

# *City of Muscatine, Iowa*



*Annual Budget  
Fiscal Year 2014/2015*

# **ANNUAL BUDGET**

## **CITY OF MUSCATINE, IOWA**

**FOR THE FISCAL YEAR  
JULY 1, 2014 - JUNE 30, 2015**

### **CITY OFFICIALS**

**DeWayne Hopkins  
Mayor**

#### **City Council**

<b>Philip Fitzgerald</b>	<b>Michael Rehwaldt</b>
<b>Tom Spread</b>	<b>Bob Bynum</b>
<b>Jeanette Phillips</b>	<b>Scott Natvig</b>
<b>Osama Shihadeh</b>	

**BUDGET PREPARED BY:**

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

**COVER:**

**On May 1, 2014 Joni Axel (front right), Community Program Manager for the Muscatine Blue Zone Project, presented Mayor Hopkins and City Administrator Gregg Mandsager with the Certificate of Recognition that Muscatine achieved the designation as a Blue Zone Community Policy community.**

**A part of this designation was the City's Complete Streets Policy which was ranked in the top ten nationally by the National Complete Streets Coalition, a program of Smart Growth America.**

# **City of Muscatine**

## **Mayor and City Council**



**Front Row Left to Right:**

**Councilmember Jeanette Phillips, Mayor DeWayne Hopkins,  
Councilmembers Bob Bynum and Phil Fitzgerald**

**Back Row Left to Right:**

**Councilmembers Tom Spread, Osama Shihadeh,  
Michael Rehwaldt, and Scott Natvig**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Muscatine**

**Iowa**

For the Fiscal Year Beginning

**July 1, 2013**

*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, 2013. This was the twenty-ninth 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.

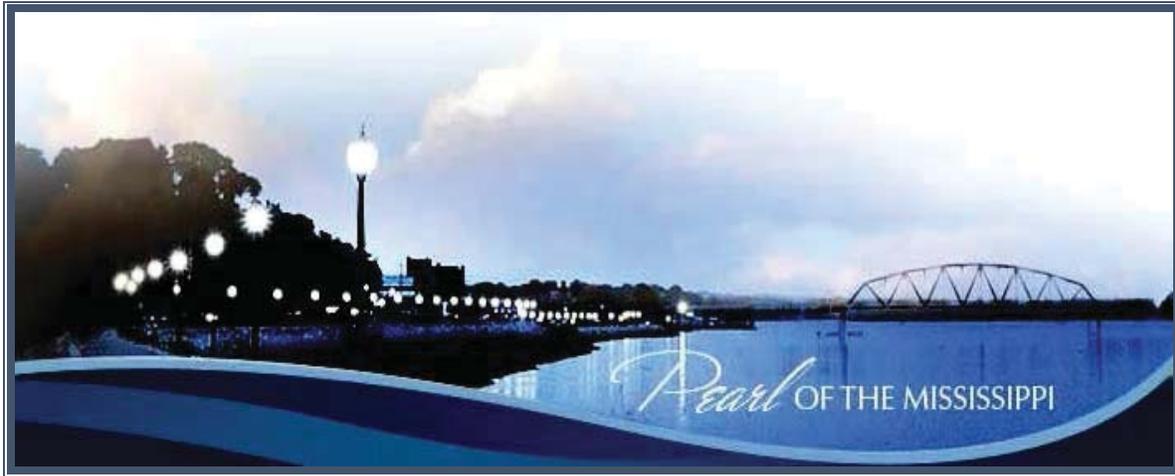
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**City of Muscatine**  
**Information Directory**

City of Muscatine Website  
**muscatineiowa.gov**

**City Administrator and Department Directors**

<b><u>Director/Department</u></b>	<b><u>E-mail Address</u></b>	<b><u>Telephone</u></b>
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Steve Boka, Community Development Director	<a href="mailto:sboka@muscatineiowa.gov"><u>sboka@muscatineiowa.gov</u></a>	563-262-4141
Nancy A. Lueck, Finance Director	<a href="mailto:nlueck@muscatineiowa.gov"><u>nlueck@muscatineiowa.gov</u></a>	563-264-1550
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Randy E. Hill, Public Works Director	<a href="mailto:rhill@muscatineiowa.gov"><u>rhill@muscatineiowa.gov</u></a>	563-263-8933
Jon Koch, Director of Water Pollution Control	<a href="mailto:jkoch@muscatineiowa.gov"><u>jkoch@muscatineiowa.gov</u></a>	563-263-2752



# Introduction to the City of Muscatine

## Pearl of the Mississippi

[www.muscatineiowa.gov](http://www.muscatineiowa.gov)

### Early History

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**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

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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

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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

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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

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**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

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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

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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**



TO: Mayor DeWayne Hopkins and Members of City Council

SUBJECT: Budget Message - FY 2014/2015

DATE: March 15, 2014

The budget for fiscal year 2014/2015 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 29th consecutive Distinguished Budget Presentation Award for the fiscal year 2013/2014 City Budget. The budget for fiscal year 2014/2015 will also be submitted for consideration for this award.

### **GOALS AND OBJECTIVES**

The budget for 2014/2015 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 on October 24, 2013 to discuss and establish goals and objectives for 2014/2015. At that meeting the City Council also reaffirmed the Core Values and Vision Statement, and approved an updated Mission Statement for the City. The Core Values, Vision Statement, updated Mission Statement, and strategic goals for 2014 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, 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

Provide effective municipal services, excellent customer service, and sound fiscal management that improves quality of life and ensures a sustainable economy.

<b><i>OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015 AND FUTURE YEARS</i></b>
---

## Long-Term Goals

- Implement the Comprehensive Plan and complete an annual progress report.
- 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 and Management Agenda 2014-15

### **Quality of Life**

- Provide for the City's existing levels of service with an emphasis on essential services.
- Coordinate and bring forth policies or programs in support of the Blue Zones and Community Improvement Action Team (CIAT)/Iowa Initiative for Sustainable Communities (IISC) initiatives. Examples include:
  - Blue Zones Worksite (2013),
  - Complete streets policy (2013),
  - Zoning ordinance update (Draft 2014, Adoption 2015),
  - Building Codes update (Subsequent to zoning),
  - Pedestrian Master Plan (2014),
  - Bicycle Master Plan (2014),
  - Community gardening (2014),
  - Built environment improvements (burden report),
  - Walkability study and initiatives.
- Work to retain and develop resources that help provide for a safe community (e.g. state, federal, outside funding, Automated Traffic Enforcement (ATE), School Resource Officers, Street Crimes Unit, Drug Task Force, Fire Act, etc.).
- Promote community pride through beautification and placemaking programs.

### **Fiscal Responsibility**

- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan. (Draft December 2013, Adoption 2014)
- Position the City to address potential shortfalls in revenue due to state and federal mandates.

- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. (Revisit with Committee 2014)

### **Economic Development**

- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool. (2014 Legislative Session)
- Market economic development incentives (e.g. TIF, Enterprise Zone, Tax Abatement, State Incentives)
- Complete the rewrite of the 1974 Zoning Ordinance (Draft 2014, Adoption 2015).
- Promote opportunities and incentives for infill (Residential Tax Abatement).
- Promote voluntary annexation.

### **Marketing**

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (Chamber), Convention and Visitors Bureau (CVB), and IISC.
- Coordinate with the Chamber of Commerce and CVB to sell Muscatine as a great place to live, work and raise a family.
- Enhance the City's new website and expand the use of social media tools for public communication.
- Explore methods to improve public communication and marketing (e.g. committee, IISC and other studies, personnel, etc.)
- Increase marketing efforts that promote City activities, initiatives, successes, and services (e.g. social media, apps, new technologies, web resources, dashboards, and other forums or outlets).

### **Lean/Continuous Service Improvement**

- Focus on continuous improvement, employee initiative, and excellence in service
  - Complete initial lean training sessions (January 2014, April 2014).
  - Implement lean concepts/processes, identify metrics to report successes, and provide annual progress report.
  - Improve employee understanding and create buy-in of City-wide values, vision, mission, and goals.
- Explore and implement new technology improvements and strategies to promote efficiency and to reduce waste (e.g. software, apps, mobile technology, materials and equipment, etc.).

### **Capital Projects**

- Pearl of the Mississippi Phase 3 – Depending on IISC results, work with community entities to bring forth a concept plan and identify projects to maximize funding opportunities and success (Soccer/multi-use fields, former Hawkeye site, Mad Creek trail, dog park, band shell).
- Mississippi Drive Corridor (2014-15 obtain environmental approvals and identify potential funding sources).
- Colorado Street (Substantial completion 2014)
- Cedar Street (Substantial completion 2014)
- Mulberry Avenue planning and design (2015)
- CSO (Combined Sewer Separation) (Multiple phases through 2028)
- Airport Layout Plan (Master Plan) 2014
- Airport Rehab of Primary Runway (2014-15)

The 2014/2015 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 2014/2015 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**

In 2013 the State Legislature adopted Senate File 295 for Property Tax Reform. This legislation implemented the following:

1. A 10% rollback at 5% per year over two years beginning in 2014/2015 on commercial, industrial, and railroad property, after which this property will be taxed at 90%. This legislation included some backfill funding for local governments.
2. A taxable valuation growth reduction for agricultural and residential property from the previous 4% to 3%. This will limit the annual increase in taxable valuations for those properties.
3. While the rollback factor for residential property is expected to incrementally increase in upcoming years from the current 54.4002%, it will not increase above 60% per this legislation.
4. Created a new “multi-residential” property class which will be rolled back to residential levels by January 1, 2022, without backfill to local governments. This will be phased in beginning in the 2016/2017 fiscal year.

This legislation will impact the City’s taxable property valuations for fiscal years 2014/2015 through 2023/2024. Based on growth assumptions, Public Financial Management Inc. (PFM), the City’s financial consultant, has projected an average increase in taxable valuations for the next ten years to be only .39% per year. This is significantly less than the average increase of 2.5% over the past ten years.

The 2014 legislative session promises potential action on other topics critical to the cities across the state, which may directly impact city Automated Traffic Enforcement (ATE) revenues and Tax Increment Financing (TIF). The City continues to closely monitor bills related to ATE’s, TIF, pensions, and any others that would impact the City operation.

The City’s 2014/2015 budget was developed based on positioning the City for the impacts from the legislative changes previously enacted or that may be enacted this legislative session.

The City of Muscatine made a number of changes in previous years to adjust for the limited 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**

Every elected body struggles with balancing the tax burden for citizens with a need to provide adequate funding for operational and capital activities within the organization itself. It is that balance that Council again tried to achieve in the 2014/2015 budget. The total property tax rate for the 2014/2015 budget is \$15.67209 per \$1,000 of taxable valuation, which is the same total rate as the two previous years. While the tort liability and employee benefits tax levies increased for the upcoming year, the City was able to reduce the transit tax levy in an amount which offset the increases in the other areas. The budget will again fund a portion of the cost of employee benefits for General Fund employees from the General Fund balance instead of the Employee Benefits tax levy. This assisted in maintaining the same tax rate for 2014/2015.

While the tax rate will not change for 2014/2015, residential property owners will still be impacted since the rollback factor applied to residential property increased by 2.99% for the upcoming year. The owner of a home with a value of \$100,000 will see an increase of \$25 in their city property taxes for 2014/2015. Conversely, with the 5% rollback on industrial and commercial property in 2014/2015, the owner of a commercial business valued at \$100,000 will see a decrease of \$78 in their property tax bills. These rollbacks are mandated by the State of Iowa and result in shifting the tax burden between different categories of property.

## **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. The contribution rate further increased to 30.41% for 2014/2015 for an additional cost increase of \$32,600. 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. For 2014/2015 the property tax rate for police and fire pension contribution further increased to \$1.75054, a 2.97% increase.

For the 2013/2014 budget the City chose to fund a \$527,005 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. In 2014/2015 \$369,265 of other employee benefits will be funded from the General Fund balance instead of the Employee Benefits levy which again has allowed for the total tax levy rate to remain unchanged. 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 one of the most significant budget challenges 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 placed the City in a better financial position for 2014/2015 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, 2013/2014, or 2014/2015.

The establishment of the Utility Franchise 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 and fees for Fire department inspections and permits. The 1% franchise fee rate was maintained for the 2013/2014 and 2014/2015 budgets. 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 included 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 annually.

Other changes implemented since 2011/2012 have 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 thirteen in 2013; (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 2014/2015 and future years. One of the City's goals for the upcoming year is to continue to develop a formal "Lean" program which 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, continue to provide existing 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 \$32,261,758 in 2014/2015 for all of the TIF areas. This value would generate \$261,320 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 \$505,609 – essentially lost revenue that could be used to fund and maintain city operations and services. If that \$32.26 million was allocated toward regular valuations for all taxing entities, the county would generate over \$293,000 in taxes and the school over \$492,000 (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 2014/2015 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 \$707,000 of incremental taxes was not claimed by the city for 2014/2015. 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, County, and School district.

For the 2011/2012, 2012/2013, 2013/2014, and 2014/2015 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, \$114,000 in 2013/2014, and \$116,500 in 2014/2015 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 2014/2015 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, 2013/2014, and 2014/2015 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 were expected to bring in an additional 5,000 tons of waste and \$180,000 of revenues annually over the three year period of these contracts. These negotiated industrial contracts and well as the original industrial contracts have been extended through June 30, 2015.

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, decreased by an additional \$582,320 to \$1,518,292 in fiscal year 2011/2012, and decreased by \$435,957 to \$1,082,335 in fiscal year 2013/2014. With the estimated landfill revenues and expenditures, the deficit in the Landfill fund is projected to decrease by \$338,622 during the 2013/2014 fiscal year and by an additional \$537,154 to \$206,559 by the end of the 2014/2015 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 2016/2017 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 2014/2015**

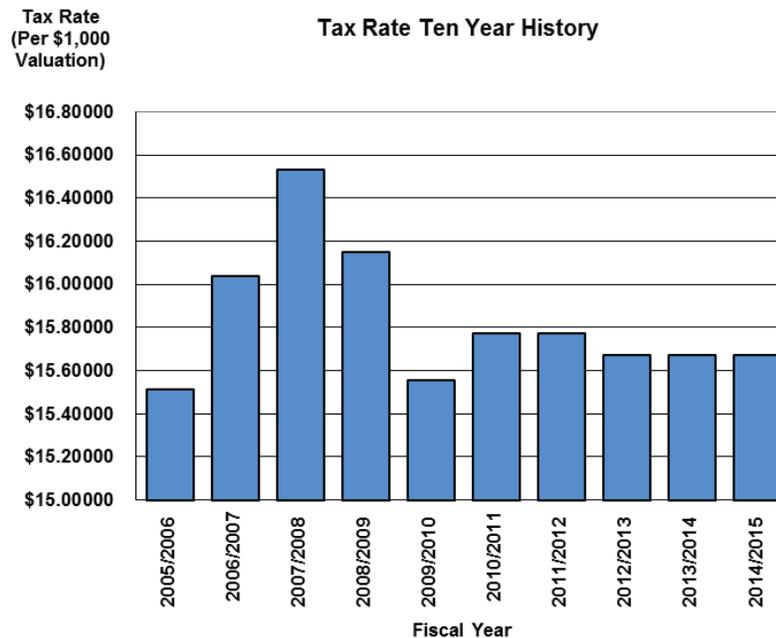
As in every year, there are increases in expenditure levels for city operations that reflect the increased cost of providing services even at a status quo or below status quo level. In 2010/2011 the City successfully negotiated 3-year contracts with each of the City's three bargaining units for the years 2011/2012 through 2013/2014. With 3-year contracts in place, labor attorney costs were reduced in 2011/2012 and 2012/2013. Contract negotiations with the three unions were in progress at the time the 2014/2015 budget

was being prepared and reviewed by City Council. The 2014/2015 budget included an estimated 2.25% increase in wage rates for employees in the three bargaining units with the same increase budgeted for non-union employees. A 5-year agreement with the Fire bargaining unit was reached shortly after the budget was approved. This included a 2.25% increase in the first year (2014/2015) and 2.50%, 2.75%, 2.90%, and 3.0% increases for years 2-5 of the contract. Negotiations are continuing with the police and blue/white bargaining units. The City's goal is to negotiate for wage increases in these groups similar to what was reached with the fire group.

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 further increased to \$500/\$1,000 deductibles and \$1,000/\$2,000 out-of-pocket maximums on January 1, 2014. The fire bargaining unit has agreed to further increase the deductibles to \$600/\$1,200 and the out-of-pocket maximums to \$1,200/\$2,400 effective January 1, 2016. The fire bargaining unit also agreed to increase the employee contributions for health insurance from the current 5% to 6% as of January 1, 2017, to 7% as of January 1, 2018, and to 8% as of January 1, 2019. The City is currently negotiating for similar changes in the health insurance plan for the other two union groups. 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 2014/2015, property taxes will represent 32.0% of total city operating revenues. This is a slight increase from the 31.9% in fiscal year 2013/2014. The total tax levy rate for fiscal year 2014/2015 of \$15.67209 per \$1,000 of valuation is the same as the total tax rate for 2013/2014 and 2012/2013. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2014/2015:



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 rates for 2013/2014 and 2014/2015 were maintained at \$15.67209/\$1,000 of valuation, which is the same rate as 2012/2013.

There are six categories that make up the 2014/2015 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 2014/2015 Tort Liability tax levy increased by 19.9% and the Employee Benefit levy increased by 1.2% compared to the 2013/2014 levies. The City was able to offset these increases with a decrease in the Transit levy. The Transit levy decrease was possible due to decreased bus repair and maintenance costs and having no capital outlay items budgeted for 2014/2015. Four transit vehicles were replaced in 2013/2014 which resulted in the reduced maintenance costs. The increase in the Special Revenue levy for employee benefits is primarily due to the increased Police and Fire pension contribution costs as discussed in the previous section. The City is continuing to fund a portion of General Fund employee benefit costs from the General Fund balance in lieu of the Special Revenue fund levy in order to avoid an increase in the overall property tax rate. In 2013/2014 \$527,005 of employee benefits costs will be funded from the General Fund and the amount for 2014/2015 is \$369,265. The city will continue the Levee Improvement tax levy of \$.06750 per \$1,000 of valuation in 2014/2015, which will be used towards the city's share of the Mad Creek Levee project costs incurred in prior years.

As noted previously, the City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2014/2015. 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. 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 2014/2015.

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 also 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. In 2013 the City adopted TIF policies and incentives to encourage in-fill opportunities and to address blight within the city limits. These policies and incentives 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 2014/2015 the City Council has included \$35,000 in the budget to provide this assistance. An additional \$3,000 was allocated to the Chamber in 2014/2015 to assist in hosting visitors from Muscatine's various sister cities and other hospitality related economic development activities. 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 2014/2015 is \$794,221,063, which is \$984,751 (.12%) lower than the fiscal year 2013/2014 valuation of \$795,205,814. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The overall decrease is due to the new rollback of commercial, industrial, and railroad property from 100% to 95%. For 2014/2015 there was a decrease of .42% in commercial and a decrease of 8.63% in industrial valuations. The overall changes in the valuations in these categories reflects the net effect of growth, re-valuation by the County Assessor, and the 5% rollback. The taxable valuation for residential property, however, increased by 2.47% for 2014/2015. While *actual* residential property values decreased by .51% in 2014/2015 due to growth and re-valuation of existing property, *taxable* values increased by 2.47%. 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 2014/2015, however, the rollback factor for residential property increased from 52.8166% to 54.4002% (an increase of 2.99%). With the total City tax rate of \$15.67209 for 2014/2015, the City will collect \$12,541,759 in property taxes in fiscal year 2014/2015 compared to fiscal year 2013/2014 taxes of \$12,539,510, an increase of \$2,249 (.02%).

As noted above, property tax reform legislation approved in 2013 rolled back commercial and industrial property from 100% to 95% in 2014/2015 and will roll back these valuations to 90% in 2015/2016. This legislation included a provision for the State to provide a reimbursement to cities which is expected to offset a portion of the property taxes which would have been received if not for the new commercial and industrial rollback. For 2014/2015 the State reimbursement to the General Fund is estimated at \$144,720 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$6,567 for the Transit levy, \$7,061 for the Tort Liability levy, \$68,807 for the Employee Benefits levy, \$56,153 for the Debt Service levy, and \$1,206 for the Levee levy total to an estimated total reimbursement of \$284,514 for 2014/2015. If this total reimbursement of \$284,514 is added to the property tax levy amount of \$12,541,759 this would total \$12,826,273 which is \$286,763 (2.29%) more than the 2012/2013 property tax levy amount.

## **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 2014/2015 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 2014/2015 it is anticipated that the city will receive \$2,310,400 in Road Use Taxes. Road Use Taxes are distributed to cities on a per-capita basis and the City began receiving increased revenue midway through the 2013/2014 fiscal year due to annexations which added 933 to the City's population. An estimated \$190,000 in State funding will also be received for the Transit operation and \$266,800 is budgeted to be received for the Musser Park to Weggens Road Trail project in 2014/2015.

The fiscal year 2014/2015 budget includes an estimated \$5,623,380 in federal funding for both operating and capital project costs. This includes the following: \$1,793,580 in funding for the Section 8 Housing rental assistance program; \$334,800 for operating and capital funding for the city's Public Housing Program; \$1,609,000 in federal funding for street-related projects; \$487,200 in FAA funds for airport projects; \$400,000 for the CDBG Downtown Revitalization project; \$361,300 in federal funding for the Transit operation; \$320,900 in federal funding for the Musser Park to Weggens Road Trail project; and \$316,600 in Police department grants.

## **CHARGES FOR SERVICES**

For fiscal year 2014/2015 budgeted charges for services total \$13,381,850 and comprise 31.4% of total operating revenues of the city compared to 31.3% for 2013/2014. 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 the golf course for fiscal year 2014/2015.

Sewer revenues including the separate collection and drainage charges are estimated at \$5,440,400 for 2014/2015. 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 completed in 2012. In 2013 the City contracted for another rate study and the resolution adopting the recommended rates was approved by City Council in August of 2013. This resolution set both sewer and collection drainage rates for a 5-year period through June 30, 2018. The new sewer rates reflect annual 3% increases with the first year rates effective September 1, 2013 and thereafter 3% annual rate increases effective July 1, 2014 through July 1, 2017.

Golf course fees and sales are estimated at \$847,300 for 2014/2015. Golf fees are budgeted to increase for the 2014 golf season by \$1.00 per round for adult and senior greens fees. Adult and senior season pass fees will also increase by \$30.00 and \$25.00, respectively. The greens fee and season pass rates for juniors will remain the same in order to encourage 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 2014 season is the eighth 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 was completed in 2013 at a total cost of \$330,200. A \$60,000 down payment was made in 2012/2013 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 2014/2015 based on an estimated 35,000 tons of waste being processed at this facility. The current tipping fee is \$60.00 per ton and this rate will not change for the 2014/2015 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 2014/2015. 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 2014/2015. 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 the 2013/2014 revised estimate and \$1,280,000 for the 2014/2015 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 2014/2015. Transit charges are estimated at \$172,000 for 2014/2015.

Parking fees are budgeted at \$105,000 for 2014/2015. Parking meter rates were increased from \$.20 to \$.25/hour for 10-hour meters and from \$.30 to \$.50 for 2-hour meters for the 2013/2014 fiscal year. These rates will continue in 2014/2015.

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, 2013, or 2014.

## **PROGRAMS AND SERVICES**

The 2014/2015 budget will provide for the continuation of most city services at the current levels. Full-time equivalent (FTE) year-round employees on an entity-wide basis totals 222.58 for 2014/2015. This is a decrease of 1.23 in full-time equivalent positions compared to the original budget for 2013/2014. Changes in authorized positions for 2011/2012 through 2014/2015 are as follows:

### **2014/2015**

- There is a reduction of one fulltime Refuse Collection Driver. The City will be moving to automated refuse collection vehicles as the current vehicles are replaced. These allow for the refuse collection process to be performed by one person compared to the two required with the regular refuse collection vehicles. A position which became vacant in 2013/2014 will not be filled due to this upcoming change.
- There were reductions in part-time staffing in the Library (.13 FTE) and Refuse Collection (.10).

### **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 \$17,811,981 for 2014/2015 is .7% (\$123,274) above the 2013/2014 budget of \$17,688,707. The overall increase consists of (1) an increase of \$178,100 (2.0%) in salaries and wages, (2) an increase of \$55,900 (1.4%) in employee benefit costs, (3) an increase of \$65,250 (7.1%) in commodity costs, (4) an increase of \$14,750 (.6%) in contractual services costs, (5) a decrease of \$170,000 (25.6%) in capital outlay costs, and (6) a decrease of \$20,726 (3.1%) in transfers and “assigned” funding. The increase in employee benefits includes \$32,600 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.

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 assisted 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 first two \$40,000 funding assignments were budgeted in 2012/2013 and 2013/2014. The original 3-year grant period is expected to end in February 2015. The Police budget for 2014/2015 includes approximately \$31,000 to fund the City’s share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years is \$9,000. This results in \$89,000 being set aside for funding these officers through the required 4<sup>th</sup> year which is estimated to end in February, 2016. This takes into account the School providing funding for their portion of the 4<sup>th</sup> year costs. During the 2015/2016 budget review process, a decision will need to be made whether these positions will be retained at City and School cost or if they will be eliminated.

The 2014/2015 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 2014/2015, 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 2014/2015. There has always been a precarious balance between the desire to address community “needs and wants” and the availability and distribution of 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 thirteen years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2014/2015 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 assumes a new grant will be received for 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 2014/2015. These positions are partially funded from federal grants.

Fiscal year 2014/2015 will be the tenth 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, and engineering have been maintained for fiscal year 2014/2015. Major projects in the Public Works area in the upcoming year include construction of 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. The 2014/2015 budget includes funding to begin the transition to an automated refuse collection program for residential waste. This program involves providing standard waste bins to customers and purchasing automated refuse collection vehicles which can be operated by one person instead of the two-person crews needed for the current vehicles. A “pilot” area was designated in 2013/2014 as a trial area for this program. For the pilot program tippers were added to the current refuse trucks and bins were provided to residential customers in the trial area. In 2014/2015 the first automated refuse collection vehicle is budgeted to be purchased as well as additional refuse bins which will phase in the next group of customers. Additional refuse bins will be purchased in future years and additional automated trucks will be purchased as the current refuse collection vehicles are replaced.

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, recreation 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. Planning for the “Pearl Project - Phase 3” is in the early stages and is awaiting the University of Iowa Initiative for Sustainable Communities project results.

The city will continue its commitment toward effective planning and community development efforts. In 2013 the Community Development department completed the process for developing a new citywide comprehensive plan incorporating Iowa’s Smart Planning Principles. This plan was adopted by the City Council on September 19, 2013. During 2013/2014 the Community Development department is in the process of developing a new Five Year Capital Improvements Plan which is scheduled to be adopted by City Council in April of 2014. This department is also in the process of updating the City’s zoning ordinance.

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 required 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 was completed in the fall of 2013. The second phase began in the summer of 2013 and is expected to be completed by the fall of 2014. Engineering design for the next phase of this project began in 2013/2014 and will continue in 2014/2015.

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 2013/2014 and 2014/2015 include completion of the airport hangar access security and T-hangar drainage improvement project and engineering design for the airfield maintenance project. The hangar access security and T-hangar drainage project will receive State funding for 85% of the project costs and the airfield maintenance project will receive FAA funding for 90% of the project costs. The airport will continue to serve the community for both recreational and business-related activities in 2014/2015.

For fiscal year 2014/2015 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 2014/2015 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 Senior Resources and the Muscatine Humane Society were maintained at the same levels as 2013/2014. The subsidy for the GMCCI was increased by \$3,000 with this increase designated for hosting visitors from Muscatine's various Sister Cities. The subsidy for the CVB was increased from \$55,000 in 2012/2013 to 25% of the hotel/motel tax beginning in 2013/2014. The estimated amount for 2014/2015 is \$85,500. 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 2014/2015 total \$38,867,790, which is an increase of \$88,083 (.2%) from the fiscal year 2013/2014 level of \$38,779,707. Operating revenues for the city total \$42,558,453 compared to \$42,227,671 for 2013/2014, an increase of \$330,782 (.8%). Capital project expenditures are estimated at \$9,702,000 in the 2013/2014 revised estimate and \$8,430,700 for 2014/2015.

## **FUND BALANCE AND BUDGET POLICY ISSUES**

The 2014/2015 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 2014/2015 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.

As in prior years, one of the key components of the City's budget process is developing a General Fund balance that provides the city with the necessary funds to carry it through its first three months of operation of each fiscal year before property tax collections are disbursed by the county as well as provides adequate reserves for unforeseen circumstances or events. This is necessary for the fiscal integrity of the General Fund. In 2013 the City's minimum General Fund balance policy was updated from the previous 10% of General Fund expenditures level to two months of General Fund expenditures, which is equivalent to 16.7%. The City Council has made efforts in recent years to incrementally increase the General Fund balance. The 2009/2010 General Fund ending balance was 11.4% of expenditures. This increased to 13.6% at the end of 2010/2011, 20.4% at the end of 2011/2012, and 17.9% at the end of 2012/2013. The decrease in 2012/2013 was a planned decrease with funds used for one-time capital items including a new fire engine and new financial software. The target General Fund balance when the 2013/2014 budget was developed was 15.0%. The 2013/2014 revised estimate ending fund balance is 17.0%. The ending balance for the 2014/2015 budget is 16.8%, which meets the new minimum General Fund balance policy.

The City's effort to increase the General Fund balance is in part due to comments in the 2008 Moody's bond rating report which stated that Moody's considered the previous minimum of 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 increases in the General Fund balance in recent years and City Council formally updating the City's minimum fund balance policy demonstrates Council's commitment towards the goal of increasing the General Fund balance. 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. The Moody's rating will again be reviewed in April 2014 prior to the June 2, 2014 bond issue.

## **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 the current Five Year Capital Improvement Plan for fiscal years 2010/2011 through 2014/2015. The Capital Improvements Plan for the next five years is being developed in 2013/2014 and is expected to be approved by the City Council in April of 2014. Elected officials, citizens, and city staff participate in the development of these plans and a public hearing is held prior to each Plan's adoption. These Plans are documents separate from the city's budget and can be accessed from the city's website. The current 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 2013/2014 revised estimate and 2014/2015 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 2013/2014 and those to be initiated in 2014/2015. 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 for 2014/2015 and upcoming years will continue to be upgrading of the city's streets and sewer systems, airport improvements, and 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, construction began in the fall of 2013 for the Colorado Street reconstruction project with this project scheduled to be completed in the summer of 2014. Construction will begin in the spring of 2014 and continue through 2015 for the heavily-traveled Cedar Street from Parham to Houser Street. Federal grants will fund a portion of the cost of these projects with bond proceeds and road use taxes funding the local share of project costs.

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, which has since been extended 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 fourteen 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 was completed in the fall of 2013. Phase II of this project began in the summer of 2013 and is scheduled to be completed in the fall of 2014. Engineering design is in progress for the next phase of this project.

Construction on the \$18.5 million comprehensive Water Pollution Control Plant improvement project began in 2008/2009 and the contract was closed out in May of 2013. 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 currently under construction and is scheduled to be completed in the summer of 2014. Construction of a new hauled waste dump site at the Plant is budgeted for 2014/2015.

Other capital projects either completed or expected to be completed in the current 2013/2014 year include the construction of a new Park Maintenance building at Weed Park, the Mad Creek Sewer Extension

project, and the Airport Hangar Access Security and T-Hangar Drainage project. Other significant capital projects budgeted for 2014/2015 include the Downtown CDBG Revitalization project, the Musser to Weggens Road Trail, and engineering design for the Airport Airfield 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. The Committee will reconvene in the summer of 2014.

### **City Comprehensive Plan**

The City adopted a new comprehensive plan in September of 2013. The City’s Five Year Capital Improvement Plan (discussed above) was based on elements included in the new comprehensive plan. The City’s zoning ordinance update is in process and is scheduled to be completed in 2015. Public forums were held to receive input from the community on the new comprehensive plan and the new Five Year Capital Improvement Program and will also be held for the update to the zoning ordinance.

### **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 \$2,560,000 in property tax funded debt in June 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. This Plan also shows that the City can issue up to \$2.5 million in bonds in 2016 without increasing the City’s debt service tax levy rate. The City has traditionally issued bonds every other year to assist in financing projects in the Capital Improvements Plan.

## **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 2014/2015 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 2014/2015 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,



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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 2014/2015 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 two months of budgeted operating expenditures for the General Fund which is equivalent to 16.7 percent of the budgeted level of expenditures. See separate detailed General Fund Balance policy adopted November 7, 2013.
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, Iowa**  
**General Fund Balance Policy**  
**Adopted November 7, 2013**

**Purpose of Policy**

The purpose of this policy is to establish a key element of the financial stability of the City by setting guidelines for the General Fund balance. The Unreserved/Unassigned General Fund balance is an important measure of the City's financial stability. It is essential that the City maintain adequate levels of General Fund balance to (1) mitigate financial risk that can occur from unforeseen revenue fluctuations, (2) fund unanticipated expenditures including those which may result from natural or other disasters, (3) provide cash flow liquidity to fund expenditures throughout the fiscal year, and (4) demonstrate financial strength to credit rating agencies who assign bond ratings at the time general obligation bonds are sold. Credit rating agencies determine the adequacy of the unassigned fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the City's rating. Other important factors are the reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

**Definitions**

**Fund Balance.** The difference between assets and liabilities in governmental funds of the City, including the General Fund, is Fund Balance.

The Governmental Accounting Standards Board (GASB), who establishes financial reporting rules for governments, separates fund balance into five classifications that comprise a hierarchy based primarily on the restrictions placed on the funds.

1. **Nonspendable.** This classification represents funds that are inherently nonspendable. Resources that must be maintained intact pursuant to legal or contractual requirements are nonspendable, as well as assets that will never convert to cash such as inventory or prepaid items

2. **Restricted.** These funds are limited by externally enforceable limitations on use. This includes limitations from the entity providing the money, such as grantors. Also, this classification includes funds with limitations placed by law or enabling legislation.

3. **Committed.** Funds in this classification are those with limitations the government places on itself. The purpose of these funds is decided by Council action and also requires Council action to change the purpose.

4. **Assigned.** Assigned fund balance has limitations based on the intended use of the funds. The assigned use can be established by the City Council, the City Administrator, or Finance Director. This classification includes outstanding purchase orders, funds assigned for future equipment purchases, funds assigned for future grant commitments, and similar items.

5. **Unassigned.** Residual net resources, or the balance after restricted, committed and assigned, are classified as unassigned fund balance. This is the amount of fund balance that is available to address emergencies and provide fiscal stability. This is the classification governed by this Fund Balance Policy.

### **Minimum Fund Balance Policy**

The Government Finance Officers Association of the United States and Canada (GFOA) recommends that cities of any size maintain an unrestricted/unassigned General Fund balance of no less than two months of regular general fund operating revenues or expenditures, whichever is more predictable. For the City of Muscatine expenditures have historically been used to make this computation since expenditures vary less throughout each fiscal year. Two months of expenditures is equivalent to a fund balance of 16.7% of General Fund expenditures and this is the level targeted to be the new minimum General Fund balance at the end of each fiscal year.

The City Council during each budget review process may consider setting a ***budgeted*** ending balance less than the minimum percent noted above. It is suggested this be no less than 15% of budgeted General Fund expenditures but can be evaluated on a year-to-year basis by City Council. This can be considered since historically in all recent years the actual ending General Fund balances have exceeded the estimates developed during the budget process.

General Fund balances in excess of the minimum level, up to 20-25%, would further add to the financial stability of the City and allow more latitude in addressing revenue or expenditure fluctuations, disaster situations, and demonstrate credit worthiness to bond rating agencies. City Council, as a part of the budget process, can also choose to use fund balances above the minimum level for one-time capital purchases to reduce the amount of debt and resulting interest costs to be incurred by the City.

### **Other Policy Provisions**

**Maintaining Fund Balance.** In the event that the unassigned general fund balance is calculated to be less than the policy states, the City shall plan to adjust budget resources or expenditures in the subsequent fiscal year(s) to restore the balance.

**Utilization of Fund Balance.** Except in extraordinary circumstances, unassigned fund balance should not be used to fund any portion of the ongoing and routine operating expenditures of the City. It should be used primarily to respond to unforeseen emergencies, to provide cash flow, and to provide overall financial stability.

Extraordinary circumstances can include significant revenue fluctuations (i.e. State legislative changes limiting property taxes, limiting automatic traffic enforcement (ATE) use, etc.). In the event that use of unassigned fund balance is necessary to provide a short-term solution to maintaining essential services, the City will evaluate current and future economic conditions to evaluate the extent of expenditure reductions or revenue increases that would be needed to achieve day-to-day financial stability and restore the fund balance.

**Administrative Responsibilities.** The Finance Director shall be responsible for monitoring and reporting the City's various fund balance assignments. The City Administrator is responsible for making recommendations to the City Council on the use of any unassigned fund balance above the minimum level as an element of the annual operating budget process and from time to time throughout the year if the need arises.

**Annual Report.** The Finance Director shall annually submit a report to the City Council outlining the status of the City's various components of the fund balance. This is to be included with the fiscal year-end financial report to City Council.

**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 Fund, 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, information technology, 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 estimate listings by fiscal year for both the revised 2013/2014 and upcoming 2014/2015 fiscal years.

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

	<b><u>Operating Budget</u></b>	<b><u>Capital Improvements Budget</u></b>
October	<p>Finance Department prepares budget guidelines and preparation packet</p> <p>Goal setting session by City Council</p>	
November	<p>Finance Department distributes to departments budget manual and other materials</p>	
December	<p>Departments meet with Boards and Commissions and develop budget requests</p> <p>Budget requests submitted to Finance Department</p> <p>Budget discussions with City Administrator, Finance Director and department heads begin</p>	
January	<p>Discussions with department heads, Finance Director and City Administrator continue</p>	
February	<p>Proposed City Budget presented to City Council</p> <p>City Council in-depth review of department operating budgets</p>	
March	<p>Public hearing on proposed operating budgets</p> <p>City Council approval of operating budget by resolution</p> <p>Certification of City Budget to County Auditor</p>	

**Operating  
Budget**

**Capital Improvements  
Budget**

April

Community Development  
Department 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 7, 2013 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on November 7, 2013. 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. 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 13th. 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 30, 2014. 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 2014/2015. 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 6, 2014 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**

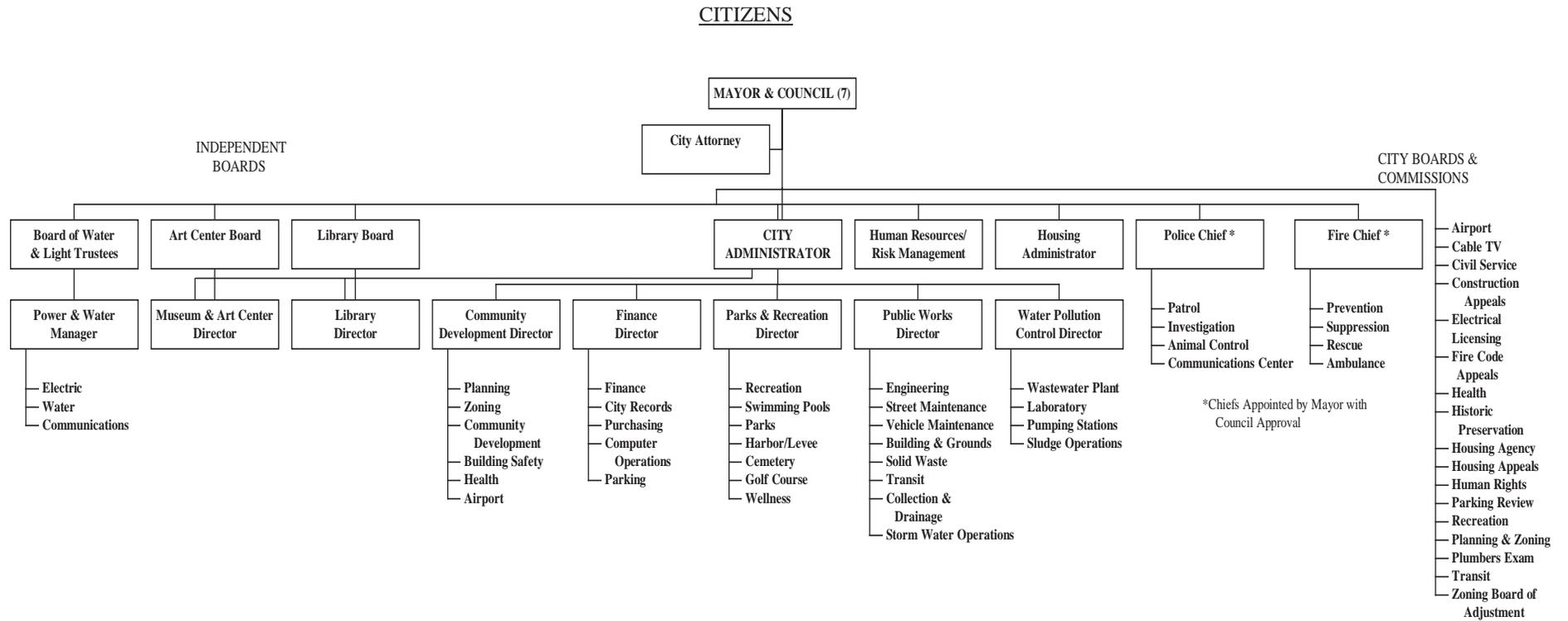
The State Code of Iowa provides that "A city budget as finally adopted for the following fiscal year, becomes effective July 1st, and constitutes the city appropriation for each program and purpose specified therein until amended as provided in this section. A city budget for the current fiscal year 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 31<sup>st</sup>, 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**

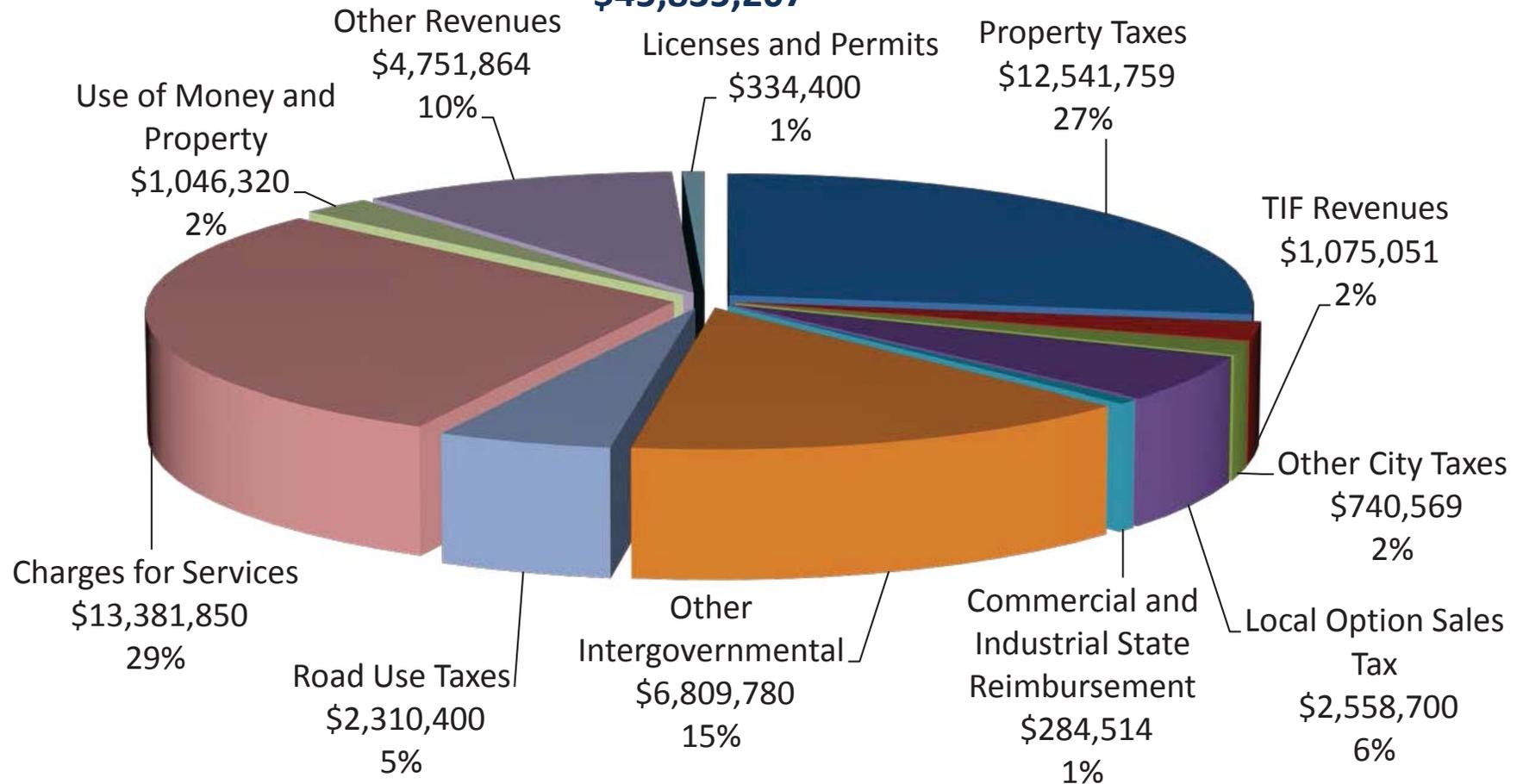
**ENTITY-WIDE BUDGET OVERVIEW 2014/2015**

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

**PROPERTY TAX RATE INFORMATION**

# Where Does the Money Come From?

## All City Funds Revenue Sources (Including Capital Projects) Budget 2014/2015 \$45,835,207

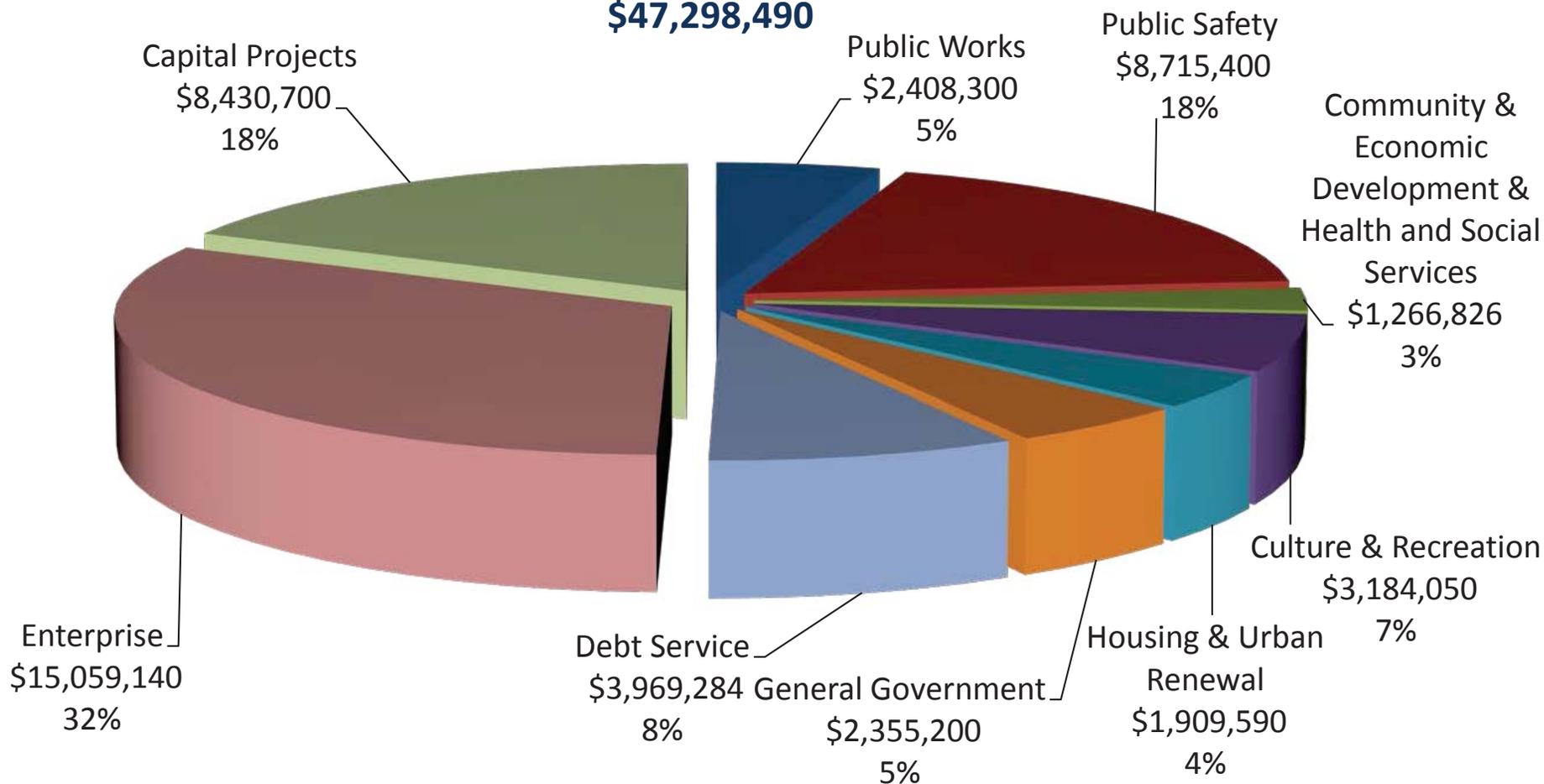


# How are the Funds Used?

## All City Expenditures by Function (Including Capital Projects)

Budget 2014/2015

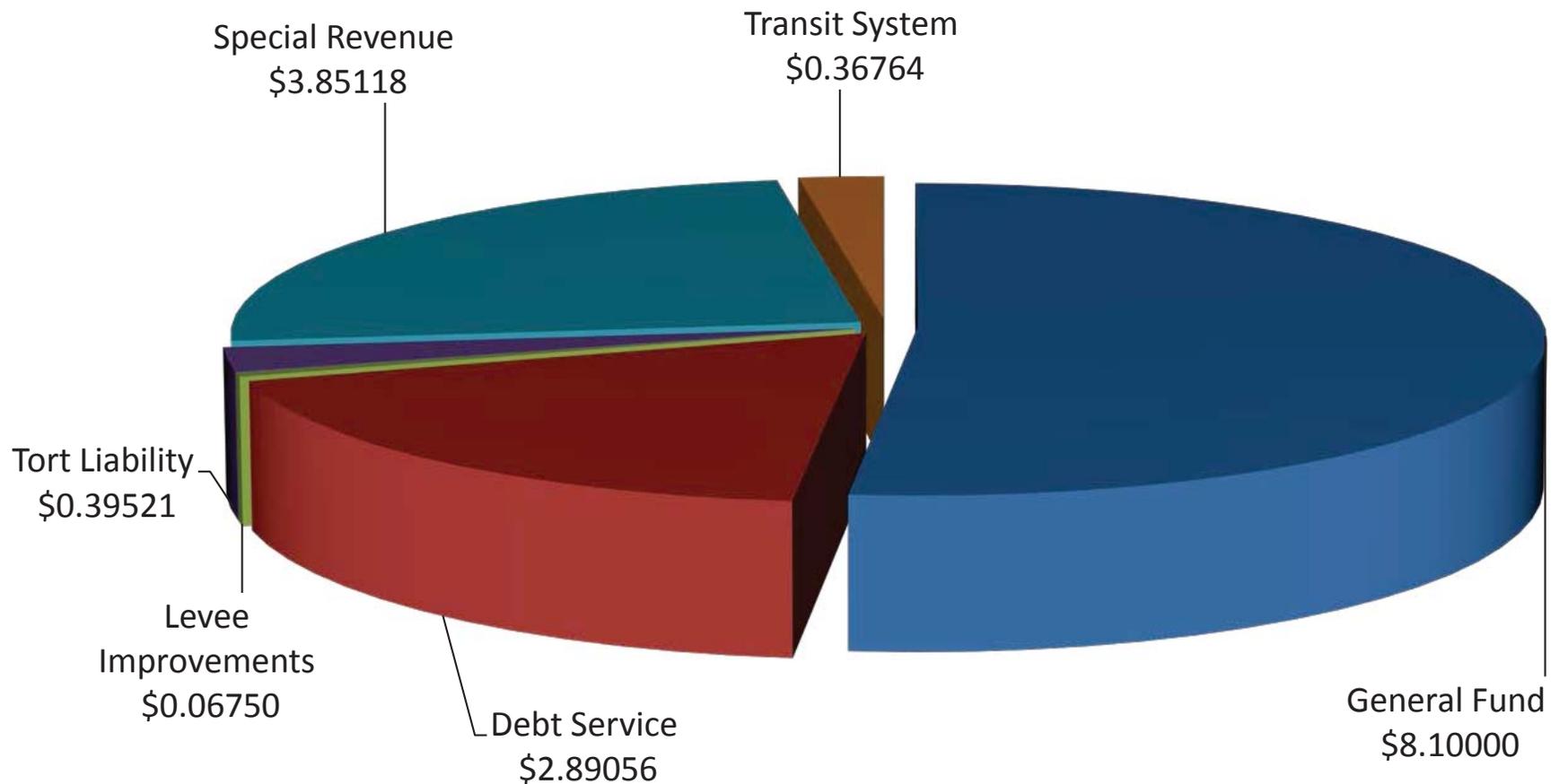
\$47,298,490



# City Tax Levy Rates by Type

FY 2014/2015

Total \$15.67209/\$1,000 Valuation



# Where Do Your Property Taxes Go?



City  
\$15.67209  
39.1%

Muscatine  
Schools  
\$15.27597  
38.1%

Muscatine County  
\$9.09395 22.8%

Above tax levy rates reflect fiscal year 2013/2014 rates totaling \$40.04201 per \$1,000 valuation  
Tax levy rates for fiscal year 2014/2015 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 2012/2013 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, 2014	\$ 3,025,653	\$ 94,033	\$ 716,100	\$ 75,609	\$ 1,613,683	\$ 10,019	\$ 242,692	\$ 11,289,559	\$ 17,067,348
Revenues and Other Sources									
Property Taxes	\$ 7,095,934	\$ 3,058,688	\$ -	\$ 2,387,137	\$ -	\$ -	\$ -	\$ 1,075,051	\$ 13,616,810
Other City Taxes	714,083	15,130	2,558,700	11,356	-	-	-	-	3,299,269
Licenses and Permits	316,700	-	-	-	1,700	-	-	16,000	334,400
Intergovernmental	708,254	68,807	-	56,153	-	-	-	5,295,480	6,128,694
Charges for Services	659,300	-	-	-	4,209,400	1,914,650	2,171,000	5,626,100	14,580,450
Use of Money and Property	146,100	-	1,800	500	1,500	-	100	896,320	1,046,320
Other Revenue	1,484,300	-	-	-	72,700	7,350	4,600	3,182,250	4,751,200
Other Financing Sources									
Transfers In	6,653,458	-	511,740	287,121	54,000	36,750	-	2,622,828	10,165,897
Total Revenues and Other Sources	\$ 17,778,129	\$ 3,142,625	\$ 3,072,240	\$ 2,742,267	\$ 4,339,300	\$ 1,958,750	\$ 2,175,700	\$ 18,714,029	\$ 53,923,040
Funds Available	\$ 20,803,782	\$ 3,236,658	\$ 3,788,340	\$ 2,817,876	\$ 5,952,983	\$ 1,968,769	\$ 2,418,392	\$ 30,003,588	\$ 70,990,388
Expenditures and Other Uses									
Public Safety	\$ 8,509,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,000	\$ 8,715,400
Public Works	2,408,300	-	-	-	-	-	-	-	2,408,300
Health and Social Services	23,000	-	-	-	-	-	-	-	23,000
Culture and Recreation	3,075,300	-	-	-	-	-	-	108,750	3,184,050
Community and Economic Development	829,300	-	-	-	-	-	-	2,324,116	3,153,416
General Government	2,315,200	-	-	-	-	-	-	40,000	2,355,200
Debt Service	-	-	-	2,741,766	-	-	-	1,227,518	3,969,284
Business Type/Internal Service	-	-	-	-	2,954,400	1,896,500	2,381,300	9,018,940	16,251,140
Other Financing Uses									
Transfers Out	651,481	3,236,658	2,719,740	-	1,461,678	35,600	-	6,314,534	14,419,691
Total Expenditures and Other Uses	\$ 17,811,981	\$ 3,236,658	\$ 2,719,740	\$ 2,741,766	\$ 4,416,078	\$ 1,932,100	\$ 2,381,300	\$ 19,239,858	\$ 54,479,481
Projected Ending Balance, June 30, 2015	\$ 2,991,801	\$ -	\$ 1,068,600	\$ 76,110	\$ 1,536,905	\$ 36,669	\$ 37,092	\$ 10,763,730	\$ 16,510,907

<b>Increase (Decrease) in Fund Balance</b>	\$ (33,852)	\$ (94,033)	\$ 352,500	\$ 501	\$ (76,778)	\$ 26,650	\$ (205,600)	\$ (525,829)	\$ (556,441)
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<b>Percent Change in Fund Balance</b>	-1.1%	-100.0%	49.2%	0.7%	-4.8%	266.0%	-84.7%	-4.7%	-3.3%
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<b>Percent Ending Fund Balance of Expenditures</b>	16.8%	0.0%	39.3%	2.8%	34.8%	1.9%	1.6%	55.9%	30.3%
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## **Explanations of Significant Changes in Fund Balances of Major Funds**

### **General Fund:**

The fund balance of the General Fund is budgeted to decrease by \$33,852 (1.1%) during fiscal year 2014/2015. The budgeted ending balance is 16.8% of expenditures for the year, which meets the minimum percentage required by the City's new financial policies. In November of 2013 the City Council adopted a new General Fund balance policy providing that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget reflects this new minimum fund balance target amount.

While the General Fund budget for 2014/2015 shows the General Fund balance at 16.8% of expenditures, the budget is being "balanced" with \$33,852 of General Fund balance. This is the amount that the estimated 2014/2015 expenditures exceed the estimated revenues. While the budget reflects this reduction in fund balance, the City budgets revenues 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.

### **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 \$94,033 beginning fund balance for 2014/2015. The Employee Benefits tax levy for 2014/2015 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2014/2015. This resulted in the zero balance budgeted in this fund at the end of 2014/2015, 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 increase by \$352,500 (39.3%) to \$1,068,600 in 2014/2015. A significant portion of the accumulated Local Option Sales Tax funds will be used to fund 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 2014/2015 beginning balance of \$75,609 is projected in this fund. This was in part due to the prior year refunding of two debt issues which resulted in savings in interest costs. The balance in the Debt Service fund is budgeted to slightly increase by \$501 (.7%) to \$76,110 in 2014/2015.

**Water Pollution Control Fund:**

The balance of the Water Pollution Control fund is budgeted to decrease by \$76,778 (4.8%) in 2014/2015. 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 2014/2015 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 \$285,000 for 2014/2015. While the ending balance in this fund is budgeted to decrease during 2014/2015, the ending balance is still 34.8% 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 \$10,019 estimated for July 1, 2014 is projected to increase to \$36,669 by the end of 2014/2015. The expenditures budgeted for 2014/2015 include a transfer of \$35,600 for the internal loan payment for replacement of the crane and cab. The total cost of this equipment was \$171,500 and an internal loan was used to finance this purchase. The crane replaced was the original crane used since the Transfer Station opened in 1995. Annual payments in each of the next three years will complete the financing for this equipment.

**Refuse Collection:**

The balance in the Refuse Collection fund is budgeted to decrease by \$205,600 (84.7%) in 2014/2015. The 2014/2015 budget includes funding to begin implementation of a long-term plan to convert to side-loading refuse vehicles. The 2014/2015 budget includes \$240,000 for one automatic refuse collection vehicle and \$150,000 for approximately 3,000 containers for residential customers. The transition to the automated refuse collection program will need to be implemented over a number of years. This will include replacing additional refuse collection vehicles with 1-person vehicles at the time the older vehicles are replaced as well as providing the required refuse bins for all residential customers. It should be noted that with the last payment on the bond issue for the separate refuse collection vehicle building at the Transfer Station being made in 2013/2014 (approximately \$100,000 annually) this will allow more funding to be available in 2014/2015 and future years for the capital purchases which will be required to implement this program.

**Non-Major Funds:**

The fund balance of non-major funds combined is expected to decrease by \$525,829 (4.7%) during 2014/2015.

**BUDGET SUMMARY SCHEDULES -  
OPERATING FUNDS**

**City of Muscatine  
Operating Funds  
Budget Summary**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 18,193,222	\$ 19,606,371	\$ 17,339,554	\$ 18,629,346	\$ 17,067,348
Revenues and Other Sources					
Property Taxes	\$ 12,842,128	\$ 13,098,625	\$ 13,456,910	\$ 13,411,107	\$ 13,616,810
Other City Taxes	3,476,323	3,263,039	3,254,641	3,410,901	3,299,269
Licenses and Permits	332,050	408,402	322,800	335,100	334,400
Intergovernmental	5,241,006	5,618,587	6,049,400	6,155,320	6,128,694
Charges for Services	13,992,575	14,162,450	14,426,450	14,292,250	14,580,450
Use of Money and Property	928,595	904,566	1,087,170	1,044,120	1,046,320
Other Revenue	5,029,201	5,059,372	4,827,900	4,740,550	4,751,200
Other Financing Sources					
Transfers In	9,088,568	8,154,166	10,017,340	10,255,962	10,165,897
Refunding Bond Proceeds	217,377	1,115,000	0	0	0
<b>Total Revenues and Other Sources</b>	<b>\$ 51,147,823</b>	<b>\$ 51,784,207</b>	<b>\$ 53,442,611</b>	<b>\$ 53,645,310</b>	<b>\$ 53,923,040</b>
Funds Available	\$ 69,341,045	\$ 71,390,578	\$ 70,782,165	\$ 72,274,656	\$ 70,990,388
Expenditures and Other Uses					
Public Safety	\$ 7,567,506	\$ 8,701,208	\$ 8,506,000	\$ 8,438,600	\$ 8,715,400
Public Works	2,057,197	1,921,484	2,347,700	2,402,200	2,408,300
Health and Social Services	17,800	20,000	20,000	20,000	23,000
Culture and Recreation	3,154,162	3,125,524	3,227,850	3,342,774	3,184,050
Community and Economic Development	3,107,839	3,137,583	3,257,580	3,079,636	3,153,416
General Government	2,044,339	2,090,013	2,272,200	2,355,421	2,355,200
Debt Service	3,013,803	4,088,134	4,016,297	4,016,297	3,969,284
Business Type/Internal Service	16,181,512	16,367,009	16,298,780	16,222,240	16,251,140
Other Financing Uses					
Transfers Out	12,590,515	13,310,277	14,376,547	15,330,140	14,419,691
<b>Total Expenditures and Other Uses</b>	<b>\$ 49,734,673</b>	<b>\$ 52,761,232</b>	<b>\$ 54,322,954</b>	<b>\$ 55,207,308</b>	<b>\$ 54,479,481</b>
Ending Balance, June 30	\$ 19,606,371	\$ 18,629,346	\$ 16,459,211	\$ 17,067,348	\$ 16,510,907

**City of Muscatine  
Operating Funds  
Fund Statement**

<b>Fund</b>	<b>Estimated Balance (Deficit) 7/1/14</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Estimated Balance (Deficit) 6/30/15</b>
<b>General</b>	\$ 3,025,653	\$ 17,778,129	\$ 17,811,981	\$ 2,991,801
<b>Enterprise:</b>				
Airport Operations	0	116,300	116,300	0
Transit System	62,801	1,023,300	1,054,200	31,901
Parking System	38,010	194,100	199,500	32,610
Golf Course	(49,399)	877,600	853,400	(25,199)
Boat Harbor Operations	19,514	32,400	25,000	26,914
Marina Operations	(5,726)	15,100	14,700	(5,326)
Ambulance Operations	109,227	1,310,100	1,366,500	52,827
Convention & Visitors Bureau	66,135	90,600	90,300	66,435
Refuse Collection	242,692	2,175,700	2,381,300	37,092
Landfill Operations	(743,713)	1,439,700	902,546	(206,559)
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	843,764	30,000	0	873,764
Landfill Closure Reserve	626,735	80,000	0	706,735
Transfer Station Operations	10,019	1,958,750	1,932,100	36,669
Transfer Station Closure Reserve	38,395	0	0	38,395
Water Pollution Control	1,613,683	4,339,300	4,416,078	1,536,905
Collection and Drainage	973,603	1,248,500	1,599,600	622,503
WPCP Replacement Reserve	1,442,800	202,500	834,000	811,300
West Hill Sewer Reserve	1,202,322	401,500	0	1,603,822
Sewer Revenue Bond Sinking Fund	107,214	1,062,178	1,061,588	107,804
Sewer Extension and Improvement Reserve	781,238	191,000	0	972,238
<b>Special Revenue:</b>				
Employee Benefits	94,033	3,142,625	3,236,658	0
Emergency Levy	80,499	100	0	80,599
Road Use Tax	808,655	2,310,400	2,751,700	367,355
Community Block Grant	27,888	0	3,000	24,888
Tax Increment - Downtown	26,648	210,100	207,825	28,923
Tax Increment - Southend	844,887	426,000	451,130	819,757
Tax Increment - Cedar Development	22,762	210,000	208,900	23,862
Tax Increment - Muscatine Mall	5,576	50,000	49,500	6,076
Tax Increment - Heinz	3,874	0	0	3,874
Tax Increment - Highway 38 NE	0	180,051	172,539	7,512
Local Option Sales Tax	716,100	3,072,240	2,719,740	1,068,600
Equipment Replacement	127,329	207,300	264,000	70,629
Computer Replacement	2,688	40,000	42,000	688
COPS Grant Future Commitment Reserve	80,000	9,100	0	89,100
Public Housing Operations	62,893	806,020	817,640	51,273
Section 8 Voucher Program	105,448	1,794,380	1,823,490	76,338
Home Ownership Program	112,113	20,000	58,400	73,713
Sunset Park Education Center	3,979	27,700	27,700	3,979
Police Forfeiture Fund	5,579	5,000	5,000	5,579
<b>Trust and Agency:</b>				
Insurance Trust	33,676	50	33,500	226
Perpetual Care Fund	856,274	6,000	0	862,274
Perpetual Care Interest Trust	0	13,500	13,500	0
Cemetery Special Trusts	59,452	1,200	2,350	58,302
Library Trusts	226,009	39,700	32,000	233,709
Art Center Trusts	479,420	7,000	9,400	477,020
<b>Debt Service:</b>				
General Obligation	75,609	2,742,267	2,741,766	76,110
<b>Internal Service:</b>				
Equipment Services	106,272	1,198,600	1,192,000	112,872
Dental Insurance	13,091	140,900	140,900	13,091
Health Insurance	1,681,627	2,641,800	2,761,500	1,561,927
<b>Total *</b>	<u>\$ 17,067,348</u>	<u>\$ 53,923,040</u>	<u>\$ 54,479,481</u>	<u>\$ 16,510,907</u>

\*Includes interfund transactions.

**City of Muscatine  
Operating Funds  
Revenue Summary**

<b>Fund</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
<b>General</b>	\$ 17,080,185 *	\$ 15,282,813 *	\$ 17,405,549	\$ 17,693,219	\$ 17,778,129
<b>Enterprise:</b>					
Airport Operations	104,827	136,052	111,000	111,500	116,300
Transit System	1,003,032	1,010,014 *	1,219,200	1,414,200	1,023,300
Parking System	182,373	177,514	207,100	193,100	194,100
Golf Course	875,990	741,020 *	881,000	847,800	877,600
Boat Harbor Operations	39,814	28,671	38,700	32,400	32,400
Marina Operations	19,532	13,079	18,100	14,600	15,100
Ambulance Operations	1,179,899	1,351,868	1,280,200	1,288,700	1,310,100
Convention & Visitors Bureau	0	104,053	92,600	86,600	90,600
Refuse Collection	2,110,625	2,138,198 *	2,175,900	2,175,700	2,175,700
Landfill Operations	1,458,502	1,343,959	1,439,700	1,439,700	1,439,700
Landfill Surcharge Reserve Part I	17,675	16,448	17,500	17,500	17,500
Landfill Surcharge Reserve Part II	37,118	34,540	36,750	36,750	36,750
Landfill Post-Closure Reserve	28,187	28,233	30,000	30,000	30,000
Landfill Closure Reserve	67,489	79,447	80,000	80,000	80,000
Transfer Station Operations	2,045,935	1,901,858	1,960,250	1,958,750	1,958,750
Transfer Station Closure Reserve	0	0	10,000	0	0
Water Pollution Control	3,774,433 *	4,230,221 *	4,268,200	4,099,900	4,339,300
Collection and Drainage	1,166,570	1,210,469 *	1,237,500	1,226,500	1,248,500
WPCP Replacement Reserve	206,535	202,830	203,000	202,500	202,500
West Hill Sewer Reserve	400,118	400,704	401,500	401,500	401,500
Sewer Revenue Bond Sinking Fund	1,062,086	1,063,868	1,070,344	1,070,344	1,062,178
Sewer Extension and Improvement Reserve	192,754	265,540	191,000	211,000	191,000
<b>Special Revenue:</b>					
Employee Benefits	3,100,870	3,030,314	3,040,212	3,040,212	3,142,625
Emergency Levy	136	98	100	100	100
Road Use Tax	2,164,577	2,254,220	2,286,600	2,274,700	2,310,400
Community Block Grant	10,030	48	0	0	0
Tax Increment - Downtown	212,631	208,459	210,200	200,000	210,100
Tax Increment - Southend	409,791	419,083	426,500	404,000	426,000
Tax Increment - Cedar Development	161,867	180,544	203,000	193,200	210,000
Tax Increment - Muscatine Mall	14,165	14,883	19,000	18,000	50,000
Tax Increment - Heinz	14,165	15,872	0	0	0
Tax Increment - Highway 38 NE	0	0	60,400	57,497	180,051
Local Option Sales Tax	2,658,273	2,527,082	3,021,120	3,215,832	3,072,240
Equipment Replacement	194,520	772,565	124,300	124,300	207,300
Computer Replacement	59,854	49,789	40,000	40,000	40,000
COPS Grant Future Commitment Reserve	0	40,000	40,000	40,000	9,100
Public Housing Operations	632,600	745,321	825,620	800,800	806,020
Section 8 Voucher Program	1,757,809	1,804,058	1,917,800	1,793,440	1,794,380
Home Ownership Program	94,180	19,991	27,100	28,300	20,000
Sunset Park Education Center	20,415	17,213	18,100	18,100	27,700
Police Forfeiture Fund	5	54,353	5,000	5,000	5,000
<b>Trust and Agency:</b>					
Insurance Trust	16,055	29,050	100	100	50
Perpetual Care Fund	6,373	6,958	6,000	6,000	6,000
Perpetual Care Interest Trust	24,420	19,765	17,900	17,900	13,500
Cemetery Special Trusts	1,104	1,497	1,000	1,200	1,200
Library Trusts	41,579	43,063	24,700	48,000	39,700
Art Center Trusts	16,175	14,515	26,700	17,100	7,000
Parks and Recreation Trust	762	2,583	0	1,000	0
<b>Debt Service:</b>					
General Obligation	2,748,969	3,881,401 *	2,770,866	2,770,866	2,742,267
<b>Internal Service:</b>					
Equipment Services	1,130,194	1,209,824	1,197,600	1,202,600	1,198,600
Dental Insurance	119,729	124,773	131,500	132,200	140,900
Health Insurance	2,482,896	2,535,486	2,626,100	2,562,600	2,641,800
<b>Total **</b>	<b>\$ 51,147,823</b>	<b>\$ 51,784,207</b>	<b>\$ 53,442,611</b>	<b>\$ 53,645,310</b>	<b>\$ 53,923,040</b>

\* Includes encumbrance adjustments.

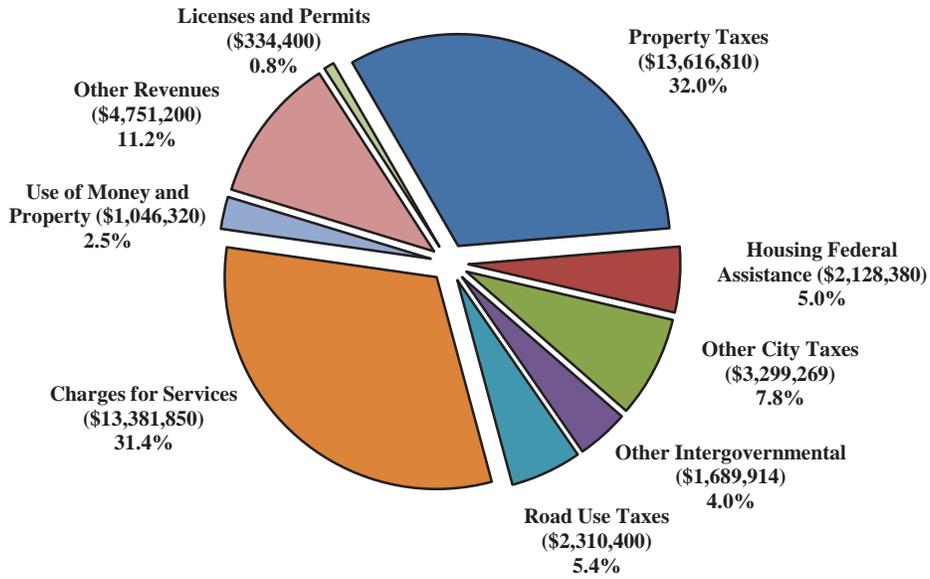
\*\* Includes interfund transactions.

**City of Muscatine  
Operating Funds  
Expenditure Summary**

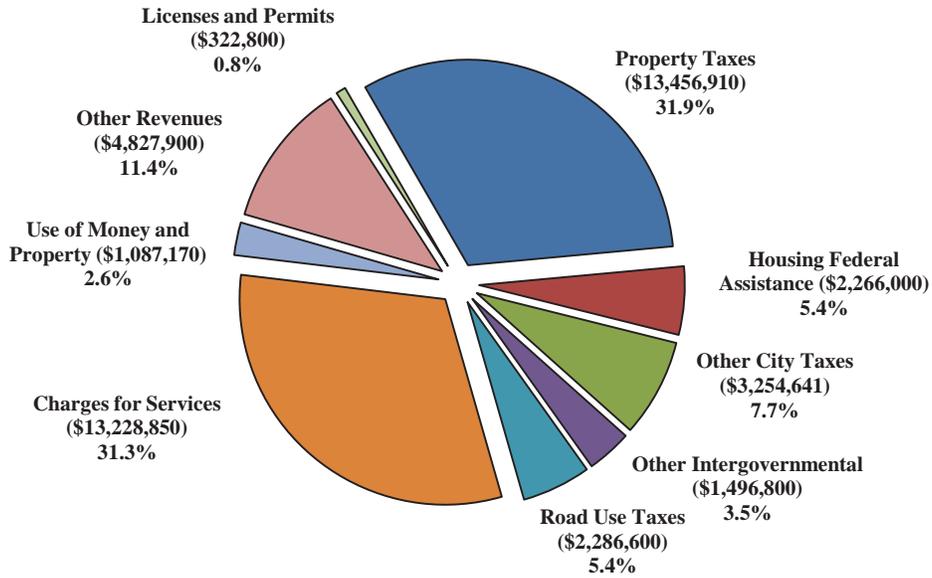
<b>Fund</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
<b>General</b>	\$ 15,912,952	\$ 15,445,711	\$ 17,688,707	\$ 17,748,907	\$ 17,811,981
<b>Enterprise:</b>					
Airport Operations	105,387	135,492	111,000	111,500	116,300
Transit System	998,151	1,211,322	1,218,700	1,241,300	1,054,200
Parking System	183,454	194,459	195,000	194,500	199,500
Golf Course	874,026	828,782	882,200	870,300	853,400
Boat Harbor Operations	24,221	23,013	25,700	24,800	25,000
Marina Operations	17,456	15,010	18,500	15,100	14,700
Ambulance Operations	1,423,918	1,276,385	1,414,800	1,469,400	1,366,500
Convention & Visitors Bureau	0	39,518	96,200	85,000	90,300
Refuse Collection	2,068,375	2,118,310	2,174,246	2,144,546	2,381,300
Landfill Operations	876,182	908,002	1,101,578	1,101,078	902,546
Landfill Surcharge Reserve I	17,675	16,448	17,500	17,500	17,500
Landfill Surcharge Reserve II	37,118	34,540	36,750	36,750	36,750
Transfer Station Operations	2,018,595	1,883,654	1,981,400	1,981,400	1,932,100
Transfer Station Closure Reserve	0	0	0	250	0
Water Pollution Control	4,073,745	4,325,845	4,337,344	4,233,944	4,416,078
Collection and Drainage	1,090,425	1,005,284	1,249,300	1,351,300	1,599,600
WPCP Replacement Reserve	1,548,643	700,233	665,000	755,000	834,000
Sewer Revenue Bond Sinking Fund	1,060,306	1,064,090	1,061,373	1,061,373	1,061,588
Sewer Extension and Improvement Reserve	165,732	681,723	0	5,000	0
<b>Special Revenue:</b>					
Employee Benefits	3,084,817	3,144,204	3,044,077	2,996,547	3,236,658
Road Use Tax	2,079,960	2,202,308	2,148,000	2,358,100	2,751,700
Community Block Grant	0	3,000	11,800	11,800	3,000
Tax Increment - Downtown	216,554	209,625	249,325	249,325	207,825
Tax Increment - Southend	470,602	510,698	552,120	543,073	451,130
Tax Increment - Cedar Development	157,440	171,939	202,400	192,587	208,900
Tax Increment - Muscatine Mall	12,489	13,152	18,500	17,560	49,500
Tax Increment - Heinz	11,847	14,316	0	0	0
Tax Increment - Highway 38 NE	0	0	60,400	57,497	172,539
Local Option Sales Tax	1,457,112	3,221,792	3,873,220	4,394,272	2,719,740
Equipment Replacement	198,506	786,710	102,500	84,400	264,000
Computer Replacement	43,838	39,370	40,000	91,721	42,000
Public Housing Operations	1,043,596	845,631	847,980	883,390	817,640
Section 8 Voucher Program	1,894,985	1,898,847	1,937,680	1,815,610	1,823,490
Home Ownership Program	39,507	41,923	55,000	61,200	58,400
Sunset Education Center	14,142	18,514	18,400	23,500	27,700
Police Forfeiture Fund	4,401	15,552	5,000	41,000	5,000
<b>Trust and Agency:</b>					
Insurance Trust	8,247	16,016	40,000	40,000	33,500
Perpetual Care Interest Trust	24,420	19,765	17,900	17,900	13,500
Cemetery Special Trusts	4,026	2,834	3,350	3,350	2,350
Library Trusts	66,263	48,155	22,000	40,000	32,000
Art Center Trusts	25,053	21,394	22,000	10,500	9,400
Parks and Recreation Trust	45	1,085	0	56,424	0
<b>Debt Service:</b>					
General Obligation	2,754,105	3,921,826	2,788,604	2,788,604	2,741,766
<b>Internal Service:</b>					
Equipment Services	1,022,337	1,202,344	1,190,600	1,189,800	1,192,000
Dental Insurance	128,230	131,694	137,200	136,600	140,900
Health Insurance	2,475,790	2,350,717	2,659,600	2,653,600	2,761,500
<b>Total *</b>	<b>\$ 49,734,673</b>	<b>\$ 52,761,232</b>	<b>\$ 54,322,954</b>	<b>\$ 55,207,308</b>	<b>\$ 54,479,481</b>

\* Includes interfund transactions.

**All City Operating Revenues By Source  
Budget 2014/2015  
\$42,558,543**



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

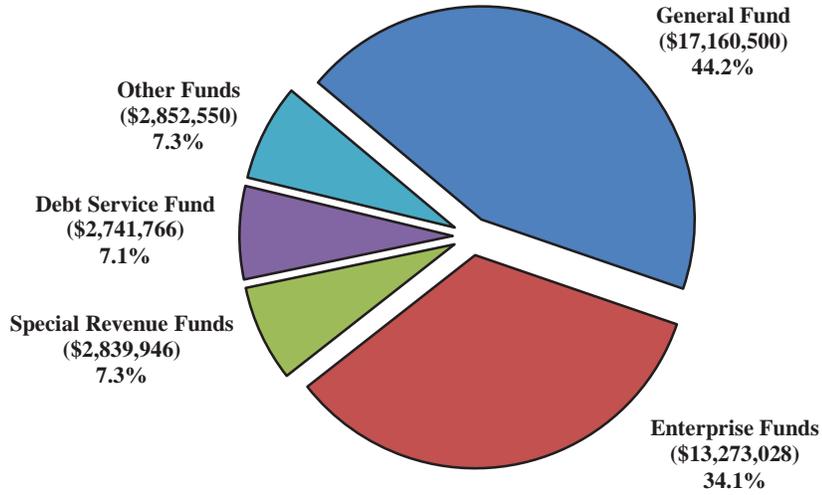


**All City Funds Operating Revenues  
Reconciliation Information**

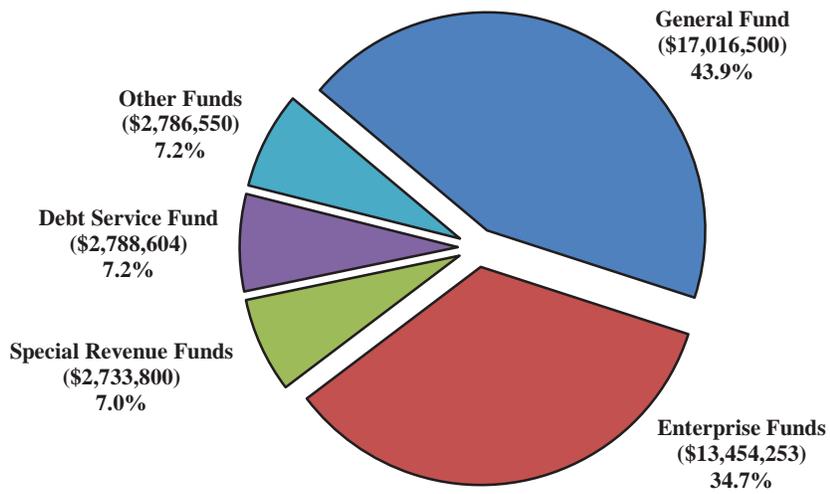
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	<b>2013/2014 Budget</b>	<b>2014/2015 Budget</b>
Revenues per Summary Statement	\$ 53,442,611	\$ 53,923,040
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 57,900	\$ 47,000
Special Revenue Funds	5,192,077	5,488,358
Health Insurance Fund	57,600	54,700
Tax Increment Financing Funds	161,500	151,500
Enterprise Funds	885,300	911,900
Debt Service Fund		
Enterprise Funds	180,074	79,296
Tax Increment Financing	206,225	207,825
Equipment Replacement Fund		
General Fund	117,000	200,000
Computer Replacement Fund		
General Fund	40,000	40,000
COPS Grant Future Commitment Reserve		
General Fund	40,000	9,000
Homeownership Program		
Community Block Grant	10,000	0
Sunset Park Education Center		
Community Block Grant	1,800	3,000
Airport Operations Fund		
General Fund	41,300	47,400
Transit Operations Fund		
General Fund	380,000	300,000
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	10,000	0
Water Pollution Control Fund		
Sewer Reserve Funds	65,000	54,000
Sewer Reserves		
Water Pollution Control Fund	200,000	200,000
Collection & Drainage Fund	180,000	180,000
Sewer Sinking Fund	1,069,844	1,061,678
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	503,220	511,740
Total Transfers In	10,017,340	10,165,897
Non-Budgeted Fund		
Equipment Services Operations	1,197,600	1,198,600
Budgeted Revenues Net of Transfers	\$ 42,227,671	\$ 42,558,543

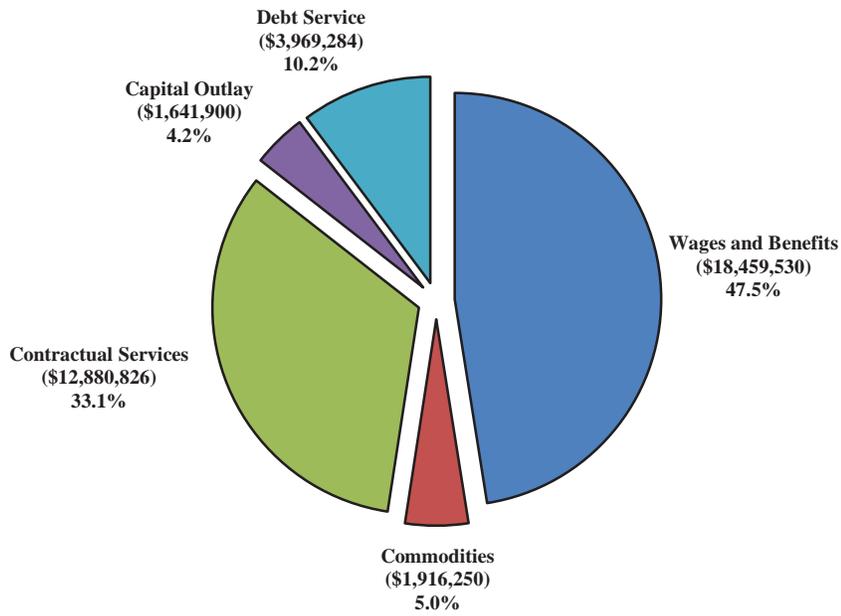
**All City Operating Expenditures By Fund  
Budget 2014/2015  
\$38,867,790**



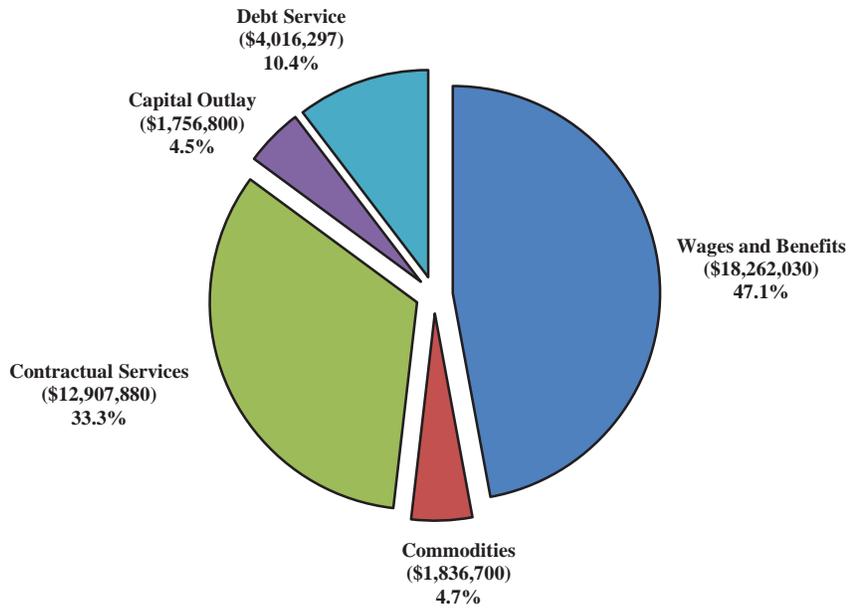
**All City Operating Expenditures By Fund  
Budget 2013/2014  
\$38,779,707**



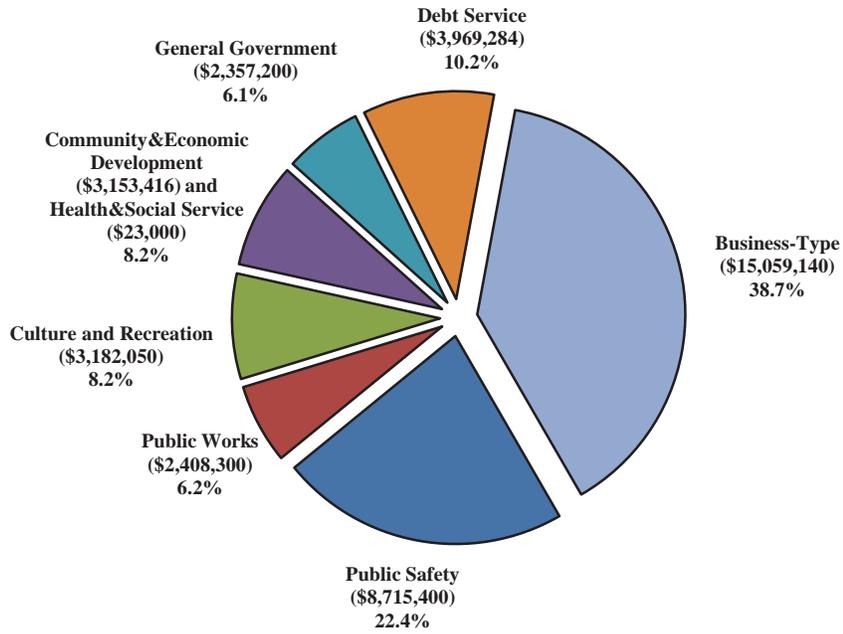
**All City Operating Expenditures By Type  
Budget 2014/2015  
\$38,867,790**



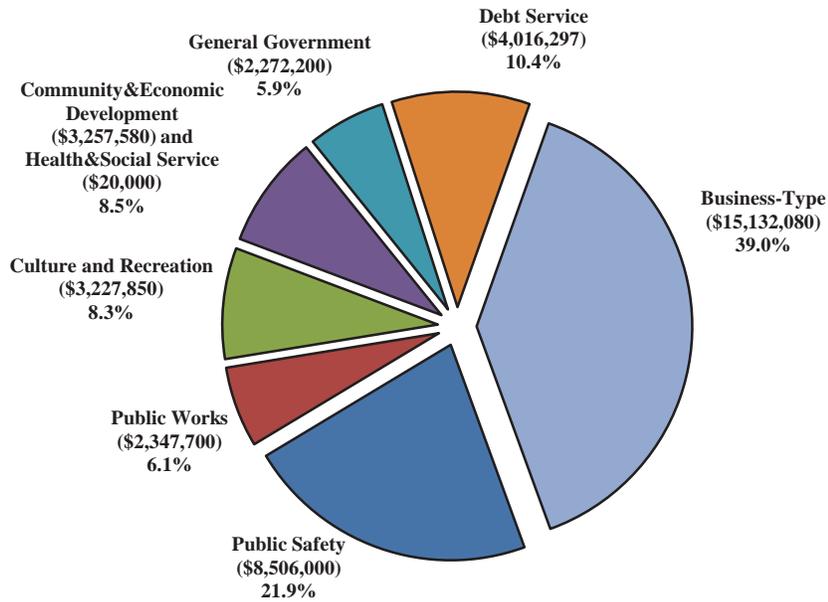
**All City Operating Expenditures By Type  
Budget 2013/2014  
\$38,779,707**



**All City Operating Expenditures By Function \***  
**Budget 2014/2015**  
**\$38,867,790**



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



\* 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>2013/2014</u> <u>Budget</u>	<u>2014/2015</u> <u>Budget</u>
Expenditures per Summary Statement	\$ 54,346,854	\$ 54,479,481
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 380,000	\$ 300,000
Airport Operations Fund	41,300	47,400
Equipment Replacement Fund	117,000	200,000
Computer Replacement Fund	40,000	40,000
COPS Grant Future Commitment Reserve	40,000	9,000
Capital Projects Fund	53,907	55,081
Trust and Agency Funds		
General Fund	57,900	47,000
Community Block Grant		
Sunset Park Education Center	0	3,000
Special Revenue Funds		
General Fund	5,192,077	5,988,358
Capital Projects Fund	3,885,020	2,719,740
Tax Increment Financing	507,525	509,438
Golf Course Fund		
Capital Projects Fund	60,000	60,000
Ambulance Fund		
General Fund	885,300	911,900
Landfill Operations Fund		
Landfill Surcharge Reserve	54,250	54,250
Landfill Closure/Post-Closure Reserve	110,000	110,000
Debt Service Fund	80,128	79,296
Landfill Surcharge Reserve		
Landfill Operations Fund	17,500	17,500
Transfer Station Fund	36,750	36,750
Refuse Collection Fund		
Debt Service Fund	99,946	0
Transfer Station Operations Fund		
Transfer Station Closure Reserve	10,000	0
Capital Projects Fund	35,500	35,600
Water Pollution Control Fund		
Sewer Reserves	1,469,844	1,461,678
Water Pollution Control Plant Replacement Reserve		
Water Pollution Control Fund	65,000	54,000
Capital Projects Fund	600,000	780,000
Collection & Drainage		
Sewer Reserves	380,000	380,000
Capital Projects Fund	100,000	465,000
Health Insurance Fund		
General Fund	<u>57,600</u>	<u>54,700</u>
Total Transfers Out	<u>\$ 14,376,547</u>	<u>\$ 14,419,691</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,190,600</u>	<u>1,192,000</u>
Budgeted Expenditures Net of Transfers	<u>\$ 38,779,707</u>	<u>\$ 38,867,790</u>

City of Muscatine  
 Matrix of 2014/2015 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
<b>General Fund:</b>									
Mayor and Council	\$ 72,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 72,700
Legal Services	70,600	0	0	0	0	0	0	0	70,600
City Administrator	261,400	0	0	0	0	0	0	0	261,400
Human Resources	158,900	0	0	0	0	0	0	0	158,900
Wellness Program	54,700	0	0	0	0	0	0	0	54,700
Finance and Records	559,500	0	0	0	0	0	0	0	559,500
Computer Operations	231,500	0	0	0	0	0	0	0	231,500
Risk Management	390,200	0	0	0	0	0	0	0	390,200
Building and Grounds	515,700	0	0	0	0	0	0	0	515,700
Police Operations	0	4,611,800	0	0	0	0	0	0	4,611,800
Animal Control	0	127,000	0	0	0	0	0	0	127,000
Fire Operations	0	3,770,600	0	0	0	0	0	0	3,770,600
Library	0	0	1,079,400	0	0	0	0	0	1,079,400
Cable Television Operations	0	0	19,100	0	0	0	0	0	19,100
Art Center	0	0	309,600	0	0	0	0	0	309,600
Park Administration	0	0	169,500	0	0	0	0	0	169,500
Park Maintenance	0	0	666,900	0	0	0	0	0	666,900
Kent Stein Park	0	0	189,200	0	0	0	0	0	189,200
Soccer Complex	0	0	204,500	0	0	0	0	0	204,500
Swimming Pools	0	0	161,100	0	0	0	0	0	161,100
Recreation	0	0	113,200	0	0	0	0	0	113,200
Cemetery	0	0	162,800	0	0	0	0	0	162,800
Community Development	0	0	0	704,800	0	0	0	0	704,800
Economic Development	0	0	0	124,500	0	0	0	0	124,500
Economic Well-Being	0	0	0	0	23,000	0	0	0	23,000
Public Works Administration	0	0	0	0	0	169,500	0	0	169,500
Roadway Maintenance	0	0	0	0	0	1,215,900	0	0	1,215,900
Traffic Control	0	0	0	0	0	177,600	0	0	177,600
Snow and Ice Control	0	0	0	0	0	481,900	0	0	481,900
Street Cleaning	0	0	0	0	0	223,000	0	0	223,000
Engineering	0	0	0	0	0	140,400	0	0	140,400

(Continued)

(Continued)

<b>Fund/Activity:</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Culture and Recreation</b>	<b>Community and Economic Development</b>	<b>Health and Social Services</b>	<b>Public Works</b>	<b>Debt Service</b>	<b>Business Type/Internal Service</b>	<b>Total</b>
<b>Enterprise Funds:</b>									
Airport Operations	0	0	0	0	0	0	0	116,300	116,300
Transit Operations	0	0	0	0	0	0	0	1,054,200	1,054,200
Parking System	0	0	0	0	0	0	0	199,500	199,500
Golf Course	0	0	0	0	0	0	0	793,400	793,400
Boat Harbor Operations	0	0	0	0	0	0	0	25,000	25,000
Marina Operations	0	0	0	0	0	0	0	14,700	14,700
Ambulance Operations	0	0	0	0	0	0	0	454,600	454,600
Convention and Visitors Bureau	0	0	0	0	0	0	0	90,300	90,300
Public Housing	0	0	0	0	0	0	0	817,640	817,640
Refuse Collection	0	0	0	0	0	0	0	2,381,300	2,381,300
Landfill Operations	0	0	0	0	0	0	0	659,000	659,000
Transfer Station	0	0	0	0	0	0	0	1,896,500	1,896,500
Collection and Drainage	0	0	0	0	0	0	0	754,600	754,600
Water Pollution Control	0	0	0	0	0	0	0	2,954,400	2,954,400
Sewer Sinking Fund	0	0	0	0	0	0	1,061,588	0	1,061,588
<b>Special Revenue Funds:</b>									
Equipment Replacement	0	201,000	63,000	0	0	0	0	0	264,000
Southend Tax Increment	0	0	0	133,700	0	0	165,930	0	299,630
Cedar Development Tax Increment	0	0	0	208,900	0	0	0	0	208,900
Muscatine Mall Tax Increment	0	0	0	49,500	0	0	0	0	49,500
Highway 38 NE Tax Increment	0	0	0	22,426	0	0	0	0	22,426
Section 8 Housing	0	0	0	1,823,490	0	0	0	0	1,823,490
Home Ownership Program	0	0	0	58,400	0	0	0	0	58,400
Sunset Park Children's Education Program	0	0	0	27,700	0	0	0	0	27,700
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	42,000	0	0	0	0	0	0	0	42,000
<b>Debt Service Fund</b>	0	0	0	0	0	0	2,741,766	0	2,741,766
<b>Internal Service Fund:</b>									
Health Insurance Fund	0	0	0	0	0	0	0	2,706,800	2,706,800
Dental Insurance Fund	0	0	0	0	0	0	0	140,900	140,900
<b>Trust and Agency Funds:</b>									
Library Trusts	0	0	32,000	0	0	0	0	0	32,000
Cemetery Trust	0	0	2,350	0	0	0	0	0	2,350
Art Center Trusts	0	0	9,400	0	0	0	0	0	9,400
<b>Total</b>	<b>\$ 2,357,200</b>	<b>\$ 8,715,400</b>	<b>\$ 3,182,050</b>	<b>\$ 3,153,416</b>	<b>\$ 23,000</b>	<b>\$ 2,408,300</b>	<b>\$ 3,969,284</b>	<b>\$ 15,059,140</b>	<b>\$ 38,867,790</b>

**City of Muscatine  
Fulltime Employee Trends**

**General Fund**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Budget 2013-14</b>	<b>Actual 2013-14</b>	<b>Budget 2014-15</b>
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	1.25	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	5.65	5.65	5.65	5.65	5.65	5.65	5.65	5.65	5.70	5.70	5.70
Information Technology	1.65	2.00	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	5.70	5.70	5.40	4.35	4.35	4.35	4.35	4.35	4.35
Police	40.60	40.75	40.88	41.88	42.88	41.88	43.88	44.88	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	29.50	30.00	36.50	36.50	36.50	36.50	36.50	37.50	37.50	37.50	37.50
Library (FTE)	15.75	15.75	15.75	15.77	15.93	15.91	15.74	15.51	15.18	14.95 (1)	15.05 (1)
Art Center (FTE)	4.33	4.33	4.33	4.33	4.04	4.57	4.54	4.25	4.25	4.25	4.25
Park Administration	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Park Maintenance *	6.32	6.50	6.75	6.75	6.75	6.08	6.00	6.00	6.00	6.00	6.00
Kent Stein Park *	1.04	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Soccer Complex *	1.03	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13
Recreation *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cemetery *	1.69	1.50	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	7.00	7.00	6.50	6.33	6.17	6.67	6.72	6.92	6.92	6.92	6.92
Street Cleaning	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.90	1.90	1.90
Roadway Maintenance	11.33	11.33	11.43	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	1.00	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
<b>Total General Fund</b>	<b>145.25</b>	<b>146.42</b>	<b>151.90</b>	<b>152.42</b>	<b>152.83</b>	<b>150.87</b>	<b>152.64</b>	<b>154.32</b>	<b>154.19</b>	<b>153.96</b>	<b>154.06</b>

**City of Muscatine  
Fulltime Employee Trends**

**Enterprise / Other Funds**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Budget 2013-14</b>	<b>Actual 2013-14</b>	<b>Budget 2014-15</b>
Parking System	3.65	3.60	3.60	3.10	3.10	3.10	3.10	3.10	2.90	2.90	2.90
Golf Course *	2.75	2.00	3.00	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	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Refuse Collection	9.80	9.80	10.30	10.30	11.30	10.45	10.66	10.66	10.66	9.56 (2)	9.56 (2)
Landfill	0.33	0.33	0.33	0.33	0.33	0.30	0.25	0.25	0.25	0.25	0.25
Transfer Station	3.67	3.67	3.67	3.67	3.67	3.58	3.42	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	11.00	11.00	11.00	11.00	11.00	10.75	10.75	10.75	9.75	9.75	9.75
Pumping Stations	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Laboratory Operations	4.25	4.25	4.25	4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Collection and Drainage	5.25	5.25	5.45	6.78	6.78	6.53	6.53	6.53	6.53	6.53	6.53
Storm Water Operations	1.00	1.00	1.00	1.00	0.33	0.58	0.58	0.58	0.58	0.58	0.58
Ambulance Operations	8.25	7.75	1.25	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	10.75	12.50	12.13	12.25	12.25	11.50 (3)	12.25 (4)
Equipment Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Total Enterprise/Other Funds</b>	<b>75.53</b>	<b>74.23</b>	<b>69.63</b>	<b>70.46</b>	<b>71.04</b>	<b>71.07</b>	<b>70.70</b>	<b>70.82</b>	<b>69.62</b>	<b>67.77</b>	<b>68.52</b>
<b>Grand Total</b>	<b>220.78</b>	<b>220.65</b>	<b>221.53</b>	<b>222.88</b>	<b>223.87</b>	<b>221.94</b>	<b>223.34</b>	<b>225.14</b>	<b>223.81</b>	<b>221.73</b>	<b>222.58</b>

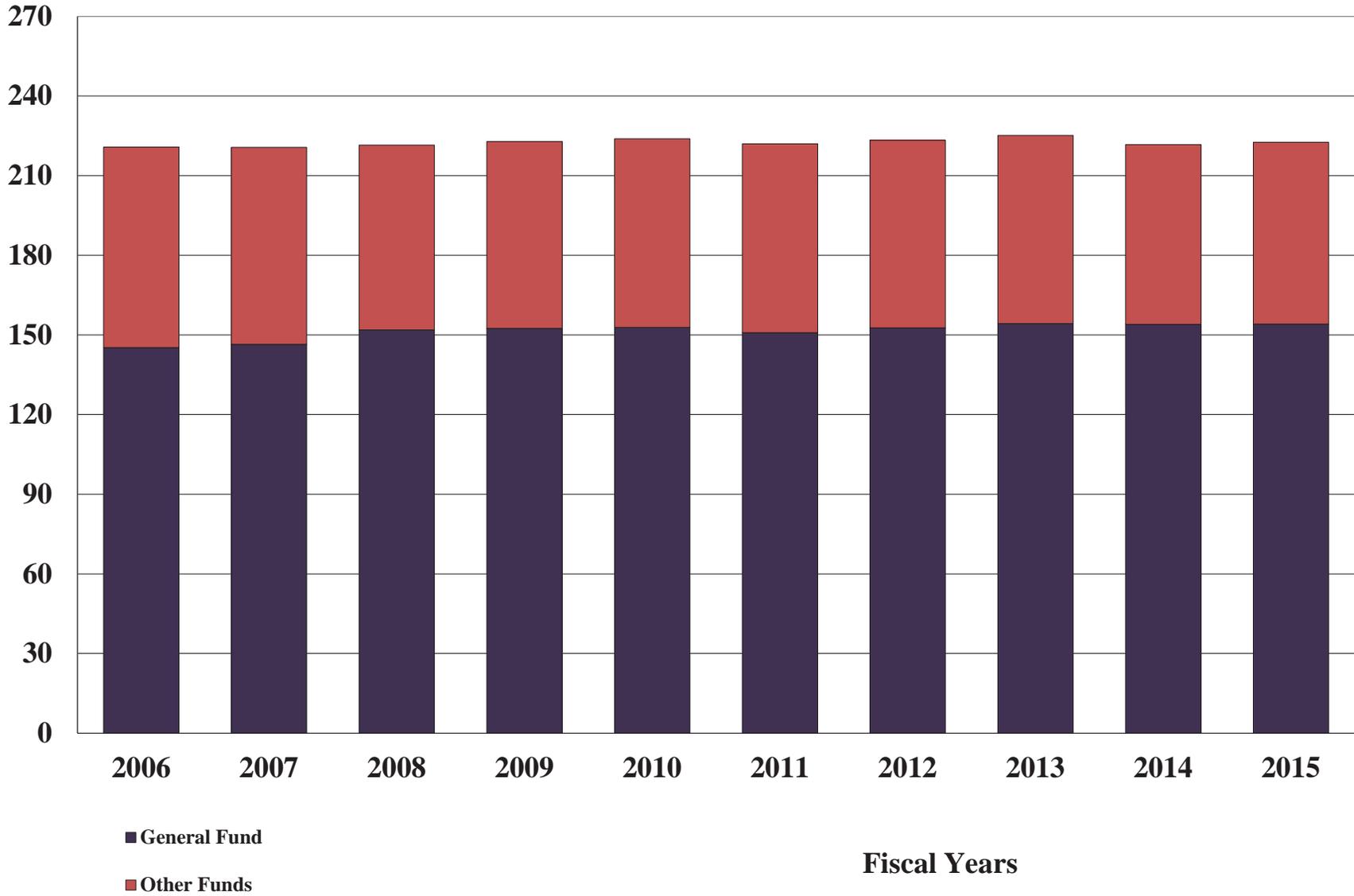
\* These departments have a substantial number of part time employees, primarily seasonal employees.

