

City of Muscatine, Iowa



Annual Budget Fiscal Year 2013/2014

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

**FOR THE FISCAL YEAR
JULY 1, 2013 - JUNE 30, 2014**

CITY OFFICIALS

**DeWayne Hopkins
Mayor**

City Council

**Philip Fitzgerald
Tom Spread
Jeanette Phillips
Osama Shihadeh**

**Mark LeRette
Bob Bynum
Scott Natvig**

BUDGET PREPARED BY:

Gregg Mandsager, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor

COVER:

**Mayor DeWayne Hopkins and Mayor Yang Lizhong of Zhengding at a Letter of Intent
Signing Ceremony for a Sister Cities relationship with Zhengding, China**

City of Muscatine

Mayor and City Council



Front Row Left to Right:

Councilmembers Jeanette Phillips, Bob Bynum, and Mark LeRette

Back Row Left to Right:

**Councilmembers Tom Spread and Osama Shihadeh,
Mayor DeWayne Hopkins,
Councilmembers Scott Natvig and Phil Fitzgerald**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Muscatine

Iowa

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morrell

President

Jeffrey R. Egan

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, 2012. This was the twenty-eighth 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 making it now the largest Heinz plant outside of Pittsburgh and the largest canning plant between the Mississippi River and the Rocky Mountains.

The fertile soils of Muscatine make the area well known for producing some 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 Iowa cities that continues to operate under such special authority.

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

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

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INTRODUCTORY SECTION



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TO: Mayor DeWayne Hopkins and Members of City Council

SUBJECT: Budget Message - FY 2013/2014

DATE: March 15, 2013

The budget for fiscal year 2013/2014 is hereby presented as adopted by City Council subsequent to the informational review process and required public hearing. 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 28th consecutive Distinguished Budget Presentation Award for the fiscal year 2012/2013 City Budget. The budget for fiscal year 2013/2014 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2013/2014 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 in October of 2012 to discuss and establish goals and objectives for 2013/2014. At that meeting the City Council also began discussions for the establishment of Core Values, a Vision Statement, and an updated Mission Statement for the City. The Core Values, Vision Statement, updated Mission Statement, and strategic goals for 2013 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 pride, 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

The City of Muscatine's mission is to provide a full-range of high quality, effective municipal services; excellent customer service; and sound fiscal management. We engage our community, producing results designed to enhance the safety, well-being and quality of life for our residents and business community. We are advocates for our community, valuing our history and working to shape our future.

Long-Term Goals

- Promote in-fill and voluntary annexation opportunities.
- Develop effective economic development strategies to encourage local investment and partnership.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate.

Council Policy Agenda 2012 and 2013

Top Priority

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Chamber and Convention and Visitors Bureau. 2013
- Work to promote the City of Muscatine as a Blue Zones Community.
- Meet with Muscatine Power & Water to redefine annexation policy for the extension of utilities in unincorporated areas.
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.
- Update the City's Financial Policies to reflect a new target General Fund fund balance in excess of the present 10% threshold. This policy update will also address conditions for use of reserves, authority over reserves, and replenishment of reserves. 2013
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Develop a citywide comprehensive plan incorporating Iowa's Smart Planning Principles. 2013
- Develop policies/incentives to encourage in-fill opportunities and address blight within the city limits.
 - o Adopt housing tax abatement plan.
 - o Adopt historical housing tax abatement plan.

High Priority

- Provide for the City's existing levels of service with an emphasis on essential services.
- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan.
- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Adopt updated City Code. 2013 (Estimated cost \$15,000)
- Adopt updated Citywide zoning ordinance. 2013-2014 (Estimated cost \$10,000)

Management Agenda 2012-2014

The Management Agenda represents short-term projects for the City Administrator and staff. Included in the Management Agenda are items that are considered major projects that involve significant city resources and may span more than one year for completion

Top Priority

- Focus on continuous improvement and excellence in service throughout the organization.
- Enhance the City's new website and maximize web-based resources as a resource for public communication.
- Complete an update of the City Code and City's 1974 zoning ordinance. 2013
- Prepare a Unified Development Code for City Council review and adoption (Subdivision, Building, Zoning, and Health regulations). 2014

High Priority

- Utilize surveys and other tools to enhance policy and budget recommendations.
- Continue to develop the Continuous Service Improvement (CSI) Program and begin Lean training for all City employees in cooperation with HNI.
- Provide a pavement management program and work to develop a sidewalk management policy and plan. 2013
- Continue to review and target means to improve energy efficiency throughout the organization and City facilities.
- Complete the following Capital Projects:
 - o Finalize and implement the Combined Sewer Overflow (CSO) timeline. 2013
 - o Cedar Street Reconstruction and Trail. 2013-2014
 - o Colorado Street Reconstruction. 2013-2014
 - o Identify Mississippi Drive Corridor funding mechanisms. 2013-2014
 - o Provide support to the Phase III Soccer Committee.
 - o Evaluate adding HVAC to City Hall and the Art Center. 2013
 - o Prepare cost estimates and a construction timeline for inclusion of reconstruction of Mulberry Street (Houser to Bypass) in the City's Capital Improvement Plan.

The 2013/2014 budget includes funding appropriations (where applicable) required to accomplish the objectives listed above. Department objectives also make reference to the City Council Strategic Goals where applicable including the City Administrator, Community Development, Public Works, Engineering, Park Administration, Finance, and Landfill department objectives. The budget was also prepared according to certain policies and practices established by the City Council. These policies and practices immediately follow this Budget Message.

KEY BUDGET ISSUES

In developing the fiscal year 2013/2014 budget, there were several key issues which had to be addressed during the budget process and which will continue to be concerns during the implementation of the various programs and services during the year.

State Legislation

During previous Legislative Sessions, actions were taken by the State, which eliminated or reduced revenues that were shared and redistributed to local governments throughout Iowa. As a result of these actions, the City of Muscatine has seen a significant reduction in opportunities within the General Fund to maintain or generate additional revenues. Even without these revenues, the city has been able to maintain its basic level of services but has not been able to add significant service levels throughout city operations. Previous changes, however, have had a compounding effect for not only the lost revenue in that year but in the following years as well.

At the time the 2013/2014 budget was being prepared, City staff was closely monitoring bills being considered during the 2013 Legislative Session, specifically the property tax legislation that would roll back the taxable valuations of commercial and industrial property in future years and also bills that would prohibit cities from using automatic traffic enforcement (ATE) cameras or limit the fine rates for ATE cameras. At the time the budget is being prepared for publication, it appears there will be no restrictions for the upcoming year on the use of ATE cameras or the amount of the fines. There continues, however, to be discussion concerning the rollback of commercial and industrial valuations. If approved, this legislation could have long lasting and dramatic effects to the municipal budget and our ability to provide basic services to Muscatine residents. With this in mind, the City's 2013/2014 budget was developed based on positioning the City for future years if this type of change would be enacted.

The City of Muscatine made a number of changes over the last several years to adjust for the loss of revenues available for operational issues. 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 of Muscatine while facing increasing demands for public services.

Property Tax Rate

Throughout the deliberations of City Council's budget sessions, Council determined that they wished to work to minimize the overall property tax impact to the community. Every elected body struggles with the balance of the tax burden for the citizens with a need to provide adequate funding for operational and capital activities within the organization itself. It is that balance that Council tried to achieve in the establishment of the 2013/2014 budget. The original proposed budget included a 1.33% increase in the City's property tax rate. This increase was proposed primarily due to the significant increase in the police and fire pension contribution rate from 26.12% to 30.12% which increased the City's police and fire pension costs by \$235,800. The City Council in the final adopted budget, however, made a number of other reductions which allowed the City's property tax rate to remain at the same rate as the 2012/2013 rate at \$15.67209/\$1,000 of valuation. While the tax rate will not change for 2013/2014, residential property owners will still be impacted since the rollback factor applied to residential property increased by 4.06% for the upcoming year. The owner of a home with a value of \$100,000 will see an increase of \$33 in their city property taxes for 2013/2014.

Police and Fire Pension Contribution Rates

The required city contribution rate to the statewide Municipal Fire and Police Retirement Systems of Iowa (MFPRSI) increased from 26.12% in 2012/2013 to 30.12% for 2013/2014, which resulted in an increase of \$235,800 in the contribution required. Police and fire pension contributions are funded

annually from the Employee Benefits tax levy. For 2013/2014 the tax levy rate needed to fund Police and Fire pension costs increased to \$1.70009/\$1,000 of valuation from \$1.43566/\$1,000 for 2012/2013. This was a \$.26443/\$1,000 (18.4%) increase in the tax rate to fund these costs. In order to fund the increase in police and fire pension costs, as well as increases in other employee benefits and city insurance costs, the City chose to fund a \$530,246 of other employee benefit costs for General Fund employees from the General Fund balance instead of the Employee Benefits levy. This allowed for the total overall tax rate to remain the same for 2013/2014. If the Police and Fire pension contribution rate further increases in upcoming years as projected, increases in the City's total tax levy rate will be unavoidable. The MFPRSI increases are the number one budget challenge we face annually and these costs have a direct impact on our ability to maintain our existing levels of services.

Significant Changes Implemented

A number of changes were implemented over the past several years, which has placed the City in a better financial position for 2013/2014 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 varies 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 was not levied in 2012/2013 or 2013/2014.

The establishment of this 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 gas sales, this also allows flexibility in future years 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 is projected to generate \$100,000 annually. This reduction was possible since there have been strong revenues in other areas of the General Fund budget, specifically Automatic Traffic Enforcement (ATE) fines, fees for Fire department inspections and permits, and increased hotel/motel taxes. The 1% franchise fee rate was maintained for the 2013/2014 budget. The City Council identified the Utility Franchise Fee as a potential revenue source to offset any legislative action to reduce annual ATE revenues.

Structural changes implemented in 2010/2011 and 2011/2012 also assisted the city in increasing the General Fund balance. The changes in 2010/2011 include but are not limited to the following: (1) a reduction of one fulltime position in the Park Maintenance budget; seasonal staff was increased to partially offset this reduction for a net savings of \$49,300, (2) elimination of one fulltime custodian position with contract cleaning services partially offsetting the cost savings for a net savings of \$7,400, (3) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of \$137,500), (4) not filling the budgeted $\frac{3}{4}$ time Red Light Camera Technician net of the cost of creating an additional sergeant position for this function (\$30,000 savings), and (5) transferring the dredge operation to the Water Pollution Control fund (\$42,000 General Fund savings). These items total to a \$266,200 positive impact on the General Fund.

The changes implemented in 2011/2012 and 2012/2013 focused on department efficiencies and cost savings and include but are not limited to the following: (1) using sponsorships for the Parks seasonal brochure and Golf score cards saving \$4,700 annually; (2) the new eleven foot mower in the Parks department and trackhoe for grave digging at the Cemetery both saved man hours that were redirected to other functions in those divisions; (3) additional Park sites were “adopted” under the “Adopt a Park” program with this program expanding from four sites in 2010 to twelve in 2012; (4) redesigning the Library circulation system process eliminating a 35-hour/week position and creating a new 30-hour/week “Holds” person at a lower pay rate for a savings of \$17,800; (5) using staggered work times in the Police investigations division which reduced overtime and call-ins saving an estimated \$3,500 in overtime costs annually; (6) activities in the Engineering (engineering design for smaller projects), Community Development (Comprehensive Plan update), and Art Center (printing) were done in-house rather than under contracts resulting in varying amounts of cost savings; (7) using inmate labor to clear the Airport fence line of unwanted growth saved an estimated \$22,000; and (8) the use of automatic traffic enforcement cameras has allowed the Police department to re-direct their time to other areas of law enforcement.

Departments will continue to look for efficiencies and cost savings in their operations in 2013/2014 and future years. The City’s goal for the upcoming year of establishing a formal “Lean” program will assist departments in identifying and implementing efficiencies and cost savings applicable to 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 budget recommendations contained within this document (and presented during the budget review) are aimed at positioning the city to continue to address economic challenges, provide core services to the community, and position the city to meet new challenges and ever growing demands.

Tax Increment Financing (TIF) and Economic Development

The City has been a strong proponent of economic development activities over the years and has made aggressive use of TIF and tax abatement incentives. The City continues to support these efforts as these are effective tools for local communities, but TIF comes up against strong attacks annually during legislative sessions. The City needs to maintain the ability at the local level to attract and retain business. However, there is another side of the story which is often forgotten and that is the effect on the city, county, and schools and ultimately their respective tax rates. The increment the City is claiming for TIF totals \$25,919,281 in 2013/2014 for all of the TIF areas. This value would generate \$209,946 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 \$406,209 – essentially lost revenue that could be used to fund and maintain city operations and services. If that \$25.92 million was allocated toward regular valuations for all taxing entities, the county would generate over \$236,000 in taxes and the school over \$397,000 (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.

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 2013/2014 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. Approximately \$741,000 of incremental taxes was not claimed by the city for 2013/2014. 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 and for each taxing entity.

For the 2011/2012, 2012/2013, and 2013/2014 budgets, the City Council approved two resolutions in each of these years for internal advances of funds which will 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, and \$114,000 in 2013/2014 for staff time and other professional services involved in economic development activities and TIF administration and includes staff time of the City Administrator, Community Development Director, City Planner, Finance Director, Public Works Director and City Engineer. The other resolutions were for internal advances of \$35,000 in each of the years from 2011/2012 through 2013/2014 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 the 2011/2012, 2012/2013, and 2013/2014 General Fund budgets 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 current City boundaries. This action will allow the City to pursue using TIF funding for economic development or blight alleviation throughout the City.

Landfill and Transfer Station Fund Deficits

Another key budget issue relates to the landfill fund, which is accounted for as an Enterprise Fund of the city. This fund has had a deficit fund balances since the 2002/2003 fiscal year. The budget for 2009/2010 included a significant rate increase for the transfer station from \$41.00 per ton to \$60.00 per ton effective July 1, 2009. This fee funds both transfer station and landfill costs. The continued need to expand and to develop costly landfill cells was the driving component of this fee increase as well as the deficit balance in the Landfill fund.

While it was anticipated that there would be some decrease in volume at the transfer station/landfill, the waste volume for 2009/2010 decreased from 41,320 tons in the prior year to 29,916 tons. With the continuing deficit in the Landfill fund, the Solid Waste Agency and the City considered implementing flow control measures which would have required all waste generated in the Agency area to be brought to the transfer station and landfill. Area businesses and the Chamber requested a committee be formed of business leaders, City staff, an Agency member, and others, to discuss the impacts that flow control would have on area businesses and possible alternate solutions. The Committee's recommendation 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 will bring in an additional 5,000 tons of waste and \$180,000 of revenues annually over the next three years.

The deficit in the Landfill fund at the end of 2009/2010 was over \$2.5 million. A large portion of this deficit was due to development of new cells at the landfill. The new cells are expected to have 298,800 tons of waste capacity, which should provide a waste disposal area for approximately 8.5 years depending on the annual waste volume. The Landfill deficit decreased by \$411,988 to \$2,100,612 in the 2010/2011 fiscal year and decreased by an additional \$582,320 to \$1,518,292 in fiscal year 2011/2012. With the estimated landfill revenues and expenditures, the deficit in the Landfill fund is projected to decrease by \$485,238 during the 2012/2013 fiscal year and by an additional \$338,122 to \$694,932 by the end of the 2013/2014 year. The goal is to have the deficit eliminated and have a positive fund balance by the time

the next cell needs to be constructed. Based on current waste volume projections, it is estimated that construction on the next cell will need to begin in the 2017/2018 fiscal year.

The Transfer Station fund had a deficit balance of \$216,040 at the end of 2009/2010. Since revenues from the new negotiated industrial contracts were directed toward the deficit in the Landfill fund, the Transfer Station has not benefited financially from these new contracts. The 2010/2011 revised estimate included a \$200,000 funding transfer from the City's Refuse Collection fund which assisted in reducing the deficit in the Transfer Station fund. An additional \$50,000 transfer from the Refuse Collection fund was made in 2011/2012 which eliminated the Transfer Station deficit. The City will continue to closely monitor the revenues and expenditures of both the Transfer Station and Landfill funds so these funds can remain in positive positions after the current deficits are eliminated.

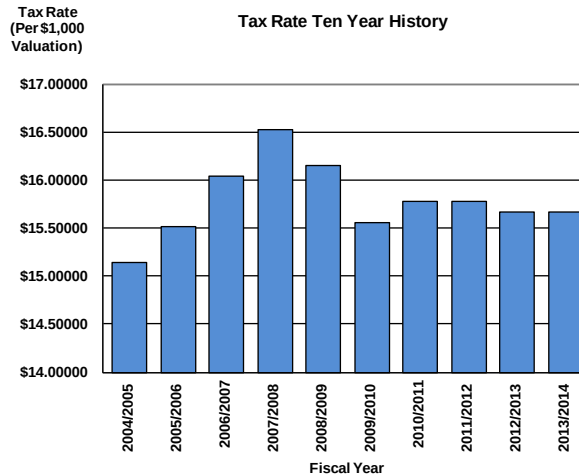
Other Issues and Changes for 2013/2014

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 2010/2011 the City successfully negotiated 3-year contracts with each of the City's three bargaining units for the years 2011/2012 through 2013/2014. With 3-year contracts in place, labor attorney costs were reduced in 2011/2012 and 2012/2013. The Police and Blue/White Collar contracts included 2.25% increases for 2011/2012, 2.50% for 2012/2013, and 2.90% for 2013/2014. The Fire contract included increases of 2.25%, 2.50%, and 2.95% for those years. The 2013/2014 budget includes \$12,000 for labor attorney costs to negotiate the three new contracts which will begin in 2014/2015. A new supervisory and non-union pay plan was implemented for the 2011/2012 year. This plan groups employees into eleven pay grades instead of the more than 60 individual pay grades in the previous plan. Employees in this group received a 2.25% increase for 2011/2012 unless their placement in the new plan exceeded this amount. The employees in the supervisory and non-union group received a 2.5% wage increase in 2012/2013 and will receive a 2.9% increase in 2013/2014.

Each of the bargaining units agreed to increases in health insurance deductibles and out-of-pocket maximums effective January 1, 2013 and January 1, 2014. The previous \$300/\$600 single and family deductibles and \$600/\$1,300 single and family out-of-pocket maximums increased to \$400/\$800 deductibles and \$800/\$1,600 out-of-pocket maximums on January 1, 2013. These will further increase to \$500/\$1,000 deductibles and \$1,000/\$2,000 out-of-pocket maximums on January 1, 2014. These changes will also apply to supervisory and non-union employees. These increases should assist in reducing future year health insurance costs and related rate increases.

TAX RATE AND BASE

Property taxes continue to be the major revenue source for the City of Muscatine. In 2013/2014, property taxes will represent 31.9% of total city operating revenues. This is a slight decrease from the 32.1% in fiscal year 2012/2013. The total tax levy rate for fiscal year 2013/2014 of \$15.67209 per \$1,000 of valuation is the same as the total tax rate for 2012/2013. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2013/2014:



The tax rate decreases for 2008/2009 and 2009/2010 were due to unusually high increases in taxable property valuations of 4.62% and 3.8%, respectively, for those years. This provided the city an opportunity to recover lost economic ground due to previous years' low or insufficient changes in taxable valuations. These higher than average increases in taxable valuation were one factor that led to lowering the City tax rates in each of these years. Additionally, for 2009/2010 the lower tax rate was due to several events in addition to the taxable valuation increasing - pension rates were down and debt service requirements were down. Going into 2010/2011 the city faced a different challenge - a net increase in taxable valuation of only 1.58% due to a significant loss in industrial values (down 4.35% for 2010/2011). The two main reasons for the increase in tax rate for 2010/2011 were the increase in the debt service levy for funding capital improvement projects and an increase in the Employee Benefits levy for the required rate increase for police and fire pensions. For 2011/2012 the same total tax rate was maintained and the rate decreased slightly (by \$.10/\$1,000) for 2012/2013. The tax rate for 2013/2014 was maintained at \$15.67209/\$1,000 of valuation, which was the same rate as 2012/2013.

There are six categories that make up the 2013/2014 tax rate. 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. The 2013/2014 Tort Liability tax levy increased by 3.3% and the Transit levy increased by 16.2% compared to the 2012/2013 levies. The increase in the Transit levy was due to increased bus repair and maintenance costs and funding for the local 15% share of the cost of two new transit vehicles. Of the remaining levies, the Special Revenue levy for employee benefits in the General Fund decreased 1.7% and the Debt Service levy decreased .4%. The decrease in the Employee Benefits levy is primarily due to funding \$530,246 of General Fund employee benefit costs from the General Fund balance instead of the tax levy. This allowed City Council to maintain the same overall City tax rate and still maintain an adequate General Fund balance. The slight decrease in the debt service levy is due to favorable interest rates on the June 1, 2012 bond issue as well as refunding the last three years of

the June 1, 2006 issue. The city will continue the Levee Improvement tax levy of \$.06750 per \$1,000 of valuation in 2013/2014, which will be used towards the city's share of the Mad Creek Levee project costs.

As noted previously, the City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2013/2014. In 2009/2010 the City levied the maximum Emergency levy rate of \$.27/\$1,000 of valuation which generated \$196,964. For 2010/2011 the City implemented a 2% Utility Franchise Fee on Alliant Energy, the provider of natural gas services in the City. This fee allowed for a reduction in the City's overall property tax rate for 2010/2011, specifically the Emergency Tax Levy rate which was reduced from \$.27/\$1,000 in 2009/2010 to \$.08/\$1,000 in the 2010/2011 budget. The Emergency tax levy was eliminated in the 2011/2012 budget as part of City Council's goal to maintain the City's total tax levy rate at \$15.77146/\$1,000 of valuation. From the 2009/2010 emergency levy, City Council directed that \$80,000 be set aside in the Emergency Tax Levy special revenue fund to be available in the case of future revenue shortfalls due to current or future economic conditions or for unanticipated emergency expenditures. Those funds are budgeted to remain in the Emergency Levy special revenue fund in 2013/2014.

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 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. As noted in the previous section, 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 current city boundaries. This action allows the city to pursue using TIF funding for economic development or blight alleviation throughout the city. A top priority goal of the City Council for 2013 is to develop and adopt policies and incentives to encourage in-fill opportunities and address blight within the city limits. Plans are to 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.

In addition, the City Council continues to provide financial support to the Muscatine Chamber of Commerce & Industry. For fiscal year 2013/2014 the City Council has included \$35,000 in the budget to provide this assistance. 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.

The taxable property valuation for fiscal year 2013/2014 is \$795,205,814, which is \$17,517,382 (2.25%) higher than the fiscal year 2012/2013 valuation of \$777,688,432. This increase is lower than the 2.84% increase for 2012/2013. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. For 2013/2014 there was a decrease of 1.21% in commercial and a decrease of .53% in industrial valuations. Commercial and industrial property is valued at 100% for 2013/2014. The taxable valuation for residential property, however, increased by 5.12% for 2013/2014. While *actual* residential property values increased by only .99% in 2013/2014 due to growth and re-valuation of existing property, *taxable* values increased by 5.12%. This difference is due to the State “rollback factor” applied to actual values to derive taxable values. This rollback factor in the past normally resulted in a reduction to the taxable values of residential property. For 2013/2014, however, the rollback factor for residential property increased from 50.7518% to 52.8166% (an increase of 4.06%). With the total City tax rate of \$15.67209 for 2013/2014, the City will collect \$12,539,510 in property taxes in fiscal year 2013/2014 compared to fiscal year 2012/2013 taxes of \$12,258,743, an increase of \$280,767 (2.29%). The City was able to lower the total tax rate by funding a portion of General Fund employee benefits from the General Fund balance instead of from the tax levy.

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.

Funding from the State of Iowa included in the 2013/2014 budget continues to be affected by what is a recovering fiscal situation in the state. The largest source of funds from the State of Iowa relates to Road Use Tax funds collected by the State and distributed to local governments for street maintenance activities. For fiscal year 2013/2014 it is anticipated that the city will receive \$2,286,600 in Road Use Tax funds, which is an increase of \$146,800 from the original 2012/2013 Road Use Tax budget of \$2,139,800. Road Use Taxes are distributed to cities on a per-capita basis and the increased revenue in 2013/2014 reflects the recent annexations which added 933 to the City’s population. An estimated \$197,000 in State funding will also be received for the Transit operation and \$140,300 for airport capital projects.

The fiscal year 2013/2014 budget includes an estimated \$5,908,200 in federal funding for both operating and capital project costs. This includes the following: \$1,915,600 in funding for the Section 8 Housing rental assistance program; \$350,400 for operating and capital funding for the city’s Public Housing Program; \$2,056,700 in federal funding for street-related projects; \$353,300 in FAA funds for airport projects; \$465,700 in federal funding for the Transit operation; \$445,000 in federal funding for a trail project; and \$321,500 in Police Department grants.

CHARGES FOR SERVICES

For fiscal year 2013/2014 budgeted charges for services total \$13,228,850 and comprise 31.3% of total operating revenues of the city compared to 31.5% for 2012/2013. 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 parking for fiscal year 2013/2014.

Sewer revenues including the separate collection and drainage charges are estimated at \$5,330,000 for 2013/2014. 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 recently completed. At the time the budget was being prepared the City was in the process of evaluating proposals for a formal rate study for these operations for years beginning in 2013/2014. The budget includes an estimated 2% in both sewer and collections and drainage rates for 2013/2014. The actual rate increases, however, will be based on the results of that study.

Parking fees are budgeted at \$112,000 for 2013/2014. The budget includes increases in the parking meter rates from \$.20 to \$.25/hour for 10-hour meters and from \$.30 to \$.50 for 2-hour meters.

Golf course fees and sales are estimated at \$850,900 for 2013/2014. Adult and senior greens fees were last increased for the 2012 golf season by \$1.00 per round and adult and senior season pass fees were increased by \$25.00. The greens fee and season pass rates for juniors were decreased in the 2012 fee schedule in an effort to increase interest in the game of golf by young people. The fee increase was needed to provide funds for capital improvements at the course, including replacement of the fairway irrigation system. The 2012 fee structure will remain in effect for the 2013 golf season. The 2013 season is the seventh 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. An indoor golf simulator was purchased in 2010 to be used during winter months as well as during inclement weather during the golf season. The City rebuilt the Golf Course maintenance shop that was destroyed by fire in 2007 using funds from an internal loan. The loan was fully repaid in 2011/2012, three years ahead of the original schedule. Replacement of the fairway irrigation system is under construction in 2012/2013 at a total cost of \$342,800. A \$60,000 down payment has been included in the 2012/2013 budget and an internal loan will be used to finance the remaining portion of the project costs. Annual payments estimated at \$60,000 will be made from the Golf Course fund to repay this loan. The payment schedule will be accelerated if there is sufficient funding available in the Golf Course fund.

Budgeted transfer station charges for services total \$1,915,000 for 2013/2014 based on an estimated 35,000 tons of waste being processed at this facility. The current tipping rate is \$60.00 per ton and this rate will not change for the 2013/2014 year. This rate increased from \$41 to \$60 per ton July 1, 2009 with this increase directly related to the cost of developing new cells at the landfill. 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 qualify for a discounted industrial rate of \$50/ton of which \$30 of this rate is paid to the Landfill. Additional negotiated industrial contracts were approved in 2010 which will assist in generating new waste for this facility. Revenue from the new negotiated contracts, however, will be directed toward the Landfill fund deficit. As noted previously, the 2010/2011 revised estimate included a \$200,000 funding transfer from the Refuse Collection Fund and the 2011/2012 revised estimate included an additional \$50,000 transfer which eliminated the accumulated deficit in the Transfer Station fund as of the end of the 2011/2012 fiscal year.

Budgeted landfill charges for services total \$1,290,000 for 2013/2014. The landfill rates are incorporated in the transfer station rates with \$40.00 of the \$60.00 per ton transfer station rate (\$30.00 of the \$50.00 for industrial contracts) paid to the landfill for material disposed of at that facility. Additional negotiated industrial contracts were approved in the fall of 2010 with those revenues directed toward the deficit in the Landfill fund. A fee was also assessed to Solid Waste Management Agency members beginning in 2008/2009 to assist in the overall funding of landfill costs.

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 \$2,171,000 for 2013/2014. The Refuse Collection rates were last increased from \$18.25 to \$20.00 per month for regular residential customers and from \$13.25 to \$15.00 for senior customers on April 1, 2011 when the City began providing contracted single-sort curbside recycling services to all residential customers. Under the contractual agreement for this service, the City paid the contractor \$3.05 per customer per month for this service during the first year of the contract, with this cost increasing to \$3.14 April 1, 2012, \$3.23 April 1, 2013, \$3.33 April 1, 2014, and \$3.43 April 1, 2015. The City had cost savings from discontinuing the drop-off recycling program, which offset a portion of the cost for the curbside recycling program.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at \$1,250,000 for both the 2012/2013 revised estimate and 2013/2014 budget with these estimates based on trends in the number of ambulance runs and revenues over the past year. The fee for the basic ambulance service is currently \$560, the rate for ALS 1 calls is \$665, the rate for ALS 2 calls is \$962 and the rate for SCT (Skilled Care Transports) is \$1,137. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Transit fares were last increased for the 2003/2004 budget with the fare for fixed routes and night service increasing from \$.65 to \$.75 and the paratransit fare increasing to \$1.00. No increase is budgeted for 2013/2014. Transit charges are estimated at \$171,000 for 2013/2014.

Boat harbor slip rental rates are based on boat length. These rates increased by \$40 per slip rental for the 2010 season. No rate increase was budgeted for 2011, 2012, or 2013.

PROGRAMS AND SERVICES

The 2013/2014 budget will provide for the continuation of most city services at the current levels. Full-time equivalent year-round employees on an entity-wide basis totals 223.81 for 2013/2014. This is a decrease of 1.48 in full-time equivalent positions compared to the original budget for 2012/2013. Changes in authorized positions for 2011/2012 through 2013/2014 are as follows:

2013/2014

- The part-time Library Security Guard position was eliminated which reduced fulltime equivalent employees by .60.
- One fulltime Plant Operator position was eliminated in the Water Pollution Control Plant Operations budget. Completion of the plant renovation project allowed for 24/7 staffing to be discontinued at the plant.
- There was an increase in part-time hours for housing staff equivalent to a .12 fulltime equivalent addition in staffing.

2012/2013

- Two full-time Police Officer positions were added midway through the 2011/2012 year. These positions will be 100% funded from a COPS grant for three years.
- One firefighter position was added for 2012/2013 with this position funded from a transfer from the Ambulance fund.

- The half time Community Services Officer in the Community Development department was increased to 3/4 time as part of the reorganization in the department after the retirement of the Health and Housing Coordinator. Since the new fulltime position is at a lower pay step, there was no additional cost for this change.
- A 35-hour/week position at the Library was replaced with a 30 hour/week position at a lower pay grade.
- A fulltime custodian position in the Housing department was replaced with a 3/4 time position in 2011/2012 when the former custodian retired. The part-time Section 3 worker in the Housing department was reduced from 20 to 15 hours per week.

2011/2012

- One full-time Police Officer position was added for the Street Crimes Unit.

The projected level of expenditures for the General Fund of \$17,688,707 for 2013/2014 is 2.9% (\$504,460) above the 2012/2013 budget of \$17,184,247. The overall increase consists of (1) an increase of \$324,900 (3.7%) in salaries and wages, (2) an increase of \$313,900 (8.6%) in employee benefit costs, (3) an increase of \$41,400 (4.7%) in commodity costs, (4) an increase of \$115,200 (5.2%) in contractual services costs, (5) an increase of \$171,900 (34.9%) in capital outlay costs, (6) a decrease of \$72,840 (10.3%) in transfers, and (7) a decrease of \$390,000 (90.7%) in “assigned” funding allocations. The increase in employee benefits includes \$235,800 for the increase in police and fire pension contributions previously discussed.

The City first used the “assigned” funding classification in the 2012/2013 General Fund budget for the following items:

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 included setting-aside or “assigning” \$250,000 in 2012/2013 to make this purchase in 2013/2014. It was originally proposed the remaining \$240,000 be funded from the 2013/2014 budget. Due to a favorable General Fund balance at the end of 2011/2012, City Council authorized funding for the full amount of the fire engine in 2012/2013.
3. The budget also included “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” were 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.

The only funding “assignment” in the 2013/2014 budget is \$40,000 for the second year of the funding to be set-aside for the City’s obligation to fund the 4th year of the costs for the two officers funded from the COPS grant. The 2013/2014 budget, however, includes several significant capital outlay allocations in

department operating budgets. Major capital items include: (1) \$95,000 to replace and enhance the Police department's squad car video system; (2) \$30,000 for backstop fencing improvements at Kent Stein Park; (3) \$23,000 to paint and repair four tennis courts; (4) \$25,000 to repaint the Aquatic Center pool basin; and (5) a total of \$102,500 to replace General fund vehicles and equipment.

The 2013/2014 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. The two new COPS grant-funded police officer positions added midway through the 2011/2012 year enabled the Police department to reinstate the Street Crimes Unit to address gang-related activity in the city and also reinstate the School Resource Officer position for the middle schools. Although there are no full-time staff reductions in General Fund departments planned for 2013/2014, the effects of prior year reductions continue to be experienced in the respective departments. Prior year staff reductions affected most departments and have reduced full-time equivalent (FTE) employees in the General Fund by 16 from 170 in 2001/2002 to 154 in 2013/2014. There has always been a precarious balance between the desire to address community "needs and wants" and the availability and distribution of ever increasingly scarce financial resources. The city has been forced to adjust to the reduced levels of revenues by eliminating positions through the various departments of the city over the past several years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2013/2014 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 Automatic Traffic Enforcement (ATE) cameras at five intersections in the community. This system has improved traffic safety in those areas at minimal or no cost to the Police department. The Police department budget continues to include one School Resource Officer position in the high school, which receives 75% funding from the Muscatine Community School District. As noted above, the School Resource Officer position assigned to the middle schools was reinstated in 2012/2013 as a result of being awarded the COPS grant. The budget also continues a 100% grant-funded police officer position to serve on the area's Joint Terrorism Task Force. The two police officer positions assigned to the Drug Task Force will continue in 2013/2014. These positions are partially funded from federal grants.

Fiscal year 2013/2014 will be the ninth full budget year for the Muscatine City/County Emergency Communications Center (MUSCOM). The city and county public safety dispatch centers were combined into the joint operation in September 2004. Operating costs through 2008/2009 were shared on a 55% county, 45% city basis. Beginning in 2009/2010 all of the costs for MUSCOM are being funded from a countywide tax levy.

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 fire fighting services to the community.

Public Works programs and service levels in the areas of roadway maintenance, snow and ice control, street cleaning, traffic control, engineering, and refuse collection have been maintained for fiscal year 2013/2014. Major projects in the Public Works area in the upcoming year include beginning construction on both the Colorado Street Improvement project and the Cedar Street Improvement project. The Refuse Collection budget continues to provide for the contracted single sort curbside recycling program which began in April, 2011. As of that date, the former recycling drop-off locations were discontinued.

Leisure time service activities include a wide variety of activities that reach a cross section of the community through the Library, Art Center, Museum, Golf Course and a comprehensive system of parks, recreational programs, the aquatic center, boat harbor, and soccer facility.

Since 2002 the city has made significant investments in recreation facilities. In 2002 the city aggressively pursued and received a Community Attractions and Tourism (CAT) Grant for a variety of community projects from the Vision Iowa fund. The overall “Pearl of the Mississippi Project” was estimated at \$9.6 million and included a new aquatic center, a skate park, an environmental learning center, exercise trail expansion, and various riverfront improvements. The skate park was opened in August of 2003 and the Aquatic Center opened for the 2004 summer season. In April 2005 the Environmental Learning Center (a Muscatine County project) opened its doors and the Riverview Center renovation work was completed in May 2005. The remaining individual projects in the overall “Pearl of the Mississippi Project”, the trail expansion and community art, were completed by May 31, 2006. Phase II of the Pearl Project was completed in 2006/2007 and included an interactive water feature, landscaping, and other improvements on the riverfront. These projects significantly expanded parks and recreation facilities in the community. The city will continue its commitment toward effective planning and community development efforts. In 2012/2013 the Community Development department is in the process of developing a new citywide comprehensive plan incorporating Iowa’s Smart Planning Principles. 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.

The city continues to pursue storm and sanitary sewer renovation and extension programs. 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 2024. In November of 2012, the E.P.A. approved the City’s request to extend the completion date for these projects to 2028. The city completed the Hershey Avenue area sewer separation work in 2011/2012 which leaves the West Hill area as the remaining area yet to be completed. The cost of the West Hill sewer separation project is estimated to reach or exceed \$50 million and this project will be done in multiple phases. This project will be funded in part by the 1% local option sales tax that was first approved by the voters in May 1994, renewed by the voters in August 1998, and again approved by voters in January 2004. On August 12, 2008, voters again approved extension of this tax for an additional ten years with a minimum of 80% of the tax to be used for storm and sanitary sewer projects with the balance to be used to fund the ongoing costs to maintain streets at a higher level as provided for in the Pavement Management Program. The first phase of the West Hill Sewer Separation project began in 2012 and the second phase will begin in 2013.

In recent years, the city through Federal Aviation Administration (FAA) grants completed various airport improvements including extending the primary runway, constructing a parallel taxiway, installing lighting, acquiring additional real estate, providing for a complete overlay of the existing main runway, construction of a crosswind runway and turnaround area, and construction of a parallel taxiway for the crosswind runway. The grant applications for these projects were made in accordance with the city's overall Master Plan for improvements at the airport. Airport projects budgeted for 2012/2013 and 2013/2014 include completion of the airport runway lighting improvements, airport hangar access security and T-hangar drainage improvements, airport airfield maintenance, and airport obstruction removal. These projects will receive either State (85%) or FAA (90%) grant funding. The airport will continue to serve the community for both recreational and business-related activities in 2013/2014.

For fiscal year 2013/2014 the city will continue to provide support for several non-profit service organizations within the community. Despite limited city resources, the City Council has remained committed to assisting these groups as best they can. These agencies provide valuable services to the entire community. For 2013/2014 the City Council chose to continue financial contributions for the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Convention and Visitors Bureau (CVB), the Muscatine Humane Society, and Senior Resources. The subsidies to GMCCI, Senior

Resources, and the Muscatine Humane Society were maintained at the same levels as 2012/2013. The subsidy for the CVB was increased from \$55,000 in 2012/2013 to 25% of the hotel/motel tax which is estimated at \$87,500. The increased subsidy to the CVB is to support the new CVB Board's expanded efforts to promote tourism in the City of Muscatine and surrounding area.

Operating expenditures budgeted for all city operations for 2013/2014 total \$38,779,707, which is an increase of \$1,472,906 (3.9%) from the fiscal year 2012/2013 level of \$37,306,801. Operating revenues for the city total \$42,227,671 compared to \$40,859,157 for 2012/2013, an increase of \$1,368,514 (3.3%). Capital project expenditures are estimated at \$8,524,300 in the 2012/2013 revised estimate and \$9,808,400 for 2013/2014.

FUND BALANCE AND BUDGET POLICY ISSUES

The 2013/2014 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 2013/2014 balanced budgets were presented to and approved by Council for all funds with the exception of the Landfill and Marina Enterprise funds and the Equipment Services Internal Service fund. The deficits in both the Marina Enterprise fund and the Equipment Services Internal Service fund are due to inventories in those operations. The accumulated deficit in the Landfill fund is due to costs for development of new landfill cells at this facility. As noted previously, the new landfill cells are expected to have an 8.5-year life and the deficit in the Landfill fund is projected to decrease each year and be eliminated prior to the time that the next cell needs to be constructed.

The city's current budget policies require the ending balance for the year to be at least 10% of the budgeted expenditures in the General Fund or approximately \$1,769,000 based on the 2013/2014 budget. 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%. This effort is in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considers our 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 2013/2014 is budgeted at \$2,665,964, which is 15.1% of General Fund expenditures. This demonstrates City Council's commitment towards the goal of increasing 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 ending 2010/2011 General Fund balance was 13.6% of expenditures for that year. 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 automatic 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 City Council chose to use \$250,000 of the increased balance to complete the financing for the new fire engine which was originally planned to be purchased in 2013/2014. In the original 2012/2013 budget the ending balance was budgeted at 14.3% of General Fund expenditures and it has been increased to 16.7% in the revised estimate.

While the General Fund budget for 2013/2014 shows the General Fund balance at 15.1% of expenditures, the budget is being "balanced" with \$283,158 of General Fund balance. This is the amount that the estimated 2013/2014 expenditures exceed the estimated revenues. As noted in earlier sections of this budget message, the City Council used a portion of the General Fund balance to fund employee benefit costs in lieu of increasing the City's overall property tax rate. It should be noted, however, that continuing to use the General Fund balance to fund increased employee benefit costs, specifically the expected continued increase in police and fire pension costs, is not sustainable going forward into future years.

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 issue in maintaining the city's bond rating. The rating received at the time of the city's 2012 bond issuance was Aa2 under Moody's new rating scale.

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 November of 2010 the City Council approved a resolution to adopt a new Five Year Capital Improvement Plan for fiscal years 2010/2011 through 2014/2015. Elected officials, citizens, and city staff participated in the development of the Plan and a public hearing was held prior to the Plan's adoption. This Plan is a document separate from the city's budget and it can be accessed from the city's website. The Plan's capital project summary schedule, however, listing all Plan projects has been included in 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 2012/2013 revised estimate and 2013/2014 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 schedule from the Five Year Capital Improvements Plan, the Capital Projects section of this budget document includes descriptions of all projects under construction in 2012/2013 and those to be initiated in 2013/2014. 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 in the upcoming years will be upgrading of the city's streets and sewer systems as well as completion of facility improvements at the city's Water Pollution Control Plant.

In 2007 the city began a Comprehensive Pavement Management Program to upgrade the City's overall street conditions. Funding allocations of \$1 million for calendar year 2007 and \$2 million each for calendar years 2008 and 2009 were projected to be needed 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 third year of the initial street upgrade project was completed in the spring of 2010. The ongoing annual maintenance of the improved streets began in 2010 with these costs funded from the 20% allocation of local option sales taxes as provided for in the voter referendum in 2008 for the local option sales tax extension. This 20% allocation is estimated at approximately \$500,000 annually.

In addition to the Pavement Management Program, other street improvement projects have been identified for construction in the next several years. These projects involve major upgrades to several heavily-traveled streets including Cedar Street from Parham to Houser and Colorado Street. Federal grants will fund a portion of the cost of these projects with bond proceeds funding the local share.

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 2024. The E.P.A. recently approved the City's request to extend the deadline in the Consent Order to 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 will be the separation of the combined sewer in the West Hill area. This will be a lengthy project to be done in multiple phases over the next fifteen years. The total cost for all phases of this project is expected to reach or exceed \$50 million. Construction on Phase I of the project began in the summer of 2012 and is scheduled for completion by the end of 2013. Construction on Phase II of this project will begin in 2013.

Construction on the \$18.5 million comprehensive Water Pollution Control Plant improvement project began in 2008/2009 and the project is substantially completed with only a few contract items yet to be resolved. A State Revolving Fund loan funded \$16.5 million of project costs with the balance funded from the Water Pollution Control Plant Reserve. A separate project to expand the lab at the plant is scheduled for construction in 2013/2014.

Other capital projects either completed or expected to be completed in the current 2012/2013 year include the Mad Creek Flood Control project, Harrison Street Extension project, the Southend Fire Station project, the City Hall and Museum Boiler Replacement projects, the Golf Course Fairway Irrigation System project, and the Airfield Maintenance and Obstruction Removal projects at the Airport. Other significant capital projects budgeted for 2013/2014 include a new Park Maintenance facility, the Musser to Weggens Road Trail, the Airport T-Hangar Drainage project, and the Airport Runway Repair project. More information on individual capital projects can be found in the Capital Projects Fund section of the budget document.

Landfill Deficit Reduction Plan

In the fall of 2010, the City approved a long-term plan for the landfill to substantially reduce or eliminate the accumulated deficit in this fund over the next five-six years. This plan was developed as a result of meetings of a Chamber appointed committee which included designated business leaders, city staff, a member of the Solid Waste Agency, and others, to discuss methods other than flow control which would increase waste volume and revenues to the Landfill. This plan was also discussed in the Key Issues section of this Budget Message in the “Landfill and Transfer Station Fund Deficits” section.

City Comprehensive Plan Development

The City is currently in the process of updating its comprehensive plan and the City’s zoning ordinance update will follow later in 2013. Public forums are being held to receive input from the community on the new comprehensive plan and zoning ordinance. The City’s Five Year Capital Improvement Plan will be updated based on the updated comprehensive plan.

Long-Term Future Debt Financing Plan

The City, working with Public Financial Management (PFM), the City’s financial consultant, has developed a long-term future debt financing plan. This plan shows annual debt requirements for existing general obligation debt and the related actual or estimated debt service tax levy rates. This schedule also calculates the amount of future year debt which can be issued without impacting the debt service tax rate. Based on this schedule, the City is planning to issue \$2,060,000 in property tax funded debt in the spring of 2014 with this bond issue to provide funding for the Cedar and Colorado Street improvement projects as well as various improvements at the municipal Airport. The proposed issue will include an additional \$300,000 for the new Weed Park Maintenance Building which will be funded from incremental property taxes from the area adjacent to the park.

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 2013/2014 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 service 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 service 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 elected representatives and the citizens of Muscatine.

It is my pleasure and honor 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 2013/2014 budget together. A special thank you to Nancy Lueck, Finance Director, and LeAnna McCullough, Accounting Supervisor, for their long hours of budget preparation, compilation, and assistance with this document.

Respectfully submitted,

A handwritten signature in black ink, reading "Gregg Mandsager". The signature is written in a cursive, flowing style.

Gregg Mandsager, City Administrator

CITY OF MUSCATINE FINANCIAL MANAGEMENT POLICIES

The following financial policies have been developed to provide guidance to the City's financial management system. The 2013/2014 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 ten percent of the budgeted level of expenditures.

Note – During the 2013/2014 budget development process, City Council discussed increasing the minimum working balance to at least <u>fifteen</u> percent of the budgeted level of expenditures and the 2013/2014 General Fund budget was based on this higher level of fund balance. During the upcoming year the City Council will consider formally amending the minimum fund balance policy.

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 auditing 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
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, Police Forfeiture Fund, and Police Grant Future Funding Commitment Reserve. While the City continues to budget several of these funds as Special Revenue funds, the Emergency Tax Levy, Equipment Replacement, Computer Replacement, and Police Grant Future Funding Commitment 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, and Ambulance 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 either special revenue funds or as part of the General Fund. 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 Funds, the Art Center Trust Funds with the exception of the McWhirter-Gilmore Trust, the Perpetual Care Interest Trust and the Parks and Recreation Trust. With the implementation of GASB Statement 54, the Insurance Trust is now considered part of the City's General Fund in fiscal year-end financial statements.

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, computer operations, 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, fire, and emergency management 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, Ambulance, 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 estimates by fiscal year for both the revised 2012/2013 and upcoming 2013/2014 fiscal years.

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

	Operating <u>Budget</u>	Capital Improvements <u>Budget</u>
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 hearing on proposed operating budgets City Council approval of operating budget by resolution Certification of City Budget to County Auditor	

	<u>Operating Budget</u>	<u>Capital Improvements Budget</u>
April		Community Development prepares guidelines and forms for revision to 5-year Capital Improvements Program (revised annually)
May	Proposed budget amendments presented to City Council	Procedures for adding or revising capital improvement projects distributed to departments
	Public hearing on proposed amendments	
	City Council approval of amendments to current year budget by resolution	Capital Improvement requests submitted to Community Development Department
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
August		Planning & Zoning Commission recommendation to City Council
		City Council discussion of proposed program
September		Public hearing by City Council regarding capital improvement program
		City Council approval of program by resolution

BUDGET PREPARATION PROCESS

The preparation of the City of Muscatine's budget involves the interaction of City departments, boards and commissions, City Council, and the general public. This process begins with City Council goal setting and the distribution of materials to departments and is completed with City Council certification of a budget for the upcoming fiscal year.

The City's budgetary process began nine months prior to July 1st, the beginning of the City's fiscal year. The City Council held a special meeting on October 25 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on December 20. Department directors incorporated funding in their department budgets or in related capital project funds to achieve these goals and objectives.

Boards and commissions consisting of individuals from the community also assisted City staff during the budget process and made recommendations to the City Council regarding various services and activities of the City of Muscatine. There are three boards and seventeen advisory commissions consisting of over ninety individuals that serve the City in this capacity.

In early November, the budget manual and appropriate worksheets were distributed to department heads and boards and commissions. 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 and these reports were also forwarded to the City Council as attachments to the proposed budget. 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 the City received news coverage of the budget meetings from the local newspaper and radio station.

Department requests for appropriations were submitted to the Finance Department for initial review prior to December 11th. The departments had consulted with the appropriate boards and commissions in developing their budget requests. The department heads met with the City Administrator and Finance Director during the remainder of December and the first part of January regarding the proposed budgets. The City Administrator discussed with the respective department head the goals and objectives of each department prior to analysis of expenditure levels. Concurrently, the Finance Department prepared revenue estimates from input from the respective departments. Each department was required to submit revenue estimates for their activities. The Finance Department estimated general revenues such as those from the State and Federal government, and lastly determined the City of Muscatine's taxing ability. A preliminary budget was discussed with the City Administrator. This preliminary budget reflected the budget requests as submitted by the departments and as adjusted by the City Administrator in addition to revenue projections for the City.

Additional departmental discussions were required due to funding sources not meeting expenditure requests. These meetings occurred during the month of January. Additional service level requests were also considered at that time in addition to consideration of possible areas of reductions. The City Council has established a certain level of working balance for the City, and consequently that balance needed to be maintained and expenditures funded from available revenue sources.

The City Administrator presented to the City Council a proposed budget on January 31. The City Council received a packet of information 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 2013/2014. 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. As mentioned previously, the City Council received a status report on the goals and objectives for each department for the current year in addition to the goals and objectives for the forthcoming year. These sessions, as in the case of the goals and objective sessions of the City Council, were open to the general public.

After the general budget meetings, the City Council met to discuss the City's services and items of concern for the operation of the City. This discussion included the balancing of requests and potential revenue sources. The City Council identified items that they had previously discussed which were to be considered as additions or deletions to the proposed budget. The City Council then had the task of weighing certain services or activities within the organization in light of available resources. After the City Council had agreed upon a proposed level of services and corresponding appropriation level, the Council set the required public hearing for the budget. Notice of the hearing was made in the local newspaper and a summary of proposed expenditure and revenue levels was included in that publication.

According to State law, the tax rate and the total expenditures cannot be increased after publication of the public hearing notice. During the public hearing, citizens were given the opportunity to voice their objections or support of the proposed budget as presented. After the public hearing, the City Council considered any comments made and acted upon the approval of the budget.

The City Council officially approved the budget on March 7, 2013 and authorized the City Clerk by resolution to certify the budget to the County Auditor by March 15, which is the State 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

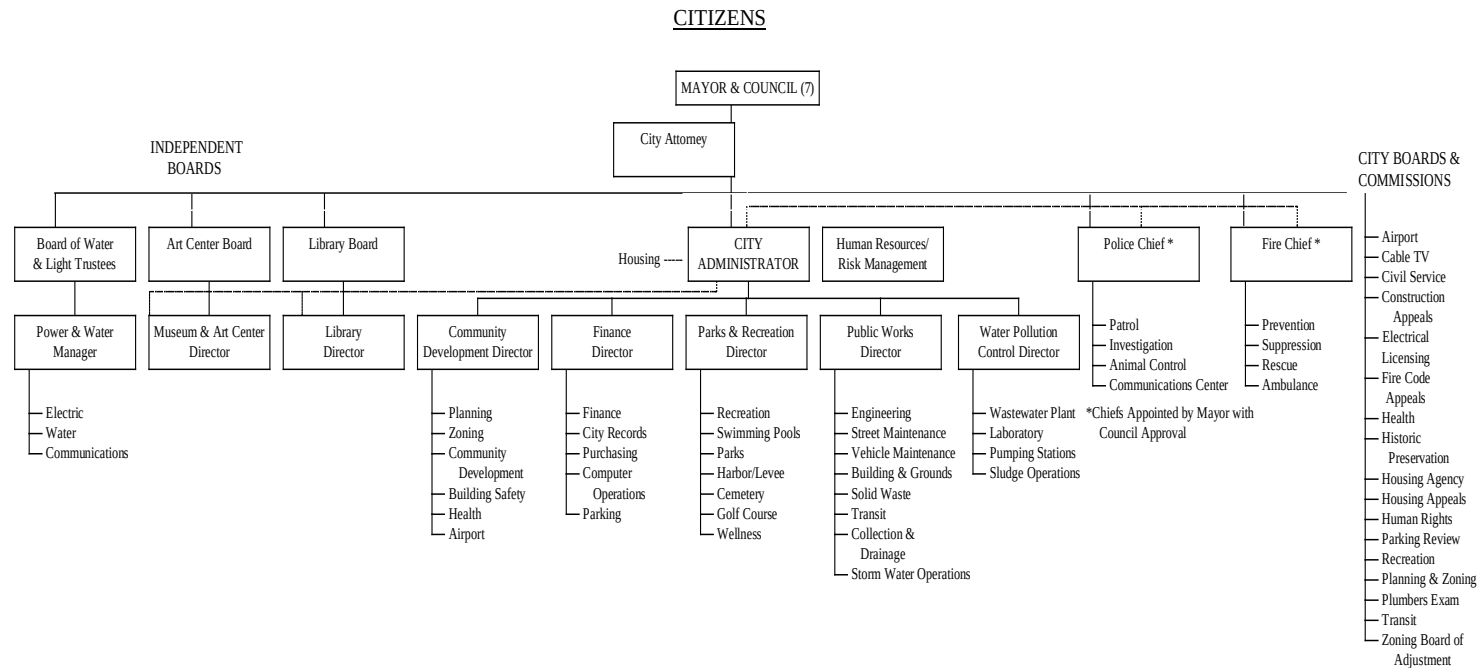
The State Code of Iowa provides that "A city budget as finally adopted for the following fiscal year, becomes effective July 1st, and constitutes the city appropriation for each program and purpose specified therein until amended as provided in this section. A city budget for the current fiscal year 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, IOWA

ORGANIZATIONAL STRUCTURE



Department organizational charts are presented in a separate section of the Introductory portion of the budget.

CITY OF MUSCATINE

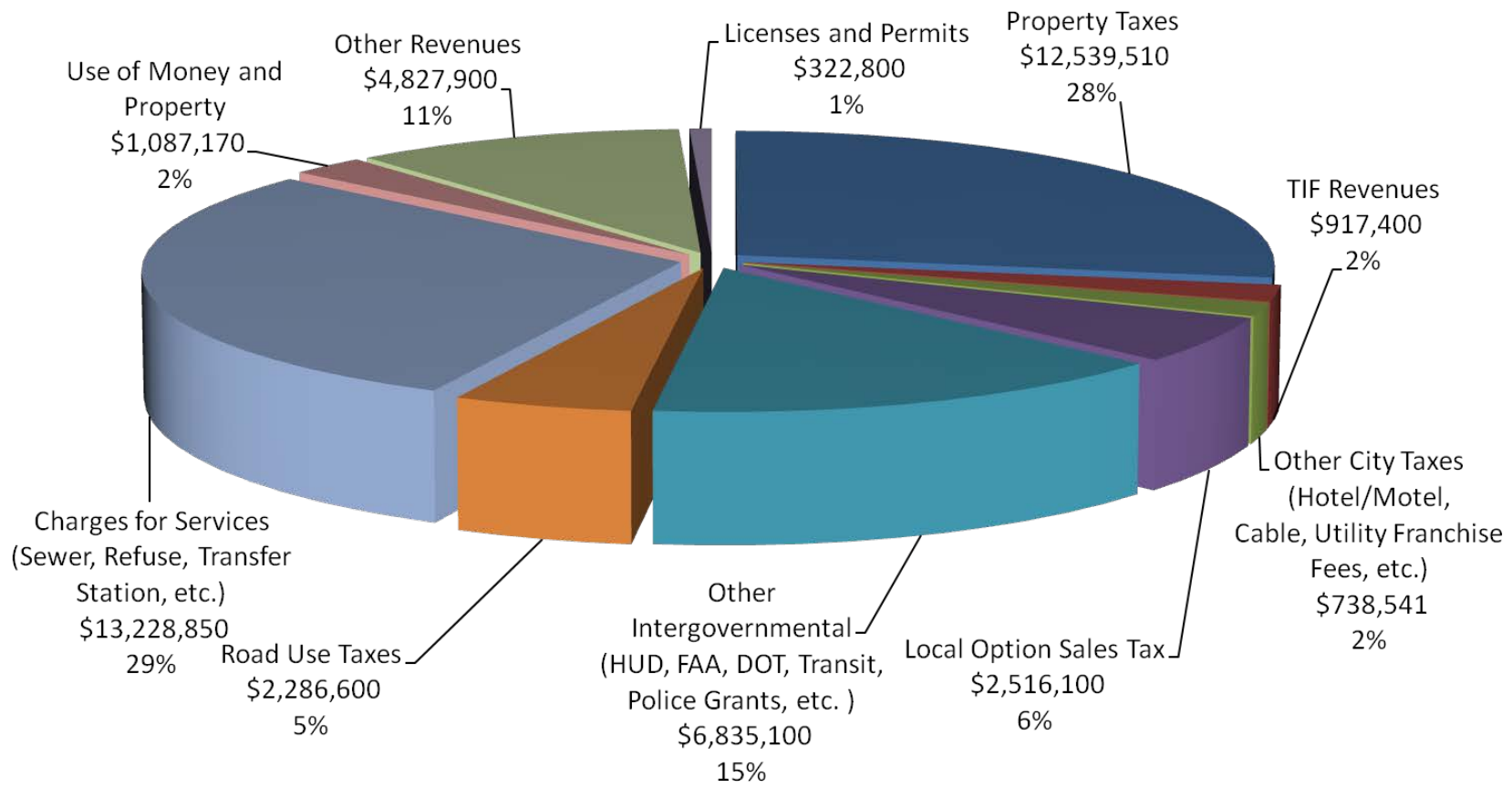
ENTITY-WIDE BUDGET OVERVIEW 2013/2014

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

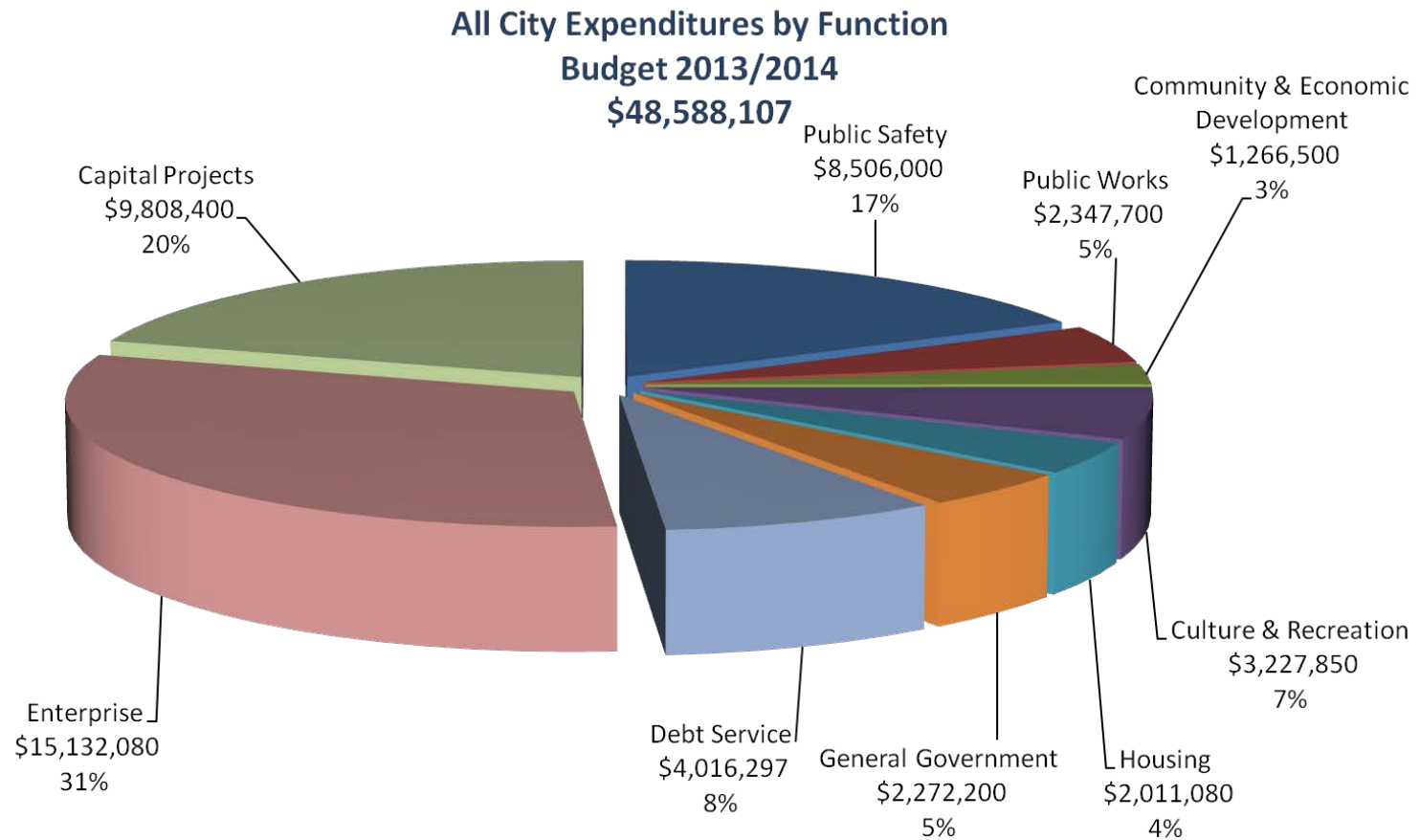
PROPERTY TAX RATE INFORMATION

Where Does the Money Come From?

All City Funds Revenue Sources Budget 2013/2014 \$45,299,971



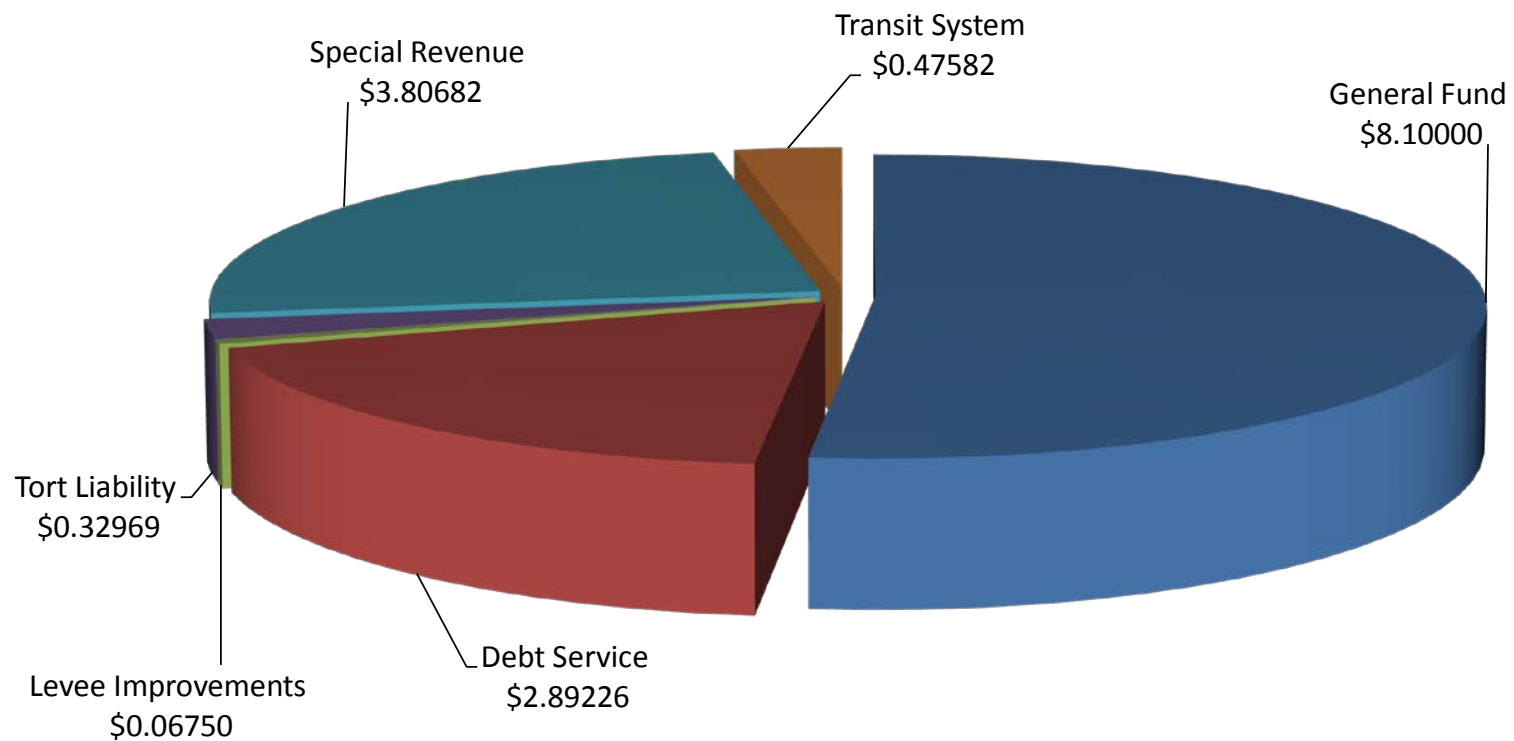
How are the Funds Used?



City Tax Levy Rates by Type

FY 2013/2014

Total \$15.67209/\$1,000 Valuation



Where Do Your Property Taxes Go?



Above tax levy rates reflect fiscal year 2012/2013 rates totaling \$40.15154 per \$1,000 valuation.
Tax levy rates for fiscal year 2013/2014 for the School & 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 2011/2012 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, 2013	\$ 2,949,122	\$ 3,865	\$ 1,798,650	\$ 86,995	\$ 1,606,612	\$ 24,895	\$ 236,381	\$ 10,633,034	\$ 17,339,554
Revenues and Other Sources									
Property Taxes	\$ 7,138,119	\$ 3,027,205	\$ -	\$ 2,374,186	\$ -	\$ -	\$ -	\$ 917,400	\$ 13,456,910
Other City Taxes	715,653	13,007	2,516,100	9,881	-	-	-	-	3,254,641
Licenses and Permits	303,100	-	-	-	1,700	-	-	18,000	322,800
Intergovernmental	553,100	-	-	-	-	-	-	5,496,300	6,049,400
Charges for Services	664,600	-	-	-	4,107,000	1,914,650	2,171,000	5,569,200	14,426,450
Use of Money and Property	148,800	-	1,800	500	3,000	1,500	200	931,370	1,087,170
Other Revenue	1,527,800	-	-	-	91,500	7,350	4,700	3,196,550	4,827,900
Other Financing Sources									
Transfers In	6,354,377	-	503,220	386,299	65,000	36,750	-	2,671,694	10,017,340
Total Revenues and Other Sources	\$ 17,405,549	\$ 3,040,212	\$ 3,021,120	\$ 2,770,866	\$ 4,268,200	\$ 1,960,250	\$ 2,175,900	\$ 18,800,514	\$ 53,442,611
Funds Available	\$ 20,354,671	\$ 3,044,077	\$ 4,819,770	\$ 2,857,861	\$ 5,874,812	\$ 1,985,145	\$ 2,412,281	\$ 29,433,548	\$ 70,782,165
Expenditures and Other Uses									
Public Safety	\$ 8,486,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 8,506,000
Public Works	2,347,700	-	-	-	-	-	-	-	2,347,700
Health and Social Services	20,000	-	-	-	-	-	-	-	20,000
Culture and Recreation	3,093,000	-	-	-	-	-	-	134,850	3,227,850
Community and Economic Development	837,600	-	-	-	-	-	-	2,419,980	3,257,580
General Government	2,232,200	-	-	-	-	-	-	40,000	2,272,200
Debt Service	-	-	-	2,788,604	-	-	-	1,227,693	4,016,297
Business Type/Internal Service	-	-	-	-	2,867,500	1,935,900	2,074,300	9,444,980	16,322,680
Other Financing Uses									
Transfers Out	672,207	3,044,077	3,873,220	-	1,469,844	45,500	99,946	5,171,753	14,376,547
Total Expenditures and Other Uses	\$ 17,688,707	\$ 3,044,077	\$ 3,873,220	\$ 2,788,604	\$ 4,337,344	\$ 1,981,400	\$ 2,174,246	\$ 18,459,256	\$ 54,346,854
Projected Ending Balance, June 30, 2014	\$ 2,665,964	\$ -	\$ 946,550	\$ 69,257	\$ 1,537,468	\$ 3,745	\$ 238,035	\$ 10,974,292	\$ 16,435,311
Increase (Decrease) in									
Fund Balance	\$ (283,158)	\$ (3,865)	\$ (852,100)	\$ (17,738)	\$ (69,144)	\$ (21,150)	\$ 1,654	\$ 341,258	\$ (904,243)
Percent Change in									
Fund Balance	-9.6%	-100.0%	-47.4%	-20.4%	-4.3%	-85.0%	0.7%	3.2%	-5.2%
Percent Ending Fund Balance									
of Expenditures	15.1%	0.0%	24.4%	2.5%	35.4%	0.2%	10.9%	59.5%	30.2%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to decrease by \$283,158 (9.6%) during fiscal year 2013/2014. The budgeted ending balance is 15.1% of expenditures for the year, which meets the minimum percentage required by the City's current financial 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 current financial policies to at least 15%. The 2013/2014 budget meets this higher targeted level.

The ending General fund balance for 2011/2012 increased significantly to 20.4% of that year's expenditures, compared to 13.6% at the end of the 2010/2011 fiscal year. This increase was 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 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 City Council chose to use \$250,000 of the increased balance to complete the financing for the new fire engine which was originally planned to be purchased in 2013/2014. In the original 2012/2013 budget the ending balance was budgeted at 14.3% of General Fund expenditures and it was increased to 16.7% in the revised estimate.

While the General Fund budget for 2013/2014 shows the General Fund balance at 15.1% of expenditures, the budget is being "balanced" with \$283,158 of General Fund balance. This is the amount that the estimated 2013/2014 expenditures exceed the estimated revenues. As noted in the Budget Message, the City Council used a portion of the General Fund balance to fund employee benefit costs in lieu of increasing the City's overall property tax rate. It should be again noted, however, that continuing to use the General Fund balance to fund increased employee benefit costs, specifically the expected continued increase in police and fire pension costs, is not sustainable going forward into future years.

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 \$3,865 beginning fund balance for 2013/2014. The Employee Benefits tax levy for 2013/2014 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2013/2014. This resulted in the zero balance budgeted in this fund at the end of 2013/2014, 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 in the Local Option Sales Tax fund is budgeted to decrease by \$852,100 (47.4%) to \$946,550 in 2013/2014. A significant portion of the accumulated Local Option Sales Tax funds will be used to fund Phase 1 and to begin Phase 2 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 2013/2014 beginning balance of \$86,995 is projected in this fund, primarily due to interest rates on the June 1, 2012 bond issue being less than budgeted. The debt service tax rate for 2013/2014 was set at a rate which will utilize \$17,738 of the accumulated fund balance.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by \$69,144 (4.3%) in 2013/2014. 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 Water Pollution Control expenditures for 2013/2014 include \$200,000 in transfers to the West Hill Sewer Separation Long-Term Financing Plan Reserve. A like amount of funds is budgeted to be transferred to this reserve from the Collection and Drainage fund. Annual transfers from both the Water Pollution Control and Collection and Drainage funds began in 2011/2012 and will continue to be made to this reserve which 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 \$210,000 for 2013/2014. While the ending balance in this fund is budgeted to decrease during 2013/2014, the ending balance is still 35.4% 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 was 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 \$24,895 estimated for July 1, 2013 is projected to decrease to \$3,745 by the end of 2013/2014. The capital outlay allocation budgeted for 2013/2014 includes \$35,500 for the down payment for replacement of the crane and cab. The total cost of this equipment is \$171,500 and an internal loan is budgeted to finance this purchase. The crane to be replaced is the original crane used since the Transfer Station opened in 1995. Annual payments in the next four years will complete the financing for this equipment.

Refuse Collection:

The balance in the Refuse Collection fund is budgeted to increase by \$1,654 (.7%) in 2013/2014. During the review of this budget there was discussion of a possible long-term plan to change to 1-person refuse collection vehicles with side-loaders similar to what is used by the City's curbside recycling contractor. Costs to fully implement such a program would be significant with side-loading refuse vehicles having a higher cost than regular vehicles and the added cost to provide customers with bins that could be loaded by the 1-person trucks. The 2013/2014 budget includes funds for a "trial area" to start moving in this direction, but does not include funding to replace a refuse vehicle. The capital outlay items include \$26,000 to equip two of the current refuse collection vehicles with tippers that would be used to load the standardized refuse bins that would be required under this type of program. The budget also includes \$34,000 to purchase bins, again for a trial area only. It should be noted that with the tippers, a two person

crew will still be required. If this is the direction the City Council wishes to move, a plan to implement the 1-person trucks will need to be implemented over a number of years.

Non-Major Funds:

The fund balance of non-major funds combined is expected to increase by \$341,258 (3.2%) during 2013/2014.

**BUDGET SUMMARY SCHEDULES -
OPERATING FUNDS**

**City of Muscatine
Operating Funds
Budget Summary**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 19,343,769	\$ 18,193,222	\$ 17,200,696	\$ 19,606,371	\$ 17,339,554
Revenues and Other Sources					
Property Taxes	\$ 12,460,811	\$ 12,842,128	\$ 13,106,743	\$ 13,094,913	\$ 13,456,910
Other City Taxes	3,331,418	3,476,323	3,326,354	3,253,454	3,254,641
Licenses and Permits	294,469	332,050	313,200	323,000	322,800
Intergovernmental	5,865,127	5,241,006	5,669,220	5,955,000	6,049,400
Charges for Services	13,341,171	13,992,575	14,055,250	14,213,950	14,426,450
Use of Money and Property	888,859	928,595	1,034,190	1,062,870	1,087,170
Other Revenue	4,355,372	5,029,201	4,543,200	4,858,300	4,827,900
Other Financing Sources					
Transfers In	7,960,242	9,088,568	10,387,342	10,901,566	10,017,340
Refunding Bond Proceeds	0	217,377	0	1,115,000	0
Total Revenues and Other Sources	\$ 48,497,469	\$ 51,147,823	\$ 52,435,499	\$ 54,778,053	\$ 53,442,611
Funds Available	\$ 67,841,238	\$ 69,341,045	\$ 69,636,195	\$ 74,384,424	\$ 70,782,165
Expenditures and Other Uses					
Public Safety	\$ 7,041,234	\$ 7,567,506	\$ 7,998,500	\$ 8,625,100	\$ 8,506,000
Public Works	2,266,789	2,057,197	2,280,400	2,316,300	2,347,700
Health and Social Services	17,800	17,800	20,000	20,000	20,000
Culture and Recreation	3,019,642	3,154,162	3,166,150	3,240,950	3,227,850
Community and Economic Development	3,009,853	3,107,839	3,191,150	3,197,887	3,257,580
General Government	2,008,341	2,044,339	2,162,300	2,151,888	2,272,200
Debt Service	3,399,221	3,013,803	4,069,611	5,151,388	4,016,297
Business Type/Internal Service	15,403,458	16,181,512	15,594,290	16,004,894	16,322,680
Other Financing Uses					
Transfers Out	13,481,678	12,590,515	15,879,909	16,336,463	14,376,547
Total Expenditures and Other Uses	\$ 49,648,016	\$ 49,734,673	\$ 54,362,310	\$ 57,044,870	\$ 54,346,854
Ending Balance, June 30	\$ 18,193,222	\$ 19,606,371	\$ 15,273,885	\$ 17,339,554	\$ 16,435,311

**City of Muscatine
Operating Funds
Fund Statement**

Fund	Estimated Balance (Deficit) 7/1/13	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/14
General	\$ 2,949,122	\$ 17,405,549	\$ 17,688,707	\$ 2,665,964
Enterprise:				
Airport Operations	0	111,000	111,000	0
Transit System	17,810	1,219,200	1,218,700	18,310
Parking System	33,555	207,100	195,000	45,655
Golf Course	55,763	881,000	882,200	54,563
Boat Harbor Operations	19,456	38,700	25,700	32,456
Marina Operations	(3,195)	18,100	18,500	(3,595)
Ambulance Operations	242,744	1,280,200	1,414,800	108,144
Convention & Visitors Bureau	51,880	92,600	120,100	24,380
Refuse Collection	236,381	2,175,900	2,174,246	238,035
Landfill Operations	(1,033,054)	1,439,700	1,101,578	(694,932)
Landfill Surcharge Reserve Part I	0	17,500	17,500	0
Landfill Surcharge Reserve Part II	0	36,750	36,750	0
Landfill Post-Closure Reserve	815,531	30,000	0	845,531
Landfill Closure Reserve	547,288	80,000	0	627,288
Transfer Station Operations	24,895	1,960,250	1,981,400	3,745
Transfer Station Closure Reserve	38,645	10,000	0	48,645
Water Pollution Control	1,606,612	4,268,200	4,337,344	1,537,468
Collection and Drainage	895,020	1,237,500	1,249,300	883,220
WPCP Replacement Reserve	2,014,303	203,000	665,000	1,552,303
West Hill Sewer Reserve	801,118	401,500	0	1,202,618
Sewer Revenue Bond Sinking Fund	100,731	1,070,344	1,061,373	109,702
Sewer Extension and Improvement Reserve	458,021	191,000	0	649,021
Special Revenue:				
Employee Benefits	3,865	3,040,212	3,044,077	0
Emergency Levy	80,401	100	0	80,501
Road Use Tax	432,743	2,286,600	2,148,000	571,343
Community Block Grant	34,840	0	11,800	23,040
Tax Increment - Downtown	76,014	210,200	249,325	36,889
Tax Increment - Southend	987,875	426,500	552,120	862,255
Tax Increment - Cedar Development	17,205	203,000	202,400	17,805
Tax Increment - Muscatine Mall	5,152	19,000	18,500	5,652
Tax Increment - Heinz	3,872	0	0	3,872
Tax Increment - Highway 38 NE	0	60,400	60,400	0
Local Option Sales Tax	1,798,650	3,021,120	3,873,220	946,550
Equipment Replacement	79,374	124,300	102,500	101,174
Computer Replacement	3,503	40,000	40,000	3,503
COPS Grant Future Commitment Reserve	40,000	40,000	0	80,000
Public Housing Operations	184,923	825,620	847,980	162,563
Section 8 Voucher Program	120,607	1,917,800	1,937,680	100,727
Home Ownership Program	143,545	27,100	55,000	115,645
Sunset Park Education Center	10,580	18,100	18,400	10,280
Police Forfeiture Fund	27,378	5,000	5,000	27,378
Trust and Agency:				
Insurance Trust	44,542	100	40,000	4,642
Perpetual Care Fund	849,316	6,000	0	855,316
Perpetual Care Interest Trust	0	17,900	17,900	0
Cemetery Special Trusts	60,889	1,000	3,350	58,539
Library Trusts	225,601	24,700	22,000	228,301
Art Center Trusts	472,399	26,700	22,000	477,099
Parks and Recreation Trust	5,526	0	0	5,526
Debt Service:				
General Obligation	86,995	2,770,866	2,788,604	69,257
Internal Service:				
Equipment Services	81,062	1,197,600	1,190,600	88,062
Dental Insurance	18,312	131,500	137,200	12,612
Health Insurance	1,571,759	2,626,100	2,659,600	1,538,259
Total *	\$ 17,339,554	\$ 53,442,611	\$ 54,346,854	\$ 16,435,311

*Includes interfund transactions.

**City of Muscatine
Operating Funds
Revenue Summary**

Fund	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
General	\$ 15,629,388 *	\$ 17,080,185 *	\$ 17,053,676	\$ 17,360,820	\$ 17,405,549
Enterprise:					
Airport Operations	98,158	104,827	116,800	126,460	111,000
Transit System	877,210	1,003,032	1,119,800	1,100,200	1,219,200
Parking System	175,873	182,373	173,100	178,300	207,100
Golf Course	777,025	875,990 *	856,400	850,300	881,000
Boat Harbor Operations	27,338	39,814	27,700	38,700	38,700
Marina Operations	13,474	19,532	20,100	18,100	18,100
Ambulance Operations	1,361,282	1,179,899	1,232,000	1,306,200	1,280,200
Convention & Visitors Bureau	0	0	0	108,980	92,600
Refuse Collection	1,971,175	2,110,625	2,108,800	2,130,700	2,175,900
Landfill Operations	1,310,029	1,458,502	1,439,700	1,439,700	1,439,700
Landfill Surcharge Reserve Part I	15,746	17,675	17,500	17,500	17,500
Landfill Surcharge Reserve Part II	33,068	37,118	36,750	36,750	36,750
Landfill Post-Closure Reserve	24,912	28,187	30,000	30,000	30,000
Landfill Closure Reserve	64,133	67,489	80,000	80,000	80,000
Transfer Station Operations	2,039,515	2,045,935	1,986,950	1,965,550	1,960,250
Transfer Station Closure Reserve	9,550	0	0	0	10,000
Water Pollution Control	3,622,598 *	3,774,433	4,108,500	4,290,100	4,268,200
Collection and Drainage	1,112,742	1,166,570	1,208,000	1,214,500	1,237,500
WPCP Replacement Reserve	278,349	206,535	208,000	203,500	203,000
West Hill Sewer Reserve	0	400,118	401,000	401,000	401,500
Sewer Revenue Bond Sinking Fund	716,943	1,062,086	1,063,439	1,063,839	1,070,344
Sewer Extension and Improvement Reserve	200,961	192,754	192,400	264,100	191,000
Special Revenue:					
Employee Benefits	2,811,763	3,100,870	3,025,794	3,025,794	3,040,212
Emergency Levy	59,447	136	100	100	100
Road Use Tax	2,240,867	2,164,577	2,139,800	2,179,900	2,286,600
Community Block Grant	215,697	10,030	0	0	0
Tax Increment - Downtown	202,932	212,631	210,200	208,500	210,200
Tax Increment - Southend	407,957	409,791	427,000	423,000	426,500
Tax Increment - Cedar Development	151,545	161,867	182,000	175,600	203,000
Tax Increment - Muscatine Mall	14,145	14,165	15,000	14,900	19,000
Tax Increment - Heinz	0	14,165	16,000	15,870	0
Tax Increment - Highway 38 NE	0	0	0	0	60,400
Local Option Sales Tax	2,439,190	2,658,273	3,072,400	3,031,320	3,021,120
Equipment Replacement	213,097	194,520	502,400	768,800	124,300
Computer Replacement	53,412	59,854	40,000	40,000	40,000
COPS Grant Future Commitment Reserve	0	0	40,000	40,000	40,000
Public Housing Operations	820,264	632,600	701,240	908,600	825,620
Section 8 Voucher Program	1,853,301	1,757,809	1,861,520	1,831,240	1,917,800
Home Ownership Program	15,011	94,180	20,300	19,900	27,100
Sunset Park Education Center	10,116	20,415	19,500	21,100	18,100
Police Forfeiture Fund	518	5	5,000	47,600	5,000
Trust and Agency:					
Insurance Trust	25,936	16,055	0	100	100
Perpetual Care Fund	7,850	6,373	6,000	6,000	6,000
Perpetual Care Interest Trust	23,612	24,420	17,100	19,600	17,900
Cemetery Special Trusts	1,346	1,104	1,300	1,300	1,000
Library Trusts	78,176	41,579	16,400	32,500	24,700
Art Center Trusts	65,321	16,175	13,300	14,100	26,700
Parks and Recreation Trust	117	762	100	1,600	0
Debt Service:					
General Obligation	2,712,445	2,748,969	2,761,730	3,876,730	2,770,866
Internal Service:					
Equipment Services	1,128,819	1,130,194	1,189,000	1,184,600	1,197,600
Dental Insurance	115,920	119,729	121,900	126,200	131,500
Health Insurance	2,469,196	2,482,896	2,549,800	2,537,800	2,626,100
Total **	\$ 48,497,469	\$ 51,147,823	\$ 52,435,499	\$ 54,778,053	\$ 53,442,611

* Includes encumbrance adjustments.

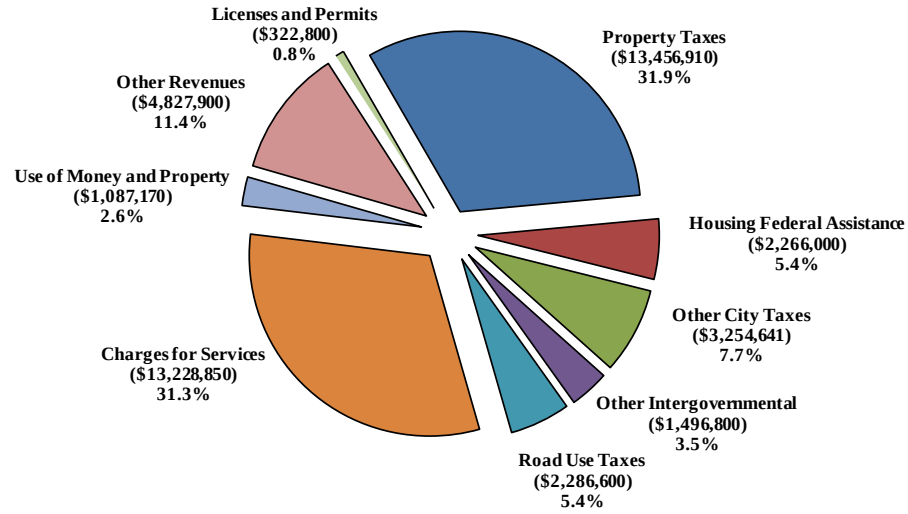
** Includes interfund transactions.

**City of Muscatine
Operating Funds
Expenditure Summary**

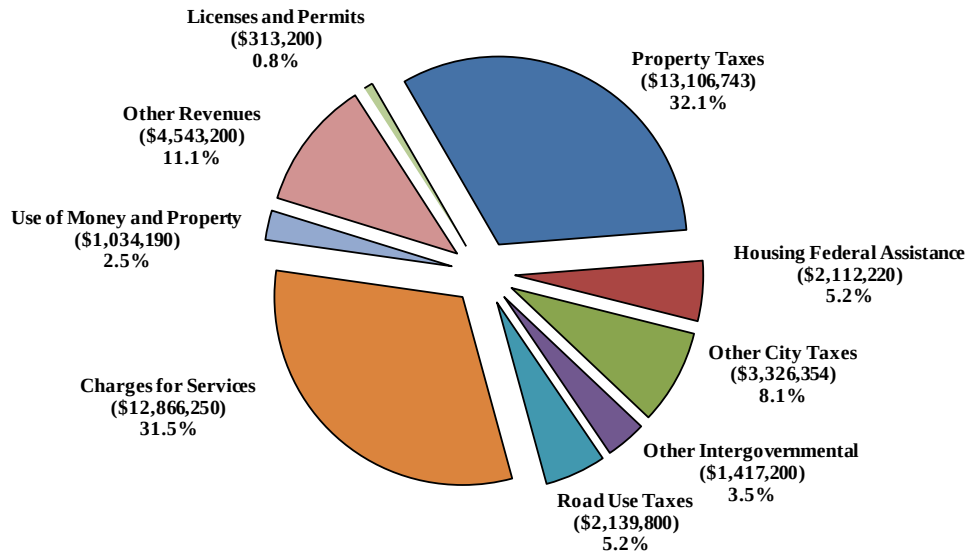
Fund	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Estimate 2012/2013	Budget 2013/2014
General	\$ 15,300,939	\$ 15,912,952	\$ 17,184,247	\$ 17,655,937	\$ 17,688,707
Enterprise:					
Airport Operations	98,158	105,387	116,800	125,900	111,000
Transit System	934,388	998,151	1,168,700	1,173,600	1,218,700
Parking System	187,741	183,454	203,400	201,100	195,000
Golf Course	822,595	874,026	824,000	855,400	882,200
Boat Harbor Operations	40,282	24,221	24,400	25,500	25,700
Marina Operations	16,508	17,456	19,800	18,000	18,500
Ambulance Operations	1,184,112	1,423,918	1,239,700	1,277,900	1,414,800
Convention & Visitors Bureau	0	0	0	57,100	120,100
Refuse Collection	2,028,446	2,068,375	2,073,069	2,085,969	2,174,246
Landfill Operations	898,041	876,182	941,662	954,462	1,101,578
Landfill Surcharge Reserve I	15,746	17,675	17,500	17,500	17,500
Landfill Surcharge Reserve II	33,068	37,118	36,750	36,750	36,750
Transfer Station Operations	1,836,350	2,018,595	1,954,120	1,955,120	1,981,400
Water Pollution Control	3,494,306	4,073,745	4,397,339	4,526,839	4,337,344
Collection and Drainage	884,140	1,090,425	1,221,200	1,212,700	1,249,300
WPCP Replacement Reserve	280,250	1,548,643	461,500	681,900	665,000
Sewer Revenue Bond Sinking Fund	1,004,484	1,060,306	1,061,573	1,061,573	1,061,373
Sewer Extension and Improvement Reserve	5,482	165,732	0	797,500	0
Special Revenue:					
Employee Benefits	2,791,008	3,084,817	3,144,943	3,186,187	3,044,077
Emergency Levy	59,282	0	0	0	0
Road Use Tax	2,079,239	2,079,960	2,497,200	2,587,300	2,148,000
Community Block Grant	210,697	0	0	7,800	11,800
Tax Increment - Downtown	548,640	216,554	209,625	209,625	249,325
Tax Increment - Southend	370,495	470,602	512,282	510,701	552,120
Tax Increment - Cedar Development	147,654	157,440	178,500	171,939	202,400
Tax Increment - Muscatine Mall	14,773	12,489	13,400	13,153	18,500
Tax Increment - Heinz	0	11,847	14,500	14,316	0
Tax Increment - Highway 38 NE	0	0	0	0	60,400
Local Option Sales Tax	4,753,290	1,457,112	4,828,700	3,821,920	3,873,220
Equipment Replacement	198,049	198,506	277,500	791,000	102,500
Computer Replacement	41,057	43,838	40,000	80,488	40,000
Public Housing Operations	1,003,184	1,043,596	814,390	969,470	847,980
Section 8 Voucher Program	1,799,418	1,894,985	1,924,830	1,933,040	1,937,680
Home Ownership Program	33,580	39,507	42,600	43,300	55,000
Sunset Education Center	5,709	14,142	19,500	21,200	18,400
Police Forfeiture Fund	3,950	4,401	5,000	23,000	5,000
Trust and Agency:					
Insurance Trust	0	8,247	0	16,100	40,000
Perpetual Care Interest Trust	23,612	24,420	17,100	19,600	17,900
Cemetery Special Trusts	25,335	4,026	3,350	3,350	3,350
Library Trusts	26,791	66,263	16,400	30,000	22,000
Art Center Trusts	48,535	25,053	68,000	21,400	22,000
Parks and Recreation Trust	6,233	45	50,000	50,000	0
Debt Service:					
General Obligation	2,830,048	2,754,105	2,841,730	3,923,507	2,788,604
Internal Service:					
Equipment Services	1,099,744	1,022,337	1,175,600	1,189,500	1,190,600
Dental Insurance	121,107	128,230	124,000	132,300	137,200
Health Insurance	2,341,550	2,475,790	2,597,400	2,553,900	2,659,600
Total *	\$ 49,648,016	\$ 49,734,673	\$ 54,362,310	\$ 57,044,846	\$ 54,346,854

* Includes interfund transactions.

**All City Operating Revenues By Source
Budget 2013/2014
\$42,227,671**



**All City Operating Revenues By Source
Budget 2012/2013
\$40,859,157**

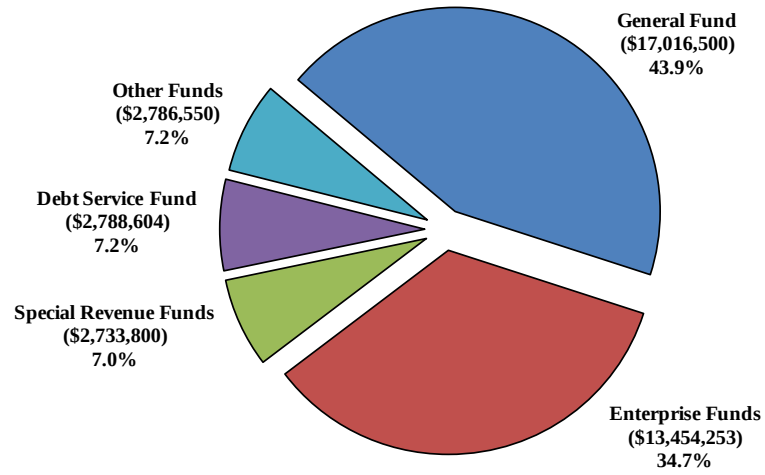


**All City Funds Operating Revenues
Reconciliation Information**

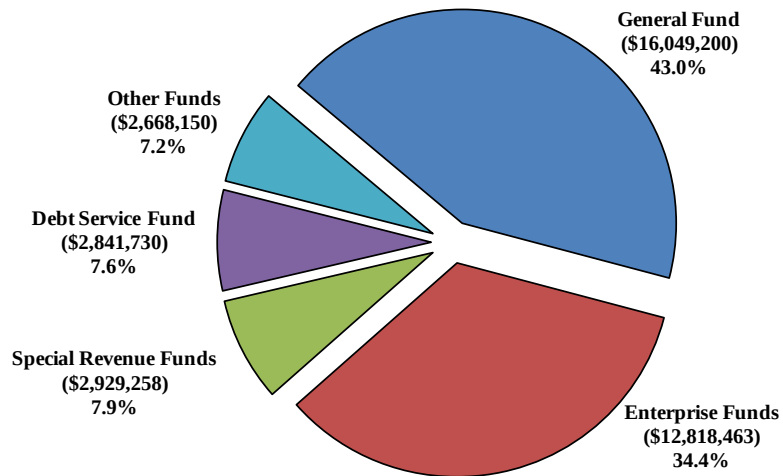
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	<u>2012/2013 Budget</u>	<u>2013/2014 Budget</u>
Revenues per Summary Statement	\$ 52,435,499	\$ 53,442,611
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 67,100	\$ 57,900
Special Revenue Funds	5,210,143	5,192,077
Health Insurance Fund	59,600	57,600
Tax Increment Financing Funds	140,254	161,500
Enterprise Funds	839,000	885,300
Debt Service Fund		
Enterprise Funds	214,281	180,074
Tax Increment Financing	209,625	206,225
Equipment Replacement Fund		
General Fund	495,000	117,000
Computer Replacement Fund		
General Fund	40,000	40,000
COPS Grant Future Commitment Reserve		
General Fund	40,000	40,000
Homeownership Program		
Community Block Grant	0	10,000
Sunset Park Education Center		
Community Block Grant	0	1,800
Airport Operations Fund		
General Fund	47,300	41,300
Transit Operations Fund		
General Fund	320,000	380,000
Landfill Operations		
Landfill Surcharge Reserve	17,500	17,500
Landfill Surcharge Reserves		
Landfill Operations	54,250	54,250
Landfill Closure and Post-Closure Reserves		
Landfill Operations	110,000	110,000
Transfer Station		
Landfill Surcharge Reserve	36,750	36,750
Transfer Station Closure Reserve		
Transfer Station	0	10,000
Water Pollution Control Fund		
Sewer Reserve Funds	131,500	65,000
Sewer Reserves		
Water Pollution Control Fund	200,000	200,000
Collection & Drainage Fund	180,000	180,000
Sewer Sinking Fund	1,063,339	1,069,844
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	511,700	503,220
Total Transfers In	<u>10,387,342</u>	<u>10,017,340</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,189,000</u>	<u>1,197,600</u>
Budgeted Revenues Net of Transfers	<u>\$ 40,859,157</u>	<u>\$ 42,227,671</u>

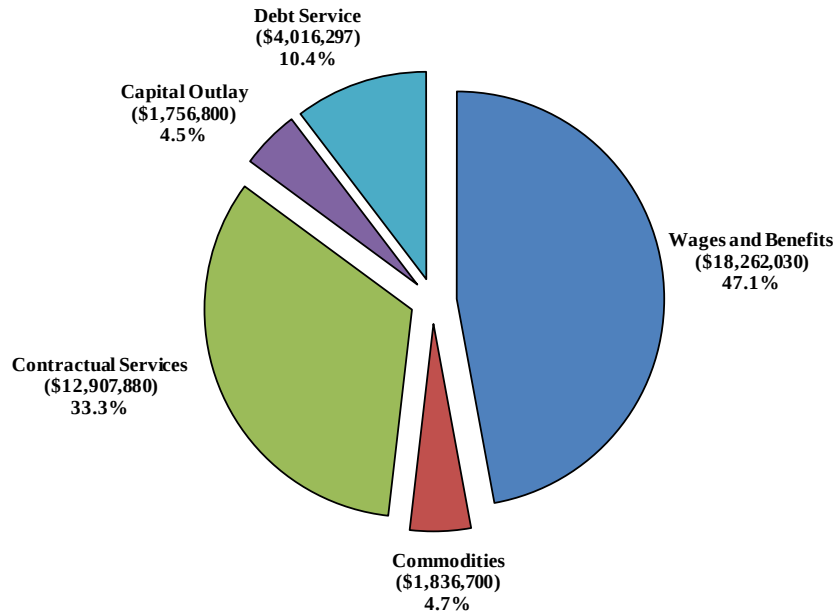
**All City Operating Expenditures By Fund
Budget 2013/2014
\$38,779,707**



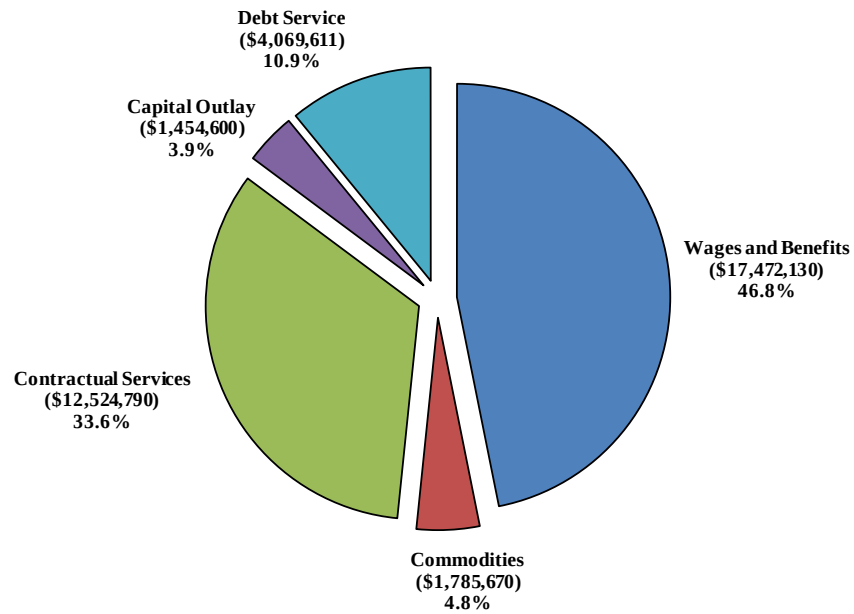
**All City Operating Expenditures By Fund
Budget 2012/2013
\$37,306,801**



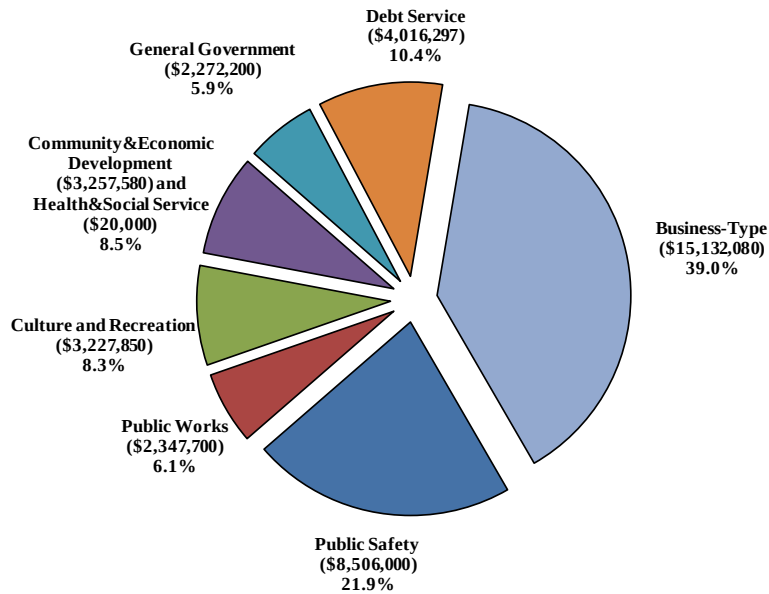
**All City Operating Expenditures By Type
Budget 2013/2014
\$38,779,707**



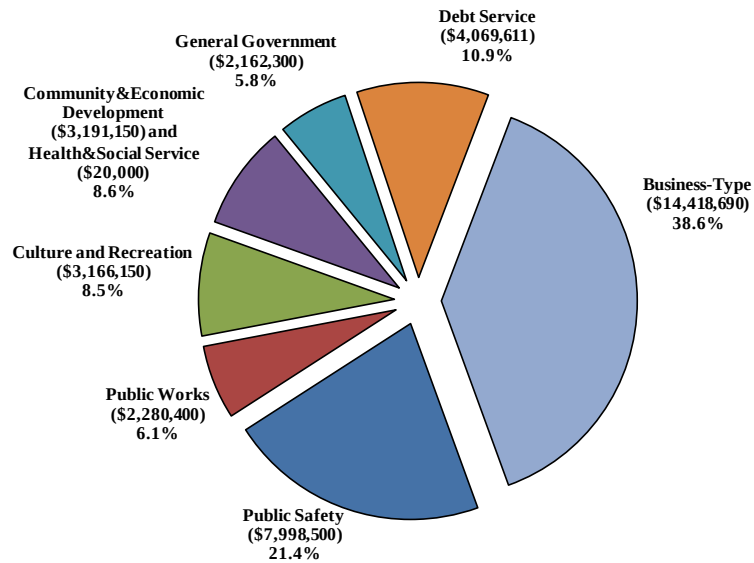
**All City Operating Expenditures By Type
Budget 2012/2013
\$37,306,801**



All City Operating Expenditures By Function *
Budget 2013/2014
\$38,779,707



All City Operating Expenditures By Function *
Budget 2012/2013
\$37,306,801



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

BUDGET FUNCTIONS

GENERAL GOVERNMENT:

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

PUBLIC SAFETY:

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

CULTURE AND RECREATION:

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

PUBLIC WORKS:

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

COMMUNITY AND ECONOMIC DEVELOPMENT:

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

HEALTH AND SOCIAL SERVICES:

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

DEBT SERVICE:

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

BUSINESS TYPE ACTIVITIES:

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

**All City Funds Operating Expenditures
Reconciliation Information**

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

	<u>2012/2013 Budget</u>	<u>2013/2014 Budget</u>
Expenditures per Summary Statement	\$ 54,362,310	\$ 54,346,854
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 320,000	\$ 380,000
Airport Operations Fund	47,300	41,300
Equipment Replacement Fund	495,000	117,000
Computer Replacement Fund	40,000	40,000
COPS Grant Future Commitment Reserve	40,000	40,000
Capital Projects Fund	192,747	53,907
Trust and Agency Funds		
General Fund	67,100	57,900
Special Revenue Funds		
General Fund	5,210,143	5,192,077
Capital Projects Fund	5,260,700	3,885,020
Tax Increment Financing	389,879	507,525
Golf Course Fund		
Capital Projects Fund	50,000	60,000
Ambulance Fund		
General Fund	839,000	885,300
Landfill Operations Fund		
Landfill Surcharge Reserve	54,250	54,250
Landfill Closure/Post-Closure Reserve	110,000	110,000
Debt Service Fund	114,312	80,128
Landfill Surcharge Reserve		
Landfill Operations Fund	17,500	17,500
Transfer Station Fund	36,750	36,750
Refuse Collection Fund		
Debt Service Fund	99,969	99,946
Transfer Station Operations Fund		
Transfer Station Closure Reserve	0	10,000
Capital Projects Fund	30,820	35,500
Water Pollution Control Fund		
Sewer Reserves	1,463,339	1,469,844
Water Pollution Control Plant Replacement Reserve		
Water Pollution Control Fund	131,500	65,000
Capital Projects Fund	330,000	600,000
Collection & Drainage		
Sewer Reserves	380,000	380,000
Capital Projects Fund	100,000	100,000
Health Insurance Fund		
General Fund	<u>59,600</u>	<u>57,600</u>
Total Transfers Out	<u>\$ 15,879,909</u>	<u>\$ 14,376,547</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,175,600</u>	<u>1,190,600</u>
Budgeted Expenditures Net of Transfers	<u>\$ 37,306,801</u>	<u>\$ 38,779,707</u>

City of Muscatine
Matrix of 2013/2014 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	\$ 72,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 72,800
Legal Services	70,600	0	0	0	0	0	0	0	70,600
City Administrator	255,500	0	0	0	0	0	0	0	255,500
Human Resources	159,800	0	0	0	0	0	0	0	159,800
Wellness Program	57,600	0	0	0	0	0	0	0	57,600
Finance and Records	553,900	0	0	0	0	0	0	0	553,900
Computer Operations	214,500	0	0	0	0	0	0	0	214,500
Risk Management	334,900	0	0	0	0	0	0	0	334,900
Building and Grounds	512,600	0	0	0	0	0	0	0	512,600
Police Operations	0	4,604,500	0	0	0	0	0	0	4,604,500
Animal Control	0	127,900	0	0	0	0	0	0	127,900
Fire Operations	0	3,705,100	0	0	0	0	0	0	3,705,100
Emergency Management	0	48,500	0	0	0	0	0	0	48,500
Library	0	0	1,072,000	0	0	0	0	0	1,072,000
Cable Television Operations	0	0	18,500	0	0	0	0	0	18,500
Art Center	0	0	297,400	0	0	0	0	0	297,400
Park Administration	0	0	165,900	0	0	0	0	0	165,900
Park Maintenance	0	0	633,900	0	0	0	0	0	633,900
Kent Stein Park	0	0	218,700	0	0	0	0	0	218,700
Soccer Complex	0	0	205,900	0	0	0	0	0	205,900
Swimming Pools	0	0	194,500	0	0	0	0	0	194,500
Recreation	0	0	126,600	0	0	0	0	0	126,600
Cemetery	0	0	159,600	0	0	0	0	0	159,600
Community Development	0	0	0	711,100	0	0	0	0	711,100
Economic Development	0	0	0	126,500	0	0	0	0	126,500
Economic Well-Being	0	0	0	0	20,000	0	0	0	20,000
Public Works Administration	0	0	0	0	0	160,500	0	0	160,500
Roadway Maintenance	0	0	0	0	0	1,321,500	0	0	1,321,500
Traffic Control	0	0	0	0	0	161,200	0	0	161,200
Snow and Ice Control	0	0	0	0	0	381,600	0	0	381,600
Street Cleaning	0	0	0	0	0	185,800	0	0	185,800
Engineering	0	0	0	0	0	137,100	0	0	137,100

(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	111,000	111,000
Transit Operations	0	0	0	0	0	0	0	1,218,700	1,218,700
Parking System	0	0	0	0	0	0	0	195,000	195,000
Golf Course	0	0	0	0	0	0	0	822,200	822,200
Boat Harbor Operations	0	0	0	0	0	0	0	25,700	25,700
Marina Operations	0	0	0	0	0	0	0	18,500	18,500
Ambulance Operations	0	0	0	0	0	0	0	529,500	529,500
Convention and Visitors Bureau	0	0	0	0	0	0	0	120,100	120,100
Public Housing	0	0	0	0	0	0	0	847,980	847,980
Refuse Collection	0	0	0	0	0	0	0	2,074,300	2,074,300
Landfill Operations	0	0	0	0	0	0	0	857,200	857,200
Transfer Station	0	0	0	0	0	0	0	1,935,900	1,935,900
Collection and Drainage	0	0	0	0	0	0	0	769,300	769,300
Water Pollution Control	0	0	0	0	0	0	0	2,867,500	2,867,500
Sewer Sinking Fund	0	0	0	0	0	0	1,061,373	0	1,061,373
Special Revenue Funds:									
Equipment Replacement	0	15,000	87,500	0	0	0	0	0	102,500
Southend Tax Increment	0	0	0	164,400	0	0	166,320	0	330,720
Cedar Development Tax Increment	0	0	0	202,400	0	0	0	0	202,400
Muscatine Mall Tax Increment	0	0	0	18,500	0	0	0	0	18,500
Heinz Tax Increment	0	0	0	0	0	0	0	0	0
Highway 38 NE Tax Increment	0	0	0	23,600	0	0	0	0	23,600
Section 8 Housing	0	0	0	1,937,680	0	0	0	0	1,937,680
Home Ownership Program	0	0	0	55,000	0	0	0	0	55,000
Sunset Park Children's Education Program	0	0	0	18,400	0	0	0	0	18,400
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	40,000	0	0	0	0	0	0	0	40,000
Debt Service Fund	0	0	0	0	0	0	2,788,604	0	2,788,604
Internal Service Fund:									
Health Insurance Fund	0	0	0	0	0	0	0	2,602,000	2,602,000
Dental Insurance Fund	0	0	0	0	0	0	0	137,200	137,200
Trust and Agency Funds:									
Library Trusts	0	0	22,000	0	0	0	0	0	22,000
Cemetery Trust	0	0	3,350	0	0	0	0	0	3,350
Art Center Trusts	0	0	22,000	0	0	0	0	0	22,000
Total	\$ 2,272,200	\$ 8,506,000	\$ 3,227,850	\$ 3,257,580	\$ 20,000	\$ 2,347,700	\$ 4,016,297	\$ 15,132,080	\$ 38,779,707

City of Muscatine
Fulltime Employee Trends

General Fund

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Budget 2012-13	Actual 2012-13	Budget 2013-14
City Administrator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
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	1.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
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	5.35	5.65	5.65	5.65	5.65	5.65	5.65	5.65	5.65	5.65	5.70 (1)
Information Technology	1.00	1.65	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Buildings and Grounds	6.20	6.20	6.20	5.70	5.70	5.40	4.35	4.35	4.35	4.35	4.35
Police	39.75	40.60	40.75	40.88	41.88	42.88	41.88	43.88	44.88	44.88	44.88
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	29.00	29.50	30.00	36.50	36.50	36.50	36.50	36.50	37.50	37.50	37.50
Library (FTE)	15.75	15.75	15.75	15.75	15.77	15.93	15.91	15.74	15.78	15.51 (2)	15.18 (2)
Art Center (FTE)	4.43	4.33	4.33	4.33	4.33	4.04	4.57	4.54	4.25	4.25	4.25
Park Administration	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Park Maintenance *	6.25	6.32	6.50	6.75	6.75	6.75	6.08	6.00	6.00	6.00	6.00
Kent Stein Park *	1.00	1.04	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Soccer Complex *	1.00	1.03	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13
Recreation *	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cemetery *	1.75	1.69	1.50	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Community Development	7.00	7.00	7.00	6.50	6.33	6.17	6.67	6.72	6.92	6.92	6.92
Street Cleaning	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Roadway Maintenance	11.33	11.33	11.33	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	1.33	1.33	1.33	1.33	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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	145.60	145.25	146.42	151.90	152.42	152.83	150.87	152.64	154.59	154.32	154.04

City of Muscatine
Fulltime Employee Trends

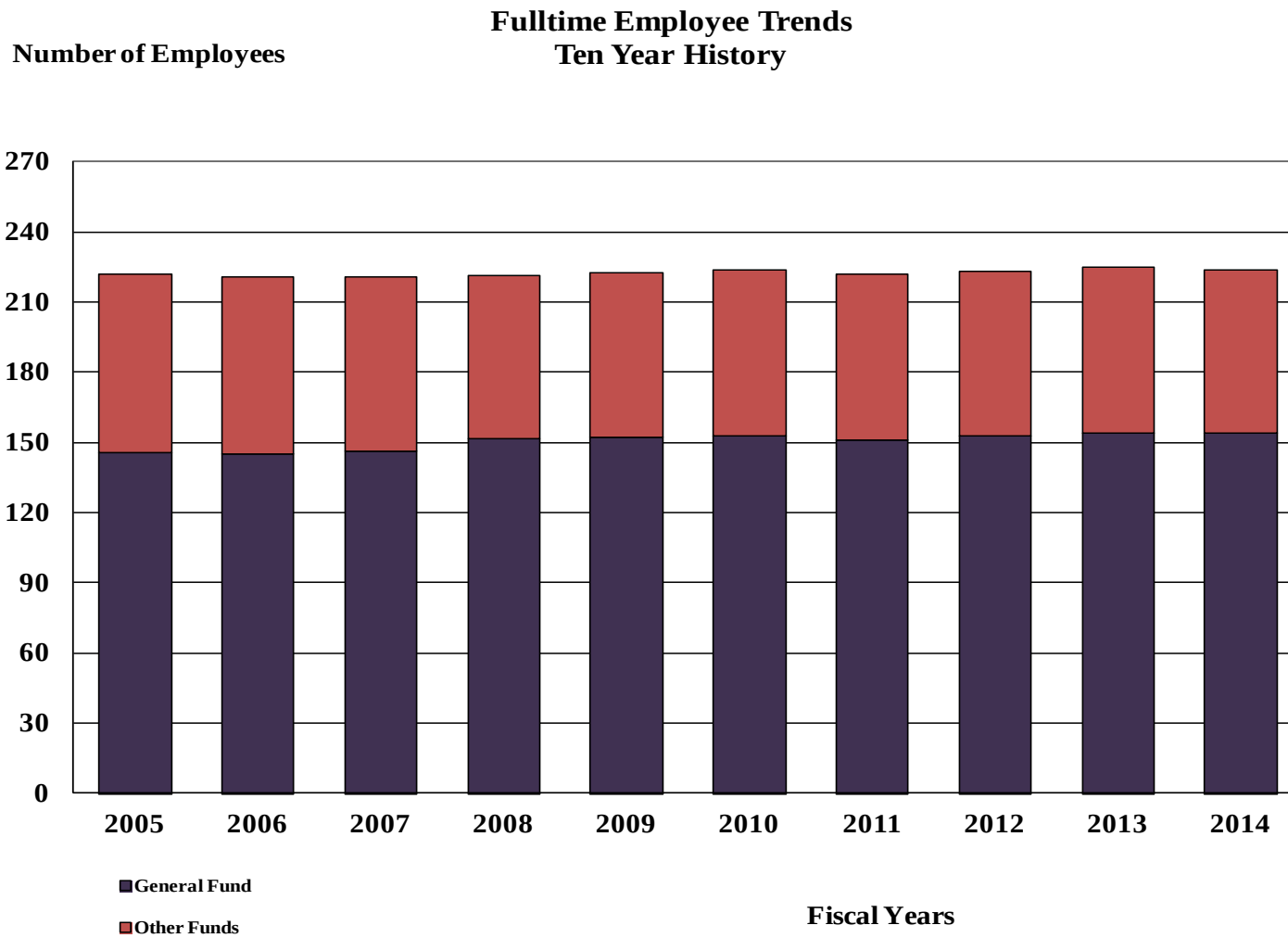
Enterprise / Other Funds

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Budget 2012-13	Actual 2012-13	Budget 2013-14
Parking System	3.65	3.65	3.60	3.60	3.10	3.10	3.10	3.10	3.10	3.10	3.05 (3)
Golf Course *	3.00	2.75	2.00	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 *	2.83	2.83	2.83	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Refuse Collection	9.80	9.80	9.80	10.30	10.30	11.30	10.45	10.66	10.66	10.66	10.66
Landfill	0.83	0.33	0.33	0.33	0.33	0.33	0.30	0.25	0.25	0.25	0.25
Transfer Station	3.17	3.67	3.67	3.67	3.67	3.67	3.58	3.42	3.42	3.42	3.42
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	11.50	11.00	11.00	11.00	11.00	11.00	10.75	10.75	10.75	10.75	9.75 (4)
Pumping Stations	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Laboratory Operations	4.25	4.25	4.25	4.25	4.25	4.25	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Collection and Drainage	5.25	5.25	5.25	5.45	6.78	6.78	6.53	6.53	6.53	6.53	6.53
Storm Water Operations	0.50	1.00	1.00	1.00	1.00	0.33	0.58	0.58	0.58	0.58	0.58
Ambulance Operations	8.75	8.25	7.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Housing (FTE)	10.50	10.50	10.50	10.50	10.50	10.75	12.50	12.13	12.13	12.25 (5)	12.25 (5)
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	76.28	75.53	74.23	69.63	70.46	71.04	71.07	70.70	70.70	70.82	69.77
Grand Total	221.88	220.78	220.65	221.53	222.88	223.87	221.94	223.34	225.29	225.14	223.81

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

Position Changes/Reallocations for the 2012/2013 Revised Estimate and 2013/2014 Budget:

1. The 2013/2014 budget shows Finance Director reallocation from 90% to 95% in Finance.
2. Library Assistant part time position eliminated January of 2013.
3. The 2013/2014 budget shows Finance Director reallocation from 10% to 5% in Parking.
4. One Treatment Plant Operator position will be eliminated after employee retirement.
5. Sunset Park custodian increased from 1/3 to 1/2 time.



