendar year. The budget allows for 20% of the project construction to be completed in 2020/2021, 60% in 2021/2022, and the final 20% to be completed in the first half of 2022/2023. Federal grants will supplement the Transfer of Jurisdiction and other funding for this project.

Funding Sources	FY 2021/2022 Funding Amount
Transfer of Jurisdiction Funds	$ 3,758,200
Federal Grant Funds	1,775,000
Reimbursements from Muscatine Power & Water	337,800
Bond Proceeds – May 2022 Issue	500,000
	$ 6,371,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget included funding to begin a new sidewalk installation program. Annual allocations of approximately $100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. A total of $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 was to be used to fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway. With the Grandview Avenue Reconstruction project deferred until 2020/2021, the allocation for the Grandview Avenue sidewalks was also deferred until 2020/2021. That funding allocation was made directly from the Road Use Tax fund to the Grandview Avenue capital project fund. The 2020/2021 new sidewalk funding allocation of $40,000 is for the design of the new sidewalks on 67th Street. When the engineering design is completed, there will be a better cost estimate for this project. The 2021/2022 budget allocation may need to be supplemented with all or a portion of the 2022/2023 allocation to complete this project.

Funding Sources	FY 2021/2022 Funding Amount
Road Use Tax Funds	$ 160,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

Downtown Streetscape Project: This project is for street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. 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. Available tax increment financing (TIF) funds were used to fund the engineering design costs. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from future tax increment funds.

Funding Sources	FY 2021/2022 Funding Amount
Prior Year Bond Proceeds (to be funded from Future Tax Increment Funds)	$ 967,500

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount cannot be determined.

Soccer Fields 1-6 Irrigation System Improvements (was Soccer Field # 3 Improvements): The May 2020 bond issue included funding for Soccer Field #3 improvements. This project was originally planned to involve removal of 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 would have also included replacement of the current hydraulic irrigation system with an electric irrigation system on that field. During the development of the 2021/2022 budget, the Parks department requested the funds originally allocated for Soccer Field #3 be re-allocated to replace the irrigation systems on Fields 1-6. Parks staff indicated that the irrigation system replacement was a higher priority and there may now be alternate means to improve the turf on Field #3.

Funding Source	FY 2021/2022 Funding Amount
Prior Year Bond Proceeds	$ 121,200

Future Impact on Operating Budget: Maintenance costs should be reduced with the new irrigation system. Specific savings cannot be determined.

Parks Playground Repair Projects: This project is for the replacement of the platforms at the Musser Park and Fuller Park playgrounds. The platform coatings are beginning to crack and rust, causing potential safety issues on these surfaces. These playgrounds were installed in 2002 and are showing signs of aging. Project costs include materials, removal of the existing platforms, and installing new platforms.

Funding Source	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 112,000

Future Impact on Operating Budget: Maintenance costs should be reduced with the new platforms. Specific savings cannot be determined.

Legal Settlement Projects – Southend: A legal settlement in 2020/2021 will provide $2 million in funding for projects in designated areas of Muscatine's Southend. Specific projects have not yet been determined; however, the 2020/2021 revised estimate allows for the expenditure of $200,000 for engineering design for these projects and the balance of the funds will be expended for project costs in 2021/2022.

Funding Source	FY 2021/2022 Funding Amount
Legal Settlement Funds	$ 1,800,000

Future Impact on Operating Budget: Projects have not yet been determined. Any increases in maintenance costs for the new projects will be considered when the projects are selected.

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 or using the property at this site for (1) 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. In 2020/2021 the City contracted for consultant services to assist in evaluating uses of this property including preliminary cost estimates of alternatives. The cost of this study was $63,475. The 2020/2021 revised estimate and 2021/2022 budget allow for the remaining $232,600 of funds from the 2020 bond issue to be used towards the design of a new fire station, if the decision is made to proceed with this project.

Funding Sources	FY 2021/2022 Funding Amount
Prior Year Bond Proceeds	$ 182,600

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. If the City proceeds with construction of a new East Hill fire station, the estimated increased annual operating costs would include $441,800 for wages and benefits for five new firefighter positions and the promotion of three current firefighters to Lieutenants. There will also be increased building insurance and maintenance costs estimated at $7,800 annually.

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 included $225,000 to continue deferred building maintenance projects. This provided funding to replace several windows, the radiant heaters, hanging furnaces, and several garage doors at Public Works. It also provided funding to install new oak security doors at City Hall. The 2021/2022 budget amount of $307,200 includes funds to complete several of the currently budgeted projects and $200,000 from the May 2022 bond issue will be used to continue deferred building maintenance projects. New projects for 2021/2022 include replacement of the commercial hood system at the Fire department, replacement of airport hangar roofs, replacement of an electronic gate at the airport, and remodeling of the 3rd floor Fire department restrooms.

Funding Source	FY 2021/2022 Funding Amount
Prior Year Bond Proceeds	$ 107,200
Bond Proceeds – 2022 Issue	200,000
	$ 307,200

Future Impact on Operating Budget: There will be savings in annual maintenance costs as improvements are completed. The amount of the savings cannot be determined.
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Substandard Building Demolition Projects: In 2020/2021 the City identified several substandard buildings that will likely 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 were re-allocated to fund the cost of the 2020/2021 demolitions. The 2021/2022 budget includes an additional $100,000 allocation to continue to pursue the demolition of substandard buildings.

Funding Source	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 100,000

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 sold.

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 or at a different site was needed. An asbestos survey was completed and the former building was demolished in 2020/2021 at a cost of $42,000. A flood insurance reimbursement and a small FEMA reimbursement funded the demolition costs. No additional FEMA funding will be received since FEMA funds were used for repairs from a previous flood. Police staff are currently looking at building a new facility at a different location that has not yet been determined. The preliminary cost estimate for the project is $150,000 with the funding proposed to be from the spring 2022 bond issue.

Funding Sources	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 150,000

Future Impact on Operating Budget: There will be some savings in annual maintenance costs with the new building. The amounts cannot be determined.

Former Kum and Go Property Acquisition/Sale of Old Library: 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. The final property taxes on this property were due and paid in 2020/2021. Funding for the property purchase will be from the spring 2022 bond issue. Improvements to the parking lot surface and the existing building are budgeted to be completed in 2021/2022. Funding for the improvements will be from the sale of the former library property ($120,000).

Funding Sources	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue (for Property Purchase)	$ 105,000
Available Balance from Sale of Former Library	120,000
	$ 225,000

Future Impact on Operating Budget: Minimal maintenance costs are expected once the parking lot resurfacing is completed.

Fire Engine: The spring 2022 bond issue will include funding to replace one of the City's front-line fire engines. This will replace a 2006 model that will be moved to a reserve status.

Source	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 660,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new fire engine. The amount cannot be determined.

Ambulance Replacement: The Ambulance budget for 2021/2022 included (1) a request for $210,000 for a new ambulance to replace a 2014 ambulance that has already been refurbished once and has the highest maintenance costs, and (2) a request to refurbish a 2012 ambulance for $160,000. Funds in the Ambulance fund were not sufficient to fund both of these purchases. Funding will be provided from the 2022 bond issue for the new ambulance and the ambulance refurbishment will be funded from the Ambulance enterprise fund.

Funding Sources	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 210,000

Future Impact on Operating Budget: Reduced maintenance costs are expected with the new ambulance. The amount of the reduction cannot be determined.

Lake Park Boulevard Watershed Study: Several property owners on Lake Park Boulevard near the Mad Creek Bridge experience flooding in their garages or basements during flash flood events. This study will evaluate alternate ways to address the flooding issues.

Funding Sources	FY 2021/2022 Funding Amount
Funding Source to be Determined as Part of Project Costs	$ 32,000

Future Impact on Operating Budget: There will be no impact to the operating budget from the study. The study will provide alternatives and strategies to mitigate the impacts of flash floods to these properties.

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 seven 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 was again done over three years, 2018, 2019, and 2020. Bids for Phase 5 were received in March of 2021 and this phase of the project will be completed over two years (2021 and 2022). The 2021/2022 funding amount reflects the final work on Phase 5-A and a portion of the work on Phase 5-B.