**Position Changes for the 2013/2014 Revised Estimate and 2014/2015 Budget:**

1. A Library staff reorganizations resulted in a .23 FTE reduction in actual 2013/2014 positions. An additional reorganization will add .10 FTE's in 2014/2015.
2. A vacant fulltime refuse collection driver position was eliminated in 2013/2014. This position was not filled due to the expected conversion to automated refuse vehicles.
3. Housing staff was reduced in 2013/2014 due to reduced federal funding.
4. The 2014/2015 housing budgets reflects the restoration of federal funding in the various housing programs. Actual staffing levels will be based on actual HUD funding awarded.

# Fulltime Employee Trends Ten Year History

Number of Employees



## **PROPERTY TAX SCHEDULES**

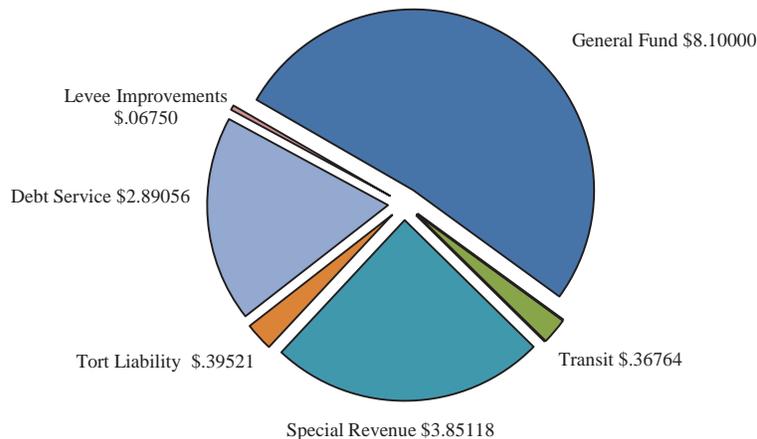
## City of Muscatine

### Property Tax Levies by Type - Fiscal Years 2013/2014 and 2014/2015

	2013/2014 Budget		2014/2015 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	\$ 6,441,167	\$ 8.10000	\$ 6,433,191	\$ 8.10000	0.00%	\$ (7,976)	(0.12%)
Transit System	378,375	0.47582	291,987	0.36764	(22.74%)	(86,388)	(22.83%)
Tort Liability	262,171	0.32969	313,884	0.39521	19.87%	51,713	19.72%
Special Revenue:							
Police and Fire Retirement	\$ 1,351,924	\$ 1.70009	\$ 1,390,319	1.75054	2.97%	\$ 38,395	2.84%
FICA/IPERS	588,048	0.73949	595,548	0.74985	1.40%	7,500	1.28%
Other Employee Benefits	1,617,479	2.03404	1,526,023	1.92141	(5.54%)	(91,456)	(5.65%)
Reduction *	(530,246)	(0.66680)	(453,202)	(0.57062)		77,044	
Subtotal	\$ 3,027,205	\$ 3.80682	\$ 3,058,688	\$ 3.85118	1.17%	\$ 31,483	1.04%
Debt Service	2,374,186	2.89226	2,387,137	2.89056	(0.06%)	12,951	0.55%
Levee Improvements	53,676	0.06750	53,610	0.06750	0.00%	(66)	(0.12%)
Total	\$ 12,536,780	\$ 15.67209	\$ 12,538,497	\$ 15.67209	0.00%	\$ 1,717	0.01%
Agricultural Land	2,730	3.00394	3,262	3.00396	0.00%	532	19.49%
Grand Total	<u>\$ 12,539,510</u>	\$ 15.67209	<u>\$ 12,541,759</u>	\$ 15.67209	0.00%	<u>\$ 2,249</u>	0.02%
		\$ 3.00394		\$ 3.00396	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. For 2014/2015 the Employee Benefits levy is \$453,202 less than the full amount of General Fund employee benefits eligible to be funded from this levy. This resulted in \$453,202 of the General Fund balance being used to fund employee benefits.

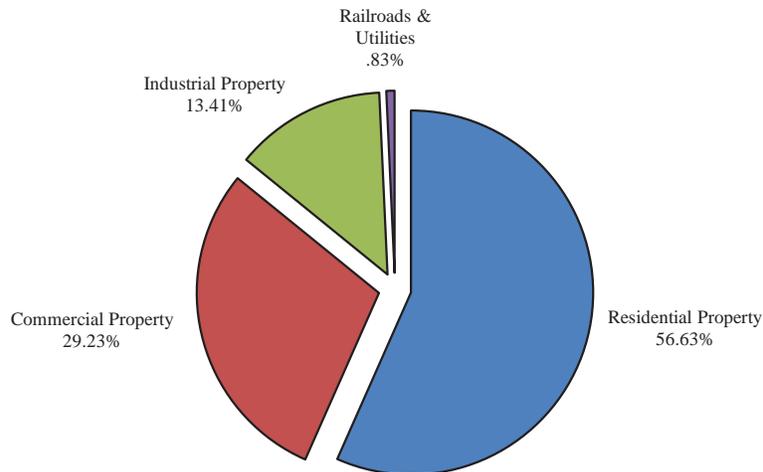
**City Tax Levy Rates By Type  
Budget 2014/2015  
\$15.67209  
per \$1,000 Valuation**



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

	<u>January 1, 2012</u>	<u>January 1, 2013</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)	\$ 439,988,430	\$ 450,842,402	\$ 10,853,972	2.47%	-0.51%
Commercial Property (2)	233,677,171	232,698,429	(978,742)	-0.42%	5.23%
Industrial Property (3)	116,856,275	106,765,755	(10,090,520)	-8.63%	-3.31%
Railroads (4)	648,208	505,940	(142,268)	-21.95%	-17.84%
Utilities (5)	5,981,766	5,280,529	(701,237)	-11.72%	-11.72%
<b>Total Valuations</b>	<b>\$ 797,151,850</b>	<b>\$ 796,093,055</b>	<b>\$ (1,058,795)</b>	<b>-0.13%</b>	<b>0.28%</b>
Less Military Exemptions	1,946,036	1,871,992	(74,044)	-3.80%	
<b>Total Net Valuation</b>	<b>\$ 795,205,814</b>	<b>\$ 794,221,063</b>	<b>\$ (984,751)</b>	<b>-0.12%</b>	
<b>MEMO ONLY</b>					
Total if Gas and Electric Utilities were Included	\$ 798,621,557	\$ 798,149,186	\$ (472,371)	-0.06%	

1. Residential taxable valuations realized an increase in the rollback factor from 52.8166% to 54.4002% for January 1, 2013 (an increase of 2.99%).
2. Commercial valuations for January 1, 2013 were rolled back from 100% to 95%.
3. Industrial property values for January 1, 2013 were rolled back from 100% to 95%.
4. Railroad property values for January 1, 2013 were rolled back from 100% to 95%.
5. 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.

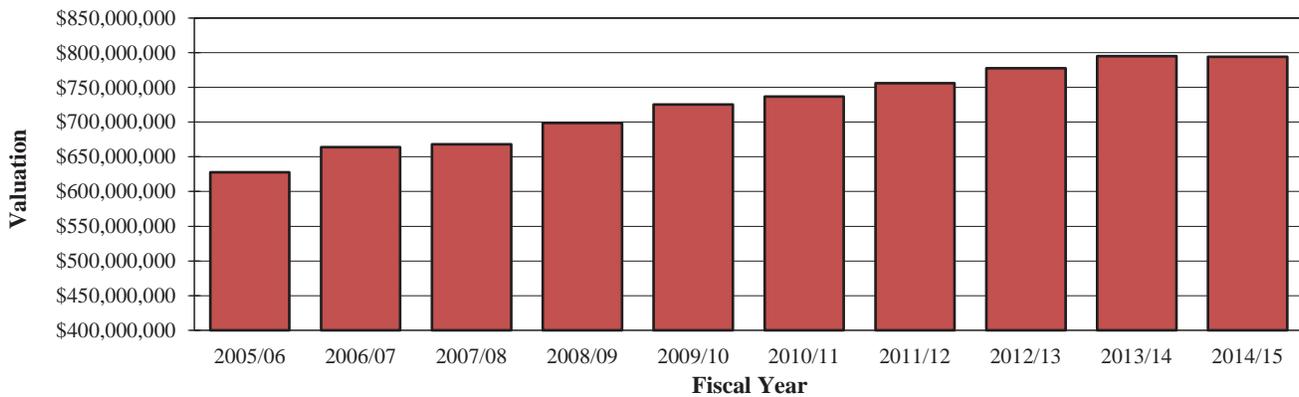


**2013 Taxable Valuations by Type  
(Valuations Used for 2014/2015 Tax Levy)**

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Public Utilities</b>	<b>Military Exemption</b>	<b>Total</b>	<b>Agricultural Land</b>
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
2014/15	790,306,586	5,786,469	1,871,992	794,221,063	1,085,900

**Taxable Property Valuation**  
**Ten Year History**

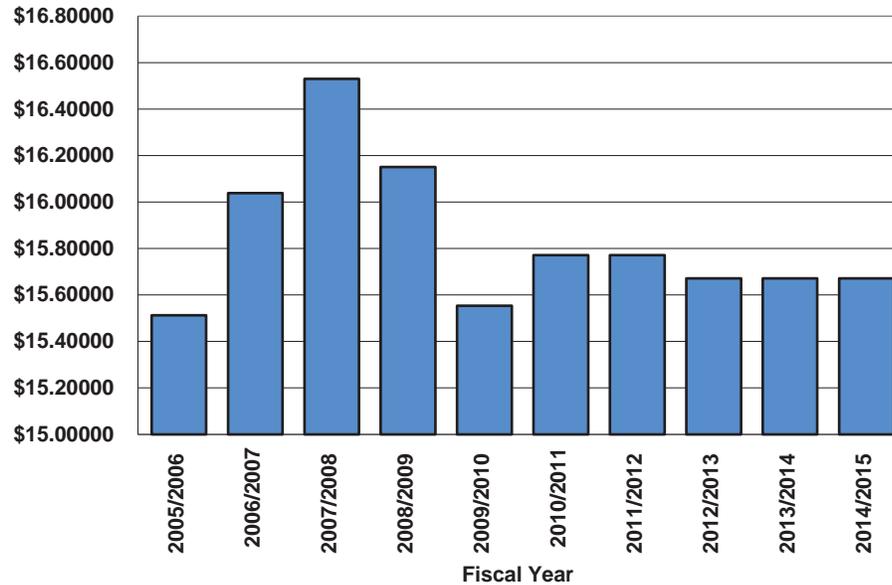


**City of Muscatine  
City Tax Rate History  
Fiscal Years 2005/2006 through 2014/2015**

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
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%
2014/2015	15.67209	0.00%

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

**Tax Rate Ten Year History**



**Tax Levies by Entity**

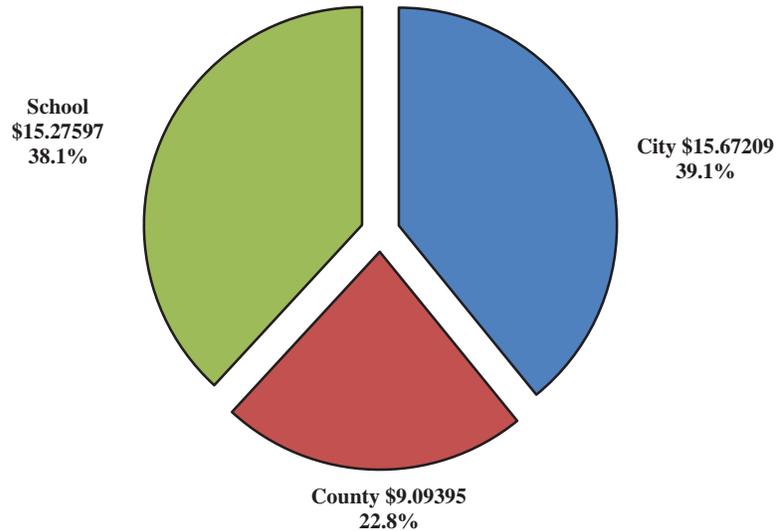
**Historical Comparison**

**Certified Levies Per \$1,000 of Valuation**

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
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
2013/2014	15.67209	9.09395	15.27597	40.04201
Percent of 2013/2014 Total Levy	39.1%	22.8%	38.1%	100.0%
2014/2015 *	15.67209	N/A	N/A	N/A

\* Tax levy rates for 2014/2015 for Muscatine County and the Muscatine Community School district are not yet available.

**Tax Levy Rates By Entity  
Fiscal Year 2013/2014  
\$40.04201 per \$1,000 Valuation**



**MAJOR REVENUE SOURCES SCHEDULES**

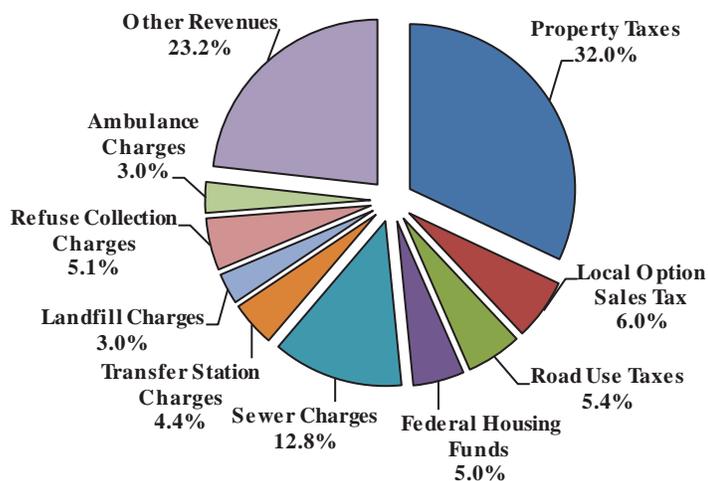
**City of Muscatine  
Major Revenue Sources  
Fiscal Year 2014/2015 Budget**

**General Information**

The City of Muscatine budgeted operating revenues of \$42,558,543 for 2014/2015 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 2014/2015 budgeted operating revenues, 76.8% 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.

	<u>2014/2015 Budget</u>	<u>Percent of Total</u>
Property Taxes	\$ 13,616,810	32.0%
Local Option Sales Tax	2,558,700	6.0%
Road Use Taxes	2,310,400	5.4%
Federal Housing Funds	2,128,380	5.0%
Sewer Charges	5,440,400	12.8%
Transfer Station Charges	1,877,650	4.4%
Landfill Charges	1,290,000	3.0%
Refuse Collection Charges	2,171,000	5.1%
Ambulance Charges	1,280,000	3.0%
Other Revenues	<u>9,885,203</u>	<u>23.2%</u>
<b>Total Operating Revenues</b>	<u><u>\$ 42,558,543</u></u>	<u><u>100.0%</u></u>

**Operating Revenues  
Budget 2014/2015**



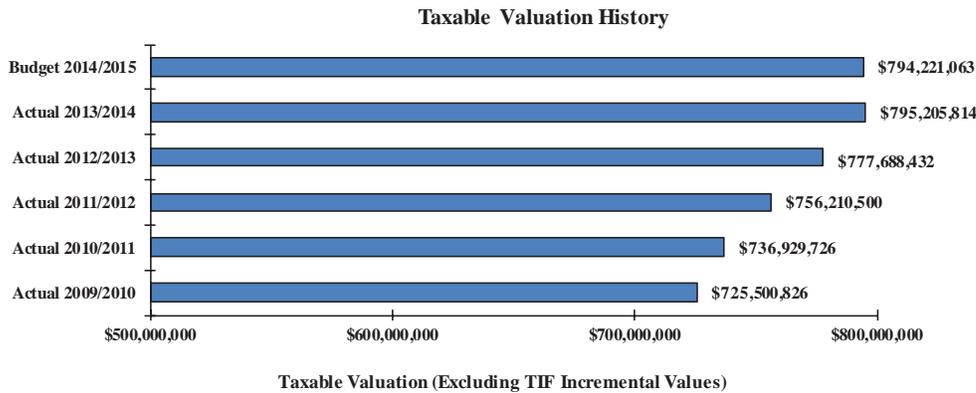
**Property Taxes**  
**FY 2014/2015 Budget \$13,616,810**

**General Information**

Property taxes comprise 32.0% 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 2014/2015. 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.

The taxable property valuation for fiscal year 2014/2015 is \$794,221,063, which is \$984,751 (.12%) lower than the fiscal year 2013/2014 valuation of \$795,205,814. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The overall decrease is due to the new rollback of commercial, industrial, and railroad property from 100% to 95%. For 2014/2015 there was a decrease of .42% in commercial and a decrease of 8.63% in industrial valuations. The overall changes in the valuations in these categories reflects the net effect of growth, re-valuation by the County Assessor, and the 5% rollback. The taxable valuation for residential property, however, increased by 2.47% for 2014/2015. While *actual* residential property values decreased by .51% in 2014/2015 due to growth and re-valuation of existing property, *taxable* values increased by 2.47%. 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 2014/2015, however, the rollback factor for residential property increased from 52.8166% to 54.4002% (an increase of 2.99%). With the total City tax rate of \$15.67209 for

2014/2015, the City will collect \$12,541,759 in property taxes in fiscal year 2014/2015 compared to fiscal year 2013/2014 taxes of \$12,539,510, an increase of \$2,249 (.02%).

**Property Tax Rates**



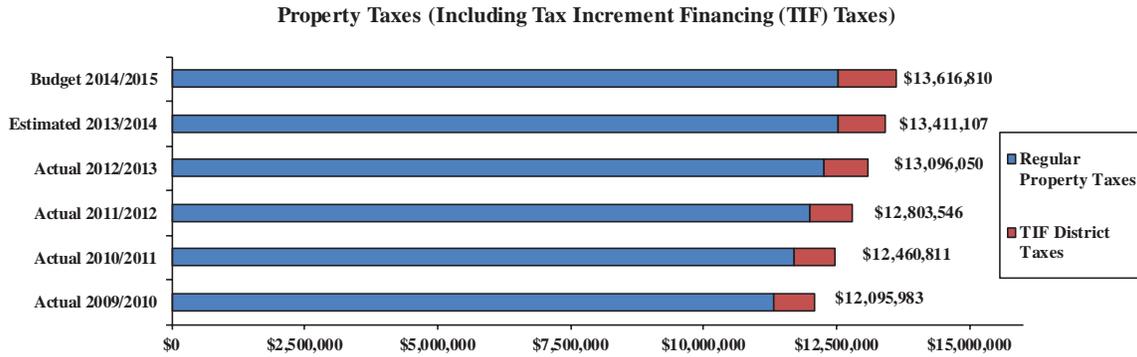
The City’s tax rate for 2014/2015 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, Debt Service, and Levee Improvement levies.

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 2014/2015 was maintained at the same rate as 2013/2014 and 2012/2013. Increases in the employee benefits and tort liability rates were offset by decreases in the transit and debt service tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefit levy funding \$369,265 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 2014/2015.

**Property Tax Revenue**



Property taxes estimated for 2014/2015 total \$13,616,810, including \$12,541,759 from regular property tax and \$1,075,051 from tax increment financing (TIF) taxes. This is a .02% increase in regular property taxes and a 1.53% increase in total taxes including TIF taxes.

**Local Option Sales Tax  
FY 2014/2015 Budget \$2,558,700**

**General Information**

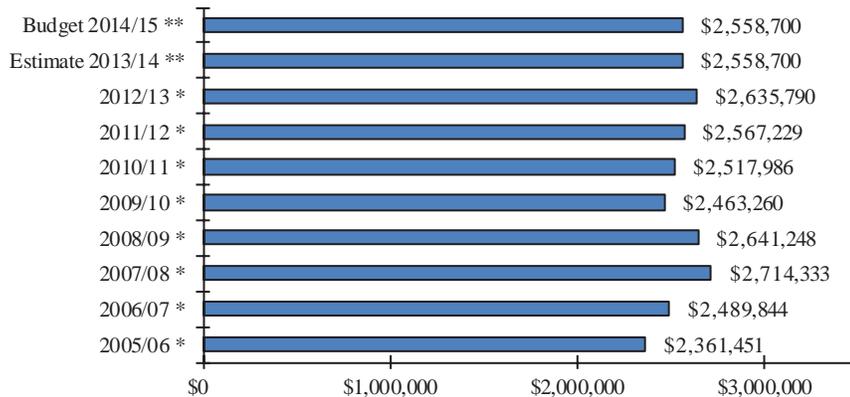
Voters in the City of Muscatine first approved the 1% local option sales tax in 1994 for a five year period from July 1, 1994 through June 30, 1999. Proceeds from this tax were required by the referendum to be used for storm and sanitary sewer projects in the City. In 1998 voters approved the extension 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 through June 30, 2019 with 80% of the tax proceeds to be 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 2013/2014 and 2014/2015 at the State’s most recent projection without a reconciliation amount.

**Local Option Tax Revenue Trends**

**Local Option Sales Tax Revenue by Fiscal Year  
(\* Includes Reconciling Amounts Received in Succeeding Fiscal Year)**



\*\* Both the 2013/2014 and 2014/15 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

**Road Use Tax**  
**FY 2014/2015 Budget \$2,310,400**

**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 2014/2015. 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 since 2011/2012 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 \$95.50 per capita. The 2014/2015 estimate is based on that same population at \$97.00 per capita.

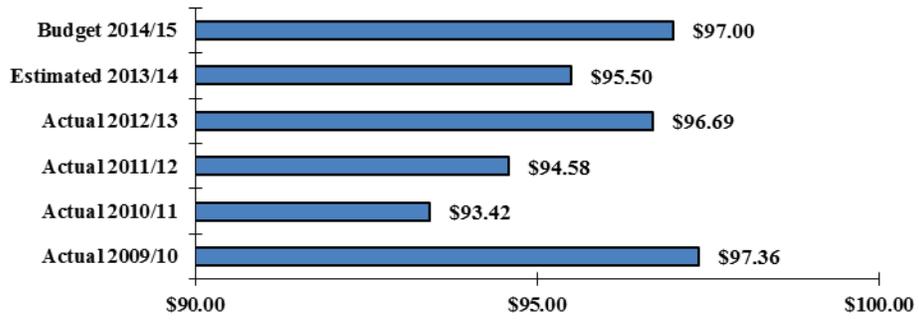
**Road Use Tax Revenue**



\* 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 through 2014/2015 include increases from two recent voluntary annexations.

### Road Use Taxes (Per Capita Basis)



**Federal Housing Funds**  
**FY 2014/2015 Budget \$2,128,380**

**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 resulted in lower HAPS reserves at the end of 2011/2012, 2012/2013, 2013/2014, and 2014/2015. 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 2014 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.

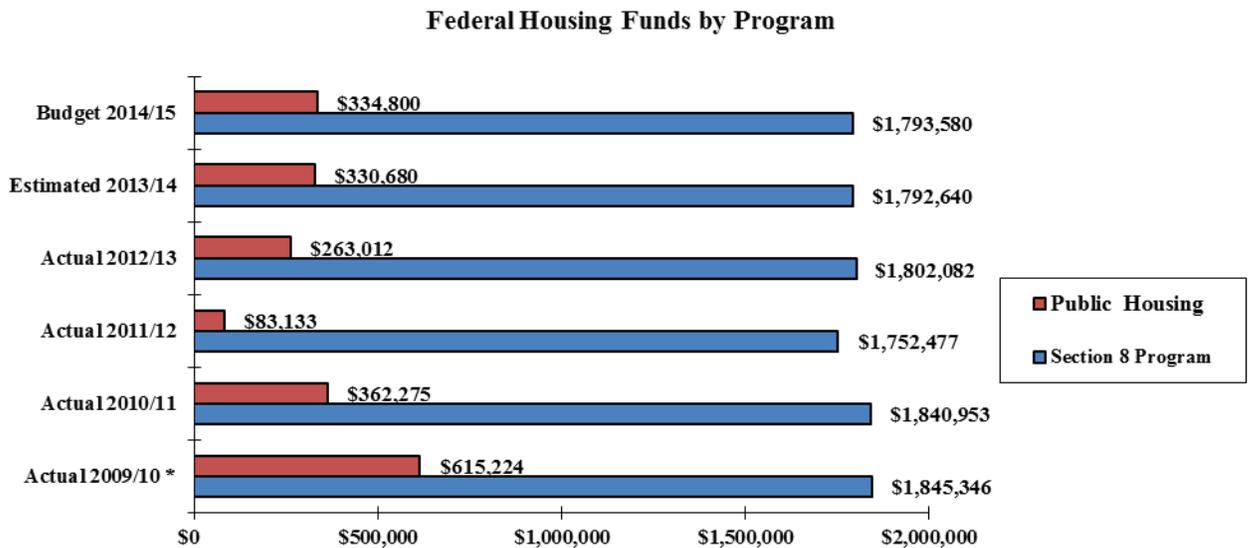
**Public Housing.** In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. HUD Operating funds were \$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. In 2012/2013 \$92,006 in Operating Subsidy was received for the last six months of the fiscal year (January-June, 2013). Full fiscal year Operating Subsidies are expected to be received in fiscal years 2013/2014 and 2014/2015. The subsidies have been estimated at \$178,800 for each of these fiscal years.

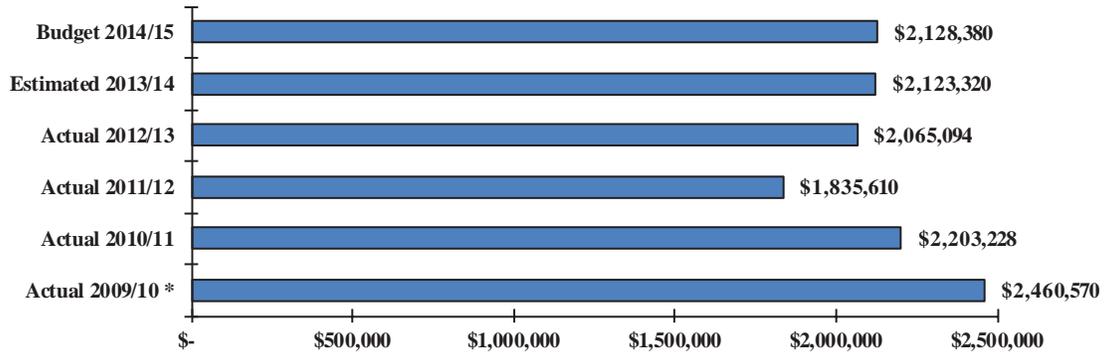
Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City’s allocation for 2009/2010 was \$198,736 and for 2010/2011 was \$196,691. The HUD 2011 Capital Funds allocation was \$171,006 and an additional \$151,875 was allocated in 2012. In prior 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 City drew down the 2011 allocation of \$171,006 in 2012/2013 and the 2012 allocation of \$151,875 in 2013/2014. Housing agencies are given two years to obligate each year’s capital funding allocation. The 2014/2015 budget reflects drawing down the 2013 grant which totals \$156,062.

**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 2013/2014 and the budgeted amounts for 2014/2015. 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 2009/2010 an additional \$230,918 was received in Public Housing Capital Funds through the federal Stimulus program.

**Sewer Charges for Services**  
**FY 2014/2015 Budget \$5,440,400**

**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. The next 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. The most recent rate study was completed in 2013 which set rates for a five-year period through fiscal year 2017/2018.

**Basis of Revenue Estimates**

Staff at the Water Pollution Control department reviews 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.

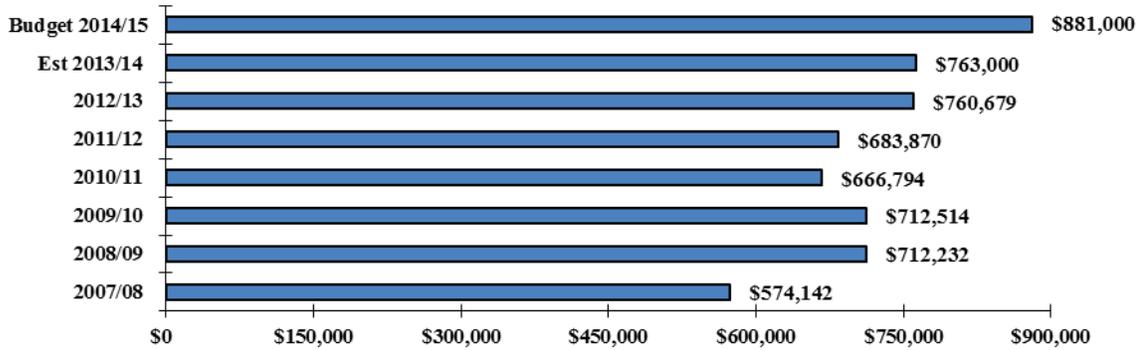
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz USA. 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 will continue through calendar year 2017 per the most recent contract extension with Heinz. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2013/2014 and the projections for 2014/2015. The budgeted sewer rates for 2013/2014 and 2014/2015 reflect annual approximately 3% rate increases per the 2013 rate study.

## Sewer Revenue Trends

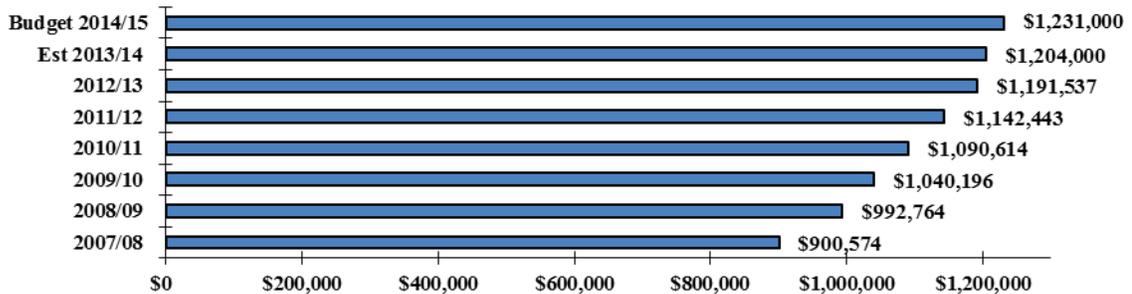
**Residential and Muscatine Power and Water Billed Commercial Sewer Revenue**



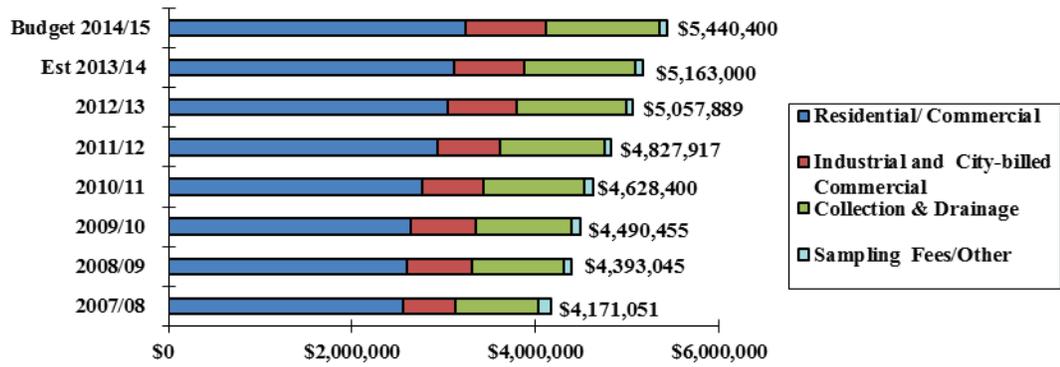
**Industrial and City-Billed Commercial Sewer Revenue**



**Collection and Drainage Revenues**



### Sewer Revenues - All Types



**Transfer Station Charges for Services  
FY 2014/2015 Budget \$1,877,650**

**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**

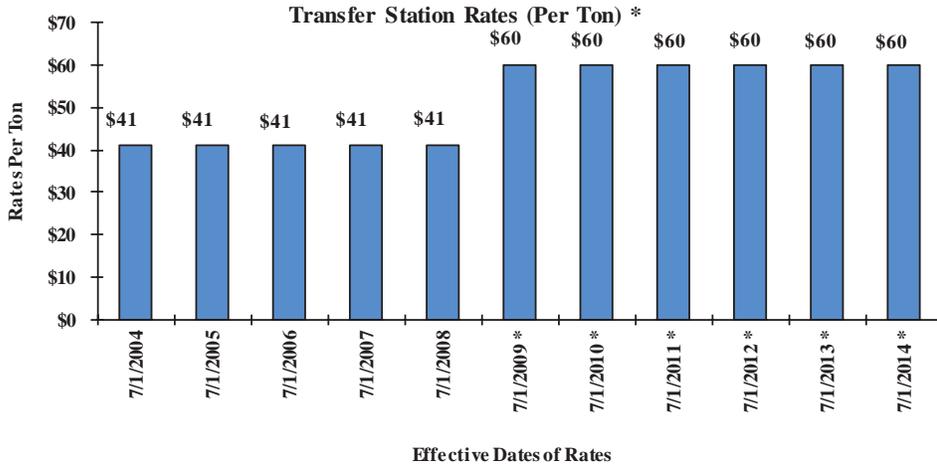
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt 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 were funded from the debt service tax levy rather than Transfer Station revenues as had originally been anticipated. This bond issue will be retired in 2013/2014.

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 2014/2015. 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 industrial waste disposal contracts were implemented midway through the 2010/2011 year to increase the waste volume coming to this facility. The regular and negotiated waste disposal contracts were all extended through June 30, 2015.

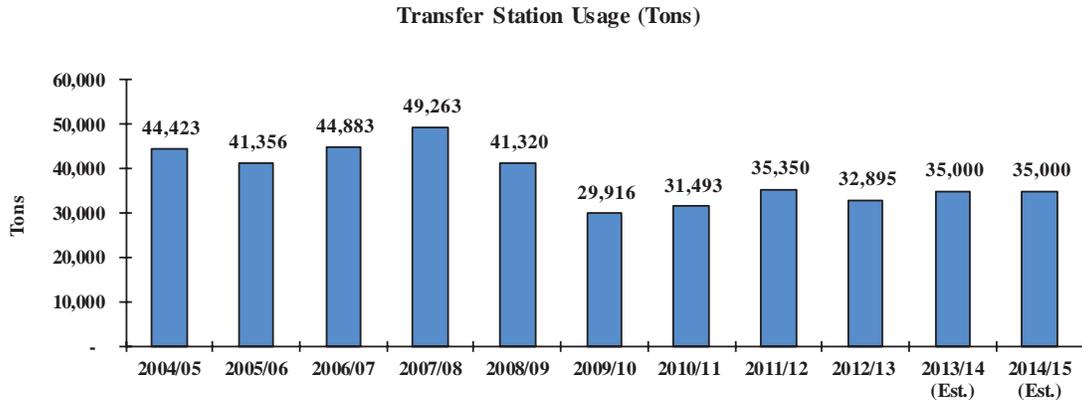
The actual Transfer Station waste volume was 44,423 tons in 2004/2005, 41,356 in 2005/2006, 44,883 in 2006/2007, 49,263 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, and 32,895 in 2012/2013. The 2013/2014 revised estimate and the 2014/2015 budget are each based on a projected 35,000 tons of waste.

## Transfer Station Revenue Trends

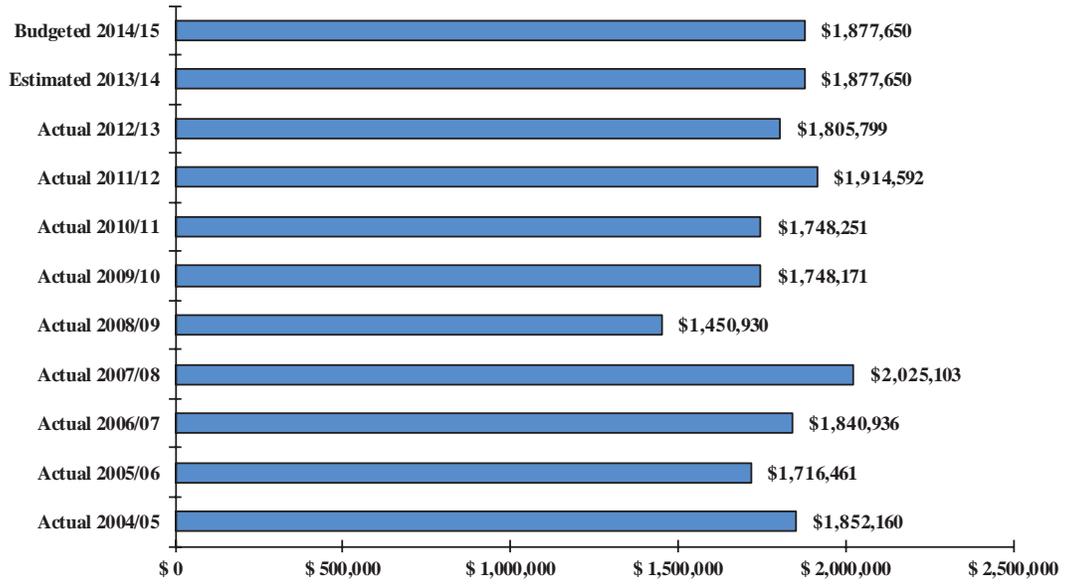
The following charts show Transfer Station rates, usage, and revenues since 2004/2005:



\*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 2014/2015 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.

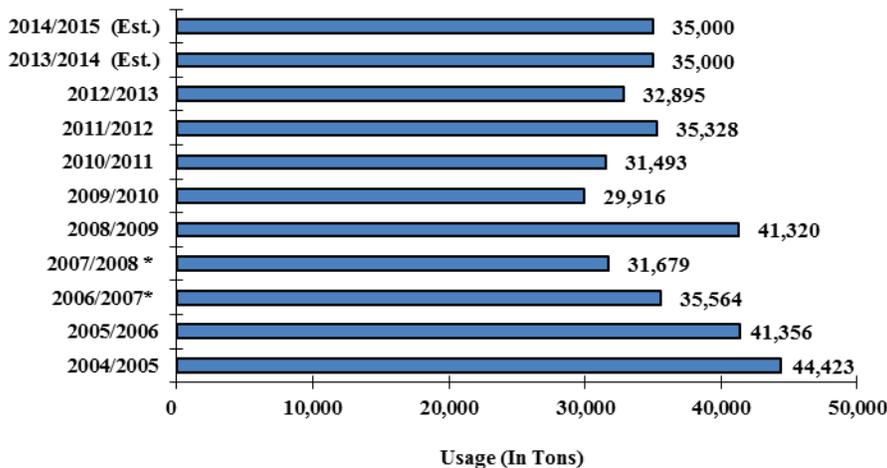
**Basis of Revenue Estimate**

The landfill waste volume was 44,423 tons 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, 35,350 in 2011/2012, and 32,895 in 2012/2013. 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 2013/2014 revised estimate and the 2014/2015 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 2014/2015. The City negotiated several new industrial contracts in 2011 with revenues from these new contracts directed to the Landfill fund deficit. The industrial contracts have all been extended through June 30, 2015. 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

**Transfer Station and Landfill Rates (Per Ton)**



\* 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. Both the regular contracts and the negotiated contracts have been extended through June 30, 2015.

**Refuse Collection Charges for Services**  
**FY 2014/2015 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**

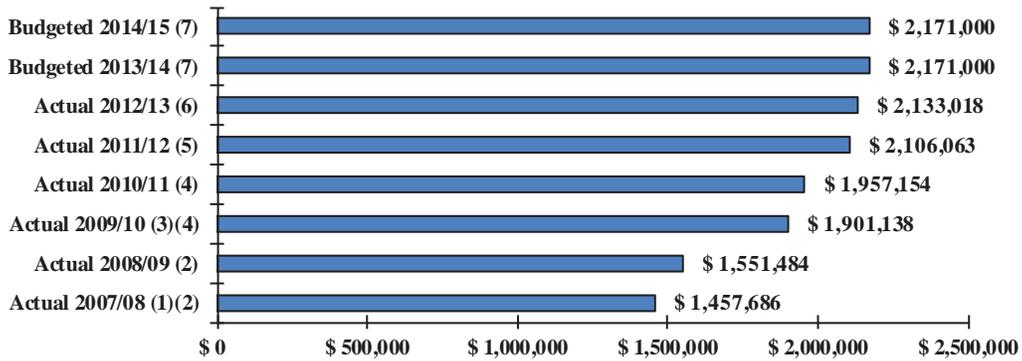
The refuse collection rates effective April 1, 2008 were \$15.50 per month for regular residential customers, \$10.50 per month for senior citizens, and commercial account charges were based on the amount of refuse collected. The rates were increased to \$18.25 July 1, 2009 for regular residential and \$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. 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 2014/2015. 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 brought in an additional \$17,062 of revenue in 2012/2013 and will bring in an estimated \$68,250 in both 2013/2014 and 2014/2015.

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**

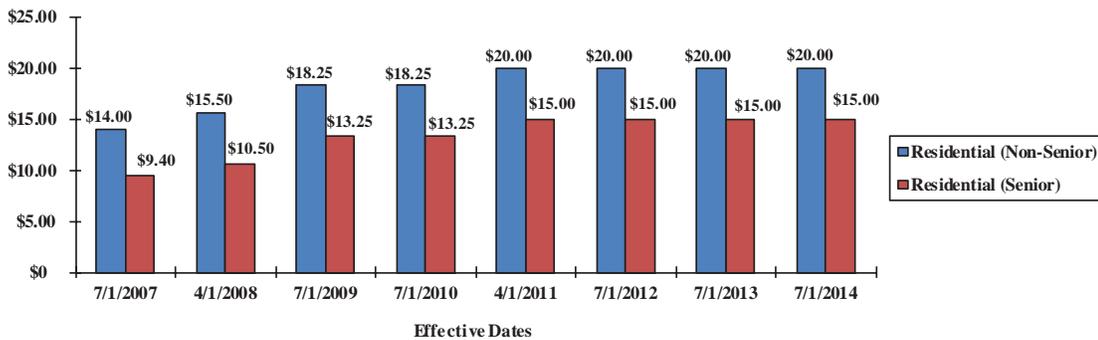
Refuse Collection revenues for the last six years, the estimated revenue for 2013/2014 and the budgeted revenue for 2014/2015 are shown in the following chart. The second chart shows the refuse collection rates since July 1, 2006.

### Refuse Collection Revenues



1. Rates increased by \$.50 and \$.40, respectively, for regular and senior citizens for 2007/2008.
2. Rates were increased by \$1.50 and \$1.10, respectively, for regular and senior citizens effective April 1, 2008.
3. Rates increased by \$2.75 for both regular and senior citizens for 2009/2010.
4. Includes \$70,000 for charges for City of Fruitland services beginning in 2009/2010.
5. 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 and 2014/2015.
6. Includes \$17,062 from Ripley's Mobile Home Court for April - June 2013 based on starting refuse collection services to this recently annexed area in April 2013.
7. Includes \$68,250 for charges for Ripley's Mobile Home Court services for 2013/2014 and 2014/2015.

### Refuse Collection Rate History (Rates Per Month)



**Ambulance Charges for Services**  
**FY 2014/2015 Budget \$1,280,000**

**General Information**

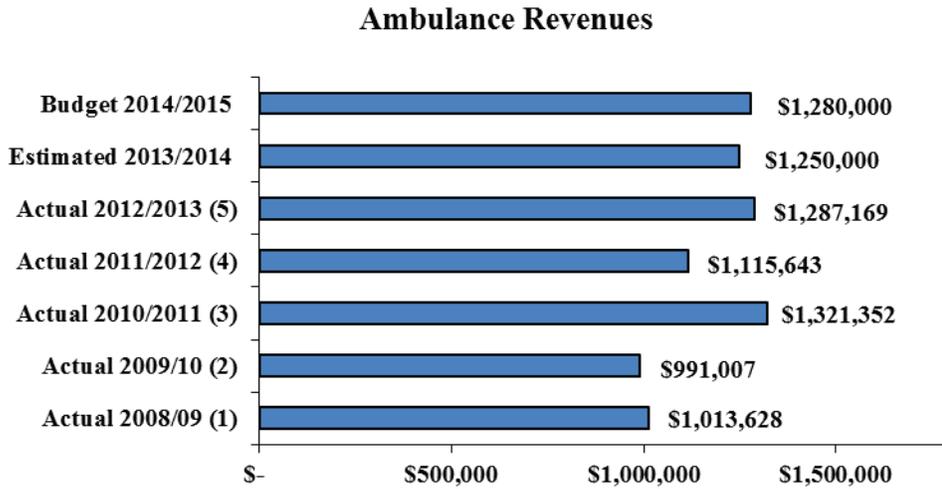
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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.

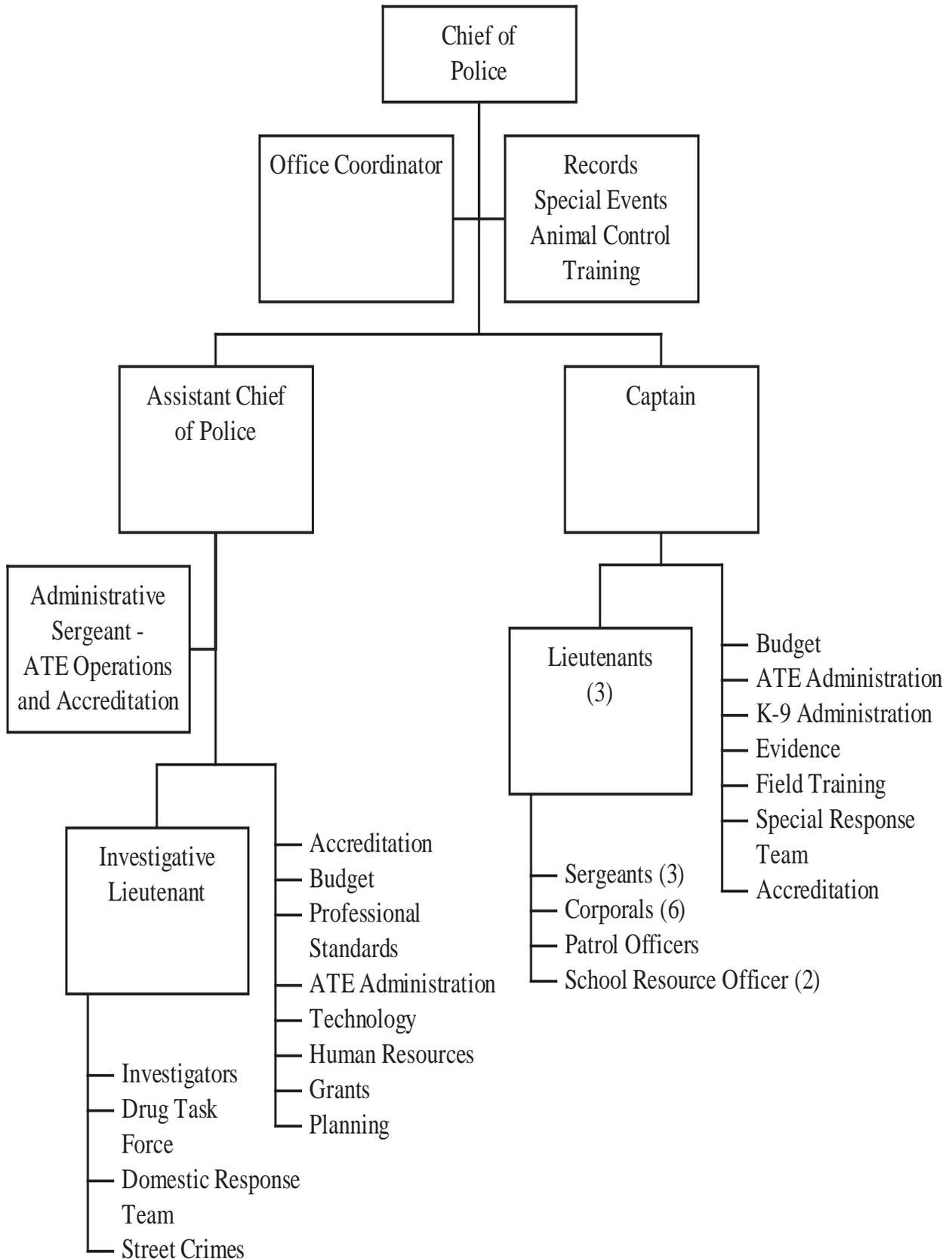
## Ambulance Revenue Trends



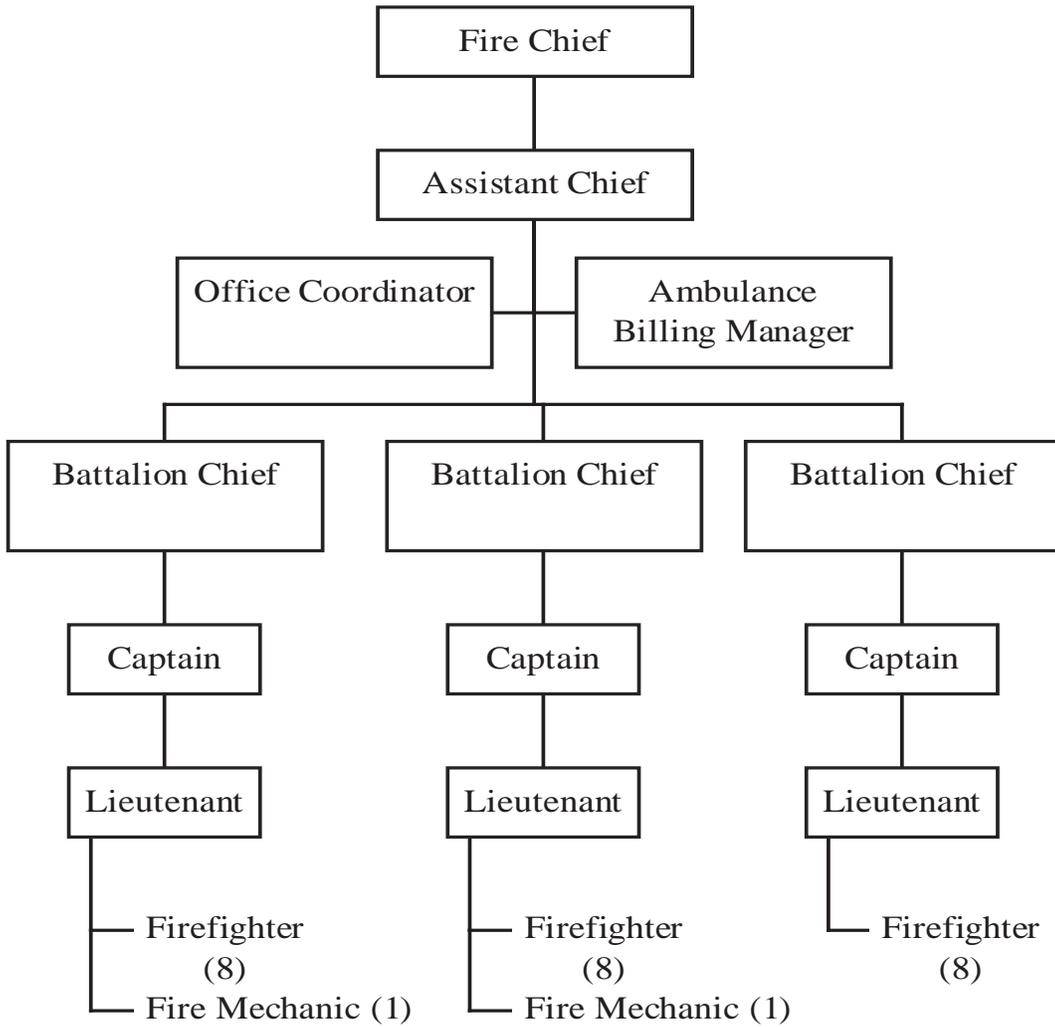
1. FY 2008/2009 revenues include a \$9,144 adjustment to increase the amount accrued on prior year accounts. Rates were adjusted in January, 2009 which increased the ALS1 rate to \$586 and the Skilled Care Transport to \$1,002.
2. FY 2009/2010 revenues include a \$17,072 adjustment to decrease the amount accrued on prior year accounts. Ambulance rates did not change in 2009/2010.
3. 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.
4. 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.
5. The 2012/2013 revenues include a \$7,133 adjustment to increase the amount accrued on prior year accounts. The Ambulance mileage rate and "ALS Services with no Transport" rates changed for 2012/2013. Other rates continued at the 2011/2012 levels.

**DEPARTMENT ORGANIZATIONAL CHARTS**

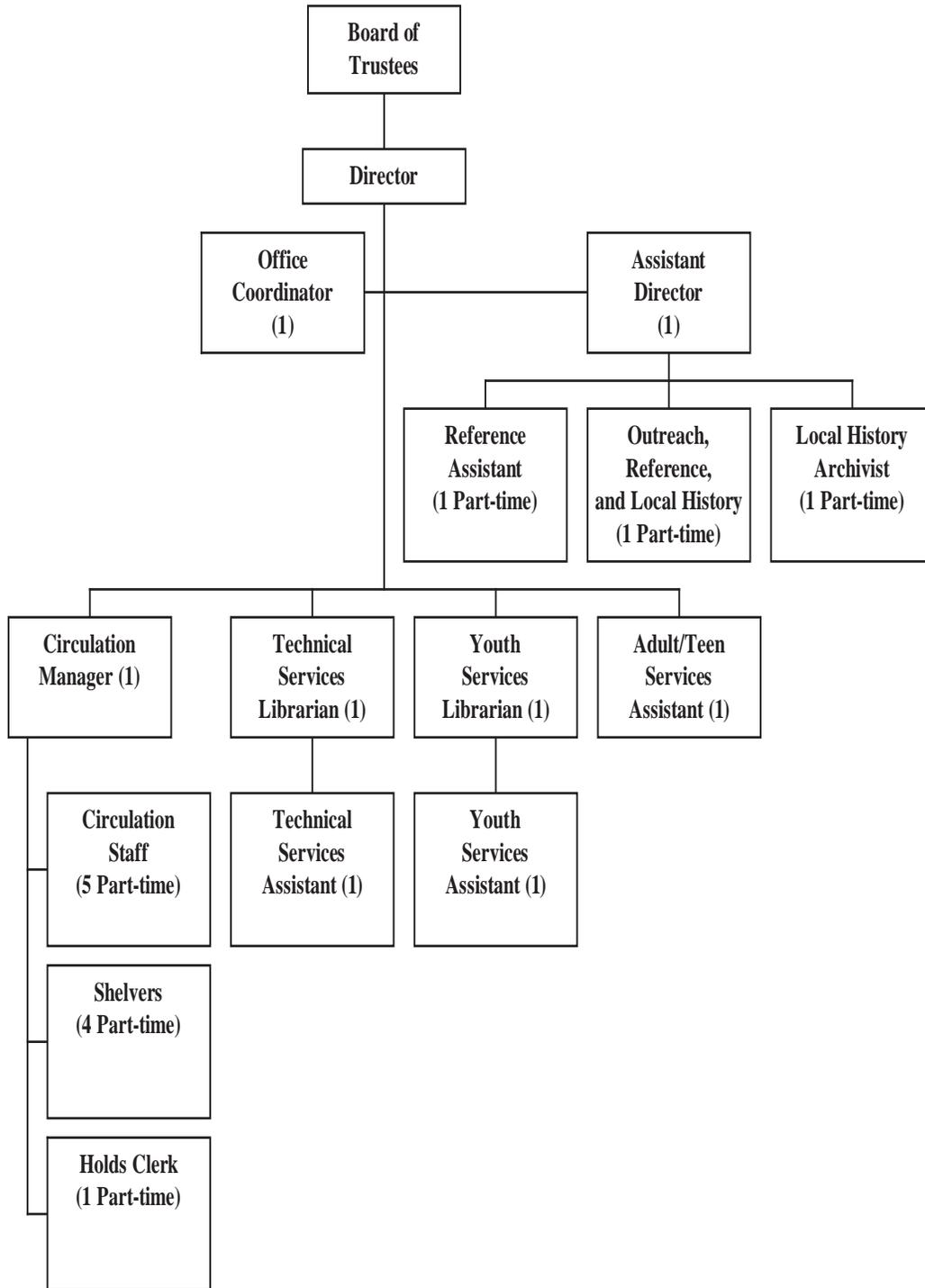
# CITY OF MUSCATINE POLICE DEPARTMENT



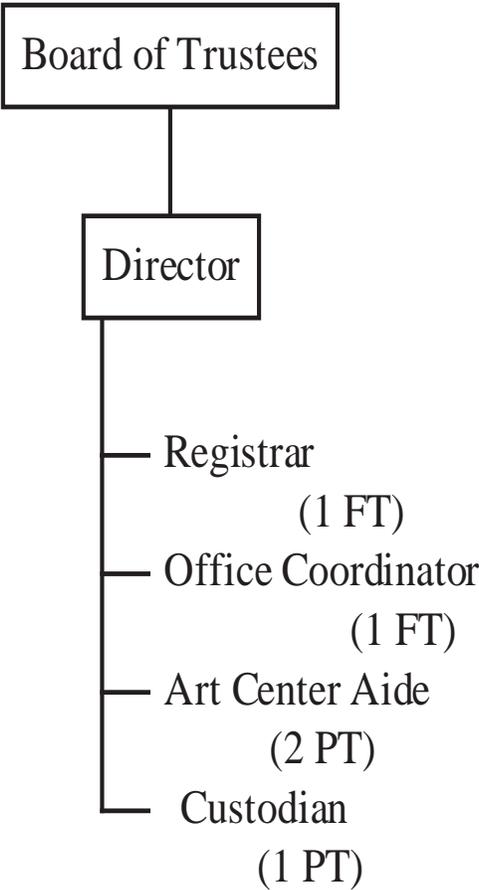
# CITY OF MUSCATINE FIRE DEPARTMENT



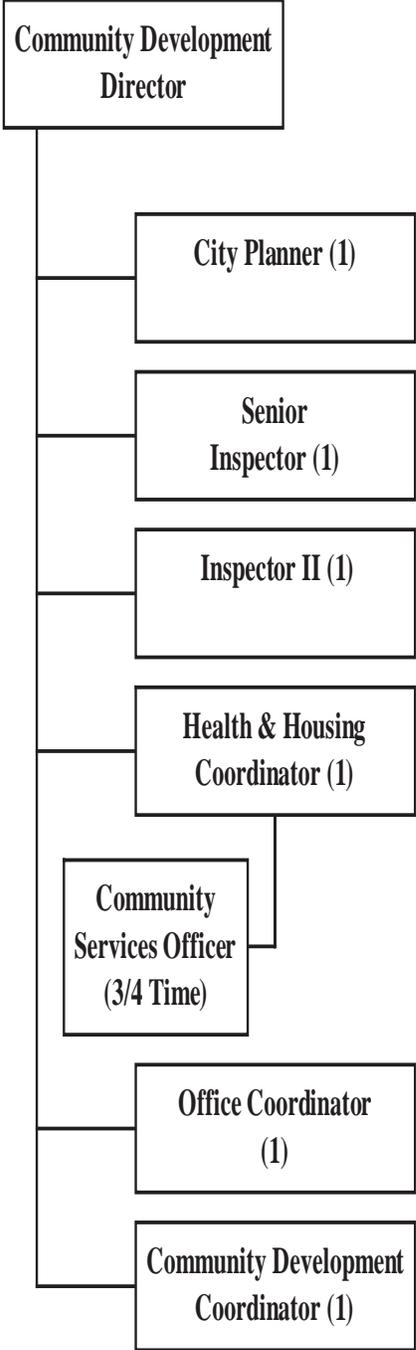
# CITY OF MUSCATINE LIBRARY



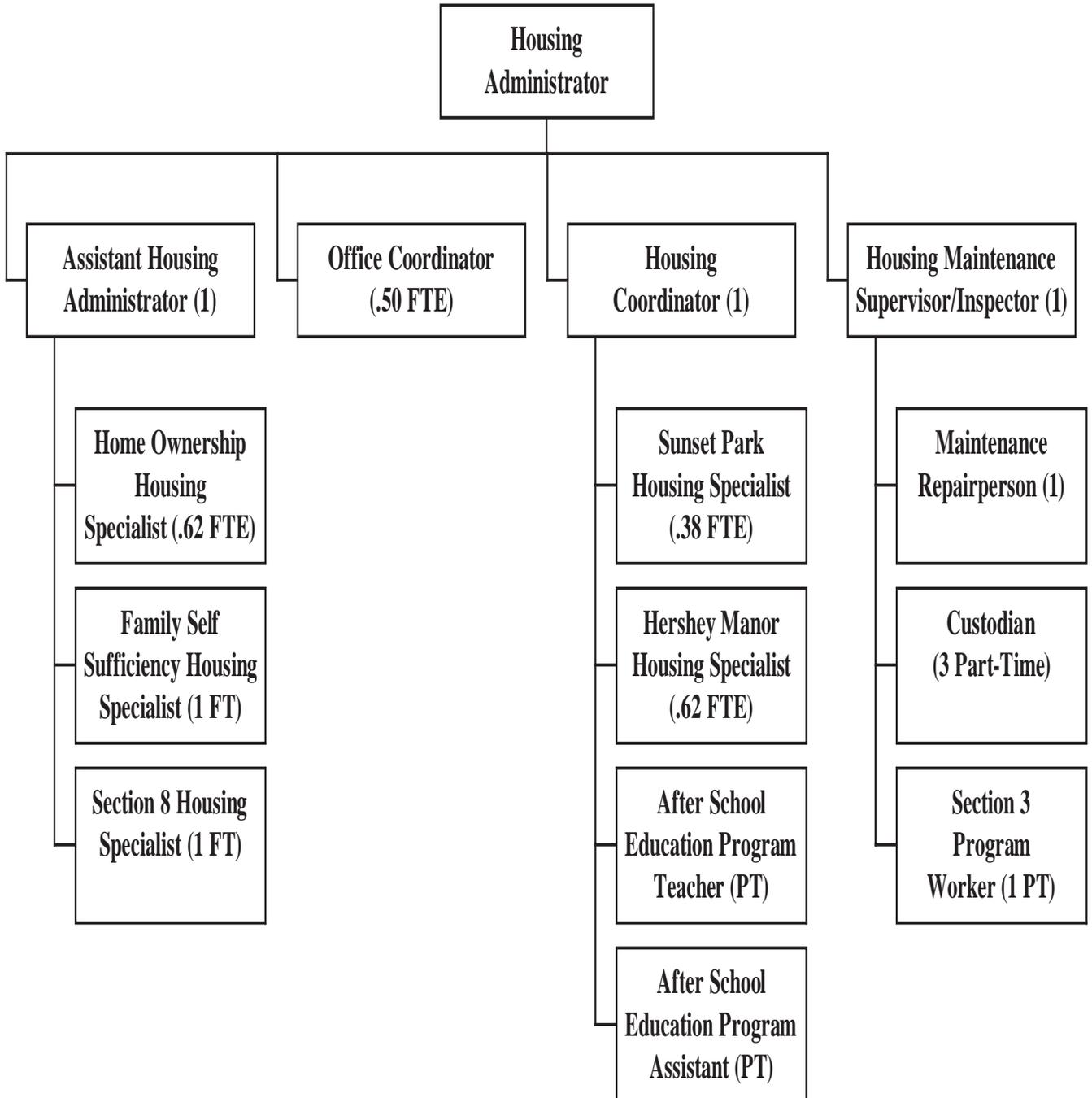
# CITY OF MUSCATINE ART CENTER



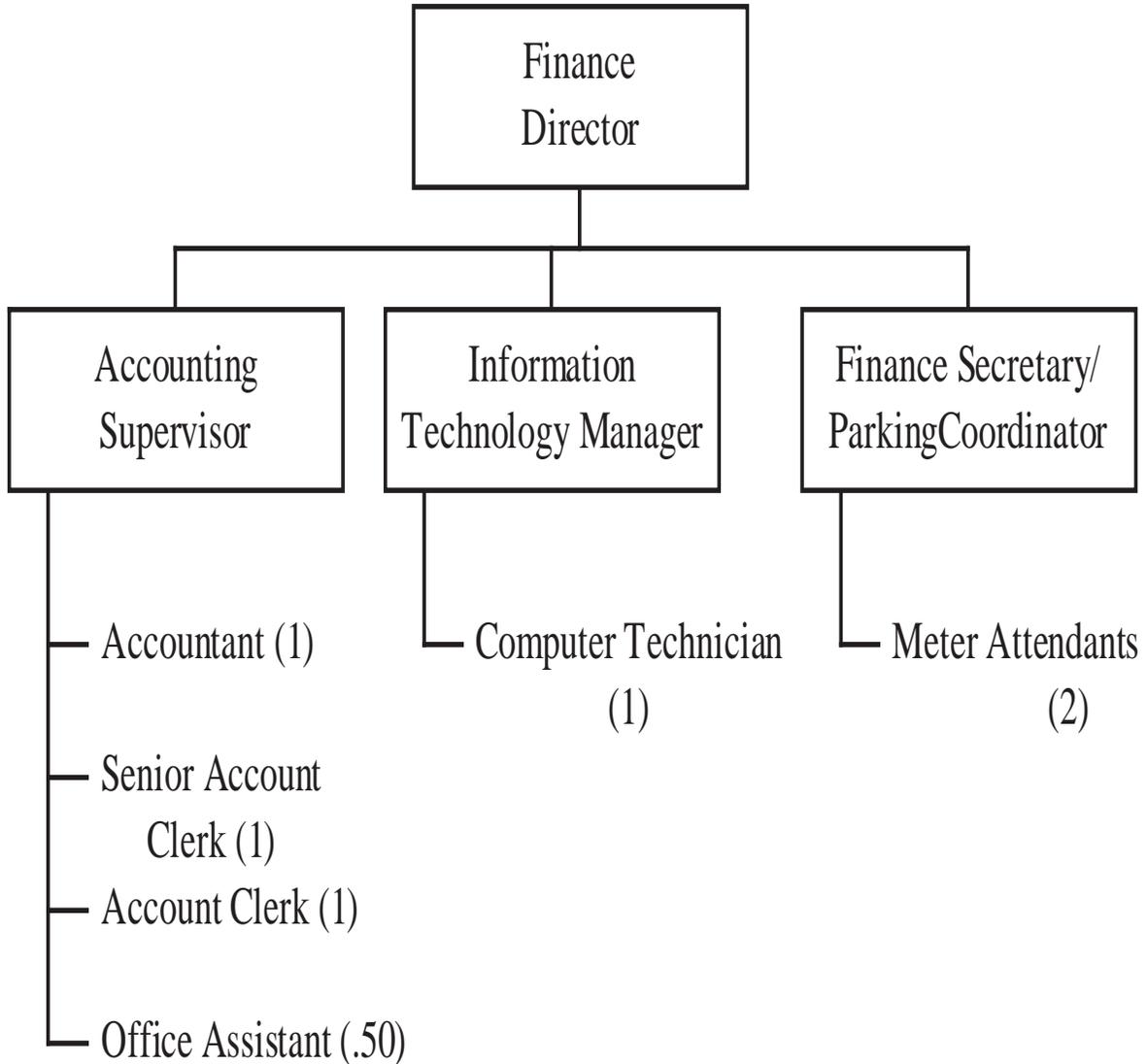
**CITY OF MUSCATINE  
COMMUNITY DEVELOPMENT  
DEPARTMENT**



# CITY OF MUSCATINE HOUSING DEPARTMENT

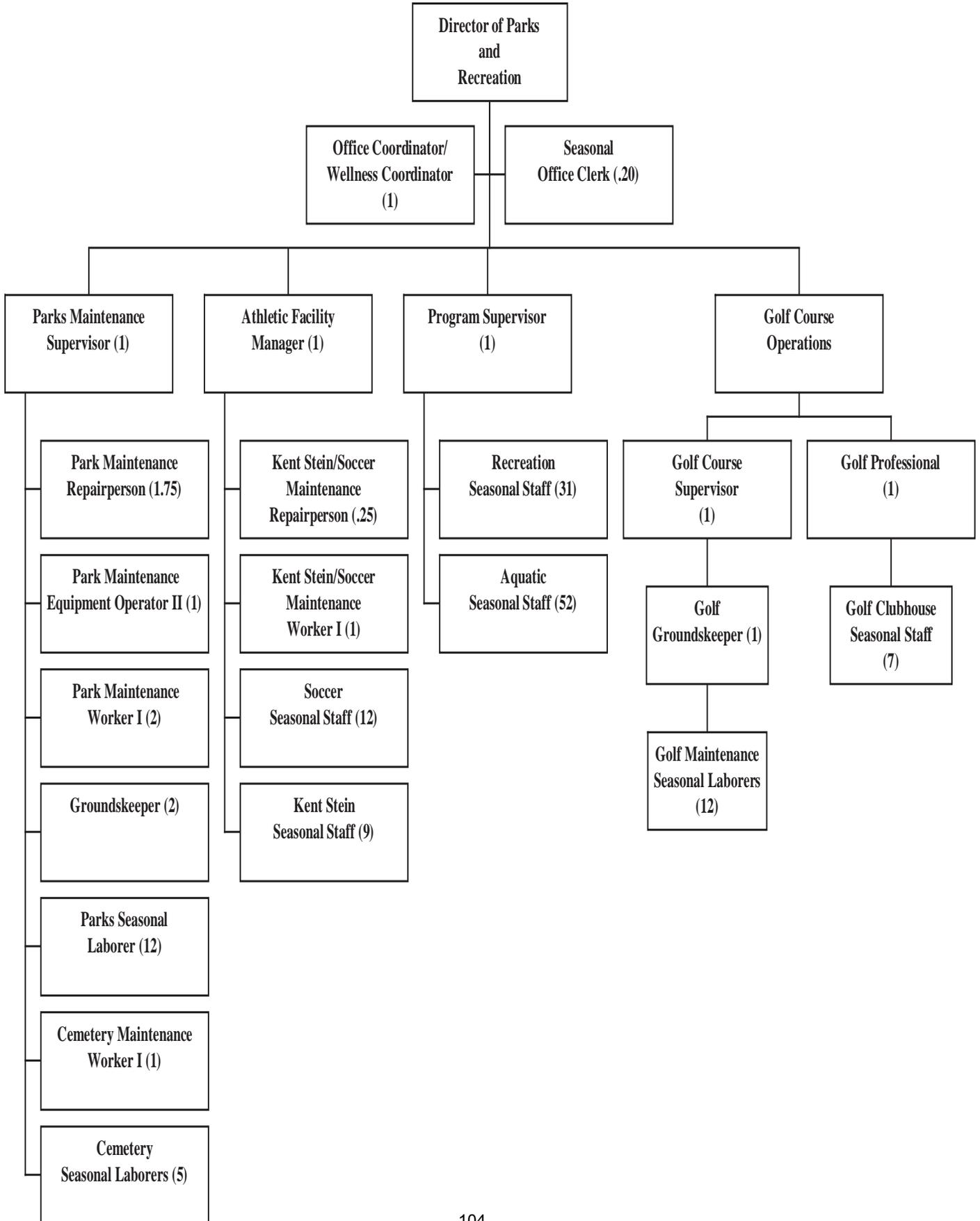


# CITY OF MUSCATINE FINANCE DEPARTMENT

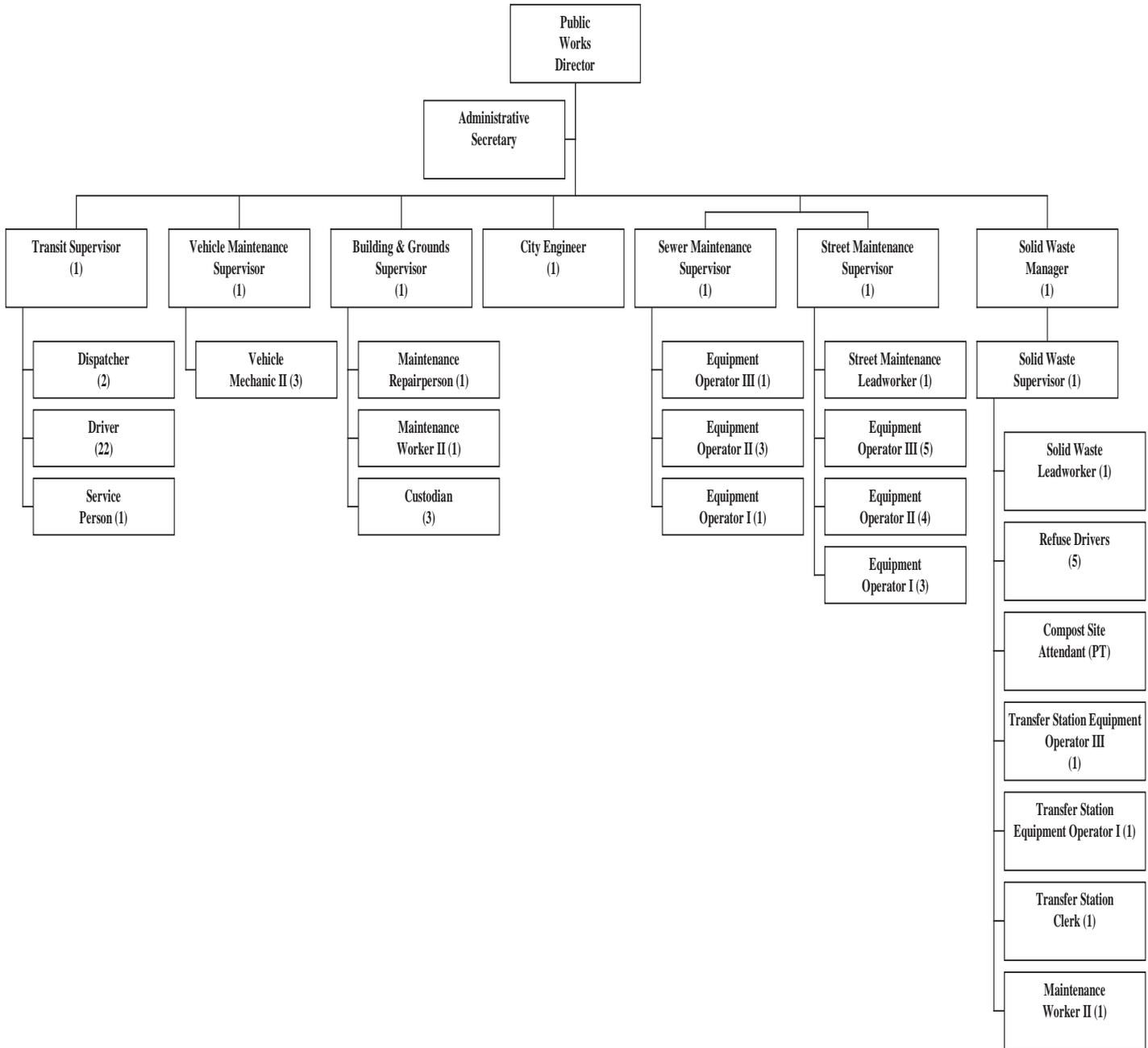


# CITY OF MUSCATINE

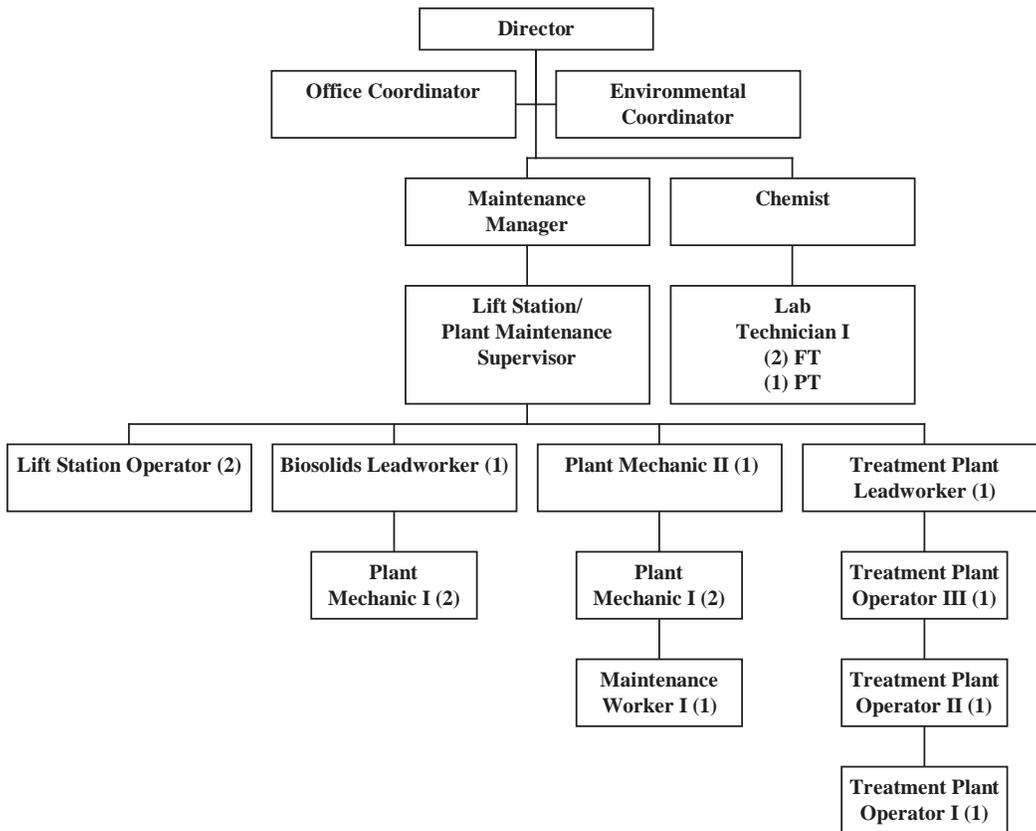
## PARKS AND RECREATION DEPARTMENT



# CITY OF MUSCATINE PUBLIC WORKS DEPARTMENT



# CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



## **GENERAL FUND**

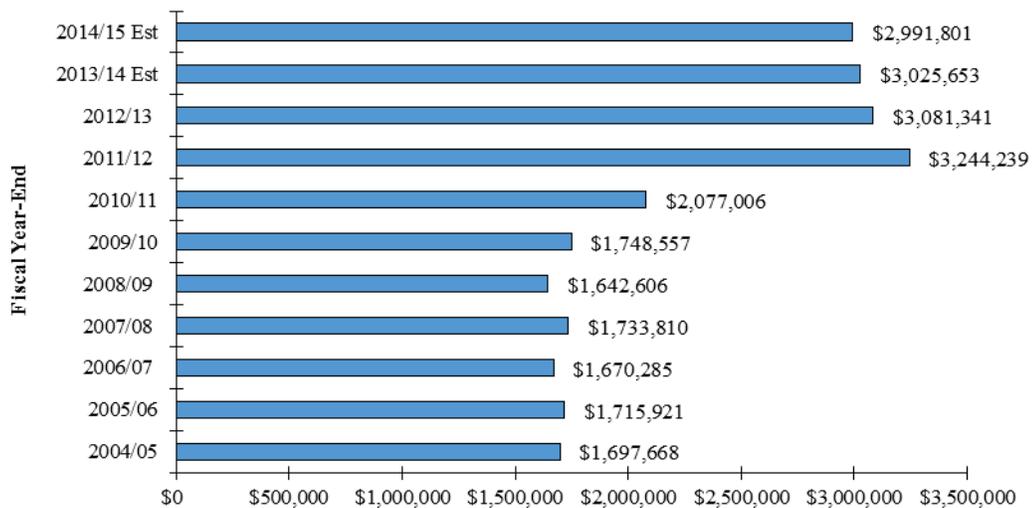
## GENERAL FUND

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 budget policies in prior years required the ending balance for the year to be at least 10% of the budgeted expenditures in the General Fund. The City Council in recent budgets has made efforts to increase the General Fund balance over the previous minimum of 10% level and in November 2013 City Council formally adopted a new General Fund Balance Policy which provides for the ending General Fund balance to be at least two months of General Fund expenditures or 16.7%. The effort to increase the fund balance was 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 2014/2015 is budgeted at \$2,991,801 which is 16.8% of General Fund expenditures. The new policy and the 2014/2015 budget demonstrate 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:

**General Fund Fund Balance History**



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 the actual ending balance was 17.9% of expenditures. The original 2013/2014 General Fund budget showed an ending balance of 15.1% of expenditures and the revised estimate projection is 17.0%.

The General Fund budget for 2014/2015 shows the General Fund balance at 16.8% of expenditures which meets the new minimum level of 16.7% provided for in the recently updated General Fund Balance Policy. The 2014/2015 budget, however, is being “balanced” with \$33,852 of General Fund balance. This is the amount that the estimated 2014/2015 expenditures exceed the estimated revenues. As noted above, 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. Additionally, as noted in the Budget Message, the City Council in recent years has 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.

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 assisted 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 first two \$40,000 funding assignments for the set-aside funding for the COPS grant funded officers were budgeted in 2012/2013 and 2013/2014. The original 3-year grant period is expected to end in February 2015. The Police budget for 2014/2015 includes approximately \$31,000 to fund the City’s share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years is \$9,000. This results in \$89,000 being set aside for funding these officers through the required 4<sup>th</sup> year which is estimated to end in February, 2016. This takes into account the School providing funding their portion of the 4<sup>th</sup> year costs. During the 2015/2016 budget

review process, a decision will need to be made whether these positions will be retained at City and School cost or if they will be eliminated.

### **Recent Structural and Efficiency Changes in General Fund Departments**

Structural changes implemented in 2010/2011, 2011/2012, and 2012/2013 also assisted the city in increasing the General Fund balance. The changes in 2010/2011 included 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.

Other changes implemented since 2011/2012 have 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 thirteen in 2013; (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 2014/2015 and future years. One of the City’s goal for the upcoming year is to continue to develop a formal “Lean” program which 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.

### **Revenue Trends**

Budgeted revenues for 2014/2015 in the General Fund total \$17,778,129, which is a 2.1% increase from the 2013/2014 budget of \$17,405,549. General property taxes comprise 36.3% of total revenue sources for 2014/2015 compared to 37.1% for the budget year 2013/2014. 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 for police and fire pensions. 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 \$527,005 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.

For 2014/2015 the police and fire pension contribution rate increased to 30.41% and the corresponding tax rate increased from \$1.70009 to \$1.75054/\$1,000 of taxable valuation. In 2014/2015 \$369,265 of General Fund employee benefit costs will be funded from the General Fund instead of the employee benefit levy. The City was able to lower the Transit portion of the tax levy for 2014/2015 which allowed for the overall tax rate to remain unchanged for 2014/2015. If the Police and Fire pension contribution rate further increases in upcoming years, increases in the City's total tax levy rate will be unavoidable. The MFPRSI increases are one of the most significant budget challenges we face annually and these costs have a direct impact on the City's ability to maintain existing levels of services.

The taxable property valuation for fiscal year 2014/2015 is \$794,221,063, which is \$984,751 (.12%) lower than the fiscal year 2013/2014 valuation of \$795,205,814. The overall decrease is due to the new rollback of commercial, industrial, and railroad property from 100% to 95%. For 2014/2015 there was a decrease of .42% in commercial and a decrease of 8.63% in industrial valuations. The overall changes in the valuations in these categories reflect the net effect of growth, re-valuation by the County Assessor, and the 5% rollback. The taxable valuation for residential property, however, increased by 2.47% for 2014/2015. While *actual* residential property values decreased by .51% in 2014/2015 due to growth and re-valuation of existing property, *taxable* values increased by 2.47%. 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 2014/2015, however, the rollback factor for residential property increased from 52.8166% to 54.4002% (an increase of 2.99%).

As noted above, property tax legislation approved in 2013 rolled back commercial and industrial taxable property valuations from 100% to 95% in 2014/2015 and will roll back these valuations to 90% in 2015/2016. This legislation included a provision for the State to provide a reimbursement to cities which is expected to offset a portion of the property taxes which would have been received if not for the new commercial and industrial rollback. For 2014/2015 the State reimbursement to the General Fund is estimated at \$144,720 based on the regular \$8.10 General Fund levy. Additional State reimbursement funds of \$6,567 for the Transit levy, \$7,061 for the Tort Liability levy, \$68,807 for the Employee Benefits levy, \$56,153 for the Debt Service levy, and \$1,206 for the Levee levy total to an estimated total reimbursement of \$284,514 for 2014/2015. If this total reimbursement of \$284,514 is added to the property tax levy amount of \$12,541,759 this would total \$12,826,273 which is \$286,763 (2.29%) more than the 2012/2013 property tax levy amount.

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, 2013/2014, and 2014/2015 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 2014/2015 and is expected to generate \$100,000 annually. 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 2013/2014 revised estimate includes an estimated \$342,000 in hotel/motel taxes and that same amount has been budgeted for 2014/2015. In fiscal years through 2012/2013, hotel/motel tax funds were distributed 25% to the Library and 25% to the Art Center. Of the remaining 50%, an annual allocation had 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 beginning in 2013/2014. The CVB funding amount is estimated at \$85,500 for both 2013/2014 and 2014/2015. 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 2014/2015 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at \$2,251,700, an increase of \$103,700 (4.8%) from the 2013/2014 budget of \$2,148,000.

Revenue sources identified in the General Fund for 2014/2015 also include charges for services, licenses and permits, and other fees. Construction permits for 2014/2015 are estimated at \$200,000 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 \$345,900 for 2014/2015 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 \$25,700 has been charged to the Golf Course and Boat Harbor Operations budgets for 2014/2015. 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 \$60,800 for 2014/2015. In 2014/2015 the Ambulance enterprise fund will transfer \$911,900 to the General Fund for a prorated portion (25.7%) of the cost of fire department personnel used for the ambulance operation.

### **Expenditure Trends**

The projected level of expenditures for the General Fund of \$17,811,981 for 2014/2015 is .7% (\$123,274) above the 2013/2014 budget of \$17,688,707. Of the total expenditures, \$13,307,900 (74.8%) 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 2014/2015 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 2014/2015. 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 2014/2015, 2013/2014, 2012/2013, 2011/2012, and 2010/2011 are as follows:

#### **2014/2015**

- There was a slight reduction in part-time staffing at the Library (.13 FTE).

#### **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 repairperson. Additional seasonal staff is being used in lieu of the fulltime staff.

The 2014/2015 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 2014/2015 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 2014/2015 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 Humane Society and Senior Resources will remain at their current levels of \$60,000, and \$20,000, respectively, for 2014/2015. The subsidy to the CVB is again budgeted at 25% of the hotel/motel tax which is estimated at \$85,500. The subsidy to the Chamber has been increased by \$3,000 to \$38,000 with this increase specifically targeted for hosting visitors from Muscatine's various Sister Cities.

The 2014/2015 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of \$200,000 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 funds 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 2014/2015.

