



FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator
From: Nancy A. Lueck, Finance Director
Date: May 8, 2014
Re: Resolution Approving Amendment #2 to the 2013/2014 City Budget

Introduction and Background:

Attached is the Resolution approving Amendment #2 to the current year City budget. At the May 1, 2013 meeting City Council approved the resolution setting a public hearing on this amendment for May 15, 2014. After this hearing, City Council is requested to take action to approve this second amendment to the current year budget. The first amendment to the budget was adopted on March 6, 2014. That action amended the budget to the Revised Estimate levels established at the budget review sessions.

This second amendment includes additional proposed amendments since that time. This proposed amendment will increase total budgeted expenditures for the City by \$1,115,800 with budgeted transfers to increase by \$121,700 for a total expenditure change of \$1,237,500. City budgeted revenues are proposed to be amended by \$139,900, which includes \$121,700 of funding transfers in. Of the overall requested expenditure increase, the most significant is a \$750,000 increase for contract costs for the West Hill Sewer project which is now expected to be closer to completion by the end of the fiscal year than originally anticipated. Local option taxes will fund these project costs. The balance of the amendments (excluding transfers) total \$365,800 which is similar to the 2nd amendment total amendment for the previous year's budget of \$370,700.

General Fund expenditures are proposed to be amended by a total of \$160,100. The amendments include: (1) an increase of \$9,000 in City Attorney and City Prosecutor costs, (2) an increase of \$11,200 in the Building and Grounds budget for increased utility and building repairs costs, (3) an estimated \$40,000 in the Police department budget for retiree medical costs related to an on-the-job injury, (4) increases of \$5,000 and \$13,200 in the Fire department for haz mat supplies and vehicle repair costs, both of which will be reimbursed, (5) a total increase of \$74,200 in the Snow and Ice Control budget due to the recent snowy/icy winter, and (6) a \$7,500 increase in the Airport subsidy transfer primarily for repairs to the fuel system pump. Road Use Tax funds will fund the increase in the Snow and Ice Control budget, Employee Benefit funds will fund the Police retiree medical costs, and Fire revenues will fund the \$18,200 increase in that budget.

The net effect of the proposed General Fund expenditure and revenue amendments shows a decrease in fund balance of \$27,700. It is, however, expected that there should be savings in various

General Fund department budgets which will offset all or a portion of this amount. For the City's Governmental Funds (primarily the General Fund), expenditures are required to be within the budget for each functional area. This amendment allows for somewhat of a "cushion" for increased costs so the budgets for the various functions are not exceeded at year end.

It should also be noted that although it currently appears that several departments will be well under their budget amounts, we traditionally have not amended those budgets downward to offset increases in other departments. With two months remaining in the fiscal year, the actual amounts that those budgets may be under budget cannot be determined, especially if those departments have unforeseen costs before year end.

Enterprise Fund amendments are proposed for the Parking, Golf Course, Refuse Collection, Transfer Station, Ambulance, and Public Housing funds totaling \$193,150. The significant enterprise fund amendments include (1) \$63,400 in the Refuse Collection fund for increased operating, utility, and vehicle maintenance costs, (2) \$72,500 in the Transfer Station fund for increased operating and maintenance costs, and (3) a total of \$37,150 for increased operating and maintenance cost in the City's Clark House and Sunset Park public housing facilities.

There are also proposed amendments in other funds including \$17,050 for the Section 8 Housing Program and \$3,000 in the Dental Insurance fund.

Summary:

As noted previously, the total proposed 2nd amendment of \$1,115,800 is higher than the previous year's total 2nd amendment of \$370,700 primarily due to the \$750,000 increase for the West Hill Sewer project. The General Fund amendment for 2013/2014 of \$160,100 is higher than the previous year's General Fund amendment of \$93,300 primarily due to the \$74,200 increase in the Snow and Ice Control budget. This increase will be funded from Road Use Tax funds.

The total 2nd amendments and the General Fund amendments in the past three years were as follows: (1) 2012/2013 total 2nd amendment of \$370,700 with \$93,300 in the General Fund, (2) for 2011/2012 the amendment totaled \$945,360 with \$65,500 in the General Fund, and (3) in 2010/2011 the 2nd amendment totaled \$374,200 with \$202,100 in the General Fund. In each of those years the actual balances for the General Fund exceeded the revised estimate projected fund balances at year end.