Funding Source	FY 2021/2022 Funding Amount
Local Option Sales Tax Funds	$ 3,970,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Transfer Station Tipping Floor Repair Project: The tipping floor at the Transfer Station dates back to 1995 when the Transfer Station opened. Approximately six inches has worn off the floor exposing the reinforcing bars in the concrete, which results in a possible safety hazard for employees and customers. This project will add ultra-high performance cementitious topping to the existing floor.

Funding Sources	FY 2021/2022 Funding Amount
Bond Proceeds – 2022 Issue	$ 450,000
Available Transfer Station Fund Balance	200,000
	$ 650,000

Future Impact on Operating Budget: Maintenance costs will decrease with a new floor. The amount of savings, however, cannot be determined.

Airport Reconstruction of Taxiway A: Engineering design was completed in 2019/2020 for this project with construction scheduled for calendar year 2021. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the fiscal year 2020/2021 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. Bids were received for this project in May of 2020 and the contract was awarded to Langman Construciton, Inc. in the amount of $2,497,660.30. Construction is scheduled to begin in the spring of 2021 and be completed in the summer of 2021.

Funding Sources	FY 2021/2022 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 978,400

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 2020/2021

Project	Revised Estimate 2020/2021	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	$ 1,010,300	Local option tax and road use tax
Railroad Crossing Improvements	82,400	Road use tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	2,716,000	Estimated FY21 portion of project costs; grants, MP&W reimb., Transfer of Jurisdiction funds
Park Avenue Portion to 3-Lane	2,306,400	Estimated final costs; grants, MP&W reimbursement, and interest
Mulberry Avenue Improvements	200	Final costs; road use tax
New Sidewalk Program	40,000	67th Street sidewalk design; road use tax
Downtown Streetscaping Project	1,331,500	Estimated FY 21 portion of project costs; prior year TIF bond proceeds
Parks Projects:		
Riverfront Development Project	1,100	Allows for available balance to be expended in FY 21
Riverfront Master Plan - Rec Area Lighting	16,000	Southend TIF funds for City contribution to Riverfront Rec Area lights
Houser Expansion Project Inc. Parking	2,500	Estimated final project costs
Park Fence Projects inc. Soccer Exp Fence	29,700	Estimated final project costs; prior year bond proceeds
GPC Settlement Projects - Design in FY 21	200,000	Estimated FY 21 portion of $2 million settlement for project design
CAT Grant Projects:		
General CAT Grant Inc. Deep Lakes Park Cabins (County Project)	500,000	County Deep Lakes Park Cabins costs; portion of CAT grant and contributions for County project
West Side Trail	135,500	Final trail costs; CAT grant, STP grant, donations
Other Projects:		
Former IDOT Property Engineering Study	113,900	Estimated FY 21 portion of Fire Station design; prior year bond funding
Levee Inspections/Improvements	5,000	Prior year levee tax levy balance for in-house engineering costs
Building Demolitions	31,000	Potential projects in FY 21; transfer from Downtown Upper Floor Housing fund balance
Public Building Deferred Maintenance	262,300	Estimated FY 21 project costs; prior year bond proceeds
Arbor Commons Infrastructure Inspections	700	City project manager inspections to be reimbursed by developer
TIF Development Agreement Legal Fees	25,000	Legal costs for three new TIF rebate agreements; reimbursed by developers
Property Purchase/Improvements (Kum and Go)	4,100	Final property taxes on former Kum and Go site purchase
Flood Damage Repair Projects	556,900	Estimated final 2019 flood damage repair costs; est'd FEMA and State share funding, future bond proceeds
Police Range Building	42,000	Demolition and site cleanup for former Police Range; prior year flood insurance reimbursement. Future site to be determined.
Equipment Services Vehicle Lift - Internal Loan	107,900	Large vehicle lift; $20,000 downpayment in FY 21; balance over the next 4 years
Public Safety Building Telephone System	50,000	Estimated cost; futue bond funding.
Subtotal - General Government	$ 9,570,400	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 3,881,000	Est'd project costs in FY 21; local option yax funding and MP&W reimb; balance from Long-Term Financing Reserve
Nutrient Reduction Study	23,700	Final cost of study; funded from WPCP operations
High Strength Waste Receiving Station	1,185,000	Est'd final project costs inc. Digester conversions; WPCP Replacement Reserve
Sewer Benefit District for Arbor Commons	298,500	Funding to developer; Sewer Extension Reserve funding with future sewer connection fees credited back to the Reserve
Papoose Redundant Sewer Line - Design	200,000	Transfer from Sewer Extension Reserve; future year project by 2026
Subtotal - Water Pollution Control	$ 5,588,200	
Transfer Station		
Fire Suppression System	$ 131,300	Estimated project cost; prior year bond funding
Airport:		
Airport Zoning Ordinance Update	$ 6,100	Estimated final project costs; State grant and prior year bond proceeds
Airport Apron Expansion Phase II	14,300	Estimated final project costs; State grant and prior year bond proceeds
Airport Hangar Construction	48,500	Estimated final project costs; State grant and prior year bond proceeds
Airport - Reconstruct Taxiway A	1,804,800	Estimated FY 21 portion of project costs; 100% FAA grant funding
Subtotal - Airport Projects	$ 1,873,700	
Total	$ 17,163,600	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2021/2022

Project	Budget 2021/2022	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management	$ 1,007,500	Road use tax and local option sales tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	6,371,000	Estimated FY 22 project costs for Grandview; Transfer of Jurisdiction, DOT grant; MP&W reimbursements
New Sidewalk Program	160,000	Road use tax
Park Avenue Conversion of Portion to 3-Lanes	700	Assumes project substantially completed in FY 21; grants and bond funding
Downtown Streetscaping Project	967,500	Est'd FY 22 final project costs; prior year TIF-funded bond proceeds; MP&W reimbursement
Parks Projects:		
Soccer Fields 1-6 Irrigation Improvements	121,200	Prior year bond proceeds (originally for Field #3 Renovation)
Playground Improvement Projects	112,000	Musser and Fuller Park playground platforms; bond funding
GPC Settlement Projects	1,800,000	Estimated FY 22 portion of $2 million settlement for project costs
Other Projects:		
Former IDOT Building - Eng/Consultant, etc.	182,600	Estimated FY 22 portion of Fire Station design; balance of prior year bond funding
Levee Improvements/Maintenance	5,000	Prior year levee tax levy balance for in-house engineering costs
Building Demolitions	100,000	Estimated FY 22 allocation for building demolitions; bond funding unless reimbursed
Public Building Deferred Maintenance Projects	307,200	Estimated FY 22 project costs; bond funding
Flood Damage Repairs - 2019 Flood	3,000	Bond funding for estimated local share of 2019 flood repair costs
New Police Range Facility	150,000	Preliminary estimate of project cost; site to be determined; bond funding
Site and Building Improvements - Former Kum and Go	131,300	Sale of former Library in FY 21 to fund former Kum and Go site improvements; bond funding for property purchase in 2022
Lake Park Watershed Study	32,000	Funding source to be determined as part of any project costs
Fire Engine	660,000	Bond funding for new Fire Engine
Ambulance	210,000	Bond funding for new Ambulance
Subtotal - General Government	$ 12,321,000	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 3,970,000	Estimated project costs in FY 22; local option tax; balance from West Hill Long-Term Financing Reserve
Transfer Station		
Transfer Station Tipping Floor	$ 650,000	Estimated project costs; $200,000 from Transfer Station fund balance; balance from bond issue
Airport:		
Airport - Reconstruct Taxiway A	$ 978,400	Estimated FY 22 portion of project costs; 100% FAA grant funding
Total	$ 17,919,400	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2021/2022 Budget