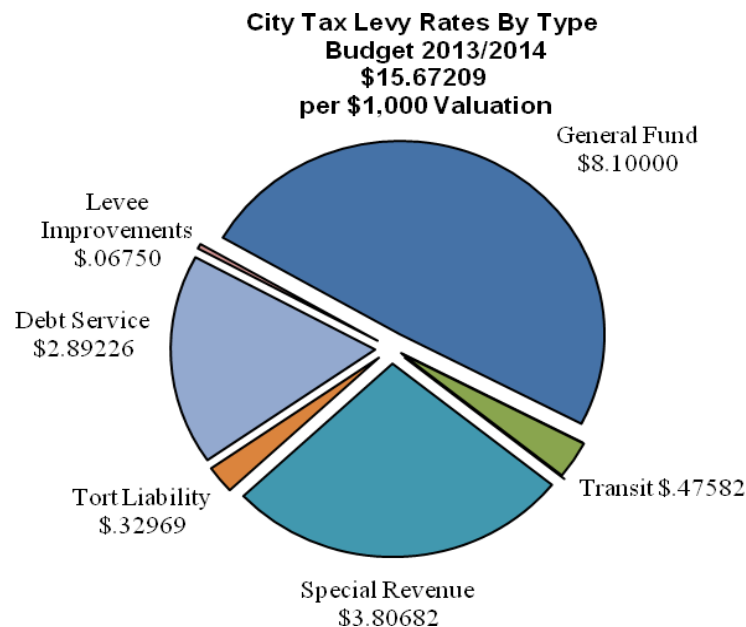
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Years 2012/2013 and 2013/2014

	2012/2013 Budget		2013/2014 Budget		Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
	Collections	Levy Per \$1,000 of Assessed Valuation	Collections	Levy Per \$1,000 of Assessed Valuation			
General Fund	\$ 6,299,276	\$ 8.10000	\$ 6,441,167	\$ 8.10000	0.00%	\$ 141,891	2.25%
Transit System	318,463	0.40950	378,375	0.47582	16.20%	59,912	18.81%
Tort Liability	248,199	0.31915	262,171	0.32969	3.30%	13,972	5.63%
Special Revenue:							
Police and Fire Retirement	\$ 1,116,495	\$ 1.43566	\$ 1,351,924	\$ 1.70009	18.42%	\$ 235,429	21.09%
FICA/IPERS	557,941	0.71744	588,048	0.73949	3.07%	30,107	5.40%
Other Employee Benefits	1,436,761	1.84748	1,617,479	2.03404	10.10%	180,718	12.58%
Reduction *	(99,941)	(0.12851)	(530,246)	(0.66680)		(430,305)	
Subtotal	\$ 3,011,256	\$ 3.87207	\$ 3,027,205	\$ 3.80682	(1.69%)	\$ 15,949	0.53%
Debt Service	2,326,416	2.90388	2,374,186	2.89226	(0.40%)	47,770	2.05%
Levee Improvements	52,494	0.06750	53,676	0.06750	0.00%	1,182	2.25%
Total	\$ 12,256,104	\$ 15.67209	\$ 12,536,780	\$ 15.67209	0.00%	\$ 280,676	2.29%
Agricultural Land	2,639	3.00397	2,730	3.00394	0.00%	91	3.45%
Grand Total	\$ 12,258,743	\$ 15.67209	\$ 12,539,510	\$ 15.67209	0.00%	\$ 280,767	2.29%
		\$ 3.00397		\$ 3.00394	(0.00%)		

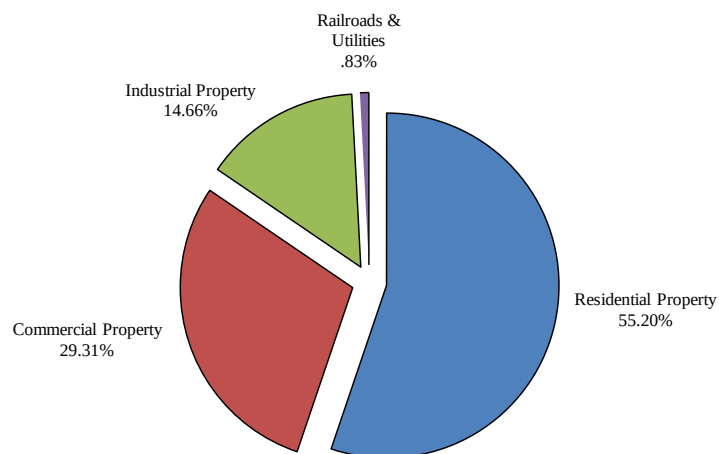
* In 2012/2013 the Employee Benefits levy was reduced to keep the overall City tax levy rate at the rate approved by City Council. This resulted in \$99,941 of the General Fund balance being used for employee benefits during 2012/2013. The 2013/2014 budget reflects a reduction of \$530,246 in the Employee Benefits levy which was the amount needed to maintain the same total tax levy rate for 2013/2014. This resulted in \$530,246 of the General Fund balance being used to fund employee benefits.



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

	<u>January 1, 2011</u>	<u>January 1, 2012</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	<u>MEMO ONLY Percent Increase (Decrease) in Actual Value</u>
Residential Property (1)	\$ 418,570,988	\$ 439,988,430	\$ 21,417,442	5.12%	0.99%
Commercial Property (2)	236,549,608	233,677,171	(2,872,437)	-1.21%	-1.21%
Industrial Property (3)	117,483,923	116,856,275	(627,648)	-0.53%	-0.53%
Railroads	628,206	648,208	20,002	3.18%	3.18%
Utilities (4)	6,457,240	5,981,766	(475,474)	-7.36%	-7.36%
Total Valuations	\$ 779,689,965	\$ 797,151,850	\$ 17,461,885	2.24%	0.36%
Less Military Exemptions	<u>2,001,533</u>	<u>1,946,036</u>	<u>(55,497)</u>	-2.77%	
Total Net Valuation	<u>\$ 777,688,432</u>	<u>\$ 795,205,814</u>	<u>\$ 17,517,382</u>	2.25%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included					
	<u>\$ 781,443,576</u>	<u>\$ 798,621,557</u>	<u>\$ 17,177,981</u>	2.21%	

1. Residential taxable valuations realized an increase in the rollback factor from 50.7518% to 52.8166% for January 1, 2012 (an increase of 4.06%).
2. Commercial valuations for January 1, 2012 are at 100%, the same as in 2011 (0% change).
3. Industrial property continues to be valued at 100% of assessed value.
4. 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. The amount of the City's utility tax revenue depends upon the amount of energy produced and used statewide and each city's proportional share.

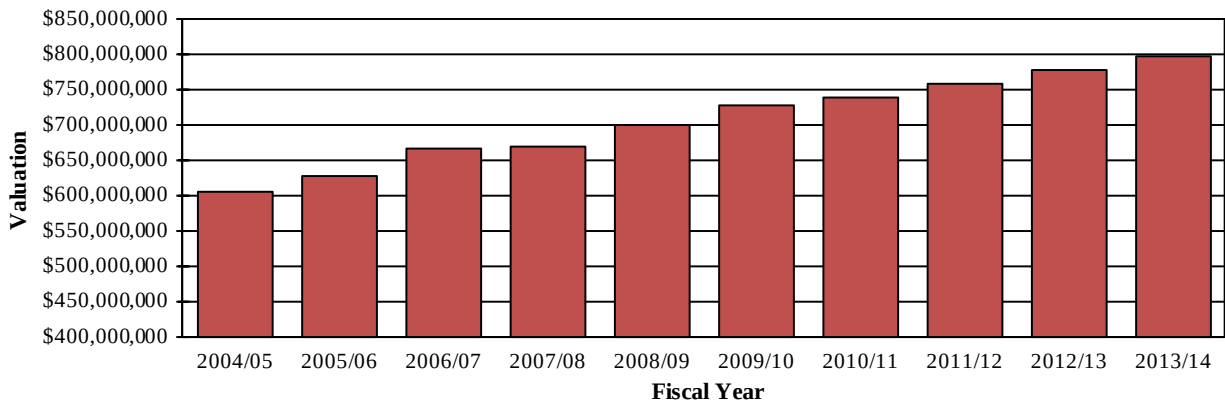


2012 Taxable Valuations by Type
(Valuations Used for 2013/2014 Tax Levy)

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

Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
2004/05	\$ 600,461,872	\$ 6,486,449	\$ 2,547,347	\$ 604,400,974	\$ 1,035,415
2005/06	622,763,734	7,311,377	2,455,752	627,619,359	1,007,245
2006/07	658,604,362	7,712,376	2,382,598	663,934,140	1,078,685
2007/08	663,799,345	6,652,746	2,376,768	668,075,323	1,074,675
2008/09	694,284,386	6,926,265	2,278,038	698,932,613	1,109,792
2009/10	720,403,370	7,312,791	2,215,335	725,500,826	984,243
2010/11	731,822,753	7,233,428	2,126,455	736,929,726	828,855
2011/12	750,941,861	7,339,282	2,070,643	756,210,500	906,007
2012/13	772,604,519	7,085,446	2,001,533	777,688,432	878,503
2013/14	790,521,876	6,629,974	1,946,036	795,205,814	908,805

Taxable Property Valuation
Ten Year History

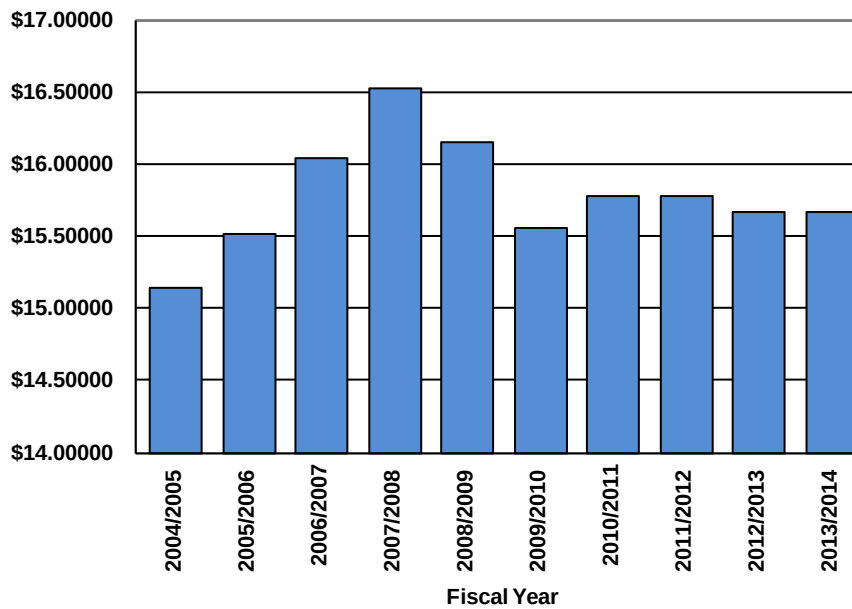


City of Muscatine
City Tax Rate History
Fiscal Years 2004/2005 through 2013/2014

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
2004/2005	15.14549	2.00%
2005/2006	15.51344	2.43%
2006/2007	16.03891	3.39%
2007/2008	16.52993	3.06%
2008/2009	16.15095	-2.29%
2009/2010	15.55353	-3.70%
2010/2011	15.77146	1.40%
2011/2012	15.77146	0.00%
2012/2013	15.67209	-0.63%
2013/2014	15.67209	0.00%

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

Tax Rate Ten Year History



Tax Levies by Entity

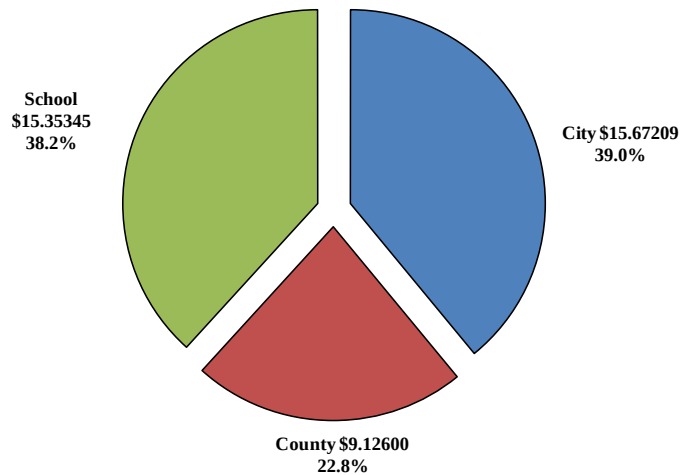
Historical Comparison

Certified Levies Per \$1,000 of Valuation

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
2004/2005	\$ 15.14549	\$ 7.41669	\$ 16.28523	\$ 38.84741
2005/2006	15.51344	7.73543	15.55390	38.80277
2006/2007	16.03891	8.44031	14.70326	39.18248
2007/2008	16.52992	8.79042	15.15328	40.47362
2008/2009	16.15095	8.64189	14.86671	39.65955
2009/2010	15.55353	9.18309	14.90569	39.64231
2010/2011	15.77146	9.60976	14.90920	40.29042
2011/2012	15.77146	9.51343	15.36192	40.64681
2012/2013	15.67209	9.12600	15.35345	40.15154
Percent of 2012/2013 Total Levy	39.0%	22.8%	38.2%	100.0%
2013/2014 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2013/2014 for Muscatine County and the Muscatine Community School district are not yet available.

**Tax Levy Rates By Entity
Fiscal Year 2012/2013
\$40.15154 per \$1,000 Valuation**



MAJOR REVENUE SOURCES SCHEDULES

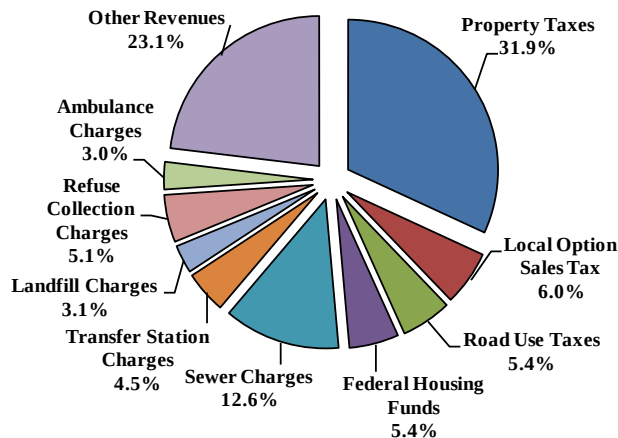
**City of Muscatine
Major Revenue Sources
Fiscal Year 2013/2014 Budget**

General Information

The City of Muscatine budgeted operating revenues of \$42,227,671 for 2013/2014 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 2013/2014 budgeted operating revenues, 76.9% 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.

	2013/2014 Budget	Percent of Total
Property Taxes	\$ 13,456,910	31.9%
Local Option Sales Tax	2,516,100	6.0%
Road Use Taxes	2,286,600	5.4%
Federal Housing Funds	2,266,000	5.4%
Sewer Charges	5,320,000	12.6%
Transfer Station Charges	1,914,650	4.5%
Landfill Charges	1,290,000	3.1%
Refuse Collection Charges	2,171,000	5.1%
Ambulance Charges	1,250,000	3.0%
Other Revenues	<u>9,756,411</u>	<u>23.1%</u>
 Total Operating Revenues	 <u><u>\$ 42,227,671</u></u>	 <u><u>100.0%</u></u>

**Operating Revenues
Budget 2013/2014**



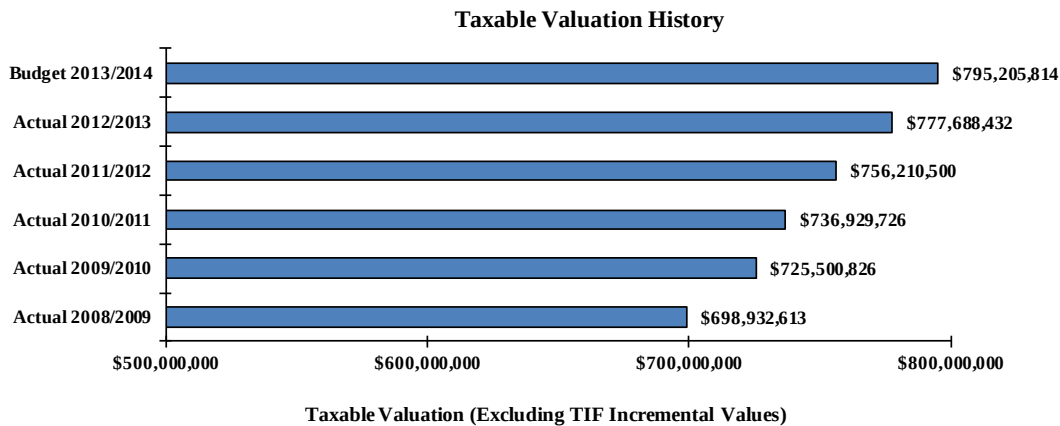
Property Taxes
FY 2013/2014 Budget \$13,456,910

General Information

Property taxes comprise 31.9% 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 2013/2014. 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.

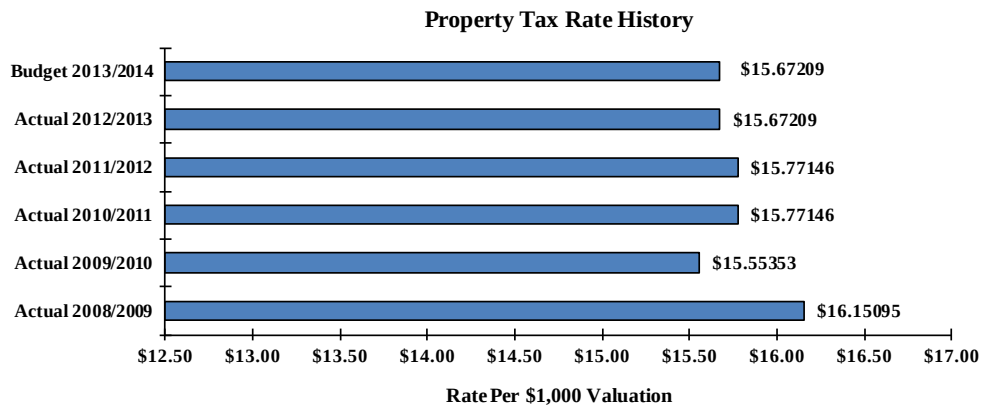
Taxable Valuations



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.

For 2013/2014 actual property valuations increased by .36% and taxable property valuations increased by 2.25%. Residential property increased in valuation for 2013/2014 by .99% in actual and 5.12% in taxable values. Commercial property decreased by 1.21% in both actual and taxable value. Industrial property decreased in both actual and taxable valuation by .53%. The decreases in industrial and commercial valuations were due to revaluations by the County Assessor. The difference between actual and taxable values for residential property is due to changes in the State "rollback" factor for residential property. The rollback factor for residential property was set at 52.8166% for 2013/2014 compared to 50.7518% for 2012/2013 (an increase of 4.06%). The changes in the residential rollback for 2010/2011, 2011/2012, 2012/2013, and 2013/2014 were unusual in that the rollback decreased which resulted in increased taxable values in each of these years. In most prior years the rollback increased which resulted in decreases in taxable values. Commercial and industrial values were valued at 100% in 2013/2014, the same as for 2012/2013.

Property Tax Rates



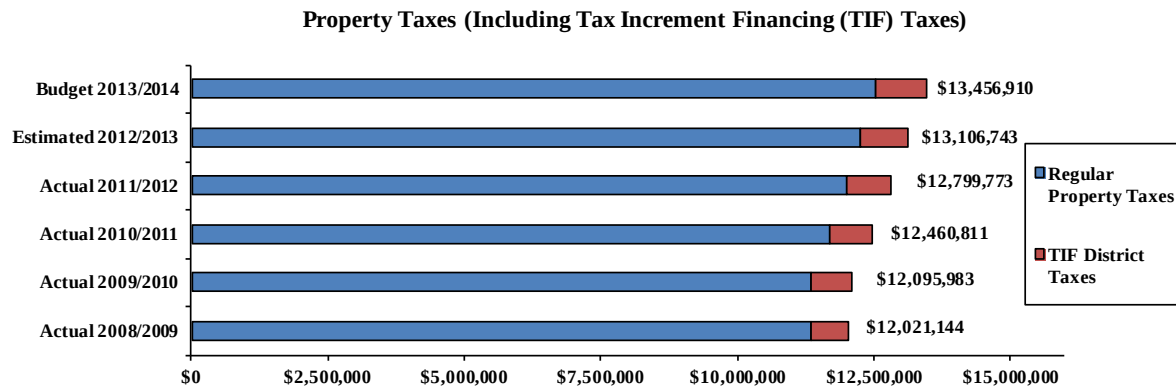
The City's tax rate for 2013/2014 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, Debt Service, and Levee Improvement levies.

Three 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, \$.95 for Transit, and \$.0675 for Levee Improvements. The City is at the maximum rate for the General Fund and Levee Improvement categories, but is less than the maximum for the Transit levy.

The other tax categories do not have limits per \$1,000 of valuation. The Debt Service levy is the amount required for principal and interest on general obligation debt, the Employee Benefits levy is based on budgeted employee benefits in the General Fund, and the Tort Liability levy is based on estimated insurance costs.

The City's tax rate for 2013/2014 was maintained at the same rate as 2012/2013. Increases in the transit and tort liability rates were offset by decreases in the debt service and employee benefits tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefit levy funding \$530,246 less than the full amount of General fund employee benefits eligible to be funded from that levy. In effect, that amount of employee benefits will be funded from the General fund in 2013/2014.

Property Tax Revenue



Property taxes estimated for 2013/2014 total \$13,456,910, including \$12,539,510 from regular property tax and \$917,400 from tax increment financing (TIF) taxes. This is a 2.3% increase in regular property taxes and a 2.7% increase in total taxes including TIF taxes.

**Local Option Sales Tax
FY 2013/2014 Budget \$2,516,100**

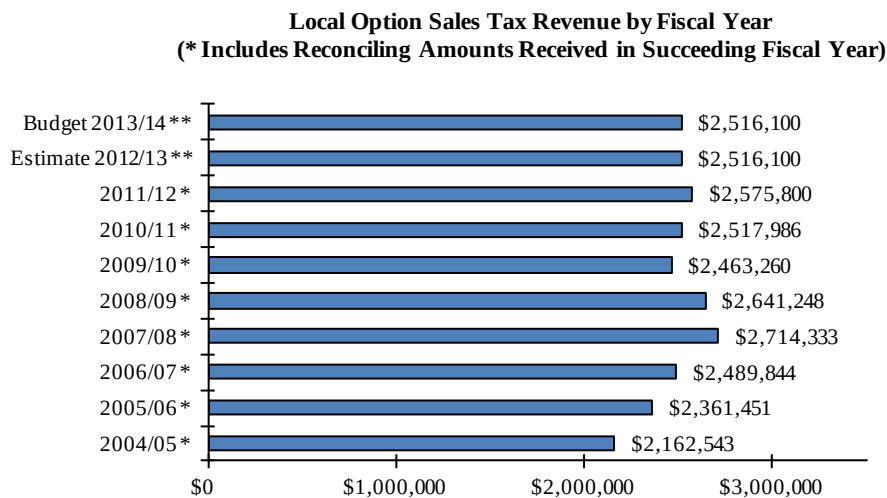
General Information

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 with 80% of the tax proceeds used for storm and sanitary sewer projects and 20% for the City’s pavement management program.

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 2012/2013 and 2013/2014 at the State’s most recent projection without a reconciliation amount.

Local Option Tax Revenue Trends



**Both the 2012/2013 and 2013/2014 amounts have been conservatively estimated due to fluctuations in these revenues in recent years.

Road Use Tax
FY 2013/2014 Budget \$2,286,600

General Information

The State of Iowa collects taxes on gasoline sales, vehicle license fees, and weight taxes. A portion of the funds collected are distributed to cities as Road Use Taxes on a per capita formula basis.

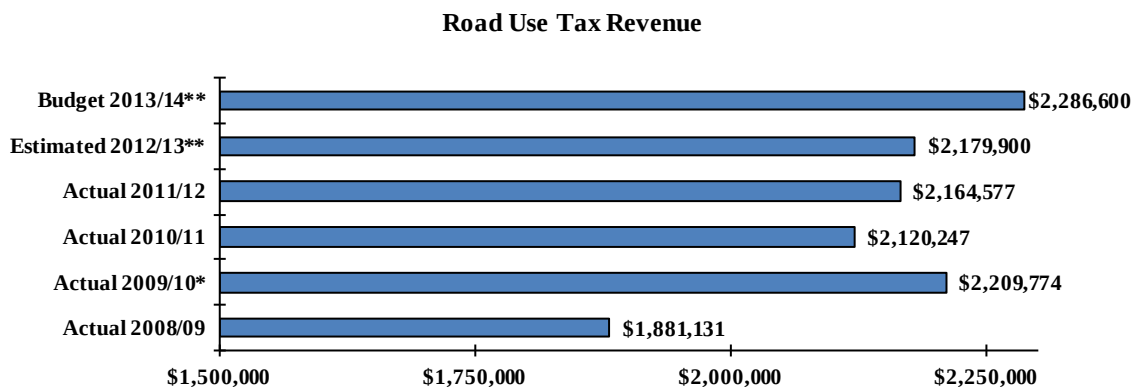
Basis of Road Use Tax Estimate

The estimated per capita rate of distribution of the Road Use Tax is provided by the Iowa Department of Transportation based on current laws regarding specific revenue to and disbursement from the State's Road Use Tax Fund.

Road Use Tax Revenue Trends

The first chart below shows actual Road Use Tax revenues for the previous four fiscal years and the estimated amounts for both the current year and 2013/2014. 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.

The increases in Road Use Tax revenues in 2012/2013 and 2013/2014 are in part due to population increases from two recent voluntary annexations. The population for the first seven months of 2012/2013 was 22,954 (2010 census of 22,886 plus 68 with the annexation of the Heatherlynn and Irish Ivy areas). The population for the last five months of the year increased by 865 to 23,819 due to the annexation of the Ripley's area. The 2013/2014 Road Use Tax estimate is based on a full year of 23,819 population at \$96.00 per capita.



Road Use Taxes (Per Capita Basis)



* Road use tax revenues in 2009/2010 reflect 13 months of Road Use Tax receipts. Beginning in 2009/2010 the City is accruing two months of road use taxes at fiscal year end.

** Road use tax revenues in 2012/2013 and 2013/2014 include increases from two recent voluntary annexations.

**Federal Housing Funds
FY 2013/2014 Budget \$2,266,000**

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. As part of the HUD funding for 2012, housing agencies were required to use previous year unspent HAP funds to fund a portion of the current year's HAP payments. This will result in lower HAPS reserves at the end of 2011/2012, 2012/2013, and 2013/2014. 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 2013 funding, the City will not be provided sufficient HUD funding to assist the maximum number of individuals or families authorized (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.

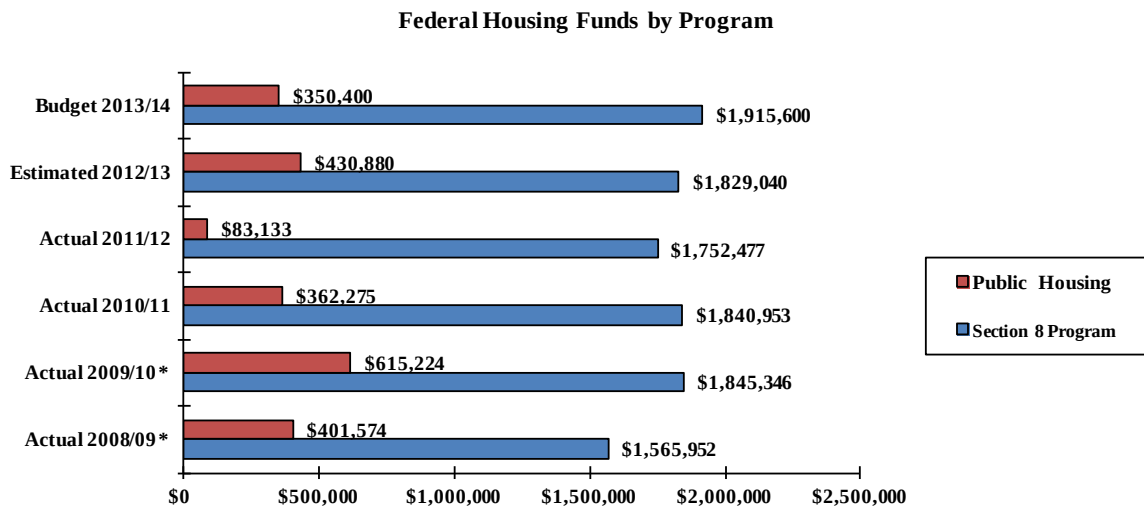
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. HUD Operating funds were \$173,593 in 2008/2009, \$184,564 in 2009/2010, and \$165,584 in 2010/2011. For calendar year 2012, however, HUD changed how Operating Subsidy funds were allocated taking into consideration the operating reserve for each housing agency. This resulted in the City's Public Housing Program receiving no Operating Subsidy during calendar year 2012. Since the calendar year encompasses two City fiscal years, the Operating Subsidy for

the first six months of the 2011/2012 fiscal year was \$83,133 and no funding was received in the last six months of the year. An estimated \$108,000 in Operating Subsidy has been budgeted for the last six months of fiscal year 2012/2013 (January-June, 2013). The estimated Operating Subsidy for 2013/2014 is \$200,400.

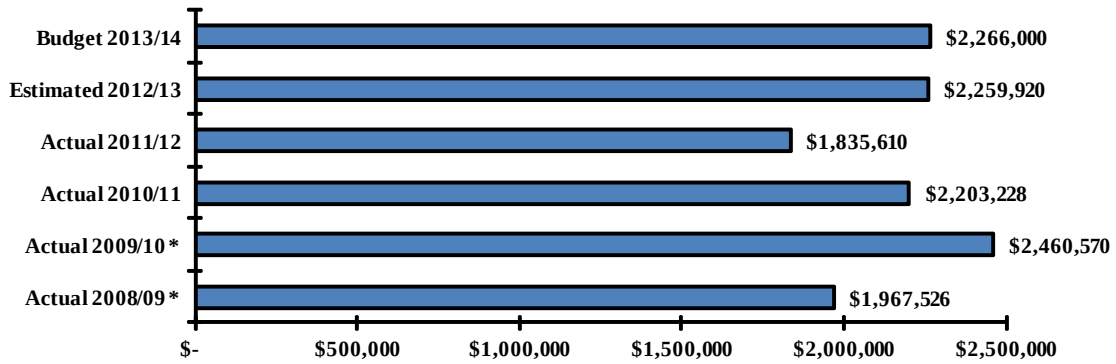
Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City's allocation for 2008/2009 was \$202,533, for 2009/2010 \$198,736, and for 2010/2011 \$196,691. The HUD 2011 Capital Funds allocation was \$171,006 and an additional \$151,875 was allocated in 2012. In prior years the City (with HUD approval) had been drawing down the HUD Capital Funds as operating funds and then including those funds in the overall operating and capital budgets for both the Clark House and Sunset Park. Since having those funds in the Operating Reserve negatively impacted the Public Housing program when the Operating Subsidy was calculated, the 2011 and 2012 funds were not drawn down for operations in 2011/2012. The revised estimate reflects \$322,881 in HUD Capital Funding revenue from the 2011 and 2012 grants. Housing agencies are given two years to obligate each year's capital funding allocation. The 2013/2014 budget reflects an estimated \$150,000 in HUD Capital Funding from the 2013 grant.

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 2012/2013 and the budgeted amounts for 2013/2014. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.



Federal Housing Funds - All Programs



* In 2008/2009 and 2009/2010 an additional \$256,398 was received in Public Housing Capital Funds through the federal Stimulus program.

Sewer Charges for Services
FY 2013/2014 Budget \$5,320,000

General Information

Sewer service charges of the City are accounted for in the Water Pollution Control and Collection and Drainage enterprise funds. These charges include residential and commercial charges, industrial charges, collection and drainage charges, sewer connection fees, and industrial sampling charges. The City contracts for in depth rate studies to assist the City in setting sewer rates for the various types of sewer users. The usage and revenue estimates in the model are updated annually during the budget review process.

In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new structure was to provide a multi-year contract with the City's major industrial sewer customer (Heinz USA) to provide a guaranteed minimum of industrial sewer revenues. Another component provided for a separate "collection and drainage" charge as part of all residential and commercial customer sewer bills. The new structure went into effect July 1, 2003 and included provisions for additional increases in sewer rates effective July 1, 2004 and July 1, 2005. A new rate study was completed in the spring of 2006 setting rates for a one-year period for regular sewer fees and a three-year period for collection and drainage fees. In the spring of 2007, sewer rates were set for both 2007/2008 and 2008/2009. In the spring of 2009, rates were set for a four-year period from 2009/2010 through 2012/2013 for both sewer services and collection and drainage. A new rate study will be done in 2013 to establish rates for the next three to five fiscal years.

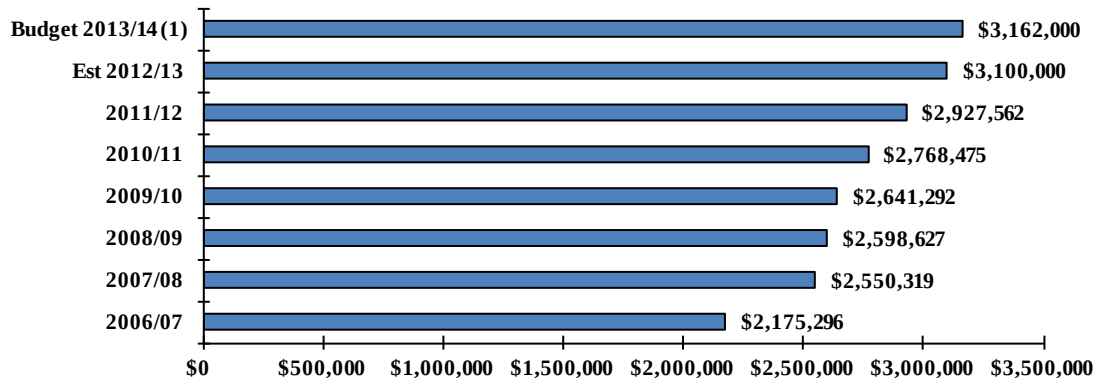
Basis of Revenue Estimates

Staff of the Water Pollution Control department review 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.

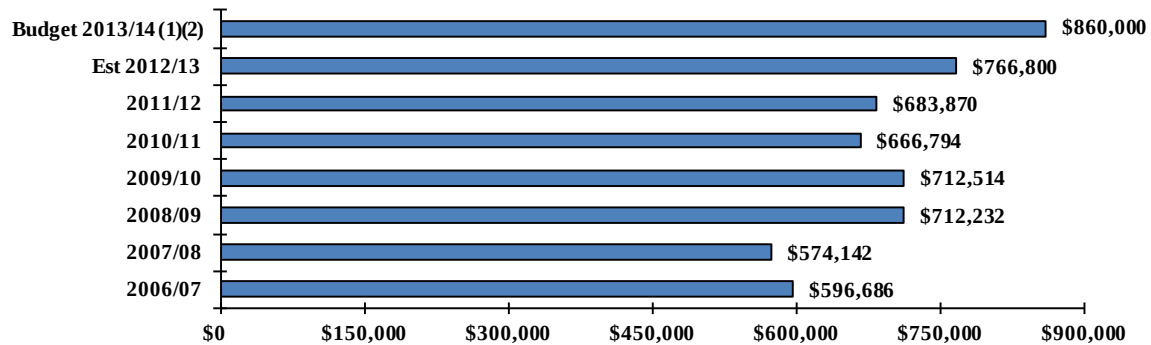
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz USA. As noted above, under the current rate structure the City contracts with Heinz USA for a guaranteed minimum of sewer revenue. This began in 2003/2004 and is expected to continue under the new rate study. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2012/2013 and the projections for 2013/2014. The sewer rates for 2012/2013 were budgeted to increase by approximately 5%. This was the fourth of four annual 5% increases in rates needed as part of the Water Pollution Control Plant Comprehensive Facilities Improvement Project financing. The budgeted sewer rates for 2013/2014 reflect an estimated 2% increase. The actual rates and revenue, however, will be determined from the rate study to be completed in the summer of 2013.

Sewer Revenue Trends

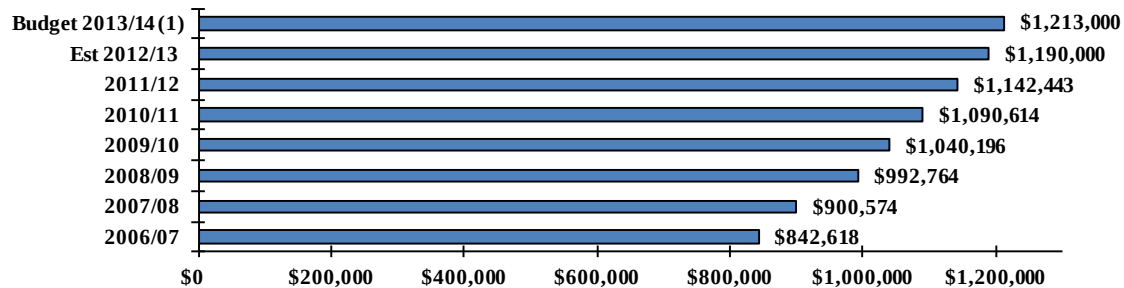
Residential and Muscatine Power and Water Billed Commercial Sewer Revenue



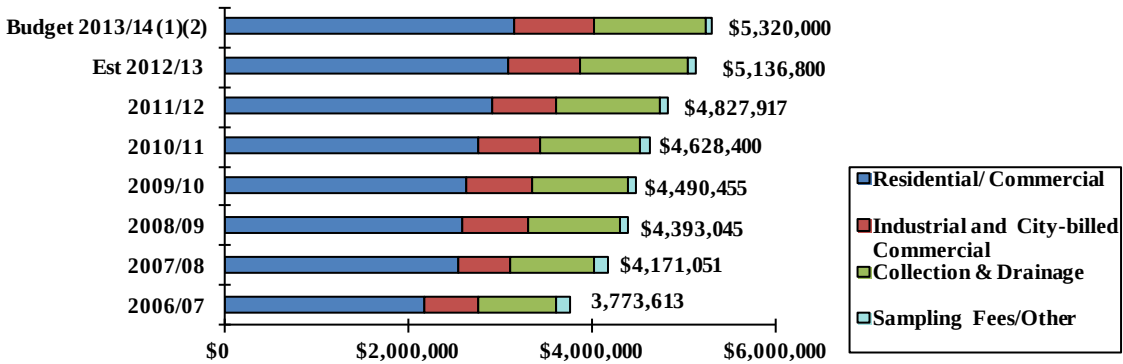
Industrial and City-Billed Commercial Sewer Revenue



Collection and Drainage Revenues



Sewer Revenues - All Types



- (1) The Residential and Muscatine Power and Water billed Commercial Sewer charges, the Industrial and City billed Commercial charges, and the Collection and Drainage charges for 2013/2014 reflect estimated 2% increases in those rates. The actual rates and revenues will be determined from the rate study to be completed in the summer of 2013.
- (2) Industrial and City billed commercial charges include an estimated \$80,000 from Ripley's Mobile Home Court with the sewer extension project expected to be completed by 6-30-13.

**Transfer Station Charges for Services
FY 2012/2013 Budget \$1,914,650**

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

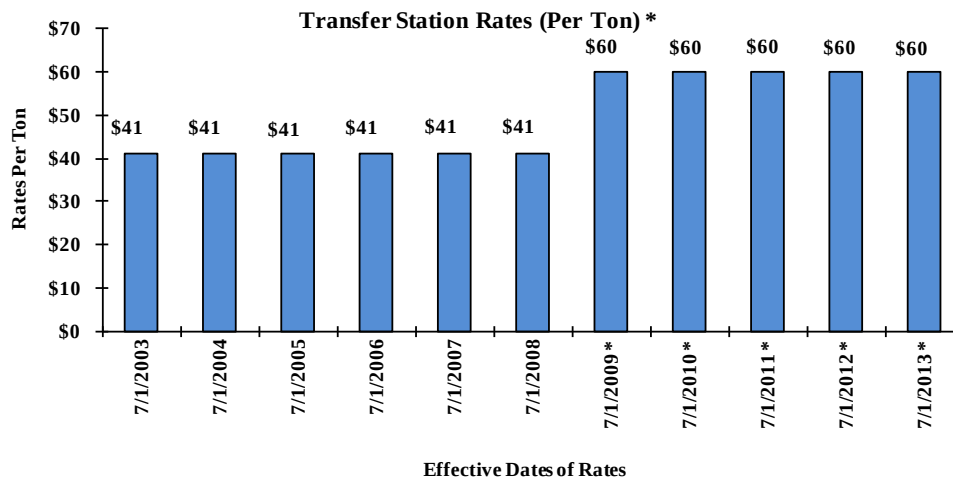
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt service payments for the construction of this facility. 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. Beginning in 2004/2005, debt service requirements on the general obligation bonds that financed construction of the Transfer Station are being funded from the debt service tax levy rather than Transfer Station revenues as had originally been anticipated.

The transfer station rate was \$38.00 per ton in 2001/2002 and it increased to \$41.00 per ton for 2002/2003. The 2002/2003 increase was in part due to reduced waste volumes received in 2001/2002. Since Transfer Station fees also fund landfill expenditures, this rate increase was also needed to fund increased expenditures at the landfill, including land acquisition costs. The Transfer Station rate increased to \$60.00 per ton effective July 1, 2009 and that rate will continue through 2013/2014. 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 eliminate this deficit over the next several years. 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 qualify for a discounted industrial rate of \$50/ton of which \$30 of this rate is 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 disposal rates were implemented midway through the 2010/2011 year to increase the waste volume coming to this facility.

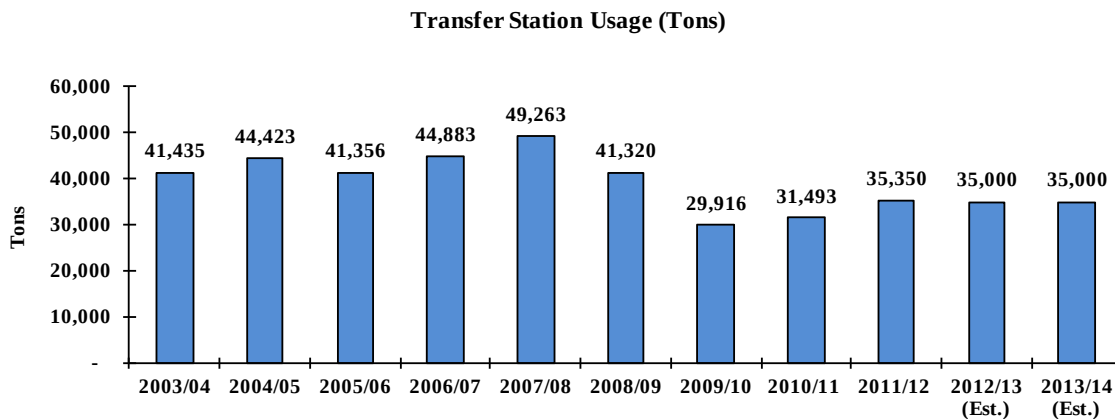
The actual Transfer Station waste volume was 41,435 tons in 2003/2004, 44,423 in 2004/2005, 41,356 in 2005/2006, 44,883 in 2006/2007, 49,263 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011 and 35,350 in 2011/2012. The 2012/2013 revised estimate and the 2013/2014 budget are each based on a projected 35,000 tons of waste.

Transfer Station Revenue Trends

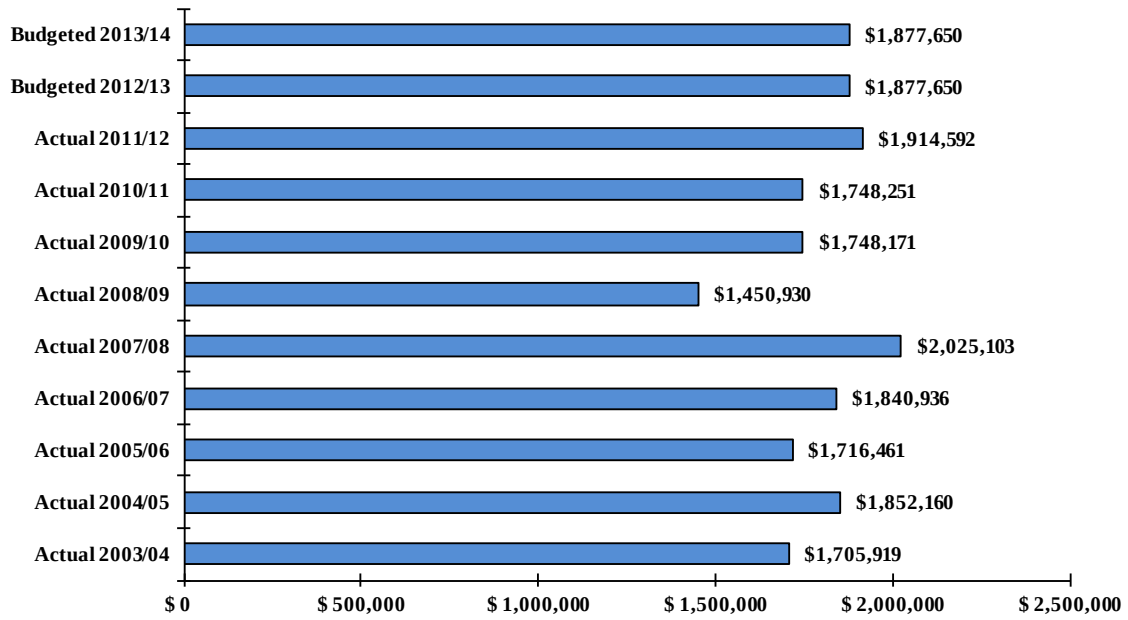
The following charts show Transfer Station rates, usage, and revenues since 2003/2004:



***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 qualify for a discounted industrial rate of \$50/ton of which \$30 of this rate is paid to the Landfill. Additional negotiated industrial rates were implemented midway through the 2010/2011 fiscal year.**



Transfer Station Revenues



Landfill Fees
FY 2013/2014 Budget \$1,290,000

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.

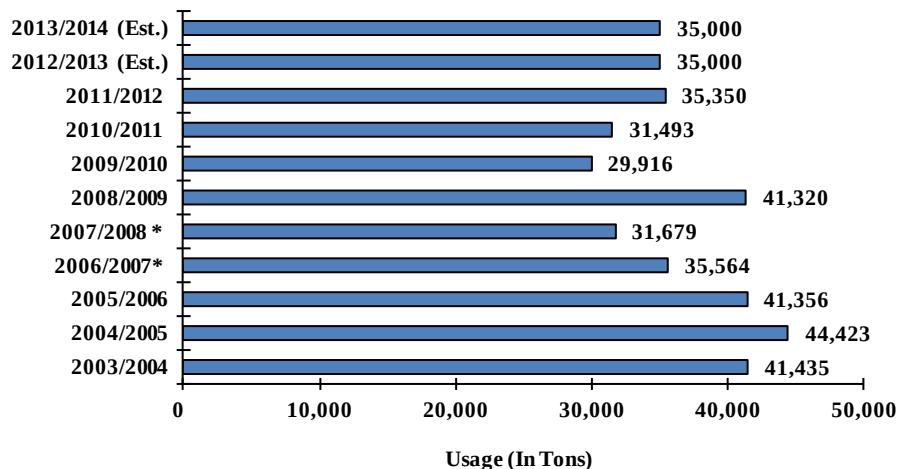
Basis of Revenue Estimate

The landfill waste volume was 41,435 tons in 2003/2004, 44,423 in 2004/2005, 41,356 in 2005/2006, 35,564 in 2006/2007, 31,679 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, and 35,350 in 2011/2012. The waste volume was reduced in both 2006/2007 and 2007/2008 due to landfill capacity issues which required waste to be hauled to the Scott County Landfill for portions of each of these years. The 2012/2013 revised estimate and the 2013/2014 budget are each based on a projected 35,000 tons of waste. The rate per ton paid to the Landfill was \$25 (of the \$41 Transfer Station rate) for 2006/2007 through 2008/2009. The Transfer Station rate increased to \$60 per ton effective July 1, 2009 with \$40 of this rate paid to the Landfill fund. These rates will remain in effect through 2013/2014. The City negotiated several new industrial contracts in 2011 with revenues from these new contracts directed to the Landfill fund deficit. The rate increase on July 1, 2009 was needed due to the significant cost of developing new cells at the landfill.

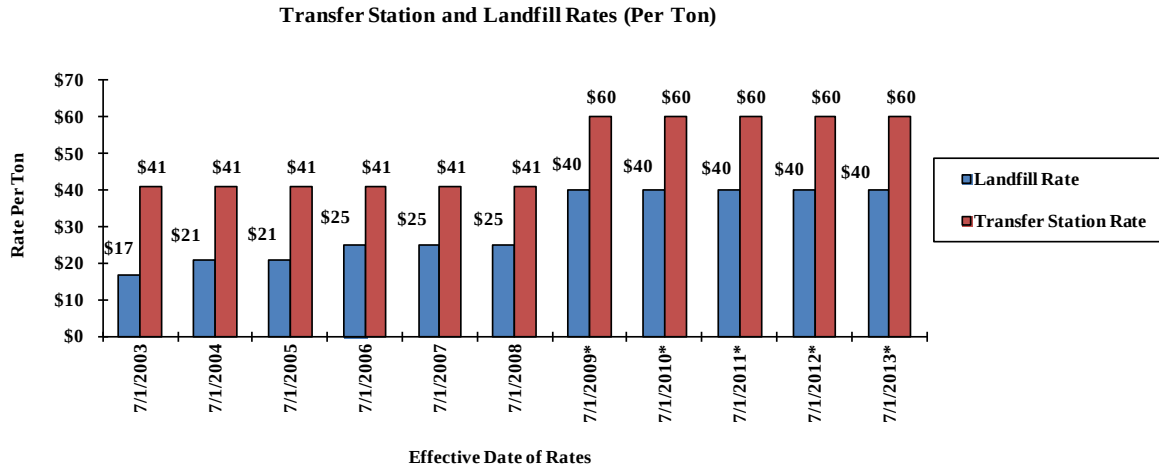
Landfill Revenue Trends

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



*** 9,319 tons of waste were taken to the Scott County Landfill in 2006/07 and 7,584 in 2007/08 due to landfill capacity issues**



*** 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 qualify for a discounted industrial rate of \$50/ton of which \$30 of this rate is paid to the Landfill. Additional negotiated industrial rates were implemented midway through the 2010/2011 fiscal year.**

**Refuse Collection Charges for Services
FY 2013/2014 Budget \$2,171,000**

General Information

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

Basis of Revenue Estimate

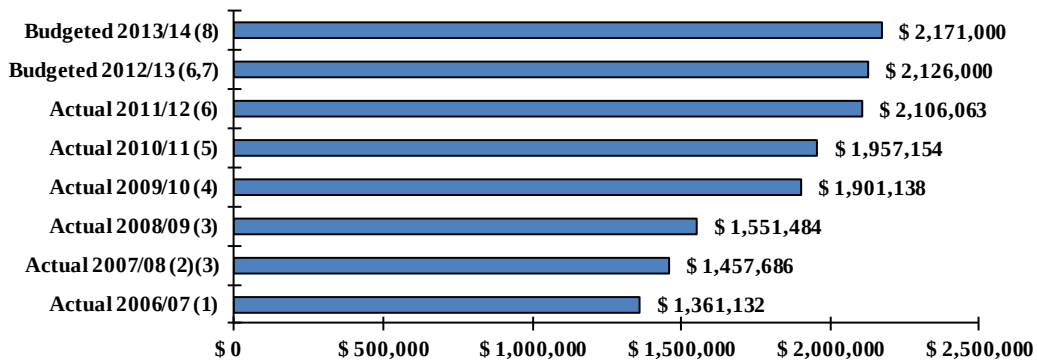
The refuse collection rates effective April 1, 2008 were \$15.50 per month for regular residential customers, \$10.50 per month for senior citizens, and commercial account charges were based on the amount of refuse collected. The rates were increased to \$18.25 July 1, 2009 for regular residential and \$13.25 for senior citizens with a corresponding increase in rates for commercial customers (15%). This rate increase was needed to fund the increased Transfer Station tipping fee of \$60 per ton compared to the previous rate of \$41 per ton, the cost of additional recycling trailers, and increased personnel and fuel costs. In 2009/2010 this division began providing refuse collection and recycling service to the City of Fruitland, bringing in an additional \$70,000 of revenue to this fund. Rates increased to \$20.00 for regular residential and \$15.00 for senior citizens effective April 1, 2011 when the contracted single sort curbside recycling program was implemented. Those rates are budgeted to continue through 2013/2014. This division began providing refuse collection and curbside recycling services to the recently annexed Ripley's Mobile Home Court on April 1, 2013. This service will bring in an additional \$17,100 of revenue to this fund in 2012/2013 and \$68,250 in 2013/2014.

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 these customers have the option of using private refuse haulers.

Refuse Collection Revenue Trends

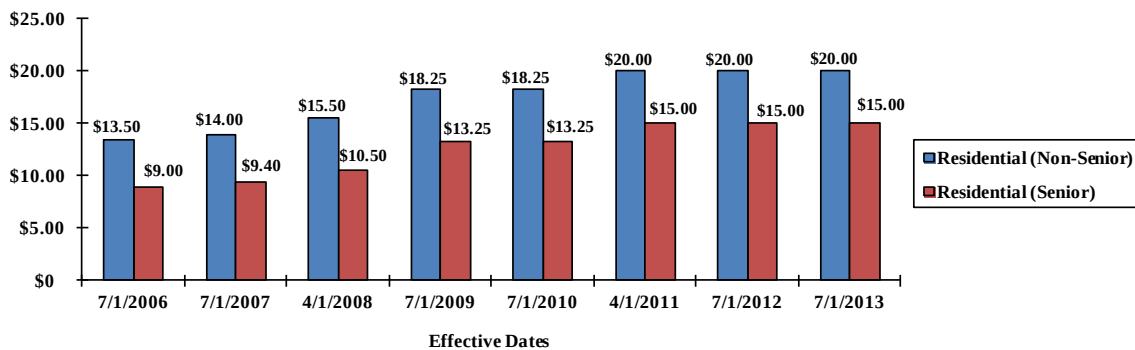
Refuse Collection revenues for the last six years, the estimated revenue for 2012/2013 and the budgeted revenue for 2013/2014 are shown in the following chart. The second chart shows the refuse collection rates since July 1, 2006.

Refuse Collection Revenues



1. Rates increased by \$.50 and \$.25, respectively, for regular and senior citizens for 2006/2007.
2. Rates increased by \$.50 and \$.40, respectively, for regular and senior citizens for 2007/2008.
3. Rates were increased by \$1.50 and \$1.10, respectively, for regular and senior citizens effective April 1, 2008.
4. Rates increased by \$2.75 for both regular and senior citizens for 2009/2010.
5. Includes \$70,000 for charges for City of Fruitland services beginning in 2009/2010.
6. Rates were increased by \$1.75 for regular and senior citizens effective April 1, 2011 when the single sort curbside recycling program was implemented. These rates were maintained for 2013/2014.
7. Includes an estimated \$17,100 from Ripley's Mobile Home Court for April - June 2013 based on starting refuse collection services to this recently annexed area in April 2013.
8. Includes \$68,250 for charges for Ripley's Mobile Home Court services for 2013/2014.

Refuse Collection Rate History (Rates Per Month)



**Ambulance Charges for Services
FY 2013/2014 Budget \$1,250,000**

General Information

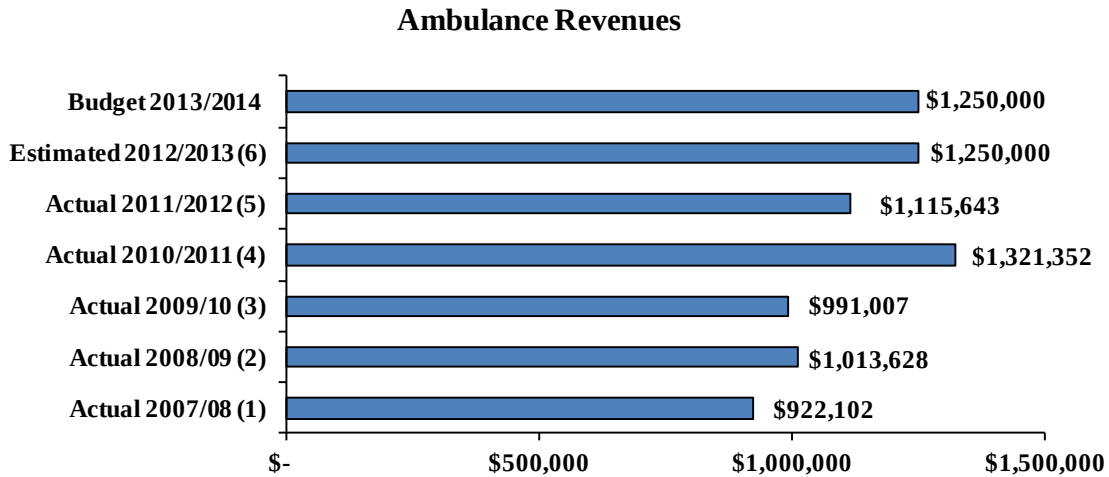
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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 60-70% 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. A conservative estimate was used in the first years of this operation which resulted in collections on prior year accounts over the amounts expected. 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.

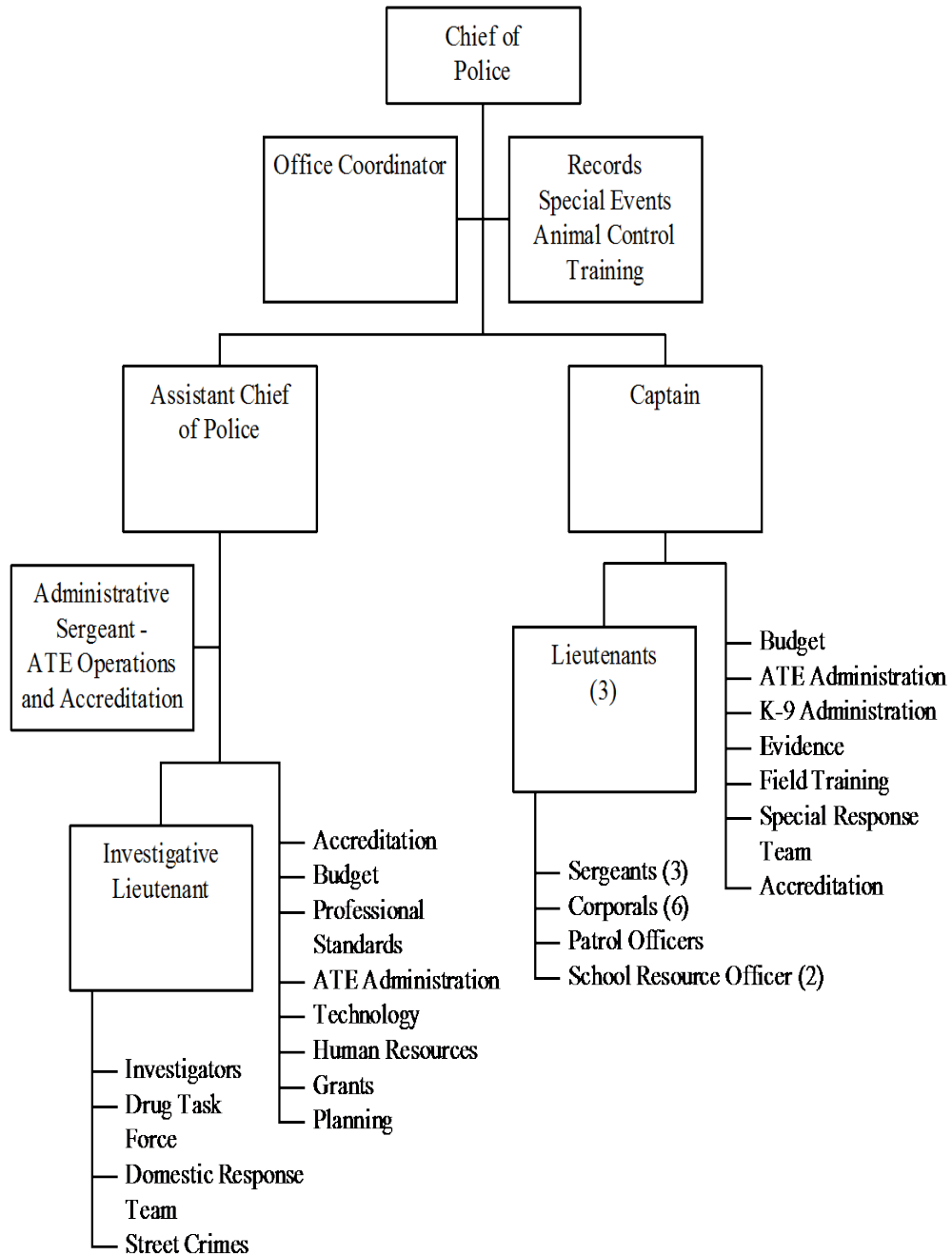
Ambulance Revenue Trends



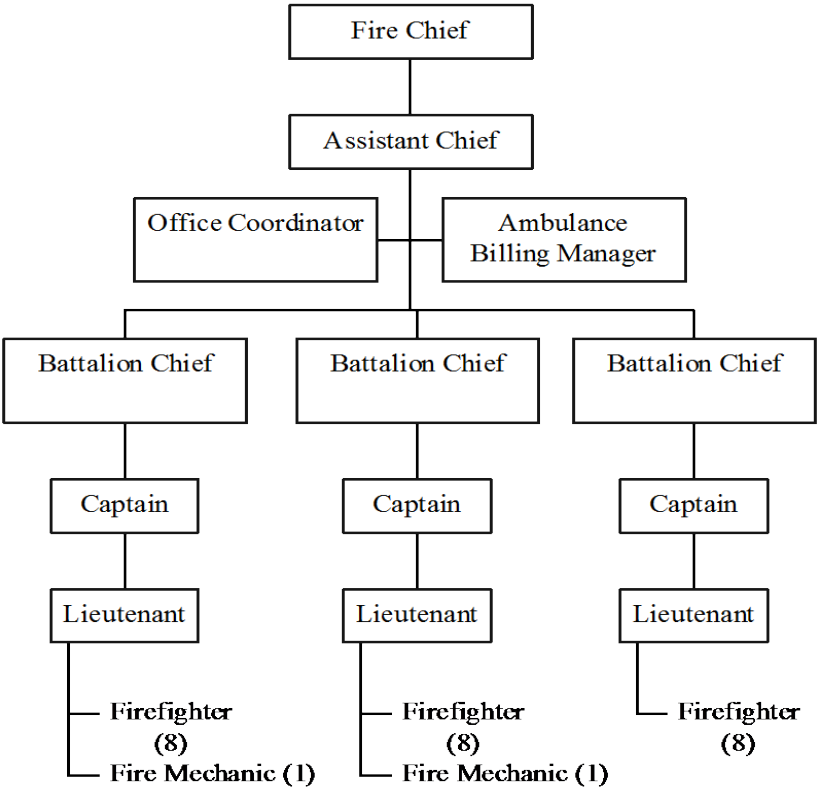
1. FY 2007/2008 revenues include a \$22,159 adjustment to decrease the amount accrued on prior year accounts. An increase in the Ambulance base rate to \$525 was effective April 1, 2007. Tiered rates were also established with the ALS1 at \$575, the ALS2 rate at \$675, and the Skilled Care Transport rate at \$775.
2. FY 2008/2009 revenues include a \$9,144 adjustment to increase the amount accrued on prior year accounts. Rates were adjusted in January, 2009 which increased the ALS1 rate to \$586 and the Skilled Care Transport to \$1,002.
3. FY 2009/2010 revenues include a \$17,072 adjustment to decrease the amount accrued on prior year accounts. Ambulance rates did not change in 2009/2010.
4. FY 2010/2011 revenues include a \$75,716 adjustment to increase the amount accrued on prior year accounts. The ALS1 ambulance rate increased to \$616, the ALS2 to \$891 and the Skilled Care Transport to \$1,053 for 2010/2011. The BLS rate did not change for 2010/2011.
5. FY 2011/2012 revenues include a \$24,789 adjustment to decrease the amount accrued on prior year accounts. The ALS1 ambulance rate increased to \$665, the ALS2 to \$962 and the Skilled Care Transport to \$1,137 for 2011/2012. The BLS rate was increased to \$560 in 2011/2012.
6. The Ambulance mileage rate and “ALS Services with no Transport” rates changed for 2012/2013. Other rates continued at the 2011/2012 levels.

DEPARTMENTAL ORGANIZATION CHARTS

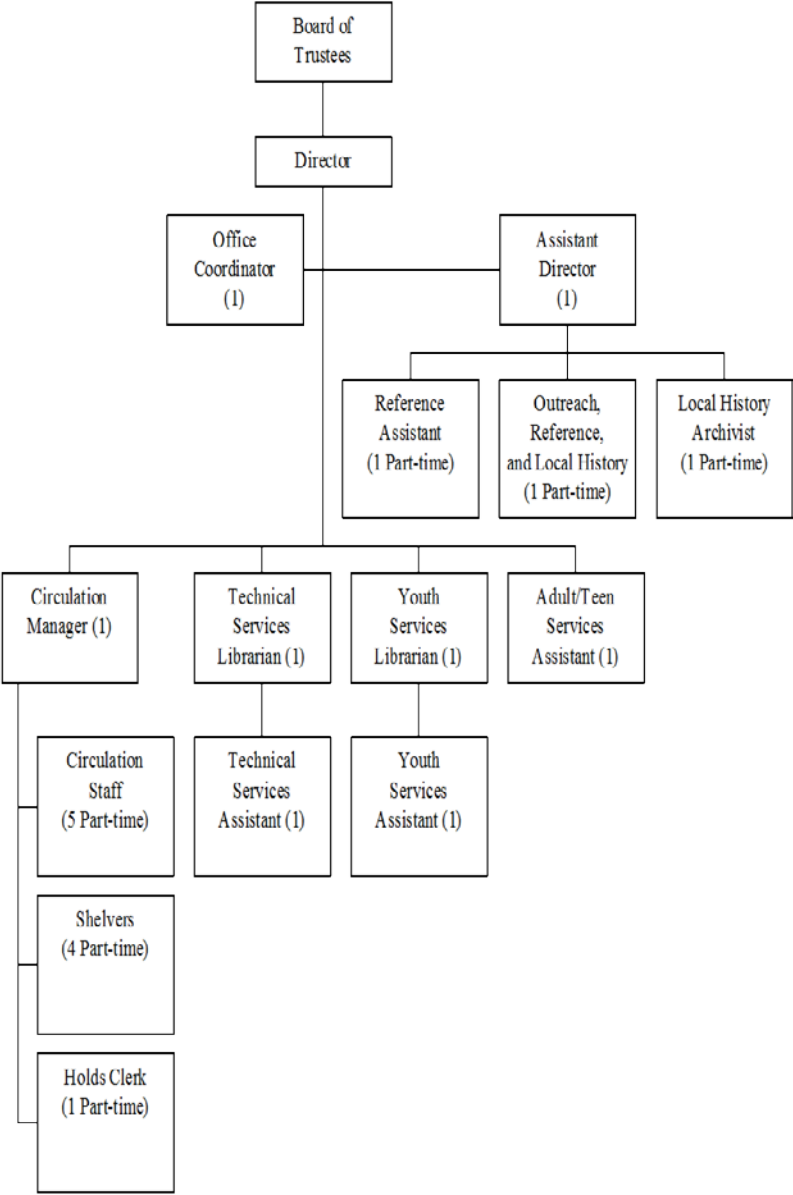
CITY OF MUSCATINE POLICE DEPARTMENT



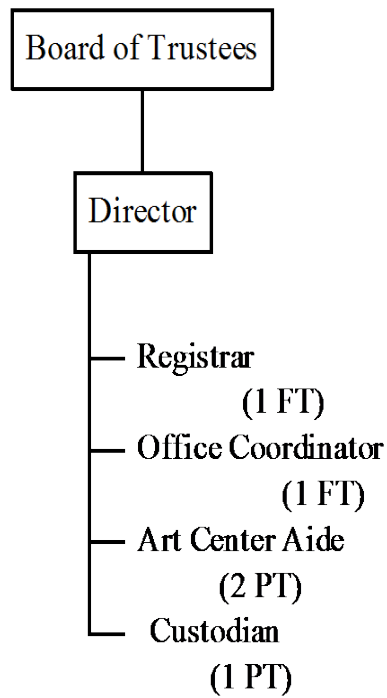
CITY OF MUSCATINE
FIRE DEPARTMENT



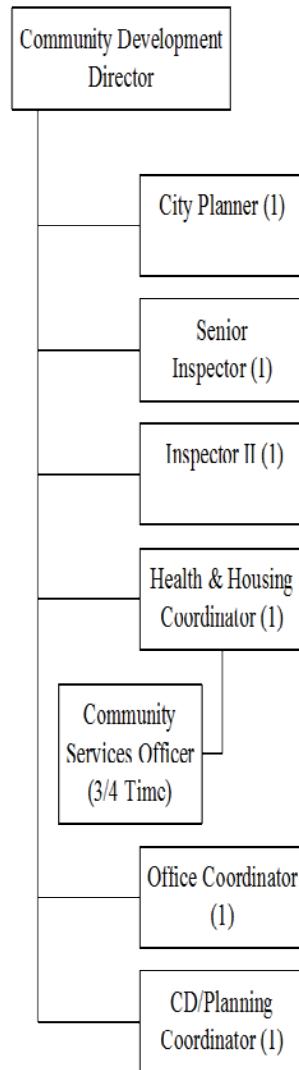
CITY OF MUSCATINE LIBRARY



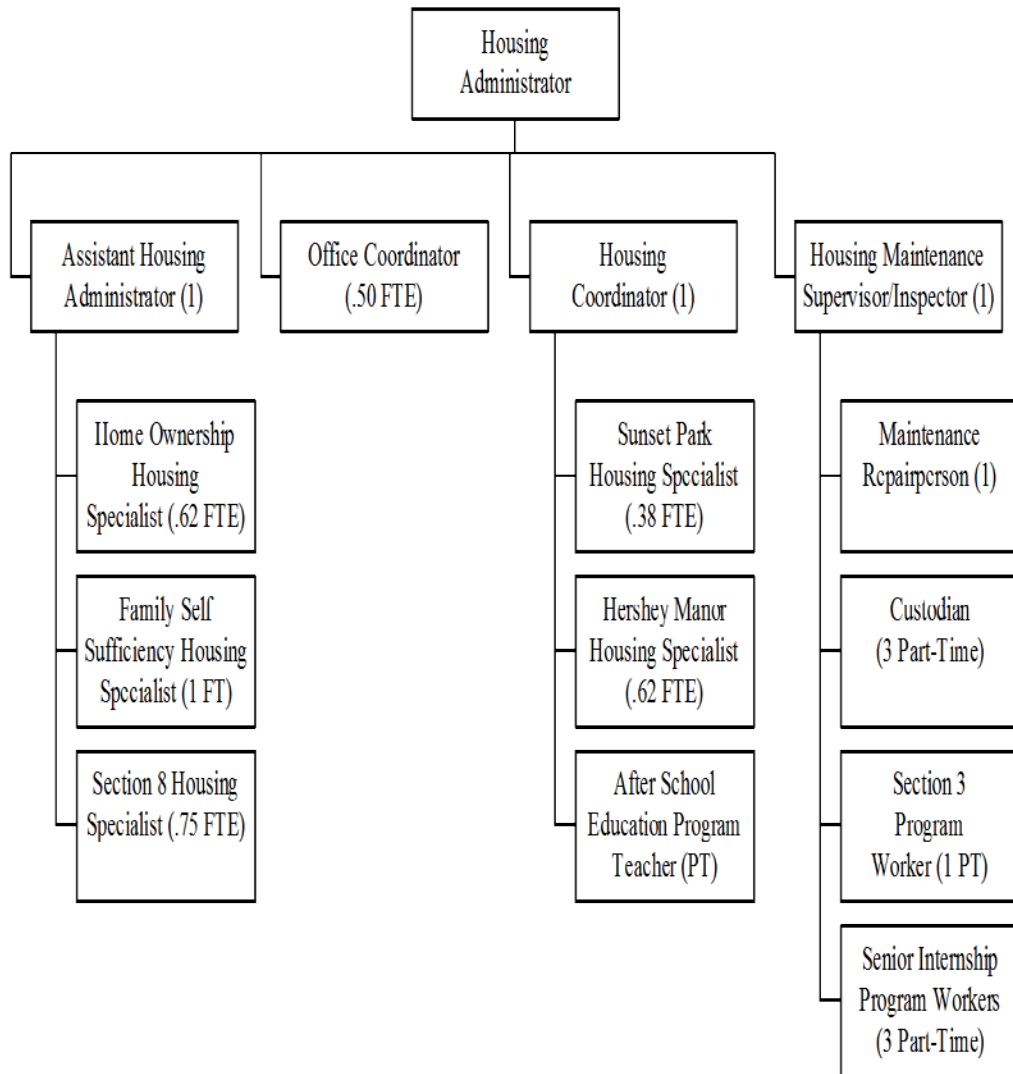
CITY OF MUSCATINE ART CENTER



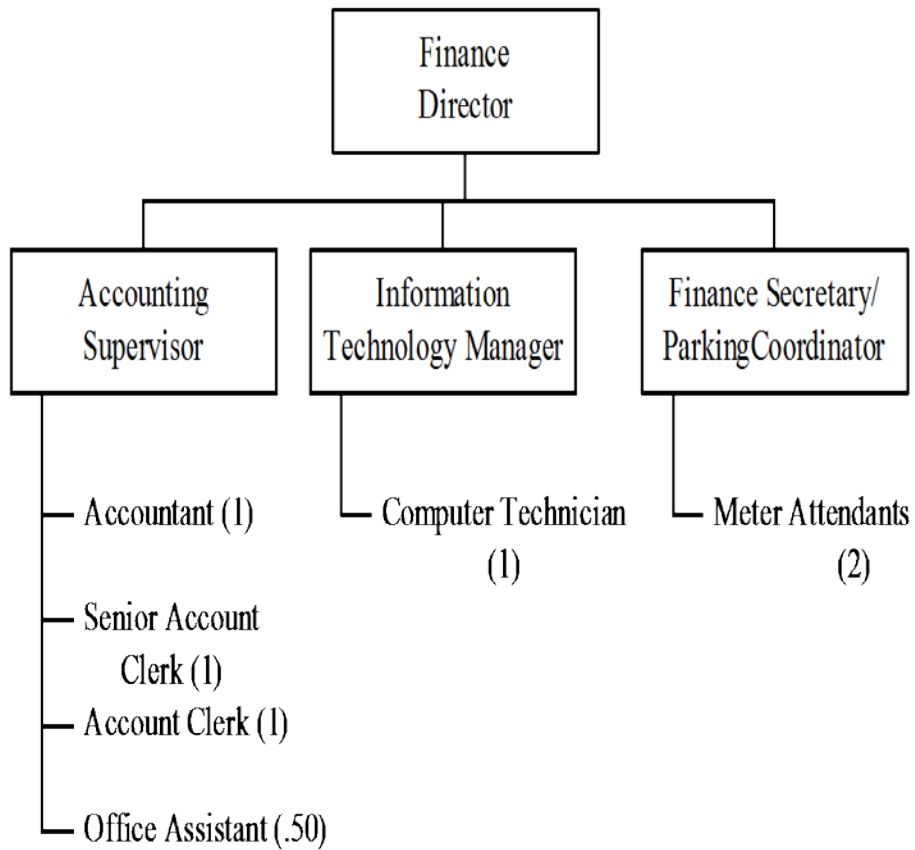
CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



CITY OF MUSCATINE HOUSING DEPARTMENT

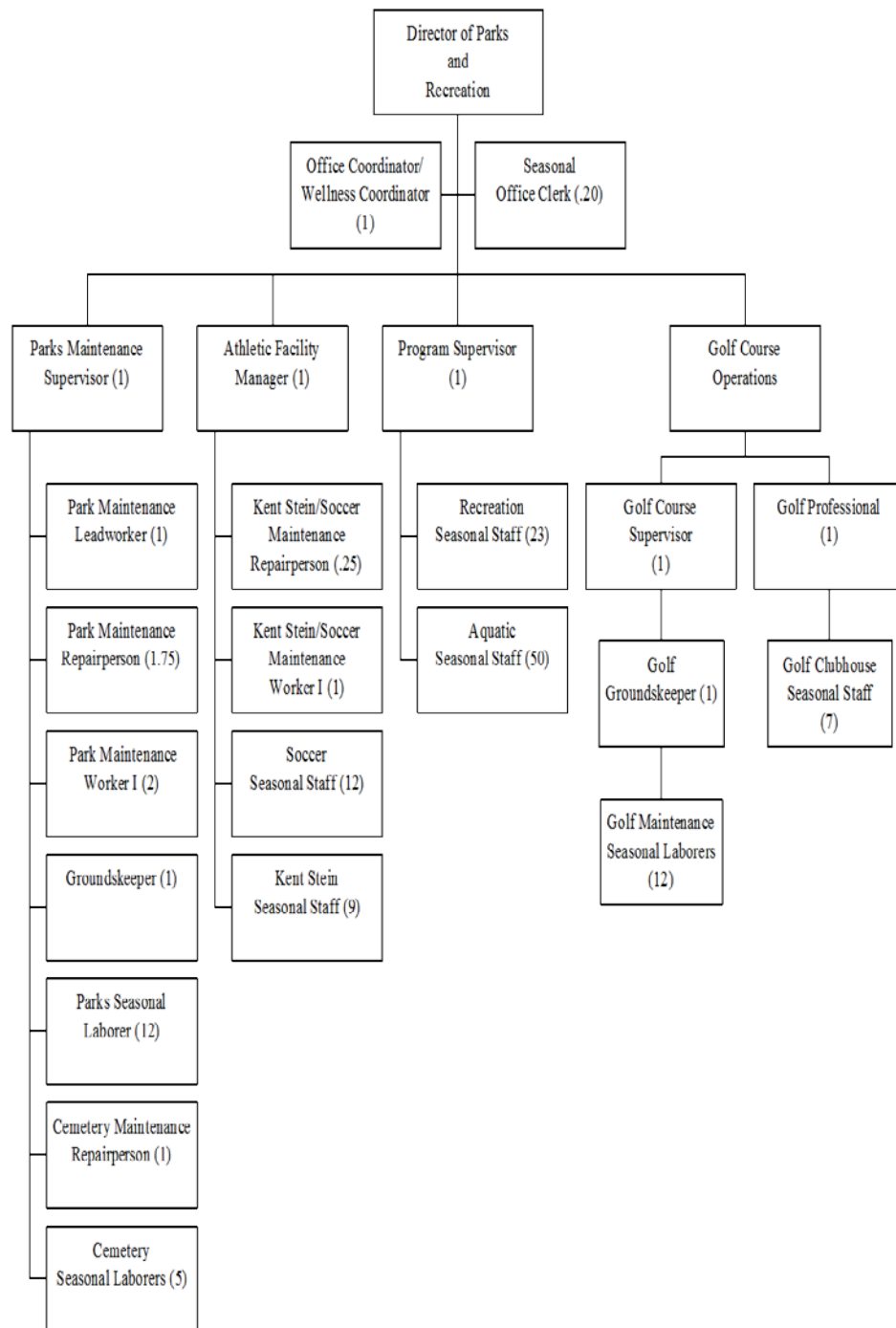


CITY OF MUSCATINE FINANCE DEPARTMENT

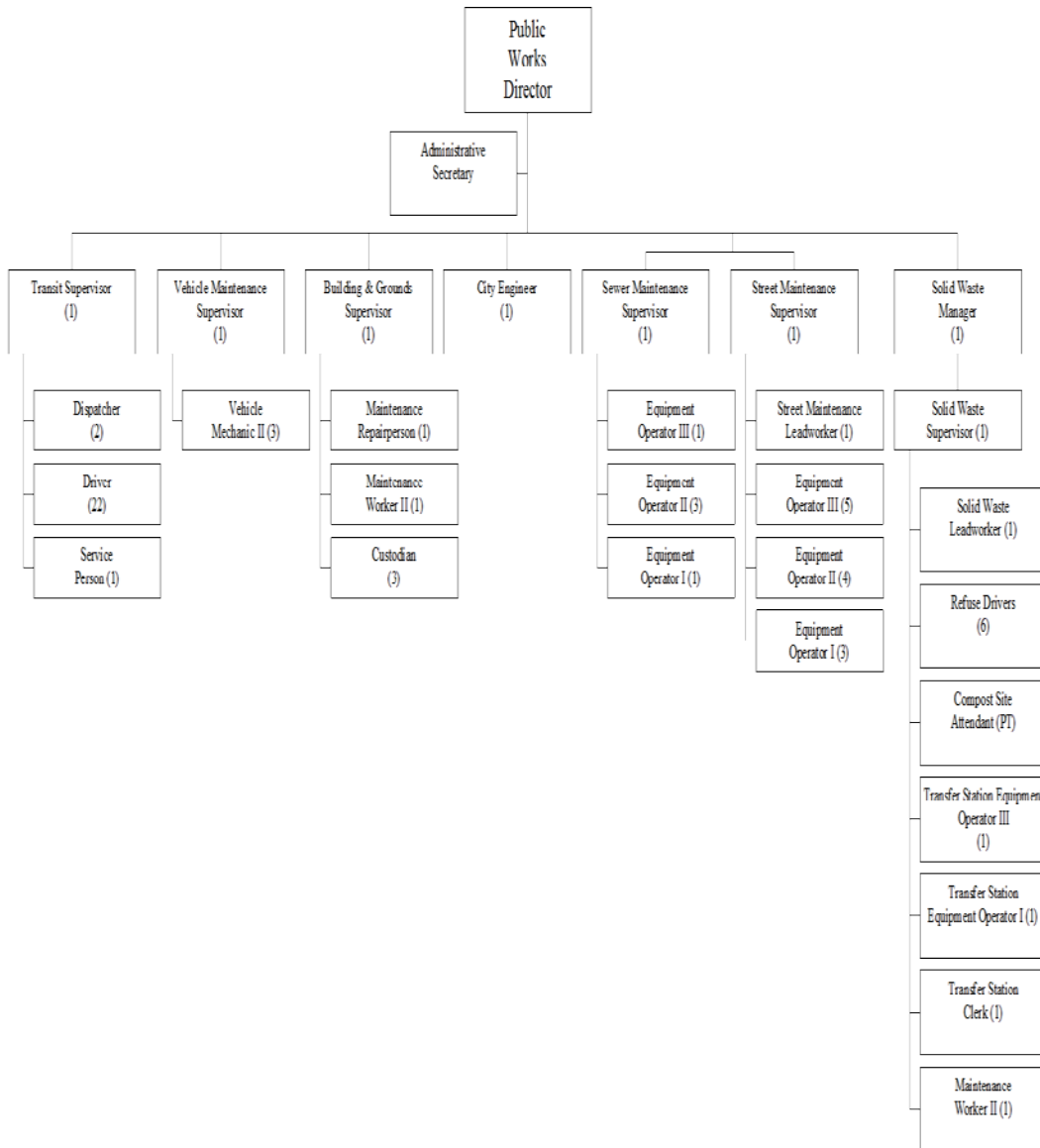


CITY OF MUSCATINE

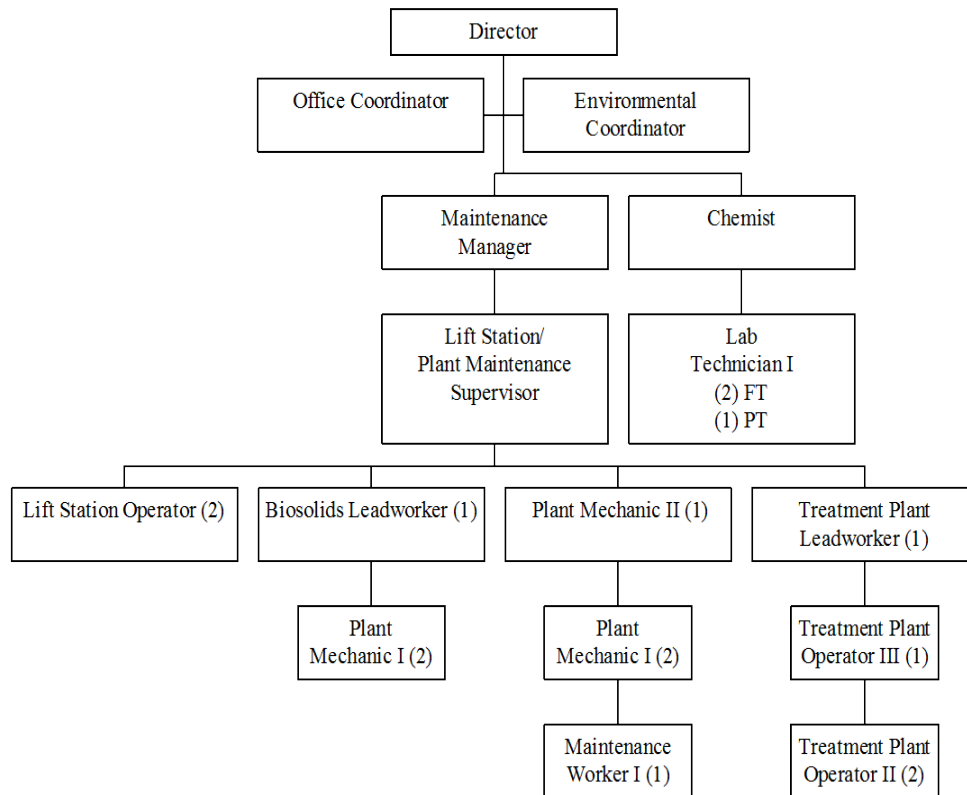
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



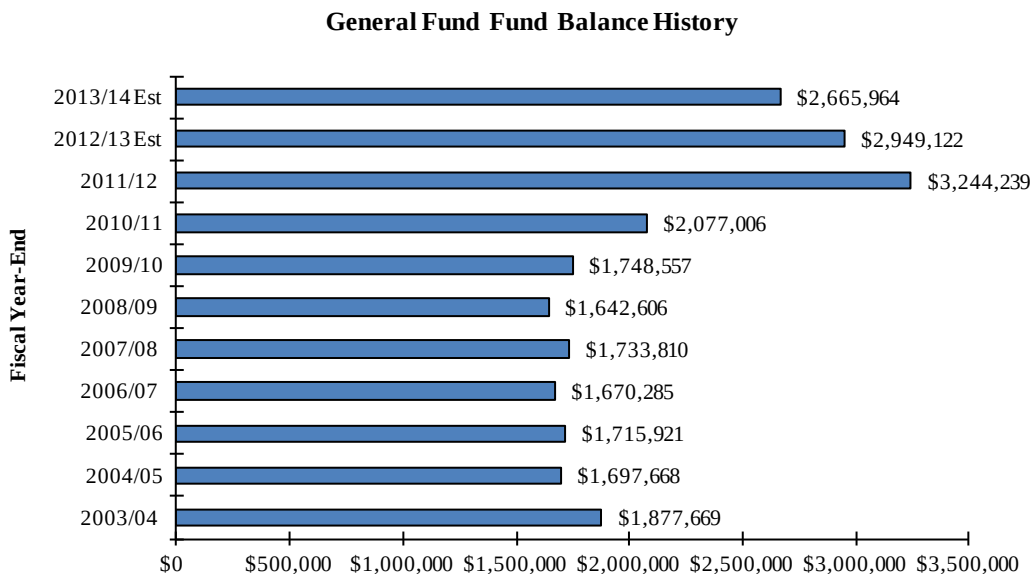
GENERAL FUND

GENERAL FUND

The General Fund for the City of Muscatine accounts for all transactions of the City which pertain to the general administration and services traditionally provided to citizens, except those specifically accounted for elsewhere. Services within the General Fund include police and fire protection, street maintenance, cemetery operations, library and art center, parks and recreation, engineering, building and grounds maintenance, and general administration. The General Fund is the primary source of appropriations to fund costs of providing these services. Consequently, considerable importance is placed upon the fund's financial condition. The City Council and staff's objective is to maintain an acceptable level of service 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 current budget policies require the ending balance for the year to be at least 10% of the budgeted expenditures in the General Fund or approximately \$1,769,000 based on the 2013/2014 budget. 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%. This effort is in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considers our 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 2013/2014 is budgeted at \$2,665,964 which is 15.1% of General Fund expenditures. This demonstrates City Council's commitment towards the goal of increasing 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 automatic 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 City Council chose to use \$250,000 of the increased balance to complete the financing for the new fire engine which was originally planned to be purchased in 2013/2014. In the original 2012/2013 budget the ending balance was budgeted at 14.3% of General Fund expenditures and it was increased to 16.7% in the revised estimate.

While the General Fund budget for 2013/2014 shows the General Fund balance at 15.1% of expenditures, the budget is being "balanced" with \$283,158 of General Fund balance. This is the amount that the estimated 2013/2014 expenditures exceed the estimated revenues. As noted in the Budget Message, the City Council used a portion of the General Fund balance to fund employee benefit costs in lieu of increasing the City's overall property tax rate. It should be again noted, however, that continuing to use the General Fund balance to fund increased employee benefit costs, specifically the expected continued increase in police and fire pension costs, is not sustainable going forward into future years.

The City first used the "assigned" funding classification in the 2012/2013 General Fund budget for the following items:

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 included setting-aside or "assigning" \$250,000 in 2012/2013 to make this purchase in 2013/2014. It was originally proposed the remaining \$240,000 be funded from the 2013/2014 budget. Due to a favorable General Fund balance at the end of 2011/2012, City Council authorized funding for the full amount of the fire engine in 2012/2013.
3. The budget also included "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" were 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.

The only funding "assignment" in the 2013/2014 budget is \$40,000 for the second year of the funding to be set-aside for the City's obligation to fund the 4th year of the costs for the two officers funded from the COPS grant. The 2013/2014 budget, however, includes several significant capital outlay allocations in department operating budgets. Major capital items include: (1) \$95,000 to replace and enhance the Police department's squad car video system; (2) \$30,000 for backstop fencing improvements at Kent Stein Park; (3) \$23,000 to paint and repair four tennis courts; (4) \$25,000 to repaint the Aquatic Center pool basin; and (5) a total of \$102,500 to replace General fund vehicles and equipment.

Recent Structural and Efficiency Changes in General Fund Departments

Structural changes implemented in 2010/2011 and 2011/2012 also assisted the city in increasing the General Fund balance. The changes in 2010/2011 include but are not limited to the following: (1) a reduction of one fulltime position in the Park Maintenance budget; seasonal staff was increased to partially offset this reduction for a net savings of \$49,300, (2) elimination of one fulltime custodian position with contract cleaning services partially offsetting the cost savings for a net savings of \$7,400, (3) funding economic development administrative costs and the Chamber economic development allocation with TIF funds (a total of \$137,500), (4) not filling the budgeted ¾ time Red Light Camera Technician net of the cost of creating an additional sergeant position for this function (\$30,000 savings), and (5) transferring the dredge operation to the Water Pollution Control fund (\$42,000 General Fund savings). These items total to a \$266,200 positive impact on the General Fund.

The changes implemented in 2011/2012 and 2012/2013 focused on department efficiencies and cost savings and include but are not limited to the following: (1) using sponsorships for the Parks seasonal brochure and Golf score cards saving \$4,700 annually; (2) the new eleven foot mower in the Parks department and trackhoe for grave digging at the Cemetery both saved man hours that were redirected to other functions in those divisions; (3) additional Park sites were “adopted” under the “Adopt a Park” program with this program expanding from four sites in 2010 to twelve in 2012; (4) redesigning the Library circulation system process eliminating a 35-hour/week position and creating a new 30-hour/week “Holds” person at a lower pay rate for a savings of \$17,800; (5) using staggered work times in the Police investigations division which reduced overtime and call-ins saving an estimated \$3,500 in overtime costs annually; (6) activities in the Engineering (engineering design for smaller projects), Community Development (Comprehensive Plan update), and Art Center (printing) were done in-house rather than under contracts resulting in varying amounts of cost savings; (7) using inmate labor to clear the Airport fence line of unwanted growth saved an estimated \$22,000; and (8) the use of automatic traffic enforcement cameras has allowed the Police department to re-direct their time to other areas of law enforcement.

Departments will continue to look for efficiencies and cost savings in their operations in 2013/2014 and future years. The City’s goal for the upcoming year of establishing a formal “Lean” program will assist departments in identifying and implementing efficiencies and cost savings applicable to their department operations.

Revenue Trends

Budgeted revenues for 2013/2014 in the General Fund total \$17,405,549, which is a 2.1% increase from the 2012/2013 budget of \$17,053,676. General property taxes comprise 37.1% of total revenue sources for 2013/2014 compared to 37.0% for the budget year 2012/2013. 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. This resulted in that amount of employee benefit costs being funded directly from the General Fund. This was done in order to reduce the City’s overall tax levy rate by approximately \$.10/\$1,000 of valuation for 2012/2013. Increases in other General Fund revenues allowed for this funding change to be implemented while still maintaining a strong ending fund balance.

Employee benefit costs for General Fund employees increased significantly for 2013/2014 primarily due to the required city contribution rate to the statewide Municipal Fire and Police Retirement Systems of Iowa (MFPRSI) increasing from 26.12% in 2012/2013 to 30.12% for 2013/2014. This resulted in an increase of \$235,800 in the contribution required police and fire pension contributions. For 2013/2014 the tax levy rate needed to fund Police and Fire pension costs increased to \$1.70009/\$1,000 of valuation from \$1.43566/\$1,000 for 2012/2013. This was a \$.26443/\$1,000 (18.4%) increase in the tax rate to fund these costs. In order to fund the increase in police and fire pension costs, as well as increases in other employee benefits and city insurance costs, the City chose to fund a \$530,246 of employee benefit costs for General Fund employees from the General Fund balance instead of the Employee Benefits levy. This allowed for the total overall tax rate to remain the same for 2013/2014. If the Police and Fire pension contribution rate further increases in upcoming years as projected, increases in the City's total tax levy rate will be unavoidable. The MFPRSI increases are the number one budget challenge we face annually and these costs have a direct impact on our ability to maintain our existing levels of services.

For the 2013/2014 budget year there was a 2.25% increase in taxable property valuations in the City. This resulted in a corresponding 2.25% increase in General Fund property tax revenues based on the \$.10 levy rate. For the previous year (2012/2013) the City's taxable valuations increased by 2.84%; in 2011/2012 it increased by 2.62%; in 2010/2011 it increased by 1.58%, and in 2009/2010 it increased by 3.80%.

A key budget issue for 2010/2011 was the consideration of and ultimate adoption of a Utility Franchise Fee on Alliant Energy, the provider of natural gas to the community. The ordinance change adopting this fee provides that the fee may be up to 5% on natural gas sales by Alliant in the community. The initial rate was set at 2% which was effective July 1, 2010. Implementation of this fee allowed for a reduction in the City's overall property tax rate for 2010/2011, specifically the Emergency Tax Levy rate which was reduced from \$.27/\$1,000 in 2009/2010 to \$.08/\$1,000 in the 2010/2011 budget. The Emergency tax levy was eliminated in the 2011/2012 budget and the budgets for 2012/2013 and 2013/2014 also do not include this levy. As part of the 2012/2013 budget, City Council chose to reduce the Utility Franchise Fee to 1% of natural gas sales from the previous 2%. The 1% fee was maintained for 2013/2014 and is expected to generate \$100,000 in the upcoming year. If economic conditions change, the Utility Franchise Fee can be increased (up to 5%) with 90 days notice to the utility company.

The City's hotel/motel tax rate has been at 7% since April 1, 1992. The 2012/2013 revised estimate includes an estimated \$350,000 in hotel/motel taxes and that same amount has been budgeted for 2013/2014. Hotel/motel tax receipts had decreased to \$302,273 in 2009/2010 due to local economic conditions. Since that time these receipts have been increasing and it is projected they will again be back to previous levels. In years through 2012/2013, hotel/motel tax funds have been distributed 25% to Library Operations and 25% to the Art Center. Of the remaining 50%, an annual allocation has been made to fund the Convention and Visitors Bureau (CVB). The subsidy for the CVB was increased from \$55,000 in 2012/2013 to 25% of the hotel/motel tax in 2013/2014, which is estimated at \$87,500. The increased subsidy to the CVB is to support the new CVB Board's expanded efforts to promote tourism in the City of Muscatine and surrounding area. If the tourism program is successful, additional hotel/motel taxes should be generated. The remaining hotel/motel taxes are considered general revenues of the City.

As in prior years, Road Use Taxes from the State will be utilized to fund street maintenance expenses. For the 2013/2014 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at \$2,148,000, an increase of \$82,800 (4.0%) from the 2012/2013 budget of \$2,065,200.

Revenue sources identified in the General Fund for 2013/2014 also include charges for services, licenses and permits, and other fees. Construction permits for 2013/2014 are estimated at \$185,000 and rental housing inspection fees are estimated at \$35,000 with these inspections performed on a tri-annual basis.

A fee for administrative services performed by activities within the General Fund continues to be charged to enterprise funds. The budgeted amount of \$335,900 for 2013/2014 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 \$24,900 has been charged to the Golf Course and Boat Harbor Operations budgets for 2013/2014. 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 \$61,100 for 2013/2014. In 2013/2014 the Ambulance enterprise fund will transfer \$885,300 to the General Fund for a prorated portion (25.4%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of \$17,688,707 for 2013/2014 is 2.9% (\$504,460) above the 2012/2013 budget of \$17,184,247. Of the total expenditures, \$13,073,900 (73.9%) 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 2013/2014 budget for the General Fund provides an expenditure level to fund most core services at essentially the same level as in previous years for most departments. The budget, however, continues to provide reduced services in several areas, primarily due to the reduction in General Fund revenues in recent years. There were 170 full-time equivalent positions in the City's General Fund in 2001/2002 and this has been reduced to 154 for 2013/2014. Some of these reductions were part of the plan to address the 2003/2004 budget shortfall when the State eliminated State aid to cities after the budget for that year was adopted (\$360,000 revenue reduction for the City of Muscatine). The other reductions were needed to address the 2004/2005 budget revenue shortfall which included an additional \$70,000 state funding reduction. Following Council's wishes, the reductions have tried to minimize the impact on existing employees by eliminating positions that became vacant.

Changes in General Fund authorized positions for 2013/2014, 2012/2013, 2011/2012, and 2010/2011 are as follows:

2013/2014

- The half-time Library Security Guard position was eliminated beginning in the revised estimate for 2012/2013.
- The allocation of the Finance Director to the Parking fund was reduced from 10% to 5% for 2013/2014. This increased the General Fund allocation from 90% to 95%.

2012/2013

- Two full-time Police Officer positions were added midway through the 2011/2012 year. These positions will be 100% funded from a COPS grant for three years.
- One firefighter position was added for 2012/2013 with this position funded from a transfer from the Ambulance fund.

2011/2012

- One full-time Police Officer position was added for the Street Crimes Unit.

2010/2011

- A ¾ time Red Light Camera Technician was included in the original 2010/2011 budget. After further consideration, this position was not filled. This function was assigned to a new Sergeant position which was filled by the promotion of a current police officer (no increase in staffing).
- A reduction of one fulltime custodian position in the Building and Grounds budget. Contracted custodial services will be used for this function.
- A ¾ time registrar position at the Art Center was increased to full-time with the additional costs funded from outside sources.
- A reduction of one full-time park maintenance repair person. Additional seasonal staff is being used in lieu of the fulltime staff.

The 2013/2014 budget continues funding for the two police officer positions assigned to the Drug Task Force. One of these positions is 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 2013/2014 the city will continue to provide support for several non-profit service organizations within the community. Despite limited revenue growth, the City Council has remained committed to assisting these groups as best they can. These agencies provide valuable services to the entire community. For 2013/2014 the City Council chose to continue financial contributions to the Greater Muscatine Chamber of Commerce and Industry (Chamber), Convention and Visitors Bureau (CVB), the Muscatine Humane Society and Senior Resources. The contributions to the Chamber, Humane Society, and Senior Resources will remain at their current levels of \$35,000, 60,000, and \$20,000, respectively, for 2013/2014. The subsidy to the CVB increased from a fixed amount of \$55,000 to 25% of the hotel/motel tax which is estimated at \$87,500. The increased subsidy to the CVB is to support the new CVB Board's expanded efforts to promote tourism in the City of Muscatine and surrounding area.

The 2013/2014 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of \$117,000 and \$40,000, respectively. Allocations had been made annually to these funds in years through 2006/2007. Due to General Fund funding limitations no allocations were made to the Equipment Replacement or Computer Replacement fund in 2007/2008. These purchases totaling \$126,700 for equipment replacements and \$70,300 for computer/technology purchases were instead included in the June 1, 2008 bond issue. Funding transfers have again been made from the General Fund in the years from 2008/2009 through 2013/2014.

The General Fund annually makes subsidy payments to the Airport Operations fund. In 2007/2008 the subsidy was \$70,835, in 2008/2009 \$70,906, in 2009/2010 \$89,959, in 2010/2011 \$60,325, and in 2011/2012 \$56,229. The revised estimate subsidy for 2012/2013 is \$50,460 with the subsidy for 2013/2014 budgeted at \$41,300. The decrease in subsidy beginning in 2012/2013 is primarily due to the re-negotiation of the lease for the farm land surrounding the airport which increased the farm income significantly. Additionally, the farm rental income is all being credited to the Airport fund beginning in 2012/2013. In prior years approximately one half of the income was credited to the Water Pollution Control fund. The Airport subsidy fluctuates primarily due to the amount of capital outlay purchases and maintenance costs each year. It is anticipated that Airport Operations enterprise fund revenues will continue to be insufficient to fund expenditures and accordingly, general property taxes will continue to be required to subsidize the Airport Operation in future years.

The Mayor and City Council activity budget in years prior to 1989/90 included a contingency allocation for emergency or non-budgeted items. The City Council eliminated this allocation beginning in 1989/90 and again has not made a budget allocation for contingencies in 2013/2014. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2013/2014, however, City Council chose to continue to maintain the 2009/2010 allocation of \$80,000 in the Emergency Tax Levy Fund in the event of revenue shortfalls due to economic conditions or unforeseen emergencies.

