

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 2010/2011 the City's major funds were determined to be:

Governmental Funds:

- General Fund
- Employee Benefits Special Revenue Fund
- Local Option Sales Tax Special Revenue Fund
- Debt Service Fund

Business-Type/Enterprise Funds:

- Water Pollution Control Fund
- Transfer Station Fund
- Refuse Collection

These funds are described and historical information is presented for these funds in their respective sections of this budget document. These funds are expected to continue to be the City's major operating funds for future year budgeting and financial reporting purposes.

City of Muscatine
Operating Funds - Major Funds and Non-Major Funds Combined
Budget Summary

	Major Governmental Funds				Major Business-Type/ Enterprise Funds			Other Non-Major Funds	Total
	General	Employee Benefits	Local Option Sales Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection		
Projected Beginning Balance, July 1, 2012	\$ 2,595,708	\$ 119,149	\$ 1,875,589	\$ 121,908	\$ 1,792,130	\$ 39,276	\$ 200,907	\$ 10,456,029	\$ 17,200,696
Revenues and Other Sources									
Property Taxes	\$ 6,921,071	\$ 3,011,256	\$ -	\$ 2,326,416	\$ -	\$ -	\$ -	\$ 848,000	\$ 13,106,743
Other City Taxes	742,208	14,538	2,558,700	10,908	-	-	-	-	3,326,354
Licenses and Permits	295,600	-	-	-	1,600	-	-	16,000	313,200
Intergovernmental	597,400	-	-	-	-	-	-	5,071,820	5,669,220
Charges for Services	629,250	-	-	-	3,892,900	1,941,350	2,104,000	5,487,750	14,055,250
Use of Money and Property	162,200	-	2,000	500	4,000	1,500	300	863,690	1,034,190
Other Revenue	1,389,850	-	-	-	78,500	7,350	4,500	3,063,000	4,543,200
Other Financing Sources									
Transfers In	6,316,097	-	511,700	423,906	131,500	36,750	-	2,967,389	10,387,342
Total Revenues and Other Sources	\$ 17,053,676	\$ 3,025,794	\$ 3,072,400	\$ 2,761,730	\$ 4,108,500	\$ 1,986,950	\$ 2,108,800	\$ 18,317,649	\$ 52,435,499
Funds Available	\$ 19,649,384	\$ 3,144,943	\$ 4,947,989	\$ 2,883,638	\$ 5,900,630	\$ 2,026,226	\$ 2,309,707	\$ 28,773,678	\$ 69,636,195
Expenditures and Other Uses									
Public Safety	\$ 7,813,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,000	\$ 7,998,500
Public Works	2,280,400	-	-	-	-	-	-	-	2,280,400
Health and Social Services	20,000	-	-	-	-	-	-	-	20,000
Culture and Recreation	2,998,400	-	-	-	-	-	-	167,750	3,166,150
Community and Economic Development	814,600	-	-	-	-	-	-	2,376,550	3,191,150
General Government	2,122,300	-	-	-	-	-	-	40,000	2,162,300
Debt Service	-	-	-	2,841,730	-	-	-	1,227,881	4,069,611
Business Type/Internal Service	-	-	-	-	2,934,000	1,923,300	1,973,100	8,763,890	15,594,290
Other Financing Uses									
Transfers Out	1,135,047	3,144,943	4,828,700	-	1,463,339	30,820	99,969	5,177,091	15,879,909
Total Expenditures and Other Uses	\$ 17,184,247	\$ 3,144,943	\$ 4,828,700	\$ 2,841,730	\$ 4,397,339	\$ 1,954,120	\$ 2,073,069	\$ 17,938,162	\$ 54,362,310
Projected Ending Balance, June 30, 2013	\$ 2,465,137	\$ -	\$ 119,289	\$ 41,908	\$ 1,503,291	\$ 72,106	\$ 236,638	\$ 10,835,516	\$ 15,273,885

Increase (Decrease) in Fund Balance	\$ (130,571)	\$ (119,149)	\$ (1,756,300)	\$ (80,000)	\$ (288,839)	\$ 32,830	\$ 35,731	\$ 379,487	\$ (1,926,811)
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Percent Change in Fund Balance	-5.0%	-100.0%	-93.6%	-65.6%	-16.1%	83.6%	17.8%	3.6%	-11.2%
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Percent Ending Fund Balance of Expenditures	14.3%	0.0%	2.5%	1.5%	34.2%	3.7%	11.4%	60.4%	28.1%
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Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to decrease by \$130,571 (5.0%) during fiscal year 2012/2013. The budgeted ending balance is 14.3% of expenditures for the year, which meets the minimum percentage required by the City's budget policies (10%).