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
General Fund					
Mayor & Council					
iPads	$ 2,400	$ 2,400	$ -	$ -	$ -
Subtotal	$ 2,400	$ 2,400	$ -	$ -	$ -
Information Technology					
Computer Equipment Replacement Fund	$ 50,000	$ 50,000	$ -	$ -	$ -
(SIEM) and Managed Security Service Provider (MSSP)	56,600	56,600	-	-	-
Two Factor Authentication (2FA)	9,200	9,200	-	-	-
Subtotal	$ 115,800	$ 115,800	$ -	$ -	$ -
Buildings and Grounds					
Window Air Conditioning Units - City Hall	$ 1,200	$ 1,200	$ -	$ -	$ -
Public Works Parking Lot Lighting	62,100	-	-	62,100	-
Carpet-Public Works Main Office, Small Breakroom	15,500	-	-	15,500	-
Carpet City Hall - Housing and CD	10,900	10,900	-	-	-
Gate - Public Works Lower Lot	27,700	-	-	27,700	-
Subtotal	$ 117,400	$ 12,100	$ -	$ 105,300	$ -
Community Development					
Code Enforcement Vehicle	$ 24,000	$ -	$ 24,000	$ -	$ -
Subtotal	$ 24,000	$ -	$ 24,000	$ -	$ -
Police Operations					
Tahoes (2)	$ 100,000	$ -	$ 100,000	$ -	$ -
Staff Vehicle	25,000	-	25,000	-	-
Rifles (2)	3,000	3,000	-	-	-
Stop Sticks (10)	4,800	4,800	-	-	-
Subtotal	$ 132,800	$ 7,800	$ 125,000	$ -	$ -
Fire Operations					
Voice Amplifiers for SCBAs	$ 32,000	$ 32,000	$ -	$ -	$ -
Hose Washer	14,000	14,000	-	-	-
Diesel Diagnostic Laptop Kit	3,000	3,000	-	-	-
Subtotal	$ 49,000	$ 49,000	$ -	$ -	$ -
Cemetery Operations					
Wide Area Mower	$ 25,000	$ -	$ 25,000	$ -	$ -
Maintenance Building Renovation	7,000	7,000	-	-	-
Subtotal	$ 32,000	$ 7,000	$ 25,000	$ -	$ -
Park Maintenance					
Truck	$ 40,000	$ -	$ 40,000	$ -	$ -
Zero Turn Mower	25,000	-	25,000	-	-
Subtotal	$ 65,000	$ -	$ 65,000	$ -	$ -
Kent-Stein Park					
Infield Machine	$ 12,000	$ 12,000	$ -	$ -	$ -
Subtotal	$ 12,000	$ 12,000	$ -	$ -	$ -
Aquatic Center					
Replacement of Lifeguard Chair	$ 4,800	$ 4,800	$ -	$ -	$ -
Subtotal	$ 4,800	$ 4,800	$ -	$ -	$ -

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	$ -	$ -	$ -
Cable TV Operations					
Council Chambers Video Equipment Upgrade	$ 5,000	$ 5,000	$ -	$ -	$ -
Subtotal	$ 5,000	$ 5,000	$ -	$ -	$ -
Public Works Administration					
TV/Computer for Small Conference Room	$ 3,000	$ -	$ -	$ 3,000	$ -
	$ 3,000	$ -	$ -	$ 3,000	$ -
Engineering					
Truck for Inspector III	$ 23,700	$ -	$ -	$ 23,700	$ -
Truck to Replace Tahoe	23,700	-	-	23,700	-
Subtotal	$ 47,400	$ -	$ -	$ 47,400	$ -
Roadway Maintenance					
Concrete/Asphalt Grinding	$ 75,000	$ -	$ -	$ 75,000	$ -
4x4 Extended Backhoe	120,000	-	-	120,000	-
Subtotal	$ 195,000	$ -	$ -	$ 195,000	$ -
Snow & Ice Control					
Four-Way Snow Plow	$ 8,100	$ -	$ -	$ 8,100	$ -
9' Salt Box	7,000	-	-	7,000	-
Subtotal	$ 15,100	$ -	$ -	$ 15,100	$ -
Traffic Control					
Replace Traffic Signs	$ 16,000	$ -	$ -	$ 16,000	$ -
Core Drill	3,200	-	-	3,200	-
Subtotal	$ 19,200	$ -	$ -	$ 19,200	$ -
Subtotal - General Fund	$ 957,200	$ 333,200	$ 239,000	$ 385,000	$ -
Enterprise Funds					
Airport					
Former HNI Hangar Painting	$ 20,000	$ -	$ -	$ -	$ 20,000
Subtotal	$ 20,000	$ -	$ -	$ -	$ 20,000
Transit					
Light Duty Bus (2)	$ 213,200	$ -	$ -	$ -	$ 213,200
Bench at MCC (Muscatine Community College)	1,400	-	-	-	1,400
Laptop	1,500	-	-	-	1,500
Subtotal	$ 216,100	$ -	$ -	$ -	$ 216,100
Parking					
Electronic Meters (12)	$ 1,900	$ -	$ -	$ -	$ 1,900
Subtotal	$ 1,900	$ -	$ -	$ -	$ 1,900
Golf					
Tractor	$ 25,000	$ -	$ -	$ -	$ 25,000
Subtotal	$ 25,000	$ -	$ -	$ -	$ 25,000
Ambulance					
Refurbish/Remount Ambulance #355	$ 160,000	$ -	$ -	$ -	$ 160,000
Subtotal	$ 160,000	$ -	$ -	$ -	$ 160,000

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
Refuse Collection					
Rear Load Refuse Truck	$ 170,000	$ -	$ -	$ -	$ 170,000
Dumpsters	12,000	-	-	-	12,000
Curbside Rollout Refuse Containers	12,000	-	-	-	12,000
Subtotal	$ 194,000	$ -	$ -	$ -	$ 194,000
Landfill					
Tarps	$ 7,000	$ -	$ -	$ -	$ 7,000
Trash Fence	10,000	-	-	-	10,000
Subtotal	$ 17,000	$ -	$ -	$ -	$ 17,000
Transfer Station					
Transfer Trailer	$ 78,000	$ -	$ -	$ -	$ 78,000
Pickup Truck	30,000	-	-	-	30,000
Lift Station Pumps	34,000	-	-	-	34,000
Subtotal	$ 142,000	$ -	$ -	$ -	$ 142,000
Water Pollution Control Plant					
Replace #2 and #3 Soft Check Valves	$ 8,000	$ -	$ -	$ -	$ 8,000
Plant Drainage Pump #1 Replacement	40,000	-	-	-	40,000
Roughing Filter Pump #1 Rebuild	20,000	-	-	-	20,000
New Windows 10 Computers (7)	8,600	-	-	-	8,600
Papoose #1 Pump Rotating Assembly	35,000	-	-	-	35,000
Cannon Lift Station #1 Pump Replacement	42,000	-	-	-	42,000
Papoose Drywell Pipe Supports	20,000	-	-	-	20,000
Progress Park #2 Pump VFD	20,000	-	-	-	20,000
Sampler Replacement (2)	14,000	-	-	-	14,000
Glassware Oven	3,300	-	-	-	3,300
pH Meter	1,700	-	-	-	1,700
UV Spectrophotometer	12,100	-	-	-	12,100
Flask Washer	16,200	-	-	-	16,200
6" Supply Hose (660 Ft.)	7,500	-	-	-	7,500
5" Drag Hose (660 Ft.)	8,200	-	-	-	8,200
Dredge Rebuild Kit	7,000	-	-	-	7,000
Hose Humper	6,500	-	-	-	6,500
Hose Cart	8,500	-	-	-	8,500
Trench Drain	20,000	-	-	-	20,000
Subtotal	$ 298,600	$ -	$ -	$ -	$ 298,600
Collection and Drainage					
Sewer Maintenance Projects	$ 50,000	$ -	$ -	$ -	$ 50,000
One Ton Dump Truck	50,000	-	-	-	50,000
Computer Workstation	3,000	-	-	-	3,000
Subtotal	$ 103,000	$ -	$ -	$ -	$ 103,000
Storm Water					
Pollinator Park Bridge Railing	$ 28,000	$ -	$ -	$ -	$ 28,000
Subtotal	$ 28,000	$ -	$ -	$ -	$ 28,000
Subtotal - Enterprise Funds	$ 1,205,600	$ -	$ -	$ -	$ 1,205,600
Other Funds - Special Revenue and Internal Service					
Public Housing Fund					
Clark House - Apartment Rehabilitation	$ 15,000	$ -	$ -	$ -	$ 15,000
Clark House - Appliance Replacements	6,000	-	-	-	6,000
Clark House - Repair Flooring	124,000	-	-	-	124,000
Clark House - Replace PTAC (Apartment HVAC) Units	10,000	-	-	-	10,000
Sunset Park - Apartment Rehabilitation	15,000	-	-	-	15,000
Sunset Park - Appliances	6,000	-	-	-	6,000
Sunset Park - Office and Education Center Flooring	15,000	-	-	-	15,000
Subtotal	$ 191,000	$ -	$ -	$ -	$ 191,000