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

General Fund

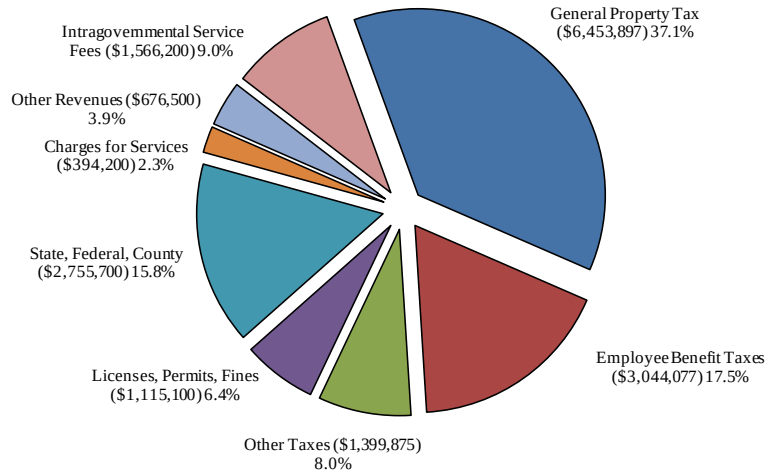
Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 1,748,557	\$ 2,077,006	\$ 2,595,708	\$ 3,244,239	\$ 2,949,122
Revenues	15,629,117	17,077,538	17,053,676	17,360,820	17,405,549
Encumbrance Variance	<u>271</u>	<u>2,647</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 17,377,945	\$ 19,157,191	\$ 19,649,384	\$ 20,605,059	\$ 20,354,671
Expenditures	<u>15,300,939</u>	<u>15,912,952</u>	<u>17,184,247</u>	<u>17,655,937</u>	<u>17,688,707</u>
Ending Balance, June 30	<u>\$ 2,077,006</u>	<u>\$ 3,244,239</u>	<u>\$ 2,465,137</u>	<u>\$ 2,949,122</u>	<u>\$ 2,665,964</u>
Increase (Decrease) in Fund Balance	\$ 328,449	\$ 1,167,233	\$ (130,571)	\$ (295,117)	\$ (283,158)
 Minimum Fund Balance Per City Financial Policies (10% of General Fund Expenditures)	 \$ 1,530,000	 \$ 1,591,000	 \$ 1,718,000	 \$ 1,766,000	 \$ 1,769,000
 Amount Over (Under) Policy Minimum	 \$ 547,006	 \$ 1,653,239	 \$ 747,137	 \$ 1,183,122	 \$ 896,964
 Proposed New Minimum Fund Balance (15% of General Fund Expenditures)					 \$ 2,653,000
 Amount Over (Under) Proposed New Minimum Fund Balance					 \$ 12,964
 Ending Balance as a Percent of General Fund Expenditures	 <u>13.6%</u>	 <u>20.4%</u>	 <u>14.3%</u>	 <u>16.7%</u>	 <u>15.1%</u>

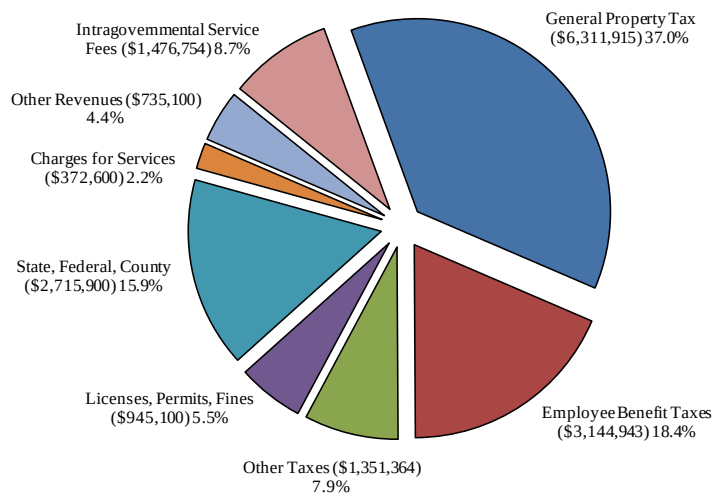
Explanation of Increases or Decreases in Fund Balances:

The City's current financial policies provide that the working balance of the General Fund be at least 10% of budgeted 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. At the end of 2013/2014, the General Fund balance is 15.1% of General Fund expenditures. In the upcoming year City Council will be considering amending the financial policies to reflect this increased minimum General Fund balance level. Consideration can be given each year for balances higher than the 15% with a long-term goal of reaching a consistent 20% level.

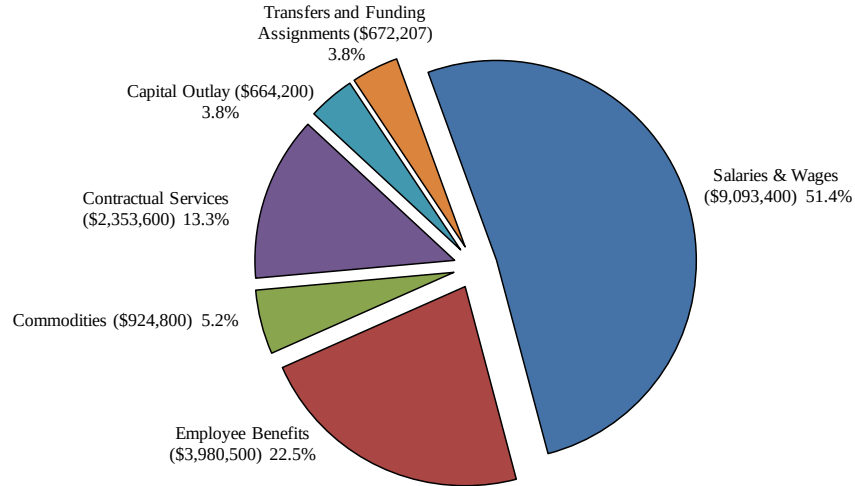
**General Fund Revenues By Source
Budget 2013/2014
\$17,405,549**



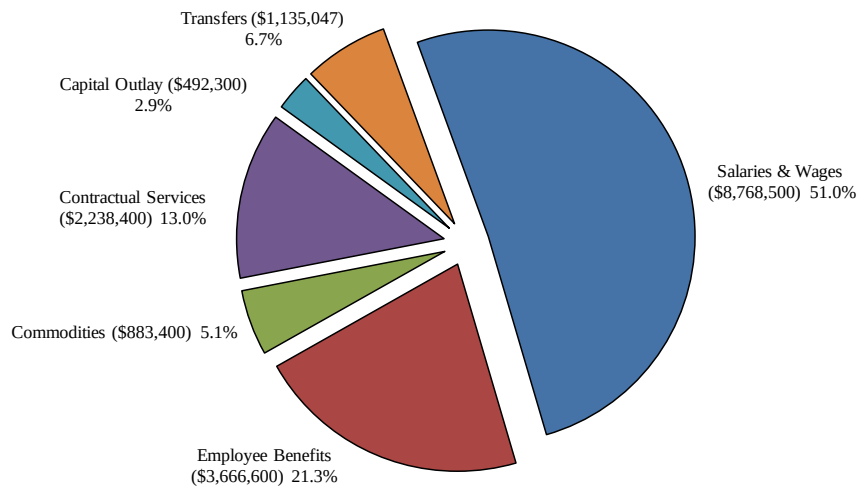
**General Fund Revenues By Source
Budget 2012/2013
\$17,053,676**



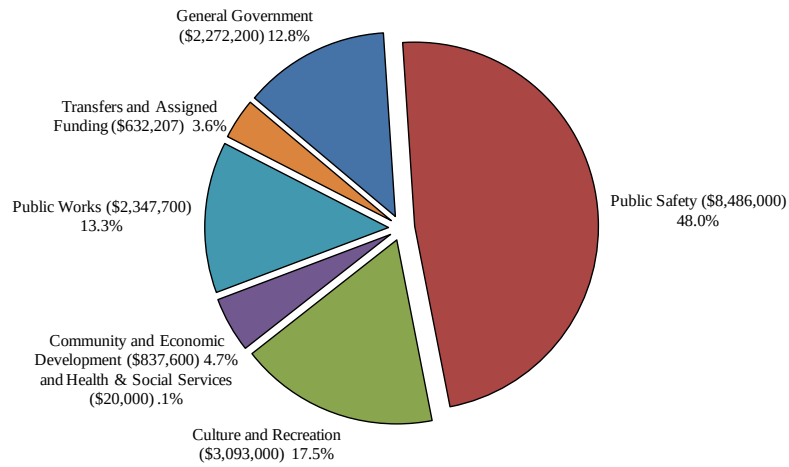
**General Fund Expenditures By Type
Budget 2013/2014
\$17,688,707**



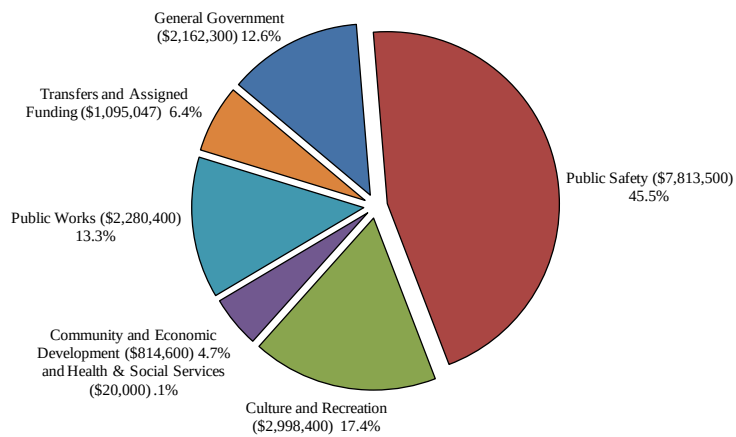
**General Fund Expenditures By Type
Budget 2012/2013
\$17,184,247**



**General Fund Expenditures By Function
Budget 2013/2014
\$17,688,707**



**General Fund Expenditures By Function
Budget 2012/2013
\$17,184,247**



General Fund
Revenues by Type

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change from 2012/2013 Budget
Taxes	\$ 7,318,419	\$ 7,511,663	\$ 7,663,279	\$ 7,624,479	\$ 7,853,772	2.5%
Licenses and Permits	271,372	308,386	295,600	302,400	303,100	2.5%
Fines and Forfeitures	393,340	1,031,657	642,500	904,000	804,000	25.1%
Intergovernmental Revenue	509,165	525,050	597,400	583,500	553,100	-7.4%
Charges for Services	632,876	751,944	629,250	662,200	664,600	5.6%
Use of Money and Property	156,642	183,068	162,200	153,100	148,800	-8.3%
Miscellaneous Revenues	761,448	729,295	747,350	705,000	723,800	-3.2%
Transfers In	5,585,855	6,036,475	6,316,097	6,426,141	6,354,377	0.6%
Total	<u>\$ 15,629,117</u>	<u>\$ 17,077,538</u>	<u>\$ 17,053,676</u>	<u>\$ 17,360,820</u>	<u>\$ 17,405,549</u>	2.1%

**General Fund
Revenue Summary**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	\$ 5,967,995	\$ 6,145,930	\$ 6,299,276	\$ 6,299,276	\$ 6,441,167	2.25%
Ag Land Tax	2,490	2,846	2,639	2,639	2,730	3.45%
Transit System Levy	179,067	299,546	318,463	318,463	378,375	18.81%
Tort Liability Levy	252,675	225,029	248,199	248,199	262,171	5.63%
Levee Tax Levy	49,719	51,202	52,494	52,494	53,676	2.25%
Mobile Home Tax	9,862	10,605	10,000	10,000	10,000	0.00%
Special Revenue:						
Emergency Levy	59,282	0	0	0	0	
Police Retirement	389,877	538,195	589,485	588,334	712,721	20.91%
Fire Retirement	388,304	491,247	532,401	540,485	645,010	21.15%
Police and Fire Medical Insurance	12,285	12,285	12,900	36,000	36,000	179.07%
Police and Fire Retiree Medical Costs	17,839	24,376	26,600	26,600	26,600	0.00%
Long-term Disability Insurance	8,964	8,576	8,654	8,720	9,222	6.56%
Workers Compensation Insurance	36,181	34,505	38,290	37,619	43,916	14.69%
Unemployment Insurance	51,080	55,860	57,950	39,816	48,604	-16.13%
Health Insurance	1,313,428	1,320,072	1,351,565	1,350,434	1,388,867	2.76%
Life Insurance	14,387	14,929	14,133	14,310	14,855	5.11%
Dental Insurance	34,043	35,264	37,050	37,189	39,072	5.46%
Deferred Compensation	4,773	0	0	0	0	
Post Employment Health Plan	58,589	41,469	15,706	59,909	15,641	-0.41%
FICA/IPERS	461,257	508,038	560,635	547,197	590,574	5.34%
Employee Benefit Levy Reduction	0	0	(100,426) (1)	(100,426) (1)	(527,005) (2)	424.77%
Subtotal	<u>\$ 9,312,097</u>	<u>\$ 9,819,974</u>	<u>\$ 10,076,014</u>	<u>\$ 10,117,258</u>	<u>\$ 10,192,196</u>	1.15%
Non-Property Tax Revenues						
Hotel/Motel Taxes	\$ 363,664	\$ 347,771	\$ 350,000	\$ 350,000	\$ 350,000	0.00%
Cable Franchise Tax	236,253	225,903	236,300	225,000	225,000	-4.78%
Utility Franchise Fees	227,680	170,225	112,500	85,000	100,000	-11.11%
Utility Tax Replacement Excise Tax:						
General	26,847	29,813	30,417	30,417	27,668	-9.04%
Tort Liability	1,137	1,092	1,201	1,201	1,129	-6.00%
Transit	806	1,453	1,537	1,537	1,625	5.73%
Levee	224	248	253	253	231	-8.70%
Subtotal	<u>\$ 856,611</u>	<u>\$ 776,505</u>	<u>\$ 732,208</u>	<u>\$ 693,408</u>	<u>\$ 705,653</u>	-3.63%
Intergovernmental Revenues						
Road Use Tax	<u>\$ 1,958,619</u>	<u>\$ 1,946,883</u>	<u>\$ 2,065,200</u>	<u>\$ 2,129,900</u>	<u>\$ 2,148,000</u>	4.01%
Subtotal	<u>\$ 1,958,619</u>	<u>\$ 1,946,883</u>	<u>\$ 2,065,200</u>	<u>\$ 2,129,900</u>	<u>\$ 2,148,000</u>	4.01%

**General Fund
Revenue Summary**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Licenses and Permits						
Beer, Liquor and Cigarettes	\$ 33,988	\$ 32,644	\$ 34,000	\$ 32,600	\$ 32,600	-4.12%
Animal	2,920	2,084	3,000	2,100	2,100	-30.00%
Alarm Permits	1,825	1,425	1,500	1,500	1,500	0.00%
Miscellaneous	6,627	5,920	6,600	5,900	5,900	-10.61%
Subtotal	<u>\$ 45,360</u>	<u>\$ 42,073</u>	<u>\$ 45,100</u>	<u>\$ 42,100</u>	<u>\$ 42,100</u>	-6.65%
Cemetery Fees						
Lot and Niche Sales	\$ 29,880	\$ 25,052	\$ 25,000	\$ 25,000	\$ 25,000	0.00%
Lease of Property-Cell Towers	15,320	15,592	15,300	15,500	15,500	1.31%
Burial Fees	57,970	56,515	50,000	52,000	52,000	4.00%
Miscellaneous Charges	10,883	10,556	10,000	10,000	10,000	0.00%
Commissions	11,009	15,790	11,000	11,000	11,000	0.00%
Perpetual Care Interest	23,612	24,420	17,100	19,600	17,900	4.68%
Donations	0	0	0	2,600	0	
FEMA - State Share	534	307	0	0	0	
Subtotal	<u>\$ 149,208</u>	<u>\$ 148,232</u>	<u>\$ 128,400</u>	<u>\$ 135,700</u>	<u>\$ 131,400</u>	2.34%
Community Development Fees						
Housing Inspection Fees	\$ 34,774	\$ 36,765	\$ 35,000	\$ 35,000	\$ 35,000	0.00%
Construction Permits	151,732	186,840	175,000	185,000	185,000	5.71%
Electricians Licenses	260	160	0	0	0	
Plumbers Licenses	250	300	0	0	0	
Health Licenses	38,996	40,023	39,000	39,000	40,000	2.56%
Health Class Fees/Lead Class Fees	5,040	0	0	0	0	
Zoning Fees	2,050	3,550	2,000	2,500	2,500	25.00%
Board of Adjustment Fees	900	1,750	1,000	2,000	2,000	100.00%
Site Plan Review Fees	1,000	700	1,000	1,000	1,000	0.00%
Sale of Code Books	0	105	100	100	100	0.00%
Sale of Property	12,937	5,871	20,000	7,000	10,000	-50.00%
Reimbursement of Senior Training Program	14,280	19,711	26,700	25,000	27,300	2.25%
Historic Preservation Grant/Donations	2,500	0	8,100	15,100	0	
Municipal Infractions Penalties	2,125	1,625	2,500	2,000	2,000	-20.00%
Nuisance Reimbursements/Administrative Fees	99,211	108,738	80,000	60,000	70,000	-12.50%
Miscellaneous	1,071	1,246	500	500	500	
Transfer In:						
CDBG Grant Staff Services	13,862	0	0	0	0	
Staff Services Airport/Brownfield Projects	11,075	20,304	0	0	0	
Subtotal	<u>\$ 392,063</u>	<u>\$ 427,688</u>	<u>\$ 390,900</u>	<u>\$ 374,200</u>	<u>\$ 375,400</u>	-3.97%

General Fund
Revenue Summary

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	\$ 10,470	\$ 11,975	\$ 11,000	\$ 11,500	\$ 11,500	4.55%
Pearl City Station Rentals	7,150	9,090	10,000	9,000	9,000	-10.00%
Riverview Center Rentals	12,225	19,850	13,000	15,000	15,000	15.38%
Donations	3,600	0	0	22,000	0	
Maintenance Fees	1,478	1,215	1,500	1,200	1,200	-20.00%
Equipment/Miscellaneous Sales	814	2,523	0	300	0	
Concession Commission	1,038	1,174	1,300	1,100	1,100	-15.38%
Insurance Reimbursement - Park Damage	2,797	0	0	0	0	
FEMA - Federal Share	793	(4,817)	0	0	0	
FEMA - State Share	11,002	10,840	0	0	0	
Community Foundation Reimbursement	0	450	0	500	500	
Other	0	237	0	0	0	
Transfers In						
Administration Fees	11,100	11,400	11,700	11,700	12,100	3.42%
Subtotal	\$ 62,467	\$ 63,937	\$ 48,500	\$ 72,300	\$ 50,400	3.92%
Kent Stein Park						
Maintenance Fees	\$ 11,868	\$ 17,678	\$ 11,000	\$ 11,200	\$ 11,200	1.82%
Maintenance Fees - Bruner Field	0	0	0	11,300	11,500	
Commission on Concessions	11,530	14,024	12,500	12,000	12,000	-4.00%
Mowing Reimbursement - Housing	7,750	7,500	7,300	7,500	7,500	2.74%
Storage Building Rental	1,200	1,200	1,200	1,200	1,200	0.00%
FEMA Reimbursement	1,445	0	0	0	0	
Other	263	0	0	0	0	
Subtotal	\$ 34,056	\$ 40,402	\$ 32,000	\$ 43,200	\$ 43,400	35.63%
Soccer Complex Operations						
Maintenance Fees	\$ 29,172	\$ 32,492	\$ 31,000	\$ 32,000	\$ 31,000	0.00%
Commission on Concessions	11,900	12,838	11,200	10,500	10,500	-6.25%
Donation (Portable Kiosk)	0	0	0	0	19,000	
Other	786	0	0	0	0	
Transfer In:						
Golf Administrative Fees	11,600	12,000	12,400	12,400	12,800	3.23%
Subtotal	\$ 53,458	\$ 57,330	\$ 54,600	\$ 54,900	\$ 73,300	34.25%
Recreation						
Entry Fees/Admissions	\$ 943	\$ 2,142	\$ 2,000	\$ 1,500	\$ 2,000	0.00%
Lessons	30,759	35,345	33,000	38,000	38,000	15.15%
League and Tournament Fees	5,514	6,547	6,500	7,500	7,500	15.38%
Equipment Rentals	195	0	0	0	0	
Sales Tax	386	453	500	500	500	0.00%
Commissions	36	189	200	200	200	0.00%
Donations	950	850	1,000	0	0	-100.00%
Adventureland Ticket Sales	11,337	11,134	12,000	10,000	11,000	-8.33%
Other	0	515	0	600	0	
Subtotal	\$ 50,120	\$ 57,175	\$ 55,200	\$ 58,300	\$ 59,200	7.25%

General Fund
Revenue Summary

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Swimming Pools						
Admissions	\$ 81,710	\$ 115,208	\$ 85,000	\$ 95,000	\$ 85,000	0.00%
Season Passes	17,290	21,975	20,000	20,000	20,000	0.00%
Lessons	5,665	8,431	5,800	6,500	6,500	12.07%
Group Sales	16,543	21,394	17,000	17,000	17,000	0.00%
Room Rental	750	550	800	600	600	-25.00%
Locker Rental	1,085	1,130	1,200	1,100	1,100	-8.33%
Commission on Concessions	7,851	11,813	9,000	9,500	9,000	0.00%
Donations	1,000	500	0	0	0	
Miscellaneous Sales	0	456	0	500	500	
Other	372	174	400	200	200	-50.00%
Subtotal	\$ 132,266	\$ 181,631	\$ 139,200	\$ 150,400	\$ 139,900	0.50%
Subtotal - Parks and Recreation	\$ 332,367	\$ 400,475	\$ 329,500	\$ 379,100	\$ 366,200	11.14%
Library Revenues						
Fines and Charges	\$ 17,424	\$ 16,543	\$ 15,000	\$ 15,000	\$ 15,000	0.00%
County Contributions	106,018	105,299	105,400	107,900	111,000	5.31%
Illinois Contracts	8,930	9,064	9,300	9,300	9,600	3.23%
Printing Charges	2,420	2,327	1,550	1,600	1,600	3.23%
Sales	23	5	50	0	0	-100.00%
Other	899	30	0	0	0	
Subtotal	\$ 135,714	\$ 133,268	\$ 131,300	\$ 133,800	\$ 137,200	4.49%
Art Center Revenues						
Building Rentals	\$ 1,200	\$ 975	\$ 1,200	\$ 1,000	\$ 1,200	0.00%
Class Fees	3,281	3,793	5,000	3,800	4,500	-10.00%
State Grant	14,400	13,540	0	13,500	0	
Support Foundation Contributions	17,539	18,025	18,900	17,100	19,500	3.17%
Friends of the Art Center Contributions	22,403	19,582	20,800	21,000	21,200	1.92%
Other	365	319	1,000	400	500	-50.00%
Subtotal	\$ 59,188	\$ 56,234	\$ 46,900	\$ 56,800	\$ 46,900	0.00%
Public Works Services						
Repair and Maintenance Services	\$ 22,031	\$ 24,970	\$ 23,500	\$ 23,500	\$ 23,500	0.00%
IDNR Grant - Diesel Emissions	0	0	0	16,100	0	
Sale of Equipment	10,546	0	7,500	7,500	7,500	0.00%
Miscellaneous Sales	7,153	10,935	5,000	5,000	5,000	0.00%
FEMA Reimbursement - State Share	1,819	0	0	0	0	
Reimbursement for Salt	110,364	102,338	100,000	34,100	60,000	-40.00%
Other	2,396	5,470	500	500	500	0.00%
Transfers In:						
Engineering Services - City Engineer	54,103	60,650	45,000	65,000	65,000	44.44%
Administrative Fees	55,800	57,500	59,200	59,200	61,100	3.21%
Subtotal	\$ 264,212	\$ 261,863	\$ 240,700	\$ 210,900	\$ 222,600	-7.52%

**General Fund
Revenue Summary**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Police Operations						
Police Grants	\$ 329,194	\$ 354,426	\$ 448,300	\$ 401,700	\$ 397,500	-11.33%
Court Fines	193,816	208,186	160,000	165,000	165,000	3.13%
Automatic Traffic Enforcement Fines	163,533	783,887	450,000	700,000	600,000	33.33%
Parking Violations	16,392	19,466	15,000	20,000	20,000	33.33%
Tobacco Checks/Violations	50	1,950	0	2,000	2,000	
False Alarm Charges	2,200	1,350	1,500	1,500	1,500	0.00%
Police Services Agreement	42,228	43,178	44,300	44,300	45,600	2.93%
Animal Ordinance Fees and Fines	2,700	2,105	2,700	2,400	2,700	0.00%
Printing Charges	3,760	3,762	3,500	3,700	3,700	5.71%
Contributions	10,000	21,000	0	0	0	
Contributions - Mentor Program	4,695	5,000	5,000	5,000	5,000	0.00%
Lease - Public Safety Cell Tower	22,667	23,431	23,400	23,400	23,400	0.00%
Reimbursements/Miscellaneous Income	9,360	17,502	30,000	25,000	20,000	-33.33%
Subtotal	<u>\$ 800,595</u>	<u>\$ 1,485,243</u>	<u>\$ 1,183,700</u>	<u>\$ 1,394,000</u>	<u>\$ 1,286,400</u>	8.68%
Fire Operations						
Fire Hazmat Agreements	\$ 7,200	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	0.00%
Fire Open Burn Permits	0	2,225	1,500	1,300	1,000	-33.33%
Fire Inspection Fees	0	12,862	7,000	9,000	8,000	14.29%
Fire Plan Review Fees	0	100	0	0	0	
Fire Assessment Fees	0	210	0	100	0	
Confined Space Fees (Fire Department)	4,500	36,000	40,500	40,500	40,500	0.00%
Fire Protection Contracts	15,660	14,144	15,700	15,700	15,700	0.00%
Donations	0	1,800	0	0	0	
Fire Reports	0	2,800	700	700	700	0.00%
Municipal Infraction Penalty	0	125	0	0	0	
False Alarm Charges	0	100	0	0	0	
Reimbursement of Expenses/Other Income	0	6,889	2,000	4,000	500	-75.00%
Subtotal	<u>\$ 27,360</u>	<u>\$ 86,255</u>	<u>\$ 76,400</u>	<u>\$ 80,300</u>	<u>\$ 75,400</u>	-1.31%
Other General Revenues						
Interest Income	\$ 3,081	\$ 4,661	\$ 2,000	\$ 2,000	\$ 2,000	0.00%
Payment in Lieu of Taxes	34,429	36,391	34,400	35,000	35,000	1.74%
Housing Accounting Fees	49,600	51,100	52,600	52,600	54,100	2.85%
Housing Management Fee	12,510	11,448	12,500	12,500	12,500	0.00%
Lease - Clark House Cell Towers	37,935	38,786	37,900	28,500	24,500	-35.36%
FEMA (General)	601	0	0	0	0	
Sale of Equipment/Other	22,098	0	7,500	0	0	-100.00%
Reimbursement of TIF Rebate	0	0	0	25,700	0	
Emergency Management Siren Reimbursement	0	0	0	0	22,800	
Other Charges	50,384	28,453	20,000	15,000	15,000	-25.00%

General Fund
Revenue Summary

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change From 2012/2013 Budget
Transfers In:						
Parks and Recreation Trust	0	0	50,000	50,000	0	-100.00%
Administrative Fees	304,850	313,950	323,100	323,100	335,900	3.96%
Health Insurance Fund (Wellness)	50,516	48,035	59,600	55,800	57,600	-3.36%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.00%
Information Technology Administrative Fee	23,900	24,700	25,500	25,500	26,900	5.49%
Insurance Trust	0	0	0	0	40,000	
CDBG Funds for Safe Streets Building	0	0	0	3,000	0	
Water Pollution Control for Riverfront Electrical Upgrade	0	0	0	2,400	0	
Capital Projects Funds for Public Works Doors	0	8,504	0	0	0	
Ambulance Enterprise Fund	697,819	786,300	839,000	839,000	885,300	5.52%
Tax Increment/Economic Dev Admin Fees	5,000	102,517	105,254	105,254	110,000	4.51%
Tax Increment Economic Development	0	35,000	35,000	35,000	35,000	0.00%
Tax Increment - Revolving Loan Fund	0	0	0	0	12,500	
Tax Increment - Legal Services	0	0	0	0	4,000	
Subtotal	<u>\$ 1,295,723</u>	<u>\$ 1,492,845</u>	<u>\$ 1,607,354</u>	<u>\$ 1,613,354</u>	<u>\$ 1,676,100</u>	4.28%
Total	<u>\$ 15,629,117</u>	<u>\$ 17,077,538</u>	<u>\$ 17,053,676</u>	<u>\$ 17,360,820</u>	<u>\$ 17,405,549</u>	2.06%

1. The Employee Benefits levy for 2012/2013 was less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This will result in \$100,426 of the General Fund balance being used for employee benefits during 2012/2013. This allowed City Council to lower the overall property tax rate for 2012/2013 by approximately \$.10/\$1,000 of valuation and still maintain an adequate General Fund balance.
2. The Employee Benefits levy for 2013/2014 is less than the amount that would have been needed to fund 100% of the cost of General Fund employee benefits. This will result in \$527,005 of the General Fund balance being used for employee benefits during 2013/2014. This allowed City Council to maintain the overall property tax rate for 2013/2014 at the same rate as 2012/2013.

General Fund

Expenditures by Type

	<u>Actual 2009/2010</u>	<u>Actual 2010/2011</u>	<u>Budget 2011/2012</u>	<u>Revised Estimate 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Percent Change from 2011/2012 Budget</u>
Personal Services	\$ 10,946,509	\$ 11,193,297	\$ 12,005,600	\$ 11,993,200	\$ 12,435,100	3.6%
Commodities	820,925	925,787	983,300	993,600	883,400	-10.2%
Contractual Services	2,128,733	2,206,193	2,221,900	2,388,800	2,238,400	0.7%
Capital Outlay	825,254	435,111	297,000	396,200	492,300	65.8%
Transfers and Assigned Funding	<u>572,908</u>	<u>540,551</u>	<u>626,144</u>	<u>638,280</u>	<u>1,135,047</u>	81.3%
Total	<u><u>\$ 15,294,329</u></u>	<u><u>\$ 15,300,939</u></u>	<u><u>\$ 16,133,944</u></u>	<u><u>\$ 16,410,080</u></u>	<u><u>\$ 17,184,247</u></u>	6.5%

General Fund
Summary of Expenditures

Function/Activity	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change from FY 2013 Budget
General Government						
Mayor and Council	\$ 71,047	\$ 69,847	\$ 72,800	\$ 71,100	\$ 72,800	0.0%
Legal Services	49,293	79,259	70,600	60,600	70,600	0.0%
City Administrator	237,432	241,247	247,500	247,500	255,500	3.2%
Human Resources	156,486	143,168	137,000	146,500	159,800	16.6%
Wellness Program	51,813	50,032	59,600	55,800	57,600	-3.4%
Finance and Records	464,264	494,686	514,700	475,500	553,900	7.6%
Information Technology	236,375	247,823	250,700	243,800	254,500	1.5%
Risk Management	259,418	261,334	288,900	296,600	334,900	15.9%
Building and Grounds	471,156	480,347	520,500	536,000	512,600	-1.5%
Subtotal	<u>\$ 1,997,284</u>	<u>\$ 2,067,743</u>	<u>\$ 2,162,300</u>	<u>\$ 2,133,400</u>	<u>\$ 2,272,200</u>	5.1%
Public Safety						
Police Operations	\$ 3,596,249	\$ 3,939,859	\$ 4,213,100	\$ 4,211,300	\$ 4,604,500	9.3%
Animal Control	102,281	122,904	125,900	125,900	127,900	1.6%
Fire Operations	3,148,339	3,404,243	3,447,800	3,544,400	3,705,100	7.5%
Emergency Management	51,052	30,100	26,700	34,630	48,500	81.6%
Subtotal	<u>\$ 6,897,921</u>	<u>\$ 7,497,106</u>	<u>\$ 7,813,500</u>	<u>\$ 7,916,230</u>	<u>\$ 8,486,000</u>	8.6%
Culture and Recreation						
Library	\$ 1,029,600	\$ 1,050,500	\$ 1,050,500	\$ 1,050,500	\$ 1,072,000	2.0%
Cable Television Operations	37,292	17,090	25,500	25,500	18,500	-27.5%
Art Center	308,342	309,280	307,200	330,400	297,400	-3.2%
Park Administration	153,493	156,790	158,900	161,200	165,900	4.4%
Park Maintenance	583,319	585,055	654,900	682,300	633,900	-3.2%
Kent Stein Park	168,573	176,584	171,800	187,300	218,700	27.3%
Soccer Complex	168,159	170,419	182,100	190,300	205,900	13.1%
Swimming Pools	177,293	201,436	177,700	183,400	194,500	9.5%
Recreation	99,283	112,270	120,200	120,300	126,600	5.3%
Cemetery	148,774	153,642	149,600	154,300	159,600	6.7%
Subtotal	<u>\$ 2,874,129</u>	<u>\$ 2,933,066</u>	<u>\$ 2,998,400</u>	<u>\$ 3,085,500</u>	<u>\$ 3,093,000</u>	3.2%

General Fund
Summary of Expenditures

Function/Activity	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change from FY 2013 Budget
Health and Social Services						
Economic Well-Being	\$ 17,800	\$ 17,800	\$ 20,000	\$ 20,000	\$ 20,000	0.0%
Subtotal	\$ 17,800	\$ 17,800	\$ 20,000	\$ 20,000	\$ 20,000	0.0%
Community and Economic Development						
Community Development	\$ 666,531	\$ 668,198	\$ 724,600	\$ 712,800	\$ 711,100	-1.9%
Economic Development	90,000	90,000	90,000	106,500	126,500	40.6%
Subtotal	\$ 756,531	\$ 758,198	\$ 814,600	\$ 819,300	\$ 837,600	2.8%
Public Works						
Public Works Administration	\$ 141,245	\$ 151,710	\$ 163,600	\$ 157,600	\$ 160,500	-1.9%
Roadway Maintenance	1,228,279	1,135,182	1,277,800	1,326,000	1,321,500	3.4%
Traffic Control	132,820	152,836	153,600	163,000	161,200	4.9%
Snow and Ice Control	469,879	325,802	372,100	355,200	381,600	2.6%
Street Cleaning	170,602	169,856	177,500	178,700	185,800	4.7%
Engineering	123,965	125,521	135,800	135,800	137,100	1.0%
Subtotal	\$ 2,266,789	\$ 2,060,907	\$ 2,280,400	\$ 2,316,300	\$ 2,347,700	3.0%
Transfers and Assigned Funding						
Transit System Subsidy	\$ 180,141	\$ 301,472	\$ 320,000	\$ 320,000	\$ 380,000	18.8%
Airport Subsidy	60,325	56,229	47,300	50,460	41,300	-12.7%
Levee Project Subsidy	50,019	51,531	52,747	52,747	53,907	2.2%
Equipment Replacement Allocation	200,000	168,900	245,000	245,000	117,000	-52.2%
Equipment Replacement Future Fire Engine Allocation	0	0	250,000	497,000	0	-100.0%
COPS Grant Future Commitment	0	0	40,000	40,000	40,000	0.0%
Finance Software Funding	0	0	140,000	160,000	0	-100.0%
Subtotal	\$ 490,485	\$ 578,132	\$ 1,095,047	\$ 1,365,207	\$ 632,207	-42.3%
Total	\$ 15,300,939	\$ 15,912,952	\$ 17,184,247	\$ 17,655,937	\$ 17,688,707	2.9%

Function:
General Government

Department:
Legislative and Council

Activity:
Mayor and Council

GENERAL INFORMATION

The City Council is the legislative branch of the Muscatine City government. All policy-making decisions affecting City government are determined by the City Council and adopted by formal ordinance, resolution, or motion. The presiding officer of the City Council is the Mayor. The Mayor and Council have joint responsibility for appointing all the Boards and Advisory Commissions of the City as well as the hiring and termination of the Fire Chief and Police Chief. There are nineteen (19) 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 2012/2013 revised estimate is under the budgeted amount by \$1,700 due to a reduced allocation for auditing services. The General fund portion of the annual audit cost is charged to this budget. While the total cost for the audit increased per the audit agreement, the portion allocated to enterprise and grant funds was higher than originally estimated.

The 2013/2014 budget is the same as the original 2012/2013 budget. This budget includes \$22,500 for the estimated General fund portion of the annual audit. The audit for the year ending June 30, 2013 will be the final year of a five year agreement with McGladrey LLP for audit services.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	10	9	10	10	10
Budget Meetings	9	10	9	9	9
Other Meetings	3	3	2	3	3
Joint Meetings:					
County Board of Supervisors	2	1	1	1	1
Muscatine Power & Water	0	0	0	1	1

<i>CITY OF MUSCATINE CORE VALUES, VISION, AND MISSION</i>

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 pride, 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

The City of Muscatine's mission is to provide a full-range of high quality, effective municipal services; excellent customer service; and sound fiscal management. We engage our community, producing results designed to enhance the safety, well-being and quality of life for our residents and business community. We are advocates for our community, valuing our history and working to shape our future.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014 AND FUTURE YEARS</i>

Long-Term Goals

- Promote in-fill and voluntary annexation opportunities.
- Develop effective economic development strategies to encourage local investment and partnership.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate.

Council Policy Agenda 2012 and 2013**Top Priority**

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Chamber and Convention and Visitors Bureau. 2013
- Work to promote the City of Muscatine as a Blue Zones Community.
- Meet with Muscatine Power & Water to redefine annexation policy for the extension of utilities in unincorporated areas.
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.

- Update the City's Financial Policies to reflect a new target General Fund balance in excess of the present 10% threshold. This policy update will also address conditions for use of reserves, authority over reserves, and replenishment of reserves. 2013
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Develop a citywide comprehensive plan incorporating Iowa's Smart Planning Principles. 2013
- Develop policies/incentives to encourage in-fill opportunities and address blight within the city limits.
 - Adopt housing tax abatement plan.
 - Adopt historical housing tax abatement plan.

High Priority

- Provide for the City's existing levels of service with an emphasis on essential services.
- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan.
- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Adopt updated City Code. 2013 (Estimated cost \$15,000)
- Adopt updated Citywide zoning ordinance. 2013-2014 (Estimated cost \$10,000)

Management Agenda 2012-2014

The Management Agenda represents short-term projects for the City Administrator and staff. Included in the Management Agenda are items that are considered major projects that involve significant city resources and may span more than one year for completion

Top Priority

- Focus on continuous improvement and excellence in service throughout the organization.
- Enhance the City's new website and maximize web-based resources as a resource for public communication.
- Complete an update of the City Code and City's 1974 zoning ordinance. 2013
- Prepare a Unified Development Code for City Council review and adoption (Subdivision, Building, Zoning, and Health regulations). 2014

High Priority

- Utilize surveys and other tools to enhance policy and budget recommendations.
- Continue to develop the Continuous Service Improvement (CSI) Program and begin Lean training for all City employees in cooperation with HNI.
- Provide a pavement management program and work to develop a sidewalk management policy and plan. 2013
- Continue to review and target means to improve energy efficiency throughout the organization and City facilities.

- Complete the following Capital Projects:
 - o Finalize and implement Combined Sewer Overflow (CSO) timeline. 2013
 - o Cedar Street Reconstruction and Trail. 2013-2014
 - o Colorado Street Reconstruction. 2013-2014
 - o Identify Mississippi Drive Corridor funding mechanisms. 2013-2014
 - o Provide support to the Phase III Soccer Committee.
 - o Evaluate adding HVAC to City Hall and the Art Center. 2013
 - o Prepare cost estimates and a construction timeline for inclusion of reconstruction of Mulberry Street (Houser to Bypass) in the City's Capital Improvement Plan.

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 37,702	\$ 38,100	\$ 38,000	\$ 38,200	\$ 38,400	1.05%
Commodities	563	944	800	1,000	1,000	25.00%
Contractual Services	32,782	30,803	34,000	31,900	33,400	-1.76%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 71,047</u>	<u>\$ 69,847</u>	<u>\$ 72,800</u>	<u>\$ 71,100</u>	<u>\$ 72,800</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 71,047</u>	<u>\$ 69,847</u>	<u>\$ 72,800</u>	<u>\$ 71,100</u>	<u>\$ 72,800</u>	0.00%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	
Total	8	8	8	8	8	\$ 34,500
Employee Benefits						<u>3,900</u>
Total Personal Services						<u>\$ 38,400</u>

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

GENERAL INFORMATION

The City Attorney is retained by the City on a part-time basis and paid on an hourly basis. The City's previous long-serving City Attorney retired at the end of October, 2010. After soliciting proposals from interested attorneys, Matt Brick of the Brick Gentry Law Firm was selected to serve as the new 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. Jennifer Lerner was selected to serve as the City Prosecutor at a rate of \$85 per hour.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is \$10,000 less than the original budget. The original 2012/2013 budget included \$10,000 for updating the Zoning ordinance portion of the City Code. This update was originally planned for 2012/2013, but has now been deferred to 2013/2014 after the completion of the City's new Comprehensive Plan.

The 2013/2014 budget is the same as the original 2012/2013 budget and includes the allocation of \$10,000 for the update of the Zoning ordinance portion of the City Code. This budget is based on an estimate of the hours of legal services needed during the year. Legal services for capital projects and enterprise funds are charged to those projects or funds.

GOAL STATEMENT

To provide legal services to the Mayor, City Council, City staff, and Advisory Commissions and Boards 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 2009/2010	Actual 2010/2011**	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Hours of Legal Service Provided:					
City Attorney (previous including prosecutions) *	385	106	N/A	N/A	N/A
New City Attorney (excluding prosecutions) *	N/A	613	388	675	600
City Prosecutor	N/A	106	269	225	225

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

** The previous City Attorney retired at the end of October, 2010 and was replaced with a new City Attorney and City Prosecutor.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to respond to requests for assistance in legal matters by the Mayor, City Council, and City Administrator (all legal services requests are made through the City Administrator).
- * To complete a comprehensive update to the City Code with City Council review scheduled to begin in late spring or summer 2013. The Zoning Ordinance review and update will follow completion of the City's comprehensive plan (later half of 2013). **(Management Agenda Top Priority)**

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	100	-	-	-100.00%
Contractual Services	49,293	79,260	70,500	60,600	70,600	0.14%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 49,293</u>	<u>\$ 79,260</u>	<u>\$ 70,600</u>	<u>\$ 60,600</u>	<u>\$ 70,600</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 49,293</u>	<u>\$ 79,260</u>	<u>\$ 70,600</u>	<u>\$ 60,600</u>	<u>\$ 70,600</u>	0.00%

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

GENERAL INFORMATION

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

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

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is the same as the original budget. The 2013/2014 budget is \$8,000 (3.2%) higher than the 2012/2013 budget due to increased personal services costs.

GOAL STATEMENT

To improve the service and program capabilities of the City of Muscatine through the effective and efficient forecasting and planning of financial, manpower, and material needs of the City; to assist the City Council in developing the City needs in services and programs; to implement such services and programs established by the City Council through continual evaluation of the organizational structure of the City.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
City Council Agenda Items Presented	370	379	389	380	380
Staff Meetings Held	24	24	23	22	24
Quad City Area Managers Meetings (Bi-State)	11	10	8	9	9
State Association Meetings (IaCMA)	2	2	1	1	1
International City/County Management Association (ICMA)	1	1	1	1	1
Municipal Management Institute (IMMI)	1	1	1	1	1
Municipal Attorneys Association (IMAA)	1	1	1	1	1
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	10	15	18	20	25
GMCCI Board and Committee Meetings	12	18	18	18	18
United Way Meetings	12	10	10	10	10

**CITY OF MUSCATINE CORE VALUES,
VISION, AND MISSION**

Core Values

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

Vision

Muscatine is a vibrant river community where a rich tradition of community pride and entrepreneurial spirit has created an outstanding environment to live and work. Muscatine values its history, has a strong sense of community pride, 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

The City of Muscatine's mission is to provide a full-range of high quality, effective municipal services; excellent customer service; and sound fiscal management. We engage our community, producing results designed to enhance the safety, well-being and quality of life for our residents and business community. We are advocates for our community, valuing our history and working to shape our future.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014 AND FUTURE YEARS

Long-Term Goals

- Promote in-fill and voluntary annexation opportunities.
- Develop effective economic development strategies to encourage local investment and partnership.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate.

Council Policy Agenda 2012 and 2013**Top Priority**

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Chamber and Convention and Visitors Bureau. 2013
- Work to promote the City of Muscatine as a Blue Zones Community.
- Meet with Muscatine Power & Water to redefine annexation policy for the extension of utilities in unincorporated areas
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.
- Update the City's Financial Policies to reflect a new target General Fund balance in excess of the present 10% threshold. This policy update will also address conditions for use of reserves, authority over reserves, and replenishment of reserves. 2013
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Develop a citywide comprehensive plan incorporating Iowa's Smart Planning Principles. 2013
- Develop policies/incentives to encourage in-fill opportunities and address blight within the city limits.
 - Adopt housing tax abatement plan.
 - Adopt historical housing tax abatement plan.

High Priority

- Provide for the City's existing levels of service with an emphasis on essential services.
- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan.
- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool.
- Adopt updated City Code. 2013 (Estimated cost \$15,000)
- Adopt updated Citywide zoning ordinance. 2013-2014 (Estimated cost \$10,000)

Management Agenda 2012-14

The Management Agenda represents short-term projects for the City Administrator and staff. Included in the Management Agenda are items that are considered major projects that involve significant city resources and may span more than one year for completion

Top Priority

- Focus on continuous improvement and excellence in service throughout the organization.
- Enhance the City's new website and maximize web-based resources as a resource for public communication.

- Complete an update of the City Code and City's 1974 zoning ordinance. 2013
- Prepare a Unified Development Code for City Council review and adoption (Subdivision, Building, Zoning, and Health regulations). 2014

High Priority

- Utilize surveys and other tools to enhance policy and budget recommendations.
- Continue to develop the Continuous Service Improvement (CSI) Program and begin Lean training for all City employees in cooperation with HNI.
- Provide a pavement management program and work to develop a sidewalk management policy and plan. 2013
- Continue to review and target means to improve energy efficiency throughout the organization and City facilities.
- Complete the following Capital Projects:
 - o Finalize and implement Combined Sewer Overflow (CSO) timeline. 2013
 - o Cedar Street Reconstruction and Trail. 2013-2014
 - o Colorado Street Reconstruction. 2013-2014
 - o Identify Mississippi Drive Corridor funding mechanisms. 2013-2014
 - o Provide support to the Phase III Soccer Committee.
 - o Evaluate adding HVAC to City Hall and the Art Center. 2013
 - o Prepare cost estimates and a construction timeline for inclusion of reconstruction of Mulberry Street (Houser to Bypass) in the City's Capital Improvement Plan.

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 210,266	\$ 217,705	\$ 222,500	\$ 222,500	\$ 230,500	3.60%
Commodities	2,115	3,769	2,700	3,000	3,100	14.81%
Contractual Services	24,503	17,649	22,300	22,000	21,900	-1.79%
Capital Outlay	548	2,124	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 237,432</u>	<u>\$ 241,247</u>	<u>\$ 247,500</u>	<u>\$ 247,500</u>	<u>\$ 255,500</u>	3.23%
Funding Sources						
General Revenues	<u>\$ 237,432</u>	<u>\$ 241,247</u>	<u>\$ 247,500</u>	<u>\$ 247,500</u>	<u>\$ 255,500</u>	3.23%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
City Administrator	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	2.00	2.00	2.00	2.00	2.00	\$ 179,000
Employee Benefits						<u>51,500</u>
Total Personal Services						<u>\$ 230,500</u>

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

GENERAL INFORMATION

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

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

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is over the budgeted amount by \$9,500 due to an increase in labor attorney costs related to several personnel issues during the year. Fiscal year 2012/2013 is the second year of the 3-year contracts with each of the City's three bargaining units.

The 2013/2014 budget is \$22,800 (16.6%) higher than the original 2012/2013 budget primarily due to increased labor attorney costs of \$20,000 and increased personal services costs. The increase in labor attorney costs is for legal services for labor negotiations with each of the City's three bargaining units. The budget also continues to include funds for city-wide "Lean" initiatives including the creation of an organized training process for managerial staff and funds for other employee training associated with the Lean process.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Full-time Positions Hired	9	13	17	15	15
Permanent Part-time Positions Hired	5	10	10	10	10
Retirements	8	9	7	9	8
Personnel Actions Processed	309	381	465	450	450
Employment Applications Received	672	968	758	800	800
Civil Service Examinations Administered	12	10	7	5	5
Employee Training Programs	2	3	1	3	5
Employee Newsletter "COMET" Issues	12	12	12	12	12
Civil Service Commission Meetings	12	12	12	12	12

RECENT ACCOMPLISHMENTS

The Human Resources department has been actively involved in the "Lean" initiative. A steering committee has been formed that has been working to learn the concepts and tools in order to establish this process throughout the organization. A training program to introduce the ideas is being created and should be ready to deliver to all employees sometime in the spring. This will be an ongoing, long-term process.

The process for job task analysis and job description updates continues. Once all departments have completed the process for the initial updates, a review will be conducted to ensure the job descriptions remain accurate and up to date.

The department has also been evaluating the city's needs in preparation for the implementation of the Affordable Care Act, which may require some changes to the benefits offered to part-time employees. As needed, these changes will be instituted.

In addition, the department continues to provide assistance to all departments in the areas of hiring, disciplinary processes, benefits administration, coaching, and other personnel functions. Recently the department provided support and assistance to the Art Center Board as they hired a new director.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To implement "Lean" initiatives in the city organization including providing necessary training and support for departments as they learn the Lean concepts. **(Management Agenda Top Priority)**
- * To continue efforts to develop a structured training and development program with continued emphasis on supervisory skills.
- * To implement the Human Resources functions of the new financial software.

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 94,596	\$ 99,006	\$ 102,500	\$ 102,200	\$ 105,800	3.22%
Commodities	2,012	1,445	2,900	2,700	2,700	-6.90%
Contractual Services	59,878	42,717	31,600	41,600	51,300	62.34%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 156,486	\$ 143,168	\$ 137,000	\$ 146,500	\$ 159,800	16.64%
Funding Sources						
General Revenues	\$ 156,486	\$ 143,168	\$ 137,000	\$ 146,500	\$ 159,800	16.64%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	0.50	0.50	0.50	0.50	0.50	
Total	1.25	1.25	1.25	1.25	1.25	\$ 74,800
Employee Benefits						31,000
Total Personal Services						\$ 105,800

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

GENERAL INFORMATION

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

The program also provides an ongoing employee blood pressure screening program 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. - Through the summer of 2011 the Parks Department Office Coordinator served as the Wellness Coordinator. With the change in the Office Coordinator position, the Program Supervisor is currently leading this program with the assistance of other Parks staff. The Wellness Program is also coordinated with representatives of the Human Resources and Public Works departments 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 2012/2013 is \$3,800 less than the budgeted amount primarily due to a reduced allocation for health-related professional services. The budget for 2013/2014 is \$2,000 (3.4%) less than the original 2012/2013 budget also due to a reduction in health-related professional services. The budget for 2013/2014 continues the wellness and health screening programs offered through Genesis Health Systems.

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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Employee Wellness Opportunities *	N/A	10	10	12	12
Employee Wellness Participants *	N/A	346	331	350	350
Employee Assistance Program Participation Levels	14.47%	12.15%	10.5%	15%	15%
Disease Management Program Participants *	N/A	129	127	130	130

* New performance measures were created in 2011 to better measure the effectiveness of the Wellness program. Past numbers are not available for all benchmarks.

RECENT ACCOMPLISHMENTS

Wellness continues to be important to City employees as demonstrated through their participation and continued interest in the wellness offerings.

The Genesis Wellpower program has been offered for four years (2009-2012). This year there were 93 participants in the health screenings. Those who have participated in multiple years are given comparative results from year to year that allow them to track their progress. Continuing these tests is important as typically these tests are not performed by a doctor until there are symptoms present, which in turn can make it more difficult/costly to treat. The health screenings received through the wellness program are a good way for employees who might have a borderline problem to get treatment or make lifestyle changes before a health crisis presents itself.

To give employees the extra incentive to lose weight through diet and exercise, the wellness program again had a Biggest Loser contest this past summer. A total of 22 employees lost a combined 203 pounds during the eight week program.

Wellness scholarships continue to be offered to employees. Participants are reimbursed for a portion of their fitness memberships by providing a log of their attendance at a fitness facility. City employees can also take part in Parks and Recreation Department programs such as the Turkey Trot for no fee to encourage a healthy lifestyle.

Other programs held throughout the year include the Employee Assistance Program (counseling services), Influenza Vaccinations, Hepatitis B Vaccinations with Bloodborne Pathogens training, and hearing tests.

The wellness offerings for city employees will continue to be evaluated to serve the needs of the employees.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to research comprehensive screening programs to make sure this program best fits the needs of the City of Muscatine employee group.
- * To create a new incentive program to motivate employees to improve their health screening numbers.
- * To increase participation in the WellPower program.
- * To offer new wellness programs to increase employee participation. (**Council Policy Agenda Top Priority for Blue Zones Community**)
- * To communicate with the Wellness Committee to receive feedback on new programs and modifications for current programming.
- * To explore and implement “Lean” initiatives related to the Wellness program. (**Management Agenda High Priority**)

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 29,149	\$ 27,190	\$ 26,800	\$ 26,800	\$ 28,600	6.72%
Commodities	913	549	2,000	1,700	1,700	-15.00%
Contractual Services	21,751	22,293	30,800	27,300	27,300	-11.36%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 51,813</u>	<u>\$ 50,032</u>	<u>\$ 59,600</u>	<u>\$ 55,800</u>	<u>\$ 57,600</u>	-3.36%
Funding Sources						
Health Insurance Funds	<u>\$ 51,813</u>	<u>\$ 50,032</u>	<u>\$ 59,600</u>	<u>\$ 55,800</u>	<u>\$ 57,600</u>	-3.36%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 18,300
Employee Benefits						10,300
Total Personal Services						<u>\$ 28,600</u>

Function:
General Government

Department:
Finance

Activity:
Finance and Records

GENERAL INFORMATION

The Finance department is responsible for managing all financial operations of the City of Muscatine. The primary function of the department is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, 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 revised estimate for 2012/2013 is \$39,200 less than the original budget primarily due to leaving one of the Senior Account Clerk positions vacant from July 1, 2012 through March 31, 2013. The budget includes replacing the vacant Senior Account Clerk position with an Accountant with this position authorized to be filled as of April 1, 2013. The higher level Accountant position will be assigned some of the responsibilities of the former Senior Account Clerk and will also assume some of the responsibilities of the Accounting Supervisor. This position will also be involved in the transition to the new software system.

The 2013/2014 budget is 7.6% (\$39,200) higher than the original 2012/2013 budget. This is primarily due to an increase of \$32,500 in personal services costs and \$5,800 for the estimated cost of the bi-annual City election. The budget also allows \$4,900 for potential overlap in software maintenance costs during the transition to the new software system. These increases were partially offset by a reduction of \$4,000 in professional services since the bi-annual GASB 45 actuarial update is not needed in 2013/2014. The increase in personal services costs reflects (1) the previously authorized upgrade of the former Accountant position to Accounting Supervisor in May of 2012; (2) the change in the vacant Senior Account Clerk position to an Accountant position; and (3) decreasing the allocation of the Finance Director to the Parking budget from 10% to 5% which better reflects the actual time spent by the Director on Parking. The 2013/2014 budget increase allows funding for the new Accountant position to have family health insurance.

In calendar year 2013 the City will be transitioning to a new financial software system. In December 2012, City Council approved the agreement with Springbrook Software which will replace the current ACS Software the City has used since the early 1990's. The Business Process Study portion of the software change is scheduled to begin in May 2013 and the core systems should be in place by the end of calendar year 2013. The remaining portions of the software will be implemented in the spring of 2014. The cost of this software is included in the City's Capital Projects fund budget in the total amount of \$160,000 which includes software costs, related hardware costs, and travel expenses for Springbrook's on-site training and software implementation.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
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
City Vendors Checks Issued	5,478	5,305	5,161	5,300	5,300
Housing Programs Checks Issued	2,423	2,581	2,552	2,550	2,550
Payroll Checks Issued	3,515	3,801	3,729	3,730	3,730
Payroll Direct Deposit Transactions	5,307	5,444	5,512	5,600	5,600
Accounts Payable Transactions	23,481	24,652	24,479	24,500	24,500
City Receipt Transactions	7,779	8,137	8,032	8,100	8,100
Housing Receipt Transactions	1,892	2,039	2,124	2,125	2,125
Interest Earned	\$197,976	\$78,516	\$78,767	\$40,000	\$40,000
Records:					
Public Documents Recorded	370	379	389	380	380
Council Minutes Prepared	46	47	45	46	46
Notices Published	39	35	50	40	40
Purchasing:					
Purchase Orders Processed	2,164	2,245	2,289	2,300	2,300

RECENT ACCOMPLISHMENTS

The City received GFOA's Distinguished Budget Presentation Award for the 2012/2013 Budget. This was the 28th consecutive year the City received this award. The City was awarded its 21st consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011.

The Finance Director participated in and prepared financial information for the Chamber Committee appointed to study and evaluate the landfill deficit of over \$2.5 million as of the end of the 2009/2010 fiscal year. Recommendations of the Committee were implemented in October of 2010 which are projected to assist in substantially decreasing this deficit over the upcoming years. In September of 2011, Finance staff prepared and presented reports to the Committee and Council of actual progress in reducing this deficit as of the end of 2010/2011 (\$412,000 deficit reduction). On January 3, 2013, the Finance Director presented another update to the Chamber Committee showing a further reduction in the deficit to \$1,518,292 at the end of 2011/2012 (a \$582,000 deficit reduction). This plan will continue to be monitored as part of both the current and upcoming budgets.

The staff committee consisting of the Finance Director, Accounting Supervisor, IT Manager, and HR Manager completed their evaluation of new financial software in December of 2012. The committee's recommendation was to enter into a contract with Springbrook Software. This was reviewed with City Council at the December In Depth meeting and the contract with Springbrook was approved by City Council at the December 20th meeting. The first step of the software implementation is a Business Process Study which is scheduled to begin in June, 2013 with actual software implementation to begin in September, 2013 and be completed by the end of the 2013/2014 fiscal year.

The Finance Director continued as the City's Point of Contact for the FEMA projects from the 2008 flood and windstorm events and all of the projects have now been closed out. The last project was the riverfront slope and concrete work. The funding approved by FEMA for this project was \$66,706 less than the actual cost of the project and the amount requested by the City. The City submitted an appeal in September, 2012 to this reduced funding level; this appeal, however, was not approved. A total of \$1,969,540 in FEMA and State matching funding was received for numerous flood and windstorm repairs and cleanup from the 2008 disaster.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).
- * To continue to submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- * To continue to implement Governmental Accounting Standards Board (GASB) Statements as they become effective. Statements 60-64 will be effective for the year ending June 30, 2013 and GASB Statements 65 and 66 will be effective for fiscal year 2013/2014. Impacts from these Statements have not yet been determined.
- * To continue to monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.
(City Council Top Priority)

- * To review and propose updates to the various City financial policies. This update will specifically include setting a new targeted General Fund balance in excess of the 10% of General Fund expenditures threshold in the City's current policy. This policy update will also address conditions for use of reserves, authority over reserves, and replenishment of reserves. **(City Council Top Priority)**
- * To assist in prioritizing and determine funding sources for capital projects identified in the Five Year Capital Improvement Plan. Major projects in the Plan include Cedar Street, Colorado Street, and the upcoming phases of the West Hill Sewer Separate project. **(City Council High Priority and Management Agenda High Priority)**
- * To implement the new financial software system. Implementation will begin in May, 2013 with a business process study for all of the current finance department processes including general ledger, accounts payable, accounts receivable, payroll, purchase orders, budgeting, and human resources functions. Actual software implementation will follow starting in September, 2013 and finishing in the spring of 2014. **(Management Agenda High Priority)**
- * As part of the business process study for the financial software conversion, look for "Lean" initiatives in all Finance processes while maintaining necessary accounting internal controls. **(Management Agenda High Priority)**

Function:
General Government

Department:
Finance

Activity:

Finance and Records

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 372,954	\$ 386,654	\$ 414,200	\$ 369,900	\$ 446,700	7.85%
Commodities	10,799	11,679	12,300	14,000	14,000	13.82%
Contractual Services	80,511	93,329	88,200	91,600	93,200	5.67%
Capital Outlay	-	3,024	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	<u>\$ 464,264</u>	<u>\$ 494,686</u>	<u>\$ 514,700</u>	<u>\$ 475,500</u>	<u>\$ 553,900</u>	7.62%
Funding Sources						
Licenses and Permits	\$ 43,535	\$ 40,648	\$ 43,600	\$ 40,600	\$ 40,600	-6.88%
Housing Accounting Fees	49,600	51,100	52,600	52,600	54,200	3.04%
General Revenues	<u>371,129</u>	<u>402,938</u>	<u>418,500</u>	<u>382,300</u>	<u>459,100</u>	9.70%
Total Funding Sources	<u>\$ 464,264</u>	<u>\$ 494,686</u>	<u>\$ 514,700</u>	<u>\$ 475,500</u>	<u>\$ 553,900</u>	7.62%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Finance Director	0.90	0.90	0.90	0.90	0.95	
Accounting Supervisor	-	-	-	1.00	1.00	
Accountant	1.00	1.00	1.00	0.25	1.00	
Senior Account Clerk	2.00	2.00	2.00	1.75	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	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total Full Time	5.65	5.65	5.65	5.65	5.70	\$ 316,600
Employee Benefits						<u>130,100</u>
Total Personal Services						<u>\$ 446,700</u>

Function:
General Government

Department:
Finance

Activity:
Information Technology

GENERAL INFORMATION

The Information Technology 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 including the critical Public Safety computer systems.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is \$6,900 less than the budgeted amount primarily due to a reduction in capital outlay. The Network Backbone Router included in the original 2012/2013 budget for \$5,800 was purchased in 2011/2012 as part of the City telephone system upgrade with this cost charged to the Telephone System capital project fund. There was also a net reduction of \$1,100 in contractual services line items.

The 2013/2014 budget is \$3,800 (1.5%) higher than the 2012/2013 budget primarily due to increased personal services costs. The budget again this year includes a transfer of \$40,000 to the Computer Replacement Reserve to fund computer hardware replacements 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 the citizens.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
PC's Maintained	232	216	219	220	220
Network Maintained	2	2	3	3	3
AS/400's Maintained	1	1	1	1	1
Training Sessions	8	6	12	10	10

RECENT ACCOMPLISHMENTS

The Information Technology department recently installed a new multi-media system in the Council Chambers that has significantly more functions than the old system. At the September In Depth meeting, City Council was given a demonstration on the capacity of the new system including its ability to access MAGIC GIS data.

Expansion of the telephone system at the Public Safety Building was completed and included an IP path to the newly completed Southend Fire Station. This expansion provides the ability to dial by extension, call transfer, paging and other telephone functions between City Hall, Public Safety, Public Works, and the Southend Fire Station.

The HVAC systems at City Hall and the Art Center were provided the ability for remote access by the Building and Grounds division and the vendor in order to monitor the system and complete any necessary changes.

The primary network router at the Water Pollution Control Plant (WPCP) was replaced. The timeframe for replacement of this unit was initially during the last half of the current fiscal year. However, due to a lightning strike at the WPCP which caused a failure of the Ethernet module in the router, the timeframe was accelerated and work on this project was completed in September.

The public Wi-Fi at the Musser Public Library was reengineered to handle the increased demand that was generated by the Muscatine Community School District's 1:1 Laptop Program initiative. Information that the library required for state reporting is also available with the new system due to additional reporting capabilities. This project will be used as a template for the City Hall public Wi-Fi project that is an IT goal for 2013/14.

The educators at the Sunset Park Education Center were given training to handle light technical administration tasks. This included installing printers, establishing communications, and other miscellaneous duties that are required for the Muscatine Community School District's 1:1 Laptop Program initiative.

All five of the Online Public Access Catalog (OPAC) computers at the Musser Public Library were replaced in 2012.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To extend the existing fiber optic computer network to include the Southend Fire Station.
- * To facilitate the evaluation, data conversion, workflow analysis, installation, and implementation of a new financial system. **(Management Agenda High Priority)**
- * To upgrade or replace all public and staff computers at the Musser Public Library.
- * To reengineer the wireless system at City Hall to include faster, more reliable, and more secure guest communication; the system implemented at the Musser Public Library will serve as a template for this project.
- * To transition the Muscatine Fire Department's records management software to a cloud based system.

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 146,505	\$ 146,761	\$ 157,400	\$ 157,400	\$ 165,100	4.89%
Commodities	1,180	1,450	1,800	1,800	1,800	0.00%
Contractual Services	35,460	43,579	45,700	44,600	47,600	4.16%
Capital Outlay	23,230	6,965	5,800	-	-	-100.00%
Transfers	<u>30,000</u>	<u>49,068</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	0.00%
Total Expenditures	<u>\$ 236,375</u>	<u>\$ 247,823</u>	<u>\$ 250,700</u>	<u>\$ 243,800</u>	<u>\$ 254,500</u>	1.52%
Funding Sources						
IT Administrative Fees	\$ 23,900	\$ 24,700	\$ 25,500	\$ 25,500	\$ 26,900	5.49%
General Revenues	<u>212,475</u>	<u>223,123</u>	<u>225,200</u>	<u>218,300</u>	<u>227,600</u>	1.07%
Total Funding Sources	<u>\$ 236,375</u>	<u>\$ 247,823</u>	<u>\$ 250,700</u>	<u>\$ 243,800</u>	<u>\$ 254,500</u>	1.52%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Information Technology						
Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 114,000
Employee Benefits						<u>51,100</u>
Total Personal Services						<u>\$ 165,100</u>

Capital Outlay Funding Transfer	
Item:	Amount
Funding Transfer to Computer Replacement Fund	<u>\$ 40,000</u>

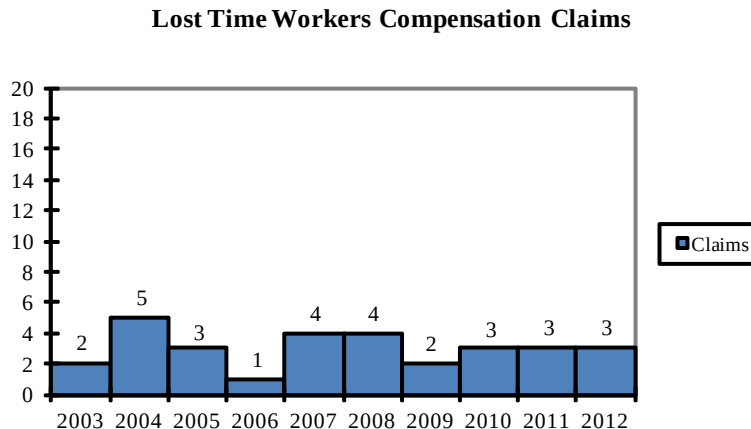
Function:
General Government

Department:
City Administrator

Activity:
Risk Management

GENERAL INFORMATION

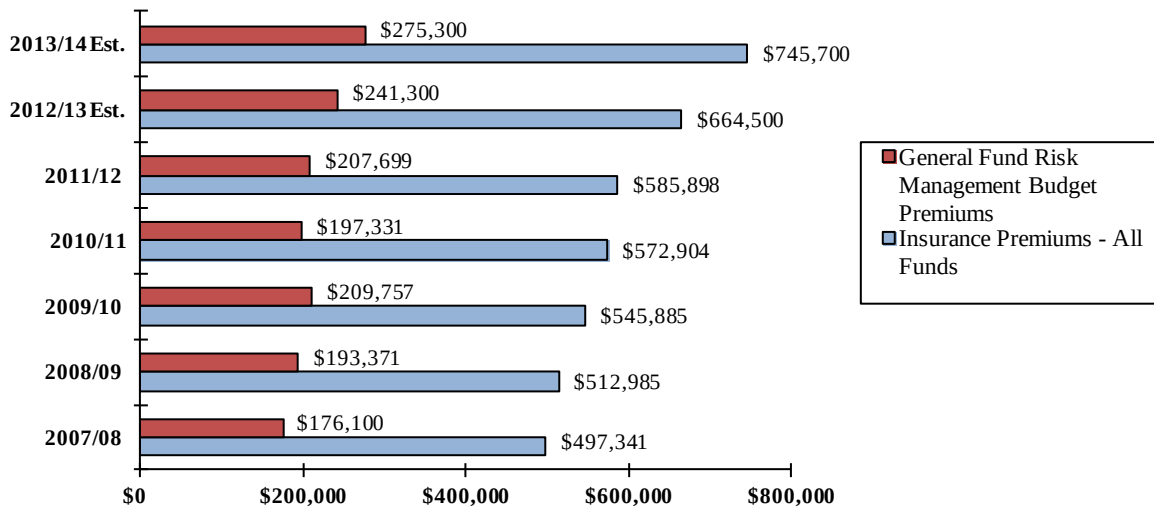
This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were three lost time workers compensation claims recorded for the City during calendar year 2012. The history of lost time claims for the past ten years is as follows:



The goal for 2013/2014 is to continue to reduce recordable injuries.

The City's Risk Management Program involves the administration of the City's overall insurance program. A Citizen Insurance Advisory Committee consisting of representatives from various major industries in the community provides a substantial amount of assistance to the City in administering this program. Insurance costs included in this budget for fiscal years 2007/2008 through the budgeted costs for 2013/2014 as well as total City insurance premiums are shown in the following graph:

Insurance Premium History



CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate General Fund insurance cost of \$241,300 included in this budget is \$9,900 higher than the amount budgeted. This is primarily due to increases in the Building and Contents, Public Officials Liability, Police Officer Liability, Employment Practices Liability, and Cyber Liability policies.

The 2013/2014 estimated insurance cost of \$275,300 included in this budget is \$43,900 (19.0%) higher than the original 2012/2013 budget and \$34,000 (14.1%) higher than the 2012/2013 revised estimate. The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at \$745,700 for 2013/2014. This is a \$96,100 (14.8%) increase from the 2012/2013 budget of \$649,600. Of that amount \$275,300 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 2013/2014 budget includes an estimated \$14,200 for premiums under the National Flood Insurance Program for certain City buildings. This coverage is required for the City to continue to receive FEMA reimbursements for these properties.

The projected City insurance costs for the 2013/2014 fiscal year were provided by Holmes Murphy and Associates, the City's Insurance Agent. The original schedule from Holmes Murphy reflected 15% increases in most policies. After further discussions with Holmes Murphy staff, the City reduced the projected increases for these policies to 12% for budgeting purposes. The projected increases are based on changes in the insurance market in the last two years.

The budget for 2013/2014 includes a \$.32969 per \$1,000 valuation Tort Liability tax levy which is a 3.3% increase from the 2012/2013 tax rate. The City will use \$40,000 of Insurance Trust funds to fund a portion of the increased premiums in 2013/2014. If those funds would not have been available, the Tort Liability tax levy rate would have been \$.37978, an increase of 19.0% (\$.06/\$1,000 of valuation) over the current year levy rate. The Tort Liability tax levy provides funding of \$28,000 for the fine arts insurance policy included in the Art Center operations budget as well as the insurance premiums in the Risk

Management budget. Insurance premiums continue to be a major cost to the City which emphasizes the importance the City should continue to place on its risk management program.

GOAL STATEMENT

To develop a program for a safe and healthy environment for the employees of the City and to monitor such program in order to reduce injuries and loss exposure to the City; and to assist all departments with risk management to reduce potential injuries to persons and property to limit the City's exposure to claims against the City.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Workers Compensation Experience Modification Factor	.89	.87	.82	.77	.77
Insurance Premiums Paid - All Funds	\$545,885	\$572,904	\$585,898	\$664,500	\$745,700
Risk Management Insurance Premiums	\$209,757	\$197,331	\$207,699	\$241,300	\$275,300
Accident Review Committee Meetings	12	12	12	12	12
Risk and Insurance Management Society (RIMS) Meetings	9	9	9	9	9

RECENT ACCOMPLISHMENTS

The City continues to maintain a positive experience modification factor for workers' compensation insurance. The current rating is .77 which is once again an above average rating for our industry and an improvement over last year. The City also received a rebate for this positive loss experience and has been granted the maximum rate reductions allowed by the State.

In conjunction with the workers' compensation company, a thorough review of noise levels in several departments was conducted. As a result of these tests, a hearing conservation policy is being created and all employees in labor positions attended training covering hearing protection. This included approximately 100 employees.

The safety incentive program continues to be popular with employees. Fewer than 10 of the employees eligible to receive safety incentive time off did not meet the requirements to earn this time. In addition, approximately \$2,500 in awards was earned.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014</i>

- * To implement changes to the MSDS records as required by OSHA. The Global Harmony System (GHS) will replace the current Material Safety Data Sheets (MSDS).
- * To determine ways that ‘Lean” principles can be implemented in areas of safety and risk management. **(Management Agenda High Priority)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 23,680	\$ 24,731	\$ 25,400	\$ 25,400	\$ 26,200	3.15%
Commodities	8,934	7,584	12,100	10,600	11,600	-4.13%
Contractual Services	226,804	229,019	251,400	260,600	297,100	18.18%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 259,418</u>	<u>\$ 261,334</u>	<u>\$ 288,900</u>	<u>\$ 296,600</u>	<u>\$ 334,900</u>	15.92%
Funding Sources						
Tort Liability Taxes	\$ 197,331	\$ 208,817	\$ 231,400	\$ 231,400	\$ 235,300	1.69%
Transfer from Insurance Trust	-	-	-	-	40,000	
General Revenues	<u>62,087</u>	<u>52,517</u>	<u>57,500</u>	<u>65,200</u>	<u>59,600</u>	3.65%
Total Funding Sources	<u>\$ 259,418</u>	<u>\$ 261,334</u>	<u>\$ 288,900</u>	<u>\$ 296,600</u>	<u>\$ 334,900</u>	15.92%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 19,200
Employee Benefits						<u>7,000</u>
Total Personal Services						<u>\$ 26,200</u>

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

GENERAL INFORMATION

The Building and Grounds activity 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 2012/2013 is over the budgeted amount by \$15,500 primarily due to the addition of \$15,000 in funding for engineering studies for the City Hall and Art Center Air Conditioning systems. The revised estimate also includes \$5,900 for the City's portion of the building repairs for the Safe Streets building at 614 Mulberry Avenue. A transfer of \$3,000 will be made from remaining funds in the CDBG special revenue fund to fund a portion of this increased cost. Decreases in other areas of the budget partially offset this increase.

The 2013/2014 budget is \$7,900 (1.5%) less than the original 2012/2013 budget. Increases in personal services costs of \$9,600 have been partially offset by decreases in other areas of the budget.

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 citizens of Muscatine.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Buildings Maintained	8	8	8	8	8
Heating, Ventilation, and Air Conditioning Service Contracts	2	3	3	3	3
Staff Custodians (Full Time and Part Time)	7	6	6	6	6
Contract Custodians	1	3	3	3	3
Grounds Maintained	3	3	3	3	3
Janitorial Supplies Purchased	\$20,113	\$16,769	\$15,191	\$16,000	\$16,000
Major Maintenance Projects (Above \$2,000)	14	13	13	15	15

RECENT ACCOMPLISHMENTS

The boiler replacement projects for City Hall and the Art Center were completed in September 2012.

Projects completed during the past year at the Library included reorganization of the custodial maintenance area to better facilitate staff custodial and contracted Service Master custodial functions. In addition, staff assisted with the work area restoration which included painting, shelving, furniture, lockers, ceiling tile, wall plastering, and carpet cleaning. Surplus items were removed and placed in storage.

Projects completed at City Hall included the resurfacing of the front deck area, renovation of the Mayor's office, assisting with the electrical work for the new phone system, and installation of bulletin board panels in the lower level conference room. Work continues on woodwork restoration.

Art Center projects included extra window cleaning at the Stanley Gallery as well as repair of the chiller. Staff also assisted with an Art Center show delivery.

Projects at the Public Safety Building included the installation of new pneumatic controls on the HVAC air compressor, renovation of Police department offices, and installation of an additional water heater for the Fire department's showers. Staff also worked with Verizon on the installation of a fiber optic line above the geothermal lines.

Building and Grounds staff also assisted with the removal of graffiti at Riverside Park, installed five electrical power reels at the new Southend Fire Station, assisted with refurbishing the Police Department's firing range, upgraded the electrical service at 614 Mulberry Avenue, winterized the airport's water systems, and converted the lab area at Public Works into a laundry room.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue personnel training and certifications for boilers, pest control, backflow protection, and building and grounds general maintenance.

- * To continue ongoing building and grounds improvements including painting, woodwork restorations, and restroom improvements (Library and Public Safety Building) using new and surplus items.
- * Working with Muscatine Power & Water's energy staff, to continue ongoing lighting improvements at the Library. **(Management Agenda High Priority)**
- * To reorganize the Quonset hut.
- * To install fixtures salvaged from the National Guard Armory in various City buildings.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 281,735	\$ 265,154	\$ 274,300	\$ 275,500	\$ 283,900	3.50%
Commodities	37,530	35,078	50,100	46,500	45,400	-9.38%
Contractual Services	140,883	169,244	168,100	191,200	167,800	-0.18%
Capital Outlay	11,008	10,871	28,000	22,800	15,500	-44.64%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 471,156</u>	<u>\$ 480,347</u>	<u>\$ 520,500</u>	<u>\$ 536,000</u>	<u>\$ 512,600</u>	-1.52%
Funding Sources						
Charges for Supplies	\$ 7,196	\$ 8,397	\$ 8,400	\$ 8,400	\$ 8,400	0.00%
Sale of Equipment	-	-	7,500	-	-	
Capital Project Funds Transfer	-	8,504	-	-	-	
CDBG Fund Transfer	-	-	-	3,000	-	
Road Use Taxes	-	-	4,500	3,800	-	
General Revenues	<u>463,960</u>	<u>463,446</u>	<u>500,100</u>	<u>520,800</u>	<u>504,200</u>	0.82%
Total Funding Sources	<u>\$ 471,156</u>	<u>\$ 480,347</u>	<u>\$ 520,500</u>	<u>\$ 536,000</u>	<u>\$ 512,600</u>	-1.52%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	
Custodian	<u>1.25</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	3.75	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian	<u>0.85</u>	<u>0.85</u>	<u>0.85</u>	<u>0.88</u>	<u>0.85</u>	
Total	4.60	4.35	4.35	4.38	4.35	\$ 197,900
Employee Benefits						<u>86,000</u>
Total Personal Services						<u>\$ 283,900</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Washer and Dryer (Central Fire Station)	1 Set	Yes	1,500
Carpet (Central Fire Station)		Yes	2,300
Tile Flooring (Central Fire Station)		Yes	1,700
Window Replacements (Art Center)		Yes	10,000
Total			<u>\$ 15,500</u>

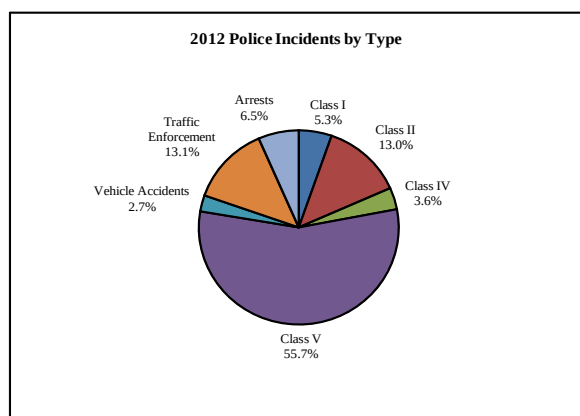
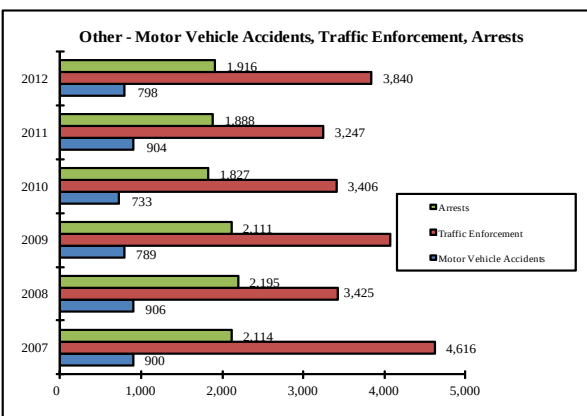
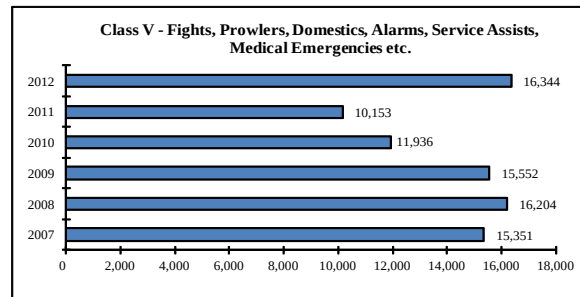
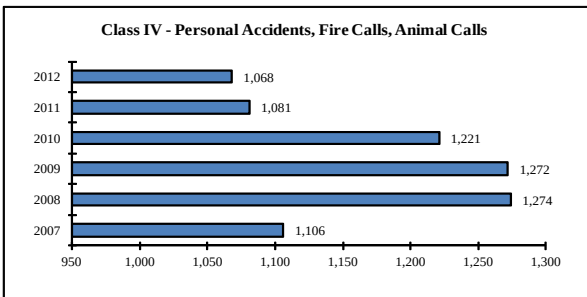
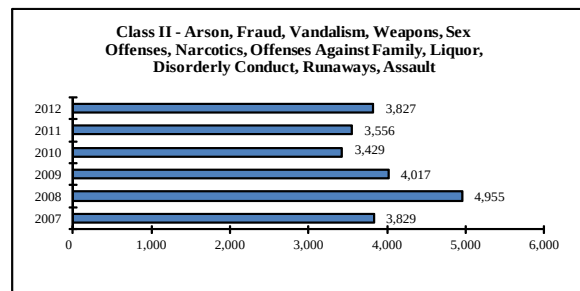
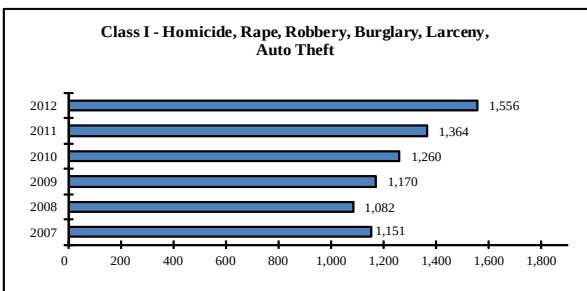
Function:
Public Safety

Department:
Police

Activity:
Police Operations

GENERAL INFORMATION

The Muscatine Police department currently includes forty-two (42) sworn officers, two (2) fulltime civilian positions and one $\frac{3}{4}$ time civilian clerk position. In 2011 the department was awarded funding from a U.S. Department of Justice COPS grant for two additional police officer positions for a three year period. This increased the number of sworn officers from the previous level of forty (40) to forty-two (42) beginning early in 2012. 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 2012/2013 is under the budgeted amount in total by \$1,800. Personal services costs are under the budgeted amount by \$43,400 due to several vacancies and the new hires starting at lower steps of the pay schedule. This savings was offset in part by increases in commodities \$8,200, contractual services \$25,200, and capital outlay \$8,200. The commodities increase is due to increased fuel costs. The contractual services overall increase includes \$12,400 for the premium increase for police and fire medical insurance for on-the-job injuries, \$8,200 for software maintenance costs, and \$6,800 for the County's share of the current year JAG grant. Reductions in several other contractual services accounts offset a portion of these increases. The capital outlay increase includes \$6,800 for purchases funded from the current JAG grant and several officer buy-back items.

The 2013/2014 budget is \$391,400 (9.3%) higher than the original 2012/2013 budget. Of this increase, \$263,500 is for increased personal services costs. The personal services increase includes \$127,500 for increased wages, \$132,200 for increased pension costs, and \$3,800 for increased employee insurance costs. The required City pension contribution rate will increase from the current 26.12% to 30.12% for 2013/2014. The budget also includes increases in commodities of \$15,600, increases in contractual services of \$21,300, and increased capital outlay of \$91,000. The commodities increase is due to increased fuel costs. The contractual services increase includes items also reflected in the revised estimate including increased premiums for the police and fire medical insurance policy for on-the-job injuries of current employees (\$12,400) and increased software maintenance costs (\$9,800). The most significant capital outlay item is an allocation of \$95,000 to replace the squad car video system.

The 2012/2013 revised estimate and 2013/2014 budget each include two police officers 100% funded from a U.S. Department of Justice COPS grant. These officers were hired in early January and mid-February of 2012 and will be 100% funded from this grant for the first three years. As a condition of the grant, the City is required to maintain these positions with 100% City funding for the fourth year. Grant funding for these officers is estimated at \$144,400 for 2013/2014.

The 2013/2014 budget continues to include expenditures which will be funded from various other police grants. The HIDTA (High Intensity Drug Trafficking Area) grant is budgeted to continue in 2013/2014 with grant expenditures of \$77,100; the Domestic Violence grant will continue with estimated grant revenues of \$10,000; \$12,000 of Governor's Highway Safety funds are budgeted to be expended; and \$76,000 will be expended under the Federal Joint Terrorism Task Force grant. The 2013/2014 budget also continues funding for the City/County Drug Task Force with grant funding estimated at \$21,800. The budget continues funding for the School Resource Officer position at the high school. This position is 75% (\$54,200) funded by the school. One of the police officers funded from the COPS grant is being used as a second School Resource Officer for the two middle schools.

The 2012/2013 General Fund budget for the first time includes several "assigned" funding allocations for future year costs. The COPS grant awarded in 2011 provides 100% funding for two new police officers for three years. The grant requires the City retain these two positions for at least one more year after the grant funding ends. One of the new positions is a second School Resource Officer used during the school year in the middle schools. The School has agreed to fund the cost of the fourth year for this position (one officer prorated at 75% for the school year). It is planned for the City to "assign" annual allocations of \$40,000 in each of the three years of the grant so sufficient funding is available to fund the City's portion of the fourth year costs for these positions. The 2012/2013 budget included the first \$40,000 assigned funding allocation and the 2013/2014 budget the second year allocation.

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 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Police Calls for Service	22,011	18,667	20,312	22,795	24,000
Overtime Hours Worked	3,295	2,987	3,689	3,876	3,500
Traffic Enforcement	4,066	3,406	3,247	3,840	3,500
Arrests	2,111	1,827	1,888	1,916	1,850
Parking Tickets Issued	1,438	1,280	1,327	1,607	1,600
Uniform Crime Report Clearance Rates	45%	45%	44%	44%	45%
Investigations Assigned	375	270	280	176	200
Investigations Cleared	79%	69%	73%	76%	70%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations*	N/A	N/A	1,927	2,677	2,500
Speed on Green Violation Citations*	N/A	N/A	17,828	12,785	12,000
ATE Violations – City Residents	N/A	N/A	N/A	2,688	N/A
ATE Violations – Non-Residents	N/A	N/A	N/A	12,774	N/A

* The City's five automatic traffic enforcement cameras for red light and speed on green citations became operational in the spring of 2011.

RECENT ACCOMPLISHMENTS

In 2012 the Police department received Law Enforcement Reaccreditation status through the Commission on Accreditation for Law Enforcement agencies. This accreditation is good for three years at which time the department will be assessed again. The Police department received its first Accreditation under this program in December 2000 and this was the fourth re-accreditation.

The department utilized the Automated Traffic Enforcement cameras to analyze safety issues at the five intersections with traffic cameras. The department has worked with the camera vendor, Gatso, USA, and state legislators to provide documentation the state requires to address safety issues.

In partnership with the Muscatine County Sheriff's Office, the department successfully negotiated for continued federal (HIDTA) and state (ODCP) funding of the Muscatine County Drug Task Force through the 2013/2014 fiscal year.

The department utilized different Problem Oriented Policing (POP) ideas on each shift. These included operation POP Can, Operation Clean Sweep, Operation Night Watch, among others. The department

recently implemented a park and walk for the officers. This gives officers more interaction with the public.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * 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 program; two School Resource Officers, one funded 75% through the school system and the other funded through the COPS grant; one officer assigned to the Joint Terrorism Task Force; and the overtime manpower allocation for the domestic violence program.
- * To complete one citizen police academy class.
- * 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 efforts to recruit, hire and maintain women and minorities to the workforce.
- * 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. **(Management Agenda High Priority)**
- * To continue to review police department operations for LEAN initiatives. **(Management Agenda High Priority)**

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 3,113,347	\$ 3,458,302	\$ 3,749,100	\$ 3,705,700	\$ 4,012,600	7.03%
Commodities	158,769	169,074	173,900	182,100	189,500	8.97%
Contractual Services	263,613	229,369	262,900	288,100	284,200	8.10%
Capital Outlay	60,520	83,114	27,200	35,400	118,200	334.56%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 3,596,249	\$ 3,939,859	\$ 4,213,100	\$ 4,211,300	\$ 4,604,500	9.29%
Funding Sources						
Grants	\$ 329,194	\$ 354,426	\$ 448,300	\$ 401,700	\$ 397,500	-11.33%
Parking Violations	16,392	19,466	15,000	20,000	20,000	33.33%
Court Fines	193,816	208,186	160,000	165,000	165,000	3.13%
Automatic Traffic Enforcement Fines	163,533	783,887	450,000	700,000	600,000	33.33%
Fruitland Agreement	42,228	43,178	44,300	44,300	45,600	2.93%
False Alarm Charges	2,200	1,350	1,500	1,500	1,500	0.00%
Utility Franchise Fees	113,840	85,113	56,250	42,500	50,000	-11.11%
Insurance Reimburseme	9,360	-	-	-	-	
General Revenues	2,725,686	2,444,254	3,037,750	2,836,300	3,324,900	9.45%
Total Funding Sources	\$ 3,596,249	\$ 3,939,859	\$ 4,213,100	\$ 4,211,300	\$ 4,604,500	9.29%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	3.25	4.00	4.00	4.00	4.00	
Corporal	6.00	6.00	6.00	6.00	6.00	
Patrol Officer	22.75	24.00 *	25.00 *	25.00	25.00	
Secretary	1.00	1.00	1.00	1.00	1.00	
Clerk	1.00	1.00	1.00	1.00	1.00	
Total Full Time	41.00	43.00	44.00	44.00	44.00	
Part Time Position:						
Clerk	0.88	0.88	0.88	0.88	0.88	
Total	41.88	43.88	44.88	44.88	44.88	\$ 2,481,100
Employee Benefits						1,531,500
Total Personal Services						\$ 4,012,600

* Two police officer positions were added midway through the 2011/2012 year (100% COPS grant-funded for three years)

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Squad Car Video System	1	Yes	\$ 95,000
Squad Car Computers	2	Yes	9,000
Shield RMS Software License	3	No	3,000
Lightbars	2	Yes	6,000
Radar Units	2	Yes	5,200
			<u>\$ 118,200</u>
Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Unmarked Police Vehicle	1	Yes	<u>\$ 15,000</u>

Function:
Public Safety

Department:
Police

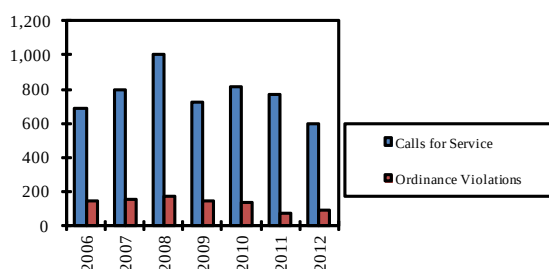
Activity:
Animal Control

GENERAL INFORMATION

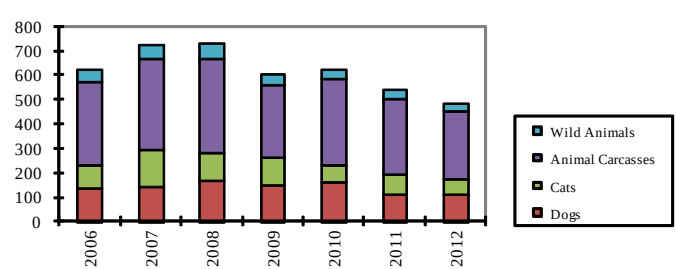
The Animal Control activity is under the supervision of the Police Department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals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

In 1995 the City Council adopted an animal control ordinance requiring City licensing of all dogs and cats, established fines for unlicensed animals, and increased fines for animals at large. The ordinance was the result of a citizen task force which studied this issue for approximately one year. 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 Prosecutor has made recommendations for updating City Code provisions related to animal control and these will be brought forward in the near future for City Council consideration.

Calls for Service and Ordinance Violations



Animals to Humane Society



CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is the same as the original budget. The 2013/2014 budget is \$2,000 (1.6%) higher than the 2012/2013 budget due to increased personal services costs. The Muscatine Humane Society’s funding request for 2013/2014 is \$60,000, the same as the requested and budgeted funding for 2012/2013.

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 Citywide 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 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Calls for Service	727	783	742	596	600
Ordinance Violations	142	137	72	92	120
Bite Cases	37	42	31	39	37
Animals taken to Humane Society:					
Dogs	148	161	108	108	110
Cats	112	69	84	61	80
Animal Carcasses	296	349	305	279	300
Wild Animals	44	38	40	32	35
County Calls for Service	2	1	1	1	1
Fruitland Calls for Service	42	26	22	15	20

RECENT ACCOMPLISHMENTS

The department has been providing animal control enforcement and assistance to the City of Fruitland since July 4, 2002. In 2012 the Animal Control Officer responded to 15 calls for service in Fruitland.

The Animal Control Officer transported 169 cats and dogs to the Humane Society or to the veterinarian over the past year. He transported 279 animal carcasses and 32 wild animals to the Humane Society.

The Animal Control Officer continues to maintain a positive relationship with the Humane Society and assists them on a regular basis.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To meet or exceed the number of citations issued in the 2012/2013 fiscal year by utilizing proactive enforcement in conjunction with responding to citizen complaints.
- * To provide training to the Animal Control Officer with firearms/equipment, safety and defensive driving courses and other job specific training that may become available.

- * To assist the Muscatine Humane Society and Muscatine County Sheriff's Department in the common goals of animal control and work with the Police Department and organized neighborhood groups to assist with animal complaints in specific neighborhoods.
- * To review current animal control fines and ordinances.

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 57,675	\$ 59,041	\$ 60,900	\$ 61,000	\$ 62,900	3.28%
Commodities	2,010	3,022	2,700	2,700	2,700	0.00%
Contractual Services	42,596	60,841	62,300	62,200	62,300	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 102,281</u>	<u>\$ 122,904</u>	<u>\$ 125,900</u>	<u>\$ 125,900</u>	<u>\$ 127,900</u>	1.59%
Funding Sources						
Animal Enforcement Fines	\$ 2,700	\$ 2,105	\$ 2,700	\$ 2,400	\$ 2,700	0.00%
General Revenues	<u>99,581</u>	<u>120,799</u>	<u>123,200</u>	<u>123,500</u>	<u>125,200</u>	1.62%
Total Funding Sources	<u>\$ 102,281</u>	<u>\$ 122,904</u>	<u>\$ 125,900</u>	<u>\$ 125,900</u>	<u>\$ 127,900</u>	1.59%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 40,100
Employee Benefits						<u>22,800</u>
Total Personal Services						<u>\$ 62,900</u>

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

GENERAL INFORMATION

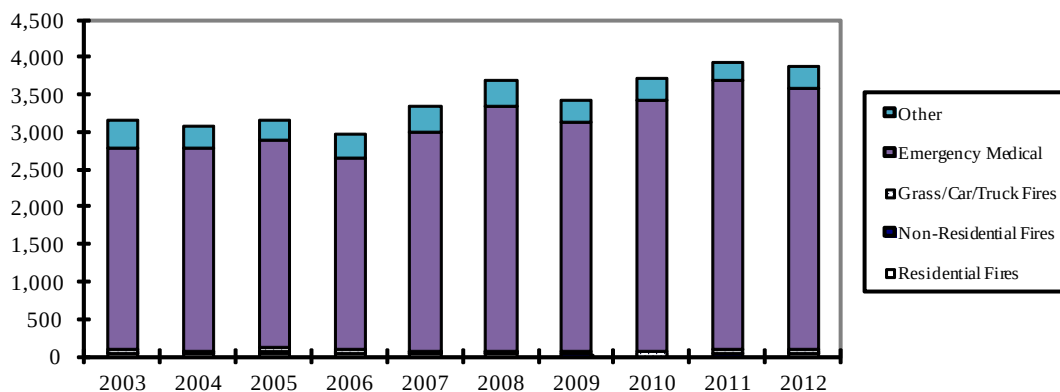
The Fire Department is staffed with full time personnel and provides fire protection for the City of Muscatine as well as fire protection for adjacent areas through mutual aid agreements. The primary functions of the department include fire suppression, fire prevention through public education and code enforcement, training of firefighters in the areas of advanced fire suppression and prevention techniques, and emergency medical assistance.

Following an independent analysis of the community's Emergency Medical Services (EMS) system, the city began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide variety of fire and emergency requests.

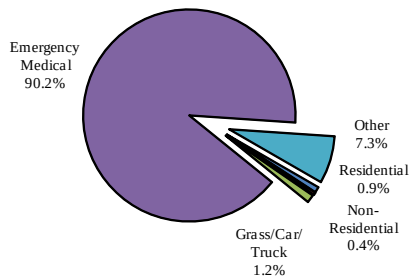
The Fire Department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget. Following are charts showing fire department responses over the last ten years.

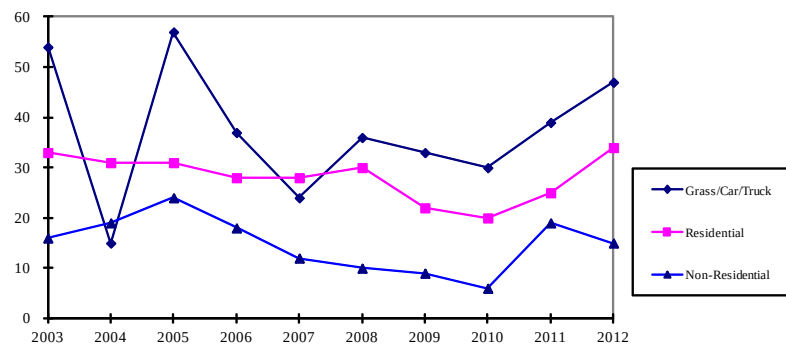
Fire Department Response History



2012 Fire Responses by Type



History of Fire Calls by Type



CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is over the budgeted amount in total by \$96,600 due to increases in most areas of the budget. Personal services costs are \$7,700 higher than the original budget primarily due to retirement pay for one of the Assistant Fire Chiefs. The personal services area also reflects the department reorganization previously approved and effective in January of 2013 which created one 40-hour/week Assistant Fire Chief and three Battalion Chiefs with each of the Battalion Chiefs in charge of a shift. Commodities increased in total by \$12,300 due to increased fuel and vehicle maintenance supplies. Contractual services increased by \$61,600 primarily due to \$30,100 in fire engine repair costs, \$16,500 in increased medical costs for former firefighters retiring due to work-related medical issues, \$10,700 for increased premiums for the police and fire medical insurance policy for work-related injuries for current employees, and a \$2,900 increase to transition to a cloud-based version of the Firehouse software. The \$15,000 capital outlay increase is for the purchase of a used water tender and related accessories. This equipment is needed to provide fire service to the recently annexed Ripley's Mobile Home Court area.

The 2013/2014 Fire department budget is \$257,300 (7.5%) higher than the original 2012/2013 budget. Of this increase, \$191,500 is for increased personal services costs. The personal services increase includes \$73,400 for increased wages, \$106,200 for increased pension costs, and \$11,900 for increased employee insurance costs. The required City pension contribution rate will increase from the current 26.12% to 30.12% for 2013/2014. The budget also includes increases in commodities of \$9,300, increases in contractual services of \$39,300, and increased capital outlay of \$17,200. The contractual services increase includes cost increases also reflected in the revised estimate including increased medical costs for former firefighters retiring due to work-related medical issues (\$14,500), increased premiums for the police and fire medical insurance policy for work-related injuries of current employees (\$10,700), and increased vehicle and equipment maintenance costs (\$10,100).

In 2011 the City updated its Fire Regulations ordinance. The new ordinance provides for various permits and fees for open burning, fireworks, fire inspections, false alarms, plan reviews, site assessment fees, standby fees, and report fees. The City also updated requirements for confined space permits or rescues. For 2013/2014 revenues from these permits and fees is estimated at \$50,700.

The 2013/2014 budget continues to include transfers from the Ambulance Fund to the Fire department budget to fund an allocation of the fire positions used in providing ambulance services. For the 2011/2012 year the ambulance fund transferred \$786,300 toward the wage and benefit costs included in the Fire department budget or approximately 25% of the total cost. This transfer was increased to \$839,000 in the

budget for 2012/2013, which is 25.4% of the total cost. The transfer for 2013/2014 has been budgeted at \$885,300 which is also 25.4% of wage and benefit costs.

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 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
All Calls for Services	3,414	3,711	3,916	3,864	4,000
Fire Training Hours	3,450	2,200	3,037	3,683	3,500
Fire Education Presentation Staff Hours	548	609	375	301	300
Number of Residents Attending Public Education Programs	N/A	2,162	1,358	2,219	2,200
Fire Inspections - Total	317	128	343	601	600
Inspections - Initial	N/A	N/A	228	306	350
Re-inspections	N/A	N/A	103	252	210
Additional Re-inspections	N/A	N/A	12	35	30
Plan Reviews (Sprinkler, Site Plan, Building)	N/A	19	3	23	10
Permits Issued	N/A	100	618	662	700
Outdoor Fireplace Permits	N/A	N/A	550	594	650
Open Burning Permit	N/A	N/A	62	60	45
Commercial Burn Permits	N/A	N/A	1	1	0
Other Permits (i.e. candlelight services)	N/A	N/A	5	7	5

RECENT ACCOMPLISHMENTS

The Fire department has been active in EMS day, the Y block party, and planning for the annual Open House, in addition to providing a presence at the Hy-Vee safety day and Trinity Hospital safety day. The department continues to provide support and leadership for a Fire Explorer program. The department held its first Citizen's Fire Academy which was a resounding success. With the assistance of the city's IT department, an improved communication system involving email/text notifications and a Facebook page are in development.

In September 2012, the inaugural Citizen's Fire Academy was held. This was about a two month community outreach to better communicate what the Fire Department does and how it serves the community. The class was kept to a manageable size (10) so that hands-on activities could be integrated throughout the academy. Classes were taught by Fire department personnel and all participants were given opportunities to participate to their level of comfort. The recruits came from a cross section of the community and were a diverse group. The participants assisted with the annual Open House and were well integrated into the Fire Department. The event was successful in improving communications with the

public and showing the citizens how their tax funds are utilized. A second academy will be held in 2013 and the schedule will be adjusted based on the experiences and feedback from this year's class.

Efficiency has been improved by implementing the new station alerting system. Response has been bolstered with the opening of the new southend fire station and through improved county mutual aid relations. The department also developed an alarm system to provide more efficient and standardized resource utilization for emergencies and has been a partner in the integration of a federal grant to place all fire departments in the county on the same radio system using the same procedures and plan. When the new system is complete, there will be total interoperability between the city's department, all the county fire and EMS departments, the sheriff's office, and the Muscatine Police department.

Because of the temporary use of a 40-hour administrative position, the department was able to implement formal office hours (for issuing burn permits, answer billing questions, etc.), totally restructure and revamp all policies, procedures, rules and regulations, develop and implement a municipal citation program for illegal burning and unpaid inspection fees, and explore opportunities to expand the response area. This administrative position has been able to provide supervision and support for shift staff, shift responsibilities and assignments, and department programs. This position is also responsible for serving as the liaison with other city and county departments, including MUSCOM (the emergency dispatch center). This position has also assumed the responsibility of the Fire Marshal and Training Officer, which were both eliminated previously through attrition. With assuming the responsibilities of the Fire Marshal, this provides improved customer service to citizens since there is staff available during normal business hours to answer questions and be on site when needed compared to previously when the citizen may have waited four to six days for a response due to this function being assigned to a 24-hour shift. The position has also provided a catch-all for customer service delivery and for bolstering response levels to fire and certain medical emergencies. This position has been utilized to assist in staffing for fire responses and has helped to fill some staffing voids. Utilization of this position has provided for a more efficient and responsive fire department because the activities undertaken not only assist in current responses, they also help provide for additional efficiencies through best practices and strategic planning.

As part of the Lean journey, many aspects of department operations have been reviewed. Information recording, gathering, and use have been identified as areas for improvement. A software program, FireHouse, has served as a useful tool for these activities. Inspections are now gathered and invoiced, non-ambulance billing invoices are created, daily records and notes are kept, training records are put into the database, and inventory and maintenance are being centralized for easier access utilizing the FireHouse software. The department is looking at additional ways to utilize the program. The program acts as a central point of information accessible from any department computer and can be utilized with vehicle-mounted computers. The software will continue to be utilized as a tool to improve department efficiency.

The department held a life fire training exercise and total house burn at the site of the new movie theater. Prior to the actual burn, 13 classes for a total class time of 39 hours, were held. Total staff hours for the pre-burn training totaled 360 hours. On the actual day of the burn, 42 students participated in the 8-hour event. It is significant that area mutual aid departments sent many of those students. There were 8 different volunteer fire departments in attendance.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To explore the need, location, and foundations of adding a third fire station to improve overall coverage for the current city limits and newly annexed area, response efficiency, and work towards meeting national standards.
- * To create a short, medium, and long-range plan for the development and use of the property at 2122 Stewart Road, as a multi-agency training ground.
- * To explore opportunities to interact with the public and provide additional resources to improve safety throughout the community.
- * To research and develop plans to integrate technology more fully into emergency planning, administration, and response activities.
- * To create an asset management system that will define life expectancy for all prescribed fire department equipment that will assist in forecasting future capital requests accurately.
- * To participate in reviewing the Muscatine County Multi-Jurisdiction Hazard Mitigation Plan.

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 2,979,234	\$ 3,146,717	\$ 3,289,400	\$ 3,297,100	\$ 3,480,900	5.82%
Commodities	63,474	74,140	71,300	83,600	80,600	13.04%
Contractual Services	86,635	174,567	64,600	126,200	103,900	60.84%
Capital Outlay	18,996	8,819	22,500	37,500	39,700	76.44%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 3,148,339</u>	<u>\$ 3,404,243</u>	<u>\$ 3,447,800</u>	<u>\$ 3,544,400</u>	<u>\$ 3,705,100</u>	7.46%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	\$ 22,860	\$ 23,144	\$ 24,700	\$ 24,700	\$ 24,700	0.00%
Ambulance Staff Funding Transfer	697,819	786,300	839,000	839,000	885,300	5.52%
Confined Space Fees	4,500	36,000	40,500	40,500	40,500	0.00%
Fire Inspection Fees & Permit:	-	15,397	8,500	10,400	9,000	5.88%
Other Fees	-	9,914	2,700	4,700	1,200	
Donations	-	1,800	-	-	-	
Utility Franchise Fees	113,840	85,113	56,250	42,500	50,000	-11.11%
General Revenues	<u>2,309,320</u>	<u>2,446,576</u>	<u>2,476,150</u>	<u>2,582,600</u>	<u>2,694,400</u>	8.81%
Total Funding Sources	<u>\$ 3,148,339</u>	<u>\$ 3,404,243</u>	<u>\$ 3,447,800</u>	<u>\$ 3,544,400</u>	<u>\$ 3,705,100</u>	7.46%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	3.00	3.00	3.00	3.50	1.00	
Battalion Chief	-	-	-	0.50	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	<u>24.00</u>	<u>24.00</u>	<u>25.00</u>	<u>24.00</u>	<u>24.00</u>	
Total Full Time	36.00	36.00	37.00	37.00	37.00	
Part Time Position:						
Office Coordinator	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total	36.50	36.50	37.50	37.50	37.50	\$ 2,085,200
Employee Benefits						1,395,700
Total Personal Services						<u>\$ 3,480,900</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Turn-Out Gear	4 sets	Yes	\$ 7,100
Self Contained Breathing Apparatus (SCBA) Masks	24	Yes	5,600
5" Fire Hose (10 - 100' sections)	10	Yes	9,000
Level A Suits for Haz Mat	3	Yes	3,000
Tablet Computers with CAD Interface Equipment	2	No	5,000
CPAT Consortium/Equipment Sharing			10,000
			<u>\$ 39,700</u>

Function:
Public Safety

Department
Legislative and Council

Activity:
Emergency Management

GENERAL INFORMATION

The Emergency Management budget includes an allocation to the Muscatine County Office of Disaster Services. This office is in charge of the County and City Emergency Management program. The Emergency Management program was developed to insure that the City and County are prepared for emergencies resulting from natural or man-made disasters. The budget also provides for the maintenance and operation of the City's air sirens located throughout the community, which warn citizens of impending natural disasters.

The budget for this program includes funding for a full time Disaster Services Director employed by Muscatine County. Financial support for the Disaster Services program comes from a per capita assessment from agency members.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is \$7,930 higher than the original budget. The revised estimate includes an \$8,930 transfer to the Emergency Siren Activation Upgrade capital improvement project. The City was awarded a grant from the Iowa Homeland Security and Emergency Management division which funded 85% (\$50,597) of the total project cost of \$59,527 for the siren activation upgrade. With this upgrade the activation method for the City's siren system changed from using telephone lines to a radio controlled system. This project has been completed and annual telephone line charges of \$12,000 have been eliminated from this budget.

The 2013/2014 budget of \$48,500 is \$21,800 higher than the 2012/2013 budget due to the capital outlay allocation of \$22,800 for a new emergency siren that will serve the recently annexed Ripley's Mobile Home Court area. Grant funds are expected to fund 100% of the cost of the siren. The budget for 2013/2014 also includes an estimated \$21,200 for the City's share funding to the Disaster Services Office and allows for \$4,500 in siren repair and maintenance costs.

GOAL STATEMENT

To provide financial assistance to the Muscatine County/Municipal Office of Disaster Services and to provide a citywide air siren system to warn citizens of impending natural disasters.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Civil Defense Sirens Maintained	24	23	23	23	24
Number of Sirens Repairs or Work Orders	4	23	3	23	5
Siren Tests	8	8	8	8	8

RECENT ACCOMPLISHMENTS

The City was awarded federal assistance under the Hazard Mitigation Grant Program, disaster DR-1930 for the purchase and installation of twenty-three (23) outdoor warning siren radio controllers. This upgrade included eliminating individual telephone lines to sirens and installing new siren radio controllers. This upgrade resulted in an annual cost savings of \$12,000 per year with the elimination of the individual telephone lines charges. The project cost totaled \$59,527 and the City's 15% share of the project was \$8,930. This project was completed in July of 2012. Now that the sirens have been upgraded, the sirens should be in good working order per the Emergency Management Coordinator.