Recommendation:

Please include the attached resolution approving Amendment #2 to the 2013/2014 budget on the agenda for the May 15, 2014 Council meeting. Please contact me if you have any questions.

70-653

CITY BUDGET AMENDMENT AND CERTIFICATION RESOLUTION

To the Auditor of MUSCATINE County, Iowa:

The City Council of Muscatine in said County/Counties met on 5/15/2014, at the place and hour set in the notice, a copy of which accompanies this certificate and is certified as to publication. Upon taking up the proposed amendment, it was considered and taxpayers were heard for and against the amendment.

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

RESOLUTION No. _____

A RESOLUTION AMENDING THE CURRENT BUDGET FOR THE FISCAL YEAR ENDING JUNI 2014
(AS AMENDED LAST ON 3/6/2014.)

Be it Resolved by the Council of the City of Muscatine

Section 1. Following notice published 5/3/2014

and the public hearing held, 5/15/2014 the current budget (as previously amended) is amended as set out herein and in the detail by fund type and activity that supports this resolution which was considered at that hearing:

	Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources			
Taxes Leved on Property	1 <u>12,539,510</u>	0	<u>12,539,510</u>
Less: Uncollected Property Taxes-Levy Year	2 <u>0</u>	0	<u>0</u>
Net Current Property Taxes	3 <u>12,539,510</u>	0	<u>12,539,510</u>
Delinquent Property Taxes	4 <u>0</u>	0	<u>0</u>
TIF Revenues	5 <u>871,597</u>	0	<u>871,597</u>
Other City Taxes	6 <u>3,410,901</u>	0	<u>3,410,901</u>
Licenses & Permits	7 <u>335,100</u>	0	<u>335,100</u>
Use of Money and Property	8 <u>1,132,720</u>	0	<u>1,132,720</u>
Intergovernmental	9 <u>8,040,020</u>	0	<u>8,040,020</u>
Charges for Services	10 <u>13,093,650</u>	0	<u>13,093,650</u>
Special Assessments	11 <u>0</u>	0	<u>0</u>
Miscellaneous	12 <u>4,812,550</u>	<u>18,200</u>	<u>4,830,750</u>
Other Financing Sources	13 <u>17,997,966</u>	<u>121,700</u>	<u>18,119,666</u>
Total Revenues and Other Sources	14 <u>62,234,014</u>	<u>139,900</u>	<u>62,373,914</u>
Expenditures & Other Financing Uses			
Public Safety	15 <u>8,438,600</u>	<u>58,200</u>	<u>8,496,800</u>
Public Works	16 <u>2,402,200</u>	<u>74,200</u>	<u>2,476,400</u>
Health and Social Services	17 <u>20,000</u>	0	<u>20,000</u>
Culture and Recreation	18 <u>3,342,774</u>	0	<u>3,342,774</u>
Community and Economic Development	19 <u>3,079,636</u>	<u>20,050</u>	<u>3,099,686</u>
General Government	20 <u>2,355,421</u>	<u>20,200</u>	<u>2,375,621</u>
Debt Service	21 <u>2,954,924</u>	0	<u>2,954,924</u>
Capital Projects	22 <u>4,965,700</u>	0	<u>4,965,700</u>
Total Government Activities Expenditures	23 <u>27,559,255</u>	<u>172,650</u>	<u>27,731,905</u>
Business Type / Enterprises	24 <u>20,830,113</u>	<u>943,150</u>	<u>21,773,263</u>
Total Gov Activities & Business Expenditures	25 <u>48,389,368</u>	<u>1,115,800</u>	<u>49,505,168</u>
Transfers Out	26 <u>15,422,966</u>	<u>121,700</u>	<u>15,544,666</u>
Total Expenditures/Transfers Out	27 <u>63,812,334</u>	<u>1,237,500</u>	<u>65,049,834</u>
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year	28 <u>-1,578,320</u>	<u>-1,097,600</u>	<u>-2,675,920</u>
	29		
Beginning Fund Balance July 1	30 <u>18,886,141</u>	0	<u>18,886,141</u>
Ending Fund Balance June 30	31 <u>17,307,821</u>	<u>-1,097,600</u>	<u>16,210,221</u>

Passed this 15 day of May, 2014
(Day) (Month/Year)

Signature
City Clerk/Finance Officer

Signature
Mayor

City of Muscatine
FY 2013/2014 Proposed Budget Amendments
(Budget Amendment #2)
April 28, 2014