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
Equipment Services Internal Services Fund					
Tire Lift	$ 2,500	$ -	$ -	$ -	$ 2,500
Rolling Ladder	2,000	-	-	-	2,000
Diagnostic Software Subscription	1,500	-	-	-	1,500
Subtotal	$ 6,000	$ -	$ -	$ -	$ 6,000
Subtotal - Other Funds	$ 197,000	$ -	$ -	$ -	$ 197,000
Total - All Operating Funds	$ 2,359,800	$ 333,200	$ 239,000	$ 385,000	$ 1,402,600

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 2020/2021 and 2021/2022. The balance in this trust on June 30, 2022 is estimated at $901,890.

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Perpetual Care Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 879,794	$ 887,310	$ 892,310	$ 891,890	$ 896,890
Revenues					
Perpetual Care	7,516	4,580	5,000	5,000	5,000
Funds Available	$ 887,310	$ 891,890	$ 897,310	$ 896,890	$ 901,890
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 887,310	$ 891,890	$ 897,310	$ 896,890	$ 901,890
Increase (Decrease) in Fund Balance	**$ 7,516**	**$ 4,580**	**$ 5,000**	**$ 5,000**	**$ 5,000**

TRUST AND AGENCY FUNDS

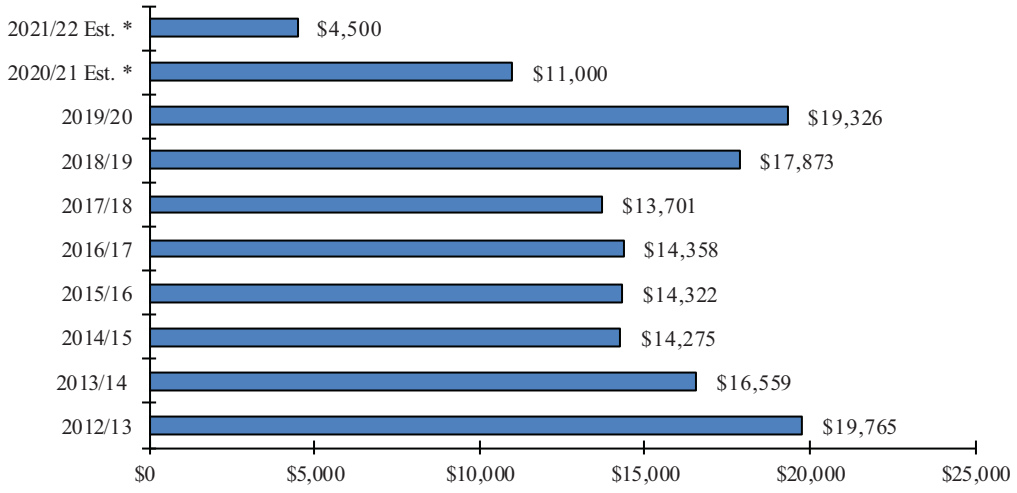
PERPETUAL CARE INTEREST TRUST

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 2012/2013 through the budgeted amount for 2021/2022 is shown in the following graph.

Perpetual Care Interest Revenue



* The Perpetual Care interest revenue decreases in 2020/2021 and 2021/2022 are due to the significant decrease in interest rates since the start of the COVID-19 pandemic.

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 $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, $28,152 in 2018/2019, and $52,200 in 2019/2020. The revised estimate for 2020/2021 projects a General Fund subsidy of $63,400 and $75,800 is the estimated subsidy for 2021/2022. The increased subsidy in these years is in part due to recent near-zero interest rates.

Perpetual Care Interest Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	17,873	19,326	16,700	11,000	4,500
Funds Available	$ 17,873	$ 19,326	$ 16,700	$ 11,000	$ 4,500
Expenditures					
Transfers Out					
Cemetery Operations	17,873	19,326	16,700	11,000	4,500
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

TRUST AND AGENCY FUNDS

SPECIAL CEMETERY TRUSTS

GENERAL INFORMATION:

This budget consists of thirteen (13) individual trust funds associated with specific graves or mausoleums at the City's Greenwood Cemetery. The trust agreements provide that interest earned on the trusts be used for specified purposes, generally floral arrangements at specified times each year or for maintenance of mausoleum structures as needed.

CURRENT TRENDS AND ISSUES:

The Special Cemetery Trusts are non-expendable trusts, now considered Permanent Funds of the City. An estimated $1,000 in interest is expected to be earned on these funds in both 2020/2021 and 2021/2022. Trust expenditures are estimated at $1,500 for both 2020/2021 and 2021/2022.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 52,134	$ 52,305	$ 50,505	$ 52,782	$ 51,982
Revenues					
Interest	1,246	1,631	1,000	1,000	1,000
Funds Available	$ 53,380	$ 53,936	$ 51,505	$ 53,782	$ 52,982
Expenditures					
Florist Services	$ 775	$ 854	$ 2,500	$ 1,500	$ 1,500
Transfers Out:					
Administrative Fees	300	300	300	300	300
Total Expenditures	$ 1,075	$ 1,154	$ 2,800	$ 1,800	$ 1,800
Ending Balance, June 30	$ 52,305	$ 52,782	$ 48,705	$ 51,982	$ 51,182
Increase (Decrease) in Fund Balance	**$ 171**	**$ 477**	**$ (1,800)**	**$ (800)**	**$ (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 2020/2021 revised estimate expenditures total $57,700. In the 2020/2021 fiscal year the library acquired the local cable Channel 5 programming station. The 2020/2021 revised estimate includes expenditures of $50,700 for the video equipment and operating costs of the station. The Library Channel 5 station will be available through the basic Muscatine Power and Water (MPW) cable package as well as Facebook. Technology will be added to the program to allow live viewing from a smartphone, tablet, computer, or stream on-demand via an app on a smart TV. This will make the information accessible for those without MPW cable service or those that live outside the viewing area. Initial expenditures for the Library Channel 5 programming will be funded from Friends of Musser Public Library and Enrich Iowa funds.

The 2021/2022 budget includes $20,100 in sponsorships and donations to fund all on-going expenditures for the Library Channel 5 programming. The convenient on-demand streaming is expected to make sponsorships attractive to area businesses. The budgeted expenditures for 2021/2022 total $27,100 with $20,100 of this amount for the Library Channel 5 programming. The annual expenditures and sponsorships/donations for Library Channel 5 will be tracked in a subaccount of the Library Trust. The estimated balance in this trust on June 30, 2022 is $41,494.