Over the last 10 years, 15 of the 23 sirens have been upgraded. This included ordering new bushings and bearings and repainting them yellow. This added an expected 10 years of life to the present sirens. The remaining eight sirens will be completed in the next few years.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To assist the city in any endeavor that pertains to emergency planning, response, recovery or mitigation.
- * To complete the installation of a new emergency siren that will serve the recently annexed Ripley's Mobile Home Court area.

Function:
Public Safety

Department:
Legislative and Council

Activity:
Emergency Management

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	4,834	-	2,000	1,000	1,000	-50.00%
Contractual Services	46,218	30,100	24,700	24,700	24,700	0.00%
Capital Outlay	-	-	-	-	22,800	
Transfers	-	-	-	8,930	-	
Total Expenditures	<u>\$ 51,052</u>	<u>\$ 30,100</u>	<u>\$ 26,700</u>	<u>\$ 34,630</u>	<u>\$ 48,500</u>	81.65%
Funding Sources						
General Revenues	\$ 51,052	\$ 30,100	\$ 26,700	\$ 34,630	\$ 25,700	-3.75%
County Reimbursement	-	-	-	-	22,800	
Total Funding Sources	<u>\$ 51,052</u>	<u>\$ 30,100</u>	<u>\$ 26,700</u>	<u>\$ 34,630</u>	<u>\$ 48,500</u>	81.65%

Capital Outlay			
Item	Quantity	Replacement	Amount
Emergency Siren (Ripley's Mobile Home Court annexation area)	1	No	<u>\$ 22,800</u>

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

GENERAL INFORMATION

The Musser Public Library provides a wide variety of materials and services, including: computers for word processing and Internet access, meeting rooms, study carrels, AV equipment, typewriter, photocopier, CDs, tapes, videos, DVDs, books, magazines, large-print books, recorded books on cassette or CDs, reading kits, tax forms and publications, genealogical and local history material, telephone directories, information service, home delivery service, story times, adult programs, newspapers, maps, interlibrary loan, and census data. The library offers fourteen computers where patrons may access the Internet. Four additional computers were added in 2009 dedicated for the sole use of job seekers.

The Home Delivery program provides materials to patrons unable to come to the library. Senior citizens and physically challenged persons are encouraged to make use of this system of library delivery and pickup. Deliveries may be made by the home delivery coordinator or by a library volunteer.

Muscatine County provides a subsidy to the City that allows certain County residents to use the Library without an additional fee. The amount approved by the County for 2012/2013 is \$105,291. An additional \$2,640 has been received from the contract with the City of Fruitland in 2012/2013. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$9,290 in revenues. The Library will receive a \$107,395 subsidy from Muscatine County in 2013/2014 and the remaining subsidies are budgeted to increase by 2.9% to a total of \$12,276.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is the same 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 realignment of costs from the original budget. Personal services costs have been decreased in the Revised Estimate and commodities, contractual services and the funding for library materials have been increased. 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 2013/2014 is \$21,500 (2.1%) higher than the 2012/2013 budget. The overall increase is primarily due to an increase of \$25,500 in personal services. This increase has been partially offset by a decrease in library materials.

GOAL STATEMENT

To provide materials which communicate experience and ideas from one person to another; to provide materials and services for enlarging the mind and dispelling prejudice and ignorance; to support the education, civic, and cultural activities of individuals and groups; to meet the informational needs of all citizens; and to encourage wholesome recreation and constructive use of leisure time.

PERFORMANCE MEASURES

	Actual 2009/2010*	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Library Circulation	299,190	311,425	355,993	356,000	360,000
Number of Library Patrons	17,655	17,512	18,639	18,650	18,650
Attendance at Children's Programs (Including Story Time)	20,050	20,137	20,306	20,350	20,350
Reference Questions Answered	1,534	2,892	3,289	3,300	3,350
Interlibrary Loan Requests Handled	54,687	61,065	54,330	54,250	54,250
Meeting Room Usage (Non-Library Meetings)	2,199	2,772	2,934	2,950	2,900
Internet Usage (Number of Patrons)	37,720	44,185	40,496	40,500	41,000

* The Library was closed for 3 weeks during 2009/2010 for refurbishment.

RECENT ACCOMPLISHMENTS

The library has made many technological advances including the creation of a Facebook page that currently has approximately 4,200 fans and began a dynamic, innovative and patron-centric web page that serves as an online equivalent of the brick and mortar library. The library is now on the Polaris Integrated Library System which controls the Library's public access catalog, circulation, holds, and cataloging functions. Staff learned to catalog material using the new OCLC Connect software and greatly expanded patron participation in the library's Mission Possible Technology Training.

The library continued to work with the 18 other member libraries to develop and strengthen the RiverShare Library System and switched holds delivery from the Illinois Library System to the Mid-American Library Alliance in January. Staff attended the Polaris Users Group conference in Syracuse in October

The library increased ebook availability by buying copies specifically for our patrons in addition to the consortium copies and now allow patrons to pay for fines and fees with credit or debit cards. Staff attended a circulation conference in October in Madison, and developed a weekly rhyme based preschool program "Move with Mother Goose".

The library installed Iowa Workforce Development software on all of the public access computers and began supporting the information needs of the Iowa Workforce Development clients.

The library received \$2,200 from the Genealogical Society to replace historical microfilm; was awarded two \$1,000 stipends from IPTV; and accepted \$1,000 from the Community Foundation for the Library's birth to three Lapsit program.

The library held its first day-long event culminating in the restructuring of the technical services area, improved its relationship with its Friends group resulting in improved funding, and refurbished its technical services and break areas.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To develop a strategic plan in cooperation with the Library Board. (October 2013)
- * To create a brochure for new card holders. (May 2014)
- * To continue to focus on social media as a way to reach Library users (ongoing).
- * To look at landscaping options in front of the building to discourage loitering. (June 2013)
- * To originally catalog approximately 500 items of local history. (February 2014)
- * To utilize "Lean" processes to identify possible savings in the delivery and office administrative area. (September 2013) **(Management Agenda High Priority)**
- * To continue working with RiverShare to enhance Library staff's ability to utilize the new Polaris technology and build the consortium. (Ongoing). **(Management Agenda Top Priority)**
- * To continue to emphasize the Mission Possible program of free technology training for ages 50 plus.
- * To develop a school-year reading incentive programs for birth through teens. (November 2013)
- * To develop a countywide visual map of cardholders with the help of MAGIC (Muscatine Area Geographical Information Consortium). (June 2014)
- * To begin using the new International cataloging standard (RDA). (January 2014)
- * To begin using Pinterest as part of the Library's social media. (June 2013)
- * To develop a Grossheim (historical photograph collection) calendar and assist the Friends of the Library in marketing it. (October-December 2013)
- * To write standard work for delivery and office duties (Lean). **(Management Agenda Top Priority)**
- * To partner with the Muscatine Art Center to cross promote the activities of both departments (ongoing).

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 789,369	\$ 813,928	\$ 836,900	\$ 816,400	\$ 862,400	3.05%
Commodities	15,005	20,883	17,400	19,600	19,100	9.77%
Contractual Services	87,169	76,798	91,100	91,600	89,400	-1.87%
Capital Outlay	117,991	115,300	105,100	122,900	101,100	-3.81%
Transfers	20,066	23,591	-	-	-	
Total Expenditures	<u>\$ 1,029,600</u>	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,072,000</u>	2.05%
Funding Sources						
Library Revenues	\$ 29,696	\$ 27,969	\$ 26,000	\$ 25,900	\$ 26,200	0.77%
County Contributions	106,018	105,299	105,300	107,900	111,000	5.41%
Hotel/Motel Tax	90,916	86,943	87,500	87,500	87,500	0.00%
General Revenues	802,970	830,289	831,700	829,200	847,300	1.88%
Total Funding Sources	<u>\$ 1,029,600</u>	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,072,000</u>	2.05%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Library Director	1.00	1.00	1.00	1.00	1.00	
Assistant Director	-	-	-	1.00	1.00	
Librarian	4.00	4.00	4.00	3.00	3.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Library Assistant	3.00	3.00	3.00	3.00	3.00	
Total Full Time	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	
Part Time Positions:						
Library Technician	3.15	2.30	2.26	2.30	2.26	
Library Assistant	1.47	1.83	1.95	2.31	1.97	
Library Shelves	0.93	1.00	0.97	0.93	0.95	
Other Technicians	0.83	1.01	1.00	0.97	1.00	
Security Guard	0.60	0.60	0.60	-	-	
Total Part Time	<u>6.98</u>	<u>6.74</u>	<u>6.78</u>	<u>6.51</u>	<u>6.18</u>	
Total	15.98	15.74	15.78	15.51	15.18	\$ 652,300
Employee Benefits						210,100
Total Personal Services						<u>\$ 862,400</u>

Capital Outlay	
Item	Amount
Library Books, Videos, Serials, Database Subscriptions, etc.	<u>\$ 101,100</u>

Function:
Culture and Recreation

Department:
City Administrator

Activity:
Cable Television Operations

GENERAL INFORMATION

In July 1979 the City Council awarded a 15 year cable television franchise to ATC and Muscatine Cablevision Corporation. In 1984 the City approved the transfer of the franchise from ATC and Muscatine Cablevision to Heritage Cablevision. This franchise was later transferred to TCI, then AT&T and then Mediacom. The original franchise required a franchise fee to be paid to the City of Muscatine in the amount of 3% of its annual gross receipts. The original franchise agreement expired in 1994 and it was renewed for another 15 years on September 7, 1994. The new agreement provided for an increase in the franchise fee paid to the City to 5% of the annual gross receipts. In addition, Muscatine Power & Water (MP&W) began offering cable television services in 1999. MP&W also pays a cable franchise fee to the City. In December 2002, MP&W purchased the local Mediacom operation and became the sole cable provider in the City. Under the current arrangement with Muscatine Power & Water, the City receives approximately \$225,000 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) 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 2012/2013 is the same as the original budget at \$25,500. The 2012/2013 budget included \$7,500 for Council Chambers media equipment. This equipment has been purchased and has been in use since September of 2012.

The 2013/2014 budget is \$18,500 which is \$7,000 less than the 2012/2013 budget since no capital outlay items are budgeted for 2013/2014. The budget for 2013/2014 allows for the annual 3% increase in the base fee paid to MCC for cable broadcast services as specified in the agreement between the City and MCC.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Cable Franchise Fees	\$236,192	\$236,253	\$225,903	\$225,000	\$225,000
City Council Meetings Broadcast	35	35	35	35	35

RECENT ACCOMPLISHMENTS

The City Council Chambers media equipment was updated with a new computer workstation, podium monitor, wireless presentation tools, and a new wall-mounted television for Council presentations. The system integrates with the cable television program so those watching offsite can view all digital materials. City Council meetings are now also available online on the City of Muscatine Youtube channel.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue providing cable television access to Muscatine's citizens through Muscatine Power & Water.
- * To continue providing Muscatine with public access channels that showcase the many and varied activities and interests in Muscatine.
- * To continue finding new ways to bring information and programming to the residents of Muscatine.

Function:
Culture and Recreation

Department:
City Administrator

Activity:
Cable Television Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	14,515	17,091	18,000	18,000	18,500	2.78%
Capital Outlay	22,777	-	7,500	7,500	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 37,292</u>	<u>\$ 17,091</u>	<u>\$ 25,500</u>	<u>\$ 25,500</u>	<u>\$ 18,500</u>	-27.45%
Funding Sources						
Cable Franchise Fees	<u>\$ 37,292</u>	<u>\$ 17,091</u>	<u>\$ 25,500</u>	<u>\$ 25,500</u>	<u>\$ 18,500</u>	-27.45%

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

GENERAL INFORMATION

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

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

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

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is over the budgeted amount by \$23,200. After the budget was adopted, the Art Center was awarded a \$13,500 grant from the Iowa Department of Cultural Affairs. The revised estimate was increased for expenditures which will be funded from this grant. The revised estimate for insurance costs for the Art Center's collections also increased by \$9,700 from the original budget.

The 2013/2014 budget is \$9,800 (3.2%) lower than the original 2012/2013 budget primarily due to decreased personal services costs. The previous long-term Art Center Director retired in August of 2012 and the new Director is at a lower step in the pay schedule.

Funding from the Art Center Support Foundation and Friends of the Art Center will continue to be received in 2012/2013 and 2013/2014 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$38,100 in 2012/2013 and \$40,700 in 2013/2014.

Again in 2013/2014 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$87,500.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Attendance	26,054	27,522	29,552	31,000	31,000
Number of Classes Offered	224	160	158	160	160
Art Center Events Hosted	19	20	29	30	30
Exhibitions	13	15	14	15	15
Tours	69	72	70	75	75

RECENT ACCOMPLISHMENTS

Four exhibitions were installed in the Stanley Gallery between June 17, 2012 and January 6, 2013. Two more exhibitions are scheduled for spring 2013. These exhibitions included “Quilts by Clara Oleson,,” “Whistles” by Connie Roberts, “Inspired by the Past” based on the photographs of Oscar Grossheim, “Holiday Springs & Sprockets,” “The Other Side of the Earth” by Chinese-born artist Chun Arthur Wang, and “Jon Fasanelli-Cawelti: A Retrospective.” Eight exhibitions were on view in the Musser Mansion Museum plus various changing displays were in the glass cases. The “Muscatine and the Civil War” exhibition from 2011-2012 was awarded the Loren Horton Community History Award from the Iowa Department of Cultural Affairs.

Approximately 30,000 visitors attended exhibitions, classes, and events. The Education department presented 158 classes, provided guided tours for 70 groups, and presented 24 outreach programs. In 2012, the Art Center began offering regular lectures presented by Carol Ehlers. The Education department also provided art classes for the Home School Assistance program to meet their art curriculum needs. The Art Center hosted a new teacher orientation for the Muscatine Community School District. Friends of the Muscatine Art Center provided funding for a college student intern. Muscatine High School’s Extended Learning Program placed three students at the Art Center where students learned skills such as interacting with the public, working with a supervisor, and data entry.

The Friends of the Muscatine Art Center held three annual events. The Ice Cream Social during PatriART Week drew 750 people. The Festival of Wreaths in November 2012 drew 225 people. Sunday with Santa in December 2012, drew 525 visitors and was jointly sponsored by the three local banks.

The Art Center worked with Leadership Muscatine by hosting Cultural Family night and Leadership Muscatine graduation. The Musser Public Library and the Art Center hosted a series, “Visions and Voices.” Rotary Guest Night was held at the Art Center along with a YPN Third Thursday Family Event. In conjunction with the Muscatine Arts Council, the annual Eagles and Ivories Concert was held two days

in the Music Room. The Art Center partnered with the Diversity Center to provide art classes to minority seniors. Relay for Life used the art studio to make luminaries. Pearl City Opera held a fundraising event at the Art Center. Events and programs highlighting the Muscatine-China connection are planned for spring 2013.

The Art Center was featured in AAA Travel Guide. Holiday Springs & Sprockets was covered by the Muscatine Journal and Quad Cities Times. Fran Riley of KWQC highlighted a past event and also highlighted Holiday Springs & Sprockets. The Art Center maintains an active following on Facebook and Pinterest as well as at muscatineartcenter.org and the City of Muscatine website. The Art Center can also be found at iowabeautiful.com, museumsusa.org, traveliowa.com, smithsonianmag.com, and several other sites.

The Art Center received 225 objects into the collection in 2012. The Georgia O’Keeffe painting, *White Lotus* is on loan to the Honolulu Museum of Art. The Sunday New York Times featured the work of O’Keeffe in Hawaii in a December 2012 issue. Fifteen items were loaned to Iowa Public Television for a special documentary on Alexander Clark. Civil War items were loaned to the Old Capitol Museum at the University of Iowa. Prints depicting Native Americans were loaned to the University of Northern Iowa.

Work on the 1402 Mulberry property was completed in November 2012 with electricity to be added in the spring of 2013. The pools in the Japanese Garden were repaired by Parks and Recreation and Buildings and Grounds staff and now hold water. New carpet is slated for installation in February 2013. The Stanley Gallery HVAC system became highly problematic in 2012 and required an array of repairs, multiple visits from the maintenance contractor, and several refills of Freon. Public Works/Building and Grounds plans to complete a study of Stanley Gallery HVAC system to ensure that museum standards for temperature and humidity continue to be met. Fifteen facility rentals took place in 2012. A new boiler was installed in the Musser Mansion this fall.

The Art Center received \$13,540 as a Cultural Leadership Partner with the Iowa Department of Cultural Affairs. This amount is based on a formula using a percentage of the operating budget. The Art Center is one of 56 organizations in the state to receive this designation and funding. The security of this funding on a year-to-year basis may be at risk as the state government evaluates budget priorities, although the goal of the program is “to provide predictable multi-year general operational funding support to our Cultural Leadership Partners.”

The Community Foundation of Greater Muscatine provided a grant of \$1,500 to the Friends of the Muscatine Art Center for the “Let’s Move” initiative in November 2012. The Friends of the Muscatine Art Center provided \$19,632 to cover a portion of the Registrar’s salary, Education Coordinator’s salary, and otherwise support the Art Center’s educational programs by providing bussing, offering art scholarships for those with financial need, and purchasing craft supplies.

In 2011, the Art Center received \$55,386 from the Muscatine Art Center Support Foundation. This funding is specifically to cover expenses related to acquisitions, conservation, exhibitions, programs, and staff salaries related to collections care and exhibitions. The staff salary portion paid by the Support Foundation was \$18,025 in the 2011/2012 fiscal year. During calendar year 2012, \$55,000 was received from the Support Foundation.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To install the John W. Conner Glass Collection on the second floor of the Musser Mansion and to secure additional sources of funding to cover expenses for room renovations and glass cases.
- * To assist Public Works and Building and Grounds staff in the study of the Stanley Gallery's HVAC system so it can meet museum standards.
- * To make the Art Center grounds at 1402 Mulberry (E. Bradford Burns Performing Arts Park) ready for public use and rental by using funds from the E. Bradford Burns Trust, dedicate the grounds to E. Bradford Burns, and explore ways to generate income by holding events and facility rentals on the grounds.
- * To identify ways to highlight the Muscatine-China connection and/or the work of the Sister Cities organization by selecting at least one relevant exhibition topic for 2013-2014.
- * To review the Art Center's Disaster Plan and work with other city departments to make the Disaster Plan easy to implement across all effected departments.
- * To better utilize the city's website to improve marketing, communication, and collections access to the public. **(Management Agenda Top Priority)**
- * To ensure that trustees, staff, and the art community are involved in the city's comprehensive planning process. **(Council Policy Agenda Top Priority)**
- * To review Art Center operations for "Lean" initiatives. **(Management Agenda High Priority)**
- * To collaborate with Trinity Hospital in Muscatine and other area partners to build a walking trail between the grounds of the Art Center and the hospital as a "Blue Zones" initiative.
- * To continue participation in the "Let's Move!" initiative launched by First Lady Michelle Obama for museums and gardens across the country to help educate children and families about healthy food choices and to promote physical activity.
- * To partner with the Musser Public Library to cross-promote the activities of both departments.

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 257,117	\$ 266,896	\$ 264,700	\$ 261,300	\$ 246,600	-6.84%
Commodities	10,626	6,242	6,700	7,600	6,400	-4.48%
Contractual Services	38,563	33,855	35,800	61,500	44,400	24.02%
Capital Outlay	2,036	2,287	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 308,342</u>	<u>\$ 309,280</u>	<u>\$ 307,200</u>	<u>\$ 330,400</u>	<u>\$ 297,400</u>	-3.19%
Funding Sources						
Art Center Revenues	\$ 4,846	\$ 5,087	\$ 7,200	\$ 5,200	\$ 6,200	-13.89%
Art Center Grant	14,400	13,540	-	13,500	-	
Support Foundation Contribution	17,539	18,025	18,900	17,100	19,500	3.17%
Friends of the Art Center Contribution	22,403	19,582	20,800	21,000	21,200	1.92%
Hotel/Motel Tax	90,916	86,943	87,500	87,500	87,500	0.00%
General Revenues	<u>158,238</u>	<u>166,103</u>	<u>172,800</u>	<u>186,100</u>	<u>163,000</u>	-5.67%
Total Funding Sources	<u>\$ 308,342</u>	<u>\$ 309,280</u>	<u>\$ 307,200</u>	<u>\$ 330,400</u>	<u>\$ 297,400</u>	-3.19%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	
Part Time Positions:						
Registrar	0.07	-	-	-	-	
Art Center Aide	1.14	1.22	1.00	1.25	1.00	
Custodian	0.31	0.32	0.25	0.29	0.25	
Office Clerk	<u>0.05</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Part Time	<u>1.57</u>	<u>1.54</u>	<u>1.25</u>	<u>1.54</u>	<u>1.25</u>	
Total	4.57	4.54	4.25	4.54	4.25	\$ 193,300
Employee Benefits						<u>53,300</u>
Total Personal Services						<u>\$ 246,600</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

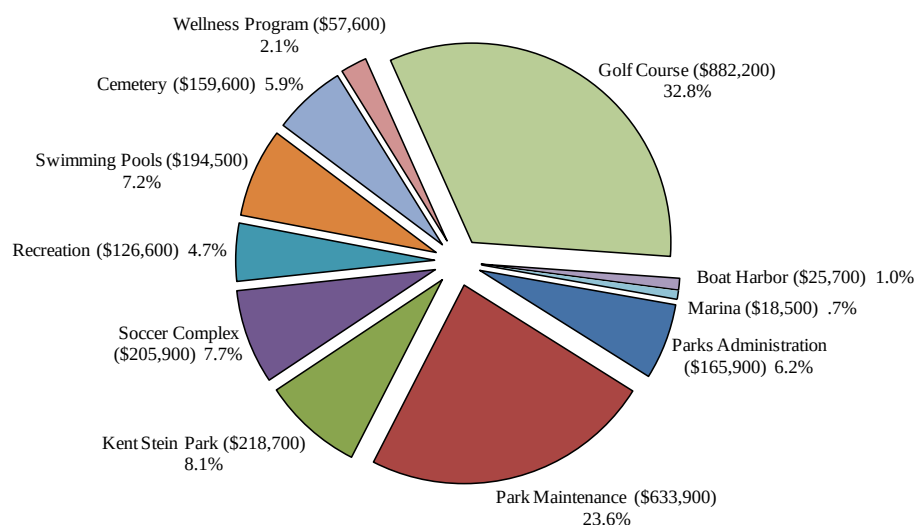
Activity:
Park Administration

GENERAL INFORMATION

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

The Parks and Recreation Administration budget includes the costs related to the overall coordination of the parks and recreation programs. The office staff includes the positions of director and office coordinator. A part-time clerk has also been utilized during peak times of the year. The Director also supervises the Boat Harbor, Marina, and Golf Course Enterprise operations in addition to overseeing the Cemetery, Park Maintenance, Kent Stein Park, Soccer Complex, Recreation, Swimming Pools, 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 enterprise operations. The amount of the administrative fee is \$12,100 for 2013/2014. The Director also initiates and oversees capital improvements in the City's parks, golf course, levee, and cemetery and provides administrative support for the Recreation Advisory Commission. Following is a chart of the 2013/2014 budgeted expenditures by activity for the Parks and Recreation Department.

**Parks and Recreation Department
2013/2014 Budget by Activity (\$2,689,100)**



The Pearl of the Mississippi Project was completed in 2006. This was a multi-year project that expanded and improved numerous park facilities and public areas. Individual projects included the new Weed Park

Aquatic Center, the Riverview Center renovation, marina improvements, boat launch relocation, the American Heritage Trail extension and the purchase of a dredge to be used at the boat harbor. These projects resulted in expanded operational and maintenance responsibilities for the Parks and Recreation Department. Phase II of the Pearl Project was completed in 2007. This added an interactive water feature and landscaping in the area between Riverview Center and the Mississippi Harvest sculpture.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is \$2,300 more than the original budget. The revised estimate includes an additional \$1,600 for software fees for the department's online program registration system. Fees for this software are based on the number and amounts of transactions and an increasing number of individuals are registering for the City's recreation programs using this system. The revised estimate also includes a \$500 increase for the final year of taxes on the property donated to the City by the Hinman family.

The 2013/2014 budget is \$7,000 (4.4%) higher than the 2012/2013 budget due to increased personal services costs (\$5,600) and increased software maintenance costs (\$1,600). The software maintenance cost increase is again due to the increased number of registrations made using the on-line system.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Recreation Advisory Commission Meetings	8	9	8	8	8
Department Expenditures - All Divisions	\$2,340,952	\$2,423,864	\$2,517,146	\$2,633,800	\$2,689,100
Internet Receipts Issued	347	400	478	500	500
Office Receipts Issued	1,943	1,901	2,157	2,125	2,125
Pearl City Station Rentals	94	80	107	110	110
Riverview Center Rentals	79	70	82	85	85
Shelters/Rose Garden Rentals	491	435	478	480	480
Parks Adopted (Calendar Year Basis)	4 (2010)	9 (2011)	12 (2012)	15 (2013 Est.)	15 (2014 Est.)

RECENT ACCOMPLISHMENTS

The Parks and Recreation department continues to maintain the City's 560 acre parks and recreation system and make these park facilities available for community use. This system includes 23 parks and/or recreation areas, 12 playgrounds, 10 tennis courts, 140 miles of street trees, 16 park shelters, 2 riverfront

rental buildings, 12 miles of trails, 2 sand volleyball courts, the Aquatic Center, Cemetery, boat harbor, marina, 2 boat launches, the Soccer Complex, Kent Stein Park, Mississippi Mist splash pad, special horticulture gardens, 8 horseshoe courts, an 18 hole disc golf course, an 18 hole golf course, youth recreation programs, adult recreation programs, special events, employee wellness program, 10 basketball courts, and a skate park.

The Iowa Department of Transportation (IDOT) contacted this department about continuing the lease of the Mark Twain Overlook area for an additional five years for maintenance purposes. The new lease was approved by the City Council at their January 3, 2013 meeting.

The long dock in the boat harbor was reconfigured to allow for more efficient utilization of the docks. The boat slips were set wider to allow for the current style of boats to be able to use the docks.

The concessionaire for Kent Stein Park, Soccer Complex, and the Aquatic Center was new for the 2012 season. Happy Joes was the new vendor and they increased gross sales to \$194,160.02 up from last year's total of \$180,832.07. Happy Joes will continue as the concessionaire in 2013.

The Carver Swim Center arrangement between the City and the School District is in the first year of a three year phase out. The community and interested school staff are in the process of working out usage schedules.

The non-resident fee policy was implemented in 2012. Some of the affected participants took out their frustrations on city staff and in some cases have chosen not to participate. Our hope is that the animosity will lessen as the fee becomes more well-known.

The budgeted stump grinder was purchased and a total of 220 stumps have been ground. The unit was purchased for \$6,446. The cost to grind stumps if contracted out would be \$50 to \$75 per stump which would calculate to at least \$11,000 for 220 stumps at the \$50 rate, which shows the stump grinder has more than paid for itself in its first year.

The following are the community related special events that were facilitated through the Parks and Recreation department: Earth Day Events (2), Hayes Hustle, Relay for Life, Easter Egg Hunts (3), JDRF Car Show, special request weddings (12), school field days, Strong Man Competition, Melon City Criterium, Heart Association Walk, 4th of July Parade, MP&W Riverfront Promotion, Fun with Brass Ensemble, Great River Days (GRD), GRD Parade, HNI 5K Run/Walk, City of Hope Bass Tournament, HNI Picnic, 4H 5K Run, Skate Park Games, Alzheimer's Walk, Holiday Train, Holiday Stroll, Crop Walk, Vineyard Riverfront Block Party, Vineyard Movie in the Park, Nueva Cosecha/New Harvest Celebration, and Iowa Hospice Celebration.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to develop the Adopt-A-Park and volunteer recruitment program. **(Council Top Long-Term Goal)**
- * To finalize the formal playground inspection and maintenance plan.
- * To develop plans for the Park Maintenance Building project.
- * To develop the Central Weed Park Corridor project.

- * To finish the Golf Course Irrigation project.
- * To advance the Phase III Soccer Development project. **(Management Agenda High Priority)**
- * To continue the Park Shelter Replacement project.
- * To continue to recruit, train, and retain quality seasonal and full time staff.
- * To continue to promote a positive and active employee wellness program.
- * To operate within approved budgets.
- * To meet regularly with the Recreation Advisory Commission.
- * To continue to manage the City's Deer Deprivation Program.
- * To develop and implement a street tree maintenance program to include committee involvement, tree inventories, and tree replacement program
- * To facilitate City special event requests.
- * To continue to work cooperatively and jointly with area associations and agencies in order to deliver efficient and appropriate service levels to the community. **(City Council Long-Term Goal)**
- * To continue to evaluate program and facility utilization for maximum participation.
- * To explore and implement "Lean" initiatives throughout the department. **(Management Agenda High Priority)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 142,115	\$ 143,036	\$ 145,100	\$ 145,000	\$ 150,700	3.86%
Commodities	1,423	1,239	1,800	2,300	1,800	0.00%
Contractual Services	9,955	12,515	12,000	13,900	13,400	11.67%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 153,493	\$ 156,790	\$ 158,900	\$ 161,200	\$ 165,900	4.41%
Funding Sources						
Park Revenues	\$ 39,572	\$ 46,514	\$ 36,800	\$ 38,600	\$ 38,300	4.08%
Administrative Fee	11,100	11,400	11,700	11,700	12,100	3.42%
General Revenues	102,821	98,876	110,400	110,900	115,500	4.62%
Total Funding Sources	\$ 153,493	\$ 156,790	\$ 158,900	\$ 161,200	\$ 165,900	4.41%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	\$ 110,000
Employee Benefits						40,700
Total Personal Services						\$ 150,700

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

GENERAL INFORMATION

The function of the Park Maintenance operation is to provide parks and facilities for the recreational pursuit of the citizens of Muscatine. Fourteen (14) of the City's fifteen (15) 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, and Weed 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 2012/2013 revised estimate is over the budgeted amount by \$27,400 due primarily to an increase in capital outlay. The revised estimate for capital outlay includes \$22,200 for replacement of the Lagoon Shelter in Weed Park and \$4,800 to upgrade/repair the electrical system on the riverfront. Donations of \$22,000 were received for the Lagoon Shelter project and 50% of the cost of the riverfront electrical repairs will be funded from the Water Pollution Control fund. The capital outlay items in the original budget included \$60,000 for playground surface repairs at the Weed Park playground. Funding for this project included \$50,000 from the Parks and Recreation Trust. Prior to using those trust funds, a number of steps will need to be taken by the Parks and Recreation Advisory Commission and City Council.

The 2013/2014 budget is \$21,000 (3.2%) less than the original 2012/2013 budget primarily due to a reduced allocation for capital outlay.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Parks	17	17	17	17	17
Park Acres	241	241	241	241	241
Park Shelters	16	16	16	16	16
Miles of Trail	6.7	6.7	8.3**	8.3	8.3
Playgrounds	12	12	12	12	12
Buildings	12	12	12	12	12
Basketball Courts	5	5	5	5	5
Tennis Courts	10	10	10	8*	8*
Skate Parks	1	1	1	1	1
Sand Volleyball Courts	2	2	2	2	2
Disc Golf Course	1	1	1	1	1
Right-of-Way Miles	8.2	8.2	8.2	11.4***	11.4***
Aquatic Center	1	1	1	1	1
Interactive Fountain	1	1	1	1	1
Boat Ramps	4	4	4	4	4
Special Gardens	2	2	2	2	2
Street Tree Miles	N/A	N/A	140	140	140

* Tennis Shelter Courts were identified as non playable without resurfacing

** New trail from Weed Park north to Wild Cat Den State Park was added in 2011

*** Beginning in 2013, 2.7 miles of Right-of-Way were added to the miles maintained by Park Maintenance staff. These areas were previously mowed by the Community Development department's nuisance abatement contractor.

RECENT ACCOMPLISHMENTS

The Parks Maintenance staff supported over 25 public events held in the community in the past year and hosted five Day of Caring projects that consisted of park clean-up and painting utilizing volunteers from the community.

Staff assisted other city departments with items such as weed spraying at the airport, mowing ditches for Public Works for ditch improvements, as well as mowing related to the pistol range improvements. The staff supported other divisions of the Parks and Recreation department including Kent-Stein, Soccer, and Golf with electrical and plumbing repairs, as well as maintenance projects such as drywall repair, painting, and a floor drain installation at the Aquatic Center.

While completing day to day tasks such as litter pick up, restroom cleaning, plant bed maintenance, rental facility cleaning, building and lighting maintenance, staff was able to complete many small projects. These projects included: 1) making repairs to the bridge at Eversmeyer Park; 2) edging ten sidewalks; 3) installing a drinking fountain and new sign in Taylor park; 4) playground rubber repairs at eight playgrounds; 5) adding dirt to low spots in four parks to level turf areas; 6) replacing a water shutoff at Fourth Street Park; 7) trimming trees in all parks to accommodate a new larger mower; and 8) repainting seven park signs. A larger project completed was the basketball court resurfacing at Lucas Park.

On the riverfront, staff replaced the sewage pump system for the concession building and gas dock; developed the areas around the anchor and Riverfront Park sign into flower beds; and repaired many lights including bulbs, transformers, ballasts, and trenching a section of underground wire. Staff also cleaned and resealed the restroom floors, repainted trash cans around the restroom, reset trail gates near Mad Creek, moved a memorial bench from Riverside Park to the front of Riverview Center, and trimmed trees in the parking lot. The Park Maintenance staff also redesigned the long dock in the harbor, replaced a finger section on the houseboat dock, and reconfigured the electric line on the gas dock. Parks staff power washed the Riverview Center deck, re-glazed and painted the windows of Pearl City Station, and replaced a tree in front of Pearl City Station due to fire blight.

At Weed Park, upgrades were made to plant beds near the lagoon, at the Colorado Street entrance, and at the street triangle off of Colorado Street. These changes included selection of plant varieties, bed size and shape, and mulching. Additional projects included continued work in ravines in the center of the park to make it more accessible and easier to mow and lighting repairs which included trenching two lines to replace underground wire. To date staff has ground down seventy-five stumps.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To work cooperatively with volunteers and citizen groups as they utilize the parks.
- * To pursue the Weed Park Central Corridor plan by researching funding options including private donations.
- * To complete a city-wide street tree inventory to assist in planning for the effects of the Emerald Ash borer.
- * To create a layer for street trees on the MAGIC Geographical Information System.
- * To initiate a park tree inventory to assist in planning for the effects of the Emerald Ash borer.
- * To develop and maintain a sustainable ice skating venue.
- * To continue effective full time and seasonal staff training.
- * To continue assisting with the Deer Deprivation Program.
- * To review all maintenance plans and make adjustments as needed.
- * To continue Disc Golf Course maintenance activities.

- * To install signage on Riverview Center and Pearl City Station.
- * To continue planning and discussions of Lean initiatives within this division. **(Management Agenda High Priority)**
- * To initiate the replacement of the Weed Park maintenance shop.
- * To continue the shelter replacement plan.
- * To continue to provide support to other divisions and departments.
- * To develop a playground safety inspection and repair plan.
- * To continue to operate within approved budgets.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 436,419	\$ 441,828	\$ 465,300	\$ 463,200	\$ 482,700	3.74%
Commodities	52,676	57,588	51,100	57,700	56,000	9.59%
Contractual Services	90,684	76,704	75,800	71,700	68,700	-9.37%
Capital Outlay	3,540	8,935	62,700	89,700	26,500	-57.74%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 583,319	\$ 585,055	\$ 654,900	\$ 682,300	\$ 633,900	-3.21%
Funding Sources						
General Revenues	\$ 546,192	\$ 559,476	\$ 583,900	\$ 587,200	\$ 611,000	4.64%
FEMA Funding	11,795	6,023	-	-	-	
Donations	-	-	-	22,000	-	
Road Use Taxes	25,332	19,556	21,000	20,700	22,900	9.05%
Transfer from WPCP (Riverfront Electrical Work)	-	-	-	2,400	-	
Parks and Recreation Trust	-	-	50,000	50,000	-	
Total Funding Sources	\$ 583,319	\$ 585,055	\$ 654,900	\$ 682,300	\$ 633,900	-3.21%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Park Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Park Maintenance Leadworker	-	0.50	1.00	1.00	1.00	
Maintenance Repairperson	1.50	1.50	1.50	1.50	1.50	
Maintenance Worker II	0.33	-	-	-	-	
Maintenance Worker I	1.25	1.50	2.00	2.00	2.00	
Groundskeeper	1.00	1.00	0.50	0.50	0.50	
Equipment Operator II	1.00	0.50	-	-	-	
Total Full Time	6.08	6.00	6.00	6.00	6.00	
Temporary Part Time Positions:						
Seasonal Laborer	0.45	0.63	0.63	0.68	0.68	
Seasonal Equipment Operator	0.92	0.92	0.92	0.92	0.92	
Seasonal Groundskeeper	1.13	1.30	1.30	1.25	1.25	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.69	0.69	0.69	0.72	0.75	
Total Part Time	3.19	3.54	3.54	3.57	3.60	
Total	9.27	9.54	9.54	9.57	9.60	\$ 336,300
Employee Benefits						146,400
Total Personal Services						\$ 482,700

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Paint/Repair Tennis Courts (4)	4		\$ 23,000
Debris Blower (50% of Cost)	1	Yes	3,500
			<u>\$ 26,500</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

GENERAL INFORMATION

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

Through negotiations with Muscatine Community College (MCC) and the Muscatine Community School system, the City in 1996 turned over the maintenance responsibilities of Tom Bruner Field to these two public entities for a five-year period. This contract was extended for additional five-year and three-year periods. MCC and the School district, however, asked the City to take over maintenance responsibilities for Bruner Field beginning in 2012 and reimburse the City for costs incurred. In 2000, the City allowed the local baseball association use of the former maintenance building. In exchange for a five-year lease, the baseball association undertook renovations to the facility. That original five-year lease expired in 2002 and it has been renewed under substantially the same terms.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is over the budgeted amount by \$15,500. Personal services costs increased by \$6,400 due to increased part-time hours needed for the City assuming maintenance responsibilities for Bruner Field (\$4,300) and the new Maintenance Worker (funded 50% from this budget) having family health insurance. The commodities increase of \$8,900 includes \$7,000 for maintenance supplies for Bruner Field with the remainder for electrical, painting, and other supplies.

The 2013/2014 budget is \$46,900 (27.3%) higher than the 2012/2013 budget. A large part of this increase is due to a \$30,000 capital outlay allocation for ball diamond fence repairs. Personal services costs increased by \$12,300 which includes \$4,500 for additional part-time hours for Bruner Field and family health insurance for the new fulltime employee charged 50% to this budget. The commodities increase of \$8,300 includes \$7,000 for maintenance supplies for Bruner Field.

GOAL STATEMENT

To provide the citizens of the community with softball and baseball facilities for recreational and school participation.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Ball Diamonds Maintained	19	19	20	20	20
Total Hours of Usage*	6,272	6,308	6,789	6,800	6,800
Number of Tournaments	24	23	21	24	24
Number of Leagues/Camps	23	23	25	25	25
Concession Revenue	\$10,108	\$13,254	\$12,441	\$12,000	\$12,000
Total Revenues	\$25,204	\$31,500	\$43,963**	\$43,200**	\$43,200**

* Total hours of usage is scheduled usage only and does not account for drop-in usage

** Revenue increases due to the reimbursements for the maintenance of Bruner Field

RECENT ACCOMPLISHMENTS

This past season the Parks staff continued to make an effort to increase use in the fall of the entire facility. Five diamonds were used for soccer practices in the outfields. A developmental league run by a local user group was also held in the outfields. Goals were brought over from the Soccer Complex and staff was able to provide high quality practice fields for the local community soccer teams. Practices and goals were moved around in order to limit the amount of wear in the outfields. The Parks and Recreation football skills clinic also took place in an outfield in the park.

After several extremely wet seasons, Kent Stein Park experienced a very hot and dry season. A large amount of staff's time this year was spent on watering turf and plants throughout the park. Flowers and trees were watered on a daily and weekly basis, and the turf infields on the baseball diamonds were watered almost daily to help maintain a safe and quality infield. Mowing was heavily reduced in 2012 due to a lack of moisture and extreme heat.

The Athletic Facilities staff began maintaining the turf in and around Bruner Field this season. Staff was responsible for mowing and maintaining a high quality turf on Bruner Field. Maintenance practices were completed to echo those of the soccer fields and diamond #4. Staff worked well with both the Muscatine Community School District and Muscatine Community College (MCC) to help provide a quality field.

The park still has several safety concerns with damaged fences throughout the park. This past winter and spring, staff worked to repair fences behind the warm-up mounds by adding support braces to help avoid damaged and broken fences. Staff also filled in low areas beneath the fencing throughout the park with soil to help avoid safety issues with balls escaping under the fences near spectators. Staff will continue to monitor and fix, when possible, any areas of safety concern throughout the park.

This past year the Parks and Recreation staff continued the Adopt-A-Park program at Taylor Park. Gary Bean, a local resident near Taylor Park, adopted the park three years ago and again this past season mowed the entire park twice a week, or as needed with the dry weather, versus a once a week schedule if done by park staff. He also kept a close eye on the park and reported any damages or concerns that he noticed throughout the park. His efforts have helped to minimize labor from seasonal staff at Taylor Park.

The United Way's Day of Caring volunteers again were very useful in helping to complete projects at Kent Stein Park. The restrooms at both the East and West concession stands were painted and trees and flower beds were mulched throughout the park.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To repair the remaining fences at Kent Stein Park.
- * To upgrade the remaining fields at Kent Stein Park with the Musco Control Link Lighting System (subject to funding).
- * To strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations.
- * To improve the parking lot west of Diamond #5 with an asphalt surface (subject to funding).
- * To maintain high quality and safe fields while maximizing usage.
- * To continue to support and assist other departments and City divisions as requested.
- * To continue to recruit and train quality seasonal and full time staff as needed.
- * To continue to look for and to incorporate technological changes for improved services and operational efficiencies. **(Management Agenda High Priority)**
- * To explore and implement "lean" initiatives. **(Management Agenda High Priority)**
- * To work with the Hinman family property donation to develop a multi-use open green space.
- * To continue to recognize and build on the positive economic impact of this facility to the community. **(City Council Long-Term Goal)**
- * To continue to work with the Muscatine Community College (MCC) and the Muscatine Community School District (MCSD) to maintain the turf at and around Bruner Field **(City Council Long-Term Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 119,035	\$ 121,823	\$ 121,300	\$ 127,700	\$ 133,600	10.14%
Commodities	42,126	39,275	39,100	48,000	47,400	21.23%
Contractual Services	5,897	7,751	7,900	8,200	7,700	-2.53%
Capital Outlay	1,515	7,735	3,500	3,400	30,000	757.14%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 168,573</u>	<u>\$ 176,584</u>	<u>\$ 171,800</u>	<u>\$ 187,300</u>	<u>\$ 218,700</u>	27.30%
Funding Sources						
Park Revenues	\$ 26,306	\$ 32,902	\$ 24,700	\$ 35,700	\$ 35,900	45.34%
Housing Reimbursement	7,750	7,500	7,300	7,500	7,500	2.74%
General Revenues	<u>134,517</u>	<u>136,182</u>	<u>139,800</u>	<u>144,100</u>	<u>175,300</u>	25.39%
Total Funding Sources	<u>\$ 168,573</u>	<u>\$ 176,584</u>	<u>\$ 171,800</u>	<u>\$ 187,300</u>	<u>\$ 218,700</u>	27.30%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Athletic Facilities Manager	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	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total Full Time	<u>1.12</u>	<u>1.12</u>	<u>1.12</u>	<u>1.12</u>	<u>1.12</u>	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.54	0.55	0.55	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	0.38	0.38	0.38	0.38	0.38	
Seasonal Laborer	<u>1.40</u>	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	
Total Part Time	<u>2.32</u>	<u>2.53</u>	<u>2.53</u>	<u>2.73</u>	<u>2.73</u>	
Total	3.44	3.65	3.65	3.85	3.85	\$ 103,800
Employee Benefits						<u>29,800</u>
Total Personal Services						<u>\$ 133,600</u>

Capital Outlay	
Item	Amount
Ball Diamond Fence Repair Project	<u>\$ 30,000</u>

Function:
Culture and Recreation

Department:
Parks & Recreation

Activity:
Soccer Complex Operations

GENERAL INFORMATION

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

Following a number of public hearings and reviews of this proposal, the City Council agreed to accept the gift and the responsibility for maintenance and scheduling of the facility. The original soccer complex consisted of six fields, two with lighting; administration, concession, and locker room facilities; a separate maintenance facility and storage area; and adequate parking to accommodate users. Two additional fields located adjacent to the original complex were developed and given to the City in 1994. The soccer complex is located on Houser Street between Hershey Avenue and the Sunset Park housing development. Known for its consistent quality and field play, this facility has been named "Soccer Facility of the Year" on two separate occasions.

CURRENT TRENDS AND ISSUES

The management of the soccer complex, including scheduling and maintenance activities, is the responsibility of the City through the Parks and Recreation department. Funding for the maintenance activities associated with the facility is partially from the City's General Fund and partially from other entities within the community who are the primary users of the facility. The maintenance and operation of this facility is coordinated by the Athletic Facilities Manager who also manages the operation of Kent Stein Park located adjacent to the soccer complex. Currently the Athletic Facilities Manager, a Maintenance Worker I, and two part-time employees are involved in the maintenance of the soccer complex. Additional part-time employees serve as on-site supervisors during special events at the complex. The Athletic Facilities Manager also has oversight responsibilities at the Golf Course and approximately 20% of his time is being allocated to the Golf Course in the form of an administrative fee.

The revised estimate for 2012/2013 is over the budgeted amount by \$8,200. Personal services costs are over the originally budgeted amount by \$2,200 due to the new Maintenance Worker I having family health insurance instead of the single coverage budgeted for the previous employee. Commodities and contractual services increased in total by \$6,100 due to increased fuel costs (\$500), increased repair and maintenance supplies for the deep-tine aerifier (\$4,000), and various other increases in operating and maintenance costs.

The 2013/2014 budget is \$23,800 (13.1%) more than the 2012/2013 budget primarily due to increased personal services (\$7,700) and increased capital outlay (\$14,500) costs. Of the personal services increase, \$4,200 is due to the new Maintenance Worker I having family health insurance instead of the single coverage budgeted for the previous employee. The Maintenance Worker I position is allocated 50% to this budget and 50% to the Kent Stein Park budget. Capital outlay items totaling \$29,500 are included in

the budget and include a sod cutter (\$7,000), 50% of the cost of a large blower (\$3,500), and a portable kiosk (\$19,000). Purchase of the kiosk is subject to securing outside funding from donations. The Equipment Replacement fund budget also includes \$33,500 to replace the deep-tine aerifier which continues to need costly repairs. The Soccer Complex is entering its 20th 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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Number of Fields Maintained	8	8	8	8	8
Hours of Use for Games	2,344	2,661	2,807	2,900	2,900
Number of Tournaments *	20	23	24	21	21
Concession Commissions	\$10,613	\$11,343	\$12,871	\$10,500	\$10,500
Total Revenues	\$38,678	\$43,224	\$46,214	\$41,500	\$41,500
Number of Leagues/Camps	27	23	23	23	23

* The number of tournaments reflects the number of days that tournaments are held.

RECENT ACCOMPLISHMENTS

After several extremely wet years in a row, the trend finally broke in 2012 and the Soccer Complex experienced a severe drought and extreme hot temperatures. Irrigation was a must for keeping the turf green and having a safe, quality surface for the user groups. With extreme high temperatures during the day, irrigation ran frequently to help cool the turf and keep it green and active throughout the hot summer. For a seven week span, the irrigation ran every night on at least three fields. With an irrigation system that is showing its age, staff put a lot of time and effort into irrigation repairs this summer, and also a lot of time in watering flowers and shrubs.

With a lack of rain this season, most games and tournaments went through with little interference from the weather. The Muscatine Soccer Club Fall Classic was an exception. With almost 2 inches of rain on the second day of their tournament, severe damage took place throughout the 15 fields, but all games were completed. Following the tournament, staff worked hard to repair the fields while resuming almost all scheduled youth play.

With the heavy amount of rain over the past several years and the Hershey Avenue Street Improvement project, the perimeter of Fields #7 and #8 had begun to hold water. A drainage system was installed this fall around the perimeter and between the two fields to help prevent standing water in these areas and to allow for better drainage on the playing fields themselves. A 4-inch drainage tile was installed around a gravel layer followed by a sand cap. The sand has been left to settle this winter and the line will be leveled off with additional sand in the early spring and then seeded to cover the drainage line.

Last fall a Phase III Soccer Development Committee was formed to evaluate the need for additional soccer playing space and then put together a plan for the development of Phase III of the Soccer Complex. The Phase III Development Plan has been completed and has been endorsed by the Recreation Advisory Commission and approved by the Muscatine City Council. This plan includes a parking lot for 228 vehicles, 4-tiered multi-use synthetic playing surfaces, restroom and shade building, fenced perimeter, a playground, active information/resource centers, and a fitness trail/sidewalk. Since the committee was formed, several business and community leaders have been contacted to discuss this future project. The current land owner has promised the land for the development of Phase III, Musco Lighting has agreed to provide the lighting for four fields, and a letter of inquiry was sent to the Carver Trust.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To begin construction of Phase III of the Soccer Complex (subject to funding). **(Management Agenda High Priority)**
- * To re-establish a safe and high quality turf on all eight soccer fields while maximizing usage.
- * To continue to strive for positive relations with facility guests and associations by conducting regular meetings on relevant issues with various sponsoring organizations.
- * To continue efforts to maximize revenues and overall efficiency of division operations. **(Management Agenda High Priority)**
- * To continue to support and assist other departments and city divisions as requested.
- * To continue to recruit and train quality seasonal and full time staff as needed.
- * To continue to look for and to incorporate technological changes for improved services and operational efficiencies. **(Management Agenda High Priority)**
- * To explore and implement “lean” initiatives. **(Management Agenda High Priority)**
- * To continue to recognize and build on the positive economic impact of this facility to the community. **(City Council Long-Term Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 94,201	\$ 92,055	\$ 100,200	\$ 102,400	\$ 107,900	7.68%
Commodities	63,999	65,836	62,700	68,300	64,300	2.55%
Contractual Services	8,447	5,134	4,200	4,700	4,200	0.00%
Capital Outlay	1,512	7,394	15,000	14,900	29,500	96.67%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 168,159	\$ 170,419	\$ 182,100	\$ 190,300	\$ 205,900	13.07%
Funding Sources						
Park Revenues	\$ 41,858	\$ 45,330	\$ 42,200	\$ 42,500	\$ 60,500	43.36%
Golf Administrative Fees	11,600	12,000	12,400	12,400	12,800	3.23%
General Revenues	114,701	113,089	127,500	135,400	132,600	4.00%
Total Funding Sources	\$ 168,159	\$ 170,419	\$ 182,100	\$ 190,300	\$ 205,900	13.07%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Athletic Facilities Manager	0.50	0.50	0.50	0.50	0.50	
Maintenance Worker I	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.13	0.13	0.13	0.13	0.13	
Total Full Time	1.13	1.13	1.13	1.13	1.13	
Seasonal Part Time Positions:						
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 Part Time	1.50	1.50	1.50	1.50	1.50	
Total	2.63	2.63	2.63	2.63	2.63	\$ 81,300
Employee Benefits						26,600
Total Personal Services						\$ 107,900

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Sod Cutter	1	No	\$ 7,000
Portable Kiosk	1	No	19,000
Blower (50% of costs)	1	No	3,500
			<u>\$ 29,500</u>

Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Deep-tine Aerifier	1	Yes	<u>\$ 33,500</u>

Function:
Culture and Recreation

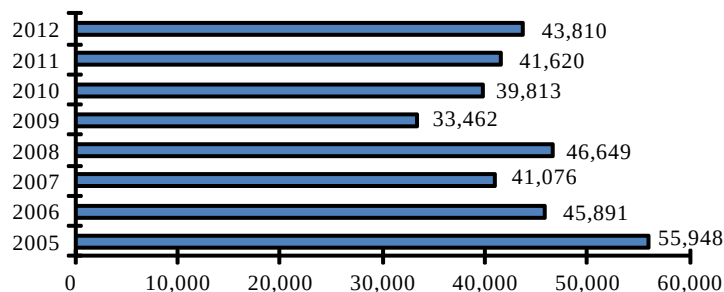
Department:
Parks and Recreation

Activity:
Swimming Pools

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. In 2007, which was the fourth wettest summer in Iowa history, the attendance was 41,076. Attendance again increased in 2008 to 46,649, decreased to 33,462 in 2009, increased to 39,813 in 2010, increased to 41,620 in 2011, and further increased to 43,810 in 2012. The 2012 summer was hot and dry with few rain days which resulted in increased attendance and increased pool revenues. In addition to recreational swimming, the Department of Parks and Recreation 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 Carver Swim Center was constructed jointly by the school and the City and is located in the public high school. The City and School have shared the operational costs for this facility. Use of this facility by the City was discontinued in February of 2012 as discussed below.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is over the budgeted amount by \$5,700. This overall increase is due to a \$7,600 capital outlay allocation for a pool lift and stair rail modifications needed to comply with new ADA (Americans with Disabilities Act) requirements.

The 2013/2014 budget is \$16,800 (9.5%) higher than the original 2012/2013 budget. The budget includes a \$25,000 capital outlay allocation to repaint the pool basin. This increase has been partially offset with a savings from the phase-out of the maintenance subsidy to the school for Carver Swim Center as further discussed below. The 2013/2014 year will be the tenth full budget year for the Aquatic Center. There has been a trend of increasing maintenance costs as this facility ages.

In prior years this budget included the City's share of the maintenance costs of the Carver Swim Center which for 2011/2012 was \$22,028. Early in 2012 the City and the School reached an agreement to discontinue the City's use of the Carver Swim Center and phase out the City's contribution for the maintenance of this facility. The City's use of this facility ended in February, 2012. Actual use of this pool for City recreational programs had been minimal for a number of years. The City's contribution for maintenance of this facility will be phased out over a four-year period. The contribution decreased to \$16,500 in 2012/2013, and will decrease to \$11,000 in 2013/2014, to \$5,500 in 2014/2015, and be eliminated in 2015/2016.

Beginning in the 2011 season, the City implemented non-resident rates for pool 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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Aquatic Center Attendance	39,813	41,620	43,810	42,000	42,000
Carver Pool Attendance*	584	593	122	N/A	N/A
Swim Lesson Enrollment	222	207	257	275	275
Season Passes Sold	132	130	152	160	160
Number of Pool Rentals	59	87	86	90	90
Special Events Attendance	318	304	334	400	400
Scholarship Pass Recipients	458	560	706	750	750

* City use of the Carver Pool was discontinued in February, 2012.

RECENT ACCOMPLISHMENTS

Last winter the Program Supervisor became certified as a Lifeguard Instructor. This will allow for better training for the pool staff as well as the ability to assist in the certification of lifeguards.

With the ending of the Carver Swim Center arrangement, the schedule at the Muscatine Aquatic Center was revamped. A lap swim program was held on Monday, Wednesday and Friday mornings during regular maintenance time. All eight weeks of swim lessons were moved to the Aquatic Center. As a result, swim lesson numbers increased and the weather cooperated with no scheduled days lost due to weather in 2012. Infant/Toddler Swim times were modified and dates added to accommodate increased participation.

Youth, adult, and senior participation continues to be evaluated for the Aquatic Center. The Senior Swim was held Monday through Friday throughout the season. From 5:00 p.m. through 8:00 p.m. seniors ages 55 and over are invited to swim at a reduced rate. On Father's Day dads were allowed to swim for free with a paid child. Friendship Day was held again in August to bring in a variety of ages. Both friends were admitted at half price.

Slide attendants were all trained and certified in First Aid and Adult, Child, and Infant CPR. This was required of all staff. The training was done by the Fire department.

Team building and staff ownership was continued at the Aquatic Center in the summer of 2012. At the all-staff meeting in May, the entire staff came up with and agreed on 10 commandments of "Thou Shall's". The commandments were posted in the staff room. A Code of Conduct was created and signed by all staff the night before opening for the season. A "Saves Wall" was created for lifeguards. It recognized each lifeguard and how many times they had to jump in to make a save. Staff listened to a 911 call from an incident in Pella from 2010 and talked as a group about the situation and what their role is when the Emergency Action Plan is activated. Staff was frequently reminded of the importance of what they do throughout the season on a daily basis. Formal trainings were held monthly and included in-water training for emergencies.

Due to the hot and dry summer, Aquatic Center numbers continued to trend up, surpassing 43,000 visitors. May and June were very busy, with July being average and August having below average attendance.

The department will continue moving forward with the 3-year phase out of the Carver Swim Center agreement.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to evaluate programs and usage of the Aquatic Center to maximize utilization and revenue.
- * To evaluate the swim lesson program and make changes as necessary to meet the needs of the community
- * To continue to build staff ownership at the Aquatic Center.
- * To continue to evaluate fee schedules and to make recommendations for adjustments as needed.
- * To recruit, train, and retain certified and qualified seasonal pool staff for all program areas. **(Management Agenda Top Priority)**
- * To train an additional certified pool operator and retain professional pool staff including the manager and assistant managers. **(Management Agenda Top Priority)**
- * To continue to meet the requirements to receive a satisfactory report from the Health Inspector.
- * To increase the number of season ticket passes at the Aquatic Center.
- * To hold staff trainings throughout the season at the Aquatic Center.

- * To continue to support and assist other departmental and city divisions by conducting specialized training.
- * To explore and implement “lean” initiatives for the Aquatic Center. **(Management Agenda High Priority)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Swimming Pools

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 106,064	\$ 118,984	\$ 117,100	\$ 116,000	\$ 117,300	0.17%
Commodities	25,104	23,042	21,600	24,900	22,800	5.56%
Contractual Services	43,057	54,859	39,000	34,900	29,400	-24.62%
Capital Outlay	3,068	4,551	-	7,600	25,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 177,293	\$ 201,436	\$ 177,700	\$ 183,400	\$ 194,500	9.45%
Funding Sources						
Swimming Pool Revenues	\$ 132,266	\$ 181,631	\$ 139,200	\$ 150,400	\$ 139,900	0.50%
General Revenues	45,027	19,805	38,500	33,000	54,600	41.82%
Total Funding Sources	\$ 177,293	\$ 201,436	\$ 177,700	\$ 183,400	\$ 194,500	9.45%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Seasonal Part Time Positions:						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Head Guard	3	3	3	-	-	
Lifeguard	24	24	24	27	27	
Lesson Coordinator	1	1	1	1	1	
Swimming Instructor	8	8	8	8	8	
Cashier	4	4	4	4	4	
Special Activities Instructo	2	-	-	-	-	
Slide Attendants	5	5	5	5	5	
Pool Maintenance	2	2	2	2	2	
Total	52	50	50	50	50	\$ 103,900
Employee Benefits						13,400
Total Personal Services						\$ 117,300

Capital Outlay	
Item:	Amount
Repaint Pool Basin	\$ 25,000

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

GENERAL INFORMATION

The Recreation division provides leisure time activity programs for the citizens 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 2012/2013 revised estimate is \$100 higher than the original budget. There was an increase of \$1,200 in personal services costs due to increased part-time hours for gymnastics program instructors. The number of gymnastics classes was increased due to the number of participants. Revenues will fund this increased cost. There were reductions in other areas of the budget which offset most of the personal services increase.

The 2013/2014 budget is \$6,400 (5.3%) higher than the 2012/2013 budget due primarily to increased personal services costs. Approximately \$1,800 of this increase is for additional part-time hours for the gymnastics program due to the expected number of participant in this program. Revenues will again fund this increased cost. The 2013/2014 Recreation budget includes 100% of the Program Supervisor's position and funding for approximately twenty-three (23) temporary part-time instructors, supervisors, and program directors. The Program Supervisor also oversees the operation of the Aquatic Center.

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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Adult Programs Offered (Including Leagues)	25	23	22	25	25
Children's Programs Offered	40	42	43	45	45
Adult Program Participants	532	634	817	850	850
Children's Programs Participants	2,006	2,066	2,274	2,300	2,300
New Programs Offered	6	10	6	8	8
Volleyball League Teams	39	40	46	48	48

RECENT ACCOMPLISHMENTS

During the winter of 2011-2012 various activities were held including the Winter Break Shooting Camp, Boys Basketball Clinic, tennis lessons, baseball and softball clinics, and soccer clinics. The Snow Pile Treasure Hunt was held and even though there was a lack of measurable snow, the children involved had a great time finding golf balls and turning them in for prizes. The adult volleyball recreation and power leagues continued with strong numbers. A custom open gym was scheduled for Monday nights in January. A group of residents approached the department about open gym times, and a time was scheduled that met the needs of the interested group. The group then paid the fees to cover the open gym costs. The department intends to run more activities like this in the future to meet a need that isn't always predictable.

Numbers were again strong for the baseball pitching clinic held in January and February. This was offered to participants seeking to improve their skills before play started outdoors. BlastBall!, a successful new preschool program from the previous winter, was again held on two different days to accommodate all of those interested. Also in February, a new activity called Taste of Muscatine Campfire Dinner was held at the Muscatine Municipal Golf Course. The event involved a number of local restaurants offering a taste of their signature dishes from hot drinks to dessert. Each vendor had a warm campfire nearby so that participants could spend time and speak with the vendors. The event was held outdoors and provided a new winter recreation opportunity. All proceeds benefited the recreation scholarship fund to be used towards activities for disadvantaged youth. Staff is working on variations of this event to be held in the future.

Summer programs such as T-Ball, Tennis Lessons, Tot Lot, and the Family Bike Ride were all well attended. The Adult Sand Volleyball League saw an increase to 18 total teams. Little Muskie T-Ball was restructured to become an outdoor version of BlastBall!, the popular winter indoor activity.

In September Football Skills was offered for kindergarten through 4th grade. Numbers were similar to past years. With a smaller signup in the 3rd through 4th grade age group, Flag Football was completely transformed into a football skills clinic to continue to be an option for those who are not playing tackle football. The gymnastics program saw a significant increase in demand and Tuesday classes were added to handle the additional students.

In October, the Fall Festival was held again with a good turnout. There are currently 28 volleyball teams participating in the adult leagues, an increase from previous years. More effort has been put towards advertising the program to young adults to increase participation. The Turkey Trot had another strong turnout with 91 participating. This number has increased in the past two years. A volleyball clinic for 3rd and 4th grade students was started this fall and has 48 participants in its first year. The Smart Start Basketball Clinic has increased numbers in its second year.

In December, a new event was held called a Candy Cane Hunt. Similar to an Easter egg hunt, children looked for candy canes, including a few special ones that could be redeemed for toys. The Elves Workshop was held the following week. These types of events, and others held throughout the year, are offered at no cost and are paid for by sponsorships.

<i>OBJECTIVES TO BE ACOMPLISHED IN 2013/2014</i>

- * To continue to look at alternative programming that fits the community needs.
- * To evaluate and review new programs that have been implemented and make adjustments as needed.
- * To review programs to look for cost savings and revenue-generating ideas that better fit budget needs.
- * 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.
- * To look for and take advantage of training opportunities.
- * To continue to hire and train qualified staff for the youth recreation programs.
- * To continue to cross train for continuation of office and golf course operations services.
- * To continue to look for technological ways to market programs. **(Management Agenda Top Priority)**
- * To explore and implement “lean” initiatives in the Recreation division. **(Management Agenda High Priority)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 76,140	\$ 88,201	\$ 93,200	\$ 94,400	\$ 99,700	6.97%
Commodities	6,983	7,055	7,100	8,300	7,300	2.82%
Contractual Services	16,160	17,014	19,900	17,600	19,600	-1.51%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 99,283	\$ 112,270	\$ 120,200	\$ 120,300	\$ 126,600	5.32%
Funding Sources						
Recreation Fees	\$ 50,120	\$ 57,175	\$ 55,200	\$ 58,300	\$ 59,200	7.25%
General Revenues	49,163	55,095	65,000	62,000	67,400	3.69%
Total Funding Sources	\$ 99,283	\$ 112,270	\$ 120,200	\$ 120,300	\$ 126,600	5.32%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	\$ 78,500
Employee Benefits						21,200
Total Personal Services						\$ 99,700

Function:
Culture and Recreation

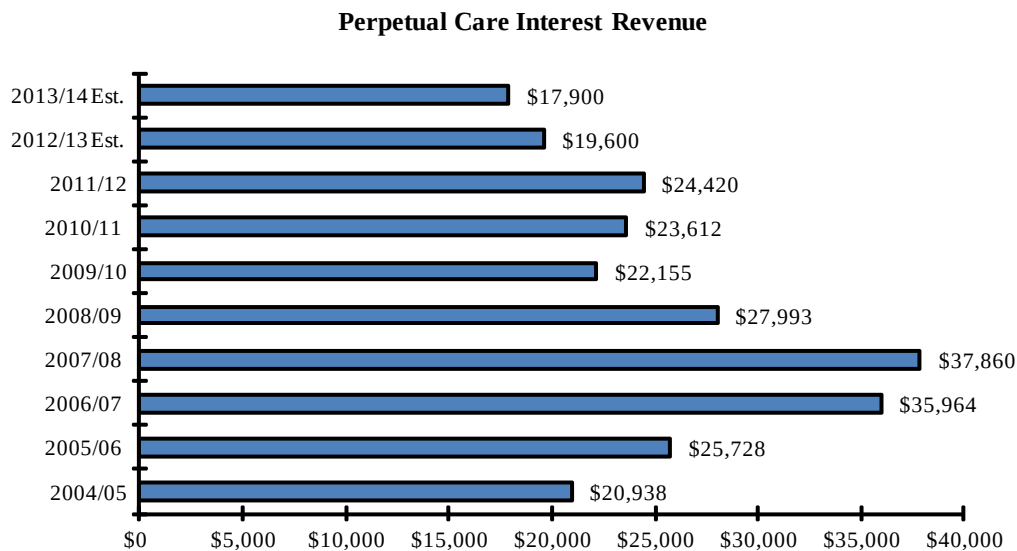
Department:
Parks and Recreation

Activity:
Cemetery

GENERAL INFORMATION

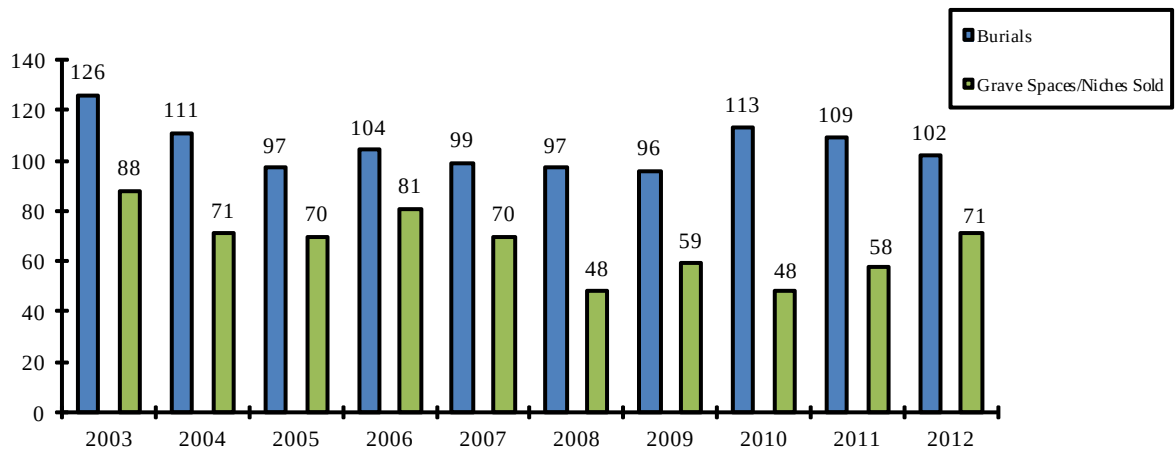
Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2004/2005 through 2011/2012 and the estimated amounts for 2012/2013 and 2013/2014 are follows:



The principal balance in the Perpetual Care Fund on June 30, 2012 was \$843,316, but as noted previously, this amount cannot be utilized for cemetery operations, only interest earned on the balance may be used.

Cemetery Burials and Grave Space/Niche Sales



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 \$18,600 is expected to be needed to cover the operating costs of the cemetery for 2012/2013 and this subsidy is estimated to be \$28,200 for 2013/2014. The decline in interest rates in recent years has reduced interest revenue from the Perpetual Care Fund which is a contributing factor for these subsidies.

The 2012/2013 revised estimate is over the budgeted amount by \$4,700. This increase is primarily due to increased fuel and oil costs of \$2,500 and an increase of \$2,000 for building supplies to remodel the chapel restrooms. A \$2,000 donation to the Cemetery is being used to fund the restroom remodeling project.

The 2013/2014 budget is \$10,000 (6.7%) higher than the original budget for 2012/2013 primarily due to increased personal services costs (\$4,400), increased fuel and oil costs (\$2,400), and a capital outlay allocation of \$3,000 for an equipment lift. The Equipment Replacement Fund budget also includes \$54,000 to replace the Cemetery's 1992 dump truck.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Burials:					
Casket	74	84	79	75	75
Cremains	17	27	26	25	25
County	6	10	7	6	6
Total Burials	97	121	112	106	106
Grave Spaces Sold	36	61	52	60	60
Columbarium Niches Sold	2	7	5	6	6
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$22,155	\$23,612	\$24,420	\$19,600	\$17,900
General Fund Subsidy (Fiscal Year Ended June 30)	\$28,234	\$0	\$5,410	\$18,600	\$29,200

RECENT ACCOMPLISHMENTS

The care and maintenance of the Cemetery was at a higher level this past year and very few complaints were received due to this effort. Staff continued to evaluate the landscape and make needed changes such as removing deteriorating bushes and trees at the request of lot owners.

Approximately 20 old stumps were ground out with the new stump grinder acquired by the Park Maintenance division. Cemetery staff backfilled dirt along roadways, filled low areas with dirt, and spread grass seed to improve the appearance of the Cemetery as well as the ability to maintain the grounds. Staff continued to cut and trim trees along the perimeter of the property to improve the appearance and promote a safe environment at the Cemetery.

The stage at the Veterans plot was painted prior to Memorial Day and staff also started painting street signs to improve their appearance.

Several improvements to lots were completed at the request and with the monetary support of lot owners. Staff continued to level stones as time permitted and replaced approximately 45 foundations in the old section east of the Chapel with funds donated for this purpose.

A new mower was purchased to improve the mowing capabilities. This division continued to support projects of other park divisions and students from the high school again assisted with scheduled Cemetery cleanup efforts.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To initiate a mapping of the water service in the cemetery.
- * To continue stone foundation repairs.
- * To complete street sign painting.

- * To continue to work with outside agencies and groups.
- * To continue to backfill in areas to address storm water issues.
- * To complete the remodeling of the Chapel restrooms.
- * To continue cross training of staff at the Cemetery.
- * To continue evaluating the seasonal staffing.
- * To explore and implement “Lean” initiatives in this division. **(Management Agenda High Priority)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 110,470	\$ 109,859	\$ 116,200	\$ 115,700	\$ 120,600	3.79%
Commodities	18,737	20,831	16,100	21,300	18,800	16.77%
Contractual Services	19,567	22,952	17,300	17,300	17,200	-0.58%
Capital Outlay	-	-	-	-	3,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 148,774	\$ 153,642	\$ 149,600	\$ 154,300	\$ 159,600	6.68%
Funding Sources						
Cemetery Revenues	\$ 125,062	\$ 123,505	\$ 111,300	\$ 113,500	\$ 113,500	1.98%
Perpetual Care Interest	23,612	24,420	17,100	19,600	17,900	4.68%
Donation	-	-	-	2,600	-	
FEMA Reimbursements	100	307	-	-	-	
General Revenues	-	5,410	21,200	18,600	28,200	33.02%
Total Funding Sources	\$ 148,774	\$ 153,642	\$ 149,600	\$ 154,300	\$ 159,600	6.68%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Groundskeeper	0.50	0.00	0.00	0.00	0.00	
Maintenance Worker I	0.50	0.50	0.00	0.00	0.00	
Maintenance Repairperson	0.00	0.50	1.00	1.00	1.00	
Total Full Time	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 Part Time	2.46	2.46	2.46	2.46	2.46	
Total	3.46	3.46	3.46	3.46	3.46	\$ 88,900
Employee Benefits						31,700
Total Personal Services						\$ 120,600

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Equipment Lift	1	No	<u>\$ 3,000</u>
Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
One Ton Dump Truck	1	Yes	<u>\$ 54,000</u>

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

GENERAL INFORMATION

The function of the Economic Well-Being activity has been to provide financial support to promote social and economic opportunities for certain citizens in Muscatine, including senior citizens, the mentally and physically handicapped and certain low income individuals and families.

As the federal and state governments have reduced subsidies for social programs, the City has experienced increases in requests for assistance from local agencies which provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidy for 2013/2014 are as follows:

<u>Agency</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>Budget 2013/2014</u>
Senior Resources*	\$16,660	\$ 17,100	\$17,800	\$ 17,800	\$ 20,000	\$ 20,000

* 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 and the Meals on Wheels programs have been held in check for the past several years. In fiscal year 2010/2011 \$17,800 was budgeted and that same funding amount was maintained in the 2011/2012 budget. The funding request from Senior Resources for 2012/2013 was \$23,000 and the subsidy approved was \$20,000. Senior Resources requested a \$20,000 subsidy for 2013/2014 and that amount has been included in the budget.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	17,800	17,800	20,000	20,000	20,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 17,800</u>	<u>\$ 17,800</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 17,800</u>	<u>\$ 17,800</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	0.00%

Function:
Community and Economic Development

Department:
Community Development

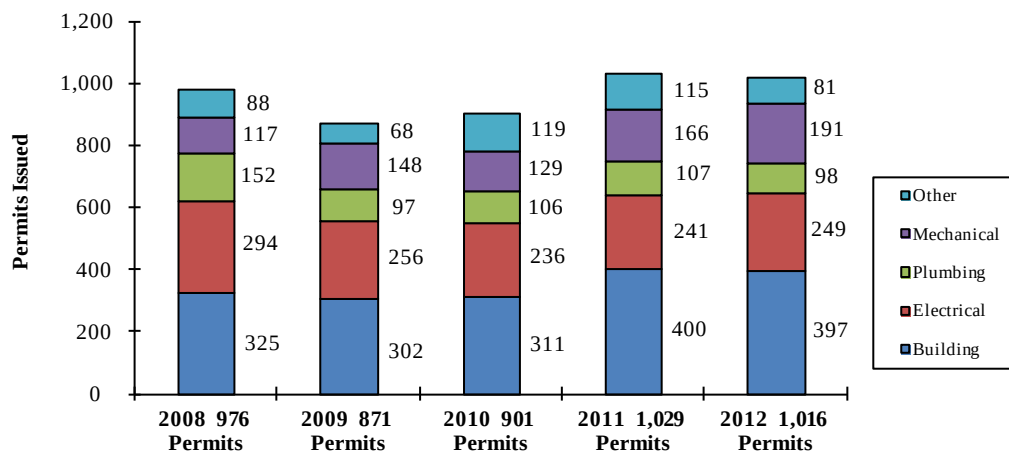
Activity:
Community Development

GENERAL INFORMATION

The former Planning, Zoning and Building Safety department was reorganized and renamed the Community Development department in 2010. This 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 inspectors in this department perform on-site building and zoning inspections. The public health inspection program is also a responsibility of this department. The Health and Housing Coordinator performs all public health-related inspection activities including inspections of restaurants, retail food operations, and pool and spa operations. The rental housing inspection program results in approximately 1,000 regular 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.

Decriminalizing violations of a number of ordinances related to building inspection activities has helped the enforcement component of the department's responsibilities. This department has also worked in conjunction with neighborhood organizations to address issues that affect the quality of life in those areas.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is \$11,800 less than the original budget primarily due to a reduction in the allocation for contracted nuisance abatement services. In prior years these contracted services included mowing several areas of City right-of-way. Beginning in 2013 these properties will be maintained by Park maintenance staff. This accounted for \$2,500 of the reduction in contractual services in 2012/2013 and \$5,000 of the reduction in 2013/2014. Nuisance abatement costs are billed to property owners and if not paid, are assessed against the properties.

The 2013/2014 budget is \$13,500 (1.9%) less than the 2012/2013 budget. The personal services cost increase of \$5,900 and capital outlay increase of \$1,500 were more than offset by a decrease of \$21,200 in contractual services. The contractual services decrease includes a reduction of \$13,500 in contracted nuisance abatement costs and an \$8,100 decrease in professional services related to a historic preservation grant in 2012/2013.

GOAL STATEMENT

To provide minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within the City limits of Muscatine. To administer the planning and community development process in order to achieve results which will best address the social, physical, and economic needs of the City. Decisions affecting the development of the City will be based upon the application of urban planning knowledge, community standards, and expressed needs in the community. The underlying theme of these decisions is to improve conditions where the citizens of Muscatine live, work, and shop.

PERFORMANCE MEASURES

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving	902	925	1,021	1,016	1,050
Building Inspections - Electrical, Building, Plumbing, HVAC	4,059	3,952	4,000	3,970	4,000
Rental Housing Inspections	1,047	1,168	902	1,175	1,100
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, Rodents	2,274	4,062	4,782	4,097	4,000
Writ of Possessions	44	27	40	20	30
Properties Posted	83	51	35	31	30
Vehicles Towed/Impounded	78	50	28	12	20
Plan Reviews	25	5	7	10	10
Health Permits - Food Service Establishments (Restaurants)	135	137	140	148	150
Number of Inspections for Food Service (Restaurants)	421	415	427	444	440
Health Permits - Food Establishments (Grocery)	47	46	45	53	55
Number of Inspections for Food Establishments (Grocery)	120	120	111	132	135
Other Health Permits - Tanning Salons, Funeral Homes and Tattoo Parlors	15	17	15	15	15
Number of Inspections for Tanning Salons, Funeral Homes and Tattoo Parlors	41	44	42	40	40
Other Health Permits - Swimming Pools, and Hotel/Motels	14	16	16	15	15
Number of Inspections for Swimming Pools and Hotel/Motels	23	25	23	20	20
Planning & Zoning Commission Meetings	12	12	10	8	10
Zoning Board of Adjustment Meetings	7	8	4	8	10
Rezoning Requests Processed	3	4	1	6	3
Subdivision Requests Processed	7	12	4	5	3
Property Vacation Requests Processed	6	1	4	2	3
Airport Grants Administered	2	3	3	6	2

RECENT ACCOMPLISHMENTS

The Community Development Director served as the staff point of contact and coordinated land acquisition and other local responsibilities for the Mad Creek Levee Improvement Project which was completed in December 2012. The Director also coordinated the acquisition of the Pierce Furniture property needed for the reconstruction of Colorado Street.

Community Development staff completed negotiations for the easements necessary to construct the sanitary sewer which will serve Ripley's Mobile Home Court and the surrounding area consisting of approximately 600 acres as well as negotiations for the voluntary annexation of this area which increased the city's population by 865 people, or approximately 3.8%.

The department continues to represent the City through participation as the Chair for the Bi-State Region Air Quality Task Force. A grant in the amount of \$123,564 was secured from the State of Iowa through the Environmental Protection Agency to retrofit 13 city vehicles with diesel reduction equipment intended to reduce emissions and assist in improving air quality in the community.

The department assisted in the negotiations and the development of an economic development package (subdivision, TIF) necessary for the Fridley Theatre Project and also assisted in the development of an amendment to the Consolidated Urban Renewal Plan that identifies specific projects for potential TIF funding.

In 2012 the department completed a short-term departmental reorganization and initiated training that will provide long term stability in advance of future retirements within the department.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To implement and administer a tax abatement program to promote in-fill and new housing development in areas designated by the City Council. **(City Council Long-Term Goal and Top Priority)**
- * To implement and administer a tax abatement program designed to encourage renovation and rehabilitation of structures located within designated historic districts. **(City Council Top Priority)**
- * To prepare a new Zoning Ordinance based on the approved Comprehensive Plan scheduled for adoption in early 2013. **(City Council High Priority)**
- * To complete amendments to Titles 8, 9, 11 and 12 of the existing City Code. **(City Council High Priority)**
- * To establish a training program and financial support to insure that department personnel are able to obtain and maintain certifications for their positions. **(City Council High Priority)**
- * To investigate, evaluate, and make recommendations concerning the opportunity to provide commercial/industrial inspection services in Muscatine County. **(City Council Long Term Goal)**

- * To investigate, evaluate, and make recommendations concerning the opportunity to provide health inspection services for the State of Iowa in Muscatine and/or Louisa Counties. (**City Council Long Term Goal**)

Function:
Community and Economic Development

Department:
Community Development

Activity:
Community Development

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 524,897	\$ 565,740	\$ 576,000	\$ 576,000	\$ 581,900	1.02%
Commodities	12,001	8,769	11,800	12,600	12,100	2.54%
Contractual Services	129,634	93,689	136,800	124,200	115,600	-15.50%
Capital Outlay	-	-	-	-	1,500	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 666,532</u>	<u>\$ 668,198</u>	<u>\$ 724,600</u>	<u>\$ 712,800</u>	<u>\$ 711,100</u>	-1.86%
Funding Sources						
Community Development Revenues	\$ 315,223	\$ 361,490	\$ 331,900	\$ 228,200	\$ 325,400	-1.96%
Health Permits	38,966	40,023	39,000	39,000	40,000	2.56%
Sale of Property	12,937	5,871	20,000	7,000	10,000	-50.00%
CDBG Grant	13,862	-	-	-	-	
Project Administrative Fees	11,075	20,304	-	-	-	
General Revenues	<u>274,469</u>	<u>240,510</u>	<u>333,700</u>	<u>438,600</u>	<u>335,700</u>	0.60%
Total Funding Sources	<u>\$ 666,532</u>	<u>\$ 668,198</u>	<u>\$ 724,600</u>	<u>\$ 712,800</u>	<u>\$ 711,100</u>	-1.86%

Personnel Schedule					
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Full Time Positions/Position Allocations:					
Community Development Director	1.00	1.00	1.00	1.00	1.00
City Planner	0.50	1.00	1.00	1.00	1.00
Senior Inspector	1.00	1.00	1.00	1.00	1.00
Inspector II	0.50	0.17	0.67	0.67	0.67
Health and Housing Coordinator	0.67	0.58	0.50	0.50	0.50
Health and Housing Inspector	0.50	0.42	-	-	-
Community Development/ Planning Coordinator	1.00	1.00	1.00	1.00	1.00
Office Coordinator	1.00	1.00	1.00	1.00	1.00
Total Full Time	<u>6.17</u>	<u>6.17</u>	<u>6.17</u>	<u>6.17</u>	<u>6.17</u>
Parttime Positions:					
Community Services Officer	0.50	0.55	0.75	0.75	0.75
Custodian (Housing-Grant Funded)	1.00	1.01	1.50	1.43	1.50
Total	<u>7.67</u>	<u>7.73</u>	<u>8.42</u>	<u>8.35</u>	<u>8.42</u>
Employee Benefits					\$ 159,900
Total Personal Services					<u>\$ 581,900</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Tablet Computer and Software for Health Inspection Program	1	No	<u>\$ 1,500</u>

Function:
Community and Economic Development

Department:
Legislative and Council

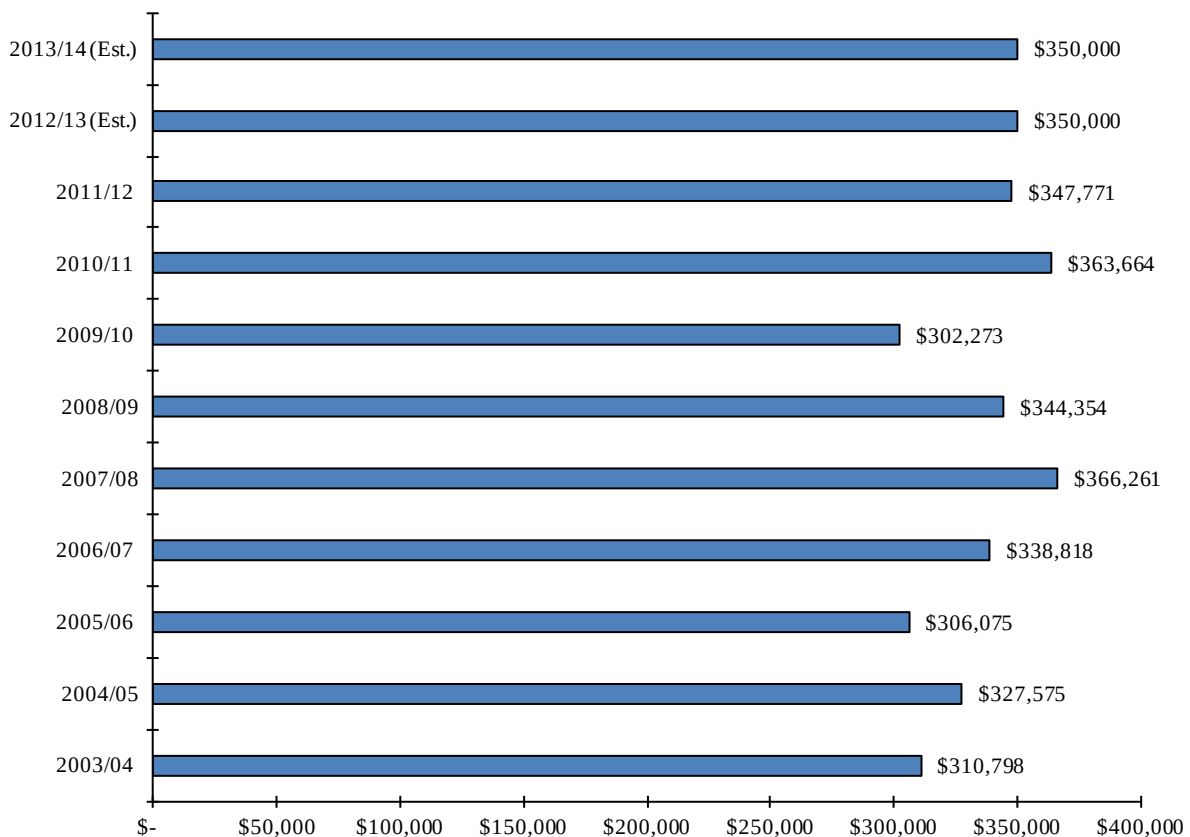
Activity:
Economic Development

GENERAL INFORMATION

The budget for this activity has provided financial support for the Tourism and Convention division of the Chamber of Commerce and the Muscatine Development Corporation. On April 1, 2004, the Muscatine Chamber of Commerce and Muscatine Development Corporation merged into the Greater Muscatine Chamber of Commerce and Industry (GMCCI).

In 1981 the City 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 2012/2013 and 2013/2014:

Hotel/Motel Tax History



Since approval of the tax by the voters of Muscatine, one-half of the revenue has been utilized in the General Fund as general revenues and the other half has been 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 has received financial support for their activities. For 2010/2011 \$55,000 was included in the budget for the tourism program and that funding level was maintained for 2011/2012 and 2012/2013.

In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate entity and is no longer part of the Chamber. A separate CVB Board has been established and the CVB Manager currently has an office in the lower level of City Hall. The City is currently providing accounting services for the CVB operation and the CVB's funds are being accounted for in a separate agency fund. The 2013/2014 budget is based on changing the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts beginning in 2013/2014. In 2013 a review of CVB accomplishments, operations, and funding is planned in order to determine how best to proceed with the CVB operation and funding going forward. If this CVB funding change is approved for future years the City can consider formally changing the allocation of Hotel/Motel tax receipts from the current 25% each to the Library and Art Center, to 25% to the Library, 25% to the Art Center, and 25% to the CVB. The City must designate at least 50% of the hotel/motel taxes for eligible purposes in order to meet State Code requirements.

The State Code specifically requires the following:

"Each County or City which levies the tax shall spend at least 50% of the revenues derived therefrom for the acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining recreation, convention, cultural or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center, convention buildings, auditoriums, coliseums, and parking areas for facilities located at those recreation, convention, cultural, or entertainment facilities; for the payment of principal and interest, when due, on bonds, or other evidence of indebtedness issued by the County or City for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the City or County and surrounding areas."

CURRENT TRENDS AND ISSUES

The original 2012/2013 Economic Development budget of \$90,000 included \$55,000 in funding to the Convention and Visitors Bureau and \$35,000 in funding to the Greater Muscatine Chamber of Commerce and Industry (GMCCI). The revised estimate for 2012/2013 has been increased by \$16,500 to \$106,500. In 2012 the City Council approved \$12,500 in matching funding for the Bi-State Economic Development Loan program which will provide financial assistance to a local business. The revised estimate also includes \$4,000 for legal services for Tax Increment Financing (TIF) administration. Both the matching funds for the loan and the TIF legal costs will be funded from future TIF funds. These items in prior years may have been funded directly from TIF special revenue funds, but with recent TIF legislation changes, Internal Advances are now required before TIF funds can be used. Transfers from the Southend TIF fund will be made in 2013/2014 to fund these expenditures.

The 2013/2014 budget includes \$35,000 in funding to the Greater Muscatine Chamber of Commerce and Industry (GMCCI) which is the same amount included in the current year budget. The Chamber's request for 2013/2014 was \$50,000; however, it should be noted that it is expected there will be savings in the Chamber's budget in the upcoming year due to a change in personnel in that organization. The budget includes funding to the Convention and Visitors Bureau of \$87,500 which is 25% of the estimated

2013/2014 Hotel/Motel taxes. The budget also includes an estimated \$4,000 for TIF-related legal services. These allocations total the \$126,500 in the 2013/2014 budget.

GOAL STATEMENT

To provide financial assistance to various community organizations which are involved with the economic development of the City provided such development meets the overall city economic development and governmental service plans.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To cooperate with the Chamber, Convention and Visitors Bureau, and the University of Iowa (Sustainability Program) to engage in a community-wide branding effort.

Function:**Community and Economic Development****Department:****Legislative and Council****Activity:****Economic Development**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	90,000	90,000	90,000	106,500	126,500	40.56%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 106,500</u>	<u>\$ 126,500</u>	40.56%
Funding Sources						
Hotel/Motel Tax	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 87,500	59.09%
Tax Increment Funds for Economic Development	-	35,000	35,000	51,500	39,000	11.43%
General Revenues	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 106,500</u>	<u>\$ 126,500</u>	40.56%

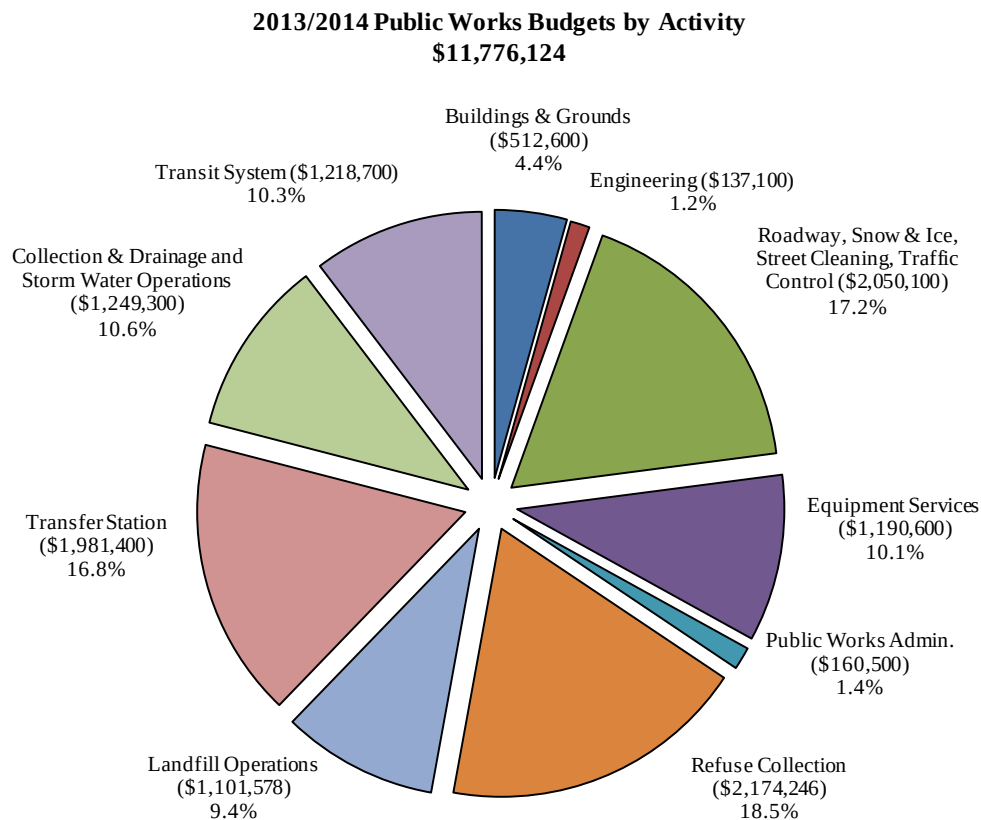
Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

GENERAL INFORMATION

The Public Works Administration budget includes the costs of administrative coordination of all Public Works related activities. These activities are Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, Traffic Control, Collection and Drainage, Storm Water Operations, Building and Grounds, Equipment Services, Refuse Collection, Transfer Station Operations, Landfill Operations, and the Transit System. The Public Works Director also assists in risk management as well as safety-related programs for citywide implementation. 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 2013/2014 fiscal year.



The Public Works Administration activity is included in the General Fund budget. However, several activities under the supervision of the Public Works Director are in the Enterprise and Internal Service Funds. These include Refuse Collection, Transfer Station, Landfill Operations, Transit System, Collection and Drainage, Storm Water Operations, 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 2013/2014 these fees total \$61,100 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is under the budgeted amount by \$6,000 due to a reduction in capital outlay. The original 2012/2013 budget included \$5,800 for a network backbone router. This router was purchased in 2011/2012 as part of the Telephone System capital project and charged to that project.

The 2013/2014 budget is \$3,100 (1.9%) less than the 2012/2013 budget primarily due to having no capital outlay purchases budgeted for 2013/2014.

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, Storm Water Operations, Building and Grounds, Equipment Services, Refuse Collection, Landfill Operations, Transfer Station, and the Transit System.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Operating Expenditures - All Public Works Activities	\$11,098,080	\$ 10,412,627	\$10,744,619	\$11,423,651	\$11,776,124
Full Time Employees - All Public Works Activities	48	46	46	46	46
Part Time Employees - All Public Works Activities	28	28	28	28	28
Infrastructure Projects Under Construction	2	3	0	3	3
Infrastructure Projects Completed	5	3	3	4	0

RECENT ACCOMPLISHMENTS

Summarization of the department's activities is more specifically narrated in each public works division budget. The department will be preparing for a busy construction season in 2013 including Phase I and II of the West Hill Sewer Separation project, Colorado Street Reconstruction, Cedar Street Reconstruction, and the Pavement Management Program. This department will use the "Lean" philosophy to advance efficiencies and reorganization. Reorganization of the lower lot is necessary in preparation for the proposed harbor dredge spoils site relocation and a trail network from the Mississippi River to Washington Street.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To use Google Calendar for Public Works staff.
- * To advance the following projects:

Streets:

- A. Colorado Street Reconstruction (**Management Agenda High Priority**)
- B. Cedar Street Reconstruction (**Management Agenda High Priority**)
- C. Pavement Management Plan
 - o Overlay
 - o Full Depth Patch

Trails:

- A. Musser Park to Wiggins Road
- B. Mad Creek: Mississippi Drive to Washington Street

Sewers:

- A. West Hill – Phase II (**Management Agenda High Priority**)
- B. Force Main – Progress Park Relief Valves

GIS Layers:

- A. Sidewalks

Miscellaneous:

- A. Lower Lot Reorganization
 - o Dredge Spoils Site
- * To begin preparation for the transition in Public Works department management staff.
 - * To become proficient in getting Snow Emergency information to the public in a timely manner.

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 134,343	\$ 137,715	\$ 142,900	\$ 142,700	\$ 148,200	3.71%
Commodities	542	1,485	2,300	2,300	2,300	0.00%
Contractual Services	6,029	8,801	10,000	10,000	10,000	0.00%
Capital Outlay	331	3,710	8,400	2,600	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 141,245</u>	<u>\$ 151,711</u>	<u>\$ 163,600</u>	<u>\$ 157,600</u>	<u>\$ 160,500</u>	-1.89%
Funding Sources						
Road Use Taxes	\$ 85,445	\$ 95,911	\$ 104,400	\$ 98,400	\$ 99,400	-4.79%
Administrative Fees	<u>55,800</u>	<u>55,800</u>	<u>59,200</u>	<u>59,200</u>	<u>61,100</u>	3.21%
Total Funding Sources	<u>\$ 141,245</u>	<u>\$ 151,711</u>	<u>\$ 163,600</u>	<u>\$ 157,600</u>	<u>\$ 160,500</u>	-1.89%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
Total Full Time	1.33	1.33	1.33	1.33	1.33	\$ 113,900
Employee Benefits						<u>34,300</u>
Total Personal Services						<u>\$ 148,200</u>

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 140 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, assisting the Refuse Collection division during cleanup week, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is over the budgeted amount in total by \$48,200 primarily due to adding \$50,000 in the capital outlay area for concrete grinding. The concrete material can be used as base for upcoming street projects, which will result in a cost savings for those projects. There were also offsetting increases and decreases in other areas of this budget.

The 2013/2014 budget is \$43,700 (3.4%) more than the 2012/2013 budget due to increased personal services costs and an increased allocation for capital outlay. Capital outlay items include \$115,000 for replacement of a dump truck, \$50,000 for additional concrete grinding, and \$20,000 for repairs to the former Morgan building which is used for equipment storage. The 2013/2014 budget includes \$34,300 toward the City's share of operating costs for the Geographical Information System (GIS) with like amounts allocated to both the Collection and Drainage and Water Pollution Control budgets.

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 within the Park Maintenance budget are budgeted at \$2,370,600 for 2013/2014. Of this amount, \$2,148,000 will be funded from Road Use Taxes and \$222,600 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 clean up projects.

PERFORMANCE MEASURES

	Actual 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Miles of Streets Maintained	140	140	140	140	140
Hot Mix/Cold Mix Used	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Annual Street Resurfacing Program	3.56 miles 6,501.59 Tons	1.5 miles 4,500 Tons	West Hill Project and Harrison Street (Tons not yet determined)		To be determined
Curb & Gutter Repair (Lineal Feet)	382 LF	165 LF	436 LF	To be determined	To be determined
Full Depth Concrete Repair (Square Yards)	2,656 SY	276 SY	189 SY	To be determined	To be determined
Associated Driveways	377 SY	317 SY	144 SF	To be determined	To be determined
Number of ADA Sidewalks Installed	64	69	50	To be determined	To be determined

RECENT ACCOMPLISHMENTS

The Roadway Maintenance division had another busy construction season in 2012. April started with street sweeping to clean up after the winter season and to keep debris from entering the sewer system. For the fourth consecutive year two additional street sweepers were rented to help with this process. With the additional sweepers, the crews were able to make one pass on every city street.

During the months of May through July, the crews worked on alleys, road shoulders, and cold patching potholes that were a result of the winter season.

The new Traffic Control sign person spent time learning his new position which includes replacing bent sign posts and faded and bent signs. During the summer he also worked with other staff on the plan for replacing worn out signs throughout the city.

Other work completed during the summer months included patching plumber ditches, frost boils, potholes, and grading alleys. City crews assisted with the new pistol range project and replacement of electric boxes in the Central Business District, upgraded another eight railroad crossings, and removed dredge spoils from the former Hawkeye Lumber site. City crews rebuilt the old trail along Mad Creek in time for the Heinz event. Street striping took place July through September. City crews finished the in-house painting portion by the end of November. The crew was also able to stripe the riverfront, golf course parking lot, aquatic center parking lot, and City Hall parking lot. Crews assisted with various downtown events during the summer by posting no parking signs, road barricades, signage, and cleanup. Hot asphalt patching on city streets and alleys took place throughout the summer. Concrete patching, full depth patching, and sidewalk repairs, along with removing concrete and asphalt for city residents were also part of summer activities. Brush pickup took place every Friday (April through November 2012). The staff person assigned to paint equipment re-painted various public works equipment items and also painted rims for the Transit division, a tractor and cab for the Parks department, and trucks for the Water Pollution Control department and the Transfer Station.

Fall's arrival found the crews getting ready for leaf pickup and the leaf pickup was finished on schedule. November brought a close to the summer construction season. Crews finished grading and adding rock to alleys, doing hot asphalt patches, plumber ditches, and addressing alley and uneven pavement issues before the asphalt plants closed. November also was when this division treated salt for the upcoming winter season. December started with the Holiday Stroll and crews getting equipment ready for winter operations.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014</i>

- * To continue the ongoing maintenance portion of the Pavement Management Program funded from the 20% allocation of the Local Option Sales Tax.
- * To finish working with the railroad to construct a pedestrian/bike crossing at the Oregon Street railroad crossing.
- * To pursue Iowa Department of Transportation (IDOT) grants for railroad crossing repairs.
- * To complete Central Business District sidewalk repairs.
- * To continue working with the Trail Committee and assisting with trail development in order to promote Muscatine as a "Blue Zone Community".

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 711,572	\$ 758,968	\$ 729,400	\$ 721,600	\$ 751,100	2.98%
Commodities	131,699	117,543	137,400	137,500	137,400	0.00%
Contractual Services	245,910	215,499	266,000	261,500	248,000	-6.77%
Capital Outlay	139,098	43,172	145,000	205,400	185,000	27.59%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 1,228,279	\$ 1,135,182	\$ 1,277,800	\$ 1,326,000	\$ 1,321,500	3.42%
Funding Sources						
Road Use Taxes	\$ 1,184,334	\$ 1,093,807	\$ 1,241,300	\$ 1,273,400	\$ 1,285,000	3.52%
IDNR Grant	-	-	-	16,100	-	
FEMA Reimbursement	1,819	-	-	-	-	
Street Revenues	39,730	35,905	36,000	36,000	36,000	0.00%
Other	2,396	5,470	500	500	500	0.00%
Total Funding Sources	\$ 1,228,279	\$ 1,135,182	\$ 1,277,800	\$ 1,326,000	\$ 1,321,500	3.42%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	5.00	4.00	4.00	3.00	3.00	
Equipment Operator II	1.00	3.00	2.00	4.00	4.00	
Equipment Operator I	3.00	2.00	3.00	2.00	2.00	
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 Full Time	11.43	11.43	11.43	11.43	11.43	
Part Time Positions:						
Consulting Engineer	0.22	0.34	0.19	0.34	0.09	
Total	11.65	11.77	11.62	11.77	11.52	\$ 472,200
Employee Benefits						278,900
Total Personal Services						\$ 751,100

Capital Outlay			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Single Axle Dump Truck	1	Yes	\$ 115,000
Concrete Grinding			50,000
Morgan Building Repair			20,000
			<u>\$ 185,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control Operations

GENERAL INFORMATION

The Traffic Control Operations activity was established to separately account for traffic control activities including street striping, street signs, and various other traffic control functions.

In most communities this activity would be funded at a substantially higher level. However, in Muscatine the municipally owned utility, Muscatine Power and Water, provides direct benefits to the general city operation by providing all street lighting including installation, maintenance, and operating costs. All maintenance and operational costs for traffic signals are paid by the utility with the exception of two traffic signals located outside of the utility's service district. These services are provided in lieu of a payment in taxes to the City.

CURRENT TRENDS AND ISSUES

The revised estimate for 2012/2013 is over the budgeted amount by \$9,400. Personal services costs are \$7,700 higher than budgeted due to retirement pay for the previous Equipment Operator assigned to this activity. Capital outlay is over the originally budgeted amount due to the addition of \$3,500 for street signs for the recently annexed Ripley's Mobile Home Court. Reductions in other areas of the budget offset a portion of these increases.

The 2013/2014 budget is \$7,600 (5.0%) more than the 2012/2013 budget due to increased personal services costs. This increase is in part due to the new employee assigned to Traffic Control having family health insurance and the previously budgeted employee having single coverage.

GOAL STATEMENT

To provide for the efficient and safe movement of vehicular and pedestrian traffic through the painting of street markings, fabrication, replacement and maintenance of street name and traffic signs, and to cooperate with Muscatine Power and Water to develop, maintain and operate the street and traffic light system.

PERFORMANCE MEASURES

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Number of Street Signs Maintained	5,378	5,565	5,670	5,410	5,150
Number of New Signs Installed	40	106	93	90	90
Lineal Feet of Street Striping	261,469	251,361	289,979	289,979	289,979
Number of Stop Bars Painted	304	303	305	305	305
Number of Arrows Painted	279	287	287	287	287
Number of Handicapped Stalls Marked	86	86	86	86	86
Number of Regular Parking Stalls Painted	2,639	2,639	2,614	2,614	2,614
Number of Crosswalks Painted	225	225	218	218	218
Number of Railroad Crossings Painted	33	33	31	31	31
Traffic Committee Meetings	24	23	21	24	24
Number of Signs Removed	9	23	23	260*	25
Number of Sign Posts Maintained	4,104	4,195	4,195	4,195	4,195
Number of Speed Humps Painted	22	23	19	19	19

*Snow Emergency signs removed.

RECENT ACCOMPLISHMENTS

The street striping program got underway in July. City crews worked on parking stalls, crosswalks, and stop bars throughout the city. Weikert Contracting was the contractor the street striping program this year. City crews striped the golf course parking lot, the parking area at the Aquatic Center at Weed Park, the riverfront parking area, the airport employee parking lot, and the part of the landing strip at the airport that was repaired.

Last December the former Equipment Operator assigned to Traffic Control retired. The new employee transferred from another division of Public Works and received training in this area during the summer. He attended some classes, talked to others in similar positions in the area, and has adjusted very well to his new position. He has been involved in replacing bent and worn out signs, has inventoried the sign shop, helped implement the new sign program, and reorganize the sign room.

The Roadway Maintenance division installed speed humps throughout the summer. Barry Avenue had two speed humps at one time, along with Bonnie Drive, Willow Street, and Lord Avenue. This division also maintains the permanent speed humps on Wier Street, Oneida Avenue, Clermont Drive, Sunset Drive, and an alley off Green Street. City crews paint these speed humps every year.

Several Roadway Maintenance division employees attended workshops this year pertaining to Work Zone Safety and retro-reflectivity requirements adopted by the Iowa Department of Transportation (IDOT). The Traffic Committee continues to meet bi-monthly to address issues and problems that are brought to the Committee's attention.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014</i>

- * To implement the second year of a three-year plan to update the City's regulatory, warning, and ground-mounted guide signs to meet the January 2015 deadline mandated by the Iowa Department of Transportation (IDOT) and Federal Highway Administration (FHWA).

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 53,407	\$ 71,095	\$ 59,300	\$ 67,000	\$ 69,700	17.54%
Commodities	17,221	15,201	16,400	16,300	16,300	-0.61%
Contractual Services	51,192	51,896	56,500	54,800	54,800	-3.01%
Capital Outlay	11,000	14,644	21,400	24,900	20,400	-4.67%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 132,820</u>	<u>\$ 152,836</u>	<u>\$ 153,600</u>	<u>\$ 163,000</u>	<u>\$ 161,200</u>	4.95%
Funding Sources						
Road Use Taxes	<u>\$ 132,820</u>	<u>\$ 152,836</u>	<u>\$ 153,600</u>	<u>\$ 163,000</u>	<u>\$ 161,200</u>	4.95%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	\$ 44,400
Employee Benefits						25,300
Total Personal Services						<u>\$ 69,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Regulatory Signs	440	Yes	\$ 15,400
Gas Powered Post Driver	1	No	5,000
			<u>\$ 20,400</u>

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

GENERAL INFORMATION

This activity accounts for the cost of snow and ice removal from the streets of Muscatine as well as the spreading of salt and sand. The City has designated certain streets as snow emergency routes for priority snow removal prior to cleaning residential streets with low density traffic. In addition, the City has specific salt and sand routes for secondary consideration. The City continues to utilize the salt dome which was a joint City/County project. The City also has a separate salt facility that was completed in 2005.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is under the original budget by \$16,900 primarily due to actual salt costs being \$20,000 less than budgeted.

The 2013/2014 budget is \$9,500 (2.6%) more than the 2012/2013 budget primarily due to a \$9,000 increase in capital outlay purchases. The budget again includes funding for one barge load of salt instead of the two barge loads budgeted most years. With the mild 2011/2012 winter and relatively mild beginning of the 2012/2013 winter, one barge load is expected to be sufficient to replenish the City's inventory for 2013/2014.

The budget for 2000/2001 first included funding for an outside contractor to provide snow removal services in the downtown area. The actual cost of this service during the unusually snowy winter of 2000/2001 was \$41,503. A history of the contracted downtown snow removal costs and the number of snow events each year is as follows:

	<u>Cost</u>	<u>Snow Events</u>
2000/2001	\$41,503	24
2001/2002	17,250	10
2002/2003	10,560	12
2003/2004	27,976	13
2004/2005	9,200	9
2005/2006	14,038	9
2006/2007	17,615	9
2007/2008	55,805	23
2008/2009	60,225	25
2009/2010	37,870	21
2010/2011	64,670	15
2011/2012	12,120	12

The 2012/2013 revised estimate and 2013/2014 budget each include \$40,000 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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Number of Storms	21	15	12	15	15
Tons of Salt Used	1,581	1,100	963.5	1,100	1,100
Tons of Sand Used	630	450	100	450	450
Tons of Cinders	N/A	N/A	31.5	450	450

RECENT ACCOMPLISHMENTS

Winter started late in 2011-2012 with the first storm on December 6, 2011. One inch of snow fell and temperatures were around 29 degrees. A salt run at 7:00 a.m. took care of this storm. There were only two storms during that December with a total of 2.5 inches of snow. January 12, 2012 was the largest storm of the winter with five inches of snow. January had five storms with a total of 9 inches of snow and one storm with freezing drizzle. Two storms in February totaled 4.5 inches and March only had 2 storms totaling 2.5 inches of snow. There were a total of 12 storms and 18.5 inches of snow. City crews used a total of 963.5 tons of salt, 31.5 tons of cinders, and 100 tons of sand.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue evaluating the snow routes using GIS technology.
- * To continue updating salt boxes to stainless steel in order to reduce maintenance costs.
- * To evaluate impacts of the new Snow Emergency Ordinance.
- * To improve the department's documentation of crew operations during each snow occurrence.

