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DEPARTMENT

Finance & Records

ACTIVITY

Finance (Including Purchasing)

INSTRUCTIONS:

Please limit text and utilize bullets when possible. **Bold items that require special attention.** Note any significant changes to revenue. Do not list individual line item changes unless there is a significant change in amount. **Please limit memo to less than 3 pages.**

REVISED ESTIMATE FOR CURRENT FISCAL YEAR (2025/2026)

Items of Concerns for Current Fiscal Year:

The long-time Finance Director retired in October of 2025. A new Finance Director was hired in October of 2025, unfortunately, that hire did not work out and was released in November, 2025. Since then, the Accounting Supervisor has taken over the Finance Director position. The Accounting Supervisor position was posted in January of 2026. The City hopes to have the position filled in March of 2026. Training the new Supervisor position while still learning the Director role will be a challenge. The current Finance staff has helped out tremendously during the transition and will continue to take on duties as required during the Supervisor vacancy.

Significant Line Item Increases/Decreases for Revised Estimate:

The 2025/2026 Revised Estimate for the Finance department is \$161,500 more than the original budget. There was a \$161,800 increase in personal services costs primarily due to the Finance Director retirement in October of 2025. This increase was partially offset by a net decrease of \$300 in Contractual Services.

Is Revised Estimate for Activity the same as Approved Budget? If not, explain why:

No, see paragraph above for details.

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

FY 2026/2027 BUDGET REQUEST

Items of Concern for Fiscal Year 2026/2027 (changes in service levels, revenue, etc. that impact budget):

Annual software costs are becoming a significant part of the Finance Department budget. This includes the Springbrook Financial Software annual fee of \$68,600, the ION Wave Electronic Bidding software fee of \$14,500, and the DebtBook software fee of \$7,800. The Finance department is also seeking an add on to the Springbrook Financial Software to streamline the budget process. These total to an estimated \$100,900 for the 2026/2027 budget.

Properly training staff is a priority for the fiscal 2026/2027 year. The travel and education proposed budget is \$3,800 more than the fiscal year 2025/2026 budget. It being proposed that two Finance staff members attend the annual Springbrook conference in October of 2026. Since upgrading to the cloud version of Springbrook in 2024, staff has participated in very little training on the upgrades and new capabilities of the software. The annual conference offers extensive training, workshops, and insights into important trends that will benefit the city. Staff will gain knowledge and learn best practices using software that the City is already paying for.

Significant Line Item Increases/Decreases proposed for FY 2026/2027 (include justification for increases)

Personal Services are \$35,800 less than the FY26 original budget due to staff turnover/new hires at a lower rate.

Commodities are \$1,400 higher than the FY26 original budget due to current trends on supply costs.

Professional Services are \$16,600 more than the FY26 original budget primarily due to the net effect of increased software costs (\$12,600 including upgraded budget software), increase in professional services due to OPEB full actuarial update due in FY27 (\$5,500), decrease in election costs (\$5,500), an increase in travel and education for new and current employee training (\$3,800), and an increase in miscellaneous cost (\$700).

Is Budget Request the same as the Revised Estimate for the Previous Fiscal Year? If not, explain why:

The overall FY27 budget is \$17,800 less than the original FY26 budget. Changes are detailed above.

FY 2026/2027 CAPITAL OUTLAY REQUESTS

Capital Outlay Requests (item and cost) for FY 2026/2027 (item and cost)

No capital requests at this time.

Please note whether capital requests were included in Form 11 in the previous year.