Library Gift and Memorial Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 35,694	$ 63,042	$ 48,042	$ 55,994	$ 26,394
Revenues					
Donations	$ 6,442	$ 7,429	$ 3,000	$ 2,000	$ 2,000
State Grant	27,435	22,929	16,000	24,000	18,000
Miscellaneous Sales	3,366	2,819	3,000	2,000	2,000
Interest	1,572	1,244	1,000	100	100
Roy J. Carver Trust Grant - Signs	32,831	0	0	0	0
Community Foundation Grant - LENA Program	59,350	0	0	0	0
Library Channel 5 Programming: Sponsorships and Donations	0	0	0	0	20,100 (2)
Total Revenues	$ 130,996	$ 34,421	$ 23,000	$ 28,100	$ 42,200
Funds Available	$ 166,690	$ 97,463	$ 71,042	$ 84,094	$ 68,594
Expenditures					
Library Materials	$ 5,587	$ 573	$ 3,000	$ 2,000	$ 2,000
Contractual Services	42,297	40,896	4,000	5,000	5,000
Capital Outlay	55,764	0	10,000	0	0
Library Channel 5 Programming:					
Video Equipment	0	0	0	32,400 (1)	0
Operations	0	0	0	18,300 (1)	20,100 (2)
Total Expenditures	$ 103,648	$ 41,469	$ 17,000	$ 57,700	$ 27,100
Ending Balance, June 30	$ 63,042	$ 55,994	$ 54,042	$ 26,394	$ 41,494
Increase (Decrease) in Fund Balance	**$ 27,348**	**$ (7,048)**	**$ 6,000**	**$ (29,600)**	**$ 15,100**

1. The Library acquired the Muscatine Power & Water (MPW) Channel 5 programming station in the 2020/2021 fiscal year and the revised estimate includes start up costs for the new station.
2. Sponsorships and donations are expected to fund the annual operating expenditures for the Library Channel 5 station. The Library Channel 5 revenues and expenditures will be accounted for in a subaccount of the Library Trust.

MUSCATINE ART CENTER

TRUST FUNDS

GENERAL INFORMATION:

The City of Muscatine has four trust funds 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 $1,500 and there is $2,000 budgeted to be expended from this trust in 2021/2022. The projected balance at the end of 2021/2022 is $104,455.

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. There is $500 budgeted to be expended from this trust in 2021/2022. The projected balance at the end of 2021/2022 is $47,512.

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 2020/2021 a total of $6,800 in donations and grants is budgeted to be received and $8,000 is budgeted to be expended. The projected balance in this trust is $34,443 at the end of 2020/2021. Grants and donations budgeted to be received in 2021/2022 total $10,600 and $33,500 is budgeted to be expended. The 2021/2022 budget includes approximately $28,000 for improvements to the Japanese Garden. The projected balance in this trust at the end of 2021/2022 is $11,543.

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 2021/2022 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 2021/2022 budget allocation is for an outside evaluation and to begin to address the storage concerns. The projected balance in this trust at the end of 2021/2022 is $248,744.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 101,344	$ 103,186	$ 103,686	$ 104,955	$ 104,955
Revenues					
Interest	1,842	1,769	1,500	1,500	1,500
Funds Available	$ 103,186	$ 104,955	$ 105,186	$ 106,455	$ 106,455
Expenditures					
Contractual Services	$ 0	$ 0	$ 500	$ 500	$ 1,000
Capital Outlay	0	0	1,000	1,000	1,000
Total Expenditures	0	0	1,500	1,500	2,000
Ending Balance, June 30	$ 103,186	$ 104,955	$ 103,686	$ 104,955	$ 104,455
Increase (Decrease) in Fund Balance	**$ 1,842**	**$ 1,769**	**$ 0**	**$ 0**	**$ (500)**

Alice Schaeffer Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 45,181	$ 46,015	$ 45,714	$ 46,812	$ 47,512
Revenues					
Interest	833	797	700	700	500
Funds Available	$ 46,014	$ 46,812	$ 46,414	$ 47,512	$ 48,012
Expenditures	0	0	500	0	500
Ending Balance, June 30	$ 46,014	$ 46,812	$ 45,914	$ 47,512	$ 47,512
Increase (Decrease) in Fund Balance	**$ 833**	**$ 797**	**$ 200**	**$ 700**	**$ 0**

Art Center Donations Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 62,953	$ 27,154	$ 33,504	$ 35,643	$ 34,443
Revenues					
Donations	$ 2,900	$ 3,722	$ 5,000	$ 3,200	$ 5,000
Special Project Donations	46,500	1,750	0	0	0
Interest	1,028	561	400	400	400
Art Center Grants	4,635	4,500	3,000	3,000	5,000
Miscellaneous Sales	0	2,203	200	200	200
Total Revenues	$ 55,063	$ 12,736	$ 8,600	$ 6,800	$ 10,600
Funds Available	$ 118,016	$ 39,890	$ 42,104	$ 42,443	$ 45,043
Expenditures					
Art Center Materials	$ 1,311	$ 340	$ 1,000	$ 1,000	$ 3,500
Contractual Services	4,781	3,907	1,500	6,000	25,000
Carver Trust Grant Expenditures	47,770	0	0	0	0
Capital Outlay	37,000	0	1,000	1,000	5,000
Total Expenditures	$ 90,862	$ 4,247	$ 3,500	$ 8,000	$ 33,500
Ending Balance, June 30	$ 27,154	$ 35,643	$ 38,604	$ 34,443	$ 11,543
Increase (Decrease) in Fund Balance	**$ (35,799)**	**$ 8,489**	**$ 5,100**	**$ (1,200)**	**$ (22,900)**

Brad Burns Trust

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 281,148	$ 286,305	$ 290,306	$ 291,244	$ 295,244
Revenues					
Interest	5,158	4,939	4,000	4,000	3,500
Funds Available	$ 286,306	$ 291,244	$ 294,306	$ 295,244	$ 298,744
Expenditures					
Contractual Services	$ 0	$ 0	$ 50,000	$ 0	$ 50,000
Total Expenditures	$ 0	$ 0	$ 50,000	$ 0	$ 50,000
Ending Balance, June 30	$ 286,306	$ 291,244	$ 244,306	$ 295,244	$ 248,744
Increase (Decrease) in Fund Balance	**$ 5,158**	**$ 4,939**	**$ (46,000)**	**$ 4,000**	**$ (46,500)**

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 it 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 further increased to $92.00 in 2020/2021. The rate is budgeted to increase to $96.00 per hour in 2021/2022.

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 2021/2022.

CURRENT TRENDS AND ISSUES:

The 2020/2021 revised estimate expenditures are $11,900 less than the original budget. This overall decrease is due to the net effect of (1) a $200 increase in personal services costs, (2) a $40,000 increase in commodities, (3) a $52,200 decrease contractual services, and (4) a $100 increase in capital outlay. The decrease is contractual services is primarily due to a decrease in outside services based on actual expenditures to date. This decrease is partially offset by an increase in non-inventory materials primarily due to the purchase of a new arm for one of the automated garbage trucks. Actual repair costs are billed out to each department on a monthly basis.

A new vehicle lift which will accommodate larger vehicles was purchased in 2020/2021 at a cost of $107,800. This lift was financed with an internal loan. There was a $20,000 down payment in 2020/2021 and payments of $22,000 will be made annually over the next four years to complete the financing for this equipment.

The 2021/2022 budget is $9,300 (.7%) more than the original 2020/2021 budget. The budget includes an increase of $13,300 in personal services costs, a $40,000 increase in commodities, a $52,100 decrease in contractual services, a $14,500 decrease in capital outlay, and a $22,600 increase in transfers. The increase in transfers is primarily due to the $22,000 transfer for the 2nd annual payment on the new vehicle lift internal loan.

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 $85.00 per hour to $88.00 per hour in 2019/2020 and to $92.00 per hour for 2020/2021. This rate is budgeted to increase to $96.00 per hour in 2021/2022 to fund the payment on the internal loan for the vehicle lift. The Equipment Services operation is expected to have a balance (before inventory) of $26,115 on June 30, 2022.

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 2017/2018	Actual 2018/2019	Actual 2019/2020	Estimated 2020/2021	Estimated 2021/2022
Autos, Pickups, Flatbeds Serviced	202	181	187	190	190
Trucks, Buses, Garbage Trucks Serviced	128	114	117	120	120
Heavy Equipment/Tractors Serviced	31	25	27	28	28
Gallons of Gasoline Dispensed	110,993	110,671	99,374	107,000	107,000
Gallons of Diesel Fuel Dispensed	60,400	59,668	47,231	56,000	56,000
Preventative Maintenance Work Orders	1,204	1,193	834	850	850
Emergency Maintenance Work Orders	722	749	581	600	600
Work Orders Completed	1,926	1,942	1,415	1,450	1,450
Total Miles Driven (all vehicles)	1,085,420	966,504	854,231	900,000	900,000

RECENT ACCOMPLISHMENTS:

The Equipment Services staff has had a challenging year with the COVID-19 pandemic and vehicles not being utilized as much as they have been in the past. Staff took this opportunity to do more preventative maintenance on some equipment that staff would previously not have had the time to do. Staff plans to continue the preventive maintenance approach as time allows.

