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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: May 14, 2012

Re: Resolution Approved Amendment #2 to the 2011/2012 City Budget

Introduction and Background:

Attached is the Resolution to approve Amendment #2 to the current year City budget. City Council approved the first amendment to the 2011/2012 budget on March 1, 2012. That action amended the budget to the Revised Estimate levels established at the budget review sessions.

This second amendment includes additional proposed amendments since that time. This proposed amendment will increase total budgeted expenditures for the City by \$945,360 with budgeted transfers to increase by \$104,000 for a total expenditure change of \$1,049,360. City budgeted revenues are proposed to be amended by \$574,600, which includes \$104,000 of funding transfers in. Of the overall revenue and expenditure increases, \$215,000 is due to calling the remaining year of the 2003A General Obligation Bond issue and refinancing this amount with the 2012 issue. This resulted in a savings of approximately \$5,600 in interest costs:

General Fund expenditures are proposed to be amended by a net total of \$5,900. The amendments include: (1) a *decrease* of \$59,600 in the Emergency Management budget since the grant for the Siren Activation upgrade is required to be accounted for in a capital project fund, (2) a transfer out of \$9,000 to the Siren Activation capital project fund for the local share of the project costs (3) an increase of \$20,000 in the Human Resources budget for increased labor attorney costs related to several Civil Service hearings; (4) an increase of \$8,000 in the Cemetery budget for increased fuel and maintenance costs; (5) an increase of \$2,600 in the Soccer budget for fuel due to the need to begin mowing earlier with the early spring; (6) an increase of \$5,600 in the Kent Stein budget due to the City assuming the maintenance for Tom Bruner Field (costs will be reimbursed); (7) a small increase of \$300 in the Mayor and Council budget primarily due to the transition to the new members in January; and (8) an increase of \$20,000 in the Police budget for training equipment which was funded from a local grant. General Fund revenues are proposed to be amended downward by a total of \$25,000 which includes transferring the \$50,600 grant for the Siren Activation upgrade to a capital project fund, increased revenues of \$5,600 for the Tom Bruner Field maintenance reimbursement, and \$20,000 for the local contribution for Police department training equipment.

The net effect of the proposed General Fund expenditure and revenue amendments shows a decrease in fund balance of \$30,900. It is, however, expected that there should be savings in various General Fund department budgets which will offset all or a portion of this amount. For the City's Governmental Funds (primarily the General Fund), expenditures are required to be within the budget for each functional area. This amendment allows for somewhat of a "cushion" for increased costs so the budgets for the various functions are not exceeded at year end.

Enterprise Fund amendments are proposed for the Transit, Golf Course, Refuse Collection, Transfer Station, and Public Housing funds totaling \$143,140. There are also proposed amendments in the Special Revenue funds totaling \$53,720 which include \$6,220 for the Section 8 Housing Voucher Program, \$35,000 for the Library Donations Trust, \$2,500 in the Art Center General Trust fund, \$5,000 from the City's Southend TIF fund, and \$5,000 for the Library Computer Replacement fund.

General Capital Projects funds are proposed to be amended by \$241,600 with \$200,000 for the Hershey Street project to correct a previous budget estimate and \$59,600 for the Siren Activation upgrade project. The Water Pollution Control Capital Project amendments include \$200,000 for the WPCP Facilities Upgrade project pump replacements (expected to be partially or fully reimbursed) and \$95,000 for engineering and other preliminary costs before June 30, 2012 for the Voluntary Annexation Sewer Extension project (to Clearview Mobile Home Court).

Recommendation:

Please include the attached resolution to approve Amendment #2 to the City's FY 2011/2012 budget on the May 17, 2012 Council agenda. Please contact me if you have any questions.