The General Fund annually makes subsidy payments to the Airport Operations fund. In 2008/2009 the subsidy was \$70,906, in 2009/2010 \$89,959, in 2010/2011 \$60,325, in 2011/2012 \$56,229, and in 2012/2013 \$53,987. The revised estimate subsidy for 2013/2014 is \$42,600 with the subsidy for 2014/2015 budgeted at \$47,400. 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 2014/2015. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2014/2015, 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 2,077,006	\$ 3,244,239	\$ 2,949,122	\$ 3,081,341	\$ 3,025,653
Revenues	17,077,538	17,022,028	17,405,549	17,693,219	17,778,129
Encumbrance Variance	<u>2,647</u>	<u>922</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 19,157,191	\$ 20,267,189	\$ 20,354,671	\$ 20,774,560	\$ 20,803,782
Expenditures	<u>15,912,952</u>	<u>17,185,848</u>	<u>17,688,707</u>	<u>17,748,907</u>	<u>17,811,981</u>
Ending Balance, June 30	<u>\$ 3,244,239</u>	<u>\$ 3,081,341</u>	<u>\$ 2,665,964</u>	<u>\$ 3,025,653</u>	<u>\$ 2,991,801</u>

<b>Increase (Decrease) in Fund Balance</b>	\$ <b>1,167,233</b>	\$ <b>(162,898)</b>	\$ <b>(283,158)</b>	\$ <b>(55,688)</b>	\$ <b>(33,852)</b>
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**Minimum Fund Balance Per City Financial Policies was 10% of General Fund Expenditures through FY 13 budget; for FY 14 informally used 15% as target**

\$ 2,653,000  
(15%)

\$ 2,662,000

**Amount Over (Under) Informal Policy Minimum of 15%**

\$ 12,964

\$ 363,653

**New Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)**

\$ 2,969,000

**Amount Over (Under) New Minimum Fund Balance**

\$ 22,801

**Ending Balance as a Percent of General Fund Expenditures**

20.4%

17.9%

15.1%

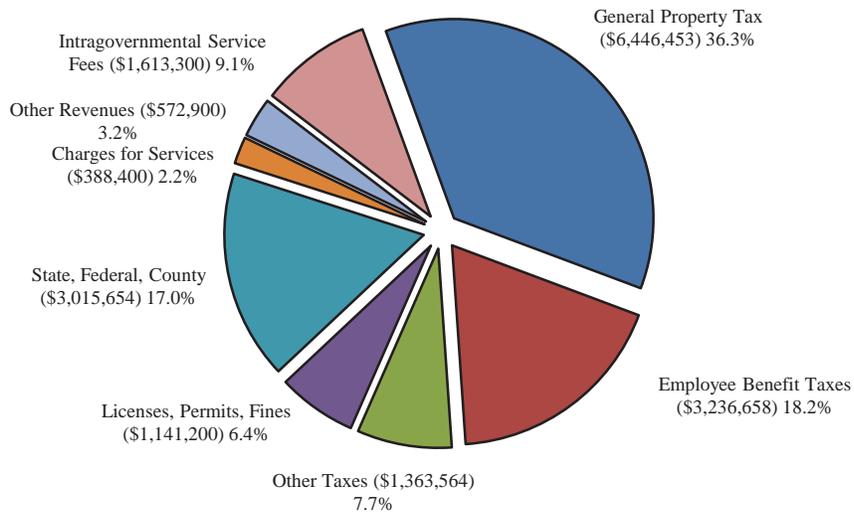
17.0%

16.8%

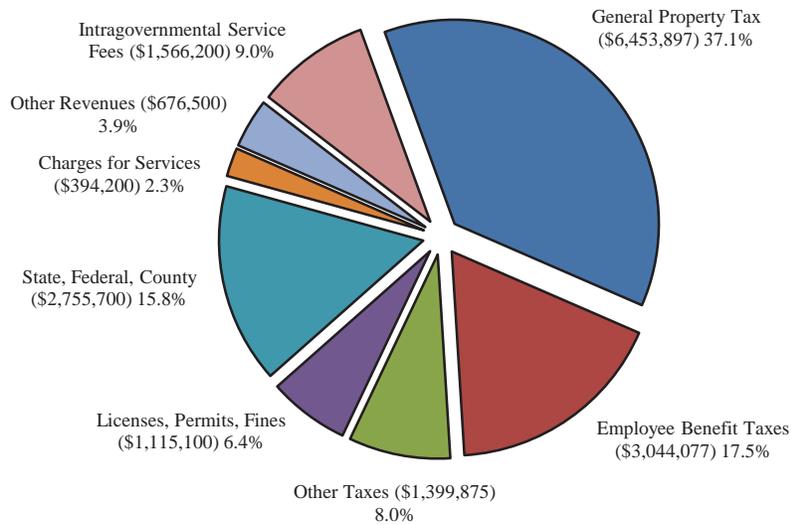
**Explanation of Increases or Decreases in Fund Balances:**

In prior years the City's financial policies provided that the fund balance of the General Fund be at least 10% of 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. In November of 2013 the City Council adopted a new General Fund balance policy providing that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget reflects this new minimum fund balance target amount.

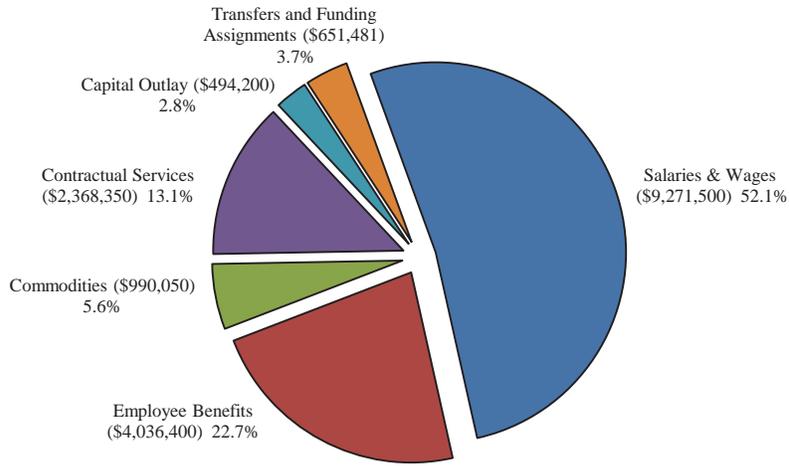
**General Fund Revenues By Source  
Budget 2014/2015  
\$17,778,129**



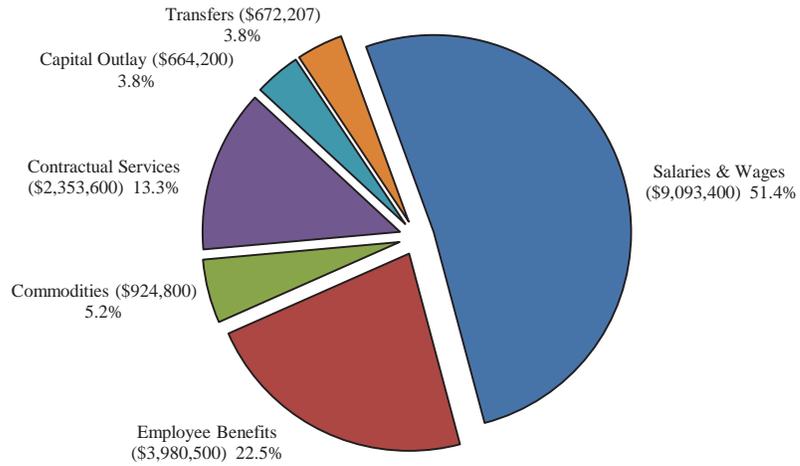
**General Fund Revenues By Source  
Budget 2013/2014  
\$17,405,549**



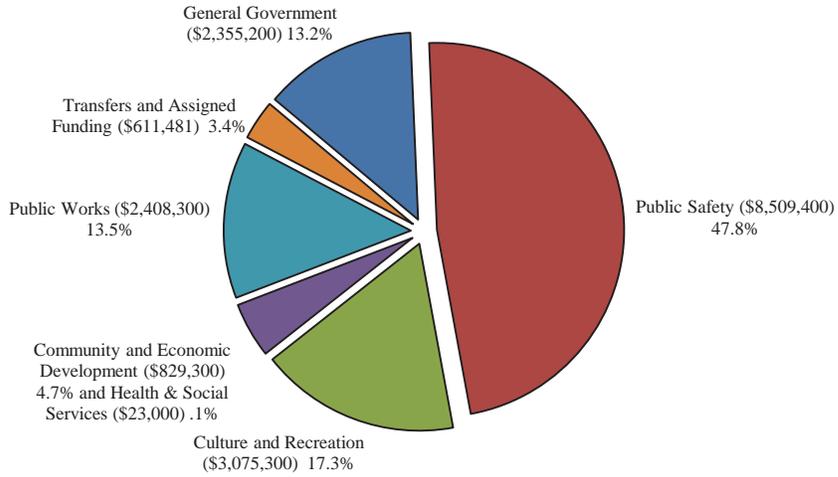
**General Fund Expenditures By Type  
Budget 2014/2015  
\$17,811,981**



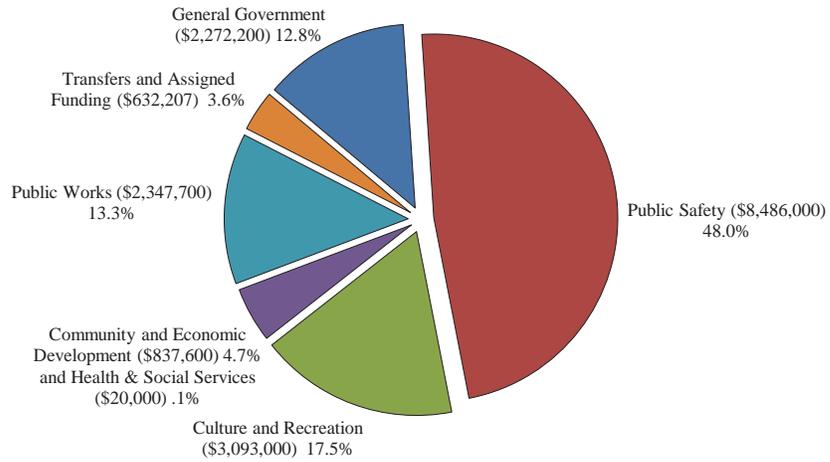
**General Fund Expenditures By Type  
Budget 2013/2014  
\$17,688,707**



**General Fund Expenditures By Function  
Budget 2014/2015  
\$17,811,981**



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



**General Fund**  
**Revenues by Type**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change from 2013/2014 Budget</u>
Taxes	\$ 7,511,663	\$ 7,628,699	\$ 7,853,772	\$ 7,847,772	\$ 7,810,017	-0.6%
Licenses and Permits	308,386	390,491	303,100	317,400	316,700	4.5%
Fines and Forfeitures	1,031,657	897,488	804,000	815,500	812,500	1.1%
Intergovernmental Revenue	525,050	553,412	575,900	614,200	708,254	23.0%
Charges for Services	751,944	714,730	664,600	677,700	659,300	-0.8%
Use of Money and Property	183,068	169,563	148,800	145,600	146,100	-1.8%
Miscellaneous Revenues	729,295	734,958	701,000	707,800	671,800	-4.2%
Transfers In	<u>6,036,475</u>	<u>5,932,687</u>	<u>6,354,377</u>	<u>6,567,247</u>	<u>6,653,458</u>	4.7%
Total	<u><u>\$ 17,077,538</u></u>	<u><u>\$ 17,022,028</u></u>	<u><u>\$ 17,405,549</u></u>	<u><u>\$ 17,693,219</u></u>	<u><u>\$ 17,778,129</u></u>	2.1%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Direct and Indirect</b>						
<b>Property Tax Revenues</b>						
General Property Taxes	\$ 6,145,930	\$ 6,301,150	\$ 6,441,167	\$ 6,441,167	\$ 6,433,191	-0.1%
Ag Land Tax	2,846	2,514	2,730	2,730	3,262	19.5%
Transit System Levy	299,546	318,975	378,375	378,375	291,987	-22.8%
Tort Liability Levy	225,029	248,597	262,171	262,171	313,884	19.7%
Levee Tax Levy	51,202	52,578	53,676	53,676	53,610	-0.1%
Mobile Home Tax	10,605	10,282	10,000	10,000	10,000	0.0%
Special Revenue:						
Police Retirement	538,195	578,187	712,721	692,756	720,334	1.1%
Fire Retirement	491,247	537,893	645,010	640,164	669,985	3.9%
Police and Fire Medical Insurance	12,285	36,000	36,000	36,000	36,000	0.0%
Police and Fire Retiree Medical Costs	24,376	28,185	26,600	29,000	27,000	1.5%
Long-term Disability Insurance	8,576	8,526	9,222	9,270	9,350	1.4%
Workers Compensation Insurance	34,505	37,519	43,916	39,398	43,523	-0.9%
Unemployment Insurance	55,860	38,557	48,604	38,805	37,893	-22.0%
Health Insurance	1,320,072	1,322,239	1,388,867	1,362,183	1,373,803	-1.1%
Life Insurance	14,929	14,239	14,855	14,727	14,870	0.1%
Dental Insurance	35,264	35,711	39,072	38,689	40,051	2.5%
Deferred Compensation	0	0	0	700	1,200	
Post Employment Health Plan	41,469	60,377	15,641	45,434	36,366	132.5%
FICA/IPERS	508,038	547,197	590,574	576,426	595,548	0.8%
Employee Benefit Levy Reduction	0	(100,426) (1)	(527,005) (2)	(527,005) (2)	(369,265) (3)	
Subtotal	<u>\$ 9,819,974</u>	<u>\$ 10,078,300</u>	<u>\$ 10,192,196</u>	<u>\$ 10,144,666</u>	<u>\$ 10,342,592</u>	1.5%
<b>Non-Property Tax Revenues/Reimbursements</b>						
Hotel/Motel Taxes	\$ 347,771	\$ 335,701	\$ 350,000	\$ 342,000	\$ 342,000	-2.3%
Cable Franchise Tax	225,903	222,288	225,000	222,000	222,000	-1.3%
Utility Franchise Fees	170,225	103,931	100,000	105,000	105,000	5.0%
Utility Tax Replacement Excise Tax:						
General	29,813	29,758	27,668	27,668	31,817	15.0%
Tort Liability	1,092	1,173	1,129	1,129	1,555	37.7%
Transit	1,453	1,504	1,625	1,625	1,446	-11.0%
Levee	248	248	231	231	265	14.7%
Commercial/Industrial State Reimbursement:						
General	0	0	0	0	144,720	
Tort Liability	0	0	0	0	7,061	
Transit	0	0	0	0	6,567	
Levee	0	0	0	0	1,206	
Subtotal	<u>\$ 776,505</u>	<u>\$ 694,603</u>	<u>\$ 705,653</u>	<u>\$ 699,653</u>	<u>\$ 863,637</u>	22.4%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Intergovernmental Revenues</b>						
Road Use Tax	\$ 1,946,883	\$ 1,740,137	\$ 2,148,000	\$ 2,358,100	\$ 2,251,700	4.8%
Subtotal	\$ 1,946,883	\$ 1,740,137	\$ 2,148,000	\$ 2,358,100	\$ 2,251,700	4.8%
<b>Licenses and Permits</b>						
Beer, Liquor and Cigarettes	\$ 32,644	\$ 33,358	\$ 32,600	\$ 33,400	\$ 33,400	2.5%
Animal	2,084	1,749	2,100	1,800	1,800	-14.3%
Alarm Permits	1,425	1,300	1,500	1,300	1,300	-13.3%
Miscellaneous	5,920	6,274	5,900	6,200	6,200	5.1%
Subtotal	\$ 42,073	\$ 42,681	\$ 42,100	\$ 42,700	\$ 42,700	1.4%
<b>Cemetery Fees</b>						
Lot and Niche Sales	\$ 25,052	\$ 26,952	\$ 25,000	\$ 25,000	\$ 25,000	0.0%
Lease of Property-Cell Towers	15,592	15,592	15,500	16,100	16,100	3.9%
Burial Fees	56,515	44,385	52,000	47,000	47,000	-9.6%
Miscellaneous Charges	10,556	10,755	10,000	10,000	10,000	0.0%
Commissions	15,790	12,615	11,000	12,000	12,000	9.1%
Perpetual Care Interest	24,420	19,765	17,900	17,900	13,500	-24.6%
Donations	0	2,571	0	0	0	
FEMA - State Share	307	0	0	0	0	
Other	0	0	0	100	0	
Subtotal	\$ 148,232	\$ 132,635	\$ 131,400	\$ 128,100	\$ 123,600	-5.9%
<b>Community Development Fees</b>						
Housing Inspection Fees	\$ 36,765	\$ 38,300	\$ 35,000	\$ 35,000	\$ 35,000	0.0%
Construction Permits	186,840	271,940	185,000	200,000	200,000	8.1%
Electricians Licenses	160	80	0	0	0	
Plumbers Licenses	300	250	0	0	0	
Health Licenses	40,023	36,190	40,000	36,000	36,000	-10.0%
Zoning Fees	3,550	2,850	2,500	2,500	2,500	0.0%
Board of Adjustment Fees	1,750	2,400	2,000	2,000	2,000	0.0%
Site Plan Review Fees	700	750	1,000	1,000	1,000	0.0%
Sale of Code Books	105	0	100	100	100	0.0%
Sale of Property	5,871	5,926	10,000	7,000	10,000	0.0%
Reimbursement of Senior Training Program	19,711	22,796	27,300	0	0	-100.0%
Historic Preservation Grant/Donations	0	13,145	0	2,000	0	
Municipal Infractions Penalties	1,625	375	2,000	2,000	2,000	0.0%
Nuisance Reimbursements/Administrative Fees	108,738	69,414	70,000	60,000	60,000	-14.3%
Miscellaneous	1,246	969	500	500	500	
Transfer In:						
Staff Services Airport/Brownfield Projects	20,304	20,422	0	7,400	0	
Subtotal	\$ 427,688	\$ 485,807	\$ 375,400	\$ 355,500	\$ 349,100	-7.0%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Parks and Recreation Revenues</b>						
<b>Parks - General</b>						
Shelters	\$ 11,975	\$ 10,500	\$ 11,500	\$ 10,900	\$ 10,900	-5.2%
Pearl City Station Rentals	9,090	8,670	9,000	9,000	9,000	0.0%
Riverview Center Rentals	19,850	17,455	15,000	17,000	17,000	13.3%
Donations	0	23,151	0	300	0	
Maintenance Fees	1,215	415	1,200	400	400	-66.7%
Equipment/Miscellaneous Sales	2,523	2,335	0	1,000	0	
Concession Commission	1,174	557	1,100	1,100	1,100	0.0%
Insurance Reimbursement - Park Damage	0	0	0	0	0	
FEMA - Federal Share	(4,817)	0	0	0	0	
FEMA - State Share	10,840	0	0	0	0	
Community Foundation Reimbursement	450	0	500	0	0	
Other	237	0	0	300	0	
Transfers In						
Administration Fees	11,400	11,700	12,100	12,100	12,500	3.3%
Subtotal	<u>\$ 63,937</u>	<u>\$ 74,783</u>	<u>\$ 50,400</u>	<u>\$ 52,100</u>	<u>\$ 50,900</u>	1.0%
<b>Kent Stein Park</b>						
Maintenance Fees	\$ 17,678	\$ 19,847	\$ 11,200	\$ 16,000	\$ 15,000	33.9%
Maintenance Fees - Bruner Field	0	0	11,500	11,500	11,500	0.0%
Commission on Concessions	14,024	11,377	12,000	11,000	11,000	-8.3%
Mowing Reimbursement - Housing	7,500	7,250	7,500	5,300	7,500	0.0%
Storage Building Rental	1,200	1,200	1,200	1,200	1,200	0.0%
Insurance Reimbursements	0	649	0	0	0	
Other	0	50	0	0	0	
Subtotal	<u>\$ 40,402</u>	<u>\$ 40,373</u>	<u>\$ 43,400</u>	<u>\$ 45,000</u>	<u>\$ 46,200</u>	6.5%
<b>Soccer Complex Operations</b>						
Maintenance Fees	\$ 32,492	\$ 31,604	\$ 31,000	\$ 31,500	\$ 31,500	1.6%
Commission on Concessions	12,838	8,022	10,500	6,500	6,500	-38.1%
Donation (Portable Kiosk)	0	0	19,000	19,000	0	
Other	0	0	0	0	0	
Transfer In:						
Golf Administrative Fees	12,000	12,400	12,800	12,800	13,200	3.1%
Subtotal	<u>\$ 57,330</u>	<u>\$ 52,026</u>	<u>\$ 73,300</u>	<u>\$ 69,800</u>	<u>\$ 51,200</u>	-30.2%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Recreation</b>						
Entry Fees/Admissions	\$ 2,142	\$ 1,590	\$ 2,000	\$ 1,500	\$ 2,000	0.0%
Lessons	35,345	46,722	38,000	44,000	40,000	5.3%
League and Tournament Fees	6,547	7,882	7,500	6,000	7,500	0.0%
Sales Tax	453	553	500	500	500	0.0%
Commissions	189	192	200	200	200	0.0%
Donations	850	1,650	0	0	0	
Adventureland Ticket Sales	11,134	4,513	11,000	0	0	-100.0%
Other	515	789	0	300	300	
Subtotal	<u>\$ 57,175</u>	<u>\$ 63,891</u>	<u>\$ 59,200</u>	<u>\$ 52,500</u>	<u>\$ 50,500</u>	-14.7%
<b>Swimming Pools</b>						
Admissions	\$ 115,208	\$ 84,625	\$ 85,000	\$ 85,000	\$ 85,000	0.0%
Season Passes	21,975	12,310	20,000	17,000	17,000	-15.0%
Lessons	8,431	7,963	6,500	7,500	7,500	15.4%
Group Sales	21,394	18,375	17,000	17,000	17,000	0.0%
Room Rental	550	800	600	600	600	0.0%
Locker Rental	1,130	506	1,100	900	900	-18.2%
Commission on Concessions	11,813	7,676	9,000	7,500	8,000	-11.1%
Donations	500	0	0	0	0	
Miscellaneous Sales	456	840	500	200	200	-60.0%
Other	174	-	200	500	500	150.0%
Subtotal	<u>\$ 181,631</u>	<u>\$ 133,095</u>	<u>\$ 139,900</u>	<u>\$ 136,200</u>	<u>\$ 136,700</u>	-2.3%
Subtotal - Parks and Recreation	<u>\$ 400,475</u>	<u>\$ 364,168</u>	<u>\$ 366,200</u>	<u>\$ 355,600</u>	<u>\$ 335,500</u>	-8.4%
<b>Library Revenues</b>						
Fines and Charges	\$ 16,543	\$ 17,517	\$ 15,000	\$ 15,000	\$ 12,000	-20.0%
County Contributions	105,299	107,931	111,000	110,100	112,900	1.7%
Illinois Contracts	9,064	9,291	9,600	9,600	9,800	2.1%
Printing Charges	2,327	3,219	1,600	1,600	1,600	0.0%
Sales	5	189	0	0	0	
Other	30	388	0	0	0	
Subtotal	<u>\$ 133,268</u>	<u>\$ 138,535</u>	<u>\$ 137,200</u>	<u>\$ 136,300</u>	<u>\$ 136,300</u>	-0.7%
<b>Art Center Revenues</b>						
Building Rentals	\$ 975	\$ 1,580	\$ 1,200	\$ 1,200	\$ 1,200	0.0%
Class Fees	3,793	4,575	4,500	4,500	4,500	0.0%
State Grant	13,540	13,540	0	23,300	0	
Support Foundation Contributions	18,025	18,250	19,500	18,300	19,300	-1.0%
Friends of the Art Center Contributions	19,582	20,777	21,200	21,900	22,100	4.2%
Other	319	956	500	500	500	0.0%
Subtotal	<u>\$ 56,234</u>	<u>\$ 59,678</u>	<u>\$ 46,900</u>	<u>\$ 69,700</u>	<u>\$ 47,600</u>	1.5%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Public Works Services</b>						
Repair and Maintenance Services	\$ 24,970	\$ 24,287	\$ 23,500	\$ 23,500	\$ 23,500	0.0%
IDNR Grant - Diesel Emissions	0	0	0	19,000	0	
Rental of Equipment	0	228	0	300	300	
Sale of Equipment	0	2,297	7,500	7,500	7,500	0.0%
Miscellaneous Sales	10,935	5,230	5,000	4,000	4,000	-20.0%
Reimbursement for Salt	102,338	35,985	60,000	60,000	60,000	0.0%
Special Program Donations	0	726	0	0	0	
Other	5,470	1,669	500	500	500	0.0%
Transfers In:						
Engineering Services - City Engineer	60,650	93,804	65,000	70,000	70,000	7.7%
Administrative Fees	57,500	59,200	61,100	59,000	60,800	-0.5%
Subtotal	<u>\$ 261,863</u>	<u>\$ 223,426</u>	<u>\$ 222,600</u>	<u>\$ 243,800</u>	<u>\$ 226,600</u>	1.8%
<b>Police Operations</b>						
Police Grants	\$ 354,426	\$ 386,931	\$ 397,500	\$ 417,200	\$ 390,300	-1.8%
Court Fines	208,186	190,887	165,000	175,000	175,000	6.1%
Automatic Traffic Enforcement Fines	783,887	662,124	600,000	600,000	600,000	0.0%
Parking Violations	19,466	22,510	20,000	20,000	20,000	0.0%
Tobacco Checks/Violations	1,950	1,700	2,000	2,000	2,000	0.0%
False Alarm Charges	1,350	1,800	1,500	1,500	1,500	0.0%
Police Services Agreement	43,178	44,258	45,600	45,500	46,700	2.4%
Animal Ordinance Fees and Fines	2,105	2,195	2,700	2,700	2,700	0.0%
Printing Charges	3,762	3,702	3,700	3,700	3,700	0.0%
Contributions - Mentor Program	5,000	12,846	5,000	5,000	5,000	0.0%
Other Contributions	21,000	1,000	0	0	16,700	
Lease - Public Safety Cell Tower	23,431	23,431	23,400	23,400	23,400	0.0%
Reimbursements/Miscellaneous Income	17,502	30,411	20,000	15,000	15,000	-25.0%
Subtotal	<u>\$ 1,485,243</u>	<u>\$ 1,383,795</u>	<u>\$ 1,286,400</u>	<u>\$ 1,311,000</u>	<u>\$ 1,302,000</u>	1.2%
<b>Fire Operations</b>						
Fire Hazmat Agreements	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	0.0%
Fire Open Burn Permits	2,225	1,050	1,000	3,700	3,000	200.0%
Fire Inspection Fees	12,862	13,067	8,000	12,000	12,000	50.0%
Fire Plan Review Fees	100	0	0	0	0	
Fire Assessment Fees	210	120	0	300	0	
Confined Space Fees (Fire Department)	36,000	43,716	40,500	36,000	36,000	-11.1%
Fire Protection Contracts	14,144	17,612	15,700	15,700	15,700	0.0%
Donations	1,800	0	0	32,700	0	
Fire Reports	2,800	590	700	700	600	-14.3%
Fire Citations	0	2,375	0	1,500	1,500	
Municipal Infraction Penalty	125	0	0	0	0	
False Alarm Charges	100	0	0	700	500	
Reimbursement of Damages	0	0	0	13,200	0	
Reimbursement of Expenses/Other Income	6,889	7,170	500	6,300	600	20.0%
Subtotal	<u>\$ 86,255</u>	<u>\$ 94,700</u>	<u>\$ 75,400</u>	<u>\$ 131,800</u>	<u>\$ 78,900</u>	4.6%

**General Fund  
Revenue Summary**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change From 2013/2014 Budget</u>
<b>Other General Revenues</b>						
Interest Income	\$ 4,661	\$ 3,604	\$ 2,000	\$ 2,000	\$ 2,000	0.0%
Payment in Lieu of Taxes	36,391	35,719	35,000	35,000	35,700	2.0%
Housing Accounting Fees	51,100	52,600	54,100	54,100	55,800	3.1%
Housing Management Fee	11,448	10,626	12,500	11,000	11,500	-8.0%
Contributions	0	0	0			
Lease - Clark House Cell Towers	38,786	45,558	24,500	24,700	24,700	0.8%
Reimbursement of TIF Rebate	0	25,677	0	0	0	
Emergency Management Siren Reimbursement	0	0	22,800	0	0	
Insurance Reimbursement	0	0	0	11,500	0	
Other Charges	28,453	29,248	15,000	17,500	20,000	33.3%
Transfers In:						
Parks and Recreation Trust	0	0	0	53,300	0	
Administrative Fees	313,950	323,450	335,900	335,900	345,900	3.0%
Health Insurance Fund (Wellness)	48,035	46,327	57,600	53,200	54,700	-5.0%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	24,700	25,500	26,900	26,900	27,700	3.0%
Insurance Trust	0	0	40,000	40,000	33,500	-16.3%
CDBG Funds for Safe Streets Building	0	3,000	0	0	0	
Water Pollution Control for Riverfront Electrical Upgrade	0	0	0	2,300	0	
Capital Projects Funds for Public Works Doors	8,504	0	0			
Ambulance Enterprise Fund	786,300	839,000	885,300	885,300	911,900	3.0%
Tax Increment/Economic Dev Admin Fees	102,517	105,254	110,000	109,100	112,500	2.3%
Tax Increment Economic Development	35,000	35,000	35,000	35,000	35,000	
Tax Increment - Revolving Loan Fund	0	0	12,500	12,500	0	
Tax Increment - Legal Services	0	0	4,000	4,000	4,000	0.0%
Subtotal	<u>\$ 1,492,845</u>	<u>\$ 1,583,563</u>	<u>\$ 1,676,100</u>	<u>\$ 1,716,300</u>	<u>\$ 1,677,900</u>	0.1%
Total	<u>\$ 17,077,538</u>	<u>\$ 17,022,028</u>	<u>\$ 17,405,549</u>	<u>\$ 17,693,219</u>	<u>\$ 17,778,129</u>	2.1%

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 resulted 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 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 \$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.
2. The Employee Benefits levy for 2014/2015 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 \$369,265 of the General Fund balance being used for employee benefits during 2014/2015. This allowed for the budget to include the same overall property tax rate for 2014/2015 as 2013/2014.

**General Fund**  
**Expenditures by Type**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Percent Change from 2013/2014 Budget</u>
Personal Services	\$ 11,840,676	\$ 12,186,224	\$ 13,073,900	\$ 12,864,600	\$ 13,307,900	1.8%
Commodities	902,184	819,424	924,800	1,005,550	990,050	7.1%
Contractual Services	2,156,342	2,195,790	2,353,600	2,426,550	2,368,350	0.6%
Capital Outlay	358,474	556,448	664,200	778,700	494,200	-25.6%
Transfers and Assigned Funding	<u>655,276</u>	<u>1,427,962</u>	<u>672,207</u>	<u>673,507</u>	<u>651,481</u>	-3.1%
Total	<u><u>\$ 15,912,952</u></u>	<u><u>\$ 17,185,848</u></u>	<u><u>\$ 17,688,707</u></u>	<u><u>\$ 17,748,907</u></u>	<u><u>\$ 17,811,981</u></u>	0.7%

**General Fund**  
**Summary of Expenditures**

<b>Function/Activity</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change from FY 2014 Budget</b>
<b>General Government</b>						
Mayor and Council	\$ 69,847	\$ 70,157	\$ 72,800	\$ 72,600	\$ 72,700	-0.1%
Legal Services	79,259	68,202	70,600	70,600	70,600	0.0%
City Administrator	241,247	242,504	255,500	255,500	261,400	2.3%
Human Resources	143,168	136,413	159,800	155,900	158,900	-0.6%
Wellness Program	50,032	48,027	57,600	53,200	54,700	-5.0%
Finance and Records	494,686	462,065	553,900	543,400	559,500	1.0%
Information Technology	247,823	241,717	254,500	254,300	271,500	6.7%
Risk Management	261,334	294,635	334,900	355,000	390,200	16.5%
Building and Grounds	480,347	550,490	512,600	552,200	515,700	0.6%
Subtotal	<u>\$ 2,067,743</u>	<u>\$ 2,114,210</u>	<u>\$ 2,272,200</u>	<u>\$ 2,312,700</u>	<u>\$ 2,355,200</u>	3.7%
<b>Public Safety</b>						
Police Operations	\$ 3,939,859	\$ 4,124,921	\$ 4,604,500	\$ 4,503,900	\$ 4,611,800	0.2%
Animal Control	122,904	124,662	127,900	142,900	127,000	-0.7%
Fire Operations	3,404,243	3,513,309	3,705,100	3,715,400	3,770,600	1.8%
Emergency Management	30,100	30,090	48,500	21,200	-	-100.0%
Subtotal	<u>\$ 7,497,106</u>	<u>\$ 7,792,982</u>	<u>\$ 8,486,000</u>	<u>\$ 8,383,400</u>	<u>\$ 8,509,400</u>	0.3%
<b>Culture and Recreation</b>						
Library	\$ 1,050,500	\$ 1,050,500	\$ 1,072,000	\$ 1,072,000	\$ 1,079,400	0.7%
Cable Television Operations	17,090	24,356	18,500	18,500	19,100	3.2%
Art Center	309,280	323,547	297,400	321,900	309,600	4.1%
Park Administration	156,790	158,360	165,900	165,500	169,500	2.2%
Park Maintenance	585,055	606,675	633,900	706,900	666,900	5.2%
Kent Stein Park	176,584	181,357	218,700	217,000	189,200	-13.5%
Soccer Complex	170,419	185,463	205,900	206,200	204,500	-0.7%
Swimming Pools	201,436	167,216	194,500	220,500	161,100	-17.2%
Recreation	112,270	114,148	126,600	109,500	113,200	-10.6%
Cemetery	153,642	147,914	159,600	168,600	162,800	2.0%
Subtotal	<u>\$ 2,933,066</u>	<u>\$ 2,959,536</u>	<u>\$ 3,093,000</u>	<u>\$ 3,206,600</u>	<u>\$ 3,075,300</u>	-0.6%

**General Fund**  
**Summary of Expenditures**

<b>Function/Activity</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change from FY 2014 Budget</b>
<b>Health and Social Services</b>						
Economic Well-Being	\$ 17,800	\$ 20,000	\$ 20,000	\$ 20,000	\$ 23,000	15.0%
Subtotal	<u>\$ 17,800</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 23,000</u>	15.0%
<b>Community and Economic Development</b>						
Community Development	\$ 668,198	\$ 691,006	\$ 711,100	\$ 667,500	\$ 704,800	-0.9%
Economic Development	<u>90,000</u>	<u>106,500</u>	<u>126,500</u>	<u>123,000</u>	<u>124,500</u>	-1.6%
Subtotal	<u>\$ 758,198</u>	<u>\$ 797,506</u>	<u>\$ 837,600</u>	<u>\$ 790,500</u>	<u>\$ 829,300</u>	-1.0%
<b>Public Works</b>						
Public Works Administration	\$ 151,710	\$ 152,107	\$ 160,500	\$ 159,800	\$ 169,500	5.6%
Roadway Maintenance	1,135,182	1,268,205	1,321,500	1,297,900	1,215,900	-8.0%
Traffic Control	152,836	153,295	161,200	160,400	177,600	10.2%
Snow and Ice Control	325,802	270,382	381,600	457,900	481,900	26.3%
Street Cleaning	169,856	156,495	185,800	187,400	223,000	20.0%
Engineering	<u>125,521</u>	<u>131,838</u>	<u>137,100</u>	<u>138,800</u>	<u>140,400</u>	2.4%
Subtotal	<u>\$ 2,060,907</u>	<u>\$ 2,132,322</u>	<u>\$ 2,347,700</u>	<u>\$ 2,402,200</u>	<u>\$ 2,408,300</u>	2.6%
<b>Transfers and Assigned Funding</b>						
Transit System Subsidy	\$ 301,472	\$ 320,479	\$ 380,000	\$ 380,000	\$ 300,000	-21.1%
Airport Subsidy	56,229	53,987	41,300	42,600	47,400	14.8%
Levee Project Subsidy	51,531	52,826	53,907	53,907	55,081	2.2%
Equipment Replacement Allocation	168,900	245,000	117,000	117,000	200,000	70.9%
Equipment Replacement - Fire Engine Allocation	0	497,000	0	0	0	
COPS Grant Future Commitment	0	40,000	40,000	40,000	9,000	-77.5%
Finance Software Funding	<u>0</u>	<u>160,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Subtotal	<u>\$ 578,132</u>	<u>\$ 1,369,292</u>	<u>\$ 632,207</u>	<u>\$ 633,507</u>	<u>\$ 611,481</u>	-3.3%
Total	<u><u>\$ 15,912,952</u></u>	<u><u>\$ 17,185,848</u></u>	<u><u>\$ 17,688,707</u></u>	<u><u>\$ 17,748,907</u></u>	<u><u>\$ 17,811,981</u></u>	0.7%

**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 2013/2014 revised estimate is under the budgeted amount by \$200 due to reduced unemployment costs.

The 2014/2015 budget is \$100 (.1%) less than the original 2013/2014 budget, again due to reduced unemployment costs. This budget includes \$22,500 for the estimated General fund portion of the annual audit. The audit for the year ending June 30, 2013 was the final year of the original five year agreement with McGladrey LLP for audit services. City Council recently approved a one-year extension to this agreement at the same total cost as the fiscal year 2012/2013 audit.

### **PERFORMANCE MEASURES**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Regular Council Meetings	24	24	24	23	24
In-Depth Meetings	9	10	10	10	10
Budget Meetings	10	9	9	9	9
Other Meetings	3	2	2	2	2
<b>Joint Meetings:</b>					
County Board of Supervisors	1	1	0	0	1
Muscatine Power & Water	0	0	0	0	1
School District	0	0	0	0	1

***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, 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**

Provide effective municipal services, excellent customer service, and sound fiscal management that improves quality of life and ensures a sustainable economy.

***OBJECTIVES TO BE ACCOMPLISHED IN  
2014/2015 AND FUTURE YEARS***

**Long-Term Goals**

- Implement the Comprehensive Plan and complete an annual progress report.
- Develop effective economic development strategies to encourage local investment and partnerships.
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate.

**Council and Management Agenda 2014-15**

**Quality of Life**

- Provide for the City's existing levels of service with an emphasis on essential services.
- Coordinate and bring forth policies or programs in support of the Blue Zones and Community Improvement Action Team (CIAT)/Iowa Initiative for Sustainable Communities (IISC) initiatives. Examples include:
  - Blue Zones Worksite (2013),
  - Complete streets policy (2013),
  - Zoning ordinance update (Draft 2014, Adoption 2015),
  - Building Codes update (Subsequent to zoning),
  - Pedestrian Master Plan (2014),

- Bicycle Master Plan (2014),
- Community gardening (2014),
- Built environment improvements (burden report),
- Walkability study and initiatives.
- Work to retain and develop resources that help provide for a safe community (e.g. state, federal, outside funding, Automated Traffic Enforcement (ATE), School Resource Officers, Street Crimes Unit, Drug Task Force, Fire Act, etc.).
- Promote community pride through beautification and placemaking programs.

### **Fiscal Responsibility**

- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan. (Draft December 2013, Adoption 2014)
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. (Revisit with Committee 2014)

### **Economic Development**

- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool. (2014 Legislative Session)
- Market economic development incentives (e.g. TIF, Enterprise Zone, Tax Abatement, State Incentives)
- Complete the rewrite of the 1974 Zoning Ordinance (Draft 2014, Adoption 2015).
- Promote opportunities and incentives for infill (Residential Tax Abatement).
- Promote voluntary annexation.

### **Marketing**

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (Chamber), Convention and Visitors Bureau (CVB), and IISC.
- Coordinate with the Chamber of Commerce and CVB to sell Muscatine as a great place to live, work, and raise a family.
- Enhance the City's new website and expand the use of social media tools for public communication.
- Explore methods to improve public communication and marketing (e.g. committee, IISC and other studies, personnel, etc.)
- Increase marketing efforts that promote City activities, initiatives, successes, and services (e.g. social media, apps, new technologies, web resources, dashboards, and other forums or outlets).

### **Lean/Continuous Service Improvement**

- Focus on continuous improvement, employee initiative, and excellence in service
  - Complete initial Lean training sessions (January 2014, April 2014).
  - Implement Lean concepts/processes, identify metrics to report successes, and provide annual progress report.
  - Improve employee understanding and create buy-in of City-wide values, vision, mission, and goals.
- Explore and implement new technology improvements and strategies to promote efficiency and to reduce waste (e.g. software, apps, mobile technology, materials and equipment, etc.).

### **Capital Projects**

- Pearl of the Mississippi Phase 3 – Depending on IISC results, work with community entities to bring forth a concept plan and identify projects to maximize funding opportunities and success (Soccer/multi-use fields, former Hawkeye site, Mad Creek trail, dog park, band shell).
- Mississippi Drive Corridor (2014-15 obtain environmental approvals and identify potential funding sources).
- Colorado Street (Substantial completion 2014)
- Cedar Street (Substantial completion 2014)
- Mulberry Avenue planning and design (2015)
- CSO (Combined Sewer Separation) (Multiple phases through 2028)
- Airport Layout Plan (Master Plan) 2014
- Airport Rehab of Primary Runway (2014-15)

**Function:**  
General Government

**Department:**  
Legislative and Council

**Activity:**

**Mayor and City Council**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 38,100	\$ 38,246	\$ 38,400	\$ 38,200	\$ 38,300	-0.26%
Commodities	944	1,695	1,000	1,050	1,050	5.00%
Contractual Services	30,803	30,216	33,400	33,350	33,350	-0.15%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 69,847</b>	<b>\$ 70,157</b>	<b>\$ 72,800</b>	<b>\$ 72,600</b>	<b>\$ 72,700</b>	<b>-0.14%</b>
<b>Funding Sources</b>						
General Revenues	\$ 69,847	\$ 70,157	\$ 72,800	\$ 72,600	\$ 72,700	-0.14%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Part Time Positions:</b>						
Mayor	1	1	1	1	1	
Councilmembers	7	7	7	7	7	
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>\$ 34,500</b>
Employee Benefits						3,800
<b>Total Personal Services</b>						<b>\$ 38,300</b>

**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 of \$70,600 for 2013/2014 is the same as the original budget and the 2014/2015 budget is also that same amount. 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Hours of Legal Service Provided:					
City Attorney (previous including prosecutions) **	106	N/A	N/A	N/A	N/A
Current City Attorney (excluding prosecutions) *	613	388	637	540	500
City Prosecutor	116	269	240	215	215

\* 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 2014/2015***

- \* 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 assistance from City Staff and review by City Council. The Zoning Ordinance update will begin in 2014 with a 2015 target for adoption. (**Council and Management Economic Development Goal**)

**Function:**  
General Government

**Department:**  
Legislative and Council

**Activity:**  
**Legal Services**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	79,260	68,202	70,600	70,600	70,600	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 79,260</u>	<u>\$ 68,202</u>	<u>\$ 70,600</u>	<u>\$ 70,600</u>	<u>\$ 70,600</u>	0.00%
<b>Funding Sources</b>						
General Revenues	<u>\$ 79,260</u>	<u>\$ 68,202</u>	<u>\$ 70,600</u>	<u>\$ 70,600</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 2013/2014 revised estimate is the same as the original budget. The 2014/2015 budget is \$5,900 (2.3%) higher than the 2013/2014 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
City Council Agenda Items Presented	379	389	308	375	385
Staff Meetings Held	24	23	23	23	23
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	3	5	5	5	5
Quad City Area Managers Meetings (Bi-State)	10	8	8	8	8
State Association Meetings (IaCMA)	2	1	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)	15	18	18	18	18
GMCCI Committee Meetings	18	18	18	18	18
United Way Meetings	10	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, 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

Provide effective municipal services, excellent customer service and sound fiscal management that improves quality of life and ensures a sustainable economy.

<b><i>OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015 AND FUTURE YEARS</i></b>
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## Long-Term Goals

- Implement the Comprehensive Plan and complete an annual progress report.
- 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 and Management Agenda 2014-15

### **Quality of Life**

- Provide for the City's existing levels of service with an emphasis on essential services.
- Coordinate and bring forth policies or programs in support of the Blue Zones and Community Improvement Action Team (CIAT)/Iowa Initiative for Sustainable Communities (IISC) initiatives. Examples include:
  - Blue Zones Worksite (2013),
  - Complete streets policy (2013),
  - Zoning ordinance update (Draft 2014, Adoption 2015),
  - Building Codes update (Subsequent to zoning),
  - Pedestrian Master Plan (2014),
  - Bicycle Master Plan (2014),
  - Community gardening (2014),
  - Built environment improvements (burden report),
  - Walkability study and initiatives.
- Work to retain and develop resources that help provide for a safe community (e.g. state, federal, outside funding, Automated Traffic Enforcement (ATE), School Resource Officers, Street Crimes Unit, Drug Task Force, Fire Act, etc.).
- Promote community pride through beautification and placemaking programs.

### **Fiscal Responsibility**

- Prioritize and determine funding sources for capital projects identified in the 5-Year Capital Improvement Plan. (Draft December 2013, Adoption 2014)
- Position the City to address potential shortfalls in revenue due to state and federal mandates.
- Monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. (Revisit with Committee 2014)

### **Economic Development**

- Promote a climate for businesses to thrive in Muscatine and work to retain Tax Increment Financing (TIF) as a municipal economic development tool. (2014 Legislative Session)
- Market economic development incentives (e.g. TIF, Enterprise Zone, Tax Abatement, State Incentives)
- Complete the rewrite of the 1974 Zoning Ordinance (Draft 2014, Adoption 2015).

- Promote opportunities and incentives for infill (Residential Tax Abatement).
- Promote voluntary annexation.

### **Marketing**

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (Chamber), Convention and Visitors Bureau (CVB), and IISC.
- Coordinate with the Chamber of Commerce and CVB to sell Muscatine as a great place to live, work and raise a family.
- Enhance the City's new website and expand the use of social media tools for public communication.
- Explore methods to improve public communication and marketing (e.g. committee, IISC and other studies, personnel, etc.)
- Increase marketing efforts that promote City activities, initiatives, successes, and services (e.g. social media, apps, new technologies, web resources, dashboards, and other forums or outlets).

### **Lean/Continuous Service Improvement**

- Focus on continuous improvement, employee initiative, and excellence in service
  - Complete initial Lean training sessions (January 2014, April 2014).
  - Implement Lean concepts/processes, identify metrics to report successes, and provide annual progress report.
  - Improve employee understanding and create buy-in of City-wide values, vision, mission, and goals.
- Explore and implement new technology improvements and strategies to promote efficiency and to reduce waste (e.g. software, apps, mobile technology, materials and equipment, etc.).

### **Capital Projects**

- Pearl of the Mississippi Phase 3 – Depending on IISC results, work with community entities to bring forth a concept plan and identify projects to maximize funding opportunities and success (Soccer/multi-use fields, former Hawkeye site, Mad Creek trail, dog park, band shell).
- Mississippi Drive Corridor (2014-15 obtain environmental approvals and identify potential funding sources).
- Colorado Street (Substantial completion 2014)
- Cedar Street (Substantial completion 2014)
- Mulberry Avenue planning and design (2015)
- CSO (Combined Sewer Separation) (Multiple phases through 2028)
- Airport Layout Plan (Master Plan) 2014
- Airport Rehab of Primary Runway (2014-15)

**Function:**  
General Government

**Department:**  
City Administrator

**Activity:**  
**City Administrator**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 217,705	\$ 222,809	\$ 230,500	\$ 231,100	\$ 236,400	2.56%
Commodities	3,769	5,151	3,100	3,100	3,100	0.00%
Contractual Services	17,649	14,124	21,900	21,300	21,900	0.00%
Capital Outlay	2,124	420	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 241,247</b>	<b>\$ 242,504</b>	<b>\$ 255,500</b>	<b>\$ 255,500</b>	<b>\$ 261,400</b>	<b>2.31%</b>
<b>Funding Sources</b>						
General Revenues	<u>\$ 241,247</u>	<u>\$ 242,504</u>	<u>\$ 255,500</u>	<u>\$ 255,500</u>	<u>\$ 261,400</u>	2.31%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
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>	
<b>Total Full Time</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 183,000</b>
Employee Benefits						<u>53,400</u>
<b>Total Personal Services</b>						<b>\$ 236,400</b>

**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 2013/2014 revised estimate is under the budgeted amount by \$3,900 due to a staff change in the Office Assistant position. The 2013/2014 budget includes \$25,000 in legal consulting costs. This includes estimated legal costs related to negotiating labor contracts with the City's three bargaining units. Fiscal year 2013/2014 was the final year of the previous three-year contracts with each bargaining unit.

The 2014/2015 budget is \$900 (.6%) lower than the original 2013/2014 budget primarily due to the Office Assistant staff change in 2013/2014. This budget 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Full-time Positions Hired	13	17	11	10	10
Permanent Part-time Positions Hired	10	10	5	8	10
Retirements	9	7	6	5	5
Personnel Actions Processed	381	465	390	400	400
Employment Applications Received	968	758	657	700	700
Civil Service Examinations Administered	10	7	7	6	5
Employee Training Programs	3	1	3	5	5
Employee Newsletter "COMET" Issues	12	12	12	12	12
Civil Service Commission Meetings	12	12	9	12	12

**RECENT ACCOMPLISHMENTS**

The Human Resources Manager has been working toward the City becoming a Blue Zones certified workplace. This process includes documenting activities, amending policies, adding activities, and encouraging employee engagement. At the time the budget was prepared the certification binder had been submitted to Blue Zones and staff was awaiting their review. In February 2014 notification was received that the City met all of the requirements under this program and the City is now a Blue Zone certified workplace.

In efforts to address revenue shortfalls, the Human Resources Manager assists departments in review of positions when there is attrition or as changes appear to be warranted. This includes evaluating part time vs. full time, replacement of personnel, and any other associated topics. In addition to helping address revenue issues, the goal is to help provide proper staffing structure to provide the best services possible. The City has also partnered twice with the City of Davenport to conduct police testing. This has helped to reduce the cost of the testing process.

The training initiatives that were started during this past year will help employees develop the skill levels needed to assist the city in providing existing service levels with fewer resources. This includes the CSI (Continuous Service Improvement) initiative and customer service and safety training. The first session of this training has been completed for all employees. The second session is set to begin in January and should be completed by March.

Many staff members have participated in a variety of Lean training activities through HNI, Iowa Lean Consortium, and the Lean Learning Center. Several departments have also begun using various Lean tools to address their various process and performance issues. To date employees seem excited about the concepts and feedback has been very positive.

In addition, customer service training has been scheduled for a selected group of employees. The focus of this training will be providing customer service in the public sector. Employees were selected by tenure, job duties, and recommendations from management. Training has also been completed for those employees who must regularly deal with a board or commission.

The department continues to provide support and assistance to departments in the areas of hiring, discipline, benefits, and a variety of other personnel functions.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To implement “Lean” initiatives to include providing necessary training and support for departments as they learn the Lean thinking concepts. **(Council and Management Lean/Continuous Service Improvement Goal)**
  - Complete Section 2 – Training on Lean Principals for all employees by the end of April, 2014
  - Work with individual departments to learn Lean tools and conduct events as needed
- \* To continue efforts to develop a structured training and development program with continued emphasis on supervisory skills.
  - Customer Service Training – continue to offer sessions for employees on providing customer service in the public sector
  - Supervisor Training – topics to include effective performance evaluations; work on how to tie tasks to City goals and objectives; City policy review; and budget training
- \* To implement the Human Resources functions of the new financial software (scheduled to begin in March 2014). **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue efforts to promote Blue Zones activities and continue work with the Parks and Recreation department on the wellness program. **(Council and Management Quality of Life Goal)**

**Function:**  
General Government

**Department:**  
City Administrator

**Activity:**  
**Human Resources**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 99,006	\$ 99,856	\$ 105,800	\$ 101,900	\$ 105,600	-0.19%
Commodities	1,445	301	2,700	2,000	2,000	-25.93%
Contractual Services	42,717	36,256	51,300	52,000	51,300	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<u>\$ 143,168</u>	<u>\$ 136,413</u>	<u>\$ 159,800</u>	<u>\$ 155,900</u>	<u>\$ 158,900</u>	-0.56%
<b>Funding Sources</b>						
General Revenues	<u>\$ 143,168</u>	<u>\$ 136,413</u>	<u>\$ 159,800</u>	<u>\$ 155,900</u>	<u>\$ 158,900</u>	-0.56%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<i>Full Time Position Allocations:</i>						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
<b>Total</b>	1.25	1.25	1.25	1.25	1.25	\$ 74,700
Employee Benefits						<u>30,900</u>
<b>Total Personal Services</b>						<u>\$ 105,600</u>

**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. The Program Supervisor is currently leading this program with the assistance of other Parks staff. One-half of the Parks Office Coordinator position is charged to this budget which represents time spent on this program by various park 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 \$4,400 less than the budgeted amount primarily due to a reduced allocation for health-related professional services. The budget for 2014/2015 is \$2,900 (5.0%) less than the original 2013/2014 budget also due to a reduction in health-related professional services. The budget for 2014/2015 continues the wellness and health screening programs currently offered through the Wellness program.

### ***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**

	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Employee Wellness Opportunities	10	10	10	12	12
Employee Wellness Participants	346	331	290	320	320
Employee Assistance Program Participation Levels	12.1%	10.5%	19.3%	15%	15%
Disease Management Program Participants	129	127	92	130	130

**RECENT ACCOMPLISHMENTS**

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

The Genesis Wellpower program has been offered for five years (2009-2013). This year there were 76 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 summer. The 24 employees who participated lost a combined 160 pounds during the 8 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.

A planning meeting was held with the Wellness Committee where new program ideas and employee incentives were discussed. A survey was also conducted among employees to determine what activities the employees would like to see added. The wellness offerings for city employees will continue to be evaluated to serve the needs of the employees.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* 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 and Management Quality of Life Goal for Blue Zone Worksite)**
- \* 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. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
General Government

**Department:**  
Parks and Recreation

**Activity:**  
**Wellness Program**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 27,190	\$ 26,790	\$ 28,600	\$ 28,500	\$ 30,000	4.90%
Commodities	549	589	1,700	1,400	1,400	-17.65%
Contractual Services	22,293	20,648	27,300	23,300	23,300	-14.65%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 50,032</b>	<b>\$ 48,027</b>	<b>\$ 57,600</b>	<b>\$ 53,200</b>	<b>\$ 54,700</b>	<b>-5.03%</b>
<b>Funding Sources</b>						
Health Insurance Funds	\$ 50,032	\$ 48,027	\$ 57,600	\$ 53,200	\$ 54,700	-5.03%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Position Allocation:</b>						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 19,500
Employee Benefits						10,500
<b>Total Personal Services</b>						<b>\$ 30,000</b>

**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 \$10,500 less than the original budget primarily due to \$15,500 in savings in personal services from staff changes and the new Accountant having single health insurance coverage while family coverage was in the original budget. These savings have been partially offset by increases in other areas of the budget. Several of the other increases relate to the new financial software being implemented this fiscal year and include (1) \$1,500 for new check forms, and (2) \$1,600 in funding for two staff members to attend the new software firm's annual conference. The registration fees for this conference were included in the original software agreement; only travel expenses are required. There were also increases in City-wide postage charges which are funded from this budget (\$1,000) and increased annual DocuShare public document software maintenance costs (\$1,100).

The 2014/2015 budget is 1.0% (\$5,600) higher than the original 2013/2014 budget. This is primarily due to an increase of \$1,400 in personal services costs and \$4,200 in contractual services. The contractual services increase includes an increased allocation for financial software maintenance of \$2,600, an increase of \$1,000 for postage, and \$1,100 for the increased DocuShare public document software maintenance costs. The 2014/2015 budget also includes \$4,300 for the required bi-annual GASB 45 actuarial update, but there are no election costs budgeted since there is no City election in 2014/2015.

In December 2013 the City will go "Live" on portions of the new financial software system. This included general ledger, payroll, accounts payable, accounts receivable and purchase orders. The remaining portions of the software will be implemented in the spring of 2014 including Human Resources, Fixed Assets, and Project/Grant Accounting. The cost of this software was 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
<b>Finance:</b>					
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	5,305	5,161	5,120	5,250	5,300
Housing Programs Checks Issued	2,581	2,552	2,481	2,580	2,600
Payroll Checks Issued	3,801	3,729	3,379	3,300	3,300
Payroll Direct Deposit Transactions	5,444	5,512	5,938	6,100	6,100
Accounts Payable Transactions	24,652	24,479	23,724	24,200	24,200
City Receipt Transactions	8,137	8,032	10,195	10,150	10,150
Housing Receipt Transactions	2,039	2,124	2,395	2,475	2,475
Interest Earned	\$78,516	\$78,767	\$53,299	\$50,000	\$50,000
<b>Records:</b>					
Public Documents Recorded	379	389	308	375	380
Council Minutes Prepared	47	45	45	44	45
Notices Published	35	50	46	50	50
<b>Purchasing:</b>					
Purchase Orders Processed	2,245	1,932	1,971	2,000	2,000

**RECENT ACCOMPLISHMENTS**

The City received GFOA’s Distinguished Budget Presentation Award for the 2013/2014 Budget. This was the 29<sup>th</sup> consecutive year the City received this award. The City was awarded its 22<sup>nd</sup> consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012.

The Finance Director continued to monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. This plan was recommended by 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. The City Council approved that plan in late 2010. Since the plan's adoption, the deficit has been reduced each year. It was \$1,082,335 at the end of the 2012/2013 fiscal year, an overall reduction of over \$1.4 million. Finance staff has prepared and presented periodic reports to the Committee and Council on progress in reducing this deficit. In 2013, again working with the Committee, the current industrial waste contracts were extended through June 30, 2015.

A major initiative in the department in 2013 was implementation of a new financial software system which replaced a system that had been in place since the early 1990's. In December of 2012, City Council approved the contract with Springbrook Software for the new financial software. The first step of the software implementation was a Business Process Study which was completed in May of 2013. During the summer months, Finance staff worked with Springbrook staff to finalize a new chart of accounts structure and to set up all general ledger, revenue, and expenditures account numbers in the new software. The payroll master files and Accounts Payable vendor master files were also set up for conversion into the new software. These master file conversion tasks were all completed and finalized in early September. During the week of October 15-18, Springbrook staff was on site to set up and configure the Finance, Payroll, and Accounts Receivable portions of the software. The week of November 12-15 was the parallel runs for each of those systems, and the week of December 3-6 was the "Go Live" conversion to the new system. This completed the installation of the basic systems of the software. In the spring of 2014 the remaining portions of the software will be fully implemented including human resources, the "work-flow" portions of the payroll and purchase orders, and fixed assets. This will allow departments to access financial information directly from the system. As these features of the software are implemented, all processes will be reviewed for "Lean" improvements to assist both Finance staff and department staff in operating more efficiently.

In March of 2013 the department coordinated the refunding of the final three years of the June 1, 2006 general obligation bond issue. The total savings from this refunding was \$48,465, with \$13,173 to be realized in 2013/2014, \$18,467 in 2014/2015, and \$16,825 in 2015/2016.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).
- \* To submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- \* To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. The City implemented Statement 65 in the year ended June 30, 2013, a year prior to when it was required to be implemented. Statements 66 and 68 will be effective for the year ending June 30, 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.  
**(Council and Management Fiscal Responsibility Goal)**

- \* 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. **(Council and Management Fiscal Responsibility Goal)**
  
- \* To implement the remaining portions of the new financial software system including Human Resources, Fixed Assets, Project/Grant Accounting, and the “work-flow” portions of the payroll and purchase order systems. **(Council and Management Lean/Continuous Service Improvement Goal)**
  
- \* To implement the features of the new financial software that will allow departments to initiate purchase orders, enter payroll time worked/leave hours, and access the system to monitor budgets. This will involve training of staff of each department. Also look to improve Finance processes with the new software while maintaining necessary accounting internal controls. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
General Government

**Department:**  
Finance

**Activity:**  
**Finance and Records**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 386,654	\$ 352,687	\$ 446,700	\$ 431,200	\$ 448,100	0.31%
Commodities	11,679	11,999	14,000	15,500	14,000	0.00%
Contractual Services	93,329	90,839	93,200	96,700	97,400	4.51%
Capital Outlay	3,024	6,540	-	-	-	
Debt Service	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 494,686</b>	<b>\$ 462,065</b>	<b>\$ 553,900</b>	<b>\$ 543,400</b>	<b>\$ 559,500</b>	<b>1.01%</b>
<b>Funding Sources</b>						
Licenses and Permits	\$ 40,648	\$ 41,381	\$ 40,600	\$ 41,400	\$ 41,400	1.97%
Housing Accounting Fees	51,100	52,600	54,100	54,100	55,800	3.14%
General Revenues	402,938	368,084	459,200	447,900	462,300	0.68%
<b>Total Funding Sources</b>	<b>\$ 494,686</b>	<b>\$ 462,065</b>	<b>\$ 553,900</b>	<b>\$ 543,400</b>	<b>\$ 559,500</b>	<b>1.01%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions/Position Allocations:</b>						
Finance Director	0.90	0.90	0.95	0.95	0.95	
Accounting Supervisor	-	1.00	1.00	1.00	1.00	
Accountant	1.00	0.25	1.00	1.00	1.00	
Senior Account Clerk	2.00	1.75	1.00	1.00	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	0.25	0.25	0.25	0.25	0.25	
<b>Total Full Time</b>	<b>5.65</b>	<b>5.65</b>	<b>5.70</b>	<b>5.70</b>	<b>5.70</b>	<b>\$ 325,100</b>
Employee Benefits						123,000
<b>Total Personal Services</b>						<b>\$ 448,100</b>

**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 2013/2014 is \$200 less than the budgeted amount primarily due to savings in employee benefit costs.

The 2014/2015 budget is \$17,000 (6.7%) higher than the 2013/2014 budget primarily due to increased personal services costs (\$4,700), increased software maintenance costs (\$4,000), and a capital outlay allocation of \$8,800 to update the City's website. 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
PC's Maintained	216	219	217	215	215
Network Maintained	2	3	3	3	3
AS/400's Maintained	1	1	1	1	1
Training Sessions	6	12	9	10	10

### **RECENT ACCOMPLISHMENTS**

A new update server was implemented that enables the Information Technology staff to manage the distribution of updates and hot fixes to city computer systems.

The IT department also released a new Remote Desktop server that allows users at remote city locations to experience higher performance when connecting to City Hall.

The Muscatine Police Department was migrated to TraCS 10 to collect data from law enforcement at the scene of a motor vehicle collision or traffic stop allowing it to be sent electronically to the Iowa DOT. Officers are now empowered to perform additional tasks by the ability to quickly enter citation information. Eight police squad cars were transitioned to new tablet computers and 4G data communications for faster more dependable transmission. Also now available in the squad cars are Bluetooth printers and scanners for capturing driver's license information directly to citation software. A newly installed and implemented high definition squad car video system with high fidelity wireless audio will enhance officer and community safety.

### **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To migrate all general fund computers off of Windows XP since it will no longer be supported by the manufacturer.
- \* To refresh the design and navigation method of the city's web presence.
- \* To relocate the network server and related hardware at the Water Pollution Control Plant to the clean room that was added as part of the laboratory expansion. **(Council and Management Agenda Lean/Continuous Service Improvement Goal)**
- \* To work with Finance to allow city departments to access the new financial system for direct departmental access to timecard entry, purchase order entry, and direct access to departmental financial reports. **(Council and Management Agenda Lean/Continuous Service Improvement Goal)**
- \* To assist other departments in evaluating and proposing departmental operational software (i.e. WPCP maintenance database, Community Development permitting software, etc.). **(Council and Management Agenda Lean/Continuous Service Improvement Goal)**

**Function:**  
General Government

**Department:**  
Finance

**Activity:**  
**Information Technology**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 146,761	\$ 157,038	\$ 165,100	\$ 164,300	\$ 169,800	2.85%
Commodities	1,450	1,132	1,800	1,800	1,800	0.00%
Contractual Services	43,579	43,547	47,600	48,200	51,100	7.35%
Capital Outlay	6,965	-	-	-	8,800	
Transfers	49,068	40,000	40,000	40,000	40,000	0.00%
<b>Total Expenditures</b>	<b>\$ 247,823</b>	<b>\$ 241,717</b>	<b>\$ 254,500</b>	<b>\$ 254,300</b>	<b>\$ 271,500</b>	<b>6.68%</b>
<b>Funding Sources</b>						
IT Administrative Fees	\$ 24,700	\$ 25,500	\$ 26,900	\$ 26,900	\$ 27,700	2.97%
General Revenues	223,123	216,217	227,600	227,400	243,800	7.12%
<b>Total Funding Sources</b>	<b>\$ 247,823</b>	<b>\$ 241,717</b>	<b>\$ 254,500</b>	<b>\$ 254,300</b>	<b>\$ 271,500</b>	<b>6.68%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
Information Technology						
Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	1.00	1.00	1.00	1.00	1.00	
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 118,400</b>
Employee Benefits						51,400
<b>Total Personal Services</b>						<b>\$ 169,800</b>

<b>Capital Outlay</b>		
<b>Item:</b>	<b>Replacement</b>	<b>Amount</b>
Website Update	Yes	\$ 8,800

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

**Function:**  
General Government

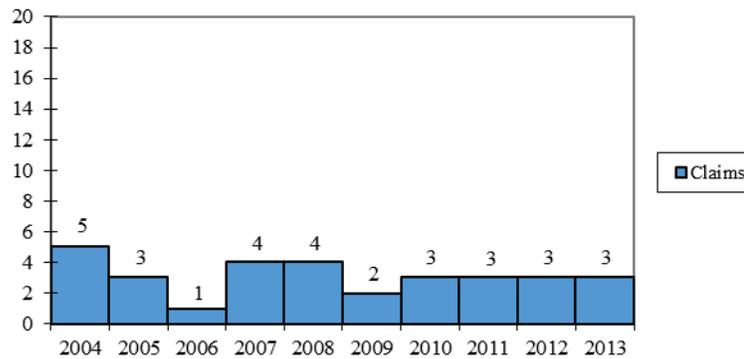
**Department:**  
City Administrator

**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 2013. The history of lost time claims for the past ten years is as follows:

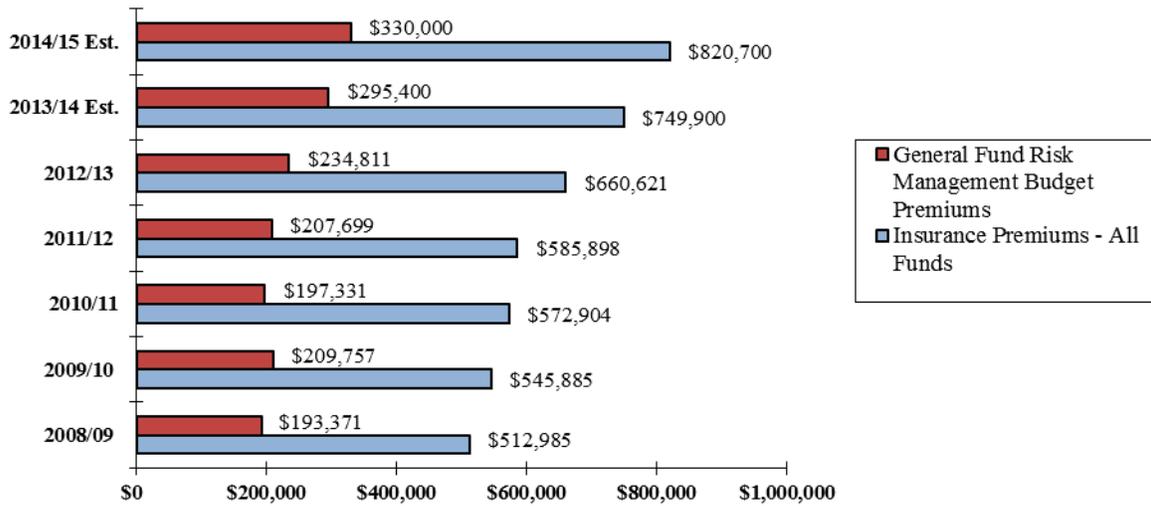
**Lost Time Workers Compensation Claims**



The goal for 2014/2015 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 2008/2009 through the budgeted costs for 2014/2015 as well as total City insurance premiums are shown in the following graph:

### Insurance Premium History



#### CURRENT TRENDS AND ISSUES

The 2013/2014 revised estimate General Fund insurance costs of \$295,400 included in this budget are \$20,100 higher than the amount budgeted. This is primarily due to increases in the Public Officials Liability, Police Officer Liability, Employment Practices Liability, Inland Marine/Mobile Equipment, General Liability, and Umbrella Liability policies.

The 2014/2015 estimated insurance costs of \$330,000 included in this budget are \$54,700 (19.9%) higher than the original 2013/2014 budget and \$34,600 (11.7%) higher than the 2013/2014 revised estimate. The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at \$820,700 for 2014/2015. This is a \$75,000 (10.1%) increase from the 2013/2014 budget of \$745,700. Of that amount \$330,000 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 2014/2015 budget includes an estimated \$14,700 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 2014/2015 fiscal year were provided by Holmes Murphy and Associates, the City's Insurance Agent. The original schedule from Holmes Murphy reflected 15% to 20% increases in most policies. After further discussions with Holmes Murphy staff, the City reduced the projected increases for these policies to 10% to 12% for budgeting purposes. The projected increases are based on changes in the insurance market in the last several years.

The budget for 2014/2015 includes a \$.39521 per \$1,000 valuation Tort Liability tax levy which is a 19.9% increase from the 2013/2014 tax rate. The City will use \$33,500 of Insurance Trust funds to fund a portion of the increased premiums in 2014/2015. If those funds would not have been available, the Tort Liability tax levy rate would have been \$.43719, an increase of 32.6% (\$.042/\$1,000 of valuation) over the current year levy rate. The Tort Liability tax levy provides funding of \$26,000 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Workers Compensation Experience Modification Factor	.87	.82	.77	.72	.73
Insurance Premiums Paid – All Funds	\$572,904	\$585,898	\$660,621	\$749,900	\$820,700
Risk Management Insurance Premiums	\$197,331	\$207,699	\$234,811	\$295,400	\$330,000
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 has maintained a positive experience modification for worker’s compensation. The current rating is .72 which is once again an above average rating for our industry and an improvement over last year. The City also received a rebate for positive loss experience in Workers Compensation and has been granted the maximum rate reductions allowed by the state.

In conjunction with the worker’s compensation company, the loss control specialist from the City’s carrier provided training on several safety topics this year. Most importantly, all affected employees were trained as required on the GHS (Globally Harmonized System) which will be replacing the MSDS method of hazard communication.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To continue to ensure the GHS (Globally Harmonized System) is properly implemented.
- \* To continue to update the process used to catalog property and equipment with the insurance broker.

**Function:**  
General Government

**Department:**  
City Administrator

**Activity:**  
**Risk Management**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 24,731	\$ 25,315	\$ 26,200	\$ 26,200	\$ 26,700	1.91%
Commodities	7,584	7,043	11,600	11,600	11,600	0.00%
Contractual Services	229,019	262,277	297,100	317,200	351,900	18.44%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 261,334</b>	<b>\$ 294,635</b>	<b>\$ 334,900</b>	<b>\$ 355,000</b>	<b>\$ 390,200</b>	<b>16.51%</b>
<b>Funding Sources</b>						
Tort Liability Taxes	\$ 208,817	\$ 234,811	\$ 235,300	\$ 255,300	\$ 330,000	40.25%
Transfer from Insurance Trust	-	-	40,000	40,000	33,500	-16.25%
General Revenues	52,517	59,824	59,600	59,700	26,700	-55.20%
<b>Total Funding Sources</b>	<b>\$ 261,334</b>	<b>\$ 294,635</b>	<b>\$ 334,900</b>	<b>\$ 355,000</b>	<b>\$ 390,200</b>	<b>16.51%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Position Allocation:</b>						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 19,600
Employee Benefits						7,100
<b>Total Personal Services</b>						<b>\$ 26,700</b>

**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 2013/2014 is over the budgeted amount by \$39,600 primarily due to (1) \$8,300 in retirement pay for the fulltime City Hall Custodian, (2) \$20,000 in tornado damage at the Art Center, and (3) \$10,000 in other repair and maintenance services which includes funds to resurface the front deck of City Hall. A portion of the tornado damages (\$11,500) was reimbursed by the City's insurance carrier.

The 2014/2015 budget is \$3,100 (.6%) higher than the original 2013/2014 budget. Increases in personal services costs of \$9,100 have been partially offset by decreases in capital outlay and net reductions 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 residents of Muscatine.

**PERFORMANCE MEASURES**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Buildings Maintained	8	8	8	8	8
Heating, Ventilation, and Air Conditioning Service Contracts	3	3	3	3	3
Staff Custodians (Full Time and Part Time)	6	6	5	5	5
Contract Custodians	3	3	3	3	3
Grounds Maintained	3	3	3	3	3
Janitorial Supplies Purchased	\$16,769	\$15,191	\$15,638	\$16,000	\$16,000
Major Maintenance Projects (Above \$2,000)	13	13	16	15	15

**RECENT ACCOMPLISHMENTS**

The boilers were replaced at the Museum and City Hall in July 2012 and inspected by the state the following month. Staff assisted with setting up and tearing down of the Springs and Sprockets Holiday Show at the Art Center. During the year, repairs were made to the Stanley Gallery's air conditioner chiller and new carpet was installed. In February 2013, the Art Center incurred damages from a power outage that was determined to be caused by Muscatine Power & Water. Staff also assisted in the cleanup of the Art Center following the tornado in late June 2013.

In City Hall, panels were hung on the walls in the lower level conference room, blinds replaced, and chairs were replaced. In addition, furniture in the Mayor's office was replaced with this furniture donated by HON.

A variety of work took place at the Public Safety Building. A Sergeant's office was renovated, carpet cleaned in the Police department, and floors resurfaced. In addition, new counters and desks were installed in the squad room. In the Fire department, new ceiling tile was installed in the Fire Chief's office and restrooms were renovated.

Qwest Cable bore underground at the Public Safety Building in the alley by the geothermal field to the communications tower. Directional boring was also done by the geothermal field for the installation of fiber optic lines.

Other work that took place included the installation of a 200 amp service at the Safe Streets office at 614 Mulberry Avenue; renovation of the restrooms and other work areas at the library; winterization of the hangars and the sprinkler system at the airport; and renovation of the restrooms at the Public Works building.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To continue Lean training in this division. (**Council and Management Lean/Continuous Service Improvement Goal**)
- \* To continue training and cross training in the department and with the upcoming retirements of two staff members, hire new employees and institute position responsibility changes if needed.
- \* To continue the City General Contractor Agreement with a one year extension until 2015 if mutually agreeable. To solicit proposals for this service after the one year extension.
- \* To continue ongoing staff certifications for boilers, pest control, and backflow prevention.

Function:  
General Government

Department:  
Public Works

Activity:  
**Building and Grounds**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 265,154	\$ 272,757	\$ 283,900	\$ 292,700	\$ 293,000	3.21%
Commodities	35,078	35,542	45,400	44,300	43,800	-3.52%
Contractual Services	169,244	221,207	167,800	202,800	170,800	1.79%
Capital Outlay	10,871	20,984	15,500	12,400	8,100	-47.74%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 480,347</u>	<u>\$ 550,490</u>	<u>\$ 512,600</u>	<u>\$ 552,200</u>	<u>\$ 515,700</u>	0.60%
<b>Funding Sources</b>						
Charges for Supplies	\$ 8,397	\$ 8,737	\$ 8,400	\$ 8,400	\$ 8,400	0.00%
Insurance Reimbursement	-	-	-	11,500	-	
Sale of Equipment	-	195	-	-	-	
Capital Project Funds Transfer	8,504	-	-	-	-	
CDBG Fund Transfer	-	3,000	-	-	-	
Road Use Taxes	-	3,759	-	-	-	
Rebates (Boilers)	-	2,392	-	-	-	
General Revenues	<u>463,446</u>	<u>532,407</u>	<u>504,200</u>	<u>532,300</u>	<u>507,300</u>	0.61%
Total Funding Sources	<u>\$ 480,347</u>	<u>\$ 550,490</u>	<u>\$ 512,600</u>	<u>\$ 552,200</u>	<u>\$ 515,700</u>	0.60%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<i>Full Time Positions/Position Allocations:</i>						
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	
<i>Part Time Positions:</i>						
Custodian	<u>0.85</u>	<u>0.85</u>	<u>0.85</u>	<u>0.88</u>	<u>0.85</u>	
<b>Total</b>	4.60	4.35	4.35	4.38	4.35	\$ 200,000
Employee Benefits						<u>93,000</u>
Total Personal Services						<u>\$ 293,000</u>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Backflow Test Kit	1	Yes	800
Snow Blowers	3	Yes	2,400
Column Repair (City Hall)			4,900
Total			<u>\$ 8,100</u>

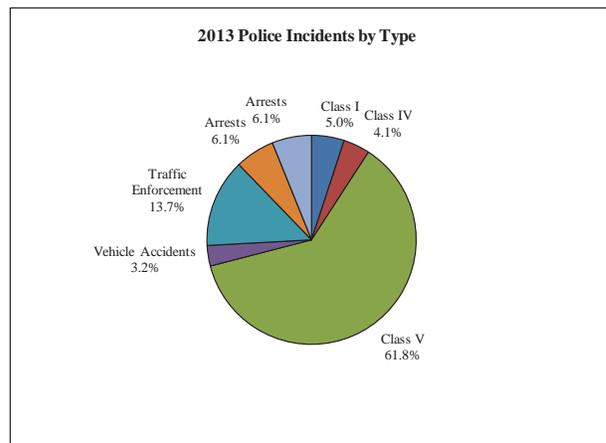
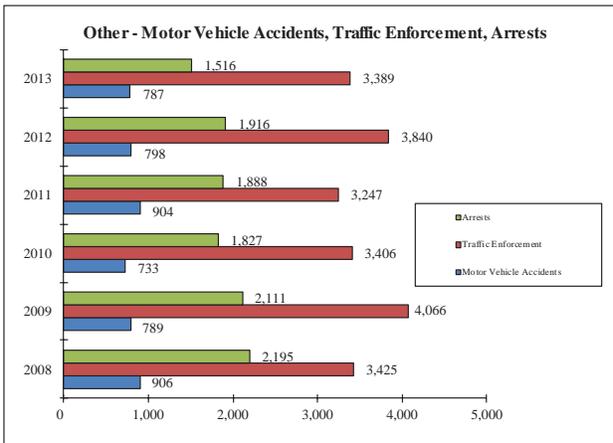
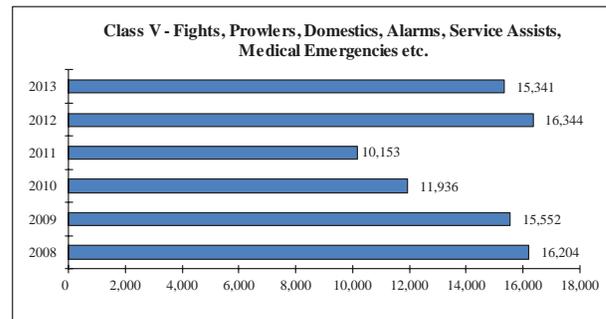
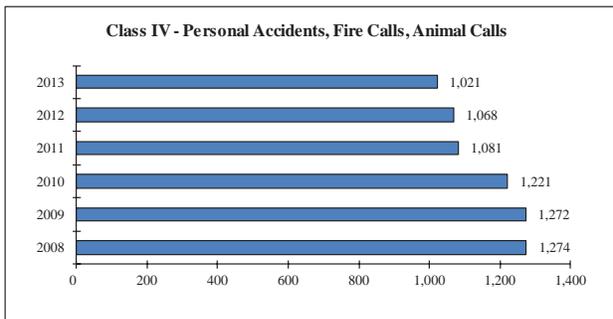
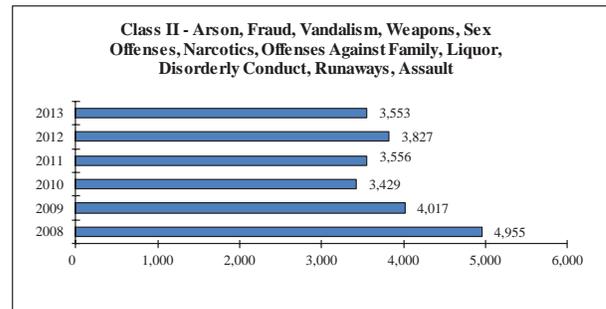
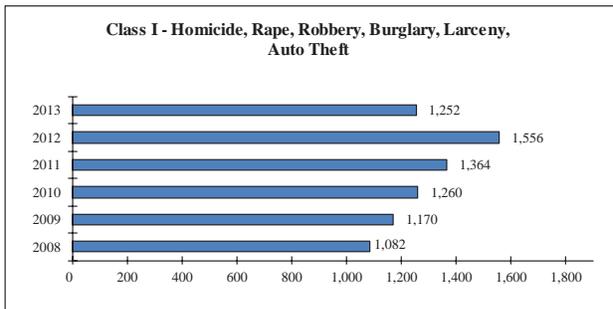
**Function:**  
Public Safety

**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 ¼ 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 2013/2014 is under the budgeted amount in total by \$100,600. Personal services costs are under the budgeted amount by \$107,900 due to several vacancies and the new hires starting at lower steps of the pay schedule. Commodities were also under budget by \$11,600, most of which is due to reduced fuel costs. These savings were offset in part by increases in contractual services of \$4,600 and capital outlay of \$14,300. There were increases and decreases in various contractual services line items, but the overall increase is due to the County's share of the current year JAG grant in the amount of \$9,400 which was not included in the original budget. The increase in capital outlay includes \$10,600 in City JAG grant-funded equipment and an additional \$3,200 funded from other contributions.

The 2014/2015 budget is \$7,300 (.2%) higher in total than the original 2013/2014 budget. Personal services costs increased by \$82,300 for 2014/2015. This increase has been partially offset by decreases of \$11,600 in commodities, \$5,600 in contractual services (primarily medical costs), and \$57,800 in capital outlay. The Equipment Replacement Fund budget for 2014/2015 also includes \$183,000 for replacement of five police squad cars.

At the time the budget was prepared it was uncertain whether the grant funding for the Joint Terrorism Task Force would continue when the current grant expires at the end of June 2014. This grant, from the Department of Homeland Security, has funded 100% of the cost of the officer assigned to this Task Force. The 2014/2015 budget includes this position with the related funding; however if this funding is not continued, it is proposed that one fulltime position in the police department be eliminated.

The 2013/2014 revised estimate and 2014/2015 budget each include two police officers which were 100% funded from a U.S. Department of Justice COPS grant for a three year period. These officers were hired in early January and mid-February of 2012 and will be 100% funded from this grant through the spring of 2015. As a condition of the grant, the City is required to maintain these positions with 100% City funding for the fourth year. The City has been setting aside funding each year to meet the 4<sup>th</sup> year funding requirement. An estimated \$31,000 of the cost of these two positions will be funded from the reserve funds in 2014/2015.

The 2014/2015 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 2014/2015 with grant expenditures of \$73,400; \$14,700 of Governor's Highway Safety funds are budgeted to be expended; and funding of \$18,000 is estimated to be received for the City/County Drug Task Force. The budget continues funding for the School Resource Officer position at the high school. This position is 75% (\$58,000) 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 included several "assigned" funding allocations for future year costs. The COPS grant awarded in 2011 provided 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 4<sup>th</sup> year for this position (one officer prorated at 75% for the school year). The City "assigned" annual allocations of \$40,000 in 2012/2013 and 2013/2014 toward the City share of the 4<sup>th</sup> year costs. With the 4<sup>th</sup> year ending in the spring of 2015, an estimated \$31,000 of the cost of these officers has been funded from the 2014/2015 budget and \$9,000 has been "assigned" for future funding for 2015/2016. This will bring the "assigned" allocation to \$89,000 at the end of the 2014/2015 year which will fund that portion of the costs of these officers in 2015/2016. This allocation plus the School's funding, however, will fund these two positions only through the spring of 2016.

## **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**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
Police Calls for Service	18,667	20,312	22,795	21,954	22,500
Overtime Hours Worked	2,987	3,689	3,876	3,173	3,400
Traffic Enforcement	3,406	3,247	3,840	3,484	3,500
Arrests	1,827	1,888	1,916	1,506	1,800
Parking Tickets Issued	1,280	1,327	1,607	1,595	1,600
Uniform Crime Report Clearance Rates	45%	44%	44%	44%	44%
Investigations Assigned	270	280	176	170	175
Investigations Cleared	69%	73%	76%	75%	75%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations*	N/A	1,927	2,677	2,517	2,500
Speed on Green Violation Citations*	N/A	17,828	12,785	10,601	10,000
ATE Violations – City Residents	N/A	N/A	2,688	2,464	2,400
ATE Violations – Non-Residents	N/A	N/A	12,774	10,546	10,000

\* 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 partnership with the Iowa Department of Narcotics Enforcement and the Muscatine County Sheriff's Office, the Police department successfully expanded the territorial partnership of the Muscatine County Drug Task Force (DTF) into Louisa and Cedar counties as well as maintained funding through federal (HIDTA) and State (ODCP) grant funds. The task force continues to look for other options and areas to continue to battle the drug problems in our part of the state.

The department continued to maintain as well as revise its efforts regarding Problem Oriented Policing. The "Operation POP Can" program and the park and walks have continued as well as the contact with bar owners/managers from "Operation Night Watch". The department implemented "Coffee with a Cop" as a way to continue to expand our interaction with the community and receive concerns and information from the public.

The department maintained its accredited status through the Commission on Accreditation for Law Enforcement as well as eliminated two conditions that were imposed at the commission meeting in December 2012.

The department expanded the use of Simunitions for the training of department personnel to the whole department. Prior to this year those munitions were mainly reserved for tactical team training. This year, thanks to outside funding, the department was able to use these training tools for active shooter training (ALICE) for shift personnel and to integrate them into defensive tactics training. The use of these munitions allows for more realistic training as well as another source of feedback to officers during training.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* 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; and the overtime manpower allocation for the highway safety 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 a diversified workforce hiring the most qualified candidates.
- \* 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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue to review police department operations for “Lean” initiatives. **(Council and Management Lean/Continuous Service Improvement Goal)**

Function:  
Public Safety

Department:  
Police

Activity:  
**Police Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 3,458,302	\$ 3,653,237	\$ 4,012,600	\$ 3,904,700	\$ 4,094,900	2.05%
Commodities	169,074	173,218	189,500	177,900	177,900	-6.12%
Contractual Services	229,369	262,132	284,200	288,800	278,600	-1.97%
Capital Outlay	83,114	36,334	118,200	132,500	60,400	-48.90%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 3,939,859</u>	<u>\$ 4,124,921</u>	<u>\$ 4,604,500</u>	<u>\$ 4,503,900</u>	<u>\$ 4,611,800</u>	0.16%
<b>Funding Sources</b>						
Grants	\$ 354,426	\$ 386,931	\$ 397,500	\$ 417,200	\$ 320,300	-19.42%
Parking Violations	19,466	22,510	20,000	20,000	20,000	0.00%
Court Fines	208,186	190,887	165,000	175,000	175,000	6.06%
Automatic Traffic Enforcement Fines	783,887	662,124	600,000	600,000	600,000	0.00%
Fruitland Agreement	43,178	44,258	45,600	45,500	46,700	2.41%
False Alarm Charges	1,350	1,800	1,500	1,500	1,500	0.00%
Utility Franchise Fees	85,113	51,966	50,000	52,500	52,500	5.00%
General Revenues	<u>2,444,254</u>	<u>2,764,445</u>	<u>3,324,900</u>	<u>3,192,200</u>	<u>3,395,800</u>	2.13%
Total Funding Sources	<u>\$ 3,939,859</u>	<u>\$ 4,124,921</u>	<u>\$ 4,604,500</u>	<u>\$ 4,503,900</u>	<u>\$ 4,611,800</u>	0.16%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions:</b>						
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	4.00	4.00	4.00	4.00	4.00	
Corporal	6.00	6.00	6.00	6.00	6.00	
Patrol Officer	24.00 *	25.00 *	25.00	25.00	25.00	
Secretary	1.00	1.00	1.00	1.00	1.00	
Clerk	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	43.00	44.00	44.00	44.00	44.00	
<b>Part Time Position:</b>						
Clerk	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>	
Total	43.88	44.88	44.88	44.88	44.88	\$ 2,529,700
Employee Benefits						<u>1,565,200</u>
Total Personal Services						<u>\$ 4,094,900</u>
* Two police officer positions were added midway through the 2011/2012 year (100% COPS grant-funded for three years)						

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tough Pad Computers	2	No	\$ 9,000
Tasers	10	Yes	14,400
Lightbars	2	Yes	4,400
Radar Units	2	Yes	5,400
Chemical Munitions		No	3,500
Police K-9 (Subject to Outside Funding)			16,700
JAG Grant-Funded Equipment (Subject to Grant Award)			7,000
			<u>\$ 60,400</u>
<b>Additional Capital Outlay - Equipment Replacement Fund</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Squad Cars	5	Yes	<u>\$ 183,000</u>

**Function:**  
**Public Safety**

**Department:**  
**Police**

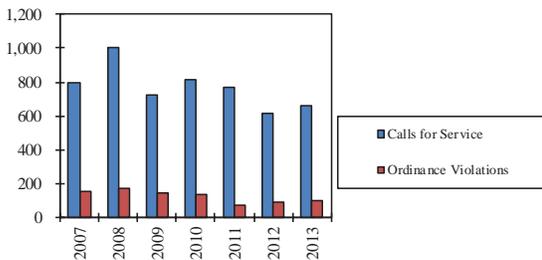
**Activity:**  
**Animal Control**

**GENERAL INFORMATION**

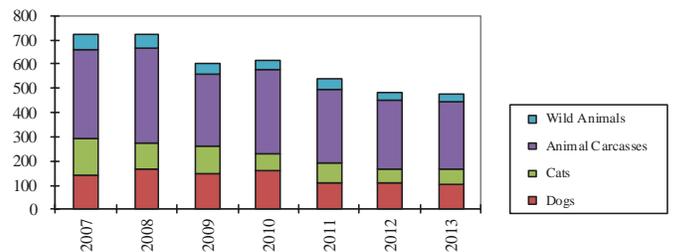
The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals 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. 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 2013/2014 revised estimate is \$15,000 higher than the original budget primarily due to the upcoming retirement of the Animal Control Officer. The revised estimate includes \$10,300 in retirement pay for the current officer, \$3,600 to allow the replacement officer to have four weeks of training time with the current officer, and \$800 in uniforms for the new officer.

The 2014/2015 budget is \$900 (.7%) less than the 2013/2014 budget primarily due to the lower wage rate of the new Animal Control Officer. This budget also includes an annual allocation to the Muscatine Humane Society. The Humane Society’s funding request for 2014/2015 was \$60,000, the same as their budgeted funding for 2013/2014.

**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 City-wide 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**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
Calls for Service	783	742	596	638	650
Ordinance Violations	137	72	92	95	90
Bite Cases	42	31	39	41	40
Animals taken to Humane Society:					
Dogs	161	108	108	102	105
Cats	69	84	61	52	60
Animal Carcasses	349	305	279	256	280
Wild Animals	38	40	32	29	30
County Calls for Service	1	1	1	1	1
Fruitland Calls for Service	26	22	15	20	30

**RECENT ACCOMPLISHMENTS**

The department has been providing animal control enforcement and assistance to the City of Fruitland since July 4, 2002. In 2013 the Animal Control Officer responded to 20 calls for service in Fruitland.

The Animal Control Officer transported 154 cats and dogs to the Humane Society or to the veterinarian in 2013. He transported 256 animal carcasses and 29 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 2014/2015**

- \* To meet or exceed the number of citations issued in the 2013/2014 fiscal year by utilizing proactive enforcement in conjunction with responding to citizen complaints.
- \* To provide training to the new 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 maintain a positive relationship with the Humane Society with the transition to the new Animal Control Officer.

**Function:**  
Public Safety

**Department:**  
Police

**Activity:**  
**Animal Control**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 59,041	\$ 60,289	\$ 62,900	\$ 76,700	\$ 60,900	-3.18%
Commodities	3,022	2,673	2,700	3,900	3,200	18.52%
Contractual Services	60,841	61,700	62,300	62,300	62,900	0.96%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 122,904</b>	<b>\$ 124,662</b>	<b>\$ 127,900</b>	<b>\$ 142,900</b>	<b>\$ 127,000</b>	<b>-0.70%</b>
<b>Funding Sources</b>						
Animal Enforcement Fines	\$ 2,105	\$ 2,195	\$ 2,700	\$ 2,700	\$ 2,700	0.00%
General Revenues	120,799	122,467	125,200	140,200	124,300	-0.72%
<b>Total Funding Sources</b>	<b>\$ 122,904</b>	<b>\$ 124,662</b>	<b>\$ 127,900</b>	<b>\$ 142,900</b>	<b>\$ 127,000</b>	<b>-0.70%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Position:</b>						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 39,300
Employee Benefits						21,600
<b>Total Personal Services</b>						<b>\$ 60,900</b>

**Function:**  
**Public Safety**

**Department:**  
**Fire**

**Activity:**  
**Fire Operations**

**GENERAL INFORMATION**

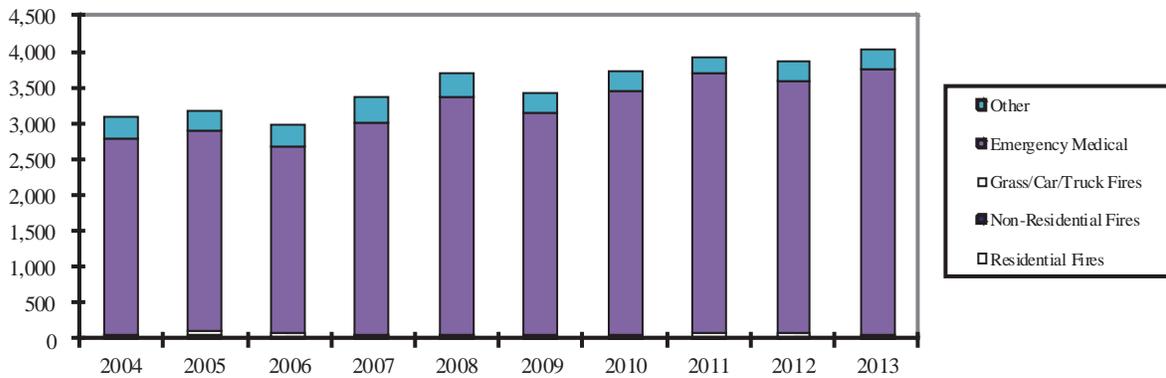
The Fire department is staffed with full time personnel and provides fire protection for the City of Muscatine as well as fire protection for adjacent areas through mutual aid agreements. The primary functions of the department include fire suppression, fire prevention through public education and code 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.

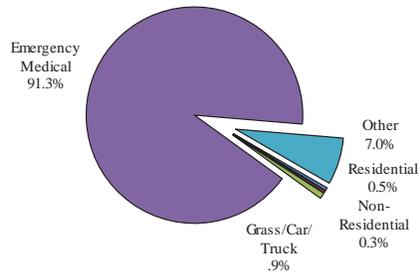
The Fire department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

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.

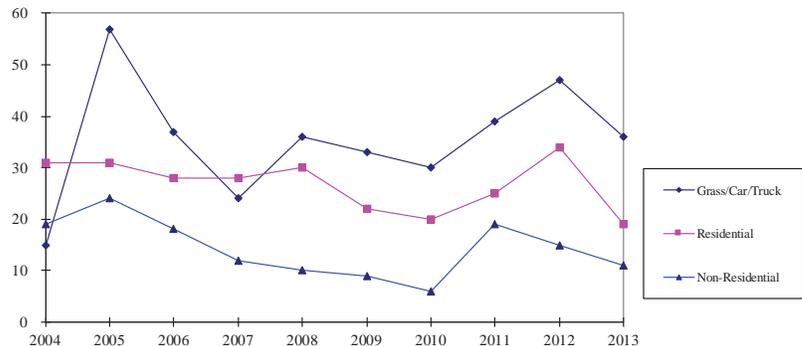
**Fire Department Response History**



**2013 Fire Responses by Type**



**History of Fire Calls by Type**



**CURRENT TRENDS AND ISSUES**

The revised estimate for 2013/2014 is over the original budget by \$10,300. Personal services are under the original budget by \$43,700 due to staff vacancies during the year and new hires being at lower steps in the pay plan. Contractual services are over the original budget by \$22,800 due to increased medical costs including costs for former firefighters retiring due to work-related medical issues (\$15,000) and increased vehicle and equipment repair and maintenance service charges (\$5,500). The revised estimate for capital outlay is over the original budget by \$30,900. The revised estimate includes \$32,700 for hazard mitigation equipment funded from a donation from HON.

The 2014/2015 Fire department budget is \$65,500 (1.8%) higher than the original 2013/2014 budget. This overall increase includes \$72,400 in increased personal services costs. The personal services increase includes \$59,200 for increased wages and \$23,800 for increased pension costs. The required City pension contribution rate will increase from the current 30.12% to 30.41% for 2014/2015. The combined police and fire pension costs will increase by \$32,588 for 2014/2015. This is in addition to the increase of \$235,845 for the 2013/2014 fiscal year. Employee insurance costs are budgeted to decrease by \$10,600 due to employee health insurance coverage changes. Contractual services are budgeted to increase by \$16,000 with \$8,400 from increased medical costs and \$5,500 from increased vehicle and equipment repair and maintenance costs. The capital outlay allocation for 2014/2015 has decreased from the prior year budgeted amount by \$21,900.

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 2014/2015 revenues from these permits and fees are estimated at \$53,600.