The department recently had the new heavy equipment lift installed in the shop. As the department adjusts to the new equipment, staff is appreciating the effectiveness and the safety the updated equipment

offers. The lift can be utilized as a heavy equipment lift but can also be used for smaller vehicles. This is a welcome change since the old lift could not accommodate smaller vehicles. The new and improved equipment will help with productivity in the shop.

The department purchased a new air conditioning recovery machine to use to work with the new technology being produced by automakers. The department utilized this equipment this past summer, saving many trips to the dealerships and saving a lot of money by doing things in-house.

Training opportunities for staff this year are underway.

OBJECTIVES TO BE ACCOMPLISHED IN 2021/2022:

- To implement a bar code scanner 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 would also maintain a more accurate inventory. **(Strategic Plan – Excellent Customer Service)**

- To continue to train and show the technicians how to use the PubWorks software for looking up previous repairs and checking for warranties on defective parts. **(Strategic Plan – Excellent Customer Service)**

- To continue to look for new training opportunities so the technicians can stay up-to-date on changing technologies with new vehicle and equipment purchases.

Equipment Services Operations

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance (Deficit), July 1	$ (22,670)	$ 9,708	$ 24,308	$ 13,815	$ 23,815
Revenues					
Charges for Services - City Departments	$ 1,225,707 (2)	$ 1,036,332 (3)	$ 1,331,200	$ 1,321,200 (4)	$ 1,338,800 (5)
Miscellaneous	213	629	500	4,600	500
Total Revenues	$ 1,225,920	$ 1,036,961	$ 1,331,700	$ 1,325,800	$ 1,339,300
Funds Available	$ 1,203,250	$ 1,046,669	$ 1,356,008	$ 1,339,615	$ 1,363,115
Expenditures (1)	1,193,542	1,032,854	1,327,700	1,315,800	1,337,000
Ending Balance (Deficit), June 30	$ 9,708	$ 13,815	$ 28,308	$ 23,815	$ 26,115
Allowance for Inventory	104,896	89,738	104,896	89,738	89,738
Net Balance, June 30	$ 114,604	$ 103,553	$ 133,204	$ 113,553	$ 115,853
Increase (Decrease) in Net Balance	**$ 32,378 (2)**	**$ 4,107 (3)**	**$ 4,000**	**$ 10,000**	**$ 2,300**

1. Expenditures include changes in compensated absences.
2. For 2018/2019 the labor rate was $85.00 per hour.
3. For 2019/2020 the labor rate was increased to $88.00 per hour.
4. The labor rate for 2020/2021 was increased to $92.00 per hour. This increase was due to the purchase of the new vehicle lift at a cost of $107,800. An internal loan was used to finance the purchase of the lift. A $20,000 downpayment is included in the revised estimate for 2020/2021 and the 2021/2022 budget includes $22,000 for the first payment on the loan.
5. The labor rate is budgeted to increase to $96.00 per hour for the 2021/2022 fiscal year.

Function:
Internal Service

Department:
Public Works

Activity:

Equipment Services Operations

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Percent Change
Expenditure Summary						
Personal Services	$ 361,717	$ 350,214	$ 370,100	$ 370,300	$ 383,400	3.59%
Commodities	522,242	445,272	580,900	620,900	620,900	6.89%
Contractual Services	274,790	211,320	336,800	284,600	284,700	-15.47%
Capital Outlay	24,551	4,950	20,500	600	6,000	-70.73%
Transfers	18,300	18,800	19,400	39,400	42,000	116.49%
Total Expenditures	$ 1,201,600	$ 1,030,556	$ 1,327,700	$ 1,315,800	$ 1,337,000	0.70%
Funding Sources						
Charges for Services	$ 1,225,707	$ 1,036,332	$ 1,331,200	$ 1,321,200	$ 1,338,800	0.57%
Other	213	629	500	4,600	500	0.00%
Total Funding Sources	$ 1,225,920	$ 1,036,961	$ 1,331,700	$ 1,325,800	$ 1,339,300	0.57%

Personnel Schedule

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022	Budget Amount 2021/2022
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	$ 246,500
Employee Benefits						136,900
Total Personal Services						$ 383,400

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tire Lift	1	No	$ 2,500
Rolling Ladder	1	No	2,000
Diagnostic Software	1	No	1,500
Total			$ 6,000

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

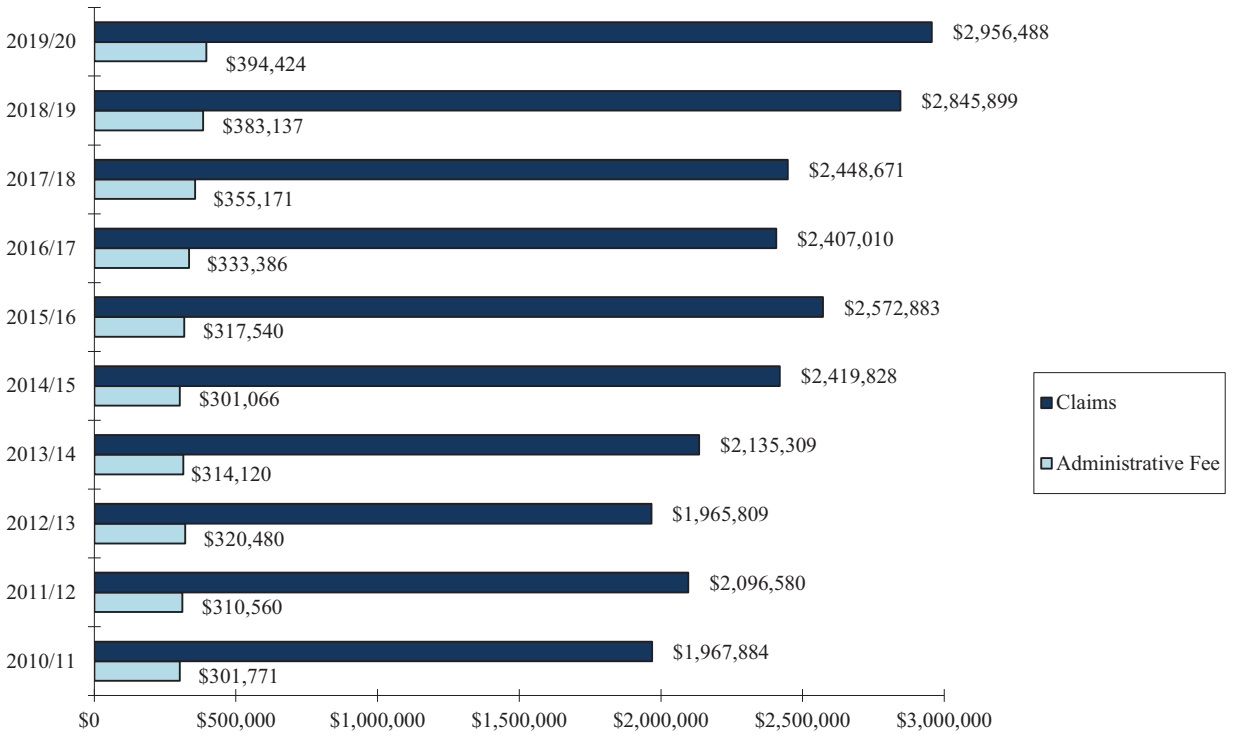
GENERAL INFORMATION:

On January 1, 1985 the City changed its employee medical insurance program to a modified self insurance plan. Wellmark 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 Wellmark on a monthly basis. The City also pays Wellmark 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 2010/2011.