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 84,834	\$ 31,634	\$ 84,600	\$ 84,600	\$ 85,100	0.59%
Commodities	222,113	196,728	142,100	122,500	142,100	0.00%
Contractual Services	155,333	57,127	108,400	111,100	108,400	0.00%
Capital Outlay	7,599	40,313	37,000	37,000	46,000	24.32%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 469,879</u>	<u>\$ 325,802</u>	<u>\$ 372,100</u>	<u>\$ 355,200</u>	<u>\$ 381,600</u>	2.55%
Funding Sources						
Road Use Taxes	\$ 359,515	\$ 223,464	\$ 272,100	\$ 321,100	\$ 321,600	18.19%
Reimbursement of Expenses	<u>110,364</u>	<u>102,338</u>	<u>100,000</u>	<u>34,100</u>	<u>60,000</u>	-40.00%
Total Funding Sources	<u>\$ 469,879</u>	<u>\$ 325,802</u>	<u>\$ 372,100</u>	<u>\$ 355,200</u>	<u>\$ 381,600</u>	2.55%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
Total	N/A	N/A	N/A	N/A	N/A	\$ 45,000
Employee Benefits						<u>40,100</u>
Total Personal Services						<u>\$ 85,100</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
10' Salt Boxes	1	Yes	\$ 20,000
2-Way Snow Plow	1	Yes	14,000
4-Way Snow Plow	1	Yes	<u>12,000</u>
			<u>\$ 46,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

GENERAL INFORMATION

The Street Cleaning activity involves the operation of the City's street sweepers and the leaf collection program. The street cleaning operation functions primarily on streets with curbs and gutters and in the downtown commercial areas. Two (2) employees are involved in the operation utilizing two (2) machines. One machine is operated in the Central Business District, alleys and narrow locations with the other machine used in other areas of the City. During the winter season, the equipment operators supplement the snow and ice removal crews. The City's Street Cleaning operation is hindered substantially in its effectiveness as a result of the amount of on-street parking permitted throughout the City and the elimination of the night sweeping program because of machine noise. Further, the annual addition of new curb and guttered hard surface streets adds to the miles of streets which require street sweeping maintenance.

The City has four leaf vacuum units in addition to four leaf boxes, which can be mounted on existing dump trucks. This equipment has greatly improved the City's ability to pick up leaves as a service to residents and has helped keep leaves out of the City's sewer system. This service continues to be very popular.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate is over the budgeted amount by \$1,200 primarily due to increased street sweeper maintenance costs.

The 2013/2014 budget is \$8,300 (4.7%) higher than the 2012/2013 budget due to increased personal services costs. The budget for 2013/2014 reflects a reduction from 25% to 10% in the allocation of one Equipment Operator to the Parking Fund. This position provides assistance to that operation in maintenance of the parking meters and the 10% allocation better reflects actual time spent on parking-related tasks. The 2013/2014 budget again includes funds for renting one additional street sweeper in the spring of 2014.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Miles of Streets Cleaned with Sweeper	87	89	88	88	88
Employee Hours for Leaf Program	872	828	1,018**	830	830
Temporary Employee Hours for Leaf Program	1,619	1,845	1,558	1,675	1,675
Leaf Loads	238	314*	294	300	300

* The number of leaf loads increased in part due to the smaller size of the new leaf boxes

** Due to issues with keeping temporary employees, full-time employees made up the difference in hours in 2011/2012.

RECENT ACCOMPLISHMENTS

In the spring of 2012, the Public Works department rented two additional street sweepers to help clean city streets in order to keep the winter debris out of the sewer system. One of the sweepers was funded from this budget and the other from Collection and Drainage. Approximately 400 tons of debris was collected from the city's streets and this debris was hauled to the landfill and used to cover trash. This special street sweeping program ran April 9-20, 2012. With the two rented sweepers and the City's vacuum sweepers, staff was able to sweep every street in the city in two weeks.

Spring leaf pickup took place in April 2012. This is an important service as it helps keep leaves from getting into the sewers.

Fall leaf pickup began in October 2012. Leaves began falling early and even though staff got behind on the route schedule, they were able to meet the November 20, 2012 completion date. The equipment has been cleaned and stored away for use in the spring.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To continue to sweep all streets and bridges at least twice per year.
- * To continue to sweep the Central Business District twice each month.
- * To retrofit the pumper truck to be used for flushing/cleaning streets, bridges, trails, and parks.
- * To evaluate different street paint materials to search for better, longer lasting street markings.

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 95,752	\$ 98,431	\$ 108,200	\$ 107,700	\$ 116,600	7.76%
Commodities	11,161	10,388	12,500	12,400	12,400	-0.80%
Contractual Services	52,347	61,037	56,800	58,600	56,800	0.00%
Capital Outlay	11,342	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 170,602</u>	<u>\$ 169,856</u>	<u>\$ 177,500</u>	<u>\$ 178,700</u>	<u>\$ 185,800</u>	4.68%
Funding Sources						
Road Use Taxes	<u>\$ 170,602</u>	<u>\$ 169,856</u>	<u>\$ 177,500</u>	<u>\$ 178,700</u>	<u>\$ 185,800</u>	4.68%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Equipment Operator I	-	-	-	0.75	0.90	
Equipment Operator II	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	1.75	1.75	1.75	1.75	1.90	
						\$ 78,300
Employee Benefits						<u>38,300</u>
Total Personal Services						<u>\$ 116,600</u>

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

GENERAL INFORMATION

The Engineering division through November of 2007 consisted of a civil engineer and an allocation of a secretarial position. The City's in-house engineering staff had been reduced to that level with outside engineers used for the majority of the larger construction projects. The civil engineer coordinated smaller construction projects and served in a consulting capacity to other departments on special construction projects. The civil engineer left employment with the City in November, 2007.

In June of 2008 the City found a qualified candidate for the City Engineer position. This position is funded by engineering charges to the City's various capital improvement projects and Road Use Taxes.

CURRENT TRENDS AND ISSUES

The revised estimate for the Engineering division is the same as the original budget. The budget for 2013/2014 is \$1,300 (1.0%) higher than the 2012/2013 budget primarily due to increased personal services costs.

Engineering Performance	FY 2012/2013				FY 2013/14			
	2012	2012	2013	2013	2013	2013	2014	2014
	Summer	Fall	Winter	Spring	Summer	Fall	Winter	Spring
Paving Projects								
Harrison Street Extension	Construct	Construct	Done					
Cedar Utilities	Construct	Construct	Done					
Cedar Paving	Design	Design	Design	Bid	Construct	Construct	Construct	Construct
Cedar Trail	Design	Design	Design	Design	Design	Design	Construct	Construct
Colorado Street Reconstruction	Plan	Plan	Plan	Plan	Bid	Construct	Construct	Construct
Mulberry & 61 improvements	Construct	Construct	Done					
38/61 Connector Concept	Plan	Plan	Plan	Plan	Done			
Mulberry - Houser to Baton Rouge		Plan	Plan	Plan	Plan	Plan	Design	Design
Sewer Projects								
Mad Creek Sewer Extension	Plan	Construct	Construct	Construct	Construct	Done		
West Hill 1	Construct	Construct	Construct	Construct	Done			
West Hill 2	Plan	Plan	Bid	Construct	Construct	Construct	Construct	Construct
Trail Projects								
Musser Park to Wiggins Road	Design	Design	Design	Design	Bid	Construct	Construct	Construct
Mad Creek - Riverfront to Wash	Plan	Plan	Plan	Plan	Plan	Plan	Design	Design
Levee								
Mad Creek Accreditation		Plan	Plan	Done				
Subdivision Plans								
Fridley Theatre 61/Mulberry	Construct	Construct	Done					
Site Plans								
GPC Dryer #5	Construct	Construct	Construct	Construct	Done			
Stanley Laurel Building	Construct	Done						
High School	Construct	Construct	Construct	Construct	Construct	Done		
Kum & Go	Construct	Construct	Construct	Done				
Phelps Cleaning	Construct	Construct	Construct	Done				
State Farm Office	Construct	Construct	Done					
Yaky Shack	Review	Construct	Construct	Construct	Done			
Van Meter Industrial	Review	Construct	Construct	Construct	Done			

RECENT ACCOMPLISHMENTS

The Engineering division continues to work on the Cedar Street Reconstruction project. Staff developed the concept plan and cost estimates and presented the information to City Council for their input and direction. For the design of the project, staff utilized survey, planimetric and aerial information using design software to produce a 3 dimensional base model of the completed project according to state and federal requirements. City staff and surveyors worked to obtain necessary easements in accordance with federal guidelines. Construction of box culvert, retaining wall, storm sewer and grading work between Parham and Stonebrook has been completed as has the necessary clearing work. Staff prepared cost estimates and worked with Muscatine Power & Water to determine the most cost effective and agreeable

solution for utility improvements along the corridor. The utility relocations got underway in August 2012. Paving plans have been developed which should allow the Iowa Department of Transportation to solicit bids for this project in September of 2013 which will allow for some contract work to be done in 2013 with this project to continue in 2014. Staff submitted a grant application in the amount of \$138,000 to the Traffic Safety Improvement Program for traffic signals at the south high school entrance. The city received notification of approval of this grant in November 2012.

For the Musser Park to Wiggins Road trail project, staff met with landowners to form easement agreements securing an alignment for this trail. Staff prepared and submitted a \$300,000 Iowa State Recreational Trails grant application to the Iowa Department of Transportation and met with the Trails Group to outline remaining funding requirements. The city received notification of the full grant award in October 2012.

Engineering staff administered the Harrison Street Extension project, which included a Colorado School drop off area. This project was completed and functional for parent drop off on August 20, 2012 which was the first day of school. The sanitary sewer extension to Parkview Condominiums and the Hershey Avenue reconstruction from Newcomb Boulevard to Clinton Street were also completed.

The department administered the contract for and reviewed the certification documents necessary to maintain accreditation of the Mad Creek Levee. Final documents are waiting on the completion of the USACE (U.S. Army Corps of Engineers) two-foot levee raise project. The department also performed the annual levee inspection and directed the necessary maintenance.

The department continued the development of a Digital Plan Archive system to allow all available city subdivision plats and public construction project plans to be available in PDF format from Public Works. The system allows projects to be searched for by name. Documents are stored in PDF format and can be viewed and emailed.

The Mad Creek Sewer Extension Project is currently underway and involves construction of approximately two miles of new sanitary sewer along Mad Creek from Park Avenue West to Ripley's Mobile Home Court on Highway 61.

The department assisted with the Fridley Theatres development by reviewing the Mulberry Avenue reconstruction and the Palms Drive plans and cost estimates and inspecting the roadway construction. The department also assisted with the cost and scope of TIF improvements related to that development.

The department continues to provide technical and engineering support to other City departments for achieving citywide goals and objectives.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014

- * To review site plans and provide comments according to City Code and standard engineering practice resulting in orderly development of commercial and institutional projects.
- * To review subdivision plans and provide comments according to City Code and standard engineering practice resulting in safe, reliable and orderly land development infrastructure.

- * To continue to add additional documents to the digital archive system where site plans, subdivisions, plat, easement, and construction documents are digitally stored and accessed through the City's Geographical Information System (GIS).
- * To coordinate with consultants for improvements to the Highway 92 corridor from the Mississippi Bridge south to the US Highway 61 Bypass. **(Management Agenda High Priority)**
- * To construct the Cedar Street improvement project in 2013 and 2014. **(Management Agenda High Priority)**
- * To further develop plans and possible funding for enhancements to the donated land near the intersection of Hershey Avenue and Houser Street.
- * To work with the consultant for reconstruction of Colorado Street in 2013/14. **(Management Agenda High Priority)**
- * To coordinate with consultants for the organized development of the Northeast US Highway 61/38 connector and corridor.
- * To complete the certification for Mad Creek levees.
- * To complete construction of Phase I of the West Hill Sewer Separation project in 2013 and also begin construction of Phase II of this project in 2013. **(Management Agenda High Priority)**
- * To design the Musser Park to Wiggins Road Trail in 2013 and construct by the end of 2014.
- * To provide support for the Mad Creek Trail and Public Works lower lot reorganization.

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 110,726	\$ 111,123	\$ 114,200	\$ 113,800	\$ 118,200	3.50%
Commodities	1,236	1,350	2,600	3,200	3,200	23.08%
Contractual Services	12,003	13,048	15,800	15,700	15,700	-0.63%
Capital Outlay	-	-	3,200	3,100	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 123,965</u>	<u>\$ 125,521</u>	<u>\$ 135,800</u>	<u>\$ 135,800</u>	<u>\$ 137,100</u>	0.96%
Funding Sources						
Engineering Fees	\$ 54,103	\$ 60,650	\$ 45,000	\$ 65,000	\$ 65,000	44.44%
Road Use Tax	<u>69,862</u>	<u>64,871</u>	<u>90,800</u>	<u>70,800</u>	<u>72,100</u>	-20.59%
Total Funding Sources	<u>\$ 123,965</u>	<u>\$ 125,521</u>	<u>\$ 135,800</u>	<u>\$ 135,800</u>	<u>\$ 137,100</u>	0.96%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	\$ 87,000
Employee Benefits						<u>31,200</u>
Total Personal Services						<u>\$ 118,200</u>

Function:
Transfers

Department:
City Administrator

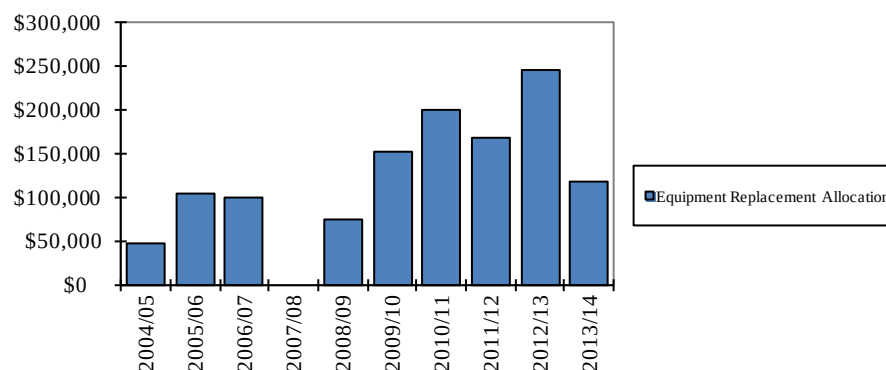
Activity:
Equipment Replacement Subsidy

GENERAL INFORMATION

The Equipment Replacement Special Revenue 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 zero in 2007/2008 to \$245,000 in 2012/2013. 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 Reserve. 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.



CURRENT TRENDS AND ISSUES

Due to funding limitations no transfer to this reserve from the General Fund was budgeted in 2007/2008. For 2007/2008 capital equipment items totaling \$126,700 were funded from the June 2008 general obligation bond issue. For 2008/2009 a funding allocation of \$75,000 was included in the budget and the funding transfer increased to \$152,300 in 2009/2010, further increased to \$200,000 in 2010/2011, and decreased to \$168,900 for 2011/2012. The budgeted transfer for 2012/2013 was \$245,000 and \$117,000 has been budgeted for 2013/2014. The larger transfer for 2012/2013 provided funding for five new police squad cars, a used vehicle for the police department, a used vehicle for the community development department, a mower for the cemetery, and a large mower and a used pickup truck for the park maintenance division. Vehicles and equipment budgeted to be funded from this reserve in 2013/2014 include an unmarked Police vehicle (\$15,000), a one-ton dump truck for the Cemetery (\$54,000), and a deep tine aerifier for the Soccer complex (\$33,500).

In addition to the regular Equipment Replacement Fund transfer, the 2012/2013 budget included an additional \$250,000 transfer specifically designated to be used towards the purchase a new fire engine. At the time the 2012/2013 budget was prepared, it was expected that an additional \$250,000 transfer would be needed in 2013/2014 to complete the financing of the fire engine. The ending balance in the General Fund at the end of 2011/2012, however, was higher than expected by \$648,000 and City Council authorized the fire engine to be purchased in 2012/2013 and the budget was amended to increase the General Fund transfer to \$497,000, the full cost of the fire engine.

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 Subsidy

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>200,000</u>	<u>168,900</u>	<u>495,000</u>	<u>742,000</u>	<u>117,000</u>	-76.36%
Total Expenditures	<u>\$ 200,000</u>	<u>\$ 168,900</u>	<u>\$ 495,000</u>	<u>\$ 742,000</u>	<u>\$ 117,000</u>	-76.36%
Funding Sources						
General Revenues	<u>\$ 200,000</u>	<u>\$ 168,900</u>	<u>\$ 495,000</u>	<u>\$ 742,000</u>	<u>\$ 117,000</u>	-76.36%

Function:
Transfers

Department:
City Administrator

Activity:
Transit Subsidy

GENERAL INFORMATION

The Muscatine City Transit System has provided public transportation for all citizens of the community since 1981. State law permits the City to levy up to \$.95 per \$1,000 of assessed valuation for Public Transportation outside the \$8.10 General Fund limitation. Tax monies are transferred to the Transit System Enterprise Fund to support transit operations.

CURRENT TRENDS AND ISSUES

The 2012/2013 budget included a tax levy of \$.40950 per \$1,000 of valuation for public transportation which will generate \$320,000 (including the utility replacement excise tax).

The transit tax levy rate for 2013/2014 has been increased to \$.47582 per \$1,000 of valuation which will generate \$380,000. The tax rate is higher in 2013/2014 due to a number of factors including (1) increased fuel costs, (2) increased bus maintenance costs, and (3) funding for the local share (15%) of the cost of two new buses.

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 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>180,141</u>	<u>301,472</u>	<u>320,000</u>	<u>320,000</u>	<u>380,000</u>	18.75%
Total Expenditures	<u>\$ 180,141</u>	<u>\$ 301,472</u>	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ 380,000</u>	18.75%
Funding Sources						
Transit Tax Levy	\$ 179,335	\$ 300,019	\$ 318,463	\$ 318,463	\$ 378,375	18.81%
Utility Tax Replacement						
Excise Tax	<u>806</u>	<u>1,453</u>	<u>1,537</u>	<u>1,537</u>	<u>1,625</u>	5.73%
Total Funding Sources	<u>\$ 180,141</u>	<u>\$ 301,472</u>	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ 380,000</u>	18.75%

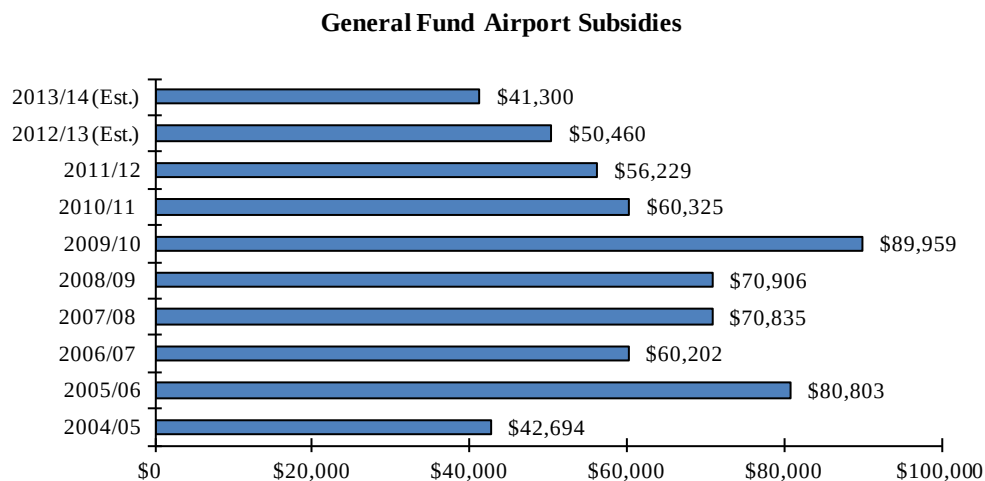
Function:
Transfers

Department:
City Administrator

Activity:
Airport Operations Subsidy

GENERAL INFORMATION

The Municipal Airport operation has been designated as an Enterprise Fund for budgeting purposes. As such, it has been necessary to make subsidy transfers from the General Fund as expenses incurred exceed revenues received from the operation. A summary of General Fund transfers since fiscal year 2004/2005 follows:



The General Fund subsidy has ranged from approximately \$43,000 to \$90,000 during the past ten years. The fluctuations in the subsidies were due to costs of repair and maintenance of airport facilities and navigational equipment, capital outlay costs and changes in farm prices which are linked to the rental land which helps support the Airport Operation.

CURRENT TRENDS AND ISSUES

The 2012/2013 revised estimate subsidy is \$50,460, which is \$3,160 more than the budgeted amount. This increased subsidy is primarily due to costs for a runway blowup repair in the amount of \$8,970. The City received a State grant which funded 70% of this cost, leaving the City's local share at approximately \$2,700.

The budgeted subsidy for fiscal year 2013/2014 of \$41,300 is \$6,000 (12.7%) less than the original 2012/2013 budget. This reduction is due to there being no capital outlay requests in the Airport operating budget in 2013/2014. 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 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>60,325</u>	<u>56,229</u>	<u>47,300</u>	<u>50,460</u>	<u>41,300</u>	-12.68%
Total Expenditures	<u>\$ 60,325</u>	<u>\$ 56,229</u>	<u>\$ 47,300</u>	<u>\$ 50,460</u>	<u>\$ 41,300</u>	-12.68%
Funding Sources						
General Revenues	<u>\$ 60,325</u>	<u>\$ 56,229</u>	<u>\$ 47,300</u>	<u>\$ 50,460</u>	<u>\$ 41,300</u>	-12.68%

Function:
Transfers

Department:
City Administrator

Activity:
Levee Project Subsidy

GENERAL INFORMATION

The State Code of Iowa allows cities in the State to levy up to \$.0675 per \$1,000 of valuation for a levee improvement fund in special charter cities. A project was completed in 2000 which increased flood protection along the Mississippi River in Muscatine. The U.S. Army Corps of Engineers contracted for the improvements and provided funding of 80% of project costs with the remaining costs funded by the City of Muscatine. The levee tax levy has been used since 1996/97 to generate tax funding for a portion of the local costs of this project and is also being used to fund a portion of the local cost of the Mad Creek Flood Control/Levee project completed in December of 2012.

CURRENT TRENDS AND ISSUES

Since 1996/97 the City of Muscatine has levied the maximum tax rate of \$.0675 per \$1,000 of valuation to fund a portion of the local costs of the levee improvement projects. This levy rate (including the utility replacement excise tax) will generate \$52,747 in 2012/2013 and \$53,907 in 2013/2014. The 2012/2013 and 2013/2014 levies will be used to fund a portion of the local share of the Mad Creek Flood Control/Levee project. The final phase of this project was completed in December 2012. The City chose to designate future Levee tax levy funds instead of additional bond financing to complete the financing for the remaining portion of the City's share of project costs. It is estimated that an additional three years of Levee tax levy funds will be needed to fund the balance of the local cost of this project. Levee taxes are required to be received in the General Fund and transferred to levee improvement capital project funds.

Function:
Transfers

Department:
City Administrator

Activity:

Levee Project Subsidy

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>50,019</u>	<u>51,531</u>	<u>52,747</u>	<u>52,747</u>	<u>53,907</u>	2.20%
Total Expenditures	<u><u>\$ 50,019</u></u>	<u><u>\$ 51,531</u></u>	<u><u>\$ 52,747</u></u>	<u><u>\$ 52,747</u></u>	<u><u>\$ 53,907</u></u>	2.20%
Funding Sources						
Levee Tax Levy	\$ 49,795	\$ 51,303	\$ 52,494	\$ 52,494	\$ 53,676	2.25%
Utility Tax Replacement						
Excise Tax	<u>224</u>	<u>228</u>	<u>253</u>	<u>253</u>	<u>231</u>	-8.70%
Total Funding Sources	<u><u>\$ 50,019</u></u>	<u><u>\$ 51,531</u></u>	<u><u>\$ 52,747</u></u>	<u><u>\$ 52,747</u></u>	<u><u>\$ 53,907</u></u>	2.20%

Function:
Transfers

Department:
City Administrator

Activity:
Assigned Funding Allocations

GENERAL INFORMATION

Governmental Accounting Standards Board Statement 54 was effective for the City's fiscal year ended June 30, 2011. This Statement provided for clearer, more structured fund balance classifications and clarified the definitions of each fund type. This statement provides that the fund balances of governmental funds, including the General Fund of governmental entities, be classified into nonspendable, restricted, committed, assigned, and unassigned amounts.

The 2012/2013 General Fund budget included three assigned funding allocations. The original funding assignments and the updated status for each are described in the narrative below.

Police COPS Grant Future Funding Commitment - \$40,000 Annually for Three Years

In 2011 the City was awarded funding for two police officer positions under a U.S. Department of Justice COPS Grant. This grant provides 100% funding for the two officers for three years. The grant requires the City retain these two positions for at least one more year after the grant funding ends. One of the new positions will be a second School Resource Officer used during the school year in the middle schools. The School has agreed to fund the cost of the fourth year for this position (one officer prorated at 75% for the school year). Plans are for the City to assign annual allocations of \$40,000 in each of the three years of the grant so sufficient funding is available to fund the City's portion of the fourth year costs for these positions.

Current Status of Assigned Funding:

The first \$40,000 funding assignment was made in 2012/2013, and the 2013/2014 budget includes the second annual \$40,000 funding assignment.

Fire Engine Replacement - \$250,000

The 2012/2013 Fire department budget included a \$490,000 capital outlay request for a new fire engine. The 2012/2013 budget assigned \$250,000 of funding from the General Fund toward the then-expected future year (2013/2014) purchase of this fire engine. The balance of the fire ending cost (\$240,000) was originally planned to be funded from the 2013/2014 budget. In prior years this type of purchase would likely have been funded from a bond issue. This alternate funding arrangement was proposed in order to not increase the debt service tax levy for this purchase.

Current Status of Assigned Funding:

The General Fund balance at the end of the 2011/2012 year was \$648,531 higher than projected and City Council authorized full funding for the new fire engine in 2012/2013. Bids were received on the fire engine in December and the bid was awarded in January 2013. The General Fund transfer to the Equipment Replacement fund was increased from the originally budgeted \$250,000 to \$497,000 to fund this purchase.

Financial Software Replacement - \$140,000

Replacement of the City's financial software system has been included in the Five-Year Capital Improvements Program. The selection process for the new software system was underway when the 2012/2013 budget was prepared, and the 2012/2013 budget included \$140,000 of assigned funding for this purchase. A committee consisting of the Finance Director, Accounting Supervisor, IT Manager, and HR Manager completed their evaluation of new software systems in December 2012 and recommended entering into an agreement with Springbrook Software for the new system. City Council approved the agreement with Springbrook Software at their December 20, 2012 meeting. Similar to the Fire Engine funding assignment, this purchase was budgeted to be funded from the General Fund balance and not financed through a bond issue in order to not incur interest costs on this purchase.

Current Status of Assigned Funding:

The total cost for the new software and related software conversion is estimated at \$160,000, which is \$20,000 higher than the amount originally budgeted. This requested funding amount includes the software (\$132,320), related hardware requirements (\$10,100), and travel expenses for the software vendor during the conversion and implementation process (estimated at \$17,500).

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 includes a terminal building, four (4) corporate hangars, twenty (20) T-hangars, a maintenance building, and a community hangar that can store approximately fifteen (15) to twenty (20) small airplanes. The Airport has a 5,500 foot main runway and a 4,000 foot crosswind runway.

The Airport property consists of approximately 680 acres; however, only 394 acres are used for the aviation operation. The remaining 286 acres are leased for farming purposes with the income assisting in the support of the Airport operation.

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, gasoline and other general services required by the aviation industry. The current contract is with Carver Aero Inc. for both the Airport Management and FBO activities. These contracts run through June 30, 2015. The amount paid to Carver Aero for airport management fees for both 2012/2013 and 2013/2014 is \$45,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$9,900 in both 2012/2013 and 2013/2014.

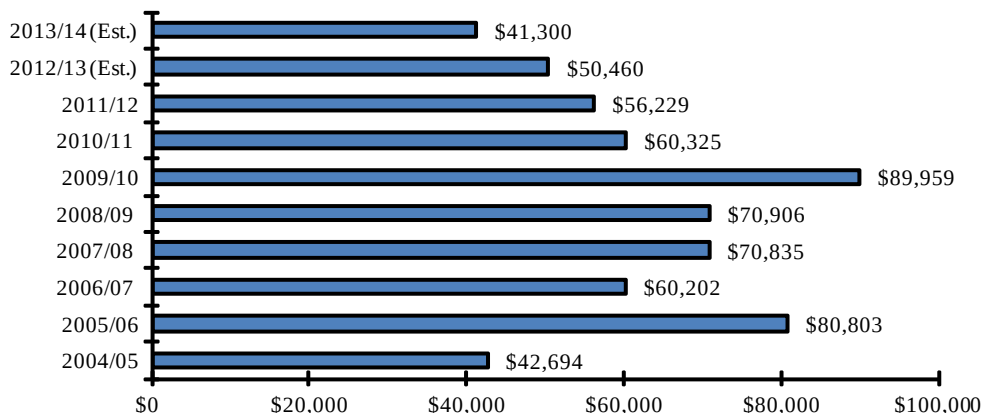
The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In 2008/2009 construction of a parallel taxiway for the crosswind runway was completed and new snow removal equipment was purchased. A snow removal tractor was purchased in 2010. These projects received 95% FAA funding with a 5% local match. Construction of a hangar access road was completed in 2011 with 85% State funding and a local match of 15%. In 2012 the Runway Lighting Repair Project which received 95% FAA and 5% local funding was substantially completed and the Airport Hangar Repair Project was completed which received 85% State and 15% local funding. Currently in progress are the Airfield Maintenance project and the Airport Obstruction Removal project, both of which will receive 90% FAA and 10% local funding, and the Airport Security and T-Hangar Drainage Improvement project which will receive 85% State and 15% local funding.

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.

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 chart:

General Fund Airport Subsidies



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. In prior years, both the farm income and the related property, drainage, and island levee taxes were pro-rated between the Airport and the Water Pollution Control (WPC) fund. Beginning in 2012/2013 100% of the farm income is being credited to the Airport fund and the Airport will pay 100% of the farm-related expenses related to the Airport land. This change is the primary reason for the decreases in the General Fund Airport subsidies in 2012/2013 and 2013/2014.

The 2012/2013 revised estimate subsidy is over the budgeted amount by \$3,160. This increased subsidy is primarily due to costs for a runway blowup repair in the amount of \$8,970. The City received a State grant which funded 70% of this cost, leaving the City's local share at approximately \$2,700. Revised estimate expenditures are \$9,100 higher than the original budget primarily due to the blowup repair and revised estimate revenues are \$6,500 higher than budgeted due primarily to the State funding for the blowup repair.

Airport expenditures for 2013/2014 are \$5,800 (5.0%) less than the 2012/2013 budget primarily due to there being no capital outlay purchases in the 2013/2014 budget. The Airport revenues for 2013/2014 are \$200 higher than the budget for 2012/2013 due to an expected increase in fuel commissions. These changes in revenues and expenditures will result in a General Fund subsidy for 2013/2014 of \$41,300 which is \$6,000 (12.7%) lower than the original 2012/2013 budgeted amount.

The 2013/2014 budget continues funding in the amount of \$16,000 for outside consulting services to assist the city with airport operational and planning requirements.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	9	10	10	10	10
Hangar Rentals	\$19,976	\$19,399	\$22,011	\$21,900	\$21,900
FBO Lease	\$8,700	\$8,800	\$9,900	\$9,900	\$9,900
Gallons of Fuel Dispensed by the FBO	57,841	71,234	91,000	100,000	105,000
Fuel Commission (\$0.03/gallon)	\$1,735	\$2,137	\$2,730	\$3,000	\$3,000
Farm Lease Revenue	\$6,636	\$6,639	\$6,639	\$34,000	\$34,000
General Fund Subsidy	\$89,959	\$60,325	\$56,229	\$50,460	\$41,300

RECENT ACCOMPLISHMENTS:

Fiscal year 2012/2013 is the first year the city will (1) receive increased revenue from the recently re-negotiated lease of airport property for agricultural use, (2) receive increased revenue from the recently re-negotiated agreements with the existing Fixed Base Operator to provide both FBO and maintenance at the airport, and (3) receive increased revenue associated with the lease of municipal hangars at the airport.

In 2012 the City successfully completed a program to remove unwanted vegetation from the perimeter fence line by utilizing prisoner labor in cooperation with the Muscatine County Sheriff's department. The City hangar (formerly HNI Hangar No 1) was cleaned and repainted in 2012.

The annual update to the five-year Airport Capital Improvement Plan (CIP) was developed and submitted to the FAA and IDOT Division of Aviation that resulted in the city receiving funding for the Pavement Maintenance Project (90% FAA funds); removal of Airport Obstructions (trees) (90% FAA funds); Access Road Security Gate and Camera (85% State funding); and the Airport Zoning Ordinance update (100% state funding).

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To coordinate with the State Division of Aviation for the replacement of the Airport's AWOS system.
- * To establish a program for regularly scheduled spraying of the airport runways and perimeter fence.
- * To complete the petrographic analysis of the runway(s) and prepare a budget for federal, state, and local funding.
- * To develop a "users-manual" for future use regarding metering locations and responsibilities, division of maintenance responsibilities, equipment inventory and maintenance schedules, security, hangar rentals and billings, farm leases, water usage reporting for pivot-irrigation, storm water plans and inspections, and contact information for state and federal partners.

- * To work towards gender-balance by encouraging female participation on the Airport Advisory Commission.
- * To continue to serve as the staff representative to the Airport Advisory Commission.

Airport Operations

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ (560)	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 8,800	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900
Hangar Rentals	19,399	22,011	22,000	21,900	21,900
Reimbursement of Costs	858	843	900	900	900
Farm Leases	6,639	6,639	34,000	34,000	34,000
Gasoline Commission	2,137	2,730	2,700	3,000	3,000
State Grant	0	6,475	0	6,300	0
Transfers In					
General Fund Subsidy	60,325	56,229	47,300	50,460	41,300
Total Revenues	<u>\$ 98,158</u>	<u>\$ 104,827</u>	<u>\$ 116,800</u>	<u>\$ 126,460</u>	<u>\$ 111,000</u>
Funds Available	\$ 98,158	\$ 104,827	\$ 116,800	\$ 125,900	\$ 111,000
Expenditures	<u>98,158</u>	<u>105,387</u>	<u>116,800</u>	<u>125,900</u>	<u>111,000</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ (560)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	3,323	3,360	3,600	3,800	3,800	5.56%
Contractual Services	87,135	84,878	98,800	98,800	98,900	0.10%
Capital Outlay	-	9,250	6,300	15,200	-	-100.00%
Transfers	<u>7,700</u>	<u>7,900</u>	<u>8,100</u>	<u>8,100</u>	<u>8,300</u>	2.47%
Total Expenditures	<u>\$ 98,158</u>	<u>\$ 105,388</u>	<u>\$ 116,800</u>	<u>\$ 125,900</u>	<u>\$ 111,000</u>	-4.97%
Funding Sources						
Airport Revenues	\$ 37,833	\$ 49,159	\$ 69,500	\$ 75,440	\$ 69,700	0.29%
General Fund Operating Subsidy	<u>60,325</u>	<u>56,229</u>	<u>47,300</u>	<u>50,460</u>	<u>41,300</u>	-12.68%
Total Funding Sources	<u>\$ 98,158</u>	<u>\$ 105,388</u>	<u>\$ 116,800</u>	<u>\$ 125,900</u>	<u>\$ 111,000</u>	-4.97%

TRANSIT SYSTEM

GENERAL INFORMATION:

The City Transit System operates with eleven (11) small buses, all equipped with wheelchair lifts. Personnel supporting the transit system are a full-time Transit Supervisor, two (2) part-time dispatchers, 21 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, an evening service two nights a week primarily for the disabled, and a shuttle service between Muscatine and Wilton. Since 2007 there has been a fourth fixed route for 4 hours 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 2006/2007 on a fiscal year basis is as follows:



The City receives both Federal and State funding for the transit operation. Federal operating assistance is received annually and for 2013/2014 is estimated to be \$316,100. This amount includes funding for the Job Access and New Freedoms transit services which in previous years were awarded as separate federal funding allocations. Federal capital support has also been used, primarily to purchase buses. 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 2013/2014 it is anticipated that the City will receive \$197,000 in public transit support from the State of Iowa.

The State of Iowa allows cities to levy up to \$.95 per \$1,000 of assessed value to support a transportation system. This levy is in addition to the \$8.10 limit imposed on cities for general operating purposes. For fiscal year 2012/2013 the City's transit levy rate was set at \$.40950 per \$1,000 of valuation which will generate \$320,000.

The transit levy rate for 2013/2014 has been increased to \$.47582 per \$1,000 of valuation which will generate \$380,000. This is a 16.2% increase in the transit tax levy rate. The tax rate is higher in 2013/2014 due to a number of factors including (1) increased fuel costs, (2) increased bus maintenance costs, and (3) subject to grant approval, funding for the local share of the cost of two new buses. Replacement of the two buses was originally included in the 2012/2013 budget; however requested grant funding for those buses was not approved. This has contributed to the higher bus maintenance costs as well as the increase in the transit tax levy for 2013/2014.

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 2012/2013 are over the original budgeted amount in total by \$4,900. Revised estimate capital outlay expenditures are \$45,200 less than budgeted. Two buses originally budgeted at \$146,100 will not be purchased since the related grant funding was not awarded. The revised estimated, however, includes the addition of \$107,500 for diesel emission reduction equipment to be installed on the City's current diesel buses. This equipment will be 100% grant funded. The allocation of \$6,600 in 2012/2013 for bus route signs has been deferred to 2013/2014. The revised estimate for fuel is \$10,300 higher than budgeted and bus maintenance costs are \$46,000 higher than originally budgeted. A \$5,400 reduction in personal services costs offset a portion of the fuel and maintenance cost increases.

The 2013/2014 budget is \$50,000 (4.3%) more than the original 2012/2013 budget. Significant increases include \$21,000 in vehicle repair and maintenance services, and \$25,300 in capital outlay. The capital outlay allocation includes \$176,000 for the purchase of two new transit vehicles and \$2,000 to replace 100 bus route signs. The bus purchases are subject to the receipt of federal grant funding currently estimated at \$149,600 (85% of the cost of the vehicles). The local share of the buses is estimated at \$26,400.

As noted previously, the transit tax levy has been increased by \$60,000 to fund the transit operation in 2013/2014. In prior years there was a balance in the Transit fund which allowed for the Transit levy to be lowered if needed to keep the City's overall tax rate at a reasonable level. This balance, however, is nearly depleted and with increased fuel and bus maintenance costs, and the need to replace several of the older vehicles, the Transit levy is budgeted to increase by \$60,000 for the upcoming year. The budget includes discontinuation of the Wilton shuttle service. Without this change, the tax levy would have needed to be at least \$6,500 higher.

The Transit budget is balanced for 2013/2014 with revenues (including the increased transit levy proceeds) at approximately the same level as expenditures. The budget shows an ending balance of \$18,310 as of June 30, 2014. This ending balance will be needed if there are further increases in fuel or bus maintenance costs or if the transit grant funding is less than currently estimated. 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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Buses Used and Maintained	11	11	11	11	11
Fixed Bus Routes (Weekdays)	3 (4 for 4 hrs of day)	3 (4 for 4 hrs the day)	3 (4 for 4 hrs the day, M-F)	3 (4 for 4 hrs the day)	3 (4 for 4 hrs the day)
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	128,652	125,320	140,312	140,500	141,000
Paratransit Passengers	34,476	36,858	35,977	36,000	36,000
JARC for Work (Night Service)	6,145	5,521	6,507	6,500	6,700
New Freedoms (Night Service)	1,227	1,604	1,436	1,435	1,500
Muscatine/Wilton Shuttle	1,806	3,277	4,045	4,050	0 *
Total Passengers	172,306	172,580	188,277	188,485	185,200

* The Muscatine/Wilton Shuttle service is budgeted to be eliminated in 2013/2014.

RECENT ACCOMPLISHMENTS:

MuscaBus experienced a 15,697 increase in rides provided during fiscal year 2011/2012. Providing 188,277 rides is a return to the level of ridership last experienced during fiscal year 2008/2009. The majority of the increase was the 14,992 increase in route ridership. This is especially welcome since route rides are the least expensive rides provided by the Transit system.

The Fixed Route and Paratransit services continue to operate from 6:30 a.m. to 5:00 p.m., Monday through Friday and from 8:30 a.m. to 4:00 p.m. on Saturdays. ParaTransit service offers curb to curb service for individuals who cannot access the route bus due to disability.

The JARC (Job Access Reverse Commute) service operates Monday through Friday from 5:30 p.m. to 12:00 a.m. This service was established to provide transportation services to access employment opportunities, education and support services, including childcare for the passenger's children. New Freedoms operates on Tuesday and Thursday evenings from 5:30 p.m. to 9:30 p.m. This service accommodates transportation requests within the Muscatine city limits for any purpose, to offer "New Freedoms". MuscaBus also currently operates a twice daily route to/from Wilton, Monday through Friday. As previously noted, the Wilton shuttle route will be eliminated beginning in 2013/2014.

The City Council approved a fare increase in August, 2012 for the Wilton shuttle. The fare is now \$2.00 per ride for the Wilton shuttle. Route rides are \$.75 each. JARC, New Freedoms, and ParaTransit rides are \$1.00 each. Passengers can purchase sheets of tickets or a monthly route pass to realize a savings in these rates.

The MuscaBus team is comprised of two ¾ time dispatchers, 21 part-time drivers, 1 part-time service person and 1 full time Transit Supervisor. This team drove an accident free 282,257 revenue miles in 2011/2012 and operated 20,644 hours.

The Transit system is funded by a variety of federal, state, and local dollars. In 2011/2012 the Transit system received Federal Transit Assistance, State Transit Assistance, Job Access Grant (JARC), New Freedoms, and ICAAP grants. These grants are applied for annually by the Transit Supervisor.

Additionally in 2012, the Transit Supervisor, Vehicle Maintenance Supervisor, and Director of Community Development worked with the State of Iowa Department of Natural Resources to obtain funding for purchase and installation of diesel emissions reduction equipment for buses and other municipal vehicles. The city was awarded \$123,564 to install this equipment in 2013. Eight of the 11 transit vehicles and five street department dump trucks will be fitted with equipment to reduce the diesel emission particulate matter. This grant is funded at 100% with no local match requirement.

OBJECTIVES TO BE ACCOMPLISHED 2013/2014:

- * To adopt and implement “Lean” concepts and practices in the transit operation. **(Management Agenda High Priority)**
- * To continually evaluate service routes to assure the greatest level of service to the citizens of Muscatine.
- * To review the current staff pay structure and compare it to comparable transit systems in Iowa.
- * To continue to offer unsurpassed customer service to passengers.

Transit System

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 143,507	\$ 86,329	\$ 51,629	\$ 91,210	\$ 17,810
Revenues	<u>877,209 (2)</u>	<u>1,003,032 (3)</u>	<u>1,119,800</u>	<u>1,100,200 (4)</u>	<u>1,219,200 (5)</u>
Funds Available	\$ 1,020,716	\$ 1,089,361	\$ 1,171,429	\$ 1,191,410	\$ 1,237,010
Expenditures (1)	<u>934,387</u>	<u>998,151</u>	<u>1,168,700</u>	<u>1,173,600</u>	<u>1,218,700</u>
Ending Balance, June 30	<u><u>\$ 86,329</u></u>	<u><u>\$ 91,210</u></u>	<u><u>\$ 2,729</u></u>	<u><u>\$ 17,810</u></u>	<u><u>\$ 18,310</u></u>

Increase (Decrease) in Fund Balance	\$ (57,178)	\$ 4,881	\$ (48,900)	\$ (73,400)	\$ 500

- Expenditures include changes in compensated absences and other post-employment benefits.
- The 2010/2011 revenues included \$180,000 from the Transit tax levy. This was a reduction of \$50,000 from the previous levy of \$230,000. This reduction resulted in the use of available fund balance during the year and was done in part to keep the overall City tax rate increase to 1.4%.
- In 2011/2012 the Transit tax levy increased to \$300,000 (from \$180,000).
- The 2012/2013 Transit levy was increased to \$320,000 to maintain a positive balance in this fund. This levy also included \$24,900 in funding for the local share of the cost for two new transit vehicles which will not be purchased in 2012/2013.
- The Transit Tax levy for 2013/2014 of \$380,000 is based on increased bus maintenance and operating costs and also includes funding for the local share of two new bus purchases (\$26,400).

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. The City has also varied the Transit tax levy when needed to minimize changes in the City's total overall tax rate.

Transit System

Summary of Revenues

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>	
Transit Charges	\$ 168,175	\$ 176,542	\$ 169,000	\$ 175,000	\$ 171,000	(6)
Transit Grants						
Operating Subsidies:						
Federal Operating Grant	\$ 274,847	\$ 260,771	\$ 249,900	\$ 255,000	\$ 316,100	(5)
Federal Job Access Grant	37,728	43,585	42,000	44,100	0	(5)
New Freedoms Grant	7,614	7,419	9,000	9,000	0	(5)
State Vehicle Use Tax	170,154	170,167	161,400	163,400	197,000	
ICAAP Grant	35,641	34,668	37,000	25,700	0	
Diesel Emissions Reduction Grant	0	0	0	107,500	0	
Other Operating Grants	1,998	717	1,500	0	0	
Capital Grants:						
Federal Funds for Equipment	0	1,557	0	0	0	
State Funds for Equipment	0	5,600	3,700	0	0	
Federal Funds - Buses	0	0	121,200	0	149,600	
Subtotal - Grants	<u>\$ 527,982</u>	<u>\$ 524,484</u>	<u>\$ 625,700</u>	<u>\$ 604,700</u>	<u>\$ 662,700</u>	
General Fund Support:						
Transit Tax Levy	180,141 (1)	301,472 (2)	320,000	320,000 (3)	380,000 (4)	
Sale of Vehicles	57	101	5,000	0	5,000	
Interest	83	21	100	100	100	
Donations	771	410	0	400	400	
Other	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Revenues	<u>\$ 877,209</u>	<u>\$ 1,003,032</u>	<u>\$ 1,119,800</u>	<u>\$ 1,100,200</u>	<u>\$ 1,219,200</u>	

1. The 2010/2011 revenues included \$180,000 from the Transit tax levy. This was a reduction of \$50,000 from the previous levy of \$230,000. This reduction resulted in the use of available fund balance during the year and was done in part to keep the overall City tax rate increase at 1.4%.
2. FY 2011/2012 revenues reflected an increase in the Transit tax levy to \$300,000 (from \$180,000).
3. The 2012/2013 Transit levy was increased to \$320,000 to maintain a positive balance in this fund. This levy also included \$24,900 in funding for the local share of the cost for two new transit vehicles which will not be purchased in 2012/2013.
4. The Transit Tax levy for 2013/2014 of \$380,000 is based on increased bus maintenance and operating costs and also includes funding for the local share of two new bus purchases (\$26,400).
5. Beginning in 2013/2014 the Federal Operating Grant will include federal funding for special types of services by the Transit System. This includes funding for the special evening services provided through the current Job Access and New Freedoms grants.
6. With the elimination of the Wilton shuttle service in 2013/2014, Transit fees are estimated to decrease by \$4,000.

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 627,254	\$ 652,390	\$ 683,300	\$ 677,900	\$ 685,600	0.34%
Commodities	106,572	129,818	128,800	138,800	128,500	-0.23%
Contractual Services	178,094	190,429	187,300	232,800	209,500	11.85%
Capital Outlay	3,409	9,389	152,700	107,500	178,000	0.00%
Transfers	15,600	16,100	16,600	16,600	17,100	3.01%
Total Expenditures	<u>\$ 930,929</u>	<u>\$ 998,126</u>	<u>\$ 1,168,700</u>	<u>\$ 1,173,600</u>	<u>\$ 1,218,700</u>	4.28%
Funding Sources						
Transit Charges	\$ 168,175	\$ 176,542	\$ 169,000	\$ 175,000	\$ 171,000	1.18%
Transit Grants	527,982	524,484	625,700	604,700	662,700	5.91%
Transit Tax Levy	180,141	301,472	320,000	320,000	380,000	18.75%
Sale of Vehicles	57	101	5,000	-	5,000	0.00%
Interest	83	21	100	100	100	0.00%
Donations	771	410	-	400	400	
Other	-	2	-	-	-	
Total Funding Sources	<u>\$ 877,209</u>	<u>\$ 1,003,032</u>	<u>\$ 1,119,800</u>	<u>\$ 1,100,200</u>	<u>\$ 1,219,200</u>	8.88%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
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	11.23	11.19	11.26	11.50	10.94	
Transportation Dispatch Coordinator	0.88	0.89	0.89	0.80	0.70	
Transit Dispatcher	0.89	1.20	0.88	0.65	0.84	
Transportation Serviceperson	0.60	0.61	0.63	0.61	0.63	
Total Part Time	13.60	13.89	13.66	13.56	13.11	
Total	14.80	15.09	14.86	14.76	14.31	\$ 548,400
Employee Benefits						137,200
Total Personal Services						<u>\$ 685,600</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Light Duty Buses	2	Yes	\$ 176,000
Route Signs	100	Yes	2,000
			<u>\$ 178,000</u>

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 1,427 parking spaces in the downtown commercial area distributed as follows:

		<u>Lot #1</u>	<u>Lot #2</u>	<u>Lot #4</u>	<u>Lot #6</u>	<u>Lot #7</u>	<u>Lot #8</u>		
	<u>On-Street</u>	<u>Chestnut</u>	<u>W. 2nd</u>	<u>Sycamore</u>	<u>W. 3rd</u>	<u>E. 3rd</u>	<u>Cedar</u>	<u>Levee</u>	<u>Totals</u>
		<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>		
Free Parking	143	0	16	14	0	0	5	497	675
			(4 hour)	(3 hour)			(3 hour)	(24 hour)	
2 Hour	287	0	5	0	0	0	0	0	292
Handicapped	14	1	1	3	1	0	2	17	39
10 Hour	56	19	15	42	0	9	0	0	141
Leased/Reserved	<u>0</u>	<u>7 R</u>	<u>4 L</u>	<u>46 L</u>	<u>24 R</u>	<u>149 L</u>	<u>50 L</u>	<u>0</u>	<u>280</u>
Totals	<u>500</u>	<u>27</u>	<u>41</u>	<u>105</u>	<u>25</u>	<u>158</u>	<u>57</u>	<u>514</u>	<u>1,427</u>

The four largest off street lots are located on 3rd Street across from City Hall, adjacent to Mississippi Drive at Sycamore, 2nd and Pine streets, and at the corner of 3rd and Cedar streets. 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. The 2013/2014 budget includes an increase in these rates to \$.50 per hour for two hour meters and to \$.25 per hour for ten hour meters.

The parking enforcement program provides control of the parking spaces in the central business district. This program is intended to insure that parking restrictions are enforced in order to meet the goals of the program. The primary goal is to provide short-term parking for customers in the downtown business district. The enforcement program is also involved in controlling loading zones, alley parking and other parking regulations in the downtown area.

The downtown landscaping program was initiated in conjunction with the reconstruction of Second Street which was funded as part of a Community Development Block Grant Program. This landscaping program has added aesthetically to the business environment to assist in promoting a healthy economic state in the downtown business district. One-half of a groundskeeper position is charged to this budget and this individual is responsible for maintenance and landscaping in the downtown area with supervision through the Park Maintenance division of the Parks and Recreation department.

Numerous modifications were implemented in the Parking operation in past years. An Administrative Review Panel was formed to hear citizen 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 and subsequently adopted by City Council 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 hours 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.

These changes were fully implemented by September 1, 2007.

CURRENT TRENDS AND ISSUES:

The City Council during their 2012/2013 budget discussions chose to include all of the parking related costs in this budget. This included \$6,700 in employee insurance benefit costs for the Parks Groundskeeper that previously only had 50% of his wages and payroll taxes charged to the Parking budget. The 2012/2013 Parking budget also for the first time included \$7,500 for contracted snow removal costs for the downtown parking lots. This cost had been funded from the Snow and Ice Control budget in previous years. With these added costs, the Parking Fund balance was budgeted to decrease by \$30,300 to \$19,036 during the 2012/2013 year.

The 2012/2013 revised estimate expenditures are under the budgeted amount by \$2,300 due to a reduction in personal services costs. This was due to a vacancy in the Equipment Operator position allocated 25% to Parking as well as part-time Meter Attendant hours being less than originally budgeted. Revised estimate revenues are projected to be \$5,200 higher than budgeted due to increased parking fees and fines. While these two factors have a positive impact on the fund balance, expenditures are still expected to exceed revenues for the year by \$22,800 and the ending fund balance will decrease by that amount to \$33,555.

The 2013/2014 budgeted expenditures for the Parking operation are \$8,400 (4.1%) less than the 2012/2013 budgeted amount. The 2013/2014 budget includes reductions in the Finance Director's allocation to Parking from 10% to 5% and the Equipment Operator's allocation from 25% to 10%. These allocation changes better represent the actual time spent by these positions on parking-related items.

The 2013/2014 budget includes an increase in parking meter rates from the current \$.30/hour for 2-hour meters and \$.20/hour for the 10-hour meters to \$.50 and \$.25, respectively. This is projected to generate \$30,000 in additional revenue. Leased parking rates are not budgeted to change since there are currently a significant number of spaces that are not leased.

With the increase in the meter rates and the position allocation changes, the parking fund revenues are projected to exceed expenditures by \$12,100 in 2013/2014. This will restore some of the parking fund balance that was used in recent years when parking expenditures exceeded parking revenues. The Parking fund balance at the end of 2013/2014 is estimated at \$45,655.

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.

PERFORMANCE MEASURES:

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Metered Parking Spaces	432	432	432	433	433
Leased Parking Spaces	174	174	174	174	174
Reserved Parking Spaces *	104	106	106	106	106
Free Parking Spaces (Inc. Handicapped)	713	718	718	714	714
Total Parking Spaces	1,423	1,430	1,430	1,427	1,427
Overtime Parking Tickets Issued	8,465	8,684	11,212	11,000	11,000
Overtime Tickets Paid or Dismissed	7,533	7,603	9,400	9,350	9,350
Percent Paid or Dismissed	88.99%	87.55%	83.84%	85.00%	85.00%
Handicapped Tickets Issued	42	40	54	60	60
Handicapped Tickets Paid or Dismissed	36	37	49	54	54
Percent Paid or Dismissed	85.71%	92.50%	90.74%	90.00%	90.00%
Other Parking Tickets Issued	1,484	1,173	1,607	1,600	1,600
Other Tickets Paid or Dismissed	1,157	908	1,127	1,200	1,200
Percent Paid or Dismissed	77.96%	77.41%	70.13%	75.00%	75.00%
Overall Collection Rate	87.34%	86.39%	81.99%	83.76%	83.76%
Leased Parking Spaces Available	174	174	174	174	174
Spaces Leased	136	119	113	104	113
Percentage Leased	78.16%	68.39%	64.94%	59.77%	65.00%
Fines Collected by County Treasurer	\$6,915	\$15,201	\$8,945	\$9,000	\$9,500
Courtesy Tickets Issued	490	517	654	754	750

* Reserved spaces include those reserved for the Library, Clark House and Central State Bank.

RECENT ACCOMPLISHMENTS:

Parking enforcement, including the number of tickets issued, has improved during the last year. This can be attributed at least in part to a change in one of the Meter Attendant positions. The meter enforcement staff continues to enforce downtown parking ordinance requirements as well as provide parking-related information to those parking in the downtown area.

A “Lean” initiative currently underway in the Parking operation, will allow for the electronic transfer of the names and addresses of vehicle owners with unpaid tickets into the Parking software system. Past procedures involved forwarding lists of license plates with unpaid tickets to the County Treasurer’s office. That office would then look up that information and forward it back to the City’s parking staff who would then enter it into the parking software system. The City recently entered into an agreement with the Iowa Department of Transportation Motor Vehicle Division which will allow City staff to electronically send lists of license plates with unpaid tickets to that office. That office would then send the name and address information back electronically in a format which can be uploaded into the parking software system. The IT Manager and Parking Coordinator have worked to successfully implement this new process.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To continue to frequently send notices and perform other follow-up procedures for parking fine collections including forwarding unpaid tickets to the County Treasurer’s Office to be placed as a required charge to be paid in order to renew the vehicle registration.
- * To continue to increase marketing efforts for leased parking spaces available in the various City lots. The percentage of available spaces leased in the various lots has decreased from 88% in 2007/2008 to 78% in 2009/2010, to 68% in 2010/2011, to 65% in 2011/2012, and to 60% for the current 2012/2013 year. The goal is to increase this percentage to at least 65% for 2013/2014. Marketing efforts will include offering “specials” for current and new leased parking customers.
- * To complete the implementation of the process for electronic transfer of vehicle name and address information from the Motor Vehicle Division into the parking software system. This was a “Lean” initiative undertaken during the 2012/2013 fiscal year. **(Management Agenda High Priority)**
- * To review Parking processes for any other “Lean” efficiencies. **(Management Agenda High Priority)**

Parking System

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 69,304	\$ 57,436	\$ 49,336	\$ 56,355	\$ 33,555
Revenues					
Parking Fees	\$ 81,425	\$ 82,794	\$ 80,000	\$ 82,000	\$ 112,000 (4)
Parking Permits	36,070	36,498	37,000	36,000	36,000
Meter Hoods	2,407	2,370	1,000	2,200	1,000
Fines	55,046	60,558	55,000	58,000	58,000
Interest	182	153	100	100	100
Donations	743	0 (2)	0	0	0
Total Revenues	<u>\$ 175,873</u>	<u>\$ 182,373</u>	<u>\$ 173,100</u>	<u>\$ 178,300</u>	<u>\$ 207,100</u>
Funds Available	\$ 245,177	\$ 239,809	\$ 222,436	\$ 234,655	\$ 240,655
Expenditures (1)	<u>187,741</u>	<u>183,454 (2)</u>	<u>203,400 (3)</u>	<u>201,100 (3)</u>	<u>195,000 (5)</u>
Ending Balance, June 30	<u><u>\$ 57,436</u></u>	<u><u>\$ 56,355</u></u>	<u><u>\$ 19,036</u></u>	<u><u>\$ 33,555</u></u>	<u><u>\$ 45,655</u></u>

Increase (Decrease) in					
Fund Balance	\$ (11,868)	\$ (1,081)	\$ (30,300) (3)	\$ (22,800) (3)	\$ 12,100

- Expenditures include changes in compensated absences and other post-employment benefits.
- Beginning in 2011 the Downtown Flower Basket program is no longer being accounted for in the Parking Fund. This program is currently being funded from the Park Maintenance budget.
- Per City Council direction during the 2012/2013 budget review, the Parking fund expenditures include \$7,500 for contracted snow removal in the parking lots and \$1,000 for parking stall paint striping. These costs were formerly funded from Public Works budgets. The addition of these costs contributed to the decrease in parking fund balance in 2012/2013.
- The 2013/2014 budget reflects a rate increase from \$.30 to \$.50/hour for 2-hour meters and from \$.20 to \$.25/hour for 10-hour meters.
- The 2013/2014 budget reflects a reduction from 25% to 10% in the allocation of the Equipment Operator and a reduction from 10% to 5% in the allocation of the Finance Director to the Parking fund. These allocations more accurately reflect the actual time spent by these positions on parking-related functions.

Explanation of Changes in Fund Balances:

In 2012/2013 City Council chose to include 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. This contributed to the fund balance decrease in 2012/2013. The fund balance increase in 2013/2014 is primarily due to the budgeted increase in parking meter rates.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 147,167	\$ 144,620	\$ 161,700	\$ 159,400	\$ 152,700	-5.57%
Commodities	2,354	2,338	3,300	2,000	2,000	-39.39%
Contractual Services	5,676	9,537	16,700	18,000	18,000	7.78%
Capital Outlay	10,000	1,170	1,200	1,200	1,200	
Transfers	19,300	19,900	20,500	20,500	21,100	2.93%
Total Expenditures	\$ 184,497	\$ 177,565	\$ 203,400	\$ 201,100	\$ 195,000	-4.13%
Funding Sources						
Parking Fees	\$ 119,902	\$ 121,662	\$ 118,000	\$ 120,200	\$ 149,000	26.27%
Parking Fines	55,046	60,558	55,000	58,000	58,000	5.45%
Interest	182	153	100	100	100	0.00%
Donations	743	-	-	-	-	
Total Funding Sources	\$ 175,873	\$ 182,373	\$ 173,100	\$ 178,300	\$ 207,100	19.64%

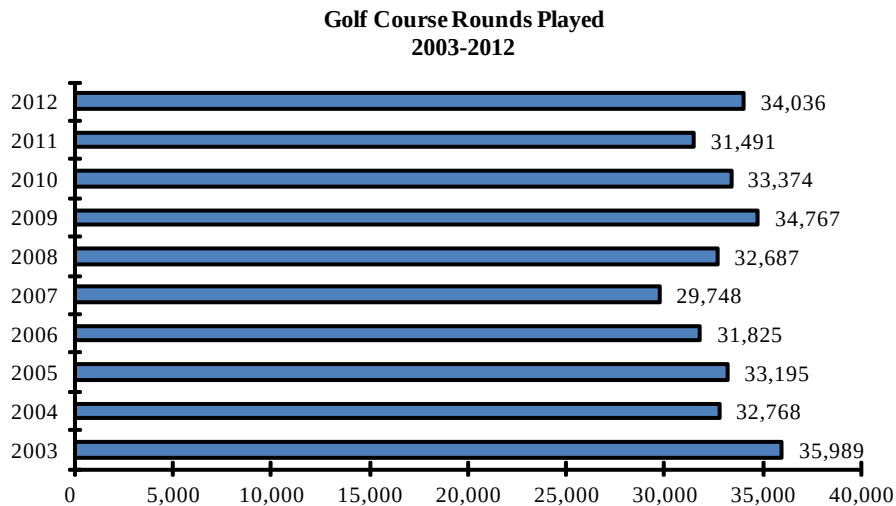
Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Finance Director	0.10	0.10	0.10	0.10	0.05	
Parking Meter Repairperson	0.25	0.25	0.25	0.25	0.10	
Groundskeeper	0.50	0.50	0.50	0.50	0.50	
Finance Secretary/Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	1.60	1.60	1.60	1.60	1.40	
Part Time/Temporary Positions:						
Meter Attendant	1.50	1.50	1.50	1.50	1.50	
Seasonal Laborers	0.05	-	-	-	-	
Total	3.15	3.10	3.10	3.10	2.90	\$ 115,300
Employee Benefits						37,400
Total Personal Services						\$ 152,700

Capital Outlay			
Item:	Quantity	Replacement	Amount
Electronic Meters	9	Yes	\$ 1,200

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. The only exceptions in prior years were the principal and interest payments on the \$250,000 bond issue for the purchase of the golf course property. This issue was retired in 1987. Play at the 18-hole Municipal Golf Course, located north of the City limits, decreased in the years from 1998 through 2007. This decreased play follows a national trend and competition from other area courses may also have had an impact. Play, however, increased in 2008 by 9.9% to 32,687 rounds and further increased by 6.4% to 34,767 in 2009. For 2010 play decreased by 4.0% to 33,374 and decreased another 5.6% to 31,491 rounds in 2011. Rainy weather and extreme heat were contributing factors in the decrease in rounds in 2010 and 2011. Play increased to 34,036 (8.1%) in 2012 which was in part due to favorable weather conditions with few rain days. 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%. The rates were increased for the 2005, 2006, 2007, and 2008 golf seasons. No increases were budgeted for 2009, 2010 or 2011. Rates were increased for the 2012 golf season. No rate increase is budgeted for the upcoming 2013 season.

<u>WEEK DAYS</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>
Adults					
9 holes	\$ 12.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00
18 holes	\$ 5.00	\$ 16.00	\$ 16.00	\$ 17.00	\$ 18.00
Senior Citizens					
9 holes	\$ 11.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 13.00
18 holes	\$ 13.00	\$ 14.00	\$ 14.00	\$ 15.00	\$ 16.00
Junior					
9 holes	\$ 10.00	\$ 10.00	\$ 11.00	\$ 11.00	\$ 5.00
18 holes	\$ 10.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 5.00

<u>WEEK DAYS</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>
Adults 1-3 p.m.					
9 holes	N/A	N/A	N/A	N/A	\$ 9.00
18 holes	N/A	N/A	N/A	N/A	\$ 11.00
Senior Citizens 1-3 p.m.					
9 holes	N/A	N/A	N/A	N/A	\$ 8.00
18 holes	N/A	N/A	N/A	N/A	\$ 10.00

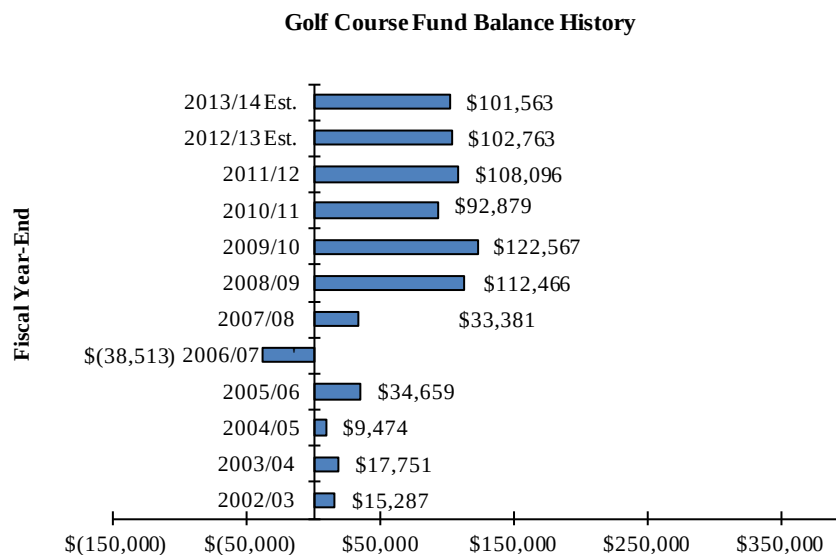
WEEKENDS AND HOLIDAYS

18 Holes					
Adult	\$ 15.00	\$ 16.00	\$ 18.00	\$ 19.00	\$20.00
Senior Citizens	N/A	N/A	\$ 16.00	\$ 17.00	\$18.00
Juniors	N/A	N/A	\$ 13.00	\$ 14.00	\$ 5.00

SEASON PASSES

Adults	\$ 455.00	\$ 485.00	\$ 485.00	\$ 525.00	\$ 550.00
Juniors	\$ 150.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 90.00
Senior Citizens	\$ 380.00	\$ 405.00	\$ 405.00	\$ 440.00	\$ 465.00
College Student Pass	N/A	N/A	N/A	\$ 335.00	\$ 300.00
Family Pass	N/A	N/A	N/A	\$ 875.00	\$ 915.00

The Golf Course fund balance has varied in recent years due to the amount of capital expenditures each year and also due to fluctuations in play over the past ten years. The deficit balance at the end of 2006/2007 and small balance at the end of 2007/2008 were due to the maintenance building fire. The fund balance history is shown below.



Prior to 2007 the City had a contractual agreement with a golf professional to provide various services during the golf season. Effective as of the start of the 2007 season, the golf professional and all of the clubhouse staff are now employees of the city.

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. Revised estimate expenditures are \$6,300 higher than the original budget primarily due to an increase in merchandise purchased for resale.

The budgeted expenditures for 2013/2014 are \$25,400 (6.8%) higher than the 2012/2013 budget. This increase is primarily due to increases in personal services, items for resale, and capital outlay. The capital outlay allocation of \$6,700 is for a new range ball dispenser.

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

The golf course maintenance building fire on May 31, 2007 destroyed most of the mowers, other equipment, chemicals and fertilizers, tools and various other items, as well as the building itself. Insurance reimbursements were received toward the cost of replacing these items; however, the insurance coverage for the equipment was based on the current value of the equipment, not replacement value. The insurance reimbursement also would fund the replacement of the same size and type of building that was destroyed. The City, however, hired an architect to design a new maintenance building to meet the current needs of the Golf Course. Construction of this building was completed in the spring of 2009 at a cost of \$253,800. Insurance reimbursements for the former facility were only \$76,385. A capital project fund was established to account for costs of reconstructing this building and the estimated project cost (net of insurance) was originally projected to be financed over an 8-year period with a loan from other City funds. A down payment of \$23,600 was made in 2008/2009 with future annual payments (including interest) scheduled to be made over the next seven years. These types of loans have been used in previous years for major golf course projects. Based on actual revenues since that time, the loan repayment schedule was accelerated and the final payment on the internal loan was made in 2011/2012.

The revised estimate for 2012/2013 for the Golf Operations activity budget is \$25,100 higher than the original budget due to increased contractual services and increased transfers. The contractual services increase is due to the addition of \$15,200 for digging two wells deeper due to the drought conditions in the summer of 2012. The transfers budgeted in 2012/2013 included \$50,000 for the down payment on the fairway irrigation system project. Due to strong golf revenues in 2012 the down payment on the irrigation system was increased to \$60,000. The total project cost is estimated at \$342,800 and the project is currently under construction. An internal loan is again being used to finance this project.

The 2013/2014 budget is \$32,800 (7.3%) higher than the 2012/2013 budget due to increased capital outlay (\$16,300), increased transfers (\$11,500) and increased personal services costs (\$5,000). Budgeted capital purchases include replacement of the golf clubhouse carpet (\$12,000), replacement of a utility vehicle (\$9,000), and purchase of a wide area blower (\$6,700). The budgeted transfers include \$60,000 for the second payment on the fairway irrigation system which is \$10,000 higher than the amount in the original 2012/2013 budget.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, net of inventory, at the end of the 2012/2013 year will be \$102,763 and at the end of 2013/2014 will be \$101,563. A number of factors, however, can impact revenues at the course, especially the weather. As with previous internal loans for golf course improvements, payments on the internal loan for the fairway irrigation system project will be accelerated if sufficient funds are available.

As noted above, no golf fee increase is budgeted for the 2013 season. This will be the 7th 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 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Golf Course Operations:					
Top Dressed Greens	7	7	8	7	7
Stimmed Greens	20	20	12	12	12
Aerified Greens	2	1	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	263	263	263	263
New Trees Planted	4	3	4	6	4
Bluebirds Fledged	22	25	6 (84 eggs)	28	25
Rolled Greens	25	29	27	26	26
Verti-cut Greens	6	6	7	6	6
Clubhouse Operations:					
Rounds Played	34,767	33,374	31,491	34,036	34,500
Events	52	48	50	49	50
Leagues	7	7	8	9	9
Season Passes Sold	292	312	277	298	310
Driving Range Tokens Sold	7,931	7,397	7,700	8,972	8,500
Gift Cards Sold (\$)	\$16,121	\$22,708	\$18,578	\$20,046	\$20,000
Lesson Hours	160	165	168	175	180
Total Beer Sales (Units)	29,195	37,455	36,400	40,548	43,000
Total Food and Beverage (Units)	40,489	43,422	49,795	38,790	43,000
Simulator Usage (\$)	NA	\$3,285	\$6,990	\$3,358	\$5,000
Merchandise Sales (\$)	\$36,244	\$44,731	\$59,414	\$63,906	\$68,000

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The 2012 golfing season started very early due to the mild winter weather. Greens, tees, and fairways were mowed the first full week in March with the course opening on March 10, 2012.

The growing season was going really well until it started to get dry and hot. Poa started to show some major stress and some turf was lost due to shallow rooting. The wells both ran dry and had to be drilled deeper.

There continued to be issues with turf on number three tee box last summer. Staff has identified a problem with the soils and is trying to fix this problem, but it is expected to take some time.

Number nine forward tee box was stripped of sod, tilled up, re-leveled, and sodded this fall. The tee box was infested with poa annua and very uneven. With leveling the area, it almost doubled the usable area. This project was done in house and the tee box is expected to be open in early spring.

During the late summer/fall growing season, all of the damaged turf was re-seeded, re-sodded or has recovered on its own. The course was in exceptional shape all during the fall with numerous positive comments by the golfers.

Construction has begun on the fairway irrigation system. The contractor has done an outstanding job with very little course disruption last fall. This project is over halfway completed with the remaining work to be done in the spring.

Golf Course Clubhouse

The golf course opened for play on March 10th and the season started with great weather which helped for the course to have its busiest March in recent history. This increase in play continued through June when the heat of the summer slowed down play a little. The new pricing plan of a mid afternoon reduced rate and no other specials allowed the course to keep play at a solid level as well as not devalue the golf course and the quality of the facility. Revenue numbers were very good for the calendar year and on a good pace for the beginning of the 2013/2014 budget year. The season ended on December 9th with a total of 34,036 rounds for the calendar year. This is about 1,000 rounds greater than the 10 year average.

The golf course closed for the winter on December 10th and the simulator season began. Interest has been good in the simulator leagues and they will continue until the golf course opens in the spring.

OBJECTIVES TO BE COMPLETED IN 2013/2014:

Golf Course Operations

- * To renovate number 9 and number 15 greens.
- * To repair some existing cart paths (number 10 and number 2) and add continuous cart paths to number 3 and number 17.
- * To continue to pursue bunker repairs and/or renovations as needed.

- * To replace the worn and dated carpet in the club house and replace the rubber flooring in the entry ways on the north and south side of the building.
- * To continue to work on the number 3 tee box to improve the soil conditions and playability.
- * To replace the trees that had been removed along the parking lot.
- * To continue to work within the approved budget.
- * To continue to seek information on the “Lean” initiative and implement new ideas. **(Management Agenda High Priority)**
- * To continue to listen to golfers suggestions, input, and ideas that may help improve the golf course.
- * To replace trees that die that may impact the playability of the course.

Golf Course Clubhouse

- * To increase merchandise sales by providing quality products and well trained staff.
- * To increase food and beverage sales by providing a good selection of products at a competitive price and in an inviting setting.
- * To increase participation in activities and programs by offering expanded programs that will encourage different participant groups.
- * To actively participate in local business groups that will help encourage participation at the golf course.
- * To increase customer service training with seasonal staff in an effort to provide consistent quality customer care.
- * To continually look for ways to make the golf operation more “Lean”, including implementing new processes and procedures. **(Management Agenda High Priority)**

Golf Course Operations

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 104,469	\$ 58,899	\$ 15,059	\$ 60,863	\$ 55,763
Revenues	777,025	874,662	856,400	850,300	881,000
Encumbrance Variance	<u>0</u>	<u>1,328</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	<u>\$ 881,494</u>	<u>\$ 934,889</u>	<u>\$ 871,459</u>	<u>\$ 911,163</u>	<u>\$ 936,763</u>
Expenditures:					
Golf Course Operations	\$ 433,535	\$ 483,751	\$ 449,100	\$ 474,200 (2)	\$ 481,900 (3)
Golf Clubhouse Operations	<u>389,060</u>	<u>390,275</u>	<u>374,900</u>	<u>381,200</u>	<u>400,300</u>
Total Expenditures (1)	<u>\$ 822,595</u>	<u>\$ 874,026</u>	<u>\$ 824,000</u>	<u>\$ 855,400</u>	<u>\$ 882,200</u>
Ending Balance, June 30	<u><u>\$ 58,899</u></u>	<u><u>\$ 60,863</u></u>	<u><u>\$ 47,459</u></u>	<u><u>\$ 55,763</u></u>	<u><u>\$ 54,563</u></u>
Allowance for Inventory	<u>33,981</u>	<u>47,233</u>	<u>34,000</u>	<u>47,000</u>	<u>47,000</u>
Net Balance, June 30	<u><u>\$ 92,879</u></u>	<u><u>\$ 108,096</u></u>	<u><u>\$ 81,459</u></u>	<u><u>\$ 102,763</u></u>	<u><u>\$ 101,563</u></u>

Increase (Decrease) in					
Fund Balance	\$ (45,570)	\$ 1,964	\$ 32,400	\$ (5,100)	\$ (1,200)

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2012/2013 revised estimate expenditures include a downpayment of \$60,000 on the internal loan for the Irrigation System project.
3. The 2013/2014 budgeted expenditures include a transfer of \$60,000 for the second payment on the internal loan for the Irrigation project.

Golf Course

Summary of Revenues

	Actual	Actual	Budget	Revised	Budget
	2010/2011	2011/2012	2012/2013	Estimate	2013/2014
				2012/2013	
Season Passes	\$ 107,009	\$ 122,005	\$ 131,000	\$ 125,000	\$ 130,000
Greens Fees	222,923	249,921	247,000	240,000	245,000
Trail Fees	175	200	150	200	200
Interest	315	161	100	100	100
Rental of Buildings	50	0	350	350	350
Lessons	5,760	5,490	10,000	6,000	6,000
Golf Cart Rental	178,098	209,093	193,000	200,000	205,000
Pull Cart Rental	966	582	1,000	800	800
Driving Range Fees	17,435	20,620	18,000	19,500	21,000
Tee Time Reservations	359	0	0	0	0
Simulator Fees	8,615	3,659	10,000	4,000	5,000
Catering Fee	206	174	600	400	400
Beer Sales	80,356	93,947	85,000	94,000	98,000
Food and Beverage Sales	66,403	73,741	68,000	68,000	70,000
Merchandise Sales	54,073	60,849	60,000	62,000	67,000
Miscellaneous Sales	1,355	2,448	2,000	2,000	2,000
Rebate - Soft Drink Supplier	1,800	1,800	1,800	0	2,000
Sales Tax	25,608	27,734	28,400	27,200	28,100
Sale of Equipment	2,772	0	0	0	0
Miscellaneous	2,750	2,238	0	750	50
Total Revenues	<u>\$ 777,025</u>	<u>\$ 874,662</u>	<u>\$ 856,400</u>	<u>\$ 850,300</u>	<u>\$ 881,000</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Course Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 179,617	\$ 188,884	\$ 195,400	\$ 194,700	\$ 200,400	2.56%
Commodities	96,685	104,902	101,900	101,000	101,000	-0.88%
Contractual Services	45,780	48,030	41,800	58,800	42,700	2.15%
Capital Outlay	22,289	50,773	11,400	11,100	27,700	142.98%
Transfers	83,000	86,639	98,600	108,600	110,100	11.66%
Total Expenditures	<u>\$ 427,371</u>	<u>\$ 479,228</u>	<u>\$ 449,100</u>	<u>\$ 474,200</u>	<u>\$ 481,900</u>	7.30%
Funding Sources						
Golf Funds	<u>\$ 427,371</u>	<u>\$ 479,228</u>	<u>\$ 449,100</u>	<u>\$ 474,200</u>	<u>\$ 481,900</u>	7.30%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	
Total	4.56	4.56	4.56	4.56	4.56	\$ 146,600
Employee Benefits						<u>53,800</u>
Total Personal Services						<u>\$ 200,400</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Clubhouse Carpet		Yes	\$ 12,000
Utility Vehicle	1	Yes	9,000
Wide Area Blower	1	No	<u>6,700</u>
			<u>\$ 27,700</u>
Capital Project Funding Transfer			
Fairway Irrigation System (Payment #2)			<u>\$ 60,000</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 150,904	\$ 155,403	\$ 153,900	\$ 154,700	\$ 161,300	4.81%
Commodities	128,976	141,249	122,800	131,800	135,800	10.59%
Contractual Services	89,230	88,278	97,200	93,700	96,500	-0.72%
Capital Outlay	19,950	5,345	1,000	1,000	6,700	570.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 389,060</u>	<u>\$ 390,275</u>	<u>\$ 374,900</u>	<u>\$ 381,200</u>	<u>\$ 400,300</u>	6.78%
Funding Sources						
Golf Fees and Sales	<u>\$ 389,060</u>	<u>\$ 390,275</u>	<u>\$ 374,900</u>	<u>\$ 381,200</u>	<u>\$ 400,300</u>	6.78%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.61	1.49	1.35	1.35	1.35	
Cashier	1.33	1.14	1.18	1.18	1.18	
Laborer/Ranger	<u>0.49</u>	<u>0.64</u>	<u>0.74</u>	<u>0.74</u>	<u>0.74</u>	
Total Part Time	<u>3.43</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	
Total	4.43	4.27	4.27	4.27	4.27	\$ 127,600
Employee Benefits						<u>33,700</u>
Total Personal Services						<u>\$ 161,300</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Range Ball Dispenser	1	Yes	<u>\$ 6,700</u>

BOAT HARBOR OPERATIONS

GENERAL INFORMATION:

The Boat Harbor budget accounts for revenues and expenditures of the municipal boat harbor. Maintenance of the park levee is assigned to several City departments under the supervision of the Parks and Recreation department. Weed and vegetation control are a focus of this maintenance activity. All costs associated with the operation of Riverside Park are reflected in the Park Maintenance budget.

CURRENT TRENDS AND ISSUES:

The 2012/2013 revised estimate is \$1,100 higher than the original budget primarily due to the addition of \$1,200 in costs for disposal of old dock sections.

The 2013/2014 budget totals \$25,700 which is \$1,300 (5.3%) higher than the original 2012/2013 budget. The increases were primarily in personal services (\$800), insurance (\$200), and administrative fees (\$200).

The electrical upgrade to the houseboat dock completed in 2011 resulted in a deficit fund balance of \$9,337 at the end of the 2010/2011 fiscal year. Due to a very favorable 2012 boating season, this deficit was eliminated in 2011/2012 with a positive balance of \$6,256 at year end. The estimated fund balance as of June 30, 2013 is \$19,456 and for 2013/2014 is \$32,456.

The number of boat slip rentals and the corresponding revenue is dependent on river conditions each year and other factors. There was a decrease in the number of slip rentals in 2008 due to two floods and high fuel prices. Those reduced levels continued in 2009. The number of slip rentals increased by five in 2010 to fifty-two (52) and decreased by one to fifty-one (51) in 2011. The number of boat slip rentals increased in 2012 to seventy-one (71). The number of boat slip rentals is projected to remain at seventy-one for the 2013 and 2014 boating seasons. Slip rental rates were increased by \$40 per slip for the 2010 season and were not increased for the 2011 or 2012 boating seasons. The current rates are budgeted to continue in 2013. The seasonal fee structure for the boat harbor is as follows:

TYPE OF BOAT

	<u>1992</u>	<u>1993-97</u>	<u>1998</u>	<u>1999-2007</u>	<u>2008-2009</u>	<u>2010-2013</u>
17 feet or less	\$224.00	\$235.00	\$246.00	\$271.00	\$298.00	\$338.00
18 to 25 feet	299.00	314.00	330.00	363.00	399.00	439.00
26 to 32 feet	374.00	393.00	413.00	454.00	499.00	539.00
33 feet and up	635.00*	667.00*	700.00*	770.00*	847.00*	887.00*
Single slips	449.00	471.00	495.00	545.00	595.00	635.00

* 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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
House Boat Slips Rented	14	15	16	16	16
House Boat Slips Available	18	18	18	18	18
Percent Rented (House Boats)	78%	83%	94%	94%	94%
Other Slips Rented	34	33	53**	53	53
Other Boat Slips Available	87	87	87	66*	66*
Percent Rented (Other Slips)	39%	38%	60%	81%	81%
Courtesy Slip Rentals	19	17	15	20	20

- * The long dock slips were reconfigured to uniform widths for the 2013 boating season which reduced the number of other slips available.
- ** Other slip rentals in 2012 included four professional service slips.

RECENT ACCOMPLISHMENTS:

In addition to normal dock and levee maintenance, the major task for the year was to reconfigure the long dock into 64 uniform width slips. This also included realignment of the electric panels and moving the water feed connection. One house boat finger was also replaced. The Parks and Recreation department increased efforts for monitoring the usage of slips in 2012 by periodically checking users against the paid reservation list. The new office coordinator has been receiving training in this operation.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To complete a workable design for dock stiff arm replacement.
- * To continue to educate and enforce slip usage rules.
- * To continue to support Water Pollution Control staff with harbor dredging.
- * To develop a plan for long term dock replacement.
- * To discuss and implement “Lean” initiatives where possible. **(Management Agenda High Priority)**

Boat Harbor Operations

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance (Deficit), July 1	\$ 3,607	\$ (9,337)	\$ (5,937)	\$ 6,256	\$ 19,456
Revenues					
Boat Slip Rentals	\$ 25,106	\$ 39,164	\$ 27,000	\$ 38,000	\$ 38,000
Overnight Slip Rentals	457	630	700	700	700
Miscellaneous	<u>1,775</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 27,338</u>	<u>\$ 39,814</u>	<u>\$ 27,700</u>	<u>\$ 38,700</u>	<u>\$ 38,700</u>
Funds Available	\$ 30,945	\$ 30,477	\$ 21,763	\$ 44,956	\$ 58,156
Expenditures (1)	<u>40,282</u>	<u>24,221</u>	<u>24,400</u>	<u>25,500</u>	<u>25,700</u>
Ending Balance (Deficit), June 30	<u>\$ (9,337) (2)</u>	<u>\$ 6,256 (2)</u>	<u>\$ (2,637)</u>	<u>\$ 19,456</u>	<u>\$ 32,456</u>

Increase (Decrease) in					
Fund Balance	\$ (12,944)	\$ 15,593	\$ 3,300	\$ 13,200	\$ 13,000

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The deficit at the end of 2010/2011 was due to the upgrade of the electrical service on the houseboat dock at a cost of \$16,944. This deficit was eliminated in 2011/2012.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 12,903	\$ 12,671	\$ 13,600	\$ 13,100	\$ 14,400	5.88%
Commodities	544	585	600	800	700	16.67%
Contractual Services	4,278	5,704	5,000	6,400	5,200	4.00%
Capital Outlay	17,694	-	-	-	-	
Transfers	4,800	5,000	5,200	5,200	5,400	3.85%
Total Expenditures	<u>\$ 40,219</u>	<u>\$ 23,960</u>	<u>\$ 24,400</u>	<u>\$ 25,500</u>	<u>\$ 25,700</u>	5.33%
Funding Sources						
Boat Harbor Revenues	<u>\$ 27,338</u>	<u>\$ 39,814</u>	<u>\$ 27,700</u>	<u>\$ 38,700</u>	<u>\$ 38,700</u>	39.71%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 11,100
Employee Benefits						3,300
Total Personal Services						<u>\$ 14,400</u>

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. Through 2003 the gas barge was operated by City staff and not by a private entity as the City had hoped. 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.

In 2005 the City entered into a five-year agreement with D&C Werner, LLC, for riverfront and marina operations. Under the agreement, D&C Werner, LLC, would pump gas and diesel fuel and was to also sell convenience and boater specific products in the building adjacent to the marina which had previously been used by park maintenance staff. The City was to pay the contractor \$5,000 annually under this contract. The contractor provided fuel sales to boaters through 2007; however, the store area for boater convenience items was not opened beginning in 2007. In 2008 the contractor withdrew from the agreement and City staff is again selling fuel to boaters. No concession items are being sold by the City.

CURRENT TRENDS AND ISSUES:

The 2012/2013 revised estimate and 2013/2014 budget allow for fuel purchases and fuel sales to continue at recent year levels. Both the revised estimate for 2012/2013 and the budget projection for 2013/2014 show this operation breaking even. As in previous years, if there are shortfalls for either year, 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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 2014
Gallons of Gasoline Sold	3,442	3,933	3,813	3,800	3,800
Gallons of Diesel Fuel Sold	2,287	635	602	600	600
Hours Open	174	129	179	180	180

RECENT ACCOMPLISHMENTS:

An upgrade to the electrical connection to the dock was made in 2012 making it less difficult for boaters to hook up and disconnect to the dock. Staff training was done to make the operation as service friendly as possible.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To continue to explore entering into a contractual arrangement for the provision of retail concession services to boaters.
- * To improve fuel connections.
- * To continue to operate within federal and state guidelines.
- * To recruit and train quality staff.
- * To complete repairs to the fuel shed.
- * To discuss and implement “Lean” initiatives in this operation. **(Management Agenda High Priority)**

Marina Operations

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance (Deficit), July 1	\$ (2,337)	\$ (5,371)	\$ (5,071)	\$ (3,295)	\$ (3,195)
Revenues					
Fuel Sales	\$ 13,409	\$ 18,734	\$ 20,000	\$ 18,000	\$ 18,000
Miscellaneous	64	23	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>0</u>	<u>775</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 13,474</u>	<u>\$ 19,532</u>	<u>\$ 20,100</u>	<u>\$ 18,100</u>	<u>\$ 18,100</u>
Funds Available	\$ 11,137	\$ 14,161	\$ 15,029	\$ 14,805	\$ 14,905
Expenditures	<u>16,507</u>	<u>17,456</u>	<u>19,800</u>	<u>18,000</u>	<u>18,500</u>
Ending Balance (Deficit), June 30	\$ (5,371)	\$ (3,295)	\$ (4,771)	\$ (3,195)	\$ (3,595)
Allowance for Inventory	<u>5,824</u>	<u>3,295</u>	<u>5,800</u>	<u>3,195</u>	<u>3,595</u>
Net Balance (Deficit), June 30	<u>\$ 453</u>	<u>\$ 0</u>	<u>\$ 1,029</u> (1)	<u>\$ 0</u> (1)	<u>\$ 0</u> (1)

Increase (Decrease) in Net Fund Balance	\$ 3,034	\$ 2,076	\$ 300	\$ 100	\$ (400)

1. Although zero fund balances are projected with the allowance for inventory, any shortfalls are proposed to be funded from transfers from the General Fund on an annual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Marina Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 1,535	\$ 1,725	\$ 1,800	\$ 1,600	\$ 1,800	0.00%
Commodities	14,072	12,036	17,300	15,500	15,800	-8.67%
Contractual Services	900	3,694	700	900	900	28.57%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 16,507</u>	<u>\$ 17,455</u>	<u>\$ 19,800</u>	<u>\$ 18,000</u>	<u>\$ 18,500</u>	-6.57%
Funding Sources						
Fuel Sales	\$ 13,409	\$ 18,734	\$ 20,000	\$ 18,000	\$ 18,000	-10.00%
Miscellaneous Revenue	64	23	100	100	100	0.00%
Subsidy to Eliminate Deficit	-	775	-	-	-	
Total Funding Sources	<u>\$ 13,473</u>	<u>\$ 19,532</u>	<u>\$ 20,100</u>	<u>\$ 18,100</u>	<u>\$ 18,100</u>	-9.95%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 1,500
Employee Benefits						300
Total Personal Services						<u>\$ 1,800</u>

AMBULANCE OPERATIONS FUND

GENERAL INFORMATION:

Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000. This agreement provided for a City subsidy to the ambulance service of \$90,500 per year and subsidies from the townships that totaled \$24,500 per year.

In August of 1998, the City contracted with an outside consultant to provide a thorough analysis of the City's system of pre-hospital care involving the Muscatine Fire Department and Muscatine Ambulance, Inc. The consultant's report was used as a basis for development of specifications and a request for proposals (RFP) for potential providers of ambulance services upon the expiration of the ambulance contract on June 30, 2000. After reviewing two proposals, the City Council selected the Muscatine Fire Department to provide this service. In order to account for revenues and expenditures of the Fire Department Ambulance Service, this operation was established as an enterprise fund of the City.

In 1999/2000, \$289,690 was expended for purchasing and equipping three (3) new ambulances and purchasing the necessary supplies to begin providing services effective July 1, 2000. The original budget for the 2000/2001 fiscal year included costs and cost allocations to fund this new operation. Five new firefighter positions, one-half of a Fire Mechanic position and a half-time equivalent clerical position were included in this budget. Additionally as part of the Ambulance Operation's administrative fee, 50% of an Assistant Fire Chief and 25% of the Fire Chief's costs were also charged to this budget. The budget also included funds for supplies and services associated with this service including funds to contract for ambulance billing services.

Since the ambulance service became a city operation in 2000, the city has been able to allocate the cost of firefighters and administrative positions to this operation. This amount has varied based upon revenues generated and fund balances at the end of each fiscal year. This allows the city to relieve the General Fund of these expenses.

Effective for the 2007/2008 year, the City made a number of changes to employee allocations to address decreases in fund balance in the Ambulance Fund as well as assisting with balancing the General Fund budget. These changes included transferring the 6.5 fulltime equivalent firefighter/mechanic positions from the Ambulance Fund to the Fire Department budget in the General Fund. Funding transfers are now being made from the Ambulance Fund to the General Fund for a percentage of the total wage and benefit costs for the overall fire department staff. Benefit costs for these positions are funded from the Employee Benefits tax levy for General Fund Employees. Also in 2007/2008, a decision was made to use bond financing for the refurbishment of two ambulances (\$160,000).

A rate increase was implemented April 1, 2006 which increased the base rate from \$450 to \$485. This was the first increase in the base rate since the Fire department began providing ambulance services in 2000. Rates were again increased effective April 1, 2007 due to reduced revenues to the Ambulance Fund. Under the new rate structure fees vary by level of ambulance service with the BLS rate increasing to \$525, the ALS1 to \$575 and the ALS2 to \$675. Rates were again adjusted in January, 2009. The rates for ALS1 increased from \$575 to \$586 and for Skilled Care Transport from \$775 to \$1,002. Effective July 1, 2010 the rates for ALS1 increased to \$616, ALS2 to \$891, and skill care transports to \$1,053. Effective July 1, 2011, the base rate was increased to \$560, ALS1 increased to \$665, ALS2 increased to \$962 and SCT increased to \$1,137. The mileage rate and "ALS Services with no Transport" rates

changed effective July 1, 2012; the other rates continued at their 2011 levels. 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 2013/2014, personnel costs in the Fire Department budget are being allocated to the Ambulance budget on a percentage basis rather than by computing a specific number of fire positions and position allocations. This percentage was 25.5% for 2012/2013 and that same percentage is budgeted for 2013/2014. While the percentage remained the same, with increased wage and pension contribution costs, the amount of the transfer will increase from \$839,000 in 2012/2013 to \$885,300 in 2013/2014, an increase of \$46,300 (5.5%). As 90% or more of Fire department calls are medical, this percentage allocation is appropriate and at the same time maintains an adequate balance in the Ambulance fund.

The revised estimated expenditures for 2012/2013 are \$38,200 higher than the original budget. Commodities increased by \$12,000 due to increases in medical supplies, vehicle maintenance supplies, and fuel. Contractual services costs increased by \$13,800 due to increases in billing service fees and vehicle repair and maintenance services. Capital outlay increased by \$10,300 due to the addition of \$10,000 for Cardiac Enzymes Testing equipment which was 100% funded through a grant.

The budgeted expenditures for 2013/2014 are \$175,100 (14.1%) higher than the 2012/2013 budget. The capital outlay allocation increased by \$98,700 compared to 2012/2013. The major capital purchase for 2013/2014 is the refurbishment of an ambulance for \$99,000. This purchase will be subject to a further review of revenues and available funds prior to it being authorized. The budget also includes the \$46,300 increase in funding transfers for 25.5% of fire department personnel costs as discussed above. The budget continues the increased allocations for medical supplies, vehicle maintenance, billing services, and fuel.

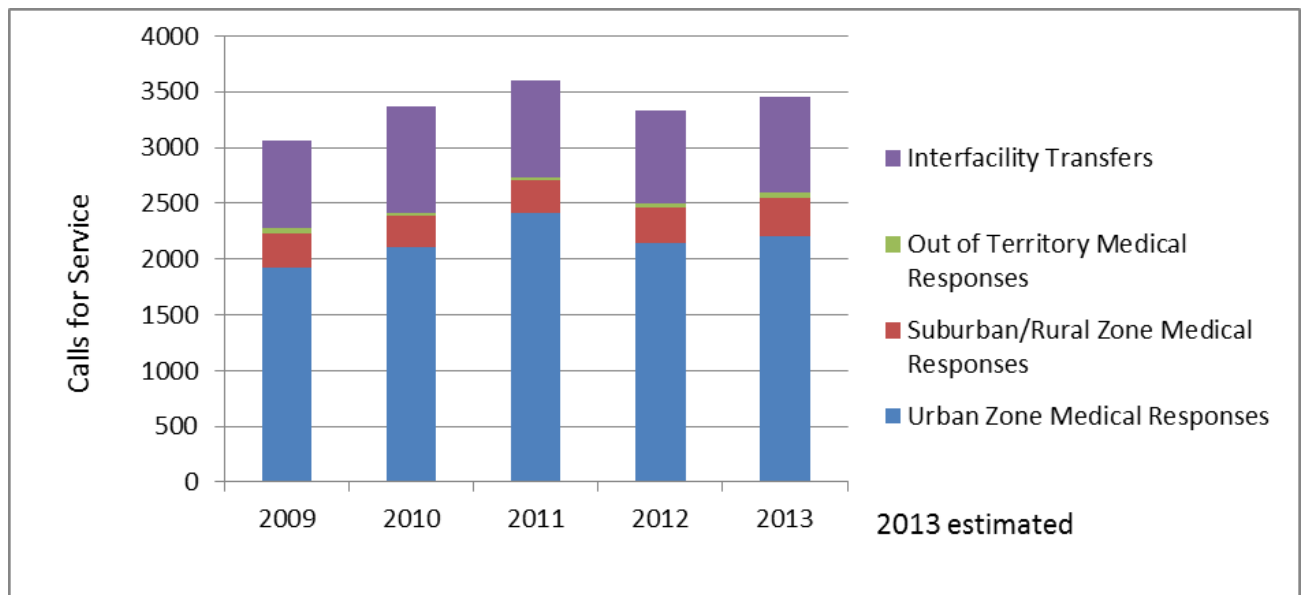
Ambulance service fees are estimated at \$1,250,000 for both 2012/2013 and 2013/2014. Usage and revenues have fluctuated in recent years and staff continues to monitor trends in these areas. The fund balance at the end of 2013/2014 is projected at \$108,144.

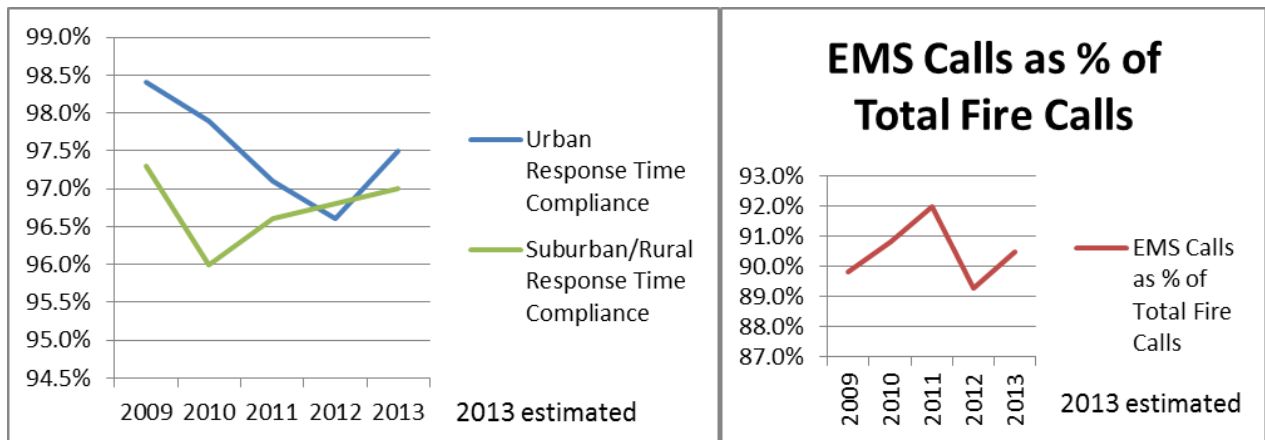
GOAL STATEMENT:

To provide high performance paramedic transport services in the Muscatine area, responding to all emergency calls with a transport unit in less than 9 minutes on not less than 95% of all response requests within the "Urban Zone" and less than 15 minutes on not less than 95% of all response requests within the "Suburban/Rural Zone."

PERFORMANCE MEASURES

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Urban Zone Medical Responses	1,929	2,106	2,413	2,016	2,350
Suburban/Rural Zone Medical Responses	302	278	292	301	350
Out of Territory Medical Responses	48	32	25	38	50
Interfacility Transfers	787	951	872	816	850
Total EMS Calls	3,066	3,367	3,602	3,171	3,600
EMS Calls as % of Total Fire Calls	89.8%	90.8%	92.0%	82.1%	90%
EMS Training Hours	2,719	1,983	1,174	1,480	1,800
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	98.4%	97.9%	97.1%	96.6%	98%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	97.3%	96.0%	96.6%	96.8%	98%





RECENT ACCOMPLISHMENTS:

Fire department staff has been involved with the IEMSA (Iowa Emergency Medical Services Association) conference and also continues to provide for the EMS Saturday event each year. Muscatine is looked to as a leader in the county by offering countywide classes and also providing the training portion of the three mutual aid meetings held this past year. Staff also presented at the Mercy Iowa City annual cardiac care conference.

The department is viewed as a leader in STEMI bypass protocols for cardiac patients. The department has also “pushed the envelope” with services such as the new hypothermia treatment, implemented stroke bypass protocols, and by acting as a test/research site for a cardiac enzyme implementation and the Coverdell stroke program.

In November the department was recognized for being the Career EMS Service of the Year by the Iowa EMS Association. This is the second time the department received this award with the first being in 2002. The department is only the second EMS organization to be recognized twice for the Service of the Year award.

Muscatine is looked to as a leader in the arena of fire-based ambulance services in the region. The way the service is run is recognized as efficient and effective. Because of this, the department often receives inquiries from other agencies that are looking to improve their processes. In the last year, multiple EMS agencies, including other fire departments, have contacted our department and visited in order to see how things are done in Muscatine. This has had a positive impact on other communities.

The department was made aware of a grant opportunity from the NFPA Slip, Trip, and Fall program for seniors. This grant was applied for in partnership with Senior Resources and we were successful in obtaining the funding. This grant covered the travel expenses and registration costs to send one firefighter and one Senior Resources employee to Boston for training in the delivery of in-home safety presentations. As part of the agreement, Senior Resources will provide four staff members who will give in-home one-on-one presentations and site evaluations to identify potential safety hazards in a senior’s home. Hazards identified will include such things as smoke alarms, the use of grab handles, and fall hazards. The Fire department will provide expert assistance as needed for the in-home program. In addition, Fire personnel provide group training for seniors at locations such as senior meal sites. This is an enhancement to the programs already provided by department staff. The partnership and coordination with Senior Resources will provide for a better and more targeted hazard identification and elimination program and assist in efforts to reduce injuries in the elderly population.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To explore the need for developing a contingency plan for providing EMS outside the present district boundaries and begin the preparation of such a plan if needed.
- * To review the concept of integrating a countywide standardization plan to address medical protocol issues, medication stocking and use, and response protocols.
- * To explore opportunities to support other response agencies in the county in regard to state regulations and record keeping.

Ambulance Operations

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 281,293	\$ 458,463	\$ 254,033	\$ 214,444	\$ 242,744
Revenues					
Ambulance Fees	\$ 1,245,636	\$ 1,140,432	\$ 1,200,000	\$ 1,250,000	\$ 1,250,000
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	75,716	(24,789)	0	0	0
Township Subsidies	31,400	31,400	31,400	30,000	30,000
Donations	7,737	20,000	0	10,000	0
Interest	632	375	600	300	200
Local Grant/Reimbursement	0	0	0	13,200	0
Reimbursement of Damages	160	0	0	2,500	0
Other	0	0	0	200	0
Transfer In:					
Ambulance Refurbishment Capital Project Fund	0	12,482	0	0	0
Total Revenues	<u>\$ 1,361,281</u>	<u>\$ 1,179,900</u>	<u>\$ 1,232,000</u>	<u>\$ 1,306,200</u>	<u>\$ 1,280,200</u>
Funds Available	\$ 1,642,574	\$ 1,638,363	\$ 1,486,033	\$ 1,520,644	\$ 1,522,944
Expenditures (1)	<u>1,184,111</u>	<u>1,423,919</u>	<u>1,239,700</u>	<u>1,277,900</u>	<u>1,414,800 (2)</u>
Ending Balance, June 30	<u><u>\$ 458,463</u></u>	<u><u>\$ 214,444</u></u>	<u><u>\$ 246,333</u></u>	<u><u>\$ 242,744</u></u>	<u><u>\$ 108,144</u></u>
Increase (Decrease) in Fund Balance	\$ 177,170	\$ (244,019)	\$ (7,700)	\$ 28,300	\$ (134,600)

- Expenditures include changes in compensated absences and other post-employment benefits.
- The 2013/2014 budgeted expenditures include \$99,000 for the refurbishment of one ambulance. This purchase is subject to review of revenues and funding availability prior to being authorized.

Explanation of Changes in Fund Balances:

Fluctuations in the Ambulance fund balance are primarily due to the number and amount of capital outlay purchases each year. The fund balance decrease in 2011/2012 was primarily due to the purchase of an additional ambulance at a cost of \$160,000 and various other capital items totaling \$81,700. The 2013/2014 decrease is primarily due to \$104,500 in capital outlay items including \$99,000 to refurbish one ambulance.

Function:
Business Type

Department:
Fire

Activity:

Ambulance Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 124,591	\$ 123,482	\$ 125,400	\$ 127,500	\$ 132,200	5.42%
Commodities	67,288	77,817	82,700	94,700	91,200	10.28%
Contractual Services	150,587	146,863	153,300	167,100	167,100	9.00%
Capital Outlay	108,852	255,358	5,800	16,100	104,500	1701.72%
Transfers	729,419	818,800	872,500	872,500	919,800	5.42%
Total Expenditures	<u>\$ 1,180,737</u>	<u>\$ 1,422,320</u>	<u>\$ 1,239,700</u>	<u>\$ 1,277,900</u>	<u>\$ 1,414,800</u>	14.12%
Funding Sources						
Ambulance Fees	\$ 1,321,352	\$ 1,115,643	\$ 1,200,000	\$ 1,250,000	\$ 1,250,000	4.17%
County Subsidy	31,400	31,400	31,400	30,000	30,000	-4.46%
Donations	7,737	20,000	-	10,000	-	
Interest	632	375	600	300	200	-66.67%
Transfer from Ambulance Refurbishment Project Fund	-	12,482	-	-	-	
Local Grant/Reimbursements	-	-	-	13,200	-	
Reimbursement of Damages	-	-	-	2,500	-	
Other	160	-	-	200	-	
Total Funding Sources	<u>\$ 1,361,281</u>	<u>\$ 1,179,900</u>	<u>\$ 1,232,000</u>	<u>\$ 1,306,200</u>	<u>\$ 1,280,200</u>	3.91%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	0.53	0.53	0.53	0.53	0.53	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	1.78	1.78	1.78	1.78	1.78	\$ 106,100
Employee Benefits						26,100
Total Personal Services						<u>\$ 132,200</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Ambulance Refurbishment	1	Yes	\$ 99,000
Vehicle Camera System	3	No	5,500
Total			<u>\$ 104,500</u>

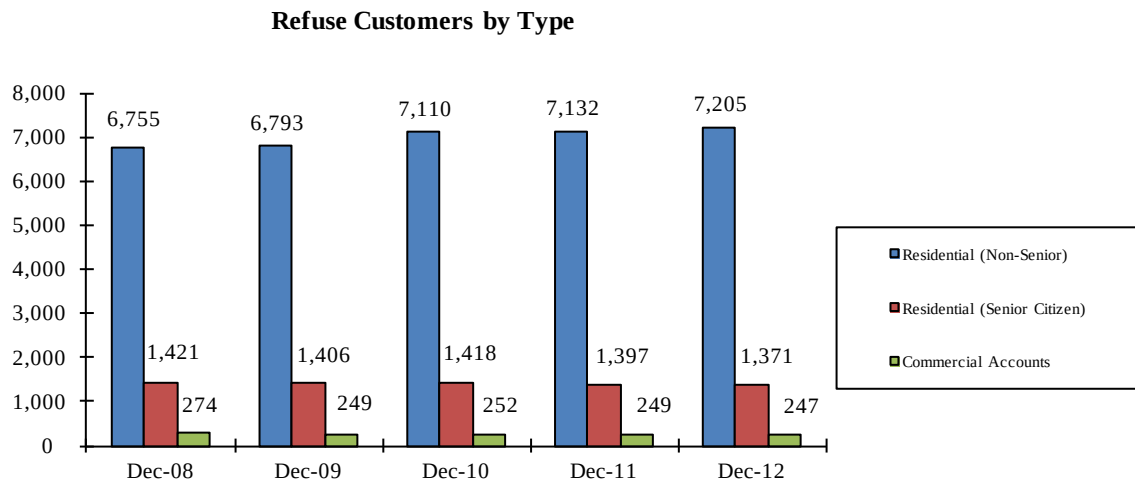
SOLID WASTE MANAGEMENT FUNDS

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 activity 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:

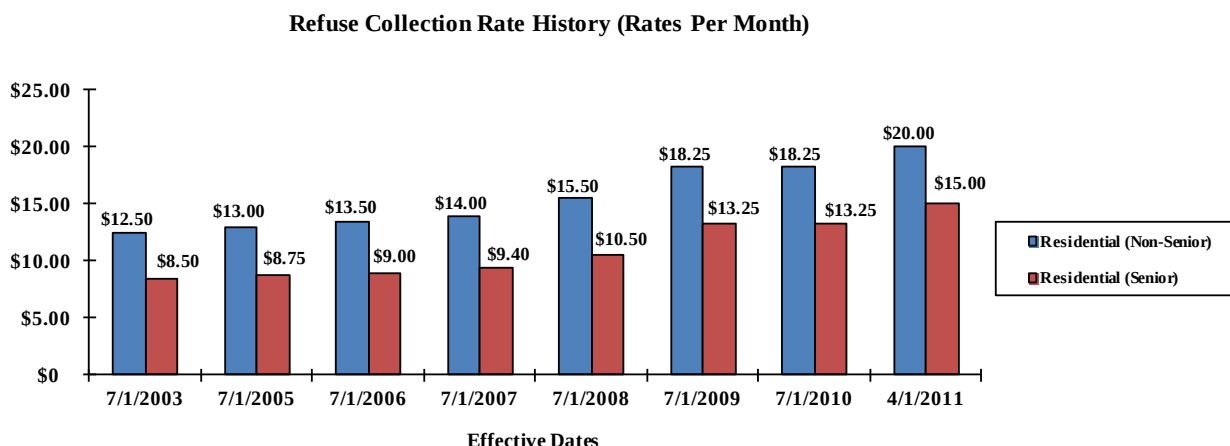


In April 2011, the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside 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 provides 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 City realized savings from discontinuing the previous drop-off trailer recycling program. These savings were in the reduction of one fulltime refuse collection driver, decreased temporary services, decreased overtime, and decreased fuel and maintenance costs. Temporary services and overtime were reduced since the drop-off trailers were emptied seven days per week which resulted in approximately \$23,900 of overtime annually.