The 2014/2015 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 was 25.4% of the total cost. The transfer for 2013/2014 was budgeted at \$885,300 which was also 25.4% of wage and benefit costs. The transfer for 2014/2015 has been budgeted at \$911,900 which is 25.7% 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**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
All Calls for Services	3,711	3,916	3,864	4,022	4,000
Fire Training Hours	2,200	3,037	3,683	3,909	3,500
False Alarms	137	112	120	138	110
Fire Education Presentation Staff Hours	609	375	301	211	200
Number of Residents Attending Public Education Programs	2,162	1,358	2,219	3,119	2,500
Fire Inspections - Total	128	343	601	568	500
Inspections - Initial	N/A	228	306	314	275
Re-inspections	N/A	103	252	217	200
Additional Re-inspections	N/A	12	35	37	25
Fire Marshal Site Visits	N/A	N/A	N/A	84	100
Burn Permits Issued	100	618	662	747	745
Outdoor Fireplace Permits	N/A	550	594	668	674
Open Burning Permit	N/A	62	60	60	60
Commercial Burn Permits	N/A	1	1	1	1
Other Special Fire Permits	N/A	5	7	18	10
Citations Issued - All	0	4	17	25	25

**RECENT ACCOMPLISHMENTS**

The Fire department held its 2<sup>nd</sup> annual Citizens Fire Academy (CFA) in 2013. This is a seven week program that shows citizens what firefighters and paramedics do on a daily basis performing their job duties. This year's class consisted of nine community members and numerous CFA events are being recorded for later broadcast on local cable Channel 9.

The department hosted a countywide Fire department training house burn on E 9<sup>th</sup> Street. Staff also participated in joint training with area fire departments utilizing the Louisa-Muscatine fire training trailer, house burns on Saulsbury Road, and water rescue training with the Sheriff's Department and the Muscatine Search and Rescue Unit. The department conducted joint training with the Muscatine Police department SWAT team and also participated in a large scale hazardous materials drill with Monsanto which included integration with their command staff and response teams.

Early in 2012/2013 the City's 23 outdoor warning sirens were updated with state and federal grants in excess of \$50,000. This resulted in a reduction of \$13,200 in annual operating costs.

The department hosted a State Fire Inspector Certification class. Seventeen staff members attended the 40 hour class and are now newly certified Fire Inspectors. The department supported training for 4 members to attend a federal hazardous materials training program in Anniston, AL that was completely funded through federal monies with no local match. In addition, the department supported training for 5 members to attend the National Fire Academy in Emmitsburg, Maryland. Airfare, tuition, and lodging were funded through federal monies with no local match.

The department held its 6<sup>th</sup> Annual Public Safety Building Open House in conjunction with the Police department. There were sprinkler training demonstrations, a grease fire demonstration, and several other activities. The smoke house was also available.

The department participated in a five-year review of the Muscatine County Multi-Jurisdictional Hazard Mitigation Plan and also participated in the Levee Breach Study with Public Works and the Army Corps of Engineers.

Management staff also completed Blue Zones Leadership training. The department hosted a G2 intern from Muscatine High School and hosted a student from the high school as part of their work experience program. Fire department staff assisted Parks and Recreation with the citywide deer deprivation program by checking in and recording deer harvested in the city and also with flood cleanup on the riverfront.

Members of the department participated in the Leadership Muscatine program. The department explored and implemented Lean Initiatives with improvements in technology. A new fire engine for Station 2 was purchased and placed into service on August 25, 2013. Improvements and efficiencies in the Fire Marshall activities were implemented, including more complete site plans, plan reviews, and code enforcement. This has allowed for an improved working relationship with the Building and Zoning staff, various construction companies, and building owners.

Staff developed improved procedures for code enforcement and citations, including illegal burning activities and non-payment of fire inspection invoices. The department's administrative offices were rearranged to better accommodate the public's need for access to office personnel. Staff also installed 156 donated smoke detectors in single family residences. Seventy-eight of the detectors were installed in mobile homes at Ripley's Mobile Home Court.

#### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To continue to explore the need, location, and foundations of adding a third fire station to improve overall coverage for the current city limits including the recently annexed area; response efficiency; and work towards meeting national standards. (**Council and Management Lean/Continuous Service Improvement Goal**)
- \* To develop and implement a plan to begin acquisition and use of outdoor training props at the former armory property.
- \* To research demolition options for the building at 2122 Stewart Road.
- \* To continually seek local, state, and federal grant opportunities.

- \* To begin a concerted effort to increase public awareness of fire sprinkler systems of all types, focusing on life safety and property conservation.
- \* To implement the 2012 edition of the International Fire Code, coordinated with Building and Zoning's implementation of the 2012 version of the International Building and related Codes.

**Function:**  
Public Safety

**Department:**  
Fire

**Activity:**  
**Fire Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 3,146,717	\$ 3,259,982	\$ 3,480,900	\$ 3,437,200	\$ 3,553,300	2.08%
Commodities	74,140	77,018	80,600	80,900	79,600	-1.24%
Contractual Services	174,567	137,528	103,900	126,700	119,900	15.40%
Capital Outlay	8,819	38,782	39,700	70,600	17,800	-55.16%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 3,404,243</b>	<b>\$ 3,513,310</b>	<b>\$ 3,705,100</b>	<b>\$ 3,715,400</b>	<b>\$ 3,770,600</b>	<b>1.77%</b>
<b>Funding Sources</b>						
Fire Protection Contracts and Hazmat Agreements	\$ 23,144	\$ 26,612	\$ 24,700	\$ 24,700	\$ 24,700	0.00%
Ambulance Staff Funding Transfer	786,300	839,000	885,300	885,300	911,900	3.00%
Confined Space Fees	36,000	43,716	40,500	36,000	36,000	-11.11%
Fire Inspection Fees & Permits	15,397	14,237	9,000	16,000	15,000	66.67%
Other Fees	9,914	10,135	1,200	22,400	3,200	
Donations	1,800	-	-	32,700	-	
Insurance Reimbursement	-	-	-	13,200	-	
Utility Franchise Fees	85,113	51,965	50,000	52,500	52,500	5.00%
General Revenues	2,446,576	2,527,645	2,694,400	2,632,600	2,727,300	1.22%
<b>Total Funding Sources</b>	<b>\$ 3,404,243</b>	<b>\$ 3,513,310</b>	<b>\$ 3,705,100</b>	<b>\$ 3,715,400</b>	<b>\$ 3,770,600</b>	<b>1.77%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions:</b>						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	3.00	3.50	1.00	1.00	1.00	
Battalion Chief	-	0.50	3.00	3.00	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	24.00	24.00	24.00	24.00	24.00	
<b>Total Full Time</b>	<b>36.00</b>	<b>37.00</b>	<b>37.00</b>	<b>37.00</b>	<b>37.00</b>	
<b>Part Time Position:</b>						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
<b>Total</b>	<b>36.50</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>	<b>37.50</b>	<b>\$ 2,135,800</b>
Employee Benefits						1,417,500
<b>Total Personal Services</b>						<b>\$ 3,553,300</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Turn-Out Gear	4 sets	Yes	\$ 7,500
1 3/4" Fire Hose	44 sections	Yes	4,400
Training Software	1	No	5,900
			<u>\$ 17,800</u>

<b>Additional Capital Outlay - Equipment Replacement Fund</b>	
<i>Item</i>	<i>Amount</i>
Loose Equipment to Stock Reserve Fire Engine	<u>\$ 18,000</u>

**Function:**  
**Public Safety**

**Department:**  
**Legislative and Council**

**Activity:**  
**Emergency Management**

**GENERAL INFORMATION**

Through 2013/2014 the City's Emergency Management budget included an annual allocation to the Muscatine County Emergency Management Agency as well as funding for the maintenance and operation of the City's air sirens located throughout the community which warn citizens of impending natural disasters.

The Muscatine County Emergency Management Agency 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 Agency's budget includes funding for a full time Emergency Management Director employed by Muscatine County. In years through 2013/2014 financial support for the Emergency Management program was provided from a per capita assessment from Agency members.

**CURRENT TRENDS AND ISSUES**

Beginning in 2014/2015 the Muscatine County Emergency Management Agency will be funded from a county-wide tax levy instead of the per capita assessments used in previous years. The Agency's budget will fund siren maintenance costs for all Agency members as well as installation of any new sirens. This change has resulted in the elimination of the City's per capita funding of the Agency beginning in 2014/2015 as well as elimination of City funding for new sirens and siren maintenance costs beginning in 2013/2014.

The revised estimate for 2013/2014 is \$27,300 less than the original budget. The original budget included \$22,800 for an emergency siren that would serve the recently annexed Ripley's Mobile Home Court area and \$4,500 in siren maintenance costs. These costs will now be funded from the Muscatine County Emergency Management Agency budget. The \$21,200 remaining budget amount is the City's per capita assessment for 2013/2014.

With the changes eliminating the per capita assessment and the Agency funding siren and siren maintenance costs from a county-wide tax levy, no emergency management funding is needed from the City in 2014/2015.

**GOAL STATEMENT**

To provide financial assistance to the Muscatine County Emergency Management Agency and to provide a citywide air siren system to warn citizens of impending natural disasters.

**PERFORMANCE MEASURES**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Emergency Sirens Maintained	23	23	23	23/24	24
Number of Sirens Repairs or Work Orders	23	3	23	6	5
Siren Tests	8	8	8	7	8

**RECENT ACCOMPLISHMENTS**

Matt Shook was hired as the new Muscatine County Emergency Management Director after the retirement of the previous director. Staff participated in reviewing and updating the Muscatine County Multi-Jurisdictional Hazard Mitigation Plan, changed the Emergency Management Agency (EMA) Board makeup to comply with the new changes in Chapter 7 of the Iowa State Code for Local Emergency Management Commission, and increased integration of EMA and MUSCOM (Muscatine County Joint Communications Center) into training and response activities.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To assist the City in continued response, planning, training, mitigation, and preparedness.
- \* To complete the installation of an outdoor warning siren in the recently annexed area which includes Ripley's Mobile Home Court.
- \* To continue work towards mass electronic emergency notification to meet National Preparedness Goals and Standards. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
Public Safety

**Department:**  
Legislative and Council

**Activity:**  
**Emergency Management**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	1,000	-	-	-100.00%
Contractual Services	30,100	21,160	24,700	21,200	-	-100.00%
Capital Outlay	-	-	22,800	-	-	
Transfers	-	8,930	-	-	-	
<b>Total Expenditures</b>	<b>\$ 30,100</b>	<b>\$ 30,090</b>	<b>\$ 48,500</b>	<b>\$ 21,200</b>	<b>\$ -</b>	<b>-100.00%</b>
<b>Funding Sources</b>						
General Revenues	\$ 30,100	\$ 30,090	\$ 25,700	\$ 21,200	\$ -	-100.00%
County Reimbursement	-	-	22,800	-	-	
<b>Total Funding Sources</b>	<b>\$ 30,100</b>	<b>\$ 30,090</b>	<b>\$ 48,500</b>	<b>\$ 21,200</b>	<b>\$ -</b>	<b>-100.00%</b>

**Function:**  
**Culture and Recreation**

**Department:**  
**Library**

**Activity:**  
**Library Operations**

**GENERAL INFORMATION**

The Musser Public Library provides the following services to help community residents meet their informational, recreational, educational and professional needs:

- Circulating collections of current high-demand, high-interest materials in a variety of formats.
- Collections representing a broad spectrum of knowledge on a variety of subjects and in a variety of formats.
- Reference services providing timely and accurate information in a variety of formats with access from diverse locations.
- Programs and services for all ages that encourage reading, learning, and cultural enrichment.
- Public computers and a wireless network to provide access to technology, information and entertainment.

The materials and services include but are not limited to books, ebooks, audiobooks, large print books, magazines, emagazines, CDs, emusic, DVDs, video games, computers, Internet access (Wi-Fi), meeting rooms, audio-visual equipment, photocopier, recorded books on CDs, tax forms and publications, genealogical and local history material, telephone and city directories, information service, home delivery service, children and adult programming, newspapers, maps, RiverShare (consortium) inter-library loan of materials, technology classes, and census data.

Musser Public Library is part of RiverShare, a 19 member Iowa/Illinois library consortium that shares a catalog. Patrons may request to borrow material from any of the 19 libraries. Items are exchanged through a daily van delivery.

The Friends of the Library provide financial and volunteer support for the Library's operation.

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 2013/2014 is \$107,395. An additional \$2,717 has been received from the contract with the City of Fruitland in 2013/2014. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$9,560 in revenues. The Library budget for 2014/2015 includes \$109,543 from Muscatine County, \$2,784 from the City of Fruitland, and \$9,798 from the townships in Illinois.

**CURRENT TRENDS AND ISSUES**

The revised estimate for 2013/2014 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 and commodity costs have been decreased in the revised estimate and 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 2014/2015 is \$7,400 (.7%) higher than the 2013/2014 budget. The overall increase is primarily due to an increase of \$8,300 in personal services costs. This increase has been partially offset by decreases in other areas of the budget.

### ***GOAL STATEMENTS***

- Fuel Muscatine's Passion for Reading, Personal Growth and Learning
  - Build the community of Muscatine around services and materials
  - Provide materials and programs to stimulate the intellectual growth and educational potential of Muscatine's youth, while simultaneously supporting pleasure reading and recreational needs
  
- Expand Muscatine's Access to Information, Ideas, and Local History
  - Develop relevant and quality materials collections to meet the community's evolving needs and expectations
  
- Build Community Partnerships to Make a Difference in People's Lives
  - Develop sustainable relationships with City and County departments and community groups to benefit Muscatine residents

**PERFORMANCE MEASURES**

	Actual	Actual	Actual	Estimated	Estimated
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
<b>LIBRARY PATRONS</b>	17,512	18,639	19,877	21,041	22,224
<b>CIRCULATION</b>					
Adult Books	90,469	81,104	80,501	76,000	73,000
Young Adult	10,000 (Est)	8,108	7,254	8,000	8,250
Juvenile Books	53,558	54,789	58,221	60,186	62,517
Magazines	9,638	6,780	6,370	4,328	2,694
DVDs	74,190	83,476	89,900	98,232	106,087
Audio	29,593	30,548	34,307	36,197	38,554
Video Games	3,059	5,905	7,456	9,870	12,069
Other	4,627	6,649	1,688	1,382	-
Internet	39,764	43,618	34,633	34,207	31,642
WiFi Usage	N/A	N/A	10,105	12,500	15,500
Databases	13,826	35,016	46,891	64,976	81,509
E Audio	1,676	1,584	2,075	2,177	2,377
E Book	1,608	4,884	6,245	8,883	11,201
E Magazines*	N/A	N/A	3,135	6,210	7,142
<b>TOTAL</b>	<b>332,008</b>	<b>362,461</b>	<b>388,781</b>	<b>423,148</b>	<b>452,542</b>
<b>PROGRAMMING</b>					
Juvenile Programs	399	366	396	410	425
Juvenile Audience	20,137	20,306	20,115	20,500	21,000
YA Programs	54	72	64	73	78
YA Audience	1,836	2,379	2,160	2,449	2,611
Adult Programs	93	66	60	60	65
Adult Audience	1,504	1,321	865	1,000	1,250
Technology Classes	NA	NA	47	50	50
Tech Audience	NA	NA	253	350	500
<b>OTHER MEASURES</b>					
Facebook Likes	NA	4,212	4,353	4,500	4,500
Website Visits	NA	NA	77,921	80,000	85,000
Rivershare Holds	60,215	55,343	58,381	56,146	55,229
Inter-Library Loans	850	987	1,817	2,185	2,669
Homebound Visits	649	540	478	450	450
Homebound Circulation	6,755	5,202	5,240	4,500	4,250
Reference Questions	2,892	3,289	4,311	4,916	5,626
Building Usage	191,629	189,825	187,762	187,500	188,000
Meeting Room Usage**	2,772	2,934	2,743	2,787	2,773

\* E Magazines began March 2013

\*\* As the Library increases programming there is limited meeting space available to the public

## **RECENT ACCOMPLISHMENTS**

The Library's computer system was upgraded in the past year. The file/database server hardware and operating system were replaced which included eight receipt printers and ten complete workstations; 26 workstations received operating system upgrades to Windows 7; and 47 computers were upgraded to the most recent Office applications (Word, PowerPoint, Excel).

Library staff began copy cataloging in the OCLC software system and learned RDA, a new cataloging format, and originally cataloged over 300 local history items. The Library also developed and implemented a new cardholder policy limiting the number of items that new users can check out.

Mission Possible, the Library's adult technology training series, doubled the number of classes, added new topics, and saw a continued increase in attendance.

Hours of operation at the library were changed by closing at 8 p.m. instead of 9 p.m. on weekdays and reallocating those hours by adding three hours to Friday evenings and opening at noon instead of 1 p.m. on Sunday. Four series of programs were created to accompany the new Friday evening hours.

Staff continued adding new electronic formats, *Zinio* (magazines) and *Freegal* (music), while continuing to support eBooks and our traditional formats (paper, CDs, DVDs) all on a static budget.

Following the Lean Initiative, a lean shelving event was held, resulting in a substantial reduction in the time it takes to return items to the shelves. A Lean holds event resulted in a streamlined holds process and the development of standardized work. The Homebound Delivery program was restructured by utilizing volunteers and limiting delivery to one day of the month, resulting in a 10 hour per week reduction in time spent on the program.

Youth Services held 460 programs, both in and out of the library, serving a total of 22,275 patrons. The Summer Reading Program had a record 1,100 children and teens who read 25,000 books, a new record high. The Library was selected by IPTV (Iowa Public Television) to assist with research and development of a new public television show, UMIGO. Participation comes with a \$1,000 stipend. The Library received the children's museum exhibit, *Playing Together: Games* free for three months. The normal rental would have been \$12,500. In addition, eight ongoing programs for children and teens were offered from October through April. Of the eight, four are weekly programs and four are monthly programs.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

\* To increase funding opportunities by:

- Submitting a grant proposal to the Carver Foundation to help fund the Library's Radio Frequency Identification (RFID) project. (Late summer, depending on grant cycle)
- Continuing to apply for Community Foundation Grants and funding from the Muscatine Health Support Foundation. (Ongoing)

- Creating a list of foundations that will fund Iowa libraries and develop a plan to approach the most promising prospects. (October)
- Planning a small project, such as a Friday night music series, and fund it through crowd funding. (July)
- Continuing to work with the Friends of the Library to develop a signature fundraiser and a mail solicitation. (Ongoing)

\* To continue to apply Lean philosophy to the organization and management of the Library by:

- Undertaking a thorough collection analysis focusing on turnover rates and purchase costs per checkout to determine how the various formats are performing. (November)
- Enhancing our organizational understanding of Lean and its methods. Choose methods appropriate for an event and its goals. (Ongoing)
- Holding a minimum of one Lean event per month. Events will address the following areas: homebound, financial procedures, circulation, reporting/statistics, Summer Reading registration, and publicity for children and teen programs
- Involving each staff member in at least one Lean event annually.
- Including Lean topics during monthly staff meetings. (Ongoing)
- Continuing to attend Iowa Lean Consortium events. (Ongoing)

**(Council and Management Lean/Continuous Service Improvement Goal)**

\* To communicate the value of libraries by promoting library service, resources, and programming by:

- Developing and implementing an ongoing membership drive/library awareness campaign targeting new residents identified through Reference USA. (Beginning in July, ongoing)
- Developing and implementing a membership drive/library awareness campaign targeting non-card holding residents identified using Topo.ly software. (Beginning in July, ongoing)
- Implementing an affinity program to reward library users. (Beginning in September, ongoing)

\* To continue to provide tools and resources for children's intellectual development and the practice of lifelong learning by:

- Continuing ongoing family literacy sessions, including Sparkplugs project-based learning, emergent literacy from birth to age three, and Science, Technology, Engineering, Math (STEM) focused activities for elementary age and teens. (Ongoing)
- Developing a Memorandum of Understanding between the public library and the Muscatine Community School District, opening the door to closer cooperation with the goal of facilitating better educational outcomes for area youth. (Ongoing)

**(City of Muscatine Partner with Local Organizations and Governments to Combine Services or Cooperate where Feasible and Appropriate Goal)**

- Labeling the children's book collection with Accelerated Reader or Lexile levels to facilitate appropriate book selection and foster reading comprehension. (Will begin when schools decide which method they will be using)
- Minimizing the negative academic effects of long school breaks (that is, the "Summer Slide") through targeted programming and reading incentives, using a new electronic platform for program participation (June 2014)

- Providing opportunities for family learning and enjoyment through such events as the annual winter Extravaganza and the monthly ArtsBuzz family experience of the arts. (Ongoing)
  - Installing a tablet lab in the Children’s area to provide exploration opportunities. (Ongoing)
- \* To assist teens and adults with the necessary skills to meet their informational, recreational, self-sufficiency, and professional needs by:
- Continuing to provide technology training to improve the confidence and skills of “Boomers” in using the internet and web-based applications. (Ongoing)
  - Continuing to provide assistance, both online through the Library’s webpage and in person, with the Affordable Care Act. (Ongoing)
  - Providing current health information to the public through the new Consumer Health Library. (Ongoing)
  - Continuing to provide job searching assistance utilizing the Iowa Workforce Development software. (Ongoing)
  - Continuing to stock popular bestsellers and DVDs on our shelves by using a leasing program. (Ongoing)
  - Continuing to provide point-of-use instruction to teach patrons how to use databases and learning products. (Ongoing)
  - Providing current and popular materials in a variety of formats to meet leisure and recreational needs in a timely manner. (Ongoing)
  - Providing rapid access to materials not held through the holds service of the RiverShare Consortium. (Ongoing)
  - Providing materials, classes, and programming designed to facilitate lifelong learning and arts enjoyment and exposure including technology training Friday programming, Voices and Visions Series (local and state history emphasis), and programs with a DIY (Do It Yourself) emphasis. (Ongoing)
- \* To leverage social media and electronic communications to promote library services and resources by:
- Continuing to hold a large Facebook presence in Muscatine. (Ongoing)
  - Providing original library communications through Twitter. (Begin in January)
  - Developing a comprehensive Communications and Social Media Plan. (March)

**(Council and Management Marketing Goal)**

**Function:**  
Culture and Recreation

**Department:**  
Library

**Activity:**  
**Library Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 813,928	\$ 827,020	\$ 862,400	\$ 851,500	\$ 870,700	0.96%
Commodities	20,883	16,411	19,100	17,400	17,100	-10.47%
Contractual Services	76,798	64,575	89,400	91,600	86,700	-3.02%
Capital Outlay	115,300	132,754	101,100	111,500	104,900	3.76%
Transfers	<u>23,591</u>	<u>9,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,072,000</u>	<u>\$ 1,072,000</u>	<u>\$ 1,079,400</u>	0.69%
<b>Funding Sources</b>						
Library Revenues	\$ 27,969	\$ 30,604	\$ 26,200	\$ 26,200	\$ 23,400	-10.69%
County Contributions	105,299	107,931	111,000	110,100	112,900	1.71%
Hotel/Motel Tax	86,943	83,925	87,500	85,500	85,500	-2.29%
General Revenues	<u>830,289</u>	<u>828,040</u>	<u>847,300</u>	<u>850,200</u>	<u>857,600</u>	1.22%
Total Funding Sources	<u>\$ 1,050,500</u>	<u>\$ 1,050,500</u>	<u>\$ 1,072,000</u>	<u>\$ 1,072,000</u>	<u>\$ 1,079,400</u>	0.69%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
Library Director	1.00	1.00	1.00	1.00	1.00	
Assistant Director	-	-	1.00	1.00	1.00	
Librarian	4.00	4.00	3.00	3.00	3.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Library Assistant	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>2.33</u>	<u>2.00</u>	
Total Full Time	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>8.33</u>	<u>8.00</u>	
<b>Part Time Positions:</b>						
Library Technician	2.30	2.30	2.26	2.31	2.27	
Library Assistant	1.83	2.31	1.97	2.47	2.84	
Library Shelves	1.00	0.93	0.95	0.89	0.96	
Other Technicians	1.01	0.97	1.00	0.95	0.98	
Security Guard	<u>0.60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Part Time	<u>6.74</u>	<u>6.51</u>	<u>6.18</u>	<u>6.62</u>	<u>7.05</u>	
Total	15.74	15.51	15.18	14.95	15.05	\$ 661,400
Employee Benefits						<u>209,300</u>
Total Personal Services						<u>\$ 870,700</u>

<b>Capital Outlay</b>	
<b>Item</b>	<b>Amount</b>
Library Books, Videos, Serials, Database Subscriptions, etc.	<u>\$ 104,900</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 \$222,000 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 2013/2014 is the same as the original budget at \$18,500. The 2014/2015 budget is \$600 (3.2%) higher than the 2013/2014 budget due to the scheduled 3% increase in the fee paid to Muscatine Community College (MCC) for cable broadcasting 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Cable Franchise Fees	\$236,253	\$225,903	\$222,288	\$222,000	\$222,000
City Council Meetings Broadcast	35	35	35	35	35

***RECENT ACCOMPLISHMENTS***

In 2012/2013 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. This upgraded system is providing a much improved broadcast of City Council meetings.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* 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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	17,091	16,925	18,500	18,500	19,100	3.24%
Capital Outlay	-	7,431	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<u>\$ 17,091</u>	<u>\$ 24,356</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 19,100</u>	3.24%
<b>Funding Sources</b>						
Cable Franchise Fees	<u>\$ 17,091</u>	<u>\$ 24,356</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 19,100</u>	3.24%

**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 2013/2014 is over the budgeted amount by \$24,500. After the budget was adopted the Art Center was awarded grants totaling \$23,280 from the Iowa Department of Cultural Affairs. The revised estimate increase is for expenditures which will be funded from these grants.

The 2014/2015 budget is \$12,200 (4.1%) higher than the original 2013/2014 budget due to increased personal services costs.

Funding from the Art Center Support Foundation and Friends of the Art Center will continue to be received in 2013/2014 and 2014/2015 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$40,200 in 2013/2014 and \$41,400 in 2014/2015.

Again in 2014/2015 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$85,500.

**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**

<b>Fiscal Year Basis</b>	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Attendance	27,522	29,552	23,070	17,000	18,500
Number of Classes Offered	160	158	143	145	160
Art Center Events Hosted	20	29	28	30	30
Exhibitions	15	14	14	13	15
Tours	72	70	56	60	65

**RECENT ACCOMPLISHMENTS**

The Muscatine Art Center is highlighting its own collection in 2013, 2014 and 2015. The first of these exhibitions, “A Journey Down River,” opened in June 2013 and ran through October 2013 to mark the 75<sup>th</sup> Anniversary of the Great River Road. The Art Center has a substantial collection of Mississippi River materials. Staff curated the exhibition, making selections from over 500 items to illustrate the history of the Mississippi River from its source to the Gulf of Mexico. On view were 12 paintings, 100 prints, 2 maps, and 10 other items.

“The Art of Living Well” is currently on view and is the second large exhibition to be curated in-house in 2013. Again, the staff researched and made choices from hundreds of potential items to display. The exhibition opened in November 2013 and runs through June 15, 2014 so that the schools can make use of the exhibition as a teaching tool. On view are 25 paintings, 31 prints, 34 artifacts, 38 photographs, and 14 other items. The staff worked with members of the Blue Zones Project Muscatine team to launch the exhibition.

Art Center staff has completed its exhibition schedule for the Stanley Gallery through the end of 2016. The exhibition schedule takes into account the unknowns related to timing of an upgrade to the HVAC system. The Art Center is not able to bring in most traveling exhibitions until humidity levels meet museum standards.

Other exhibitions included four exhibitions in the Musser Gallery between July 2013 and December 2013 including Children’s Book Illustrations from My Grandma’s Songs, Art Exchange with Ramallah (Sister Cities), 4-H, and Musical Organettes. Exhibitions in the built-in display cases have also rotated between July 2013 and December 2013 and included Antique Children’s Books, Chap Hanley Speedboat Trophies, Ziegler Music Festival Trophies and Sheet Music, and Highlights from the John Conner Glass Collection.

The Education Department presented 143 classes during the 2012/2013 fiscal year.

The Friends of the Muscatine Art Center hold three annual signature events. The Ice Cream Social during PatriART week drew 900 people. The Festival of Wreaths in November generated income for the Friends of the Muscatine Art Center with over 50 items entered into the Festival and auctioned off as a fundraiser to help financially support educational programs at the Art Center. Sunday with Santa was sponsored by the three local banks in December. Approximately 160 individuals participated in this free program. New during this year's Festival of Wreaths was a Children's Pajama Party with storytelling presented by the Musser Public Library. Also new this year was a family wreath building workshop. Both events were well attended and the staff received many compliments on the quality of the activities.

The Art Center applied for grants and received funding from the Community Foundation of Greater Muscatine, Humanities Iowa, and two from the Iowa Arts Council – the Cultural Leadership Partner (CLP) Grant and a Cultural Affairs Grant. Two of the grants fund a project to exhibit and interpret the John Conner Glass Collection while the other two support school programming connected to the exhibition "The Art of Living Well". The Art Center is one of 56 organizations in the state to receive the designation of a Cultural Leadership Partner from the Iowa Department of Cultural Affairs. The security of this funding is on a year-to-year basis, but the program has been providing about \$13,540 annually to the Art Center with the amount determined by a five year average of the organization's operating budget. In 2013, the Art Center received an additional \$2,460 in funding from the Arts Council which will be used to enhance programming for the E. Bradford Burns Performing Arts Park.

The Muscatine Art Center receives annual funding from the Friends of the Muscatine Art Center and the Muscatine Art Center Support Foundation. The Friends provided \$20,777 in 2012/13 to cover portions of the salaries for the Registrar and the Program Coordinator. The group provided additional support by funding scholarships for students on free/reduced lunch to attend art classes and by sponsoring craft projects at public events. A similar level of funding is expected from the Friends of the Muscatine Art Center in 2013/14.

In 2013, the Art Center received a total of \$55,000 from the Support Foundation. This included funding for a portion of the Registrar's salary in the amount of \$18,250. The remaining funds were used to cover specific expenses related to acquisitions, conservation, and exhibitions. A similar level of funding is expected from the Support Foundation in 2014.

The Art Center introduced several new e-newsletter campaigns in 2013. The "90 Second Art Break" was introduced in February to promote exhibitions, programs, classes, events, and other Art Center offerings. The Art Center creates and distributes three emails each month. The Art Center also launched an arts related cable access program in the spring of 2013. The Art Center also mails directly to promote exhibitions, events, and classes. The Program Coordinator creates a quarterly brochure with details on studio classes for kids and adults as well as events, lectures, and special workshops.

In February 2013, the Art Center experienced a power surge as part of a planned power outage. The areas affected were the elevator in Stanley Gallery (motherboards), boiler in the house, several outlets, and a few surge protectors. The City's electrical inspector recommended installation of a surge suppression system. The system was installed over the summer of 2013. He also recommended arc faults and replacing the wiring in the house and carriage house. The house and carriage house still have the original knob and tube wiring. Art Center staff has discussed this needed work with the State Historic Preservation Officer who suggested that the Art Center apply for Historic Tax Credits to help offset some of the costs.

The Art Center's HVAC needs are also being studied. The staff has begun to monitor humidity and temperature levels with new electronic devices kept in three locations: second floor of the Musser House, middle floor of the Stanley Gallery, and main floor of the carriage house where collections are stored. This type of monitoring began in September 2013. The temperature and humidity readings are uploaded to a

website that graphs the data. Temperature is fairly consistent, but humidity levels do not meet museum standards. This information has been shared with A & J Associates for the HVAC study and the Buildings and Grounds and other Public Works staff. The HVAC study has proven to be complicated as the Art Center's facility includes two buildings from 1908, one from the late 1970s and a fourth from the early 1980s. The consultants who are completing the study have involved a historic architect to help identify how Historic Tax Credits could be applied to the project and to suggest other facility improvements that could also be eligible for the credits. The rewire project, for example, is potentially eligible for Historic Tax Credits.

On June 24, 2013, the buildings and grounds of the Muscatine Art Center were damaged by high winds. The Art Center lost a chimney on the house and another on the carriage house. Three trees, including the 100+ year old oak by the main entrance, were totally lost. Other damages included a few sections of fence, a historic planter off of the front porch, the entryway sidewalk, a bench, wood siding on the house, the roof of the maintenance shed, and two light poles. Both chimneys were taken down and capped off with the roof on each building repaired; the roof of the maintenance shed was also repaired. The light poles have been fixed and set back in place, and all other damages have been repaired. The Art Center has sought advice from historic landscape architects to determine how to fill the void left by the lost trees. It is anticipated that work on a historic landscape report could begin as early as spring 2014. The Buildings and Grounds division, other Public Works staff, and the Parks and Recreation department played critical roles in making repairs to the Art Center's buildings and grounds and removing the substantial amount of debris.

#### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To work with Building and Grounds and other Public Works staff in creating an implementation plan for upgrading the Art Center's HVAC system.
- \* To explore options for outdoor events held on the Arts Center's grounds that add to the quality of life of Muscatine residents and attract out-of-town visitors.
- \* To increase the profile of the permanent collection of the Muscatine Art Center by exhibiting more works from the collection and better highlighting the collection through marketing and educational initiatives.
- \* To continue to review the Art Center's Disaster Plan and work with other city departments to make the Disaster Plan easy to implement across all affected departments.
- \* To utilize the city's website to improve marketing and communication to the public. **(Council and Management Marketing Goal)**
- \* To review Art Center operations for "Lean" initiatives. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To partner with the numerous community organizations to promote the arts, history, historic preservation, lifelong learning, and other quality of life initiatives. **(City of Muscatine Partner with Local Organizations and Governments to Combine Services or Cooperate where Feasible and Appropriate Goal)**
- \* To work with the Community Improvement Action Team (CIAT) and other community groups to promote community pride through beautification and placemaking programs. **(Council and Management Quality of Life Goal)**

- \* To investigate ways to increase the profile of the Muscatine Art Center as a historic and cultural asset in Muscatine. This may include a historic landscape report for the Japanese Garden and/or initial research to determine eligibility for the National Register of Historic Places.
- \* 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.

**Function:**  
Culture and Recreation

**Department:**  
Art Center

**Activity:**  
**Art Center Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 266,896	\$ 255,937	\$ 246,600	\$ 265,200	\$ 258,800	4.95%
Commodities	6,242	6,923	6,400	9,000	6,400	0.00%
Contractual Services	33,855	60,687	44,400	47,700	44,400	0.00%
Capital Outlay	2,287	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 309,280</b>	<b>\$ 323,547</b>	<b>\$ 297,400</b>	<b>\$ 321,900</b>	<b>\$ 309,600</b>	<b>4.10%</b>
<b>Funding Sources</b>						
Art Center Revenues	\$ 5,087	\$ 7,111	\$ 6,200	\$ 6,200	\$ 6,200	0.00%
Art Center Grant	13,540	13,540	-	23,300	-	
Support Foundation Contribution	18,025	18,250	19,500	18,300	19,300	-1.03%
Friends of the Art Center Contribution	19,582	20,777	21,200	21,900	22,100	4.25%
Hotel/Motel Tax	86,943	83,925	87,500	85,500	85,500	-2.29%
General Revenues	166,103	179,944	163,000	166,700	176,500	8.28%
<b>Total Funding Sources</b>	<b>\$ 309,280</b>	<b>\$ 323,547</b>	<b>\$ 297,400</b>	<b>\$ 321,900</b>	<b>\$ 309,600</b>	<b>4.10%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
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	1.00	1.00	1.00	1.00	1.00	
<b>Total Full Time</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	
<b>Part Time Positions:</b>						
Art Center Aide	1.22	1.25	1.00	1.00	1.00	
Custodian	0.32	0.29	0.25	0.25	0.25	
<b>Total Part Time</b>	<b>1.54</b>	<b>1.54</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	
<b>Total</b>	<b>4.54</b>	<b>4.54</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>\$ 204,100</b>
Employee Benefits						54,700
<b>Total Personal Services</b>						<b>\$ 258,800</b>

**Function:**  
**Culture and Recreation**

**Department:**  
**Parks and Recreation**

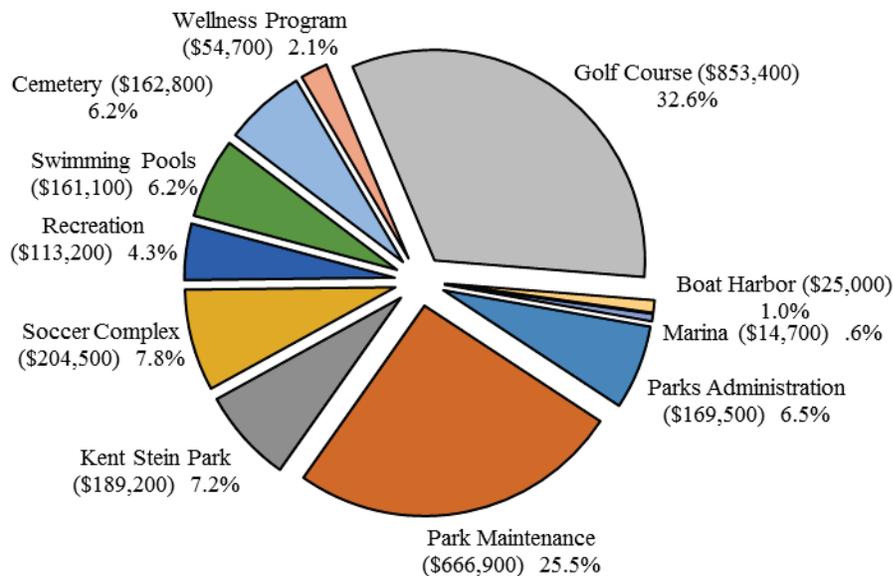
**Activity:**  
**Park Administration**

**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 \$12,500 for 2014/2015. 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 2014/2015 budgeted expenditures by activity for the Parks and Recreation Department.

**Parks and Recreation Department  
2014/2015 Budget by Activity (\$2,615,000)**



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 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 the Mississippi Mist interactive water feature and landscaping in the area between Riverview Center and the Mississippi Harvest sculpture.

**CURRENT TRENDS AND ISSUES**

The 2013/2014 revised estimate is \$400 less than the original budget due to slight reductions in employee benefit and commodity costs.

The 2014/2015 budget is \$3,600 (2.2%) higher than the 2013/2014 budget due to increased personal services costs (\$3,800). A portion of this increase has been offset by a \$200 decrease in commodity costs.

**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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Recreation Advisory Commission Meetings	9	8	8	8	8
Department Expenditures - All Divisions	\$2,423,864	\$2,517,146	\$2,471,149	\$2,757,600	\$2,615,000
Internet Receipts Issued	400	478	534	500	500
Office Receipts Issued	1,901	2,157	2,207	2,200	2,200
Pearl City Station Rentals	80	107	101	100	100
Riverview Center Rentals	70	82	92	90	90
Shelters/Rose Garden Rentals	435	478	402	400	400
Parks Adopted (Calendar Year Basis)	9 (2011)	12 (2012)	13 (2013)	13 (2014)	13 (2015)

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

Donations were received in 2013 to install trail markers and trail destination signs on the trail system. Signage for Pearl City Station and the Riverview Center was approved and will be installed as soon as the weather permits. A WWII Honor Tour recognition memorial was created in front of the Pearl City Station on the Muscatine Riverfront.

Staff continues to work with the Blue Zones Project and the CIAT Committee.

The Convention and Visitors Bureau was transitioned into office space in the Parks and Recreation office in 2013.

Muscatine County along with a large portion of Iowa was quarantined due to the Emerald Ash Borer. Parks staff have developed a maintenance plan for ash trees which will include a tree inventory.

The Program Supervisor position and the Pool Manager position will have new staff this next season as both employees have decided to leave their positions.

The Parks and Recreation Maintenance staff spent more time this year working with the Art Center grounds due to a wind storm and a drought that negatively affected the vegetation.

## ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To continue to develop the Adopt-A-Park and volunteer recruitment program.
- \* To develop the Central Weed Park Corridor Project.
- \* To advance the Phase III Soccer Development Project.
- \* 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 continue to manage the City's Deer Deprivation Program.
- \* To operate within approved budgets.
- \* To meet regularly with the Recreation Advisory Commission.

- \* To continue to develop and implement a Street Tree Maintenance Program to include community education on the Emerald Ash Borer, tree inventories, and a tree replacement program.
- \* To continue to facilitate special event requests for use of public property.
- \* To continue to work cooperatively and jointly with area associations and agencies to deliver efficient and appropriate services to the community. **(Council and Management Long-Term Goal)**
- \* To continue to evaluate program participation and facility utilization for maximum and efficient usage. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To explore and implement “Lean” initiatives throughout the department. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue to work with and support the community Blue Zones initiatives. **(Council and Management Quality of Life Goal)**
- \* To continue to assist other City departments as requested.

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Park Administration**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 143,036	\$ 144,708	\$ 150,700	\$ 150,500	\$ 154,500	2.52%
Commodities	1,239	1,391	1,800	1,600	1,600	-11.11%
Contractual Services	12,515	12,260	13,400	13,400	13,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 156,790</b>	<b>\$ 158,359</b>	<b>\$ 165,900</b>	<b>\$ 165,500</b>	<b>\$ 169,500</b>	<b>2.17%</b>
<b>Funding Sources</b>						
Park Revenues	\$ 46,514	\$ 39,932	\$ 38,300	\$ 40,000	\$ 38,400	0.26%
Administrative Fee	11,400	11,700	12,100	12,100	12,500	3.31%
General Revenues	98,876	106,727	115,500	113,400	118,600	2.68%
<b>Total Funding Sources</b>	<b>\$ 156,790</b>	<b>\$ 158,359</b>	<b>\$ 165,900</b>	<b>\$ 165,500</b>	<b>\$ 169,500</b>	<b>2.17%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions/Position Allocations:</b>						
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	
<b>Total Full Time</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	
<b>Temporary Part Time Position:</b>						
Office Clerk	0.20	0.20	0.20	0.20	0.20	
<b>Total</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>\$ 113,300</b>
Employee Benefits						41,200
<b>Total Personal Services</b>						<b>\$ 154,500</b>

**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 2013/2014 revised estimate is over the budgeted amount by \$73,000 due primarily to \$62,200 in capital items carried forward from the 2012/2013 budget. This includes \$57,750 for the Weed Park Playground Resurfacing project and \$4,450 for Riverfront electrical improvements. The Parks and Recreation Trust will fund \$53,300 of the cost of the playground improvements and 50% of the Riverfront electrical improvements will be funded from the Water Pollution Control fund. Increases in other line items totaled \$10,800 which includes \$4,000 for Mississippi Mist pump inspection and repairs, \$1,600 for Weed Park Lagoon fountain repairs, and various other repair and maintenance supplies and services costs.

The 2014/2015 budget is \$33,000 (5.2%) higher than the original 2013/2014 budget due to increased personal services and capital outlay costs. The capital outlay allocation of \$49,000 is for a new tractor and mower for the Right-of-Way Mowing activity. This equipment is budgeted to be funded from Road Use Taxes.

### **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**

<b>Focus Maintenance Items:</b>	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Parks	17	17	17	17	17
Park Acres	241	241	241	241	241
Park Shelters	16	16	16	17 (3)	17
Miles of Trail	6.7	8.3 (1)	8.3	8.3	8.3
Playgrounds	12	12	12	12	12
Buildings	12	12	12	13 (4)	10 (5)
Basketball Courts	5	5	5	5	5
Tennis Courts	10	10	8 (6)	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	10.9 (2)	10.9	10.9
Aquatic Center	1	1	1	1	1
Interactive Fountain	1	1	1	1	1
Boat Ramps	4	4	4	4	4
Special Gardens	3	3	3	3	3
Street Tree Miles	N/A	140	140	140	140

1. The trail from Weed Park north to Solomon Avenue was added in 2011.
2. 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.
3. The Trail Shelter in Weed Park was donated in 2013.
4. The new Maintenance Shop is under construction in 2013/2014.
5. The decrease reflects the demolition of the old zoo shop, hay barn, and old concession building.
6. Reflects the removal of the tennis shelter courts.

**RECENT ACCOMPLISHMENTS**

The department again supported the many events that took place in the community both public and private. These ranged from Great River Days to a wedding on the riverfront. Assistance was provided with various park projects by community volunteers including the Day of Caring with six projects and two Eagle Scout projects. Private groups provided support with donations for permanent improvements to park sites such as the WWII Honor Tour recognition plaque on the riverfront, the bench for the donated trail shelter at Weed Park, a bike rack, and message board. Staff also supported the City's Deer Deprivation Program by qualifying prospective hunters.

The department supported other divisions and departments with projects such as mowing at the Transfer Station and removing 30 trees from the Cedar Street right-of-way along Fuller Park for construction of an access road to the creek bed for the Public Works department. Staff assisted the Golf Course with the new driving range pad, tree clearing, and establishing a tree nursery; Kent Stein Park with tree clearing and mowing slough banks; the Art Center with tree removal after the windstorm, turf replacement, and the Ice

Cream Social; the Recreation Division with program preparations for events including the candy cane hunt and volleyball league court maintenance; and Aquatic Center maintenance.

The Parks Maintenance staff conducted two prairie burns, cleared 200 stumps, replaced roofs on four buildings, and filled holes in various parks due to ground settling. Staff also replaced 12 playground panels as part of warranty work, replaced one playground slide section, and removed rubber surfacing at the Weed Park Rose Garden playground so a new surface could be laid. This division has responded to 22 acts of vandalism since July 1, 2013 and removed over 60 trees in parks, trails, on public property, and right-of-ways due to storms. Staff designed and upgraded the rose garden irrigation lines and designed and installed the landscaping for the new Lagoon Shelter that included stones, plants, a donation plaque, and sod. Maintenance staff installed two new fountains and redesigned the layout of the aeration lines in the lagoon at Weed Park to help control duckweed. Staff repaired broken water lines in Weed Park and Fuller Park, cleared the rough area behind basket #3 on the Disc Golf Course, and removed fencing from the old tennis courts behind the tennis shelter. Staff successfully integrated additional mowing responsibilities into the mowing schedule, planted 27 trees as part of the Downtown tree replacement program, and planted 3 trees on the public lot at 8<sup>th</sup> Street and Cedar Street.

On the riverfront staff removed and reinstalled the center jet pump of the Mississippi Mist so it could be rebuilt; completed the long dock reconfiguration plan; power washed riverfront restrooms and repainted the interiors; repainted trashcans around restroom and playgrounds; and set up and maintained the ice rink. At the Riverview Center staff installed sound suppression panels, replaced a window and the three double doors to the deck, and redesigned the hanging system for the wall tapestry.

Staff supported the Muscatine Branching Out organization with the installation of 12 trees around the playground and parking lot on the Riverfront; repaired the drinking fountain on the trail at Millennium Plaza; and conducted weed control spraying of the banks of the harbor and river from Mad Creek to Millennium Plaza. This division provided 142 man hours for 3 flood events and supported 98 Riverview Center and 96 Pearl City Station building rentals.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To continue improving working relationships with volunteers and community groups that use the City's parks.
- \* To continue to research funding sources for the Weed Park Central Corridor plan.
- \* To complete the citywide street tree inventory.
- \* To complete a park and public property inventory of ash trees.
- \* To continue working with the MAGIC (GIS system) Coordinator to finish the Street Tree map and add a Park map.
- \* To use the Street Tree mapping and inventory lists to assist in planning for the Emerald Ash Borer invasion.
- \* To continue efforts to maintain a sustainable ice skating venue and evaluate its sustainability.

- \* To continue to evaluate maintenance and operating procedures for improvements.
- \* To continue improvements to the Disc Golf Course.
- \* To complete signage installation for Riverview Center and Pearl City Station.
- \* To continue Lean initiatives training and discussions within the department. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To complete the Weed Park Maintenance Building project.
- \* To continue to operate within approved budgets.
- \* To continue to train seasonal and full-time staff on division operations.
- \* To initiate a time to task analysis based on standard operating procedures, man hours available, and task requirements. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Park Maintenance**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 441,828	\$ 448,808	\$ 482,700	\$ 483,500	\$ 495,500	2.65%
Commodities	57,588	52,178	56,000	61,400	55,200	-1.43%
Contractual Services	76,704	77,033	68,700	73,800	67,200	-2.18%
Capital Outlay	8,935	28,656	26,500	88,200	49,000	84.91%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 585,055</b>	<b>\$ 606,675</b>	<b>\$ 633,900</b>	<b>\$ 706,900</b>	<b>\$ 666,900</b>	<b>5.21%</b>
<b>Funding Sources</b>						
General Revenues	\$ 559,476	\$ 565,423	\$ 611,000	\$ 629,100	\$ 596,900	-2.31%
FEMA Funding	6,023	-	-	-	-	
Donations	-	23,151	-	-	-	
Road Use Taxes	19,556	18,101	22,900	22,200	70,000	205.68%
Transfer from WPCP (Riverfront Electrical Work)	-	-	-	2,300	-	
Parks and Recreation Trust	-	-	-	53,300	-	
<b>Total Funding Sources</b>	<b>\$ 585,055</b>	<b>\$ 606,675</b>	<b>\$ 633,900</b>	<b>\$ 706,900</b>	<b>\$ 666,900</b>	<b>5.21%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
Park Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Park Maintenance Leadworker	0.50	1.00	1.00	1.00	1.00	
Maintenance Repairperson	1.50	1.50	1.50	1.50	1.50	
Maintenance Worker I	1.50	2.00	2.00	2.00	2.00	
Groundskeeper	1.00	0.50	0.50	0.50	0.50	
Equipment Operator II	0.50	-	-	-	-	
<b>Total Full Time</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	
<b>Temporary Part Time Positions:</b>						
Seasonal Laborer	0.63	0.68	0.68	0.68	0.68	
Seasonal Equipment Operator	0.92	0.92	0.92	0.92	0.92	
Seasonal Groundskeeper	1.30	1.25	1.25	1.25	1.25	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.69	0.72	0.75	0.75	0.75	
<b>Total Part Time</b>	<b>3.54</b>	<b>3.57</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>	
<b>Total</b>	<b>9.54</b>	<b>9.57</b>	<b>9.60</b>	<b>9.60</b>	<b>9.60</b>	<b>\$ 341,300</b>
Employee Benefits						154,200
Total Personal Services						<b>\$ 495,500</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tractor and Rear Boom Mower (for Right-of-Way Mowing; Road Use Tax Funded)	1	Yes	<u>\$ 49,000</u>

<b>Capital Outlay - Equipment Replacement Fund</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Pickup Truck	1	Yes	<u>\$ 22,000</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 2013/2014 is under the original budget amount by \$1,700. Savings of \$4,300 in personal services costs were in part offset by increases of \$1,100 in commodities and \$1,500 in contractual services.

The 2014/2015 budget is \$29,500 (13.5%) less than the 2013/2014 budget due to a reduced allocation for capital outlay. The 2013/2014 budget included \$30,000 for fence repairs and no capital outlay items are budgeted in the operating budget in 2014/2015. The Equipment Replacement Fund, however, includes \$17,500 to replace an infield machine.

### **GOAL STATEMENT**

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

**PERFORMANCE MEASURES**

<b>Calendar Year Basis</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Ball Diamonds Maintained	19	20	20	20	20
Total Hours of Usage*	6,308	6,789	7,131	6,700	6,700
Number of Tournaments	23	21	25	23	23
Number of Leagues/Camps	23	25	25	25	25
Concession Revenue	\$13,254	\$12,441	\$11,814	\$11,000	\$11,000
Total Revenues	\$31,500	\$43,963**	\$46,222	\$46,000	\$46,000

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

\*\* Revenue increased in 2012 due to reimbursements for the maintenance of Bruner Field

**RECENT ACCOMPLISHMENTS**

The spring of 2013 started with significant rain and was great grass growing weather. The turf was in good shape heading into the middle of the summer but then Kent Stein Park experienced a very hot and dry season. A large amount of staff's time last summer and fall was spent 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 the heat of the summer due to lack of moisture and extreme heat.

This past season staff continued to make an effort to increase use of the entire facility in the fall. Six diamonds were used for soccer practices in the outfields. A developmental league run by a local user group was also conducted in the outfields. Goals were brought over from the Soccer Complex, and staff was able to provide high quality practice fields for local community soccer teams. Staff moved the practices and goals around to limit the amount of wear in these outfields, but with the drought and a lack of irrigation in the outfields, significant damage was done to the turf. The Parks and Recreation football skills clinic also took place in an outfield in the park. Muscatine is in need of a soccer practice facility so that wear does not occur to the ball diamond outfields.

This fall City Council approved the contract for the fence repair project that will fix all damaged fence areas and help to provide a safer facility for players and spectators. The repairs to the fences have begun and will be finished prior to the season opening. Thicker mesh fences with protective braces will be installed on the backstops and behind the warm-up mounds to help prevent future damage. All low areas under the fences will be fixed and soil added to the areas to help prevent balls from escaping under the fences. Staff continues to fix the fences as needed to help create a safe environment.

This fall an engineer group from HNI, as part of the United Way's Day of Caring, helped install rubber pads from the Weed Park playground project in front of the dugouts of all the baseball fields. Sixteen 5' x 5' pads were installed in these high traffic areas. Typically in the fall, staff re-sods these areas that are trampled throughout the heavy usage season and these areas often turn to mud creating unsafe playing conditions. The installation of these pads should help in the long-term protection of these areas.

This past year, the Parks and Recreation staff continued the Adopt-A-Park program at Taylor Park. Gary Bean, a resident of the Taylor Park area, adopted the park four years ago and again this past season mowed the entire park twice a week or as needed versus once a week by City 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 minimize labor from seasonal staff at Taylor Park.

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

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To upgrade the remaining fields at Kent Stein Park with the Musco Control Link Lighting System (subject to funding).
- \* To upgrade the appearance of the park by removing the black cinders along the road and replace them with permeable asphalt (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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To explore and implement “Lean” initiatives. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* 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. **(Council and Management Quality of Life 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 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 121,823	\$ 124,400	\$ 133,600	\$ 129,300	\$ 132,500	-0.82%
Commodities	39,275	44,673	47,400	48,500	48,500	2.32%
Contractual Services	7,751	8,691	7,700	9,200	8,200	6.49%
Capital Outlay	7,735	3,593	30,000	30,000	-	-100.00%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 176,584</b>	<b>\$ 181,357</b>	<b>\$ 218,700</b>	<b>\$ 217,000</b>	<b>\$ 189,200</b>	<b>-13.49%</b>
<b>Funding Sources</b>						
Park Revenues	\$ 32,902	\$ 33,123	\$ 35,900	\$ 39,700	\$ 38,700	7.80%
Housing Reimbursement	7,500	7,250	7,500	5,300	7,500	0.00%
General Revenues	136,182	140,984	175,300	172,000	143,000	-18.43%
<b>Total Funding Sources</b>	<b>\$ 176,584</b>	<b>\$ 181,357</b>	<b>\$ 218,700</b>	<b>\$ 217,000</b>	<b>\$ 189,200</b>	<b>-13.49%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions/Position Allocations:</b>						
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	0.50	0.50	0.50	0.50	0.50	
<b>Total Full Time</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	
<b>Seasonal Part Time Positions:</b>						
Lead Groundskeeper	0.55	0.75	0.75	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	0.38	0.38	0.38	0.38	0.38	
Seasonal Laborer	1.60	1.60	1.60	1.60	1.60	
<b>Total Part Time</b>	<b>2.53</b>	<b>2.73</b>	<b>2.73</b>	<b>2.73</b>	<b>2.73</b>	
<b>Total</b>	<b>3.65</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>\$ 105,300</b>
Employee Benefits						27,200
<b>Total Personal Services</b>						<b>\$ 132,500</b>
<b>Capital Outlay - Equipment Replacement Fund</b>						
<b>Item</b>				<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Infield Machine				1	Yes	\$ 17,500

**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 2013/2014 is over the budgeted amount by \$300. Increases in commodities of \$2,900 and contractual services of \$3,900 were nearly offset by decreases of \$5,300 in personal services and \$1,200 in capital outlay. The capital outlay allocation of \$19,000 in 2013/2014 for a portable kiosk is subject to securing outside funding.

The 2014/2015 budget is \$1,400 (.7%) less than the 2013/2014 budget. Decreases in personal services and capital outlay exceeded the increases in commodities and contractual services. The Equipment Replacement fund budget for 2014/2015 also includes \$14,500 to replace a utility vehicle at the complex. The Soccer Complex is entering its 21st 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**

<b>Calendar Year Basis</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Number of Fields Maintained	8	8	8	8	8
Hours of Use for Games	2,661	2,807	2,509	2,600	2,600
Number of Tournaments *	23	24	22	22	22
Concession Commissions	\$11,343	\$12,871	\$6,620	\$6,500	\$6,500
Total Revenues	\$43,224	\$46,214	\$38,424	\$39,000	\$39,000
Number of Leagues/Camps	23	23	23	23	23

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

**RECENT ACCOMPLISHMENTS**

The soccer fields were off to a rough start this past spring due to a snow mold disease that developed during the late winter. The majority of the poa annua that has been increasingly developing on the fields was wiped out from the disease. With wonderful spring and early summer weather in 2013, the fields recovered nicely and were able to take on heavy usage. A lack of rainfall and high temperatures in July and August, however, caused heavy use of irrigation later in the season.

With the lack of rainfall, staff re-installed the irrigation systems on the top of the bank that were severely damaged from the Hershey Avenue project. Staff installed irrigation lines running from Field #1 down to the beginning of Field #5. This will once again help to provide adequate moisture to the banks from the fence on the top of Hershey down to the playing fields. Five trees were also planted in this area to help provide color to the facility and shade to players and spectators in the future.

The drainage project around Phase II was completed this past spring with the seeding of the drainage lines. The drainage system provides drainage both to the fields and the surrounding areas. Lightning rod protectors were added to the new fences from the Hershey Avenue project. A gate was also installed in the northwest corner of Field #1 to allow for mowing of the majority of the bank. A low growing wildflower mix was also purchased this fall and will be installed on the northeast corner of the bank above Field #7 where safety issues occur from the steepness of the bank.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To secure funding for and begin construction of Phase III of the Soccer Complex (project subject to funding). **(Council and Management Capital Projects Goal)**
- \* To reestablish 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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* 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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To explore and implement “Lean” initiatives. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue to recognize and build on the positive economic impact of this facility to the community. **(Council and Management Quality of Life Goal)**

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Soccer Complex Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 92,055	\$ 99,372	\$ 107,900	\$ 102,600	\$ 105,700	-2.04%
Commodities	65,836	66,928	64,300	67,200	67,200	4.51%
Contractual Services	5,134	4,286	4,200	8,100	4,600	9.52%
Capital Outlay	7,394	14,877	29,500	28,300	27,000	-8.47%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 170,419</b>	<b>\$ 185,463</b>	<b>\$ 205,900</b>	<b>\$ 206,200</b>	<b>\$ 204,500</b>	<b>-0.68%</b>
<b>Funding Sources</b>						
Park Revenues	\$ 45,330	\$ 39,626	\$ 41,500	\$ 38,000	\$ 38,000	-8.43%
Donation	-	-	19,000	19,000	-	
Golf Administrative Fees	12,000	12,400	12,800	12,800	13,200	3.13%
General Revenues	113,089	133,437	132,600	136,400	153,300	15.61%
<b>Total Funding Sources</b>	<b>\$ 170,419</b>	<b>\$ 185,463</b>	<b>\$ 205,900</b>	<b>\$ 206,200</b>	<b>\$ 204,500</b>	<b>-0.68%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions/Position Allocations:</b>						
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	
<b>Total Full Time</b>	<b>1.13</b>	<b>1.13</b>	<b>1.13</b>	<b>1.13</b>	<b>1.13</b>	
<b>Seasonal Part Time Positions:</b>						
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	
<b>Total Part Time</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	
<b>Total</b>	<b>2.63</b>	<b>2.63</b>	<b>2.63</b>	<b>2.63</b>	<b>2.63</b>	<b>\$ 82,800</b>
Employee Benefits						22,900
<b>Total Personal Services</b>						<b>\$ 105,700</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Paint Building Roofs			\$ 24,000
Countertop Replacement	1	Yes	3,000
			<u>\$ 27,000</u>

<b>Capital Outlay - Equipment Replacement Fund</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Utility Vehicle	1	Yes	<u>\$ 14,500</u>

**Function:**  
**Culture and Recreation**

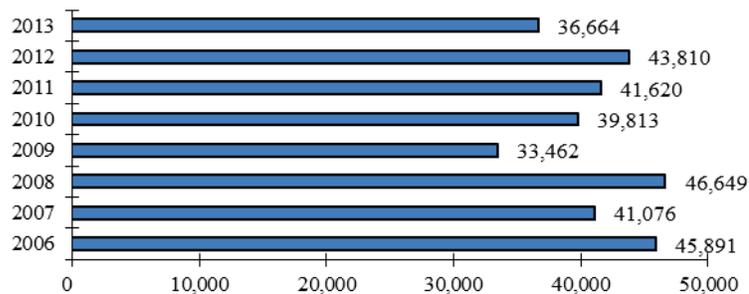
**Department:**  
**Parks and Recreation**

**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. For the 2013 season, however, attendance decreased to 36,664 primarily due to the number of rain days in June. 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 2013/2014 is over the budgeted amount by \$26,000. This increase is primarily due to the additional capital outlay allocation of \$31,000 for interior maintenance of the five slides at this facility. The original budget included \$25,000 for the painting of the pool; however, the actual cost was \$19,600 which was \$5,400 under the amount budgeted. This savings will partially offset the cost of the interior maintenance of the slides.

The 2014/2015 budget is \$33,400 (17.2%) lower than the original 2013/2014 budget since the 2014/2015 budget does not include any capital outlay items. There is also savings in the 2014/2015 budget from the phase-out of the maintenance subsidy to the school for Carver Swim Center as further discussed below. The 2014/2015 year will be the eleventh 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 is being phased out over a four-year period. The contribution decreased to \$16,500 in 2012/2013, to \$11,000 in 2013/2014, to \$5,500 in 2014/2015, and will 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**

	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Aquatic Center Attendance	41,620	43,810	36,664	40,000	40,000
Swim Lesson Enrollment	207	257	286	290	290
Season Passes Sold	130	152	89	140	140
Number of Pool Rentals	87	86	96	100	100
Special Events Attendance	304	334	251	300	300
Scholarship Pass Recipients	560	706	700	700	700

**RECENT ACCOMPLISHMENTS**

The Swim Lesson program at the Aquatic Center continued to grow with 286 participants in 2013. A lap swim program was held on Monday, Wednesday, and Friday mornings during regular maintenance time with two sessions this season. 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 able to come in 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 2013. 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 a cold, wet start to the pool season, open swim numbers and season pass sales were down in 2013. However, scheduled activities such as lap swim, swim lessons, and pool rentals continued to increase.

#### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

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

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Swimming Pools**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 118,984	\$ 104,491	\$ 117,300	\$ 115,600	\$ 115,900	-1.19%
Commodities	23,042	27,565	22,800	26,300	22,800	0.00%
Contractual Services	54,859	30,284	29,400	28,000	22,400	-23.81%
Capital Outlay	4,551	4,876	25,000	50,600	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 201,436</b>	<b>\$ 167,216</b>	<b>\$ 194,500</b>	<b>\$ 220,500</b>	<b>\$ 161,100</b>	<b>-17.17%</b>
<b>Funding Sources</b>						
Swimming Pool Revenues	\$ 181,631	\$ 133,095	\$ 139,900	\$ 136,200	\$ 136,700	-2.29%
General Revenues	19,805	34,121	54,600	84,300	24,400	-55.31%
<b>Total Funding Sources</b>	<b>\$ 201,436</b>	<b>\$ 167,216</b>	<b>\$ 194,500</b>	<b>\$ 220,500</b>	<b>\$ 161,100</b>	<b>-17.17%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<i>Seasonal Part Time Positions:</i>						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Head Guard	3	-	-	-	-	
Lifeguard	24	27	27	27	27	
Lesson Coordinator	1	1	1	1	1	
Swimming Instructor	8	8	8	8	8	
Cashier	4	4	4	4	4	
Slide Attendants	5	5	5	5	5	
Pool Maintenance	2	2	2	2	2	
<b>Total</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>\$ 103,900</b>
Employee Benefits						12,000
<b>Total Personal Services</b>						<b>\$ 115,900</b>

**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 2013/2014 revised estimate is \$17,100 less than the original budget. In previous years the Parks department sold tickets to Adventureland Park in Des Moines and was able to retain a portion of the ticket fees collected. Adventureland changed this program and the revenues and expenditures for these tickets no longer go through this budget. This change resulted in an \$11,700 reduction in expenditures in the revised estimate and a corresponding decrease in revenues. There was also a savings of \$4,700 in personal services costs due to a change in the Program Supervisor position.

The 2014/2015 budget is \$13,400 (10.6%) less than the 2013/2014 budget. This overall decrease is primarily due to the change in the Adventureland ticket program (\$11,700). The 2014/2015 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**

	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Adult Programs Offered (Including Leagues)	23	22	19	23	23
Children's Programs Offered	42	43	41	45	45
Adult Program Participants	634	817	1,510	1,600	1,600
Children's Programs Participants	2,066	2,274	2,827	2,900	2,900
New Programs Offered	10	6	2	5	5
Volleyball League Teams	40	46	36	40	40

## **RECENT ACCOMPLISHMENTS**

Activities held during the winter of 2012-2013 included the Winter Break Shooting Camp, Boys Basketball Clinic, tennis lessons, baseball and softball clinics, and soccer clinics. The Snow Pile Treasure Hunt was held at the Muscatine Municipal Golf Course and was once again well attended. The adult volleyball recreation and power leagues continued with strong numbers.

In January of 2013 a Recreation Extravaganza was held at the Muscatine Mall. This event was an opportunity to show the community not only what programming the Parks and Recreation department has to offer, but also a chance for the community to meet the non-profit recreation based organizations in the community. Approximately 300 people attended the Extravaganza. This event also helped kick off the Muscatine Walking Club and the Million Minute Challenge. The Club has walked nearly 400,000 minutes to date with over 600 people recording their minutes. The Walking Club program is designed to get people out and active year-round, regardless of age or physical ability.

Numbers were again strong for the baseball pitching clinic held in January and February. This program was offered two days a week for participants seeking to improve their skills before play started outdoors. BlastBall!, a pre-t-ball program for 3-6 year olds, was again held on two different days to accommodate all of those interested.

Summer programs such as T-Ball, Tennis Lessons, Tot Lot and the Family Bike Ride were all well attended. The Adult Sand Volleyball League had a total of 14 teams. The summer version of BlastBall! was held again with strong numbers.

In September the Football Skills Clinic was offered for Kindergarten-4<sup>th</sup> grade. Numbers were similar to past years. Football Skills for the 3<sup>rd</sup> and 4<sup>th</sup> grade students continues to be an option for those who are not playing tackle football. The gymnastics program again saw a significant increase in participants and more Tuesday classes were added to handle the additional students.

In October the Fall Festival was held again, this time at the Muscatine Mall. Participation doubled in this event. There are 22 volleyball teams currently participating in the adult leagues. More effort has been made to advertise the program to young adults to increase participation. The Turkey Trot had another strong turnout with 94 participating. This number has continued to be strong for the past 3 years. The volleyball clinic for 3<sup>rd</sup> and 4<sup>th</sup> grade students was held again this fall. The Smart Start Basketball Clinic had strong

numbers again this year. The Girls Basketball Clinic, partnering with the Muscatine High School Girls' Basketball Team, had an increase in registrations over previous years.

In December the department will be holding the second Candy Cane Hunt. Similar to an Easter egg hunt, children will look for candy canes, including a few special ones that can be redeemed for toys. Last year there were nearly 300 participants in the first-time event. The Elves Workshop will be held the following week at the Muscatine Mall. These events, like others held throughout the year, are offered at no cost and are paid for by sponsorships.

***OBJECTIVES TO BE ACOMPLISHED IN 2014/2015***

- \* To continue to look at alternative programming that fits the community's 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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* 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. **(City Council and Management Long Term Goal)**
- \* 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. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To explore and implement "Lean" initiatives in the Recreation division. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Recreation**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 88,201	\$ 95,109	\$ 99,700	\$ 95,000	\$ 98,700	-1.00%
Commodities	7,055	7,898	7,300	7,600	7,600	4.11%
Contractual Services	17,014	11,141	19,600	6,900	6,900	-64.80%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 112,270</b>	<b>\$ 114,148</b>	<b>\$ 126,600</b>	<b>\$ 109,500</b>	<b>\$ 113,200</b>	<b>-10.58%</b>
<b>Funding Sources</b>						
Recreation Fees	\$ 57,175	\$ 63,891	\$ 59,200	\$ 52,500	\$ 50,500	-14.70%
General Revenues	55,095	50,257	67,400	57,000	62,700	-6.97%
<b>Total Funding Sources</b>	<b>\$ 112,270</b>	<b>\$ 114,148</b>	<b>\$ 126,600</b>	<b>\$ 109,500</b>	<b>\$ 113,200</b>	<b>-10.58%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
Program Supervisor	1.00	1.00	1.00	1.00	1.00	
<b>Seasonal Part Time Positions:</b>						
Various Instructors, Supervisors and Program Directors	23.00	23.00	23.00	23.00	23.00	
<b>Total</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>\$ 78,000</b>
Employee Benefits						20,700
<b>Total Personal Services</b>						<b>\$ 98,700</b>

**Function:**  
**Culture and Recreation**

**Department:**  
**Parks and Recreation**

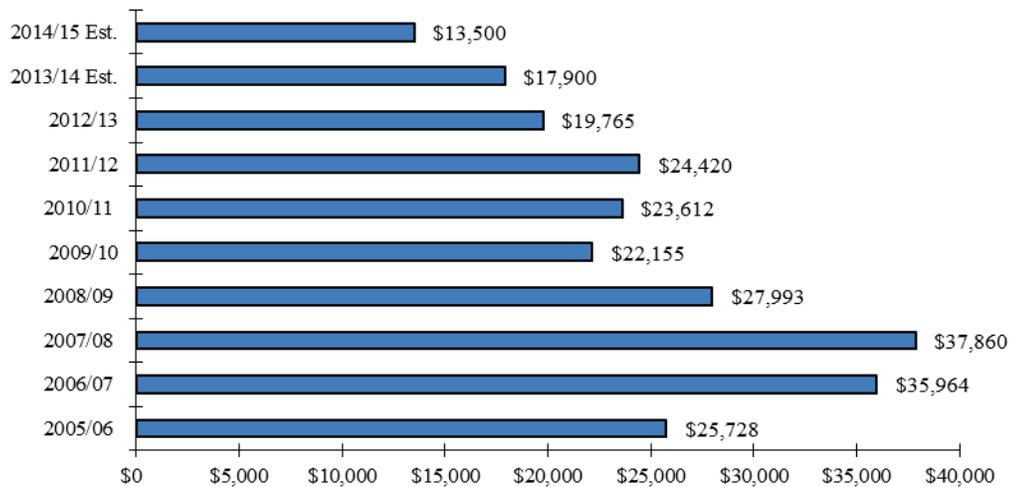
**Activity:**  
**Cemetery**

**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.

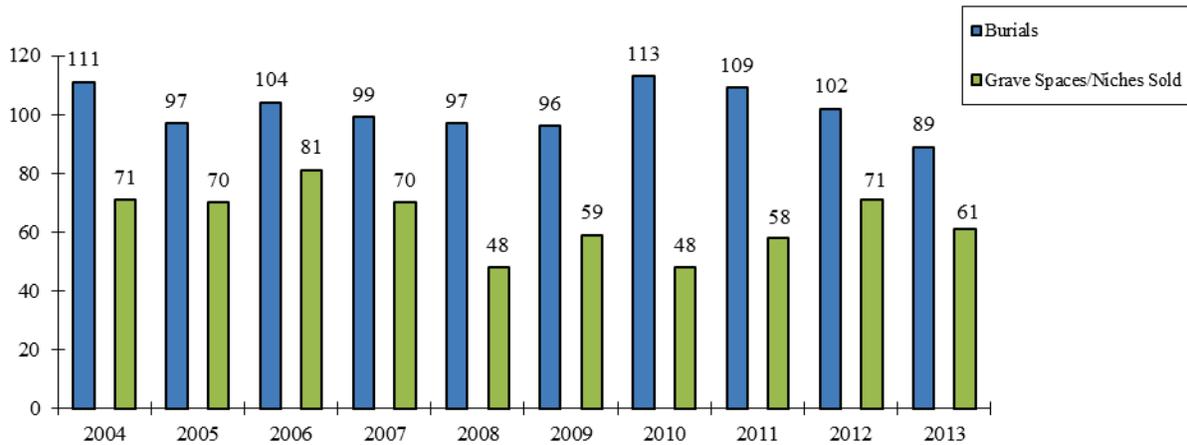
Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2005/2006 through 2012/2013 and the estimated amounts for 2013/2014 and 2014/2015 are follows:

**Perpetual Care Interest Revenue**



The principal balance in the Perpetual Care Fund on June 30, 2013 was \$850,274, 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 \$40,500 is expected to be needed to cover the operating costs of the cemetery for 2013/2014 and this subsidy is estimated to be \$39,200 for 2014/2015. 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 2013/2014 revised estimate is over the budgeted amount by \$9,000 due to an increased capital outlay allocation to repair tuck-pointing on the chapel building.

The 2014/2015 budget is \$3,200 (2.0%) higher than the original budget for 2013/2014 primarily due to increased personal services costs (\$3,700). This increase has been partially offset by a net decrease in other areas of the budget. The Equipment Replacement Fund budget for 2014/2015 also includes \$9,000 to replace a zero turn mower at the cemetery.

#### ***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**

<b>Fiscal Year Basis</b>	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Burials:					
Casket	84	79	60	70	70
Cremains	27	26	17	20	20
County	10	7	4	5	5
Total Burials	121	112	81	95	95
Grave Spaces Sold	61	52	44	50	50
Columbarium Niches Sold	7	5	4	5	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$23,612	\$24,420	\$19,765	\$17,900	\$13,500
General Fund Subsidy (Fiscal Year Ended June 30)	\$0	\$5,410	\$17,850	\$40,500	\$39,200

**RECENT ACCOMPLISHMENTS**

Staff did a good job maintaining the grounds and no major complaints were received during the past year. Staff continues to evaluate the trees and bushes located in the Cemetery for health and maintenance needs and these needs are addressed at that time.

The chapel restroom remodeling project is complete. Funding for this project came from a private donation. Cemetery staff cut back the tree line along the southern edge of the Cemetery for ease of mowing and beautification. The street sign painting project is substantially completed with a few exceptions including post replacements.

The dump truck was replaced as scheduled. This has allowed staff to fully load the truck with dirt and make fewer trips removing spoil dirt. The heavier truck also allows for more efficient snow removal. Staff strengthened its relationship with the Muscatine School District by having students assist with spring and fall cleanup activities. The Parks department again utilized the cemetery staff in other park divisions when it was too dry for mowing activities. These employees assisted the Park Maintenance division with roof replacements and hauled brush from the Mad Creek Greenbelt following a Boy Scout project.

Staff is noticing an increasing trend in Saturday burials with 12 taking place this past year. With funeral homes knowing of our acceptance of this practice, it is expected that this trend will continue.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To complete repairs to the brick facing of the chapel.
- \* To inspect the chapel roof joints and flashing for possible leaking.
- \* To paint wood eaves, soffits, and dormers of the chapel.

- \* To complete the waterline mapping.
- \* To continue foundation repairs in old sections of the cemetery.
- \* To continue improving working relationships with volunteers and community groups.
- \* To continue “Lean” initiatives training and discussions within the department. (**Council and Management Lean/Continuous Service Improvement Goal**)
- \* To continue cross training of other park staff in the Cemetery.
- \* To continue evaluation of seasonal staffing needs.
- \* To extend Internet service to the Cemetery shop so that communications and maintenance recordkeeping are in line with other divisions.

**Function:**  
Culture and Recreation

**Department:**  
Parks and Recreation

**Activity:**  
**Cemetery Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 109,859	\$ 111,197	\$ 120,600	\$ 119,800	\$ 124,300	3.07%
Commodities	20,831	20,305	18,800	19,600	19,200	2.13%
Contractual Services	22,952	16,412	17,200	17,300	17,100	-0.58%
Capital Outlay	-	-	3,000	11,900	2,200	-26.67%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 153,642</b>	<b>\$ 147,914</b>	<b>\$ 159,600</b>	<b>\$ 168,600</b>	<b>\$ 162,800</b>	<b>2.01%</b>
<b>Funding Sources</b>						
Cemetery Revenues	\$ 123,505	\$ 110,299	\$ 113,500	\$ 110,200	\$ 110,100	-3.00%
Perpetual Care Interest	24,420	19,765	17,900	17,900	13,500	-24.58%
Donation	-	2,571	-	-	-	
FEMA Reimbursements	307	-	-	-	-	
General Revenues	5,410	15,279	28,200	40,500	39,200	39.01%
<b>Total Funding Sources</b>	<b>\$ 153,642</b>	<b>\$ 147,914</b>	<b>\$ 159,600</b>	<b>\$ 168,600</b>	<b>\$ 162,800</b>	<b>2.01%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions/Position Allocations:</b>						
Maintenance Worker I	0.50	0.00	0.00	0.00	0.00	
Maintenance Repairperson	0.50	1.00	1.00	1.00	1.00	
<b>Total Full Time</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	
<b>Seasonal Part Time Positions:</b>						
Seasonal Equipment Operator	2.46	2.46	2.46	2.46	2.46	
<b>Total Part Time</b>	<b>2.46</b>	<b>2.46</b>	<b>2.46</b>	<b>2.46</b>	<b>2.46</b>	
<b>Total</b>	<b>3.46</b>	<b>3.46</b>	<b>3.46</b>	<b>3.46</b>	<b>3.46</b>	\$ 92,400
Employee Benefits						31,900
<b>Total Personal Services</b>						<b>\$ 124,300</b>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Loader Bucket	1	No	\$ 2,200

<b>Capital Outlay - Equipment Replacement Fund</b>			
Item	Quantity	Replacement	Amount
Zero Turn Mower	1	Yes	\$ 9,000

**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 subsidy for 2014/2015 are as follows:

<b><u>Agency</u></b>	<b><u>2009/2010</u></b>	<b><u>2010/2011</u></b>	<b><u>2011/2012</u></b>	<b><u>2012/2013</u></b>	<b><u>2013/2014</u></b>	<b><u>Budget</u></b> <b><u>2014/2015</u></b>
Senior Resources*	\$ 17,100	\$ 17,800	\$ 17,800	\$ 20,000	\$ 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 and that same amount was budgeted in 2013/2014. Senior Resources requested a \$30,000 subsidy for 2014/2015; however the approved subsidy has been maintained at the current amount of \$20,000.

**Function:**  
**Health and Social Services**

**Department:**  
**Legislative and Council**

**Activity:**  
**Economic Well-Being**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	17,800	20,000	20,000	20,000	20,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<u>\$ 17,800</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	0.00%
<b>Funding Sources</b>						
General Revenues	<u>\$ 17,800</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	0.00%

**Function:**  
Community and Economic Development

**Department:**  
Community Development

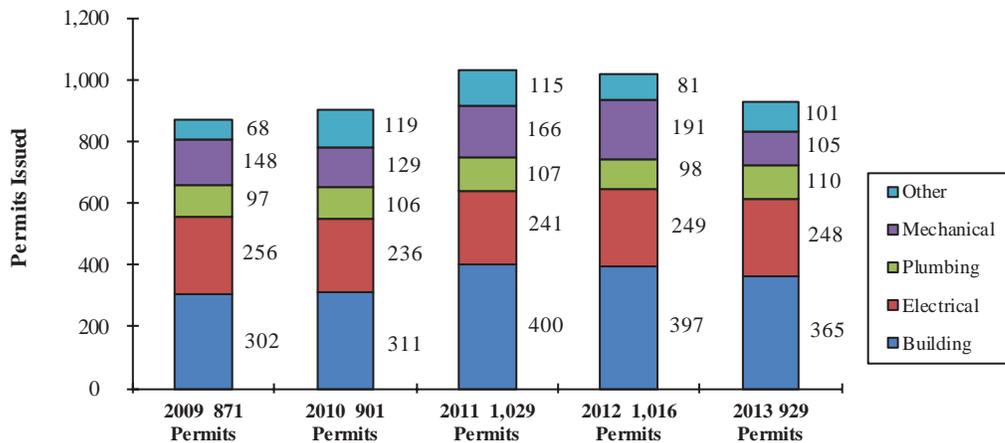
**Activity:**  
Community Development

**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 2013/2014 revised estimate is \$43,600 less than the original budget. Personal services costs are \$29,300 less than budgeted primarily due to the elimination of part-time employees funded 100% from a senior training program previously accounted for in this activity (\$27,300) and the net wage and benefit savings from a staff retirement and the new employee starting at a lower pay rate. There was an overall net reduction of \$14,400 in other areas of the budget with the most significant decrease in contracted nuisance abatement costs (\$10,000). This reduction was made after a review of prior year actual costs as well as costs to date this fiscal year. Nuisance abatement costs are billed to property owners and if not paid, are assessed against the properties.

The 2014/2015 budget is \$6,300 (.9%) less than the 2013/2014 budget. The personal services cost increase of \$8,000 was offset by decreases of \$800 in commodities, \$12,700 in contractual services, and \$800 in capital outlay.

#### ***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**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
<b>Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving</b>	901	1,029	1,016	929	1,025
<b>Building Inspections - Electrical, Building, Plumbing, HVAC</b>	3,952	4,000	3,970	4,387	4,500
<b>Rental Housing Inspections</b>	1,168	902	1,175	1,147	1,150
<b>Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, Rodents</b>	4,062	4,782	4,097	3,022	3,000
<b>Writ of Possessions</b>	27	40	20	21	21
<b>Properties Posted</b>	51	35	31	31	35
<b>Vehicles Towed/Impounded</b>	50	28	12	8	10
<b>Plan Reviews</b>	5	7	10	15	15
<b>Health Permits - Food Service Establishments (Restaurants)</b>	137	140	148	158	155
<b>Number of Inspections for Food Service (Restaurants)</b>	415	427	444	209	430
<b>Health Permits - Food Establishments (Grocery)</b>	46	45	53	56	55
<b>Number of Inspections for Food Establishments (Grocery)</b>	120	111	132	19	100
<b>Other Health Permits - Tanning Salons and Tattoo Parlors</b>	17	15	15	16	16
<b>Number of Inspections for Tanning Salons and Tattoo Parlors</b>	44	42	40	8	40
<b>Other Health Permits - Swimming Pools, and Hotel/Motels</b>	16	16	15	14	17
<b>Number of Inspections for Swimming Pools and Hotel/Motels</b>	25	23	20	19	24
<b>Planning &amp; Zoning Commission Meetings</b>	12	10	8	6	10
<b>Zoning Board of Adjustment Meetings</b>	8	4	8	8	10
<b>Rezoning Requests Processed</b>	4	1	6	4	3
<b>Subdivision Requests Processed</b>	12	4	5	4	4
<b>Property Vacation Requests Processed</b>	1	4	2	3	4
<b>Airport Grants Administered</b>	3	3	6	3	1

## ***RECENT ACCOMPLISHMENTS***

The Environmental Review and Preliminary Engineering for the Mississippi Drive Corridor Project has been completed. The completion and submission of the 4f Statement was necessary as the final step in the environmental and cultural review/approval process.

Staff worked with Ripley's Mobile Home Court for the construction of the new North Crescent Sanitary Sewer. Staff continues to work with Muscatine Community Schools and Muscatine Power & Water through joint staff meetings as well as meetings with staff of these entities through the Site Plan Review Committee and the Traffic Committee.

Staff assisted in the completion of the Comprehensive Plan update and adoption and also continues to implement the department reorganization created by recent retirements. This department was recently awarded national recognition at the International Code Conference for achieving 100% certification by every member of the inspection staff. The inspection staff has obtained professional recognition through certification in the areas of Building Official, Plans Examiner, Plumbing Inspection, Fire Inspection, Sprinkler Inspection, Accessibility Inspection, Mechanical Inspection, Building Inspection, Residential and Commercial Electrical Inspection, and Permit Technician.

Staff also completed the Urban Revitalization Program intended to address new infill opportunities and recognize investment in existing residential buildings in the URA (Urban Revitalization Area) with added emphasis on historic structures. Airport projects including the Obstruction Removal Project and project management for the installation of the new AWOS (Automated Weather Observation System) were also completed. The department also completed and submitted the application for a Downtown Revitalization Grant with \$500,000 awarded by the Iowa Economic Development Authority (IEDA).

## ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

### **Planning Division:**

- \* To complete the draft of the new zoning ordinance by December of 2014. **(Council and Management Economic Development Goal)**
- \* To complete the update of the Five Year Capital Improvement Plan. **(Council and Management Fiscal Responsibility Goal)**
- \* To prepare a pedestrian master plan in conjunction with and in support of the Blue Zones Project and the Community Improvement Action Team (CIAT)/Iowa Initiative for Sustainable Communities (IISC). **(Council and Management Quality of Life Goal)**
- \* To prepare a bicycle master plan in conjunction with and in support of the Blue Zones Project and the Community Improvement Action Team (CIAT)/Iowa Initiative for Sustainable Communities (IISC). **(Council and Management Quality of Life Goal)**
- \* To develop a policy to regulate and promote outdoor dining on public property in support of the Blue Zones Project. **(Council and Management Quality of Life Goal)**

- \* To assist in the development of a policy regulating and promoting community gardens. **(Council and Management Quality of Life Goal)**
- \* To enhance the city website with the addition of a category for Planning under Community Development. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To provide administrative oversight for the substantial completion of the Downtown Urban Revitalization CDBG project.

**Building and Zoning Division:**

- \* To initiate proceedings to adopt the 2012 Editions of the ICC Building Codes. **(Council and Management Long-Term Goal)**
- \* To implement an updated building department software system to improve efficiency and reduce the use of paper. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To implement the use of portable notepad computers and printers for field inspectors to relay information to the software system which will eliminate the need for dual entry. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To establish an on-line system to enable citizens and contractors to easily access real-time information related to their building projects. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To explore eligibility for CDBG grants now available for local code programs. **(Council and Management Fiscal Responsibility Goal)**
- \* To explore the practicality of implementing a process for electronic plan submittal and review in an effort to reduce paper usage and increase storage capacity. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To enhance the city website with the addition of a category for the Building department under Community Development. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To work to enhance the department website, create downloadable forms and applications, and create links to applicable regulations and user information. **(Council and Management Marketing and Lean/Continuous Service Improvement Goals)**

**Community Development Division:**

- \* To complete the environmental clearances needed to move forward on the Mississippi Drive Corridor project. This is needed prior to preparation of the final plans and seeking public/private funding for the project. **(Council and Management Capital Projects Goal)**
- \* To assist in the development of the Pearl of the Mississippi Phase 3 project working with the IISC results and to identify potential public/private funding sources. **(Council and Management Capital Projects Goal)**
- \* To administer the Downtown CDBG Revitalization Project and provide project management and coordination. **(Council and Management Capital Projects Goal)**

- \* To continue to assist in the ongoing effort to promote effective use of TIF as an economic development tool. **(Council and Management Economic Development Goal)**
- \* To promote the use of the recently approved residential tax abatement programs intended to promote in-fill, encourage residential development in underutilized areas, promote stabilization of residential property values, and acknowledge efforts in historic renovation and restoration. **(Council and Management Economic Development and Marketing Goals)**
- \* To finalize the transition in the department following the retirement of four employees and the upcoming retirement of the Director. **(Council and Management Quality of Life Goal)**

**Function:**

Community and Economic Development

**Department:**

Community Development

**Activity:****Community Development**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 565,740	\$ 572,902	\$ 581,900	\$ 552,600	\$ 589,900	1.37%
Commodities	8,769	10,301	12,100	11,200	11,300	-6.61%
Contractual Services	93,689	107,803	115,600	102,100	102,900	-10.99%
Capital Outlay	-	-	1,500	1,600	700	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 668,198</u>	<u>\$ 691,006</u>	<u>\$ 711,100</u>	<u>\$ 667,500</u>	<u>\$ 704,800</u>	-0.89%
<b>Funding Sources</b>						
Community Development Revenues	\$ 361,490	\$ 423,269	\$ 325,400	\$ 305,100	\$ 303,100	-6.85%
Health Permits	40,023	36,190	40,000	36,000	36,000	-10.00%
Sale of Property	5,871	5,926	10,000	7,000	10,000	0.00%
Project Administrative Fees	20,304	20,422	-	7,400	-	
General Revenues	<u>240,510</u>	<u>205,199</u>	<u>335,700</u>	<u>312,000</u>	<u>355,700</u>	5.96%
Total Funding Sources	<u>\$ 668,198</u>	<u>\$ 691,006</u>	<u>\$ 711,100</u>	<u>\$ 667,500</u>	<u>\$ 704,800</u>	-0.89%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions/Position Allocations:</b>						
Community Development Director	1.00	1.00	1.00	1.00	1.00	
City Planner	1.00	1.00	1.00	1.00	1.00	
Senior Inspector	1.00	1.00	1.00	1.00	1.00	
Inspector II	0.17	0.67	0.67	0.67	0.67	
Health and Housing Coordinator	0.58	0.50	0.50	0.50	0.50	
Health and Housing Inspector	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>	
<b>Parttime Positions:</b>						
Community Services Officer	0.55	0.55	0.75	0.75	0.75	
Custodian (Housing-Grant Funded)	1.01	1.01	1.50	0.00	0.00	
Total	<u>7.73</u>	<u>7.73</u>	<u>8.42</u>	<u>6.92</u>	<u>6.92</u>	\$ 420,700
Employee Benefits						<u>169,200</u>
Total Personal Services						<u>\$ 589,900</u>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Tablet Computer and Software for Health Inspection Program	1	No	<u>\$ 700</u>

**Function:**  
Community and Economic Development

**Department:**  
Legislative and Council

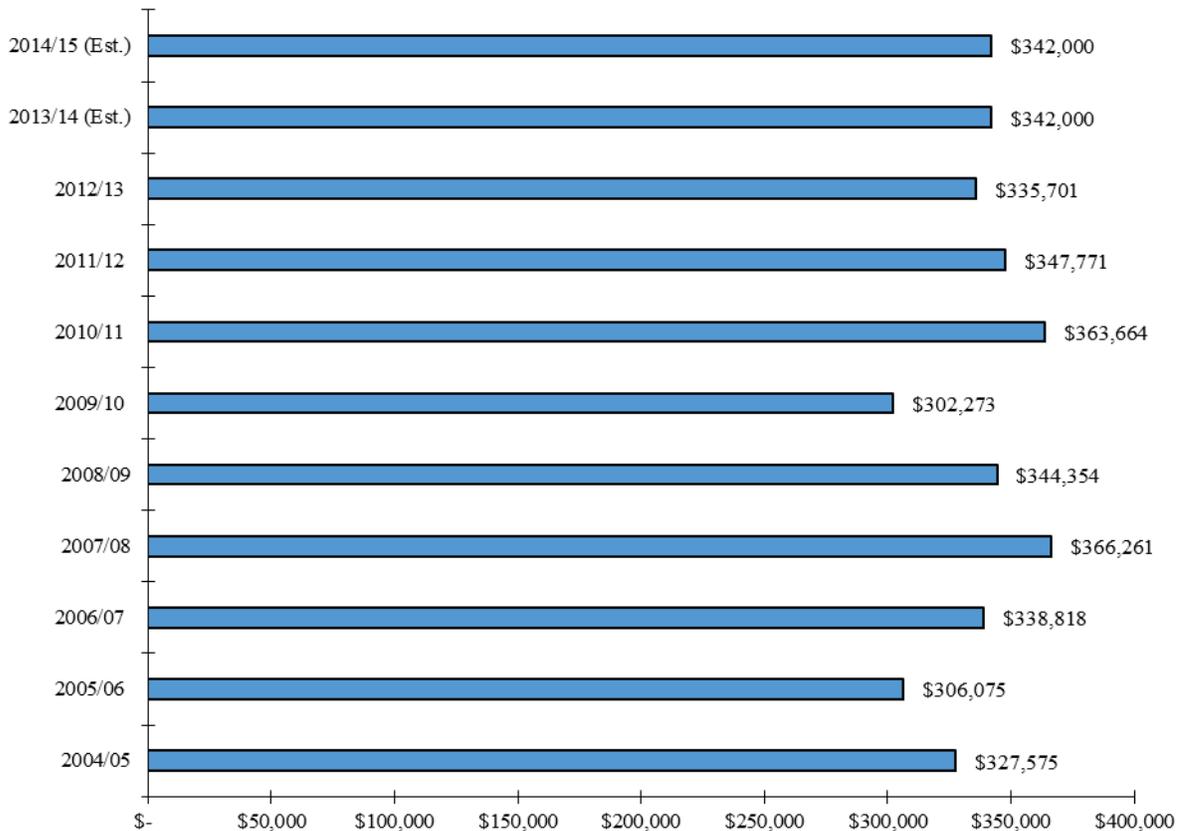
**Activity:**  
Economic Development

**GENERAL INFORMATION**

The budget for this activity has provided financial support for the Greater Muscatine Chamber of Commerce and Industry (GMCCI) and for the Convention and Visitors Bureau (CVB).

In 1981 the City first 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 2013/2014 and 2014/2015:

**Hotel/Motel Tax History**



Through fiscal year 2012/2013, one-half of the hotel/motel tax revenue was utilized in the General Fund as general revenues and the other half was 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 received financial support for their activities. For 2011/2012 \$55,000 was included in the budget for the tourism program and that funding level was maintained for 2012/2013.

In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was 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 as a discretely presented component unit of the City.

The 2013/2014 budget was based on changing the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts. The CVB Board and the City have agreed that the annual allocations to the CVB would be based on 25% of the prior fiscal year's actual hotel/motel tax receipts. The City must designate at least 50% of the hotel/motel taxes for eligible purposes in order to meet State Code requirements and the City more than meets these requirements with the 25% allocations to the Library, Art Center, and CVB.

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 2013/2014 Economic Development budget of \$126,500 included \$87,500 in funding to the Convention and Visitors Bureau, \$35,000 to the Greater Muscatine Chamber of Commerce and Industry (GMCCI), and an estimated \$4,000 for TIF-related legal services. The revised estimate includes a reduction in the CVB subsidy to \$83,925 to reflect 25% of actual hotel/motel tax receipts for the 2012/2013 year. This has reduced the revised estimate by \$3,500 to \$123,000.

The 2014/2015 budget includes \$38,000 in funding to the Greater Muscatine Chamber of Commerce and Industry (GMCCI), which is \$3,000 more than the current year allocation. The \$3,000 increase has been specifically designated for hosting visitors from Muscatine's various sister cities. The budget includes estimated funding to the Convention and Visitors Bureau of \$85,500 which is 25% of the estimated 2013/2014 Hotel/Motel taxes. The budget again also includes an estimated \$4,000 for TIF-related legal services. These allocations total to the \$127,500 in the 2014/2015 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 2014/2015***

- \* To work with the Chamber, Convention and Visitors Bureau, and the University of Iowa Sustainability Program to engage in a community-wide branding effort. **(Council and Management Marketing Goal)**

**Function:**  
Community and Economic Development

**Department:**  
Legislative and Council

**Activity:**  
**Economic Development**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	90,000	106,500	126,500	123,000	127,500	0.79%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 90,000</b>	<b>\$ 106,500</b>	<b>\$ 126,500</b>	<b>\$ 123,000</b>	<b>\$ 127,500</b>	<b>0.79%</b>
<b>Funding Sources</b>						
Hotel/Motel Tax	\$ 55,000	\$ 55,000	\$ 87,500	\$ 84,000	\$ 85,500	-2.29%
Tax Increment Funds for Economic Development	35,000	51,500	39,000	39,000	39,000	0.00%
<b>Total Funding Sources</b>	<b>\$ 90,000</b>	<b>\$ 106,500</b>	<b>\$ 126,500</b>	<b>\$ 123,000</b>	<b>\$ 124,500</b>	<b>-1.58%</b>

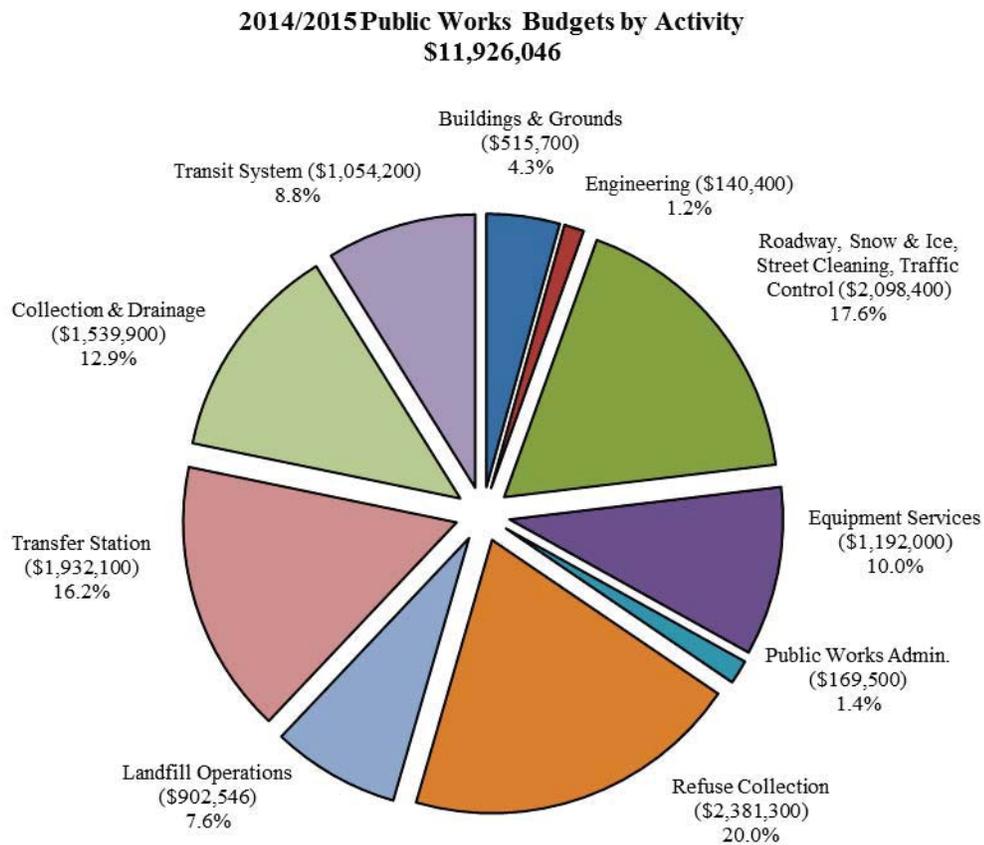
**Function:**  
**Public Works**

**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, 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 2014/2015 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, 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 2014/2015 these fees total \$60,800 and this amount has been included as revenue to the General Fund.