Backup Information:

1. Resolution Approving Amendment #2 to the FY 2011/2012 City Budget
2. Detail Budget Amendment Listing

70-653

CITY BUDGET AMENDMENT AND CERTIFICATION RESOLUTION

To the Auditor of MUSCATINE County, Iowa:

The City Council of Muscatine in said County/Counties met on 5-17-12, at the place and hour set in the notice, a copy of which accompanies this certificate and is certified as to publication. Upon taking up the proposed amendment, it was considered and taxpayers were heard for and against the amendment.

The Council, after hearing all taxpayers wishing to be heard and considering the statements made by them, gave final consideration to the proposed amendment(s) to the budget and modifications proposed at the hearing, if any. thereupon, the following resolution was introduced.

RESOLUTION No. _____

A RESOLUTION AMENDING THE CURRENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2012
(AS AMENDED LAST ON March 1, 2012.)

Be it Resolved by the Council of the City of Muscatine

Section 1. Following notice published 5-5-12

and the public hearing held, 5-17-12 the current budget (as previously amended) is amended as set out herein and in the detail by fund type and activity that supports this resolution which was considered at that hearing:

	Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources			
Taxes Levied on Property 1	11,993,253	0	11,993,253
Less: Uncollected Property Taxes-Levy Year 2	0	0	0
Net Current Property Taxes 3	11,993,253	0	11,993,253
Delinquent Property Taxes 4	0	0	0
TIF Revenues 5	806,520	0	806,520
Other City Taxes 6	3,531,881	0	3,531,881
Licenses & Permits 7	298,200	0	298,200
Use of Money and Property 8	1,008,770	0	1,008,770
Intergovernmental 9	8,369,643	0	8,369,643
Charges for Services 10	12,640,250	0	12,640,250
Special Assessments 11	0	0	0
Miscellaneous 12	4,700,740	255,600	4,956,340
Other Financing Sources 13	19,744,397	319,000	20,063,397
Total Revenues and Other Sources 14	63,093,654	574,600	63,668,254
Expenditures & Other Financing Uses			
Public Safety 15	7,755,700	-39,600	7,716,100
Public Works 16	2,237,400	0	2,237,400
Health and Social Services 17	17,800	0	17,800
Culture and Recreation 18	3,185,250	58,700	3,243,950
Community and Economic Development 19	3,167,505	11,220	3,178,725
General Government 20	2,098,508	20,300	2,118,808
Debt Service 21	2,796,679	215,000	3,011,679
Capital Projects 22	5,745,700	241,600	5,987,300
Total Government Activities Expenditures 23	27,004,542	507,220	27,511,762
Business Type / Enterprises 24	19,187,388	438,140	19,625,528
Total Gov Activities & Business Expenditures 25	46,191,930	945,360	47,137,290
Transfers Out 26	14,410,903	104,000	14,514,903
Total Expenditures/Transfers Out 27	60,602,833	1,049,360	61,652,193
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year 28	2,490,821	-474,760	2,016,061
Continuing Appropriation 29	0	N/A	0
Beginning Fund Balance July 1 30	16,217,928	0	16,217,928
Ending Fund Balance June 30 31	18,708,749	-474,760	18,233,989

Passed this 17 day of May, 2012
(Day) (Month/Year)

Signature
City Clerk/Finance Officer

Signature
Mayor

City of Muscatine
FY 2011/2012 Proposed Budget Amendments
(Budget Amendment #2)
May 1, 2012