Fund/Department	Account	Expenditure Amendment	Comments	Revenues/ Transfers In Amendment
<u>General Fund</u>				
Legal Services:				
Court Costs	1000-01-1121-61210	\$ 500	Based on actual to date and estimated for April - June	\$ -
City Attorney	1000-01-1121-61220	12,500	Based on actual to date and estimated for April - June	-
City Prosecutor	1000-01-1121-61225	6,000	Based on actual to date and estimated for April - June	-
Other Legal Consulting	1000-01-1121-61240	(10,000)	Reallocation of budget between line items	-
Building and Grounds:				
Gas	1000-40-1151-65310	3,000	Based on actual to date and estimated for April - June	-
Bldg Equipment Maint/Repairs	1000-40-1151-67330	13,000	Based on actual to date and estimated for April - June	-
Improvement Repair Services	1000-40-1151-67400	1,200	Based on actual to date and estimated for April - June	-
Health Insurance (Decrease)	1000-40-1151-46100	(6,000)	Employee health insurance change	-
Police:				
Medical Services	1000-15-1311-61520	40,000	Disability retiree medical charges (mandated by State) Funded from Employee Benefit transfer	1000-15-1311-39500 40,000
Fire Operations:				
First Aid/Safety Supplies	1000-20-1321-52840	5,000	Based on actual to date and estimated through 6-30-14 includes Haz Mat supplies (reimbursed)	
			Reimbursed by other agencies	1000-20-1321-38420 5,000
Non-Inventory Materials	1000-20-1321-53220	13,200	Vehicle repair parts Reimbursed by insurance	1000-20-1321-38420 13,200
Snow & Ice Control:				
Fulltime Wages	1000-40-1622-41100	18,200	Based on actual to date and estimated through 6-30-14	
Overtime	1000-40-1622-43100	27,300	Based on actual to date and estimated through 6-30-14	
Shift Differential	1000-40-1622-44300	1,100	Based on actual to date and estimated through 6-30-14	
FICA	1000-40-1622-45100	2,700	Based on actual to date and estimated through 6-30-14	
Medicare	1000-40-1622-45150	700	Based on actual to date and estimated through 6-30-14	
IPERS	1000-40-1622-45200	4,100	Based on actual to date and estimated through 6-30-14	
Unemployment	1000-40-1622-46500	400	Based on actual to date and estimated through 6-30-14	
Unleaded Fuel	1000-40-1622-52720	700	Based on actual to date and estimated through 6-30-14	
Diesel	1000-40-1622-52730	10,100	Based on actual to date and estimated through 6-30-14	
Contracted Snow Removal	1000-40-1622-62470	8,900	Based on actual to date and estimated through 6-30-14 Funded from Road Use Tax Fund transfer	1000-40-1622-39400 74,200
Airport Subsidy:				
Subsidy Transfer Increase	1000-00-1711-90500	7,500	Based on actual to date and estimated through 6-30-14	
Total - General Fund		\$ 160,100		\$ 132,400
<u>Enterprise/Internal Service Funds</u>				
Parking Operations:				
Printing Services	5311-05-5311-62370	\$ 1,800	Police tickets (snow emergency tickets used most of stock) and ticket envelopes (Increased revenue in General Fund)	\$ -
Operating Equipment Repairs	5311-05-5311-67320	1,300	Additional parking meter repairs (displays)	-
Subtotal		\$ 3,100		\$ -
Golf Course Maintenance Operations:				
Operating Equipment Repairs	5451-25-5451.67320	5,500	Irrigation system repairs at pump station	-
Subtotal		\$ 5,500		\$ -