Health Insurance Claims and Administrative Fees

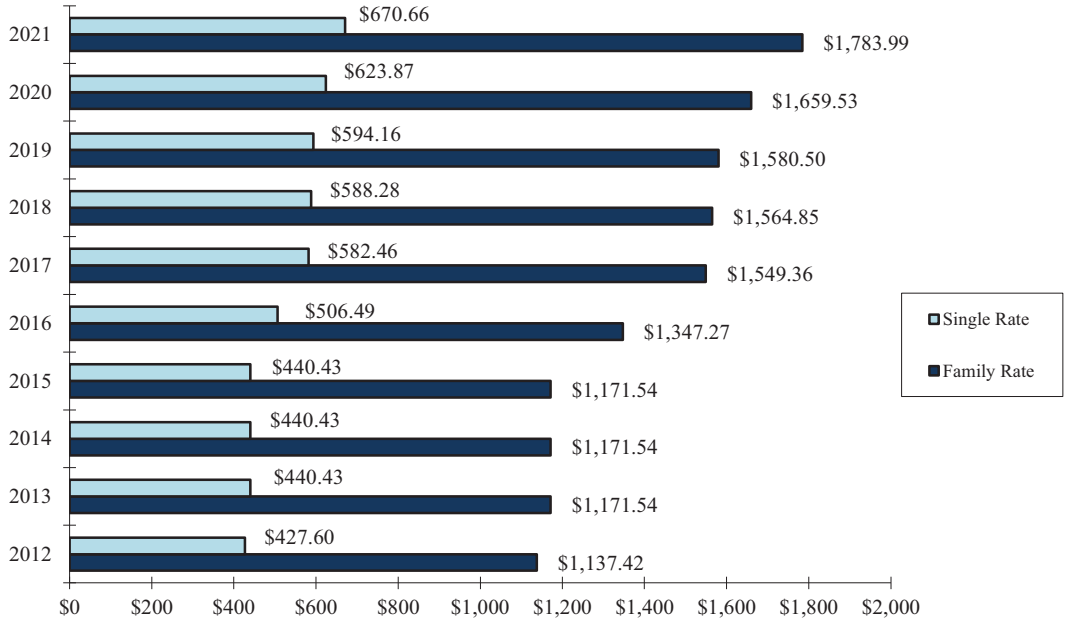


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the table on the next page. For January 1, 2008 rates increased by 10.2% for both single and family coverage. Due to a 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% and for January 1, 2021, rates were increased by 7.5%.

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 Wellmark. 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, 2020, and 2021 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, increased by another 1% January 1, 2019, and increased by 5% January 1, 2020. The rates were increased January 1, 2021 by 7.5%. The annual aggregate maximum level has been established at $4,547,412 for calendar year 2021 compared to $4,040,720 for calendar year 2020. The annual aggregate amounts reflect 125% of expected claims for 2020 and 2021 for the City's group. The premium rates for 2020 included an administrative fee of $156.38 per month per contract. This fee is paid to Wellmark for claims processing services, as fees for the individual and aggregate stop loss insurance, and the Wellmark network access fee. For 2021, the monthly administrative fee increased to $179.67 per month.

The 2020/2021 revised estimate and 2021/2022 budget each include $4,200 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 2020/2021 revised estimate and 2021/2022 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 $64,000 for the 2020/2021 revised estimate and $66,000 for the 2021/2022 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The 2021/2022 budget allows for estimated health insurance claims costs of $3,604,000 which is $33,934 less than Wellmark's projected claims of $3,637,934 for the City's group for calendar year 2021. Based on this claims projection, the Health Insurance fund balance is estimated at $1,641,950 at the end of 2021/2022. 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 $4,547,412 for 2021. In the event the City's actual claims exceed the expected amount of $3,637,934 for calendar year 2021, 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 2021, and the budgeted claims expenditures of $3,604,000, if claims would reach the 125% maximum level of $4,547,412, the fund balance would decrease by $943,442. This would be the "worst case" scenario. The projected fund balance of $1,641,950 at the end of 2021/2022 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. The contribution increased to 9% effective January 1, 2021 for all groups except the Fire bargaining unit. The rate was maintained at 8% for members of this group. These increases will assist in funding future year health insurance costs.

Health Insurance Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 1,905,669	$ 2,064,915	$ 1,776,115	$ 2,097,950	$ 1,860,450
Revenues					
Interest	$ 46,567	$ 41,531	$ 20,000	$ 8,000	$ 5,000
City Contributions	2,982,890	2,964,723	3,228,900	3,189,400	3,431,400
Employee Contributions	255,953	272,700	313,500	322,900	368,400
Retiree Contributions	175,013	177,451	184,000	165,500	161,200
Miscellaneous	1,778	0	0	0	0
Total Revenues	$ 3,462,201	$ 3,456,405	$ 3,746,400	$ 3,685,800	$ 3,966,000
Funds Available	$ 5,367,870	$ 5,521,320	$ 5,522,515	$ 5,783,750	$ 5,826,450
Expenditures					
Health Insurance Claims	$ 2,845,899	$ 2,956,488	$ 3,450,000	$ 3,400,000	$ 3,604,000
Administrative Fees	383,137	394,424	431,400	436,200	493,000
Flexible Benefit Plan Fees	4,161	3,990	4,000	4,200	4,200
Audit Fees	1,075	1,075	1,100	1,100	1,100
State Assessment	4,404	0	6,000	6,600	5,000
Wellness Tracking Program	5,103	8,000	8,000	8,200	8,200
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,503	1,551	0	0	0
Transfers Out:					
General Fund Wellness Program	54,673	54,842	64,000	64,000	66,000
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	$ 3,302,955	$ 3,423,370	$ 3,967,500	$ 3,923,300	$ 4,184,500
Ending Balance, June 30	$ 2,064,915	$ 2,097,950	$ 1,555,015	$ 1,860,450	$ 1,641,950
Increase (Decrease) in Fund Balance	**$ 159,246**	**$ 33,035**	**$ (221,100)**	**$ (237,500)**	**$ (218,500)**

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 2020/2021 and 2021/2022, 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. The 2018 rates were maintained for 2019 and 2020. In 2021, the dental insurance rates decreased to $31.94 with an additional $54.61 if the employee opted for family coverage. The monthly administrative fee was maintained at $3.93 per contract and the maximum coverage was maintained at $1,500 for 2021.

For the 2021/2022 year, City, employee, retiree contributions, and interest are estimated at $165,800. The administrative fee is projected to be $10,200 and claims are estimated at $155,000 for the year. An estimated fund balance of $86,699 is projected for June 30, 2022.

Dental Insurance Fund

Fund Statement

	Actual 2018/2019	Actual 2019/2020	Budget 2020/2021	Revised Estimate 2020/2021	Budget 2021/2022
Beginning Balance, July 1	$ 47,628	$ 65,712	$ 66,412	$ 84,199	$ 86,099
Revenues					
City Contributions	$ 75,732	$ 74,377	$ 76,900	$ 75,500	$ 78,600
Employee Contributions	85,103	82,726	86,300	81,700	82,400
Retiree Contributions	5,456	4,615	5,600	4,400	4,700
Interest	1,865	1,792	800	300	100
Total Revenues	$ 168,156	$ 163,510	# $ 169,600	$ 161,900	$ 165,800
Funds Available	$ 215,784	$ 229,222	# $ 236,012	$ 246,099	$ 251,899
Expenditures					
Dental Insurance Claims	$ 140,385	$ 135,528	$ 160,000	$ 150,000	$ 155,000
Administrative Fees	9,687	9,495	10,200	10,000	10,200
Total Expenditures	$ 150,072	$ 145,023	# $ 170,200	# $ 160,000	$ 165,200
Ending Balance, June 30	$ 65,712	$ 84,199	# $ 65,812	$ 86,099	$ 86,699
Increase (Decrease) in Fund Balance	**$ 18,084**	**$ 18,487**	**$ (600)**	**$ 1,900**	**$ 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 listed below. The results of the 2020 Census were not yet available at the time the budget is being published.

Year	City of Muscatine	Muscatine County
2013*	23,819*	42,745
2010	22,886	42,745
2000	22,697	41,722
1990	22,881	39,907
1980	23,467	40,436
1970	22,405	37,181
1960	20,997	33,840
1950	19,041	32,564
1940	18,286	31,296
1930	16,778	29,385

* Voluntary annexations in 2012 and 2013 increased the City of Muscatine's population by 933.