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
<u>General Fund</u>				
Mayor & Council:				
IPERS	1000.1111.45200	\$ 600	New elected officials elected IPERS not FICA	\$ -
FICA	1000.1111.45100	(400)	New elected officials elected IPERS not FICA	-
Misc. Other	1000.1111.69900	100	Based on actual Employee Recognition award costs	-
Human Resources:				
Legal Services	1000.1132.61240	20,000	Labor attorney actual year-to-date and estimated through 6-30-12	-
Police:				
Operating Equipment	1000.1311.74200	20,000	Simunitions training equipment; funded from local grant	20,000
Emergency Management:				
Operating Equipment	1000.1313.74200	(59,600)	Siren grant required to be accounted for as a Capital Project (Capital project revenues/expenditures increased by these amts)	(50,600)
Transfers Out	1000.1313.90500	9,000	Transfer local share of Siren Activation Upgrade to Project	-
Cemetery:				
Unleaded Gasoline	1000.1411.52720	2,000	Based on actual year-to-date expenditures	-
Diesel	1000.1411.52730	250	Based on actual year-to-date expenditures	-
Oil	1000.1411.52740	50	Based on actual year-to-date expenditures	-
Tools and Minor Equipment	1000.1411.52830	1,500	Based on actual year-to-date expenditures	-
Non-Inventory Materials	1000.1411.53220	1,500	Based on actual year-to-date expenditures	-
Tree Removal Services	1000.1411.62120	200	Based on actual year-to-date expenditures	-
Inside Services	1000.1411.67110	500	Based on actual year-to-date expenditures	-
Operating Equipment Repairs	1000.1411.67320	2,000	Based on actual year-to-date expenditures	-
Kent Stein Park:				
Temporary Part-time Wages	1000.1424.42200	2,350	Bruner Field maintenance; will be reimbursed	2,350
Diesel Fuel	1000.1424.52730	1,950	Bruner Field maintenance; will be reimbursed	1,950
Agricultural Materials	1000.1424.52100	950	Bruner Field maintenance; will be reimbursed	950
Plumbing Supplies	1000.1424.53130	150	Bruner Field maintenance; will be reimbursed	150
Other Surfacing Materials	1000.1424.53340	200	Bruner Field maintenance; will be reimbursed (City is now maintaining Bruner Field)	200
Soccer Complex:				
Unleaded Gasoline	1000.1427.52720	1,600	Earlier start for mowing due to weather	-
Diesel Fuel	1000.1427.52730	1,000	Earlier start for mowing due to weather	-
Total - General Fund		\$ 5,900		\$ (25,000)
Debt Service Fund:				
G.O. Bonds Series 2003A	2000.2793.81100	\$ 215,000	Bonds due in 2013 called as of 6-1-12 (Funded from 2012 Bond Proceeds)	\$ 215,000
<u>Enterprise/Internal Service Funds</u>				
Transit Operations:				
Inside Service	5211.5211.67130	\$ 10,000	Bus maintenance costs; based on actual to date and estimated additional	-
Subtotal		\$ 10,000		\$ -
Golf Course Operations:				
Agricultural Materials	5451.5451.52100	\$ 2,000	Based on actual year-to-date expenditures	\$ -
Unleaded Gasoline	5451.5451.52720	1,700	Early start for mowing due to favorable weather	-
Diesel Fuel	5451.5451.52730	2,400	Early start for mowing due to favorable weather	-
Misc. Operating Supplies	5451.5451.52890	500	Based on actual year-to-date expenditures	-
Outside Services-Mat'l/Labor	5451.5451.67130	4,500	Based on actual year-to-date expenditures	-
Outside Parts	5451.5451.67150	500	Based on actual year-to-date expenditures	-
		\$ 11,600		\$ -
Golf Clubhouse Operations:				
Merchandise for Resale	5451.5452.52853	\$ 30,000	Based on actual year-to-date expenditures	\$ 30,000