Fund/Department	Account	Expenditure Amendment	Comments	Transfers In Amendment
Refuse Collection:				
Temporary Part-Time Wages	5642-45-5642-42200	\$ 13,000	Based on actual to date and estimated through 6-30-14	\$ -
Overtime	5642-45-5642-43100	2,500	Based on actual to date and estimated through 6-30-14	-
FICA	5642-45-5642-45100	950	Based on actual to date and estimated through 6-30-14	-
Medicare	5642-45-5642-45150	250	Based on actual to date and estimated through 6-30-14	-
IPERS	5642-45-5642-45200	200	Based on actual to date and estimated through 6-30-14	-
Diesel Fuel	5642-45-5642-52730	4,200	Based on actual to date and estimated through 6-30-14	-
Safety Supplies	5642-45-5642-52840	1,800	Based on actual to date and estimated through 6-30-14	-
Transfer Station Fees	5642-45-5642-62240	9,000	Based on actual to date and estimated through 6-30-14	-
Advertising	5642-45-5642-65100	1,000	Based on actual to date and estimated through 6-30-14	-
Gas	5642-45-5642-65310	3,200	Based on actual to date and estimated through 6-30-14	-
Water	5642-45-5642-65410	100	Based on actual to date and estimated through 6-30-14	-
Sewer	5642-45-5642-65420	200	Based on actual to date and estimated through 6-30-14	-
Inside Services	5642-45-5642-67110	1,500	Based on actual to date and estimated through 6-30-14	-
Outside Services	5642-45-5642-67130	24,000	Based on actual to date and estimated through 6-30-14	-
Tires/Tire Repairs	5642-45-5642-67140	1,500	Based on actual to date and estimated through 6-30-14	-
Subtotal		\$ 63,400		\$ -
Transfer Station:				
Overtime	5658-45-5658-43100	\$ 2,500	Based on actual to date and estimated through 6-30-14	\$ -
Landfill Fees	5658-45-5658-62240	20,000	Based on actual to date and estimated through 6-30-14	-
Hauling Services	5658-45-5658-62520	35,000	Based on actual to date and estimated through 6-30-14	-
Tires/Tire Repairs	5658-45-5658-67140	2,000	Based on actual to date and estimated through 6-30-14	-
Outside Parts	5658-45-5658-67150	13,000	Based on actual to date and estimated through 6-30-14	-
Subtotal		\$ 72,500		\$ -
Airport Operations:				
Diesel Fuel	5711-40-5711-52730	\$ 1,000	Based on actual to date; for increased snow removal	
Management Services	5711-40-5711-61650	500	Budget correction to contract amount	
Gas	5711-40-5711-65310	600	Based on actual to date and estimated through 6-30-14	
Electric Services	5711-40-5711-65320	400	Based on actual to date and estimated through 6-30-14	
Other Equipment Repair Services	5711-40-5711-67340	5,000	Fuel pump repair costs	
Subtotal		\$ 7,500	General Fund Subsidy Transfer 5711-10-5711-39500	\$ 7,500
Ambulance Operations:				
Part-Time Ambulance Attendants	5811-20-5811-42200	\$ 4,000	Based on actual to date and estimated through 6-30-14	\$ -
Clark House:				
Maintenance Wages	9002-90-9020-44100	\$ 2,000	Standby pay for maintenance staff	\$ -
Staff Training	9002-90-9020-41400	500	For upcoming retirement	-
Telephone Charges	9002-90-9020-41904	500	Manager's cell phone allowance	-
Computer/Hardware/Software Maint.	9002-90-9020-41908	1,500	As recommended by IT Manager	-
Resident Council/Services	9002-90-9020-41911	1,500	HUD requires \$25/unit	-
Internet Services	9002-90-9020-41914	350	Based on actual year-to-date	-
Utilities - Gas	9002-90-9020-43700	3,000	Based on actual year-to-date; colder/longer winter	-
Vehicle/Equipment Maint.	9002-90-9020-44209	1,300	Truck repairs	-
Grounds Maint. Supplies	9002-90-9020-44210	500	Increased salt for ice control	-
Cleaning Services	9002-90-9020-44302	10,000	Due to extended leave of FT Maintenance Repairperson	-
Alarm/Security Services	9002-90-9020-44305	1,400	Unforeseen upgrades needed	-
HVAC Repairs/Maint.	9002-90-9020-44308	4,000	Cleaning of air conditioning units	-
Sprinkler System Maint.	9002-90-9020-44317	550	5-Year test added	-
Betterments and Additions	9002-90-9020-75200	5,700	Additional apartment rehabs before 6/30/14	-
Subtotal		\$ 32,800		\$ -
Sunset Park:				
Maintenance Wages	9006-90-9060-44100	\$ 1,000	Standby pay for maintenance staff	\$ -
Printing/Printing Supplies	9006-90-9060-41902	500	Increased toner costs	-
Resident Council Services	9006-90-9060-41911	650	HUD requires \$25/unit	-
Fuels and Lubricants	9006-90-9060-44202	300	Based on actual year-to-date	-
Vehicle/Equipment Materials	9006-90-9060-44209	800	Based on actual year-to-date	-
Grounds Maint. Supplies	9006-90-9060-44210	700	Increased salt for ice control	-
Pest Control Services	9006-90-9060-44303	4,600	Bedbug treatments (3 units)	-
Vehicle/Equip Repair Services	9006-90-9060-44306	800	Based on actual year-to-date	-
Betterment and Additions	9006-90-9060-75200	(5,000)	Lower apartment turnover	-
Subtotal		\$ 4,350		\$ -
Total Enterprise Funds		\$ 193,150		\$ 7,500