The City Council in recent budgets has been making efforts to increase the General Fund balance over the minimum of 10% required by the City's financial policies to at least 15%. In the 2011/2012 Revised Estimate, it is projected that the General Fund balance will increase by \$518,702 to \$2,595,708. This increase is primarily due to increased revenue from fines from automatic traffic enforcement (ATE) cameras that were installed in five locations in the spring of 2011; increased fire department fees including inspection fees, various permit fees, and fines; and increased hotel/motel taxes. These revenues assisted the City in increasing the General Fund balance from the 10.4% of expenditures in the original 2011/2012 budget to an estimated 15.8% in the 2011/2012 revised estimate, and 14.3% at the end of 2012/2013.

While the General Fund budget for 2012/2013 shows that the General Fund balance will decrease by \$130,571, this is only due to the budget including "assigned" funding for future capital outlay purchases and future grant funding commitments. The funding assignments in the General Fund for 2012/2013 are:

1. The first of three annual allocations of \$40,000 to be set-aside to fund the City's obligation to retain the two new COPS grant-funded police officers for one year subsequent to the 3-year grant period. This is a requirement of the COPS grant.
2. The Fire department budget included a request for \$490,000 to replace a fire engine. The budget includes setting-aside or "assigning" \$250,000 in 2012/2013 to make this purchase in 2013/2014. It is proposed the remaining \$240,000 be funded from the 2013/2014 budget if those funds are available.
3. The budget also includes "assigning" \$140,000 of funding for the replacement of the City's financial software system. Replacement of this software system is included in the City's Five Year Capital Improvements Program.

The funding "assignments" are being made for several reasons: (1) While the General Fund balance and revenues are currently sufficient to fund operations and some capital items, changes by the State legislature could change this significantly in upcoming years. It is proposed that the City only make one-time expenditures from available funds instead of adding recurring costs (staffing increases); (2) Funding the fire engine and Finance software from the General Fund will assist in reducing future year debt service requirements (in prior years, sufficient funding would not have been available in the General Fund and these items would likely have been funded from bond proceeds); (3) Setting aside funds for the future COPS grant obligation will lessen the impact on the General Fund for that year.

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 cost decreases, there will be an estimated \$119,149

beginning fund balance for 2012/2013. The Employee Benefits tax levy for 2012/2013 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2012/2013. This resulted in the zero balance budgeted in this fund at the end of 2012/2013, 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. The balance of the Local Option Sales Tax fund is budgeted to decrease by \$1,756,300 (93.6%) to \$119,289 in 2012/2013. A significant portion of the accumulated Local Option Sales Tax funds will be used to fund Phase I of the West Hill Sewer Separation project. This multi-year multi-phase project, with a total cost estimated to reach or exceed \$50 million, is the final sewer separation project mandated in the City's Consent Order with the Environmental Protection Agency (EPA).

Debt Service Fund:

The City sets the debt service tax levy at a level to fund annual debt service requirements on tax-supported general obligation bond issues. A fiscal year 2012/2013 beginning balance of \$121,908 is projected in this fund primarily due to excess bond proceeds from the 2008 General Obligation Bond issue since that issue sold at a premium. The debt service tax rate for 2012/2013 was set at a rate which will utilize \$80,000 of the accumulated fund balance.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by \$288,839 (16.1%) in 2012/2013. The balance in this fund has been increasing in the past several years due to minimal budgeted capital outlay purchases since most capital items were incorporated into the major plant improvement project which began in 2008/2009 and was substantially completed in 2011/2012. The decrease in Water Pollution Control fund balance in 2012/2013 is a planned decrease with \$200,000 of the decrease due to a transfer to the new West Hill Sewer Separation Long-Term Financing Plan Reserve. A like amount of funds will be transferred to this reserve from the Collection and Drainage fund. Funds from the new reserve will be used to assist in financing the multi-phase, multi-year West Hill Sewer Separation project which is projected to reach or exceed \$50 million in total costs. Budgeted capital outlay items in the Water Pollution Control fund total \$246,000 for 2012/2013. While the ending balance in this fund is budgeted to decrease during 2012/2013, the ending balance is still 34.2% of fund expenditures.

Transfer Station:

Waste volume at the Transfer Station has decreased significantly since 2000/2001 when 63,799 tons of waste was processed at this facility. The drop in waste volume in recent years resulted in a \$410,639 deficit in this fund as of July 1, 2005. This deficit is projected to be eliminated in 2011/2012 due in part to transfers from the Refuse Collection fund of \$200,000 in 2010/2011 and \$50,000 in 2011/2012. The small beginning balance of \$39,276 estimated for July 1, 2012 is projected to increase modestly to \$72,106 by the end of 2012/2013.

Refuse Collection:

The City implemented a contracted single sort curbside recycling program on April 4, 2011. Funding for this program was incorporated into the refuse collection rates. Rates increased from \$18.25 to \$20.00 for regular residential and from \$13.25 to \$15.00 for senior citizens effective April 1, 2011 when the single sort curbside recycling program was implemented. The balance in the Refuse Collection fund is budgeted to increase by \$35,731 (17.8%) in 2012/2013. This increase is planned in order to accumulate funds to replace a refuse collection vehicle in 2013/2014.

Non-Major Funds:

The fund balance of non-major funds combined is expected to increase by \$379,487 (3.6%) during 2012/2013.