The Refuse Collection activity is performed by six (6) full-time refuse drivers, one (1) solid waste lead worker, and a Solid Waste Supervisor. 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. Those rates are budgeted to continue through 2013/2014.



CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August of 1995. All refuse from the City's refuse collection division is delivered to the transfer station, compacted and then taken to the landfill. In 2011/2012 the Refuse Collection division disposed of 7,793 tons of waste at the Transfer Station. This was a reduction of 742 tons (8.7%) compared to the 8,535 tons disposed of in 2009/2010. This reduction was due to the implementation of the contracted curbside recycling service which began in April, 2011. The 2013/2014 budget includes \$486,000 for Transfer Station fees for disposal of an estimated 8,100 tons of waste at the budgeted rate of \$60.00 per ton. The increased tonnage estimate for 2013/2014 is due to providing refuse collection services to the recently annexed Ripley's Mobile Home Court area which added approximately 325 residential units. Refuse collection service for this area will begin April 1, 2013.

The 2012/2013 revised estimate is \$12,900 higher than the budgeted amount primarily due to increased temporary employee costs. In prior years the City used a temporary employment service to supplement the regular refuse collection employees to cover employee vacations, sick leave, Cleanup Week, and catch-up days after holidays. Due to the employment service's increase in workers compensation rates for refuse collection employees, they terminated their arrangement with the City in the middle of 2012. The City now directly hires several temporary employees to supplement the regular crew. The temporary employment service recently offered some temporary employees which can be used; however, staff is limiting use of this service due to their significant rate increase.

The budget for 2013/2014 is \$101,177 (4.9%) more than the 2012/2013 budget. The budget includes increases in personal services (\$55,300), contractual services (\$30,100), and capital outlay (\$30,000). Of the personal services increase, \$25,000 is due to directly hiring temporary employees instead of using the temporary employment service. The balance of the personal services increase is due to increased wages, pension, and insurance costs for regular employees. The contractual services increase includes an

increase of \$36,000 in transfer station tipping fees and \$26,000 in contracted curbside recycling fees. These increases were primarily due to adding the approximately 325 units in the recently annexed Ripley's Mobile Home Court area as well as the scheduled increase in the curbside recycling fee. The increases in those line items were partially offset by decreases in other accounts including a \$20,000 decrease for contracted temporary employee services.

The original Refuse Collection department budget submission included a request of \$150,000 for a new refuse collection vehicle. This would be to replace one of the 2-person vehicles currently being used by this division. During the staff review of this budget there was discussion of a possible long-term plan to change to 1-person trucks with side-loaders similar to what is used by the City's curbside recycling contractor. Costs to fully implement such a program would be significant with side-loading refuse vehicles having a higher cost than regular vehicles and the added cost to provide customers with bins that could be loaded by the 1-person trucks. The 2013/2014 budget includes funds for a "trial area" to start moving in this direction, but does not include funding to replace a refuse vehicle. The capital outlay items include \$26,000 to equip two of the current refuse collection vehicles with tippers that would be used to load the standardized refuse bins that would be required under this type of program. The budget also includes \$34,000 to purchase bins, again for a trial area only. It should be noted that with the tippers, a two person crew will still be required. If this is the direction the City Council wishes to move, a plan to implement the 1-person trucks would need to be implemented over a number of years. This would include replacing the current refuse collection vehicles with 1-person vehicles at the time the older vehicles are replaced as well as providing the required refuse bins for customers as areas of the city are added to this type of service. If this is the future direction for the refuse operation, it should be noted that the last payment on the bond issue for the separate refuse collection vehicle building at the Transfer Station (approximately \$100,000 annually) will be made in 2013/2014. This would allow more funding to be available in this budget in future years to begin the capital purchases which would be required to implement such a program.

The 2012/2013 budget continues to include the allocation of 50% of the Senior Health and Housing Inspector position. This position works out of the Community Development department and is involved in addressing nuisance complaints including garbage and junk removal responsibilities. The budget also continues to fund the City of Muscatine's portion of the Solid Waste Management Agency assessment which began in 2008/2009 (\$64,800).

The 2010/2011 budget included a \$200,000 transfer from the Refuse Collection fund to the Transfer Station fund to assist in reducing the accumulated deficit in that fund. An additional \$50,000 transfer was made in 2011/2012. The Transfer Station budget does not show a deficit for 2012/2013 or 2013/2014 and no additional transfers have been included in this budget for either of these years. The estimated balance in the Refuse Collection fund at the end of 2013/2014 is \$238,035.

GOAL STATEMENT:

To provide an efficient and cost effective solid waste collection system 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 citizens of Muscatine.

PERFORMANCE MEASURES:

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Tons of Refuse Collected	8,535	7,731	7,793	7,800	8,100
Regular Residential Customers - December (Excluding Fruitland)	6,793	6,785	6,807	6,880	7,200
Senior Residential Customers - December	1,406	1,418	1,397	1,371	1,375
Commercial and Industrial Customers - December	249	252	249	247	250 **
Fruitland Residential Customers – December	325	325	325	325	325
Cleanup Week Collections (Tons)	558	526	530	550	550
Number of Recycling Trailers	16	16/5 *	5	5	5
Recycling Trailer Collections (Tons)	1,300	892 *	260	250	250
Single Sort Curbside Recycling (Tons)	0	294	1,284	1,300	1,400
Curbside Pickups (calendar year)	1,227	1,245	1,163	1,200	1,200

* With the implementation of the curbside recycling program in April 2011, the recycling trailers located throughout the community were discontinued with the exception of those at one drop-off location at the Transfer Station.

** In April 2013, refuse collection services will be expanded to include the recently annexed Ripley's Mobile Home Court. This will be billed as one commercial account but it will include providing refuse collection services to 325 individual residential units in the mobile home court.

RECENT ACCOMPLISHMENTS:

In April 2011, the City of Muscatine started curbside recycling. After the first full fiscal year of the program, 1,284 tons of recycling was collected from residents in Muscatine, Fruitland, City facilities, and the Muscatine Community School District. Overall, the program has a 95% participation rate and has been well-received by residents.

The demand for commercial services for waste disposal has grown for the Refuse Collection program. Staff has worked with numerous businesses of all sizes to provide the best services that can be provided with the containers available.

The Solid Waste Manager and the City's Nuisance Officer have been working with the Downtown Action Alliance and the Landlord Association to communicate information on the proper placement of waste and recycling in the downtown area alleys. Businesses, tenants, and property owners all received a flyer. This is a continual effort to get waste off the front curbs and in the alleys in the downtown area.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

* To research the possible use of GIS technology for more efficient routing and better daily communication with staff in this division.

- * To continue public education outreach opportunities and expand our ability to reach customers.
- * To keep safety a priority for the refuse collection staff by having scheduled safety meeting dates and planned safety programs during the year. Working with staff to emphasize safety for them as well as customers is important to this operation.
- * To continue outreach programs at community events and programs. Staff will continue working with sustainability, beautification, and environmental programs for the City of Muscatine and Muscatine County.
- * To present to City Council options for automated refuse collection.

REFUSE COLLECTION FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Refunding Bonds
Refuse Collection Portion of
Refunding of Advance Refunding of November 1, 1994 Solid Waste Transfer
Station and Recycling Center (Series A) Issue Dated June 1, 1998
and December 1, 1995 Issue
\$536,392 of \$6,560,000 Issue Dated June 1, 2008 (Series B)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 93,775	\$ 6,194	\$ 99,969
2013/14	96,800	3,146	99,946
Total	<u>\$ 190,575</u>	<u>\$ 9,340</u>	<u>\$ 199,915</u>

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Bond proceeds from the original issues financed construction of the Transfer Station including the separate Refuse Collection building. Accordingly, transfers from the Refuse Collection Fund to the Debt Service Fund are made annually to fund principal and interest payments on the Refuse Collection portion of this issue as they become due.

Refuse Collection Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 206,671	\$ 149,400	\$ 200,907	\$ 191,650	\$ 236,381
Revenues					
Charges for Services	\$ 1,941,062	\$ 2,093,287	\$ 2,090,000	\$ 2,113,000 (4)	\$ 2,158,000 (5)
Sales - Yard Waste Bags	14,856	12,727	12,000	12,000	12,000
Commercial Brush Fee	1,236	49	2,000	1,000	1,000
Rental of Dumpsters	0	0	100	100	100
Interest	327	184	200	100	100
Sales Tax	4,235	4,378	4,500	4,500	4,700
FEMA Reimbursement	149	0	0	0	0
Sale of Equipment	9,311	0	0	0	0
Total Revenues	<u>\$ 1,971,175</u>	<u>\$ 2,110,625</u>	<u>\$ 2,108,800</u>	<u>\$ 2,130,700</u>	<u>\$ 2,175,900</u>
Funds Available	\$ 2,177,846	\$ 2,260,025	\$ 2,309,707	\$ 2,322,350	\$ 2,412,281
Expenditures (1)	<u>2,028,446 (2)</u>	<u>2,068,375 (3)</u>	<u>2,073,069</u>	<u>2,085,969</u>	<u>2,174,246</u>
Ending Balance, June 30	<u><u>\$ 149,400</u></u>	<u><u>\$ 191,650</u></u>	<u><u>\$ 236,638</u></u>	<u><u>\$ 236,381</u></u>	<u><u>\$ 238,035</u></u>
Increase (Decrease) in Fund Balance	\$ (57,271)	\$ 42,250	\$ 35,731	\$ 44,731	\$ 1,654

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The actual 2010/2011 expenditures included a \$200,000 transfer to the Transfer Station fund to reduce the deficit in that fund.
3. The actual 2011/2012 expenditures included a \$50,000 transfer to the Transfer Station fund to eliminate the deficit in that fund.
4. Revised estimate revenues include an estimated \$17,000 from Ripley's Mobile Home Court for April - June, 2013 with refuse collection service scheduled to begin April 1, 2013 for this recently annexed area.
5. Fiscal year 2013/2014 revenues reflect a full year of refuse collection services for Ripley's Mobile Home Court estimated at \$68,000.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 684,222	\$ 684,341	\$ 705,500	\$ 731,100	\$ 760,800	7.84%
Commodities	74,820	64,441	86,500	85,400	70,400	-18.61%
Contractual Services	895,760	1,090,771	1,079,400	1,071,200	1,109,500	2.79%
Capital Outlay	9,938	4,999	40,000	36,600	70,000	75.00%
Transfers	<u>359,827</u>	<u>209,793</u>	<u>161,669</u>	<u>161,669</u>	<u>163,546</u>	1.16%
Total Expenditures	<u>\$ 2,024,567</u>	<u>\$ 2,054,345</u>	<u>\$ 2,073,069</u>	<u>\$ 2,085,969</u>	<u>\$ 2,174,246</u>	4.88%
Funding Sources						
Charges for Services	\$ 1,941,062	\$ 2,093,287	\$ 2,090,000	\$ 2,113,000	\$ 2,158,000	3.25%
Sales - Yard Waste Bags	14,856	12,727	12,000	12,000	12,000	0.00%
Other Fees	1,236	49	2,000	1,000	1,000	-50.00%
Sales Tax	4,235	4,378	4,500	4,500	4,700	4.44%
Interest	327	184	200	100	100	-50.00%
Sale of Equipment	9,310	-	-	-	-	
Other	<u>149</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>100</u>	
Total Funding Sources	<u>\$ 1,971,175</u>	<u>\$ 2,110,625</u>	<u>\$ 2,108,800</u>	<u>\$ 2,130,700</u>	<u>\$ 2,175,900</u>	3.18%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Solid Waste Manager	0.39	0.50	0.50	0.50	0.50	
Solid Waste Supervisor	1.00	1.00	1.00	1.00	1.00	
Refuse Truck Driver I	6.25	6.00	6.00	6.00	6.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Sr. Health & Housing Inspector	0.50	0.50	0.50	0.50	0.50	
Maintenance Worker II	0.33	0.33	0.33	0.33	0.33	
Clerk	<u>0.39</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total Full Time	9.86	9.83	9.83	9.83	9.83	
Part Time:						
Compost Site Attendant	0.83	0.48	0.83	0.83	0.83	
Refuse Collection	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.30</u>	<u>1.30</u>	
Total	10.69	10.31	10.66	11.96	11.96	\$ 506,800
Employee Benefits						<u>254,000</u>
Total Personal Services						<u>\$ 760,800</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tippers for Refuse Trucks	2	No	\$ 26,000
Bins for Refuse Collection		No	34,000
Dumpsters		Additional	10,000
			<u>\$ 70,000</u>

SOLID WASTE MANAGEMENT FUNDS

LANDFILL OPERATIONS

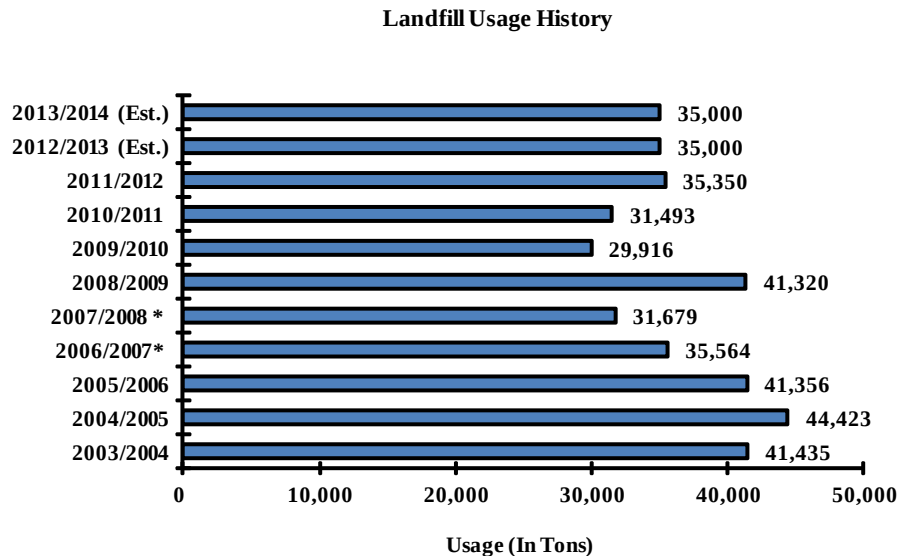
GENERAL INFORMATION:

The Solid Waste Management funds consist of three (3) operations, Refuse Collection, Landfill Operations and Transfer Station Operations.

The City is a member of the Muscatine County Solid Waste Management Agency. This agency contracts with the City of Muscatine to operate the landfill. The Agency is responsible for the disposal of solid waste in Muscatine County. The Transfer Station opened in August of 1995. This facility is used as a staging area for recycling, refuse collection and the transfer of non-recyclable items to the landfill.

Under the terms of the agreement between the Solid Waste Management Agency and the City, the City is responsible for the costs incurred in the operation of the sanitary landfill, the maintenance of the entrance road, the cost of purchasing the landfill site and certain special engineering fees. The City establishes an annual price per ton for waste disposal at the landfill. Beginning in 2008/2009 the Agency reinstated an annual assessment to each of its members in a total annual amount of \$117,200. This was to assist in reducing the accumulated deficit in this fund.

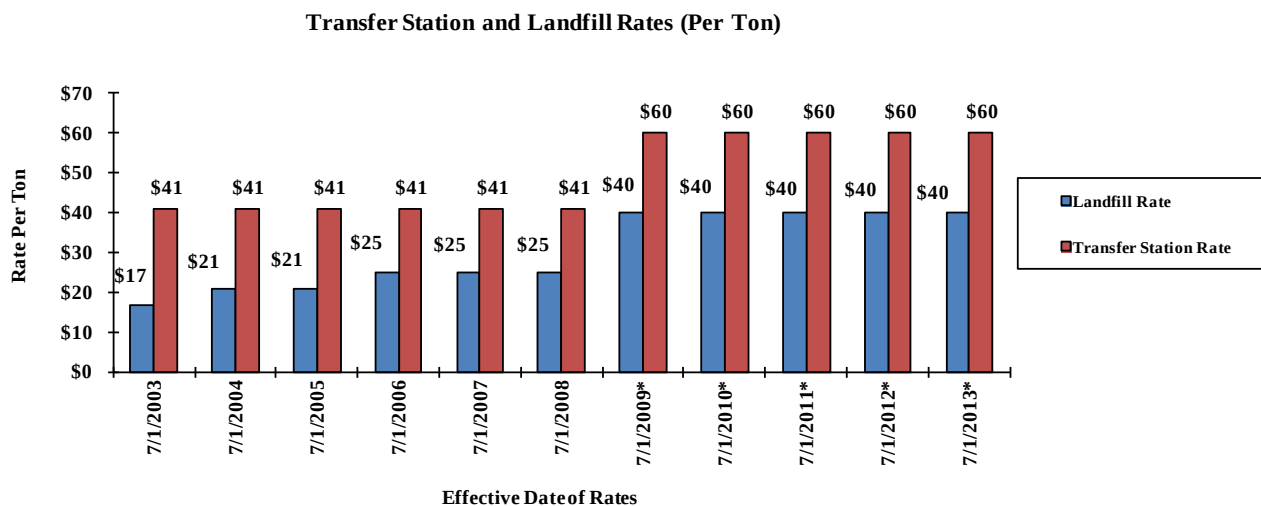
The following chart shows the amounts of waste disposed of at the landfill since 2003/2004 as well as the projected waste volumes for 2012/2013 and 2013/2014.



* 9,319 tons of waste were taken to the Scott County Landfill in 2006/07 and 17,584 in 2007/08 due to landfill capacity issues.

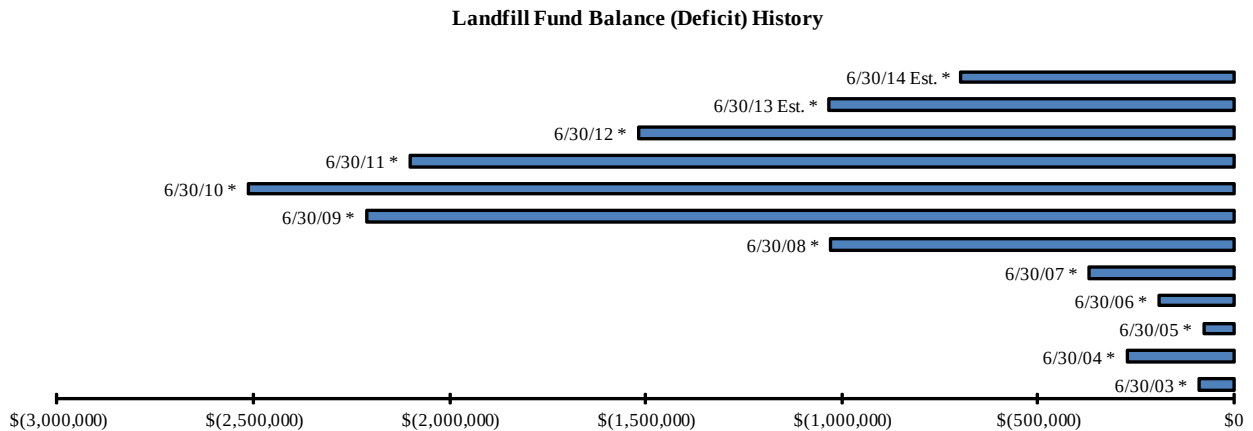
Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. As noted above, capacity issues in 2006/2007 and 2007/2008 required waste to be taken to the Scott County Landfill while projects were underway to develop new waste disposal areas.

The following chart shows the Transfer Station regular rates since the 2003/2004 year and the portion of the transfer station fee paid to the landfill fund. In 2003/2004 \$17.00 of the \$41.00 per ton rate was paid to the landfill for material disposed of at that facility. The landfill portion of the disposal rate has increased since that time to the current \$40.00 per ton in the most recent years. The rate was increased from \$25 to \$40/ton July 1, 2009 due to the significant cost of developing the most recent landfill cells.



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 qualify for a discounted industrial rate of \$50/ton of which \$30 of this rate is paid to the Landfill. In 2010 five new industrial contracts were negotiated which are expected to bring 5,000 tons of new waste volume to the landfill. These are three year contracts with variable disposal rates.

The fund balance for the Landfill Operation has varied over the past ten (10) years. The following is a summary of actual and projected fiscal year-end balances (deficits):



* Beginning June 30, 2003 there have been interim loans to fund cell closure costs, costs to develop new cells, and other landfill capital and operating costs.

The deficit fund balances in recent years are due to costs for capital projects at the landfill, costs to complete the purchase of landfill property formerly leased, loss of revenue due to capacity issues, and increased regulatory requirements. In 2007/2008 \$767,200 in capital expenditures were required including \$417,600 to develop the Phase II cell, \$180,000 for drainage and erosion control, \$58,000 for improvements to the side slope of Phase II, and \$35,000 for a tarp system to use as daily cover. Due in part to the June 1, 2007 tornado, the Phase I cell was at capacity and was required to be closed prior to completion of the new cell. This required waste to be hauled to the Scott County Landfill and resulted in the loss of revenue to the Muscatine Landfill of approximately \$400,000. These factors combined to result in the \$1,026,781 deficit in the landfill fund as of June 30, 2008. The deficit increased to \$2,211,935 as of June 30, 2009 and to \$2,512,600 as of June 30, 2010 due primarily to costs to develop two new cells (III and IV) which are 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 is projected to be incrementally reduced over the next six years as the capacity of the new cells is filled.

CURRENT TRENDS AND ISSUES:

The tipping fee rate at the Transfer Station was increased to \$60 per ton effective July 1, 2009 with \$40 of this rate being credited to the Landfill and the remaining \$20 to the Transfer Station. This increase was directly related to capital costs for constructing the Phase III and IV cells as well as capital costs to close previous ravines. With this increase, the landfill saw waste volume in 2009/2010 decrease to 29,916 tons. With the continuing deficit in the Landfill fund, the Solid Waste Agency and the City considered implementing flow control measures which would have required all waste generated in the Agency area to be brought to the Transfer Station and Landfill. Area businesses and the Chamber requested a committee be formed of business leaders, city staff, an Agency member, and others, to discuss the impacts that flow control would have on area businesses and possible alternate solutions. The Committee's recommendations included allowing for additional negotiated industrial contracts which would bring additional waste volume and revenue to the Landfill and a long-term financial plan to incrementally reduce the Landfill Fund deficit over the next several years with the goal of having it eliminated by the time the next landfill cell needs to be developed. City Council approved the Committee's recommendations at their October 7, 2010 meeting and five new industrial contracts were

entered into which will bring in an additional 5,000 tons of waste and \$180,000 of revenues annually over the next three years. The reduction in the deficit was \$411,988 in 2010/2011 and there was an additional \$582,320 reduction in the deficit (to \$1,518,292) in 2011/2012. These reductions in the deficit were slightly higher than the targeted reductions in the financial plan.

The revised estimate expenditures for 2012/2013 are \$12,800 higher than the original budget primarily due to a \$20,000 increase in capital outlay. Reductions in other areas of the budget offset a portion of this increase. The capital outlay amount includes \$5,000 to replace a leachate pump and \$15,000 for a new well. The well was originally budgeted in 2011/2012 but it was not installed that year and funding was carried forward to 2012/2013.

Landfill expenditures budgeted for 2013/2014 are \$159,916 (17.0%) higher than the original 2012/2013 budget, primarily due to an increased capital outlay allocation. The budget includes \$200,000 as a preliminary cost estimate for groundwater collection improvements at the landfill. These improvements are required by the Iowa Department of Natural Resources (IDNR). The landfill's engineering firm has prepared a preliminary report which identifies three possible options for addressing the ground water issues which range in cost from \$170,000 to \$320,000. The option chosen will need to be approved by the IDNR. There were decreases in other areas of the budget which offset a portion of the capital outlay increase.

The revised estimate landfill service charges revenue is estimated at \$1,290,000 based on a total of 35,000 tons of waste. This waste estimate includes 21,000 tons at the full \$40 rate (\$840,000), 9,000 tons at the original \$30 industrial contract rate (\$270,000), and 5,000 at the negotiated industrial rates (\$180,000). This same revenue estimate has been included for the 2013/2014 budget.

With the projected landfill revenues and expenditures, the deficit in the landfill fund is projected to decrease by \$485,238 during the 2012/2013 fiscal year and by an additional \$338,122 to \$694,932 by the end of the 2013/2014 year. The goal is to have the deficit eliminated by the time the next cell needs to be constructed. Based on current waste volume projections, it is estimated that construction on the next cell would need to begin in the 2016/2017 fiscal year.

As noted above, private firms have been used to operate the landfill under contractual agreements with the City. The amount of the payment to the landfill operator is budgeted at \$310,000 for 2013/2014. Other significant items in the budget are leachate hauling and analysis, engineering services, capital outlay items, 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 \$73,500 for 2013/2014 based on an estimated 35,000 tons of waste. The surcharge funds retained by the City are estimated at \$54,250 for 2013/2014. 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 2013/2014 it is estimated that there will be \$17,500 in Part I funds which will be transferred to the Landfill fund for qualifying expenditures and an estimated \$36,750 of Part II funds 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 2013/2014 is \$80,000 and the amount to be transferred to the Post-Closure Reserve is estimated at \$30,000.

The 2013/2014 budget also includes debt service payments for bonds issued to finance land acquisition costs for the landfill. The City's June 1, 2003 bond issue financed land acquisition costs of \$305,200 incurred in January 2002. In 2005 Stockton Realty was awarded an additional \$533,915 for the landfill property acquired by the City through condemnation in 2002. Legal fees of Stockton Realty were also required to be reimbursed. The additional award and related legal fees totaled approximately \$612,000. This amount was included in the June 1, 2006 city bond issue. The final payment on the June 1, 2003 issue will be made in 2012/2013. There are three years remaining on the June 1, 2006 issue and at the time the budget was being prepared the City was in the process of refunding the remaining years of this issue. This was expected to result in a savings in interest costs of \$10,700 over the remaining three years of this issue. The 2013/2014 budget included \$79,740 as the estimated debt service payment on the refunding bonds. The refunding bonds were sold on March 7, 2013 and the actual interest savings will be \$9,787 over the three years of the refunding bond issue and the 2013/2014 debt service payment will be \$80,128

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Tons of Waste Disposed	29,916	31,493	35,328	35,000	35,000
Landfill Capacity Remaining (Tons)	N/A	N/A	254,320	219,320	184,320
Years of Current Landfill Space Remaining (Estimate)	N/A	N/A	7.1	6.3	5.3
Leachate Collected in Gallons	3,978,807*	2,932,175**	1,888,082***	1,800,000	1,800,000

* Leachate collection in 2009/2010 was higher due to the expansion for the Phase III and IV cells, connection of the ground water line to the system, and it was a wet year.

** The reduction in 2010/2011 was due to the side slopes of the Phase III and IV cells getting their first four-foot lift of waste in 2011/2012. Reductions should continue in the next several years since the liner is covered and water will take longer to reach the collection system.

*** The 2011/2012 reduction in leachate collected is due to having the first layer of waste covering the side slopes on Phase III and IV landfill cells. During the summer of 2012, there was a drought which also impacted the amount of water in the ground water collection lines connected to the leachate collection system.

RECENT ACCOMPLISHMENTS:

Implementation of the industrial contract rates has assisted with reducing the deficit in the landfill fund. Staff communicates with the contract companies on a regular basis to maintain a good working relationship. The industrial contracts as well as one-time revenues from contaminated materials from the Mad Creek Levee Project contributed to the \$582,320 reduction in the landfill fund deficit in 2011/2012.

The landfill has several ground water monitoring regulation requirements that need to be addressed to meet IDNR standards. Staff is working with the IDNR and the landfill's engineering firm, HLW Engineering, to find the best solutions to resolve the two problem areas identified. One area is on the back side of Ward Avenue which will involve the installation of additional monitoring wells. The other issue is with a monitoring well located next to a neighboring property. A remediation plan is being developed and these issues will be addressed in fiscal year 2013/2014.

During the past year the Solid Waste Manager attended Solid Waste Agency member council meetings to update them on landfill operations and finances, as well as related opportunities for their communities. All Agency members are encouraged to attend the six meetings a year so they can be involved in the planning for the Agency and the landfill.

Public education is always a priority for all of the solid waste programs. The landfill has had numerous groups that have visited the landfill. Since the landfill is closed to the public, it is a great opportunity to provide a full view of this division's operations from refuse collection, to the transfer station, and then the landfill. The E-newsletter, public access television, and City of Muscatine's website, are all used to provide public education on the City's solid-waste related programs and services.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. **(City Council Top Priority)**
- * To continue to support member entities in the Muscatine County Solid Waste Management Agency and encourage their participation in the Agency.
- * To continue to expand public education outreach programs to the community.
- * To continue erosion control by seeding and maintaining the final cap cover at the landfill in cooperation with the contractor and staff. Maintaining the integrity of the final cover and cap is a long-term goal for the landfill.
- * To implement the Ground Water Remediation Plan when it is approved by the Iowa Department of Natural Resources. This plan will remediate ground water monitoring well issues.
- * To implement "Lean" initiatives in this division. **(Management Agenda High Priority)**

LANDFILL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

**General Obligation Corporate Purpose Bonds
Landfill Property Acquisition
\$308,000 Portion of \$1,780,000 Issue Dated June 1, 2003**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 30,000	\$ 900	\$ 30,900

**General Obligation Corporate Purpose Bonds
Additional Landfill Property Acquisition Costs
\$629,096 Portion of \$2,990,000 Issue Dated June 1, 2006**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 71,536	\$ 11,876	\$ 83,412
2013/14	73,640	9,104	82,744 *
2014/15	76,796	6,232	83,028 *
2015/16	79,952	3,198	83,150 *
Total	\$ 301,924	\$ 30,410	\$ 332,334

* The last three years of this issue will be refunded in 2012/2013. The estimated debt payments on the refunding issue is shown in the following chart.

**General Obligation Corporate Purpose Refunding Bonds
Additional Landfill Property Acquisition Costs
\$235,000 Portion of \$1,115,000 Issue Dated March 7, 2013**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013/14	\$ 78,000	\$ 2,128	\$ 80,128 **
2014/15	78,000	1,296	79,296 **
2015/16	79,000	711	79,711 **
Total	\$ 235,000	\$ 4,135	\$ 239,135

** The 2013/2014 budget reflected the estimated annual payments on the refunding issue; this schedule has been updated to reflect the actual debt service payments on this issue.

Principal and interest payments for these general obligation bond issues are made from the Debt Service Fund. Bond proceeds from these issues financed the acquisition of property for the landfill. Accordingly, transfers from the Landfill Fund to the Debt Service Fund will be made annually to fund principal and interest payments on these portions of the above issues as they become due.

Landfill Operations

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance (Deficit), July 1	\$ (2,512,600) (3)	\$ (2,100,612)	\$ (1,605,000)	\$ (1,518,292)	\$ (1,033,054)
Revenues					
Charges for Services	\$ 1,162,106	\$ 1,308,650	\$ 1,290,000	\$ 1,290,000 (4)	\$ 1,290,000 (4)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Industry Contribution	15,000	15,000	15,000	15,000	15,000 (4)
Transfers In:					
Landfill Surcharge Reserve	<u>15,746</u>	<u>17,675</u>	<u>17,500</u> (5)	<u>17,500</u> (5)	<u>17,500</u> (5)
Total Revenues	<u>\$ 1,310,029</u>	<u>\$ 1,458,502</u>	<u>\$ 1,439,700</u>	<u>\$ 1,439,700</u>	<u>\$ 1,439,700</u>
Funds Available	\$ (1,202,571)	\$ (642,110)	\$ (165,300)	\$ (78,592)	\$ 406,646
Expenditures (1)	<u>898,042</u>	<u>876,182</u>	<u>941,662</u>	<u>954,462</u>	<u>1,101,578</u> (6)
Ending Balance (Deficit), June 30	<u>\$ (2,100,612)</u>	<u>\$ (1,518,292)</u>	<u>\$ (1,106,962)</u>	<u>\$ (1,033,054)</u>	<u>\$ (694,932)</u>
Increase (Decrease) in Fund Balance	\$ 411,988	\$ 582,320	\$ 498,038	\$ 485,238	\$ 338,122

- Expenditures include changes in compensated absences and other post-employment benefits.
- An Agency assessment was implemented beginning in 2008/2009 as part of the original plan to eliminate the accumulated deficit in this fund.
- The deficit at the end of 2009/2010 was due to capital costs for Phase III and Phase IV cell development and the closing of Ravines 5 and 6.
- The 2012/2013 Revised Estimate and 2013/2014 budget are based on 21,000 at \$40/ton plus 9,000 tons at the original industrial rate of \$30/ton, plus an estimated \$180,000 at varying rates for the new industrial waste commitments. The 2013/2014 budget assumes the industrial contracts as well as the industry contribution will continue in 2013/2014.
- The 2012/2013 and 2013/2014 transfers from the Landfill Surcharge Reserve are based on 35,000 tons at \$.50/ton.
- The 2013/2014 expenditures include an estimated \$200,000 for a ground water remediation plan and improvements. This is a preliminary estimate of the amount that may be needed to comply with IDNR regulations. Various options will be evaluated to determine the best overall option for the Landfill.

Explanation of Changes in Fund Balances:

The accumulated deficit in this fund is due to the reduced waste volumes being received at the landfill as well as landfill capital costs. Some of the reduced waste volumes in prior years can be attributed to competition from Illinois landfills due to their lower tipping fees. Landfill capacity issues reduced landfill revenues in 2006/2007 and 2007/2008 as waste was required to be hauled to the Scott County Landfill during construction of the next cell. The Agency assessment was implemented beginning in 2008/2009 as part of the plan to eliminate the accumulated deficit in this fund. The cells constructed in 2009/2010 are expected to have 8.5 years of capacity (through FY 2017/18). Construction on the next cell will need to begin approximately one year before capacity is reached in the current cells. The accumulated deficit is projected to decrease annually until the time that construction begins on the next cell.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>15,746</u>	<u>17,675</u>	<u>17,500</u>	<u>17,500</u> (1)	<u>17,500</u> (2)
Funds Available	\$ 15,746	\$ 17,675	\$ 17,500	\$ 17,500	\$ 17,500
Expenditures					
Transfers to Landfill Fund	<u>15,746</u>	<u>17,675</u>	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 35,000 tons for the 2012/2013 Revised Estimate at \$.50/ton.
2. Transfers are based on 35,000 tons for the 2013/2014 Budget at \$.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>33,068</u>	<u>37,118</u>	<u>36,750</u>	<u>36,750</u> (1)	<u>36,750</u> (2)
Funds Available	\$ 33,068	\$ 37,118	\$ 36,750	\$ 36,750	\$ 36,750
Expenditures					
Transfers to Transfer Station Fund	<u>33,068</u>	<u>37,118</u>	<u>36,750</u>	<u>36,750</u>	<u>36,750</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 35,000 tons at \$1.05/ton for the 2012/2013 Revised Estimate.
2. Transfers are based on 35,000 tons at \$1.05/ton for the 2013/2014 Budget.

Landfill Closure Reserve (1)

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 335,666	\$ 399,799	\$ 479,799	\$ 467,288	\$ 547,288
Revenues					
Transfers In					
Landfill Fund	<u>64,133</u>	<u>67,489</u>	<u>80,000</u>	<u>80,000</u> (2)	<u>80,000</u> (2)
Funds Available	\$ 399,799	\$ 467,288	\$ 559,799	\$ 547,288	\$ 627,288
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 399,799</u></u>	<u><u>\$ 467,288</u></u>	<u><u>\$ 559,799</u></u>	<u><u>\$ 547,288</u></u>	<u><u>\$ 627,288</u></u>

Increase (Decrease) in					
Fund Balance	\$ 64,133	\$ 67,489	\$ 80,000	\$ 80,000	\$ 80,000

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. This amount has not yet been determined for the 2012/2013 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2012/2013 and 2013/2014 allow for these transfers to be higher than the actual transfer for 2011/2012.

Landfill Post-Closure Reserve (1)

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 732,432	\$ 757,344	\$ 787,344	\$ 785,531	\$ 815,531
Revenues					
Transfers In					
Landfill Fund	<u>24,912</u>	<u>28,187</u>	<u>30,000</u>	<u>30,000 (2)</u>	<u>30,000 (2)</u>
Funds Available	\$ 757,344	\$ 785,531	\$ 817,344	\$ 815,531	\$ 845,531
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 757,344</u></u>	<u><u>\$ 785,531</u></u>	<u><u>\$ 817,344</u></u>	<u><u>\$ 815,531</u></u>	<u><u>\$ 845,531</u></u>

Increase (Decrease) in					
Fund Balance	\$ 24,912	\$ 28,187	\$ 30,000	\$ 30,000	\$ 30,000

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. This amount has not yet been determined for the 2012/2013 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2012/2013 and 2013/2014 allow for these transfers to be slightly higher than the actual transfer for 2011/2012.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 29,303	\$ 24,821	\$ 25,600	\$ 25,500	\$ 26,500	3.52%
Commodities	13,063	13,303	26,200	21,900	20,400	-22.14%
Contractual Services	485,808	520,467	563,100	560,300	560,600	-0.44%
Capital Outlay	66,409	-	-	20,000	200,000	
Transfers	303,381	317,107	326,762	326,762	294,078	-10.00%
Total Expenditures	<u>\$ 897,964</u>	<u>\$ 875,698</u>	<u>\$ 941,662</u>	<u>\$ 954,462</u>	<u>\$ 1,101,578</u>	16.98%
Funding Sources						
Charges for Services	\$ 1,162,106	\$ 1,308,650	\$ 1,290,000	\$ 1,290,000	\$ 1,290,000	0.00%
Agency Assessment	117,177	117,177	117,200	117,200	117,200	0.00%
Industry Contribution	15,000	15,000	15,000	15,000	15,000	
Transfers In:						
Surcharge Reserve	15,746	17,675	17,500	17,500	17,500	0.00%
Total Funding Sources	<u>\$ 1,310,029</u>	<u>\$ 1,458,502</u>	<u>\$ 1,439,700</u>	<u>\$ 1,439,700</u>	<u>\$ 1,439,700</u>	0.00%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Solid Waste Manager	0.30	0.25	0.25	0.25	0.25	\$ 19,300
Employee Benefits						7,200
Total Personal Services						<u>\$ 26,500</u>

Capital Outlay	
Item	Amount
Ground Water Remediation Improvements (Est.)	<u>\$ 200,000</u>

SOLID WASTE MANAGEMENT FUNDS

TRANSFER STATION OPERATIONS

GENERAL INFORMATION:

The Transfer Station opened in August of 1995. Project costs totaled approximately \$10,128,000. Available balances funded \$1,181,000 of construction costs. Bond proceeds of \$8,778,400, a sales tax refund of \$154,600, and interest earnings funded the balance of the project costs. Two bond issues financed construction of the facility. Series A was issued November 1, 1994 in the amount of \$7,000,000 and Series B dated December 1, 1995 was in the amount of \$2,625,000. An advance refunding of the Series A issue was completed as of June 1, 1998. The Series A refunded debt and the Series B debt were advance refunded in June of 2008. Annual debt service requirements on these issues were funded from transfer station and refuse collection revenues until fiscal year 2004/2005. In 2004/2005 \$470,000 of a total of \$751,394 in transfer station debt service costs was funded from debt service taxes. Beginning in 2005/2006 and continuing through 2013/2014 100% of the debt service costs for the transfer station have been funded from debt service taxes. For 2013/2014 the transfer station debt service requirements are \$726,054. The fiscal year 2013/2014 payment will retire this issue.

The transfer station construction project included a separate building for storage and maintenance of the City's refuse collection vehicles. The allocated cost of this building was \$1,312,000 of the total project construction costs. The Refuse Collection activity funded \$200,000 of this cost in 1994/95 and is funding a pro-rated (12.15%) share of the annual debt service requirements on the refunded bond issue.

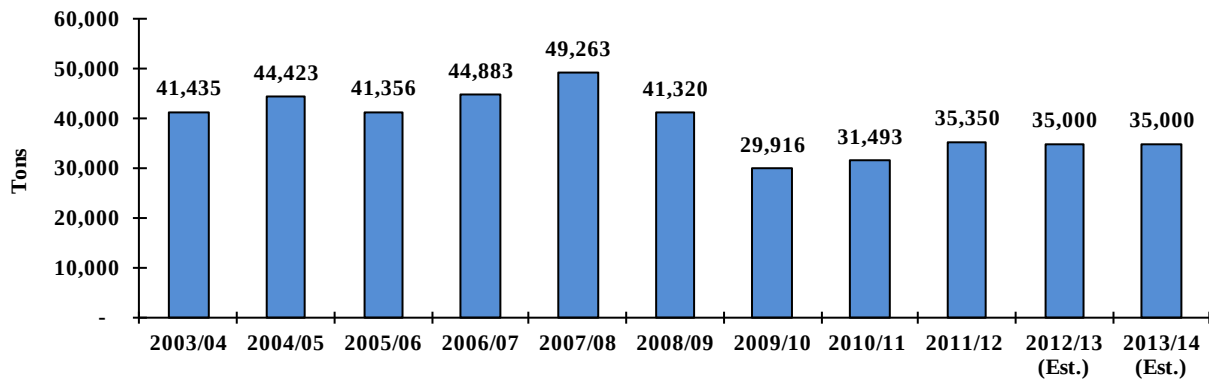
The Solid Waste Manager oversees the operation of the Transfer Station. Funding for this position is currently being allocated one-fourth each to the Transfer Station and Landfill funds, and one-half to the Refuse Collection fund. The Solid Waste Manager's primary responsibilities involve overseeing the transfer station operation as well as the overall coordination of the refuse collection, transfer station and landfill functions. The Solid Waste Manager reports to the Public Works Director.

CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August 1995. While original estimates suggested a per ton tipping fee in excess of \$40.00 per ton, the Transfer Station was opened with an introductory rate of \$35.00 per ton and this rate increased to \$36.00 per ton effective October 1, 1996, and to \$37.00 per ton effective July 1, 1997. The rate increased to \$38.00 for 2001/2002 and to \$41.00 per ton for 2002/2003. As the transfer station rate includes funding for the landfill, increased landfill operating costs affect the rate required to be charged at the transfer station. Due to significant landfill cell development costs in recent years the tipping fee was increased to \$60 per ton effective July 1, 2009.

Waste volumes at the Transfer Station have decreased significantly since the 2003/2004 fiscal year as shown below. The local economy as well as the July 1, 2009 rate increase impacted the transfer station waste volume. Revenues and expenditures for the 2012/2013 revised estimate and 2013/2014 budget have been projected based on 35,000 tons of waste each year.

Transfer Station Usage (Tons)



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 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 will bring in an additional 5,000 tons of waste and \$180,000 of revenues annually over a three year period.

While revenue from the new industrial contracts will pass through the Transfer Station budget as tipping fees, this additional revenue has been directed toward the accumulated deficit in the Landfill fund and is not expected to provide funding for the Transfer Station fund. In 2010/2011 the City took several actions to reduce the deficit in the Transfer Station fund. These included (1) reducing the allocation of the Solid Waste Manager to the Transfer Station from 33.3% to 25% for a savings of \$8,300, (2) reducing the allocation of the Clerk from 66.7% to 50% for a savings of \$9,100, (3) reducing Saturday hours to 8:00 a.m. to noon during the winter months for a savings of \$4,000 in overtime and \$1,000 in temporary services, (5) reducing overtime by an additional \$11,000 with weekday scheduling changes, (6) no longer charging e-waste, appliance, and tire disposal fees to this budget for items picked up during Cleanup Week at no charge which transferred \$23,500 of expenses from the Transfer Station to the Refuse Collection budget, (7) not including funds for any capital items, and (8) various other line item reductions totaling \$20,000. In 2010/2011 the City also made a \$200,000 transfer from the Refuse Collection fund to the Transfer Station fund to help eliminate the deficit balance. This resulted in a smaller deficit of \$12,874 at the end of 2010/2011. An additional \$50,000 transfer from the Refuse Collection fund was made in 2011/2012 which resulted in a positive \$14,465 balance in this fund at the end of 2011/2012. Based on budget assumptions, the Transfer Station fund balance is projected to be \$24,895 at the end of 2012/2013 and \$3,745 at the end of 2013/2014.

The 2012/2013 revised estimate expenditures are \$1,000 higher in total than the original 2012/2013 budget. Increased diesel fuel costs of \$5,400 were offset in part with decreases in other line items.

The budget for 2013/2014 is \$27,280 (1.4%) higher than the 2012/2013 budget primarily due to increased personal services (\$6,200), increased commodities which includes the diesel fuel increase (\$3,600), and increased capital outlay (\$47,500). These increases were offset in part with reductions in transfers (\$20,720) and contractual services (\$9,300). The 2012/2013 transfers included the fifth and final payment on the internal loan used to finance the track loader that was purchased in 2008/2009. This resulted in the lower transfer amount for 2013/2014.

The capital outlay allocation for 2013/2014 includes \$35,500 for the down payment for replacement of the crane and cab. The total cost of this equipment is \$171,500 and an internal loan will again be used to finance this purchase. The crane requested to be replaced is the original crane used since the Transfer Station opened in 1995. Annual payments in the next four years will complete the financing for this equipment.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Tons of Waste Processed	29,916	31,493	35,350	35,000	35,000
Public Tours/Programs	50	70	75	65	65
Tons Recycled (Contractor)	4,994	4,609	4,886	4,500	4,500
Gallons of Waste Oil Collected (Est.)	5,340	5,110	5,470	5,000	5,000

RECENT ACCOMPLISHMENTS:

Public education continues to have a high priority in the Transfer Station operations. Transfer Station staff continues to participate in area events and attend as many of these events as possible to promote services. Joint collaborations in the community, with the school districts, and in the county have allowed more opportunities to provide outreach to customers.

In the spring of 2012 the solid waste hauling contract went out for bids since the previous contract ended on June 30, 2012. A new hauler was selected and is at the same price per load (\$87.00) as the last contractor.

Staff has maintained service levels for customers while continuing to keep costs down. The changes implemented in 2010/2011 including the reduced Saturday hours and changing when staff begins work during the week have not affected operations and continue to save costs in the Transfer Station budget.

Several pieces of equipment used in daily operations at the Transfer Station are older but are well maintained to keep up their performances. Staff is to be commended for their ability to care for and maintain this equipment to keep it operational.

Joint collaboration with City Carton for promoting recycling continues with joint presentations to area businesses and organizations throughout the county. The services they provide have allowed the business community to recycle thousands of tons each year. Continued collaboration is important for the partnership to continue.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To continue to research possible “Green” building opportunities in cooperation with the Community Development department.
- * To continue public education outreach opportunities and expand our ability to reach customers.
- * To continue outreach programs at community events and programs. Staff will continue working with sustainability, beautification, and environmental programs for the City of Muscatine and Muscatine County.
- * To keep safety a priority at the Transfer Station by having scheduled safety meeting dates and planned programs during the year. Working with staff to emphasize safety for them as well as customers is important to this operation.

TRANSFER STATION FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Refunding Bonds
Transfer Station Portion of
Refunding of Advance Refunding of November 1, 1994
Solid Waste Transfer Station and Recycling Center (Series A)
Issue Dated June 1, 1998 and December 1, 1995 Issue
\$3,896,598 of \$6,560,000 Refunding Issue Dated June 1, 2008 (Series B)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 681,225	\$ 44,994	\$ 726,219
2013/14	703,200	22,854	726,054
Total	<u>\$ 1,384,425</u>	<u>\$ 67,848</u>	<u>\$ 1,452,273</u>

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Bond proceeds from the original issues financed construction of the Transfer Station. Accordingly, transfers from the Transfer Station Fund to the Debt Service Fund were intended to be made annually to fund principal and interest payments on these portions of the bond issues as they become due.

Due to the reduction in waste volume and revenues to the Transfer Station Fund, 100% of the debt requirements in both 2012/2013 and 2013/2014 will be paid from debt service taxes rather than the Transfer Station Fund.

Transfer Station Operations

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance (Deficit), July 1	\$ (216,040)	\$ (12,874)	\$ 39,276	\$ 14,465	\$ 24,895
Revenues					
Charges for Services	\$ 1,729,067	\$ 1,896,231	\$ 1,890,000	\$ 1,860,000 (2)	\$ 1,860,000 (3)
Household Hazardous Waste	138	495	350	350	350
Recycling Commissions	49,946	36,895	30,000	37,000	37,000
Rental of Land	1,500	1,500	1,500	1,500	1,500
Sales Tax	6,735	5,810	7,000	7,000	7,000
Miscellaneous Sales	13	0	350	350	350
Electronic Waste Disposal Fees	7,970	9,545	9,000	9,000	9,000
Appliance Disposal Fees	11,076	8,321	12,000	8,300	8,300
Sale of Equipment	0	0	0	5,300	0
Other	3	20	0	0	0
Transfers In:					
Surcharge Reserve	33,068	37,118	36,750	36,750	36,750
Refuse Collection Fund	200,000	50,000	0	0	0
Total Revenues	<u>\$ 2,039,515</u>	<u>\$ 2,045,935</u>	<u>\$ 1,986,950</u>	<u>\$ 1,965,550</u>	<u>\$ 1,960,250</u>
Funds Available	\$ 1,823,475	\$ 2,033,061	\$ 2,026,226	\$ 1,980,015	\$ 1,985,145
Expenditures (1)	<u>1,836,350</u>	<u>2,018,596</u>	<u>1,954,120</u>	<u>1,955,120</u>	<u>1,981,400</u>
Ending Balance (Deficit), June 30	<u>\$ (12,874)</u>	<u>\$ 14,465</u>	<u>\$ 72,106</u>	<u>\$ 24,895</u>	<u>\$ 3,745</u>

Increase (Decrease) in Fund Balance	\$ 203,166	\$ 27,339	\$ 32,830	\$ 10,430	\$ (21,150)

- Expenditures include changes in compensated absences and other post-employment benefits.
- Revised estimate Transfer Station charges for services based on 21,000 tons at \$60/ton plus 9,000 tons at the industrial rate of \$50/ton plus \$180,000 from the negotiated Industrial Contracts which is passed through to the Landfill. The computed amount of \$1,890,000 has been reduced by \$30,000 to \$1,860,000 to reflect a more realistic estimate based on prior year amounts.
- FY 2013/2014 Transfer Station charges for services based on 21,000 tons at \$60/ton plus 9,000 tons at the industrial rate of \$50/ton plus \$180,000 from the negotiated Industrial Contracts which is passed through to the Landfill. The computed amount of \$1,890,000 has been reduced by \$30,000 to \$1,860,000 to reflect a more realistic estimate based on prior year amounts.

Explanation of Changes in Fund Balances:

The prior year deficit and recent small balances in this fund are primarily due to reduced waste volume at this facility. A \$200,000 transfer from the Refuse Collection fund was made in 2010/2011 and an additional \$50,000 transfer was made in 2011/2012. These transfers eliminated the prior year deficit balances.

Transfer Station Closure Reserve (1)

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 29,095	\$ 38,645	\$ 38,645	\$ 38,645	\$ 38,645
Revenues					
Transfers In					
Transfer Station Fund	<u>9,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Funds Available	\$ 38,645	\$ 38,645	\$ 38,645	\$ 38,645	\$ 48,645
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 38,645</u></u>	<u><u>\$ 38,645</u></u>	<u><u>\$ 38,645</u></u>	<u><u>\$ 38,645</u></u>	<u><u>\$ 48,645</u></u>

Increase (Decrease) in Fund Balance	\$ 9,550	\$ 0	\$ 0	\$ 0	\$ 10,000

1. This reserve is required according to State regulations.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 239,696	\$ 213,461	\$ 226,700	\$ 224,200	\$ 232,900	2.73%
Commodities	36,210	40,601	38,900	42,500	42,500	9.25%
Contractual Services	1,501,517	1,709,880	1,655,200	1,655,100	1,645,900	-0.56%
Capital Outlay	2,163	3,497	-	-	12,000	
Transfers	56,250	46,800	33,320	33,320	48,100	44.36%
Total Expenditures	\$ 1,835,836	\$ 2,014,239	\$ 1,954,120	\$ 1,955,120	\$ 1,981,400	1.40%
Funding Sources						
Charges for Services	\$ 1,729,067	\$ 1,896,231	\$ 1,890,000	\$ 1,860,000	\$ 1,860,000	-1.59%
Recycling Commissions	49,946	36,895	30,000	37,000	37,000	23.33%
Sales Tax	6,735	5,810	7,000	7,000	7,000	0.00%
Tire, E-Waste, Appliance Charges	19,184	17,866	21,000	17,300	17,300	-17.62%
Sale of Equipment	-	-	-	5,300	-	
Other	1,515	2,015	2,200	2,200	2,200	0.00%
Transfer from Refuse Collection Fund	200,000	50,000	-	-	-	
Transfer from Surcharge Reserve	33,068	37,118	36,750	36,750	36,750	0.00%
Total Funding Sources	\$ 2,039,515	\$ 2,045,935	\$ 1,986,950	\$ 1,965,550	\$ 1,960,250	-1.34%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Solid Waste Manager	0.30	0.30	0.25	0.25	0.25	
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	0.67	0.67	0.67	0.67	0.67	
Clerk	0.61	0.61	0.50	0.50	0.50	
Total Full Time	3.58	3.58	3.42	3.42	3.42	\$ 150,200
Employee Benefits						82,700
Total Personal Services						\$ 232,900

Capital Outlay and Capital Funding Transfer			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Crane and Cab - Transfer for Downpayment (\$171,500 total cost)	1	Yes	\$ 35,500
Lower Scale Improvements			12,000
			<u>\$ 47,500</u>

WATER POLLUTION CONTROL FUND

GENERAL INFORMATION:

The Water Pollution Control Fund consists of two reserve funds, one bond sinking fund and five (5) operating activities. In order to provide a comprehensive picture of the financial status as an enterprise function, 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 has been continued in 2012/2013 and 2013/2014. This reduction was due to funding the new West Hill Sewer Separation Long-Term Financing Plan Reserve discussed below.

In 2009/2010 through 2012/2013 a total of approximately \$2 million from this reserve is being used as part of the overall financing of the Water Pollution Control Comprehensive Plant Improvement project including the digester conversion portion of the project. The primary funding source for the Comprehensive Plant Improvement project is 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 project was substantially completed in the fall of 2011. The final contract issues are expected to be resolved and the contract closed out by the end of 2012/2013. The final funding transfer from this reserve for this project, estimated at \$91,500, will be made in 2012/2013.

In 2012/2013 this reserve will also fund \$279,000 for the upgrade of the Slough/Sunset Park pump stations, \$41,700 to complete the moving and setup of the storage building from the former National Guard Armory site, \$14,500 for engineering services for the WPCP Lab expansion project, \$81,700 for telemetry upgrades in several pump stations, \$80,000 for Inductive Coupled Plasma (ICP) equipment for the lab, and \$93,500 for final clarifier renovations for the plant.

In 2013/2014 funds from this reserve will be used for an Ion Chromatography unit for the lab (\$35,000) and funding to upgrade the pumping stations control and telemetry system (\$30,000). An estimated \$600,000 has also been allocated from this reserve for the lab expansion project.

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. Plans are to complete this project in phases over the next fifteen years. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 local option taxes will need to be supplemented with other resources to complete the scheduled work on this project. This reserve fund was set up in 2011/2012 to accumulate funds to assist in financing this project. The revised estimate for 2011/2012, and budgets for 2012/2013 and 2013/2014

each include \$200,000 in transfers from the Water Pollution Control fund. Like amounts for those same years will be 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 the new reserve are expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project.

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 is at an effective rate of 3.25%. 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 2012/2013 and 2013/2014 are \$1,063,339 and \$1,069,844, respectively. Interest payments are estimated at \$501,573 in 2012/2013 and \$483,373 in 2013/2014. The principal payment on this loan is \$560,000 in 2012/2013 and \$578,000 in 2013/2014.

CONSTRUCTION FUNDS

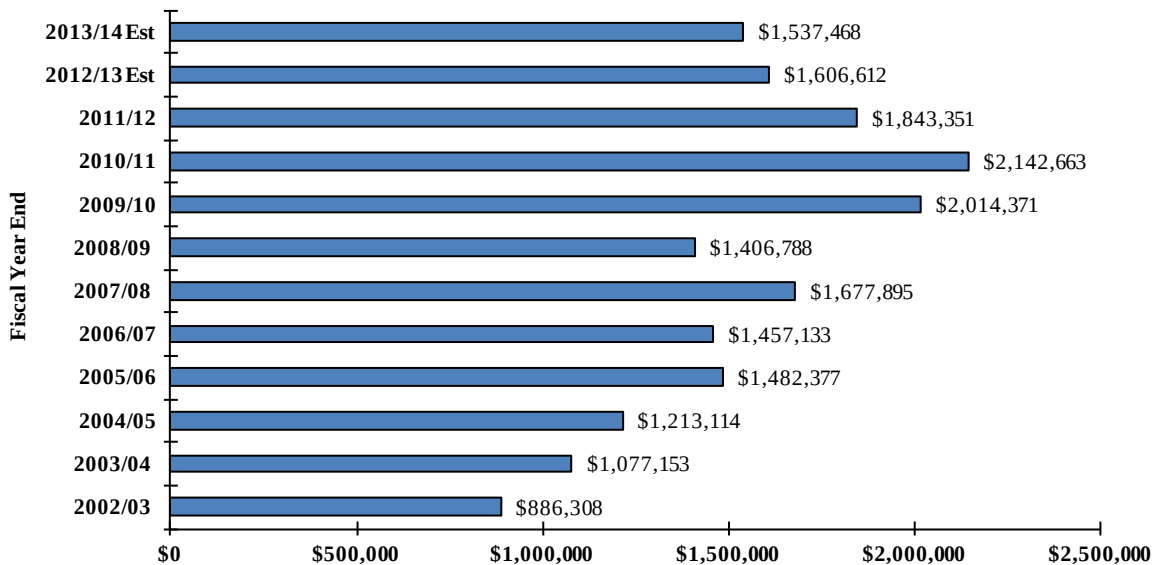
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project 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 maximizing 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 project was substantially completed in the fall of 2011. The final contract issues are expected to be resolved and the contract closed out by the end of 2012/2013.

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.

Water Pollution Control Fund Balance History

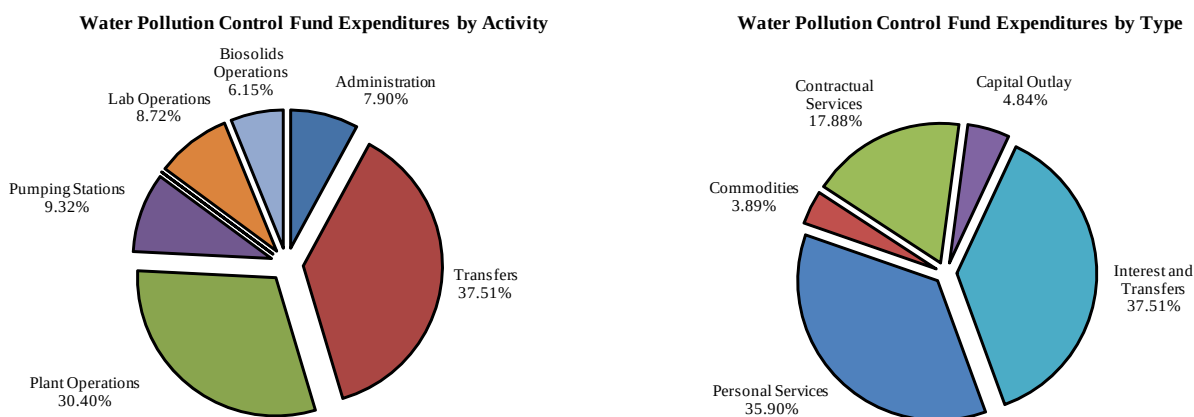


The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on the State Revolving Fund (SRF) Loan. The fund balance increase in 2009/2010 was due to there being no debt payments that year. The prior year bond issue was retired in 2008/2009 and there was only interest due on the new State Revolving Fund (SRF) Loan in 2009/2010. 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.

In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City's major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component was to provide for a separate "Collection and Drainage" charge as part of all residential and commercial customer sewer bills. With the implementation of the new rate structure, the Collection and Drainage activity, formerly accounted for within the Water Pollution Control Fund, is now accounted for as a separate fund.

The rate structure adopted in 2003 also included rate adjustments to be effective July 1, 2004 and July 1, 2005. Sewer rates were also adjusted for the 2006/2007 year. This was a single year rate change since the results of the plant review were not yet known. Rates were set for a two-year period for 2007/2008 and 2008/2009 based on the preliminary cost estimate for plant improvements. As part of the financing of the Water Pollution Control Comprehensive Plant Facilities Improvement project, City Council in the spring of 2009 approved rate increases of approximately 5% per year for a four-year period with these rate increases effective July 1, 2009, 2010, 2011 and 2012. Funding for another rate study for 2013/2014 and future years was included in the 2012/2013 budget. At the time the budget was being prepared, a Request for Proposals for professional services for the new rate study had been sent to various firms providing this type of service. The actual sewer fees for 2013/2014 will be based on recommendations from the study once it has been completed. The budget includes an estimated 2% increase in these fees for 2013/2014.

The Water Pollution Control Fund consists of five different activities, including administration, plant operations, pumping stations, laboratory operations, and biosolids operations. Full-time equivalent employees for these five activities total 21.5 for 2013/2014. The specific employee allocations are detailed in each of the five (5) activity budgets. The following charts show the distribution of budgeted expenditures by activity and by type for 2013/2014:



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 recently completed, the city is striving to further increase operating efficiency and flexibility as well as maximizing 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 2012/2013 revised estimate expenditures are over the budgeted amount by \$129,500. This increase is primarily due to \$81,700 in pumping station telemetry upgrades carried forward from the 2011/2012 budget and an increase of \$45,400 in capital outlay in the Plant Operations budget. The Plant Operations capital increase includes an increase of \$28,500 in the cost of the renovation of the final clarifiers, \$14,500 approved by City Council to replace the sluice gate, and \$5,300 for a security camera system.

The 2013/2014 budgeted expenditures of \$4,337,344 are \$59,995 (1.4%) less than the 2012/2013 budget. This overall decrease includes the reduction of one fulltime Plant Operator position eliminated with the discontinuation of 24/7 staffing at the plant which was made possible with the plant upgrade project. Budgeted capital outlay purchases for 2013/2014 are also \$36,000 less than the capital allocations budgeted for 2012/2013. Expenditures are detailed in each respective activity budget in the Water Pollution Control fund.

As noted previously, at the time the budget was being prepared the City was soliciting proposals for a sewer rate study to assist in setting both sewer and collection and drainage rates for 2013/2014 and upcoming years. The 2013/2014 budget reflects an estimated 2% increase in the current rates. Actual rates will be based on the results on the sewer rate study.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Million Cubic Feet of Wastewater Treated		301.01	314.17	201.16	241.0	262.1
Carbonaceous Biological Oxygen Demand Treated (1,000 lbs/yr.)		1,334	2,258	2,469	2,394	2,418
Total Suspended Solids Treated (1,000 lbs/yr.)		3,194	4,361	2,890	3,200	3,410
Number of Customer Bills	Industrial	96	96	96	96	120
	Non-Industrial	<u>109,116</u>	<u>109,279</u>	<u>109,710</u>	<u>109,700</u>	<u>109,712*</u>
	Total	109,212	109,375	109,806	109,796	109,832

* Beginning July 2013 Ripley Mobile Home Court will received one monthly bill which will cover the approximately 325 units in that facility.

Calendar Year Measures	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Gallons of Sludge/Number of Acres	3,929,908/ 432	4,485,451/ 468.5	3,125,655/ 334	4,654,730/ 467	3,400,000/ 330
Lift Station Preventive Maintenance Tasks	8,832	10,096	10,000	9,015	9,000
Lift Station Corrective Work Orders	31	57	55	58	40
Plant Preventive Maintenance Tasks	16,326	15,869	13,320	11,297	10,000
Plant Corrective Work Orders	647	283	126	129	100

RECENT ACCOMPLISHMENTS:

The Plant Operations division went through many changes this year as the new computer control system came on line and re-defined how the plant is run. Starting with two shifts that spanned 12 hour days, the attempt was made to minimize overtime and still be able to serve customers at a high level. In November the decision was made to move the fence to keep the septic disposal site open 24 hours a day 7 days a week. This was the best scenario for customers and allowed Operations to cut back to one eight hour shift Monday thru Friday. Weekend and holiday shifts are now just two hours per day to check the plant systems and collect samples. One rotating shift keeps an operator on-call 24 hours a day for seven days adding just two hours a day of straight time. This has resulted in minimal overtime and allowed for the elimination of one full-time operator position through attrition. Payroll savings will be approximately \$66,500 per year.

The Maintenance division completed several major projects this year including the final clarifier upgrade and levee sluice gate installation. This gate protects the south end of town from flooding should there be a failure in the 36" pipe that runs from the WPCP under the levee. The maintenance division also assisted with the dredging of the riverfront and the removal of the dredging spoils in the spring. Newly installed pumps at the plant failed to perform to standard and ruined new equipment which required extensive repair multiple times throughout the year. The maintenance division has done very well in keeping that equipment running until a resolution can be reached with the engineers while still maintaining all existing equipment at a very high level.

The lab went through the DMRQA performance evaluation this year as required to maintain its EPA certification. This allows the lab to take in samples from area industries and communities to meet their reporting requirements to the state. This will continue to be a source of revenue and will certainly increase in the coming years as more requirements are made by the IDNR and EPA. The lab is currently in the design phase of a renovation and expansion project that will ensure the lab is able to handle a larger volume of samples as well as new testing requirements that demand more and more sophisticated equipment. The current lab is no longer able to house the new equipment and is becoming an unsafe environment for lab personnel due to ineffective air handling.

The lab is integral to the pretreatment division in handling sample collection as well as working with industry permitting and oversight. With the assistance from the operations divisions and the lab, it is possible to run the pretreatment division without hiring additional personnel.

The biosolids crew accepted the IAWEA Biosolids Program Award at the annual conference this spring and had a write-up in a national publication highlighting their accomplishments. This highly successful program continues to be a model for other plants in the region. Staff also seamlessly integrated the dredging of the riverfront into their assigned duties and has plans to streamline the process to add more efficiency to the project. Plans are to start evaluating the feasibility of moving the dredge spoils away from the Hawkeye site to allow more beneficial use and beautify a very unsightly area of the city.

The Bond and Schley Lift Station Improvement Project is nearing completion with just a few cosmetic changes remaining. These 60 year old structures have a new modern look and renovated interiors that should last for another 60 years. Piping that was near failure and access stairs and cat-walks that were hazardous for staff have all been replaced with new structurally sound equipment. Oversight of the 21 lift stations located throughout the City is on-going and monitored 24 hours a day with the upgraded computer system, allowing for immediate response to problems as they arise.

Management of the Storm Water activity was transferred from Public Works to the WPCP department this year for better coordination of activities across several departments and to better streamline the work needed to be done. With no MS4 designation from the state, general construction site inspection and public education is the main focus for the foreseeable future. Testing within the entire watershed will increase and some sampling equipment may be set up to catch the elusive rain events as they happen. New language covering storm water will be addressed in early 2013 as ordinance revisions are proposed for City Council consideration. The outcome of these revisions will determine staffing needs for this activity. An Environmental Coordinator position is budgeted to remain as an authorized position should the need for the position arise. Storm water planning will be discussed with all departments throughout the year to assist with new requirements.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To implement the Continuous Service Improvement program and integrate “Lean” principles into all processes and divisions to increase efficiency and reduce waste. **(Management Agenda High Priority)**
- * To complete the effluent pump installation and complete the control systems tie-in to finish the plant expansion project.
- * To complete the permit renewal process for the City’s NPDES discharge permit as required every five years by the IDNR and EPA.
- * To continue to build a new standardized Operations and Maintenance manual for the plant to include all the new processes from the plant upgrade.
- * To begin strategic planning for upcoming IDNR mandated nutrient removal rules.
- * To complete the laboratory expansion project in order to allow for the updated equipment necessary for new required testing, prepare for added nutrient removal rules, and to provide a safer environment for employees.
- * To look at the feasibility of pumping riverfront dredging spoils to the Public Works location to free the Hawkeye site for more beneficial uses.
- * To continue to improve the riverfront dredging operation and keep the harbor and boat landings operational throughout the year.
- * To re-permit the dredging operations to allow for hydraulic and mechanical solids removal.
- * To explore renewable energy options for the biogas created in the new digesters.
- * To begin planning the new dump site project to accommodate City and commercial jet-vac truck waste, FOG (Fats, Oils, and Grease) hauler waste, and waste from other high strength industrial waste haulers, to augment income and biogas production.
- * To implement the updated FOG program with the assistance of the Public Works and Community Development departments.
- * To coordinate the Storm Water operations activity to include planning for future MS4 designation and to coordinate work with Public Works and Community Development to begin storm water and construction site monitoring.

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
2012/13	\$ 560,000	\$ 501,573 *	\$ 1,061,573
2013/14	578,000	483,373	1,061,373
2014/15	597,000	464,588	1,061,588
2015/16	616,000	445,185	1,061,185
2016/17	636,000	425,165	1,061,165
2017/18	657,000	404,495	1,061,495
2018/19	678,000	383,143	1,061,143
2019/20	700,000	361,108	1,061,108
2020/21	723,000	338,358	1,061,358
2021/22	747,000	314,860	1,061,860
2022/23	771,000	290,583	1,061,583
2023/24	796,000	265,525	1,061,525
2024/25	822,000	239,655	1,061,655
2025/26	849,000	212,940	1,061,940
2026/27	876,000	185,348	1,061,348
2027/28	905,000	156,878	1,061,878
2028/29	934,000	127,465	1,061,465
2029/30	964,000	97,110	1,061,110
2030/31	996,000	65,780	1,061,780
2031/32	<u>1,028,000</u>	<u>33,410</u>	<u>1,061,410</u>
Total	<u>\$ 15,433,000</u>	<u>\$ 5,796,542</u>	<u>\$ 21,229,542</u>

* Estimated interest for 2012/2013; the actual amount may vary slightly based on the timing of the final loan drawdown.

Water Pollution Control Fund
Water Pollution Control Plant Replacement Reserve
Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 3,836,712	\$ 3,834,810	\$ 1,971,310	\$ 2,492,703	\$ 2,014,303
Revenues					
Interest	\$ 8,349	\$ 6,535	\$ 8,000	\$ 3,500	\$ 3,000
Transfers In					
Water Pollution Control					
Operations Fund	270,000	200,000 (5)	200,000	200,000	200,000
Total Revenues	<u>\$ 278,349</u>	<u>\$ 206,535</u>	<u>\$ 208,000</u>	<u>\$ 203,500</u>	<u>\$ 203,000</u>
Funds Available	<u>\$ 4,115,061</u>	<u>\$ 4,041,345</u>	<u>\$ 2,179,310</u>	<u>\$ 2,696,203</u>	<u>\$ 2,217,303</u>
Expenditures					
Transfers Out:					
Water Pollution Control Fund	\$ 0	\$ 0	\$ 131,500 (2)	\$ 255,200 (3)	\$ 65,000 (4)
Slough/Sunset Park Pump Station					
Study/Upgrade	0	4,750	0	279,000	0
Water Pollution Control Facilities					
Improvements/Digester Conversion	253,309 (1)	1,412,215 (1)	0	91,500 (1)	0
Lab Expansion and Renovation	0	20,012	330,000	14,500	600,000
Storage Building	0	111,665	0	41,700	0
Papoose Crane Renovation	26,942	0	0	0	0
Total Expenditures	<u>280,251</u>	<u>1,548,642</u>	<u>\$ 461,500</u>	<u>\$ 681,900</u>	<u>\$ 665,000</u>
Ending Balance, June 30	<u>\$ 3,834,810</u>	<u>\$ 2,492,703</u>	<u>\$ 1,717,810</u>	<u>\$ 2,014,303</u>	<u>\$ 1,552,303</u>

Increase (Decrease) in Fund Balance	\$ (1,902)	\$ (1,342,107)	\$ (253,500)	\$ (478,400)	\$ (462,000)

1. An estimated \$1 million was committed from this fund for the digester conversion portion of Water Pollution Control Facilities Improvement Project. An additional \$1 million of project costs were funded from this Reserve to reduce the amount of the State Revolving Fund Loan which financed the overall project. Some of these costs were incurred in 2009/2010 with the remaining amounts in 2010/2011, 2011/2012, and 2012/2013. The current estimate for funding from this reserve totals \$1,993,619. This amount would have been higher if the City had not chosen to use \$62,723 in funds remaining in a prior year WPCP Plant Modifications project fund.
2. In 2012/2013 funds from this Reserve were budgeted to fund \$66,500 for AA equipment for the Lab and \$65,000 was budgeted for improvements to the final clarifiers.
3. In the 2012/2013 Revised Estimate a total of \$255,200 is budgeted to be transferred to the WPCP Operations fund which includes \$81,700 for the Telemetry upgrade originally budgeted in 2011/2012, the ICP for \$80,000 (originally budgeted at \$65,000 for an AA), and \$93,500 for Final Clarifier Renovations (originally budgeted at \$65,000).
4. In 2013/2014 funds from this Reserve are budgeted to fund an Ion Chromatography unit for the Lab for \$35,000 and \$30,000 has been budgeted to upgrade the control and telemetry systems.
5. Beginning in 2011/2012 the WPCP Administration budget includes \$200,000 in annual transfers to the new Reserve established to accumulate funds for the West Hill Sewer Separation project mandated by the Consent Order with the E.P.A. With the transfers to the new reserve, the annual transfers to the Replacement Reserve have been decreased from \$270,000 to \$200,000 to lessen the impact of the transfers to the new reserve on the WPCP fund.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 400,000	\$ 400,118	\$ 801,118
Revenues:					
Interest	\$ 0	\$ 118	\$ 1,000	\$ 1,000	\$ 1,500
Transfers In:					
Water Pollution Control Fund	0	200,000 (1)	200,000	200,000 (1)	200,000 (1)
Collection & Drainage Fund	<u>0</u>	<u>200,000 (1)</u>	<u>200,000</u>	<u>200,000 (1)</u>	<u>200,000 (1)</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 400,118</u>	<u>\$ 401,000</u>	<u>\$ 401,000</u>	<u>\$ 401,500</u>
Funds Available	\$ 0	\$ 400,118	\$ 801,000	\$ 801,118	\$ 1,202,618
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 400,118</u></u>	<u><u>\$ 801,000</u></u>	<u><u>\$ 801,118</u></u>	<u><u>\$ 1,202,618</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 400,118	\$ 401,000	\$ 401,000	\$ 401,500

- Beginning in 2011/2012 and continuing in 2012/2013 and 2013/2014, the WPCP and Collection and Drainage funds each include \$200,000 in transfers to this Reserve 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 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 384,226	\$ 96,685	\$ 97,030	\$ 98,465	\$ 100,731
Revenues:					
Interest	\$ 1,148	\$ 753	\$ 100	\$ 500	\$ 500
Transfers In:					
Water Pollution Control Fund	715,795	1,061,333	1,063,339	1,063,339	1,069,844
Total Revenues	\$ 716,943	\$ 1,062,086	\$ 1,063,439	\$ 1,063,839	\$ 1,070,344
Funds Available	\$ 1,101,169	\$ 1,158,771	\$ 1,160,469	\$ 1,162,304	\$ 1,171,075
Expenditures:					
Bonds	\$ 525,000	\$ 542,000	\$ 560,000	\$ 560,000	\$ 578,000
Interest and Fees	479,484	518,306	501,573	501,573 (1)	483,373
Total Expenditures	\$ 1,004,484	\$ 1,060,306	\$ 1,061,573	\$ 1,061,573	\$ 1,061,373
Ending Balance, June 30	\$ 96,685	\$ 98,465	\$ 98,896	\$ 100,731	\$ 109,702

Increase (Decrease) in					
Fund Balance	\$ (287,541)	\$ 1,780	\$ 1,866	\$ 2,266	\$ 8,971

1. Estimated State Revolving Fund Loan interest for 2012/2013. The actual amount will vary slightly from this estimate depending on the timing of the final loan draw down request.

Water Pollution Control Operations Fund

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 2,014,371	\$ 2,142,663	\$ 1,792,130	\$ 1,843,351	\$ 1,606,612
Revenues	3,622,480	3,774,433	4,108,500	4,290,100	4,268,200
Encumbrance Variance	<u>118</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 5,636,969	\$ 5,917,096	\$ 5,900,630	\$ 6,133,451	\$ 5,874,812
Expenditures (1)	<u>3,494,306</u>	<u>4,073,745</u> (2)	<u>4,397,339</u>	<u>4,526,839</u> (2)	<u>4,337,344</u> (2)
Ending Balance, June 30	<u>\$ 2,142,663</u>	<u>\$ 1,843,351</u>	<u>\$ 1,503,291</u>	<u>\$ 1,606,612</u>	<u>\$ 1,537,468</u>

Increase (Decrease) in Fund Balance	\$ 128,292	\$ (299,312)	\$ (288,839)	\$ (236,739)	\$ (69,144)

- Expenditures include changes in compensated absences and other post-employment benefits.
- The FY 2011/2012 Actual, the 2012/2013 Revised Estimate, and the 2013/2014 WPCP budgeted expenditures include \$200,000 in 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. The annual transfers to the Replacement Reserve for those years has decreased from \$270,000 to \$200,000.

Water Pollution Control Operations Fund

Summary of Revenues

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Sewer Charges-Residential and Commercial	\$ 2,768,475	\$ 2,927,562	\$ 3,105,700	\$ 3,100,000	\$ 3,162,000 (1)
Industrial and City-billed Commercial					
Sewer Charges	666,794	683,870	712,200	766,800	860,000 (2)
Wastewater Discharge Permits	2,650	1,620	1,600	2,600	1,700
Rental of Land	6,500	6,500	0	0	0
Interest	3,993	3,105	4,000	3,000	3,000
Sale of Equipment/Other Sales	0	12,089	5,000	10,000	20,000
Analytical Income	102,517	74,042	75,000	80,000	85,000
Sales Tax	61,129	65,585	72,000	70,000	70,000
FEMA Reimbursement	121	16	0	0	0
Insurance Reimbursement	0	0	0	1,000	0
Rebates	5,420	0	0	0	0
Miscellaneous	4,880	44	1,500	1,500	1,500
Transfers In:					
Plant Replacement Reserve	0	0	131,500	255,200 (3)	65,000 (4)
Total Revenues	<u>\$ 3,622,480</u>	<u>\$ 3,774,433</u>	<u>\$ 4,108,500</u>	<u>\$ 4,290,100</u>	<u>\$ 4,268,200</u>

1. The Residential and Muscatine Power & Water billed Commercial Sewer charges for 2013/2014 reflect an estimated 2% rate increase; the actual rates and revenue will be determined from the rate study to be completed in the spring of 2013.
2. Industrial and City-billed commercial charges include an estimated \$80,000 from Ripley's Mobile Home Court with the sewer extension project expected to be completed by 6-30-13. Industrial and City-billed commercial sewer fees also reflect an estimated 2% increase in these rates for 2013/2014. Actual rates will be determined from the rate study.
3. The 2012/2013 transfer from the Plant Replacement Reserve includes \$81,700 for the Telemetry upgrade (originally budgeted in 2011/2012 for \$96,500), the ICP for \$80,000 (originally budgeted at \$65,000 for an AA), and \$93,500 for Final Clarifier Renovation (originally budgeted at \$65,000).
4. Transfers from the WPCP Reserve for 2013/2014 include \$35,000 for an Ion Chromotography unit for the Lab, and \$30,000 to upgrade the Pumping Station Control and Telemetry system.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Administration	\$ 1,431,138	\$ 1,926,393 (1)	\$ 1,948,639	\$ 1,951,739 (1)	\$ 1,969,244 (1)
Plant Operations	1,196,856	1,233,501	1,350,100	1,403,800	1,318,700
Pumping Stations	318,403	327,563	404,900	473,900	404,300
Laboratory Operations	326,412	323,007	422,600	426,400	378,400
Biosolids Operations	<u>227,685</u>	<u>240,497</u>	<u>271,100</u>	<u>271,000</u>	<u>266,700</u>
Total Expenditures	<u>\$ 3,500,493</u>	<u>\$ 4,050,961</u>	<u>\$ 4,397,339</u>	<u>\$ 4,526,839</u>	<u>\$ 4,337,344</u>

1. The 2011/2012 Actual, the 2012/2013 Revised Estimate, and the 2013/2014 budget for WPCP Administration include \$200,000 in 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. The annual transfers to the Replacement Reserve for those years have decreased from \$270,000 to \$200,000.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Administration

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 156,053	\$ 163,724	\$ 167,900	\$ 171,600	\$ 167,600	-0.18%
Commodities	2,582	2,098	2,700	2,800	2,700	0.00%
Contractual Services	121,303	138,094	156,600	154,600	172,200	9.96%
Capital Outlay	8,510	13,344	5,800	4,700	-	-100.00%
Transfers	<u>1,142,690</u>	<u>1,609,133</u>	<u>1,615,639</u>	<u>1,618,039</u>	<u>1,626,744</u>	0.69%
Total Expenditures	<u>\$ 1,431,138</u>	<u>\$ 1,926,393</u>	<u>\$ 1,948,639</u>	<u>\$ 1,951,739</u>	<u>\$ 1,969,244</u>	1.06%
Funding Sources						
Sewer Charges	\$ 1,549,010	\$ 1,646,744	\$ 1,655,800	\$ 1,712,000	\$ 1,897,100	14.57%
Interest	3,993	3,105	4,000	3,000	3,000	-25.00%
FEMA Reimbursement	<u>121</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 1,553,124</u>	<u>\$ 1,649,865</u>	<u>\$ 1,659,800</u>	<u>\$ 1,715,000</u>	<u>\$ 1,900,100</u>	14.48%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Director of Water						
Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 124,300
Employee Benefits						<u>43,300</u>
Total Personal Services						<u>\$ 167,600</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 741,766	\$ 742,040	\$ 758,300	\$ 770,400	\$ 711,300	-6.20%
Commodities	36,981	58,411	64,600	64,600	64,100	-0.77%
Contractual Services	380,289	356,898	432,000	425,000	422,900	-2.11%
Capital Outlay	37,820	76,152	95,200	143,800	120,400	26.47%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,196,856</u>	<u>\$ 1,233,501</u>	<u>\$ 1,350,100</u>	<u>\$ 1,403,800</u>	<u>\$ 1,318,700</u>	-2.33%
Funding Sources						
Sewer Charges	\$ 1,122,777	\$ 1,154,939	\$ 1,210,000	\$ 1,235,200	\$ 1,245,500	2.93%
Sales Tax	61,129	65,585	72,000	70,000	70,000	-2.78%
Other Revenues	12,950	1,664	3,100	4,100	3,200	3.23%
Insurance Reimbursement	-	-	-	1,000	-	
Sale of Equipment	-	11,313	-	-	-	
Replacement Reserve	-	-	65,000	93,500	-	
Total Funding Sources	<u>\$ 1,196,856</u>	<u>\$ 1,233,501</u>	<u>\$ 1,350,100</u>	<u>\$ 1,403,800</u>	<u>\$ 1,318,700</u>	-2.33%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions:						
Plant Maintenance Manager	1.00	1.00	1.00	1.00	1.00	
Assistant WPCP Director	0.75	0.75	0.75	0.38	-	
Environmental Coordinator	-	-	-	0.38	0.75	
Treatment Plant Operator III	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Operator II	4.00	4.00	4.00	3.00	2.00	
Treatment Plant Mechanic II	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	2.00	2.00	2.00	2.00	2.00	
Maintenance Worker I	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Lead Operator	-	-	-	1.00	1.00	
Total	10.75	10.75	10.75	10.75	9.75	\$ 476,900
Employee Benefits						234,400
Total Personal Services						<u>\$ 711,300</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Garage Doors with Openers	4	No	\$ 4,200
Computers	2	Yes	3,000
Confined Space Retrieving Cable	1	No	3,200
Chlorine Storage Shed	1	No	10,000
Harbor Piping	1	No	100,000
			<u>\$ 120,400</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 180,278	\$ 189,691	\$ 201,400	\$ 201,600	\$ 209,700	4.12%
Commodities	14,368	40,998	22,600	22,800	22,800	0.88%
Contractual Services	123,757	96,874	140,900	127,800	129,000	-8.45%
Capital Outlay	-	-	40,000	121,700	42,800	7.00%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 318,403	\$ 327,563	\$ 404,900	\$ 473,900	\$ 404,300	-0.15%
Funding Sources						
Sewer Charges	\$ 318,403	\$ 326,787	\$ 404,900	\$ 392,200	\$ 374,300	-7.56%
WPCP Replacement Reserve	-	-	-	81,700	30,000	
Sale of Equipment	-	776	-	-	-	
Total Funding Sources	\$ 318,403	\$ 327,563	\$ 404,900	\$ 473,900	\$ 404,300	-0.15%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Lift Station/Plant Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Lift Station Operator	2.00	2.00	2.00	2.00	2.00	
Total	3.00	3.00	3.00	3.00	3.00	\$ 144,300
Employee Benefits						65,400
Total Personal Services						\$ 209,700

Capital Outlay			
Item	Quantity	Replacement	Amount
Check Valve - Isett	1	Yes	\$ 5,500
Flow Meter at Houser	1	No	7,300
Upgrade Control & Telemetry System	1	Yes	30,000
			\$ 42,800

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 246,047	\$ 243,519	\$ 251,200	\$ 250,900	\$ 260,000	3.50%
Commodities	50,294	49,507	50,400	50,100	52,100	3.37%
Contractual Services	18,018	23,223	21,800	25,000	25,000	14.68%
Capital Outlay	12,053	4,976	99,200	100,400	41,300	-58.37%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 326,412</u>	<u>\$ 321,225</u>	<u>\$ 422,600</u>	<u>\$ 426,400</u>	<u>\$ 378,400</u>	-10.46%
Funding Sources						
Sewer Charges	\$ 223,895	\$ 247,183	\$ 281,100	\$ 266,400	\$ 258,400	-8.08%
Analytical Charges	102,517	74,042	75,000	80,000	85,000	13.33%
WPCP Replacement Reserve	-	-	66,500	80,000	35,000	-47.37%
Total Funding Sources	<u>\$ 326,412</u>	<u>\$ 321,225</u>	<u>\$ 422,600</u>	<u>\$ 426,400</u>	<u>\$ 378,400</u>	-10.46%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	
Total	3.75	3.75	3.75	3.75	3.75	\$ 188,300
Employee Benefits						<u>71,700</u>
Total Personal Services						<u>\$ 260,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
BOD Probe and Meter	1	Yes	\$ 2,200
Computers	2	Yes	2,500
SCP Controller	1	Yes	1,600
Ion Chromatography Unit	1	No	35,000
			<u>\$ 41,300</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:

Biosolids Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 190,026	\$ 193,952	\$ 199,300	\$ 199,200	\$ 207,700	4.21%
Commodities	9,272	21,879	39,700	39,700	27,200	-31.49%
Contractual Services	15,446	21,598	26,300	26,300	26,300	0.00%
Capital Outlay	12,940	4,850	5,800	5,800	5,500	-5.17%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 227,684</u>	<u>\$ 242,279</u>	<u>\$ 271,100</u>	<u>\$ 271,000</u>	<u>\$ 266,700</u>	-1.62%
Funding Sources						
Sewer Charges	\$ 221,184	\$ 235,779	\$ 266,100	\$ 261,000	\$ 246,700	-7.29%
Rental of Land	6,500	6,500	-	-	-	
Sale of Equipment	-	-	5,000	10,000	20,000	300.00%
Total Funding Sources	<u>\$ 227,684</u>	<u>\$ 242,279</u>	<u>\$ 271,100</u>	<u>\$ 271,000</u>	<u>\$ 266,700</u>	-1.62%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	
Total	3.00	3.00	3.00	3.00	3.00	\$ 133,500
Overtime						12,300
Employee Benefits						<u>61,900</u>
Total Personal Services						<u>\$ 207,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Dragline Hose (6")	660'	Yes	<u>\$ 5,500</u>

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 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 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. The E.P.A. approved the extension of the original 2024 deadline to 2028 in November of 2012. The West Hill Sewer Separation project will be completed in multiple phases over the next 15 years. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 the local option tax funding will need to be supplemented with other resources to complete the scheduled work on this project. The actual 2011/2012 expenditures, the revised estimate for 2012/2013, and the budget for 2013/2014, each include \$200,000 in transfers from the Collection and Drainage fund to be set aside in a special reserve to accumulate funds to assist in financing this project. Like amounts for those same years are being transferred from the Water Pollution Control 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 the new reserve are expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project.

The 2012/2013 revised estimate is under the original budget by \$2,700 due to savings in personal services and contractual services costs.

The 2013/2014 budget is \$21,700 (1.9%) higher than the 2012/2013 budget primarily due to increased personal services (\$14,500), increased repair and maintenance supplies (\$3,000), and an increase in the Collection and Drainage portion of the annual MAGIC (Muscatine Area Geographical Information Consortium) operating cost (\$5,000). Reductions in other areas of the budget offset a portion of these increases. Transfers for 2013/2014 include the \$200,000 transfer to the reserve for the West Hill Sewer Separation project, \$100,000 to fund the Southend Force Main Air Release Valve project, \$180,000 to the Sewer Extension and Improvement Reserve, and a total of \$13,700 in administrative transfers for general, information technology, and public works administration. Both the 2012/2013 revised estimate and 2013/2014 budget include \$8,500 to rent an additional street sweeper each spring to reduce the amount of sand entering the storm sewer system (sand used for snow and ice control).

The Collection and Drainage fee is currently \$11.00 per customer per month. This fee was effective July 1, 2012 based on the resolution adopted by City Council in 2009 setting both sewer and collection and drainage fees for a four-year period from July 1, 2009 through June 30, 2013. The 2012/2013 budget included funding for another rate study to determine rate adjustments for 2013/2014 and future years. At the time the budget was being prepared, a Request for Proposals for professional services for a new rate study had been sent to various firms providing this type of service. The actual Collection and Drainage fee for 2013/2014 will be based on recommendations from the study once it has been completed. The budget includes an estimated 2% increase in these fees for 2013/2014. These fee increases are needed to continue to maintain and improve the City's sewer system.

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 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Sewers Cleaned and Flushed (Miles)	5.74	17.4	17.1	16.3	18
TV Inspections (Feet)	6,231	3,023	2,384	3,530	4,000
Inspections at the Washington St. Combined Sewer Overflow (CSO)	37	36	18	17	20
Inspections of Blockage Prone Manholes (Various Locations)	23	14	19	11	20
Inspection of Blockage Prone Ditch/ Ravine Drains (Various Locations)	20	19	11	15	20
Cleaning Storm Water Inlets (Man Hours)	821	1,048	1,032	657	750
Corrective Repairs – Sewers	29	22	16	23	20
Corrective Repairs – Structures	56	46	48	48	50
Corrective Repairs – Force Mains	1	2	0	1	0
Utility Locates	2,067	2,027	2,030	2,108	2,000
After Hours	11	11	30	9	10
Sewer Call Responses – Total	96	70	62	62	75
After Hours	20	14	9	13	10
City Blockages	4	7	4	5	0
Backups Due to City Lines	2	6	4	5	0
Routine Equipment Operation/ Maintenance (Man Hours)	227	293	406	478	350
Work for Other Departments (Man Hours)	154	296	706	908	350
Work on Capital Improvement Projects (Man Hours)	633	273	451	226.5	300

RECENT ACCOMPLISHMENTS:

The Collection and Drainage division achieved its annual goal for sewer cleaning by completing Zone 3 of the routine maintenance program.

Two Collection and Drainage crew members received PACP certification from the National Association of Sewer Service Companies certifying their ability to accurately assess the condition of the City's sewer infrastructure via closed circuit televising using nationally standardized methods.

This division developed a custom tool to aid in lowering and removing long stacks of vacuum tubes from deep manholes greatly reducing the risk of back injury. Staff also located, recovered and returned a five carat diamond ring to its owner after it was lost in the sewer system.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To begin to systematically replace all of the air release valves on the south end force mains.
- * To reach the annual goal of the routine maintenance program by completing cleaning and maintenance activities on the sanitary sewers in Zone 4.

Collection and Drainage Fund
Sewer Extension and Improvement Reserve (1)
Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 768,920	\$ 964,399	\$ 1,073,799	\$ 991,421	\$ 458,021
Revenues					
Interest	\$ 1,835	\$ 1,794	\$ 2,400	\$ 1,800	\$ 1,000
Sewer Connection Fees	19,126	10,960	10,000	50,000	10,000
Transfers In					
Garfield Sewer Project	0	0	0	32,300	0
Collection & Drainage Fund	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Total Revenues	<u>\$ 200,961</u>	<u>\$ 192,754</u>	<u>\$ 192,400</u>	<u>\$ 264,100</u>	<u>\$ 191,000</u>
Funds Available	<u>\$ 969,881</u>	<u>\$ 1,157,153</u>	<u>\$ 1,266,199</u>	<u>\$ 1,255,521</u>	<u>\$ 649,021</u>
Expenditures					
Transfers Out:					
Voluntary Annexation/Mad Creek					
Sewer Extension Project	4,395	82,284	0	797,500 (2)	0
Heatherlyn Sewer Project	<u>1,086</u>	<u>83,448</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 5,482</u>	<u>\$ 165,732</u>	<u>\$ 0</u>	<u>\$ 797,500</u>	<u>\$ 0</u>
Ending Balance, June 30	<u>\$ 964,399</u>	<u>\$ 991,421</u>	<u>\$ 1,266,199</u>	<u>\$ 458,021</u>	<u>\$ 649,021</u>
Increase (Decrease) in Fund Balance	\$ 195,479	\$ 27,022	\$ 192,400	\$ (533,400)	\$ 191,000

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. A decision to proceed with the Voluntary Annexation/Mad Creek Sewer Extension project was made after the 2012/2013 budget was adopted. The Revised Estimate amount of \$797,500 is the estimated City share of the cost of this project.

**Collection and Drainage
(Including Stormwater Operations)
Fund Statement**

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 588,473	\$ 817,074	\$ 775,874	\$ 893,220	\$ 895,020
Revenues					
Collection and Drainage Fees	\$ 1,090,614 (1)	\$ 1,142,443 (1)	\$ 1,185,000	\$ 1,190,000 (1)	\$ 1,213,000 (1)
Grease Discharge Permits	20,447	22,045	16,000	18,000	18,000
Interest	1,564	1,612	1,500	1,000	1,000
Sale of Scrap Materials	0	20	5,000	5,000	5,000
FEMA - State Share	111	0	0	0	0
Miscellaneous	6	450	500	500	500
Total Revenues	<u>\$ 1,112,742</u>	<u>\$ 1,166,570</u>	<u>\$ 1,208,000</u>	<u>\$ 1,214,500</u>	<u>\$ 1,237,500</u>
Funds Available	<u>\$ 1,701,215</u>	<u>\$ 1,983,644</u>	<u>\$ 1,983,874</u>	<u>\$ 2,107,720</u>	<u>\$ 2,132,520</u>
Expenditures:					
Collection and Drainage	\$ 834,915	\$ 1,031,774 (2)	\$ 1,163,500	\$ 1,160,800 (2)	\$ 1,185,200 (2)
Stormwater Operations	49,226	58,650	57,700	51,900	64,100
Total Expenditures	<u>\$ 884,141</u>	<u>\$ 1,090,424</u>	<u>\$ 1,221,200</u>	<u>\$ 1,212,700</u>	<u>\$ 1,249,300</u>
Ending Balance, June 30	<u>\$ 817,074</u>	<u>\$ 893,220</u>	<u>\$ 762,674</u>	<u>\$ 895,020</u>	<u>\$ 883,220</u>

Increase (Decrease) in Fund Balance	\$ 228,601	\$ 76,146	\$ (13,200)	\$ 1,800	\$ (11,800)

1. Monthly collection and drainage charges on sewer bills were \$10.15 for 2010/2011, \$10.60, for 2011/2012, and \$11.00 for 2012/2013. The rate for 2013/2014 rate has not yet been determined. The revenue estimate shown for 2013/2014 is based on a 2% increase in the Collection and Drainage fee.
2. Actual 2011/2012, the 2012/2013 Revised Estimate, and 2013/2014 expenditures each include \$200,000 in 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.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 426,149	\$ 431,641	\$ 441,500	\$ 441,100	\$ 456,000	3.28%
Commodities	36,024	50,055	48,100	48,400	53,600	11.43%
Contractual Services	82,717	94,180	128,800	126,200	130,600	1.40%
Capital Outlay	84,330	5,501	52,000	52,000	51,500	-0.96%
Transfers	<u>205,695</u>	<u>450,398</u>	<u>493,100</u>	<u>493,100</u>	<u>493,500</u>	0.08%
Total Expenditures	<u>\$ 834,915</u>	<u>\$ 1,031,775</u>	<u>\$ 1,163,500</u>	<u>\$ 1,160,800</u>	<u>\$ 1,185,200</u>	1.87%
Funding Sources						
Collection & Drainage Fees	<u>\$ 834,915</u>	<u>\$ 1,031,775</u>	<u>\$ 1,163,500</u>	<u>\$ 1,160,800</u>	<u>\$ 1,185,200</u>	1.87%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	
Equipment Operator II	3.00	3.00	3.00	3.00	3.00	
Equipment Operator I	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
Total	6.53	6.53	6.53	6.53	6.53	\$ 308,900
Employee Benefits						<u>147,100</u>
Total Personal Services						<u>\$ 456,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Mig Welder	1	No	\$ 1,500
Sewer Maintenance Projects			<u>50,000</u>
			<u>\$ 51,500</u>

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.

A fulltime Environmental Coordinator position was included in this budget through the end of calendar year 2008. Since that time responsibilities for this program were assumed by other City staff. Responsibility for the FOG (Fat, Oils, and Grease) program was assigned to the Community Development department and responsibility for the Pretreatment Program was assigned to Water Pollution Control staff. This budget currently includes an allocation of 1/3 of the Community Development Inspector II position and 1/4 of the Assistant Water Pollution Control Plant (WPCP) Director. With the recent promotion of the Assistant WPCP Director to Director, the budget for 2013/2014 includes a 25% allocation of a new fulltime Environmental Coordinator position in lieu of the Assistant Director position which is budgeted to be eliminated.

CURRENT TRENDS AND ISSUES:

The 2012/2013 revised estimate is \$5,800 less than the budgeted amount. This is primarily due to decreases in personal services due to staff changes and decreases in contractual services, primarily lab services.

The 2013/2014 budget is \$6,400 (11.1%) more than the budget for 2012/2013 primarily due to a \$5,000 increase in capital outlay. The capital outlay allocation is for the purchase of a sampler for water testing. The budget for 2013/2014 includes the allocation of 25% of the new Environmental Coordinator position with the remaining 75% allocated to the Water Pollution Control fund. The budget also continues to allocate 1/3 of the Community Development department Inspector II position.

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

Fiscal Year Measures	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Grease Discharge Permits Issued	97	95	98	98
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	30	20	50	50
Permitted Significant Industrial Users	13	12	12	14
Significant Industrial Users Inspected	13	12	12	14
Commercial Waste Hauling Permits Issued	15	14	17	20
Construction Site Inspections	NA	N/A	5	5
Storm Events Sampled	0	0	2	5
River and Creek Samples Taken	5	30	60	80
Tests Performed on River and Creek Samples	20	200	500	700

RECENT ACCOMPLISHMENTS:

Oversight of the Storm Water activity was transferred from the Public Works department to the Water Pollution Control department in the fall of 2012. This should assist in coordinating efforts of the three affected departments – Water Pollution Control, Public Works, and Community Development. Education of staff has been the focus for most of the year as well as writing language for the proposed ordinance changes which will allow more direction for how this program will be operated. Without clear directives and the City currently not having MS4 designation, staff will continue to work on educating City departments and staff on storm water related issues and build public awareness. Preparations for potential future MS4 designation will assist in developing programs which will be ready for implementation when required.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To begin re-building the department to address current storm water issues.
- * To work with City Council on ordinance language changes for storm water issues.
- * To re-establish watershed management practices including sampling and education.
- * To continue construction site inspections with the assistance of Community Development department staff.
- * To begin MS4 designation planning with all affected departments.
- * To continue to support on-going storm water issues including sewer separation, funding, mitigation, and regulation.

Function:
Business Type

Department:
Public Works

Activity:
Storm Water Operations

	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Percent Change
Expenditure Summary						
Personal Services	\$ 46,251	\$ 56,501	\$ 44,800	\$ 43,600	\$ 45,600	1.79%
Commodities	756	49	1,000	900	1,300	30.00%
Contractual Services	419	200	9,900	5,400	10,100	2.02%
Capital Outlay	-	-	-	-	5,000	
Transfers	<u>1,800</u>	<u>1,900</u>	<u>2,000</u>	<u>2,000</u>	<u>2,100</u>	5.00%
Total Expenditures	<u>\$ 49,226</u>	<u>\$ 58,650</u>	<u>\$ 57,700</u>	<u>\$ 51,900</u>	<u>\$ 64,100</u>	11.09%
Funding Sources						
Grease Discharge Permits	\$ 20,447	\$ 22,045	\$ 16,000	\$ 18,000	\$ 18,000	12.50%
Collection & Drainage Fund	<u>28,779</u>	<u>36,605</u>	<u>41,700</u>	<u>33,900</u>	<u>46,100</u>	10.55%
Total Funding Sources	<u>\$ 49,226</u>	<u>\$ 58,650</u>	<u>\$ 57,700</u>	<u>\$ 51,900</u>	<u>\$ 64,100</u>	11.09%

Personnel Schedule						
	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Budget Amount 2012/2013
Full Time Position:						
Inspector II	-	0.08	0.33	0.33	0.33	
Health and Housing Coordinator	0.33	0.25	-	-	-	
Assistant Director - Water Pollution Control	0.25	0.25	0.25	0.13	-	
Environmental Coordinator	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.12</u>	<u>0.25</u>	
Total Full Time	0.58	0.58	0.58	0.58	0.58	\$ 31,400
Employee Benefits						<u>14,200</u>
Total Personal Services						<u>\$ 45,600</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Sampler for Water Testing	1	No	<u>\$ 5,000</u>

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 was \$560,635 in 2012/2013 and it will increase to \$590,574 in 2013/2014. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2013/2014. The IPERS rate will increase from 8.67% in 2012/2013 to 8.93% in 2013/2014.

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 system 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%, 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 further increased to 26.12% for 2012/2013. The pension contribution rate will again increase to 30.12% in 2013/2014. Property tax funding for police and fire pension will increase from \$1,121,886 in 2012/2013 to \$1,357,731 in 2013/2014, an increase of \$235,845. This resulted in an 18.4% increase in the property tax rate for police and fire pension to \$1.7009/\$1,000 of valuation in 2013/2014. This is an increase of approximately \$.26/\$1,000 of taxable valuation compared to the current year.

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 \$69,206 of medical costs related to several individuals' injuries or illnesses were incurred in 2006/2007, \$100,679 in 2007/2008, \$16,084 in 2008/2009, \$22,882 in 2009/2010, \$17,840 in 2010/2011 and \$24,376 in 2011/2012. Retiree medical costs are estimated at \$26,600 for both the 2012/2013 revised estimate and 2013/2014 budget.

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 2011/2012, the police and fire medical insurance cost was \$12,285. Due to one large claim, the premium for this insurance increased to \$36,000 in 2012/2013 and will remain at \$36,000 for 2013/2014.

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 \$1,388,867 for 2013/2014. 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 an individual claim reaches 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, 2004, the rates were set at \$238.97 and \$635.66, respectively, for single and family coverage. The rates included a \$94.69 per month administrative fee. This administrative fee includes the administrative costs of processing claims under the insurance plan as well as fees for the individual and aggregate stop loss insurance. For 2004, deductibles were increased from \$200 to \$300 for single and from \$400 to \$600 for family health coverage. The annual out-of-pocket maximums were also increased from \$500 to \$600 and from \$1,000 to \$1,300 for single and family coverage. Effective January 1, 2005, the rates increased by 8.8% for both single and family coverage to \$259.97 and \$691.52, respectively. In 2005 the City's health insurance claims increased dramatically. Health insurance premiums increased by 33.8% effective January 1, 2006 to \$347.84 and \$925.26, respectively for single and family coverage. Effective January 1, 2007, the rates increased to \$388.12 and \$1,032.39, respectively, for single and family coverage, increases in both rates of 11.6%. Effective January 1, 2008 rates further increased to \$427.60 and \$1,137.42, respectively, increases of 10.2%. Health insurance claims have stabilized since 2008 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. For 2013, deductibles increased from \$300 to \$400 for single and from \$600 to \$800 for family health coverage. The annual out-of-pocket maximums also increased from \$600 to \$800 and from \$1,300 to \$1,600 for single and family coverage. The monthly administrative fee for 2013 is \$107.35 per employee. The administrative fee includes the \$8.31 Wellmark network access fee as well as the individual and aggregate stop loss insurance fees. The budget for 2013/2014 maintains the premium rates at \$440.43 and \$1,171.54, respectively, for single and family coverage. The budgeted tax funding amount for 2013/2014 for General Fund employees is \$1,388,867.

Employee benefit costs for life insurance will increase from \$14,133 in 2012/2013 to \$14,855 in 2013/2014. Effective October 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. Basic provisions in the amount of life insurance coverage for each employee remain the same for 2013/2014.

Dental insurance rates for City employees for 2011 increased 3% from \$23.76 per month to \$24.47 for single coverage for City employees. The rate did not increase in 2012. Effective January 2013, the rate increased 5% to \$25.69. 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 2013/2014, the cost of dental insurance for General Fund employees is budgeted at \$39,072 compared to the \$37,050 budgeted for 2012/2013.

In regard to worker's compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2004/2005 through 2011/2012, the worker's compensation experience modification factors were .84, .93, .88, .87, .84, .89, .87 and .82. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2012/2013 the experience modification factor decreased to .77 and it is estimated to remain at .77 for 2013/2014. The tax funding amount for General Fund employee workers compensation for 2013/2014 is estimated at \$43,916 compared to the \$38,290 originally budgeted for 2012/2013.

The City's unemployment rate effective January 1, 2010 was .7% of applicable wages of \$24,500. The rate increased to 1.5% of \$24,700 of wages January 1, 2011. The rate decreased slightly to 1.4% of \$25,300 of wages January 1, 2012. The rate decreased again January 1, 2013 to .9% of \$26,000 of wages. The 2013/2014 budget provides funding for this rate to be 1.2 % of applicable wages of \$26,700 as of January 1, 2014. The tax funding amount for 2013/2014 is estimated at \$48,604 compared to the \$57,950 budgeted for 2012/2013.

The budget includes funding for long-term disability insurance for full-time non-union employees. The estimated cost for General Fund employees is \$9,222 for 2013/2014 compared to \$8,654 budgeted for 2012/2013. As with life insurance, the City changed to a new carrier for long-term disability insurance in October of 2011. The new rate is .27% of base wages for non-union employees compared to .31% with the previous carrier.

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 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 bargaining unit group, vacation balances at retirement are also paid into this plan. The tax funding amount for 2013/2014 is budgeted at \$15,641.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rates for both 2012/2013 and 2013/2014 were set at rates lower than the rates that would have been needed to fund 100% of the costs of General Fund employee benefits. For 2012/2013 \$100,426 of General Fund employee benefit costs were funded from the General Fund balance instead of the Employee Benefits tax levy. This allowed the overall City property tax rate for 2012/2013 to be reduced by approximately \$.10/\$1,000 of valuation.

The 2013/2014 Employee Benefits tax levy is \$527,005 less than the amount that would be needed to fund 100% of General Fund employee benefits and that amount of these benefit costs will be funded from the General Fund balance. This allowed for the overall Employee Benefits levy rate for 2013/2014 to be reduced from \$3.87207/\$1,000 of valuation to \$3.80682/\$1,000, which was the reduction needed in order for the total overall City tax rate to remain unchanged for 2013/2014. It should be noted, however, that a significant portion of the increase in employee benefit costs is due to the increase in the Police and Fire pension contribution rate. If this pension contribution rate further increases in upcoming years as projected, increases in the City's total tax levy rate will be unavoidable.

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 2013/2014 beginning fund balance of \$3,865 and funding \$527,005 less than the full amount of employee benefits from this levy, the Employee Benefit tax levy for 2013/2014 is \$3,040,212 compared to the \$3,025,794 budgeted for 2012/2013 (an increase of .5%). This requires a tax levy rate of \$3.80682 compared to \$3.87207 for the 2012/2013 budget year, a decrease of 1.7% in the levy rate.