CITY OF MUSCATINE
DETAILED EXPENDITURE CLASSIFICATION
FORM 2

FUNCTION: GENERAL GOVERNMENT			DEPARTMENT: FINANCE						ACTIVITY: FINANCE OPERATIONS			
ACCT NO.	ACCOUNT CLASSIFICATION	(A)	ACTUAL FISCAL YEAR 2023/2024	ACTUAL FISCAL YEAR 2024/2025	BUDGET FISCAL YEAR 2025/2026	FIRST 3 MOS FISCAL YEAR 2025/2026	LAST 9 MOS FISCAL YEAR 2025/2026	ESTIMATE FISCAL YEAR 2025/2026	CITY ADMIN ESTIMATE FISCAL YEAR 2025/2026	BUDGET REQUEST FISCAL YEAR 2026/2027	CITY ADMIN REVISION FISCAL YEAR 2026/2027	APPROVED BUDGET 2026/2027
			(B)	(C)	(D)	(E)	(F1)	(F2)	(F)	(G)	(H)	(I)
PERSONAL SERVICES												
41XXX	REGULAR SALARIES & WAGES	\$464,178	\$510,509	\$526,300	\$117,419	\$494,921	612,340	\$612,300	\$492,800	\$492,800		
42XXX	PART TIME SALARIES & WAGES	0	0	0	0	46,720	46,720	46,700	0	0	0	
43XXX	OVERTIME SALARIES & WAGES	0	0	0	0	0	0	0	0	0	0	
44XXX	OTHER SALARIES & WAGES	3,135	3,128	3,100	642	1,594	2,236	2,300	2,300	2,300		
45XXX	PENSION & RETIREMENT	78,324	86,591	90,400	19,867	78,199	98,066	98,100	84,600	84,600		
46XXX	INSURANCE	124,431	122,582	124,900	31,445	115,651	147,096	147,100	129,200	129,200		
SUBTOTAL		\$670,068	\$722,810	\$744,700	\$169,373	\$737,085	\$906,458	\$906,500	\$708,900	\$708,900	\$0	
COMMODITIES												
51XXX	OFFICE SUPPLIES	\$10,184	\$9,800	\$11,400	\$2,142	\$9,258	\$11,400	\$11,400	\$12,800	\$12,800	\$0	
52XXX	OPERATING SUPPLIES	472	306	400	0	400	400	400	400	400	400	
53XXX	REPAIR & MAINTENANCE SUPPLIES	0	0	0	0	0	0	0	0	0	0	
SUBTOTAL		\$10,656	\$10,106	\$11,800	\$2,142	\$9,658	\$11,800	\$11,800	\$13,200	\$13,200	\$0	
CONTRACTUAL SERVICES												
61XXX	PROFESSIONAL FEES	\$89,905	\$95,983	\$95,200	\$74,475	\$20,725	\$95,200	\$95,200	\$113,300	\$113,300	\$0	
62XXX	TECHNICAL SERVICES	8,107	1,342	9,500	274	9,226	9,500	9,500	4,000	4,000	0	
63XXX	RENTALS	5,630	3,695	3,700	757	2,943	3,700	3,700	3,700	3,700	0	
64XXX	TRAVEL AND EDUCATION	2,376	535	4,200	95	3,605	3,700	3,700	8,000	8,000	0	
65XXX	COMMUNICATIONS & UTILITIES	17,243	15,222	17,000	2,938	13,562	16,500	16,500	16,500	16,500	0	
66XXX	INSURANCE	0	0	0	0	0	0	0	0	0	0	
67XXX	REPAIR & MAINTENANCE SERVICES	0	0	0	120	(120)	0	0	0	0	0	
68XXX	AID TO AGENCIES	0	0	0	0	0	0	0	0	0	0	
69XXX	MISCELLANEOUS	27,786	28,480	30,300	11,624	19,376	31,000	31,000	31,000	31,000	0	
SUBTOTAL		\$151,047	\$145,257	\$159,900	\$90,283	\$69,317	\$159,600	\$159,600	\$176,500	\$176,500	\$0	
CAPITAL OUTLAY												
71XXX	LAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
72XXX	BUILDINGS	0	0	0	0	0	0	0	0	0	0	
73XXX	IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	
74XXX	EQUIPMENT	0	2,308	0	0	0	0	0	0	0	0	
SUBTOTAL		\$0	\$2,308	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9XXXX	TRANSFERS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL EXPENDITURES		\$831,771	\$880,481	\$916,400	\$261,798	\$816,060	\$1,077,858	\$1,077,900	\$898,600	\$898,600	\$0	

Form 11
FY 2026/2027 Budget
Five Year Capital Outlay Projections - _____ Department/Division

Fiscal Year 2026/2027	Capital Outlay Classification (Check One)				Estimated Cost
	<u>Vehicles</u>	<u>Equip- ment</u>	<u>Improve- ments</u>	<u>Other</u>	
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
Fiscal Year Total					_____ -
Fiscal Year 2027/2028					
1. Desk fro Finance Directors Office	_____	_____	_____	_____	2,500
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
Fiscal Year Total					_____ 2,500
Fiscal Year 2028/2029					
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
Fiscal Year Total					_____ -
Fiscal Year 2029/2030					
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
Fiscal Year Total					_____ -
Fiscal Year 2030/2031					
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
Fiscal Year Total					_____ -
Grand Total					_____ 2,500

Form 12
FY 2026/2027 Budget
Department-Prioritized Budget Reductions if Necessary