**CURRENT TRENDS AND ISSUES**

The 2013/2014 revised estimate is under the budgeted amount by \$700. The revised estimate reflects realignment of various budget line items, but the overall decrease is due to a reduction in the personal services area, primarily a reduction in part-time hours to fill in during absences of the Administrative Secretary.

The 2014/2015 budget is \$9,000 (5.6%) higher than the 2013/2014 budget primarily due to a \$7,000 capital outlay allocation for a new copier/printer and increased personal services costs (\$1,500).

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

**PERFORMANCE MEASURES**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Operating Expenditures - All Public Works Activities	\$ 10,412,627	\$10,744,619	\$10,925,952	\$11,918,924	\$11,926,046
Full Time Employees - All Public Works Activities	46	46	46	46	46
Part Time Employees - All Public Works Activities	28	28	28	28	28
Infrastructure Projects Under Construction	3	0	2 A	6 C	5 E
Infrastructure Projects Completed	3	3	1 B	6 D	3 F

- A. West Hill Sewer Phase I; Mad Creek Sewer Extension
- B. Asphalt Overlay
- C. Cedar; Colorado; Asphalt Overlay; West Hill Phase II; Force Main Air Release Valves I; CBD 3rd & Iowa
- D. Dawson; West Hill Phase I; West Hill Phase II; Colorado; Force Main Air Release Valves I; Mad Creek Sewer Extension
- E. Asphalt Overlay; Force Main Air Release Valves II; Mulberry Reconstruction; Musser Park/Wiggins Road Trail; Cedar
- F. Cedar; Musser Park/Wiggins Road Trail; Force Main Air Release Valves Phase II

## ***RECENT ACCOMPLISHMENTS***

A summarization of the department's activities is more specifically narrated in the separate division budgets.

The Public Works department is preparing for a busy construction season in 2014 (i.e. West Hill Sewer Phase II, Colorado Street Reconstruction, Cedar Street Reconstruction, Pavement Management Program, Mulberry Avenue Reconstruction design, Musser Park/Wiggens Road Trail. This department will use the "Lean" philosophy to advance efficiencies and reorganization, particularly with the Snow & Ice Control operation.

Focused attention will be given to the lower lot reorganization in preparation for the harbor dredge spoils and a trail network from the Mississippi River to the Greenbelt. The Solid Waste/Refuse Collection pilot program for automated refuse collection began in 2013/2014 and will continue in the upcoming year. The Levee Breach Study was also completed in 2013/2014.

## ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To reach a final decision on whether to extend water to the City's northeast quadrant.
- \* To advance the following projects (**Council and Management Capital Projects Goal**):

### **Streets:**

- A. Colorado Reconstruction
- B. Cedar Reconstruction
- C. Mulberry Design
- D. CBD Streetscape: 3<sup>rd</sup> & Iowa Intersection
- E. Pavement Management Plan
  - a. Overlay
  - b. Full-Depth Patch
- F. Mississippi Drive Corridor Project

### **Trails:**

- A. Construct Musser Park/Wiggens Trail
- B. Design Mad Creek Trail
- C. Preliminary Trail Design – Mulberry to Mad Creek

### **Sewers:**

- A. West Hill Phase II Construction
- B. West Hill Phase III Design
- C. Southend Force Main Air Release Valves Phase II

### **Sidewalks:**

- A. Council Directive
- B. ADA Ramp Inventory
- C. New Project Additions (i.e. Colorado, Cedar, Mulberry, West Hill 6<sup>th</sup> & Locust)

D. Gaps

- a. Walking, Schools, Bus
- b. Tipton Road
- c. Dawson
- d. Other: Oregon

E. Administration Plan for Inspection

**Miscellaneous**

- A. Lower Lot Reorganization – Design for dredge spoil deposit at Public Works

**Function:**  
Public Works

**Department:**  
Public Works

**Activity:**  
**Public Works Administration**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 137,715	\$ 140,943	\$ 148,200	\$ 146,400	\$ 149,700	1.01%
Commodities	1,485	1,668	2,300	2,300	2,300	0.00%
Contractual Services	8,801	6,908	10,000	11,100	10,500	5.00%
Capital Outlay	3,710	2,588	-	-	7,000	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 151,711</b>	<b>\$ 152,107</b>	<b>\$ 160,500</b>	<b>\$ 159,800</b>	<b>\$ 169,500</b>	<b>5.61%</b>
<b>Funding Sources</b>						
Road Use Taxes	\$ 94,211	\$ 92,907	\$ 99,400	\$ 100,800	\$ 108,700	9.36%
Administrative Fees	57,500	59,200	61,100	59,000	60,800	-0.49%
<b>Total Funding Sources</b>	<b>\$ 151,711</b>	<b>\$ 152,107</b>	<b>\$ 160,500</b>	<b>\$ 159,800</b>	<b>\$ 169,500</b>	<b>5.61%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Position/Position Allocations:</b>						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
<b>Total Full Time</b>	<b>1.33</b>	<b>1.33</b>	<b>1.33</b>	<b>1.33</b>	<b>1.33</b>	<b>\$ 115,300</b>
Employee Benefits						34,400
<b>Total Personal Services</b>						<b>\$ 149,700</b>

<b>Capital Outlay</b>			
<b>Item</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Copier/Printer/Fax	1	Yes	\$ 7,000

**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 clean-up week, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

**CURRENT TRENDS AND ISSUES**

The 2013/2014 revised estimate is under the original budget by \$23,600. This is primarily due to reduced personal services costs of \$17,200 resulting from the elimination of the part-time consulting engineer position and a reduction in workers compensation insurance costs. There is also a net savings of \$6,400 in other areas of the budget.

The 2014/2015 budget is \$105,600 (8.0%) less than the 2013/2014 budget primarily due to a \$96,000 reduction in capital outlay. Personal services costs increased by \$9,000, commodities decreased by \$8,000, and contractual services decreased by \$10,600. The 2014/2015 budget includes \$33,200 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 \$2,478,300 for 2014/2015. Of this amount, \$2,251,700 will be funded from Road Use Taxes and \$226,600 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**

	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
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	1.5 miles 4,500 Tons	None	.75 miles 2,000 Tons	To be determined	
Curb & Gutter Repair (Lineal Feet)	165 LF	436 LF	778 LF	To be determined	
Full Depth Concrete Repair (Square Yards)	276 SY	189 SY	2,502 SY	Forest Parkway	
Associated Driveways	317 SY	144 SF	899 SF	To be determined	
Number of ADA Sidewalks Installed	69	50	14 PW 82 Sewer	To be determined	
Associated Sidewalks	N/A	N/A	763 SF	To be determined	

**RECENT ACCOMPLISHMENTS**

The Public Works Street Division crew had a busy 2013 construction season.

April began with working on rock shoulders, alley repairs, spring leaf pickup, street sweeping of winter debris, making sandbags for the spring floods, and setting up street closures for the first flood. May began with cleanup from the first flood and sending out bids for street striping and concrete crushing. Work began on installing the street name signs at the recently annexed Ripley’s Mobile Home Court. Work also included the new trail head at Weed Park, concrete work around the Public Works fuel pumps, ADA ramps at the riverfront railroad crossings, and curb removal on E. 2<sup>nd</sup> Street at HNI.

Painting of City vehicles took place all summer at Public Works. June started off with another flooding event. Other work included the preparation of specifications for a solar-powered arrow board, specifications for a new truck and the related equipment, meter work in the Central Business District, moving a bus shelter from the high school to Cedar Plaza, dirt work on the Mulford Church hillside, and concrete work on driveways and sidewalks. A bad wind storm took place toward the end of June along with another flooding event.

July’s work included painting at the airport, continued concrete work, asphalt work in alleys and plumber ditches, a pavement blowup on Grandview Avenue, Great River Days, dirt work around town from snow plow damage, street striping, and installation of a guard rail on Tipton Road at the end of Clermont.

August projects included asphalt work at a railroad crossing on Dick Drake Way, painting of crosswalks around the schools, hauling mud off the riverfront, cleaning the former Hawkeye Lumber site of dredge spoils, prepping the parking lot at Weed Park, providing barricades for the HNI picnic, assisting with the Watermelon Stampede, assisting with the Boat Show on the riverfront, striping of the parking lot at the Water Pollution Control Plant, Houser Street concrete blowup repair, and repairing the asphalt depression on the Leroy Street hill.

September work included the installation of ADA ramps at the Cedar Street and Iowa Avenue railroad crossings, dirt work on the earth berm at the Police Pistol Range, concrete work on Oneida and Cedar Streets, asphalt work in alleys, helping to unload an exhibit at the Library, hauling millings and dirt from the Dawson Street project, asphalt overlay contract work, concrete, asphalt, and brick work in the #2 alley off Cherry Street, meter repairs in the Central Business District, ADA ramp work on Lombard/9<sup>th</sup> Streets and Pearlview Court, leaf pickup, setting up a detour for Muscatine Power & Water for a water main break on E. 8<sup>th</sup> Street, treatment of the winter salt, and building a new ramp to load salt.

November work included a dirt berm in the lower lot, leaf pickup, asphalt work in alleys and Cherry Street, signs and barricades for the fire training on E. 9<sup>th</sup> Street, culvert work on Foster Street, Morgan Building work, prepping snow equipment, installation of construction signs on Colorado Street, and finishing the #2 alley work.

December work included cones and barricades for the Holiday Stroll, completion of the Morgan Building work, continued preparations for the upcoming snow season, budget preparation and meetings, leaf pickup (leaves fell late), preparing millings for use on West 6<sup>th</sup> Street for the West Hill Sewer project, and temporary road surface and patch over the box culvert for the Colorado Street project. Meter work continued in the Central Business District, and crews also completed street sweeping, constructed signs for the sewer project, did cleanup work in the lower lot, and installed signs on the levee.

***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To continue the ongoing maintenance portion of the Pavement Management Program funded from the 20% allocation of the Local Option Sales Tax which includes asphalt overlay and full-depth patching.
- \* To finish working with the railroad to construct a pedestrian/bike crossing at the Oregon Street railroad crossing.

**Function:**  
Public Works

**Department:**  
Public Works

**Activity:**  
**Roadway Maintenance**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 758,968	\$ 737,427	\$ 751,100	\$ 733,900	\$ 760,100	1.20%
Commodities	117,543	102,772	137,400	129,400	129,400	-5.82%
Contractual Services	215,499	199,834	248,000	244,500	237,400	-4.27%
Capital Outlay	43,172	228,172	185,000	190,100	89,000	-51.89%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b><u>\$ 1,135,182</u></b>	<b><u>\$ 1,268,205</u></b>	<b><u>\$ 1,321,500</u></b>	<b><u>\$ 1,297,900</u></b>	<b><u>\$ 1,215,900</u></b>	<b>-7.99%</b>
<b>Funding Sources</b>						
Road Use Taxes	\$ 1,093,807	\$ 1,233,768	\$ 1,285,000	\$ 1,243,100	\$ 1,180,100	-8.16%
Diesel Reduction Grant	-	-	-	19,000	-	
Street Revenues	35,905	29,517	36,000	35,000	35,000	-2.78%
Other	<u>5,470</u>	<u>4,920</u>	<u>500</u>	<u>800</u>	<u>800</u>	60.00%
<b>Total Funding Sources</b>	<b><u>\$ 1,135,182</u></b>	<b><u>\$ 1,268,205</u></b>	<b><u>\$ 1,321,500</u></b>	<b><u>\$ 1,297,900</u></b>	<b><u>\$ 1,215,900</u></b>	<b>-7.99%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Position/Position Allocations:</b>						
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	4.00	3.00	3.00	3.00	3.00	
Equipment Operator II	3.00	4.00	4.00	4.00	4.00	
Equipment Operator I	2.00	2.00	2.00	2.00	2.00	
Maintenance Worker II	0.10	0.10	0.10	0.10	0.10	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
<b>Total Full Time</b>	<b><u>11.43</u></b>	<b><u>11.43</u></b>	<b><u>11.43</u></b>	<b><u>11.43</u></b>	<b><u>11.43</u></b>	
<b>Part Time Positions:</b>						
Consulting Engineer	<u>0.34</u>	<u>0.34</u>	<u>0.09</u>	<u>-</u>	<u>-</u>	
<b>Total</b>	<b>11.77</b>	<b>11.77</b>	<b>11.52</b>	<b>11.43</b>	<b>11.43</b>	<b>\$ 479,600</b>
Employee Benefits						<u>280,500</u>
<b>Total Personal Services</b>						<b><u>\$ 760,100</u></b>

<b>Capital Outlay</b>			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Steel Wheel Roller	1	Yes	\$ 45,000
Morgan Building Ceiling Repairs			44,000
			<u>\$ 89,000</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 2013/2014 is under the budgeted amount by \$800 due to decreased personal services costs.

The 2014/2015 budget is \$16,400 (10.2%) higher than the 2013/2014 budget due to increased personal services costs of \$1,300 and increased capital outlay of \$14,900. The capital outlay allocation includes \$15,400 for the third year of a 3-year program to replace regulatory signs to comply with new federal regulations and a total of \$19,900 to replace approximately 200 barricades.

***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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Number of Street Signs Maintained	5,565	5,670	5,673	5,673	5,700
Number of New Signs Installed	106	93	110	103	103
Lineal Feet of Street Striping	251,361	289,979	289,979	289,979	289,979
Number of Stop Bars Painted	303	305	307	305	305
Number of Arrows Painted	287	287	298	310	310
Number of Handicapped Stalls Marked	86	86	89	89	89
Number of Regular Parking Stalls Painted	2,639	2,614	2,627	2,627	2,627
Number of Crosswalks Painted	225	218	218	218	218
Number of Railroad Crossings Painted	33	31	31	31	31
Traffic Committee Meetings	23	21	21	22	22
Number of Signs Removed	23	23	62	30	23
Number of Sign Posts Maintained	4,195	4,195	4,199	4,199	4,199
Number of Speed Humps Painted	23	19	19	19	19

**RECENT ACCOMPLISHMENTS**

The street striping program started in July and was completed in October. Weikert Contracting from Ackley, Iowa, did the work again this year. City crews striped a section of runway at the airport, arrows at the soccer complex, and the parking lot at the Water Pollution Control Plant. They also painted school crossings and stop bars. Staff tried different kinds of paint this year in an effort to brighten up the crosswalks and stop bars and keep them cleaner longer. This effort was not successful and staff will continue to try to improve the crosswalks and stop bars throughout the city.

Work continued this year on sign replacement, the sign inventory, and a rework of the sign room. Annual work on repairs of broken sign posts, bent signs, tree trimming around signs, removal of signs, and sign inspections also continued.

Employees attended sign workshops for continued training and updates on new regulations which take place each year.

The Traffic Committee continues to meet bi-monthly to address issues and problems that come up or are brought to their attention.

**OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014**

- \* To complete the third year of the three-year plan to update the City's regulatory, warning, and ground-mounted guide signs in order to meet the January 2015 deadline mandated by the Iowa Department of Transportation (IDOT) and Federal Highway (FHWA) regulations.
- \* To continue to look for the right combination of traffic paint that will last longer on crosswalks, stop bars, and parking stalls.

Function:  
Public Works

Department:  
Public Works

Activity:  
**Traffic Control**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 71,095	\$ 64,396	\$ 69,700	\$ 68,700	\$ 71,000	1.87%
Commodities	15,201	13,976	16,300	16,500	16,300	0.00%
Contractual Services	51,896	48,196	54,800	54,800	55,000	0.36%
Capital Outlay	14,644	26,727	20,400	20,400	35,300	73.04%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 152,836</u>	<u>\$ 153,295</u>	<u>\$ 161,200</u>	<u>\$ 160,400</u>	<u>\$ 177,600</u>	10.17%
<b>Funding Sources</b>						
Road Use Taxes	<u>\$ 152,836</u>	<u>\$ 153,295</u>	<u>\$ 161,200</u>	<u>\$ 160,400</u>	<u>\$ 177,600</u>	10.17%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<i>Full Time Positions:</i>						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	\$ 45,400
Employee Benefits						25,600
Total Personal Services						<u>\$ 71,000</u>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Regulatory Signs	440	Yes	\$ 15,400
Plastic Barricades (8 ft)	50	Yes	6,100
Plastic Barricades (6 ft)	50	Yes	5,600
Type II Plastic Barricades	100	Yes	8,200
			<u>\$ 35,300</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 2013/2014 revised estimate is over the original budget by \$76,300 primarily due to purchasing a portion of a second barge load of salt instead of only the one barge load that was budgeted. This second barge load was split with Muscatine County. This increased the City's salt inventory for the current year and the amount going into next year.

The 2014/2015 budget is \$100,300 (26.3%) higher than the original 2013/2014 budget. This increase is due to budgeting for two barge loads of salt due to the number of snow events in the 2013-14 winter

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
2012/2013	25,245	11

The 2013/2014 revised estimate and 2014/2015 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Number of Storms	15	12	11	12	12
Tons of Salt Used (includes 50/50 mix)	1,100	963.5	1,853.5	1,300	1,300
Tons of Sand Used	450	100	91	214	214
Tons of Cinders (includes mixed tonnage in 50/50)	N/A	31.5	187	110	110
Gallons Calcium Chloride Used	N/A	N/A	3,406	3,000	3,000

**RECENT ACCOMPLISHMENTS**

The 2012/13 winter’s first storm started December 20<sup>th</sup> beginning with sleet followed by 6 inches of wet snow. Wind gusts from 39 to 52 mph and falling temperatures made snow removal very difficult. The city used 445 tons of salt for this storm, along with 123 tons of 50/50 (salt and sand), and 96 tons of straight cinders. After this storm, the Public Works Director met with department staff to develop a better plan for addressing the rest of the winter storms. Three more storms followed in January, four in February, and three in March. A total of 11 storms were addressed last winter.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015**

- \* To continue to hold pre-event/post-event meetings for every snow storm which will include Public Safety personnel, Muscatine School maintenance staff, and City maintenance staff.
- \* To use the “Lean” process to help improve winter operations and to evaluate progress in making this process more efficient, more effective, and to make better use of the City’s resources in serving the public. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue to evaluate the new Snow Emergency Ordinance and its impact on snow removal operations. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Function:**  
Public Works

**Department:**  
Public Works

**Activity:**  
**Snow and Ice Control**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 31,634	\$ 75,310	\$ 85,100	\$ 84,400	\$ 84,400	-0.82%
Commodities	196,728	122,129	142,100	229,500	232,100	63.34%
Contractual Services	57,127	72,943	108,400	113,400	118,400	9.23%
Capital Outlay	40,313	-	46,000	30,600	47,000	2.17%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 325,802</b>	<b>\$ 270,382</b>	<b>\$ 381,600</b>	<b>\$ 457,900</b>	<b>\$ 481,900</b>	<b>26.28%</b>
<b>Funding Sources</b>						
Road Use Taxes	\$ 223,464	\$ 234,397	\$ 321,600	\$ 397,900	\$ 421,900	31.19%
Reimbursement of Expenses	102,338	35,985	60,000	60,000	60,000	0.00%
<b>Total Funding Sources</b>	<b>\$ 325,802</b>	<b>\$ 270,382</b>	<b>\$ 381,600</b>	<b>\$ 457,900</b>	<b>\$ 481,900</b>	<b>26.28%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
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	N/A	N/A	N/A	N/A	N/A	
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 45,000</b>
Employee Benefits						39,400
<b>Total Personal Services</b>						<b>\$ 84,400</b>

<b>Capital Outlay</b>			
<b>Item</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
10' Salt Box	1	Yes	\$ 20,500
2-Way Snow Plow	1	Yes	15,500
Wing Snow Plow	1	Yes	11,000
			<b>\$ 47,000</b>

**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 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 2013/2014 revised estimate is over the budgeted amount by \$1,600 primarily due to increased street sweeper maintenance costs.

The 2014/2015 budget is \$37,200 (20.0%) higher than the 2013/2014 budget. This is due to the increased capital outlay allocation for the purchase of a leaf box and leaf loader (\$37,000). The 2014/2015 budget again includes funds for renting one additional street sweeper in the spring of 2015.

**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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Miles of Streets Cleaned with Sweeper	89	88	89	89	89
Employee Hours for Leaf Program	828	1,018	991	945	945
Temporary Employee Hours for Leaf Program	1,845	1,558	2,001	1,700	1,700
Leaf Loads	314	294	330	300	300

### ***RECENT ACCOMPLISHMENTS***

In the Spring of 2013 the Public Works department rented two additional street sweepers. One was paid from the Collection and Drainage budget and the other from the Street Cleaning budget. This has been done annually in order to keep the winter debris out of the sewer system. Approximately 560 tons of debris was collected from the City's streets last spring. The debris was hauled to the landfill and used to cover trash. The street sweeping program started April 8<sup>th</sup> and finished April 19<sup>th</sup>. With the City's sweepers and the two rented sweepers, staff was able to sweep every street in the city in two weeks.

Spring leaf pickup started April 1<sup>st</sup> and continued every Friday in April. This is an important additional service as it helps keep leaves out of the sewers.

Leaves fell late in the fall of 2013 and leaf pickup started October 14<sup>th</sup>. Crews were busy trying to stay ahead later into the fall. Following several hard freezes, leaves began falling at a heavy rate causing staff to work into December. Staff completed all of the zones before snow covered up the leaves which would have resulted in the leaves freezing into the ground.

### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To continue to sweep all streets and bridges twice per year.
- \* To continue to sweep the Central Business District twice each month.
- \* To periodically evaluate the rental cost for the additional street sweepers.

Function:  
Public Works

Department:  
Public Works

Activity:  
**Street Cleaning**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 98,431	\$ 101,442	\$ 116,600	\$ 115,100	\$ 118,800	1.89%
Commodities	10,388	6,661	12,400	10,400	10,400	-16.13%
Contractual Services	61,037	48,392	56,800	61,900	56,800	0.00%
Capital Outlay	-	-	-	-	37,000	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 169,856</u>	<u>\$ 156,495</u>	<u>\$ 185,800</u>	<u>\$ 187,400</u>	<u>\$ 223,000</u>	20.02%
<b>Funding Sources</b>						
Road Use Taxes	<u>\$ 169,856</u>	<u>\$ 156,495</u>	<u>\$ 185,800</u>	<u>\$ 187,400</u>	<u>\$ 223,000</u>	20.02%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<i>Full Time Positions/Position Allocations:</i>						
Equipment Operator I	-	0.75	0.90	0.90	0.90	
Equipment Operator II	<u>1.75</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	1.75	1.75	1.90	1.90	1.90	\$ 80,700
Employee Benefits						<u>38,100</u>
Total Personal Services						<u>\$ 118,800</u>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Leaf Box	1	Yes	\$ 12,000
Leaf Loader	1	Yes	<u>25,000</u>
			<u>\$ 37,000</u>

**Function:**  
**Public Works**

**Department:**  
**Public Works**

**Activity:**  
**Engineering Operations**

### ***GENERAL INFORMATION***

The Engineering division includes the City Engineer position with the City contracting for outside engineering services for the design of major projects and also for engineering inspection services for specific projects. The cost of the contracted engineering services are charged directly to each project. The City Engineer also charges a portion of his time to the City's various capital improvement projects and Road Use Taxes fund the portion of his time not directly charged to projects.

### ***CURRENT TRENDS AND ISSUES***

The revised estimate for the Engineering division is \$1,700 higher than the original budget. This is primarily due to the addition of \$1,000 for concrete testing and inspection equipment and \$500 for increased software maintenance costs. The concrete testing and inspection equipment will reduce capital project contract costs by doing the testing in-house.

The budget for 2014/2015 is \$3,300 (2.4%) higher than the 2013/2014 budget primarily due to increased personal services costs of \$2,200 and increased software-related costs (\$1,000).

### ***GOAL STATEMENT***

To provide technical engineering services for public works infrastructure, coordinate construction activities of existing public works features, participate in review and evaluation of requests for new services, and provide information on request where municipal engineering is involved.

Performance Measures	FY 2013/2014				FY 2014/15			
	2013	2013	2014	2014	2014	2014	2015	2015
	Summer	Fall	Winter	Spring	Summer	Fall	Winter	Spring
<b>Paving Projects:</b>								
Dawson Street Reconstruction	Construct	Done						
Logan Culvert Extensions	Design	Construct	Construct	Done				
Cedar Paving & Trail	Design	Design	Bid	Construct	Construct	Construct	Done	
Colorado Street Reconstruction	Bid	Construct		Construct	Construct	Construct	Done	
Mulberry Reconstruction	Plan	Plan	Design	Design	Design	Design	Design	Design
Houser Hill Pavement Replacement		Plan	Plan	Plan	Plan	Plan	Plan	Plan
Lucas Street Reconstruction			Plan	Plan	Plan	Plan	Design	Design
<b>Sewer Projects:</b>								
Mad Creek Sewer Extension	Construct	Done						
Air Release Valve Replacement 1	Design	Construct	Done					
Harbor Dredge Pipe	Design	Construct						
Dredge Spoil Site Relocation	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
West Hill 1	Construct	Construct	Done					
West Hill 2		Construct	Construct	Construct	Construct	Done		
West Hill 3	Design	Design	Design	Design	Design	Design	Design	Design
<b>Trail Projects:</b>								
Musser Park to Wiggens Road	Plan	Plan	Design	Design		Bid		Construct
Mad Creek-Riverfront to Washington	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
<b>Levee:</b>								
Mad Creek Accreditation	Plan	Plan	Plan	Done				
Geneva Creek Channel Shaping		Design	Design	Bid	Construct	Done		
Digital Levee Management Program	Plan	Plan	Design	Inspect	Maintain	Inspect	Maintain	Inspect

### **RECENT ACCOMPLISHMENTS**

In addition to focusing on the engineering goals, the City Engineer accomplished goals for other departments by designing and administering contracts for the Southend Force Main Air Release Valve Replacement project, the Harbor Force Main project, and the Dawson Street Reconstruction project. Recent accomplishments are as follows:

- Cedar Street Reconstruction - Includes property acquisition, Logan culvert extensions, and paving which will begin in 2014.
- Colorado Street – Coordinated with consultant and reviewed construction plans for reconstruction of Colorado Street from Park Avenue to University Drive. Coordinated with utility companies for relocation of conflicting underground utilities. Coordinated for administration, inspection, and project construction.
- Musser Park to Wiggens Road Trail - Met with landowners to form easement agreements toward securing an alignment. Accepted award of a \$250,000 State Recreational Trails grant submitted by the engineering department and other public works staff.

- Southend Force Main Air Release Valve Replacement Project - Prepared construction plans, bid, and administered contract for replacement of 8 air release valves on the force main system. This is phase 1 of a 3 phase project to repair deterioration on the existing system.
- Harbor Force Main - Prepared construction plans, bid, and administered contracts for installation of 1,100 feet of dredge pipe and connection points in Riverside Park to facilitate the annual dredging operation.
- Dawson Street Reconstruction - Designed, hosted the City bid letting, administered the contract, performed inspection and administration for replacement of Dawson Street from Dolliver to Houser.
- Levee Certification - Administered the contract for and reviewed the certification documents necessary to maintain accreditation of the Mad Creek Levee. Final documents are waiting on completion of improvements adjacent to Heinz. Performed the annual levee inspection and directed the necessary maintenance.
- Sidewalk Program - Developed a concept, planned, and implemented a pilot project to inspect and administer sidewalks for the City. Utilized the technical skills of MAGIC (GIS system) to develop software designed to accomplish the task in a paperless efficient manner using existing digital information. Implemented a similar system to identify and track the condition of sidewalk ramps throughout the City. All cities are required to maintain a transition plan towards compliance with ADA regulations for ramps. This tool allows for efficient investigation, planning, funding, and construction to meet regulations. Approximately 70% of the City's ramps were inventoried by the summer engineering intern in a 5 week period.
- Mad Creek Sewer Extension - This project involved construction of approximately 2 miles of new sanitary sewer along Mad Creek from Park Avenue West to Ripley's Mobile Home Court on Highway 61. The Engineering department solicited for bids, administered the contract, performed construction inspections, and administered the project. The engineering staff was able to identify and implement changes during construction that resulted in the project closing out \$41,876 below the contract amount.
- Sidewalk Ramps at Iowa and Cedar Street Rail Crossings - Prepared and submitted construction plans to IDOT for installation of new sidewalk ramps between the Riverfront and Mississippi Drive.
- Levee Management System – Spearheaded a paperless levee inspection management system using MAGIC GIS technology and an iPad. The system allows identification, documentation, and tracking of deficiencies which are then assigned to select entities for correction. With use of this tool, we hope to improve the USACE (Army Corps of Engineers) inspection ratings and provide greater assurance of flood protection to the community.

#### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* 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). **(Council and Management Lean/Continuous Service Improvement Goal)**

- \* To coordinate with the Iowa Department of Transportation and consultants for improvements to the Highway 92 corridor from the Mississippi River Bridge south to the US Highway 61 Bypass. **(Council and Management Capital Projects Goal)**
- \* To complete the Cedar Street Reconstruction and trail during the 2014 construction season. **(Council and Management Capital Projects Goal)**
- \* To further develop plans and possible funding for enhancements to the donated land near the intersection of Hershey Avenue and Houser Streets.
- \* To complete the Colorado Street Reconstruction project during the 2014 construction season. **(Council and Management Capital Projects Goal)**
- \* To coordinate with consultants for the organized development of the Northeast US Highway 61/38 connector and corridor.
- \* To design, let, and administer construction of the Geneva Creek Channel Shaping at the Isett Avenue Bridge during the 2014 construction season.
- \* To complete construction of Phase II of the West Hill Sewer Separation Project in 2014 and also review plans and cost estimate for Phase III. **(Council and Management Capital Projects Goal)**
- \* To design the Musser Park to Wiggins Road Trail in 2014 and construct by the end of 2015.
- \* To complete the sidewalk ramp inventory program in 2014.
- \* To implement a digital levee management program in 2014 for both Mad Creek and the Muscatine Island Levees. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To complete the preliminary Mulberry Reconstruction design in 2014 with final design in 2015 and construction to begin in 2016 (subject to funding).

**Function:**  
Public Works

**Department:**  
Public Works

**Activity:**  
**Engineering Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 111,123	\$ 113,758	\$ 118,200	\$ 117,800	\$ 120,400	1.86%
Commodities	1,350	1,281	3,200	4,200	3,200	0.00%
Contractual Services	13,048	13,089	15,700	16,800	16,800	7.01%
Capital Outlay	-	3,710	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 125,521</b>	<b>\$ 131,838</b>	<b>\$ 137,100</b>	<b>\$ 138,800</b>	<b>\$ 140,400</b>	<b>2.41%</b>
<b>Funding Sources</b>						
Engineering Fees	\$ 60,650	\$ 93,804	\$ 65,000	\$ 70,000	\$ 70,000	7.69%
Road Use Tax	64,871	38,034	72,100	68,800	70,400	-2.36%
<b>Total Funding Sources</b>	<b>\$ 125,521</b>	<b>\$ 131,838</b>	<b>\$ 137,100</b>	<b>\$ 138,800</b>	<b>\$ 140,400</b>	<b>2.41%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions:</b>						
City Engineer	1.00	1.00	1.00	1.00	1.00	\$ 89,000
Employee Benefits						31,400
<b>Total Personal Services</b>						<b>\$ 120,400</b>

**Function:**  
**Transfers**

**Department:**  
**City Administrator**

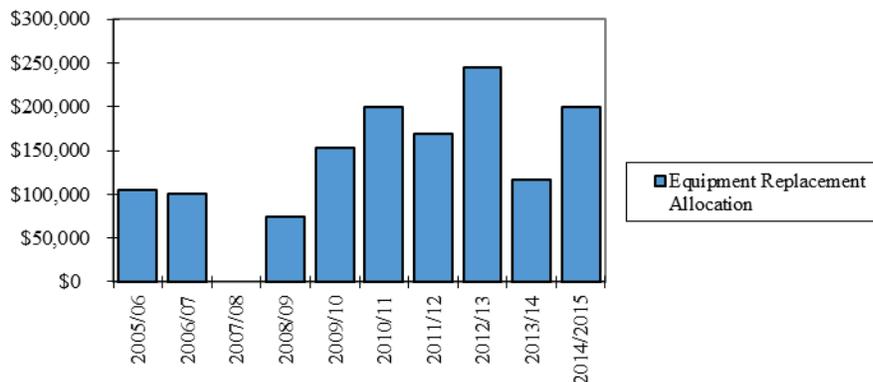
**Activity:**  
**Equipment Replacement Transfer**

**GENERAL INFORMATION**

The Equipment Replacement 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, decreased to \$168,900 for 2011/2012, and increased to \$245,000 for 2012/2013. The budgeted transfer for 2013/2014 was \$117,000 and \$200,000 has been budgeted for 2014/2015. The larger transfer for 2014/2015 and a portion of the Equipment Replacement fund balance will provides \$264,000 of funding for five new police squad cars (\$183,000), funds

to equip the reserve fire engine (\$18,000), a riding mower for the cemetery (\$9,000), a pickup truck for the Park Maintenance division (\$22,000), an Infield Machine for Kent Stein Park (\$17,500), and a utility vehicle for the Soccer Complex (\$14,500).

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 Transfer**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>168,900</u>	<u>742,000</u>	<u>117,000</u>	<u>117,000</u>	<u>200,000</u>	70.94%
Total Expenditures	<u>\$ 168,900</u>	<u>\$ 742,000</u>	<u>\$ 117,000</u>	<u>\$ 117,000</u>	<u>\$ 200,000</u>	70.94%
<b>Funding Sources</b>						
General Revenues	<u>\$ 168,900</u>	<u>\$ 742,000</u>	<u>\$ 117,000</u>	<u>\$ 117,000</u>	<u>\$ 200,000</u>	70.94%

**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 2013/2014 budget included a tax levy of \$.47582 per \$1,000 of valuation for public transportation which will generate \$380,000 (including the utility replacement excise tax). This tax rate was much higher than the previous year which generated \$320,000. The increase in 2013/2014 was 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.

The transit tax levy rate for 2014/2015 has been decreased to \$.36764 per \$1,000 of valuation which will generate \$300,000 (including the utility replacement excise tax and the new commercial/industrial State reimbursement). This lower tax rate is budgeted since four buses are being replaced in 2013/2014 instead of the two originally budgeted and decreased maintenance costs as well as decreased fuel costs are expected. Grant funding is not expected to be received in 2014/2015 for any additional bus purchases.

More information on the Transit Operation is included in the Enterprise Funds section of this document.

**Function:**  
Transfers

**Department:**  
City Administrator

**Activity:**  
**Transit Subsidy**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>301,472</u>	<u>320,480</u>	<u>380,000</u>	<u>380,000</u>	<u>300,000</u>	-21.05%
<b>Total Expenditures</b>	<b><u>\$ 301,472</u></b>	<b><u>\$ 320,480</u></b>	<b><u>\$ 380,000</u></b>	<b><u>\$ 380,000</u></b>	<b><u>\$ 300,000</u></b>	<b>-21.05%</b>
<b>Funding Sources</b>						
Transit Tax Levy	\$ 300,019	\$ 318,976	\$ 378,375	\$ 378,375	\$ 291,987	-22.83%
Utility Tax Replacement						
Excise Tax	1,453	1,504	1,625	1,625	1,446	-11.02%
Commercial/Industrial						
State Reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,567</u>	
<b>Total Funding Sources</b>	<b><u>\$ 301,472</u></b>	<b><u>\$ 320,480</u></b>	<b><u>\$ 380,000</u></b>	<b><u>\$ 380,000</u></b>	<b><u>\$ 300,000</u></b>	<b>-21.05%</b>

**Function:**  
Transfers

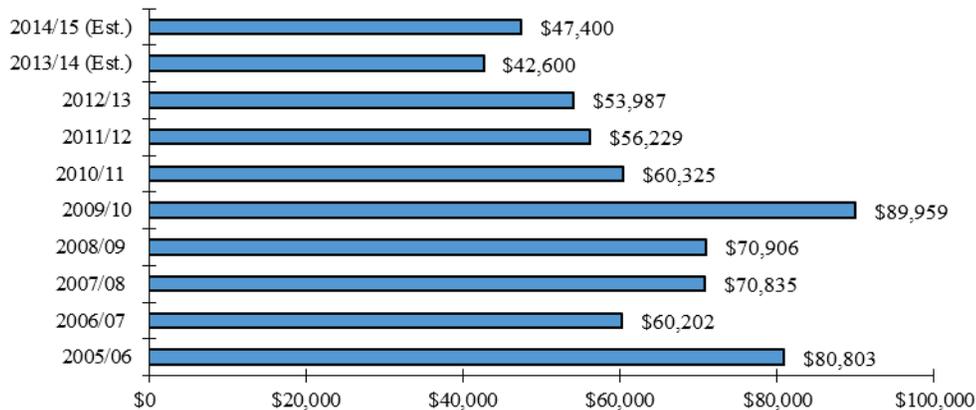
**Department:**  
City Administrator

**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 2005/2006 follows:

**General Fund Airport Subsidies**



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 2013/2014 revised estimate subsidy of \$42,600 is \$1,300 more than the budgeted amount. This increased subsidy is primarily due to increased property, drainage, and levee district taxes of \$3,200. This increase was offset in part by decreases in other areas of the budget.

The budgeted subsidy for fiscal year 2014/2015 of \$47,400 is \$6,100 (14.8%) higher than the original 2013/2014 budget. This increase is due to the increases in property, drainage, and levee district taxes of \$3,200 and a capital outlay request of \$3,500 for a hangar canopy and sign. These increases have been partially offset by decreases in other areas of the budget. 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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>56,229</u>	<u>53,987</u>	<u>41,300</u>	<u>42,600</u>	<u>47,400</u>	14.77%
<b>Total Expenditures</b>	<u><u>\$ 56,229</u></u>	<u><u>\$ 53,987</u></u>	<u><u>\$ 41,300</u></u>	<u><u>\$ 42,600</u></u>	<u><u>\$ 47,400</u></u>	14.77%
<b>Funding Sources</b>						
General Revenues	<u><u>\$ 56,229</u></u>	<u><u>\$ 53,987</u></u>	<u><u>\$ 41,300</u></u>	<u><u>\$ 42,600</u></u>	<u><u>\$ 47,400</u></u>	14.77%

**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 \$53,907 in 2013/2014 and will generate \$55,081 (including the utility replacement excise tax and the new commercial/industrial State reimbursement) in 2014/2015. The 2013/2014 and 2014/2015 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 one additional year 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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>51,531</u>	<u>52,826</u>	<u>53,907</u>	<u>53,907</u>	<u>55,081</u>	2.18%
<b>Total Expenditures</b>	<b><u>\$ 51,531</u></b>	<b><u>\$ 52,826</u></b>	<b><u>\$ 53,907</u></b>	<b><u>\$ 53,907</u></b>	<b><u>\$ 55,081</u></b>	<b>2.18%</b>
<b>Funding Sources</b>						
Levee Tax Levy	\$ 51,283	\$ 52,578	\$ 53,676	\$ 53,676	\$ 53,610	-0.12%
Utility Tax Replacement Excise Tax	248	248	231	231	265	14.72%
Commercial/Industrial State Reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,206</u>	
<b>Total Funding Sources</b>	<b><u>\$ 51,531</u></b>	<b><u>\$ 52,826</u></b>	<b><u>\$ 53,907</u></b>	<b><u>\$ 53,907</u></b>	<b><u>\$ 55,081</u></b>	<b>2.18%</b>

**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 (1) COPS grant future funding commitment, (2) Fire engine replacement, and (3) City financial software replacement. The Fire engine and the financial software were purchased in 2012/2013. The remaining funding assignment in 2013/2014 and 2014/2015 is for the COPS grant future funding commitment.

**Police COPS Grant Future Funding Commitment – Estimated at \$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 to 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). Plans were 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 cost for these positions.

**Current Status of Assigned Funding**

The first two \$40,000 funding assignments were budgeted in 2012/2013 and 2013/2014. The original 3-year grant period is expected to end in February 2015. The Police budget includes approximately \$31,000 to fund the City's share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years is \$9,000. This results in \$89,000 being set aside for funding these officers through the required 4<sup>th</sup> year which is estimated to end in February, 2016. This takes into account the School providing funding their portion of the 4<sup>th</sup> year costs.

**Function:**  
Transfers

**Department:**  
Non-Department

**Activity:**  
**Assigned Funding Transfers**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>9,000</u>	-77.50%
Total Expenditures	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 9,000</u>	-77.50%
<b>Funding Sources</b>						
General Revenues	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 9,000</u>	-77.50%

## **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 2013/2014 and 2014/2015 is \$45,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$9,900 in both 2013/2014 and 2014/2015.

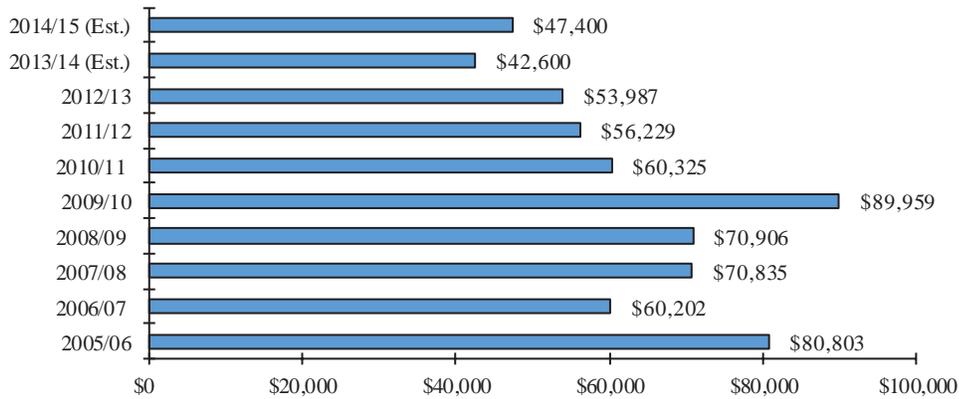
The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In 2008/2009 construction of a parallel taxiway for the crosswind runway was completed 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. The Airfield Maintenance project and the Airport Obstruction Removal project, both of which received 90% FAA and 10% local funding, were completed in 2013. The Airport Security and T-Hangar Drainage Improvement project, which will receive 85% State and 15% local funding, is currently in progress. Also in progress in 2013/2014 is the petrographic analysis of the pavement on runway 6/24 and the parallel taxiway serving that runway. Engineering design for the runway rehabilitation/replacement is planned for 2014/2015 with project construction to be determined by Federal Aviation Administration (FAA) funding availability. An FAA grant will fund 90% of the overall costs of this project with a 10% local match required.

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 \$34,100. 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, 2013/2014, and 2014/2015.

The 2013/2014 revised estimate subsidy is over the budgeted amount by \$1,300 due to changes in both revenues and expenditures. Revised estimate expenditures are projected to be \$500 higher than budgeted primarily due a \$3,200 increase in drainage and levee taxes. Reductions in other areas of the budget offset a portion of this increase. Revised estimate revenues are \$800 lower than the original budget primarily due to a decrease in the projected fuel commission.

Airport expenditures for 2014/2015 are \$5,300 (4.8%) more than the 2013/2014 budget primarily due to the \$3,200 increase in drainage and levee taxes and a \$3,500 capital outlay allocation for a hangar canopy. The Airport revenues for 2014/2015 are \$800 less than the original budget for 2013/2014 primarily due to the projected decrease in fuel commissions. These changes in revenues and expenditures will result in a General Fund subsidy for 2014/2015 of \$47,400 which is \$6,100 (14.8%) higher than the original 2013/2014 budgeted amount.

The 2014/2015 budget includes funding in the amount of \$17,000 to continue 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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	10	10	10	10	10
Hangar Rentals	\$19,399	\$22,011	\$21,781	\$21,500	\$21,500
FBO Lease	\$8,800	\$9,900	\$9,900	\$9,900	\$9,900
Gallons of Fuel Dispensed by FBO	71,234	91,000	86,433	83,300	83,300
Fuel Commission (\$0.03/gallon)	\$2,137	\$2,730	\$2,593	\$2,500	\$2,500
Farm Lease Revenue	\$6,639	\$6,639	\$34,000	\$34,100	\$34,100
General Fund Subsidy	\$60,325	\$56,229	\$53,987	\$42,600	\$47,400

**RECENT ACCOMPLISHMENTS:**

The obstruction removal project at the airport was completed in the summer of 2013 which resulted in the clearing of 29+ acres of scrub trees and bushes located within the airport approach zone that would eventually have to be eliminated when they matured. Contracts were recently approved for the T-Hangar Apron and Drainage Improvement Project and the Security Gate and Camera Project.

Staff met with representatives of the FAA and the State of Iowa Division of Aviation to discuss pavement failures on the runway. The meeting resulted in a commitment from those agencies to provide federal funding for a major rehabilitation/replacement of paving on runway 6/24 and the parallel taxiway serving that runway.

A plan was developed for staff to assume more of a role in the ongoing airport inspection and maintenance programs that have previously been a part of the engineering contract.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To complete the T-Hangar Apron and Drainage Project and the Security Gate and Camera Project.
- \* To implement a program whereby existing staff conducts all monthly pavement inspections and reports required by the FAA; provides review and maintains records related to the storm water discharge permits; provides monthly inspections of the perimeter fence and vegetation; and develops a program that will prevent encroachments into approach and landing zones in compliance with FAA requirements. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To develop and support a program that permits the City Electrical Inspector to provide routine inspection and maintenance of runway lighting and other minor electrical failures at the airport. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To complete the preliminary and final design for the pavement improvement/replacement of runway 6/24. **(Council and Management Capital Project Goal)**

## Airport Operations

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 0	\$ (560)	\$ 0	\$ 0	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900
Hangar Rentals	22,011	21,781	21,900	21,500	21,500
Reimbursement of Costs	843	862	900	900	900
Farm Leases	6,639	34,000	34,000	34,100	34,100
Gasoline Commission	2,730	2,593	3,000	2,500	2,500
State Grant	6,475	12,929	0	0	0
Transfers In					
General Fund Subsidy	56,229	53,987	41,300	42,600	47,400
Total Revenues	\$ 104,827	\$ 136,052	\$ 111,000	\$ 111,500	\$ 116,300
Funds Available	\$ 104,827	\$ 135,492	\$ 111,000	\$ 111,500	\$ 116,300
Expenditures	105,387	135,492	111,000	111,500	116,300
Ending Balance, June 30	\$ (560)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	\$ (560)	\$ 560	\$ 0	\$ 0	\$ 0

**Function:**  
Business Type

**Department:**  
Community Development

**Activity:**  
**Airport Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	3,360	2,353	3,800	3,600	3,600	-5.26%
Contractual Services	84,878	100,344	98,900	99,600	100,700	1.82%
Capital Outlay	9,250	24,695	-	-	3,500	0.00%
Transfers	<u>7,900</u>	<u>8,100</u>	<u>8,300</u>	<u>8,300</u>	<u>8,500</u>	2.41%
Total Expenditures	<u>\$ 105,388</u>	<u>\$ 135,492</u>	<u>\$ 111,000</u>	<u>\$ 111,500</u>	<u>\$ 116,300</u>	4.77%
<b>Funding Sources</b>						
Airport Revenues	\$ 49,159	\$ 82,065	\$ 69,700	\$ 68,900	\$ 68,900	-1.15%
General Fund Operating Subsidy	<u>56,229</u>	<u>53,987</u>	<u>41,300</u>	<u>42,600</u>	<u>47,400</u>	14.77%
Total Funding Sources	<u>\$ 105,388</u>	<u>\$ 136,052</u>	<u>\$ 111,000</u>	<u>\$ 111,500</u>	<u>\$ 116,300</u>	4.77%

<b>Capital Outlay</b>			
<b>Item</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Hangar Canopy	1	No	<u>\$ 3,500</u>

## 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, three (3) part-time dispatchers, 18 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, and an evening service two nights a week primarily for the disabled. Since 2007 there has been a fourth fixed route for 4 hours each weekday during peak travel times. The shuttle service between Muscatine and Wilton was discontinued in September 2013. 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 2007/2008 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 2014/2015 is estimated to be \$361,300. 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 2014/2015 it is anticipated that the City will receive \$190,000 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 2013/2014 the City's transit levy rate was set at \$.47582 per \$1,000 of valuation which will generate \$380,000. This was a 17.1% increase in the transit tax levy rate compared to the previous year's rate of \$.40950 which generated \$320,000. The tax rate was 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 of the cost of two new buses

The transit levy rate for 2014/2015 has been reduced to \$.36764 per \$1,000 of valuation which will generate \$300,000. This is a 22.7% decrease in the transit tax levy rate. The tax rate is lower due to reduced bus maintenance costs and the budget not including any capital outlay. The original 2013/2014 budget included \$176,000 for two new transit vehicles (83% grant funded with a 17% local match). During the year funding was received from the Diesel Emissions Reduction Grant which provided \$174,400 in funding towards the \$190,000 total cost to replace two additional buses (local match of \$15,600). With the four new vehicles, maintenance cost are expected to be reduced in 2014/2015.

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 2013/2014 are over the original budget by \$22,600 primarily due to increased capital outlay costs of \$17,600 and increased insurance costs of \$5,000. The original 2013/2014 budget included \$176,000 to replace two buses; however, funding became available in 2012/2013 for those buses and the 2012/2013 budget was amended so the purchase order could be issued that fiscal year. The 2013/2014 revised estimate includes \$190,000 for the purchase of two additional transit buses funded from the Diesel Emissions Reduction Grant. That purchase plus smaller allocations for bus radio and video equipment account for the overall increase in the capital outlay revised estimate.

The 2014/2015 budget is \$164,500 (13.5%) less than the original 2013/2014 budget. This is primarily due to the \$178,000 decrease in capital outlay since no capital outlay items are budgeted in 2014/2015. A \$13,200 increase in personal services costs offset a portion of the capital outlay decrease.

As noted previously, the transit tax levy has been reduced by \$80,000 to \$300,000 for 2014/2015. Lowering the transit tax levy rate allowed the City to keep the overall tax rate the same as 2013/2014.

The Transit fund shows a balance at the end of 2014/2015 of \$31,901. This ending balance will be needed if there are increases in fuel or bus maintenance costs or it would allow matching funds for additional bus purchases if grant funds would become available. 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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Buses Used and Maintained	11	11	11	11	11
Fixed Bus Routes (Weekdays)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 4 hrs of the day, M-F)	3 (4 for 4 hrs of the day, M-F)
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	125,320	140,312	130,039	135,000	140,000
Paratransit Passengers	36,858	35,977	34,869	35,000	35,000
JARC for Work (Night service)	5,521	6,507	6,467	6,500	6,500
New Freedom (Night Service)	1,604	1,436	1,479	1,500	1,500
Muscatine/Wilton Shuttle *	3,277	4,045	2,694	428	0
Total Passengers	172,580	188,277	175,548	178,428	183,000

\* The Muscatine/Wilton Shuttle was eliminated September 30, 2013

**RECENT ACCOMPLISHMENTS:**

MuscaBus finished the 2012/2013 fiscal year with 175,548 rides provided; 282,898 revenue miles driven; and over 35,000 gallons of fuel used. The transit buses averaged 8.06 miles per gallon which is typical for light duty buses. Passengers were transported to work, home, school, medical appointments, the library, shopping, sporting events, and recreational venues to name a few of the many destinations of passengers over the course of the year.

The Transit division continues to operate three fixed routes from 6:30 a.m. – 5:00 p.m., Monday through Friday with an additional route midday from 11:40 a.m. -3:10 p.m., Monday through Friday. On Saturdays, fixed route buses operate from 8:30 a.m. to 4:00 p.m. and the ParaTransit service has identical operating hours. MuscaBus also offers evening service on Monday through Saturday from 5:30 p.m. to 12:00 a.m. This service is primarily offered for individuals going to or from work or training. On Tuesday and Thursday evenings from 5:30 p.m. – 9:30 p.m. there is an additional service that is not limited to work related activities. The Muscatine to Wilton shuttle was discontinued effective September 30, 2013. The decision to discontinue this service was made during 2013/2014 budget discussions and the date the service was discontinued coincided with the date JARC (Job Access/Reverse Commute) funding ceased. This service had operated since January 2010.

MuscaBus was represented at a number of community events throughout the year with participation in the Senior Expo, Earth Day, Senior Health Fair, Community Block Party, and a Regional Transit Summit organized by Bi-State Regional Planning. MuscaBus provided transportation for the Citizens Fire Academy, Heritage Days, Mississippi River Parkway Commission, Muscatine Symphony Orchestra, and visitors from the Chinese delegation. MuscaBus offered free rides for students K-12 during the summer months. This program has been very well received with almost 4,000 free rides provided. MuscaBus also assisted KanDo camp with rides for disabled children during the month of June.

Railroad Safety Training was provided in July for all drivers. Jim Vaughan from Canadian Pacific Railway Police was the presenter. All drivers also participated in Lean I training in-house during the course of the year.

MuscaBus expanded the ParaTransit service to include Ripley's Mobile Home Court in January 2013 when this area was annexed into the City. This service is offered during the hours of the day that route service is also offered to Ripley's.

This division partnered with the Melon City Bike Club to install a bike rack on Bus #242. Melon City paid for the purchase of the bike rack. Staff created a how-to video which is on the city's website for users. The bike rack has had some light usage by passengers wanting to bike and ride. The program fits well with the City's Blue Zone designation.

Transit staff is looking forward to the arrival of the four replacement vehicles. Buses #238 and #239 will be replaced in December 2013. Federal funds from Safety LU, 5309 monies and the city's participation will fund these replacements. The buses are 158" wheelbase, light duty gas buses. In March staff expects the arrival of two, light duty, 182" wheelbase, diesel buses. These are replacement vehicles for buses #244 and #245. Funding is from a Diesel Emission Reduction (DERA) grant and city participation.

**OBJECTIVES TO BE ACCOMPLISHED 2014/2015:**

- \* To continuously evaluate fixed routes to determine maximum effectiveness for service. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To evaluate and consider dispatch software for ParaTransit service.
- \* To utilize Lean concepts and practices to improve transit operations to provide better service for transit customers. **(Council and Management Lean/Continuous Service Improvement Goal)**

## Transit System

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance (Deficit), July 1	\$ 86,329	\$ 91,210	\$ 17,810	\$ (110,099)	\$ 62,801
Revenues	1,003,032	1,009,260	1,219,200	1,414,200 (2)	1,023,300 (3)
Encumbrance Variance	<u>0</u>	<u>753</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 1,089,361	\$ 1,101,223	\$ 1,237,010	\$ 1,304,101	\$ 1,086,101
Expenditures (1)	<u>998,151</u>	<u>1,211,322</u>	<u>1,218,700</u>	<u>1,241,300</u>	<u>1,054,200</u>
Ending Balance (Deficit), June 30	<u>\$ 91,210</u>	<u>\$ (110,099) (2)</u>	<u>\$ 18,310</u>	<u>\$ 62,801</u>	<u>\$ 31,901 (3)</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 4,881</b>	<b>\$ (201,309)</b>	<b>\$ 500</b>	<b>\$ 172,900</b>	<b>\$ (30,900)</b>
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1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The deficit fund balance at the end of 2012/2013 was due to \$168,598 in encumbrances for two buses ordered prior to the end of the fiscal year. Federal funding of \$149,600 will be received in 2013/2014 to fund 83% of the cost of these buses.
3. The Transit Tax levy budgeted for 2014/2015 is \$300,000. This will leave an ending fund balance sufficient to fund the 15% local match for two buses if grant funding would become available.

**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 overall tax rate.

## Transit System

### Summary of Revenues

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Transit Charges	\$ 176,542	\$ 179,203	\$ 171,000 (4)	\$ 171,000	\$ 172,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	\$ 260,771	\$ 255,035	\$ 316,100 (3)	\$ 321,900 (3)	\$ 361,300 (3)
Federal Job Access Grant	43,585	41,800	0	12,100 (3)	0 (3)
New Freedoms Grant	7,419	7,656	0	1,400 (3)	0 (3)
State Vehicle Use Tax	170,167	185,680	197,000	189,300	190,000
ICAAP Grant	34,668	17,997	0	4,100	0
Diesel Emissions Reduction Grant	0	800	0	0 (5)	0
Other Operating Grants	717	173	0	0	0
Capital Grants:					
Federal Funds for Equipment	1,557	0	0	0	0
State Funds for Equipment	5,600	0	0	0	0
Federal Funds - Buses	0	0	149,600	149,600	0
Federal Diesel Reduction Funds - Buses	0	0	0	174,400 (5)	0
Subtotal - Grants	<u>\$ 524,484</u>	<u>\$ 509,141</u>	<u>\$ 662,700</u>	<u>\$ 852,800</u>	<u>\$ 551,300</u>
General Fund Support:					
Transit Tax Levy	301,472	320,480 (1)	380,000 (2)	380,000	300,000 (6)
Sale of Vehicles	101	51	5,000	10,000	0
Interest	21	17	100	0	0
Donations	410	337	400	400	0
Other	<u>2</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 1,003,032</u>	<u>\$ 1,009,260</u>	<u>\$ 1,219,200</u>	<u>\$ 1,414,200</u>	<u>\$ 1,023,300</u>

1. The 2012/2013 Transit levy was increased to \$320,000 (from \$300,000) in order 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.
2. The Transit Tax levy for 2013/2014 of \$380,000 was based on increased bus maintenance and operating costs and also included funding for the local share of two new buses (\$26,400).
3. Beginning in October, 2013 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 previous Job Access and New Freedoms grants.
4. With the elimination of the Wilton shuttle service October 1, 2013, Transit fees were estimated to decrease by \$4,000.
5. Federal Diesel Emissions Reduction Act funding to retrofit transit vehicles to reduce diesel emissions was approved to be used towards the purchase of two new diesel buses in 2013/2014.
6. The budgeted 2014/2015 transit tax levy of \$300,000 will leave funding available for the local match for two transit vehicles if grant funding would become available.

Function:  
Business Type

Department:  
Public Works

Activity:  
**Transit System**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 652,390	\$ 652,479	\$ 685,600	\$ 683,200	\$ 698,800	1.93%
Commodities	129,818	126,656	128,500	128,800	128,500	0.00%
Contractual Services	190,429	245,687	209,500	216,600	209,300	-0.10%
Capital Outlay	9,389	169,398	178,000	195,600	-	
Transfers	16,100	16,600	17,100	17,100	17,600	2.92%
<b>Total Expenditures</b>	<b>\$ 998,126</b>	<b>\$ 1,210,820</b>	<b>\$ 1,218,700</b>	<b>\$ 1,241,300</b>	<b>\$ 1,054,200</b>	<b>-13.50%</b>
<b>Funding Sources</b>						
Transit Charges	\$ 176,542	\$ 179,203	\$ 171,000	\$ 171,000	\$ 172,000	0.58%
Transit Grants	524,484	509,141	662,700	852,800	551,300	-16.81%
Transit Tax Levy	301,472	320,480	380,000	380,000	300,000	-21.05%
Sale of Vehicles	101	51	5,000	10,000	-	-100.00%
Interest	21	17	100	-	-	-100.00%
Donations	410	337	400	400	-	
Other	2	31	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 1,003,032</b>	<b>\$ 1,009,260</b>	<b>\$ 1,219,200</b>	<b>\$ 1,414,200</b>	<b>\$ 1,023,300</b>	<b>-16.07%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<i>Full Time Positions/Position Allocations:</i>						
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	
<b>Total Full Time</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	
<i>Part Time Positions:</i>						
Transit Driver	11.19	11.50	10.94	10.62	10.55	
Transit Dispatcher	2.09	1.45	1.54	1.92	1.97	
Transportation Serviceperson	0.61	0.61	0.63	0.63	0.63	
<b>Total Part Time</b>	<b>13.89</b>	<b>13.56</b>	<b>13.11</b>	<b>13.17</b>	<b>13.15</b>	
<b>Total</b>	<b>15.09</b>	<b>14.76</b>	<b>14.31</b>	<b>14.37</b>	<b>14.35</b>	<b>\$ 562,500</b>
Employee Benefits						136,300
<b>Total Personal Services</b>						<b>\$ 698,800</b>

## 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>On-Street</u>	<u>Lot #1</u> <u>Chestnut</u> <u>Street</u>	<u>Lot #2</u> <u>W. 2nd</u> <u>Street</u>	<u>Lot #4</u> <u>Sycamore</u> <u>Street</u>	<u>Lot #6</u> <u>W. 3rd</u> <u>Street</u>	<u>Lot #7</u> <u>E. 3rd</u> <u>Street</u>	<u>Lot #8</u> <u>Cedar</u> <u>Street</u>	<u>Levee</u>	<u>Totals</u>
Free Parking	143	0	16 (4 hour)	14 (3 hour)	0	0	5 (3 hour)	497 (24 hour)	675
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, 2<sup>nd</sup> and Pine streets, and at the corner of 3<sup>rd</sup> 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. In 2013/2014 the meter rates were increased 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 were subsequently adopted by City Council and fully implemented by September 1, 2007. These 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 4<sup>th</sup> 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.

As noted previously, meter rates were further increased to \$.50 per hour for 2-hour meters and to \$.25 per hour for 10-hour meters effective July 1, 2013. The City also offered a “special” for leased parking for 2013/2014 in an effort to fill more leased spaces. The other changes adopted in 2007 continue to be in effect.

#### **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 decreased by \$17,047 during the 2012/2013 year. Parking meter rates were increased in 2013/2014 in an effort to have parking revenues fund parking expenditures on an annual basis.

The revised estimate expenditures for 2013/2014 are under the original budget in total by \$500. This is due to the net effect of various line item increases and decreases. Personal services costs are \$5,500 less than the amount budgeted primarily due to the reduction in hours from 30+/week to an average of 29 hours/week for each of the two meter attendants. Operating supplies have increased by \$1,100 due to increased purchases of battery packs for the meters, thermal paper for the handheld ticket printers, and window clings for leased parking. Repair and maintenance services were increased by \$5,100. There have been numerous meters with the remaining time displays not reading clearly and meters are being sent in to the meter company in batches for these repairs. The allocation for these repairs is expected to decrease in 2014/2015 after the bulk of the meters have been repaired.

The 2014/2015 expenditures are \$4,500 (2.3%) higher than the original budget for 2013/2014. This is primarily due to increased operating supplies of \$1,100, increased repair and maintenance services of \$2,700, and increased capital outlay for replacement meters of \$500.

Fiscal year 2013/2014 revenues are projected to be less than the original budget. The 2013/2014 budget included an increase in parking meter rates from \$.30/hour for 2-hour meters and \$.20/hour for the 10-hour meters to \$.50 and \$.25, respectively. This was originally projected to generate \$30,000 in additional revenue. Based on the first six months of parking meter revenues with the new rates, however, the parking fee revenue in the revised estimate has been reduced by \$7,000 from the original budget amount. Since meter revenues vary throughout the year, however, a full year of revenues will be needed to determine actual annual revenues with the new rates. Leased parking revenues are also \$9,500 less than the original budget. A leased parking “special” was offered in 2013/2014 in an effort to increase the number of spaces leased. While there were new leases added with this special, a business discontinued leasing 12 spaces and the number of spaces leased only increased by three (3).

Parking revenues for 2014/2015 are projected at \$194,100, which is \$1,000 more than the 2013/2014 revised estimate. As noted previously, a full year of revenues with the new rates will be needed to determine actual annual revenues with those rates. Efforts will continue to market the availability of leased parking spaces in the upcoming year. The Parking fund balance at the end of 2014/2015 is estimated at \$32,610.

**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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Metered Parking Spaces	432	432	432	432	432
Leased Parking Spaces	174	174	174	174	174
Reserved Parking Spaces *	106	106	106	106	106
Free Parking Spaces (Inc. Handicapped)	718	718	718	718	718
Total Parking Spaces	1,430	1,430	1,430	1,430	1,430
Overtime Parking Tickets Issued	8,684	11,212	9,788	10,400	10,400
Overtime Tickets Paid or Dismissed	7,603	9,400	8,070	8,632	8,632
Percent Paid or Dismissed	87.55%	83.84%	82.45%	83%	83%
Handicapped Tickets Issued	40	54	67	60	60
Handicapped Tickets Paid or Dismissed	37	49	55	49	49
Percent Paid or Dismissed	92.50%	90.74%	82.09%	82%	82%
Other Parking Tickets Issued	1,173	1,607	1,644	1,650	1,650
Other Tickets Paid or Dismissed	908	1,127	1,149	1,155	1,155
Percent Paid or Dismissed	77.41%	70.13%	69.89%	70%	70%
Overall Collection Rate	86.39%	81.99%	80.65%	81.26%	81.26%
Leased Parking Spaces Available	174	174	174	174	174
Spaces Leased	119	113	99	102	110
Percentage Leased	68.39%	64.94%	56.90%	58.62%	63%
Fines Collected by County Treasurer	\$15,201	\$8,945	\$11,795	\$12,000	\$12,000
Courtesy Tickets Issued	517	654	579	640	640

\* Reserved spaces include those reserved for the Library, Clark House and Central State Bank.

**RECENT ACCOMPLISHMENTS:**

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. There were 9,788 expired meter tickets issued in 2012/2013. This was a decrease of 12.7% from the prior year number of 11,212.

A leased parking “special” was offered for the 2013/2014 fiscal year in an effort to increase the number of available spaces leased. This resulted in several new leases; however, several previous leases were discontinued and there was only a net increase of three additional spaces leased. Efforts will continue to market the availability of leased spaces in the upcoming year.

A “Lean” initiative in prior years in the Parking division was the system to allow for the electronic transfer of the names and addresses of vehicle owners with unpaid tickets into the Parking software system. The City entered into an agreement with the Iowa Department of Transportation Motor Vehicle Division which allows City parking staff to electronically send lists of license plates with unpaid tickets to that office who would then send this information back electronically in a format which can be uploaded into the parking software system. A total of \$11,795 of ticket fines were collected by the County Treasurers Office for the City in 2012/2013. Efforts will continue to look for other “lean” initiatives in the Parking division.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* 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, to 57% in 2012/2013, and to 59% in 2013/2014. The goal is to increase this percentage to at least 63% for 2014/2015.
- \* To review Parking processes for additional "Lean" efficiencies. **(Council and Management Lean/Continuous Service Improvement Goal)**

## Parking System

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 57,436	\$ 56,457	\$ 33,555	\$ 39,410	\$ 38,010
Revenues					
Parking Fees	\$ 82,794	\$ 80,763	\$ 112,000 (2)	\$ 105,000 (2)	\$ 105,000 (2)
Parking Permits	36,498	31,206	36,000	26,500 (3)	27,500 (3)
Meter Hoods	2,370	4,590	1,000	1,500	1,500
Fines	60,558	60,826	58,000	60,000	60,000
Interest	153	99	100	100	100
Miscellaneous	0	30	0	0	0
Total Revenues	\$ 182,373	\$ 177,514	\$ 207,100	\$ 193,100	\$ 194,100
Funds Available	\$ 239,809	\$ 233,971	\$ 240,655	\$ 232,510	\$ 232,110
Expenditures (1)	183,454	194,561	195,000	194,500	199,500
Ending Balance, June 30	\$ 56,355	\$ 39,410	\$ 45,655	\$ 38,010	\$ 32,610
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (1,081)</b>	<b>\$ (17,047)</b>	<b>\$ 12,100</b>	<b>\$ (1,400)</b>	<b>\$ (5,400)</b>

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2013/2014 budget reflected a rate increase from \$.30 to \$.50/hour for 2-hour meters and from \$.20 to \$.25/hour for 10-hour meters. Based on actual revenues through December it appears revenues will be less than originally projected. A full year of revenue at the new rates will provide a better picture of the impact the rate increase had on revenues.
3. A leased parking "special" was offered for the 2013/2014 year which provided a reduced rate for parking leases paid in advance for the full fiscal year. While this generated a number of new leases, a business discontinuing leasing 12 spaces offset most of the number of new leases added with the "special".

**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. In 2013/2014 meter rates were increased which assisted in reducing the amount of the annual fund balance decrease.

**Function:**  
Business Type

**Department:**  
Finance

**Activity:**  
**Parking System**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 144,620	\$ 155,673	\$ 152,700	\$ 147,200	\$ 152,000	-0.46%
Commodities	2,338	3,648	2,000	3,200	3,200	60.00%
Contractual Services	9,537	9,565	18,000	21,800	20,800	15.56%
Capital Outlay	1,170	1,183	1,200	1,200	1,700	41.67%
Transfers	19,900	20,500	21,100	21,100	21,800	3.32%
<b>Total Expenditures</b>	<b>\$ 177,565</b>	<b>\$ 190,569</b>	<b>\$ 195,000</b>	<b>\$ 194,500</b>	<b>\$ 199,500</b>	<b>2.31%</b>
<b>Funding Sources</b>						
Parking Fees	\$ 121,662	\$ 116,559	\$ 149,000	\$ 133,000	\$ 134,000	-10.07%
Parking Fines	60,558	60,826	58,000	60,000	60,000	3.45%
Interest	153	99	100	100	100	0.00%
Miscellaneous	-	30	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 182,373</b>	<b>\$ 177,514</b>	<b>\$ 207,100</b>	<b>\$ 193,100</b>	<b>\$ 194,100</b>	<b>-6.28%</b>

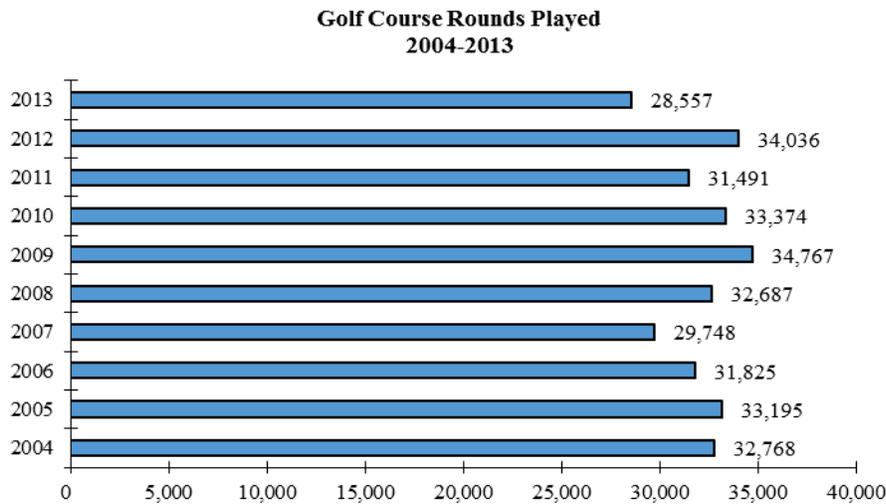
<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions/Position Allocations:</b>						
Finance Director	0.10	0.10	0.05	0.05	0.05	
Parking Meter Repairperson	0.25	0.25	0.10	0.10	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	
<b>Total Full Time</b>	<b>1.60</b>	<b>1.60</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	
<b>Part Time Positions:</b>						
Meter Attendant	1.50	1.50	1.50	1.46	1.46	
<b>Total</b>	<b>3.10</b>	<b>3.10</b>	<b>2.90</b>	<b>2.86</b>	<b>2.86</b>	<b>\$ 114,900</b>
Employee Benefits						37,100
<b>Total Personal Services</b>						<b>\$ 152,000</b>

<b>Capital Outlay</b>			
<b>Item:</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Electronic Meters	10	Yes	\$ 1,700

## 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. 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. Play decreased to 28,557 (16.1%) in 2013. The 2013 season started late with cool, wet weather and ended early resulting in the decreased rounds. 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 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 increases were budgeted for 2013; however rates are budgeted to increase for the upcoming 2014 season as shown in the following schedule:

<u>WEEK DAYS</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>	<u>2014</u>
Adults					
9 holes	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 15.00
18 holes	\$ 16.00	\$ 16.00	\$ 17.00	\$ 18.00	\$ 19.00
Senior Citizens					
9 holes	\$ 12.00	\$ 12.00	\$ 12.00	\$ 13.00	\$ 14.00
18 holes	\$ 14.00	\$ 14.00	\$ 15.00	\$ 16.00	\$ 17.00
Junior					
9 holes	\$ 10.00	\$ 11.00	\$ 11.00	\$ 5.00	\$ 5.00
18 holes	\$ 11.00	\$ 11.00	\$ 11.00	\$ 5.00	\$ 5.00

<u>WEEK DAYS</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>	<u>2014</u>
Adults 1-3 p.m.					
9 holes	N/A	N/A	N/A	\$ 9.00	\$ 10.00
18 holes	N/A	N/A	N/A	\$ 11.00	\$ 12.00
Senior Citizens 1-3 p.m.					
9 holes	N/A	N/A	N/A	\$ 8.00	\$ 9.00
18 holes	N/A	N/A	N/A	\$ 10.00	\$ 11.00

**WEEKENDS AND HOLIDAYS**

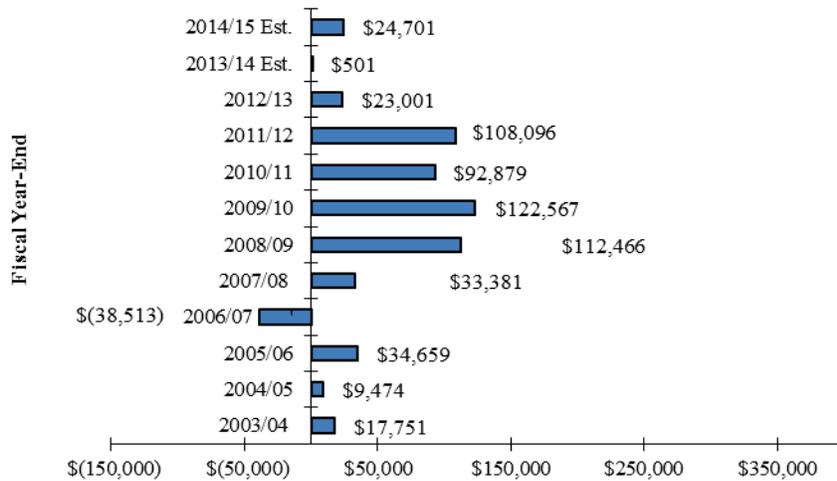
18 Holes					
Adult	\$ 16.00	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00
Senior Citizens	N/A	\$ 16.00	\$ 17.00	\$ 18.00	\$ 19.00
Juniors	N/A	\$ 13.00	\$ 14.00	\$ 5.00	\$ 6.00

**SEASON PASSES**

Adults	\$ 485.00	\$ 485.00	\$ 525.00	\$ 550.00	\$ 580.00
Juniors	\$ 160.00	\$ 160.00	\$ 160.00	\$ 90.00	\$ 90.00
Senior Citizens	\$ 405.00	\$ 405.00	\$ 440.00	\$ 465.00	\$ 490.00
College Student Pass	N/A	N/A	\$ 335.00	\$ 300.00	\$ 300.00
Family Pass	N/A	N/A	\$ 875.00	\$ 915.00	\$ 960.00

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 decrease in fund balance from 2011/2012 into the following years is due to the fairway irrigation system project which was completed in 2013. The total cost of this project was \$330,164 and it is being financed with an internal loan from other City funds. In 2012/2013 a \$60,000 down payment was made on the internal loan and payments of \$60,000 per year in 2013/2014 through 2016/2107 and a \$30,164 payment in 2017/2018 will complete the financing of this project. This payment schedule can be accelerated or extended based on available fund balances. The fund balance history is shown below.

**Golf Course Fund Balance History**



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 \$7,200 less than the original budget due to the net effect of increases and decreases in various line items of this budget. Purchases of food and beverages items for resale are \$5,000 less than the original budget, cart rental fees are \$3,700 less, and various other line items are \$2,800 less than the original budget. These savings have been partially offset by increases in insurance costs of \$700 and increased capital outlay of \$3,600 which includes funds to replace three clubhouse computers.

The budgeted expenditures for 2014/2015 are \$3,500 (.9%) less than the 2013/2014 budget. This overall decrease is primarily due to decreased capital outlay. There are no capital outlay requests for 2014/2015.

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. The insurance reimbursement would have funded 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 scheduled to be made over the next seven years. 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.

As discussed above, the fairway irrigation system project was completed in 2013 at a cost of \$330,164 and it is also being financed with an internal loan. The 2013/2014 and 2014/2015 budgets each include \$60,000 payments on the internal loan.

The revised estimate for 2013/2014 for the Golf Maintenance Operations activity budget is \$4,700 less than the original budget primarily due to a decrease in personal services and capital outlay purchases being less than budgeted.

The 2014/2015 budget is \$25,300 (5.3%) less than the 2013/2014 budget primarily due to the decrease in capital outlay. No capital outlay items are budgeted for 2014/2015.

### **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 2013/2014 will be minimal at \$501. This small balance is primarily due to the reduced golf revenues in 2013 with the numerous rain days in the spring. As noted previously, a fee increase is budgeted for the 2014 golf season. Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, net of inventory, at the end of 2014/2015 will increase to \$24,701. A number of factors, however, can continue to 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 can be either extended or accelerated based on actual funds that are available.

The 2014 season will be the 8th 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:**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
<b>Golf Maintenance Operations:</b>					
Top Dressed Greens	7	8	7	7	7
Stimped Greens	20	12	12	12	12
Aerified Greens	1	2	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	263	263	263	263
New Trees Planted	3	4	6	20	4
Bluebirds Fledged	25	6 (84 eggs)	28	20	20
Rolled Greens	29	27	26	15	15
Verti-cut Greens	6	7	6	7	7
<b>Clubhouse Operations:</b>					
Rounds Played	33,374	31,491	34,036	28,557	32,000
Events	48	50	49	45	48
Leagues	7	8	9	9	9
Season Pass Holders	312	277	298	243	280
Driving Range Tokens Sold	7,397	7,700	8,972	7,237	7,900
Gift Cards Sold (\$)	\$22,708	\$18,578	\$20,046	\$41,052*	\$43,000
Lesson Hours	165	168	175	162	170
Total Beer Sales (Units)	37,455	36,400	40,548	34,495	37,000
Total Food and Beverage (Units)	43,422	49,795	38,790	30,314	41,000
Simulator Usage (\$)	\$3,285	\$6,990	\$3,358	\$4,657	\$6,000
Merchandise Sales (\$)	\$44,731	\$59,414	\$63,906	\$62,188	\$67,000

\*Gift cards were used for cart passes starting in 2013.

**RECENT ACCOMPLISHMENTS:**

**Golf Course Operations**

The season started off very poorly for golfers in 2013 as it was very chilly and wet. A month of golfing weather was lost due to these conditions. This, however, allowed the irrigation contractor to install the rest of the fairway irrigation project with very little disruption to golfers or the course. The contractor did an outstanding job and the new system was a major factor in the good course conditions all season long with the drought that hit the later part of the summer. The new system has allowed for the course to be more efficient with water usage and allows more specific target watering. The course was in great shape at the end of the season and should be in great shape starting next spring.

There have been major improvements in the area behind the number two green. The timber is being cleared of all the underbrush and scrub trees to allow more air movement and visibility in this corner of the course. This has been received very well by the golfers and work will continue as time allows.

The driving range cement pad was installed in 2013 and used during the summer and fall. Staff did not close the grass area this season but gave golfers the choice to hit from the pad or the turf. Some golfers prefer the

pad and some do not. This worked out very well as some of the pressure on the turf was removed and the turf responded very well. The turf on the range is very good going into winter. The pad may be utilized in the spring if conditions are wet or frosty in the early mornings or until the turf starts to grow.

There were 18 trees added to the driving range tree nursery this fall bringing the total to 38 trees. This area is now full and staff will look at other areas to plant trees in the future.

### **Golf Course Clubhouse**

The golf course opened for play on March 30, 2013 and the season started with weather that was not ideal. Not only did the course open later than it has in the last several years, but the weather continued to stay cool and wet for much of the spring. With this slow start, season pass sales were down and the trend of less than average play continued through the summer. The entire region was plagued by poor weather and rounds were down about 12% across the state. The golf season also came to a quick end on November 21<sup>st</sup>. This was also the earliest the course has closed in the last several years.

With the golf course closing for the winter, the indoor season kicked off with the start of the Simulator season and the winter golf leagues. Interest has been good in the simulator leagues and they will continue until the golf course opens in the spring. Open simulator use and lessons will also continue all winter.

### **OBJECTIVES TO BE COMPLETED IN 2014/2015:**

#### **Golf Course Operations**

- \* To renovate the number 9 and number 15 greens. These greens need to be leveled in order to become more playable and have more holes. Cost estimates will be gathered with designs and plans developed so this project can be included in next year's budget request.
- \* 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 continue to work on the number 3 tee box to improve the soil conditions and playability.
- \* To continue to work within the approved budget.
- \* To continue to seek information on the lean initiative and implement new ideas. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* 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.
- \* To continue to clean out the wooded areas around the 2 green and 6 back tee boxes.
- \* To explore new tee box signage and a new entrance sign by the road. The current signs are starting to show deterioration and age.

### 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 the marketing reach by increasing the email database.
- \* 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 assist in encouraging 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. **(Council and Management Lean/Continuous Service Improvement Goal)**

## Golf Course Operations

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 58,899	\$ 60,863	\$ 55,763	\$ (26,899)	\$ (49,399)
Revenues	874,662	740,836	881,000	847,800 (4)	877,600 (4)
Encumbrance Variance	<u>1,328</u>	<u>185</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	<u>\$ 934,889</u>	<u>\$ 801,884</u>	<u>\$ 936,763</u>	<u>\$ 820,901</u>	<u>\$ 828,201</u>
Expenditures:					
Golf Course Maintenance Operations	\$ 483,751	\$ 463,782 (2)	\$ 481,900	\$ 477,200 (3)	\$ 456,600 (3)
Golf Clubhouse Operations	<u>390,275</u>	<u>365,001</u>	<u>400,300</u>	<u>393,100</u>	<u>396,800</u>
Total Expenditures (1)	<u>\$ 874,026</u>	<u>\$ 828,783</u>	<u>\$ 882,200</u>	<u>\$ 870,300</u>	<u>\$ 853,400</u>
Ending Balance, June 30	\$ 60,863	\$ (26,899)	\$ 54,563	\$ (49,399)	\$ (25,199)
Allowance for Inventory	<u>47,233</u>	<u>49,900</u>	<u>47,000</u>	<u>49,900</u>	<u>49,900</u>
Net Balance, June 30	<u>\$ 108,096</u>	<u>\$ 23,001</u>	<u>\$ 101,563</u>	<u>\$ 501</u>	<u>\$ 24,701</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 1,964</b>	<b>\$ (87,762)</b>	<b>\$ (1,200)</b>	<b>\$ (22,500)</b>	<b>\$ 24,200</b>
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1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2012/2013 expenditures included a downpayment of \$60,000 on the internal loan for the Irrigation System project.
3. The 2013/2014 revised estimate and the 2014/2015 budgeted expenditures each include payments of \$60,000 on the internal loan for the Irrigation project.
4. The 2013/2014 Revised Estimate and the 2014/2015 budget reflect a golf fee increase which will be effective for the 2014 golf season.

## Golf Course

### Summary of Revenues

	<u>Actual</u> <u>2011/2012</u>	<u>Actual</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>	<u>Revised</u> <u>Estimate</u> <u>2013/2014</u>	<u>Budget</u> <u>2014/2015</u>
Season Passes	\$ 122,005	\$ 102,402	\$ 130,000	\$ 121,000 (1)	\$ 128,000 (1)
Greens Fees	249,921	204,288	245,000	244,000 (1)	251,000 (1)
Trail Fees	200	200	200	200	200
Interest	161	142	100	100	100
Rental of Buildings	0	0	350	200	200
Lessons	5,490	4,975	6,000	5,500	6,000
Golf Cart Rental	209,093	176,282	205,000	200,000	205,000
Pull Cart Rental	582	695	800	750	800
Driving Range Fees	20,620	17,185	21,000	20,000	21,500
Simulator Fees	3,659	3,710	5,000	5,000	6,000
Catering Fee	174	102	400	300	300
Beer Sales	93,947	84,366	98,000	92,000	96,000
Food and Beverage Sales	73,741	58,878	70,000	62,000	63,000
Merchandise Sales	60,849	61,350	67,000	65,000	67,000
Miscellaneous Sales	2,448	1,470	2,000	2,000	2,000
Rebate - Soft Drink Supplier	1,800	0	2,000	2,000	2,000
Sales Tax	27,734	22,802	28,100	27,300	28,300
Sale of Equipment	0	0	0	400	0
Donation	0	435	0	0	0
Miscellaneous	2,238	1,554	50	50	200
<b>Total Revenues</b>	<u><u>\$ 874,662</u></u>	<u><u>\$ 740,836</u></u>	<u><u>\$ 881,000</u></u>	<u><u>\$ 847,800</u></u>	<u><u>\$ 877,600</u></u>

1. The 2013/2014 Revised Estimate and the 2014/2015 budget reflect a golf fee increase which will be effective for the 2014 golf season.

**Function:**  
Business Type

**Department:**  
Parks and Recreation

**Activity:**  
**Golf Maintenance Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 188,884	\$ 188,347	\$ 200,400	\$ 198,300	\$ 203,400	1.50%
Commodities	104,902	95,852	101,000	100,900	99,500	-1.49%
Contractual Services	48,030	55,271	42,700	42,400	42,100	-1.41%
Capital Outlay	50,773	10,377	27,700	25,500	-	-100.00%
Transfers	<u>86,639</u>	<u>108,600</u>	<u>110,100</u>	<u>110,100</u>	<u>111,600</u>	1.36%
Total Expenditures	<u>\$ 479,228</u>	<u>\$ 458,447</u>	<u>\$ 481,900</u>	<u>\$ 477,200</u>	<u>\$ 456,600</u>	-5.25%
<b>Funding Sources</b>						
Golf Funds	<u>\$ 479,228</u>	<u>\$ 458,447</u>	<u>\$ 481,900</u>	<u>\$ 477,200</u>	<u>\$ 456,600</u>	-5.25%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time:</b>						
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	
<b>Part Time:</b>						
Seasonal Equipment Operator	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	
<b>Total</b>	4.56	4.56	4.56	4.56	4.56	\$ 149,300
Employee Benefits						<u>54,100</u>
Total Personal Services						<u>\$ 203,400</u>

**Function:**  
Business Type

**Department:**  
Parks and Recreation

**Activity:**  
**Golf Clubhouse Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 155,403	\$ 153,946	\$ 161,300	\$ 160,300	\$ 165,100	2.36%
Commodities	141,249	129,789	135,800	130,800	136,800	0.74%
Contractual Services	88,278	80,369	96,500	91,700	94,900	-1.66%
Capital Outlay	5,345	896	6,700	10,300	-	-100.00%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 390,275</b>	<b>\$ 365,000</b>	<b>\$ 400,300</b>	<b>\$ 393,100</b>	<b>\$ 396,800</b>	<b>-0.87%</b>
<b>Funding Sources</b>						
Golf Fees and Sales	\$ 390,275	\$ 365,000	\$ 400,300	\$ 393,100	\$ 396,800	-0.87%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time:</b>						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
<b>Part Time:</b>						
Clubhouse Supervisor	1.49	1.35	1.35	1.35	1.35	
Cashier	1.14	1.18	1.18	1.00	1.18	
Laborer/Ranger	0.64	0.74	0.74	0.74	0.74	
<b>Total Part Time</b>	<b>3.27</b>	<b>3.27</b>	<b>3.27</b>	<b>3.09</b>	<b>3.27</b>	
<b>Total</b>	<b>4.27</b>	<b>4.27</b>	<b>4.27</b>	<b>4.09</b>	<b>4.27</b>	<b>\$ 131,100</b>
Employee Benefits						34,000
<b>Total Personal Services</b>						<b>\$ 165,100</b>

**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 2013/2014 revised estimate is \$900 less than the original budget primarily due savings in personal services costs.

The 2014/2015 budget totals \$25,000 which is \$700 (2.7%) less than the original 2013/2014 budget. Decreases in personal services and contractual services were partially offset by increases in commodities and transfers. The estimated fund balance as of June 30, 2014 is \$19,514 and it is estimated to increase to \$26,914 as of June 30, 2015.

The number of boat slip rentals and the corresponding revenue is dependent on river conditions each year and other factors. In 2011 forty-eight (48) boat slips were rented. The number increased in 2012 to sixty-nine (69) and decreased to forty-six (46) in 2013. The 2013 decrease was due to high water levels early in the season. Slip rental rates were increased by \$40 per slip for the 2010 season and were not increased for the 2011, 2012, or 2013 boating seasons. The current rates are budgeted to continue in 2014. 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>2010-2014</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:**

<b>Calendar Year Basis</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
House Boat Slips Rented	15	16	9	10	10
House Boat Slips Available	18	18	18	18	18
Percent Rented (House Boats)	83%	89%	50%	55%	55%
Other Slips Rented	33	53	37	40	40
Other Boat Slips Available	87	87	66*	66	66
Percent Rented (Other Slips)	38%	61%	56%	61%	61%
Courtesy Slip Rentals	17	15	7	10	10

\* The long dock slips were reconfigured to uniform widths for the 2013 boating season which reduced the number of other slips available.

**RECENT ACCOMPLISHMENTS:**

Staff dealt with three high water events in the spring of 2013 that impacted the start of the boating season and the number of slip rentals. This year staff did dock maintenance work replacing boards and fastening down loose boards as needed. Repairs were also made to water lines on the houseboat dock and the long dock. A diver from Muscatine Search and Rescue volunteered to reattach the chains to under water blocks on the long dock. Staff assisted Water Pollution Control (WPCP) department staff with dredging set up and tear down, sprayed the Harbor walls for weeds using City staff, and added revetment stone to the corner of the Harbor near Riverview Center in order to level out a low area.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To improve weed control along the banks of Harbor.
- \* To better educate and enforce boat harbor usage policies.
- \* To develop a plan for boat slip stiff arm upgrade improvements.
- \* To continue to provide support to the WPCP dredging operation.
- \* To continue to look for other initiatives to improve services or save time and costs in maintaining the Harbor. **(Council and Management Lean/Continuous Service Improvement Goal)**

## Boat Harbor Operations

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance (Deficit), July 1	\$ (9,337) (2)	\$ 6,256	\$ 19,456	\$ 11,914	\$ 19,514
Revenues					
Boat Slip Rentals	\$ 39,164	\$ 28,025	\$ 38,000	\$ 32,000	\$ 32,000
Overnight Slip Rentals	630	630	700	400	400
Interest	0	6	0	0	0
Other	20	10	0	0	0
Total Revenues	<u>\$ 39,814</u>	<u>\$ 28,671</u>	<u>\$ 38,700</u>	<u>\$ 32,400</u>	<u>\$ 32,400</u>
Funds Available	\$ 30,477	\$ 34,927	\$ 58,156	\$ 44,314	\$ 51,914
Expenditures (1)	<u>24,221</u>	<u>23,013</u>	<u>25,700</u>	<u>24,800</u>	<u>25,000</u>
Ending Balance (Deficit), June 30	<u><u>\$ 6,256</u></u>	<u><u>\$ 11,914</u></u>	<u><u>\$ 32,456</u></u>	<u><u>\$ 19,514</u></u>	<u><u>\$ 26,914</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 15,593</b>	<b>\$ 5,658</b>	<b>\$ 13,000</b>	<b>\$ 7,600</b>	<b>\$ 7,400</b>
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1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The deficit at the beginning of 2011/2012 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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 12,671	\$ 10,588	\$ 14,400	\$ 13,600	\$ 13,500	-6.25%
Commodities	585	696	700	1,200	1,200	71.43%
Contractual Services	5,704	7,049	5,200	4,600	4,700	-9.62%
Capital Outlay	-	-	-	-	-	
Transfers	<u>5,000</u>	<u>5,200</u>	<u>5,400</u>	<u>5,400</u>	<u>5,600</u>	3.70%
Total Expenditures	<u>\$ 23,960</u>	<u>\$ 23,533</u>	<u>\$ 25,700</u>	<u>\$ 24,800</u>	<u>\$ 25,000</u>	-2.72%
<b>Funding Sources</b>						
Boat Harbor Revenues	<u>\$ 39,814</u>	<u>\$ 28,671</u>	<u>\$ 38,700</u>	<u>\$ 32,400</u>	<u>\$ 32,400</u>	-16.28%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time:</b>						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 11,000
Employee Benefits						<u>2,500</u>
Total Personal Services						<u>\$ 13,500</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 2013/2014 revised estimate and 2014/2015 budget allow for fuel purchases and fuel sales to continue at recent year levels. Both the revised estimate for 2013/2014 and the budget projection for 2014/2015 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:

	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>	<b>Estimated 2015</b>
Gallons of Gasoline Sold	3,933	3,813	1,652*	3,000	3,000
Gallons of Diesel Fuel Sold	635	602	274*	500	500
Hours Open	129	179	114*	180	180

\* In 2013 the gas dock did not open until July due to floods

**RECENT ACCOMPLISHMENTS:**

In 2013 the gas dock did not open until July due to three flood events. During the year staff completed repairs and upgrades to the utilities that feed the gas dock. New seasonal staff was hired and trained and there were no issues with documentation of fuel sales during the year.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To complete repairs to the fuel shed.
- \* To continue to hire quality seasonal staff and provide training for both the safe operation of the gas dock and the proper documentation of fuel sales.

## Marina Operations

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance (Deficit), July 1	\$ (5,371)	\$ (3,295)	\$ (3,195)	\$ (5,226)	\$ (5,726)
Revenues					
Fuel Sales	\$ 18,734	\$ 12,971	\$ 18,000	\$ 14,500	\$ 15,000
Miscellaneous	23	108	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>775</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 19,532</u>	<u>\$ 13,079</u>	<u>\$ 18,100</u>	<u>\$ 14,600</u>	<u>\$ 15,100</u>
Funds Available	\$ 14,161	\$ 9,784	\$ 14,905	\$ 9,374	\$ 9,374
Expenditures	<u>17,456</u>	<u>15,010</u>	<u>18,500</u>	<u>15,100</u>	<u>14,700</u>
Ending Balance (Deficit), June 30	\$ (3,295)	\$ (5,226)	\$ (3,595)	\$ (5,726)	\$ (5,326)
Allowance for Inventory	<u>3,295</u>	<u>5,300</u>	<u>3,595</u>	<u>5,726</u>	<u>5,326</u>
Net Balance (Deficit), June 30	<u>\$ 0</u>	<u>\$ 74</u>	<u>\$ 0</u>	<u>\$ 0 (1)</u>	<u>\$ 0 (1)</u>

<b>Increase (Decrease) in Net Fund Balance</b>	<b>\$ 2,076</b>	<b>\$ (1,931)</b>	<b>\$ (400)</b>	<b>\$ (500)</b>	<b>\$ 400</b>
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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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 1,725	\$ 1,118	\$ 1,800	\$ 1,800	\$ 1,800	0.00%
Commodities	12,036	13,191	15,800	12,500	12,000	-24.05%
Contractual Services	3,694	701	900	800	900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 17,455</b>	<b>\$ 15,010</b>	<b>\$ 18,500</b>	<b>\$ 15,100</b>	<b>\$ 14,700</b>	<b>-20.54%</b>
<b>Funding Sources</b>						
Fuel Sales	\$ 18,734	\$ 12,971	\$ 18,000	\$ 14,500	\$ 15,000	-16.67%
Miscellaneous Revenue	23	108	100	100	100	0.00%
Subsidy to Eliminate Deficit	775	-	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 19,532</b>	<b>\$ 13,079</b>	<b>\$ 18,100</b>	<b>\$ 14,600</b>	<b>\$ 15,100</b>	<b>-16.57%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Part Time:</b>						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 1,500
Employee Benefits						300
<b>Total Personal Services</b>						<b>\$ 1,800</b>

## 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 (Basic Life Support) rate increasing to \$525, the ALS1 (Advanced Life Support) 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 2014/2015, 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 2013/2014 and the percentage increased slightly to 25.7% for 2014/2015. While the percentage remained the same from 2012/2013 to 2013/2014, with increased wage and pension contribution costs, the amount of the transfer increased from \$839,000 in 2012/2013 to \$885,300 in 2013/2014, an increase of \$46,300 (5.5%). The transfer for 2014/2015 is budgeted to increase by \$26,600 to \$911,900 (3.0%). As 90% or more of Fire department calls are medical, this percentage allocation is appropriate and at the same time has maintained an adequate balance in the Ambulance fund.