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
Refuse Collection:				
Inside Service - Labor	5642.5642.67110	\$ 12,500	Based on actual year-to-date expenditures	\$ -
Outside Services Mat'l/Labor	5642.5642.67130	4,500	Based on actual year-to-date expenditures	-
Outside Parts	5642.5642.67150	5,000	Based on actual year-to-date expenditures	-
		<u>\$ 22,000</u>		<u>\$ -</u>
Transfer Station:				
Material Transportation Charges	5658.5658.62520	\$ 15,000	Based on actual year-to-date expenditures including fuel surcharges paid to hauler	\$ -
Sewer Extension Reserve:				
Transfers Out	5671.5671.90400	\$ 95,000	Transfer for Voluntary Annexation Sewer Extension Engineering and other preliminary project professional services	\$ -
Clark House:				
Cable Television	8002.8020.41913	\$ 1,500	Based on actual year-to-date	\$ -
Fuel and Lubricants	8002.8020.44202	1,500	Based on actual year-to-date	-
Tools and Minor Equipment	8002.8020.44203	300	Based on actual year-to-date	-
Electrical Supplies	8002.8020.44205	2,030	Based on actual year-to-date	-
Plumbing Supplies	8002.8020.44206	1,620	Based on actual year-to-date	-
Painting Supplies	8002.8020.44207	500	Based on actual year-to-date	-
Vehicle Maint. Supplies	8002.8020.44209	500	Based on actual year-to-date	-
Alarms/Security Services	8002.8020.44305	2,500	Based on actual year-to-date	-
Vehicle Maint. Services	8002.8020.44306	1,000	Based on actual year-to-date	-
HVAC Repairs/Maint.	8002.8020.44308	4,000	Based on actual year-to-date	-
Betterments and Additions	8002.8020.75200	8,360	Based on actual year-to-date; apartment remodels with move-outs	-
Equipment	8002.8020.75400	5,000	Based on actual year-to-date; apartment remodels with move-outs	-
		<u>\$ 28,810</u>		<u>\$ -</u>
Sunset Park:				
Staff Training	8006.8060.41400	\$ 500	Based on actual year-to-date	\$ -
Auditing Services	8006.8060.41702	730	Based on actual year-to-date	-
Cleaning Supplies	8006.8060.44201	400	Based on actual year-to-date	-
Tools and Minor Equipment	8006.8060.44203	200	Based on actual year-to-date	-
Electrical Supplies	8006.8060.44205	1,000	Based on actual year-to-date	-
Plumbing Supplies	8006.8060.44206	500	Based on actual year-to-date	-
Painting Supplies	8006.8060.44207	400	Based on actual year-to-date	-
Plumbing Services	8006.8060.44311	2,000	Based on actual year-to-date	-
Betterment and Additions	8006.8060.75200	20,000	Based on actual year-to-date; apartment remodels with move-outs	-
Subtotal		<u>\$ 25,730</u>		<u>\$ -</u>
Total Enterprise Funds		<u>\$ 238,140</u>		<u>\$ 30,000</u>
Capital Project Funds:				
General Capital Projects:				
Hershey Street Improvements	4186	\$ 182,000	Incorrect number picked up for Revised Estimate	\$ -
Siren Activation Upgrade	4822	59,600	Budgeted in General Fund; grant agreement requires it to be accounted for in a Capital Project fund	-
			Federal Grant	50,600
			Transfer from General Fund	9,000
Subtotal - General Capital Projects		<u>\$ 241,600</u>		<u>\$ 59,600</u>
WPCP Projects:				
WPCP Facilities Upgrade	4222	\$ 200,000	P.O. for appropriate pumps; expect this cost will be partially or fully reimbursed	\$ 200,000
Voluntary Annexation Sewer Extension (Clearview)	4294	95,000	Estimated engineering and easement work before 6-30-12 (Funded for Sewer Extension Reserve)	95,000
Subtotal - WPCP Capital Projects		<u>\$ 295,000</u>		<u>\$ 295,000</u>
Total Capital Projects Funds		<u>\$ 536,600</u>		<u>\$ 354,600</u>