Employee Benefits Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 127,450	\$ 148,204	\$ 119,149	\$ 164,258	\$ 3,865
Revenues					
Property Tax	\$ 2,799,186	\$ 3,085,921	3,011,256	\$ 3,011,256	3,027,205
Utility Tax Replacement Excise Tax	<u>12,577</u>	<u>14,950</u>	<u>14,538</u>	<u>14,538</u>	<u>13,007</u>
Total Revenues	<u>\$ 2,811,763</u>	<u>\$ 3,100,871</u>	<u>\$ 3,025,794</u> (1)	<u>\$ 3,025,794</u>	<u>\$ 3,040,212</u> (2)
Funds Available	<u>\$ 2,939,213</u>	<u>\$ 3,249,075</u>	<u>\$ 3,144,943</u>	<u>\$ 3,190,052</u>	<u>\$ 3,044,077</u>
Expenditures					
Transfers Out					
Police Retirement	\$ 389,877	\$ 538,195	\$ 589,485	\$ 588,334	\$ 712,721
Fire Retirement	388,304	491,247	532,401	540,485	645,010
Police & Fire Retiree Medical	17,840	24,376	26,600	26,600	26,600
Health Insurance	1,313,428	1,320,072	1,351,565	1,350,434	1,388,867
Dental Insurance	34,043	35,264	37,050	37,189	39,072
Life Insurance	14,387	14,929	14,133	14,310	14,855
Police and Fire Medical Insurance	12,285	12,285	12,900	36,000	36,000
Long-term Disability Insurance	8,964	8,576	8,654	8,720	9,222
Post-Employment Health Plan	58,589	41,469	15,706	59,909	15,641
Workers Compensation	36,181	34,505	38,290	37,619	43,916
Unemployment	51,080	55,860	57,950	39,816	48,604
Deferred Compensation	4,773	0	0	0	0
FICA/IPERS	461,259	508,039	560,635	547,197	590,574
Employee Benefit Levy Reduction (1)	<u>0</u>	<u>0</u>	<u>(100,426)</u> (1)	<u>(100,426)</u>	<u>(527,005)</u> (2)
Total Expenditures	<u>\$ 2,791,009</u>	<u>\$ 3,084,817</u>	<u>\$ 3,144,943</u>	<u>\$ 3,186,187</u>	<u>\$ 3,044,077</u>
Ending Balance, June 30	<u>\$ 148,204</u>	<u>\$ 164,258</u>	<u>\$ 0</u>	<u>\$ 3,865</u>	<u>\$ 0</u>
Increase (Decrease) in					
Fund Balance	\$ 20,754	\$ 16,054	\$ (119,149)	\$ (160,393)	\$ (3,865)

1. The Employee Benefits levy was lowered in 2012/2013 in order to reduce the overall City tax levy rate by \$.10/\$1,000 of valuation. This resulted in \$100,426 of the General Fund balance being used to fund employee benefits during 2012/2013.
2. The 2013/2014 Employee Benefits tax levy is \$527,005 less than what would be needed to fund 100% of the employee benefit costs for General Fund employees. This resulted in \$527,005 of the General Fund balance being used to fund employee benefit costs in 2013/2014. This allowed for the City to maintain the same total tax rate for 2013/2014.

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 2010/2011 and 2011/2012 were due to savings in employee benefit costs due to vacancies, changes in insurance coverage for employees, and health insurance rates being less than budgeted. The balance in this fund at the end of 2012/2013 is budgeted to be \$3,865 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2013/2014.

SPECIAL REVENUE FUNDS

EMERGENCY TAX LEVY

GENERAL INFORMATION:

State statutes allow cities in the State of Iowa to levy an “emergency tax” of up to \$.27 per \$1,000 of valuation if the General Fund tax levy of a city is at its limit. This tax is required to be levied in a Special Revenue Fund and transferred to the General Fund. Until the 2001/2002 budget year, the City of Muscatine had not levied an emergency tax in more than twenty years.

The City implemented the emergency tax levy for 2001/2002 to help offset the loss of revenue from the State reimbursement for lost taxes on Machinery and Equipment (M&E) valuations. The State of Iowa eliminated taxes on machinery and equipment primarily used in manufacturing, effective with equipment and machinery acquired after January 1, 1994. The law provided that this M&E tax elimination plan would be phased in over a ten-year period. During the first five years of the plan, cities were reimbursed by the State for the reduced taxes due to the reduction in M&E values. Beginning in the sixth year (2001/2002 budget), however, the State reimbursement was also to begin to be phased out according to provisions in the state law. Cities were required to offset increases in commercial and industrial valuations since January 1, 1994 against the loss in M&E valuations before computing a state reimbursement. Since the City of Muscatine’s increase in commercial and industrial valuations since January 1, 1994 exceeded the loss of M&E tax values, the City was no longer eligible to receive a State reimbursement for lost M&E taxes beginning in 2001/2002. The State reimbursement for M&E taxes was \$415,419 for 2000/2001 and it was reduced to zero for 2001/2002.

After the City’s 2003/2004 budget was completed, the state eliminated funding to cities of the Population Allocation, General Allocation and Moneys and Credits. This was a direct reduction of \$360,000 in General Fund revenues for 2003/2004 and future years. Due to these funding reductions, the City continued to use the Emergency Tax to fund city services until the 2011/2012 fiscal year.

The emergency levy generated a total of \$196,964 of property tax and utility tax replacement excise tax revenue for 2009/2010. These amounts are usually transferred to the General Fund. In 2009/2010 \$80,000 of these funds were budgeted to remain in the Emergency Tax Levy fund. With economic uncertainties in the national, state and local economy, these funds were set aside for future General Fund needs or for future emergency events. These funds along with the interest earned on these funds will remain in the Emergency Tax Levy fund through the 2013/2014 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. At the maximum of \$.27/\$1,000, this levy would have generated \$198,971 in 2010/2011.

The Emergency Tax levy was eliminated in the budget for 2011/2012 and was also not levied in either the 2012/2013 or 2013/2014 budgets. The \$80,000 from 2009/2010 that was set aside for future General Fund needs is budgeted to remain in the Emergency Tax Levy fund in 2013/2014.

Emergency Tax Levy Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 80,000	\$ 80,165	\$ 80,265	\$ 80,301	\$ 80,401
Revenues					
Property Tax	\$ 59,017	\$ 0 (2)	\$ 0	\$ 0 (2)	\$ 0 (2)
Utility Tax Replacement Excise Tax	265	0 (2)	0	0 (2)	0 (2)
Interest	<u>165</u>	<u>136</u>	<u>100</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>\$ 59,447</u>	<u>\$ 136</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
Funds Available	\$ 139,447	\$ 80,301	\$ 80,365	\$ 80,401	\$ 80,501
Expenditures					
Transfers Out					
General Fund	<u>59,282</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 80,165 (1)</u>	<u>\$ 80,301 (1)</u>	<u>\$ 80,365</u>	<u>\$ 80,401 (1)</u>	<u>\$ 80,501 (1)</u>

Increase (Decrease) in					
Fund Balance	\$ 165	\$ 136	\$ 100	\$ 100	\$ 100

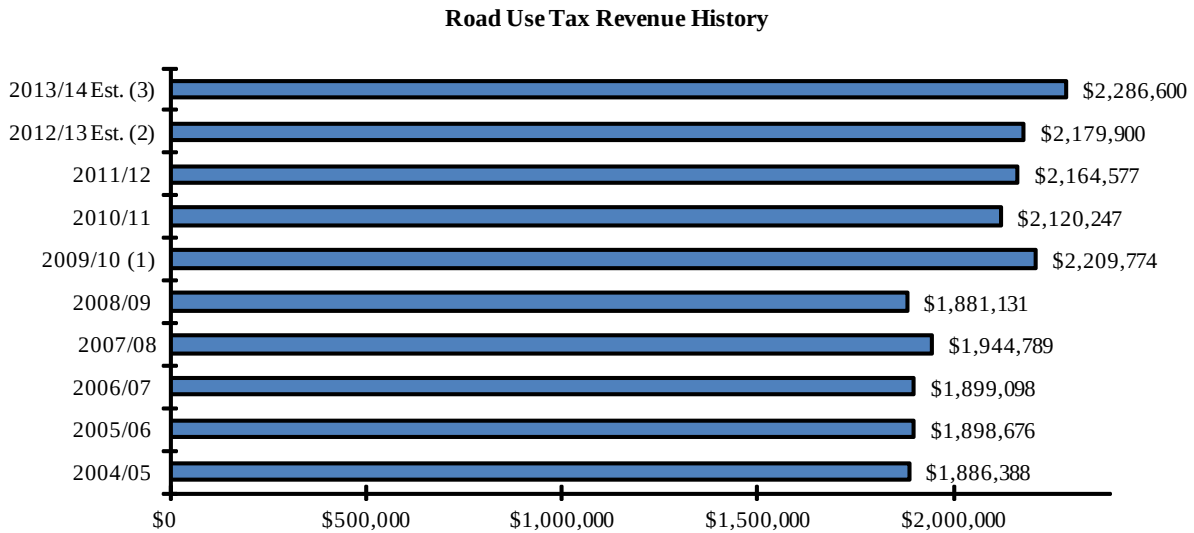
1. For the 2009/2010 budget, City Council chose to transfer all except \$80,000 of this levy to the General Fund. This was due to economic uncertainties in the national, state and local economies. These funds have been set aside for future General Fund needs or for future emergency events. These funds are budgeted to remain in this fund in the 2013/2014 budget.
2. An Emergency Levy was not included in the budgets for 2011/2012, 2012/2013, or 2013/2014.

SPECIAL REVENUE FUNDS

ROAD USE TAX FUND

GENERAL INFORMATION:

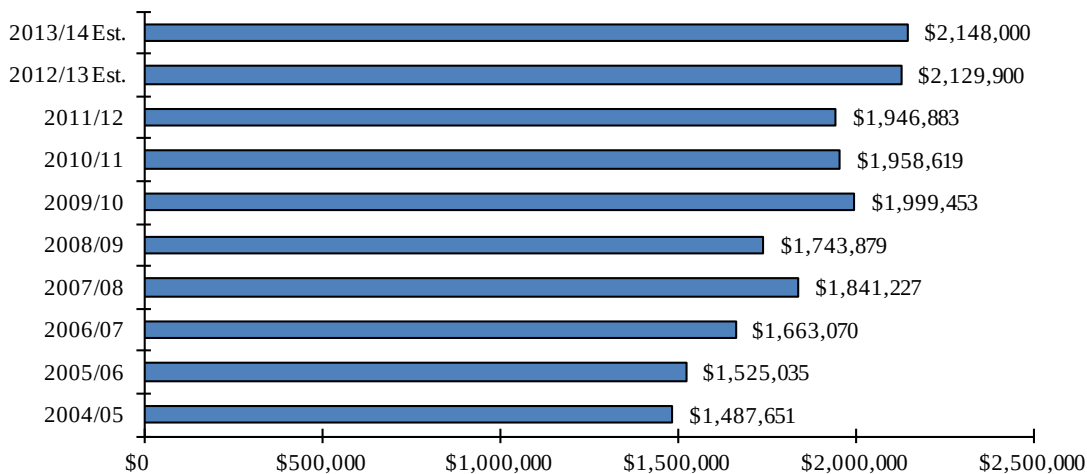
This fund accounts for all revenues received from the State of Iowa from gasoline taxes, license fees and weight taxes. These funds are returned to the City as road use taxes and are distributed to cities on a per capita formula basis. The following chart shows road use taxes received over the past eight (8) years and estimated amounts for the current year and 2013/2014. As noted in the table, the 2009/2010 amount reflects an accounting change which involved accruing two months of road use tax funds at the end of the fiscal year as recommended by the City's auditors. As such, the 2009/2010 amount reflects thirteen (13) months of road use tax receipts. Subsequent years reflect twelve months of receipts.



1. The 2009/2010 amount reflects an accounting change which involved accruing two months of road use tax receipts at the end of the fiscal year as recommended by the City's auditors. As such, the 2009/2010 amount reflects 13 months of Road Use Tax receipts. Subsequent years again reflect twelve months of receipts.
2. The 2012/2013 revised estimate includes 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 in the Road Use Tax computation for all of fiscal year 2012/2013 and the added Ripley's population will be used for the Road Use Tax distribution starting in February, 2013.
3. The 2013/2014 Road Use Tax estimate was based on a full year of the increased population with the two recent annexations.

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 2012/2013 and 2013/2014 are shown in the following chart:

Road Use Tax Funding of General Fund Activities



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at \$2,179,900 in 2012/2013. This is based on the current Iowa Department of Transportation (IDOT) estimate of \$94.00 per capita, which has been reduced by \$.50 to \$93.50 for a conservative budget estimate. This estimate includes approximately \$40,000 from the increased population from the two recent voluntary annexations (Heatherlynn/Irish Ivy and Ripley's). Beginning January 1, 2009 road use taxes were increased compared to previous years due to the impact of the TIME-21 Act by the State of Iowa which increased the allocation to cities beginning on that date. Due to recent economic conditions, however, road use taxes have decreased and the TIME-21 funding has helped to maintain the previous level of road use tax funding. Also, 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.

The road use tax distribution for 2013/2014 was estimated by the IDOT at \$96.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2013/2014 budget includes a more conservative estimate of \$96.00 per capita which would generate \$2,286,600. This estimate is approximately \$89,500 higher than it would have been without the added population from the two recent voluntary annexations.

The 2012/2013 revised estimate and the 2013/2014 budget include \$2,129,900 and \$2,148,000, 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 most recent years there has not been sufficient road use tax revenue to fund street-related capital projects from this fund and the City has been funding those costs from the 20% portion of Local Option Taxes approved to be used for the pavement management program. This includes railroad crossing, curb and gutter, full depth patching, and street resurfacing work. For 2011/2012 and 2012/2013, however, road use tax funds totaling approximately \$590,500 were used to complete the Harrison Street Extension project.

The estimated fund balance on June 30, 2014 is projected at \$571,343 based on estimated road use taxes of \$93.50 per capita for 2012/2013 and \$96.00 per capita for 2013/2014. With the accounting change in accruing two months of road use tax receipts at fiscal year end, a minimum of \$360,000 in fund balance is needed in order to keep the actual cash balance in a positive position at year end. As noted above, 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. Based on the budget estimates, however, it appears that the fund balance will be approximately \$211,000 higher than the minimum balance needed in this fund. If needed, these funds could be used to assist in financing the local share of the costs of the Cedar Street and/or Colorado Street improvement projects. Bids on these two projects are scheduled to be received in the summer of 2013.

Road Use Tax Fund

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 593,898	\$ 755,526	\$ 799,326	\$ 840,143	\$ 432,743
Revenues					
Road Use Tax	\$ 2,120,247	\$ 2,164,577	\$ 2,139,800	\$ 2,179,900 (1)	\$ 2,286,600 (2)
IJOBS Funding	<u>120,620 (3)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 2,240,867</u>	<u>\$ 2,164,577</u>	<u>2,139,800</u>	<u>\$ 2,179,900</u>	<u>2,286,600</u>
Funds Available	<u>\$ 2,834,765</u>	<u>\$ 2,920,103</u>	<u>\$ 2,939,126</u>	<u>\$ 3,020,043</u>	<u>\$ 2,719,343</u>
Expenditures					
Transfers Out:					
General Fund	\$ 1,958,619	\$ 1,946,883	\$ 2,065,200	\$ 2,129,900	\$ 2,148,000
Bidwell Improvements (IJOBS)	120,620 (3)	0	0	0	0
Harrison Street	<u>0</u>	<u>133,077</u>	<u>432,000</u>	<u>457,400</u>	<u>0</u>
Total Expenditures	<u>\$ 2,079,239</u>	<u>\$ 2,079,960</u>	<u>\$ 2,497,200</u>	<u>\$ 2,587,300</u>	<u>\$ 2,148,000</u>
Ending Balance, June 30	<u>\$ 755,526</u>	<u>\$ 840,143</u>	<u>\$ 441,926</u>	<u>\$ 432,743</u>	<u>\$ 571,343</u>
Increase (Decrease) in Fund Balance	\$ 161,628	\$ 84,617	\$ (357,400)	\$ (407,400)	\$ 138,600

Per Capita Road Use Taxes (Actual and Estimated)	\$ 93.42	\$ 94.58	\$ 93.50	\$ 93.50	\$ 96.00

1. Revenues for both the Revised Estimate and 2013/2014 are based on the IDOT estimate for road use taxes. Actual revenues can vary from these estimates due to changes in fuel consumption or if there would be any changes in the distribution formula by the State. If there are significant funding reductions, expenditures will need to be reduced in a like amount. The Revised Estimate population varied during the year. The population for the first seven months of the year was 22,954 (2010 census of 22,886 plus 68 with the annexation of Heatherlynn and Irish Ivy). The population for the last five months of the year increased by 865 to 23,819 with the annexation of the Ripley's area.
2. The 2013/2014 Road Use Tax estimate is based on a full year of 23,819 population at \$96.00 (\$.50 less than the projected IDOT estimated rate).
3. State IJOBS funds were paid to the City over a two year period in 2009/2010 and 2010/2011. The City chose to fund the the Bidwell Resurfacing and Full Depth Patching projects from these funds.

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 2005/2006 allocation was \$105,000 and the 2006/2007 allocation was \$100,000. Due to revenue shortfalls in the General Fund, no allocation to the Equipment Replacement Fund was budgeted for 2007/2008 and replacements of vehicles and equipment for 2007/2008 were funded from the city's June, 2008 general obligation bond issue. A funding allocation was reinstated in 2008/2009 in the amount of \$75,000. The funding allocation for 2009/2010 was increased to \$152,300 and further increased to \$200,000 for 2010/2011. The funding allocation for 2011/2012 was \$168,900. The funding transfer for 2012/2013 increased to \$245,000 and the 2013/2014 funding transfer is \$117,000.

In 2012/2013, an additional \$250,000 funding transfer was budgeted with this amount specifically "assigned" to be used for the purchase of a new fire engine in 2013/2014. At the time the 2012/2013 budget was prepared, it was expected that an additional \$250,000 transfer would be needed in 2013/2014 to complete the financing of the fire engine. The ending balance in the General Fund at the end of 2011/2012, however, was \$648,000 higher than expected and City Council authorized the fire engine to be purchased in 2012/2013 and the budget be amended to increase the General Fund transfer to \$497,000, the full cost of the fire engine.

CURRENT TRENDS AND ISSUES:

For 2012/2013 the regular funding allocation from the General Fund to the Equipment Replacement Fund was \$245,000. Purchases for 2012/2013 total \$275,200 and include six new squad cars (\$165,000) and a used unmarked vehicle (\$14,000) for the Police Department, a used four wheel drive vehicle for the Community Development department (\$17,500), a mower for the Cemetery (\$7,500), and a mower and pick-up truck for Park Maintenance (\$54,500 and \$16,700, respectively). The 2012/2013 purchases also include a new police vehicle to replace one damaged in an accident (\$18,800 including equipment installation), the cost of which was offset by an insurance reimbursement. The 2012/2013 purchases also include the purchase of a new fire engine (\$497,000). As mentioned previously, at the time the 2012/2013

budget was prepared, it was expected that \$250,000 would be transferred to the Equipment Replacement Fund in 2012/2013 specifically assigned for the purchase of a new fire engine and an additional \$250,000 funding allocation would be needed in 2013/2014 to complete the financing of the fire engine. The balance in the General Fund at the end of 2011/2012, however, was higher than expected and City Council authorized the fire engine to be purchased in 2012/2013. Both the revised estimate transfer from the General Fund and expenditures have been increased by \$247,000 to \$497,000 to fund this purchase.

Vehicles and equipment items budgeted to be purchased in 2013/2014 total \$102,500 and include a used unmarked police vehicle (\$15,000), a one-ton dump truck for the Cemetery (\$54,000), and a deep-tine aerifier (\$33,500) for the Soccer Complex.

The balance in this fund is estimated at \$101,174 as of June 30, 2014. This balance leaves this fund in a good position to address future capital needs including replacement of five police squad cars in the 2014/2015 budget (\$165,000 based on current year costs).

Equipment Replacement Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 90,512	\$ 105,560	\$ 101,561	\$ 101,574	\$ 79,374
Revenues					
Interest	\$ 273	\$ 137	\$ 200	\$ 100	\$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicle	5,624	0	0	0	0
Reimbursement of Damages	0	18,283	0	19,500 (2)	0
Transfers In					
General Fund Allocation	200,000	168,900	245,000	245,000	117,000
General Fund Allocation for Fire Engine (1)	0	0	250,000 (1)	497,000 (1)	0
Total Revenues	<u>\$ 213,097</u>	<u>\$ 194,520</u>	<u>\$ 502,400</u>	<u>\$ 768,800</u>	<u>\$ 124,300</u>
Funds Available	\$ 303,609	\$ 300,080	\$ 603,961	\$ 870,374	\$ 203,674
Expenditures					
Equipment Purchases	<u>198,049</u>	<u>198,506</u>	<u>277,500</u>	<u>791,000</u>	<u>102,500</u>
Ending Balance, June 30	<u>\$ 105,560</u>	<u>\$ 101,574</u>	\$ 326,461	<u>\$ 79,374</u>	<u>\$ 101,174</u>
Balance Assigned for Future Fire Engine Purchase			<u>250,000 (1)</u>		
Unassigned Balance, June 30			<u>\$ 76,461</u>		

Increase (Decrease) in					
Fund Balance	\$ 15,048	\$ (3,986)	\$ 224,900	\$ (22,200)	\$ 21,800

1. The original 2012/2013 budgeted transfers from the General Fund included \$250,000 specifically assigned towards the purchase of a fire engine to be purchased in 2013/2014. Due to the strong General Fund balance at the end of 2011/2012 City Council chose to fund the full cost of the fire engine in 2013/2014.
2. The Revised Estimate revenues include a \$19,500 insurance reimbursement for damages to a police HIDTA vehicle. Revised Estimate expenditures include purchase of a replacement vehicle (including equipment installation costs).
3. FY 2012/2013 revised estimate vehicle and equipment requests and funding recommendations are as follows:

Functions:
Public Safety
Culture and Recreation

Departments:
Police
Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police: Unmarked Vehicle (Used)	1	Yes	15,000
Cemetery: Dump Truck	1	Yes	54,000
Soccer: Deep-Tine Aerifier	1	Yes	33,500
			<u>\$ 102,500</u>

SPECIAL REVENUE FUNDS

COMPUTER REPLACEMENT FUND

GENERAL INFORMATION:

The 2000/2001 budget for the first time included funding for a Computer Replacement Fund to be used for the purchase of computer hardware for General Fund departments. All computer hardware purchases are coordinated by the city's Information Technology Manager. The allocations to this fund were \$40,000 in 2000/2001 through 2003/2004. Due to funding limitations, the allocation for 2004/2005 was reduced to \$35,800 and further reduced to \$30,000 for 2005/2006. The allocation for 2006/2007 was \$35,000.

Due to limitations in General Fund revenues in 2007/2008, no funds were budgeted to be transferred to this reserve. In 2007/2008 computer-related purchases totaling \$59,100 were included in the City's capital projects fund budget with funding from the City's June, 2008 general obligation bond issue.

The 2008/2009 budget reinstated the allocation to the Computer Replacement Fund in the amount of \$40,000 and that same allocation was made in 2009/2010. The 2010/2011 budget included a reduced allocation of \$30,000 and the 2011/2012 budget allocation was \$32,500. The 2012/2013 and 2013/2014 budgets each include \$40,000 in funding allocations.

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, a transfer of \$23,591 was made. In 2012/2013 \$22,000 will be expended for computer-related purchases.

Computer Replacement Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 15,619	\$ 7,908	\$ 0	\$ 18,488	\$ 0
Revenues					
Interest	\$ 40	\$ 34	\$ 0	\$ 0	\$ 0
Insurance Reimbursement	3,306	0	0	0	0
Other Reimbursement	0	3,710	0	0	0
Transfers In					
General Fund	<u>30,000</u>	<u>32,500</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Total Revenues	<u>\$ 33,346</u>	<u>\$ 36,244</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Funds Available	\$ 48,965	\$ 44,152	\$ 40,000	\$ 58,488	\$ 40,000
Expenditures					
Equipment Purchases	<u>41,057</u>	<u>25,664</u>	<u>40,000</u>	<u>58,488</u>	<u>40,000</u>
Ending Balance, June 30	<u>\$ 7,908</u>	<u>\$ 18,488</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ (7,711)	\$ 10,580	\$ 0	\$ (18,488)	\$ 0

Computer Replacement Fund - Library

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 20,066	\$ 5,266	\$ 25,502	\$ 3,502
Revenues					
Interest	\$ 0	\$ 19	\$ 0	\$ 0	\$ 0
Transfers In					
General Fund Library Budget	<u>20,066</u>	<u>23,591</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 20,066</u>	<u>\$ 23,610</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 20,066	\$ 43,676	\$ 5,266	\$ 25,502	\$ 3,502
Expenditures					
Equipment Purchases	<u>0</u>	<u>18,174</u>	<u>0</u>	<u>22,000</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 20,066</u></u>	<u><u>\$ 25,502</u></u>	<u><u>\$ 5,266</u></u>	<u><u>\$ 3,502</u></u>	<u><u>\$ 3,502</u></u>
Increase (Decrease) in Fund Balance	\$ 20,066	\$ 5,436	\$ 0	\$ (22,000)	\$ 0

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - DOWNTOWN

GENERAL INFORMATION:

This fund was first established in order to separately account for the incremental taxes collected and debt service payments on an April 1980 bond issue for \$780,000. This issue represented the permanent financing of a downtown project known as Urban Renewal Project No. 2, which incorporated one-half of a City block. Debt service requirements on the Tax Increment Revenue Bonds were funded from incremental taxes received from the property benefited from the project. The incremental tax levy is the total current levy of the City, County, and School less the total debt service levy for those governmental units. The tax levy is applied to the additional value of the property above the initial frozen value as determined at the beginning of the project. In November of 1995 the balance in the Downtown Tax Increment Fund was sufficient to call all outstanding bonds relating to the 1980 tax increment bond issue.

In August of 1994 the City expanded the Downtown Urban Renewal Area originally created for Project No. 2, to incorporate a much larger area including most of the downtown and the riverfront. As a result of state mandated reductions in commercial property values, the Downtown TIF was restructured in 1996. The current Downtown TIF includes most city owned properties in the immediate downtown area and only those private properties that produce a significant increment.

Improvement costs were incurred by the City beginning in 1995 for the acquisition of property, demolition costs, and the development of a public parking lot across from City Hall. The new parking lot opened in 1996. Interim financing notes were used to finance the improvement costs until the long term bonds were issued June 26, 1997 in the amount of \$1,795,000. This issue funded the Downtown Parking Lot Project previously mentioned as well as the Downtown Streetscaping Project, City Hall building improvements, and improvements to the heating, ventilation and air conditioning (HVAC) system at the City's Public Safety Building. The final payment on this issue was made in 2010/2011.

In 1995 the City entered into a Development Agreement with HON Industries which provided for a rebate of 2/3 of the incremental taxes 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.

CURRENT TRENDS AND ISSUES:

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. The amount claimed for the 2008/2009 year was approximately \$100,000 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 all the local taxing entities. In 2009/2010

the City claimed approximately \$172,600 less than the amount that would have been available. In 2010/2011 a property tax appeal reduced the increment available from this area and the increment claimed was approximately \$140,000 less than the amount available. For 2011/2012 the amount claimed was \$125,000 less and for 2012/2013 \$126,000 less than the amounts that were available. For 2013/2014 the amount claimed is \$210,000 which is approximately \$126,000 less than the amount available.

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 will be repaid with future incremental taxes from the downtown area. Improvements funded from this issue included improvements to the 3rd and Chestnut parking lot, resurfacing of other downtown parking lots, downtown handicapped ramps, Cedar Street resurfacing, improvements on the Riverfront related to the 2008 flood, and funds to replace the boiler at City Hall. The debt service payments on this issue are \$209,625 in 2012/2013 and \$206,225 in 2013/2014. In 2013/2014 Downtown TIF funds will also be used to repay an internal advance of \$43,100 which completed the financing for the City Hall Boiler Replacement project.

The balance in the Downtown TIF fund is estimated at \$36,889 at the end of the 2013/2014 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 426,769	\$ 81,062	\$ 77,108	\$ 77,139	\$ 76,014
Revenues					
Incremental Taxes	\$ 201,988 (1)	\$ 212,394 (2)	\$ 210,000 (3)	\$ 208,300	\$ 210,000 (4)
Interest	944	237	200	200	200
Total Revenues	<u>\$ 202,932</u>	<u>\$ 212,631</u>	<u>\$ 210,200</u>	<u>\$ 208,500</u>	<u>\$ 210,200</u>
Funds Available	<u>\$ 629,701</u>	<u>\$ 293,693</u>	<u>\$ 287,308</u>	<u>\$ 285,639</u>	<u>\$ 286,214</u>
Expenditures:					
Bonds	\$ 375,000 (5)	\$ 85,000 (6)	\$ 0	\$ 0	\$ 0
Interest	23,787	3,613 (6)	0	0	0
Tax Rebate - HNI	57,127	57,716 (6)	0	0	0
TIF Administrative Fee	1,500	0	0	0	0
Transfers:					
Bonds	50,000	30,000	170,000	170,000	170,000
Interest	41,225	40,225	39,625	39,625	36,225
City Hall Boiler Project	0	0	0	0	43,100
Total Expenditures	<u>\$ 548,639</u>	<u>\$ 216,554</u>	<u>\$ 209,625</u>	<u>\$ 209,625</u>	<u>\$ 249,325</u>
Ending Balance, June 30	<u>\$ 81,062</u>	<u>\$ 77,139</u>	<u>\$ 77,683</u>	<u>\$ 76,014</u>	<u>\$ 36,889</u>
Increase (Decrease) in					
Fund Balance	\$ (345,707)	\$ (3,923)	\$ 575	\$ (1,125)	\$ (39,125)

- For the 2010/2011 year, the City certified approximately \$140,000 less than the total available increment.
A property tax appeal reduced the increment in total by \$804,060.
- For the 2011/2012 year, the City certified approximately \$125,000 less than the total available increment.
- For the 2012/2013 year, the City certified approximately \$126,000 less than the total available increment.
- For the 2013/2014 year, the City certified approximately \$126,000 less than the total available increment.
- The 2010/2011 bond payments included \$150,000 to call the bonds from the June 26, 1997 issue originally scheduled for maturity on June 1, 2012 on June 1, 2011. This resulted in an interest savings of \$8,625.
- FY 2011/2012 was the final year of the 15 year TIF rebate agreement with HNI and the final payment on the April 23, 2004 bond issue.

TAX INCREMENT FUND - DOWNTOWN

STATEMENT OF BOND AND INTEREST REQUIREMENTS

**General Obligation Bonds Funded from
Downtown Urban Renewal Tax Increment Revenues
3rd and Chestnut Parking Lot Reconstruction,
Downtown Parking Lots, Street and Alley Resurfacing,
Riverfront Flood Repairs, and City Hall Boiler Replacement
\$1,535,000 of \$7,425,000 Issue Dated June 1, 2010**

Fiscal Year	Principal	Interest	Total Requirements
2012/13	\$ 170,000	\$ 39,625	\$ 209,625
2013/14	170,000	36,225	206,225
2014/15	175,000	32,825	207,825
2015/16	180,000	28,450	208,450
2016/17	180,000	23,050	203,050
2017/18	185,000	17,650	202,650
2018/19	195,000	12,100	207,100
2019/20	<u>200,000</u>	<u>6,250</u>	<u>206,250</u>
Total	<u>\$ 1,455,000</u>	<u>\$ 196,175</u>	<u>\$ 1,651,175</u>

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 Council in 2003; one with Robison Logistics and one with Musco Sports Lighting. The Robison Logistics TIF will rebate 100% of taxes received for 10 years and the Musco Sports Lighting TIF will rebate 67% of taxes received for 15 years.

Tax increment revenue bonds in the amount of \$1,885,000 were sold in June of 2004 to fund the Airport Terminal Building project (\$900,000) and the Southend Water Extension project (\$985,000). Debt service payments on this issue began in 2004/2005 and will continue through 2020/2021.

A TIF rebate agreement with Musser Street Investments L.C. was entered into in 2004. This agreement provided for the rebate of 100% of the incremental taxes on this property for a 5-year period up to a maximum of \$275,000. The final payment on this rebate agreement was made in 2010/2011.

The City entered into Agreement #2 with Musco Sports Lighting for a potential new site on Musser Street. This agreement provided for the rebate of 50% of the incremental taxes on this property for a 10-year period up to a maximum of \$325,000. This agreement was to take effect in the 2010/2011 fiscal year; however, construction on the new facility has been postponed.

In 2009 the City entered into two TIF rebate agreements; one with Curry's Transportation Services Inc. and the other with Newcomb Properties LLC. These agreements will rebate 50% of the incremental taxes to these businesses over a ten-year period. The first payments on these agreements were in 2010/2011. A new TIF rebate agreement with A & E Convenience, LLC was approved in January, 2011. The first rebate under this agreement was made in the 2012/2013 fiscal year. This is also a 50%, ten year agreement.

CURRENT TRENDS AND ISSUES:

Estimated incremental tax revenue of \$421,500 in 2012/2013 will be used to fund debt requirements on the June 2004 bond issue (\$166,308), the TIF rebate to Robison Logistics (\$25,709), the Musco TIF rebate (\$101,593), the Curry's Transportation Services, Inc. rebate (\$24,900), the Newcomb Properties LLC rebate (\$8,297), and the A&E Convenience rebate (\$3,640). The 2012/2013 budget also includes a funding transfer for \$40,000 for the upgrade/repair of the Mississippi River bridge decorative lighting system. For 2012/2013 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 \$396,000 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 2013/2014 incremental taxes will fund \$166,320 in debt requirements, the TIF rebate to Robison Logistics (estimated at \$25,800), the TIF rebate to Musco (estimated at \$101,600), the Curry's Transportation rebate (estimated at \$25,000), the Newcomb Properties rebate (estimated at \$8,300), and the A & E Convenience rebate (estimated at \$3,700). The 2013/2014 budget also includes a funding transfer of \$59,900 for the Museum Boiler project.

In 2012/2013 incremental taxes from the Southend TIF fund are being used to fund internal advances for City economic development administrative costs of \$105,254 and for a City economic development grant to the Greater Muscatine Chamber of Commerce and Industry in the amount of \$35,000. In 2013/2014 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$114,000 and \$35,000, respectively. In 2012 the City Council approved \$12,500 in matching funds to the Bi-State Economic Development Loan program which will provide assistance to a local business. An internal advance for this amount was approved in 2012 and Southend TIF funds will repay this advance in 2013/2014.

For 2013/2014 the City is claiming approximately \$396,000 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2013/2014 is \$862,255.

Tax Increment Fund - Southend

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 1,098,925	\$ 1,136,387	\$ 1,072,048	\$ 1,075,576	\$ 987,875
Revenues					
Incremental Taxes	\$ 404,021 (1)	\$ 407,756 (2)	\$ 425,000	\$ 421,500 (3)	\$ 425,000 (4)
Interest	2,436	2,035	2,000	1,500	1,500
Reimbursement of Legal Costs	1,500	0	0	0	0
Total Revenues	<u>\$ 407,957</u>	<u>\$ 409,791</u>	<u>\$ 427,000</u>	<u>\$ 423,000</u>	<u>\$ 426,500</u>
Funds Available	<u>\$ 1,506,882</u>	<u>\$ 1,546,178</u>	<u>\$ 1,499,048</u>	<u>\$ 1,498,576</u>	<u>\$ 1,414,375</u>
Expenditures:					
Bonds	\$ 100,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 110,000
Interest	70,385	66,085	61,308	61,308	56,320
Tax Rebate-Robinson Logistics	25,990	25,920	25,920	25,709	25,800
Tax Rebate-Musco	106,552	101,147	102,500	101,593	101,600
Tax Rebate-Musser Street Investments	15,839	0	0	0	0
Tax Rebate - Curry's Transportation Services	25,059	25,105	25,200	24,900	25,000
Tax Rebate - Newcomb Properties LLC	8,566	8,364	8,400	8,297	8,300
Tax Rebate - A & E Convenience, LLC	0	0	3,700	3,640	3,700
Financial Advisor Services	2,000	0	0	0	0
Legal Services/Legal Notices	6,054	1,464	0	0	0
Transfers Out:					
TIF Administrative and Professional					
Support Costs	3,500	102,517	105,254	105,254	114,000
TIF Economic Development Grant (GMCCI)	0	35,000	35,000	35,000	35,000
Brier's Ditch Improvements	6,550	0	0	0	0
Bridge Lighting Project	0	0	40,000	40,000	0
Art Center Boiler Project	0	0	0	0	59,900
Economic Development Grant (Bi-State)	0	0	0	0	12,500
Total Expenditures	<u>\$ 370,495</u>	<u>\$ 470,602</u>	<u>\$ 512,282</u>	<u>\$ 510,701</u>	<u>\$ 552,120</u>
Ending Balance, June 30	<u>\$ 1,136,387</u>	<u>\$ 1,075,576</u>	<u>\$ 986,766</u>	<u>\$ 987,875</u>	<u>\$ 862,255</u>

Increase (Decrease) in					
Fund Balance	\$ 37,462	\$ (60,811)	\$ (85,282)	\$ (87,701)	\$ (125,620)

1. For the 2010/2011 year, the City certified approximately \$419,500 less than the total available in incremental taxes.
2. For the 2011/2012 year, the City certified approximately \$405,600 less than the total available in incremental taxes.
3. For the 2012/2013 year, the City certified approximately \$396,000 less than the total available in incremental taxes.
4. For the 2013/2014 year, the City certified approximately \$396,000 less than the total available in incremental taxes.

TAX INCREMENT FUND - SOUTHEND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

Urban Renewal Tax Increment Revenue Bonds
Airport Terminal Building and Southend Water Extension Project
\$1,885,000 Issue Dated June 24, 2004

Fiscal Year	Principal	Interest	Total Requirements
2012/13	\$ 105,000	\$ 61,308	\$ 166,308
2013/14	110,000	56,320	166,320
2014/15 (1)	115,000	50,930	165,930
2015/16	120,000	45,065	165,065
2016/17	125,000	38,705	163,705
2017/18	130,000	31,955	161,955
2018/19	140,000	24,805	164,805
2019/20	145,000	16,965	161,965
2020/21	150,000	8,700	158,700
Total	<u>\$ 1,140,000</u>	<u>\$ 334,753</u>	<u>\$ 1,474,753</u>

1. Call dates begin 12-1-2014. Call provisions per the bond resolution are at 102% of par if called 12-1-14 through 11-30-16, 101% of par if called 12-1-16 through 11-30-18, and par if called 12-1-18 or after.

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 provides 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. The incremental taxes the City claimed and received for the year were \$161,035. This is less than the total amount of incremental taxes available from this area. This allowed a portion of the incremental values to be considered as regular values for the various local taxing entities. Incremental taxes from this property for 2010/2011 were \$295,308 and the rebate \$147,654. Incremental taxes from this property for 2011/2012 were \$314,880 and the rebate \$157,440. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this property for 2012/2013 were \$343,877 and the rebate \$171,939. The incremental taxes for 2013/14 are estimated at \$404,600 with the rebate estimated at \$202,400. The City claimed \$175,600 of the incremental taxes in 2012/2013 and \$203,000 in 2013/14 which continues to allow a portion of the incremental taxes to be considered as regular values for the various local taxing entities.

Tax Increment Fund - Cedar Development

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 5,226	\$ 9,117	\$ 13,477	\$ 13,544	\$ 17,205
Revenues					
Incremental Taxes	\$ 151,492	\$ 161,824	\$ 182,000	\$ 175,600 (1)	\$ 203,000 (2)
Interest	<u>53</u>	<u>43</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 151,545</u>	<u>\$ 161,867</u>	<u>\$ 182,000</u>	<u>\$ 175,600</u>	<u>\$ 203,000</u>
Funds Available	<u>\$ 156,771</u>	<u>\$ 170,984</u>	<u>\$ 195,477</u>	<u>\$ 189,144</u>	<u>\$ 220,205</u>
Expenditures:					
Tax Rebate - VMI Northport Commons	<u>\$ 147,654</u>	<u>\$ 157,440</u>	<u>\$ 178,500</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>
Total Expenditures	<u>\$ 147,654</u>	<u>\$ 157,440</u>	<u>\$ 178,500</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>
Ending Balance, June 30	<u><u>\$ 9,117</u></u>	<u><u>\$ 13,544</u></u>	<u><u>\$ 16,977</u></u>	<u><u>\$ 17,205</u></u>	<u><u>\$ 17,805</u></u>

Increase (Decrease) in Fund Balance	\$ 3,891	\$ 4,427	\$ 3,500	\$ 3,661	\$ 600

1. For the 2012/2013 year the City certified approximately \$168,000 less than the total available increment.
2. For the 2013/2014 year the City certified approximately \$201,000 less than the total available increment.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - MUSCATINE MALL

GENERAL INFORMATION:

In January, 2008, the City entered into an agreement with the new owners of the Muscatine Mall to assist in their plan to redevelop, renovate and improve this mall. The agreement provides for a rebate of 50% of the incremental taxes for a 20-year period up to a maximum total of \$5,325,000. In 2009 the Development Agreement for the Muscatine Mall was amended to specifically include the construction of student housing and town homes on the southeast corner of the Mall property. As of the date the budget was approved, no work has been done on this project.

Fiscal year 2009/2010 was the first year of this TIF rebate agreement and the rebate was \$5,317. For 2010/2011 the TIF rebate increased to \$14,106. For 2011/2012, however, there was a revaluation of the taxable value of this property which decreased the incremental value of this property. This resulted in a decrease in the rebate to \$12,489. The rebate for 2012/2013 increased to 13,153 and is estimated at \$18,500 for 2013/2014. This rebate is expected to increase in future years as improvements to the property are completed.

Tax Increment Fund - Muscatine Mall

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 2,357	\$ 1,729	\$ 3,399	\$ 3,405	\$ 5,152
Revenues					
Incremental Taxes	\$ 14,139	\$ 14,159	\$ 15,000	\$ 14,900	\$ 19,000
Interest	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 14,145</u>	<u>\$ 14,165</u>	<u>\$ 15,000</u>	<u>\$ 14,900</u>	<u>\$ 19,000</u>
Funds Available	<u>\$ 16,502</u>	<u>\$ 15,894</u>	<u>\$ 18,399</u>	<u>\$ 18,305</u>	<u>\$ 24,152</u>
Expenditures:					
Tax Rebate - Muscatine Mall	\$ 14,106	\$ 12,489	\$ 13,400	\$ 13,153	\$ 18,500
Legal Services	<u>667</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 14,773</u>	<u>\$ 12,489</u>	<u>\$ 13,400</u>	<u>\$ 13,153</u>	<u>\$ 18,500</u>
Ending Balance, June 30	<u><u>\$ 1,729</u></u>	<u><u>\$ 3,405</u></u>	<u><u>\$ 4,999</u></u>	<u><u>\$ 5,152</u></u>	<u><u>\$ 5,652</u></u>
Increase (Decrease) in					
Fund Balance	\$ (628)	\$ 1,676	\$ 1,600	\$ 1,747	\$ 500

1. For the 2012/2013 year the City certified approximately \$11,500 less than the total available increment.
2. For the 2013/2014 year the City certified approximately \$18,000 less than the total available increment.

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 provides 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 are \$28,631 and the rebate is \$14,316. For both 2011/2012 and 2012/2013 the City claimed less than the total of incremental taxes available from this area which allows 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 are required to be returned to the City. These will be credited to the City's General Fund.

Tax Increment Fund - Heinz

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 2,298	\$ 2,318	\$ 3,872
Revenues					
Incremental Taxes	\$ 0	\$ 14,160	\$ 16,000	\$ 15,870	\$ 0 (2)
Interest	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 14,165</u>	<u>\$ 16,000</u>	<u>\$ 15,870</u>	<u>\$ 0</u>
Funds Available	\$ 0	\$ 14,165	\$ 18,298	\$ 18,188	\$ 3,872
Expenditures:					
Tax Rebate - Heinz	\$ 0	\$ 11,362 (1)	\$ 14,500	\$ 14,316	\$ 0 (2)
Transfer Out:					
Legal Services	<u>0</u>	<u>485</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 11,847</u>	<u>\$ 14,500</u>	<u>\$ 14,316</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 2,318</u></u>	<u><u>\$ 3,798</u></u>	<u><u>\$ 3,872</u></u>	<u><u>\$ 3,872</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 2,318	\$ 1,500	\$ 1,554	\$ 0

1. Fiscal year 2011/2012 was the first year of a 15-year, 50% TIF rebate agreement for Heinz.
2. Due to a revaluation downward by the County Assessor, there are no incremental taxes or TIF rebate for the 2013/2014 year.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST

(INCLUDES VILLAS AT MCC AND COLORADO STREET IMPROVEMENTS)

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 is first year of the rebate under this agreement. The incremental value for 2013/2014 is \$1,331,140. Based on that value, incremental taxes are estimated at \$47,115 for the first year and the 50% rebate is \$23,600.

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 \$83,000 of the land costs will be funded from incremental taxes from this TIF district. The City Council approved an internal loan in the amount of \$83,000 in November of 2012. This loan will be repaid over two years with incremental taxes from this TIF area in the amount of \$36,800 in 2013/2014 and \$46,200 in 2014/2015.

For 2013/2014 the City is claiming the full amount of the incremental taxes available from this TIF area estimated at \$60,400. This will fund the rebate to the Villas at MCC as well as the first payment on the internal loan.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,400
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Expenditures:					
Tax Rebate - Villas at MCC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,600 (1)
Transfer Out:					
Internal Loan - Pierce Acquisition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,800 (2)</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Fiscal year 2013/2014 is the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC.
2. An internal loan for the balance of the Pierce property acquisition was entered into in November, 2012. This loan totals \$83,000 and will be repaid over two years (\$36,800 in 2013/2014 and \$46,200 in 2014/2015).

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

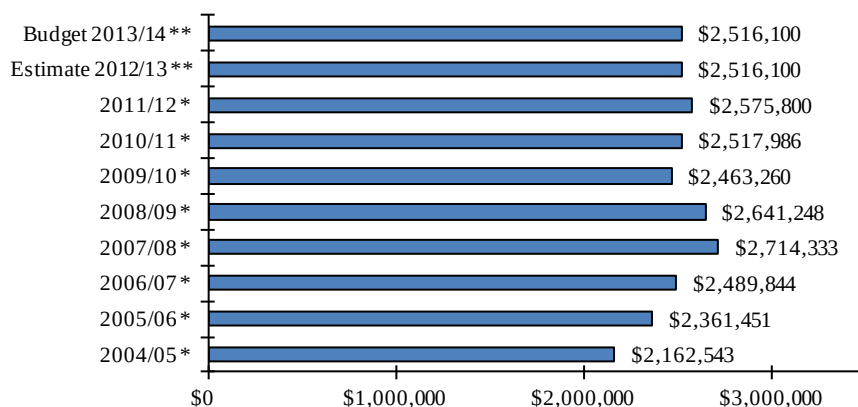
GENERAL INFORMATION:

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 will be on projects mandated in the E.P.A. Consent Order.

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 2012/2013 and 2013/2014 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)



CURRENT TRENDS AND ISSUES:

For the revised estimate for 2012/2013 and the 2013/2014 budget, the estimated local option sales tax revenues are \$2,524,600 and \$2,516,100, respectively. The 2013/2014 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 2012/2013 and Estimated 2013/2014

	Projected <u>2012/2013</u>	Projected <u>2013/2014</u>
Project:		
West Hill Sewer Separation - Phase 1	\$ 2,950,000	\$ 860,000
West Hill Sewer Separation - Phase 2	<u>-</u>	<u>2,010,000</u>
Totals	<u>\$ 2,950,000</u>	<u>\$ 2,870,000</u>

The West Hill Sewer Separation project is a \$50+ million project mandated by an E.P.A. Consent Order to be completed by 2028. Plans are to complete this project in multiple phases with the overall project scheduled for completion by the Consent Order deadline. In January of 2012, City staff working with PFM, the City's financial consultant, completed a long-term plan for financing the West Hill Sewer Separation project. The 80% allocation of Local Option Sales Taxes approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. Beginning in 2017/2018 local option tax will need to be supplemented with other resources to complete the scheduled work on the project. As part of the long-term financing plan, a new "West Hill Sewer Separation Long-Term Financing Plan Reserve" fund was established to accumulate funds to supplement the local option tax funding for this project. The 2011/2012, 2012/2013, and 2013/2014 budgets each include \$200,000 in transfers from the Water Pollution Control fund to the new reserve fund. Like amounts for those same years will be 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 the new reserve are expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project. Phase 2 of this project will begin in 2013/2014 and is scheduled to be completed in 2014/2015.

As authorized by the sales tax referendum, funding transfers of \$504,920 in the revised estimate and \$503,220 in 2013/2014 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 voter referendum. A separate sub-fund has been 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 2012/2013 and Estimated 2013/2014

	<u>Estimated</u> <u>2012/2013</u>	<u>Projected</u> <u>2013/2014</u>
Project:		
Pavement Management Program	\$ 260,000	\$ 500,000
Railroad Crossing Improvements	68,000	-
Highway 38/61 Connector Study	<u>39,000</u>	<u>-</u>
Totals	<u>\$ 367,000</u>	<u>\$ 500,000</u>

Specific projects in the Pavement Management Program allocation of \$500,000 for 2013/2014 will be determined based on balancing the financing of major street improvement projects (Cedar Street and Colorado Street) with ongoing pavement management projects. The estimated balance in the Pavement Management sub-fund on June 30, 2014 is \$411,843.

Local Option Sales Tax Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 3,364,971	\$ 1,076,470	\$ 1,777,370	\$ 2,319,147	\$ 1,390,327
Revenues					
Local Option Sales Tax	\$ 2,433,919	\$ 2,655,498	\$ 2,558,700	\$ 2,524,600 (1)	\$ 2,516,100 (2)
Interest	<u>5,270</u>	<u>2,438</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Total Revenues	<u>\$ 2,439,189</u>	<u>\$ 2,657,936</u>	<u>\$ 2,560,200</u>	<u>\$ 2,526,100</u>	<u>\$ 2,517,600</u>
Funds Available	<u>\$ 5,804,160</u>	<u>\$ 3,734,406</u>	<u>\$ 4,337,570</u>	<u>\$ 4,845,247</u>	<u>\$ 3,907,927</u>
Expenditures					
Transfers Out:					
Hershey Avenue Sewer Separation	\$ 3,975,018	\$ 214,757	\$ 3,817,000	\$ 0	\$ 0
West Hill Sewer - Phase 1	250,888	669,402	0	2,950,000	860,000
West Hill Sewer - Phase 2	0	0	0	0	2,010,000
Other Sewer Projects	15,000	0	0	0	0
Pavement Management Program (3)	<u>486,784</u>	<u>531,100</u>	<u>511,700</u>	<u>504,920</u>	<u>503,220</u>
Total Expenditures	<u>\$ 4,727,690</u>	<u>\$ 1,415,259</u>	<u>\$ 4,328,700</u>	<u>\$ 3,454,920</u>	<u>\$ 3,373,220</u>
Ending Balance, June 30	<u><u>\$ 1,076,470</u></u>	<u><u>\$ 2,319,147</u></u>	<u><u>\$ 8,870</u></u>	<u><u>\$ 1,390,327</u></u>	<u><u>\$ 534,707</u></u>

Increase (Decrease) in					
Fund Balance	\$ (2,288,501)	\$ 1,242,677	\$ (1,768,500)	\$ (928,820)	\$ (855,620)

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate (\$2,516,087) plus a prior year reconciliation amount of \$8,571.
2. The FY 2013/2014 Local Option Tax revenue amount is estimated conservatively at the States's projected 2012/2013 level of \$2,516,087.
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.

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 337,218	\$ 311,619	\$ 98,219	\$ 270,103	\$ 408,323
Revenues					
Transfers In:					
Local Option Sales Tax (1)	\$ 486,784	\$ 531,100	\$ 511,700	\$ 504,920 (2)	\$ 503,220 (3)
Interest	0	337	500	300	300
Total Revenues	\$ 486,784	\$ 531,437	\$ 512,200	\$ 505,220	\$ 503,520
Funds Available	\$ 824,002	\$ 843,056	\$ 610,419	\$ 775,323	\$ 911,843
Expenditures					
Transfers for Pavement Management:					
Pavement Management (Curb and Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	\$ 346,590	\$ 356,796	\$ 500,000	\$ 260,000	\$ 500,000 (4)
Highway 38/61 Connector Study	0	\$ 6,031	0	39,000	0
Railroad Crossing Improvements	165,793	210,126	0	68,000	0
Total Expenditures	\$ 512,383	\$ 572,953	\$ 500,000	\$ 367,000	\$ 500,000
Ending Balance, June 30	\$ 311,619	\$ 270,103	\$ 110,419	\$ 408,323	\$ 411,843

Increase (Decrease) in Fund Balance	\$ (25,599)	\$ (41,516)	\$ 12,200	\$ 138,220	\$ 3,520

- Beginning on July 1, 2009 up to 20% of Local Option Tax revenue has been allocated to the Pavement Management Program per the voter referendum.
- The Revised Estimate Local Option Tax revenue amount is 20% of the total of the State's estimate for the year of \$2,516,087 and the prior year reconciliation amount of \$8,571.
- The FY 2014 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2012/2013 amount of \$2,516,087.
- Specific projects in the 2013/2014 funding amount will be determined based on balancing the financing of major street projects (Cedar Street and Colorado Street) with ongoing pavement management projects.

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:

Forfeiture fund revenues are estimated at \$47,600 for 2012/2013 with expenditures estimated at \$23,000. The 2012/2013 expenditures include \$12,500 for the purchase of a used vehicle. The 2013/2014 budget includes \$5,000 of 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.

Police Forfeitures Fund

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 10,606	\$ 7,174	\$ 2,174	\$ 2,778	\$ 27,378
Revenues					
Forfeiture Funds	\$ 501	\$ 0	\$ 5,000	\$ 47,600	\$ 5,000 (1)
Interest	<u>17</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 518</u>	<u>\$ 5</u>	<u>\$ 5,000</u>	<u>\$ 47,600</u>	<u>\$ 5,000</u>
Funds Available	\$ 11,124	\$ 7,179	\$ 7,174	\$ 50,378	\$ 32,378
Expenditures	<u>3,950</u>	<u>4,401</u>	<u>5,000</u>	<u>23,000</u>	<u>5,000 (1)</u>
Ending Balance, June 30	<u><u>\$ 7,174</u></u>	<u><u>\$ 2,778</u></u>	<u><u>\$ 2,174</u></u>	<u><u>\$ 27,378</u></u>	<u><u>\$ 27,378</u></u>

Increase (Decrease) in Fund Balance	\$ (3,432)	\$ (4,396)	\$ 0	\$ 24,600	\$ 0

1. Amounts for 2013/2014 reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.

SPECIAL REVENUE FUNDS

POLICE GRANT FUTURE FUNDING COMMITMENT RESERVE

GENERAL INFORMATION:

In 2011 the City was awarded a U.S. Department of Justice COPS grant which will fund 100% of the cost of two new police officers for three years. The addition of these two positions allowed the City to reactivate the Street Crimes Unit and also fund a second School Resource Officer to be used in the City's middle schools for nine months of each year. A condition of the grant is that the City must retain these two positions at City cost for a minimum of one year after the three year grant period. This reserve was established with the 2012/2013 budget to set aside sufficient funds in each of the three grant years so that funds will be available to fund the required fourth year costs of these positions. The City is setting aside \$40,000 in this reserve in 2012/2013, 2013/2014, and 2014/2015 to fund the fourth year cost of the position for the Street Crimes Unit and 25% of the School Resource Officer position. The Muscatine Schools have agreed to fund 75% of the costs for one of the officers for the required fourth year.

CURRENT TRENDS AND ISSUES:

The 2012/2013 and 2013/2014 budgets each include a \$40,000 transfer from the General Fund towards funding the fourth year of the City's share of the cost of the two COPS grant funded officers. A like amount will be transferred in 2014/2015 to complete the funding needed for the City's portion of the fourth year cost. The Muscatine School system has agreed to fund 75% of the cost of one of the positions in the fourth year.

Police Grant Future Funding Commitment Reserve

Fund Statement

	Actual 2010/2011	Actual 2010/2011	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000
Revenues					
Transfer In:					
General Fund	\$ 0	\$ 0	\$ 40,000	\$ 40,000	\$ 40,000
Interest	0	0	0	0	0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Funds Available	\$ 0	\$ 0	\$ 40,000	\$ 40,000	\$ 80,000
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 40,000</u></u>	<u><u>\$ 40,000</u></u>	<u><u>\$ 80,000</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 40,000	\$ 40,000	\$ 40,000

SPECIAL REVENUE FUNDS

MUNICIPAL HOUSING AGENCY

GENERAL INFORMATION:

The Muscatine Municipal Housing Agency 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 Rehabilitation and Housing Code Enforcement Programs. 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 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 within reasonable access to employment, recreation, cultural opportunities, and goods and services.

PUBLIC HOUSING

The City's Public Housing units consist of the eleven (11) story, 100 unit Clark House for near-elderly and elderly citizens and the fifty (50) unit very low income Sunset Park family project. The City also provides management services for the Hershey Board, a not-for-profit organization, for Hershey Manor, a fifty (50) unit elderly/handicapped citizen project. This facility is managed by the City through a contractual agreement with the Hershey Board.

CLARK HOUSE - An eleven (11) story apartment complex consisting of ninety-eight (98) one-bedroom and two (2) two-bedroom units for the near-elderly and elderly was opened in May of 1977. Debt service on the construction of the building was funded by the federal government with annual operating expenditures funded from project revenues. Generations 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.

At the time the 2012/2013 budget was being prepared, the City had just been notified of a reduction in HUD funding for calendar year 2013 and the budget was reduced in most areas based on that reduced funding level. This funding reduction was due to HUD factoring in each Public Housing agency's operating reserve as of June 30, 2010 when determining the Operating Subsidy for calendar year 2012. Based on the Public Housing operating reserve on that date, the Operating Subsidy was reduced from \$160,010 in calendar year 2011 to zero for calendar year 2012. Housing staff was unsuccessful in the appeal of this funding reduction.

The 2012/2013 revised estimate expenditures for the Clark House are over the budgeted amount by \$141,830, with the most significant portion of this increase in capital outlay (\$118,400). The original budget included minimal capital purchases due to the HUD funding reduction in calendar year 2012. The revised estimate restores some of this funding. The capital outlay items added in the revised estimate include \$56,400 to complete the boiler replacement project, \$60,000 to repaint the exterior window areas,

and \$2,000 to install additional security cameras. There were also increases in personal services of \$9,570, commodities of \$5,230, and contractual services of \$8,630. The personal services increase is due to retirement pay for the former Housing Specialist and the new Housing Specialist having family health insurance. The commodities and contractual services increases are primarily due to increases in repair and maintenance supplies and services. These costs include \$5,000 for the insurance deductible for water damage repairs at this facility.

The Clark House budgeted expenditures for fiscal year 2013/2014 total \$541,330. This is an \$18,540 (3.6%) increase from the 2012/2013 budget primarily due to increased personal services and capital outlay costs.

The 2012/2013 revised estimate revenues for the Clark House are \$124,800 higher than the original budget. This is primarily due to drawing down \$200,000 of HUD Capital Funds compared to the \$85,500 in the original budget. As noted above, the original 2012/2013 budget included minimal capital purchases due to the uncertainty in HUD funding, and the revised estimate restores funding for several capital purchases.

The 2013/2014 budgeted revenues for the Clark House total \$538,900 which is \$43,000 more than the original 2012/2013 budget. The 2013/2014 budget includes a full year of HUD Operating Subsidy estimated at \$87,400 which is \$32,100 higher than the 2012/2013 budget of \$55,300 which reflected no funding in the first half of the fiscal year (calendar year 2012). The 2013/2014 budgeted revenues also include \$87,000 in HUD Capital Funds, \$322,000 in rents, \$30,000 in cable fees, and \$12,500 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2012/2013 revised estimate the combined Clark House and Sunset Park revenues are \$908,600 and the combined expenditures are \$969,470. This will result in a \$60,870 decrease in the operating reserve to \$184,923 at the end of 2012/2013. This decrease is due to receiving no HUD Operating Subsidy in calendar year 2012.

The 2013/2014 budgeted expenditures for the Clark House and Sunset Park total \$847,980 and revenues are budgeted at \$825,620. This will decrease the operating reserve by \$22,360 to \$162,563 at the end of 2013/2014. The combined public housing revenue estimate includes a total of \$150,000 of HUD Capital Funds, \$200,400 in HUD Operating Subsidy, and \$432,000 in rents.

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 2012/2013 revised estimate expenditures for Sunset Park are \$13,250 higher than the original budget. As discussed in the Clark House narrative above, the original 2012/2013 budget included expenditure reductions due to receiving no HUD Operating Subsidy funds in calendar year 2012. The revised estimate restores funding for a portion of those reductions. The revised estimate for personal services is \$5,450 higher than the original budget primarily due to restoring part-time hours for the Section 3 Program worker. There were also increases in commodities (\$4,600) and contractual services (\$900) for increased repair and maintenance supplies and services, and an increase in capital outlay (\$2,300).

The 2013/2014 Sunset Park budgeted expenditures are \$15,050 (5.2%) more than the 2012/2013 budget primarily due to increased personal services and capital outlay costs. The 2013/2014 budget includes 20 hours/week for the part-time Section 3 Program worker (reduced in the original 2012/2013 budget to 15 hours/week).

Revised estimate revenues for Sunset Park are \$82,560 more than the original budget primarily due to (1) increased rents of \$18,000, (2) drawing down \$37,380 more in HUD Capital Funds than in the original budget, and (3) an estimated \$26,300 increase in the portion of the HUD Operating Subsidy allocated to Sunset Park.

Revenues for Sunset Park for 2013/2014 are estimated at \$286,720 which includes \$110,000 in rents, \$113,000 in HUD Operating Subsidy, and \$63,000 in HUD Capital Funds.

HERSHEY MANOR - The site for this project was formerly occupied by the Hershey Nursing Home near the intersection of Parham and Mulberry streets. The site was rezoned by the City in 1982 to accommodate this elderly/handicapped citizen project. The Hershey Board, a non-profit organization, discontinued the nursing home operation and the structure was demolished in 1983. This project, unlike the Clark House and Sunset Park projects, requires that the payment of principal and interest for the construction of the facility be paid by the housing program.

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 funds 10% of the Housing Administrator's wages and benefit costs with the remainder of the management fee credited to the General Fund to fund accounting and general administrative costs. In addition to the allocation of the Housing Administrator, staff consists of a half-time Custodian, a part-time Housing Specialist, 25% of a Maintenance Repairperson, and 10% of the Housing Maintenance Supervisor/Inspector.

The revised estimate expenditures are \$9,830 higher than the original budget primarily due to increased repair and maintenance supplies and services.

The estimated expenditures for fiscal year 2013/2014 of \$400,350 are \$6,760 (1.7%) lower than the original 2012/2013 budget. This overall decrease is primarily due to a reduction of \$19,200 in capital outlay. This reduction has been partially offset by increases in personal services (\$4,140), commodities (\$2,800), and contractual services (\$8,710). Budgeted capital outlay items include carpet replacement in five apartments (\$3,200), appliance replacements (\$2,000), an asphalt overlay for the driveway (\$36,800), installation of five additional parking stalls (\$11,000), and an energy audit (\$5,000). Capital costs for Hershey Manor are funded from the Replacement Reserve. Budgeted expenditures in 2013/2014 also include \$113,620 for interest and mortgage insurance on the re-financed loan.

Revenues for 2013/2014 include \$158,300 in rental payments from the tenants and an estimated \$267,400 through HUD Section 8 housing assistance payments. The apartments rent for a fair market value established by HUD. Tenants pay 30% of their income for rent with the difference between the tenant rent and the fair market rent subsidized by Section 8 funds. Effective June 1, 2009 the fair market rent was set at \$682. It increased to \$708 June 1, 2010, was maintained at \$708 on June 1, 2011, and increased to \$716 on June 1, 2012. The fair market rent will increase to \$724 June 1, 2013.

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 more desirable units 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.

For calendar year 2012 HUD made changes to how the Section 8 Voucher program funds were 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 the current year HAP payments. This resulted in a HAPS reserve at the end of 2011/2012 of \$138,799 compared to \$270,868 at the end of 2010/2011. The HAPS reserve is expected to further decrease to \$50,199 at the end of 2012/2013. 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. HUD funds for administration of the program were also reduced. While at the beginning of the 2011/2012 year the accumulated prior year Administrative Reserve was \$88,715, this was reduced to \$83,608 by the end of 2011/2012. It is expected to be further reduced to \$70,408 by the end of 2012/2013 and \$49,428 by the end of 2013/2014. Housing staff will continue to closely monitor HUD funding and revenues and expenditures for this program.

Federal contributions for fiscal year 2013/2014 are estimated at \$1,855,000 for the Section 8 Voucher Program which includes \$1,655,000 for housing assistance payments (HAPS) and \$200,000 for administration of the program. These are budget estimates based on the most recent information from HUD. 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 reductions will continue in calendar years 2013 and 2014. If that would be the case, reductions in administrative costs, including staffing, would need to be considered. Based on the current average rent subsidy and the estimated calendar year 2013 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.

SECTION 8 FAMILY SELF-SUFFICIENCY PROGRAM

In 2010/2011, the Housing department was notified that funding had been awarded to begin a Family Self-Sufficiency (FSS) program for the Section 8 Housing Choice Voucher Program. FSS is a HUD program that encourages communities to develop local strategies to help voucher families obtain employment that will lead to economic independence and self-sufficiency. Public Housing Authorities

(PHA's) work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives FSS family members the skills and experience to enable them to obtain employment that pays a living wage. Under this program, low-income families enter into an agreement with the PHA. The families are provided opportunities for education, job training, counseling, and other forms of social skills necessary to achieve self-sufficiency and in exchange agree to successfully complete the program and abide by the program rules.

In addition to the family receiving education, training, and other skills, the PHA establishes an escrow account and credits the families for the change in family paid rent as a result of any increase in earned income during the family's participation in the FSS program. Upon successful completion of the program, the family then receives the funds that have been deposited into their escrow account.

HUD provides funding for 100% of the wages and benefits of a fulltime FSS Coordinator position. Any costs for training or other incidental expenses are funded from the Section 8 Housing Voucher Program administrative funding. The cost of the fulltime FSS Coordinator is \$58,560 for 2012/2013 and this cost will increase to \$60,600 in 2013/2014. These costs are funded 100% by HUD. Incidental expenses are estimated at \$2,200 in 2012/2013 and \$2,070 for 2013/2014. These costs are funded from the HUD funds for administration of the regular Housing Choice Voucher program.

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 are the responsibility of the Housing Maintenance Supervisor/Inspector. Section 8 housing inspections will account for 25% of the Housing Maintenance Supervisor/Inspector's position for the 2013/2014 year. 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 home buyers in purchasing their own homes. This includes persons eligible and interested in purchasing a home through the Section 8 Voucher Program Home Ownership program. HUD approved the transfer of \$65,277 from the sale of the last scattered site house in 2011 to provide additional funding to continue this program. The Housing Specialist position that manages this program was increased from part-time to fulltime in 2010/2011 with 50% of the cost of that position charged to the Home Ownership Program.

The 2012/2013 revised estimate includes an estimated \$43,300 in expenditures for this program and the estimated expenditures for 2013/2014 increased by \$11,700 to \$55,000. The 2013/2014 budget increase is primarily due to the addition of \$10,000 for down payment and closing cost assistance for those completing the home ownership class and purchasing a home, if they meet the income eligibility requirements for this assistance. This is expected to assist ten (10) new home owners with these costs. This \$10,000 allocation is being funded with funds repaid to the City according to provisions of prior year housing rehabilitation agreements funded from Community Development Block Grant (CDBG) funds. This is expected to be a one-time allocation for this assistance.

The Local Housing Trust will provide \$19,800 of funding for the Home Ownership Program in 2012/2013 and is expected to fund \$17,000 in 2013/2014. There is currently a sufficient fund balance available for this program due to the sales proceeds from the scattered site housing units. 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.

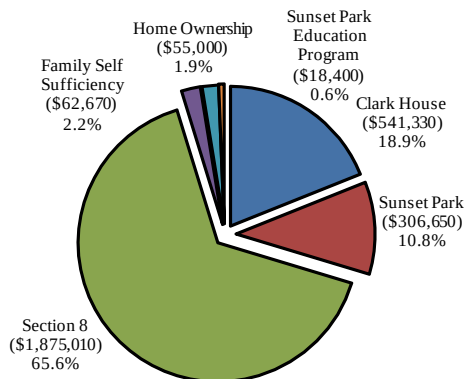
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program is operated every day school is in session. The program is sustained by grants and donations from the community. The 2012/2013 revised estimate includes \$13,900 in personal services for a part time program coordinator and \$7,300 for education materials and supplies. The 2013/2014 budget includes \$14,100 for the program coordinator and \$4,300 for education materials and supplies for a total budget of \$18,400. Local grants and donations are expected to fund 100% of the cost of this program.

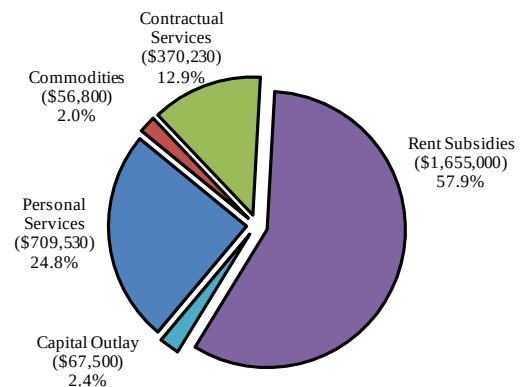
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total \$2,859,060 for 2013/2014 with budgeted revenues of \$2,788,620. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:

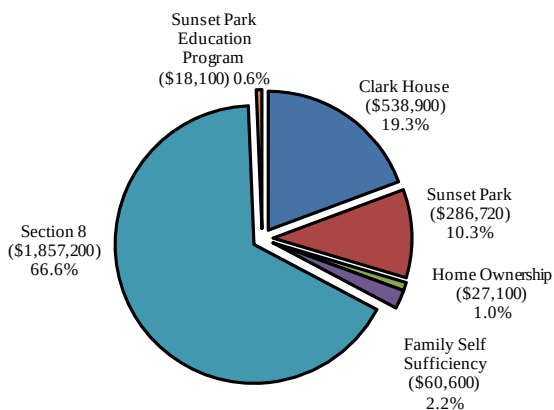
**FY 2013/2014 Budgeted Expenditures by Program -
All City Housing Programs
\$2,859,060**



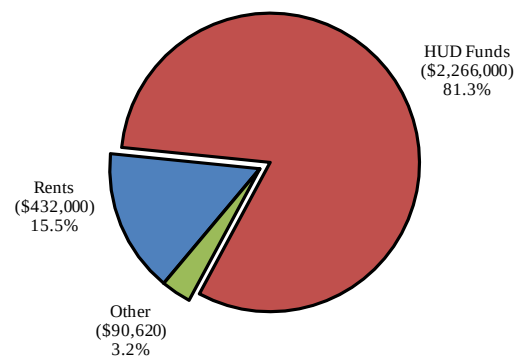
**FY 2013/2014 Budgeted Expenditures by Type -
All City Housing Programs
\$2,859,060**



**FY 2013/2014 Budgeted Revenues by Program -
All City Housing Programs
\$2,788,620**



**FY 2013/2014 Budgeted Revenues by Type -
All City Housing Programs
\$2,788,620**



The various housing budgets for 2013/2014 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 2013/2014 total \$54,100 and are allocated as follows:

Clark House	\$22,400
Sunset Park	11,200
Section 8 Voucher Program	<u>20,500</u>
	<u>\$54,100</u>

Hershey Manor currently pays the City a management fee and consequently has not been included in the above allocation.

GOAL STATEMENT:

To formulate, implement and administer programs in a nondiscriminatory manner that strive 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 2008/2009	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Section 8 Voucher Program:						
Unit Months Under Lease	4,125	4,269	4,308	4,393	4,440	4,440
Average Units Under Lease	344	356	359	366	370	370
Earned Administrative Fee	\$174,203	\$211,849	\$208,260	\$200,245	\$199,580	\$200,000
Housing Assistance Payments	\$1,537,184	\$1,579,949	\$1,543,176	\$1,638,189	\$1,660,600	\$1,655,000
Public Housing:						
<u>Clark House</u>						
Units Available	100	100	100	100	100	100
Days Units Vacant	Not tracked	996	704	703	730	730
Percent Days Vacant to Days	Not tracked	2.73%	1.93%	1.93%	2.00%	2.00%
<u>Sunset Park</u>						
Units Available	52	51	51	50	50	50
Days Units Vacant	Not tracked	389	283	397	365	365
Percent Days Vacant to Days Available	Not tracked	2.09%	1.52%	2.18%	2.00%	2.00%

	Actual 2008/2009	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Combined Public Housing						
Units Available	152	151	151	150	150	150
Total Days Units Available	55,480	55,115	55,115	54,750	54,750	54,750
Days Units Vacant	1,219	1,385	987	1,100	1,095	1,095
Percent Days Vacant to Days Available	2.20%	2.51%	1.79%	2.01%	2.00%	2.00%
Hershey Manor:						
Units Available	50	50	50	50	50	50
Days Units Available	18,250	18,250	18,250	18,250	18,250	18,250
Days Units Vacant	329	706	224	805	365	365
Percent Days Vacant to Days Available	1.80%	3.87%	1.23%	4.41%	2.00%	2.00%
Homeownership:						
Clients Completing 8 hour Class	N/A	12	54	48	50	50
HUD (9902) Individual Counseling	N/A	22	97	90	120	120
Clients <80% Median Income	N/A	12	139	130	115	115
Clients Purchased Housing	N/A	0	29	19	22	25
Section 8 Homeownership	2	2	3	2	2	2
Family Self Sufficiency:						
Total Participants	N/A	N/A	25	32	32	32
Participants with Escrow Balance	N/A	N/A	2	10	15	17
Participants Enrolled in Education	N/A	N/A	0	8	11	13
Participants Becoming Employed	N/A	N/A	7	14	18	20
Sunset Park Afterschool Program:						
Number of Days of Operation	N/A	N/A	53	172	170	170
Number of Students Registered	N/A	N/A	17	26	24	24
Average Number of Participating Students	N/A	N/A	9	11	14	15
Number of Instructional Hours	N/A	N/A	977	2,443	2,380	2,550
Total Books Read by Students	N/A	N/A	450	1,456	1,550	1,600
Average Books Read per Student	N/A	N/A	27	132	111	107

RECENT ACCOMPLISHMENTS:

Home Ownership Program

In September 2012, the Muscatine Municipal Housing Agency became an official stand-alone HUD Housing Counseling Agency, allowing the Housing Agency to seek funding for this program directly from HUD.

In calendar year 2012 the Home Ownership program received \$20,263 in funding from the Local Housing Trust to be used as an operating subsidy. The calendar year 2013 grant is expected to be approximately \$18,000.

In February 2013, the Housing Counselor attended the Atlanta Neighborworks training to maintain his counseling certification.

In 2012 the Home Ownership Program was allocated \$10,000 in funding from the City's CDBG owner occupied housing rehabilitation program. These funds will go toward down payment and closing cost assistance for first time home buyers.

The housing counselor recently developed a six month plan that has been approved by the Housing Administrator. This plan is focused on increasing participation and meeting the program's fiscal year 2012/2013 and 2013/2014 objectives.

Sunset Park After School Program

The program's objectives are to provide support and resources to assist students' efforts to complete required school assignments and improve skill sets necessary to achieve academic success. The program also strives to support Sunset Park's families in their efforts to ensure their children's academic success by preparing them for future opportunities and offering enrichment activities that might otherwise be out of reach.

The afterschool program was open 172 days during the 2011/2012 school year. There were 26 registered students, an average daily attendance of 11 students, and a total of 2,443 instructional student hours. According to national statistics, a child who is not proficient at reading by the end of third grade is four times more likely to drop out of school and four times more likely to enter the prison system. In 2011/2012, students in the afterschool program read 1,456 books, an average of 160 books per student, for the school year. The majority of the students are elementary age children.

Statistics for the current 2012/2013 school year through November are shown in the chart below. In October three new students were added and one additional was added in November. The average attendance dropped in November to 12 students, however, there are 10 students who have 80% attendance or better.

	Aug.20-Sept.28	Oct.1-30	Nov. 1-30	YTD
Students Registered	17	20	21	21
Days Open	29	22	19	70
Average Attendance	12	14	12	13
Hours of Instruction	513	434	372	1,319
Books Read	265	310	220	795

The students who come regularly have shown gains in Xtra Math and are reading at grade level. They are also learning the weekly spelling words. Three students, one 2nd grade, one 3rd grade, and one 6th, have finished the additional basic facts in Xtra Math. One 6th grade student has finished the basic facts in addition, subtraction, multiplication, and division. Staff is pleased that most of the students are excited about learning and doing well in school.

People from the community continue to do Enrichment Programs for the students. These include Americorp volunteers with the ISU Extension office, Kevin Zidarich, a natural resource specialist with the US Army Corp of Engineers, and Kelly Gallespie, a nurse with Public Health.

This year a request will again be made to the United Way for \$15,000 to fund part of the costs of the program. The Kids First fund has also contributed \$1,250 annually for healthy snacks for the children. This program has also benefited from the transfer of \$10,000 in proceeds from the City's Owner Occupied Housing Rehabilitation program that will go toward the purchase of a laptop computer, three one-year software subscriptions for educational activities and testing, and an internet television and mount used for classroom enrichment.

Section 8 Housing Voucher Program

Federal changes in this program will be ongoing which will require housing staff to remain flexible and diligent. HUD has reduced administrative fees to rates not seen in 36 years. This, along with other federally mandated program rule changes, will place a great deal of pressure on this program over the next 18 months. The actual funding levels for calendar year 2013 have not yet been determined, but projections have been included in the budget based on the latest information available from HUD. If income projections are reduced, staff will need to modify the budget to reflect the actual funding amount.

Annually the Section 8 Program is assessed by evaluating 13 separate program indicators. Each indicator is ranked based on quality control reviews and data collected by HUD through the on-line secure system. For fiscal year 2011/ 2012, the housing agency received a score of 96% and again received HUD's highest designation of High Performer for the fifth year in a row.

Clark House and Sunset Park

Below is the official Public Housing Assessment System (PHAS) rating report for fiscal year 2011/2012. The City's Public Housing program received 95 points out of a possible 100 and achieved the High Performer rating. Because of this rating, this program will not be assessed again until the beginning of FY 2015. This is the first time the housing agency was scored under HUD's new regulations.

PHA Information

PHA Code:	IA049	PHA Name:	Muscatine Municipal Housing Agency	Fiscal Year End:	06/30

PHAS Score: **95** **Designation Status:** **Small Deregulation** **PHA PHAS Status:** **[Released](#)**

Select a PHAS indicator to view details relating to the composite score.

PHAS Indicator	Original Score	Maximum Score	Indicator / PHAS Explanation
Physical	36	40	Explanation
Financial	25	25	Explanation
Management Operations	24	25	Explanation
Capital Fund	10	10	Explanation
PHAS Total Score	95	100	

In March of 2012 the Housing Agency received notice that no operating subsidy would be received in calendar year 2012 (\$181,889 was anticipated). The housing authority submitted an appeal but it was not approved. This has greatly reduced the operating reserve and is a cause for concern going forward. Based on the 2013 operating subsidy submission request the public housing program would be eligible to receive \$217,846 for the combined Clark House and Sunset Park budget. Every year, however, HUD determines a proration factor to this calculation based on the final federal budget for this program. As of this date, it is being reported by regional HUD staff that a 92% proration is likely. This prorated amount would equal \$200,400.

In an effort to reduce maintenance and insurance costs, as well as improve the quality of life of the public housing tenants, staff is planning to pursue the possibility of making the Clark House and Sunset Park apartments smoke free environments. According to the Iowa Department of Public Health's Smoke Free website, apartment turnover costs can be nearly seven times greater when smoking is allowed. By going smoke free at the Clark House and Sunset Park Apartments, there may be reduced insurance claims and reduced maintenance costs.

Hershey Manor

The Iowa Finance Authority (IFA) performed their yearly Management and Occupancy Review in June 2012 and Hershey Manor received above average ratings.

Hershey Manor staff wrote and implemented a HUD required "Rent Collection Policy" in the summer 2012. This policy was reviewed by IFA and found to be in compliance. Hershey Manor also updated the "Tenant Selection Plan" in the Spring of 2012 that was also reviewed by IFA and found to be in compliance.

Hershey Manor has maintained a 100% occupancy rating since July 2012.

Staff completed the HUD EIV training in February of 2012 and the Federal Security Awareness Training in the summer of 2012. Staff also attended the "Regional Mobility Summit" (for seniors and disabled) in November of 2012

In October of 2012 additional accounting software was purchased to streamline and improve the tenant accounts receivable and payment collection process. This assisted both the Finance department and Hershey Manor staff to improve this process.

The Housing Coordinator will be attending Project Based Section 8 training in 2013 and 2014. This training will provide the department with backup in case of a prolonged absence of the Hershey housing manager.

Family Self Sufficiency (FSS)

As of December 1, 2012, the Muscatine Municipal Housing Agency's FSS Program is serving 29 households, with 26 of those households including children under the age of 18, for a total of 60 children. Of the 29 participating families, 3 include a member with disabilities. Eleven of the 29 participants were enrolled in college coursework during 2012 and 7 participating households had family members enrolled in GED classes. Fifteen families have a higher earned income than they did upon enrolling in FSS and have balances in their escrow accounts.

This program had one participating family become self sufficient before the five year goal and they received their escrow savings in July 2012. This was the first successful graduate in the program.

The FSS Program also saw an older participant graduate from the GED program, and she is working with SCORE and others to develop a plan to open her own small business.

On July 1, 2012 the FSS duties were transferred to a different housing staff member. This allowed the Housing staff to combine their knowledge of programs to assure continued success for participants.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

Section 8 Voucher Program

- * To maintain a minimum of 370 vouchers under lease throughout fiscal year 2013/2014.
- * To allocate 100% of housing assistance funding awarded.
- * To revise and update the administrative plan.
- * To maintain the waiting list, rent reasonableness and inspection programs, and provide quality control measures on all components.
- * To review public housing policies and procedures and incorporate lean measures as appropriate.
(Management Agenda High Priority)

Family Self-Sufficiency (FSS) Program

- * To average 35 participants throughout the fiscal year.
- * To maintain a positive escrow balance for at least 40% of participants.
- * To obtain continued funding for the FSS program.
- * To strengthen existing resource sharing relationships with local service providers and build relationships with at least five additional providers.

- * To review FSS policies and procedures and incorporate lean measures as appropriate. **(Management Agenda High Priority)**

Home Ownership Program

- * To offer 7 Home Ownership classes in 2013/2014.
- * To have 50 students complete the class and receive their certificate.
- * To schedule a minimum of 120 individual one-on-one counseling sessions in areas such as Credit Awareness, Money Management, Loan Qualification, and Foreclosure Counseling.
- * To have 25 graduates successfully close on a home purchase.
- * To issue one Housing Choice Home Ownership Voucher to a current Section 8 participant.
- * To review this program's policies and procedures and incorporate lean measures as appropriate. **(Management Agenda High Priority)**

Clark House and Sunset Park

- * To collect at minimum 98% of all rent due.
- * To maintain at minimum a 98% occupancy rate.
- * To revise and update the Public Housing Agency Continued Occupancy Plan (ACOP)
- * To update the Public Housing lease.
- * To commission a HUD mandated needs assessment energy audit to be used as an outline for future green and capital needs planning (target date for completed plan is August 2013).
- * To implement a plan for converting the Clark House and Sunset Park to smoke free facilities.
- * To revise the Public Housing rules to include provisions for smoke free environments in all public housing buildings and rental units.
- * To review public housing policies and procedures and incorporate lean measures as appropriate. **(Management Agenda High Priority)**

Hershey Manor

- * To maintain at minimum a 98% occupancy rate.
- * To collect at minimum 99% of all rent due.
- * To contract for a comprehensive energy audit and needs assessment that will guide the capital improvement plan for the physical needs of Hershey Manor well into the future.
- * To asphalt all of the driveway and parking lot.

- * To install 5 new parking stalls.
- * To continue to be proactive in reviewing department policies and procedures and incorporate lean measures as appropriate. **(Management Agenda High Priority)**

**Public Housing Program
Clark House and Sunset Park
Fund Statement**

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Operating Reserve, July 1	\$ 839,709	\$ 656,789	\$ 222,229	\$ 245,793	\$ 184,923
Revenues					
Dwelling Rentals	\$ 415,846	\$ 434,276	\$ 408,000	\$ 433,000	\$ 432,000
Cable Fees	25,786	29,349	28,000	30,000	30,000
Federal Grants:					
Operating Subsidy	165,584	83,133	83,000	108,000 (2)	200,400 (3)
HUD Capital Funds	196,691	0	171,000	322,880	150,000
Interest Income	6,821	3,710	1,340	520	520
Sale of Property	0	66,253	0	0	0
Laundry Fees	9,416	9,299	9,400	9,000	9,000
Miscellaneous	120	6,580	500	5,200	3,700
Total Revenues	<u>\$ 820,264</u>	<u>\$ 632,600</u>	<u>\$ 701,240</u>	<u>\$ 908,600</u>	<u>\$ 825,620</u>
Funds Available	<u>\$ 1,659,973</u>	<u>\$ 1,289,389</u>	<u>\$ 923,469</u>	<u>\$ 1,154,393</u>	<u>\$ 1,010,543</u>
Expenditures					
Clark House	\$ 574,851	\$ 592,490	\$ 522,790	\$ 664,620	\$ 541,330
Sunset Park	427,552	378,750	291,600	304,850	306,650
Scattered Sites	781	7,079	0	0	0
Transfer to Home Ownership Program	0	65,277	0	0	0
Total Expenditures (1)	<u>\$ 1,003,184</u>	<u>\$ 1,043,596</u>	<u>\$ 814,390</u>	<u>\$ 969,470</u>	<u>\$ 847,980</u>
Operating Reserve, June 30	<u><u>\$ 656,789</u></u>	<u><u>\$ 245,793</u></u>	<u><u>\$ 109,079</u></u>	<u><u>\$ 184,923</u></u>	<u><u>\$ 162,563</u></u>

Increase (Decrease) in Operating Reserve	\$ (182,920)	\$ (410,996)	\$ (113,150)	\$ (60,870)	\$ (22,360)

- Expenditures include changes in compensated absences and other post-employment benefits.
- The HUD Operating Subsidy is computed by HUD on a calendar year basis. HUD changed how the Operating Subsidy was calculated for calendar year 2012. Based on the Operating Reserve balance at that time, no Operating Subsidy funds were awarded for calendar year 2012. The 2012/2013 Revised Estimate reflects the estimated HUD Operating Subsidy to be received in January through June of 2013.
- Fiscal year 2013/2014 reflects the estimated amount for a full year of HUD Operating Subsidy funding.

**Public Housing Program
Clark House and Sunset Park
Summary of Revenues**

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Clark House:					
Dwelling Rentals	\$ 325,144	\$ 321,619	\$ 316,000	\$ 323,000	\$ 322,000
Cable Fees	25,786	29,349	28,000	30,000	30,000
Federal Grants:					
Operating Subsidy	110,389	55,422	55,300	54,000 (1)	87,400 (2)
HUD Capital Funds	98,346	0	85,500	200,000	87,000
Interest Income	6,777	3,691	1,300	500	500
Laundry Fees	9,416	9,299	9,400	9,000	9,000
Miscellaneous	<u>0</u>	<u>4,291</u>	<u>400</u>	<u>4,200</u>	<u>3,000</u>
Subtotal	<u>\$ 575,858</u>	<u>\$ 423,671</u>	<u>\$ 495,900</u>	<u>\$ 620,700</u>	<u>\$ 538,900</u>
Sunset Park:					
Dwelling Rentals	\$ 89,775	\$ 111,776	\$ 92,000	\$ 110,000	\$ 110,000
Federal Grants:					
Operating Subsidy	55,195	27,711	27,700	54,000 (1)	113,000 (2)
HUD Capital Funds	98,346	0	85,500	122,880	63,000
Interest Income	43	19	40	20	20
Miscellaneous	<u>120</u>	<u>2,289</u>	<u>100</u>	<u>1,000</u>	<u>700</u>
Subtotal	<u>\$ 243,479</u>	<u>\$ 141,795</u>	<u>\$ 205,340</u>	<u>\$ 287,900</u>	<u>\$ 286,720</u>
Scattered Site:					
Dwelling Rentals	\$ 927	\$ 881	\$ 0	\$ 0	\$ 0
Sale of Property	<u>0</u>	<u>66,253</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 820,264</u>	<u>\$ 632,600</u>	<u>\$ 701,240</u>	<u>\$ 908,600</u>	<u>\$ 825,620</u>

1. The HUD Operating Subsidy is computed by HUD on a calendar year basis. HUD changed how the Operating Subsidy was calculated for calendar year 2012. Based on the Operating Reserve balance at that time, no Operating Subsidy funds were awarded for calendar year 2012. The 2012/2013 Revised Estimate reflects the estimated HUD Operating Subsidy to be received in January through June of 2013.
2. Fiscal year 2013/2014 reflects the estimated amount for a full year of HUD Operating Subsidy funding.

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 252,148	\$ 218,916	\$ 232,820	\$ 242,390	\$ 246,110	5.71%
Commodities	27,770	36,516	30,870	36,100	31,000	0.42%
Contractual Services	218,673	249,330	229,100	237,730	229,720	0.27%
Capital Outlay	74,831	95,944	30,000	148,400	34,500	15.00%
Transfers	-	65,277	-	-	-	
Total Expenditures	<u>\$ 573,422</u>	<u>\$ 665,983</u>	<u>\$ 522,790</u>	<u>\$ 664,620</u>	<u>\$ 541,330</u>	3.55%
Funding Sources						
Dwelling Rentals	\$ 326,071	\$ 322,500	\$ 316,000	\$ 323,000	\$ 322,000	1.90%
Tenant Cable Fees	25,786	29,349	28,000	30,000	30,000	7.14%
Interest Income	6,777	3,691	1,300	500	500	-61.54%
Federal Grants:						
Operating Subsidy	110,389	55,422	55,300	54,000	87,400	58.05%
HUD Capital Funds	98,346	-	85,500	200,000	87,000	1.75%
Sale of Scat. Site Property	-	66,253	-	-	-	
Miscellaneous	9,416	13,590	9,800	13,200	12,000	22.45%
Total Funding Sources	<u>\$ 576,785</u>	<u>\$ 490,805</u>	<u>\$ 495,900</u>	<u>\$ 620,700</u>	<u>\$ 538,900</u>	8.67%
Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Administrator	0.50	0.50	0.45	0.45	0.45	
Assistant Housing Administrator	-	-	-	-	0.10	
Housing Maintenance Supervisor/Inspector	0.45	0.45	0.45	0.45	0.45	
Custodian	1.00	0.20 *	-	-	-	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Housing Specialist	1.00	1.00	1.00	1.00	1.00	
Housing Coordinator	0.10	0.10	0.10	0.10	-	
Total Full Time	<u>3.55</u>	<u>2.75</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	
Part Time:						
Office Coordinator	0.50	0.50	0.50	0.55	0.55	
Custodian	0.04	0.75 *	0.75	0.80	0.80	
Housing Specialist	0.05	-	-	-	-	
Total Part Time	<u>0.59</u>	<u>1.25</u>	<u>1.25</u>	<u>1.35</u>	<u>1.35</u>	
Total	4.14	4.00	3.75	3.85	3.85	\$ 179,550
Employee Benefits						66,560
Total Personal Services						<u>\$ 246,110</u>
* The fulltime Custodian position at the Clark House was replaced with a 3/4 time position in the fall of 2011.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Appliance Replacements	10	Yes	\$ 4,500
Apartment Rehabilitation	5	Yes	25,000
Energy Audit			5,000
			<u>\$ 34,500</u>

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 156,151	\$ 165,118	\$ 162,800	\$ 168,250	\$ 175,340	7.70%
Commodities	13,200	14,471	17,300	21,900	18,300	5.78%
Contractual Services	78,987	75,177	81,500	82,400	80,010	-1.83%
Capital Outlay	179,214	123,984	30,000	32,300	33,000	10.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 427,552</u>	<u>\$ 378,750</u>	<u>\$ 291,600</u>	<u>\$ 304,850</u>	<u>\$ 306,650</u>	5.16%
Funding Sources						
Dwelling Rentals	\$ 89,775	\$ 111,776	\$ 92,000	\$ 110,000	\$ 110,000	19.57%
Interest Income	43	19	40	20	20	-50.00%
Federal Grants:						
Operating Subsidy	55,195	27,711	27,700	54,000	113,000	307.94%
HUD Capital Funds	98,346	-	85,500	122,880	63,000	-26.32%
Miscellaneous	<u>120</u>	<u>2,289</u>	<u>100</u>	<u>1,000</u>	<u>700</u>	600.00%
Total Funding Sources	<u>\$ 243,479</u>	<u>\$ 141,795</u>	<u>\$ 205,340</u>	<u>\$ 287,900</u>	<u>\$ 286,720</u>	39.63%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Administrator	0.30	0.30	0.30	0.30	0.30	
Assistant Housing Administrator	-	-	-	-	0.10	
Housing Maintenance Supervisor/Inspector	0.20	0.20	0.20	0.20	0.20	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>-</u>	
Total Full Time	<u>1.35</u>	<u>1.35</u>	<u>1.35</u>	<u>1.35</u>	<u>1.35</u>	
Part Time:						
Office Coordinator	0.22	0.22	0.20	0.20	0.20	
Custodian	0.80	0.80	0.77	0.84	0.82	
HUD Section 3 Program Worker	<u>0.43</u>	<u>0.43</u>	<u>0.38</u>	<u>0.50</u>	<u>0.50</u>	
Total Part Time	<u>1.45</u>	<u>1.45</u>	<u>1.35</u>	<u>1.54</u>	<u>1.52</u>	
Total	2.80	2.80	2.70	2.89	2.87	\$ 131,910
Employee Benefits						<u>43,430</u>
Total Personal Services						<u>\$ 175,340</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 25,000
Appliances	7	Yes	5,000
Energy Audit			3,000
			<u>\$ 33,000</u>

Hershey Manor

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Revenues					
Dwelling Rentals	\$ 170,964	\$ 179,094	\$ 168,500	\$ 167,000 (1)	\$ 167,000 (2)
Housing Assistance					
Payments - HUD	253,836	246,106	258,200	262,600 (1)	267,400 (2)
HUD Payment Reduction					
for Vacancies	(4,928)	(20,425)	(8,500)	(8,600) (1)	(8,700) (2)
Interest Income	698	588	600	500	500
Cable Fees	14,155	15,089	15,000	17,000	17,300
Laundry Income	5,072	4,843	5,000	5,000	5,000
Other Income	20	13	0	0	0
Total Revenues	\$ 439,817	\$ 425,308	\$ 438,800	\$ 443,500	\$ 448,500
Operating Expenditures	350,636	335,084	407,110	416,940	400,350
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	<u>\$ 89,181</u>	<u>\$ 90,224</u>	<u>\$ 31,690</u>	<u>\$ 26,560</u>	<u>\$ 48,150</u>
Additional Budget Items:					
Principal Retirement	(30,838)	(32,740)	(34,760)	(34,760)	(36,904)
Replacement Reserve Transfers	(17,432)	(29,801)	(29,796)	(29,856)	(29,856)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,670)	(49,770)	(49,770)
Portion of Above Interest from Reserve Funds	(678)	(525)	(550)	(450)	(450)
Transfers from Replacement Reserve	9,800	38,098	77,200	70,360	58,000
Net Surplus (Deficit)	<u>\$ 365</u>	<u>\$ 15,588</u>	<u>\$ (5,886) (3)</u>	<u>\$ (17,916) (3)</u>	<u>\$ (10,830) (3)</u>
Surplus (Deficit) per Unit Month	<u>\$ 0.61</u>	<u>\$ 25.98</u>	<u>\$ (9.81) (3)</u>	<u>\$ (29.86) (3)</u>	<u>\$ (18.05) (3)</u>

1. The FY 2012/2013 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent of \$716 with 2% allowed for vacancies.
2. The FY 2013/2014 HUD Housing Assistance Payments and dwelling rental amounts shown are based on an increase in the fair market rent to \$724 with 2% allowed for vacancies.
3. Although operating deficits are shown for 2012/2013 and 2013/2014, it is expected that expenditures will be less than budgeted, resulting in lesser deficits than reflected above. Any actual deficits can be funded from the Residual Receipts or other Reserve funds, subject to approval by HUD.

Function:

Community and Economic Development

Department:

Housing

Activity:**Hershey Manor Housing**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 79,059	\$ 80,040	\$ 83,190	\$ 83,640	\$ 87,330	4.98%
Commodities	9,753	14,207	10,700	14,270	13,500	26.17%
Contractual Services	107,492	103,933	119,190	131,840	127,900	7.31%
Capital Outlay	33,266	17,895	77,200	70,360	58,000	-24.87%
Interest/Mortgage Insurance	<u>121,066</u>	<u>119,009</u>	<u>116,830</u>	<u>116,830</u>	<u>113,620</u>	-2.75%
Total Expenditures	<u>\$ 350,636</u>	<u>\$ 335,084</u>	<u>\$ 407,110</u>	<u>\$ 416,940</u>	<u>\$ 400,350</u>	-1.66%
Funding Sources						
Dwelling Rentals	\$ 166,036	\$ 158,669	\$ 160,000	\$ 158,400	\$ 158,300	-1.06%
Housing Assistance Payments - HUD	253,836	246,106	258,200	262,600	267,400	3.56%
Interest Income	698	588	600	500	500	-16.67%
Cable Fees	14,155	15,089	15,000	17,000	17,300	15.33%
Other Income	<u>5,092</u>	<u>4,856</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	0.00%
Total Funding Sources	<u>\$ 439,817</u>	<u>\$ 425,308</u>	<u>\$ 438,800</u>	<u>\$ 443,500</u>	<u>\$ 448,500</u>	2.21%
Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
(Included in Management Fee)						
Housing Maintenance Supervisor/Inspector	0.10	0.10	0.10	0.10	0.10	
Maintenance Repairperson	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total Full Time	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	
Part Time:						
Housing Specialist	0.63	0.64	0.63	0.64	0.55	
Custodian	<u>0.50</u>	<u>0.54</u>	<u>0.54</u>	<u>0.55</u>	<u>0.64</u>	
Total	1.58	1.63	1.62	1.64	1.64	\$ 68,050
Employee Benefits						<u>19,280</u>
Total Personal Services						<u>\$ 87,330</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Carpet Replacements	5	Yes	\$ 3,200
Appliance Replacements	5	Yes	2,000
Asphalt Overlay of Driveway	1	Yes	36,800
Parking Stalls	5	No	11,000
Energy Audit			5,000
			<u>\$ 58,000</u>

Section 8 Voucher Program

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 305,700	\$ 359,583	\$ 287,183	\$ 222,407	\$ 120,607
Revenues					
HUD Contributions-Housing Assistance Payments	\$ 1,589,540	\$ 1,503,285	\$ 1,618,600	\$ 1,570,900	\$ 1,655,000
HUD Contributions-Administration	208,260	200,245	186,350	199,580	200,000
HUD Contributions-Family Self-Sufficiency	43,153	48,947	53,270	58,560	60,600
FSS Escrow Forfeiture	0	247	0	0	0
Fraud Recovery - HUD Portion	5,887	2,372	1,500	1,000	1,000
Fraud Recovery - Admin Portion	5,887	2,372	1,500	1,000	1,000
Interest - HAP Reserve	349	215	200	100	100
Interest - Admin Reserve	225	126	100	100	100
Total Revenues	<u>\$ 1,853,301</u>	<u>\$ 1,757,809</u>	<u>\$ 1,861,520</u>	<u>\$ 1,831,240</u>	<u>\$ 1,917,800</u>
Funds Available	<u>\$ 2,159,001</u>	<u>\$ 2,117,392</u>	<u>\$ 2,148,703</u>	<u>\$ 2,053,647</u>	<u>\$ 2,038,407</u>
Expenditures:					
Housing Assistance Payments	\$ 1,543,176	\$ 1,638,189	\$ 1,654,000	\$ 1,660,600	\$ 1,655,000
Voucher Program Administration	210,545	206,577	215,600	211,680	220,010
Family Self-Sufficiency Coordinator	43,153	48,947	53,270	58,560	60,600
Family Self-Sufficiency Other Costs	2,544	1,272	1,960	2,200	2,070
Total Expenditures	<u>\$ 1,799,418</u>	<u>\$ 1,894,985</u>	<u>\$ 1,924,830</u>	<u>\$ 1,933,040</u>	<u>\$ 1,937,680</u>
Ending Balance, June 30	<u>\$ 359,583</u>	<u>\$ 222,407</u>	<u>\$ 223,873</u>	<u>\$ 120,607</u>	<u>\$ 100,727</u>
Ending Balance Reserved for:					
Housing Assistance Payments	\$ 270,868	\$ 138,799 (1)	\$ 185,518	\$ 50,199 (1)	\$ 51,299
Administration	88,715	83,608	38,355	70,408	49,428
Total Ending Balance	<u>\$ 359,583</u>	<u>\$ 222,407</u>	<u>\$ 223,873</u>	<u>\$ 120,607</u>	<u>\$ 100,727</u>
Increase (Decrease) in Fund Balance	\$ 53,883	\$ (137,176)	\$ (63,310)	\$ (101,800)	\$ (19,880)

1. For 2012 HUD changed how the funding for Section 8 Housing Assistance payments was distributed to Housing agencies. This change required Housing agencies to utilize part of their Housing Assistance Payment Reserve (Net Restricted Assets - NRA) to fund housing assistance payments in calendar year 2012. This resulted in a decrease of \$88,600 in the Housing Assistance Payment Reserve from \$138,799 at the end of 2011/2012 to a projected \$50,199 at the end of 2012/2013.

Function:
Community and Economic Development

Department:
Housing

Activity:
Section 8 Voucher Program

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 163,594	\$ 167,740	\$ 176,140	\$ 166,630	\$ 175,080	-0.60%
Commodities	4,047	3,345	4,800	5,700	4,150	-13.54%
Contractual Services	1,579,052	1,673,681	1,688,660	1,699,950	1,695,780	0.42%
Capital Outlay	7,028	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,753,721</u>	<u>\$ 1,844,766</u>	<u>\$ 1,869,600</u>	<u>\$ 1,872,280</u>	<u>\$ 1,875,010</u>	0.29%
Funding Sources						
HUD Contribution	\$ 1,797,800	\$ 1,703,530	\$ 1,804,950	\$ 1,770,480	\$ 1,855,000	2.77%
Repayment Agreements	11,774	4,744	3,000	2,000	2,000	-33.33%
Interest	574	341	300	200	200	-33.33%
Other Income	-	247	-	-	-	
Total Funding Sources	<u>\$ 1,810,148</u>	<u>\$ 1,708,862</u>	<u>\$ 1,808,250</u>	<u>\$ 1,772,680</u>	<u>\$ 1,857,200</u>	2.71%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	-	-	-	-	0.80	
Housing Maintenance Supervisor/Inspector	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	0.80	0.80	0.80	0.80	-	
Housing Specialist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	<u>2.15</u>	<u>2.15</u>	<u>2.15</u>	<u>2.15</u>	<u>2.15</u>	
Part Time:						
Office Coordinator	<u>0.54</u>	<u>0.63</u>	<u>0.63</u>	<u>0.63</u>	<u>0.63</u>	
Total	2.69	2.78	2.78	2.78	2.78	\$ 129,400
Employee Benefits						45,680
Total Personal Services						<u>\$ 175,080</u>

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 43,153	\$ 48,947	\$ 53,270	\$ 58,560	\$ 60,600	13.76%
Commodities	279	189	200	350	350	75.00%
Contractual Services	2,265	1,082	1,760	1,850	1,720	-2.27%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 45,697</u>	<u>\$ 50,218</u>	<u>\$ 55,230</u>	<u>\$ 60,760</u>	<u>\$ 62,670</u>	13.47%
Funding Sources						
HUD Contribution	\$ 43,153	\$ 48,947	\$ 53,270	\$ 58,560	\$ 60,600	13.76%
Section 8 HUD Admin Funds	<u>2,544</u>	<u>1,271</u>	<u>1,960</u>	<u>2,200</u>	<u>2,070</u>	5.61%
Total Funding Sources	<u>\$ 45,697</u>	<u>\$ 50,218</u>	<u>\$ 55,230</u>	<u>\$ 60,760</u>	<u>\$ 62,670</u>	13.47%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Specialist	1.00	1.00	1.00	1.00	1.00	\$ 45,970
Employee Benefits						<u>14,630</u>
Total Personal Services						<u>\$ 60,600</u>

**Public Housing
Home Ownership Program
Fund Statement**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 130,841	\$ 112,272	162,672	\$ 166,945	\$ 143,545
Revenues:					
HUD Counseling Grant	\$ 9,769	\$ 1,699	\$ 0	\$ 0	\$ 0
Local Housing Trust Funds	5,000	23,303	20,000	19,800	17,000
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	0	0	10,000
Transfer Scattered Site					
Property Sale Proceeds	0	65,277	0	0	0
Interest	243	252	300	100	100
Other	0	3,649	0	0	0
Total Revenues	<u>\$ 15,012</u>	<u>\$ 94,180</u>	<u>\$ 20,300</u>	<u>\$ 19,900</u>	<u>\$ 27,100</u>
Funds Available	\$ 145,853	\$ 206,452	\$ 182,972	\$ 186,845	\$ 170,645
Expenditures	<u>33,581</u>	<u>39,507</u>	<u>42,600</u>	<u>43,300</u>	<u>55,000</u>
Ending Balance, June 30	<u>\$ 112,272</u>	<u>\$ 166,945</u>	<u>140,372</u>	<u>\$ 143,545</u>	<u>115,645</u>
Increase (Decrease) in Fund Balance (1)	\$ (18,569)	\$ 54,673	\$ (22,300)	\$ (23,400)	\$ (27,900)

Function:
Community and Economic Development

Department:
Housing

Activity:
Home Ownership Program

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 29,666	\$ 35,353	\$ 37,000	\$ 36,900	\$ 38,300	3.51%
Commodities	206	649	600	700	700	16.67%
Contractual Services	3,709	3,504	5,000	5,700	16,000	220.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 33,581</u>	<u>\$ 39,506</u>	<u>\$ 42,600</u>	<u>\$ 43,300</u>	<u>\$ 55,000</u>	29.11%
Funding Sources						
Transfer Scattered Site						
Property Sale Proceeds	\$ -	\$ 65,277	\$ -	\$ -	\$ -	
HUD Counseling Grant	9,769	1,699	-	-	-	
Local Housing Trust Fund	5,000	23,303	20,000	19,800	17,000	-15.00%
Transfer from CDBG Fund -						
Housing Rehab Reimbursements		-	-	-	10,000	
Interest	243	252	300	100	100	-66.67%
Other	-	3,649	-	-	-	
Total Funding Sources	<u>\$ 15,012</u>	<u>\$ 94,180</u>	<u>\$ 20,300</u>	<u>\$ 19,900</u>	<u>\$ 27,100</u>	33.50%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Housing Administrator	-	-	0.05	0.05	0.05	
Total	0.50	0.50	0.55	0.55	0.55	\$ 25,900
Employee Benefits						12,400
Total Personal Services						<u>\$ 38,300</u>

**Public Housing
Sunset Park Education Program
Fund Statement**

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 0	\$ 4,407	2,707	\$ 10,680	10,580
Revenues:					
United Way Contributions	\$ 0	\$ 19,950	\$ 19,500	\$ 15,000	\$ 15,000
Other Contributions	6,215	145	0	1,300	1,300
Interest	0	20	0	0	0
Other	3,900	300	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	0	4,800 (1)	1,800 (1)
Total Revenues	<u>\$ 10,115</u>	<u>\$ 20,415</u>	<u>\$ 19,500</u>	<u>\$ 21,100</u>	<u>\$ 18,100</u>
Funds Available	\$ 10,115	\$ 24,822	\$ 22,207	\$ 31,780	\$ 28,680
Expenditures	<u>5,708</u>	<u>14,142</u>	<u>19,500</u>	<u>21,200</u>	<u>18,400</u>
Ending Balance, June 30	<u><u>\$ 4,407</u></u>	<u><u>\$ 10,680</u></u>	<u><u>2,707</u></u>	<u><u>\$ 10,580</u></u>	<u><u>10,280</u></u>
Increase (Decrease) in Fund Balance	\$ 4,407	\$ 6,273	\$ 0	\$ (100)	\$ (300)

1. A total of \$10,000 has been allocated to the Sunset Park Children's Education program from CDBG housing rehab funds returned in accordance with provisions of the Housing Rehab program.

Function:
Community and Economic Development

Department:
Housing

Activity:
Sunset Park Education Program

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 4,358	\$ 13,426	\$ 17,700	\$ 13,900	\$ 14,100	
Commodities	350	686	1,800	2,300	2,300	
Contractual Services	1,000	30	-	5,000	2,000	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 5,708</u>	<u>\$ 14,142</u>	<u>\$ 19,500</u>	<u>\$ 21,200</u>	<u>\$ 18,400</u>	
Funding Sources						
Donations	\$ 6,215	\$ 20,095	\$ 19,500	\$ 16,300	\$ 16,300	
Transfer from CDBG Fund:						
Housing Rehab Reimbursements		-	-	4,800	1,800	
Interest	-	20	-	-	-	
Other	3,900	300	-	-	-	
Total Funding Sources	<u>\$ 10,115</u>	<u>\$ 20,415</u>	<u>\$ 19,500</u>	<u>\$ 21,100</u>	<u>\$ 18,100</u>	

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Part Time:						
Project Coordinator	0.10	0.36	0.36	0.29	0.29	\$ 11,900
Employee Benefits						2,200
Total Personal Services						<u>\$ 14,100</u>

DEBT SERVICE FUND

DEBT SERVICE FUND

GENERAL INFORMATION:

Bond and interest payments on outstanding long-term debt are basically made from two (2) types of debt repayment funds: the Debt Service Fund and Revenue Sinking Funds. Revenue Sinking Funds are considered part of the Enterprise Fund structure and consequently are included in that section of the budget document.

The Debt Service Fund accounts for general obligation (G.O.) bonds, which are backed by the full faith and credit of the City of Muscatine. As of July 1, 2013, the City's G.O. bonds outstanding will total \$16,415,000. The City's next bond issue is scheduled for June 1, 2014 in an estimated total amount of \$2,360,000. This includes \$2 million for the G.O. portion of the issue plus an estimated \$60,000 allowed for bond issuance costs. This is the amount of property tax funded debt that can be issued without an increase in the debt service tax levy rate in 2014/2015. The estimated issue for 2014 also includes \$300,000 to finance construction of a new Park Maintenance facility in Weed Park with this portion of the issue funded from incremental property taxes from the expanded Highway 38 Northeast Tax Increment area. Although this amount is budgeted to be included in the June, 2014 bond issue, the debt service on this portion of the issue will be paid from incremental taxes from this area and not from the debt service tax levy.