The revised estimated expenditures for 2013/2014 are \$54,600 higher than the original budget. Personal services costs are \$31,900 higher than the original budget due to increased part-time ambulance attendant hours. The number of part-time staff and their availability have increased in the past year. Capital outlay increased by \$9,500 from the original budget with \$6,000 of that amount funded from a local grant. There were also increases in medical supplies (\$4,000) and repair and maintenance supplies and services (\$9,100).

The budgeted expenditures for 2014/2015 are \$48,300 (3.4%) less than the 2013/2014 budget. This overall decrease is due to the decrease of \$103,100 in capital outlay funded from the operating budget in 2014/2015. There were increases in personal services, commodities, contractual services, and transfers, which offset a portion of the capital outlay decrease. There were additional capital outlay requests that are not included in the operating budget due to the limited balance in the Ambulance fund. These items total \$221,000 and include \$168,000 to replace six cardiac monitors and \$53,000 to purchase four CPR devices. The cardiac monitors are reaching the end of their useful lives and the City has been notified by the manufacturer that maintenance support will no longer be available in 2016 or perhaps earlier. The CPR devices maintain compressions on persons in cardiac arrest while a patient is being moved or in places where manual compressions must be stopped. The City currently has only one of these devices; the budget allocation for 2014/2015 will make the device available in all ambulances. These items have at least ten-year useful lives and are budgeted to be funded from the June 2, 2014 bond issue.

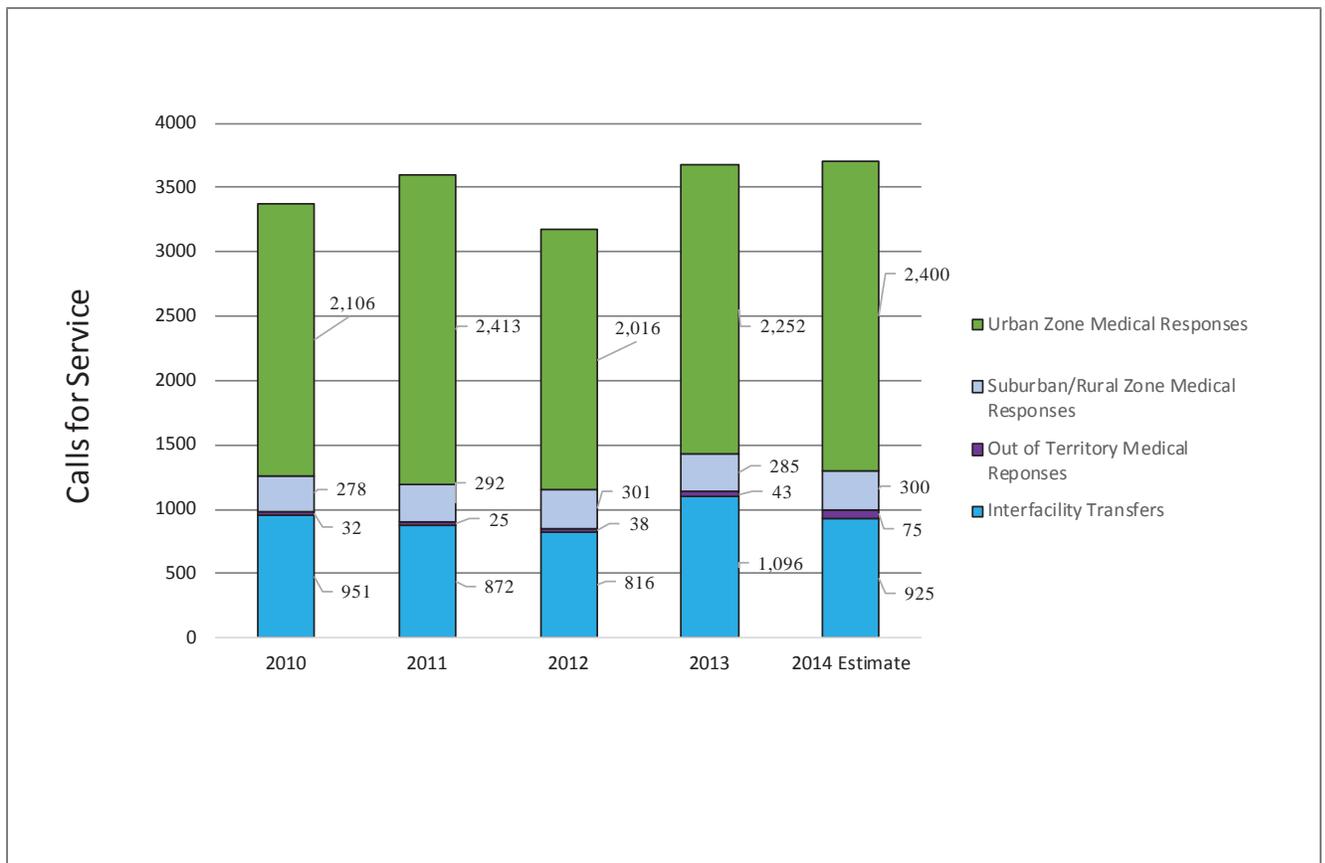
Ambulance service fees are estimated at \$1,250,000 for 2013/2014 and \$1,280,000 for 2014/2015. Usage and revenues have fluctuated in recent years and staff continues to monitor trends in these areas. The fund balance at the end of 2014/2015 is projected at \$52,827.

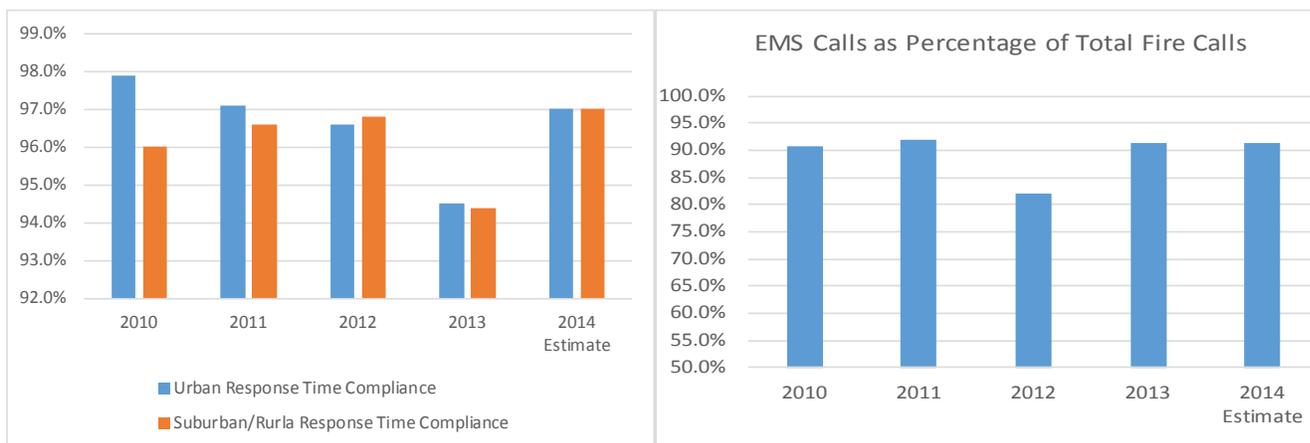
#### **GOAL STATEMENT:**

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**

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
Urban Zone Medical Responses	2,106	2,413	2,016	2,252	2,400
Suburban/Rural Zone Medical Responses	278	292	301	285	300
Out of Territory Medical Responses	32	25	38	43	75
Interfacility Transfers	951	872	816	1,096	925
Total EMS Calls	3,367	3,602	3,171	3,676	3,700
EMS Calls as % of Total Fire Calls	90.8%	92.0%	82.1%	91.3%	91.5%
EMS Training Hours	1,983	1,174	1,480	1,502	1,700
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	97.9%	97.1%	96.6%	94.5%	97%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	96.0%	96.6%	96.8%	94.4%	97%





**RECENT ACCOMPLISHMENTS:**

The Fire Department held the Annual County EMS Day at the Farm and Fleet parking lot. This event is used as a public relations event to promote health and well-being throughout the community and is well represented by the other EMS agencies in the county. Activities include a helicopter on display, engine and ambulance tours, bicycle helmet give-away, child ID cards, blood pressure screenings, and the smokehouse from Davenport.

The department hosted the 4<sup>th</sup> Annual SE EMS Saturday Conference which is attended by several EMS agencies within the county and serves as a great partnering relationship with the other organizations.

Staff participated in ALICE (active shooter) training with the Muscatine School District, system standardization meetings, and the Coverdell Stroke program that is a new program to be implemented throughout Iowa EMS organizations in the near future.

The department supported Operation Prom again this year which focuses on educating high school students regarding the hazards of driving impaired during prom weekend and throughout the year.

Muscatine has been recognized as a trend setter for cardiac care. With the rollout of cardiac enzyme testing in the field, the *Muscatine Journal* published an article that was circulated throughout the emergency response community through news links. The department has been contacted in response to these links and has shared information on the program.

Staff members continue to be recognized as leaders in the profession and serve in various capacities throughout the state. Muscatine remains a strong influence in the field of EMS at the local, state, and national levels. In addition, members serve on various oversight committees and boards, including the Muscatine Community Health Association, EMSLRC (University of Iowa’s EMS training department) Advisory Board, Eastern Iowa Community College’s EMS Advisory Board, Iowa City Mercy Hospital cardiac conference committee, Muscatine IPOST (a program that replaces the “do not resuscitate” orders used in the past) Implementation committee, State of Iowa IPOST task force, and other groups throughout the region.

The department continues to promote the training and preparation for use of emergency response measures that law enforcement can utilize. This includes support to special response teams in the City and County and

also training and support for law enforcement stocking and use of tourniquets. Few EMS services have the relationship with local law enforcement that is present in Muscatine.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To transition all staff and the ambulance service to the new Iowa Paramedic level of service
- \* To obtain a third party audit of present billing practices, look for trends in billing and reimbursement, and review options available for improving both billing and reimbursements.
- \* To perform sampling and limited testing of various electronic patient care reporting software.
- \* To begin the process of transitioning forms and reports to electronic copies in order to decrease the amount of paper used; to review the present process and create a plan utilizing Lean principles in order to improve efficiency in the collection, processing, and storage of medical reports and supporting materials.  
**(Council and Management Lean/Continuous Service Improvement Goal)**

## Ambulance Operations

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 458,463	\$ 214,444	\$ 242,744	\$ 289,927	\$ 109,227
Revenues					
Ambulance Fees	\$ 1,140,432	\$ 1,280,036	\$ 1,250,000	\$ 1,250,000	\$ 1,280,000
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	(24,789)	7,133	0	0	0
Township Subsidies	31,400	31,400	30,000	30,000	30,000
Donations	20,000	17,219	0	8,600	0
Interest	375	154	200	100	100
Local Grant/Reimbursement	0	13,204	0	0	0
Reimbursement of Damages	0	2,522	0	0	0
Other	0	200	0	0	0
Transfer In:					
Ambulance Refurbishment Capital Project Fund	12,482	0	0	0	0
Total Revenues	<u>\$ 1,179,900</u>	<u>\$ 1,351,868</u>	<u>\$ 1,280,200</u>	<u>\$ 1,288,700</u>	<u>\$ 1,310,100</u>
Funds Available	\$ 1,638,363	\$ 1,566,312	\$ 1,522,944	\$ 1,578,627	\$ 1,419,327
Expenditures (1)	<u>1,423,919</u>	<u>1,276,385</u>	<u>1,414,800</u>	<u>1,469,400</u> (2)	<u>1,366,500</u>
Ending Balance, June 30	<u>\$ 214,444</u>	<u>\$ 289,927</u>	<u>\$ 108,144</u>	<u>\$ 109,227</u>	<u>\$ 52,827</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (244,019)</b>	<b>\$ 75,483</b>	<b>\$ (134,600)</b>	<b>\$ (180,700)</b>	<b>\$ (56,400)</b>
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- 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.
- The 2014/2015 budget reflects funding a total of \$221,000 in ambulance equipment from bond proceeds instead of the Ambulance fund since the fund balance is not sufficient to fund these purchases. These purchases include \$168,000 for cardiac monitors and \$53,000 for CPR devices.

#### **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 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 123,482	\$ 137,012	\$ 132,200	\$ 164,100	\$ 147,700	11.72%
Commodities	77,817	93,832	91,200	98,200	99,300	8.88%
Contractual Services	146,863	160,610	167,100	173,300	170,700	2.15%
Capital Outlay	255,358	10,100	104,500	114,000	1,400	-98.66%
Transfers	818,800	872,500	919,800	919,800	947,400	3.00%
<b>Total Expenditures</b>	<b>\$ 1,422,320</b>	<b>\$ 1,274,054</b>	<b>\$ 1,414,800</b>	<b>\$ 1,469,400</b>	<b>\$ 1,366,500</b>	<b>-3.41%</b>
<b>Funding Sources</b>						
Ambulance Fees	\$ 1,115,643	\$ 1,287,169	\$ 1,250,000	\$ 1,250,000	\$ 1,280,000	2.40%
County Subsidy	31,400	31,400	30,000	30,000	30,000	0.00%
Donations	20,000	17,219	-	8,600	-	
Interest	375	154	200	100	100	-50.00%
Transfer from Ambulance Refurbishment Project Fund	12,482	-	-	-	-	
Local Grant/Reimbursements	-	13,204	-	-	-	
Other	-	2,722	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 1,179,900</b>	<b>\$ 1,351,868</b>	<b>\$ 1,280,200</b>	<b>\$ 1,288,700</b>	<b>\$ 1,310,100</b>	<b>2.34%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
<b>Part Time:</b>						
Ambulance Attendants	0.53	0.53	0.53	1.32	0.74	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
<b>Total</b>	<b>1.78</b>	<b>1.78</b>	<b>1.78</b>	<b>2.57</b>	<b>1.99</b>	<b>\$ 119,600</b>
Employee Benefits						28,100
<b>Total Personal Services</b>						<b>\$ 147,700</b>

<b>Capital Outlay</b>			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Wireless Modems for Cardiac Monitors	2	No	\$ 1,400
<b>Total</b>			<b>\$ 1,400</b>

<b>Capital Outlay - Bond Funding</b>			
<i>Item:</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Cardiac Monitors	6	Yes	\$ 168,000
CPR Devices	4	No	53,000
<b>Total</b>			<b>\$ 221,000</b>

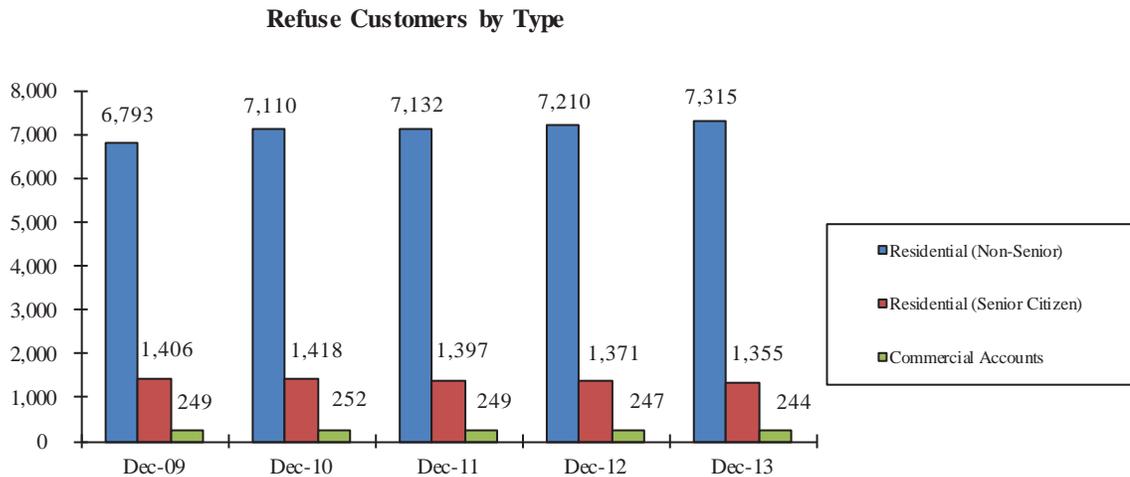
## SOLID WASTE MANAGEMENT FUNDS

### 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:



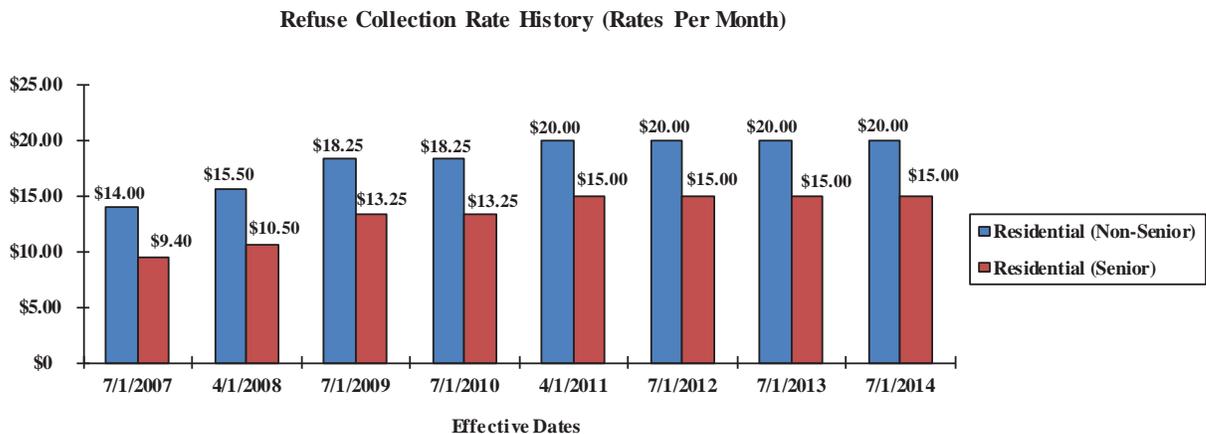
\* December 2010 - 2013 Residential (Non-Senior) customers includes 325 residences in Fruitland in 2010-2012 and 330 in 2013.

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 2<sup>nd</sup> through the 5<sup>th</sup> 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 currently performed by five (5) full-time refuse drivers, one (1) solid waste lead worker, a Solid Waste Supervisor, and temporary refuse collection workers. There were six fulltime refuse driver positions in the original 2013/2014 budget; however, one of these positions became vacant in 2013 and has not been filled. This is due to the planned conversion to automated refuse collection over the next several years. Temporary employees are currently filling in as needed with this change in staffing. 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 2014/2015.



**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. In 2012/2013 the refuse collection division disposed of 7,957 tons of waste at the Transfer Station. The increase in waste volume included the addition of approximately 325 residential units effective April 1, 2013 with the annexation of the area which includes Ripley's Mobile Home Court. The 2013/2014 and 2014/2015 budgets each include \$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 reflects a full year of refuse from Ripley's Mobile Home Court.

During the 2013/2014 budget review process, 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 are significant with side-loading refuse vehicles having a higher cost than regular vehicles and the added cost to provide customers with bins that can be loaded by the 1-person trucks. The 2013/2014 budget included funds for a "trial area" to start moving in this direction, but did not include funding to either replace a current refuse vehicle or purchase a side-loading vehicle. The capital outlay items purchased in 2013/2014 included \$23,200 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. Refuse bins were also purchased for the trial area in 2013/2014 at a cost of \$47,800. It should be noted that

with the tippers, a two person crew is still required. The 2014/2015 budget includes funding to begin implementation of a long-term plan to convert to side-loading refuse vehicles. The 2014/2015 budget includes \$240,000 for one automatic refuse collection vehicle and \$150,000 for approximately 3,000 containers for residential customers. The transition to the automated refuse collection program will need to be implemented over a number of years. This will include replacing additional refuse collection vehicles with 1-person vehicles at the time the older vehicles are replaced as well as providing the required refuse bins for all residential customers. It should be noted that with the last payment on the bond issue for the separate refuse collection vehicle building at the Transfer Station being made in 2013/2014 (approximately \$100,000 annually) this will allow more funding to be available in 2014/2015 and future years for the capital purchases which will be required to implement this program.

The 2013/2014 revised estimate is \$29,700 less than the budgeted amount. Personal services costs are \$68,800 less than the original budget due to not filling a fulltime refuse collection driver position when it became vacant. With the planned transition to automatic refuse collection vehicles, fewer refuse drivers will be needed when that program is operational. In the interim, more temporary refuse workers are being used. The personal services cost savings has been partially offset by increases in other areas of the budget. Contractual services are \$28,300 higher than the original budget primarily due to \$20,400 for hauling large stumps from the compost area to the landfill and \$7,500 in additional costs for disposal of e-waste, tires, and appliances picked up during Cleanup Week. Capital outlay costs were also higher than the original budget by \$11,000 due to additional refuse containers purchased for the pilot program.

The budget for 2014/2015 is \$207,054 (9.5%) more than the 2013/2014 budget. This overall increase is due to the following: (1) continued decrease in personal services costs with the reduction of one fulltime refuse collection driver net of the additional cost for temporary part-time workers (\$55,100); (2) reduction of \$98,046 in transfers since 2013/2014 is the final year of debt service payments on the refuse building at the Transfer Station; (3) \$16,400 increase in contractual services including \$7,500 for increased disposal costs for e-waste, tires, and appliances picked up during cleanup week and \$6,700 for increased insurance costs; (4) and a \$344,000 increase in capital outlay costs. The capital outlay purchases budgeted in 2014/2015 total \$414,000 and include \$240,000 for one automatic refuse collection vehicle, \$14,000 for a tipper for a current refuse truck, \$150,000 for refuse bins for approximately 3,000 residential customers, and \$10,000 for dumpsters.

The 2014/2015 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 2013/2014 or 2014/2015 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 2014/2015 is \$37,092 after the significant capital purchases included in the budget.

#### **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 residents of Muscatine.

**PERFORMANCE MEASURES:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Tons of Refuse Collected	7,731	7,793	7,957	8,100	8,100
Regular Residential Customers - December	6,785	6,807	6,880	6,983	6,985
Senior Residential Customers - December	1,418	1,397	1,371	1,355	1,360
Commercial and Industrial Customers - December	252	249	247	244	250
Ripley's Mobile Home Court – Residential Units **	NA	NA	325	325	325
Fruitland Residential Customers – December	325	325	330	332	332
Cleanup Week Collections (Tons)	526	530	580	580	580
Number of Recycling Trailers	16/5 *	5	5	5	5
Recycling Trailer Collections (Tons)	892 *	260	240	250	250
Single Sort Curbside Recycling (Tons)	294	1,284	1,330	1,450	1,450
Curbside Pickups (calendar year)	1,245	1,163	1,028	1,100	1,100

\* 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 were expanded to include the recently annexed Ripley's Mobile Home Court. This is being 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 2013 Muscatine's curbside recycling program finished its second year of operation. During the past fiscal year, 1,330 tons of recycling was kept out the landfill. Residents have adapted to the program and approximately 95% of the households are recycling which demonstrates that the single sort recycling program has been successful in the community.

In November 2013, the City of Muscatine was awarded the *Muscatine Journal's* Peoples Choice Award for Best Recycling Program. The City was chosen from three finalists and residents voted for the City's program over two private sector recycling providers. The People Choice Award was not specific to only curbside recycling; however, the curbside program is in the forefront of recycling programs for the City's residents.

Also in November 2013, the pilot program began for phasing in a program for automated waste collection in the community. Approximately 850 households received containers for placing waste for pickup each week. Tippers were added to the back of the two newest refuse collection trucks. There is a learning period for residents to understand how they need to utilize their recycling and regular waste bins on their refuse collection day. Management and staff are working on issues in the trial area as they arise. As noted above, the capital outlay requests in the 2014/2015 budget include an automated refuse collection truck and 3,000 containers to take the next step toward full implementation of this program

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To continue to research the possible use of GIS technology for more efficient routing and better daily communication with refuse collection staff. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To continue safety programs with the goal of maintaining a safe work environment
- \* To continue to participate in public outreach, community beautification, sustainability, and other environmental programs in the community.
- \* To continue working with the Code Enforcement Officer on issues related to the refuse collection program.
- \* To expand the Refuse Collection Pilot Program and begin implementation of the automated refuse collection program.
- \* To continue “Lean” training for employees and to find opportunities to utilize the “Lean” process in refuse collection operations. A specific “Lean” project for the upcoming year will involve creating better policies and procedures for the bulky waste pickup program. **(Council and Management Lean/Continuous Service Improvement Goal)**

**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>
2013/14	<u>\$ 96,800</u>	<u>\$ 3,146</u>	<u>\$ 99,946</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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 149,400	\$ 191,650	\$ 236,381	\$ 211,538	\$ 242,692
Revenues					
Charges for Services	\$ 2,093,287	\$ 2,119,732 (3)	\$ 2,158,000	\$ 2,158,000 (4)	\$ 2,158,000
Sales - Yard Waste Bags	12,727	11,866	12,000	12,000	12,000
Commercial Brush Fee	49	1,420	1,000	1,000	1,000
Rental of Dumpsters	0	0	100	100	100
Interest	184	125	100	100	100
Sales Tax	4,378	4,554	4,700	4,500	4,500
Donations	0	200	0	0	0
Total Revenues	<u>\$ 2,110,625</u>	<u>\$ 2,137,897</u>	<u>\$ 2,175,900</u>	<u>\$ 2,175,700</u>	<u>\$ 2,175,700</u>
Encumbrance Variance	<u>0</u>	<u>301</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 2,260,025	\$ 2,329,848	\$ 2,412,281	\$ 2,387,238	\$ 2,418,392
Expenditures (1)	<u>2,068,375 (2)</u>	<u>2,118,310</u>	<u>2,174,246</u>	<u>2,144,546</u>	<u>2,381,300 (5)</u>
Ending Balance, June 30	<u>\$ 191,650</u>	<u>\$ 211,538</u>	<u>\$ 238,035</u>	<u>\$ 242,692</u>	<u>\$ 37,092</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 42,250</b>	<b>\$ 19,888</b>	<b>\$ 1,654</b>	<b>\$ 31,154</b>	<b>\$ (205,600)</b>
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- Expenditures include changes in compensated absences and other post-employment benefits.
- The actual 2011/2012 expenditures included a \$50,000 transfer to the Transfer Station fund to eliminate the deficit in that fund. A similar transfer for \$200,000 was done in 2010/2011.
- Actual 2012/2013 revenues included \$17,062 from Ripley's Mobile Home Court for April - June, 2013. Refuse collection service began April 1, 2013 for this recently annexed area.
- Fiscal year 2013/2014 revenues reflect a full year of refuse collection services for Ripley's Mobile Home Court estimated at \$68,250.
- The 2014/2015 budgeted expenditures include \$240,000 for an automated refuse collection vehicle and \$150,000 for additional garbage containers for residents.

**Function:**  
Business Type Activity

**Department:**  
Public Works

**Activity:**  
**Refuse Collection**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 684,341	\$ 721,997	\$ 760,800	\$ 692,000	\$ 705,700	-7.24%
Commodities	64,441	80,428	70,400	70,200	70,200	-0.28%
Contractual Services	1,090,771	1,106,820	1,109,500	1,137,800	1,125,900	1.48%
Capital Outlay	4,999	36,621	70,000	81,000	414,000	491.43%
Transfers	209,793	161,669	163,546	163,546	65,500	-59.95%
<b>Total Expenditures</b>	<b>\$ 2,054,345</b>	<b>\$ 2,107,535</b>	<b>\$ 2,174,246</b>	<b>\$ 2,144,546</b>	<b>\$ 2,381,300</b>	<b>9.52%</b>
<b>Funding Sources</b>						
Charges for Services	\$ 2,093,287	\$ 2,119,732	\$ 2,158,000	\$ 2,158,000	\$ 2,158,000	0.00%
Sales - Yard Waste Bags	12,727	11,866	12,000	12,000	12,000	0.00%
Other Fees	49	1,420	1,000	1,000	1,000	0.00%
Sales Tax	4,378	4,554	4,700	4,500	4,500	-4.26%
Interest	184	125	100	100	100	0.00%
Other	-	200	100	100	100	
<b>Total Funding Sources</b>	<b>\$ 2,110,625</b>	<b>\$ 2,137,897</b>	<b>\$ 2,175,900</b>	<b>\$ 2,175,700</b>	<b>\$ 2,175,700</b>	<b>-0.01%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Solid Waste Manager	0.50	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	6.00	6.00	6.00	5.00	5.00	
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	0.50	0.50	0.50	0.50	0.50	
<b>Total Full Time</b>	<b>9.83</b>	<b>9.83</b>	<b>9.83</b>	<b>8.83</b>	<b>8.83</b>	
<b>Part Time:</b>						
Compost Site Attendant	0.48	0.83	0.83	0.73	0.73	
Rufuse Collection	-	1.30	1.30	1.42	1.40	
<b>Total</b>	<b>10.31</b>	<b>10.66</b>	<b>10.66</b>	<b>10.98</b>	<b>10.96</b>	<b>\$ 476,800</b>
Employee Benefits						228,900
<b>Total Personal Services</b>						<b>\$ 705,700</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tipper for Refuse Truck	1	No	\$ 14,000
Bins for Refuse Collection	3,000	No	150,000
Dumpsters			10,000
Automated Refuse Truck	1	Yes	240,000
			<u>\$ 414,000</u>

## SOLID WASTE MANAGEMENT FUNDS

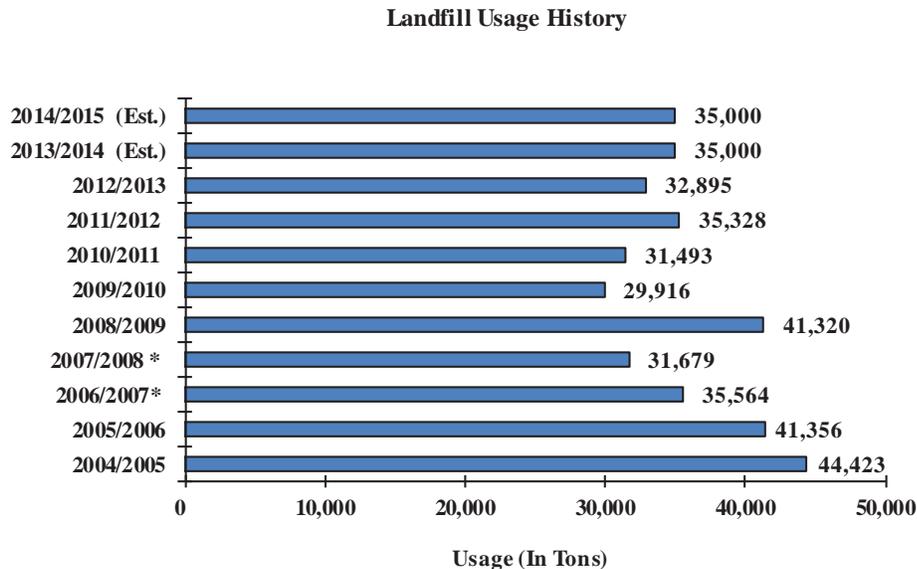
### LANDFILL OPERATIONS

#### 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.

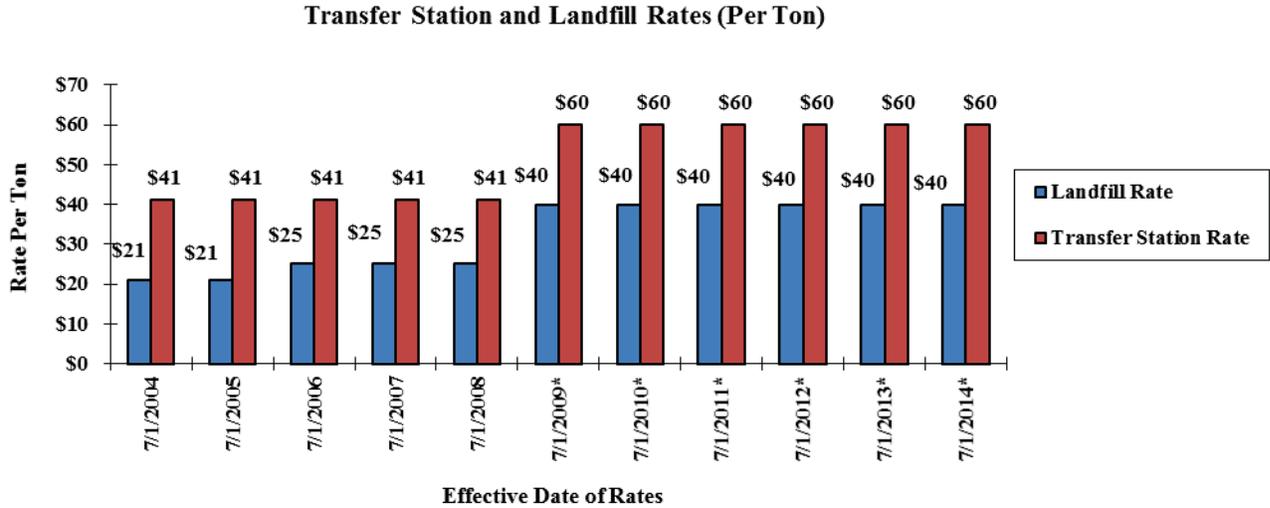
The following chart shows the tons of waste disposed of at the landfill since 2004/2005 as well as the projected waste volumes for 2013/2014 and 2014/2015.



\* 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.

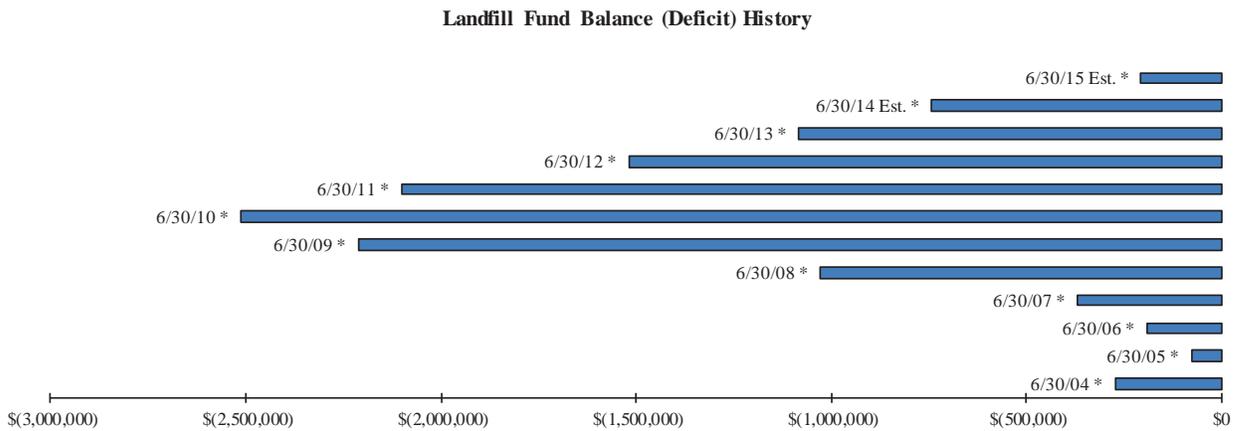
Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. As noted above, capacity issues in 2006/2007 and 2007/2008 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 2004/2005 year and the portion of the transfer station fee paid to the landfill fund. In 2004/2005 \$21.00 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 additional waste volume to the landfill each year. These were three year contracts with variable disposal rates. All of the industrial contracts have been extended through June 30, 2015.

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 several 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 three years of the agreements. These agreements, as well as the original industrial agreements, were extended through June 30, 2015. The reduction in the deficit was \$411,988 in 2010/2011, there was an additional \$582,320 reduction in the deficit (to \$1,518,292) in 2011/2012, and the deficit was further reduced by \$435,957 (to \$1,082,335) in 2012/2013. These reductions in the deficit were slightly higher than the targeted reductions in the original financial plan.

The revised estimate expenditures for 2013/2014 are \$500 less than the original budget. The 2013/2014 budget included \$200,000 in capital outlay for groundwater collection improvements required by the Iowa Department of Natural Resources (IDNR). This cost estimate has been reviewed by staff and it should be sufficient to meet the IDNR requirements.

Landfill expenditures budgeted for 2014/2015 are \$199,032 (18.1%) less than the 2013/2014 budget since there are no capital outlay allocations in 2014/2015.

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 2014/2015 budget.

With the projected landfill revenues and expenditures, the deficit in the landfill fund is projected to decrease by \$338,622 during the 2013/2014 fiscal year and by an additional \$537,154 to \$206,559 by the end of the 2014/2015 year. The goal is to have the deficit eliminated and a positive balance accumulated 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 previously, 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 2014/2015. Other significant items in the budget are leachate hauling and analysis, engineering services, 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 2014/2015 based on an estimated 35,000 tons of waste. The surcharge funds retained by the City are estimated at \$54,250 for 2014/2015. 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 2014/2015 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 which 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 2014/2015 is \$80,000 and the amount to be transferred to the Post-Closure Reserve is estimated at \$30,000.

The 2014/2015 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 was made in 2012/2013. There were three years remaining on the June 1, 2006 issue at the time the 2013/2014 budget was prepared. On March 7, 2013 the City refunded the remaining three years of the 2006 issue and issued new debt at a much lower interest rate. This refunding resulted in interest savings to the Landfill fund totaling \$9,787 over the three years of the refunding bond issue.

#### **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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Tons of Waste Disposed	31,493	35,328	32,895	35,000	35,000
Landfill Capacity Remaining (Tons)	N/A	N/A	254,320**	154,611**	119,611
Years of Current Landfill Space Remaining (Estimate)	N/A	N/A	7.1**	4.4**	3.4
Leachate Collected in Gallons	2,932,175	1,888,082*	1,864,228	1,800,000	1,800,000

- \* The 2011/2012 reduction in leachate collected is due to having the first layer of waste covering the side slopes of the 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.
- \*\* The change from 2012/2013 to 2013/2014 in the years of current landfill space remaining is based on a difference in the engineer's most recent survey results. This could be from the specific areas surveyed and dirt usage over the two-year period. Staff is still investigating and reviewing this anomaly.

**RECENT ACCOMPLISHMENTS:**

Since the spring of 2013, staff and the contract operator have worked on several locations to repair and prevent erosion at the Muscatine County Landfill. The areas include a location on Ravine Five (closed area) and the upper haul road. These areas had soil work and seeding with compost added. The upper rim of the current landfill cell Phase Four had seeding with compost added to prevent erosion during the next stages of the landfill.

There are also areas of the property at the Muscatine County Landfill that have storm water issues. These include two locations next to the neighboring property. Iowa DOT staff repaired a location in the right-of-way to prevent silt from entering the neighboring property.

The Muscatine County Solid Waste Management Agency and the Emergency Management Agency assisted with a rare flood and sewer failure in the City of West Liberty in 2013. Over 300 of the 1,200 households in the community were affected. Staff assisted the City of West Liberty in organizing the cleanup event.

The Muscatine County Solid Waste Management Agency meets six times a year. The July meeting is normally held at the Muscatine County Landfill. In July 2013, Agency members, several city council members, the Mayor, and the City Administrator attended the meeting to view the landfill facility.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. **(Council and Management Fiscal Responsibility Goal)**
- \* 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.
- \* Working with the landfill contractor, continue erosion control by seeding and maintaining the final cap cover at the landfill. Maintaining the integrity of the final cover and cap is a long-term goal for the landfill.
- \* To look at options for Phase Five and Six construction and evaluate costs and benefits of doing these cells under separate construction projects or as one construction project.
- \* To begin addressing a long-term landfill plan
- \* To implement “Lean” initiatives in this division. (**Council and Management Lean/Continuous Service Improvement Goal**)

**LANDFILL FUND**

**STATEMENT OF BOND AND INTEREST REQUIREMENTS**

**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	<u>79,000</u>	<u>711</u>	<u>79,711</u>
Total	<u>\$ 235,000</u>	<u>\$ 4,135</u>	<u>\$ 239,135</u>

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Bond proceeds from this issue 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 this issue as they become due.

## Landfill Operations

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance (Deficit), July 1	\$ (2,100,612) (3)	\$ (1,518,292)	\$ (1,033,054)	\$ (1,082,335)	\$ (743,713)
Revenues					
Charges for Services	\$ 1,308,650	\$ 1,195,186	\$ 1,290,000	\$ 1,290,000 (4)	\$ 1,290,000 (4)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Interest	0	149	0	0	0
Industry Contribution	15,000	15,000	15,000	15,000	15,000
Transfers In:					
Landfill Surcharge Reserve	17,675	16,448	17,500	17,500 (5)	17,500 (5)
Total Revenues	\$ 1,458,502	\$ 1,343,960	\$ 1,439,700	\$ 1,439,700	\$ 1,439,700
Funds Available	\$ (642,110)	\$ (174,332)	\$ 406,646	\$ 357,365	\$ 695,987
Expenditures (1)	876,182	908,003	1,101,578 (6)	1,101,078 (6)	902,546
Ending Balance (Deficit), June 30	\$ (1,518,292)	\$ (1,082,335)	\$ (694,932)	\$ (743,713)	\$ (206,559)
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 582,320</b>	<b>\$ 435,957</b>	<b>\$ 338,122</b>	<b>\$ 338,622</b>	<b>\$ 537,154</b>

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. An Agency assessment was implemented beginning in 2008/2009 as part of the original plan to eliminate the accumulated deficit in this fund.
3. There was a deficit of over \$2.5 million at the end of 2009/2010 due to capital costs for Phase III and Phase IV cell development and the closing of Ravines 5 and 6. This was reduced to \$2.1 million at the end of 2010/2011.
4. The 2013/2014 Revised Estimate and 2014/2015 budget are based on 21,000 tons at \$40/ton plus 9,000 tons at the original industrial rate of \$30/ton, plus an estimated \$180,000 at varying rates for other industrial waste contracts.
5. The 2013/2014 and 2014/2015 transfers from the Landfill Surcharge Reserve are based on 35,000 tons at \$.50/ton.
6. The 2013/2014 budget and revised estimate include an estimated \$200,000 for a ground water remediation plan and improvements required by the Iowa Department of Natural Resources.

#### **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. The Agency assessment was implemented in 2008/2009 as part of the plan to eliminate the accumulated deficit. The cells constructed in 2009/2010 are expected to have 7.5 years of capacity (through FY 2016/2017). 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 and a positive balance accumulated prior to the time construction needs to begin on the next cell.

**Landfill Surcharge Reserve Part I**

**Local Planning and Environmental Protection Activities**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>17,675</u>	<u>16,448</u>	<u>17,500</u>	<u>17,500</u> (1)	<u>17,500</u> (2)
Funds Available	\$ 17,675	\$ 16,448	\$ 17,500	\$ 17,500	\$ 17,500
Expenditures					
Transfers to Landfill Fund	<u>17,675</u>	<u>16,448</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>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>				
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1. Transfers are based on 35,000 tons for the 2013/2014 Revised Estimate at \$.50/ton.
2. Transfers are based on 35,000 tons for the 2014/2015 Budget at \$.50/ton.

**Landfill Surcharge Reserve Part II**

**Waste Reduction, Recycling, and Small Business Pollution Prevention**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>37,118</u>	<u>34,540</u>	<u>36,750</u>	<u>36,750</u> (1)	<u>36,750</u> (2)
Funds Available	\$ 37,118	\$ 34,540	\$ 36,750	\$ 36,750	\$ 36,750
Expenditures					
Transfers to Transfer Station Fund	<u>37,118</u>	<u>34,540</u>	<u>36,750</u>	<u>36,750</u>	<u>36,750</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>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>				
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1. Transfers are based on 35,000 tons at \$1.05/ton for the 2013/2014 Revised Estimate.
2. Transfers are based on 35,000 tons at \$1.05/ton for the 2014/2015 Budget.

**Landfill Closure Reserve (1)**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 399,799	\$ 467,288	\$ 547,288	\$ 546,735	\$ 626,735
Revenues					
Transfers In					
Landfill Fund	<u>67,489</u>	<u>79,447</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Funds Available	\$ 467,288	\$ 546,735	\$ 627,288	\$ 626,735	\$ 706,735
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 467,288</u></u>	<u><u>\$ 546,735</u></u>	<u><u>\$ 627,288</u></u>	<u><u>\$ 626,735</u></u>	<u><u>\$ 706,735</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 67,489</b>	<b>\$ 79,447</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>

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 2013/2014 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2013/2014 and 2014/2015 allow for these transfers to be similar to the actual transfer for 2012/2013.

**Landfill Post-Closure Reserve (1)**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 757,344	\$ 785,531	\$ 815,531	\$ 813,764	\$ 843,764
Revenues					
Transfers In					
Landfill Fund	<u>28,187</u>	<u>28,233</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Funds Available	\$ 785,531	\$ 813,764	\$ 845,531	\$ 843,764	\$ 873,764
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 785,531</u></u>	<u><u>\$ 813,764</u></u>	<u><u>\$ 845,531</u></u>	<u><u>\$ 843,764</u></u>	<u><u>\$ 873,764</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 28,187</b>	<b>\$ 28,233</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>

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 2013/2014 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2013/2014 and 2014/2015 allow for these transfers to be similar to the actual transfer for 2012/2013.

**Function:**  
Business Type

**Department:**  
Public Works

**Activity:**  
**Landfill Operations**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 24,821	\$ 25,447	\$ 26,500	\$ 26,300	\$ 26,800	1.13%
Commodities	13,303	16,924	20,400	19,400	19,400	-4.90%
Contractual Services	520,467	539,514	560,600	561,300	561,600	0.18%
Capital Outlay	-	4,670	200,000	200,000	-	
Transfers	<u>317,107</u>	<u>321,180</u>	<u>294,078</u>	<u>294,078</u>	<u>294,746</u>	0.23%
Total Expenditures	<u>\$ 875,698</u>	<u>\$ 907,735</u>	<u>\$ 1,101,578</u>	<u>\$1,101,078</u>	<u>\$ 902,546</u>	-18.07%
<b>Funding Sources</b>						
Charges for Services	\$ 1,308,650	\$ 1,195,186	\$ 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	
Interest	-	149	-	-	-	
Transfers In:						
Surcharge Reserve	<u>17,675</u>	<u>16,448</u>	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	0.00%
Total Funding Sources	<u>\$ 1,458,502</u>	<u>\$ 1,343,960</u>	<u>\$ 1,439,700</u>	<u>\$1,439,700</u>	<u>\$ 1,439,700</u>	0.00%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time:</b>						
Solid Waste Manager	0.30	0.25	0.25	0.25	0.25	\$ 19,800
Employee Benefits						<u>7,000</u>
Total Personal Services						<u>\$ 26,800</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 requirement is \$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 2013/2014 payment will also be the final payment on the Refuse Collection portion of the debt.

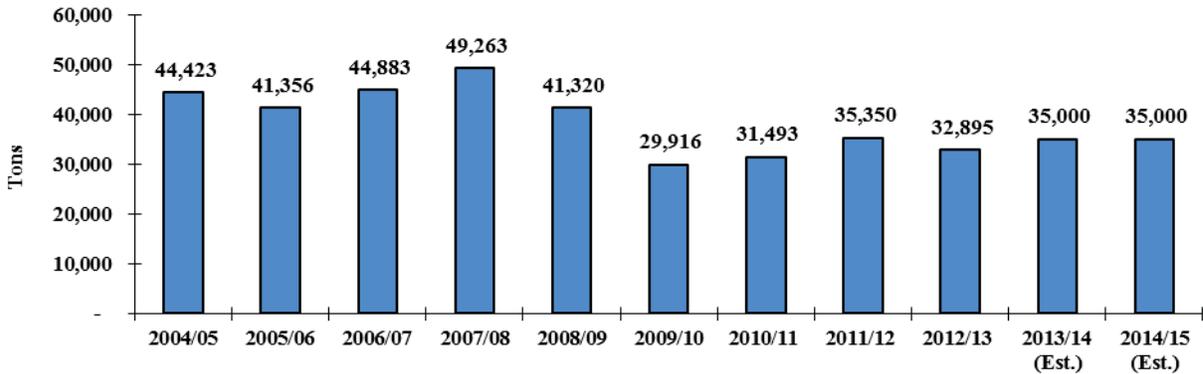
The Solid Waste Manager oversees the operation of the Transfer Station. Funding for this position is currently being allocated one-fourth each to the Transfer Station and Landfill funds, and one-half to the Refuse Collection fund. The Solid Waste Manager's primary responsibilities involve overseeing 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 2004/2005 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 2013/2014 revised estimate and 2014/2015 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. These negotiated industrial contracts as well as the original industrial contracts have all been extended through June 30, 2015.

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. The Transfer Station fund balance increased to \$33,669 at the end of 2012/2013. Based

on budget assumptions, the Transfer Station fund balance is projected to be \$10,019 at the end of 2013/2014 and \$36,669 at the end of 2014/2015.

As noted above, all of the revenue from the current negotiated industrial contracts has been directed to the Landfill fund to reduce the accumulated deficit in that fund and those contracts have been extended through June 30, 2015. The Transfer Station has a minimal fund balance in part due to crediting all of the revenue from the negotiated contracts to the Landfill fund. During the upcoming year the Landfill Committee will be meeting to review the progress in the Landfill deficit reduction plan as well as discuss the industrial contracts for 2015/2016 and beyond. As part of that review, staff plans to propose to the Committee that a portion of the revenue from the negotiated contracts be credited to the Transfer Station instead of being wholly allocated to the Landfill. This would assist in funding future capital needs at the Transfer Station.

The 2013/2014 revised estimate expenditures are the same in total as the original 2013/2014 budget. Every three years the Iowa Department of Natural Resources requires an engineering analysis be completed to estimate the costs that would be incurred should the Transfer Station be closed. The amount determined in the analysis is required to be set aside in the Transfer Station Closure Reserve fund. The original budget allowed for this cost to increase by \$10,000 over the \$38,645 previously set aside in the Reserve. The actual analysis, however, determined that the previous reserve amount could be reduced by \$250. This resulted in a \$10,000 savings in the Transfer Station budget. This savings, however, was offset by increases in other areas of the budget, primarily increased maintenance costs.

The budget for 2014/2015 is \$49,300 (2.5%) less than the 2013/2014 budget. Transfers for 2014/2015 are \$9,800 less than the 2013/2014 budget since no funding change will be needed in the Closure Reserve. No capital outlay items are budgeted for 2014/2015 resulting in a budget decrease of \$12,000 compared to the prior year. The budget also allows for Landfill fees to be reduced by \$30,000 based on recent year actual amounts. Other line items in the budget have also been increased or decreased based on prior year actual costs.

A new crane and cab for the Transfer Station was purchased in 2013/2014 at a total cost of \$177,370. This equipment is being financed with an internal loan from other City funds. A down payment of \$35,600 was made on this purchase in 2013/2014. Annual payments of \$35,600 in each of the next four fiscal years (2014/2015 through 2017/2018) 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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Tons of Waste Processed	31,493	35,350	32,895	35,000	35,000
Public Tours/Programs	70	75	70	75	75
Tons Recycled (Contractor)	4,609	4,886	4,590	4,500	4,500
Gallons of Waste Oil Collected (Est.)	5,110	5,470	5,800	5,000	5,000

## **RECENT ACCOMPLISHMENTS:**

In July 2013, staff received bids for a new crane for the Transfer Station. The crane that has been in use was installed new when the facility opened in 1995. This piece of equipment is used daily to load the transfer trailers. The new crane will be installed in January 2014.

Public outreach and programs are extra services provided by the Solid Waste division of Public Works. In October 2013, the Muscatine Recycling Center and Transfer Station was awarded the 2013 Iowa Solid Waste Society Most Innovative Waste Management Project for the Recycle the Dress program. During the past two years, over 200 girls have received high school prom dresses at no cost. All items are donated by others who no longer have a need for their dresses, along with shoes and other items. This program is now also being used in Iowa City and Davenport.

The load out scale for transfer trailers had all the suspension links replaced in the fall of 2013. The links were original with the scale and were worn out due to weather and weight. The new links will make the load out scale a more stable and safe place for loading the transfer trailers.

Since the Transfer Station opened in 1995, there has been a very good working relationship with City Carton Recycling. Staff will be meeting with City Carton to discuss renewal of the contract in the winter of 2014. The partnership between City Carton and the City of Muscatine has worked to benefit the community by providing recycling services for businesses, surrounding communities, and a drop off site for recycling.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To review and reorganize the customer accounts and information in the Transfer Station computer system to correspond with the City's new financial software to aid in communications on payments, invoices, and other accounting procedures.
- \* To continue to support Green Building opportunities, specifically the Muscatine Community School District's Jefferson Elementary School project.
- \* To continue participation in public outreach, beautification programs, sustainability, and other environmental programs in the community. This includes providing support to the Community Development department for their downtown revitalization project in the area of the #1 alley.
- \* To continue safety programs to assist in providing a safe work environment for all staff members.
- \* To implement "Lean" training with employees and look for opportunities to utilize "Lean" in the Transfer Station operation. **(Council and Management Lean/Continuous Service Improvement Goal)**

**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>
2013/14	<u>\$ 703,200</u>	<u>\$ 22,854</u>	<u>\$ 726,054</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 2013/2014 will be paid from debt service taxes rather than the Transfer Station Fund.

## Transfer Station Operations

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance (Deficit), July 1	\$ (12,874)	\$ 15,485	\$ 24,895	\$ 32,669	\$ 10,019
Revenues					
Charges for Services	\$ 1,896,231	\$ 1,786,379	\$ 1,860,000	\$ 1,860,000 (2)	\$ 1,860,000 (2)
Household Hazardous Waste	495	1,356	350	350	350
Recycling Commissions	36,895	37,540	37,000	37,000	37,000
Rental of Land	1,500	1,500	1,500	0	0
Sales Tax	5,810	5,569	7,000	7,000	7,000
Miscellaneous Sales	0	20	350	350	350
Electronic Waste Disposal Fees	9,545	10,340	9,000	9,000	9,000
Appliance Disposal Fees	8,321	7,724	8,300	8,300	8,300
Sale of Equipment	0	16,890	0	0	0
Other	20	0	0	0	0
Transfers In:					
Surcharge Reserve	37,118	34,540	36,750	36,750	36,750
Refuse Collection Fund	50,000	0	0	0	0
Total Revenues	<u>\$ 2,045,935</u>	<u>\$ 1,901,858</u>	<u>\$ 1,960,250</u>	<u>\$ 1,958,750</u>	<u>\$ 1,958,750</u>
Funds Available	\$ 2,033,061	\$ 1,917,343	\$ 1,985,145	\$ 1,991,419	\$ 1,968,769
Expenditures (1)	<u>2,018,596</u>	<u>1,884,674</u>	<u>1,981,400</u>	<u>1,981,400</u>	<u>1,932,100</u>
Ending Balance (Deficit), June 30	<u>\$ 14,465</u>	<u>\$ 32,669</u>	<u>\$ 3,745</u>	<u>\$ 10,019</u>	<u>\$ 36,669</u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 27,339</b>	<b>\$ 17,184</b>	<b>\$ (21,150)</b>	<b>\$ (22,650)</b>	<b>\$ 26,650</b>

- Expenditures include changes in compensated absences and other post-employment benefits.
- The revised estimate and 2014/2015 Transfer Station charges for services are 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 38,645	\$ 38,645	\$ 38,645	\$ 38,645	\$ 38,395
Revenues					
Transfers In					
Transfer Station Fund	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 38,645	\$ 38,645	\$ 48,645	\$ 38,645	\$ 38,395
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>250 (2)</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 38,645</u></u>	<u><u>\$ 38,645</u></u>	<u><u>\$ 48,645</u></u>	<u><u>\$ 38,395</u></u>	<u><u>\$ 38,395</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ (250)</b>	<b>\$ 0</b>
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1. This reserve is required according to State regulations.
2. As a result of the 2013 engineering analysis, the closure reserve was reduced by \$250 in 2013/2014.

**Function:**  
Business Type

**Department:**  
Public Works

**Activity:**  
**Transfer Station**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 213,461	\$ 225,086	\$ 232,900	\$ 231,500	\$ 235,700	1.20%
Commodities	40,601	38,499	42,500	42,100	38,900	-8.47%
Contractual Services	1,709,880	1,580,141	1,645,900	1,652,900	1,619,200	-1.62%
Capital Outlay	3,497	-	12,000	16,700	-	
Transfers	46,800	33,320	48,100	38,200	38,300	-20.37%
<b>Total Expenditures</b>	<b>\$ 2,014,239</b>	<b>\$ 1,877,046</b>	<b>\$ 1,981,400</b>	<b>\$ 1,981,400</b>	<b>\$ 1,932,100</b>	<b>-2.49%</b>
<b>Funding Sources</b>						
Charges for Services	\$ 1,896,231	\$ 1,786,379	\$ 1,860,000	\$ 1,860,000	\$ 1,860,000	0.00%
Recycling Commissions	36,895	37,540	37,000	37,000	37,000	0.00%
Sales Tax	5,810	5,569	7,000	7,000	7,000	0.00%
Tire, E-Waste, Appliance Charges	17,866	18,064	17,300	17,300	17,300	0.00%
Sale of Equipment	-	16,890	-	-	-	
Other	2,015	2,876	2,200	700	700	-68.18%
Transfer from Refuse Collection Fund	50,000	-	-	-	-	
Transfer from Surcharge Reserve	37,118	34,540	36,750	36,750	36,750	0.00%
<b>Total Funding Sources</b>	<b>\$ 2,045,935</b>	<b>\$ 1,901,858</b>	<b>\$ 1,960,250</b>	<b>\$ 1,958,750</b>	<b>\$ 1,958,750</b>	<b>-0.08%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Solid Waste Manager	0.30	0.25	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	0.50	0.50	0.50	0.50	
<b>Total Full Time</b>	<b>3.58</b>	<b>3.42</b>	<b>3.42</b>	<b>3.42</b>	<b>3.42</b>	<b>\$ 153,500</b>
Employee Benefits						82,200
<b>Total Personal Services</b>						<b>\$ 235,700</b>

<b>Funding Transfer</b>	
<b>Item</b>	<b>Amount</b>
Cab and Crane - Payment on Internal Loan	\$ 35,600

## 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 2013/2014 and 2014/2015. 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 was 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 was 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 contract was closed out in June of 2013.

In 2011/2012 through 2013/2014 this reserve funded a total of approximately \$289,600 for the upgrade of the Slough/Sunset Park pump stations. This reserve is also funding the costs of the Lab Renovation at a total estimated cost of \$748,200. The engineering design for the Lab project started in 2011/2012 and the project is scheduled to be completed by the end of 2013/2014. Engineering design costs of \$20,000 for the new Hauled Waste Dump Site are budgeted to be funded from this reserve in 2013/2014 and the 2014/2015 budget includes an estimated \$780,000 for construction costs for this project.

In 2013/2014 funds from this reserve will be used for an Ion Chromatography unit for the lab (\$34,000) and an upgrade of pumping station control and telemetry systems (\$33,000). In 2014/2015 \$54,000 will be used for additional pump station telemetry upgrades. These purchases are budgeted in the Water Pollution Control operating budget.

**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 fourteen 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 established in 2011/2012 to accumulate funds to assist in financing this

project. The 2011/2012, 2012/2013, 2013/2014, and 2014/2015 budgets 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 2013/2014 and 2014/2015 are \$1,069,844 and \$1,061,678, respectively. Interest payments are estimated at \$483,373 in 2013/2014 and \$464,588 in 2014/2015. The principal payment on this loan is \$578,000 in 2013/2014 and \$597,000 in 2014/2015.

### **CONSTRUCTION FUNDS**

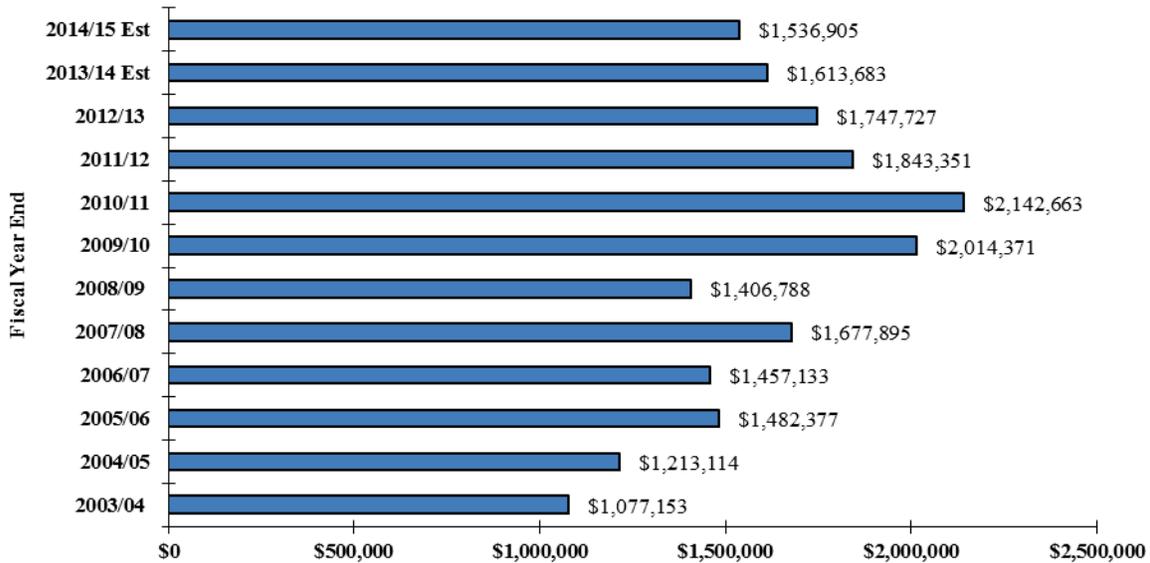
The existing Water Pollution Control Plant was completed in the fall of 1976. A renovation project was initiated in 1984 and completed in 1989 which included major rehabilitation of the plant equipment and major changes in both the wet process and the sludge disposal program. The total cost of the project 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 optimizing 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 contract for this project was closed out in June of 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



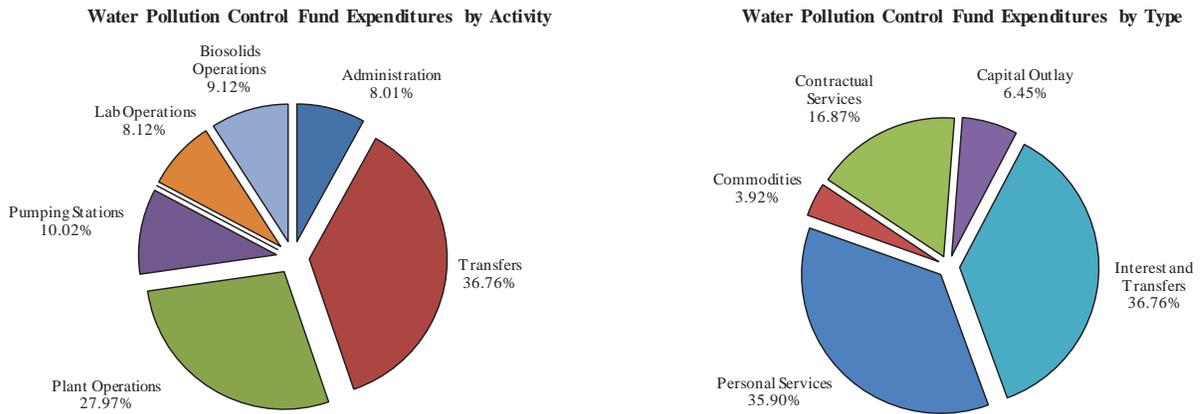
The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements 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.

In 2013 the City contracted for another rate study and the resolution adopting the recommended rates was approved by City Council in August of 2013. This resolution set both sewer and collection drainage rates for a 5-year period through June 30, 2018. The new sewer rates reflect annual 3% increases with the first year rates effective September 1, 2013 and thereafter 3% annual rate increases effective July 1, 2014 through July 1, 2017.

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 2014/2015. 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 2014/2015:



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 optimizing 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 2013/2014 revised estimate expenditures are \$103,400 less than the original budget. This decrease is primarily in the Plant Operations activity budget where personal services costs are \$67,000 less than budgeted, contractual service \$19,700 less, and capital outlay under budget by \$19,900. The personal services decrease is due to not filling the Environmental Coordinator position for at least the first nine months of the year as well as position vacancy savings and new hires starting at lower rates. The contractual services savings is due to decreased utility costs and the capital outlay savings is from favorable bids received on the harbor dredge pipe project.

The 2014/2015 budgeted expenditures of \$4,416,078 are \$78,734 (1.8%) more than the 2013/2014 budget. This overall increase is due to a \$75,000 increase in capital outlay allocations. Expenditures are detailed in each respective activity budget in the Water Pollution Control fund.

As noted previously, sewer rates will increase by approximately 3% in 2014/2015 as specified in the sewer rate resolution adopted in August of 2013. This resolution set rates for the next five years through June 30, 2018.

**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:**

<b>Fiscal Year Measures</b>		<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Million Cubic Feet of Wastewater Treated		314.17	201.16	224.78	232.97	234.47
Carbonaceous Biological Oxygen Demand Treated (1,000 lbs/yr.)		2,258	2,469	2,394	2,417	2,427
Total Suspended Solids Treated (1,000 lbs/yr.)		4,361	2,890	2,633	3,056	3,226
Number of Customer Bills	Industrial	96	96	98	100	100
	Non-Industrial	<u>109,279</u>	<u>109,710</u>	<u>108,535</u>	<u>109,000</u>	<u>109,000</u>
	Total	109,375	109,806	108,633	109,100	109,100

<b>Calendar Year Measures</b>	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
Gallons of Sludge/Number of Acres	4,485,451/ 468.5	3,125,655/ 334	4,654,730/ 467	4,199,424/ 333	4,200,000/ 333
Lift Station Preventive Maintenance Tasks	10,096	10,000	9,015	10,195	10,000
Lift Station Corrective Work Orders	57	55	58	177	150
Plant Preventive Maintenance Tasks	15,869	13,320	11,297	13,645	14,000
Plant Corrective Work Orders	283	126	129	140	150

**RECENT ACCOMPLISHMENTS:**

A rate study was completed for the plant and the resolution adopting those rates was approved by the City Council in August 2013.

Two permit applications were submitted to state and federal regulatory agencies. The first was the City's NPDES (National Pollutant Discharge Elimination System) permit which allows the WPCP to discharge to the Mississippi River. The second was the dredging permit submitted to the Army Corp of Engineers and Iowa Department of Natural Resources for dredging operations at the boat harbor and riverfront area. An NPDES permit involves over 14 months of testing and documentation and is issued for five years. The dredging permit is issued for 10 years and should allow greater flexibility for removing more material.

The Muscatine WPCP has finalized the four year \$18.5 million project that affected nearly every aspect of the plant. All updated systems are operational and advancing plant treatment capabilities. The Maintenance

Manager acted as project manager for the Harbor Dredge Line project and the Lab Annex project which greatly reduces engineering costs for both projects. The new work schedule for plant operations has been successful in keeping down labor costs while increasing productivity through better oversight. The WPCP staff worked with Public Works and Ripley's Mobile Home Park to begin accepting that system's sanitary waste which was previously treated by multiple failing lagoons. The maintenance staff completed the installation of the #4 effluent pump at a savings of nearly \$80,000. Work with the new computer SCADA system is ongoing and continues to provide better operational control while reducing labor costs. Due to newly installed processes, struvite formed on the interior of approximately 100 feet of underground pipe, two double disc pumps, and multiple valves. Struvite is a hard crystalline mineral combination formed in the anaerobic digesters that adheres to metals and is extremely difficult to remove. A six inch pipe was reduced to less than a two inch diameter draw and required a specialized chemical to remove it. Four different treatment options were bench tested before a treatment decision was made. The staff handled the situation very professionally and continues to explore options for better control or more efficient removal.

The Bond and Schley Lift Stations underwent nearly identical improvements with new metal roofs, tuck-pointing, improved air handling, and safety upgrades. This has beautified both areas and given the WPCP staff a safer work environment. Telemetry upgrades for all stations have continued with two this year and more planned each year until completed. These upgrades greatly increase the ability of staff to monitor and make changes to the 21 stations in near real time from the plant, reducing fuel expenses and personnel costs. The new telemetry systems are also more universal allowing replacement of parts from multiple sources unlike the current limited one source pricing. The Papoose Station bar screen drive unit was replaced by WPCP staff greatly reducing contractor costs, and keeping the highest volume station in the City working during heavy rains while avoiding backups in the system.

The Laboratory will be expanding to a new building at the WPCP. The Lab performs tests for the operations and biosolid divisions as well as local industries, surrounding communities and rural homeowners. This expansion will allow for testing to expand to pools and spas, increased testing for Monsanto and Muscatine Power and Water, and all new requirements for the IDNR nutrient reduction strategy. The laboratory staff was instrumental in the extensive testing for the NPDES permit and will be key to new storm water regulatory requirements. The pretreatment staff depends on the thousands of samples collected and analyzed every year to monitor the 13 permitted industries and ensure compliance with all local, state, and federal discharge limits.

This award winning Biosolids division continues to apply safe and beneficial material to hundreds of acres of farmland efficiently and cleanly. There were 4,199,424 gallons of biosolids applied to 333 acres of land in 2013 greatly reducing or eliminating the amount of manmade chemicals applied to that land. The biosolids division recently took over harbor dredging and has improved efficiency by doubling the pumping capacity at the former Hawkeye Lumber site. Plans are in place to finish burying the harbor dredge piping and continue to explore the option of moving the spoils site from the former Hawkeye site to beautify the area and allow the bridge entry into the City to be put to a more beneficial use.

The Storm Water division has been training other City staff about emerging requirements that are coming to the City. The City has not yet been permitted for MS4 designation but will continue to work at reducing runoff and implementing infiltration practices to improve water quality to local receiving waters. Increased sampling, flow monitoring, and discharge tracking will be targeted goals for moving forward to meet potential future state and federal requirements.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To complete the Laboratory Annex project within budgetary constraints.
- \* To continue the implementation of the Continuous Service Improvement program and further integrate “Lean” principles into all processes and divisions to increase efficiency and reduce waste **(Council and Management Lean/Continuous Service Improvement Goal)**.
- \* To evaluate personnel position adjustments throughout the department to assist with job retention and to allow for better succession planning.
- \* To partner with local organizations and City departments to beautify the Mississippi River bridge entrance area by developing a plan to move the dredge spoils storage area to the Public Works property. **(Council and Management Quality of Life Goal)**.
- \* To begin Phase I of the High Strength Waste (HSW) and Fats Oils and Grease (FOG) dump site. This includes construction planning, source identification, revenue stream calculations, and use of the renewable energy produced.
- \* To improve the riverfront dredging operations and attract new boating enthusiasts to the area **(Council and Management Marketing Goal)**.
- \* To make improvements to the biological gas scrubbing unit to better serve the community with clean air and reduced nuisance odors.
- \* To work with the City’s largest industrial discharger to allow for expansion and negotiate new contract rates.
- \* To continue to advance the technological aspects of the plant systems for greater efficiency and to improve treatment reliability.
- \* To explore new sources of waste streams to provide enhanced treatment and generate new sources of revenue.
- \* To increase oversight of the new FOG (Fats, Oils, and Grease) program and implement more routine inspections.
- \* To begin planning of a storm water program to encourage residents and businesses to complete storm water retention projects to minimize runoff to local waters and improve water quality in the local watershed.

**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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Requirements</u>
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>\$ 14,873,000</u>	<u>\$ 5,294,969</u>	<u>\$ 20,167,969</u>

**Water Pollution Control Fund**  
**Water Pollution Control Plant Replacement Reserve**  
**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 3,834,810	\$ 2,492,703	\$ 2,014,303	\$ 1,995,300	\$ 1,442,800
Revenues					
Interest	\$ 6,535	\$ 2,830	\$ 3,000	\$ 2,500	\$ 2,500
Transfers In					
Water Pollution Control					
Operations Fund	200,000	200,000	200,000	200,000	200,000
Total Revenues	<u>\$ 206,535</u>	<u>\$ 202,830</u>	<u>\$ 203,000</u>	<u>\$ 202,500</u>	<u>\$ 202,500</u>
Funds Available	<u>\$ 4,041,345</u>	<u>\$ 2,695,533</u>	<u>\$ 2,217,303</u>	<u>\$ 2,197,800</u>	<u>\$ 1,645,300</u>
Expenditures					
Transfers Out:					
Water Pollution Control Fund	\$ 0	\$ 246,190	\$ 65,000	\$ 67,000 (1)	\$ 54,000 (2)
Slough/Sunset Park Pump Station					
Study/Upgrade	4,750	273,817	0	11,000	0
Water Pollution Control Facilities					
Improvements/Digester Conversion	1,412,215	67,410	0	0	0
Lab Expansion and Renovation	20,012	71,187	600,000	657,000	0
Storage Building	111,665	41,629	0	0	0
Hauled Waste Dump Site	0	0	0	20,000	780,000
Total Expenditures	<u>1,548,642</u>	<u>\$ 700,233</u>	<u>\$ 665,000</u>	<u>\$ 755,000</u>	<u>\$ 834,000</u>
Ending Balance, June 30	<u>\$ 2,492,703</u>	<u>\$ 1,995,300</u>	<u>\$ 1,552,303</u>	<u>\$ 1,442,800</u>	<u>\$ 811,300</u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (1,342,107)</b>	<b>\$ (497,403)</b>	<b>\$ (462,000)</b>	<b>\$ (552,500)</b>	<b>\$ (631,500)</b>

1. In 2013/2014 funds from this Reserve are budgeted to fund an Ion Chromatography unit for the Lab for \$34,000 and \$33,000 has been budgeted to upgrade the control and telemetry systems.
2. The transfer of \$54,000 from this Reserve in 2014/2015 will fund additional pump station telemetry upgrades.

## West Hill Sewer Separation Project Long-Term Financing Plan Reserve

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 400,118	\$ 801,118	\$ 800,822	\$ 1,202,322
Revenues:					
Interest	\$ 118	\$ 704	\$ 1,500	\$ 1,500	\$ 1,500
Transfers In:					
Water Pollution Control Fund	200,000 (1)	200,000 (1)	200,000 (1)	200,000 (1)	200,000 (1)
Collection & Drainage Fund	<u>200,000 (1)</u>	<u>200,000 (1)</u>	<u>200,000 (1)</u>	<u>200,000 (1)</u>	<u>200,000 (1)</u>
Total Revenues	<u>\$ 400,118</u>	<u>\$ 400,704</u>	<u>\$ 401,500</u>	<u>\$ 401,500</u>	<u>\$ 401,500</u>
Funds Available	\$ 400,118	\$ 800,822	\$ 1,202,618	\$ 1,202,322	\$ 1,603,822
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 400,118</u></u>	<u><u>\$ 800,822</u></u>	<u><u>\$ 1,202,618</u></u>	<u><u>\$ 1,202,322</u></u>	<u><u>\$ 1,603,822</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 400,118</b>	<b>\$ 400,704</b>	<b>\$ 401,500</b>	<b>\$ 401,500</b>	<b>\$ 401,500</b>
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- Since 2011/2012, the WPCP and Collection and Drainage funds each include \$200,000 in annual transfers to this Reserve which was 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

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 96,685	\$ 98,465	\$ 100,731	\$ 98,243	\$ 107,214
Revenues:					
Interest	\$ 753	\$ 529	\$ 500	\$ 500	\$ 500
Transfers In:					
Water Pollution Control Fund	<u>1,061,333</u>	<u>1,063,339</u>	<u>1,069,844</u>	<u>1,069,844</u>	<u>1,061,678</u>
Total Revenues	<u>\$ 1,062,086</u>	<u>\$ 1,063,868</u>	<u>\$ 1,070,344</u>	<u>\$ 1,070,344</u>	<u>\$ 1,062,178</u>
Funds Available	<u>\$ 1,158,771</u>	<u>\$ 1,162,333</u>	<u>\$ 1,171,075</u>	<u>\$ 1,168,587</u>	<u>\$ 1,169,392</u>
Expenditures:					
Bonds	\$ 542,000	\$ 560,000	\$ 578,000	\$ 578,000	\$ 597,000
Interest and Fees	<u>518,306</u>	<u>504,090</u>	<u>483,373</u>	<u>483,373</u>	<u>464,588</u>
Total Expenditures	<u>\$ 1,060,306</u>	<u>\$ 1,064,090</u>	<u>\$ 1,061,373</u>	<u>\$ 1,061,373</u>	<u>\$ 1,061,588</u>
Ending Balance, June 30	<u><u>\$ 98,465</u></u>	<u><u>\$ 98,243</u></u>	<u><u>\$ 109,702</u></u>	<u><u>\$ 107,214</u></u>	<u><u>\$ 107,804</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 1,780</b>	<b>\$ (222)</b>	<b>\$ 8,971</b>	<b>\$ 8,971</b>	<b>\$ 590</b>
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## Water Pollution Control Operations Fund

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 2,142,663	\$ 1,843,351	\$ 1,606,612	\$ 1,747,727	\$ 1,613,683
Revenues	3,774,433	4,227,711	4,268,200	4,099,900	4,339,300
Encumbrance Variance	<u>0</u>	<u>2,510</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 5,917,096	\$ 6,073,572	\$ 5,874,812	\$ 5,847,627	\$ 5,952,983
Expenditures (1)	<u>4,073,745</u> (2)	<u>4,325,845</u> (2)	<u>4,337,344</u>	<u>4,233,944</u> (2)	<u>4,416,078</u> (2)
Ending Balance, June 30	<u><u>\$ 1,843,351</u></u>	<u><u>\$ 1,747,727</u></u>	<u><u>\$ 1,537,468</u></u>	<u><u>\$ 1,613,683</u></u>	<u><u>\$ 1,536,905</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ (299,312)</b>	<b>\$ (95,624)</b>	<b>\$ (69,144)</b>	<b>\$ (134,044)</b>	<b>\$ (76,778)</b>

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. Beginning in 2011/2012 the WPCP Administration budgets include \$200,000 in annual 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.

## Water Pollution Control Operations Fund

### Summary of Revenues

	<u>Actual</u> <u>2011/2012</u>	<u>Actual</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>	<u>Revised</u> <u>Estimate</u> <u>2013/2014</u>	<u>Budget</u> <u>2014/2015</u>
Sewer Charges-Residential and Commercial (Billed by MP&W)	\$ 2,927,562	\$ 3,037,838	\$ 3,162,000 (1)	\$ 3,113,000 (1)	\$ 3,238,400 (1)
Industrial and City-billed Commercial					
Sewer Charges	683,870	760,679	860,000 (2)	763,000 (3)	881,000
Wastewater Discharge Permits	1,620	1,728	1,700	1,700	1,700
Rental of Land	6,500	0	0	0	0
Interest	3,105	1,669	3,000	1,500	1,500
Sale of Equipment/Other Sales	12,089	28,284	20,000	5,000	5,000
Analytical Income	74,042	67,835	85,000	83,000	90,000
Sales Tax	65,585	63,734	70,000	65,600	67,600
FEMA Reimbursement	16	0	0	0	0
Insurance Reimbursement	0	19,677	0	0	0
Miscellaneous	44	77	1,500	100	100
Transfers In:					
Plant Replacement Reserve	0	246,190	65,000	67,000 (4)	54,000 (5)
<b>Total Revenues</b>	<u><u>\$ 3,774,433</u></u>	<u><u>\$ 4,227,711</u></u>	<u><u>\$ 4,268,200</u></u>	<u><u>\$ 4,099,900</u></u>	<u><u>\$ 4,339,300</u></u>

1. The Residential and Muscatine Power & Water billed Commercial Sewer charges budgeted for 2013/2014 reflected an estimated 2% rate increase pending the results of the rate study to be completed in 2013. The 2013/2014 revised estimate reflects projected revenues from the rate study as adjusted since the new rates were not effective until 9-1-13. The revenues for 2014/2015 reflect a 3% increase effective July 1, 2014 per the rate study.
2. Industrial and City-billed commercial charges budgeted for 2013/2014 included an estimated \$80,000 from Ripley's Mobile Home Court with the sewer extension project expected to be completed by June 30, 2013. Industrial and City-billed commercial sewer fees also reflected an estimated 2% increase in these rates for 2013/2014 with the actual rates to be determined from the rate study.
3. The 2013/2014 revised estimate Industrial and City-billed Commercial sewer charges are less than budgeted since (1) the billings to Ripley's did not begin July 1, 2013 and the bills to Ripley's have been prorated as units are connected to the sewer, and (2) the Rate Study results were not effective until September 1, 2013.
4. Transfers from the WPCP Reserve for 2013/2014 include \$34,000 for an Ion Chromotography unit for the Lab, and \$33,000 to upgrade the Pumping Station Control and Telemetry system.
5. A funding transfer of \$54,000 from the Plant Replacement Reserve in 2014/2015 will fund additional Pump Station Control and Telemetry improvements.

## Water Pollution Control Operations Fund

### Summary of Expenditures

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Administration	\$ 1,926,393 (1)	\$ 1,953,333 (1)	\$ 1,969,244 (1)	\$ 1,970,944 (1)	\$ 1,977,078 (1)
Plant Operations	1,233,501	1,299,827	1,318,700	1,210,100	1,235,200
Pumping Stations	327,563	410,540	404,300	418,000	442,400
Laboratory Operations	323,007	410,372	378,400	373,400	358,700
Biosolids Operations	<u>240,497</u>	<u>248,842</u>	<u>266,700</u>	<u>261,500</u>	<u>402,700</u>
Total Expenditures	<u>\$ 4,050,961</u>	<u>\$ 4,322,914</u>	<u>\$ 4,337,344</u>	<u>\$ 4,233,944</u>	<u>\$ 4,416,078</u>

1. Beginning in 2011/2012 the WPCP Administration budgets include \$200,000 in annual 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 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 163,724	\$ 171,726	\$ 167,600	\$ 167,200	\$ 175,100	
Commodities	2,098	3,320	2,700	3,200	3,400	25.93%
Contractual Services	138,094	158,009	172,200	171,500	175,300	1.80%
Capital Outlay	13,344	4,639	-	-	-	
Transfers	1,609,133	1,615,639	1,626,744	1,629,044	1,623,278	-0.21%
<b>Total Expenditures</b>	<b>\$ 1,926,393</b>	<b>\$ 1,953,333</b>	<b>\$ 1,969,244</b>	<b>\$ 1,970,944</b>	<b>\$ 1,977,078</b>	<b>0.40%</b>
<b>Funding Sources</b>						
Sewer Charges	\$ 1,646,744	\$ 1,774,692	\$ 1,897,100	\$ 1,835,400	\$ 1,898,800	0.09%
Interest	3,105	1,669	3,000	1,500	1,500	-50.00%
FEMA Reimbursement	16	-	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 1,649,865</b>	<b>\$ 1,776,361</b>	<b>\$ 1,900,100</b>	<b>\$ 1,836,900</b>	<b>\$ 1,900,300</b>	<b>0.01%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions:</b>						
Director of Water						
Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 130,800</b>
Employee Benefits						44,300
<b>Total Personal Services</b>						<b>\$ 175,100</b>

Function:  
Business Type

Department:  
Water Pollution Control

Activity:  
**Plant Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 742,040	\$ 722,288	\$ 711,300	\$ 644,300	\$ 723,500	1.72%
Commodities	58,411	61,876	64,100	62,100	62,100	-3.12%
Contractual Services	356,898	336,122	422,900	403,200	390,400	-7.69%
Capital Outlay	76,152	179,541	120,400	100,500	59,200	-50.83%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,233,501</u>	<u>\$ 1,299,827</u>	<u>\$ 1,318,700</u>	<u>\$ 1,210,100</u>	<u>\$ 1,235,200</u>	-6.33%
<b>Funding Sources</b>						
Sewer Charges	\$ 1,154,939	\$ 1,119,473	\$ 1,245,500	\$ 1,137,700	\$ 1,160,800	-6.80%
Sales Tax	65,585	63,734	70,000	65,600	67,600	-3.43%
Other Revenues	1,664	3,491	3,200	1,800	1,800	-43.75%
Insurance Reimbursement	-	19,677	-	-	-	
Sale of Equipment	11,313	-	-	5,000	5,000	
Replacement Reserve	-	93,452	-	-	-	
Total Funding Sources	<u>\$ 1,233,501</u>	<u>\$ 1,299,827</u>	<u>\$ 1,318,700</u>	<u>\$ 1,210,100</u>	<u>\$ 1,235,200</u>	-6.33%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Positions:</b>						
Plant Maintenance Manager	1.00	1.00	1.00	1.00	1.00	
Assistant WPCP Director	0.75	0.38	-	-	-	
Environmental Coordinator	-	0.38	0.75	0.75	0.75	
Treatment Plant Operator III	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Operator II	4.00	3.00	2.00	1.50	1.00	
Treatment Plant Operator I	-	-	-	0.50	1.00	
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	1.00	1.00	
<b>Total</b>	10.75	10.76	9.75	9.75	9.75	\$ 481,100
Employee Benefits						242,400
Total Personal Services						<u>\$ 723,500</u>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Biosolids Tank Valves and Vaults	2	Yes	\$ 31,200
Sidewalks Around Final Clarifiers	3	Yes	5,000
Pump Station Laptop and Secretary	2	Yes	3,000
DAF Building Glass and Door Replacements		Yes	20,000
			<u>\$ 59,200</u>

**Function:**  
Business Type

**Department:**  
Water Pollution Control

**Activity:**  
**Pumping Stations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 189,691	\$ 206,512	\$ 209,700	\$ 209,700	\$ 214,100	2.10%
Commodities	40,998	20,790	22,800	23,300	23,300	2.19%
Contractual Services	96,874	101,559	129,000	139,200	131,000	1.55%
Capital Outlay	-	81,679	42,800	45,800	74,000	72.90%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<u>\$ 327,563</u>	<u>\$ 410,540</u>	<u>\$ 404,300</u>	<u>\$ 418,000</u>	<u>\$ 442,400</u>	9.42%
<b>Funding Sources</b>						
Sewer Charges	\$ 326,787	\$ 410,540	\$ 374,300	\$ 385,000	\$ 388,400	3.77%
WPCP Replacement Reserve	-	81,769	30,000	33,000	54,000	
Sale of Equipment	776	-	-	-	-	
<b>Total Funding Sources</b>	<u>\$ 327,563</u>	<u>\$ 492,309</u>	<u>\$ 404,300</u>	<u>\$ 418,000</u>	<u>\$ 442,400</u>	9.42%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
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	
<b>Total</b>	3.00	3.00	3.00	3.00	3.00	\$ 148,000
Employee Benefits						66,100
<b>Total Personal Services</b>						<u>\$ 214,100</u>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Telemetry Upgrade	3	Yes	\$ 54,000
Flow Meter for Miles Pump Station	1	Yes	20,000
			<u>\$ 74,000</u>

Function:  
Business Type

Department:  
Water Pollution Control

Activity:  
**Laboratory Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 243,519	\$ 239,068	\$ 260,000	\$ 256,200	\$ 265,000	1.92%
Commodities	49,507	51,735	52,100	52,500	52,200	0.19%
Contractual Services	23,223	24,865	25,000	24,400	25,200	0.80%
Capital Outlay	4,976	94,704	41,300	40,300	16,300	-60.53%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 321,225</u>	<u>\$ 410,372</u>	<u>\$ 378,400</u>	<u>\$ 373,400</u>	<u>\$ 358,700</u>	-5.21%
<b>Funding Sources</b>						
Sewer Charges	\$ 247,183	\$ 271,568	\$ 258,400	\$ 256,400	\$ 268,700	3.99%
Analytical Charges	74,042	67,835	85,000	83,000	90,000	5.88%
WPCP Replacement Reserve	-	70,969	35,000	34,000	-	-100.00%
Total Funding Sources	<u>\$ 321,225</u>	<u>\$ 410,372</u>	<u>\$ 378,400</u>	<u>\$ 373,400</u>	<u>\$ 358,700</u>	-5.21%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
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	
<b>Part Time:</b>						
Laboratory Technician I	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	
<b>Total</b>	3.75	3.75	3.75	3.75	3.75	\$ 192,200
Employee Benefits						<u>72,800</u>
Total Personal Services						<u>\$ 265,000</u>

<b>Capital Outlay</b>			
Item	Quantity	Replacement	Amount
Refrigerated Sampler	1	Yes	\$ 7,400
pH Meter	1	Yes	1,800
Incubator	1	No	2,300
Sample Refrigerator	1	No	3,000
Dissolved Oxygen Meter	1	Yes	1,800
			<u>\$ 16,300</u>

**Function:**  
Business Type

**Department:**  
Water Pollution Control

**Activity:**  
**Biosolids Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 193,952	\$ 199,068	\$ 207,700	\$ 205,800	\$ 211,800	1.97%
Commodities	21,879	41,898	27,200	28,000	32,200	18.38%
Contractual Services	21,598	7,876	26,300	22,200	23,200	-11.79%
Capital Outlay	4,850	-	5,500	5,500	135,500	2363.64%
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 242,279</b>	<b>\$ 248,842</b>	<b>\$ 266,700</b>	<b>\$ 261,500</b>	<b>\$ 402,700</b>	<b>50.99%</b>
<b>Funding Sources</b>						
Sewer Charges	\$ 235,779	\$ 223,972	\$ 246,700	\$ 261,500	\$ 402,700	63.23%
Rental of Land	6,500	-	-	-	-	
Sale of Equipment	-	24,870	20,000	-	-	-100.00%
<b>Total Funding Sources</b>	<b>\$ 242,279</b>	<b>\$ 248,842</b>	<b>\$ 266,700</b>	<b>\$ 261,500</b>	<b>\$ 402,700</b>	<b>50.99%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	2.00	2.00	2.00	2.00	2.00	
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>\$ 136,600</b>
Overtime						12,800
Employee Benefits						62,400
<b>Total Personal Services</b>						<b>\$ 211,800</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
4.5 Inch Dragline Hose	660 ft	Yes	\$ 6,500
Tractor (Net of Trade-In)	1	Yes	39,000
Piping Across Mad Creek		No	90,000
			<b>\$ 135,500</b>

## **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 West Hill Sewer Separation project will be completed in multiple phases over the next 14 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 and 2012/2013 expenditures, the revised estimate for 2013/2014, and the budget for 2014/2015, 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 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 2013/2014 revised estimate is over the original budget by \$121,200 primarily due to increased project funding transfers totaling \$135,000. This increase includes \$50,000 to fund the Geneva Creek Channel Shaping project needed in order for the Corps of Engineers to certify the Mad Creek levee in that area and \$85,000 for the second phase of the Southend Force Main Air Release Valve project. The increase in transfers has been partially offset by decreases in personal services and contractual services.

The 2014/2015 budget is \$354,700 (29.9%) higher than the 2013/2014 budget due to increased funding transfers. The 2014/2015 budget includes a \$365,000 transfer towards the drainage work needed for the Cedar Street Improvement project. This is part of the overall financing plan for the Cedar Street project. Other transfers for 2014/2015 include the \$200,000 transfer to the reserve for the West Hill Sewer Separation project, \$100,000 to fund the next phase of the Southend Force Main Air Release Valve project, \$180,000 to the Sewer Extension and Improvement Reserve, and a total of \$13,900 in administrative transfers for general, information technology, and public works administration.

Both the 2013/2014 revised estimate and 2014/2015 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 \$11.20 per customer per month. This fee was effective September 1, 2013 based on the resolution adopted by City Council in 2013 setting both sewer and collection and drainage fees for a five-year period from September 1, 2013 through June 30, 2018. This fee will increase to \$11.45 per customer per month effective July 1, 2014. The rate resolution was adopted based on the professional rate study by Veenstra and Kimm completed in 2013.

**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:**

<b>Calendar Year Measures</b>	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Estimated 2014</b>
Sewers Cleaned and Flushed (Miles)	17.4	17.1	16.3	18.6	15
TV Inspections (Feet)	3,023	2,384	3,530	5,182	4,000
Inspections at Combined Sewer Overflows (CSO)	36	18	17	16	20
Inspections of Blockage Prone Manholes (Various Locations)	14	19	11	13	20
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	19	11	15	14	20
Inspection of Off Road Sanitary Sewers (Man Hours) *	N/A	N/A	N/A	115	125
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours) *	N/A	N/A	N/A	357.5	350
Cleaning Storm Sewer Structures (Man Hours)	1,048	1,032	657	1,149	900
Corrective Repairs – Sewers	22	16	23	22	20
Corrective Repairs – Structures	46	48	48	48	50
Corrective Repairs – Force Mains	2	0	1	0	0
Utility Locates	2,027	2,030	2,108	2,116	2,000
After Hours	11	30	9	9	10
Sewer Call Responses – Total	70	62	62	69	70
After Hours	14	9	13	8	10
Sanitary Sewer Overflows (SSO)	1	0	1	0	0
Backups Due to City Lines	6	4	5	3	0
Routine Equipment Operation/Maintenance (Man Hours)	293	406	478	489.5	400
Work for Other Departments (Man Hours)	296	706	908	721	500
Work on Capital Improvement Projects (Man Hours)	273	451	226.5	327.5	300

\* New measures beginning in 2013

## **RECENT ACCOMPLISHMENTS:**

All Collection and Drainage employees completed their required CEU's for the bi-annual renewal of their Collection System Operator Certifications. This division currently has one grade 4, one grade 3, two grade 2, and one grade 1 operators.

Since the routine sewer maintenance program began, sewer backups have been reduced from an annual average of 12 to 5.

This division continues to provide ongoing investigative assistance and technical support for the West Hill Sewer Separation Project.

Staff televised the 5' diameter corrugated metal discharge pipe from the storm water lift station into the Mississippi River where, even at the low summer river levels, the flow line is 4' below the surface of the water.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To transform the sewer maintenance database from its original structure used mainly for field data collection to a structure that will allow ease of data upkeep and usability. (**Council and Management Lean/Continuous Service Improvement Goal**)
- \* To continue the plan 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 5. This will also complete the first 5 year cycle for this program.

**Collection and Drainage Fund**  
**Sewer Extension and Improvement Reserve (1)**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 964,399	\$ 991,421	\$ 458,021	\$ 575,238	\$ 781,238
Revenues					
Interest	\$ 1,794	\$ 1,102	\$ 1,000	\$ 1,000	\$ 1,000
Sewer Connection Fees	10,960	52,119	10,000	30,000	10,000
Transfers In					
Garfield Sewer Project	0	32,319	0	0	0
Collection & Drainage Fund	180,000	180,000	180,000	180,000	180,000
Total Revenues	<u>\$ 192,754</u>	<u>\$ 265,540</u>	<u>\$ 191,000</u>	<u>\$ 211,000</u>	<u>\$ 191,000</u>
Funds Available	<u>\$ 1,157,153</u>	<u>\$ 1,256,961</u>	<u>\$ 649,021</u>	<u>\$ 786,238</u>	<u>\$ 972,238</u>
Expenditures					
Transfers Out:					
Voluntary Annexation/Mad Creek					
Sewer Extension Project	\$ 82,284	\$ 681,723	\$ 0	\$ 5,000	\$ 0
Heatherlyn Sewer Project	83,448	0	0	0	0
Total Expenditures	<u>\$ 165,732</u>	<u>\$ 681,723</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 991,421</u></u>	<u><u>\$ 575,238</u></u>	<u><u>\$ 649,021</u></u>	<u><u>\$ 781,238</u></u>	<u><u>\$ 972,238</u></u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 27,022</b>	<b>\$ (416,183)</b>	<b>\$ 191,000</b>	<b>\$ 206,000</b>	<b>\$ 191,000</b>

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.