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
Special Revenue Funds				
Library General Trust:				
Printing Supplies	3981.3981.51300	\$ 200	Based on actual year-to-date expenditures	\$ -
Minor Office Equipment	3981.3981.51400	300	Based on actual year-to-date expenditures	-
Misc. Operating Supplies	3981.3981.52890	3,000	Based on actual year-to-date expenditures	-
Other Professional Services	3981.3981.61660	16,000	Based on actual year-to-date expenditures	-
Misc. Printing Services	3981.3981.62370	300	Based on actual year-to-date expenditures	-
Misc. Technical Services	3981.3981.62530	200	Based on actual year-to-date expenditures	-
In-House Training	3981.3981.64700	200	Based on actual year-to-date expenditures	-
Office Equipment Repair	3981.3981.67310	100	Based on actual year-to-date expenditures	-
Office Furniture/Fixtures	3981.3981.74400	14,700	Furniture in Technical Services area	-
Subtotal		<u>\$ 35,000</u>		<u>\$ -</u>
Art Center Trusts:				
General Trust				
Landscaping Improvements	3991.39976.73600	<u>\$ 2,500</u>	Based on actual to date and estimated additional	<u>\$ -</u>
Southend Tax Increment Fund:				
Legal Consulting Services/Misc.	8701.8701.61240	<u>5,000</u>	Legal services for Urban Renewal Area changes	<u>-</u>
		<u>\$ 5,000</u>		<u>\$ -</u>
Library Computer Replacement Fund:				
Computer Hardware	8451.8451.74250	<u>5,000</u>	Based on actual year-to-date and estimated additional to 6-30-12	<u>-</u>
Section 8 Voucher Program:				
Auditing Services	8007.8070.41702	\$ 1,120	Based on actual year-to-date	\$ -
Computer Services	8007.8070.41908	2,100	Based on actual year-to-date; IT Admin Fee	-
Portable Hsg Assistance Pmts	8007.8070.47151	<u>3,000</u>	Based on actual year-to-date	<u>-</u>
		<u>\$ 6,220</u>		<u>\$ -</u>
Total Special Revenue Funds		<u>\$ 53,720</u>		<u>\$ -</u>
Total Budgeted Funds (Including Transfers Out)		<u>\$ 1,049,360</u>		<u>\$ 574,600</u>
Expenditure Breakout:			Revenue Breakout:	
Expenditure Increase		\$ 945,360	Increased Revenues	\$ 470,600
Funding Transfer Increase		<u>104,000</u>	Increased Transfers In	<u>104,000</u>
Total		<u>\$ 1,049,360</u>		<u>\$ 574,600</u>
Non-Budgeted Fund:				
Equipment Services Operations:				
Unleaded Fuel	7625.7625.52720	\$ 35,000	Based on actual year-to-date; increased dept charges will fund	
Non-Inventory Material	7625.7625.53220	15,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35440	\$ 50,000
Outside Services-Material/Labor	7625.7625.67130	10,000	Based on actual year-to-date; increased dept charges will fund	
Tires/Tire Repairs	7625.7625.67140	10,000	Based on actual year-to-date; increased dept charges will fund	
Operating Equipment Repair	7625.7625.67320	1,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35450	<u>21,000</u>
		<u>\$ 71,000</u>		<u>\$ 71,000</u>
Total Budgeted and Non-Budgeted Funds		<u>\$ 1,120,360</u>		<u>\$ 645,600</u>
Hershey Manor (Non-City Fund):				
Cleaning Supplies	8004.8040.44201	\$ 500	Based on actual year-to-date expenditures	-
Tools and Minor Equipment	8004.8040.44203	250	Based on actual year-to-date expenditures	-
Building Supplies	8004.8040.44204	1,000	Based on actual year-to-date expenditures	-
Electrical Supplies	8004.8040.44205	900	Based on actual year-to-date expenditures	-
Plumbing Supplies	8004.8040.44206	2,500	Based on actual year-to-date expenditures	-
Painting Supplies	8004.8040.44207	400	Based on actual year-to-date expenditures	-
Plumbing Services	8004.8040.44311	300	Based on actual year-to-date expenditures	-
Betterments and Additions	8004.8040.75200	15,700	Concrete; siding works; apartment repairs (Reserve funded)	-
		<u>\$ 21,550</u>		<u>\$ -</u>