Major Employers and Major Tax Payers

Due to Muscatine's central location in the Midwest, the community has prospered with industrial development for many years. Presented below is a list of the larger industries and employers located within Muscatine.

Major Employers:

Employer	Product/Service	Approximate Number of Employees *
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	153
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	934
Kraft-Heinz, U.S.A.	Food processing	328
Hy-Vee Food Stores	Grocery store	427
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	227
Muscatine Power & Water	Utility	270
Musco Sports Lighting, Inc.	Sports lights	381
Stanley Consultants, Inc.	Engineers and architects	229
Raymond-Muscatine Inc.	Industrial trucks and end loaders	390
UnityPoint Health-Trinity Muscatine	Medical services	492
Wal-Mart Superstores	Discount and grocery store	348

* Employment numbers reflect 2020 levels.

Major Tax Payers:

Taxpayer	Taxable Valuation*	Rank	% of Total Taxable Value
Grain Processing Corp	$ 51,060,884	1	5.40%
HNI Corporation (HON Industries)	42,683,992	2	4.50%
Wal-View Development	29,384,622	3	3.10%
MLC Land Company LLC	18,697,176	4	2.00%
Menard Inc	10,056,375	5	1.10%
Heinz, U.S.A	9,795,618	6	1.00%
Sodarock Properties LLC	9,453,427	7	1.00%
Wal-Mart Real Estate	9,351,387	8	1.00%
Bridgestone Bandag LLC	9,182,853	9	1.00%
Muscatine Downtown Investors LLC	8,933,017	10	1.00%

(Continued)

(Continued)

Taxpayer	Taxable Valuation*	Rank	% of Total Taxable Value
Gridco LLC	6,804,041	11	0.70%
Store Master Funding XIV LLC (White Distributing)	5,568,579	12	0.60%
WID, Inc	5,476,869	13	0.60%
First National Bank of Muscatine	5,475,960	14	0.60%
Muscatine Plaza Properties LLC	5,406,235	15	0.60%
Davenport Farm & Fleet, Inc.	5,180,004	16	0.60%
Central State Bank	4,844,673	17	0.50%
SECO Investments	4,775,040	18	0.50%
Prime Mover Company	4,771,962	19	0.50%
LHV Muscatine LLC	4,642,362	20	0.50%

*January 1, 2020 valuations for property taxes paid in fiscal year 2021/2022.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

Facility Name	Grades	Date of Construction	Enrollment
Muscatine High School	9-12	1974	1,518
Susan Clark Junior High	7-8	1960	735
Franklin Elementary	K-6	1954	322
Grant Elementary	K-6	1954	341
Jefferson Elementary	K-6	2016	521
Madison Elementary	K-6	1954	474
McKinley Elementary	K-6	1960	459
Mulberry Elementary	K-6	1962	295
Total			4,665

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:

	2016	2017	2018	2019	2020
Single Family Homes					
Number of New Homes:	5	9	3	3	3
Valuation:	$1,155,280	$1,409,361	$352,325	$728,190	$597,954
Home Remodel & Improvements					
Number of Permits Issued:	264	1,735 (1)	1,044 (1)	763	796
Valuation:	$3,008,692	$13,467,685	$6,994,212	$4,561,866	$2,602,838
Multiple-Family Dwelling					
Number of New Buildings:	0	4	1	18 (2)	3
Valuation:	$0	$5,727,763	$353,090	$11,359,863	$827,390
Commercial/Industrial/Other					
Number of New Buildings:	11	20	13	10	6
Valuation:	$20,879,176	$18,061,492	$12,956,615	$5,015,417	$2,819,014
Commercial/Industrial/Other Additions & Alterations					
Number of Permits Issued:	20	321 (1)	220 (1)	271	239
Valuation:	$6,494,417	$35,399,502	$14,520,256	$33,318,971	$5,293,496
Total Permits:	300	2,089	1,281	1,065	1,047
Total Valuations:	$31,537,565	$74,065,803	$35,176,498	$54,984,307	$12,140,692

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 the 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:

Calendar Year	Muscatine County	State of Iowa
2020 *	5.93%	5.25%
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%

*Unemployment rates in 2020 were impacted by the COVID-19 pandemic.

Retail Sales

The following illustrates the growth trend in taxable retail sales for the City of Muscatine as reported by the Iowa Department of Revenue:

Year Ended 3/31	Retail Sales	Number of Permits
2020	$ 411,388,403	682
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

Population by Age (2010 Census)*:

Age Group	*City of Muscatine*	*Muscatine County*	*State of Iowa*
Under 5 years	7.7%	7.2%	6.6%
5 to 9 years	4.2%	7.2%	6.6%
10 to 14 years	7.2%	7.3%	6.6%
15 to 19 years	7.0%	7.0%	7.1%
20 to 24 years	5.9%	5.4%	7.0%
25 to 29 years	7.0%	6.1%	6.5%
30 to 34 years	6.5%	6.0%	6.1%
35 to 39 years	6.2%	6.2%	5.8%
40 to 44 years	6.0%	6.5%	6.2%
45 to 49 years	6.8%	7.5%	7.1%
50 to 54 years	7.0%	7.4%	7.3%
55 to 59 years	6.5%	6.8%	6.7%
60 to 64 years	5.4%	5.7%	5.5%
65 to 69 years	3.7%	4.1%	4.1%
70 to 74 years	3.0%	3.1%	3.3%
75 to 79 years	2.4%	2.4%	2.7%
80 to 84 years	2.2%	2.0%	2.3%
85 years and over	2.2%	2.1%	2.5%

Median Family Income (2010 Census)*:

Household Income	# of Households	% of Households
Under $10,000	597	6.4%
$10,000 to $14,999	666	7.1%
$15,000 to $24,999	1,233	13.1%
$25,000 to $34,999	1,026	10.9%
$35,000 to $49,999	1,490	15.9%
$50,000 to $74,999	2,107	22.4%
$75,000 to $99,999	1,119	11.9%
$100,000 to $149,999	796	8.5%
$150,000 to $199,999	213	2.3%
$200,000 or more	151	1.6%

* The 2020 Census numbers were not yet available at the time the budget was published.

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	511
	22,886

Hispanic or Latino and Race (2010 Census)*:

Hispanic or Latino (of any race)	3,794
Not Hispanic or Latino	19,092
	22,886

* The 2020 Census numbers were not yet available at the time the budget was published.

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) (2020 Census information not yet available)	23,819
Bond Rating (Moody's Investor Services)	Aa2
Number of employees (excluding seasonal)	
Full-time equivalent	227
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	12
Tennis courts	8
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	21,387
Circulation	472,148
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	45

Sewer system:	
Number of treatment plants	1
Daily average treatment in gallons	5.15 million
Maximum daily capacity in gallons	16.9 million
Public transportation system:	1
Buses	11
Van	1
Fixed routes served	3
Shuttle vehicles operated	3
Municipal airport:	1
Primary runway length	5,500 feet
Crosswind runway length	4,000 feet

Appendix C

GLOSSARY

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Specific or distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

Appropriation: Legal authorization by the City Council to make expenditures and to incur obligations for specific purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Availability Criterion: Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid).

Balanced Budget: A budget in which expenditures will not exceed estimated resources and revenues.

Bond: A written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity dates, together with periodic interest at a specified rate.

Budget: The financial plan for the operation of a program or organization, which includes an estimate of proposed expenditures for a given period, and the proposed means of financing those expenditures.

Budget Message: A general outline of the budget, which includes comments regarding the government's experience during the past period, its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Budgetary Basis of Accounting: The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Business-Type Activities: Activities of the City that are financed in whole, or in part, by fees charged to external parties for goods or services. These activities are accounted for as enterprise funds and include the Airport, Transit, Parking, Golf Course, Boat Harbor, Marina, 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
ARPA	American Rescue Plan Act
CALEA	Commission on Accreditation of Law Enforcement Agencies
CARES	Coronavirus Aid, Relief, and Economic Security
CD	Certificate of Deposit
CD	Community Development
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
COVID	Coronavirus Disease
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