**Collection and Drainage  
(Including Stormwater Operations)  
Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 817,074	\$ 893,220	\$ 895,020	\$ 1,098,403	\$ 973,603
Revenues					
Collection and Drainage Fees	\$ 1,142,443 (1)	\$ 1,191,537 (1)	\$ 1,213,000	\$ 1,204,000 (1)	\$ 1,231,000 (1)
Grease Discharge Permits	22,045	16,184	18,000	16,000	16,000
Interest	1,612	1,176	1,000	1,000	1,000
Sale of Scrap Materials	20	680	5,000	5,000	0
Miscellaneous	450	836	500	500	500
Total Revenues	<u>\$ 1,166,570</u>	<u>\$ 1,210,413</u>	<u>\$ 1,237,500</u>	<u>\$ 1,226,500</u>	<u>\$ 1,248,500</u>
Encumbrance Variance	<u>\$ 0</u>	<u>\$ 55</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 1,983,644</u>	<u>\$ 2,103,688</u>	<u>\$ 2,132,520</u>	<u>\$ 2,324,903</u>	<u>\$ 2,222,103</u>
Expenditures:					
Collection and Drainage	\$ 1,031,774 (2)	\$ 968,658	\$ 1,185,200	\$ 1,306,400	\$ 1,539,900
Stormwater Operations	58,650	36,627	64,100	44,900	59,700
Total Expenditures	<u>\$ 1,090,424</u>	<u>\$ 1,005,285</u>	<u>\$ 1,249,300</u>	<u>\$ 1,351,300</u>	<u>\$ 1,599,600</u>
Ending Balance, June 30	<u>\$ 893,220</u>	<u>\$ 1,098,403</u>	<u>\$ 883,220</u>	<u>\$ 973,603</u>	<u>\$ 622,503</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 76,146</b>	<b>\$ 205,183</b>	<b>\$ (11,800)</b>	<b>\$ (124,800)</b>	<b>\$ (351,100)</b>
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1. Monthly collection and drainage charges on sewer bills were \$10.60, for 2011/2012, \$11.00 for 2012/2013, and \$11.20 for 2013/2014 (effective 9-1-13). The rate for 2014/2015 will increase to \$11.45 per customer per month.
2. Beginning in 2011/2012 Collection and Drainage expenditures include \$200,000 in annual 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**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 431,641	\$ 441,494	\$ 456,000	\$ 450,900	\$ 463,900	1.73%
Commodities	50,055	34,065	53,600	53,000	52,300	-2.43%
Contractual Services	94,180	87,808	130,600	122,700	112,300	-14.01%
Capital Outlay	5,501	12,082	51,500	51,300	52,500	1.94%
Transfers	<u>450,398</u>	<u>393,209</u>	<u>493,500</u>	<u>628,500</u>	<u>858,900</u>	74.04%
<b>Total Expenditures</b>	<u><b>\$ 1,031,775</b></u>	<u><b>\$ 968,658</b></u>	<u><b>\$ 1,185,200</b></u>	<u><b>\$ 1,306,400</b></u>	<u><b>\$ 1,539,900</b></u>	29.93%
<b>Funding Sources</b>						
Collection & Drainage Fees	<u>\$ 1,031,775</u>	<u>\$ 968,658</u>	<u>\$ 1,185,200</u>	<u>\$ 1,306,400</u>	<u>\$ 1,539,900</u>	29.93%

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time Positions/Position Allocations:</b>						
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>	
<b>Total</b>	6.53	6.53	6.53	6.53	6.53	\$ 315,600
Employee Benefits						<u>148,300</u>
<b>Total Personal Services</b>						<u><b>\$ 463,900</b></u>

<b>Capital Outlay</b>			
<b>Item</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Desktop Computer	1	Yes	\$ 2,500
Sewer Maintenance Projects			<u>50,000</u>
			<u><b>\$ 52,500</b></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. This budget currently includes an allocation of 1/3 of the Community Development Inspector II position and 1/4 of the Environmental Coordinator position. The Water Pollution Control department is currently managing the Storm Water operations program.

### **CURRENT TRENDS AND ISSUES:**

The 2013/2014 revised estimate is \$19,200 less than the budgeted amount. This is primarily due to a decrease in personal services costs since the Environmental Coordinator position is not expected to be filled until April 1, 2014 at the earliest. The Water Pollution Control Director is currently overseeing the Storm Water activity.

The 2014/2015 budget is \$4,400 (6.9%) less than the budget for 2013/2014 primarily due to the \$5,000 decrease in capital outlay. No capital outlay items are requested for 2014/2015. The budget for 2014/2015 again 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**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Grease Discharge Permits Issued	97	95	98	110	110
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	30	20	50	50	50
Permitted Significant Industrial Users	13	12	12	13	15
Significant Industrial Users Inspected	13	12	12	13	15
Commercial Waste Hauling Permits Issued	15	14	17	17	20
Construction Site Inspections	NA	N/A	5	5	10
Storm Events Sampled	0	0	2	5	10
River and Creek Samples Taken	5	30	60	70	80
Tests Performed on River and Creek Samples	20	200	500	600	800

**RECENT ACCOMPLISHMENTS:**

The Storm Water division has begun some strategic planning for projects that can improve storm water discharges into local receiving streams and rivers. Community education through Earth Day has been ongoing and staff will continue to start the process of showing the detrimental effects of polluted storm water discharges. Staff education has increased to include four City staff members including the City Planner, the Planning and Community Development Coordinator, City Inspector II and the WPCP Director. This core group will work to establish a storm water ordinance and also plan projects at City facilities to enhance storm water collection, retention and infiltration. Increased sampling of Mad Creek may help avoid MS4 designation and allow the City to pursue its own strategies without state mandates. A watershed group idea is being worked on with the City and other local volunteers to establish guidelines on construction and remodeling practices to help reduce the volume of water flowing to Mad Creek and the Mississippi River.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To continue building this division in order to address current and projected storm water issues.
- \* To work across multiple City departments and with City Council on ordinance language to address storm water issues.
- \* To form a more complete base-line model of the Mad Creek watershed through increased sampling and discharge mapping.
- \* To continue to improve construction site inspections with the aid of the Community Development department.

- \* To continue to support on-going storm water efforts including sewer separation, funding, mitigation and regulation.
- \* To begin comprehensive flow testing of separated sewer areas where heavy storm water flows continue to influence sanitary sewer lines.
- \* To begin a review of all City facilities for run-off infiltration/mitigation projects.

**Function:**  
Business Type

**Department:**  
Public Works

**Activity:**  
**Storm Water Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 56,501	\$ 33,262	\$ 45,600	\$ 28,500	\$ 45,900	0.66%
Commodities	49	200	1,300	1,100	1,100	-15.38%
Contractual Services	200	1,165	10,100	7,500	10,500	3.96%
Capital Outlay	-	-	5,000	5,700	-	
Transfers	1,900	2,000	2,100	2,100	2,200	4.76%
<b>Total Expenditures</b>	<b>\$ 58,650</b>	<b>\$ 36,627</b>	<b>\$ 64,100</b>	<b>\$ 44,900</b>	<b>\$ 59,700</b>	<b>-6.86%</b>
<b>Funding Sources</b>						
Grease Discharge Permits	\$ 22,045	\$ 16,184	\$ 18,000	\$ 16,000	\$ 16,000	-11.11%
Collection & Drainage Fund	36,605	20,443	46,100	28,900	43,700	-5.21%
<b>Total Funding Sources</b>	<b>\$ 58,650</b>	<b>\$ 36,627</b>	<b>\$ 64,100</b>	<b>\$ 44,900</b>	<b>\$ 59,700</b>	<b>-6.86%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time Position:</b>						
Inspector II	0.08	0.08	0.33	0.33	0.33	
Health and Housing Coordinator	0.25	0.25	-	-	-	
Assistant Director - Water Pollution Control	0.25	0.25	-	-	-	
Environmental Coordinator	-	0.12	0.25	0.25	0.25	
<b>Total Full Time</b>	<b>0.58</b>	<b>0.58</b>	<b>0.58</b>	<b>0.58</b>	<b>0.58</b>	<b>\$ 31,900</b>
Employee Benefits						14,000
<b>Total Personal Services</b>						<b>\$ 45,900</b>

## **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 \$576,426 in 2013/2014 and it will increase to \$595,548 in 2014/2015. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2014/2015. The IPERS rate will remain at 8.93% in 2014/2015.

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 rates increased again to 30.12% in 2013/2014 and will further increase to 30.41% in 2014/2015. Property tax funding for police and fire pension will increase from \$1,357,731 in 2013/2014 to \$1,390,319 in 2014/2015.

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 \$100,679 of medical costs related to several individuals' injuries or illnesses were incurred in 2007/2008, \$16,084 in 2008/2009, \$22,882 in 2009/2010, \$17,840 in 2010/2011, \$24,376 in 2011/2012 and \$28,184 in 2012/2013. Retiree medical costs are estimated at \$29,000 for the 2013/2014 revised estimate and \$27,000 for the 2014/2015 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 and 2014/2015.

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 \$1,373,803 for 2014/2015. 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. Also in 2013, deductibles increased from \$300 to \$400 for single and from \$600 to \$800 for family health coverage. The annual out-of-pocket maximums increased from \$600 to \$800 and from \$1,300 to \$1,600 for single and family coverage. In 2014, the rates were maintained at \$440.43 and \$1,171.54, respectively, for single and family coverage. The deductibles increased from \$400 to \$500 for single and from \$800 to \$1,000 for family health coverage. The annual out-of-pocket maximums also increased from \$800 to \$1,000 and from \$1,600 to \$2,000 for single and family coverage. The monthly administrative fee for 2014 is \$110.47 per employee. The administrative fee includes the \$8.46 Wellmark network access fee as well as the individual and aggregate stop loss insurance fees. The budget for 2014/2015 maintains the premium rates at \$440.43 and \$1,171.54, respectively, for single and family coverage. The budgeted tax funding amount for 2014/2015 for General Fund employees is \$1,373,803.

Employee benefit costs for life insurance will increase slightly from \$14,855 in 2013/2014 to \$14,870 in 2014/2015. 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 2014/2015.

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. In January 2013 the rate increased 5% to \$25.69, and it increased by 8% effective January 2014 to \$27.75. Effective January 2014, employees began contributing \$1 per month for single coverage. The employee contribution was implemented due to provisions of the Affordable Care Act. 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 2014/2015, the cost of dental insurance for General Fund employees is budgeted at \$40,051 compared to the \$39,072 budgeted for 2013/2014.

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 2012/2013, the worker's compensation experience modification factors were .84, .93, .88, .87, .84, .89, .87, .82 and .77. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2013/2014 the experience modification factor decreased to .72 and it is estimated to be .73 for 2014/2015. The tax funding

amount for General Fund employee workers compensation for 2014/2015 is estimated at \$43,523 compared to the \$43,916 budgeted for 2013/2014.

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 rate effective January 1, 2014 is .9% of \$26,800 wages. The 2014/2015 budget provides funding for this rate to be .9% of applicable wages of \$27,600 as of January 1, 2015. The tax funding amount for 2014/2015 is estimated at \$37,893 compared to the \$48,604 budgeted for 2013/2014.

The budget includes funding for long-term disability insurance for full-time non-union employees. The estimated cost for General Fund employees is \$9,350 for 2014/2015 compared to \$9,222 budgeted for 2013/2014. As with life insurance, the City changed to a new carrier for long-term disability insurance in October of 2011. The long-term disability rate is .27% of base wages for non-union employees.

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 2014/2015 is budgeted at \$36,366.

#### **CURRENT TRENDS AND ISSUES:**

The Employee Benefits tax levy rates for 2013/2014 and 2014/2015 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 2013/2014 \$527,005 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 2013/2014 to be maintained \$15.67209/\$1,000 of valuation.

The 2014/2015 Employee Benefits tax levy is \$369,265 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 City tax rate to remain unchanged for 2014/2015. It should be noted, however, that a significant portion of employee benefit costs are for police and fire pension contributions and if the 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 2014/2015 beginning fund balance of \$94,033 and funding \$369,265 less than the full amount of employee benefits from this levy, the Employee Benefit tax levy for 2014/2015 is \$3,073,818 compared to the \$3,040,212 budgeted for 2013/2014 (an increase of 1.1%). This requires a tax levy rate of \$3.85118 compared to \$3.80682 for the 2013/2014 budget year, an increase of 1.2% in the levy rate. Beginning in 2014/2015 the State implemented a property tax valuation rollback for commercial and industrial properties. For 2014/2015 the valuation of these properties was rolled back from 100% to 95%. For 2015/2016 the valuation will be rolled back to 90%. According to the provisions of the legislation, the State will make a reimbursement to local governments for property tax reductions which result from the rollbacks. The portion of the State reimbursement related to the Employee Benefits Tax levy is estimated at \$68,807 for 2014/2015 and this amount has been included as revenue to this fund for the upcoming year.

## Employee Benefits Fund

### Fund Statement

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015
Beginning Balance, July 1	\$ 148,204	\$ 164,258	\$ 3,865	\$ 50,368	\$ 94,033
Revenues					
Property Tax	\$ 3,085,921	3,016,089	3,027,205	\$ 3,027,205	\$ 3,058,688
Utility Tax Replacement Excise Tax	14,950	14,225	13,007	13,007	15,130
Commercial/Industrial State Reimbursement	0	0	0	0	68,807
<b>Total Revenues</b>	<b>\$ 3,100,871</b>	<b>\$ 3,030,314</b>	<b>\$ 3,040,212</b>	<b>\$ 3,040,212</b>	<b>\$ 3,142,625</b>
<b>Funds Available</b>	<b>\$ 3,249,075</b>	<b>\$ 3,194,572</b>	<b>\$ 3,044,077</b>	<b>\$ 3,090,580</b>	<b>\$ 3,236,658</b>
Expenditures					
Transfers Out					
Police Retirement	\$ 538,195	\$ 578,187	\$ 712,721	\$ 692,756	\$ 720,334
Fire Retirement	491,247	537,893	645,010	640,164	669,985
Police & Fire Retiree Medical	24,376	28,184	26,600	29,000	27,000
Health Insurance	1,320,072	1,322,240	1,388,867	1,362,183	1,373,803
Dental Insurance	35,264	35,711	39,072	38,689	40,051
Life Insurance	14,929	14,239	14,855	14,727	14,870
Police and Fire Medical Insurance	12,285	36,000	36,000	36,000	36,000
Long-term Disability Insurance	8,576	8,526	9,222	9,270	9,350
Post-Employment Health Plan	41,469	60,377	15,641	45,434	36,366
Workers Compensation	34,505	37,519	43,916	39,398	43,523
Unemployment	55,860	38,557	48,604	38,805	37,893
Deferred Compensation	0	0	0	700	1,200
FICA/IPERS	508,039	547,197	590,574	576,426	595,548
Employee Benefit Levy Reduction (1)	0	(100,426) (1)	(527,005) (2)	(527,005) (2)	(369,265) (3)
<b>Total Expenditures</b>	<b>\$ 3,084,817</b>	<b>\$ 3,144,204</b>	<b>\$ 3,044,077</b>	<b>\$ 2,996,547</b>	<b>\$ 3,236,658</b>
<b>Ending Balance, June 30</b>	<b>\$ 164,258</b>	<b>\$ 50,368</b>	<b>\$ 0</b>	<b>\$ 94,033</b>	<b>\$ 0</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 16,054</b>	<b>\$ (113,890)</b>	<b>\$ (3,865)</b>	<b>\$ 43,665</b>	<b>\$ (94,033)</b>

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.
3. The 2014/2015 the Employee Benefits tax levy is \$369,265 less than what would be needed to fund 100% of the employee benefit costs of General Fund employees. This again allowed for the City to maintain the same total tax rate for 2014/2015.

#### 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 2011/2012 and 2012/2013 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 2013/2014 is budgeted to be \$94,033 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2014/2015.

## **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 2014/2015 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 the 2012/2013, 2013/2014, or 2014/2015 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 2014/2015.

## Emergency Tax Levy Fund

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 80,165 (1)	\$ 80,301	\$ 80,401	\$ 80,399	\$ 80,499
Revenues					
Property Tax (2)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Utility Tax Replacement Excise Tax (2)	0	0	0	0	0
Interest	136	98	100	100	100
Total Revenues	\$ 136	\$ 98	\$ 100	\$ 100	\$ 0
Funds Available	\$ 80,301	\$ 80,399	\$ 80,501	\$ 80,499	\$ 80,599
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	\$ 80,301	\$ 80,399	\$ 80,501	\$ 80,499	\$ 80,599
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 136</b>	<b>\$ 98</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>

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 2014/2015 budget.
2. An Emergency Levy was not included in the budgets for 2011/2012, 2012/2013, 2013/2014, or 2014/2015.

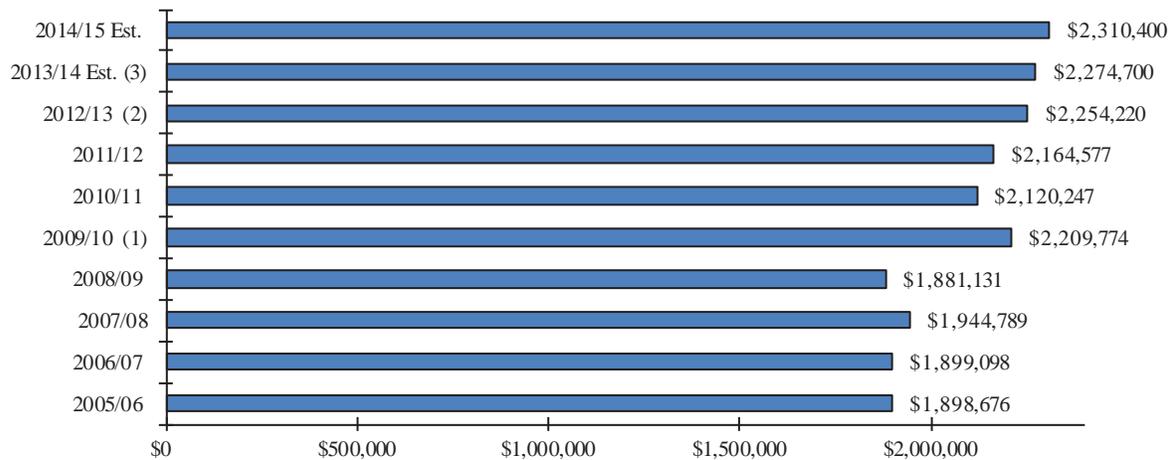
## SPECIAL REVENUE FUNDS

### 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 2014/2015. 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.

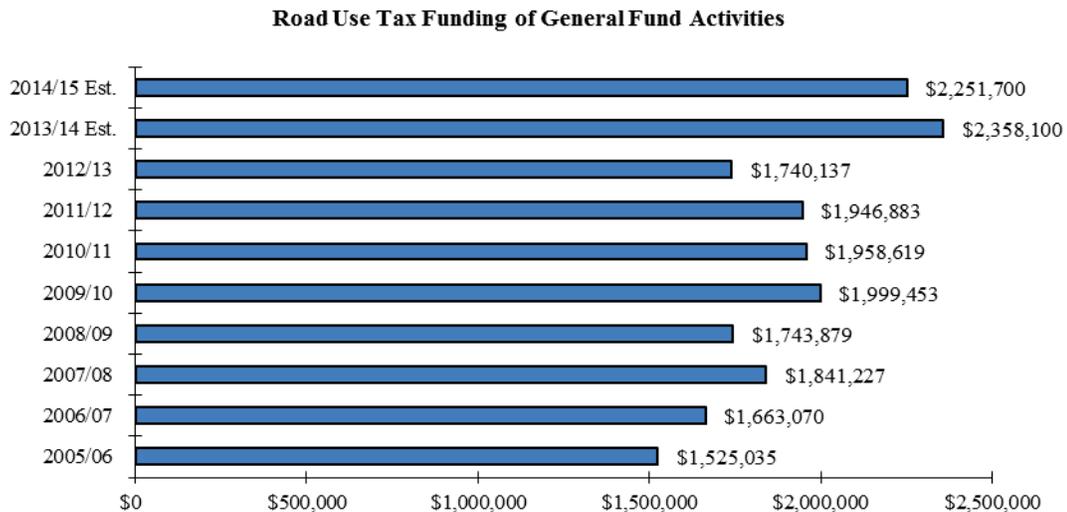
**Road Use Tax Revenue History**



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 revenues include 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 for the full fiscal year; the added population for the Ripley's area was effective for the last five months of the year.
3. The 2013/2014 Road Use Tax estimate was based on a full year of the increased population with the two recent annexations.

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 economic conditions in subsequent years, however, road use taxes 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.

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 2013/2014 and 2014/2015 are shown in the following chart:



**CURRENT TRENDS AND ISSUES:**

Road use tax revenues are estimated at \$2,274,700 in 2013/2014. This is based on the current Iowa Department of Transportation (IDOT) estimate of \$96.00 per capita, which has been reduced by \$.50 to \$95.50 for a conservative budget estimate. This estimate reflects a full year of funding (approximately \$89,000) from the increased population from the two voluntary annexations in 2012/2013 (Heatherlynn/Irish Ivy and Ripley’s).

The road use tax distribution for 2014/2015 was estimated by the IDOT at \$97.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2014/2015 budget includes a more conservative estimate of \$97.00 per capita which would generate \$2,310,400.

The 2013/2014 revised estimate and the 2014/2015 budget include \$2,358,100 and \$2,251,700, 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 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 \$595,300 were used to complete the Harrison Street Extension project. The 2014/2015 road use tax budget includes \$450,000 in funding for the Cedar Street Improvement Project and \$50,000 for the first year of a new sidewalk development program. The Cedar Street project is being funded from a combination of grant funds, bond proceeds, road use tax funds, and Collection and Drainage funds (for drainage-related work).

The estimated fund balance on June 30, 2015 is projected at \$367,355 based on estimated road use taxes of \$95.50 per capita for 2013/2014 and \$97.00 per capita for 2014/2015. 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. 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 to maintain a positive cash balance in this fund at the end of the 2014/2015 fiscal year.

## Road Use Tax Fund

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 755,526	\$ 840,143	\$ 432,743	\$ 892,055	\$ 808,655
Revenues					
Road Use Tax	\$ 2,164,577	\$ 2,254,220 (2)	\$ 2,286,600	\$ 2,274,700 (1)	\$ 2,310,400 (1)
Funds Available	<u>\$ 2,920,103</u>	<u>\$ 3,094,363</u>	<u>\$ 2,719,343</u>	<u>\$ 3,166,755</u>	<u>\$ 3,119,055</u>
Expenditures					
Transfers Out:					
General Fund	\$ 1,946,883	\$ 1,740,137	\$ 2,148,000	\$ 2,358,100	\$ 2,251,700
Harrison Street	133,077	462,171	0	0	0
Cedar Street Improvements	0	0	0	0	450,000
New Sidewalk Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>\$ 2,079,960</u>	<u>\$ 2,202,308</u>	<u>\$ 2,148,000</u>	<u>\$ 2,358,100</u>	<u>\$ 2,751,700</u>
Ending Balance, June 30	<u>\$ 840,143</u>	<u>\$ 892,055</u>	<u>\$ 571,343</u>	<u>\$ 808,655</u>	<u>\$ 367,355</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 84,617</b>	<b>\$ 51,912</b>	<b>\$ 138,600</b>	<b>\$ (83,400)</b>	<b>\$ (441,300)</b>
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Per Capita Road Use Taxes (Actual and Estimated)	\$ 94.58	\$ 96.69 (2)	\$ 96.00	\$ 95.50	\$ 97.00
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1. Revenues for both the Revised Estimate and 2014/2015 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. The IDOT estimate has been reduced by \$.50 per capita for both the Revised Estimate and 2014/2015 for budgeting purposes.
2. The City's population varied in 2012/2013 due to the voluntary annexations during that 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 of the last five months of the year increased by 865 to 23,819 with the annexation of the Ripley's area. The per capita amount shown reflects an average per capita rate for the year.

## SPECIAL REVENUE FUNDS

### LOCAL OPTION SALES TAX FUND

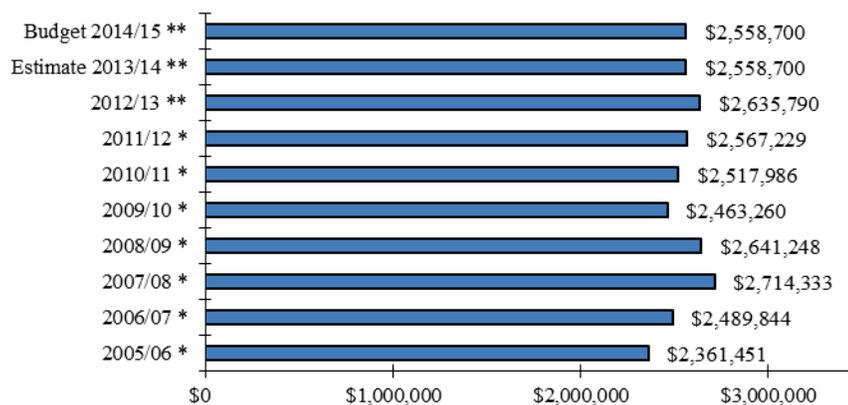
#### GENERAL INFORMATION:

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 2013/2014 and 2014/2015 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 2013/2014 and the 2014/2015 budget, the estimated local option sales tax revenues are \$2,678,360 and \$2,558,700, respectively. The 2014/2015 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 2013/2014 and Estimated 2014/2015

	Projected 2013/2014	Projected 2014/2015
<b>Project:</b>		
West Hill Sewer Separation - Phase 1	\$ 701,800	\$ -
West Hill Sewer Separation - Phase 2	2,573,700	1,410,500
West Hill Sewer Separation - Phase 3 Design	<u>69,500</u>	<u>162,500</u>
Totals	<u>\$ 3,345,000</u>	<u>\$ 1,573,000</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, the "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, 2013/2014, and 2014/2015 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 began in 2013 and is scheduled to be completed in the summer of 2014. Engineering design work for Phase 3 is currently in progress.

As authorized by the sales tax referendum, funding transfers of \$535,672 in the revised estimate and \$511,740 in 2014/2015 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 2013/2014 and Estimated 2014/2015**

	<b><u>Estimated</u></b> <b><u>2013/2014</u></b>	<b><u>Projected</u></b> <b><u>2014/2015</u></b>
<b>Project:</b>		
Pavement Management Program	\$ 500,000	\$ 500,000
Railroad Crossing Improvements	13,600	35,000
Cedar Street Improvement Project	-	50,000
Colorado Street Improvement Project	-	50,000
	<hr/>	<hr/>
Totals	<u>\$ 513,600</u>	<u>\$ 635,000</u>

Specific projects in the Pavement Management Program allocation of \$500,000 for 2014/2015 will be determined based on results of the pavement condition index study currently in progress, balanced with the financing of the Cedar Street and Colorado Street projects. The estimated balance in the Pavement Management sub-fund on June 30, 2015 is \$583,854.

## Local Option Sales Tax Fund

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 1,076,470	\$ 2,319,147	\$ 1,390,327	\$ 1,210,098	\$ 9,286
Revenues					
Local Option Sales Tax	\$ 2,655,498	\$ 2,524,658	\$ 2,516,100	\$ 2,678,360 (1)	\$ 2,558,700 (2)
Interest	<u>2,438</u>	<u>2,049</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Total Revenues	<u>\$ 2,657,936</u>	<u>\$ 2,526,707</u>	<u>\$ 2,517,600</u>	<u>\$ 2,679,860</u>	<u>\$ 2,560,200</u>
Funds Available	<u>\$ 3,734,406</u>	<u>\$ 4,845,854</u>	<u>\$ 3,907,927</u>	<u>\$ 3,889,958</u>	<u>\$ 2,569,486</u>
Expenditures					
Transfers Out:					
Hershey Avenue Sewer Separation	\$ 214,757	\$ 0	\$ 0	\$ 0	\$ 0
West Hill Sewer - Phase 1	669,402	3,130,824	860,000	701,800	0
West Hill Sewer - Phase 2	0	0	2,010,000	2,573,700	1,410,500
West Hill Sewer - Phase 3 Design	0	0	0	69,500	162,500
Pavement Management Program (3)	<u>531,100</u>	<u>504,932</u>	<u>503,220</u>	<u>535,672</u>	<u>511,740</u>
Total Expenditures	<u>\$ 1,415,259</u>	<u>\$ 3,635,756</u>	<u>\$ 3,373,220</u>	<u>\$ 3,880,672</u>	<u>\$ 2,084,740</u>
Ending Balance, June 30	<u><u>\$ 2,319,147</u></u>	<u><u>\$ 1,210,098</u></u>	<u><u>\$ 534,707</u></u>	<u><u>\$ 9,286</u></u>	<u><u>\$ 484,746</u></u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 1,242,677</b>	<b>\$ (1,109,049)</b>	<b>\$ (855,620)</b>	<b>\$ (1,200,812)</b>	<b>\$ 475,460</b>

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate (\$2,558,657.78) plus a prior year reconciliation amount of \$119,702.81.
2. The FY 2014/2015 Local Option Tax revenue amount is estimated conservatively at the States's projected 2013/2014 level of \$2,558,658.
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**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 311,619	\$ 270,103	\$ 408,323	\$ 684,442	\$ 706,814
Revenues					
Transfers In:					
Local Option Sales Tax (1)	\$ 531,100	\$ 504,932	\$ 503,220	\$ 535,672 (2)	\$ 511,740 (3)
Interest	337	375	300	300	300
Total Revenues	<u>\$ 531,437</u>	<u>\$ 505,307</u>	<u>\$ 503,520</u>	<u>\$ 535,972</u>	<u>\$ 512,040</u>
Funds Available	<u>\$ 843,056</u>	<u>\$ 775,410</u>	<u>\$ 911,843</u>	<u>\$ 1,220,414</u>	<u>\$ 1,218,854</u>
Expenditures					
Transfers Out:					
Pavement Management (Curb and Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	\$ 356,796	\$ 35,075	\$ 500,000	\$ 500,000	\$ 500,000 (4)
Highway 38/61 Connector Study	\$ 6,031	\$ 28,774	0	0	0
Railroad Crossing Improvements	210,126	27,119	0	13,600	35,000
Cedar Street Supplemental Funding	0	0	0	0	50,000
Colorado Street Supplemental Funding	0	0	0	0	50,000
Total Expenditures	<u>\$ 572,953</u>	<u>\$ 90,968</u>	<u>\$ 500,000</u>	<u>\$ 513,600</u>	<u>\$ 635,000</u>
Ending Balance, June 30	<u><u>\$ 270,103</u></u>	<u><u>\$ 684,442</u></u>	<u><u>\$ 411,843</u></u>	<u><u>\$ 706,814</u></u>	<u><u>\$ 583,854</u></u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (41,516)</b>	<b>\$ 414,339</b>	<b>\$ 3,520</b>	<b>\$ 22,372</b>	<b>\$ (122,960)</b>

- 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 \$2,558,658 and the prior year reconciliation amount of \$119,702.
- The FY 2015 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2013/2014 amount of \$2,558,658.
- Specific projects in the 2014/2015 funding amount to be determined. Specific projects have not been identified based on balancing the costs of Cedar Street and Colorado Street with ongoing pavement management projects.

## **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. The funding transfer for 2014/2015 is \$200,000.

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.

#### **CURRENT TRENDS AND ISSUES:**

For 2013/2014 the funding allocation from the General Fund to the Equipment Replacement Fund is \$117,000. Purchases for the 2013/2014 revised estimate total \$84,400, which is \$18,100 less than the original budget due to actual costs being less than projected. Purchases include a used unmarked vehicle (\$14,200) for the Police Department, a one ton dump truck (\$48,600) for the Cemetery, and a deep-tine aerifier for Soccer (\$21,600).

For 2014/2015 the funding allocation from the General Fund to the Equipment Replacement Fund is \$200,000. Vehicles and equipment items budgeted to be purchased in 2014/2015 total \$264,000 and include five new squad cars (\$183,000) for the Police Department, loose equipment for the reserve engine for the Fire Department (\$18,000), a mower for the Cemetery (\$9,000), a pick-up truck for Park Maintenance (\$22,000), an infield machine for Kent Stein (\$17,500), and a utility vehicle for Soccer (\$14,500). The balance in this fund is estimated at \$70,629 as of June 30, 2015.

**Equipment Replacement Fund**  
**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 105,560	\$ 101,574	\$ 79,374	\$ 87,429	\$ 127,329
Revenues					
Interest	\$ 137	\$ 115	\$ 100	\$ 100	\$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicle	0	3,780	0	0	0
Reimbursement of Damages	18,283	19,470	0	0	0
Transfers In					
General Fund Allocation	168,900	245,000	117,000	117,000	200,000
General Fund Allocation for Fire Engine	0	497,000 (1)	0	0	0
Total Revenues	<u>\$ 194,520</u>	<u>\$ 772,565</u>	<u>\$ 124,300</u>	<u>\$ 124,300</u>	<u>\$ 207,300</u>
Funds Available	\$ 300,080	\$ 874,139	\$ 203,674	\$ 211,729	\$ 334,629
Expenditures					
Equipment Purchases	<u>198,506</u>	<u>786,710</u>	<u>102,500</u>	<u>84,400</u>	<u>264,000</u>
Ending Balance, June 30	<u>\$ 101,574</u>	<u>\$ 87,429</u>	<u>\$ 101,174</u>	<u>\$ 127,329</u>	<u>\$ 70,629</u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (3,986)</b>	<b>\$ (14,145)</b>	<b>\$ 21,800</b>	<b>\$ 39,900</b>	<b>\$ (56,700)</b>

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 2012/2013.

*Functions:*  
**Public Safety**  
**Culture and Recreation**

*Departments:*  
**Police**  
**Fire**  
**Parks and Recreation**

*Activity:*  
**Equipment Replacement**

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police: Squad Cars	5	Yes	183,000
Fire: Equipment for Reserve Engine		No	18,000
Cemetery: Mower	1	Yes	9,000
Park Maintenance Pickup Truck	1	Yes	22,000
Kent Stein: Infield Machine	1	Yes	17,500
Soccer: Utility Vehicle	1	Yes	14,500
			\$ 264,000

## **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, 2013/2014, and 2014/2015 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 and in 2012/2013 the transfer was \$9,740. The Library made purchases from this fund of \$18,174 in 2011/2012 and \$23,567 in 2012/2013. There is \$9,000 projected to be expended from this fund in 2013/2014 and \$2,000 budgeted for 2014/2015.

## Computer Replacement Fund

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 7,908	\$ 18,488	\$ 0	\$ 42,721	\$ 0
Revenues					
Interest	\$ 34	\$ 36	\$ 0	\$ 0	\$ 0
Insurance Reimbursement	3,710	0	0	0	0
Transfers In					
General Fund	32,500	40,000	40,000	40,000	40,000
Total Revenues	\$ 36,244	\$ 40,036	\$ 40,000	\$ 40,000	\$ 40,000
Funds Available	\$ 44,152	\$ 58,524	\$ 40,000	\$ 82,721	\$ 40,000
Expenditures					
Equipment Purchases	25,664	15,803	40,000	82,721	40,000
Ending Balance, June 30	\$ 18,488	\$ 42,721	\$ 0	\$ 0	\$ 0
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 10,580</b>	<b>\$ 24,233</b>	<b>\$ 0</b>	<b>\$ (42,721)</b>	<b>\$ 0</b>

## Computer Replacement Fund - Library

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 20,066	\$ 25,502	\$ 3,502	\$ 11,688	\$ 2,688
Revenues					
Interest	\$ 19	\$ 13	\$ 0	\$ 0	\$ 0
Transfers In					
General Fund Library Budget	<u>23,591</u>	<u>9,740</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 23,610</u>	<u>\$ 9,753</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 43,676	\$ 35,255	\$ 3,502	\$ 11,688	\$ 2,688
Expenditures					
Equipment Purchases	<u>18,174</u>	<u>23,567</u>	<u>0</u>	<u>9,000</u>	<u>2,000</u>
Ending Balance, June 30	<u><u>\$ 25,502</u></u>	<u><u>\$ 11,688</u></u>	<u><u>\$ 3,502</u></u>	<u><u>\$ 2,688</u></u>	<u><u>\$ 688</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 5,436</b>	<b>\$ (13,814)</b>	<b>\$ 0</b>	<b>\$ (9,000)</b>	<b>\$ (2,000)</b>

## **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:**

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 3<sup>rd</sup> 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 \$206,225 in 2013/2014 and \$207,825 in 2014/2015. 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.

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 than the amount available and for 2012/2013 and 2013/2014 the City claimed \$126,000 less. For 2014/2015 the amount claimed is \$210,000 which is approximately \$115,000 less than the amount available.

The balance in the Downtown TIF fund is estimated at \$28,923 at the end of the 2014/2015 fiscal year.

**Tax Increment Fund - Downtown**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 81,062	\$ 77,139	\$ 76,014	\$ 75,973	\$ 26,648
Revenues					
Incremental Taxes	\$ 212,394 (1)	\$ 208,285 (2)	\$ 210,000 (3)	\$ 199,900	\$ 210,000 (4)
Interest	237	174	200	100	100
Total Revenues	<u>\$ 212,631</u>	<u>\$ 208,459</u>	<u>\$ 210,200</u>	<u>\$ 200,000</u>	<u>\$ 210,100</u>
Funds Available	<u>\$ 293,693</u>	<u>\$ 285,598</u>	<u>\$ 286,214</u>	<u>\$ 275,973</u>	<u>\$ 236,748</u>
Expenditures:					
Bonds	\$ 85,000 (5)	\$ 0	\$ 0	\$ 0	\$ 0
Interest	3,613 (5)	0	0	0	0
Tax Rebate - HNI	57,716 (5)	0	0	0	0
Transfers:					
Bonds	30,000	170,000	170,000	170,000	175,000
Interest	40,225	39,625	36,225	36,225	32,825
City Hall Boiler Project	0	0	43,100	43,100	0
Total Expenditures	<u>\$ 216,554</u>	<u>\$ 209,625</u>	<u>\$ 249,325</u>	<u>\$ 249,325</u>	<u>\$ 207,825</u>
Ending Balance, June 30	<u><u>\$ 77,139</u></u>	<u><u>\$ 75,973</u></u>	<u><u>\$ 36,889</u></u>	<u><u>\$ 26,648</u></u>	<u><u>\$ 28,923</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ (3,923)</b>	<b>\$ (1,166)</b>	<b>\$ (39,125)</b>	<b>\$ (49,325)</b>	<b>\$ 2,275</b>

1. For the 2011/2012 year, the City certified approximately \$125,000 less than the total available increment.
2. For the 2012/2013 year, the City certified approximately \$126,000 less than the total available increment.
3. For the 2013/2014 year, the City certified approximately \$126,000 less than the total available increment.
4. For the 2014/2015 year, the City certified approximately \$115,000 less than the total available increment.
5. FY 2011/2012 was the final year of the 15 year TIF rebate agreement with HNI and also 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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	200,000	6,250	206,250
Total	<u>\$ 1,285,000</u>	<u>\$ 156,550</u>	<u>\$ 1,441,550</u>

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Incremental taxes from the Downtown TIF area will fund principal and interest requirements on this issue as they become due.

## **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 rebated 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.

In June of 2013 the City entered into a new TIF rebate agreement with Wal-View Developments for construction of their new warehousing and distribution facility. This 10-year agreement provides for the rebate of 100% of the incremental taxes in the first five years of the agreement and 50% of the incremental taxes in the last five years. The first rebate under this agreement will be in the 2015/2016 fiscal year.

#### **CURRENT TRENDS AND ISSUES:**

Incremental tax revenue for 2013/2014 is estimated at \$403,000. In 2013/2014 Southend TIF funds will be used to fund debt requirements on the June 2004 bond issue (\$166,320), the TIF rebate to Robison Logistics (\$24,474), the Musco TIF rebate (\$96,712), the Curry's Transportation Services, Inc. rebate (\$23,704), the Newcomb Properties LLC rebate (\$7,898), and the A&E Convenience rebate (\$3,465). Incremental taxes will also be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$113,100 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. This will also be funded from Southend TIF funds in 2013/2014 as well as funds to complete the Museum Boiler project in the amount of \$59,900.

For 2013/2014 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 2014/2015 incremental taxes will fund \$165,930 in debt requirements, the TIF rebate to Musco (estimated at \$96,800), the Curry's Transportation rebate (estimated at \$23,800), the Newcomb Properties rebate (estimated at \$9,600), and the A & E Convenience rebate (estimated at \$3,500). In 2014/2015 incremental taxes will again be used for economic development administrative costs and the economic development grant to the Chamber in the amounts of \$116,500 and \$35,000, respectively.

For 2014/2015 the City is claiming approximately \$335,000 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2014/2015 is \$819,757.

## Tax Increment Fund - Southend

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 1,136,387	\$ 1,075,576	\$ 987,875	\$ 983,960	\$ 844,887
Revenues					
Incremental Taxes	\$ 407,756 (1)	\$ 417,758 (2)	\$ 425,000	\$ 403,000	\$ 425,000
Interest	2,035	1,324	1,500	1,000	1,000
Reimbursement of Legal Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 409,791</u>	<u>\$ 419,082</u>	<u>\$ 426,500</u>	<u>\$ 404,000</u>	<u>\$ 426,000</u>
Funds Available	<u>\$ 1,546,178</u>	<u>\$ 1,494,658</u>	<u>\$ 1,414,375</u>	<u>\$ 1,387,960</u>	<u>\$ 1,270,887</u>
Expenditures:					
Bonds	\$ 105,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 115,000
Interest	66,085	61,308	56,320	56,320	50,930
Tax Rebate-Robinson Logistics	25,920	25,709	25,800	24,474	0
Tax Rebate-Musco	101,147	101,592	101,600	96,712	96,800
Tax Rebate - Curry's Transportation Services	25,105	24,900	25,000	23,704	23,800
Tax Rebate - Newcomb Properties LLC	8,364	8,296	8,300	7,898	9,600
Tax Rebate - A & E Convenience, LLC	0	3,639	3,700	3,465	3,500
Legal Services/Legal Notices	1,464	0	0	0	0
Transfers Out:					
TIF Administrative and Professional Support Costs	102,517	105,254	114,000	113,100	116,500
TIF Economic Development Grant (GMCCI)	35,000	35,000	35,000	35,000	35,000
Bridge Lighting Project	0	40,000	0	0	0
Art Center Boiler Project	0	0	59,900	59,900	0
Economic Development Grant (Bi-State)	<u>0</u>	<u>0</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
Total Expenditures	<u>\$ 470,602</u>	<u>\$ 510,698</u>	<u>\$ 552,120</u>	<u>\$ 543,073</u>	<u>\$ 451,130</u>
Ending Balance, June 30	<u>\$ 1,075,576</u>	<u>\$ 983,960</u>	<u>\$ 862,255</u>	<u>\$ 844,887</u>	<u>\$ 819,757</u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ (60,811)</b>	<b>\$ (91,616)</b>	<b>\$ (125,620)</b>	<b>\$ (139,073)</b>	<b>\$ (25,130)</b>

1. For the 2011/2012 year, the City certified approximately \$405,600 less than the total available in incremental taxes.
2. For the 2012/2013 year, the City certified approximately \$396,000 less than the total available in incremental taxes.
3. For the 2013/2014 year, the City certified approximately \$396,000 less than the total available in incremental taxes.
4. For the 2014/2015 year, the City certified approximately \$335,000 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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	<u>150,000</u>	<u>8,700</u>	<u>158,700</u>
Total	<u>\$ 1,035,000</u>	<u>\$ 273,445</u>	<u>\$ 1,308,445</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 for 2011/2012 were \$314,880 and the rebate \$157,440; and incremental taxes for 2012/2013 were \$343,877 and the rebate \$171,939. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this area for 2013/2014 were \$385,172 and the rebate \$192,587. The incremental taxes for 2014/15 are estimated at \$417,750 with the rebate estimated at \$208,900. The City will receive \$193,200 of the incremental taxes in 2013/2014 and is claiming \$210,000 in 2014/2015 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 9,117	\$ 13,544	\$ 17,205	\$ 22,149	\$ 22,762
Revenues					
Incremental Taxes	\$ 161,824	\$ 180,516 (1)	\$ 203,000 (2)	\$ 193,200	\$ 210,000 (3)
Interest	<u>43</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 161,867</u>	<u>\$ 180,544</u>	<u>\$ 203,000</u>	<u>\$ 193,200</u>	<u>\$ 210,000</u>
Funds Available	<u>\$ 170,984</u>	<u>\$ 194,088</u>	<u>\$ 220,205</u>	<u>\$ 215,349</u>	<u>\$ 232,762</u>
Expenditures:					
Tax Rebate - VMI Northport Commons	<u>\$ 157,440</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>	<u>\$ 192,587</u>	<u>\$ 208,900</u>
Total Expenditures	<u>\$ 157,440</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>	<u>\$ 192,587</u>	<u>\$ 208,900</u>
Ending Balance, June 30	<u><u>\$ 13,544</u></u>	<u><u>\$ 22,149</u></u>	<u><u>\$ 17,805</u></u>	<u><u>\$ 22,762</u></u>	<u><u>\$ 23,862</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 4,427</b>	<b>\$ 8,605</b>	<b>\$ 600</b>	<b>\$ 613</b>	<b>\$ 1,100</b>
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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.
2. For the 2014/2015 year the City certified approximately \$208,000 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 \$13,152 and in 2013/2014 it increased to \$17,560. The rebate is estimated at \$49,500 for 2014/2015. This rebate is expected to increase in future years as further improvements to the property are completed.

## Tax Increment Fund - Muscatine Mall

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 1,729	\$ 3,405	\$ 5,152	\$ 5,136	\$ 5,576
Revenues					
Incremental Taxes	\$ 14,159	\$ 14,878	\$ 19,000	\$ 18,000	\$ 50,000
Interest	<u>6</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 14,165</u>	<u>\$ 14,883</u>	<u>\$ 19,000</u>	<u>\$ 18,000</u>	<u>\$ 50,000</u>
Funds Available	<u>\$ 15,894</u>	<u>\$ 18,288</u>	<u>\$ 24,152</u>	<u>\$ 23,136</u>	<u>\$ 55,576</u>
Expenditures:					
Tax Rebate - Muscatine Mall	<u>\$ 12,489</u>	<u>\$ 13,152</u> (1)	<u>\$ 18,500</u> (2)	<u>\$ 17,560</u>	<u>\$ 49,500</u> (3)
Ending Balance, June 30	<u><u>\$ 3,405</u></u>	<u><u>\$ 5,136</u></u>	<u><u>\$ 5,652</u></u>	<u><u>\$ 5,576</u></u>	<u><u>\$ 6,076</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 1,676</b>	<b>\$ 1,731</b>	<b>\$ 500</b>	<b>\$ 440</b>	<b>\$ 500</b>
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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.
3. For the 2014/2015 year the City certified approximately \$48,900 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 were \$28,631 and the rebate was \$14,316. For both 2011/2012 and 2012/2013 the City claimed less than the total of incremental taxes available from this area which allowed 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 were required to be returned to the City. These funds were credited to the City's General Fund. Again for 2014/2015 there is no increment and no incremental taxes on this property.

**Tax Increment Fund - Heinz**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 2,318	\$ 3,872	\$ 3,874	\$ 3,874
Revenues					
Incremental Taxes	\$ 14,160	\$ 15,870	\$ 0 (2)	\$ 0	\$ 0
Interest	<u>5</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 14,165</u>	<u>\$ 15,872</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 14,165	\$ 18,190	\$ 3,872	\$ 3,874	\$ 3,874
Expenditures:					
Tax Rebate - Heinz	\$ 11,362 (1)	\$ 14,316	\$ 0 (2)	\$ 0	\$ 0
Transfer Out:					
Legal Services	<u>485</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 11,847</u>	<u>\$ 14,316</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 2,318</u></u>	<u><u>\$ 3,874</u></u>	<u><u>\$ 3,872</u></u>	<u><u>\$ 3,874</u></u>	<u><u>\$ 3,874</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 2,318</b>	<b>\$ 1,556</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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 beginning in the 2013/2014 year.

## **SPECIAL REVENUE FUNDS**

### **TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST AS AMENDED**

#### **(INCLUDES VILLAS AT MCC AND OTHER IMPROVEMENTS IN THE COLORADO STREET AREA)**

#### **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, the incremental taxes are \$44,851, and the first year rebate is \$22,426. For 2014/2015 the increment, incremental taxes, and rebate are projected to be the same as the 2013/2014 amounts.

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 \$80,284 of the land costs will be funded from incremental taxes from this TIF district. The City Council approved an internal advance in November of 2012 to finance this portion of the project costs. This loan will be repaid over two years with incremental taxes from this TIF area in the amount of \$35,071 in 2013/2014 and \$45,213 in 2014/2015.

Incremental taxes from this area will also be used to fund construction of a new Park Maintenance building at Weed Park. Project costs include \$19,900 for architectural services and \$405,000 for building construction for a total cost of \$424,900. An internal advance will fund the project costs with this loan repaid over three years beginning in 2014/2015 and continuing through 2016/2017.

For 2014/2015 the City is claiming the full amount of the incremental taxes available from this TIF area estimated at \$180,051. This will fund the rebate to the Villas at MCC, the final payment on the internal loan for the Pierce Furniture property acquisition, and the first payment on the internal loan for the Weed Park Maintenance building.

**Tax Increment Fund - Highway 38 Northeast (As Amended)**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 60,400	\$ 57,497	\$ 180,051
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>\$ 60,400</u>	<u>\$ 57,497</u>	<u>\$ 180,051</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>	<u>\$ 57,497</u>	<u>\$ 180,051</u>
Expenditures:					
Tax Rebate - Villas at MCC	\$ 0	\$ 0	\$ 23,600 (1)	\$ 22,426	\$ 22,426
Transfer Out:					
Internal Loan - Pierce Acquisition	0	0	36,800 (2)	35,071	45,213
Internal Loan - Weed Park Maintenance Design	0	0	0	0	19,900 (3)
Internal Loan - Weed Park Maintenance Bldg	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,000 (3)</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>	<u>\$ 57,497</u>	<u>\$ 172,539</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>\$ 7,512</u></u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,512</b>

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 was estimated at \$83,000 to be repaid over two years (\$36,800 in 2013/2014 and \$46,200 in 2014/2015). The actual loan was less than the estimate at \$80,283.57.
3. The Weed Park Maintenance Building project is estimated at a total cost of \$424,900. An internal advance will fund this project with the advance repaid in fiscal years 2014/2015 through 2016/2017.

## **SPECIAL REVENUE FUNDS**

### **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

#### **GENERAL INFORMATION:**

The Community Development Block Grant Fund was established to account for the monies received under the Community Development Block Grant Program (CDBG). Historically, Community Development Block Grant funds have been used for code enforcement, housing rehabilitation, assistance to senior citizen projects, long-range planning, acquisition and demolition of substandard housing, and numerous capital improvements. Prior to State administration of Community Development funds, entitlement monies were allocated throughout the community. Improvements funded by discretionary monies, however, were directed toward six (6) target areas. The areas were the Franklin School Area, Mad Creek Area, Madison School neighborhood, Garfield School neighborhood, the Midtown Heart and Tree of Hope neighborhood, and the Riverbend neighborhood. The last CDBG grant, which funded housing rehabilitation projects in the Riverbend target area, was closed out in fiscal year 2010/2011.

#### **CURRENT TRENDS AND ISSUES:**

The City has not had an active CDBG grant for housing rehabilitation since 2010/2011. Provisions of prior CDBG grants, however, included requirements for home owners to repay a prorated portion of the cost of their grant-funded housing improvements if they did not remain in their homes for the specified number of years after their homes were rehabilitated. The balance in this fund reflects the cumulative balance of the repayments received from these property owners. The City may use these funds for housing-related purposes as specified in the City's CDBG Revenue Reuse Plan. In 2013/2014 \$10,000 of these funds will be used in the City's Home Ownership program to assist with down payment and closing costs for individuals meeting income requirements that complete this program and purchase a home. An additional \$1,800 in 2013/2014 and \$3,000 in 2014/2015 will be used for educational materials for the Sunset Park Children's Afterschool Education program. The balance in this fund is estimated at \$24,888 on June 30, 2015.

**Community Block Grant Fund (Prior Year Grants)**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 32,610	\$ 42,640	\$ 34,840	\$ 39,688	\$ 27,888
Revenues					
Reimbursements of Housing Rehabilitation Costs	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0
Interest	<u>30</u>	<u>48</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 10,030</u>	<u>\$ 48</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 42,640</u>	<u>\$ 42,688</u>	<u>\$ 34,840</u>	<u>\$ 39,688</u>	<u>\$ 27,888</u>
Expenditures					
Transfers Out:					
General Fund - Safe Streets Bldg	\$ 0	\$ 3,000	\$ 0	\$ 0	\$ 0
Homeownership Program	0	0	10,000	10,000	0
Sunset Park Education Program	<u>0</u>	<u>0</u>	<u>1,800</u>	<u>1,800</u>	<u>3,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 11,800</u>	<u>\$ 11,800</u>	<u>\$ 3,000</u>
Ending Balance, June 30	<u><u>\$ 42,640</u></u>	<u><u>\$ 39,688</u></u>	<u><u>\$ 23,040</u></u>	<u><u>\$ 27,888</u></u>	<u><u>\$ 24,888</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 10,030</b>	<b>\$ (2,952)</b>	<b>\$ (11,800)</b>	<b>\$ (11,800)</b>	<b>\$ (3,000)</b>
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## **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 \$5,000 for 2013/2014 with expenditures estimated at \$41,000. The 2013/2014 expenditures include police operating equipment, office furniture for the conference rooms, and a new vehicle for the Drug Task Force. The 2014/2015 budget includes an estimated \$5,000 in 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 7,174	\$ 2,778	\$ 27,378	\$ 41,579	\$ 5,579
Revenues					
Forfeiture Funds	\$ 0	\$ 54,328	\$ 5,000	\$ 5,000	\$ 5,000
Interest	<u>5</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 5</u>	<u>\$ 54,353</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Funds Available	\$ 7,179	\$ 57,131	\$ 32,378	\$ 46,579	\$ 10,579
Expenditures	<u>4,401</u>	<u>15,552</u>	<u>5,000</u>	<u>41,000</u>	<u>5,000</u>
Ending Balance, June 30	<u><u>\$ 2,778</u></u>	<u><u>\$ 41,579</u></u>	<u><u>\$ 27,378</u></u>	<u><u>\$ 5,579</u></u>	<u><u>\$ 5,579</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ (4,396)</b>	<b>\$ 38,801</b>	<b>\$ -</b>	<b>\$ (36,000)</b>	<b>\$ -</b>

1. Amounts for 2014/2015 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 first two \$40,000 funding assignments were made in 2012/2013 and 2013/2014. The original 3-year grant period is expected to end in February 2015. The Police budget for 2014/2015 includes approximately \$31,000 to fund the City's share of the cost of these officers for the remainder of the 2014/2015 fiscal year. With those funds budgeted in the operating budget, the assigned funding in 2014/2015 for future years is \$9,000. This results in \$89,000 being set aside for funding these officers through the required 4<sup>th</sup> year which is estimated to end in February, 2016. This takes into account the School providing funding for their portion of the 4<sup>th</sup> year costs. During the 2015/2016 budget review process, a decision will need to be made whether these positions will be retained at City and School cost or if they will be eliminated.

**Police Grant Future Funding Commitment Reserve**

**Fund Statement**

	<u>Actual 2010/2011</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 40,000	\$ 40,000	\$ 80,000
Revenues					
Transfer In:					
General Fund	\$ 0	\$ 40,000	\$ 40,000	\$ 40,000	\$ 9,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 9,100</u>
Funds Available	\$ 0	\$ 40,000	\$ 80,000	\$ 80,000	\$ 89,100
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>\$ 40,000</u></u>	<u><u>\$ 80,000</u></u>	<u><u>\$ 80,000</u></u>	<u><u>\$ 89,100</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 9,100</b>
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## **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.

HUD in most years has provided an annual operating subsidy for the City's public housing program which includes the Clark House and Sunset Park. For calendar year 2012, however, HUD changed how the subsidy was calculated. For 2012 HUD factored 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 housing budgets in 2011/2012 and 2012/2013 were adjusted due to this funding reduction. The operating subsidy was reinstated for calendar year 2013 in the amount of \$175,139.

The 2013/2014 revised estimate expenditures for the Clark House are over the budgeted amount by \$60,970, with most of this increase in capital outlay (\$59,800). The capital outlay revised estimate includes \$49,800

for exterior painting of the building which was carried forward from the prior year budget and an additional \$10,000 for apartment renovations. Apartments are renovated when there are tenant move-outs and there has been more apartment turnover this fiscal year.

The Clark House budgeted expenditures for fiscal year 2014/2015 total \$554,110 which is \$12,780 (2.4%) more than the original 2013/2014 budget. Increases in commodities of \$4,400, contractual services of \$14,540, and capital outlay of \$6,500 were partially offset by a decrease of \$12,660 in personal services.

The 2013/2014 revised estimate revenue for the Clark House is \$5,020 less than the original budget primarily due to the HUD capital funding allocation to the Clark House being \$4,120 less than the original budget.

The 2014/2015 budgeted revenues for the Clark House total \$539,100 which is approximately the same amount as the original 2013/2014 budget. The 2014/2015 budget includes an estimated \$87,900 in HUD operating subsidy and \$87,000 in HUD capital funds. The 2014/2015 budgeted revenues also include \$322,000 in rents, \$31,500 in cable fees, and \$10,700 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2013/2014 revised estimate the combined Clark House and Sunset Park revenues are \$800,800 and the combined expenditures are \$883,390. This will result in a \$82,590 decrease in the operating reserve to \$62,893 at the end of 2013/2014.

The 2014/2015 budgeted expenditures for the Clark House and Sunset Park total \$817,640 and revenues are budgeted at \$806,020. This will decrease the operating reserve by \$11,620 to \$51,273 at the end of 2014/2015. The combined public housing revenue estimate includes a total of \$156,000 of HUD Capital Funds, \$178,800 in HUD Operating Subsidy, and \$427,000 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 2013/2014 revised estimate expenditures for Sunset Park are \$25,560 less than the original budget. Personal services costs are \$35,690 less than the original budget due to reductions in part-time hours and a reallocation of fulltime staff. Commodities are also under the original budget by \$3,950. These savings have been partially offset by increases of \$11,080 in contractual services and \$3,000 in capital outlay. The contractual services increase is primarily due to increased contracted cleaning services during the absence of a fulltime employee as well as an increase to address a pest control issue. The capital outlay increase is for additional apartment renovations.

The 2014/2015 Sunset Park budgeted expenditures are \$43,120 (14.1%) less than the 2013/2014 budget. Personal services costs are \$36,310 less than the original 2013/2014 budget due to the part-time staff reduction and reallocation of fulltime staff. Commodities are \$4,050 less than the prior year budget and contractual services are \$2,960 less.

Revised estimate revenues for Sunset Park are \$19,800 less than the original budget primarily due to (1) decreased rents of \$5,000, (2) a \$6,000 increase in the allocation of HUD Capital Funds, (3) \$22,100 less in HUD operating subsidy funds allocated to Sunset Park, and (4) \$1,300 more in other revenue.

Revenues for Sunset Park for 2014/2015 are estimated at \$266,920 which includes \$105,000 in rents, \$90,900 in HUD operating subsidy, and \$69,000 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 \$1,770 less than the original budget. There were various increases and decreases in line items in this budget which netted to the overall reduction.

The estimated expenditures for fiscal year 2014/2015 of \$380,600 are \$19,750 (4.9%) lower than the original 2013/2014 budget. This overall decrease is primarily due to a reduction of \$23,500 in capital outlay. Personal services costs increased by \$5,660 and there were increases and decreases in various other areas of the budget. Capital costs for Hershey Manor are funded from the Replacement Reserve. Budgeted expenditures in 2014/2015 also include \$112,050 for interest and mortgage insurance on the re-financed loan.

Revenues for 2014/2015 include \$167,000 in rental payments from the tenants and an estimated \$261,400 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, increased to \$716 on June 1, 2012, and increased to \$724 June 1, 2013. The fair market rent will increase to \$733 June 1, 2014.

### **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.

In calendar year 2012 HUD made changes to how the Section 8 Voucher program funds are 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 decreased to \$54,393 at the end of 2012/2013 and is budgeted to remain at that same approximate level for 2013/2014 and 2014/2015. 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 and reduced to \$73,225 at the end of 2012/2013. It is expected to be further reduced to \$50,655 by the end of 2013/2014 and to \$21,425 by the end of 2014/2015 based on funding estimates available when the budget was prepared. Housing staff will continue to closely monitor HUD funding and revenues and expenditures for this program.

Federal contributions for fiscal year 2014/2015 are estimated at \$1,732,000 for the Section 8 Voucher Program which includes \$1,570,000 for housing assistance payments (HAPS) and \$162,000 for administration of the program. These are budget estimates based on information available at the time the budget was prepared. 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 will remain the same or increase in calendar years 2014 and 2015. Depending on the amount of HUD administrative funds allowed, reductions in administrative costs, including staffing, would need to be considered. Based on the current average rent subsidy and the estimated calendar year 2014 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 \$60,360 for 2013/2014 and this cost will increase to \$61,580 in 2014/2015. These costs are funded 100% by HUD. Incidental expenses are estimated

at \$2,120 in 2013/2014 and \$2,140 for 2014/2015. 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 2014/2015 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. This allocation was increased to 62% beginning in 2013/2014.

The 2013/2014 revised estimate includes an estimated \$61,200 in expenditures for this program and the estimated expenditures for 2014/2015 decreased to \$58,400. The 2013/2014 budget includes \$4,500 and the 2014/2015 budget \$5,500 for down payment and closing cost assistance to those completing this program 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.

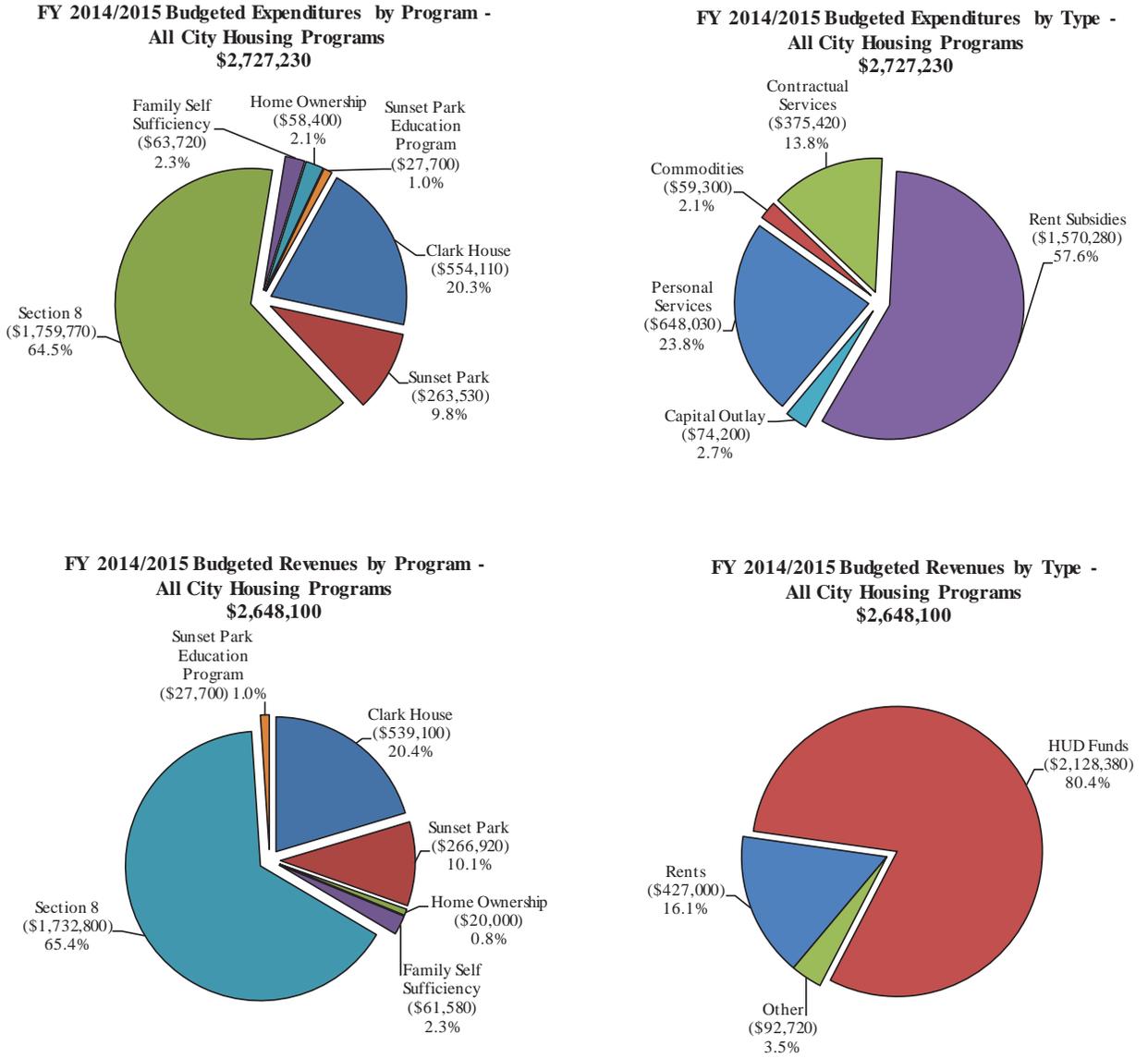
The Local Housing Trust will provide \$16,300 of funding for the Home Ownership Program in 2013/2014 and is expected to provide \$20,000 in 2014/2015. There is currently a sufficient fund balance available for this program due to the sales proceeds from the scattered site housing units. The Housing department 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 2013/2014 revised estimate is \$5,100 more than the original budget due to adding an assistant instructor for this program due to the increased number of children participating this year. The 2014/2015 budget totals \$27,700 which includes \$23,300 for the instructor and the assistant instructor as well as \$4,400 for education materials, supplies, and related costs. 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 \$2,727,230 for 2014/2015 with budgeted revenues of \$2,648,100. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:



The various housing budgets for 2014/2015 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 2014/2015 total \$55,800 and are allocated as follows:

Clark House	\$23,200
Sunset Park	11,500
Section 8 Voucher Program	<u>21,100</u>
	<u>\$55,800</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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
<b>Section 8 Voucher Program:</b>					
Unit Months Under Lease	4,308	4,393	4,315	4,203	4,203
Average Units Under Lease	358	366	360	350	350
Earned Administrative Fee	\$212,877	\$200,245	\$192,243	\$162,000	\$162,000
Housing Assistance Payments	\$1,543,154	\$1,638,189	\$1,636,939	\$1,570,280	\$1,570,280
<b>Public Housing:</b>					
<b><u>Clark House</u></b>					
Units Available	100	100	100	100	100
Days Units Vacant	704	703	397	730	730
Percent Days Vacant	1.93%	1.93%	1.09%	2.00%	2.00%
<b><u>Sunset Park</u></b>					
Units Available	51	50	50	50	50
Days Units Vacant	283	397	224	365	365
Percent Days Vacant to Days	1.52%	2.18%	1.23%	2.00%	2.00%
<b><u>Combined</u></b>					
Units Available	151	150	150	150	150
Total Days Units Available	55,115	54,750	54,750	54,750	54,750
Total Days Units Vacant	987	1,100	621	1,095	1,095
Total Percent Days Vacant	1.79%	2.01%	1.13%	2.00%	2.00%
<b>Hershey Manor:</b>					
Units Available	50	50	50	50	50
Days Units Available	18,250	18,250	18,250	18,250	18,250
Days Units Vacant	224	805	160	547	547
Percent Days Vacant	1.23%	4.41%	.88%	3.00%	3.00%

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
<b>Homeownership:</b>					
Clients Completing 8 Hour Class HUD(9902) Individual Counseling	54	48	60	50	50
Clients <80% Median Income	97	90	145	120	120
Clients Purchasing Housing Section 8 Homeownership	139	130	110	115	115
Clients Purchasing Housing	29	19	26	25	25
Clients Purchasing Housing	3	2	0	1	1
<b>Family Self Sufficiency:</b>					
Total Participants	25	32	40	35	35
Participants with Escrow Balance.	2	10	15	17	17
Participants Enrolled in Education	0	8	20	13	13
Participants Becoming Employed	7	14	9	20	20
<b>Sunset Park Education:</b>					
<b><u>Afterschool Program</u></b>					
Number Days of Operation	53	172	172	170	170
Number of Students Registered	17	26	25	27	26
Average Participating Students	9	11	12	20	18
Number of Instructional Hours	977	2,443	3,026	3,100	3,100
Total Books Read by Students	450	1,456	2,075	2,200	2,200
Average Books Read per Student	27	160	150	150	150
<b><u>Summer Program</u></b>					
Meals Served	N/A	N/A	983	1,000	1,000
Kids Registered	N/A	N/A	15	20	20
Off-site Activities	N/A	N/A	12	15	15

## **RECENT ACCOMPLISHMENTS:**

### **Public Housing - Clark House and Sunset Park**

In 2013 the public housing properties were rated by HUD under the Public Housing Assessment System. This rating system addresses four areas of operation – physical condition, financial condition, management operations, and capital fund program. As a result of this review the Muscatine Municipal Housing Agency’s Public Housing program scored 93 out of a possible 100 points and has again been rated as a High Performer Agency by HUD.

During the past year the apartment turnover was 25 out of the 150 units of public housing. The average days from vacancy to occupancy was 18.

### **Hershey Manor**

Since 1983, the City has provided management services for this facility at the request of the Hershey Board. In 2012/2013 Hershey Manor had a 1% vacancy rate and a 99% rent collection rate. Hershey is currently on track for a 2% vacancy rate and a 99% rent collection rate in 2013/2014.

The Iowa Finance Authority performed their annual Management and Occupancy Review in March 2013. The City received HUD's Outstanding Performance Award again in 2013.

The major improvements completed this past year at Hershey Manor were resurfacing of the driveway and parking lot, the addition of five new parking stalls, and repainting of the exterior siding of the building.

### **Section 8 Housing Voucher Program**

Federal changes in this program will be ongoing requiring the Housing department to remain flexible and diligent. HUD has cut the 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. At the time the budget was prepared, HUD has not released information on funding levels for calendar year 2014, but projections have been presented in the budget based on the latest information provided by HUD. If funding projections change, the budget will be modified to reflect the actual funding available.

In October of 2013 the City's Section 8 Housing Choice Voucher Program received HUD's highest designation of High Performer for the sixth consecutive year. This designation is based on the Section 8 Management Assessment Program (SEMAP) in which 12 separate areas of the program are assessed identifying capabilities and deficiencies related to the Section 8 Program.

### **Family Self Sufficiency (FSS)**

The Family Self-Sufficiency Program connects Section 8 Housing program participants with the community resources they need to achieve self-sufficiency. This program is staffed by a fulltime Housing Specialist with supervision provided by the Assistant Housing Administrator.

During the past year there were 40 participants in this program with 15 participants having escrow balances, 20 enrolled in education, and 9 becoming employed.

### **Home Ownership Program**

The 2013/2014 goal for this program was to offer seven homeownership classes. Three classes have been completed with the other four scheduled for January through June, 2014. From these seven classes, it is projected that 50 clients will complete the course (22 clients completed the course in the first three sessions). Of these "graduates" of the class, it is projected that at least 25 of them will actually close on a home. Thirteen have purchased homes to date. The goal of having one Section 8 participant close on a home has already been met. Additionally, program staff plans to schedule at least 120 individual one-on-one counseling sessions in areas such as credit awareness, money management and loan qualifications. To date there have been 67 individual sessions.

Further success of this program can be found in new relationships with other Muscatine agencies. Home Ownership staff has offered two Financial Literacy sessions at New Horizons, a substance abuse recovery program of Unity Health care. Staff also began a weekly "Financial Freedom" group that meets at the MCSA building. This group meets with some of MCSA's clients in the homelessness prevention program to help

individuals prepare a budget, encourage them to start a savings account, make a plan to pay off their debts, and develop a game plan to fix their credit. With these new working relationships, the counseling and education program will weave itself deeper into the local demographic that can benefit from it the most.

**Sunset Park Afterschool Program**

The Afterschool Program began operating Monday, August 19, 2013, with 23 students registered. By the end of September this increased to 31 students registered and the average attendance is 23. In the first six weeks there were 17 students who missed three days or less, with eight of them having perfect attendance. In October there were 14 students who missed three days or less, with 11 having perfect attendance. In November, 20 students missed three days or less with four having perfect attendance. Because of the increased number of students, another part-time position was added to the staff. Rebeca Jones is the part-time teacher for the program and Elaine Alberding, a para-educator for the Muscatine schools with 20 years of experience, was added to the program staff in mid-October. With the extra person, students can be given the attention they need.

	<b>Aug. 19- Sept. 30</b>	<b>Oct. 1- 31</b>	<b>Nov. 1-26</b>	<b>Year-to- Date</b>
Students Registered	28	31	31	30 avg.
Days Open	29	22	18	69
Average Attendance	17	21	23	20 avg.
Hours of Instruction	800	675	540	2,015
Books Read	350	410	400	1,160

A faithful volunteer, Nancy Roberson, helps students every Wednesday. Other programs have included Enrichment Programs from Daleta Christianson, ISU Extension representative Irene Lary has brought 4H Science activities to the students, and Judy Brotherton has done seasonal activities with students.

Muscabus was used for two field trips this fall. Students went to Discovery Park to see their indoor displays and also traveled to Musser Public Library to see the games exhibit. The students enjoyed having Maysun Castillo, an Muscatine High School student and sister to one of the students, talk to them about her trip to China last summer. These are great opportunities for the students to learn in a different way and to expand their horizons.

This fall, the participants walked at least once a week around Sunset Park or to Kent Stein Park. The children enjoy being outside and they are learning to make exercise part of their lives. This activity will continue as weather permits.

Staff is offering “Sunset Park Dollars” as an incentive for attendance again this year. There is a store every two weeks where the students can purchase special school items with these dollars. It has been a very busy beginning of the school year and staff hopes the students continue to attend regularly so they can meet their school goals.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

### **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 complete a Green Physical Needs Assessment (GPNA) as required by federal regulation.
- \* To review public housing policies and procedures and incorporate Lean measures as appropriate.  
**(Council and Management Lean/Continuous Service Improvement Goal)**

### **Hershey Manor**

- \* To collect at minimum 99% of all rent due.
- \* To maintain at minimum a 97% occupancy rate.
- \* To be proactive in reviewing policies and procedures and incorporate Lean measures as appropriate.  
**(Council and Management Lean/Continuous Service Improvement Goal)**

### **Section 8 Voucher Program**

- \* To maintain a minimum of 350 vouchers under lease throughout the fiscal year.
- \* 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 this program's policies and procedures and incorporate Lean measures as appropriate.  
**(Council and Management Lean/Continuous Service Improvement Goal)**

### **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 three additional providers.

- \* To review FSS policies and procedures and incorporate Lean measures as appropriate. **(Council and Management Lean/Continuous Service Improvement Goal)**

### **Home Ownership Program**

- \* To offer seven Home Ownership classes in the fiscal year.
- \* 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 that completes this program.
- \* To review this program's policies and procedures and incorporate Lean measures as appropriate. **(Council and Management Lean/Continuous Service Improvement Goal)**

### **Sunset Park Education Center**

- \* To have the Sunset Park Afterschool Program open a minimum of 170 days during the school year.
- \* To have a minimum of 26 students registered for the program.
- \* To have an average attendance of at least 18 students per day.
- \* To conduct a minimum of 1,900 hours of student instruction.
- \* To have students read a minimum of 980 books.
- \* To review this program's policies and procedures and incorporate Lean measures as appropriate. **(Council and Management Lean/Continuous Service Improvement Goal)**

### **Sunset Park Summer Program**

- \* To have a minimum of 20 children registered.
- \* To serve a minimum of 1,000 lunches from the meal site.
- \* To expand children's knowledge of the community by accessing at least two new community resources.
- \* To increase community volunteer interaction and seek at least three new volunteers for the summer program.
- \* To review this program's policies and procedures and incorporate Lean measures as appropriate. **(Council and Management Lean/Continuous Service Improvement Goal)**

**Public Housing Program  
Clark House and Sunset Park  
Fund Statement**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Operating Reserve, July 1	\$ 656,789	\$ 245,793	\$ 184,923	\$ 145,483	\$ 62,893
Revenues					
Dwelling Rentals	\$ 434,276	\$ 433,992	\$ 432,000	\$ 427,000	\$ 427,000
Cable Fees	29,349	31,735	30,000	30,500	31,500
Federal Grants:					
Operating Subsidy	83,133 (2)	92,006 (2)	200,400 (3)	178,800 (3)	178,800
HUD Capital Funds	0	171,006	150,000	151,880	156,000
Interest Income	3,710	1,301	520	520	520
Sale of Property	66,253	0	0	0	0
Laundry Fees	9,299	9,226	9,000	9,100	9,200
Miscellaneous	6,580	6,055	3,700	3,000	3,000
Total Revenues	<u>\$ 632,600</u>	<u>\$ 745,321</u>	<u>\$ 825,620</u>	<u>\$ 800,800</u>	<u>\$ 806,020</u>
Funds Available	<u>\$ 1,289,389</u>	<u>\$ 991,114</u>	<u>\$ 1,010,543</u>	<u>\$ 946,283</u>	<u>\$ 868,913</u>
Expenditures					
Clark House	\$ 592,490	\$ 566,197	\$ 541,330	\$ 602,300	\$ 554,110
Sunset Park	378,750	279,434	306,650	281,090	263,530
Scattered Sites	7,079	0	0	0	0
Transfer to Home Ownership Program	65,277	0	0	0	0
Total Expenditures (1)	<u>\$ 1,043,596</u>	<u>\$ 845,631</u>	<u>\$ 847,980</u>	<u>\$ 883,390</u>	<u>\$ 817,640</u>
Operating Reserve, June 30	<u><u>\$ 245,793</u></u>	<u><u>\$ 145,483</u></u>	<u><u>\$ 162,563</u></u>	<u><u>\$ 62,893</u></u>	<u><u>\$ 51,273</u></u>

<b>Increase (Decrease) in</b>					
<b>Operating Reserve</b>	<b>\$ (410,996)</b>	<b>\$ (100,310)</b>	<b>\$ (22,360)</b>	<b>\$ (82,590)</b>	<b>\$ (11,620)</b>

- 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 actual 2011/2012 and 2012/2013 amounts each reflect one-half year of HUD Operating Subsidies.
- 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Clark House:					
Dwelling Rentals	\$ 321,619	\$ 329,532	\$ 322,000	\$ 322,000	\$ 322,000
Cable Fees	29,349	31,735	30,000	30,500	31,500
Federal Grants:					
Operating Subsidy	55,422 (1)	61,337 (1)	87,400 (2)	87,900 (2)	87,900
HUD Capital Funds	0	85,503	87,000	82,880	87,000
Interest Income	3,691	1,287	500	500	500
Laundry Fees	9,299	9,226	9,000	9,100	9,200
Miscellaneous	4,291	3,315	3,000	1,000	1,000
Subtotal	<u>\$ 423,671</u>	<u>\$ 521,935</u>	<u>\$ 538,900</u>	<u>\$ 533,880</u>	<u>\$ 539,100</u>
Sunset Park:					
Dwelling Rentals	\$ 111,776	\$ 104,460	\$ 110,000	\$ 105,000	\$ 105,000
Federal Grants:					
Operating Subsidy	27,711 (1)	30,669 (1)	113,000 (2)	90,900 (2)	90,900
HUD Capital Funds	0	85,503	63,000	69,000	69,000
Interest Income	19	14	20	20	20
Miscellaneous	2,289	2,740	700	2,000	2,000
Subtotal	<u>\$ 141,795</u>	<u>\$ 223,386</u>	<u>\$ 286,720</u>	<u>\$ 266,920</u>	<u>\$ 266,920</u>
Scattered Site:					
Dwelling Rentals	\$ 881	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Property	66,253	0	0	0	0
Total	<u>\$ 632,600</u>	<u>\$ 745,321</u>	<u>\$ 825,620</u>	<u>\$ 800,800</u>	<u>\$ 806,020</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 actual 2011/2012 and 2012/2013 amounts each reflect one-half year of HUD Operating Subsidies.
2. Fiscal year 2013/2014 reflects the estimated amounts for a full year of HUD Operating Subsidy funding.

Function:  
Business Type

Department:  
Housing

Activity:  
**Clark House**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 218,916	\$ 231,304	\$ 246,110	\$ 219,260	\$ 233,450	-5.14%
Commodities	36,516	25,674	31,000	35,400	35,400	14.19%
Contractual Services	249,330	231,763	229,720	253,340	244,260	6.33%
Capital Outlay	95,944	81,681	34,500	94,300	41,000	18.84%
Transfers	65,277	-	-	-	-	
Total Expenditures	<u>\$ 665,983</u>	<u>\$ 570,422</u>	<u>\$ 541,330</u>	<u>\$ 602,300</u>	<u>\$ 554,110</u>	2.36%
<b>Funding Sources</b>						
Dwelling Rentals	\$ 322,500	\$ 329,532	\$ 322,000	\$ 322,000	\$ 322,000	0.00%
Tenant Cable Fees	29,349	31,735	30,000	30,500	31,500	5.00%
Interest Income	3,691	1,287	500	500	500	0.00%
Federal Grants:						
Operating Subsidy	55,422	61,337	87,400	87,900	87,900	0.57%
HUD Capital Funds	-	85,503	87,000	82,880	87,000	0.00%
Sale of Scat. Site Property	66,253	-	-	-	-	
Miscellaneous	13,590	12,541	12,000	10,100	10,200	-15.00%
Total Funding Sources	<u>\$ 490,805</u>	<u>\$ 521,935</u>	<u>\$ 538,900</u>	<u>\$ 533,880</u>	<u>\$ 539,100</u>	0.04%
<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Housing Administrator	0.50	0.45	0.45	0.45	0.45	
Assistant Housing Administrator	-	-	0.10	-	0.38	
Housing Maintenance Supervisor/Inspector	0.45	0.45	0.45	0.45	0.45	
Custodian	0.20	-	-	-	-	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Housing Specialist	1.00	1.00	1.00	1.00	-	
Housing Coordinator	0.10	0.10	-	0.10	-	
Total Full Time	<u>2.75</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>1.78</u>	
<b>Part Time:</b>						
Office Coordinator	0.50	0.55	0.55	0.11	0.08	
Custodian	0.75	0.80	0.80	0.74	1.23	
Housing Specialist	-	-	-	-	0.62	
Office Assistant	-	-	-	-	0.14	
Total Part Time	<u>1.25</u>	<u>1.35</u>	<u>1.35</u>	<u>0.85</u>	<u>2.07</u>	
<b>Total</b>	4.00	3.85	3.85	3.35	3.85	\$ 175,510
Employee Benefits						57,940
Total Personal Services						<u>\$ 233,450</u>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Appliance Replacements	10	Yes	\$ 4,500
Apartment Rehabilitation	5	Yes	30,000
Green Physical Needs Assessment			<u>6,500</u>
			<u>\$ 41,000</u>

**Function:**  
Business Type

**Department:**  
Housing

**Activity:**  
**Sunset Park Housing**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 165,118	\$ 165,184	\$ 175,340	\$ 139,650	\$ 139,030	-20.71%
Commodities	14,471	16,770	18,300	14,350	14,250	-22.13%
Contractual Services	75,177	77,933	80,010	91,090	77,050	-3.70%
Capital Outlay	123,984	19,547	33,000	36,000	33,200	0.61%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 378,750</u>	<u>\$ 279,434</u>	<u>\$ 306,650</u>	<u>\$ 281,090</u>	<u>\$ 263,530</u>	-14.06%
<b>Funding Sources</b>						
Dwelling Rentals	\$ 111,776	\$ 104,460	\$ 110,000	\$ 105,000	\$ 105,000	-4.55%
Interest Income	19	14	20	20	20	0.00%
Federal Grants:						
Operating Subsidy	27,711	30,669	113,000	90,900	90,900	-19.56%
HUD Capital Funds	-	85,503	63,000	69,000	69,000	9.52%
Miscellaneous	2,289	2,740	700	2,000	2,000	185.71%
Total Funding Sources	<u>\$ 141,795</u>	<u>\$ 223,386</u>	<u>\$ 286,720</u>	<u>\$ 266,920</u>	<u>\$ 266,920</u>	-6.91%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
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	0.38	0.38	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	0.10	0.10	-	0.10	-	
Total Full Time	<u>1.35</u>	<u>1.35</u>	<u>1.35</u>	<u>1.23</u>	<u>1.13</u>	
<b>Part Time:</b>						
Office Coordinator	0.22	0.20	0.20	-	0.08	
Custodian	0.80	0.84	0.82	0.70	0.73	
HUD Section 3 Program Worker	0.43	0.50	0.50	0.30	0.25	
Total Part Time	<u>1.45</u>	<u>1.54</u>	<u>1.52</u>	<u>1.00</u>	<u>1.06</u>	
<b>Total</b>	2.80	2.89	2.87	2.23	2.19	\$ 103,620
Employee Benefits						35,410
Total Personal Services						<u>\$ 139,030</u>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 25,000
Appliances	7	Yes	5,000
Green Physical Needs Assessment			3,200
			<u>\$ 33,200</u>

## Hershey Manor

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Revenues					
Dwelling Rentals	\$ 179,094	\$ 168,831	\$ 167,000	\$ 167,000 (1)	\$ 167,000 (2)
Housing Assistance Payments - HUD	246,106	241,242	267,400	263,900 (1)	272,800 (2)
HUD Payment Reduction for Vacancies	(20,425)	(1,684)	(8,700)	(13,000) (1)	(13,200) (2)
Residual Receipts Used for Portion of HUD HAP Payments	0	19,927	0	3,500	0
HUD Reimbursement Vacancies	0	0	0	1,800	1,800
Interest Income	588	509	500	400	400
Cable Fees	15,089	16,829	17,300	16,800	16,800
Laundry Income	4,843	4,754	5,000	5,000	5,000
Other Income	13	41	0	0	0
<b>Total Revenues</b>	<b>\$ 425,308</b>	<b>\$ 450,449</b>	<b>\$ 448,500</b>	<b>\$ 445,400</b>	<b>\$ 450,600</b>
<b>Operating Expenditures</b>	<b>335,084</b>	<b>383,086</b>	<b>400,350</b>	<b>398,580</b>	<b>380,600</b>
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	<u>\$ 90,224</u>	<u>\$ 67,363</u>	<u>\$ 48,150</u>	<u>\$ 46,820</u>	<u>\$ 70,000</u>
Additional Budget Items:					
Principal Retirement	(32,740)	(34,760)	(36,904)	(36,904)	(39,180)
Replacement Reserve Transfers	(29,801)	(29,860)	(29,856)	(29,904)	(29,904)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,770)	(49,668)	(49,668)
Portion of Above Interest from Reserve Funds	(525)	(457)	(450)	(350)	(350)
Transfers from Replacement Reserve	38,098	49,558	58,000	55,290	34,500
<b>Net Surplus (Deficit)</b>	<b><u>\$ 15,588</u></b>	<b><u>\$ 2,176</u></b>	<b><u>\$ (10,830) (3)</u></b>	<b><u>\$ (14,716) (3)</u></b>	<b><u>\$ (14,602) (3)</u></b>
<b>Surplus (Deficit) per Unit Month</b>	<b><u>\$ 25.98</u></b>	<b><u>\$ 3.63</u></b>	<b><u>\$ (18.05) (3)</u></b>	<b><u>\$ (24.53) (3)</u></b>	<b><u>\$ (24.34) (3)</u></b>

1. The FY 2013/2014 Rev. Est. HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent of \$724 with 3% allowed for vacancies.
2. The FY 2014/2015 HUD Housing Assistance Payments and dwelling rental amounts shown are based on an increase in the fair market rent to \$733 with 3% allowed for vacancies.
3. Although operating deficits are shown for 2013/2014 and 2014/2015, 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 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 80,040	\$ 82,887	\$ 87,330	\$ 89,410	\$ 92,990	6.48%
Commodities	14,207	9,239	13,500	12,850	13,200	-2.22%
Contractual Services	103,933	117,636	127,900	126,520	127,860	-0.03%
Capital Outlay	17,895	56,498	58,000	55,290	34,500	-40.52%
Interest/Mortgage Insurance	119,009	116,826	113,620	114,510	112,050	-1.38%
<b>Total Expenditures</b>	<b>\$ 335,084</b>	<b>\$ 383,086</b>	<b>\$ 400,350</b>	<b>\$ 398,580</b>	<b>\$ 380,600</b>	<b>-4.93%</b>
<b>Funding Sources</b>						
Dwelling Rentals	\$ 179,094	\$ 168,831	\$ 167,000	\$ 167,000	\$ 167,000	0.00%
Housing Assistance Payments - HUD	225,681	239,558	258,700	252,700	261,400	1.04%
Residual Receipts Used for Portion of HUD HAPs	-	19,927	-	3,500	-	
Interest Income	588	509	500	400	400	-20.00%
Cable Fees	15,089	16,829	17,300	16,800	16,800	-2.89%
Other Income	4,856	4,795	5,000	5,000	5,000	0.00%
<b>Total Funding Sources</b>	<b>\$ 425,308</b>	<b>\$ 450,449</b>	<b>\$ 448,500</b>	<b>\$ 445,400</b>	<b>\$ 450,600</b>	<b>0.47%</b>
<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Housing Administrator (Included in Management Fee)	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor/Inspector	0.10	0.10	0.10	0.10	0.10	
Assistant to Housing Administrator	-	-	-	-	0.62	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
<b>Total Full Time</b>	<b>0.45</b>	<b>0.45</b>	<b>0.45</b>	<b>0.45</b>	<b>1.07</b>	
<b>Part Time:</b>						
Housing Specialist	0.64	0.64	0.64	0.63	-	
Custodian	0.54	0.55	0.55	0.56	0.58	
<b>Total</b>	<b>1.63</b>	<b>1.64</b>	<b>1.64</b>	<b>1.64</b>	<b>1.65</b>	<b>\$ 67,350</b>
Employee Benefits						25,640
<b>Total Personal Services</b>						<b>\$ 92,990</b>

<b>Capital Outlay</b>			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Carpet Replacements	5	Yes	\$ 5,000
Appliance Replacements	5	Yes	2,000
Vinyl Fence	1	Yes	11,000
Install Sidewalk		No	3,000
Assessment for HVAC Replacement			10,000
Green Physical Needs Assessment			3,500
			<u>\$ 34,500</u>

## Section 8 Voucher Program

### Fund Statement

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015
Beginning Balance, July 1	\$ 359,583	\$ 222,407	\$ 120,607	\$ 127,618	\$ 105,448
Revenues					
HUD Contributions-Housing Assistance Payments	\$ 1,503,285	\$ 1,551,323	\$ 1,655,000	\$ 1,570,280	\$ 1,570,000
HUD Contributions-Administration	200,245	192,243	200,000	162,000	162,000
HUD Contributions-Family Self-Sufficiency	48,947	58,516	60,600	60,360	61,580
FSS Escrow Forfeiture	247	440	0	0	0
Fraud Recovery - HUD Portion	2,372	688	1,000	300	300
Fraud Recovery - Admin Portion	2,372	688	1,000	300	300
Interest - HAP Reserve	215	79	100	100	100
Interest - Admin Reserve	126	81	100	100	100
<b>Total Revenues</b>	<b>\$ 1,757,809</b>	<b>\$ 1,804,058</b>	<b>\$ 1,917,800</b>	<b>\$ 1,793,440</b>	<b>\$ 1,794,380</b>
<b>Funds Available</b>	<b>\$ 2,117,392</b>	<b>\$ 2,026,465</b>	<b>\$ 2,038,407</b>	<b>\$ 1,921,058</b>	<b>\$ 1,899,828</b>
Expenditures:					
Housing Assistance Payments	\$ 1,638,189	\$ 1,636,939	\$ 1,655,000	\$ 1,570,280	\$ 1,570,280
Voucher Program Administration	206,577	201,928	220,010	182,850	189,490
Family Self-Sufficiency Coordinator	48,947	58,515	60,600	60,360	61,580
Family Self-Sufficiency Other Costs	1,272	1,465	2,070	2,120	2,140
<b>Total Expenditures</b>	<b>\$ 1,894,985</b>	<b>\$ 1,898,847</b>	<b>\$ 1,937,680</b>	<b>\$ 1,815,610</b>	<b>\$ 1,823,490</b>
<b>Ending Balance, June 30</b>	<b>\$ 222,407</b>	<b>\$ 127,618</b>	<b>\$ 100,727</b>	<b>\$ 105,448</b>	<b>\$ 76,338</b>
Ending Balance Reserved for:					
Housing Assistance Payments	\$ 138,799	\$ 54,393 (1)	\$ 51,299	\$ 54,793	\$ 54,913
Administration	83,608	73,225	49,428	50,655	21,425
<b>Total Ending Balance</b>	<b>\$ 222,407</b>	<b>\$ 127,618</b>	<b>\$ 100,727</b>	<b>\$ 105,448</b>	<b>\$ 76,338</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (137,176)</b>	<b>\$ (94,789)</b>	<b>\$ (19,880)</b>	<b>\$ (22,170)</b>	<b>\$ (29,110)</b>

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 \$84,406 in the Housing Assistance Payment Reserve from \$138,799 at the end of 2011/2012 to \$54,393 at the end of 2012/2013.

**Function:**  
Community and Economic Development

**Department:**  
Housing

**Activity:**  
**Section 8 Voucher Program**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 167,740	\$ 155,909	\$ 175,080	\$ 139,850	\$ 143,770	-17.88%
Commodities	3,345	6,768	4,150	5,100	5,250	26.51%
Contractual Services	1,673,681	1,676,190	1,695,780	1,608,180	1,610,750	-5.01%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 1,844,766</b>	<b>\$ 1,838,867</b>	<b>\$ 1,875,010</b>	<b>\$ 1,753,130</b>	<b>\$ 1,759,770</b>	<b>-6.15%</b>
<b>Funding Sources</b>						
HUD Contribution	\$ 1,703,530	\$ 1,743,566	\$ 1,855,000	\$ 1,732,000	\$ 1,732,000	-6.63%
Repayment Agreements	4,744	1,376	2,000	600	600	-70.00%
Interest	341	160	200	200	200	0.00%
Other Income	247	440	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 1,708,862</b>	<b>\$ 1,745,542</b>	<b>\$ 1,857,200</b>	<b>\$ 1,732,800</b>	<b>\$ 1,732,800</b>	<b>-6.70%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	-	-	0.80	0.80	0.15	
Housing Maintenance Supervisor/Inspector	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	0.80	0.80	-	-	-	
Housing Specialist	1.00	1.00	1.00	-	1.00	
<b>Total Full Time</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>	<b>1.15</b>	<b>1.50</b>	
<b>Part Time:</b>						
Office Coordinator	0.63	0.63	0.63	0.43	0.35	
Housing Specialist	-	-	-	0.78	0.56	
Office Assistant	-	-	-	-	0.11	
<b>Total</b>	<b>2.78</b>	<b>2.78</b>	<b>2.78</b>	<b>2.36</b>	<b>2.52</b>	<b>\$ 105,860</b>
Employee Benefits						37,910
<b>Total Personal Services</b>						<b>\$ 143,770</b>

**Function:**  
Community and Economic Development

**Department:**  
Housing

**Activity:**  
**Family Self Sufficiency Program**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 48,947	\$ 58,515	\$ 60,600	\$ 60,360	\$ 61,580	1.62%
Commodities	189	602	350	450	450	28.57%
Contractual Services	1,082	863	1,720	1,670	1,690	-1.74%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 50,218</u>	<u>\$ 59,980</u>	<u>\$ 62,670</u>	<u>\$ 62,480</u>	<u>\$ 63,720</u>	1.68%
<b>Funding Sources</b>						
HUD Contribution	\$ 48,947	\$ 58,516	\$ 60,600	\$ 60,360	\$ 61,580	1.62%
Section 8 HUD Admin Funds	<u>1,271</u>	<u>1,464</u>	<u>2,070</u>	<u>2,120</u>	<u>2,140</u>	3.38%
Total Funding Sources	<u>\$ 50,218</u>	<u>\$ 59,980</u>	<u>\$ 62,670</u>	<u>\$ 62,480</u>	<u>\$ 63,720</u>	1.68%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Housing Specialist	1.00	1.00	1.00	1.00	1.00	\$ 46,860
Employee Benefits						<u>14,720</u>
Total Personal Services						<u>\$ 61,580</u>

**Public Housing  
Home Ownership Program  
Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 112,272	166,945	\$ 143,545	\$ 145,013	\$ 112,113
Revenues:					
HUD Counseling Grant	\$ 1,699	\$ 0	\$ 0	\$ 0	\$ 0
Local Housing Trust Funds	23,303	19,817	17,000	16,300	20,000
IHOEP Technology Grant	0	0	0	2,000	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	10,000	10,000	0
Transfer Scattered Site					
Property Sale Proceeds	65,277	0	0	0	0
Interest	252	174	100	0	0
Other	3,649	0	0	0	0
Total Revenues	<u>\$ 94,180</u>	<u>\$ 19,991</u>	<u>\$ 27,100</u>	<u>\$ 28,300</u>	<u>\$ 20,000</u>
Funds Available	\$ 206,452	\$ 186,936	\$ 170,645	\$ 173,313	\$ 132,113
Expenditures	<u>39,507</u>	<u>41,923</u>	<u>55,000</u>	<u>61,200</u>	<u>58,400</u>
Ending Balance, June 30	<u>\$ 166,945</u>	<u>145,013</u>	<u>115,645</u>	<u>\$ 112,113</u>	<u>73,713</u>

<b>Increase (Decrease) in Fund Balance (1)</b>	<b>\$ 54,673</b>	<b>\$ (21,932)</b>	<b>\$ (27,900)</b>	<b>\$ (32,900) (1)</b>	<b>\$ (38,400) (1)</b>
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1. The Housing department will be pursuing other outside funding for this program with the goal of making the Home Ownership program self-sustaining in future years.