Fund/Department	Account	Expenditure Amendment	Comments	Transfers In Amendment	
Special Revenue Funds					
Road Use Tax Fund:					
Transfer for Increased Snow and Ice Control Costs	8200-00-8212-90400	\$ 74,200	For increased costs in General Fund	\$ -	
Subtotal		<u>\$ 74,200</u>		<u>\$ -</u>	
Employee Benefit Fund:					
Transfer to General Fund	8350-00-8354-90500	\$ 40,000	Transfer for Police disability retiree medical costs	\$ -	
Section 8 Housing Choice Voucher Program:					
Fulltime Wages	9007-90-9070-41100	\$ 3,500	Based on actual year-to-date allocated costs	\$ -	
General Office Supplies	9007-90-9070-41901	300	Based on actual year-to-date and estimated through 6-30-14	-	
Other Admin Expenses	9007-90-9070-41910	700	Additional background checks	-	
Fuels and Lubricants	9007-90-9070-44202	200	Based on actual year-to-date and estimated through 6-30-14	-	
Vehicle/Equip Maint. Services	9007-90-9070-44306	1,000	Based on actual year-to-date and estimated through 6-30-14	-	
Housing Assistance Pmt-Portability	9007-90-9070-47152	11,000	Increase in portabilities to areas with higher payment standards	-	
Printing/Printing Supplies	9007-90-9071-41902	250	Based on actual year-to-date and estimated through 6-30-14	-	
Postage	9007-90-9071-41905	100	Based on actual year-to-date and estimated through 6-30-14	-	
Subtotal		<u>\$ 17,050</u>		<u>\$ -</u>	
Total Special Revenue Funds		<u>\$ 131,250</u>		<u>\$ -</u>	
Internal Services Funds:					
Dental Insurance Fund:					
Dental Insurance Claims	7655-00-7655-46300	\$ 3,000	Based on actual year-to-date and estimated through 6-30-14	<u>\$ -</u>	
Capital Projects Funds:					
West Hill Sewer Project					
Project Construction Costs	No Ledger Entry	\$ 750,000	Contract work progressing ahead of original budget estimate (Future year local option tax funding)	<u>\$ -</u>	
Total Budgeted Funds (Including Transfers Out)		<u>\$ 1,237,500</u>		<u>\$ 139,900</u>	
Expenditure Breakout:					
Expenditure Increase		\$ 1,115,800	Revenue Breakout: Increased Revenues Increased Transfers In	\$ 18,200	
Funding Transfer Increase		121,700		121,700	
Total		<u>\$ 1,237,500</u>		<u>\$ 139,900</u>	
Non-Budgeted Fund:					
Equipment Services Operations:					
Overtime	7625-40-7625-43100	\$ 8,500	Based on actual year-to-date; increased dept charges will fund		
FICA	7625-40-7625-45100	500	Based on actual year-to-date; increased dept charges will fund		
Medicare	7625-40-7625-45150	100	Based on actual year-to-date; increased dept charges will fund		
IPERS	7625-40-7625-45200	800	Based on actual year-to-date; increased dept charges will fund		
Unleaded Fuel	7625-40-7625-52720	20,000	Based on actual year-to-date; increased dept charges will fund		
Non-Inventory Material	7625-40-7625-53220	30,000	Based on actual year-to-date; increased dept charges will fund		
Outside Services	7625-40-7625-67130	15,000	Based on actual year-to-date; increased dept charges will fund		
Tires/Tire Repairs	7625-40-7625-67140	8,000	Based on actual year-to-date; increased dept charges will fund		
Outside Parts	7625-40-7625-67150	8,000	Based on actual year-to-date; increased dept charges will fund		
Operating Equipment Repair	7625-40-7625-67320	1,000	Based on actual year-to-date; increased dept charges will fund		
			7625.7625.35450	<u>\$ 91,900</u>	
		<u>\$ 91,900</u>		<u>\$ 91,900</u>	
Total Budgeted and Non-Budgeted Funds		<u>\$ 1,329,400</u>		<u>\$ 231,800</u>	