Reductions Needed Based on Form 2 Department Budget Request for 2026/2027			
	If 1%	If 3%	If 5%
Amount of Reduction Needed Based on Form 2 Amounts (Personal Services + Commodities + Contractual) x %	<u>\$ 8,986</u>	<u>\$ 26,958</u>	<u>\$ 44,930</u>
Detail of Potential Reductions:			
Account	Description		
Personal Services Accounts:			
NOT RECOMMENDED:	4,226	22,258	36,430
To reach these targeted reductions would require reducing one current FT position to 3/4 time.			
This would eliminate insurance benefits and reduce pay by 25%. The 1%, 3% & 5% columns reflect personal services reductions to equal targeted amounts			
Commodities Accounts:			
City Clerk office supplies	200	200	200
Accounting office supplies	300	300	300
City Clerk minor office equipment	200	200	200
Printing supplies in Purchasing area (order a little less paper)	1,000	1,000	1,000
Contractual Services Accounts:			
Printing services in Accounting	300	300	300
Travel & Education (Finance staff)	2,360	2,300	6,100
Legal Publications	400	400	400
Total Department-Prioritized Budget Reductions	<u>\$ 8,986</u>	<u>\$ 26,958</u>	<u>\$ 44,930</u>
Difference Over (Under) Targeted Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MUSCATINE
2026/2027 BUDGET**

**GOALS & OBJECTIVES
For 2025/2026**

DEPARTMENT:	ACTIVITY:
Finance and Records	Finance Operations

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- * To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). **(Strategic Plan - Excellent Customer Service – Outreach to Citizens)**
- * To submit the City's annual comprehensive 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. Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the fiscal year ending June 30, 2025. **(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. **(Strategic Plan - Reliable Public Infrastructure and Vibrant Community)**
- * To work with the City Administrator, elected officials, and City departments to complete the projects/programs funded from ARPA (American Rescue Plan Act) funds and do the required ongoing reporting for these funds. ARPA funds were required to be expended or obligated by December 31, 2024. The City's ARPA funds, as well as interest earned on those funds, were all obligated by that date. Obligated funds are required to be expended by December 31, 2026. **(Strategic Plan - Reliable Public Infrastructure and Vibrant Community)**
- * To work with staff of other departments to expand the use of the IONWave electronic bidding software system. **(Strategic Plan - Excellent Customer Service and Reliable Public Infrastructure)**
- * To continue to work on and work with other departments to close out prior year grants including the Park Avenue 4-Lane to 3-Lane Conversion project grant, and the Grandview Avenue grant. **(Strategic Plan - Reliable Public Infrastructure and Vibrant Community)**
- * 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)**

STATUS REPORT ON 2025/2026 OBJECTIVES:

1. **GFOA Budget Award**. The City received GFOA's Distinguished Budget Presentation Award for the 2025/2026 Budget. This was the 41st consecutive year the City received this award.
2. **GFOA Certificate of Achievement for the Annual Comprehensive Financial Report**. The City was awarded its 31st consecutive Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024. The ACFR for the year ended June 30, 2025 has been submitted for consideration for this award.
3. **GASB Statement Implementation**. GASB Statement No. 101, *Compensated Absences*, was effective for the year ending June 30, 2025. Finance implemented this standard on the financial report for fiscal year ending June 30, 2025. There was a significant impact on the compensated absence liability at year end.
4. **Capital Projects Financing Plans**: The Finance Director continues to monitor and update the financing plans for the City's capital projects. Cost estimates and financing for each of the City's projects were reviewed as part of the 2025/2026 budget. Major capital projects for 2025/2026 include continuing the close-out work on the Park Avenue 4 to 3 Lane Conversion project, the annual Pavement Management Program, the next phases of the West Hill Sewer Separation project, the close-out work on the Grandview Avenue reconstruction project, the various components of the Southend Community Improvement projects, and the financing for the new Sports Dome. As part of the upcoming 2026/2027 budget, the financing plans for all capital projects will be updated and funding or matching funding that will be included in the May 2026 bond issue will be determined or estimated.

West Hill Sewer Project. In November of 2012, the City was notified that the E.P.A. approved the 4-year extension (to 2028) for completion of sewer separation projects identified in the E.P.A Consent Order. The first contract for Phase 6 (Phase 6-A and 6-B) was awarded in June of 2023. The Finance Director worked with the City's financial advisor, bond counsel, and Public Works staff to complete and finalize the \$8 million State Revolving Fund (SRF) Loan that is financing this phase of the project. The next contract for Phase 6 (Phase 6-C) was awarded in May of 2024. The Finance Director worked with the City's financial advisor, bond counsel, and Public Works staff to complete and finalize the \$7,960,000 State Revolving Fund (SRF) Loan that is financing this phase of the project. Preliminary work has begun on the SRF loans that will be needed for Phases 6-D and 6-E of this project.

Muscatine Sports Dome Project: With bids for the project coming in significantly higher than originally estimated, considerable work was done by Finance, Parks, and other City staff, to identify additional funding sources in order to complete the financing of this project. The project was nearly completely in Fall of 2025, with punch list items waiting to be completed. The Musco Sports Dome opened in October of 2025. Work on the financing of this project will continue until the project is closed out.