**Function:**  
Community and Economic Development

**Department:**  
Housing

**Activity:**  
**Home Ownership Program**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 35,353	\$ 37,782	\$ 38,300	\$ 46,300	\$ 46,900	22.45%
Commodities	649	420	700	1,500	800	14.29%
Contractual Services	3,504	3,721	16,000	11,400	10,700	-33.13%
Capital Outlay	-	-	-	2,000	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 39,506</b>	<b>\$ 41,923</b>	<b>\$ 55,000</b>	<b>\$ 61,200</b>	<b>\$ 58,400</b>	<b>6.18%</b>
<b>Funding Sources</b>						
Transfer Scattered Site Property Sale Proceeds	\$ 65,277	\$ -	\$ -	\$ -	\$ -	
HUD Counseling Grant	1,699	-	-	-	-	
Local Housing Trust Fund	23,303	19,817	17,000	16,300	20,000	17.65%
IHOEP Technology Grant	-	-	-	2,000	-	
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	10,000	10,000	-	-100.00%
Interest	252	174	100	-	-	-100.00%
Other	3,649	-	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 94,180</b>	<b>\$ 19,991</b>	<b>\$ 27,100</b>	<b>\$ 28,300</b>	<b>\$ 20,000</b>	<b>-26.20%</b>

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
Housing Specialist	0.50	0.50	0.50	0.62	0.62	
Housing Administrator	-	0.05	0.05	0.05	0.05	
<b>Total</b>	<b>0.50</b>	<b>0.55</b>	<b>0.55</b>	<b>0.67</b>	<b>0.67</b>	<b>\$ 31,800</b>
Employee Benefits						15,100
<b>Total Personal Services</b>						<b>\$ 46,900</b>

**Public Housing  
Sunset Park Education Program  
Fund Statement**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance, July 1	\$ 4,407	10,680	10,580	\$ 9,379	3,979
Revenues:					
United Way Contributions	\$ 19,950	\$ 17,200	\$ 15,000	\$ 15,000	\$ 23,300
Other Contributions	145	0	1,300	1,300	1,400
Interest	20	13	0	0	0
Other	300	0	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	1,800	1,800 (1)	3,000 (1)
Total Revenues	<u>\$ 20,415</u>	<u>\$ 17,213</u>	<u>\$ 18,100</u>	<u>\$ 18,100</u>	<u>\$ 27,700</u>
Funds Available	\$ 24,822	\$ 27,893	\$ 28,680	\$ 27,479	\$ 31,679
Expenditures	<u>14,142</u>	<u>18,514</u>	<u>18,400</u>	<u>23,500</u>	<u>27,700</u>
Ending Balance, June 30	<u>\$ 10,680</u>	<u>9,379</u>	<u>10,280</u>	<u>\$ 3,979</u>	<u>\$ 3,979</u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 6,273</b>	<b>\$ (1,301)</b>	<b>\$ (300)</b>	<b>\$ (5,400)</b>	<b>\$ 0</b>

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 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 13,426	\$ 13,073	\$ 14,100	\$ 19,300	\$ 23,300	65.25%
Commodities	686	1,793	2,300	2,950	3,150	36.96%
Contractual Services	30	687	2,000	1,250	1,250	-37.50%
Capital Outlay	-	2,961	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 14,142</u>	<u>\$ 18,514</u>	<u>\$ 18,400</u>	<u>\$ 23,500</u>	<u>\$ 27,700</u>	50.54%
<b>Funding Sources</b>						
Donations	\$ 20,095	\$ 17,200	\$ 16,300	\$ 16,300	\$ 24,700	51.53%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	1,800	1,800	3,000	66.67%
Interest	20	13	-	-	-	
Other	300	-	-	-	-	
Total Funding Sources	<u>\$ 20,415</u>	<u>\$ 17,213</u>	<u>\$ 18,100</u>	<u>\$ 18,100</u>	<u>\$ 27,700</u>	53.04%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Part Time:</b>						
Project Coordinator	0.36	0.29	0.29	0.30	0.30	
Program Asssitant	-	-	-	0.14	0.25	
Total	<u>0.36</u>	<u>0.29</u>	<u>0.29</u>	<u>0.44</u>	<u>0.55</u>	\$ 20,100
Employee Benefits						3,200
Total Personal Services						<u>\$ 23,300</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, 2014, the City's G.O. bonds outstanding will total \$16,605,000. This includes \$14,030,000 for debt from prior year bond issues and \$2,575,000 for the City's next bond issue scheduled for June 2, 2014. The new issue includes \$2.5 million for project costs and allows for bond issuance costs of \$75,000. The \$2,575,000 issue amount is the amount of property tax funded debt that can be issued without an increase in the debt service tax levy rate for 2014/2015.

A list of the projects to be funded from the 2014 issue and the bond funding requirements are in the chart below. It should be noted that the funding amounts for the Cedar Street and Colorado Street projects will be supplemented with Road Use Tax funds and the Pavement Management portion of Local Option Sales tax funds in order to keep the total bond issue at \$2,575,000 and maintain the same debt service tax levy rate as 2013/2014.

### City of Muscatine Proposed June 2, 2014 Bond Issue

	<b>Estimated Bond Requirements</b>
<b>Street Improvements:</b>	
Cedar Street - Series B	\$ 1,323,000
Colorado Street - Series B	870,000
<b>Airport Improvements:</b>	
Airport Hangar Drainage Improvement (Estimated Local Share)	27,000
Airport Obstruction Removal (Additional Local Share)	1,200
<b>Emergency Siren:</b>	
Siren for Recently Annexed Area (After the budget was approved the City was notified that this siren will be funded by the Muscatine County Emergency Management Office; these funds will be redirected to the Cedar Street Project)	22,800
<b>Library Building Improvements:</b>	
Elevator Renovation	35,000
<b>Ambulance Equipment:</b>	
Cardiac Monitors (6)	168,000
CPR Devices (4)	53,000
Total Estimated Bond Funding Requirements	\$ 2,500,000
Estimated Bond Issuance Costs	75,000
<b>Total Proposed Bond Issue</b>	<b>\$ 2,575,000</b>

## **CURRENT TRENDS AND ISSUES:**

The debt service tax rate for the current year 2013/2014 is \$2.89226 per \$1,000 of valuation. This rate will decrease slightly to \$2.89056 for 2014/2015. The City's financial consultant, Public Financial Management Inc. (PFM) assists the City with debt analysis as well as debt issuance. When the original 2013/2014 budget was prepared, it was projected that the City could only issue \$2 million debt in 2014 and be able to maintain the debt service tax levy at the current level. PFM updated the debt analysis for this year's budget and based on updated assumptions, determined that the City could issue \$2,575,000 in bonds in 2014 and maintain the same debt service tax rate. This was in part due to the prior year refunding of two debt issues which resulted in savings in interest costs. The savings included \$4,525 from refunding the final year of the June 1, 2003 issue in 2012 and a total savings of \$48,465 from refunding the final three years of the June 1, 2006 issue in 2013. The savings from refunding the 2006 bonds resulted in an interest savings of \$13,173 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 included 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 totaled \$726,054. The 2013/2014 payments will be the final payments on this bond issue.

Revenues from property taxes, utility tax replacement funds, and the State commercial and industrial property tax replacement funds, total the amount necessary to support debt service payments of \$2,454,645, which is the total estimated requirement for property tax supported debt in 2014/2015.

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, 2014 is as follows:

**City of Muscatine**  
**Legal Debt Margin Estimate**  
**As of July 1, 2014**

<b>Actual Valuation January 1, 2013</b>		<b>\$ 1,238,312,164</b>
State Limit (5%)		<u>0.05</u>
<b>Debt Limit</b>		<b>\$ 61,915,608</b>
<b>Bonded Debt:</b>		
Current General Obligation Debt July 1, 2014	\$ 14,030,000	
Proposed June 2, 2014 General Obligation Bonds	2,575,000	
Tax Increment Bond Debt July 1, 2014	<u>925,000</u>	<u>\$ 17,530,000</u>
<b>Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)</b>		<b>28.3%</b>
<b>Estimated Tax Increment Rebate Obligations July 1, 2014:</b>		
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of \$1.8 million	\$ 1,157,036	
Cedar Development - 50% for 10 years to maximum of \$4,719,000 (final year 2018/2019)	3,903,179	
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)	5,262,376	
Curry's Transportation - 50% for 10 years to maximum of \$350,000 (began in 2010/2011)	251,232	
Newcomb Properties - 50% for 10 years to maximum of \$100,000 (began in 2010/2011)	66,875	
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)	32,897	
The Villas at MCC, LLC - 50% for 10 years to maximum of \$425,000 (begins in 2013/2014)	402,574	
R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (begins in 2015/2016)	1,500,000	
Wal-View Developments - 10 years to maximum of \$5,000,000; 100% for five years; 50% for five years (begins 2015/2016) Subject to annual appropriation; not considered debt for legal debt margin computation	<u>-</u>	<u>\$ 13,300,491</u>
<b>Percent of Debt Limit Used for Tax Increment Rebate Obligations</b>		<b>21.5%</b>
<b>Total Debt Subject to Debt Limit</b>		<b><u>30,830,491</u></b>
<b>Legal Debt Margin</b>		<b><u>\$ 31,085,117</u></b>
<b>Percent of Legal Debt Limit Used</b>		<b>49.8%</b>

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:

<b>City's Self-Imposed Limit - 60% of the Legal Limit</b>	<b>\$ 37,149,365</b>
<b>Total Debt Subject to Debt Limit</b>	<b><u>30,830,491</u></b>
<b>Debt Margin Using Self-Imposed Limit</b>	<b><u><u>\$ 6,318,874</u></u></b>
<b>Percent of Self-Imposed Debt Limit Used</b>	<b>83.0%</b>

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 \$19,619,365 of the self-imposed limit remaining and only 47.2% of the self-imposed limit would be used. TIF rebate agreements that are subject to annual appropriations are not required to be included as debt in the computation of the legal debt margin. The most recent TIF rebate agreement with Wal-View Developments provides that the Wal-View rebates are subject to annual appropriations and as such, the \$5 million maximum rebate amount in their agreement has not been included as debt in this computation. It is proposed that future TIF rebate agreements also be subject to annual appropriations to limit the amount of debt that is required to be considered for the legal debt limit computation.

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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 138,908	\$ 133,772	\$ 86,995	\$ 93,347	\$ 75,609
Revenues					
Property Tax	\$ 2,229,634	\$ 2,330,018	\$ 2,374,186	\$ 2,374,186	\$ 2,387,137
Utility Tax Replacement Excise Tax	10,492	10,668	9,881	9,881	11,356
Commercial and Industrial Replacement Funds	0	0	0	0	56,153
Interest	1,510	1,390	500	500	500
Refunding Bond Proceeds	217,377 (1)	1,115,000 (2)	0	0	0
Transfers In:					
Refuse Collection	99,893	99,969	99,946	99,946	0
Landfill	119,838	114,312	80,128 (4)	80,128	79,296
Downtown Tax Increment Fund	70,225	209,625	206,225	206,225	207,825
<b>Total Revenues</b>	<u>\$ 2,748,969</u>	<u>\$ 3,880,982</u>	<u>\$ 2,770,866</u>	<u>\$ 2,770,866</u>	<u>\$ 2,742,267</u>
<b>Funds Available</b>	<u>\$ 2,887,877</u>	<u>\$ 4,014,754</u>	<u>\$ 2,857,861</u>	<u>\$ 2,864,213</u>	<u>\$ 2,817,876</u>
Expenditures					
Charges for Services	\$ 2,700	\$ 2,800	\$ 3,500	\$ 3,500	\$ 3,500
Bonds	2,020,000	2,310,000	2,385,000	2,385,000	2,285,000
Interest	514,480	498,586	400,104	400,104	343,243
Refunding Bond Issuance Costs	1,925 (1)	15,021 (2)	0	0	0
Bonds Retired with Refunding	215,000 (1)	1,095,000 (2)	0	0	0
Estimated Debt Requirements New Issue:					
Principal	0	0	0	0	40,000
Interest	0	0	0	0	70,023
<b>Total Expenditures</b>	<u>\$ 2,754,105</u>	<u>\$ 3,921,407</u>	<u>\$ 2,788,604</u>	<u>\$ 2,788,604</u>	<u>\$ 2,741,766</u>
<b>Ending Balance, June 30</b>	<u>\$ 133,772</u>	<u>\$ 93,347</u>	<u>\$ 69,257</u>	<u>\$ 75,609</u>	<u>\$ 76,110</u>

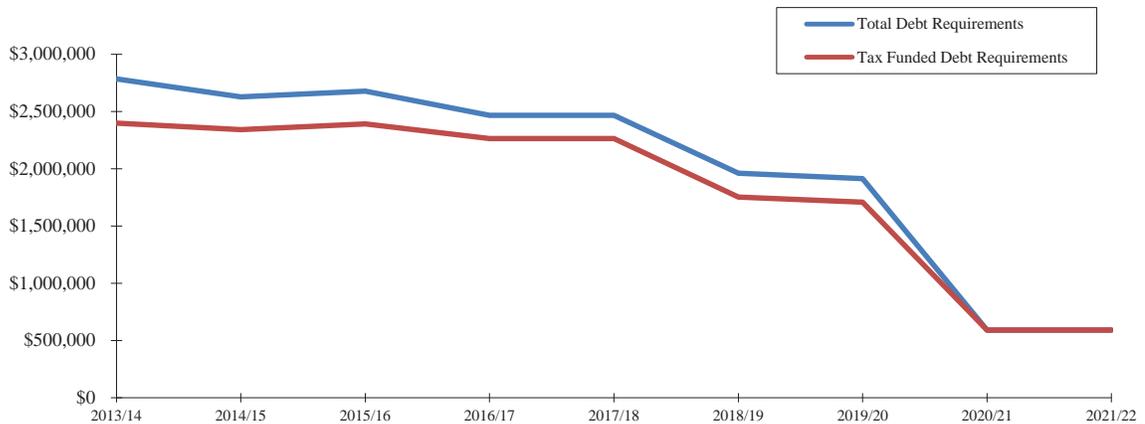
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (5,136)</b>	<b>\$ (40,425)</b>	<b>\$ (17,738)</b>	<b>\$ (17,738)</b>	<b>\$ 501</b>
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Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 2.85051	\$ 2.90388	\$ 2.89226	\$ 2.89226	\$ 2.89056
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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 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.

**DEBT SERVICE FUND**  
**SUMMARY OF BOND AND INTEREST REQUIREMENTS**  
**CURRENT GENERAL OBLIGATION BONDS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements Current Debt</b>	<b>Enterprise &amp; TIF Funded Debt Requirements (Exc. Tr. St. Debt)</b>	<b>Expected Tax Funded Debt Requirements (Inc. Tr. Station)</b>
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
<b>Total</b>	<b>\$ 16,415,000</b>	<b>\$ 1,668,282</b>	<b>\$ 18,083,282</b>	<b>\$ 1,780,631</b>	<b>\$ 16,302,651</b>



**Annual Bond and Interest Requirements  
(Current Debt)**

**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>
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	665,000	23,275	688,275
Total	<u>\$ 3,105,000</u>	<u>\$ 332,463</u>	<u>\$ 3,437,463</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>
2013/14	<u>\$ 800,000</u>	<u>\$ 26,000</u>	<u>\$ 826,000</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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	<u>1,290,000</u>	<u>40,313</u>	<u>1,330,313</u>
Total	<u>\$ 6,975,000</u>	<u>\$ 945,991</u>	<u>\$ 7,920,991</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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	<u>580,000</u>	<u>11,020</u>	<u>591,020</u>
Total	<u>\$ 4,420,000</u>	<u>\$ 344,208</u>	<u>\$ 4,764,208</u>

**General Obligation Refunding Bonds**

**Refunding of Remaining Obligations of June 1, 2006 Issue**

**\$1,115,000 Issue Dated March 7, 2013**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013/14	\$ 370,000	\$ 10,095	\$ 380,095
2014/15	370,000	6,150	376,150
2015/16	<u>375,000</u>	<u>3,375</u>	<u>378,375</u>
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 2013/2014 revised estimate and 2014/2015 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 Capital Improvements Plan for the next five years is being developed in 2013/2014 and is expected to be approved by the City Council in April of 2014.

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.

In addition to the ongoing Pavement Management Program, other street improvement projects have been budgeted including 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, road use taxes, and local option taxes 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 required 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 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. This project will be constructed in multiple phases over the next fourteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase I of the project began in the summer of 2012 and was completed in the fall of 2013. Phase II of this project began in the summer of 2013 and is scheduled to be completed in the fall of 2014. Engineering design is currently in progress for the next phase of this project and the design work will continue in 2014/2015.

### **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 contract was closed out in May of 2013. 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 currently under construction and is scheduled to be completed in the summer of 2014. Construction of a new hauled waste dump site at the Plant is budgeted for 2014/2015.

### **Other Projects**

Other capital projects either completed or expected to be completed in the current 2013/2014 year include the construction of a new Park Maintenance building at Weed Park, the Mad Creek Sewer Extension project, and the Airport Hangar Access Security and T-Hangar Drainage project. Significant capital projects budgeted for 2014/2015 include the CDBG Downtown Revitalization project, the Musser to Weggens Road Trail, and engineering design for the Airport Airfield Repair project.

### **SUMMARY:**

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2013/2014 as well as those planned for 2014/2015. This section also includes listings of these projects for both 2013/2014 and 2014/2015. Total capital project costs are estimated at \$9,702,000 for 2013/2014 and \$8,430,700 for 2014/2015. A separate listing of capital outlay items included in department operating budgets in 2014/2015 is also included in this section of the budget for informational purposes. These items total \$1,631,400 which brings the total budget for capital outlay and capital projects to \$10,062,100 for 2014/2015. The last five pages of this section is the summary project listing from the City's current Five Year Capital Improvements Plan.

**CAPITAL IMPROVEMENT PROJECTS  
CAPITAL PROJECTS FUND**

**FISCAL YEAR 2013/2014 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.

<b><u>Funding Source</u></b>	<b><u>FY 2013/2014 Funding Amount</u></b>
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.

**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 2013/2014 funding amount is for installation of ADA panels at the Cedar and Iowa railroad crossings.

<b><u>Funding Sources</u></b>	<b><u>FY 2013/2014 Funding Amount</u></b>
Local Option Sales Tax Funds	\$ 13,600

**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, constructing a trail on one side of the street for pedestrian use, and constructing a roundabout at the Logan Street intersection. The total cost of the expanded project is estimated at over \$5.3 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 2015. Culvert work was completed in 2011 and utility relocation, clearing, and drainage work was done in 2012. Easements for the project were obtained in 2012 and 2013. The paving portion of the project will begin in the spring of 2014 and continue through 2015.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Bond Proceeds	\$ 1,323,000
Federal STP Grant	440,000
Balance from Hershey Street Project	86,700
Muscatine Power & Water Reimbursement	40,200
	<u>\$ 1,889,900</u>

**Future Impact on Operating Budget:** This will reduce annual maintenance costs. The amount cannot be determined.

**Colorado Street Improvement Project:** The Colorado Street Improvement 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 was expanded to include more extensive improvements to this street which is estimated to increase the total project cost to \$3.38 million (excluding the Pierce property acquisition), with the local share increasing to \$2.18 million. Engineering design began in 2010/2011 and was completed in 2012/2013. Bids for the project were received in September, 2013. Construction began in late fall of 2013 and is scheduled to be completed in the summer of 2014.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Prior and Current Year Bond Proceeds	\$ 1,488,400
Federal STP Grant	960,000
Misc. Reimbursements	600
	<u>\$ 2,449,000</u>

**Future Impact on Operating Budget:** This will reduce annual maintenance costs. The amount cannot be determined.

**Mulberry Avenue Improvements – Houser Street to Highway 61 Bypass:** This project is in the planning stage for future year construction. The 2013/2014 funding amount is for a preliminary survey for this area.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Future Bond Proceeds	\$ 8,000

**Future Impact on Operating Budget:** This survey will have no impact on future operating budgets.

**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 to 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 required 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, 2011/2012, and 2012/2013, and is expected to be completed in 2013/2014. This work is needed before the City can pursue funding for the construction of improvements to this corridor.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Federal TCSP and STIP Grants	\$ 198,600
Prior Year Bond Proceeds	<u>49,700</u>
	<u>\$ 248,300</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 and landscaping improvements will also be made in several downtown locations.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year TIF Bond Proceeds	\$ 20,000
Prior Year Sidewalk Project Fund	<u>8,100</u>
	<u>\$ 28,100</u>

**Future Impact on Operating Budget:** None

**Riverfront Development Project:** Remaining funds from this prior year project will be used for signs for both Riverview Center and Pearl City Station located on the riverfront.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year Riverfront Project Funds	\$ 8,900

**Future Impact on Operating Budget:** None

**Park Maintenance Building:** Replacement of the maintenance facility at Weed Park was 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. In July 2013 the City entered into a contract for the architectural design of this building and bids for the project were received in October 2013. This project is scheduled to be completed before the end of the 2013/2014 fiscal year. An internal loan will provide funding for this project with future year incremental taxes from the expanded Highway 38 Northeast TIF area repaying the loan over the next three years.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Internal Loan funded from Future TIF Funds	\$ 424,900

**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 had 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 two years of future year levee tax levy funds will be needed to fully fund the remaining local share of project costs. Project construction was completed in 2012/2013. The 2013/2014 funding amount is for professional services for the required levee certification.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Levee Tax Levy	\$ 10,800

**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.

**Building Demolitions:** This activity reflects the cost of demolition of substandard structures under direction of the City. Due to public health and safety concerns it has been necessary for the City to engage a demolition contractor to remove dilapidated structures. Costs for building demolitions are assessed to the property when possible. If costs cannot be assessed or if collection is very unlikely, the City periodically funds these costs with bond proceeds. An estimated \$8,900 of demolition costs is expected in 2013/2014.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Assessments or Future Bond Proceeds	\$ 8,900

**Future Impact on Operating Budget:** In the absence of reimbursements from private property owners, this will continue to be a significant cost to the City.

**CDBG Downtown Revitalization Project:** In July of 2013 the City was awarded a Community Development Block Grant (CDBG) in the amount of \$500,000 to revitalize approximately 27 buildings in the downtown area. Work will include relocation of electrical lines, building renovation, and other site improvements. While there is no specified matching funds required by the grant, building owners will be funding a portion of actual building improvements costs. This project will begin in 2013/2014 and continue in 2014/2015.

<u>Source</u>	<u>FY 2013/2014 Funding Amount</u>
Community Development Block Grant	\$ 100,000

**Future Impact on Operating Budget:** There will be no impact on the City’s future operating budgets from this project.

**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 the new station is being used by the Fire department. Several contract issues remain before the contract can be closed out. The 2013/2014 funding amount represents legal costs related to the contract issues.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Available Balance and Funding Transfers	\$ 12,000

**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 2013/2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Prior Year Bond Proceeds	\$ 40,800

**Future Impact on Operating Budget:** Individual and replacement radios under the new system will cost \$980 compared to \$2,500 for the previous radios.

**Emergency Siren for Annexed Area:** In 2013 two voluntarily annexations were completed in the northeast section of the City. The newly annexed area included the Ripley’s Mobile Home Court and an emergency siren was budgeted to be installed at that location. After the budget was adopted, the City was notified that the Muscatine County Emergency Management Agency would provide funding for this siren and its installation and ongoing maintenance. The siren cost was estimated at \$22,800 and it was originally budgeted to be funded from the City’s 2014 bond issue. These funds will be redirected to the Cedar Street project.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Bond Proceeds	\$ 22,800

**Future Impact on Operating Budget:** There will be no increase in operating costs since the Muscatine County Emergency Management Agency will operate and maintain this siren.

**Financial Software System Replacement:** The City’s previous financial software ran on an IBM AS/400 computer and was 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 began in the summer of 2013 and it is expected to be fully implemented by the end of the 2013/2014 fiscal year. The total cost of purchasing and implementing the new software is \$160,000. Initial payments totaling \$99,100 were made in 2012/2013 with the balance budgeted to be expended in 2013/2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
General Fund Transfer	\$ 60,900

**Future Impact on Operating Budget:** Annual software costs for the new system are approximately \$800 higher per year than those for the previous system. The new system, however, includes several applications not included in the previous system.

**Storm and Sanitary Sewer Improvements:** In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which required 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 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 2013/2014.

**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 fourteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase I of the project began in the summer of 2012 and was

completed in the fall of 2013. Phase II of this project began in the summer of 2013 and is scheduled to be completed in the fall of 2014. Engineering design is in progress for the next phase of this project.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Local Option Sales Tax Funds – Phase I	\$ 701,800
Local Option Sales Tax Funds – Phase II	2,573,700
Local Option Sales Tax Funds – Phase III Design	<u>69,500</u>
	<u>\$ 3,345,000</u>

**Slough/Sunset Park Lift Station Project** – These lift stations were impacted by the Hershey Avenue Sewer Separation project which was completed in 2011/2012. 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. This project was substantially completed by the end of 2012/2013 with the final project costs incurred in 2013/2014. Project costs were funded from the Water Pollution Control Plant Reserve.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 11,000

**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 extended sanitary sewer services from the existing Mad Creek Sewer at Park Avenue West to the Ripley’s Mobile Home Court. This project was done in conjunction with the annexation of approximately 1,200 acres including the mobile home court, and it will open this area for further development. This project also addressed the failing sewer lagoon system at the mobile home court. Project funding was partially from the owner of the mobile home court with the remaining costs funded from the Sewer Extension and Improvement Reserve. This project was substantially completed in 2012/2013 with the final costs incurred in 2013/2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 5,000

**Future Impact on Operating Budget:** Sewer revenues will increase as this property is developed. The first customer connected to this system was the existing mobile home park. The estimated annual sewer revenue from the mobile home court is \$80,000.

**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 began in 2012 and the construction contract was approved in September, 2013. This project is scheduled to be completed in the summer of 2014.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 657,000

**Future Impact on Operating Budget:** None

**Water Pollution Control Plant Hauled Waste Dump Site Project:** Engineering design will begin in 2013/2014 for this project which involves the construction of two large dumping areas to accept hauled waste. One dumping area will be for septic, recreational vehicle, and City jet/vac material disposal. The other site will allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants. This waste helps produce methane gas in the Plant's anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. Construction is planned for the 2014/2015 fiscal year.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 20,000

**Future Impact on Operating Budget:** Energy costs are expected to be reduced by \$80,000 annually when this project is completed. No additional personnel will be needed for the new disposal site.

**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 project will be completed in phases with the first two phases expected to be completed in the 2013/2014 fiscal year.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Collection and Drainage Fund	\$ 185,000

**Future Impact on Operating Budget:** There will be a reduction in maintenance costs with the new valves. The amount cannot be determined.

**Geneva Creek Channel Shaping Project:** Periodic maintenance is needed to satisfy federal requirements for the Geneva Creek levee system in the area of the Heinz plant. This project will address erosion conditions and sediment in Geneva Creek near the Isett Avenue bridge. This project will be designed by the City Engineer, bids will be solicited, and a contractor hired to perform this work.

<u>Funding Source</u>	<u>FY 2013/2014 Funding Amount</u>
Collection and Drainage Fund	\$ 50,000

**Future Impact on Operating Budget:** No operating budget impact is expected from this project.

**Transfer Station Crane and Cab Replacement Project:** An internal loan will finance replacement of the crane and cab at the Transfer Station. The previous crane and cab had been in use since the Transfer Station opened in 1993. This is an essential piece of equipment used for loading semi's which haul waste from the Transfer Station to the landfill. Five annual payments of \$35,600 will be made to repay this internal loan.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Internal Loan for Crane and Cab Purchase	\$ 177,400

**Future Impact on Operating Budget:** Annual maintenance costs are expected to be reduced by \$2,000 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 continued in 2012/2013. The 2013/2014 funding amount reflects the contract costs to complete this project. The actual project cost is higher than the original budget estimate. Funding for the local share of the project cost is being funded from the June 2012 and June 2014 bond issues.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
State Grant Funds	\$ 145,900
Prior Year and Current Year Bond Proceeds	<u>40,100</u>
	<u>\$ 186,000</u>

**Future Impact on Operating Budget:** There will be a small increase estimated at \$300 annually for the security camera.

**Airport Runway Repair Project:** There have been several concrete blowups on the runways at the airport in recent years. This project involves planning for concrete repairs or replacements needed to prevent future similar occurrences. The 2013/2014 funding amount is for the petrographic analysis for the current runway. Actual repairs will be done in future years and will be subject to Federal Aviation Administration (FAA) review and funding availability. FAA grants will fund 90% of project costs with a required 10% local match.

<u>Funding Sources</u>	<u>FY 2013/2014 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 69,600
Future Bond Proceeds	<u>7,800</u>
	<u>\$ 77,400</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.

**Airport Zoning Ordinance Update:** A State grant will provide 85% funding for the update of the Airport Zoning Ordinance. After the budget was prepared, it was determined that the zoning ordinance update will likely be deferred until the Airport Layout Plan is updated.

<b><u>Funding Sources</u></b>	<b><u>FY 2013/2014 Funding Amount</u></b>
State Grant	\$ 19,000
Future Bond Proceeds	<u>3,500</u>
	<u>\$ 22,500</u>

**Future Impact on Operating Budget:** None

**CAPITAL IMPROVEMENT PROJECTS  
CAPITAL PROJECTS FUND**

**FISCAL YEAR 2014/2015 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 2014/2015 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.

**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 2014/2015 funding amount is for installation of a pedestrian crossing at Oregon Street.

<u>Funding Sources</u>	<u>FY 2014/2015 Funding Amount</u>
Local Option Sales Tax Funds	\$ 35,000

**Future Impact on Operating Budget:** None

**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, constructing a trail on one side of the street for pedestrian use, and constructing a roundabout at the Logan Street intersection. The total cost of the expanded project is estimated at over \$5.3 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 2015. Culvert work was completed in 2011 and utility relocation, clearing, and drainage work was done in 2012. Easements for the project were obtained in 2012 and 2013. The paving portion of the project will begin in the spring of 2014 and continue through 2015.

<u>Funding Sources</u>	<u>FY 2014/2015 Funding Amount</u>
Federal Grants	\$ 1,369,000
Collection and Drainage Funds	365,000
Local Option Sales Tax	50,000
Road Use Tax Funds	450,000
Prior Year Bond Proceeds	<u>636,000</u>
	<u>\$ 2,870,000</u>

**Future Impact on Operating Budget:** This will reduce annual maintenance costs. The amount cannot be determined.

**Colorado Street Improvement Project:** The Colorado Street Improvement 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 was expanded to include more extensive improvements to this street which is estimated to increase the total project cost to \$3.38 million (excluding the Pierce property acquisition), with the local share increasing to \$2.18 million. Engineering design began in 2010/2011 and was completed in 2012/2013. Bids for the project were received in September, 2013. Construction began in late fall of 2013 and is scheduled to be completed in the summer of 2014.

<u>Funding Sources</u>	<u>FY 2014/2015 Funding Amount</u>
Federal STP Funds	\$ 240,000
Muscatine Power & Water Reimbursement	192,100
Local Option Sales Tax	50,000
Prior Year Bond Proceeds	<u>129,900</u>
	<u>\$ 612,000</u>

**Future Impact on Operating Budget:** This will reduce annual maintenance costs. The amount cannot be determined.

**New Sidewalk Program:** The 2014/2015 budget includes funding to begin a new sidewalk installation program. Annual allocations of \$50,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. The first years of this program will focus on gaps in sidewalks in school areas.

<u>Funding Sources</u>	<u>FY 2014/2015 Funding Amount</u>
Road Use Tax Funds	\$ 50,000

**Future Impact on Operating Budget:** None since sidewalks in residential areas are the responsibility of the property owners.

**CDBG Downtown Revitalization Project:** In July of 2013 the City was awarded a Community Development Block Grant (CDBG) in the amount of \$500,000 to revitalize approximately 27 buildings in the downtown area. Work will include relocation of electrical lines, building renovation, and other site improvements. While there is no specified matching funds required by the grant, building owners will be funding a portion of actual building improvements costs. This project will begin in 2013/2014 and continue in 2014/2015.

<u>Source</u>	<u>FY 2014/2015 Funding Amount</u>
Community Development Block Grant	\$ 400,000

**Future Impact on Operating Budget:** There will be no impact on the City’s future operating budgets from this project.

**Downtown TIF Area Improvements:** TIF bonds issued in 2010 funded alley resurfacing, street resurfacing, and several parking lot improvement projects in the downtown area. The Downtown Revitalization Project discussed above includes relocation of utility lines in the alley behind the affected properties. The remaining bond proceeds in this fund will be used to resurface the alley after the utility relocations have been completed.

<u>Source</u>	<u>FY 2014/2015 Funding Amount</u>
Prior Year TIF Bond Proceeds	\$ 30,000

**Future Impact on Operating Budget:** None

**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 continued in 2012/2013 and 2013/2014. Trail construction is scheduled to begin in 2014/2015 and be completed in 2015/2016.

<u>Funding Source</u>	<u>FY 2014/2015 Funding Amount</u>
Federal and State Grants	\$ 587,700
Prior Year Bond Proceeds and Local Contributions	95,700
	<u>\$ 683,400</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.

**Library Elevator Renovation:** It is becoming increasingly difficult to repair the Library’s aging elevator and the City is in the process of evaluating options for repair or replacement of the elevator. The 2014 bond issue includes \$35,000 of funding for this project. This amount may need to be supplemented with other funds to complete this project.

<u>Funding Source</u>	<b>FY 2014/2015</b> <u>Funding Amount</u>
Bond Proceeds	\$ 35,000

**Future Impact on Operating Budget:** There will be savings in annual maintenance costs if this elevator is replaced. An amount cannot be determined until the repair or replacement options are evaluated.

**Storm and Sanitary Sewer Improvements:** In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which required 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 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 2014/2015.

**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 fourteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase I of the project began in the summer of 2012 and was completed in the fall of 2013. Phase II of this project began in the summer of 2013 and is scheduled to be completed in the fall of 2014. Engineering design is currently in progress for the next phase of this project and the design work will continue in 2014/2015.

<u>Funding Source</u>	<b>FY 2014/2015</b> <u>Funding Amount</u>
Local Option Sales Tax Funds – Phase II	\$ 1,410,500
Local Option Sales Tax Funds – Phase III Design	<u>162,500</u>
	<b><u>\$ 1,573,000</u></b>

**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. This project will be completed in phases with the first two phases expected to be completed in the 2013/2014 fiscal year and the next phase completed in 2014/2015.

<u>Funding Source</u>	<u>FY 2014/2015 Funding Amount</u>
Collection and Drainage Fund	\$ 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 Hauled Waste Dump Site Project:** Engineering design will begin in 2013/2014 for this project which involves the construction of two large dumping areas to accept hauled waste. One dumping area will be for septic, recreational vehicle, and City jet/vac material disposal. The other site will allow the City to accept FOG (Fats, Oils, and Grease) waste from local restaurants. This waste helps produce methane gas in the Plant’s anaerobic digesters. This gas can be used to run the boilers, heat buildings, and produce fuel. When the project is completed the City will receive disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. The 2014/2015 funding amount represents the construction cost estimate for this project.

<u>Funding Source</u>	<u>FY 2014/2015 Funding Amount</u>
Water Pollution Control Plant Reserve	\$ 780,000

**Future Impact on Operating Budget:** Energy costs are expected to be reduced by \$80,000 annually when this project is completed. No additional personnel will be needed for the new disposal site.

**Ambulance Equipment Replacement:** The Ambulance budget for 2014/2015 included requests to replace six cardiac monitors (\$168,000) and purchase four new CPR devices (\$53,000). Funds in the Ambulance fund were not sufficient to fund these purchases and funding was provided from the 2014 bond issue.

<u>Funding Sources</u>	<u>FY 2014/2015 Funding Amount</u>
Prior Year Bond Proceeds	\$ 221,000

**Future Impact on Operating Budget:** Reduced maintenance costs and improved patient care is expected with the new equipment. The amount of the reduction in maintenance costs cannot be determined.

**Airport Runway Repairs:** There have been several concrete blowups on the runways at the airport in recent years. This project involves planning for concrete repairs or replacements needed to prevent future similar occurrences. A petrographic analysis for the current runway was completed in 2013/2014. The 2014/2015 funding amount represents engineering design costs with project construction to be determined by Federal Aviation Administration (FAA) funding availability. An FAA grant will fund 90% of the project design costs budgeted in 2014/2015 with a required 10% local match.

<b><u>Funding Sources</u></b>	<b><u>FY 2014/2015 Funding Amount</u></b>
Federal Aviation Administration (FAA) Grant	\$ 487,200
Future Bond Proceeds	<u>54,100</u>
	<u>\$ 541,300</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 2013/2014**

<b>Project</b>	<b>Revised Estimate 2013/2014</b>	<b>Funding Sources/Comments</b>
<b>Street and Sidewalk Projects:</b>		
Ongoing Pavement Management Program	\$ 500,000	Local option tax
Railroad Crossing Improvements	13,600	Local option tax
Hershey Avenue Street Improvements	1,300	Available balance for final prior year project costs
Cedar Street Improvements - Parham to Houser	1,025,000	Bond proceeds, federal grants, utility reimbursements
Colorado Street Improvements	2,449,000	Bond proceeds and federal grant
Mulberry Avenue Improvements	8,000	Preliminary survey costs; future bond funding
Corridor Project - Environmental Impact and Prel. Design	248,300	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	8,100	Available balance for trees, landscaping, etc.
<b>Other Parks Projects:</b>		
Mark Twain Overlook Restoration	2,000	Available balance
Riverfront Development Project	8,900	Available balance
Taylor Park Project	400	Available balance
Park Maintenance Building	424,900	Future TIF funding
<b>Other Projects:</b>		
Mad Creek Flood Control Project	10,800	Levee tax levy
Emergency Siren Ripley's Area	22,800	Bond funding budgeted; County will now provide at no cost
CDBG Downtown Revitalization Project	100,000	Federal CDBG grant
Building Demolitions	8,900	Assessments for future bond funding
Southend Fire Station Project	12,000	Legal costs; available balance and funding transfers
Police Radio System	40,800	Prior year bond proceeds
Financial Software System	60,900	Prior year General Fund transfer
Subtotal - General Government	<u>\$ 4,965,700</u>	
<b>Water Pollution Control:</b>		
WPCP Lab Expansion	\$ 657,000.0	Plant Replacement Reserve
West Hill Sewer Separation - Phase 1	701,800	Local option tax
West Hill Sewer Separation - Phase 2	2,573,700	Local option tax
West Hill Sewer Separation - Phase 3 Design	69,500	Local option tax; engineering design
Mad Creek Sewer Extension - Voluntary Annexation	5,000	Sewer Extension Reserve
Southend Force Main Air Release Valve	185,000	Collection and Drainage funds
Geneva Creek Channel Shaping	50,000	Collection and Drainage funds
Slough/Sunset Park Lift Station Improvements	11,000	Plant Replacement Reserve; final costs
WPCP Hauled Waste Dump Site (Design)	20,000	Plant Replacement Reserve; engineering design
Subtotal - Water Pollution Control	<u>\$ 4,273,000</u>	
<b>Transfer Station</b>		
Crane and Cab Replacement	<u>\$ 177,400</u>	Internal loan repaid with Transfer Station funds
<b>Airport:</b>		
Airport Hangar Access Security and T-Hangar Drainage	\$ 186,000	State grant and bond proceeds
Airport Airfield Repair Project	77,400	Federal grant and bond proceeds
Airport Zoning Ordinance Update	22,500	State grant and bond proceeds
Subtotal - Airport Projects	<u>\$ 285,900</u>	
<b>Total</b>	<u><u>\$ 9,702,000</u></u>	

**City of Muscatine**  
**Capital Project Appropriations**  
**Fiscal Year Basis**  
**Budget 2014/2015**

<b>Project</b>	<b>Budget 2014/2015</b>	<b>Funding Sources/Comments</b>
<b>Street and Sidewalk Projects:</b>		
Ongoing Pavement Management Program	\$ 500,000	Local option tax
Railroad Crossing Improvements	35,000	Local option tax
Cedar Street Improvements - Parham to Houser	2,870,000	Federal grant, bond proceeds, local option tax, and road use tax
Colorado Street Improvements	612,000	Federal grant, bond proceeds, and local option tax
Downtown TIF Area Resurfacing Projects	30,000	Prior year TIF bonds for alley resurfacing
New Sidewalk Program	50,000	Road use tax
<b>Other Projects:</b>		
CDBG Downtown Revitalization Project	400,000	Federal CDBG grant
Musser Park to Weggens Road Trail	683,400	Federal and state grants, other contributions
Library Elevator Improvements	35,000	Bond proceeds
Subtotal - General Government	<u>\$ 5,215,400</u>	
<b>Water Pollution Control:</b>		
WPCP Hauled Waste Dump Site	\$ 780,000	Plant Replacement Reserve
West Hill Sewer Separation Phase 2	1,410,500	Local option tax
West Hill Sewer Separation Phase 3 (Design)	162,500	Local option tax; engineering design
Southend Force Main Air Release Valve	100,000	Collection and Drainage funds
Subtotal - Water Pollution Control	<u>\$ 2,453,000</u>	
<b>Ambulance:</b>		
Cardiac Monitors and CPR Devices	<u>\$ 221,000</u>	Bond proceeds
<b>Airport:</b>		
Airport Airfield Repair Project (Design)	\$ 541,300	Federal grant and future bond proceeds
Subtotal - Airport Projects	<u>\$ 541,300</u>	
<b>Total</b>	<u><u>\$ 8,430,700</u></u>	

**City of Muscatine**  
**Capital Outlay Items in Department Operating Budgets**  
**2014/2015 Budget**

<u>Fund/Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>				
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Other Sources</u>	<u>Enterprise or Other Funds</u>
<b><u>General Fund</u></b>						
<b>Information Technology</b>						
Computer Equipment Replacement Fund	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -
Website Refresh/Update	8,800	8,800	-	-	-	-
Subtotal	<u>\$ 48,800</u>	<u>\$ 48,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Buildings and Grounds</b>						
Backflow Test Kit	\$ 800	\$ 800	\$ -	\$ -	\$ -	\$ -
Snow Blowers (Public Works/City Hall)	2,400	2,400	-	-	-	-
Column Repair (City Hall)	4,900	4,900	-	-	-	-
Subtotal	<u>\$ 8,100</u>	<u>\$ 8,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Police Operations</b>						
Squad Cars (5)	\$ 183,000	\$ -	\$ 183,000	\$ -	\$ -	\$ -
Tough Pad Computers (2)	9,000	9,000	-	-	-	-
Police Canine	16,700	-	-	-	16,700	-
2014 JAG Grant Capital Items	7,000	-	-	-	7,000	-
Tasers (10)	14,400	14,400	-	-	-	-
Lightbars (2)	4,400	4,400	-	-	-	-
Radar Units (2)	5,400	5,400	-	-	-	-
Chemical Munitions	3,500	3,500	-	-	-	-
Subtotal	<u>\$ 243,400</u>	<u>\$ 36,700</u>	<u>\$ 183,000</u>	<u>\$ -</u>	<u>\$ 23,700</u>	<u>\$ -</u>
<b>Fire Operations</b>						
Turn Out Gear (4 Sets)	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Loose Equipment for Reserve Engine	18,000	-	18,000	-	-	-
1 3/4" Fire Hose (44 Sections)	4,400	4,400	-	-	-	-
Training Software	5,900	5,900	-	-	-	-
Subtotal	<u>\$ 35,800</u>	<u>\$ 17,800</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Community Development</b>						
Computer Tablet/Software	\$ 700	\$ 700	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cemetery Operations</b>						
Mower	\$ 9,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -
Loader Bucket	2,200	2,200	-	-	-	-
Subtotal	<u>\$ 11,200</u>	<u>\$ 2,200</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Park Maintenance</b>						
Pickup Truck	\$ 22,000	\$ -	\$ 22,000	\$ -	\$ -	\$ -
Tractor with Boom Mower	49,000	-	-	49,000	-	-
Subtotal	<u>\$ 71,000</u>	<u>\$ 0</u>	<u>\$ 22,000</u>	<u>\$ 49,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Kent-Stein Park</b>						
Infield Machine	\$ 17,500	\$ -	\$ 17,500	\$ -	\$ -	\$ -
Subtotal	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Soccer Complex</b>						
Paint Building Roofs	\$ 24,000	24,000	-	-	-	-
Utility Vehicle	14,500	-	14,500	-	-	-
Countertop Replacement	3,000	3,000	-	-	-	-
Subtotal	<u>\$ 41,500</u>	<u>\$ 27,000</u>	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Fund/Department/Item</b>	<b>Budget</b>	<b>Funding Sources</b>				
		<b>General Fund</b>	<b>Equipment Replacement</b>	<b>Road Use Tax</b>	<b>Other Sources</b>	<b>Enterprise or Other Funds</b>
<b>Library</b>						
Library Materials (Books, CD's, Digital Media, Etc.)	\$ 104,900	\$ 104,900				
Subtotal	\$ 104,900	\$ 104,900	\$ -	\$ -	\$ -	\$ -
<b>Public Works Administration</b>						
Copier	7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -
<b>Roadway Maintenance</b>						
Steel Wheel Roller	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -
Morgan Building Repairs	44,000	-	-	44,000	-	-
Subtotal	\$ 89,000	\$ -	\$ -	\$ 89,000	\$ -	\$ -
<b>Snow &amp; Ice Control</b>						
10' Salt Boxes	\$ 20,500	\$ -	\$ -	\$ 20,500	\$ -	\$ -
2-Way Snow Plow	15,500	-	-	15,500	-	-
Wing Mount Snow Plow	11,000	-	-	11,000	-	-
Subtotal	\$ 47,000	\$ -	\$ -	\$ 47,000	\$ -	\$ -
<b>Traffic Control</b>						
Regulatory Signs	\$ 15,400	\$ -	\$ -	\$ 15,400	\$ -	\$ -
Plastic Barricades (8 ft)	6,100	-	-	6,100	-	-
Plastic Barricades (6 ft)	5,600	-	-	5,600	-	-
Type II Plastic Barricades	8,200	-	-	8,200	-	-
Subtotal	\$ 35,300	\$ -	\$ -	\$ 35,300	\$ -	\$ -
<b>Street Cleaning</b>						
Leaf Loader Machine	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -
Leaf Box	12,000	-	-	12,000	-	-
Subtotal	\$ 37,000	\$ -	\$ -	\$ 37,000	\$ -	\$ -
<b>Subtotal - General Fund</b>						
	\$ 798,200	\$ 253,200	\$ 264,000	\$ 257,300	\$ 23,700	\$ -
<b>Enterprise Funds</b>						
<b>Airport</b>						
Hangar Canopy	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ 3,500
<b>Parking</b>						
Electronic Meters (10)	1,700	-	-	-	-	1,700
<b>Ambulance</b>						
Wireless Modems for Cardiac Monitors (2)	1,400	-	-	-	-	1,400
<b>Refuse Collection</b>						
Automated Refuse Collection Vehicle	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ 240,000
Tipper for Refuse Truck	14,000	-	-	-	-	14,000
Bins for Automated Refuse Collection	150,000	-	-	-	-	150,000
Dumpsters	10,000	-	-	-	-	10,000
Subtotal	\$ 414,000	\$ -	\$ -	\$ -	\$ -	\$ 414,000

<u>Fund/Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>				
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Other Sources</u>	<u>Enterprise or Other Funds</u>
<b>Water Pollution Control Plant</b>						
Bisolids Tank Valves and Vaults (2)	\$ 31,200	\$ -	\$ -	\$ -	\$ -	\$ 31,200
Sidewalk Installation Around Final Clarifiers	5,000	-	-	-	-	5,000
Pump Station Laptop and Secretary	3,000	-	-	-	-	3,000
DAF Building Glass and Door Replacements	20,000	-	-	-	-	20,000
Telemetry Upgrade	54,000	-	-	-	-	54,000
Flow Meter for Miles Pump Station	20,000	-	-	-	-	20,000
Refrigerated Sampler for Lab	7,400	-	-	-	-	7,400
pH Meter	1,800	-	-	-	-	1,800
Incubator	2,300	-	-	-	-	2,300
Sample Refrigerator	3,000	-	-	-	-	3,000
Dissolved Oxygen Meter	1,800	-	-	-	-	1,800
Dragline Hose	6,500	-	-	-	-	6,500
Tractor (Net of Trade-In)	39,000	-	-	-	-	39,000
Piping Across Mad Creek	90,000	-	-	-	-	90,000
Subtotal	<u>\$ 285,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,000</u>
<b>Collection and Drainage</b>						
Desktop Computer	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Sewer Maintenance Projects	50,000	-	-	-	-	50,000
Subtotal	<u>\$ 52,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,500</u>
<b>Subtotal - Enterprise Funds</b>	<u>\$ 758,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 758,100</u>
<b><u>Other Funds - Special Revenue and Internal Services</u></b>						
<b>Public Housing Fund</b>						
Appliance Replacements - Clark House	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ 4,500
Apartment Rehabilitation - Clark House	30,000	-	-	-	-	30,000
Green Physical Needs Assessment - Clark House	6,500	-	-	-	-	6,500
Appliance Replacements - Sunset Park	5,000	-	-	-	-	5,000
Apartment Rehabilitation - Sunset Park	25,000	-	-	-	-	25,000
Green Physical Needs Assessment - Sunset Park	3,200	-	-	-	-	3,200
Subtotal	<u>\$ 74,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,200</u>
<b>Equipment Services Internal Services Fund</b>						
Tools for Existing Tool Boxes	900	-	-	-	-	900
<b>Subtotal - Other Funds</b>	<u>\$ 75,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,100</u>
<b>Total - All Operating Funds</b>	<u>\$ 1,631,400</u>	<u>\$ 253,200</u>	<u>\$ 264,000</u>	<u>\$ 257,300</u>	<u>\$ 23,700</u>	<u>\$ 833,200</u>



**City of Muscatine**  
**Five-Year Capital Improvement Program**

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
<b>Information Technology</b>							
Replace Telephone System							\$60,000
<b>Subtotal - Information Technology</b>							<b>\$60,000</b>
<b>Parks &amp; Recreation</b>							
<b>Golf</b>							
Cart Path Repairs							\$25,000
Clubhouse Carpet Replacement							\$30,000
Fairway Irrigation Renovation, Wide Band Radio Replacement							
Parking Lot Repairs							\$25,000
<b>Kent-Stein Park</b>							
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
<b>Park Maintenance</b>							
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

**City of Muscatine**  
**Five-Year Capital Improvement Program**

PROJECTS		FISCAL YEAR						COST
		Pre-2011	2011	2012	2013	2014	2015	
	Weed Park Restroom							\$125,000
	Weed Park Shelter Replacement							\$100,000
	Weed Park Street Light Replacement							\$100,000
	Weed Park Volleyball Parking Lot							\$50,000
	Weed Park Water Main							\$100,000
	<b>Soccer</b>							
	Soccer Phase III							\$3,000,000
							<b>Subtotal - Parks &amp; Recreation</b>	<b>\$6,821,000</b>
<b>PUBLIC SAFETY</b>								
	<b>Fire</b>							
	New East Hill Fire Station - Fire Station #3							\$1,445,000
	Relocation and Construction of a New Fire Station #2							\$1,336,250
	<b>Joint Police/Fire Department</b>							
	Swipe Key Card Access & Security for Public Safety Building							\$75,000
							<b>Subtotal - Public Safety</b>	<b>\$2,856,250</b>
<b>PUBLIC WORKS</b>								
	<b>Equipment Purchases/Associated Projects</b>							
	Backhoe - Collection & Drainage							\$120,000
	Jet-Vac Truck Dump Site							\$40,000
	Trailer Mounted Sewer Jet - Collection & Drainage							\$45,000
	<b>Miscellaneous</b>							
	Boiler Replacement - Building & Grounds							\$100,000
	Lower Lot Reorganization							\$100,000
	Muscatine Slough Development							\$4,040,000
	Relocation of Dredge Spoils Site							\$550,000
	<b>Sewers/Environmental/Drainage/Landfill</b>							
	Ten-Year Local Option Tax Sewer Projects							

**City of Muscatine**  
**Five-Year Capital Improvement Program**

PROJECTS	FISCAL YEAR						COST	
	Pre-2011	2011	2012	2013	2014	2015		
<b>PUBLIC WORKS (cont.)</b>								
<b>Sewers... (Ten-year LOST Sewer Projects) (cont.)</b>								
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)		Project is projected to extend from 2011 to 2025.						\$50,000,000
Mad Creek Storm Water Management Project							\$1,000,000	
Papoose Creek Trash Rack							\$50,615	
Sewer Expansion: Lucas Street from Houser to US 61 Bypass							\$3,500,000	
<b>Streets/Trails/Sidewalks</b>								
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	

**City of Muscatine**  
**Five-Year Capital Improvement Program**

PROJECTS	FISCAL YEAR						COST
	Pre-2011	2011	2012	2013	2014	2015	
<b>PUBLIC WORKS (cont.)</b>							
<b>Streets/Trails/Sidewalks</b>							
Future Street Projects (see project description section for list)							TBD
<b>Subtotal - Public Works</b>							<b>\$87,100,615</b>
<b>TRANSPORTATION</b>							
<b>Airport</b>							
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
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
<b>Subtotal - Transportation</b>							<b>\$2,302,331</b>
<b>GRAND TOTAL</b>							<b>\$131,215,796</b>

## **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 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012 and 2012/2013 the City received Workers Compensation premium returns of \$14,022, \$9,861, \$26,782, \$25,866, \$15,961, and \$28,982, 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. In 2011/2012 a transfer of \$8,247 was made to the Police Firing Range Relocation capital project fund and an additional \$16,016 transfer to that project was made in 2012/2013. The former range location was affected by flooding several times in recent years and this project involved 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) increased by \$58,200 compared to the prior year actual amount. For 2014/2015 General Fund insurance premiums are projected to increase by an additional \$35,600. In 2013/2014 the City will transfer \$40,000 from the Insurance Trust to the General Fund to fund a portion of the increased premiums and in 2014/2015 \$33,500 will be transferred. If these funds would not have been available, the Tort Liability tax levy for both of these years would have been much higher.

At the time the budget is being prepared it is not known if premium returns will be received in 2013/2014 or 2014/2015. 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 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 52,734	\$ 60,542	\$ 44,542	\$ 73,576	\$ 33,676
Revenues					
Insurance Premium					
Returns	\$ 15,961	\$ 28,982	\$ 0	\$ 0	\$ 0
Interest	94	68	100	100	50
Total Revenues	<u>\$ 16,055</u>	<u>\$ 29,050</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 50</u>
Funds Available	<u>\$ 68,789</u>	<u>\$ 89,592</u>	<u>\$ 44,642</u>	<u>\$ 73,676</u>	<u>\$ 33,726</u>
Expenditures:					
Transfers Out					
General Fund	\$ 0	\$ 0	\$ 40,000	40,000	\$ 33,500
Police Firing Range Project	8,247	16,016	0	0	0
Total Expenditures	<u>\$ 8,247</u>	<u>\$ 16,016</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 33,500</u>
Ending Balance, June 30	<u><u>\$ 60,542</u></u>	<u><u>\$ 73,576</u></u>	<u><u>\$ 4,642</u></u>	<u><u>\$ 33,676</u></u>	<u><u>\$ 226</u></u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 7,808</b>	<b>\$ 13,034</b>	<b>\$ (39,900)</b>	<b>\$ (39,900)</b>	<b>\$ (33,450)</b>

**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 \$24,300 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 and 2014/2015, \$40,000 and \$33,500, respectively, are budgeted to be used to fund increased insurance premiums in the General Fund.

## **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 2013/2014 and 2014/2015. The balance in this trust on June 30, 2015 is estimated at \$862,274.

**Perpetual Care Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 836,943	\$ 843,316	\$ 849,316	\$ 850,274	\$ 856,274
Revenues					
Perpetual Care	<u>6,373</u>	<u>6,958</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Funds Available	\$ 843,316	\$ 850,274	\$ 855,316	\$ 856,274	\$ 862,274
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 843,316</u>	<u>\$ 850,274</u>	<u>\$ 855,316</u>	<u>\$ 856,274</u>	<u>\$ 862,274</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 6,373</b>	<b>\$ 6,958</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>
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**TRUST AND AGENCY FUNDS**

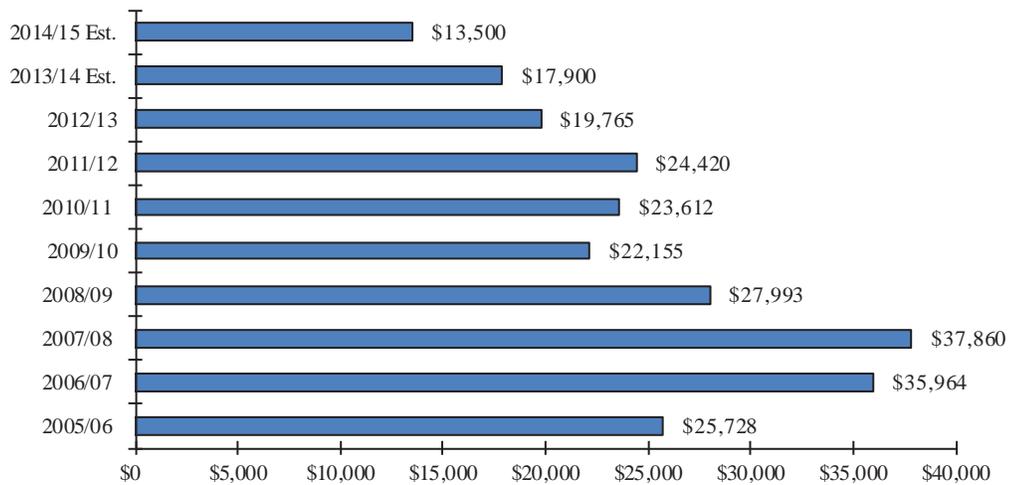
**PERPETUAL CARE INTEREST TRUST**

**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 2005/2006 through the budgeted amount for 2014/2015 is shown in the following graph.

**Perpetual Care Interest Revenue**



Beginning in 1991/92 and continuing through 2014/2015 (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 \$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, \$5,410 in 2011/2012 and \$17,850 in 2012/2013. The revised estimate for 2013/2014 projects a General Fund subsidy of \$40,500 and \$39,200 is projected for 2014/2015. Staff will continue to increase marketing efforts in 2014/2015 in order to increase operating revenues of the Cemetery.

**Perpetual Care Interest Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	<u>24,420</u>	<u>19,765</u>	<u>17,900</u>	<u>17,900</u>	<u>13,500</u>
Funds Available	\$ 24,420	\$ 19,765	\$ 17,900	\$ 17,900	\$ 13,500
Expenditures					
Transfers Out Cemetery Operations	<u>24,420</u>	<u>19,765</u>	<u>17,900</u>	<u>17,900</u>	<u>13,500</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>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 0</b>				
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## **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 \$1,200 in interest is expected to be earned on these funds in 2013/2014 and 2014/2015. Trust expenditures are estimated at \$3,350 for 2013/2014 and \$2,350 for 2014/2015.

## Special Cemetery Trusts (1)

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 65,861	\$ 62,939	\$ 60,889	\$ 61,602	\$ 59,452
Revenues					
Interest	<u>1,104</u>	<u>1,497</u>	<u>1,000</u>	<u>1,200</u>	<u>1,200</u>
Funds Available	<u>\$ 66,965</u>	<u>\$ 64,436</u>	<u>\$ 61,889</u>	<u>\$ 62,802</u>	<u>\$ 60,652</u>
Expenditures					
Florist Services	\$ 2,401	\$ 2,409	\$ 2,000	\$ 2,000	\$ 2,000
Mausoleum/Other Repairs	1,275	75	0	0	0
Tree Purchases	0	0	1,000	1,000	0
Transfers Out:					
Administrative Fees	<u>350</u>	<u>350</u>	<u>350</u>	<u>350</u>	<u>350</u>
Total Expenditures	<u>\$ 4,026</u>	<u>\$ 2,834</u>	<u>\$ 3,350</u>	<u>\$ 3,350</u>	<u>\$ 2,350</u>
Ending Balance, June 30	<u><u>\$ 62,939</u></u>	<u><u>\$ 61,602</u></u>	<u><u>\$ 58,539</u></u>	<u><u>\$ 59,452</u></u>	<u><u>\$ 58,302</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (2,922)</b>	<b>\$ (1,337)</b>	<b>\$ (2,350)</b>	<b>\$ (2,150)</b>	<b>\$ (1,150)</b>
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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 \$40,000 for 2013/2014 and \$32,000 for 2014/2015. The estimated balance in this trust on June 30, 2015 is \$233,709.

**Library Gift and Memorial Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 247,180	\$ 223,101	\$ 225,601	\$ 218,009	\$ 226,009
Revenues					
Donations	\$ 26,233	\$ 20,425	\$ 13,000	\$ 21,000	\$ 13,000
State Grant	11,523	16,649	8,000	23,300	23,000
Miscellaneous Sales	2,835	5,729	3,500	3,500	3,500
Interest	381	260	200	200	200
Transfer from Homebound Delivery Trust	<u>606</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 41,578</u>	<u>\$ 43,063</u>	<u>\$ 24,700</u>	<u>\$ 48,000</u>	<u>\$ 39,700</u>
Funds Available	<u>\$ 288,758</u>	<u>\$ 266,164</u>	<u>\$ 250,301</u>	<u>\$ 266,009</u>	<u>\$ 265,709</u>
Expenditures					
Library Materials	\$ 3,356	\$ 3,224	\$ 7,000	\$ 12,000	\$ 18,000
Contractual Services	43,193	23,313	5,000	18,000	9,000
Capital Outlay	<u>19,108</u>	<u>21,618</u>	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>
Total Expenditures	<u>\$ 65,657</u>	<u>\$ 48,155</u>	<u>\$ 22,000</u>	<u>\$ 40,000</u>	<u>\$ 32,000</u>
Ending Balance, June 30	<u><u>\$ 223,101</u></u>	<u><u>\$ 218,009</u></u>	<u><u>\$ 228,301</u></u>	<u><u>\$ 226,009</u></u>	<u><u>\$ 233,709</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (24,079)</b>	<b>\$ (5,092)</b>	<b>\$ 2,700</b>	<b>\$ 8,000</b>	<b>\$ 7,700</b>
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## 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 2013/2014 \$3,500 is budgeted to be expended from this trust and \$2,500 is budgeted for 2014/2015.

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 2013/2014 or 2014/2015.

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 were expended from this trust in 2012/2013. In 2013/2014 and 2014/2015, \$4,500 and \$4,400, respectively, are budgeted to be expended from this trust.

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. In both 2013/2014 and 2014/2015 \$2,500 is budgeted to be expended from this trust.

**Alice Schaeffer Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 41,668	\$ 42,432	\$ 43,232	\$ 43,186	\$ 43,586
Revenues					
Interest	<u>764</u>	<u>754</u>	<u>600</u>	<u>400</u>	<u>300</u>
Funds Available	\$ 42,432	\$ 43,186	\$ 43,832	\$ 43,586	\$ 43,886
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 42,432</u></u>	<u><u>\$ 43,186</u></u>	<u><u>\$ 43,832</u></u>	<u><u>\$ 43,586</u></u>	<u><u>\$ 43,886</u></u>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 764</b>	<b>\$ 754</b>	<b>\$ 600</b>	<b>\$ 400</b>	<b>\$ 300</b>

**McWhirter-Gilmore Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 103,267	\$ 105,176	\$ 106,576	\$ 106,459	\$ 103,959
Revenues					
Interest	<u>1,909</u>	<u>1,883</u>	<u>1,500</u>	<u>1,000</u>	<u>700</u>
Funds Available	\$ 105,176	\$ 107,059	\$ 108,076	\$ 107,459	\$ 104,659
Expenditures					
Contractual Services	<u>0</u>	<u>600</u>	<u>3,500</u>	<u>3,500</u>	<u>2,500</u>
Ending Balance, June 30	<u>\$ 105,176</u>	<u>\$ 106,459</u>	<u>\$ 104,576</u>	<u>\$ 103,959</u>	<u>\$ 102,159</u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 1,909</b>	<b>\$ 1,283</b>	<b>\$ (2,000)</b>	<b>\$ (2,500)</b>	<b>\$ (1,800)</b>
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## Art Center Donations Trust

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 44,476	\$ 27,907	\$ 34,107	\$ 34,866	\$ 43,366
Revenues					
Donations	\$ 8,230	\$ 5,289	\$ 5,000	\$ 4,000	\$ 4,000
Special Project Donations	0	0	16,000	8,900	0
Interest	50	37	0	50	50
Other	204	1,633	100	50	50
Total Revenues	<u>\$ 8,484</u>	<u>\$ 6,959</u>	<u>\$ 21,100</u>	<u>\$ 13,000</u>	<u>\$ 4,100</u>
Funds Available	<u>\$ 52,960</u>	<u>\$ 34,866</u>	<u>\$ 55,207</u>	<u>\$ 47,866</u>	<u>\$ 47,466</u>
Expenditures					
Personal Services	\$ 8,515	\$ 0	\$ 0	\$ 0	\$ 0
Art Center Materials	1,018	0	0	0	0
Contractual Services	11,180	0	0	0	0
Capital Outlay	4,340	0	16,000	4,500	4,400
Total Expenditures	<u>\$ 25,053</u>	<u>\$ 0</u>	<u>\$ 16,000</u>	<u>\$ 4,500</u>	<u>\$ 4,400</u>
Ending Balance, June 30	<u><u>\$ 27,907</u></u>	<u><u>\$ 34,866</u></u>	<u><u>\$ 39,207</u></u>	<u><u>\$ 43,366</u></u>	<u><u>\$ 43,066</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ (16,569)</b>	<b>\$ 6,959</b>	<b>\$ 5,100</b>	<b>\$ 8,500</b>	<b>\$ (300)</b>
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**Brad Burns Trust**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 299,167	\$ 304,184	\$ 288,484	\$ 288,309	\$ 288,509
Revenues					
Interest	<u>5,017</u>	<u>4,919</u>	<u>3,500</u>	<u>2,700</u>	<u>1,900</u>
Funds Available	<u>\$ 304,184</u>	<u>\$ 309,103</u>	<u>\$ 291,984</u>	<u>\$ 291,009</u>	<u>\$ 290,409</u>
Expenditures					
Contractual Services	\$ 0	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500
Capital Outlay	<u>0</u>	<u>20,794</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 20,794</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Ending Balance, June 30	<u><u>\$ 304,184</u></u>	<u><u>\$ 288,309</u></u>	<u><u>\$ 289,484</u></u>	<u><u>\$ 288,509</u></u>	<u><u>\$ 287,909</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 5,017</b>	<b>\$ (15,875)</b>	<b>\$ 1,000</b>	<b>\$ 200</b>	<b>\$ (600)</b>
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## **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 have been 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 2013/2014 the Parks and Recreation Advisory Commission and City Council approved using \$53,300 from this trust to replace the playground surface at Weed Park. Additional recreation program expenditures of \$3,124 in 2013/2014 will close out this trust.

**Muscatine Parks and Recreation Trust Fund**

**Fund Statement**

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 53,209	\$ 53,926	\$ 5,526	\$ 55,424	\$ 0
Revenues					
Interest	\$ 91	\$ 63	\$ 0	\$ 0	\$ 0
Recreation Program Sponsorships	<u>671</u>	<u>2,520</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
Total Revenues	<u>\$ 762</u>	<u>\$ 2,583</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 0</u>
Funds Available	<u>\$ 53,971</u>	<u>\$ 56,509</u>	<u>\$ 5,526</u>	<u>\$ 56,424</u>	<u>\$ 0</u>
Expenditures					
Recreation Program Expenditures	\$ 45	\$ 1,085	\$ 0	\$ 3,124	\$ 0
Transfers Out:					
General Fund - Playground Repairs	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,300</u>	<u>0</u>
Total Expenditures	<u>\$ 45</u>	<u>\$ 1,085</u>	<u>\$ 0</u>	<u>\$ 56,424</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 53,926</u></u>	<u><u>\$ 55,424</u></u>	<u><u>\$ 5,526</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 717</b>	<b>\$ 1,498</b>	<b>\$ 0</b>	<b>\$ (55,424)</b>	<b>\$ 0</b>
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## **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. The labor rate for 2013/2014 is \$69.00 an hour and that rate is budgeted to continue in 2014/2015.

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 2014/2015.

#### **CURRENT TRENDS AND ISSUES:**

The 2013/2014 revised estimate expenditures are \$800 less than the budgeted amount. The 2014/2015 budget is \$1,400 (.1%) higher than the original 2013/2014 budget. The budget for 2014/2015 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 \$106,272 on June 30, 2014 and \$112,872 on June 30, 2015.

**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:**

	<b>Actual 2010/2011</b>	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Estimated 2013/2014</b>	<b>Estimated 2014/2015</b>
Autos, Pickups, Flatbeds Serviced	236	235	239	235	235
Trucks, Buses, Garbage Trucks Serviced	153	148	142	150	150
Heavy Equipment/Tractors Serviced	27	24	22	25	25
Gallons of Gasoline Dispensed	72,894	71,984	77,225	76,100	76,100
Gallons of Diesel Fuel Dispensed	79,860	70,972	72,831	76,800	76,800
Preventative Maintenance Work Orders	1,099	1,009	871	990	990
Emergency Maintenance Work Orders	580	407	389	350	350
Work Orders Completed	1,679	1,416	1,260	1,350	1,420
Total Miles Driven (all vehicles)	1,163,577	1,128,675	1,200,310	1,185,100	1,169,400

**RECENT ACCOMPLISHMENTS:**

The vehicle mechanics were sent to various training sessions including Electric Throttle Control Diagnosis, Repair and Relearn, Emissions Control Diagnostic Workshop, Engine Dynamics VE III, Scan Tool Diagnostics for Ford Diesel Systems, and the Braun Wheelchair Lift Service seminar. Employees have had the first session of Lean/Continuous Service Improvement (CSI) Training. This division has also held in-shop training sessions that have been provided by Human Resources.

The DOC'S (Diesel Oxidation Catalysts) and CCV's (Crank Case Ventilation) systems have been installed on five Roadway Maintenance vehicles and two Refuse Collection vehicles.

Staff is currently investigating the costs and benefits of purchasing GPS units to install in several Roadway Maintenance vehicles, Refuse Collection vehicles and Transit vehicles.

**OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015:**

- \* To continue the "Lean" initiative and learn what will work best in the Equipment Services operation. **(Council and Management Lean/Continuous Service Improvement Goal)**
- \* To re-certify the mechanics as ASE (Automotive Service Excellence) mechanics.
- \* To develop a GPS tracking program for vehicles.

## Equipment Services Operations

### Fund Statement

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>
Beginning Balance (Deficit), July 1	\$ (21,870)	\$ (69,338)	\$ (74,238)	\$ (35,330)	\$ (22,530)
Revenues					
Charges for Services -					
City Departments	\$ 1,129,350	\$ 1,209,824	\$ 1,197,600	\$ 1,198,600	\$ 1,198,600 (2)
Miscellaneous	844	0	0	4,000	0
Total Revenues	\$ 1,130,194	\$ 1,209,824	\$ 1,197,600	\$ 1,202,600	\$ 1,198,600
Encumbrance Variance	-	395	-	-	-
Funds Available	\$ 1,108,324	\$ 1,140,881	\$ 1,123,362	\$ 1,167,270	\$ 1,176,070
Expenditures (1)	1,177,662	1,176,211	1,190,600	1,189,800	1,192,000
Ending Balance (Deficit), June 30	\$ (69,338)	\$ (35,330)	\$ (67,238)	\$ (22,530)	\$ (15,930)
Allowance for Inventory	155,324	128,802	155,300	128,802	128,802
Net Balance, June 30	\$ 85,986	\$ 93,472	\$ 88,062	\$ 106,272	\$ 112,872
<b>Increase (Decrease) in Net Balance</b>	<b>\$ (47,468)</b>	<b>\$ 33,613</b>	<b>\$ 7,000</b>	<b>\$ 12,800</b>	<b>\$ 6,600</b>

1. Expenditures include changes in compensated absences and other postemployment benefits.
2. The labor rate charge for vehicle and equipment maintenance is \$69.00 per hour in 2013/2014 and that rate is budgeted to continue in 2014/2015.

**Function:**  
Internal Service

**Department:**  
Public Works

**Activity:**  
**Equipment Services Operations**

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 281,168	\$ 292,772	\$ 297,800	\$ 296,800	\$ 302,500	1.58%
Commodities	643,826	604,588	652,700	651,700	651,700	-0.15%
Contractual Services	207,876	241,770	219,800	220,400	220,600	0.36%
Capital Outlay	22,803	16,916	4,500	5,100	900	-80.00%
Transfers	<u>14,900</u>	<u>15,300</u>	<u>15,800</u>	<u>15,800</u>	<u>16,300</u>	3.16%
<b>Total Expenditures</b>	<b><u>\$ 1,170,573</u></b>	<b><u>\$ 1,171,346</u></b>	<b><u>\$ 1,190,600</u></b>	<b><u>\$ 1,189,800</u></b>	<b><u>\$ 1,192,000</u></b>	0.12%
<b>Funding Sources</b>						
Charges for Services	\$ 1,129,350	\$ 1,209,824	\$ 1,197,600	\$ 1,198,600	\$ 1,198,600	0.08%
Other	<u>844</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	
<b>Total Funding Sources</b>	<b><u>\$ 1,130,194</u></b>	<b><u>\$ 1,209,824</u></b>	<b><u>\$ 1,197,600</u></b>	<b><u>\$ 1,202,600</u></b>	<b><u>\$ 1,198,600</u></b>	0.08%

<b>Personnel Schedule</b>						
	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015	Budget Amount 2014/2015
<b>Full Time:</b>						
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>	
<b>Total</b>	4.00	4.00	4.00	4.00	4.00	\$ 201,600
Employee Benefits						<u>100,900</u>
<b>Total Personal Services</b>						<b><u>\$ 302,500</u></b>

<b>Capital Outlay</b>			
<b>Item</b>	<b>Quantity</b>	<b>Replacement</b>	<b>Amount</b>
Tools for Existing Toolboxes	3 Sets	No	<u>\$ 900</u>

## INTERNAL SERVICE FUNDS

### HEALTH INSURANCE FUND

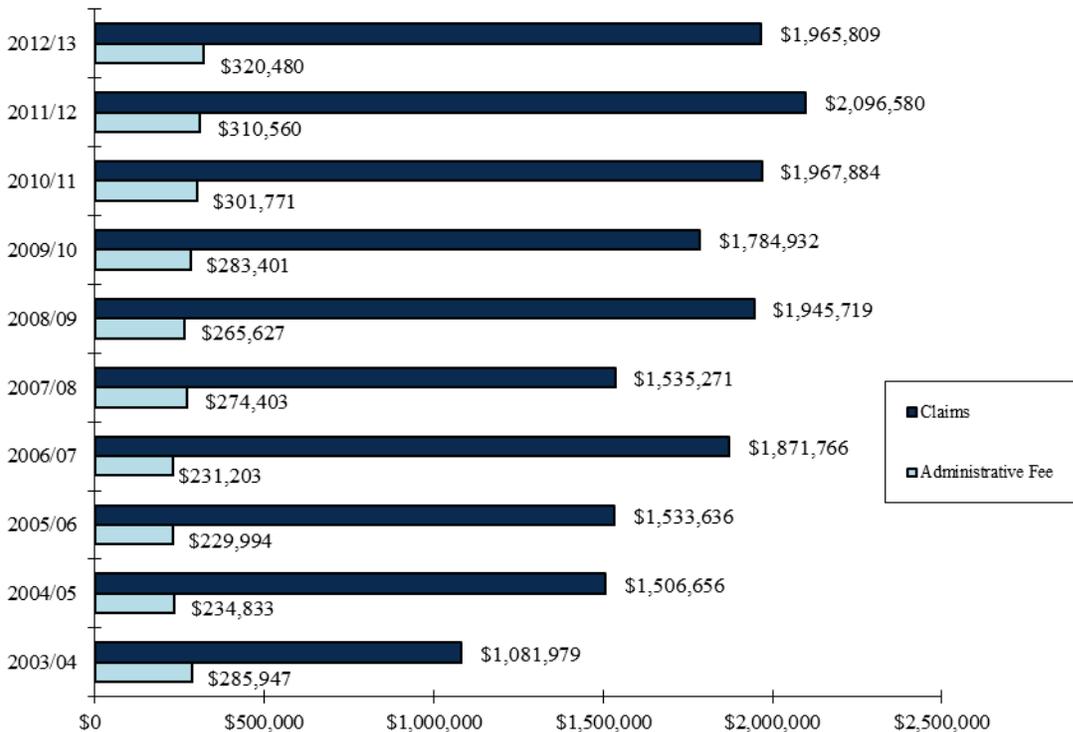
#### GENERAL INFORMATION:

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 2003/2004.

**Health Insurance Claims and Administrative Fees**

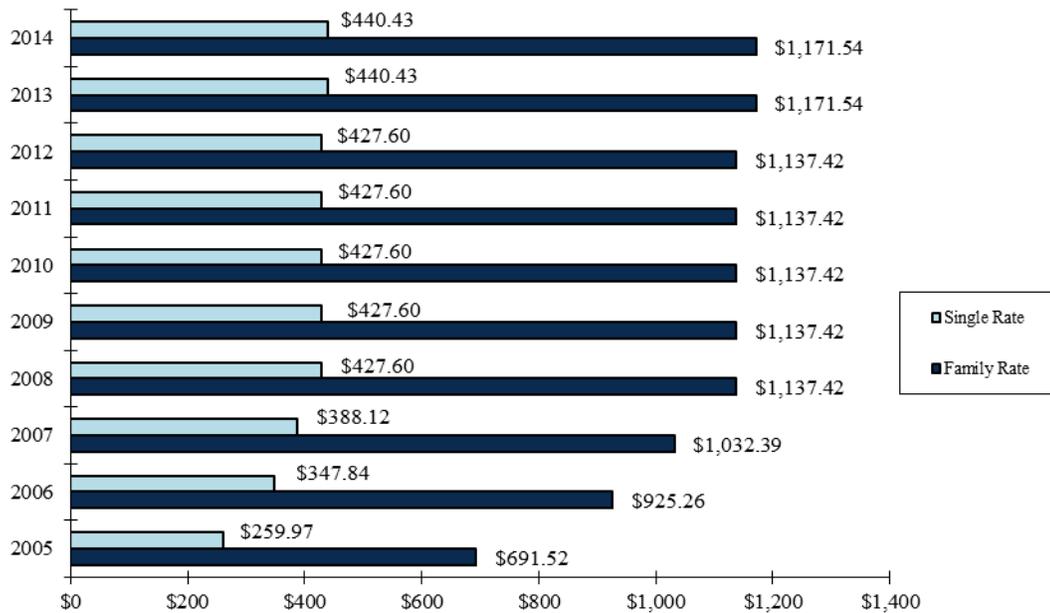


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the following table. For January 1, 2006 rates increased by 33.8% for both single and family coverage. This increase was 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. These rates were maintained for 2014.

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. Deductibles were increased again in 2014 from \$400 to \$500 for single coverage and from \$800 to \$1,000 for family coverage. Out-of-pocket maximums were increased from \$800 to \$1,000 for single and from \$1,600 to \$2,000 for family coverage. These increases in deductibles and out-of-pocket maximums have assisted the City in maintaining the premium rates shown in the table below.

**Monthly Health Insurance Rate History**



**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. These rates were maintained for 2014. The annual aggregate maximum level has been established at \$2,818,800 for calendar year 2014 compared to \$2,908,700 for calendar year 2013. The annual aggregate amounts reflect 125% of estimated claims for 2013 and 2014 for the City’s group. The premium rates for 2013 included an administrative fee of \$107.35 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 2014 the monthly administrative fee increased to \$110.47 per month.

The 2013/2014 revised estimate and 2014/2015 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 2013/2014 revised estimate and 2014/2015 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 \$53,200 for the 2013/2014 revised estimate and \$54,700 for the 2014/2015 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The Affordable Health Care Act has imposed fees that are required to be paid by plan sponsors of self-insured health plans. The Patient-Centered Outcomes Research Institute (PCORI) fee is based on the number of lives covered under the plan. The PCORI fee for 2013/2014 was \$1 per covered person (\$627) and it will increase to \$2 per covered person (estimated at \$1,300) in 2014/2015. Beginning in 2014/2015, self-funded group health plans will also be required to pay a transitional reinsurance fee. This fee will be used to stabilize premiums in the individual market. The contribution rate is \$63 per member per year or \$5.25 per member per month. The contribution for 2014/2015 is estimated at \$39,500.

The 2014/2015 budget includes estimated health insurance claims costs of \$2,300,000 which is slightly higher than Wellmark Blue Cross/Blue Shield's projected claims of \$2,255,097 for our group. Based on this claims projection, the Health Insurance fund balance is estimated at \$1,561,927 at the end of 2014/2015. As noted previously, however, the City is responsible for funding up to 125% of Wellmark's claims estimate if actual claims for the City's group exceed the claims estimate. The 125% of estimated claims calculates to \$2,818,800 for 2014. In the event the City's actual claims exceed the budgeted amount of \$2.3 million, the amount in excess of the budget estimate would result in a decrease in fund balance by that amount. If claims would reach the 125% maximum level of \$2,818,000, the fund balance would decrease by \$518,800. This would be the "worst case" scenario. The projected fund balance at the end of 2014/2015 would be sufficient to fund claims in excess of the estimated levels for several years.

## Health Insurance Fund

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 1,580,753	\$ 1,587,859	\$ 1,571,759	\$ 1,772,627	\$ 1,681,627
Revenues					
Interest	\$ 2,936	\$ 2,147	\$ 2,500	\$ 2,000	\$ 2,000
City Contributions	2,202,663	2,218,838	2,311,300	2,238,100	2,307,600
Employee Contributions	133,143	157,021	160,700	158,500	168,100
Retiree Contributions	143,127	154,109	151,600	164,000	164,100
Miscellaneous	1,027	3,370	0	0	0
<b>Total Revenues</b>	<b>\$ 2,482,896</b>	<b>\$ 2,535,485</b>	<b>\$ 2,626,100</b>	<b>\$ 2,562,600</b>	<b>\$ 2,641,800</b>
<b>Funds Available</b>	<b>\$ 4,063,649</b>	<b>\$ 4,123,344</b>	<b>\$ 4,197,859</b>	<b>\$ 4,335,227</b>	<b>\$ 4,323,427</b>
Expenditures					
Health Insurance Claims	\$ 2,096,580	\$ 1,965,809	\$ 2,250,000	\$ 2,250,000	\$ 2,300,000
Administrative Fees	310,560	320,480	325,900	323,700	339,900
Flexible Benefit Plan Fees	4,638	4,154	5,000	5,000	5,000
Audit Fees	1,050	1,050	1,100	1,100	1,100
State Assessment	8,826	9,898	17,000	17,000	17,000
Other	3,101	0	0	0	0
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	0	0	0	600	1,300
Transitional Reinsurance Fee	0	0	0	0	39,500
Transfers Out					
General Fund Wellness Program	48,035	46,326	57,600	53,200	54,700
Administrative Fee	3,000	3,000	3,000	3,000	3,000
<b>Total Expenditures</b>	<b>\$ 2,475,790</b>	<b>\$ 2,350,717</b>	<b>\$ 2,659,600</b>	<b>\$ 2,653,600</b>	<b>\$ 2,761,500</b>
<b>Ending Balance, June 30</b>	<b>\$ 1,587,859</b>	<b>\$ 1,772,627</b>	<b>\$ 1,538,259</b>	<b>\$ 1,681,627</b>	<b>\$ 1,561,927</b>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ 7,106</b>	<b>\$ 184,768</b>	<b>\$ (33,500)</b>	<b>\$ (91,000)</b>	<b>\$ (119,700)</b>

**Explanation of Changes in Fund Balances:**

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 2011/2012 and 2012/2013 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 2013/2014 revised estimate and 2014/2015 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:**

In years prior to 2014, the City paid 100% of the cost of dental insurance for the employee and if employees opted for family coverage, it was paid 100% by the employee. Beginning in 2014 employees will pay \$1.00 per month toward their single coverage with the City paying the remaining costs. Employees will continue to pay 100% of family coverage if they choose this option. The change in employee participation for single coverage was due to provisions of the Affordable Care Act.

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. 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.

In 2014 dental insurance rates increased to \$27.75 for single coverage with an additional \$47.45 if employees opt for family coverage. The monthly administrative fee increased to \$3.75 per contract in 2014.

For the 2014/2015 year, City, employee, and retiree contributions are estimated at \$140,900. The administrative fee is projected at \$10,100 and claims at \$130,800. An estimated fund balance of \$13,091 is projected for June 30, 2015.

## Dental Insurance Fund

### Fund Statement

	<u>Actual 2011/2012</u>	<u>Actual 2012/2013</u>	<u>Budget 2013/2014</u>	<u>Revised Estimate 2013/2014</u>	<u>Budget 2014/2015</u>
Beginning Balance, July 1	\$ 32,912	\$ 24,412	\$ 18,312	\$ 17,491	\$ 13,091
Revenues					
City Contributions	\$ 58,154	\$ 59,349	\$ 61,400	\$ 63,100	\$ 66,500
Employee Contributions	56,680	59,762	64,200	63,800	69,100
Retiree Contributions	4,825	5,632	5,900	5,300	5,300
Interest	70	30	0	0	0
Total Revenues	<u>\$ 119,729</u>	<u>\$ 124,773</u>	<u>\$ 131,500</u>	<u>\$ 132,200</u>	<u>\$ 140,900</u>
Funds Available	<u>\$ 152,641</u>	<u>\$ 149,185</u>	<u>\$ 149,812</u>	<u>\$ 149,691</u>	<u>\$ 153,991</u>
Expenditures					
Dental Insurance Claims	\$ 118,782	\$ 122,438	\$ 127,700	\$ 127,000	\$ 130,800
Administrative Fees	9,447	9,256	9,500	9,600	10,100
Total Expenditures	<u>\$ 128,229</u>	<u>\$ 131,694</u>	<u>\$ 137,200</u>	<u>\$ 136,600</u>	<u>\$ 140,900</u>
Ending Balance, June 30	<u>\$ 24,412</u>	<u>\$ 17,491</u>	<u>\$ 12,612</u>	<u>\$ 13,091</u>	<u>\$ 13,091</u>

<b>Increase (Decrease) in</b>					
<b>Fund Balance</b>	<b>\$ (8,500)</b>	<b>\$ (6,921)</b>	<b>\$ (5,700)</b>	<b>\$ (4,400)</b>	<b>\$ 0</b>

**Function:**  
City Component Unit

**Department:**  
Muscatine Convention & Visitors Bureau

**Activity:**  
Muscatine Convention & Visitors Bureau

### **GENERAL INFORMATION**

The Muscatine Convention and Visitors Bureau (CVB) was part of the Greater Muscatine Chamber of Commerce and Industry through June 30, 2013. In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was established and the CVB Manager currently has an office in the lower level of City Hall. The City is providing accounting services for the CVB operation and the CVB's funds are being accounted for as a discretely presented component unit of the City.

With the change in the CVB operation, the City changed the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts. The CVB Board and the City have agreed that the annual allocations to the CVB would be based on 25% of the prior fiscal year's actual hotel/motel tax receipts.

### **CURRENT TRENDS AND ISSUES**

Staffing for the CVB was changed from one part-time employee to one fulltime employee in July of 2013. The original 2013/2014 budget totaled \$96,200 and included the first full year of funding for the fulltime employee. The original budget allowed funds for the new employee to have family health insurance. The revised estimate for the CVB operation is \$85,000 which is \$11,200 less than the original budget due to reduced employee wage and benefit costs which includes single health insurance instead of the family coverage allowed for in the original budget.

The 2014/2015 budget for the CVB totals \$90,300 which is \$5,900 less than the original 2013/2014 budget and \$5,300 (6.2%) more than the 2013/2014 revised estimate.

### **PERFORMANCE MEASURES**

<b>Metrics Measured</b>	<b>Actual 2012/2013</b>	<b>Goal 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Goal 2014/2015</b>
Requests for Mailings	N/A	50	16	100
Groups Contacted for Planning Trips	N/A	15	6	25
Bus Visitors	N/A	20	10	25
Facebook Likes	120	600	560	750
Website Hits	N/A	5,000	3,200	10,000
Visitor Guides Distributed	N/A	5,000	4,700	5,000

### ***RECENT ACCOMPLISHMENTS***

The new CVB Coordinator was hired on July 16, 2013 and immediately went to work introducing herself to businesses around Muscatine. She has been maintaining the website and social media pages. After distributing almost all the visitor guides for the year, she has been getting creative in ways to market Muscatine as an attractive destination. The CVB has been actively involved in the Travel the Mississippi River organization which is a combined group of Chambers and CVB's along the Mississippi River Trail to advertise our destinations, hold contests, and attract visitors.

### ***OBJECTIVES TO BE ACCOMPLISHED IN 2014/2015***

- \* To increase the percentage of overnight visitors in Muscatine.
- \* To increase the percentage of bus groups visiting for day trips.
- \* To increase the percentage of day trip visitors traveling by boat, bicycle, motorcycle, and car.
- \* To inform visitors what is available in Muscatine.

## Convention and Visitors Bureau

### Budget Fund Statement

	Actual 2011/2012	Actual 2012/2013	Budget 2013/2014	Revised Estimate 2013/2014	Budget 2014/2015
Beginning Balance, July 1	\$ 0	\$ 0	\$ 51,880	\$ 64,535	\$ 66,135
Revenues					
City Hotel/Motel Tax Allocation (1)	\$ 0	\$ 55,000	\$ 87,500	\$ 84,000	\$ 85,500
Transfer of CVB Funds from					
Chamber	0	48,880	0	0	0
County Contribution	0	0	5,000	2,500 (2)	5,000 (3)
Other Contributions	0	100	0	0	0
Interest	0	73	100	100	100
	\$ 0	\$ 104,053	\$ 92,600	\$ 86,600	\$ 90,600
Total Revenues	\$ 0	\$ 104,053	\$ 92,600	\$ 86,600	\$ 90,600
Funds Available	\$ 0	\$ 104,053	\$ 144,480	\$ 151,135	\$ 156,735
Expenditures	\$ 0	\$ 39,518	96,200	\$ 85,000	90,300
Ending Balance, June 30	\$ 0	\$ 64,535	\$ 48,280	\$ 66,135	\$ 66,435
<b>Increase (Decrease) in Fund Balance</b>					
	\$ 0	\$ 64,535	\$ (3,600)	\$ 1,600	\$ 300

1. The City hotel/motel tax allocation is budgeted to be 25% of the actual hotel/motel tax receipts from the previous fiscal year paid in equal quarterly installments the first quarter of each month.
2. The actual amount approved by Muscatine County for 2013/2014 was \$2,500.
3. The request to Muscatine County for 2014/2015 was \$5,000. After the budget was adopted, the CVB was notified that the County contribution would be \$2,500 for 2014/2015.

**Function:**  
City Component Unit

**Department:**  
Muscatine Convention and Visitors Bureau

**Activity:**

**Muscatine Convention and Visitors Bureau**

	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ -	\$ 18,431	\$ 60,400	\$ 49,200	\$ 53,800	-10.93%
Commodities	-	1,075	4,200	4,200	4,700	11.90%
Contractual Services	-	8,600	27,900	27,900	28,000	0.36%
Capital Outlay	-	11,412	-	-	-	
Transfers	-	-	3,700	3,700	3,800	2.70%
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 39,518</b>	<b>\$ 96,200</b>	<b>\$ 85,000</b>	<b>\$ 90,300</b>	<b>-6.13%</b>
<b>Funding Sources</b>						
Transfer of CVB Funds from Chamber	\$ -	\$ 48,880	\$ -	\$ -	\$ -	
Hotel/Motel Tax	-	55,000	87,500	84,000	85,500	-2.29%
County Contribution	-	-	5,000	2,500	5,000	0.00%
Other	-	173	100	100	100	0.00%
<b>General Revenues</b>	<b>\$ -</b>	<b>\$ 104,053</b>	<b>\$ 92,600</b>	<b>\$ 86,600</b>	<b>\$ 90,600</b>	<b>-2.16%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2011/2012</b>	<b>Actual 2012/2013</b>	<b>Budget 2013/2014</b>	<b>Revised Estimate 2013/2014</b>	<b>Budget 2014/2015</b>	<b>Budget Amount 2014/2015</b>
<b>Full Time:</b>						
CVB Director	-	-	1.00	1.00	1.00	
<b>Part Time:</b>						
CVB Director	-	0.50	-	-	-	
<b>Total</b>	<b>-</b>	<b>0.50</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 41,000</b>
Employee Benefits						12,800
<b>Total Personal Services</b>						<b>\$ 53,800</b>

## **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 (HON Company/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 below 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	200
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans and forage	900
Heinz, U.S.A.	Food processing	295
Hy-Vee Food Stores	Grocery store	358
HNI Corporation (HON Company/Industries)	Office furniture and material	3,400
Monsanto Company	Herbicides and ABS plastics	395
Muscatine Community School District	Education	844
Muscatine Community College	Higher education	140
County of Muscatine	County government	203
City of Muscatine	City government	222
Muscatine Power & Water	Utility	285
Musco Sports Lighting, Inc.	Sports lights	400
Stanley Consultants, Inc.	Engineers and architects	265
Raymond-Muscatine Inc.	Industrial trucks and end loaders	265
Trinity-Muscatine	Medical services	534
Wal-Mart Superstores	Discount and grocery store	337

\* Employment numbers reflect 2013 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	1,553
Central Middle School	6-8	1938	577
West Middle School	6-8	1960	643
Colorado Elementary	K-5	1962	311
Franklin Elementary	K-5	1954	324
Grant Elementary	K-5	1954	315
Jefferson Elementary	K-5	1928	370
Madison Elementary	K-5	1954	288
McKinley Elementary	K-5	1960	342

(Continued)

<u>Facility Name</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Enrollment</u>
(Continued)			
Mulberry Elementary	K-5	1962	269
Washington Elementary	K-5	1971	<u>349</u>
Total			<u>5,341</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:

<u>Year</u>	<i>Single Family Residence</i>		<i>Multi-Family Residence</i>		<i>Industrial</i>		<i>Commercial</i>		<i>Total Valuation</i>
	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	<u>No.</u>	<u>Valuation</u>	
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

(Continued)

<i>Single Family Residence</i>			<i>Multi-Family Residence</i>		<i>Total Industrial</i>		<i>Commercial</i>		<i>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>	
(Continued)									
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	13	1,813,560	0	0	2	1,431,000	6	19,328,475	22,573,035
2013	10	2,525,540	5	2,280,540	2	20,811,141	3	1,537,149	27,154,370

### Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

<u>Calendar Year</u>	<u>Muscatine County</u>	<u>State of Iowa</u>
2013	4.70%	4.60%
2012	5.50%	5.20%
2011	6.40%	5.90%
2010	7.80%	6.30%
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%

### 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 Permits</u>
2013	\$ 371,978,755	711
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

(Continued)

<u>Year</u> <u>Ended 3/31</u> (Continued)	<u>Retail Sales</u>	<u>Number of</u> <u>of Permits</u>
2007	351,046,365	708
2006	335,687,212	651
2005	313,698,848	642
2004	309,223,614	647

**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	<u>511</u>
	<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	223
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:	
Number of acres	80
Library:	
Number of registered borrowers	19,877
Circulation	388,781
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	4.6 million
Maximum daily capacity in gallons	18.0 million
Public transportation system:	
Buses	11
Fixed routes served	3
Shuttle vehicles operated	3
Municipal airport:	
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, information technology, 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
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