A list of the projects to be funded from the 2014 issue and the preliminary bond funding requirements are in the chart below. It should be noted that the funding amounts for all of these projects are preliminary estimates of the local share of the costs for these projects since bids on these projects have not yet been received. The bids for Colorado Street will be received in August, 2013 and the bids for Cedar Street are scheduled to be received in September, 2013. From preliminary estimates of the local share of costs for these two street projects, it appears that other funding sources (Road Use Taxes or the Pavement Management portion of the Local Option Sales Tax) will likely be needed to keep the G.O. portion of the bond issue at \$2,060,000 (including bond issuance costs). The chart below reflects the estimated amount of other funding sources needed for these projects at \$548,500. Financing plans for these projects will be updated after the bids are received. Construction on both of these projects is scheduled to begin in 2013/2014 and be completed in 2014/2015.

City of Muscatine
Estimate for June 1, 2014 Bond Issue

	<u>Estimated Bond Requirements</u>
Cedar Street - Series B (Preliminary Estimate)	\$ 1,950,000
Colorado Street - Series B (Preliminary Estimate)	500,000
Estimated Portion of above Amounts to be Funded from Other Sources to keep Bond Issue at \$2 Million	(548,500)
Airport Hangar Drainage Improvement (Estimated Local Share)	20,000
Airport Runway Paving Repairs (Estimated Local Share)	<u>78,500</u>
Total Estimated Bond Funding Requirements	\$ 2,000,000
Estimated Issuance Costs/Allowance for Discount	<u>60,000</u>
Total G.O. Portion of Bond Issue	\$ 2,060,000
Proposed TIF-funded Portion of Issue:	
Park Maintenance Building (Highway 38 Northeast TIF as Amended)	<u>300,000</u>
Estimated Total Issue	<u><u>\$ 2,360,000</u></u>

CURRENT TRENDS AND ISSUES:

The debt service tax rate for the current year 2012/2013 is \$2.90388 per \$1,000 of valuation. This rate will decrease by approximately \$.01/\$1,000 (.4%) to \$2.89226 per \$1,000 of valuation for 2013/2014. When the original 2012/2013 budget was prepared, it was projected that the debt service levy rate would need to increase by approximately \$.10/\$1,000 in 2013/2014 with the addition of the \$4,715,000 June 1, 2012 issue. The tax levy reduction was possible due to favorable interest rates on the June 1, 2012 issue, a savings of \$4,525 from refunding the final year of the June 1, 2003 issue in 2012, and a savings from refunding the final three years of the June 1, 2006 issue in 2013. The total savings from refunding the 2006 bonds is \$48,465, with \$13,173 to be realized in 2013/2014, \$18,467 in 2014/2015, and \$16,825 in 2015/2016.

In 2004/2005 the debt service levy for the first time included tax funding of \$470,000 of Transfer Station debt. Beginning in 2005/2006 and continuing through 2013/2014, debt service levies include tax funding of 100% of Transfer Station debt. Due to decreasing waste volumes and increased landfill costs, Transfer Station revenues have been insufficient to fund the debt requirements on the issues that financed construction of this facility. For 2013/2014 transfer station debt requirements total \$726,054. The 2013/2014 payment will be the final payment on this bond issue.

Revenues from property taxes, utility tax replacement funds, interest earnings and a portion of the accumulated debt service fund balance total the amount necessary to support debt service payments of \$2,402,305, which is the total estimated requirement for property tax supported debt including the Transfer Station debt previously mentioned.

The State of Iowa limits the amount of general obligation bonds, which a city may issue. This limitation amounts to 5% of actual valuation of all property within the city limits. The computation for the legal debt margin for the City of Muscatine as of July 1, 2013 is as follows:

**City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2013**

Actual Valuation January 1, 2012		\$ 1,220,460,654
State Limit (5%)		0.05
Debt Limit		\$ 61,023,033
Bonded Debt:		
Current General Obligation Debt July 1, 2013	\$ 16,415,000	
Tax Increment Bonded Debt July 1, 2013	1,035,000	\$ 17,450,000
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		28.6%
Estimated Tax Increment Rebate Obligations July 1, 2013:		
Robison Logistics - 100% for 10 years (final year 2013/2014)	\$ 25,625	
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of \$1.8 million	1,253,747	
Cedar Development - 50% for 10 years to maximum of \$4,719,000 (final year 2018/2019)	4,095,765	
Musco Sport Lighting (Musser Street) - 50% for 10 years to maximum of \$325,000 (ten year period; beginning date not yet determined)	325,000	
Muscatine Mall - 50% for 20 years to estimated maximum of \$5,325,000 (twenty year period began in 2009/2010)	5,279,935	
Curry's Transportation - 50% for 10 years to maximum of \$350,000 (began in 2010/2011)	274,935	
Newcomb Properties - 50% for 10 years to maximum of \$100,000 (began in 2010/2011)	74,773	
Heinz - 50% for 15 years to a maximum of \$425,000 (began in 2011/2012)	399,322	
A & E Convenience - 50% for 10 years to maximum of \$40,000 (began in 2012/2013)	36,361	
The Villas at MCC, LLC - 50% for 10 years to maximum of \$425,000 (begins in 2013/2014)	425,000	
R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (begins in 2014/2015)	1,500,000	
		<u>\$ 13,690,463</u>
Percent of Debt Limit Used for Tax Increment Rebate Obligations		22.4%
Total Debt Subject to Debt Limit		<u>31,140,463</u>
Legal Debt Margin		<u>\$ 29,882,570</u>
Percent of Legal Debt Limit Used		51.0%

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	\$ 36,613,820
Total Debt Subject to Debt Limit	<u>31,140,363</u>
Debt Margin Using Self-Imposed Limit	<u>\$ 5,473,457</u>
Percent of Self-Imposed Debt Limit Used	85.1%

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. If the TIF rebates were excluded from the debt in the above calculation there would be \$19,163,820 of the self-imposed limit remaining and only 47.7% of the self-imposed limit would be used. The self-imposed limit will be an item for discussion during the upcoming review of the City's financial policies.

Although tax increment bonds and tax increment rebate obligations are required by State law to be included in the computation of the debt subject to the debt limit, these obligations are totally financed by incremental taxes received from the benefited property. Additionally, although certain portions of the general obligation debt are funded solely from user fees and sources other than property taxes, these issues are also required by State law to be considered in the computation of the City of Muscatine's legal debt margin.

Debt Service Fund
General Obligation Bonds
Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 256,511	\$ 138,908	\$ 121,908	\$ 133,772	\$ 86,995
Revenues					
Property Tax	\$ 2,386,789	\$ 2,229,634	\$ 2,326,416	\$ 2,326,416	\$ 2,374,186
Utility Tax Replacement Excise Tax	10,419	10,492	10,908	10,908	9,881
Interest	2,263	1,510	500	500	500
Refunding Bond Proceeds	0	217,377 (1)	0	1,115,000 (3)	0
Transfers In:					
Refuse Collection	101,627	99,893	99,969	99,969	99,946
Landfill	120,122	119,838	114,312	114,312	80,128
Downtown Tax Increment Fund	91,225	70,225	209,625	209,625	206,225
Total Revenues	<u>\$ 2,712,445</u>	<u>\$ 2,748,969</u>	<u>\$ 2,761,730</u>	<u>\$ 3,876,730</u>	<u>\$ 2,770,866</u>
Funds Available	<u>\$ 2,968,956</u>	<u>\$ 2,887,877</u>	<u>\$ 2,883,638</u>	<u>\$ 4,010,502</u>	<u>\$ 2,857,861</u>
Expenditures					
Charges for Services	\$ 2,250	\$ 2,700	\$ 3,000	\$ 4,000	\$ 3,500
Bonds	2,245,000	2,235,000 (1)	2,230,000	2,310,000 (2)	2,385,000
Interest	582,798	514,480	450,294	499,007 (2)	400,104
Refunding Bond Issuance Costs	0	1,925 (1)	0	15,500 (3)	0
Bonds Retired with Refunding	0	0	0	1,095,000 (3)	0
Estimated Debt Requirements New Issue:					
Principal	0	0	55,000 (2)	0	0
Interest	0	0	103,436 (2)	0	0
Total Expenditures	<u>\$ 2,830,048</u>	<u>\$ 2,754,105</u>	<u>\$ 2,841,730</u>	<u>\$ 3,923,507</u>	<u>\$ 2,788,604</u>
Ending Balance, June 30	<u>\$ 138,908</u>	<u>\$ 133,772</u>	<u>\$ 41,908</u>	<u>\$ 86,995</u>	<u>\$ 69,257</u>

Increase (Decrease) in Fund Balance	\$ (117,603)	\$ (5,136)	\$ (80,000)	\$ (46,777)	\$ (17,738)

Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 3.14336	\$ 2.85051	\$ 2.90388	\$ 2.90388	\$ 2.89226

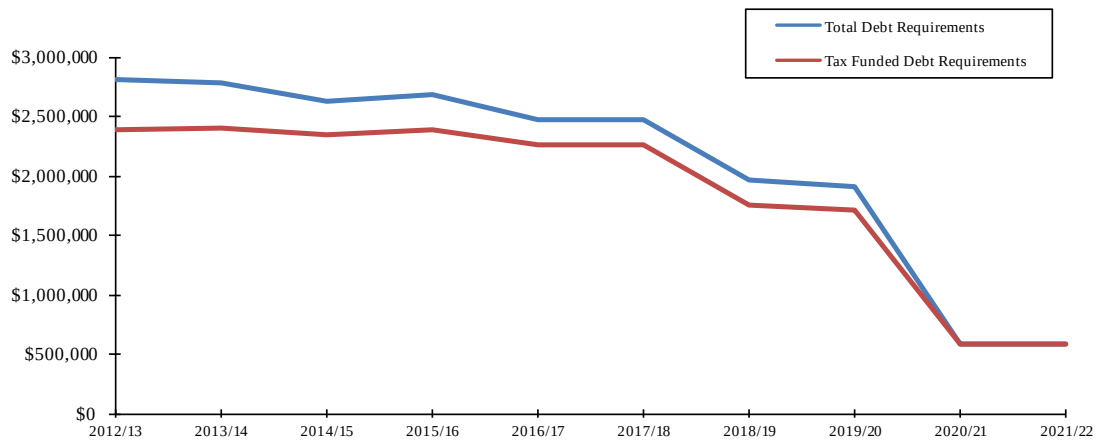
1. The final year of the June, 2003 bond issue was called in 2011/2012. This refunded \$215,000 in bond principal and resulted in an interest savings of \$4,525.
2. The 2012/2013 budget included \$158,436 in estimated principal and interest payments on the June 1, 2012 bond issue. The actual principal and interest on this issue in 2012/2013 (excluding the \$215,000 amount for the refunding) totals \$135,163, which is \$23,273 less than the budgeted amount.
3. The City called the final three years of principal on the June 1, 2006 issue in 2012/2013. This will save the City \$48,465 over the remaining three years of this issue.
4. The transfer from the Landfill fund in 2013/2014 reflects the updated amount after taking into considering the savings from refunding the June 1, 2006 issue.

DEBT SERVICE FUND

SUMMARY OF BOND AND INTEREST REQUIREMENTS

CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	Enterprise & TIF Funded Debt Requirements (Exc. Tr. St. Debt)	Expected Tax Funded Debt Requirements (Inc. Tr. Station)
2012/13	\$ 2,310,000	\$ 499,007	\$ 2,809,007	\$ 423,906	\$ 2,385,101
2013/14	2,385,000	400,104	2,785,104	386,299	2,398,805
2014/15	2,285,000	343,243	2,628,243	287,121	2,341,122
2015/16	2,385,000	294,198	2,679,198	288,161	2,391,037
2016/17	2,230,000	236,648	2,466,648	203,050	2,263,598
2017/18	2,290,000	177,388	2,467,388	202,650	2,264,738
2018/19	1,845,000	115,623	1,960,623	207,100	1,753,523
2019/20	1,845,000	69,348	1,914,348	206,250	1,708,098
2020/21	570,000	20,710	590,710	-	590,710
2021/22	580,000	11,020	591,020	-	591,020
Total	<u>\$ 18,725,000</u>	<u>\$ 2,167,289</u>	<u>\$ 20,892,289</u>	<u>\$ 2,204,537</u>	<u>\$ 18,687,752</u>



**Annual Bond and Interest Requirements
(Current Debt)**

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds
Pearl of the Mississippi Projects (Series B), East Fifth Street Bridge
Project (Series B), Joint Communications Capital Costs, Fire Pumper,
Pearl Project Phase II, Trail Projects, Landfill Property Acquisition,
Building Improvements, Building Demolitions and Airport Improvements
\$2,990,000 Issue Dated June 1, 2006

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 340,000	\$ 56,443	\$ 396,443
2013/14*	350,000	43,268	393,268
2014/15*	365,000	29,618	394,618
2015/16*	<u>380,000</u>	<u>15,200</u>	<u>395,200</u>
Total	<u>\$ 1,435,000</u>	<u>\$ 144,529</u>	<u>\$ 1,579,529</u>

* The remaining years of this issue will be refunded 6/1/13

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds
Pavement Management Program, Other Street and Bridge Improvements,
Building Improvements, Airport Improvements,
Cemetery Columbarium, and General Fund Vehicle, Equipment
and Technology Improvements
\$5,120,000 Issue Dated June 1, 2008 (Series A)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 655,000	\$ 128,525	\$ 783,525
2013/14	575,000	107,238	682,238
2014/15	600,000	88,550	688,550
2015/16	620,000	67,550	687,550
2016/17	645,000	45,850	690,850
2017/18	<u>665,000</u>	<u>23,275</u>	<u>688,275</u>
Total	<u>\$ 3,760,000</u>	<u>\$ 460,988</u>	<u>\$ 4,220,988</u>

General Obligation Refunding Bonds
Refunding of Remaining Obligations of December 1, 1995,
June 1, 1998, June 1, 1999 and June 1, 2001 Bond Issues
\$6,560,000 Issue Dated June 1, 2008 (Series B)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 775,000	\$ 51,188	\$ 826,188
2013/14	<u>800,000</u>	<u>26,000</u>	<u>826,000</u>
Total	<u>\$ 1,575,000</u>	<u>\$ 77,188</u>	<u>\$ 1,652,188</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

**Pavement Management Program, Other Street Improvements,
Mad Creek Flood Control Project, Weed Park Tennis Courts,
Public Safety Geothermal Project, Airport, and Trail Projects
(\$5,890,000 General Obligation Portion of Issue)**

**Downtown Urban Renewal Tax Increment Revenue-Funded Projects
3rd and Chestnut Parking Lot Reconstruction,
Downtown Parking Lot, Street and Alley Resurfacing,
Riverfront Flood Repairs, and City Hall Boiler Replacement
(\$1,535,000 Portion of Issue)**

\$7,425,000 Total Issue Dated June 1, 2010

Fiscal Year	Principal	Interest	Total Requirements
2012/13	\$ 245,000	\$ 207,688	\$ 452,688
2013/14	345,000	202,788	547,788
2014/15	925,000	195,888	1,120,888
2015/16	980,000	172,763	1,152,763
2016/17	1,055,000	143,363	1,198,363
2017/18	1,085,000	111,713	1,196,713
2018/19	1,295,000	79,163	1,374,163
2019/20	1,290,000	40,313	1,330,313
Total	<u>\$ 7,220,000</u>	<u>\$ 1,153,679</u>	<u>\$ 8,373,679</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Clay Street Bridge Improvements, Cedar Street Improvements Phase I,
Colorado Street Improvements Phase I, Hershey Street Improvements,
Mississippi Drive Corridor Environmental Impact Study,
Southend Fire Station, Mad Creek Levee Project, Various Airport
Improvements Projects, and Refunding of 2003 Bond Issue

\$4,715,000 Total Issue Dated June 1, 2012

Fiscal Year	Principal	Interest	Total Requirements
2012/13	\$ 295,000	\$ 55,163	\$ 350,163
2013/14	295,000	53,983	348,983
2014/15	390,000	52,655	442,655
2015/16	410,000	50,510	460,510
2016/17	530,000	47,435	577,435
2017/18	540,000	42,400	582,400
2018/19	550,000	36,460	586,460
2019/20	555,000	29,035	584,035
2020/21	570,000	20,710	590,710
2021/22	580,000	11,020	591,020
Total	<u>\$ 4,715,000</u>	<u>\$ 399,371</u>	<u>\$ 5,114,371</u>

General Obligation Refunding Bonds

Refunding of Remaining Obligations of June 1, 2006 Issue

\$1,115,000 Issue Dated March 7, 2013

Fiscal Year	Principal	Interest	Total Requirements
2013/14	\$ 370,000	\$ 10,095	\$ 380,095
2014/15	370,000	6,150	376,150
2015/16	375,000	3,375	378,375
Total	<u>\$ 1,115,000</u>	<u>\$ 19,620</u>	<u>\$ 1,134,620</u>

CAPITAL IMPROVEMENT 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; Community Development Block Grant Funds; 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 insure the availability of financial resources when the need for the improvement occurs. The City has developed the Five Year Capital Improvements Program 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. In November of 2010 the City Council approved a resolution to adopt the Five Year Capital Improvement Plan for fiscal years 2010/2011 through 2014/2015. Elected officials, citizens, and City staff participated in the development of the Plan and a public hearing was held prior to the Plan's adoption. This Plan is a document separate from the City's budget and it can be accessed from the City's website. The Plan's capital project summary schedule, however, listing all Plan projects has been included in this section of this budget document in order to provide a correlation between these two documents. During the annual budget process, this Plan is used to determine capital improvement projects to be included in the budget for the upcoming year. A number of projects in this Plan are subject to the receipt of federal, state, or local grant funding. As such, projects in the Plan may be accelerated or deferred based on funding availability. The projects in the 2012/2013 revised estimate and 2013/2014 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.

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 as well as improvements at the City's Water Pollution Control Plant and airport.

Pavement Management Program/Street Projects

In 2007 the City began a Comprehensive Pavement Management Program to upgrade the City's overall street conditions. Funding allocations of \$1 million for calendar year 2007 and \$2 million each for calendar years 2008 and 2009 were projected to be needed 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 third year of the initial street upgrade

project was completed in the spring of 2010. The ongoing annual maintenance of the improved streets began in 2010 with these costs funded from the 20% allocation of local option sales taxes as provided for in the voter referendum in 2008 for the local option sales tax extension. This 20% allocation is estimated at approximately \$500,000 annually.

With the completion of the Pavement Management Program, other street improvement projects have been identified for construction in the next several years. These projects involve major upgrades to several heavily-traveled streets including Cedar Street from Parham to Houser and Colorado Street. Federal grants will fund a portion of the cost of these projects with bond proceeds funding the local share.

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 2024. The E.P.A. recently approved the City's request to extend the deadline in the Consent Order to 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 sewer in the West Hill area. This will be a lengthy project to be done in multiple phases over the next fifteen years. The total cost for all phases of this project is expected to reach or exceed \$50 million. Construction on Phase 1 of the project began in late spring of 2012 and is scheduled for completion by the end of 2013. The bid for Phase 2 of the project was awarded in February, 2013 and construction on Phase 2 will begin in the summer of 2013.

Water Pollution Control Plant Improvement Projects

Construction on the \$18.5 million comprehensive Water Pollution Control Plant improvement project began in 2008/2009 and the project was substantially completed by the end of 2011. Several items in the contract, however, are still under review with the project engineer and contractor and need to be resolved before the contract can be closed out. A State Revolving Fund loan financed \$16.5 million of project costs with the remaining costs funded from the Water Pollution Control Plant Reserve. A separate project to expand the lab at the plant is scheduled for construction in 2013/2014.

Other Projects

Other capital projects included in the 2013/2014 budget include construction of a new Park Maintenance Facility in Weed Park, construction of a trail from Musser Park to Weggens Road, and various improvements at the Muscatine Municipal Airport. Federal Aviation Administration (FAA) grants or State grants will fund 90% and 85%, respectively, of the cost of the airport improvements.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2012/2013 as well as those planned for 2013/2014. This section also includes listings of these projects for both 2012/2013 and 2013/2014. Total capital project costs are estimated at \$8,524,300 for 2012/2013 and \$9,808,400 for 2013/2014. The last five pages of this section is the summary project listing from the City's Five Year Capital Improvements Plan. As noted above, 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. 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.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2012/2013 PROJECTS UNDER CONSTRUCTION

On-Going Pavement Management Program: In 2009/2010 the city completed the initial 3-year plan to upgrade the condition of city streets. The initial costs were funded with general obligation bond proceeds. Annual allocations to maintain streets at this higher level began in 2010. This ongoing program is being funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. These funds will be used for curb and gutter replacement, full depth patching, joint sealing, and street resurfacing.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Local Option Sales Tax Funds	\$ 260,000

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Railroad Crossing Improvements: This project will fund the local share of the cost to upgrade railroad crossings in the City. The City is responsible for 20% of the cost of the upgrades, with the State share at 60%, and the railroad's share 20%. The City's share of the costs is being funded from the 20% allocation of local option sales tax dedicated for the pavement management program. The crossings being upgraded in 2012/2013 include 59th Avenue, Nebraska, Dewey, Oregon, and Musser. The 2012/2013 funding amount also includes installation of ADA panels at various crossings throughout the city.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Local Option Sales Tax Funds	\$ 68,000

Future Impact on Operating Budget: This project reduces annual maintenance costs. Specific cost savings cannot be determined.

Cedar Street Improvement Project – Parham to Houser: This project originally involved the resurfacing of this portion of Cedar Street with 80% of project costs funded through the federal STP grant program in the amount of \$551,772. The City is now planning an expanded project for this heavily used street. This includes widening the street to three lanes including turning lanes and constructing a trail on one side of the street for pedestrian use. The total cost of the expanded project is estimated at over \$4 million. The original STP grant funding of \$551,772 was increased to \$1,758,271 for the expanded project. The City was awarded an additional \$138,000 in grant funds to install a traffic signal at the high school. This project is being completed in phases which began in 2011 and will continue through 2014. Culvert work was completed in 2011 and utility relocation, clearing, and drainage work was done in 2012. Easements for the project are being obtained in 2012 and 2013. The paving portion of the project is planned to begin in the fall of 2013 and continue in 2014.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Prior Year Bond Proceeds	\$ 505,200
Muscatine Power & Water Reimbursement	94,800
	<u>\$ 600,000</u>

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Colorado Street Resurfacing Project: The Colorado Street Resurfacing project was originally estimated at a total cost of \$1.5 million. This project will receive \$1.2 million (80% of the original cost estimate) in funding through the federal STP grant program. The project scope has been expanded to include more extensive improvements to this street which is estimated to increase the total project cost to \$2.85 million (excluding the Pierce property acquisition discussed below), with the local share increasing to \$1.65 million. Engineering design services began in 2010/2011 and will be completed in 2012/2013. Bids for the project are scheduled to be received in August, 2013, with construction to begin late in 2013 and continue in 2014.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Prior Year Bond Proceeds	\$ 90,000

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Pierce Furniture Property Acquisition (for Colorado Street Project): During the design of the Colorado Street Improvement project, options for reducing the curve in the current street were considered which required the acquisition of property. In November 2012 the City purchased a portion of the Pierce Furniture property at a cost of approximately \$427,000. In June of 2012 the City sold the former National Guard Armory facility for approximately \$350,000. The Armory had been acquired in a property exchange for the new Joint Armed Services facility located on a portion of the Airport property. The proceeds from the Armory sale (net of related legal and other expenses) were used to fund a portion of the Pierce property acquisition costs with the balance of the cost of approximately \$83,000 to be funded from future TIF funds.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Proceeds from Armory Sale	\$ 344,000
Future Tax Increment Funds	83,000
	<u>\$ 427,000</u>

Future Impact on Operating Budget: None

Harrison Street Extension Project: This project, extending Harrison Street to Bandag Drive, was completed in the fall of 2012. This street extension improved access for student pickup and drop off at Colorado School and also opened an area for commercial infill. This street will also provide a detour route while the Colorado Street reconstruction work is done in 2013 and 2014. This project was funded from Road Use Tax funds with a portion of the project cost reimbursed by the Muscatine Community School District.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Road Use Tax Funds	\$ 457,400
School District Reimbursement	78,100
	<u>\$ 535,500</u>

Future Impact on Operating Budget: This project is expected to have a minimal impact on future budgets during winter months for snow removal. The amount is estimated at less than \$2,000 annually.

Hershey Avenue Resurfacing Project: This resurfacing project was completed in conjunction with the Hershey Avenue Sewer Project. The City received \$381,400 through the federal STP grant program for this project with the balance of project costs funded from bond proceeds. Construction began in 2010/2011 and the project was substantially completed by the end of calendar year 2011. The remaining contract work and project closeout is expected to be completed by the end of the 2012/2013 fiscal year.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Federal STP Funds (Balance of Grant)	\$ 19,500
Prior Year Bond Proceeds	10,500
	<u>\$ 30,000</u>

Future Impact on Operating Budget: This will reduce annual street maintenance costs. The amount cannot be determined.

Highway 38 and 61 Connector Study: Consideration is being given to constructing a connector street between these two major highways that intersect in the northeast section of the city. Benefits would include relieving some of the congestion at the current intersection as well as opening areas for development in that section of the city. This study is underway and will provide a preliminary cost estimate as well as evaluate routes for the connector street.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Local Options Sales Tax Funds	\$ 39,000

Future Impact on Operating Budget: This study will have no impact on future operating budgets.

Mississippi Bridge Lighting Repair Project: The original bridge lighting project involved the installation of decorative LED lighting on the bridge over the Mississippi River. This lighting system can be programmed into a multitude of colors and patterns including those for holidays or other celebrations. Assistance in completing this project was provided by Musco Sports Lighting Inc., Stanley Consultants, Muscatine Power & Water, the Muscatine Chamber of Commerce and Industry and City staff. All direct

costs of the original project were funded from a federal grant and a contribution from Musco Sports Lighting, Inc. These lights have failed in the past year and it was determined that \$60,000 in material costs would be needed to replace the malfunctioning lights. Muscatine Power & Water agreed to pay \$20,000 of this cost and the City will fund the remaining \$40,000 from Southend Tax Increment funds. Musco Sports Lighting contributed the design work and will install the new lights.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Muscatine Power & Water Contribution	\$ 20,000
Southend Tax Increment Funds	40,000
	<u>\$ 60,000</u>

Future Impact on Operating Budget: As Muscatine Power & Water will provide the power and ongoing maintenance costs for these lights, there should be no future impact on the City's operating budget.

Mississippi Drive Corridor Project – Environmental Study and Preliminary Design: In 2007 the City in conjunction with the Iowa Department of Transportation (IDOT) completed a study on the section of U.S. Highway 61 Business Route from the Mississippi River Bridge to Grandview Avenue. IDOT provided funding for 80% of the cost of this study. Since that time the City has been seeking funding to proceed with improvements on this corridor. Two funding sources were found that allowed this project to move forward to the next step. They included \$444,600 through the Transportation and Community System Preservation Fund (TCSP) and \$600,000 from the Statewide Transportation Improvement Program (STIP) administered through the Bi-State Regional Commission's current Transportation Improvement Plan (TIP). Both of these funding sources require a 20% local match that was funded from the 2012 bond issue. Following a consultant selection process outlined by the Iowa Department of Transportation (IDOT), the city selected Stanley Consultants to provide the environmental study and preliminary design services. This work began in 2009/2010, continued in 2010/2011 and 2011/2012, and is expected to be completed in 2012/2013. This work is needed before the City can pursue funding for the construction of improvements to this corridor.

<u>Source</u>	<u>FY 2012/2013 Funding Amount</u>
Federal TCSP and STIP Grants	\$ 254,900
Prior Year Bond Proceeds	63,700
	<u>\$ 318,600</u>

Future Impact on Operating Budget: There is no impact from the environmental study and preliminary design services.

Downtown TIF Area Improvements: TIF bonds issued in 2010 funded alley resurfacing, street resurfacing, and several parking lot improvement projects in the downtown area. A portion of the remaining bond proceeds will be used to fund the purchase of tree grates to be placed in the cutout areas of the downtown sidewalks. Sidewalk repairs will also be made in several locations and a \$4,000 contribution from Alliant Energy will fund replacement of trees and landscaping in the downtown area.

<u>Source</u>	<u>FY 2012/2013 Funding Amount</u>
Prior Year TIF Bond Proceeds	\$ 20,000
Contribution	4,000
Prior Year Sidewalk Project Funds	1,500
	<u>\$ 25,500</u>

Future Impact on Operating Budget: None

Park Maintenance Building: Replacement of the maintenance facility at Weed Park has been included in the City's Five Year Capital Improvements Plan. The new facility will include modern locker rooms and restrooms as well as increased space for equipment maintenance and storage. The 2012/2013 funding amount reflects facility design costs with construction scheduled for 2013/2014. The project is budgeted to be funded from the 2014 bond issue with the debt service on this portion of the issue to be funded from future tax increment funds.

<u>Source</u>	<u>FY 2012/2013 Funding Amount</u>
Bond Proceeds funded from Future TIF Funds	\$ 25,000

Future Impact on Operating Budget: No increased operating costs are expected with the new facility.

Mad Creek Levee Improvement Project: In 2008 the Corps of Engineers notified the City that this levee improvement project was approved for federal funding. Funding was awarded on a 65% federal and 35% local share basis. The City has been setting aside proceeds of the Levee tax levy in anticipation of this project. Those funds plus \$2 million in proceeds from the 2010 bond issue and an additional \$74,000 from the 2012 bond issue funded most of the local share of the overall project costs. It is estimated that approximately four years of future year levee tax levy funds will be needed to fully fund the remaining local share of project costs. Construction on the final phase of this project is substantially complete with the final work to be done by the end of 2012/2013.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Levee Tax Levy – Current Year	\$ 52,747
Future Levee Taxes	31,253
	<u>\$ 84,000</u>

Future Impact on Operating Budget: There will be reduced costs during flood events as a result of this project. The amount of savings cannot be determined.

Emergency Siren Activation Upgrade: This project upgraded the activation method for the City's siren system from a system using telephone lines to a radio controlled system. The total cost of the upgrade was \$59,600 and a portion of this cost was incurred in the 2011/2012 fiscal year. The City was awarded a grant from the Iowa Homeland Security and Emergency Management division which funded 85% of the cost of this project (\$50,600). The local share of the cost was \$9,000 which was funded from the General Fund in 2011/2012. This project was completed in July 2012.

<u>Source</u>	<u>FY 2012/2013 Funding Amount</u>
Federal Grant	\$ 24,300

Future Impact on Operating Budget: This project resulted in a decrease of \$12,000 annually in telephone line charges that were needed for the previous system.

Southend Fire Station Project: The previous Fire Station #2 on Oregon Street was no longer physically adequate to house the City's fire trucks and ambulance vehicles. In 2009 the City was awarded a \$200,000 grant under the State of Iowa's Rebuild Iowa Infrastructure program. These funds were used to evaluate the previous southend fire station (Station #2) location as well as evaluate other sites for a new facility. The remaining funds were used to design and begin construction of a new station. In 2010 the City was awarded an \$850,250 State IJOBS II grant toward construction costs of this new facility. The local share of the project cost was \$440,000 and this amount was funded from the June 2012 bond issue. This project is substantially complete and is being used by the Fire department. Several contract issues remain before the contract can be closed out.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Prior Year Bond Proceeds	\$ 104,000

Future Impact on Operating Budget: This project has no impact on future operating budgets as fire station staffing remained the same. While the new station is larger than the previous station, increased utility costs are not expected due to more efficient heating and cooling systems in the new facility.

Police Radio System: The City's previous communications system for the police department was an 800 MHz radio system that was installed in 1996. The system was used by both the police and fire departments until 2009. The fire department submitted a grant application and was awarded a federal grant for a VHF radio system in order to increase interoperability with other county fire agencies. The police department found that a VHF system would have other features which would benefit that department including economical expandability and interoperability with the fire department and County Sheriff's department. Communication with the Muscatine School District would also be enhanced. Funding for the radio system was included in the 2010 bond issue. There were several performance issues with the new system which are expected to be resolved before the end of 2012/2013.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Prior Year Bond Proceeds	\$ 107,600

Future Impact on Operating Budget: Individual and replacement radios under the new system will cost \$980 compared to \$2,500 for the previous radios.

Police Firing Range Project: In recent years the police firing range was affected by several floods limiting its use for police department weapons training. The City received an insurance reimbursement in the amount of \$15,600 for damages from the most recent flood event in 2011. A decision was made to relocate the range to higher ground on the same property. This insurance reimbursement, a funding transfer from the Insurance Trust, and funds from the Police department budget funded the \$41,600 total project cost. A portion of these costs were incurred in the 2011/2012 fiscal year with the remaining costs in 2012/2013 which closed out this project.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Transfer from Insurance Trust	\$ 16,100

Future Impact on Operating Budget: There will be no increase in operating costs from relocating this facility; only savings is cleanup and repair costs from frequent flooding.

City Hall and Museum Boiler Replacements: The original 2011/2012 budget included funds to replace the aging boiler in City Hall with funding of \$70,100 from the portion of the 2010 bond issue that will be repaid with Downtown Tax Increment funds. After the 2011/2012 budget was adopted the City made application for Energy Efficiency Conservation Block Grant funds for grants to assist in the cost of replacing both the City Hall and Museum boilers. The City was awarded \$21,500 of funding for the City Hall boiler and \$16,886 for the Museum boiler. Bids received for both the City Hall and Museum boilers exceeded the engineer's estimate which brought the total cost for both projects to approximately \$212,000. Future year TIF funds will be used to fund the project costs in excess of the grant funds and 2010 bond proceeds.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Energy Efficiency Block Grant Funds	\$ 38,400
Future TIF Funds	103,000
	<u>\$ 141,400</u>

Future Impact on Operating Budget: The City Hall boiler replacement will reduce maintenance and utility costs by an estimated \$5,000 annually. The Museum boiler replacement will reduce annual maintenance and utility costs by an estimated \$2,000.

Financial Software System Replacement: The City's current financial software runs on an IBM AS/400 computer and is used for all financial operations including general ledger, payroll, accounts payable, accounts receivable, and purchasing. The 2012/2013 budget included funds to replace and enhance this system with a new software system. Enhancements specifically targeted for the new system included making financial information more accessible to departments for budget monitoring purposes, electronic processing and distribution of purchase orders, electronic input and approval of employee work and leave hours by departments, and various other process enhancements. A staff committee researched several systems and recommended Springbrook Software for the new system. City Council approved the agreement with Springbrook in December 2012 and the software conversion is scheduled to begin in the summer of 2013 and be fully completed in the spring of 2014. The total cost of purchasing and implementing the new software is \$160,000. This includes the software, hardware, and on-site training for the new system. A portion of the cost is reflected in 2012/2013 with the balance in 2013/2014.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
General Fund Transfer	\$ 160,000

Future Impact on Operating Budget: Annual software costs for the new system are approximately \$800 higher per year than those for the current system. The new system, however, includes several applications not included in the current system.

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 2024. The E.P.A. recently approved the City's request to extend the deadline in the Consent Order to 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 tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. The following projects are in various stages of design and/or construction in 2012/2013.

Slough/Sunset Park Lift Station Project – These lift stations were impacted by the Hershey Avenue Sewer Separation projects described above. An engineering study was completed which evaluated options for improvements to or possible replacement of the lift stations. The engineering design for this project was completed in 2011/2012. Project construction is currently underway and is scheduled to be completed in 2012/2013. Project costs will be funded from the Water Pollution Control Plant Reserve.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 279,000

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 fifteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase 1 of the project began in the summer of 2012 and is scheduled for completion in the fall of 2013. The bid for Phase 2 of the project was awarded in February, 2013 and construction on Phase 2 will begin in the summer of 2013.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,950,000

Future Impact on Operating Budget: These projects will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Mad Creek Sewer Extension Project (Voluntary Annexation): This project will extend sanitary sewer services from the existing Mad Creek Sewer at Park Avenue West to the Ripley's Mobile Home Court. This project is being done in conjunction with the annexation of approximately 1,200 acres including the mobile home court, and will open this area for development. This project also addresses the failing sewer lagoon system at the mobile home court. Project funding will be partially from the owner of the mobile home court with the remaining costs funded from the Sewer Extension and Improvement Reserve. Construction on this project is expected to be completed by the end of the 2012/2013 fiscal year.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Contribution – Mobile Home Court Owner	\$ 407,500
Sewer Extension and Improvement Reserve	797,500
	<u>\$ 1,205,000</u>

Future Impact on Operating Budget: Sewer revenues will increase as this property is developed. The first customer connected to this system will be the existing mobile home park. The estimated annual sewer revenue from the mobile home court is \$80,000.

Water Pollution Control Plant Comprehensive Facilities Improvement Project: As a result of the Water Pollution Control Plant study in 2006, the City contracted for a comprehensive plant improvement project estimated at \$18.5 million. Construction began in 2008/2009 and the project was substantially completed by the end of 2011. Several items in the contract, however, are still under review with the project engineer and contractor and need to be resolved before the contract can be closed out. A State Revolving Fund loan financed \$16.5 million of project costs with the remaining costs funded from the Water Pollution Control Plant Reserve.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
State Revolving Fund Loan (Balance)	\$ 5,000
Engineer Reimbursement	184,800
Prior Year Plant Renovation Project Balance	62,700
Water Pollution Control Plant Reserve	91,500
	<u>\$ 344,000</u>

Future Impact on Operating Budget: Reduced operating and maintenance costs were realized with the new plant components. This project allowed for the discontinuation of 24/7 staffing at the plant which resulted in the elimination of one plant operator position at an annual savings of \$66,500.

Water Pollution Control Plant (WPCP) Maintenance/Storage Building: The original 2011/2012 budget included funding for a new building for storage of vehicles and biosolids equipment and also to provide space to perform routine maintenance and repairs. The City acquired the former National Guard Armory facility in a property exchange, however, and this facility included a suitable building which could be moved to the Water Pollution Control Plant property. The total cost of relocating and placing the building on a new foundation was \$153,300. Of this cost, \$111,600 was incurred in 2011/2012 with the balance in 2012/2013. This project has been completed. Funding for the project is from the Water Pollution Control Plant Reserve.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 41,700

Future Impact on Operating Budget: An estimated \$2,000 annually for utilities and insurance premiums.

Water Pollution Control Lab Expansion Project: This project involves expanding the lab area of the plant as well as replacement of the existing lab countertops and fume hoods. Engineering design for this project continues in 2012/2013 with construction scheduled for 2013/2014.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 14,500

Future Impact on Operating Budget: None

Southend Force Main Air Release Valve Project: This project involves removal of the old valves on this force main and installation of new valves with improved design. This will be an annual project completed over the next three years.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 100,000

Future Impact on Operating Budget: There will be a reduction in maintenance costs with the new valves. The amount cannot be determined.

Golf Course Fairway Irrigation System Renovation: This project involves replacement of the current hydraulic irrigation system at the municipal golf course with an electric irrigation system. The design work for this project was done in 2011/2012 and the project construction began in the fall of 2012 and is scheduled for completion in the spring of 2013. This project will be financed with an internal loan from other City funds. This loan will be repaid with golf course revenues over the next four to five years. These types of loans have been used in the past for other major projects at the golf course.

<u>Funding Source</u>	<u>FY 2012/2013 Funding Amount</u>
Golf Course Fund (Project Down Payment)	\$ 60,000
Internal Loan	282,800
	<u>\$ 342,800</u>

Future Impact on Operating Budget: There will be an estimated \$2,000 in annual savings in maintenance costs with the new irrigation system.

Airport Runway Lighting Improvements: Animals caused damage to the lighting system along the runways and parallel and connecting taxiways at the airport. This project upgraded the system from a Medium Intensity Runway Light (MIRL) system to a High Intensity Runway Light (HIRL) system with wiring buried in conduit rather than the existing direct bury wiring. The FAA is providing 95% of the funding for this project with a 5% local match required. The local match was included in the City's June 2012 bond issue. Engineering for this project began in 2010/2011 and construction was substantially completed in 2011/2012. Only the seeding work in the contract remains to be done and this work is scheduled to be completed in the spring of 2013.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 4,700
Prior Year Bond Proceeds	<u>300</u>
	<u>\$ 5,000</u>

Future Impact on Operating Budget: There will be savings in repair costs by preventing further damage to the lighting conduit by animals. The amount cannot be determined.

Airport Hangar Access Security and T-Hangar Drainage Improvements: The city was awarded funding from the State to improve drainage in the area of the T-Hangars during excessive rain events and to install fencing and a security camera to improve hangar access security. The grant provides for 85% State funding and a 15% local match. Engineering work for this project began in 2011/2012 and is continuing in 2012/2013. While designing this project it was determined that the amount included in the original grant would not be sufficient to complete the drainage improvements portion of this project. The City will be submitting an application for additional State funding to complete this project. The 2012/2013 funding amount reflects engineering design work and the security camera portion of this project. The local share of the original project cost was included in the June 2012 bond issue.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
State Grant	\$ 21,300
Prior Year Bond Proceeds	<u>8,900</u>
	<u>\$ 30,200</u>

Future Impact on Operating Budget: There will be a small increase estimated at \$300 annually for the security camera.

Airport Airfield Maintenance: This project involved crack sealing and other maintenance work on pavement surfaces throughout the airport grounds. The Federal Aviation Administration (FAA) funded 90% of project costs. Engineering work for this project began in 2011/2012 and the project was constructed in 2012/2013. The local share of the project cost was included in the June 2012 bond issue.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 62,800
Prior Year Bond Proceeds	<u>7,700</u>
	<u>\$ 70,500</u>

Future Impact on Operating Budget: This project will reduce annual pavement maintenance costs. The amount, however, cannot be determined.

Airport Obstruction Removal: Vegetation and other potential obstructions have created safety and security issues at the airport. This project involves surveying the airport to identify these problem areas and removing them. The Federal Aviation Administration (FAA) is funding 90% of project costs. The engineering work on this project began in 2011/2012 and the contract work is currently in progress and is scheduled to be completed by the end of 2012/2013. The local share of the project cost was included in the June 2012 bond issue.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 47,800
Prior Year Bond Proceeds	<u>5,400</u>
	<u>\$ 53,200</u>

Future Impact on Operating Budget: This project will reduce annual maintenance costs. The amount, however, cannot be determined.

Airport Zoning Ordinance Update: A State grant will provide 100% funding for the update of the Airport Zoning Ordinance. This update is expected to be completed in 2012/2013.

<u>Funding Sources</u>	<u>FY 2012/2013 Funding Amount</u>
State Grant	\$ 25,000

Future Impact on Operating Budget: None

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2013/2014 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 will be funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. These funds will be used for curb and gutter replacement, full depth patching, joint sealing, and street resurfacing.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Local Option Sales Tax Funds	\$ 500,000

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Cedar Street Improvement Project – Parham to Houser: This project originally involved the resurfacing of this portion of Cedar Street with 80% of project costs funded through the federal STP grant program in the amount of \$551,772. The City is now planning an expanded project for this heavily used street. This includes widening the street to three lanes including turning lanes and constructing a trail on one side of the street for pedestrian use. The total cost of the expanded project is estimated at over \$4 million. The original STP grant funding of \$551,772 was increased to \$1,758,271 for the expanded project. The City was awarded an additional \$138,000 in grant funds to install a traffic signal at the high school. This project is being completed in phases which began in 2011 and will continue through 2014. Culvert work was completed in 2011 and utility relocation, clearing, and drainage work was done in 2012. Easements for the project are being obtained in 2012 and 2013. Construction of the paving portion of the project is planned to begin late in 2013 and continue in 2014. The financing plan for this project will be finalized when bids are received for this project in September 2013. The 2012 bond issue included \$1,068,000 in funding towards the local share of project costs. The 2014 bond issue will include additional funding. This additional bond funding may be supplemented with Road Use Tax funds or funds from the Pavement Management portion of the Local Option Sales Tax.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Federal Grants	\$ 1,456,700
Muscatine Power & Water Reimbursement	30,000
Bond Proceeds (Estimate)	<u>1,401,500</u>
	<u>\$ 2,888,200</u>

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Colorado Street Resurfacing Project: The Colorado Street Resurfacing project was originally estimated at a total cost of \$1.5 million. This project will receive \$1.2 million (80% of the original cost estimate) in funding through the federal STP grant program. The project scope has been expanded to include more extensive improvements to this street which is estimated to increase the total project cost to \$2.85 million (excluding the Pierce property acquisition), with the local share increasing to \$1.65 million. Engineering design services began in 2010/2011 and will be completed in 2012/2013. Bids for the project are scheduled to be received in August, 2013, with construction to begin late in 2013 and continue through 2014. The 2012 bond issue included \$1,055,000 in funding towards the local share of project costs. The 2014 bond issue will include additional funding. This additional bond funding may be supplemented with Road Use Tax funds or funds from the Pavement Management portion of the Local Option Sales Tax.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Federal STP Funds	\$ 600,000
Prior Year Bond Proceeds	160,000
Additional Bond Proceeds (Estimate)	500,000
	<u>\$ 1,260,000</u>

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Downtown TIF Area Resurfacing Project: In January 2013 the City submitted an application for funding through the 2013 Community Development Block Grant Downtown Revitalization Program for building façade improvements along Alley #1. If approved, the grant would fund building façade improvements as well as relocating the current electrical lines to provide for underground electrical service. Private funds will be sought to assist in funding these improvements and the local match for the grant. Remaining funds from the prior year Downtown TIF Area Resurfacing Project are budgeted to be used to resurface the alley after the electrical lines are buried. This funding is subject to the award of this grant.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year TIF Bond Proceeds	\$ 30,000

Future Impact on Operating Budget: None

Riverfront Development Project: A portion of the available balance in this fund is budgeted to be used for signs designating the Riverview Center and Pearl City Station buildings on the riverfront.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year Donation	\$ 3,000

Future Impact on Operating Budget: None

Park Maintenance Building: Replacement of the maintenance facility at Weed Park has been included in the City's Five Year Capital Improvements Plan. The new facility will include modern locker rooms and restrooms as well as increased space for equipment maintenance and storage. The building design work is scheduled for 2012/2013 with construction scheduled for 2013/2014. The project is budgeted to be funded from the 2014 bond issue with the debt service on this portion of the issue to be funded from future tax increment funds.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Bond Proceeds funded from Future TIF Funds	\$ 275,000

Future Impact on Operating Budget: No increased operating costs are expected with the new facility.

Musser Park to Weggens Road Trail: The local Trails Committee secured a federal grant for this trail project and an Iowa Recreational Trails grant will provide additional funding for this project. The grants, however, do not fund preliminary project costs including surveys and trail design services. The Trails Committee requested and received financial assistance from the City in the amount of \$50,000 for these costs with this amount funded from the 2010 bond issue. The trail survey and design work began in 2011/2012 and continues in 2012/2013 with trail construction scheduled to begin in 2013/2014 and be completed in 2014/2015.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Federal and State Grants	\$ 445,000
Prior Year Bond Proceeds and Local Contributions	61,000
	<u>\$ 506,000</u>

Future Impact on Operating Budget: There will be an increase in costs for trail maintenance once the trail is constructed. The amount is estimated at \$1,500 annually.

Financial Software System Replacement: The City's current financial software runs on an IBM AS/400 computer and is used for all financial operations including general ledger, payroll, accounts payable, accounts receivable, and purchasing. The 2012/2013 budget included funds to replace and enhance this system with a new software system. Enhancements specifically targeted for the new system included making financial information more accessible to departments for budget monitoring purposes, electronic processing and distribution of purchase orders, electronic input and approval of employee work and leave hours by departments, and various other process enhancements. A staff committee researched several systems and recommended Springbrook Software for the new system. City Council approved the agreement with Springbrook in December 2012 and the software conversion is scheduled to begin in the summer of 2013 and be fully completed in the spring of 2014. The total cost of purchasing and implementing the new software is \$160,000. This includes the software, hardware, and on-site training for the new system. A portion of the cost (\$110,000) was reflected in 2012/2013 with the balance to be paid in 2013/2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year General Fund Transfer	\$ 50,000

Future Impact on Operating Budget: Annual software costs for the new system are approximately \$800 higher per year than those for the current system. The new system, however, includes several applications not included in the current system.

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 2024. The E.P.A. recently approved the City's request to extend the deadline in the Consent Order to 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 tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. The West Hill Sewer Separation Project is the only sewer project budgeted for 2013/2014.

West Hill Sewer Separation Project – 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 fifteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase 1 of the project began in the summer of 2012 and is scheduled for completion in the fall of 2013. The bid for Phase 2 of the project was awarded in February, 2013 and construction on Phase 2 will begin in the summer of 2013 and continue through 2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Local Option Sales Tax Funds – Phase 1	\$ 860,000
Local Option Sales Tax Funds – Phase 2	<u>2,010,000</u>
	<u>\$ 2,870,000</u>

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Southend Force Main Air Release Valve Project: This project involves removal of the old valves on this force main and installation of new valves with improved design. The 2013/2014 funding allocation is for the second year of a three-year plan to replace these valves.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 100,000

Future Impact on Operating Budget: There will be a reduction in maintenance costs with the new valves. The amount cannot be determined.

Water Pollution Control Plant Lab Expansion Project: This project involves expanding the lab area of the plant as well as replacement of the existing lab countertops and fume hoods. Engineering design for this project is in progress in 2012/2013 with construction scheduled for 2013/2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 600,000

Future Impact on Operating Budget: None

Transfer Station Crane and Cab: The crane and cab currently in use at the Transfer Station was purchased in 1993 when this facility first opened. This equipment is critical to the operation at the Transfer Station and is in need of replacement. Since the Transfer Station has a minimal fund balance an internal loan from other funds will be used to finance this purchase. This loan will be repaid with Transfer Station revenues over the next four years. These types of loans have been used in the past for other equipment items at the Transfer Station.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Transfer Station Fund (Down Payment)	\$ 35,500
Internal Loan	136,000
	<u>\$ 171,500</u>

Future Impact on Operating Budget: There will be an estimated \$2,000 in annual savings in maintenance costs with the new equipment.

Airport Hangar Access Security and T-Hangar Drainage Improvements: The city was awarded funding from the State to improve drainage in the area of the T-Hangars during excessive rain events and to install fencing and a security camera to improve hangar access security. The grant provides for 85% State funding and a 15% local match. Engineering work for this project began in 2011/2012 and is continuing in 2012/2013. While designing this project it was determined that the amount included in the original grant would not be sufficient to complete the drainage improvements portion of this project. The City has submitted an application for additional funding to complete this project. The 2012/2013 funding amount reflected engineering design work and the security camera portion of this project. The local share of the original project cost was included in the June 2012 bond issue. The 2013/2014 funding amount reflects the updated project cost estimate and additional grant funds for the drainage improvements portion of this project. The 2014 bond issue will include funding for the additional local share of the project costs.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
State Grant	\$ 140,300
Prior Year Bond Proceeds	5,100
Bond Proceeds from 2014 Issue	20,000
	<u>\$ 165,400</u>

Future Impact on Operating Budget: None

Airport Runway Repairs: There have been several concrete blowups on the runways at the airport in recent years. This project involves concrete repairs needed to prevent future similar occurrences. The total cost for this project is estimated at \$785,000 with Federal Aviation Administration (FAA) grants funding 90% of project costs and a 10% local match. This project is scheduled to begin in 2013/2014 and be completed in 2014/2015. The local share of project costs will be funded from the 2014 bond issue.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 353,300
Bond Proceeds	<u>78,500</u>
	<u>\$ 431,800</u>

Future Impact on Operating Budget: This project will reduce repair costs from any future runway blowups. The amount of savings, however, cannot be determined.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2012/2013

Project	Revised Estimate 2012/2013	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	\$ 260,000	Local option tax
Railroad Crossing Improvements	68,000	Local option tax
Cedar Street Improvements - Parham to Houser	600,000	Bond proceeds and federal grant
Colorado Street Improvements	90,000	Bond proceeds and federal grant
Pierce Property Acquisition	427,000	Property acquisition for Colorado Street; funded from sale of Armory property and TIF funds
Harrison Street Project	535,500	Road use tax and school reimbursement
Highway 38/61 Connector Study	39,000	Local option tax
Hershey Avenue Street Improvements	30,000	Bond proceeds and federal grant
Bridge Lighting Project	60,000	Muscatine Power & Water reimbursement and TIF funds
Corridor Project - Environmental Impact and Prel. Design	318,600	Federal grant and prior year bond proceeds
Downtown TIF Area Resurfacing Projects	20,000	Prior Year TIF funds; Downtown tree grate replacement
Downtown Sidewalk Improvement Project	5,500	Available balance and contribution; trees, landscaping, etc.
Other Parks Projects:		
Mark Twain Overlook Restoration	500	Available balance
Riverfront Development Project	200	Available balance
Taylor Park Project	1,400	Available balance
Park Maintenance Building	25,000	Future TIF funding; engineering design
Other Projects:		
Mad Creek Flood Control Project	84,000	Levee tax levy
Emergency Siren Activation Upgrade	24,300	Grant and General Fund transfer
Public Building Telephone Systems	3,500	Available balance
Southend Fire Station Project	104,000	Prior year bond proceeds and insurance reimbursement
Police Radio System	107,600	Prior year bond proceeds and State contribution
Police Firing Range Project	16,100	Transfer from Insurance Trust
City Hall and Museum Boiler Replacement Projects	133,200	State grant funds and future TIF funds
Financial Software System	110,000	General Fund transfer
Subtotal - General Government	<u>\$ 3,063,400</u>	
Water Pollution Control:		
WPCP Facilities Upgrade Project	\$ 344,000	SRF Loan and Plant Replacement Reserve; final costs
WPCP Lab Expansion	14,500	Plant Replacement Reserve; engineering design
WPCP Storage Building	41,700	Plant Replacement Reserve; final costs
West Hill Sewer Separation - Phase 1	2,950,000	Local option tax
Southend Force Main Air Release Valve	100,000	Collection and Drainage funds
Slough/Sunset Park Lift Station Improvements	279,000	Plant Replacement Reserve; final costs
Mad Creek Sewer Extension - Voluntary Annexation	1,205,000	Reimbursement and Sewer Extension Reserve
Subtotal - Water Pollution Control	<u>\$ 4,934,200</u>	
Golf Course		
Golf Irrigation System	<u>\$ 342,800</u>	Internal loan repaid with Golf funds
Airport:		
Airport Runway Lighting Project	\$ 5,000	Federal grant and bond proceeds
Airport Hangar Access Security and T-Hangar Drainage	30,200	State grant and bond proceeds
Airport Obstruction Removal	53,200	Federal grant and bond proceeds
Airport Airfield Maintenance	70,500	Federal grant and bond proceeds
Airport Zoning Ordinance Update	25,000	State grant
Subtotal - Airport Projects	<u>\$ 183,900</u>	
Total	<u>\$ 8,524,300</u>	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2013/2014

Project	Budget 2013/2014	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	\$ 500,000	Local option tax
Cedar Street Improvements - Parham to Houser	2,825,000	Federal grant and bond proceeds
Colorado Street Improvements	1,260,000	Federal grant and bond proceeds
Downtown TIF Area Resurfacing Projects	30,000	Prior year TIF bonds for alley resurfacing (subject to award of CDBG grant)
Other Parks Projects:		
Riverfront Development Project	3,000	Available balance for riverfront building signs
Park Maintenance Building	275,000	TIF bond proceeds
Musser Park to Weggens Road Trail	506,000	Federal and state grants, other contributions
Financial Software System	50,000	Prior year General Fund transfer
Estimated Bond Issuance Costs/Allowance for Discount	<u>60,000</u>	Bond proceeds
Subtotal - General Government	<u>\$ 5,509,000</u>	
Water Pollution Control:		
WPCP Lab Expansion	\$ 600,000	Plant Replacement Reserve
West Hill Sewer Separation Phase I	860,000	Local option tax
West Hill Sewer Separation Phase II	2,010,000	Local option tax
Southend Force Main Air Release Valve	<u>100,000</u>	Collection and Drainage funds
Subtotal - Water Pollution Control	<u>\$ 3,570,000</u>	
Transfer Station		
Crane and Cab	<u>\$ 171,500</u>	Internal loan repaid with Transfer Station funds
Airport:		
Airport T-Hangar Drainage Project	\$ 165,400	State grant and bond proceeds
Airport Runway Repairs	<u>392,500</u>	Federal grant and bond proceeds
Subtotal - Airport Projects	<u>\$ 557,900</u>	
Total	<u><u>\$ 9,808,400</u></u>	

City of Muscatine
Five-Year Capital Improvement Program

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
Community Development							
Acquisitions - Carver Corner							\$750,000
Brier's Ditch Improvement Project			To Be Determined (TBD)				\$1,037,900
Brownfields Areawide Assessment							\$400,000
Mississippi Drive Corridor Projects							\$8,650,000
Subtotal - Community Development							\$10,837,900
Environmental Quality							
Comprehensive Water Pollution Control Plant Renovation							
Comprehensive Plant Renovation							\$19,285,000
Water Pollution Control Plant & Services							
Bond & Schley Lift Station Renovation							\$90,000
High Performance Grit Removal							\$1,025,000
Laboratory Remodel							\$250,000
Maintenance Storage Building							\$205,000
Metal Analysis Instrumentation							\$65,000
Slough Lift Station Improvements							\$100,000
Truss Arm Replacement on Final Clarifiers							\$38,700
Subtotal - Environmental Quality							\$21,058,700
Finance & Administration							
Replace Finance System Software							\$80,000
Subtotal - Finance & Administration							\$80,000
Housing							
Clark House Lobby & Corridor Lighting							\$52,000
Sunset Park Parking Lot Repavement							\$47,000
Subtotal - Housing							\$99,000

City of Muscatine
Five-Year Capital Improvement Program

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
Information Technology							
Replace Telephone System							\$60,000
Subtotal - Information Technology							\$60,000
Parks & Recreation							
Golf							
Cart Path Repairs							\$25,000
Clubhouse Carpet Replacement							\$30,000
Fairway Irrigation Renovation, Wide Band Radio Replacement							
Parking Lot Repairs							\$25,000
Kent-Stein Park							
Kent-Stein Control Link System							\$50,000
Kent-Stein Fence Replacement							\$62,000
Kent-Stein Park Parking Lot Surfacing							\$45,000
Kent-Stein Multi-Use Area							\$35,000
Park Maintenance							
Fuller Park Erosion Control Project							TBD
Fuller Park Parking Lot Expansion							\$30,000
Greenbelt Trail Resurfacing							\$100,000
Greenwood Cemetery Barrier Fence Project							\$100,000
Greenwood Cemetery Erosion Control Project							\$1,000,000
Harbor Dredge Pipe Extension							\$75,000
Harbor Houseboat Dock Replacement							\$76,000
Harbor Long Dock Replacement							\$100,000
Maintenance Facility							\$400,000
Mark Twain Overlook Renovation							\$550,000
Musser Park Seep Water Pump Station							\$50,000
Riverfront Dredge Pipe Extension							\$68,000
Weed Park Lagoon Bank Stabilization							\$300,000
Weed Park Lagoon Restroom							\$125,000
Weed Park Lagoon Trail							\$100,000
Weed Park Restroom							\$125,000
Weed Park Shelter Replacement							\$100,000

City of Muscatine
Five-Year Capital Improvement Program

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
Weed Park Street Light Replacement							\$100,000
Weed Park Volleyball Parking Lot							\$50,000
Weed Park Water Main							\$100,000
Soccer							
Soccer Phase III							\$3,000,000
Subtotal - Parks & Recreation							\$6,821,000
PUBLIC SAFETY							
Fire							
New East Hill Fire Station - Fire Station #3							\$1,445,000
Relocation and Construction of a New Fire Station #2							\$1,336,250
Joint Police/Fire Department							
Swipe Key Card Access & Security for Public Safety Building							\$75,000
Subtotal - Public Safety							\$2,856,250
PUBLIC WORKS							
Equipment Purchases/Associated Projects							
Backhoe - Collection & Drainage							\$120,000
Jet-Vac Truck Dump Site							\$40,000
Trailer Mounted Sewer Jet - Collection & Drainage							\$45,000
Miscellaneous							
Boiler Replacement - Building & Grounds							\$100,000
Lower Lot Reorganization							\$100,000
Muscatine Slough Development							\$4,040,000
Relocation of Dredge Spoils Site							\$550,000
Sewers/Environmental/Drainage/Landfill							
Ten-Year Local Option Tax Sewer Projects							
PUBLIC WORKS (cont.)							
Sewers... (Ten-year LOST Sewer Projects) (cont.)							
Heinz Reconstruction Project(#4279.4279)							\$3,000,000
Hershey Avenue Separation (#4292.4292)							\$5,100,000
Relief Sewer - ALLSTEEL (#TBD)							\$275,000
West Hill Sewer Separation (#4276.4276)							\$50,000,000
Mad Creek Storm Water Management Project							\$1,000,000

City of Muscatine
Five-Year Capital Improvement Program

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
Papoose Creek Trash Rack							\$50,615
Sewer Expansion: Lucas Street from Houser to US 61 Bypass							\$3,500,000
Streets/Trails/Sidewalks							
CBD Streetscape							\$375,000
Cedar Street Reconstruction (#4184.4184)							\$3,500,000
Colorado Street Reconstruction (#4185.4185)							\$2,500,000
Dick Drake Way RR Crossing: MP&W Gate #2							\$300,000
Grandview/Houser/Sampson Intersection							\$700,000
Handicap Ramp/Sidewalk Program							\$300,000
Hershey Avenue Reconstruction (#4186.4186)							\$1,000,000
Highway 61/University Avenue Intersection Improvements				TBD			TBD
Kent-Stein Bypass Trail							\$75,000
Kent-Stein to Weggens Road							\$1,500,000
Lighting (Poles) Replacement - Art Center Stanley Gallery Lot							\$40,000
Lucas Street Reconstruction & Storm Sewer Improvements							\$1,000,000
Mad Creek Trail - Part I							\$400,000
Mad Creek Trail - Part II							\$800,000
Musser Park to Kent-Stein Trail							\$60,000
Musser Street Roadway Improvements							\$900,000
Pavement Management Plan							\$2,500,000
Weed Park to Wildcat Den State Park Trail							\$480,000
38/61 Connector							\$2,750,000
PUBLIC WORKS (cont.)							
Streets/Trails/Sidewalks							
Future Street Projects (see project description section for list)							TBD
Subtotal - Public Works							\$87,100,615
TRANSPORTATION							
Airport							
Airfield Pavement Maintenance							\$121,053
Airport Pavement Maintenance							\$158,000
Apron Expansion/T-Hangar Site Plan							\$635,000
Apron Reconstruction/Drainage Improvements for T-Hangars							\$215,789
AWOS Replacement							\$100,000

City of Muscatine
Five-Year Capital Improvement Program

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
Clear/Grub Fence Line							\$22,250
Fueling Facility with Submersible Pump							\$50,000
Obstruction Survey/Obstruction Removal							\$55,500
Runway 6/24 Lighting							\$375,739
T-Hangar Renovation/Municipal Hangar Renovation							\$58,000
T-Hangar Renovation							\$511,000
Subtotal - Transportation							\$2,302,331
GRAND TOTAL							\$131,215,796

OTHER FUNDS

TRUST AND AGENCY FUNDS

INSURANCE TRUST

GENERAL INFORMATION:

This trust fund was first established in 1979/80 for the purpose of accounting for a premium return on the City of Muscatine's retro-rated insurance policy. Through the years the City has had a number of policies that provided for premium returns or dividends based on favorable claims experience. Several policies also provided that additional premiums would be owed based on unfavorable claims experience.

The purpose of the Insurance Trust has been to maintain a reserve of funds to be utilized to support unanticipated insurance premiums, deductibles, and/or claims. In 2001/2002 the City changed to new insurance carriers for both liability and workers compensation insurance. These new companies did not offer premium return or dividend type policies. The City again changed carriers for Workers Compensation insurance in 2004/2005. Under this Workers Compensation policy, potential premium returns are again available with good claims experience. In 2006/2007, 2007/2008, 2008/2009, 2009/2010, 2010/2011, and 2011/2012 the City received Workers Compensation premium returns of \$23,747, \$14,022, \$9,861, \$26,782, \$25,866, and \$15,961, respectively which were credited to the trust.

CURRENT TRENDS AND ISSUES:

Since 1991/92, transfers from this trust to the General Fund have been made to fund the cost of the City's risk management program including the employee safety program. At the time the 2011/2012 budget was developed, it was not known if any premium returns would be received in 2010/2011. As such, the original 2011/2012 budget did not include a transfer to the General Fund. The 2011/2012 revised estimate, however, included a transfer of \$8,247 to the Police Firing Range Relocation capital project fund and an additional \$16,100 transfer to that project has been included in the revised estimate for 2012/2013. The former range location was affected by flooding several times in recent years and this project involves relocating the range to higher ground on the same property.

In 2013/2014 the insurance premiums accounted for in the City's General Fund (Risk Management budget and the Fine Arts insurance in the Art Center budget) are projected to increase by \$79,900 compared to the original 2012/2013 budget. In 2013/2014 the City will use \$40,000 of Insurance Trust funds to fund a portion of these increased premiums. If those funds would not have been available, the Tort Liability tax levy rate would have been \$.06/\$1,000 of valuation higher than the current year levy rate.

At the time the budget is being prepared it is not known if premium returns will be received in 2012/2013 or 2013/2014. Additional information on the City's risk management and safety program is included in the Risk Management activity budget in the General Fund section of this document.

Insurance Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 26,798	\$ 52,734	\$ 29,834	\$ 60,542	\$ 44,542
Revenues					
Insurance Premium					
Returns	\$ 25,866	\$ 15,961	\$ 0	\$ 0	\$ 0
Interest	70	94	0	100	100
Total Revenues	<u>\$ 25,936</u>	<u>\$ 16,055</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 100</u>
Funds Available	<u>\$ 52,734</u>	<u>\$ 68,789</u>	<u>\$ 29,834</u>	<u>\$ 60,642</u>	<u>\$ 44,642</u>
Expenditures:					
Transfers Out					
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000
Police Firing Range Project	0	8,247	0	16,100	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 8,247</u>	<u>\$ 0</u>	<u>\$ 16,100</u>	<u>\$ 40,000</u>
Ending Balance, June 30	<u><u>\$ 52,734</u></u>	<u><u>\$ 60,542</u></u>	<u><u>\$ 29,834</u></u>	<u><u>\$ 44,542</u></u>	<u><u>\$ 4,642</u></u>

Increase (Decrease) in Fund Balance	\$ 25,936	\$ 7,808	\$ 0	\$ (16,000)	\$ (39,900)

Explanation of Decreases in Fund Balances:

Funds in this trust have been used to fund the City's Risk Management Program, deductibles, or uninsured losses. In 2011/2012 and 2012/2013 approximately \$25,000 from this trust was used for the relocation of the Police Firing Range. The former range location was affected by flooding several times in recent years and has been relocated to higher ground at the same location. In 2013/2014 \$40,000 from this trust is budgeted to be used to fund increased General Fund insurance premium costs.

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 \$6,000 in perpetual care funds is expected to be received in both 2012/2013 and 2013/2014. The balance in this trust on June 30, 2014 is estimated at \$855,316.

Perpetual Care Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 829,093	\$ 836,943	\$ 842,943	\$ 843,316	\$ 849,316
Revenues					
Perpetual Care	<u>7,850</u>	<u>6,373</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Funds Available	\$ 836,943	\$ 843,316	\$ 848,943	\$ 849,316	\$ 855,316
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 836,943</u></u>	<u><u>\$ 843,316</u></u>	<u><u>\$ 848,943</u></u>	<u><u>\$ 849,316</u></u>	<u><u>\$ 855,316</u></u>

Increase (Decrease) in Fund Balance	\$ 7,850	\$ 6,373	\$ 6,000	\$ 6,000	\$ 6,000

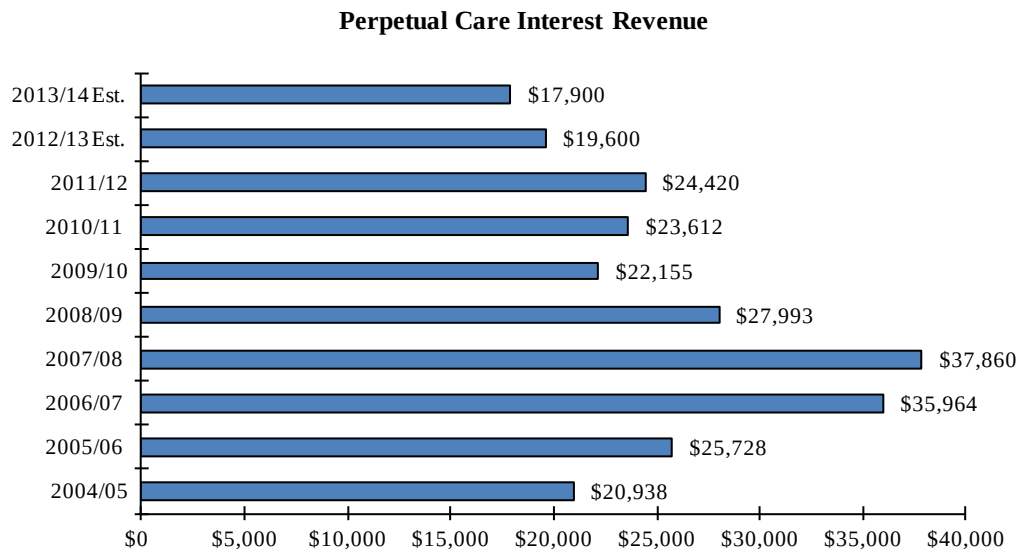
TRUST AND AGENCY FUNDS

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 2004/2005 through the budgeted amount for 2013/2014 is shown in the following graph.



Beginning in 1991/92 and continuing through 2013/2014 (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 attributable 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 \$12,118 for 2004/2005, \$33,785 for 2005/2006, \$8,610 for 2006/2007, none for 2007/2008, \$5,175 for 2008/2009, \$28,234 for 2009/2010, none for 2010/2011 and \$5,410 in 2011/2012. The revised estimate for 2012/2013 projects a General Fund subsidy of \$18,600 and \$28,200 is projected for 2013/2014. Staff will continue to increase marketing efforts in 2013/2014 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	
Revenues					
Interest	<u>23,612</u>	<u>24,420</u>	<u>17,100</u>	<u>19,600</u>	<u>17,900</u>
Funds Available	\$ 23,612	\$ 24,420	\$ 17,100	\$ 19,600	\$ 17,900
Expenditures					
Transfers Out					
Cemetery Operations	<u>23,612</u>	<u>24,420</u>	<u>17,100</u>	<u>19,600</u>	<u>17,900</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 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 \$1,300 in interest is expected to be earned on these funds in 2012/2013 and \$1,000 in 2013/2014. Trust expenditures are estimated at \$3,350 for both 2012/2013 and 2013/2014.

Special Cemetery Trusts (1)

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 89,850	\$ 65,861	\$ 62,711	\$ 62,939	\$ 60,889
Revenues					
Interest	<u>1,346</u>	<u>1,104</u>	<u>1,300</u>	<u>1,300</u>	<u>1,000</u>
Funds Available	<u>\$ 91,196</u>	<u>\$ 66,965</u>	<u>\$ 64,011</u>	<u>\$ 64,239</u>	<u>\$ 61,889</u>
Expenditures					
Florist Services	\$ 2,872	\$ 2,401	\$ 2,000	\$ 2,000	\$ 2,000
Mausoleum/Other Repairs	22,113	1,275	0	0	0
Tree Purchases	0	0	1,000	1,000	1,000
Transfers Out:					
Administrative Fees	<u>350</u>	<u>350</u>	<u>350</u>	<u>350</u>	<u>350</u>
Total Expenditures	<u>\$ 25,335</u>	<u>\$ 4,026</u>	<u>\$ 3,350</u>	<u>\$ 3,350</u>	<u>\$ 3,350</u>
Ending Balance, June 30	<u><u>\$ 65,861</u></u>	<u><u>\$ 62,939</u></u>	<u><u>\$ 60,661</u></u>	<u><u>\$ 60,889</u></u>	<u><u>\$ 58,539</u></u>

Increase (Decrease) in					
Fund Balance	\$ (23,989)	\$ (2,922)	\$ (2,050)	\$ (2,050)	\$ (2,350)

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. Expenditures from this trust are estimated at \$30,000 for 2012/2013 and \$22,000 for 2013/2014. The estimated balance in this trust on June 30, 2014 is \$228,301.

Library Gift and Memorial Trust

Fund Statement

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014
Beginning Balance, July 1	\$ 195,796	\$ 247,180	\$ 233,285	\$ 223,101	\$ 225,601
Revenues					
Donations	\$ 57,130	\$ 26,233	\$ 6,000	\$ 12,700	\$ 13,000
State Grant	12,492	11,523	6,000	16,600	8,000
Miscellaneous Sales	8,059	2,835	4,000	3,000	3,500
Interest	494	381	400	200	200
Transfer from Homebound Delivery Trust	0	606	0	0	0
Total Revenues	\$ 78,175	\$ 41,578	\$ 16,400	\$ 32,500	\$ 24,700
Funds Available	\$ 273,971	\$ 288,758	\$ 249,685	\$ 255,601	\$ 250,301
Expenditures					
Personal Services	\$ 144	\$ 0	\$ 0	\$ 0	\$ 0
Library Materials	1,497	3,356	6,400	7,000	7,000
Contractual Services	19,539	43,193	10,000	5,000	5,000
Capital Outlay	5,611	19,108	0	18,000	10,000
Total Expenditures	\$ 26,791	\$ 65,657	\$ 16,400	\$ 30,000	\$ 22,000
Ending Balance, June 30	\$ 247,180	\$ 223,101	\$ 233,285	\$ 225,601	\$ 228,301

Increase (Decrease) in Fund Balance	\$ 51,384	\$ (24,079)	\$ 0	\$ 2,500	\$ 2,700

MUSCATINE ART CENTER

TRUST FUNDS

GENERAL INFORMATION:

The City of Muscatine has established four trust funds which are associated with the operation of the Muscatine Art Center. Funds in these trusts may only be used according to the provisions of the trusts.

The gift of the Musser Mansion in 1965 by the heirs of Laura Musser, Mrs. Mary Musser Gilmore and Mrs. Mary Catherine McWhirter, was the beginning of an art/museum facility in Muscatine. This building was to be used as a memorial art gallery and museum. In addition to the gift of property, a trust of \$100,000 was established by McWhirter and Gilmore to be invested with the interest to be used to assist with the ongoing care and maintenance of the Museum. The principal is to remain intact. Funds from this trust have been used for the general upkeep of the mansion including painting and roofing improvements as well as improvements to the electrical wiring and air conditioning systems. Funding has also been provided for major areas of conservation and preservation of objects owned by Laura Musser which are in the permanent collection. In 2012/2013 \$600 is budgeted to be expended from this trust and \$3,500 is budgeted to be expended in 2013/2014.

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. No funds are budgeted to be expended from this trust in 2012/2013 or 2013/2014.

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 2010/2011 the Art Center Trust received a grant from the Roy J. Carver Charitable Trust of \$46,388 to fund an exhibition titled *Muscatine & the Civil War: A Sesquicentennial Commemoration*. In 2010/2011, \$32,000 was used for expenses related to the exhibit with the remaining \$14,388 used in 2011/2012. No funds are projected to be expended from this trust in 2012/2013. In 2013/2014, \$16,000 is budgeted to be expended from this trust for glass display cases.

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. For 2012/2013 \$20,800 is budgeted to be expended from this trust and \$2,500 is budgeted to be expended in 2013/2014.

McWhirter-Gilmore Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 104,992	\$ 103,267	\$ 105,266	\$ 105,176	\$ 106,576
Revenues					
Interest	<u>1,925</u>	<u>1,909</u>	<u>2,000</u>	<u>2,000</u>	<u>1,500</u>
Funds Available	\$ 106,917	\$ 105,176	\$ 107,266	\$ 107,176	\$ 108,076
Expenditures					
Contractual Services	<u>3,650</u>	<u>0</u>	<u>3,000</u>	<u>600</u>	<u>3,500</u>
Ending Balance, June 30	<u>\$ 103,267</u>	<u>\$ 105,176</u>	<u>\$ 104,266</u>	<u>\$ 106,576</u>	<u>\$ 104,576</u>

Increase (Decrease) in Fund Balance	\$ (1,725)	\$ 1,909	\$ (1,000)	\$ 1,400	\$ (2,000)

Alice Schaeffer Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 43,439	\$ 41,668	\$ 42,468	\$ 42,432	\$ 43,232
Revenues					
Interest	<u>772</u>	<u>764</u>	<u>800</u>	<u>800</u>	<u>600</u>
Funds Available	\$ 44,211	\$ 42,432	\$ 43,268	\$ 43,232	\$ 43,832
Expenditures	<u>2,543</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 41,668</u></u>	<u><u>\$ 42,432</u></u>	<u><u>\$ 43,268</u></u>	<u><u>\$ 43,232</u></u>	<u><u>\$ 43,832</u></u>

Increase (Decrease) in Fund Balance	\$ (1,771)	\$ 764	\$ 800	\$ 800	\$ 600

Art Center Donations Trust

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 18,925	\$ 44,476	\$ 24,576	\$ 27,907	\$ 34,107
Revenues					
Donations	\$ 57,458	\$ 8,230	\$ 5,000	\$ 5,000	\$ 5,000
Special Project Donations	0	0	0	0	16,000
Interest	103	50	0	0	0
Other	<u>0</u>	<u>204</u>	<u>100</u>	<u>1,200</u>	<u>100</u>
Total Revenues	<u>\$ 57,561</u>	<u>\$ 8,484</u>	<u>\$ 5,100</u>	<u>\$ 6,200</u>	<u>\$ 21,100</u>
Funds Available	<u>\$ 76,486</u>	<u>\$ 52,960</u>	<u>\$ 29,676</u>	<u>\$ 34,107</u>	<u>\$ 55,207</u>
Expenditures					
Personal Services	\$ 742	\$ 8,515	\$ 0	\$ 0	\$ 0
Art Center Materials	262	1,018	0	0	0
Contractual Services	31,006	11,180	0	0	0
Capital Outlay	<u>0</u>	<u>4,340</u>	<u>0</u>	<u>0</u>	<u>16,000</u>
Total Expenditures	<u>\$ 32,010</u>	<u>\$ 25,053</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,000</u>
Ending Balance, June 30	<u><u>\$ 44,476</u></u>	<u><u>\$ 27,907</u></u>	<u><u>\$ 29,676</u></u>	<u><u>\$ 34,107</u></u>	<u><u>\$ 39,207</u></u>

Brad Burns Trust

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 309,385	\$ 299,167	\$ 304,567	\$ 304,184	\$ 288,484
Revenues					
Interest	<u>5,064</u>	<u>5,017</u>	<u>5,400</u>	<u>5,100</u>	<u>3,500</u>
Funds Available	<u>\$ 314,449</u>	<u>\$ 304,184</u>	<u>\$ 309,967</u>	<u>\$ 309,284</u>	<u>\$ 291,984</u>
Expenditures					
Contractual Services	\$ 15,281	\$ 0	\$ 3,000	\$ 5,000	\$ 2,500
Capital Outlay	<u>0</u>	<u>0</u>	<u>62,000</u>	<u>15,800</u>	<u>0</u>
Total Expenditures	<u>\$ 15,281</u>	<u>\$ 0</u>	<u>\$ 65,000</u>	<u>\$ 20,800</u>	<u>\$ 2,500</u>
Ending Balance, June 30	<u><u>\$ 299,167</u></u>	<u><u>\$ 304,184</u></u>	<u><u>\$ 244,967</u></u>	<u><u>\$ 288,484</u></u>	<u><u>\$ 289,484</u></u>

Increase (Decrease) in					
Fund Balance	\$ (10,218)	\$ 5,017	\$ (59,600)	\$ (15,700)	\$ 1,000

TRUST AND AGENCY FUNDS

MUSCATINE PARKS AND RECREATION TRUST FUND

GENERAL INFORMATION:

In November of 1994 the City's Parks and Recreation Department received a bequest of \$150,883 from the estate of Frank C. Bishop. Interest has been earned on the trust funds and funds have been used for various park improvement projects. Specific projects to be completed each year are determined by the Recreation Advisory Commission subject to approval by the City Council.

CURRENT TRENDS AND ISSUES:

In 2001/2002 \$150,000 of funding from this trust was used for the Playground Development Project. The Playground Project involved the construction of ten new playgrounds in nine City parks at a total cost of \$956,500. Funding for the project was from contributions from area trusts and foundations (\$490,000), \$150,000 from the Parks and Recreation Trust, and \$316,500 from bond proceeds. In 2012/2013 \$50,000 is budgeted to be transferred to the Park Maintenance activity in the General Fund to fund playground surface repairs at Weed Park. No funds are budgeted to be expended from this trust in 2013/2014. The estimated balance in this trust on June 30, 2014 is \$5,526.

Approval by the Recreation Advisory Commission and the City Council is needed to formally designate funds from this trust for park projects.

Muscatine Parks and Recreation Trust Fund

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 53,098	\$ 53,209	\$ 53,309	\$ 53,926	\$ 5,526
Revenues					
Interest	\$ 111	\$ 91	\$ 100	\$ 100	\$ 0
Recreation Program Sponsorships	<u>0</u>	<u>671</u>	<u>0</u>	<u>1,500</u>	<u>0</u>
Total Revenues	<u>\$ 111</u>	<u>\$ 762</u>	<u>\$ 100</u>	<u>\$ 1,600</u>	<u>\$ 0</u>
Funds Available	<u>\$ 53,209</u>	<u>\$ 53,971</u>	<u>\$ 53,409</u>	<u>\$ 55,526</u>	<u>\$ 5,526</u>
Expenditures					
Recreation Program Expenditures	\$ 0	\$ 45	\$ 0	\$ 0	\$ 0
Transfers Out:					
General Fund - Playground Repairs	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 45</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 53,209</u></u>	<u><u>\$ 53,926</u></u>	<u><u>\$ 3,409</u></u>	<u><u>\$ 5,526</u></u>	<u><u>\$ 5,526</u></u>
Increase (Decrease) in Fund Balance	\$ 111	\$ 717	\$ (49,900)	\$ (48,400)	\$ 0

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 repair 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 insure that 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 full time supervisor and three full time mechanics. The hourly charge for labor including overhead costs was \$65.00 in 2009/2010 and \$67.00 for 2010/2011, 2011/2012 and 2012/2013. In 2013/2014 this rate is budgeted to increase to \$69.00 an hour.

In addition to the labor rate charge there is a surcharge on parts, outside services, oil, and tires of 8% of the total cost to a maximum of \$16.00 per charge. 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 2013/2014.

CURRENT TRENDS AND ISSUES:

The 2012/2013 revised estimate expenditures are \$13,900 more than the budgeted amount. The is primarily due to the addition of \$14,200 in capital outlay to upgrade the underground line leak protection systems on the fuel pumps as required by the Iowa Department of Natural Resources (IDNR) deadline of January 2013.

The 2013/2014 budget is \$15,000 (1.3%) higher than the original 2012/2013 budget primarily due to increases in personal services (\$9,800) and fuel (\$4,400) costs. The budget for 2013/2014 is based on continuation of the current higher fuel prices. As an internal service fund, however, as fuel costs fluctuate, cost increases or decreases are passed on to the various City departments based on their actual fuel usage. This operation is expected to have a surplus (net of inventory) of \$81,086 on June 30, 2013 and \$88,062 on June 30, 2014.

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 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Autos, Pickups, Flatbeds Serviced	278	236	235	245	248
Trucks, Buses, Garbage Trucks Serviced	165	153	148	150	154
Heavy Equipment/Tractors Serviced	33	27	24	25	27
Gallons of Gasoline Dispensed	73,869	72,894	71,984	71,309	72,514
Gallons of Diesel Fuel Dispensed	83,503	79,860	70,972	79,467	78,450
Preventative Maintenance Work Orders	1,053	1,099	1,009	1,032	1,048
Emergency Maintenance Work Orders	676	580	407	588	563
Work Orders Completed	1,729	1,679	1,416	1,620	1,611
Total Miles Driven (all vehicles)	1,230,705	1,163,577	1,128,675	1,175,857	1,174,703

RECENT ACCOMPLISHMENTS:

The City continues to use Public Surplus to dispose of vehicles and equipment. Three online auctions were held in 2012 using Public Surplus, one in February, September, and the most recent in November. The auction in February netted the City \$10,204. The auctions in September and November netted the City \$2,740 and \$2,805, respectively.

The Equipment Services Supervisor worked with the Transit Supervisor and the Iowa Department of Natural Resources (IDNR) on a State Clean Diesel Grant through the E.P.A. to reduce diesel emissions on eight transit buses and five dump trucks. Staff solicited bids from vendors for the purchase and installation of the diesel particulate filters, back pressure monitors, the regeneration panel, and related items.

An upgrade to the underground fuel lines was completed in January 2013 as required by the IDNR

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To be proactive on emissions by considering going “Green” with new vehicles including evaluating purchasing either electric or hybrid models of light duty vehicles.
- * To continue training of mechanics on “Green” vehicles including maintenance of electric and hybrid vehicles.

Equipment Services Operations

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance (Deficit), July 1	\$ (50,946)	\$ 113,864	\$ (27,370)	\$ (69,338)	\$ (74,238)
Revenues					
Charges for Services -					
City Departments	\$ 1,127,767	\$ 1,129,350	\$ 1,189,000	\$ 1,184,400 (2)	\$ 1,197,600 (2)
Miscellaneous	<u>1,052</u>	<u>844</u>	<u>0</u>	<u>200</u>	<u>0</u>
Total Revenues	<u>\$ 1,128,819</u>	<u>\$ 1,130,194</u>	<u>\$ 1,189,000</u>	<u>\$ 1,184,600</u>	<u>\$ 1,197,600</u>
Funds Available	\$ 1,077,873	\$ 1,244,058	\$ 1,161,630	\$ 1,115,262	\$ 1,123,362
Expenditures (1)	<u>1,099,744</u>	<u>1,313,396</u>	<u>1,175,600</u>	<u>1,189,500</u>	<u>1,190,600</u>
Ending Balance (Deficit), June 30	\$ (21,871)	\$ (69,338)	\$ (13,970)	\$ (74,238)	\$ (67,238)
Allowance for Inventory	<u>135,734</u>	<u>155,324</u>	<u>135,734</u>	<u>155,324</u>	<u>155,300</u>
Net Balance, June 30	<u><u>\$ 113,864</u></u>	<u><u>\$ 85,986</u></u>	<u><u>\$ 121,764</u></u>	<u><u>\$ 81,086</u></u>	<u><u>\$ 88,062</u></u>
Increase (Decrease) in Net Balance	\$ 55,249	\$ (27,878)	\$ 13,400	\$ (4,900)	\$ 7,000

1. Expenditures include changes in compensated absences.
2. The labor rate charge for vehicle and equipment maintenance is \$67.00 per hour for 2012/2013. The 2013/2014 budget is based on the hourly rate increasing to \$69.00 per hour which will avoid a fiscal year deficit in this fund. The rate needed may be more or less depending on labor hours billed to departments (budget based on 4,400 billed hours).

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 278,408	\$ 281,168	\$ 288,000	\$ 287,700	\$ 297,800	3.40%
Commodities	601,506	643,826	648,700	648,700	652,700	0.62%
Contractual Services	205,852	207,876	219,500	219,500	219,800	0.14%
Capital Outlay	978	22,803	4,100	18,300	4,500	9.76%
Transfers	<u>14,500</u>	<u>14,900</u>	<u>15,300</u>	<u>15,300</u>	<u>15,800</u>	3.27%
Total Expenditures	<u>\$ 1,101,244</u>	<u>\$ 1,170,573</u>	<u>\$ 1,175,600</u>	<u>\$ 1,189,500</u>	<u>\$ 1,190,600</u>	1.28%
Funding Sources						
Charges for Services	\$ 1,127,767	\$ 1,129,350	\$ 1,189,000	\$ 1,184,400	\$ 1,197,600	0.72%
Other	<u>1,052</u>	<u>844</u>	<u>0</u>	<u>200</u>	<u>0</u>	
Total Funding Sources	<u>\$ 1,128,819</u>	<u>\$ 1,130,194</u>	<u>\$ 1,189,000</u>	<u>\$ 1,184,600</u>	<u>\$ 1,197,600</u>	0.72%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Vehicle Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Vehicle Mechanic II	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	
Total	4.00	4.00	4.00	4.00	4.00	\$ 197,000
Employee Benefits						<u>100,800</u>
Total Personal Services						<u>\$ 297,800</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Tools for Existing Toolboxes	3 Sets	No	\$ 900
Oil Hose Reels	4	Yes	<u>3,600</u>
			<u>\$ 4,500</u>

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

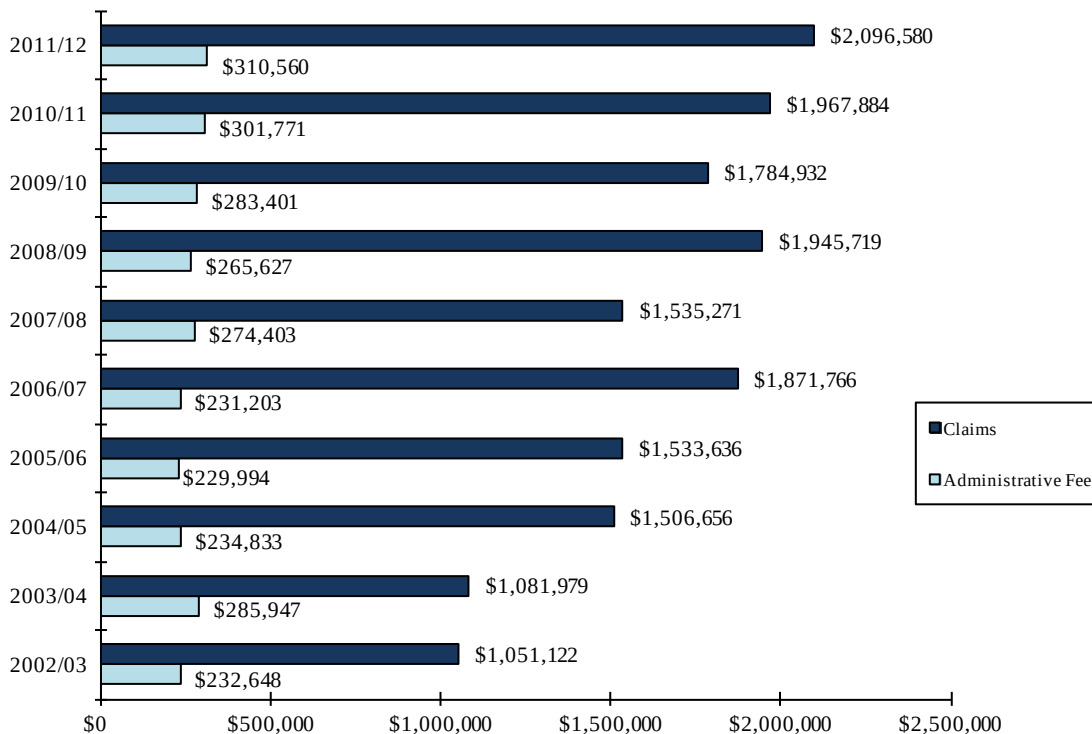
GENERAL INFORMATION:

On January 1, 1985 the City changed its employee medical insurance program to a modified self insurance plan. Blue Cross/Blue Shield continued as the carrier of the plan and also serves as the administrator. As part of the program the Health Insurance Fund was established.

All payments of premiums from the City, employees and retirees are credited to the Health Insurance Fund. From this fund the City pays all actual medical claims paid by Blue Cross on a monthly basis. The City also pays Blue Cross a monthly administrative fee per employee for this service. This administrative fee includes stop loss insurance to cover catastrophic illnesses. As a result, the City is funding 100% of the exposure up to the level where the individual and aggregate stop loss insurance takes effect. When claims are less than the amount funded, the savings are retained by the City.

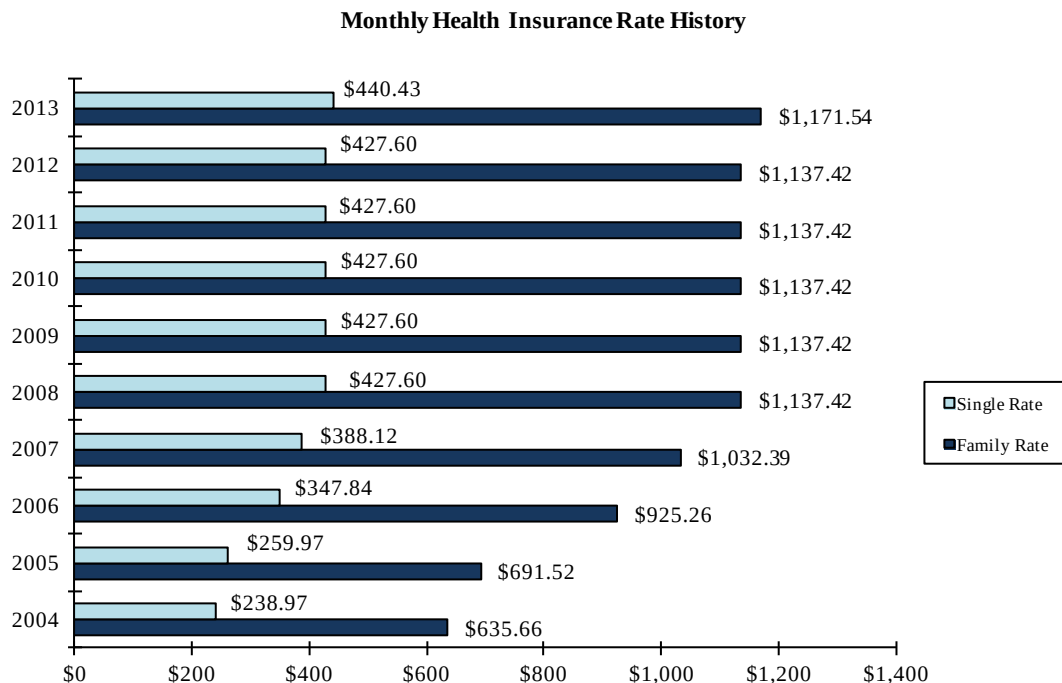
The amount of health insurance claims and administrative fees paid for the last ten fiscal years are shown in the table below. As shown, there has been a significant increase in claims for the City's group since 2002/2003.

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 following table. For January 1, 2006 rates increased by 33.8% for both single and family coverage. This increase was directly related to the dramatic increase in health insurance claims for the City's group. For January 1, 2007 rates increased by 11.6% for both single and family coverage. For January 1, 2008 rates again 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.

The City made a number of changes in the health insurance plan in the last ten years. In 2003 the City changed to a Preferred Provider Organization (PPO) plan with Blue Cross/Blue Shield. This plan resulted in increased discounts on medical claim costs to the City and its employees when using health care providers on the "preferred providers" list. In 2004 deductibles were increased from \$200 to \$300 for single coverage and from \$500 to \$600 for family coverage. Out-of-pocket maximums were increased from \$500 to \$600 for single and from \$1,000 to \$1,300 for family coverage. These provisions remained in effect until 2013 when the deductibles were increased from \$300 to \$400 for single coverage and from \$600 to \$800 for family coverage. Out-of-pocket maximums were increased from \$600 to \$800 for single and from \$1,300 to \$1,600 for family coverage.



CURRENT TRENDS AND ISSUES:

For January 1, 2007 the single and family rates were set at \$388.12 and \$1,032.39, respectively. For January 1, 2008 both the single and family rates increased by 10.2% to \$427.60 and \$1,137.42. Due to a leveling of insurance claims in 2008, the 2008 rates were maintained for 2009, 2010, 2011 and 2012. For January 1, 2013 both the single and family rates increased by 3% to \$440.43 and \$1,171.54. The annual aggregate maximum level has been established at \$2,908,700 for calendar year 2013 compared to \$2,941,900 for calendar year 2012. The annual aggregate amounts reflect 125% of estimated claims for 2012 and 2013 for the City's

group. The premium rates for 2012 included an administrative fee of \$106.14 per month per contract. This fee is paid to Wellmark Blue Cross/Blue Shield for claims processing services, as fees for the individual and aggregate stop loss insurance, and the Wellmark network access fee. For 2013 the monthly administrative fee increase

The 2012/2013 revised estimate and 2013/2014 budget each include \$5,000 to fund administrative costs of the flexible benefit plan implemented in 1997. Savings in the City share of FICA and Medicare costs are expected to offset the fees charged to administer this program.

The Employee Wellness program was established by the City in 1987. The 2012/2013 revised estimate and 2013/2014 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 \$55,800 for the 2012/2013 revised estimate and \$57,600 for the 2013/2014 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

Health Insurance Fund

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2010/2011</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 1,453,106	\$ 1,580,753	\$ 1,508,153	\$ 1,587,859	\$ 1,571,759
Revenues					
Interest	\$ 3,930	\$ 2,936	\$ 2,500	\$ 2,500	\$ 2,500
City Contributions	2,177,155	2,202,663	2,241,500	2,228,400	2,311,300
Employee Contributions	144,156	133,143	149,800	154,800	160,700
Retiree Contributions	143,956	143,127	156,000	148,700	151,600
Miscellaneous	<u>0</u>	<u>1,027</u>	<u>0</u>	<u>3,400</u>	<u>0</u>
Total Revenues	<u>\$ 2,469,197</u>	<u>\$ 2,482,896</u>	<u>\$ 2,549,800</u>	<u>\$ 2,537,800</u>	<u>\$ 2,626,100</u>
Funds Available	<u>\$ 3,922,303</u>	<u>\$ 4,063,649</u>	<u>\$ 4,057,953</u>	<u>\$ 4,125,659</u>	<u>\$ 4,197,859</u>
Expenditures					
Health Insurance Claims	\$ 1,967,884	\$ 2,096,580	\$ 2,200,000	\$ 2,150,000	\$ 2,250,000
Administrative Fees	301,771	310,560	311,700	322,000	325,900
Flexible Benefit Plan Fees	3,322	4,638	5,000	5,000	5,000
Audit Fees	1,050	1,050	1,100	1,100	1,100
State Assessment	14,007	8,826	17,000	17,000	17,000
Other	0	3,101	0	0	0
Transfers Out					
General Fund Wellness Program	50,516	48,035	59,600	55,800	57,600
Administrative Fee	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total Expenditures	<u>\$ 2,341,550</u>	<u>\$ 2,475,790</u>	<u>\$ 2,597,400</u>	<u>\$ 2,553,900</u>	<u>\$ 2,659,600</u>
Ending Balance, June 30	<u><u>\$ 1,580,753</u></u>	<u><u>\$ 1,587,859</u></u>	<u><u>\$ 1,460,553</u></u>	<u><u>\$ 1,571,759</u></u>	<u><u>\$ 1,538,259</u></u>

Increase (Decrease) in					
Fund Balance	\$ 127,647	\$ 7,106	\$ (47,600)	\$ (16,100)	\$ (33,500)

Explanation of Changes in Fund Balances:

The balance in this fund increased in 2010/2011 due to favorable health insurance claims experience. 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 amount is \$75,000 and the aggregate amount is 125% of expected claims for the City's group. In both 2010/2011 and 2011/2012 actual insurance claims were less than the expected claims levels which resulted in the increases in fund balance in those years. Based on the budgeted levels of claims in the 2012/2013 revised estimate and 2013/2014 budget, the fund balance is budgeted to decrease in each of those years. Actual fund balance changes, however, will depend on the actual health insurance 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:

The monthly dental insurance rates for January 1, 2008 were set at \$23.76 for the employee and an additional \$40.63 if employees opted for family coverage. The administrative fee paid to Wellmark was \$3.64 per month per employee in 2008. The City pays 100% of the cost of dental insurance for the employee. If employees opt for family coverage, it is paid 100% by the employee. Due to favorable claims experience, the 2008 rates were maintained for 2009 and 2010.

In 2011 dental insurance rates increased to \$24.47 for single coverage with an additional \$41.85 if employees opted for family coverage. The monthly administrative fee increased to \$3.82 per contract in 2011. The maximum annual covered charges increased from \$750 to \$1,000 effective January 1, 2011. These rates were maintained for 2012. The monthly administrative fee was reduced to \$3.61 per contract in 2012.

In 2013 dental insurance rates increased to \$25.69 for single coverage with an additional \$43.94 if employees opted for family coverage. The monthly administrative fee was maintained at \$3.61 per contract in 2013.

For the 2013/2014 year, City, employee, and retiree contributions are estimated at \$131,500. The administrative fee is projected at \$9,500 and claims at \$127,700. An estimated fund balance of \$12,612 is projected for June 30, 2014.

Dental Insurance Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 38,100	\$ 32,912	\$ 34,113	\$ 24,412	\$ 18,312
Revenues					
City Contributions	\$ 56,324	\$ 58,154	\$ 58,700	\$ 59,300	\$ 61,400
Employee Contributions	54,985	56,680	58,300	61,100	64,200
Retiree Contributions	4,517	4,825	4,900	5,800	5,900
Interest	<u>93</u>	<u>70</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 115,919</u>	<u>\$ 119,729</u>	<u>\$ 121,900</u>	<u>\$ 126,200</u>	<u>\$ 131,500</u>
Funds Available	<u>\$ 154,019</u>	<u>\$ 152,641</u>	<u>\$ 156,013</u>	<u>\$ 150,612</u>	<u>\$ 149,812</u>
Expenditures					
Dental Insurance Claims	\$ 111,664	\$ 118,782	\$ 114,500	\$ 123,000	\$ 127,700
Administrative Fees	<u>9,443</u>	<u>9,447</u>	<u>9,500</u>	<u>9,300</u>	<u>9,500</u>
Total Expenditures	<u>\$ 121,107</u>	<u>\$ 128,229</u>	<u>\$ 124,000</u>	<u>\$ 132,300</u>	<u>\$ 137,200</u>
Ending Balance, June 30	<u><u>\$ 32,912</u></u>	<u><u>\$ 24,412</u></u>	<u><u>\$ 32,013</u></u>	<u><u>\$ 18,312</u></u>	<u><u>\$ 12,612</u></u>

Increase (Decrease) in					
Fund Balance	\$ (5,188)	\$ (8,500)	\$ (2,100)	\$ (6,100)	\$ (5,700)

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 (corn distillates/feed); Heinz, USA (food processing); HNI (formerly HON Industries office furniture); 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 seventeen Advisory Commissions serving the City Council and City Staff.

Population

The official U.S. Census figures for the past eighty years are as follows:

<u>Year</u>	<u>City of Muscatine</u>	<u>Muscatine County</u>
2013*	23,819*	42,745
2010	22,886	42,745
2000	22,697	41,722
1990	22,881	39,907
1980	23,467	40,436
1970	22,405	37,181
1960	20,997	33,840
1950	19,041	32,564
1940	18,286	31,296
1930	16,778	29,385

* Voluntary annexations in 2012 and 2013 increased the City of Muscatine's population by 933.

Industries and Major Employers

Due to Muscatine's central location in the Midwest, the community has prospered with industrial development for many years. Presented on the next page is a list of the larger industries and employers located within Muscatine.

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees *</u>
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	180
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	1,011
Heinz, U.S.A.	Food processing	295
Hy-Vee Food Stores	Grocery store	317
HNI Corporation (formerly The HON Company/Industries)	Office furniture and material	3,400
Monsanto Company	Herbicides and ABS plastics	390
Muscatine Community School District	Education	800
Muscatine Community College	Higher education	140
County of Muscatine	County government	198
City of Muscatine	City government	225
Muscatine Power & Water	Utility	300
Musco Sports Lighting, Inc.	Sports lights	380
Stanley Consultants, Inc.	Engineers and architects	271
Raymond-Muscatine Inc.	Industrial trucks and end loaders	235
Trinity-Muscatine	Medical services	482
Wal-Mart Superstores	Discount and grocery store	337

* Employment numbers reflect 2012 levels.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

<u>Facility Name</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Enrollment</u>
Muscatine High School	9-12	1974	1,532
Central Middle School	6-8	1938	579
West Middle School	6-8	1960	667
Colorado Elementary	K-5	1962	318
Franklin Elementary	K-5	1954	299
Grant Elementary	K-5	1954	326
Jefferson Elementary	K-5	1928	383
Madison Elementary	K-5	1954	296

(Continued)

(Continued)

<u>Facility Name</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Enrollment</u>
McKinley Elementary	K-5	1960	328
Mulberry Elementary	K-5	1962	271
Washington Elementary	K-5	1971	<u>362</u>
Total			<u>5,361</u>

Educational opportunities are also complemented by the Eastern Iowa Community College, Muscatine Campus, a two-year college with an enrollment of approximately 1,500 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. Trinity-Muscatine includes an 80 bed acute care hospital, a medical clinic, home health services, and a public health agency. Trinity-Muscatine employs approximately 162 nurses and 30 physicians have admitting privileges for the hospital.

Building Permits

Building permits issued in the City for the last 10 calendar years are as follows:

	<i>Single Family Residence</i>		<i>Multi-Family Residence</i>		<i>Industrial</i>		<i>Commercial</i>		<i>Total Valuation</i>
<u>Year</u>	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	
2003	16	\$2,715,850	12	\$5,180,890	4	\$678,998	8	\$4,090,210	\$ 12,665,948
2004	33	5,043,234	6	1,666,145	7	4,840,780	17	7,877,406	19,427,565
2005	13	2,243,880	7	4,481,380	9	2,532,760	10	2,953,773	12,211,793
2006	18	2,107,685	5	2,565,200	3	2,366,453	3	954,320	7,993,658
2007	12	1,248,992	4	7,700,275	11	3,949,728	8	5,710,469	18,609,464
2008	9	1,241,305	1	208,740	3	84,750	9	6,843,183	8,377,978
2009	18	2,363,303	1	208,080	4	14,567,483	4	6,521,894	23,660,760
2010	8	1,113,325	5	982,320	3	204,183	8	2,040,345	4,340,173
2011	11	2,244,560	2	1,638,643	4	7,008,300	7	4,966,053	15,857,556
2012	15	2,144,865	0	0	2	1,393,250	20	46,934,472	50,472,587

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
2012	5.90%	5.70%
2011	6.40%	5.90%
2010	7.60%	6.10%
2009	8.10%	6.00%
2008	4.30%	4.10%
2007	3.50%	3.80%
2006	3.20%	3.70%
2005	3.90%	4.30%
2004	4.30%	4.70%
2003	4.20%	4.50%
2002	4.10%	4.00%

Retail Sales

The following illustrates the growth trend in taxable retail sales for the City of Muscatine as reported by the Iowa Department of Revenue:

<u>Year Ended 3/31</u>	<u>Retail Sales</u>	<u>Number of of Permits</u>
2012	\$ 386,770,122	695
2011	375,283,095	693
2010	371,429,841	706
2009	378,670,791	708
2008	380,240,483	700
2007	351,046,365	708
2006	335,687,212	651
2005	313,698,848	642
2004	309,223,614	647
2003	291,639,254	652

Population by Age (2010 Census):

<i>Age Group</i>	<i>City of Muscatine</i>	<i>Muscatine County</i>	<i>State of Iowa</i>
Under 5 years	7.7%	7.2%	6.6%
5 to 9 years	4.2%	7.2%	6.6%
10 to 14 years	7.2%	7.3%	6.6%
15 to 19 years	7.0%	7.0%	7.1%
20 to 24 years	5.9%	5.4%	7.0%
25 to 29 years	7.0%	6.1%	6.5%
30 to 34 years	6.5%	6.0%	6.1%
35 to 39 years	6.2%	6.2%	5.8%
40 to 44 years	6.0%	6.5%	6.2%
45 to 49 years	6.8%	7.5%	7.1%
50 to 54 years	7.0%	7.4%	7.3%
55 to 59 years	6.5%	6.8%	6.7%
60 to 64 years	5.4%	5.7%	5.5%
65 to 69 years	3.7%	4.1%	4.1%
70 to 74 years	3.0%	3.1%	3.3%
75 to 79 years	2.4%	2.4%	2.7%
80 to 84 years	2.2%	2.0%	2.3%
85 years and over	2.2%	2.1%	2.5%

Median Family Income (2010 Census):

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Under \$10,000	597	6.4%
\$10,000 to \$14,999	666	7.1%
\$15,000 to \$24,999	1,233	13.1%
\$25,000 to \$34,999	1,026	10.9%
\$35,000 to \$49,999	1,490	15.9%
\$50,000 to \$74,999	2,107	22.4%
\$75,000 to \$99,999	1,119	11.9%
\$100,000 to \$149,999	796	8.5%
\$150,000 to \$199,999	213	2.3%
\$200,000 or more	151	1.6%

Median and Mean Household Incomes (2010 Census):

Median	\$46,178
Mean	\$56,279

Race (2010 Census):

White	20,087
Black or African American	535
Asian	187
American Indian or Alaska Native	108
Native Hawaiian and Other Pacific Islander	4
Some Other Race	1,454
Two or More Race	511
	<u>22,886</u>

Hispanic or Latino and Race (2010 Census):

Hispanic or Latino (of any race)	3,794
Not Hispanic or Latino	<u>19,092</u>
	<u>22,886</u>

Appendix B

CITY OF MUSCATINE COMMUNITY PROFILE

Date chartered	February 1, 1851
Form of government	Mayor/Council/City Administrator
Population (2010 census with the addition of the 2012 and 2013 voluntary annexations)	23,819
Bond Rating (Moody's Investor Services New Rating Scale 2010)	Aa2
Number of employees (excluding seasonal) Full-time equivalent	225
Area in square miles	18.5
City of Muscatine facilities and services:	
Miles of streets	117
Parks and Recreation:	
Parks	14
Park acreage	254
Recreation open areas	8
Recreation open area acreage	232
Golf course	1
Swimming pools	1
Softball and baseball diamonds	19
Soccer fields	8
Tennis courts	8
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	18,639
Circulation	355,993
Art Center and Museum	1
Police protection:	
Number of stations	1
Number of sworn officers	42
Fire protection and ambulance service:	

Number of stations	2
Number of fire/ambulance personnel	37
Sewer system:	
Number of treatment plants	1
Daily average treatment in gallons	3.4 million
Maximum daily capacity in gallons	15.0 million
Public transportation system:	1
Buses	11
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).

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, Ambulance, 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.

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.

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, computer operations, 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 authorized 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.

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, fire, and emergency management 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.

APPENDIX D

ACRONYMS AND ABBREVIATIONS

ADA	Americans with Disabilities Act
CAFR	Comprehensive Annual Financial Report
CALEA	Commission on Accreditation of Law Enforcement Agencies
CD	Certificate of Deposit
CD	Community Development
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
CPI	Consumer Price Index
EAP	Employee Assistance Program
EEO	Equal Employment Opportunity
EMD	Emergency Medical Dispatch
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
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