5. **Plan for Use of City ARPA (American Rescue Plan Act) Funds and Required Reporting**: The City received the first tranche of ARPA funds in August of 2021 and the final tranche in August of 2022. These payments totaled \$3,533,377. The Finance Director completed the first required annual report in April of 2022, the 2nd annual report in April of 2023, the 3rd annual report in April of 2024, and the 4th annual report in April of 2025. These funds are required to be expended or obligated by December 31, 2024. At the October, 2024 In Depth meeting, the Finance Director reviewed the status of the various projects and programs planned to be funded with ARPA funds. This presentation included an estimate of the funds yet to be obligated as well as a list of suggested projects that could be obligated by the December 31, 2024 deadline. City Council approved the list of projects (which included additional funding for the Muscatine Sports Dome). Purchase orders or contracts were entered into by December 31, 2024 that officially

obligated the remaining ARPA funds as well as the interest earned on these funds. Reporting for the 5th year will be done in April, 2026. All ARPA funds must be fully expended by December 31, 2026. The final report will be due in April, 2026.

6. **Implement the IONWave electronic bidding software system.** To date this system has been used to bid various Public Works and Park department vehicles and equipment, the new Fire Engine and Ambulance, and several capital project contracts. Several employees that were the most proficient on this system either retired or left employment with the City. Staff of other departments are being trained to use this system and it is expected that usage will be expanded in the upcoming year.

7. **Closing Out Prior Year Grants and Projects:**

Park Avenue 4-Lane to 3-Lane Conversion Project - Staff continues to work on finalizing the grant requirements needed to close out this grant. This project is nearing completion.

Grandview Avenue Reconstruction Project – the City received a portion (\$3,372,500) of the Iowa Department of Transportation (IDOT) grant funding for this project in August of 2023. The 5% balance of grant funding (\$177,500) was held by the IDOT until the contract was closed out and all grant requirements have been satisfied and audited by the IDOT. The final payment was received in June of 2025.

8. **To review and draft proposed updates to various City policies** - Due to other projects, work on the Purchasing Manual, change order policy, and vacation/sick leave policies has not yet begun.

NARRATIVE ON RECENT DEPARTMENT/ACTIVITY ACCOMPLISHMENTS

FORM 1A

**CITY OF MUSCATINE
2026/2027 BUDGET
GOALS & OBJECTIVES**

GOAL STATEMENT:

(Only complete if different from 2025/2026)

OBJECTIVES TO BE ACCOMPLISHED IN 2026/2027:

- * To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). **(Strategic Plan – Excellent Customer Service – Outreach to Citizens)**
- * To submit the City's annual comprehensive 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. Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the fiscal year ending June 30, 2026. **(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. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To work with the City Administrator, elected officials, and City departments to complete the projects/programs funded from ARPA (American Rescue Plan Act) funds and do the required ongoing reporting for these funds. ARPA funds were required to be expended or obligated by December 31, 2024. The City's ARPA funds, as well as interest earned on those funds, were all obligated by that date. Obligated funds are required to be expended by December 31, 2026. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To continue to work on and work with other departments to close out prior year grants. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * 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)**

**CITY OF MUSCATINE
2026/2027 BUDGET
PERFORMANCE MEASURES**

PERFORMANCE MEASURES

	Actual 2022/2023	Actual 2023/2024	Actual 2024/2025	Estimated 2025/2026	Estimated 2026/2027
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes
GFOA Budget Award	Yes	Yes	Yes	Yes	Yes
Moody's Investor Services Bond Rating	Aa2	Aa2	Aa2	Aa2	Aa2
City Vendors Checks Issued	4,662	4,601	4,821	4,800	4,800
City Vendor ACH Payments	185	182	187	190	190
Housing Programs Checks Issued	1,542	1,514	1,092	1,100	1,100
Housing Vendor ACH Payments	545	607	649	650	650
Payroll Checks Issued	960	843	841	850	850
Payroll Direct Deposit Transactions	8,946	8,816	9,902	9,900	9,900
Accounts Payable Transactions	23,230	24,682	27,482	25,000	25,000
City Receipt Transactions	13,046	11,998	12,046	12,000	12,000
Housing Receipt Transactions	2,406	2,207	1,937	2,000	2,000
Interest Earned (1)	\$1,135,645	\$2,185,511	2,484,494	2,000,000	2,000,000
Purchasing:					
Purchase Orders Processed	3,091	3,108	3,325	3,200	3,200

1. The Interest Earned estimates for 2025/2026 and 2026/2027 are based on the current interest rates (these rates have declined somewhat since 2023/2024).